



April 12, 2007

# Nonconsolidated Financial Results for the Fiscal Year Ended February 28, 2007 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: April 12, 2007

Date of the ordinary general meeting of shareholders: May 24, 2007

Starting date of paying year-end dividends: May 25, 2007

## 1. Business Results for the fiscal year ended February 28, 2007 (from March 1, 2006 to February 28, 2007)

### (1) Results of Operations

(Millions of yen, except per share amounts)

	Revenues from Operations	Operating Income	Ordinary Income	Net Income
Current Fiscal Year	62,366 -	53,168 -	52,214 -	52,135 -
Prior Fiscal Year	35,411 -	32,751 -	32,517 -	32,515 -

  

	Net Income per Share	Diluted Net Income per Share	Ratio of Net Income to Owners' Equity	Ratio of Ordinary Income to Total Assets	Ratio of Ordinary Income to Revenues from Operations
Current Fiscal Year	55.01 (yen)	-	3.4%	3.1%	83.7%
Prior Fiscal Year	24.14 (yen)	-	2.2%	2.0%	91.8%

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

2. Average number of shares outstanding:

Current Fiscal Year: 947,743,884 shares      Prior Fiscal Year: 1,346,363,612 shares

3. Change in accounting policies: None

4. The Company was established on September 1, 2005 and started to compile its financial results from September 1, 2005; therefore year-on-year change is not stated.

5. Ratio of net income to owners' equity and ratio of ordinary income to total assets for prior fiscal year were calculated by using owners' equity and total assets at the end of fiscal year.

### (2) Financial Position

(Millions of yen, except per share amounts)

	Total Assets	Net Assets	Capital Adequacy Ratio	Net Assets per Share
As of February 28, 2007	1,775,726	1,602,661	90.3 %	1,656.13
As of February 28, 2006	1,610,636	1,457,606	90.5 %	1,082.62

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

Current Fiscal Year: 967,712,229 shares      Prior Fiscal Year: 1,346,353,362 shares

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

Current Fiscal Year: 58,754 shares      Prior Fiscal Year: 29,640 shares

## 2. Business Outlook for the Fiscal Year Ending February 29, 2008 (From March 1, 2007 to February 29, 2008)

(Millions of yen)

	Revenues from Operations	Operating Income	Ordinary Income	Net Income
Interim Period	23,100 (5.9) %	19,700 (0.1) %	19,100 (1.4) %	19,100 (1.2) %
Entire Year	55,400 (11.2) %	48,700 (8.4) %	47,400 (9.2) %	47,400 (9.1) %

< Reference > Expected net income per share for the year ending February 29, 2008: 48.98 yen

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

## 3. Dividends per Share

Cash Dividends	Dividends per Share (yen)			Total Dividends (Millions of yen)	Payout Ratio	Ratio of Total Dividends to Net Assets
	Interim Dividends	Year-end Dividends	Annual Dividends			
Prior Fiscal Year	-	28.50	28.50	26,187	80.5 %	1.8%
Current Fiscal Year	25.00	27.00	52.00	49,556	94.5 %	3.8%
Next Fiscal Year (outlook)	26.00	26.00	52.00			

Notes : 1. Year-end dividends of 28.50 yen for the fiscal year ended February 28, 2006 comprise of ordinary dividends of 21.50 yen and memorial dividends of 7.00 yen.

2. 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 the fiscal year ending February 29, 2008 is based on Seven & i Holdings' 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)

	February 28, 2007		February 28, 2006		Increase (Decrease)
	Amount	%	Amount	%	
<b>ASSETS</b>					
<b>Current assets</b>	<b>26,789</b>	<b>1.5</b>	<b>23,836</b>	<b>1.5</b>	<b>2,953</b>
Cash and bank deposits	14,595		16,413		
Prepaid expenses	253		237		
Accounts receivable, other	11,741		7,027		
Other	199		158		
<b>Non-current assets</b>	<b>1,748,726</b>	<b>98.5</b>	<b>1,586,520</b>	<b>98.5</b>	<b>162,206</b>
<b>Property and equipment</b>	<b>56</b>	<b>0.0</b>	<b>8</b>	<b>0.0</b>	<b>48</b>
Buildings and structures	43		8		
Furniture, fixtures and equipment	12		-		
<b>Investments and other assets</b>	<b>1,748,670</b>	<b>98.5</b>	<b>1,586,512</b>	<b>98.5</b>	<b>162,158</b>
Investments in securities	999		-		
Investments in subsidiaries	1,745,230		1,584,338		
Prepaid pension cost	97		-		
Long-term leasehold deposits	2,342		2,173		
<b>Deferred assets</b>	<b>210</b>	<b>0.0</b>	<b>280</b>	<b>0.0</b>	<b>(70)</b>
New organization costs	210		280		(70)
<b>TOTAL ASSETS</b>	<b>1,775,726</b>	<b>100.0</b>	<b>1,610,636</b>	<b>100.0</b>	<b>165,089</b>

(Millions of yen)

	February 28, 2007		February 28, 2006		Increase (Decrease)
	Amount	%	Amount	%	
<b>LIABILITIES</b>					
<b>Current liabilities</b>	<b>171,043</b>	<b>9.6</b>	<b>151,024</b>	<b>9.4</b>	<b>20,018</b>
Short-term loans from a subsidiary	170,000		150,000		
Accounts payable, other	213		483		
Accrued expenses	214		143		
Income taxes payable	17		17		
Advance received	202		211		
Allowance for bonuses to employees	193		99		
Allowance for bonuses to directors and corporate auditors	65		-		
Other	136		68		
<b>Non-current liabilities</b>	<b>2,021</b>	<b>0.1</b>	<b>2,006</b>	<b>0.1</b>	<b>15</b>
Deferred income taxes	39		-		
Allowance for retirement benefits to directors and corporate auditors	72		15		
Deposits received from tenants	1,910		1,990		
<b>TOTAL LIABILITIES</b>	<b>173,065</b>	<b>9.7</b>	<b>153,030</b>	<b>9.5</b>	<b>20,034</b>
<b>NET ASSETS</b>					
<b>Owners' equity</b>	<b>1,602,661</b>	<b>90.3</b>	-	-	-
Common stock	50,000		-		
Capital surplus	1,503,253		-		
Additional paid-in capital	1,175,496		-		
Other capital surplus	327,756		-		
Retained earnings	49,515		-		
Other retained earnings					
Retained earnings brought forward	49,515		-		
Treasury stock	(106)		-		
<b>TOTAL NET ASSETS</b>	<b>1,602,661</b>	<b>90.3</b>	-	-	-
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>1,775,726</b>	<b>100.0</b>	-	-	-

(Millions of yen)

	February 28, 2007		February 28, 2006		Increase (Decrease)
	Amount	%	Amount	%	
<b>SHAREHOLDERS' EQUITY</b>					
<b>Common stock</b>	-	-	<b>50,000</b>	<b>3.1</b>	-
<b>Capital surplus</b>	-	-	<b>1,375,212</b>	<b>85.4</b>	-
Additional paid-in capital	-		1,375,211		
Other capital surplus	-		1		
<b>Retained earnings</b>	-	-	<b>32,515</b>	<b>2.0</b>	-
Unappropriated retained earnings	-		32,515		
<b>Treasury stock</b>	-	-	<b>(122)</b>	<b>(0.0)</b>	-
<b>TOTAL SHAREHOLDERS' EQUITY</b>	-	-	<b>1,457,606</b>	<b>90.5</b>	-
<b>TOTAL LIABILITIES &amp; SHAREHOLDERS' EQUITY</b>	-	-	<b>1,610,636</b>	<b>100.0</b>	-

# NONCONSOLIDATED STATEMENTS OF INCOME

(Millions of yen)

	Current Fiscal Year		Prior Fiscal Year	
	Amount	%	Amount	%
<b>Revenues from operations</b>	<b>62,366</b>	<b>100.0</b>	<b>35,411</b>	<b>100.0</b>
Dividends income	55,604		33,659	
Management consulting fee income	3,571		1,546	
Commission fee income	3,189		205	
<b>Selling, general and administrative expenses</b>	<b>9,197</b>	<b>14.7</b>	<b>2,660</b>	<b>7.5</b>
Advertising expenses	241		1,045	
Salaries and wages	3,001		519	
Legal welfare expenses	373		82	
Pension expenses	128		18	
Land and building rent	509		89	
Commission paid	896		670	
Other	4,046		234	
<b>Operating income</b>	<b>53,168</b>	<b>85.3</b>	<b>32,751</b>	<b>92.5</b>
<b>Non-operating income</b>	<b>45</b>	<b>0.0</b>	<b>1</b>	<b>0.0</b>
Interest income	8		0	
Dividends income	2		-	
Miscellaneous income	34		1	
<b>Non-operating expenses</b>	<b>999</b>	<b>1.6</b>	<b>235</b>	<b>0.7</b>
Interest expense	889		35	
Amortization of new organization costs	70		70	
Miscellaneous expenses	40		129	
<b>Ordinary income</b>	<b>52,214</b>	<b>83.7</b>	<b>32,517</b>	<b>91.8</b>
<b>Income before income taxes</b>	<b>52,214</b>	<b>83.7</b>	<b>32,517</b>	<b>91.8</b>
Income taxes - current	39	0.0	2	0.0
Income taxes - deferred	39	0.1	-	-
<b>Net income for the year</b>	<b>52,135</b>	<b>83.6</b>	<b>32,515</b>	<b>91.8</b>

# STATEMENT OF CHANGES IN NET ASSETS

Current Fiscal Year (from March 1, 2006 to February 28, 2007)

(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			
<b>Balance at February 28, 2006</b>	<b>50,000</b>	<b>1,375,211</b>	<b>1</b>	<b>1,375,212</b>	<b>32,515</b>	<b>32,515</b>	<b>(122)</b>	<b>1,457,606</b>	<b>1,457,606</b>
<b>Increase (decrease) of items during the year</b>									
Dividends from appropriation of retained earnings					(26,187)	(26,187)		(26,187)	(26,187)
Directors' and corporate auditors' bonuses					(17)	(17)		(17)	(17)
Dividends from retained earnings					(23,428)	(23,428)		(23,428)	(23,428)
Net income					52,135	52,135		52,135	52,135
Increase resulting from merger					14,497	14,497	(99,870)	(85,372)	(85,372)
Increase resulting from stock-for-stock exchange		100,285	127,758	228,043				228,043	228,043
Reversal of additional paid-in capital		(300,000)	300,000	-				-	-
Purchase of treasury stock							(128)	(128)	(128)
Gain on sales of treasury stock			8	8			2	10	10
Cancellation of treasury stock			(100,011)	(100,011)			100,011	-	-
<b>Total increase (decrease) of items during the year</b>	<b>-</b>	<b>(199,714)</b>	<b>327,754</b>	<b>128,040</b>	<b>16,999</b>	<b>16,999</b>	<b>15</b>	<b>145,055</b>	<b>145,055</b>
<b>Balance at February 28, 2007</b>	<b>50,000</b>	<b>1,175,496</b>	<b>327,756</b>	<b>1,503,253</b>	<b>49,515</b>	<b>49,515</b>	<b>(106)</b>	<b>1,602,661</b>	<b>1,602,661</b>

## STATEMENT OF APPROPRIATION OF RETAINED EARNINGS

(Millions of yen, except per share amounts)

	Prior Fiscal Year (from March 1, 2005 to February 28, 2006)
<b>Unappropriated retained earnings</b>	
Unappropriated retained earnings at end of fiscal yea	32,515
The above shall be appropriated as follows	
Cash dividends	26,187
[Dividends per share]	[28.5 yen]
Bonuses to directors and corporate auditors	17
[Portion to corporate auditors]	[1]
<b>Unappropriated retained earnings carried forward</b>	<b>6,311</b>

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

## **Significant Accounting Policies for the Preparation of Nonconsolidated Financial Statements**

### 1. Valuation method for securities

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

Available-for-sale securities whose fair value is not available are valued at cost, determined using the moving-average 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 bonuses to directors and corporate auditors

An allowance for bonuses to directors and corporate auditors are provided at the amount estimated to be paid.

#### (3) 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. The excess amount of the estimated fair value of the plan assets over the estimated present value of projected benefit obligation adjusted by unrecognized actuarial differences at February 28, 2007 is recorded as prepaid pension cost.

#### (4) 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 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 fiscal year ended February 28, 2007, 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 1,602,661 million yen.

**Accounting standard for treasury shares and appropriation of legal reserve (Partial revision)**

Effective from the fiscal year ended February 28, 2007, the Company has adopted the revised “Accounting Standard for Treasury Shares and Appropriation of Legal Reserve (Accounting Standards Board Statement No.1)” and the “Implementation Guidance for Accounting Standard for Treasury Shares and Appropriation of Legal Reserve (Financial Accounting Standards Implementation Guidance No.2)” both issued by the Accounting Standards Board of Japan on August 11, 2006.

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

**Accounting standard for directors’ bonus**

Conventionally, Directors’ bonus has been accounted for as a deduction from unappropriated retained earnings by the resolution at the shareholders’ meeting. Effective from the fiscal year ended February 28, 2007, the Company has adopted the “Accounting standard for directors’ bonus” (Accounting Standard Board Statement No.4 issued on November 29, 2005 by the Accounting Standards Board). Accordingly, directors’ bonus is accounted for as an expense of the accounting period in which such bonuses are accrued.

As a result of the application of this standard, operating income, ordinary income and income before income taxes for the fiscal year ended February 28, 2007 decreased by 65 million yen, respectively.

## Notes to Nonconsolidated Financial Statements

### *Nonconsolidated Balance Sheets;*

#### 1. Accumulated depreciation of property and equipment

(Millions of yen)

	As of February 28, 2007	As of February 28, 2006
Property and equipment	12	0

#### 2. Number of treasury stock

(Millions of yen)

	As of February 28, 2007	As of February 28, 2006
Treasury stock	58,754 shares	29,640 shares

#### 3. Notes on outstanding balances with subsidiaries and affiliates

Major balances included in each account on the balance sheet, which are not separately shown. (Millions of yen)

	As of February 28, 2007	As of February 28, 2006
Accounts receivable, other	661	295
Current assets other	195	157
Accounts payable, other	105	133
Accrued expenses	91	35
Advance received	200	210
Deposits received from tenants	1,887	1,980

#### 4. Guarantees

(Millions of yen)

	As of February 28, 2007	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;*

Major transactions with subsidiaries and affiliates

(Millions of yen)

	For the year ended February 28, 2007	For the year ended February 28, 2006
Dividends income	55,604	33,659
Management consulting fee income	3,571	1,546
Commission fee income	3,187	205
Advertising expenses	21	152
Commission paid	514	105
Interest expense	889	35

*Nonconsolidated Statement of changes in net assets (from March 1, 2006 to February 28, 2007);*

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 February 28, 2007
Ordinary Share	29	427,541	427,512	58

(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 427,512 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 February 28, 2007	As of February 28, 2006
Acquisition cost	19	2
Accumulated depreciation	3	0
Net book value	15	2

*Software*

(Millions of yen)

	As of February 28, 2007	As of February 28, 2006
Acquisition cost	9,132	1,634
Accumulated depreciation	1,771	93
Net book value	7,361	1,541

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

(Millions of yen)

	As of February 28, 2007	As of February 28, 2006
Due within one year	1,798	318
Due over one year	5,626	1,227
Total	7,425	1,545

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

(Millions of yen)

	For the fiscal year ended February 28, 2007	For the fiscal year ended February 28, 2006
Lease payments	1,758	91
Depreciation expense	1,688	87
Interest expense	117	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 fiscal year ended February 28, 2007	For the fiscal year ended February 28, 2006
Due within one year	424	206
Due over one year	2,608	1,476
Total	3,032	1,682

## **Securities Information**

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

## **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, 2007	As of February 28, 2006
Deferred tax assets:		
Allowance for bonuses to employees	78	40
Allowance for retirement benefits to directors and corporate auditors	29	6
Enterprise tax and business office tax Payable	10	6
Tax loss carried forward	4,761	399
Other	9	4
Sub-total	4,889	456
Valuation allowance	(4,889)	(456)
Total deferred tax assets	-	-
Deferred tax liabilities:		
Allowance for accrued pension and severance costs	(39)	-

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

(%)

	As of February 28, 2007	As of February 28, 2006
Statutory tax rate	40.7	40.7
Adjustments:		
Nondeductible items such as entertainment expenses	0.0	0.0
Nontaxable income, such as dividend income	(42.7)	(42.1)
Change of valuation allowance	8.5	1.4
Adjustment related to merger	(6.5)	-
Other	0.1	-
Effective tax rate	0.2	0.0

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