



March 17, 2010

To whom it may concern:

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

Notice Regarding Basic Agreement on Comprehensive Business Alliance

At meetings held on March 17, 2010, the boards of directors of SEVEN & i FINANCIAL GROUP CO., LTD. (a consolidated subsidiary of Seven & i Holdings Co., Ltd.), and Credit Saison Co., Ltd. (a retail industry credit card company), resolved to move ahead with basic discussions regarding a comprehensive business alliance in the field of credit cards. The details are provided below.

1. Reasons for business alliance

Targeting the realization of “a new, comprehensive lifestyle industry,” Seven & i Holdings was established in September 2005, and Millennium Retailing, Inc. (a department store company; currently Sogo & Seibu Co., Ltd.), was made a wholly owned subsidiary in June 2006. In addition, in January 2008, SEVEN & i FINANCIAL GROUP (an intermediary holding company with overall responsibility for financial services) was established. As Seven & i Holdings works to create a new business model through the integration of finance and retailing, SEVEN & i FINANCIAL GROUP and Seven Bank, Ltd., will serve as two pillars in the field of financial services, which is one of Seven & i Holdings' seven core operational areas.

In particular, in the card business, which is one of the Group's financial services, current initiatives include (1) providing card services that leverage the Group's strengths, such as its wide-ranging customer base and extensive points of customer contact, from real stores to online shopping, and from goods to services, and (2) making a contribution to the Group's marketing and merchandising. In the future, by combining the various cards in the Group and utilizing them as a common Group infrastructure, the Group will aim to develop this business into a 10-million-member credit card business as a core part of its financial services.

In addition, since Millennium Retailing was made a wholly owned subsidiary, the Group's department store operations have had an alliance with Credit Saison. Credit Saison has a highly regarded track record in card business development, including its success as the card company of the former Saison Group, which included THE SEIBU DEPARTMENT STORES, LTD.

Moreover, through the provision of the card-business-related processing and marketing know-how that it has acquired, Credit Saison is expected to contribute to the Group's card strategy. Accordingly, both companies moved ahead with discussions regarding an alliance in order to ensure that each company can take full advantage of future growth opportunities.

Consequently, today, SEVEN & i FINANCIAL GROUP and Credit Saison agreed to proceed with detailed consideration of a comprehensive business alliance with the objective of achieving progress in card operations based on the spirit of equal partnership.

2. Details of business alliance, etc.

(1) Details of business alliance

- (i) Card business currently conducted between Credit Saison and Sogo & Seibu to be converted to a joint company

A subsidiary will be established (planned for August 2010) to conduct card business between Credit Saison and Sogo & Seibu (Millennium Card Saison / Club ON Card Saison). Plans call for SEVEN & i FINANCIAL GROUP to acquire 51% (planned) of the new company, thereby making it a consolidated subsidiary (planned for April 1, 2011). Subsequently, credit card operations will be advanced through this joint company as steps are taken to bolster services.

- (ii) Development of the Group's card operations through the joint company

The joint company will consider moving ahead a variety of initiatives, such as the integration of its operations with those of IY Card Service Co., Ltd., a subsidiary of SEVEN & i FINANCIAL GROUP, by March 2013, as well as the introduction of shared points service within the Group.

- (iii) Strategic elements of the business alliance

The Group and Credit Saison will consider cooperation in other areas that offer benefits to both parties, such as cooperation in encouraging Credit Saison members to utilize Group stores, cooperation in the Internet businesses, cooperation in the financial products provided by Credit Saison and the Group, and cooperation in card operations for business development by the Group in Asia.

(2) Overview of joint company

(1)	Name	To be determined
(2)	Head office	To be determined
(3)	Representative	Representative directors: One each will be nominated from SEVEN & i FINANCIAL GROUP and Credit Saison (planned)
(4)	Principal business activities	Credit card issuance and related operations
(5)	Registered capital	¥100 million (planned)
(6)	Date of establishment	August 2010 (planned); start of operations: April 1, 2011 (planned)
(7)	Fiscal year-end	End of March (planned)
(8)	Total assets	About ¥180.0 billion
(9)	Shareholding ratio	SEVEN & i FINANCIAL GROUP: 51% Credit Saison: 49% (Planned for April 1, 2011)

(3) Overview of alliance partners

(1)	Name	Credit Saison Co., Ltd.
(2)	Head office	1-1, Higashi-Ikebukuro 3-chome, Toshima-ku, Tokyo
(3)	Representative	President and CEO: Hiroshi Rinno
(4)	Principal business activities	Credit card business
(5)	Registered capital	¥75,929 million (as of December 31, 2009)
(6)	Date of establishment	May 1, 1951

(7)	Major shareholders and shareholding ratios (%)	Mizuho Bank, Ltd.: 10.84% (as of September 30, 2009)		
(8)	Relationship between Seven & i Holdings (7&iHD) and Credit Saison (CS)	Capital relationships	There are no significant capital relationships between 7&iHD and CS. However, 7&iHD subsidiary Sogo & Seibu holds 4,100 thousand shares of CS. Moreover, CS holds 6,850 thousand shares of 7&iHD and 1,857 shares of 7&iHD's subsidiary, THE LOFT. There are no additional significant capital relationships between 7&iHD's related individuals or related companies and CS's related individuals or related companies.	
		Personnel relationships	There are no significant personnel relationships between 7&iHD and CS. Moreover, there are no significant personnel relationships between 7&iHD's related individuals or related companies and CS's related individuals or related companies.	
		Transactional relationships	There are no significant transactional relationships between 7&iHD and CS. However, 7&iHD subsidiary Sogo & Seibu and CS have a transactional relationship related to the issuance of credit cards. There are no additional significant transactional relationships between 7&iHD's related individuals or related companies and CS's related individuals or related companies.	
		Status of related parties	CS is not a related party of 7&iHD. Moreover, the related parties and related companies of CS are not related parties of 7&iHD.	
(9)	Consolidated business results and financial position for the past three years			
	Fiscal year-end	March 31, 2007	March 31, 2008	March 31, 2009
	Consolidated net assets	¥399,828 million	¥418,661 million	¥320,595 million
	Consolidated total assets	¥2,299,607 million	¥2,450,637 million	¥2,407,064 million
	Consolidated net assets per share	¥2,077.69	¥2,147.04	¥1,766.95
	Consolidated operating revenues	¥333,683 million	¥345,586 million	¥327,089 million
	Consolidated operating income	¥75,201 million	¥57,191 million	¥34,548 million
	Consolidated ordinary income	¥80,157 million	¥58,111 million	¥30,953 million
	Consolidated net income (loss)	¥14,821 million	¥26,755 million	(¥55,513) million
	Consolidated earnings per share	¥82.79	¥148.78	(¥308.25)
	Dividends per share	¥28.00	¥28.00	¥30.00

4. Schedule

March 17, 2010	Resolution at each company's board of directors meeting, basic agreement regarding comprehensive business alliance
August 2010	Conclusion of contract regarding basic agreement, etc. (planned)
April 1, 2011	Investment in joint company (planned)

5. Future outlook

The influence on results for the fiscal year ending February 2011 is expected to be minimal, but this measure is expected to contribute to profits over the medium to long term.

(Reference: Key operating figures for existing credit card operations related to joint company)

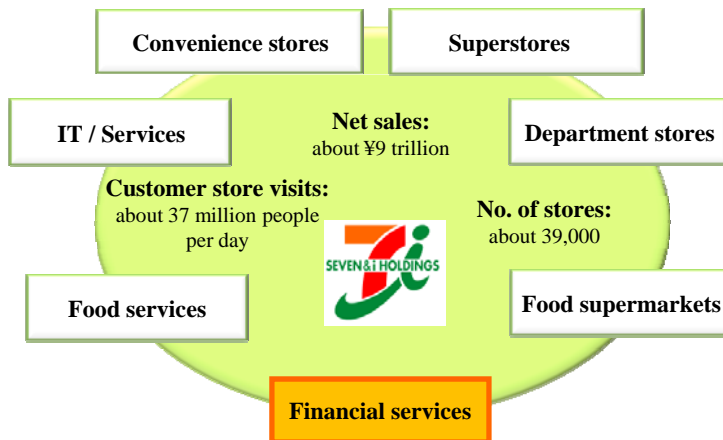
Cards	No. of cardholders	Shopping transaction volume
Millennium Card Saison / Club ON Card Saison	3.03 million (as of September 2009)	¥682.0 billion (FY ended March 2009)
IY Card	2.90 million (as of August 2009)	¥446.1 billion (FY ended February 2009)

(Reference)

Seven & i Group's Financial Services

Direction of operations

A New, Comprehensive Lifestyle Industry



Seven core operational areas
From products to services

Real stores and online shopping

Wide-ranging customer base and points of customer contact

* Net sales, customer store visits, number of stores include those of domestic franchised stores and area licensees.

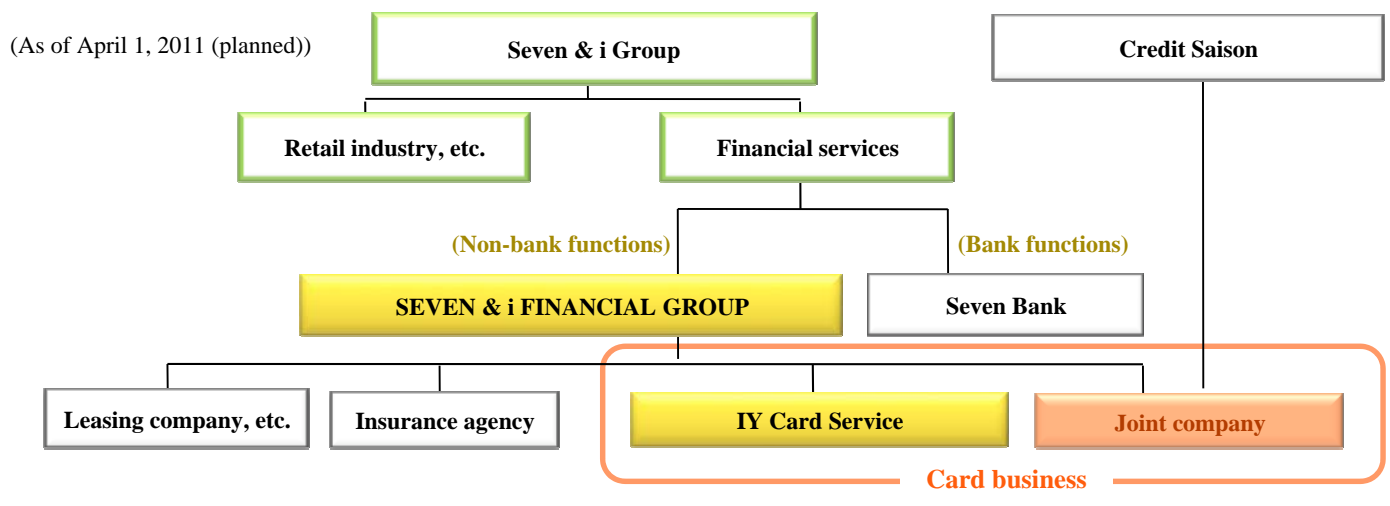
Aiming to create a new business model through the integration of retail and finance

→ Provision of services that draw on the distinctive strengths of a retail company

Approach

- Seven Bank and SEVEN & i FINANCIAL GROUP serving as two pillars
- Function of complementing retail operations + Groupwide function + harmonious relationships with existing financial institutions
- Provision of "nearby, convenient financial services"
- Contribution to the Group's marketing activities

Framework of Financial services



Overview of SEVEN & i FINANCIAL GROUP CO., LTD.

Establishment: January 11, 2008

Capital: ¥10 million

Shareholder: Seven & i Holdings Co., Ltd., 100%

President and Representative Director: Tadahiko Ujiie