



Seven & i Holdings Co., Ltd., is a holding company that was established on September 1, 2005, through a stock transfer by Seven-Eleven Japan, Ito-Yokado, and Denny's Japan.

The Company has seven core operational areas – convenience stores, superstores, department stores, supermarkets, restaurants, financial services, and IT/services. With a total of about 31,000 stores around the world and revenues from operations of approximately ¥3.9 trillion, Seven & i Holdings is one of Japan's leading retail groups.

To respond quickly to markets in which the needs of customers continue to change rapidly, and to leverage synergies, Seven & i Holdings is working to maximize its enterprise value and to enhance its operations, principally retailing, by working to create “a new, comprehensive lifestyle industry.”

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Forward-Looking Statements

This annual report contains certain statements based on Seven & i Holdings' current plans, estimates, strategies, and beliefs; all statements that are not historical fact are forward-looking statements. These statements represent the judgments and hypotheses of the Company's management based on currently available information. It is possible that the Company's future performance will differ significantly from the contents of these statements. Accordingly, there is no assurance that the forward-looking statements in this annual report will prove to be accurate.

FINANCIAL HIGHLIGHTS

SEVEN & i HOLDINGS CO., LTD. AND ITS CONSOLIDATED SUBSIDIARIES FOR THE YEAR ENDED FEBRUARY 28, 2006

Figures for Ito-Yokado Co., Ltd. and its consolidated subsidiaries for the years ended February 28, 2005, February 29, 2004 and February 28, 2003 are presented for the convenience of the reader.

Seven-Eleven Japan Co., Ltd. and Denny's Japan Co., Ltd. became wholly owned subsidiaries of Seven & i Holdings in the fiscal year ended February 28, 2006. The associated decrease in minority interests contributed to the increase in net income.

	Millions of yen		Thousands of U.S. dollars (Note A)		Millions of yen		
	Seven & i Holdings		Ito-Yokado				
	2006		2005	2004	2003		
For the year:							
Revenues from operations.....	¥3,895,772	\$33,584,241	¥3,623,555	¥3,542,146	¥3,530,317		
Operating income.....	244,940	2,111,551	211,951	207,783	201,302		
Income before income taxes and minority interests.....	178,518	1,538,948	150,833	177,784	176,861		
Net income.....	87,931	758,026	17,205	53,632	46,623		
% of revenues.....	2.3%	2.3%	0.5%	1.5%	1.3%		
Capital expenditures (Note B).....	185,354	1,597,879	168,725	171,877	182,891		
Depreciation and amortization (Note C).....	97,811	843,198	95,161	94,985	92,895		
At year-end:							
Total assets.....	¥3,424,879	\$29,524,819	¥2,574,817	¥2,461,927	¥2,401,737		
Total shareholders' equity.....	1,603,684	13,824,862	1,144,505	1,138,211	1,111,477		
Net income per share:							
Basic.....	¥100.83	\$0.87	¥40.73	¥128.25	¥110.67		
Diluted.....	—	—	40.51	128.22	—		
Cash dividends declared							
per share of common stock (Note D).....	¥28.50	\$0.25	¥34.00	¥34.00	¥34.00		

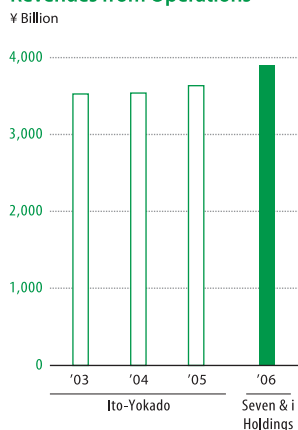
Notes: (A) U.S. dollar amounts in this annual report are translated from yen, for convenience only, at the rate of ¥116=US\$1, the approximate rate of exchange on February 28, 2006.

(B) Capital expenditures include property and equipment, intangible assets and long-term leasehold deposits.

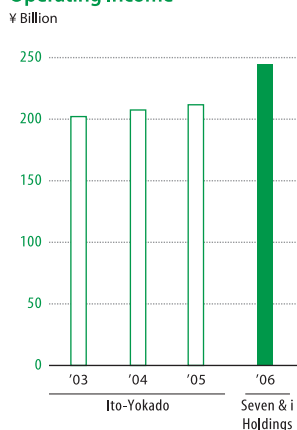
(C) Depreciation and amortization is included in cost of sales as well as selling, general and administrative expenses.

(D) In lieu of interim dividends, cash payments upon stock transfer of ¥21.50 (\$0.19), ¥16.00 (\$0.14), and ¥15.50 (\$0.13) per share were paid to shareholders of record, as of August 31, 2005, of Seven-Eleven Japan, Ito-Yokado, and Denny's Japan, respectively.

Revenues from Operations



Operating Income



Net Income and Basic Earnings per Share

