April 19, 2016

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)

Granting Stock Options for Stock-linked Compensation (Share Subscription Rights) to the Executive Officers of the Company as well as the Directors and Executive Officers of the Company's Subsidiaries

At a meeting of the Board of Directors held on April 19, 2016, Seven & i Holdings Co., Ltd., decided to submit a proposal regarding share subscription rights to the 11th Annual Shareholders' Meeting scheduled to be held on May 26, 2016. The proposal, pursuant to Articles 236, 238 and 239 of the Companies Act, calls for entrusting to the Board of Directors decisions regarding the issuance of share subscription rights without contribution as stock options to the executive officers of the Company and to the directors (excluding outside directors) and executive officers of the Company's subsidiaries, as well as the determination of the subscription requirements.

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

In connection with the compensation system for the executive officers of the Company as well as the directors and executive officers of the Company's major subsidiaries, the severance payment system has already been abolished and a performance-linked compensation system has been introduced. We decided to issue share subscription rights without requiring payment of monies, that is, without contribution to the executive officers of the Company as well as the directors (excluding outside directors) and executive officers of the Company's subsidiaries. The purpose of this grant is to further promote their motivation to contribute to the enhancement of the mid-to-long term continuous business performance and enterprise value, and to arouse morale by causing the executive officers of the Company as well as the directors (excluding outside directors) and executive officers of the Company's subsidiaries to not only enjoy the benefits from rises in the share price, but also to bear the risks from declines in the share price.

2. Outlines of the issuance of the share subscription rights

(1) Grantees of the share subscription rights

Executive officers of the Company as well as the directors (excluding outside directors) and executive officers of the Company's subsidiaries

(2) Class and number of shares to be acquired upon exercise of the share subscription rights

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, and the maximum total number of shares acquired upon the exercise of the share subscription rights shall be 135,000 shares.

The Subject Share Number will be adjusted by the following calculation formula if the Company engages in a share split, allotment of shares without contribution, or consolidation of shares after the allotment of the share subscription rights. Such adjustment shall be made only with respect to the number of shares that are the subject of the share subscription rights which have not been exercised as of such time, and any fraction under one (1) share resulting from such adjustment shall be rounded off.

Number of shares after adjustment = Number of shares before adjustment × ratio of split/consolidation

In addition to the above, if any inevitable event arises where the number of shares must be adjusted after the allotment date, the Company will adjust the number of shares as necessary to a reasonable extent.

(3) Total number of the share subscription rights

The total number of the share subscription rights for which the Board of Directors will be authorized to determine the subscription requirements based on the entrustment by way of a resolution of this Annual Shareholders' Meeting shall be 1,350.

(4) Cash payment for the share subscription rights

No cash payment will be required for the share subscription rights for which the Board of Directors will be authorized to determine the subscription requirements based on the entrustment by way of a resolution of this Annual Shareholders' Meeting.

(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 acquired upon 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 from the last day in February in the year following the date of allotment of the share subscription rights until the thirtieth (30th) anniversary of the date following such allotment date.

(7) Matters regarding capital and capital reserve that shall be increased when shares are issued upon the exercise of the share subscription rights

a. The increased amount of capital upon the issuance of shares by the exercise of the share subscription rights shall be 1/2 of the maximum amount of increases of capital, etc., calculated in accordance with Article 17, Paragraph 1 of the Companies Accounting Regulations ("Kaisha Keisan Kisoku"). Any fractional amount of less than one (1) yen resulting from such calculation shall be rounded up.

b. The increased amount of the capital reserve upon the issuance of shares by the exercise of the share subscription rights shall be the amount of the maximum amount of the increases of capital, etc., mentioned in a. above, after subtracting the increased amount of capital prescribed in a. above.

(8) 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 of the Company.

(9) Events and conditions for the Company's acquisition of the share subscription rights

a. The Company may acquire the share subscription rights without contribution on a date separately determined by the Board of Directors if (i) a proposal for approval of a merger agreement whereby the Company becomes the dissolving company, (ii) a proposal for approval of a company split agreement or company split plan whereby the Company becomes the splitting company, or (iii) a proposal for approval of a share exchange agreement or share transfer agreement whereby the Company becomes the wholly owned subsidiary has been approved at a shareholders meeting of the Company (or resolved by the Board of Directors where the resolution of the shareholders meeting is not necessary).

b. The Company may acquire the share subscription rights without contribution if the share subscription right holder ceases to fall under the conditions for exercising rights indicated in (12) below.

c. The Company may acquire the share subscription rights without contribution if the share subscription right holder violates the provisions of the share subscription rights allotment agreement.

(10) Treatment upon restructuring transaction

If the Company is to engage in a merger (limited only to cases where the Company becomes the dissolving Company due to merger), absorption-type split, incorporation-type split, share exchange, or share transfer (collectively, the "Restructuring Transaction"), it shall for each case, respectively, deliver the share subscription rights of the stock companies ("kabushiki kaisha") listed under Article 236, Paragraph 1, Item 8 (a) through (e) of the Companies Act (the "Restructuring Company") to the share subscription right holders of the share subscription rights remaining as of the effectuation of the Restructuring Transaction (the "Remaining Share Subscription Right") pursuant to the following conditions. In such a case, the Remaining Share Subscription Rights will be extinguished. However, the foregoing shall be limited to cases where it is indicated in the absorption-type merger agreement, incorporation-type merger agreement, absorption-type split agreement, incorporation-type split agreement, share exchange agreement, or share transfer plan to the effect that the share subscription rights of the Restructuring Company will be delivered in accordance with the following conditions.

a. Number of the share subscription rights of the Restructuring Company to be delivered
The same number as the number of the share subscription rights held by the share subscription right holder of the Remaining Share Subscription Rights as of the effectuation of the Restructuring Transaction shall be delivered, respectively.

b. Class of shares of the Restructuring Company to be acquired upon the exercise of the share subscription rights
The above shares shall be the ordinary shares of the Restructuring Company.

c. Number of shares of the Restructuring Company to be acquired upon the exercise of the share subscription rights
This will be determined analogously as (2) above, taking into consideration the conditions, etc., of the Restructuring Transaction.

d. Amount of property contributed upon the exercise of the share subscription rights
The amount of property contributed upon the exercise of share subscription rights to be delivered shall be the amount obtained by multiplying the adjusted exercise price after the restructuring by the number of shares that are the subject of the share subscription rights, taking into consideration the conditions, etc., of the Restructuring Transaction.

e. Period during which the share subscription rights are exercisable
The above period shall be the later of the commencement date of the period indicated in (6) above during which the Remaining Share Subscription Rights are exercisable and the date of effectuation of the Restructuring Transaction, until the last date of the period indicated in (6) above during which the Remaining Share Subscription Rights are exercisable.

f. Matters regarding capital and capital reserve that shall be increased when shares are issued upon the exercise of the share subscription rights
The above matters shall be determined analogously as (7) above.

g. Restriction on the acquisition of the share subscription rights by transfer
An acquisition of the share subscription rights by way of transfer requires the approval by a resolution of the Board of Directors of the Restructuring Company (if the Restructuring Company is not a Company with a Board of Directors, then its director).

h. Events and conditions for the Restructuring Company's acquisition of the share subscription rights
The above events and conditions shall be determined analogously as (9) above.

i. Conditions for exercising the share subscription rights
The above conditions shall be determined analogously as (12) below.

(11) Rounding off of fractions

Any fraction under one (1) share in the number of shares to be delivered to the share subscription right holders shall be rounded off.

(12) Conditions for exercising the share subscription rights

a. A share subscription right holder may exercise the share subscription rights 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.

b. Notwithstanding the provisions in a. above, in the event that a proposal for approval of a merger agreement whereby the Company becomes the dissolving company or a proposal for approval of a share exchange agreement or share transfer agreement whereby the Company becomes a wholly owned subsidiary has been approved at a shareholders' meeting of the Company (or resolved by the Board of Directors where the resolution of the shareholders' meeting is not necessary), then the share subscription rights may be executed within 30 days from the day following the day on which the proposal is approved.

c. Notwithstanding the provisions in a. above, in the event that the share subscription right holder is a director or executive officer of a company that is a subsidiary of the Company, upon that company ceasing to be a subsidiary of the Company (including but not limited to the event that this change results from "Restructuring Transaction" or assignment of shares, then the share subscription right holder may execute the share subscription rights within 30 days from the day following the day on which the company ceases to be a subsidiary of the Company.

d. The subscription right holder must exercise all of the allotted rights at one time.

e. If a share subscription right holder passes away, his/her heir may exercise such right. The conditions for exercising the share subscription rights by the heir shall be as set forth in the agreement referred to in f. below.

f. 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.

(13) Other details of the share subscription rights

Details of (1) through (12) above and items other than (1) through (12) above shall be determined by the Board of Directors, which determines the subscription requirements of the share subscription rights.

Note: The substance of the above shall be subject to the approval of the 11th Annual Shareholders Meeting of the Company scheduled to be held on May 26, 2016.