

Notice Concerning the Transfer of a Subsidiary

Tokyo-February 22, 2005 --- Seven-Eleven Japan Co., Ltd. (“the Company”) announced today that the Company’s board of directors has approved the Company to purchase all the shares of IYG Holding Company (“IYGHC”) owned by Ito-Yokado Co., Ltd. (“Ito-Yokado”), the Company’s parent company. After the transfer of the shares, IYGHC will become a wholly owned subsidiary of the Company.

In addition, the Company’s board of directors has approved the Company to purchase all the shares and convertible bonds of 7-Eleven, Inc. currently held by Ito-Yokado. The Company’s total ownership of 7-Eleven, Inc. will be 73.8% after the acquisition.

1. Reason for the acquisition of shares and convertible bonds

In accordance with the Business Reform Plan of the Ito-Yokado Group, management of the convenience store operations will be integrated to the Company to strengthen the competitiveness of global 7-11 store chain.

2. Profile of IYGHC (as of December 31, 2004)

- (1) Company name: IYG Holding Company
- (2) Representative: Toshifumi Suzuki, Chairman
- (3) Principal office: Delaware, U.S.A.
- (4) Year of incorporation: 1990
- (5) Principal line of business: Share holding company

(IYGHC holds 68.1% of shares issued by 7-Eleven, Inc.)

- (6) Paid-in capital: US\$1
- (7) Principal shareholders and ownership prior to transfer:

Ito-Yokado 51%
the Company: 49%
- (8) Fiscal Year-End: December 31

(9) Financial results of IYGHC for the last three fiscal years: (thousands of US\$)

	FY2001	FY2002	FY2003
Total revenues	9,894,068	10,212,786	10,881,716
Income before income tax	104,050	48,613	95,786
Net income	22,299	(13,787)	18,670
Shareholders’ equity	909,566	893,425	1,013,253
Total assets	3,632,074	3,785,662	4,085,206
Net income per share	223	(138)	187

Note: The above figures include financial results of 7-Eleven, Inc., a consolidated subsidiary of IYGHC.

3. Change in the ownership of IYGHC and 7-Eleven, Inc. as a result of the transfer of shares

(1) IYGHC

(Before the transfer of shares)

	Number of shares held	Percentage
The Company	49	49%
Ito-Yokado	51	51%
Total	100	100%

(After the transfer of shares)

	Number of shares held	Percentage
The Company	100	100%
Ito-Yokado	0	0%
Total	100	100%

(2) 7-Eleven, Inc.

(Before the transfer of shares)

	Number of shares held	Percentage
IYGHC	77,407,146	68.1%
The Company	3,185,826	2.8%
Ito-Yokado	3,315,859	2.9%
Total	83,908,831	73.8%

(After the transfer of shares)

	Number of shares held	Percentage
IYGHC	77,407,146	68.1%
The Company	6,501,685	5.7%
Ito-Yokado	0	0%
Total	83,908,831	73.8%

As a result of the transfer of the shares of IYGHC and 7-Eleven, Inc., the Company's total ownership of 7-Eleven, Inc. will be as follows.

(Before the transfer of shares)

	Percentage
Direct ownership	2.8%
Indirect ownership through IYGHC	33.4%
Total	36.2%

(After the transfer of shares)

	Percentage
Direct ownership	5.7%
Indirect ownership through IYGHC	68.1%
Total	73.8%

4. Acquisition price of the shares of IYGHC and shares and convertible bonds of 7-Eleven, Inc.

The total acquisition price is expected to be approximately US\$1.2 billion. The price has been discussed and agreed upon between Ito-Yokado and the Company, taking the appraisal by a third party into consideration.

5. Schedule

The Company is planning to enter into an agreement with Ito-Yokado to purchase the shares of IYGHC in addition to the shares and convertible bonds of 7-Eleven, Inc. in February 2005. These shares and convertible bonds are expected to be transferred by the end of February 2005. As a result of these transactions, IYGHC will become a wholly owned subsidiary of the Company, and 7-Eleven, Inc., which has been an equity-method affiliate, will become a consolidated subsidiary of the Company.

6. Impacts to the future financial results of the Company

Since the financial results of IYGHC will be reflected to the consolidated income statement of the Company for the fiscal year ending February 28, 2005 only as equity method earnings, the impact of the transfer of shares and convertible bonds to the financial results is expected to be minimal.

Reference: Profile of 7-Eleven, Inc. (as of December 31, 2004)

- (1) Company name: 7-Eleven, Inc.
- (2) Representative: President and CEO James W. Keyes
- (3) Principal office: Texas, U.S.A.
- (4) Year of incorporation: 1927
- (5) Principal lines of business: Operation of convenience store chains
- (6) Paid-in capital: US\$11 thousand
- (7) Fiscal Year-End: December 31
- (8) Stock Exchange Listing: New York Stock Exchange
- (9) Number of issued shares: 113,738,526 shares