



April 12, 2006

Nonconsolidated Financial Results for the Fiscal Year Ended February 28, 2006

Seven & I Holdings Co., Ltd.

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

Securities Code No. 3382

President and C.O.O. : Noritoshi Murata

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

The Company has a policy of paying interim dividends.

Trading unit of the Company consists of 100 shares on Tokyo Stock Exchange

Date of the meeting of the Board of Directors to approve nonconsolidated accounts: April 12, 2006

Date of the ordinary general meeting of shareholders: May 25, 2006

1. Business Results for the fiscal year ended February 28, 2006 (from September 1, 2005 to February 28, 2006)

(1) Results of Operations

(Millions of yen, except per share amounts)

	Revenue from Operations	Operating Income	Ordinary Income	Net Income
Current Fiscal Year	35,411 -	32,751 -	32,517 -	32,515 -

	Net Income per Share	Diluted Net Income per Share	Ratio of Net Income to Shareholders' Equity	Ratio of Ordinary Income to Total Assets	Ratio of Ordinary Income to Revenue from Operations
Current Fiscal Year	24.14	-	2.2%	2.0%	91.8%

Notes : 1. All amounts less than one million yen have been disregarded.

2. Average number of shares outstanding:

Current fiscal year: 1,346,363,612 shares

3. The Company was established on September 1, 2005. The Company's nonconsolidated results for the fiscal year ended February 28, 2006 were prepared from September 1, 2005 to February 28, 2006.

4. The Company started to compile the financial results from this fiscal year; hence financial information for the previous fiscal year, and Change in accounting policies were not disclosed.

(2) Dividend per Share

	Annual Dividend	Interim Dividend	Year-end Dividend	Total Dividends (Millions of yen)	Payout Ratio	Ratio of Total Dividends to Shareholders' Equity
Current Fiscal Year	28.50 yen	-	28.50 yen	26,187	80.5 %	1.8%

Notes : 1. Year-end dividends of 28.50 yen comprise of ordinary dividends of 21.50 yen and memorial dividends of 7.00 yen.

2. Cash payments upon stock-transfer were made by Seven & I Holdings to the shareholders of Seven-Eleven Japan, Ito-Yokado, and Denny's Japan recorded in the registers of shareholders as of August 31, 2005, instead of the interim dividends payments for the fiscal year ending February 28, 2006. For reference, the amount of cash payments upon stock-transfer and annual dividends adjusted for the transfer ratios are described in the following page.

(3) Financial Position

(Millions of yen, except per share amounts)

	Total Assets	Shareholders' Equity	Ratio of Shareholders' Equity to Total Assets	Shareholders' Equity per Share
February 28, 2006	1,610,636	1,457,606	90.5 %	1,082.62

Notes : 1. Number of outstanding shares at the end of the fiscal year: Current fiscal year: 1,346,353,362 shares

2. Number of treasury stock at the end of the fiscal year: Current fiscal year: 29,640 shares

2. Business Outlook for the Fiscal Year Ending February 28, 2007 (From March 1, 2006 to February 28, 2007)

(Millions of yen, except per share amounts)

	Revenue from Operations	Operating Income	Ordinary Income	Net Income	Cash Dividend per Share		
					Annual	Interim	Year-End
Interim Period	24,800	20,400	20,100	20,100	-	25.00	-
Entire Year	60,500	51,800	51,200	51,200	50.00	-	25.00

< Reference > Expected net income per share for the year ending February 28, 2007: 38.03 yen

FORWARD LOOKING STATEMENTS

The outlook for fiscal year ending February 28, 2007 is based on hypotheses, plans and estimates at the date of publication. It is possible that some uncertain will cause the Company's future performance to differ significantly from the contents of outlook.

[Reference]

Cash Payments upon Stock-Transfer and Cash Dividend per Share for the Fiscal Year Ended February 28, 2006

Cash payments upon stock-transfer were made by Seven & I Holdings to the shareholders of Seven-Eleven Japan, Ito-Yokado, and Denny's Japan recorded in the registers of shareholders as of August 31, 2005, instead of the interim dividends payments for the fiscal year ending February 28, 2006. The amount of cash payments upon stock-transfer and annual dividends adjusted for the transfer ratios are the followings. Year-end dividends of 28.50 yen comprise of ordinary dividends of 21.50 yen and memorial dividends of 7.00 yen.

	Interim	Year-End			Annual
	Cash Payment upon Stock-Transfer	Seven & I Holdings Year-End Dividends per share	Stock-Transfer Ratio	Year-End Dividends Adjusted for Stock-Transfer Ratio	Actual Cash Dividends per Share
Seven-Eleven Japan Co., Ltd.	yen 21.50	(Ordinary Dividends) (Memorial Dividends)	1.00	yen 28.50	yen 50.00
Ito-Yokado Co., Ltd.	16.00	21.50 yen 7.00 yen	1.20	34.20	50.20
Denny's Japan Co., Ltd.	15.50		0.65	18.525	34.025

Nonconsolidated Balance Sheet

(Millions of yen)

	February 28, 2006	
	Amount	%
ASSETS		
Current assets	23,836	1.5
Cash and bank deposits	16,413	
Prepaid expenses	237	
Account receivable, other	7,027	
Other	158	
Non-current assets	1,586,520	98.5
Property and equipment	8	0.0
Buildings and structures	8	
Investments and other assets	1,586,512	98.5
Investments in subsidiaries	1,584,338	
Long-term leasehold deposits	2,173	
Deferred assets	280	0.0
New organization costs	280	
TOTAL ASSETS	1,610,636	100.0

(Millions of yen)

	February 28, 2006	
	Amount	%
LIABILITIES		
Current liabilities	151,024	9.4
Short-term loans from a subsidiary	150,000	
Accounts payable, other	483	
Accrued expenses	143	
Income taxes payable	17	
Advance received	211	
Allowance for bonus to employees	99	
Other	68	
Non-current liabilities	2,006	0.1
Deposits received from tenants	1,990	
Allowance for retirement benefits to directors and corporate auditors	15	
TOTAL LIABILITIES	153,030	9.5
SHAREHOLDERS' EQUITY		
Common stock	50,000	3.1
Capital surplus	1,375,212	85.4
Additional paid-in capital	1,375,211	
Other capital surplus	1	
Retained earnings	32,515	2.0
Unappropriated retained earnings	32,515	
Treasury stock	(122)	(0.0)
TOTAL SHAREHOLDERS' EQUITY	1,457,606	90.5
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	1,610,636	100.0

Nonconsolidated Statements of Income

(Millions of yen)

	Current Fiscal Year	
	Amount	%
Revenue from operations	35,411	100.0
Dividends income	33,659	
Management consulting fee income	1,546	
Commission fee income	205	
Selling, general and administrative expenses	2,660	7.5
Advertising expenses	1,045	
Salaries and wages	519	
Legal welfare expenses	82	
Pension expenses	18	
Land and building rent	89	
Commission paid	670	
Other	234	
Operating income	32,751	92.5
Non-operating income	1	0.0
Interest income	0	
Miscellaneous income	1	
Non-operating expenses	235	0.7
Interest expense	35	
Amortization of new organization costs	70	
Miscellaneous expenses	129	
Ordinary income	32,517	91.8
Income before income taxes	32,517	91.8
Income taxes - current	2	0.0
Net income for the year	32,515	91.8
Unappropriated retained earnings	32,515	91.8

PROPOSAL FOR APPROPRIATION OF RETAINED EARNINGS

(Millions of yen, except per share amounts)

	Current Fiscal Year
Unappropriated retained earnings	
Unappropriated retained earnings at end of fiscal yea	32,515
The above shall be appropriated as follows	
Cash dividends	26,187
[Dividends per share]	[28.5 yen]
Bonuses to directors and corporate auditors	17
[Portion to corporate auditors]	[1]
Unappropriated retained earnings carried forward	6,311

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

Significant Accounting Policies for the Preparation of Financial Statements

1. Valuation method of securities

Investments in subsidiaries are valued at cost, determined using the moving-average method.

2. Depreciation and amortization

Property and equipment

Depreciation expenses are computed using the declining-balance method, at rates based on the estimated useful lives of assets.

3. Accounting for deferred assets

New organization costs are amortized using the straight-line method over 5 years.

4. Allowances

(1) Allowance for bonuses to employees

An 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 retirement benefits to directors and corporate auditors

An allowance for retirement benefits to directors and corporate auditors is provided in accordance with the Company's policy.

5. Lease

All finance lease contracts other than those by which the ownership of the leased assets is to be transferred to lessees are accounted for as operating leases.

6. Accounting for consumption taxes

Consumption taxes are separately accounted for, and are excluded from the amounts of the underlying income and expense transactions.

Notes to Nonconsolidated Financial Statements

Nonconsolidated Balance Sheets;

(Millions of yen)

As of February 28, 2006

- | | |
|--|----------------------|
| 1. Accumulated depreciation of property and equipment | 0 |
| 2. Number of shares authorized | 4,500,000,000 Shares |
| In case any of shares are canceled in accordance with the Company's articles of incorporation, the authorized shares would be reduced accordingly. | |
| Number of shares issued | 1,346,383,002 Shares |

3. Notes on balances with subsidiaries

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

	As of February 28, 2006
Accounts receivable, other	295
Other current assets	157
Accounts payable, other	133
Accrued expenses	35
Advance received	210
Deposits received from tenants	1,980

- | | |
|---------------|-------|
| 4. Guarantees | 4,000 |
|---------------|-------|

Nonconsolidated Statements of Income;

(Millions of yen)

Major transactions with subsidiaries

	For the year ended February 28, 2006
Dividends income	33,659
Management consulting fee income	1,546
Commission fee income	205
Advertising expenses	152
Commission paid	105
Interest expense	35

Leases

1. Information for financial leases other than those by which the ownership of the leased assets is to be transferred to lessees.

(1) Acquisition cost, accumulated depreciation and net book value of leased assets are summarized as follows:

(Millions of yen)

	As of February 28, 2006 Furniture, fixtures and equipment
Acquisition cost	2
Accumulated depreciation	0
Net book value	2

	As of February 28, 2006 Software
Acquisition cost	1,634
Accumulated depreciation	93
Net book value	1,541

(2) The amounts of outstanding future lease payments are summarized as follows:

(Millions of yen)

	As of February 28, 2006
Within one year	318
Over one year	1,227
Total	1,545

(3) Lease payment and depreciation expense are as follows:

(Millions of yen)

	For the fiscal year ended February 28, 2006
Lease payment	91
Depreciation	87
Interest expense	5

(4) Depreciation expense is computed using the straight-line method over the lease term of the leased assets assuming no residual value.

(5) Interest expense is calculated as the total lease payments less the original acquisition cost of leased equipments. Allocation of interest expense to each period is using the interest method.

2. Operating leases

The amounts of outstanding future lease payments, including the interest portion, are summarized as follows:

(Millions of yen)

	As of February 28, 2006
Within one year	206
Over one year	1,476
Total	1,682

Securities Information

The Company has no investment in subsidiaries whose fair value is available.

Derivative Transactions

The Company has no derivative instruments.

All amounts less than one million yen have been disregarded.

Deferred income taxes

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

	As of February 28, 2006
Deferred tax assets:	
Allowance for bonuses to employees	40
Allowance for retirement benefits to directors and corporate auditors	6
Enterprise tax and business office tax payable	6
Tax loss carried forward	399
Other	4
Sub-total	456
Valuation allowance	(456)
Total deferred tax assets	0

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

(%)

	Fiscal year ended February 28, 2006
Statutory tax rate	40.7
Adjustments:	
Nondeductible items such as entertainment expenses	0.0
Nontaxable income, such as dividend income	(42.1)
Change of valuation allowance	1.4
Effective tax rate	0.0

(Subsequent events)

1. Split-up and merger of Ito-Yokado Co., Ltd.

In accordance with the resolutions approved at meeting of the board of directors held on January 10 and 24, 2006, Ito-Yokado Co., Ltd., which is wholly owned subsidiary of the Company, changed its name to Ito-Yokado SHC Co., Ltd. and transferred superstore business and function of controlling its group companies to a newly established company on March 1, 2006. The Company merged with the Ito-Yokado SHC Co., Ltd. and Ito-Yokado SHC Co., Ltd was dissolved on the same date.

2. Additional acquisition of shares of Millennium Retailing Inc.

The Company acquired 7,766,840 shares of Millennium Retailing Inc. in the amount of 20,364 million yen on March 27, 2006 in accordance with the basic agreement on business integration which were entered into with Millennium Retailing Inc. on December 26, 2005. As a result, the Company holds 59,435,303 shares and percentage of ownership is 73.3%.

3. Stock-for-stock exchange with York Benimaru Co., Ltd.

On April 11, 2006, the Company's Board of Directors has approved a resolution to make York Benimaru Co., Ltd. ("YB") a wholly owned subsidiary by means of stock-for-stock exchange, without an approval of resolution at shareholders' meeting which were in accordance with article 358 in Japanese Commercial Code.

On April 11, 2006, the Board of Directors also approved a resolution to issue new shares of the Company and the Company entered into the agreement on the stock-for-stock exchange.

An outline of the stock-for-stock exchange is provided below.

(1) Objectives of the stock-for-stock exchange

To maximize effectiveness of business portfolio and the corporate value of the entire group in order to enhance profitability of Supermarket business.

(2) Method and date of stock-for-stock exchange

Shares of the Company will be issued to current shareholders of YB, excluding the Company, and shares of YB will be transferred to the Company on September 1, 2006 ("exchange date"). As a result, YB will become wholly owned subsidiary of the Company.

(3) Stock exchange ratio

1 common share issued by YB, except for 15,884,265 shares held by the Company, will be allocated to 0.88 share of the common share of the Company.

(4) Common stock and additional paid in capital upon stock-for-stock exchange

Common stock of the Company to be increased upon stock-for-stock exchange is nil.

Additional paid in capital of the Company to be increased is calculated as follows:

Additional paid in capital to be increased = Net assets as of exchange date x

$$\frac{\text{Number of YB shares to be transferred to the Company}}{\text{Number of YB share outstanding}}$$

(5) Overview of York Benimaru Co., Ltd.

Name	York Benimaru Co., Ltd.
Address	18-2, Asahi 2-chome, Koriyama, Fukushima, Japan
Representative director	Representative director, President Zenko Otaka
Common stock	9,927 million yen
Business	Supermarket operation

Net sales and net income for the year ended February 28, 2006

Revenue from operations	297,445 million yen
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Net income	6,716 million yen
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Total amount of assets, liabilities and shareholders' equity as of February 28, 2006

Total assets	126,977 million yen
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Total liabilities	22,785 million yen
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Total shareholders' equity	104,192 million yen
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