



For Immediate Release

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**Seven & I Holdings to Issue Its Own Electronic Money Card
Begins system development work targeting spring 2007 launch**

— Simultaneous development of point service that can be used at about 12,500 stores —

Seven & I Holdings Co., Ltd. (Headquarters: Chiyoda-ku, Tokyo; Chairman, Representative Director, and CEO: Toshifumi Suzuki), announced today that it has decided to issue its own prepaid electronic money card to increase convenience for customers making payments at Seven & I Holdings stores. The card will incorporate a contactless IC chip, and the service has a target launch date of spring 2007. In addition, the company is considering the implementation of a point service that can be used at about 12,500 stores starting spring 2007.

Seven & I Holdings will develop systems, such as store POS registers, to ensure that customers will be able to use the electronic money cards, as soon as they are issued, at all of the more than 11,000 stores operated by Seven-Eleven Japan (President and Representative Director: Toshiro Yamaguchi). In the future, rather than limiting the use of the cards to Seven-Eleven stores, the company will gradually expand their use to include Ito-Yokado stores and other Seven & I Holdings stores in Japan.

The company will also begin preparations for the integration of the electronic money and point services. Current plans call for the new point service to be available at Seven-Eleven stores in Japan as soon as electronic money cards are issued, and Seven & I Holdings will continue to develop and introduce the services so that customers can use them at the Group's approximately 12,500 stores.

The number of electronic money cards issued in the first year is expected to be about 10 million, one of the highest levels in Japan.

In recent years, progress in information technology has resulted in the launch of a range of payment styles using cards and cellular phones in the field of small payments, and the number of users has been increasing each year. In response to this change in the market environment, Seven

& I Holdings, which serves about 13 million customers a day, decided to issue its own electronic money cards to provide its customers with enhanced shopping convenience. As a result, payments at the register will be completed more quickly and customers will not have to handle change.

Targeting these types of initiatives, and with an emphasis on strict security, reduced development costs, and rapid development progress, Seven & I Holdings will conclude a new operational tie-up agreement with JCB Co., Ltd. (Headquarters: Minato-ku, Tokyo; President & CEO, Hiroya Nobuhara).

JCB, which is already developing QUICPay, a postpaid-type contactless IC card payment system, will provide know-how in the development of prepaid electronic money that can be used by anyone. Moreover, back office procedures, such as application processing and data management, will likely be handled by JCB.

In the future, Seven & I Holdings will consider systems that can use a range of settlement methods, such as JCB's QUICPay and other postpaid systems and electronic money systems offered by other companies.

Plans call for the electronic money cards to be issued by IY Card Service Co., Ltd. (President and Representative Director: Toshisuke Yamamoto).

Under the new service, points earned when making purchases at Seven & I Holdings stores can be transferred to the electronic money system. At the same time, customers will be able to use their points at Seven-Eleven stores and all other Group stores. Furthermore, Seven & I Holdings will also consider alliances that offer merits for both customers and alliance partners, such as point tie-ups that allow points to be used outside of the Group.

Seven & I Holdings established Seven Bank, Ltd. (President and Representative Director: Takashi Anzai) to meet the financial needs of its customers, and large numbers of customers have used Seven Bank's ATMs. The Company is positioning its original electronic money cards and new point service as the next pillar of its operations, following its financial and settlement services, all of which are closely linked to customer lifestyles. Seven & I Holdings will focus the comprehensive strengths of the Group on these services.