



Semiannual Nonconsolidated Financial Results for the Six-Month Period Ended August 31, 2006

October 12, 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.

Trading unit of the Company consists of 100 shares on Tokyo Stock Exchange.

Date of the meeting of the Board of Directors to approve nonconsolidated accounts: October 12, 2006

Starting date of paying interim dividends: November 15, 2006

1. Business Results for the Current Interim Period (from March 1, 2006 to August 31, 2006)

(1) Results of Operations

(Millions of yen, except per share amounts)

	Revenues from Operations	Operating Income	Ordinary Income
Current Interim Period	24,555 -	19,713 -	19,366 -
Prior Fiscal Year	35,411 -	32,751 -	32,517 -

	Net Income	Net Income per Share
Current Interim Period	19,330 -	20.83 (yen)
Prior Fiscal Year	32,515 -	24.14 (yen)

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

2. Average number of shares outstanding:

Current interim period: 928,096,252 shares Prior fiscal year: 1,346,363,612 shares

3. Change in accounting policies: no

4. The Company was established on September 1, 2005. The Company's nonconsolidated results for the fiscal year ended February 28, 2006 were prepared from September 1, 2005 to February 28, 2006.

5. The Company started to compile the semiannual nonconsolidated financial results from this interim period and the nonconsolidated financial results from prior fiscal year; hence financial information for the prior year's interim period and year-on-year change are not available.

(2) Financial Position

(Millions of yen, except per share amounts)

	Total Assets	Net Assets	Capital Adequacy Ratio	Net Assets per Share
As of August 31, 2006	1,619,917	1,446,013	89.3%	1,542.99 (yen)
As of February 28, 2006	1,610,636	1,457,606	90.5%	1,082.62 (yen)

Notes : 1. Number of shares outstanding at the end of period:

Current interim period: 937,148,705 shares Prior fiscal year: 1,346,353,362 shares

2. Number of treasury stock at the end of period:

Current interim period: 42,041 shares Prior fiscal year: 29,640 shares

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

(Millions of yen)

	Revenues from Operations	Operating Income	Ordinary Income	Net Income
Entire Year	60,500	51,800	51,200	51,200

< Reference > Expected net income per share for the fiscal year ending February 28, 2007: 54.63 yen

3. Dividends per Share

	Dividend per Share (yen)		
	Interim Dividend	Year-end Dividend	Annual Dividend
Prior Fiscal Year	-	28.50 Ordinary dividend 21.50 yen Memorial dividend 7.00 yen	28.50 Ordinary dividend 21.50 yen Memorial dividend 7.00 yen
Current Fiscal Year (results)	25.00	-	50.00
Current Fiscal Year (forecast)	-	25.00	

Note : Cash payments upon stock-transfer were made by Seven & i Holdings to the shareholders of Seven-Eleven Japan, Ito-Yokado, and Denny's Japan recorded in the registers of shareholders as of August 31, 2005, instead of the interim dividends payments for the fiscal year ended February 28, 2006.

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.

NONCONSOLIDATED BALANCE SHEETS

(Millions of yen)

	August 31, 2006		February 28, 2006	
	Amount	%	Amount	%
ASSETS				
Current assets	18,255	1.1	23,836	1.5
Cash and bank deposits	11,575		16,413	
Supplies	3		-	
Prepaid expenses	1,587		237	
Account receivable, other	4,868		7,027	
Other	221		158	
Non-current assets	1,601,416	98.9	1,586,520	98.5
Property and equipment	58	0.0	8	0.0
Buildings and structures	47		8	
Furniture, fixtures and equipment	11		-	
Investments and other assets	1,601,358	98.9	1,586,512	98.5
Investments in securities	999		-	
Investments in subsidiaries	1,597,804		1,584,338	
Long-term leasehold deposits	2,553		2,173	
Deferred assets	245	0.0	280	0.0
New organization costs	245		280	
TOTAL ASSETS	1,619,917	100.0	1,610,636	100.0

(Millions of yen)

	August 31, 2006		February 28, 2006	
	Amount	%	Amount	%
LIABILITIES				
Current liabilities	171,869	10.6	151,024	9.4
Short-term loans from a subsidiary	170,000		150,000	
Accounts payable, other	1,008		483	
Accrued expenses	211		143	
Income taxes payable	72		17	
Advances received	204		211	
Allowance for bonuses to employees	261		99	
Other	110		68	
Non-current liabilities	2,034	0.1	2,006	0.1
Deposits received from tenants	1,972		1,990	
Allowance for retirement benefits to directors and corporate auditors	62		15	
TOTAL LIABILITIES	173,903	10.7	153,030	9.5
NET ASSETS				
Owners' Equity	1,446,013	89.3	-	-
Common stock	50,000	3.1	-	-
Capital surplus	1,355,915	83.7	-	-
Additional paid-in capital	1,102,775		-	
Other capital surplus	253,139		-	
Retained earnings	40,139	2.5	-	-
Other retained earnings				
Retained earnings brought forward	40,139		-	
Treasury stock	(40)	(0.0)	-	-
TOTAL NET ASSETS	1,446,013	89.3	-	-
TOTAL LIABILITIES AND NET ASSETS	1,619,917	100.0	-	-

(Millions of yen)

	August 31, 2006		February 28, 2006	
	Amount	%	Amount	%
SHAREHOLDERS' EQUITY				
Common stock	-	-	50,000	3.1
Capital surplus	-	-	1,375,212	85.4
Additional paid-in capital	-		1,375,211	
Other capital surplus	-		1	
Retained earnings	-	-	32,515	2.0
Unappropriated retained earnings	-		32,515	
Treasury stock	-	-	(122)	(0.0)
TOTAL SHAREHOLDERS' EQUITY	-	-	1,457,606	90.5
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	-	-	1,610,636	100.0

NONCONSOLIDATED STATEMENTS OF INCOME

(Millions of yen)

	Current Interim Period		Prior Fiscal Year	
	Amount	%	Amount	%
Revenues from operations	24,555	100.0	35,411	100.0
Selling, general and administrative expenses	4,841	19.7	2,660	7.5
Operating income	19,713	80.3	32,751	92.5
Non-operating income	25	0.1	1	0.0
Non-operating expenses	372	1.5	235	0.7
Ordinary income	19,366	78.9	32,517	91.8
Income before income taxes	19,366	78.9	32,517	91.8
Income taxes - current	35	0.2	2	0.0
Net income	19,330	78.7	32,515	91.8
Unappropriated retained earnings	-	-	32,515	91.8

STATEMENT OF CHANGES IN NET ASSETS

Current Interim Period (from March 1, 2006 to August 31, 2006)

(Millions of yen)

	Owners' Equity								Total Net Assets
	Common Stock	Capital Surplus			Retained Earnings		Treasury Stock	Total Owners' Equity	
		Additional Paid-in Capital	Other Capital Surplus	Total Capital Surplus	Other Retained Earnings Retained earnings brought forward	Total Retained Earnings			
Balance at February 28, 2006	50,000	1,375,211	1	1,375,212	32,515	32,515	(122)	1,457,606	1,457,606
Increase (decrease) of items during the period									
Dividends from retained earnings					(26,187)	(26,187)		(26,187)	(26,187)
Directors' and corporate auditors' bonuses					(17)	(17)		(17)	(17)
Net income					19,330	19,330		19,330	19,330
Increase resulting from merger					14,497	14,497	(99,870)	(85,372)	(85,372)
Increase resulting from stock-for-stock exchange		27,564	53,143	80,707				80,707	80,707
Reversal of additional paid-in capital		(300,000)	300,000					-	-
Purchase of treasury stock							(60)	(60)	(60)
Gain on sales of treasury stock			6	6			0	6	6
Cancellation of treasury stock			(100,011)	(100,011)			100,011	-	-
Total increase (decrease) of items during the period	-	(272,435)	253,138	(19,297)	7,624	7,624	81	(11,592)	(11,592)
Balance at August 31, 2006	50,000	1,102,775	253,139	1,355,915	40,139	40,139	(40)	1,446,013	1,446,013

Significant Accounting Policies for the Preparation of Semiannual Nonconsolidated Financial Statements

1. Valuation method for assets
 - (1) Securities
Investments in subsidiaries and affiliated companies are valued at cost, determined using the moving-average method.

Available-for-sales securities whose fair value is not available are valued at cost, determined using the moving-average method.
 - (2) Inventories
Supplies are carried at cost. Cost is determined by the last purchase price method.
2. Depreciation and amortization
Property and equipment
Depreciation expenses are computed using the declining-balance method.
3. Accounting for deferred assets
New organization costs are amortized using the straight-line method over 5 years.
4. Allowances
 - (1) 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.
 - (2) 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. Leases
Finance leases, except those for which ownership of the leased assets is considered to be transferred to the lessee, are accounted for as operating leases.
6. Other significant accounting policies for the preparation of semiannual financial statements
Consumption taxes withheld and consumption taxes paid are not included in the accompanying Nonconsolidated Statements of Income.

(Change in accounting policies)

Accounting standard for presentation of net assets in the balance sheet

Effective from the interim accounting period ended August 31, 2006, the Company has adopted the "Accounting Standard for Presentation of Net Assets in the Balance Sheet (Accounting Standards Board Statement No.5)" and the "Implementation Guidance for Accounting Standard for Presentation of Net Assets in the Balance Sheet (Financial Accounting Standards Implementation Guidance No.8)" both issued by the Accounting Standards Board of Japan on December 9, 2005.

The adoption of these accounting standards did not have any impact on the accompanying Nonconsolidated Statements of Income.

The amount corresponding to the conventional "Shareholders' Equity" in the balance sheet is 1,446,013 million yen. "Net assets" in the Balance Sheet for the interim accounting period is presented according to the revision of "Regulations Concerning the Terminology, Forms and Preparation Methods of Interim Financial Statements" dated on April 25, 2006.

Notes to Semiannual Nonconsolidated Financial Statements

Nonconsolidated Balance Sheets;

1. Accumulated depreciation of property and equipment

(Millions of yen)

	As of August 31, 2006	As of February 28, 2006
Property and equipment	4	0

2. Guarantees

(Millions of yen)

	As of August 31, 2006	As of February 28, 2006
IY Card Service Co., Ltd.	4,000	4,000
Ito-Yokado Co., Ltd.	100,000	—
Total	104,000	4,000

Nonconsolidated Statements of Income;

1. Depreciation

(Millions of yen)

	For the six-month period ended August 31, 2006	For the year ended February 28, 2006
Property and equipment	4	0

2. Non-operating income

(Millions of yen)

	For the six-month period ended August 31, 2006	For the year ended February 28, 2006
Interest income	1	0
Other	23	1

3. Non-operating expenses

(Millions of yen)

	For the six-month period ended August 31, 2006	For the year ended February 28, 2006
Interest expenses	323	35
Amortization of new organization costs	35	70
Other	13	129

Nonconsolidated Statement of changes in net assets (from March 1, 2006 to August 31, 2006);

Type and number of shares of treasury stock

(Thousands of shares)

	Outstanding shares at the end of February 28, 2006	Number of shares increased (Note 1)	Number of shares decreased (Note 2)	Outstanding shares at the end of August 31, 2006
Ordinary Share	29	427,523	427,511	42

(Notes)1. 427,509 thousand shares have increased in relation to the merger of Ito-Yokado SHC Co., Ltd.

2. 427,509 thousand shares out of 427,511 thousand shares have decreased by the cancellation of treasury stock.

Leases

1. Information for financial leases, except those for which ownership of the leased assets is considered to be transferred to the lessee.

(1) Acquisition cost, accumulated depreciation and net book value of leased assets are summarized as follows:

Furniture, fixtures and equipment

(Millions of yen)

	As of August 31, 2006	As of February 28, 2006
Acquisition cost	19	2
Accumulated depreciation	1	0
Net book value	17	2

Software

(Millions of yen)

	As of August 31, 2006	As of February 28, 2006
Acquisition cost	7,973	1,634
Accumulated depreciation	867	93
Net book value	7,105	1,541

(2) The amounts of outstanding future lease payments are summarized as follows:

(Millions of yen)

	As of August 31, 2006	As of February 28, 2006
Due within one year	1,559	318
Due over one year	5,585	1,227
Total	7,145	1,545

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

(Millions of yen)

	For the six-month period ended August 31, 2006	For the fiscal year ended February 28, 2006
Lease payments	814	91
Depreciation expense	782	87
Interest expense	52	5

(4) Depreciation expense is computed using the straight-line method over the lease term assuming no residual value.

(5) Interest expense is calculated as the total lease payments less the original acquisition cost of leased assets.

Allocation of interest expense to each period is computed by interest method.

2. Operating leases

The amounts of outstanding future lease payments are summarized as follows:

(Millions of yen)

	For the six-month period ended August 31, 2006	For the fiscal year ended February 28, 2006
Due within one year	424	206
Due over one year	2,820	1,476
Total	3,245	1,682

(Impairment loss)

There is no impairment loss allocated to the leased assets.

Securities Information

The Company has no investment in subsidiaries and affiliated companies whose fair value is available.

Derivative Transactions

The Company has no derivative instruments.

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

Subsequent Event

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

On September 1, 2006, the Company made York-Benimaru Co., Ltd. a wholly owned subsidiary by means of stock-for-stock exchange. The Company issued 30,587,237 ordinary shares upon this stock-for-stock exchange.