



April 6, 2023

To whom it may concern

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

Notice Regarding Realignment of the Financial Services

Seven & i Holdings Co., Ltd. (the “Company” or “we”) and Seven Financial Service Co., Ltd. (“Seven Financial Service”), a consolidated subsidiary of the Company, have resolved at Board of Directors meetings of both of the Company and Seven Financial Service held today with respect to the execution of an agreement (the “Agreement”) between Seven Financial Service and Seven Bank, Ltd. (“Seven Bank”), a consolidated subsidiary of the Company, under which Seven Financial Service shall transfer all of the issued shares of Seven Card Services Co., Ltd. (“Seven Card Service”) owned by Seven Financial Service to Seven Bank (“the Transaction”). Through the Transaction, we aim to grow the financial services of the Company and its group companies (the “Group”) by integrating Seven Bank which engages in banking business, and Seven Card Services which engages in non-banking business.

1. Purpose of the Transaction

(1) Background of the Transaction

The Group achieved record revenues and income at each level for the fiscal year ended February 28, 2023, as announced today, with continued strong performance, driven by the initiatives set out in the “Medium-Term Management Plan 2021-2025” announced on July 1, 2021.

As communicated in “Update to the Medium-Term Management Plan and the Results of the Group Strategy Reevaluation” announced on March 9, 2023, we have determined our top strategic priorities; further accelerating the shift from a general retail business to focused growth strategy of the domestic and overseas Convenience Store (“CVS”) businesses, and optimizing the allocation of management resources to become a global retail group with our competitive strength in “food” at its core.

As the concrete action plans based on these top strategic priorities, the Company will implement the following initiatives; accelerate the domestic and overseas CVS growth strategy, conduct several structural reform of the superstore business, develop a Group capital re-allocation plan that underlines our growth strategy plan, and establish an effective organizational structure to monitor the progress of strategic initiatives and continuously consider the optimal Group business structure and strategic alternatives.

As for capital re-allocation, we will increase the operating cash flow through growth mainly in the CVS business, and also reclaim the capital by transformation of the areas that require structural transformation business including the reconsideration of the Company’s business portfolio as well as the consideration for the best owners of the businesses.

(2) Purpose of the Transaction

Considering the optimal allocation of management resources to become a global retail group with “food” at its core, we have decided that it is desirable to consolidate our financial services into Seven Bank and to accelerate its growth.

Based on these strategic priorities, the credit card business and electronic money business of Seven Card Services will be transferred to Seven Bank. By operating together, the Group will be able to offer multiple payment methods, and asset management and financing methods that individual customers demand under a unified system, and will be able to meet customers’ expectations for financial services faster than ever before. The Group aims to improve in corporate value by reorganizing various financial services from the customer’s perspective while integrating and expanding the know-how and expertise that both companies have cultivated so far, and by providing new financial services utilizing 7iD, which is a unified membership platform within the Group

We will continue to assess the optimal group business structure in order to achieve balance between the growth of the Group’s financial services and the optimal allocation of management resources.

2. Outline of the Transaction

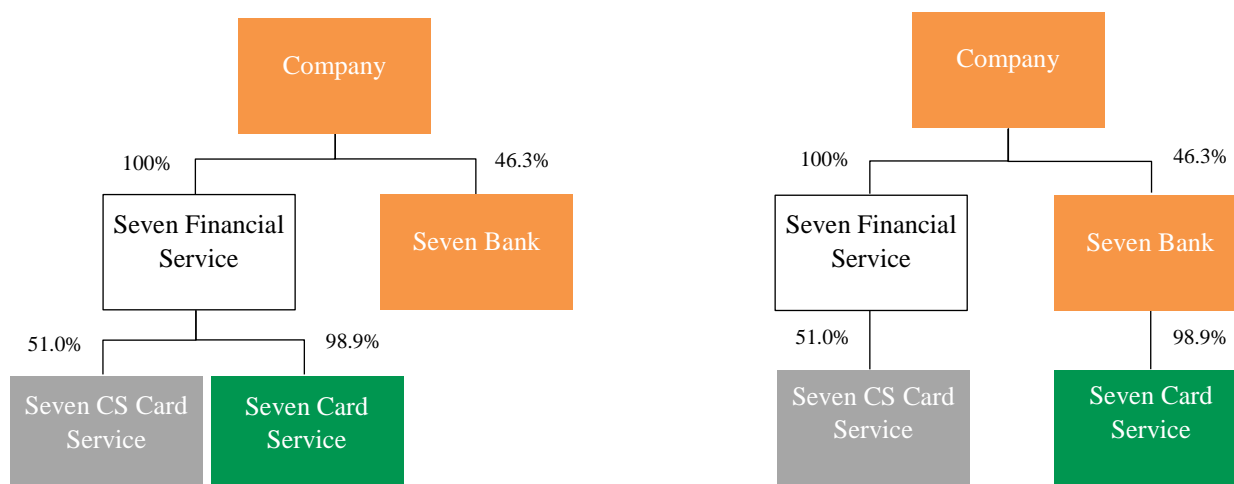
All of the issued shares of Seven Card Services owned by Seven Financial Services (98.9% of the total number of outstanding shares of Seven Card Services) will be transferred to Seven Bank.

< Reference: Overview of the Transaction >

Scope of Transfer

【Before the Transaction】

【After the Transaction】



(Note 1) The percentage of the voting rights shown in the chart is calculated based on the number of issued shares for each company minus the number of treasury shares. (The percentage of Seven Bank is as of December 31, 2022)

(Note 2) As for Seven CS Card Service Co.,Ltd., the Company will consider optimizing the business structure in accordance with the situation of “Notice Regarding Transfer of Subsidiary Shares and Resulting Change of Subsidiaries” announced on November 11, 2022

3. Outline of the Companies

Outline of the second-tier Subsidiary (Seven Card Service) (as of April 6, 2023)

(1)	Company name	Seven Card Service Co., Ltd.
(2)	Location of the office	4-5 Nibancho, Chiyoda-ku, Tokyo
(3)	Title and name of representative	Tatsuya Mizuochi, President and Representative Director
(4)	Date of incorporation	October 31, 2001

(5) Details of business	Credit card business, electronic money business		
(6) Stated capital	7.5 billion yen (as of February 28, 2023)		
(7) Shareholders and their percentage holdings	Seven Financial Service Co. Ltd. 98.9%		
(8) Relationship between the Company and Seven Card Service	Capital relationship	The Company is a parent company that indirectly owns 98.9% of Seven Card Service's shares.	
	Personnel relationship	A total of six officers and employees of the Company and Seven Financial Services are also officers of Seven Card Service. In addition, a total of seven officers and employees of Seven Card Service are also officers of the Group.	
	Business relationship	There is a business relationship between the Group and Seven Card Service, such as the execution of management guidance agreements and the lending and borrowing of funds.	
	Status as related party	Seven Card Service is a consolidated subsidiary of the Company and constitutes a related party.	
Financial status and business performance in the last three fiscal years			
Fiscal year	FY2020	FY2021	FY2022
Net assets	49,599 million yen	52,232 million yen	52,716 million yen
Total assets	203,096 million yen	202,425 million yen	251,940 million yen
Net assets per share	56,362.54 yen	59,355.66 yen	59,905.42 yen
Operating revenue	45,912 million yen	43,176 million yen	34,514 million yen
Operating income	5,847 million yen	2,593 million yen	2,614 million yen
Ordinary income	7,202 million yen	3,944 million yen	3,466 million yen
Net income	4,860 million yen	2,633 million yen	2,204 million yen
Net income per share	5,523.44 yen	2,993.11yen	2,505.02yen
Dividends per share	—	—	—

(Note) Figures of FY2022 are on an unaudited basis.

Outline of the Transferee Company (Seven Bank) (as of December 31, 2022, except as noted)

(1) Company name	Seven Bank, Ltd.	
(2) Location of the office	1-6-1, Marunouchi, Chiyoda-ku, Tokyo	
(3) Title and name of representative	Masaaki Matsuhashi, President and Representative Director	
(4) Date of incorporation	April 10, 2001	
(5) Details of business	ATM platform business, Settlement account business, Overseas business	
(6) Stated capital	30,724 million yen	
(7) Net assets	253,520 million yen (note)	
(8) Total assets	1,410,003 million yen (note)	
(9) Shareholders and their percentage holdings (as of September 30, 2022)	SEVEN-ELEVEN JAPAN CO., LTD	38.5%
	The Master Trust Bank of Japan, Ltd. (Trust account)	8.1%
	Custody Bank of Japan, Ltd. (Trust account)	5.4%
	Ito-Yokado Co., Ltd.	4.0%
	York-Benimaru Co., Ltd.	3.8%
	Sumitomo Mitsui Banking Corporation	1.3%
	Dai-ichi Life Holdings, Inc.(Standing proxy: Custody Bank of Japan, Ltd.)	1.3%
	BBH FOR UMB BK, NATL ASSOCIATIONGLOBAL ALPHA INTL SMALL CAP FUND LP (standing proxy: MUFG Bank, Ltd.)	1.0%
	MUFG Bank, Ltd.	0.8%

		Nomura Research Institute, Ltd.	0.8%
		NEC Corporation	0.8%
(10)	Relationship between the Company and Seven Bank	Capital relationship	The Company is a parent company that indirectly owns 46.3% of Seven Bank's shares
		Personnel relationship	The Company's Representative Director and Vice President concurrently serves as a director of Seven Bank
		Business relationship	There is an ATM partnership between the Group and Seven Bank, and there is a deposit transaction relationship
		Status as related party	Seven Bank is a consolidated subsidiary of the Company and constitutes a related party

(Note) Figures are on a consolidated basis.

4. Number of shares to be transferred, transfer price, and status of shares held before and after the Transfer

(1)	Number of shares held before the Transfer	870,000 shares (voting right ownership ratio: 98.9% [Indirect ownership: 98.9%])
(2)	Number of shares to be transferred	870,000 shares (voting right ownership ratio: 98.9% [Indirect ownership: 98.9%])
(3)	Transfer price	Approx. 32 billion yen
(4)	Number of shares held after the Transfer	0 share (voting right ownership ratio: 0.0% [Indirect ownership: 98.9%])

(Note) Voting right ownership ratio shows direct ownership by Seven Financial Service, while indirect ownership by the Company and the Company's subsidiaries shows in the brackets.

5. Schedule

Execution date of the Agreement	April 6, 2023
Closing date of the Transaction	July 1, 2023 (Planned)

6. Future outlook

The impact of the Transaction on the Company's consolidated financial results for the fiscal year ending February 29, 2024 is negligible.

End