

December 26, 2005

To whom it may concern

Name of the Company: Millennium Retailing, Inc.
Name of the Representative: Shigeaki Wada, President and CEO
Company Name: Seven & I Holdings Co., Ltd.
Name of Representative: Toshifumi Suzuki, Chairman and CEO
(Code No. 3382/First Section of the Tokyo Stock Exchange)

Notice of Business Tie-ups and Future Management Integration between Millennium Retailing and Seven & I Holdings

We would like to notify that the Board of Directors of Millennium Retailing, Inc. (hereinafter referred to as “Millennium Retailing”) and Seven & I Holdings Co., Ltd. (hereinafter referred to as “Seven & I Holdings”) passed a resolution respectively at the meeting held today regarding a basic agreement on business tie-ups and future management integration.

1. Summary

Based on the long-lasting relationship of trust between top management of both companies, Millennium Retailing and Seven & I Holdings have reached a basic agreement on business tie-ups aiming at playing a leading role in the distribution and retail industry in the future, and forming a global, comprehensive retail group in consideration of customers’ needs.

Both companies are taking measures toward management integration to materialize “the new comprehensive life-style industry” as the world’s first multi-function consumer life-style business group by maximizing the corporate value of both groups through the business tie-ups.

Regardless of differences in their business scale and shareholding situations, both companies will be making the best efforts to keep “equal footing” in negotiations to make the tie-ups and the management integration fruitful.

2. Contents of the basic agreement

(1) Acquisition of shares of Millennium Retailing

Seven & I Holdings will acquire all the shares of Millennium Retailing held by Nomura Principal Finance Co., Ltd. On condition this acquisition is completed, Seven & I Holdings will purchase shares of Millennium Retailing from other shareholders in cash by March 31, 2006, as well as conclude a stock-for-stock exchange contract with Millennium Retailing in April 2006, and complete stock-for-stock exchange in June 2006. When this series of trades completes, Seven & I Holdings will hold all of the outstanding shares of Millennium Retailing.

(2) Establishment of the Integration Preparation Committee

To promote the business tie-ups in the fields of sales and support services, and the management integration, both companies will immediately establish the Integration Preparation Committee, and assign committee members from both companies to discuss concrete issues.

(3) Election of a new Representative Director

Shigeaki Wada, President and CEO of Millennium Retailing will take the office of Vice Chairman and Representative Director of Seven & I Holdings, while remaining at his current post, following the resolution at the general meeting of shareholders of Seven & I Holdings to be held in late May 2006, and the first meeting of Board of Directors after the general meeting of shareholders.

3. Outlines of Millennium Retailing and Seven & I Holdings

Millennium Retailing, Inc.

- (1) Major business: Management guidance and related business for department-store-operating businesses
- (2) Date of foundation: July 25, 1952
- (3) Address of the head office: 1-2 Marunouchi 1 chome, Chjiyoda-ku, Tokyo
- (4) Representative: Shigeaki Wada, President and CEO
- (5) Amount of capital stock: 34,941 million yen
- (6) Number of shares outstanding: 76,389 thousand shares
- (7) Fiscal year end: End of February

Seven & I Holdings Co., Ltd.

- (1) Major business: Planning, management and operation of the corporate group centering on convenience store business, superstore business and restaurant business
- (2) Date of foundation: September 1, 2005
- (3) Address of the head office: 8-8, Nibancho, Chiyoda-ku, Tokyo
- (4) Representative: Toshifumi Suzuki, Chairman and CEO
- (5) Amount of capital stock: 50,000 million yen
- (6) Number of shares outstanding: 1,346,383 thousand shares
- (7) Fiscal year end: End of February

4. Schedule

December 26, 2005	Resolution by the Board of Directors of each company
December 26, 2005	Conclusion of the Basic Contract

<Contact about this issue>

Public Relations Section of Millennium Retailing, Inc TEL: 03-6213-7135
Public Relations Department of Seven & I Holdings Co., Ltd. TEL: 03-6238-2446