



Corporate Outline 2006



Seven & i Holdings' Core Operating Companies

Operation/Company Name	Business Description	Number of Stores*3
Convenience Store Operations		
Seven-Eleven Japan Co., Ltd.	Operates convenience stores by franchise system in Japan	11,310
7-Eleven, Inc.	Operates convenience stores by franchise system in North America and licenses the operation of Seven-Eleven stores to area licensees worldwide	5,829
SEVEN-ELEVEN (HAWAII), INC.	Operates convenience stores in the state of Hawaii, U.S.A.	53
SEVEN-ELEVEN (BEIJING) CO., LTD.	Operates convenience stores in Beijing, China	30
Superstore Operations		
Ito-Yokado Co., Ltd.	Operates superstores handling food, apparel, and household goods in Japan	178
Hua Tang Yokado Commercial Co., Ltd.	Operates superstores handling food, apparel, and household goods in Beijing, China	5
Chengdu Ito-Yokado Co., Ltd.	Operates superstores handling food, apparel, and household goods in Chengdu, China	2
Department Store Operations		
Sogo Co., Ltd.*1	Operates department stores mainly in the Kansai area, Japan	12
THE SEIBU DEPARTMENT STORES, LTD.*1	Operates department stores mainly in the Kanto area, Japan	18
Supermarket Operations		
York-Benimaru Co., Ltd.*2	Operates supermarkets, mainly in the Tohoku area, Japan	116
Restaurant Operations		
Denny's Japan Co., Ltd.	Operates family restaurants in Japan	583
Financial Services		
Seven Bank, Ltd.	Offers financial services mainly through ATMs placed at domestic Group stores such as Seven-Eleven	-
IY Card Service Co., Ltd.	Engages in credit card business	-

*1. We acquired 100% of the issued shares of Millennium Retailing, which owns 100% of the shares of Sogo and Seibu, in a stock-for-stock exchange on June 1, 2006.

*2. York-Benimaru will become our wholly owned subsidiary through a stock-for-stock exchange to be implemented on September 1, 2006.

*3. Figures for Japan are as of February 28, 2006. Other figures are as of December 31, 2005.

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Core Operating Companies' Strategy

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Seven & i Holdings' Market Position

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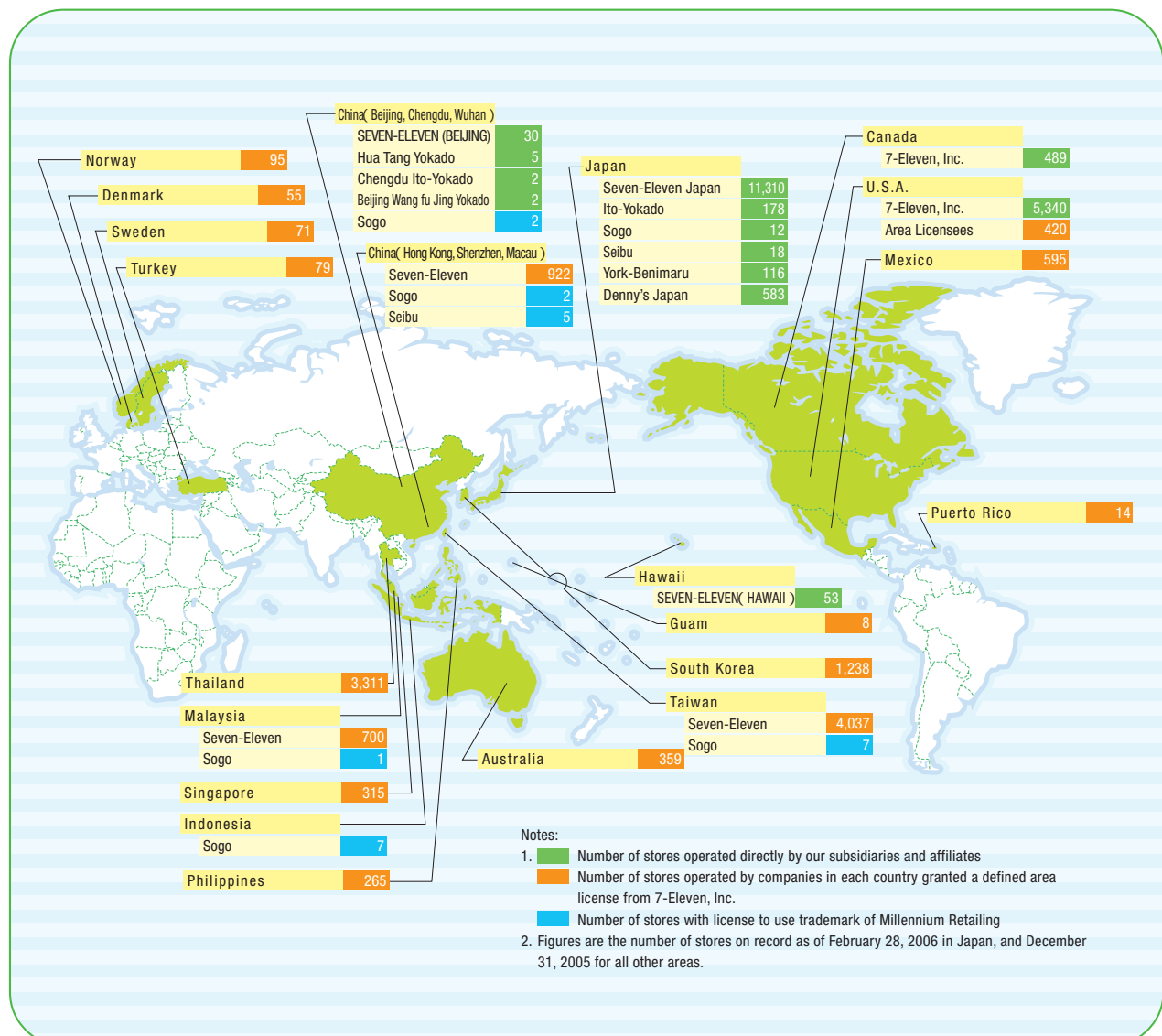
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Corporate Data

Overview of Major Group Companies
Capital Structure
Financial Position
Corporate Overview

- **Total Number of Stores Worldwide: Approximately 31,000**
- of Which the Number of Convenience Stores: 29,706
- **Number of Customer Store-Visits Worldwide per Day: 26 million**
- of Which the Number of Customer Store-Visits in Japan per Day: 13.7 million

Japan plays a central role in Seven & i Holdings' worldwide network of convenience stores, superstores, department stores, supermarkets, restaurants, and other activities.



World-Class Sales

- Seven & i Holdings is maintaining vigorous investment in improving existing businesses and in new business opportunities.

Revenues from operations came to 3,895.7 billion yen, and net sales were 3,437.3 billion yen in FY2006.

- Adding these figures with Sogo Co., Ltd. (Sogo) and THE SEIBU DEPARTMENT STORES, LTD. (Seibu), which were not included in our income statement, and York-Benimaru Co., Ltd., which was accounted for using the equity method, for FY2006, gives combined revenues from operations of 5,168.3 billion yen and net sales of 4,689.1 billion yen.

- On Target for Worldwide Top 10 Ranking by FY2007.

Note: Income statements for Sogo, Seibu, and York-Benimaru will be consolidated and reported in the income statements of Seven & i Holdings from FY2007.

Retailers Worldwide Ranking

	Company	Country	Sales (Billions of yen)	Growth*1 (%)	Main Categories	Fiscal Year
1	Wal-Mart Stores Inc.	U.S.A.	30,804.0	11.3	SuC / DS / CLUB / SM	2005 / 01
2	Carrefour SA	France	9,752.1	3.1	HM	2004 / 12
3	Home Depot Inc.	U.S.A.	7,894.2	12.8	HC / HDS	2005 / 01
4	Metro AG	Germany	7,570.0	5.3	SM / CC	2004 / 12
5	Royal Ahold NV	Netherlands	6,978.4	(7.3)	SM	2004 / 12
6	Tesco plc	UK	6,726.7	10.3	SM	2005 / 02
7	Kroger Co.	U.S.A.	6,094.9	4.9	SM / SuC	2005 / 01
8	Sears Holdings Corporation	U.S.A.	6,026.4*2	(4.1)	GMS / DS	2004 / 12
9	REWE Handelsgruppe	Germany	5,475.4	4.1	SM	-
10	Costco Wholesale Corp.	U.S.A.	5,195.6	13.1	CLUB	2004 / 08
11	ITM Entreprises SA	France	5,099.5	(1.0)	SM	2004 / 12
12	Target Corp.	U.S.A.	4,933.7	11.6	DS / SuC	2005 / 01
13	Groupe Casino	France	4,876.7	0.6	SM	2004 / 12
14	Aldi Einkauf GmbH & Co OHG	Germany	4,641.9	(1.2)	DS	2004 / 12
15	Schwarz Group (Lidl & Schwarz)	Germany	4,597.7	51.5	DS	2004 / 12
16	Albertson's Inc.	U.S.A.	4,308.9	13.6	SM	2005 / 01
17	Edeka Gruppe	Germany	4,236.5	0.3	SM	2004 / 12
18	Walgreen Co.	U.S.A.	4,050.9	15.4	DgS	2004 / 08
19	Groupe Auchan SA	France	4,032.2	4.7	HM	2004 / 12
20	Lowe's Companies Inc.	U.S.A.	3,938.1	18.2	HC	2005 / 01

*1 The growth percentages are calculated on a local currency basis in each country.

*2 Sales for Sears' Holdings is forecast.

Rate of exchange — US \$1 = ¥108.0

Category abbreviations: CC=Cash and Carry; CLUB=(Membership) Club; DgS=Drugstore; DS=Discount Store; GMS=General Merchandise Store; HC=Home Improvement Center; HM=Hypermarket; SM=Supermarket; SuC: SuperCenter

Source: Chain Store Age

■ Establishment of Holding Company to Maximize Enterprise Value

On September 1, 2005, Seven & i Holdings was established through the stock transfer method as the holding company for Seven-Eleven Japan Co., Ltd., Ito-Yokado Co., Ltd., and Denny's Japan Co., Ltd.

■ Reasons for Establishing the Holding Company

- Maximize the Group's Enterprise Value
 - Pursue synergy benefits overriding operating companies' boundaries
 - Reduce costs by integrating administrative functions
- Strengthen Corporate Governance
 - Clarify the autonomy and self-responsibility of operating companies
 - Deploy management resources appropriately based on monitoring

■ Role Allocation between the Holding Company and the Operating Companies

Holding Company's Role

Seven & i Holdings Co., Ltd.

Principally reflect shareholder concerns

- 1) Control overall governance
- 2) Maximize enterprise value as the Group's listed representative
- 3) Pursue Group synergies

Operating Companies' Role

Core Operating Companies

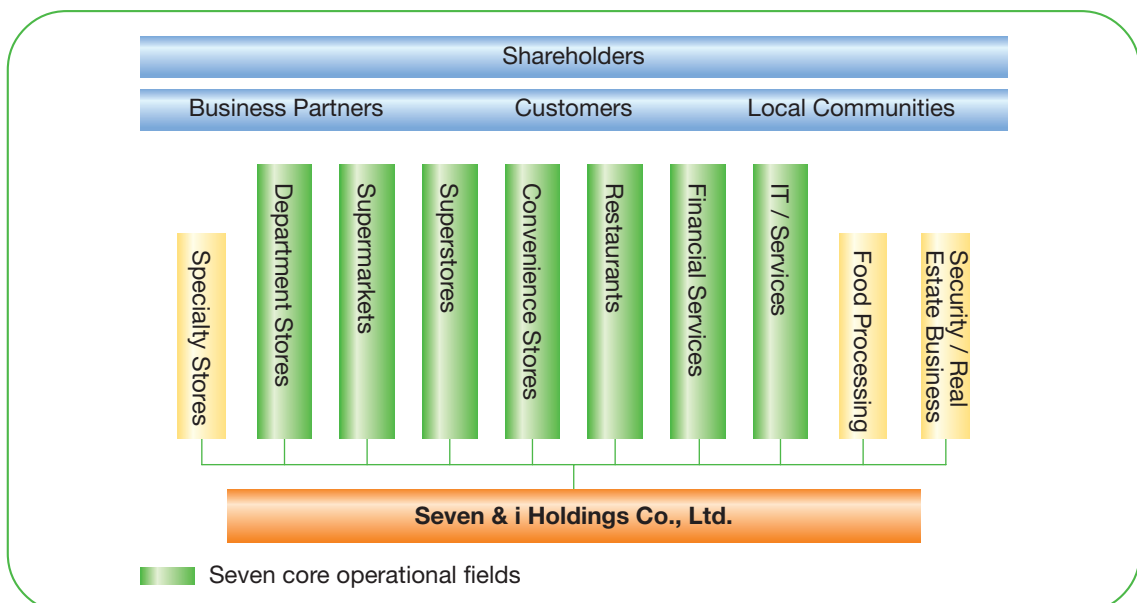
Seven-Eleven Japan Co., Ltd., Ito-Yokado Co., Ltd., Sogo Co., Ltd., THE SEIBU DEPARTMENT STORES, LTD., Denny's Japan Co., Ltd., Seven Bank, Ltd.

Principally reflect customer concerns

- 1) Fulfill responsibilities in each operational domain
- 2) Realize autonomy, seek profit growth and enhance capital efficiency

■ The Business Areas of Seven & i Holdings

- As part of the objective of creating "a New Comprehensive Lifestyle Industry," the Company identified seven core operational fields when the Company was established.



■ Strengthening the Core Operational Fields

Seven & i Holdings has implemented the measures identified at its establishment to strengthen its presence in core operational fields.

■ Convenience Stores

- Made 7-Eleven, Inc. of the United States into a wholly owned subsidiary, November 2005
 - Aiming to increase profitability, 7-Eleven, Inc. is making store renovations, accelerating the scrap and build of stores, bolstering fast food operations, such as the improvement of quality and product lineup, and strengthening production and distribution systems
 - Strategic objective of constructing global convenience store network with Seven-Eleven Japan at its core

■ Superstores

- Reform apparel merchandising in superstores
- Develop mall-type shopping centers "Ario," a new store format
- Introduced a revised cost structure

■ Department Stores

- Business tie-up with Millennium Retailing, Inc., which owns Sogo and Seibu in January 2006
- Acquired 100% of the shares of Millennium Retailing, Inc. in June 2006.

As a result, we are

- Strengthening group presence in department store operations
- Bringing customer service management know-how to the whole Group
- Making product information on apparel available for Groupwide product development

■ Supermarkets

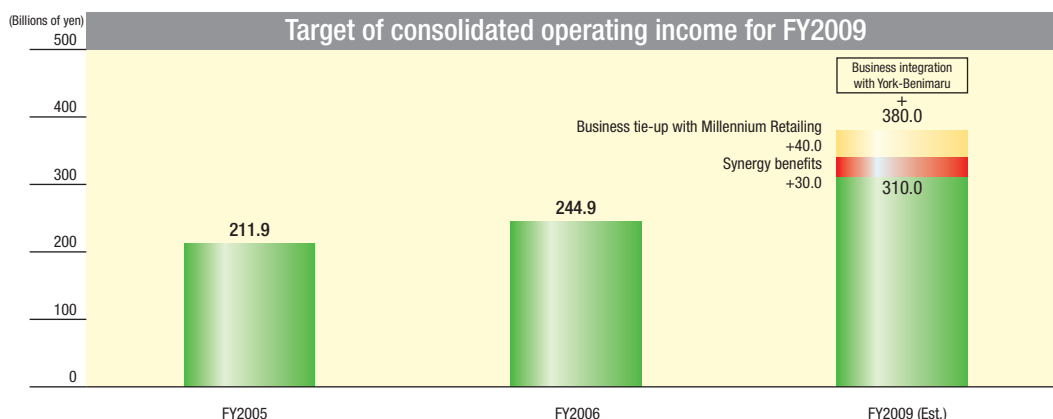
- Converting York-Benimaru into a wholly owned subsidiary (completion planned for September 2006)
 - Decided to make York-Benimaru, which has a network of supermarkets centering on the Tohoku area, a wholly owned subsidiary
 - We will share local retailing know-how in purchasing and product development among all Group companies

■ Financial Services

- Decision taken on our own electronic money "nanaco"; issue date Spring 2007 (forecast)
 - Services are planned to begin at Seven-Eleven stores in Japan
 - Plan to offer a user-point service at the same time

■ IT / Services

- Converted Seven and Y Corporation into a subsidiary, February 2006.
 - Made Seven and Y, which is engaged in Internet sales of books and other products, a subsidiary

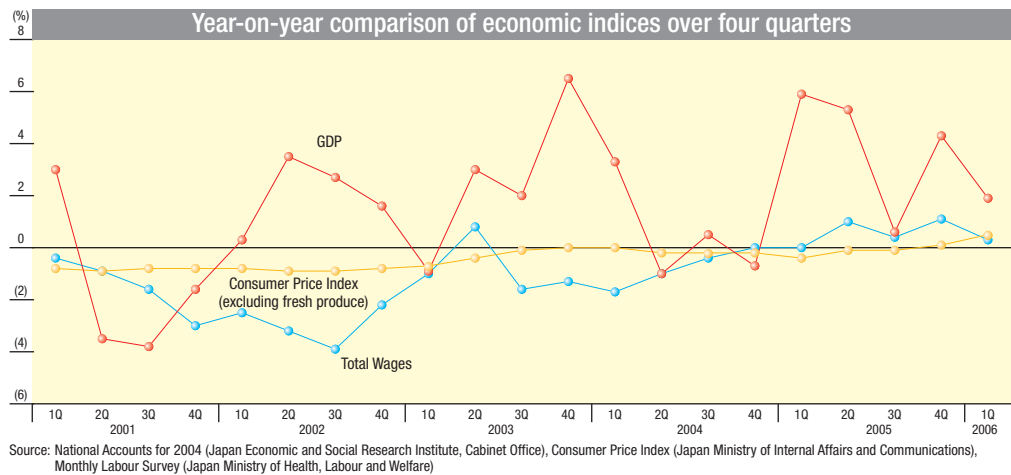


■ Operating Environment for the Retail Industry

- In the current retail environment, not all companies can grow along with the current economic expansion. Only retailers who can make a difference can continue to grow.
- Seven & i Holdings is pursuing higher sales and profitability in these economic circumstances through its strategy of differentiation, offering new value-added products and services that our competitors can not match.

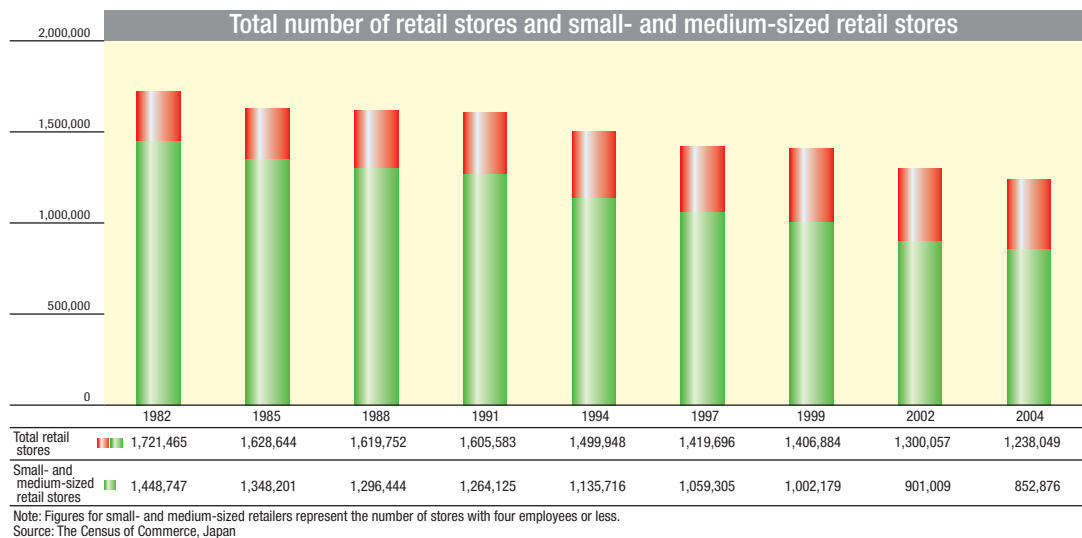
■ Economic Environment

- The Japanese economy has been improving recently due to increase in capital investments and improvement in employment conditions, along with profit growth of domestic corporations.
- Consumer spending is beginning to find a way out of deflation, but future increases in tax and social insurance contributions are having a psychological effect, and this is preventing a complete recovery.



■ Decreasing Number of Small- and Medium-Sized Stores

- Small- and medium-sized stores have not been able to adapt to more demanding customer needs associated with the shift from a seller's market to a buyer's market, and the number of outlets has fallen from the peak of 1982.

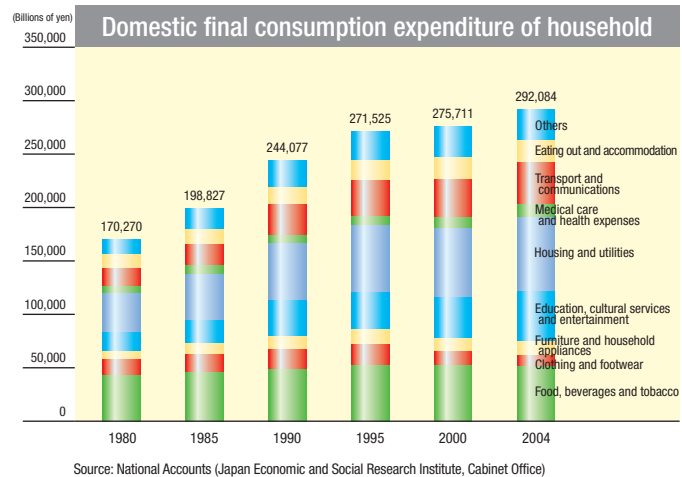


■ The Consumer Environment

- Retailers need to be flexible in responding to the peculiarities of Japanese consumer behavior and changes in the market.

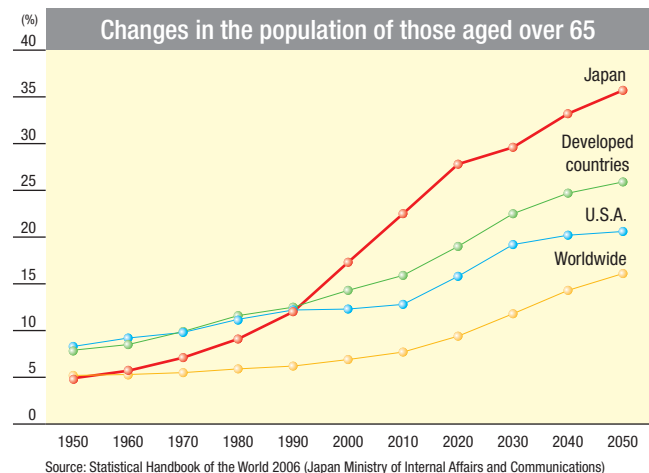
■ Consumption Saturation

- As today's consumers have plenty of material goods, consumption priority is shifting from material goods to services.
- While total consumer spending rose by 70% since 1980, spending on "Education, cultural services and entertainment" and "Transport and communications" rose by 150% and 130% respectively.
- For retailers it is no longer sufficient to sell "cheap"; it is crucial that they offer high-quality products and services.



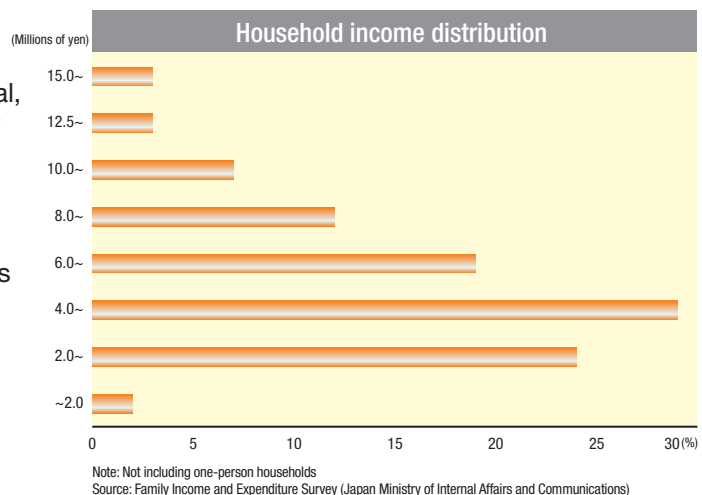
■ Low Fertility and Aging Society

- Japan is becoming an aged society with few children at an unequalled and unprecedented speed.
- Many senior citizens are economically well off, and compared to young people, they tend to demand a high level of product quality and service.



■ Consumers' Purchasing Patterns

- Looking at annual household income distribution in Japan, households with an annual income of less than 2 million yen account for 2% of the total, while those with an annual income of more than 15 million yen account for 3%.
- With a large number of middle-range income earners, individual consumers in Japan tend to frequent all types of retail stores: convenience stores, superstores, department stores, and specialty stores as the need arises.



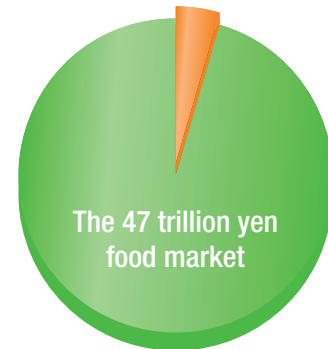
■ Group Share of Domestic Food Market

Seven & i Holdings has annual sales of 3 trillion yen in food products and holds a 6% share of the 47 trillion yen market in Japan.

Annual Sales of Food Products of Major Group Companies

Seven-Eleven Japan:	1,800 billion yen
Ito-Yokado:	700 billion yen
York-Benimaru:	200 billion yen
Sogo:	90 billion yen
Seibu:	70 billion yen

Seven & i Holdings has annual sales of 3 trillion yen in food products



Note: Market size is calculated according to data published by the METI "Preliminary Report on the Current Survey of Commerce"

■ Group Product Strategy

Strengthening team merchandising and group merchandising to increase sales and profitability Groupwide

■ Team Merchandising

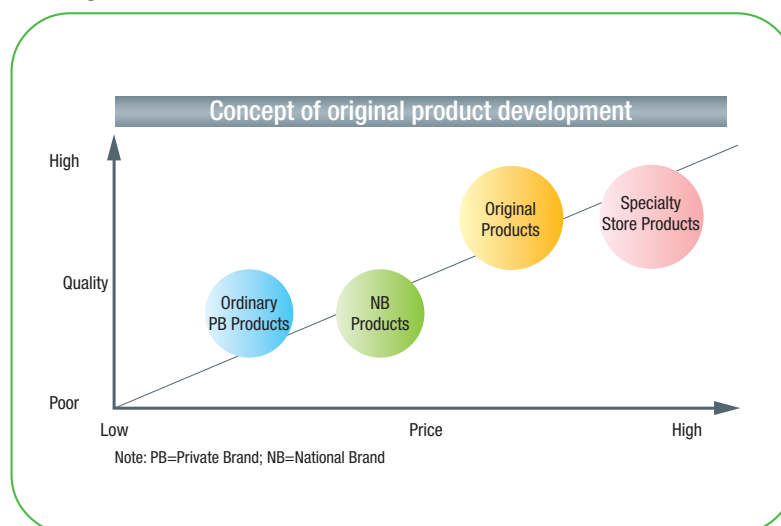
- Strengthen development of original daily food products
- Strengthen development of original products with top manufacturers
- Widen categories of original products

■ Group Merchandising

- Expand team merchandising to whole Group
- Strengthen procurement of goods and develop products that make use of the Group's total economies of scale.

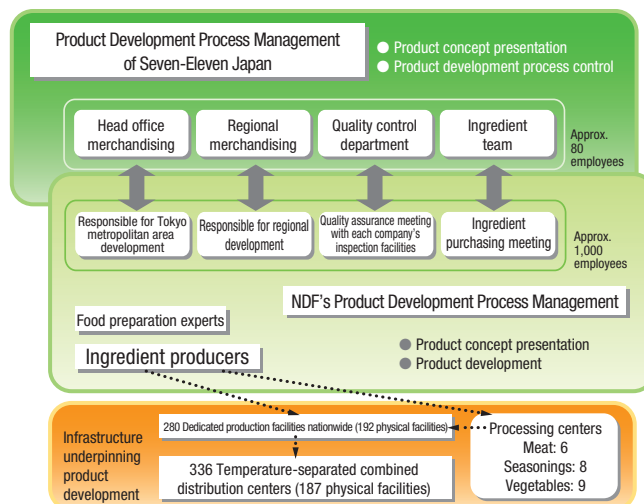
■ Distinguishing Our Stores and Creating Brand Image with Original Products

- We conduct thorough market research and analysis to identify and meet needs not being satisfied by existing products.
- Unlike the usual private-brand strategy of leading with a low price, ours has the advantage of offering higher product quality and value commensurate with price, which leads to improved gross profit margins.



Original Daily Food Product Development System

- Seven-Eleven Japan's main product lines of rice-based items, delicatessen items, sandwiches, oven-fresh bread, and handmade desserts are all original products. (please refer to Page 25)
- Seven-Eleven Japan and Nihon Delica Foods Association (NDF) are engaged in the joint development of original daily food products.
- Seven-Eleven Japan and NDF, each fulfilling their own roles, make it possible to develop high-quality, original daily food products.



Notes:

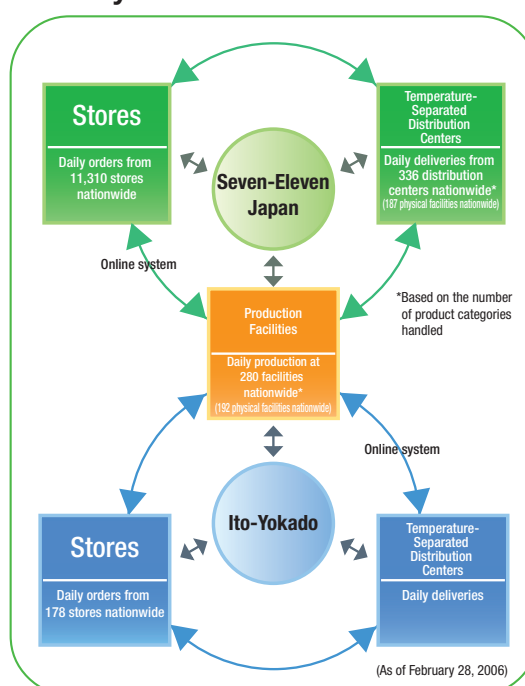
- Nihon Delica Foods Association (NDF) was formed in 1979 mainly by vendors of rice-based products. NDF currently has approximately 90 member companies that engage in the vendor businesses of rice-based products, sandwiches, delicatessen items, noodles, and Japanese pickles. Members jointly develop products, manage quality, procure ingredients, and implement environmental measures.
- Figures for the development system, number of dedicated production facilities, combined distribution centers, and processing centers are as of February 28, 2006.

Regional Product Development Activities

- Seven-Eleven Japan has approximately 40 regional merchandisers, and NDF has approximately 310 regional development supervisors overseeing product development for the nine regions into which we have divided Japan. The implementation of regional product development structure has increased our ability to pursue the development of differentiated products.
 - Provide regional specialties (foods usually eaten in a particular region)
 - Search for regional delicacies and develop products (ingredients, production technologies, production methods)

Integrating Supply Infrastructure for Original Daily Food Products

- All original daily food products are produced in production facilities operated by the independent companies with whom we have contracted and are delivered from temperature-separated combined distribution centers to all Seven-Eleven stores nationwide.
- The production facilities and the temperature-separated combined distribution centers serve only Seven-Eleven Japan, which allows us to distinguish ourselves from the competition in terms of product development, hygiene, and quality control.
- Sharing such supply infrastructure for original daily food products with Ito-Yokado and other Group companies provides the following advantages.
 - Provides reliable supply of high-quality products
 - Eliminates differences in taste or product quality between stores
 - Improves operating efficiency and productivity at production facilities



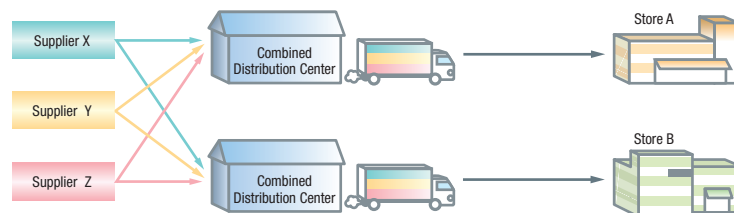
■ A Distribution System that Enhances the Value of the Product

■ Outline of the Combined Distribution System

■ Combined Distribution System

- A rationalized logistical system that allows products from different manufacturers to be delivered to stores on the same truck.
- The combined distribution system is operated by third parties.

Overview of the Combined Distribution System



- Seven-Eleven Japan contracts with third-party operators to provide temperature-separated combined distribution, consolidating the shipment of products with the same optimum temperatures from different manufacturers, ensuring faster, and fresher delivery to the stores. (Please refer to Page 26)
- In the distribution system of Ito-Yokado, delivery volumes are decided on a store-by-store basis by shelf-load units, which are already sorted. This reduces the in-store product management workload.

■ Processing Centers and Perishables Distribution Centers

- To improve distribution efficiency and increase product added-value, processing centers run by third parties purchase, store and process the materials and ingredients in bulk for production facilities.
- Fresh and high-quality products and ingredients reliably delivered through an efficient system of distribution realizes the following advantages: Maintaining stable products and ingredient quality; Better product taste and quality; Cost Reductions; Strict product and ingredient traceability

Processing Centers and Perishables Distribution Centers

Seven-Eleven Japan

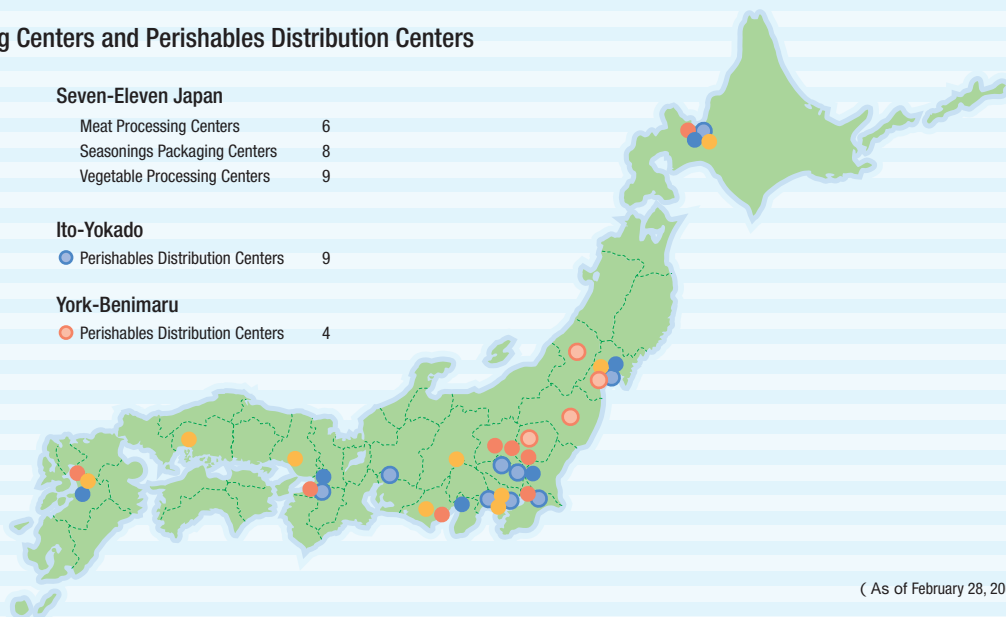
Meat Processing Centers	6
Seasonings Packaging Centers	8
Vegetable Processing Centers	9

Ito-Yokado

● Perishables Distribution Centers	9
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York-Benimaru

● Perishables Distribution Centers	4
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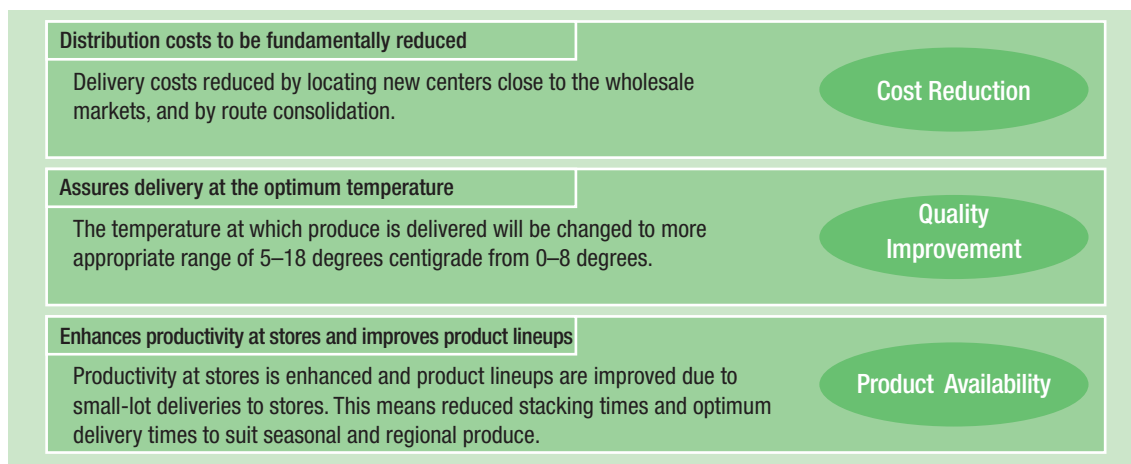
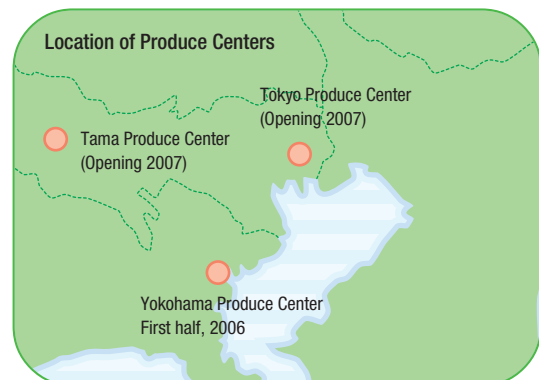
(As of February 28, 2006)

■ Promoting Groupwide Distribution

Integrating the Group's distribution has the further objective of promoting Group merchandising and realizing cost benefits.

■ Integrating Produce Centers

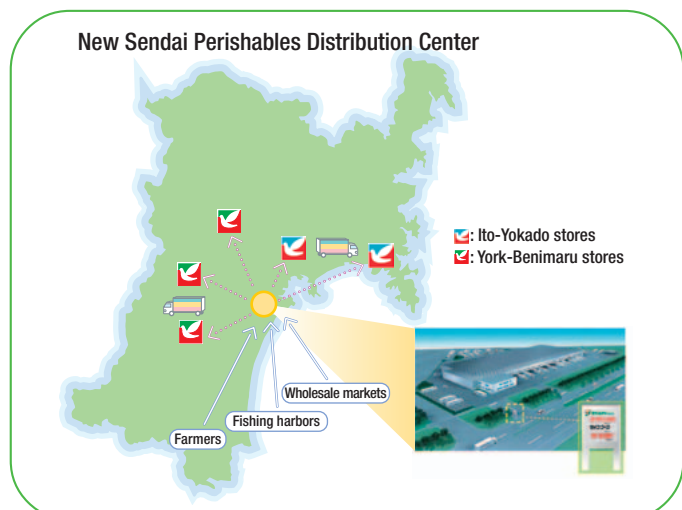
- Establishment of produce centers with the following specifications:
 - 1) Produce centers of Ito-Yokado will be relocated right next to Seven-Eleven Japan's vegetable processing centers, which are adjacent to the wholesale markets of each area.
 - 2) Produce centers will be completely outsourced.
 - 3) The project begins with construction of a facility to cover the Kanagawa area as a prototype project.
- Three Expected Results



■ New Sendai Perishables Distribution Center

Integrated Perishables Distribution Center for Ito-Yokado and York-Benimaru in the Tohoku Area

- Objectives and benefits of the Center
 - Strengthening local product procurement by integrating the procurement network
 - Expanding joint procurement throughout the Group
 - Integrating the center improves efficiency and reduces costs by lowering consignment rates
 - Achieving reduction in the cost of goods through lower consignment rates

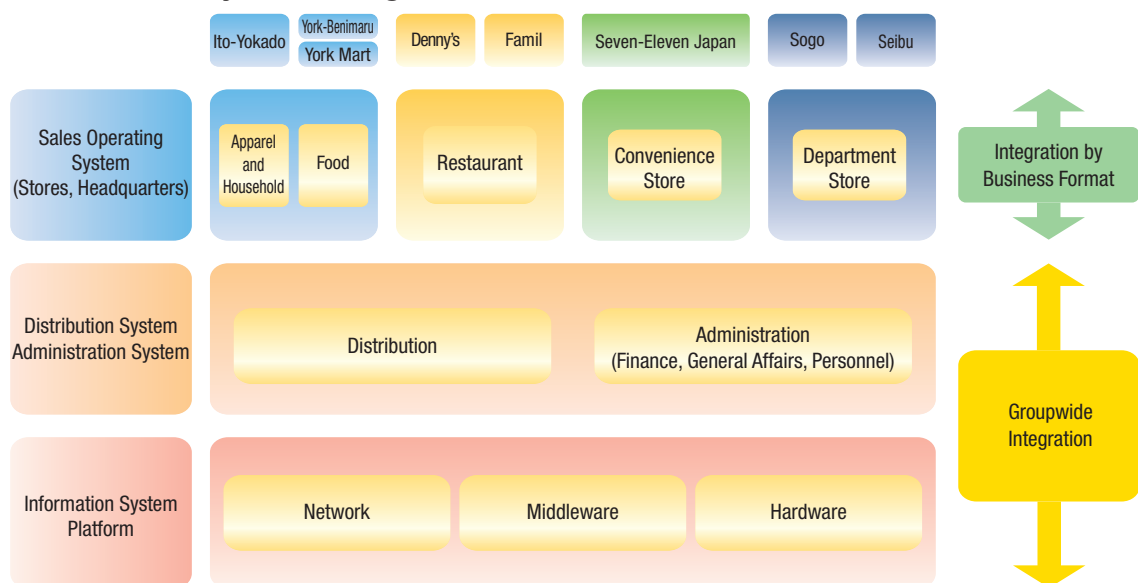


■ The Corporate Group Systems Integration Project

■ Systems Integration Features

- The systems network is shared Groupwide and some hardware and platforms are also integrated among Group companies.
- Sales Operating Systems to be integrated by each business category
- Unifying administrative and management systems will contribute to higher sales and profitability Groupwide.
- Integration will also realize cost savings.

■ Overview of System Integration

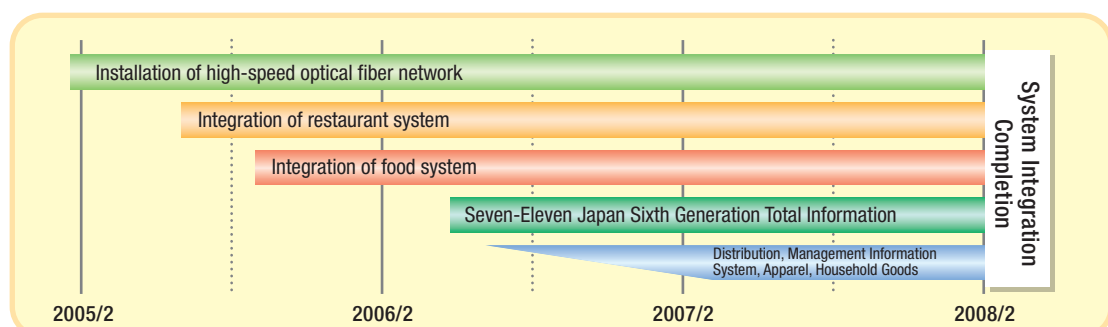


■ Objectives

- Strengthen support for retail operations
 - Standardization of product classification codes will further promote common use of logistics and Group merchandising support.
 - Greater support for store operations for item-by-item management (sales plan, orders, verification); improved productivity
 - Sharing information among Group companies through web-based, Groupwide information system
- Reduce development and operating costs
 - Unifying hardware achieves economies of scale (POS cash registers, GOT*1, ST*2, and other equipment)
 - Concentrating network servers and other functions in hubs will reduce total costs.

■ Progress on Integration

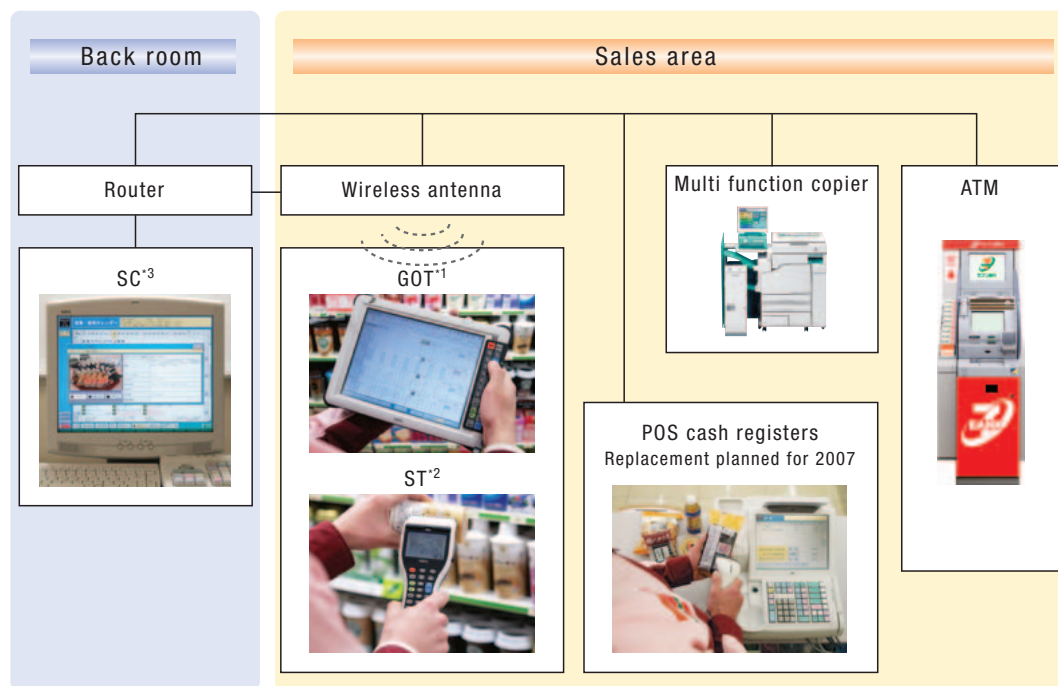
- We target completion of the Corporate Group System Integration Project by February 2008.



■ Seven-Eleven Japan's Sixth Generation Total Information System

- As a foundation for the Sixth Generation Total Information System, an optical fiber network was introduced to all the Seven-Eleven's stores in 2005, and the network was expanded to Group stores and companies.
- Phased installation of the Sixth Generation Total Information System started in May 2006; to be completed by Spring 2007.
- With increasing use of wireless in-store networks, build structures to make full use of information in sales area
- Install POS cash registers equipped with contactless IC chip read-write ability
- Implementation of "Store System" functions, which supports item-by-item management

Overview of Sixth-Generation Total Information System



Features of new SC^{*3}

- Increased volume and speed: full multimedia information system with quicker processing of management functions
- Enhance communications functions; in-store mailing between employees possible
- Bolstered problem countermeasures

Features of new GOT^{*1}

- Fitted with wireless LAN communications function; can transmit and receive data at sales floors
- Higher speed and volume; highly detailed monitor displays; uses multimedia movies developed for educational use; reads POS data
- Strengthened shock resistance

Features of new ST^{*2}

- Fitted with wireless LAN communications function; can transmit and receive data at sales floors
- High speed and volume, suited for new business functions
- Strengthened shock resistance

*1 GOT: Graphic Order Terminal ... Order terminal used on the sales floor

*2 ST: Scanner Terminal ... Efficiently scans products, checks stock location on the shelf, and monitors freshness

*3 SC: Store Computer ... Central information terminal placed in each Seven-Eleven store

■ Area Dominance Strategy (High-Density, Clustered Store Openings)

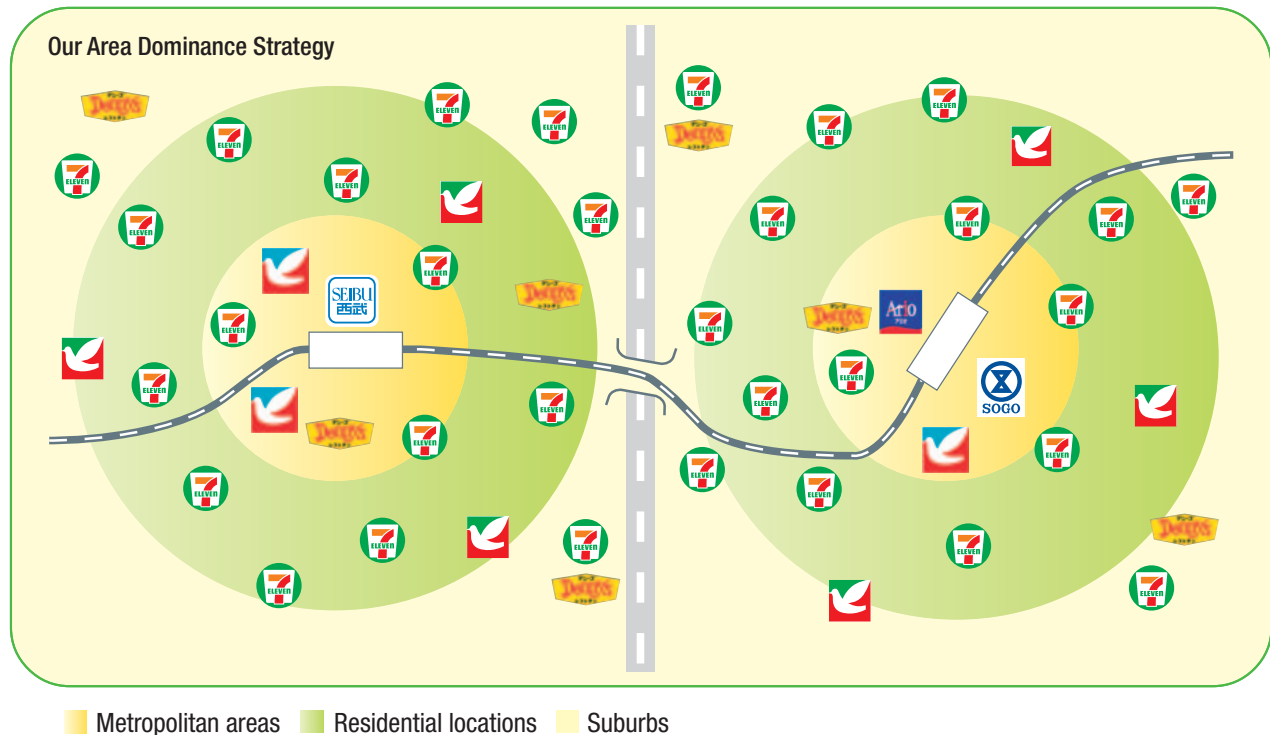
■ Market dominance will remain our fundamental strategy, as it is effective and stable.







■ The Advantages of Market Dominance

- Boosts distribution efficiency
- Increases system efficiency
- Prevents competitors' market entrance into the dominant areas
- Enhances the productivity of franchisee-support services
- Improves brand awareness
- Improves advertising effectiveness

■ Multi-Format Store-Opening Strategy

The Company develops stores in several formats and therefore opens stores of various sizes. Each format is clearly defined in terms of its application and has a different scope of trade as its base of operations. Accordingly, Seven & i Holdings can achieve a higher density level in its store-opening strategy as shown below.



Format	Convenience Store 	Supermarket  Restaurant 	Superstore 	Department Store  Shopping Center 
Store Universe	<div>Small<div></div>Large</div>			
Shop Size	<div>Small<div></div>Large</div>			
Product Range	<div>Focused<div></div>Variety</div>			

■ Store Network in Japan

- Seven & i Holdings emphasizes the business factors that will make each and every store a success, rather than aiming for simple expansion in store numbers.

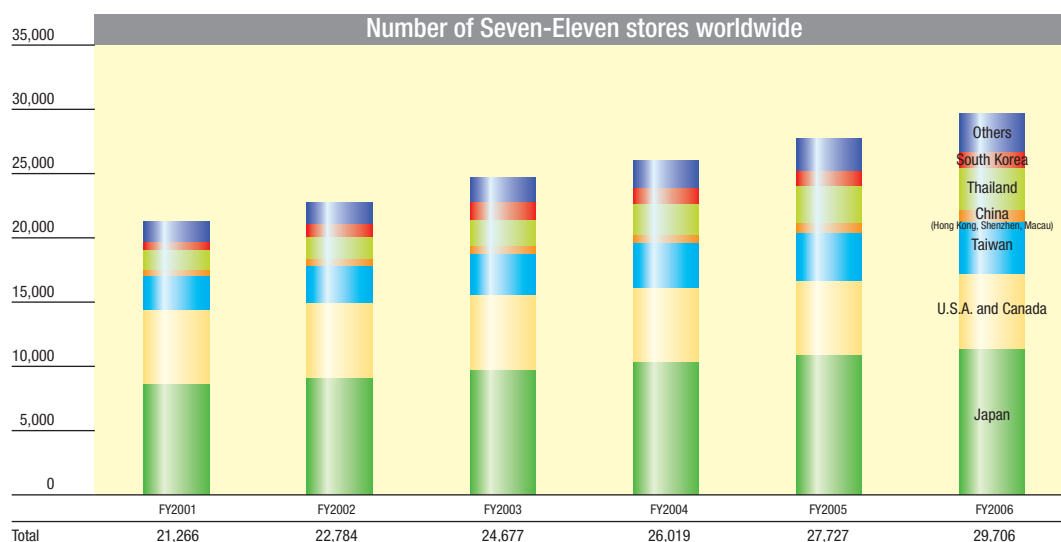
■ Principal Group Companies' Store Network in Japan



(As of May 31, 2006)

Format	Convenience store	Superstore	Department store		Supermarket	Restaurant
Brand	Seven-Eleven	Ito-Yokado	Sogo	Seibu	York-Benimaru	Denny's
Hokkaido	830	15	—	2	—	—
Tohoku	806	13	—	1	107	20
Kanto	4,952	117	6	7	18	418
Chubu	1,649	24	—	3	—	120
Kinki	1,192	9	3	3	—	31
Chugoku	750	2	2	—	—	—
Shikoku	—	—	1	—	—	—
Kyushu	1,143	—	—	—	—	—
Total	11,322	180	12	16	125	589

Worldwide Network of Convenience Stores



Notes: 1. Figures for the U.S.A. and Canada are the total number of stores directly managed or franchised by 7-Eleven, Inc.
2. Figures for Japan are as of February 28 or 29. Other figures are as of December 31.

Major Seven-Eleven Store Operators Around the World

- Our consolidated subsidiaries operate stores in Japan, the United States, Canada, China (Beijing), and Hawaii.
- In other countries and regions, efficient companies operate the stores as area licensees.

Country or Region	Company Name	Number of Stores
Japan	Seven-Eleven Japan Co., Ltd.	11,310
U.S.A. and Canada	7-Eleven, Inc.	5,829
China (Beijing)	SEVEN-ELEVEN (BEIJING) CO., LTD.	30
Hawaii	SEVEN-ELEVEN (HAWAII), INC.	53
Taiwan	President Chain Store Corporation [Uni-President Enterprise Corp.]	4,037
Thailand	C.P. Seven-Eleven Public Co., Ltd. [Charoen Pokphand Group]	3,311
South Korea	Korea Seven Co., Ltd. [Lotte Group]	1,238
China (Hong Kong, Shenzhen, Macau)	The Dairy Farm Company, Limited [Dairy Farm International Holdings Limited]	922
Singapore	Cold Storage Singapore (1983) Pte. Ltd. [Dairy Farm International Holdings Limited]	315
Philippines	Philippine Seven Corporation [President Chain Store Corporation]	265

Notes: 1. Companies in green shaded area are subsidiaries.
2. The number of Japan stores is as of February 28, 2006. Others are as of December 31, 2005.
3. Company names in square brackets are the names of the corporate groups affiliated with the companies listed above.

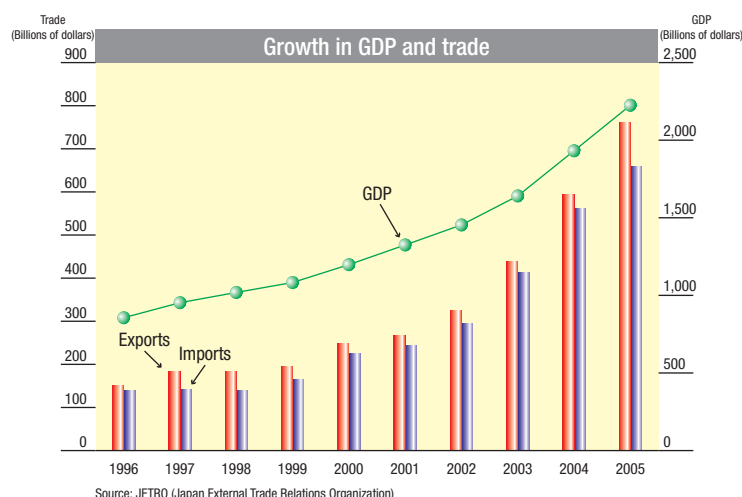
Strengthen Relations with Asian Area Licensees

- Seven-Eleven Japan has started to supply its original products and store equipment to area-licensees in Southeast Asia.
- Further plans to supply original product development know-how and item-by-item management

Operations in China

The China Market

- With a population of 1.3 billion, the Chinese market continues to grow at a speed which has never before been seen anywhere. China is an extremely attractive market from the retail perspective.
- The number of high-income households in China, particularly in Beijing, and other metropolitan areas, that demand a similar high level of quality, product reliability, freshness, and service, is increasing year by year.



Current Status of Chinese Operations

We are operating convenience stores, superstores, and supermarkets throughout China, and particularly in Beijing. We are taking advantage of the synergy created by exchanging information across business fields and by starting to develop products jointly.

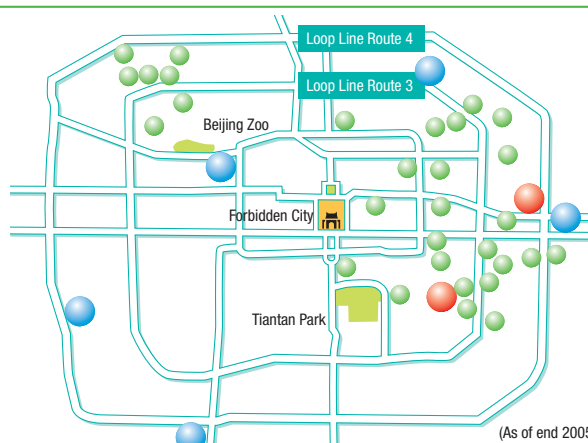
- Convenience Store Operations—SEVEN-ELEVEN (BEIJING) CO., LTD.
 - Targeting early franchises, store openings are expected to accelerate.
 - Ratio of fast food sales to total sales increased to more than 30% due to our efforts to expand product lineups in response to local needs.
- Superstore Operations—Hua Tang Yokado Commercial Co., Ltd. / Chengdu Ito-Yokado Co., Ltd.
 - Actively developing store staff by promoting local employees, especially women, as management staff.
- Supermarket Operations—Beijing Wang fu jing Yokado Commercial Co., Ltd.
 - Plans to create a completely new type of supermarket, unlike anything China has ever seen.

Store Openings in Beijing

	Current (as of end 2005)	Planned (by end 2008)
SEVEN-ELEVEN (BEIJING)	30	350
Hua Tang Yokado	5	10
Beijing Wang fu jing Yokado	2	12

Store Openings in Chengdu

	Current (as of end 2005)	Planned (by end 2008)
Chengdu Ito-Yokado	2	4



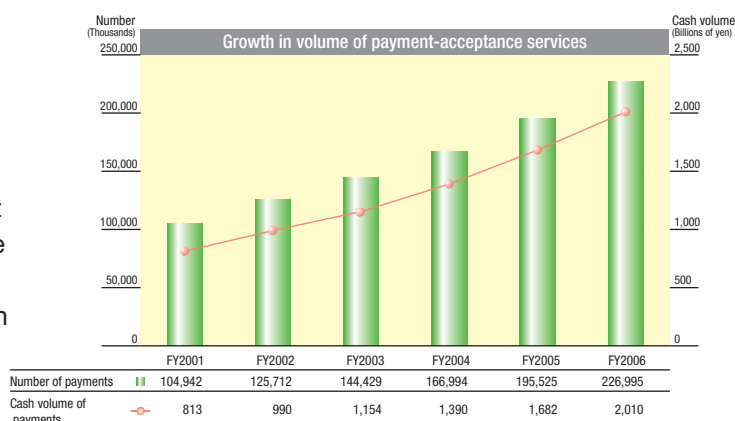
Notes: 1. SEVEN-ELEVEN (BEIJING) is a joint venture between Seven-Eleven Japan and a locally capitalized entity.
 2. Hua-Tang Yokado is a joint venture between Ito-Yokado and a locally capitalized entity.
 3. Wang-fu jing Yokado is a joint venture between Ito-Yokado, York-Benimaru and a locally capitalized entity.

■ Financial Services Offered by a Retailing Company

Responding to customer needs, Seven & i Holdings is integrating financial services into the everyday retail environment.

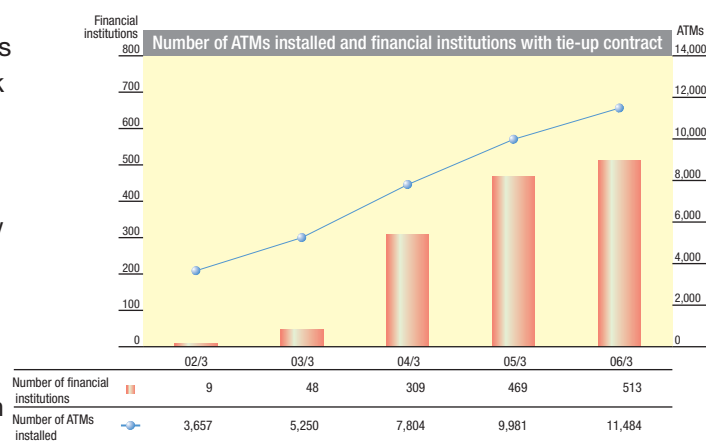
■ Increasing Demand for Non-Product Services

- Seven-Eleven Japan has been offering payment-acceptance services since 1987.
- 24 hours a day, 365 days a year, at any time the customer wishes. The number of customers making use of this convenient service has been increasing every year.



■ ATM Service Started in Group Stores

- As the first bank established by a retailer to serve the financial needs of its own customers, Seven Bank (formerly IYBank) started its business in April 2001.
- Starting with Seven-Eleven in May 2001, other Group companies now have an in-store ATM, providing our customers with various banking services at a nearby location, all day long.
- Customer convenience has grown strongly, with an increase both in the number of ATMs installed and in the number of financial institutions with tie-up contracts, as well as in the convenience and range of services offered.



■ Offering Financial Services at Staffed Counters

- Various financial services a customer may need on a normal day are offered at one corner.
- The first staffed counter was opened in April 2005 at the "Ario," and we now offer staffed counters at five locations as of May 31, 2006 at the Ito-Yokado and "Ario" stores.
- Service also on weekends and public holidays, simple and convenient to use when shopping.



Services offered:

- Banking services: Seven Bank account opening, mediation services for financial institutions, and banking agent, etc.
- Card services: Offering IY Card (own credit card), points redemption, etc.
- Insurance services: Assist customers in finding appropriate insurance.
- Seven-Eleven: Payment-acceptance service, copy, fax, ticket sales, etc.

■ Expanding Convenient Financial Services

■ Introducing Electronic Money

Seven & i Holdings to issue its own electronic money “**nanaco**” in Spring 2007



■ Background of the Issuance

- Responding to environmental changes and evolving customer needs for increasing small-amount payment systems
- Extension of the Open-Point concept

■ Description

- Prepaid electronic money cards with contactless IC chips
- With the introduction of **nanaco**, we are introducing a multi-reader-writer which can handle other types of electronic money—the first such capability in Japan.
- Points are awarded for purchasing, which can be exchanged for electronic money.
- The card can be charged at POS cash registers in Seven-Eleven stores or Seven Bank’s ATMs.
- Projection for the first year is 10 million cards issued
- Also expected to be issued are multi-functional electronic money cards, which will be integrated with credit cards of the IY Card Service and cash cards of Seven Bank in the future

■ Schedule

Spring 2007	Seven-Eleven electronic money “ nanaco ” to be issued
Fall 2007	Expand to most stores in other Group companies
Throughout 2007	Begin offering tie-ups on points with non-Group companies
Throughout 2008	Start of full-fledged service in points tie-ups with non-Group major companies

Current Status of Card Issue

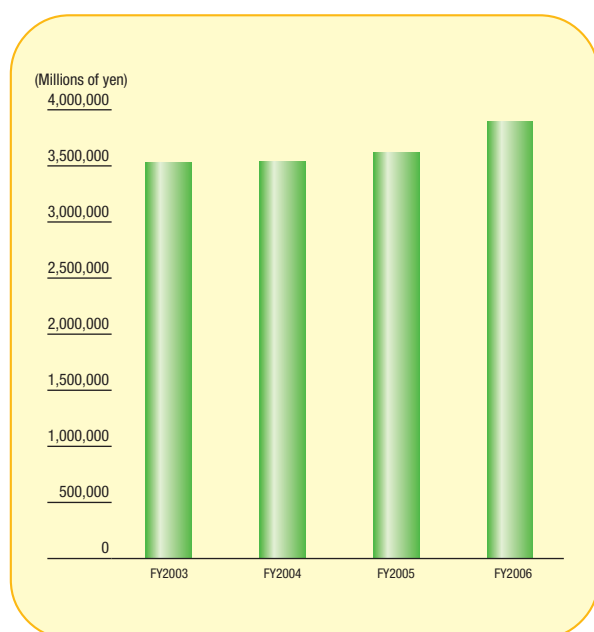
(As of February 28, 2006)

	Issuer	Targeted use	Number issued
Credit Card	IY Card Service	Ito-Yokado, York Mart, etc.	3.0 million
Point Card	IY Card Service	Ito-Yokado	5.0 million
	Seven-Eleven Japan	Seven-Eleven (Hokkaido only)	1.8 million
Cash Card	Seven Bank	—	0.3 million
Millennium Card	Sogo	Sogo, Seibu	2.4 million
Club-on Card	Seibu	Seibu, Sogo	2.8 million

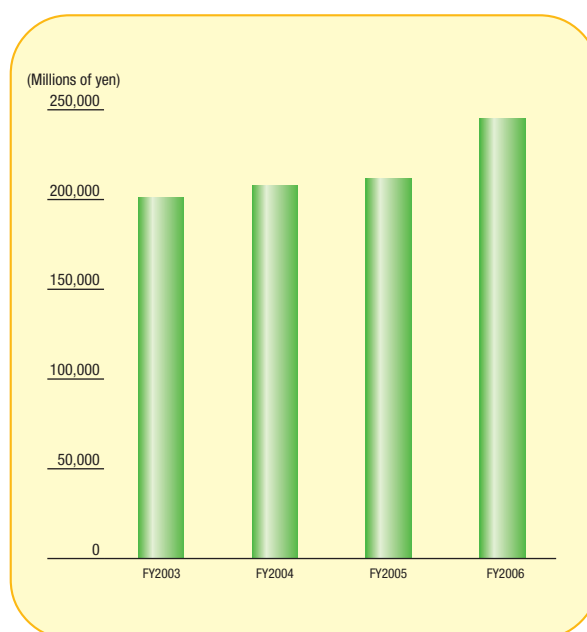
Performance Overview

Consolidated Financial Summary

Revenues from Operations



Operating Income



(Millions of yen)

	FY2003	FY2004	FY2005	FY2006
Revenues from operations	3,530,316	3,542,146	3,623,554	3,895,772
Operating income	201,301	207,783	211,950	244,940
Net income	46,623	53,632	17,205	87,930
Total assets	2,401,736	2,461,927	2,574,817	3,424,878
Shareholders' equity	1,111,475	1,138,210	1,144,504	1,603,684
Cash flows from operating activities	202,697	237,956	266,709	217,325
Cash flows from investing activities	(161,222)	(117,632)	(94,758)	(388,080)
Free cash flows* ¹	41,475	120,323	171,950	(170,754)
Cash flows from financing activities	22,807	(153,731)	(56,524)	103,093
Cash and cash equivalents at end of fiscal year	604,895	567,389	683,100	610,876
Net income per share (Yen)	110.67	128.25	40.73	100.83
Shareholders' equity per share (Yen)	2,656.24	2,726.99	2,742.42	1,772.25
Ratio of shareholders' equity to total assets (%)	46.3	46.2	44.4	46.8
Return on equity (ROE) (%)	4.2	4.8	1.5	5.5
Return on total assets (ROA) (%)	3.6	4.2	2.8	2.6

Notes: 1. FY2003–2005 show consolidated figures for the former Ito-Yokado.

2. In FY2006, only balance sheets of Millennium Retailing are consolidated.

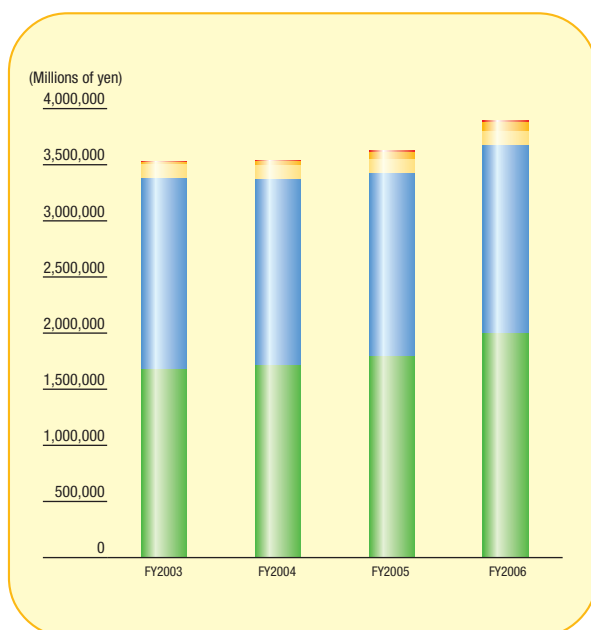
3. The ROE and the ROA are calculated based on the average of shareholders' equity and total assets at the beginning and end of fiscal year, except for FY2006, where they are calculated at the end of fiscal year.

*Free cash flows are calculated from the sum of cash flows from operating activities and cash flows from investing activities.

Performance Overview

Segment Information—
Business Segments

Revenues from Operations



Operating Income



Revenues from Operations

(Millions of yen)

	FY2003	FY2004	FY2005	FY2006
Convenience store operations	1,689,199	1,721,458	1,806,168	2,015,236
Superstore operations	1,709,044	1,669,329	1,642,264	1,687,734
Department store operations*	—	—	—	—
Restaurant operations	127,447	126,189	126,181	124,025
Financial services	15,390	37,219	61,236	82,289
Other	13,148	14,737	17,195	19,780
Eliminations / Corporate	(23,913)	(26,788)	(29,492)	(33,294)
Total	3,530,316	3,542,146	3,623,554	3,895,772

Operating Income

(Millions of yen)

	FY2003	FY2004	FY2005	FY2006
Convenience store operations	177,236	187,467	195,385	209,815
Superstore operations	33,796	21,165	7,814	15,381
Department store operations*	—	—	—	—
Restaurant operations	4,582	3,261	3,620	2,625
Financial services	(14,307)	(3,936)	5,401	17,278
Other	(125)	(205)	211	808
Eliminations / Corporate	119	31	(482)	(968)
Total	201,301	207,783	211,950	244,940

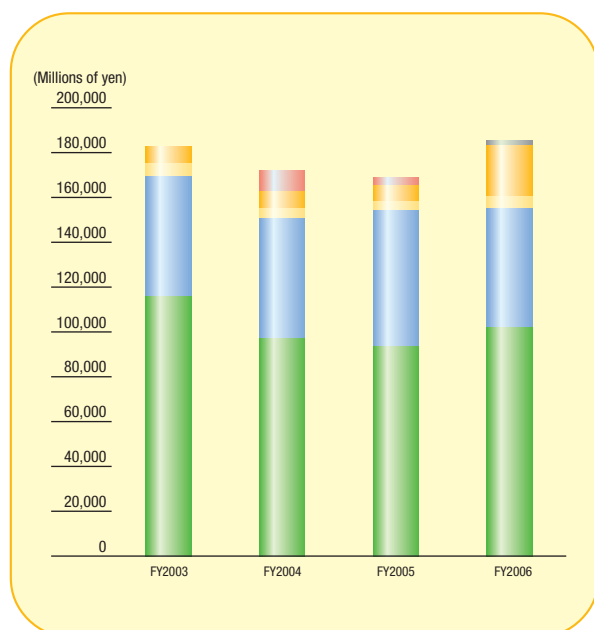
Note: FY2003–2005 show consolidated figures for the former Ito-Yokado.

* For FY2006, the income statements for Millennium Retailing and its subsidiaries were not consolidated, whereas the balance sheets were consolidated.

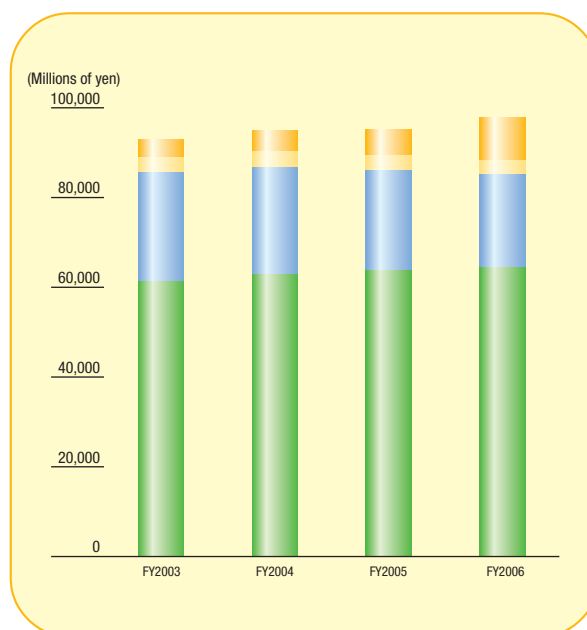
Performance Overview

Segment Information— Business Segments

Capital Expenditures



Depreciation and Amortization



Capital Expenditures

(Millions of yen)

	FY2003	FY2004	FY2005	FY2006
Convenience store operations	115,981	96,967	93,456	102,025
Superstore operations	53,500	53,845	60,671	53,098
Department store operations*	—	—	—	—
Restaurant operations	5,882	4,267	3,906	5,088
Financial services	7,518	7,467	7,410	22,917
Other	7	9,329	3,281	39
Corporate	—	—	—	2,184
Total	182,891	171,876	168,725	185,354

Depreciation and Amortization

(Millions of yen)

	FY2003	FY2004	FY2005	FY2006
Convenience store operations	61,301	62,866	63,725	64,428
Superstore operations	24,278	23,927	22,345	20,796
Department store operations*	—	—	—	—
Restaurant operations	3,260	3,456	3,252	3,019
Financial services	4,013	4,685	5,798	9,528
Other	41	48	38	37
Corporate	—	—	—	0
Total	92,895	94,984	95,160	97,810

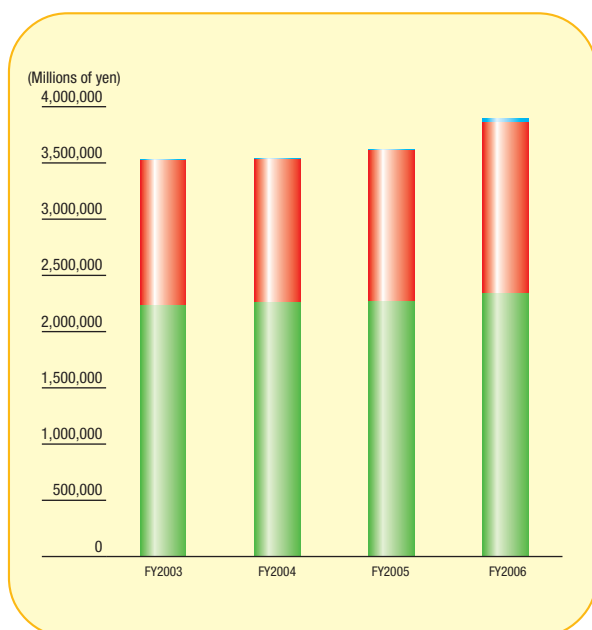
Note: FY2003–2005 show consolidated figures for the former Ito-Yokado.

* For FY2006, capital expenditures and depreciation and amortization of Millennium Retailing and its subsidiaries were not consolidated.

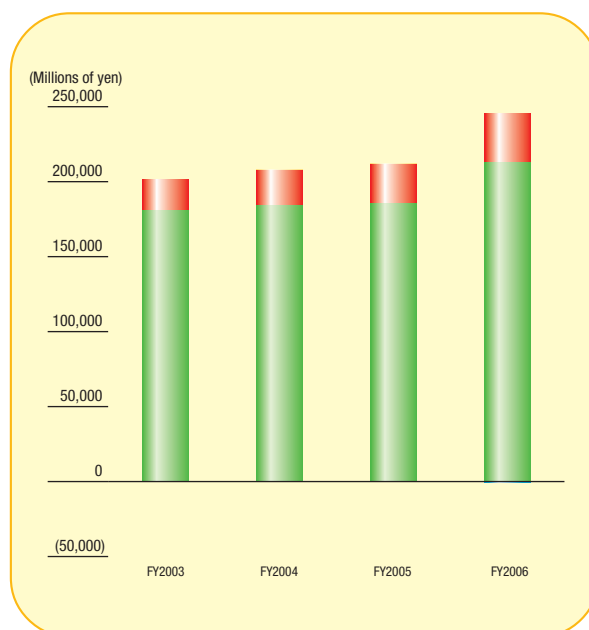
Performance Overview

Segment Information—
Geographic Area Segments

Revenues from Operations



Operating Income



Revenues from Operations

(Millions of yen)

	FY2003	FY2004	FY2005	FY2006
Japan	2,233,932	2,258,103	2,271,756	2,343,048
North America	1,293,905	1,278,331	1,341,503	1,516,907
Others	7,980	8,098	13,090	38,519
Eliminations	(5,500)	(2,387)	(2,796)	(2,704)
Total	3,530,316	3,542,146	3,623,554	3,895,772

Operating Income

(Millions of yen)

	FY2003	FY2004	FY2005	FY2006
Japan	180,595	184,392	185,726	212,876
North America	20,582	23,333	26,080	32,492
Others	123	57	194	(432)
Eliminations	—	—	(51)	3
Total	201,301	207,783	211,950	244,940

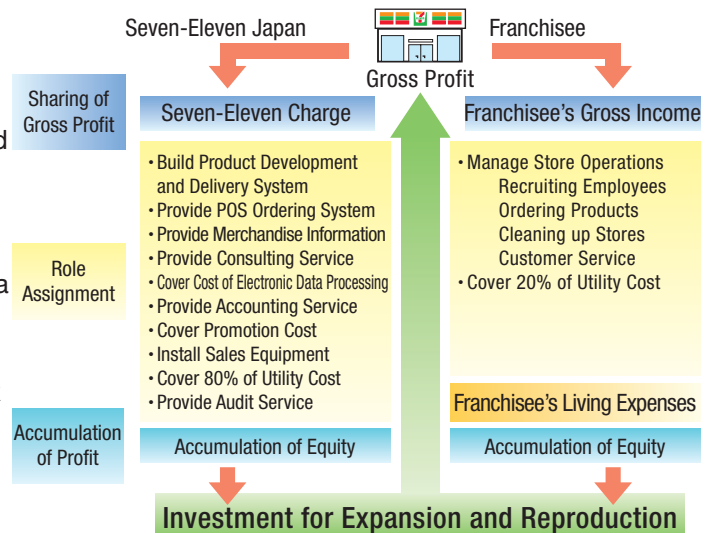
Notes: 1. FY2003–2005 show consolidated figures for the former Ito-Yokado.

2. Due to a reclassification of the geographic area segments, figures from FY2003–FY2005 have been retroactively restated.

■ Seven-Eleven Japan's Franchise System

■ Modernizing and Revitalizing Small- and Medium-Sized Retail Stores through the Franchise System

Seven-Eleven Japan is developing its own franchise system with the aim of modernizing and revitalizing small- and medium-sized retail stores. Seven-Eleven Japan and its franchisees are on an equal footing with clear role assignments. The Company employs a gross profit-sharing method for allocating income. As a result, Seven-Eleven Japan and its franchisees work together on improving gross profits instead of net sales in a mutually beneficial relationship.



■ Contract Types

Seven-Eleven Japan offers two types of franchise contracts, as described below.

	Type A	Type C
Ownership of land, buildings and other facilities		
Land and Buildings	Franchisee provides	Seven-Eleven Japan provides
Display cases, refrigerators, computers, etc.	Seven-Eleven Japan provides	
Contract period	15 years	
Utilities	Seven-Eleven Japan 80%; Franchisee 20%	
Seven-Eleven Charge (Royalty)	43% of gross profit	An amount calculated on a sliding scale based on gross profit
	5-year incentives and 15-year contract renewal incentives (reductions in franchise fee) are offered	
Minimum guarantee	¥19 million (annual gross profit, excluding Seven-Eleven Charge)	¥17 million (annual gross profit, excluding Seven-Eleven Charge)

Notes : 1. The information for the Seven-Eleven Charge (Royalty) and minimum guarantee applies to stores that are open 24 hours a day.

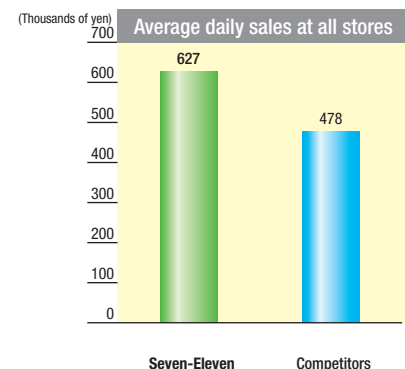
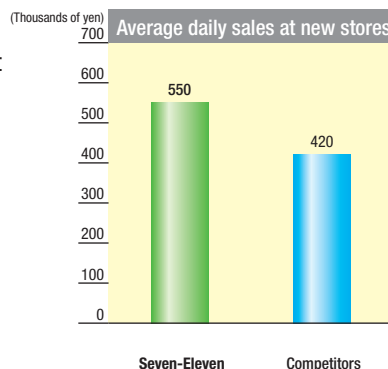
2. Gross profit is equal to net sales minus net cost of goods sold, which is calculated by subtracting costs of inventory loss, bad merchandise and rebates from gross cost of goods sold.

■ Putting Sound Business Practices First in Store Network Expansion

- Seven-Eleven Japan takes great care in its operations to ensure that each new store is properly located and operated.

- The success of these efforts is shown by the fact that Seven-Eleven Japan has the highest average daily sales in the industry for both new stores and all stores, far and away exceeding those of the competitors.

Note: Competitor information is the average of three major listed convenience store chains and excludes Seven-Eleven Japan (FY2006)



Core Operating Companies' Strategy

Convenience Store Operations

Original Daily Food Product Sales (Nonconsolidated, for FY2006)

Seven-Eleven Japan is striving for constant improvement in quality through menu development, enhancement of manufacturing efficiency through raw-material procurement, development of food preparation equipment, and innovation in all manufacturing processes. These original daily food products, with their superb quality, are contributing significantly to the differentiation of our stores.



Rice-based Items
Annual sales quantity: 1,740 million



Delicatessen Items
Annual sales quantity: 670 million



Sandwiches
Annual sales quantity: 370 million



Oven-fresh Bread
Annual sales quantity: 820 million

Expanding Original Products

- Recently, Seven-Eleven Japan, which is highly skilled in original product sales, has actively introduced many original products in fields other than fast food, such as processed foods and nonfood items, through team merchandising with major manufacturers.
- These original products make full use of the manufacturers' technology and Seven-Eleven Japan's marketing strength and have been highly popular among consumers.

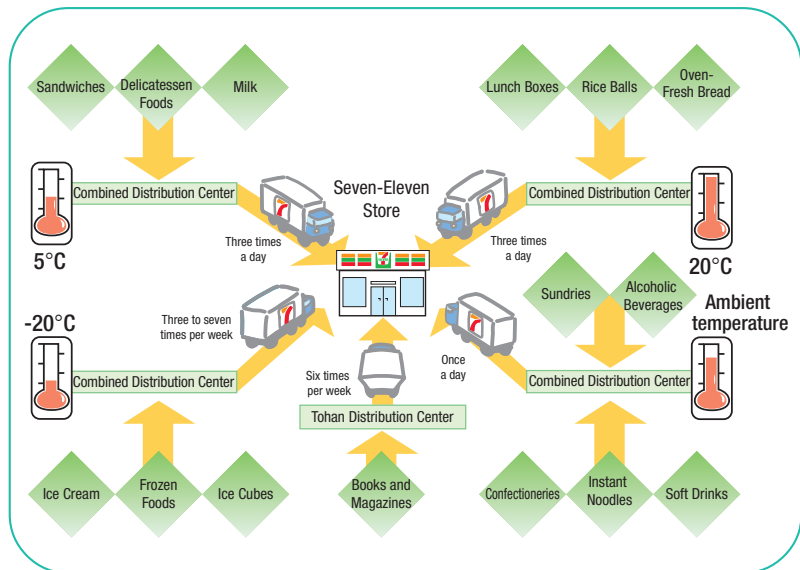


Breakdown of Sales by Product Category (Nonconsolidated, for FY2006)



■ Combined Distribution System

- Seven-Eleven Japan has been developing a streamlined distribution system with the aim of making the retailing business mutually beneficial for customers, franchisees, and manufacturers. As a result of these efforts, a combined distribution system run by third parties solely for Seven-Eleven Japan was established.
- The combined distribution system allows products from different manufacturers to be loaded on the same truck for delivery to our stores. Taking the system one step further, temperature-separated combined distribution consolidates the shipment of products from manufacturers to the stores at similar optimum temperatures. Foods are fresher because they are efficiently delivered to stores.
- Seven-Eleven Japan completed its switch to consolidated delivery of room-temperature products such as confectioneries, processed foods, sundries, and alcoholic beverages. This has resulted in an improvement in the efficiency of loading and distribution.

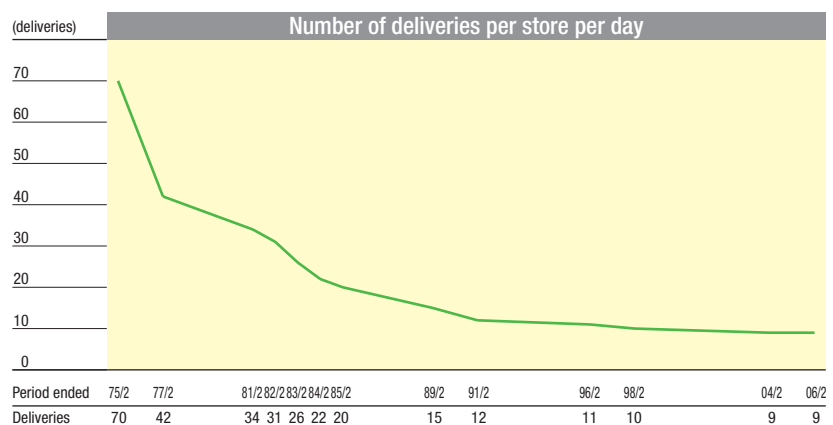


■ Number of Dedicated Combined Distribution Centers (As of February 28, 2006)

- Our temperature-separated combined distribution system has become a clear advantage in team merchandising with manufacturers and also contributes to greater product differentiation at Seven-Eleven stores.
- This advanced distribution system has enabled Seven-Eleven Japan to reduce the number of daily deliveries to each store, from 70 in 1974 to 9 in 2003, dramatically reducing delivery costs and enabling rapid delivery of fast foods.

		Number of Distribution Centers	Number of Physical Facilities	
5°C	Centers for refrigerated items	66	Chilled	15
			Rice-based items	18
20°C	Centers for rice-based items	69	Chilled and rice-based items	51
-20°C	Centers for frozen items	47		47
Ambient temperature	Centers for processed foods, alcoholic beverages, sundries and confectioneries	154		56
			(including 23 consolidated ambient temperature centers)	
Total		336		187

Notes: 1. Numbers of distribution centers are based on the number of product categories handled.
2. Numbers of distribution centers and physical facilities include depots with product relay function.



Core Operating Companies' Strategy

Convenience Store Operations

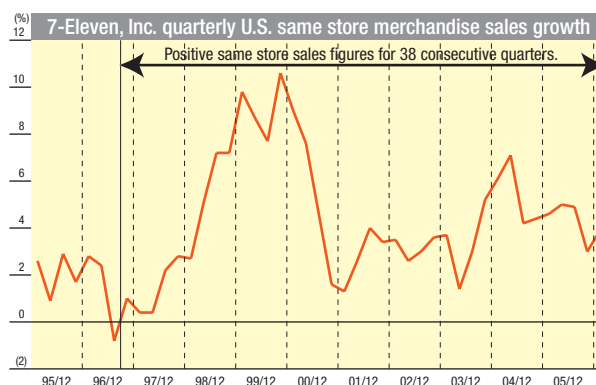
7- Eleven, Inc. (The United States and Canada)

Summary of Performance

	2005/12 (Millions of yen)	YOY (%)
Merchandise sales	916,066	105.8
Gasoline sales	569,343	122.6
Net sales	1,485,409	111.6
Operating income	32,349	131.5
Net income	1,864	29.8

Rate of exchange — US\$1 = ¥110.26

YOY is calculated by using US dollar amounts.



Store-Opening Strategy

- Strengthen opening of franchise stores
- Strengthen strategy of area dominance in Los Angeles, New York, and other urban centers
- Vigorous investment in renewal of existing stores



Number of Stores

	2000/12	2001/12	2002/12	2003/12	2004/12	2005/12
Franchised stores	3,118	3,173	3,276	3,338	3,422	3,508
Company-operated	2,638	2,656	2,547	2,446	2,377	2,321
Total	5,756	5,829	5,823	5,784	5,799	5,829
Newly opened stores	120	145	127	95	63	72
Closed stores	67	72	133	134	48	42
Stores with gas station	2,371	2,470	2,480	2,457	2,432	2,437

Operating Strategy

- Bolster the line-up of fast foods
- Promoting dispersed ordering method at each store allows more precise and product-focused ordering.
- Set up area-based model program to achieve greater item-by-item management
- Withdraw slow-moving products and vigorously introduce new products

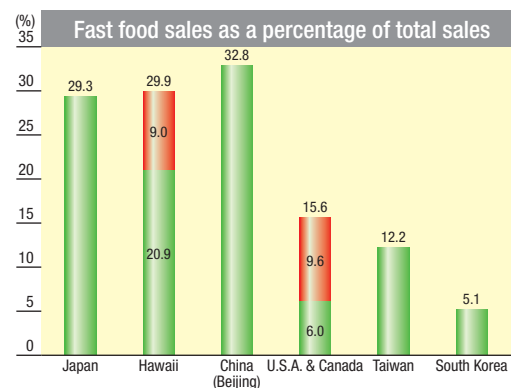
Notes:

1. Percentages for each country or region are based on materials disclosed by each company there.

2. Figures are based on results as of February 2006 in Japan and December 2005 in other countries or regions.

3. Red portions of the graph represent counter-served drinks such as Slurpees and coffee.

4. Hawaii, as well as U.S.A. and Canada percentages, were calculated using total sales that exclude gasoline sales.



■ The Status of Domestic Superstore

- During the period of rapid economic growth, superstores offering one-stop shopping in everything from clothing and household goods to food products grew rapidly.
- The low price based on bulk-buying, large-volume sales, and self-service sales used to be popular with consumers.
- Insufficient adaptation to changing consumer needs after the 1980s, and particularly with the collapse of the bubble economy in the early 1990s, mired many companies in a sluggish performance.

	Market Environment	Customer Needs	Sales Method
High-growth period	Shortage of products, seller's market, large consumption	Low price	Self-service
Post-bubble economy	Surplus of products, buyer's market, emphasis on quality	Satisfaction with quality	Consulting sales

■ Rebuilding Superstore Operations

■ Cost Structure Revision by Ito-Yokado (implemented in February 2006)

Category	Amount (Millions of yen)	Result
Impairment loss	22,912	Decreased book value of fixed assets, lower depreciation costs
Provision for doubtful accounts	6,143	Store-closing expenses in the future
Additional retirement payments allowance for early retirement	6,112	Increase in the ratio of part-time workers and reduction in personnel expenses

■ Store Development Strategy

- Developing New Store Format to Meet Changing Markets
 - Large-scale, mall-type shopping center: "The Ario Mall"—a mall-type shopping center in an urban area
- Concentrating where its strengths lie
 - With the high efficiency of existing stores in the greater Tokyo metropolitan area and other major cities as our point of reference, we will focus on store openings in these areas.
 - In the local regions, we will consider closures of stores which could not compete effectively in the changed commercial environment.



[Profile of Ito-Yokado Stores]

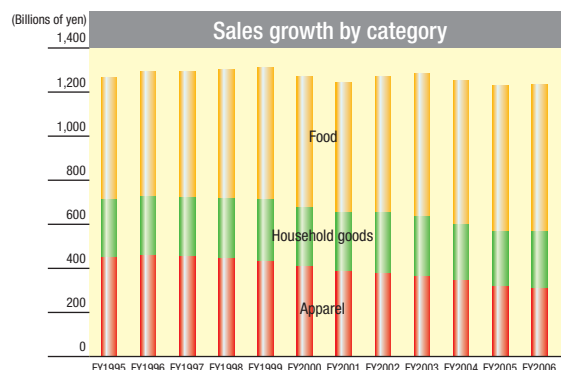
Sales floor space			Years since store opened			Area		
	Number of stores	Composition (%)		Number of stores	Composition (%)		Number of stores	Composition (%)
13,000 m ² ~	38	21.3	30 years~	27	15.2	Hokkaido	15	8.4
10,000 m ² ~	53	29.8	20 years~	53	29.8	Tohoku	13	7.3
8,000 m ² ~	33	18.5	10 years~	36	20.2	Kanto	115	64.6
5,000 m ² ~	38	21.3	5 years~	41	23.0	Chubu	24	13.5
Under 5,000 m ²	16	9.0	1 year~	16	9.0	Kinki	9	5.1
			Under 1 year	5	2.8	Chugoku	2	1.1

(As of February 28, 2006)

Reforming Apparel Merchandising

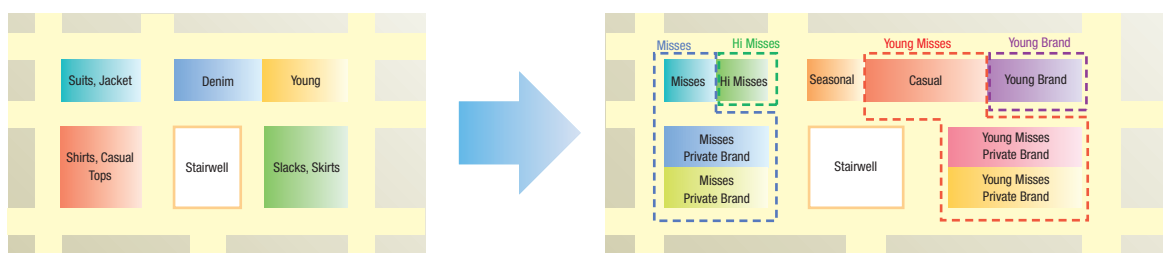
Ito-Yokado's Sales Growth by Category

- Ito-Yokado experienced year-on-year sales growth in food, while the tendency in apparel showed a year-on-year decline in sales.
- To improve apparel sales, the following initiatives in new apparel have been implemented from FY2006.



SEVEN & i Life Design Institute Co., Ltd. Established

- Overview: Established in April 2005, invited external design professionals and made a fresh start in merchandising
- Four Initiatives: Enhanced the store image under the directive of adding fashion sense. Product development; Refurbishment of the sales floor; Promotions; Consulting, service sales
- Store Reorganization; arranged according to brand and customer profile, not clothing items



New Brand Development

- In February 2006, we introduced a completely new private brand of easy-to-match coordinates with a high fashion sense.

pbi

Ladies and men's casual wear aimed at the thirty-somethings

epom

Men's casual wear aimed at the Baby-boomer generation (50s age range)



Measures to Improve Gross Profit Margins

- Product Development Department newly established; increased markup ratio of basic items by increasing overseas production
- Expand purchase on consignment products*; enhance category specialties; reducing mark-downs
- Examples of Consignment Products

Highly specialized items	Accessories, jewelry, etc.
Short-cycle seasonal wear	Swimwear, yukata, etc.
High inventory value and low turnover products	Lady's, men's formal wear, national brand shops, etc.

* Consignment products: Retailer has the right to return products under certain conditions and does not therefore bear the inventory risk.

Core Operating Companies' Strategy

Department Store Operations

First-Class Sales and Profitability in Japan

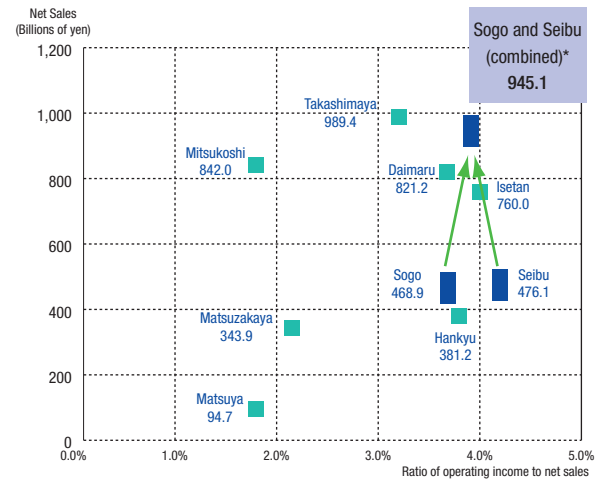
- Sogo has had a distinguished history since its founding in 1830 in Osaka.
- Leading from its flagship store in Ikebukuro and its other prime Tokyo locations such as Shibuya and Yurakucho, Seibu embodies a metropolitan sophistication.

Consolidated Net Sales at major department stores in FY2006

Company	Net Sales (Billions of yen)
Takashimaya	989.4
Sogo and Seibu (combined)*	945.1
Mitsukoshi	842.0
Daimaru	821.2
Isetan	760.0
Seibu (nonconsolidated)	476.1
Sogo (nonconsolidated)	468.9

Source: Public information from each company
*With the exception of Sogo and Seibu, all figures are consolidated.

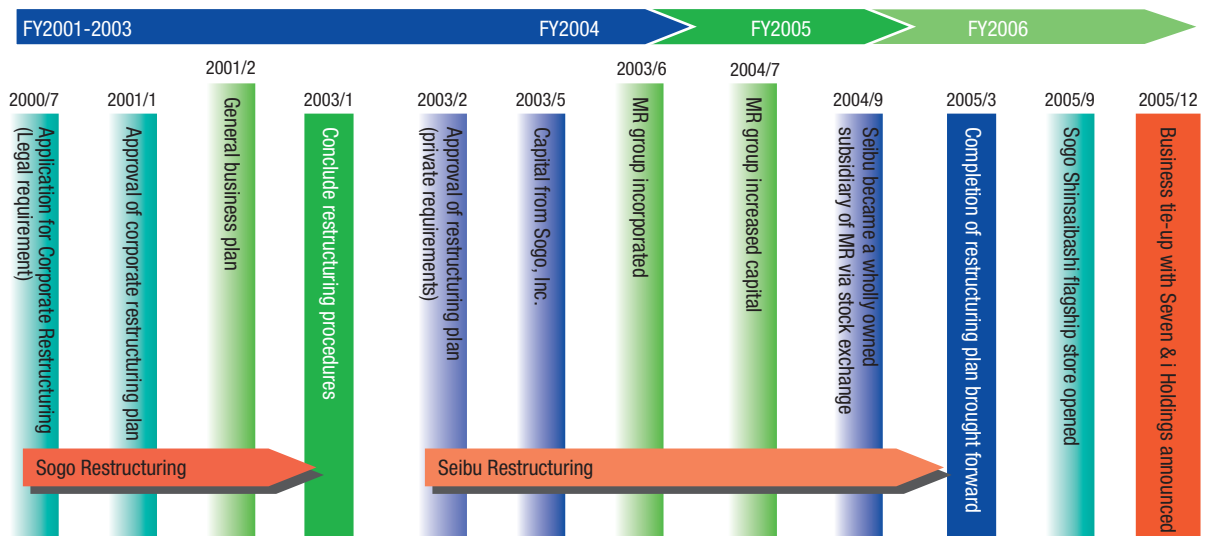
Consolidated Net Sales and Operating Income Ratio in FY2006



The Path towards Business Restructuring

- The operational restructuring initiatives called for implementing chain operations, remodeling stores, re-invigorating the corporate culture and reviving the company ethos, and restructuring plans were completed ahead of original plans.

	Sogo	Seibu
Restructuring plan	Legal administration in accordance with the Corporate Rehabilitation Law	Private restructuring directed in accordance with the guidelines for private rehabilitation
Implementing the restructuring plan	Closed 12 stores, voluntary redundancy, liquidated subsidiaries and affiliates, dissolved equity partnerships with overseas store operators	Closed 6 stores, voluntary redundancy, liquidated subsidiaries and affiliates, dissolved equity partnerships with overseas store operators



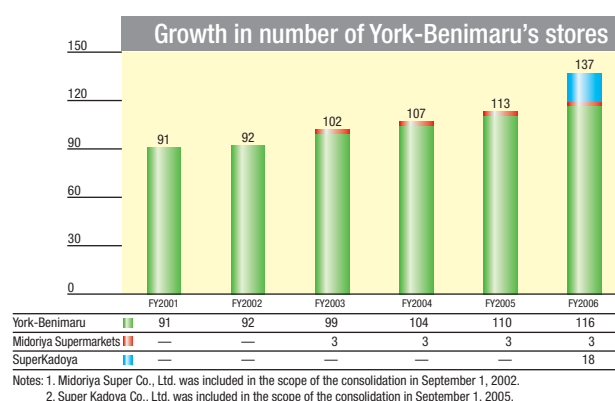
Note: MR is the abbreviation of Millennium Retailing. Sogo, Inc. is the former name of Millennium Retailing.

■ Establishing a Core Operating Company in Our Supermarket Operations

York-Benimaru, which will become our wholly owned subsidiary in September 2006, will serve as the core of plans to energize Seven & i Holdings' supermarket operations.

■ York-Benimaru Consolidated Financial Results

	FY2006 (Millions of yen)	YOY (%)
Revenues from operations	314,909	107.8
Net sales	306,639	107.7
Operating income	14,088	98.0
Ordinary income	14,170	100.0
Net income	7,364	94.4



■ York-Benimaru Fundamental Operating Policy

Promoting individual store management

- • • Build the organization to grow from a 100 to a 200 store operation

Bolstering product development

- • • Define and implement the structure needed to offer value-for-money products constantly

Thoroughly implementing the four fundamentals

- • • Strengthening fundamentals to achieve maximum differentiation

Technical innovation

- • • Work efficiency to increase productivity

■ Major Companies in Seven & i Holdings' Supermarket Operations

- With combined sales from each company of 411.6 billion yen, the Group is in the top tier of Japan's domestic sales among supermarket operating companies.

Overview of Seven & i Holdings' Supermarkets (as of FY2006, nonconsolidated)

	Category	Principal Locations	Number of Stores	Net Sales (Billions of yen)
York-Benimaru	General food supermarket	Tohoku area	116	289.3
York Mart	General food supermarket	Greater Tokyo area, inner suburbs	57	98.2
SHELL GARDEN	Premium food supermarket	Tokyo area, central locations	19	24.1

Location of Seven & i Holdings' Supermarkets

(As of February 28, 2006)



*One SHELL GARDEN store in Shiga prefecture is not shown.

■ Progress of the Seven & i Holdings Restaurant Operations

With Denny's Japan as a core operating company, the restaurant operations meet the expectations of countless customers and offers a comfortable place to eat.

■ Business Strategy—Improve Taste and Service

■ Offering Superior Service

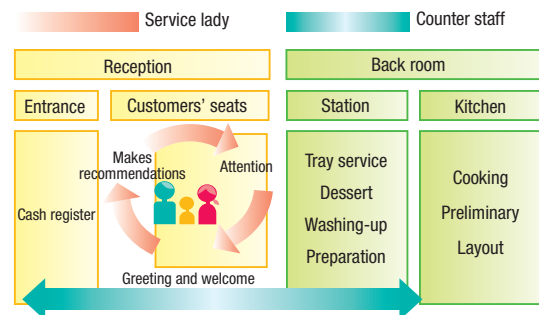
- Designated reception staff (all restaurants have a designated "service lady")
- Free refills on non-alcoholic drinks

■ Demanding Food Safety and a Good Taste

- Procure high-grade ingredients from around the world
- Stringent hygiene management and employee health care, awarded ISO9001 in April 2006

■ Menus for Region

- Changing the perception that all Denny's are the same
- In addition to the core menu, all areas have regional specialties.
- Each restaurant supplements the core menu with local customer preferences and time slots.



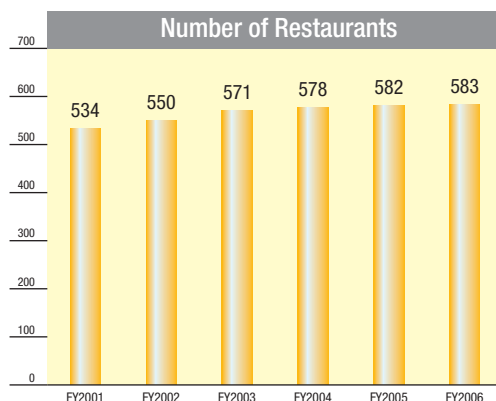
■ Store Strategy—Restaurants that Blend in with Their Environment

■ Restaurant Opening Strategy

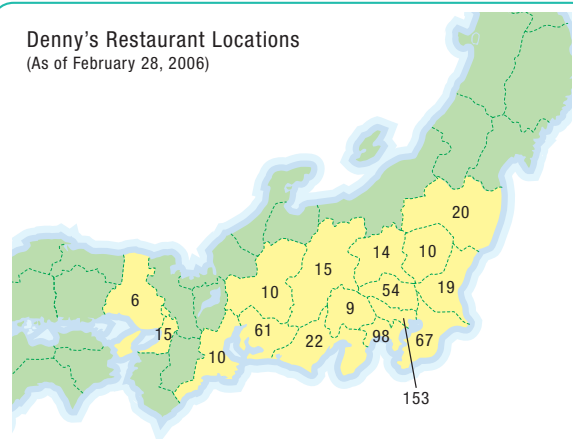
- Revise our historical seating criteria from 100 seats per 330m² to a range of 150–500m²
- Accelerate the opening of new restaurants that meet customer needs and fit the local area; flexibility in restaurant design, ambience, number of seats

■ Restaurant Refurbishment and Refitting

- Vigorously promote the refurbishment of existing restaurants to match the local or the outside environment. In FY2007, 134 restaurants are being refitted or refurbished.



Denny's Restaurant Locations
(As of February 28, 2006)

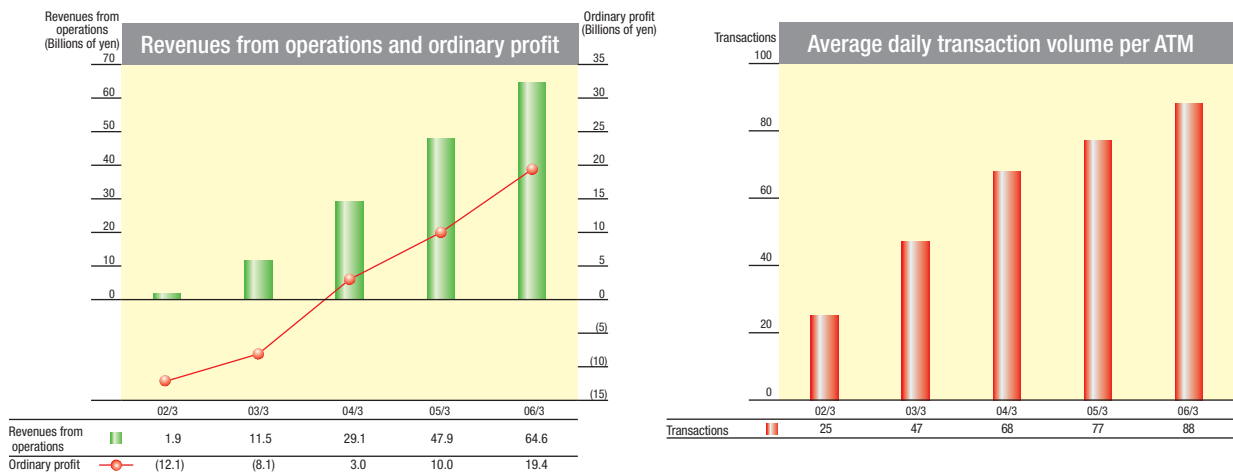


■ Seven Bank, Ltd. (Name changed from IYBank Co., Ltd. on October 11, 2005)

- In order to respond to our customers' needs for ATMs in our stores, we became Japan's first retailer to establish a bank.

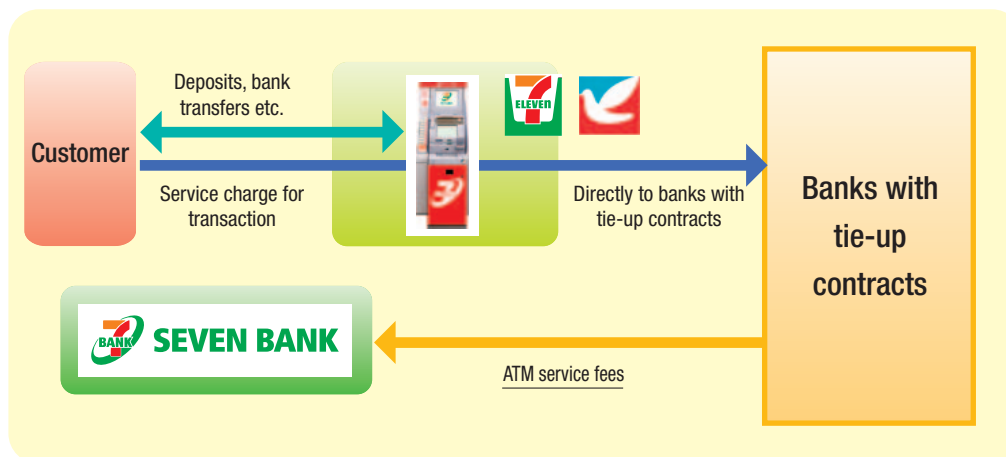
■ Performance

- The Bank achieved an ordinary profit in the third year after its establishment and cleared its accumulated losses in March 2006.
- The transaction volume of ATMs has increased dramatically as a result of the pursuit of convenience and service, and this is a major factor in the favorable performance.



■ Seven Bank's Principal Source of Revenue: ATM Service Fees from Banks with tie-up contracts

- ATMs are installed at our Group companies, with particular focus on Seven-Eleven stores. (11,555 ATMs installed as of the end of May 2006)
- The main source of revenue of Seven Bank is service fees charged to banks. The fee is charged from Seven Bank to a bank with a tie-up contract for the use of the Seven Bank ATM by a card holder of the bank.



■ The Next Step in Expanding New Financial Services

- Introduced time deposits in March 2006
- Personal loan service to be launched in Spring 2007

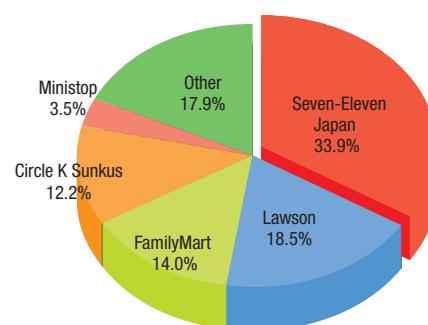
Seven & i Holdings' Market Position

Seven & i Holdings' Market Share in Japan

Group companies are among the leaders in every business field.

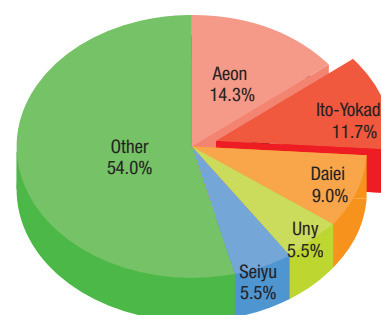
■ In the Top 5 for Total Store Sales at Convenience Stores (Nonconsolidated)

	FY2006 (Billions of yen)	Share (%)
Convenience stores total market	7,372.4	100.0
1 Seven-Eleven Japan Co., Ltd.	2,498.7	33.9
2 Lawson, Inc.	1,360.4	18.5
3 FamilyMart Co., Ltd.	1,031.7	14.0
4 Circle K Sunkus Co., Ltd.	898.7	12.2
5 Ministop Co., Ltd.	260.1	3.5
Top 5 Combined	6,049.9	82.1



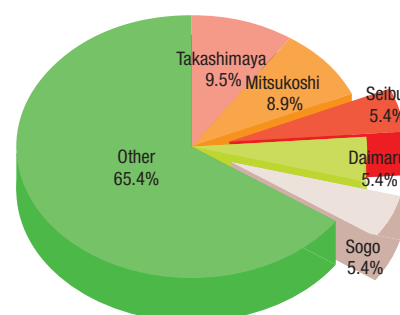
■ In the Top 5 for Net Sales at Superstores (Nonconsolidated)

	FY2006 (Billions of yen)	Share (%)
Superstores total market	12,501.6	100.0
1 AEON Co., Ltd.	1,785.3	14.3
2 Ito-Yokado Co., Ltd.	1,470.5	11.7
3 The Daiei, Inc.	1,126.8	9.0
4 UNY Co., Ltd.	688.7	5.5
5 The Seiyu, Ltd.	685.0	5.5
Top 5 Combined	5,756.5	46.0



■ In the Top 5 for Net Sales at Department Stores (Nonconsolidated)

	FY2006 (Billions of yen)	Share (%)
Department stores total market	8,758.9	100.0
1 Takashimaya Company, Limited	832.9	9.5
2 Mitsukoshi, Ltd.	779.6	8.9
3 THE SEIBU DEPARTMENT STORE, LTD.	476.1	5.4
4 The Daimaru, Inc.	469.6	5.4
5 Sogo Co., Ltd.	468.9	5.4
Top 5 Combined	3,027.3	34.6



Source: 1. Preliminary Report on the Current Survey of Commerce (Japan Ministry of Economy, Trade and Industry)
2. Public information from each company

Seven & i Holdings'
Market Position

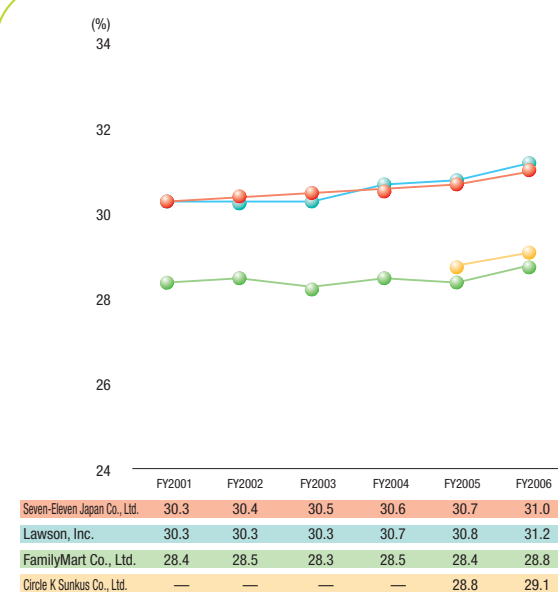
Major Convenience Store Data

(Nonconsolidated)

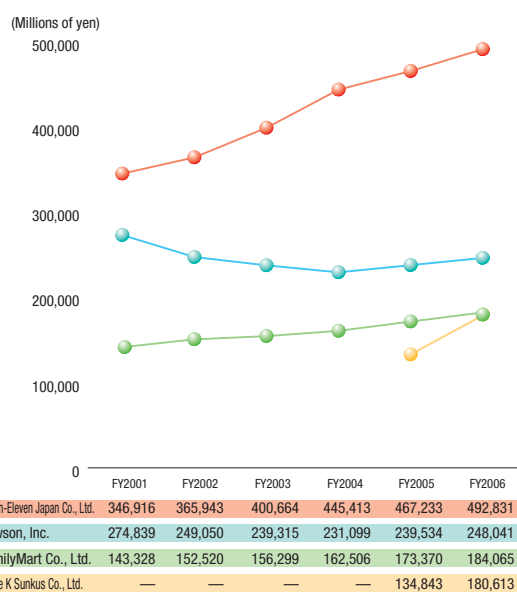
■ Total Store Sales



■ Gross Margin



■ Revenues from Operations



■ Operating Income



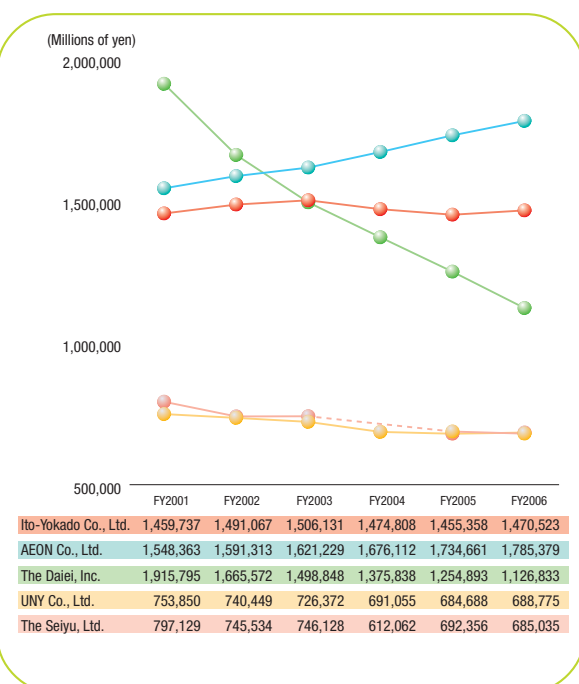
Note: Circle K Sunkus Co., Ltd. was formed on September 1, 2004 through the three-way merger of CIRCLE K JAPAN Co., Ltd., C&S Co., Ltd., and SUNKUS & ASSOCIATES INC. The FY 2005 figures of Circle K Sunkus exclude those of the first half of C&S and SUNKUS & ASSOCIATES.
Source: Public information from each company

Seven & i Holdings' Market Position

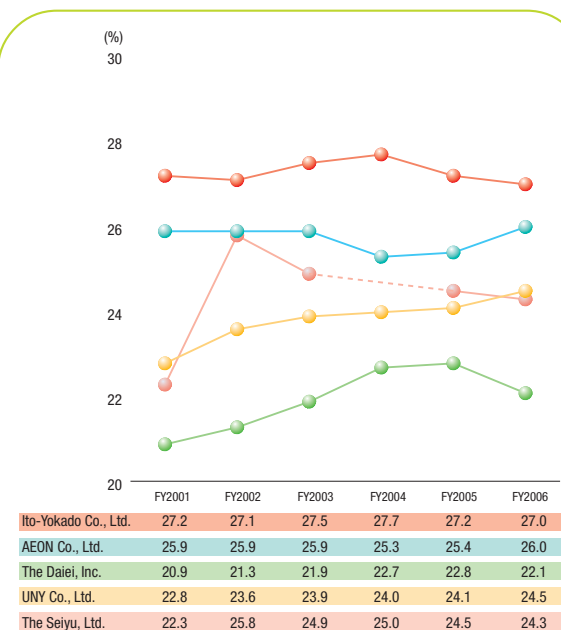
Major Superstore Data

(Nonconsolidated)

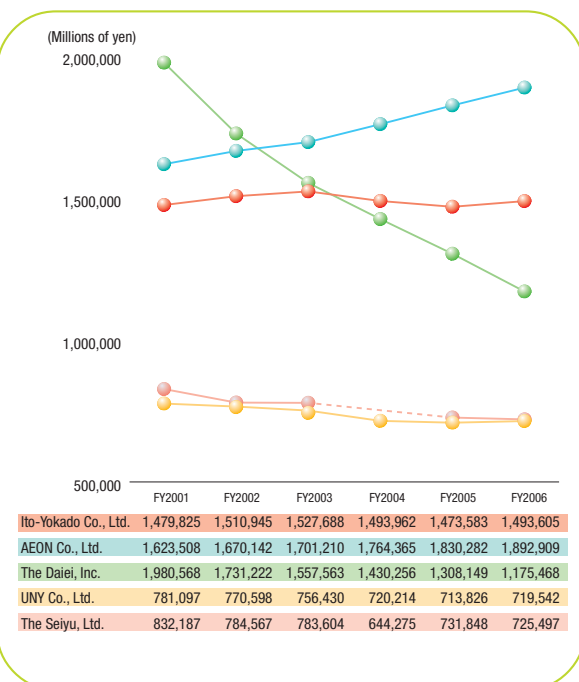
Net Sales



Ratio of Gross Profit to Net Sales



Revenues from Operations



Operating Income



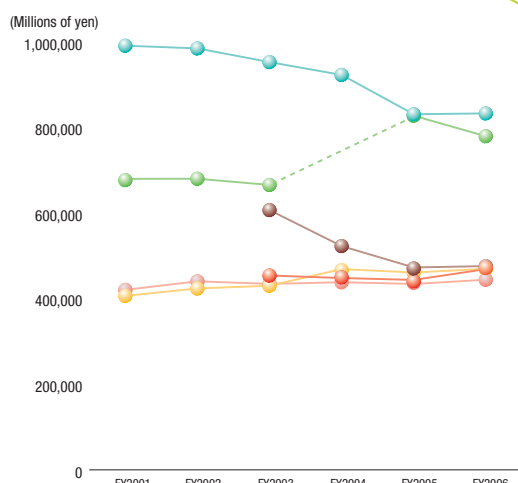
Notes: 1. Ratios of gross profit to net sales of The Daiei, Inc. for FY2001–2006, UNY Co., Ltd. for FY2001, and The Seiyu, Ltd. for FY2001–2002 are calculated based on public information from each company.
2. Figures for Seiyu's FY2004 performance are for the ten-month period of March–December 2003.
Source: Public information from each company

Seven & i Holdings'
Market Position

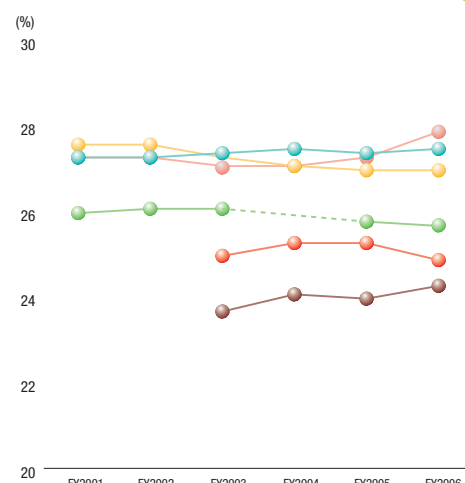
Major Department Store Data

(Nonconsolidated)

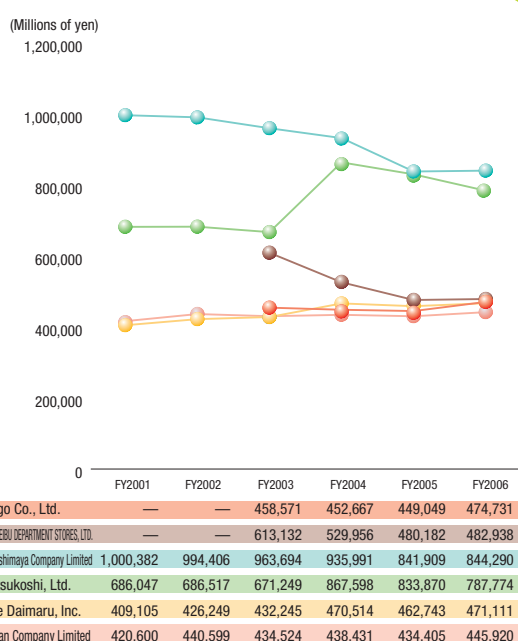
■ Net Sales



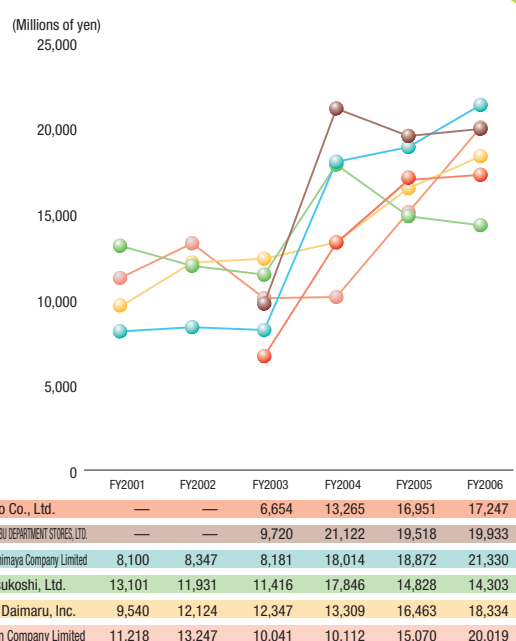
■ Ratio of Gross Profit to Net Sales



■ Revenues from Operations



■ Operating Income



Notes: 1. Ratios of gross profit to net sales of Mitsukoshi, Ltd. for FY 2001–2003, FY2005, and FY2006 are calculated based on public information of the company.

2. FY 2004 figures for Mitsukoshi's revenues from operations and operating income are shown for reference only.

Source: Public information from each company

Seven & i Holdings' Market Position

Major Supermarket Data

(Nonconsolidated)

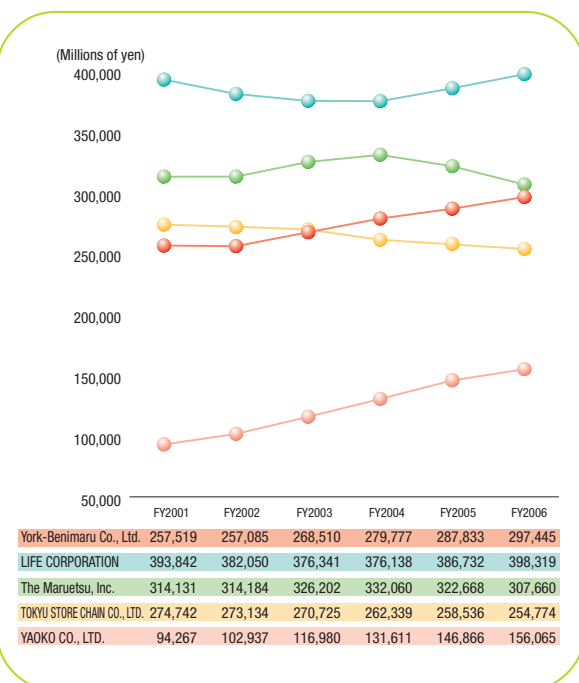
Net Sales



Ratio of Gross Profit to Net Sales



Revenues from Operations



Operating Income



Source: Public information from each company

Seven & i Holdings'
Market Position

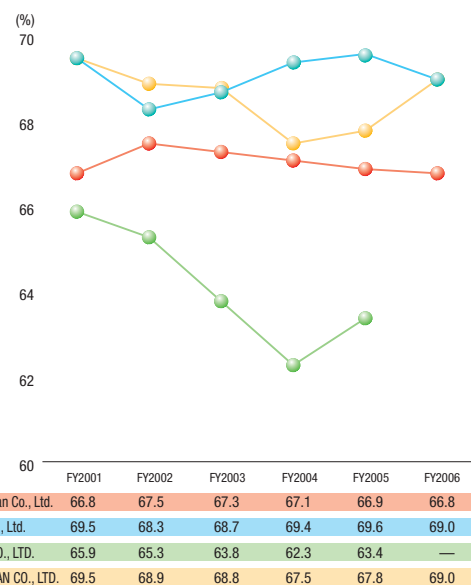
Major Restaurant Data

(Nonconsolidated)

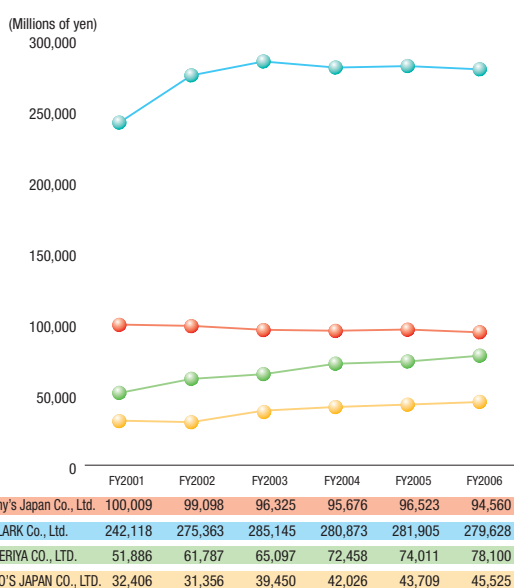
■ Net Sales



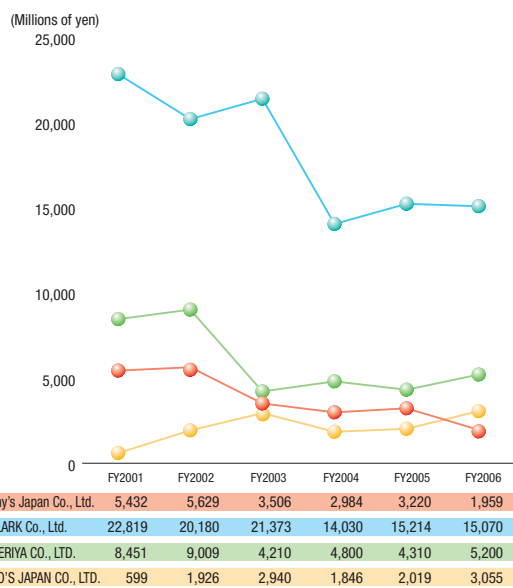
■ Ratio of Gross Profit to Net Sales



■ Revenues from Operations



■ Operating Income



Notes: 1. FY 2006 figures for Saizeriya's net sales, revenues from operations, and operating income are forecasts announced on April 20, 2006.
 2. Revenues from operations for FY 2003–2006 of COCO'S JAPAN CO., LTD. are calculated based on public information from the company.
 Source: Public information from each company

Corporate Data

Overview of Major Group Companies

	Sales (Billions of yen)	Number of Stores	Employees	Capital (Millions of yen)	Percentage of Ownership*5
Convenience Store Operations					
● Seven-Eleven Japan Co., Ltd.	2,498.7	11,310	4,804	17,200	100.0
○ 7-Eleven, Inc.	1,485.4*3	5,829	21,361	US\$11,000	100.0
○ SEVEN-ELEVEN (HAWAII), INC.	18.1*3	53	581	US\$20,000,000	100.0
○ SEVEN-ELEVEN (BEIJING) CO., LTD.	0.8*4	30	430	US\$35,000,000	65.0
Superstore Operations					
● Ito-Yokado Co., Ltd.	1,470.5	178	11,047	47,987	100.0
○ Hua Tang Yokado Commercial Co., Ltd.	20.5*4	5	1,573	US\$65,000,000	51.8
○ Chengdu Ito-Yokado Co., Ltd.	15.6*4	2	1,377	US\$17,300,000	51.0
Department Store Operations					
● Millennium Retailing, Inc.*1	—	—	384	34,941	67.7
● Sogo Co., Ltd.*1	468.9	12	2,845	1,000	67.7
● THE SEIBU DEPARTMENT STORES, LTD.*1	476.1	18	2,451	6,000	67.7
Supermarket Operations					
● York-Benimaru Co., Ltd.*2	289.3	116	1,882	9,927	36.3
● York Mart Co., Ltd.	98.2	57	1,023	1,000	100.0
○ Beijing Wang fu jing Yokado Commercial Co., Ltd.	0.9*4	2	317	US\$12,000,000	40.0
Restaurant Operations					
● Denny's Japan Co., Ltd.	94.4	583	1,494	7,125	100.0
Financial Services					
☆ Seven Bank, Ltd.	—	—	212	61,000	50.0
● IY Card Service Co., Ltd.	—	—	50	17,200	94.1

● Figures are for the fiscal year ended February 28, 2006.

○ Figures are for the fiscal year ended December 31, 2005.

☆ Figures are for the fiscal year ended March 31, 2006.

*1 100% of the issued shares of Millennium Retailing were acquired in a stock-for-stock exchange on June 1, 2006.

*2 It is planned that York-Benimaru will become a wholly owned subsidiary through a stock-for-stock exchange to be implemented on September 1, 2006.

*3 Rate of exchange – US\$1=¥110.26

*4 Rate of exchange – 1 yuan=¥13.57

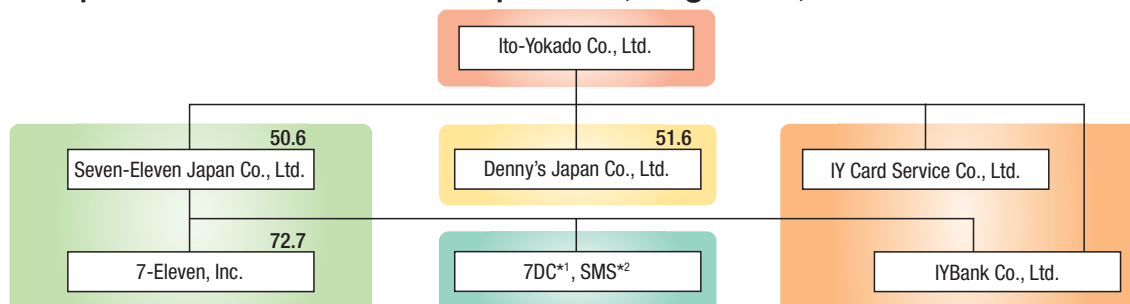
*5 Percentage of ownership includes indirect holdings.

Corporate Data

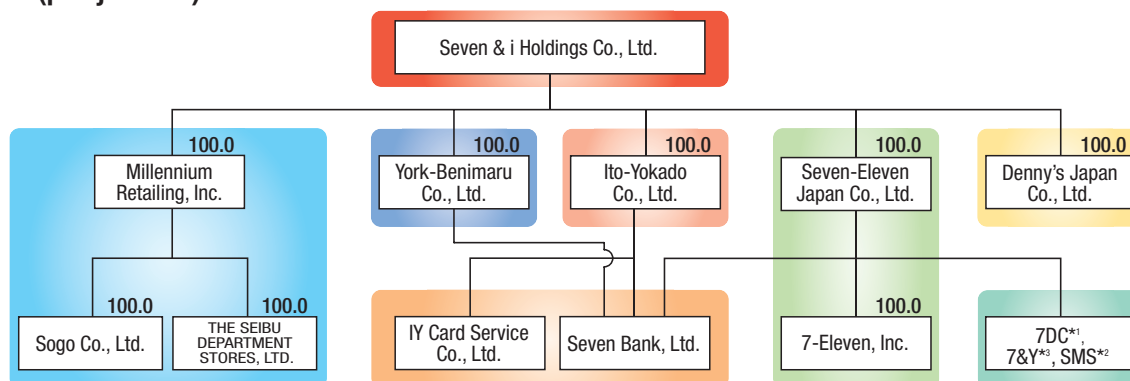
Capital Structure

Changes in the Capital Structure of Seven & i Holdings Since Its Establishment

Capital Structure Before Incorporation, August 31, 2005



Capital Structure One Year After Incorporation, September 1, 2006 (projected)



Seven Core Operational Fields:



*1 7dream.com

*2 Seven-Meal Service Co., Ltd.

*3 Seven and Y Corp.

Notes: 1. Shares in 7-Eleven, Inc. are held through an intermediate holding company.

2. IYBank Co., Ltd. changed its name to Seven Bank, Ltd. on October 11, 2005.

Capital Structure: Calendar of Main Events

Date	Events
September 1, 2005	Seven-Eleven Japan Co., Ltd., Ito-Yokado Co., Ltd., and Denny's Japan Co., Ltd. established Seven & i Holdings Co., Ltd. through stock transfer method.
November 9, 2005	Made 7-Eleven, Inc. a wholly owned subsidiary by cash tender offer
January 31, 2006	Acquired a 65% share of Millennium Retailing, Inc. and made it a subsidiary
February 14, 2006	Made Seven and Y Corp. a subsidiary through the acquisition of shares
June 1, 2006	Made Millennium Retailing a wholly owned subsidiary through the acquisition of shares and a stock-for-stock exchange
September 1, 2006 (planned)	Made York-Benimaru Co., Ltd. a wholly owned subsidiary through the acquisition of shares by a stock-for-stock exchange

Interest-Bearing Debt

Interest-Bearing Debt by Business Segment

	February 28, 2005 (Millions of yen)	February 28, 2006 (Millions of yen)	YOY (%)
Convenience Store Operations	42,036	56,353	134.1
Superstore Operations	132,557	112,016	84.5
Department Store Operations	—	372,027	—
Restaurant Operations	—	—	—
Others	6,750	6,000	88.9
Sub Total	181,344	546,396	301.3
Financial Services	89,304	140,977	157.9
Total	270,648	687,374	254.0

Note: Data as of February 28, 2005 is for Ito-Yokado, provided on a consolidated basis.

Bond and Rating Information

Bonds

Issued by Ito-Yokado Co., Ltd.

	Amount of Issue (Billions of yen)	Coupon	Issue Date	Redemption Date
3rd unsecured domestic straight bonds	30	1.72%	Mar. 29, 2000	Mar. 29, 2007
4th unsecured domestic straight bonds	20	1.96%	Mar. 29, 2000	Mar. 29, 2010
5th unsecured domestic straight bonds	50	0.65%	Nov. 1, 2002	Sep. 18, 2009

Note: Ito-Yokado Co., Ltd. has entered into a joint guaranty contract with Seven & i Holdings Co., Ltd. with respect to the straight bonds of Ito-Yokado Co., Ltd. in the manner of a "contract in favor of a third person" set forth in Article 537 of the Civil Law of Japan.

Issued by Seven Bank, Ltd.

	Amount of Issue (Billions of yen)	Coupon	Issue Date	Redemption Date
1st unsecured domestic straight bonds	15	0.88%	Dec. 10, 2003	Dec. 10, 2008

Ratings (As of March 31, 2006)

		R&I	JCR	S&P	Moody's
Seven & i Holdings Co., Ltd.	Long-term	AA	AA+	—	—
Seven-Eleven Japan Co., Ltd.	Long-term	—	AA+	AA-	—
	Short-term*	—	—	A-1+	P-1
7-Eleven, Inc.	Long-term	—	—	A	Baa3
Ito-Yokado Co., Ltd.	Long-term	AA	AA+	AA-	Aa3
York-Benimaru Co., Ltd.	Long-term	—	AA-	—	—
Seven Bank, Ltd.	Long-term	—	—	A+	—

Note: Seven-Eleven Japan's short-term rating is that of the guarantor of 7-Eleven, Inc.'s commercial paper program (from January 2006)

Corporate Data

Corporate Overview

■ Seven & i Holdings Corporate Overview (As of February 28, 2006)

- Company name: Seven & i Holdings Co., Ltd.
- Date of establishment: September 1, 2005
- Head Office: 8-8, Nibancho, Chiyoda-ku, Tokyo 102-8452, Japan
- Chairman and CEO: Toshifumi Suzuki
President and COO: Noritoshi Murata
- Capital: 50,000 million yen
- Consolidated revenues from operations:
3,895,772 million yen (Results for Fiscal Year 2006)
- Employees: 52,954 (Consolidated basis)

■ The History of Seven & i Holdings

- Apr. 1958: Yokado Co., Ltd. incorporated
- Mar. 1971: Company name changed to Ito-Yokado Co., Ltd.
- Sep. 1972: Ito-Yokado listed on the Tokyo Stock Exchange (TSE), second section.
- Mar. 1973: Business tie-up with York-Benimaru.
- Jul. 1973: Ito-Yokado moved to the first section, TSE
- Nov. 1973: York-Seven Co., Ltd. established under license agreement with the Southland Corporation, largest U.S. convenience store chain.
- Nov. 1973: Denny's Japan Co., Ltd. established under license agreement with US-based restaurant chain Denny's, Inc.
- Jul. 1977: Ito-Yokado registered American Depositary Receipts (ADRs) on NASDAQ.
- Jan. 1978: York-Seven changed name to Seven-Eleven Japan Co., Ltd.
- Aug. 1981: Seven-Eleven Japan listed on TSE, first section.
- Aug. 1984: York-Benimaru listed on TSE, first section.
- Jul. 1986: Ito-Yokado's ADRs were transferred from NASDAQ small-cap to the National Market System.
- Aug. 1986: Denny's Japan listed on the TSE, first section.
- Mar. 1991: Through IYG Holding Company, Seven-Eleven Japan and Ito-Yokado acquired major interest of the Southland Corporation.
- Dec. 1996: Chengdu Ito-Yokado Co., Ltd. established in Chengdu, Sichuan, China
- Sep. 1997: Hua Tang Yokado Commercial Co., Ltd. established in Beijing, China
- Apr. 1999: The Southland Corporation name changed to 7-Eleven, Inc.
- Jul. 2000: 7-Eleven, Inc. shares transferred from NASDAQ to NYSE.
- Apr. 2001: IYBank Co., Ltd. established.
- Oct. 2001: IY Card Service Co., Ltd. established.
- May. 2003: Ito-Yokado ADRs withdrawn from NASDAQ.
- Jan. 2004: SEVEN-ELEVEN (BEIJING) CO., LTD. established in Beijing, China
- Nov. 2004: Beijing Wang fu jing Yokado Commercial Co., Ltd. established in Beijing, China
- Sep. 2005: Seven & i Holdings Co., Ltd. established and listed on TSE, first section.
- Nov. 2005: 7-Eleven, Inc. converted to wholly owned subsidiary.
- Apr. 2006: Announcement of a stock-for-stock exchange by which York-Benimaru will become a wholly owned subsidiary (planned for September 1, 2006)
- Jun. 2006: Implemented a stock-for-stock exchange making Millennium Retailing, Inc. our wholly owned subsidiary.



SEVEN&i *HLDGS. Co., Ltd.*

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