



April 12, 2006

[Reference]

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

Seven-Eleven Japan Co., Ltd.

President and C.O.O.: Toshiro Yamaguchi

Date of the Board of Directors' meeting to approve the accounts: April 12, 2006

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

(1) Results of Operations

(Millions of yen, except per share amounts)

	Total Store Sales		Revenue from Operations		Operating Income	
Current Fiscal Year	2,498,754	2.4%	492,831	5.5%	177,350	1.7%
Prior Fiscal Year	2,440,853	4.2%	467,233	4.9%	174,365	4.5%

	Ordinary Income		Net Income		Net Income per Share
Current Fiscal Year	178,682	1.5%	118,778	27.9%	147.28 (yen)
Prior Fiscal Year	176,070	4.2%	92,891	1.5%	115.78 (yen)

	Diluted Net Income per Share	Ratio of Net Income to Shareholder's Equity	Ratio of Ordinary Income to Total Assets	Ratio of Ordinary Income to Revenue from Operations
Current Fiscal Year	- (yen)	14.8%	17.1%	36.3%
Prior Fiscal Year	- (yen)	13.4%	19.1%	37.7%

Notes: 1. All amounts less than one million yen have been disregarded.

2. Average number of shares outstanding:

Current fiscal year: 805,963,087 shares

Prior fiscal year: 801,593,803 shares

3. Change in accounting policies: no

4. Percentages above represent increase (decrease) over prior fiscal year unless otherwise stated.

(2) Financial Position

(Millions of yen, except per share amounts)

	Total Assets	Shareholder's Equity	Ratio of Shareholder's Equity to Total Assets	Shareholder's Equity per Share
February 28, 2006	1,136,999	883,148	77.7%	1,073.14 (yen)
February 28, 2005	948,488	722,145	76.1%	900.79 (yen)

Notes: 1. Number of outstanding shares at the end of the fiscal year:

Current fiscal year: 822,889,984 shares

Prior fiscal year: 801,588,197 shares

2. Number of treasury stock at the end of the fiscal year:

Current fiscal year: 0 shares

Prior fiscal year: 21,301,787 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	138,143	(277,114)	21,589	126,151

Note: The Company started to prepare the nonconsolidated statements of cash flows from this fiscal year; hence information on the nonconsolidated cash flows for previous fiscal year were not disclosed.

NONCONSOLIDATED BALANCE SHEETS

(Millions of yen)

	February 28, 2006		February 28, 2005		Increase (Decrease)
	Amount	%	Amount	%	
ASSETS					
Current assets	325,788	28.7	278,769	29.4	47,018
Cash and bank deposits	126,151		243,534		
Accounts receivable due from franchised stores	7,401		7,373		
Parent company's stock	66,102		-		
Inventories	3,727		3,051		
Prepaid expenses	4,596		3,983		
Deposits held by financial service company	110,000		10,000		
Deferred income taxes	-		5,130		
Accounts receivable, other	7,097		5,474		
Other	733		231		
Allowance for doubtful accounts	(22)		(10)		
Non-current assets	811,211	71.3	669,718	70.6	141,492
Property and equipment	253,169	22.3	250,702	26.4	2,467
Buildings	86,748		82,142		
Structures	15,285		14,327		
Furniture, fixtures and equipment	28,409		28,420		
Land	120,441		124,978		
Other	2,284		833		
Intangible assets	8,711	0.7	6,880	0.7	1,830
Right of leasehold	4,487		3,796		
Software	4,181		3,029		
Other	41		54		
Investments and other assets	549,331	48.3	412,136	43.5	137,194
Investments in securities	13,442		10,127		
Investments in securities of subsidiaries and affiliates	41,408		200,803		
Investments in convertible bonds of an affiliate	33,307		33,307		
Investments in affiliates	299,806		1,920		
Long-term loans receivable	3,604		3,482		
Long-term loans to subsidiaries and affiliates	53,355		66,381		
Long-term prepaid expenses	11,564		9,436		
Deferred income taxes	8,120		7,070		
Long-term leasehold deposits	90,654		80,193		
Other	427		2,928		
Allowance for doubtful accounts	(6,361)		(3,515)		
TOTAL ASSETS	1,136,999	100.0	948,488	100.0	188,511

(Millions of yen)

	February 28, 2006		February 28, 2005		Increase (Decrease)
	Amount	%	Amount	%	
LIABILITIES					
Current liabilities	245,896	21.6	218,364	23.0	27,531
Accounts payable, trade	108,742		109,040		
Accounts payable due to franchised stores	5,507		4,901		
Accounts payable, other	16,170		13,019		
Income taxes payable	54,010		36,569		
Consumption taxes withheld	1,273		2,898		
Accrued expenses	4,479		3,899		
Deferred income taxes	4,009		-		
Deposits received	49,291		45,549		
Allowance for bonuses to employees	2,056		2,107		
Allowance for sales promotion	66		121		
Other	288		258		
Non-current liabilities	7,955	0.7	7,977	0.9	(22)
Guarantee deposits received from franchised stores	5,298		5,075		
Accrued pension and severance costs	1,441		1,658		
Allowance for retirement benefits to directors and corporate auditors	1,214		1,243		
TOTAL LIABILITIES	253,851	22.3	226,342	23.9	27,508
SHAREHOLDER'S EQUITY					
Common stock	17,200	1.5	17,200	1.8	-
Capital surplus	24,565	2.2	24,565	2.6	0
Additional paid-in capital	24,563		24,563		
Other capital surplus	1		1		
Gain on sales of treasury stock	1		1		
Retained earnings	824,782	72.5	743,891	78.4	80,891
Legal reserve	4,300		4,300		
General reserve	703,409		646,209		
Unappropriated retained earnings	117,073		93,381		
Net unrealized gains on available-for-sale securities	16,600	1.5	1,335	0.1	15,264
Treasury stock	-	-	(64,846)	(6.8)	64,846
TOTAL SHAREHOLDER'S EQUITY	883,148	77.7	722,145	76.1	161,002
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	1,136,999	100.0	948,488	100.0	188,511

NONCONSOLIDATED STATEMENTS OF INCOME

(Millions of yen)

	Current Fiscal Year		Prior Fiscal Year		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
Operating income and expenses						
Revenue from operations	492,831	100.0	467,233	100.0	25,597	105.5
Franchise commission from franchised stores	356,907		343,617			
(Net sales reported by franchised stores						
Current fiscal year: 2,365,344						
Prior fiscal year: 2,319,544						
Total net sales (including net sales of corporate stores)						
Current fiscal year: 2,498,754						
Prior fiscal year: 2,440,853						
Other operating revenue	2,514		2,307			
Net sales of corporate stores	133,409		121,308		12,100	110.0
Cost of sales	97,140	19.7	88,664	19.0	8,476	109.6
Gross Profit from operations	395,690	80.3	378,569	81.0	17,121	104.5
Selling, general and administrative expenses	218,339	44.3	204,203	43.7	14,136	106.9
Operating income	177,350	36.0	174,365	37.3	2,985	101.7
Non-operating income and expenses						
Non-operating income	4,316	0.9	3,082	0.7	1,233	140.0
Interest income	1,831		1,576			
Other	2,484		1,505			
Non-operating expenses	2,985	0.6	1,377	0.3	1,607	216.6
Provision for allowance for doubtful accounts	2,851		1,257			
Other	133		120			
Ordinary income	178,682	36.3	176,070	37.7	2,611	101.5
Special gains and losses						
Special gains	37,710	7.6	110	0.0	37,599	34,042.8
Gain on sales of property and equipment	394		96			
Gain on sales of investment in securities	207		13			
Gain on sales of parent company's stock	36,805		-			
Other	303		-			
Special losses	13,287	2.7	15,175	3.2	(1,887)	87.6
Loss on sales of property and equipment	116		1,672			
Loss on disposals of property and equipment	2,428		2,338			
Impairment loss	6,245		4,867			
Valuation loss on property and equipment	-		1,543			
Valuation loss on investments in securities	-		27			
Valuation loss on investments in securities of subsidiaries and affiliates	198		-			
Head office relocation expenses	-		724			
Costs in relation to the establishment of the holding company	1,713		-			
Costs in relation to tender offer	1,758		-			
Amortization of unrecognized prior service costs	-		3,326			
Other	826		674			
Income before income taxes	203,104	41.2	161,006	34.5	42,098	126.1
Income taxes - current	86,713	17.6	70,219	15.0	16,493	123.5
Income taxes - deferred	(2,387)	(0.5)	(2,104)	(0.4)	(282)	113.4
Net income for the year	118,778	24.1	92,891	19.9	25,887	127.9
Retained earnings brought forward	18,866		17,725			
Interim dividends	20,572		17,234			
Unappropriated retained earnings	117,073		93,381			

NONCONSOLIDATED STATEMENTS OF CASH FLOWS

(Millions of yen)

	Current Fiscal Year
Cash flows from operating activities:	
Income before income taxes	203,104
Depreciation and amortization	25,769
Impairment loss	6,245
Amortization of long-term prepaid expenses	1,083
Increase in allowance for doubtful accounts	2,858
Decrease in accrued pension and severance costs	(217)
Interest and dividends income	(3,604)
Interest expenses	3
Gain on sales of investments in securities	(207)
Gain on sales of parent company's stock	(36,805)
Loss on sales and disposals of property and equipment	2,150
Decrease in accounts receivable from and payable to franchised stores	579
Other, net	5,585
Sub-total	206,544
Interest and dividends received	2,297
Interest paid	(3)
Income taxes paid	(70,695)
Net cash provided by operating activities	138,143
Cash flows from investing activities:	
Acquisition of property and equipment	(36,438)
Proceeds from sales of property and equipment	2,038
Acquisition of intangible assets	(2,495)
Proceeds from sales of intangible assets	1
Acquisition of investments in securities	(1,461)
Proceeds from sales of investments in securities	249
Acquisition of investments in securities of subsidiaries and affiliates	(3,112)
Payments for capital increase of affiliated companies	(135,578)
Payment for loans receivable	(22,808)
Collection of loans receivable	35,762
Increase in deposits held by financial service company	(100,000)
Payment for long-term leasehold deposits	(19,036)
Refund of long-term leasehold deposits	6,196
Payment for long-term prepaid expenses	(432)
Net cash used in investing activities	(277,114)
Cash flows from financing activities:	
Purchase of treasury stock	(78,247)
Proceeds from sales of treasury stock	1
Proceeds from sales of parent company's stock	137,641
Cash dividends paid	(37,806)
Net cash provided by financing activities	21,589
Effect of exchange rate changes on cash and cash equivalents	-
Net decrease in cash and cash equivalents	(117,382)
Cash and cash equivalents at beginning of year	243,534
Cash and cash equivalents at end of year	126,151

PROPOSAL FOR APPROPRIATION OF RETAINED EARNINGS

(Millions of yen, except per share amounts)

	Current Fiscal Year	Prior Fiscal Year	Increase (Decrease)
Unappropriated retained earnings	117,073	93,381	23,691
The above shall be appropriated as follows:			
Cash dividends	20,572	17,234	3,338
[Dividends per share]	[25 yen]	[21.50 yen]	
Bonuses to directors and corporate auditors	76	81	(5)
[Portion to corporate auditors]	[3]	[4]	[(1)]
General reserve	-	57,200	(57,200)
Unappropriated Retained earnings carried forward	96,424	18,866	77,558

Notes: 1. The Company paid 20,572 million yen (25.00 yen per share) as interim cash dividends on November 8, 2005.

2. All amounts less than one million yen have been disregarded.

Significant Accounting Policies for the Preparation of Financial Statements

1. Valuation method for securities

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

Investments in subsidiaries and affiliates are valued at cost, determined using the moving-average method.

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 the shareholder's 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, determined by the moving-average method.

2. Valuation method for inventories

Merchandise inventories are valued at cost, determined by the retail method.

3. Valuation method for derivatives

Derivative financial instruments are valued at fair value.

4. Depreciation and amortization

(1) Property and equipment

Depreciation expenses of property and equipment are computed using the declining-balance method, at rates based on the estimated useful lives of assets.

(2) Intangible assets

Amortization expenses for intangible assets are computed using the straight-line method.

Software is amortized using the straight-line method over an estimated useful life of 5 years.

5. Allowances

(1) 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.

(2) 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.

(3) 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.

(4) 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 arise.

(5) 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.

6. Leases

All finance lease contracts other than those by which the ownership of the leased assets is to be transferred to lessees are accounted for as operating leases.

7. Hedge accounting

(1) Method of hedge accounting

Currency swap contracts which meet the requirements for the application of hedging accounting are accounted for by allocating contracted exchange rates for the corresponding hedged foreign currency transaction and balances.

(2) Hedging instruments and hedged items

Hedging instruments and hedged items for which hedge accounting were adopted for the fiscal year ended February 28, 2006 are as follows:

(a) Hedging instruments

Currency swap contracts

(b) Hedged items

Receivables denominated in foreign currencies

(3) Hedging policy

The Company utilizes financial instruments to hedge foreign currency exchange rate fluctuation exposure associated with hedged items.

8. Cash and cash equivalents

Cash and cash equivalents in the accompanying statements of cash flows are composed of cash on hand, bank deposits which can be withdrawn at any time, and short-term investments with an original maturity 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.

9. Accounting for consumption taxes

Consumption taxes are separately accounted for, and are excluded from the amounts of the underlying income and expense transactions.

Additional Information

The Corporation Size-based Enterprise Tax system was effective from fiscal year beginning on or after April 1, 2004. For the year ended February 28, 2006, a corporation size-based enterprise tax was recorded as selling, general and administrative expenses, in accordance with the "Disclosure on the Statement of Income for the Corporation Size-based Enterprise Tax" (Practical Issues Task Force Report No.12, February 13, 2004, issued by Accounting Standards Board in Japan).

As a result, selling, general and administrative expenses increased by 1,430 million yen and operating income, ordinary income and income before income taxes decreased by 1,430 million yen, respectively.

Notes to Nonconsolidated Financial Statements

Nonconsolidated Balance Sheets;

(Millions of yen)

	As of February 28, 2006	As of February 28, 2005
1. Accumulated depreciation of property and equipment	204,233	190,155
2. Assets pledged as collateral	3,053	2,066
3. Contingent liabilities	44,002	617
4. Number of shares authorized	3,321,559,936 shares	3,321,559,936 shares
Number of shares issued	822,889,984 shares	822,889,984 shares
[Number of treasury stock included in the above]	[- shares]	[21,301,787 shares]

Nonconsolidated Statements of Income;

1. Major items included in “Selling, general and administrative expenses” are as follows;

(Millions of yen)

	For the year ended February 28, 2006	For the year ended February 28, 2005
Land and building rent	44,453	38,169
Salaries and wages	32,386	30,876
Utility expenses	25,819	25,282
Advertising expenses	24,728	22,535
Depreciation and amortization	24,481	24,579

2. Accounting for Impairment of Fixed Assets

The Company groups its fixed assets by operating stores, which is the minimum cash-generating unit. Impairment loss is carrying amounts in excess of the recoverable value of stores whose land has significantly depreciated, which were closed, which will be closed in the near future, or which have made consecutive operating losses. Impairment loss was recognized and recorded as “Impairment loss” (Special losses) in the accompanying nonconsolidated statements of income.

Recoverable value of the group of assets is the higher amount of net selling price or value in use. Net selling price was calculated based on land assessments which are used for appraisal value of inheritance tax, and value in use was calculated by discounting estimated future cash flows to which the 6.0 % discount rate was applied.

Breakdown of impairment loss

(Millions of yen, except store numbers)

	For the year ended February 28, 2006	For the year ended February 28, 2005
Land	4,780	4,142
Buildings	1,251	566
Others	213	157
Total	6,245	4,867
Description	Operating stores	Operating stores
Classification	Land, Buildings and Other	Land, Buildings and Other
Location	(Number of stores)	(Number of stores)
	Tokyo 34	Tokyo 11
	Kanagawa 34	Saitama 7
	Other 280	Other 45

Nonconsolidated Statements of cash flows;

1. Reconciliation of cash and cash equivalents in the nonconsolidated statements of cash flows and account balances in the nonconsolidated balance sheets

(Millions of yen)

	For the year ended February 28, 2006
Cash and bank deposits	126,151
Cash and cash equivalents	126,151

2. Major non-cash transactions

- (1) Treasury stock of 143,092 million yen was reclassified to the parent company's stock due to the stock-transfer transaction in relation to establishment of Seven & I Holding Company on September 1, 2005.
- (2) The Company contributed stock of IYGHC (Investments in securities of subsidiaries and affiliates), which is amounted to 297,349 million yen, to its affiliated companies and resulted in an increase of "Investments in affiliates".

Leases

- [1] Information for finance lease other than those by which the ownership of the leased assets is to be transferred to lessees.

1. As lessee

- (1) 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	As of February 28, 2005
	Furniture, fixtures and equipment	Furniture, fixtures and equipment
Acquisition cost	7,909	8,607
Accumulated depreciation	3,039	2,690
Net book value	4,870	5,917

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

(Millions of yen)

	As of February 28, 2006	As of February 28, 2005
Within one year	1,571	1,594
Over one year	3,298	4,322
Total	4,870	5,917

- (3) Lease payments and depreciation expense are as follows:

(Millions of yen)

	For the fiscal year ended February 28, 2006	For the fiscal year ended February 28, 2005
Lease payments	1,560	1,475
Depreciation expense	1,560	1,475

- (4) Depreciation expenses are computed using the straight-line method over the lease term of the leased assets assuming no residual value.

2. As lessor

(1) The amounts of outstanding future lease payments to be received as sub-lessor are summarized as follows:

(Millions of yen)

	As of February 28, 2006	As of February 28, 2005
Within one year	1,325	1,120
Over one year	3,471	3,144
Total	4,796	4,264

(Note: The amounts of outstanding future lease payments as lessee are the same.)

[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	As of February 28, 2005
Within one year	817	769
Over one year	674	683
Total	1,492	1,452

Related party transactions

(As of and for the year ended February 28, 2006)

1. Subsidiaries and affiliates

(Millions of yen)

Relationship	Name	Location	Common stock	Business	Percentage of equity ownership held by the Company	Detail of relationship		Transaction	Transaction amount	Account	Balance at year-end
						Number of directors assigned	Business relationship				
Subsidiary	7-Eleven, Inc.	Texas, U.S.A.	\$11 thousand	Operation of convenience store	Direct: 5.6% Indirect: 94.4 %	Two directors of the Company	An area license agreement	Purchase of convertible bonds	-	Investments in convertible bonds of an affiliate	33,307
								Receipt of interest	1,660	Accrued income	318
								Loan	-	Long-term loans to subsidiaries and affiliates	47,472
								Receipt of interest	356	Accrued income	31
								Debt guarantee	43,996	-	-
Affiliate	Seven Bank ,Ltd.	Chiyoda -ku, Tokyo	61,000	Bank	Direct: 24.9%	One director of the Company	Miscellaneous services in relation to ATM operation	Deposit (Net)	(10,304)	Cash and bank deposits	95,123
								Receipt of interest	23	-	-

(Note: The Company guarantees commercial paper issued by 7-Eleven, Inc.)

2. Subsidiaries of parent company

(Millions of yen)

Relationship	Name	Location	Common stock	Business	Percentage of equity ownership held by the Company	Detail of relationship		Transaction	Transaction amount	Account	Balance at year-end
						Number of directors assigned	Business relationship				
Sub-Subsidiary of parent company	SEVEN & i Financial Center Co., Ltd.	Chiyoda -ku, Tokyo	10	Money lending business and credit guarantee	-	Two directors of the Company	Deposit of fund	Deposit of fund (Net)	100,000	Deposits held by financial service company	110,000
								Receipt of interest	27	Accrued income	21

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	As of February 28, 2005
Deferred tax assets:		
Allowance for doubtful accounts	2,589	1,428
Allowance for bonuses to employees	836	857
Enterprise tax payable	3,741	3,329
Depreciation and amortization	3,353	2,809
Accrued pension and severance costs	586	675
Allowance for retirement benefits to directors and corporate auditors	494	506
Valuation loss on investments in securities	6	48
Valuation loss on investments in securities of subsidiaries and affiliates	2,592	2,511
Impairment loss	3,676	1,981
Valuation loss on land	1,139	1,669
Others	2,351	1,690
Sub-total	21,370	17,506
Valuation allowance	(5,864)	(4,388)
Total deferred tax assets	15,505	13,118
Deferred tax liabilities	(11,393)	(916)
Deferred tax assets, net	4,111	12,201

2. The reconciliation between the statutory tax rate and the effective tax rate has not been disclosed because the difference is less than 5%.

Equity method earnings or losses

(Millions of yen)

	For the year ended February 28, 2006
Acquisition cost of investments in subsidiaries and affiliates	341,215
Carrying value of investments in subsidiaries and affiliates under equity method	340,151
Equity in earnings of subsidiaries and affiliates under equity method	1,759

Notes: 1. Liabilities which were recognized under equity method were 5,617 million yen.

2. The amounts above were calculated including investments in subsidiaries because the Company did not prepare consolidated financial statements from this fiscal year.

Securities Information

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

(Millions of yen)

		As of February 28, 2006		
	Description	Book value	Fair value	Difference
Securities with fair value exceeding book value	Governmental and municipal bonds	0	0	0
Total		0	0	0

2. Investments in securities of subsidiaries and affiliates (fair value is available)

(Millions of yen)

Description	As of February 28, 2006			As of February 28, 2005		
	Acquisition cost	Book value	Net unrealized gains/(losses)	Acquisition cost	Book value	Net unrealized gains/(losses)
Investments in securities of subsidiaries	-	-	-	13,333	17,106	3,772

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

(Millions of yen)

		As of February 28, 2006		
	Description	Acquisition cost	Book value	Net unrealized gains/(losses)
Securities with book value exceeding acquisition cost	Equity securities	48,397	76,427	28,030
	Sub-Total	48,397	76,427	28,030
Securities with book value not exceeding acquisition cost	Equity securities	135	99	(36)
	Sub-Total	135	99	(36)
Total		48,532	76,526	27,994

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

(Millions of yen)

Sales value	Total amount of gain on sale	Total amount of loss on sale
137,890	37,013	-

5. Major securities which are not subject to revaluation

(Millions of yen)

		As of February 28, 2006
(1) Held-to-maturity debt securities	- Bond	199
(2) Available-for-sale securities	- Unlisted securities	1,819
	- Foreign securities	1,000
(3) Investment in convertible bonds of an affiliate		33,307
Total		36,325

6. Redemption schedules of available-for-sale securities and held-to-maturity debt securities

(Millions of yen)

	As of February 28, 2006		
	Within one year	Over one year within five years	Over five year
(1) Governmental and municipal bonds	0	-	-
(2) Bond	-	200	-
Total	0	200	-

Derivative Transactions

1. Transaction information

(1) Content and purpose of the transaction

The Company enters into the forward exchange contracts for foreign currency transactions to mitigate the risk of fluctuations in foreign currency exchange rate and to reduce financial costs.

Derivative instruments are utilized to hedge the exposure to change forward exchange rate. Hedging instruments, Hedged items and Hedging policy are described in 7. in “Significant Accounting Policies for the Preparation of Financial Statements”.

(2) Transaction policy

Forward exchange contracts are limited to the amounts of respective foreign currency transactions.

The Company does not hold or issue financial instruments for trading or speculation purposes.

(3) Risk of transaction

Currency related transaction includes the market risks of fluctuations in the foreign currency, but the credit risk of nonperformance is considered to be low as the contracts are entered into with prestigious financial institutions.

(4) Risk management system

Finance department in the Company enters into and controls in accordance with internal policies.

2. Fair value information

Derivative transactions to which hedge accounting has been applied are not disclosed.

Accounting for Retirement Benefits

1. Retirement benefit plans

The Company has a corporate pension plan based on the “Defined Benefit Corporate Pension Plan Act”.

2. Projected retirement benefit obligations:

	(Millions of yen)
	<u>As of February 28, 2006</u>
Projected benefit obligations	(18,135)
Plan assets	15,702
Funded status	(2,433)
Unrecognized actuarial differences	991
Book value, net	(1,441)
Accrued pension and severance costs	(1,441)

3. Net periodical pension expense:

	(Millions of yen)
	<u>For the year ended February 28, 2006</u>
Service cost	1,701
Interest cost	451
Expected return on plan assets	(458)
Amortization of actuarial differences	397
Net pension expense	2,092

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

	<u>As of February 28, 2006</u>
(1) Allocation method of estimated total retirement benefits	Point basis
(2) Discount rate	2.5%
(3) Expected rate of return on plan assets	3.5%
(4) Periods over which the actuarial differences are amortized	10 years (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 service period of the eligible employees.)

Breakdown of Sales by Product Category

(Millions of yen)

	For the year ended February 28, 2006	
	Sales	%
Processed Food	752,124	30.1
Fast Food	732,134	29.3
Daily Food	327,336	13.1
Sub-total	1,811,596	72.5
Non-food	687,157	27.5
Total	2,498,754	100.0

Number of Stores by Geographical Area (As of February 28, 2006)

Area	Number of Stores	Area	Number of Stores
Hokkaido	831	Mie	1
Iwate	7	Shiga	143
Miyagi	317	Kyoto	154
Yamagata	122	Osaka	464
Fukushima	362	Hyogo	334
Ibaraki	478	Nara	55
Tochigi	333	Wakayama	36
Gunma	333	Okayama	175
Saitama	794	Hiroshima	373
Chiba	735	Yamaguchi	202
Tokyo	1,464	Fukuoka	652
Kanagawa	824	Saga	123
Niigata	317	Nagasaki	59
Yamanashi	147	Kumamoto	168
Nagano	340	Oita	20
Gifu	13	Miyazaki	118
Shizuoka	432		
Aichi	384	Total	11,310