<TRANSLATION FOR REFERENCE PURPOSE ONLY>

Securities Code No. 3382
May 1, 2013

To Our Shareholders,

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

CONVOCATION NOTICE OF THE 8TH ANNUAL SHAREHOLDERS' MEETING

You are invited to attend the 8th 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 22, 2013 (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 68 to 69, 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 23, 2013 (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 8th fiscal year (from March 1, 2012 to February 28, 2013), and the results of audits of the consolidated financial statements by the accounting auditor and the Audit & Supervisory Board.

(2) Reporting on the substance of the financial statements for the 8th fiscal year (from March 1, 2012 to February 28, 2013).

Matters to be Resolved:
Item No. 1: Appropriation of retained earnings.
Item No. 2: Election of sixteen (16) Directors.
Item No. 3: 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 Determined for 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).

Attached Documents (Extract)

Business Report (March 1, 2012 to February 28, 2013)

1. Items Regarding Current Status of Corporate Group

(1) Business progress and results

In the 8th consolidated fiscal year, the operating environment in the retail industry saw improvement in some quarters based on expectations for economic stimulus measures and other policies implemented since the end of 2012. However, overall consumer spending remained lackluster.

In this setting, the Group worked to further strengthen its existing operations and pursued new business development initiatives. As regards the former, to maximize Group synergy effects, we worked to bolster development and sales of our Seven Premium private-brand products, and as a result sales of these products expanded to ¥490.0 billion in the 8th consolidated fiscal year. Combined with sales of the original products of various Group companies, Group-wide sales of original products totaled ¥2,038.0 billion.

In convenience store operations, we worked to expand our store network through aggressive store openings. In addition, we implemented measures to realize close-by, convenient stores, such as developing retail spaces that make shopping easy and enhancing our product lineup. In domestic superstore operations, we strove to improve the gross profit margin by enhancing face-to-face sales with customers in order to convey the value of products to them. In addition, we took steps to improve profitability by reducing expenses.

As a new business development initiative, Seven-Eleven Japan Co., Ltd. established SEJ Asset Management & Investment Company to strengthen the framework for expanding convenience store operations in North America and improving their profitability. With this move, a system is now in place to support future business expansion to be undertaken by 7-Eleven, Inc. In China operations, we renamed SEVEN-ELEVEN CHINA Co., Ltd. as SEVEN-ELEVEN (CHINA) INVESTMENT CO., LTD. in conjunction with changing its business purpose, capital, etc., with a view to strengthening convenience store operations. As a result, SEVEN-ELEVEN (CHINA) INVESTMENT CO., LTD. has become a holding company that can invest directly in its subsidiaries. In addition, in superstore operations, we built a framework for strengthening business by establishing Ito-Yokado (China) Investment Co., Ltd. as a holding company that can also invest directly in its subsidiaries in its China operations.

Consequently, our consolidated results in the 8th consolidated fiscal year were as follows.

Revenues from operations were ¥4,991.6 billion (up 4.3% YOY), mainly supported by increased revenues from operations in convenience store operations.

Due primarily to higher income in convenience store operations and financial services operations, operating income was ¥295.7 billion (up 1.2% YOY) and ordinary income was ¥295.8 billion (up 0.9% YOY).

In addition to higher operating income and ordinary income, there was an absence of the effects caused by the following special losses that were recorded in the previous fiscal year: loss on disaster due to the Great East Japan Earthquake and the effect of the application of accounting standards for asset retirement obligations. Consequently, net income was ¥138.1 billion (up 6.3% YOY). The Group has achieved record earnings in terms of operating income, ordinary income, and net income for the 8th consolidated fiscal year.

Group sales, which includes the total store sales of Seven-Eleven Japan Co., Ltd.~~,~~ and 7-Eleven, Inc., were ¥8,507.6 billion (up 5.7% YOY).

Overview of business by segment

An overview of business by segment in the 8th consolidated fiscal year is as follows.

(i) Convenience store operations

Revenues from operations in convenience store operations were ¥1,899.6 billion (up 12.3% YOY), and operating income was ¥221.8 billion (up 3.3% YOY).

In Japan operations, Seven-Eleven Japan Co., Ltd. expanded the region where it has stores to include Akita Prefecture in May 2012. In addition, in accordance with its basic strategy for opening stores—the market concentration store-opening strategy—Seven-Eleven Japan Co., Ltd.~~,~~ pursued an aggressive store development program, such as increasing store openings in urban areas. Consequently, the number of store openings was 1,354, and the number of domestic stores was 15,072 stores (up 1,067 stores YOY) in 40 prefectures at the end of the 8th consolidated fiscal year. These results marked all-time highs in terms of the number of store openings and the net increase in stores. On the sales and product fronts, we continued to focus on the development of high-quality products, and bolstered lineups of Seven Premium private-brand products of the Group and other food products for which there is strong demand such as prepared meals, vegetables, and desserts. Moreover, having positioned products essential to daily life as core products, we continued working to realize close-by, convenient stores by upgrading and expanding product lineups at stores, among other measures.

On the services front, we revised service details of the Seven Meal delivery service in May 2012 so that customers would find the service even more convenient to use. One example was the revision of delivery fees for the service. In addition, in August 2012, we launched the *Seven RakuRaku Delivery*, where we deliver almost all food, general merchandise and other items carried by Seven-Eleven stores to customers' homes, offices and other locations using electric mini-cars. Thereby, we worked to further increase convenience. Consequently, in the 8th consolidated fiscal year, the rate of growth in sales at existing stores was 1.3%. Total store sales in Japan, which comprise corporate and franchised store sales, were ¥3,508.4 billion (up 6.9% YOY).

In North America operations, as of the end of December 2012, 7-Eleven, Inc.~~,~~ had 8,118 stores (up 969 stores YOY), including 5,870 franchised stores (up 433 stores YOY). In terms of stores, 7-Eleven, Inc. took aggressive steps to expand its store network, such as opening 1,078 stores, including stores in Texas acquired from Tetco, Inc. 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, sales growth was posted for hot food and non-alcoholic beverages. Consequently, in the 8th consolidated fiscal year, merchandise sales at existing stores in the United States grew at a rate of 2.9% year on year on a local currency basis. Total store sales were ¥1,852.2 billion (up 14.0% YOY), due partly to higher gasoline sales.

In China operations, SEVEN-ELEVEN (BEIJING) CO., LTD.~~,~~ had 200 stores as of the end of December 2012 (up 53 stores YOY), including 138 stores in Beijing and 62 in Tianjin. SEVEN-ELEVEN (CHENGDU) CO., LTD. had 87 stores as of the end of December 2012 (up 46 stores YOY). In each of these areas, the stores met the needs of local customers and recorded robust sales overall, despite the impact of a temporary downturn in sales from September 2012.

In convenience store operations, exchange rates had only a negligible impact on revenues from operations and operating income.

(ii) Superstore operations

Revenues from operations in superstore operations were ¥1,994.6 billion (up 0.1% YOY), and operating income was ¥25.5 billion (down 21.4% YOY).

In domestic superstore operations, Ito-Yokado Co., Ltd. had 174 stores at the end of the 8th consolidated fiscal year (up 1 store YOY). In apparel, we promoted face-to-face sales at stores and used campaigns with media to promote the value of products to customers. In addition, we recorded solid sales of our four private brands centered on good day, a core casual fashion brand in the apparel field; the GALLORIA brand of women's wear and other clothing; Kent, a casual men's fashion brand, and our functional underwear products. In food, we provided safe and secure products, and worked to strengthen our lineup of high-quality products. The rate of growth in sales at existing stores in the 8th consolidated fiscal year declined year on year, due to a reduction in large-scale sales and other factors. However, profitability improved in the second half mainly due to a reduction in losses due to markdown and an improving gross profit margin reflecting growth in sales of private-brand products.

In domestic food supermarket operations, York-Benimaru Co., Ltd. had 184 stores as of the end of the 8th consolidated fiscal year (up 8 stores YOY), principally in the southern Tohoku region, and York Mart Co., Ltd. had 71 stores (up 3 stores YOY) in the Tokyo metropolitan area. Despite the absence of the heightened demand seen after the earthquake, York-Benimaru Co., Ltd. continued to approach sales with a focus on making lifestyle proposals centered on fresh foods, including prepared meals. Consequently, the rate of growth in sales at existing stores for the 8th consolidated fiscal year was largely unchanged from the previous year. Also in food, York-Benimaru Co., Ltd. focused on selling 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.

Akachan Honpo Co., Ltd., which sells baby and maternity products in Japan, had 92 stores at the end of the 8th consolidated fiscal year (up 5 stores YOY). Thanks to successful efforts to win new members and strengthen sales of high-quality products, the rate of growth in sales of existing stores in the 8th consolidated fiscal year increased on the previous fiscal year.

In China operations, as of December 31, 2012, we had 8 superstores in Beijing and 5 superstores in Chengdu, Sichuan Province. With respect to the superstores in Beijing and Chengdu, the rates of growth in sales at existing stores in the 8th consolidated fiscal year were both lower year on year mainly due to the impact of the deterioration in sales accompanying major renovation work on the Second Ring Road in Chengdu from August 2012.

(iii) Department store operations

Revenues from operations in department store operations were ¥884.0 billion (down 1.8% YOY), and operating income was ¥8.0 billion (down 19.3% 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, we began remodeling the Sogo Yokohama store. On the product front, we continued to expand our lineups of self-planned merchandise and self-produced retail spaces for the purpose of differentiating our retail spaces by boosting their appeal. On the other hand, with the objective of focusing management resources and increasing asset efficiency, the Seibu Numazu store and the Sogo Kure store were closed at the end of January 2013. Driven mainly by the positive effects of the remodeling of the SEIBU Ikebukuro flagship store and the Sogo Yokohama store, the rate of growth in sales at existing stores in the 8th consolidated fiscal year was up year on year.

THE LOFT CO., LTD., which operates miscellaneous goods specialty stores, had 82 stores at the end of the 8th consolidated fiscal year (up 9 stores YOY). These stores were principally located in stores operated by Sogo & SEIBU Co., Ltd. and in Ario large-scale shopping centers operated by Ito-Yokado Co., Ltd.

(iv) Food services operations

Revenues from operations in food service operations were ¥78.4 billion (up 0.4% YOY), and operating income was ¥721 million (an improvement of ¥816 million YOY).

In the restaurant division of Seven & i Food Systems Co., Ltd., the rate of growth in sales at existing restaurants in the 8th consolidated fiscal year increased year on year. This mostly reflected measures to strengthen main items on the menu and enhance customer service at existing restaurants, along with the absence of the effects of the Great East Japan Earthquake seen in the first quarter of the previous fiscal year, such as reduced operating hours.

In China operations, Seven & i Restaurant (Beijing) Co., Ltd. had 3 restaurants as of the end of December 2012.

(v) Financial services operations

In financial services operations, revenues from operations were ¥144.4 billion (up 11.4% YOY), and operating income was ¥37.4 billion (up 10.8% YOY).

As of the end of the 8th consolidated fiscal year, the number of installed ATMs of Seven Bank, Ltd. had increased to 17,922 (up 1,382 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 8th consolidated fiscal year was 111.2 transactions (down 1.0 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 8th consolidated fiscal year, the number of cardholders for the Seven Card, which is issued by Seven Card Service Co., Ltd., was 3.37 million (up 0.15 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 3.21 million (up 0.09 million YOY).

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 8th consolidated fiscal year, the total number of *nanaco* accounts issued was 21.45 million (up 5.09 million YOY), and the number of stores at which *nanaco* could be used was approximately 121,000 stores (up about 19,200 stores YOY).

(vi) Others

Revenues from operations in others were ¥50.2 billion (up 5.8% YOY), and operating income was ¥3.9 billion (up 68.7% YOY).

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 launched *Meal Service*, which is operated by Seven-Eleven Japan Co., Ltd., and e. Akachan Honpo, which is operated by Akachan Honpo Co., Ltd.

Revenues from operations by segment

Business segment	Revenues from operations (Millions of yen)
Convenience stores	1,899,573
Superstores	1,994,588
Department stores	884,028
Food services	78,361
Financial services	144,355
Others	50,210
Eliminations / corporate	(59,475)
Total	4,991,642

(Notes)

1. Group sales, which include the total store sales of Seven-Eleven Japan Co., Ltd. and 7-Eleven, Inc., were ¥8,507.6 billion.

2. Eliminations / corporate is a total of eliminated inter-segment transactions and revenues from operations for the Company.

(2) Capital expenditures and fund raising

Total capital expenditures in the 8th consolidated fiscal year were ¥334.2 billion. The funds required for these expenditures were appropriated from loans from the financial institutions, from previously issued unsecured bonds and from funds on hand.

Business segment	Capital expenditures (Millions of yen)
Convenience stores	214,250
Superstores	54,243
Department stores	18,265
Food services	1,407
Financial services	40,945
Others	4,331
Corporate (shared)	772
Total	334,216

(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 8th fiscal year and the most recent three fiscal years

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

Item	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)	8th fiscal year (March 1, 2012 to February 28, 2013)
Revenues from operations	Millions of yen 5,111,297	Millions of yen 5,119,739	Millions of yen 4,786,344	Millions of yen 4,991,642
Net income	Millions of yen 44,875	Millions of yen 111,961	Millions of yen 129,837	Millions of yen 138,064
Net income per share	Yen 49.67	Yen 126.21	Yen 146.96	Yen 156.26
Total assets	Millions of yen 3,673,605	Millions of yen 3,732,111	Millions of yen 3,889,358	Millions of yen 4,262,397
Net assets	Millions of yen 1,793,940	Millions of yen 1,776,512	Millions of yen 1,860,954	Millions of yen 1,994,740
Net assets per share	Yen 1,905.97	Yen 1,927.09	Yen 1,998.84	Yen 2,140.45

(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	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)	8th fiscal year (March 1, 2012 to February 28, 2013)
		Millions of yen	Millions of yen	Millions of yen	Millions of yen
Convenience stores	Revenues from operations	1,968,555	2,036,464	1,690,924	1,899,573
	Operating income	183,837	195,477	214,637	221,764
	Total assets	1,104,209	1,112,557	1,077,608	1,370,292
Superstores	Revenues from operations	2,016,558	1,981,604	1,992,298	1,994,588
	Operating income	14,178	15,708	32,432	25,491
	Total assets	1,096,598	1,081,491	1,048,661	967,887
Department stores	Revenues from operations	922,847	915,105	900,222	884,028
	Operating income	1,366	5,622	9,948	8,029
	Total assets	612,326	571,463	541,929	517,075
Food services	Revenues from operations	86,420	80,225	78,026	78,361
	Operating income (loss)	(2,741)	(193)	(95)	721
	Total assets	24,636	21,105	21,026	21,843
Financial services	Revenues from operations	110,444	106,953	129,601	144,355
	Operating income	30,152	28,343	33,778	37,425
	Total assets	1,175,963	1,350,272	1,565,291	1,716,745
Others	Revenues from operations	33,669	35,610	47,464	50,210
	Operating income (loss)	567	(690)	2,304	3,886
	Total assets	16,770	145,792	153,852	168,047

(4) Corporate reorganization measures, etc.

(i) Consolidation of financial services operations by Seven Financial Service Co., Ltd.

In order to enhance and strengthen the overall management and control function of the Group's financial services operations, the following absorption-type merger was implemented.

- Seven Financial Service Co., Ltd., merged with K.K. York Insurance through an absorption-type merger effective on March 1, 2012.

(ii) Establishment of holding companies for the China business, etc.

In order to expedite the overall strategy-proposal and decision-making functions for the Group's China business, among other measures for establishing a framework for aggressively expanding business operations in China going forward, the Company established holding companies that can invest directly in its subsidiaries, as follows.

- In superstore operations, Ito-Yokado Co., Ltd. established Ito-Yokado (China) Investment Co., Ltd. on July 9, 2012.
- In convenience store operations, the Company renamed SEVEN-ELEVEN CHINA Co., Ltd. as SEVEN-ELEVEN (CHINA) INVESTMENT CO., LTD. in conjunction with changing its business purpose, capital, etc. effective from September 7, 2012.

(iii) Establishment of SEJ Asset Management & Investment Company

On October 17, 2012, Seven-Eleven Japan Co., Ltd. established SEJ Asset Management & Investment Company in Delaware, U.S., to strengthen the framework for expanding 7-Eleven, Inc.'s operations in North America and improving their profitability.

(5) Status of major subsidiaries (as of February 28, 2013)

(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.	¥30,509 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 92 consolidated subsidiaries and 20 equity-method affiliates.

(6) Issues to be resolved

With respect to the outlook for the 9th consolidated fiscal year, consumer spending and employment conditions have shown signs of strength recently, along with improvement in some quarters based on expectations for the economic stimulus measures and other policies implemented since the end of 2012. However, it is expected that the operating environment will remain challenging given that Japan’s consumption tax rate is scheduled to be increased in April 2014. Therefore, measures to address the hike in the consumption tax rate are now crucial.

In this setting, the Group will take on the challenge of creating new value that reflects changes in the economic environment and social structure. At the same time, the Group will focus on improving profitability through development of value-added products and improvement in customer service skills needed to convey the value of products to customers in order to further differentiate itself .

In terms of measures to maximize Group synergy effects, the Group is targeting sales of ¥650.0 billion from its Seven Premium private-brand products (up ¥160.0 billion YOY). Combined with sales of the original products of various Group companies, we are targeting Group-wide sales of ¥2,387.0 billion (up ¥349.0 billion YOY) from original products.

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 to realize close-by, convenient stores. In terms of stores, we will step up store openings in favorable locations. In addition, in March 2013, we will begin to open stores in Kagawa and Tokushima prefectures as one facet of expansion into new regions. In these ways, we will open a record high 1,500 stores. In addition, we will work to further increase the quality of fast food products, as well as strengthen service operations such as product delivery services. We will position products essential to daily life as our core products as we strive to expand our lineups at stores.

In overseas convenience store operations, 7-Eleven, Inc., which conducts our North American operations, 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 invigorate existing stores, including measures to increase sales of fast food products. Moreover, in its China operations, the Group will strengthen store operations for existing stores and expand its store network.

In superstore operations, Ito-Yokado Co., Ltd. will work to further improve its revenue generating base. Measures will include enhancing sales capabilities by strengthening development of private-brand products and face-to-face sales with customers. The Group will also focus on sales area reforms utilizing specialty stores from inside and outside the Group as one facet of store structure reforms. York-Benimaru Co., Ltd. will continue to strengthen its lineup of products that meet regional needs, while aggressively opening new stores with the aim of achieving a high market concentration.

In department store operations, Sogo & Seibu Co., Ltd. will expand its introduction of successful store remodeling based on the SEIBU Ikebukuro flagship store to other stores. This will include remodeling core stores like the Sogo Yokohama store and the Sogo Omiya store. 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 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.

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 28, 2013)

The Group is centered on the retail industry and comprises 114 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 (47 companies)	Seven-Eleven Japan Co., Ltd. 7-Eleven, Inc. SEVEN-ELEVEN (CHINA) INVESTMENT CO., LTD.[*1] SEVEN-ELEVEN (BEIJING) CO., LTD. SEVEN-ELEVEN (TIANJIN) CO., LTD.[*2] SEVEN-ELEVEN (CHENGDU) CO., LTD. SEVEN-ELEVEN (HAWAII), INC. SEJ Asset Management & Investment Company[*3] WHP Holdings Corporation*[4] White Hen Pantry, Inc. Pantry Select, Inc. SHAN DONG ZHONG DI CONVENIENCE CO., LTD.[*5, 6] TOWER BAKERY CO., LTD.*[6]
Superstores (25 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 Bi no Garden Co., Ltd.[*7] IY Foods K.K. Life Foods Co., Ltd. Ito-Yokado (China) Investment Co., Ltd.[*8] Seven Farm Co., Ltd.
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*[6] K.K. K.S. Building*[6] CHIBA SENCITY CORPORATION*[6] K.K. Kashiwa Ekimae Building Kaihatsu*[6] K.K. Omiya Sky Plaza*[6]

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. Seven Card Service Co., Ltd. Seven CS Card Service Co., Ltd. SEVEN & i Financial Center Co., Ltd. Financial Consulting & Trading International, Inc.*9
Others (20 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 Co., Ltd. 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. S-WILL Co., Ltd. Susukino Jujigai Building K.K.*6 I ing Co., Ltd.*6 PIA CORPORATION*6 Tower Records Japan Inc.*6 Link Station Co., Ltd.*6

(Notes)

*1. On September 7, 2012, SEVEN-ELEVEN CHINA Co., Ltd. changed its trade name to SEVEN-ELVEN (CHINA) INVESTMENT CO., LTD.

*2. On November 7, 2012, SEVEN-ELVEN (TIANJIN) CO., LTD. was established as a consolidated subsidiary of the Company.

*3. On October 17, 2012, SEJ Asset Management & Investment Company was established as a consolidated subsidiary of the Company.

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

*5. On June 1, 2012, SHAN DONG ZHONG DI CONVENIENCE CO., LTD. was established as an affiliate of the Company.

*6. SHAN DONG ZHONG DI CONVENIENCE CO., LTD., TOWER BAKERY 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.

*7. On May 1, 2012, Seven Health Care Co., Ltd. changed its trade name to Seven Bi no Garden Co., Ltd.

*8. On July 9, 2012, Ito-Yokado (China) Investment Co., Ltd. was established as a consolidated subsidiary of the Company.

*9. Financial Consulting & Trading International, Inc. became a consolidated subsidiary through a stock acquisition dated October 6, 2012.

(8) Principal business locations (as of February 28, 2013)

(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: 434 stores

7-Eleven, Inc.

- Head office: Texas, U.S.A.
- Corporate stores: 2,248 stores

(Note)
The number of corporate stores for 7-Eleven, Inc., is the number of stores as of the end of December 2012.

(Superstores)

Ito-Yokado Co., Ltd.

- Head office: 8-8, Nibancho, Chiyoda-ku, Tokyo
- Corporate stores: 174 stores

York-Benimaru Co., Ltd.

- Head office: 18-2, 2-chome, Asahi, Koriyama, Fukushima
- Corporate stores: 184 stores

(Department stores)

Sogo & Seibu Co., Ltd.

- Head office: 5-25, Nibancho, Chiyoda-ku, Tokyo
- Corporate stores: 24 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: 844 stores

(Financial services)

Seven Bank, Ltd.

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

(9) Status of employees (as of February 28, 2013)

(i) Status of employees of the corporate group

Business segment	Number of employees	Change from the previous fiscal year-end
Convenience stores	25,607 employees	4,280 employees (increase)
Superstores	18,694 employees	821 employees (decrease)
Department stores	6,966 employees	501 employees (decrease)
Food services	1,323 employees	38 employees (decrease)
Financial services	1,224 employees	190 employees (increase)
Others	779 employees	5 employees (increase)
Corporate (shared)	418 employees	8 employees (increase)
Total	55,011 employees	3,123 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 85,705 part-time employees (monthly average based on a 163-hour working month).
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 convenience store operations was principally due to aggressively expanding the store network through store acquisitions by 7-Eleven, Inc.

(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	300 employees	10 employees (increase)	46 years 6 months	20 years 3 months
Females	118 employees	2 employees (decrease)	38 years 8 months	16 years 0 month
Total or average	418 employees	8 employees (increase)	44 years 1 month	19 years 1 month

(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 22 part-time workers (monthly average based on a 163-hour working month).

(10) Status of major lenders (as of February 28, 2013)

Lender	Amount borrowed (Millions of yen)
Sumitomo Mitsui Banking Corporation	149,438
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	120,481
Mizuho Corporate Bank, Ltd.	75,819

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

None.

2. Items Regarding Shares (as of February 28, 2013)

(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 2,884,828 treasury stock.

(3) Number of shareholders: 89,849

(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)	41,481	4.7
The Master Trust Bank of Japan, Ltd. (Trust account)	38,966	4.4
Nippon Life Insurance Company	19,664	2.2
SSBT OD05 OMNIBUS ACCOUNT-TREATY CLIENTS	18,983	2.1
Masatoshi Ito	16,801	1.9
MITSUI & CO., LTD.	16,222	1.8
State Street Bank and Trust Company 505225	15,448	1.7
Nomura Securities Co., Ltd. (Proprietary account)	14,460	1.6
The Dai-ichi Life Insurance Company, Limited	13,777	1.6

(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 Audit & Supervisory Board Members of the Company as compensation for the performance of their duties (as of February 28, 2013)

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 Audit & Supervisory Board Members' 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: 236 Class and number of corresponding shares: 23,600 ordinary shares Number of Directors holding the share subscription rights: 9

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 Audit & Supervisory Board Members' 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:321 Class and number of corresponding shares: 32,100 ordinary shares Number of Directors holding the share subscription rights: 8

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 Audit & Supervisory Board Members' 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: 184 Class and number of corresponding shares: 18,400 ordinary shares Number of Directors holding the share subscription rights: 7

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 Audit & Supervisory Board Members' 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: 248 Class and number of corresponding shares: 24,800 ordinary shares Number of Directors holding the share subscription rights: 7

Name of share subscription rights issue		9th share subscription rights issue	10th share subscription rights issue
Date of resolution for issue		June 5, 2012	June 5, 2012
Number of share subscription rights		270*[1]	1,261*[2]
Class and number of shares to be acquired upon exercise of the share subscription rights		27,000*[1] ordinary shares of the Company (with one share subscription right corresponding to 100 shares)	126,100*[2] ordinary shares of the Company (with one share subscription right corresponding to 100 shares)
Amount to be paid for the share subscription rights		¥216,400 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, 2013 to July 6, 2032	From February 28, 2013 to July 6, 2042
Exercise conditions		*[4]	*[4]
Directors' or Audit & Supervisory Board Members' ownership status	Directors (excluding Outside Directors)	Number of share subscription rights: 270 Class and number of corresponding shares: 27,000 ordinary shares Number of Directors holding the share subscription rights: 7	Number of share subscription rights: 236 Class and number of corresponding shares: 23,600 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 "Share Subscription Rights Allotment Agreement" 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 8th consolidated fiscal year as compensation for the performance of their duties

<table>
<tr><th colspan="2">Name of share subscription rights issue</th><th>10th share subscription rights issue</th></tr>
<tr><td rowspan="2">Status of grants to employees, etc.</td><td>Employees of the Company (excluding those concurrently serving as Directors or Audit & Supervisory Board Members of the Company)</td><td>Number of share subscription rights: 123
Class and number of corresponding shares: 12,300 ordinary shares
Number of recipients: 11</td></tr>
<tr><td>Directors, Audit & Supervisory Board Members, and employees of subsidiaries of the Company (excluding those concurrently serving as Directors, Audit & Supervisory Board Members, or employees of the Company)</td><td>Number of share subscription rights: 902
Class and number of corresponding shares: 90,200 ordinary shares
Number of recipients: 101</td></tr>
</table>

(Note)

The overview of the details of the 10th share subscription rights issue is as shown above in "(1) Overview, etc., of the share subscription rights held by Directors or Audit & Supervisory Board Members of the Company as compensation for the performance of their duties (as of February 28, 2013)."

4. Items Regarding the Company's Directors and Audit & Supervisory Board Members

(1) Directors and Audit & Supervisory Board Members (as of February 28, 2013)

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 Senior Officer of the Corporate Development 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	Akihiko Shimizu	Senior Officer of the Accounting Department of the Company
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	Emeritus Professor of Hitotsubashi University Xerox Distinguished Professor in Knowledge, Haas School of Business, University of California, Berkeley 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 Audit & Supervisory Board Member	Hisashi Seki	Audit & Supervisory Board Member of Seven-Eleven Japan Co., Ltd.
Standing Audit & Supervisory Board Member	Hideo Nomura	Audit & Supervisory Board Member of Ito-Yokado Co., Ltd. Audit & Supervisory Board Member of York-Benimaru Co., Ltd. Audit & Supervisory Board Member of York Mart Co., Ltd.
Audit & Supervisory Board Member	Yoko Suzuki	Attorney at Law
Audit & Supervisory Board Member	Megumi Suto	Professor of the Waseda Graduate School of Finance, Accounting and Law
Audit & Supervisory Board Member	Tsuguoki Fujinuma	Certified Public Accountant

(Notes)

1. Mr. Ikuo Kanda resigned his position as Audit & Supervisory Board Member upon the conclusion of the 7th Annual Shareholders' Meeting held on May 24, 2012.
2. Director Kunio Yamashita resigned his position as Representative Director and President of Sogo & Seibu Co., Ltd. on February 28, 2013 and became a Director of Sogo & Seibu Co., Ltd. on March 1, 2013.
3. Directors Noritaka Shimizu, Scott Trevor Davis, and Ikujiro Nonaka are Outside Directors as per Article 2, Item 15 of the Companies Act.
4. Audit & Supervisory Board Members Yoko Suzuki, Megumi Suto, and Tsuguoki Fujinuma are Outside Audit & Supervisory Board Members as per Article 2, Item 16 of the Companies Act.
5. Standing Audit & Supervisory Board Member Hideo Nomura and Audit & Supervisory Board Members Megumi Suto and Tsuguoki Fujinuma have the following expertise with regard to finance and accounting.

・Standing Audit & Supervisory Board Member Hideo Nomura was engaged in operations relating to investments and securities in the Finance Planning Department of the Company.

・Audit & Supervisory Board Member 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.

・Audit & Supervisory Board Member Tsuguoki Fujinuma is a certified public accountant.

6. All Outside Directors and Outside Audit & Supervisory Board Members are independent Directors or Audit & Supervisory Board Members in accordance with the rules of the Tokyo Stock Exchange.
7. Executive officers of the Company as of February 28, 2013 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	Akihiko Shimizu
Executive Officer	Masao Eguchi
Executive Officer	Yoshihiro Tanaka
Executive Officer	Yasuo Takaha
Executive Officer	Masataka Tosaya
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 Audit & Supervisory Board Members

(i) Aggregate amount of compensation, etc., regarding the 8th fiscal year

Classification of Directors/Audit & Supervisory Board Members	Number of eligible Directors/Audit & Supervisory Board Members	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)	13	253	150	44	58
Outside Directors	3	32	32	—	—
Audit & Supervisory Board Members (excluding Outside Audit & Supervisory Board Members)	3	35	35	—	—
Outside Audit & Supervisory Board Members	3	29	29	—	—

(Notes)

1. Audit & Supervisory Board Members (excluding Outside Audit & Supervisory Board Members) include one (1) Audit & Supervisory Board Member who resigned upon the conclusion of the 7th Annual Shareholders' Meeting, held on May 24, 2012.
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 Audit & Supervisory Board Members shall not exceed ¥100 million.
4. Stock options for stock-linked compensation were issued to seven (7) Directors (excluding Outside Directors).

(ii) Aggregate amount of compensation, etc., of Outside Directors and Outside Audit & Supervisory Board Members from subsidiaries

During the 8th fiscal year, the aggregate amount of compensation, etc. paid to Outside Directors and Outside Audit & Supervisory Board Members 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 Audit & Supervisory Board Members

(i) Relationship between the Company and other companies at which Outside Directors and Outside Audit & Supervisory Board Members hold important concurrent positions

There is no special relationship between the Company and other companies at which Outside Directors and Outside Audit & Supervisory Board Members hold important concurrent positions.

(ii) Main activities during the 8th fiscal year

・Attendance and remarks at meetings of the Board of Directors and the Audit & Supervisory Board

(Outside Directors)

The Company's Board of Directors held thirteen (13) meetings during the 8th fiscal year. Mr. Noritaka Shimizu attended thirteen (13) of those meetings, Mr. Scott Trevor Davis attended twelve (12), and Mr. Ikujiro Nonaka attended eleven (11). 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 Audit & Supervisory Board Members)

The Company's Board of Directors held thirteen (13) meetings during the 8th fiscal year. Ms. Yoko Suzuki attended thirteen (13) of those meetings, Ms. Megumi Suto attended thirteen (13), and Mr. Tsuguoki Fujinuma attended twelve (12). Also, the Company's Audit & Supervisory Board held fifteen (15) meetings during the 8th fiscal year. Ms. Yoko Suzuki attended fifteen (15) of those meetings, Ms. Megumi Suto attended fifteen (15), and Mr. Tsuguoki Fujinuma attended fifteen (15). These Outside Audit & Supervisory Board Members 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 Audit & Supervisory Board Members, 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 Audit & Supervisory Board Members also visited the places of business, etc., of major subsidiaries and exchanged opinions with the Directors and Audit & Supervisory Board Members, etc., of operating companies.

Through these activities, Outside Directors supervised operational execution, and Outside Audit & Supervisory Board Members 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 Audit & Supervisory Board Members 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 8th fiscal year	677
Total amount of monies and other financial benefits to be paid to the accounting auditor by the Company and its subsidiaries	682

(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 services as an accounting auditor for the 8th 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 Audit & Supervisory Board 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 Audit & Supervisory Board Members. 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 Audit & Supervisory Board, 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 CSR Management Committee; operate help lines; promote fair trade; and disseminate 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 Company's internal auditing division, 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) Audit & Supervisory Board Members 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

Audit & Supervisory Board Members.

(3) Regulations and systems for loss risk management

(i) In accordance with the "basic rules for risk management," the Company and its Group companies shall establish, maintain, and utilize comprehensive risk management systems, centered on the Risk Management Committee, in order to properly analyze and evaluate, and appropriately respond to risks associated with each business, with consideration for changes in the management environment and risk factors relevant to the Company and its Group companies.

(ii) In regard to risk management, a system for periodic reporting to the Board of Directors and Audit & Supervisory Board Members shall be established, maintained, and utilized. The Board of Directors, Directors, and people responsible for operating divisions shall conduct sufficient analysis and evaluation of risks associated with operational execution, and improvement measures shall be implemented rapidly.

(iii) In the case where a business experiences a major disruption, a serious incident or accident, or a large-scale disaster, etc., to minimize damage to the Company and all Group companies when risk events occur, a 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 people responsible for operating divisions, 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, Audit & Supervisory Board Members, 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 Company's internal auditing division will audit all Group companies.

(7) Matters related to the provision of support staff for Audit & Supervisory Board Members when so requested

The Company shall provide support staff for Audit & Supervisory Board Members when so requested.

(8) Matters related to the independence from Directors of the support staff for Audit & Supervisory Board Members

The selection (including subsequent replacements) of support staff to work exclusively for the Audit & Supervisory Board Members shall be subject to the approval of the Audit & Supervisory Board Members.

(9) Systems for reporting by Directors or employees to Audit & Supervisory Board Members and other systems for reporting to Audit & Supervisory Board Members

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 Audit & Supervisory Board Members. No Director or employee providing such reports shall suffer any adverse consequences.

In addition, the CSR Management Committee shall provide regular reports to the Representative Director and President and to the Audit & Supervisory Board Members concerning the operation of the help lines, which should function as public-interest reporting mechanisms.

(10) Other systems for ensuring that the Audit & Supervisory Board Members can conduct their activities effectively

(i) The Audit & Supervisory Board Members shall meet regularly with the Representative Director and President, and exchange opinions concerning important audit matters.

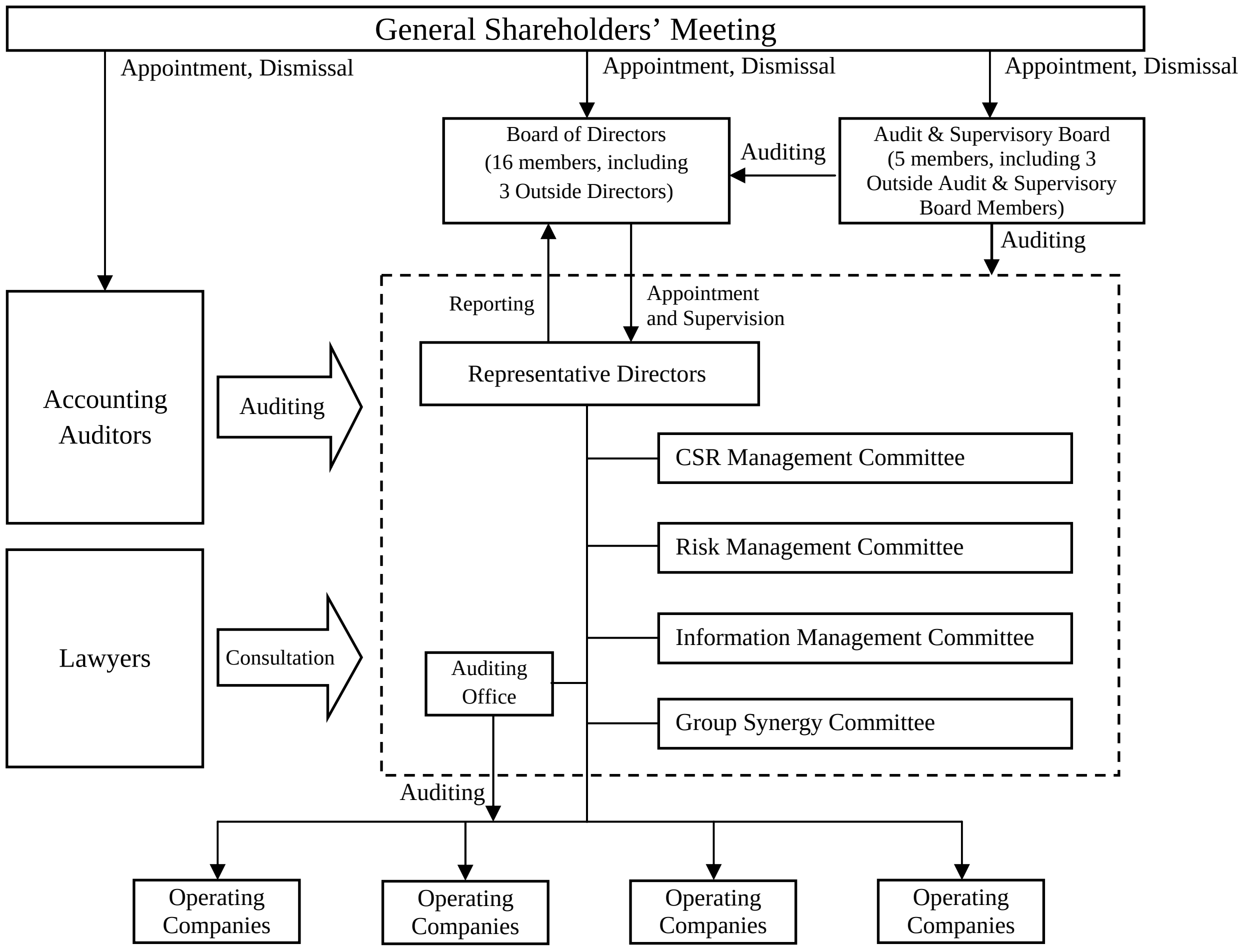
(ii) The Audit & Supervisory Board Members shall maintain close contact with the Company's internal auditing division, and may request the division to conduct inspections when necessary.

(iii) The Audit & Supervisory Board Members shall meet regularly with the Audit & Supervisory Board Members of all Group companies and work together from time to time in order to conduct appropriate audits of all Group companies.

(iv) The Audit & Supervisory Board Members 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 28, 2013)

(Millions of yen)

Item	Amount	Item	Amount
ASSETS		**LIABILITIES**	
Current assets	**1,655,528**	**Current liabilities**	**1,534,579**
Cash and bank deposits	710,968	Notes and accounts payable, trade	328,800
Call loan	25,000	Short-term loans	145,750
Notes and accounts receivable, trade	285,817	Current portion of long-term loans	124,857
Trade accounts receivable – financial services	64,053	Current portion of bonds	63,999
Marketable securities	110,024	Income taxes payable	34,827
Merchandise and finished goods	159,645	Accrued expenses	85,443
Work in process	175	Deposits received	136,850
Raw materials and supplies	2,465	Allowance for sales promotion expenses	15,262
Prepaid expenses	33,954	Allowance for bonuses to employees	13,293
Deferred income taxes	34,493	Allowance for bonuses to Directors and Audit & Supervisory Board Members	342
Other	233,886		
Allowance for doubtful accounts	(4,955)	Allowance for loss on future collection of gift certificates	3,406
Non-current assets	**2,606,564**		
Property and equipment	**1,482,514**	Provision for loss on disaster	143
Buildings and structures, net	631,992	Deposits received in banking business	325,444
Furniture, fixtures and equipment, net	171,735	Other	256,156
Vehicles, net	3,439	**Non-current liabilities**	**733,077**
Land	627,251	Bonds	229,983
Lease assets, net	16,892	Long-term loans	281,893
Construction in progress	31,203	Commercial paper	6,579
Intangible assets	**415,413**	Deferred income taxes	34,801
Goodwill	245,402	Allowance for accrued pension and severance costs	4,613
Software	37,178		
Other	132,832	Allowance for retirement benefits to Directors and Audit & Supervisory Board Members	2,124
Investments and other assets	**708,636**		
Investments in securities	163,456	Deposits received from tenants and franchised stores	55,089
Long-term loans receivable	18,017		
Prepaid pension cost	31,786	Asset retirement obligations	51,170
Long-term leasehold deposits	400,867	Other	66,822
Advances for store construction	7,609	**TOTAL LIABILITIES**	**2,267,656**
Deferred income taxes	32,943	**NET ASSETS**	
Other	60,626	**Shareholders' equity**	**1,963,666**
Allowance for doubtful accounts	(6,671)	Common stock	50,000
Deferred assets	**304**	Capital surplus	526,873
New organization costs	28	Retained earnings	1,393,935
Business commencement expenses	275	Treasury stock, at cost	(7,142)
		Total accumulated other comprehensive income	**(72,503)**
		Unrealized gains on available-for-sale securities, net of taxes	7,416
		Unrealized gains (losses) on hedging derivatives, net of taxes	(5)
		Foreign currency translation adjustments	(79,914)
		Subscription rights to shares	**1,538**
		Minority interests in consolidated subsidiaries	**102,038**
		TOTAL NET ASSETS	**1,994,740**
TOTAL ASSETS	**4,262,397**	**TOTAL LIABILITIES AND NET ASSETS**	**4,262,397**

CONSOLIDATED STATEMENT OF INCOME (March 1, 2012 to February 28, 2013)

(Millions of yen)

Item	Amount	
Revenues from operations		**4,991,642**
Net sales		4,149,003
Cost of sales		3,218,270
Gross profit on sales		**930,732**
Operating revenues		842,639
Gross profit from operations		**1,773,371**
Selling, general and administrative expenses		1,477,686
Operating income		**295,685**
Non-operating income		
Interest and dividends income	6,124	
Equity in earnings of affiliates	1,874	
Other	3,065	11,064
Non-operating expenses		
Interest expenses	5,113	
Interest on bonds	2,850	
Other	2,950	10,913
Ordinary income		**295,836**
Special gains		
Gain on sales of property and equipment	1,404	
Gain on sales of investment securities	31	
Other	711	2,147
Special losses		
Loss on disposals of property and equipment	6,642	
Impairment loss	18,330	
Other	10,288	35,261
Income before income taxes and minority interests		**262,722**
Income taxes – current	101,690	
Income taxes – deferred	9,148	110,839
Income before minority interests		**151,883**
Minority interests in net income of consolidated subsidiaries		13,818
Net income		**138,064**

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS (March 1, 2012 to February 28, 2013)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	**Total shareholders' equity**
Balance at March 1, 2012	**50,000**	**526,886**	**1,312,613**	**(7,212)**	**1,882,287**
Increase (decrease) for the year					
Cash dividends			(56,546)		**(56,546)**
Net income			138,064		**138,064**
Purchase of treasury stock				(13)	**(13)**
Disposal of treasury stock		(12)		83	**70**
Increase (decrease) resulting from adoption of U.S. GAAP by U.S. subsidiaries			(196)		**(196)**
Other				(0)	**(0)**
Increase (decrease) of items for the year except those included in shareholders' equity (net amount)					
Net increase (decrease) for the year	－	**(12)**	**81,321**	**69**	**81,378**
Balance at February 28, 2013	**50,000**	**526,873**	**1,393,935**	**(7,142)**	**1,963,666**

	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 March 1, 2012	**3,360**	**(3)**	**(119,661)**	**(116,303)**	**1,222**	**93,748**	**1,860,954**
Increase (decrease) for the year							
Cash dividends							**(56,546)**
Net income							**138,064**
Purchase of treasury stock							**(13)**
Disposal of treasury stock							**70**
Increase (decrease) resulting from adoption of U.S. GAAP by U.S. subsidiaries							**(196)**
Other							**(0)**
Increase (decrease) of items for the year except those included in shareholders' equity (net amount)	4,055	(2)	39,747	**43,800**	**315**	**8,290**	**52,406**
Net increase (decrease) for the year	**4,055**	**(2)**	**39,747**	**43,800**	**315**	**8,290**	**133,785**
Balance at February 28, 2013	**7,416**	**(5)**	**(79,914)**	**(72,503)**	**1,538**	**102,038**	**1,994,740**

Notes to Consolidated Financial Statements

Notes relating to Significant Accounting Policies for the Preparation of Consolidated Financial Statements

1. Items relating to Scope of Consolidation

(1) Status of consolidated subsidiaries

(i) Number of consolidated subsidiaries: 92

(ii) Names of major consolidated subsidiaries:

Seven-Eleven Japan Co., Ltd.

7-Eleven, Inc.

Ito-Yokado Co., Ltd.

York-Benimaru Co., Ltd.

Sogo & Seibu Co., Ltd.

Seven & i Food Systems Co., Ltd.

Seven Bank, Ltd.

Consolidated subsidiaries increased by seven (7).

(Establishment)

SEJ Asset Management & Investment Company

SEVEN-ELVEN (TIANJIN) CO., LTD.

Ito-Yokado (China) Investment Co., Ltd.

Seven Farm Tokai Co., Ltd.

Seven Farm Tokyo Co., Ltd.

(Acquisition of shares)

Financial Consulting & Trading International, Inc.

Handee Marts, Inc.

Consolidated subsidiaries decreased by two (2).

(Dissolution)

K.K. York Insurance

Seven Internet Lab. Co., Ltd.

Reason for dissolution

On March 1, 2012, K.K. York Insurance was dissolved due to an absorption-type merger with the Company's consolidated subsidiary, Seven Financial Service Co., Ltd., which was the surviving entity. Furthermore, on October 1, 2012 Seven Internet Lab. Co., Ltd. was dissolved due to an absorption-type merger with the Company's consolidated subsidiary Seven Net Shopping Co., Ltd., which was the surviving entity.

(2) Status of non-consolidated subsidiaries

(i) Name of major non-consolidated 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. Items relating to Application of the Equity Method

(1) Status of non-consolidated subsidiaries and affiliates to which the equity method was applied

(i) Number of non-consolidated subsidiaries to which the equity method was applied: None

(ii) Number of affiliates to which the equity method was applied: 20

Major affiliates: PRIME DELICA CO., LTD.
PIA CORPORATION

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

(Establishment)

SHAN DONG ZHONG DI CONVENIENCE CO., LTD.

(2) Status of non-consolidated 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) Special notes regarding 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. Items relating to 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 28 or 29 are adjusted for in the consolidation process.

The closing date of certain consolidated subsidiaries is March 31. Pro forma financial statements as of February 28 or 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. Items relating to 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 8th 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.

(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

Lease assets pertaining to finance lease transactions that do not transfer ownership of leased property to the lessee

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 Audit & Supervisory Board Members

Allowance for bonuses to Directors and Audit & Supervisory Board Members 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 Audit & Supervisory Board Members

Allowance for retirement benefits to Directors and Audit & Supervisory Board Members 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 Audit & Supervisory Board Members, 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:

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."

(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.

(vi) Application of the consolidated corporate-tax system

The Company and certain consolidated subsidiaries have applied the consolidated corporate-tax system from the 8th consolidated fiscal year.

Notes concerning Changes in Accounting Policies

(Change in depreciation method for property and equipment)

In accordance with the amendment of the Corporation Tax Law, effective from the 8th consolidated fiscal year, the Company and its domestic consolidated subsidiaries have changed their depreciation method for those property and equipment acquired on or after April 1, 2012 to the method according to the revised Corporation Tax Law. As a result of this change, operating income, ordinary income and income before taxes and minority interests each increased by ¥2,746 million.

Supplementary Information

(Application of the Accounting Standard for Accounting Changes and Error Corrections, etc.)

The Company has applied the "Accounting Standard for Accounting Changes and Error Corrections" (ASBJ Statement No. 24, December 4, 2009) and the "Guidance on Accounting Standard for Accounting Changes and Error Corrections" (ASBJ Guidance No. 24, December 4, 2009) for accounting changes and corrections of prior year's errors made on or after the beginning of the 8th consolidated fiscal year.

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:	¥2,703 million
Land:	¥14,237 million
Investments in securities:	¥89,348 million
Long-term leasehold deposits:	¥3,805 million
Total	¥110,094 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):	¥14,292 million
Deposits received from tenants and franchised stores:	¥104 million
Other:	¥663 million

In addition, buildings (¥454 million) and land (¥1,368 million) are pledged as collateral for the loans (¥3,343 million) of affiliates.

Investments in securities (¥7,302 million) are pledged as collateral for exchange settlement transactions. Investments in securities (¥19 million) and long-term leasehold deposits (¥35 million) are pledged as collateral under the Building Lots and Buildings Transaction Business Law.

Long-term leasehold 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 (¥421 million) and long-term leasehold deposits (¥788 million) have been pledged as collateral.

2. Accumulated depreciation of property and equipment:

¥1,399,750 million

3. Contingent liabilities

Guarantees of borrowings from financial institutions by employees are ¥273 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:	¥1,007,587 million
Outstanding balance:	¥28,041 million
Unused credit balance	¥979,546 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 March 1, 2012	Number of shares increased	Number of shares decreased	As of February 28, 2013
Ordinary shares	886,441	—	—	886,441

2. Items relating to total number of treasury shares

(Thousands of shares)

Type	As of March 1, 2012	Number of shares increased	Number of shares decreased	As of February 28, 2013
Ordinary shares	2,935	5	33	2,907

(Notes)

1. The 5 thousand increase in the number of ordinary shares in treasury stock was due to the purchase of odd-lot shares.
2. The 33 thousand decrease in the number of ordinary shares in treasury stock was due to a decrease of 33 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 24, 2012; Ordinary general meeting of shareholders	Ordinary share	29,156	33.00	February 29, 2012	May 25, 2012
October 4, 2012; Board of Directors' meeting	Ordinary share	27,390	31.00	August 31, 2012	November 15, 2012
Total	—	56,546	—	—	—

(2) Dividends whose record date is within the 8th consolidated fiscal year but to be effective during the 9th consolidated fiscal year

At the Annual Shareholders' Meeting to be held on May 23, 2013, the following proposal for resolution will be presented for matters concerning ordinary share dividends.

(i) Total amount of cash dividends: ¥29,157 million

(ii) Dividend per share: ¥33.00

(iii) Record date: February 28, 2013

(iv) Effective date: May 24, 2013

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

4. Items relating to subscriptions to shares at the end of the 8th 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	60,400 shares
	Third subscription to shares	Common stock	24,000 shares
	Fourth subscription to shares	Common stock	91,100 shares
	Fifth subscription to shares	Common stock	21,100 shares
	Sixth subscription to shares	Common stock	86,400 shares
	Seventh subscription to shares	Common stock	25,900 shares
	Eighth subscription to shares	Common stock	118,400 shares
	Ninth subscription to shares	Common stock	27,000 shares
	Tenth subscription to shares	Common stock	124,700 shares
Consolidated subsidiary (Seven Bank, Ltd.)	First subscription to shares (1)	Common stock	157,000 shares
	First subscription to shares (2)	Common stock	7,000 shares
	Second subscription to shares (1)	Common stock	171,000 shares
	Second subscription to shares (2)	Common stock	23,000 shares
	Third subscription to shares (1)	Common stock	423,000 shares
	Third subscription to shares (2)	Common stock	25,000 shares
	Fourth subscription to shares (1)	Common stock	440,000 shares
	Fourth subscription to shares (2)	Common stock	104,000 shares
	Fifth subscription to shares (1)	Common stock	363,000 shares
	Fifth subscription to shares (2)	Common stock	77,000 shares

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 28, 2013, 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	710,968	710,968	—
(2) Notes and accounts receivable, trade	285,817		
Allowance for doubtful accounts*1	(2,610)		
	283,206	286,362	3,155
(3) Marketable securities and Investments in securities	240,782	242,172	1,389
(4) Long-term leasehold deposits*2	297,819		
Allowance for doubtful accounts*3	(848)		
	296,971	295,323	(1,647)
Total assets	1,531,928	1,534,826	2,897
(1) Notes and accounts payable, trade	328,800	328,800	—
(2) Deposits received in banking business	325,444	326,043	598
(3) Bonds*4	293,982	303,085	9,102
(4) Long-term loans*5	406,751	412,289	5,537
(5) Deposits received from tenants and franchised stores*6	21,754	19,842	(1,911)
Total liabilities	1,376,733	1,390,060	13,326
Derivative instruments *7	598	598	—

(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 method of 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	14,013
Shares of subsidiaries and affiliates	17,733
Other	951
Long-term leasehold deposits*[2]	122,275
Deposits received from tenants and franchised stores*[2]	37,120

(Notes)

*1 These are not included in Assets “(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 Assets “(4) Long-term leasehold deposits” and Liabilities “(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 concerning 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: ¥2,140.45
2. Net income per share: ¥156.26

Notes concerning significant subsequent event

None.

Other notes

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 28, 2013)

(Millions of yen)

Item	Amount	Item	Amount
ASSETS		**LIABILITIES**	
Current assets	**34,154**	**Current liabilities**	**328,667**
Cash and bank deposits	390	Current portion of bonds	39,999
Prepaid expenses	282	Short-term loans from subsidiaries and affiliates	270,009
Deferred income taxes	116	Lease obligations	725
Accounts receivable, other	30,508	Accounts payable, other	5,294
Deposits held by subsidiaries and affiliates	1,739	Accrued expenses	697
Other	1,116	Income taxes payable	10,847
Non-current assets	**1,881,681**	Advance received	177
Property and equipment	**5,199**	Allowance for bonuses to employees	232
Buildings and structures, net	2,297	Allowance for bonuses to Directors and Audit & Supervisory Board Members	49
Fixtures, equipment and vehicles	187		
Land	2,712	Other	633
Construction in progress	1	**Non-current liabilities**	**174,283**
Intangible assets	**1,834**	Bonds	169,983
Lease assets, net	1,826	Long-term loans payable to subsidiaries and affiliates	17
Other	8		
Investments and other assets	**1,874,646**	Deferred income taxes	1,408
Investments in securities	25,555	Lease obligations	1,217
Stocks of subsidiaries and affiliates	1,736,260	Deposits received from tenants	1,657
Prepaid pension cost	600	**TOTAL LIABILITIES**	**502,951**
Long-term leasehold deposits	2,192	**NET ASSETS**	
Deposits paid to subsidiaries and affiliates	110,000	**Shareholders' equity**	**1,407,506**
Other	37	**Common stock**	**50,000**
		Capital surplus	**1,245,608**
		Additional paid-in capital	875,496
		Other capital surplus	370,111
		Retained earnings	**118,996**
		Other retained earnings	118,996
		Retained earnings brought forward	118,996
		Treasury stock, at cost	**(7,099)**
		Accumulated gains from valuation and translation adjustments	**4,130**
		Unrealized gains on available-for-sale securities, net of taxes	4,130
		Subscription rights to shares	**1,247**
		TOTAL NET ASSETS	**1,412,884**
TOTAL ASSETS	**1,915,835**	**TOTAL LIABILITIES AND NET ASSETS**	**1,915,835**

NON-CONSOLIDATED STATEMENT OF INCOME (March 1, 2012 to February 28, 2013)

(Millions of yen)

Item	Amount	
Revenues from operations		
Dividends income	82,576	
Management consulting fee income	3,829	
Commission fee income	2,880	
Other	96	89,383
Selling, general and administrative expenses		8,230
Operating income		**81,152**
Non-operating income		
Interest income	1,509	
Dividends income	300	
Other	84	1,894
Non-operating expenses		
Interest expenses	1,773	
Interest on bonds	2,850	
Other	2	4,625
Ordinary income		**78,421**
Income before income taxes		**78,421**
Income taxes – current	(6,133)	
Income taxes – deferred	4,598	(1,534)
Net income		**79,955**

NON-CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS (March 1, 2012 to February 28, 2013)

(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 March 1, 2012	**50,000**	**875,496**	**370,124**	**1,245,621**	**95,587**	**95,587**	**(7,169)**	**1,384,039**
Increase (decrease) for the year								
Cash dividends					(56,546)	(56,546)		**(56,546)**
Net income					79,955	79,955		**79,955**
Purchase of treasury stock							(13)	**(13)**
Disposal of treasury stock			(12)	(12)			83	**70**
Increase (decrease) of items for the year except those included in shareholders' equity (net amount)								
Net increase (decrease) for the year	**–**	**–**	**(12)**	**(12)**	**23,409**	**23,409**	**70**	**23,466**
Balance at February 28, 2013	**50,000**	**875,496**	**370,111**	**1,245,608**	**118,996**	**118,996**	**(7,099)**	**1,407,506**

	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 March 1, 2012	**1,583**	**1,583**	**1,001**	**1,386,624**
Increase (decrease) for the year				
Cash dividends				**(56,546)**
Net income				**79,955**
Purchase of treasury stock				**(13)**
Disposal of treasury stock				**70**
Increase of items for the year except those included in shareholders' equity (net amount)	2,547	**2,547**	**245**	**2,792**
Net increase (decrease) for the year	**2,547**	**2,547**	**245**	**26,259**
Balance at February 28, 2013	**4,130**	**4,130**	**1,247**	**1,412,884**

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 8th 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

(1) Property and equipment (Excluding lease assets):

Amortized using the declining-balance method.

(2)Intangible assets (Excluding lease assets):

Amortized using the straight-line method.

(3)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 Audit & Supervisory Board Members

Allowance for bonuses to Directors and Audit & Supervisory Board Members 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 8th 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 28, 2013 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

(1)Accounting for consumption taxes, etc.

Consumption taxes, etc., are not included.

(2) Application of the consolidated corporate-tax system

The Company has applied the consolidated corporate-tax system from the 8th fiscal year.

Notes concerning Changes in Accounting Policies

(Change in depreciation method for property and equipment)

In accordance with the amendment of the Corporation Tax Law, effective from the 8th fiscal year, the Company has changed its depreciation method for those property and equipment acquired on or after April 1, 2012 to the method according to the revised Corporation Tax Law.

The impact of this accounting policy change on net income has been negligible.

Supplementary Information

(Application of Accounting Standard for Accounting Changes and Error Corrections)

The Company has applied the “Accounting Standard for Accounting Changes and Error Corrections” (ASBJ Statement No. 24, December 4, 2009) and “the Guidance on Accounting Standard for Accounting Changes and Error Corrections” (ASBJ Guidance No. 24, December 4, 2009) for accounting changes and corrections of prior year’s errors made on or after the beginning of the 8th fiscal year.

Notes to Non-Consolidated Balance Sheet

1. Accumulated depreciation of property and equipment: ¥561 million

2. Contingent liabilities

Guarantees are as follows:

(1) For loans of subsidiary Seven Card Service Co., Ltd.
¥6,000 million

(2) For electronic money guaranteed by subsidiary Seven Card Service Co., Ltd., pursuant to the Act on Financial Settlements
¥8,349 million

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

(1) Short-term receivables:	¥31,534 million
(2) Short-term payables:	¥5,814 million
(3) Long-term payables:	¥2,858 million

Notes to Non-Consolidated Statement of Income

Items relating to transactions with subsidiaries and affiliates

(1) Operating transactions

Revenues from operations:	¥89,381 million
Selling, general and administrative expenses:	¥515 million
(2) Non-operating transactions:	¥3,284 million

Notes to Non-Consolidated Statement of Changes in Net Assets

Shares of treasury stock at the end of the fiscal year Common stock 2,884,828 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:	¥88 million
Accrued enterprise taxes and business office taxes:	¥51 million
Subscription rights to shares:	¥444 million
Tax loss carried forward:	¥2,441 million
Valuation loss on subsidiaries' and affiliates' stock:	¥25,487 million
Other:	¥59 million
Sub-total:	¥28,573 million
Less: Valuation allowance:	(¥28,439 million)
Total:	¥133 million

Deferred tax liabilities	
Prepaid pension cost:	(¥142 million)
Unrealized losses on available-for-sale securities, net of taxes:	(¥1,283 million)
Total:	(¥1,426 million)
Deferred tax assets, net:	(¥1,292 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 8th 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	0	0	0
Software	2,584	2,500	83
Total	2,584	2,500	83

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

Due within one year:	¥87 million
Due over one year:	¥0 million
Total:	¥87 million

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

Lease payments:	¥715 million
Assumed depreciation expense:	¥683 million
Assumed interest expense:	¥7 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:	¥630 million
Due after one year:	¥106 million
Total:	¥736 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	1,412,054	Deposits	1,739
						Deposits paid	110,000
				Interest on deposits	1,508	Other current assets	238
				Borrowing of funds	1,378,000	Short-term loans	270,000
				Interest on borrowed funds	1,746	Accrued expenses	4
Subsidiary	Ito-Yokado Co., Ltd.	Ownership Direct: 100	Concurrently serving corporate officers	Operational consignment	1,129	Accounts receivable, other	144
				Scheduled tax payment amount under consolidated taxation	3,996	Accounts payable, other	3,787
				Office sublease	780	Advance received	67
Subsidiary	Seven-Eleven Japan Co., Ltd.	Ownership Direct: 100	Concurrently serving corporate officers	Business management	2,374	Accounts receivable, other	27,196
				Operational consignment	1,337		
				Scheduled tax payment amount under consolidated taxation	51,995	Advance received	73
				Office sublease	852		
Subsidiary	Seven Card Service Co., Ltd.	Ownership Indirect: 95.5	Guaranty of debt Concurrently serving corporate officers	Guaranty of debt for bank loans	6,000	—	—
				Guarantees for prepaid means of payment	8,349	—	—

(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: ¥1,597.67
2. Net income per share: ¥90.49

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 in line with 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 8th fiscal year be paid as follows in consideration of the performance for the 8th 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 ¥29,157,386,115.

Therefore, the annual dividends for the 8th fiscal year, including interim dividends of ¥31, shall be ¥64 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 24, 2013.

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

The terms of office of all sixteen (16) current Directors expire upon the conclusion of this Annual Shareholders' Meeting.

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) * 5,064,932 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) * 42,640 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) * 14,540 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) * 6,100 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) May 2012: Senior Officer of the Corporate Development 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) * 6,900 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) * 6,120 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) May 2012: Director of the Company (incumbent)
8	Atsushi Kamei (May 30, 1944) * 23,160 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. Sep. 2006: Representative Director and President of Ito-Yokado Co., Ltd. (incumbent) Chief Operating Officer (COO) of Ito-Yokado Co., Ltd. (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) * 14,912 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	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 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.
11	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.
12	Ryu Matsumoto (June 26, 1952) * 0 shares	Apr. 1975: Joined THE SEIBU DEPARTMENT STORES, LTD. May 2006: Director of Millennium Retailing, Inc. May 2007: Director of THE SEIBU DEPARTMENT STORES, LTD. May 2009: Executive Officer of Millennium Retailing, Inc. Aug. 2009: Director of Sogo & Seibu Co., Ltd. Executive Officer of Sogo & Seibu Co., Ltd. Jan. 2010: Managing Executive Officer of Sogo & Seibu Co., Ltd. Feb. 2011: Senior Executive Officer of Sogo & Seibu Co., Ltd. Mar. 2013: Representative Director and President of Sogo & Seibu Co., Ltd. (incumbent) (Important Concurrent Positions) Representative Director and President of Sogo & Seibu 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. 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) * 4,100 shares	Apr. 1958: Joined Fuji Electric Manufacturing K.K. 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) * Emeritus Professor of Hitotsubashi University * Xerox Distinguished Professor in Knowledge, Haas School of Business, University of California, Berkeley * Emeritus Scholar of The Drucker School, Claremont Graduate University

(Notes)

1. Mr. Ryu Matsumoto 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 seven (7) 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 seven (7) 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 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 five(5) 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 25.
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 4, 2013.

Item No. 3 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, smartphone, 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 or smartphone. 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 22, 2013. 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.