



July 7, 2011

# Consolidated Financial Results for the Three Months ended May 31, 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.

Submission date of quarterly securities report scheduled: July 14, 2011

Starting date of paying dividend: -

Preparation of brief summary materials for quarterly financial results: Yes

Holding of quarterly financial results presentation: Yes

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

### 1. Business Results for the Three Months ended May 31, 2011 (from March 1, 2011 to May 31, 2011)

#### (1) Results of Operations (cumulative)

(Millions of yen, except per share amounts)

	Revenues from Operations		Operating Income		Ordinary Income	
Three Months ended May 31, 2011	1,122,350	(9.9)%	68,228	30.1%	68,213	29.5%
Three Months ended May 31, 2010	1,245,820	0.3%	52,436	(10.6)%	52,661	(10.0)%

(Reference) Revenues from operations excluding the effect of changes in presentations related to franchise accounting of 7-Eleven, Inc.

	Revenues from Operations	
Three Months ended May 31, 2011	1,240,757	(0.4)%

	Net Income		Net Income per Share		Diluted Net Income per Share	
Three Months ended May 31, 2011	13,105	(46.1)%	14.83	(yen)	14.83	(yen)
Three Months ended May 31, 2010	24,294	2.5%	27.05	(yen)	27.05	(yen)

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

#### (2) Financial Position

(Millions of yen, except per share amounts)

	Total Assets	Net Assets	Owners' Equity Ratio	Net Assets per Share
As of May 31, 2011	3,918,112	1,781,859	43.3%	1,919.47 (yen)
As of February 28, 2011	3,732,111	1,776,512	45.6%	1,927.09 (yen)

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

As of May 31, 2011: 1,695,866 million yen

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

### 2. Dividends

Record Date	Dividends per Share (yen)				
	First Quarter	Second Quarter	Third Quarter	Year-end	Annual
Year ended February 28, 2011	-	28.00	-	29.00	57.00
Year ending February 29, 2012	-				
Year ending February 29, 2012 (forecast)		28.50	-	28.50	57.00

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

### 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	
<b>Interim Period</b>	2,375,000	(7.2)%	137,000	14.8%	135,000	13.1%	34,000	(45.5)%	38.48	(yen)
<b>Entire Year</b>	4,680,000	(8.6)%	274,000	12.6%	270,000	11.2%	105,000	(6.2)%	118.85	(yen)

Notes:

1. Percentages represent increase (decrease) from the corresponding period in the prior fiscal year.
2. Revision of business results forecast during the current quarterly period: Yes

### 4. Others

- (1) Changes in significant subsidiaries during the period  
(changes in specific subsidiaries accompanying changes in scope of consolidation): None
- (2) Adoption of simplified accounting method as well as specific accounting for preparing the quarterly consolidated financial statements: Yes

Notes:

- 1) Measurement methods for inventories  
Inventories at the end of the first quarter of the current fiscal year, without physical stocktaking, are calculated using a reasonable method based on the actual inventories at the end of the previous fiscal year.
- 2) Methods for calculating deferred income tax assets and deferred tax liabilities  
In assessing the collectability of deferred tax assets, as the Company has deemed that there has been no marked change in the operating environment, etc., since the end of the previous year, and that there has been no marked change with respect to the occurrence of temporary differences, etc., they employ the future performance forecasts and tax planning utilized in the previous fiscal year.
- (3) Changes in accounting principles, procedures, and method of presentation for preparing the quarterly consolidated financial statements (those to be described in the section of Significant Accounting Policies for the Preparations of Quarterly Consolidated Financial Statements):
  1. Changes due to amendment of accounting standards: Yes
  2. Changes due to other reasons: Yes

Notes:

- 1) Application of Accounting Standard for Asset Retirement Obligations  
From the first quarter of the consolidated fiscal year ending February 29, 2012, the Company has applied the "Accounting Standard for Asset Retirement Obligations" (ASBJ Statement No.18, March 31, 2008) and the "Guidance on Accounting Standard for Asset Retirement Obligations" (ASBJ Guidance No.21, March 31, 2008). As a result of this change, operating income and ordinary income declined 435 million yen and income before income taxes and minority interests decreased 22,936 million yen. Asset retirement obligations totaled 33,233 million yen.
- 2) Application of Accounting Standard for Business Combination and others  
From the first quarter of the consolidated fiscal year ending February 29, 2012, the Company has applied the "Accounting Standard for Business Combinations" (ASBJ Statement No. 21, December 26, 2008), the "Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 22, December 26, 2008), the "Partial Amendments to Accounting Standard for Research and Development Costs" (ASBJ Statement No. 23, December 26, 2008), the "Revised Accounting Standard for Business Divestitures" (ASBJ Statement No. 7, December 26, 2008), the "Revised Accounting Standard for Equity Method of Accounting for Investments" (ASBJ Statement No. 16, December 26, 2008), and the "Revised Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No.10, December 26, 2008). Due to this application, the Company changed the valuation of assets and liabilities of consolidated subsidiaries to the full fair value method, which all assets and liabilities including those of minority interests are valued at fair value when the Company acquired the control as subsidiaries. This change had not effect on the Company's consolidated quarterly financial statements.

- 3) Changes in presentations related to franchise accounting of 7-Eleven, Inc.  
 For the previous fiscal years, 7-Eleven, Inc., the Company's consolidated subsidiary in the U.S., included sales, cost of sales and selling, general and administrative expenses incurred at franchisees in its consolidated financial statements. Effective from the first quarter of the consolidated fiscal year ending February 29, 2012, the company changed the accounting policy and recognizes franchise commission from franchised stores as other operating revenues, to conform to the accounting policy adopted by other convenience store operations. The effect of this accounting change for the period was to decrease revenues from operation by 118,407 million yen with no effects on operating income, ordinary income and income before income taxes and minority interests.
- 4) Changes in valuation method for inventories of 7-Eleven, Inc.  
 Effective from the first quarter of the consolidated financial year ending February 29, 2012, 7-Eleven, Inc. changed its valuation method for inventories from the last-in, first out (LIFO) method to the first-in, first-out (FIFO) method (except for gasoline inventory for which the weighted average cost method was newly adopted). The company believes this change is preferable because the new methods better reflect the current value of inventories to the consolidated balance sheet, taking into consideration the current price fluctuations that had been resulting in major difference between the carrying amount and the fair value. As a result of this change, the Company recognized special gains of 4,645 million yen. Income before income taxes and minority interests was increased by the same amount.

#### Notes to accounting principles

- 1) Provision for loss on disaster  
 Provision for loss on disaster on the Consolidated Balance Sheets as of May 31, 2011 has been allocated in order to prepare for such expenditures as the restoration of buildings and equipment as a result of the Great East Japan Earthquake.

#### Changes in method of presentation

- 1) (Consolidated Balance Sheets)  
 "Asset retirement obligations" of 7-Eleven, Inc., which were previously included in "other" of non-current liabilities have been reclassified to asset retirement obligations, following the Company's application of the "Accounting Standard for Asset Retirement Obligations" and its related standards from the first quarter of the consolidated fiscal year ending February 29, 2012. The amount of asset retirement obligations that was included in "other" of non-current liabilities at February 28, 2011 was 7,056 million yen.
- 2) (Consolidated Statements of Income)  
 Based on the "Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No.22, December 26, 2008), the Company applies the "Cabinet Office Ordinance Partially Revising Regulation on Terminology, Forms and Preparation of Financial Statements" (Cabinet Office Ordinance No.5, March 24, 2009). As a result, "Income before minority interest" is included in the Consolidated Financial Statements from the first quarter of the consolidated fiscal year ending February 29, 2012.

#### (4) Number of shares outstanding (common stock)

- |  |                    |   |
|--|--------------------|---|
| 1. Number of shares outstanding at the end of period (including treasury stock)          |                    |   |
| As of May 31, 2011:  | 886,441,983 shares | As of February 28, 2011: 886,441,983 shares |
| 2. Number of treasury stock at the end of period   |                    |   |
| As of May 31, 2011:  | 2,935,687 shares   | As of February 28, 2011: 2,978,750 shares   |
| 3. Average number of shares during the period (cumulative quarterly consolidated period) |                    |   |
| As of May 31, 2011:  | 883,473,467 shares | As of May 31, 2010: 897,994,802 shares      |

#### **NOTICE REGARDING QUARTERLY REVIEW PROCEDURES FOR THE QUARTERLY FINANCIAL RESULTS**

This quarterly financial results statement is exempt from the quarterly review procedures based upon the Financial Instruments and Exchange Act. At the time of disclosure of this quarterly financial results statement, the quarterly review procedure based upon the Financial Instruments and Exchange Act has not been completed.

#### **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 forecast for the interim period and entire year in the fiscal year ending February 29, 2012 has been revised from the forecast announced on April 7, 2011. For details, please refer to page 2 of Brief Summary for the First Quarter of FY2012 which was announced on July 7, 2011.

**Consolidated financial results forecast**

(Millions of yen)

	Year ending February 29, 2012 Interim period		Year ending February 29, 2012 Entire year	
		YOY		YOY
Revenues from operations	2,375,000	(7.2)%	4,680,000	(8.6)%
Operating income	137,000	14.8%	274,000	12.6%
Ordinary income	135,000	13.1%	270,000	11.2%
Net income	34,000	(45.5)%	105,000	(6.2)%

Assumed exchange rates for the entire year in the FY2012: US\$1=81.00 yen 1yuan=12.50yen

**Revenues from operations and operating income forecasts by segment**

(Millions of yen)

	Year ending February 29, 2012			
	Revenues from operations		Operating income	
		YOY		YOY
Convenience store operations	1,605,000	(21.2)%	205,000	4.9%
Superstore operations	1,983,000	0.1%	30,000	91.0%
Department store operations	880,000	(3.8)%	6,000	6.7%
Food services	78,000	(2.8)%	800	-
Financial services	128,000	19.7%	30,000	5.8%
Others	50,000	40.4%	2,500	-
<b>Total before eliminations</b>	<b>4,724,000</b>	<b>(8.4)%</b>	<b>274,300</b>	<b>12.3%</b>
Eliminations / corporate	(44,000)	-	(300)	-
<b>Consolidated Total</b>	<b>4,680,000</b>	<b>(8.6)%</b>	<b>274,000</b>	<b>12.6%</b>

## **Attached Materials**

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**5. Consolidated Quarterly Financial Statements**  
**(1) Consolidated Balance Sheets**

(Millions of yen)

	May 31, 2011	February 28, 2011
	Amount	Amount
<b>ASSETS</b>		
<b>Current assets</b>	<b>1,616,239</b>	<b>1,406,594</b>
Cash and bank deposits	617,227	654,833
Notes and accounts receivable, trade	279,385	122,411
Trade accounts receivable - financial services	79,480	60,269
Marketable securities	170,535	26,534
Merchandise and finished goods	146,558	158,511
Work in process	106	32
Raw materials and supplies	3,018	2,567
Prepaid expenses	34,087	31,109
Deferred income taxes	34,053	30,875
Other	256,809	323,098
Allowance for doubtful accounts	(5,022)	(3,650)
<b>Non-current assets</b>	<b>2,301,387</b>	<b>2,325,459</b>
<b>Property and equipment</b>	<b>1,270,890</b>	<b>1,247,823</b>
Buildings and structures, net	535,405	519,957
Furniture, fixtures and equipment, net	121,627	122,610
Land	585,356	581,185
Lease assets, net	14,432	12,754
Construction in progress	11,784	9,640
Other, net	2,283	1,675
<b>Intangible assets</b>	<b>332,040</b>	<b>324,655</b>
Goodwill	178,798	172,186
Software	34,269	34,050
Other	118,972	118,418
<b>Investments and other assets</b>	<b>698,456</b>	<b>752,979</b>
Investments in securities	156,500	227,371
Long-term loans receivable	18,471	18,675
Prepaid pension cost	9,125	9,978
Long-term leasehold deposits	414,032	418,585
Advances for store construction	8,806	8,743
Deferred income taxes	40,746	20,717
Other	56,274	55,356
Allowance for doubtful accounts	(5,499)	(6,450)
<b>Deferred assets</b>	<b>484</b>	<b>58</b>
New organization costs	54	58
Business commencement expenses	430	-
<b>TOTAL ASSETS</b>	<b>3,918,112</b>	<b>3,732,111</b>

(Millions of yen)

	May 31, 2011	February 28, 2011
	Amount	Amount
<b>LIABILITIES</b>		
<b>Current liabilities</b>	<b>1,486,620</b>	<b>1,348,728</b>
Notes and accounts payable, trade	328,642	284,795
Short-term loans	194,100	108,330
Current portion of long-term loans	120,908	127,187
Current portion of bonds	36,000	36,100
Income taxes payable	32,243	51,007
Accrued expenses	72,213	75,300
Deposits received	166,156	138,527
Allowance for sales promotion expenses	14,797	16,261
Allowance for bonuses to employees	24,521	13,685
Allowance for bonuses to directors and corporate auditors	55	301
Allowance for losses on future collection of gift certificates	2,207	2,544
Provision for loss on disaster	5,300	-
Deposits received in banking business	281,694	275,696
Other	207,778	218,991
<b>Non-current liabilities</b>	<b>649,632</b>	<b>606,871</b>
Bonds	263,974	263,973
Long-term loans	174,834	177,225
Commercial paper	18,458	8,177
Deferred income taxes	41,972	35,955
Allowance for accrued pension and severance costs	3,528	3,356
Allowance for retirement benefits to directors and corporate auditors	2,126	2,292
Deposits received from tenants and franchised stores	55,580	56,048
Asset retirement obligations	40,669	-
Other	48,488	59,840
<b>TOTAL LIABILITIES</b>	<b>2,136,253</b>	<b>1,955,599</b>
<b>NET ASSETS</b>		
<b>Shareholders' equity</b>	<b>1,791,373</b>	<b>1,803,783</b>
Common stock	50,000	50,000
Capital surplus	526,893	526,899
Retained earnings	1,221,694	1,234,204
Treasury stock, at cost	(7,213)	(7,320)
<b>Accumulated gains (losses) from valuation and translation adjustments</b>	<b>(95,506)</b>	<b>(101,268)</b>
Unrealized gains (losses) on available-for-sale securities, net of taxes	1,727	3,226
Unrealized gains (losses) on hedging derivatives, net of taxes	(159)	(328)
Foreign currency translation adjustments	(97,075)	(104,167)
<b>Subscription rights to shares</b>	<b>884</b>	<b>981</b>
<b>Minority interests in consolidated subsidiaries</b>	<b>85,107</b>	<b>73,016</b>
<b>TOTAL NET ASSETS</b>	<b>1,781,859</b>	<b>1,776,512</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>3,918,112</b>	<b>3,732,111</b>

**(2) Consolidated Quarterly Statements of Income**

(Millions of yen)

	Three Months ended May 31, 2010	Three Months ended May 31, 2011
	Amount	Amount
<b>Revenues from operations</b>	<b>1,245,820</b>	<b>1,122,350</b>
Net sales	1,105,731	943,404
Cost of sales	824,911	718,111
<b>Gross profit on sales</b>	<b>280,819</b>	<b>225,292</b>
Other operating revenues	140,089	178,945
<b>Gross profit from operations</b>	<b>420,908</b>	<b>404,238</b>
Selling, general and administrative expenses	368,472	336,009
<b>Operating income</b>	<b>52,436</b>	<b>68,228</b>
<b>Non-operating income</b>	<b>2,829</b>	<b>2,428</b>
Interest income	1,352	1,225
Equity in earnings of affiliates	277	557
Other	1,199	645
<b>Non-operating expenses</b>	<b>2,604</b>	<b>2,444</b>
Interest expenses	1,326	1,108
Interest on bonds	454	721
Other	823	614
<b>Ordinary income</b>	<b>52,661</b>	<b>68,213</b>
<b>Special gains</b>	<b>922</b>	<b>6,115</b>
Gain on sales of property and equipment	140	315
Reversal of allowance for doubtful accounts	102	474
Compensation income	335	-
Gain on changes in accounting policies applied to foreign subsidiary	-	4,645
Other	342	680
<b>Special losses</b>	<b>4,635</b>	<b>44,912</b>
Loss on disposals of property and equipment	1,436	1,500
Impairment loss on property and equipment	1,587	2,125
Loss on disaster	-	18,124
Loss on adjustment for changes of accounting standards for asset retirement obligations	-	22,500
Other	1,611	660
<b>Income before income taxes and minority interests</b>	<b>48,948</b>	<b>29,417</b>
Income taxes - current	23,514	31,412
Income taxes - deferred	(1,751)	(17,732)
<b>Income taxes</b>	<b>21,762</b>	<b>13,679</b>
Income before minority interests	-	15,737
Minority interests in net income of consolidated subsidiaries	2,891	2,631
<b>Net income</b>	<b>24,294</b>	<b>13,105</b>



### (3) Consolidated Quarterly Statements of Cash Flows

(Millions of yen)

	Three Months ended May 31, 2010	Three Months ended May 31, 2011
	Amount	Amount
<b>Cash flows from operating activities:</b>		
Income before income taxes and minority interests	48,948	29,417
Depreciation and amortization	31,250	32,470
Impairment loss on property and equipment	1,587	2,125
Interest income	(1,352)	(1,225)
Interest expenses and interest on bonds	1,780	1,829
Equity in losses (earnings) of affiliates	(277)	(557)
Gain on sales of property and equipment	(140)	(315)
Loss on disposals of property and equipment	1,436	1,500
Gain on changes in accounting policies applied to foreign subsidiary	-	(4,645)
Loss on adjustment for changes of accounting standards for asset retirement obligations	-	22,500
Decrease (increase) in notes and accounts receivable, trade	(17,648)	(20,005)
Decrease (increase) in trade accounts receivable - financial services	1,009	1,863
Decrease (increase) in inventories	743	(6,218)
Increase (decrease) in notes and accounts payable, trade	27,764	42,919
Increase (decrease) in deposits received	28,792	39,995
Proceeds from loans in banking business	(11,700)	2,800
Net increase (decrease) in deposits received in banking business	(2,709)	5,998
Net decrease (increase) in call loan in banking business	(4,000)	97,600
Net increase (decrease) in call money in banking business	(16,500)	(13,300)
Net change in ATM-related temporary accounts	69,995	(144)
Other	18,148	60,598
Sub-total	177,129	295,207
Interest and dividends received	748	652
Interest paid	(1,557)	(1,916)
Income taxes paid	(45,553)	(54,454)
<b>Net cash provided by operating activities</b>	<b>130,765</b>	<b>239,489</b>
<b>Cash flows from investing activities:</b>		
Acquisition of property and equipment	(34,033)	(44,531)
Proceeds from sales of property and equipment	812	926
Acquisition of intangible assets	(3,971)	(3,649)
Payment for purchase of investments in securities	(82,985)	(46,854)
Proceeds from sales and maturity of investments in securities	78,147	89,701
Purchase of investments in subsidiaries resulting in change in scope of consolidations	-	(18,276)
Payment of loans receivable	(90)	(90)
Collection of loans receivable	226	237
Payment for long-term leasehold deposits	(3,403)	(5,416)
Refund of long-term leasehold deposits	8,886	8,777
Proceeds from deposits from tenants	1,151	2,290
Refund of deposits from tenants	(1,153)	(2,611)
Proceeds from subsidy income related to urban redevelopment projects	-	2,545
Payment for succession of business	-	(135,794)
Payment for negotiable certificates of deposits	(40,000)	-
Proceeds from withdrawal of time deposits	11,706	5,241
Other	(3,983)	(29,744)
<b>Net cash used in investing activities</b>	<b>(68,690)</b>	<b>(177,249)</b>

(Millions of yen)

	Three Months ended May 31, 2010	Three Months ended May 31, 2011
	Amount	Amount
<b>Cash flows from financing activities:</b>		
Net increase (decrease) in short-term loans	(8,000)	82,734
Proceeds from long-term loans	13,300	8,000
Repayment of long-term loans	(12,335)	(16,693)
Proceeds from commercial paper	98,750	92,384
Payment for redemption of commercial paper	(91,315)	(88,827)
Payment for redemption of bonds	(20,285)	(100)
Dividends paid	(24,504)	(24,922)
Capital contribution from minority interests	-	222
Dividends paid for minority interests	-	(127)
Payment for acquisition of treasury stock	(47,276)	(1)
Other	(2,619)	(4,438)
<b>Net cash provided by (used in) financing activities</b>	<b>(94,286)</b>	<b>48,227</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>920</b>	<b>1,247</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(31,289)</b>	<b>111,715</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>717,320</b>	<b>656,747</b>
<b>Cash and cash equivalents at end of period</b>	<b>686,030</b>	<b>768,462</b>

#### (4) Doubts on the Premises of Going Concern

None

#### (5) Notes to Quarterly Consolidated Statements of Income

Loss on disaster is caused by the Great East Japan Earthquake. Loss on disaster is as follows:

	(Millions of yen)
Loss of inventories	2,600
Loss of buildings and structures and recovery expenses etc.	9,190
Fixed expenses during suspension of business	4,149
Other expenses related to recovery expenses	2,184
	18,124

Provision for loss on disaster which amounted to 5,300 million yen is included above.

#### (6) Segment Information

##### a. Business Segments

Three Months ended May 31, 2010 (From March 1, 2010 to May 31, 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	481,262	492,367	221,579	20,268	24,361	5,979	1,245,820	-	1,245,820
2. Intersegment	150	1,830	125	239	3,394	1,943	7,684	(7,684)	-
<b>Total revenues</b>	<b>481,412</b>	<b>494,198</b>	<b>221,705</b>	<b>20,508</b>	<b>27,756</b>	<b>7,923</b>	<b>1,253,504</b>	<b>(7,684)</b>	<b>1,245,820</b>
<b>Operating expenses</b>	<b>440,821</b>	<b>489,653</b>	<b>221,565</b>	<b>20,569</b>	<b>20,172</b>	<b>8,178</b>	<b>1,200,961</b>	<b>(7,577)</b>	<b>1,193,383</b>
<b>Operating income (loss)</b>	<b>40,591</b>	<b>4,545</b>	<b>139</b>	<b>(61)</b>	<b>7,584</b>	<b>(255)</b>	<b>52,543</b>	<b>(107)</b>	<b>52,436</b>

Notes:

1. The classification of business segments is made by the type of products and services and the type of sales.
2. 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 ----- Superstores, supermarkets and specialty shops and others

Department store operations ----- Sogo & Seibu Co., Ltd. and other companies included in the department store business

Food services ----- Restaurant operations, meal provision service business (company cafeteria, hospital, school) and fast food operations.

Financial services ----- Bank, credit card and lease business

Others ----- IT business and other services

##### b. Geographic area segments

Three Months ended May 31, 2010 (From March 1, 2010 to May 31, 2010)

(Millions of yen)

	Japan	North America	Others	Total before eliminations	Eliminations	Consolidated total
Revenues and operating income						
<b>Revenues</b>						
1. Customers	872,857	348,516	24,446	1,245,820	-	1,245,820
2. Intersegment	116	660	-	776	(776)	-
<b>Total revenues</b>	<b>872,973</b>	<b>349,177</b>	<b>24,446</b>	<b>1,246,596</b>	<b>(776)</b>	<b>1,245,820</b>
<b>Operating expenses</b>	<b>822,738</b>	<b>347,658</b>	<b>23,777</b>	<b>1,194,175</b>	<b>(792)</b>	<b>1,193,383</b>
<b>Operating income</b>	<b>50,234</b>	<b>1,518</b>	<b>668</b>	<b>52,421</b>	<b>15</b>	<b>52,436</b>

Notes:

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

**c. Overseas sales**

**Three Months ended May 31, 2010 (From March 1, 2010 to May 31, 2010)** (Millions of yen)

	North America	Others	Total
Overseas sales	348,516	24,446	372,963
Consolidated sales	-	-	1,245,820
Percentage of overseas sales to consolidated sales (%)	28.0	1.9	29.9

Notes:

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

## 【Segment Information】

### 1. Overview of Reportable Segments

With respect to its reportable segments, the Company is able to obtain delineated financial data from its structural units. Its segments are subject to periodical review for the purpose of making decisions on allocation of managerial resources and evaluating business performance by the Board of Directors.

Under the holding company structure, the Company has classified its consolidated subsidiaries into six segments which are "Convenience store operations", "Superstore operations", "Department store operations", "Food services", "Financial services", and "Others", according to the nature of products, services and sales operations.

"Convenience store operations" operate corporate stores and franchised stores under the name of "7-Eleven". "Superstore operations" operate superstores, supermarkets, specialty shops and others. "Department store operations" operate department store business which is mainly consists of Sogo & Seibu Co., Ltd. "Food services" operate restaurant operations, meal provision service business (for company cafeteria, hospitals, and schools) and fast food operations. "Financial services" operate bank, credit card and lease businesses. "Others" operate IT business and other services.

### 2. Information on Revenues from Operations and Income (Loss) by Reportable Segments

Three Months ended May 31, 2011 (From March 1, 2011 to May 31, 2011)

(Millions of yen)

	Reportable segments						Total	Adjustments (Note 1)	Consolidated total (Note 2)
	Convenience store operations	Superstore operations	Department store operations	Food services	Financial services	Others			
Revenues and operating income									
<b>Revenues</b>									
1. Customers	374,999	487,492	209,269	18,023	26,480	6,085	1,122,350	-	1,122,350
2. Intersegment	122	2,410	299	251	3,678	5,426	12,189	(12,189)	-
<b>Total</b>	<b>375,121</b>	<b>489,903</b>	<b>209,568</b>	<b>18,275</b>	<b>30,159</b>	<b>11,511</b>	<b>1,134,539</b>	<b>(12,189)</b>	<b>1,122,350</b>
<b>Segment income (loss)</b>	<b>44,875</b>	<b>14,490</b>	<b>1,231</b>	<b>(5)</b>	<b>7,421</b>	<b>621</b>	<b>68,633</b>	<b>(404)</b>	<b>68,228</b>

Notes:

1. The adjustments on segment income (loss) of (404) million yen are eliminations of inter-segment transactions and certain expense items that are not allocated to reportable segments.
2. Segment income (loss) is reconciled with the operating income in the Consolidated Quarterly Statements of Income.

### 3. Impairment of Fixed Assets and Goodwill by Segment

No significant items to be reported.

### (Supplementary Information)

Effective March 1, 2011, the Company applied "Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (ASBJ Statement No. 17, March 27, 2009) and "Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (ASBJ Guidance No. 20, March 21, 2008).

### (Reference)

Revenues from operations and operating income by geographic area segments are as described below.

Three Months ended May 31, 2011 (From March 1, 2011 to May 31, 2011)

(Millions of yen)

	Japan	North America	Others	Total before eliminations	Eliminations	Consolidated total
Revenues and operating income						
<b>Revenues</b>						
1. Customers	859,680	237,715	24,954	1,122,350	-	1,122,350
2. Intersegment	126	54	9	190	(190)	-
<b>Total</b>	<b>859,807</b>	<b>237,769</b>	<b>24,964</b>	<b>1,122,541</b>	<b>(190)</b>	<b>1,122,350</b>
<b>Operating income</b>	<b>66,652</b>	<b>568</b>	<b>1,002</b>	<b>68,223</b>	<b>5</b>	<b>68,228</b>

Notes:

1. The classification of geographic area segments is determined according to geographical distances.
2. "Others" consists of the business results in the People's Republic of China.

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

None