

July 21, 2021

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

Notice Regarding of Partial Transfer of Shares in Group Affiliate

Seven & i Holdings Co., Ltd. (the “Company”) hereby announces that it has reached an agreement and signed a contract to transfer part of its equity holdings in Francfranc Corporation (“FJP”).

1. Purpose of Transaction

In December 2013, the Company formed a capital and business alliance with FJP, which operates an interior and miscellaneous goods retail business under the “Francfranc” brand. The aim of the alliance was to enhance the corporate value of both companies.

Recently, Japan Growth Investments Alliance, Inc. (“J-GIA”) agreed to make a financial contribution to FJP (the “Transaction,” which includes other related procedures) through an investment limited partnership that provides investment-related services. Under its new management, FJP will step up development of the Francfranc brand and actively promote its digital transformation, including by strengthening the e-commerce channel, from the fiscal year ending August 31, 2022.

Based on its business portfolio strategy and policy, the Company considered synergies between FJP and the Seven & i Group, as well as affinity with the Group’s strategies. As a result, we concluded that J-GIA’s investment in FJP will help enhance the corporate value of both FJP and the Group, and decided to go ahead with the Transaction and continue supporting FJP.

2. Outline of Transaction

- (1) The Company will transfer shares of common stock in BALS INTERNATIONAL LIMITED, the parent company of FJP, to Blue Wedge Limited.
- (2) FJP will buy back some shares of FJP’s common stock held by the Company.
- (3) As a result of (1) and (2) above, the Company’s equity stake in FJP will be 23.5%.

3. Overview of Each Company

Target company (As of February 28, 2021)

(i) Company name	Francfranc Corporation
(ii) Original location	5-53-67, Jingumae, Shibuya-ku, Tokyo
(iii) Title and name of representative	Fumio Takashima, Representative Director, President and Executive Officer
(iv) Foundation	July 11, 1990
(v) Area of operation	Planning, development, and sale of interior and miscellaneous goods
(vi) Business year end	August

(vii) Number of employees	1,565
(viii) Number of stores	Francfranc: 107 stores, Francfranc BAZAR: 24 stores, Master Recipe: 1 store, MODERN WORKS 2 stores 134 stores in total (As of June 30, 2021)
(ix) Stated capital	100 million yen
(x) Number of shares issued	64,286 shares
(xi) Net sales	29.89 billion yen (Fiscal year ended August 31, 2020)
(xii) Major shareholders	BALS INTERNATIONAL LIMITED 70.0% Seven & i Holdings Co., Ltd. 30.0%

Target Company (As of February 28, 2021)

(i) Company name	BALS INTERNATIONAL LIMITED
(ii) Original location	Suites 3201-02, 32/F, AIA Kowloon Tower, Landmark East, 100 How Ming Street, Kwun Tong, Kowloon, Hong Kong
(iii) Title and name of representative	Fumio Takashima, Representative Director
(iv) Foundation	August 8, 2011
(v) Area of operation	Pure holding company
(vi) Business year end	August
(vii) Stated capital	457,782,126 HK dollars
(viii) Number of shares issued	457,782,126 shares
(ix) Major shareholders	Blue Wedge Limited 73.33% Seven & i Holdings Co., Ltd. 26.67%

Reference

(i) Company name	Japan Growth Investments Alliance, Inc.
(ii) Original location	1-3-1, Toranomon, Minato-ku, Tokyo
(iii) Title and name of representative	Koichi Tateno, President and Representative Director
(iv) Foundation	June 17, 2016
(v) Area of operation	Provision of fund formation, management, and investment-related services for the purposes of business succession investment, business support investment, growth investment, etc.
(vi) Number of employees	24 (As of April 1, 2021)

4. Schedule

Contract date	July 21, 2021
Execution date	Late August, 2021 (planned)

5. Outlook

The impact of the transaction on the Company's consolidated financial results in the fiscal year ending February 28, 2022 is expected to be negligible. Nevertheless, the Company will promptly disclose any impact if it becomes known.