



## NEWS RELEASE

September 1, 2005

Company Name: Seven & I Holdings, Co., Ltd.  
Name of Representative: Noritoshi Murata, President and COO  
(Code Number: 3382, Tokyo Stock Exchange, First Section)

### **Establishment of Seven & I Holdings Co., Ltd.**

Seven-Eleven Japan Co., Ltd. (hereinafter referred to as “Seven-Eleven Japan”), Ito-Yokado Co., Ltd.(hereinafter referred to as “Ito-Yokado”), and Denny’s Japan Co., Ltd.(hereinafter referred to as “Denny’s Japan”), transferred shares to establish a holding company of the three companies: Seven & I Holdings Co., Ltd.(hereinafter referred to as ”Seven & I Holdings”), on September 1, 2005.

Under the banner of Responding to Change While Strengthening Fundamentals, the three companies have heightened corporate value by marketing products and services that reflect customers’ viewpoints. Nevertheless, the companies decided that the establishment of a holding company was indispensable in order to respond to ongoing rapid changes in society and to maximize corporate value by optimizing the Group’s business portfolio.

Seven & I Holdings will fortify governance and pursue Group synergies while fulfilling its accountability obligations to stakeholders as the Group’s representative listed company. Meanwhile, the operating companies under Seven & I Holdings’ integrated management structure will fulfill responsibilities in their designated business areas, exercise autonomy, and enhance earnings growth and capital efficiency.

The following is an overview of the management targets of Seven & I Holdings.

#### **1. Corporate Philosophy**

##### Creed

We aim to be a sincere company that our shareholders trust.

We aim to be a sincere company that our customers, business partners, and local communities trust.

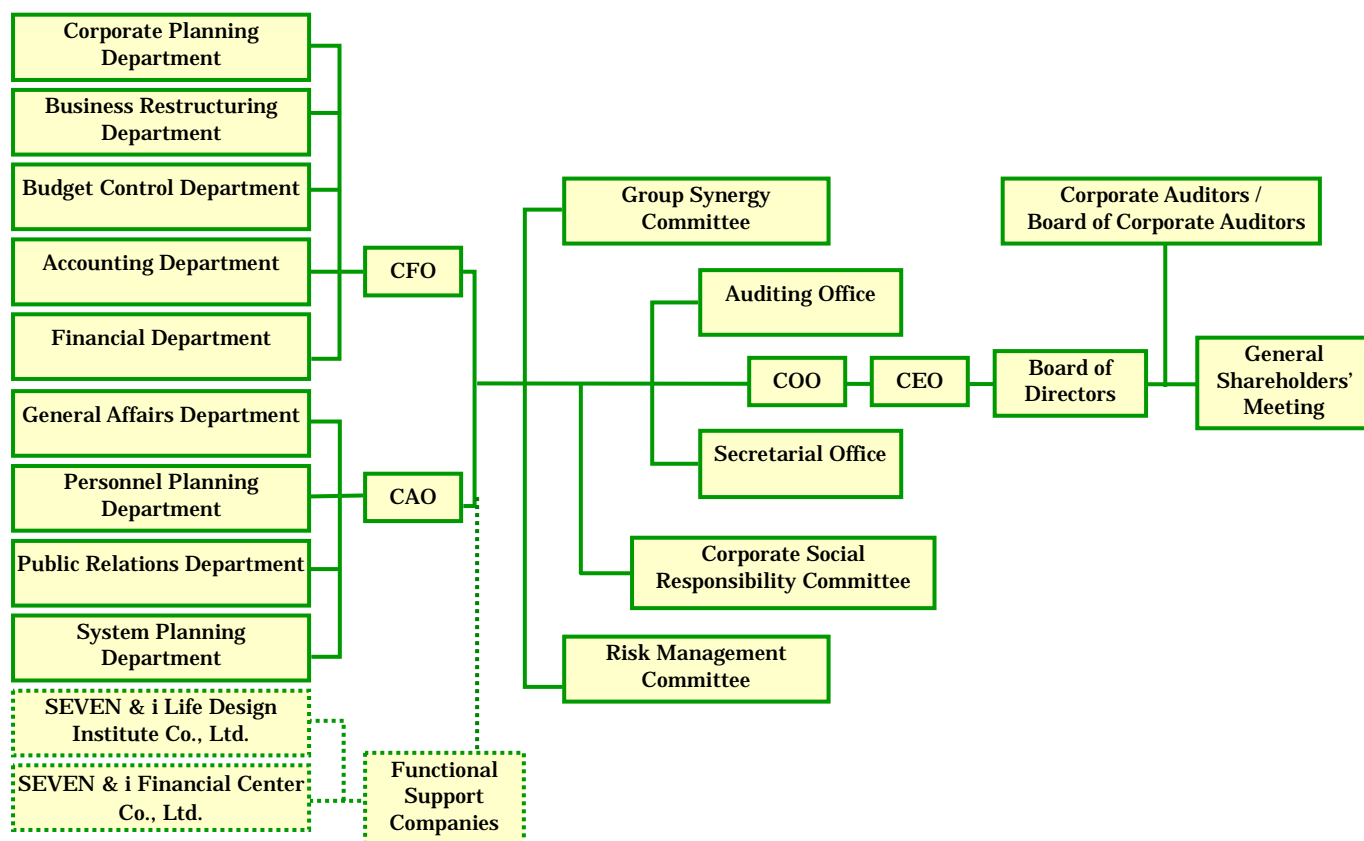
We aim to be a sincere company that our employees trust.

##### Mission

Through rapid decision making, Seven & I Holdings will optimize the Group’s business portfolio and maximize corporate value while aiming to establish a global “New Comprehensive Lifestyle Industry.”

## 2. Organization

The following diagram shows the organization of Seven & I Holdings.



## 3. Earnings Forecasts for the Fiscal Year Ending February 2006

(1) Consolidated earnings forecast (March 1, 2005, to February 28, 2006) (Millions of Yen)

|                                  | Revenues from Operations | Operating Income | Ordinary Income | Net Income |
|----------------------------------|--------------------------|------------------|-----------------|------------|
| Fiscal Year Ending February 2006 | 3,700,000                | 233,000          | 230,000         | 114,700    |

(2) Nonconsolidated earnings forecast (September 1, 2005, to February 28, 2006) (Millions of Yen)

|                                    | Revenues from Operations | Operating Income | Ordinary Income | Net Income |
|------------------------------------|--------------------------|------------------|-----------------|------------|
| Fiscal Period Ending February 2006 | 34,800                   | 33,400           | 33,400          | 33,500     |

## 4. Management Targets

|  | Target for Fiscal Year Ending February 2009 |
|--|---|
| Consolidated Operating Income (not including synergy benefits) | ¥310 billion                                |
| Synergy Benefits   | ¥30 billion                                 |
| Consolidated Operating Income Including Synergy Benefits       | ¥340 billion                                |
| ROE  | 10%   |

## 5. Policies for Returning Profits to Shareholders

Seven & I Holdings will reflect earnings growth and emphasize payout ratios in returns of profits to shareholders. Having set annual cash dividends of ¥50.00 and a consolidated payout ratio of 35% as benchmarks, Seven & I Holdings aims to work toward higher payout ratios.

## 6. Projected Dividends for the Fiscal Year Ending February 2006

### (1) Cash Payments upon Stock-Transfer

Instead of the companies' interim dividends payments for the fiscal year ending February 2006, Seven & I Holdings plans to make cash payments upon stock-transfer of ¥21.50 per Seven-Eleven Japan share, ¥16.00 per Ito-Yokado share, and ¥15.50 per Denny's Japan share to shareholders, including beneficial shareholders, that were included or recorded in the registers of shareholders or registers of beneficial shareholders of Seven-Eleven Japan, Ito-Yokado, and Denny's Japan as of August 31, 2005.

### (2) Year-End Cash Dividends

In the fiscal year ending February 2006, Seven & I Holdings plans to pay year-end cash dividends of ¥28.50 per share, comprising ordinary dividends of ¥21.50 and memorial dividends of ¥7.00.

Reference: Actual cash dividends per share of Seven-Eleven Japan, Ito-Yokado, and Denny's Japan.

|                    | Interim                           | Year-End                                     |                       |                                     | Companies' Actual Annualized Cash Dividends per Share |
|--------------------|-----------------------------------|--|-----------------------|-------------------------------------|---|
|                    | Cash Payments upon Stock Transfer | Seven & I Holdings' Cash Dividends per Share | Stock Transfer Ratios | Companies' Cash Dividends per Share |   |
| Seven-Eleven Japan | ¥21.50                            | ¥28.50                                       | 1.0                   | ¥28.50                              | ¥50.00  |
| Ito-Yokado         | ¥16.00                            |  | 1.2                   | ¥34.20                              | ¥50.20  |
| Denny's Japan      | ¥15.50                            |  | 0.65                  | ¥18.525                             | ¥34.025   |