



April 12, 2006

Consolidated Financial Results for the Fiscal Year Ended February 28, 2006

Seven & I Holdings Co., Ltd.

(URL <http://www.7andi.com>)

Securities Code No. 3382

President and C.O.O. : Noritoshi Murata

The Company's shares are listed on the First Section of the Tokyo Stock Exchange.

Date of the meeting of the Board of Directors to settle consolidated accounts: April 12, 2006

U.S. GAAP is not applied.

1. Business Results for the Fiscal Year Ended February 28, 2006 (from March 1, 2005 to February 28, 2006)

(1) Results of Operations

(Millions of yen, except per share amounts)

	Revenue from Operations	Operating Income	Ordinary Income	Net Income
Current Fiscal Year	3,895,772 -	244,940 -	248,110 -	87,930 -

	Net Income per Share	Diluted Net Income per Share	Ratio of Net Income to Shareholders' Equity	Ratio of Ordinary Income to Total Assets	Ratio of Ordinary Income to Revenue from Operations
Current Fiscal Year	100.83	-	5.5 %	7.2 %	6.4 %

- Notes:
- All amounts less than one million yen have been disregarded
 - Equity in earnings of affiliates: Current Fiscal Year: 1,993 million yen
 - Average number of shares outstanding: Current Fiscal Year: 870,127,116 shares
 - The Company was established on September 1, 2005. The Company's consolidated results for the fiscal year ended February 28, 2006 were prepared, assuming that the Company had been established on March 1, 2005.
 - The Company started to compile the financial results from this consolidated fiscal year; hence financial information for the previous fiscal year, and Change in accounting policies were not disclosed.
 - Net income per share and Diluted net income per share were calculated by using average number of outstanding shares during current fiscal year, assuming that the Company had been established on March 1, 2005
 - Ratio of net income to shareholders' equity and Ratio of ordinary income to total assets were calculated by using shareholders equity and total asset at the end of fiscal year.

(2) Financial Position

(Millions of yen, except per share amounts)

	Total Assets	Shareholders' Equity	Ratio of Shareholders' Equity to Total Assets	Shareholders' Equity per Share
As of February 28, 2006	3,424,878	1,603,684	46.8%	1,772.25

Note: Number of shares outstanding at the end of fiscal year: Current Fiscal Year: 904,774,606 shares

(3) Cash Flows

(Millions of yen)

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at End of Fiscal Year
Current Fiscal Year	217,325	(388,080)	103,093	610,876

(4) Number of companies included in consolidated accounts

Number of consolidated subsidiaries: 76

Number of non-consolidated subsidiaries accounted for by the equity method: 0

Number of affiliated companies accounted for by the equity method: 11

(5) Change of the number of companies included in consolidated accounts

The Company started to compile the financial results from this consolidated fiscal year; hence change in scope of consolidation and application of equity method were not disclosed.

2. Business Outlook for the Fiscal Year Ending February 28, 2007 (From March 1, 2006 to February 28, 2007)

(Millions of yen)

	Revenue from Operations	Operating Income	Ordinary Income	Net Income
Interim Period	2,540,000 -	147,000 -	145,000 -	75,000 -
Entire Year	5,200,000 33.5 %	300,000 22.5 %	295,000 18.9 %	150,000 70.6 %

< Reference > Expected consolidated net income per share for the fiscal year ending February 28, 2007 165.79 yen

Note : Percentages above represent increase (decrease) over prior fiscal year.

FORWARD LOOKING STATEMENTS

The outlook for fiscal year ending February 28, 2007 is based on hypotheses, plans and estimates at the date of publication. It is possible that some uncertain factors will cause the Company's future performance to differ significantly from the contents of outlook. See the descriptions relating to the above outlook in page 10 of this document.

MAJOR SEVEN & I HOLDINGS GROUP COMPANIES

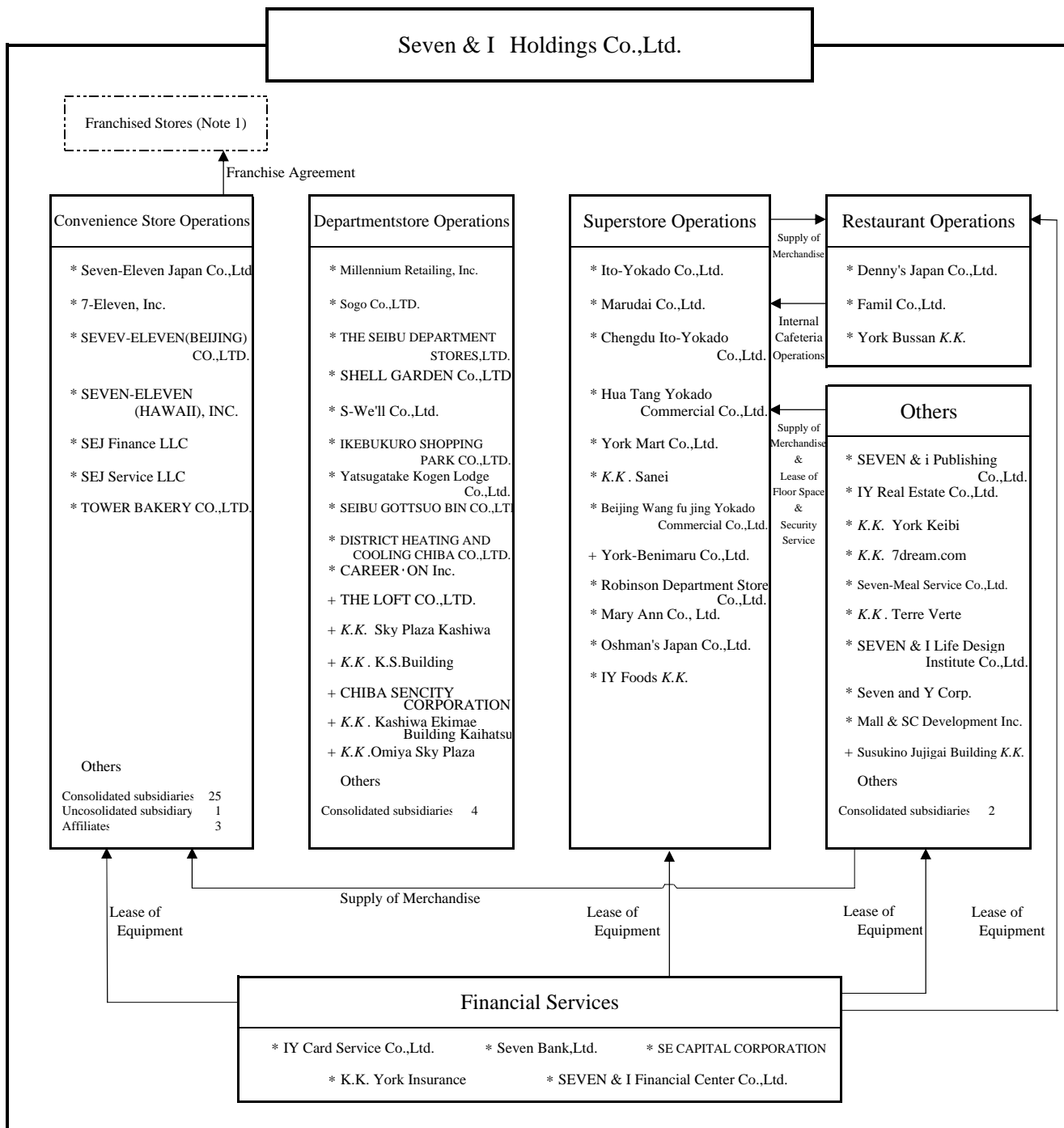
Seven & i Holdings Group consists 89 diversified retail companies, mainly engaged in convenience store operations, superstore operations, department store operations, restaurant operations and financial services. Business segments, major group companies and number of companies are as follows.

This segmentation is same as the business segment shown in the section of segment information.

Business Segment (Number of companies belonging to each category)	Major Group Companies	Number of Companies
Convenience Store Operations: (36)	Seven-Eleven Japan Co., Ltd. 7-Eleven, Inc. SEVEN-ELEVEN (BEIJING) CO., LTD. SEVEN-ELEVEN (HAWAII), INC. SEJ Finance LLC SEJ Service LLC TOWER BAKERY CO.,LTD.	Consolidated Subsidiaries 32 Unconsolidated Subsidiary 1 Affiliates 3 <hr/> Total 36
Superstore Operations:(12)	Ito-Yokado Co., Ltd. Marudai Co., Ltd. Chengdu Ito-Yokado Co., Ltd. Hua Tang Yokado Commercial Co., Ltd. York Mart Co., Ltd. K.K. Sanei Beijing Wang fu jing Yokado Commercial Co., Ltd. York-Benimaru Co., Ltd.* Robinson Department Store Co., Ltd. Mary Ann Co., Ltd. Oshman's Japan Co., Ltd. IY FoodsK.K.	Consolidated Subsidiaries 11 Affiliate 1 <hr/> Total 12
Departmentstore Operations:(20)	Millennium Retailing, Inc. Sogo Co.,LTD. THE SEIBU DEPARTMENT STORES,LTD. SHELL GARDEN Co.,LTD. S-We'll Co.,Ltd. IKEBUKURO SHOPPING PARK CO.,LTD. Yatsugatake Kogen Lodge Co.,Ltd. SEIBU GOTTSUO BIN CO.,LTD. DISTRICT HEATING AND COOLING CHIBA CO.,LTD. CAREER·ON Inc. THE LOFT CO.,LTD. K.K.Sky Plaza Kashiwa K.K.K.S.Building CHIBA SENCITY CORPORATION K.K.Kashiwa Ekimae Building Kaihatsu K.K.Omiya Sky Plaza	Consolidated Subsidiaries 14 Affiliates 6 <hr/> Total 20
Restaurant Operations: (3)	Denny's Japan Co., Ltd. Famil Co., Ltd. York Bussan K.K.	Consolidated Subsidiaries 3
Financial Services: (5)	Seven Bank, Ltd. IY Card Service Co., Ltd. SE CAPITAL CORPORATION SEVEN & I Financial Center Co., Ltd. K.K. York Insurance	Consolidated Subsidiaries 5
Others:	SEVEN & i Publishing Co., Ltd. IY Real Estate Co., Ltd. K.K. York Keibi K.K. 7dream.com Seven-Meal Service Co., Ltd. K.K. Terre Verte SEVEN & I Life Design Institute Co.,Ltd. Seven and Y Corp. Mall & SC Development Inc. Susukino Jujigai BuildingK.K.	Consolidated Subsidiaries 11 Affiliate 1 <hr/> Total 12

* These Companies' shares are listed on the First Section of the Tokyo Stock Exchange

1. Companies stated in the above table are consolidated subsidiaries, except York-Benimaru Co., Ltd., THE LOFT CO.,LTD., K.K.Sky Plaza Kashiwa, K.K.K.S.Building, CHIBA SENCITY CORPORATION, K.K.Kashiwa Ekimae Building Kaihatsu, K.K.Omiya Sky Plaza, Susukino Jujigaibiru K.K.
2. SEJ Finance LLC and SEJ Service LLC are Holding Companies of 7-Eleven, Inc.
3. Millennium Retailing, Inc is the holding company of Sogo Co.,LTD., THE SEIBU DEPARTMENT STORE,LTD.etc.
4. SEIBU GOTTSUO BIN Co., Ltd. changed its corporate name to GOTTSUO BIN Co., Ltd. on March 1, 2006.
5. CAREER·ON Inc. changed its corporate name to S-WILL Co.,Ltd. on March 13, 2006.
6. S-We'll Co., Ltd. changed its corporate name to MILLENNIUM Casting Inc. on April 1, 2006.



* Consolidated subsidiary
 + Affiliate accounted for by the equity method

- Notes: 1 Each franchised store is operated by an independent franchisee which enters into franchise agreement with Seven-Eleven Japan or 7-Eleven,Inc.
 2 As of February 28, 2006, Seven Bank, Ltd. placed 11,188 units of ATM machines in the stores of group companies.

CONSOLIDATED BALANCE SHEETS

(Millions of yen)

	February 28, 2006	
	Amount	%
ASSETS		
Current assets	1,102,819	32.2
Cash and bank deposits	619,537	
Accounts and notes receivable, trade	110,829	
Trade accounts receivable - financial services	37,562	
Inventories	148,913	
Prepaid expenses	30,338	
Deferred income taxes	31,725	
Other	126,132	
Allowance for doubtful accounts	(2,220)	
Non-current assets	2,321,779	67.8
Property and equipment	1,200,492	35.0
Buildings and structures	502,904	
Furniture, fixtures and equipment	185,749	
Vehicles	111	
Land	488,152	
Construction in progress	23,573	
Intangible assets	368,971	10.8
Goodwill	272,014	
Other	96,956	
Investments and other assets	752,316	22.0
Investments in securities	216,933	
Long-term loans receivable	21,458	
Long-term leasehold deposits	463,238	
Advances for store construction	552	
Deferred income taxes	26,977	
Other	34,133	
Allowance for doubtful accounts	(10,977)	
Deferred assets	280	0.0
New organization costs	280	
TOTAL ASSETS	3,424,878	100.0

(Millions of yen)

	February 28, 2006	
	Amount	%
LIABILITIES		
Current liabilities	982,859	28.7
Accounts and notes payable, trade	285,123	
Short-term loans	114,462	
Current portion of long-term loans	47,832	
Income taxes payable	94,030	
Accrued expenses	88,148	
Deposits received	73,837	
Allowance for sales promotion	17,553	
Allowance for bonuses to employees	13,609	
Deposit received in banking business	96,246	
Other	152,014	
Non-current liabilities	724,139	21.2
Bonds	115,000	
Long-term loans	368,314	
Commercial paper	41,764	
Deferred income taxes	77,212	
Accrued pension and severance costs	3,433	
Allowance for retirement benefits to directors and corporate auditors	3,273	
Deposits received from tenants and franchised stores	57,820	
Other	57,318	
TOTAL LIABILITIES	1,706,998	49.9
MINORITY INTERESTS	114,196	3.3
SHAREHOLDERS' EQUITY		
Common stock	50,000	1.4
Capital surplus	611,704	17.9
Retained earnings	1,040,613	30.4
Net unrealized gains on available-for-sale securities	7,953	0.2
Cumulative translation adjustments	6,298	0.2
Treasury stock	(112,884)	(3.3)
TOTAL SHAREHOLDERS' EQUITY	1,603,684	46.8
TOTAL LIABILITIES, MINORITY INTERESTS AND SHAREHOLDERS' EQUITY	3,424,878	100.0

CONSOLIDATED STATEMENTS OF INCOME

(Millions of yen)

	Current Fiscal Year	
	Amount	%
Revenue from operations	3,895,772	
Net sales	3,437,344	100.0
Cost of sales	2,488,509	72.4
Gross profit on sales	948,835	27.6
Other operating revenue	458,427	13.3
Gross profit from operations	1,407,263	40.9
Selling, general and administrative expenses	1,162,322	33.8
Advertising and decoration expenses	87,667	
Salaries and wages	328,255	
Provision for allowance for bonuses to employees	8,931	
Pension expenses	9,925	
Legal welfare expenses	35,549	
Land and building rent	167,181	
Depreciation and amortization	93,614	
Utility expenses	75,230	
Store maintenance and repair	64,563	
Other	291,402	
Operating Income	244,940	7.1
Non-operating income	10,740	0.3
Interest and dividends income	3,057	
Equity in earnings of affiliates	1,993	
Foreign currency exchange gains	3,235	
Other	2,453	
Non-operating expenses	7,570	0.2
Interest expense	5,053	
Interest on bonds	1,309	
Other	1,207	
Ordinary income	248,110	7.2
Special gains	7,611	0.2
Gain on sale of property and equipment	1,843	
Gain on sale of investments in subsidiaries	947	
Gain from amendment of pension plan of a subsidiary in the United States	3,011	
Gain from cancellation of employee retirement benefit trust	895	
Other	913	
Special losses	77,203	2.2
Loss on disposal of property and equipment	8,184	
Impairment loss	31,040	
Costs in relation to the establishment of the holding company	2,597	
Costs in relation to tender offer	20,776	
Provision for doubtful accounts	5,789	
Additional retirement allowance for early retirement	6,159	
Other	2,655	
Income before income taxes and minority interests	178,518	5.2
Income taxes - current	83,267	2.4
Income taxes - deferred	(1,792)	(0.1)
Minority interests in earnings of consolidated subsidiaries	9,111	0.3
Net income for the year	87,930	2.6

**CONSOLIDATED STATEMENTS OF CAPITAL SURPLUS
AND RETAINED EARNINGS**

(Millions of yen)

	Current Fiscal Year
Capital surplus	
Capital surplus at beginning of year	122,653
Increase in capital surplus	489,050
Gain on sales of treasury stock	78,702
Increase resulting from stock-transfer	407,086
Increase resulting from adoption of U.S. GAAP by foreign subsidiaries	3,261
Capital surplus at end of year	611,704
Retained earnings	
Retained earnings at beginning of year	983,675
Increase in retained earnings	87,930
Net income	87,930
Decrease in retained earnings	30,993
Cash dividends	16,029
Cash payment upon stock-transfer	14,434
Bonuses to directors and corporate auditors	246
Decrease resulting from adoption of U.S. GAAP by foreign subsidiaries	281
Retained earnings at end of year	1,040,613

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Millions of yen)

	Current Fiscal Year
Cash flows from operating activities:	
Income before income taxes and minority interests	178,518
Depreciation and amortization	97,810
Impairment loss	31,040
Decrease in allowance for bonuses to employees	(1,046)
Decrease in accrued pension and severance costs	(7,540)
Interest and dividend income	(3,057)
Interest expense and interest on straight bonds	6,362
Foreign currency exchange gain	(2,717)
Equity in earnings of affiliates	(1,993)
Gain on sale of property and equipment	(1,843)
Loss on sales and disposals of property and equipment	8,558
Gain on sale of subsidiary's common stock	(947)
Increase in accounts and notes receivable	(16,477)
Increase in trade accounts receivable - financial services	(4,722)
Increase in inventories	(3,254)
Decrease in accounts and notes payable, trade	(21,291)
Proceeds from debt in subsidiary (Bank)	21,000
Net increase in deposit received in banking business	29,872
Net decrease in call money in banking business	(25,000)
Other, net	34,120
Sub-total	317,391
Interest and dividends received	2,384
Interest paid	(6,015)
Income taxes paid	(96,434)
Net cash provided by operating activities	217,325
Cash flows from investing activities:	
Acquisition of property and equipment	(146,179)
Proceeds from sales of property and equipment	4,702
Acquisition of intangible assets	(13,694)
Payment for purchase of investments in securities	(101,807)
Proceeds from sale and maturity of investments in securities	69,726
Acquisition of investments in subsidiaries	(133,451)
Proceeds from sales of investments in subsidiaries	4,345
Acquisition of investments in newly consolidated subsidiary	(74,709)
Payment for loans receivable	(3,561)
Collection of loans receivable	1,099
Payment for long-term leasehold deposits and advances for store construction	(24,411)
Refund of long-term leasehold deposits	29,776
Proceeds from deposits from tenants	6,668
Return of deposits from tenant	(4,483)
Other	(2,099)
Net cash used in investing activities	(388,080)
Cash flows from financing activities:	
Decrease in short-term loans	(2,470)
Proceeds from long-term debt	41,500
Repayment of long-term debt	(12,532)
Proceeds from issuance of commercial paper	554,046
Payment for redemption of commercial paper	(544,532)
Payment for redemption of bonds	(20,000)
Dividends paid for minority shareholders	(16,045)
Payment in relation to stock-transfer	(14,400)
Purchase of treasury stock	(127,101)
Proceeds from sale of treasury stock	238,221
Other	6,407
Net cash provided by financing activities	103,093
Effect of exchange rate changes on cash and cash equivalents	(4,562)
Net decrease in cash and cash equivalents	(72,223)
Cash and cash equivalents at beginning of year	683,100
Cash and cash equivalents at end of year	610,876

Significant Accounting Policies for the Preparation of Financial Statements

1. Scope of consolidation

(1) Number of consolidated subsidiaries: 76

Major consolidated subsidiaries: Seven-Eleven Japan Co., Ltd., Ito-Yokado Co., Ltd., Millennium Retailing, Inc. (Note), Sogo Co., Ltd. (Note), The Seibu Department Stores, Ltd. (Note), Denny's Japan Co., Ltd. and 7-Eleven, Inc.

(Note) Consolidated subsidiaries increased by 14 in connection with the acquisition of 67.7% of the share capital of Millennium Retailing, Inc. in January 2006. Only assets and liabilities on a consolidation basis of Millennium Retailing Inc. were included in the accompanying Consolidated Financial Statements of Seven & I Holding Co., Ltd. (the "Company"), assuming that the acquisition was made on February 28, 2006.

(2) Number of unconsolidated subsidiaries: 1

Name: 7-Eleven Limited

Investment in Puerto Rico-7, Inc. was sold and investment in Brazos Comercial E Empreendimentos Ltda. was liquidated in current fiscal year.

Reason for non-consolidation: Their total assets, sales, the Company's portion of their net income or loss, retained earnings and the effect on the Company's Consolidated Financial Statements are not considered material.

2. Application of equity method

(1) Unconsolidated subsidiaries to which the equity method was applied: 0

Investment in Puerto Rico-7, Inc. was sold and investment in Brazos Comercial E Empreendimentos Ltda. was liquidated in current fiscal year.

(2) Number of affiliates to which equity method was applied: 11

Major affiliates: York-Benimaru Co., Ltd., THE LOFT CO.,LTD (Note)

(Note) Affiliates to which the equity method was applied increased by 6 in connection with the acquisition of investment in Millennium Retailing Inc.

(3) Name of unconsolidated subsidiary to which equity method was not applied:

7-Eleven, Limited.

Reason for not applying equity method: The Company's portion of its net income or loss (as calculated by the equity method), retained earnings (as calculated by the equity method) and the effect on the Company's Consolidated Financial Statements are not considered material.

(4) Procedure for applying equity method

The affiliates which have different closing dates are included in the consolidated financial statements based on their respective fiscal year-end.

The investments in and advance to an affiliate that has negative net assets are reduced to zero and a reserve for additional loss was provided.

3. Accounting period of consolidated subsidiaries

Subsidiaries are included in the Consolidated Financial Statements on the basis of fiscal year ended December 31. All material transactions during the period from January 1 to February 28 are adjusted for in the Consolidated Financial Statements in the process of its consolidation.

The closing date of certain subsidiaries is March 31. Pro forma statements as of February 28 prepared in a manner that is substantially identical to the preparation of the official financial statements are used in order for the Company to prepare Consolidated Financial Statements.

4. On September 1, 2005, Ito-Yokado Co., Ltd., Seven-Eleven Japan Co., Ltd. and Denny's Japan Co., Ltd. established Seven & I Holding Co., Ltd. (the "Company") and became wholly owned subsidiaries of the Company by means of stock transfer.

Consolidation procedures in connection with stock transfer above were accounted for by similar manner to pooling-of-interest method. Accompanying consolidated financial statements were prepared assuming that above 3 subsidiaries were combined on March 1, 2005 and retained earnings on consolidated financial statements of Ito-Yokado Co., Ltd. as of February 28, 2005 were carried forward and recorded as beginning balance of retained earnings in the consolidated financial statements of the Company.

5. Summary of significant accounting policies

(1) Valuation method of major assets

(a) Valuation method of securities

(I) Held-to-maturity debt securities are carried at amortized cost.

(II) Available-for-sale securities are classified into two categories: (i) fair value is available and (ii) fair value is not available.

(i) Securities, whose fair value is available, are valued at the quoted market price prevailing at the end of the fiscal year. Net unrealized gains or losses on these securities are reported as a separate component of shareholders' equity at a net-of-tax amount. Cost of sales is determined by the moving-average method.

(ii) Securities, whose fair value is not available, are valued at cost. Cost is determined by the moving-average method.

(b) Valuation method of derivatives

Derivative financial instruments are valued at fair value.

(c) Valuation method of inventories

(I) Merchandise:

Inventories are valued principally at the lower of cost or market. Cost is determined principally by the average retail method for domestic companies and the LIFO method for foreign subsidiaries.

(II) Supplies:

Supplies are carried at cost. Cost is determined by the last purchase price method.

(2) Depreciation and amortization

(a) Property and equipment

Depreciation of property and equipment is computed generally on the declining-balance method for the Company and its domestic subsidiaries except for the domestic subsidiaries in department store business and on the straight-line method for the domestic subsidiaries in department store business and foreign subsidiaries.

(b) Intangible assets

Intangible assets are amortized using the straight-line method for the Company and domestic subsidiaries. Software is amortized using the straight-line method on estimated useful life of 5 years.

Goodwill, representing the difference between the cost of an investment in a subsidiary and the fair value of the company's share of the net assets of the subsidiary, is treated as an assets or liability, as the case may be, and is amortized over twenty years on a straight-line basis. However, if the goodwill is immaterial, it is expensed in full in the year in which it is incurred. The above policy is also applied to goodwill arising from investments in affiliates accounted for using the equity method.

The subsidiaries in the United States make an impairment test for goodwill and other intangible assets with indefinite lives in accordance with the provisions of Statement of Financial Accounting Standard No. 142, "Goodwill and Other Intangible Assets", and decrease the book value if required.

(3) Accounting for deferred assets

New organization cost is amortized using the straight-line method over 5 years, with the exception of minor amounts which are charged to income in the year of occurrence.

(4) Allowances

(a) Allowance for doubtful accounts

An allowance for doubtful accounts is provided against potential losses on collection at an amount measured using a historical bad debt ratio for normal receivables, plus an amount individually measured on the collectibility of receivables that are expected to be uncollectible due to bad financial condition or insolvency.

(b) Allowance for sales promotion

An allowance for sales promotion is provided for the use of points given to customers at the amount expected to be used on the balance sheet date in accordance with the sales promotion point card program. In department store business, estimated costs of sales for goods to be purchased by coupon ticket issued through point system are provided for.

(c) Allowance for bonuses to employees

An allowance for bonuses to employees is provided at the amount expected to be paid in respect of the calculation period ended on the balance sheet date.

(d) Allowance for accrued pension and severance costs

An allowance for accrued pension and severance costs is provided at the amount incurred during the fiscal year, which is based on the estimated present value of the projected benefit obligation less the estimated fair value of plan assets at the end of the fiscal year. Unrecognized actuarial differences are amortized on a straight-line basis over the period of 10 years from the next year in which they arose.

(e) Allowance for retirement benefits to directors and corporate auditors

An allowance for retirement benefits to directors and corporate auditors is provided in accordance with the Company's internal policy.

(5) Foreign currency translation for major assets and liabilities denominated in foreign currency

All assets and liabilities of the Company and its domestic subsidiaries denominated in foreign currencies are translated into Japanese yen at the exchange rate in effect at the respective balance sheet dates. Translation gains or losses are included in the accompanying Consolidated Statements of Income.

All balance sheets accounts, except shareholders' equity, of foreign subsidiaries are translated into Japanese yen at the exchange rate in effect at the respective balance sheet dates and all income and expense accounts are translated at the average exchange rate for the period. The resulting translation adjustments are included in "Minority interest" and "Cumulative translation adjustments".

(6) Leases

Finance leases contract other than those by which the ownership of the leased assets is to be transferred to lessee are accounted for as operating leases for the Company and its domestic subsidiaries. Foreign subsidiaries accounts for finance leases as assets and obligations at an amount equal to the present value of the lease payments during the lease term.

(7) Hedge accounting

(a) Hedge accounting

If interest rate swaps are used as hedges and meet certain hedging criteria, the Company defers recognition of gains and losses resulting from the changes in fair value of interest rate swaps until the related gains and losses on the hedged item are recognized. However, certain interest rate swaps which meet specific hedging criteria are not measured at fair value but the differences between paid and received under the swap agreements are recognized and included in interest income or expense as incurred.

(b) Hedge instruments and hedged items

Hedge instruments---Interest swap

Hedged items---Fixed-rate bonds

(c) Hedging policies

The Company and its subsidiaries utilize derivative instruments for the purposes of hedging its exposure to fluctuation in market rates and reducing financing costs. The Company and its subsidiaries do not hold or

issue derivative instruments for trading or speculative purposes.

(d) Assessing hedge effectiveness

The Company assesses hedge effectiveness for interest rate swap quarterly except for those that meet specific hedging criteria.

(8) Other accounting issues

(a) Accounting for franchised stores in convenience store operations

7-Eleven, Inc. includes the assets, liabilities, equity and results of operations of its franchised stores in its consolidated financial statements. Seven-Eleven Japan Co., Ltd. recognizes franchise fees from its franchised stores as revenues and includes it in "Other operating revenue".

(b) Accounting for consumption taxes and excise tax

The Japanese consumption taxes withheld and consumption taxes paid are not included in the Consolidated Statements of Income. The excise tax levied in the U.S. and Canada is included in the revenues from operations.

6. Valuation of assets and liabilities of consolidated subsidiaries

All assets and liabilities of consolidated subsidiaries, excluding the portion attributable to minority interests, are valued at fair value applicable to the respective dates when the subsidiaries were initially consolidated.

7. Appropriation of retained earnings

The accompanying Consolidated Statements of Capital Surplus and Retained Earnings have been prepared based on the appropriation of retained earnings approved during the year.

8. Cash and cash equivalents

Cash and cash equivalents in the accompanying consolidated statements of cash flows are comprised of cash on hand, demand deposits and short-term investments with maturities of three months or less from the date of acquisition, that are liquid, readily convertible into cash and are subject to minimum risk of price fluctuation.

Notes to Consolidated Financial Statements

Consolidated Balance Sheets;

1. Accumulated depreciation of Property and Equipment

(Millions of yen)

	As of February 28, 2006
Accumulated Depreciation	981,030

2. Assets pledged as collateral

(Millions of yen)

	As of February 28, 2006
Bank deposits	3,423
Accounts and notes receivable, trade	6,921
Other current assets	5,272
Buildings and structures	70,737
Furniture, fixtures and equipment	1,313
Land	115,917
Other intangible assets	14,207
Investments in securities	112,562
Long-term leasehold deposits	35,672
Other investment	774
Total	366,802
Debts for which above assets are pledged as collateral	
Short-term loans	64,678
Long-term loans (including current portion of long-term debt)	268,061
Long-term accounts payable, other	1,887

Assets pledged as collateral for the debts of affiliates and vendors

(Millions of yen)

	As of February 28, 2006
Buildings	2,344
Land	2,828
Debt of affiliates and vendors for which above assets are pledged as collateral	5,155

Assets pledged as collateral for fund transfer

(Millions of yen)

	As of February 28, 2006
Investments in securities	5,501

Deposits under building lots and building transaction business law

(Millions of yen)

	As of February 28, 2006
Investments in securities	24
Long-term leasehold deposits	10

Deposits under installment sales law

(Millions of yen)

	As of February 28, 2006
Investments in securities	420
Long-term leasehold deposits	5,245

Assets pledged as collateral for gift ticket of 19,198 million yen issued by subsidiaries under regulation to protect holder of the gift ticket

(Millions of yen)

	As of February 28, 2006
Bank deposits	3,000
Other investment	243

3. Guarantees

(Millions of yen)

	As of February 28, 2006
7-Eleven Mexico, S.A. de C.V.	217
Goshogawara Machi Dukuri K.K.	767
Employees' housing Loans	1,180
Total	2,165

4. Others

(1) Litigation

Sogo Co., Ltd. ("Sogo"), a consolidated subsidiary of the Company, has been named as a defendant in lawsuit, which has been filed in Tokyo District Court by Organization for Promotion Urban Development on November 28, 2002, regarding the cancellation for "sales contract of properties of Kobe North Parking dated February 1996" against the notice of cancellation for buy-back agreement by Sogo based on the Civil Rehabilitation Law. On August 30, 2005, Tokyo District Court judged that Sogo should pay 13,138 million yen for buy-back such properties (land) and annually 6% of interest from claim date. Then, Sogo appealed to the Tokyo High Court and it has been pending.

It is the opinion of management of Sogo that this lawsuit which is pending against Sogo will not have material adverse effect on its operating results, liquidity or financial position.

(2) Securitization of store properties

The Seibu Department Stores, Ltd. ("Seibu"), a consolidated subsidiary of the Company established certain real estate trusts comprising of the land, land leasehold rights and part of the buildings of several stores. and sold the beneficiary rights of the trust to Special Purpose Corporations ("SPC"). Concurrently, Seibu has entered into a silent partnership arrangements with SPC with certain investments. And also, Seibu leased-back such store properties from SPC who have the beneficiary rights of the trusts.

Under arrangements, the above noted investments from arrangements are subordinated to all liabilities to other members of silent partnership and third parties other than members of silent partnership.

Summary of Store name, Amount of investments and SPC are as follows: (Millions of yen)

	Store name	Amount of investment	Special purpose company		
			Name	Year end	Total assets
1	Ikebukuro	5,850	Asset Ikesei Corp.	July	124,160
2	Sapporo, Funabashi and Shibuya-Loft	2,065	Global Asset Ikesei Corp.	August	44,331
3	Shibuya-Movita	470	Asset Movita	(Half year end) Aug. & Feb.	9,877

Consolidated Statements of Income

1. Inventory valuation loss included in "Cost of sales" is as follows:

(Millions of yen)

	Fiscal year ended February 28, 2006
Inventory valuation loss	7,181

2. The franchised commission from Seven-Eleven Japan Co., Ltd's franchised stores is included in "Other operating revenue".

The franchised commission from franchised stores and net sales of franchised stores are as follows:

(Millions of yen)

	Fiscal year ended February 28, 2006
Franchised commission from franchised stores	356,907
Net sales of franchised stores	2,365,344

3. Major items included in "Gain from sales of property and equipment" are as follows:

(Millions of yen)

	Fiscal year ended February 28, 2006
Buildings and structures	1,069
Land	768
Others	5
Total	1,843

4. Major items included in "Loss on disposals of property and equipment" are as follows:

(Millions of yen)

	Fiscal year ended February 28, 2006
Buildings and structures	4,049
Furniture, fixtures and equipment	1,375
Software	1,750
Others	1,008
Total	8,184

5. Impairment loss

For the year ended February 28, 2006, the Company and its consolidated subsidiaries recognized 31,040 million yen of impairment loss on the following group of assets.

(Millions of yen)

Description	Classification	Location			Amount
Stores (Convenience stores)	Land and buildings etc.	Tokyo	34	Stores	30,976
		Kanagawa Pref.	34	Stores	
		Other (including U.S.)		Stores	
Stores (Superstores)	Land and buildings etc.	Hokkaido	7	Stores	
		Chiba Pref.	5	Stores	
		Other	23	Stores	
Stores (Restaurant)	Building and structures etc.	Tokyo & other	51	Stores	
Other facilities etc.	Land etc.	Saitama & other	2	Stores	63
Total					31,040

The Company and its consolidated domestic subsidiaries group their fixed assets by store which is the minimum cash-generating unit.

The book value of stores whose land had significantly depreciated, or which incurred consecutive operating losses, were reduced to recoverable amounts, and the amount written down was recorded as impairment loss in special losses.

Breakdown of impairment loss are as follows:

(Millions of yen)

	Stores	Other facilities etc.	Total
Building and structures	14,810	-	14,810
Land	13,195	34	13,229
Other	2,970	29	3,000
Total	30,976	63	31,040

In the case where net selling prices were used as recoverable amounts, relevant assets were evaluated based on real estate appraisal standards, and in the case where values in use were used as recoverable amounts, relevant assets were evaluated by discounting estimated future cash flows to which the 3.1% - 6.0% discount rates were applied.

Consolidated Statements of Cash Flows

1. Reconciliation of cash and cash equivalents of consolidated statements of cash flows and account balances of consolidated balance sheets

(Millions of yen)

	As of February 28, 2006
Cash and bank deposits	619,537
Time deposits with an original maturity of more than three months	(8,660)
Cash and cash equivalents	610,876

2. Summary of net assets (assets and liabilities) and acquisition costs of companies which became consolidated subsidiaries due to the acquisition of shares for current fiscal year

Hua Tang Yokado Commercial Co., Ltd. (Hua Tang)

	As of acquisition date
Current assets	5,446
Non-current assets	1,216
Goodwill	1,946
Current liabilities	(2,469)
Minority interests	(2,023)
Sub-total	4,116
Carrying value of investment in Hua Tang under equity method at the time that the Company acquired majority of voting rights.	(1,541)
Acquisition cost	2,575
Cash and cash equivalents of Hua Tang	(2,100)
Payment for acquisition of investments in Hua Tang	474

TOWER BAKERY CO., LTD. (TOWER BAKERY)

	As of acquisition date
Current assets	760
Non-current assets	3,754
Goodwill	809
Current liabilities	(2,905)
Non-current liabilities	(741)
Minority interests	(277)
Acquisition cost	1,399
Cash and cash equivalents of TOWER BAKERY	(0)
Payment for acquisition of investments in TOWER BAKERY	1,399

Millennium Retailing, Inc. (Millennium)

	As of acquisition date
Current assets	148,977
Non-current assets	486,841
Goodwill	105,716
Current liabilities	(268,291)
Non-current liabilities	(273,564)
Minority interests(Note)	(64,205)
Acquisition cost	135,474
Cash and cash equivalents of Millennium	(62,677)
Payment for acquisition of investments in Millennium	72,797

(Note) 40,000 million yen of preferred stock held by the third party are included in minority interests.

Seven and Y Corp. (Seven and Y)

	As of acquisition date
Current assets	975
Non-current assets	299
Goodwill	461
Current liabilities	(1,081)
Minority interests	(95)
Sub-total	559
Carrying value of investment in Seven and Y under equity method at the time that the Company acquired majority of voting rights	(59)
Acquisition cost	499
Cash and cash equivalents of Seven and Y	(462)
Payment for acquisition of investments in Seven and Y	37

3. Major non-cash transactions

(Millions of yen)

	Fiscal year ended February 28, 2006
Finance lease obligations for property and equipment recorded in consolidated balance sheet for the current fiscal year	1,097

Leases

1. Information for finance lease contracts other than those for which the ownership of the leased assets is to be transferred to lessee.

(1) As lessee

(a) Acquisition cost, accumulated depreciation and net book value of leased assets, including the interest portion, are summarized as follows:

(Millions of yen)

	As of February 28, 2006 Furniture, fixtures and equipment
Acquisition cost	53,560
Accumulated depreciation	30,183
Net book value	23,377

	As of February 28, 2006 Software
Acquisition cost	1,371
Accumulated depreciation	707
Net book value	664

(b) The amounts of outstanding future lease payments, including the interest portion, are summarized as follows:

(Millions of yen)

	As of February 28, 2006
Within one year	8,941
Over one year	15,099
Total	24,041

(c) Lease payments and depreciation expense are as follows:

(Millions of yen)

	Fiscal year ended February 28, 2006
Lease payments	8,396
Depreciation expense	8,396

(d) Depreciation expense is computed by the straight-line method over the lease term of the leased assets assuming no residual value.

(2) As lessor

(a) Acquisition cost, accumulated depreciation and net book value are summarized as follows:

(Millions of yen)

	As of February 28, 2006 Furniture, fixtures and equipment
Acquisition cost	21,535
Accumulated depreciation	8,850
Net book value	12,685

(b) The amounts of outstanding future lease payments to be received are summarized as follows:

(Millions of yen)

	As of February 28, 2006
Within one year	3,577
Over one year	9,380
Total	12,957

(c) Lease income, depreciation expense and interest income are as follows:

(Millions of yen)

	Fiscal year ended February 28, 2006
Lease income	3,819
Depreciation expense	3,550
Interest income	374

(d) Allocation of interest income to each period is computed by interest method.

2. Operating leases

As lessee

The amounts of outstanding future lease payments, including the interest portion, are summarized as follows:

(Millions of yen)

	As of February 28, 2006
Within one year	67,684
Over one year	419,364
Total	487,049

3. Impairment loss on leased assets

No impairment loss was recognized on the leased assets for the year ended February 28, 2006.

Securities Information

1. Held-to-maturity debt securities (fair value is available)

(Millions of yen)

	As of February 28, 2006		
	Book value	Fair value	Difference
Securities with fair value exceeding book value	310	310	0
Securities with fair value not exceeding book value	435	432	(2)
Total	745	743	(2)

2. Available-for-sale securities (fair value is available)

(Millions of yen)

	Description	As of February 28, 2006		
		Acquisition cost	Book value	Net unrealized gains (losses)
Securities with book value exceeding acquisition cost	Equity securities	36,733	89,004	52,270
	Debt securities	5,998	6,003	5
	Sub total	42,732	95,007	52,275
Securities with book value not exceeding acquisition cost	Equity securities	276	226	(50)
	Debt securities	47,542	47,538	(4)
	Sub total	47,819	47,765	(54)
Total		90,552	142,773	52,220

3. Available-for-sale securities sold during the fiscal year ended February 28, 2006

Information is not disclosed because the transactions are immaterial.

4. Major securities which are not subject to revaluation

(Millions of yen)

	As of February 28, 2006	
	Book value	
Held-to-maturity debt Bonds	203	
Available-for-sale securities		
-Unlisted securities	18,228	
-Unlisted foreign securities	5,051	
Total	23,280	

5. Redemption schedule of available-for-sale securities with fixed maturities and held-to maturity debt securities

(Millions of yen)

	As of February 28, 2006			
	Within 1 year	1 to 5 years	5 to 10 years	over 10 years
Governmental and municipal bonds	53,532	454	-	-
Corporate bonds	-	203	300	-
Total	53,532	658	300	-

Derivative Transactions

Notional amounts, fair value and unrealized gain (loss) of derivative instruments

1. Currency-related transactions

(Millions of yen)

	As of February 28, 2006			
	Notional amounts total	Notional amounts, due over one year	Fair Value	Unrealized gain (loss)
Forward exchange contracts				
Buy:				
U.S. Dollar	3,255	-	3,254	(1)
Euro	11	-	11	0
Foreign currency swap				
U.S. Dollar	47,472	35,454	1,931	1,931
Total	50,739	35,454	5,197	1,929

(Note)

Fair values of forward exchange contracts and foreign currency swap and options are based on values prepared by financial institutions.

2. Interest-related transactions

(Millions of yen)

	As of February 28, 2006			
	Notional amounts total	Notional amount, due over one year	Fair Value	Unrealized gain (loss)
Interest rate swap				
Receive float / Pay fix	35,000	35,000	(71)	(71)
Total	35,000	35,000	(71)	(71)

(Note)

Fair value of Interest rate swap is based on value prepared by financial institutions.

Derivative transaction to which hedge accounting has been applied are excluded from this disclosure.

Accounting for Retirement Benefits

1. Summary of the retirement benefit plans

The Company and its domestic consolidated subsidiaries have a corporate pension fund plan, which are the defined benefit pension plan and certain domestic subsidiaries have the defined contribution pension plan and the lump-sum severance payment plan. Premium on employees' retirement benefit may be added upon retirement of employees.

A consolidated subsidiary, in the United States, has a defined contribution pension plan in addition to a defined benefit plan.

IY Group Employees' Pension Fund, which the Company and its domestic consolidated subsidiaries participate in, changed its name to "Seven and I Holdings Employees' Pension Fund" on September 1, 2005.

2. Projected retirement benefit obligations

(Millions of yen)

	Fiscal year ended February 28, 2006
Projected benefit obligations (Note 1)	(161,131)
Plan assets (including employee retirement benefit trust)	171,779
Funded status	10,648
Unrecognized actuarial differences	(10,870)
Unrecognized prior service costs	(2,570)
Others	(639)
Accrued pension and severance costs	(3,433)

(Notes)

Fiscal year ended February 28, 2006
1. For some of the consolidated subsidiaries, the simplified method is employed in computing retirement benefit obligations.

3. Net periodical pension expense

(Millions of yen)

	Fiscal year ended February 28, 2006
Service cost (Notes 1 and 2)	8,601
Interest cost	4,079
Expected return on plan assets	(5,791)
Amortization of actuarial differences	634
Amortization of prior service costs	474
Gain from amendment of pension plan (Note 3)	(3,011)
Premium on employees' retirement benefit	6,294
Net periodic pension expense	11,281

(Notes)

Fiscal year ended February 28, 2006
1. Net periodic pension expense of subsidiaries using the simplified method are included. 2. Besides the above net periodic pension expense, benefit cost related to the defined contribution plan employed by a subsidiary in the United States, amounting to 1,775million yen, is included. 3. Gain from amendment of pension plan in subsidiaries in the United states

4. Assumptions used in accounting for accrued pension and severance costs

(Millions of yen)

	Fiscal year ended February 28, 2006
Allocation method of estimated total retirement benefits	Point basis
Discount rate	Mainly 2.5% A consolidated subsidiary in the United States 6.0%
Expected rate of return on plan assets	Mainly 3.5%
Periods over which the prior service costs are amortized	Immediate recognition or 10 years
Periods over which the actuarial differences are amortized	Unrecognized actuarial differences are amortized on a straight-line basis over the period of 10 years from the next year in which they arise which is shorter than the average remaining years of service of the eligible employees. A consolidated subsidiary in the United States adopts the corridor approach for the amortization of actuarial differences.

Deferred income taxes

1. The tax effects of temporary differences that give rise to the significant components of deferred tax assets and liabilities are as follows

(Millions of yen)

	As of February 28, 2006
Deferred tax assets	
Inventory reserve	3,122
Allowance for bonuses to employees	5,753
Allowance for sales promotion	6,739
Accrued payroll	3,089
Allowance for retirement benefits to directors and corporate auditors	1,333
Accrued pension and severance costs	1,392
Depreciation and amortization	7,237
Tax loss carryforwards	51,587
Valuation loss on available-for-sale securities	1,540
Allowance for doubtful accounts	2,645
Unrealized loss on fixed assets	13,942
Valuation loss on land and impairment loss	30,700
Enterprise taxes and business office taxes payable	8,067
Accrued expenses	12,338
Loss on business reengineering	264
Other	10,026
Sub-total	159,781
Less valuation allowance	(79,333)
Total	80,447
Deferred tax liabilities	
Unrealized gain on fixed assets	(56,291)
Unrealized gain on Royalties	(17,154)
Deferred gain on sales of property and equipment	(1,130)
Unrealized gain on available-for-sale securities	(23,588)
Other	(1,756)
Total	(99,921)
Deferred tax assets, net	(19,473)

2. Reconciliation between the statutory tax rate and the effective tax rate

Fiscal year ended February 28, 2006	
Statutory tax rate	40.7
Equity in earnings of affiliates	(0.4)
Nondeductible items such as entertainment expenses	0.3
Changes of valuation allowance	5.4
Inhabitants taxes per capita	0.8
Other	(1.2)
Effective tax rate	45.6

SEGMENT INFORMATION

1. Business Segments

Fiscal year ended February 28, 2006

(Millions of yen)

	Convenience store operations	Superstore operations	Department store operations	Restaurant operations	Financial services	Others	Total before eliminations	Eliminations / Corporate	Consolidated total
Revenue and operating income									
Revenue									
1. Customers	2,014,335	1,675,203	-	122,246	71,192	12,793	3,895,772	-	3,895,772
2. Intersegment	900	12,530	-	1,779	11,096	6,986	33,294	(33,294)	-
Total revenue	2,015,236	1,687,734	-	124,025	82,289	19,780	3,929,066	(33,294)	3,895,772
Operating expenses	1,805,420	1,672,353	-	121,399	65,010	18,972	3,683,157	(32,325)	3,650,831
Operating income	209,815	15,381	-	2,625	17,278	808	245,909	(968)	244,940
Assets, depreciation and capital expenditure									
Assets	1,177,401	1,018,184	741,535	83,561	717,401	18,020	3,756,105	(331,226)	3,424,878
Depreciation	64,428	20,796	-	3,019	9,528	37	97,810	0	97,810
Impairment loss	6,341	23,861	-	837	-	-	31,040	-	31,040
Capital expenditure	83,788	49,531	-	4,724	22,852	34	160,931	11	160,942

Notes:

- The classification of business segment is made by the type of products and services and the type of sales.
- Major businesses of each segment are as follows:
 - Convenience store operations ---- Convenience store business operated by corporate stores and franchised store under the name of "7-Eleven".
 - Superstore operations ----- Superstore, supermarket, specialty shop and others
 - Department store operations ----- The Seibu Department Stores, Ltd., Sogo Co., Ltd. and other companies in department stores business
 - Restaurant operations ----- Coffee shop style restaurant, family restaurant operated in shopping center and catering
 - Financial services ----- Bank, credit card and lease business
 - Others ----- Electronic commerce business and other services

SEGMENT INFORMATION

2. Geographic area segments

Fiscal year ended February 28, 2006

(Millions of yen)

	Japan	North America	Others	Total before eliminations	Eliminations	Consolidated total
Revenue and operating income						
Revenue						
1. Customers	2,342,849	1,514,403	38,519	3,895,772	-	3,895,772
2. Intersegment	199	2,504	-	2,704	(2,704)	-
Total revenue	2,343,048	1,516,907	38,519	3,898,476	(2,704)	3,895,772
Operating expenses	2,130,171	1,484,415	38,952	3,653,539	(2,707)	3,650,831
Operating income (loss)	212,876	32,492	(432)	244,936	3	244,940
Assets	2,795,282	657,447	19,060	3,471,790	(46,911)	3,424,878

Notes

1. The classification of geographic area segments is made according to the geographical distances.
2. Others consist of the business results mainly in People's Republic of China ("P.R.C.") .

3. Overseas sales

Fiscal year ended February 28, 2006

(Millions of yen)

	North America	Others	Total
Overseas sales	1,514,403	38,519	1,552,923
Consolidated sales	-	-	3,895,772
Percentage of overseas sales to consolidated sales (%)	38.9	1.0	39.9

Notes

1. The classification of geographic area segments is made according to the geographical distances.
2. Others consists of sales mainly in PAR'S.
3. Overseas sales represent net sales and other operating revenue of consolidated subsidiaries in country and area outside of Japan.

Related Party Transactions

There was no related party transaction during the fiscal years ended February 28, 2006.

(Subsequent events)

1. Split-up and merger of Ito-Yokado Co., Ltd.

In accordance with the resolutions approved at meeting of the board of directors held on January 10 and 24, 2006, Ito-Yokado Co., Ltd., which is wholly owned subsidiary of the Company, changed its name to Ito-Yokado SHC Co., Ltd. and transferred superstore business and function of controlling its group companies to a newly established company on March 1, 2006. The Company merged with the Ito-Yokado SHC Co., Ltd. and Ito-Yokado SHC Co., Ltd was dissolved on the same date.

2. Additional acquisition of shares of Millennium Retailing Inc.

The Company acquired 7,766,840 shares of Millennium Retailing Inc. in the amount of 20,364 million yen on March 27, 2006 in accordance with the basic agreement on business integration which were entered into with Millennium Retailing Inc. on December 26, 2005. As a result, the Company holds 59,435,303 shares and percentage of ownership is 73.3%.

3. Stock-for-stock exchange with York Benimaru Co., Ltd.

On April 11, 2006, the Company's Board of Directors has approved a resolution to make York Benimaru Co., Ltd. ("YB") a wholly owned subsidiary by means of stock-for-stock exchange, without an approval of resolution at shareholders' meeting which were in accordance with article 358 in Japanese Commercial Code.

On April 11, 2006, the Board of Directors also approved a resolution to issue new shares of the Company and the Company entered into the agreement on the stock-for-stock exchange.

An outline of the stock-for-stock exchange is provided below.

(1) Objectives of the stock-for-stock exchange

To maximize effectiveness of business port folio and the corporate value of the entire group in order to enhance profitability of Supermarket business.

(2) Method and date of stock-for-stock exchange

Shares of the Company will be issued to current shareholders of YB, excluding the Company, and shares of YB will be transferred to the Company on September 1, 2006 ("exchange date"). As a result, YB will become wholly owned subsidiary of the Company.

(3) Stock exchange ratio

1 common share issued by YB, except for 15,884,265 shares held by the Company, will be allocated to 0.88 share of the common share of the Company.

(4) Common stock and additional paid in capital upon stock-for-stock exchange

Common stock of the Company to be increased upon stock-for-stock exchange is nil.

Additional paid in capital of the Company to be increased is calculated as follows:

Additional paid in capital to be increased = Net assets as of exchange date ×

$$\frac{\text{Number of YB shares to be transferred to the Company}}{\text{Number of YB share outstanding}}$$

(5) Overview of York Benimaru Co., Ltd.

Name York Benimaru Co., Ltd.
Address 18-2, Asahi 2-chome, Koriyama, Fukushima, Japan
Representative director Representative director, President Zenko Otaka
Common stock 9,927 million yen

Business Supermarket operation

Net sales and net income for the year ended February 28, 2006

Revenues from operations 297,445 million yen

Net income 6,716 million yen

Total amount of assets, liabilities and shareholders' equity as of February 28, 2006

Total assets 126,977 million yen

Total liabilities 22,785 million yen

Total shareholders' equity 104,192 million yen

Brief Summary of FY 2006

April 12, 2006

Seven & I Holdings Co., Ltd.

1. CONSOLIDATED BUSINESS RESULTS

[Financial Results : Review & Estimation]

(Millions of yen)

	05/2		06/2		07/2(est.)	
	< Ito-Yokado >	YOY (%)	< Seven & I Holdings >	YOY (%) *	< Seven & I Holdings >	YOY (%)
Revenue from operations	3,623,554	102.3	3,895,772	107.5	5,200,000	133.5
Convenience store operations	1,806,168	104.9	2,015,236	111.6	2,220,000	110.2
Superstore operations	1,642,264	98.4	1,687,734	102.8	1,750,000	103.7
Department store operations *1	-	-	-	-	1,000,000	-
Restarurant operations	126,181	100.0	124,025	98.3	130,000	104.8
Financial services	61,236	164.5	82,289	134.4	100,000	121.5
Other	17,195	116.7	19,780	115.0	40,000	202.2
Eliminations / Corporate	-29,492	-	-33,294	-	-40,000	-
Operating income	211,950	102.0	244,940	115.6	300,000	122.5
Convenience store operations	195,385	104.2	209,815	107.4	212,000	101.0
Superstore operations	7,814	36.9	15,381	196.8	30,000	195.0
Department store operations *1	-	-	-	-	33,000	-
Restarurant operations	3,620	111.0	2,625	72.5	5,000	190.4
Financial services	5,401	-	17,278	319.9	21,000	121.5
Other	211	-	808	382.2	1,000	123.8
Eliminations / Corporate	-482	-	-968	-	-2,000	-
Non-operating income	5,242	70.9	10,740	204.9		
Non-operating expenses	8,926	62.0	7,570	84.8		
Ordinary income	208,267	103.7	248,110	119.1	295,000	118.9
Special gains	7,902	304.7	7,611	96.3		
Special losses	65,336	255.2	77,203	118.2		
Income before income taxes and minority interests	150,832	84.8	178,518	118.4		
Net income	17,205	32.1	87,930	511.1	150,000	170.6

* YOY are compared with consolidated results of Ito-Yokado for FY 2005.

Earnings per share	yen	%	yen	%	yen	%
		40.73	31.8	100.83	247.6	165.79

Exchange rates

		05/2	06/2	07/2(est.)
P/L	\$1=	108.23 yen	110.26 yen	115.00 yen
	1yuan=	13.06 yen	13.57 yen	14.50 yen
B/S	\$1=	104.21 yen	118.07 yen	-
	1yuan=	12.59 yen	13.99 yen	-

Major financial indicators

	05/2	06/2
Ratio of operating income to revenue from operations	5.8 %	6.3 %
Return on shareholders' equity	1.5 %	5.5 % *2

*1 In the fiscal years ended February 2005 and 2006, department store operations had no profit/loss results, so none are shown here.

*2 Ratio of net income to shareholders' equity was calculated by using shareholders' equity at the end of fiscal year.

2. Results of Principal Companies

Seven-Eleven Japan

(Millions of yen)

	05/2		06/2		07/2 (est.)	
		YOY (%)		YOY (%)		YOY (%)
Total store sales	2,440,853	104.2	2,498,754	102.4	2,620,000	104.9
Revenue from operations	467,233	104.9	492,831	105.5	530,000	107.5
Operating income	174,365	104.5	177,350	101.7	182,600	103.0
Ordinary income	176,070	104.2	178,682	101.5		
Net income	92,891	101.5	118,778	127.9		

Number of domestic stores	10,826	+523	11,310	+ 484	11,860	+ 550
Net sales increase, existing stores only (%)	-0.7		-1.6		±0.0	
Merchandise GP Margin (%)	30.7	+0.1	31.0	+0.3	31.4	+0.4
Average daily sales per store (thousand yen)	639	-8	627	- 12		

7-Eleven, Inc.

(Millions of yen)

	04/12		05/12		06/12 (est.)	
		YOY (%) *1		YOY (%) *1		YOY (%) *1
Net sales	1,306,235	113.0	1,485,409	111.6	1,657,000	107.0
Merchandise	850,244	107.1	916,066	105.8		
Gasoline	455,991	126.0	569,343	122.6		
Operating income *2	24,155	110.5	32,349	131.5	29,000	86.0
Income from continuing operations before income taxes	16,155	162.8	11,527	70.0		
Net income	6,130	331.4	1,864	29.8		

Number of stores	5,799	+ 15	5,829	+ 30	5,859	+ 30
Number of stores operated by area licensees	11,039	+ 1,160	12,484	+ 1,445	-	-
Net sales increase, existing stores only (%)	+5.3		+4.4		+5.9	
Merchandise GP Margin (%)	35.7	+0.5	35.8	+0.1	36.0	+0.2

*1 YOY are calculated by using U.S. dollar amounts.

*2 Operating income has been presented in the format commonly used in Japan.

Ito-Yokado

(Millions of yen)

	05/2		06/2		07/2 (est.)	
		YOY (%)		YOY (%)		YOY (%)
Revenue from operations	1,473,583	98.6	1,493,605	101.4	1,517,000	101.6
Net sales	1,455,358	98.7	1,470,523	101.0	1,493,000	101.5
Operating income	8,800	36.5	12,072	137.2	25,000	207.1
Ordinary income	27,081	64.0	30,900	114.1		
Net income	17,509	61.0	51,322	293.1		

Number of domestic stores	181	+4	178	- 3	181	+ 3
Net sales increase, existing stores only (%)	-4		- 2		- 2	
Merchandise GP Margin (%)	31.0	-0.6	30.9	-0.1	31.2	+0.3

Denny's Japan

(Millions of yen)

	05/2		06/2		07/2 (est.)	
		YOY (%)		YOY (%)		YOY (%)
Revenue from operations	96,523	100.9	94,560	98.0	100,500	106.3
Net sales	96,360	100.9	94,473	98.0	100,500	106.4
Operating income	3,220	107.9	1,959	60.9	4,200	214.4
Ordinary income	3,317	103.1	2,114	63.7		
Net income	1,284	111.4	817	63.7		

Number of domestic stores	582	+4	583	+1	618	+35
Net sales increase, existing stores only (%)	-1.2		-2.9		+2.8	
Merchandise GP Margin (%)	66.9	-0.2	66.8	-0.1	68.0	+1.2

Sogo

(Millions of yen)

	05/2		06/2		07/2 (est.)	
		YOY (%)		YOY (%)		YOY (%)
Revenue from operations	449,049	99.2	474,731	105.7	511,500	107.7
Operating income	16,951	127.8	17,247	101.8	18,000	104.4
Ordinary income	15,802	112.8	15,207	96.2		
Net income	18,643	137.3	21,219	113.8		

Number of domestic stores	11	±0	12	+1	12	±0
Net sales increase, existing stores only (%)	-1.0		+0.9		+3.2	
Merchandise GP Margin (%)	27.3	+0.1	27.2	-0.1	27.0	-0.2

The Seibu Department Stores

(Millions of yen)

	05/2		06/2		07/2 (est.)	
		YOY (%)		YOY (%)		YOY (%)
Revenue from operations	480,182	90.6	482,938	100.6	484,500	100.3
Operating income	19,518	92.4	19,933	102.1	20,000	100.3
Ordinary income	17,102	105.4	16,835	98.4		
Net income	6,034	3.5	4,475	74.2		

Number of domestic stores	18	±0	18	±0	16	-2
Net sales increase, existing stores only (%)	-5.0		+1.0		+4.8	
Merchandise GP Margin (%)	28.3	-0.2	28.1	-0.2	28.0	-0.1

Millennium Retailing

(Millions of yen)

	05/2		06/2		07/2 (est.)	
		YOY (%)		YOY (%)		YOY (%)
Revenue	7,684	112.6	8,724	113.5	10,490	120.2
Operating income	669	188.4	258	38.6	190	73.5
Ordinary income	835	206.7	288	34.5		
Net income	600	-	173	28.9		