May 11, 2017

To whom it may concern:

Company Name: Seven & i Holdings Co., Ltd.
Representative: Ryuichi Isaka
President & Representative Director
(Code No. 3382/First Section of the Tokyo Stock Exchange)

Notice Regarding Memorandum of Understanding to Transfer Business of Sogo & Seibu's Sogo Kobe and Seibu Takatsuki Stores

Seven & i Holdings Co., Ltd. ("the Company") announced today that the Company, Sogo & Seibu Co., Ltd. ("Sogo & Seibu") and H2O Retailing Corporation ("H2O") concluded a memorandum of understanding ("Succession MOU") regarding the transfer ("Succession") of Sogo & Seibu's Sogo Kobe and Seibu Takatsuki stores ("Applicable businesses") to the H2O Group, effective from October 1, 2017, based on the Notice Regarding Memorandum of Understanding on Capital and Business Alliance with H2O Retailing Corporation issued on October 6, 2016. Details are as follows:

1. The Purpose of the Succession

The Company, Sogo & Seibu and H2O have concluded this Succession MOU taking into account the Memorandum of Understanding on Capital and Business Alliance with H2O Retailing Corporation concluded on October 6, 2016. Following discussion among the parties involved, it was judged that, from the viewpoint of raising the corporate value of both groups and mutually exercising effective utilization of the management resources, products and services of both groups, succeeding the applicable businesses to H2O group would enhance the convenience and satisfaction of customers in the Kansai area and maximize the enterprise value of both groups.

2. Outline of the Succession

(1) Details of the Business to be Transferred

Business and property related to the Sogo Kobe and Seibu Takatsuki stores

(2) Transfer Method (Planned)

H2O group will succeed the Applicable businesses through an absorption-type split.

(3) Schedule

Date of the Memorandum of Understanding	May 11, 2017
Date of Agreement on Absorption-Type Split	August 2017 (Planned)
Effective Date of Succession	October 1, 2017 (Planned)

3. Overview of Companies Involved

Splitting company (as of February 28, 2017)

(1) Name	Sogo & Seibu Co., Ltd.
(2) Location	5-25 Nibancho, Chiyoda-ku, Tokyo
(3) Title and Name of Representative	President and Representative Director: Takuji Hayashi
(4) Details of the Business	Department store operations
(5) Capital	10,000 million yen
(6) Business Year	February
(7) Net Assets	93,827 million yen
(8) Gross Assets	424,143 million yen

Succeeding company (as of March 31, 2017)

(1) Name	H2O Retailing Corporation
(2) Location	8-7 Kakuda-cho, Kita-ku, Osaka-shi, Osaka
(3) Title and Name of Representative	President and Representative Director: Atsushi Suzuki
(4) Details of the Business	Management planning and control of group companies
(5) Capital	17,796 million yen
(6) Business Year	March
(7) Consolidated Net Assets	264,323 million yen
(8) Consolidated Gross Assets	640,543 million yen

4. Progress on Other Initiatives under the Business Alliance

As strategic partners in the Kansai area, the two companies are advancing discussions regarding the introduction of H2O Group's points program, "S Point," to Seven-Eleven Japan Co., Ltd. ("SEJ") stores in the Kansai area to further enhance convenience and user satisfaction for customers living in the Kansai area.

Currently the two companies are working together on system development, eyeing a roll-out of the service in 2018.

The two groups are advancing discussions aimed at providing new services to benefit customers living in the Kansai area. Discussions include stocking Hankyu Hanshin Department Stores, Inc. products at SEJ's Kansai-area stores as well as product supply, gift handling, and mutual services supplied by having both companies supply one another's products and services. Other topics under discussion include medium- to long-term issues to be addressed, such as logistics.

5. Outlook

The influence of the succession on the Company's consolidated financial results is currently being examined. Going forward, the Company will promptly make an announcement should there be an influence on financial results.