



May 25, 2012

FOR IMMEDIATE RELEASE

Seven Bank, Ltd.

**Notice Relating to a Change in the Amount and Details  
of Equity Remuneration Type Stock Options Granted to Directors**

Seven Bank, Ltd. (Seven Bank, or the Bank), at a meeting of its Board of Directors held today, resolved to put forward a proposal for approval to change the amount and details of equity remuneration type stock options granted to directors at the Bank's 11th annual general meeting of shareholders scheduled to be held on June 19, 2012. Brief details are presented as follows.

Details of the Proposal

The Bank received approval to grant equity remuneration type stock options to directors up to a limit of 60,000,000 yen per annum at its 7th annual general meeting of shareholders held on June 18, 2008. Stock options are to be granted in addition to and separately from current director compensation.

This equity remuneration type stock option scheme is designed to link director compensation more tightly with Seven Bank's financial performance and stock price so that directors share not only in the rewards of stock price gains, but also in the risk of stock price declines. This scheme is intended to increase the motivation and incentive directors have to contribute to continued improvements in performance and corporate value over the medium to long term.

Plans are in place for a proposal to be tabled seeking approval to the election of 10 directors at the Bank's 11th annual general meeting of shareholders to be held on June 19, 2012. Should this proposal be approved, two additional directors will be appointed to Bank's Board of Directors. Taking the increased number of directors into consideration, as well as changes in economic conditions since the Bank's 7th annual general meeting of shareholders, the Bank is now seeking approval to grant equity remuneration type stock options to directors up to a limit of 100,000,000 yen per annum in addition to and separate from current director compensation.

Upon approval to the election of 10 directors at the Bank's 11th annual general meeting of shareholders, the number of directors eligible for the grant of equity remuneration type stock options shall be six directors, excluding four outside directors.

In line with the proposed change to the amount of remuneration under this scheme, details of share subscription rights to be issued and allocated are presented as follows.

(1) Type and number of shares to which share subscription rights apply

The number of shares to be issued upon the exercise of each share subscription right (the “number of shares issued”) shall be one thousand (1,000) shares of Seven Bank’s common stock.

In addition, in the event that Seven Bank effects a stock split, allots shares without consideration, undertakes a stock consolidation or engages in any other action that necessitates an adjustment to the number of shares granted, Seven Bank may adjust the number of shares granted to a reasonable extent.

(2) Total number of share subscription rights

The total number of share subscription rights issue within one year from the day of the annual general meeting of shareholders for each business year shall be no higher than the number found by dividing the aforementioned 100,000,000 yen by the fair value per share subscription right calculated based on the Black-Scholes Model, which factors in a variety of conditions such as Seven Bank’s share price on the share subscription rights allotment date, share price volatility calculated based on certain parameters, and the exercise period for the share subscription rights (fractions less than one shall be rounded down to the nearest whole number).

(3) Cash payment for share subscription rights

Cash payment for share subscription rights shall be the fair value per share calculated using the Black-Scholes Model as of the allotment date of the share subscription rights multiplied by the number of shares issued. However, pursuant to the provision stipulated under Article 246, Paragraph 2 of the Companies Act of Japan, a director will, in place of making such payment, offset the cash payment for the subscription rights by compensation held with respect to the Bank.

(4) Amount of assets to be contributed upon the exercise of share subscription rights

The assets to be contributed upon the exercise of share subscription rights shall be in the form of money. That amount shall be obtained by multiplying the amount to be paid-in in exchange for each share to be received upon the exercise of each share subscription right (one yen) by the number of shares issued per share subscription right.

(5) Period during which share subscription rights may be exercised

Share subscription rights may be exercised during the period of 30 years starting on the day immediately after the share subscription rights allotment date.

(6) Restrictions on the acquisition of share subscription rights by way of transfer

The acquisition of share subscription rights by way of transfer shall require the approval of the Board of Directors.

(7) Conditions on the exercise of share subscription rights

- (i) The grantee of share subscription rights may exercise his or her share subscription rights during the 10 day period from the day following the day on which the grantee loses his or her position as a director of Seven Bank.
- (ii) In the event that the grantee of share subscription rights dies, his or her legal heir may exercise his or her share subscription rights pursuant to the conditions stipulated in the agreement discussed in (iii) below.
- (iii) In accordance with a resolution of the Board of Directors of Seven Bank, other conditions on the exercise of share subscription rights shall be stipulated in a share subscription rights allotment agreement concluded between Seven Bank and the grantees of share subscription rights.