

CONSOLIDATED BALANCE SHEETS

Seven & i Holdings Co., Ltd. and its consolidated subsidiaries at February 29, 2008 and February 28, 2007

ASSETS	Millions of yen		Thousands of U.S. dollars (Note 3)
	2008	2007	2008
Current assets:			
Cash and cash equivalents.....	¥ 667,770	¥ 570,134	\$ 6,359,714
Notes and accounts receivable:			
Trade.....	128,852	128,337	1,227,162
Financial services	75,742	72,724	721,352
Franchisees and other.....	42,221	38,329	402,105
Allowance for doubtful accounts	(2,987)	(2,959)	(28,448)
	243,828	236,431	2,322,171
Inventories.....	169,026	159,897	1,609,771
Deferred income taxes (Note 9).....	35,730	36,701	340,286
Prepaid expenses and other current assets (Note 14).....	238,063	271,214	2,267,268
Total current assets.....	1,354,417	1,274,377	12,899,210
Property and equipment, at cost (Notes 6, 7, 12 and 14).....	2,485,639	2,385,908	23,672,752
Less: Accumulated depreciation	(1,148,497)	(1,052,751)	(10,938,066)
	1,337,142	1,333,157	12,734,686
Intangible assets:			
Goodwill.....	360,349	375,302	3,431,895
Software and other (Note 14).....	105,499	103,487	1,004,752
	465,848	478,789	4,436,647
Investments and other assets:			
Investments in securities (Notes 4 and 14).....	60,094	173,206	1,524,705
Long-term loans receivable.....	15,178	14,828	144,552
Long-term leasehold deposits (Note 14).....	460,952	463,602	4,390,019
Prepaid pension cost (Note 10)	12,728	5,966	121,219
Deferred income taxes (Note 9).....	28,114	21,655	267,752
Other	60,783	52,618	578,886
Allowance for doubtful accounts.....	(8,576)	(9,006)	(81,676)
	729,273	722,869	6,945,457
	¥3,886,680	¥3,809,192	\$37,016,000

The accompanying notes are an integral part of these balance sheets.

LIABILITIES AND NET ASSETS	Millions of yen		Thousands of U.S. dollars (Note 3)
	2008	2007	2008
Current liabilities:			
Short-term loans (Notes 11 and 14)	¥ 149,861	¥ 176,913	\$ 1,427,248
Current portion of long-term debt (Notes 11 and 14)	153,750	101,118	1,464,286
Notes and accounts payable:			
Trade (Note 5)	215,897	203,673	2,056,162
Trade for franchised stores (Note 15)	105,505	101,857	1,004,810
Other	87,263	82,495	831,076
	408,665	388,025	3,892,048
Accrued expenses	84,605	95,157	805,762
Income taxes payable	44,774	44,925	426,419
Deposits received	87,205	76,011	830,524
Deposits received in banking business	142,206	106,168	1,354,343
Allowance for bonuses to employees	16,109	14,789	153,419
Allowance for sales promotion expenses	21,189	19,515	201,800
Allowance for loss on future collection of gift certificates	6,899	—	65,704
Other (Note 9)	62,231	75,036	592,676
Total current liabilities	1,177,494	1,097,657	11,214,229
Long-term debt (Notes 11 and 14)	482,177	565,672	4,592,162
Allowance for accrued pension and severance costs (Note 10)	4,348	3,357	41,410
Allowance for retirement benefits to directors and corporate auditors	4,032	4,202	38,400
Deferred income taxes (Note 9)	62,017	74,167	590,638
Deposits received from tenants and franchised stores	61,535	61,124	586,048
Other liabilities	37,038	33,864	352,742
Total liabilities	1,828,641	1,840,043	17,415,629
Commitments and contingent liabilities (Notes 12 and 14)			
Net assets:			
Shareholders' equity:			
Common stock, authorized 4,500,000,000 shares, issued 956,441,983 shares in 2008 and 967,770,983 shares in 2007	50,000	50,000	476,190
Capital surplus	731,622	766,186	6,967,829
Retained earnings	1,205,042	1,124,893	11,476,590
Treasury stock, at cost, 2,954,728 shares in 2008 and 14,262,380 shares in 2007	(6,816)	(41,310)	(64,914)
	1,979,848	1,899,769	18,855,695
Accumulated gains (losses) from valuation and translation adjustments:			
Unrealized gains (losses) on available-for-sale securities, net of taxes (Note 4)	3,885	(2,100)	37,000
Unrealized gains (losses) on hedging derivatives, net of taxes	(676)	(371)	(6,438)
Foreign currency translation adjustments	1,962	9,500	18,685
	5,171	7,029	49,247
Minority interests in consolidated subsidiaries	73,020	62,351	695,429
Total net assets	2,058,039	1,969,149	19,600,371
	¥3,886,680	¥3,809,192	\$37,016,000