



October 4, 2011

# Consolidated Financial Results for the Six Months ended August 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: October 13, 2011

Starting date of paying dividend: November 15, 2011

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 Six Months ended August 31, 2011 (from March 1, 2011 to August 31, 2011)

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

(Millions of yen, except per share amounts)

	Revenues from Operations		Operating Income		Ordinary Income	
Six Months ended August 31, 2011	2,357,241	(7.9)%	150,186	25.9%	150,878	26.4%
Six Months ended August 31, 2010	2,559,173	0.5%	119,332	1.0%	119,410	0.8%

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

	Revenues from Operations	
Six Months ended August 31, 2011	2,612,131	2.1%

	Net Income		Net Income per Share		Diluted Net Income per Share	
Six Months ended August 31, 2011	52,790	(15.4)%	59.75	(yen)	59.72	(yen)
Six Months ended August 31, 2010	62,428	42.9%	70.09	(yen)	70.06	(yen)

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

### (2) Financial Position

(Millions of yen, except per share amounts)

	Total Assets	Net Assets	Owners' Equity Ratio	Net Assets per Share	
As of August 31, 2011	3,961,987	1,816,124	43.6%	1,954.91	(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 August 31, 2011: 1,727,180 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	-	29.00	-	-	-
Year ending February 29, 2012 (forecast)	-	-	-	31.00	60.00

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>Entire Year</b>	4,780,000	(6.6)%	286,000	17.5%	284,000	16.9%	127,000	13.4%	143.75	(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) 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 1,263 million yen and income before income taxes and minority interests decreased 23,763 million yen. The amount of fluctuation in asset retirement obligations due to the application of this accounting standard 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 no 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 254,890 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 4,628 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 August 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 for the second quarter of the consolidated fiscal year ending February 29, 2012.

“Gain on sales of investments in securities” is included in “other” for the second quarter of the consolidated fiscal year ending February 29, 2012 because the importance of the amount is not considered material.

“Gain on sales of investments in securities” which is included in “other” for the second quarter of the consolidated fiscal year ending February 29, 2012 is 0 million yen.

(4) Number of shares outstanding (common stock)

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

As of August 31, 2011:	886,441,983 shares	As of February 28, 2011:	886,441,983 shares
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2. Number of treasury stock at the end of period

As of August 31, 2011:	2,931,721 shares	As of February 28, 2011:	2,978,750 shares
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3. Average number of shares during the period (cumulative quarterly consolidated period)

As of August 31, 2011:	883,491,942 shares	As of August 31, 2010:	890,731,910 shares
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**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 for the Fiscal Year ending February 29, 2012**  
(from March 1, 2011 to February 29, 2012)

The Company has revised its consolidated financial results forecast for the fiscal year ending February 29, 2012 from the previous forecast announced on September 6, 2011. For details, please refer to page 2 of Brief Summary for the Second Quarter of FY2012 which was announced on October 4, 2011.

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

	<b>Year ending February 29, 2012</b>	
		YOY
Revenues from operations	4,780,000	(6.6)%
Operating income	286,000	17.5%
Ordinary income	284,000	16.9%
Net income	127,000	13.4%

Assumed exchange rates: US\$1 = 79.00 yen 1yuan = 12.50 yen

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

	<b>Year ending February 29, 2012</b>			
	<b>Revenues from operations</b>		<b>Operating income</b>	
		YOY		YOY
Convenience store operations	1,680,000	(17.5)%	208,500	6.7%
Superstore operations	2,000,000	0.9%	35,000	122.8%
Department store operations	900,000	(1.7)%	9,000	60.1%
Food services	78,000	(2.8)%	800	—
Financial services	127,000	18.7%	31,000	9.4%
Others	52,000	46.0%	2,500	—
<b>Total before eliminations</b>	<b>4,837,000</b>	<b>(6.2)%</b>	<b>286,800</b>	<b>17.4%</b>
Eliminations / corporate	(57,000)	—	(800)	—
<b>Consolidated Total</b>	<b>4,780,000</b>	<b>(6.6)%</b>	<b>286,000</b>	<b>17.5%</b>

## **Attached Materials**

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

(Millions of yen)

	August 31, 2011	February 28, 2011
	Amount	Amount
<b>ASSETS</b>		
<b>Current assets</b>	<b>1,593,973</b>	<b>1,406,594</b>
Cash and bank deposits	624,953	654,833
Notes and accounts receivable, trade	270,819	122,411
Trade accounts receivable - financial services	74,805	60,269
Marketable securities	175,535	26,534
Merchandise and finished goods	144,227	158,511
Work in process	245	32
Raw materials and supplies	2,587	2,567
Prepaid expenses	33,253	31,109
Deferred income taxes	34,481	30,875
Other	237,733	323,098
Allowance for doubtful accounts	(4,669)	(3,650)
<b>Non-current assets</b>	<b>2,367,553</b>	<b>2,325,459</b>
<b>Property and equipment</b>	<b>1,303,587</b>	<b>1,247,823</b>
Buildings and structures, net	553,676	519,957
Furniture, fixtures and equipment, net	120,712	122,610
Land	595,024	581,185
Lease assets, net	15,533	12,754
Construction in progress	15,737	9,640
Other, net	2,902	1,675
<b>Intangible assets</b>	<b>338,081</b>	<b>324,655</b>
Goodwill	186,690	172,186
Software	32,346	34,050
Other	119,044	118,418
<b>Investments and other assets</b>	<b>725,884</b>	<b>752,979</b>
Investments in securities	183,186	227,371
Long-term loans receivable	18,128	18,675
Prepaid pension cost	8,335	9,978
Long-term leasehold deposits	415,872	418,585
Advances for store construction	8,612	8,743
Deferred income taxes	41,251	20,717
Other	56,792	55,356
Allowance for doubtful accounts	(6,294)	(6,450)
<b>Deferred assets</b>	<b>460</b>	<b>58</b>
New organization costs	50	58
Business commencement expenses	409	-
<b>TOTAL ASSETS</b>	<b>3,961,987</b>	<b>3,732,111</b>

(Millions of yen)

	August 31, 2011	February 28, 2011
	Amount	Amount
<b>LIABILITIES</b>		
<b>Current liabilities</b>	<b>1,458,006</b>	<b>1,348,728</b>
Notes and accounts payable, trade	346,689	284,795
Short-term loans	149,900	108,330
Current portion of long-term loans	91,611	127,187
Current portion of bonds	46,000	36,100
Income taxes payable	62,201	51,007
Accrued expenses	71,361	75,300
Deposits received	111,389	138,527
Allowance for sales promotion expenses	16,477	16,261
Allowance for bonuses to employees	15,854	13,685
Allowance for bonuses to directors and corporate auditors	156	301
Allowance for loss on future collection of gift certificates	1,894	2,544
Provision for loss on disaster	4,989	-
Deposits received in banking business	297,708	275,696
Other	241,771	218,991
<b>Non-current liabilities</b>	<b>687,856</b>	<b>606,871</b>
Bonds	253,975	263,973
Long-term loans	238,060	177,225
Commercial paper	769	8,177
Deferred income taxes	43,196	35,955
Allowance for accrued pension and severance costs	3,511	3,356
Allowance for retirement benefits to directors and corporate auditors	2,141	2,292
Deposits received from tenants and franchised stores	55,664	56,048
Asset retirement obligations	41,933	-
Other	48,602	59,840
<b>TOTAL LIABILITIES</b>	<b>2,145,862</b>	<b>1,955,599</b>
<b>NET ASSETS</b>		
<b>Shareholders' equity</b>	<b>1,831,077</b>	<b>1,803,783</b>
Common stock	50,000	50,000
Capital surplus	526,893	526,899
Retained earnings	1,261,390	1,234,204
Treasury stock, at cost	(7,206)	(7,320)
<b>Accumulated gains (losses) from valuation and translation adjustments</b>	<b>(103,896)</b>	<b>(101,268)</b>
Unrealized gains (losses) on available-for-sale securities, net of taxes	2,318	3,226
Unrealized gains (losses) on hedging derivatives, net of taxes	(163)	(328)
Foreign currency translation adjustments	(106,051)	(104,167)
<b>Subscription rights to shares</b>	<b>1,222</b>	<b>981</b>
<b>Minority interests in consolidated subsidiaries</b>	<b>87,720</b>	<b>73,016</b>
<b>TOTAL NET ASSETS</b>	<b>1,816,124</b>	<b>1,776,512</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>3,961,987</b>	<b>3,732,111</b>

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

(Millions of yen)

	Six Months ended August 31, 2010	Six Months ended August 31, 2011
	Amount	Amount
<b>Revenues from operations</b>	<b>2,559,173</b>	<b>2,357,241</b>
Net sales	2,263,626	1,974,314
Cost of sales	1,685,037	1,512,186
<b>Gross profit on sales</b>	<b>578,588</b>	<b>462,127</b>
Other operating revenues	295,547	382,926
<b>Gross profit from operations</b>	<b>874,135</b>	<b>845,054</b>
Selling, general and administrative expenses	754,803	694,867
<b>Operating income</b>	<b>119,332</b>	<b>150,186</b>
<b>Non-operating income</b>	<b>5,899</b>	<b>5,441</b>
Interest income	2,587	2,515
Equity in earnings of affiliates	752	1,275
Other	2,559	1,650
<b>Non-operating expenses</b>	<b>5,821</b>	<b>4,750</b>
Interest expenses	2,621	2,224
Interest on bonds	1,079	1,440
Other	2,119	1,085
<b>Ordinary income</b>	<b>119,410</b>	<b>150,878</b>
<b>Special gains</b>	<b>8,540</b>	<b>6,649</b>
Gain on sales of property and equipment	240	477
Gain on sales of investments in securities	140	-
Gain on donations received	7,000	-
Gain on changes in accounting policies applied to foreign subsidiary	-	4,628
Other	1,159	1,543
<b>Special losses</b>	<b>12,692</b>	<b>54,380</b>
Loss on disposals of property and equipment	3,612	2,636
Impairment loss on property and equipment	4,335	3,742
Loss on disaster	-	23,417
Loss on adjustment for changes of accounting standards for asset retirement obligations	-	22,500
Other	4,744	2,082
<b>Income before income taxes and minority interests</b>	<b>115,259</b>	<b>103,148</b>
Income taxes - current	53,451	61,254
Income taxes - deferred	(5,653)	(16,230)
<b>Income taxes</b>	<b>47,798</b>	<b>45,023</b>
Income before minority interests	-	58,124
Minority interests in net income of consolidated subsidiaries	5,032	5,333
<b>Net income</b>	<b>62,428</b>	<b>52,790</b>



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

(Millions of yen)

	Six Months ended August 31, 2010	Six Months ended August 31, 2011
	Amount	Amount
<b>Cash flows from operating activities:</b>		
Income before income taxes and minority interests	115,259	103,148
Depreciation and amortization	63,641	66,646
Impairment loss on property and equipment	4,335	3,742
Interest income	(2,587)	(2,515)
Interest expenses and interest on bonds	3,701	3,664
Equity in losses (earnings) of affiliates	(752)	(1,275)
Gain on sales of property and equipment	(240)	(477)
Loss on disposals of property and equipment	3,612	2,636
Gain on changes in accounting policies applied to foreign subsidiary	-	(4,628)
Loss on adjustment for changes of accounting standards for asset retirement obligations	-	22,500
Decrease (increase) in notes and accounts receivable, trade	(8,938)	(11,867)
Decrease (increase) in trade accounts receivable - financial services	4,707	6,538
Decrease (increase) in inventories	5,415	(4,183)
Increase (decrease) in notes and accounts payable, trade	47,568	62,267
Increase (decrease) in deposits received	(25,467)	(14,247)
Proceeds from loans in banking business	(700)	2,800
Net increase (decrease) in deposits received in banking business	14,997	22,012
Net decrease (increase) in call loan in banking business	11,000	80,000
Net increase (decrease) in call money in banking business	(47,400)	8,000
Net change in ATM-related temporary accounts	73,814	2,143
Other	19,786	55,338
Sub-total	281,753	402,244
Interest and dividends received	1,771	1,726
Interest paid	(3,786)	(3,642)
Income taxes paid	(20,256)	(39,500)
<b>Net cash provided by operating activities</b>	<b>259,480</b>	<b>360,828</b>
<b>Cash flows from investing activities:</b>		
Acquisition of property and equipment	(74,335)	(111,174)
Proceeds from sales of property and equipment	1,908	1,796
Acquisition of intangible assets	(8,376)	(6,027)
Payment for purchase of investments in securities	(166,392)	(93,953)
Proceeds from sales and maturity of investments in securities	153,192	110,725
Purchase of investments in subsidiaries resulting in change in scope of consolidations	-	(18,279)
Payment of loans receivable	(254)	(190)
Collection of loans receivable	815	727
Payment for long-term leasehold deposits	(14,642)	(11,805)
Refund of long-term leasehold deposits	14,971	16,371
Proceeds from deposits from tenants	2,411	3,391
Refund of deposits from tenants	(2,201)	(3,806)
Proceeds from subsidy income related to urban redevelopment projects	-	2,545
Payment for succession of business	-	(135,794)
Payment for time deposits	(3,675)	(3,666)
Payment for negotiable certificates of deposits	(40,000)	-
Proceeds from withdrawal of time deposits	12,123	7,928
Proceeds from withdrawal of negotiable certificates of deposits	40,000	-
Other	(6,527)	(22,704)
<b>Net cash used in investing activities</b>	<b>(90,982)</b>	<b>(263,915)</b>

(Millions of yen)

	Six Months ended August 31, 2010	Six Months ended August 31, 2011
	Amount	Amount
<b>Cash flows from financing activities:</b>		
Net increase (decrease) in short-term loans	(6,800)	38,534
Proceeds from long-term loans	14,300	92,201
Repayment of long-term loans	(33,890)	(66,809)
Proceeds from commercial paper	191,650	181,023
Payment for redemption of commercial paper	(193,477)	(186,090)
Proceeds from issuance of bonds	109,624	-
Payment for redemption of bonds	(20,285)	(100)
Payment for acquisition of treasury stock	(47,279)	(4)
Dividends paid	(25,291)	(25,630)
Capital contribution from minority interests	-	222
Dividends paid for minority interests	(2,087)	(1,981)
Other	(2,084)	(4,692)
<b>Net cash provided by (used in) financing activities</b>	<b>(15,621)</b>	<b>26,671</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>(1,443)</b>	<b>313</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>151,434</b>	<b>123,897</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>868,754</b>	<b>780,644</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 etc.	4,385
Loss of buildings and structures and recovery expenses etc.	11,314
Fixed expenses during suspension of business	4,502
Other expenses related to recovery expenses	3,214
	<u>23,417</u>

Provision for loss on disaster which amounted to 4,989 million yen is included above.

#### (6) Segment Information

##### a. Business Segments

Six Months ended August 31, 2010 (From March 1, 2010 to August 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	1,031,740	983,419	442,926	41,180	47,836	12,071	2,559,173	-	2,559,173
2. Intersegment	288	3,872	273	480	6,879	4,124	15,919	(15,919)	-
<b>Total revenues</b>	<b>1,032,028</b>	<b>987,292</b>	<b>443,199</b>	<b>41,661</b>	<b>54,715</b>	<b>16,196</b>	<b>2,575,093</b>	<b>(15,919)</b>	<b>2,559,173</b>
<b>Operating expenses</b>	<b>929,523</b>	<b>983,838</b>	<b>444,251</b>	<b>41,360</b>	<b>39,608</b>	<b>16,663</b>	<b>2,455,246</b>	<b>(15,405)</b>	<b>2,439,841</b>
<b>Operating income (loss)</b>	<b>102,505</b>	<b>3,453</b>	<b>(1,051)</b>	<b>300</b>	<b>15,106</b>	<b>(467)</b>	<b>119,846</b>	<b>(514)</b>	<b>119,332</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

Six Months ended August 31, 2010 (From March 1, 2010 to August 31, 2010)

(Millions of yen)

	Japan	North America	Others	Total before eliminations	Eliminations	Consolidated total
Revenues and operating income						
<b>Revenues</b>						
1. Customers	1,763,406	751,044	44,722	2,559,173	-	2,559,173
2. Intersegment	204	1,372	-	1,577	(1,577)	-
<b>Total revenues</b>	<b>1,763,611</b>	<b>752,417</b>	<b>44,722</b>	<b>2,560,751</b>	<b>(1,577)</b>	<b>2,559,173</b>
<b>Operating expenses</b>	<b>1,657,905</b>	<b>740,000</b>	<b>43,545</b>	<b>2,441,451</b>	<b>(1,610)</b>	<b>2,439,841</b>
<b>Operating income</b>	<b>105,705</b>	<b>12,416</b>	<b>1,177</b>	<b>119,299</b>	<b>32</b>	<b>119,332</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**

**Six Months ended August 31, 2010 (From March 1, 2010 to August 31, 2010)** (Millions of yen)

	North America	Others	Total
Overseas sales	751,044	44,722	795,767
Consolidated sales	-	-	2,559,173
Percentage of overseas sales to consolidated sale: (%)	29.3	1.8	31.1

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, lease and other businesses. "Others" operate IT business and other services.

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

Six Months ended August 31, 2011 (From March 1, 2011 to August 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	835,641	983,458	431,310	38,573	55,498	12,758	2,357,241	-	2,357,241
2. Intersegment	277	4,873	586	503	8,073	10,326	24,642	(24,642)	-
<b>Total</b>	<b>835,919</b>	<b>988,331</b>	<b>431,897</b>	<b>39,076</b>	<b>63,572</b>	<b>23,085</b>	<b>2,381,883</b>	<b>(24,642)</b>	<b>2,357,241</b>
<b>Segment income</b>	<b>109,839</b>	<b>21,047</b>	<b>2,213</b>	<b>310</b>	<b>16,292</b>	<b>1,131</b>	<b>150,835</b>	<b>(648)</b>	<b>150,186</b>

Notes:

1. The adjustments on segment income of (648) million yen are eliminations of inter-segment transactions and certain expense items that are not allocated to reportable segments.
2. Segment income 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.

Six Months ended August 31, 2011 (From March 1, 2011 to August 31, 2011) (Millions of yen)

	Japan	North America	Others	Total before eliminations	Eliminations	Consolidated total
Revenues and operating income						
<b>Revenues</b>						
1. Customers	1,769,916	542,098	45,227	2,357,241	-	2,357,241
2. Intersegment	226	67	-	294	(294)	-
<b>Total</b>	<b>1,770,143</b>	<b>542,165</b>	<b>45,227</b>	<b>2,357,536</b>	<b>(294)</b>	<b>2,357,241</b>
<b>Operating income</b>	<b>137,632</b>	<b>11,137</b>	<b>1,405</b>	<b>150,175</b>	<b>11</b>	<b>150,186</b>

Notes:

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

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

None