Securities Code No. 3382
May 12, 2009

To Our Shareholders:

8-8 Nibancho, Chiyoda-ku, Tokyo
Seven and i Holdings Co., Ltd.
Noritoshi Murata, President and Representative Director

CONVOCATION NOTICE OF THE 4TH ANNUAL SHAREHOLDERS' MEETING

You are invited to attend the 4th Annual Shareholders' Meeting of Seven and i Holdings Co., Ltd. (the "Company"), which will be held as indicated below.

Shareholders who do not plan to attend the meeting may exercise their voting rights by one of the following methods. You are kindly requested to examine the Shareholders' Meeting Reference Materials set out below, and exercise your voting right by 5:30 p.m. on May 27, 2009 (Wednesday).

[Exercise of voting rights in writing]

You are kindly requested to indicate your vote for or against the proposed actions on the enclosed Voting Instructions Form, and to return the completed Voting Instructions Form to the Company so that the Company receives the completed Voting Instructions Form by the above deadline.

[Exercise of voting rights by electronic method (via the Internet, etc.)]

After referring to Exercise of Voting Rights by Electronic Method on pages 67 to 68, please exercise your right to vote by electronic method on or before the deadline identified above.

Best regards

Notes

1. Date: 10:00 a.m., May 28, 2009 (Thursday)

2. Place: Head office of the Company (8-8 Nibancho, Chiyoda-ku, Tokyo), First Floor Conference Room

(Please refer to the map to the Annual Shareholders' Meeting site at the end of this document.)

3. Purposes of this Annual Shareholders' Meeting

Matters to be Reported:

(1) Reporting on the substance of the Business Report, the substance of the consolidated financial statements for the 4th fiscal year (from March 1, 2008 to February 28, 2009), and the results of audits of the consolidated financial statements by the accounting auditor and the Board of Corporate Auditors.

(2) Reporting on the substance of the financial atatements for the 4th fiscal year (from March 1, 2008 to February 28, 2009).

Matters to be Resolved:

Item No. 1: Appropriation of retained earnings.
Item No. 2: Partial Revision of the Articles of Incorporation.
Item No. 3: Election of fifteen (15) directors.
Item No. 4: Entrusting to the Company's Board of Directors determination of the subscription requirements for the share subscription rights, as stock options for stock-linked compensation issued to the executive officers of the Company, as well as the directors and executive officers of the Company's subsidiaries.

4. Matters to be Determined upon Convocation

(1) Please be advised that if you redundantly exercise your voting right both in writing and by electronic method, the Company will only deem your exercise by electronic method valid. Also, please be advised that if you exercise your voting right multiple times by electronic method, the Company will only deem the substance of your final exercise to be valid.

(2) If neither approval nor disapproval of each proposal is indicated on the Voting Instructions Form, the Company will deem that you indicated your approval of the proposal.

(3) If you wish to make a diverse exercise of your voting rights, please notify the Company in writing of your intention of making a diverse exercise of your voting rights and the reasons thereof by three (3) days prior to the Annual Shareholders' Meeting.

End

When you attend the Annual Shareholders' Meeting, please submit the enclosed Voting Instructions Form at the reception desk.

Any change in either of the Shareholders' Meeting Reference Materials, Business Report, Financial Statements, and Consolidated Financial Statements will be posted on the Company's website (http://www.7andi.com/st.html).

Accompanying Documents (Extract)

Business Report (March 1, 2008 to February 28, 2009)

1. Items Regarding Current Status of Corporate Group

(1) Business progress and results

In the 4th fiscal year, the Japanese economy was affected by the worsening global economic climate, which began with the financial crisis in the United States. The economic recession became increasingly severe, with substantial declines in corporate profitability.

In the retail industry, the operating environment continued to be challenging, as consumer sentiment worsened under the influence of sluggish incomes and the rapid worsening of employment conditions.

In this setting, to maximize enterprise value, the Company and the Group's operating companies worked to increase profits in existing businesses and implemented Groupwide initiatives to enhance Group synergies. With the Group's private brand—Seven Premium—we worked aggressively both to develop new products and to renew existing products. At the same time, due to bolstered sales of these products in convenience stores as well as superstores and food supermarkets, favorable results were recorded.

Also, initiatives targeting the further strengthening of existing operations and development of new operations included the establishment of SEVEN-ELEVEN CHINA Co., Ltd., in April 2008, Seven & i Netmedia Co., Ltd., in July 2008, and Seven Culture Network Co., Ltd., in January 2009. Furthermore, in August 2008, the Company established a business and capital tie up with Ain Pharmaciez Inc., a major drug store operator.

Consequently, our consolidated results in the 4th fiscal year were as follows.

In revenues from operations, domestic convenience store operations and financial services operations recorded favorable results, and in superstore operations, the new consolidation of Akachan Honpo Co., Ltd., and FUJIKOSHI CO., LTD., had the effect of increasing revenues. However, the exchange rate that was used in the consolidation of accounts from convenience store operations in North America reflected the appreciation of the yen. In addition, sales were sluggish in domestic superstore operations, department store operations, and food services operations. Consequently, revenues from operations declined 1.8% from the previous fiscal year, to ¥5,649.9 billion.

In operating income, the results of domestic superstore operations and department store operations worsened, but favorable results were recorded in convenience store operations and financial services operations. As a result, operating income increased 0.3%, to ¥281.8 billion.

Ordinary income rose 0.4%, to ¥279.3 billion, due to such factors as the growth in operating income.

Special losses were about the same as in the previous fiscal year, but special gains declined substantially. As a result, net income was down 29.3%, to ¥92.3 billion.

Overview of business by segment

An overview of business by segment in the 4th fiscal year is as follows. In the period under review, Akachan Honpo Co., Ltd., which was made a subsidiary in July 2007, and FUJIKOSHI CO. LTD., which was made a subsidiary in November 2007, were included in superstore operations as consolidated subsidiaries.

(i) Convenience store operations

In Japan, in accordance with the "area dominance store-opening strategy," which is the basic strategy for opening stores, Seven-Eleven Japan Co., Ltd., increased store openings in urban areas and aggressively moved ahead with the relocation of stores to favorable locations. In addition, it developed small-scale stores in such locations as offices, factories, hospitals, and schools. At the same time, Seven-Eleven Japan Co., Ltd., expanded its regional scope to include Toyama and Fukui prefectures in January 2009 and to include Shimane Prefecture in February 2009. Consequently, the number of domestic stores reached 12,298 stores in across 37 prefectures at the end of the 4th fiscal year, an increase of 264 stores from the end of the previous fiscal year.

In merchandising, Seven-Eleven Japan Co., Ltd., focused on sales of freshly prepared fast food products (available in 8,800 stores as of the end of the 4th fiscal year) made using in-store fryers (equipment for preparing fried foods) and on sales of Seven Premium products, centered on daily products that are frequently purchased. At the same time, it newly concluded comprehensive agreements with 19 local governments for the activation of local regions and worked to develop products using superior regional foods. In addition, Seven-Eleven Net, which was launched in July 2008, supplements the in-store lineup with a wide range of products, including approximately 3,000 alcoholic beverages, and at the same time, enables products purchased online to be picked up at stores. In these ways, Seven-Eleven Japan Co., Ltd., focused on the upgrade and expansion of services that can be used more conveniently by customers who visit a Seven-Eleven store every day. In addition to these types of initiatives, accompanying the introduction of cigarette vending machines that verify that purchasers are adults, in-store cigarette sales increased, and consequently results were favorable.

For 7-Eleven, Inc., of the United States, the retail environment was challenging, including a rapid decline in economic conditions, dramatic fluctuations in gasoline prices, and higher merchandise prices. In this setting, 7-Eleven, Inc., continued to focus on development and sales of differentiated products, such as fast food products and private brand products, and consequently the rate of growth in existing-store merchandise sales increased year on year. In addition, as a result of initiatives in new store openings and the conversion of stores to franchise stores, as of the end of December 2008, the number of stores was 6,196, an increase of 108 stores from the end of the previous fiscal year, including 4,220 franchise stores, an increase of 179 stores from the end of the previous fiscal year.

In China, SEVEN-ELEVEN (BEIJING) CO., LTD., had 72 stores in Beijing as of the end of December 2008, an increase of 12 stores from the end of the previous fiscal year, and sales recorded favorable results, centered on fast food products. SEVEN-ELEVEN CHINA Co., Ltd., which was established in April 2008, moved ahead with preparations for the development of stores through area licensees (companies with a license to operate Seven-Eleven stores in a limited region) in Shanghai.

Consequently, although Seven-Eleven Japan Co., Ltd., and 7-Eleven, Inc., recorded favorable sales, because the appreciation of the yen was reflected in the exchange rate used to consolidate the accounts of 7-Eleven, Inc., revenues from operations in convenience store operations were ¥2,308.6 billion, a decline of 3.6% from the previous fiscal year. In addition to an increase in income at Seven-Eleven Japan Co., Ltd., 7-Eleven, Inc., recorded a substantial increase in profits that offset the negative effect of the appreciation of the yen, and as a result operating income was ¥213.3 billion, an increase of 6.1% from the previous fiscal year.

(ii) Superstore operations

Ito-Yokado Co., Ltd., which develops superstore operations in Japan, had 175 stores at the end of the 4th fiscal year, a decline of 1 store from the end of the previous fiscal year. It opened Ario Otori, the seventh mall-type shopping center, in March 2008, and the Ito-Yokado Honmoku store, a neighborhood shopping center (NSC), in November 2008. On the other hand, it closed 3 stores. In new format stores, after remodeling was complete Ito-Yokado Co., Ltd., opened 2 “THE PRICE” discount stores, which are centered on food, and 1 urban-style home center store, which takes advantage of a favorable urban location.

In food, we bolstered our lineup of domestic fresh foods, for which customer needs are high. At the same time, with consumers making practical consumption choices with an emphasis on protecting standards of living, there is a growing trend toward eating at home, and in response, we focused on “sales that support household finances” and sales of Seven Premium products. As a result, sales remained strong. In addition, Net Supermarket, which supplements store operations, was available at 86 stores and its membership had grown to about 330,000 at the end of the 4th fiscal year. This business was highly regarded by customers for its convenience. Consequently, sales were favorable. On the other hand, in apparel and household goods, we took steps to improve profitability, such as strengthening development of private brand products and reevaluating the product mix for each store. At the same time, through the implementation of a variety of campaigns, we worked to stimulate demand. However, consumers increasingly focused on protecting their standard of living, sales were sluggish.

In domestic food supermarket operations, York-Benimaru Co., Ltd., had 156 stores at the end of the 4th fiscal year, an increase of 7 stores from the end of the previous fiscal year, principally in the Tohoku region, and York Mart Co., Ltd., had 60 stores, principally in the Tokyo metropolitan area. York-Benimaru Co., Ltd., worked to advance its lineup and implement active selling suitable for each time period in a day, and worked to provide safe, secure, and fresh foods at attractive prices. At the same time, it worked to bolster sales of Seven Premium products. Consequently, sales were firm. Also, York-Benimaru Co., Ltd., and York Mart Co., Ltd., worked to advance increased operational efficiency by sharing information regarding merchandise management and store operation.

In China, as of the end of December 2008, we had 8 superstores, an increase of 1 store from the end of the previous fiscal year, and 1 food supermarket, an increase of 1 store from the end of the previous fiscal year, in Beijing, and 3 superstores in Chengdu, Sichuan Province. As a result of efforts to aggressively hire local staff and develop human resources, as well as to enhance lineups and services that meet customer needs, such as strengthening sales of foods that are safe, secure, and fresh, sales and profits were both favorable.

Consequently, due in part to the new consolidation of Akachan Honpo Co., Ltd., and FUJIKOSHI CO., LTD., and to favorable sales in China, revenues from operations in superstore operations were ¥2,125.0 billion, an increase of 0.8% from the previous fiscal year, and operating income, due in part to lower profits at Ito-Yokado Co., Ltd., was ¥24.7 billion, a decline of 27.4% from the previous fiscal year.

(iii) Department store operations

Sogo Co., Ltd., and THE SEIBU DEPARTMENT STORES, LTD., took steps to respond to the changing market and the needs of neighborhood customers by opening Sogo Hachioji in March 2008, after a complete remodeling, and in October 2008, remodeled the sales area for women’s accessories and other goods and for women’s fashion, which is one of the key sales areas of the flagship SEIBU Ikebukuro store. In addition, targeting expansion of Group synergies, in October 2008, the Group Synergy Project was launched within Millennium Retailing, Inc. An organizational structure that will ensure smooth cooperation among operating companies has since been established. Furthermore, in January 2009, we launched the “SEIBU Fresh Foods Project,” and starting with the food sales area at the flagship SEIBU Ikebukuro store, we began to aggressively introduce new know-how through such means as personnel exchanges with Ito-Yokado Co., Ltd., and York-Benimaru Co., Ltd.

However, accompanying major fluctuations in stock markets, the operating environment for department stores worsened, with asset prices declining and consumer sentiment falling. In this setting, food products that strengthened special events, such as regional product fairs, did comparatively well but overall sales were sluggish, centered on high-priced items such as apparel, fine arts, and jewelry.

Consequently, revenues from operations in department store operations were ¥993.8 billion, a decline of 3.1% from the previous fiscal year. We worked to reduce costs, such as sales promotion expenses and personnel expenses, but sales were sluggish, centered on apparel, and consequently operating income was ¥18.3 billion, a decline of 28.8% from the previous fiscal year.

(iv) Food services operations

Seven & i Food Systems Co., Ltd., took steps to activate existing stores, centered on the restaurant division, such as bolstering menu items at reasonable prices and improving customer service. At the same time, Seven & i Food Systems Co., Ltd., worked to improve profitability by closing unprofitable stores and cutting operating costs. As a result of such measures as reevaluating menu items and prices, the number of customers followed a recovery trend, but the operating environment in the restaurant industry continued to be challenging, and sales were sluggish.

Consequently, revenues from operations in food services operations were ¥102.7 billion, a decrease of 9.9% from the previous fiscal year. As a result of rigorous efforts to reduce operating costs, operating loss was ¥2.9 billion, an improvement of ¥1.2 billion from the previous fiscal year.

(v) Financial services operations

Seven Bank, Ltd., which develops ATM operations, installed ATMs in Group stores, including the installation of a second ATM in Seven-Eleven stores with a high number of ATM users. In addition, it also proceeded with installations in locations outside the Group, such as at airports, hotels, hospitals, and expressway parking service areas. As a result, the ATM network recorded smooth growth. Seven Bank, Ltd. also took steps to promote the upgrade and expansion of services that raise the convenience of ATMs, such as expanding alliances with financial institutions at which IC cards can be used. As a result, at the end of the 4th fiscal year, Seven Bank, Ltd. had 13,755 installed ATMs, an increase of 738 installed ATMs from the end of the previous fiscal year, and the average daily transaction volume per ATM during the 4th fiscal year was strong, reaching 114.0 transactions, an increase of 5.7 transactions from the previous fiscal year.

IY Card Service Co., Ltd., which develops credit card operations, continued to focus on credit card operations while working to expand *nanaco* electronic money both inside and outside the Group. At the end of the 4th fiscal year, the number of stores at which *nanaco* could be used had expanded to about 23,000 stores. Moreover, IY Card Service Co., Ltd. took steps to further increase the convenience of its services. It began to provide QUICPay postpaid electronic money services with the *nanaco* card, as well as to enable the use of the IY Card credit card to charge the *nanaco* card. It also took Groupwide measures including the launch in June 2008 of a service under which *nanaco* points are awarded for transactions on Seven Bank accounts.

Consequently, due to favorable results at Seven Bank, Ltd., revenues from operations in financial services operations were ¥124.8 billion, an increase of 5.9% from the previous fiscal year, and operating income was ¥25.4 billion, a substantial increase of 20.9% from the previous fiscal year.

(vi) Others

In IT/Services operations, Seven and i Netmedia Co., Ltd., was established in July 2008 with overall responsibility for IT related operations. With it playing the central role, the Group moved forward with reorganization and consolidation of IT/Services operations area. Specifically, net services operational support and promotion functions for a variety of services operations were consolidated in 7dream.com, and e-commerce related operations were consolidated in Seven and Y Corp. In this way, the responsibilities of each operating company were clarified. Moreover, the Group is taking steps to establish a system for the development of new fields of business while drawing on the Group’s management resources, such as the establishment in January 2009 of Seven Culture Network Co., Ltd., which develops new businesses integrating community school and travel operations.

Consequently, in other operations revenues from operations were ¥35.0 billion, a decrease of 4.3% from the previous fiscal year, and operating income was ¥2.0 billion, a decline of 16.8% from the previous fiscal year.

Sales by segment

Business segment	Sales (Millions of yen)	Percentage of total (%)
Convenience stores	1,895,303	37.2
Superstores	2,087,776	41.0
Department stores	979,127	19.2
Food services	100,976	2.0
Financial services	7,593	0.2
Others	23,980	0.5
Total	5,094,757	100.0

(Notes)

1. Total store sales of Seven-Eleven Japan Co., Ltd., a subsidiary of the Company, were ¥2,762.5 billion. The amount above for convenience store sales includes only sales from corporate stores. If franchised store sales (total store sales less corporate store sales) are added, total sales would be ¥7,716.3 billion.
2. The amounts of sales in the table above are after the elimination of transactions among consolidated subsidiaries.

(2) Capital expenditures and fund-raising

Total capital expenditures in the 4th fiscal year were ¥188.9 billion. The funds required for these expenditures were appropriated from previously issued unsecured bonds and from funds on hand.

Business segment	Capital expenditures (Millions of yen)
Convenience stores	104,233
Superstores	46,064
Department stores	12,464
Food services	1,177
Financial services	23,932
Others	1,058
Corporate (shared)	12
Total	188,943

(Notes)

1. The amounts above include guaranty deposits and advances for store construction.
2. The amount for corporate (shared) is the Company’s capital expenditure.

(3) Trends in assets and profit/loss in the most recent three fiscal years

(i) Trends in the corporate group's assets and profit/loss

Item	1st fiscal year (March 1, 2005 to February 28, 2006)	2nd fiscal year (March 1, 2006 to February 28, 2007)	3rd fiscal year (March 1, 2007 to February 29, 2008)	4th fiscal year (March 1, 2008 to February 28, 2009)
Revenues from operations	Millions of yen 3,895,772	Millions of yen 5,337,806	Millions of yen 5,752,392	Millions of yen 5,649,948
Net income	Millions of yen 87,930	Millions of yen 133,419	Millions of yen 130,657	Millions of yen 92,336
Net income per share	Yen 100.83	Yen 142.90	Yen 137.03	Yen 100.54
Total assets	Millions of yen 3,424,878	Millions of yen 3,809,192	Millions of yen 3,886,680	Millions of yen 3,727,060
Net assets	Millions of yen 1,603,684	Millions of yen 1,969,149	Millions of yen 2,058,038	Millions of yen 1,860,672
Net assets per share	Yen 1,772.25	Yen 1,999.77	Yen 2,081.85	Yen 1,975.95

(ii) Trends in assets and profit/loss by segment

Business segment	Item	1st fiscal year (March 1, 2005 to February 28, 2006)	2nd fiscal year (March 1, 2006 to February 28, 2007)	3rd fiscal year (March 1, 2007 to February 29 2008)	4th fiscal year (March 1, 2008 to February 28, 2009)
		Millions of yen	Millions of yen	Millions of yen	Millions of yen
Convenience stores	Revenues from operations	2,015,236	2,249,648	2,395,701	2,308,690
	Operating income	209,815	206,090	201,032	213,367
	Total assets	1,177,401	1,221,548	1,295,164	1,267,179
Superstores	Revenues from operations	1,687,734	1,882,935	2,109,049	2,125,029
	Operating income	15,381	29,170	34,058	24,742
	Total assets	1,018,184	1,118,593	1,129,181	1,160,128
Department stores	Revenues from operations	—	988,357	1,025,354	993,877
	Operating income	—	26,772	25,764	18,335
	Total assets	741,535	811,465	781,267	704,695
Food services	Revenues from operations	124,025	121,683	113,980	102,711
	Operating income	2,625	931	(4,231)	(2,948)
	Total assets	83,561	78,638	69,204	58,206
Financial services	Revenues from operations	82,289	100,295	117,955	124,866
	Operating income	17,278	24,547	21,071	25,485
	Total assets	717,401	896,116	916,729	1,055,492
Others	Revenues from operations	19,780	32,340	36,653	35,079
	Operating income	808	1,621	2,488	2,069
	Total assets	18,020	11,830	16,580	21,543

(Notes)

1. The Company was established on September 1, 2005, and the consolidated financial statements for the 1st fiscal year were created as if the Company was established on March 1, 2005.

2. From the 2nd fiscal year, the “Accounting Standard for Presentation of Net Assets in the Balance Sheet” (ASBJ Statement No. 5; December 9, 2005) and the “Guidance on Accounting Standard for Presentation of Net Assets in the Balance Sheet” (ASBJ Guidance No. 8 December 9, 2005) have been applied.

3. Net income per share is calculated on the basis of the average number of shares issued during the 4th fiscal year, excluding the number of treasury stock. Net assets per share is calculated on the basis of the total number of shares issued at the end of the 4th fiscal year (number of shares excluding treasury stock).

(4) Corporate reorganization measures, etc.

(i) Integration of financial services operations in SEVEN & i FINANCIAL GROUP CO., LTD.

To strengthen the Group's financial services operations, the following absorption-type demerger was implemented as one facet of efforts to consolidate these operations.

・SEVEN & i FINANCIAL GROUP CO., LTD., through an absorption-type demerger effective March 1, 2008, took control over the financial services operations of the Company and Seven-Eleven Japan Co., Ltd., and acquired the shares of IY Card Service Co., Ltd., York Insurance Co., Ltd., SE CAPITAL CORPORATION, and Seven Cash Works Co., Ltd., that were held by the Company and the shares of SE CAPITAL CORPORATION that were held by Seven-Eleven Japan Co., Ltd.

(ii) Acquisition of shares of Ain Pharmaciez Inc. by the Company

On August 5, 2008, the Company and Ain Pharmaciez Inc. concluded a memorandum of understanding and reached a basic agreement regarding a capital and business tie up In accordance with a "stock subscription agreement" of the same date, Ain Pharmaciez Inc. allocated 1,000,000 new shares to the Company through a third-party allocation on August 26, 2008.

(iii) Integration of net media related operations and publishing related operations in Seven & i Netmedia Co., Ltd.

To strengthen the Group's net media related operations and publishing related operations, the following absorption-type demerger was implemented as one facet of efforts to consolidate these operations.

・Seven & i Netmedia Co., Ltd., through an absorption-type demerger effective September 1, 2008, took control over the net media operations of Seven-Eleven Japan Co., Ltd., and acquired the shares of Seven and Y Corp. and the shares of 7dream.com that were held by Seven-Eleven Japan Co., Ltd.

・Seven & i Netmedia Co., Ltd., through an absorption-type demerger effective March 1, 2009, took control over the publishing related operations of Ito-Yokado Co., Ltd., and Seven-Eleven Japan Co., Ltd., and acquired the shares of SEVEN & i Publishing Co., Ltd., that were held by Ito-Yokado Co., Ltd., and Seven-Eleven Japan Co., Ltd.

(iv) Integration of community school operations in Seven Culture Network Co., Ltd.

To strengthen the Group's community school operations, the following absorption-type demerger was implemented as one facet of efforts to consolidate these operations.

・Seven Culture Network Co., Ltd., through an absorption-type demerger effective March 1, 2009, took control over the community arena operations of Ito-Yokado Co., Ltd., and the Ikebukuro Community College operations of THE SEIBU DEPARTMENT STORES, LTD.

(v) Resolution of basic policy for the merger of Millennium Retailing, Inc., Sogo Co., Ltd., and THE SEIBU DEPARTMENT STORES, LTD.

A basic policy for the merger of Millennium Retailing, Inc., Sogo Co., Ltd., and THE SEIBU DEPARTMENT STORES, LTD., was approved at board of directors meetings held by each of the companies on January 30, 2009. In accordance with the policy, Sogo Co., Ltd., will be the surviving company, and the name of the surviving company will be changed to Sogo Seibu Co., Ltd. Moving forward, the details of the merger will be considered. The companies plan to conclude a merger agreement in June 2009 and to implement the merger with an effective date of August 1, 2009.

(5) Status of major subsidiaries (as of February 28, 2009)

(i) Status of major subsidiaries

Business segment	Company name	Paid-in capital	Percentage voting rights (%)
Convenience stores	Seven-Eleven Japan Co., Ltd.	¥17,200 million	100.0
	7-Eleven, Inc. (U.S.)	US$11 thousand	100.0
Superstores	Ito-Yokado Co., Ltd.	¥40,000 million	100.0
	York-Benimaru Co., Ltd.	¥9,927 million	100.0
Department stores	Millennium Retailing, Inc.	¥37,733 million	100.0
	Sogo Co., Ltd.	¥1,000 million	100.0
	THE SEIBU DEPARTMENT STORES, LTD.	¥6,000 million	100.0
Food services	Seven & i Food Systems Co., Ltd.	¥3,000 million	100.0
Financial services	Seven Bank, Ltd.	¥30,500 million	47.8

(Note) The percentage voting rights in 7-Eleven, Inc., Sogo Co., Ltd., THE SEIBU DEPARTMENT STORES, LTD., and Seven Bank, Ltd., are indirect holdings.

(ii) Status of other major business combinations

None.

(iii) Consolidated subsidiaries and equity-method affiliates

The Company has 83 consolidated subsidiaries and 13 equity-method affiliates.

(iv) Technical assistance

Seven-Eleven Japan Co., Ltd., has concluded a technical assistance agreement with 7-Eleven, Inc., for the purpose of introducing Seven-Eleven convenience store chain management know-how.

(6) Issues to be resolved

The operating environment in the retail industry is expected to remain challenging, with a worsening of the global financial crisis and concern about further declines in business conditions. In this environment, the Company and its operating companies, supported by a stable financial position, will work to further strengthen the revenue base and at the same time aim to establish “a new comprehensive lifestyle industry” through the leveraging of Group synergies in ways that transcend format boundaries.

Targeting expansion of Group synergies, we will continue working to expand lineups through the development of new Seven Premium products and to maintain and increase quality through the renewal of existing products. At the same time, we will take steps to expand sales channels, such as starting the handling of Seven Premium products at Group department stores and Ain Pharmaciez drug stores. Moreover, we will also take on the challenge of implementing a product strategy that maximally utilizes the economies of scale of the Group, such as joint procurement of products and raw materials among Group companies and joint sales promotions with manufacturers.

In the domestic convenience store business, we will continue to step up store openings in favorable locations and at the same time we will move ahead with store development in new areas. In merchandising, we will continue to focus on developing fast food products and regional products, and increasing their quality. Also, accompanying changes in society, such as the aging of the population and the increase in working women, needs for close, convenient stores are increasing. In this setting, we will take steps to create stores that meet the needs of a wide range of customers, such as bolstering lineups of products that are frequently used in daily life.

In regard to overseas convenience store operations, 7-Eleven, Inc., of the United States, will focus on advancing new store openings and conversion to franchising, and at the same time will take steps to aggressively activate existing stores, such as expanding lineups of fast food products and bolstering development of private brand products. Moreover, in China the Group will continue to extend store operations in Beijing, and will proceed with preparations for store development in new regions.

In superstore operations, in an environment marked by strengthening trends toward eating at home and lifestyle-protection consumption patterns, we will work to provide food that is safe, secure, and fresh and to bolster sales of Seven Premium products. Ito-Yokado Co., Ltd., will work to expand direct overseas procurement, centered on the field of apparel, and thereby improve profitability, and at the same time will take rigorous steps to cut costs. To improve store revenue/profit structure, Ito-Yokado Co., Ltd., will implement aggressive measures, including conversion to new formats, such as discount stores, reorganization of sales areas in apparel and household goods, and store reforms, including the introduction of Group specialty stores, such as Akachan Honpo stores, as tenants. In food supermarkets, the Group will continue measures targeting the reorganization and consolidation of food supermarket operations, with York-Benimaru Co., Ltd., as the core operating company. At the same time, the Group will open new stores.

In department store operations, we will implement structural reforms, with the objective of concentrating management resources and increasing asset efficiency. In August 2009, Sogo Co., Ltd., THE SEIBU DEPARTMENT STORES, LTD., and Millennium Retailing, Inc., will merge, with Sogo Co., Ltd., as the surviving company. The surviving company (Sogo Seibu Co., Ltd.) will strive to raise profit generating capacity by realizing cost reductions through the consolidation of head office functions, and at the same time, by focusing management resources on the flagship SEIBU Ikebukuro store, which has especially high sales capabilities. Moreover, as one facet of measures to raise asset efficiency, the Company plans to sell the Sogo Shinsaibashi store in September 2009. Also, in regard to stores in favorable locations near terminal stations, we will work to raise store competitiveness through the maximal utilization of the Group’s know-how, centered on food sales areas.

As initiatives targeting development of new operations, in March 2009, we established Seven

Internet Lab. Co., Ltd., which will work in research and system development regarding IT technology, in cooperation with NEC Corporation. Also, we plan to establish a new company to strengthen our drug store operations through the alliance with Ain Pharmaciez Inc.

At this point, the Company has not concretely finalized its basic policy on persons who control the Company's decisions on financial matters and business policies (Article 118, Paragraph 3 of the Ordinance for Enforcement of the Companies Act). However, we aim to maximize enterprise value of the Company and the Group through such means as further improving performance and bolstering corporate governance, and we believe that appropriate measures are needed for dealing with large-scale acquisitions of the Company's shares that could damage the enterprise value of the Company and the Group. We will continue to carefully consider our basic policy on this issue with consideration for developments in legal systems, court decisions, and social trends.

We would like to ask for the further support of our shareholders in the years ahead.

(7) Scope of principal businesses (as of February 28, 2009)

The Group is centered on the retail industry and comprises 98 companies (including the Company itself), with the Company as a pure holding company. The Group’s principal business activities are convenience store operations, superstore operations, department store operations, food services operations, and financial services operations.

Business segments, names of major Group companies, and numbers of companies are as follows. This segmentation is the same as that used in the segment information section.

Business segments	Names of major Group companies
Convenience Store Operations (39 companies)	Seven-Eleven Japan Co., Ltd. 7-Eleven, Inc. SEVEN-ELEVEN CHINA Co., Ltd.*1 SEVEN-ELEVEN (BEIJING) CO., LTD. SEVEN-ELEVEN (HAWAII), INC. SEJ Finance LLC*2 SEJ Service LLC*2 WHP Holdings Corporation*3 White Hen Pantry, Inc. Pantry Select, Inc. TOWER BAKERY CO., LTD.*4
Superstore Operations (17 companies)	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.
Department Store Operations (17 companies)	Millennium Retailing, Inc.*5 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*4 K.K. K.S. Building*4 CHIBA SENCITY CORPORATION*4 K.K. Kashiwa Ekimae Building Kaihatsu*4 K.K. Omiya Sky Plaza*4
Food services (1 company)	Seven & i Food Systems Co., Ltd.

Financial services (7 companies)	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.
Others (16 companies)	SEVEN & i Publishing Co., Ltd. IY Real Estate Co., Ltd. K.K. York Keibi Seven & i Netmedia Co., Ltd.*6 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.*7 I ing Co., Ltd.*4 Susukino Jujigai Building K.K.*4

(Notes)

*1. On April 10, 2008, SEVEN-ELEVEN CHINA Co., Ltd., was established as a consolidated 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 consolidated subsidiary of the Company.

*7. On January 15, 2009, Seven Culture Network Co., Ltd., was established as a consolidated subsidiary of the Company.

(8) Principal business locations (as of February 28, 2009)

(i) The Company

• Head office: 8-8 Nibancho, Chiyoda-ku, Tokyo

(ii) Principal subsidiaries

(Convenience stores)

Seven-Eleven Japan Co., Ltd.

- Head office: 8-8 Nibancho, Chiyoda-ku, Tokyo
- Corporate stores: 714 stores (a decrease of 90 stores from the end of the previous fiscal year)

7-Eleven, Inc.

- Head office: Texas, U.S.A.
- Corporate stores: 1,976 stores (a decrease of 71 stores from the end of the previous fiscal year)

(Note) The number of corporate stores for 7-Eleven, Inc., is the number of stores as of the end of December 2008.

(Superstores)

Ito-Yokado Co., Ltd.

- Head office: 8-8 Nibancho, Chiyoda-ku, Tokyo
- Corporate stores: 175 stores (a decrease of 1 store from the end of the previous fiscal year)

York-Benimaru Co., Ltd.

- Head office: 18-2, 2-chome, Asahi, Koriyama, Fukushima
- Corporate stores: 156 stores (an increase of 7 stores from the end of the previous fiscal year)

(Department stores)

Millennium Retailing, Inc.

- Head office: 1-30, 2-chome, Kudan-Minami, Chiyoda-ku, Tokyo

Sogo Co., Ltd.

- Head office: 8-3, 1-chome, Shinsaibashisuji, Chuo-ku, Osaka City
- Corporate stores: 12 stores (no change from the end of the previous fiscal year)

THE SEIBU DEPARTMENT STORES, LTD.

- Head office: 28-1, 1-chome, Minami-Ikebukuro, Toshima-ku, Tokyo
- Corporate stores: 16 stores (no change from the end of the previous fiscal year)

(Food services)

Seven & i Food Systems Co., Ltd.

- Head office: 8-8 Nibancho, Chiyoda-ku, Tokyo
- Corporate stores: 954 stores (a decrease of 86 stores from the end of the previous fiscal year)

(Note) Total number of stores for the restaurant division, the contract food division, and the fast food division.

(Financial services)

Seven Bank, Ltd.

- Head office: 6-1, 1-chome, Marunouchi, Chiyoda-Ku, Tokyo

(9) Status of employees (as of February 28, 2009)

(i) Status of employees of the corporate group

Business segment	Number of employees	Change from the previous fiscal year-end
Convenience stores	24,017 employees	1,813 employees (decrease)
Superstores	19,297 employees	761 employees (decrease)
Department stores	8,025 employees	1,342 employees (increase)
Food services	1,622 employees	180 employees (decrease)
Financial services	510 employees	32 employees (increase)
Others	622 employees	31 employees (increase)
Corporate (shared)	393 employees	20 employees (increase)
Total	54,486 employees	1,329 employees (decrease)

(Notes)

1. The number of employees is the number of workers (excluding people dispatched from the Group to outside the Group, but including people dispatched from outside the Group to the Group).
2. In addition to the number of employees listed above, the Company and the Group employ 92,451 part-time employees (monthly average number of employees following conversion to standard 8-hour workdays).
3. The number of employees for corporate (shared) is the number of employees of the Company.
4. The increase in the number of employees in department store operations is principally due to making part-time workers regular employees at THE LOFT CO., LTD.

(ii) Status of employees of the Company

	Number of employees	Change from the previous fiscal year-end	Average age	Average number of years of continuous service
Males	278 employees	23 employees (increase)	44 years 7 months	18 years 2 months
Females	115 employees	3 employees (decrease)	34 years 11months	12 years 8 months
Total or average	393 employees	20 employees (increase)	41 years 9 months	16 years 7 months

(Notes)

1. The number of employees of the Company is principally composed of employees who have transferred from Seven-Eleven Japan Co., Ltd., Ito-Yokado Co., Ltd., and Denny's Japan Co., Ltd., (merged into Seven & i Food Systems Co., Ltd., on September 1, 2007, through an absorption-type merger) and the average number of years of continuous service is the total of the number of years worked at each company.
2. In addition to the number of employees listed above, the Company employs 16 part-time workers (monthly average number of employees following conversion to standard 8-hour workdays).

(10) Status of major lenders (as of February 28, 2009)

Lender	Amount borrowed (Millions of yen)
Mizuho Corporate Bank, Ltd.	126,252
Sumitomo Mitsui Banking Corporation	101,696
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	68,488

(11) Other important items regarding the current state of the corporate group

None.

2. Items Regarding Shares (as of February 28, 2009)

(1) Number of shares authorized to be issued: 4,500,000,000 shares

(2) Number of shares issued: 906,441,983 shares

(Notes)
1. Number of shares issued includes 2,966,362 treasury stock.
2. Number of shares issued has been reduced by 50,000,000 shares from the previous fiscal year-end as a result of the retirement of treasury stock on July 31, 2008.

(3) Number of shareholders: 102,051

(4) Major shareholders owning more than 10% of shares issued:

No shareholders own more than 10% of shares issued. The ten (10) largest shareholders are as follows:

Name of Shareholders	Ownership of the Company	
	Number of shares (thousand shares)	Percentage of shares issued (%)
Ito-Kogyo Co., Ltd.	68,754	7.6
Japan Trustee Services Bank, Ltd. (Trust account)	50,059	5.5
Japan Trustee Services Bank, Ltd. (Trust account 4G)	43,942	4.9
The Master Trust Bank of Japan, Ltd. (Trust account)	40,055	4.4
The Dai-ichi Mutual Life Insurance Company	27,577	3.1
Nippon Life Insurance Company	20,664	2.3
Masatoshi Ito	19,331	2.1
MITSUI & CO., LTD.	16,222	1.8
Mellon Bank, N.A. Treaty Clients Omnibus	12,552	1.4
State Street Bank and Trust Company 505225	12,523	1.4

(Note)

Ownership percentages are calculated excluding treasury stock.

3. Items Regarding Share Subscription Rights

(1) Overview, etc., of the share subscription rights held by directors or corporate auditors of the Company as compensation for the performance of their duties (as of February 28, 2009)

Name of share subscription rights issue		1st share subscription rights issue	2nd share subscription rights issue
Date of resolution for issue		July 8, 2008	July 8, 2008
Number of the share subscription rights		159	264
Class and number of shares to be acquired upon exercise of the share subscription rights		15,900 ordinary shares of the Company (with one share subscription right corresponding to 100 shares)	26,400 ordinary shares of the Company (with one share subscription right corresponding to 100 shares)
Amount to be paid for the share subscription rights		¥307,000 per subscription right	No payment is required in exchange for the share subscription rights
Amount of property contributed upon exercise of the share subscription rights		¥100 per subscription right (¥1 per share)	¥100 per subscription right (¥1 per share)
Exercise period		From May 1, 2009 To August 6, 2028	From August 7, 2009 To August 6, 2038
Exercise conditions		(Note)	(Note)
Directors or corporate auditors' ownership status	Directors (excluding outside directors)	Number of the share subscription rights: 159 Class and number of corresponding shares: 15,900 ordinary shares Number of directors holding the share subscription rights: 4	Number of the share subscription rights: 264 Class and number of corresponding shares: 26,400 ordinary shares Number of directors holding the share subscription rights: 7

(Note) Exercise conditions are as follows:

(i) A share subscription right holder may exercise the share subscription rights only within ten (10) days from the day following the day he/she loses his/her position as a director or executive officer of the Company, or as a director or executive officer of the Company's subsidiaries.

(ii) If a share subscription right holder passes away, his/her heir may exercise such right. The conditions for exercising the share subscription right by the heir shall be as set forth in the agreement referred to in (iii) below.

(iii) Other conditions shall be as set forth in the "Agreement for First Allotment of Share Subscription Rights" entered into between the Company and the share subscription right holders based on a resolution of the Board of Directors.

(2) Overview, etc., of the share subscription rights granted to employees, etc., during the 4th fiscal year as compensation for the performance of their duties

Name of share subscription rights issue		2nd share subscription rights issue
Date of resolution for issue		July 8, 2008
Number of the share subscription rights		694
Class and number of shares to be acquired upon exercise of the share subscription rights		69,400 ordinary shares of the Company (with one share subscription right corresponding to 100 shares)
Amount to be paid for the share subscription rights		No payment is required in exchange for the share subscription rights
Value of property to be contributed upon exercise of the share subscription rights		¥100 per subscription right (¥1 per share)
Exercise period		From August 7, 2009 To August 6, 2038
Exercise conditions		(Note)
Status of grants to employees, etc.	Employees of the Company (excluding those concurrently serving as directors or corporate auditors of the Company)	Number of the share subscription rights: 184 Class and number of corresponding shares: 18,400 ordinary shares Number of recipients: 16
	Directors, corporate auditors, and employees of subsidiaries (excluding those concurrently serving as directors, corporate auditors, or employees of the Company)	Number of the share subscription rights: 510 Class and number of corresponding shares: 51,000 ordinary shares Number of recipients: 69

(Note) Exercise conditions are as follows:

(i) A share subscription right holder may exercise the share subscription rights only within ten (10) days from the day following the day he/she loses his/her position as a director or executive officer of the Company, or as a director or executive officer of the Company's subsidiaries.

(ii) If a share subscription right holder passes away, his/her heir may exercise such right. The conditions for exercising the share subscription right by the heir shall be as set forth in the agreement referred to in (iii) below.

(iii) Other conditions shall be as set forth in the "Agreement for Second Allotment of Share Subscription Rights" entered into between the Company and the share subscription right holders based on a resolution of the Board of Directors.

4. Items Regarding the Company's Directors and Corporate Auditors

(1) Directors and corporate auditors (as of February 28, 2009)

Position in the Company	Name	Areas of responsibility and representation etc., at other entities
Representative Director and Chairman	Toshifumi Suzuki	Chief Executive Officer (CEO) of the Company Representative Director and Chairman of Seven-Eleven Japan Co., Ltd. Representative Director and Chairman of Ito-Yokado Co., Ltd. Representative Director and Chairman of 7-Eleven, Inc. Representative Director and Chairman of SEVEN-ELEVEN (HAWAII), INC.
Representative Director and President	Noritoshi Murata	Chief Operating Officer (COO) of the Company
Director	Tadahiko Ujiie	Chief Financial Officer (CFO) of the Company Representative Director and President of SE CAPITAL CORPORATION Representative Director and President of SEVEN & i Financial Center Co., Ltd. Representative Director and President of SEVEN & i FINANCIAL GROUP CO., LTD.
Director	Katsuhiro Goto	Chief Administrative Officer (CAO) of the Company Representative Director and President of Seven & i Netmedia, Co., Ltd.
Director	Atsushi Kamei	Representative Director and President of Ito-Yokado Co., Ltd.
Director	Toshiro Yamaguchi	Representative Director and President of Seven-Eleven Japan Co., Ltd.
Director	Akihiko Hanawa	President of Beijing Wang fu jing Yokado Commercial Co., Ltd. Representative Director and President of Seven & i Food Systems Co., Ltd.
Director	Takashi Anzai	Representative Director and President of Seven Bank, Ltd.
Director	Zenko Ohtaka	Representative Director and President of York-Benimaru Co., Ltd.
Director	Noritaka Shimizu	President of Aichi Public University
Director	Scott Trevor Davis	
Director	Ikujiro Nonaka	
Standing Corporate Auditor	Ikuo Kanda	
Standing Corporate Auditor	Hisashi Seki	
Corporate Auditor	Yoko Suzuki	
Corporate Auditor	Hiroshi Nakachi	
Corporate Auditor	Megumi Suto	

(Notes) 1. Significant positions held concurrently by directors or corporate auditors of the Company during the 4th fiscal year are as follows:

Name		Concurrent positions
Representative Director and Chairman	Toshifumi Suzuki	Executive Vice President of Tohan Corporation
Director	Tadahiko Ujiie	Director of Seven-Eleven Japan Co., Ltd. Director of Seven Bank, Ltd.
Director	Katsuhiro Goto	Director of Ito-Yokado Co., Ltd. Director of Millennium Retailing, Inc.
Director	Atsushi Kamei	Director of Millennium Retailing, Inc. Director of Mall & SC Development Inc.
Director	Akihiko Hanawa	Director of Ito-Yokado Co., Ltd.
Director	Takashi Anzai	Corporate Auditor of The Asahi Shimbun Company
Director	Scott Trevor Davis	Professor of the Department of Global Business, College of Business, Rikkyo University
Director	Ikujiro Nonaka	Xerox Distinguished Professor in Knowledge, Haas School of Business, University of California, Berkeley Emeritus Professor of Hitotsubashi University Emeritus Scholar of The Drucker School, Claremont Graduate University
Standing Corporate Auditor	Ikuo Kanda	Corporate Auditor of Ito-Yokado Co., Ltd. Corporate Auditor of York-Benimaru Co., Ltd. Corporate Auditor of York Mart Co., Ltd.
Standing Corporate Auditor	Hisashi Seki	Corporate Auditor of Seven-Eleven Japan Co., Ltd.
Corporate Auditor	Yoko Suzuki	Attorney at Law
Corporate Auditor	Hiroshi Nakachi	Certified Public Accountant
Corporate Auditor	Megumi Suto	Dean of the Waseda Graduate School of Finance, Accounting and Law, and Director of the Waseda Center for Finance Research

2. Directors Noritaka Shimizu, Scott Trevor Davis, and Ikujiro Nonaka are outside directors as per Article 2, Item 15 of the Companies Act.

3. Corporate auditors Yoko Suzuki, Hiroshi Nakachi, and Megumi Suto are outside auditors as per Article 2, Item 16 of the Companies Act.

4. Standing corporate auditor Ikuo Kanda and corporate auditors Hiroshi Nakachi and Megumi Suto have the following expertise with regard to finance and accounting.

・Ikuo Kanda was engaged in operations related to accounting and the settlement of accounts for more than ten (10) years in operational and administrative department of Ito-Yokado Co., Ltd.

・Hiroshi Nakachi is a certified public accountant.

・Megumi Suto has served on the FSA’s Financial System Council, and on the MOF’s Council on

Customs, Tariff, Foreign Exchange and Other Transactions.

5. Executive officers of the Company as of February 28, 2009 were as follows:

Position	Name
Chief Executive Officer (CEO)	Toshifumi Suzuki
Chief Operating Officer (COO)	Noritoshi Murata
Chief Financial Officer (CFO)	Tadahiko Ujiie
Chief Administrative Officer (CAO)	Katsuhiro Goto
Managing Executive Officer	Minoru Inaoka
Executive Officer	Masao Eguchi
Executive Officer	Yoshihiro Tanaka
Executive Officer	Tomio Nishikawa
Executive Officer	Katsuhisa Konuki
Executive Officer	Yasuo Takaha
Executive Officer	Kazuo Otsuka
Executive Officer	Takafumi Kanemitsu
Executive Officer	Kunio Takahashi
Executive Officer	Akihiko Shimizu
Executive Officer	Masayuki Sato
Executive Officer	Akira Miyakawa
Executive Officer	Tsuyoshi Kobayashi
Executive Officer	Kazuyo Soda

(2) Directors who retired during the 4th fiscal year

Position at time of retirement	Name	Areas of responsibility and representation etc., at other entities at time of retirement	Date of retirement
Director	Kazuyoshi Sano	Representative Director and President of Millennium Retailing, Inc.	September 30, 2008

(Note)

Director Kazuyoshi Sano retired as the Representative Director and President of Millennium Retailing, Inc., on September 30, 2008.

(3) Aggregate compensation paid to directors and corporate auditors for the 4th fiscal year

Classification	Number of persons	Aggregate amount of compensation (Millions of yen)
Directors (of which, outside directors)	14 (3)	279 (28)
Corporate auditors (of which, outside auditors)	5 (3)	66 (27)
Total	19	346

(Notes)

1. Included above is one (1) director who retired upon the conclusion of the 3rd Annual Shareholders' Meeting, held on May 22, 2008.
2. The aggregate amounts of compensation shown above do not include the compensation paid as employees to directors who serve concurrently as employees.
3. It was resolved at the 1st Annual Shareholders Meeting, held on May 25, 2006, that the annual amount of compensation paid to directors shall not exceed ¥1,000 million (not including compensation paid as employees) and that the annual amount of compensation paid to corporate auditors shall not exceed ¥100 million.
4. The aggregate compensation shown above includes:

・¥55 million added to the allowance for bonuses to directors and corporate auditors corresponding to the 4th fiscal year.

・¥48 million as stock options for stock-linked compensation issued to four (4) directors (excluding outside directors).

(4) Items related to outside directors and corporate auditors

(i) Concurrent positions at other companies and relationships between the Company and those other companies

None.

(ii) Concurrent outside directorships or corporate auditorships at other companies

Name		Company name	Title
Director	Noritaka Shimizu	JS Group Corporation	Outside Auditor
Director	Scott Trevor Davis	Nissen Holdings Co., Ltd.	Outside Auditor
Director	Ikujiro Nonaka	Fujitsu Limited Mitsui & Co., Ltd.	Outside Director Outside Director
Corporate Auditor	Yoko Suzuki	Ito-Yokado Co., Ltd.	Outside Auditor
Corporate Auditor	Hiroshi Nakachi	TV Tokyo Corporation Ito-Yokado Co., Ltd.	Outside Director Outside Auditor
Corporate Auditor	Megumi Suto	Mitsui Sumitomo Insurance Co., Ltd.	Outside Auditor

(iii) Main activities during the 4th fiscal year

・Attendance and remarks in meetings of the Board of Directors and Board of Corporate Auditors

(Outside directors)

The Board of Directors met thirteen (13) times during the 4th fiscal year (of which, ten (10) meetings were held after the conclusion of the 3rd Annual Shareholders’ Meeting, held on May 22, 2008). Noritaka Shimizu attended thirteen (13) of those meetings, Scott Trevor Davis attended twelve (12), and Ikujiro Nonaka, who was newly appointed as a director at the 3rd Annual Shareholders’ Meeting of May 22, 2008, attended ten (10) meetings. The three (3) outside directors gave advice and made proposals to ensure the suitability and appropriateness of the Board’s decision-making, primarily by expressing their opinions—mainly from the perspective of management and administration for Mr. Shimizu, management and administration and corporate social responsibility for Mr. Davis, and organizational and management theory for Mr. Nonaka.

(Outside corporate auditors)

The Board of Directors met thirteen (13) times during the 4th fiscal year, and Yoko Suzuki attended thirteen (13) of those meetings, Hiroshi Nakachi attended twelve (12), and Megumi Suto attended thirteen (13) meetings. The Board of Corporate Auditors met twenty (20) times during the 4th fiscal year, and Ms. Suzuki attended twenty (20) of those meetings, Mr. Nakachi attended nineteen (19), and Ms. Suto attended nineteen (19) meetings. The three (3) outside corporate auditors asked questions and expressed their opinions as appropriate — primarily from a legal perspective for Ms. Suzuki, account and tax perspective for Mr. Nakachi, and a corporate governance perspective for Ms. Suto.

・Exchanges of opinions with directors, etc.

The outside directors and corporate auditors met regularly and as necessary with representative directors and directors, etc., and directly exchanged opinions regarding the Company’s management, corporate governance, etc. The outside corporate auditors also visited the places of business of major subsidiaries and exchanged opinions with the directors and corporate auditors, etc., of operating companies.

(iv) Summary of contract limiting liability

The Company has concluded contracts with the outside directors and outside corporate auditors as per Article 427, Paragraph 1 of the Companies Act, limiting their liability for compensation for damage to those stipulated in Article 423, Paragraph 1 of the Companies Act.

These contracts limit the amount of their liability for compensation to the minimum legally stipulated amounts.

5. Items Related to the Accounting Auditor

(1) Name: KPMG AZSA & Co.

(2) Amount of compensation

	Amount paid (Millions of yen)
Amount of compensation for services as accounting auditor for the 4th fiscal year	408
Total amount of monies and other financial benefits to be paid to the accounting auditor by the Company and its subsidiaries	435

(Notes)

1. Of the Company's major subsidiaries, 7-Eleven, Inc., Millennium Retailing, Inc., Sogo Co., Ltd., and THE SEIBU DEPARTMENT STORES, LTD., are audited by accounting auditors other than KPMG AZSA & Co.

2. Aggregate amounts of compensation for the 4th fiscal year are shown because under the audit contract concluded between the Company and the accounting auditor, the amounts of the accounting auditor's compensation for audits as per the Companies Act and for audits as per the Financial Instruments and Exchange Act are not clearly separated and cannot therefore practically be separated.

(3) Non-audit operations

The Company also pays the accounting auditor as compensation for advisory operations related to internal controls for financial reporting, which are operations (non-audit operations) other than those designated in Article 2, Paragraph 1 of the Certified Public Accountants Act.

(4) Policy for determining the dismissal or non-reappointment of the accounting auditor

In the event the reasons stipulated in Article 340, Paragraph 1 of the Companies Act become applicable to the accounting auditor, the Board of Corporate Auditors will consider the dismissal of that accounting auditor, and if dismissal is deemed appropriate, the accounting auditor will be dismissed based on the unanimous agreement of the Board of Corporate Auditors. In the event the Board of Directors determines that circumstances related to the accounting auditor's performance of its duties and the Company's audit system necessitate a change in accounting auditor, the Board of Directors will obtain the consent of the Board of Corporate Auditors, and propose a resolution for the non-reappointment of the accounting auditor to a shareholders' meeting.

(5) Summary of contract limiting liability

None.

6. Systems for Ensuring Appropriate Operations

The Board of Directors has approved the following regarding “the development of systems for ensuring that the execution of duties by the directors comply with laws, regulations, and the Articles of Incorporation and other systems required by the Ministry of Justice Ordinance for ensuring the compliance of operations performed by a corporation,” as stipulated by the Companies Act.

(1) Systems for ensuring that the execution of duties by directors and employees is compliant with laws, regulations, and the Articles of Incorporation

(i) All Group companies shall comply with the *Corporate Creed* and the *Corporate Action Guidelines*. In order to continue to be trusted and known for integrity, all Group companies shall implement ethical corporate activities; strictly observe laws, regulations, and social norms; and announce their fulfillment of corporate social responsibilities. On that basis, the Company shall establish, maintain, and utilize compliance systems, centered on the Compliance Committee; operate help lines; promote fair trade; and reevaluate the *Corporate Action Guidelines* and the guidelines of each company. In these ways, compliance shall be further enhanced.

(ii) All Group companies will announce their commitment to not having any contact with antisocial groups and will clearly refuse unreasonable requests. Through cooperation with outside specialists, such as the police and lawyers, we will rapidly implement legal countermeasures, both civil and criminal.

(iii) The Auditing Office, which is independent from operating departments, will audit and confirm the status of the maintenance and operation of the compliance systems of all Group companies.

(iv) Corporate auditors will ensure that the execution of duties by directors is compliant with laws, regulations, and the Articles of Incorporation and work to raise the effectiveness of the supervisory function.

(2) Systems for the storage and control of information related to the execution of duties by directors

(i) In accordance with laws, regulations, and the Information Control Regulations, all Group companies shall properly produce, store, and manage documents for which production and storage are legally required, such as the minutes of shareholders’ meetings, the minutes of Board of Directors meetings (including digital records, same hereafter), circular decision-making documents, and other documents and information necessary to secure appropriate operational execution.

(ii) Departments in charge of disclosure will rapidly and comprehensively collect important information related to all Group companies and conduct accurate, timely disclosure.

(iii) To ensure the appropriate production, storage, management, and timely, accurate disclosure of important administrative documents, and to also conduct integrated information management, with consideration for the safe management of such important information as trade secrets and personal information, all Group companies shall establish, maintain, and operate information management systems, centered on the Information Management Committee; inspect the status of the maintenance and utilization of information management systems; and continue initiatives targeting further improvements. In addition, reports on such matters as the status of information management shall be made periodically to the Board of Directors and the corporate auditors.

(3) Regulations and systems for loss risk management

(i) In accordance with risk management regulations, all Group companies shall establish, maintain, and utilize comprehensive risk management systems, centered on the Risk Management Committee, in order to accurately analyze, evaluate, and investigate risks associated with each business activity, with consideration for changes in the management environment and risk factors.

(ii) In regard to risk management, a system for periodic reporting to the Board of Directors and corporate auditors shall be established, maintained, and utilized. The Board of Directors, directors, and executive officers shall conduct sufficient examination, analysis, and investigation of risks associated with operational execution, and improvement measures shall be implemented rapidly.

(iii) To minimize damages to all Group companies when risk events occur, the Crisis Management Headquarters shall be established, and measures to facilitate the continuation of operations shall be implemented immediately.

(4) Systems for ensuring the efficiency of the execution of duties by directors

(i) The details of the decision-making authority of the directors and executive officers and the divisions with responsibility for each administrative area shall be clearly and appropriately defined in the regulations of decision-making authority, etc. In this way, all Group companies shall avoid administrative duplication and conduct flexible decision-making and administrative execution.

(ii) To secure the sustained growth of the Company, the Board of Directors shall make decisions on such matters as important management objectives and budget allocations for all Group companies. Through such means as periodic reports from directors and executive officers, the efficiency and soundness of administrative execution shall be investigated and appropriate reevaluations shall be conducted.

(iii) The Board of Directors, as a general rule, shall meet once each month. In addition, when necessary, extraordinary meetings of the Board of Directors shall be held or resolutions of the Board of Directors shall be executed through documents. Rapid decision-making will be implemented and efficient administrative execution will be promoted.

(5) Systems for ensuring the appropriateness of financial reporting

(i) Centered on the Internal Control Project, which is related to financial reporting, the management system needed to secure appropriateness of financial reporting for all Group companies shall be established, maintained, and operated.

(ii) In regard to issues that are judged to have a high possibility of having a major influence on financial conditions, information shall be shared in an appropriate manner among the directors, corporate auditors, and accounting auditor.

(6) Systems for ensuring the appropriateness of the operations performed by the corporate group comprised of the Company, its parent companies and subsidiaries

(i) In regard to each of the items (1) to (5) above, the Company shall establish, maintain, and operate management systems for the Group as a whole; notify all Group companies of the general outlines of these systems; and require concrete policy formulations. In addition, the Company shall provide support and guidance for the internal control activities of all Group companies as necessary.

(ii) All Group companies shall maintain contact with each business segment and will share information with the Company's departments.

(iii) The Auditing Office will audit all Group companies.

(7) Matters related to the provision of support staff for corporate auditors when so requested

The Company shall provide support staff for corporate auditors when so requested.

(8) Matters related to the independence from directors of the support staff for corporate auditors

The selection (including subsequent replacements) of support staff to work exclusively for the corporate auditors shall be subject to the approval of the corporate auditors.

(9) Systems for reporting by directors or employees to corporate auditors and other systems for reporting to corporate auditors

Situations that have the possibility of causing significant damage to the Company as well as malfeasances or violations of laws, regulations, or the Articles of Incorporation on the part of directors or employees shall be promptly reported to the corporate auditors. No director or employee providing such reports shall suffer any adverse consequences.

In addition, the Compliance Committee shall provide regular reports to the President and Representative Director and to the corporate auditors concerning the operation of the help lines, which should function as public-interest reporting mechanisms.

(10) Other systems for ensuring that the corporate auditors can conduct their activities effectively

(i) The corporate auditors shall meet regularly with the President and Representative Director and exchange opinions concerning important audit matters.

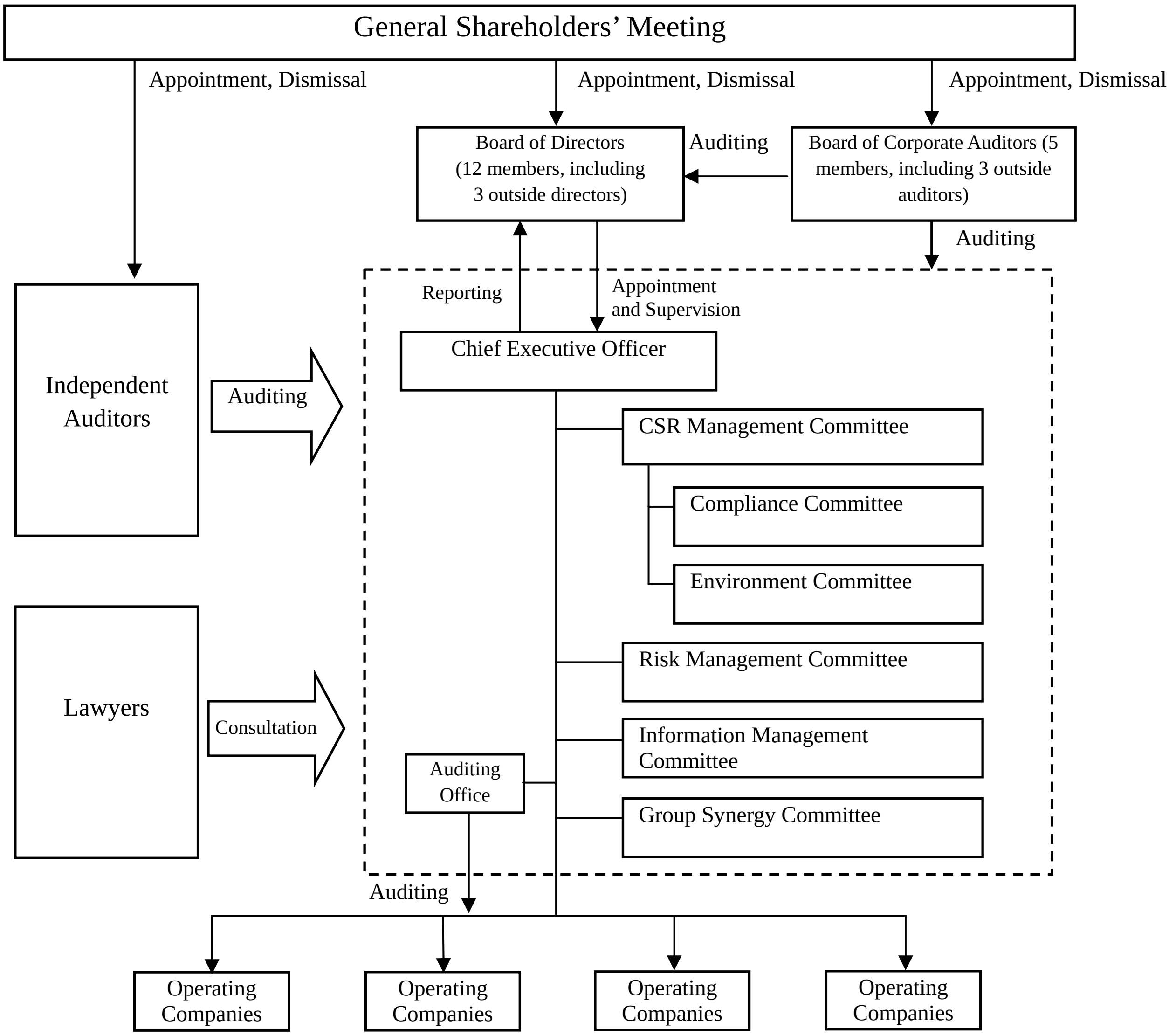
(ii) The corporate auditors shall maintain close contact with the Auditing Office, and may request examinations by the Auditing Office when necessary.

(iii) The corporate auditors shall meet regularly with the corporate auditors of all Group companies and work together from time to time in order to conduct appropriate audits of all Group companies.

(iv) The corporate auditors may consult with the accounting auditor and with lawyers as needed, and the Company shall bear all of the costs of such consultation.

Corporate Governance System

The Company's corporate governance system is as follows.



(Notes)

1. In this Business Report, amounts less than one full unit have been omitted. However, percentages have been rounded to one decimal place while net income per share and net assets per share have been rounded to a nearest unit.

2. Consumption tax, etc., is accounted for using the tax excluded method.

CONSOLIDATED BALANCE SHEET (as of February 28, 2009)

(Millions of yen)

Item	Amount	Item	Amount
ASSETS		**LIABILITIES**	
Current assets	**1,397,102**	**Current liabilities**	**1,254,927**
Cash and bank deposits	650,949	Notes and accounts payable, trade	297,783
Call loan	10,000	Short-term loans	191,100
Notes and accounts receivable, trade	116,902	Current portion of long-term loans	103,352
Trade accounts receivable - financial services	78,042	Current portion of bonds	50,592
Marketable securities	94,824	Income taxes payable	53,311
Inventories	169,534	Accrued expenses	78,622
Prepaid expenses	28,584	Deposits received	120,038
Deferred income taxes	28,656	Allowance for sales promotion expenses	16,601
Other	223,928	Allowance for bonuses to employees	15,705
Allowance for doubtful accounts	(4,321)	Allowance for bonuses to directors and corporate auditors	292
Non-current assets	**2,329,776**		
Property and equipment	**1,222,427**	Allowance for loss on future collection of gift certificates	6,024
Buildings and structures	510,945		
Furniture, fixtures and equipment	146,174	Deposits received in banking business	165,712
Vehicles	136	Other	155,791
Land	525,022	**Non-current liabilities**	**611,459**
Construction in progress	40,147	Bonds	180,448
Intangible assets	421,647	Long-term loans	249,685
Goodwill	318,945	Commercial paper	18,688
Software	37,674	Deferred income taxes	44,094
Other	65,026	Allowance for accrued pension and severance costs	3,510
Investments and other assets	685,701		
Investments in securities	140,149	Allowance for retirement benefits to directors and corporate auditors	3,480
Long-term loans receivable	14,270		
Prepaid pension cost	16,486	Deposits received from tenants and franchised stores	60,276
Long-term leasehold deposits	442,416		
Advances for store construction	13,298	Other	51,274
Deferred income taxes	22,966	**TOTAL LIABILITIES**	**1,866,387**
Other	46,405	**NET ASSETS**	
Allowance for doubtful accounts	(10,291)	**Shareholders' equity**	**1,862,962**
Deferred assets	182	Common stock	50,000
New organization costs	182	Capital surplus	576,074
		Retained earnings	1,246,165
		Treasury stock, at cost	(9,277)
		Accumulated gains (losses) from valuation and translation adjustments	**(77,773)**
		Unrealized gains (losses) on available-for-sale securities, net of taxes	247
		Unrealized gains (losses) on hedging	(622)

		derivatives, net of taxes	
		Foreign currency translation adjustments	(77,398)
		Subscriptions to shares	**391**
		Minority interests in consolidated subsidiaries	**75,092**
		TOTAL NET ASSETS	**1,860,672**
TOTAL ASSETS	3,727,060	**TOTAL LIABILITIES AND NET ASSETS**	**3,727,060**

CONSOLIDATED STATEMENT OF INCOME (March 1, 2008 to February 28, 2009)

(Millions of yen)

Item	Amount	
Net sales		5,094,757
Cost of sales		3,789,598
Gross profit on sales		**1,305,158**
Other operating revenues		555,191
Gross profit from operations		**1,860,350**
Selling, general and administrative expenses		1,578,484
Operating income		**281,865**
Non-operating income		
Interest and dividends income	7,048	
Other	6,053	13,102
Non-operating expenses		
Interest expenses	8,470	
Interest on bonds	1,843	
Equity in losses of affiliates	667	
Foreign currency exchange losses	955	
Other	3,725	15,661
Ordinary income		**279,306**
Special gains		
Gain on sales of property and equipment	5,330	
Other	872	6,202
Special losses		
Loss on disposals of property and equipment	6,185	
Impairment loss	39,372	
Valuation loss on investments in securities	11,354	
Other	13,481	70,393
Income before income taxes and minority interests		**215,115**
Income taxes - current	**111,231**	
Income taxes - deferred	**2,626**	**113,857**
Minority interests in net income of consolidated subsidiaries		**8,920**
Net income		**92,336**

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS (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

Notes to Consolidated Financial Statements

Significant Accounting Policies for the Preparation of Consolidated Financial Statements

1. Scope of Consolidation

(1) Number of consolidated subsidiaries and names of major consolidated subsidiaries

(i) Number of consolidated subsidiaries: 83

(ii) Names of 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.
7-Eleven, Inc.

SEVEN-ELEVEN CHINA Co., Ltd., Seven & i Netmedia Co., Ltd., and Seven Culture Network Co., Ltd., were newly established in the year under review, and these three (3) companies are included in the scope of consolidation.

On the other hand, FUJIKOSHI CO., LTD. merged with four (4) of its subsidiaries in an absorption-type merger, and as a result the total number of consolidated subsidiaries declined.

(2) Names, etc., of major unconsolidated subsidiaries

(i) Name of major unconsolidated subsidiary: 7-Eleven Limited

(ii) Reason for non-consolidation

Its total assets, its sales, the Company’s portion of its net income or loss (as calculated by equity method), the Company’s portion of its retained earnings (as calculated by equity method), and the effect on the Company’s consolidated financial statements are not considered material.

2. Application of Equity Method

(1) Number of unconsolidated subsidiaries and affiliates to which the equity method was applied and names of major subsidiaries and affiliates to which the equity method was applied

(i) Number of unconsolidated subsidiaries to which the equity method was applied: None

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

Major affiliates: PRIME DELICA CO., LTD.

(2) Names, etc., of unconsolidated subsidiaries and affiliates to which the equity method was not applied

(i) Major companies: 7-Eleven Limited

(ii) Reason for not applying equity method:

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

(3) Items of special note in regard to procedures for applying the equity method

(i) The affiliates that have different closing dates are included in the consolidated financial statements based on their respective fiscal year-end.

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

3. Accounting Period of Consolidated Subsidiaries

The fiscal year-end of some consolidated 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 consolidated subsidiaries 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 consolidation.

4. Summary of Accounting Policies

(1) Valuation basis and method for major assets

(i) Valuation basis and method for securities

Held-to-maturity debt securities: Carried at amortized cost (straight-line method)

Available-for-sale securities

Fair value is available:

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.)

Fair value is not available:

Valued at cost, determined using the moving-average method.

(ii) Valuation basis and method for derivatives

Derivative financial instruments: Valued at fair value

(iii) Valuation basis and method for inventories

Merchandise:

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

Supplies

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

(2) Depreciation method for non-current assets

(i) 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 to one (1) yen over five (5) years evenly from the consolidated fiscal year following the consolidated fiscal year in which the 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.

(ii) 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 five 5 years.

(3) Methods of accounting for allowances

(i) 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.

(ii) 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 the point system are provided for, based on the balance of points at the end of the fiscal year.

(iii) 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.

(iv) Allowance for bonuses to directors and corporate auditors

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

(v) 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.

(vi)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 4th fiscal year, which is based on the estimated present value of the projected benefit obligation less the estimated fair value of pension plan assets at the end of the fiscal year. The excess amount of the estimated fair value of the pension plan assets over the estimated present value of projected benefit obligation adjusted by unrecognized actuarial differences as of the end of the fiscal year 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 a period of mainly ten (10) years from the consolidated fiscal year following the consolidated fiscal 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 five (5) years.

(vii) 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.

(4) Other significant matters that serve as the basis for the preparation of consolidated financial statements

(i) Methods of accounting for deferred assets

New organization costs:

Amortized using the straight-line method over 5 years, or charged to income if immaterial.

(ii) Method of Accounting for 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 consolidated subsidiaries mainly account for finance leases as assets and for obligations at an amount equal to the present value of future minimum lease payments, during the lease term.

(iii) Hedge accounting

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 that 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.

Hedge instruments and hedged items:

Hedge instruments	Interest rate swap
Hedged items	Loans payable

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 exchange rates and interest rates, reducing financing costs, and optimizing future cash flow. The Company and its subsidiaries do not hold or issue derivative instruments for trading or speculative purposes.

Assessing hedge effectiveness:

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

(5) Goodwill and negative goodwill

Goodwill and negative goodwill arising from domestic consolidated subsidiaries is mainly amortized over a period of twenty (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.

(6) 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 relevant spot exchange rate in effect at the respective balance sheet dates. Translation gains or losses are included in the accompanying Consolidated Statement of Income.

All balance sheet accounts of foreign subsidiaries are translated into Japanese yen at the relevant spot 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 Sheet under foreign currency translation adjustments and minority interests in consolidated subsidiaries.

(7) 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 revenue and includes it in other operating revenues.

(8) Accounting for consumption taxes and excise tax

The Japanese consumption taxes withheld and consumption taxes paid are not included in the accompanying Consolidated Statement 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.

Notes to Consolidated Balance Sheet

1. Assets pledged as collateral and debts for which those assets are pledged as collateral

(1) Assets pledged as collateral

Buildings and structures:	¥38,592 million
Furniture, fixtures and equipment:	¥625 million
Land: ¥66,901 million	
Other intangible assets:	¥10,151 million

Investments in securities:	¥59,020 million
Long-term leasehold deposits:	¥4,451 million
Total	¥179,743 million

(2) Debts for which above assets are pledged as collateral

Call money:	¥7,300 million
Short-term loans:	¥3,000 million
Long-term loans (including current portion of long-term loans):	¥138,877 million
Long-term accounts payable, other:	¥1,105 million
Deposits received from tenants and franchised stores:	¥171 million

In addition, buildings (¥945 million) and land (¥2,032 million) are pledged as collateral for the loans (¥3,985 million) of affiliates and vendors.

Investments in securities (¥27,572 million) are pledged as collateral for exchange settlement transactions. Investments in securities (¥34 million) and long-term leasehold deposits (¥25 million) are pledged as collateral under building lots and building transaction business law.

Long-term leasehold deposits (¥1,670 million) are pledged as collateral under the Installment Sales Law.

In addition, in accordance with the Act on Regulation, etc. on Advanced Payment Certificates, investments in securities (¥580 million) and long-term leasehold deposits (¥329 million) have been pledged as collateral.

2. Accumulated depreciation of property and equipment:

¥1,155,608 million

3. Guarantees

Guarantees of borrowings from financial institutions by companies outside the scope of consolidation or by employees are as follows.

Goshogawara Machi Dukuri K.K.:	¥261 million
Employees housing Loans:	¥724 million
Total:	¥985 million

4. Loan commitment

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.

Credit availability of loan commitment:	¥490,862 million
Outstanding balance:	¥19,538 million

Unused credit balance: ¥471,323 million

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. Other

Government Bonds held by Seven Bank, Ltd.

Seven Bank, Ltd., a consolidated subsidiary of the Company, 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 (1) year.

Notes to Consolidated Statement of Changes in Net Assets

1. Class and number of shares outstanding at the end of the 4th fiscal year

Ordinary shares: 906,441,983 shares

2. Matters related to dividends

(1) Dividend payments

Resolution	Type	Total amount of cash dividends (Millions of yen)	Dividend per share (Yen)	Record date	Effective date
May 22, 2008; Ordinary general meeting of shareholders	Ordinary shares	26,778	28.00 yen	February 29, 2008	May 23, 2008
October 9, 2008; Board of directors' meeting	Ordinary shares	24,394	27.00 yen	August 31, 2008	November 14, 2008
Total	—	51,172	—	—	—

(2) Dividends whose record date is within the 4th fiscal year but to be effective during the 5th fiscal year

At the Annual Shareholders' Meeting on May 28, 2009, the following resolution will be made for matters concerning ordinary share dividends.

(i) Total amount: ¥26,200 million

(ii) Dividend per share: ¥29.00

(iii) Record date: February 28, 2009

(iv)Effective date: May 29, 2009

Plans call for the dividends to be paid from retained earnings.

Notes concerning per share information

1. Net assets per share ¥1,975.95
2. Net income per share ¥100.54

Notes concerning significant subsequent event

None.

Other notes

In the Consolidated Balance Sheet, Consolidated Statement of Income, Consolidated Statement of Changes in Net Assets, and notes to consolidated financial statements, amounts less than one million yen have been disregarded.

NON-CONSOLIDATED BALANCE SHEET (as of February 28, 2009)

(Millions of yen)

Item	Amount	Item	Amount
ASSETS		**LIABILITIES**	
Current assets	21,069	**Current liabilities**	271,998
Cash and bank deposits	8,273	Short-term loans from a subsidiary	270,000
Prepaid expenses	262	Accounts payable, other	424
Accounts receivable, other	12,004	Accrued expenses	692
Other	528	Income taxes payable	123
Non-current assets	1,733,012	Advance received	197
Property and equipment	55	Allowance for bonuses to employees	234
Buildings and structures	48	Allowance for bonuses to directors and corporate auditors	55
Furniture, fixtures and equipment	6		
Investments and other assets	1,732,957	Other	269
Investments in securities	6,713	**Non-current liabilities**	101,940
Investments in subsidiaries	1,723,658	Bonds	99,963
Prepaid pension cost	259	Deferred income taxes	125
Long-term leasehold deposits	2,317	Deposits received from tenants	1,851
Other	9	**TOTAL LIABILITIES**	373,938
Deferred assets	70	**NET ASSETS**	
New organization costs	70	**Shareholders' equity**	1,379,842
		Common stock	50,000
		Capital surplus	1,294,883
		Additional paid-in capital	875,496
		Other capital surplus	419,386
		Retained earnings	44,281
		Other retained earnings	44,281
		Retained earnings brought forward	44,281
		Treasury stock, at cost	(9,322)
		Accumulated gains (losses) from valuation and translation adjustments	28
		Unrealized gains (losses) on available-for-sale securities, net of taxes	28
		Subscriptions to shares	342
		TOTAL NET ASSETS	1,380,214
TOTAL ASSETS	1,754,152	**TOTAL LIABILITIES AND NET ASSETS**	1,754,152

NON-CONSOLIDATED STATEMENT OF INCOME (March 1, 2008 to February 28, 2009)

(Millions of yen)

Item	Amount	
Revenues from operations		
Dividends income	55,567	
Management consulting fee income	4,097	
Commission fee income	3,018	62,683
Selling, general and administrative expenses		7,061
Operating income		55,622
Non-operating income		
Interest income	27	
Dividends income	21	
Other	41	90
Non-operating expenses		
Interest expenses	2,775	
Interest on bonds	1,105	
Amortization of new organization costs	70	
Amortization of bond issue costs	335	
Other	103	4,391
Ordinary income		51,321
Special gains		
Gain on sales of subsidiaries' stock	7	7
Special losses		
Valuation loss on investments in securities	1,971	1,971
Income before income taxes		49,357
Income taxes - current	7	
Income taxes - deferred	23	30
Net income		49,327

STATEMENT OF CHANGES IN NET ASSETS (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: Retained earnings brought forward	Total retained earnings		
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

Notes to Non-Consolidated Financial Statements

Notes concerning matters pertaining to significant accounting policies

1. Valuation Basis and Method for Securities

(1) Stock of subsidiaries:

Valued at cost by the moving-average method.

(2) Available-for-sale securities

(i) Fair value is available

Valued at the quoted market price prevailing at the end of the 4th 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) Fair value is not available

Valued at cost, determined using the moving-average method.

2. Methods of Depreciation for Non-Current Assets

Property and equipment:

Amortized using the declining-balance method.

(Supplemental information)

In accordance with the amendment of the Corporation Tax Law, the Company depreciates its property and equipment acquired on or before March 31, 2007 to one (1) yen over five (5) years evenly from the fiscal year following the fiscal year in which the accumulated depreciation amount reaches 95% of the acquisition cost based on the previous depreciation method.

Impact of this application on the Non-Consolidated Statement of Income was immaterial.

3. Methods of Accounting for Deferred Assets

New organization costs:
Recorded as expenses using the straight-line method (over five (5) years).
Bond issue costs:
Entire amount recorded as an expense when incurred.

4. Methods of Accounting for Allowances

(1) 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.

(2) 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.

(3) Allowance for accrued pension and severance costs (prepaid pension cost)

Allowance for accrued pension and severance costs is provided at the amount incurred at the end of the 4th fiscal year, which is based on the projected benefit obligation and estimated fair value of pension plan assets at the end of the 4th fiscal year. The excess amount of the estimated fair value of the pension plan assets over the estimated present value of projected benefit obligation adjusted by unrecognized actuarial differences as of the end of the 4th fiscal year is recorded as prepaid pension cost.

Unrecognized actuarial differences are amortized on a straight-line basis over a period of mainly ten (10) years, which is shorter than the average remaining years of service of the eligible employees, from the fiscal year following the fiscal year in which the differences arise.

5. Method of Accounting for Leases

Finance leases, other than those under which ownership of leased property is transferred to the lessee, are accounted for in the same manner as operating leases.

6. Accounting for Consumption Taxes

The consumption taxes withheld and consumption taxes paid are not included in the Company's Non-Consolidated Statement of Income.

Notes to Non-Consolidated Balance Sheet

1. Accumulated depreciation of property and equipment: ¥47 milion

2. Guarantees

Guarantees are as follows:

(1) For loans of subsidiary IY Card Service Co., Ltd. ¥10,000 million

(2) For bonds issued by subsidiary Ito-Yokado Co., Ltd. ¥70,000 million

3. Monetary claims and monetary obligations in regard to subsidiaries and affiliates

(1) Short-term receivables:	¥1,237 million
(2) Short-term payables:	¥270,656 million
(3) Long-term payables:	¥1,829 million

Notes to Non-Consolidated Statement of Income

Items regarding transactions with subsidiaries and affiliates

(1) Operating transactions

Revenues from operations:	¥62,683 million
Selling, general and administrative expenses:	¥566 million
(2) Non-operating transactions:	¥2,523 million

Notes to Statement of Changes in Net Assets

Shares of treasury stock at the end of the 4th fiscal year	Common stock	2,966,362 shares

Notes regarding tax effect accounting

Deferred tax assets and deferred tax liabilities by cause of occurrence

Deferred tax assets	
Allowance for bonuses to employees:	¥95 million
Accrued enterprise taxes and business office taxes:	¥51 million
Subscriptions to shares:	¥139 million
Tax loss carried forward:	¥7,190 million
Other:	¥21 million
Sub-total:	¥7,498 million
Less: valuation allowance:	(¥7,498 million)
Total:	—
Deferred tax liabilities	
Prepaid pension cost:	(¥105 million)
Unrealized gains on available-for-sale securities:	(¥19 million)
Total:	(¥125 million)

Notes concerning non-current assets utilized through 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 assumed amounts of acquisition cost, accumulated depreciation, and net book value at the end of the 4th fiscal year are summarized as follows:

	Acquisition cost (Millions of yen)	Accumulated depreciation (Millions of yen)	Net book value at the end of the 4th fiscal year (Millions of yen)
Furniture, fixtures and equipment	19	11	8
Software	13,494	6,406	7,087
Total	13,513	6,418	7,095

(2) The future lease payments of finance leases at the end of the 4th fiscal year are summarized as follows:

Due within one year:	¥2,716 million
Due over one year:	¥4,493 million
Total:	¥7,210 million

(3) Lease payments and assumed amounts of depreciation expense and interest expense are as follows:

Lease payments:	¥2,734 million
Assumed depreciation expense:	¥2,621 million
Assumed interest expense:	¥140 million

(4) Method of calculating assumed amounts of depreciation expense

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

(5) Method of calculating assumed amounts of interest expense

Assumed amounts of interest expense are calculated as the difference between the total lease payments and the assumed acquisition cost of the leased property, using the interest method as the method of allocation for each fiscal year.

2. As lessee operating leases

Future lease payments

Due within one year:	¥453 million
Due after one year:	¥1,888 million
Total:	¥2,341 million

Notes concerning transactions with related parties

Subsidiaries and affiliates, etc.

(Millions of yen)

Type of entity	Name of company, etc.	Voting rights held by the Company (%)	Relationship with related party	Details of transaction	Amount of transaction	Account title	Ending balance
Subsidiary	SEVEN & i Financial Center Co., Ltd.	Ownership Direct: 100%	Financial support Concurrently serving corporate officers	Borrowing of funds Interest on borrowed funds	1,010,000 2,520	Short-term loans Accrued expenses	270,000 222
Subsidiary	Ito-Yokado Co., Ltd.	Ownership Direct: 100%	Guaranty of debt Concurrently serving corporate officers	Guaranty of debt for bonds	70,000	—	—
Subsidiary	IY Card Service Co., Ltd.	Ownership Indirect: 94%	Guaranty of debt	Guaranty of debt for bank loans	10,000	—	—

(Notes)

1. Amount of transaction does not include consumption taxes. However, ending balances include consumption taxes.
2. Decisions regarding transaction conditions are made in the same way as general transactions.

Notes concerning per share information

1. Net assets per share: ¥1,527.29
2. Net income per share: ¥53.67

Notes concerning significant subsequent event

None.

Other notes

In the Balance Sheet, Statement of Income, Statement of Changes in Net Assets, and notes to non-consolidated financial statement, amounts less than one million yen have been disregarded.

Shareholders' Meeting Reference Materials

Item No. 1: Appropriation of retained earnings.

It is proposed that the retained earnings will be appropriated as described below:

The Company's basic policy is to provide a return of profits in line with profit growth. The Company aims to further improve the redistribution of profits while maintaining a target consolidated payout ratio of 35% and its basic annual dividend amount of 50 yen. Also, with respect to the internal reserves, the Company will conduct business reorganization by investing in new businesses as well as actively investing in existing businesses based on specific criteria for investment.

Matters concerning year-end dividends

It is proposed that the year-end dividends for the 4th fiscal year be paid as follows in consideration of the performance for the 4th fiscal year and the future business development, etc.

(1) Type of dividend property

It is proposed that the dividend property will be paid in monetary terms.

(2) Matters concerning the allocation of dividend property and the aggregate amount thereof

It is proposed that the amount of allocation will be 29 yen per one (1) ordinary share of the Company.

In such a case, the aggregate amount of dividends shall be 26,200,793,009 yen.

Therefore, the annual dividends for the 4th fiscal year including interim dividends of 27 yen shall be 56 yen per share.

(3) Date on which the dividends from retained earnings become effective

It is proposed that the dividends from retained earnings become effective on May 29, 2009.

Item No. 2: Partial Revision of the Articles of Incorporation.

1. Reasons for Revision

(1) Following coming into force of the "Law for Partial Amendments to the Law Concerning Book-Entry Transfer of Corporate Bonds and Other Securities for the Purpose of Streamlining the Settlement of Trades of Stocks and Other Securities" (Law No. 88 of 2004, the "Settlement Streamlining Law") on January 5, 2009, the following revisions to the Articles of Incorporation are proposed:

(i) As per Article 6, Paragraph 1 of the supplementary provisions to the Settlement Streamlining Law, it is deemed that a resolution to amend the Articles of Incorporation has been made, effective on the date on which the Settlement Streamlining Law took effect, to repeal the provision referring to the issuing of share certificates of the Company (the current Article 7). Consequently, the provision regarding share certificates for odd-lot shares (the current Article 9, Paragraph 2), and the provision regarding the Ledger of Lost Share Certificates (the current Article 12, Paragraph 3) have lost their effect; therefore such provisions are to be deleted.

However, because the shareholder registrar will handle operations related to the Ledger of Lost Share Certificates until January 5, 2010, a supplementary provision to that effect will be added as a temporary measure.

(ii) With Article 2 of the supplementary provisions to the Settlement Streamlining Law nullifying the "Act on Custody and Transfer of Share Certificate, etc." (Law No. 30 of 1984), the provisions regarding effective shareholders and the Ledger of Effective Shareholders (the current introductory clause of Article 10 and the current Article 12, Paragraph 3) are to be deleted.

(2) Accompanying the revisions in (1) above, the numbers of subsequent articles are to be brought forward to reflect the above revisions.

2. Details of Revisions

The proposed revisions are as follows (revised portions are underlined):

Current provision	Proposed revision
Article 7. (Issuing of share certificates) The Company will issue certificates for its shares.	(Delete)
Article 8. (Acquisition of treasury stock) (Omitted)	Article 7. (Acquisition of treasury stock) (Unchanged)
Article 9. (Number of Shares Constituting One Voting Unit; Non-Issuance of Share Certificates for Odd-Lot Shares) The number of shares constituting one voting unit of the Company shall be 100. 2. Notwithstanding the provision of Article 7 hereof, the Company shall not issue any share certificates representing shares constituting less than one voting unit; provided, however, that in cases set forth in the share handling rules, this shall not apply.	Article 8. (Number of Shares Constituting One Voting Unit) The number of shares constituting one voting unit of the Company shall be 100. (Delete)
Article 10. (Rights for Shares of Less than One Voting Unit) The Company's shareholders (including effective shareholders; same below) may not exercise rights on shares of less than one voting unit held except for the following: (1) Rights listed in each item of Article 189, Paragraph 2 of the Companies Act. (2) Right to make a demand as per Article 166, Paragraph 1 of the Companies Act. (3) Right to receive an allotment of shares for subscriptions or share option rights for subscriptions, corresponding to the number of shares held by the shareholder. (4) Right to make a demand mentioned in the following Article.	Article 9. (Rights for Shares of Less than One Voting Unit) The Company's shareholders may not exercise rights on shares of less than one voting unit held except for the following: (1) Rights listed in each item of Article 189, Paragraph 2 of the Companies Act. (2) Right to make a demand as per Article 166, Paragraph 1 of the Companies Act. (3) Right to receive an allotment of shares for subscriptions or share option rights for subscriptions, corresponding to the number of shares held by the shareholder. (4) Right to make a demand mentioned in the following Article.
Article 11. (Additional Purchase of Shares of Less than One Voting Unit) (Omitted)	Article 10. (Additional Purchase of Shares of Less than One Voting Unit) (Unchanged)
Article 12. (Shareholder Registrar) The Company will appoint a shareholder registrar. 2. The shareholder registrar and its location for handling operations will be determined by resolution of the Board of Directors and publicly announced. 3. The preparation, maintenance, and other operations related to the Ledger of	Article 11. (Shareholder Registrar) The Company will appoint a shareholder registrar. 2. The shareholder registrar and its location for handling operations will be determined by resolution of the Board of Directors and publicly announced. 3. The preparation, maintenance, and other operations related to the Ledger of

Shareholders (including the Ledger of Effective Shareholders; same below), the Ledger of Subscription Rights, and the Ledger of Lost Share Certificates will be entrusted to the shareholder registrar, and will not be handled by the Company.	Shareholders and the Ledger of Subscription Rights will be entrusted to the shareholder registrar, and will not be handled by the Company.
Articles 13 – 39 (Omitted)	Articles 12 – 38 (Unchanged)
(New)	Supplementary Provisions
(New)	Article 1. The preparation, maintenance, and other operations related to the Ledger of Lost Share Certificates will be entrusted to the shareholder registrar, and will not be handled by the Company.
(New)	Article 2. The preceding Article and this Article will remain in effect until January 5, 2010, and will be deleted as of January 6, 2010.

Item No. 3: Election of fifteen (15) directors.

The terms of office of all twelve (12) current directors expire upon the conclusion of this Annual Shareholders' Meeting.

Shareholders are therefore requested to elect fifteen (15) directors.

The candidates for director are as follows:

Candidates No.	Name (Date of birth) * Number of shares of the Company owned	Brief personal history, position and areas of responsibility within the Company * Representation at other entities
1	Toshifumi Suzuki (December 1, 1932) * 5,060,632 shares	Sep. 1963: Joined Ito-Yokado Co., Ltd. Sep. 1971: Director of Ito-Yokado Co., Ltd. Nov. 1973: Senior Managing Director of Seven-Eleven Japan Co., Ltd. Sep. 1977: Managing Director of Ito-Yokado Co., Ltd. Feb. 1978: President and Representative Director of Seven-Eleven Japan Co., Ltd. Apr. 1983: Senior Managing Director of Ito-Yokado Co., Ltd. May 1985: Executive Vice President and Director of Ito-Yokado Co., Ltd. Oct. 1992: Representative Director and President of Ito-Yokado Co., Ltd. Oct. 1992: Representative Director and Chairman of Seven-Eleven Japan Co., Ltd. (incumbent) May 2003: Representative Director and Chairman of Ito-Yokado Co., Ltd. Chief Executive Officer (CEO) of Ito-Yokado Co., Ltd. May 2003: Chief Executive Officer (CEO) of Seven-Eleven Japan Co., Ltd. (incumbent) Sep. 2005: Representative Director and Chairman of the Company (incumbent), Chief Executive Officer (CEO) of the Company (incumbent) Mar. 2006: Representative Director and Chairman of Ito-Yokado Co., Ltd. (newly incorporated company) (incumbent), Chief Executive Officer (CEO) of Ito-Yokado Co., Ltd. (newly incorporated company) (incumbent) * Representative Director and Chairman and CEO of Seven-Eleven Japan Co., Ltd. * Representative Director and Chairman and CEO of Ito-Yokado Co., Ltd. * Representative Director and Chairman of 7-Eleven, Inc. * Representative Director and Chairman of SEVEN-ELEVEN (HAWAII), INC.

2	Noritoshi Murata (February 11, 1944) * 40,840 shares	Oct. 1971: Joined Ito-Yokado Co., Ltd. May 1990: Director of Ito-Yokado Co., Ltd. May 1996: Managing Director of Ito-Yokado Co., Ltd. May 2003: Senior Managing Director of Ito-Yokado Co., Ltd. Senior Executive Officer of Ito-Yokado Co., Ltd. Sep. 2005: Representative Director and President of the Company (incumbent), Chief Operating Officer (COO) of the Company (incumbent)
3	Tadahiko Ujiie (May 22, 1945) * 14,762 shares	Apr. 1980: Joined Seven-Eleven Japan Co., Ltd. May 1990: Director of Seven-Eleven Japan Co., Ltd. May 1995: Chief of Finance Department of Seven-Eleven Japan Co., Ltd. (incumbent) May 1997: Managing Director of Seven-Eleven Japan Co., Ltd. May 2001: Senior Managing Director of Seven-Eleven Japan Co., Ltd. May 2003: Senior Executive Officer of Seven-Eleven Japan Co., Ltd. (incumbent) Sep. 2005: Director of the Company (incumbent) Chief Financial Officer (CFO) of the Company (incumbent) May 2006: Director of Seven-Eleven Japan Co., Ltd. (incumbent) * Representative Director and President of SE CAPITAL CORPORATION * Representative Director and President of SEVEN & i Financial Center Co., Ltd. * Representative Director and President of SEVEN & i FINANCIAL GROUP CO., LTD.
4	Katsuhiro Goto (December 20, 1953) * 13,840 shares	Jul. 1989: Joined Seven-Eleven Japan Co., Ltd. Apr. 2002: Chief of Office of the President of Ito-Yokado Co., Ltd. May 2002: Director of Ito-Yokado Co., Ltd. May 2003: Executive Officer of Ito-Yokado Co., Ltd. May 2004: Managing Director of Ito-Yokado Co., Ltd. Managing Executive Officer of Ito-Yokado Co., Ltd. Sep. 2005: Director of the Company (incumbent), Chief Administrative Officer (CAO) of the Company (incumbent) Mar. 2006: Managing Director of Ito-Yokado Co., Ltd. (newly incorporated company), Managing Executive Officer of Ito-Yokado Co., Ltd. (newly incorporated company) May 2006: Director of Ito-Yokado Co., Ltd. (newly incorporated company) (incumbent) * Representative Director and President of Seven & i Netmedia Co., Ltd.

5	Tsuyoshi Kobayashi (August 12, 1957) * 5,000 shares	Feb. 2004: Joined Seven-Eleven Japan Co., Ltd. Sep. 2005: Executive Officer of the Company (incumbent) Senior Officer of Corporate Planning Department of the Company (incumbent)
6	Junro Ito (June 14, 1958) *3,173,003 shares	Aug. 1990: Joined Seven-Eleven Japan Co., Ltd. May 2002: Director of Seven-Eleven Japan Co., Ltd. (incumbent) May 2003: Executive Officer of Seven-Eleven Japan Co., Ltd. Jan. 2007: Managing Executive Officer of Seven-Eleven Japan Co., Ltd. (incumbent)
7	Atsushi Kamei (May 30, 1944) * 22,460 shares	Jan. 1980: Joined Ito-Yokado Co., Ltd. May 1993: Director of Ito-Yokado Co., Ltd. May 1999: Managing Director of Ito-Yokado Co., Ltd. May 2003: Senior Managing Director of Ito-Yokado Co., Ltd. Senior Executive Officer of Ito-Yokado Co., Ltd. Mar. 2006: Senior Managing Director of Ito-Yokado Co., Ltd. (newly incorporated company) Senior Executive Officer of Ito-Yokado Co., Ltd. (newly incorporated company) May 2006: Director of Ito-Yokado Co., Ltd. (newly incorporated company) Sep. 2006: Representative Director and President of Ito-Yokado Co., Ltd. (newly incorporated company) (incumbent), Chief Operating Officer (COO) of Ito-Yokado Co., Ltd. (newly incorporated company) (incumbent), Oct. 2006: Director of Millennium Retailing, Inc. (incumbent) May 2007: Director of the Company (incumbent) * Representative Director and President, Chief Operating Officer (COO) of Ito-Yokado Co., Ltd.
8	Ryuichi Isaka (October 4, 1957) *14,512 shares	Mar. 1980: Joined Seven-Eleven Japan Co., Ltd. May 2002: Director of Seven-Eleven Japan Co., Ltd. (incumbent) May 2003: Executive Officer of Seven-Eleven Japan Co., Ltd. May 2006: Managing Executive Officer of Seven-Eleven Japan Co., Ltd. (incumbent)
9	Akihiko Hanawa (February 12, 1942) * 67,080 shares	Aug. 1967: Joined Ito-Yokado Co., Ltd. May 1985: Director of Ito-Yokado Co., Ltd. May 1991: Managing Director of Ito-Yokado Co., Ltd. May 1996: Senior Managing Director of Ito-Yokado Co., Ltd. May 2003: Senior Executive Officer of Ito-Yokado Co., Ltd. Mar. 2006: Senior Managing Director of Ito-Yokado Co., Ltd. (newly incorporated company),

		Senior Executive Officer of Ito-Yokado Co., Ltd. (newly incorporated company) May 2006: Director of Ito-Yokado Co., Ltd. (newly incorporated company) (incumbent) May 2007: Representative Director and President of Seven & i Food Systems Co., Ltd. (incumbent) May 2007: Director of the Company (incumbent) * President of Beijing Wang fu jing Yokado Commercial Co., Ltd. * Representative Director and President of Seven & i Food Systems Co., Ltd.
10	Kunio Yamashita (October 28, 1942) *1,000 shares	Apr. 1966: Joined THE SEIBU DEPARTMENT STORES, LTD. May 1992: Director of THE SEIBU DEPARTMENT STORES, LTD. May 2000: Managing Director of THE SEIBU DEPARTMENT STORES, LTD. Jun. 2003 Director of Millennium Retailing, Inc. Sep. 2006: Managing Director of Millennium Retailing, Inc. May 2007: Senior Managing Director of Millennium Retailing, Inc. Sep. 2007: Representative Director and President of Sogo Co., Ltd. (incumbent) Oct. 2008: Representative Director and President of Millennium Retailing, Inc. (incumbent) Oct. 2008: Representative Director and President of THE SEIBU DEPARTMENT STORES, LTD. (incumbent) * Representative Director and President of Millennium Retailing, Inc. * Representative Director and President of Sogo Co., Ltd. * Representative Director and President of THE SEIBU DEPARTMENT STORES, LTD.
11	Takashi Anzai (January 17, 1941) * 0 shares	Apr. 1963: Joined the Bank of Japan Dec. 1994: Executive Director of the Bank of Japan Nov. 1998: Representative Director and President of The Long-Term Credit Bank of Japan, Limited (currently Shinsei Bank, Limited) Aug. 2000: Counsel of Ito-Yokado Co., Ltd. Apr. 2001: Representative Director and President of IY Bank Co., Ltd. (currently Seven Bank, Ltd.) (incumbent) Sep. 2005: Director of the Company (incumbent) * Representative Director and President of Seven Bank, Ltd.
12	Zenko Ohtaka (March 1, 1940) * 1,518,769 shares	Apr. 1958: Joined Benimaru Shoten Co., Ltd. (currently York-Benimaru Co., Ltd.) Oct. 1963: Managing Director of York-Benimaru Co., Ltd. May 1984: Senior Managing Director of York-

		Benimaru Co., Ltd. May 1994: Director and Vice President of York-Benimaru Co., Ltd. May 2000: Representative Director and President of York-Benimaru Co., Ltd. (incumbent) May 2003: Chief Operating Officer (COO) of York-Benimaru Co., Ltd. (incumbent) Sep. 2005: Director of the Company (incumbent) * Representative Director and President and COO of York-Benimaru Co., Ltd.
13	Noritaka Shimizu (October 15, 1937) * 0 shares	Apr. 1961: Joined Toyota Motor Co., Ltd. (currently Toyota Motor Corporation) Sep. 1990: Director of Toyota Motor Corporation Sep. 1996: Managing Director of Toyota Motor Corporation Jun. 1998: Senior Managing Director of Toyota Motor Corporation Jun. 1999: Representative Director and Vice President of Toyota Motor Corporation Apr. 2003: Representative Director and Chairman of Toyota Home Inc. May 2006: Director of the Company (incumbent) * President of Aichi Public University Corporation
14	Scott Trevor Davis (December 26, 1960) * 1,300 shares	Apr. 1990: Full-time researcher at The Japan Institute of Labor Apr. 1993: Lecturer of the Department of Business Administration, the Faculty of Economics of Gakushuin University Apr. 2001: Professor of the International Business Administration Department, the International School of Economics and Business Administration of Reitaku University May 2004: Director of Ito-Yokado Co., Ltd. Sep. 2005: Director of the Company (incumbent) Mar. 2006: Director of Ito-Yokado Co., Ltd. (newly incorporated company) Apr. 2006: Professor of the Department of Global Business, College of Business, Rikkyo University (incumbent)
15	Ikujiro Nonaka (May 10, 1935) * 100 shares	Apr. 1958: Joined Fuji Electric Manufacturing K.K. (currently Fuji Electric Holdings Co., Ltd.) Apr. 1977: Professor of the Department of Business Administration, Nanzan University Jan. 1979: Professor of National Defense Academy of Japan Apr. 1982: Professor of Institute of Business Research, Faculty of Commerce and Management, Hitotsubashi University Apr. 1995: Professor of Japan Advanced Institute of Science and Technology Sep. 1997: Xerox Distinguished Professor in

		Knowledge, Haas School of Business, University of California, Berkeley (incumbent) Apr. 2000: Professor of Graduate School of International Corporate Strategy, Hitotsubashi University Jun. 2004: Director of Fujitsu, Limited (incumbent) Apr. 2006: Emeritus Professor of Hitotsubashi University (incumbent) Jan. 2007: Emeritus Scholar of The Drucker School, Claremont Graduate University (incumbent) Jun. 2007: Director of Mitsui & Co., Ltd. (incumbent) May 2008: Director of the Company (incumbent)

(Notes)

1. Mr. Takashi Anzai concurrently holds the office of Representative Director and President of Seven Bank, Ltd., which engages in transactions that are similar to the business of the Company.

2. Messrs. Noritaka Shimizu, Scott Trevor Davis, and Ikujiro Nonaka are candidates for the office of outside director as set forth in Article 2, Item 15 of the Companies Act and satisfy the requirements for outside director as set forth in Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act.

   In addition, Messrs. Noritaka Shimizu, Scott Trevor Davis, and Ikujiro Nonaka are neither a spouse nor relative within the third degree of relationship, etc. of the business administrators of the Company or the specified relation business associates of the Company.

   Messrs. Noritaka Shimizu, Scott Trevor Davis, and Ikujiro Nonaka are nominated for the office of outside director for the following reasons:
   Mr. Noritaka Shimizu has many years of experience on management such as being the Representative Director and Vice President of Toyota Motor Corporation and the Representative Director and Chairman of Toyota Home Inc., and in order to make use of his wide and advanced knowledge and experiences, etc. on management to the management of the Company, election as an outside director is requested.

   Mr. Noritaka Shimizu is currently an outside director of the Company and the term of office as an outside director shall be three (3) years upon the conclusion of this Annual Shareholders' Meeting.

   Mr. Scott Trevor Davis has advanced global professional management knowledge from being a university professor of global business administration for many years, and in order to make use of his extensive and advanced knowledge, etc. of management for the benefit of the Company, his election as an outside director is requested.

   Mr. Scott Trevor Davis is currently an outside director of the Company and his term of office as an outside director shall be three (3) years and eight (8) months upon the conclusion of this Annual Shareholders' Meeting.

   Mr. Ikujiro Nonaka is nominated for the office of outside director because we hope that his deep knowledge of management as an expert of theories of organizations and management will be exploited in the future management strategy of the Company.

   Mr. Ikujiro Nonaka is currently an outside director of the Company and his term of office as an outside director shall be one (1) year upon the conclusion of this Annual Shareholders' Meeting.

3. If the reappointments of the candidates for outside director are approved, the Company intends to continue the liability limitation agreement with each of them. The outline of the substance of the liability limitation agreements is on page 26.

4. The brief personal history of each of the above candidates is as of April 9, 2009.

Item No. 4:Entrusting to the Company’s Board of Directors determination of the subscription requirements for the share subscription rights, as stock options for stock-linked compensation issued to the executive officers of the Company, as well as the directors and executive officers of the Company’s subsidiaries.

Pursuant to Articles 236, 238, and 239 of the Companies Act, we ask that you kindly approve as follows the allotment of share subscription rights without contribution as stock options to the executive officers of the Company as well as the directors (excluding outside directors) and executive officers of the Company’s subsidiaries, as well as entrusting the determination of the subscription requirements to the Company’s Board of Directors.

1. The reasons why it is necessary to solicit parties who will subscribe for the share subscription rights on particularly favorable terms

In connection with the compensation system for the executive officers of the Company as well as the directors and executive officers of the Company’s major subsidiaries, the severance payment system has already been abolished and a performance-linked compensation system has been introduced. We decided to issue share subscription rights without requiring payment of monies, that is, without consideration to the executive officers of the Company as well as the directors (excluding outside directors) and executive officers of the Company’s subsidiaries. The purpose of this grant is to further promote their motivation to contribute to the enhancement of the mid-to-long term continuous business performance and enterprise value, and to arouse morale by causing the executive officers of the Company as well as the directors (excluding outside directors) and executive officers of the Company’s subsidiaries to not only enjoy the benefits from rises in the share price, but also to bear the risks from declines in the share price.

2. Substance and maximum number of share subscription rights for which subscription requirements may be determined pursuant to the matters determined at this Annual Shareholders’ Meeting

(1) Maximum number of the share subscription rights for which subscription requirements may be determined pursuant to the entrustment by way of a resolution of this Annual Shareholders’ Meeting

The maximum number of the share subscription rights for which the Board of Directors will be authorized to determine the subscription requirements based on the entrustment by way of a resolution of this Annual Shareholders’ Meeting shall be 1,500.

(2) Cash payment for the share subscription rights

No cash payment will be required for the share subscription rights for which the Board of Directors will be authorized to determine the subscription requirements based on the entrustment by way of a resolution of this Annual Shareholders’ Meeting.

(3) Substance of the share subscription rights

(i) Class and number of shares to be acquired upon exercise of the share subscription rights

The number of shares to be acquired upon exercise of one (1) share subscription right (the “Subject Share Number”) shall be one hundred (100) ordinary shares of the Company, and the maximum total number of shares acquired upon the exercise of the share subscription rights shall be 150,000 shares.

The Subject Share Number will be adjusted by the following calculation formula if the Company engages in a share split, allotment of shares without contribution, or consolidation of shares after the allotment of the share subscription rights. Such adjustment shall be made only with respect to the number of shares that are the subject of the share subscription rights that have not been exercised as of such time, and any fraction under one (1) share resulting from such adjustment shall be rounded off.

Number of shares after adjustment = Number of shares before adjustment × Ratio of split/consolidation

In addition to the above, if any inevitable event arises where the number of shares must be adjusted after the allotment date, the Company will adjust the number of shares as necessary to a reasonable extent.

(ii) Amount of property contributed upon the exercise of the share subscription rights

The property to be contributed upon the exercise of the share subscription rights shall be in pecuniary form, and the above amount shall be one (1) yen (which is the amount to be paid in per share acquired upon exercising the share subscription rights) multiplied by the Subject Share Number.

(iii) Period during which the share subscription rights are exercisable

Such period shall be from the last day in February in the year following the date of allotment of the share subscription rights until the thirtieth (30th) anniversary of the date following such allotment date.

(iv) Matters regarding capital and capital reserve that shall be increased when shares are issued upon the exercise of the share subscription rights

a. The increased amount of capital upon the issuance of shares by the exercise of the share subscription rights shall be one half of the maximum amount of increases of capital, etc., calculated in accordance with Article 17, Paragraph 1 of the Companies Accounting Regulations (“Kaisha Keisan Kisoku”). Any fractional amount of less than one (1) yen resulting from such calculation shall be rounded up.

b. The increased amount of the capital reserve upon the issuance of shares by the exercise of the share subscription rights shall be the amount of the maximum amount of the increases of capital, etc., mentioned in a. above, after subtracting the increased amount of capital prescribed in a. above.

(v) Restriction on acquisition of the share subscription rights by transfer

An acquisition of the share subscription rights by way of transfer requires the approval of the Board of Directors of the Company.

(vi) Events and conditions for the Company’s acquisition of the share subscription rights

a. The Company may acquire the share subscription rights without contribution on a date separately determined by the Board of Directors if (i) a proposal for approval of a merger agreement whereby the Company becomes the dissolving company, (ii) a proposal for approval of a company split agreement or company split plan whereby the Company becomes the splitting company, or (iii) a proposal for approval of a share exchange agreement or share transfer plan whereby the Company becomes the wholly owned subsidiary has been approved at a shareholders’ meeting of the Company (or resolved by the Board of Directors where the resolution of the shareholders’ meeting is not necessary).

b. The Company may acquire the share subscription rights without contribution if the share subscription right holder becomes unable to exercise the share subscription rights for any reason such as ceasing to fall under the conditions for exercising rights indicated in (ix) below.

c. The Company may acquire the share subscription rights without contribution if the share subscription right holder violates the provisions of the share subscription rights allotment agreement.

(vii) Treatment upon restructuring transaction

If the Company is to engage in a merger (limited only to cases where the Company becomes the dissolving Company due to merger), absorption-type split, incorporation-type split, share exchange, or share transfer (collectively, the "Restructuring Transaction"), it shall for each case, respectively, deliver the share subscription rights of the stock companies ("kabushiki kaisha") listed under Article 236, Paragraph 1, Item 8 (a) through (e) of the Companies Act (the "Restructuring Company") to the share subscription right holders of the share subscription rights remaining as of the effectuation of the Restructuring Transaction (the "Remaining Share Subscription Right") pursuant to the following conditions. In such a case, the Remaining Share Subscription Rights will be extinguished. However, the foregoing shall be limited to cases where it is indicated in the absorption-type merger agreement, incorporation-type merger agreement, absorption-type split agreement, incorporation-type split plan, share exchange agreement, or share transfer plan to the effect that the share subscription rights of the Restructuring Company will be delivered in accordance with the following conditions.

a. Number of the share subscription rights of the Restructuring Company to be delivered

The same number as the number of the share subscription rights held by the share subscription right holder of the Remaining Share Subscription Rights as of the effectuation of the Restructuring Transaction shall be delivered, respectively.

b. Class of shares of the Restructuring Company to be acquired upon the exercise of the share subscription rights

The above shares shall be the ordinary shares of the Restructuring Company.

c. Number of shares of the Restructuring Company to be acquired upon the exercise of the share subscription rights

This will be determined analogously as (i) above, taking into consideration the conditions, etc., of the Restructuring Transaction.

d. Amount of property contributed upon the exercise of the share subscription rights

The amount of property contributed upon the exercise of share subscription rights to be delivered shall be the amount obtained by multiplying the adjusted exercise price after the restructuring by the number of shares that are the subject of the share subscription rights, taking into consideration the conditions, etc., of the Restructuring Transaction.

e. Period during which the share subscription rights are exercisable

The above period shall be the later of the commencement date of the period indicated in (iii) above during which the Remaining Share Subscription Rights are exercisable and the date of effectuation of the Restructuring Transaction, until the last date of the period indicated in (iii) above during which the Remaining Share Subscription Rights are exercisable.

f. Matters regarding capital and capital reserve that shall be increased when shares are issued upon the exercise of the share subscription rights

The above matters shall be determined analogously as (iv) above.

g. Restriction on the acquisition of the share subscription rights by transfer

An acquisition of the share subscription rights by way of transfer requires the approval by a resolution of the Board of Directors of the Restructuring Company (if the Restructuring Company is not a Company with a Board of Directors, then determination by its director).

h. Events and conditions for the Restructuring Company's acquisition of the share subscription rights

The above events and conditions shall be determined analogously as (vi) above.

i. Conditions for exercising the share subscription rights

The above conditions shall be determined analogously as (ix) below.

(viii) Rounding off of fractions

Any fraction under one (1) share in the number of shares to be delivered to the share subscription right holders shall be rounded off.

(ix) Conditions for exercising the share subscription rights

a. A share subscription right holder may only exercise the share subscription rights within ten (10) days from the day following the day he/she loses his/her position as a director or executive officer of the Company, or as a director or executive officer of the Company's subsidiaries.

b. Notwithstanding the provisions in a. above, in the event that a proposal for approval of a merger agreement whereby the Company becomes the dissolving company or a proposal for approval of a share exchange agreement or share transfer plan whereby the Company becomes a wholly owned subsidiary has been approved at a shareholders' meeting of the Company (or resolved by the Board of Directors where the resolution of the shareholders' meeting is not necessary), then the share subscription right holder may only exercise the share subscription rights within 30 days from the day following the day on which the proposal is approved.

c. Notwithstanding the provisions in a. above, in the event that the share subscription right holder is a director or executive officer of a company that is a subsidiary of the Company, and that company later ceases to be a subsidiary of the Company (including but not limited to the event that this change results from a "Restructuring Transaction" or assignment of shares), then the share subscription right holder may only exercise the share subscription rights within 30 days from the day following the day on which the company ceases to be a subsidiary of the Company.

d. The share subscription right holder must exercise all of the allotted share subscription rights at one time.

e. If a share subscription right holder passes away, his/her heir may exercise such right. The conditions for exercising the share subscription right by the heir shall be as set forth in the agreement referred to in f. below.

f. Other conditions shall be as set forth in the "Share Subscription Rights Allotment Agreement" entered into between the Company and the share subscription right holders pursuant to the resolution of the Board of Directors.

(x) Other details of the share subscription rights

Details of (i) through (ix) above and items other than (i) through (ix) above shall be determined by the Board of Directors which determines the subscription requirements of the share subscription rights.

End

[Exercise of Voting Rights by Electronic Method]

Exercise of voting rights via the Internet

If you exercise your voting rights via the Internet, please confirm the following items before you vote.

If you attend the Annual Shareholders' Meeting in person, it is not necessary to complete the procedures for exercising your voting rights in writing (Voting Instructions Form) or via the Internet.

Notes

1. Voting Site

(1) You can exercise your voting rights via the Internet by accessing the Voting Site designated by the Company (http://www.evote.jp/) from your personal computer or cell phone ("i-mode," "EZweb," or "Yahoo! Keitai")*. (Please note that service is not available between 2:00 a.m. and 5:00 a.m. each day.)

*"i-mode," "EZweb," and "Yahoo!" are the trademarks or registered trademarks of NTT DOCOMO INC., KDDI Corporation, and Yahoo! Inc., of the United States, respectively.

(2) Depending on certain factors in the shareholder's Internet usage environment, it might not be possible to exercise voting rights via a personal computer. These factors include the use of a firewall, etc. in the Internet connection, the use of anti-virus software, and the use of a proxy server.

(3) To exercise your voting rights by cell phone, please use one of the following services: "i-mode," "EZweb," or "Yahoo! Keitai." To ensure security, cell phones that cannot send encrypted communications (SSL communications) and cell phone information cannot be used to exercise voting rights.

(4) Voting rights may be exercised via the Internet until 5:30 p.m. on Wednesday, May 27, 2009. However, shareholders are kindly requested to exercise their voting rights early. If you have any questions, please contact the Corporate Agency Department Help Desk.

2. Method of exercising voting rights via the Internet

(1) On the Voting Site (http://www.evote.jp/), enter your "login ID" and "temporary password," which are printed on the Voting Instructions Form. Follow the instructions on your computer screen and input your vote for or against the proposed actions.

(2) To prevent unauthorized access by people other than shareholders and to prevent the falsification of shareholder votes, shareholders voting via the Internet will be asked to change their "temporary password" on the Voting Site.

(3) A new "login ID" and "temporary password" will be provided with the convocation for each Shareholders' Meeting.

3. Costs incurred in accessing the Voting Site

Costs (dial-up connection fees, telephone charges, etc.) incurred in accessing the Voting Site (http://www.evote.jp/) will be the responsibility of the shareholder. If a cell phone is used, packet transmission fees and other cell phone usage fees resulting from the use of the cell phone will also be the responsibility of the shareholder.

Inquiries regarding the system, etc.
Mitsubishi UFJ Trust and Banking Corporation
Corporate Agency Department (Help Desk)

Tel: 0120-173-027 (Hours: 9:00 a.m. to 9:00 p.m.)

Platform for Electronic Exercise of Voting Rights

In addition to the exercise of voting rights via the Internet as described above, if nominee shareholders, such as trust and custody services banks (including standing proxies), make prior application to use the platform for the electronic exercise of voting rights that is operated by ICJ Inc., a joint corporation established by Tokyo Stock Exchange, Inc., etc., such shareholders may use that platform as an electronic method for exercising voting rights in connection with the Shareholders' Meeting of the Company

End

*This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the Japanese original shall prevail.