



Corporate Outline 2007



Seven & i Holdings' Core Operating Companies

Operation/Company name	Business description	Number of stores*
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Convenience Store Operations

Seven-Eleven Japan Co., Ltd.	Operates convenience stores by franchise system in Japan	11,735
7-Eleven, Inc.	Operates convenience stores by franchise system in North America and licenses the operation of Seven-Eleven stores to area licensees worldwide	6,050
SEVEN-ELEVEN (HAWAII), INC.	Operates convenience stores in the state of Hawaii, U.S.A.	54
SEVEN-ELEVEN (BEIJING) CO., LTD.	Operates convenience stores in Beijing, China	50

Superstore Operations

Ito-Yokado Co., Ltd.	Operates superstores handling apparel, household goods, and food in Japan	174
Hua Tang Yokado Commercial Co., Ltd.	Operates superstores handling apparel, household goods, and food in Beijing, China	6
Chengdu Ito-Yokado Co., Ltd.	Operates superstores handling apparel, household goods, and food in Chengdu, China	2

Department Store Operations

Sogo Co., Ltd.	Operates department stores mainly in the Kansai area, Japan	12
THE SEIBU DEPARTMENT STORES, LTD.	Operates department stores mainly in the Kanto area, Japan	16

Supermarket Operations

York-Benimaru Co., Ltd.	Operates supermarkets, mainly in the Tohoku area, Japan	128
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Restaurant Operations

Denny's Japan Co., Ltd.	Operates family restaurants in Japan	585
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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 and issuance and management of electronic money	-

* Figures for Japan are as of February 28, 2007, and others are as of December 31, 2006.

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Total number of Seven & i Holdings' stores

Worldwide: approx. 33,000 stores

Number of customer store-visits per day

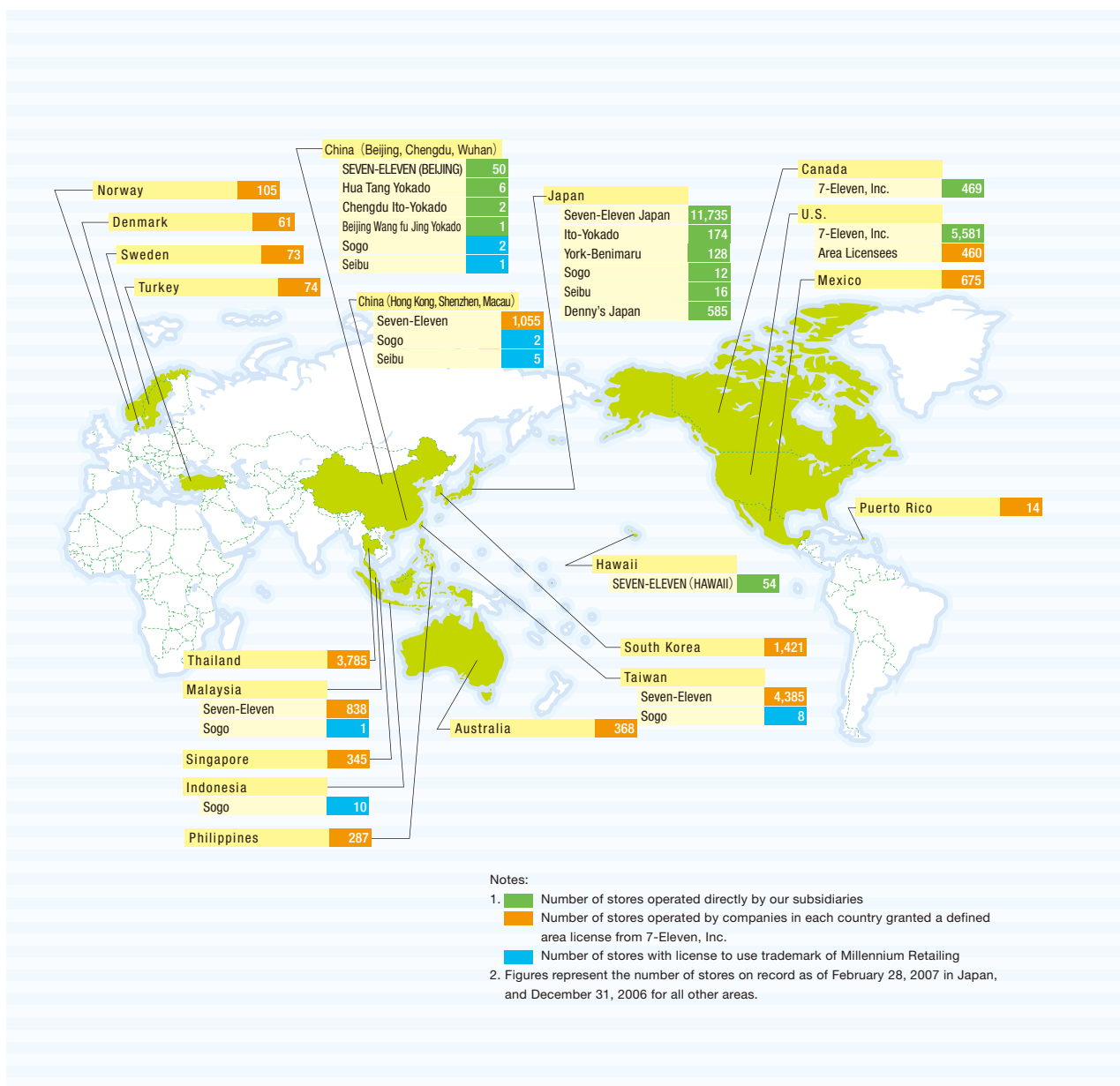
In Japan: approx. 13,000 stores

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=110.0 yen
* 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

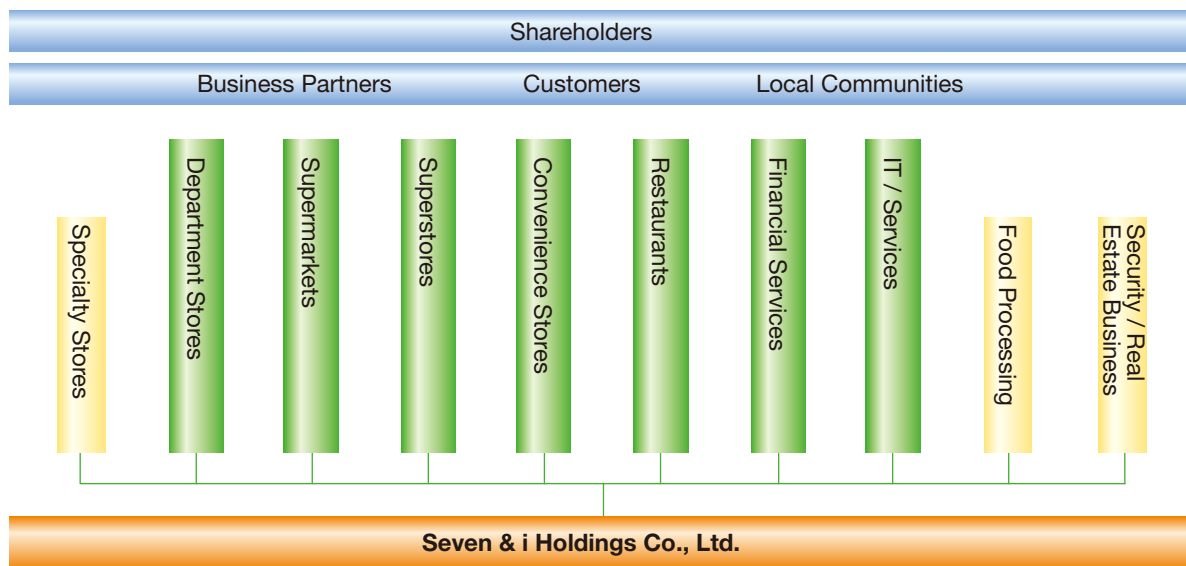
- Clearly delineating autonomy and the responsibilities of each group company
- Evaluating profitability and efficiently allocating management resources based on monitoring

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.



■ Seven core operational areas

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

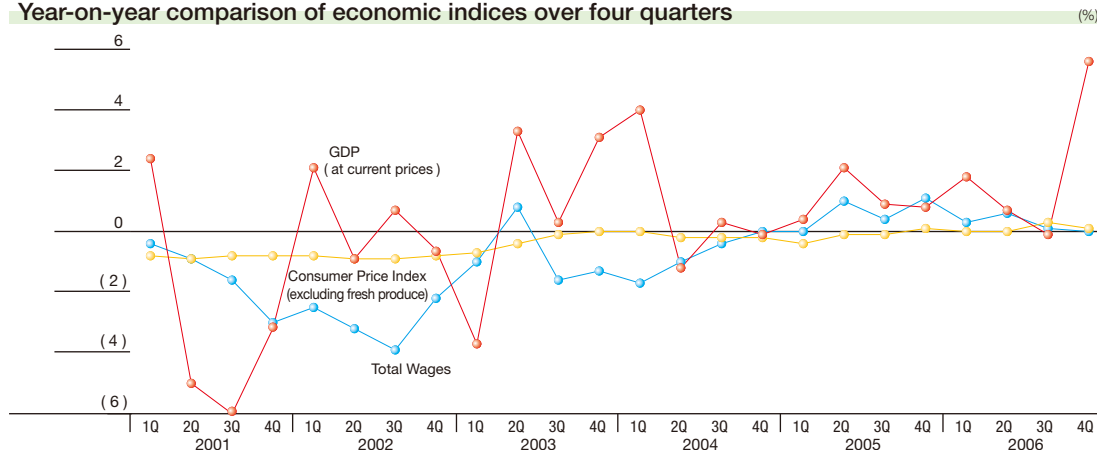
Operating Environment for the Retail Industry

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

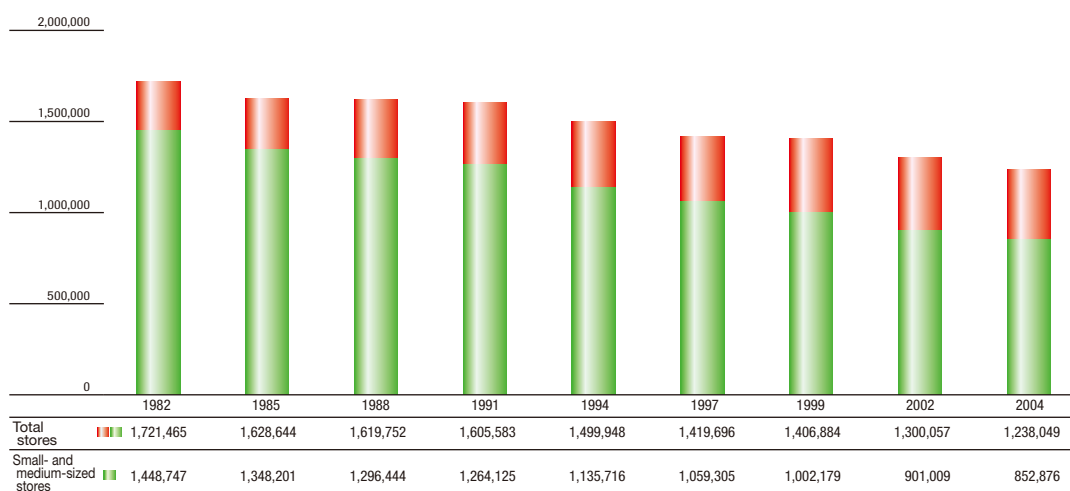


Source: National Accounts (Japan Economic and Social Research Institute, Cabinet Office), Consumer Price Index (Japan Ministry of Internal Affairs and Communications), Monthly Labour Survey (Japan Ministry of Health, Labour and Welfare)

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

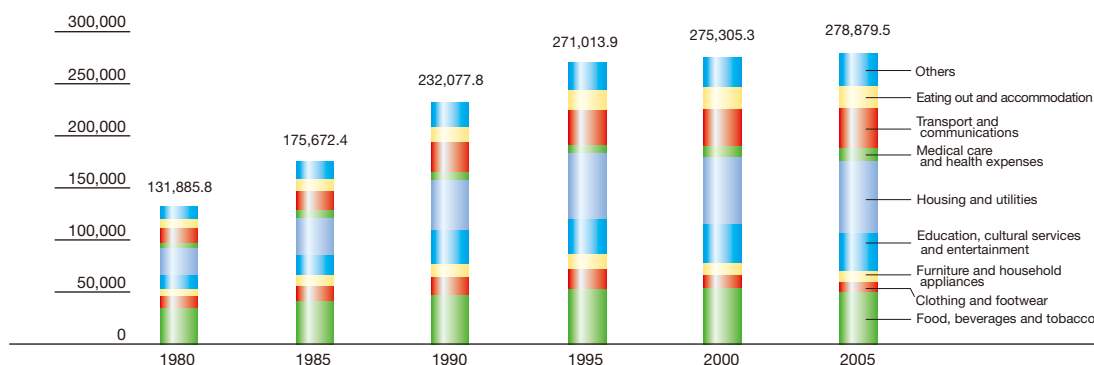
Retailers in Japan need to be flexible in responding to the peculiarities of purchasing behavior and changes in the market.

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)



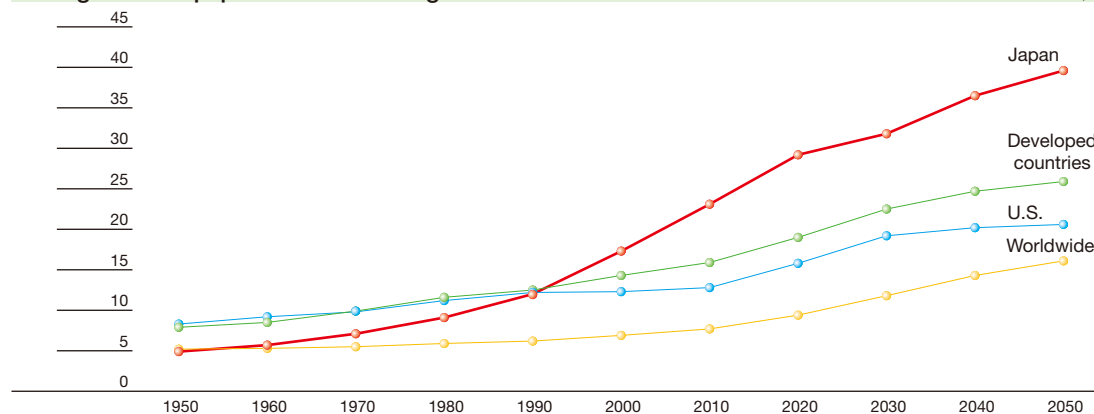
Source: National Accounts (Japan Economic and Social Research Institute, Cabinet Office)

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)

Seven & i Holdings' Merchandising Strategy

Seven & i Holdings has annual sales of 3.6 trillion yen in food products and holds a 7% share of the 48 trillion yen market in Japan. Leveraging this sales power, the Group is advancing a broad range of product strategies.

Group Product Strategy

By strengthening both team merchandising and group merchandising, we actively develop many original products and strive to increase sales and profitability groupwide.

Team merchandising

- Enhancing development of original daily food products
- Strengthening development of original products in collaboration with top manufacturers

Group merchandising

- Expanding team merchandising to the whole Group
- Strengthening procurement with the Group's total economies of scale

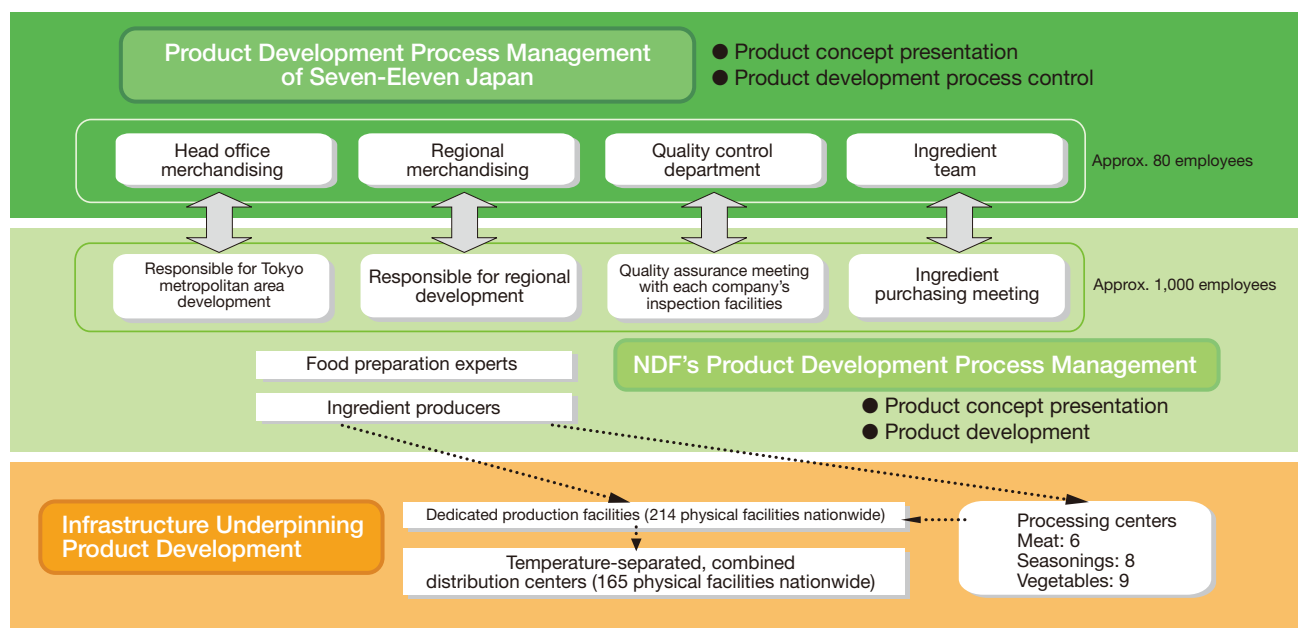
Differentiating our stores and reinforcing brand image through original products

- We conduct thorough market research and analysis to offer original products suited to customer needs at all Group stores
- We offer higher product quality and value commensurate with price, thereby improving gross profit margins



Seven-Eleven Japan's Food Product Development System

Seven-Eleven Japan and Nihon Delica Foods Association (NDF) are engaged in the joint development of original daily food products.



1. 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.
2. Figures for the development system, number of dedicated production facilities, combined distribution centers, and processing centers are as of February 28, 2007.

Seven Premium Development of New Private-Brand Products

Seven & i Holdings launched its “Group Merchandising Reform Project” in November 2006. We are aiming to develop competitive original products offering outstanding quality at reasonable prices.

Overview of New Private-Brand Development

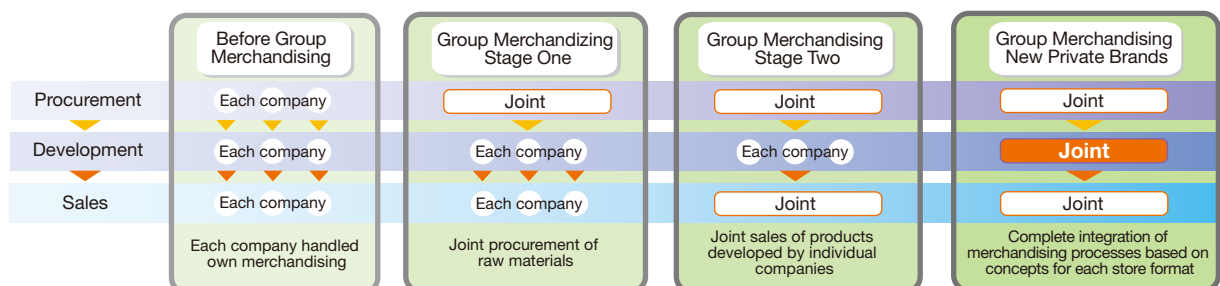
Previously, each group company developed its own private-brand lines. However, since the establishment of Seven & i Holdings, we have focused on further expanding group merchandising. We have now integrated merchandising processes such as purchasing, product development and sales to achieve a structure for developing even more highly competitive products.

Organizational structure

- The participating companies are Seven-Eleven Japan, Ito-Yokado, York-Benimaru, York Mart and SHELL GARDEN
- About 70 merchandisers and buyers from participating companies comprise 17 subcommittees and 46 teams in the categories of processed foods and daily foods

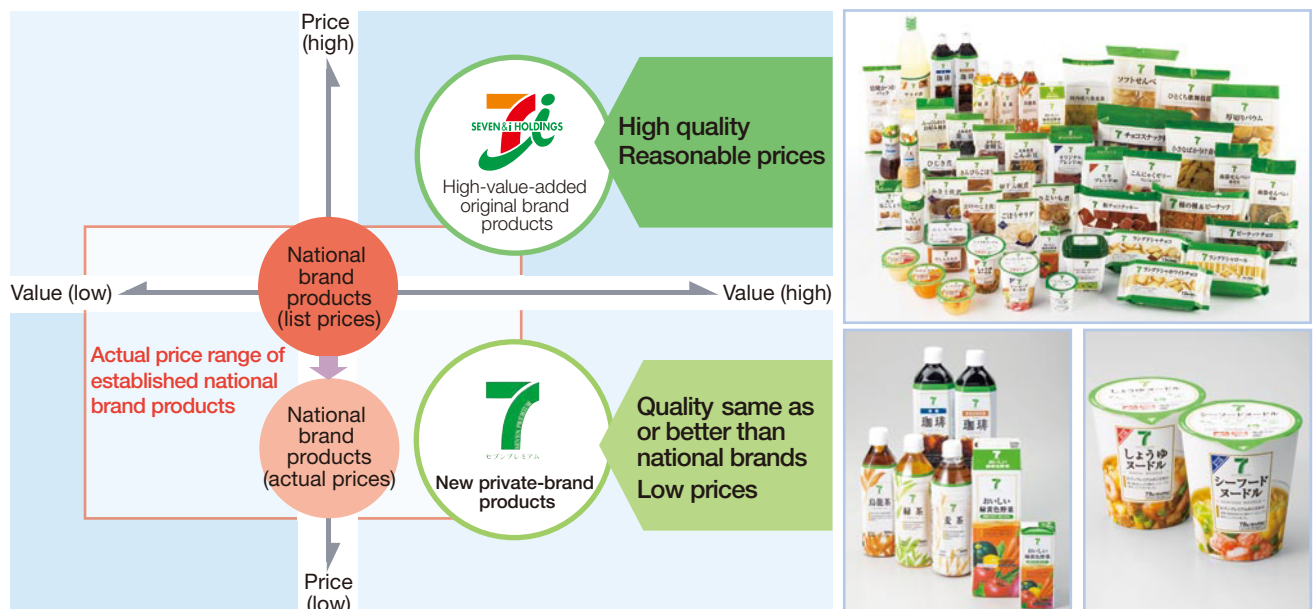
Product development policies

- Establish a development system that extends to the merchandising processes such as material procurement, manufacturing, distribution, and sales by sharing information within the Group and leveraging the Group's exceptional development methods
- The operating company with the greatest strengths in that field will be responsible as the development leader in each category
- Establish brands unique to each store format based on differences in customer motivation for store visits



Positioning of New Private-Brand Products

In addition to existing value-added original brand products, the introduction of competitively priced, new **Seven Premium** private-brand products will further enhance the lineup to meet a broader range of customer needs.



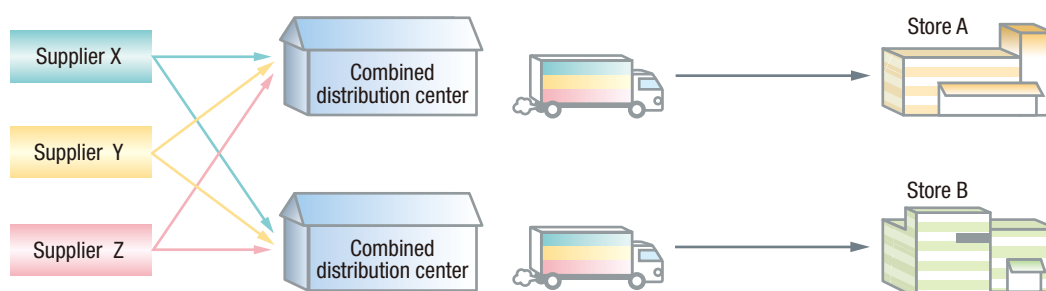
Efficient Distribution Systems

Group companies employ a combined distribution system for greater efficiency

Combined Distribution System

The combined distribution system is a rationalized system that allows products from different suppliers and manufacturers to be delivered to stores on the same truck. The combined distribution centers are operated by third parties.

Overview of the combined distribution system



Promoting Integration of Group Company Distribution Operations

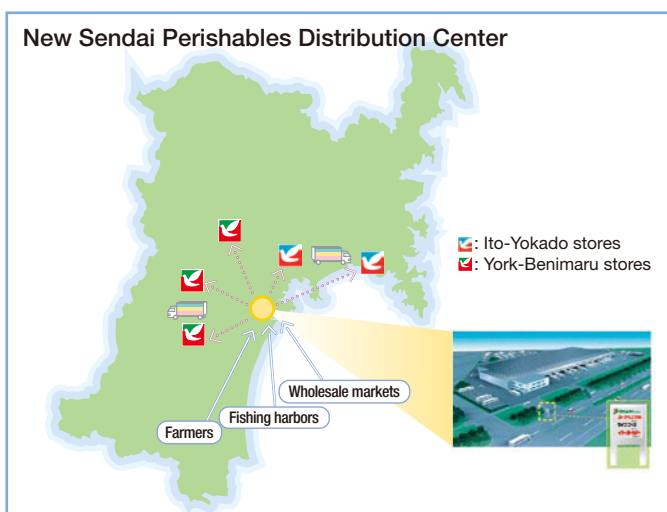
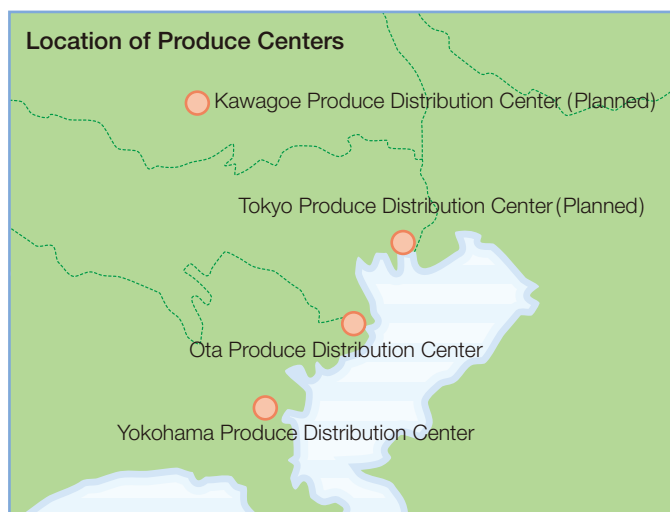
We are aiming to promote group merchandising and make full use of economies of scale by integrating the distribution operations of Group companies.

Produce centers

With the objectives of reducing costs through consolidation of delivery routes, constructing a distribution system whereby products are delivered at optimal temperatures, and enhancing responsiveness to seasonal needs, produce centers of Ito-Yokado are located on sites adjacent to vegetable processing centers of Seven-Eleven Japan. Operations of these produce centers are completely outsourced.

New Sendai Perishables Distribution Center

With the objectives of establishing a product-purchasing network coordinated with merchandising strategies, strengthening local product procurement and expanding joint purchasing within the Group, we are integrating the perishables distribution center of Ito-Yokado and York-Benimaru that is located in the southern area of the Tohoku region. We are reducing outsourcing fees and achieving lower operating costs through improved efficiency at this center.

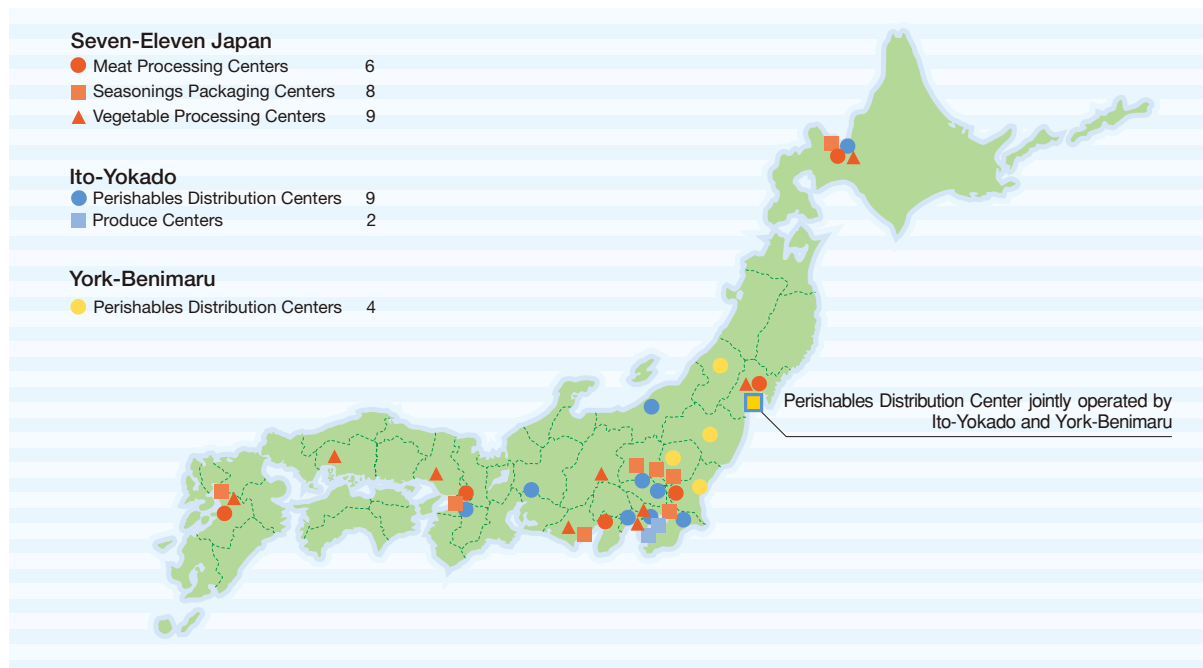


Processing Centers and Perishables Distribution Centers

We are taking active steps to prevent inconsistency in the quality of ingredients, strengthening the traceability of ingredients and lowering costs at food distribution centers. Through these measures, we are able to supply fresh, high-quality products and ingredients to stores in a reliable and efficient manner.

Processing centers and perishables distribution centers

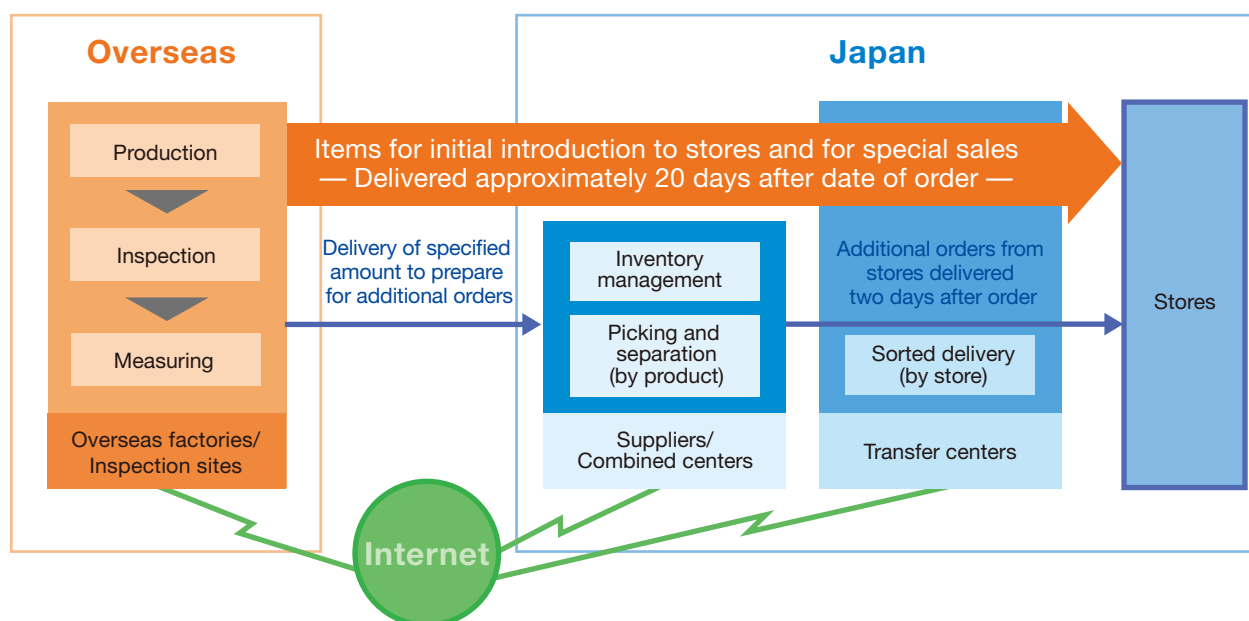
(As of end of June 2007)



Constructing an Integrated Distribution Structure for Goods from Overseas Production Basis

We will **reduce distribution costs by transferring overseas the processing** of merchandise for special sales and merchandise being introduced to stores for the first time, the volume of which is decided in advance. These operations are currently conducted in Japan. We will continue processing in Japan short-lead-time merchandise that is ordered directly by stores.

Distribution initiatives: Underwear

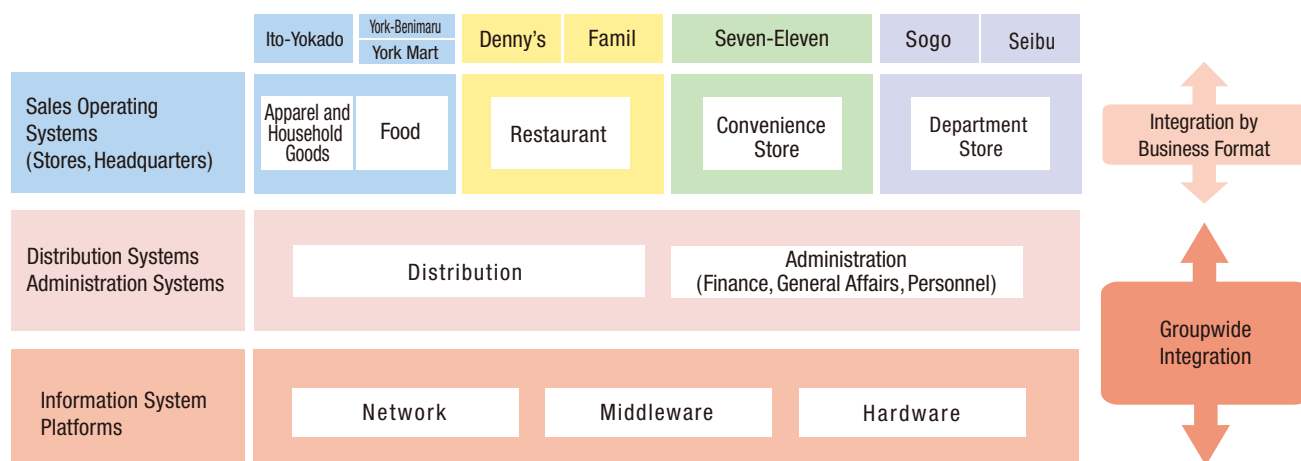


The Corporate Group Systems Integration

Outline of System Integration

- The systems network is shared groupwide and some hardware and platforms are also integrated among Group companies
- Sales operating systems are being integrated by business format
- Unifying administrative and management systems will contribute to higher sales and profitability groupwide
- The integration is also expected to yield cost savings

Concept chart of system integration



Objectives of the Integration

Strengthening sales support for store promotion

- Standardize product classification codes to facilitate the common use of logistics resources and merchandising support among all Group companies
- Provide greater support for item-by-item management (sales planning, ordering, inventory verification, etc.) in store operations and thus improve productivity
- Facilitate information sharing among Group companies through a Web-based, groupwide information system

Reducing development and operating costs

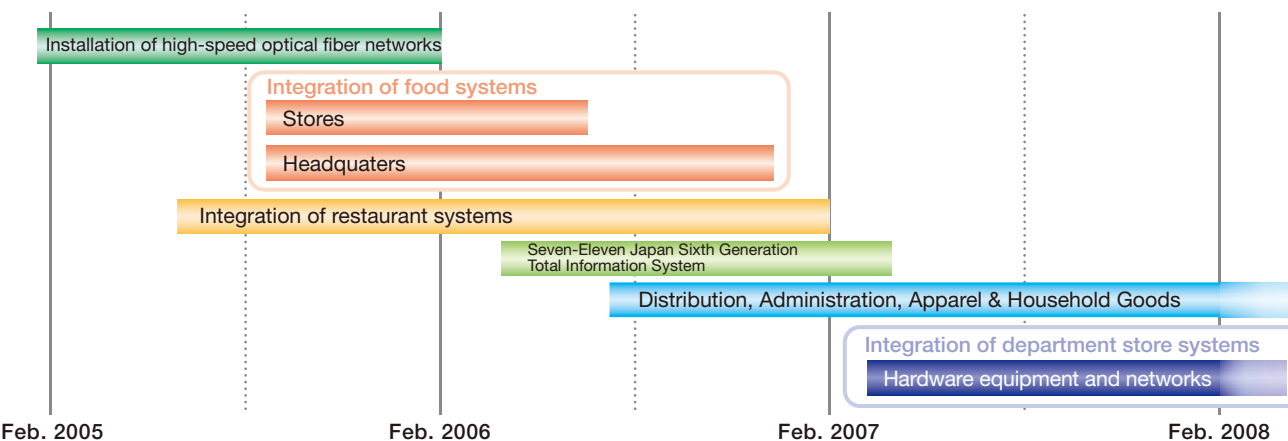
- Unify hardware to achieve economies of scale (POS cash registers, GOT*¹, ST*², and other equipment)
- Concentrate network servers and other functions at hubs to reduce overall costs

*1 GOT: Graphical Order Terminal used for ordering at the sales area

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

Progress on Integration

Integration of Group systems is proceeding smoothly. Our next step is to integrate the systems of Millennium Retailing, a new member of the Group.



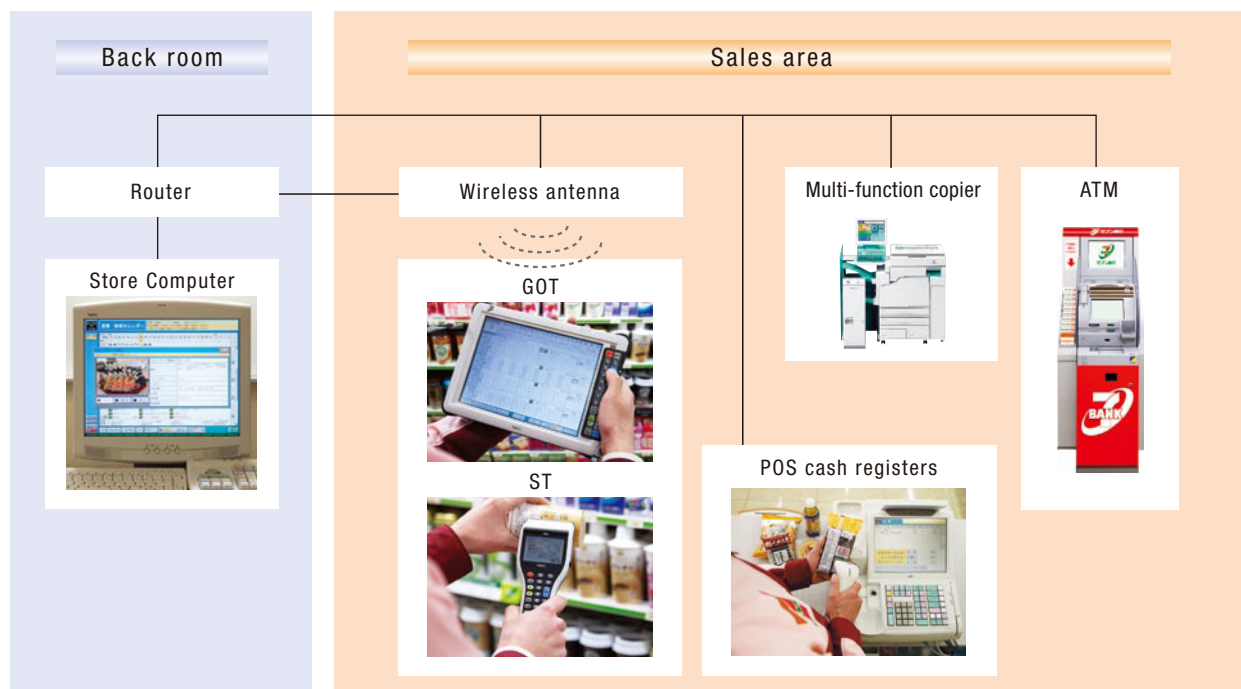
Seven-Eleven Japan's Total Information System

The first-generation store system was introduced in 1978, followed by the development of such ground-breaking systems as POS Systems and electronic ordering terminals. In March 2007, Seven-Eleven Japan completed the installation of the Sixth-Generation Total Information System to further upgrade its systems.

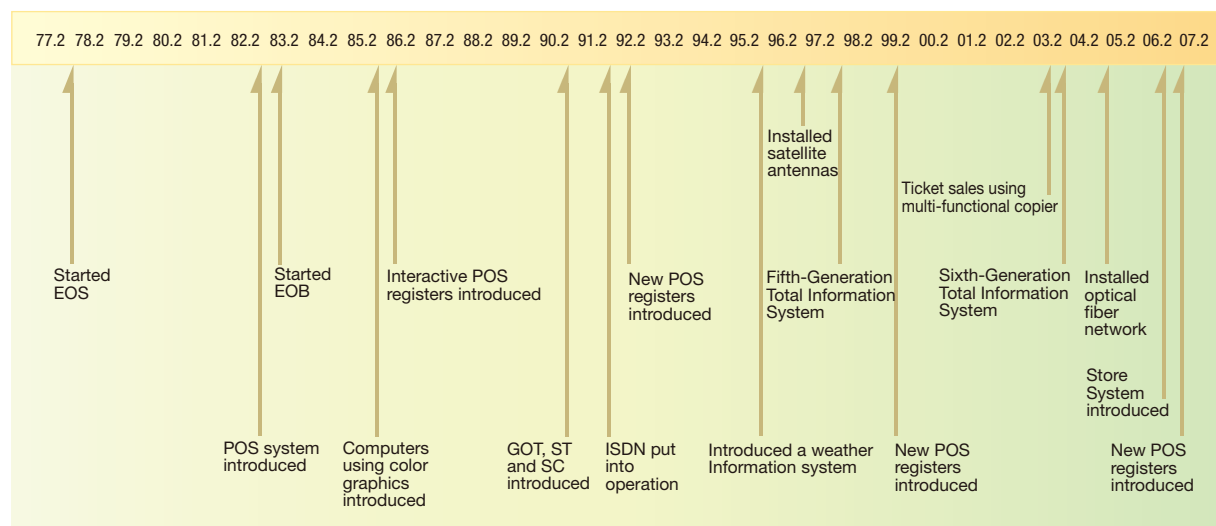
Sixth-Generation Total Information System

By introducing wireless in-store networks, the Sixth-Generation Total Information System can improve productivity and enhance "Store System" functions that support item-by-item management. In addition, POS cash registers equipped with a multi-read/write ability that enables the use of electronic money systems are installed.

Overview of the Sixth-Generation Total Information System



Information System Innovation



Group 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 motivations for store visits 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.

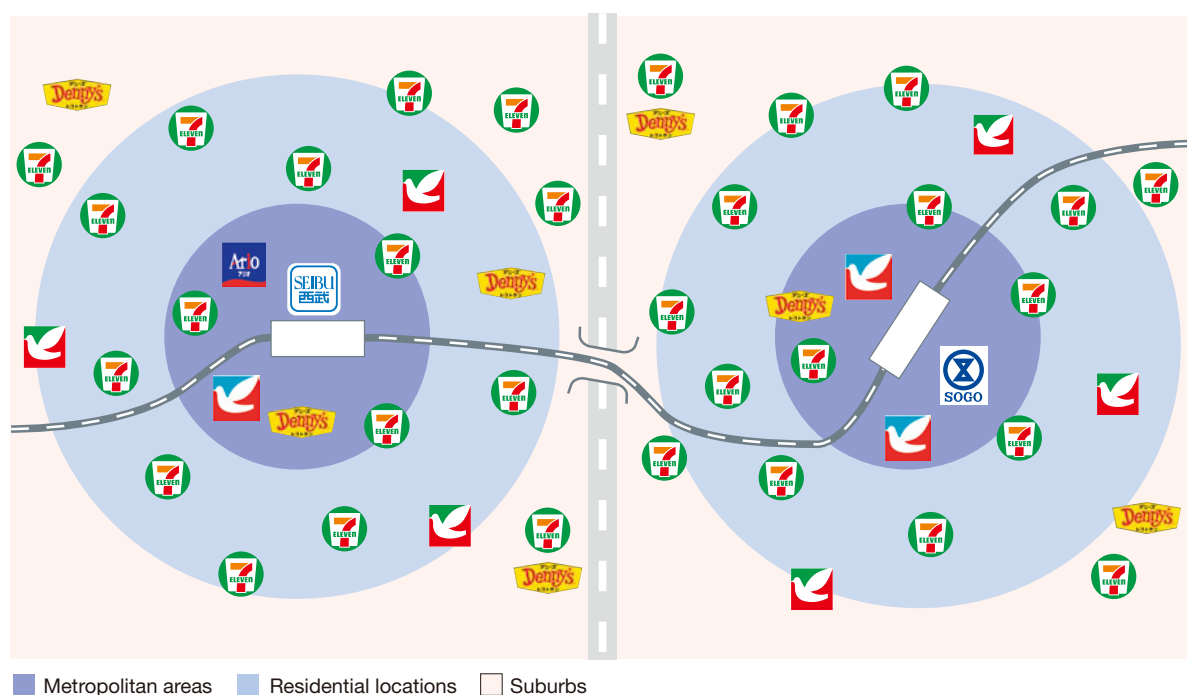
Area Dominance Strategy (High-Density, Clustered Store Openings)










Our fundamental strategy is market dominance, whereby a high concentration of stores is positioned within one region.

Effects of area dominance strategy

- Greater familiarity with customers
- Effective sales promotions
- Improved efficiency in guiding franchised stores
- Efficient construction of production basis
- Efficient construction of distribution structure
- Preventing entry by competitors

Our area dominance strategy

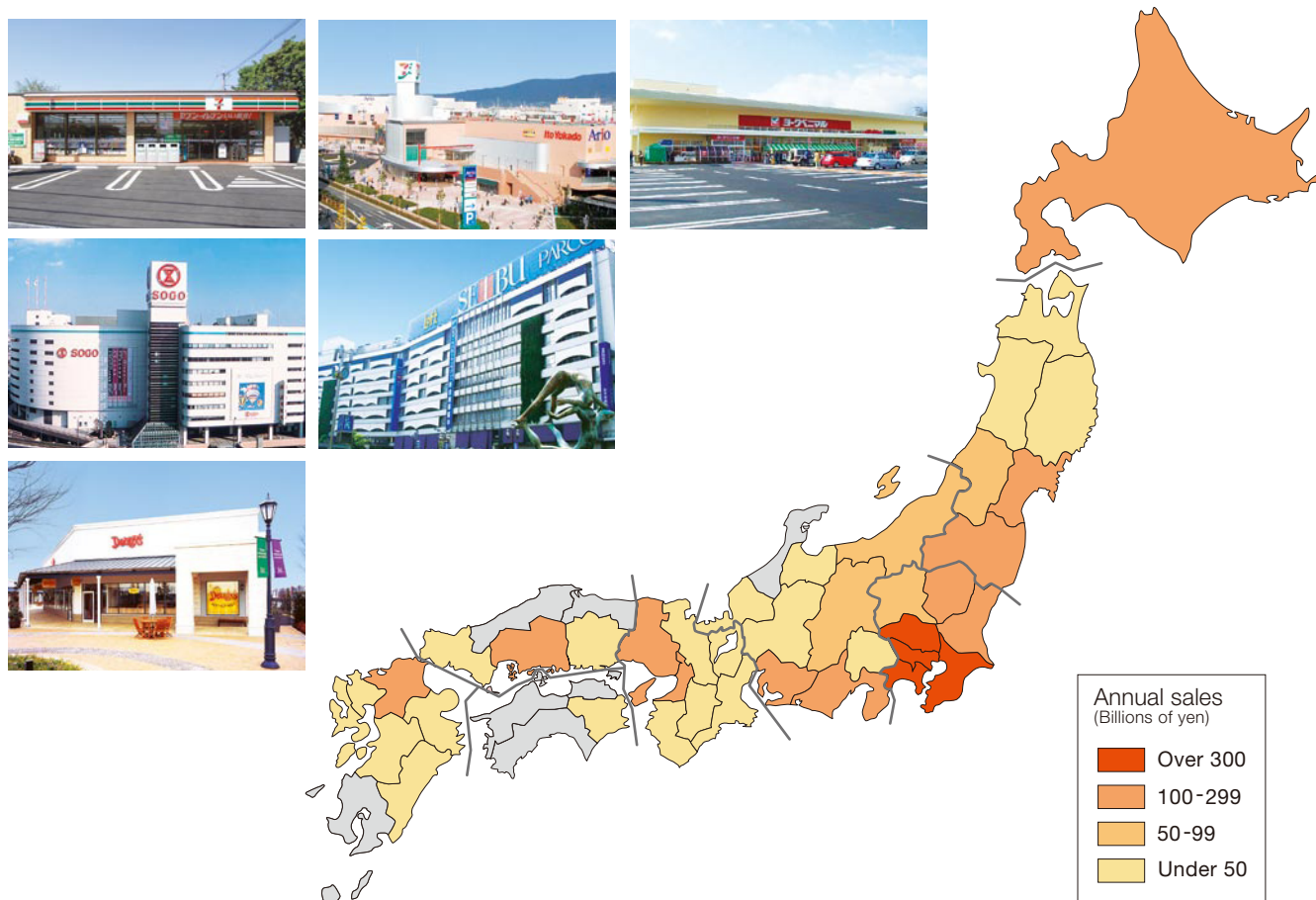


Format	Convenience store 	Supermarket Restaurant 	Superstore 	Department store Shopping center 	 	
Store universe	Small					Large
Shop size	Small					Large
Product range	Focused					Variety

Store Network in Japan

Seven & i Holdings focuses on the business factors that will make each and every store a success, not on simply expanding the number of stores.

Total Sales of Principal Group Companies by Prefecture for FY2007



Principal Group Companies' Store Network

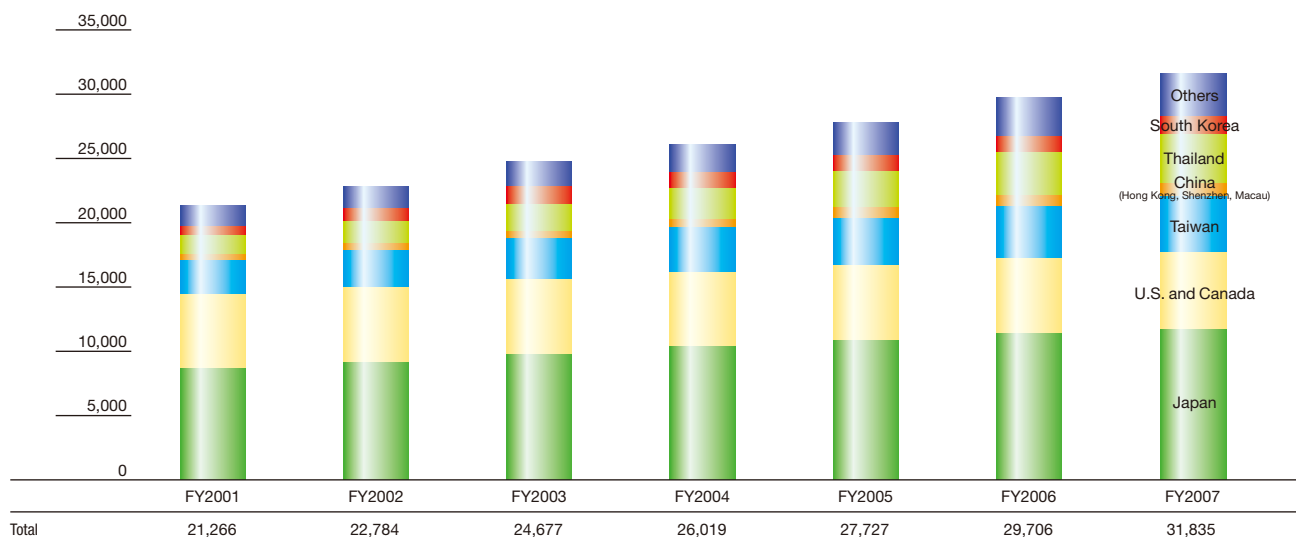
(As of February 28, 2007)

Format	Convenience store	Superstore	Supermarket	Department store		Restaurant
Brand	Seven-Eleven	Ito-Yokado	York-Benimaru	Sogo	Seibu	Denny's
Hokkaido	832	13	–	–	2	–
Tohoku	831	12	107	–	1	20
Kanto	5,089	115	21	6	7	415
Chubu	1,758	22	–	–	3	120
Kinki	1,252	10	–	3	3	30
Chugoku	778	2	–	2	–	–
Shikoku	–	–	–	1	–	–
Kyushu	1,195	–	–	–	–	–
Total	11,735	174	128	12	16	585

A Worldwide Network of Convenience Stores

Mainly in Japan and North America, the number of Seven-Eleven convenience stores around the world is increasing year by year.

Number of Seven-Eleven stores worldwide



Notes: 1. Figures for the U.S. 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. Seven-Eleven Japan has started to supply its original products and store equipment to area licensees in Southeast Asia. Seven-Eleven Japan further plans to supply original product development know-how and item-by-item management.

Country or Region	Company name	Number of stores
Japan	Seven-Eleven Japan Co., Ltd.	11,735
U.S. and Canada	7-Eleven, Inc.	6,050
China (Beijing)	SEVEN-ELEVEN (BEIJING) CO., LTD.	50
Hawaii	SEVEN-ELEVEN (HAWAII), INC.	54
Taiwan	President Chain Store Corporation [Uni-President Enterprise Corp.]	4,385
Thailand	C.P. Seven-Eleven Public Co., Ltd. [Charoen Pokphand Group]	3,785
South Korea	Korea Seven Co., Ltd. [Lotte Group]	1,421
China (Hong Kong, Shenzhen, Macau)	The Dairy Farm Company, Limited [Dairy Farm International Holdings Limited]	1,055
Singapore	Cold Storage Singapore (1983) Pte. Ltd. [Dairy Farm International Holdings Limited]	345
Philippines	Philippine Seven Corporation [President Chain Store Corporation]	287

Notes: 1. Companies in shaded area are subsidiaries.
2. The number of Japan stores is as of February 28, 2007. Others are as of December 31, 2006.
3. Company names in parentheses are the names of the corporate groups affiliated with the companies listed above.

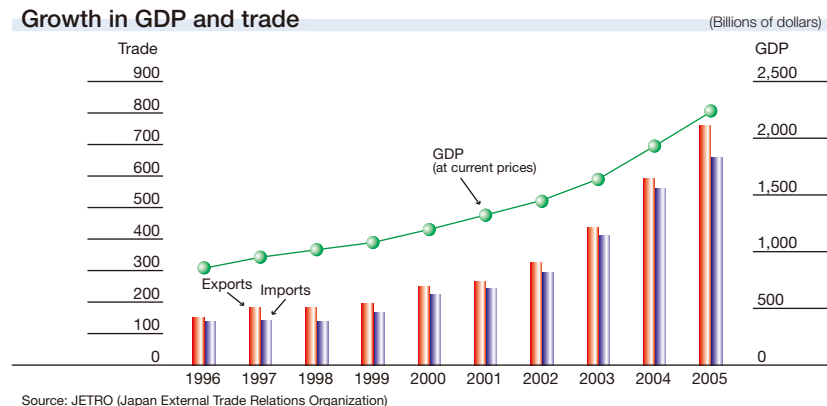
Operations in China

Adhering to our area dominance strategy for opening new stores, we are operating convenience stores, superstores, and supermarkets in China, with a focus on Beijing. Working to enhance synergy effects, we are exchanging information across business formats and starting to develop products jointly.

The China Market

With a population of 1.3 billion, China is an extremely attractive and fertile market, and its economy continues to grow at an unprecedented speed. Purchasing power is increasing, especially in Beijing and other major cities. At the same time, customers increasingly are showing demand for a high level of quality, product reliability, safety, freshness, and customer-oriented service.

Growth in GDP and trade



Store Development

Convenience store operations: SEVEN-ELEVEN (BEIJING)

The number of stores as of December 31, 2006 stood at 50. Aiming to rapidly expand its franchise business, we are accelerating store openings. As a result of efforts to meet local needs, sales of fast foods accounted for over 30% of total sales.

Superstore operations: Hua Tang Yokado Commercial, Chengdu Ito-Yokado

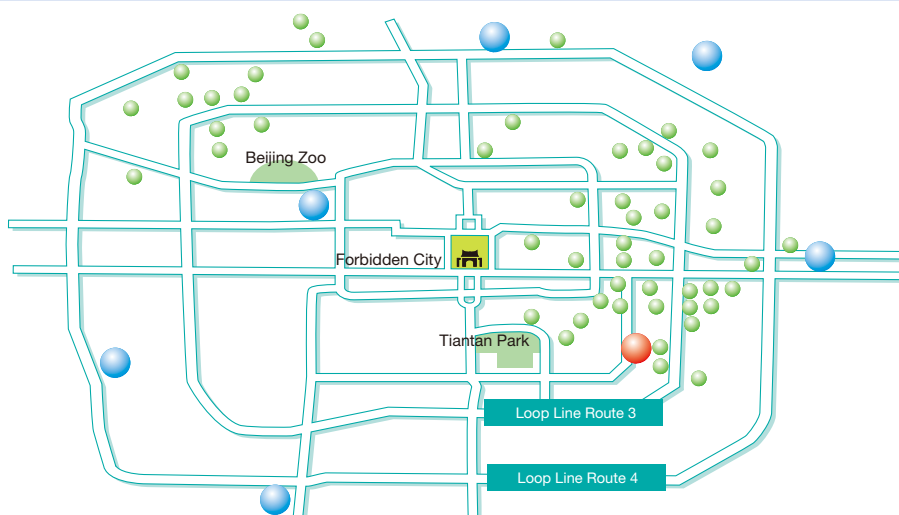
By 2008, we plan to have opened 10 superstores in Beijing and four in Chengdu. To develop stores closely linked to local needs, we are employing persons locally, appointing female employees to management positions and implementing training programs to cultivate highly capable human resources.

Supermarket operations: Beijing Wang fu jing Yokado Commercial

We are working to create a completely new type of supermarket—one that is unprecedented in China.

Store openings in Beijing

(As of December 31, 2006)



● SEVEN-ELEVEN: 50 stores



● Hua Tang Yokado: 6 stores
● Wang fu jing Yokado: 1 store

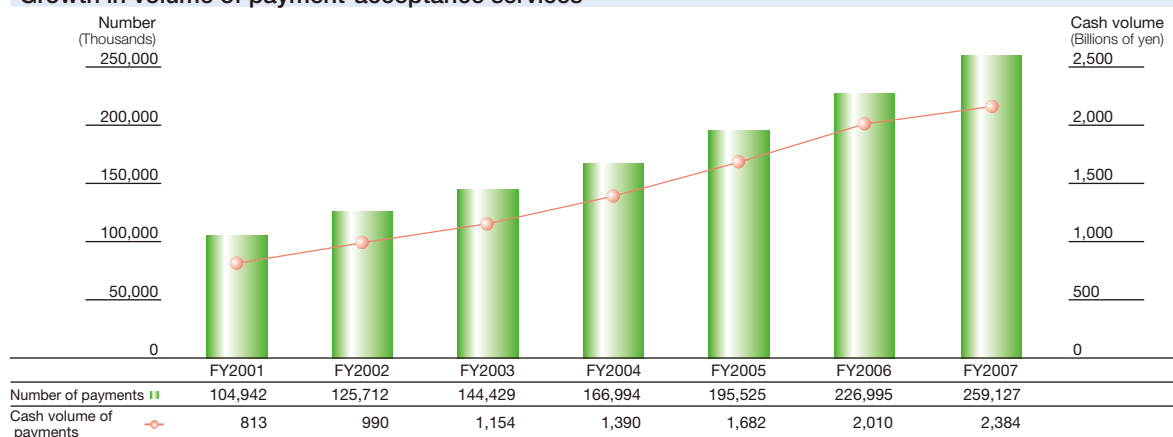
Financial Services at a Retailing Company

Responding to customer needs, Seven & i Holdings is offering financial services in its everyday retail environments.

Development of Payment-Acceptance Services

Seven-Eleven Japan has been offering payment-acceptance services since 1987. The services are used widely, gaining popularity among customers for the convenience that allows them to use various payment services 24 hours a day, 365 days a year.

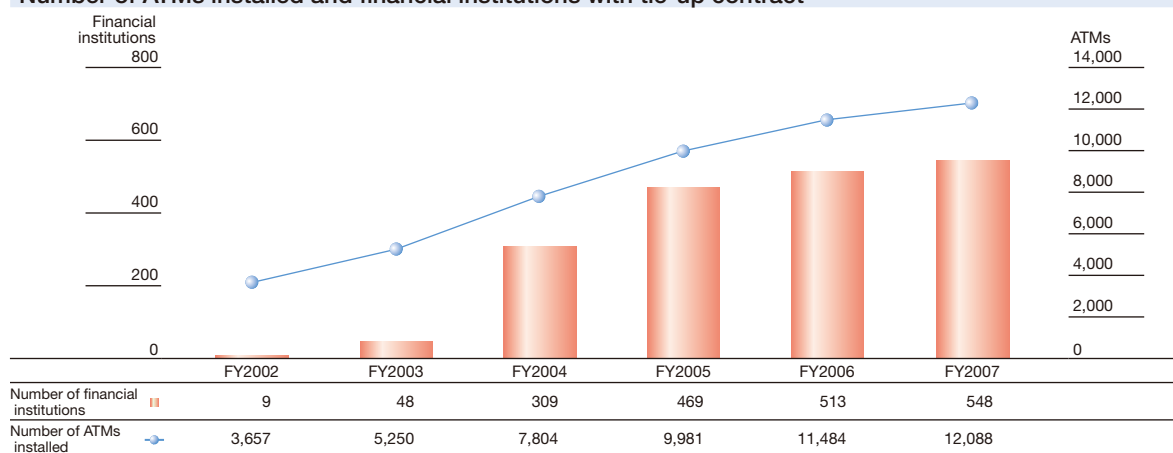
Growth in volume of payment-acceptance services



Installation of ATMs in Group Stores

Beginning with Seven-Eleven Stores, we began placing ATMs in Group stores in May 2001. Owing to the increase in the number of stores with ATMs and the network of financial institutions with tie-up contracts, the number of customers using ATM services continues to grow every year.

Number of ATMs installed and financial institutions with tie-up contract



Offering Financial Services at Staffed Counters

Various financial services a customer may use on a normal day are offered at one corner. We first opened staffed counters in April 2005, and we now offer staffed counters at five locations as of May 31, 2007 at Ito-Yokado and "Ario" stores.



- Banking services: Opening of Seven Bank accounts, mediation services for financial institutions, banking agent and others
- Card services: IY Card information, point redemption procedures and others
- Insurance services: Assist customers in finding appropriate insurance
- Other services: Payment-acceptance services, copy and fax services, ticket sales and others

Launch of Operating-Cash (Change) Service

Owing to closing and consolidation of bank branches and to fee-based and higher-priced money exchange services at banks, we established Seven Cash Works Co., Ltd. in order to provide small- and medium-sized retailers and service businesses with operating change delivery service and change machine service. We plan to commence change delivery service in autumn 2007 and change machine service in spring 2008.

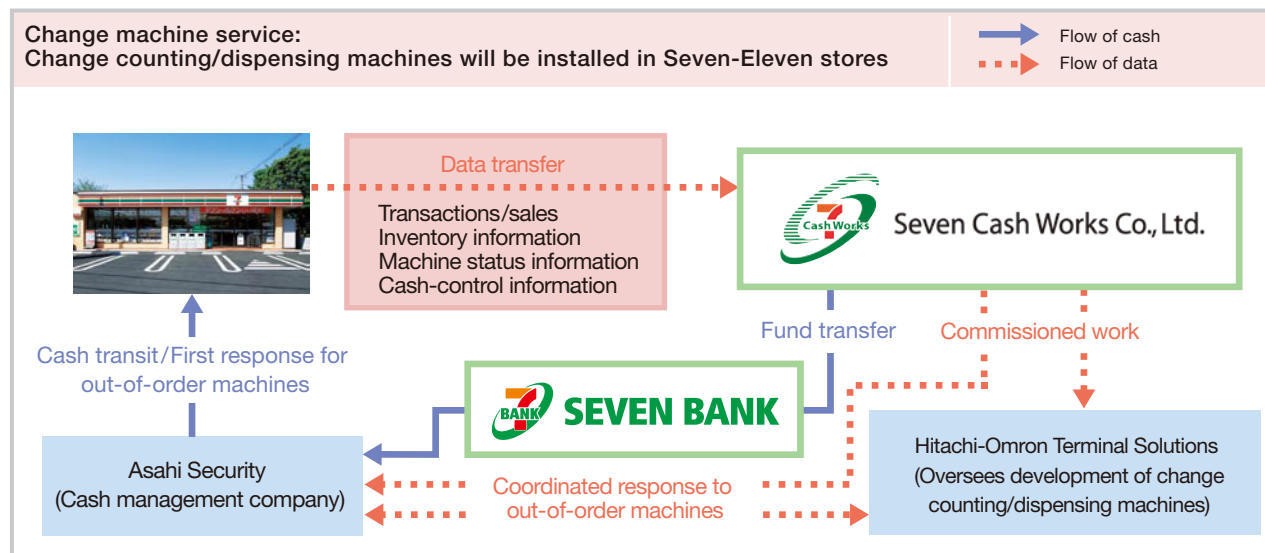
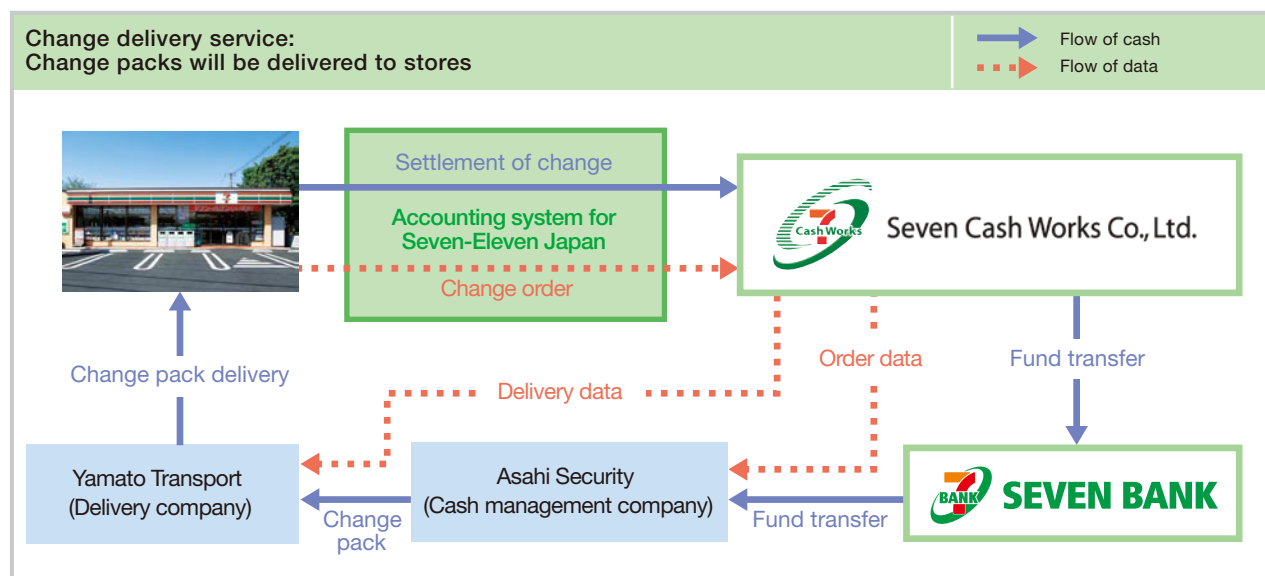
Company overview

Name:	Seven Cash Works Co., Ltd.
Establishment:	June 5, 2007
Capital:	1.5 billion yen
Shareholders:	Seven & i Holdings 80.5%
	Toyota Financial Services 14.5%
	Seven Bank 5.0%

Main features

- Services target the approximately 3.4 million general business enterprises in Japan, including Seven-Eleven franchised stores and other small- and medium-sized retailers and restaurants
- Provide services 24-hours a day, 365 days a year
: Serve as a supplementary financial service
- Efficient, low-cost operation for profitability
: Combines finance/distribution/security and safety
- Original, high-performance, small-sized change counting/dispensing machines that are highly efficient

Business structure



The Group's Original Electronic Money

On April 23, 2007, Seven & i Holdings launched its *nanaco* original electronic money services, which went into use at nationwide Seven-Eleven stores on May 28, 2007.








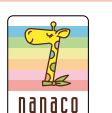
Description

- Prepaid e-money cards with contactless IC chips
- One *nanaco* point is given for every 100 yen spent, and points can be converted to e-money
- The service can be used with the *nanaco card* or with *nanaco mobile*, which is available through cell phones
- 10 million cards planned for issue in the first year
- IY Card Service Co., Ltd. handles operation and management of the service



Service Contents

We will continue to add to the scope of services, including expansion of the network of stores where *nanaco* can be used and tie-ups with non-Group companies regarding point usage.

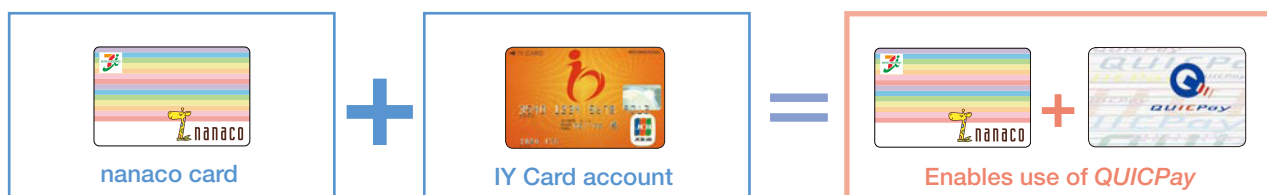
	Service functions	Planned expansion of services
Usage	 Seven-Eleven store  nanaco card nanaco mobile <i>osaifu keitai</i> ®*1 (cell phone debit systems) NTT DoCoMo, au	 Expansion to stores inside and outside the Group  nanaco mobile <i>osaifu keitai</i> SOFTBANK
Charge	 POS cash registers (For less than 30,000 yen)	 Will be able to charge at Seven Bank ATMs
Points	 1 point given for every 100 yen spent Points can be converted to e-money	 Expansion to companies outside the Group*2 – JCB, ANA, Yahoo! etc.

*1 *Osaifu keitai* is a registered trademark of NTT DoCoMo, Inc.

*2 Through partnerships with companies outside the Group, points from these companies may be converted to e-money.

Launch of “Post-paid” Electronic Money

All *nanaco* cards are equipped with *QUICPay*, a “post-paid” service for settlement of small amounts. From autumn 2007, people who complete specified procedures will be able to use *QUICPay* with their current cards.



Objectives of Introduction

Beyond simply providing a service, by leveraging group infrastructure, adding to original point services, and collecting and analyzing customer data, the Group expects that issuing its own electronic money will lead to the results detailed below.

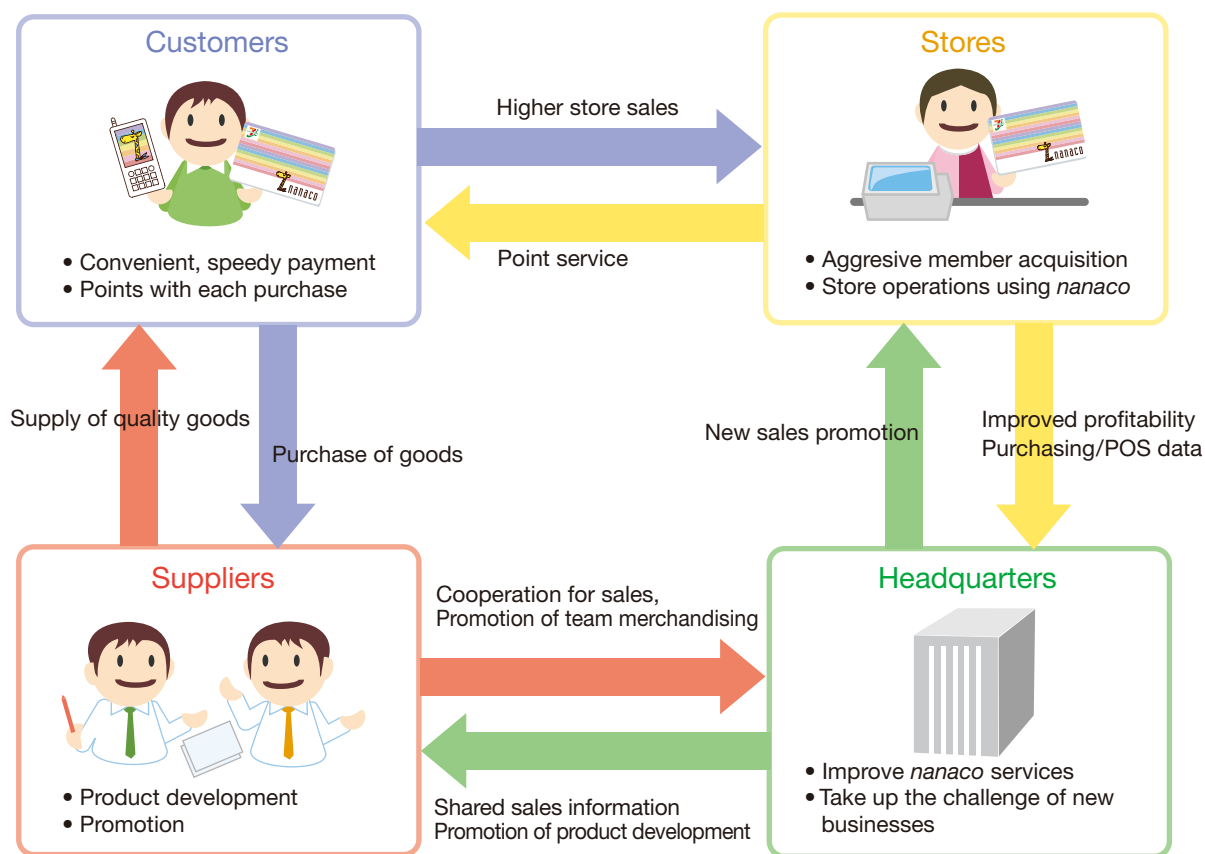
Build on effective cost structure

- Provide effective services by leveraging group infrastructure and store network
- Minimize outflow of settlement fees by having a Group company issue cards and manage the system

Improved earning power by expansion of original services

- Increase repeat customers by introducing original point accumulation system
- Use of customer and POS data for effective sales promotions and product development

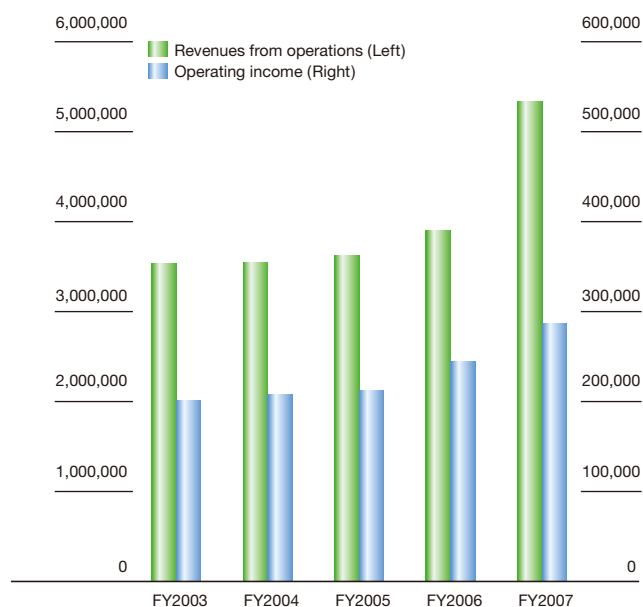
How electronic money works



Schedule

	Service contents
Summer 2007	Begin sign-ups for use of <i>QUICPay</i> post-paid service via <i>nanaco</i> cards
	Begin point-service tie-ups with non-Group companies
Autumn 2007	Launch of charge service for <i>nanaco</i> at new Seven Bank ATMs
	Expand services to stores inside and outside the Group

Revenues from operations and operating income (Millions of yen)



Consolidated cash flows (Millions of yen)



(Millions of yen)

	FY2003	FY2004	FY2005	FY2006	FY2007
Revenues from operations	3,530,316	3,542,146	3,623,554	3,895,772	5,337,806
Operating income	201,301	207,783	211,950	244,940	286,838
Net income	46,623	53,632	17,205	87,930	133,419
Total assets	2,401,736	2,461,927	2,574,817	3,424,878	3,809,192
Net assets	1,111,475	1,138,210	1,144,504	1,603,684	1,969,149
Cash flows from operating activities	202,697	237,956	266,709	217,325	157,209
Cash flows from investing activities	(161,222)	(117,632)	(94,758)	(388,080)	(235,983)
Free cash flows*	41,475	120,323	171,950	(170,754)	(78,774)
Cash flows from financing activities	22,807	(153,731)	(56,524)	103,093	37,241
Net increase (decrease) in cash and cash equivalents	61,782	(37,505)	115,058	(72,223)	(40,742)
Cash and cash equivalents at end of fiscal year	604,895	567,389	683,100	610,876	570,133
Net income per share (yen)	110.67	128.25	40.73	100.83	142.90
Net assets per share (yen)	2,656.24	2,726.99	2,742.42	1,772.25	1,999.77
Capital adequacy ratio (%)	46.3	46.2	44.4	46.8	50.1
Return on equity (ROE) (%)	4.2	4.8	1.5	5.5	7.6
Return on total assets (ROA) (%)	2.0	2.2	0.7	2.6	3.7

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

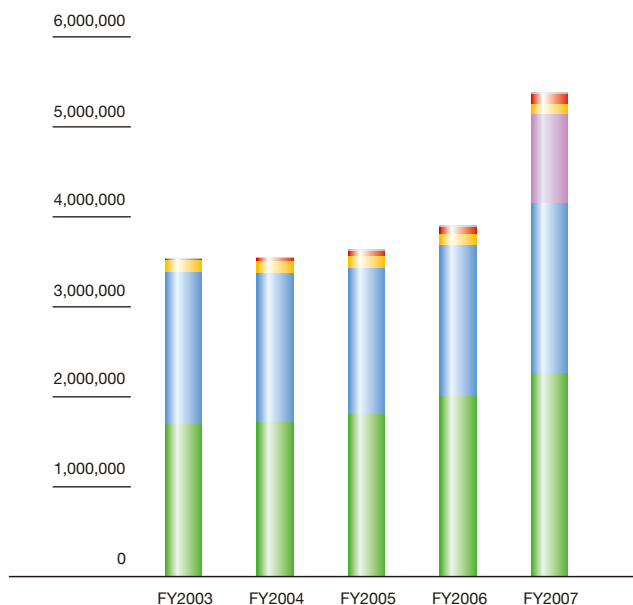
2. In FY2006, only the balance sheets of Millennium Retailing are consolidated.

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

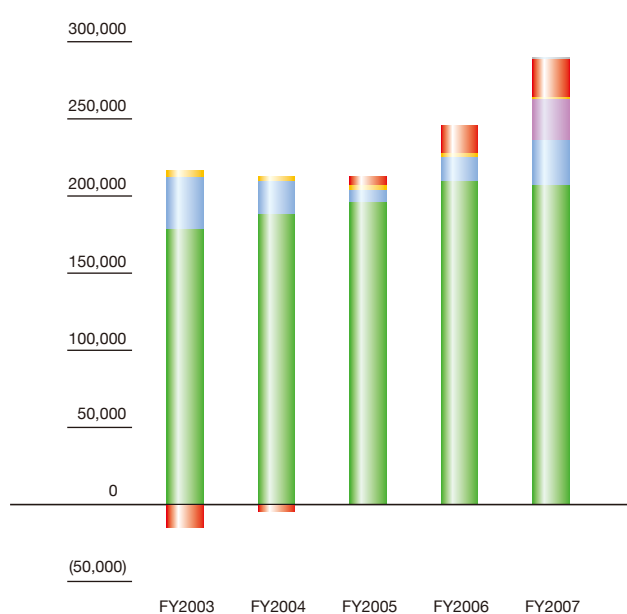
* Free cash flows are calculated from the sum of cash flows from operating activities and cash flows from investing activities.

Business segments
Revenues from operations

(Millions of yen)


Operating income

(Millions of yen)


Revenues from operations

(Millions of yen)

	FY2003	FY2004	FY2005	FY2006	FY2007
Convenience store operations	1,689,199	1,721,458	1,806,168	2,015,236	2,249,648
Superstore operations	1,709,044	1,669,329	1,642,264	1,687,734	1,882,935
Department store operations*	—	—	—	—	988,357
Restaurant operations	127,447	126,189	126,181	124,025	121,683
Financial services	15,390	37,219	61,236	82,289	100,295
Others	13,148	14,737	17,195	19,780	32,340
Eliminations / Corporate	(23,913)	(26,788)	(29,492)	(33,294)	(37,454)
Total	3,530,316	3,542,146	3,623,554	3,895,772	5,337,806

Operating income

(Millions of yen)

	FY2003	FY2004	FY2005	FY2006	FY2007
Convenience store operations	177,236	187,467	195,385	209,815	206,090
Superstore operations	33,796	21,165	7,814	15,381	29,170
Department store operations*	—	—	—	—	26,772
Restaurant operations	4,582	3,261	3,620	2,625	931
Financial services	(14,307)	(3,936)	5,401	17,278	24,547
Others	(125)	(205)	211	808	1,621
Eliminations / Corporate	119	31	(482)	(968)	(2,296)
Total	201,301	207,783	211,950	244,940	286,838

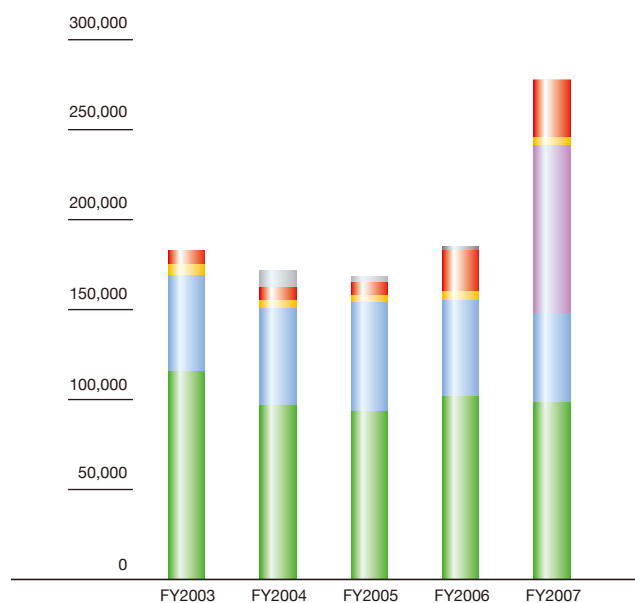
Note: FY2003–2005 show consolidated figures for the former Ito-Yokado.

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

Business segments

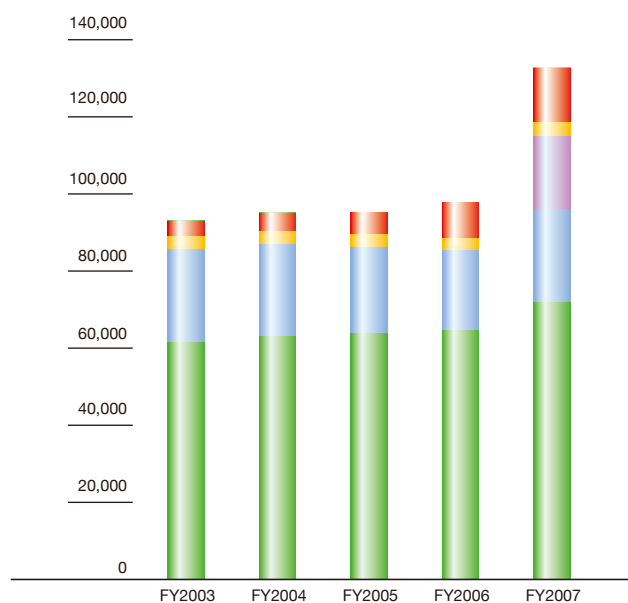
Capital expenditures

(Millions of yen)



Depreciation and amortization

(Millions of yen)



Capital expenditures

(Millions of yen)

	FY2003	FY2004	FY2005	FY2006	FY2007
Convenience store operations	115,981	96,967	93,456	102,025	98,518
Superstore operations	53,500	53,845	60,671	53,098	49,444
Department store operations*	–	–	–	–	93,657
Restaurant operations	5,882	4,267	3,906	5,088	4,474
Financial services	7,518	7,467	7,410	22,917	31,872
Others	7	9,329	3,281	39	298
Corporate	–	–	–	2,184	122
Total	182,891	171,876	168,725	185,354	278,388

Depreciation and amortization

(Millions of yen)

	FY2003	FY2004	FY2005	FY2006	FY2007
Convenience store operations	61,301	62,866	63,725	64,428	71,799
Superstore operations	24,278	23,927	22,345	20,796	24,070
Department store operations*	–	–	–	–	19,042
Restaurant operations	3,260	3,456	3,252	3,019	3,454
Financial services	4,013	4,685	5,798	9,528	14,173
Others	41	48	38	37	134
Corporate	–	–	–	0	19
Total	92,895	94,984	95,160	97,810	132,693

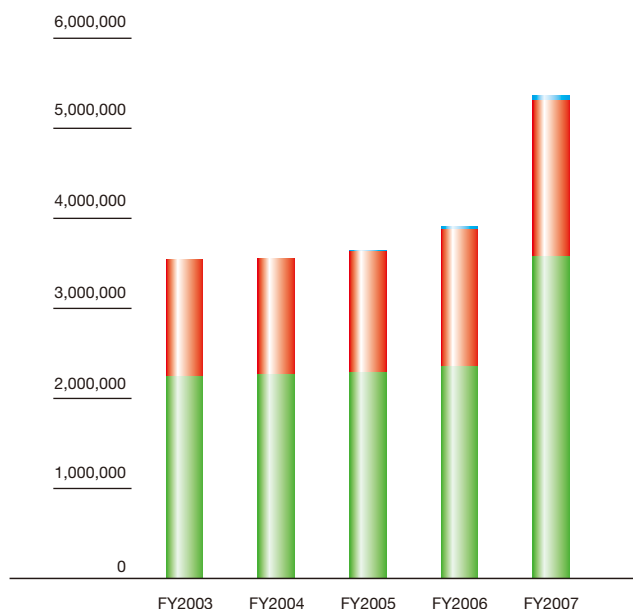
Note: FY2003–2005 show consolidated figures for the former Ito-Yokado.

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

Geographic area segments

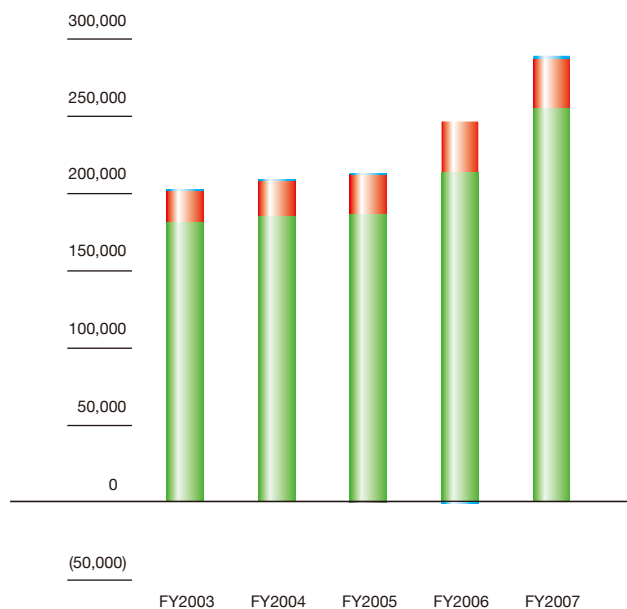
Revenues from operations

(Millions of yen)



Operating income

(Millions of yen)



Revenues from operations

(Millions of yen)

	FY2003	FY2004	FY2005	FY2006	FY2007
Japan	2,233,932	2,258,103	2,271,756	2,343,048	3,562,372
North America	1,293,905	1,278,331	1,341,503	1,516,907	1,728,481
Others	7,980	8,098	13,090	38,519	49,759
Eliminations	(5,500)	(2,387)	(2,796)	(2,704)	(2,806)
Total	3,530,316	3,542,146	3,623,554	3,895,772	5,337,806

Operating income

(Millions of yen)

	FY2003	FY2004	FY2005	FY2006	FY2007
Japan	180,595	184,392	185,726	212,876	253,968
North America	20,582	23,333	26,080	32,492	31,985
Others	123	57	194	(432)	879
Eliminations	—	—	(51)	3	4
Total	201,301	207,783	211,950	244,940	286,838

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.

Overview of Core Companies for FY2007

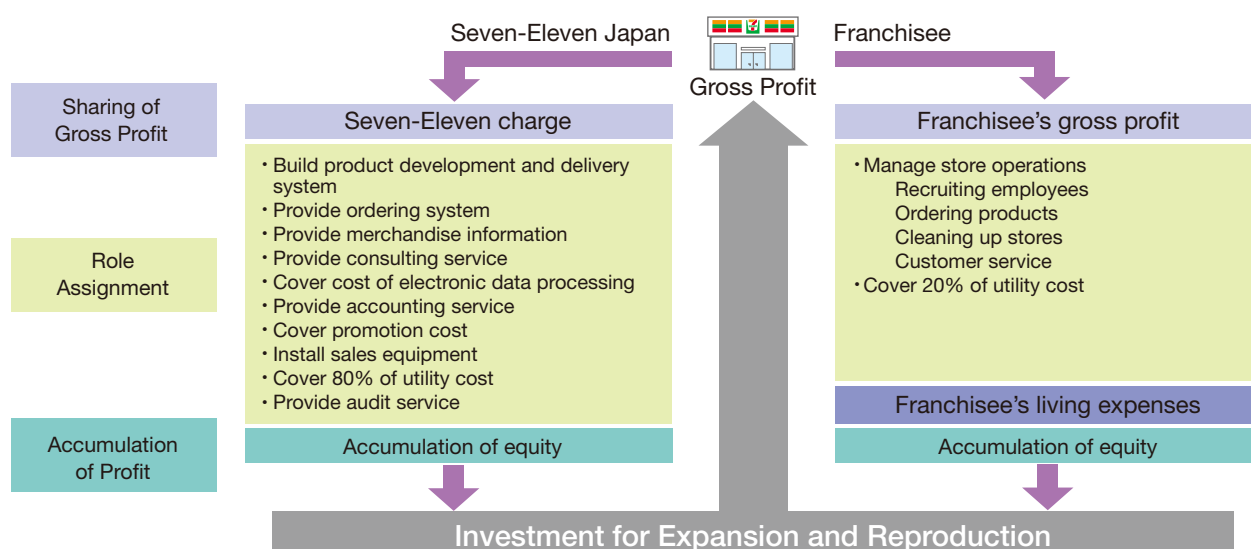
	Total store sales (Millions of yen)			Number of stores	Average daily sales per store (Thousands of yen)	Average sales per customer (yen)
		Merchandise	Gasoline			
Seven-Eleven Japan	2,533,534	2,533,534	–	11,735	610	approx. 630
7-Eleven, Inc.	1,690,613	1,008,818	681,795	6,050	478	–

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

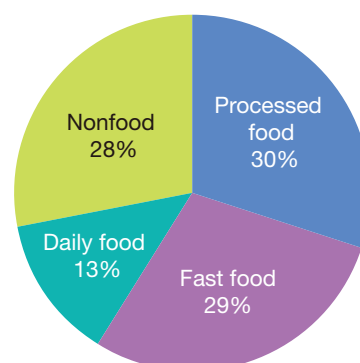


Expanding Original Product Lineup

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

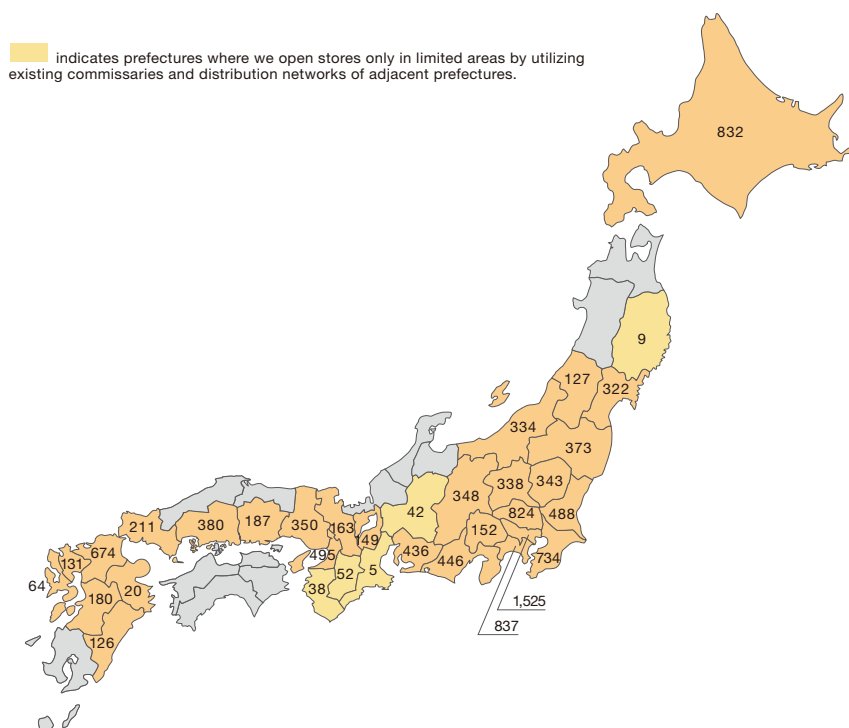


Store-Opening Policies and Distribution System

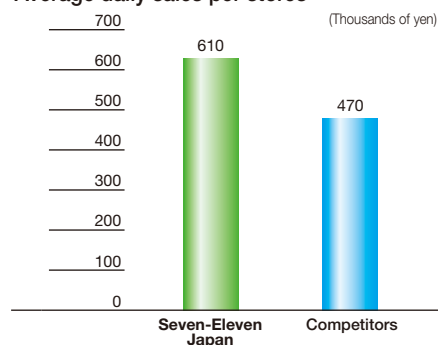
Seven-Eleven Japan continues a quality-focused store-opening strategy rather than simply emphasizing store numbers. We conduct meticulous analyses when selecting new store locations to ensure that every store will be able to steadily expand its sales and profits. Our temperature-separated combined distribution 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

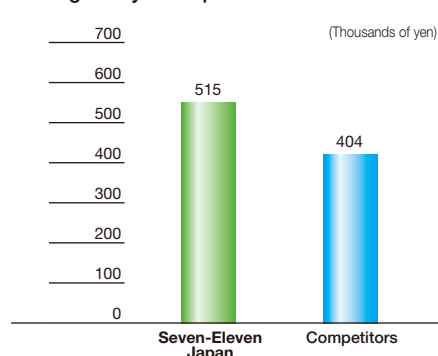
(As of February 28, 2007)



Average daily sales per stores



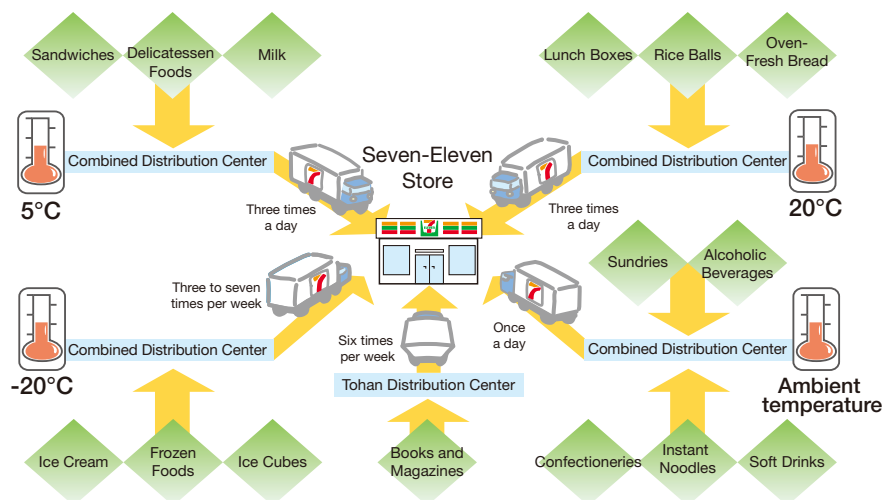
Average daily sales per store of new stores



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)

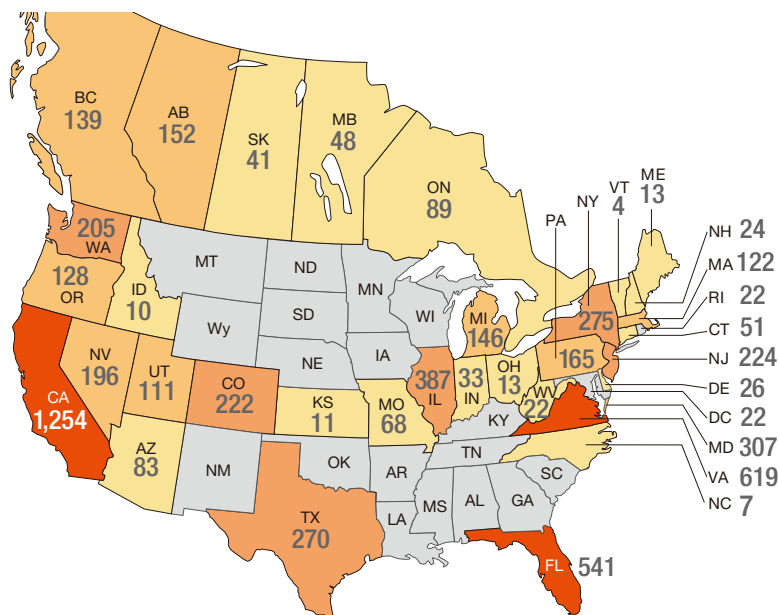
7-Eleven, Inc. currently has stores in 31 U.S. states and Canada. The company has achieved 40 consecutive quarters of improved U.S. same-store merchandise sales year-on-year.

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)



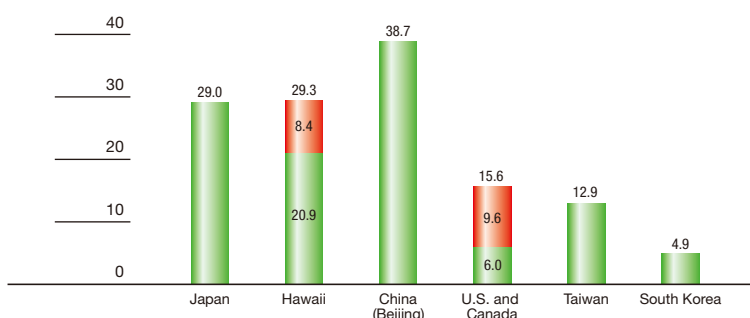
	2001	2002	2003	2004	2005	2006
Franchised stores	3,173	3,276	3,338	3,422	3,508	3,828
Company-operated	2,656	2,547	2,446	2,377	2,321	2,222
Total	5,829	5,823	5,784	5,799	5,829	6,050
Newly opened stores	145	127	95	63	72	302
Closed stores	72	133	134	48	42	81
Stores with gas station	2,470	2,480	2,457	2,432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

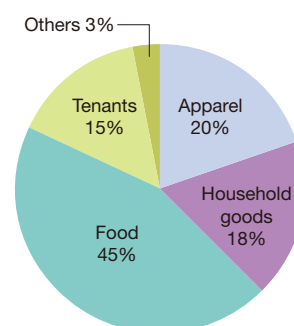
Merchandise Sales Trends

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

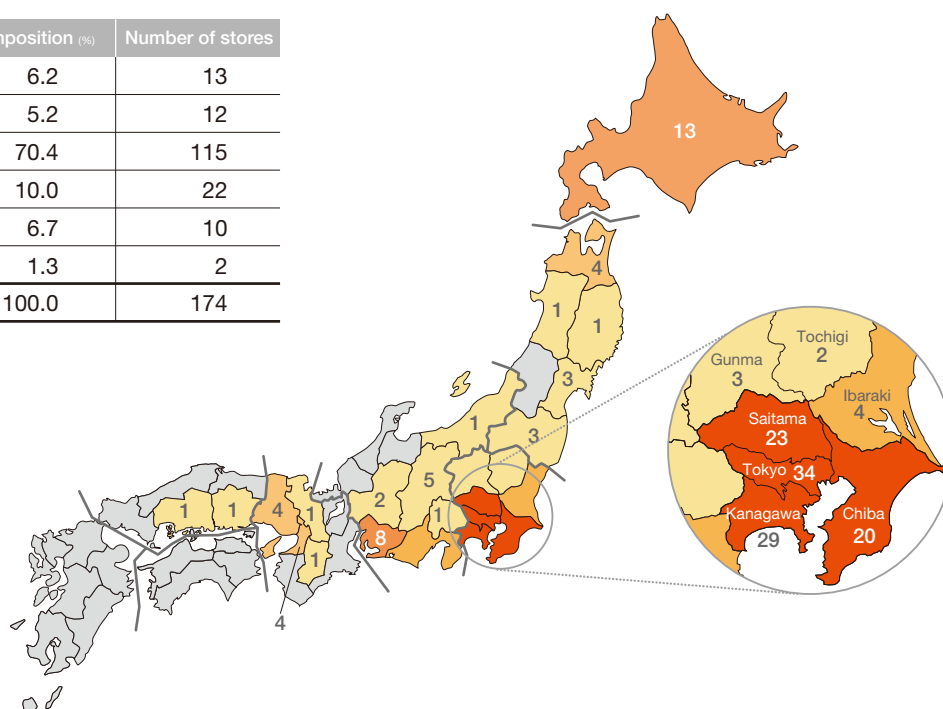
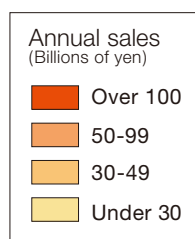
Store Network

(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

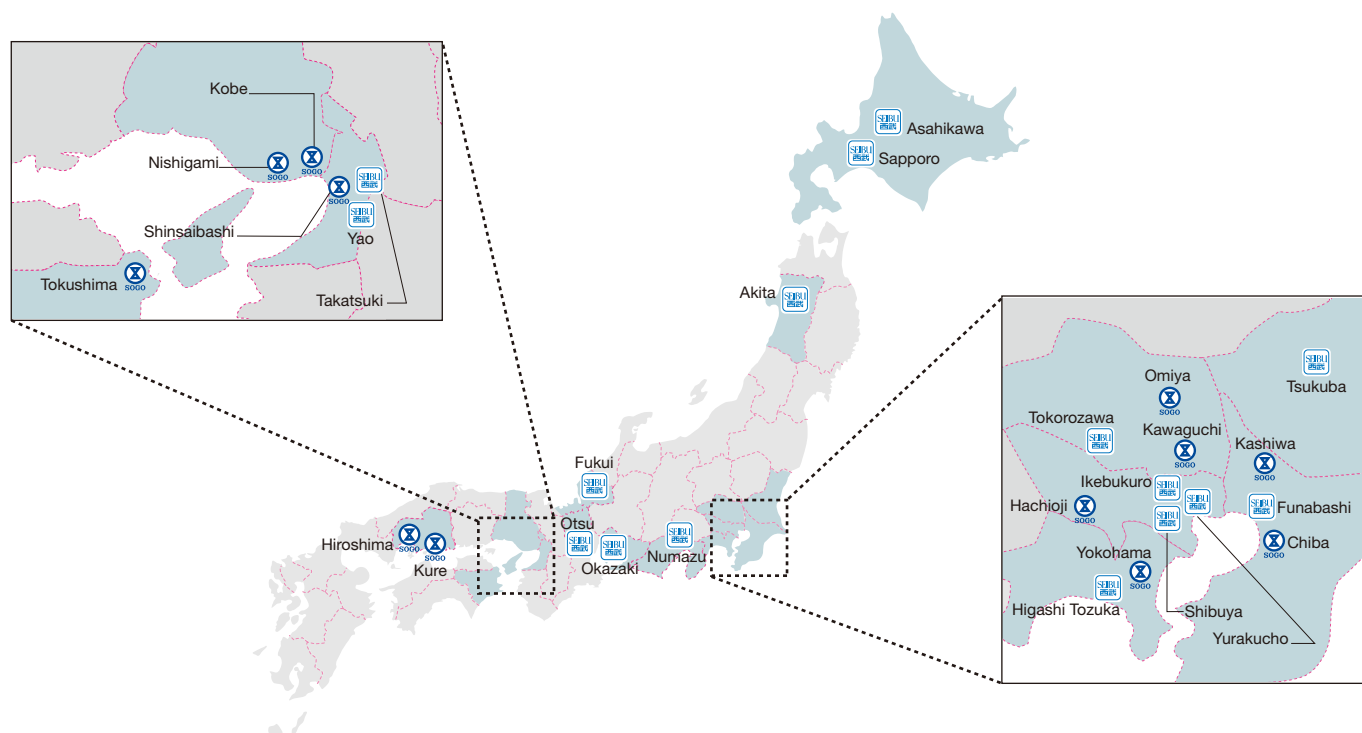


Overview of Core Operating Companies for FY2007

		Net sales (Millions of yen)					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

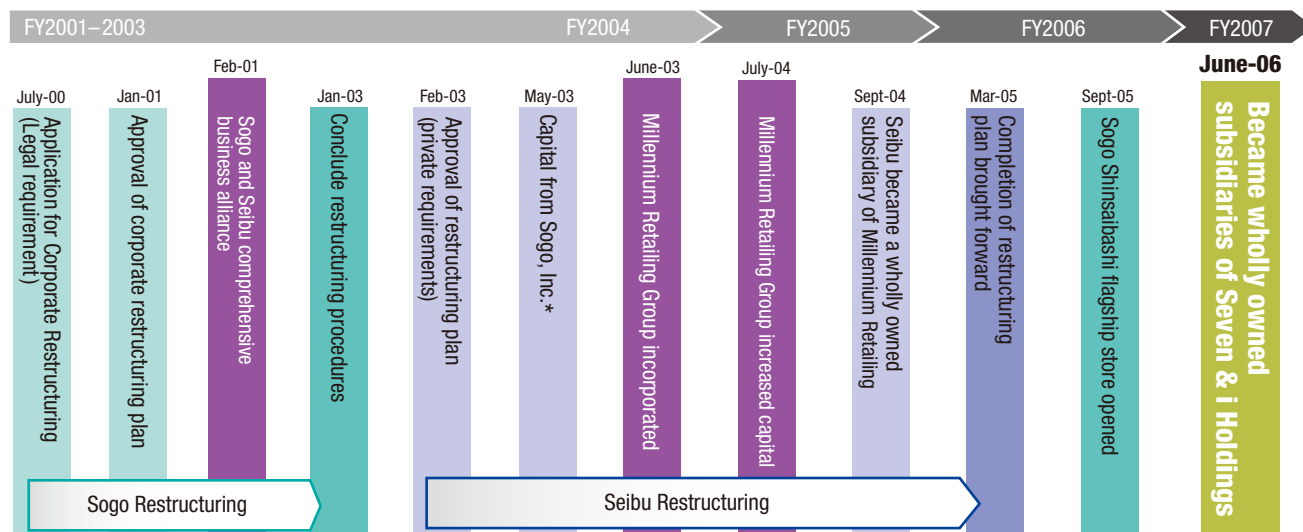
Store Network

(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.

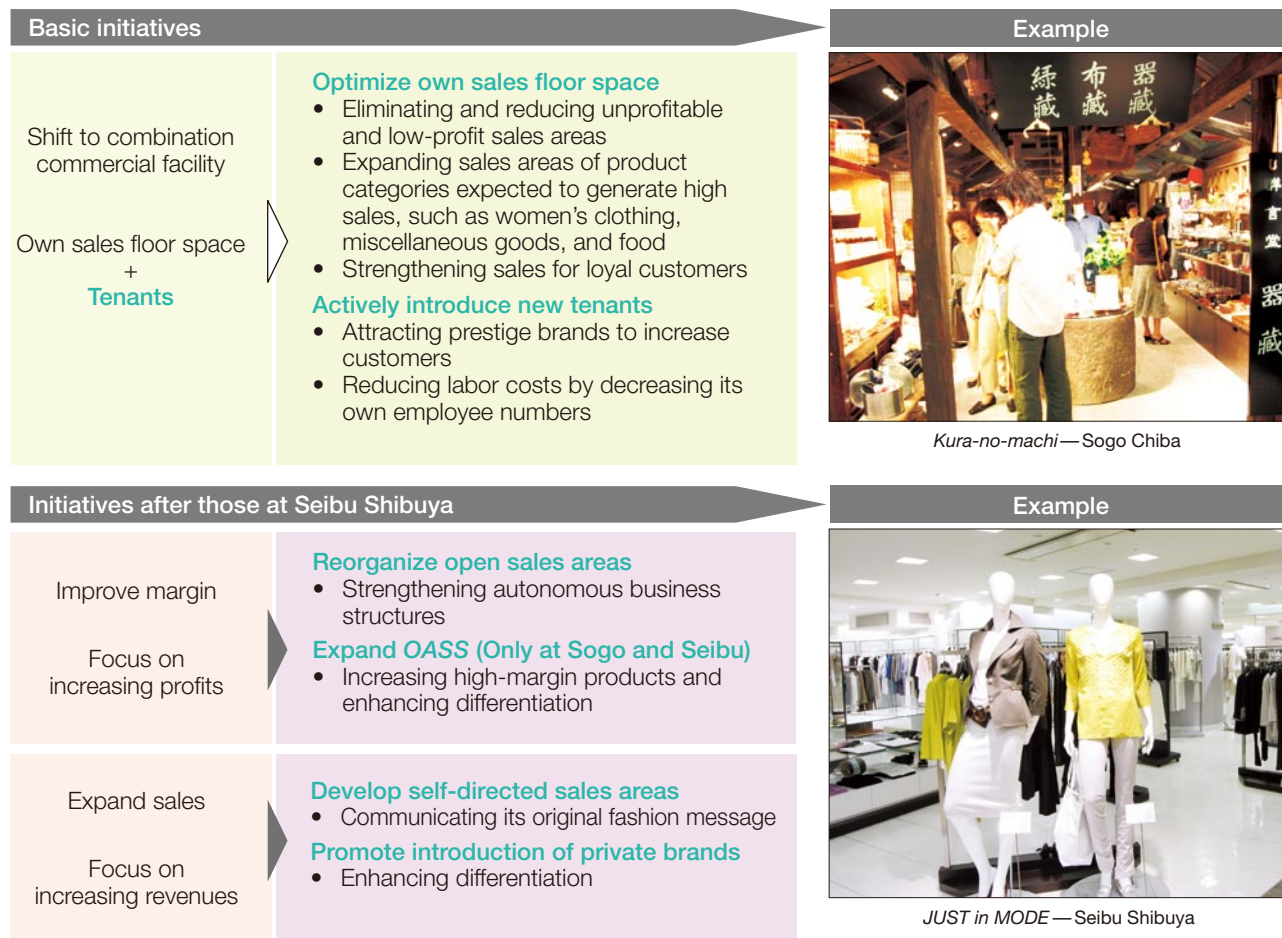


* Sogo, Inc. is the former name of Millennium Retailing.

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)			Yokohama (restaurants)			
		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

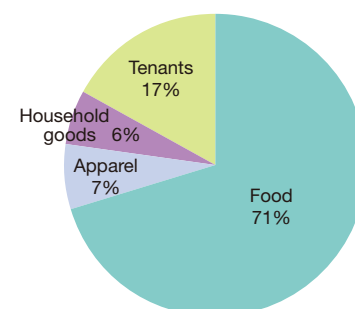
Strengthening the Supermarket Business

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

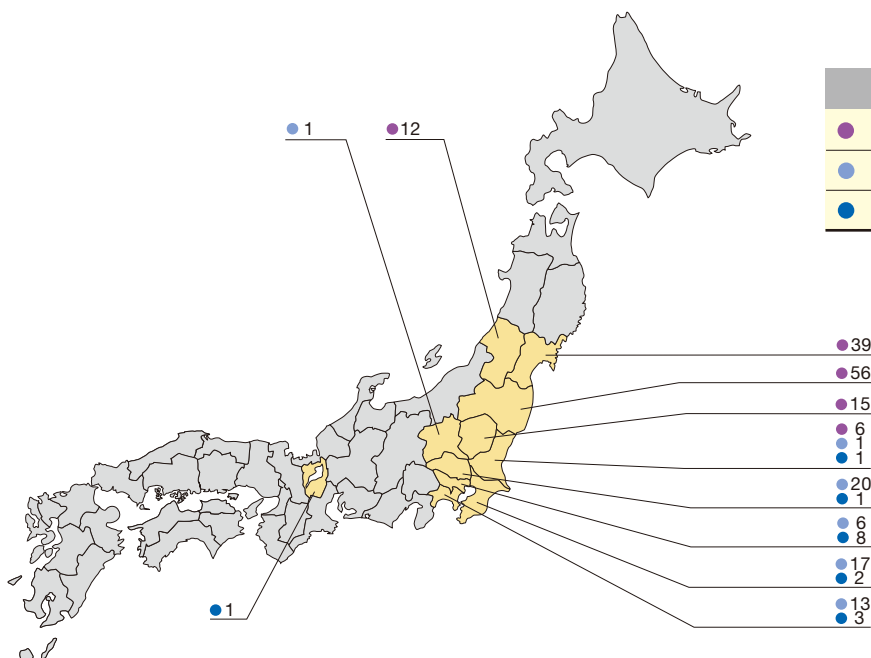
Breakdown of sales by product category for FY2007



Store Network

(As of February 28, 2007)

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

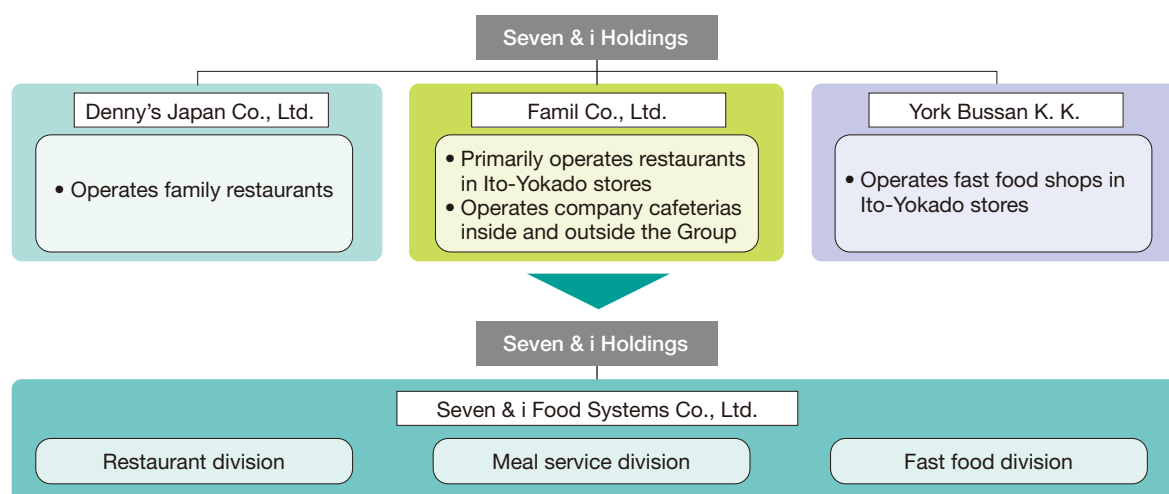


Overview of Core Operating Companies for FY2007

	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.

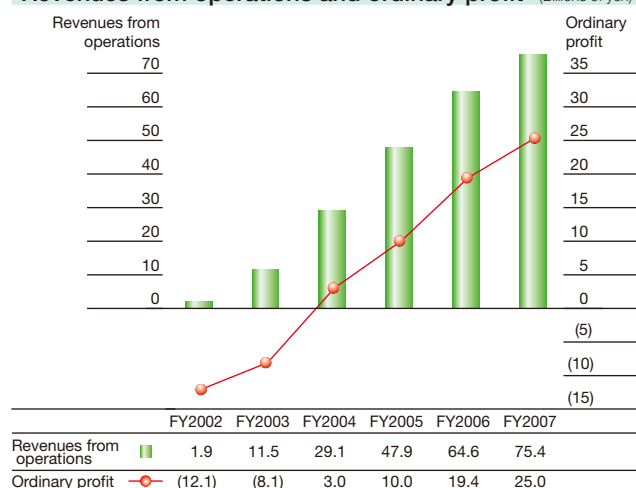
Seven Bank

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.

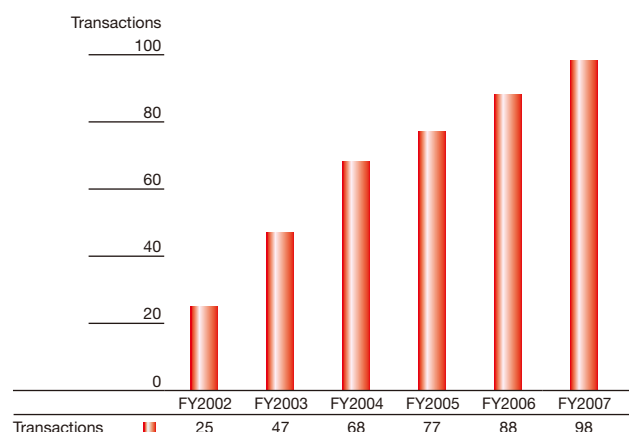
Performance

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)

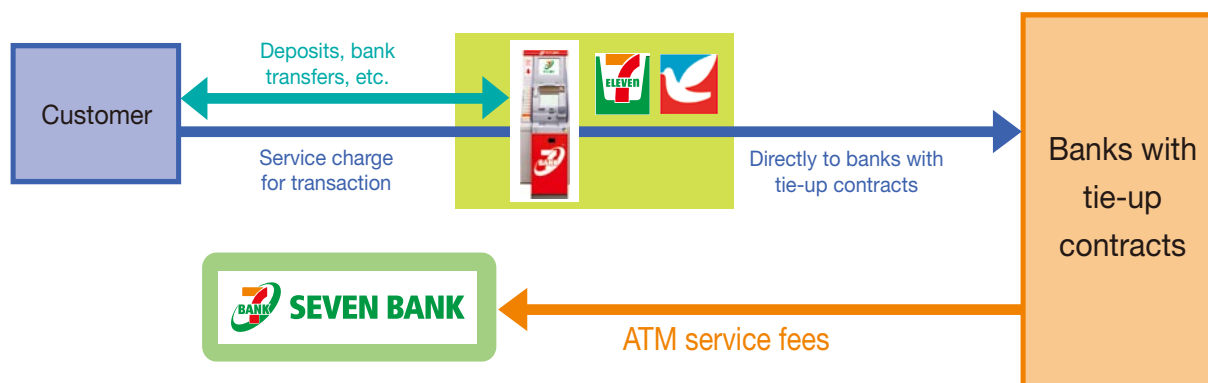


Average daily transaction volume per ATM



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

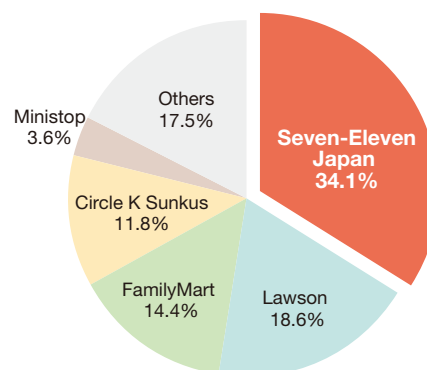
	FY2003	FY2004	FY2005	FY2006	FY2007
Domestic stores	99	104	110	116	128
Openings	9	7	7	8	10
Closures	2	2	1	2	1
Directly managed sales floor space (m ²)	257,733	268,416	282,299	302,169	335,075
MD sales per m ² (Thousands of yen)	839	832	841	814	772
MD sales per employee (Thousands of yen)	24,360	24,475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

Note: MD sales indicate Merchandise sales.

Major Group Companies' Market Share in Japan (Nonconsolidated)

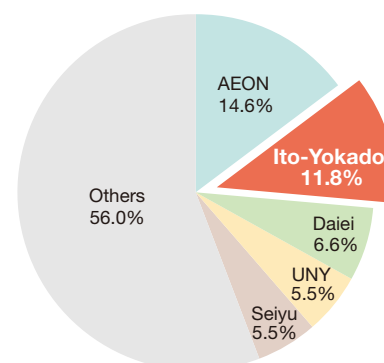
In the top 5 for total store sales at convenience stores

	FY2007 (Billions of yen)	Share (%)
Convenience stores total market	7,421.1	100.0
1 Seven-Eleven Japan	2,533.5	34.1
2 Lawson	1,377.8	18.6
3 FamilyMart	1,068.8	14.4
4 Circle K Sunkus	872.8	11.8
5 Ministop	268.1	3.6
Top 5 Combined	6,121.2	82.5



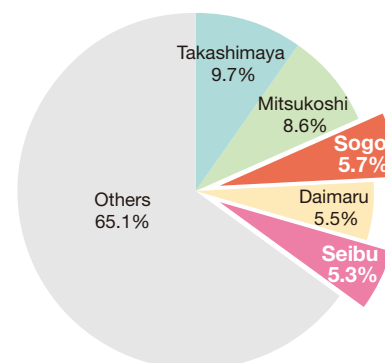
In the top 5 for net sales at superstores

	FY2007 (Billions of yen)	Share (%)
Superstores total market	12,559.2	100.0
1 AEON	1,836.2	14.6
2 Ito-Yokado	1,487.4	11.8
3 Daiei	826.9	6.6
4 UNY	694.8	5.5
5 Seiyu	685.2	5.5
Top 5 Combined	5,530.7	44.0



In the top 5 for net sales at department stores

	FY2007 (Billions of yen)	Share (%)
Department stores total market	8,613.0	100.0
1 Takashimaya	838.3	9.7
2 Mitsukoshi	739.5	8.6
3 Sogo	494.3	5.7
4 Daimaru	470.7	5.5
5 Seibu	459.0	5.3
Top 5 Combined	3,002.1	34.9



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

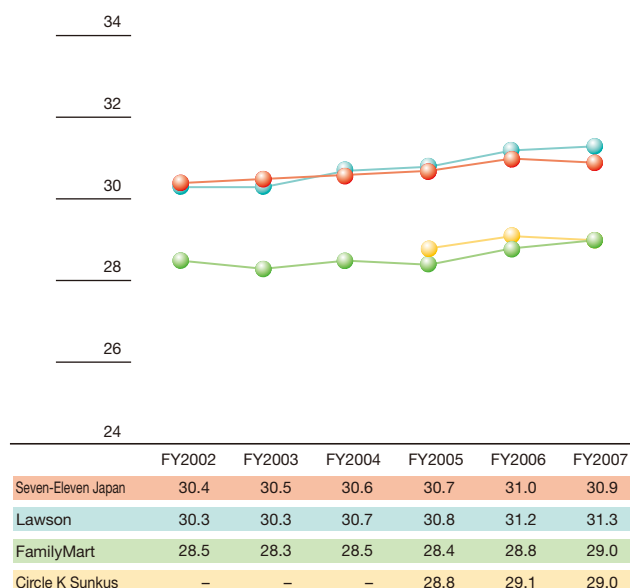
Total store sales

(Millions of yen)



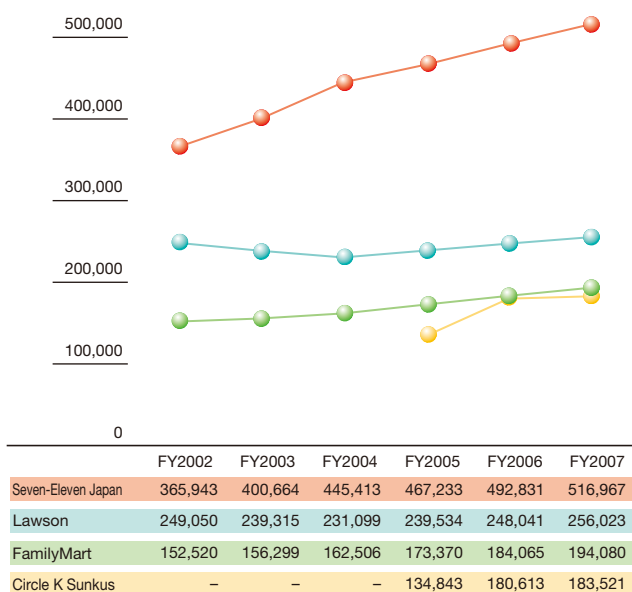
Gross margin

(%)



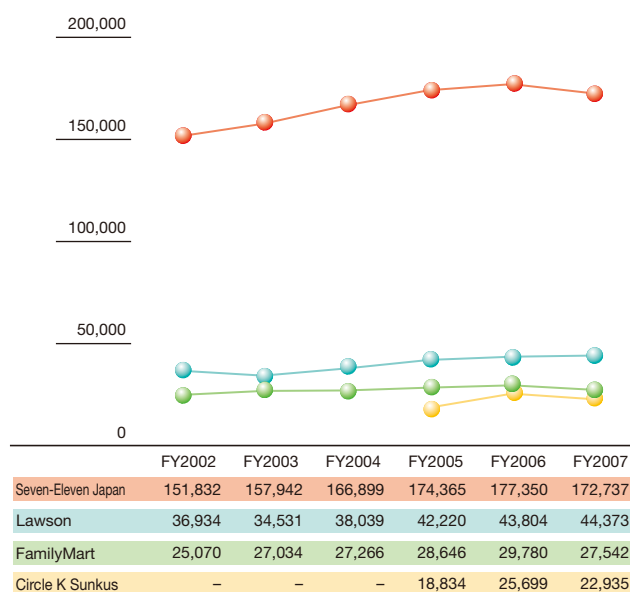
Revenues from operations

(Millions of yen)



Operating income

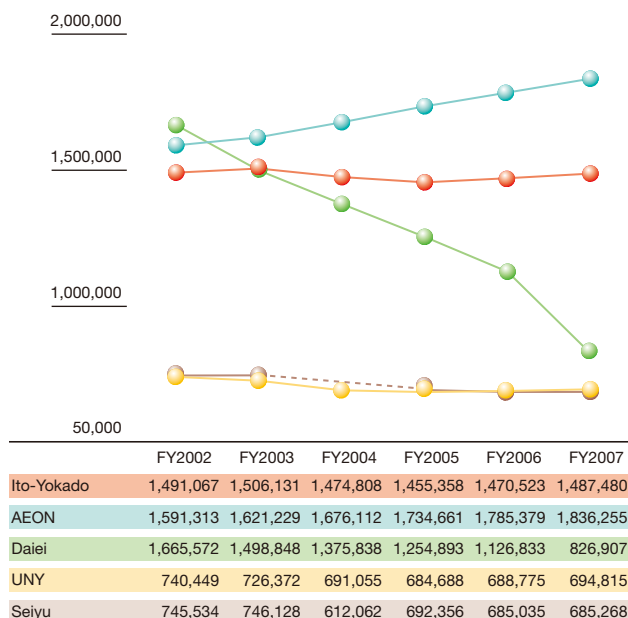
(Millions of yen)



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

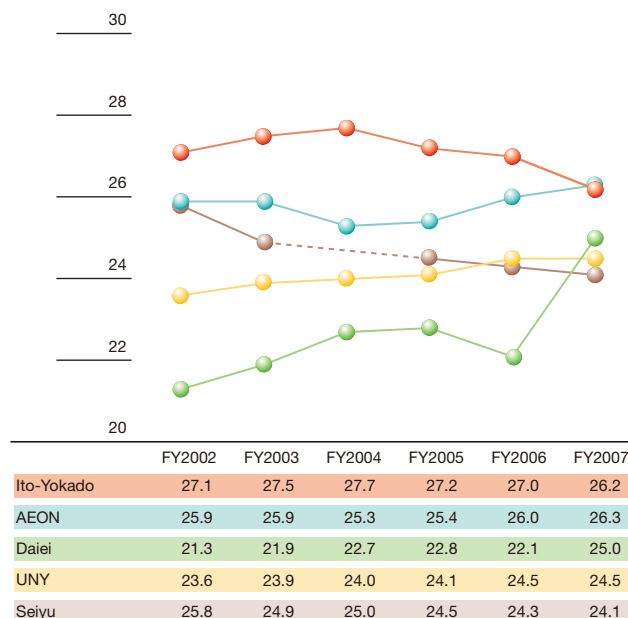
Net sales

(Millions of yen)



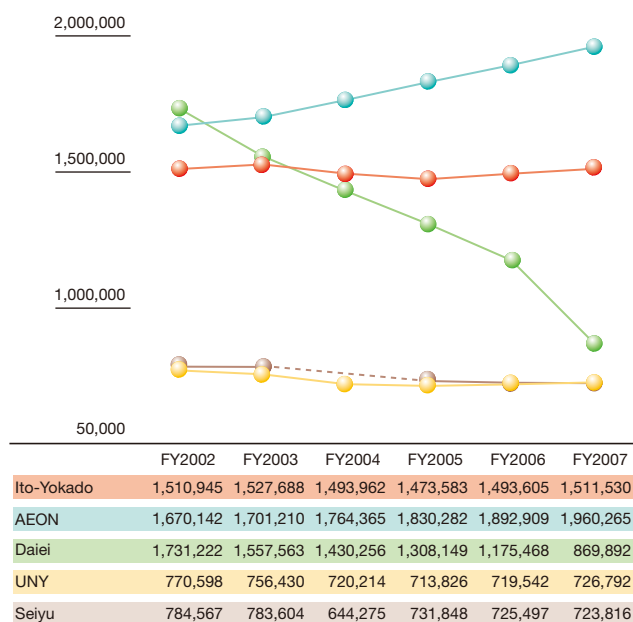
Ratio of gross profit to net sales

(%)



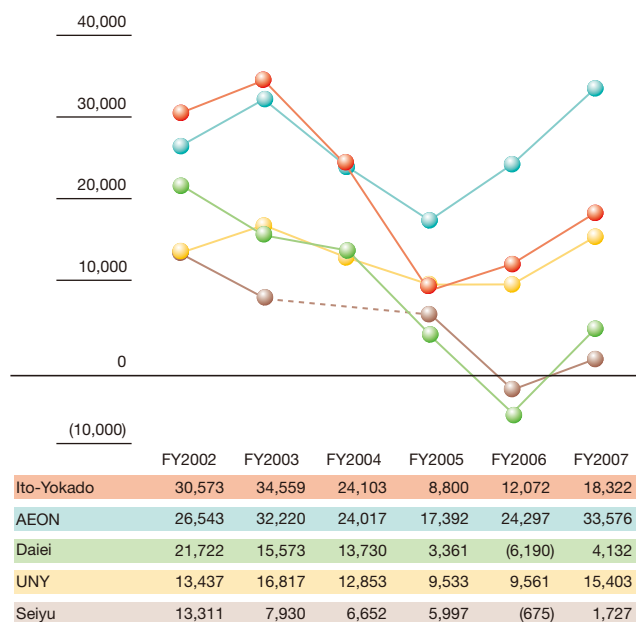
Revenues from operations

(Millions of yen)



Operating income

(Millions of yen)



Note: Figures of Seiyu for FY 2004 are for the ten-month period of March–December 2003.
Source: Public information from each company

Net sales

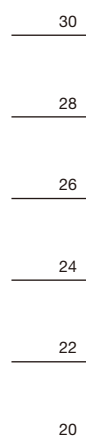
(Millions of yen)



	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007
Sogo	—	454,164	448,211	443,845	468,994	494,349
Seibu	—	607,007	522,918	472,968	476,144	459,074
Takashimaya	984,853	952,824	922,899	831,006	832,917	838,388
Mitsukoshi	680,258	665,800	—	827,463	779,612	739,588
Daimaru	423,912	430,195	469,057	461,166	469,642	470,756
Isetan	440,599	434,524	438,431	434,405	444,263	454,951

Ratio of gross profit to net sales

(%)



	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007
Sogo	—	25.0	25.3	25.3	24.9	24.5
Seibu	—	23.7	24.1	24.0	24.3	24.1
Takashimaya	27.3	27.4	27.5	27.4	27.5	27.3
Mitsukoshi	26.1	26.1	—	25.8	25.7	25.7
Daimaru	27.6	27.3	27.1	27.0	27.0	26.9
Isetan	27.3	27.1	27.1	27.3	27.9	27.8

Revenues from operations

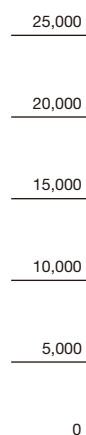
(Millions of yen)



	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007
Sogo	—	458,571	452,667	449,049	474,731	500,714
Seibu	—	613,132	529,956	480,182	482,938	465,831
Takashimaya	994,406	963,694	935,991	841,909	844,290	849,453
Mitsukoshi	686,517	671,249	867,598	833,870	787,774	747,982
Daimaru	426,249	432,245	470,514	462,743	471,111	472,450
Isetan	440,599	434,524	438,431	434,405	445,920	460,024

Operating income

(Millions of yen)



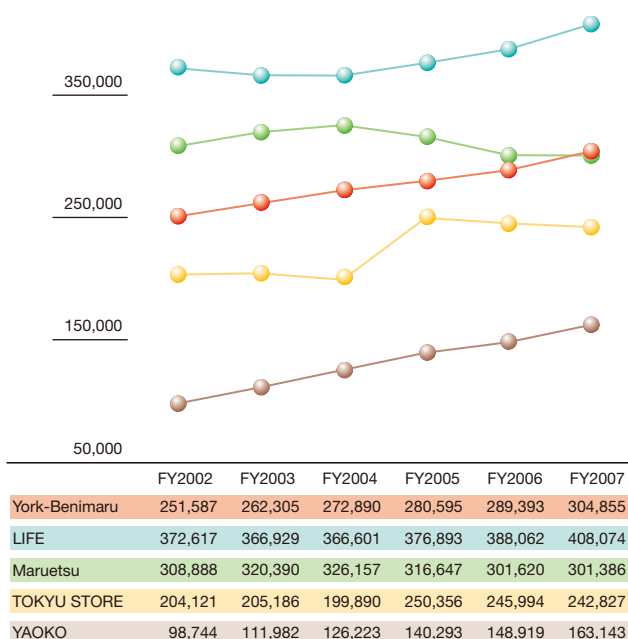
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007
Sogo	—	6,654	13,265	16,951	17,247	16,754
Seibu	—	9,720	21,122	19,518	19,933	17,454
Takashimaya	8,347	8,181	18,014	18,872	21,330	20,051
Mitsukoshi	11,931	11,416	17,846	14,828	14,303	12,388
Daimaru	12,124	12,347	13,309	16,463	18,334	20,822
Isetan	13,247	10,041	10,112	15,070	20,019	21,823

Note: Amounts for operating revenues and operating income of Mitsukoshi, Ltd. for FY 2003 show the combined total of the pre-merger six-month results (March 2003–August 2003) for Mitsukoshi, Ltd., Nagoya Mitsukoshi, Ltd., Chiba Mitsukoshi, Ltd., Kagoshima Mitsukoshi, Ltd. and Fukuoka Mitsukoshi, Ltd., plus the six-month results (September 2003–February 2004) for Mitsukoshi, Ltd. following the merger of the aforementioned five companies.

Source: Public information from each company

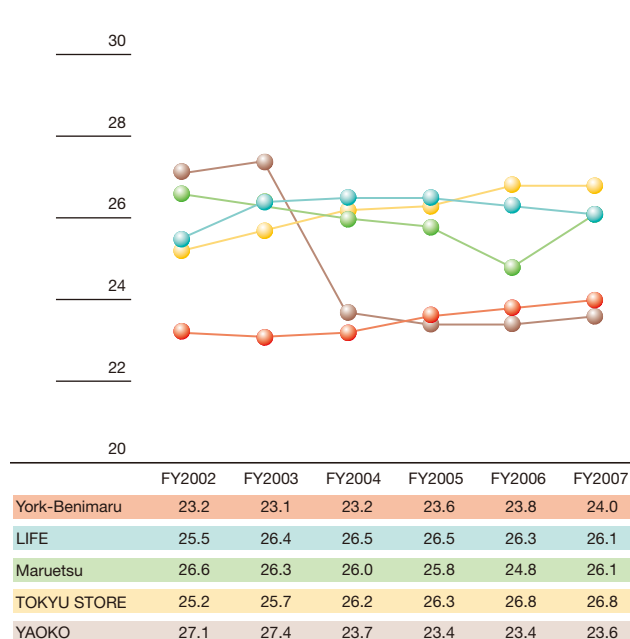
Net sales

(Millions of yen)



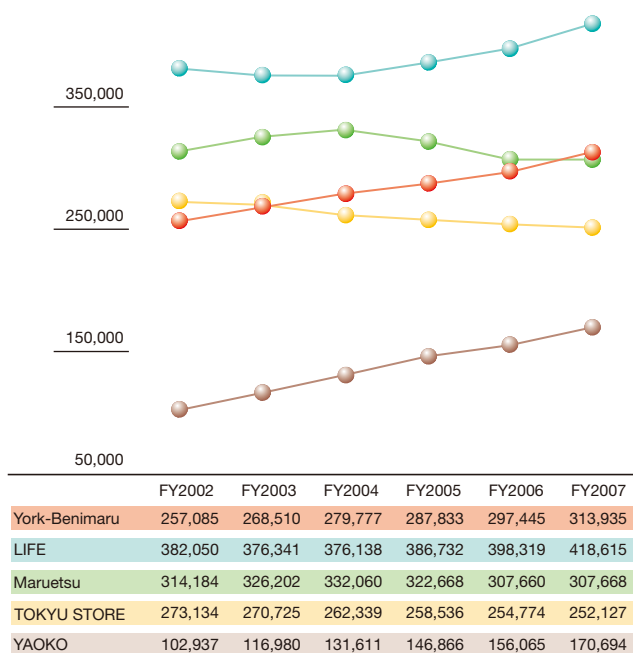
Ratio of gross profit to net sales

(%)



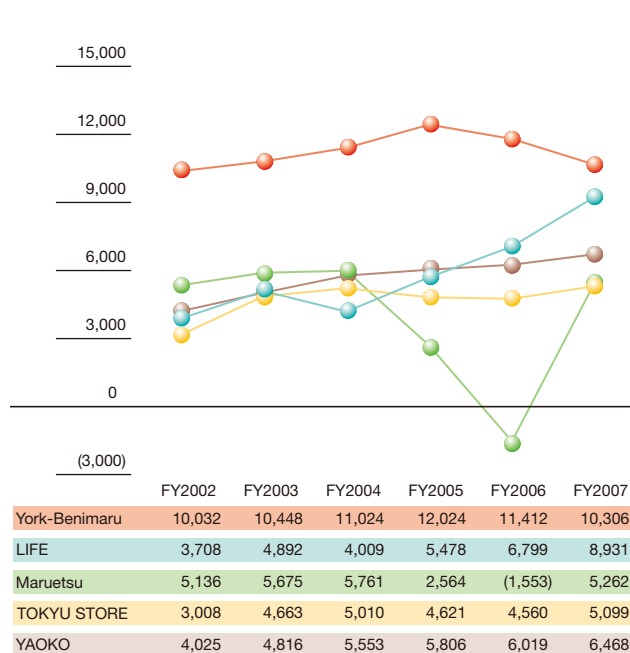
Revenues from operations

(Millions of yen)



Operating income

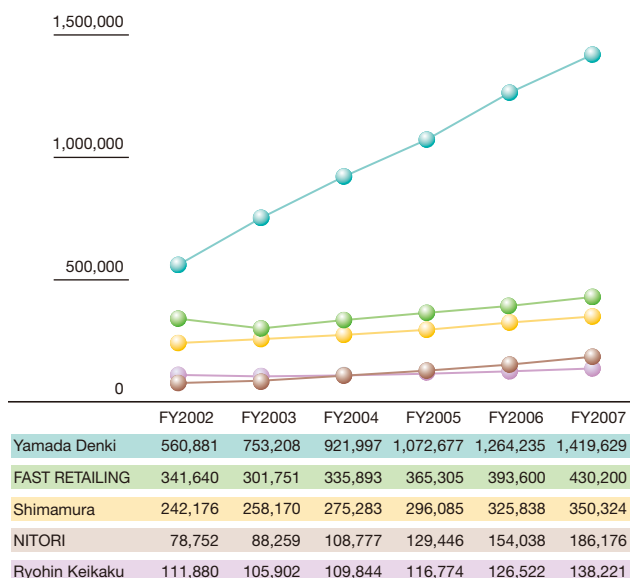
(Millions of yen)



Source: Public information from each company

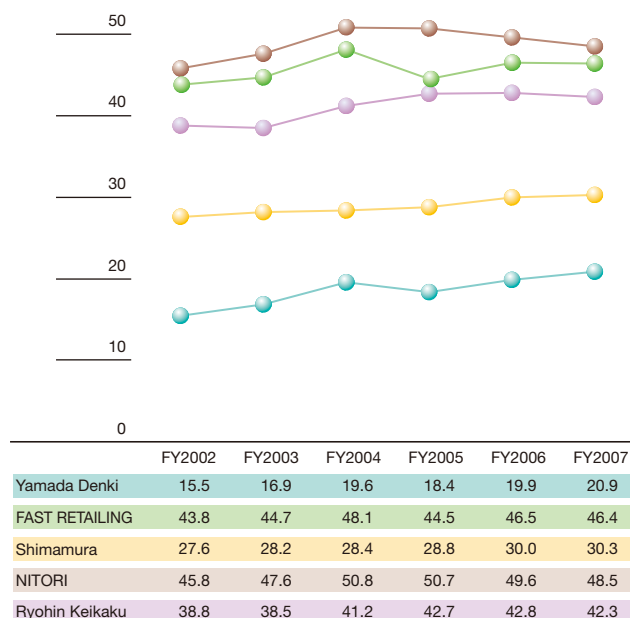
Net sales

(Millions of yen)



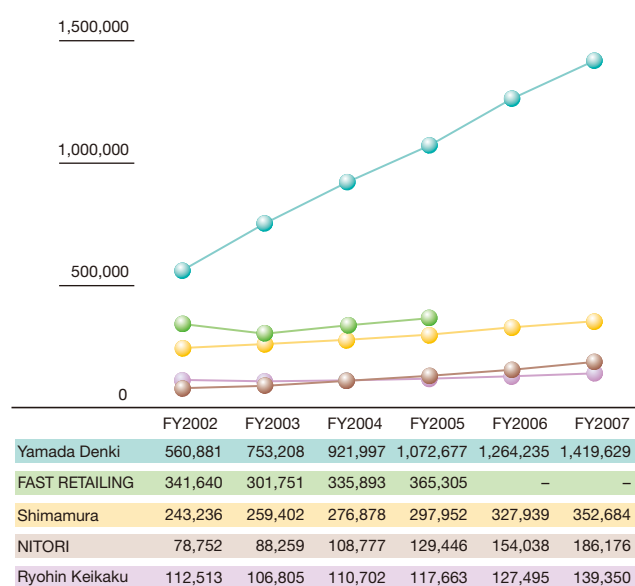
Ratio of gross profit to net sales

(%)



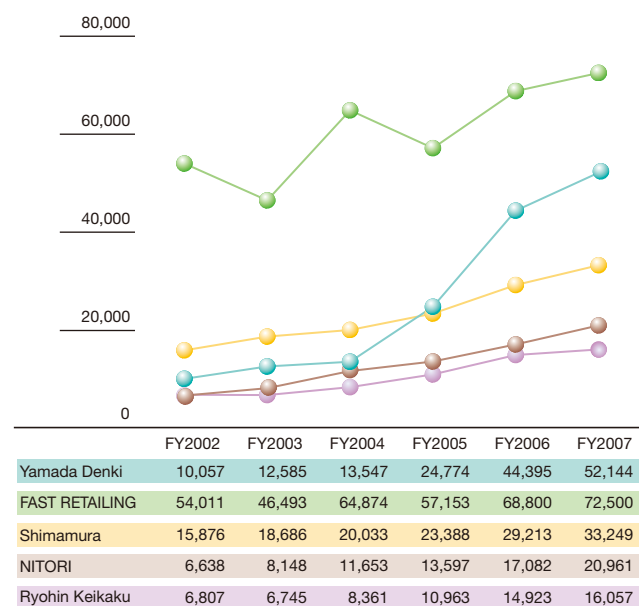
Revenues from operations

(Millions of yen)



Operating income

(Millions of yen)



Notes: Figures of FAST RETAILING Co., Ltd. for FY 2007 are forecasts announced in April 2007.
Source: Public information from each company

(As of February 28, 2007)

	Sales (Billions of yen)	Number of stores	Employees* ⁴	Capital (Millions of yen)
Convenience Store Operations				
Seven-Eleven Japan Co., Ltd.	2,533.5* ¹	11,735	4,963 [7,137]	17,200
○ 7-Eleven, Inc.	1,690.6* ²	6,050	21,084 [8,131]	US\$11,000
○ SEVEN-ELEVEN (HAWAII), INC.	20.8* ²	54	605 [189]	US\$20,000,000
○ SEVEN-ELEVEN (BEIJING) CO., LTD.	1.9* ³	50	550 [609]	US\$35,000,000
Superstore Operations				
Ito-Yokado Co., Ltd.	1,487.4	174	10,707 [33,592]	40,000
○ Hua Tang Yokado Commercial Co., Ltd.	26.5* ³	6	1,527 [1,420]	US\$65,000,000
○ Chengdu Ito-Yokado Co., Ltd.	19.6* ³	2	952 [651]	US\$17,300,000
Department Store Operations				
Millennium Retailing, Inc.	–	–	397 [18]	37,733
Sogo Co., Ltd.	494.3	12	2,733 [1,913]	1,000
THE SEIBU DEPARTMENT STORES, LTD.	459.0	16	2,340 [2,067]	6,000
Supermarket Operations				
York-Benimaru Co., Ltd.	304.8	128	2,033 [9,295]	9,927
York Mart Co., Ltd.	99.4	58	1,047 [3,352]	1,000
○ Beijing Wang fu jing Yokado Commercial Co., Ltd.	1.4* ³	1	180 [58]	US\$12,000,000
Restaurant Operations				
Denny's Japan Co., Ltd.	92.7	585	1,435 [11,232]	7,125
Financial Services				
☆ Seven Bank, Ltd.	–	–	258 [69]	30,500
IY Card Service Co., Ltd.	–	–	63 [–]	10,000

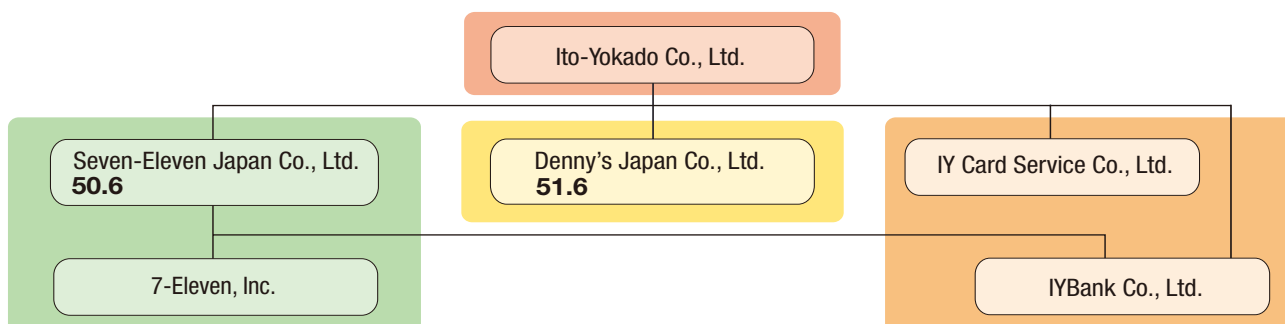
○ Figures are for the fiscal year ended December 31, 2006.

☆ Figures are for the fiscal year ended March 31, 2007.

*¹ Seven-Eleven Japan's sales represent total chain store sales.*² Rate of exchange – US\$1=116.38yen*³ Rate of exchange – 1 yuan=14.62yen*⁴ Numbers inside of parentheses indicate the number of part-time employees (monthly average based on an eight-hour workday and 163 hours of work per month).

Capital Structure before Establishment of Seven & i Holdings

(As of August 31, 2005)



Current Capital Structure

(As of March 1, 2007)

Seven & i Holdings Co., Ltd.

Convenience Store Operations

Seven-Eleven Japan Co., Ltd. 100.0	7-Eleven, Inc. 100.0	Nov. 2005	7-Eleven, Inc. became a wholly owned subsidiary
	SEVEN-ELEVEN (BEIJING) CO., LTD. 65.0	Aug. 2006	Acquired WHP Holdings Corporation

Superstore Operations

Ito-Yokado Co., Ltd. 100.0	Hua Tang Yokado Commercial Co., Ltd. 75.8	Feb. 2007	Purchased additional ownership in Hua Tang Yokado Commercial Co., Ltd.
	Chengdu Ito-Yokado Co., Ltd. 51.0		

Department Store Operations

Millennium Retailing, Inc. 100.0	Sogo Co., Ltd. 100.0	June 2006	Millennium Retailing, Inc. became a wholly owned subsidiary
	THE SEIBU DEPARTMENT STORES, LTD. 100.0	Mar. 2007	THE LOFT CO., LTD. became a subsidiary

Supermarket Operations

York-Benimaru Co., Ltd. 100.0	Beijing Wang fu jing Yokado Commercial Co., Ltd. 60.0	Sept. 2006	York-Benimaru Co., Ltd. became a wholly owned subsidiary
York Mart Co., Ltd. 100.0			

Restaurant Operations

Seven & i Food Systems Co., Ltd. 100.0	Denny's Japan Co., Ltd. 100.0	Jan. 2007	Established Seven & i Food Systems Co., Ltd.
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Financial Services

Seven Bank, Ltd. 49.9	June 2007	Established Seven Cash Works Co., Ltd.
IY Card Service Co., Ltd. 94.1		

IT/Services

7dream.com 68.0	Feb. 2006	Seven and Y Corp. became a subsidiary
Seven and Y Corp. 50.8		

Notes: 1. Figures below each company name indicate percentage of ownership.
 2. Ownership ratios include indirect holdings.
 3. The name of IYBank Co., Ltd. was changed to Seven Bank, Ltd. in October 2005.

Interest-Bearing Debt

Breakdown of interest-bearing debt

(Millions of yen)

	February 28, 2005	February 28, 2006	YOY (%)	February 28, 2007	YOY (%)
Short-term loans	5,654	114,462	2024.1	176,913	154.6
Current portion of long-term loans	11,467	47,832	417.1	61,398	128.4
Current portion of bonds	20,000	–	–	30,000	–
Commercial paper	5,356	–	–	7,993	–
Subtotal	42,478	162,294	382.1	276,305	170.2
Bonds	115,000	115,000	100.0	145,000	126.1
Long-term loans	90,676	368,314	406.2	370,457	100.6
Commercial paper	22,493	41,764	185.7	30,344	72.7
Subtotal	228,170	525,079	230.1	545,801	103.9
Total	270,648	687,374	254.0	822,107	119.6

Interest-bearing debt by business segment

(Millions of yen)

	February 28, 2005	February 28, 2006	YOY (%)	February 28, 2007	YOY (%)
Convenience store operations	42,036	56,353	134.1	48,401	85.9
Superstore operations	132,557	112,016	84.5	110,037	98.2
Department store operations	–	372,027	–	416,669	112.0
Restaurant operations	–	–	–	–	–
Others	6,750	6,000	88.9	5,250	87.5
Subtotal	181,344	546,396	301.3	580,358	106.2
Financial services	89,304	140,977	157.9	241,749	171.5
Total	270,648	687,374	254.0	822,107	119.6

Note: Data as of February 28, 2005 is for Ito-Yokado consolidated results.

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	Sept. 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
2nd unsecured domestic straight bonds	36	1.45%	Dec. 4, 2006	Dec. 20, 2011
3rd unsecured domestic straight bonds	24	1.67%	Dec. 4, 2006	Dec. 20, 2013

Rating

(As of May 31, 2007)

		S&P	Moody's	R&I	JCR
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–	Aa3	AA	AA+
Seven Bank, Ltd.	Long-term	A+	–	AA	–

Seven & i Holdings Corporate Overview

(As of February 28, 2007)

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
 Paid-in Capital: 50,000 million yen
 Consolidated revenues
 from operations: 5,337,806 million yen (Results for FY2007)
 Number of employees: 54,088 (Consolidated basis)

The History of Seven & i Holdings

Apr. 1958: Yokado Co., Ltd. was incorporated
 Mar. 1971: Company name changed to Ito-Yokado Co., Ltd.
 Sept. 1972: Ito-Yokado listed on the Tokyo Stock Exchange (TSE), second section
 Mar. 1973: Business tie-up entered into with York-Benimaru Co., Ltd.
 July 1973: Ito-Yokado moved to the first section of the TSE
 Nov. 1973: York-Seven Co., Ltd. established under a license agreement with the largest U.S. convenience store chain operator, The Southland Corporation
 Nov. 1973: Denny's Japan Co., Ltd. established under a license agreement with the US-based restaurant chain, Denny's, Inc.
 July 1977: Ito-Yokado registered American Depositary Receipts (ADRs) on NASDAQ
 Jan. 1978: York-Seven name changed to Seven-Eleven Japan Co., Ltd.
 Aug. 1981: Seven-Eleven Japan listed on the first section of the TSE
 Aug. 1984: York-Benimaru listed on the first section of the TSE
 July 1986: Ito-Yokado's ADRs were transferred from NASDAQ small-cap listing to the National Market System
 Aug. 1986: Denny's Japan listed on the first section of the TSE
 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
 Sept. 1997: Hua Tang Yokado Commercial Co., Ltd. established in Beijing, China
 Apr. 1999: The Southland Corporation name changed to 7-Eleven, Inc.
 July 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 abolished the registration of ADRs on 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
 Sept. 2005: Seven & i Holdings Co., Ltd. established and listed on TSE, first section
 Oct. 2005: IYBank name changed to Seven Bank, Ltd.
 Nov. 2005: 7-Eleven, Inc. converted into a wholly owned subsidiary
 June 2006: Millennium Retailing, Inc. became a wholly owned subsidiary through a stock-for-stock exchange
 July 2006: Cancelled 427,509,908 shares of treasury stock
 Sept. 2006: York-Benimaru became a wholly owned subsidiary through a stock-for-stock exchange
 Jan. 2007: Seven & i Food Systems Co., Ltd. established
 Mar. 2007: THE LOFT CO., LTD. became a subsidiary
 June 2007: Seven Cash Works Co., Ltd. established



SEVEN&i HLDGS. Co., Ltd.

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