



January 7, 2014

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)

**Notice Regarding Disposal of Treasury Stock through a Third-Party
Allocation of Shares to a Consolidated Subsidiary and
Absorption-Type Merger between Consolidated Subsidiaries to
Reorganize IT/Services in the Seven & i Group**

Seven & i Holdings Co., Ltd. (hereinafter the “Company”) wishes to announce that it decided at a Board of Directors meeting held on January 7, 2014 to reorganize IT/Services in the Seven & i Group via an absorption-type merger between consolidated subsidiaries (hereinafter the “Reorganization”) and dispose of treasury stock through a third-party allocation of shares for the purpose of implementing the Reorganization (Acquisition of parent company shares by a subsidiary pursuant to Article 800 of the Companies Act) (hereinafter the “Treasury Stock Disposal”).

The Reorganization is a merger between consolidated subsidiaries of the Company, accordingly, certain disclosure items and details have been abridged.

I. Purpose and Details of the Reorganization

The Seven & i Group has a network of more than 50,000 stores in Japan and overseas, as well as various business formats for serving all manner of customer needs such as convenience stores, superstores, department stores, food supermarkets, food services, financial services and IT and related services. The group is actively working day in and day out to improve customer service, expand and enhance its store network, improve product development and procurement capabilities, and bolster brand equity in other areas. Seven & i Netmedia Co., Ltd. (hereinafter “Seven & i Netmedia”) was established as a wholly owned subsidiary of the Company in July 2008 to serve as an intermediate holding company with overall

responsibility for IT/Services in the Seven & i Group. Since then, Seven & i Netmedia has endeavored to create business opportunities in these business fields and to maximize earnings by restructuring its business and, organization as needed, among other initiatives. Meanwhile, Seven Net Shopping Co., Ltd. (hereinafter “Seven Net Shopping”) became a consolidated subsidiary of the Seven & i Group in February 2006, after its establishment as e-Shopping! Books CORP., a company managing an online shopping site specializing in books, in August 1999. Since then, it has functioned as the Seven & i Group’s core Internet business management company, pushing ahead with its own Internet shopping business, management of the portal site for the Seven & i Group’s Internet shopping business, and the Seven & i Group’s comprehensive media strategy business.

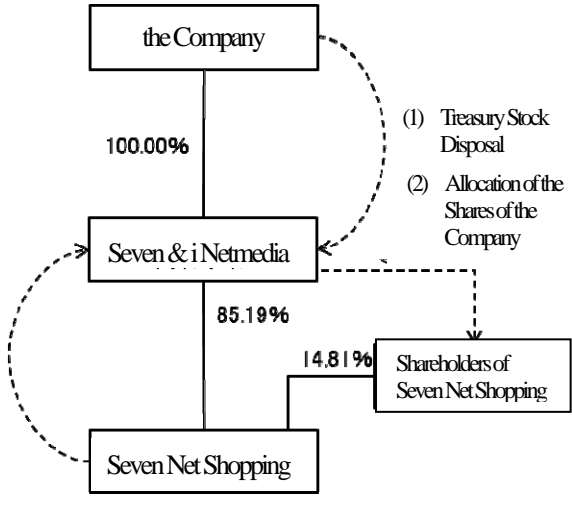
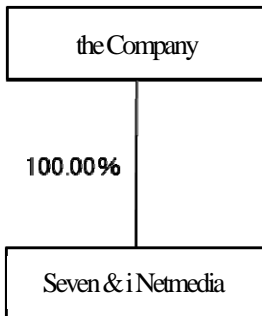
Customers’ purchasing behavior has changed dramatically along with advances in IT. In the series of processes from recognizing, investigating and purchasing products, customers are increasingly taking the initiative in purchasing, freely choosing from a variety of channels as they see fit. Amid this trend, an Omni Channel approach is important to reach customers by seamlessly coordinating all sales channels. Guided by the management principle of “Responding to Change while Strengthening Fundamentals,” the Seven & i Group is pursuing an Omni Channel Strategy, with the aim of fusing brick-and-mortar and online-based retailing in a way that meets customers’ needs, by leveraging the strength inherent in having various business formats, including many physical stores and an online presence, and ever-evolving IT for the advent of this bona fide Omni Channel era.

The Company has decided to conduct an absorption-type merger effective March 1, 2014, with Seven & i Netmedia as the surviving company and Seven Net Shopping as the dissolving company (hereinafter the “Merger”). This initiative is aimed at clearly identifying the company that will play a pivotal role in promoting the Seven & i Group’s Omni Channel Strategy and vigorously pressing ahead with this strategy.

Furthermore, to ensure that Seven & i Netmedia remains a wholly owned subsidiary of the Company, the Company has decided to conduct the Merger based on a triangular merger process. Under this process, the common stock of the Company as the 100% owning parent company of Seven & i Netmedia will be allocated to shareholders of Seven Net Shopping which is the dissolving company, as consideration for their shares at a ratio of 74 shares of the common stock of the Company to every 1 share of the share of Seven Net Shopping held by the shareholders of Seven Net Shopping.

As part of the reorganization process above, the Company will implement the Treasury Stock Disposal (0.05% of the number of shares issued by the Company), with Seven & i Netmedia as the allottee, ahead of the Merger of Seven & i Netmedia and Seven Net Shopping (triangular merger).

A schematic of the overall Reorganization process is outlined below.

<p>(1) Treasury Stock Disposal Dispose of treasury stock by allocating the treasury shares to Seven & i Netmedia</p> <p>(2) Absorption-Type Merger Conduct an absorption-type merger, with Seven & i Netmedia as the surviving company and Seven Net Shopping as the dissolving company</p> <p>Allocate common stock of the Company to shareholders of Seven Net Shopping, the dissolving company</p>	 <p>(1) Treasury Stock Disposal (2) Allocation of the Shares of the Company</p>
<p>(3) Post-Reorganization</p>	

II. The Treasury Stock Disposal

1. Outline of the Treasury Stock Disposal

(1) Disposal date	February 28, 2014
(2) Number of shares for disposal	478,188 shares of common stock
(3) Calculation method for disposal price	The disposal price shall be the closing price of the Company's common stock on the Tokyo Stock Exchange, Inc. on February 27, 2014 (Thursday).
(4) Amount of funds procured	The amount calculated by multiplying the disposal price per share in (3) above by the number of shares to be disposed of in (2) above.
(5) Method of subscription or disposal	By way of third-party allocation
(6) Allottee	Seven & i Netmedia Co., Ltd.
(7) Other	The Treasury Stock Disposal is conditional upon notification becoming effective pursuant to the Financial Instruments and Exchange Act.

2. Purpose of and Reason for Disposal

The purpose of the Treasury Stock Disposal is for Seven & i Netmedia to acquire the consideration necessary to implement the Merger. For details on the Reorganization, including the Merger, please see “I. Purpose and Details of the Reorganization” in this press release. The acquisition of the Company’s common stock by Seven & i Netmedia through this transaction corresponds to an acquisition of parent company shares by a subsidiary as stipulated in Article 800 of the Companies Act.

3. Amount of funds to be procured through the disposal of treasury stock

(1) Total paid-in amount	The amount calculated by multiplying the closing price of the Company’s common stock on the Tokyo Stock Exchange, Inc. on February 27, 2014 (Thursday) by the number of shares for disposal (478,188 shares).
(2) Estimated issuance costs	–
(3) Estimated net proceeds	The amount calculated by multiplying the closing price of the Company’s common stock on the Tokyo Stock Exchange, Inc. on February 27, 2014 (Thursday) by the number of shares for disposal (478,188 shares).

Note: Estimated issuance costs are not shown as no costs related to the Treasury Stock Disposal will be incurred.

4. Specific Use of the Funds Procured

The abovementioned estimated net proceeds will be earmarked to repay borrowings used for M&As and other transactions from the Seven & i Group’s consolidated finance-related subsidiary SEVEN & i Financial Center Co., Ltd. The payment is scheduled to be made in March 2014.

The funds will be managed in the Company’s bank account until they are used for the abovementioned purpose.

5. Perspective on Reasonableness of Use of Funds

As stated in “2. Purpose of and reason for disposal” above, the purpose of the Treasury Stock Disposal is for Seven & i Netmedia to acquire the consideration necessary to implement the Merger, not to procure funds. As stated in “4. Specific use of the funds procured” above, the Company plans to earmark the funds procured for the repayment of its borrowings. The Company has determined that the use of the funds for this purpose is reasonable.

6. Reasonableness of the Terms and Conditions, etc., for Disposal of Treasury Stock

(1) Basis of calculation of disposal price and specific details

The Company has set the disposal price as the closing price of the Company’s common stock on the

Tokyo Stock Exchange, Inc. on February 27, 2014. Since the purpose of the Treasury Stock Disposal is for Seven & i Netmedia to acquire the consideration necessary to implement the Merger, the Company has decided not to discount the closing price of the Company's common stock on the Tokyo Stock Exchange, Inc. on the date on which the disposal price is determined.

The Company has adopted a method of determining the disposal price based on the formula indication method, with the calculation based on the closing price of the Company's common stock on the Tokyo Stock Exchange, Inc. on the business day before the disposal date. This is because the Company has determined that using the stock price on a business day close to the disposal date will enable a fair disposal price to be reflected in the Treasury Stock Disposal and will be more objective and reasonable.

As stated above, the disposal price determined by the abovementioned formula indication method will be the closing price on the business day before the disposal date, February 28, 2014. For this reason, the Company believes that such disposal price is not a particularly favorable disposal price.

In the resolution of the Board of Directors' meeting to decide on the Treasury Stock Disposal, in regard to the abovementioned disposal price, all of the Standing Audit & Supervisory Board Members (5 members (of whom 3 were Outside Audit & Supervisory Board Members)) who participated in the Board of Directors' meeting expressed the opinion that the abovementioned disposal price, to be calculated by using the calculation basis above does not correspond to an issuance on advantageous terms and such disposal price is legitimate because it is based on the market price on the business day before the disposal date, when the disposal of treasury stock will become effective.

(2) Basis for Believing that the Number of shares for disposal and the level of share dilution are reasonable

The total number of voting rights related to the shares involved in the Treasury Stock Disposal is 4,781. This represents a dilution ratio of 0.05% against the total number of voting rights of the Company (total number of voting rights of 8,829,171 as of August 31, 2013). Accordingly, the Company believes that the stock dilution and the impact on the secondary market will be negligible. Furthermore, by implementing the Treasury Stock Disposal, one consolidated subsidiary that operates the IT/Services business will be integrated into Seven & i Netmedia, the allottee ensuring that Seven & i Netmedia will remain a 100%-owned subsidiary, this will facilitate further streamlining of the management of IT/Services and enable flexible and dynamic execution of various initiatives in response to the business environment. For these reasons, the Company believes that the Treasury Stock Disposal will contribute to increasing its corporate value. Therefore, the Company believes that the basis for the number of shares for disposal and the level of share dilution is reasonable.

7. Reasons for Selecting the Allottee, etc.

(1) Outline of the allottee

(1) Company Name	Seven & i Netmedia Co., Ltd.
(2) Location	8-8, Nibancho, Chiyoda-ku, Tokyo

(3) Name and title of representative	Katsuhiro Goto, President and Representative Director		
(4) Main Business	Overall management of business related to IT/Services		
(5) Paid-in capital	7,665 million yen (as of February 28, 2013)		
(6) Established	July 11, 2008		
(7) Number of shares issued	306,400 shares		
(8) Fiscal year-end	End of February		
(9) Number of employees	19		
(10) Main customers	N/A		
(11) Main bank	Sumitomo Mitsui Banking Corporation		
(12) Major shareholder and shareholding	Seven & i Holdings Co., Ltd. 100%		
(13) Relationship with the Company			
Capital relationship	The Company holds 306,400 shares (100% of the number of shares issued) of common stock of the allottee. The allottee does not hold any shares of the Company.		
Personnel relationship	Three directors of the Company concurrently serve as representative director, director and audit & supervisory board members, respectively, of the allottee.		
Business relationship	The Company has concluded a business management agreement with the allottee.		
Related party relationship status	The Company is the parent company of Seven & i Netmedia, making it a related party of the latter company.		
(14) Business results and financial position in the past three years			
Fiscal years ended	February 2011	February 2012	February 2013
Net assets (Million yen)	9,709	15,226	15,400
Total assets (Million yen)	9,715	15,259	17,443
Net assets per share (Yen)	58,351.69	49,695.96	50,261.80
Revenues from operations (Million yen)	4	31	34
Operating loss (Million yen)	(43)	(45)	(125)
Ordinary loss (Million yen)	(42)	(37)	(115)
Net loss (Million yen)	(43)	(1,496)	(71)
Net loss per share (Yen)	(499.64)	(6,949.96)	(234.19)
Dividends per share (Yen)	-	-	-

Notes: 1. As of January 7, 2014

2. The allottee is a wholly owned subsidiary of the Company. In regard to its basic approach to eradicating anti-social forces, the Company has passed a Board of Directors resolution concerning the

internal control system, under which the Company and Seven & i Netmedia will follow the Seven & i Holdings Corporate Action Guidelines to eschew all relations with anti-social forces, organizations and groups that threaten public order and the safety of civic life, resolutely opposing pressure from such entities and eradicating them. The Company has confirmed that Seven & i Netmedia, the allottee, and its officers, have no relations whatsoever with crime syndicates and other such entities, and has submitted written confirmation to that effect to the Tokyo Stock Exchange.

(2) Reason for selecting the allottee

The Seven & i Group has decided to conduct the Merger in order to clearly identify the company that will play a pivotal role in promoting the Seven & i Group's Omni Channel Strategy and to vigorously promote this strategy.

Furthermore, to ensure that Seven & i Netmedia remains a 100%-owned subsidiary of the Company, the Seven & i Group has decided to conduct the Merger based on a triangular merger process. Under this process, the common stock of the Company as the 100% owing parent company of Seven & i Netmedia will be allocated to shareholders of Seven Net Shopping, which is the dissolving company, as consideration for their shares at a ratio of 74 shares of the common stock of the Company to every 1 share of the share of Seven Net Shopping held by the shareholders of Seven Net Shopping. For this reason, the Company has selected Seven & i Netmedia as the allottee.

In addition, the Company has selected the Treasury Stock Disposal for the following reasons. First, upon the Reorganization, the common stock of the Company will be issued, instead of a cash payment, as consideration to shareholders of Seven Net Shopping. This approach will help to protect the interests of the Seven Net Shopping shareholders by, for example, providing them with the opportunity to benefit from synergies created mainly by making Seven Net Shopping a wholly owned subsidiary. Second, the Company took into consideration the need to maintain its capital relationships in the course of promoting the Seven & i Group's Omni Channel Strategy, which is the purpose of the Reorganization.

(3) Policy on share ownership of the allottee

Seven & i Netmedia as the allottee plans to use all of the shares disposed of by the Company as consideration for the Merger. Furthermore, the Company and the allottee plan to enter into a pledge to the effect that if all or some of the relevant shares are transferred within two years of the disposal date, the allottee shall provide written notification of the details to the Company, and shall consent to the Company reporting those details to the Tokyo Stock Exchange, Inc. and to making the details available for public inspection.

(4) Details of confirmation of existence of financial assets required for payment by the allottee

The allottee is a wholly owned subsidiary of the Company, and plans to borrow a necessary and sufficient amount of cash from SEVEN & i Financial Center Co., Ltd., the Company's wholly owned subsidiary, by

the disposal date for the Treasury Stock Disposal, in order to pay for the treasury stock. Furthermore, the Company has confirmed that the allottee will have sufficient funds to repay the abovementioned borrowings, in light of the scale of its projected net sales, total assets, net assets, and so forth after the Reorganization.

8. Major Shareholders and Shareholdings after the Treasury Stock Disposal

Individual or company name	Address	Number of shares held (thousand shares)	Ratio of voting rights held to total number of voting rights (%)	Number of shares held after the treasury stock disposal (thousand shares)	Ratio of voting rights held to total number of voting rights after the treasury stock disposal(%)
Ito-Kogyo Co., Ltd.	12-3, Gobancho, Chiyoda-ku, Tokyo	68,901	7.80	68,901	7.80
Japan Trustee Services Bank, Ltd. (Trust account)	8-11, Harumi 1-chome, Chuo-ku, Tokyo	42,998	4.87	42,998	4.87
The Master Trust Bank of Japan, Ltd. (Trust account)	11-3, Hamamatsu-cho 2-chome, Minato-ku, Tokyo	37,019	4.19	37,019	4.19
Nippon Life Insurance Company	1-6-6, Marunouchi, Chiyoda-ku, Tokyo	19,664	2.23	19,664	2.23
Masatoshi Ito	Minato-ku, Tokyo	16,801	1.90	16,801	1.90
MITSUI & CO., LTD. (Standing Agent: Trust & Custody Services Bank, Ltd.)	2-1 Ohtemachi 1-chome, Chiyoda-ku, Tokyo (8-12, Harumi 1-chome, Chuo-ku, Tokyo)	16,222	1.84	16,222	1.84
Nomura Securities Co., Ltd. (Proprietary Account)	1-9-1 Nihonbashi, Chuo-ku, Tokyo	15,734	1.78	15,734	1.78
State Street Bank and Trust Company 505225 (Standing Agent: Mizuho Bank, Ltd. settlement business division)	P.O. Box 351, Boston, Massachusetts 02101, U.S.A. (4-16-13, Tsukishima, Chuo-ku, Tokyo)	14,069	1.59	14,069	1.59
The Bank of New York Treaty JASDEQ Account (Standing Agent: The Bank of	Avenue Des Arts, 35 Kunstlaan, 1040 Brussels, Belgium (2-7-1, Marunouchi, Chiyoda-ku,	14,036	1.59	14,036	1.59

Tokyo-Mitsubishi UFJ, Ltd.)	Tokyo)				
The Dai-ichi Life Insurance Company, Limited. (Standing Agent; Trust & Custody Services Bank, Ltd.)	13-1, Yurakucho 1-chome, Chiyoda-ku, Tokyo (8-12, Harumi 1-chome, Chuo-ku, Tokyo)	13,777	1.56	13,777	1.56
Total	–	259,225	29.36	259,225	29.34

Notes: 1. The major shareholders are listed based on the register of shareholders as of August 31, 2013.

2. In addition to the above, the 2,847,747 shares of treasury stock owned by the Company (as of August 31, 2013) will become 2,369,599 shares after the Treasury Stock Disposal. (Portions of shares less than one share unit purchased and sold after September 1, 2013 are not taken into consideration.)

9. Matters concerning Procedures Based on Rules on Corporate Conduct

The Treasury Stock Disposal meets the following conditions: (1) the dilution ratio is less than 25%; and, (2) the transaction does not involve any change in the controlling shareholder. Accordingly, the Treasury Stock Disposal does not require an opinion from an independent third party, or procedures for confirming the intention of shareholders, as stipulated by Article 432 of the Securities Listing Regulations established by the Tokyo Stock Exchange.

10. Status of Business Results and Equity Finance in the past three years

(1) Business results in the past three years (consolidated)

	FY ended February 2011	FY ended February 2012	FY ended February 2013
Consolidated revenues from operations (Million yen)	5,119,739	4,786,344	4,991,642
Consolidated operating income (Million yen)	243,346	292,060	295,685
Consolidated ordinary income (Million yen)	242,907	293,171	295,836
Consolidated net income (Million yen)	111,961	129,837	138,064
Consolidated net income per share (Yen)	126.21	146.96	156.26
Dividends per share (Yen)	57.00	62.00	64.00
Consolidated net assets per share (Yen)	1,927.09	1,998.84	2,140.45

(2) Number of shares issued and number of dilutive shares at present (as of November 30, 2013)

	Number of shares	Number of dilutive shares	Ratio of number of shares issued
Number of shares issued	886,441,983	603,524	0.07%

(3) Recent stock price

1) Past three years

	FY ended February 2011	FY ended February 2012	FY ended February 2013
Opening	2,008 yen	2,295 yen	2,245 yen
High	2,468 yen	2,328 yen	2,866 yen
Low	1,848 yen	1,755 yen	2,222 yen
Closing	2,277 yen	2,246 yen	2,706 yen

2) Past six months

	August 2013	September	October	November	December
Opening	3,730 yen	3,405 yen	3,605 yen	3,640 yen	3,765 yen
High	3,875 yen	3,690 yen	3,770 yen	3,795 yen	4,225 yen
Low	3,375 yen	3,395 yen	3,450 yen	3,500 yen	3,700 yen
Closing	3,385 yen	3,580 yen	3,620 yen	3,770 yen	4,180 yen

3) Stock price on the day before the resolution date of the stock issuance

	January 6, 2014
Opening	4,200 yen
High	4,210 yen
Low	4,125 yen
Closing	4,190 yen

4) Equity finance in the past three years

N/A

11. Summary of the Disposal

(1) Class and number of shares for disposal	478,188 shares of common stock
(2) Calculation method for disposal price	The disposal price shall be the closing price of the Company's common stock on the Tokyo Stock Exchange on February 27, 2014 (Thursday).
(3) Total disposal price	The amount calculated by multiplying the disposal price per share in (2) above by the number of shares to be disposed of in (1) above.
(4) Disposal method	By way of third-party allocation
(5) Disposal date	February 28, 2014 (Friday)
(6) Allottee and number of shares to	Seven & i Netmedia Co., Ltd. 478,188 shares

be acquired	
(7) Other	The Treasury Stock Disposal is conditional upon notification becoming effective pursuant to the Financial Instruments and Exchange Act.

III. The Merger

1. Summary of the Merger

(1) The Merger Schedule

January 7, 2014	Board of Directors' approval to conclude an agreement on an absorption-type merger (Seven & i Netmedia, Seven Net Shopping)
January 7, 2014	Conclude agreement on absorption-type merger
January 24, 2014	General meeting of shareholders to approve the agreement on an absorption-type merger (planned) (Seven & i Netmedia, Seven Net Shopping.)
March 1, 2014	Effective date of the Merger (planned)

(2) Method of the Merger

This will be an absorption-type merger, whereby Seven & i Netmedia, which is a wholly owned subsidiary of the Company will be the surviving company and Seven Net Shopping will be the dissolving company.

(3) Details of allocation related to the Merger

Upon the Merger, the surviving company, Seven & i Netmedia, will allocate the Company's common stock to shareholders of Seven Net Shopping (excluding Seven & i Netmedia), the dissolving company, as cash and other consideration in lieu of the shares of Seven Net Shopping. The Company's common stock will be allocated at a ratio of 74 shares to every 1 share of the shares of Seven Net Shopping held by Seven Net Shopping shareholders.

To determine the merger ratio for the Merger, after the selection of the Kasahara CPA Office (a third-party institution independent of the companies involved in the Merger) as the appraiser, the companies involved in the Merger conducted related discussions.

Kasahara CPA Office conducted a valuation analysis of the Company using the market share price method since the Company's shares are listed on a financial instruments exchange and a market share price exists for them, and conducted a valuation analysis of Seven Net Shopping using the discounted cash flow method (hereinafter the "DCF Method"), in order to reflect the future status of Seven Net Shopping's business activities in the valuation.

The analysis of the Company using the market share price method was based on the simple average of the closing price of the Company's shares on the Tokyo Stock Exchange for the past 1 month, 3 months and 6 months from the reference date of January 6, 2014.

The analysis of Seven Net Shopping using the DCF method was performed by analyzing shareholder value by discounting the operating cash flow of Seven Net Shopping based on its business plans and other data to the present value using a discount rate based on the risk of Seven Net Shopping and other analysis.

As a result of the analysis above, the merger ratio, assuming a stock valuation of 1 per 1 share of Seven Net Shopping, was calculated as follows:

Calculation result for the merger ratio
64.8~82.8

In order to calculate the merger ratio, in principle, Kasahara CPA Office adopted all information provided by Seven & i Netmedia, publicly disclosed information, and other information as is, assuming that those materials, information, and all other sources were fully accurate and complete. Accordingly, Kasahara CPA Office has not independently verified the accuracy and completeness of them. Furthermore, Kasahara CPA Office did not conduct an independent valuation, appraisal, or assessment of the assets and liabilities (including contingent liabilities) of Seven Net Shopping and of the Company, including an individual valuation or analysis of assets and liabilities; nor did Kasahara CPA Office request a third party institution to conduct such an appraisal or assessment. Furthermore, Kasahara CPA Office assumed that the financial estimates of Seven Net Shopping and of the Company referred by Kasahara CPA Office for the calculation have been reasonably formulated and prepared based on best estimates and judgments available from these companies at this time. In addition the Kasahara CPA Office assumed that the calculation of the merger ratio by it is based on the information available and economic conditions prevailing through to January 6, 2014. The calculation result of the merger ratio submitted by Kasahara CPA Office does not express a fairness opinion on the merger ratio for the Merger.

The Company, Seven & i Netmedia and Seven Net Shopping conducted a series of discussions and negotiations, referring to the abovementioned calculation result of the merger ratio based on the calculation report submitted by Kasahara CPA Office, while taking into consideration the financial position, business performance trends, stock price trends, and other factors of the Company and Seven Net Shopping. As a result, these companies ultimately reached the conclusion that the abovementioned merger ratio is appropriate and therefore, agreed upon and determined it.

(4) Treatment of stock options and bonds with stock options with respect to the Merger
N/A

2. Outline of the companies involved in the Merger and outline of the company after the Merger

(1) Company Name	Seven & i Netmedia Co., Ltd. (Surviving company)		
(2) Location	8-8, Nibancho, Chiyoda-ku, Tokyo		
(3) Name and title of representative	Katsuhiro Goto, President and Representative Director		
(4) Main Business	Overall management of business related to IT/services		
(5) Paid-in capital	7,665 million yen (as of February 28, 2013)		
(6) Established	July 11, 2008		
(7) Number of shares issued	306,400 shares		
(8) Fiscal year-end	End of February		
(9) Number of employees	19		
(10) Main customers	N/A		
(11) Main bank	Sumitomo Mitsui Banking Corporation		
(12) Major shareholder and shareholding	Seven & i Holdings Co., Ltd. 100%		
(13) Relationship with the Company			
Capital relationship	The Company holds 306,400 shares (100% of the number of shares issued) of common stock of Seven & i Netmedia Co., Ltd.. Seven & i Netmedia Co., Ltd. does not hold any shares of the Company.		
Personnel relationship	Three directors of the Company concurrently serve as representative director, director and audit & supervisory board members, respectively, of Seven & i Netmedia Co., Ltd..		
Business relationship	The Company has concluded a business management agreement with the Seven & i Netmedia Co., Ltd..		
Related party status	The Company is the parent company of Seven & i Netmedia, making it a related party of the latter company.		
(14) Business results and financial position in the past three years			
Fiscal years ended	February 2011	February 2012	February 2013
Net assets (Million yen)	9,709	15,226	15,400
Total assets (Million yen)	9,715	15,259	17,443
Net assets per share (Yen)	58,351.69	49,695.96	50,261.80
Revenues from operations (Million yen)	4	31	34
Operating loss (Million yen)	(43)	(45)	(125)
Ordinary loss (Million yen)	(42)	(37)	(115)

Net loss (Million yen)	(43)	(1,496)	(71)
Net loss per share (Yen)	(499.64)	(6,949.96)	(234.19)
Dividends per share (Yen)	-	-	-

(1) Company Name	Seven Net Shopping Co., Ltd. (Dissolving company)
(2) Location	5-4 Kojimachi, Chiyoda-ku, Tokyo
(3) Name and title of representative	Yasuhiro Suzuki, President and Representative Director
(4) Main Business	Sale of merchandise and provision of services over the Internet
(5) Paid-in capital	5,500 million yen (as of February 28, 2013)
(6) Foundation	August 24, 1999
(7) Number of shares issued	43,618 shares
(8) Fiscal year-end	End of February
(9) Number of employees	185
(10) Main customers	TOHAN Co., Ltd., Seven-Eleven Japan Co., Ltd., Ito-Yokado Co., Ltd.
(11) Main bank	Sumitomo Mitsui Banking Corporation
(12) Major shareholder and shareholding	Seven & i Netmedia Co., Ltd. 85.19%

(13) Relationship with the Company

Capital relationship	The Company owns 100% of the shares of Seven & i Netmedia Co., Ltd., the parent company of Seven Net Shopping Co., Ltd.
Personnel relationship	One director of the Company concurrently serves as an audit & supervisory board members of Seven Net Shopping Co., Ltd.
Business relationship	The Company has concluded a business management agreement with Seven Net Shopping Co., Ltd..
Related party status	The Company is the parent company of Seven Net Shopping Co., Ltd., making it a related party of the latter company.

(14) Business results and financial position in the past three years

Fiscal years ended	February 2011	February 2012	February 2013
Net assets (Million yen)	5,062	3,621	7,683
Total assets (Million yen)	6,972	6,589	11,415
Net assets per share (Yen)	203,298.09	145,417.14	176,155.03
Revenues from operations (Million yen)	15,940	22,829	26,760
Operating loss (Million yen)	(1,023)	(1,397)	156
Ordinary loss (Million yen)	(1,025)	(1,433)	159

Net loss (Million yen)	(1,136)	(1,441)	79
Net loss per share (Yen)	(80,699.36)	(57,880.94)	2,732.28
Dividends per share (Yen)	-	-	-

The name, representative, paid-in capital, assets and other aspects of the surviving company after the Merger have yet to be determined, and will be announced as soon as they are determined.

IV. Outlook

The Reorganization in conjunction with the Treasury Stock Disposal will have no effect on the Company's consolidated business results for the fiscal year ending February 2014, however, they are expected to contribute to the improvement of the Company's business results over the medium and long term.

(Reference) Consolidated business forecasts for the fiscal year ending February 2014 (announced April 4, 2013) and consolidated business results for the previous fiscal year

	Revenues from operations	Operating income	Ordinary income	Net income
Business forecasts for current fiscal year (FY ending Feb. 2014)	Million yen 5,640,000	Million yen 340,000	Million yen 337,000	Million yen 170,000
Business results for previous fiscal year (FY ended Feb. 2013)	4,991,642	295,685	295,836	138,064