<TRANSLATION FOR REFERENCE PURPOSE ONLY>

Securities Code No. 3382
April 30, 2014

To Our Shareholders,

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

CONVOCATION NOTICE OF THE 9TH ANNUAL SHAREHOLDERS' MEETING

You are invited to attend the 9th Annual Shareholders' Meeting of Seven & 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 21, 2014 (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 76 to 77, 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 22, 2014 (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 9th fiscal year (from March 1, 2013 to February 28, 2014), and the results of audits of the Consolidated Financial Statements by the accounting auditor and the Audit & Supervisory Board.

(2) Reporting on the substance of the Financial Statements for the 9th fiscal year (from March 1, 2013 to February 28, 2014).

Matters to be Resolved:
Item No. 1: Appropriation of retained earnings.
Item No. 2: Election of fourteen (14) Directors.
Item No. 3: Election of five (5) Audit & Supervisory Board members.
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 Determined for 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 changes in the Shareholders' Meeting Reference Materials, Business Report, Financial Statements, or Consolidated Financial Statements will be posted on the Company's website (http://www.7andi.com/st.html).

Attached Documents (Extract)

Business Report (March 1, 2013 to February 28, 2014)

1. Items Regarding Current Status of Corporate Group

(1) Business progress and results

In the 9th consolidated fiscal year, the operating environment in the retail industry showed signs of improvement due to the government's economic stimulus measures and other factors; however, the situation in regard to consumer spending remains uncertain with respect to everyday consumption of food and lifestyle goods.

In this setting, the Group worked to strengthen its existing businesses even further and to develop new businesses under the slogan "Responding to Change while Strengthening Fundamentals."

To further strengthen our existing businesses, we worked to develop differentiated products and also to enhance our customer service. Furthermore, we worked to maximize group synergies by pursuing renewal of the Group's Seven Premium private-brand products and focusing on development and sales of Seven Gold products, which aim to offer quality equal to or better than the products of thriving stores and specialty stores. Among the Seven Gold product lines, *Golden Bread* has proved particularly popular with customers, with annual sales exceeding 30 million units. As a result of these efforts, sales of Seven Premium products expanded to ¥670.0 billion in the 9th consolidated fiscal year (up 36.7% YOY), surpassing the initial target of ¥650.0 billion. Group-wide sales of original products totaled ¥2,400.0 billion (up 17.8% YOY).

Furthermore, from the second half of the 9th consolidated fiscal year, the Group started initiatives towards its Omni Channel Strategy for approaching customers by seamlessly integrating real stores with the Internet. The Group has a network of approximately 18,000 stores in Japan, and operates various business formats including convenience stores, superstores, food supermarkets, department stores, specialty stores, and restaurants. By fusing these stores with the Internet to provide various products and services anywhere and at any time, the Group aims to achieve further growth going forward. During the second half of the 9th consolidated fiscal year, we focused on identifying the required infrastructure and service functions to be provided for the Omni Channel Strategy. Moreover, we conducted an absorption-type merger effective March 1, 2014 with Seven & i Netmedia Co., Ltd. as the surviving company and Seven Net Shopping Co., Ltd. as the dissolving company. This initiative is aimed at clearly identifying the company that will play a pivotal role in promoting the Group's Omni Channel Strategy and vigorously pressing ahead with this strategy.

In initiatives to develop new businesses, the Group entered the following capital and business alliances with the aim of further increasing its corporate value.

In July 2013, in line with its current strategy of strengthening the operational foundations of the food retail operations in the Hokkaido area, Ito-Yokado Co., Ltd. entered a business and capital alliance with DAIICHI CO., LTD., which operates community-based food supermarkets centered on the city of Obihiro. Furthermore, in December 2013, Ito-Yokado Co., Ltd. entered a capital alliance with Tenmaya Store Co., Ltd., which runs superstores and food supermarkets in Okayama and Hiroshima prefectures, and acquired its shares in January 2014. As a result of these alliances, both alliance partners became equity-method affiliates of the Company.

In December 2013, the Company and Seven & i Netmedia Co., Ltd. entered a capital and business alliance with Nissen Holdings Co., Ltd. Seven & i Netmedia Co., Ltd. completed a tender offer for common shares of Nissen Holdings Co., Ltd. in January 2014, and acquired newly issued shares of Nissen Holdings Co., Ltd. by subscribing to a third-party allocation of shares. As a result, Nissen Holdings Co., Ltd. became a consolidated subsidiary of the Company. For the 9th consolidated fiscal year, only the balance sheets of Nissen Holdings Co., Ltd. have been consolidated with the Company's Consolidated Financial Statements.

Furthermore, in December 2013, the Company entered a capital and business alliance with BALS CORPORATION, which runs "Francfranc" shops and other shops dealing in highly fashionable furniture and interior goods, and acquired its shares in January 2014. In addition, in January 2014, the Company acquired the shares of Barneys Japan Co., Ltd., a specialty store comprising the original BARNEYS NEW YORK brand and other global designer brands. As a result of these share acquisitions, both companies became equity-method affiliates of the Company.

Consequently, our consolidated results in the 9th consolidated fiscal year were as follows.

Revenues from operations were ¥5,631.8 billion (up 12.8% YOY); the increase was mainly driven by convenience store operations and financial services operations. Operating income was ¥339.6 billion (up 14.9% YOY) due mainly to higher revenue of convenience store operations and financial services operations, ordinary income was ¥339.0 billion (up 14.6% YOY), and net income was ¥175.6 billion (up 27.3% YOY), all of which recorded all-time record highs. Operating income increased for a third consecutive year, exceeding the ¥300 billion level for the first time in domestic retail operations.

The depreciation of the yen had, in the 9th consolidated fiscal year, the effect of increasing revenues from operations by about ¥371.8 billion and operating income by about ¥7.4 billion. Group sales, which include the total store sales of Seven-Eleven Japan Co., Ltd. and 7-Eleven, Inc., were ¥9,597.8 billion (up 12.8% YOY).

Overview of business by segment

An overview of business by segment in the 9th consolidated fiscal year is as follows.

(i) Convenience store operations

Revenues from operations in convenience store operations were ¥2,529.6 billion (up 33.2% YOY), and operating income was ¥257.5 billion (up 16.1% YOY).

In Japan, Seven-Eleven Japan Co., Ltd. opened 1,579 stores, the largest number in one year to date, including an expansion of the regions where it has stores to include Tokushima and Kagawa prefectures. As a result, the number of domestic stores was 16,319 stores (up 1,247 stores YOY) in 42 prefectures at the end of the 9th consolidated fiscal year. On the product front, we further worked to realize close-by, convenient stores by focusing on development of fast food products that catered to customers' needs for quality and flavor and strengthening our lineup of the Seven Premium and Seven Gold private-brand products. In other initiatives, the high-quality self-serve drip coffee service *SEVEN CAFÉ* was rolled out in all stores by September 2013, and had achieved cumulative sales of 450 million cups between January 2013 and February 28, 2014. *SEVEN CAFÉ* received the "Most Excellent Award, Nikkei Award" at the Nikkei Shimbun 2013 Nikkei Superior Product and Service Awards, winning high praise for establishing a new consumer trend of buying coffee at convenience stores.

As a result of these initiatives, the rate of growth in sales at existing stores did well and increased year on year, and achieved a 19th consecutive month of positive growth since August 2012. Total store sales in Japan, which comprise corporate and franchised store sales, were ¥3,781.2 billion (up 7.8% YOY).

In North America, as of the end of December 2013, 7-Eleven, Inc. had 8,292 stores (up 174 stores YOY), including 6,219 franchised stores (up 349 stores YOY). In terms of sales, we continued to focus on the development and sales of fast foods and 7-Select private-brand products. In addition, sales growth was posted for non-alcoholic beverages and alcoholic beverages. Consequently, the rate of growth in merchandise sales at existing stores in the United States on a local currency basis saw positive growth year on year. Total store sales were ¥2,641.1 billion (up 42.6% YOY), due partly to higher gasoline sales.

In China, as of December 31, 2013, we had 150 stores in Beijing, 56 stores in Tianjin, and 79 stores in Chengdu, Sichuan Province.

(ii) Superstore operations

Revenues from operations in superstore operations were ¥2,009.4 billion (up 0.7% YOY), and operating income was ¥29.6 billion (up 16.4% YOY).

In domestic superstore operations, Ito-Yokado Co., Ltd. had 179 stores at the end of the 9th consolidated fiscal year (up 5 stores YOY). We opened a total of nine stores: three Ario large-scale shopping centers, three small-scale Shokuhinkan supermarkets, and three THE PRICE discount stores; and closed four stores. On the sales front, in apparel we pursued product development in our private brands such as the women's fashion brand GALLORIA. We also strove to improve promotional campaigns with media and customer service. In food, we provided safe and secure products, and worked to strengthen our lineup of Seven Premium and other high-quality products. The rate of growth in sales at existing stores in the 9th consolidated fiscal year declined year on year, partly due to the effects of weather and a revision of sales promotion methods. However, profitability improved due to a reduction in losses due to markdown and an improving gross profit margin reflecting growth in sales of private-brand products, among other factors.

In domestic food supermarket operations, York-Benimaru Co., Ltd. had 193 stores as of the end of the 9th consolidated fiscal year (up 9 stores YOY), principally in the southern Tohoku and northern Kanto regions, and York Mart Co., Ltd. had 74 stores (up 3 stores YOY) in the Tokyo metropolitan area. York-Benimaru Co., Ltd. worked to realize "lifestyle proposal-type food supermarkets" by strengthening fresh foods and delicatessen items, and promoting development of differentiated products such as Seven Premium brand items. Consequently, the rate of growth in sales at existing stores for the 9th consolidated fiscal year increased from the previous year. The subsidiary Life Foods Co., Ltd. began operation of a new plant from March 2013, and thereby we strengthened our prepared-meal menu proposals to suit various life scenes amid a rise in demand for ready-to-serve and easy meals.

Akachan Honpo Co., Ltd., which sells baby and maternity products in Japan, had 93 stores at the end of the 9th consolidated fiscal year (up 1 store YOY).

In China, as of December 31, 2013, we had 9 superstores in Beijing and 5 superstores in Chengdu, Sichuan Province.

(iii) Department store operations

Revenues from operations in department store operations were ¥871.1 billion (down 1.5% YOY), and operating income was ¥6.5 billion (down 17.9% YOY).

Sogo & Seibu Co., Ltd. strengthened its initiative for promoting self-produced merchandise, centered on the Limited Edition brand, and self-arranged sales areas. Meanwhile, on the service front, we increased the number of sales staff with highly specialized product knowledge, and enhanced our high-quality service tailored to customers' needs and our total advice function by using personnel with special qualifications. The rate of growth in sales at existing stores was up year on year, driven by strong sales of luxury brand products, art and jewelry, and operating income also increased.

THE LOFT CO., LTD., which operates miscellaneous goods specialty stores, had 89 stores at the end of the 9th consolidated fiscal year (up 7 stores YOY).

(iv) Food services operations

Revenues from operations in food service operations were ¥78.5 billion (up 0.3% YOY), and operating income was ¥0.6 billion (down 16.3% YOY).

The restaurant division of Seven & i Food Systems Co., Ltd. operated 470 restaurants at the end of the 9th consolidated fiscal year (down 6 restaurants YOY). The rate of growth in sales at existing restaurants in the 9th consolidated fiscal year did well and increased year on year. This mostly reflected measures to strengthen high value-added menus and enhance customer service. However, due to incurring a one-off expense, operating income declined year on year.

(v) Financial services operations

In financial services operations, revenues from operations were ¥158.8 billion (up 10.0% YOY), and operating income was ¥44.9 billion (up 20.0% YOY).

As of the end of the 9th consolidated fiscal year, the number of installed ATMs of Seven Bank, Ltd. had increased to 19,394 (up 1,472 ATMs YOY). The average daily transaction volume per ATM during the 9th consolidated fiscal year was 108.4 transactions (down 2.8 transactions YOY). However, in addition to the increase in the number of installed ATMs, the number of transactions made by customers of deposit-taking financial institutions also increased, and as a result the total number of transactions recorded a steady increase.

In credit card operations, as of the end of the 9th consolidated fiscal year, the number of cardholders for the Seven Card, which is issued by Seven Card Service Co., Ltd., was 3.50 million (up 0.13 million YOY), and the number of cardholders for the CLUB ON Card SAISON / Millennium Card SAISON, which is issued by Seven CS Card Service Co., Ltd., was 3.28 million (up 0.07 million YOY).

In electronic money operations, Seven Card Service Co., Ltd. worked aggressively to expand the *nanaco* electronic money service inside and outside the Group. As a result, at the end of the 9th consolidated fiscal year, the total number of *nanaco* accounts issued was 28.39 million (up 6.94 million YOY), and the number of stores at which *nanaco* could be used was approximately 142,900 stores (up about 21,900 stores YOY).

(vi) Mail order services operations

Mail order services are the core business of Nissen Holdings, Co., Ltd., which became a consolidated subsidiary of the Company in January 2014. Under the medium-term management plan Nissen Vision 50, Nissen Holdings, Co., Ltd. earnestly promoted measures based on five growth strategies: No. 1 in customer support, a one-to-one strategy for the next generation, value leader merchandising, open usability, and M&As and alliances. The measures are intended to enable Nissen Holdings Co., Ltd. to offer each customer the optimal selection of products in the optimal environment.

(vii) Others

Revenues from operations in others were ¥50.4 billion (up 0.6% YOY), and operating income was ¥2.1 billion (down 44.3% YOY).

In IT/services operations, Seven & i Netmedia Co., Ltd. and Seven Net Shopping Co., Ltd. merged on March 1, 2014, to establish a framework for strongly driving forward the Omni Channel Strategy.

Revenues from operations by segment

Business segment	Revenues from operations (Millions of yen)
Convenience stores	2,529,694
Superstores	2,009,409
Department stores	871,132
Food services	78,566
Financial services	158,826
Mail order services	--
Others	50,492
Eliminations / corporate	(66,301)
Total	5,631,820

(Notes)

1. Group sales, which include the total store sales of Seven-Eleven Japan Co., Ltd. and 7-Eleven, Inc., were ¥9,597.8 billion.

2. The Group has newly added the mail order services segment in conjunction with the consolidation of Nissen Holdings Co., Ltd. on January 29, 2014. Moreover, since the deemed date of consolidation is the end of the 9th consolidated fiscal year, only the balance sheets have been consolidated with the Company's Consolidated Financial Statements.

3. Eliminations /corporate is a total of eliminated inter-segment transactions and revenues from operations for the Company.

(2) Capital expenditures and fundraising

Total capital expenditures in the 9th consolidated fiscal year were ¥336.7 billion. The funds required for these expenditures were appropriated from loans from the financial institutions, from previously issued unsecured bonds and from funds on hand.

Business segment	Capital expenditures (Millions of yen)
Convenience stores	197,715
Superstores	66,686
Department stores	15,596
Food services	2,277
Financial services	39,326
Mail order services	--
Others	7,567
Corporate (shared)	7,588
Total	336,758

(Notes)

1. The amounts above include guaranty deposits and advances for store construction.

2. With regard to the mail order services segment, please refer to "(Notes) 2." under "Revenues from operations by segment" above.

3. The amount for corporate (shared) is the Company's capital expenditures.

(3) Trends in assets and profit/loss in the 9th fiscal year and the most recent three fiscal years

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

Item	6th fiscal year (March 1, 2010 to February 28, 2011)	7th fiscal year (March 1, 2011 to February 29, 2012)	8th fiscal year (March 1, 2012 to February 28, 2013)	9th fiscal year (March 1, 2013 to February 28, 2014)
Revenues from operations	Millions of yen 5,119,739	Millions of yen 4,786,344	Millions of yen 4,991,642	Millions of yen 5,631,820
Net income	Millions of yen 111,961	Millions of yen 129,837	Millions of yen 138,064	Millions of yen 175,691
Net income per share	Yen 126.21	Yen 146.96	Yen 156.26	Yen 198.84
Total assets	Millions of yen 3,732,111	Millions of yen 3,889,358	Millions of yen 4,262,397	Millions of yen 4,811,380
Net assets	Millions of yen 1,776,512	Millions of yen 1,860,954	Millions of yen 1,994,740	Millions of yen 2,221,557
Net assets per share	Yen 1,927.09	Yen 1,998.84	Yen 2,140.45	Yen 2,371.92

(Note)

Net income per share is calculated on the basis of the average number of shares issued during the 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 fiscal year (the number of shares excluding the number of treasury stock).

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

Business segment	Item	6th fiscal year (March 1, 2010 to February 28, 2011)	7th fiscal year (March 1, 2011 to February 29, 2012)	8th fiscal year (March 1, 2012 to February 28, 2013)	9th fiscal year (March 1, 2013 to February 28, 2014)
		Millions of yen	Millions of yen	Millions of yen	Millions of yen
Convenience stores	Revenues from operations	2,036,464	1,690,924	1,899,573	2,529,694
	Operating income	195,477	214,637	221,764	257,515
	Total assets	1,112,557	1,077,608	1,370,292	1,630,826
Superstores	Revenues from operations	1,981,604	1,992,298	1,994,588	2,009,409
	Operating income	15,708	32,432	25,491	29,664
	Total assets	1,081,491	1,048,661	967,887	1,000,318
Department stores	Revenues from operations	915,105	900,222	884,028	871,132
	Operating income	5,622	9,948	8,029	6,590
	Total assets	571,463	541,929	517,075	501,856
Food services	Revenues from operations	80,225	78,026	78,361	78,566
	Operating income (loss)	(193)	(95)	721	604
	Total assets	21,105	21,026	21,843	22,398
Financial services	Revenues from operations	106,953	129,601	144,355	158,826
	Operating income	28,343	33,778	37,425	44,902
	Total assets	1,350,272	1,565,291	1,716,745	1,798,059
Mail order services	Revenues from operations	--	--	--	--
	Operating income	--	--	--	--
	Total assets	--	--	--	103,437
Others	Revenues from operations	35,610	47,464	50,210	50,492
	Operating income (loss)	(690)	2,304	3,886	2,166
	Total assets	145,792	153,852	168,047	169,602

(Note)

With regard to the mail order services segment, please refer to “(Notes) 2.” under “Revenues from operations by segment” on page 8.

(4) Corporate reorganization measures, etc.

(i) Acquisition of shares of DAIICHI CO., LTD. by Ito-Yokado Co., Ltd.

On July 23, 2013, Ito-Yokado Co., Ltd. concluded a capital and business alliance agreement and a share subscription agreement with DAIICHI CO., LTD. in line with its current strategy of strengthening the operational foundations of the food retail operations in the Hokkaido area. Under these agreements, Ito-Yokado Co., Ltd. acquired 1,716,000 shares of common stock, which were newly issued by a third-party allocation of shares by DAIICHI CO., LTD. on August 26, 2013. As a result of the acquisition, Ito-Yokado Co., Ltd. holds 30% of the voting rights in DAIICHI CO., LTD., making it an equity-method affiliate of the Company.

(ii) Acquisition of shares of Barneys Japan Co., Ltd.

On December 3, 2013, the Company concluded a share transfer agreement to acquire 127,800 shares of the common stock of Barneys Japan Co., Ltd. from a fund operated by Tokio Marine Capital Co., Ltd., and acquired the shares on January 10, 2014. The acquisition is intended to strengthen the product development capabilities of the Group’s department store operations, and to help it acquire the global branding capability that is a technique necessary for the development of “new department stores,” a wide-range of product lines and arrangement and proposal capabilities to suit diverse fashion preferences of a highly discerning customer base. As a result of the acquisition, the Company came to hold a 49.9% (figures after the first decimal place have been omitted) share of the voting rights of Barneys Japan Co., Ltd., making it an equity-method affiliate of the Company.

(iii) Acquisition of shares of Tenmaya Store Co., Ltd. by Ito-Yokado Co., Ltd.

On December 10, 2013, Ito-Yokado Co., Ltd. concluded a basic agreement on a capital alliance with Tenmaya Store Co., Ltd. and on the same day concluded a share transfer agreement with Tenmaya Company Limited and Maruta Industry Co., Ltd. under which Ito-Yokado Co., Ltd. would acquire a part of the common stock of Tenmaya Store Co., Ltd., and acquired 2,310,000 of its shares on January 31, 2014. The agreements were concluded in order to strengthen Ito-Yokado Co., Ltd.’s retailing operation base in Okayama and Hiroshima prefectures. As a result of the acquisition, Ito-Yokado Co., Ltd. came to hold 20.0% of the voting rights of Tenmaya Store Co., Ltd., making it an equity-method affiliate of the Company.

(iv) Acquisition of shares of BALS CORPORATION and BALS INTERNATIONAL LIMITED

On December 25, 2013, the Company concluded a capital and business alliance agreement and a share subscription agreement with BALS CORPORATION, under which it acquired 19,286 shares of the common stock of BALS CORPORATION, which were newly issued by a third-party allocation of shares, on January 31, 2014. The two companies intend to increase each other’s corporate value by providing their respective customers with products and services that embody even higher added value and outstanding specialization through mutual use of the business resources of both groups. Furthermore, on December 25, 2013, the Company concluded a share transfer agreement with Mitsubishi Corporation, under which the Company would acquire 122,075,279 shares of the common stock of BALS INTERNATIONAL LIMITED, which is the parent company of BALS CORPORATION, from Mitsubishi Corporation, and acquired such shares on January 31, 2014. As a result of these acquisitions, the Company’s ownership ratio in BALS INTERNATIONAL LIMITED became 26.7% and it came to hold 30.0% of the voting rights of BALS CORPORATION, with an ownership ratio (including indirect holdings) of 48.7%.

Consequently, BALS INTERNATIONAL LIMITED and BALS CORPORATION became equity-method affiliates of the Company.

(v) Acquisition of the shares of Nissen Holdings Co., Ltd. by Seven & i Netmedia Co., Ltd.

Seven & i Netmedia Co., Ltd. acquired a 50.7% share of the voting rights in Nissen Holdings Co., Ltd. by acquiring 29,191,413 shares of the common stock of Nissen Holdings Co., Ltd. through a tender offer and a further 3,195,600 shares of the common stock, which were newly issued shares by a third-party allocation of shares by Nissen Holdings Co., Ltd. These acquisitions are intended to facilitate more efficient mutual use of both companies' highly complementary business resources and the creation and expansion of corporate value at a higher level than would be possible through each individual company's growth alone, and to contribute to the advancement of the entire Group's Omni Channel Strategy. As a result of these acquisitions, Nissen Holdings Co., Ltd. became a consolidated subsidiary of the Company on January 29, 2014.

(vi) Absorption of Seven Net Shopping Co., Ltd. by Seven & i Netmedia Co., Ltd. through merger

Seven & i Netmedia Co., Ltd. conducted an absorption-type merger effective March 1, 2014, with Seven & i Netmedia Co., Ltd. as the surviving company and Seven Net Shopping Co., Ltd. as the dissolving company. This initiative is aimed at clearly identifying the company that will play a pivotal role in promoting the Seven & i Group's Omni Channel Strategy and vigorously pressing ahead with this strategy. Furthermore, in conjunction with this merger, to ensure that the surviving company, Seven & i Netmedia Co., Ltd., remains a wholly owned subsidiary of the Company, the merger was conducted based on a triangular merger process, under which the common stock of the Company was allocated to shareholders of Seven Net Shopping Co., Ltd. except for Seven & i Netmedia Co., Ltd.

(5) Status of major subsidiaries (as of February 28, 2014)

(i) Status of major subsidiaries

Business segment	Company name	Paid-in capital	Capital contribution ratio (%)
Convenience stores	Seven-Eleven Japan Co., Ltd.	¥17,200 million	100.0
	7-Eleven, Inc. (U.S.)	US$13 thousand	100.0
Superstores	Ito-Yokado Co., Ltd.	¥40,000 million	100.0
	York-Benimaru Co., Ltd.	¥9,927 million	100.0
Department stores	Sogo & Seibu Co., Ltd.	¥10,000 million	100.0
Food services	Seven & i Food Systems Co., Ltd.	¥3,000 million	100.0
Financial services	Seven Bank, Ltd.	¥30,509 million	45.8
Mail order services	Nissen Holdings Co., Ltd.	¥11,873 million	50.7

(Note)
The capital contribution ratio in 7-Eleven, Inc., Seven Bank, Ltd., and Nissen Holdings Co., Ltd. is indirect holdings.

(ii) Status of other major business combinations

None.

(iii) Consolidated subsidiaries and equity-method affiliates

The Company has 121 consolidated subsidiaries and 26 equity-method affiliates.

(6) Issues to be resolved

With respect to the outlook for the 10th consolidated fiscal year, the future is expected to remain uncertain, partly due to the increase to the consumption tax rate from April 2014, although the effects of the government's economic stimulus measures are expected to continue.

In this environment, in our existing businesses, we will further expand our store network centered on Seven-Eleven, and strive to develop high value-added products and to improve customer service. At the same time, we will work to create product lineups and stores tailored to the characteristics of each individual store's catchment area. In terms of measures to maximize Group synergy effects, the Group is targeting Group-wide sales of ¥2,662.0 billion (up ¥262.0 billion YOY) from original products, combined with sales of the original products of various Group companies including targeted sales of ¥800.0 billion from its Seven Premium private-brand products (up ¥130.0 billion YOY).

We also aim to achieve a new retail format responding to an omni-channel generation. We will promote merging real store-services with the Internet-based services and incorporate the strengths of all the capital and business alliance partners we acquired during the 9th consolidated fiscal year into the Group, with the goal of further increasing our corporate value.

In domestic convenience store operations, Seven-Eleven Japan Co., Ltd. will approach a variety of changes in the social structure, which include the aging population, an increase in single-person households, a decline in the number of small and medium-sized retail stores and an increase in working women, as growth opportunities arise. In order to play the roles to be expected of a convenience store, Seven-Eleven Japan Co., Ltd. will target further evolution towards the realization of close-by, convenient stores. In terms of stores, we will step up store openings in existing coverage areas. In addition, in March 2014, we began to open stores in Ehime Prefecture as one facet of expansion into new regions. In these ways, we will open a record high 1,600 stores. In addition, on the product front we will work to further increase the quality of fast food products, and will promote new product development that captures customers' latent needs.

In overseas convenience store operations, 7-Eleven, Inc., which conducts our North American operations, will continue to focus on the development and sale of fast food products and 7-Select private-brand products. At the same time, we will open new stores in areas where we have a dominant presence and convert corporate stores to franchised stores.

In superstore operations, Ito-Yokado Co., Ltd. will work to further improve its revenue generating base by implementing measures which include enhancing sales capabilities by strengthening development of private-brand products and face-to-face sales with customers and focusing on store structure reforms targeting sales area efficiency. York-Benimaru Co., Ltd. will continue to strengthen its lineup of products that meet regional needs, while invigorating existing stores and continuing to open stores under its market concentration strategy.

In department store operations, Sogo & Seibu Co., Ltd. will continue to strengthen its initiatives for promoting self-produced merchandise and self-arranged sales areas. Meanwhile, on the service front, we will enhance our high-quality service and total advice function by using personnel with special qualifications, which are unique features of department stores.

In food service operations, Seven & i Food Systems Co., Ltd. will continue to strengthen high value-added menus and improve earnings by enhancing customer service.

At this point, the Company has not 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 the 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, 2014)

The Group is centered on the retail industry and comprises 149 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, financial services operations, and mail order 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 stores (47 companies)	Seven-Eleven Japan Co., Ltd. 7-Eleven, Inc. SEVEN-ELEVEN (CHINA) INVESTMENT CO., LTD. SEVEN-ELEVEN (BEIJING) CO., LTD. SEVEN-ELEVEN (TIANJIN) CO., LTD. SEVEN-ELEVEN (CHENGDU) CO., LTD. SEVEN-ELEVEN HAWAII, INC. SEJ Asset Management & Investment Company SHAN DONG ZHONG DI CONVENIENCE CO., LTD.[*1] TOWER BAKERY CO., LTD.[*1]
Superstores (30 companies)	Ito-Yokado Co., Ltd. York-Benimaru Co., Ltd. Marudai Co., Ltd. Hua Tang Yokado Commercial Co., Ltd. Chengdu Ito-Yokado Co., Ltd. York Mart Co., Ltd. K.K. Sanei Mary Ann Co., Ltd. Oshman's Japan Co., Ltd. Akachan Honpo Co., Ltd. Seven Bi no Garden Co., Ltd. IY Foods K.K. Life Foods Co., Ltd. Ito-Yokado (China) Investment Co., Ltd. Seven Farm Co., Ltd. DAIICHI CO., LTD.[*1, 2] Tenmaya Store Co., Ltd.[*1, 3]
Department stores (13 companies)	Sogo & Seibu Co., Ltd. THE LOFT CO., LTD. SHELL GARDEN CO., LTD. IKEBUKURO SHOPPING PARK CO., LTD. Yatsugatake Kogen Lodge Co., Ltd. GOTTSUO BIN CO., LTD. DISTRICT HEATING AND COOLING CHIBA CO., LTD.
Food services (2 companies)	Seven & i Food Systems Co., Ltd. Seven & i Restaurant Management (Beijing) Co., Ltd.[*4]
Financial services (6 companies)	Seven Bank, Ltd. Seven Financial Service Co., Ltd. Seven Card Service Co., Ltd. Seven CS Card Service Co., Ltd. SEVEN & i Financial Center Co., Ltd. Financial Consulting & Trading International, Inc.

Business segments	Names of major Group companies
Mail order services (27 companies)	Nissen Holdings Co., Ltd.[*5] Nissen Co., Ltd.[*5] SHADDY CO., LTD.[*5] Mail & e Business Logistics Service Co., Ltd.[*5] GE Nissen Credit Co., Ltd.[*1, 5]
Others (23 companies)	Seven & i Netmedia Co., Ltd.[*6] SEVEN & i Publishing Co., Ltd. IY Real Estate Co., Ltd. K.K. York Keibi Seven & i Asset Management Co., Ltd. 7dream.com Seven-Meal Service Co., Ltd. K.K. Terre Verte Seven Net Shopping Co., Ltd.[*6] Mall & SC Development Inc. Seven Culture Network Co., Ltd. I ing Co., Ltd.[*1] PIA CORPORATION[*1] Tower Records Japan Inc.[*1] Barneys Japan Co., Ltd.[*1, 7] BALS CORPORATION[*1, 8]

(Notes)

*1. SHAN DONG ZHONG DI CONVENIENCE CO., LTD., TOWER BAKERY CO., LTD., DAIICHI CO., LTD., Tenmaya Store Co., Ltd., GE Nissen Credit Co., Ltd., I ing Co., Ltd., PIA CORPORATION, Tower Records Japan Inc., Barneys Japan Co., Ltd., and BALS CORPORATION are affiliates and the other companies are consolidated subsidiaries.

*2. On August 26, 2013, DAIICHI CO., LTD. became an affiliate of the Company through a stock acquisition.

*3. On January 31, 2014, Tenmaya Store Co., Ltd. became an affiliate of the Company through a stock acquisition.

*4. On August 27, 2013, Seven & i Restaurant (Beijing) Co., Ltd. changed its name to Seven & i Restaurant Management (Beijing) Co., Ltd.

*5. On January 29, 2014, Nissen Holdings Co., Ltd. became a consolidated subsidiary of the Company through a stock acquisition. Accodingly, Nissen Co., Ltd., SHADDY CO., LTD., Mail & e Business Logistics Service Co., Ltd., and GE Nissen Credit Co., Ltd. became consolidated subsidiaries or an affiliate of the Company.

*6. On March 1, 2014, Seven Net Shopping Co., Ltd. was absorbed by Seven & i Netmedia Co., Ltd.

*7. On January 10, 2014, Barneys Japan Co., Ltd. became an affiliate of the Company through a stock acquisition.

*8. On January 31, 2014, BALS CORPORATION became an affiliate of the Company through a stock acquisition.

(8) Principal business locations (as of February 28, 2014)

(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: 440 stores

7-Eleven, Inc.

- Head office: Texas, U.S.A.
- Corporate stores: 2,073 stores

(Note)
The number of corporate stores for 7-Eleven, Inc., is the number of stores as of the end of December 2013.

(Superstores)

Ito-Yokado Co., Ltd.

- Head office: 8-8, Nibancho, Chiyoda-ku, Tokyo
- Corporate stores: 179 stores

York-Benimaru Co., Ltd.

- Head office: 18-2, 2-chome, Asahi, Koriyama, Fukushima
- Corporate stores: 193 stores

(Department stores)

Sogo & Seibu Co., Ltd.

- Head office: 5-25, Nibancho, Chiyoda-ku, Tokyo
- Corporate stores: 24 stores

(Food services)

Seven & i Food Systems Co., Ltd.

- Head office: 8-8, Nibancho, Chiyoda-ku, Tokyo
- Sumida office: 25-12, 1-chome, Yahiro, Sumida-ku, Tokyo
- Corporate stores: 840 stores

(Financial services)

Seven Bank, Ltd.

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

(Mail order services)

Nissen Holdings Co., Ltd.

- Head office: 26 Nishikujoinmachi, Minami-ku, Kyoto

(9) Status of employees (as of February 28, 2014)

(i) Status of employees of the corporate group

Business segment	Number of employees	Change from the previous fiscal year-end
Convenience stores	25,017 employees	590 employees (decrease)
Superstores	18,464 employees	230 employees (decrease)
Department stores	6,450 employees	516 employees (decrease)
Food services	1,328 employees	5 employees (increase)
Financial services	1,376 employees	152 employees (increase)
Mail order services	1,529 employees	1,529 employees (increase)
Others	772 employees	7 employees (decrease)
Corporate (shared)	428 employees	10 employees (increase)
Total	55, 364 employees	353 employees (increase)

(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 its Group companies employ 93,230 part-time employees (monthly average based on a 163-hour working month).
3. The number of employees for corporate (shared) is the number of employees of the Company.
4. The increase in the number of employees was principally due to consolidated subsidiaries' acquisition of Nissen Holdings Co., Ltd. and its subsidiaries.

(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	309 employees	9 employees (increase)	46 years 0 months	20 years 0 months
Females	119 employees	1 employee (increase)	39 years 0 months	16 years 4 months
Total or average	428 employees	10 employees (increase)	43 years 11 months	19 years 0 months

(Notes)

1. Most of the Company's employees have been transferred from Group companies. The average number of years of continuous service is the total of the number of years of continuous service at each company.
2. In addition to the number of employees listed above, the Company employs 25 part-time workers (monthly average based on a 163-hour working month).

(10) Status of major lenders (as of February 28, 2014)

Lender	Amount borrowed (Millions of yen)
Sumitomo Mitsui Banking Corporation	139,015
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	113,430
Mizuho Bank, Ltd.	73,130

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

None.

2. Items Regarding Shares (as of February 28, 2014)

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

(2) Number of shares issued: 886,441,983 shares

(Note)
The number of shares issued includes 2,375,568 treasury stock.

(3) Number of shareholders: 88,917

(4) Major shareholders (Top 10)

Name of shareholders	Number of shares (Thousand shares)	Percentage of shares held (%)
Ito-Kogyo Co., Ltd.	68,901	7.8
Japan Trustee Services Bank, Ltd. (Trust account)	40,800	4.6
The Master Trust Bank of Japan, Ltd. (Trust account)	38,510	4.4
Nippon Life Insurance Company	19,664	2.2
Masatoshi Ito	16,801	1.9
MITSUI & CO., LTD.	16,222	1.8
The Dai-ichi Life Insurance Company, Limited	13,777	1.6
State Street Bank and Trust Company 505225	12,292	1.4
Mitsui Sumitomo Insurance Company, Limited	12,251	1.4
Nomura Securities Co., Ltd. (Proprietary account)	11,731	1.3

(Note)

Percentage of shares held is calculated using the total number of shares, excluding treasury stock.

3. Items Regarding Share Subscription Rights

(1) Overview, etc., of the share subscription rights held by Directors or Audit & Supervisory Board Members of the Company as compensation for the performance of their duties (as of February 28, 2014)

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 share subscription rights		159*[1]	958*[2]
Class and number of shares to be acquired upon exercise of the share subscription rights		15,900*[1] ordinary shares of the Company (with one share subscription right corresponding to 100 shares)	95,800*[2] 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		*[3]	*[3]
Directors’ or Audit & Supervisory Board Members’ ownership status	Directors (excluding Outside Directors)	Number of share subscription rights: 129 Class and number of corresponding shares: 12,900 ordinary shares Number of Directors holding the share subscription rights: 3	Number of share subscription rights: 236 Class and number of corresponding shares: 23,600 ordinary shares Number of Directors holding the share subscription rights: 9

Name of share subscription rights issue		3rd share subscription rights issue	4th share subscription rights issue
Date of resolution for issue		May 28, 2009	May 28, 2009
Number of share subscription rights		240*[1]	1,297*[2]
Class and number of shares to be acquired upon exercise of the share subscription rights		24,000*[1] ordinary shares of the Company (with one share subscription right corresponding to 100 shares)	129,700*[2] ordinary shares of the Company (with one share subscription right corresponding to 100 shares)
Amount to be paid for the share subscription rights		¥204,500 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 February 28, 2010 to June 15, 2029	From February 28, 2010 to June 15, 2039
Exercise conditions		*[4]	*[4]
Directors’ or Audit & Supervisory Board Members’ ownership status	Directors (excluding Outside Directors)	Number of share subscription rights: 198 Class and number of corresponding shares: 19,800 ordinary shares Number of Directors holding the share subscription rights: 5	Number of share subscription rights: 292 Class and number of corresponding shares: 29,200 ordinary shares Number of Directors holding the share subscription rights: 8

Name of share subscription rights issue		5th share subscription rights issue	6th share subscription rights issue
Date of resolution for issue		May 27, 2010	June 15, 2010
Number of share subscription rights		211*[1]	1,144*[2]
Class and number of shares to be acquired upon exercise of the share subscription rights		21,100*[1] ordinary shares of the Company (with one share subscription right corresponding to 100 shares)	114,400*[2] ordinary shares of the Company (with one share subscription right corresponding to 100 shares)
Amount to be paid for the share subscription rights		¥185,000 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 February 28, 2011 to June 16, 2030	From February 28, 2011 to July 2, 2040
Exercise conditions		*[4]	*[4]
Directors' or Audit & Supervisory Board Members' ownership status	Directors (excluding Outside Directors)	Number of share subscription rights: 175 Class and number of corresponding shares: 17,500 ordinary shares Number of Directors holding the share subscription rights: 5	Number of share subscription rights: 164 Class and number of corresponding shares: 16,400 ordinary shares Number of Directors holding the share subscription rights: 7

Name of share subscription rights issue		7th share subscription rights issue	8th share subscription rights issue
Date of resolution for issue		May 26, 2011	May 26, 2011
Number of share subscription rights		259*[1]	1,280*[2]
Class and number of shares to be acquired upon exercise of the share subscription rights		25,900*[1] ordinary shares of the Company (with one share subscription right corresponding to 100 shares)	128,000*[2] ordinary shares of the Company (with one share subscription right corresponding to 100 shares)
Amount to be paid for the share subscription rights		¥188,900 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 February 29, 2012 to June 15, 2031	From February 29, 2012 to June 15, 2041
Exercise conditions		*[4]	*[4]
Directors' or Audit & Supervisory Board Members' ownership status	Directors (excluding Outside Directors)	Number of share subscription rights: 259 Class and number of corresponding shares: 25,900 ordinary shares Number of Directors holding the share subscription rights: 6	Number of share subscription rights: 229 Class and number of corresponding shares: 22,900 ordinary shares Number of Directors holding the share subscription rights: 7

Name of share subscription rights issue		9th share subscription rights issue	10th share subscription rights issue
Date of resolution for issue		June 5, 2012	June 5, 2012
Number of share subscription rights		270*1	1,261*2
Class and number of shares to be acquired upon exercise of the share subscription rights		27,000*1 ordinary shares of the Company (with one share subscription right corresponding to 100 shares)	126,100*2 ordinary shares of the Company (with one share subscription right corresponding to 100 shares)
Amount to be paid for the share subscription rights		¥216,400 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 February 28, 2013 to July 6, 2032	From February 28, 2013 to July 6, 2042
Exercise conditions		*4	*4
Directors' or Audit & Supervisory Board Members' ownership status	Directors (excluding Outside Directors)	Number of share subscription rights: 270 Class and number of corresponding shares: 27,000 ordinary shares Number of Directors holding the share subscription rights: 7	Number of share subscription rights: 220 Class and number of corresponding shares: 22,000 ordinary shares Number of Directors holding the share subscription rights: 6

Name of share subscription rights issue		11th share subscription rights issue	12th share subscription rights issue
Date of resolution for issue		July 4, 2013	July 4, 2013
Number of share subscription rights		249*1	1,105*2
Class and number of shares to be acquired upon exercise of the share subscription rights		24,900*1 ordinary shares of the Company (with one share subscription right corresponding to 100 shares)	110,500*2 ordinary shares of the Company (with one share subscription right corresponding to 100 shares)
Amount to be paid for the share subscription rights		¥345,700 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 February 28, 2014 to August 7, 2033	From February 28, 2014 to August 7, 2043
Exercise conditions		*4	*4
Directors' or Audit & Supervisory Board Members' ownership status	Directors (excluding Outside Directors)	Number of share subscription rights: 249 Class and number of corresponding shares: 24,900 ordinary shares Number of Directors holding the share subscription rights: 7	Number of share subscription rights: 209 Class and number of corresponding shares: 20,900 ordinary shares Number of Directors holding the share subscription rights: 6

(Notes)

*1. The total number of share subscription rights at the time of granting them to Directors of the Company is shown.

*2. The total number of share subscription rights at the time of granting them to executive officers of the Company and Directors and executive officers of the Company's subsidiaries is shown.

*3. 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 a subsidiary of the Company.

(ii) If a share subscription right holder passes away, his/her heir may exercise such rights. The conditions for exercising the share subscription rights 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.

*4. 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 a subsidiary of the Company.

(ii) Regardless of the condition set forth in (i) above, in the event that a general meeting of shareholders (if a resolution of the general meeting of shareholders is not required, then in the event that the Board of Directors) approves a resolution for approval of a merger agreement in which the Company is the dissolved company or a resolution for approval of a share exchange agreement or a share transfer plan resulting in the Company becoming a wholly owned subsidiary of another company, then the share subscription right holder may exercise the share subscription rights only within thirty (30) days from the day following the day on which the resolution was approved.

(iii) If the share subscription right holder is a Director or executive officer of a subsidiary of the Company, then regardless of the condition set forth in (i) above, in the event that the company in question ceases to be a subsidiary of the Company (including but not limited to circumstances resulted from internal reorganization or the transfer of stock), then the share subscription right holder may exercise the share subscription rights only within thirty (30) days from the day following the day on which the company in question ceases to be a subsidiary of the Company.

(iv) The share subscription right holder is to exercise at one time all of the share subscription rights allotted.

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

(vi) 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 based on a resolution of the Board of Directors.

(2) Overview, etc. of the share subscription rights granted to employees, etc. during the 9th consolidated fiscal year as compensation for the performance of their duties

Name of share subscription rights issue		12th share subscription rights issue
Status of grants to employees, etc.	Employees of the Company (excluding those concurrently serving as Directors or Audit & Supervisory Board Members of the Company)	Number of share subscription rights: 95 Class and number of corresponding shares: 9,500 ordinary shares Number of recipients: 10
	Directors, Audit & Supervisory Board Members, and employees of subsidiaries of the Company (excluding those concurrently serving as Directors, Audit & Supervisory Board Members, or employees of the Company)	Number of share subscription rights: 801 Class and number of corresponding shares: 80,100 ordinary shares Number of recipients: 92

(Note)

The overview of the details of the 12th share subscription rights issue is as shown above in "(1) Overview, etc.~~,~~ of the share subscription rights held by Directors or Audit & Supervisory Board Members of the Company as compensation for the performance of their duties (as of February 28, 2014)."

4. Items Regarding the Company's Directors and Audit & Supervisory Board Members

(1) Directors and Audit & Supervisory Board Members (as of February 28, 2014)

Position in the Company	Name	Area of responsibility in the Company and important concurrent positions
Representative Director and Chairman	Toshifumi Suzuki	Chief Executive Officer (CEO) of the Company Representative Director and Chairman and Chief Executive Officer (CEO) of Seven-Eleven Japan Co., Ltd. Representative Director and Chairman and Chief Executive Officer (CEO) 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	Katsuhiro Goto	Chief Administrative Officer (CAO) of the Company Senior Officer of the System Planning Department of the Company Representative Director and President of Seven & i Netmedia Co., Ltd. Director of Ito-Yokado Co., Ltd. Director of Sogo & Seibu Co., Ltd.
Director	Tsuyoshi Kobayashi	Senior Officer of the Corporate Planning Department of the Company Senior Officer of the Overseas Planning Department of the Company Senior Officer of the Corporate Development Department of the Company
Director	Junro Ito	Senior Officer of the CSR Management Department of the Company
Director	Kunio Takahashi	Chief Financial Officer (CFO) of the Company Senior Officer of the Finance Planning Department of the Company Representative Director and President of Seven & i Asset Management Co., Ltd. Representative Director and President of SEVEN & i Financial Center Co., Ltd.
Director	Akihiko Shimizu	Senior Officer of the Accounting Department of the Company
Director	Atsushi Kamei	Representative Director and President and Chief Operating Officer (COO) of Ito-Yokado Co., Ltd. Director of Sogo & Seibu Co., Ltd.
Director	Ryuichi Isaka	Representative Director and President and Chief Operating Officer (COO) of Seven-Eleven Japan Co., Ltd. Director of 7-Eleven, Inc.
Director	Takashi Anzai	Representative Director and Chairman of Seven Bank, Ltd.
Director	Zenko Ohtaka	Representative Director and President and Chief Operating Officer (COO) of York-Benimaru Co., Ltd.
Director	Ryu Matsumoto	Representative Director and President of Sogo & Seibu Co., Ltd.
Director	Tsuneo Okubo	Representative Director and President of Seven & i Food Systems Co., Ltd.
Director	Noritaka Shimizu	
Director	Scott Trevor Davis	Professor of the Department of Global Business, College of Business, Rikkyo University
Director	Ikujiro Nonaka	Emeritus Professor of Hitotsubashi University Xerox Distinguished Professor in Knowledge, Haas School of Business, University of California, Berkeley

Position in the Company	Name	Area of responsibility in the Company and important concurrent positions
Standing Audit & Supervisory Board Member	Hisashi Seki	Audit & Supervisory Board Member of Seven-Eleven Japan Co., Ltd.
Standing Audit & Supervisory Board Member	Hideo Nomura	Audit & Supervisory Board Member of Ito-Yokado Co., Ltd. Audit & Supervisory Board Member of York-Benimaru Co., Ltd. Audit & Supervisory Board Member of York Mart Co., Ltd.
Audit & Supervisory Board Member	Yoko Suzuki	Attorney at Law
Audit & Supervisory Board Member	Megumi Suto	Professor of the Waseda Graduate School of Finance, Accounting and Law
Audit & Supervisory Board Member	Tsuguoki Fujinuma	Certified Public Accountant

(Notes)

1. Directors Noritaka Shimizu, Scott Trevor Davis, and Ikujiro Nonaka are Outside Directors as per Article 2, Item 15 of the Companies Act.
2. Audit & Supervisory Board Members Yoko Suzuki, Megumi Suto, and Tsuguoki Fujinuma are Outside Audit & Supervisory Board Members as per Article 2, Item 16 of the Companies Act.
3. Standing Audit & Supervisory Board Member Hideo Nomura and Audit & Supervisory Board Members Megumi Suto and Tsuguoki Fujinuma have the following expertise with regard to finance and accounting:

・Standing Audit & Supervisory Board Member Hideo Nomura was engaged in operations relating to investments and securities in the Finance Planning Department of the Company.

・Audit & Supervisory Board Member Megumi Suto has served on the FSA’s Financial System Council and the MOF’s Council on Customs, Tariff, Foreign Exchange and Other Transactions.

・Audit & Supervisory Board Member Tsuguoki Fujinuma is a certified public accountant.

4. All Outside Directors and Outside Audit & Supervisory Board Members are independent Directors or Audit & Supervisory Board Members in accordance with the rules of the Tokyo Stock Exchange.
5. Executive officers of the Company as of February 28, 2014 were as follows:

Position	Name
Chief Executive Officer (CEO)	Toshifumi Suzuki
Chief Operating Officer (COO)	Noritoshi Murata
Managing Executive Officer Chief Administrative Officer (CAO)	Katsuhiro Goto
Executive Officer	Tsuyoshi Kobayashi
Executive Officer	Junro Ito
Executive Officer Chief Financial Officer (CFO)	Kunio Takahashi
Executive Officer	Akihiko Shimizu
Executive Officer	Yoshihiro Tanaka
Executive Officer	Yasuo Takaha
Executive Officer	Masataka Tosaya
Executive Officer	Akira Miyakawa
Executive Officer	Kazuyo Sohda
Executive Officer	Seiichiro Sato
Executive Officer	Shinobu Matsumoto
Executive Officer	Hisataka Noguchi
Executive Officer	Kimiyoshi Yamaguchi

(2) Compensation, etc. of Directors and Audit & Supervisory Board Members

(i) Aggregate amount of compensation, etc. regarding the 9th fiscal year

Classification of Directors/Audit & Supervisory Board Members	Number of eligible Directors/Audit & Supervisory Board Members	Total amount of compensation (Millions of yen)	Total amount of compensation, etc., by type (Millions of yen)		
			Fixed compensation	Results-linked compensation	
				Bonus	Stock options for stock-linked compensation
Directors (excluding Outside Directors)	14	295	155	53	86
Outside Directors	3	32	32	—	—
Audit & Supervisory Board Members (excluding Outside Audit & Supervisory Board Members)	2	34	34	—	—
Outside Audit & Supervisory Board Members	3	29	29	—	—

(Notes)

1. Directors (excluding Outside Directors) include one (1) Director who resigned having completed the term of office upon the conclusion of the 8th Annual Shareholders' Meeting, held on May 23, 2013.
2. The aggregate amounts of compensation, etc. of Directors shown above do not include amounts paid as salaries for 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 amounts paid as salaries for employees) and that the annual amount of compensation paid to Audit & Supervisory Board Members shall not exceed ¥100 million.
4. Stock options for stock-linked compensation were issued to seven (7) Directors (excluding Outside Directors).

(ii) Aggregate amount of compensation, etc. of Outside Directors and Outside Audit & Supervisory Board Members from subsidiaries

During the 9th fiscal year, the aggregate amount of compensation, etc. paid to Outside Directors and Outside Audit & Supervisory Board Members for their services as executives from subsidiaries of the Company at which they hold concurrent executive positions is ¥1 million.

(3) Items related to Outside Directors and Outside Audit & Supervisory Board Members

(i) Relationship between the Company and other companies at which Outside Directors and Outside Audit & Supervisory Board Members hold important concurrent positions

There is no special relationship between the Company and other companies at which Outside Directors and Outside Audit & Supervisory Board Members hold important concurrent positions.

(ii) Main activities during the 9th fiscal year

・Attendance and remarks at meetings of the Board of Directors and the Audit & Supervisory Board

(Outside Directors)

The Company's Board of Directors held thirteen (13) meetings during the 9th fiscal year. Mr. Noritaka Shimizu attended thirteen (13) of those meetings, Mr. Scott Trevor Davis attended twelve (12), and Mr. Ikujiro Nonaka attended eleven (11). 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 by Mr. Noritaka Shimizu, management and administration and corporate social responsibility (CSR) by Mr. Scott Trevor Davis, and organizational and management theory by Mr. Ikujiro Nonaka.

(Outside Audit & Supervisory Board Members)

The Company's Board of Directors held thirteen (13) meetings during the 9th fiscal year. Ms. Yoko Suzuki attended thirteen (13) of those meetings, Ms. Megumi Suto attended twelve (12), and Mr. Tsuguoki Fujinuma attended thirteen (13). Also, the Company's Audit & Supervisory Board held twenty (20) meetings during the 9th fiscal year. Ms. Yoko Suzuki attended twenty (20) of those meetings, Ms. Megumi Suto attended sixteen (16), and Mr. Tsuguoki Fujinuma attended nineteen (19). These Outside Audit & Supervisory Board Members asked questions and expressed their opinions as they deemed appropriate—mainly from a legal perspective by Ms. Yoko Suzuki, from the perspective of corporate governance by Ms. Megumi Suto, and from a specialized finance and accounting perspective by Mr. Tsuguoki Fujinuma.

・Exchanges of opinions with Directors, etc.

The Outside Directors and Outside Audit & Supervisory Board Members, in addition to meetings of the Board of Directors, met regularly and as necessary with Representative Directors and Directors, etc., and exchanged frank opinions regarding the Company's management, corporate governance, etc. The Outside Audit & Supervisory Board Members also visited the places of business, etc. of major subsidiaries and exchanged opinions with the Directors and Audit & Supervisory Board Members, etc. of operating companies.

Through these activities, Outside Directors supervised operational execution, and Outside Audit & Supervisory Board Members performed audits of operational execution and accounting practices.

(iii) Summary of the liability limitation agreement

The Company has concluded an agreement with each of the Outside Directors and Outside Audit & Supervisory Board Members as per Article 427, Paragraph 1 of the Companies Act, limiting their liability for compensation for damage under Article 423, Paragraph 1 of the Companies Act.

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

5. Items Related to the Accounting Auditor

(1) Name: KPMG AZSA LLC

(2) Amount of compensation, etc.

	Amount paid (Millions of yen)
Amount of compensation, etc. for services as accounting auditor for the 9th fiscal year	665
Total amount of monies and other financial benefits to be paid to the accounting auditor by the Company and its subsidiaries	686

(Notes)

1. Under the audit contract concluded between the Company and the accounting auditor, the amounts of compensation, etc. for audits as per the Companies Act and the amounts of compensation, etc. for audits as per the Financial Instruments and Exchange Act are not clearly separated, and those amounts cannot practically be separated; therefore, the aggregate of those amounts is shown as the amount of compensation, etc. for services as an accounting auditor for the 9th fiscal year.

2. Among the material subsidiaries of the Company, Nissen Holdings Co., Ltd. recieves audits from an independent auditor other than the Company's accounting auditor.

(3) Non-audit operations

None.

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

In the event any of the reasons stipulated in the items in Article 340, Paragraph 1 of the Companies Act becomes applicable to the accounting auditor, the Company's Audit & Supervisory Board 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 Audit & Supervisory Board Members. In the event the Company's 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 the accounting auditor, the Company's Board of Directors will, with the consent of the Audit & Supervisory Board, propose a resolution for the non-reappointment of the accounting auditor to a shareholders' meeting.

(5) Summary of the liability limitation agreement

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 complies 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) The Company and its Group companies shall comply with the *Corporate Creed* and the *Corporate Action Guidelines*, etc. In order to continue to be trusted and known for integrity, the Company and its 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 CSR Management Committee; operate help lines; promote fair trade; and disseminate the *Corporate Action Guidelines* and the guidelines of each company. In these ways, compliance shall be further enhanced.

(ii) The Company and its 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 Company’s internal auditing division, which is independent from operating divisions, will internally audit and confirm the status of the maintenance and operation of the compliance systems of all Group companies.

(iv) Audit & Supervisory Board Members 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, the Company and its Group companies shall properly produce, store, and manage documents for which production and storage are legally required, such as minutes of shareholders’ meetings, minutes of Board of Directors’ meetings (including electromagnetic records; hereafter the same), circular decision-making documents (*ringisho*), 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 the Company and its 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, the Company and its 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

Audit & Supervisory Board Members.

(3) Regulations and systems for loss risk management

(i) In accordance with the “basic rules for risk management,” the Company and its Group companies shall establish, maintain, and utilize comprehensive risk management systems, centered on the Risk Management Committee, in order to properly analyze, evaluate, and appropriately respond to risks associated with each business, with consideration for changes in the management environment and risk factors relevant to the Company and its Group companies.

(ii) In regard to risk management, a system for periodic reporting to the Board of Directors and Audit & Supervisory Board Members shall be established, maintained, and utilized. The Board of Directors, Directors, and people responsible for operating divisions shall conduct sufficient analysis and evaluation of risks associated with operational execution, and improvement measures shall be implemented rapidly.

(iii) In the case where a business experiences a major disruption, a serious incident or accident, or a large-scale disaster, etc. to minimize damage to the Company and all Group companies when risk events occur, a 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, the Company and its 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 the Company and its Group companies. Through such means as periodic reports from Directors and people responsible for operating divisions, 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) In order to ensure the Company and its Group companies are able to provide shareholders, investors, creditors, and other stakeholders with highly reliable, timely financial reports in compliance with laws and regulations, the Company and its Group companies shall build, develop, and appropriately operate internal control systems that ensure appropriate accounting procedures and financial reporting, in accordance with the relevant rules, such as rules on establishing internal controls for financial reporting.

(ii) The Company’s internal auditing division, which is independent from operating divisions, shall check and assess the effectiveness of the development and operational status of internal controls for the financial reporting of the Company and its Group companies.

(iii) Directors, Audit & Supervisory Board Members, and the accounting auditor shall appropriately exchange information about matters recognized as highly likely to have a significant effect on financial standing.

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

(i) In regard to each of the items (1) to (5) above, the Company shall establish, develop, and operate management systems for the Group as a whole; notify all Group companies of the general policy regarding 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 close contact with each business segment and will share information with the Company's departments.

(iii) The Company's internal auditing division will audit all Group companies.

(7) Matters related to the provision of support staff for Audit & Supervisory Board Members when so requested

The Company shall provide support staff for Audit & Supervisory Board Members when so requested.

(8) Matters related to the independence from Directors of the support staff for Audit & Supervisory Board Members

The selection (including subsequent replacements) of support staff to work exclusively for the Audit & Supervisory Board Members shall be subject to the approval of the Audit & Supervisory Board Members.

(9) Systems for reporting by Directors or employees to Audit & Supervisory Board Members and other systems for reporting to Audit & Supervisory Board Members

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 Audit & Supervisory Board Members. No Director or employee providing such reports shall suffer any adverse consequences.

In addition, the CSR Management Committee shall provide regular reports to the Representative Director and President and to the Audit & Supervisory Board Members concerning the operation of the help lines, which should function as public-interest reporting mechanisms.

(10) Other systems for ensuring that the Audit & Supervisory Board Members can conduct their activities effectively

(i) The Audit & Supervisory Board Members shall meet regularly with the Representative Director and President, and exchange opinions concerning important audit matters.

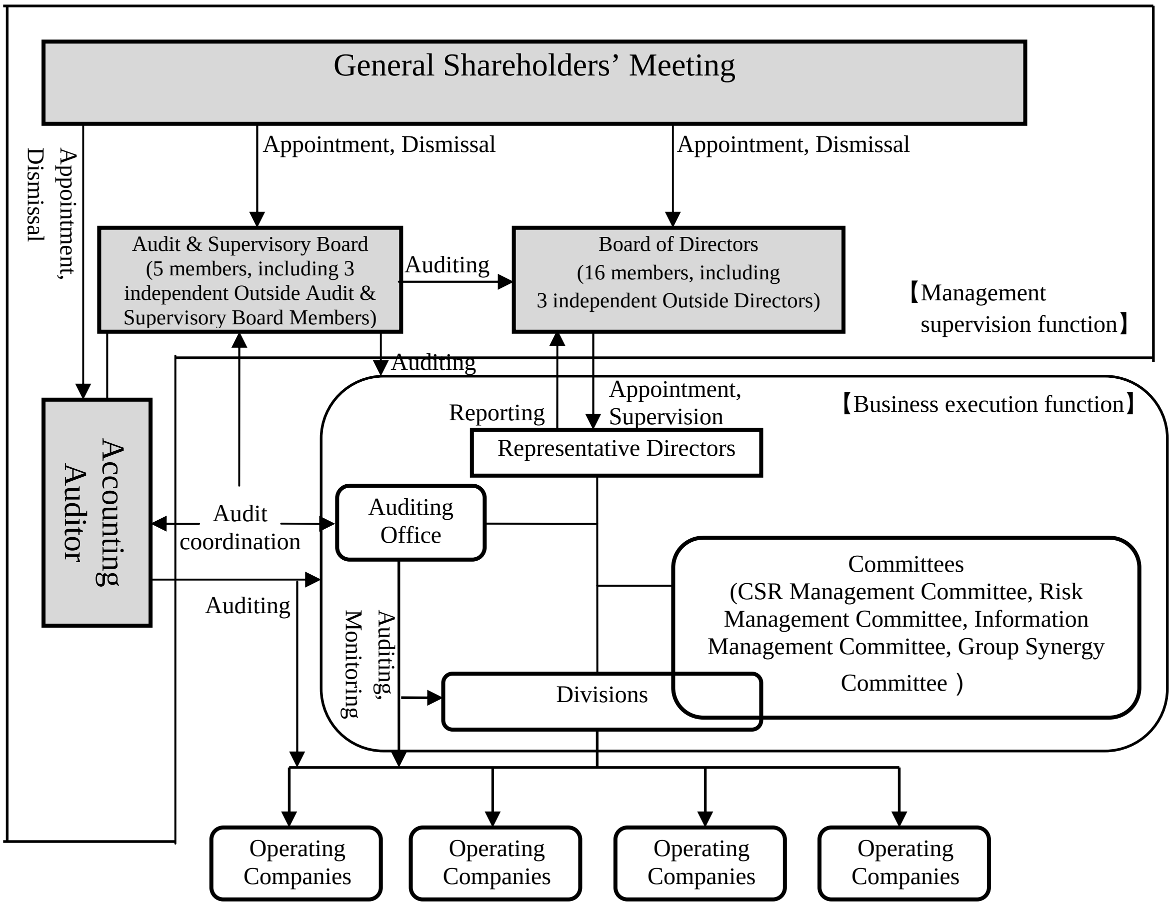
(ii) The Audit & Supervisory Board Members shall maintain close contact with the Company's internal auditing division, and may request the division to conduct inspections when necessary.

(iii) The Audit & Supervisory Board Members shall meet regularly with the Audit & Supervisory Board Members of all Group companies and work together from time to time in order to conduct appropriate audits of all Group companies.

(iv) The Audit & Supervisory Board Members may consult with the accounting auditor and 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, the final numbers that are described have been rounded down, and amounts less than the stated numbers have been omitted. Except that, unless otherwise noted, percentages have been rounded to one decimal place, and net income per share and net assets per share have been rounded to the nearest number as stated.
2. Consumption tax, etc., is accounted for using the tax-excluded method.

CONSOLIDATED BALANCE SHEET (as of February 28, 2014)

(Millions of yen)

Item	Amount	Item	Amount
ASSETS		**LIABILITIES**	
Current assets	**1,899,556**	**Current liabilities**	**1,628,167**
Cash and bank deposits	792,986	Notes and accounts payable, trade	383,972
Call loan	10,000	Short-term loans	116,147
Notes and accounts receivable, trade	327,072	Current portion of long-term loans	100,775
Trade accounts receivable – financial services	66,230	Current portion of bonds	20,000
Marketable securities	150,000	Income taxes payable	62,625
Merchandise and finished goods	198,847	Accrued expenses	97,543
Work in process	210	Deposits received	154,795
Raw materials and supplies	3,060	Allowance for sales promotion expenses	16,909
Prepaid expenses	42,984	Allowance for bonuses to employees	14,773
Deferred income taxes	40,812	Allowance for bonuses to Directors and Audit & Supervisory Board Members	372
Other	272,880		
Allowance for doubtful accounts	(5,529)	Allowance for loss on future collection of gift certificates	2,932
Non-current assets	**2,911,623**		
Property and equipment	**1,709,990**	Provision for sales returns	205
Buildings and structures, net	749,201	Deposits received in banking business	403,062
Furniture, fixtures and equipment, net	232,991	Other	254,051
Vehicles, net	2,482	**Non-current liabilities**	**961,656**
Land	681,651	Bonds	364,987
Lease assets, net	18,491	Long-term loans	332,485
Construction in progress	25,171	Deferred income taxes	51,220
Intangible assets	**467,947**	Allowance for accrued pension and severance costs	6,853
Goodwill	277,943	Allowance for retirement benefits to Directors and Audit & Supervisory Board Members	2,019
Software	43,428		
Other	146,576	Deposits received from tenants and franchised stores	55,046
Investments and other assets	**733,685**		
Investments in securities	189,102	Asset retirement obligations	60,376
Long-term loans receivable	17,868	Other	88,666
Prepaid pension cost	31,822	**TOTAL LIABILITIES**	**2,589,823**
Long-term leasehold deposits	402,878	**NET ASSETS**	
Advances for store construction	591	**Shareholders' equity**	**2,081,295**
Deferred income taxes	32,836	Common stock	50,000
Other	65,552	Capital surplus	526,850
Allowance for doubtful accounts	(6,966)	Retained earnings	1,511,555
Deferred assets	**200**	Treasury stock, at cost	(7,109)
New organization costs	14	**Total accumulated other comprehensive income**	**14,450**
Business commencement expenses	186	Unrealized gains on available-for-sale securities, net of taxes	10,672
		Unrealized gains (losses) on hedging derivatives, net of taxes	(6)
		Foreign currency translation adjustments	3,785
		Subscription rights to shares	**1,944**
		Minority interests in consolidated subsidiaries	**123,866**
		TOTAL NET ASSETS	**2,221,557**
TOTAL ASSETS	**4,811,380**	**TOTAL LIABILITIES AND NET ASSETS**	**4,811,380**

CONSOLIDATED STATEMENT OF INCOME (March 1, 2013 to February 28, 2014)

(Millions of yen)

Item	Amount	
Revenues from operations		**5,631,820**
Net sales		4,679,087
Cost of sales		3,694,217
Gross profit on sales		**984,870**
Operating revenues		952,732
Gross profit from operations		**1,937,603**
Selling, general and administrative expenses		1,597,944
Operating income		**339,659**
Non-operating income		
Interest and dividends income	6,542	
Equity in earnings of affiliates	2,649	
Other	3,654	12,846
Non-operating expenses		
Interest expenses	6,497	
Interest on bonds	2,774	
Foreign exchange losses	1,768	
Other	2,382	13,422
Ordinary income		**339,083**
Special gains		
Gain on sales of property and equipment	1,299	
Subsidy	1,881	
Other	152	3,333
Special losses		
Loss on disposals of property and equipment	8,667	
Impairment loss	15,094	
Other	7,424	31,186
Income before income taxes and minority interests		**311,230**
Income taxes – current	122,004	
Income taxes – deferred	1,177	123,182
Income before minority interests		**188,048**
Minority interests in net income of consolidated subsidiaries		12,356
Net income		**175,691**

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS (March 1, 2013 to February 28, 2014)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	**Total shareholders' equity**
Balance at March 1, 2013	**50,000**	**526,873**	**1,393,935**	**(7,142)**	**1,963,666**
Increase (decrease) for the year					
Cash dividends			(58,315)		**(58,315)**
Net income			175,691		**175,691**
Purchase of treasury stock				(133)	**(133)**
Disposal of treasury stock		(23)		167	**143**
Increase (decrease) resulting from adoption of U.S. GAAP by U.S. subsidiaries			244		**244**
Other				(0)	**(0)**
Increase (decrease) of items for the year except those included in shareholders' equity (net amount)					
Net increase (decrease) for the year	–	**(23)**	**117,620**	**33**	**117,629**
Balance at February 28, 2014	**50,000**	**526,850**	**1,511,555**	**(7,109)**	**2,081,295**

	Accumulated other comprehensive income				Subscription rights to shares	Minority interests in consolidated subsidiaries	TOTAL NET ASSETS
	Unrealized gains on available-for-sale securities, net of taxes	Unrealized gains (losses) on hedging derivatives, net of taxes	Foreign currency translation adjustments	**Total accumulated other comprehensive income**			
Balance at March 1, 2013	**7,416**	**(5)**	**(79,914)**	**(72,503)**	**1,538**	**102,038**	**1,994,740**
Increase (decrease) for the year							
Cash dividends							**(58,315)**
Net income							**175,691**
Purchase of treasury stock							**(133)**
Disposal of treasury stock							**143**
Increase (decrease) resulting from adoption of U.S. GAAP by U.S. subsidiaries							**244**
Other							**(0)**
Increase (decrease) of items for the year except those included in shareholders' equity (net amount)	3,255	(1)	83,699	**86,953**	**406**	**21,827**	**109,187**
Net increase (decrease) for the year	**3,255**	**(1)**	**83,699**	**86,953**	**406**	**21,827**	**226,817**
Balance at February 28, 2014	**10,672**	**(6)**	**3,785**	**14,450**	**1,944**	**123,866**	**2,221,557**

Notes to Consolidated Financial Statements

Notes relating to Significant Accounting Policies for the Preparation of Consolidated Financial Statements

1. Items relating to scope of consolidation

(1) Status of consolidated subsidiaries

(i) Number of consolidated subsidiaries: 121

(ii) Names of major consolidated subsidiaries:

Seven-Eleven Japan Co., Ltd.

Ito-Yokado Co., Ltd.

Sogo & Seibu Co., Ltd.

Seven & i Food Systems Co., Ltd.

York-Benimaru Co., Ltd.

Seven Bank, Ltd.

7-Eleven, Inc.

Consolidated subsidiaries increased by twenty-nine (29).

Seven & i NetMedia Co., Ltd., the Company's wholly owned subsidiary, acquired 50.7% of the shares of Nissen Holdings Co., Ltd. through a tender offer and by subscribing to a third-party allocation of shares. Due to this transaction, Nissen Holdings Co., Ltd. and its subsidiaries, Nissen Co., Ltd., SHADDY CO., LTD., Mail & Business Logistics Service Co., Ltd. and twenty-two (22) other companies, twenty-six (26) companies in total, became newly consolidated subsidiaries.

In addition, three (3) companies, Seven Farm Niigata Co., Ltd., Seven Farm Shonan Co., Ltd., and Seven Farm Choshi Co., Ltd., have been established.

(2) Status of non-consolidated subsidiaries

(i) Name of major non-consolidated 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 the equity method), the Company's portion of its retained earnings (as calculated by the equity method), and the effect on the Company's Consolidated Financial Statements are not considered material.

2. Items relating to application of the equity method

(1) Status of non-consolidated subsidiaries and affiliates to which the equity method was applied

(i) Number of non-consolidated subsidiaries to which the equity method was applied: None

(ii) Number of affiliates to which the equity method was applied: 26

Major affiliates: PRIME DELICA CO., LTD.

PIA CORPORATION

Affiliates to which the equity method was applied increased by six (6)

Due to the acquisition of shares by the Company, Barneys Japan Co., Ltd., BALS CORPORATION, and BALS INTERNATIONAL LIMITED became equity-method affiliates. In addition, due to the acquisition of shares by Ito-Yokado Co., Ltd., the Company's wholly owned subsidiary, DAIICHI CO., LTD. and Tenmaya Store Co., Ltd. became equity-method affiliates.

Due to the consolidation of Nissen Holdings Co., Ltd., GE Nissen Credit Co., Ltd. became an equity-method affiliate.

(2) Status of non-consolidated subsidiaries and affiliates to which the equity method was not applied

(i) Major companies: 7-Eleven Limited

(ii) Reason for not applying the equity method:

The Company's portion of its net income or loss (as calculated by the equity method), the Company's portion of its 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) Special notes regarding 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) When an affiliate is in a net loss portion, the Company's share of such loss is reduced from its loan receivable from the affiliate.

3. Items relating to accounting period of consolidated subsidiaries

The fiscal year-end of some consolidated subsidiaries is December 20 or 31. The financial statements of such subsidiaries as of such dates and for such periods are used in preparing the Consolidated Financial Statements of the Company. All material transactions during the period from January 1 to February 28 or 29 are adjusted for in the consolidation process.

The closing date of Seven Bank, Ltd.is March 31. Pro forma financial statements as of February 28 or 29 prepared in a manner that is substantially identical to the preparation of the official financial statements were prepared in order to facilitate consolidation.

The closing date of some consolidated subsidiaries of mail order services is March 31 or September 30. Pro forma financial statements as of December 31 prepared in a manner that is substantially identical to the preparation of the official financial statements were prepared in order to facilitate its consolidation.

All material transactions during the period from the closing date to February 28 or 29 are adjusted for in the consolidation process.

4. Items relating to summary of significant 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

Securities whose fair value is available are valued at the quoted market price prevailing at the end of the 9th consolidated 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

Securities whose fair value is not available are valued mainly 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 stated mainly at cost determined by the retail method with book values written down to the net realizable value (excluding mail order services). Cost is determined principally by the average retail method for mail order services and domestic consolidated subsidiaries and by the first-in, first-out (FIFO) method (except for gasoline inventory for which the weighted-average cost method was newly adopted) for mail order services and foreign consolidated subsidiaries.

Supplies

Supplies are carried at cost which is mainly determined by the last purchase price method with book value written down to the net realizable value.

(2) Depreciation and amortization of significant assets

(i) Property and equipment (excluding lease assets)

Depreciation of property and equipment is computed generally using the straight-line method (excluding mail order services).

Mail order services are using the declining-balance method except for buildings.

(ii) Intangible assets (excluding lease assets)

Intangible assets are amortized using the straight-line method for the Company and its consolidated subsidiaries. Software for internal use is amortized using the straight-line method over an estimated useful life of five (5) years in most cases.

(iii) Lease assets

Lease assets pertaining to finance lease transactions that do not transfer ownership of leased property to the lessee

For the depreciation of the assets leased under finance lease contracts that do not transfer ownership of leased property to the lessee, a useful life is determined based on the duration of the lease period and straight-line depreciation is applied with an assumed residual value at nil.

Finance leases, commenced prior to March 1, 2009, which do not transfer ownership of leased property to the lessee, are accounted for in the same manner as operating leases.

(3) Methods of accounting for significant 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 with respect to general receivables.

(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 consolidated balance sheet date in accordance with the sales promotion point card program.

(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 consolidated balance sheet date.

(iv) Allowance for bonuses to Directors and Audit & Supervisory Board Members

Allowance for bonuses to Directors and Audit & Supervisory Board Members 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) Provision for sales returns

Provision for sales returns is provided at the amount of estimated future loss due to sales returns at the end of the consolidated fiscal year. The amount is calculated using the historical results of collection.

(vii) 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 consolidated 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 consolidated 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 consolidated 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 costs.

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) or ten (10) years.

(viii) Allowance for retirement benefits to Directors and Audit & Supervisory Board Members

Allowance for retirement benefits to Directors and Audit & Supervisory Board Members 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 Audit & Supervisory Board Members, and certain consolidated subsidiaries decided to pay them at the time of their resignation.

(4) Significant hedge accounting methods

(i) 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.

(ii) Hedge instruments and hedged items

Hedge instruments: Interest rate swap contracts

Hedged items: Loans payable

(iii) 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.

(iv) Assessing hedge effectiveness

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

(5) Other significant matters that serve as the basis for preparation of the Consolidated Financial Statements

(i) Methods of accounting for deferred assets

New organization costs

New organization costs are amortized using the straight-line method over five (5) years, or expensed as incurred if immaterial.

Business commencement expenses

Business commencement expenses are amortized using the straight-line method over five (5) years, or expensed as incurred if immaterial.

(ii) Goodwill and negative goodwill

Goodwill and negative goodwill which were generated before March 1, 2011 are amortized mainly over a period of twenty (20) years on a straight-line basis, or recognized as income or expenses immediately if immaterial.

Negative goodwill arising on or after March 1, 2011 is recognized as income when it occurs.

The goodwill recognized in applying the equity method was treated in the same manner.

(iii) 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 consolidated 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 consolidated 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."

(iv) Accounting for franchised stores in convenience store operations

Seven-Eleven Japan Co., Ltd. and 7-Eleven, Inc. recognize franchise commission from their franchised stores as revenues and include it in "Other operating revenues."

(v) Accounting for consumption taxes and excise tax

The Japanese consumption taxes withheld and consumption taxes paid are not included in the Consolidated Statement of Income. The excise tax levied in the United States and Canada is included in revenues from operations.

(vi) Application of the consolidated corporate-tax system

The Company and certain consolidated subsidiaries in Japan have applied the consolidated corporate-tax system.

Notes concerning changes in accounting policies

(Change in depreciation method for property and equipment)

Previously, the Company and its consolidated subsidiaries, excluding foreign consolidated subsidiaries and certain domestic consolidated subsidiaries, used the declining-balance method to calculate the depreciation of property and equipment. However, effective from the fiscal year ended February 28, 2014, the Company and its consolidated subsidiaries integrated to the straight-line method of depreciation, excluding mail order services.

The Company reviewed the depreciation methods of the Company and its consolidated subsidiaries that used the declining-balance method mainly because of Seven-Eleven Japan Co., Ltd.'s increased investments in store properties and Ito-Yokado Co., Ltd.'s investments in larger shopping centers to meet business environment changes and customer needs surrounding the Company and its consolidated subsidiaries.

The Company believes that the change from the declining-balance method to the straight-line method better reflects its business performance in terms of the matching of costs and revenues more appropriately because it is expected that property and equipment are used evenly over their useful lives, revenues generated from the property and equipment are earned stably, and maintenance and repair expenses for those property and equipment are incurred regularly over their useful lives.

As a result of this change, operating income, ordinary income and income before income taxes increased by 31,555 million yen.

Notes concerning Changes in Method of Presentation

(Consolidated Balance Sheet)

"Provision for sales returns" which was previously included in "other" under current liabilities is separately presented for the fiscal year ended February 28, 2014 due to an increase in materiality.

(Consolidated Statement of Income)

"Foreign currency exchange losses" which was previously included in "other" under non-operating expenses is separately presented for the fiscal year ended February 28, 2014 due to an increase in materiality.

"Gain on sales of investment securities" was included in "other" under special gains for the fiscal year ended February 28, 2014 due to decrease in materiality.

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:	¥3,204 million
Land:	¥7,461 million
Investments in securities:	¥90,065 million
Long-term leasehold deposits:	¥3,655 million
Total	¥104,387 million

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

Short-term loans:	¥3,400 million
Long-term loans (including current portion of long-term loans):	¥12,288 million
Deposits received from tenants and franchised stores:	¥87 million
Other:	¥552 million

In addition, buildings (¥433 million) and land (¥1,368 million) are pledged as collateral for the loans (¥3,243 million) of affiliates.

Investments in securities (¥6,001 million) are pledged as collateral for exchange settlement transactions. Investments in securities (¥19 million) and long-term leasehold deposits (¥35 million) are pledged as collateral under the Building Lots and Buildings Transaction Business Law.

Long-term leasehold deposits (¥1,335 million) are pledged as collateral under the Installment Sales Law.

In addition, in accordance with the Act on Financial Settlements, investments in securities (¥200 million) and long-term leasehold deposits (¥123 million) have been pledged as collateral.

2. Accumulated depreciation of property and equipment:

¥1,565,899 million

3. Contingent liabilities

Guarantees of borrowings from financial institutions by employees are ¥266 million.

4. Loan commitment

Seven Card Service Co., Ltd., and Seven CS Card Service Co., Ltd., conduct 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:	¥987,001 million
Outstanding balance:	¥27,035 million
Unused credit balance	¥959,966 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. Seven Card Service Co., Ltd., and Seven CS 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 and others held by Seven Bank, Ltd.

Seven Bank, Ltd., a consolidated subsidiary of the Company, holds government bonds and others to serve as collateral for exchange settlement transactions and overdraft transactions with the Bank of Japan. These government bonds and others 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. Items relating to total number of outstanding shares

(Thousands of shares)

Type	As of March 1, 2013	Number of shares increased	Number of shares decreased	As of February 28, 2014
Ordinary shares	886,441	—	—	886,441

2. Items relating to total number of treasury shares

(Thousands of shares)

Type	As of March 1, 2013	Number of shares increased	Number of shares decreased	As of February 28, 2014
Ordinary shares	2,907	37	68	2,876

(Notes)

1. The 37 thousand increase in the number of ordinary shares in treasury stock was due to the purchase of odd-lot shares.
2. The 68 thousand decrease in the number of ordinary shares in treasury stock was due to a decrease of 67 thousand shares resulting from the exercise of stock options, and a decrease of 0 thousand shares resulting from the sale of odd-lot shares.

3. Items relating to cash dividends

(1) Dividend payments, etc.

Resolution	Type	Total amount of cash dividends (Millions of yen)	Dividend per share (Yen)	Record date	Effective date
May 23, 2013; Ordinary general meeting of shareholders	Ordinary shares	29,157	33.00	February 28, 2013	May 24, 2013
October 3, 2013; Board of Directors' meeting	Ordinary shares	29,158	33.00	August 31, 2013	November 15, 2013
Total	—	58,315	—	—	—

(2) Dividends whose record date is within the 9th consolidated fiscal year but to be effective during the 10th consolidated fiscal year

At the Annual Shareholders' Meeting to be held on May 22, 2014, the following proposal for resolution will be presented for matters concerning ordinary share dividends.

(i) Total amount of cash dividends: ¥30,942 million

(ii) Dividend per share: ¥35.00

(iii) Record date: February 28, 2014

(iv) Effective date: May 23, 2014

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

4. Items relating to subscriptions to shares at the end of the 9th consolidated fiscal year

Category	Breakdown of subscription to shares	Type of shares to be issued upon exercise of rights	Number of shares to be issued upon exercise of rights
The Company	First subscription to shares	Common stock	12,900 shares
	Second subscription to shares	Common stock	53,400 shares
	Third subscription to shares	Common stock	19,800 shares
	Fourth subscription to shares	Common stock	81,400 shares
	Fifth subscription to shares	Common stock	17,500 shares
	Sixth subscription to shares	Common stock	74,300 shares
	Seventh subscription to shares	Common stock	25,900 shares
	Eighth subscription to shares	Common stock	104,300 shares
	Ninth subscription to shares	Common stock	27,000 shares
	Tenth subscription to shares	Common stock	110,800 shares
	Eleventh subscription to shares	Common stock	24,900 shares
	Twelfth subscription to shares	Common stock	110,500 shares
Consolidated subsidiary (Seven Bank, Ltd.)	First subscription to shares (1)	Common stock	157,000 shares
	First subscription to shares (2)	Common stock	7,000 shares
	Second subscription to shares (1)	Common stock	171,000 shares
	Second subscription to shares (2)	Common stock	23,000 shares
	Third subscription to shares (1)	Common stock	423,000 shares
	Third subscription to shares (2)	Common stock	25,000 shares
	Fourth subscription to shares (1)	Common stock	440,000 shares
	Fourth subscription to shares (2)	Common stock	104,000 shares
	Fifth subscription to shares (1)	Common stock	363,000 shares
	Fifth subscription to shares (2)	Common stock	77,000 shares
	Sixth subscription to	Common stock	216,000 shares

	shares (1)		
	Sixth subscription to shares (2)	Common stock	43,000 shares

Notes relating to financial instruments

1. Items relating to the status of financial instruments

For the management of surplus funds, the Group gives priority to safety, liquidity, and efficiency and limits the management of such funds to short-term management (within one (1) year) through deposits with banks. The Group mainly raises funds through bank loans and bond issuance.

The Group's risk management is conducted pursuant to the "basic rules for risk management," stipulating which departments have overall control of each type of risk and which departments have overall control of general risk.

The Group reduces credit risk relating to notes and accounts receivable, trade, and leasehold deposits by continuously monitoring the credit ratings of business partners while undertaking due date control and balance control for each business partner. Also, marketable securities are mainly negotiable certificates of deposit, while investments in securities are mainly shares and government bonds. In relation to these securities, the Group periodically checks market values and the financial standing of issuers while continuously reviewing the status of securities holdings in light of the Group's relationship with business partner companies.

The Group uses forward exchange contracts to hedge the risk of currency exchange rate fluctuations in relation to certain notes and accounts payable, trade, that are denominated in foreign currencies. Further, among loans, short-term loans and commercial paper are mainly for fund raising related to sales transactions, while long-term loans and bonds are mainly for fund raising related to capital investment. In relation to these loans, the Group undertakes comprehensive asset-liability management (ALM). For certain long-term loans with variable interest rates, the Group uses interest rate swap contracts to hedge the risk of interest rate fluctuations. In addition, the Group uses derivative instruments to mitigate the risk of fluctuations in interest rates and currency exchange rates as well as to optimize cash flows for future interest payments. The Group does not hold or issue derivative instruments for trading or speculative purposes.

2. Items relating to the market values of financial instruments

The amounts recorded on the Consolidated Balance Sheet on February 28, 2014, the market values, and the difference between these amounts are as follows. Furthermore, notes have been omitted for minor items. Also, the following table does not include items for which market values are very difficult to determine. (Please see note 2.)

	Consolidated Balance Sheet (Millions of yen)	Market value (Millions of yen)	Difference (Millions of yen)
(1) Cash and bank deposits	792,986	792,986	—
(2) Notes and accounts receivable, trade	327,072		
Allowance for doubtful accounts*1	(3,064)		
	324,008	327,374	3,366
(3) Marketable securities and investments in securities	290,172	292,631	2,458
(4) Long-term leasehold deposits*2	296,900		
Allowance for doubtful accounts*3	(727)		
	296,173	294,991	(1,181)
Total assets	1,703,340	1,707,983	4,643
(1) Notes and accounts payable, trade	383,972	383,972	—
(2) Deposits received in banking business	403,062	403,473	411
(3) Bonds*4	384,987	392,970	7,982
(4) Long-term loans*5	433,261	436,733	3,471
(5) Deposits received from tenants and franchised stores*6	25,847	24,132	(1,715)
Total liabilities	1,631,131	1,641,282	10,150
Derivative instruments *7	810	810	—

(Notes)

*1 Net of allowance for doubtful accounts for notes and accounts receivable, trade

*2 Including current portion of long-term leasehold deposits

*3 Net of allowance for doubtful accounts for long-term leasehold deposits

*4 Including current portion of bonds

*5 Including current portion of long-term loans

*6 Including current portion of deposits received from tenants and franchised stores

*7 Net credit or liabilities arising from derivative instruments are shown. Net liabilities are shown in parenthesis.

Notes

1. Items relating to the method of calculation of the market value of financial instruments and derivative instruments

Assets

(1) Cash and bank deposits

The relevant book values are used because the short settlement periods of these items result in market values and book values being almost equivalent.

(2) Notes and accounts receivable, trade

For notes and accounts receivable, traded with short settlement periods, the relevant book values are used because market values and book values are almost equivalent. The market value of items with long settlement periods is the present value, which is calculated by discounting the total of principle and interest by the corresponding yield on government bonds over the remaining period, making allowance for credit risk.

(3) Marketable securities and investments in securities

For the market value of shares, exchange prices are used. For bonds, exchange prices or the prices shown by correspondent financial institutions are used. For negotiable certificates of deposit, etc., the relevant book values are used because the short settlement periods of these items result in market values and book values being almost equivalent.

(4) Long-term leasehold deposits

The market value of long-term leasehold deposits is the present value, which is calculated by discounting future cash flows—reflecting collectability—by the corresponding yield on government bonds over the remaining period.

Liabilities

(1) Notes and accounts payable, trade

The relevant book values are used because the short settlement periods of these items result in market values and book values being almost equivalent.

(2) Deposits received in banking business

For demand deposits, the market value is regarded as the amount payable (book value) if demands were received on the consolidated balance sheet date. Time deposits are classified according to certain periods, and the market value of time deposits is the present value, which is calculated by discounting future cash flows. The discount rate used for this is the interest rate used when new deposits are received. For time deposits with short remaining periods (within one (1) year), the market value is the relevant book value because the market value approximates the book value.

(3) Bonds

The market value of bonds that have market prices is based on these prices. The market value of bonds that do not have market prices is the present value, which is calculated by discounting the total of principal and interest to reflect the remaining period of the said bonds and an interest rate that allows for credit risk.

(4) Long-term loans

The market value of long-term loans is the present value, which is calculated by discounting the total of principal and interest by the interest rate assumed to be applied if the same loan were to be newly taken.

(5) Deposits received from tenants and franchised stores

The market value of deposits received from tenants is the present value, which is calculated by discounting future cash flows by the corresponding yield on government bonds over the remaining period.

Derivative instruments

These are calculated based on the prices shown by correspondent financial institutions. However, because interest rate swap contracts meeting specific hedging criteria are recognized together with hedged long-term loans, the market value of interest rate swap contracts is included in the market value of the relevant long-term loans.

2. Financial instruments for which market values are very difficult to determine

Classification	Consolidated Balance Sheet (Millions of yen)
Investments in securities*[1]	
Unlisted shares	12,823
Shares of subsidiaries and affiliates	34,878
Other	1,228
Long-term leasehold deposits*[2]	122,956
Deposits received from tenants and franchised stores*[2]	29,700

(Notes)

*1 These are not included in Assets "(3) Marketable securities and investments in securities" because they do not have market prices, and future cash flows with regard thereto cannot be estimated; therefore, it is very difficult to determine market values.

*2 These are not included in Assets "(4) Long-term leasehold deposits" and Liabilities "(5) Deposits received from tenants and franchised stores" because the timing of repayment cannot be reasonably estimated and it is very difficult to determine market values.

Notes concerning real estate for lease

Notes about real estate for lease have been omitted because the total amount thereof is considered immaterial.

Notes concerning per share information

1. Net assets per share: ¥2,371.92
2. Net income per share: ¥198.84

Notes concerning significant subsequent event

None.

Other notes

(Business Combinations and Other Matters)

Business combination by acquisition

1. Outline of the acquired firm

(1) Name and main business of the acquired firm

Name: Nissen Holdings Co., Ltd.

Main business: Formulate growth strategies for the Nissen Group; design the Nissen Group business portfolio and develop new business through M&As and other means; supervise the Nissen Group's business execution.

(2) Business combination objectives

After Seven & i Netmedia's acquisition of half of the voting rights of Nissen Holdings Co., Ltd. (Nissen Holdings), the Company decided to make Nissen Holdings a consolidated subsidiary of the Company, having judged that the cooperation of the Company Group and the Nissen Holdings Group as one group in a robust capital relationship will facilitate more efficient mutual use of one another's business resources and the creation and expansion of corporate value at a higher level than would be possible through each individual group's growth alone, as well as contribute to the promotion of the Company Group's Omni Channel Strategy.

(3) Date of the business combination

January 29, 2014

(4) Form of the business combination

Stock acquisition

(5) The acquired firm's name after the business combination

No change

(6) Voting rights acquired through the business combination

50.74%

(7) Main basis of the decision of the acquired firm

Seven & i Netmedia acquired 50.74% voting rights of the acquired firm through the stock acquisition by means of tender offer and a third-party allocation.

2. Period for which the acquired firm's operating results are included in the consolidated financial statements

Regarding February 28, 2014 as the deemed acquisition date, the Company does not include operating results of Nissen Holdings Co., Ltd. in the consolidated financial statements.

3. Acquisition cost and its detail

Consideration for the acquired company	stock purchase cost (cash)	¥13,278 million
Direct costs of the acquisition	advisory cost	¥309 million
Acquisition cost		¥13,588 million

4. Amount, reason for recognition, period and method of amortization of goodwill

(1) Amount of goodwill: ¥194 million

(2) Reason for recognition of goodwill

Expected excess earning power of future business development

(3) Period and method of amortization of goodwill

20 years using the straight-line method

5. Assets and liabilities assumed on the date of the business combination (deemed acquisition date) and the main components

Current assets	¥63,604 million
Non-current assets	¥38,329 million
Total assets	¥101,933 million
Current liabilities	¥55,465 million
Non-current liabilities	¥21,126 million
Total liabilities	¥76,591 million

(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 or the like have been rounded down to the units indicated.

NON-CONSOLIDATED BALANCE SHEET (as of February 28, 2014)

(Millions of yen)

Item	Amount	Item	Amount
ASSETS		**LIABILITIES**	
Current assets	**46,680**	**Current liabilities**	**227,358**
Cash and bank deposits	380	Current portion of bonds	189,010
Prepaid expenses	282	Lease obligations	2,011
Deferred income taxes	135	Accounts payable, other	1,019
Accounts receivable, other	40,996	Accrued expenses	804
Deposits held by subsidiaries and affiliates	3,265	Income taxes payable	33,412
Other	1,620	Advance received	177
Non-current assets	**1,895,907**	Allowance for bonuses to employees	242
Property and equipment	**5,389**	Allowance for bonuses to Directors and Audit & Supervisory Board Members	54
Buildings and structures, net	2,180		
Fixtures, equipment and vehicles	160	Other	625
Land	2,712	**Non-current liabilities**	**280,365**
Construction in progress	336	Bonds	269,987
Intangible assets	**8,203**	Long-term loans payable to subsidiaries and affiliates	14
Lease assets, net	8,197		
Other	6	Deferred income taxes	1,459
Investments and other assets	**1,882,313**	Lease obligations	6,619
Investments in securities	24,250	Deposits received from tenants	1,655
Stocks of subsidiaries and affiliates	1,745,253	Allowance for loss on guarantees	629
Prepaid pension cost	583	**TOTAL LIABILITIES**	**507,723**
Long-term leasehold deposits	2,192	**NET ASSETS**	
Deposits paid to subsidiaries and affiliates	110,000	**Shareholders' equity**	**1,429,008**
Other	34	**Common stock**	**50,000**
		Capital surplus	**1,246,256**
		Additional paid-in capital	875,496
		Other capital surplus	370,759
		Retained earnings	**138,633**
		Other retained earnings	138,633
		Retained earnings brought forward	138,633
		Treasury stock, at cost	**(5,811)**
		Accumulated gains from valuation and translation adjustments	**4,298**
		Unrealized gains on available-for-sale securities, net of taxes	4,298
		Subscription rights to shares	**1,556**
		TOTAL NET ASSETS	**1,434,863**
TOTAL ASSETS	**1,942,587**	**TOTAL LIABILITIES AND NET ASSETS**	**1,942,587**

NON-CONSOLIDATED STATEMENT OF INCOME (March 1, 2013 to February 28, 2014)

(Millions of yen)

Item	Amount	
Revenues from operations		
Dividends income	82,858	
Management consulting fee income	4,072	
Commission fee income	2,904	
Other	110	89,946
Selling, general and administrative expenses		8,696
Operating income		**81,250**
Non-operating income		
Interest income	1,524	
Dividends income	458	
Other	137	2,119
Non-operating expenses		
Interest expenses	1,178	
Interest on bonds	2,774	
Amortization of bond issuance cost	299	
Other	1	4,253
Ordinary income		**79,116**
Special losses		
Valuation loss on subsidiaries' and affiliates' stock	1,500	
Allowance for loss on guarantees	629	2,129
Income before income taxes		**76,987**
Income taxes – current	(946)	
Income taxes – deferred	(19)	(965)
Net income		**77,953**

NON-CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS (March 1, 2013 to February 28, 2014)

(Millions of yen)

	Shareholders' equity							
	Common stock	Capital surplus			Retained earnings		Treasury stock, at cost	**Total shareholders' equity**
		Additional paid-in capital	Other capital surplus	Total capital surplus	Other retained earnings	Total retained earnings		
					Retained earnings brought forward			
Balance at March 1, 2013	**50,000**	**875,496**	**370,111**	**1,245,608**	**118,996**	**118,996**	**(7,099)**	**1,407,506**
Accumulated effect of correction of errors								
Balance at March 1, 2013 after retoractive adjustment	**50,000**	**875,496**	**370,111**	**1,245,608**	**118,996**	**118,996**	**(7,099)**	**1,407,506**
Increase (decrease) for the year								
Cash dividends					(58,315)	(58,315)		**(58,315)**
Net income					77,953	77,953		**77,953**
Purchase of treasury stock							(133)	**(133)**
Disposal of treasury stock			647	647			1,351	**1,998**
Increase (decrease) of items for the year except those included in shareholders' equity (net amount)								
Net increase (decrease) for the year	**—**	**—**	**647**	**647**	**19,637**	**19,637**	**1,217**	**21,502**
Balance at February 28, 2014	**50,000**	**875,496**	**370,759**	**1,246,256**	**138,633**	**138,633**	**(5,881)**	**1,429,008**

	Accumulated gains from valuation and translation adjustments		**Subscription rights to shares**	**TOTAL NET ASSETS**
	Unrealized gains on available-for-sale securities, net of taxes	**Total accumulated gains from valuation and translation adjustments**		
Balance at March 1, 2013	**4,130**	**4,130**	**1,247**	**1,412,884**
Accumulated effect of correction of errors	**(357)**	**(357)**		**(357)**
Balance at March 1, 2013 after retoractive adjustment	**3,773**	**3,773**	**1,247**	**1,412,526**
Increase (decrease) for the year				
Cash dividends				**(58,315)**
Net income				**77,953**
Purchase of treasury stock				**(133)**
Disposal of treasury stock				**1,998**
Increase of items for the year except those included in	525	**525**	**309**	**834**

shareholders' equity (net amount)				
Net increase (decrease) for the year	**525**	**525**	**309**	**22,336**
Balance at February 28, 2014	**4,298**	**4,298**	**1,556**	**1,434,863**

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 and affiliates:

Valued at cost by the moving-average method.

(2) Available-for-sale securities

Fair value is available

Securities whose fair value is available are valued at the quoted market price prevailing at the end of the 9th 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

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

2. Methods of depreciation for non-current assets

(1) Property and equipment (excluding lease assets):

Amortized using the straight-line method.

(2) Intangible assets (excluding lease assets):

Amortized using the straight-line method.

(3) Lease assets

For depreciation of leased assets, a useful life is based on the duration of the lease period, and straight-line depreciation is applied with an assumed residual value of zero.

Furthermore, finance lease transactions, other than those involving a transfer of ownership, that began prior to March 1, 2009 are accounted for as operating leases.

3. Methods of accounting for deferred assets

Bond issuance cost

Entire amount is expensed on payment.

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 Audit & Supervisory Board Members

Allowance for bonuses to Directors and Audit & Supervisory Board Members is provided at the amount expected 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 during the 9th 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 at February 28, 2014 is recorded as prepaid pension cost.

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

(4) Allowance for loss on guarantees

Allowance for loss on guarantees is provided to cover losses related to guarantees offered to subsidiaries and affiliates. The estimated loss amount is recorded, taking into account the financial position and other factors of the guaranteed parties.

5. Other significant items that form the basis of the preparation of financial statements

(1) Accounting for consumption taxes, etc.

Consumption taxes, etc., are not included.

(2) Application of the consolidated corporate-tax system

The Company has applied the consolidated corporate-tax system.

Notes concerning changes in accounting policies

(Change in depreciation method for property and equipment)

Previously, the Company used the declining-balance method to calculate the depreciation of property and equipment. However, effective from the fiscal year ended February 28, 2014, the Company changed to the straight-line method of depreciation.

Following the start of full-scale operations at a training center and a review of depreciation methods at material subsidiaries, the Company has reviewed its depreciation methods. As a result, considering that stable operation of the training center is now expected going forward, the Company believes that the straight-line method of depreciation will more accurately represent the allocation of expenses against economic benefits going forward. For this reason, the Company has changed its depreciation method from the declining-balance method to the straight-line method.

This change had a negligible impact on profit and loss.

Notes Concerning Error Corrections

In the fiscal year ended February 28, 2014, the Company determined that there were errors in the valuation and presentation of marketable securities in prior years. Accordingly, the Company has corrected those errors. The accumulated effect of correction of errors is reflected in the carrying amount of net assets at March 1, 2013.

As a result, the balance at March 1, 2013 of unrealized gains on available-for-sale securities, net of taxes, on the Non-Consolidated Statement of Changes in Net Assets was reduced by ¥357 million.

Notes to Non-Consolidated Balance Sheet

1. Accumulated depreciation of property and equipment: ¥718 million

2. Contingent liabilities

Guarantees are as follows:
For loans of subsidiary Seven Card Service Co., Ltd. ¥4,000 million

3. Monetary claims and monetary obligations in regard to subsidiaries and affiliates (excluding items listed elsewhere)

(1) Short-term receivables:	¥42,039 million
(2) Short-term payables:	¥2,797 million
(3) Long-term payables:	¥8,258 million

Notes to Non-Consolidated Statement of Income

Items relating to transactions with subsidiaries and affiliates

(1) Operating transactions

Revenues from operations:	¥89,945 million
Selling, general and administrative expenses:	¥484 million
(2) Non-operating transactions:	¥2,710 million

Notes to Non-Consolidated Statement of Changes in Net Assets

Shares of treasury stock at the end of the fiscal year Common stock 2,375,568 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:	¥92 million
Accrued enterprise taxes and business office taxes:	¥53 million
Subscription rights to shares:	¥554 million
Tax loss carried forward:	¥2,849 million
Valuation loss on subsidiaries' and affiliates' stock:	¥26,022 million
Allowance for loss on guarantees:	¥224 million
Other:	¥75 million
Sub-total:	¥29,871 million
Less: Valuation allowance:	(¥29,721 million)
Total:	¥149 million

Deferred tax liabilities

Prepaid pension cost:	(¥138 million)
Unrealized losses on available-for-sale securities, net of taxes:	(¥1,335 million)
Total:	(¥1,474 million)
Deferred tax assets, net:	(¥1,324 million)

Notes concerning non-current assets utilized through leases

1. Finance lease transactions, other than those involving a transfer of ownership that began prior to March 1, 2009 (finance lease transactions accounted for as operating leases)

(1) Lessee assumed amounts of acquisition cost, accumulated depreciation, and net book value at the end of the 9th fiscal year for leased properties are summarized as follows:

(Millions of yen)

	Acquisition cost	Accumulated depreciation	Net book value at the end of the fiscal year
Furniture, fixtures and equipment	0	0	0

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

Due within one year:	¥0 million
Due over one year:	¥－million
Total:	¥0 million

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

Lease payments:	¥87 million
Assumed depreciation expense:	¥83 million
Assumed interest expense:	¥0 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 properties. The interest method is used as the method of allocation for each fiscal year.

2. Operating leases

Future lease payments

Due within one year:	¥106 million
Due after one year:	¥0 million
Total:	¥106 million

Notes concerning transactions with related parties

Subsidiaries and affiliates, etc.

(Millions of yen)

Attribution	Name of company, etc.	Voting rights held by the Company (%)	Relationship with related party	Details of transaction	Amount of transaction	Account title	Year-end balance
Subsidiary	SEVEN & i Financial Center Co., Ltd.	Ownership Direct: 100	Financial support Concurrently serving corporate officers	Deposit of funds (Note 1)	1,001,545	Deposits	3,265
						Deposits paid	110,000
				Interest on deposits (Note 1)	1,523	Other current assets	238
				Borrowing of funds (Note 1)	779,500	Short-term loans	189,000
				Interest on borrowed funds (Note 1)	1,156	Accrued expenses	2
Subsidiary	Ito-Yokado Co., Ltd.	Ownership Direct: 100	Concurrently serving corporate officers	Operational consignment (Note 2)	1,126	Accounts receivable, other	3,416
				Tax payment under consolidated taxation	1,166		
Subsidiary	Seven-Eleven Japan Co., Ltd.	Ownership Direct: 100	Concurrently serving corporate officers	Business management (Note 3)	2,529	Accounts receivable, other	32,262
				Operational consignment (Note 2)	1,371		
				Tax payment under consolidated taxation	57,886		
Subsidiary	Seven Card Service Co., Ltd.	Ownership Indirect: 95.5	Guaranty of debt Concurrently serving corporate officers	Guaranty of debt for bank loans (Note 4)	4,000	—	—

(Notes)

1. Transactions are conducted based on interest rates for deposits and loans that are determined reasonably by taking into account market interest rates.
2. Operational consignment fees are determined based on negotiations between the relevant parties.
3. Business management fees are determined proportionately according to the size of each subsidiary's business in line with the Group's rules.
4. Guaranty of debt for bank loans represents the guaranty of debt balance as of the fiscal year-end.
5. Decisions regarding transaction conditions are made in the same way as general transactions.

Notes concerning per share information

1. Net assets per share: ¥1,621.27
2. Net income per share: ¥88.22

Notes concerning significant subsequent event

None.

Other notes

In the Non-Consolidated Balance Sheet, Non-Consolidated Statement of Income, Non-Consolidated Statement of Changes in Net Assets, and Notes to Non-Consolidated Financial Statements, amounts or the like have been rounded down to the units indicated.

Shareholders’ Meeting Reference Materials

Item No. 1: Appropriation of retained earnings.

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

For shareholder return, our 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 basic annual dividend in line with a target consolidated payout ratio of 35%. With respect to retained earnings, the Company will actively invest in existing businesses based on clear investment criteria while reorganizing its operations by investing in new businesses.

Matters concerning year-end dividends

It is proposed that the year-end dividends for the 9th fiscal year be paid as follows in consideration of the performance for the 9th 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 ¥35 per one (1) ordinary share of the Company.

In such a case, the aggregate amount of dividends shall be ¥30,942,324,525.

Therefore, the annual dividends for the 9th fiscal year, including interim dividends of ¥33, shall be ¥68 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 23, 2014.

Item No. 2: Election of fourteen (14) Directors.

The terms of office of all sixteen (16) current Directors expire upon the conclusion of this Annual Shareholders' Meeting.

Shareholders are therefore requested to elect fourteen (14) Directors.

The candidates for Director are as follows:

Candidate No.	Name (Date of birth) * Number of shares of the Company owned	Brief personal history, position, area of responsibility, and important concurrent positions
1	Toshifumi Suzuki (December 1, 1932) * 5,065,632 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: Representative Director and President 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. 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. 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) (Important Concurrent Positions) * Representative Director and Chairman and Chief Executive Officer (CEO) of Seven-Eleven Japan Co., Ltd. * Representative Director and Chairman and Chief Executive Officer (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) * 42,840 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)

Candidate No.	Name (Date of birth) * Number of shares of the Company owned	Brief personal history, position, area of responsibility, and important concurrent positions
3	Katsuhiro Goto (December 20, 1953) * 14,640 shares	July 1989: Joined Seven-Eleven Japan 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. May 2006: Director of Ito-Yokado Co., Ltd. (incumbent) Managing Executive Officer of the Company (incumbent) Director of Millennium Retailing, Inc. Aug. 2009: Director of Sogo & Seibu Co., Ltd. (incumbent) Apr. 2011: Senior Officer of the System Planning Department of the Company (Important Concurrent Positions) * Director of Ito-Yokado Co., Ltd. * Director of Sogo & Seibu Co., Ltd.
4	Tsuyoshi Kobayashi (August 12, 1957) * 6,200 shares	Feb. 2004: Joined Seven-Eleven Japan Co., Ltd. Sep. 2005: Executive Officer of the Company (incumbent) Senior Officer of the Corporate Planning Department of the Company (incumbent) May 2009: Director of the Company (incumbent) Senior Officer of the Overseas Planning Department of the Company May 2012: Senior Officer of the Corporate Development Department of the Company Mar. 2014: Head of the Omni Channel Promotion Office of the Company (incumbent)
5	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. May 2003: Executive Officer of Seven-Eleven Japan Co., Ltd. Jan. 2007: Managing Executive Officer of Seven-Eleven Japan Co., Ltd. May 2009: Director of the Company (incumbent) Executive Officer of the Company (incumbent) Senior Officer of the Corporate Development Department of the Company Apr. 2011: Senior Officer of the CSR Management Department of the Company (incumbent)
6	Kunio Takahashi (January 28, 1951) * 7,100 shares	Mar. 2003: Joined Seven-Eleven Japan Co., Ltd. Sep. 2005: Executive Officer of the Company (incumbent) Senior Officer of the Finance Department of the Company Mar. 2007: Senior Officer of the Finance Planning Department of the Company (incumbent) May 2011: Director of the Company (incumbent) Chief Financial Officer (CFO) of the Company (incumbent) (Important Concurrent Positions) * Representative Director and President of Seven & i Asset Management Co., Ltd. * Representative Director and President of SEVEN & i Financial Center Co., Ltd.

Candidate No.	Name (Date of birth) * Number of shares of the Company owned	Brief personal history, position, area of responsibility, and important concurrent positions
7	Akihiko Shimizu (March 16, 1952) * 6,120 shares	Apr. 1994: Joined Ito-Yokado Co., Ltd. May 2004: Executive Officer of Ito-Yokado Co., Ltd. Sep. 2005: Senior Officer of the Accounting Department of the Company (incumbent) Jan. 2006: Executive Officer of the Company (incumbent) May 2012: Director of the Company (incumbent) June 2013: Outside Director of Seven Bank, Ltd. (incumbent)
8	Ryuichi Isaka (October 4, 1957) * 15,012 shares	Mar. 1980: Joined Seven-Eleven Japan Co., Ltd. May 2002: Director of Seven-Eleven Japan Co., Ltd. May 2003: Executive Officer of Seven-Eleven Japan Co., Ltd. May 2006: Managing Executive Officer of Seven-Eleven Japan Co., Ltd. May 2009: Representative Director and President of Seven-Eleven Japan Co., Ltd. (incumbent) Chief Operating Officer (COO) of Seven-Eleven Japan Co., Ltd. (incumbent) Director of the Company (incumbent) (Important Concurrent Positions) * Representative Director and President and Chief Operating Officer (COO) of Seven-Eleven Japan Co., Ltd * Director of 7-Eleven, Inc.
9	Takashi Anzai (January 17, 1941) * 7,000 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 Aug. 2000: Counsel of Ito-Yokado Co., Ltd. Apr. 2001: Representative Director and President of IY Bank Co., Ltd. (currently Seven Bank, Ltd.) Sep. 2005: Director of the Company (incumbent) June 2010: Representative Director and Chairman of Seven Bank, Ltd. (incumbent) (Important Concurrent Position) * Representative Director and Chairman of Seven Bank, Ltd.
10	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) (Important Concurrent Position) * Representative Director and President and Chief Operating Officer (COO) of York-Benimaru Co., Ltd.

Candidate No.	Name (Date of birth) * Number of shares of the Company owned	Brief personal history, position, area of responsibility, and important concurrent positions
11	Scott Trevor Davis (December 26, 1960) * 1,600 shares	Apr. 1990: Full-time researcher, The Japan Institute of Labor Apr. 1993: Lecturer, Department of Business Administration, Faculty of Economics, Gakushuin University Apr. 2001: Professor, International Business Administration Department, International School of Economics and Business Administration, Reitaku University May 2004: Outside Director of Ito-Yokado Co., Ltd. Sep. 2005: Outside Director of the Company (incumbent) Mar. 2006: Outside Director of Ito-Yokado Co., Ltd. (newly incorporated company) Apr. 2006: Professor, Department of Global Business, College of Business, Rikkyo University (incumbent) (Important Concurrent Position) * Professor, Department of Global Business, College of Business, Rikkyo University
12	Yoshio Tsukio (April 26, 1942) * 0 shares	Aug. 1988: Professor, Department of Architecture, School of Engineering, Nagoya University Apr. 1989: Visiting Professor, Unit 5, Institute of Industrial Science, University of Tokyo Apr. 1991: Professor, Department of Industry Mechanical Engineering, Faculty of Engineering, University of Tokyo Apr. 1999: Professor, Graduate School of Frontier Science, University of Tokyo Dec. 2002: Vice-Minister for Policy Coordination, Ministry of Internal Affairs and Communications Apr. 2003: President and Representative, Tsukio Research Institute (incumbent) June 2003: Professor Emeritus, University of Tokyo (Important Concurrent Position) * President and Representative, Tsukio Research Institute

Candidate No.	Name (Date of birth) * Number of shares of the Company owned	Brief personal history, position, area of responsibility, and important concurrent positions
13	Kunio Ito (December 13, 1951) * 0 shares	Apr. 1992: Professor, Faculty of Commerce and Management, Hitotsubashi University Aug. 2002: Dean, Graduate School of Commerce and Management, Faculty of Commerce and Management, Hitotsubashi University Feb. 2004: Associate Chancellor & Director, Hitotsubashi University June 2005: Outside Director, Akebono Brake Industry Co., Ltd. (incumbent) Dec. 2006: Professor, Graduate School of Commerce and Management, Hitotsubashi University (incumbent) June 2007: Outside Director, Mitsubishi Corporation (incumbent) Apr. 2008: MBA Course Director, Graduate School of Commerce and Management, Hitotsubashi University Senior Executive Program Director, Graduate School of Commerce and Management, Hitotsubashi University (incumbent) June 2009: Outside Director, Tokio Marine Holdings, Inc. (incumbent) June 2012: Outside Director, Sumitomo Chemical Co., Ltd. (incumbent) June 2013: Outside Director, Kobayashi Pharmaceutical Co., Ltd. (incumbent) (Important Concurrent Position) * Professor, Department of Commerce and Management, Postgraduate School of Hitotsubashi University
14	Toshiro Yonemura (April 26, 1951) * 0 shares	Apr. 1974: Joined the Tokyo Metropolitan Police Department Aug. 2005: Vice Superintendent General, Tokyo Metropolitan Police Department Aug. 2008: Superintendent General, Tokyo Metropolitan Police Department June 2011: Outside Corporate Auditor, Jowa Holdings Company, Limited Dec. 2011: Deputy Chief Cabinet Secretary for Crisis Management Feb. 2014: Special Advisor to the Cabinet

(Notes)

1. Messrs. Yoshio Tsukio, Kunio Ito, and Toshiro Yonemura are candidates for new appointment as Directors.
2. Mr. Takashi Anzai concurrently holds the office of Representative Director and Chairman of Seven Bank, Ltd., which engages in transactions falling within the types of business of the Company. There is no special relationship of interest between the other candidates and the Company.
3. Messrs. Scott Trevor Davis, Yoshio Tsukio, Kunio Ito, and Toshiro Yonemura 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. Scott Trevor Davis, Yoshio Tsukio, Kunio Ito, and Toshiro Yonemura 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. Scott Trevor Davis, Yoshio Tsukio, Kunio Ito, and Toshiro Yonemura are nominated for the office of Outside Director for the following reasons:
   - 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 eight (8) years and eight (8) months upon the conclusion of this Annual Shareholders' Meeting.
   - Mr. Yoshio Tsukio has experience and knowledge as a media policy expert of many years, and in order to make use of his extensive and advanced experience and knowledge, etc., for the benefit of the Company, his election as an Outside Director is requested.
   - Mr. Kunio Ito has specialized knowledge of accounting, management and other subjects from being a university professor for many years. In order to make use of his abundant experience and diligent oversight capabilities, etc., as an outside director of other companies for the benefit of the Company, his election as an Outside Director is requested.
   - Mr. Toshiro Yonemura has served in key posts such as the Superintendent-General of the Metropolitan Police Department and the Deputy Chief Cabinet Secretary for Crisis Management. In order to make use of his extensive and advanced experience and knowledge, etc., for the benefit of the Company, his election as an Outside Director is requested.
4. If the appointments or reappointments of the candidates for Outside Director are approved, the Company intends to enter into or continue a liability limitation agreement with each of them. The outline of the substance of the liability limitation agreement is on page 27.
5. Mr. Scott Trevor Davis is an independent Director in accordance with the rules of the Tokyo Stock Exchange.
6. The Company plans to designate Messrs. Yoshio Tsukio, Kunio Ito, and Toshiro Yonemura as independent Directors in accordance with the rules of the Tokyo Stock Exchange, and accordingly plans to submit a report to the Tokyo Stock Exchange.
7. The brief personal history of each of the above candidates is as of April 3, 2014.

Item No. 3: Election of five (5) Audit & Supervisory Board Members.

The terms of office of all five (5) current Audit & Supervisory Board Members expire upon the conclusion of this Annual Shareholders' Meeting.

Shareholders are therefore requested to elect five (5) Audit & Supervisory Board Members. This proposal is submitted with the prior consent of the Audit & Supervisory Board.

The candidates for Audit & Supervisory Board Members are as follows:

Candidate No.	Name (Date of birth) * Number of shares of the Company owned	Brief personal history, position, and important concurrent positions
1	Hideo Nomura (June 18, 1954) * 2,200 shares	Apr. 2006: Joined the Company Senior Officer of the Finance Department of the Company Mar. 2007: Senior Officer of the Finance Planning Department of the Company Sep. 2011: Senior Officer of the Auditing Office, Internal Control Evaluation of the Company May 2012: Standing Audit & Supervisory Board Member of the Company (incumbent) (Important Concurrent Positions) * Audit & Supervisory Board Member of Ito-Yokado Co., Ltd. * Audit & Supervisory Board Member of York-Benimaru Co., Ltd. * Audit & Supervisory Board Member of York Mart Co., Ltd.
2	Tadao Hayakawa (February 15, 1953) * 6,800 shares	Oct. 1986: Joined Seven-Eleven Japan Co., Ltd. Mar. 2004: Director of 7dream.com May 2006: Executive Officer of 7dream.com June 2013: Senior Officer of the Auditing Office of the Company (incumbent)
3	Yoko Suzuki (September 21, 1970) * 0 shares	Apr. 1998: Registered as an attoney at law with the Tokyo Bar Association Joined the Takagi Law Firm (currently Koike and Takagi Law Firm) Nov. 2002: Joined and became a partner of the Suzuki Law Firm (incumbent) May 2003: Outside Audit & Supervisory Board Member of Ito-Yokado Co., Ltd. Sep. 2005: Outside Audit & Supervisory Board member of the Company (incumbent) Mar. 2006: Outside Audit & Supervisory Board Member of Ito-Yokado Co., Ltd. (newly established company) (incumbent) (Important Concurrent Positions) * Attorney at Law

Candidate No.	Name (Date of birth) * Number of shares of the Company owned	Brief personal history, position, and important concurrent positions
4	Tsuguoki Fujinuma (November 21, 1944) * 1,600 shares	Apr. 1969: Joined Horie Morita Accounting Firm June 1970: Joined Arthur & Young Accounting Firm Jan. 1981: Partner of Arthur & Young Accounting Firm May 1986: Joined Asahi Shinwa Accounting Firm (Partner) May 1991: Managing Partner of Asahi Shinwa Accounting Firm July 1993: Managing Partner of Ota Showa & Co. (currently, Ernst & Young ShinNihon LLC) May 2000: President of the International Federation of Accountants (IFAC) July 2004: Chairman and President of the Japanese Institute of Certified Public Accountants (JICPA) Aug. 2007: Director of Tokyo Stock Exchange Group, Inc. Oct. 2007: Governor of Tokyo Stock Exchange Regulation Apr. 2008: Specially-appointed Professor, Chuo Graduate School of Strategic Management (incumbent) June 2008: Outside Director of Nomura Holdings, Inc. (incumbent) Outside Director of Nomura Securities Co., Ltd. (incumbent) Outside Audit & Supervisory Board Member of Sumitomo Corporation (incumbent) Outside Audit & Supervisory Board Member of Takeda Pharmaceutical Company Limited (incumbent) July 2008: Outside Director of Sumitomo Life Insurance Company (incumbent) May 2010: Outside Audit & Supervisory Board Member of the Company (incumbent) (Important Concurrent Positions) * Certified Public Accountant
5	Kazuko Rudy (Real name: Kazuko Kiriyama) (October 10, 1948) *0 shares	Sep. 1972: Joined the Accounting Audit Office, University of Chicago Mar. 1980: General Manager, Direct Marketing Department, Time Life Books Division, Time Inc. Dec. 1983: Representative Director, WITAN ACTEN LLC (incumbent) June 2011: Vice President of the Japan Academic Society of Direct Marketing (incumbent) Apr. 2013: MBA course Professor, Ritsumeikan University Graduate School (incumbent) (Important Concurrent Positions) * Representative Director, WITAN ACTEN LLC * MBA course Professor, Ritsumeikan University Graduate School

(Notes)

1. Mr. Tadao Hayakawa and Ms. Kazuko Rudy are candidates for new appointment as Audit & Supervisory Board Members.
2. There is no special relationship of interest between each of the candidates and the Company.
3. Ms. Yoko Suzuki, Mr. Tsuguoki Fujinuma, and Ms. Kazuko Rudy are candidates for Outside Audit & Supervisory Board Members as set forth in Article 2, Item 16 of the Companies Act and satisfy the requirements for Outside Audit & Supervisory Board Members as set forth in Article 2, Paragraph 3, Item 8 of the Ordinance for Enforcement of the Companies Act. In addition, Ms. Yoko Suzuki, Mr. Tsuguoki Fujinuma, and Ms. Kazuko Rudy 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.
   Ms. Yoko Suzuki, Mr. Tsuguoki Fujinuma, and Ms. Kazuko Rudy are nominated for Outside Audit & Supervisory Board Members for the following reasons:
   - Ms. Yoko Suzuki has advanced legal knowledge as an attorney at law, and in order to make use of her ability to faithfully execute audit duties from the perspective of legal compliance, her election as an Outside Audit & Supervisory Board Member is requested. Ms. Yoko Suzuki is currently an Outside Audit & Supervisory Board Member of the Company, and her term of office as an Outside Audit & Supervisory Board Member shall be eight (8) years and eight (8) months upon the conclusion of this Annual Shareholders' Meeting.
   - Mr. Tsuguoki Fujinuma has abundant experience and specialized knowledge as a certified public accountant, and in order to make use of his ability to faithfully execute audit duties based on effective use of the knowledge, etc., cultivated through his career, his election as an Outside Audit & Supervisory Board Member is requested. Mr. Tsuguoki Fujinuma is currently an Outside Audit & Supervisory Board Member of the Company, and his term of office as an Outside Audit & Supervisory Board Member shall be four (4) years upon the conclusion of this Annual Shareholders' Meeting.
   - Ms. Kazuko Rudy has abundant experience and knowledge as a marketing expert, and in order to make use of her ability to faithfully execute audit duties based on effective use of knowledge, etc., cultivated through her career, her election as an outside Audit & Supervisory Board Member is requested.
4. Nomura Securities Co., Ltd., where Mr. Tsuguoki Fujinuma serves as an Outside Director, received a business improvement order from the Financial Services Agency in August 2012 on the grounds that deficiencies were found in its management system concerning information on corporate relationships with respect to a capital increase through a public offering of shares. Mr. Tsuguoki Fujinuma has been expressing his opinions on the importance of legal compliance and internal control systems at meetings of the Board of Directors of Nomura Securities Co., Ltd. After the incident, he has been working to prevent a reoccurrence by confirming the details of the improvement report submitted based on the abovementioned business improvement order and monitoring the status of related improvements.
5. If the appointments or reappointments of the candidates for Outside Audit & Supervisory Board Member are approved, the Company intends to enter into a liability limitation agreement or continue the liability limitation agreement with each of them. The outline of the substance of the liability limitation agreement is on page 27.
6. Ms. Yoko Suzuki and Mr. Tsuguoki Fujinuma are independent Audit & Supervisory Board Members in accordance with the rules of the Tokyo Stock Exchange.
7. The Company plans to designate Ms. Kazuko Rudy as an independent Audit & Supervisory Board Member in accordance with the rules of the Tokyo Stock Exchange, and accordingly plans to submit a report to the Tokyo Stock Exchange.
8. The brief personal history of each of the above candidates is as of April 3, 2014.

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 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 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 1,350.

(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 135,000 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 date of 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 date of allotment, 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 30th anniversary of the date following such date of allotment.

(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 a shareholders' meeting resolution 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 Rights") 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 share subscription rights of the Restructuring Company to be delivered

The same number as the number of 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 from 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 a subsidiary of the Company.

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 thirty (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 thirty (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 rights. The conditions for exercising the share subscription rights 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, smartphone, 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. Japan Standard Time (JST) 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 or smartphone. 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. JST on Wednesday, May 21, 2014. 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 (Internet connection charges, etc.) incurred in accessing the Voting Site (http://www.evote.jp/) will be the responsibility of the shareholder. If a cell phone or other device is used, packet transmission fees and other usage fees for the cell phones and other devices will also be the responsibility of the shareholder.

For 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. JST)

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.