



December 26, 2005

To whom it may concern

Company Name: Seven & I Holdings Co., Ltd.  
Name of Representative: Noritoshi Murata, President and COO  
(Code No. 3382/First Section of the Tokyo Stock Exchange)

Notice of Share Acquisition and “Business Tie-ups and Future Management Integration”

The meeting of our Board of Directors held on December 26, 2005 passed a resolution on conclusion of a share purchase and sale contract with Nomura Principal Finance Co., Ltd. for shares of Millennium Retailing, Inc. held by Nomura Principal Finance Co., Ltd. In addition, on condition of completion of this acquisition, our Board of Directors also passed a resolution on conclusion of a basic agreement to make Millennium Retailing, Inc. our wholly owned subsidiary through stock-for-stock exchange, and to implement Business Tie-ups and Management Integration with Millennium Retailing, Inc.

**I. Wholly owning through share acquisition and stock-for-stock exchange and the reason for this action**

Based on the share purchase and sale contract concluded with Nomura Principal Finance Co., Ltd., our company (the “Company”) is going to purchase all of the shares of Millennium Retailing, Inc. held by Nomura Principal Finance Co., Ltd. on January 31, 2006, in cash. The Company is also planning to submit a proposal to shareholders of Millennium Retailing, Inc. other than Nomura Principal Finance Co., Ltd. to purchase their shares in cash by the end of March 2006. For shares held by shareholders who do not agree to transfer for cash, the Company is planning to conclude a stock-for-stock exchange contract with Millennium Retailing, Inc. in April 2006, and then to perform a stock-for-stock exchange in June 2006 following approval at the general meeting of shareholders of Millennium Retailing, Inc. for the contract.

Through the series of procedures above, the Company intends to make Millennium Retailing, Inc. our wholly owned subsidiary in June 2006, and implement Management Integration with Millennium Retailing, Inc.

## II. Share acquisition

### 1. Seller of the shares

- (1) Trade name: Nomura Principal Finance Co., Ltd.
- (2) Representative: Akira Maruyama
- (3) Address of the head office: Chiyoda-ku, Tokyo
- (4) Major business: Investment company
- (5) Relation with the Company: None

### 2. Number of shares to be acquired, acquisition price and situation of shares held before and after acquisition

- (1) Number of shares held before acquisition: shares (Ratio of holding: 0%)
- (2) Number of shares to be acquired: 50,000,000 shares (amount of acquisition: 131,100 million yen)
- (3) Number of shares held after acquisition: 50,000,000 shares (Ratio of holding: 65.45%)

### 3. Schedule

December 26, 2005	Resolution by the Board of Directors
January 31, 2006	Delivery of share certificates

## III. Stock-for-stock exchange

### 1. Conditions and the like for stock-for-stock exchange

#### (1) Schedule of stock-for-stock exchange

Early April 2006: Meeting of the Board of Directors to approve the stock-for-stock exchange contract (planned)

Early April 2006: Conclusion of the stock-for-stock exchange contract (planned)

June 2006: Stock-for-stock exchange (planned)

Since it is planned to follow the summary stock-for-stock exchange procedure pursuant to the Commercial Code, the Company will not hold any meeting of shareholders for the stock-for-stock exchange.

#### (2) Stock-for-stock exchange ratio

	Seven & I Holdings Co., Ltd. (Wholly owning parent company)	Millennium Retailing, Inc. (Wholly owned subsidiary)
Stock-for-stock exchange ratio	1.00	0.61

Note:

#### a. Share allocation ratio

0.61 shares of Seven & I Holdings Co., Ltd. will be allocated and delivered in exchange for a share of Millennium Retailing, Inc.

b. Basis of the stock-for-stock exchange ratio

Referring to appraisal by GMD Corporate Finance Limited for Seven & I Co., Ltd. and appraisal by Masters Trust Accounting Incorporated for Millennium Retailing, Inc., both parties negotiated and reached the conclusion above.

The ratio above is calculated on a maximum dilution basis, assuming that all of the first preferred shares held by Mizuho Corporate Bank are converted to common shares, and all of the stock options allocated to directors and employees are executed.

c. Results, methods and bases of appraisal by third parties

GMD Corporate Finance Limited analyzed the index value as the basis of the stock-for-stock exchange ratio using the market share price method for the Company, and the DCF (Discounted Cash Flow) method, the comparable peer company analysis method and the modified net asset evaluation method for Millennium Retailing, Inc., and comprehensively considered results of these appraisals in light of the status of this transaction, and determined the share exchange ratio. Masters Trust Accounting Incorporated analyzed the index value as the basis of the stock-for-stock exchange ratio using the market share price method for the Company, and the DCF method referring to the comparable peer company analysis for Millennium Retailing Inc., and comprehensively considered results of these appraisals in light of the status of this transaction, and determined the share exchange ratio.

d. Number of shares necessary for stock-for-stock exchange

Since the number of shares to be purchased in cash is uncertain, the number of shares necessary for stock-for-stock exchange has not yet been fixed. Assuming, however, that stock-for-stock exchange is made for all the shares other than common shares to be purchased in cash from Nomura Principal Finance Co., Ltd., that is, 1) all the shares held by shareholders other than Nomura Principal Finance Co., Ltd., 2) all the common shares to be issued when the conversion right is executed for all the first preferred shares held by Mizuho Corporate Bank and 3) all the common shares to be issued against execution of stock options by directors and employees, the number of shares necessary is 24,181,000 shares at maximum.

(3) Stock-for-stock exchange payments

No stock-for-stock exchange payment will be made.

## 2. Outlines of parties involved in stock-for-stock exchange

(1) Trade name	Seven & I Holdings Co., Ltd. (Wholly owning parent company)	Millennium Retailing, Inc. (Wholly owned subsidiary)
(2) Major business	Planning, management and operation of the corporate group centering on convenience store business, superstore business and restaurant business	Management guidance and related business for department-store-operating businesses
(3) Date of foundation	September 1, 2005	July 25, 1952
(4) Address of the head office	Chiyoda-ku, Tokyo	Chiyoda-ku, Tokyo
(5) Representative	Noritoshi Murata	Shigeaki Wada
(6) Capital stock	50,000 million yen	34,941 million yen
(7) Number of shares outstanding	1,346,383,002 shares	76,389,190 shares
(8) Shareholders' equity (Note)	-	77,574 million yen
(9) Total assets (Note)	-	79,957 million yen
(10) Fiscal year end	End of February	End of February
(11) Number of employees	32 (As of September 1, 2005)	362 (As of February 28, 2005)
(12) Major business partners	Seven-Eleven Japan Co., Ltd. Ito-Yokado Co., Ltd. Denny's Japan Co., Ltd.	Seibu Department Stores, Ltd. Sogo Co., Ltd.
(13) Major shareholders and their holding ratio	1. Ito-Yokado Co., Ltd.: 33.04% 2. Ito-Kogyo Yugen Kaisha: 4.97% 3. Seven-Eleven Japan Co., Ltd.: 3.47% 4. Japan Trustee Service Bank: 3.39% 5. The Master Trust Bank Japan, Ltd.: 2.79% (As of September 1, 2005)	1. Nomura Principal Finance Co., Ltd.: 65.45% 2. Credit Saison Co., Ltd.: 14.68% 3. DBJ Business Revitalization Investment Association: 5.11% 4. ITOCHU Corporation: 3.71% 5. Onward Kashiya Co., Ltd. 3.27% (As of February 28, 2005)
(14) Major bank of accounts	Sumitomo Mitsui Banking Corporation Bank of Tokyo-Mitsubishi, Ltd. Mizuho Corporate Bank, Ltd. Resona Bank Limited	Mizuho Corporate Bank, Ltd.
(15) Relationships between parties	Capital relationship	None
	Personnel relationship	None
	Trade relationship	None

Note: Since this company has not reached the end of its accounting period, there is no figure.

## (16) Business performance for the last three financial years

Financial years	Seven & I Holdings Co., Ltd. (Wholly owning parent company)			Millennium Retailing, Inc. (Wholly owned subsidiary)		
	FY 02/2003	FY 02/2004	FY 02/2005	FY 02/2003	FY 02/2004	FY 02/2005
Sales (million yen)	/			5,349	6,821	7,684
Operating income (million yen)				213	355	669
Ordinary income (million yen)				135	404	835
Net income (million yen)				0	8	600
Net income per share (yen)				47.94	134.25	4.20
Annual dividend per share (yen)				-	-	-
Shareholders' equity per share (yen)				855.49	1680.83	2415.46

Note: Since this company was founded on September 1, 2005, and there is no result to be reported, no figure is indicated.

## (Reference)

Financial years	Seibu Department Stores, Ltd.			Sogo Co., Ltd.		
	FY 02/2003	FY 02/2004	FY 02/2005	FY 02/2003	FY 02/2004	FY 02/2005
Sales (million yen)	552,451	529,956	480,182	313,040	452,667	449,049
Operating income (million yen)	9,720	21,122	19,518	4,605	13,265	16,951
Ordinary income (million yen)	5,041	16,232	17,102	6,102	14,013	15,802
Net income (million yen)	(247,833)	173,901	6,034	15,169	13,574	18,643
Net income per share (yen)	(1,749.6)	3,547.13	48.2	101,131.73	52,210.97	71,244.17
Annual dividend per share (yen)	-	-	-	-	-	-
Shareholders' equity per share (yen)	(1,770.58)	(976.77)	102.87	34,092.117	18,561.30	89,769.10

## 1. Situations after stock-for-stock exchange

- (1) Trade name: Seven & I Holdings Co., Ltd.
- (2) Major business: Planning, administration and operation of a retailer group
- (3) Address of head office: 8-8, 2-bancho, Chiyoda-ku, Tokyo
- (4) Representative: Noritoshi Murata
- (5) Capital stock: Since the number of shares necessary for the stock-for-stock exchange is uncertain, the amount of capital stock is not fixed.
- (6) Effects on business performance  
Effects on future business performance of our Company will be announced as soon as they become clear.