



October 12, 2006

[Reference]
Semiannual Consolidated Financial Results
for the Six-Month Period Ended August 31, 2006
York-Benimaru Co., Ltd.

President and C.E.O.: Zenko Ohtaka

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

U.S. GAAP is not applied.

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		Net Sales		Operating Income	
Current Interim Period	170,407	12.2 %	165,777	12.1%	5,907	(16.2) %
Prior Year's Interim Period	151,912	4.3 %	147,907	4.1 %	7,053	3.2 %
Prior Fiscal Year	314,909	7.8 %	306,639	7.7 %	14,088	(2.0) %

	Ordinary Income		Net Income		Net Income per Share	
Current Interim Period	6,054	(14.5) %	3,319	(12.4) %	65.62	(yen)
Prior Year's Interim Period	7,078	3.2 %	3,786	(1.1) %	75.77	(yen)
Prior Fiscal Year	14,170	0.0 %	7,364	(5.6) %	144.73	(yen)

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

2. Equity in losses of affiliates:

Current interim period: (36) million yen Prior year's interim period: (17) million yen

Prior fiscal year: (57) million yen

3. Average number of shares outstanding:

Current interim period: 50,584,604 shares Prior year's interim period: 49,980,237 shares

Prior fiscal year: 50,283,132 shares

4. Change in accounting policies: no

5. Percentages above represent increase (decrease) over prior year's interim period/fiscal year, unless otherwise stated.

(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	157,044	125,469	79.9%	2,480.47 (yen)
As of August 31, 2005	142,858	115,293	80.7%	2,357.41 (yen)
As of February 28, 2006	151,808	123,581	81.4%	2,441.30 (yen)

Note: Number of shares outstanding at the end of period:

Current interim period: 50,582,930 shares Prior year's interim period: 48,906,821 shares

Prior fiscal year: 50,585,534 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 Period
Current Interim Period	9,291	(6,420)	(1,431)	20,686
Prior Year's Interim Period	8,708	(9,620)	(5,654)	23,685
Prior Fiscal Year	13,106	(15,503)	(8,609)	19,247

(4) Scope of Consolidation and Application of Equity Method

Number of consolidated subsidiaries: 2

Number of nonconsolidated subsidiaries accounted for by the equity method: 0

Number of affiliated companies accounted for by the equity method: 1

(5) Change in Scope of Consolidation and Application of Equity Method

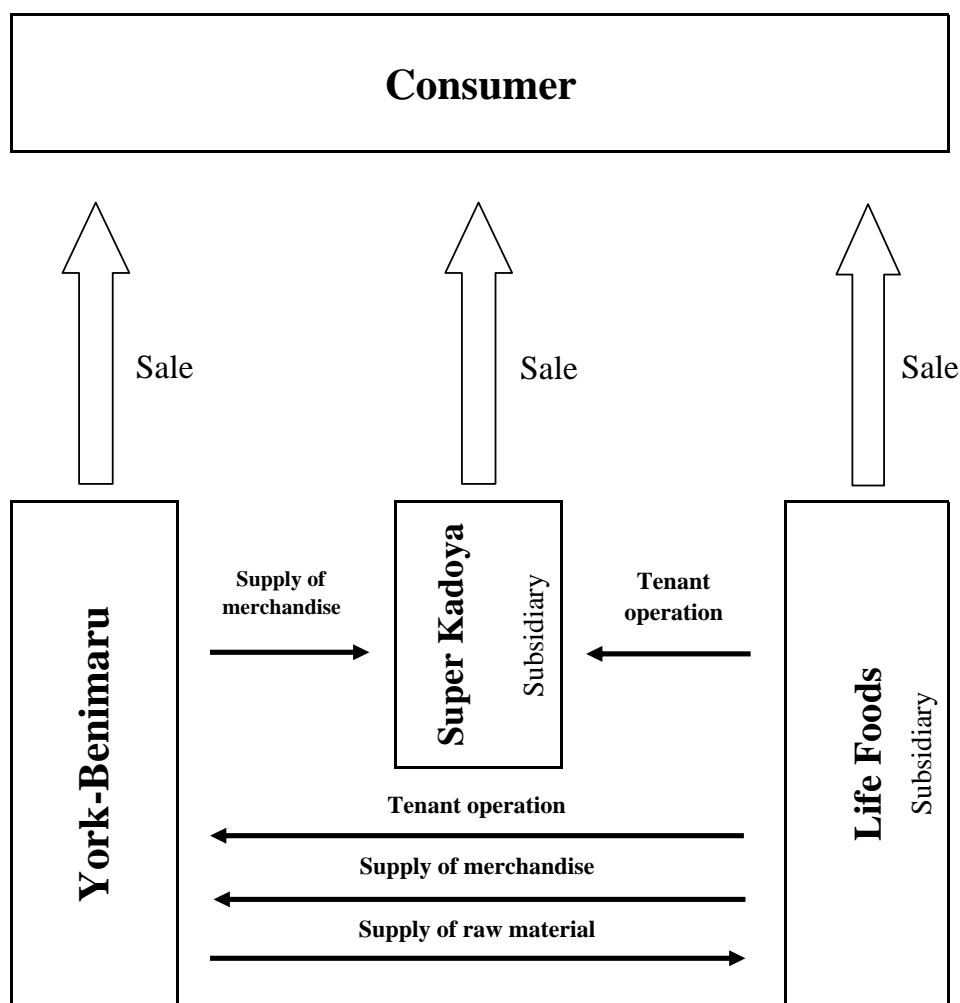
The number of consolidated subsidiaries decreased by 1.

GROUP ORGANIZATION

The Group is comprised of York-Benimaru Co., Ltd. and two subsidiaries, one other related company and one affiliated company accounted for using the equity method and is engaged in the retail and food processing business as a member of the Seven & i Holdings Group.

Retail business York-Benimaru is engaged in sales of primarily food, apparel, and household goods. Some merchandise are purchased from Life Foods Co., Ltd.
Super Kadoya is engaged in sales of primarily food and household goods. Some merchandise are purchased from York-Benimaru.

Food Processing business Life Foods Co., Ltd. processes *Sozai* and private brand food products (Tofu, Konnyaku, etc.) and supplies to York-Benimaru.



Companies not included in the chart above:

1. Other Related Company: Seven & i Holdings Co., Ltd.
Seven & i Holdings Co., Ltd., is engaged in controlling and managing subsidiaries in retail business.
On September 1, 2006, York-Benimaru Co., Ltd. became a wholly owned subsidiary of Seven & i Holdings Co., Ltd. by means of stock-for-stock exchange.
2. Affiliated companies to which the equity method is applied:
Beijing Wang fu jing Yokado Commercial Co., Ltd.
Beijing Wang fu jing Yokado Commercial Co., Ltd. is engaged in supermarket operation.

CONSOLIDATED BALANCE SHEETS

(Millions of yen)

	August 31, 2006		August 31, 2005		February 28, 2006	
	Amount	%	Amount	%	Amount	%
ASSETS						
Current assets	46,857	29.8	52,544	36.8	45,356	29.9
Cash and bank deposits	20,686		23,688		19,250	
Accounts receivable, trade	802		616		567	
Inventories	7,783		6,380		7,613	
Deposits held by financial service company	10,000		14,500		11,000	
Other	7,584		7,358		6,926	
Non-current assets	110,186	70.2	90,313	63.2	106,451	70.1
Property and equipment	72,516	46.2	61,356	42.9	69,244	45.6
Buildings and structures	35,839		30,050		33,032	
Land	26,430		24,957		26,321	
Other	10,246		6,349		9,890	
Intangible assets	3,494	2.2	993	0.7	3,655	2.4
Goodwill	2,616		157		2,761	
Other	877		836		893	
Investments and other assets	34,175	21.8	27,962	19.6	33,552	22.1
Investment in securities	10,063		-		10,728	
Long-term leasehold deposits	18,188		16,609		17,629	
Other	6,529		11,959		5,799	
Allowance for doubtful accounts	(606)		(606)		(606)	
TOTAL ASSETS	157,044	100.0	142,858	100.0	151,808	100.0

(Millions of yen)

	August 31, 2006		August 31, 2005		February 28, 2006	
	Amount	%	Amount	%	Amount	%
LIABILITIES						
Current liabilities	28,830	18.4	25,617	17.9	26,010	17.1
Accounts payable, trade	16,705		14,243		13,344	
Short-term loans	-		-		360	
Income taxes payable	2,784		3,222		2,669	
Allowance for bonuses to employees	1,731		1,572		1,420	
Allowance for point-card expenses	14		-		14	
Other	7,594		6,578		8,201	
Non-current liabilities	2,744	1.7	1,947	1.4	2,216	1.5
Allowance for accrued pension and severance costs	56		36		57	
Allowance for retirement benefits to directors and corporate auditors	746		665		699	
Other	1,941		1,245		1,459	
TOTAL LIABILITIES	31,574	20.1	27,564	19.3	28,227	18.6
NET ASSETS						
Owners' Equity	123,799	78.8	-	-	-	-
Common stock	9,927		-		-	
Capital surplus	12,839		-		-	
Retained earnings	101,190		-		-	
Treasury stock	(158)		-		-	
Valuation and translation adjustments	1,670	1.1	-	-	-	-
Net unrealized gains on available-for-securities	1,643		-		-	
Cumulative translation adjustments	26		-		-	
Minority interests	-	-	-	-	-	-
TOTAL NET ASSETS	125,469	79.9	-	-	-	-
TOTAL LIABILITIES AND NET ASSETS	157,044	100.0	-	-	-	-

(Millions of yen)

	August 31, 2006		August 31, 2005		February 28, 2006	
	Amount	%	Amount	%	Amount	%
MINORITY INTERESTS	-	-	-	-	-	-
SHAREHOLDERS' EQUITY						
Common stock	-	-	9,927	7.0	9,927	6.5
Capital surplus	-	-	12,839	9.0	12,839	8.5
Retained earnings	-	-	96,480	67.5	99,015	65.2
Net unrealized gains on available-for-sale securities	-	-	1,256	0.9	1,917	1.3
Cumulative translation adjustments	-	-	9	0.0	29	0.0
Treasury stock	-	-	(5,219)	(3.7)	(148)	(0.1)
TOTAL SHAREHOLDERS' EQUITY	-	-	115,293	80.7	123,581	81.4
TOTAL LIABILITIES, MINORITY INTERESTS AND SHAREHOLDERS' EQUITY	-	-	142,858	100.0	151,808	100.0

CONSOLIDATED STATEMENTS OF INCOME

(Millions of yen)

	Current Interim Period		Prior Year's Interim Period		Prior Fiscal Year	
	Amount	%	Amount	%	Amount	%
[Revenues from operations]	[170,407]		[151,912]		[314,909]	
Net sales	165,777	100.0	147,907	100.0	306,639	100.0
Cost of sales	118,667	71.6	105,165	71.1	218,118	71.1
Gross Profit on sales	47,109	28.4	42,742	28.9	88,520	28.9
Other operating revenue	4,630	2.8	4,004	2.7	8,269	2.7
Revenue from commission fee	3,635		3,379		6,809	
Rental revenue on real estate	995		625		1,459	
Gross profit from operations	51,740	31.2	46,747	31.6	96,790	31.6
Selling, general and administrative expenses	45,832	27.6	39,694	26.8	82,701	27.0
Operating income	5,907	3.6	7,053	4.8	14,088	4.6
Non-operating income	202	0.1	132	0.1	262	0.1
Interest income	73		50		107	
Dividend income	21		12		23	
Commission fee from tenant	-		-		47	
Other	107		68		83	
Non-operating expenses	55	0.0	106	0.1	179	0.1
Interest expenses	4		-		5	
Equity in losses of affiliates	36		-		57	
Bad debt loss	-		-		59	
Other	13		106		57	
Ordinary income	6,054	3.7	7,078	4.8	14,170	4.6
Special gains	99	0.1	-	-	22	0.0
Gain on sales of property and equipment	-		-		20	
Gain on sales of investments in securities	99		-		-	
Other	-		-		1	
Special losses	264	0.2	535	0.4	1,331	0.4
Loss on sales of property and equipment	0		0		16	
Loss on disposal of property and equipment	233		535		312	
Impairment losses	-		-		365	
Other	30		-		636	
Income before income taxes	5,890	3.6	6,542	4.4	12,861	4.2
Income taxes - current	2,621	1.6	3,050	2.0	5,571	1.8
Income taxes - deferred	(50)	(0.0)	(293)	(0.2)	(74)	(0.0)
Net income	3,319	2.0	3,786	2.6	7,364	2.4

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

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

(Millions of yen)

	Owners' Equity				
	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Total Owners' Equity
Balance at February 28, 2006	9,927	12,839	99,015	(148)	121,633
Increase (decrease) of items during the period					
Dividends from retained earnings			(1,062)		(1,062)
Directors' and corporate auditors' bonuses			(82)		(82)
Net income			3,319		3,319
Purchase of treasury stock				(9)	(9)
Disposal of treasury stock		0		0	0
Decrease of items during the period except those included in owners' equity					
Total increase (decrease) of items during the period	-	0	2,174	(9)	2,165
Balance at August 31, 2006	9,927	12,839	101,190	(158)	123,799

	Valuation and translation adjustments			Minority interests	Total Net Assets
	Net unrealized gain on available-for-securities	Cumulative translation adjustments	Total valuation and translation adjustments		
Balance at February 28, 2006	1,917	29	1,947	-	123,581
Increase (decrease) of items during the period					
Dividends from retained earnings					(1,062)
Directors' and corporate auditors' bonuses					(82)
Net income					3,319
Purchase of treasury stock					(9)
Disposal of treasury stock					0
Decrease of items during the period except those included in owners' equity	(273)	(3)	(277)		(277)
Total increase (decrease) of items during the period	(273)	(3)	(277)	-	1,888
Balance at August 31, 2006	1,643	26	1,670	-	125,469

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

(Millions of yen)

	Prior Year's Interim Period	Prior Fiscal Year
Capital surplus		
Capital surplus at beginning of period (year)	12,839	12,839
Increase in capital surplus	-	-
Decrease in capital surplus	-	0
Reversal of gain on sales of treasury stock	-	0
Capital surplus at end of period (year)	12,839	12,839
Retained earnings		
Retained earnings at beginning of period (year)	93,729	93,729
Increase in retained earnings	3,786	7,364
Net income	3,786	7,364
Decrease in retained earnings	1,035	2,077
Cash dividends	958	1,936
Directors' and corporate auditors' bonuses	77	77
Loss on sales and disposals of treasury stock	-	63
Retained earnings at end of period (year)	96,480	99,015

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Millions of yen)

	Current Interim Period	Prior Year's Interim Period	Prior Fiscal Year
Cash flows from operating activities:			
Income before income taxes	5,890	6,542	12,861
Depreciation and amortization	3,019	2,467	5,267
Impairment losses	-	-	365
Amortization of goodwill	145	39	198
Equity in losses of affiliates	36	17	57
Increase in allowance for bonuses to employees	311	312	119
(Decrease) increase in allowance for accrued pension and severance costs	(0)	0	(32)
Increase in allowance for retirement benefits to directors and corporate auditors	46	31	66
Interest and dividend income	(94)	(63)	(131)
Gain on sales of investments in securities	(99)	-	-
Loss on sales and disposals of property and equipment	233	535	329
Increase in accounts receivable	(235)	(159)	(103)
Decrease(increase) in inventories	(170)	66	(451)
Increase(decrease) in accounts payable	3,361	2,341	(15)
Other, net	(954)	(431)	655
Sub-total	11,488	11,701	19,186
Interest and dividends received	98	66	129
Interest paid	(4)	-	(5)
Income taxes paid	(2,291)	(3,060)	(6,203)
Net cash provided by operating activities	9,291	8,708	13,106
Cash flows from investing activities:			
Increase in time deposit	-	-	(3)
Decrease in time deposit	3	-	3
Decrease(increase) in deposits held by financial service company	1,000	(1,500)	2,000
Acquisition of property and equipment	(7,771)	(3,523)	(10,048)
Proceeds from sales of property and equipment	0	0	68
Payment for disposal of property and equipment	(17)	(26)	(131)
Acquisition of intangible assets	(184)	(138)	(248)
Proceeds from sales of intangible assets	61	20	20
Acquisition of investments in securities	-	(4,345)	(7,195)
Proceeds from sales of investments in securities	312	13	215
Payment for loans receivable	(6)	(69)	(89)
Collection of loans receivable	29	112	113
Payment of leasehold deposits	(21)	(49)	(200)
Refund of leasehold deposits	556	112	810
Proceeds from acquisition of investment in a subsidiary	-	-	1,058
Other, net	(384)	(226)	(1,876)
Net cash used in investing activities	(6,420)	(9,620)	(15,503)
Cash flows from financing activities:			
Repayment of short-term loans	(360)	-	(1,871)
Repayment of bonds	-	-	(60)
Acquisition of treasury stock	(9)	(4,696)	(4,741)
Cash dividends paid	(1,062)	(957)	(1,936)
Other, net	0	-	-
Net cash used in financing activities	(1,431)	(5,654)	(8,609)
Effect of exchange rate changes on cash and cash equivalents	-	-	-
Net increase(decrease) in cash and cash equivalents	1,439	(6,567)	(11,005)
Cash and cash equivalents at beginning of period (year)	19,247	30,252	30,252
Cash and cash equivalents at end of period (year)	20,686	23,685	19,247

Significant Accounting Policies for the Preparation of Semiannual Financial Statements

1. Principles of consolidation

The consolidated financial statements include the accounts of York-Benimaru Co., Ltd. (the "Company") and two subsidiaries, Life Foods Co., Ltd. and Super Kadoya Co., Ltd. The Company merged Midoriya Super Co., Ltd. on March 1, 2006. As a result, the number of consolidated subsidiaries decreased by 1.

2. Application of the equity method

Beijing Wang fujing Yokado Commercial Co., Ltd was included in the scope of applying the equity method. Its year-end date is December 31 and the six-month period-end date is June 30.

3. Six-month period-end of consolidated subsidiaries

The six-month period-end of the consolidated subsidiaries are the same as the Company.

4. Summary of significant accounting principles

(a) Valuation method of major assets

(1) Valuation method of inventories

- () Fresh foods merchandise is valued at cost. Cost is determined by the last purchase price method.
- () Merchandise held at stores, other than Fresh foods merchandise is valued at the lower of cost or market value. Cost is determined by the retail method.
- () Merchandise held at distribution centers is valued at cost. Cost is determined by the first-in first-out method.

Merchandise held by one of consolidated subsidiaries is valued at cost. Cost is determined by the retail method.

Suppliers are valued at cost. Cost is determined by the last purchase price method.

(2) Valuation method of securities

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

- () Securities, whose fair value is available, are valued at quoted market price prevailing at the end of the interim period. Net unrealized gains or losses on these securities are reported as a separate component of the net assets at a net-of-tax amount. Cost of sales is determined by the moving-average method.
- () Securities, whose fair value is not available, are valued at cost, determined by the moving-average method.

(b) Depreciation and amortization

(1) Property and equipment

Depreciation expenses are computed on the declining-balance method.

One subsidiary computes its depreciation expenses for buildings acquired after April 1, 1998, using the straight-line method.

(2) Intangible assets

Amortization expenses for intangible assets are computed on the straight-line method. Software is amortized on the straight-line method over an estimated useful life of 5 years.

(c) 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, plus an amount individually measured on 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 accrued pension and severance costs

An allowance for accrued pension and severance costs is provided for at the amount incurred during the interim period, which is based on the estimated present value of the projected benefit obligations less the estimated fair value of plan assets at the end of the year.

Unrecognized prior service costs are amortized on a straight-line basis over the period of 5 years from the year in which they arise.

Unrecognized actuarial differences are amortized on a straight-line basis over the period of 10 years from the next year in which they arise.

(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) Allowance for point-card expenses

An allowance for point card expenses 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 point card program.

(d) Leases

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

(e) Other accounting policies for the preparation of Semiannual financial statements

Accounting for consumption taxes

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

5. Cash and cash equivalents

Cash and cash equivalents in the accompanying consolidated statements of cash flows are composed of cash on hand, bank deposits which are able to be withdrawn at any time, and short-term investments with an original maturity of three months or less, which are considered to represent a low risk of market price fluctuation.

Change in Accounting Policies

(Accounting Standard for Presentation of Net Assets in the Balance Sheet)

The Company adopted the Accounting Standard for Presentation of Net Assets in the Balance Sheet (Accounting Standard Board of Japan Statement No.5 issued by Accounting Standard Board of Japan Statement No.5 issued by Accounting Standard Board of Japan on December 9, 2005) and the Guidance on Accounting Standard for Presentation of Net Assets in the Balance Sheet (Accounting Standard Board of Japan Guidance No.8 issued by Accounting Standard Board of Japan on December 9, 2005) from current interim period.

The amount of shareholders' equity pursuant to the former accounting standard is ¥ 125,469 million. "Net Assets" in the Balance Sheets for the interim accounting period is presented according to the revision of "Regulations Concerning the Terminology, Forms and Preparation Methods of Interim Consolidated Financial Statements" dated on April 25, 2006.

Change in Accounting Presentation

Consolidated Balance Sheets

In Investments and other assets, "Investments in securities" was separately disclosed as of August 31, 2006, which was included in "Other" as of August 31, 2005, because the amount exceeded 5% of total assets. The amount of "Investments in securities" was ¥ 6,970 million as of August 31, 2005.

Consolidated Statements of Income

In Non-operating expenses, "Equity in losses of affiliates" was separately disclosed for the interim period ended August 31, 2006, which was included in "Other" for the interim period ended August 31, 2005, because the amount exceeded 10% of total Non-operating expenses. The amount of "Equity in losses of affiliates" was ¥ 17 million for the interim period ended August 31, 2005.

Notes to Consolidated Financial Statements

Consolidated Balance Sheets

(Millions of yen)

	As of August 31, 2006	As of August 31, 2005	As of February 28, 2006
1. Accumulated depreciation of property and equipment	61,836	56,840	59,440
2. Contingent liabilities	7	18	12

Consolidated Statements of Income

1. Major items included in "Selling, general and administrative expenses" are as follows:

(Millions of yen)

	For the six-month period ended August 31, 2006	For the six-month period ended August 31, 2005	For the year ended February 28, 2006
Advertisement and decoration expenses	1,936	1,577	3,563
Salaries and wages	18,681	16,257	35,597
Provision for allowance for accrued bonuses to employees	1,707	1,550	1,357
Depreciation expense	2,796	2,284	4,891
Rent expense	3,643	2,944	6,251
Utilities expense	2,843	2,280	5,001

2. The components of "Gain on sale of property and equipment" are as follows:

(Millions of yen)

	For the six-month period ended August 31, 2006	For the six-month period ended August 31, 2005	For the year ended February 28, 2006
Land	-	-	20
Furniture, fixtures and equipment	-	-	0

3. "Loss on sale of property and equipment" are mainly based on :

For the six-month period ended August 31, 2006 : ¥0 million is based on sale of "Vehicles"

For the six-month period ended August 31, 2005 : ¥0 million is based on sale of "Land"

For the year ended February 28, 2006 : ¥16 million is mainly based on sale of "Vehicles"

4. The components of "Loss on disposal of property and equipment" are as follows:

(Millions of yen)

	For the six-month period ended August 31, 2006	For the six-month period ended August 31, 2005	For the year ended February 28, 2006
Buildings and structures	50	35	157
Software	-	383	-
Furniture and equipment, and others	183	116	154
Total	233	535	312

5. For the year ended February 28, 2006, The Company recognized Impairment losses for the following group of assets.

	Location	Description	Amount (Millions of yen)
Operating stores	Ibaraki 2 stores	Goodwill, Buildings and structures, and Other	365

The Company and its subsidiaries group its fixed assets by store which is the minimum cash-generating unit. The book value of stores whose profitability were low were reduced to recoverable amount and the amount written down was recorded as impairment loss.

Impairment losses of ¥365 million (Goodwill, ¥352 million; Buildings and structures, ¥3 million; and Other, ¥9 million) were recognized and recorded as "Impairment loss" (Special losses) in the accompanying consolidated statements of income.

The recoverable value of the assets group is measured based on the net realizable value and the Company valued the net realizable value as zero.

6. Accounting for income taxes -current and income taxes -deferred

Income taxes -current and Income taxes -deferred for the interim period were computed assuming the effects of a reversal of the provision for deferred gain on sale of property and equipment, at the current year-end.

Notes to consolidated statements changes in net assets

Interim period ended August 31, 2006

1. Total numbers and periodic changes of shares outstanding and treasury stock by class

	Outstanding shares by class	Treasury shares by class
	common stock	common stock
Number of shares at the end of previous fiscal year	50,634,535 shares	49,001 shares
Increase in number of shares	-	2,658 shares
Decrease in number of shares	-	54 shares
Number of shares at the end of current interim period	50,634,535 shares	51,605 shares

(Notes)

1. Increase in number of common stock of treasury stock is due to purchase of the odd stock by acquisition claim.

2. Decrease in number of common stock of treasury stock is due to disposal of the odd stock by adding-to-holdinds claim.

2. Dividend

(1) Dividends from surplus

The resolution matter of the 43rd shareholders' meeting held at May 19, 2006

(1) Total amounts of dividend:	¥1,062,296,214
(2) Dividend per share	¥21.00
(3) Record date	February 28, 2006
(4) Effective date	May 22, 2006

(2) Dividends whose effective date is after the end of current interim period and record date is included in the current interim period

(1) Total amounts of dividend:	¥1,011,658,600
(2) Dividend resource	Retained earnings
(3) Dividend per share	¥20.00
(4) Record date	August 31, 2006
(5) Effective date	November 15, 2006

Consolidated Statements of Cash Flows

Reconciliation of cash and cash equivalents for the consolidated statements of cash flows to account balances for the consolidated balance sheets.

(Millions of yen)

	As of August 31, 2006	As of August 31, 2005	As of February 28, 2006
Cash and bank deposits	20,686	23,688	19,250
Time deposits with an original maturity of more than three months	-	(3)	(3)
Cash and cash equivalents	20,686	23,685	19,247

Summary of net assets (assets and liabilities) and acquisition costs of companies which became a consolidated subsidiary due to stock-for-stock exchange for the year ended February 28, 2006

(Millions of yen)

As of acquisition date

Current assets	1,972
Non-current assets	4,813
Goodwill	3,115
Current liabilities	(2,269)
Non-current liabilities	<u>(2,581)</u>
Acquisition cost	5,051
Treasury stock used for the exchange	(5,051)
Cash and cash equivalents of the subsidiary	<u>(1,058)</u>
Receipt from acquisition of the subsidiary	<u><u>1,058</u></u>

Segment Information

1. Business segment information

Business segment information have not been disclosed because revenues from operations, operating income and total assets of the supermarket chain business constituted over 90% of the consolidated totals, respectively.

2. Geographic segment information

The Company has no overseas consolidated subsidiaries.

3. Overseas sales

The Company has no overseas sales.

Leases

1. Information for financial lease contracts other than those for which the ownership of the leased assets is to be transferred to 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 August 31, 2006	As of August 31, 2005	As of February 28, 2006
Furniture and equipment:			
Acquisition cost	8,997	6,736	8,253
Accumulated depreciation	4,193	3,508	4,354
Net book value	4,804	3,227	3,899

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

(Millions of yen)

	As of August 31, 2006	As of August 31, 2005	As of February 28, 2006
Within one year	1,703	1,264	1,469
Over one year	3,101	1,962	2,430
Total	4,804	3,227	3,899

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

(Millions of yen)

	For the six-month period ended August 31, 2006	For the six-month period ended August 31, 2005	For the year ended February 28, 2006
Lease payments	950	715	1,581
Depreciation expense	950	715	1,581

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

2. Operating leases

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

(Millions of yen)

	As of August 31, 2006	As of August 31, 2005	As of February 28, 2006
Within one year	313	206	313
Over one year	4,156	2,744	4,313
Total	4,470	2,950	4,627

Securities Information

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

(Millions of yen)

Description	As of August 31, 2006			As of August 31, 2005			As of February 28, 2006		
	Acquisition cost	Book value	Net unrealized gains/(losses)	Acquisition cost	Book value	Net unrealized gains/(losses)	Acquisition cost	Book value	Net unrealized gains/(losses)
Equity securities	507	3,237	2,730	494	2,581	2,086	507	3,692	3,185

2. Major securities which are not subject to revaluation

(Millions of yen)

Description	As of August 31, 2006	As of August 31, 2005	As of February 28, 2006
	Book value	Book value	Book value
Available-for-sale securities Unlisted securities	6,826	4,389	7,036
Total	6,826	4,389	7,036

Derivative Transactions

There were no derivative transactions for the six-month periods ended August 31, 2006 and 2005 and for the year ended February 28, 2006

Subsequent Event

On September 1, 2006, the Company became a wholly owned subsidiary of Seven & i Holdings Co., Ltd. by means of stock-for-stock exchange. As a result, the Company's treasury stock of ¥ 158 million were converted to the stock of the parent company and recorded in "Current Assets" instead of deduction item in "Net Assets"

Breakdown of Sales by Product Category (Consolidated)

(Millions of yen)

	Current Interim Period		% of corresponding prior period	Prior Years' Interim Period		Prior Fiscal Year	
	Sales	%		Sales	%	Sales	%
Fresh Foods	49,993	30.2	115.4	43,316	29.3	91,438	29.8
Processed Foods	37,363	22.5	114.1	32,746	22.1	67,536	22.0
Daily Foods	31,347	18.9	115.0	27,261	18.4	57,021	18.6
Delicatessen	20,125	12.1	112.1	17,959	12.2	36,875	12.1
Foods Total	138,831	83.7	114.5	121,283	82.0	252,872	82.5
Apparel	9,876	6.0	101.5	9,729	6.6	20,000	6.5
Household Goods	9,708	5.9	105.5	9,200	6.2	18,774	6.1
Other Business	7,360	4.4	95.7	7,694	5.2	14,992	4.9
Total	165,777	100.0	112.1	147,907	100.0	306,639	100.0

- Notes: 1. Sales of *sozai* prepared dishes, sushi, bakery foods, and fast-food items are included in the Delicatessen category.
2. Sales of tenants are included in the Other Business category.
3. Consumption taxes are excluded from the schedule above.

Breakdown of Sales by Product Category (Nonconsolidated)

(Millions of yen)

	Current Interim Period		% of corresponding prior period	Prior Years' Interim Period		Prior Fiscal Year	
	Sales	%		Sales	%	Sales	%
Fresh Foods	45,115	29.6	105.7	42,686	29.3	85,526	29.5
Processed Foods	34,036	22.3	105.8	32,161	22.0	63,304	21.9
Daily Foods	28,177	18.5	105.7	26,667	18.3	52,881	18.3
Foods Total	107,329	70.4	105.7	101,514	69.6	201,712	69.7
Apparel	9,876	6.5	101.5	9,729	6.8	19,872	6.9
Household Goods	9,280	6.1	102.6	9,045	6.2	18,074	6.2
Other Business	25,871	17.0	101.8	25,410	17.4	49,734	17.2
Total	152,357	100.0	104.6	145,700	100.0	289,393	100.0

- Notes: 1. Sales of tenants are included in the Other Business category.
2. Consumption taxes are excluded from the schedule above.

