

Seven & I Holdings Co., Ltd.

Business Presentation

September 1, 2005

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i. At a Glance

The Corporate Philosophy of Seven & I Holdings

1. Creed

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

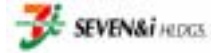
We aim to be a sincere company that our customers, business partners, and local communities trust.

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

2. 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."

The Origin of the Company Name



“Seven” represents 7 major business areas

1. Convenience Stores 2. Superstores 3. Restaurants 4. Supermarkets

5. Department Stores 6. Financial Services 7. IT / Services

Focusing on 7 major business areas and a wide range of service functions, such as specialty stores, processing, publishing, and security / real estate operations, Seven & i Holdings aims to construct a “New Comprehensive Lifestyle Industry” that supports rich, comfortable lifestyle.

“I” stands for Innovation and the Japanese word for love: ai

By taking on new challenges and pursuing innovation tirelessly, Seven & I Holdings aims to create a group of companies that customers trust and love.

The Meaning of the Corporate Logo Colors



Orange

Challenge

Orange represents the morning sun; always rising and taking on challenges.

Red

Passion

Red represents fire; a symbol of strong passion and commitment.

Green

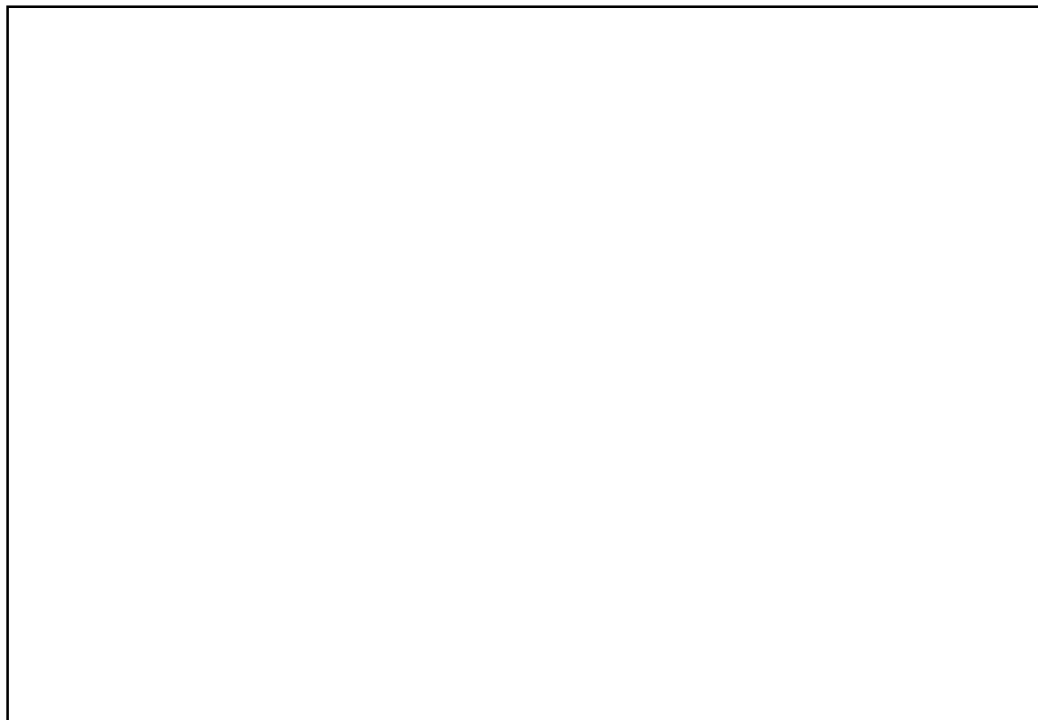
Oasis

Green represents the plants that grow nearby the water of an Oasis.

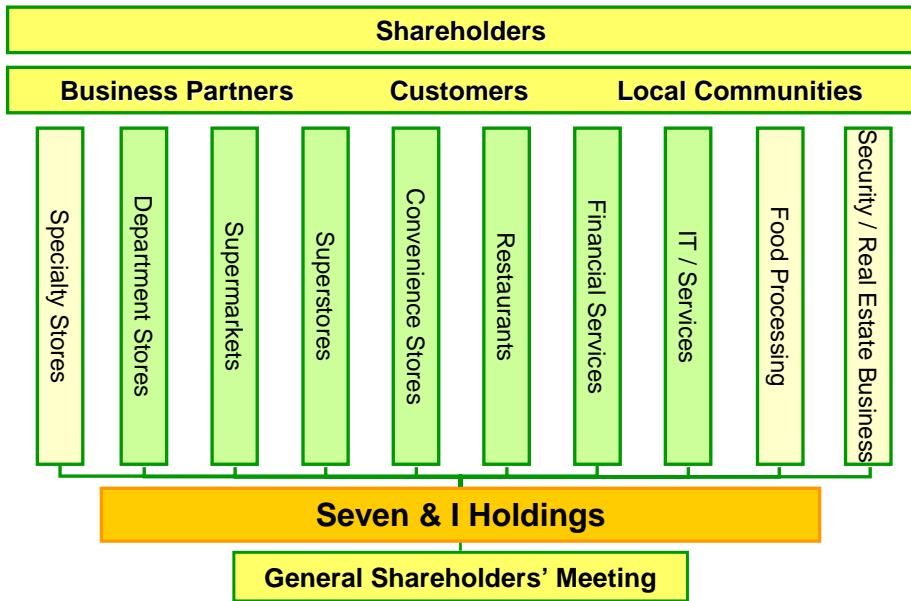
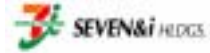
Overview



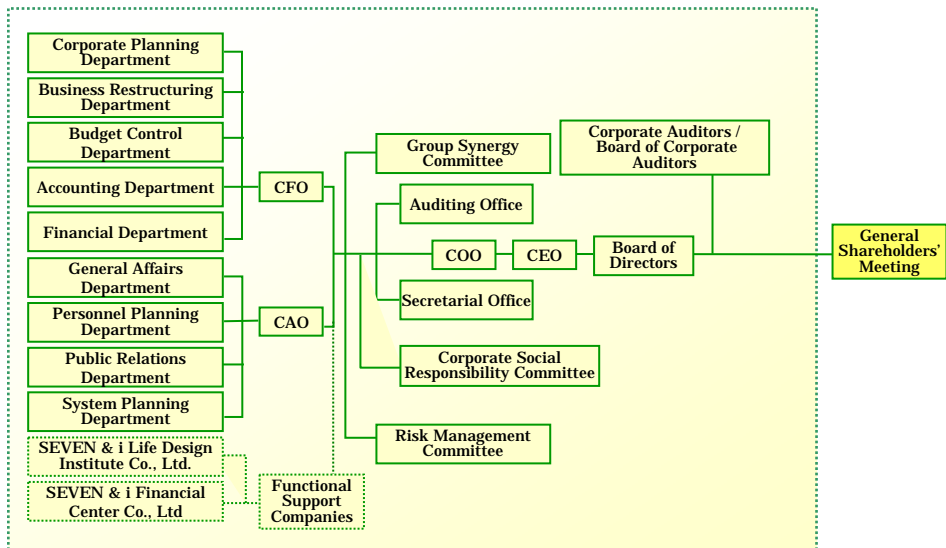
Company Name	Seven & I Holdings Co., Ltd.
Establishment Method	Transfer of shares by three companies: Seven-Eleven Japan Co., Ltd. (1.0); Ito-Yokado Co., Ltd. (1.2); Denny's Japan Co., Ltd. (0.65) * Figures in parenthesis are share transfer ratios
Date of Establishment	September 1, 2005 (date of share transfer)
Listed Stock Exchange	Tokyo Stock Exchange, First Section Code Number: 3382
Management Team	Chairman and CEO Toshifumi Suzuki President and COO Noritoshi Murata Director and CFO Tadahiko Ujii Director and CAO Katsuhiko Goto 11 directors (including 2 external directors) and 5 corporate auditors (including 3 external corporate auditors)
Capital	¥50 billion



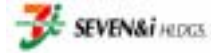
The Business Areas of Seven & I Holdings



Seven & I Holdings' Organization



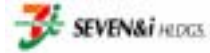
Basic Functions



Planning:	Planning Group management strategy
Accounting:	Preparing consolidated financial statements, planning tax strategy
Financial:	Planning financial strategy, handling IR
General Administrative / Legal:	General administration, planning legal strategy
Public Relations :	Managing brands, planning public relations strategy
Personnel:	Planning personnel system and policy
Information Systems:	Planning strategy and advancing integration for Group information systems
Auditing:	Auditing of entire Group

ii. Functions and Roles

Establishment Aims



- 1. Maximize the Group's corporate value**
 - i. Pursue synergy benefits overriding operating companies' boundaries**
 - ii. Reduce costs by integrating managerial functions**

- 2. Strengthen Corporate Governance**
 - i. Clarify the autonomy and self-responsibility of operating companies**
 - ii. Deploy management resources appropriately based on monitoring**

Action Plan for Maximizing Corporate Value



- 1. Restructure operations by introducing new businesses**
- 2. Build financial strategy to promote operational restructuring**
- 3. Enhance Group functions**
 - i. Pursue merchandising synergy benefits: purchasing, distribution, product development, and sales**
 - ii. Integrate management: offer high-value-added services and reduce costs**
 - iii. Integrate management of intellectual property**
 - iiii. Pursue corporate activities with an emphasis on corporate social responsibility**

- 1. Separate management of Group and operating companies**
 - > Role clarification

- 2. Control Group governance internally**
 - > Management leadership by Seven & I Holdings

- 3. Remain accountable to stakeholders**
 - > Seven & I Holdings will ensure to fulfill its accountability obligations as the Group's listed representative company

- 1. Seven & I Holdings' role—reflect shareholder concerns**
 - i. Control overall governance
 - ii. Maximize corporate value as the Group's listed representative
 - iii. Pursue Group synergies

- 2. Operating companies' role—reflect customer concerns**
 - i. Fulfill responsibilities in operational domains
 - ii. Realize autonomy, seek earnings growth and enhancement of capital efficiency

Return of Profits to Shareholders



1. Basic Policies for Return of Profits to Shareholders

- i. Reflect earnings growth
- ii. Emphasize payout ratio
- iii. Benchmark: annual cash dividends of ¥50

2. Consolidated payout ratio target

- i. Maintain at 35% while aiming for further enhancement

Cash Dividends per Share Held before Transfer



Shares Held before Transfer	Cash Payments upon Stock Transfer	Seven & I Holdings Year-End Cash Dividends	Annualized Cash Dividends
Seven-Eleven Japan	¥21.50	¥28.50	¥50.00
Ito-Yokado	¥16.00	¥34.20	¥50.20
Denny's Japan	¥15.50	¥18.525	¥34.025

Seven & I Holdings year-end cash dividends per share: ¥28.50
(ordinary dividends: ¥21.50, memorial dividends: ¥7.00)

Seven & I Holdings: share transfer ratios

Seven-Eleven Japan shares	1:1
Ito-Yokado shares	1:1.2
Denny's Japan shares	1:0.65

iii. Management Targets

Management Targets through February 2009



Fiscal Years (end February)	FY05	FY06 (forecast)	FY09 (announced April 20, 2005)	% increase from FY05	FY09 (including synergy benefits)
	IY Consolidated	Holding Company Consolidated	Holding Company Consolidated		Holding Company Consolidated
Revenues from Operations	¥3,623.6 billion	¥3,700.0 billion	¥4,500.0 billion	up 24%	-
Operating Income	¥212.0 billion	¥233.0 billion	¥310.0 billion	up 46%	¥340.0 billion
Net Income	¥17.2 billion	¥114.7 billion	¥170.0 billion	up 888%	-

Targeted Consolidated Results: Operating Income and ROE



	FY05 Results		FY06 (projected)	FY09 Targets		
	IY Consolidated	Breakdown	Holding Company Consolidated	Holding Company Consolidated	Breakdown	FY05 Comparison
Convenience Stores	¥195.4 billion	92.2%		¥240.0 billion	71%	123%
Superstores	¥7.8 billion	3.7%		¥45.0 billion	13%	577%
Restaurants	¥3.6 billion	1.7%		¥8.0 billion	2%	222%
Financial Services	¥5.4 billion	2.5%		¥15.0 billion	4%	278%
Other	¥0.2 billion	0.1%		¥2.0 billion	1%	1000%
Operating Income	¥212.0 billion	100.0%	¥233.0 billion	¥310.0 billion	91%	146%
Merchandising / Purchasing Synergy Benefits				¥26.0 billion	8%	
Cost Synergy Benefits				¥4.0 billion	1%	
Operating Income Including Synergy Benefits				¥340.0 billion	100%	160%

ROE	1.5%	8%	10%
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1. SEVEN & i Life Design Institute Co., Ltd.

- > Clearly identify and initiate new lifestyle trends
- > Integrate information and create information value with a view to merchandising reform

2. The Formulation of Concrete Strategies through Collaboration with Apparel Operational Departments

Strategic Plan 1

Build structure for the integrated control of merchandising / visual merchandising / advertising / sales

Strategic Plan 2

Create private brands and undertake brand-strategy initiatives

Strategic Plan 3

Formulate purchasing-policy plans and reconstruct purchasing channels

1. Aim of Reform: Maximization of Group Corporate Value

- Share and further advance Group's overall strengths
- Consolidate purchasing (food ingredients / containers): fully exploit planning and purchasing power

2. Reform Advancement System

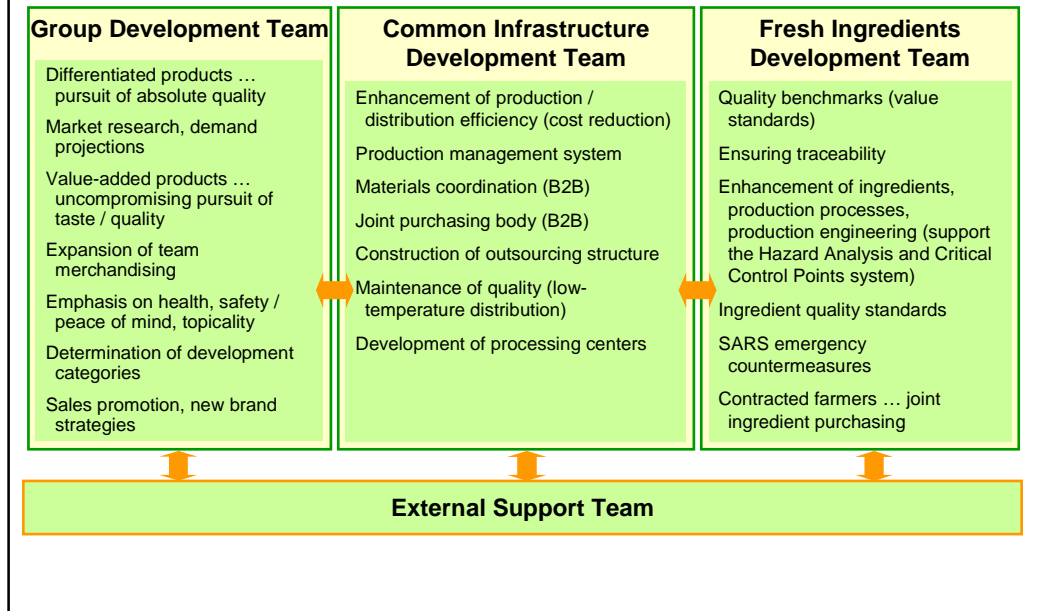
- Establishment of a Group Merchandising Committee in the Group Synergy Committee
 - > Progress management and coordination of reform

3. Example: Measures in Food Products Operations

- Group Development Team
 - > Bolstering lineups of differentiated (original) products
 - > Enhancing the quality, safety, and reliability of products
- Fresh Ingredients Development Team
- Common Infrastructure Development Team
 - > Promoting joint purchasing, consolidating suppliers

Pursuing Higher Sales + Enhanced Profit Margins

Measures in Food Products Operations



Reforming Ito-Yokado Superstore Operations:

Store Strategy



1. Store-Opening Plans

- i. **Step up area-dominance store openings**
> Primarily focus on Japan's three major cities
- ii. **Diversify store formats**
> Select store formats (regional shopping centers, general merchandise stores, neighborhood shopping centers) according to service areas
> Leverage and step up development of shopping centers by Mall & SC Development Co., Ltd.
- iii. **Four-year store-opening plan (FY ending Feb. 2006–FY ending Feb. 2009): 17 stores**

2. Store Closure Plans

- i. **Focus on profitability in the implementation of store closures**
- ii. **Four-year store closure plan (FY ending Feb. 2006–FY ending Feb. 2009): more than 30 stores**

Integration of Group Systems



- > Groupwide integration of information system platforms and distribution / administrative systems
- > Integration by business format of sales operating systems (stores / head offices)

