

Total number of Seven & i Holdings' stores

Worldwide: approx. 33,000 stores

Number of customer store-visits per day

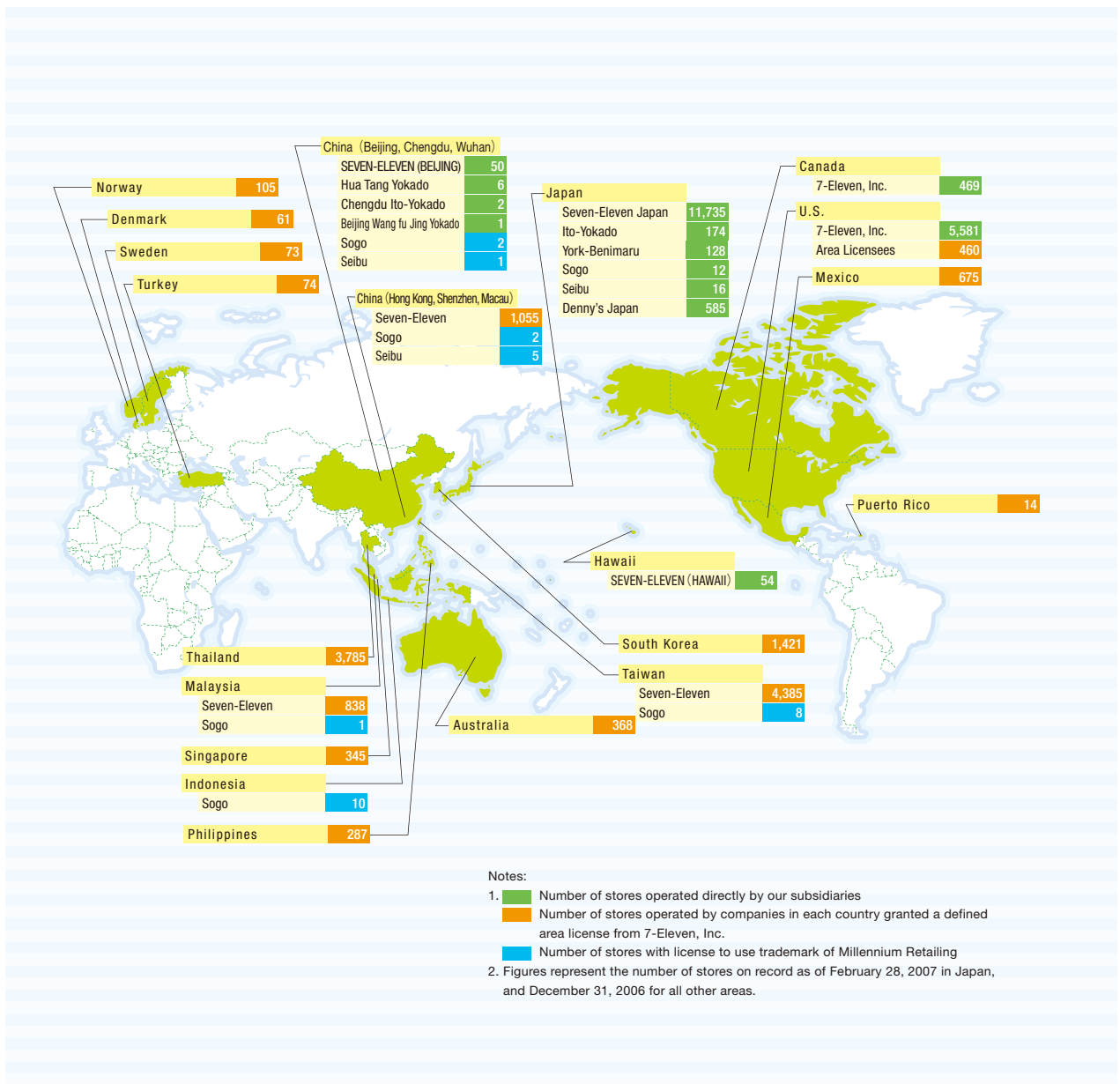
In Japan: approx. 13,000 stores

Worldwide: approx. 27.0 million

In Japan: approx. 14.0 million

Seven & i Holdings' Worldwide Store Network

Centered in Japan, Seven & i Holdings' store network extends worldwide to encompass convenience stores, superstores, department stores, supermarkets, restaurants, and other operations.



World-Class Sales

For the fiscal year ended February 28, 2007, Seven & i Holdings' consolidated revenues from operations were 5,337.8 billion yen, with net sales amounting to 4,839.5 billion yen, moving the Group closer to inclusion in the World's top 10 retailers by FY 2007.

Retailers – Worldwide Sales Ranking for FY 2006

Source: STORES Magazine, January 2007

2006	2005	Company	Country	Sale		CAGR (%)	Net Income	
				Millions of dollars	Billions of yen		Millions of dollars	Billions of yen
1	1	Wal-Mart Stores, Inc.	U.S.	312,427	34,367.0	11.6	11,231	1,235.4
2	2	Carrefour S.A.	France	92,778	10,205.6	2.8	1,788	196.7
3	3	The Home Depot, Inc.	U.S.	81,511	8,966.2	12.3	5,838	642.2
4	4	Metro AG	Germany	69,134	7,604.7	5.0	808	88.9
5	5	Tesco plc	U.K.	68,866	7,575.3	12.8	2,837	312.1
6	6	Kroger	U.S.	60,553	6,660.8	4.3	958	105.4
7	8	Target Corp.	U.S.	52,620	5,788.2	7.4	2,408	264.9
8	7	Costco Wholesale Corporation	U.S.	51,862	5,704.8	10.4	1,063	116.9
9	20	Sears Holdings Corp. (formerly Kmart Corp)	U.S.	49,124	5,403.6	5.8	858	94.4
10	11	Schwarz Unternehmens Treuhand KG	Germany	45,891*	5,048.0	13.0	–	–
11	10	Aldi GmbH & Co. oHG	Germany	45,096*	4,960.6	4.5	–	–
12	12	Rewe-Zentral AG	Germany	44,039*	4,844.3	3.0	–	–
13	17	Lowe's Companies, Inc.	U.S.	43,243	4,756.7	18.2	2,771	304.8
14	15	Walgreen Co.	U.S.	42,202	4,642.2	11.4	1,560	171.6
15	16	Groupe Auchan SA	France	41,180	4,529.8	7.1	1,216	133.8
16	14	Albertsons Inc.	U.S.	40,358	4,439.4	1.9	446	49.1
17	22	Edeka Zentrale AG & Co. KG	Germany	39,445*	4,339.0	4.9	–	–
18	19	Safeway Inc.	U.S.	38,416	4,225.8	3.7	561	61.7
19	24	CVS Corporation	U.S.	37,006	4,070.7	13.0	1,225	134.8
20	18	AEON Co., Ltd.	Japan	36,978	4,040.6	10.6	258	28.9
21	9	Koninklijke Ahold N.V.	Netherlands	36,893	4,058.2	(3.4)	198	21.8
22	21	Centres Distributeurs E. Leclerc	France	35,494	3,904.3	6.1	–	–
23	13	ITM Développement International (Intermarché)	France	34,245*	3,767.0	(2.3)	–	–
24	23	Seven & i Holdings Co., Ltd.	Japan	32,948	3,437.3	–	785	87.9
25	28	Best Buy Co., Inc.	U.S.	30,848	3,393.3	15.0	1,140	125.4
26	25	Tengelmann Verwaltungs-und Beteiligungs GmbH	Germany	29,077*	3,198.5	0.1	–	–
27	27	J Sainsbury Plc	U.K.	28,100	3,091.0	(1.8)	104	11.4
28	26	Casino Guichard-Perrachon S.A.	France	27,891	3,068.0	3.7	428	47.1
29	30	Woolworths Ltd.	Australia	27,684	3,045.2	12.9	774	85.1
30	29	Coles Myer Ltd.	Australia	27,378	3,011.6	9.6	473	52.0

- (Notes) 1. CAGR is calculated on a local currency basis in each country.
2. CAGR=Compound Annual Growth Rate over a five-year period
3. Rate of exchange – US\$1=110.0yen
* Estimate

Holding Company Established to Maximize Enterprise Value

On September 1, 2005, Seven & i Holdings Co., Ltd. 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

- Leveraging synergies among operational areas
- Reducing costs by integrating administrative functions

Strengthen corporate governance

- Clearly delineating autonomy and the responsibilities of each group company
- Evaluating profitability and efficiently allocating management resources based on monitoring

The Roles of the Holding Company and the Operating Companies

Holding Company's Role	Operating Companies' Role
<p>Seven & i Holdings Co., Ltd.</p> <p>Principally reflect shareholder concerns</p> <ol style="list-style-type: none"> 1) Control overall governance 2) Maximize enterprise value as the Group's listed representative 3) Pursue group synergies 	<p>Core operating companies</p> <p>Seven-Eleven Japan Co., Ltd., 7-Eleven, Inc., Ito-Yokado Co., Ltd., York-Benimaru Co., Ltd., Sogo Co., Ltd., THE SEIBU DEPARTMENT STORES, LTD., Denny's Japan Co., Ltd., Seven Bank, Ltd.</p> <p>Principally reflect customer concerns</p> <ol style="list-style-type: none"> 1) Fulfill responsibilities in each operational domain 2) Realize autonomy, seek profit growth and enhance capital efficiency

Seven & i Holdings' Core Operational Areas

As part of the objective of creating "a New, Comprehensive Lifestyle Industry," the Company identified seven core operational areas at the time of its establishment.



Strengthening Core Operational Areas

Seven & i Holdings has implemented the measures identified at its establishment to strengthen its presence in core operational areas. In addition, we have leveraged the strength of having a variety of retail formats and have focused on attaining synergistic effects therefrom.

Strengthening and Expanding Core Operational Areas

June 2006: Made Millennium Retailing, Inc. a wholly owned subsidiary

- Made Millennium Retailing, Inc., which holds Sogo Co., Ltd. and THE SEIBU DEPARTMENT STORES, LTD. under its umbrella, into a wholly owned subsidiary

August 2006: Acquired a convenience store chain in Chicago, U.S.A.

- Acquired WHP Holdings Corporation, which owns approximately 200 stores in the Chicago area, to expand the store network in North America

September 2006: Made York-Benimaru Co., Ltd. a wholly owned subsidiary

- Positioned as the core operating company of the supermarket business after transformation from an equity-method affiliate to a wholly owned subsidiary

January 2007: Established Seven & i Food Systems Co., Ltd.

- Established a new company with the aim of integrating and reorganizing the restaurant operations

March 2007: Made THE LOFT CO., LTD. a subsidiary

- Transformed from an equity-method affiliate to a subsidiary to strategically leverage the Loft brand

Major Initiatives to Attain Synergistic Effects in the Group

April 2007: Introduced *nanaco* service, the Group's original electronic money system

- Offering greater variety of settlement methods
- Offers point accumulation and a range of other merits and services

May 2007: Commenced sales of new *Seven Premium* private brand

- Concentrated infrastructure and know-how of Group companies for enhanced product development
- Improve gross profits by leveraging sales and marketing strengths of the entire Group

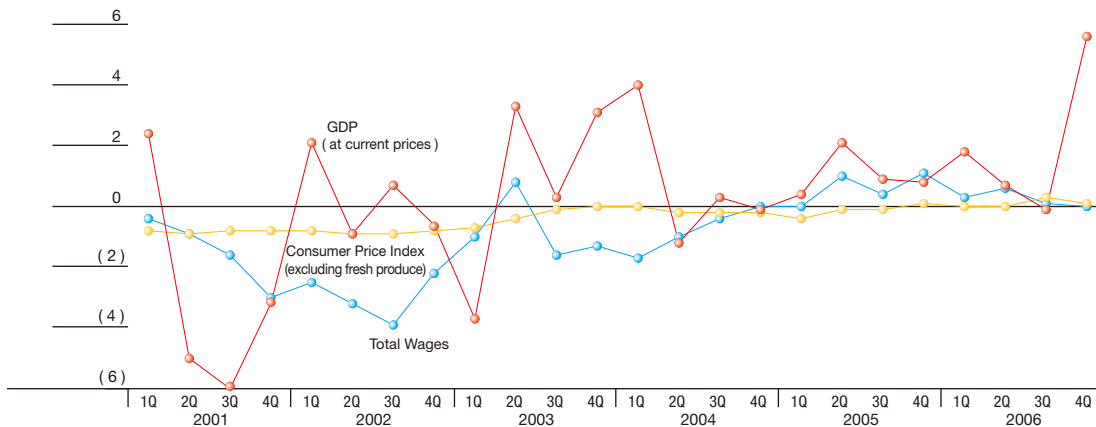
Operating Environment for the Retail Industry

Going forward against a background of ongoing economic expansion, the retail environment will present challenges to all companies striving to grow their business; only those that are able to respond to changes will continue to thrive. In response, Seven & i Holdings is pursuing higher profitability and enhancing differentiation by providing new value-added products and services.

Economic Environment

The Japanese economy has been improving recently, with increased capital investments, improving employment conditions, and growing profits for domestic corporations. With regard to consumer spending, although deflation seems to have bottomed out, the psychological effects of concerns over anticipated future increases in tax and social insurance contributions are preventing a complete recovery.

Year-on-year comparison of economic indices over four quarters (%)

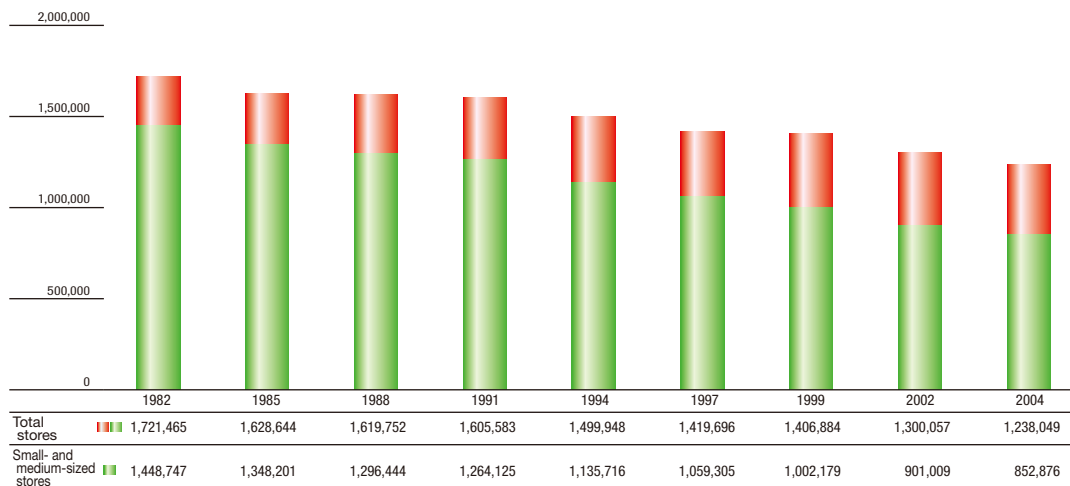


Source: National Accounts (Japan Economic and Social Research Institute, Cabinet Office), Consumer Price Index (Japan Ministry of Internal Affairs and Communications), Monthly Labour Survey (Japan Ministry of Health, Labour and Welfare)

Decreasing Number of Small- and Medium-Sized Retail Stores

Small- and medium-sized stores have yet 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 number of total retail stores and small- and medium-sized retail stores



Note: Figures for small- and medium-sized retail stores represent the number of stores with four employees or less.
Source: The Census of Commerce, Japan

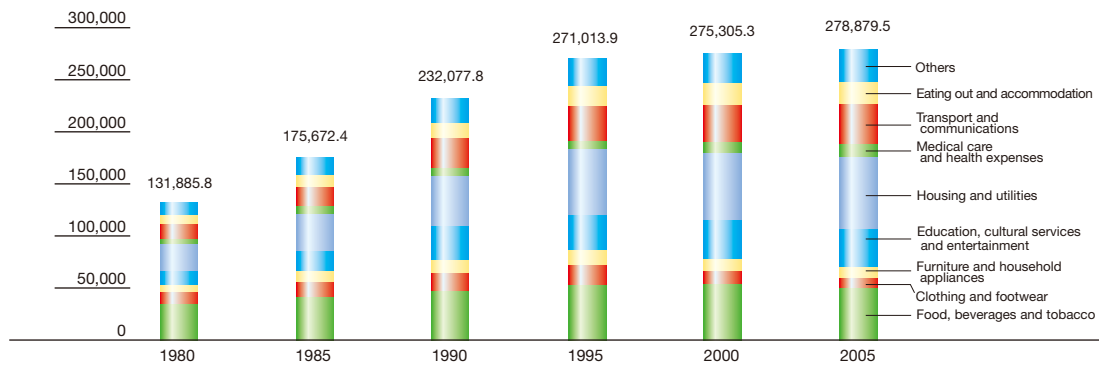
The Consumer Environment

Retailers in Japan need to be flexible in responding to the peculiarities of purchasing behavior and changes in the market.

Consumption Saturation

The domestic market is currently in a state of “consumption saturation.” That is, it offers consumers a surfeit of goods. As a result, consumers’ purchasing priorities are shifting from simple acquisition of goods to services such as travel and hobbies. In this market, retailers need to provide products and services with a level of value that was not previously available.

Domestic final consumption expenditure of household (Billions of yen)

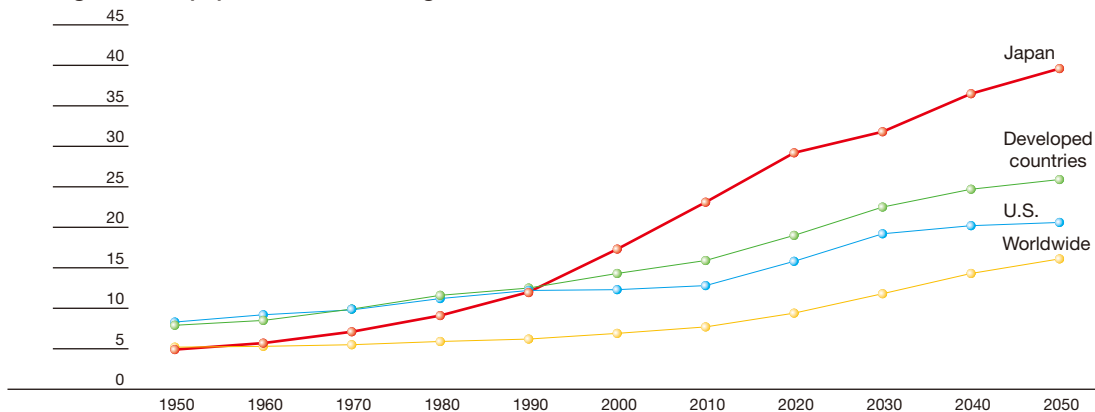


Source: National Accounts (Japan Economic and Social Research Institute, Cabinet Office)

Low Fertility and an Aging Society

The trends toward fewer children per family and an aging population continue at an unprecedented speed. Accordingly, retailers need to supply high-quality goods and services to meet the needs of older consumers, many of whom are in comfortable economic positions in comparison with younger consumers.

Changes in the population of those aged over 65 (%)



Source: Statistical Handbook of the World (Japan Ministry of Internal Affairs and Communications)