



April 10, 2008

To whom it may concern:

Company Name: Seven & i Holdings Co., Ltd.
Representative: Noritoshi Murata, President & Representative
Director
(Code No. 3382/First Section of the Tokyo Stock Exchange)

Granting Stock Options for Stock-linked Compensation (Share Subscription Rights) to Directors

Seven & i Holdings Co., Ltd. (the “Company”) is pleased to announce that the Company has decided, at the meeting of its board of directors (the “Board of Directors”) held on April 10, 2008, to submit to the Third Annual Shareholders Meeting scheduled to be held on May 22, 2008 a proposal to request approval for granting share subscription rights intended for stock options in a stock-linked compensation scheme as compensation to directors of the Company.

1. Reasons for issuing the share subscription rights as stock options

The severance payment system has already been abolished in connection with the compensation system for directors, and a performance-linked compensation system has been introduced. We decided to grant the share subscription rights as stock options in a so-called stock-linked compensation scheme as described below as compensation, etc. to the directors (excluding outside directors) of the Company within the scope of the previous compensation framework, the maximum limit being 200 million yen per year in light of the abolition of the severance payment system and various other matters. The purpose of this grant is to further strengthen the co-movement of the Company’s performance and the share value, as well as to further promote the directors’ motivation to contribute to the enhancement of the mid-to-long term continuous business performance and corporate value, and to arouse morale by causing the directors to share with the shareholders not only the benefits from rises in the share price, but also the risks from declines in the share price.

With respect to the said share subscription rights, it is proposed that they will be issued with the resolution of the Board of Directors on condition that directors who received allotments of the share subscription rights will receive grants of the same amount of compensation as the amount to be paid in, and the claim for compensation and the amount to be paid in for the share subscription rights are offset. In addition, the amount to be paid in for the share subscription rights shall be the amount obtained by multiplying the amount equal to the fair price per share subscription right calculated as of the date of allotment of the share subscription rights by the total number of the share subscription rights to be allotted. Since the said share subscription rights will be issued by offsetting the claim for compensation of the Company’s directors to the Company and the amount to be paid in, which is the amount equal to the fair price of the share subscription rights, it does not fall under an issuance on particularly favorable terms.

If the proposal “Election of thirteen (13) directors” to be submitted to the said annual shareholders meeting is resolved without any change to the original, the number of the Company’s directors who are the subjects of the proposal will be ten (10), excluding three (3) outside directors.

2. Outlines of the issuance of the share subscription rights

(1) Grantees of the share subscription rights

The Company's directors (excluding outside directors)

(2) Calculation method of amount to be paid in for the share subscription rights

The amount to be paid in for the share subscription rights shall be the fair assessed value calculated pursuant to the Black-Scholes Model on the allotment date of the share subscription rights. However, on the allotment date of the share subscription rights, the obligation of the allotted party to pay such amount shall be offset against the claim for compensation to the Company granted to the allotted party subject to the subscription for the share subscription rights.

(3) Class and number of shares to be acquired upon exercise of the share subscription right

The number of shares to be acquired upon exercise of one (1) share subscription right (the "Subject Share Number") shall be one hundred (100) ordinary shares of the Company.

If the Company engages in a share split, allotment of shares without contribution, or consolidation of shares, and needs to adjust the above Subject Share Number, it may adjust the Subject Share Number to a reasonable extent.

(4) Total number of the share subscription rights

The total number of the share subscription rights issued within one (1) year from the date of the Company's annual shareholders meeting shall be limited to the number (any fractions to be rounded off) obtained by dividing the aforementioned 200 million yen per year by the fair price of a share subscription right calculated based on the Black-Scholes Model (which takes into account various factors such as the share price on the day before the Board of Directors resolution regarding the issuance of the share subscription rights, the share price volatility rate calculated by certain criteria, and the period during which the share subscription rights are exercisable).

(5) Amount of property contributed upon the exercise of the share subscription rights

The property to be contributed upon the exercise of the share subscription rights shall be in pecuniary form, and the above amount shall be one (1) yen (which is the amount to be paid in per share delivered by exercising the share subscription rights) multiplied by the Subject Share Number.

(6) Period during which the share subscription rights are exercisable

Such period shall be determined by the Board of Directors within the limit of twenty (20) years from the date following the date of allotment of the share subscription rights.

(7) Restriction on acquisition of the share subscription rights by transfer

An acquisition of the share subscription rights by way of transfer requires the approval of the Board of Directors.

(8) Conditions for exercising the share subscription rights

- (i) A share subscription right holder may exercise the share subscription right only within ten (10) days from the day following the day he/she loses his/her position as a director or executive officer of the Company, or as a director or executive officer of the Company's subsidiaries.
- (ii) If a share subscription right holder passes away, his/her heir may exercise such right. The conditions for exercising the share subscription right by the heir shall be as set forth in the agreement referred to in (iii) below.
- (iii) Other conditions shall be as set forth in the "Share Subscription Rights Allotment Agreement" entered into between the Company and the share subscription right holders pursuant to the resolution of the Board of Directors.

(9) Other details of the share subscription rights

Details of (1) through (8) above and items other than (1) through (8) above shall be determined by the Board of Directors, which determines the subscription requirements of the share subscription rights.

- * The substance of the above shall be subject to the approval of the Third Annual Shareholders Meeting scheduled to be held on May 22, 2008.