

Establishment of Seven & I Holdings

April 20, 2005



Ito-Yokado Co., Ltd.

Seven-Eleven Japan Co., Ltd.

Denny's Japan Co., Ltd.

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Cautionary Note Regarding Forward-Looking Statements

All statements herein other than statements of historical fact are "forward-looking statements" for purposes of the United States securities laws. These statements reflect management's current views with respect to future events, financial performance and other aspects of our business. Statements that include the words "may," "estimate," "continue," "expect," "plan," "goal," "intend," "believe," "project," "anticipate" and similar statements of a forward-looking nature identify forward-looking statements.

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- The Holding Company's or the Group's level of indebtedness and any resultant restrictions on financial flexibility;
- The continued availability of financing on acceptable terms in amounts sufficient to support the Group's future business;
- Competition that the Group will face from existing and potential future industry participants;
- Potential difficulties and demands on management's time resulting from the need to integrate the Group's businesses and operations following the joint-stock transfer;
- Uncertainties relating to the Group's ability to achieve expected cost-savings or operational or financial synergies as a result of the joint-stock transfer;
- The extent to which Group members undertake acquisitions or enter into strategic joint ventures or partnerships, and the terms thereof;
- Uncertainties relating to the Group's expansion of its business activities internationally, including in the Peoples Republic of China;
- Uncertainties relating to the Group's expansion of its network of retail stores;
- Fluctuations in interest rates and foreign currency exchange rates;
- The availability, or increases in the cost, of products to be included in the Group's inventory;
- Changes in consumer tastes or spending patterns and their impact on demand for the Group's products and services;
- The loss of major customers or suppliers;
- Changes in applicable laws or regulation; and
- Japanese economic conditions.

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This presentation is neither an offer of securities for sale, nor the solicitation of an offer to purchase securities, in the United States. Securities may not be offered or sold in the United States absent registration under the U.S. Securities Act of 1933 or an applicable exemption from such registration.

The proposed joint-stock transfer described herein involves the issuance of the securities of a Japanese company in exchange for securities of Japanese companies. The transaction is subject to the disclosure requirements of Japanese law, which are different from those of the United States. Financial information included herein is based on financial statements prepared in accordance with Japanese accounting standards, which may not be comparable to the financial statements of United States companies.

It may be difficult for U.S. investors to enforce their rights and any claim they may have with respect to the proposed joint-stock transfer that arise under the U.S. federal securities laws, since the issuer is located in a foreign country and some or all of its officers and directors may be residents of a foreign country. U.S. investors may not be able to sue a foreign company or its officers or directors in a foreign court for violations of the U.S. securities laws. It may be difficult to compel a foreign company and its affiliates to subject themselves to a U.S. court's judgment.

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I. Overview

1. Overview of the Holding Company

Name:	Seven & I Holdings Co., Ltd. (“Seven & I Holdings”)
Form of Establishment:	By means of stock transfer of shares by Ito-Yokado, Seven-Eleven and Denny’s
Stock Transfer Ratio:	Ito-Yokado: Seven-Eleven: Denny’s = 1.2 : 1 : 0.65
Scheduled date of Establishment:	September 1, 2005 (The effective date of the stock-transfer)
Stock Exchange:	Listed on the Tokyo Stock Exchange and Euronext Paris (Plan)
Representative Director:	Chairman & the CEO, Toshifumi Suzuki

2. Objective & Rationale

**Bolstering Corporate
Governance**

**Maximization of the Value of
Group Companies**

“Responding to change and strengthening fundamentals”

.....Mobility towards Changing Business Environment

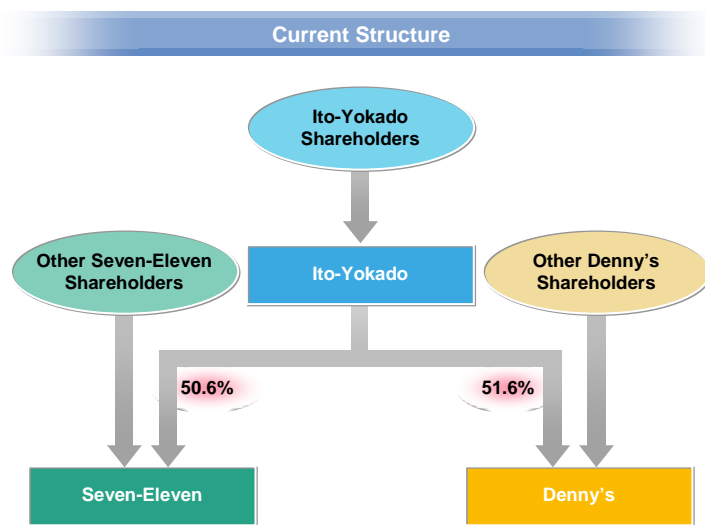
“Business Operation Based on Customer Satisfaction”

.....Seeking Group Synergies

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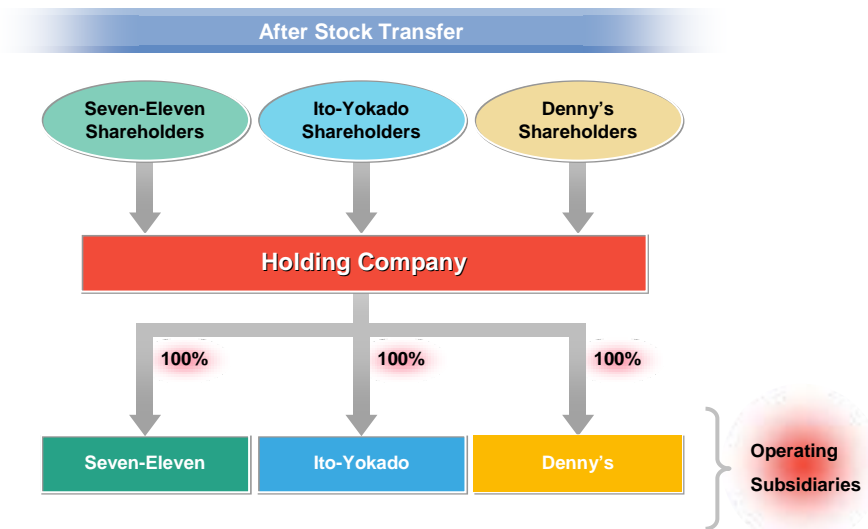
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3. Current Group Structure



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4. Seven & I Holdings -After Stock Transfer-



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5. Stock Transfer Ratio

	Ito-Yokado	Seven-Eleven	Denny's
Stock Price (Average closing price from March 16th to April 15th)	4,225Yen	3,133Yen	2,007Yen
Ratio based on the above Stock Price	1.20	0.89	0.57
Stock Transfer Ratio	1.20	1.00	0.65
Stock Price Premium	-	13.0%	13.0%

- To ensure fairness and rationality, each company independently requested a ratio assessment from a financial advisor.
- Each financial advisor calculated the ratio based on average trading stock price, DCF method, and other commonly used valuation methods.
- The three parties held negotiations and reviews to agree on the final transfer ratio.

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6. Seven & I Holdings Dividend Policy

Seven & I Holdings Plans for a 28.5Yen per Share Dividend for the Fiscal Year Ending February 06.

	Dividend Payment		Seven & I Holdings Year End Dividend FYE Feb 06
	Feb 06 Company Original Estimate	Interim Dividend Payout ⁽¹⁾	
Ito-Yokado	34.0Yen	16.0Yen	28.5Yen per Seven & I Holdings Share 21.5Yen (Ordinary dividend) 7.0Yen (One-time special dividend)
Seven-Eleven	43.0Yen	21.5Yen	
Denny's	31.0Yen	15.5Yen	

⁽¹⁾ Cash payment substantially the same amount of interim dividends which each party would expect to distribute to its shareholders will be paid upon the stock transfer.

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7. Seven & I Holdings. Stock Conversion and Per Share Dividend

Number of Shares	Company	Number of Shares of Original Company	Seven & I Holdings Shares	
	Ito-Yokado	100		120
	Seven-Eleven	100		100
	Denny's	100		65

Dividend	Company	Dividend per Share of Original Company	Seven & I Holdings Annualized Per Share Dividend	
	Ito-Yokado	34Yen		50.20Yen
	Seven-Eleven	43Yen		50.00Yen
	Denny's	31Yen		34. ⁰²⁵ Yen

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8. Dividends after the establishment of the holding company

Using as an example a share of Seven-Eleven, the distribution is expected to be **50 yen per annum** after the stock-transfer, composed of a 21.5 yen cash payment upon stock-transfer and a 28.5 yen year end dividend.

This would be a substantial dividend increase of **7.0 yen** in comparison with the 43 yen which would have been distributed before the establishment of the holding company.

In the case of a share of Ito-Yokado, there would be a substantial increase of **16.2 yen** (in comparison with 34 yen) to 50.2 yen.

In the case of a share of Denny's, there would be a substantial increase of **3.025 yen** (in comparison with 31.0 yen) to 34.025 yen.

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9. Schedule for the Stock-Transfer

April 20, 2005	Execution of the stock-transfer agreement (resolutions of the meetings of Board of Directors at each company)
May 26, 2005(plan)	Ordinary general shareholders' meeting at Ito-Yokado (approval of the stock transfer)
May 27, 2005(plan)	Ordinary general shareholders' meeting at Seven-Eleven (approval of the stock transfer)
May 28, 2005(plan)	Ordinary general shareholders' meeting at Denny's (approval of the stock transfer)
August 26, 2005(plan)	Date of de-listing of the shares of respective companies
September 1, 2005(plan)	The scheduled stock-transfer date (date of listing the shares of the holding company)

II. Management Objectives

1. Group Summary

Total Revenue ^{(1) (2)} Approx. 6 Trillion Yen

No. of Stores ⁽³⁾ 29,000 Stores

Average Daily Customers 18 Million

(1) Total Revenue calculated as a sum of all Group companies' revenue for FYE Feb 05

(2) Seven- Eleven Revenue is the total amount of sales generated from both directly owned and FC stores for FYE Feb 05.

(3) The number of stores includes the number of stores operated by international licensee partners of 7-Eleven, Inc as of Feb 28 2005.

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2. Management Objectives for FYE Feb 09

Set the generation of operating income of 310 billion yen as a management objective

(100 million yen, %)

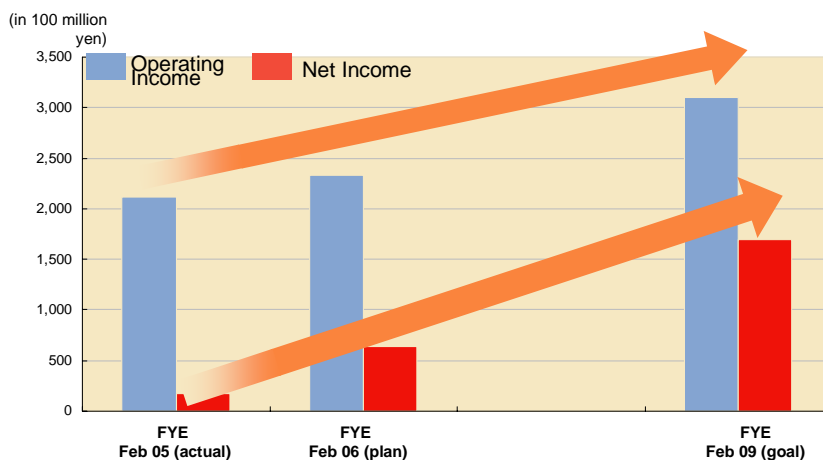
FYE	FYE Feb 05 (actual)	FYE Feb 06 (forecast)	FYE Feb 06 (simulated)	FYE Feb 09 (Goal)	vs. Feb 05
	Ito-Yokado Consolidated Results	Ito-Yokado Consolidated Results	Seven & I Holdings Consolidated Results ⁽¹⁾	Seven & I Holdings Consolidated Results	
Revenue from operations	36,236	37,000	37,000	45,000	up 24 %
Operating Income	2,120	2,330	2,330	3,100	up 46 %
Net Income	172	637	1,147	1,700	up 888 %

Note) The holding company's simulated consolidated results during FYE Feb 06 term are simulated assuming that the holding company(which is expected to commence operation in September 2005) actually started in March 2005. These simulated results add the change of the shareholding of minority shareholders that occurs in the restructuring of capital to the estimated consolidated budget. It is subject to future changes in light of accounting revisions, etc, and actual results may differ.

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2. Management Objectives for FYE Feb 09 (Cont'd)

Goals: Operating income should increase significantly. Net Income to further increase through the inclusion of minority interest



Note) The figures for the FYE Feb 05 and Feb 06 terms represent Ito-Yokado's consolidated results. The figures for FYE Feb 09 are a profit goal. Actual results may differ.

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3. Summary of Business Portfolio

Goals: Convenience stores business to develop globally, super stores to pursue structural reform, restaurants to deliver stable growth and financial services to start contributing more to profitability

(Yen in 100 million)
(100 million yen, %)

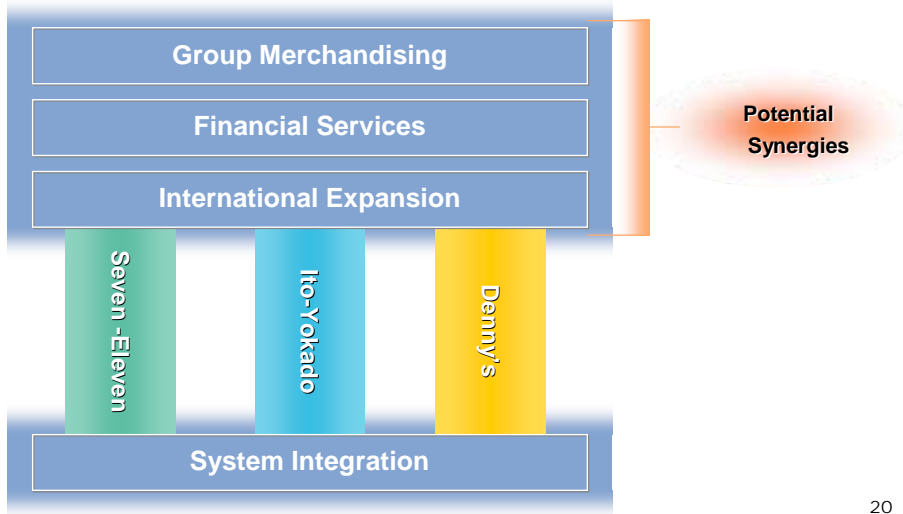
Segment	FYE Feb 04		FYE Feb 05		FYE Feb 09 (Goal)	
	Consolidated	% Breakdown	Consolidated	% Breakdown	Holding company	% Breakdown
Operating Income	2,078	100.0	2,120	100.0	3,100	100.0
Convenience Stores	1,875	90.2	1,954	92.2	2,400	77.4
Superstores	212	10.2	78	3.7	450	14.5
Restaurants	33	1.6	36	1.7	80	2.6
Financial Services	-39	-1.9	54	2.5	150	4.8
Others	-2	-0.1	2	0.1	20	0.6

Note) Operating income by segment during the FYE Feb 09 term is a target value. Due to items that are not written here, the sum of each segment does not necessarily correspond to the operating income. Actual results may differ.

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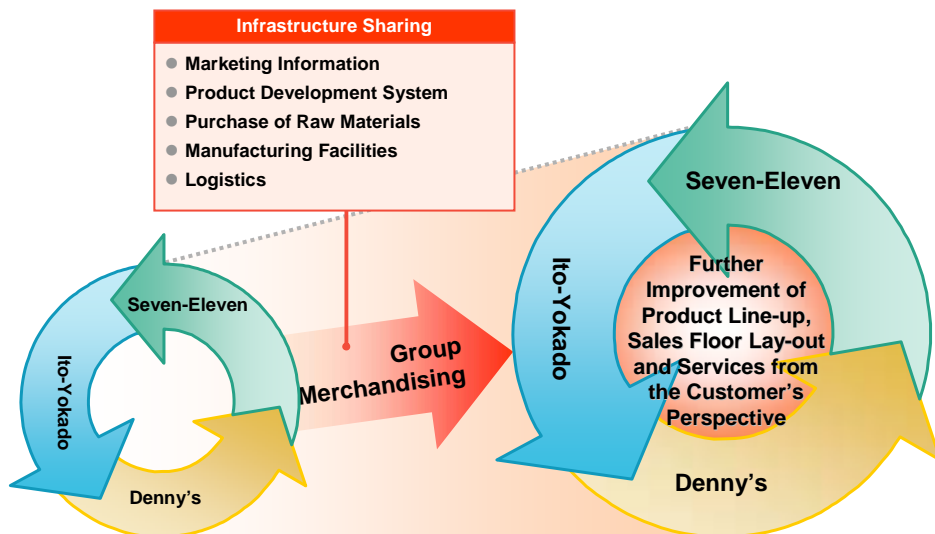
4. Business Structure of the Group

The Group Should be able to Realize Significant Synergies Across the Group Under the New Holding Company



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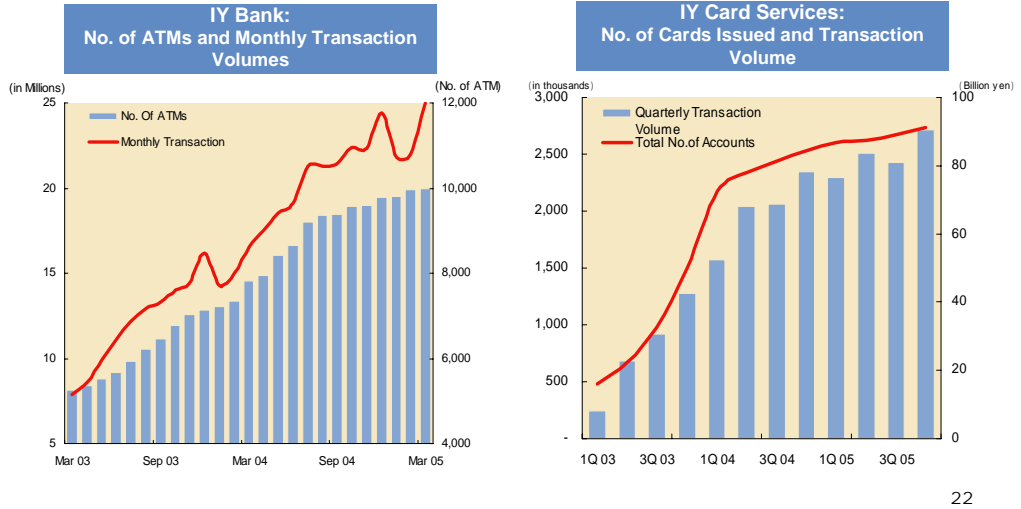
5. Group Synergies (1) Group Merchandising



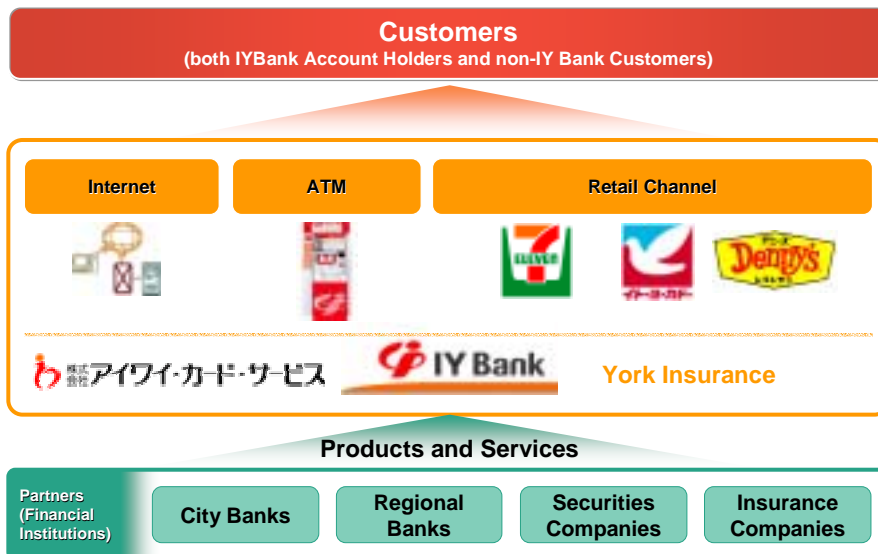
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6. Group Synergies (2) Financial Services Related

Seven & I Holdings Expects the Retail Banking Business and the Credit Card Business to be the Core Established Business Units within the Group



7. Group Synergies(2) Financial Services Related (Cont'd)



8. Group Synergies (2) Financial Services Related (Cont'd)

“ Financial Convenience Store” – First Outlet with Bank Representative at Ito-Yokado’s Soga Store



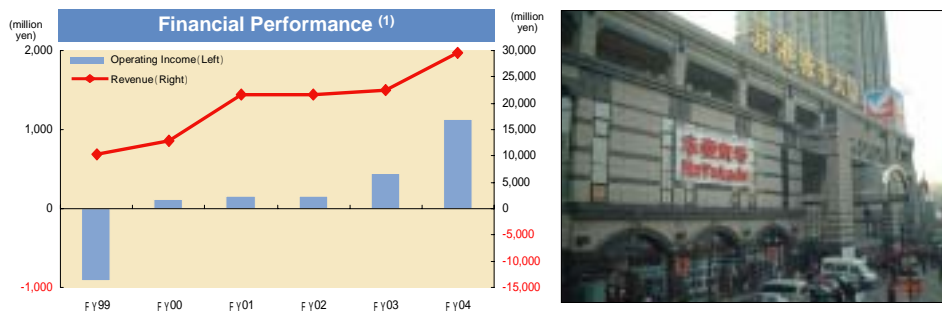
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9. Group Synergies(3) International Expansion - China

Superstore Business is Growing Rapidly

- 1996 Establishment of Chengdu Ito-Yokado Co., Ltd. Opening of Superstores
- 1997 Establishment of Hua Tang Yokado Commercial Co., Ltd.
- 2004 Opening of Convenience Stores
- 2005 Plans to Open Food Supermarkets



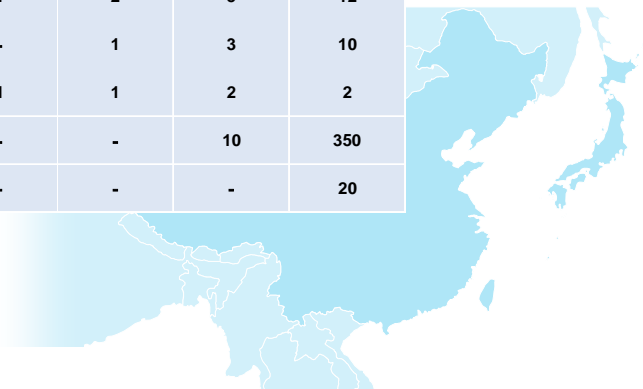
(1) Figures based on the sum of Chengdu Ito-Yokado and Hua Tang Yokado Commercial results

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10. Group Synergies(3) International Expansion - China

Further Plans to Expand the Convenience Store Business and Food Supermarket Business in the Chinese Market in Addition to the Superstores

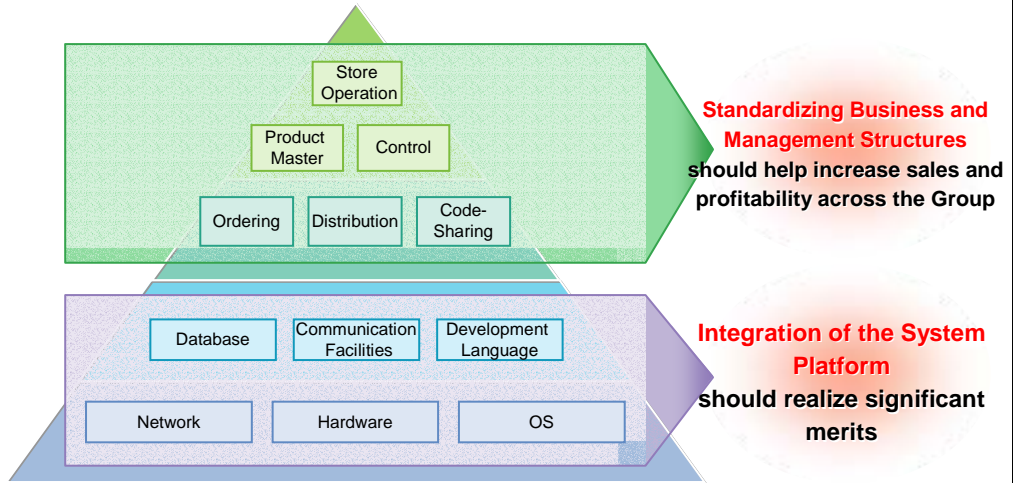
	(No. of Stores)			
	CY 97	CY 98	CY 04	CY 08 (target)
Superstore	1	2	5	12
Beijing	-	1	3	10
Chengdu	1	1	2	2
Convenience Stores	-	-	10	350
Food Supermarkets	-	-	-	20



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11. Group Synergies(4) System Integration

Sharing of System Infrastructure for Effective Operation



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III. Business Strategy



Seven-Eleven



Ito-Yokado



Denny's

1. Seven-Eleven(1)

1 Bolstering store network through accelerated new store opening

- 10,826 stores (Feb/05) → 13,000 stores (Feb/09 goal)
- Expansion of new store opening in the Chukyo region
- Potential expansion into other new regions

2 Aggressive development of differentiated products

- Composition of original products at 50% → aiming for 60%

3 Strategy to Enhance the Value as a "Platform"

- 10,000 units of ATMs installed → targeting to install in all stores
- Establishment of upgraded comprehensive information system ("6th Generation")
- Launch of other new services

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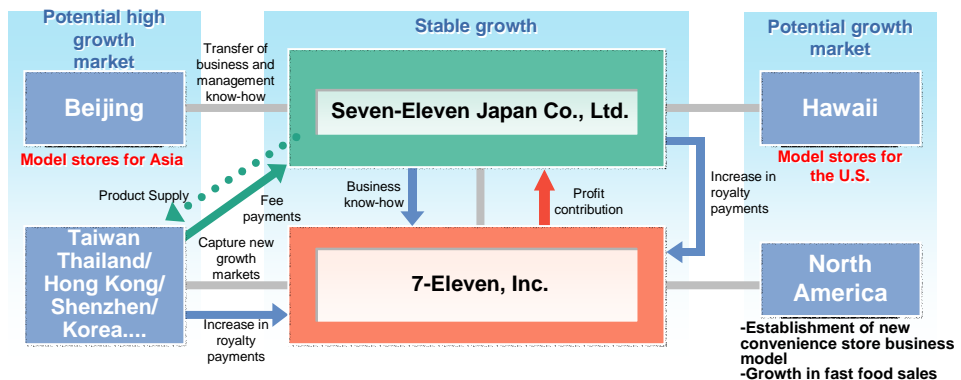
1. Seven-Eleven(2)

International Expansion

1 Further expansion of the current global network of about 28,000 stores

2 Development of joint ventures that are mutually beneficial

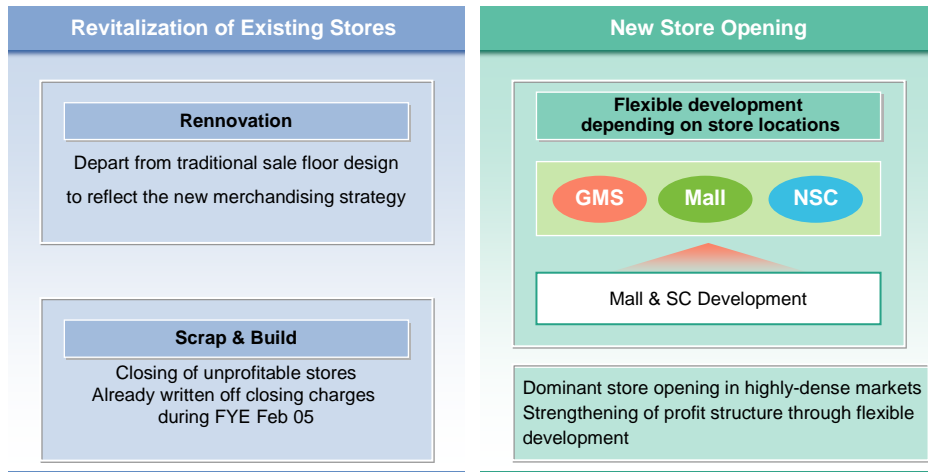
3 Support the penetration of fast food sales in each respective region



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2. Ito-Yokado(1)

Establish a Profitable Store Network



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2. Ito-Yokado(2)

Brand Establishment for Differentiation and to Respond to "Individuality"

1 Establish a new GMS brand – IYG Lifestyle Design Institute

- Comprehensive review of merchandising for clothing
- Shift from an "Single Product Approach" merchandising to a "Coordination Approach" merchandising for different customer segments

2 Increase in the number of proprietary products

- Re-define the organization for development, marketing, merchandising and sales methods
- Seek to expand SPA and improve quality through proprietary products

3 Strengthen one-to-one marketing – converting one to many

- Further expansion of "5 day My-Suits" and introduction of "Easy Order Women's Wear"
- Further improve employee's expertise & knowledge - establish the training system and introduce an incentive system
- Leverage IY Card customer base for marketing initiatives

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3. Denny's(1)

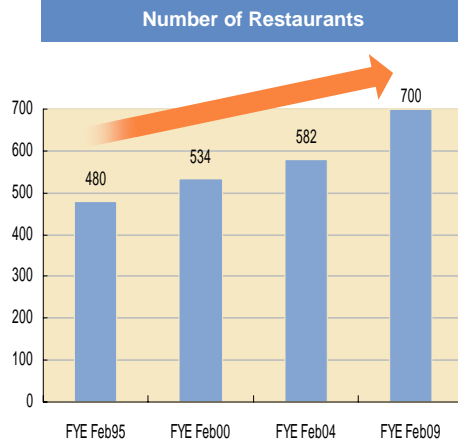
Increase Market Share in the "Dining-out" Market

1 Improve our competitiveness in new opening

- Make effective use of the Group's diverse store formats and business foundations
- Joint new store openings with other Group stores (targeting 700 restaurants for FYE Feb 09)

2 Continuous growth as a "Family restaurant"

- Focus on "Healthy, Comfortable and Safe" product offering to satisfy the world's most demanding "Japanese Consumers"



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3. Denny's(2)

Acceleration of Development of "Differentiated Products"

3 Improvement of product development capabilities

- Co-development of differentiated products with Group Companies
- Improvement of global procurement
- Leverage the Group's human resources, facilities and information
- Utilize know-how and product development process of other Group Companies

4 Role as a core of the Group's restaurant business

- Leverage the Group's existing restaurant infrastructure for further growth (information, environmental analysis, product development and purchasing)

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