



September 21, 2011

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 Capital and Business Alliance

The Board of Directors of Seven & i Holdings Co., Ltd. (the Company) today approved a resolution on a basic agreement for a capital and business alliance between the Company and Kinsho Store Co., Ltd. (Kinsho Store), which is a consolidated subsidiary of Kintetsu Corporation (Kintetsu), as stated below.

1. Reason for the capital and business alliance

Since its establishment in September 2005, the Company has aimed to realize “a new, comprehensive lifestyle industry” and maximize the Seven & i Group’s enterprise value by rolling out products and services through the Group’s operating companies. Particularly in the food retail operations, aiming to realize the concept of “making everyday dining more enjoyable, richer, and more convenient for customers,” the Company is strengthening product development, rigorously meeting such basic requirements as friendly service, cleanliness, freshness and taste, and reliability and safety, and creating stores rooted in local communities.

At this time, amid its current consideration of strengthening operational foundations of food retail operations in the Kansai area, the Company reached a basic agreement on the implementation of capital and business alliance with Kinsho Store. Kinsho Store operates a supermarket operations mainly in the area adjacent to the Kintetsu railway line and is a consolidated subsidiary of Kintetsu, which has solid operational foundations centered on the Kansai area not only for transportation operations but also for leisure and services operations and distribution operations.

Through this capital and business alliance, the Company will further grow the food retail operations of the Seven & i Group.

2. Details of the capital and business alliance

(1) Capital alliance

Through a third-party allocation of shares, Kinsho Store will issue 5,023,000 new shares (common stock), all of which the Company will newly assume. As a result, voting rights for Kinsho Store will be Kintetsu: 50.7% (72.4% before alliance), Kintetsu Department Store Co., Ltd.: 19.3% (27.6% before alliance), the Company: 30.0%.

(2) Business alliance

The Company and the Company’s subsidiaries and Kinsho Store will undertake mutual cooperation and collaboration. The parties concerned will discuss the specific details of this cooperation and collaboration going forward.

3. Summary of the capital and business alliance

1. Name: Kinsho Store Co., Ltd.
2. Representative: President and CEO, Masaki Hotta
3. Location: 3-8-28, Ueda, Matsubara-shi, Osaka
4. Establishment: September 1, 1953
5. Principal business activities: Operation of supermarkets
6. Fiscal year-end: February
7. Number of employees: 605 (as of February 28, 2011, not including 2,724 part-time employees)
8. Registered Capital: ¥100 million
9. Number of shares outstanding: 14,520,000 shares
(common stock: 11,720,000 shares, preferred stock: 2,800,000 shares)
10. Net sales: ¥61,344 million (fiscal year ended February 2011)
11. Major shareholders: Common stock: Kintetsu Corporation: 72.4%
Kintetsu Department Store Co., Ltd.: 27.6%
Preferred stock: Kintetsu Corporation: 100.0%
12. Relationship between the Company and the said company
Capital relationship: None
Personal relationship: None
Business relationship: None
Related party status: None

4. Schedule

- September 21, 2011: Conclusion of basic agreement
- During October 2011: Conclusion of stock subscription contracts, etc. between respective companies (plan)
- During November 2011: Date of payment (plan)
- During November 2011: Beginning of business alliance (plan)

5. Future outlook

The agreement will have only a minimal effect on the Company's consolidated results for the fiscal year ending February 2012, but this measure is expected to contribute to profits over the medium to long-term.