



October 8, 2015

To whom it may concern,

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

[Delayed] Regarding Structural Reform of Business

To achieve sustainable growth, the Seven & i Group is promoting its business under the management priorities of “break away from conventional chain store concept,” “reinforce a store-led operating framework and product lineups that reflect regional characteristics,” and “promote the Group’s Omni-Channel Strategy.”

At Ito-Yokado Co., Ltd. and Sogo & Seibu Co., Ltd., various measures have already been implemented to improve profitability. Seven & i Holdings announced that today the boards of directors of both companies have decided on a range of new initiatives that will be effectively implemented to create stores that will win even greater support from customers.

1. Ito-Yokado Co., Ltd.

(1) Business structure reforms currently underway

- i. Organizational changes : Shift from a Head Office-led to a store-led operating framework
- ii. Store operation strategy : Expand independent store operation to all stores
- iii. Invigorate sales areas : Strengthen product lineup through tenant mix
- iv. Renovate existing stores : Strengthen food division through face-to-face sales of fish and meat, and strengthened delicatessen and other items
- v. Reduce inventory : Significantly reduce inventories through item-by-item management

(2) Structure reforms to be implemented from the second half of the fiscal year onward

- i. Store policy : Leverage advantage in site locations, particularly in the Tokyo metropolitan area
In regional areas, strengthen ties with alliance partners, mainly in food
- ii. Invigorate sales areas : As part of strengthening product lineup, further promote tenant mix through the consolidation of Mall & SC Development Inc. into Ito-Yokado
- iii. New store openings : Concentrate on opening formats with earning potential, such as shopping centers and food-specialty stores
- iv. Productivity enhancement : Reduce Head Office personnel by 30%, transfer certain head office functions to stores
Close 40 stores without profitability improvement potential over the next five years
In addition, conduct right-sizing of staff

2. Sogo & Seibu Co., Ltd.

(1) Business structure reforms currently underway

- i. Strengthen key stores : Strengthen retailer-managed product development and store-managed sales areas in coordination with full-scale rollout of the Omni-Channel Strategy
- ii. Strengthen regional stores : Enhance product lineups matched to regional characteristics, introduce new services, and promote development into shopping centers

(2) Structure reforms to be implemented from the second half of the fiscal year onward

- Store policy : Closure of SEIBU Kasukabe (February 29, 2016)