



April 7, 2011

# Consolidated Financial Results for the Fiscal Year ended February 28, 2011

## 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.

Date of the ordinary general meeting of shareholders: May 26, 2011

Submission date of the annual securities report scheduled: May 27, 2011

Starting date of paying year-end dividend: May 27, 2011

Preparation of brief summary materials for financial results: Yes

Holding of financial results presentation: Yes

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

### 1. Business Results for the Fiscal Year ended February 28, 2011 (from March 1, 2010 to February 28, 2011)

#### (1) Results of Operations

(Millions of yen, except per share amounts)

	Revenues from Operations		Operating Income		Ordinary Income		Net Income	
Year ended February 28, 2011	5,119,739	0.2 %	243,346	7.4 %	242,907	7.0 %	111,961	149.5 %
Year ended February 28, 2010	5,111,297	(9.5) %	226,666	(19.6) %	226,950	(18.7) %	44,875	(51.4) %

	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 Operating Income to Revenues from Operations
Year ended February 28, 2011	126.21	(yen)	126.15	(yen)	6.5 %	6.6 %	4.8 %
Year ended February 28, 2010	49.67	(yen)	49.66	(yen)	2.6 %	6.1 %	4.4 %

Notes: 1. Equity in earnings of affiliates:

Year ended February 28, 2011: 1,007 million yen

Year ended February 28, 2010: 1,225 million yen

2. Percentages represent increase (decrease) from the prior year unless otherwise stated.

#### (2) Financial Position

(Millions of yen, except per share amounts)

	Total Assets	Net Assets	Owners' Equity Ratio	Net Assets per Share
As of February 28, 2011	3,732,111	1,776,512	45.6%	1,927.09 (yen)
As of February 28, 2010	3,673,605	1,793,940	46.9%	1,905.97 (yen)

Note: Owners' equity (net assets excluding minority interests in consolidated subsidiaries):

As of February 28, 2011: 1,702,514 million yen

As of February 28, 2010: 1,721,967 million yen

#### (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 the Fiscal Year
Year ended February 28, 2011	310,527	(312,081)	(56,258)	656,747
Year ended February 28, 2010	322,202	(115,158)	(156,708)	717,320

### 2. Dividends

	Dividends per Share (yen)			Total Amount of Dividends (Millions of yen)	Dividends Payout Ratio (Consolidated)	Ratio of Total Amount of Dividends to Net Assets (Consolidated)
	Interim	Year-end	Annual			
Year ended February 28, 2010	28.00	28.00	56.00	50,594	112.7 %	2.9%
Year ended February 28, 2011	28.00	29.00	57.00	50,358	45.2 %	3.0%
Year ending February 29, 2012 (forecast)	28.50	28.50	57.00		57.8 %	

### 3. Forecast of Business Results for the Fiscal Year ending February 29, 2012 (From March 1, 2011 to February 29, 2012)

(Millions of yen, except per share amounts)

	Revenues from Operations		Operating Income		Ordinary Income		Net Income		Net Income per Share
Interim Period	2,250,000	(12.1) %	115,000	(3.6) %	113,600	(4.9) %	18,000	(71.2) %	20.29 (yen)
Entire Year	4,600,000	(10.2) %	248,000	1.9 %	245,300	1.0 %	87,500	(21.8) %	98.63 (yen)

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

#### 4. Others

- (1) Changes in significant subsidiaries during the fiscal year ended February 28, 2011  
(changes in specific subsidiaries accompanying change in scope of consolidation): Yes  
Added: one company (Seven & i Asset Management Co., Ltd.) Excluded: none

Note: For details, please refer to MAJOR SEVEN & i HOLDINGS GROUP COMPANIES on page 4 of attached materials.

- (2) Changes in accounting principles, procedures, and method of presentation for preparing the consolidated financial statements

Changes due to amendment of accounting standards: Yes

Changes due to other reasons: None

- (3) Number of shares outstanding (common stock)

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

As of February 28, 2011: 886,441,983 shares As of February 28, 2010: 906,441,983 shares

Number of treasury stock at the end of period

As of February 28, 2011: 2,978,750 shares As of February 28, 2010: 2,983,875 shares

Note: For the number of shares as a basis of calculating net income per share (consolidated), please refer to Per Share Information on page 48 of attached materials.

### Reference: Summary of Nonconsolidated Financial Statements

#### 1. Nonconsolidated Business Results for the Fiscal Year ended February 28, 2011 (from March 1, 2010 to February 28, 2011)

##### (1) Results of Operations

(Millions of yen, except per share amounts)

	Revenues from Operations		Operating Income		Ordinary Income	
Year ended February 28, 2011	70,011	(52.5)%	62,896	(55.1)%	59,924	(56.1)%
Year ended February 28, 2010	147,472	135.3%	140,012	151.7%	136,372	165.7%

	Net Income		Net Income per Share		Diluted Net Income per Share	
Year ended February 28, 2011	66,872	2.9%	75.38	(yen)	75.35	(yen)
Year ended February 28, 2010	64,998	31.8%	71.94	(yen)	71.93	(yen)

Note: Percentages represent increase (decrease) from the prior year unless otherwise stated.

##### (2) Financial Position

(Millions of yen, except per share amounts)

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
As of February 28, 2011	1,850,473	1,364,914	73.7%	1,543.99 (yen)
As of February 28, 2010	1,770,301	1,394,977	78.8%	1,543.31 (yen)

Note: Owners' equity (net assets excluding subscriptions to shares) :

As of February 28, 2011: 1,364,087 million yen As of February 28, 2010: 1,394,344 million yen

#### FORWARD LOOKING STATEMENTS

The forecast for the year ending February 29, 2012 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.

<Reference>

**Qualitative Information on Consolidated Financial Results Forecast (from March 1, 2011 to February 29, 2012)**

The consolidated financial results forecasts for the fiscal year ending February 29, 2012 (March 1, 2011, to February 29, 2012) are as follows.

In addition to the direct effect on stores, products, etc., the effects of "Great East Japan Earthquake" could include significant fluctuations in consumer sentiment due to events that might occur in the future. The consolidated financial results forecasts in these materials incorporate the amount of those effects that was anticipated as of the date of the release of these materials.

The earthquake is expected to have the effect of reducing consolidated revenues from operations by 144,000 million yen in the fiscal year ending February 29, 2012. Also, from the fiscal year ending February 29, 2012, 7-Eleven, Inc., changes its accounting method for revenues from operations related to franchise agreements from "gross amount" to "net amount". This change is expected to have the effect of reducing revenues from operations in convenience store operations by 545,000 million yen. Excluding the effect of these factors, revenues from operations are forecasted to increase by 3.3% from the fiscal year ended February 28, 2011, to 5,289,000 million yen. The change at 7-Eleven, Inc. will not have any effect on revenues from operations, ordinary income, and net income.

The earthquake is expected to have the effect of reducing consolidated operating income and ordinary income by 38,100 million yen, and net income by 41,000 million yen. Excluding the effect of the earthquake, the initial consolidated financial results forecasts are operating income of 286,100 million yen, increasing by 17.6%, ordinary income of 283,400 million yen, increasing by 16.7%, and net income of 128,500 million yen, increasing by 14.8%.

For details, please refer to "<Reference: The Effect of Great East Japan Earthquake for FY2012>" on page 2 of Brief Summary of FY2011 which was announced on April 7, 2011.

**Consolidated financial results forecast** (Millions of yen)

	Year ending February 29, 2012	
		YOY
Revenues from operations	4,600,000	(10.2)%
Operating income	248,000	1.9%
Ordinary income	245,300	1.0%
Net income	87,500	(21.8)%

Assumed exchange rates: US\$1 = 82.00 yen 1yuan = 12.50yen

Note: Percentages represent increase (decrease) from the prior year unless otherwise stated.

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

	Year ending February 29, 2012			
	Revenues from operations		Operating income	
		YOY		YOY
Convenience store operations	1,552,000	(23.8)%	202,800	3.7%
Superstore operations	1,950,000	(1.6)%	12,000	(23.6)%
Department store operations	880,000	(3.8)%	4,200	(25.3)%
Food services	79,000	(1.5)%	0	-
Financial services	130,000	21.5%	27,000	(4.7)%
Others	52,000	46.0%	2,500	-
<b>Total before eliminations</b>	<b>4,643,000</b>	<b>(9.9)%</b>	<b>248,500</b>	<b>1.7%</b>
Eliminations / corporate	(43,000)	-	(500)	-
<b>Consolidated Total</b>	<b>4,600,000</b>	<b>(10.2)%</b>	<b>248,000</b>	<b>1.9%</b>

## MAJOR SEVEN & i HOLDINGS GROUP COMPANIES

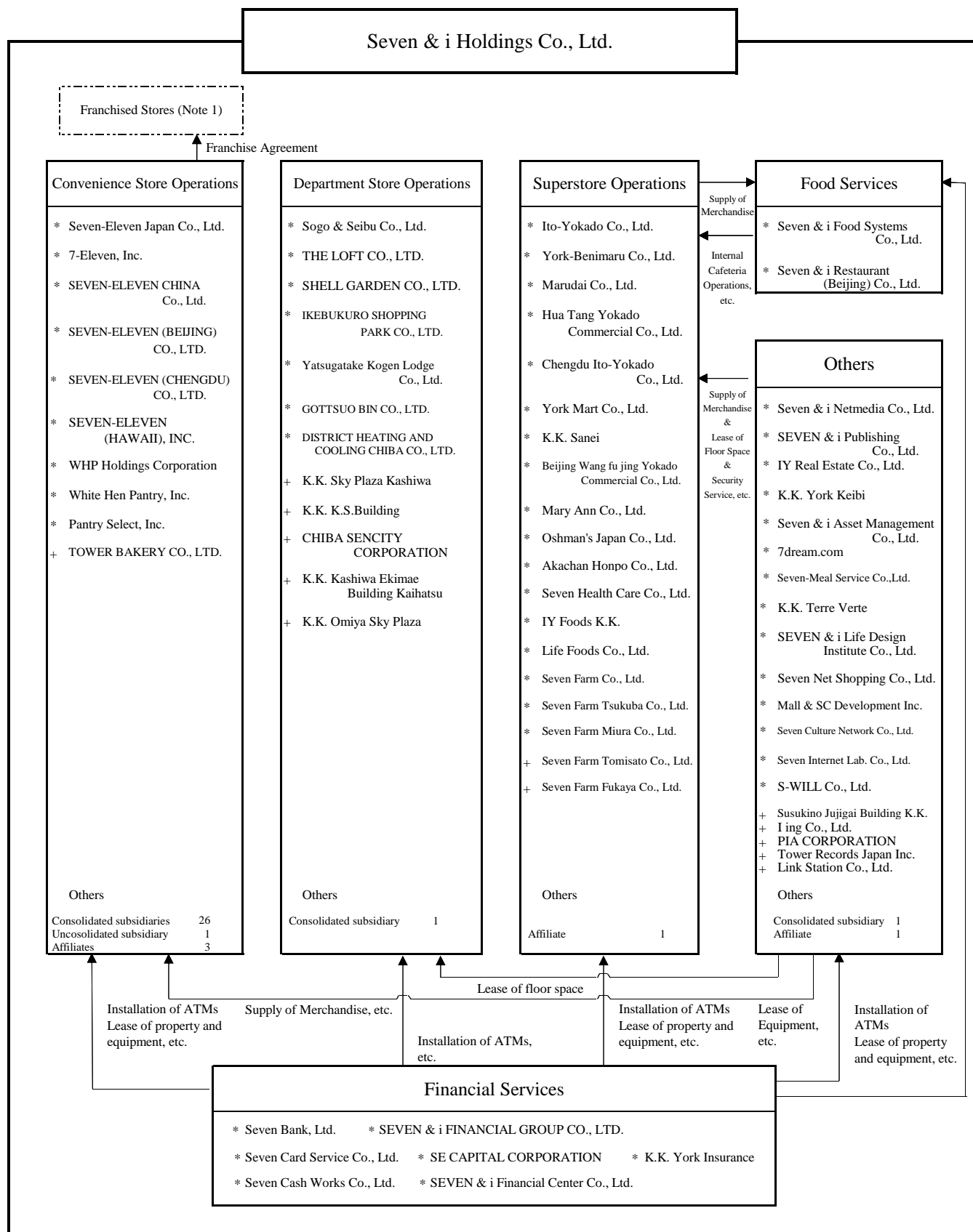
Seven & i Holdings Group consists 104 diversified retail companies, mainly engaged in convenience store operations, superstore operations, department store operations, food services and financial services. Business segments, major group companies and number of companies are as follows.

This segmentation is same as the business segment shown in the section of segment information.

Business Segments	Major Group Companies	Number of Companies
<b>Convenience Store Operations</b>	Seven-Eleven Japan Co., Ltd. 7-Eleven, Inc. SEVEN-ELEVEN CHINA Co., Ltd. SEVEN-ELEVEN (BEIJING) CO., LTD. SEVEN-ELEVEN (CHENGDU) CO., LTD. SEVEN-ELEVEN (HAWAII), INC. WHP Holdings Corporation White Hen Pantry, Inc. Pantry Select, Inc. TOWER BAKERY CO., LTD.	Consolidated Subsidiaries 35 Unconsolidated Subsidiary 1 Affiliates 4 <hr/> Total 40
<b>Superstore Operations</b>	Ito-Yokado Co., Ltd. York-Benimaru Co., Ltd. Marudai Co., Ltd. Hua Tang Yokado Commercial Co., Ltd. Chengdu Ito-Yokado Co., Ltd. York Mart Co., Ltd. K.K. Sanei Beijing Wang fu jing Yokado Commercial Co., Ltd. Mary Ann Co., Ltd. Oshman's Japan Co., Ltd. Akachan Honpo Co., Ltd. Seven Health Care Co., Ltd. IY Foods K.K. Life Foods Co., Ltd. Seven Farm Co., Ltd. Seven Farm Tsukuba Co., Ltd. Seven Farm Miura Co., Ltd. Seven Farm Tomisato Co., Ltd. Seven Farm Fukaya Co., Ltd.	Consolidated Subsidiaries 17 Affiliates 3 <hr/> Total 20
<b>Department Store Operations</b>	Sogo & Seibu Co., Ltd. THE LOFT CO., LTD. SHELL GARDEN CO., LTD. IKEBUKURO SHOPPING PARK CO., LTD. Yatsugatake Kogen Lodge Co., Ltd. GOTTSUO BIN CO., LTD. DISTRICT HEATING AND COOLING CHIBA CO., LTD. K.K. Sky Plaza Kashiwa K.K. K.S. Building CHIBA SENCITY CORPORATION K.K. Kashiwa Ekimae Building Kaihatsu K.K. Omiya Sky Plaza	Consolidated Subsidiaries 8 Affiliates 5 <hr/> Total 13
<b>Food Services</b>	Seven & i Food Systems Co., Ltd. Seven & i Restaurant (Beijing) Co., Ltd.	Consolidated Subsidiaries 2
<b>Financial Services</b>	Seven Bank, Ltd. SEVEN & i FINANCIAL GROUP CO., LTD. Seven Card Service Co., Ltd. SE CAPITAL CORPORATION K.K. York Insurance Seven Cash Works Co., Ltd. SEVEN & i Financial Center Co., Ltd.	Consolidated Subsidiaries 7
<b>Others</b>	Seven & i Netmedia Co., Ltd. SEVEN & i Publishing Co., Ltd. IY Real Estate Co., Ltd. K.K. York Keibi Seven & i Asset Management Co., Ltd. 7dream.com Seven-Meal Service Co., Ltd. K.K. Terre Verte SEVEN & i Life Design Institute Co., Ltd. Seven Net Shopping Co., Ltd. Mall & SC Development Inc. Seven Culture Network Co., Ltd. Seven Internet Lab. Co., Ltd. S-WILL Co., Ltd. Susukino Jujigai Building K.K. I ing Co., Ltd. PIA CORPORATION Tower Records Japan Inc. Link Station Co., Ltd.	Consolidated Subsidiaries 15 Affiliates 6 <hr/> Total 21

1. On December 29, 2010, SEVEN-ELEVEN (CHENGDU) CO., LTD. was established as a wholly owned subsidiary of the Company.
2. WHP Holdings Corporation is the holding company of White Hen Pantry, Inc. and Pantry Select, Inc.
3. TOWER BAKERY CO., LTD., Seven Farm Tomisato Co., Ltd., Seven Farm Fukaya Co., Ltd., K.K. Sky Plaza Kashiwa, K.K. K.S. Building, CHIBA SENCITY CORPORATION, K.K. Kashiwa Ekimae Building Kaihatsu, K.K. Omiya Sky Plaza, Susukino Jujigai Building K.K., I ing Co., Ltd., PIA CORPORATION, Tower Records Japan Inc. and Link Station Co., Ltd. are affiliates and other companies are consolidated subsidiaries.
4. On July 1, 2010, Seven Farm Co., Ltd. was established as a wholly owned subsidiary of the Company.
5. On September 1, 2010, Seven Farm Tsukuba Co., Ltd. was established as a wholly owned subsidiary of the Company.
6. On October 1, 2010, Seven Farm Miura Co., Ltd. was established as a wholly owned subsidiary of the Company.
7. On October 26, 2010, Seven Farm Fukaya Co., Ltd. became an equity-method affiliate of the Company.
8. On October 1, 2010, IY Card Service Co., Ltd changed its name to Seven Card Service Co., Ltd.
9. On June 1, 2010, Seven & i Asset Management Co., Ltd. was established as a wholly owned subsidiary of the Company.
10. On March 30, 2010, Tower Records Japan Inc. become an equity-method affiliate of the Company by stock acquisition.
11. On June 30, 2010, Link Station Co., Ltd. become an equity-method affiliate of the Company by stock acquisition.

# BUSINESS RELATION IN GROUP



\* Consolidated subsidiary

+ Affiliate accounted for using the equity method

- Notes: 1. Each franchised store is operated by an independent franchisee which enters into franchise agreement with Seven-Eleven Japan Co., Ltd. or 7-Eleven, Inc. or SEVEN-ELEVEN (BEIJING) CO., LTD.
2. As of February 28, 2011, Seven Bank, Ltd. has 15,356 units of ATMs placed mainly in the stores of Group companies.

## Subsidiaries and Affiliates

Name	Address	Capital (Millions of yen)	Principal Business	Voting Rights Held by the Company (%)	Description of Relationship		
					Shared Positions		Business Relationship
					Officers	Employees	
<b>Consolidated Subsidiaries</b>							
Seven-Eleven Japan Co., Ltd. *3	Chiyoda-ku, Tokyo	17,200	Convenience store operations	100.0	3	4	The Company provides management strategies as well as other services and various convenience for considerations The Company are entrusted with various types of businesses
7-Eleven, Inc.	Texas, U.S.A.	Thousands of U.S. dollars 13	Convenience store operations	100.0 (100.0)	2	1	-
Ito-Yokado Co., Ltd. *3	Chiyoda-ku, Tokyo	40,000	Superstore operations	100.0	5	3	The Company provides management strategies as well as other services and various convenience for considerations The Company are entrusted with various types of businesses
York-Benimaru Co., Ltd. * 3	Koriyama-shi, Fukushima	9,927	Superstore operations	100.0	2	1	The Company provides management strategies as well as other services and various convenience for considerations The Company are entrusted with various types of businesses
Sogo & Seibu Co., Ltd. *3	Chiyoda-ku, Tokyo	10,000	Department store operations	100.0	3	2	The Company provides management strategies as well as other services and various convenience for considerations The Company are entrusted with various types of businesses
Seven & i Food Systems Co., Ltd.	Chiyoda-ku, Tokyo	3,000	Food services	100.0	1	1	The Company provides management strategies as well as other services and various convenience for considerations The Company are entrusted with various types of businesses
Seven Bank, Ltd. *3,4,5	Chiyoda-ku, Tokyo	30,503	Financial services	49.0 (49.0)	2	-	-
SEVEN-ELEVEN CHINA Co., Ltd.	Beijing, China	Thousands of yuan 50,000	Convenience store operations	100.0 (100.0)	-	2	-
SEVEN-ELEVEN (BEIJING) CO., LTD.	Beijing, China	Thousands of U.S. dollars 35,000	Convenience store operations	65.0 (65.0)	-	2	-
SEVEN-ELEVEN (CHENGDU) Co., Ltd.	Sichuan, China	Thousands of U.S. dollars 10,000	Convenience store operations	100.0 (100.0)	-	1	-
SEVEN-ELEVEN (HAWAII), INC.	Hawaii, U.S.A.	Thousands of U.S. dollars 20,000	Convenience store operations	100.0 (100.0)	2	1	-
WHP Holdings Corporation	Delaware, U.S.A	U.S. dollars 17,098	Convenience store operations	100.0 (100.0)	-	-	-
White Hen Pantry, Inc.	Delaware, U.S.A	U.S. dollars 13,130	Convenience store operations	100.0 (100.0)	-	-	-
Pantry Select, Inc.	Illinois, U.S.A.	U.S.dollars 10	Convenience store operations	100.0 (100.0)	-	-	-

Name	Address	Capital (Millions of yen)	Principal Business	Voting Rights Held by the Company (%)	Description of Relationship		
					Shared Positions		Business Relationship
					Officers	Employees	
Marudai Co., Ltd.	Nagaoka-shi, Niigata	213	Superstore operations	100.0 (100.0)	1	3	The Company provides management strategies as well as other services and various convenience for considerations The Company are entrusted with various types of businesses
Hua Tang Yokado Commercial Co., Ltd. *3	Beijing, China	Thousands of U.S. dollars 65,000	Superstore operations	75.8 (75.8)	-	-	-
Chengdu Ito-Yokado Co., Ltd.	Sichuan, China	Thousands of U.S. dollars 23,000	Superstore operations	74.0 (74.0)	-	-	-
York Mart Co., Ltd.	Chiyoda-ku, Tokyo	1,000	Superstore operations	100.0	1	1	The Company provides management strategies as well as other services and various convenience for considerations The Company are entrusted with various types of businesses
K.K. Sanei	Ishinomaki -shi, Miyagi	138	Superstore operations	100.0 (100.0)	-	3	The Company provides management strategies as well as other services and various convenience for considerations The Company are entrusted with various types of businesses
Beijing Wang fu jing Yokado Commercial Co., Ltd.	Beijing, China	Thousands of U.S. dollars 18,000	Superstore operations	60.0 (60.0)	-	-	-
Mary Ann Co., Ltd.	Chiyoda-ku, Tokyo	200	Superstore operations	100.0 (100.0)	-	1	The Company provides management strategies as well as other services and various convenience for considerations The Company are entrusted with various types of businesses
Oshman's Japan Co., Ltd.	Chiyoda-ku, Tokyo	1,200	Superstore operations	100.0 (100.0)	-	1	The Company provides management strategies as well as other services and various convenience for considerations The Company are entrusted with various types of businesses
Akachan Honpo Co., Ltd.	Chuo-ku, Osaka-shi	3,080	Superstore operations	93.6 (12.9)	1	-	The Company provides management strategies as well as other services and various convenience for considerations The Company are entrusted with various types of businesses
Seven Health Care Co., Ltd.	Chiyoda-ku, Tokyo	450	Superstore operations	70.0 (60.0)	2	-	The Company are entrusted with various types of businesses
IY Foods K.K.	Kazo-shi, Saitama	75	Superstore operations	100.0 (100.0)	-	1	The Company provides management strategies as well as other services and various convenience for considerations The Company are entrusted with various types of businesses
Life Foods Co., Ltd.	Koriyama-shi, Fukushima	120	Superstore operations	100.0 (100.0)	1	-	-
Seven Farm Co., Ltd.	Chiyoda-ku, Tokyo	5	Superstore operations	100.0 (100.0)	-	-	The Company are entrusted with various types of businesses
Seven Farm Tsukuba Co., Ltd.	Chikusei-shi, Ibaraki	1	Superstore operations	85.0 (85.0)	-	-	-
Seven Farm Miura Co., Ltd.	Yokosuka-shi, Kanagawa	1	Superstore operations	85.0 (85.0)	-	-	-
THE LOFT CO., LTD.	Shibuya-ku, Tokyo	750	Department store operation	70.7 (70.7)	-	-	-

Name	Address	Capital (Millions of yen)	Principal Business	Voting Rights Held by the Company (%)	Description of Relationship		
					Shared Positions		Business Relationship
					Officers	Employees	
SHELL GARDEN CO., LTD.	Meguro-ku, Tokyo	989	Department store operations	100.0 (100.0)	-	-	-
IKEBUKURO SHOPPING PARK CO., LTD.	Toshima-ku, Tokyo	1,200	Department store operations	50.6 (50.6)	-	-	-
Yatsugatake Kogen Lodge Co., Ltd.	Minamimaki -mura, Minami-Saku -gun, Nagano	100	Department store operations	100.0 (100.0)	-	-	-
GOTTSUO BIN CO., LTD.	Toshima-ku, Tokyo	10	Department store operations	100.0 (100.0)	-	-	-
DISTRICT HEATING AND COOLING CHIBA CO., LTD.	Chuo-ku, Chiba-shi	1,000	Department store operations	43.4 (43.4) [18.2]	-	-	-
Seven & i Restaurant (Beijing) Co., Ltd.	Beijing, China	Thousands of yuan 100,000	Food services	75.0 (75.0)	-	-	-
SEVEN & i FINANCIAL GROUP CO., LTD.	Chiyoda-ku, Tokyo	10	Financial services	100.0	2	-	The Company are entrusted with various types of businesses
Seven Card Service Co., Ltd. *3	Chiyoda-ku, Tokyo	7,500	Financial services	95.5 (95.5)	1	1	The Company provides management strategies as well as other services and various convenience for considerations The Company are entrusted with various types of businesses
SE CAPITAL CORPORATION	Chiyoda-ku, Tokyo	75	Financial services	100.0 (100.0)	2	2	The Company provides management strategies as well as other services and various convenience for considerations The Company are entrusted with various types of businesses
K.K. York Insurance	Chiyoda-ku, Tokyo	30	Financial services	100.0 (100.0)	-	1	The Company provides management strategies as well as other services and various convenience for considerations The Company are entrusted with various types of businesses
Seven Cash Works Co., Ltd.	Chiyoda-ku, Tokyo	90	Financial services	100.0 (100.0)	-	1	-
SEVEN & i Financial Center Co., Ltd.	Chiyoda-ku, Tokyo	10	Financial services	100.0	1	3	The Company conducts deposits of the fund The Company are entrusted with various types of businesses
Seven & i Netmedia Co., Ltd.	Chiyoda-ku, Tokyo	4,165	Others	100.0	2	-	The Company are entrusted with various types of businesses
SEVEN & i Publishing Co., Ltd.	Chiyoda-ku, Tokyo	242	Others	100.0 (100.0)	-	-	The Company provides management strategies as well as other services and various convenience for considerations The Company are entrusted with various types of businesses
IY Real Estate Co., Ltd.	Chiyoda-ku, Tokyo	58	Others	100.0 (100.0)	-	3	The Company provides management strategies as well as other services and various convenience for considerations The Company are entrusted with various types of businesses
K.K. York Keibi	Chiyoda-ku, Tokyo	10	Others	100.0 (100.0)	-	2	The Company provides management strategies as well as other services and various convenience for considerations The Company are entrusted with various



Name	Address	Capital (Millions of yen)	Principal Business	Voting Rights Held by the Company (%)	Description of Relationship		
					Shared Positions		Business Relationship
					Officers	Employees	
							types of businesses
Seven & i Asset Management Co., Ltd. *3	Chiyoda-ku, Tokyo	10,000	Others	100.0	2	2	The Company provides management strategies as well as other services and various convenience for considerations The Company are entrusted with various types of businesses
7dream.com	Chiyoda-ku, Tokyo	450	Others	68.0 (68.0)	1	-	The Company provides management strategies as well as other services and various convenience for considerations The Company are entrusted with various types of businesses
Seven-Meal Service Co., Ltd.	Chiyoda-ku, Tokyo	300	Others	90.0 (90.0)	-	1	The Company provides management strategies as well as other services and various convenience for considerations The Company are entrusted with various types of businesses
K.K. Terre Verte	Kitami-shi, Hokkaido	400	Others	99.0 (99.0)	1	1	The Company provides management strategies as well as other services and various convenience for considerations The Company are entrusted with various types of businesses
SEVEN & i Life Design Institute Co., Ltd.	Chiyoda-ku, Tokyo	435	Others	100.0 (14.5)	2	-	The Company are entrusted with various types of businesses
Seven Net Shopping Co., Ltd.	Chiyoda-ku, Tokyo	3,000	Others	77.9 (77.9)	1	-	The Company provides management strategies as well as other services and various convenience for considerations The Company are entrusted with various types of businesses -
Mall & SC Development Inc.	Chiyoda-ku, Tokyo	622	Others	100.0 (15.0)	1	4	The Company provides management strategies as well as other services and various convenience for considerations The Company are entrusted with various types of businesses
Seven Culture Network Co., Ltd.	Chiyoda-ku, Tokyo	900	Others	100.0 (100.0)	2	-	The Company provides management strategies as well as other services and various convenience for considerations The Company are entrusted with various types of businesses
Seven Internet Lab. Co., Ltd.	Chiyoda-ku, Tokyo	200	Others	60.0 (60.0)	1	1	The Company provides management strategies as well as other services and various convenience for considerations
S-WILL Co., Ltd.	Chiyoda-ku, Tokyo	0	Others	100.0	-	-	-
Other 28 companies *6	-	-	-	-	-	-	-

Name	Address	Capital (Millions of yen)	Principal Business	Voting Rights Held by the Company (%)	Description of Relationship		
					Shared Positions		Business Relationship
					Officers	Employees	
<b>Equity Method - affiliates</b>							
TOWER BAKERY CO., LTD	Koshigaya -shi, Saitama	495	Convenience store operations	20.0 (20.0)	-	-	-
Seven Farm Tomisato Co., Ltd.	Tomisato -shi, Chiba	2	Superstore operations	25.9 (25.9)	-	-	-
Seven Farm Fukaya Co., Ltd.	Fukaya-shi Saitama	1	Superstore operations	25.0 (25.0)	-	-	-
K.K. Sky Plaza Kashiwa	Kashiwa-shi, Chiba	10	Department store operations	45.5 (45.5)	-	-	-
K.K. K.S. Building	Chuo-ku, Kobe-shi	100	Department store operations	40.0 (40.0)	-	-	-
CHIBA SENCITY CORPORATION	Chuo-ku, Chiba-shi	297	Department store operations	34.8 (34.8)	-	-	-
K.K. Kashiwa Ekimae Building Kaihatsu	Kashiwa-shi, Chiba	10	Department store operations	27.2 (27.2)	-	-	-
K.K. Omiya Sky Plaza	Omiya-ku, Saitama-shi	10	Department store operations	20.0 (20.0)	-	-	-
Susukino Jujigai Building K.K	Chuo-ku, Sapporo-shi	100	Others	37.6 (37.6)	-	2	-
I ing Co., Ltd	Chiyoda-ku, Tokyo	99	Others	29.7 (29.7)	-	2	-
PIA CORPORATION	Shibuya-ku, Tokyo	4,239	Others	20.0 (10.0)	1	-	-
Tower Records Japan Inc.	Shinagawa -ku, Tokyo	6,545	Others	36.5	1	1	-
Link Station Co., Ltd.	Aomori-shi, Aomori	102	Others	25.0 (25.0)	-	-	-
Other 5 companies *6	-	-	-	-	-	-	-

- \* 1. The business segment is listed under the Principal Business column.  
2. Figures in parentheses ( ) in Voting Rights Held by the Company column indicate the share of indirect voting rights.  
Those in brackets [ ] indicate share of related or approved parties (supernumerary).  
3. These companies are designated subsidiaries.  
4. These companies file security registration statement or annual financial reports.  
5. Seven Bank Ltd. is considered as a consolidated subsidiary substantially.  
6. Key financial data for other companies have been omitted because their effects on the Consolidated Financial Statements are not considered material.

# CONSOLIDATED BALANCE SHEETS

(Millions of yen)

	February 28, 2010	February 28, 2011
	Amount	Amount
<b>ASSETS</b>		
<b>Current assets</b>	<b>1,460,186</b>	<b>1,406,594</b>
Cash and bank deposits	691,633	654,833
Call Loan	16,000	120,000
Notes and accounts receivable, trade	119,627	122,411
Trade accounts receivable - financial services	68,243	60,269
Marketable securities	55,025	26,534
Merchandise and finished goods	158,889	158,511
Work in process	16	32
Raw materials and supplies	2,489	2,567
Prepaid expenses	31,606	31,109
Deferred income taxes	28,360	30,875
Other	292,716	203,098
Allowance for doubtful accounts	(4,421)	(3,650)
<b>Non-current assets</b>	<b>2,213,359</b>	<b>2,325,459</b>
<b>Property and equipment</b>	<b>1,195,709</b>	<b>1,247,823</b>
Buildings and structures, net	485,081	519,957
Furniture, fixtures and equipment, net	133,215	122,610
Vehicles, net	110	1,675
Land	520,320	581,185
Lease assets, net	4,485	12,754
Construction in progress	52,495	9,640
<b>Intangible assets</b>	<b>297,531</b>	<b>324,655</b>
Goodwill	197,126	172,186
Software	34,767	34,050
Other	65,638	118,418
<b>Investments and other assets</b>	<b>720,118</b>	<b>752,979</b>
Investments in securities	168,850	227,371
Long-term loans receivable	19,657	18,675
Prepaid pension cost	12,149	9,978
Long-term leasehold deposits	438,028	418,585
Advances for store construction	15,507	8,743
Deferred income taxes	26,134	20,717
Other	46,693	55,356
Allowance for doubtful accounts	(6,903)	(6,450)
<b>Deferred assets</b>	<b>58</b>	<b>58</b>
New organization costs	58	58
<b>TOTAL ASSETS</b>	<b>3,673,605</b>	<b>3,732,111</b>

(Millions of yen)

	February 28, 2010	February 28, 2011
	Amount	Amount
<b>LIABILITIES</b>		
<b>Current liabilities</b>	<b>1,263,370</b>	<b>1,348,728</b>
Notes and accounts payable, trade	292,628	284,795
Short-term loans	151,200	108,330
Current portion of long-term loans	79,155	127,187
Current portion of bonds	20,385	36,100
Income taxes payable	42,255	51,007
Accrued expenses	76,692	75,300
Deposits received	173,937	138,527
Allowance for sales promotion expenses	13,134	16,261
Allowance for bonuses to employees	14,377	13,685
Allowance for bonuses to directors and corporate auditors	269	301
Allowance for loss on future collection of gift certificates	4,058	2,544
Deposits received in banking business	185,745	275,696
Other	209,531	218,991
<b>Non-current liabilities</b>	<b>616,293</b>	<b>606,871</b>
Bonds	190,068	263,973
Long-term loans	244,470	177,225
Commercial paper	16,208	8,177
Deferred income taxes	38,343	35,955
Allowance for accrued pension and severance costs	3,493	3,356
Allowance for retirement benefits to directors and corporate auditors	2,490	2,292
Deposits received from tenants and franchised stores	55,827	56,048
Other	65,391	59,840
<b>TOTAL LIABILITIES</b>	<b>1,879,664</b>	<b>1,955,599</b>
<b>NET ASSETS</b>		
<b>Shareholders' equity</b>	<b>1,789,065</b>	<b>1,803,783</b>
Common stock	50,000	50,000
Capital surplus	576,072	526,899
Retained earnings	1,172,263	1,234,204
Treasury stock, at cost	(9,270)	(7,320)
<b>Accumulated gains (losses) from valuation and translation adjustments</b>	<b>(67,097)</b>	<b>(101,268)</b>
Unrealized gains (losses) on available-for-sale securities, net of taxes	3,227	3,226
Unrealized gains (losses) on hedging derivatives, net of taxes	(549)	(328)
Foreign currency translation adjustments	(69,776)	(104,167)
<b>Subscriptions to shares</b>	<b>721</b>	<b>981</b>
<b>Minority interests in consolidated subsidiaries</b>	<b>71,251</b>	<b>73,016</b>
<b>TOTAL NET ASSETS</b>	<b>1,793,940</b>	<b>1,776,512</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>3,673,605</b>	<b>3,732,111</b>

# CONSOLIDATED STATEMENTS OF INCOME

(Millions of yen)

	Year ended February 28, 2010	Year ended February 28, 2011
	Amount	Amount
[ Revenues from operations ]	[ 5,111,297]	[ 5,119,739]
Net sales	4,549,867	4,530,684
Cost of sales	3,355,578	3,364,412
<b>Gross profit on sales</b>	<b>1,194,289</b>	<b>1,166,272</b>
Other operating revenues	561,429	589,054
<b>Gross profit from operations</b>	<b>1,755,719</b>	<b>1,755,327</b>
<b>Selling, general and administrative expenses</b>	<b>1,529,052</b>	<b>1,511,980</b>
Advertising and decoration expenses	100,388	101,218
Salaries and wages	394,460	380,694
Provision for bonuses to employees	14,331	13,635
Pension expenses	19,181	16,572
Legal welfare expenses	47,954	48,301
Land and building rent	256,712	260,034
Depreciation and amortization	126,408	126,674
Utility expenses	94,801	94,214
Store maintenance and repair expenses	69,316	70,371
Other	405,498	400,262
<b>Operating Income</b>	<b>226,666</b>	<b>243,346</b>
<b>Non-operating income</b>	<b>11,190</b>	<b>10,390</b>
Interest income	5,417	5,260
Dividend income	771	788
Equity in earnings of affiliates	1,225	1,007
Other	3,774	3,333
<b>Non-operating expenses</b>	<b>10,905</b>	<b>10,829</b>
Interest expenses	6,261	5,258
Interest on bonds	2,243	2,494
Foreign currency exchange losses	213	351
Other	2,186	2,725
<b>Ordinary income</b>	<b>226,950</b>	<b>242,907</b>
<b>Special gains</b>	<b>2,809</b>	<b>22,655</b>
Gain on sales of property and equipment	1,168	1,174
Gain on sales of investment securities	574	1,367
Gain on donations received	-	7,000
Gain on liquidation of investment in silent partnership	-	8,305
Subsidy income related to urban redevelopment projects	-	3,590
Compensation income for withdrawal	395	-
Other	671	1,216
<b>Special losses</b>	<b>86,656</b>	<b>42,271</b>
Loss on disposals of property and equipment	6,143	6,566
Impairment loss	28,052	21,454
Amortization of goodwill	39,130	-
Loss on sales of investments in securities	333	-
Valuation loss on investments in securities	227	-
Other	12,769	14,250
<b>Income before income taxes and minority interests</b>	<b>143,104</b>	<b>223,291</b>
<b>Total income taxes</b>	<b>86,729</b>	<b>102,298</b>
Income taxes - current	95,684	97,602
Income taxes - deferred	(8,955)	4,696
Minority interests in net income of consolidated subsidiaries	11,499	9,031
<b>Net income</b>	<b>44,875</b>	<b>111,961</b>

# CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

(Millions of yen)

	February 28, 2010	February 28, 2011
	Amount	Amount
<b>Shareholders' equity</b>		
Common stock		
<b>Balance at the end of previous year</b>	<b>50,000</b>	<b>50,000</b>
<b>Increase (decrease) for the year</b>		
<b>Net increase (decrease) for the year</b>	<b>-</b>	<b>-</b>
<b>Balance at the end of current year</b>	<b>50,000</b>	<b>50,000</b>
Capital surplus		
<b>Balance at the end of previous year</b>	<b>576,074</b>	<b>576,072</b>
<b>Increase (decrease) for the year</b>		
Sales of treasury stock	(2)	(2)
Cancellation of treasury stock	-	(49,170)
<b>Net increase (decrease) for the year</b>	<b>(2)</b>	<b>(49,173)</b>
<b>Balance at the end of current year</b>	<b>576,072</b>	<b>526,899</b>
Retained earnings		
<b>Balance at the end of previous year</b>	<b>1,246,165</b>	<b>1,172,263</b>
<b>Increase (decrease) for the year</b>		
Effect of changes in accounting policies applied to foreign subsidiaries	(67,126)	-
Cash dividends	(51,497)	(50,034)
Net income	44,875	111,961
Effect of changes in scope of consolidation	(83)	-
Increase (decrease) resulting from adoption of U.S. GAAP by U.S. subsidiaries	(70)	13
<b>Net increase (decrease) for the year</b>	<b>(73,901)</b>	<b>61,940</b>
<b>Balance at the end of current year</b>	<b>1,172,263</b>	<b>1,234,204</b>
Treasury stock, at cost		
<b>Balance at the end of previous year</b>	<b>(9,277)</b>	<b>(9,270)</b>
<b>Increase (decrease) for the year</b>		
Purchase of treasury stock	(18)	(47,256)
Sales of treasury stock	29	40
Cancellation of treasury stock	-	49,170
Other	(4)	(3)
<b>Net increase (decrease) for the year</b>	<b>6</b>	<b>1,950</b>
<b>Balance at the end of current year</b>	<b>(9,270)</b>	<b>(7,320)</b>

(Millions of yen)

	February 28, 2010	February 28, 2011
	Amount	Amount
<b>Total shareholders' equity</b>		
<b>Balance at the end of previous year</b>	<b>1,862,962</b>	<b>1,789,065</b>
<b>Increase (decrease) for the year</b>		
Effect of changes in accounting policies applied to foreign subsidiaries	(67,126)	-
Cash dividends	(51,497)	(50,034)
Net income	44,875	111,961
Purchase of treasury stock	(18)	(47,256)
Sales of treasury stock	27	38
Cancellation of treasury stock	-	-
Effect of changes in scope of consolidation	(83)	-
Increase (decrease) resulting from adoption of U.S. GAAP by U.S. subsidiaries	(70)	13
Other	(4)	(3)
<b>Net increase (decrease) for the year</b>	<b>(73,897)</b>	<b>14,718</b>
<b>Balance at the end of current year</b>	<b>1,789,065</b>	<b>1,803,783</b>
<b>Accumulated gains (losses) from valuation and translation adjustments</b>		
Unrealized gains (losses) on available-for-sale securities, net of taxes		
<b>Balance at the end of previous year</b>	<b>247</b>	<b>3,227</b>
<b>Increase (decrease) for the year</b>		
Increase (decrease) of items for the year except those included in shareholders' equity, net	2,980	(1)
<b>Net increase (decrease) for the year</b>	<b>2,980</b>	<b>(1)</b>
<b>Balance at the end of current year</b>	<b>3,227</b>	<b>3,226</b>
Unrealized gains (losses) on hedging derivatives, net of taxes		
<b>Balance at the end of previous year</b>	<b>(622)</b>	<b>(549)</b>
<b>Increase (decrease) for the year</b>		
Increase (decrease) of items for the year except those included in shareholders' equity, net	73	220
<b>Net increase (decrease) for the year</b>	<b>73</b>	<b>220</b>
<b>Balance at the end of current year</b>	<b>(549)</b>	<b>(328)</b>
Foreign currency translation adjustments		
<b>Balance at the end of previous year</b>	<b>(77,398)</b>	<b>(69,776)</b>
<b>Increase (decrease) for the year</b>		
Increase (decrease) of items for the year except those included in shareholders' equity, net	7,621	(34,390)
<b>Net increase (decrease) for the year</b>	<b>7,621</b>	<b>(34,390)</b>
<b>Balance at the end of current year</b>	<b>(69,776)</b>	<b>(104,167)</b>
<b>Total accumulated gains (losses) from valuation and translation adjustments</b>		
<b>Balance at the end of previous year</b>	<b>(77,773)</b>	<b>(67,097)</b>
<b>Increase (decrease) for the year</b>		
Increase (decrease) of items for the year except those included in shareholders' equity, net	10,675	(34,171)
<b>Net increase (decrease) for the year</b>	<b>10,675</b>	<b>(34,171)</b>
<b>Balance at the end of current year</b>	<b>(67,097)</b>	<b>(101,268)</b>

(Millions of yen)

	February 28, 2010	February 28, 2011
	Amount	Amount
<b>Subscriptions to shares</b>		
<b>Balance at the end of previous year</b>	<b>391</b>	<b>721</b>
<b>Increase (decrease) for the year</b>		
Increase (decrease) of items for the year except those included in shareholders' equity, net	330	259
<b>Net increase (decrease) for the year</b>	<b>330</b>	<b>259</b>
<b>Balance at the end of current year</b>	<b>721</b>	<b>981</b>
<b>Minority interests in consolidated subsidiaries</b>		
<b>Balance at the end of previous year</b>	<b>75,092</b>	<b>71,251</b>
<b>Increase (decrease) for the year</b>		
Increase (decrease) of items for the year except those included in shareholders' equity, net	(3,840)	1,764
<b>Net increase (decrease) for the year</b>	<b>(3,840)</b>	<b>1,764</b>
<b>Balance at the end of current year</b>	<b>71,251</b>	<b>73,016</b>
<b>TOTAL NET ASSETS</b>		
<b>Balance at the end of previous year</b>	<b>1,860,672</b>	<b>1,793,940</b>
<b>Increase (decrease) for the year</b>		
Effect of changes in accounting policies applied to foreign subsidiaries	(67,126)	-
Cash dividends	(51,497)	(50,034)
Net income	44,875	111,961
Purchase of treasury stock	(18)	(47,256)
Sales of treasury stock	27	38
Cancellation of treasury stock	-	-
Effect of changes in scope of consolidation	(83)	-
Increase (decrease) resulting from adoption of U.S. GAAP by U.S. subsidiaries	(70)	13
Other	(4)	(3)
Increase (decrease) of items for the year except those included in shareholders' equity, net	7,165	(32,146)
<b>Net increase (decrease) for the year</b>	<b>(66,732)</b>	<b>(17,428)</b>
<b>Balance at the end of current year</b>	<b>1,793,940</b>	<b>1,776,512</b>



# CONSOLIDATED STATEMENTS OF CASH FLOWS

(Millions of yen)

	Year ended February 28, 2010	Year ended February 28, 2011
<b>Cash flows from operating activities:</b>		
Income before income taxes and minority interests	143,104	223,291
Depreciation and amortization	132,232	132,421
Impairment loss on property and equipment	28,052	21,454
Amortization of goodwill	58,000	16,606
Increase (decrease) in allowance for bonuses to employees	(1,293)	(691)
Decrease (increase) in prepaid pension cost	4,336	2,170
Interest and dividends income	(6,189)	(6,049)
Interest expenses and interest on bonds	8,505	7,753
Foreign currency exchange losses	(136)	374
Equity in losses (earnings) of affiliates	(1,225)	(1,007)
Gain on sales of property and equipment	(1,168)	(1,174)
Loss on disposals of property and equipment	6,143	6,566
Gain on liquidation of investment in silent partnership	-	(8,305)
Subsidy income related to urban redevelopment projects	-	(3,590)
Loss on sales of investments in securities	333	-
Valuation loss on investments in securities	227	-
Decrease (increase) in notes and accounts receivable, trade	(3,153)	(4,523)
Decrease (increase) in trade accounts receivable - financial services	9,799	7,973
Decrease (increase) in inventories	8,450	(4,298)
Increase (decrease) in notes and accounts payable, trade	(5,436)	(3,311)
Increase (decrease) in deposits received	16,449	(12,866)
Proceeds from loans in banking business	(26,300)	(15,500)
Net increase (decrease) in bonds in banking business	30,000	-
Net increase (decrease) in deposits received in banking business	20,033	89,950
Net decrease (increase) in call loan in banking business	(6,000)	(104,000)
Net increase (decrease) in call money in banking business	50,600	(32,900)
Net change in ATM-related temporary accounts	(33,545)	66,434
Other	4,720	13,653
Sub-total	436,540	390,431
Interest and dividends received	4,568	3,205
Interest paid	(8,612)	(7,859)
Income taxes paid	(110,294)	(75,248)
<b>Net cash provided by operating activities</b>	<b>322,202</b>	<b>310,527</b>
<b>Cash flows from investing activities:</b>		
Acquisition of property and equipment	(154,574)	(232,270)
Proceeds from sales of property and equipment	45,450	5,335
Acquisition of intangible assets	(12,774)	(75,313)
Payment for purchase of investments in securities	(256,054)	(280,601)
Proceeds from sales of investments in securities	226,742	249,696
Payment of loans receivable	(6,245)	(101)
Collection of loans receivable	821	991
Payment for long-term leasehold deposits	(30,916)	(26,513)
Refund of long-term leasehold deposits	28,106	40,282
Proceeds from deposits from tenants	3,144	5,830
Return of deposits from tenant	(5,012)	(4,747)
Payment for acquisition of treasury stock of subsidiary in consolidation	-	(4,999)
Proceeds from liquidation of investment in silent partnerships	-	8,305
Proceeds from subsidy income related to urban redevelopment projects	-	1,045
Payment for time deposits	(28,600)	(12,339)
Payment for negotiable certificates of deposits	(55,000)	(45,000)
Proceeds from withdrawal of time deposits	29,467	20,831
Proceeds from withdrawal of negotiable certificates of deposits	107,000	40,000
Other	(6,714)	(2,512)
<b>Net cash used in investing activities</b>	<b>(115,158)</b>	<b>(312,081)</b>

(Millions of yen)

	Year ended February 28, 2010	Year ended February 28, 2011
<b>Cash flows from financing activities:</b>		
Net increase (decrease) increase in short-term loans	(48,600)	(38,370)
Proceeds from long-term loans	101,000	60,040
Repayment of long-term loans	(94,700)	(67,638)
Proceeds from commercial paper	283,704	360,321
Payment for redemption of commercial paper	(286,429)	(360,075)
Proceeds from issuance of bonds	-	109,624
Payment for redemption of bonds	(50,592)	(20,385)
Dividends paid	(51,476)	(50,022)
Capital contribution from minority interests	527	651
Dividends paid for minority interests	(3,653)	(3,774)
Payment for acquisition of treasury stock	(18)	(47,290)
Other	(6,469)	660
<b>Net cash provided by (used in) financing activities</b>	<b>(156,708)</b>	<b>(56,258)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>4,061</b>	<b>(2,760)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>54,397</b>	<b>(60,573)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>663,483</b>	<b>717,320</b>
<b>Decrease in cash and cash equivalents due to exclusion of subsidiaries from consolidation</b>	<b>(560)</b>	<b>-</b>
<b>Cash and cash equivalents at end of year</b>	<b>717,320</b>	<b>656,747</b>

## **Doubts on the premise of going concern**

None

## **Accounting Policies for the Preparation of Consolidated Financial Statements**

### 1. Scope of consolidation

#### (1) Number of consolidated subsidiaries: 84

Major consolidated subsidiaries: Seven-Eleven Japan Co., Ltd., Ito-Yokado Co., Ltd.,  
Sogo & Seibu Co., Ltd., Seven & i Food Systems Co., Ltd.,  
York-Benimaru Co., Ltd., Seven Bank, Ltd. and 7-Eleven, Inc.

Consolidated subsidiaries increased by five.

(Establishment)

Seven & i Asset Management Co., Ltd.

Seven Farm Co., Ltd.

Seven Farm Tsukuba Co., Ltd.

Seven Farm Miura Co., Ltd.

SEVEN-ELEVEN (CHENGDU) Co., Ltd.

Consolidated subsidiaries decreased by two.

(Liquidation)

California S.S.P.C., Inc.

(Investment share transfer)

SHAOXING AKACHAN HONPO LTD.

#### (2) Number of unconsolidated subsidiary: 1

7-Eleven Limited

Reason for non-consolidation: Its total assets, sales, the Company's portion of its net income or loss, retained earnings and the effect on the Company's Consolidated Financial Statements are not considered material.

#### (3) Special Purpose Corporation ("SPC")

A summary of Special Purpose Corporation ("SPC") is described in the Special Purpose Corporation on page 46.

### 2. Application of equity method

#### (1) Number of unconsolidated subsidiary to which equity method was applied: none

#### (2) Number of affiliates to which equity method was applied: 18

Major affiliates: PRIME DELICA CO., LTD.

PIA CORPORATION

Affiliates to which equity method is applied increased by three.

(Acquisition of shares)

Tower Records Japan Inc.

Link Station Co., Ltd.

(Establishment)

Seven Farm Fukaya Co., Ltd.

(3) Name of unconsolidated subsidiary to which equity method was not applied:

7-Eleven Limited

Reason for not applying equity method:

The Company's portion of its net income or loss (as calculated by the equity method), retained earnings (as calculated by the equity method) and the effect on the Company's Consolidated Financial Statements are not considered material.

(4) Procedure for applying equity method

(a) The affiliates which have different closing dates are included in the Consolidated Financial Statements based on their respective fiscal year-end.

(b) The advance to an affiliate that has negative net assets is reduced.

3. Accounting period of consolidated subsidiaries

The fiscal year-end of some subsidiaries is December 31. The financial statements of such subsidiaries as of and for the year ended December 31 are used in preparing the Consolidated Financial Statements of the Company. All material transactions during the period from January 1 to February 28 are adjusted for in the consolidation process.

The closing date of a certain subsidiary is March 31. Pro forma financial statements as of February 28 prepared in a manner that is substantially identical to the preparation of the official financial statements were prepared in order to facilitate its consolidation.

4. Summary of significant accounting policies

(1) Valuation method for major assets

(a) Valuation method for securities

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

(II) Available-for-sale securities are classified into two categories, where: (i) the fair value is available and (ii) the fair value is not available.

(i) Securities whose fair value is available are valued at the quoted market price prevailing at the end of the fiscal year. Net unrealized gains or losses on these securities are reported as a separate component of net assets at a net-of-tax amount. Cost of sales is determined using the moving-average method.

(ii) Securities whose fair value is not available are valued at cost, determined using the moving-average method.

(b) Valuation method for derivatives

Derivative financial instruments are valued at fair value.

(c) Valuation method for inventories

(I) Merchandise:

Inventories are stated mainly at cost determined by the retail method with book value written down to the net realizable value. Cost is determined principally by the average retail method for domestic consolidated subsidiaries and by the LIFO method for foreign consolidated subsidiaries.

(II) Supplies:

Supplies are carried at cost which is mainly determined by the last purchase price method with book value written down to the net realizable value.

(2) Depreciation and amortization

(a) Property and equipment (Excluding Lease assets)

Depreciation of property and equipment is computed generally using the declining-balance method for the Company and its domestic consolidated subsidiaries, except for the domestic consolidated subsidiaries in the department store business and using the straight-line method for the domestic

consolidated subsidiaries in the department store business and foreign consolidated subsidiaries.

(b) Intangible assets (Excluding Lease assets)

Intangible assets are amortized using the straight-line method for the Company and its domestic consolidated subsidiaries. Software for internal use is amortized using the straight-line method over an estimated useful life of 5 years.

(c) Lease assets

For the depreciation of the assets leased under finance lease contracts that do not transfer ownership of leased property to the lessee, a useful life is determined based on the duration of the lease period and straight-line depreciation is applied with an assumed residual value at nil.

Finance leases, commenced prior to March 1, 2009, which do not transfer ownership of leased property to the lessee, are accounted for in the same manner as operating leases.

(3) Accounting for deferred assets

New organization costs are amortized using the straight-line method over 5 years, or expensed as incurred if immaterial.

(4) Allowances

(a) Allowance for doubtful accounts

Allowance for doubtful accounts is provided in an amount sufficient to cover probable losses on collection. It consists of the estimated uncollectible amount with respect to certain identified doubtful receivables and an amount calculated using the actual historical rate of losses.

(b) Allowance for sales promotion expenses

Allowance for sales promotion 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 sales promotion point card program.

For the previous fiscal years, estimated costs arising upon the issuance of coupon tickets expected to be issued through the utilization of the sales promotion points had been provided by the department store business as allowance for sales promotion expenses.

Effective on the fiscal year ended February 28, 2011, the Company changed the calculation method and provided the allowance at the amount of the sales promotion points expected to be utilized, following the change in the system of the sales promotion point card program.

As a result of this change, 2,993 million yen was accounted as "Other" in special losses and Income before income taxes and minority interest decreased by same figure.

(c) Allowance for loss on future collection of gift certificates

Allowance for loss on future collection of gift certificates issued by certain domestic consolidated subsidiaries is provided for collection of gift certificates recognized as income after certain periods from their issuance. The amount is calculated using the historical results of collection.

(d) Allowance for bonuses to employees

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.

(e) Allowance for bonuses to directors and corporate auditors

Allowance for bonuses to directors and corporate auditors is provided at the amount estimated to be paid.

(f) Allowance for accrued pension and severance costs (Prepaid pension cost)

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, 2011 is recorded as prepaid pension cost. Also, certain domestic consolidated subsidiaries and consolidated subsidiaries in the United States provide allowance for accrued pension and severance cost.

Unrecognized actuarial differences are amortized on a straight-line basis over the period of mainly 10 years from the next year in which they arise which is shorter than the average remaining years of service of the eligible employees. Unrecognized prior service costs are amortized on a straight-line basis over the period of mainly 5 years.

(Change in accounting policy)

From the year ended of February 28 2011, the Company adopted Partial Amendments to Accounting Standards for Retirement Benefits (Part 3) (ASBJ Statement No.19) (July 31, 2008).

This does not affect gain and loss and accrued retirement benefits.

(g) Allowance for retirement benefits to directors and corporate auditors

Allowance for retirement benefits to directors and corporate auditors is provided in accordance with the Company's internal policy. The Company and certain consolidated subsidiaries abolished the program of retirement benefits to directors and corporate auditors, and certain consolidated subsidiaries decided to pay it at the time of their resignation.

(5) Foreign currency translation

All assets and liabilities of the Company and its domestic consolidated subsidiaries denominated in foreign currencies are translated into Japanese yen at the exchange rate in effect at the respective balance sheet dates. Translation gains or losses are included in the accompanying Consolidated Statements of Income.

All balance sheets accounts of foreign subsidiaries are translated into Japanese yen at the exchange rate in effect at the respective balance sheet dates except for shareholders' equity, which is translated at the historical rates. All income and expense accounts are translated at the average exchange rate for the period. The resulting translation adjustments are included in the accompanying Consolidated Balance Sheets under "Foreign currency translation adjustments" and "Minority interests in consolidated subsidiaries".

(6) Hedge accounting

(a) Hedge accounting

If interest rate swap contracts are used as hedges and meet certain hedging criteria, the recognition of gains and losses resulting from the changes in fair value of interest rate swap contracts is deferred until the related gains and losses on the hedged items are recognized. However, certain interest rate swap contracts which meet specific hedging criteria are not measured at market value but the differences between the paid and received amount under the swap contracts are recognized and included in interest income or expense as incurred.

(b) Hedge instruments and hedged items

Hedge instruments - Interest swap

Hedged items - Loans payable

(c) Hedging policies

The Company and its subsidiaries have policies to utilize derivative instruments for the purposes of hedging their exposure to fluctuations in foreign currency rates and interest rates and reducing financing costs. The Company and its subsidiaries do not hold or issue derivative instruments for trading or speculative purposes.

(d) Assessing hedge effectiveness

The hedge effectiveness for interest rate swap contracts is assessed quarterly except for those that meet specific hedging criteria.

(7) Other accounting issues

(a) Accounting for franchised stores in convenience store operations

7-Eleven, Inc. includes the assets, liabilities, net assets and results of operations of its franchised stores in its consolidated financial statements. Seven-Eleven Japan Co., Ltd. recognizes franchise fees from its franchised stores as revenues and includes it in "Other operating revenues".

(b) Accounting for consumption taxes and excise tax

The Japanese consumption taxes withheld and consumption taxes paid are not included in the accompanying Consolidated Statements of Income. The excise tax levied in the U.S. and Canada is included in the revenues from operations.

5. Valuation of the assets and liabilities of consolidated subsidiaries

In the elimination of investments in subsidiaries, the assets and liabilities of the subsidiaries, excluding the portion attributable to minority shareholders, are evaluated using the fair value at the time when the Company acquired control of the respective subsidiaries.

6. Goodwill and negative goodwill

Goodwill and negative goodwill arising from domestic consolidated subsidiaries is mainly amortized over a period of 20 years on a straight-line basis, or charged to income if immaterial. The goodwill recognized in applying the equity method was treated in the same manner.

7. Cash and cash equivalents

Cash and cash equivalents in the accompanying Consolidated Statements of Cash Flows are comprised of cash on hand, demand deposits and short-term investments with maturities of three months or less from the date of acquisition, that are liquid, readily convertible into cash and are subject to minimum risk of price fluctuation.

## **Changes in method of presentation**

(Consolidated Statements of Income)

"Amortization of goodwill" and "Valuation loss on investments in securities" in special losses are included in "Other" for the fiscal year ended February 28, 2011 because the importance of the amount is not considered material.

"Amortization of goodwill" and "Valuation loss on investments in securities" which are included in "Other" for the fiscal year ended February 28, 2011 are 461 million yen and 10 million yen, respectively.

(Consolidated Statements of Cash Flows)

"Valuation loss on investments in securities" of Cash flows from operating activities are included in "Other" for the fiscal year ended February 28, 2011 because the importance of the amount is not considered material.

"Valuation loss on investments in securities" which is included in "Other" for the fiscal year ended February 28, 2011 is 10 million yen.

## Notes to Consolidated Financial Statements

### *Consolidated Balance Sheets;*

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

(Millions of yen)

	As of February 28, 2010	As of February 28, 2011
Accumulated depreciation	1,203,470	1,227,077

#### 2. Assets pledged as collateral

(Millions of yen)

	As of February 28, 2010	As of February 28, 2011
Buildings and structures	49,904	47,970
Land	100,573	100,773
Other intangible assets	10,151	10,151
Investments in securities	87,034	122,445
Long-term leasehold deposits	4,298	4,103
Total	251,962	285,443
Debts for which above assets are pledged as collateral		
Short-term loans	3,400	3,400
Long-term loans	184,807	154,157
(including current portion of long-term loans)		
Long-term accounts payable, other	994	884
Deposits received from tenants and franchised stores	154	138

#### *Assets pledged as collateral for the debts of affiliates and vendors*

(Millions of yen)

	As of February 28, 2010	As of February 28, 2011
Buildings	890	523
Land	2,032	1,368
Loans of affiliates and vendors for which above assets are pledged as collateral	3,802	3,543

#### *Assets pledged as collateral for fund transfer*

(Millions of yen)

	As of February 28, 2010	As of February 28, 2011
Investments in securities	27,627	27,630



*Assets pledged as collateral for real estate business*

(Millions of yen)

	As of February 28, 2010	As of February 28, 2011
Investments in securities	19	19
Long-term guarantee deposits	50	50

*Assets pledged as collateral under installment sales law*

(Millions of yen)

	As of February 28, 2010	As of February 28, 2011
Long-term guarantee deposits	1,586	1,586

*Assets pledged as collateral to secure the amount of prepaid tickets issued*

(Millions of yen)

	As of February 28, 2010	As of February 28, 2011
Investments in securities	586	584
Long-term guarantee deposits	383	481

3. Guarantees

(Millions of yen)

	As of February 28, 2010	As of February 28, 2011
Loans of Goshogawara Machi Dukuri K.K.	187	112
Employees' housing Loans	570	487
Total	757	599

4. Loan commitment

(As of February 28, 2010)

IY Card Service Co., Ltd. conducts a cash loan business which is associated with its credit card business. Unused credit balance related to loan commitment in a cash loan business is as follows.

(Millions of yen)

Credit availability of loan commitment	480,933
Outstanding balance	18,832
Unused credit balance	462,100

Unused credit balance will not have a material impact on future cash flows because most of the unused credit balance will remain unused considering the historical records. IY Card Service Co., Ltd. will cease finance services or reduce the credit limit based on the credit situation of customers or other reasonable reasons.

(As of February 28, 2011)

Seven Card Service Co., Ltd. conducts a cash loan business which is associated with its credit card business. Unused credit balance related to loan commitment in a cash loan business is as follows.

(Millions of yen)

Credit availability of loan commitment	449,090
Outstanding balance	16,280
Unused credit balance	432,809

Unused credit balance will not have a material impact on future cash flows because most of the unused credit balance will remain unused considering the historical records. Seven Card Service Co., Ltd. will cease finance services or reduce the credit limit based on the credit situation of customers or other reasonable reasons.

#### 5. Others

(As of February 28, 2010)

Government Bonds held by Seven Bank, Ltd.

Seven Bank, Ltd., one of the Company's consolidated subsidiaries, holds government bonds to serve as collateral for exchange settlement transactions and overdraft transactions with the Bank of Japan. These government bonds are recorded in "Investments in securities" in the Consolidated Balance Sheet due to its nature of restriction though they have redemption at maturity less than one year.

(As of February 28, 2011)

Government Bonds held by Seven Bank, Ltd.

Seven Bank, Ltd., one of the Company's consolidated subsidiaries, holds government bonds to serve as collateral for exchange settlement transactions and overdraft transactions with the Bank of Japan. These government bonds are recorded in "Investments in securities" in the Consolidated Balance Sheet due to its nature of restriction though they have redemption at maturity less than one year.

*Consolidated Statements of Income;*

1. The franchised commission from Seven-Eleven Japan Co., Ltd.'s franchised stores is included in "Other operating revenues".

The franchised commission from franchised stores and net sales of franchised stores are as follows:

(Millions of yen)

	For the year ended February 28, 2010	For the year ended February 28, 2011
Franchised commission from franchised stores	402,107	435,873
Net sales of franchised stores	2,657,774	2,839,680

2. Major items included in "Gain on sales of property and equipment" are as follows:

(Millions of yen)

	For the year ended February 28, 2010	For the year ended February 28, 2011
Buildings and structures	268	414
Land	880	742
Others	20	18
Total	1,168	1,174

3. "Gain on donations received"

Gain on donations received recorded for the fiscal year ended February 28, 2011 was received in cash.

4. Major items included in "Loss on disposals of property and equipment" are as follows:

(Millions of yen)

	For the year ended February 28, 2010	For the year ended February 28, 2011
Buildings and structures	3,194	2,995
Furniture, fixtures and equipment	736	798
Others	2,212	2,773
Total	6,143	6,566

5. Valuation loss on subsidiaries' stock was recorded in the Non-Consolidated Statement of Income of the fiscal year ended February 28, 2010 due to devaluation of Sogo & Seibu's shares, which is the Company's consolidated subsidiary.

As a result, amortization of goodwill related to this matter totaled 39,130 million yen.

## 6. Impairment loss

For the fiscal year ended February 28, 2010, the Company and its consolidated subsidiaries recognized 28,052 million yen of impairment loss on the following group of assets.

(Millions of yen)

Description	Classification	Location		Amount
Stores (Convenience stores)	Land and buildings etc.	Tokyo Met.	76 Stores	26,173
		Osaka Pref.	39 Stores	
		Others (including U.S.)		
Stores (Superstores)	Land and buildings etc.	Saitama Pref.	6 Stores	
		Tokyo Met.	4 Stores	
		Others	19 Stores	
Stores (Department stores)	Land and buildings etc.	Tokyo Met.	3 Stores	
		Oita Pref.	1 Store	
Stores (Food services)	Land and buildings etc.	Tokyo Met.& others	149 Stores	
Other facility etc.	Land and buildings etc.	Fukushima Pref. U. S. & others		
Total				28,052

The Company and its domestic consolidated subsidiaries group their fixed assets by store, which is the minimum cash-generating unit. The book values of stores whose land had significantly declined in market prices or which incurred consecutive operating losses were reduced to recoverable amounts, and such deducted amount was recorded as impairment loss in special losses.

Breakdown of impairment loss are as follows:

(Millions of yen)

	Stores	Other facilities etc.	Total
Building and structures	19,039	176	19,216
Land	4,494	453	4,947
Software	-	1,203	1,203
Other	2,639	45	2,684
Total	26,173	1,879	28,052

In the case where net selling prices were used as recoverable amounts, relevant assets were evaluated based on real estate appraisal standards, and in the case where values in use were used as recoverable amounts, relevant assets were evaluated by discounting estimated future cash flows to which the 2.1% - 6.0% discount rates were applied.

For the fiscal year ended February 28, 2011, the Company and its consolidated subsidiaries recognized 21,454 million yen of impairment loss on the following group of assets.

(Millions of yen)

Description	Classification	Location		Amount
Stores (Convenience stores)	Land and buildings etc.	Tokyo Met.	43 Stores	20,200
		Osaka Pref.	29 Stores	
		Others (including U.S.)		
Stores (Superstores)	Land and buildings etc.	Saitama Pref.	7 Stores	
		Tokyo Met.	4 Stores	
		Others	16 Stores	
Stores (Department stores)	Land and buildings etc.	Chiba Pref.	1 Store	
		Others	4 Stores	
Stores (Food services)	Land and buildings etc.	Tokyo Met. & others	43 Stores	
Other facility etc.	Land and buildings etc.	Fukushima Pref. U. S. & others		
Total				21,454

The Company and its domestic consolidated subsidiaries group their fixed assets by store, which is the minimum cash-generating unit. The book values of stores whose land had significantly declined in market prices or which incurred consecutive operating losses were reduced to recoverable amounts, and such deducted amount was recorded as impairment loss in special losses.

Breakdown of impairment loss are as follows:

(Millions of yen)

	Stores	Other facilities etc.	Total
Building and structures	10,652	144	10,797
Land	7,331	14	7,345
Software	-	950	950
Other	2,216	144	2,361
Total	20,200	1,253	21,454

In the case where net selling prices were used as recoverable amounts, relevant assets were evaluated based on real estate appraisal standards, and in the case where values in use were used as recoverable amounts, relevant assets were evaluated by discounting estimated future cash flows to which the 1.7% - 6.0% discount rates were applied.

Consolidated Statement of Changes in Net Assets (from March 1, 2009 to February 28, 2010);

1. Type and number of shares of outstanding and treasury stock

(1) Outstanding stock

(Thousands of shares)

	As of February 28, 2009	Number of shares increased	Number of shares decreased	As of February 28, 2010
Ordinary Share	906,441	-	-	906,441

(2) Treasury stock

(Thousands of shares)

	As of February 28, 2009	Number of shares increased (Note1 )	Number of shares decreased (Note2 )	As of February 28, 2010
Ordinary Share	2,982	10	9	2,983

Notes: (1) 8 thousand shares out of the 10 thousand increased due to the acquisition of odd-lot shares.

(2) 7 thousand shares out of the 9 thousand decreased due to exercising stock options.

2. Subscription rights to shares and treasury subscription rights to shares

Entity		The Company	Consolidated subsidiaries	Total
Description of subscriptions		Subscriptions to shares as stock-linked compensation stock option	Subscriptions to shares as stock-linked compensation stock option	
Type of shares to be issued upon exercise of the rights		-	-	-
Number of shares to be issued upon the exercise of the rights (shares)	Number of shares at the end of February 28, 2009	-	-	-
	Number of shares Increased	-	-	-
	Number of shares Decreased	-	-	-
	Number of shares at the end of February 28, 2010	-	-	-
Balance at the end of February 28, 2010 (millions of yen)		633	88	721

### 3. Matters related to dividends

#### (1) Dividend payments

Resolution	Type	Total amount of cash dividends	Dividend per share	Record date	Effective date
May 28, 2009 Ordinary general meeting of shareholders	Ordinary Share	26,200 million yen	29.00 yen	Feb. 28, 2009	May 29, 2009
October 1, 2009 Board of directors' meeting	Ordinary Share	25,297 million yen	28.00 yen	Aug. 31, 2009	Nov. 13, 2009

(2) Dividends whose record date is within the fiscal year ended February 28, 2010, but to be effective after the fiscal year-end

Resolution	Type	Funds for dividends	Total amount of cash dividends	Dividend per share	Record date	Effective date
May 27, 2010 Ordinary general meeting of shareholders	Ordinary Share	Retained earnings	25,297 million yen	28.00 yen	Feb. 28, 2010	May 28, 2010

*Consolidated Statement of Changes in Net Assets (from March 1, 2010 to February 28, 2011);*

#### 1. Type and number of shares of outstanding and treasury stock

##### (1) Outstanding stock

(Thousands of shares)

	As of February 28, 2010	Number of shares increased	Number of shares decreased (Note)	As of February 28, 2011
Ordinary Share	906,441	-	20,000	886,441

Note: 20,000 thousand shares decreased due to the cancellation of treasury stock.

##### (2) Treasury stock

(Thousands of shares)

	As of February 28, 2010	Number of shares increased (Note1)	Number of shares decreased (Note2)	As of February 28, 2011
Ordinary Share	2,983	20,010	20,015	2,978

Notes: (1) 20,000 thousand shares out of the 20,010 thousand increased due to the acquisition of treasury stock based on approval of the Company's Boards of Directors and 8 thousand shares out of the 20,010 thousand increased due to the acquisition of odd-lot shares.

(2) 20,000 thousand shares, 15 thousand shares and 0 thousand shares out of the 20,015 thousand decreased by the cancellation of treasury stock, exercising stock options and sale of odd-lot shares, respectively.

## 2. Subscription rights to shares and treasury subscription rights to shares

Entity		The Company	Consolidated subsidiaries	Total
Description of subscriptions		Subscriptions to shares as stock-linked compensation stock option	Subscriptions to shares as stock-linked compensation stock option	
Type of shares to be issued upon exercise of the rights		-	-	-
Number of shares to be issued upon the exercise of the rights (shares)	Number of shares at the end of February 28, 2010	-	-	-
	Number of shares increased	-	-	-
	Number of shares decreased	-	-	-
	Number of shares at the end of February 28, 2011	-	-	-
Balance at the end of February 28, 2011 (millions of yen)		826	154	981

## 3. Matters related to dividends

### (1) Dividend payments

Resolution	Type	Total amount of cash dividends	Dividend per share	Record date	Effective date
May 27, 2010 Ordinary general meeting of shareholders	Ordinary Share	25,297 million yen	28.00 yen	Feb. 28, 2010	May 28, 2010
October 7, 2010 Board of directors' meeting	Ordinary Share	24,737 million yen	28.00 yen	Aug. 31, 2010	Nov. 12, 2010

### (2) Dividends whose record date is within the fiscal year ended February 28, 2011, but to be effective after the fiscal year-end

Resolution	Type	Funds for dividends	Total amount of cash dividends	Dividend per share	Record date	Effective date
May 26, 2011 Ordinary general meeting of shareholders	Ordinary Share	Retained earnings	25,621 million yen	29.00 yen	Feb. 28, 2011	May 27, 2011



*Consolidated Statements of Cash Flows*

(For the fiscal year ended February 28, 2010)

1. Reconciliation of cash and cash equivalents of the Consolidated Statements of Cash Flows and account balances of the Consolidated Balance Sheets

(Millions of yen)

	As of February 28, 2010
Cash and bank deposits	691,633
Negotiable certificates of deposits included in marketable securities	55,000
Time deposits and negotiable certificates of deposits with an original maturity of more than three months	(29,312)
Cash and cash equivalents	717,320

2. Major non-cash transactions

(Millions of yen)

	Fiscal year ended February 28, 2010
Finance lease obligations for property and equipment recorded in the Consolidated Balance Sheet for the current fiscal year	8,410

(For the fiscal year ended February 28, 2011)

1. Reconciliation of cash and cash equivalents of the Consolidated Statements of Cash Flows and account balances of the Consolidated Balance Sheets

(Millions of yen)

	As of February 28, 2011
Cash and bank deposits	654,833
Negotiable certificates of deposits included in marketable securities	26,500
Time deposits and negotiable certificates of deposits with an original maturity of more than three months	(24,586)
Cash and cash equivalents	656,747

2. Major non-cash transactions

(Millions of yen)

	Fiscal year ended February 28, 2011
Finance lease obligations for property and equipment recorded in the Consolidated Balance Sheet for the current fiscal year	11,867

# SEGMENT INFORMATION

## 1. Business Segments

**Fiscal Year ended February 28, 2010 (From March 1, 2009 to February 28, 2010)**

(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									
<b>Revenues</b>									
1. Customers	1,967,934	2,012,349	922,466	85,380	97,493	25,673	5,111,297	-	5,111,297
2. Intersegment	621	4,208	380	1,040	12,951	7,995	27,198	(27,198)	-
<b>Total revenues</b>	<b>1,968,555</b>	<b>2,016,558</b>	<b>922,847</b>	<b>86,420</b>	<b>110,444</b>	<b>33,669</b>	<b>5,138,495</b>	<b>(27,198)</b>	<b>5,111,297</b>
<b>Operating expenses</b>	<b>1,784,718</b>	<b>2,002,380</b>	<b>921,481</b>	<b>89,161</b>	<b>80,291</b>	<b>33,102</b>	<b>4,911,134</b>	<b>(26,503)</b>	<b>4,884,631</b>
<b>Operating income (losses)</b>	<b>183,837</b>	<b>14,178</b>	<b>1,366</b>	<b>(2,741)</b>	<b>30,152</b>	<b>567</b>	<b>227,360</b>	<b>(694)</b>	<b>226,666</b>
<b>Assets, depreciation, impairment loss and capital expenditures</b>									
Assets	1,104,209	1,096,598	612,326	24,636	1,175,963	16,770	4,030,505	(356,900)	3,673,605
Depreciation	66,158	24,335	17,417	1,270	22,246	588	132,017	214	132,232
Impairment loss	8,816	11,382	4,589	2,819	445	-	28,052	-	28,052
Capital expenditures	85,510	55,539	17,785	698	12,712	3,640	175,887	1,139	177,027

### 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, specialty shop and others
  - Department store operations ----- Sogo & Seibu Co., 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
- Unallocable operating expenses included in "Eliminations / Corporate" represent the Company's general and administrative expenses, and totaled 7,459 million yen for the fiscal year ended February 28, 2010.
- Corporate assets included in "Eliminations / Corporate" mainly represent deposits held by subsidiaries and affiliates and totaled 374,450 million yen for the fiscal year ended February 28, 2010.
- 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 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 7,268 million yen for Convenience store operations, compared to the results that have been obtained under the former method.
- Change in scope of Corporate assets  
Deposits held by subsidiaries and affiliates, which were included in each business segment in the past, were included in Corporate assets from the fiscal year ended February 28, 2010 due to reviewing the policy of capital management.  
Each segment assets for fiscal year ended February 28, 2009 is as follows if it was accounted for in the same method as the year ended February 28, 2010.

**Fiscal Year ended February 28, 2009 (From March 1, 2008 to February 28, 2009)**

(Millions of yen)

	Convenience store operations	Superstore operations	Department store operations	Food services	Financial services	Others	Total before eliminations	Eliminations / Corporate	Consolidated total
Assets	1,135,272	1,182,199	704,695	32,551	1,055,492	13,243	4,123,454	(396,394)	3,727,060

**Fiscal Year ended February 28, 2011 (From March 1, 2010 to February 28, 2011)**

(Millions of yen)

	Convenience store operations	Superstore operations	Department store operations	Food services	Financial services	Others	Total before eliminations	Eliminations / Corporate	Consolidated total
<b>Revenues and operating income</b>									
<b>Revenues</b>									
1. Customers	2,035,927	1,972,649	914,182	79,241	93,104	24,634	5,119,739	-	5,119,739
2. Intersegment	536	8,955	923	984	13,848	10,975	36,224	(36,224)	-
<b>Total revenues</b>	<b>2,036,464</b>	<b>1,981,604</b>	<b>915,105</b>	<b>80,225</b>	<b>106,953</b>	<b>35,610</b>	<b>5,155,963</b>	<b>(36,224)</b>	<b>5,119,739</b>
<b>Operating expenses</b>	<b>1,840,986</b>	<b>1,965,895</b>	<b>909,483</b>	<b>80,419</b>	<b>78,609</b>	<b>36,300</b>	<b>4,911,695</b>	<b>(35,302)</b>	<b>4,876,392</b>
<b>Operating income (losses)</b>	<b>195,477</b>	<b>15,708</b>	<b>5,622</b>	<b>(193)</b>	<b>28,343</b>	<b>(690)</b>	<b>244,268</b>	<b>(921)</b>	<b>243,346</b>
<b>Assets, depreciation, impairment loss and capital expenditures</b>									
Assets	1,112,557	1,081,491	571,463	21,105	1,350,272	145,792	4,282,682	(550,570)	3,732,111
Depreciation	68,743	25,890	14,361	811	20,693	1,598	132,099	321	132,421
Impairment loss	5,939	4,139	10,301	378	635	59	21,454	-	21,454
Capital expenditures	91,626	44,797	25,559	443	16,979	127,389	306,797	2,773	309,570

**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, specialty shop and others
  - Department store operations ----- Sogo & Seibu Co., 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
- Unallocable operating expenses included in "Eliminations / Corporate" represent the Company's general and administrative expenses, and totaled 7,115 million yen for the fiscal year ended February 28, 2011.
- Corporate assets included in "Eliminations / Corporate" mainly represent Company's cash and bank deposits, and totaled 383,912 million yen for the fiscal year ended February 28, 2011.

## 2. Geographic area segments

**Fiscal Year ended February 28, 2010 (From March 1, 2009 to February 28, 2010)** (Millions of yen)

	Japan	North America	Others	Total before eliminations	Eliminations	Consolidated total
Revenues and operating income						
<b>Revenues</b>						
1. Customers	3,602,579	1,428,156	80,561	5,111,297	-	5,111,297
2. Intersegment	402	2,886	-	3,289	(3,289)	-
<b>Total revenues</b>	<b>3,602,982</b>	<b>1,431,042</b>	<b>80,561</b>	<b>5,114,586</b>	<b>(3,289)</b>	<b>5,111,297</b>
<b>Operating expenses</b>	<b>3,405,363</b>	<b>1,404,049</b>	<b>78,540</b>	<b>4,887,953</b>	<b>(3,322)</b>	<b>4,884,631</b>
<b>Operating income</b>	<b>197,618</b>	<b>26,992</b>	<b>2,021</b>	<b>226,633</b>	<b>32</b>	<b>226,666</b>
<b>Assets</b>	<b>3,207,405</b>	<b>431,747</b>	<b>35,065</b>	<b>3,674,217</b>	<b>(612)</b>	<b>3,673,605</b>

Notes:

- The classification of geographic area segments is made according to the geographical distances.
- "Others" consists of the business results in People's Republic of China ("P.R.C.") .
- 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 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 7,268 million yen for North America, compared to the results that have been obtained under the former method.

**Fiscal Year ended February 28, 2011(From March 1, 2010 to February 28, 2011)** (Millions of yen)

	Japan	North America	Others	Total before eliminations	Eliminations	Consolidated total
Revenues and operating income						
<b>Revenues</b>						
1. Customers	3,552,271	1,481,434	86,033	5,119,739	-	5,119,739
2. Intersegment	419	2,960	-	3,380	(3,380)	-
<b>Total revenues</b>	<b>3,552,691</b>	<b>1,484,394</b>	<b>86,033</b>	<b>5,123,119</b>	<b>(3,380)</b>	<b>5,119,739</b>
<b>Operating expenses</b>	<b>3,337,459</b>	<b>1,458,164</b>	<b>84,176</b>	<b>4,879,800</b>	<b>(3,407)</b>	<b>4,876,392</b>
<b>Operating income</b>	<b>215,231</b>	<b>26,230</b>	<b>1,857</b>	<b>243,319</b>	<b>27</b>	<b>243,346</b>
<b>Assets</b>	<b>3,294,540</b>	<b>397,120</b>	<b>40,873</b>	<b>3,732,533</b>	<b>(422)</b>	<b>3,732,111</b>

Notes:

- The classification of geographic area segments is made according to the geographical distances.
- "Others" consists of the business results in P.R.C.

### 3. Overseas sales

**Fiscal Year ended February 28, 2010 (From March 1, 2009 to February 28, 2010)** (Millions of yen)

	North America	Others	Total
Overseas sales	1,428,156	80,561	1,508,717
Consolidated sales	-	-	5,111,297
Percentage of overseas sales to consolidated sales (%)	27.9	1.6	29.5

**Fiscal Year ended February 28, 2011 (From March 1, 2010 to February 28, 2011)** (Millions of yen)

	North America	Others	Total
Overseas sales	1,481,434	86,033	1,567,468
Consolidated sales	-	-	5,119,739
Percentage of overseas sales to consolidated sales (%)	28.9	1.7	30.6

Notes:

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

## Leases

1. Under the existing accounting standards, finance leases commenced prior to March 1, 2009, which do not transfer ownership of leased property to the lessee, are accounted for in the same manner as operating leases.

(1) As lessee

(a) Assumed amounts of acquisition cost, accumulated depreciation, impairment loss and net book value, including the interest portion, are summarized as follows:

*Furniture, fixtures and equipment*

(Millions of yen)

	As of February 28, 2010	As of February 28, 2011
Acquisition cost	94,147	84,297
Accumulated depreciation	52,802	59,730
Accumulated impairment loss	293	154
Net book value	41,051	24,411

*Software*

(Millions of yen)

	As of February 28, 2010	As of February 28, 2011
Acquisition cost	659	424
Accumulated depreciation	295	245
Net book value	363	178

(b) The future lease payments of finance leases, including the interest portion, are summarized as follows:

(Millions of yen)

	As of February 28, 2010	As of February 28, 2011
Due within one year	16,940	14,129
Due over one year	24,768	10,615
Total	41,708	24,745
Balance of impairment loss account on leased assets included in the outstanding future lease payments	293	154

(c) Lease payments, reversal of allowance for impairment loss on lease assets, assumed amounts of depreciation expense and impairment loss are as follows:

(Millions of yen)

	Fiscal year ended February 28, 2010	Fiscal year ended February 28, 2011
Lease payments	18,470	16,676
Reversal of allowance for impairment loss on leased assets	197	177
Depreciation expense	18,667	16,854
Impairment loss	161	38

(d) Assumed amounts of depreciation expense are computed using the straight-line method over the lease term assuming no residual value.

(2) As lessor

(a) Acquisition cost, accumulated depreciation and net book value are summarized as follows:

*Furniture, fixtures and equipment*

(Millions of yen)

	As of February 28, 2010	As of February 28, 2011
Acquisition cost	21,522	16,601
Accumulated depreciation	13,322	11,892
Net book value	8,199	4,709

(b) The future lease income of finance leases are summarized as follows:

(Millions of yen)

	As of February 28, 2010	As of February 28, 2011
Due within one year	3,525	2,434
Due over one year	5,044	2,553
Total	8,570	4,988

(c) Lease income, depreciation expense and assumed amounts of interest income are as follows:

(Millions of yen)

	Fiscal year ended February 28, 2010	Fiscal year ended February 28, 2011
Lease income	4,213	3,185
Depreciation expense	3,867	2,911
Interest income	358	224

(d) Allocation of interest income to each period is computed using the interest method.

## 2. Operating leases

As lessee

The amounts of outstanding future lease payments under lease agreement other than finance leases, which are non-cancelable, including the interest portion, are summarized as follows:

(Millions of yen)

	As of February 28, 2010	As of February 28, 2011
Due within one year	61,273	61,673
Due over one year	380,180	379,850
Total	441,454	441,523

## **Related Parties Transactions**

(From March 1, 2009 to February 28, 2010)

(Additional Information)

Effective from the fiscal year ended February 28, 2010, ASBJ statements No.11 “Accounting Standard for Related Party Disclosures” and its implementation guidance-ASBJ guidance No.13 “Guidance on Accounting Standard for Related Party Disclosures” were applied.

Pursuant to the new accounting standard, there was no change of scope for related party disclosures.

(1) Transactions between consolidated subsidiaries of the Company and related parties

(a) A director of the Company and primary institutional shareholders

Attribution	Name	Address	Capital and investments	Business or title	Voting interest (held)
Close relative of the director	Yasuhiro Suzuki	-	-	-	Directly 0.0%

(Millions of yen)

Business relationship	Detail of transaction	Transaction amount	Account	Year-end Balance
-	Purchase of subsidiary's shares	199	-	-

Notes: (1) The transaction amounts are exclusive of the consumption taxes.

(2) The purchase price was decided taking into account of third party's appraisal.

(3) Mr. Yasuhiro Suzuki is a son of Toshifumi Suzuki who is Chairman of the Company.

(From March 1, 2010 to February 28, 2011)

(1) Transactions between the Company and related parties

(a) A director of the Company and primary institutional shareholders

Attribution	Name	Address	Capital and investments	Business or title	Voting interest (held)
Close relative of the director	Masatoshi Ito	-	-	-	Directly 1.9%

(Millions of yen)

Business relationship	Detail of transaction	Transaction amount	Account	Year-end Balance
-	Donations	5,000	-	-

Notes: (1) The transaction amounts are exclusive of the consumption taxes.

(2) The Company received donations in cash for construction of training facility.

(3) Mr. Masatoshi Ito is a father of Junro Ito who is Executive of the Company.



(2) Transactions between consolidated subsidiaries of the Company and related parties

(a) A director of the Company and primary institutional shareholders

Attribution	Name	Address	Capital and investments	Business or title	Voting interest (held)
Close relative of the director	Yasuhiro Suzuki	-	-	-	Directly 0.0%

(Millions of yen)

Business relationship	Detail of transaction	Transaction amount	Account	Year-end Balance
-	Payment for shares newly issued by the Company's subsidiary through third-party allotment	169	-	-

Notes: (1) The transaction amounts are exclusive of the consumption taxes.

(2) The payment was decided taking into account of third party's appraisal.

(3) Mr. Yasuhiro Suzuki is a son of Toshifumi Suzuki who is Chairman of the Company.

## 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, 2010	As of February 28, 2011
Deferred tax assets:		
Allowance for bonuses to employees	5,818	5,622
Allowance for sales promotion expenses	5,090	6,269
Accrued payroll	3,752	3,939
Allowance for retirement benefits to directors and corporate auditors	1,182	928
Allowance for accrued pension and severance costs	435	558
Allowance for loss on future collection of gift certificates	2,709	1,035
Deposit received in relation to the electronic money business	-	4,254
Depreciation and amortization	13,419	14,148
Tax loss carried forward	44,672	44,650
Valuation loss on available-for-sale securities	3,870	1,262
Allowance for doubtful accounts	3,703	3,145
Unrealized loss on property and equipment	13,533	13,062
Impairment loss on property and equipment and valuation loss on land	45,140	42,042
Accrued enterprise taxes and business office taxes	4,575	5,219
Accrued expenses	8,439	8,141
Other	11,489	12,811
Sub-total	167,833	167,093
Less: valuation allowance	(99,064)	(97,330)
Total	68,769	69,763
Deferred tax liabilities:		
Unrealized gains on property and equipment	(31,534)	(31,334)
Unrealized gains on royalties	(12,320)	(10,356)
Deferred gains on sales of property and equipment	(1,115)	(1,093)
Unrealized gains on available-for-sale securities	(748)	(636)
Prepaid pension cost	(5,024)	(4,003)
Unrealized intercompany profit	-	(5,372)
Other	(1,937)	(1,328)
Total	(52,681)	(54,125)
Net deferred tax assets	16,087	15,637

Net deferred tax assets are included in the following items of Consolidated Balance Sheets.

(Millions of yen)

	As of February 28, 2010	As of February 28, 2011
Current assets - Deferred income taxes	28,360	30,875
Non-current assets		
- Deferred income taxes	26,134	20,717
Current liabilities		
- Other	(64)	-
Non-current liabilities		
- Deferred income taxes	(38,343)	(35,955)

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

(%)

	As of February 28, 2010	As of February 28, 2011
Statutory tax rate	40.7	40.7
Adjustments:		
Equity in earnings of affiliates	(0.3)	(0.2)
Non-deductible items such as entertainment expenses	0.3	0.2
(Decrease) increase in valuation allowance	(0.3)	(0.8)
Inhabitants taxes per capital	1.2	0.6
Amortization of goodwill	16.5	3.0
Elimination of gain on sales of subsidiaries' stock for consolidation	2.8	2.4
Other	(0.3)	(0.1)
Effective tax rate	60.6	45.8

## Accounting for Retirement Benefits

### 1. Summary of the retirement benefit plans

The Company and its domestic consolidated subsidiaries provide two types of defined benefit plan: the employees' pension fund plan and the lump-sum severance payment plan.

Additional retirement benefits for early retirement may be added upon the retirement of the employees. Consolidated subsidiaries in the United States have a defined contribution pension plan and a defined benefit plan.

### 2. Projected retirement benefit obligations

(Millions of yen)

	Fiscal year ended February 28, 2010	Fiscal year ended February 28, 2011
Projected benefit obligations (Note)	(192,775)	(197,559)
Fair value of plan assets (including employee retirement benefit trust)	157,764	168,688
Funded status	(35,010)	(28,870)
Unrecognized actuarial differences	43,611	34,975
Unrecognized prior service costs	54	517
Prepaid pension cost, net of allowance for accrued pension and severance costs	8,655	6,621
Prepaid pension cost	12,149	9,978
Allowance for accrued pension and severance costs	(3,493)	(3,356)

Note:

Fiscal year ended February 28, 2010	Fiscal year ended February 28, 2011
For some of the consolidated subsidiaries, the simplified method is used for computing retirement benefit obligations.	For some of the consolidated subsidiaries, the simplified method is used for computing retirement benefit obligations.

### 3. Net periodic benefit cost

(Millions of yen)

	Fiscal year ended February 28, 2010	Fiscal year ended February 28, 2011
Service cost (Notes 1)	11,722	11,753
Interest cost	3,880	3,961
Expected return on plan assets	(4,032)	(4,710)
Amortization of actuarial differences	7,148	5,578
Amortization of prior service costs	(693)	(515)
Additional retirement benefit for early retirement	600	1,511
Net periodic benefit cost	18,626	17,578

Notes:

Fiscal year ended February 28, 2010	Fiscal year ended February 28, 2011
1. Net periodic benefit cost of subsidiaries using the simplified method is included.	1. Net periodic benefit cost of subsidiaries using the simplified method is included.
2. Besides the above net periodic benefit cost, benefit cost related to the defined contribution plan employed by consolidated subsidiaries in the United States, amounting to 1,011 million yen, is included.	2. Besides the above net periodic benefit cost, benefit cost related to the defined contribution plan employed by consolidated subsidiaries in the United States, amounting to 535 million yen, is included.

### 4. Assumptions used in accounting for retirement benefit obligations

	Fiscal year ended February 28, 2010	Fiscal year ended February 28, 2011
Allocation method of estimated total retirement benefits	Point basis	Point basis
Discount rate	Mainly 2.0%	Mainly 2.0%
Expected rate of return on plan assets	A consolidated subsidiary in the United States 5.9%	A consolidated subsidiary in the United States 5.7%
Periods over which the prior service costs are amortized	Mainly 3.0%	Mainly 3.0%
Periods over which the actuarial differences are amortized	5 years or 10 years	5 years or 10 years
	Actuarial differences are amortized in the year following the year in which the differences are recognized primarily using the straight-line method over the period (mainly 10 years), which is shorter than the average remaining years of service of the employees. Consolidated subsidiaries in the United States adopt the corridor approach for the amortization of actuarial differences.	Actuarial differences are amortized in the year following the year in which the differences are recognized primarily using the straight-line method over the period (mainly 10 years), which is shorter than the average remaining years of service of the employees. Consolidated subsidiaries in the United States adopt the corridor approach for the amortization of actuarial differences.

## Special Purpose Corporation

(From March 1, 2009 to February 28, 2010)

### 1. Summaries of Special Purpose Corporation (“SPC”) and transactions with the SPC

Sogo & Seibu Co.,Ltd, (“Sogo & Seibu”), a consolidated subsidiary of the Company, established a real estate trust comprising of the land, land leasehold right and part of the buildings of a store and sold the beneficiary right of the trust to Asset Ikesei Corp., a SPC. Concurrently, Sogo & Seibu has entered into a silent partnership arrangement with the SPC with a certain investment. Also, Sogo & Seibu leased back such store properties from the SPC who has the beneficiary right of the trust. Under these arrangements, the above noted investment is subordinated to all liabilities to other members of the silent partnership and third parties other than members of the silent partnership.

Total assets and liabilities of Asset Ikesei Corp. as of July 31, 2009 (the latest Year-end) were 128,217 million yen and 128,196 million yen, respectively.

In addition, Sogo & Seibu did not have voting rights relating to the investment and did not dispatch any officer or employee.

### 2. A summary of transaction amounts with the SPC, etc., for the year ended February 28, 2010 is as follows:

(Millions of yen)

	Amount and balance of major transactions for the year ended February 28,2010	Major items related to income or expenses	
		Description	Amount
Accounts receivable	3,057	Distribution of profit from the silent partnership	5,588
Amount of investment	5,850		
Rental transaction	-	Rental expenses for Ikebukuro flagship store (Note)	10,800

Note: Sogo & Seibu has entered into rental agreement with the trustee. Rental expenses means the amount which was paid to the trustee based on the rental agreement.

(From March 1, 2010 to February 28, 2011)

1. Summaries of Special Purpose Corporation (“SPC”) and transactions with the SPC

Sogo & Seibu Co.,Ltd, (“Sogo & Seibu”), a consolidated subsidiary of the Company, established a real estate trust comprising of the land, land leasehold right and part of the buildings of a store and sold the beneficiary right of the trust to Asset Ikesei Corp., a SPC. in August 2000. Concurrently, Sogo & Seibu entered into silent partnership arrangement with the SPC with a certain investment. Also, Sogo & Seibu leased back such store properties from the SPC who had the beneficiary right of the trust.

On September 24, 2010, Seven & i Asset Management Co.,Ltd., which is a subsidiary of the Company, purchased the beneficiary right of the trust from Asset Ikesei Corp., and Sogo & Seibu canceled a real estate trust and silent partnership arrangement.

2. A summary of transaction amounts with the SPC, etc., for the year ended February 28, 2011 is as follows:

(Millions of yen)

	Amount and balance of major transactions for the year ended February 28, 2011	Major items related to income or expenses	
		Description	Amount
Accounts receivable	-	Distribution of profit from the silent partnership	2,886
Amount of investment	-	Dividends from liquidation	8,305
Rental transaction	-	Rental expenses for Ikebukuro flagship store (Note)	6,090

Note: Sogo & Seibu has entered into rental agreement with the trustee. Rental expenses means the amount which was paid to the trustee based on the rental agreement.

Sogo & Seibu paid rental expenses from March 1, 2010 to September 23, 2010.

## PER SHARE INFORMATION

(yen)

	Fiscal year ended February 28, 2010	Fiscal year ended February 28, 2011
Net assets per share	1,905.97	1,927.09
Net income per share	49.67	126.21
Diluted net income per share	49.66	126.15

Basis for calculation of net income per share and diluted net income per share is as follows.

(Millions of yen, except number of common stock)

	Fiscal year ended February 28, 2010	Fiscal year ended February 28, 2011
Net income	44,875	111,961
Amount not attributable to common stock	-	-
Net income attributable to common stock	44,875	111,961
Average number of common stock outstanding during the period (thousand of shares)	903,458	887,128
Net income after adjustment which is used for calculating diluted net income per share		
Minority interest	3	4
Net income after adjustment	3	4
Number of ordinary shares used for calculating the diluted net income per shares increase		
Subscriptions to shares (thousand of shares)	216	331
Number of ordinary shares increased (thousand of shares)	216	331

Basis for calculation of net assets per share is as follows.

(Millions of yen, except number of common stock)

	As of February 28, 2010	As of February 28, 2011
Total net assets	1,793,940	1,776,512
Amounts subtracted from total net assets:	71,973	73,997
Subscriptions to shares	(721)	(981)
Minority interest in consolidated subsidiaries	(71,251)	(73,016)
Net assets for common stock at the end of period	1,721,967	1,702,514
Number of common stock at the end of period used for calculating the amounts of net assets per share (thousand of shares)	903,458	883,463



## **Subsequent Event**

Major damages have occurred to the Company's stores and other facilities located in East Japan due to Great East Japan Earthquake took place on March 11, 2011. The estimated loss related to the damaged properties, facilities and inventories, recovery of such assets and other restoration activities is approximately 26,000 million yen in total, which is to be presented under the classification of special losses.

## **Omission of Disclosure**

Disclosure of notes on financial instruments, securities information, derivative transactions, stock options, business combination and real estate for lease was omitted as considered immaterial.

# NONCONSOLIDATED BALANCE SHEETS

(Millions of yen)

	February 28, 2010	February 28, 2011
	Amount	Amount
<b>ASSETS</b>		
<b>Current assets</b>	<b>97,151</b>	<b>31,677</b>
Cash and bank deposits	362	376
Raw materials and supplies	3	1
Prepaid expenses	260	254
Accounts receivable, other	29,032	13,339
Deposits held by subsidiaries and affiliates	66,958	17,003
Other	534	703
<b>Non-current assets</b>	<b>1,673,150</b>	<b>1,818,796</b>
<b>Property and equipment</b>	<b>55</b>	<b>2,810</b>
Buildings, net	49	48
Structures, net	0	0
Furniture, fixtures and equipment, net	5	10
Land	-	2,712
Construction in progress	-	38
<b>Intangible assets</b>	<b>926</b>	<b>1,314</b>
Lease assets	926	1,314
<b>Investments and other assets</b>	<b>1,672,167</b>	<b>1,814,670</b>
Investments in securities	9,248	13,379
Investments in subsidiaries	1,660,408	1,688,901
Long-term loans receivable from employees	4	6
Deposits paid in subsidiaries and affiliates	-	110,000
Prepaid pension cost	180	146
Long-term leasehold deposits	2,308	2,214
Other	16	22
<b>TOTAL ASSETS</b>	<b>1,770,301</b>	<b>1,850,473</b>

(Millions of yen)

	February 28, 2010	February 28, 2011
	Amount	Amount
<b>LIABILITIES</b>		
<b>Current liabilities</b>	<b>272,910</b>	<b>272,859</b>
Short-term loans from a subsidiaries and affiliates	270,001	270,000
Current portion of long-term loans payable to subsidiaries and affiliates	3	3
Lease obligations	231	378
Accounts payable, other	830	552
Accrued expenses	951	1,048
Income taxes payable	151	162
Advance received	180	181
Allowance for bonuses to employees	215	206
Allowance for bonuses to directors and corporate auditors	49	36
Other	293	288
<b>Non-current liabilities</b>	<b>102,414</b>	<b>212,699</b>
Bonds	99,968	209,973
Long-term loans payable to subsidiaries and affiliates	4	6
Lease obligations	751	1,019
Deposits received from tenants	1,690	1,701
<b>TOTAL LIABILITIES</b>	<b>375,324</b>	<b>485,559</b>
<b>NET ASSETS</b>		
<b>Shareholders' equity</b>	<b>1,393,351</b>	<b>1,362,970</b>
Common stock	50,000	50,000
Capital surplus	1,294,881	1,245,634
Additional paid-in capital	875,496	875,496
Other capital surplus	419,384	370,137
Retained earnings	57,781	74,619
Other retained earnings		
Retained earnings brought forward	57,781	74,619
Treasury stock, at cost	(9,311)	(7,282)
<b>Accumulated gains (losses) from valuation and translation adjustments</b>	<b>992</b>	<b>1,117</b>
Unrealized gains (losses) on available-for-sale securities, net of taxes	992	1,117
<b>Subscriptions to shares</b>	<b>633</b>	<b>826</b>
<b>TOTAL NET ASSETS</b>	<b>1,394,977</b>	<b>1,364,914</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>1,770,301</b>	<b>1,850,473</b>

# NONCONSOLIDATED STATEMENTS OF INCOME

(Millions of yen)

	Year ended February 28, 2010	Year ended February 28, 2011
	Amount	Amount
<b>Revenues from operations</b>	<b>147,472</b>	<b>70,011</b>
Dividends income	140,716	63,716
Management consulting fee income	3,824	3,459
Commission fee income	2,931	2,836
<b>Selling, general and administrative expenses</b>	<b>7,459</b>	<b>7,115</b>
Advertising expenses	365	205
Salaries and wages	2,980	3,028
Provision for bonuses to employees	215	206
Legal welfare expenses	432	445
Pension expenses	296	250
Land and building rent	537	644
Commission paid	1,049	738
Other	1,583	1,596
<b>Operating income</b>	<b>140,012</b>	<b>62,896</b>
<b>Non-operating income</b>	<b>268</b>	<b>1,510</b>
Interest income	8	1,021
Dividends income	189	202
Gain on shares received	-	218
Gains on lapsed dividend payment obligation	47	49
Other	22	18
<b>Non-operating expenses</b>	<b>3,909</b>	<b>4,482</b>
Interest expenses	2,152	1,608
Interest on bonds	1,682	2,465
Amortization of new organization costs	70	-
Amortization of bond issue costs	-	375
Other	3	33
<b>Ordinary income</b>	<b>136,372</b>	<b>59,924</b>
<b>Special gains</b>	<b>-</b>	<b>7,000</b>
Gain on donations received	-	7,000
<b>Special losses</b>	<b>71,472</b>	<b>47</b>
Loss on disposals of property and equipment	-	47
Valuation loss on subsidiaries' stock	71,472	-
<b>Income before income taxes</b>	<b>64,899</b>	<b>66,876</b>
<b>Total income taxes</b>	<b>(98)</b>	<b>4</b>
Income taxes - current	6	4
Income taxes - deferred	(105)	-
<b>Net income</b>	<b>64,998</b>	<b>66,872</b>

# NONCONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

(Millions of yen)

	February 28, 2010	February 28, 2011
	Amount	Amount
<b>Shareholders' equity</b>		
Common stock		
<b>Balance at the end of previous year</b>	<b>50,000</b>	<b>50,000</b>
<b>Increase (decrease) for the year</b>		
Net increase (decrease) for the year	-	-
<b>Balance at the end of current year</b>	<b>50,000</b>	<b>50,000</b>
Capital surplus		
Additional paid-in capital		
<b>Balance at the end of previous year</b>	<b>875,496</b>	<b>875,496</b>
<b>Increase (decrease) for the year</b>		
Net increase (decrease) for the year	-	-
<b>Balance at the end of current year</b>	<b>875,496</b>	<b>875,496</b>
Other capital surplus		
<b>Balance at the end of previous year</b>	<b>419,386</b>	<b>419,384</b>
<b>Increase (decrease) for the year</b>		
Sales of treasury stock	(2)	(2)
Cancellation of treasury stock	-	(49,244)
<b>Net increase (decrease) for the year</b>	<b>(2)</b>	<b>(49,247)</b>
<b>Balance at the end of current year</b>	<b>419,384</b>	<b>370,137</b>
Total capital surplus		
<b>Balance at the end of previous year</b>	<b>1,294,883</b>	<b>1,294,881</b>
<b>Increase (decrease) for the year</b>		
Sales of treasury stock	(2)	(2)
Cancellation of treasury stock	-	(49,244)
<b>Net increase (decrease) for the year</b>	<b>(2)</b>	<b>(49,247)</b>
<b>Balance at the end of current year</b>	<b>1,294,881</b>	<b>1,245,634</b>
Retained earnings		
Other retained earnings		
Retained earnings brought forward		
<b>Balance at the end of previous year</b>	<b>44,281</b>	<b>57,781</b>
<b>Increase (decrease) for the year</b>		
Cash dividends	(51,497)	(50,034)
Net income	64,998	66,872
<b>Net increase (decrease) for the year</b>	<b>13,500</b>	<b>16,837</b>
<b>Balance at the end of current year</b>	<b>57,781</b>	<b>74,619</b>

(Millions of yen)

	February 28, 2010	February 28, 2011
	Amount	Amount
Total retained earnings		
<b>Balance at the end of previous year</b>	<b>44,281</b>	<b>57,781</b>
<b>Increase (decrease) for the year</b>		
Cash dividends	(51,497)	(50,034)
Net income	64,998	66,872
<b>Net increase (decrease) for the year</b>	<b>13,500</b>	<b>16,837</b>
<b>Balance at the end of current year</b>	<b>57,781</b>	<b>74,619</b>
Treasury stock, at cost		
<b>Balance at the end of previous year</b>	<b>(9,322)</b>	<b>(9,311)</b>
<b>Increase (decrease) for the year</b>		
Purchase of treasury stock	(18)	(47,256)
Sales of treasury stock	29	40
Cancellations of treasury stock	-	49,244
<b>Net increase (decrease) for the year</b>	<b>10</b>	<b>2,028</b>
<b>Balance at the end of current year</b>	<b>(9,311)</b>	<b>(7,282)</b>
Total shareholders' equity		
<b>Balance at the end of previous year</b>	<b>1,379,842</b>	<b>1,393,351</b>
<b>Increase (decrease) for the year</b>		
Cash dividends	(51,497)	(50,034)
Net income	64,998	66,872
Purchase of treasury stock	(18)	(47,256)
Sales of treasury stock	27	38
Cancellations of treasury stock	-	-
<b>Net increase (decrease) for the year</b>	<b>13,509</b>	<b>(30,381)</b>
<b>Balance at the end of current year</b>	<b>1,393,351</b>	<b>1,362,970</b>
<b>Accumulated gains (losses) from valuation and translation adjustments</b>		
Unrealized gains (losses) on available-for-sale securities, net of taxes		
<b>Balance at the end of previous year</b>	<b>28</b>	<b>992</b>
<b>Increase (decrease) for the year</b>		
Increase (decrease) of items for the year except those included in shareholders' equity, net	963	124
<b>Net increase (decrease) for the year</b>	<b>963</b>	<b>124</b>
<b>Balance at the end of current year</b>	<b>992</b>	<b>1,117</b>

(Millions of yen)

	February 28, 2010	February 28, 2011
	Amount	Amount
Total accumulated gains (losses) from valuation and translation adjustments		
<b>Balance at the end of previous year</b>	<b>28</b>	<b>992</b>
<b>Increase (decrease) for the year</b>		
Increase (decrease) of items for the year except those included in shareholders' equity, net	963	124
<b>Net increase (decrease) for the year</b>	<b>963</b>	<b>124</b>
<b>Balance at the end of current year</b>	<b>992</b>	<b>1,117</b>
<b>Subscriptions to shares</b>		
<b>Balance at the end of previous year</b>	<b>342</b>	<b>633</b>
<b>Increase (decrease) for the year</b>		
Increase (decrease) of items for the year except those included in shareholders' equity, net	290	193
<b>Net increase (decrease) for the year</b>	<b>290</b>	<b>193</b>
<b>Balance at the end of current year</b>	<b>633</b>	<b>826</b>
<b>TOTAL NET ASSETS</b>		
<b>Balance at the end of previous year</b>	<b>1,380,214</b>	<b>1,394,977</b>
<b>Increase (decrease) for the year</b>		
Cash dividends	(51,497)	(50,034)
Net income	64,998	66,872
Purchase of treasury stock	(18)	(47,256)
Sales of treasury stock	27	38
Cancellations of treasury stock	-	-
Increase (decrease) of items for the year except those included in shareholders' equity, net	1,253	318
<b>Net increase (decrease) for the year</b>	<b>14,763</b>	<b>(30,063)</b>
<b>Balance at the end of current year</b>	<b>1,394,977</b>	<b>1,364,914</b>

## Doubts on the premise of going concern

None

## Notes to Nonconsolidated Financial Statements

### *Nonconsolidated Balance Sheets;*

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

(Millions of yen)

	As of February 28,2010	As of February 28, 2011
Accumulated depreciation	62	78

#### 2. 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, 2010	As of February 28,2011
Accounts receivable, other	621	544
Current assets other	526	694
Lease obligations (current )	231	378
Accounts payable, other	352	147
Accrued expenses	472	359
Advance received	178	177
Lease obligations (non-current )	751	1,019
Deposits received from tenants	1,668	1,664

#### 3. Guarantees

(Millions of yen)

	As of February 28,2010	As of February 28, 2011
Loans of IY Card Service Co., Ltd.	10,000	-
Loans of Seven Card Service Co., Ltd.	-	10,000
Bonds issued by Ito-Yokado Co., Ltd.	20,000	-
Electronic money guaranteed by IY Card Service Co., Ltd.	3,647	-
Electronic money guaranteed by Seven Card Service Co., Ltd.	-	4,739



*Nonconsolidated Statements of Income;*

Major transactions with subsidiaries and affiliates

(Millions of yen)

	For the year ended February 28,2010	For the year ended February 28,2011
Dividends income	140,716	63,716
Management consulting fee income	3,824	3,459
Commission fee income	2,930	2,835
Advertising expenses	121	-
Commission paid	324	-
Interest income	-	1,020
Interest expense	2,152	1,608

*Nonconsolidated Statement of changes in net assets*

Type and number of shares of treasury stock (from March 1, 2009 to February 28, 2010)

(Thousands of shares)

	Number of shares at the end of February 28, 2009	Number of shares increased (Note 1)	Number of shares decreased (Note 2)	Number of shares at the end of February 28, 2010
Common stock	2,966	8	9	2,965

Notes: (1) 8 thousand shares have increased due to the acquisition of odd-lot shares.

(2) 9 thousand shares have decreased due to exercising stock option by 7 thousand shares and sale odd-lot shares by 1 thousand shares.

Type and number of shares of treasury stock (from March 1, 2010 to February 28,2011)

(Thousands of shares)

	Number of shares at the end of February 28,2010	Number of shares increased (Note 1)	Number of shares decreased (Note 2)	Number of shares at the end of February 28, 2011
Common stock	2,965	20,008	20,015	2,958

Notes: (1) 20,000 thousand shares out of the 20,008 thousand increased due to the acquisition of treasury stock based on approval of the Company's Boards of Directors and 8 thousand shares out of the 20,008 thousand increased due to the acquisition of odd-lot shares.

(2) 20,000 thousand shares, 15 thousand shares and 0 thousand shares out of the 20,015 thousand decreased due to the cancellation of treasury stock , exercising stock options and sale of odd-lot shares, respectively.

**[Reference] Seven-Eleven Japan Co., Ltd.**

**NONCONSOLIDATED BALANCE SHEETS**

(Millions of yen)

	February 28, 2010	February 28, 2011
	Amount	Amount
<b>ASSETS</b>		
<b>Current assets</b>	<b>484,083</b>	<b>514,490</b>
Cash and bank deposits	179,374	202,906
Accounts receivable due from franchised stores	10,055	9,190
Lease investment assets	910	1,313
Inventories	2,585	2,075
Prepaid expenses	8,882	10,525
Deferred income taxes	5,656	6,679
Deposits held by subsidiaries and affiliates	260,479	260,303
Accounts receivable, other	15,740	21,022
Other	569	623
Allowance for doubtful accounts	(170)	(150)
<b>Non-current assets</b>	<b>816,920</b>	<b>844,346</b>
<b>Property and equipment</b>	<b>254,626</b>	<b>257,045</b>
Buildings	113,509	119,454
Structures	21,140	21,241
Furniture, fixtures and equipment	18,157	17,853
Land	98,427	93,915
Lease assets	2,725	4,435
Construction in progress	666	144
<b>Intangible assets</b>	<b>10,922</b>	<b>11,535</b>
Rights of leasehold	6,944	7,583
Software	3,948	3,925
Other	28	26
<b>Investments and other assets</b>	<b>551,371</b>	<b>575,765</b>
Investments in securities	9,619	9,214
Investments in securities of subsidiaries and affiliates	346,468	397,976
Investments in convertible bonds of an affiliate	33,307	-
Investments in affiliates	3,242	3,912
Long-term loans receivable	2,811	2,255
Long-term loans to subsidiaries and affiliates	3,894	3,752
Long-term prepaid expenses	20,298	25,728
Long-term leasehold deposits	124,467	124,722
Deferred income taxes	12,491	13,056
Other	458	477
Allowance for doubtful accounts	(5,687)	(5,332)
<b>TOTAL ASSETS</b>	<b>1,301,004</b>	<b>1,358,837</b>

## Seven-Eleven Japan Co., Ltd.

(Millions of yen)

	February 28, 2010	February 28, 2011
	Amount	Amount
<b>LIABILITIES</b>		
<b>Current liabilities</b>	<b>266,140</b>	<b>275,298</b>
Accounts payable, trade	106,678	109,298
Accounts payable due to franchised stores	4,597	8,441
Lease obligations	768	1,368
Accounts payable, other	16,134	17,412
Accrued expenses	6,369	7,075
Income taxes payable	31,190	38,295
Consumption taxes withheld	2,798	3,057
Deposits received	94,014	85,796
Allowance for bonuses to employees	2,119	2,203
Allowance for bonuses to directors and corporate auditors	36	27
Allowance for sales promotion expenses	1,088	1,749
Other	344	572
<b>Non-current liabilities</b>	<b>12,798</b>	<b>15,084</b>
Guarantee deposits received from franchised stores	6,524	6,826
Long-term deferred income	196	118
Long-term loans	102	180
Lease obligations	3,021	4,672
Allowance for accrued pension and severance costs	489	914
Allowance for retirement benefits to directors and corporate auditors	714	621
Allowance for loss on guarantee	1,750	1,750
<b>TOTAL LIABILITIES</b>	<b>278,938</b>	<b>290,383</b>
<b>NET ASSETS</b>		
<b>Shareholder's equity</b>	<b>1,021,883</b>	<b>1,068,502</b>
Common stock	17,200	17,200
Capital surplus	24,565	24,565
Additional paid-in capital	24,563	24,563
Other capital surplus	1	1
Retained earnings	980,117	1,026,737
Legal reserve	4,300	4,300
Other retained earnings		
General reserve	823,409	823,409
Retained earnings brought forward	152,408	199,027
<b>Accumulated gains (losses) from valuation and translation adjustments</b>	<b>181</b>	<b>(49)</b>
Unrealized gains (losses) on available-for-sale securities, net of taxes	181	(49)
<b>TOTAL NET ASSETS</b>	<b>1,022,065</b>	<b>1,068,453</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>1,301,004</b>	<b>1,358,837</b>

**Seven-Eleven Japan Co., Ltd.**

**NONCONSOLIDATED STATEMENTS OF INCOME**

(Millions of yen)

	Year ended February 28, 2010	Year ended February 28, 2011
	Amount	Amount
<b>Operating income and expenses</b>		
Revenues from operations	535,018	549,111
Franchise commission from franchised stores	402,107	435,873
Net sales reported by franchised stores		
Year ended February 28, 2010: 2,657,774		
Year ended February 28, 2011: 2,839,680		
Total net sales (including net sales of corporate stores)		
Year ended February 28, 2010: 2,784,997		
Year ended February 28, 2011: 2,947,606		
Other operating revenues	5,687	5,312
Net sales of corporate stores	127,222	107,925
Cost of sales	92,941	78,420
<b>Gross profit from operations</b>	<b>442,076</b>	<b>470,691</b>
<b>Selling, general and administrative expenses</b>	<b>285,856</b>	<b>301,538</b>
Land and building rent	72,117	79,424
Salaries and wages	35,454	33,769
Utility expenses	30,449	31,799
Depreciation and amortization	26,693	28,867
Advertising expenses	26,279	27,548
Other	94,862	100,128
<b>Operating income</b>	<b>156,220</b>	<b>169,152</b>
<b>Non-operating income</b>	<b>8,529</b>	<b>7,589</b>
Interest income	4,573	3,821
Interest on securities	1,423	982
Dividends income	1,950	2,153
Other	582	631
<b>Non-operating expenses</b>	<b>303</b>	<b>596</b>
Interest expenses	54	104
Provision for doubtful accounts	-	96
Loss on bad debts	9	144
Provision for loss on guarantee	100	-
Other	139	251
<b>Ordinary income</b>	<b>164,445</b>	<b>176,144</b>
<b>Special gains</b>	<b>379</b>	<b>242</b>
Gain on sales of property and equipment	246	112
Reversal of allowance for doubtful accounts	67	19
Gain on sales of investments in securities	-	73
Receipt of stock option income	66	37
<b>Special losses</b>	<b>9,829</b>	<b>6,987</b>
Loss on sales of property and equipment	170	305
Loss on disposals of property and equipment	1,029	1,015
Impairment loss	7,407	5,306
Store-closing cost	1,113	230
Other	108	129
<b>Income before income taxes</b>	<b>154,995</b>	<b>169,400</b>
Income taxes - current	63,652	68,781
Income taxes - deferred	(1,095)	(1,430)
<b>Net income</b>	<b>92,439</b>	<b>102,049</b>

**[Reference] Ito-Yokado Co., Ltd.**

**NONCONSOLIDATED BALANCE SHEETS**

(Millions of yen)

	February 28, 2010	February 28, 2011
	Amount	Amount
<b>ASSETS</b>		
<b>Current assets</b>	<b>271,049</b>	<b>267,100</b>
Cash and bank deposits	75,844	33,239
Accounts receivable, trade	21,668	24,010
Marketable securities	54,000	64,500
Inventories	70,234	72,190
Supplies	83	57
Advance paid	263	271
Prepaid expenses	7,566	7,614
Deferred income taxes	7,734	7,249
Short-term loans to employees	202	254
Short-term loans receivable	394	394
Deposits held by subsidiaries and affiliates	11,051	29,252
Accounts receivable, other	6,337	11,956
Short-term leasehold deposits	11,117	12,180
Payments in advance	3,732	3,262
Other	818	664
<b>Non-current assets</b>	<b>534,137</b>	<b>512,288</b>
<b>Property and equipment</b>	<b>245,602</b>	<b>256,895</b>
Buildings	81,043	104,627
Structures	6,532	7,271
Vehicles	0	0
Furniture, fixtures and equipment	4,919	5,256
Land	105,584	135,181
Lease assets	525	1,235
Construction in progress	46,996	3,323
<b>Intangible assets</b>	<b>2,337</b>	<b>2,134</b>
Rights of leasehold	912	903
Trademark	44	33
Software	1,190	1,002
Other	190	194
<b>Investments and other assets</b>	<b>286,197</b>	<b>253,258</b>
Investments in securities	34,302	14,824
Investments in securities of subsidiaries and affiliates	6,806	5,898
Investments in capital	9	165
Investments in affiliates	12,098	12,098
Long-term loans receivable	15,979	15,689
Long-term prepaid expenses	8,401	10,332
Prepaid pension cost	9,056	8,119
Long-term leasehold deposits	183,420	175,890
Advances for store construction	14,573	8,131
Receivable in bankruptcy	501	154
Deffered income taxes	2,158	2,507
Other	1,465	1,932
Allowance for doubtful accounts	(2,575)	(2,486)
<b>Deferred assets</b>	<b>56</b>	<b>-</b>
New organization costs	56	-
<b>TOTAL ASSETS</b>	<b>805,242</b>	<b>779,389</b>

# Ito-Yokado Co., Ltd.

(Millions of yen)

	February 28, 2010	February 28, 2011
	Amount	Amount
<b>LIABILITIES</b>		
<b>Current liabilities</b>	<b>142,551</b>	<b>121,359</b>
Accounts payable, trade	64,332	63,942
Short-term loans	113	115
Current portion of long-term loans	1,330	1,381
Current portion of bonds	20,000	-
Lease obligations	187	395
Accounts payable, other	16,102	19,684
Income taxes payable	773	910
Consumption taxes withheld	1,961	-
Accrued expenses	9,977	9,058
Advance received	509	637
Deposits received	7,007	4,582
Allowance for bonuses to employees	4,184	3,940
Allowance for bonuses to directors and corporate auditors	28	16
Allowance for sales promotion expenses	2,409	2,026
Allowance for loss on future collection of gift certificates	1,385	1,110
Gift tickets	11,095	12,315
Other	1,152	1,240
<b>Non-current liabilities</b>	<b>56,128</b>	<b>56,847</b>
Long-term loans	10,989	9,819
Lease obligations	364	901
Allowance for retirement benefits to directors and corporate auditors	695	688
Deposits received from tenants	44,079	44,040
Allowance for loss on guarantee	-	1,397
<b>TOTAL LIABILITIES</b>	<b>198,680</b>	<b>178,206</b>
<b>NET ASSETS</b>		
<b>Shareholder's equity</b>	<b>594,215</b>	<b>597,491</b>
Common stock	40,000	40,000
Capital surplus	165,621	165,621
Additional paid-in capital	165,621	165,621
Retained earnings	388,593	391,870
Legal reserve	11,700	11,700
Other retained earnings		
Reserve for deferred gains on property and equipment	1,059	1,038
Retained earnings brought forward	375,833	379,131
<b>Accumulated gains (losses) from valuation and translation adjustments</b>	<b>12,347</b>	<b>3,691</b>
Unrealized gains (losses) on available-for-sale securities, net of taxes	12,347	3,691
<b>TOTAL NET ASSETS</b>	<b>606,562</b>	<b>601,182</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>805,242</b>	<b>779,389</b>

## NONCONSOLIDATED STATEMENTS OF INCOME

(Millions of yen)

	Year ended February 28, 2010	Year ended February 28, 2011
	Amount	Amount
[ Revenues from operations ]	[ 1,387,831 ]	[ 1,373,670 ]
Net sales	1,364,765	1,349,345
Cost of sales	1,024,083	1,017,630
<b>Gross profit on sales</b>	<b>340,681</b>	<b>331,714</b>
Other operating revenues	23,065	24,325
Rental income	19,173	19,435
Other income	3,892	4,889
<b>Gross profit from operations</b>	<b>363,747</b>	<b>356,040</b>
<b>Selling, general and administrative expenses</b>	<b>361,989</b>	<b>353,884</b>
Advertising and decoration expenses	33,467	33,083
Salaries and wages	121,480	118,131
Land and building rent	70,905	69,281
Depreciation and amortization	13,890	14,573
Other	122,246	118,813
<b>Operating income</b>	<b>1,757</b>	<b>2,155</b>
<b>Non-operating income</b>	<b>4,015</b>	<b>3,658</b>
Interest income	1,312	1,487
Interest on securities	560	52
Dividends income	1,497	1,546
Other	645	571
<b>Non-operating expenses</b>	<b>1,636</b>	<b>689</b>
Interest expenses	264	262
Interest on bonds	560	29
Other	811	398
<b>Ordinary income</b>	<b>4,136</b>	<b>5,124</b>
<b>Special gains</b>	<b>13,004</b>	<b>16,917</b>
Gain on sales of property and equipment	18	11
Gain on sales of investments in securities	9,910	13,286
Receipt of stock option income	45	27
Reversal of provision for loss on guarantee	2,761	-
Subsidy income related to urban redevelopment projects	-	3,590
Other	268	2
<b>Special losses</b>	<b>12,869</b>	<b>8,949</b>
Loss on sales of property and equipment	11	437
Loss on disposals of property and equipment	785	1,091
Impairment loss	9,949	2,880
Loss on store closures	251	1,530
Loss on valuation of inventories	1,070	-
Valuation loss on investments in securities of subsidiaries and affiliates	194	918
Provision for loss on guarantee	-	1,397
Other	606	692
<b>Income before income taxes</b>	<b>4,271</b>	<b>13,092</b>
Income taxes - current	357	448
Income taxes - deferred	(2,735)	5,948
<b>Net income</b>	<b>6,650</b>	<b>6,696</b>

**[Reference] York-Benimaru Co., Ltd.**

**NONCONSOLIDATED BALANCE SHEETS**

(Millions of yen)

	February 28, 2010	February 28, 2011
	Amount	Amount
<b>ASSETS</b>		
<b>Current assets</b>	<b>38,093</b>	<b>41,399</b>
Cash and bank deposits	9,408	14,805
Accounts receivable, trade	1,094	49
Marketable securities	1,000	-
Inventories	7,524	7,882
Supplies	23	23
Prepaid expenses	738	739
Deferred income taxes	1,364	1,541
Short-term loans receivable	32	69
Deposits held by subsidiaries and affiliates	12,000	7,000
Accounts receivable, other	4,003	6,112
Payments in advance	51	2,318
Other	851	857
<b>Non-current assets</b>	<b>107,164</b>	<b>106,055</b>
<b>Property and equipment</b>	<b>73,189</b>	<b>73,007</b>
Buildings	28,321	27,551
Structures	4,756	4,589
Furniture, fixtures and equipment	2,099	2,018
Land	35,900	37,067
Construction in progress	2,111	1,780
<b>Intangible assets</b>	<b>2,640</b>	<b>2,862</b>
Goodwill	1,797	1,586
Software	803	1,238
Other	38	38
<b>Investments and other assets</b>	<b>31,334</b>	<b>30,185</b>
Investments in securities	9,962	9,426
Investments in securities of subsidiaries	170	170
Investments in capital	2	1
Investments in an affiliate	207	207
Long-term loans receivable	187	248
Long-term prepaid expenses	2,332	2,327
Prepaid pension cost	1,167	906
Long-term leasehold deposits	16,969	16,760
Advances for store construction	351	137
Allowance for doubtful accounts	(17)	-
<b>TOTAL ASSETS</b>	<b>145,258</b>	<b>147,454</b>



## York-Benimaru Co., Ltd.

(Millions of yen)

	February 28, 2010	February 28, 2011
	Amount	Amount
<b>LIABILITIES</b>		
<b>Current liabilities</b>	<b>22,838</b>	<b>24,042</b>
Accounts payable, trade	13,440	13,398
Short-term loans	22	58
Accounts payable, other	3,291	3,192
Income taxes payable	358	2,380
Accrued expenses	2,482	2,484
Deposits received	1,495	436
Suspense receipt	-	266
Deferred income	201	233
Gift tickets	48	44
Allowance for bonuses to employees	1,433	1,490
Allowance for bonuses to directors and corporate auditors	27	25
Allowance for loss on future collection of gift certificates	38	32
<b>Non-current liabilities</b>	<b>5,807</b>	<b>5,598</b>
Long-term loans	55	126
Allowance for retirement benefits to directors and corporate auditors	338	312
Deferred income taxes	2,607	2,411
Other	2,804	2,747
<b>TOTAL LIABILITIES</b>	<b>28,645</b>	<b>29,640</b>
<b>NET ASSETS</b>		
<b>Shareholder's equity</b>	<b>113,102</b>	<b>114,626</b>
Common stock	9,927	9,927
Capital surplus	12,605	12,605
Additional paid-in capital	12,605	12,605
Other capital surplus	0	0
Retained earnings	90,568	92,092
Legal reserve	2,186	2,186
Other retained earnings		
General reserve	69,437	69,426
Retained earnings brought forward	18,944	20,479
<b>Accumulated gains (losses) from valuation and translation adjustments</b>	<b>3,510</b>	<b>3,188</b>
Unrealized gains (losses) on available-for-sale securities, net of taxes	3,510	3,188
<b>TOTAL NET ASSETS</b>	<b>116,612</b>	<b>117,814</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>145,258</b>	<b>147,454</b>

**York-Benimaru Co., Ltd.**

**NONCONSOLIDATED STATEMENTS OF INCOME**

(Millions of yen)

	Year ended February 28, 2010	Year ended February 28, 2011
	Amount	Amount
[ Revenues from operations ]	[ 348,735 ]	[ 343,379 ]
Net sales	337,506	337,734
Cost of sales	255,982	256,302
<b>Gross Profit on sales</b>	<b>81,524</b>	<b>81,431</b>
Other operating revenues	11,228	5,645
Commission fee income	8,169	2,148
Rental income	3,059	3,497
<b>Gross profit from operations</b>	<b>92,753</b>	<b>87,077</b>
<b>Selling, general and administrative expenses</b>	<b>83,351</b>	<b>78,200</b>
Salaries and wages	33,339	33,644
Provision for bonuses to employees	1,433	1,490
Land and building rent	8,351	8,632
Store maintenance and repair expenses	3,825	3,866
Depreciation and amortization	5,459	6,010
Utility expenses	4,908	5,099
Delivery expenses	6,329	205
Other	19,703	19,250
<b>Operating income</b>	<b>9,402</b>	<b>8,877</b>
<b>Non-operating income</b>	<b>1,556</b>	<b>1,502</b>
Interest income	235	135
Interest on securities	6	0
Dividends income	1,120	1,329
Other	194	36
<b>Non-operating expenses</b>	<b>84</b>	<b>102</b>
Interest expenses	1	3
Maintenance expenses for idle assets	53	42
Other	29	56
<b>Ordinary income</b>	<b>10,874</b>	<b>10,276</b>
<b>Special gains</b>	<b>47</b>	<b>47</b>
Gain on sales of property and equipment	4	-
Receipt of stock option income	42	31
Reversal of provision for director's retirement benefits	-	6
Other	-	8
<b>Special losses</b>	<b>1,641</b>	<b>1,276</b>
Loss on sales of property and equipment	-	17
Loss on disposals of property and equipment	5	162
Valuation loss on investments in securities	5	0
Impairment loss	967	356
Loss on extinguishment on tie-in shares due to demerger	572	-
Loss on business reengineering	-	703
Other	91	37
<b>Income before income taxes</b>	<b>9,280</b>	<b>9,048</b>
Income taxes - current	3,084	4,111
Income taxes - deferred	108	(156)
<b>Net income</b>	<b>6,088</b>	<b>5,093</b>

**[Reference] Sogo & Seibu Co., Ltd.**

**NONCONSOLIDATED BALANCE SHEETS**

(Millions of yen)

	February 28, 2010	February 28, 2011
	Amount	Amount
<b>ASSETS</b>		
<b>Current assets</b>	<b>119,377</b>	<b>113,317</b>
Cash and bank deposits	42,183	35,154
Notes receivable, trade	1,509	1,265
Accounts receivable, trade	22,845	20,791
Inventories	19,088	18,107
Real estate for sale	2,813	2,789
Supplies	180	185
Prepaid expenses	5,422	4,215
Deferred income taxes	7,054	9,251
Short-term loans receivable	57	80
Deposits held by subsidiaries and affiliates	5,415	5,000
Accounts receivable, other	9,086	12,798
Current portion of construction contribution	3,110	2,764
Other	614	919
Allowance for doubtful accounts	(4)	(4)
<b>Non-current assets</b>	<b>416,493</b>	<b>389,967</b>
<b>Property and equipment</b>	<b>252,260</b>	<b>245,237</b>
Buildings	102,997	98,520
Structures	1,664	1,440
Machinery and equipment	398	435
Furniture, fixtures and equipment	4,566	4,501
Lease assets	189	5,514
Land	142,405	134,805
Construction in progress	38	18
<b>Intangible assets</b>	<b>24,259</b>	<b>24,576</b>
Rights of leasehold	21,246	21,191
Other	3,012	3,385
<b>Investments and other assets</b>	<b>139,973</b>	<b>120,153</b>
Investments in securities	12,215	7,579
Investments in subsidiaries and affiliates	26,070	26,070
Investments in partnership	5,850	-
Long-term loans receivable	218	242
Long-term leasehold deposits	70,780	64,614
Construction contribution	20,304	18,162
Long-term accounts receivable, other	1,549	995
Receivable in bankruptcy	2,034	1,892
Other	2,483	2,020
Allowance for doubtful accounts	(1,533)	(1,424)
<b>TOTAL ASSETS</b>	<b>535,870</b>	<b>503,285</b>

# Sogo & Seibu Co., Ltd.

(Millions of yen)

	February 28, 2010	February 28, 2011
	Amount	Amount
<b>LIABILITIES</b>		
<b>Current liabilities</b>	<b>267,634</b>	<b>282,460</b>
Accounts payable, trade	34,855	34,574
Short-term loans	167,505	191,239
Accounts payable, other	16,130	9,879
Lease obligations	63	737
Accrued expenses	3,811	3,845
Income taxes payable	514	433
Consumption taxes withheld	734	-
Advance received	3,002	2,732
Gift tickets	18,522	18,536
Deposits received	8,368	7,068
Allowance for bonuses to employees	3,441	2,713
Allowance for bonuses to directors and corporate auditors	48	44
Allowance for sales promotion expenses	3,843	6,740
Allowance for loss on future collection of gift certificates	2,634	1,401
Allowance for store closing losses	3,428	2,042
Other	728	468
<b>Non-current liabilities</b>	<b>151,695</b>	<b>100,603</b>
Long-term loans	141,316	85,154
Long-term accounts payable, other	1,013	1,222
Lease obligations	141	5,363
Deposits received from tenants	8,167	8,063
Deferred income taxes	394	363
Allowance for retirement benefits to directors and corporate auditors	88	86
Other	572	349
<b>TOTAL LIABILITIES</b>	<b>419,330</b>	<b>383,063</b>
<b>NET ASSETS</b>		
<b>Shareholder's equity</b>	<b>115,104</b>	<b>120,533</b>
Common stock	10,000	10,000
Capital surplus	52,298	52,298
Additional paid-in capital	39,317	39,317
Other capital surplus	12,981	12,981
Retained earnings	52,806	58,235
Other retained earnings		
Retained earnings brought forward	52,806	58,235
<b>Accumulated gains (losses) from valuation and translation adjustments</b>	<b>1,435</b>	<b>(312)</b>
Unrealized gains (losses) on available-for-sale securities, net of taxes	1,983	16
Unrealized gains (losses) on hedging derivatives, net of taxes	(548)	(328)
<b>TOTAL NET ASSETS</b>	<b>116,540</b>	<b>120,221</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>535,870</b>	<b>503,285</b>

**NONCONSOLIDATED STATEMENTS OF INCOME**

On the statements of income, the figures for the year ended February 28, 2010 represent sum of Sogo from March 1, 2009 to July 31, 2009 and Sogo & Seibu figures from August 1, 2009 to February 28, 2010.

(Millions of yen)

	Year ended February 28, 2010	Year ended February 28, 2011
	Amount	Amount
[ Revenues from operations ]	[ 686,098 ]	[ 846,796 ]
Net sales	676,536	834,723
Cost of sales	521,624	647,371
<b>Gross profit on sales</b>	<b>154,911</b>	<b>187,351</b>
Other operating revenues	9,562	12,073
<b>Gross profit from operations</b>	<b>164,474</b>	<b>199,424</b>
<b>Selling, general and administrative expenses</b>	<b>160,455</b>	<b>192,039</b>
Advertising and decoration expenses	21,627	25,838
Salaries and wages	42,497	52,483
Land and building rent	37,400	47,658
Depreciation and amortization	12,412	12,779
Utility expenses	7,993	10,023
Other	38,523	43,254
<b>Operating income</b>	<b>4,018</b>	<b>7,385</b>
<b>Non-operating income</b>	<b>927</b>	<b>1,537</b>
Interest and dividends income	253	795
Subsidy from renovation construction of sale area	267	131
Other	406	610
<b>Non-operating expenses</b>	<b>3,086</b>	<b>3,299</b>
Interest expenses	2,640	2,910
Other	445	388
<b>Ordinary income</b>	<b>1,859</b>	<b>5,623</b>
<b>Special gains</b>	<b>333</b>	<b>12,313</b>
Gain on sales of investments in securities	270	3,011
Gain on sales of property and equipment	3	224
Gain on liquidation of investment in silent partnership	-	8,305
Reversal of allowance for doubtful accounts	8	-
Other	51	770
<b>Special losses</b>	<b>11,586</b>	<b>14,225</b>
Loss on sales of property and equipment	15	4
Loss on disposals of property and equipment	2,815	2,725
Impairment loss	4,057	6,625
Provision for store closing losses	2,303	1,586
Provision for sales promotion expenses	-	2,993
Other	2,394	289
<b>Income before income taxes</b>	<b>(9,392)</b>	<b>3,711</b>
Income taxes - current	82	105
Income taxes - deferred	(7,559)	(2,225)
<b>Net income (loss)</b>	<b>(1,915)</b>	<b>5,831</b>

**[Reference] Seven & i Food Systems Co., Ltd.**

**NONCONSOLIDATED BALANCE SHEETS**

(Millions of yen)

	February 28, 2010	February 28, 2011
	Amount	Amount
<b>ASSETS</b>		
<b>Current assets</b>	<b>32,369</b>	<b>30,487</b>
Cash and bank deposits	5,277	3,654
Accounts receivable, trade	490	485
Inventories	88	84
Materials	337	361
Supplies	32	29
Prepaid expenses	788	685
Accounts receivable, other	1,007	879
Deposits held by subsidiaries and affiliates	23,903	23,873
Current portion of leasehold deposits	311	270
Other	132	163
<b>Non-current assets</b>	<b>14,811</b>	<b>13,460</b>
<b>Property and equipment</b>	<b>4,719</b>	<b>4,307</b>
Buildings	2,608	2,301
Structures	203	159
Furniture, fixtures and equipment	337	284
Land	1,456	1,456
Lease assets	55	78
Construction in progress	58	28
<b>Intangible assets</b>	<b>298</b>	<b>104</b>
Goodwill	8	-
Rights of leasehold	38	37
Software	235	51
Utility rights of facilities	7	7
Other	8	7
<b>Investments and other assets</b>	<b>9,792</b>	<b>9,048</b>
Investments in securities	228	208
Long-term prepaid expenses	205	188
Prepaid pension cost	639	400
Long-term leasehold deposits	8,095	7,153
Investments in capital of subsidiaries and affiliates	531	1,001
Allowance for doubtful accounts	(57)	(57)
Other	149	152
<b>TOTAL ASSETS</b>	<b>47,181</b>	<b>43,948</b>

## Seven & i Food Systems Co., Ltd.

(Millions of yen)

	February 28, 2010	February 28, 2011
	Amount	Amount
<b>LIABILITIES</b>		
<b>Current liabilities</b>	<b>7,447</b>	<b>6,597</b>
Accounts payable, trade	1,887	1,795
Accounts payable, other	969	900
Income taxes payable	259	370
Consumption taxes withheld	208	230
Accrued expenses	2,557	2,336
Advance received	94	24
Deposits received	380	139
Allowance for bonuses to directors and corporate auditors	17	15
Allowance for bonuses to employees	509	414
Accounts payable for acquisition of property and equipment	58	94
Short-term allowance for impairment loss on lease assets	340	155
Deffered income taxes	47	-
Other	115	119
<b>Non-current liabilities</b>	<b>736</b>	<b>519</b>
Deferred income taxes	325	222
Long-term allowance for impairment loss on lease assets	236	83
Lease obligations	55	79
Long-term gurantee deposited	86	90
Other	31	43
<b>TOTAL LIABILITIES</b>	<b>8,183</b>	<b>7,116</b>
<b>NET ASSETS</b>		
<b>Shareholder's equity</b>	<b>38,973</b>	<b>36,821</b>
Common stock	3,000	3,000
Capital surplus	54,375	54,233
Additional paid-in capital	750	750
Other capital surplus	53,625	53,483
Retained earnings	(18,401)	(20,411)
Other retained earnings	(18,401)	(20,411)
Retained earnings brought forward		
<b>Accumulated gains (losses) from valuation and translation adjustments</b>	<b>23</b>	<b>9</b>
Unrealized gains (losses) on available-for-sale securities, net of taxes	23	9
<b>TOTAL NET ASSETS</b>	<b>38,997</b>	<b>36,831</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>47,181</b>	<b>43,948</b>

## Seven & i Food Systems Co., Ltd.

### NONCONSOLIDATED STATEMENTS OF INCOME

(Millions of yen)

	Year ended February 28, 2010	Year ended February 28, 2011
	Amount	Amount
[ Revenues from operations ]	[ 86,400 ]	[ 80,167 ]
Net sales	85,885	79,609
Cost of sales	29,353	26,600
<b>Gross profit on sales</b>	<b>56,532</b>	<b>53,009</b>
Other operating revenues	514	557
<b>Gross profit from operations</b>	<b>57,047</b>	<b>53,566</b>
<b>Selling, general and administrative expenses</b>	<b>59,761</b>	<b>53,656</b>
Salaries and bonuses	30,154	27,867
Land and building rent	9,822	8,512
Utility expenses	4,865	4,397
Depreciation and amortization	885	540
Legal welfare expenses	2,396	2,205
Other	11,637	10,133
<b>Operating income (loss)</b>	<b>(2,714)</b>	<b>(89)</b>
<b>Non-operating income</b>	<b>299</b>	<b>237</b>
Interest income	201	142
Dividends income	3	4
Income related to advertising media installation	26	18
Miscellaneous income	67	71
<b>Non-operating expenses</b>	<b>49</b>	<b>35</b>
Miscellaneous expenses	49	35
<b>Ordinary income (loss)</b>	<b>(2,464)</b>	<b>112</b>
<b>Special gains</b>	<b>429</b>	<b>155</b>
Compensation income for expropriation	395	73
Other	34	81
<b>Special losses</b>	<b>3,216</b>	<b>2,199</b>
Impairment loss	2,819	378
Store-closing cost and removal expenses	267	481
Additional retirement benefit	-	1,273
Other	130	65
<b>Income (loss) before income taxes</b>	<b>(5,251)</b>	<b>(1,931)</b>
Income taxes - current	418	222
Income taxes - deferred	(105)	(145)
<b>Net income (loss)</b>	<b>(5,564)</b>	<b>(2,009)</b>