

Overview of Core Companies for FY2007

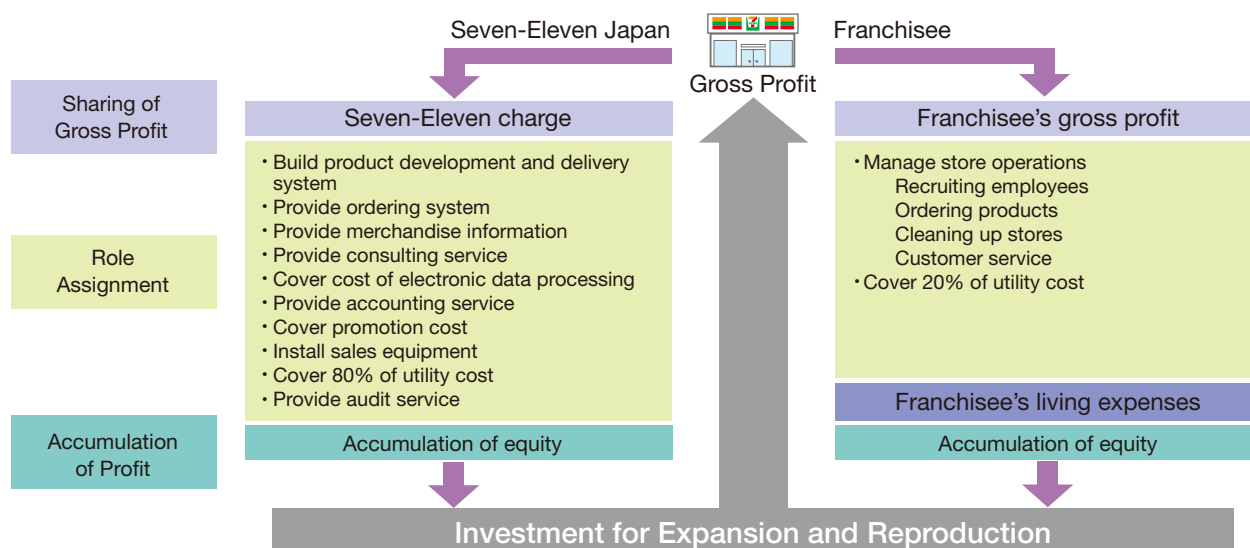
	Total store sales (Millions of yen)		Number of stores	Average daily sales per store (Thousands of yen)	Average sales per customer (yen)
	Merchandise	Gasoline			
Seven-Eleven Japan	2,533,534	2,533,534	11,735	610	approx. 630
7-Eleven, Inc.	1,690,613	1,008,818	6,050	478	-

Note: The fiscal year of 7-Eleven, Inc. ends on December 31.

Seven-Eleven Japan's Franchise System

With the aim of modernizing and revitalizing small- and medium-sized retail stores, Seven-Eleven Japan is developing its own franchise system. Placing Seven-Eleven Japan and its franchisees on an equal footing, the Company employs a mutually beneficial gross profit-sharing method for allocating income. Through this method, we work together to improve gross profit rather than net sales.

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



Contract Types

Seven-Eleven Japan offers the following two types of franchise contracts.

	Type A (5,122 stores)	Type C (5,608 stores)
Type of ownership		
Land and buildings	Franchisee provides	Seven-Eleven Japan provides
Sales equipment, 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 yen (Franchisee's annual gross profit)	17 million yen (Franchisee's annual gross profit)

Notes : 1. Number of stores data is current as of February 28, 2007.
 2. The information for the Seven-Eleven charge (royalty) and minimum guarantee applies to stores that are open 24 hours a day.
 3. 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.

Original Daily Food Products

To address customer demand, Seven-Eleven Japan works with collaborating companies to develop original daily food products, paying careful attention to ingredients, production processes, taste and quality. Combining the exceptional techniques of manufacturers and Seven-Eleven's marketing prowess, our original products have been well received by customers.

Supply System for Original Daily Food Products

Original daily food products are made in specialized facilities operated by independent collaborating companies and are delivered to Seven-Eleven stores from combined distribution centers that have multiple temperature-specific zones. The production facilities and temperature-separated combined distribution centers serve only Seven-Eleven Japan, allowing us to distinguish ourselves from the competition in terms of product development, hygiene, and quality control.



Annual Sales Quantity of Original Daily Food Products for FY2007



Rice-based items: 1,750 million

Delicatessen items: 680 million

Sandwiches: 380 million

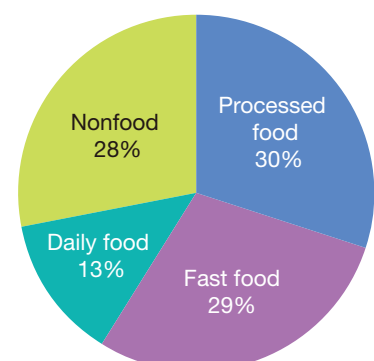
Oven-fresh bread: 780 million

Expanding Original Product Lineup

In recent years, Seven-Eleven Japan has leveraged its expertise in original product sales and actively introduced original products in fields other than daily foods, such as processed foods and nonfood items.



Breakdown of sales by product category for FY2007

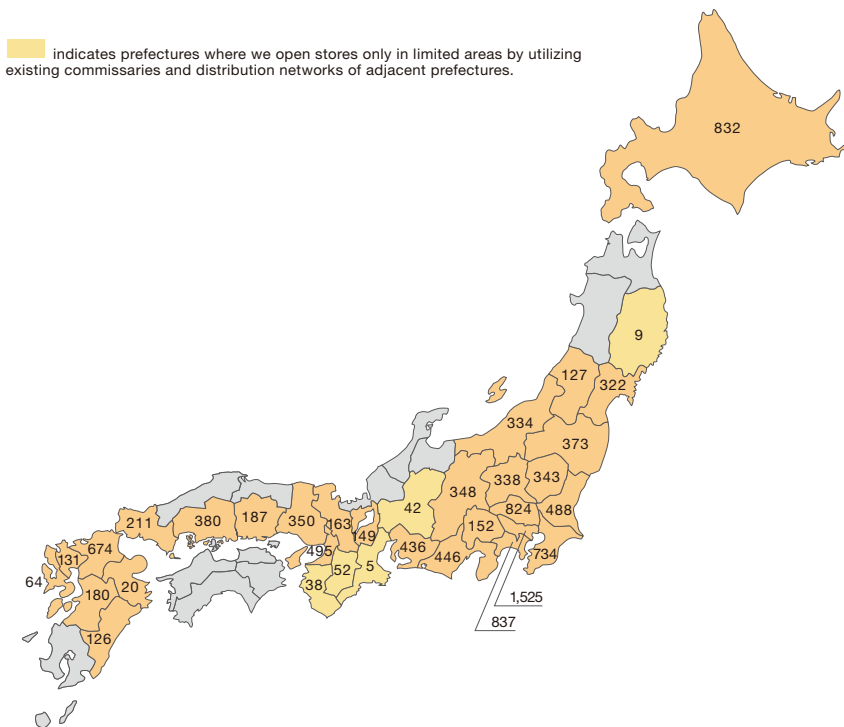


Store-Opening Policies and Distribution System

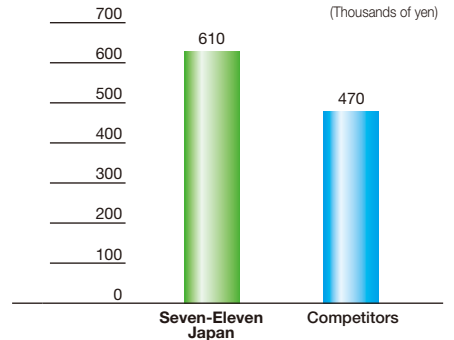
Seven-Eleven Japan continues a quality-focused store-opening strategy rather than simply emphasizing store numbers. We conduct meticulous analyses when selecting new store locations to ensure that every store will be able to steadily expand its sales and profits. Our temperature-separated combined distribution system delivers products that require storage at a similar optimum temperature to be transported and delivered from manufacturers to stores at a fixed temperature.

Store Network

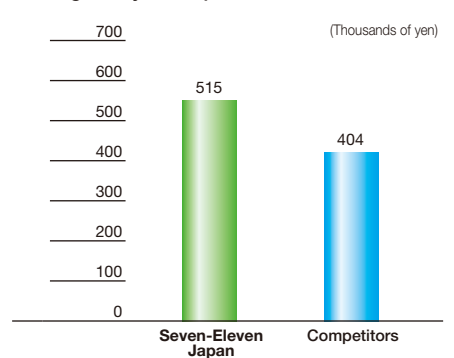
(As of February 28, 2007)



Average daily sales per stores



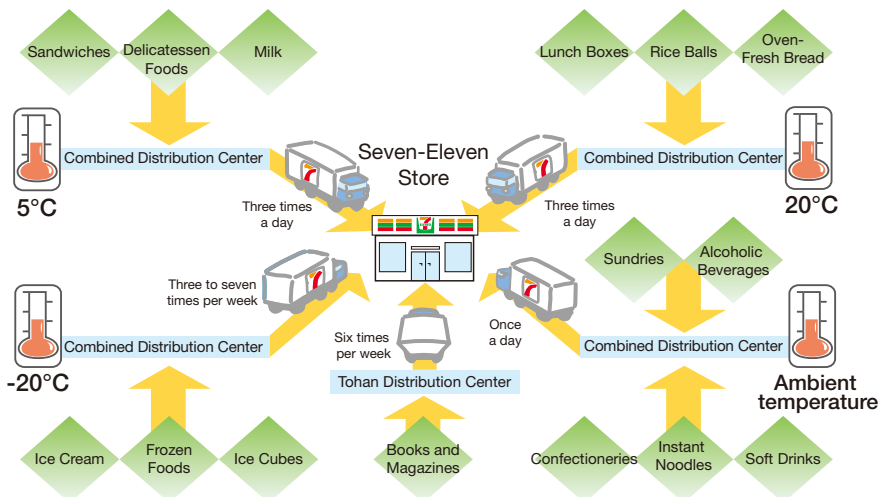
Average daily sales per store of new stores



Note: Competitor information is the average of three major listed convenience store chains (FY2007)

Combined Distribution System

Temperature-separated combined distribution system



(As of February 28, 2007)

	Number of distribution centers	Number of physical facilities
5°C	62	5°C 16
20°C	63	20°C 17
		Share 46
-20°C	39	39
Subtotal	164	118
Ambient temperature	-	47
Total	-	165

Note: The number of distribution centers is based on the number of product categories handled.

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

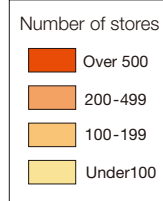
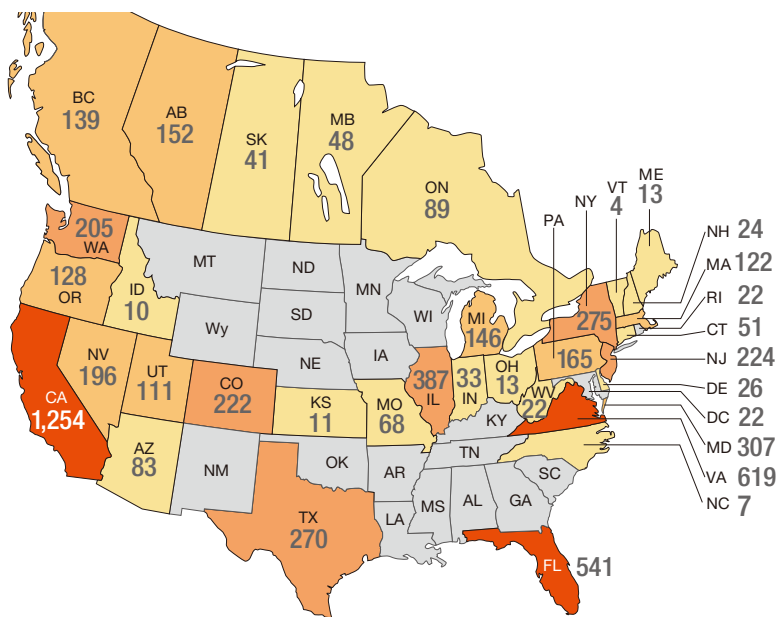
7-Eleven, Inc. currently has stores in 31 U.S. states and Canada. The company has achieved 40 consecutive quarters of improved U.S. same-store merchandise sales year-on-year.

Store-Opening Strategy

7-Eleven, Inc. also follows a dominance strategy and is expanding its network of franchise stores primarily in metropolitan areas, including Los Angeles and New York. The Company will also actively implement renovations to existing stores.

Locations in U.S. and Canada excluding the area licensee stores

(As of December 31, 2006)



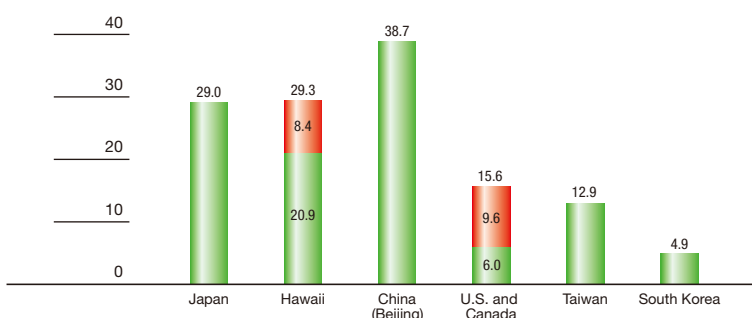
	2001	2002	2003	2004	2005	2006
Franchised stores	3,173	3,276	3,338	3,422	3,508	3,828
Company-operated	2,656	2,547	2,446	2,377	2,321	2,222
Total	5,829	5,823	5,784	5,799	5,829	6,050
Newly opened stores	145	127	95	63	72	302
Closed stores	72	133	134	48	42	81
Stores with gas station	2,470	2,480	2,457	2,432	2,437	2,436

Operating Strategy

7-Eleven, Inc. is bolstering its lineup of palate-pleasing fast foods, particularly in the high-demand categories of hot dishes. While proceeding with upgrades of information systems that support item-by-item management, the company is taking active steps to improve its ordering system by having store employees share ordering responsibilities.

Fast food sales as a percentage of total sales

(%)



1. The red portions of the graph represent such counter-served drinks as Slurpees and coffee.
2. Percentages for Hawaii, U.S. and Canada are calculated using total sales that exclude gasoline sales.

Overview of Core Operating Company for FY2007

	Net sales (Millions of yen)	Sales floor space (1000 m ²)		Merchandise sales per m ² (Thousands of yen)	Employees		Merchandise sales per employee (Thousands of yen)	Average sales per customer (yen)
		Total	Directly managed		Full-time	Part-time		
Ito-Yokado	1,487,480	2,534	1,733	695	10,707	33,592	27,627	approx. 2,300

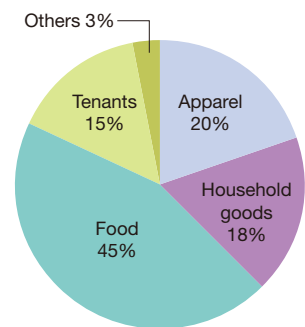
Merchandise Sales Trends

Ito-Yokado is a general merchandise store offering a line of products ranging from apparel and household goods to foods. While steadily improving food sales, Ito-Yokado will also strengthen its apparel and household product lineups to match the characteristics of store service areas and regions and enhance profitability.

Sales by Product Category: Ito-Yokado

	FY 2005		FY 2006		FY 2007	
	Amount	YOY (%)	Amount	YOY (%)	Amount	YOY (%)
Apparel	3314,658	91.9	307,314	97.7	290,560	94.5
Household goods	251,918	97.9	257,466	102.2	263,995	102.5
Food	663,184	101.6	669,372	100.9	672,256	100.4
Merchandise sales	1,229,760	98.2	1,234,154	100.4	1,226,812	99.4
Tenants	188,914	104.4	198,928	105.3	222,999	112.1
Other	36,683	88.2	37,440	102.1	37,668	100.6
Net sales	1,455,358	98.7	1,470,523	101.0	1,487,480	101.2

Breakdown of sales by product category for FY2007



Initiatives in Apparel

In apparel, Ito-Yokado is independently developing private brands centered on basic products. At the same time, Ito-Yokado is transforming its purchasing system for products with rapid turnover such as seasonable wear and highly fashionable items. For these types of products, Ito-Yokado works to reduce markdown losses and improve profitability by increasing the percentage of products carried on a consignment basis.

		Sales areas	Purchasing system	Brands
PB	Basic products developed independently by Ito-Yokado	Open sales areas or corner shop formats	Outright purchase	<i>pbi</i> , <i>L&Beautiful</i> , others
NB	Products developed by apparel makers	Open sales areas	Outright purchase	-
		Shop formats	Consignment	
NPB	Products developed only for Ito-Yokado by apparel makers	Shop formats	Consignment	<i>X'more</i> , <i>Kent</i> , others



pbi—Women's casual wear



Men's made-to-measure



Kent—Men's casual wear

Store-Opening Policies

In addition to conventional stand-alone general merchandise stores, Ito-Yokado is focusing on the development of large-scale mall-type shopping centers—*Ario Mall*—that generate revenue from tenants. At the same time, we will proceed with our area dominance strategy by increasing store openings in major urban areas, particularly the Tokyo metropolitan area, where there are numerous profitable existing stores.

Store Formats

Stand-Alone Formats

Ito-Yokado stores are primarily opened in highly populated urban areas. These stores are composed of 70–80 percent directly managed sales floor space in total, with a broad lineup of apparel, household goods and foods.

Mall-type Shopping Centers

Opened in April 2005, *Ario Soga* was our first mall-type shopping center. The network had grown to five as of February 28, 2007. With Ito-Yokado as the anchor tenant, the shopping malls are designed to draw customers in a wide range of store service areas and attract from 100 to 200 tenants each.

Neighborhood Shopping Centers

On March 12, 2007, we opened Ito-Yokado *Otake no Mori* in Nagareyama City, Chiba Prefecture. This is the first time that Ito-Yokado has opened a store as a supermarket focused primarily on foods.



Kasai



Ario Kameari



Otake no Mori

Profile of Ito-Yokado stores

(As of February 28, 2007)

Sales floor space

	Number of stores	Composition (%)
13,000 m ² –	40	23.0
10,000 m ² –	53	30.5
8,000 m ² –	29	16.7
5,000 m ² –	33	19.0
Under 5,000 m ²	19	10.9

Years since store opened

	Number of stores	Composition (%)
30 years –	33	19.0
20 years –	46	26.4
10 years –	36	20.7
5 years –	36	20.7
1 year –	20	11.5
Under 1 year	3	1.7

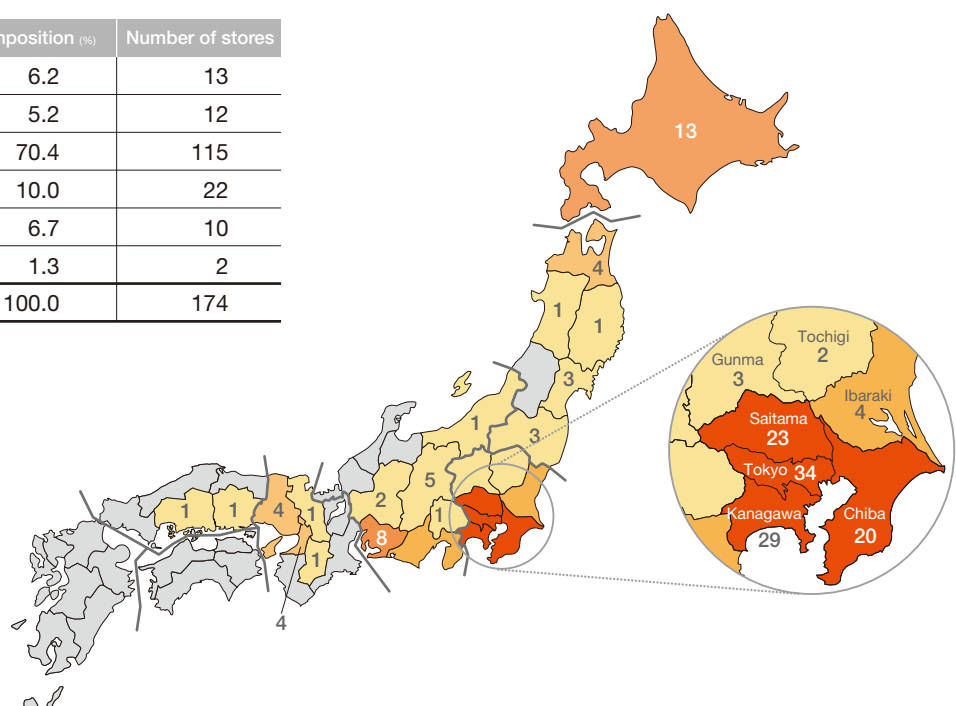
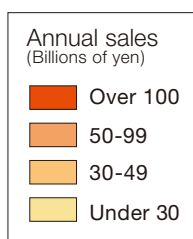
Store Network

(As of February 28, 2007)

Ito-Yokado has a number of stores in urban areas centered in the Tokyo metropolitan area.

Sales breakdown by region for FY2007

	Sales (Billions of yen)	Composition (%)	Number of stores
Hokkaido	92.7	6.2	13
Tohoku	78.1	5.2	12
Kanto	1,047.8	70.4	115
Chubu	149.4	10.0	22
Kinki	99.8	6.7	10
Chugoku	19.7	1.3	2
Total	1,487.4	100.0	174

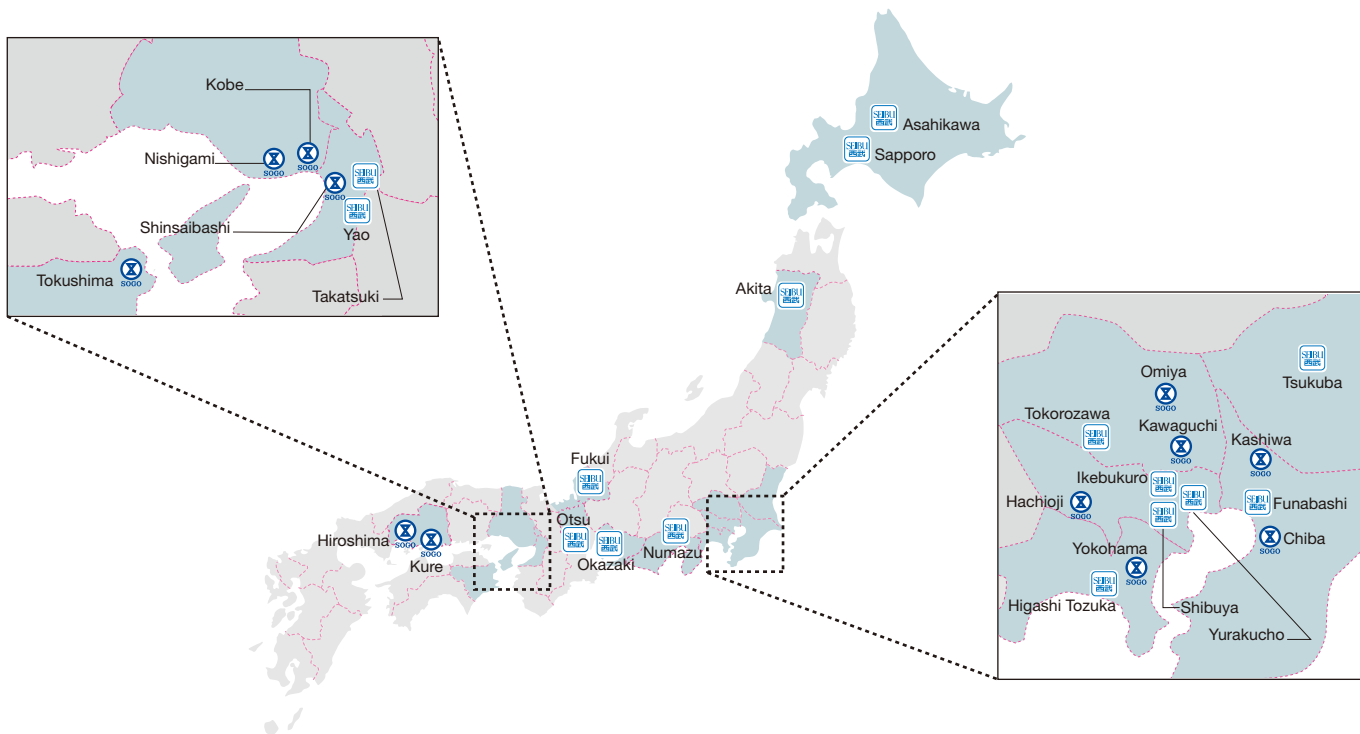


Overview of Core Operating Companies for FY2007

	Net sales (Millions of yen)	Net sales (Millions of yen)					Total sales floor space (1000 m ²)	Average sales per customer (yen)
		Apparel	Household goods	Food	Tenants	Corporate sales		
Sogo	494,349	255,720	55,390	96,782	76,977	9,478	482	approx. 4,500
Seibu	459,074	232,169	39,938	66,783	94,276	25,906	481	approx. 4,900

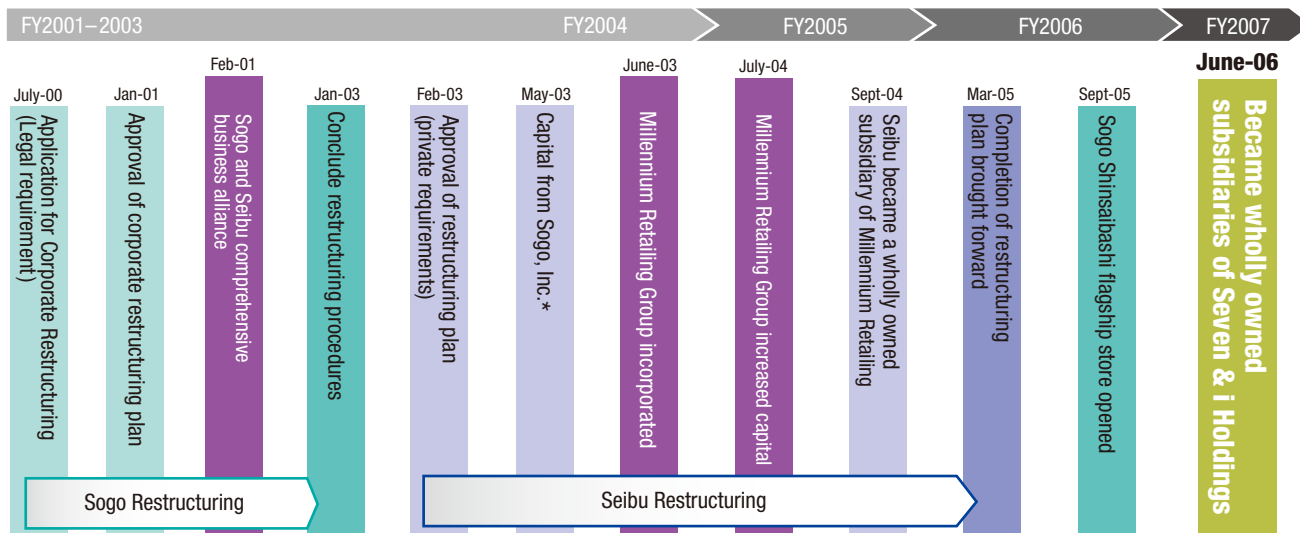
Store Network

(As of February 28, 2007)



The Path towards Business Restructuring

Sogo and Seibu both introduced restructuring initiatives, including the closing of unprofitable stores. This restructuring was completed well ahead of schedule through the implementation of chain operations, remodeling of stores and innovation of corporate culture.

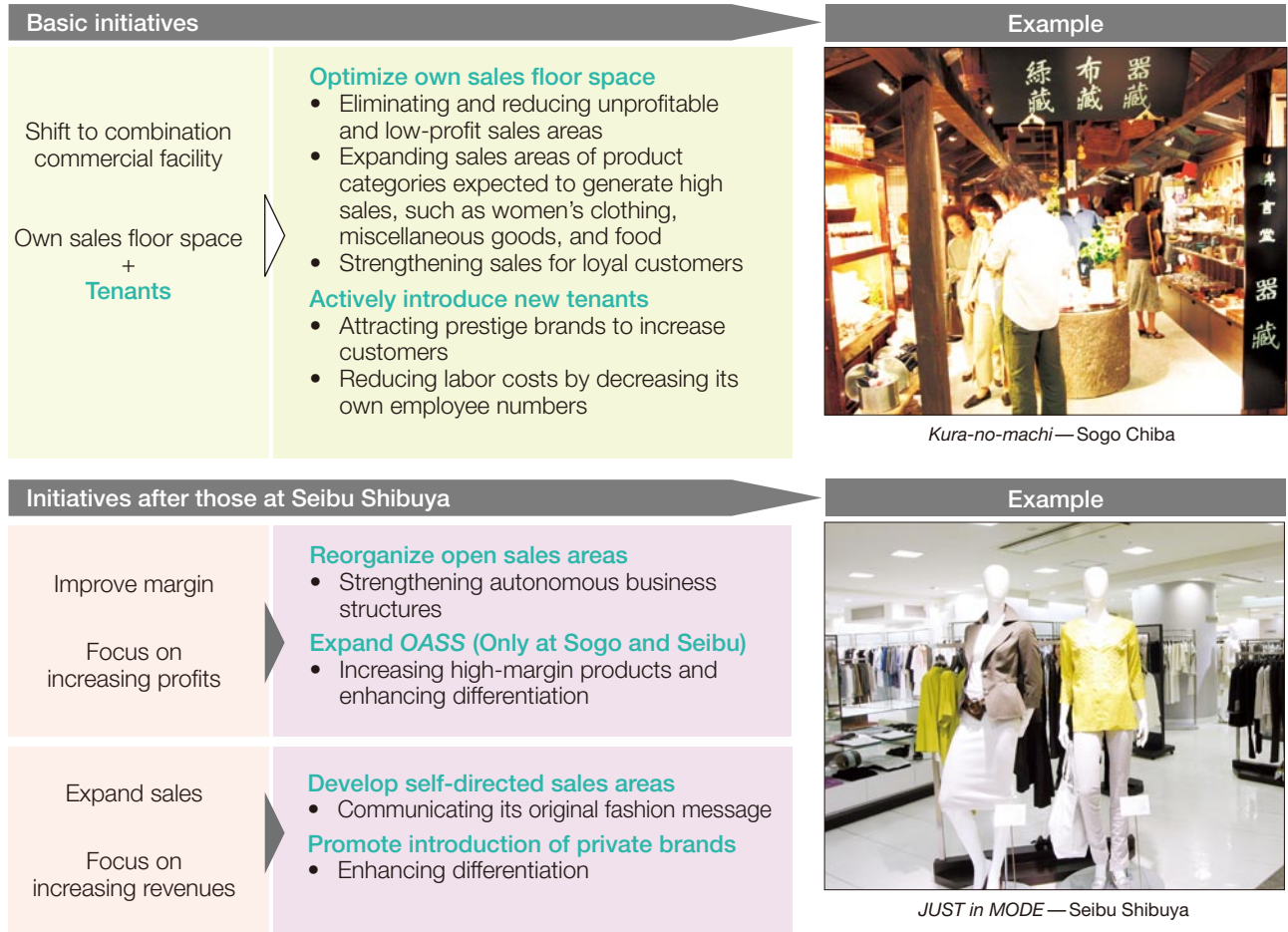


* Sogo, Inc. is the former name of Millennium Retailing.

Store Structural Improvements (Full-Scale Remodeling)



Sogo and Seibu are proceeding with store structural improvements, focusing on developing product strategies with clarified customer targets for each store and improving profitability. Stores that have implemented structural improvements are strengthening merchandising and actively introducing tenants with high customer-drawing power in order to enhance profitability.

Basic Outline



Completed and Planned Store Openings and Structural Improvements

In FY 2007, Sogo Chiba and Seibu Akita and Yurakucho opened after full-scale remodeling. Going forward, Sogo will reap the further effects of structural improvements. Following reopening of its Shibuya store in March 2007, Seibu will proceed in succession with structural improvements at the Tokorozawa and Ikebukuro stores.

	2001	2002	2003	2004	2005	2006	2007	2008
	Yokohama (food)	Yokohama (other floors)						
		Kobe	Omiya	Hiroshima	Shinsaibashi (new store)			
		Nishigami	Kashiwa		Chiba (annex)	Chiba (main building)		
				Funabashi	Tsukuba	Yurakucho	Shibuya	Ikebukuro
				Takatsuki	Yao	Akita	Tokorozawa	

Overview of Core Operating Companies for FY2007

	Net sales (Millions of yen)	Sales floor space (1000 m ²)		Merchandise sales per m ² (Thousands of yen)	Employees		Merchandise sales per employee (Thousands of yen)	Average sales per customer (yen)
		Total	Directly managed		Full-time	Part-time		
York-Benimaru	304,855	448	335	772	2,033	9,295	22,399	approx. 2,500
York Mart	99,487	93	86	1,078	1,047	3,352	22,165	approx. 2,000
SHELL GARDEN	23,293	9	9	2,491	173	446	29,636	approx. 1,500

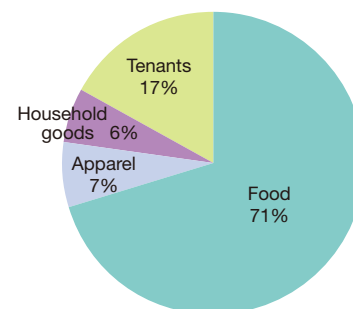
Strengthening the Supermarket Business

Seven & i Holdings is strengthening its supermarket operations with York-Benimaru, a new wholly owned subsidiary, as a core operating company. The three operating companies engaged in the supermarket business operate primarily in the East Japan region. Their combined sales of approximately 430.0 billion yen is ranked in the top of supermarkets in Japan.

Sales by Product Category: York-Benimaru

	FY2005		FY2006		FY2007	
	Amount	YOY (%)	Amount	YOY (%)	Amount	YOY (%)
Fresh food	83,017	103.0	85,526	103.0	90,675	106.0
Processed food	59,978	111.5	63,304	105.5	68,249	107.8
Daily food	51,068	107.9	52,881	103.5	56,507	106.9
Food total	194,065	106.8	201,712	103.9	215,433	106.8
Apparel	19,453	96.0	19,872	102.2	20,126	101.3
Household goods	17,779	96.3	18,074	101.7	18,567	102.7
Merchandise sales	231,297	104.9	239,659	103.6	254,126	106.0
Tenants	49,297	94.0	49,734	100.9	50,728	102.0
Net sales	280,595	102.8	289,393	103.1	304,855	105.3

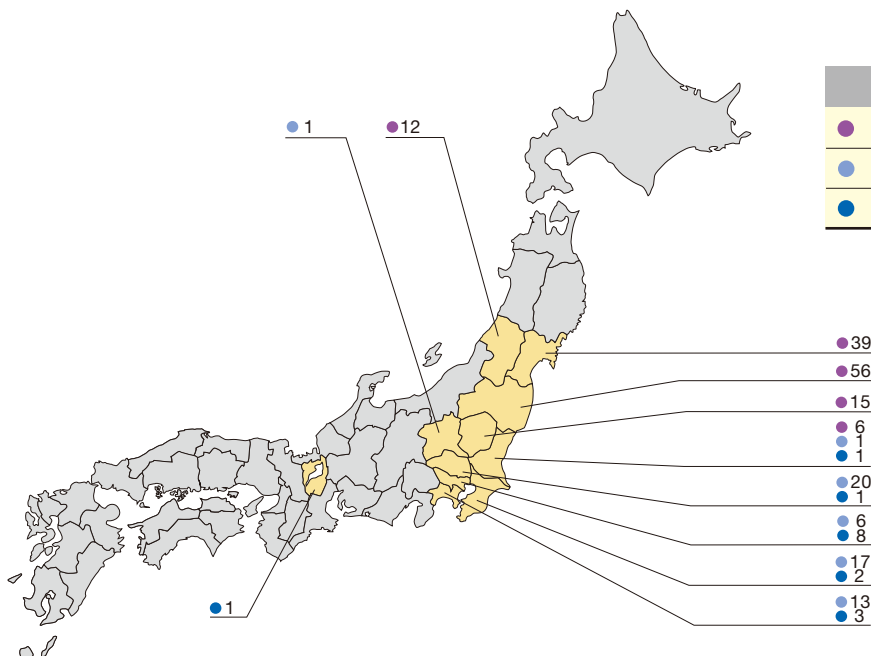
Breakdown of sales by product category for FY2007



Store Network

(As of February 28, 2007)

Supermarkets in the Group operate primarily in the Tohoku and Kanto regions.

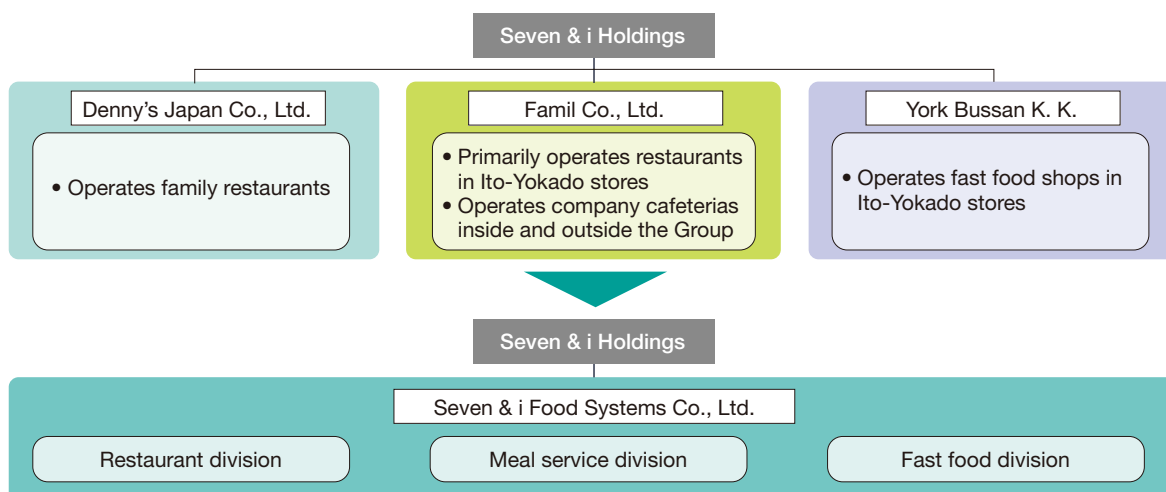


Overview of Core Operating Companies for FY2007

	Net sales (Millions of yen)	Number of stores	Employees		Average sales per customer (Yen)
			Full-time	Part-time	
Denny's Japan	92,788	585	1,435	11,232	approx. 1,000
Famil	17,892	Restaurants 110 Company cafeterias 213	345	2,354	approx. 800
York Bussan	10,548	141	85	1,535	approx. 500

Integration and Reorganization of Restaurant Operations through the Establishment of Seven & i Food Systems

Denny's Japan currently operates family restaurants in 16 prefectures. Famil, in addition to being a family restaurant in Ito-Yokado stores, is engaged in providing meals to companies inside and outside the Group, and York Bussan operates the *Poppo* fast food shops. Looking ahead, Seven & i Food Systems will merge the three companies to integrate and reorganize the restaurant, meal service and fast food divisions with the aim of enhancing the profitability of the Group's restaurant operations.



Business Plan

Strengthen and expand business domains

- Restaurants: Revitalize existing shops and develop small-scale shops and new shop formats
- Meal services: Aggressively develop outside the Group
- Fast food: Develop specialty shops and open shops outside the Group

Joint opening of multiple-format shops: Open shops that combine restaurants and fast food shops

Enhance efficiency through consolidation of functions: Employee exchanges, sharing of resources and consolidation of administrative operations



Pre Dé—A new type of family restaurant



Famil Dining—Restaurant in Ito-Yokado



Poppo—Fast food shop in Ito-Yokado

Overview of Core Operating Companies for FY2007

	Revenues from operations (Millions of yen)	Cards issued		
		Cash cards	Credit cards	Point cards
Seven Bank	75,427	466 thousand	-	-
IY Card Service	14,227	-	2.8 million	5.6 million

*The fiscal year of Seven Bank ends on March 31 and the fiscal year of IY Card Service ends on February 28.

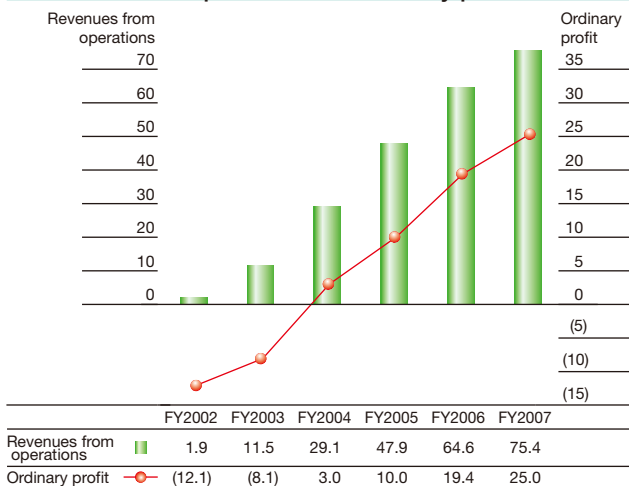
Seven Bank

In order to meet customer demand for in-store ATMs, Seven Bank started operations in April 2001 as Japan's first bank established by a retailer.

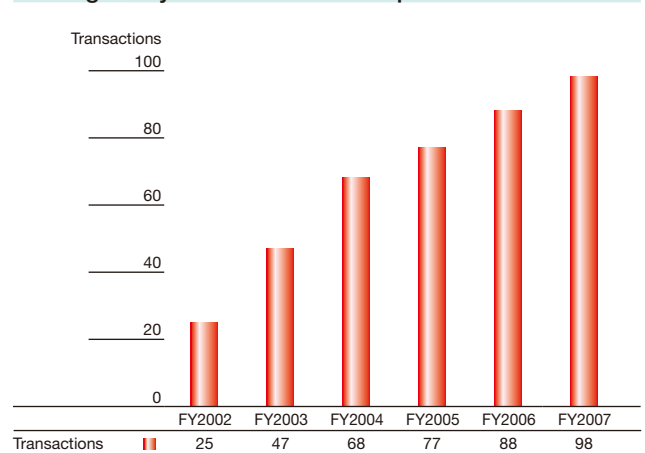
Performance

Seven Bank attained its first full-year profit in its third fiscal year and eliminated accumulated losses in the fiscal year ended March 31, 2006. By improving the convenience and quality of ATM services, the number of ATM transactions have increased rapidly. This is a major factor in Seven Bank's strong performance.

Revenues from operations and ordinary profit (Billions of yen)

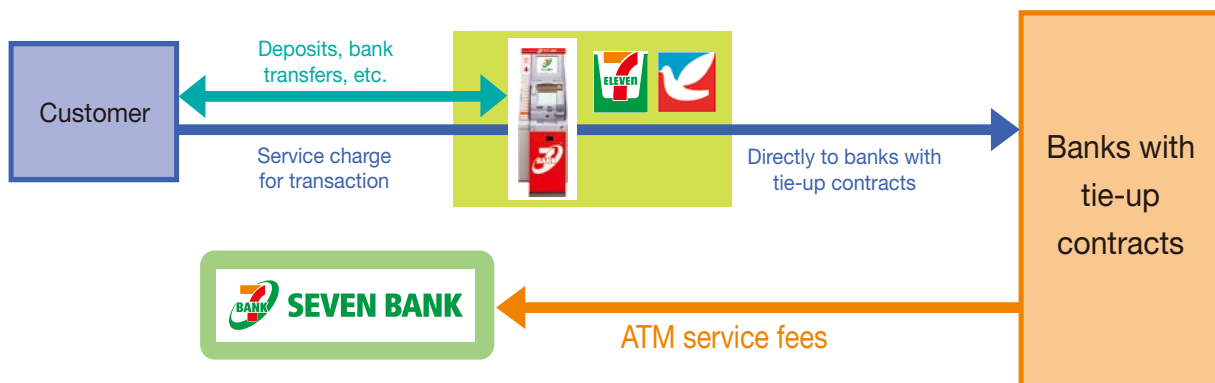


Average daily transaction volume per ATM



Seven Bank's Primary Source of Earnings

Centered in Seven-Eleven stores, a total of 12,140 ATMs had been placed in stores of Group companies as of May 2007. The main source of earnings in this business is the fees from banks with tie-up contracts. The fees are paid to Seven Bank for the use of its ATMs by card holders of these banks.



Seven-Eleven Japan

	FY2003	FY2004	FY2005	FY2006	FY2007
Domestic stores	9,690	10,303	10,826	11,310	11,735
Openings	930	904	904	891	832
Closures	300	291	381	407	407
Relocations	233	225	326	312	282
Terminations of contract	67	66	55	95	125
Net increase	630	613	523	484	425

Average daily number of customers visits per store

	FY1990	FY1995	FY2000	FY2005	FY2007
Number of customers	897	962	959	986	963
By age					
Under 20	27.6%	19.8%	17.1%	12.8%	10.7%
20-29	34.6%	36.5%	36.4%	28.8%	28.8%
30-39	18.1%	17.6%	18.6%	21.6%	23.7%
40-49	10.7%	13.3%	12.2%	14.2%	15.8%
Over 50	9.0%	12.8%	15.7%	22.6%	21.0%

Ito-Yokado

	FY2003	FY2004	FY2005	FY2006	FY2007
Domestic stores	177	177	181	178	174
Openings	2	5	8	5	3
Closures	6	5	4	8	7
Directly managed sales floor space (m ²)	1,654,041	1,678,648	1,743,533	1,764,519	1,733,405
MD sales per m ² (Thousands of yen)	769	754	716	700	695
MD sales per employee (Thousands of yen)	27,083	26,221	25,447	26,183	27,627

Sogo

	FY2003	FY2004	FY2005	FY2006	FY2007
Domestic stores	11	11	11	12	12
Openings	0	0	0	1	0
Closures	0	0	0	0	0
Sales floor space (m ²)	441,005	441,005	441,005	481,785	481,785
Net sales per m ² (Thousands of yen)	1,030	1,016	1,006	1,016	1,026
Net sales per employee (Thousands of yen)	91,510	94,819	100,236	101,602	106,403

Seibu

	FY2003	FY2004	FY2005	FY2006	FY2007
Domestic stores	22	18	18	18	16
Openings	0	0	0	0	0
Closures	2	4	0	0	2
Sales floor space (m ²)	582,931	520,782	512,504	512,504	481,149
Net sales per m ² (Thousands of yen)	1,012	972	920	929	954
Net sales per employee (Thousands of yen)	96,724	108,522	102,374	101,653	104,169

York-Benimaru

	FY2003	FY2004	FY2005	FY2006	FY2007
Domestic stores	99	104	110	116	128
Openings	9	7	7	8	10
Closures	2	2	1	2	1
Directly managed sales floor space (m ²)	257,733	268,416	282,299	302,169	335,075
MD sales per m ² (Thousands of yen)	839	832	841	814	772
MD sales per employee (Thousands of yen)	24,360	24,475	24,222	23,200	22,399

Note: MD sales indicate Merchandise sales.