Securities Code No. 3382
May 2, 2012

To Our Shareholders:

8-8, Nibancho, Chiyoda-ku, Tokyo
Seven & i Holdings Co., Ltd.
Noritoshi Murata, Representative Director and President

CONVOCATION NOTICE OF THE 7TH ANNUAL SHAREHOLDERS' MEETING

You are invited to attend the 7th Annual Shareholders' Meeting of Seven & i Holdings Co., Ltd. (the "Company"), which will be held as indicated below.

Shareholders who do not plan to attend the meeting may exercise their voting rights by one of the following methods. You are kindly requested to examine the Shareholders' Meeting Reference Materials set out below, and exercise your voting right by 5:30 p.m. on May 23, 2012 (Wednesday).

[Exercise of voting rights in writing]

You are kindly requested to indicate your vote for or against the proposed actions on the enclosed Voting Instructions Form, and to return the completed Voting Instructions Form to the Company so that the Company receives the completed Voting Instructions Form by the above deadline.

[Exercise of voting rights by electronic method (via the Internet, etc.)]

After referring to Exercise of Voting Rights by Electronic Method on pages 72 to 73, please exercise your right to vote by electronic method on or before the deadline identified above.

Best regards

Notes

1. Date: 10:00 a.m., May 24, 2012 (Thursday)

2. Place: Head office of the Company (8-8, Nibancho, Chiyoda-ku, Tokyo),
First Floor Conference Room
(Please refer to the map to the Annual Shareholders' Meeting site at the end of this document.)

3. Purposes of this Annual Shareholders' Meeting

Matters to be Reported:

(1) Reporting on the substance of the Business Report, the substance of the consolidated financial statements for the 7th fiscal year (from March 1, 2011 to February 29, 2012), and the results of audits of the consolidated financial statements by the accounting auditor and the Board of Corporate Auditors.

(2) Reporting on the substance of the financial statements for the 7th fiscal year (from March 1, 2011 to February 29, 2012).

Matters to be Resolved:

Item No. 1: Appropriation of retained earnings.

Item No. 2: Election of sixteen (16) directors.

Item No. 3: Election of one (1) corporate auditor.

Item No. 4: Entrusting to the Company's Board of Directors determination of the subscription requirements for the share subscription rights, as stock options for stock-linked compensation issued to the executive officers of the Company, as well as the directors and executive officers of the Company's subsidiaries.

4. Matters to be Determined upon Convocation

(1) Please be advised that if you redundantly exercise your voting right both in writing and by electronic method, the Company will only deem your exercise by electronic method valid. Also, please be advised that if you exercise your voting right multiple times by electronic method, the Company will only deem the substance of your final exercise to be valid.

(2) If neither approval nor disapproval of each proposal is indicated on the Voting Instructions Form, the Company will deem that you indicated your approval of the proposal.

(3) If you wish to make a diverse exercise of your voting rights, please notify the Company in writing of your intention of making a diverse exercise of your voting rights and the reasons thereof by three (3) days prior to the Annual Shareholders' Meeting.

End

When you attend the Annual Shareholders' Meeting, please submit the enclosed Voting Instructions Form at the reception desk.

Any changes in the Shareholders' Meeting Reference Materials, Business Report, Financial Statements, or Consolidated Financial Statements will be posted on the Company's website (http://www.7andi.com/st.html).

Accompanying Documents (Extract)

Business Report (March 1, 2011 to February 29, 2012)

1. Items Regarding Current Status of Corporate Group

(1) Business progress and results

In the 7th consolidated fiscal year, the operating environment in the retail industry was temporarily sluggish following the Great East Japan Earthquake, which occurred on March 11, 2011. However, overall consumer spending subsequently followed a course of gradual recovery. Nonetheless, under the influence of such factors as the appreciation of the yen and the debt crises in Europe, trends in business conditions remained difficult to forecast.

In this setting, the Group took steps to advance its business strategies and to maximize Group synergy effects. In convenience store operations, we worked to expand our store network through aggressive store openings. In addition, we strove to enhance our product lineup, targeting the realization of close by convenient stores. In domestic superstore and department store operations, we focused on the strengthening of our sales capabilities and product development. In addition, we took steps to improve profitability, centered on reducing losses and cutting expenses.

To maximize Group synergy effects, we worked to bolster development and sales capabilities for our *Seven Premium* private-brand products, and as a result sales of these products expanded to ¥420.0 billion in the 7th consolidated fiscal year. In addition, we also began to implement sales-area reform initiatives utilizing the respective strengths of each Group company. These initiatives included increasing the customer-drawing power of large stores by incorporating Group superstores, department stores, specialty stores, and other stores. Furthermore, as a new service in financial services operations, in June 2011 we launched the *Point Hospitality Service*, for credit cards issued by the Group, and in September 2011 we introduced *nanaco Point Club*, which enables members to convert points issued by each Group company into *nanaco* points.

Consequently, our consolidated results in the 7th consolidated fiscal year were as follows.

Revenues from operations were ¥4,786.3 billion (down 6.5% YOY) due in part to a change in the method of accounting for revenues from operations in convenience store operations in North America, which had the effect of reducing revenues from operations by ¥521.1 billion.

Due primarily to higher income in convenience store operations and superstore operations, operating income was ¥292.0 billion (up 20.0% YOY) and ordinary income was ¥293.1 billion (up 20.7% YOY).

The following amounts were recorded as special losses; loss on disaster of ¥25.7 billion due to the Great East Japan Earthquake and ¥22.5 billion due to the effect of the application of accounting standards for asset retirement obligations. However, ordinary income increased, and the total income taxes declined because the amount recorded for deferred tax assets rose due to the application from the following consolidated fiscal year of the consolidated tax payment system, leading to a decline in total income taxes. Consequently, net income was ¥129.8 billion (up 16.0% YOY).

Group sales, which includes the total store sales of Seven-Eleven Japan Co., Ltd., and 7-Eleven, Inc., were ¥8,048.1 billion (up 6.6% YOY).

Overview of business by segment

An overview of business by segment in the 7th consolidated fiscal year is as follows.

(i) Convenience store operations

Revenues from operations in convenience store operations were ¥1,690.9 billion (down 17.0% YOY), due in part to a change by 7-Eleven, Inc., in the method of accounting for revenues from operations, which had the effect of reducing revenues from operations. Operating income was ¥214.6 billion (up 9.8% YOY).

In Japan, Seven-Eleven Japan Co., Ltd., expanded the region where it has stores to include Kagoshima Prefecture in March 2011. In addition, in accordance with its basic strategy for opening stores—the market concentration store-opening strategy—Seven-Eleven Japan Co., Ltd., moved forward with aggressive steps in the area of store development, such as increasing store openings in urban areas. Consequently, the number of store openings reached a record high of 1,201, and the number of domestic stores reached 14,005 stores (up 773 stores YOY) in 39 prefectures at the end of the 7th consolidated fiscal year. In terms of facilities, with the objective of strengthening electricity-saving measures, we advanced the use of light-emitting diodes (LEDs) for in-store lighting and for storefront guide signs. In product development, in order to realize close by convenient stores to respond to changes in society, such as the aging population and the increase in working women, we continued to focus on the development of high-quality fast foods and bolstered lineups of *Seven Premium* products and other food products for which there is strong demand such as prepared meals and vegetables. Moreover, to advance these product initiatives much more effectively, we began to introduce new display cases for chilled products. These cases had been installed in 7,535 stores as of the end of the 7th consolidated fiscal year. In terms of services, we aggressively expanded the provision of administrative services for issuing residence certificates and seal registration certificates. In addition, we enhanced our lineup of tickets, such as for concerts and sports events. In these ways, we worked to further increase convenience. In the 7th consolidated fiscal year, these initiatives contributed to improvement of sales. In addition, sales of cigarettes rose due to a tax increase. Consequently, the rate of growth in sales at existing stores was up significantly year on year. Total store sales in Japan, which comprise corporate and franchised store sales, were ¥3,280.5 billion (up 11.3% YOY).

In North America, as of the end of December 2011, 7-Eleven, Inc., had 7,149 stores (up 539 stores YOY), including 5,437 franchised stores (up 373 stores YOY). In terms of stores, 7-Eleven, Inc., took aggressive steps to expand its store network, such as opening 643 stores, including stores in Florida acquired from Exxon Mobil and other companies. In terms of sales, 7-Eleven, Inc., continued to focus on the development and sales of fast foods and private-brand products. In addition, growth in sales of cigarettes had a positive effect. Consequently, the rate of growth in dollar-based merchandise sales at existing stores in the United States increased year on year. Although the appreciation of the yen had an effect, the total store sales were ¥1,624.0 billion (up 10.4% YOY), due primarily to higher gasoline prices.

In China, SEVEN-ELEVEN (BEIJING) CO., LTD., had 147 stores as of the end of December 2011 (up 47 stores YOY), including 119 stores in Beijing and 28 in Tianjin. In each of these areas, the stores met the needs of local customers and recorded favorable sales. SEVEN-ELEVEN (CHENGDU) CO., LTD., which began to open stores in March 2011, had opened 41 stores by the end of December 2011.

In convenience store operations, the appreciation of the yen had the effect of decreasing revenues from operations by about ¥109.0 billion and operating income by about ¥3.3 billion.

(ii) Superstore operations

Revenues from operations in superstore operations were ¥1,992.2 billion (up 0.5% YOY), and operating income was ¥32.4 billion (up 106.5% YOY).

In domestic superstore operations, Ito-Yokado Co., Ltd., had 173 stores at the end of the 7th consolidated fiscal year (up 3 stores YOY). In apparel, in addition to functional underwear, the *GALLORIA* brand of women's wear and other clothing, we launched *good day*, a casual fashion brand in order to further strengthen development and sales of private-brand products. In food, we provided safe and secure products, and worked to strengthen our lineup of high-quality products. In addition, in order to pursue the value of these products, we implemented promotions utilizing the media. The rate of growth in sales at existing stores in the 7th consolidated fiscal year declined year on year due to a reduction in large-scale sales and other factors, but profitability improved substantially due to a reduction in losses due to markdown and other factors.

In domestic food supermarket operations, York-Benimaru Co., Ltd., had 176 stores as of the end of the 7th consolidated fiscal year (up 6 stores YOY), principally in the Tohoku region, and York Mart Co., Ltd., had 68 stores (up 3 stores YOY) in the Tokyo metropolitan area. York-Benimaru Co., Ltd., suffered tremendous damage due to the Great East Japan Earthquake, but as a result of strenuous restoration work, York-Benimaru Co., Ltd., was able to resume normal operations at an early date. In addition, a new store was opened in May 2011. In these ways, the entire company worked to support the full-scale reconstruction of the region. York-Benimaru Co., Ltd., continued to aggressively sell *Seven Premium* products and worked to further strengthen quality and price in fresh foods with the objective of increasing the frequency of visiting stores of customers. In addition, York-Benimaru Co., Ltd., expanded the lineup of apparel and household goods necessary for reconstruction in the disaster-stricken region. Due to the influence of the disaster, the rate of growth in sales at existing stores was very weak in March 2011, but it recovered from April, and a year-on-year increase was recorded for the 7th consolidated fiscal year.

Akachan Honpo Co., Ltd., which sells baby and maternity products in Japan, had 87 stores at the end of the 7th consolidated fiscal year (up 2 YOY), principally in Ito-Yokado stores.

In China, as of December 31, 2011, we had 8 superstores and 2 food supermarkets in Beijing (up 1 store YOY) and 5 superstores in Chengdu, Sichuan Province (up 1 store YOY). With respect to the super stores in Beijing and Chengdu, the rates of growth in sales at existing stores in the 7th consolidated fiscal year were both higher year on year as a result of our efforts to build sales areas that meet the needs of local customers.

(iii) Department store operations

Revenues from operations in department store operations were ¥900.2 billion (down 1.6% YOY), and operating income was ¥9.9 billion (up 76.9% YOY).

Sogo & Seibu Co., Ltd., worked to maximize the effects of the remodeling of the SEIBU Ikebukuro flagship store and to introduce examples of successful reforms to other stores. In addition, in April 2011 we implemented an aggressive campaign in conjunction with a change in our card system. In these ways, we worked to acquire new customers and to increase convenience for existing card members. On the other hand, with the objective of focusing management resources and increasing asset efficiency, in January 2012 Sogo Hachioji was closed. Sales recovered from April 2011, centered on premium sundries and food, but reduced operating hours due to the earthquake resulted in lower sales in March 2011. Consequently, the rate of growth in sales at existing stores in the 7th consolidated fiscal year was down slightly year on year.

THE LOFT CO., LTD., which operates miscellaneous goods specialty stores, had 73 stores at the end of the 7th consolidated fiscal year (up 10 stores YOY). These stores were principally located in SEIBU and Sogo stores and in *Ario* large-scale shopping centers operated by Ito-Yokado Co., Ltd.

(iv) Food services operations

Revenues from operations in food services operations were ¥78.0 billion (down 2.7% YOY), and operating loss was ¥95 million, an improvement of ¥98 million from the previous year.

Due to the effects of the earthquake, such as reduced operating hours, restaurant sales were especially weak in March 2011. Consequently, in the restaurant division of Seven & i Food Systems Co., Ltd., the rate of growth in sales at existing restaurants in the 7th consolidated fiscal year was down year on year. However, sales in the second half of the fiscal year were higher year on year as a result of our invigoration of existing restaurants by strengthening main items on menu and enhancing customer service. In addition, we took on the challenge of new business formats, such as restaurants specializing in hamburgers and Vietnamese food. Moreover, targeting improved profitability, we took steps to reduce expenses, centered on labor costs and store expenses. Consequently, Seven & i Food Systems Co., Ltd., recorded operating income, compared to an operating loss in the previous fiscal year.

In China, Seven & i Restaurant (Beijing) Co., Ltd., had 3 restaurants as of the end of December 2011 (up 1 restaurant YOY).

(v) Financial services operations

In financial services operations, revenues from operations were ¥129.6 billion (up 21.2% YOY), and operating income was ¥33.7 billion (up 19.2% YOY), due in part to the new consolidation of Seven CS Card Service Co., Ltd.

As of the end of the 7th consolidated fiscal year, the number of installed ATMs of Seven Bank, Ltd., had increased to 16,540 (up 1,184 ATMs YOY). Due primarily to a decline in the number of transactions made by customers of non-bank institutions as the result of a change in the law, the average daily transaction volume per ATM during the 7th consolidated fiscal year was 112.2 transactions (down 0.9 transactions YOY). However, in addition to the increase in the number of installed ATMs, the number of transactions made by customers of deposit-taking financial institutions also increased, and as a result the total number of transactions recorded a steady increase.

In credit card operations, as of the end of the 7th consolidated fiscal year, the number of cardholders for the Seven Card, which is issued by Seven Card Service Co., Ltd., was 3.22 million (up 0.11 million YOY), and the number of cardholders for the CLUB ON Card SAISON / Millennium Card SAISON, which is issued by Seven CS Card Service Co., Ltd., was 3.12 million.

In electronic money operations, Seven Card Service Co., Ltd., worked aggressively to expand the *nanaco* electronic money service inside and outside the Group. As a result, at the end of the 7th consolidated fiscal year, the total number of *nanaco* accounts issued was 16.36 million (up 3.51 million YOY), and the number of stores at which *nanaco* could be used was about 101,800 stores (up about 22,800 stores YOY).

With the objective of encouraging customers to visit other Group stores by standardizing points issued by Group companies, Group companies jointly introduced a new service. In June 2011, we launched the *Point Acceptance Service* for points earned through the use at Group companies of credit cards issued by the Group, and in September 2011 we introduced the *nanaco Point Club*, which enables members to convert points issued by each Group company into *nanaco* points.

(vi) Others

In other operations, as a result of contributions made by Seven & i Asset Management Co., Ltd., revenues from operations were ¥47.4 billion (up 33.3% YOY), and operating results improved by ¥2.9 billion from the previous fiscal year, to operating income of ¥2.3 billion.

In IT operations, we took steps to expand highly convenient services utilizing the Group's infrastructure. As part of these steps, on the *Seven Net Shopping* website, which is an internet shopping website operated by Seven Net Shopping Co., Ltd., we opened *Net Supermarket*, which is operated by Ito-Yokado Co., Ltd., and *e. depart*, which is operated by Sogo & Seibu Co., Ltd.

Sales by segment

Business segment	Sales (Millions of yen)	Percentage of total (%)
Convenience stores	1,071,851	26.7
Superstores	1,953,953	48.7
Department stores	886,413	22.1
Food services	76,549	1.9
Financial services	7,492	0.2
Others	17,355	0.4
Total	4,013,617	100.0

(Notes)

1. Previously, net sales of 7-Eleven, Inc., franchisees were included in the net sales of 7-Eleven, Inc. However, with consideration for accounting treatment consistency in convenience store operations, from the 7th consolidated fiscal year, 7-Eleven, Inc., has changed the accounting treatment for charge and recognized franchise commission from its franchisees as operating revenues.
2. Total store sales of Seven-Eleven Japan Co., Ltd., and 7-Eleven, Inc., were ¥3,280.5 billion and ¥1,624.0 billion, respectively. The amount above for convenience store sales includes only sales from corporate stores. If franchised store sales (total store sales less corporate store sales) are added, total sales would be ¥7,874.5 billion.
3. The amounts of sales in the table above are after the elimination of the value of transactions among consolidated companies.

(2) Capital expenditures and fund raising

Total capital expenditures in the 7th consolidated fiscal year were ¥255.4 billion. The funds required for these expenditures were appropriated from previously issued unsecured bonds and from funds on hand.

Business segment	Capital expenditures (Millions of yen)
Convenience stores	164,973
Superstores	40,284
Department stores	16,068
Food services	831
Financial services	26,783
Others	3,114
Corporate (shared)	3,371
Total	255,426

(Notes)

1. The amounts above include guaranty deposits and advances for store construction.
2. The amount for corporate (shared) is the Company’s capital expenditures.

(3) Trends in assets and profit/loss in the 7th fiscal year and the most recent three fiscal years

(i) Trends in the corporate group's assets and profit/loss

Item	4th fiscal year (March 1, 2008 to February 28, 2009)	5th fiscal year (March 1, 2009 to February 28, 2010)	6th fiscal year (March 1, 2010 to February 28, 2011)	7th fiscal year (March 1, 2011 to February 29, 2012)
Revenues from operations	Millions of yen 5,649,948	Millions of yen 5,111,297	Millions of yen 5,119,739	Millions of yen 4,786,344
Net income	Millions of yen 92,336	Millions of yen 44,875	Millions of yen 111,961	Millions of yen 129,837
Net income per share	Yen 100.54	Yen 49.67	Yen 126.21	Yen 146.96
Total assets	Millions of yen 3,727,060	Millions of yen 3,673,605	Millions of yen 3,732,111	Millions of yen 3,889,358
Net assets	Millions of yen 1,860,672	Millions of yen 1,793,940	Millions of yen 1,776,512	Millions of yen 1,860,954
Net assets per share	Yen 1,975.95	Yen 1,905.97	Yen 1,927.09	Yen 1,998.84

(Note)

Net income per share is calculated on the basis of the average number of shares issued during the fiscal year, excluding the number of treasury stock. Net assets per share is calculated on the basis of the total number of shares issued at the end of the fiscal year (the number of shares excluding the number of treasury stock).

(ii) Trends in assets and profit/loss by segment

Business segment	Item	4th fiscal year (March 1, 2008 to February 28, 2009)	5th fiscal year (March 1, 2009 to February 28, 2010)	6th fiscal year (March 1, 2010 to February 28, 2011)	7th fiscal year (March 1, 2011 to February 29, 2012)
		Millions of yen	Millions of yen	Millions of yen	Millions of yen
Convenience stores	Revenues from operations	2,308,690	1,968,555	2,036,464	1,690,924
	Operating income	213,367	183,837	195,477	214,637
	Total assets	1,267,179	1,104,209	1,112,557	1,077,608
Superstores	Revenues from operations	2,125,029	2,016,558	1,981,604	1,992,298
	Operating income	24,742	14,178	15,708	32,432
	Total assets	1,160,128	1,096,598	1,081,491	1,048,661
Department stores	Revenues from operations	993,877	922,847	915,105	900,222
	Operating income	18,335	1,366	5,622	9,948
	Total assets	704,695	612,326	571,463	541,929
Food services	Revenues from operations	102,711	86,420	80,225	78,026
	Operating income (loss)	(2,948)	(2,741)	(193)	(95)
	Total assets	58,206	24,636	21,105	21,026
Financial services	Revenues from operations	124,866	110,444	106,953	129,601
	Operating income	25,485	30,152	28,343	33,778
	Total assets	1,055,492	1,175,963	1,350,272	1,565,291
Others	Revenues from operations	35,079	33,669	35,610	47,464
	Operating income (loss)	2,069	567	(690)	2,304
	Total assets	21,543	16,770	145,792	153,852

(4) Corporate reorganization measures, etc.

(i) Consolidation of financial services operations by Seven Financial Service Co., Ltd.
In order to strengthen the Group's financial services operations, the following absorption-type merger was implemented as one facet of efforts to consolidate these operations.

- Seven Financial Service Co., Ltd. (formerly SE CAPITAL CORPORATION), merged with SEVEN & i FINANCIAL GROUP CO., LTD., and Seven Cash Works Co., Ltd., through an absorption-type merger effective on March 1, 2011.
- Seven Financial Service Co., Ltd., merged with K.K. York Insurance through an absorption-type merger effective on March 1, 2012.

(ii) Acquisition of shares of Seven CS Card Service Co., Ltd., through Seven Financial Service Co., Ltd.
On April 1, 2011, Seven Financial Service Co., Ltd., acquired 510 shares of Seven CS Card Service Co., Ltd., a subsidiary of Credit Saison Co., Ltd., from Credit Saison Co., Ltd. As a result of this acquisition, the Company's voting rights ownership ratio in Seven CS Card Service Co., Ltd., reached 51%, and Seven CS Card Service Co., Ltd., became a consolidated subsidiary of the Company.

(iii) Acquisition of shares of WFI Group, Inc. through 7-Eleven, Inc.
On June 1, 2011, 7-Eleven, Inc., acquired all of the issued shares of WFI Group, Inc.—the parent company of Wilson Farms, Inc., which is an operator of convenience stores in the state of New York in the United States. As a result of this acquisition, the Company's voting rights ownership ratio in WFI Group, Inc., reached 100%, and WFI Group, Inc., became a consolidated subsidiary of the Company.

(iv) Acquisition of shares of KINSHO STORE Co., LTD.
On September 21, 2011, the Company, Kintetsu Corporation and KINSHO STORE Co., LTD., which is a subsidiary of Kintetsu Corporation, concluded a basic agreement on a capital and business alliance between the Company and KINSHO STORE Co., LTD. Pursuant to this agreement, the Company agreed with KINSHO STORE Co., LTD., to subscribe for ordinary shares of KINSHO STORE Co., LTD., in the manner of allocation of new shares to a third-party. On November 30, 2011, the Company received 5,023,000 ordinary shares of KINSHO STORE Co., LTD. As a result of this acquisition, the Company's voting rights ownership ratio in KINSHO STORE Co., LTD., reached 30.0%, and KINSHO STORE Co., LTD., became an equity-method affiliate of the Company.

(5) Status of major subsidiaries (as of February 29, 2012)

(i) Status of major subsidiaries

Business segment	Company name	Paid-in capital	Capital contribution ratio (%)
Convenience stores	Seven-Eleven Japan Co., Ltd.	¥17,200 million	100.0
	7-Eleven, Inc. (U.S.)	US$13 thousand	100.0
Superstores	Ito-Yokado Co., Ltd.	¥40,000 million	100.0
	York-Benimaru Co., Ltd.	¥9,927 million	100.0
Department stores	Sogo & Seibu Co., Ltd.	¥10,000 million	100.0
Food services	Seven & i Food Systems Co., Ltd.	¥3,000 million	100.0
Financial services	Seven Bank, Ltd.	¥30,505 million	45.8

(Note)
The capital contribution ratio in 7-Eleven, Inc., and Seven Bank, Ltd., is indirect holdings.

(ii) Status of other major business combinations

None.

(iii) Consolidated subsidiaries and equity-method affiliates

The Company has 87 consolidated subsidiaries and 19 equity-method affiliates.

(6) Issues to be resolved

With respect to the outlook for the 8th consolidated fiscal year, although consumer spending and conditions in the labor market are in the course of gradual improvement, it is expected that a full-scale economic recovery will remain difficult to predict due to the continuing appreciation of the yen, the debt problems in Europe, and other factors.

In this setting, the Group will take on the challenge of creating new value that reflects changes in the economic environment and social structure, and work to increase profit of the Group as a whole by combining the Group's strengths and leveraging synergy effects. In financial services, such as ATM and card operations, and in IT services, such as Internet shopping, the Group will focus on building systems that can leverage synergy effects with existing operations as shared Group infrastructure.

In domestic convenience store operations, Seven-Eleven Japan Co., Ltd., will approach a variety of changes in the social structure as growth opportunities. These changes include the aging population, an increase in single-person households, a decline in the number of small and medium-sized retail stores, and an increase in working women. In order to play the roles to be expected as a convenience store, Seven-Eleven Japan Co., Ltd., will move ahead with further initiatives targeting the realization of close by convenient stores. In terms of stores, we will step up store openings in favorable locations. In addition, in the first half of 2012, we will begin to open stores in Akita Prefecture as one facet of expansion into new regions. In these ways, we will open a record high 1,350 stores. In addition, we will work to further increase the quality of fast food products, and will continue to introduce chilled cases for chilled products. In these ways, we will strive to expand our lineup of products that are necessary for everyday meals.

In overseas convenience store operations, 7-Eleven, Inc., in North America, will continue to focus on advancing new store openings, including store acquisitions, and on converting existing stores to franchised stores. At the same time, 7-Eleven, Inc., will take steps to activate existing stores, such as area-by-area introduction of new equipment in a focused way in order to increase sales of fast food products. Moreover, in China the Group will strengthen store operations for existing stores and expand its store network through aggressive store openings.

In superstore operations, Ito-Yokado Co., Ltd., will focus on sales area reforms utilizing specialty stores from inside and outside the Group as one facet of store structure reforms. In addition, by strengthening development and sales of private-brand products and by reducing losses due to markdown, Ito-Yokado Co., Ltd., will work to further improve its revenue generating base. York-Benimaru Co., Ltd., will continue to strengthen its lineup of products that meet regional needs in order to support the full-scale reconstruction of the disaster-stricken region. In addition, York-Benimaru Co., Ltd., will aggressively open new stores.

In department store operations, Sogo & Seibu Co., Ltd., will introduce examples of successful store remodeling in the SEIBU Ikebukuro flagship store to other stores.

In terms of products, to enhance the appeal of stores we will continue to take on the challenge of establishing a system of self-directed merchandising activities. In addition, we will establish a system that will enable quick procurement of best-selling products through the introduction of a new product information system and the implementation of original attribute analysis of sales data.

At this point, the Company has not finalized its basic policy on persons who control the Company's decisions on financial matters and business policies (Article 118, Paragraph 3 of the Ordinance for Enforcement of the Companies Act). However, we aim to maximize the enterprise value of the Company and the Group through such means as further improving performance and bolstering corporate governance, and we believe that appropriate measures are needed for dealing with large-scale acquisitions of the Company's shares that could damage the enterprise value of the Company and the Group. We will continue to carefully consider our basic policy on this issue with consideration for developments in legal systems, court decisions, and social trends.

We would like to ask for the further support of our shareholders in the years ahead.

(7) Scope of principal businesses (as of February 29, 2012)

The Group is centered on the retail industry and comprises 108 companies (including the Company itself), with the Company as a pure holding company. The Group's principal business activities are convenience store operations, superstore operations, department store operations, food services operations, and financial services operations.

Business segments, names of major Group companies, and numbers of companies are as follows. This segmentation is the same as that used in the segment information section.

Business segments	Names of major Group companies
Convenience Stores (43 companies)	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*1 White Hen Pantry, Inc. Pantry Select, Inc. TOWER BAKERY CO., LTD.*2
Superstores (22 companies)	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 Hokkaido Co., Ltd.*3 Seven Farm Tomisato Co., Ltd.*2 Seven Farm Fukaya Co., Ltd.*2
Department Stores (13 companies)	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*2 K.K. K.S. Building*2 CHIBA SENCITY CORPORATION*2 K.K. Kashiwa Ekimae Building Kaihatsu*2 K.K. Omiya Sky Plaza*2

Business segments	Names of major Group companies
Food Services (2 companies)	Seven & i Food Systems Co., Ltd. Seven & i Restaurant (Beijing) Co., Ltd.
Financial Services (6 companies)	Seven Bank, Ltd. Seven Financial Service Co., Ltd.*4 Seven Card Service Co., Ltd. Seven CS Card Service Co., Ltd.*5 K.K. York Insurance SEVEN & i Financial Center Co., Ltd.
Others (21 companies)	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.*2 I ing Co., Ltd.*2 PIA CORPORATION*2 Tower Records Japan Inc.*2 Link Station Co., Ltd.*2

(Notes)

*1. WHP Holdings Corporation is the holding company of White Hen Pantry, Inc., and Pantry Select, Inc.

*2. 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.

*3. On January 27, 2012, Seven Farm Hokkaido Co., Ltd., was established as a consolidated subsidiary of the Company.

*4. On March 1, 2011, SE CAPITAL CORPORATION, SEVEN & i FINANCIAL GROUP CO., LTD., and Seven Cash Works Co., Ltd., merged. SE CAPITAL CORPORATION, which was the surviving company, changed its name to Seven Financial Service Co., Ltd.

*5. On April 1, 2011, Seven CS Card Service Co., Ltd., became a consolidated subsidiary of the Company by stock acquisition.

(8) Principal business locations (as of February 29, 2012)

(i) The Company

- Head office: 8-8, Nibancho, Chiyoda-ku, Tokyo

(ii) Principal subsidiaries

(Convenience stores)

Seven-Eleven Japan Co., Ltd.

- Head office: 8-8, Nibancho, Chiyoda-ku, Tokyo
- Corporate stores: 398 stores

7-Eleven, Inc.

- Head office: Texas, U.S.A.
- Corporate stores: 1,712 stores

(Note)
The number of corporate stores for 7-Eleven, Inc., is the number of stores as of the end of December 2011.

(Superstores)

Ito-Yokado Co., Ltd.

- Head office: 8-8, Nibancho, Chiyoda-ku, Tokyo
- Corporate stores: 173 stores

York-Benimaru Co., Ltd.

- Head office: 18-2, 2-chome, Asahi, Koriyama, Fukushima
- Corporate stores: 176 stores

(Department stores)

Sogo & Seibu Co., Ltd.

- Head office: 5-25, Nibancho, Chiyoda-ku, Tokyo
- Corporate stores: 26 stores

(Food services)

Seven & i Food Systems Co., Ltd.

- Head office: 8-8, Nibancho, Chiyoda-ku, Tokyo
- Sumida office: 25-12, 1-chome, Yahiro, Sumida-ku, Tokyo
- Corporate stores: 858 stores

(Financial services)

Seven Bank, Ltd.

- Head office: 6-1, 1-chome, Marunouchi, Chiyoda-ku, Tokyo

(9) Status of employees (as of February 29, 2012)

(i) Status of employees of the corporate group

Business segment	Number of employees	Change from the previous fiscal year-end
Convenience stores	21,327 employees	1,090 employees (increase)
Superstores	19,515 employees	28 employees (decrease)
Department stores	7,467 employees	363 employees (decrease)
Food services	1,361employees	63 employees (decrease)
Financial services	1,034 employees	493 employees (increase)
Others	774 employees	30 employees (decrease)
Corporate (shared)	410 employees	24 employees (increase)
Total	51,888 employees	1,123 employees (increase)

(Notes)

1. The number of employees is the number of workers (excluding people dispatched from the Group to outside the Group, but including people dispatched from outside the Group to the Group).
2. In addition to the number of employees listed above, the Company and its Group companies employ 82,801 part-time employees (monthly average number of employees following conversion to standard 8-hour workdays).
3. The number of employees for corporate (shared) is the number of employees of the Company.
4. The increase in the number of employees in financial services was principally due to the new consolidation from the 7th consolidated fiscal year of Seven CS Card Service Co., Ltd.

(ii) Status of employees of the Company

	Number of employees	Change from the previous fiscal year-end	Average age	Average number of years of continuous service
Males	290 employees	18 employees (increase)	46 years 1 month	20 years 1 month
Females	120 employees	6 employees (increase)	37 years 11 months	15 years 1 month
Total or average	410 employees	24 employees (increase)	43 years 8 months	18 years 7 months

(Notes)

1. Most of the Company's employees have been transferred from Group companies. The average number of years of continuous service is the total of the number of years of continuous service at each company.
2. In addition to the number of employees listed above, the Company employs 20 part-time workers (monthly average number of employees following conversion to standard 8-hour workdays).

(10) Status of major lenders (as of February 29, 2012)

Lender	Amount borrowed (Millions of yen)
Sumitomo Mitsui Banking Corporation	104,374
Mizuho Corporate Bank, Ltd.	72,225
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	65,126

(11) Other important items regarding the current state of the corporate group

None.

2. Items Regarding Shares (as of February 29, 2012)

(1) Number of shares authorized to be issued: 4,500,000,000 shares

(2) Number of shares issued: 886,441,983 shares

(Note)
The number of shares issued includes 2,913,379 treasury stock.

(3) Number of shareholders: 93,467

(4) Major shareholders (Top 10)

Name of shareholders	Number of shares (Thousand shares)	Percentage of shares held (%)
Ito-Kogyo Co., Ltd.	68,901	7.8
Japan Trustee Services Bank, Ltd. (Trust account)	41,623	4.7
The Master Trust Bank of Japan, Ltd. (Trust account)	34,887	3.9
Nippon Life Insurance Company	20,664	2.3
SSBT OD05 OMNIBUS ACCOUNT-TREATY CLIENTS	18,280	2.1
Masatoshi Ito	16,801	1.9
MITSUI & CO., LTD.	16,222	1.8
State Street Bank and Trust Company 505225	14,866	1.7
The Dai-ichi Life Insurance Company, Limited	13,777	1.6
Mellon Bank, N.A. as Agent for its Client Mellon Omnibus US Pension	13,123	1.5

(Note)
Percentage of shares held is calculated using the total number of shares, excluding treasury stock.

3. Items Regarding Share Subscription Rights

(1) Overview, etc., of the share subscription rights held by directors or corporate auditors of the Company as compensation for the performance of their duties (as of February 29, 2012)

Name of share subscription rights issue		1st share subscription rights issue	2nd share subscription rights issue
Date of resolution for issue		July 8, 2008	July 8, 2008
Number of share subscription rights		159*1	958*2
Class and number of shares to be acquired upon exercise of the share subscription rights		15,900*1 ordinary shares of the Company (with one share subscription right corresponding to 100 shares)	95,800*2 ordinary shares of the Company (with one share subscription right corresponding to 100 shares)
Amount to be paid for the share subscription rights		¥307,000 per subscription right	No payment is required in exchange for the share subscription rights
Amount of property contributed upon exercise of the share subscription rights		¥100 per subscription right (¥1 per share)	¥100 per subscription right (¥1 per share)
Exercise period		From May 1, 2009 to August 6, 2028	From August 7, 2009 to August 6, 2038
Exercise conditions		*3	*3
Directors' or corporate auditors' ownership status	Directors (excluding outside directors)	Number of share subscription rights: 129 Class and number of corresponding shares: 12,900 ordinary shares Number of directors holding the share subscription rights: 3	Number of share subscription rights: 229 Class and number of corresponding shares: 22,900 ordinary shares Number of directors holding the share subscription rights: 8

Name of share subscription rights issue		3rd share subscription rights issue	4th share subscription rights issue
Date of resolution for issue		May 28, 2009	May 28, 2009
Number of share subscription rights		240*1	1,297*2
Class and number of shares to be acquired upon exercise of the share subscription rights		24,000*1 ordinary shares of the Company (with one share subscription right corresponding to 100 shares)	129,700*2 ordinary shares of the Company (with one share subscription right corresponding to 100 shares)
Amount to be paid for the share subscription rights		¥204,500 per subscription right	No payment is required in exchange for the share subscription rights
Amount of property contributed upon exercise of the share subscription rights		¥100 per subscription right (¥1 per share)	¥100 per subscription right (¥1 per share)
Exercise period		From February 28, 2010 to June 15, 2029	From February 28, 2010 to June 15, 2039
Exercise conditions		*4	*4
Directors' or corporate auditors' ownership status	Directors (excluding outside directors)	Number of share subscription rights: 198 Class and number of corresponding shares: 19,800 ordinary shares Number of directors holding the share subscription rights: 5	Number of share subscription rights: 314 Class and number of corresponding shares: 31,400 ordinary shares Number of directors holding the share subscription rights: 7

Name of share subscription rights issue		5th share subscription rights issue	6th share subscription rights issue
Date of resolution for issue		May 27, 2010	June 15, 2010
Number of share subscription rights		211*[1]	1,144*[2]
Class and number of shares to be acquired upon exercise of the share subscription rights		21,100*[1] ordinary shares of the Company (with one share subscription right corresponding to 100 shares)	114,400*[2] ordinary shares of the Company (with one share subscription right corresponding to 100 shares)
Amount to be paid for the share subscription rights		¥185,000 per subscription right	No payment is required in exchange for the share subscription rights
Amount of property contributed upon exercise of the share subscription rights		¥100 per subscription right (¥1 per share)	¥100 per subscription right (¥1 per share)
Exercise period		From February 28, 2011 to June 16, 2030	From February 28, 2011 to July 2, 2040
Exercise conditions		*[4]	*[4]
Directors' or corporate auditors' ownership status	Directors (excluding outside directors)	Number of share subscription rights: 175 Class and number of corresponding shares: 17,500 ordinary shares Number of directors holding the share subscription rights: 5	Number of share subscription rights: 177 Class and number of corresponding shares: 17,700 ordinary shares Number of directors holding the share subscription rights: 6

Name of share subscription rights issue		7th share subscription rights issue	8th share subscription rights issue
Date of resolution for issue		May 26, 2011	May 26, 2011
Number of share subscription rights		259*[1]	1,280*[2]
Class and number of shares to be acquired upon exercise of the share subscription rights		25,900*[1] ordinary shares of the Company (with one share subscription right corresponding to 100 shares)	128,000*[2] ordinary shares of the Company (with one share subscription right corresponding to 100 shares)
Amount to be paid for the share subscription rights		¥188,900 per subscription right	No payment is required in exchange for the share subscription rights
Amount of property contributed upon exercise of the share subscription rights		¥100 per subscription right (¥1 per share)	¥100 per subscription right (¥1 per share)
Exercise period		From February 29, 2012 to June 15, 2031	From February 29, 2012 to June 15, 2041
Exercise conditions		*[4]	*[4]
Directors' or corporate auditors' ownership status	Directors (excluding outside directors)	Number of share subscription rights: 259 Class and number of corresponding shares: 25,900 ordinary shares Number of directors holding the share subscription rights: 6	Number of share subscription rights: 241 Class and number of corresponding shares: 24,100 ordinary shares Number of directors holding the share subscription rights: 6

(Notes)

*1. The total number of share subscription rights at the time of granting them to directors of the Company is shown.

*2. The total number of share subscription rights at the time of granting them to executive officers of the Company and directors and executive officers of the Company's subsidiaries is shown.

*3. Exercise conditions are as follows:

(i) A share subscription right holder may exercise the share subscription rights only within ten (10) days from the day following the day he/she loses his/her position as a director or executive officer of the Company, or as a director or executive officer of a subsidiary of the Company.

(ii) If a share subscription right holder passes away, his/her heir may exercise such right. The conditions for exercising the share subscription right by the heir shall be as set forth in the agreement referred to in (iii) below.

(iii) Other conditions shall be as set forth in the "Agreement for First Allotment of Share Subscription Rights" entered into between the Company and the share subscription right holders based on a resolution of the Board of Directors.

*4. Exercise conditions are as follows:

(i) A share subscription right holder may exercise the share subscription rights only within ten (10) days from the day following the day he/she loses his/her position as a director or executive officer of the Company, or as a director or executive officer of a subsidiary of the Company.

(ii) Regardless of the condition set forth in (i) above, in the event that a general meeting of shareholders (if a resolution of the general meeting of shareholders is not required, then in the event that the Board of Directors) approves a resolution for approval of a merger agreement in which the Company is the dissolved company or a resolution for approval of a share exchange agreement or a share transfer plan resulting in the Company becoming a wholly owned subsidiary of another company, then the share subscription right holder may exercise the share subscription rights only within thirty (30) days from the day following the day on which the resolution was approved.

(iii) If the share subscription right holder is a director or executive officer of a subsidiary of the Company, then regardless of the condition set forth in (i) above, in the event that the company in question ceases to be a subsidiary of the Company (including but not limited to circumstances resulted from internal reorganization or the transfer of stock), then the share subscription right holder may exercise the share subscription rights only within thirty (30) days from the day following the day on which the company in question ceases to be a subsidiary of the Company.

(iv) The share subscription right holder is to exercise at one time all of the share subscription rights allotted.

(v) If a share subscription right holder passes away, his/her heir may exercise such right. The conditions for exercising the share subscription right by the heir shall be as set forth in the agreement referred to in (vi) below.

(vi) Other conditions shall be as set forth in the "Agreement for First Allotment of Share Subscription Rights" entered into between the Company and the share subscription right holders based on a resolution of the Board of Directors.

(2) Overview, etc., of the share subscription rights granted to employees, etc., during the 7th consolidated fiscal year as compensation for the performance of their duties

Name of share subscription rights issue		8th share subscription rights issue
Status of grants to employees, etc.	Employees of the Company (excluding those concurrently serving as directors or corporate auditors of the Company)	Number of share subscription rights: 139 Class and number of corresponding shares: 13,900 ordinary shares Number of recipients: 13
	Directors, corporate auditors, and employees of subsidiaries of the Company (excluding those concurrently serving as directors, corporate auditors, or employees of the Company)	Number of share subscription rights: 900 Class and number of corresponding shares: 90,000 ordinary shares Number of recipients: 102

(Note)

The overview of the details of the 8th share subscription rights issue is as shown in the above "8th share subscription rights issue" in "(1) Overview, etc., of the share subscription rights held by directors or corporate auditors of the Company as compensation for the performance of their duties (as of February 29, 2012)."

4. Items Regarding the Company's Directors and Corporate Auditors

(1) Directors and corporate auditors (as of February 29, 2012)

Position in the Company	Name	Area of responsibility in the Company and important concurrent positions
Representative Director and Chairman	Toshifumi Suzuki	Chief Executive Officer (CEO) of the Company Representative Director and Chairman and Chief Executive Officer (CEO) of Seven-Eleven Japan Co., Ltd. Representative Director and Chairman and Chief Executive Officer (CEO) of Ito-Yokado Co., Ltd. Representative Director and Chairman of 7-Eleven, Inc. Representative Director and Chairman of SEVEN-ELEVEN (HAWAII), INC.
Representative Director and President	Noritoshi Murata	Chief Operating Officer (COO) of the Company
Director	Katsuhiro Goto	Chief Administrative Officer (CAO) of the Company Senior Officer of the System Planning Department of the Company Representative Director and President of Seven & i Netmedia Co., Ltd. Director of Ito-Yokado Co., Ltd. Director of Sogo & Seibu Co., Ltd.
Director	Tsuyoshi Kobayashi	Senior Officer of the Corporate Planning Department of the Company Senior Officer of the Overseas Planning Department of the Company
Director	Junro Ito	Senior Officer of the CSR Management Department of the Company
Director	Kunio Takahashi	Chief Financial Officer (CFO) of the Company Senior Officer of the Finance Planning Department of the Company Representative Director and President of Seven & i Asset Management Co., Ltd. Representative Director and President of SEVEN & i Financial Center Co., Ltd.
Director	Atsushi Kamei	Representative Director and President and Chief Operating Officer (COO) of Ito-Yokado Co., Ltd. Director of Sogo & Seibu Co., Ltd.
Director	Ryuichi Isaka	Representative Director and President and Chief Operating Officer (COO) of Seven-Eleven Japan Co., Ltd. Director of 7-Eleven, Inc.
Director	Kunio Yamashita	Representative Director and President of Sogo & Seibu Co., Ltd.
Director	Takashi Anzai	Representative Director and Chairman of Seven Bank, Ltd.
Director	Zenko Ohtaka	Representative Director and President and Chief Operating Officer (COO) of York-Benimaru Co., Ltd.
Director	Tsuneo Okubo	Representative Director and President of Seven & i Food Systems Co., Ltd.
Director	Noritaka Shimizu	
Director	Scott Trevor Davis	Professor of the Department of Global Business, College of Business, Rikkyo University
Director	Ikujiro Nonaka	Xerox Distinguished Professor in Knowledge, Haas School of Business, University of California, Berkeley Emeritus Professor of Hitotsubashi University Emeritus Scholar of The Drucker School, Claremont Graduate University

Position in the Company	Name	Area of responsibility in the Company and important concurrent positions
Standing Corporate Auditor	Ikuo Kanda	Corporate Auditor of Ito-Yokado Co., Ltd. Corporate Auditor of York-Benimaru Co., Ltd. Corporate Auditor of York Mart Co., Ltd.
Standing Corporate Auditor	Hisashi Seki	Corporate Auditor of Seven-Eleven Japan Co., Ltd.
Corporate Auditor	Yoko Suzuki	Attorney at Law
Corporate Auditor	Megumi Suto	Dean of the Waseda Graduate School of Finance, Accounting and Law Director of the Waseda Center for Finance Research
Corporate Auditor	Tsuguoki Fujinuma	Certified Public Accountant

(Notes)

1. Directors Noritaka Shimizu, Scott Trevor Davis, and Ikujiro Nonaka are outside directors as per Article 2, Item 15 of the Companies Act.
2. Corporate auditors Yoko Suzuki, Megumi Suto, and Tsuguoki Fujinuma are outside corporate auditors as per Article 2, Item 16 of the Companies Act.
3. Standing corporate auditor Ikuo Kanda and corporate auditors Megumi Suto and Tsuguoki Fujinuma have the following expertise with regard to finance and accounting.

・Ikuo Kanda was engaged in operations related to accounting and the settlement of accounts for more than ten (10) years in the Operational and Administrative Department of Ito-Yokado Co., Ltd.

・Megumi Suto has served on the FSA’s Financial System Council, and on the MOF’s Council on Customs, Tariff, Foreign Exchange and Other Transactions.

・Tsuguoki Fujinuma is a certified public accountant.

4. All outside directors and outside corporate auditors are independent directors or auditors in accordance with the rules of the Tokyo Stock Exchange.
5. Executive officers of the Company as of February 29, 2012 were as follows:

Position	Name
Chief Executive Officer (CEO)	Toshifumi Suzuki
Chief Operating Officer (COO)	Noritoshi Murata
Managing Executive Officer Chief Administrative Officer (CAO)	Katsuhiro Goto
Executive Officer	Tsuyoshi Kobayashi
Executive Officer	Junro Ito
Executive Officer Chief Financial Officer (CFO)	Kunio Takahashi
Executive Officer	Masao Eguchi
Executive Officer	Yoshihiro Tanaka
Executive Officer	Yasuo Takaha
Executive Officer	Kazuo Otsuka
Executive Officer	Akihiko Shimizu
Executive Officer	Masayuki Sato
Executive Officer	Akira Miyakawa
Executive Officer	Kazuyo Sohda
Executive Officer	Seiichiro Sato
Executive Officer	Shinobu Matsumoto
Executive Officer	Hisataka Noguchi
Executive Officer	Kimiyoshi Yamaguchi

(2) Compensation, etc., of directors and corporate auditors

(i) Aggregate amount of compensation, etc., regarding the 7th fiscal year

Classification of directors/corporate auditors	Number of eligible directors/corporate auditors	Total amount of compensation (Millions of yen)	Total amount of compensation, etc., by type (Millions of yen)		
			Fixed compensation	Results-linked compensation	
				Bonus	Stock options for stock-linked compensation
Directors (excluding outside directors)	14	236	145	41	48
Outside directors	3	31	31	—	—
Corporate auditors (excluding outside corporate auditors)	2	40	40	—	—
Outside corporate auditors	3	28	28	—	—

(Notes)

1. Included above are two (2) directors who retired upon the conclusion of the 6th Annual Shareholders' Meeting, held on May 26, 2011.
2. The aggregate amounts of compensation, etc., of directors shown above do not include amounts paid as salaries for employees to directors who serve concurrently as employees.
3. It was resolved at the 1st Annual Shareholders' Meeting, held on May 25, 2006, that the annual amount of compensation paid to directors shall not exceed ¥1,000 million (not including amounts paid as salaries for employees) and that the annual amount of compensation paid to corporate auditors shall not exceed ¥100 million.
4. Stock options for stock-linked compensation were issued to six (6) directors (excluding outside directors).

(ii) Aggregate amount of compensation, etc., of outside directors and outside corporate auditors from subsidiaries

During the 7th fiscal year, the aggregate amount of compensation, etc. paid to outside directors and outside corporate auditors for their services as executives from subsidiaries of the Company at which they hold concurrent executive positions is less than ¥1 million.

(3) Items related to outside directors and outside corporate auditors

(i) Relationship between the Company and other companies at which outside directors and outside corporate auditors hold important concurrent positions

There is no special relationship between the Company and other companies at which outside directors and outside corporate auditors hold important concurrent positions.

(ii) Main activities during the 7th fiscal year

・Attendance and remarks at meetings of the Board of Directors and Board of Corporate Auditors

(Outside directors)

The Company's Board of Directors held thirteen (13) meetings during the 7th fiscal year. Mr. Noritaka Shimizu attended thirteen (13) of those meetings, Mr. Scott Trevor Davis attended twelve (12), and Mr. Ikujiro Nonaka attended twelve (12). The three (3) outside directors gave advice and made proposals to ensure the suitability and appropriateness of the Board's decision-making, primarily by expressing their opinions—mainly from the perspective of management and administration by Mr. Noritaka Shimizu, management and administration and corporate social responsibility (CSR) by Mr. Scott Trevor Davis, and organizational and management theory by Mr. Ikujiro Nonaka.

(Outside corporate auditors)

The Company's Board of Directors held thirteen (13) meetings during the 7th fiscal year. Ms. Yoko Suzuki attended thirteen (13) of those meetings, Ms. Megumi Suto attended twelve (12), and Mr. Tsuguoki Fujinuma attended thirteen (13). Also, the Company's Board of Corporate Auditors held sixteen (16) meetings during the 7th fiscal year. Ms. Yoko Suzuki attended sixteen (16) of those meetings, Ms. Megumi Suto attended fifteen (15), and Mr. Tsuguoki Fujinuma attended sixteen (16). These outside corporate auditors asked questions and expressed their opinions as they deemed appropriate—mainly from a legal perspective by Ms. Yoko Suzuki, from the perspective of corporate governance by Ms. Megumi Suto, and from a specialized finance and accounting perspective by Mr. Tsuguoki Fujinuma.

・Exchanges of opinions with directors, etc.

The outside directors and outside corporate auditors, in addition to meetings of the Board of Directors, met regularly and as necessary with representative directors and directors, etc., and exchanged frank opinions regarding the Company's management, corporate governance, etc. The outside corporate auditors also visited the places of business, etc., of major subsidiaries and exchanged opinions with the directors and corporate auditors, etc., of operating companies.

Through these activities, outside directors supervised operational execution, and outside corporate auditors performed audits of operational execution and accounting practices.

(iii) Summary of the liability limitation agreement

The Company has concluded an agreement with each of the outside directors and outside corporate auditors as per Article 427, Paragraph 1 of the Companies Act, limiting their liability for compensation for damage under Article 423, Paragraph 1 of the Companies Act.

These agreements limit the amount of their liability for compensation for damage to the minimum legally stipulated amounts.

5. Items Related to the Accounting Auditor

(1) Name: KPMG AZSA LLC

(2) Amount of compensation, etc.

	Amount paid (Millions of yen)
Amount of compensation, etc., for services as accounting auditor for the 7th fiscal year	632
Total amount of monies and other financial benefits to be paid to the accounting auditor by the Company and its subsidiaries	645

(Note)

Under the audit contract concluded between the Company and the accounting auditor, the amounts of compensation, etc. for audits as per the Companies Act and the amounts of compensation, etc. for audits as per the Financial Instruments and Exchange Act are not clearly separated, and those amounts cannot practically be separated; therefore, the aggregate of those amounts is shown as the amount of compensation, etc. for the 7th fiscal year.

(3) Non-audit operations

None.

(4) Policy for determining the dismissal or non-reappointment of the accounting auditor

In the event any of the reasons stipulated in the items in Article 340, Paragraph 1 of the Companies Act becomes applicable to the accounting auditor, the Company's Board of Corporate Auditors will consider the dismissal of that accounting auditor, and if dismissal is deemed appropriate, the accounting auditor will be dismissed based on the unanimous agreement of the corporate auditors. In the event the Company's Board of Directors determines that circumstances related to the accounting auditor's performance of its duties and the Company's audit system necessitate a change in the accounting auditor, the Company's Board of Directors will, with the consent of the Board of Corporate Auditors, propose a resolution for the non-reappointment of the accounting auditor to a shareholders' meeting.

(5) Summary of the liability limitation agreement

None.

6. Systems for Ensuring Appropriate Operations

The Board of Directors has approved the following regarding "the development of systems for ensuring that the execution of duties by the directors complies with laws, regulations, and the Articles of Incorporation and other systems required by the Ministry of Justice Ordinance for ensuring the compliance of operations performed by a corporation," as stipulated by the Companies Act.

(1) Systems for ensuring that the execution of duties by directors and employees is compliant with laws, regulations, and the Articles of Incorporation

(i) The Company and its Group companies shall comply with the *Corporate Creed* and the *Corporate Action Guidelines*, etc. In order to continue to be trusted and known for integrity, the Company and its Group companies shall implement ethical corporate activities; strictly observe laws, regulations, and social norms; and announce their fulfillment of corporate social responsibilities. On that basis, the Company shall establish, maintain, and utilize compliance systems, centered on the Compliance Committee; operate help lines; promote fair trade; and reevaluate the *Corporate Action Guidelines* and the guidelines of each company. In these ways, compliance shall be further enhanced.

(ii) The Company and its Group companies will announce their commitment to not having any contact with antisocial groups and will clearly refuse unreasonable requests. Through cooperation with outside specialists, such as the police and lawyers, we will rapidly implement legal countermeasures, both civil and criminal.

(iii) The Auditing Office, which is independent from operating divisions, will internally audit and confirm the status of the maintenance and operation of the compliance systems of all Group companies.

(iv) Corporate auditors will ensure that the execution of duties by directors is compliant with laws, regulations, and the Articles of Incorporation and work to raise the effectiveness of the supervisory function.

(2) Systems for the storage and control of information related to the execution of duties by directors

(i) In accordance with laws, regulations, and the Information Control Regulations, the Company and its Group companies shall properly produce, store, and manage documents for which production and storage are legally required, such as minutes of shareholders' meetings, minutes of Board of Directors' meetings (including electromagnetic records; hereafter the same), circular decision-making documents (*ringisho*), and other documents and information necessary to secure appropriate operational execution.

(ii) Departments in charge of disclosure will rapidly and comprehensively collect important information related to the Company and its Group companies and conduct accurate, timely disclosure.

(iii) To ensure the appropriate production, storage, management, and timely, accurate disclosure of important administrative documents, and to also conduct integrated information management, with consideration for the safe management of such important information as trade secrets and personal information, the Company and its Group companies shall establish, maintain, and operate information management systems, centered on the Information Management Committee; inspect the status of the maintenance and utilization of information management systems; and continue initiatives targeting further improvements. In addition, reports on such matters as the status of information management shall be made periodically to the Board of Directors and the corporate auditors.

(3) Regulations and systems for loss risk management

(i) In accordance with risk management regulations, the Company and its Group companies shall establish, maintain, and utilize comprehensive risk management systems, centered on the Risk Management Committee, in order to accurately analyze, evaluate, and investigate risks associated with each business activity, with consideration for changes in the management environment and risk factors.

(ii) In regard to risk management, a system for periodic reporting to the Board of Directors and corporate auditors shall be established, maintained, and utilized. The Board of Directors, directors, and executive officers shall conduct sufficient examination, analysis, investigation of risks associated with operational execution, and improvement measures shall be implemented rapidly.

(iii) To minimize damage to the Company and all Group companies when risk events occur, the Crisis Management Headquarters shall be established, and measures to facilitate the continuation of operations shall be implemented immediately.

(4) Systems for ensuring the efficiency of the execution of duties by directors

(i) The details of the decision-making authority of the directors and executive officers and the divisions with responsibility for each administrative area shall be clearly and appropriately defined in the regulations of decision-making authority, etc. In this way, the Company and its Group companies shall avoid administrative duplication and conduct flexible decision-making and administrative execution.

(ii) To secure the sustained growth of the Company, the Board of Directors shall make decisions on such matters as important management objectives and budget allocations for the Company and its Group companies. Through such means as periodic reports from directors and executive officers, the efficiency and soundness of administrative execution shall be investigated and appropriate reevaluations shall be conducted.

(iii) The Board of Directors, as a general rule, shall meet once each month. In addition, when necessary, extraordinary meetings of the Board of Directors shall be held or resolutions of the Board of Directors shall be executed through documents. Rapid decision-making will be implemented and efficient administrative execution will be promoted.

(5) Systems for ensuring the appropriateness of financial reporting

(i) In order to ensure the Company and its Group companies are able to provide shareholders, investors, creditors, and other stakeholders with highly reliable, timely financial reports in compliance with laws and regulations, the Company and its Group companies shall build, develop, and appropriately operate internal control systems that ensure appropriate accounting procedures and financial reporting, in accordance with the relevant rules, such as rules on establishing internal controls for financial reporting.

(ii) The Company's internal auditing division, which is independent from operating divisions, shall check and assess the effectiveness of the development and operational status of internal controls for the financial reporting of the Company and its Group companies.

(iii) Directors, corporate auditors, and the accounting auditor shall appropriately exchange information about matters recognized as highly likely to have a significant effect on financial standing.

(6) Systems for ensuring the appropriateness of the operations performed by the corporate group comprised of the Company, its parent companies, and subsidiaries

(i) In regard to each of the items (1) to (5) above, the Company shall establish, develop, and operate management systems for the Group as a whole; notify all Group companies of the general policy regarding these systems; and require concrete policy formulations. In addition, the Company shall provide support and guidance for the internal control activities of all Group companies as necessary.

(ii) All Group companies shall maintain close contact with each business segment and will share information with the Company's departments.

(iii) The Auditing Office will audit all Group companies.

(7) Matters related to the provision of support staff for corporate auditors when so requested

The Company shall provide support staff for corporate auditors when so requested.

(8) Matters related to the independence from directors of the support staff for corporate auditors

The selection (including subsequent replacements) of support staff to work exclusively for the corporate auditors shall be subject to the approval of the corporate auditors.

(9) Systems for reporting by directors or employees to corporate auditors and other systems for reporting to corporate auditors

Situations that have the possibility of causing significant damage to the Company as well as malfeasances or violations of laws, regulations, or the Articles of Incorporation on the part of directors or employees shall be promptly reported to the corporate auditors. No director or employee providing such reports shall suffer any adverse consequences.

In addition, the Compliance Committee shall provide regular reports to the Representative Director and President and to the corporate auditors concerning the operation of the help lines, which should function as public-interest reporting mechanisms.

(10) Other systems for ensuring that the corporate auditors can conduct their activities effectively

(i) The corporate auditors shall meet regularly with the Representative Director and President, and exchange opinions concerning important audit matters.

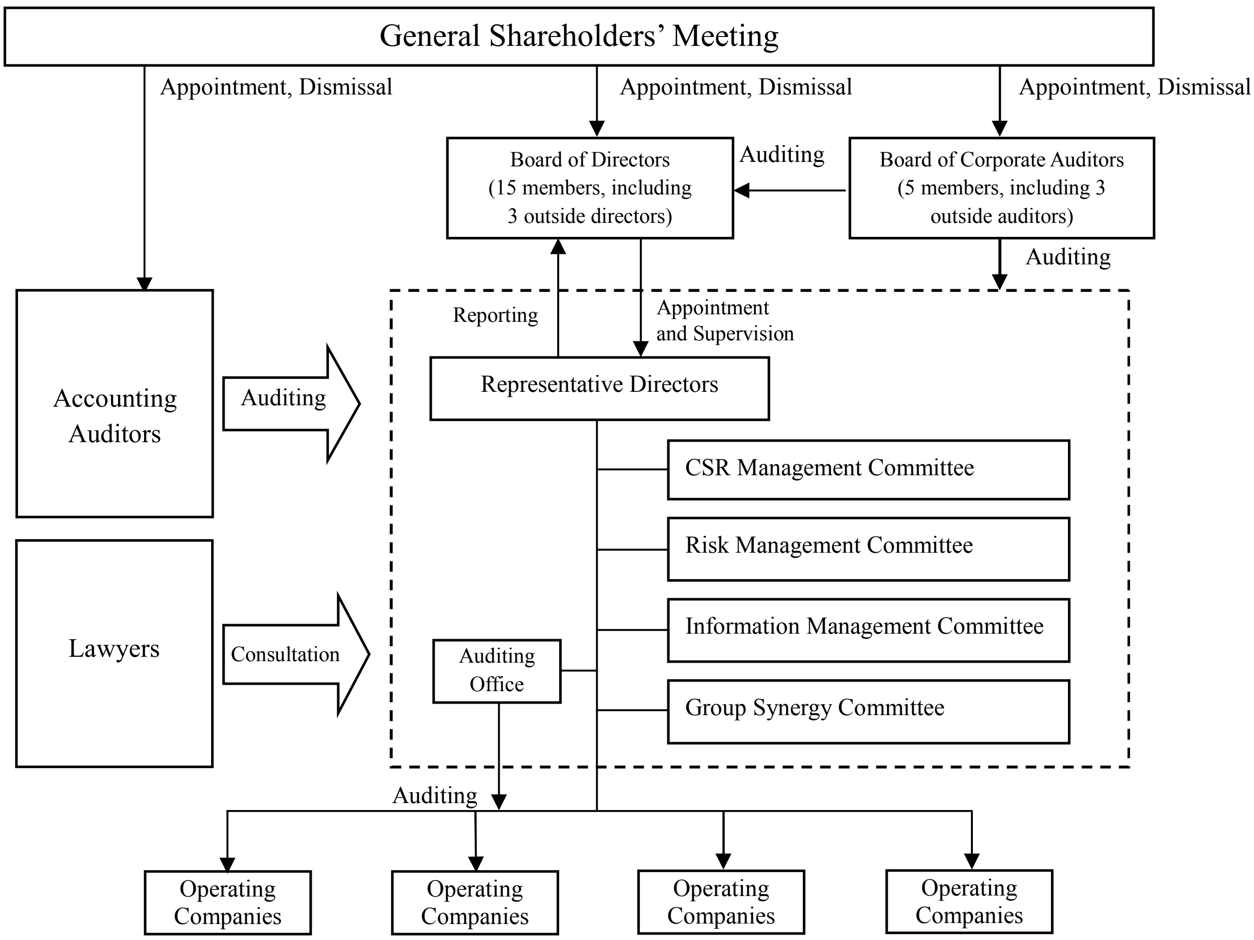
(ii) The corporate auditors shall maintain close contact with the Auditing Office, and may request the division to conduct inspections when necessary.

(iii) The corporate auditors shall meet regularly with the corporate auditors of all Group companies and work together from time to time in order to conduct appropriate audits of all Group companies.

(iv) The corporate auditors may consult with the accounting auditor and lawyers as needed, and the Company shall bear all of the costs of such consultation.

Corporate Governance System

The Company's corporate governance system is as follows:



(Notes)

1. In this Business Report, amounts less than one full unit have been omitted. However, percentages have been rounded to one decimal place while net income per share and net assets per share have been rounded to the nearest unit.
2. Consumption tax, etc., is accounted for using the tax-excluded method.

CONSOLIDATED BALANCE SHEET (as of February 29, 2012)

(Millions of yen)

Item	Amount	Item	Amount
ASSETS		**LIABILITIES**	
Current assets	**1,516,584**	**Current liabilities**	**1,385,728**
Cash and bank deposits	711,629	Notes and accounts payable, trade	316,072
Call loan	5,000	Short-term loans	139,690
Notes and accounts receivable, trade	270,953	Current portion of long-term loans	88,786
Trade accounts receivable – financial services	68,691	Current portion of bonds	10,000
Marketable securities	43,025	Income taxes payable	58,295
Merchandise and finished goods	149,455	Accrued expenses	71,700
Work in process	359	Deposits received	116,569
Raw materials and supplies	2,390	Allowance for sales promotion expenses	15,092
Prepaid expenses	29,870	Allowance for bonuses to employees	14,755
Deferred income taxes	38,905	Allowance for bonuses to directors and corporate auditors	341
Other	201,062		
Allowance for doubtful accounts	(4,758)	Allowance for loss on future collection of gift certificates	4,089
Non-current assets	2,372,364		
Property and equipment	**1,320,174**	Provision for loss on disaster	1,063
Buildings and structures, net	565,192	Deposits received in banking business	288,228
Furniture, fixtures and equipment, net	129,438	Other	261,043
Vehicles, net	4,525	**Non-current liabilities**	**642,675**
Land	590,524	Bonds	253,978
Lease assets, net	13,925	Long-term loans	198,167
Construction in progress	16,566	Deferred income taxes	34,550
Intangible assets	**333,156**	Allowance for accrued pension and severance costs	3,796
Goodwill	184,305		
Software	32,340	Allowance for retirement benefits to directors and corporate auditors	2,191
Other	116,510		
Investments and other assets	**719,034**	Deposits received from tenants and franchised stores	55,380
Investments in securities	181,863		
Long-term loans receivable	18,279	Asset retirement obligations	43,740
Prepaid pension cost	6,674	Other	50,870
Long-term leasehold deposits	412,098	**TOTAL LIABILITIES**	**2,028,403**
Advances for store construction	8,320	**NET ASSETS**	
Deferred income taxes	40,147	**Shareholders' equity**	**1,882,287**
Other	57,809	Common stock	50,000
Allowance for doubtful accounts	(6,160)	Capital surplus	526,886
Deferred assets	**408**	Retained earnings	1,312,613
New organization costs	43	Treasury stock, at cost	(7,212)
Business commencement expenses	364	**Total accumulated other comprehensive income**	(116,303)
		Unrealized gains on available-for-sale securities, net of taxes	3,360

		Unrealized losses on hedging derivatives, net of taxes	(3)
		Foreign currency translation adjustments	(119,661)
		Subscription rights to shares	**1,222**
		Minority interests in consolidated subsidiaries	**93,748**
		TOTAL NET ASSETS	**1,860,954**
TOTAL ASSETS	**3,889,358**	**TOTAL LIABILITIES AND NET ASSETS**	**3,889,358**

CONSOLIDATED STATEMENT OF INCOME (March 1, 2011 to February 29, 2012)

(Millions of yen)

Item	Amount	
Net sales		4,013,617
Cost of sales		3,078,575
Gross profit on sales		**935,041**
Other operating revenues		772,727
Gross profit from operations		**1,707,768**
Selling, general and administrative expenses		1,415,708
Operating income		**292,060**
Non-operating income		
Interest and dividends income	5,802	
Equity in earnings of affiliates	2,061	
Other	2,286	10,150
Non-operating expenses		
Interest expenses	4,114	
Interest on bonds	2,859	
Other	2,065	9,039
Ordinary income		**293,171**
Special gains		
Gain on sales of property and equipment	2,135	
Gain on sales of investment securities	1,198	
Gain on changes in accounting policies applied to foreign subsidiaries	4,503	
Other	2,591	10,428
Special losses		
Loss on disposals of property and equipment	5,468	
Impairment loss	14,460	
Loss on disaster	25,741	
Loss on adjustment for changes of accounting standards for asset retirement obligations	22,500	
Other	4,611	72,782
Income before income taxes and minority interests		**230,817**
Income taxes – current	116,366	
Income taxes – deferred	(26,109)	90,257
Income before minority interests		**140,559**
Minority interests in net income of consolidated subsidiaries		10,722
Net income		**129,837**

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS (March 1, 2011 to February 29, 2012)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	**Total shareholders' equity**
Balance at February 28, 2011	**50,000**	**526,899**	**1,234,204**	**(7,320)**	**1,803,783**
Increase (decrease) for the year					
Cash dividends			(51,243)		**(51,243)**
Net income			129,837		**129,837**
Purchase of treasury stock				(10)	**(10)**
Sales of treasury stock		(12)		123	**110**
Increase (decrease) resulting from adoption of U.S. GAAP by U.S. subsidiaries			(184)		**(184)**
Other				(5)	**(5)**
Increase (decrease) of items for the year except those included in shareholders' equity (net amount)					
Net increase (decrease) for the year	—	**(12)**	**78,409**	**107**	**78,504**
Balance at February 29, 2012	**50,000**	**526,886**	**1,312,613**	**(7,212)**	**1,882,287**

	Accumulated other comprehensive income				Subscription rights to shares	Minority interests in consolidated subsidiaries	TOTAL NET ASSETS
	Unrealized gains on available-for-sale securities, net of taxes	Unrealized gains (losses) on hedging derivatives, net of taxes	Foreign currency translation adjustments	**Total accumulated other comprehensive income**			
Balance at February 28, 2011	**3,226**	**(328)**	**(104,167)**	**(101,268)**	**981**	**73,016**	**1,776,512**
Increase (decrease) for the year							
Cash dividends							**(51,243)**
Net income							**129,837**
Purchase of treasury stock							**(10)**
Sales of treasury stock							**110**
Increase (decrease) resulting from adoption of U.S. GAAP by U.S. subsidiaries							**(184)**
Other							**(5)**
Increase (decrease) of items for the year except those included in shareholders' equity (net amount)	133	325	(15,494)	**(15,035)**	**241**	**20,731**	**5,938**
Net increase (decrease) for the year	**133**	**325**	**(15,494)**	**(15,035)**	**241**	**20,731**	**84,442**
Balance at February 29, 2012	**3,360**	**(3)**	**(119,661)**	**(116,303)**	**1,222**	**93,748**	**1,860,954**

Notes to Consolidated Financial Statements

Significant Accounting Policies for the Preparation of Consolidated Financial Statements

1. Scope of Consolidation

(1) Number of consolidated subsidiaries and names of major consolidated subsidiaries

(i) Number of consolidated subsidiaries: 87

(ii) Names of 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.

7-Eleven, Inc.

Consolidated subsidiaries increased by five (5).

(Acquisition of shares)

Seven CS Card Service Co., Ltd.

WFI Group, Inc.

Wilson Farms, Inc.

Wilson Farms Assets, LLC.

(Establishment)

Seven Farm Hokkaido Co., Ltd.

Consolidated subsidiaries decreased by two (2).

(Dissolution)

SEVEN & i FINANCIAL GROUP CO., LTD.

Seven Cash Works Co., Ltd.

Reason for dissolution

On March 1, 2011 SEVEN & i FINANCIAL GROUP CO., LTD., and Seven Cash Works Co., Ltd., were dissolved due to an absorption-type merger with SE CAPITAL CORPORATION, being the surviving entity. SE CAPITAL CORPORATION changed its name to Seven Financial Service Co., Ltd., on the same day.

(2) Names, etc., of major unconsolidated subsidiaries

(i) Name of major unconsolidated subsidiary: 7-Eleven Limited.

(ii) Reason for non-consolidation

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

2. Application of the Equity Method

(1) Number of unconsolidated subsidiaries and affiliates to which the equity method was applied and names of major subsidiaries and affiliates to which the equity method was applied

(i) Number of unconsolidated subsidiaries to which the equity method was applied: None

(ii) Number of affiliates to which the equity method was applied: 19

Major affiliates: PRIME DELICA CO., LTD.

PIA CORPORATION

Affiliates to which the equity method is applied increased by one (1).

(Acquisition of shares)

KINSHO STORE Co., LTD.

(2) Names, etc., of unconsolidated subsidiaries and affiliates to which the equity method was not applied

(i) Major companies: 7-Eleven Limited.

(ii) Reason for not applying the equity method:

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

(3) Items of special note in regard to procedures for applying the equity method

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

(ii) When an affiliate is in a net loss portion, the Company's share of such loss is reduced from its loan receivable from affiliate.

3. Accounting Period of Consolidated Subsidiaries

The fiscal year-end of some consolidated 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 29 are adjusted for in the consolidation process.

Seven-Meal Service Co., Ltd., changed its year-end closing date from December 31 to the end of February. Accordingly, the 7th consolidated fiscal year includes 14 months of income and loss, including the two-month period resulting from the change in year-end closing date in addition to the conventional 12 month period.

The closing date of certain consolidated subsidiaries is March 31. Pro forma financial statements as of February 29 prepared in a manner that is substantially identical to the preparation of the official financial statements were prepared in order to facilitate consolidation.

4. Summary of Significant Accounting Policies

(1) Valuation basis and method for major assets

(i) Valuation basis and method for securities

Held-to-maturity debt securities: Carried at amortized cost (straight-line method)

Available-for-sale securities

Fair value is available

Securities whose fair value is available are valued at the quoted market price prevailing at the end of the 7th consolidated 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.

Fair value is not available

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

(ii) Valuation basis and method for derivatives

Derivative financial instruments: Valued at fair value

(iii) Valuation basis and method for inventories

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 first-in, first-out (FIFO) method (except for gasoline inventory for which the weighted-average cost method was newly adopted) for foreign consolidated subsidiaries.

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.

(Changes in valuation method for inventories of 7-Eleven, Inc.)

Effective from the 7th consolidated fiscal year, 7-Eleven, Inc., changed its valuation method for inventories from the last-in, first out (LIFO) method to the 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 differences between the carrying amount and the fair value.

As a result of this change, the Company recognized special gains of ¥4,503 million. Income before income taxes and minority interests was increased by the same amount.

(2) Depreciation and amortization of significant assets

(i) 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 domestic consolidated subsidiaries in the department store business, and using the straight-line method for domestic consolidated subsidiaries in the department store business and foreign consolidated subsidiaries.

(ii) 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 five (5) years.

(iii) 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) Methods of accounting for significant allowances

(i) 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 with respect to general receivables.

(ii) 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 consolidated balance sheet date in accordance with the sales promotion point card program.

(iii) 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.

(iv) 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 consolidated balance sheet date.

(v) Allowance for bonuses to directors and corporate auditors

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

(vi) Provision for loss on disaster

Provision for loss on disaster is provided at the amount considered to be appropriate based on the estimation of expenses for the restoration of properties and facilities damaged by the Great East Japan Earthquake and other losses.

(vii) 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 consolidated fiscal year, which is based on the estimated present value of the projected benefit obligation less the estimated fair value of pension plan assets at the end of the consolidated fiscal year. The excess amount of the estimated fair value of the pension plan assets over the estimated present value of projected benefit obligation adjusted by unrecognized actuarial differences as of the end of the consolidated fiscal year 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 a period of mainly ten (10) years from the consolidated fiscal year following the consolidated fiscal 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 five (5) or ten (10) years.

(viii) 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 them at the time of their resignation.

(4) Significant hedge accounting methods

(i) 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 that 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.

(ii) Hedge instruments and hedged items:

Hedge instruments	Interest rate swap
Hedged items	Loans payable

(iii) 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 exchange rates and interest rates, reducing financing costs, and optimizing future cash flow. The Company and its subsidiaries do not hold or issue derivative instruments for trading or speculative purposes.

(iv) Assessing hedge effectiveness:

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

(5) Other significant matters that serve as the basis for preparation of the Consolidated Financial Statements

(i) Methods of accounting for deferred assets

New organization costs:

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

Business commencement expenses:

Business commencement expenses are amortized using the straight-line method over five (5) years, or expensed as incurred if immaterial.

(ii) Goodwill and negative goodwill

Goodwill and negative goodwill which was generated before March 1, 2011 are amortized mainly over a period of twenty (20) years on a straight-line basis, or recognized as income or expenses immediately if immaterial.

Negative goodwill arising on or after March 1, 2011 is recognized as income when it occurs.

The goodwill recognized in applying the equity method was treated in the same manner.

(iii) Foreign currency translation for major assets and liabilities denominated in foreign currency

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

All balance sheet accounts of foreign subsidiaries are translated into Japanese yen at the relevant spot exchange rate in effect at the respective consolidated 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 Sheet under "Foreign currency translation adjustments" and "Minority interests in consolidated subsidiaries."

(iv) Accounting for franchised stores in convenience store operations

Seven-Eleven Japan Co., Ltd., and 7-Eleven, Inc., recognize franchise commission from their franchised stores as revenues and include it in "Other operating revenues."

(Changes in presentations related to franchise accounting of 7-Eleven, Inc.)

For previous consolidated fiscal years, 7-Eleven, Inc.—the Company's consolidated subsidiary in the United States—included sales, cost of sales, and selling, general and administrative expenses incurred at franchisees in its financial statements. Effective from the 7th consolidated fiscal year, 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 operations by ¥521,199 million. There was no effect on operating income, ordinary income, or income before income taxes and minority interests.

(v) Accounting for consumption taxes and excise tax

The Japanese consumption taxes withheld and consumption taxes paid are not included in the Consolidated Statement of Income. The excise tax levied in the United States and Canada is included in revenues from operations.

5. Changes in Significant Accounting Policies for the Preparation of Consolidated Financial Statements

(Application of Accounting Standard for Asset Retirement Obligations)

From the 7th consolidated fiscal year, the Company has applied the "Accounting Standard for Asset Retirement Obligations" (ASBJ Statement No. 18, on March 31, 2008) and the "Guidance on Accounting Standard for Asset Retirement Obligations" (ASBJ Guidance No. 21, on March 31, 2008).

As a result of this change, operating income and ordinary income declined by ¥1,911 million and income before income taxes and minority interests decreased by ¥24,412 million. The amount of fluctuation in asset retirement obligations due to the application of this accounting standard totaled ¥33,233 million.

(Application of Accounting Standard for Business Combinations and others)

From the 7th consolidated fiscal year, the Company has applied the “Accounting Standard for Business Combinations” (ASBJ Statement No. 21, on December 26, 2008), the “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22, on December 26, 2008), the “Partial Amendments to Accounting Standard for Research and Development Costs” (ASBJ Statement No. 23, on December 26, 2008), the “Revised Accounting Standard for Business Divestitures” (ASBJ Statement No. 7, on December 26, 2008), the “Revised Accounting Standard for Equity Method of Accounting for Investments” (ASBJ Statement No. 16, on December 26, 2008), and the “Revised Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” (ASBJ Guidance No. 10, on December 26, 2008).

6. Changes in Method of Presentation

(Consolidated Balance Sheet)

“Asset retirement obligations” of 7-Eleven, Inc., which was previously included in “other” of non-current liabilities has 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 7th consolidated fiscal year.

The amount of asset retirement obligations that was included in “other” of non-current liabilities at February 28, 2011 was ¥7,056 million.

(Consolidated Statement of Income)

Based on the “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22, on December 26, 2008), the Company applies the “Ordinance for Partial Revision of Ordinance for Enforcement of the Companies Act and Ordinance on Accounting of Companies” (Ordinance of the Ministry of Justice No. 7, on March 27, 2009). As a result, “Income before minority interests” is included in the Consolidated Financial Statements for the 7th consolidated fiscal year.

7. Supplementary Information

(Accounting for introduction of tax consolidation)

The Company and certain consolidated subsidiaries will file a tax return under the consolidated corporate-tax system from the consolidated fiscal year ending February 28, 2013, which allows companies to base tax payments on the combined profits or losses of the parent company and its wholly owned domestic subsidiaries. Accordingly, the Company and its wholly owned domestic subsidiaries are accounting based on “Practical Solution on Tentative Treatment of Tax Effect Accounting Under Consolidated Taxation System (Part 1)” (ASBJ Practical Issues Task Force (PITF) No. 5, on March 18, 2011) and “Practical Solution on Tentative Treatment of Tax Effect Accounting Under Consolidated Taxation System (Part 2)” (ASBJ PITF No. 7, on June 30, 2010).

(Revision of amounts of deferred tax assets and deferred tax liabilities due to change in the corporation tax rate, etc.)

Due to the promulgation on December 2, 2011, of the Law to Revise the Income Tax, etc., in Order to Construct a Tax System Addressing Changes in the Socio-Economic Structure (Law No. 114 of

2011), and the Act on Special Measures for Securing the Financial Resources to Implement the Restoration from the Great East Japan Earthquake (Law No. 117 of 2011), for consolidated fiscal years beginning on or after April 1, 2012, the corporation tax rate has been reduced and a special reconstruction corporation tax has been instituted.

As a result, the effective statutory tax rate used to measure deferred tax assets and liabilities has been changed from the previous 40.7% to 38.0% for temporary differences expected to be eliminated during the period from the consolidated fiscal year beginning on March 1, 2013 to the consolidated fiscal year beginning on March 1, 2015, and to 35.6% for temporary differences expected to be eliminated in the consolidated fiscal year beginning on March 1, 2016. As a result of this tax rate change, the amount of deferred tax assets (net of the amount of deferred tax liabilities) decreased by ¥3,608 million and deferred income taxes increased by ¥3,609 million.

(Accounting Standard for Presentation of Comprehensive Income)

Effective from the 7th consolidated fiscal year, the Company adopted “Accounting Standard for Presentation of Comprehensive Income” (ASBJ Statement No. 25, on June 30, 2010).

Notes to Consolidated Balance Sheet

1. Assets pledged as collateral and debts for which those assets are pledged as collateral

(1) Assets pledged as collateral

Buildings and structures:	¥18,135 million
Land:	¥47,144 million
Investments in securities:	¥100,681 million
Long-term leasehold deposits:	¥3,954 million
Total	¥169,915 million

(2) Debts for which above assets are pledged as collateral

Short-term loans:	¥3,400 million
Long-term loans (including current portion of long-term loans):	¥62,911 million
Long-term accounts payable, other:	¥773 million
Deposits received from tenants and franchised stores:	¥121 million

In addition, buildings (¥487 million) and land (¥1,368 million) are pledged as collateral for the loans (¥3,443 million) of affiliates.

Investments in securities (¥6,025 million) are pledged as collateral for exchange settlement transactions. Investments in securities (¥19 million) and long-term guarantee deposits (¥35 million) are pledged as collateral under the Building Lots and Buildings Transaction Business Law.

Long-term guarantee deposits (¥1,335 million) are pledged as collateral under the Installment Sales Law.

In addition, in accordance with the Act on Financial Settlements, investments in securities (¥422 million) and long-term guarantee deposits (¥710 million) have been pledged as collateral.

2. Accumulated depreciation of property and equipment:

¥1,287,359 million

3. Contingent liabilities

Guarantees of borrowings from financial institutions by companies outside the scope of consolidation or by employees are as follows.

Goshogawara Machi Dukuri K.K.:	¥38 million
Employees' housing loans:	¥397 million
Total	¥435 million

4. Loan commitment

Seven Card Service Co., Ltd., and Seven CS Card Service Co., Ltd., conduct cashing business which is associated with its credit card business. Unused credit balance related to loan commitment in cashing business is as follows.

Credit availability of loan commitment:	¥1,026,657 million
Outstanding balance:	¥31,176 million
Unused credit balance	¥995,480 million

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., and Seven CS 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. Other

Government bonds held by Seven Bank, Ltd.

Seven Bank, Ltd., a consolidated subsidiary of the Company, 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 (1) year.

Notes to Consolidated Statement of Changes in Net Assets

1. Items relating to total number of outstanding shares

(Thousands of shares)

Type	As of February 28, 2011	Number of shares increased	Number of shares decreased	As of February 29, 2012
Ordinary shares	886,441	—	—	886,441

2. Items relating to total number of treasury shares

(Thousands of shares)

Type	As of February 28, 2011	Number of shares increased	Number of shares decreased	As of February 29, 2012
Ordinary shares	2,978	7	50	2,935

(Notes)

1. The 7 thousand increase in the number of ordinary shares in treasury stock was mainly due to an increase of 4 thousand shares resulting from the purchase of odd-lot shares.
2. The 50 thousand decrease in the number of ordinary shares in treasury stock was due to a decrease of 50 thousand shares resulting from the exercise of stock options, and a decrease of 0 thousand shares resulting from the sale of odd-lot shares.

3. Items relating to cash dividends

(1) Dividend payments, etc.

Resolution	Type	Total amount of cash dividends (Millions of yen)	Dividend per share (Yen)	Record date	Effective date
May 26, 2011; Ordinary general meeting of shareholders	Ordinary share	25,621	29.00	February 28, 2011	May 27, 2011
October 4, 2011; Board of Directors' meeting	Ordinary share	25,622	29.00	August 31, 2011	November 15, 2011
Total	—	51,243	—	—	—

(2) Dividends whose record date is within the 7th consolidated fiscal year but to be effective during the 8th consolidated fiscal year

At the Annual Shareholders' Meeting to be held on May 24, 2012, the following proposal for resolution will be presented for matters concerning ordinary share dividends.

(i) Total amount of cash dividends: ¥29,156 million

(ii) Dividend per share: ¥33.00

(iii) Record date: February 29, 2012

(iv) Effective date: May 25, 2012

Plans call for the dividends to be paid from retained earnings.

4. Items relating to subscriptions to shares at the end of the consolidated fiscal year

Category	Breakdown of subscription to shares	Type of shares to be issued upon exercise of rights	Number of shares to be issued upon exercise of rights
The Company	First subscription to shares	Common stock	15,900 shares
	Second subscription to shares	Common stock	66,000 shares
	Third subscription to shares	Common stock	24,000 shares
	Fourth subscription to shares	Common stock	100,200 shares
	Fifth subscription to shares	Common stock	21,100 shares
	Sixth subscription to shares	Common stock	95,900 shares
	Seventh subscription to shares	Common stock	25,900 shares
	Eighth subscription to shares	Common stock	128,000 shares
Consolidated subsidiary (Seven Bank, Ltd.)	First subscription to shares (1)	Common stock	157,000 shares
	First subscription to shares (2)	Common stock	14,000 shares
	Second subscription to shares (1)	Common stock	171,000 shares
	Second subscription to shares (2)	Common stock	30,000 shares
	Third subscription to shares (1)	Common stock	423,000 shares
	Third subscription to shares (2)	Common stock	38,000 shares
	Fourth subscription to shares (1)	Common stock	440,000 shares
	Fourth subscription to shares (2)	Common stock	118,000 shares

(Note)

On December 1, 2011, Seven Bank, Ltd., implemented a 1,000 for 1 stock split. Accompanying this stock split, the number of shares to be issued upon the exercise of share subscription rights was also increased from 1 to 1,000.

Notes relating to financial instruments

1. Items relating to the status of financial instruments

For the management of surplus funds, the Group gives priority to safety, liquidity, and efficiency and limits the management of such funds to short-term management (within one (1) year) through deposits with banks that have high credit ratings. The Group mainly raises funds through bank loans and bond issuance.

The Group’s risk management is conducted pursuant to the “basic rules for risk management,” stipulating which departments have overall control of each type of risk and which departments have overall control of general risk.

The Group reduces credit risk relating to notes and accounts receivable, trade, and leasehold deposits by continuously monitoring the credit ratings of business partners while undertaking due date control and balance control for each business partner. Also, marketable securities are mainly negotiable certificates of deposit, while investments in securities are mainly shares and government bonds. In relation to these securities, the Group periodically checks market values and the financial standing of issuers while continuously reviewing the status of securities holdings in light of the Group’s relationship with business partner companies.

The Group uses forward exchange contracts to hedge the risk of currency exchange rate fluctuations in relation to certain notes and accounts payable, trade, that are denominated in foreign currencies. Further, among loans, short-term loans and commercial paper are mainly for fund raising related to sales transactions, while long-term loans and bonds are mainly for fund raising related to capital investment. In relation to these loans, the Group undertakes comprehensive asset-liability management (ALM). For certain long-term loans with variable interest rates, the Group uses interest rate swap contracts to hedge the risk of interest rate fluctuations. In addition, the Group uses derivative instruments to mitigate the risk of fluctuations in interest rates and currency exchange rates as well as to optimize cash flows for future interest payments. The Group does not hold or issue derivative instruments for trading or speculative purposes.

2. Items relating to the market values of financial instruments

The amounts recorded on the Consolidated Balance Sheet on February 29, 2012, the market values, and the difference between these amounts are as follows. Furthermore, notes have been omitted for minor items. Also, the following table does not include items for which market values are very difficult to determine. (Please see note 2.)

	Consolidated Balance Sheet (Millions of yen)	Market value (Millions of yen)	Difference (Millions of yen)
(1) Cash and bank deposits	711,629	711,629	—
(2) Notes and accounts receivable, trade	270,953		
Allowance for doubtful accounts*1	(2,284)		
	268,668	271,422	2,753
(3) Marketable securities and Investments in securities	194,300	194,081	(218)
(4) Long-term leasehold deposits*2	302,925		
Allowance for doubtful accounts*3	(954)		
	301,971	296,948	(5,022)
Total assets	1,476,569	1,474,082	(2,487)
(1) Notes and accounts payable, trade	316,072	316,072	—
(2) Deposits received in banking business	288,228	289,061	832
(3) Bonds*4	263,978	272,131	8,153
(4) Long-term loans*5	286,953	287,804	850
(5) Deposits received from tenants and franchised stores*6	21,697	19,451	(2,245)
Total liabilities	1,176,929	1,184,520	7,591
Derivative instruments *7	126	126	—

(Notes)

*1 Net of allowance for doubtful accounts for notes and accounts receivable, trade

*2 Including current portion of long-term leasehold deposits

*3 Net of allowance for doubtful accounts for long-term leasehold deposits

*4 Including current portion of bonds

*5 Including current portion of long-term loans

*6 Including current portion of deposits received from tenants and franchised stores

*7 Net credit or liabilities arising from derivative instruments are shown. Net liabilities are shown in parenthesis.

Notes

1. Items relating to the calculation of the market value of financial instruments and derivative instruments

Assets

(1) Cash and bank deposits

The relevant book values are used because the short settlement periods of these items result in market values and book values being almost equivalent.

(2) Notes and accounts receivable, trade

For notes and accounts receivable, trade, with short settlement periods, the relevant book values are used because market values and book values are almost equivalent. The market value of items with long settlement periods is the present value, which is calculated by discounting future cash flows to reflect the remaining period and an interest rate that allows for credit risk.

(3) Marketable securities and Investments in securities

For the market value of shares, exchange prices are used. For bonds, exchange prices or the prices shown by correspondent financial institutions are used. For negotiable certificates of deposit, etc., the relevant book values are used because the short settlement periods of these items result in market values and book values being almost equivalent.

(4) Long-term leasehold deposits

The market value of long-term leasehold deposits is the present value, which is calculated by discounting future cash flows—reflecting collectability—by the corresponding yield on government bonds over the remaining period.

Liabilities

(1) Notes and accounts payable, trade

The relevant book values are used because the short settlement periods of these items result in market values and book values being almost equivalent.

(2) Deposits received in banking business

For demand deposits, the market value is regarded as the amount payable (book value) if demands were received on the consolidated balance sheet date. Time deposits are classified according to certain periods, and the market value of time deposits is the present value, which is calculated by discounting future cash flows. The discount rate used for this is the interest rate used when new deposits are received. For time deposits with short remaining periods (within one (1) year), the market value is the relevant book value because the market value approximates the book value.

(3) Bonds

The market value of bonds that have market prices is based on these prices. The market value of bonds that do not have market prices is the present value, which is calculated by discounting the total of principal and interest to reflect the remaining period of the said bonds and an interest rate that allows for credit risk.

(4) Long-term loans

The market value of long-term loans is the present value, which is calculated by discounting the total of principal and interest by the interest rate assumed to be applied if the same loan were to be newly taken.

(5) Deposits received from tenants and franchised stores

The market value of deposits received from tenants is the present value, which is calculated by discounting future cash flows by the corresponding yield on government bonds over the remaining period.

Derivative instruments

These are calculated based on the prices shown by correspondent financial institutions. However, because interest rate swap contracts meeting specific hedging criteria are recognized together with hedged long-term loans, the market value of interest rate swap contracts is included in the market value of the relevant long-term loans.

2. Financial instruments for which market values are very difficult to determine

Classification	Consolidated Balance Sheet (Millions of yen)
Investments in securities*1	
Unlisted shares	15,242
Shares of subsidiaries and affiliates	14,974
Other	370
Long-term leasehold deposits*2	125,825
Deposits received from tenants and franchised stores*2	38,024

(Notes)

*1 These are not included in "(3) Marketable securities and Investments in securities" because they do not have market prices, and future cash flows with regard thereto cannot be estimated; therefore, it is very difficult to determine market values.

*2 These are not included in "(4) Long-term leasehold deposits" and "(5) Deposits received from tenants and franchised stores" because the timing of repayment cannot be reasonably estimated and it is very difficult to determine market values.

Notes about real estate for lease

Notes about real estate for lease have been omitted because the total amount thereof is considered immaterial.

Notes concerning per share information

1. Net assets per share: ¥1,998.84
2. Net income per share: ¥146.96

Notes concerning significant subsequent event

None.

Other notes

1. Loss on disaster

The amount of the loss from the Great East Japan Earthquake, which occurred on March 11, 2011, is recorded as “Loss on disaster” in the special losses section of the Consolidated Statement of Income. The breakdown of “Loss on disaster” is as follows.

Loss of inventories, etc.:	¥4,568 million
Loss of buildings and structures and recovery expenses:	¥13,522 million
Fixed expenses during suspension of business:	¥4,425 million
Other expenses related to recovery expenses:	¥3,223 million
Total	¥25,741 million

Provision for loss on disaster amounting to ¥1,063 million is included above for the 7th consolidated fiscal year.

2. In the Consolidated Balance Sheet, Consolidated Statement of Income, Consolidated Statement of Changes in Net Assets, and Notes to Consolidated Financial Statements, amounts or the like have been rounded down to the units indicated.

NON-CONSOLIDATED BALANCE SHEET (as of February 29, 2012)

(Millions of yen)

Item	Amount	Item	Amount
ASSETS		**LIABILITIES**	
Current assets	**21,218**	**Current liabilities**	**284,803**
Cash and bank deposits	409	Short-term loans from subsidiaries and affiliates	281,008
Prepaid expenses	271	Lease obligations	564
Deferred income taxes	4,613	Accounts payable, other	1,267
Accounts receivable, other	14,977	Accrued expenses	1,142
Deposits held by subsidiaries and affiliates	207	Income taxes payable	63
Other	739	Advance received	186
Non-current assets	**1,863,693**	Allowance for bonuses to employees	231
Property and equipment	**5,958**	Allowance for bonuses to directors and corporate auditors	52
Buildings and structures, net	58		
Fixtures, equipment and vehicles, net	34	Other	286
Land	2,712	**Non-current liabilities**	**213,484**
Construction in progress	3,153	Bonds	209,978
Intangible assets	**1,729**	Long-term loans payable to subsidiaries and affiliates	19
Lease assets, net	1,726		
Other	2	Deferred income taxes	514
Investments and other assets	**1,856,005**	Lease obligations	1,271
Investments in securities	14,337	Deposits received from tenants	1,700
Investments in subsidiaries	1,729,312	**TOTAL LIABILITIES**	**498,287**
Prepaid pension cost	94	**NET ASSETS**	
Long-term leasehold deposits	2,214	**Shareholders' equity**	**1,384,039**
Deposits paid to subsidiaries and affiliates	110,000	**Common stock**	**50,000**
Other	46	**Capital surplus**	**1,245,621**
		Additional paid-in capital	875,496
		Other capital surplus	370,124
		Retained earnings	**95,587**
		Other retained earnings	95,587
		Retained earnings brought forward	95,587
		Treasury stock, at cost	**(7,169)**
		Accumulated gains from valuation and translation adjustments	**1,583**
		Unrealized gains on available-for-sale securities, net of taxes	1,583
		Subscription rights to shares	**1,001**
		TOTAL NET ASSETS	**1,386,624**
TOTAL ASSETS	**1,884,912**	**TOTAL LIABILITIES AND NET ASSETS**	**1,884,912**

NON-CONSOLIDATED STATEMENT OF INCOME (March 1, 2011 to February 29, 2012)

(Millions of yen)

Item	Amount	
Revenues from operations		
Dividends income	71,533	
Management consulting fee income	3,762	
Commission fee income	2,751	78,047
Selling, general and administrative expenses		7,198
Operating income		**70,849**
Non-operating income		
Interest income	1,513	
Dividends income	283	
Other	63	1,860
Non-operating expenses		
Interest expenses	1,814	
Interest on bonds	2,859	
Other	5	4,679
Ordinary income		**68,030**
Special losses		
Loss on disaster	406	406
Income before income taxes		**67,624**
Income taxes – current	3	
Income taxes – deferred	(4,590)	(4,586)
Net income		**72,211**

NON-CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS (March 1, 2011 to February 29, 2012)

(Millions of yen)

	Shareholders' equity							
		Capital surplus			Retained earnings			
	Common stock	Additional paid-in capital	Other capital surplus	Total capital surplus	Other retained earnings: Retained earnings brought forward	Total retained earnings	Treasury stock, at cost	**Total shareholders' equity**
Balance at February 28, 2011	**50,000**	**875,496**	**370,137**	**1,245,634**	**74,619**	**74,619**	**(7,282)**	**1,362,970**
Increase (decrease) for the year								
Cash dividends					(51,243)	(51,243)		**(51,243)**
Net income					72,211	72,211		**72,211**
Purchase of treasury stock							(10)	**(10)**
Sales of treasury stock			(12)	(12)			123	**110**
Increase (decrease) of items for the year except those included in shareholders' equity (net amount)								
Net increase (decrease) for the year	—	—	**(12)**	**(12)**	**20,968**	**20,968**	**113**	**21,069**
Balance at February 29, 2012	**50,000**	**875,496**	**370,124**	**1,245,621**	**95,587**	**95,587**	**(7,169)**	**1,384,039**

	Accumulated gains from valuation and translation adjustments		**Subscription rights to shares**	**TOTAL NET ASSETS**
	Unrealized gains on available-for-sale securities, net of taxes	**Total accumulated gains from valuation and translation adjustments**		
Balance at February 28, 2011	**1,117**	**1,117**	**826**	**1,364,914**
Increase (decrease) for the year				
Cash dividends				**(51,243)**
Net income				**72,211**
Purchase of treasury stock				**(10)**
Sales of treasury stock				**110**
Increase (decrease) of items for the year except those included in shareholders' equity (net amount)	465	**465**	**175**	**641**
Net increase (decrease) **for the year**	**465**	**465**	**175**	**21,710**
Balance at February 29, 2012	**1,583**	**1,583**	**1,001**	**1,386,624**

Notes to Non-Consolidated Financial Statements

Notes concerning matters pertaining to significant accounting policies

1. Valuation Basis and Method for Securities

(1) Stock of subsidiaries:

Valued at cost by the moving-average method.

(2) Available-for-sale securities

Fair value is available

Valued at the quoted market price prevailing at the end of the 7th 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.)

Fair value is not available

Valued at cost, determined using the moving-average method.

2. Methods of Depreciation for Non-Current Assets

Property and equipment (Excluding lease assets):

Amortized using the declining-balance method.

Intangible assets (Excluding lease assets):

Amortized using the straight-line method.

Lease assets

For depreciation of leased assets, a useful life is based on the duration of the lease period, and straight-line depreciation is applied with an assumed residual value of zero.

Furthermore, finance lease transactions, other than those involving a transfer of ownership, that began prior to March 1, 2009 are accounted for as operating leases.

3. Methods of Accounting for Allowances

(1) 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.

(2) Allowance for bonuses to directors and corporate auditors

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

(3) 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 7th fiscal year, which is based on the estimated present value of the projected benefit obligation less the estimated fair value of pension plan assets at the end of the fiscal year. The excess amount of the estimated fair value of the pension plan assets over the estimated present value of projected benefit obligation adjusted by unrecognized actuarial differences at February 29, 2012 is recorded as prepaid pension cost.

Unrecognized actuarial differences are amortized on a straight-line basis over the period of mainly ten (10) years from the fiscal year following the fiscal year in which they arise, which is shorter than the average remaining years of service of the eligible employees.

4. Other Significant Items that Form the Basis of the Preparation of Financial Statements

Accounting for consumption taxes, etc.

Consumption taxes, etc., are not included.

5. Changes in Accounting Policies for the Preparation of Financial Statements

(Application of Accounting Standard for Asset Retirement Obligations)

From the 7th fiscal year, the Company has applied the "Accounting Standard for Asset Retirement Obligations" (ASBJ Statement No. 18, on March 31, 2008) and the "Guidance on Accounting Standard for Asset Retirement Obligations" (ASBJ Guidance No. 21, on March 31, 2008).

This does not have any impact on net income.

(Supplementary Information)

The Company will file a tax return under the consolidated corporate-tax system from the fiscal year ending February 28, 2013, which allows companies to base tax payments on the combined profits or losses of the parent company and its wholly owned domestic subsidiaries. Accordingly, the Company and its wholly owned domestic subsidiaries are accounting based on "Practical Solution on Tentative Treatment of Tax Effect Accounting Under Consolidated Taxation System (Part 1)" (ASBJ Practical Issues Task Force (PITF) No. 5, on March 18, 2011) and "Practical Solution on Tentative Treatment of Tax Effect Accounting Under Consolidated Taxation System (Part 2)" (ASBJ PITF No. 7, on June 30, 2010).

Notes to Non-Consolidated Balance Sheet

1. Accumulated depreciation of property and equipment: ¥100 million

2. Contingent liabilities

Guarantees are as follows:
(1) For loans of subsidiary Seven Card Service Co., Ltd.
¥10,000 million
(2) For electronic money guaranteed by subsidiary Seven Card Service Co., Ltd., pursuant to the Act on Financial Settlements
¥5,985 million

3. Monetary claims and monetary obligations in regard to subsidiaries and affiliates (excluding items listed elsewhere)

(1) Short-term receivables:	¥1,351 million
(2) Short-term payables:	¥1,426 million
(3) Long-term payables:	¥2,956 million

Notes to Non-Consolidated Statement of Income

Items regarding transactions with subsidiaries and affiliates

(1) Operating transactions

Revenues from operations:	¥78,047 million
Selling, general and administrative expenses:	¥157 million
(2) Non-operating transactions:	¥3,331 million

Notes to Non-Consolidated Statement of Changes in Net Assets

Shares of treasury stock at the end of the fiscal year Common stock 2,913,379 shares

Notes regarding tax effect accounting

Deferred tax assets and deferred tax liabilities by cause of occurrence

Deferred tax assets

Allowance for bonuses to employees:	¥94 million
Accrued enterprise taxes and business office taxes:	¥29 million
Subscription rights to shares:	¥357 million
Tax loss carried forward:	¥6,450 million
Valuation loss on subsidiaries' and affiliates' stock:	¥25,487 million
Other:	¥17 million
Sub-total:	¥32,437 million
Less: Valuation allowance:	(¥27,824 million)
Total:	¥4,613 million

Deferred tax liabilities

Prepaid pension cost:	(¥22 million)
Unrealized losses on available-for-sale securities, net of taxes:	(¥491 million)
Total:	(¥514 million)
Deferred tax assets, net:	¥4,098 million

Notes concerning non-current assets utilized through leases

1. Finance lease transactions, other than those involving a transfer of ownership that began prior to March 1, 2009 (finance lease transactions accounted for as operating leases)

(1) Lessee assumed amounts of acquisition cost, accumulated depreciation, and net book value at the end of the 7th fiscal year for leased properties are summarized as follows:

(Millions of yen)

	Acquisition cost	Accumulated depreciation	Net book value at the end of the fiscal year
Furniture, fixtures and equipment	4	4	0
Software	4,361	3,593	767
Total	4,366	3,598	767

(2) The future lease payments of finance leases at the end of the fiscal year are summarized as follows:

Due within one year:	¥707 million
Due over one year:	¥87 million
Total:	¥794 million

(3) Lease payments and assumed amounts of depreciation expense and interest expense are as follows:

Lease payments:	¥1,064 million
Assumed depreciation expense:	¥1,017 million
Assumed interest expense:	¥22 million

(4) Method of calculating assumed amounts of depreciation expense

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

(5) Method of calculating assumed amounts of interest expense

Assumed amounts of interest expense are calculated as the difference between the total lease payments and the assumed acquisition cost of the leased properties. The interest method is used as the method of allocation for each fiscal year.

2. Operating leases

Future lease payments

Due within one year:	¥611 million
Due after one year:	¥714 million
Total:	¥1,325 million

Notes concerning transactions with related parties

Subsidiaries and affiliates, etc.

(Millions of yen)

Attribution	Name of company, etc.	Voting rights held by the Company (%)	Relationship with related party	Details of transaction	Amount of transaction	Account title	Year-end balance
Subsidiary	SEVEN & i Financial Center Co., Ltd.	Ownership Direct: 100	Financial support Concurrently serving corporate officers	Deposit of funds	43,191	Deposits	207
						Deposits paid	110,000
				Interest on deposits	1,513	Other current assets	242
				Borrowing of funds	1,124	Short-term loans	281,000
				Interest on borrowed funds	1,788	Accrued expenses	436
Subsidiary	Ito-Yokado Co., Ltd.	Ownership Direct: 100	Concurrently serving corporate officers	Operational consignment	1,109	Accounts receivable, other	164
				Office sublease	781	Advance received	68
Subsidiary	Seven-Eleven Japan Co., Ltd.	Ownership Direct: 100	Concurrently serving corporate officers	Business management	2,253	Accounts receivable, other	338
				Operational consignment	1,282		
				Office sublease	860	Advance received	75
Subsidiary	Seven Card Service Co., Ltd.	Ownership Indirect: 95.5	Guaranty of debt Concurrently serving corporate officers	Guaranty of debt for bank loans	10,000	—	—
				Guarantees for prepaid means of payment	5,985	—	—

(Notes)

1. The amount of transaction does not include consumption taxes. However, year-end balances include consumption taxes.
2. Decisions regarding transaction conditions are made in the same way as general transactions.

Notes concerning per share information

1. Net assets per share: ¥1,568.28
2. Net income per share: ¥81.73

Notes concerning significant subsequent event

None.

Other notes

In the Non-Consolidated Balance Sheet, Non-Consolidated Statement of Income, Non-Consolidated Statement of Changes in Net Assets, and Notes to Non-Consolidated Financial Statements, amounts or the like have been rounded down to the units indicated.

Shareholders' Meeting Reference Materials

Item No. 1: Appropriation of retained earnings.

It is proposed that the retained earnings will be appropriated as described below:

For shareholder return, our basic policy is to provide a return of profits in line with profit growth. The Company aims to further improve the redistribution of profits while maintaining a basic annual dividend amount of ¥50.00 per share and a target consolidated payout ratio of 35%. With respect to retained earnings, the Company will actively invest in existing businesses based on clear investment criteria while reorganizing its operations by investing in new businesses.

Matters concerning year-end dividends
It is proposed that the year-end dividends for the 7th fiscal year be paid as follows in consideration of the performance for the 7th fiscal year and the future business development, etc.

(1) Type of dividend property
It is proposed that the dividend property will be paid in monetary terms.
(2) Matters concerning the allocation of dividend property and the aggregate amount thereof
It is proposed that the amount of allocation will be ¥33 per one (1) ordinary share of the Company.
In such a case, the aggregate amount of dividends shall be ¥29,156,443,932.
Therefore, the annual dividends for the 7th fiscal year, including interim dividends of ¥29, shall be ¥62 per share.
(3) Date on which the dividends from retained earnings become effective
It is proposed that the dividends from retained earnings become effective on May 25, 2012.

Item No. 2: Election of sixteen (16) directors.
The terms of office of all fifteen (15) current directors expire upon the conclusion of this Annual Shareholders' Meeting.

To further strengthen the Company's management foundation, the Company will increase the number of directors by one (1), and shareholders are therefore requested to elect sixteen (16) directors.

The candidates for director are as follows:

Candidate No.	Name (Date of birth) * Number of shares of the Company owned	Brief personal history, position, area of responsibility, and important concurrent positions
1	Toshifumi Suzuki (December 1, 1932) * 5,063,932 shares	Sep. 1963: Joined Ito-Yokado Co., Ltd. Sep. 1971: Director of Ito-Yokado Co., Ltd. Nov. 1973: Senior Managing Director of Seven-Eleven Japan Co., Ltd. Sep. 1977: Managing Director of Ito-Yokado Co., Ltd. Feb. 1978: Representative Director and President of Seven-Eleven Japan Co., Ltd. Apr. 1983: Senior Managing Director of Ito-Yokado Co., Ltd. May 1985: Executive Vice President and Director of Ito-Yokado Co., Ltd. Oct. 1992: Representative Director and President of Ito-Yokado Co., Ltd. Representative Director and Chairman of Seven-Eleven Japan Co., Ltd. (incumbent) May 2003: Representative Director and Chairman of Ito-Yokado Co., Ltd. Chief Executive Officer (CEO) of Ito-Yokado Co., Ltd. Chief Executive Officer (CEO) of Seven-Eleven Japan Co., Ltd. (incumbent) Sep. 2005: Representative Director and Chairman of the Company (incumbent) Chief Executive Officer (CEO) of the Company (incumbent) Mar. 2006: Representative Director and Chairman of Ito-Yokado Co., Ltd. (newly incorporated company) (incumbent) Chief Executive Officer (CEO) of Ito-Yokado Co., Ltd. (newly incorporated company) (incumbent) (Important Concurrent Positions) * Representative Director and Chairman and Chief Executive Officer (CEO) of Seven-Eleven Japan Co., Ltd. * Representative Director and Chairman and Chief Executive Officer (CEO) of Ito-Yokado Co., Ltd. * Representative Director and Chairman of 7-Eleven, Inc. * Representative Director and Chairman of SEVEN-ELEVEN (HAWAII), INC.
2	Noritoshi Murata (February 11, 1944) * 42,240 shares	Oct. 1971: Joined Ito-Yokado Co., Ltd. May 1990: Director of Ito-Yokado Co., Ltd. May 1996: Managing Director of Ito-Yokado Co., Ltd. May 2003: Senior Managing Director of Ito-Yokado Co., Ltd. Senior Executive Officer of Ito-Yokado Co., Ltd. Sep. 2005: Representative Director and President of the Company (incumbent) Chief Operating Officer (COO) of the Company (incumbent)

Candidate No.	Name (Date of birth) * Number of shares of the Company owned	Brief personal history, position, area of responsibility, and important concurrent positions
3	Katsuhiro Goto (December 20, 1953) * 14,340 shares	July 1989: Joined Seven-Eleven Japan Co., Ltd. May 2002: Director of Ito-Yokado Co., Ltd. May 2003: Executive Officer of Ito-Yokado Co., Ltd. May 2004: Managing Director of Ito-Yokado Co., Ltd. Managing Executive Officer of Ito-Yokado Co., Ltd. Sep. 2005: Director of the Company (incumbent) Chief Administrative Officer (CAO) of the Company (incumbent) Mar. 2006: Managing Director of Ito-Yokado Co., Ltd. (newly incorporated company) Managing Executive Officer of Ito-Yokado Co., Ltd. May 2006: Director of Ito-Yokado Co., Ltd. (incumbent) Managing Executive Officer of the Company (incumbent) Director of Millennium Retailing, Inc. Aug. 2009: Director of Sogo & Seibu Co., Ltd. (incumbent) Apr. 2011: Senior Officer of the System Planning Department of the Company (incumbent) (Important Concurrent Positions) * Representative Director and President of Seven & i Netmedia Co., Ltd. * Director of Ito-Yokado Co., Ltd. * Director of Sogo & Seibu Co., Ltd.
4	Tsuyoshi Kobayashi (August 12, 1957) * 5,900 shares	Feb. 2004: Joined Seven-Eleven Japan Co., Ltd. Sep. 2005: Executive Officer of the Company (incumbent) Senior Officer of the Corporate Planning Department of the Company (incumbent) May 2009: Director of the Company (incumbent) Senior Officer of the Overseas Planning Department of the Company (incumbent)
5	Junro Ito (June 14, 1958) * 3,173,003 shares	Aug. 1990: Joined Seven-Eleven Japan Co., Ltd. May 2002: Director of Seven-Eleven Japan Co., Ltd. May 2003: Executive Officer of Seven-Eleven Japan Co., Ltd. Jan. 2007: Managing Executive Officer of SEVEN-ELEVEN Japan Co., Ltd. May 2009: Director of the Company (incumbent) Executive Officer of the Company (incumbent) Senior Officer of the Corporate Development Department of the Company Apr. 2011: Senior Officer of the CSR Management Department of the Company (incumbent)
6	Kunio Takahashi (January 28, 1951) * 6,400 shares	Mar. 2003: Joined Seven-Eleven Japan Co., Ltd. Sep. 2005: Executive Officer of the Company (incumbent) Senior Officer of the Finance Department of the Company Mar. 2007: Senior Officer of the Finance Planning Department of the Company (incumbent) May 2011: Director of the Company (incumbent) Chief Financial Officer (CFO) of the Company (incumbent) (Important Concurrent Positions) * Representative Director and President of Seven & i Asset Management Co., Ltd. * Representative Director and President of SEVEN & i Financial Center Co., Ltd.

Candidate No.	Name (Date of birth) * Number of shares of the Company owned	Brief personal history, position, area of responsibility, and important concurrent positions
7	Akihiko Shimizu (March 16, 1952) * 5,120 shares	Apr. 1994: Joined Ito-Yokado Co., Ltd. May 2004: Executive Officer of Ito-Yokado Co., Ltd. Sep. 2005: Senior Officer of the Accounting Department of the Company (incumbent) Jan. 2006: Executive Officer of the Company (incumbent)
8	Atsushi Kamei (May 30, 1944) * 22,960 shares	Jan. 1980: Joined Ito-Yokado Co., Ltd. May 1993: Director of Ito-Yokado Co., Ltd. May 1999: Managing Director of Ito-Yokado Co., Ltd. May 2003: Senior Managing Director of Ito-Yokado Co., Ltd. Senior Executive Officer of Ito-Yokado Co., Ltd. Mar. 2006: Senior Managing Director of Ito-Yokado Co., Ltd. (newly incorporated company) Senior Executive Officer of Ito-Yokado Co., Ltd. (newly incorporated company) Sep. 2006: Representative Director and President of Ito-Yokado Co., Ltd. (newly incorporated company) (incumbent) Chief Operating Officer (COO) of Ito-Yokado Co., Ltd. (newly incorporated company) (incumbent) Oct. 2006: Director of Millennium Retailing, Inc. May 2007: Director of the Company (incumbent) Aug. 2009: Director of Sogo & Seibu Co., Ltd. (incumbent) (Important Concurrent Positions) * Representative Director and President and Chief Operating Officer (COO) of Ito-Yokado Co., Ltd. * Director of Sogo & Seibu Co., Ltd.
9	Ryuichi Isaka (October 4, 1957) * 14,812 shares	Mar. 1980: Joined Seven-Eleven Japan Co., Ltd. May 2002: Director of Seven-Eleven Japan Co., Ltd. May 2003: Executive Officer of Seven-Eleven Japan Co., Ltd. May 2006: Managing Executive Officer of Seven-Eleven Japan Co., Ltd. May 2009: Representative Director and President of Seven-Eleven Japan Co., Ltd. (incumbent) Chief Operating Officer (COO) of Seven-Eleven Japan Co., Ltd. (incumbent) Director of the Company (incumbent) (Important Concurrent Positions) * Representative Director and President and Chief Operating Officer (COO) of Seven-Eleven Japan Co., Ltd * Director of 7-Eleven, Inc.

Candidate No.	Name (Date of birth) * Number of shares of the Company owned	Brief personal history, position, area of responsibility, and important concurrent positions
10	Kunio Yamashita (October 28, 1942) * 1,000 shares	Apr. 1966: Joined THE SEIBU DEPARTMENT STORES, LTD. May 1992: Director of THE SEIBU DEPARTMENT STORES, LTD. May 2000: Managing Director of THE SEIBU DEPARTMENT STORES, LTD. June 2003: Director of Millennium Retailing, Inc. Sep. 2006: Managing Director of Millennium Retailing, Inc. May 2007: Senior Managing Director of Millennium Retailing, Inc. Sep. 2007: Representative Director and President of Sogo Co., Ltd. (currently Sogo & Seibu Co., Ltd.) (incumbent) Oct. 2008: Representative Director and President of Millennium Retailing, Inc. Representative Director and President of THE SEIBU DEPARTMENT STORES, LTD. May 2009: Director of the Company (incumbent) (Important Concurrent Position) * Representative Director and President of Sogo & Seibu Co., Ltd.
11	Takashi Anzai (January 17, 1941) * 7,000 shares	Apr. 1963: Joined the Bank of Japan Dec. 1994: Executive Director of the Bank of Japan Nov. 1998: Representative Director and President of The Long-Term Credit Bank of Japan, Limited (currently Shinsei Bank, Limited) Aug. 2000: Counsel of Ito-Yokado Co., Ltd. Apr. 2001: Representative Director and President of IY Bank Co., Ltd. (currently Seven Bank, Ltd.) Sep. 2005: Director of the Company (incumbent) June 2010: Representative Director and Chairman of Seven Bank, Ltd. (incumbent) (Important Concurrent Position) * Representative Director and Chairman of Seven Bank, Ltd.
12	Zenko Ohtaka (March 1, 1940) * 1,518,769 shares	Apr. 1958: Joined Benimaru Shoten Co., Ltd. (currently York-Benimaru Co., Ltd.) Oct. 1963: Managing Director of York-Benimaru Co., Ltd. May 1984: Senior Managing Director of York-Benimaru Co., Ltd. May 1994: Director and Vice President of York-Benimaru Co., Ltd. May 2000: Representative Director and President of York-Benimaru Co., Ltd. (incumbent) May 2003: Chief Operating Officer (COO) of York-Benimaru Co., Ltd. (incumbent) Sep. 2005: Director of the Company (incumbent) (Important Concurrent Position) * Representative Director and President and Chief Operating Officer (COO) of York-Benimaru Co., Ltd.

Candidate No.	Name (Date of birth) * Number of shares of the Company owned	Brief personal history, position, area of responsibility, and important concurrent positions
13	Tsuneo Okubo (March 8, 1956) * 0 shares	Mar. 1979: Joined Ito-Yokado Co., Ltd. Sep. 1990: Representative Director and President of Retail Science Co., Ltd. Sep. 2003: Representative Director and President of Drug Eleven Inc. Jan. 2007: Representative Director and President of Seijo Ishii Co., Ltd. Sep. 2010: Counsel of the Company Mar. 2011: Director and Executive Vice President of Seven & i Food Systems Co., Ltd. May 2011: Representative Director and President of Seven & i Food Systems Co., Ltd. (incumbent) Director of the Company (incumbent) (Important Concurrent Position) * Representative Director and President of Seven & i Food Systems Co., Ltd.
14	Noritaka Shimizu (October 15, 1937) * 0 shares	Apr. 1961: Joined Toyota Motor Co., Ltd. (currently Toyota Motor Corporation) Sep. 1990: Director of Toyota Motor Corporation Sep. 1996: Managing Director of Toyota Motor Corporation June 1998: Senior Managing Director of Toyota Motor Corporation June 1999: Representative Director and Vice President of Toyota Motor Corporation Apr. 2003: Representative Director and Chairman of Toyota Home Inc. May 2006: Director of the Company (incumbent)
15	Scott Trevor Davis (December 26, 1960) * 1,500 shares	Apr. 1990: Full-time researcher at The Japan Institute of Labor Apr. 1993: Lecturer of the Department of Business Administration, the Faculty of Economics of Gakushuin University Apr. 2001: Professor of the International Business Administration Department, the International School of Economics and Business Administration of Reitaku University May 2004: Director of Ito-Yokado Co., Ltd. Sep. 2005: Director of the Company (incumbent) Mar. 2006: Director of Ito-Yokado Co., Ltd. (newly incorporated company) Apr. 2006: Professor of the Department of Global Business, College of Business, Rikkyo University (incumbent) (Important Concurrent Position) * Professor of the Department of Global Business, College of Business, Rikkyo University

Candidate No.	Name (Date of birth) * Number of shares of the Company owned	Brief personal history, position, area of responsibility, and important concurrent positions
16	Ikujiro Nonaka (May 10, 1935) * 3,600 shares	Apr. 1958: Joined Fuji Electric Manufacturing K.K. (currently Fuji Electric Co., Ltd.) Apr. 1977: Professor of the Department of Business Administration, Nanzan University Jan. 1979: Professor of National Defense Academy of Japan Apr. 1982: Professor of Institute of Business Research, Faculty of Commerce and Management, Hitotsubashi University Apr. 1995: Professor of Japan Advanced Institute of Science and Technology Sep. 1997: Xerox Distinguished Professor in Knowledge, Haas School of Business, University of California, Berkeley (incumbent) Apr. 2000: Professor of Graduate School of International Corporate Strategy, Hitotsubashi University Apr. 2006: Emeritus Professor of Hitotsubashi University (incumbent) Jan. 2007: Emeritus Scholar of The Drucker School, Claremont Graduate University (incumbent) June 2007: Outside director of Mitsui & Co., Ltd. (incumbent) May 2008: Director of the Company (incumbent) Apr. 2012: Emeritus Professor of Waseda University (incumbent) (Important Concurrent Positions) * Xerox Distinguished Professor in Knowledge, Haas School of Business, University of California, Berkeley * Emeritus Professor of Hitotsubashi University * Emeritus Scholar of The Drucker School, Claremont Graduate University

(Notes)

1. Mr. Akihiko Shimizu is a candidate for new appointment as a director.
2. Mr. Takashi Anzai concurrently holds the office of Representative Director and Chairman of Seven Bank, Ltd., which engages in transactions falling within types of business of the Company. There is no special relationship of interest between the other candidates and the Company.
3. Messrs. Noritaka Shimizu, Scott Trevor Davis, and Ikujiro Nonaka are candidates for the office of outside director as set forth in Article 2, Item 15 of the Companies Act and satisfy the requirements for outside director as set forth in Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act. In addition, Messrs. Noritaka Shimizu, Scott Trevor Davis, and Ikujiro Nonaka are neither a spouse nor relative within the third degree of relationship, etc., of the business administrators of the Company or the specified relation business associates of the Company.
   Messrs. Noritaka Shimizu, Scott Trevor Davis, and Ikujiro Nonaka are nominated for the office of outside director for the following reasons:
   - Mr. Noritaka Shimizu has many years of experience on management, such as being the Representative Director and Vice President of Toyota Motor Corporation and the Representative Director and Chairman of Toyota Home Inc., and in order to make use of his wide and advanced knowledge and experiences, etc., on management to the management of the Company, election as an outside director is requested. Mr. Noritaka Shimizu is currently an outside director of the Company and his term of office as an outside director shall be six (6) years upon the conclusion of this Annual Shareholders' Meeting.
   - Mr. Scott Trevor Davis has advanced global professional management knowledge from being a university professor of global business administration for many years, and in order to make use of his extensive and advanced knowledge, etc., of management for the benefit of the Company, his election as an outside director is requested. Mr. Scott Trevor Davis is currently an outside director of the Company and his term of office as an outside director shall be six (6) years and eight (8) months upon the conclusion of this Annual Shareholders' Meeting.
   - Mr. Ikujiro Nonaka is nominated for the office of outside director because we hope that his deep knowledge of management as an expert of theories of organizations and management will be exploited in the future management

strategy of the Company. Mr. Ikujiro Nonaka is currently an outside director of the Company and his term of office as an outside director shall be four (4) years upon the conclusion of this Annual Shareholders' Meeting.

4. If the reappointments of the candidates for outside director are approved, the Company intends to continue the liability limitation agreement with each of them. The outline of the substance of the liability limitation agreement is on page 24.
5. Messrs. Noritaka Shimizu, Scott Trevor Davis, and Ikujiro Nonaka are independent directors in accordance with the rules of the Tokyo Stock Exchange.
6. The brief personal history of each of the above candidates is as of April 5, 2012.

Item No. 3: Election of one (1) corporate auditor.

Upon the conclusion of this Annual Shareholders' Meeting, Mr. Ikuo Kanda will resign his current position as corporate auditor.

Shareholders are therefore requested to elect one (1) corporate auditor. The term of office of the elected corporate auditor will be to the end of the term of office of the predecessor in the post, pursuant to the provisions of the Articles of Incorporation of the Company. This submission of this proposal is conducted with the consensus of the Board of Corporate Auditors.

The candidate for corporate auditor is as follows:

Name (Date of birth) * Number of shares of the Company owned	Brief personal history, position, and important concurrent position	
Hideo Nomura (June 18, 1954) * 2,200 shares	Apr. 2006:	Joined the Company Senior Officer of the Finance Department of the Company
	Mar. 2007:	Senior Officer of the Finance Planning Department of the Company
	Sep. 2011:	Senior Officer of the Auditing Office, Internal Control Evaluation of the Company (incumbent)

(Notes)

1. The above-named candidate is a candidate for new appointment as a corporate auditor.
2. There is no special relationship of interest between the above-named candidate and the Company.
3. The brief personal history of the above candidate is as of April 5, 2012.

Item No. 4 Entrusting to the Company's Board of Directors determination of the subscription requirements for the share subscription rights, as stock options for stock-linked compensation issued to the executive officers of the Company, as well as the directors and executive officers of the Company's subsidiaries.

Pursuant to Articles 236, 238, and 239 of the Companies Act, we ask that you kindly approve as follows the allotment of share subscription rights without contribution as stock options to the executive officers of the Company as well as the directors (excluding outside directors) and executive officers of the Company's subsidiaries, as well as entrusting the determination of the subscription requirements to the Company's Board of Directors.

1. The reasons why it is necessary to solicit parties who will subscribe for the share subscription rights on particularly favorable terms

In connection with the compensation system for the executive officers of the Company as well as the directors and executive officers of the Company's major subsidiaries, the severance payment system has already been abolished and a performance-linked compensation system has been introduced. We decided to issue share subscription rights without requiring payment of monies, that is, without consideration to the executive officers of the Company as well as the directors (excluding outside directors) and executive officers of the Company's subsidiaries. The purpose of this grant is to further promote their motivation to contribute to the enhancement of the mid-to-long term continuous business performance and enterprise value, and to arouse morale by causing the executive officers of the Company as well as the directors (excluding outside directors) and executive officers of the Company's subsidiaries to not only enjoy the benefits from rises in the share price but also to bear the risks from declines in the share price.

2. Substance and maximum number of share subscription rights for which subscription requirements may be determined pursuant to the matters determined at this Annual Shareholders' Meeting

(1) Maximum number of share subscription rights for which subscription requirements may be determined pursuant to the entrustment by way of a resolution of this Annual Shareholders' Meeting

The maximum number of share subscription rights for which the Board of Directors will be authorized to determine the subscription requirements based on the entrustment by way of a resolution of this Annual Shareholders' Meeting shall be 1,350.

(2) Cash payment for the share subscription rights

No cash payment will be required for the share subscription rights for which the Board of Directors will be authorized to determine the subscription requirements based on the entrustment by way of a resolution of this Annual Shareholders' Meeting.

(3) Substance of the share subscription rights

(i) Class and number of shares to be acquired upon exercise of the share subscription rights

The number of shares to be acquired upon exercise of one (1) share subscription right (the "Subject Share Number") shall be one hundred (100) ordinary shares of the Company, and the maximum total number of shares acquired upon the exercise of the share subscription rights shall be 135,000 shares.

The Subject Share Number will be adjusted by the following calculation formula if the Company engages in a share split, allotment of shares without contribution, or consolidation of shares after the date of allotment of the share subscription rights. Such adjustment shall be made only with respect to the number of shares that are the subject of the share subscription rights that have not been exercised as of such time, and any fraction under one (1) share resulting from such adjustment shall be rounded off.

Number of shares after adjustment = Number of shares before adjustment × Ratio of split/consolidation

In addition to the above, if any inevitable event arises where the number of shares must be adjusted after the date of allotment, the Company will adjust the number of shares as necessary to a reasonable extent.

(ii) Amount of property contributed upon the exercise of the share subscription rights
The property to be contributed upon the exercise of the share subscription rights shall be in pecuniary form, and the above amount shall be one (1) yen (which is the amount to be paid in per share acquired upon exercising the share subscription rights) multiplied by the Subject Share Number.

(iii) Period during which the share subscription rights are exercisable
Such period shall be from the last day in February in the year following the date of allotment of the share subscription rights until the 30th anniversary of the date following such date of allotment.

(iv) Matters regarding capital and capital reserve that shall be increased when shares are issued upon the exercise of the share subscription rights
a. The increased amount of capital upon the issuance of shares by the exercise of the share subscription rights shall be one half of the maximum amount of increases of capital, etc., calculated in accordance with Article 17, Paragraph 1 of the Companies Accounting Regulations (“*Kaisha Keisan Kisoku*”). Any fractional amount of less than one (1) yen resulting from such calculation shall be rounded up.
b. The increased amount of the capital reserve upon the issuance of shares by the exercise of the share subscription rights shall be the amount of the maximum amount of the increases of capital, etc., mentioned in a. above, after subtracting the increased amount of capital prescribed in a. above.

(v) Restriction on acquisition of the share subscription rights by transfer
An acquisition of the share subscription rights by way of transfer requires the approval of the Board of Directors of the Company.

(vi) Events and conditions for the Company’s acquisition of the share subscription rights
a. The Company may acquire the share subscription rights without contribution on a date separately determined by the Board of Directors if (i) a proposal for approval of a merger agreement whereby the Company becomes the dissolving company, (ii) a proposal for approval of a company split agreement or company split plan whereby the Company becomes the splitting company, or (iii) a proposal for approval of a share exchange agreement or share transfer plan whereby the Company becomes the wholly owned subsidiary has been approved at a shareholders’ meeting of the Company (or resolved by the Board of Directors where a shareholders’ meeting resolution is not necessary).
b. The Company may acquire the share subscription rights without contribution if the share subscription right holder becomes unable to exercise the share subscription rights for any reason such as ceasing to fall under the conditions for exercising rights indicated in (ix) below.
c. The Company may acquire the share subscription rights without contribution if the share subscription right holder violates the provisions of the share subscription rights allotment agreement.

(vii) Treatment upon restructuring transaction

If the Company is to engage in a merger (limited only to cases where the Company becomes the dissolving company due to merger), absorption-type split, incorporation-type split, share exchange, or share transfer (collectively, the "Restructuring Transaction"), it shall for each case, respectively, deliver the share subscription rights of the stock companies ("*kabushiki kaisha*") listed under Article 236, Paragraph 1, Item 8 (a) through (e) of the Companies Act (the "Restructuring Company") to the share subscription right holders of the share subscription rights remaining as of the effectuation of the Restructuring Transaction (the "Remaining Share Subscription Rights") pursuant to the following conditions. In such a case, the Remaining Share Subscription Rights will be extinguished. However, the foregoing shall be limited to cases where it is indicated in the absorption-type merger agreement, incorporation-type merger agreement, absorption-type split agreement, incorporation-type split plan, share exchange agreement, or share transfer plan to the effect that the share subscription rights of the Restructuring Company will be delivered in accordance with the following conditions.

a. Number of share subscription rights of the Restructuring Company to be delivered

The same number as the number of share subscription rights held by the share subscription right holder of the Remaining Share Subscription Rights as of the effectuation of the Restructuring Transaction shall be delivered, respectively.

b. Class of shares of the Restructuring Company to be acquired upon the exercise of the share subscription rights

The above shares shall be the ordinary shares of the Restructuring Company.

c. Number of shares of the Restructuring Company to be acquired upon the exercise of the share subscription rights

This will be determined analogously as (i) above, taking into consideration the conditions, etc., of the Restructuring Transaction.

d. Amount of property contributed upon the exercise of the share subscription rights

The amount of property contributed upon the exercise of share subscription rights to be delivered shall be the amount obtained by multiplying the adjusted exercise price after the restructuring by the number of shares that are the subject of the share subscription rights, taking into consideration the conditions, etc., of the Restructuring Transaction.

e. Period during which the share subscription rights are exercisable

The above period shall be from the later of the commencement date of the period indicated in (iii) above during which the Remaining Share Subscription Rights are exercisable and the date of effectuation of the Restructuring Transaction, until the last date of the period indicated in (iii) above during which the Remaining Share Subscription Rights are exercisable.

f. Matters regarding capital and capital reserve that shall be increased when shares are issued upon the exercise of the share subscription rights

The above matters shall be determined analogously as (iv) above.

g. Restriction on the acquisition of the share subscription rights by transfer

An acquisition of the share subscription rights by way of transfer requires the approval by a resolution of the Board of Directors of the Restructuring Company (if the Restructuring Company is not a Company with a Board of Directors, then determination by its director).

h. Events and conditions for the Restructuring Company's acquisition of the share subscription rights

The above events and conditions shall be determined analogously as (vi) above.

i. Conditions for exercising the share subscription rights

The above conditions shall be determined analogously as (ix) below.

(viii) Rounding off of fractions
Any fraction under one (1) share in the number of shares to be delivered to the share subscription right holders shall be rounded off.

(ix) Conditions for exercising the share subscription rights
a. A share subscription right holder may only exercise the share subscription rights within ten (10) days from the day following the day he/she loses his/her position as a director or executive officer of the Company, or as a director or executive officer of a subsidiary of the Company.
b. Notwithstanding the provisions in a. above, in the event that a proposal for approval of a merger agreement whereby the Company becomes the dissolving company or a proposal for approval of a share exchange agreement or share transfer plan whereby the Company becomes a wholly owned subsidiary has been approved at a shareholders' meeting of the Company (or resolved by the Board of Directors where the resolution of the shareholders' meeting is not necessary), then the share subscription right holder may only exercise the share subscription rights within thirty (30) days from the day following the day on which the proposal is approved.
c. Notwithstanding the provisions in a. above, in the event that the share subscription right holder is a director or executive officer of a company that is a subsidiary of the Company, and that company later ceases to be a subsidiary of the Company (including but not limited to the event that this change results from a Restructuring Transaction or assignment of shares), then the share subscription right holder may only exercise the share subscription rights within thirty (30) days from the day following the day on which the company ceases to be a subsidiary of the Company.
d. The share subscription right holder must exercise all of the allotted share subscription rights at one time.
e. If a share subscription right holder passes away, his/her heir may exercise such right. The conditions for exercising the share subscription right by the heir shall be as set forth in the agreement referred to in f. below.
f. Other conditions shall be as set forth in the "Share Subscription Rights Allotment Agreement" entered into between the Company and the share subscription right holders pursuant to the resolution of the Board of Directors.
(x) Other details of the share subscription rights
Details of (i) through (ix) above and items other than (i) through (ix) above shall be determined by the Board of Directors, which determines the subscription requirements of the share subscription rights.

End

[Exercise of Voting Rights by Electronic Method]

Exercise of voting rights via the Internet
If you exercise your voting rights via the Internet, please confirm the following items before you vote.

If you attend the Annual Shareholders' Meeting in person, it is not necessary to complete the procedures for exercising your voting rights in writing (Voting Instructions Form) or via the Internet.

Notes

1. Voting Site
(1) You can exercise your voting rights via the Internet by accessing the Voting Site designated by the Company (http://www.evote.jp/) from your personal computer or cell phone ("i-mode," "EZweb," or "Yahoo! Keitai")*. (Please note that service is not available between 2:00 a.m. and 5:00 a.m. Japan Standard Time (JST) each day.)

* "i-mode," "EZweb," and "Yahoo!" are the trademarks or registered trademarks of NTT DOCOMO INC., KDDI Corporation, and Yahoo! Inc., of the United States, respectively.

(2) Depending on certain factors in the shareholder's Internet usage environment, it might not be possible to exercise voting rights via a personal computer. These factors include the use of a firewall, etc., in the Internet connection, the use of anti-virus software, and the use of a proxy server.

(3) To exercise your voting rights by cell phone, please use one of the following services: "i-mode," "EZweb," or "Yahoo! Keitai." To ensure security, cell phones that cannot send encrypted communications (SSL communications) and cell phone information cannot be used to exercise voting rights.

(4) Voting rights may be exercised via the Internet until 5:30 p.m. JST on Wednesday, May 23, 2012. However, shareholders are kindly requested to exercise their voting rights early. If you have any questions, please contact the Corporate Agency Department Help Desk.

2. Method of exercising voting rights via the Internet
(1) On the Voting Site (http://www.evote.jp/), enter your "login ID" and "temporary password," which are printed on the Voting Instructions Form. Follow the instructions on your computer screen and input your vote for or against the proposed actions.

(2) To prevent unauthorized access by people other than shareholders and to prevent the falsification of shareholder votes, shareholders voting via the Internet will be asked to change their "temporary password" on the Voting Site.

(3) A new "login ID" and "temporary password" will be provided with the convocation for each Shareholders' Meeting.

3. Costs incurred in accessing the Voting Site
Costs (Internet connection charges, telephone charges, etc.) incurred in accessing the Voting Site (http://www.evote.jp/) will be the responsibility of the shareholder. If a cell phone is used, packet transmission fees and other cell phone usage fees will also be the responsibility of the

shareholder.

For inquiries regarding the system, etc.

Mitsubishi UFJ Trust and Banking Corporation
Corporate Agency Department Help Desk

Tel: 0120-173-027 (Hours: 9:00 a.m. to 9:00 p.m. JST)

Platform for Electronic Exercise of Voting Rights
In addition to the exercise of voting rights via the Internet as described above, if nominee shareholders, such as trust and custody services banks (including standing proxies), make prior application to use the platform for the electronic exercise of voting rights that is operated by ICJ Inc., a joint corporation established by Tokyo Stock Exchange, Inc., etc., such shareholders may use that platform as an electronic method for exercising voting rights in connection with the Shareholders' Meeting of the Company.

End

* This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the Japanese original shall prevail.