



To Whom It May Concern:

January 24, 2006

Company Name: Seven & I Holdings Co., Ltd.
Name of Representative: Noritoshi Murata, President and COO
(Code No. 3382/First Section of the Tokyo Stock Exchange)
Any inquiries relating to this
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Announcement of Corporate Demerger Plan of Subsidiary, etc.

Seven & I Holdings Co., Ltd. (the “Company”) and Ito-Yokado Co., Ltd. (“IY”), a wholly owned subsidiary of the Company, decided at their respective Boards of Directors meetings held today to amend parts of the corporate demerger plan regarding the corporate demerger of IY released in the “Announcement of Corporate Demerger of Subsidiary and Merger” dated January 10, 2006 (the “Announcement”). The Company hereby announces the amended items of the Announcement according to such amendment.

1. Content of Amendments (The amended portions of the Announcement are underlined.)

(1) Amendment regarding “2-1. Outline of the Corporate Demerger, (4) Matters related to the amount of stated capital or reserves to be reduced upon the Corporate Demerger”

(Before amendments)

Now IY will reduce, upon the Corporate Demerger, the amounts below:

- | | | |
|-------|---------------------------|---|
| (i) | Stated capital | 0 yen |
| (ii) | Capital surplus reserve | The amount of the assets assumed upon the Corporate Demerger from Now IY to New IY minus the amount of the liabilities assumed upon the Corporate Demerger and the amounts in provisions (iii) and (iv) of this article |
| (iii) | Retained earnings reserve | 11,700 million yen |
| (iv) | Other surplus reserve | <u>473,258</u> million yen |

(After amendments)

Now IY will reduce, upon the Corporate Demerger, the amounts below:

- | | | |
|-------|---------------------------|---|
| (i) | Stated capital | 0 yen |
| (ii) | Capital surplus reserve | The amount of the assets assumed upon the Corporate Demerger from Now IY to New IY minus the amount of the liabilities assumed upon the Corporate Demerger and the amounts in provisions (iii) and (iv) of this article |
| (iii) | Retained earnings reserve | 11,700 million yen |
| (iv) | Other surplus reserve | <u>461,214</u> million yen |

(2) Amendment regarding “2-1. Outline of the Corporate Demerger, (6) Rights and obligations assumed by New IY”

(Before amendments)

Upon the Corporate Demerger, New IY will assume all assets, liabilities, rights,

obligations and contracts related to the Business, excluding the items below (provided, however, that the item (iv) will be excluded only in the case where an ordinance of the Ministry of Justice of Japan which allows a *kabushiki-kasisha* that does not have its latest balance sheet to pay interim dividends and other surplus (the “Ordinance of the Ministry of Justice”) is not enacted before March 1, 2006):

- (i) All of the common shares of Seven & I Holdings
- (ii) All of the common shares of SEVEN & i Financial Center Co., Ltd.
- (iii) All of the common shares of SEVEN & i Life Design Institute Co., Ltd.
- (iv) Scheduled interim dividends for the business year ending February 28, 2007 (the “Scheduled interim dividends for 2007”) equivalent of the deposits

(After amendments)

Upon the Corporate Demerger, New IY will assume all assets, liabilities, rights, obligations and contracts related to the Business, excluding the items below (provided, however, that the item (vi) will be excluded only in the case where an ordinance of the Ministry of Justice of Japan which allows a *kabushiki-kasisha* that does not have its latest balance sheet to pay interim dividends and other surplus (the “Ordinance of the Ministry of Justice”) is not enacted before March 1, 2006):

- (i) All of the common shares of Seven & I Holdings
- (ii) All of the common shares of SEVEN & i Financial Center Co., Ltd.
- (iii) All of the common shares of SEVEN & i Life Design Institute Co., Ltd.
- (iv) All of the common shares of York Benimaru Co., Ltd.
- (v) All of the common shares of York Mart Co., Ltd.
- (vi) Scheduled interim dividends for the business year ending February 28, 2007 (the “Scheduled interim dividends for 2007”) equivalent of the deposits

- (3) Amendment regarding “2-2. Overview of Now IY and New IY, (8) Shareholders’ equity (Ito-Yokado Co., Ltd. (New Co))”

(Before amendments)

606,435 million yen (planned)

(After amendments)

594,392million yen (planned)

- (4) Amendment regarding “2-2. Overview of Now IY and New IY, (9) Total assets (Ito-Yokado Co., Ltd. (New Co))”

(Before amendments)

996,141 yen (planned) *4

(After amendments)

984,097 million yen (planned) *4

- (5) Amendment regarding “2-3. Outline of areas of business for the Corporate Demerger, (2) Results of areas of the Business for the business year ending February 28, 2005”

(Before amendments)

(million yen)

	Areas of the Business (a)	Now IY Feb/05, actual (b)	Ratio (a/b)
Net sales	1,455,358	1,455,358	100.0%
Gross profit	395,276	395,276	100.0%
Operating income	8,800	8,800	100.0%
Ordinary income	<u>9,193</u>	27,081	<u>33.9%</u>

(After amendments)

(million yen)

	Areas of the Business (a)	Now IY Feb/05, actual (b)	Ratio (a/b)
Net sales	1,455,358	1,455,358	100.0%
Gross profit	395,276	395,276	100.0%
Operating income	8,800	8,800	100.0%
Ordinary income	<u>8,703</u>	27,081	<u>32.1%</u>

- (6) Amendment regarding “2-3. Outline of areas of business for the Corporate Demerger, (3) Assets and liabilities to be assumed by type and total amount (planned)”

(Before amendments)

(million yen)

Assets		Liabilities	
Type	Book value	Type	Book value
Current assets	313,666 *1	Current liabilities	164,428
Fixed assets	<u>682,475</u>	Fixed liabilities	161,727
Total	<u>996,141</u>	Total	326,156

*1: provided that the total assets will be 313,666 yen (planned) minus the amount of the Scheduled interim dividends for 2007 and the total assets will be 996,141million yen (planned) minus the amount of the Scheduled intern dividends for 2007 if the Ordinance of the Ministry of Justice is not enacted before March 1, 2006

(After amendments)

(million yen)

Assets		Liabilities	
Type	Book value	Type	Book value
Current assets	313,666 *1	Current liabilities	164,428
Fixed assets	<u>670,431</u>	Fixed liabilities	161,727
Total	<u>984,097*1</u>	Total	326,156

*1: provided that the current assets will be 313,666 yen (planned) minus the amount of the Scheduled interim dividends for 2007 and the total assets will be 984,097 million yen (planned) minus the amount of the Scheduled intern dividends for 2007 if the Ordinance of the Ministry of Justice is not enacted before March 1, 2006

- (7) Amendment regarding “2-4. Prospects of Now IY after the Corporate Demerger, (5) Total assets”

(Before amendments)

78,525 million yen (planned)

(After amendments)

90,568 million yen (planned) *1

*1 : provided that the total assets will be 90,568 million yen (planned) plus the amount of the Scheduled interim dividends for 2007 if the Ordinance of the Ministry of Justice is not enacted before March 1, 2006

- (8) Amendment regarding “3-2. Overview of Seven & I Holdings Co., Ltd. and Ito-Yokado SHC Co., Ltd., (8) Shareholders’ equity (Ito-Yokado SHC Co., Ltd. (the company that ceases to exist, After the Corporate Demerger))”

(Before amendments)

78,525 million yen (planned)

(After amendments)

90,568 million yen (planned) *4

*4 : provided that the shareholders' equity will be 90,568 million yen (planned) plus the amount of the Scheduled interim dividends for 2007 if the Ordinance of the Ministry of Justice is not enacted before March 1, 2006

- (9) Amendment regarding “3-2. Overview of Seven & I Holdings Co., Ltd. and Ito-Yokado SHC Co., Ltd., (9) Total assets (Ito-Yokado SHC Co., Ltd. (the company that ceases to exist, After the Corporate Demerger))”

(Before amendments)

78,525 million yen (planned)

(After amendments)

90,568 million yen (planned) *5

*5 : provided that the total assets will be 90,568 million yen (planned) plus the amount of the Scheduled interim dividends for 2007 if the Ordinance of the Ministry of Justice is not enacted before March 1, 2006

2. Cautionary Statement Concerning Forward-Looking Information

This material contains forward-looking statements that involve risks and uncertainties. These statements include statements concerning projections, outlooks, objectives, and plans of the Company and IY. Certain statements contained in this material are not purely historical, including statements regarding our expectations, beliefs, intentions or strategies regarding the future that are forward-looking. Actual results could differ materially from those forward-looking statements contained in this material as a result of a number of risk factors and uncertainties. You should carefully consider these risks.

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