

April 20, 2005

For Immediate Release

Company Name:	Ito-Yokado Co., Ltd.
Name of Representative:	Sakae Isaka, President & COO (Code No. 8264 / First Section of the Tokyo Stock Exchange)
Company Name:	Seven-Eleven Japan Co., Ltd.
Name of Representative:	Toshiro Yamaguchi, President & COO (Code No. 8183 / First Section of the Tokyo Stock Exchange)
Company Name:	Denny's Japan Co., Ltd.
Name of Representative:	Kenichi Asama, President & CEO (Code No. 8195 / First Section of the Tokyo Stock Exchange)

Announcement of Establishment of a Holding Company by means of Stock-Transfer

Ito-Yokado Co., Ltd. (hereinafter referred to as "Ito-Yokado"), Seven-Eleven Japan Co., Ltd. (hereinafter referred to as "Seven-Eleven") and Denny's Japan Co., Ltd. (hereinafter referred to as "Denny's") have approved, at their respective Boards of Directors meetings held today, a resolution to establish a holding company, Seven & I Holdings, Co., Ltd. (hereinafter referred to as "Holding Co.") by means of a stock-transfer subject to the necessary procedures such as approvals at general shareholders' meetings and have executed a stock-transfer agreement among the three companies as parties thereto. Details are provided below.

1. Objectives of Establishing the Holding Co. by means of Stock-Transfer

In an environment of rapid economic and social globalization, we believe that we should seek to re-organize our Group management structure to respond to the changing times, and to achieve continued development while making a contribution to society.

IY Group has been operating under the slogan of "response to changes and adherence to the basics." To respond quickly to these changes, we have resolved to establish the Holding Co. Besides further bolstering our corporate governance, we will also operate from a customers' perspective to increase the corporate value of the entire Group.

2. Executive Summary of the Establishment of the Holding Co. by means of the Stock-Transfer

(1) Structure to establish the Holding Co.

Provided that the required approvals are made at the respective general shareholders' meetings to be held in late May of 2005 by the companies, the three companies schedule to establish the Holding Co. on September 1, 2005, by means of the stock-transfer.

In the stock-transfer, the shares of the Holding Co. will be allotted to the shares of

Seven-Eleven and Denny's that are held by Ito-Yokado as well as to the treasury shares of Ito-Yokado, and consequently Ito-Yokado will hold the shares of the Holding Co., which is its absolute parent company. After the establishment of the Holding Co., around March 2006, Ito-Yokado, the wholly-owned subsidiary of the Holding Co., will implement a corporate demerger, which will divide Ito-Yokado into (i) an operating subsidiary which inherits almost all business of Ito-Yokado (the company name of which will be "Ito-Yokado") and (ii) an intermediate-holding company which holds the shares of the new Ito-Yokado and the shares of the Holding Co., etc. It is planned that the intermediate holding company and the Holding Co. will merge afterward. As a result of this structure, the shares of the Holding Co., which will be obtained by the current Ito-Yokado by virtue of the stock transfer, will be treasury shares of the Holding Co. within a reasonable period, and the new Ito-Yokado will be a wholly-owned subsidiary of the Holding Co.

(2) Schedule for the stock-transfer

April 20, 2005	Board of Directors meetings for resolutions on the stock-transfer (respective companies)
Same day	Execution of the stock-transfer agreement (among the three companies)
May 26, 2005 (planned)	General shareholders' meeting for approval of the stock-transfer (Ito-Yokado)
May 27, 2005 (planned)	General shareholders' meeting for approval of the stock-transfer (Seven-Eleven)
May 28, 2005 (planned)	General shareholders' meeting for approval of the stock-transfer (Denny's)
August 26, 2005 (planned)	Date of delisting (respective companies)
September 1, 2005 (planned)	The scheduled stock-transfer date (date of listing of the Holding Co.)
Same day	The effective date of the stock-transfer (date of registration of the incorporation of the Holding Co.)

In the event that an unavoidable situation occurs during the process, the dates may be changed through consultation among the three companies.

(3) Stock-transfer ratio

1. The numbers of common shares of the Holding Co. allocated to the shares of each company as a result of the stock-transfer are determined based on the following ratio:

Company name	Ito-Yokado	Seven-Eleven	Denny's
Stock-transfer ratio	1.20	1.00	0.65

Based on this, 1 common share issued by Ito-Yokado, Seven-Eleven and Denny's will be allocated 1.2 shares, 1 share and 0.65 shares, respectively, of the common shares of the Holding Co. The Holding Co. will adopt a voting unit share system and the number of shares in one share unit shall be 100.

2. Basis for the determination of the stock-transfer ratio

Ito-Yokado, Seven-Eleven and Denny's nominated Nomura Securities Co., Ltd., GMD Corporate Finance Ltd. and Deloitte Touche Tohmatsu, respectively, as their financial advisors to give their valuation of the stock-transfer ratio as third party institutions. The three companies then held discussions and negotiations taking into account the valuation of their respective financial advisors to determine the stock-transfer ratio.

3. Evaluation results & methods by third party institutions

Nomura Securities Co., Ltd. applied the market share price average method and the DCF method (Discounted Cash Flow method) to each of the three companies and determined the stock-transfer ratio, based on a full consideration of the results.

GMD Corporate Finance Ltd. analyzed the basic index applying the market share price method, adjusted net asset value method and DCF method to each of the three companies and determined the stock-transfer ratio, based on a full consideration of the results in view of the establishment of the Holding Company.

Deloitte Touche Tohmatsu applied the market share price average method and the DCF method to each of the three companies and determined the stock-transfer ratio, based on a full consideration of the results.

- (4) Cash payment upon stock-transfer

The Holding Co. is expected to pay a cash payment upon stock-transfer of 16 yen per Ito-Yokado share owned, 21.5 yen per Seven-Eleven share owned and 15.5 yen per Denny's share owned to each shareholder (including beneficial shareholders) registered or recorded on the last shareholders' register (including the beneficial shareholders' register) of Ito-Yokado, Seven-Eleven and Denny's on the day preceding the scheduled stock-transfer date in lieu of the dividends of each company during the February 2006 interim period; provided that the amounts of this cash payment upon stock-transfer are subject to change depending on the situation

concerning the assets and liabilities of Ito-Yokado, Seven-Eleven and Denny's and/or changes in the economic environment and other circumstances.

- (5) Items in relation to the application for the listing of the Holding Co. after its establishment
- The Holding Co. is expected to make an application for a new listing on the Tokyo Stock Exchange and Euronext Paris. While the date of listing will be determined based on the rules, etc. of the Tokyo Stock Exchange, we have scheduled it for September 1, 2005, which is the scheduled stock-transfer date. In conjunction with the stock-transfer, the common shares of Ito-Yokado, Seven-Eleven and Denny's that are currently listed on the Tokyo Stock Exchange are scheduled to be delisted on August 26, 2005.

(6) Overview of the parties to the stock-transfer

(1) Company name	Ito-Yokado Co., Ltd.	Seven-Eleven Japan Co., Ltd.	Denny's Japan Co., Ltd.
(2) Business description	Superstore business	Convenience store business	Restaurant business
(3) Date of incorporation	April 1958	November 1973	November 1973
(4) Location of Head Office	8-8, Nibancho, Chiyoda-ku, Tokyo	8-8, Nibancho, Chiyoda-ku, Tokyo	8-8, Nibancho, Chiyoda-ku, Tokyo
(5) Representative	Sakae Isaka, President & COO	Toshiro Yamaguchi, President & COO	Kenichi Asama, President & CEO
(6) Stated capital	47,987 million yen	17,200 million yen	7,125 million yen
(7) Total number of issued shares	418,717 thousand shares	822,889 thousand shares	32,356 thousand shares
(8) Shareholders' equity	752,003 million yen	722,145 million yen	57,752 million yen
(9) Total assets	1,076,957 million yen	948,488 million yen	66,184 million yen
(10) End of fiscal year	End of February	End of February	End of February
(11) Number of employees	12,783 employees	4,815 employees	1,567 employees
(12) Major trading counterparties	Suppliers Itochushokuhin Co., Ltd., Mitsuifoods Co., Ltd., Tokyo Soir Co., Ltd.	Suppliers Takayama Co., Ltd. Warabeya Nichiyo Co., Ltd. Tohan Co., Ltd.	Suppliers Tokyo Seafoods Ltd. Nippon Meat Packers, Inc. Q.P. Corporation
(13) Major shareholders and their shareholding ratios	Ito-kogyo Yugen Kaisha 13.1% Japan Trustee Services Bank, Ltd. 6.4% The Master Trust Bank of Japan, Ltd. 5.8% The Dai-Ichi Mutual Life Insurance Company 2.7% Nomura Securities Co., Ltd. 2.5%	Ito-Yokado Co., Ltd. 50.6% Japan Trustee Services Bank, Ltd. 4.0% The Master Trust Bank of Japan, Ltd. 3.3% Masatoshi Ito 1.8% The Dai-Ichi Mutual Life Insurance Company 1.7%	Ito-Yokado Co., Ltd. 51.6% Japan Trustee Services Bank, Ltd. 2.8% The Dai-Ichi Mutual Life Insurance Company 1.7% The Master Trust Bank of Japan, Ltd. 1.2% Nippon Life Insurance Company 1.0%
(14) Major banking relationships	Sumitomo Mitsui Banking Corporation, Resona Bank, Ltd.	Sumitomo Mitsui Banking Corporation, Resona Bank, Ltd.	Sumitomo Mitsui Banking Corporation, Resona Bank, Ltd.
(15) Relationship among the relevant companies	Capital relationship	Ito-Yokado holds 50.6% of Seven-Eleven's shares outstanding and 51.6% of Denny's shares outstanding.	
	Personnel relationship	Ito-Yokado's Chairman concurrently serves as Chairman of Seven-Eleven. Ito-Yokado's Vice Chairman concurrently serves as a director of Denny's.	
	Trading relationship	Sales and purchase of foods, etc.	

(As of February 28, 2005)

(7) Results during the last three financial terms

	Ito-Yokado (Consolidated)		
Financial term	Feb/03	Feb/04	Feb/05
Revenues from operations	3,530,316 million yen	3,542,146 million yen	3,623,554 million yen
Operating income	201,301 million yen	207,783 million yen	211,950 million yen
Ordinary income	189,590 million yen	200,787 million yen	208,267 million yen
Net income	46,623 million yen	53,632 million yen	17,205 million yen
Net income per share	110.67 yen	128.25 yen	40.73 yen
Annual dividend per share	34 yen	34 yen	34 yen
Shareholders' equity per share	2,656.24 yen	2,726.99 yen	2,742.42 yen

	Seven-Eleven (Consolidated)		
Financial term	Feb/03	Feb/04	Feb/05
Revenue from operations	424,091 million yen	474,283 million yen	502,516 million yen
Operating income	155,869 million yen	165,698 million yen	170,729 million yen
Ordinary income	153,769 million yen	170,079 million yen	178,208 million yen
Net income	82,825 million yen	93,135 million yen	96,330 million yen
Net income per share	100.68 yen	115.74 yen	120.07 yen
Annual dividend per share	35 yen	39 yen	43 yen
Shareholders' equity per share	776.01 yen	797.06 yen	888.61 yen

	Denny's (Non-consolidated)		
Financial term	Feb/03	Feb/04	Feb/05
Revenues from operations	96,325 million yen	95,676 million yen	96,523 million yen
Operating income	3,506 million yen	2,984 million yen	3,220 million yen
Ordinary income	3,728 million yen	3,217 million yen	3,317 million yen
Net income	2,858 million yen	1,153 million yen	1,284 million yen
Net income per share	87.22 yen	34.92 yen	39.08 yen
Annual dividend per share	31 yen	31 yen	31 yen
Shareholders' equity per share	1,778.23 yen	1,784.51 yen	1,794.00 yen

3. Overview of the New Company (Holding Co.)

- (1) Company name Seven & I Holdings Co., Ltd.
- (2) Business description Determination and management of the Group's business strategies and their ancillary businesses
- (3) Location of Head Office 8-8, Nibancho, Chiyoda-ku, Tokyo

(4) Directors & auditors (candidates)	Chairman and CEO Toshifumi Suzuki President and COO Noritoshi Murata Director and CFO Tadahiko Ujiie Director Sakae Isaka Director Toshiro Yamaguchi Director Kenichi Asama Director Katsuhiko Goto Director Scott T. Davis* Director Shozo Hashimoto* Director Takashi Anzai Director Zenko Ohtaka Corporate Auditor Ikuo Kanda Corporate Auditor Hisashi Seki Corporate Auditor Yoko Suzuki** Corporate Auditor Hiroshi Nakachi** Corporate Auditor Megumi Suto** *External Director ** External Corporate Auditor
(5) Stated capital	50 billion yen
(6) Expected number of the shares to be issued	1,346,383,002 shares (with one share unit being 100 shares) Note: As described in Section 2. (1), the number of issued shares excluding treasury shares is expected to be approximately 917 million shares by around March 2006.
(7) End of fiscal year	End of February
(8) Dividend policy	For the first year of incorporation, we intend to pay a dividend of 28.5 yen (an ordinary dividend of 21.5 yen and memorial dividend of 7 yen per share). Any future dividends will be determined based on the performance of the Holding Co.
4. Future prospects	The achievement prospects of the Holding Co. are now being planned and will be released at a later date.

This material contains forward-looking statements that involve risks and uncertainties. These statements include statements concerning projections, outlooks, objectives, and plans of Ito-Yokado Co., Ltd., Seven-Eleven Japan Co., Ltd., and Denny's Japan Co.,Ltd. Certain statements contained in this material are not purely historical, including statements regarding our expectations, beliefs, intentions or strategies regarding the future that are forward-looking. Actual results could differ materially from those forward-looking statements contained in this material as a result of a number of risk factors and uncertainties. You should carefully consider these risks. Additional information can be obtained through the Annual Reports and Proxy Statements of Ito-Yokado Co., Ltd., Seven-Eleven Japan Co., Ltd., and Denny's Japan Co.,Ltd.

The information and opinions contained in this material have been obtained from sources believed to be reliable, but no representations or warranties, express or implied, are made that such information is accurate or complete and no responsibility or liability can be accepted for errors or omissions or for any losses arising from the use of this material.

This press release is neither an offer of securities for sale, nor the solicitation of an offer to purchase securities, in the United States. Securities may not be offered or sold in the United States absent registration under the U.S. Securities Act of 1933 or an applicable exemption from such registration. Any public offering of securities in the United States would be made by means of a prospectus to be obtained from the issuer, which would contain detailed information about the company and management, as well as financial statements, pursuant to U.S. disclosure standards set forth in the Securities Act. The parties intend to rely on an exemption from registration under the Securities Act in connection with the joint stock-transfer, as a result of which it is not expected that any such U.S. prospectus will be prepared.

The proposed joint stock-transfer involves the issuance of the securities of a Japanese company in exchange for securities of Japanese companies. The transaction is subject to the disclosure requirements of Japanese law, which are different from those of the United States. Financial information included herein or in any disclosure document relating to the transaction is based on financial statements prepared in accordance with Japanese accounting standards, which may not be comparable to the financial statements of United States companies.

It may be difficult for U.S. investors to enforce their rights and any claim they may have with respect to the proposed joint stock-transfer that arise under the U.S. federal securities laws, since the issuer is located in a foreign country and some or all of its officers and directors may be residents of a foreign country. U.S. investors may not be able to sue a foreign company or its officers or directors in a foreign court for violations of the U.S. securities laws. It may be difficult to compel a foreign company and its affiliates to subject themselves to a U.S. court's judgment.