



August 31, 2023

To whom it may concern:

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

## Notice Regarding Transfer of Subsidiary Shares and Resulting Change of Subsidiaries

Seven & i Holdings Co., Ltd. (“the Company” or “the Group”) hereby announces that it has resolved to enter into an amendment (the “Amendment”) related to the agreement (the “Agreement”) to transfer all of the issued shares of Sogo & Seibu Co., Ltd. (“Sogo & Seibu”) held by the Company to a special purpose company which is a related entity of Fortress Investment Group LLC (together with its related entities, collectively, “Fortress”) Sugi Godo Kaisha (the “Transferee Company”) (the “Transfer”), and to conduct the Transfer on September 1, 2023, at a meeting of its Board of Directors held today, and that the Company has entered into the Amendment today.

Additionally, as a result of conducting the Transfer, the Company’s consolidated subsidiary SEVEN & i Financial Center Co., Ltd. (“7FC”) will forgive some of its debt to Sogo & Seibu based on the terms of the Agreement, and the Company has decided to compensate 7FC and Sogo & Seibu on the losses related to the Transfer (the “Debt Forgiveness”).

As for the capital recollected from conducting the Transfer, considering the capital reallocation plan, the Company plans to re-invest the Company Group’s management resources in further growth areas, etc. Any matter arising in the future that should be disclosed will be announced promptly by the Company.

### 1. Purpose and Outline of the Transfer

The Company made Millennium Retailing, Inc. (currently, Sogo & Seibu) its wholly-owned subsidiary in June 2006, and has since continued various efforts to develop Sogo & Seibu’s department store business and to enhance the Company’s corporate value through group synergies generated between the Group companies’ businesses and Sogo & Seibu’s department store operations. However, the environment surrounding the retail industry, especially in the department store industry in Japan, has become more difficult year after year. Sogo & Seibu, despite its brand power, ability to propose the best solutions to its customers, hospitality, and prime locations of its stores that leads to its outstanding ability to attract customers, ended in deficit for four consecutive terms in the fiscal year ended February 28, 2023. In addition to management improvement conducted by Sogo & Seibu alone, a drastic reform to

rebuild the business, including support from a new sponsor, is unavoidable.

On the other hand, under the new Board of Directors and transformed governance structure, the Group continued to consider various strategic actions that could increase the Group's corporate value while taking into account the growth profile and efficiency of each business segment (the "Group Strategy Reevaluation"). The Group has announced the result of the Group Strategy Reevaluation on March 9, 2023, and updated our "Ideal Group Image for 2030" to "a world-class retail group centered around its food that leads retail innovation through global growth strategies centered on the 7-Eleven business and proactive utilization of technology".

The Transfer is considered as one initiative that aligns with such strategic priorities. The Company determined that it is difficult to maximize the value provided by Sogo & Seibu's department store operations to customers and business value through structural business reform using the Group's management resources. Therefore, the Company conducted a process to choose the best alternative owner with maximum consideration for Sogo & Seibu's "business continuation" and "continuation of employment" as the conditions, and after sincerely considering from several potential partners, decided on Fortress as the best owner. The Company agreed on the Agreement with Fortress on November 11, 2022, with an expectation that Fortress can contribute toward a more profitable operation of Sogo & Seibu's department stores as well as the promotion of growth and efficiency of Sogo & Seibu by maximizing the value of its real estate assets. Although Sogo & Seibu currently faces a highly indebted situation, owing approximately 300 billion yen in debt including financial support from the Company, the Company believes that by leveraging Sogo & Seibu's excellent brand power and ability to attract customers, etc., through the forgiveness of debt by the Group to Sogo & Seibu and the optimization of its profit structure and effective utilization of its real estate, the Transfer can reorganize the financial position of Sogo & Seibu towards its re-growth, as well as realize the potential value of Sogo & Seibu to its maximum and further expand the business base of Sogo & Seibu. The Company is convinced that these contribute to Sogo & Seibu's "business continuation" and "continuation of employment".

After announcing the Transfer on November 11, 2022, with the goal to realize the re-growth of Sogo & Seibu, the Company has conducted its best efforts, such as continuing explanations and discussions with Sogo & Seibu's stakeholders for over nine months on various topics, including the Seibu Ikebukuro store's renewal plan after the Transfer based on their opinion, to obtain an understanding from Sogo & Seibu's stakeholders. As a result, a certain level of understanding has been obtained from the stakeholders on the future of the Seibu Ikebukuro store, and there is some visibility to continue discussions under the new structure after the Transfer.

Additionally, the prolonged period of nine months since announcing the Transfer has brought anxiety to those involved with Sogo & Seibu such as its suppliers and employees, and the growth investments in Sogo & Seibu expected from Fortress after the Transfer have not been executed. The Company has decided that the situation in which reform to Sogo & Seibu's business is not conducted cannot be ignored from the perspective of Sogo & Seibu's corporate value and continuation of employment. Based on such situation, the Company requested that Fortress consider the renewal plan, with maximum consideration of Sogo & Seibu's "business continuation" and "continuation of employment", while listening to the opinions from the stakeholders in order to obtain their understanding. As an outcome of the request, the Company has agreed to reduce Sogo & Seibu's aggregate value by 30 billion yen, and has signed an Amendment that changes some terms of the Agreement, such as changes to the conditions on executing the Transfer agreed with Fortress, and has decided to execute the Transfer on September 1, 2023. The Company firmly believes that the execution of the Transfer suits the best interest of the Company and its stakeholders including the shareholders.

We deeply apologize to all stakeholders including customers, local people, business partners and employees for the worries and inconvenience caused by the strike conducted by the Sogo & Seibu Labor Union today. Sogo & Seibu will continue collective bargaining and discussions with the Sogo & Seibu Labor Union, and the Company will also

continue to provide support and cooperate to an appropriate extent on such discussions. Through the execution of the Transfer, the Company plans to re-invest the Company Group’s management resources in the Convenience Store (“CVS”) businesses as our growth driver and enhance capital return to our shareholders, and also accelerate the growth strategy to become a world-class retail group centered around its food, by focusing on the growth strategy of domestic and overseas CVS businesses.

## 2. Overview of the Debt Forgiveness

### ① Reason of the Debt Forgiveness

As mentioned above, for the Company, the execution of the Transfer is part of the Company Group’s strategy announced on March 9, 2023, and under the strong belief that the Transfer is in the best interest of the Company and its stakeholders including the shareholders, based on the terms of the Agreement, today, the Company’s consolidated subsidiary 7FC has decided to forgive 7FC’s debt to Sogo & Seibu of approximately 91.6 billion yen of its total lending to Sogo & Seibu of approximately 165.9 billion yen (as of July 31, 2023).

### ② Outline of Sogo & Seibu (As of February 28, 2023)

(1) Company name	Sogo & Seibu Co., Ltd.
(2) Location of the office	1-18-21 Minami-Ikebukuro, Toshima-ku, Tokyo
(3) Title and name of representative	Hiroto Taguchi, President and Representative Director
(4) Details of business	Department store business, and operation of shopping centers, large-scale commercial facilities, etc.
(5) Stated capital	20.5 billion yen
(6) Date of incorporation	May 21, 1969
(7) Net assets	26.7 billion yen
(8) Total assets	402.8 billion yen
(9) Total debt	293.8 billion yen
(10) Shareholders and their percentage holdings	Seven & i Holdings, Co., Ltd. 100%

(Note) The title and name of representative are as of August 1, 2023.

### ③ Outline of the Debt Forgiveness, etc.

(1) Type of debt	Loans receivable
(2) Debt forgiveness amount (7FC)	Approximately 91.6 billion yen
(3) Loss compensation amount	Approximately 104.6 billion yen
(4) Share transfer related loss	Approximately 41.1 billion yen
(5) Execution date	August 31, 2023

(Note) The difference in the amount between the debt forgiveness amount and loss compensation amount includes related costs based on other agreements with Fortress.

## 3. Future outlook

The Company is currently assessing the impact of the Transfer on the consolidated business forecast for the fiscal year ending February 2024. Any matter arising in the future that should be disclosed will be announced promptly by the Company.

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