



October 1, 2009

Consolidated Financial Results for the Six Months ended August 31, 2009

Seven & i Holdings Co., Ltd.

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

Securities Code No. 3382

President and COO: Noritoshi Murata

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

Submission date of quarterly securities report scheduled: October 14, 2009

Starting date of paying dividend: November 13, 2009

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

1. Business Results for the Six Months ended August 31, 2009 (from March 1, 2009 to August 31, 2009)

(1) Results of Operations (cumulative)

(Millions of yen, except per share amounts)

	Revenues from Operations		Operating Income		Ordinary Income	
Six Months ended August 31, 2009	2,546,405	-	118,138	-	118,464	-
Six Months ended August 31, 2008	2,861,034	1.6%	148,009	2.8%	147,981	1.8%

	Net Income		Net Income per Share		Diluted Net Income per Share	
Six Months ended August 31, 2009	43,687	-	48.36	(yen)	48.35	(yen)
Six Months ended August 31, 2008	67,503	(2.4)%	72.34	(yen)	72.34	(yen)

Note: Percentages represent increase (decrease) from the corresponding period in the prior fiscal year.

(2) Financial Position

(Millions of yen, except per share amounts)

	Total Assets	Net Assets	Owners' Equity Ratio	Net Assets per Share
As of August 31, 2009	3,734,140	1,827,266	47.1%	1,945.94 (yen)
As of February 28, 2009	3,727,060	1,860,672	47.9%	1,975.95 (yen)

Note: Owners' Equity (net assets excluding minority interests in consolidated subsidiaries and subscription rights to shares) :

As of August 31, 2009: 1,758,072 million yen

As of February 28, 2009: 1,785,189 million yen

2. Dividends

	Dividends per Share (yen)				
	First Quarter	Second Quarter	Third Quarter	Year-end	Total
Year ended February 28, 2009	-	27.00	-	29.00	56.00
Year ending February 28, 2010	-	28.00			
Year ending February 28, 2010 (forecast)			-	28.00	56.00

Note: Revision of dividends forecast during the current quarterly period: None

3. Forecast of Business Results for the Fiscal Year ending February 28, 2010 (from March 1, 2009 to February 28, 2010)

(Millions of yen, except per share amounts)

	Revenues from Operations	Operating Income	Ordinary Income	Net Income	Net Income per Share
Entire Year	5,180,000 (8.3)%	250,000 (11.3)%	248,000 (11.2)%	109,000 18.0%	120.65 (yen)

Notes:

1. Percentages represent increase (decrease) from the corresponding period in the prior fiscal year.

2. Revision of business results forecast during the current quarterly period: None

4. Others

(1) Changes in significant subsidiaries during the period

(Changes in specific subsidiaries accompanying changes in scope of consolidation): Yes

Added: none

Excluded: two companies (Millennium Retailing, Inc., THE SEIBU DEPARTMENT STORES, LTD.)

Millennium Retailing, Inc., Sogo Co., Ltd., and THE SEIBU DEPARTMENT STORES, LTD. merged on August 1, 2009. This is an absorption-type merger with Sogo, being the surviving entity.

Millennium Retailing, Inc., and THE SEIBU DEPARTMENT STORES, LTD., were dissolved.

Accordingly on August 1, 2009, Sogo Co., Ltd., changed its name to Sogo & Seibu Co., Ltd.

(2) Adoption of simplified accounting method as well as specific accounting for preparing the quarterly consolidated financial statements: Yes

Notes:

1) Methods for calculating deferred income tax assets and deferred tax liabilities

In assessing the collectability of deferred tax assets, as the Company has deemed that there has been no marked change in the operating environment, etc., since the end of the previous year, and that there has been no marked change with respect to the occurrence of temporary differences, etc., they employ the future performance forecasts and tax planning utilized in the previous fiscal year.

(3) Changes in accounting principles, procedures, and method of presentation for preparing the quarterly consolidated financial statements (those to be described in the section of Significant Accounting Policies for the Preparations of Quarterly Consolidated Financial Statements):

1. Changes due to amendment of accounting standards: Yes

2. Changes due to other reasons: None

Notes:

1) Accounting methods for formulation of quarterly financial statements

From the current fiscal year, the Company has adopted the "Accounting Standard for Quarterly Financial Reporting", Statement No.12, issued by Accounting Standards Board of Japan (ASBJ) and the "Guidance on Accounting Standard for Quarterly Financial Reporting", ASBJ Guidance No.14. Furthermore, the Company prepared its quarterly consolidated financial statements in accordance with the Regulations for Quarterly Consolidated Financial Statements.

2) Changes in valuation standards and methods

Inventories

Inventories held for sale in the ordinary course of business were previously stated using mainly the lower cost or market method. From the first quarter period under review, the Company has applied the "Accounting Standard for Measurement of Inventories" (ASBJ Statement No.9, July 5, 2006), and inventories are now stated mainly at cost determined by the retail method with book value written down to the net realizable value in cases where there has been a material decline in value.

As a result of this change, the impact of operating income and ordinary income was immaterial, income before income taxes and minority interest for the period decreased by ¥1,323 million.

3) Adoption of "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements"

From the current fiscal year, the Company has applied the "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" (ASBJ Practical Issues Task Force (PITF) No.18 of May 17, 2006), and made the necessary amendment to its financial statements.

As a result of this application, beginning retained earnings decreased by ¥67,126 million, operating income, ordinary income and income before income taxes and minority interest for the period each decreased by ¥3,741 million.

The impact on segment is described on page 11 and 12.

4) Accounting standard for lease transactions

Finance leases, except for those leases under which the ownership of the leased assets was considered to be transferred to the lessee, were accounted for in the same manner as operating leases. However, from the current fiscal year the Company has applied the “Accounting Standard for Lease Transactions” (ASBJ Statement No.13 of June 17, 1993 (First Committee of the Business Accounting Council); revised on March 30, 2007) and the “Guidance on Accounting Standard for Lease Transactions” (ASBJ Guidance No.16 of January 18, 1994 (Japanese Institute of Certified Public Accountants, Committee on Accounting Systems); revised March 30, 2007), and accordingly such transactions are now based on capital lease method. For depreciation of leased assets for finance lease transactions other than those involving a transfer of title, useful life is based on the duration of the lease period and straight-line depreciation is applied with an assumed residual value of zero

For finance lease transactions other than those involving a transfer of ownership that began prior to the application of the new accounting standards, these finance leases continue to be accounted for as operating leases.

Impact of this application on the Consolidated Quarterly Statements of Income was immaterial.

(4) Number of shares outstanding (common stock)

1. Number of shares outstanding at the end of period (including treasury stock)

As of August 31, 2009: 906,441,983 shares As of February 28, 2009: 906,441,983 shares

2. Number of treasury stock at the end of period

As of August 31, 2009: 2,987,316 shares As of February 28, 2009: 2,982,472 shares

3. Average number of shares during the period (cumulative quarterly consolidated period)

As of August 31, 2009: 903,456,943 shares As of August 31, 2008: 933,078,430 shares

FORWARD LOOKING STATEMENTS

1. The forecast for the year ending February 28, 2010 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 forecast.
2. From the current fiscal year, the Company has adopted the “Accounting Standard for Quarterly Financial Reporting”, Statement No.12, issued by Accounting Standards Board of Japan (ASBJ) and the “Guidance on Accounting Standard for Quarterly Financial Reporting”, ASBJ Guidance No.14. Furthermore, the Company prepared its quarterly consolidated financial statements in accordance with the Regulations for Quarterly Consolidated Financial Statements.

<Reference>

- Notes: 1. Percentages represent increase (decrease) from the corresponding period in the prior fiscal year.
 2. The year-on-year percentage figures used in comparing the current and previous period are presented for reference only due to the difference in accounting standards which was adopted from the current fiscal year.

1. Business Results for the Six Months ended August 31, 2009 (from March 1, 2009 to August 31, 2009)

(Millions of yen)

	Six Months ended August 31, 2008		Six Months ended August 31, 2009	
	Amount	YOY	Amount	YOY
Revenues from operations	2,861,034	1.6%	2,546,405	(11.0)%
Operating income	148,009	2.8%	118,138	(20.2)%
Ordinary income	147,981	1.8%	118,464	(19.9)%
Net income	67,503	(2.4)%	43,687	(35.3)%
Exchange rates	US\$1 = 104.89 yen		US\$1 = 95.59 yen	
	1 yuan = 14.91 yen		1 yuan = 14.05 yen	

2. Segment Information

Revenues from operations by business segment

(Millions of yen)

	Six Months ended August 31, 2008		Six Months ended August 31, 2009	
	Amount	YOY	Amount	YOY
Convenience store operations	1,187,789	(0.1)%	968,201	(18.5)%
Superstore operations	1,063,764	4.7%	1,018,906	(4.2)%
Department store operations	494,769	(1.2)%	453,111	(8.4)%
Food services	54,760	(7.2)%	46,003	(16.0)%
Financial services	63,590	9.2%	56,215	(11.6)%
Others	17,010	2.8%	17,013	0.0%
Total before eliminations	2,881,685	1.5%	2,559,452	(11.2)%
Eliminations / corporate	(20,651)	-	(13,046)	-
Consolidated total	2,861,034	1.6%	2,546,405	(11.0)%

Operating income (loss) by business segment

(Millions of yen)

	Six Months ended August 31, 2008		Six Months ended August 31, 2009	
	Amount	YOY	Amount	YOY
Convenience store operations	110,131	2.2%	98,991	(10.1)%
Superstore operations	16,173	(2.5)%	2,689	(83.4)%
Department store operations	7,378	(25.0)%	1,131	(84.7)%
Food services	(671)	-	(689)	-
Financial services	13,697	43.1%	15,610	14.0%
Others	1,019	(11.3)%	664	(34.8)%
Total before eliminations	147,728	2.9%	118,397	(19.9)%
Eliminations / corporate	281	-	(259)	-
Consolidated total	148,009	2.8%	118,138	(20.2)%

3. Qualitative Information on Consolidated Financial Results Forecast (from March 1, 2009 to February 28, 2010)

The Company has revised its consolidated financial results forecast for fiscal year ending February 28, 2010 from the original forecast announced on April 9, 2009.

For details, please refer to "Notice of Revision of Consolidated Financial Results Forecast" released on September 1, 2009.

Consolidated financial results forecast (Millions of yen)

	Year ending February 28, 2010	
		YOY
Revenues from operations	5,180,000	(8.3)%
Operating income	250,000	(11.3)%
Ordinary income	248,000	(11.2)%
Net income	109,000	18.0%

Assumed exchange rates: US\$1 = 95.00 yen 1yuan = 14.00yen

Revenues from operations and operating income forecast by business segment (Millions of yen)

	Year ending February 28, 2010			
	Revenues from operations		Operating income	
		YOY		YOY
Convenience store operations	1,967,000	(14.8)%	200,000	(6.3)%
Superstore operations	2,056,000	(3.2)%	15,000	(39.4)%
Department store operations	938,000	(5.6)%	6,000	(67.3)%
Food services	88,000	(14.3)%	(2,500)	—
Financial services	114,000	(8.7)%	30,000	17.7%
Others	45,000	28.3%	1,500	(27.5)%
Total before eliminations	5,208,000	(8.5)%	250,000	(11.0)%
Eliminations / corporate	(28,000)	—	0	—
Consolidated Total	5,180,000	(8.3)%	250,000	(11.3)%

5. Consolidated Quarterly Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	August 31, 2009	February 28, 2009
	Amount	Amount
ASSETS		
Current assets	1,410,814	1,397,102
Cash and bank deposits	625,614	650,949
Notes and accounts receivable, trade	125,223	116,902
Trade accounts receivable - financial services	74,311	78,042
Marketable securities	189,324	94,824
Merchandise and products	161,544	167,135
Work in process	17	14
Raw materials and supplies	2,569	2,384
Prepaid expenses	33,501	28,584
Deferred income taxes	30,951	28,656
Other	172,231	233,928
Allowance for doubtful accounts	(4,474)	(4,321)
Non-current assets	2,323,203	2,329,776
Property and equipment	1,247,062	1,222,427
Buildings and structures	510,916	510,945
Furniture, fixtures and equipment	142,824	146,174
Land	546,573	525,022
Construction in progress	46,627	40,147
Other	120	136
Intangible assets	353,337	421,647
Goodwill	250,207	318,945
Software	36,389	37,674
Other	66,741	65,026
Investments and other assets	722,803	685,701
Investments in securities	173,656	140,149
Long-term loans receivable	19,924	14,270
Prepaid pension cost	14,321	16,486
Long-term leasehold deposits	440,674	442,416
Construction assistance fund receivable	12,189	13,298
Deferred income taxes	22,384	22,966
Other	46,416	46,405
Allowance for doubtful accounts	(6,764)	(10,291)
Deferred assets	121	182
New organization costs	121	182
TOTAL ASSETS	3,734,140	3,727,060

(Millions of yen)

	August 31, 2009	February 28, 2009
	Amount	Amount
LIABILITIES		
Current liabilities	1,308,018	1,254,927
Notes and accounts payable, trade	331,955	297,783
Short-term loans	189,500	191,100
Current portion of long-term loans	103,825	103,352
Current portion of bonds	70,550	50,592
Income taxes payable	52,946	53,311
Accrued expenses	80,003	78,622
Deposits received	100,667	120,038
Allowance for sales promotion expenses	15,644	16,601
Allowance for bonuses to employees	16,744	15,705
Allowance for losses on future collection of gift certificates	4,966	6,024
Deposits received in banking business	170,501	165,712
Other	170,713	156,083
Non-current liabilities	598,855	611,459
Bonds	190,165	180,448
Long-term loans	217,414	249,685
Commercial paper	15,119	18,688
Deferred income taxes	46,978	44,094
Allowance for accrued pension and severance costs	4,061	3,510
Allowance for retirement benefits to directors and corporate auditors	2,349	3,480
Deposits received from tenants and franchised stores	56,864	60,276
Other	65,901	51,274
TOTAL LIABILITIES	1,906,873	1,866,387
NET ASSETS		
Shareholders' equity	1,813,338	1,862,962
Common stock	50,000	50,000
Capital surplus	576,073	576,074
Retained earnings	1,196,552	1,246,165
Treasury stock, at cost	(9,286)	(9,277)
Accumulated gains (losses) from valuation and translation adjustments	(55,266)	(77,773)
Unrealized gains (losses) on available-for-sale securities, net of taxes	5,005	247
Unrealized gains (losses) on hedging derivatives, net of taxes	(626)	(622)
Foreign currency translation adjustments	(59,645)	(77,398)
Subscription rights to shares	745	391
Minority interests in consolidated subsidiaries	68,448	75,092
TOTAL NET ASSETS	1,827,266	1,860,672
TOTAL LIABILITIES AND NET ASSETS	3,734,140	3,727,060

(2) Consolidated Quarterly Statements of Income

(Millions of yen)

	Six Months ended August 31, 2009
	Amount
[Revenues from operations]	[2,546,405]
Net sales	2,260,523
Cost of sales	1,662,214
Gross profit on sales	598,309
Other operating revenues	285,881
Gross profit from operations	884,190
Selling, general and administrative expenses	766,052
Operating income	118,138
Non-operating income	5,910
Interest income	2,727
Equity in earnings of affiliates	661
Other	2,520
Non-operating expenses	5,584
Interest expenses	3,251
Interest on bonds	1,209
Other	1,122
Ordinary income	118,464
Special gains	1,614
Gain on sales of property and equipment	365
Gain on sales of investments in securities	464
Other	783
Special losses	17,658
Loss on disposals of property and equipment	2,391
Impairment loss on property and equipment	9,099
Other	6,167
Income before income taxes and minority interests	102,421
Income taxes - current	52,976
Income taxes - deferred	(1,505)
Income taxes	51,470
Minority interests in net income of consolidated subsidiaries	7,262
Net income	43,687

(3) Consolidated Quarterly Statements of Cash Flows

(Millions of yen)

	Six Months ended August 31, 2009
	Amount
Cash flows from operating activities:	
Income before income taxes and minority interests	102,421
Depreciation and amortization	64,944
Impairment loss on property and equipment	9,099
Interest income	(2,727)
Interest expenses and interest on bonds	4,461
Equity in losses (earnings) of affiliates	(661)
Gain on sales of property and equipment	(365)
Loss on disposals of property and equipment	2,391
Decrease (increase) in notes and accounts receivable, trade	(7,748)
Decrease (increase) in trade accounts receivable - financial services	3,731
Decrease (increase) in inventories	7,244
Increase (decrease) in notes and accounts payable, trade	32,230
Increase (decrease) in deposits received	(2,212)
Proceeds from loans in banking business	(21,000)
Net increase (decrease) in bonds in banking business	30,000
Net increase (decrease) in deposits received in banking business	4,789
Net decrease (increase) in call loan in banking business	(15,000)
Net increase (decrease) in call money in banking business	(12,300)
Net change in ATM-related temporary accounts	43,385
Other	18,766
Sub-total	261,449
Interest and dividends received	3,091
Interest paid	(4,764)
Income taxes paid	(45,799)
Net cash provided by operating activities	213,977
Cash flows from investing activities:	
Acquisition of property and equipment	(80,673)
Proceeds from sales of property and equipment	17,657
Acquisition of intangible assets	(5,742)
Payment for purchase of investments in securities	(153,876)
Proceeds from sales and maturity of investments in securities	133,493
Payment of loans receivable	(6,166)
Collection of loans receivable	449
Payment for long-term leasehold deposits and advances for store construction	(14,008)
Refund of long-term leasehold deposits	14,313
Proceeds from deposits from tenants	1,077
Refund of deposits from tenants	(3,316)
Other	(17,089)
Net cash used in investing activities	(113,880)

(Millions of yen)

	Six Months ended August 31, 2009
	Amount
Cash flows from financing activities:	
Net increase (decrease) in short-term loans	(1,600)
Proceeds from long-term loans	24,100
Repayment of long-term loans	(34,562)
Proceeds from commercial paper	125,616
Payment for redemption of commercial paper	(130,169)
Payment for redemption of bonds	(327)
Dividends paid	(26,186)
Other	(4,372)
Net cash provided by (used in) financing activities	(47,501)
Effect of exchange rate changes on cash and cash equivalents	2,605
Net increase (decrease) in cash and cash equivalents	55,201
Cash and cash equivalents at beginning of period	663,483
Cash and cash equivalents at end of period	718,684

From the current fiscal year, the Company has adopted the "Accounting Standard for Quarterly Financial Reporting", Statement No.12, issued by Accounting Standards Board of Japan (ASBJ) and the "Guidance on Accounting Standard for Quarterly Financial Reporting", ASBJ Guidance No.14. Furthermore, the Company prepared its quarterly consolidated financial statements in accordance with the Regulations for Quarterly Consolidated Financial Statements.

(4) Doubts on the premises of going concern

None

(5) Segment Information

a. Business Segments

Six Months ended August 31, 2009 (From March 1, 2009 to August 31, 2009)

(Millions of yen)

	Convenience store operations	Superstore operations	Department store operations	Food services	Financial services	Others	Total before eliminations	Eliminations / Corporate	Consolidated total
Revenues and operating income									
Revenues									
1. Customers	967,867	1,017,179	453,059	45,491	49,975	12,832	2,546,405	-	2,546,405
2. Intersegment	334	1,726	52	511	6,239	4,180	13,046	(13,046)	-
Total revenues	968,201	1,018,906	453,111	46,003	56,215	17,013	2,559,452	(13,046)	2,546,405
Operating expenses	869,210	1,016,216	451,980	46,692	40,605	16,348	2,441,054	(12,787)	2,428,266
Operating income (loss)	98,991	2,689	1,131	(689)	15,610	664	118,397	(259)	118,138

Notes:

- The classification of business segments is made by the type of products and services and the type of sales.
- Major businesses in each segment are as follows:
 - Convenience store operations - Convenience store business operated by corporate stores and franchised stores under the name of "7-Eleven".
 - Superstore operations ----- Superstore, supermarket and specialty shop
 - Department store operations --- Department store business centered on Sogo & Seibu Co., Ltd.
 - Food services ----- Restaurant operations, meal provision service business (company cafeteria, hospital, school) and fast food operations.
 - Financial services ----- Bank, credit card and lease business
 - Others ----- IT business and other services
- Change in accounting policies
 (Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements)
 As described in changes in accounting policies, procedures and methods of presentation for preparing the quarterly consolidated financial statements, the Company has applied the "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" (ASBJ Practical Issues Task Force (PITF) No.18 of May 17, 2006).
 As a result of this change, the impact on operating income decreased by ¥3,741 million for Convenience store operations, compared to the results that have been obtained under the former method.

b. Geographic area segments

Six Months ended August 31, 2009 (From March 1, 2009 to August 31, 2009) (Millions of yen)

	Japan	North America	Others	Total before eliminations	Eliminations	Consolidated total
Revenues and operating income						
Revenues						
1. Customers	1,817,360	689,402	39,641	2,546,405	-	2,546,405
2. Intersegment	187	1,407	-	1,594	(1,594)	-
Total revenues	1,817,547	690,810	39,641	2,547,999	(1,594)	2,546,405
Operating expenses	1,713,055	678,815	38,021	2,429,892	(1,626)	2,428,266
Operating income	104,492	11,994	1,620	118,107	31	118,138

Notes:

1. The classification of geographic area segments is made according to geographical distances.
2. "Others" consists of the business results in the People's Republic of China ("P.R.C.") .
3. Change in accounting policies
(Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements)
As described in changes in accounting policies, procedures and methods of presentation for preparing the quarterly consolidated financial statements, the Company has applied the "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" (ASBJ Practical Issues Task Force (PITF) No.18 of May 17, 2006).
As a result of this change, the impact on operating income decreased by ¥3,741 million for North America, compared to the results that have been obtained under the former method.

c. Overseas sales

Six Months ended August 31, 2009 (From March 1, 2009 to August 31, 2009) (Millions of yen)

	North America	Others	Total
Overseas sales	689,402	39,641	729,044
Consolidated sales	-	-	2,546,405
Percentage of overseas sales to consolidated sales (%)	27.1	1.5	28.6

Notes:

1. The classification of overseas sales area segments is made according to geographical distances.
2. "Others" consists of sales in the P.R.C.
3. "Overseas sales" represents net sales and other operating revenues of consolidated subsidiaries in countries and areas outside of Japan.

(6) Notes on Significant Changes in the Amount of Shareholders' Equity

None

<Reference>

Consolidated Financial Statements for the Previous Six Months Period

(1) Consolidated Balance Sheets

(Millions of yen)

	August 31, 2008
	Amount
ASSETS	
Current assets	1,500,364
Cash and bank deposits	573,404
Notes and accounts receivable, trade	142,298
Trade accounts receivable - financial services	77,452
Marketable securities	231,524
Inventories	167,242
Prepaid expenses	36,594
Deferred income taxes	33,405
Other	241,580
Allowance for doubtful accounts	(3,139)
Non-current assets	2,485,302
Property and equipment	1,295,196
Buildings and structures	541,693
Furniture, fixtures and equipment	162,998
Vehicles	140
Land	547,648
Construction in progress	42,715
Intangible assets	445,794
Goodwill	344,524
Software	40,101
Other	61,168
Investments and other assets	744,311
Investments in securities	181,506
Long-term loans receivable	14,847
Prepaid pension cost	14,490
Long-term leasehold deposits	454,423
Advances for store construction	13,408
Deferred income taxes	26,688
Other	47,517
Allowance for doubtful accounts	(8,570)
Deferred assets	245
New organization costs	245
TOTAL ASSETS	3,985,912

(Millions of yen)

	August 31, 2008
	Amount
LIABILITIES	
Current liabilities	1,366,651
Notes and accounts payable, trade	368,788
Short-term loans	182,100
Current portion of long-term loans	147,087
Current portion of bonds	16,155
Income taxes payable	58,988
Accrued expenses	83,948
Deposits received	134,471
Allowance for sales promotion expenses	19,509
Allowance for bonuses to employees	18,157
Allowance for bonuses to directors and corporate auditors	138
Allowance for loss on future collection of gift certificates	6,323
Deposits received in banking business	145,990
Other	184,992
Non-current liabilities	701,117
Bonds	230,710
Long-term loans	278,674
Commercial paper	20,202
Deferred income taxes	53,218
Allowance for accrued pension and severance costs	3,936
Allowance for retirement benefits to directors and corporate auditors	3,458
Deposits received from tenants and franchised stores	60,483
Other	50,432
TOTAL LIABILITIES	2,067,768
NET ASSETS	
Shareholders' equity	1,862,733
Common stock	50,000
Capital surplus	576,075
Retained earnings	1,245,886
Treasury stock, at cost	(9,228)
Accumulated (losses) from valuation and translation adjustments	(21,216)
Unrealized gains on available-for-sale securities, net of taxes	2,663
Unrealized (losses) on hedging derivatives, net of taxes	(483)
Foreign currency translation adjustments	(23,396)
Subscription rights to shares	395
Minority interests in consolidated subsidiaries	76,230
TOTAL NET ASSETS	1,918,143
TOTAL LIABILITIES AND NET ASSETS	3,985,912

(2) Consolidated Statements of Income

(Millions of yen)

	Six Months ended August 31, 2008
	Amount
[Revenues from operations]	[2,861,034]
Net sales	2,581,485
Cost of sales	1,929,298
Gross profit on sales	652,186
Other operating revenues	279,549
Gross profit from operations	931,735
Selling, general and administrative expenses	783,725
Operating income	148,009
Non-operating income	6,285
Interest and dividends income	3,682
Equity in earnings of affiliates	50
Other	2,552
Non-operating expenses	6,313
Interest expenses	4,388
Interest on bonds	643
Foreign currency exchange losses	26
Other	1,255
Ordinary income	147,981
Special gains	2,824
Gain on sales of property and equipment	2,454
Other	369
Special losses	19,460
Loss on disposals of property and equipment	3,743
Impairment loss on property and equipment	8,536
Additional retirement benefits for early retirement	3,076
Other	4,103
Income before income taxes and minority interests	131,345
Income taxes - current	60,119
Income taxes - deferred	(1,311)
Minority interests in net income of consolidated subsidiaries	5,033
Net income	67,503

(3) Consolidated Statements of Cash Flows

(Millions of yen)

	Six Months ended August 31, 2008
	Amount
Cash flows from operating activities:	
Income before income taxes and minority interests	131,345
Depreciation and amortization	69,845
Impairment loss on property and equipment	8,536
Increase in allowance for bonuses to employees	2,047
Increase in prepaid pension cost	(1,823)
Interest and dividends income	(3,682)
Interest expenses and interest on bonds	5,031
Foreign currency exchange losses	383
Equity in earnings of affiliates	(50)
Gain on sales of property and equipment	(2,454)
Loss on disposals of property and equipment	3,743
Increase in notes and accounts receivable, trade	(14,311)
Increase in trade accounts receivable - financial services	(1,711)
(Increase) in inventories	(687)
Increase in notes and accounts payable, trade	50,229
Increase in deposits received	31,393
Proceeds from loans in banking business	10,000
Net increase in deposits received in banking business	3,784
Net (increase) in call loan in banking business	(6,500)
Net decrease in ATM-related temporary accounts	(50,105)
Other	45,651
Sub-total	280,667
Interest and dividends received	2,624
Interest paid	(4,674)
Income taxes paid	(39,288)
Net cash provided by operating activities	239,327
Cash flows from investing activities:	
Acquisition of property and equipment	(78,802)
Proceeds from sales of property and equipment	23,328
Acquisition of intangible assets	(7,023)
Payment for purchase of investments in securities	(191,757)
Proceeds from sales and maturity of investments in securities	160,417
Payment of loans receivable	(202)
Collection of loans receivable	672
Payment for long-term leasehold deposits and advances for store construction	(12,875)
Refund of long-term leasehold deposits	15,030
Proceeds from deposits from tenants	1,413
Refund of deposits from tenants	(1,676)
Other	3,186
Net cash used in investing activities	(88,287)

(Millions of yen)

	Six Months ended August 31, 2008
	Amount
Cash flows from financing activities:	
Net increase in short-term loans	22,239
Proceeds from long-term loans	17,900
Repayment of long-term loans	(33,489)
Proceeds from commercial paper	344,780
Payment for redemption of commercial paper	(344,229)
Proceeds from issuance of bonds	99,616
Payment for redemption of bonds	(390)
Dividends paid	(27,116)
Dividends paid for minority interests	(2,782)
Payment for acquisition of treasury stock	(158,093)
Other	(1,006)
Net cash (used in) financing activities	(82,572)
Effect of exchange rate changes on cash and cash equivalents	(627)
Net increase in cash and cash equivalents	67,839
Cash and cash equivalents at beginning of period	667,770
Cash and cash equivalents at end of period	735,610

(4) Segment Information

a. Business Segments

Six Months ended August 31, 2008 (From March 1, 2008 to August 31, 2008)

(Millions of yen)

	Convenience store operations	Superstore operations	Department store operations	Food services	Financial services	Others	Total before eliminations	Eliminations / Corporate	Consolidated total
Revenues and operating income									
Revenues									
1. Customers	1,186,784	1,062,253	494,767	54,397	49,560	13,270	2,861,034	-	2,861,034
2. Intersegment	1,004	1,510	2	363	14,029	3,740	20,651	(20,651)	-
Total revenues	1,187,789	1,063,764	494,769	54,760	63,590	17,010	2,881,685	(20,651)	2,861,034
Operating expenses	1,077,657	1,047,591	487,390	55,432	49,893	15,991	2,733,957	(20,932)	2,713,024
Operating income (loss)	110,131	16,173	7,378	(671)	13,697	1,019	147,728	281	148,009

Notes:

- The classification of business segments is made by the type of products and services and the type of sales.
- Major businesses in each segment are as follows:
 - Convenience store operations ----- Convenience store business operated by corporate stores and franchised stores under the name of "7-Eleven"
 - Superstore operations ----- Superstore, supermarket and specialty shop
 - Department store operations ----- Sogo Co., Ltd., THE SEIBU DEPARTMENT STORES, LTD. and other companies included in the department stores business.
 - Food services ----- Restaurant operations, meal provision service business (company cafeteria, hospital, school) and fast food operations
 - Financial services ----- Bank, credit card and lease business
 - Others ----- IT business and other services

b. Geographic area segments

Six Months ended August 31, 2008 (From March 1, 2008 to August 31, 2008)

(Millions of yen)

	Japan	North America	Others	Total before eliminations	Eliminations	Consolidated total
Revenues and operating income						
Revenues						
1. Customers	1,911,128	910,270	39,635	2,861,034	-	2,861,034
2. Intersegment	182	1,501	-	1,684	(1,684)	-
Total revenues	1,911,311	911,771	39,635	2,862,718	(1,684)	2,861,034
Operating expenses	1,778,111	898,547	38,051	2,714,710	(1,686)	2,713,024
Operating income	133,199	13,224	1,583	148,007	1	148,009

Notes:

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

c. Overseas sales

Six Months ended August 31, 2008 (From March 1, 2008 to August 31, 2008)

(Millions of yen)

	North America	Others	Total
Overseas sales	910,270	39,635	949,905
Consolidated sales	-	-	2,861,034
Percentage of overseas sales to consolidated sales (%)	31.8	1.4	33.2

Notes:

- The classification of overseas sales area segments is made according to geographical distances.
- "Others" consists of sales in the P.R.C.
- "Overseas sales" represents net sales and other operating revenues of consolidated subsidiaries in countries and areas outside of Japan.