



April 12, 2006

To whom it may concern,

Name of company: Seven & I Holdings Co., Ltd.
Name of representative:
President & Representative Director Noritoshi Murata
(3382, TSE 1st Section)
Contact: Director Tadahiko Ujiie
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Notice of the execution of the Stock-for-Stock Exchange Agreement

On December 26, 2005, Seven & I Holdings Co., Ltd. (“Seven & I Holdings”) entered into the basic agreement with respect to the Business Tie-ups and Management Integration with Millennium Retailing, Inc. (“Millennium Retailing”), to be implemented subject to the acquisition of Millennium Retailing shares held by Nomura Principal Finance Co. Seven & I Holdings and Millennium Retailing approved at their respective board of directors’ meetings the stock-for-stock exchange making Millennium Retailing a wholly-owned subsidiary of Seven & I Holdings (the “Stock-for-Stock Exchange”), and entered into a stock-for-stock exchange agreement as described below.

I. Purpose of Stock-for-Stock Exchange

On December 26, 2005, based on the long-lasting relationship of trust between top management of both companies, Seven & I Holdings and Millennium Retailing reached a basic agreement on making Millennium Retailing a wholly owned subsidiary of Seven & I Holdings and business tie-ups aimed at playing a leading role in the distribution and retail industry in the future, and forming a global, comprehensive retail group in consideration of customers’ needs.

The Stock-for-Stock Exchange is, pursuant to the basic agreement, to make Millennium Retailing a wholly owned subsidiary of Seven & I Holdings and to implement business tie-ups. By this management integration, both companies think it possible to materialize “the new comprehensive life-style industry” as the world’s first multi-function consumer life-style business group by maximizing the corporate value of both groups through the business tie-ups.

II. Executive Summary of Stock-for-Stock Exchange

1. Conditions and the like for stock-for-stock exchange

(1) Schedule of stock-for-stock exchange

April 12, 2006: The Board of Directors' meeting of each company approved the stock-for-stock exchange agreement

April 12, 2006: Execution of the stock-for-stock exchange agreement by both companies

April 28, 2006: Millennium Retailing's Extraordinary Shareholders' Meeting (also Class Shareholders' Meeting of common stock) and Class Shareholders' Meeting of First Class Preferred Stock to approve the stock-for-stock exchange agreement

June 1, 2006: Date of the stock-for-stock exchange (scheduled)

Since it is planned to follow the summary stock-for-stock exchange procedure pursuant to the Commercial Code, Seven & I Holdings will not hold any meeting of shareholders for the Stock-for-Stock Exchange.

(2) Stock-for-stock exchange ratio

1) Stock-for-stock exchange ratio applied to Millennium Retailing's common stock ("Stock-for-stock exchange ratio of common stock")

	Seven & I Holdings Co., Ltd. (wholly owning parent company)	Millennium Retailing, Inc. (wholly owned subsidiary)
Stock-for-stock exchange ratio of common stock	1.00	0.61

2) Stock-for-stock exchange ratio applied to Millennium Retailing's First Class Preferred Stock ("Stock-for-stock exchange ratio of preferred stock")

	Seven & I Holdings Co., Ltd. (wholly owning parent company)	Millennium Retailing, Inc. (wholly owned subsidiary)
Stock-for-stock exchange ratio of preferred stock	1.00	0.642105215

Note:

a. Share allocation ratio

0.61 shares of Seven & I Holdings will be allocated and delivered in exchange for 1 common share of Millennium Retailing, and 0.642105215 shares of Seven & I Holdings will be allocated and delivered in exchange for 1 First Class Preferred Share of Millennium Retailing.

b. Basis of stock-for-stock exchange ratio

As to the stock-for-stock exchange ratio of common stock, both parties negotiated and reached the conclusion above, referring to appraisal by GMD Corporate Finance Limited for Seven & I Holdings and appraisal by Masters Trust Accounting Incorporated for Millennium Retailing.

The exchange ratio above is within the range of the results of the appraisals conducted by GMD Corporate Finance Limited and Masters Trust Accounting Incorporated.

The exchange ratio above is calculated on a maximum dilution basis, assuming that prior to the date of the stock-for-stock exchange, all of the First Class Preferred Shares held by Mizuho Corporate Bank are converted to common shares, and all of the stock options allocated to directors and employees are exercised.

As to the stock-for-stock exchange ratio of preferred stock, both parties reached the conclusion above, which is the same result when shares of Seven & I Holdings are allocated in accordance with the stock-for-stock exchange ratio of common stock set forth in item 1) to common stock of Millennium Retailing which is to be issued when all of Millennium Retailing's First Class Preferred Stock is converted into Millennium Retailing's common stock pursuant to the conditions for conversion of Millennium Retailing's First Class Preferred Stock into Millennium Retailing's common stock. Accordingly, the stock-for-stock exchange ratio of preferred stock is consistent with the assumptions of the calculation of the stock-for-stock exchange ratio of common stock above.

c. Results, methods and basis of appraisal by third parties

GMD Corporate Finance Limited analyzed the index value as the basis of the stock-for-stock exchange ratio using the market share price method for Seven & I Holdings, and the DCF (Discounted Cash Flow) method, comparable peer company analysis method and modified net asset evaluation method for Millennium Retailing, and comprehensively considered results of these appraisals in light of the status of this transaction, and determined a range for the share exchange ratio. The exchange ratio above is within this range.

Masters Trust Accounting Incorporated analyzed the index value as the basis of the stock-for-stock exchange ratio using the market share price method for Seven & I Holdings, and the DCF method referring to the comparable peer company analysis for Millennium Retailing, and comprehensively considered results of these appraisals in light of the status of this transaction, and determined a range for the share exchange ratio. The exchange ratio above is within this range.

d. Number of shares necessary for stock-for-stock exchange

18,317,652 shares

(Delivery date of share certificates: June 30, 2006 (scheduled),

Commencement date of accrual of profit dividends: March 1, 2006)

(3) Stock-for-stock exchange payments

No stock-for-stock exchange payments will be made.

2. Outline of parties involved in stock-for-stock exchange

(1) Trade name	Seven & I Holdings Co., Ltd. (wholly owning parent company)	Millennium Retailing, Inc. (wholly owned subsidiary)
(2) Major business	Planning, management and operation of the corporate group conducting retail business	Management guidance and related business for department-store-operating businesses
(3) Date of foundation	September 1, 2005	July 25, 1952
(4) Address of head office	Chiyoda-ku, Tokyo	Chiyoda-ku, Tokyo
(5) Representative	Noritoshi Murata	Kazuyoshi Sano
(6) Stated capital	50,000 million yen	34,941 million yen
(7) Number of outstanding shares	1,346,383,002 shares	76,389,190 shares (common stock) 8,000,000 shares (First Class Preferred Stock)
(8) Shareholders' equity (Note)	1,457,606 million yen	77,282 million yen
(9) Total assets (Note)	1,610,636 million yen	78,677 million yen
(10) Fiscal year end	End of February	End of February
(11) Number of employees	378 (as of February 28, 2006)	384 (as of February 28, 2006)
(12) Major business partners	Seven-Eleven Japan Co., Ltd. Ito-Yokado Co., Ltd. Denny's Japan Co., Ltd.	Seibu Department Stores, Ltd. Sogo Co., Ltd.
(13) Major shareholders and their holding ratio	1. Ito-Yokado Co., Ltd.: 31.8% 2. Ito-Kogyo Yugen Kaisha: 5.0% 3. Japan Trustee Service Bank: 3.7% 4. The Master Trust Bank Japan, Ltd.: 3.7% 5. The Chase Manhattan Bank, NA London: 2.6% (as of February 28, 2006)	1. Seven & I Holdings Co., Ltd.: 67.7% 2. Credit Saison Co., Ltd.: 14.7% 3. DBJ Business Revitalization Investment Association: 5.1% 4. ITOCHU Corporation: 3.7% 5. Onward Kashiyama Co., Ltd. 3.3% (as of February 28, 2006)
(14) Major bank accounts	Sumitomo Mitsui Banking Corporation Bank of Tokyo-Mitsubishi, Ltd. Mizuho Corporate Bank, Ltd. Resona Bank Limited	Mizuho Corporate Bank, Ltd.
(15) Relationship between parties	Capital relationships	Seven & I Holdings Co., Ltd. holds 73.3% of common stock of Millennium Retailing. (as of March 31, 2006)
		None

	Personnel relationships	Millennium Retailing Representative Director-Chairman Shigeaki Wada, Representative Director-President Kazuyoshi Sano and Representative Director-Vice President Yukio Horiuchi have assumed the office of counsels at Seven & I Holdings.	Seven & I Holdings's Director Sakae Isaka, Katsuhiro Goto and one counsel have assumed the office of counsels at Millennium Retailing.
	Trade relationships	None	None

(16) Business performance for the last three financial years

Financial year	Seven & I Holdings Co., Ltd. (wholly owning parent company)			Millennium Retailing, Inc. (wholly owned subsidiary)		
	FY 02/2004	FY 02/2005	FY 02/2006	FY 02/2004	FY 02/2005	FY 02/2006
Sales (million yen)			35,411	6,821	7,684	8,724
Operating income (million yen)			32,751	355	669	258
Ordinary income (million yen)			32,517	404	835	288
Net income (million yen)			32,515	8	600	173
Net income per share (yen)			24.14	134.25	4.20	2.27
Annual dividend per share (yen)			28.50	-	-	-
Shareholders' equity per share (yen)			1,082.62	608.93	1,015.78	1,011.96

Note: As Seven & I Holdings was incorporated on September 1, 2005, there are no results to report for the fiscal years ending in February 2004 and 2005, and thus no figures are indicated above.

3. Situation after stock-for-stock exchange

- (1) Trade name: Seven & I Holdings Co., Ltd.
- (2) Major business: Planning, administration and operation of a retailer group
- (3) Address of head office: 8-8, 2-bancho, Chiyoda-ku, Tokyo
- (4) Representative: Noritoshi Murata
- (5) Stated capital: 50 billion yen (stated capital will not increase as a result of the Stock-for-Stock exchange)