Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.

Stock Code: 8410
June 1, 2012

CONVOCATION NOTICE OF THE 11TH ORDINARY GENERAL MEETING OF SHAREHOLDERS OF SEVEN BANK, LTD.

Dear Shareholder,

Notice is hereby given that the 11th Ordinary General Meeting of Shareholders of Seven Bank, Ltd. ("the Company") will be held as described below. We look forward to your attendance at the meeting.
If you are unable to attend the meeting, you may exercise your voting rights by mail. Please review the "Reference Materials for Ordinary General Meeting of Shareholders" listed below, exercise your voting rights on the enclosed Exercise of Voting Rights Form and ensure that this arrives at the return address no later than 5:30 pm on Monday, June 18, 2012.
Yours Sincerely,

Kensuke Futagoishi, President and Representative Director
Seven Bank, Ltd.
6-1 Marunouchi 1-chome,
Chiyoda-ku, Tokyo

1. Date and time Tuesday, June 19, 2012 at 10:00 am (Doors open at 9:00 am)

2. Place Ho-Oh-No-Ma (Main Hall)
2F, Tokyo Prince Hotel
3-1 Shibakoen 3-chome, Minato-ku, Tokyo

3. Agenda of the meeting

Matters to be Reported	Report on the Business Report and Financial Statements for the 11th fiscal period (from April 1, 2011 to March 31, 2012).	
Resolutions	Proposal 1	Election of ten Directors
	Proposal 2	Revision of remuneration for Directors
	Proposal 3	The amount of stock compensation-type stock options and revision to the remuneration scheme

4. Matters decided in convening the meeting
Should you wish to exercise non-uniform voting rights, please provide written notification to this effect, together with the reasons for your decision, no less than three days prior to the meeting.

* * *

Notes:
1. Please present the enclosed Exercise of Voting Rights Form to the receptionist at the meeting.
2. Any amendments to Reference Materials for Ordinary General Meeting of Shareholders, the Business Report and Financial Statements will be disclosed on the Company's website and can be viewed at http://www.sevenbank.co.jp/english/ir/.

Reference documents

Business Report for the 11th Term
(from April 1, 2011 to March 31, 2012)

1 Current status of the Company

(1) Business trends and outcomes

Key operations

Seven Bank provides a range of cash deposit and withdrawal services via an extensive Automated Teller Machine (ATM) network operating 24 hours a day, 365 days a year. The ATM network consists of ATM machines at airports, train stations and outlets of banking and financial institutions as well as retail outlets including Seven-Eleven and Ito-Yokado which belong to Seven & i Group (Group), backed up by partnerships with a wide variety of financial institutions including banks, shinkin banks, credit cooperatives, Labour Banks, the JA Bank, the JF Marine Bank, the Shoko Chukin Bank, securities companies, life insurance companies, credit card companies, and consumer finance companies.

Seven Bank also provides convenient deposit accounts combining ordinary deposits, time deposits, loan services, and international money transfer services accessible from ATMs, the Internet, and mobile phones, primarily for the benefit of personal customers.

Financial and economic environment

Although the Japanese economy remained flat due to the downturn in the global economy and the impact of yen appreciation, a gentle recovery is expected, supported by economic growth in the emerging and resource nations and the increase in demand related to earthquake recovery efforts. The financial environment is becoming more relaxed, and there are signs of increased demand for funding, particularly for operating capital and corporate acquisition-related funding. The balance sheets of financial institutions remain both sound and stable.

Business trends and outcomes for the current fiscal year

1) ATM services

During fiscal 2011 also, Seven Bank added ATMs within and outside the Group. In addition, we worked to increase our partner financial institutions so that convenience for customers of these financial institutions can be enhanced when they use our ATMs.

During fiscal 2011, we established new partnerships with Shinhan Bank Japan (April 2011), THE FUKUOKA CHUO BANK, LTD. (June 2011), The Bank of Nagasaki, Ltd. (September 2011), The Kitakyushu Bank, Ltd. (October 2011), Orix Bank Corporation (March 2012), together with three shinkin banks and three credit cooperatives. As a result, we now partner with 105 banks, 265 shinkin banks, 132 credit cooperatives, 13 Labor Banks, the JA Bank, the JF Marine Bank, the Shoko Chukin Bank, nine securities companies, eight life insurance companies, and 42 other financial institutions (Note 1). Thus, we have a total of 577 business partners (Note 2) as of March 31, 2012.

Within the Group, we have installed ATMs in areas with new Seven-Eleven stores, for example Kagoshima Prefecture. We also added ATMs to Seven-Eleven stores with high ATM usage rates (1100 stores had more than one ATM at the end of fiscal 2011). As for operations outside the Group, approximately 140 ATMs were installed in the main and branch offices of Daiwa Securities. New ATMs were also installed in areas with high customer needs, including commercial facilities such as Peacock Stores, train stations, and expressway service areas.

Efforts were also made for the quick recovery of ATM services in the areas that were damaged by the earthquake. To this end, a mobile ATM service was quickly introduced to help support the lives of earthquake victims.

As a result of such initiatives, our ATM installed base reached 16,632 machines as of March 31, 2012 (up 8.2% compared to the end of March 2011). Moreover, average daily transactions per ATM were 112.6 (up 0.3 transactions year over year), and a total of 655 million transactions were recorded (up 7.4% year over year).

Notes: 1. We had 43 other financial institutions at the end of March 2011. The loss of 1 partner institution due to merger resulted in 42 partner financial institutions at the end of March 2012.
2. JA Bank and JF Marine Bank are each counted as one institution.

2) Financial services business

Seven Bank had 971 thousand individual customer accounts at the end of March 2012 (up 9.6% compared to the end of March 2011) and 17 thousand contract accounts for personal loan services (up 90.9% year over year). In response to the varied needs of customers, in June 2011 the borrowing limit for our personal loan service became adjustable from 100 thousand yen to 300 thousand yen or 500 thousand yen for customers who fulfill certain conditions.

The international money transfer service that was launched in March 2011 that could originally be used through Internet banking and mobile banking was made available from ATMs as well from July 2011. After approximately one year since the start of this service, the number of contract accounts has grown to approximately 10 thousand and the number of money transfers to approximately 32 thousand.

3) Operating results

Seven Bank recorded ordinary income of 88,318 (up 5.1% year over year) million yen, ordinary profit of 29,557 (up 7.6% year over year) million yen, and net income of 17,267 (up 7.8% year over year) million yen.

Both revenues and profits increased as total ATM transaction levels continued to steadily rise due to the increase in our ATM installed base and the increase in transactions at deposit-taking financial institutions. In addition, the decline in nonbank transaction coinciding with the full enforcement of the revised Money Lending Business Act has started to bottom out.

4) Assets, liabilities and net assets

Total assets at the end of March 2012 were 652,956 million yen. The majority of this total comprised cash and due from banks required for the operation of ATMs of 368,518 million yen. The remainder mostly consisted of marketable securities held as collateral for foreign exchange settlements and Bank of Japan current account overdraft transactions of 98,813 million yen, and 123,554 million yen representing the ATM-related temporary payments, which are temporary advances from the partner financial institutions.

Liabilities were 527,326 million yen. These largely comprised deposits (excluding negotiable certificates of deposits) totaling 331,581 million yen. Of these, the outstanding balance of individuals' ordinary deposits was 125,510 million yen and the balance of time deposits was 93,746 million yen.

Net assets were 125,629 million yen. Of these, retained earnings were 64,401 million yen.

Issues the Company needs to overcome

Improvements in the earning environment are expected for fiscal 2012, as transactions at deposit-taking financial institutions remain strong and the decline in nonbank transactions has shown signs of improvement.

Meanwhile, depreciation expenses have increased due to the accelerated replacement of our ATMs with third generation ATMs, an initiative that was fully launched from fiscal 2011.

To achieve growth sustainably under these circumstances, we need to 1) further enhance our ATM business, 2) quickly turn our financial services business into a profit-maker, and 3) take initiatives to establish new businesses. We recognize that the creation of a broad-based earnings structure through these initiatives is a vital issue.

Specific projects and programs for the above are as follows:

1) In the ATM business, in addition to expanding the number of partner financial institutions and our ATM installed base, we will strive to improve ATM operation rates, particularly for ATMs installed outside the Group. In expanding the number of partner financial institutions, we will aim to improve convenience for customers using our ATMs and will strengthen our approach towards non-partner financial institutions. In expanding our ATM installed base, we will take initiatives more proactively for operations outside the Group while continuing to steadily install ATMs within the Group. To improve ATM operation rates, for installations outside the Group we will strive to select locations where many use by customers can be expected and after installation we will conduct activities promoting the use of ATMs, including installation within the Group. In addition, we will steadily pursue the replacement of our ATMs with our third-generation ATMs in an effort to enhance customer safety and convenience.
2) Among existing financial services businesses, we are making further efforts to cultivate and expand our user base for our international money transfer services. In personal loan services, we aim to increase the number of contract accounts by improving awareness of the service.
3) With respect to other new businesses, we will engage in cultivating new business opportunities to fully utilize our know-how and infrastructure.

Seven Bank will meet the expectations of its shareholders by expanding its ATM user base and developing its revenue base through these initiatives.

We trust that this outlook appeals to our shareholders, and we look forward to your continued support for the Company’s ongoing operations.

(2) Assets and profit-loss

(Unit: 100 million yen)

		FY2008	FY2009	FY2010	FY2011
Deposits		1,881	2,087	3,126	3,315
	Time deposits	517	633	1,406	1,349
	Others	1,363	1,453	1,720	1,966
Bonds		600	900	900	540
Loans receivable		-	1	5	19
	To individuals	-	1	5	19
	To medium and small enterprises	-	-	-	-
	Others	-	-	-	-
Commodity-related securities		-	-	-	-
Securities		888	894	999	988
	Government bonds	865	770	956	966
	Others	22	123	43	21
Total assets		4,933	5,027	6,000	6,529
Amount of domestic exchange handled		115,135	118,127	241,459	267,094
Amount of foreign exchange handled		million dollars -	million dollars -	million dollars 0	million dollars 15
Ordinary profit		million yen 28,751	million yen 30,407	million yen 27,449	million yen 29,557
Net income for the term		million yen 16,988	million yen 17,953	million yen 16,008	million yen 17,267
Net income per share for the term		yen 13.92	Yen 14.71	yen 13.19	yen 14 49

Note: 1. Figures in table are rounded off to the nearest whole unit.
2. As of December 1, 2011, the Company conducted a 1,000 for one stock split for its common stock. For the net income per share for the term from FY2008 to FY2010, the amount stated assumes that a retroactive adjustment has been conducted, with the stock split occurring at the beginning of FY2008.

(3) Employees

	Current FY end	Previous FY end
Number of employees	324	328
Average age	42 years 11 months	42 years 9 months
Average years of service	5 years 3 months	4 years 6 months
Average monthly salary	439 thousand yen	436 thousand yen

Notes: 1. Figures for average age, average years of service and average monthly salary are rounded off to the nearest whole unit.
2. Number of employees figures do not include temporary or part-time employees.
3. Average monthly salary is the average figure for March, excluding bonuses.

(4) Outlets and branch stores

A. Growth in numbers of outlets and branch stores

	Current FY end		Previous FY end	
	Total	(incl. outlets)	Total	(incl. outlets)
Tokyo metropolitan region	21	(3)	21	(3)
Saitama prefecture	1	(1)	1	(1)
Chiba prefecture	1	(2)	2	(2)
Total	23	(5)	24	(6)

Notes: 1. Outlets and branch stores were inclusive of one headquarters, 17 virtual branch stores (12 for individual, 5 for corporate) and

5 manned outlets.

2. In addition to the above, non-store ATMs were installed in 15,161 locations as at the end of the current fiscal year (up from 14,036 for the end of the previous year).

B. New outlets and branch stores

There were no new outlets and branch stores.

Notes: 1. During this fiscal year, the Ito-Yokado Yachiyo outlet was closed.
2. There were 1,538 new non-store ATMs installed, but 413 non-store ATMs were closed.

C. Bank agencies

There were no bank agencies acting on behalf of the Company.

4 Company shares

(1) Shares	Total available for issue	Normal shares	4,880,000
	Total issued	Normal shares	1,190,908

(2) Shareholders as at end of term 30,518

(3) Major shareholders

Shareholder name/title	Shareholding in the Company	
	Number of shares	% holding
Seven-Eleven Japan Co., Ltd.	453,639	38.09
Ito-Yokado Co., Ltd.	46,961	3.94
York-Benimaru Co., Ltd.	45,000	3.77
Japan Trustee Services Bank Ltd. (trust account)	40,629	3.41
State Street Bank and Trust Company (standing proxy: The Hong Kong and Shanghai Banking Corporation Limited, Tokyo Branch)	39,775	3.33
The Master Trust Bank of Japan, Ltd. (trust account)	35,785	3.00
JPMorgan Chase Bank 385174 (standing proxy: Mizuho Corporate Bank, Ltd., Settlement & Sales Division)	32,705	2.74
The Chase Manhattan Bank 385036 (standing proxy: Mizuho Corporate Bank, Ltd., Settlement & Sales Division)	17,320	1.45
Sumitomo Mitsui Banking Corporation	15,000	1.25
The Dai-ichi Life Insurance Company, Limited (standing proxy: Trust & Custody Services Bank, Ltd.)	15,000	1.25

Notes: 1. Shareholding ratios are rounded off to two decimal places.

2. Treasury stock (126 shares) is excluded from the calculation for percentage of holdings. The stated figures have been rounded down past the third decimal place.

3. By means of a report of change, dated October 11, 2011, submitted by Southeastern Asset Management, Inc. with regard to the large shareholding report, the Company received a report that the firm holds 52,291 shares (holding ratio: 4.39%) as of October 3, 2011. However, since the Company was not able to verify the actual number of shares held by the firm as of March 31, 2012, the firm was not included in the list of major shareholders above.

(4) Other important items concerning the Company shares

As of December 1, 2011, the Company conducted a 1,000 for one stock split for the purpose of expanding private investors and improving the liquidity of its shares. At the same time, a trading unit of 100 shares was adopted.

In addition, the Company became listed on the 1st Section of the Tokyo Stock Exchange on December 26, 2011.

5 Items concerning the Company's stock acquisition rights, etc.
(1) The Company's stock acquisition rights owned by Officers as of the end of the fiscal year

Name		Seven Bank First Round – (1) Stock acquisition rights	Seven Bank Second Round – (1) Stock acquisition rights
Issuance decided		June 18, 2008	July 10, 2009
Number of stock acquisition rights (number of persons who hold stock acquisition rights)		157 (4 persons)	171 (4 persons)
	Directors (excluding external directors)	157 (4 persons)	171 (4 persons)
	External Directors	-	-
	Statutory Auditors	-	-
Number and type of shares to be acquired per stock acquisition right		157,000 shares of common stock (1,000 shares per stock acquisition right)	171,000 shares of common stock (1,000 shares per stock acquisition right)
Amount to be paid per stock acquisition right		236,480 yen	221,862 yen
Capital to be issued on exercise of stock acquisition right		1,000 yen per stock acquisition right	1,000 yen per stock acquisition right
Exercise period for stock acquisition rights		From August 13, 2008 to August 12, 2038	From August 4, 2009 to August 3, 2039
Conditions on exercise of stock acquisition rights		The stock acquisition rights may be exercised for a period of 10 days following the day after the forfeit of the status as a Director	The stock acquisition rights may be exercised for a period of 10 days following the day after the forfeit of the status as a Director

Name		Seven Bank Third Round – (1) Stock acquisition rights	Seven Bank Fourth Round – (1) Stock acquisition rights
Issuance decided		July 9, 2010	July 1, 2011
Number of stock acquisition rights (number of persons who hold stock acquisition rights)		423 (5 persons)	440 (5 persons)
	Directors (excluding external directors)	423 (5 persons)	440 (5 persons)
	External Directors	-	-
	Statutory Auditors	-	-
Number and type of shares to be acquired per stock acquisition right		423,000 shares of common stock (1,000 shares per stock acquisition right)	440,000 shares of common stock (1,000 shares per stock acquisition right)
Amount to be paid per stock acquisition right		139,824 yen	127,950 yen
Capital to be issued on exercise of stock acquisition right		1,000 yen per stock acquisition right	1,000 yen per stock acquisition right
Exercise period for stock acquisition rights		From August 10, 2010 to August 9, 2040	From August 9, 2011 to August 8, 2041
Conditions on exercise of stock acquisition rights		The stock acquisition rights may be exercised for a period of 10 days following the day after the forfeit of the status as a Director	The stock acquisition rights may be exercised for a period of 10 days following the day after the forfeit of the status as a Director

Note: 1. The details of Seven Bank First Round – (1) Stock acquisition rights were partially amended by the resolution adopted by the Board of Directors' meeting held on July 18, 2008 and the table above shows the revised version.

2. Number and type of shares to be acquired per stock acquisition right states the number of shares after adjustment for the 1,000 for one stock split for common stock that was conducted on December 1, 2011.

(2) Stock acquisition rights granted to employees, etc. during the fiscal year

Name		Seven Bank Fourth Round – (2) Stock acquisition rights
Issuance decided		July 1, 2011
Number of stock acquisition rights (number of persons who hold stock acquisition rights)		118 (8 persons)
	Executive Officers	118 (8 persons)
Number and type of shares to be acquired per stock acquisition right		118,000 shares of common stock (1,000 shares per stock acquisition right)
Amount to be paid per stock acquisition right		127,950 yen
Capital to be issued on exercise of stock acquisition right		1,000 yen per stock acquisition right
Exercise period for stock acquisition rights		From August 9, 2011 to August 8, 2041
Conditions for exercise of stock acquisition rights		The stock acquisition rights may be exercised for a period of 10 days following the day after the forfeit of the status as an Executive Officer (in cases where the holder has taken the position of Director, then the day on which the position of Director is forfeited.)

Note: Number and type of shares to be acquired per stock acquisition right states the number of shares after adjustment for the 1,000 for one stock split for common stock that was conducted on December 1, 2011.

6 Items concerning Accounting Auditors

(1) Accounting Auditors

Company and individual names	Emoluments, etc. for the fiscal years	Other
KPMG AZSA LLC Designated Limited Liability Partners: CPA Youichi Ozawa CPA Seiki Miyata	Emoluments based on work as specified by Article 2, Item 1 of the CPA Law: 47 million yen Emoluments other than the above: 2 million yen	The Company pays accounting auditors consideration for comfort letter preparation relating to share offerings, which is outside the scope of work stipulated under Article 2, Item 1 of the CPA Law.

Notes: 1. Amounts smaller than a single unit have been discarded.

2. Regarding audit contracts between the Company and its Accounting Auditors, as no distinction is made, or can realistically be made, between amounts paid to auditors as auditors' emoluments based on the Companies Act and those based on the Financial Instruments and Exchange Law, the amount noted as being paid as "Emoluments on the basis of work as regulated by Article 2, Item 1 of the CPA Law" includes amounts paid to auditors as auditors' emoluments on the basis of the Financial Instruments and Exchange Law.

(2) Limited liability contracts

Nothing to report

(3) Other items concerning Accounting Auditors

A. Policy on the dismissal or non-reappointment of Accounting Auditors

In cases where circumstances concerning the Accounting auditors correspond to grounds as specified by the items under Companies Act Article 340-1 and its clauses, the Company's Board of Auditors may consider the dismissal of the Accounting Auditor, and, in cases where dismissal of the Accounting Auditor is deemed to be appropriate, shall dismiss the Accounting Auditor on the basis of the agreement of all of the Board of Auditors members. Furthermore, the Company's Board of Directors may, in consideration of the work conducted by the Accounting Auditors and the Company's auditing structure, etc., and with the approval of the Board of Auditors, make a proposal to the General Ordinary Meeting of Shareholders that the Accounting Auditors not be reappointed in cases where they deem that a change of Accounting Auditors is necessary.

B. Policy concerning the exercise of authority granted to the Board of Directors by the provisions of the appropriate articles of incorporation in cases where such provisions exist under the terms of Companies Act 459-1

One of the most important aspects of the Company's management policy is the return of profits to shareholders and so it is a key policy of the Company to strive to ensure that a stable dividend is continuously paid from reserves while taking into consideration the need to achieve a balance between ensuring an appropriate level of return of profits to shareholders and retained earnings. The Company's basic policy is the targeting of an annual minimum payout ratio of 35% and the payment of dividends twice (i.e., an interim dividend and a year-end dividend) during the fiscal year.

C. In the case of a large company as defined by Companies Act 444-3, and where an audit (in accordance with the Companies Act or Financial Instruments and Exchange Law, or equivalent laws in foreign jurisdictions) of important financial documents (and their equivalents) of corporate or other subsidiaries of the Company is conducted by the Accounting Auditor (including a body with an equivalent qualification in a foreign jurisdiction), or audit is conducted by a certified public accountant (including a foreign CPA subject to CPA Law 16-2 Item 5) other than the Company's Accounting Auditor, details thereof:

Not applicable

7 Basic policy concerning the current status of persons supervising the determination of financial and operational policy

The Company's policy is to ensure that suitable measures are taken to ensure the continued growth of the Company's business, strengthening of its corporate governance, and maximization of its corporate value.

8 System for the suitable maintenance of operations

It was resolved at a Board of Directors' meeting held on May 8, 2006 that the relevant steps will be taken to ensure the suitable maintenance of operations of the Company in accordance with Companies Act Article 362-4, Item 6. In accordance with this resolution, each fiscal year the Company undertakes a review of the progress made towards this end. An outline of the review follows:

1) System for ensuring that the execution of their duties by Directors is carried out in accordance with the law and with the articles of incorporation

The Company has established a "Basic Policy on Compliance" and "Compliance Standards" for the implementation of compliance as regards management. The Directors regularly report to the Board of Directors on the current state of progress made on compliance initiatives.

2) System for the storage and control of information related to the execution by Directors of their duties

Prompt disclosure is to be made in cases where there is a request made either by Directors or Statutory Auditors concerning the suitable and secure storage and control of information related to the execution by Directors of their duties.

3) Regulations and other structures for controlling the risk of loss

The Board of Directors has established a "Basic Policy on Risk Control" comprising systematic provisions for risk control with the aim of securing a sound and effective system for the appropriate control of the Company's operational risk. The Directors regularly report to the Board of Directors about issues related to risk control.

4) System for ensuring the efficient execution of their duties by Directors

The Board of Directors aims to ensure its efficient operation by establishing "Rules for the Board of Directors" and by making provisions for important issues to be placed on its agenda and suitably reported. The Board of Directors has established the Executive Committee for the efficient determination of operational policy initiatives and introduced an executive officer system with the aim of achieving the smooth and efficient implementation of such initiatives.

5) System for ensuring that the execution of their duties by employees is carried out in accordance with the law and with the articles of incorporation

The Directors have established an appropriate compliance system based on the "Basic Policy on Compliance" and "Compliance Standards". The Directors bear ultimate responsibility for the creation of structures, determination of policy and execution of such policies with the aim of ensuring that compliance is maintained in the execution of employee duties.

6) Structure for the maintenance of the appropriateness of the Group's operations

The Directors and employees of the Company, as a member of the Seven & i Holdings Group and sharing its management philosophy, are united in striving to promote a law-abiding attitude. With the aim of prioritizing the soundness of the Company's management, the Company has established a structure for independent management decision-making whilst continuing the employment of a strict arm's-length rule and other measures with the same aim.

7) Items concerning relevant employees in the case of requests from Statutory Auditors for the deployment of such employees to support the role of Statutory Auditors

The Company employees shall be seconded to the Statutory Auditors' Room on its establishment. In addition, the Directors shall, when requested by the Statutory Auditors, have bank employees assist with the auxiliary audit function.

8) Items concerning the independence of the employees of the Statutory Auditors from the Directors

Officers in charge of Human Resources Division should preliminarily report to, and gain prior approval of the full-time Statutory Auditors concerning personnel movements, personnel evaluations and disciplinary actions of the assistants who belong to the Board of Auditors.

9) System for reports to the Statutory Auditors made by Directors and employees and for other reports to the Statutory Auditors

Directors and employees shall promptly report important matters, in addition to legal issues, to the Statutory Auditors. The Directors shall determine, on receipt of an explanation of the current state of auditing policy and the implementation of the audit, the issues which should be reported to the Board of Auditors having determined such in consultation with the Board of Auditors and shall duly make their report to the Board of Auditors.

10) System for ensuring that the audit carried out by other Statutory Auditors is implemented effectively

The Directors shall ensure that the internal audit department holds regular meetings with the Board of Auditors to facilitate the exchange of opinions about important auditing issues and themes and the deepening of their mutual understanding.

9 Items concerning accounting advisors

Nothing to report

10 Other

Nothing to report

Balance Sheet

Balance Sheet at the End of the 11th Term (as of March 31, 2012)

(Unit: million yen)

Category	Amount	Category	Amount
(**Assets**)		(**Liabilities**)	
Cash and due from banks	**368,518**	**Deposits**	**331,581**
Cash	364,110	Ordinary deposits	196,290
Due from banks	4,408	Time deposits	134,949
Call loans	**23,000**	Other deposits	341
Securities	**98,813**	**Negotiable certificates of deposits**	**40,690**
Government bonds	96,669	**Call money**	**19,000**
Stocks	2,144	**Borrowed money**	**24,000**
Loans receivable	**1,916**	**Bonds**	**54,000**
Current overdrafts	1,916	**Other liabilities**	**57,739**
Other assets	**131,992**	Income taxes payable	6,755
Prepaid expenses	406	Accrued expenses	4,822
Prepaid pension cost	0	Unearned revenue	9
Accrued income	7,206	ATM-related temporary advances	42,578
ATM-related temporary payments	123,554	Asset retirement obligations	265
Other	824	Other	3,307
Tangible fixed assets	**10,954**	**Provision for bonuses**	**315**
Buildings	803	**Total liabilities**	**527,326**
ATMs	8,807	**(Net assets)**	
Other (tangible fixed assets)	1,343	**Capital stock**	**30,505**
Intangible fixed assets	**16,693**	**Capital surplus**	**30,505**
Software	15,944	Legal capital surplus	30,505
Software-related temporary accounts	738	**Retained earnings**	**64,401**
Other (intangible fixed assets)	9	Legal retained earnings	0
Deferred tax assets	**1,146**	Other retained earnings	64,401
Allowance for loan losses	**(77)**	Retained earnings brought forward	64,401
		Treasury stock	**(0)**
		Total shareholders' equity	**125,413**
		Valuation difference on available-for-sale securities	**(4)**
		Total valuation and translation adjustments	**(4)**
		Stock acquisition rights	**220**
		Total net assets	**125,629**
Total assets	**652,956**	**Total liabilities and net assets**	**652,956**

Statement of Income

Statement of Income for the 11th Term (from April 1, 2011 to March 31, 2012)

(Unit: million yen)

Category	Amount	
Ordinary income		**88,318**
Interest income	**486**	
Interest on loans receivable	172	
Interest and dividends on securities	247	
Interest on call loans	63	
Interest on deposits with banks	2	
Fees and commissions income	**87,711**	
Remittance-related fee income	591	
ATM-related fee income	83,870	
Other fees and commissions income	3,249	
Other ordinary income	**5**	
Gains on foreign exchange transactions	5	
Other income	**115**	
Other	115	
Ordinary expenses		**58,761**
Interest expenses	**1,931**	
Interest on deposits with banks	562	
Interest on negotiable certificates of deposit	26	
Interest on call money	21	
Interest on borrowings and rediscounts	256	
Interest on bonds	1,064	
Fees and commissions expenses	**10,705**	
Remittance-related fee expense	269	
ATM placement fee expenses	9,954	
ATM-related fee expenses	381	
Other fees and commissions expenses	100	
General and administrative expenses	**46,075**	
Other ordinary expenses	**48**	
Provision of allowance for loan losses	6	
Other ordinary expenses	42	
Ordinary profit		**29,557**
Extraordinary losses		**257**
Losses on disposal of noncurrent assets	145	
Impairment loss	111	
Income before income taxes		**29,300**
Income taxes - current	**12,029**	
Income taxes - deferred	**3**	
Total income taxes		**12,032**
Net income		**17,267**

Statement of Changes in Net Assets

Statement of Changes for the 11th Term (from April 1, 2011 to March 31, 2012)

(Unit: million yen)

	Stockholders' equity							
	Capital stock	Capital surplus		Retained earnings			Treasury stock	Total stockholders' equity
		Capital reserve	Total capital surplus	Legal retained earnings	Other retained earnings: Retained earnings brought forward	Total retained earnings		
Balance as of April 1, 2011	30,503	30,503	30,503	0	53,326	53,326	-	114,333
Change in items during the period								
Issuance of new shares	2	2	2			-		5
Dividends from surplus			-		(6,192)	(6,192)		(6,192)
Provision of legal retained earnings			-	0	(0)	-		-
Net income			-		17,267	17,267		17,267
Purchase of treasury stock			-			-	(0)	(0)
Net change in items other than stockholders' equity			-			-		-
Total change in items during the period	2	2	2	0	11,075	11,075	(0)	11,080
Balance as of March 31, 2012	30,505	30,505	30,505	0	64,401	64,401	(0)	125,413

	Valuation and translation adjustments		Stock acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
Balance as of April 1, 2011	51	51	154	114,539
Change in items during the period				
Issuance of new shares		-		5
Dividends from surplus		-		(6,192)
Provision of legal retained earnings		-		-
Net income		-		17,267
Purchase of treasury stock		-		(0)
Net change in items other than stockholders' equity	(55)	(55)	66	10
Total change in items during the period	(55)	(55)	66	11,090
Balance as of March 31, 2012	(4)	(4)	220	125,629

Explanatory notes

Amounts of less than one million yen have been discarded.

Important accounting policies

1. Basis and methodology for the valuation of securities

Available-for-sale securities with available fair market values are stated at their fiscal year-end fair market values (realized gains or losses on sales of such securities are computed using primarily the moving-average method). Available-for-sale securities whose fair market value is deemed to be extremely difficult to identify are stated at cost using the moving-average method. Unrealized gains and losses on these securities are reported as a separate component of net assets.

2. Method for calculating depreciation of fixed assets

(1) Tangible fixed assets (excluding leases)

Depreciation of tangible fixed assets (excluding buildings and attached structures) is calculated by the declining-balance method over the estimated useful lives of the assets.

Estimated useful lives of major items are as follows:

Buildings:	6-18 years
ATMs:	5 years
Others:	2-20 years

(2) Intangible fixed assets (excluding leases)

Intangible fixed assets are amortized using the straight-line method. Software utilized by the Company is amortized over the period in which it is expected to be utilized (five years).

3. Translation of assets and liabilities denominated in foreign currencies

Assets and liabilities denominated in foreign currencies are translated into Japanese yen mainly at the exchange rate revealing at the balance sheet date

4. Provisioning standards

(1) Allowance for credit losses

An allowance for credit losses is provided as detailed below in accordance with the Company's internal standards for write-offs and provisions.

For credits to obligors classified as normal obligors or watch obligors, on the basis of expected loss ratios and other factors, and defined according to fixed categories, the allowance for credit losses is provided based on the Company's estimated rate of credit losses in accordance with the "Administrative guidelines concerning the self-assessment of assets, bad debt amortization and bad debt reserves for banks and other financial institutions" (Japan CPA Association Bank Audit Special Committee Report No. 4).

For credits to obligors classified as bankruptcy risk obligors, the allowance for credit losses is provided for estimated unrecoverable amounts determined after excluding the portion that is estimated to be recoverable due to available security interests and guarantees.

For credits to obligors classified as substantially bankrupt obligors or bankrupt obligors, the allowance for credit losses is provided in the full amounts of such credits, excluding the portion that is estimated to be recoverable due to available security interests and guarantees.

The Company's Risk Management Division, which is independent from the Company's other divisions, evaluates all credits in accordance with its internal rules for self-assessment of assets, and its evaluations are audited by the Internal Audit Division, which is independent from the Company's other divisions and the Risk Management Division. The allowance is provided based on the results of these assessments.

(2) Reserve for bonuses

The Company records a reserve for bonuses for employees in the amount of estimated bonuses attributed to the relevant fiscal year.

(3) Employees' severance and retirement benefits

Reserve for employees' severance and retirement benefits is provided for the payment of employees' retirement benefits based on estimated amounts of the actuarial retirement benefit obligation and the related plan assets as of the fiscal year end.

As the estimated amounts of the plan assets exceeded those of the actuarial retirement benefit obligation adjusted for unrecognized prior service cost and unrecognized net actuarial difference, the excess was presented as prepaid pension cost in the balance sheets.

Unrecognized prior service cost and unrecognized net actuarial differences are treated as expenses as follows:

Unrecognized prior service cost:	Amortized using the straight-line method over ten years within the employees' average remaining service period at incurrence.
Unrecognized net actuarial difference:	Amortized using the straight-line method over ten years within the employees' average remaining service period, commencing from the next fiscal year of incurrence.

5. Lease transactions

Finance leases that do not transfer ownership to lessees and for which the lease transaction commenced prior to April 1, 2008 are accounted for in the same manner as operating leases.

6. Method of accounting for hedge transactions

Interest rate risk hedges

For some liabilities we have employed a special accounting treatment for interest rate swaps. For hedges designed to reduce the impact of volatility in the market for variable interest rates, we have individually identified the hedge target and designated interest rate swap trades as hedge transactions.

7. Consumption taxes

National and local consumption taxes are accounted for using the tax-excluded method.

Additional information

(Accounting Standard for Accounting Changes and Error Corrections)

The Company has adopted the "Accounting Standard for Accounting Changes and Error Corrections" (ASBJ Statement No. 24 of December 4, 2009) and the "Guidance on Accounting Standard for Accounting Changes and Error Corrections" (ASBJ Guidance No. 24 of December 4, 2009) for accounting changes and corrections of prior period errors which are made on and after the beginning of this fiscal year.

Important notes

(Balance sheet related)

1. Among the loans receivable, credits to bankrupt obligors were 0 million yen, and loans in arrears were 3 million yen.

   "Credits to bankrupt obligors" refers to loans receivable for which accrued interest was not declared on the grounds that there are no prospects for the collection or repayment of the principal or interest because the payment of the principal or interest has been continually in arrears for a considerable period of time or for other such reasons (excluding the written-off portion; hereinafter referred to as "loans with undeclared accrued interest") that correspond to any of the situations referred to in (a) through (e) of paragraph 1(3) of Article 96 of the Order for Enforcement of the Corporation Tax Act (Cabinet Order No.97, 1965) or the situation referred to in paragraph 1(4) of the said Article.

   "Loans in arrears" refers to loans with undeclared accrued interest other than credits to bankrupt obligors and loans for which an interest payment grace period has been granted for the purpose of reestablishing or assisting the business of the obligor.
2. Loans receivable do not include loans in arrears for three months or more.

   "Loans in arrears for three months or more" refers to loans for which the payment of the principal or interest has been in arrears for three months or more counting from the day after the due date agreed upon, excluding credits to bankrupt obligors and loans in arrears.
3. Restructured loans among loans receivable amounts to 0 million yen.

   "Restructured loans" refers to loans for which reduction of interest, interest payment grace period, principal repayment grace period, debt forgiveness or other such arrangements that are advantageous to the obligor have been made for the purpose of reestablishing or assisting the business of the obligor, excluding credits to bankrupt obligors, loans in arrears and loans in arrears for three months or more.
4. Total amount of credits to bankrupt obligors, loans in arrears, loans in arrears for three months or more and restructured loans is 3 million yen. The amounts of credits stated in 1. to 4. are amounts prior to the deduction of the allowance for loan losses.

5 Assets pledged as collateral are as follows.

Assets pledged as collateral	
Securities	1,800 million yen
Liabilities secured by above assets	
Call money	1,700 million yen

In addition to the above, for the purposes of settlement and Bank of Japan current overdraft transactions, securities of 94,868 million yen in available-for-sale securities have been provided. Also, 782 million yen in guarantees are included in Other Assets.

6. An overdraft agreement is an agreement to lend funds up to a certain limit if a financing request is received from a customer, unless there is any violation of the terms and conditions of the agreement. The unused balance of funds under such agreements is 1,204 million yen. This includes the unused balance of funds in the amount of 1,204 million yen under agreements in which the original term is one year or less.

7. Depreciation total for tangible fixed assets 38,265 million yen

8. In addition to the fixed assets included on the balance sheet, the Company uses ATMs, electronic calculating and other peripheral equipment and some other OA equipment on financial lease contracts without transfer of property ownership.

(1) Finance lease transactions other than those under which it is acknowledged that the leased property ownership rights revert to the leasing company

1)	Acquisition price amount	Tangible fixed assets	- million yen
		Intangible fixed assets	- million yen
		Total	- million yen
2)	Total equivalent depreciation amount	Tangible fixed assets	- million yen
		Intangible fixed assets	- million yen
		Total	- million yen
3)	Amount remaining at year-end	Tangible fixed assets	- million yen
		Intangible fixed assets	- million yen
		Total	- million yen
4)	Year-end total unexpired lease fees	Less than one year	- million yen
		More than one year	- million yen
		Total	- million yen
5)	Lease fees payable, depreciation and lease interest payable		
		Lease fees payable	32 million yen
		Depreciation	30 million yen
		Lease interest payable	0 million yen

6) Method of calculating depreciation expenses
Straight-line method based on number of years remaining on lease, residual value zero

7) Method of calculating interest costs
Interest amount equivalent to the difference between the total amount of leasing expenses and acquisition cost of leased assets; allocated to each term by the interest method

(2) Operating lease transactions
Outstanding leasing fees related to noncancellable operating lease transactions

Less than one year	9 million yen
More than one year	5 million yen
Total	15 million yen

9. Retirement obligations outstanding at the end of current term

Projected benefit obligation	(1,480 million yen)
Pension assets (market value)	973 million yen
Unfunded projected benefit obligation	(507 million yen)
Unrecognized actuarial differences	493 million yen
Unrecognized prior service liabilities	15 million yen
Net figure on Balance Sheet	0 million yen
Prepaid pension costs	0 million yen

10. Total monetary claims on affiliated companies 70 million yen
11. Total monetary liabilities payable to affiliated companies 44,261 million yen
12. Restriction on dividends from retained earnings in accordance with Article 18 of the Banking Law

When paying a dividend from retained earnings, despite the provisions of the Companies Act Article 445-4 (amount of capital and amount of reserves), on payment of a dividend from retained earnings, one fifth of the amount by which retained earnings has been reduced is to be accounted as capital surplus or retained earnings.

The amount is accounted for in retained earnings associated with the dividends to be paid from retained earnings during this fiscal year is 0 million yen.

(P&L related items)

1. Profit from trading with affiliated companies

Total income from fee transactions, etc.	744 million yen
Total income deriving from other transactions	42 million yen

Costs deriving from transactions with affiliated companies

Total costs deriving from fund raising transactions	7 million yen
Total costs deriving from fee transactions, etc.	9,536 million yen
Total costs deriving from other transactions	74 million yen

2. During this fiscal year, the Company recorded an impairment loss on the following asset.

Principal location: Tokyo Metropolis
Principal use: Idle asset
Classification : ATM
Amount of impairment loss: 111 million yen

In grouping assets into units, the Company regards the entire bank as a single unit. Each of the idle assets is recognized as a different unit.

Following the replacement of conventional ATMs with new third-generation ATMs, the Company wrote down the book value of the asset group that was deemed unfit for future use to its recoverable value. The reduced amount was recorded as an impairment loss.

The recoverable value of the relevant asset group was measured at its net sale value, which was recognized as zero on the grounds that it was highly unlikely for the Company to divert its use for other purposes or sell off the asset.

(Note to statements of changes in shareholders' equity)

1. The types and total amounts of shares issued by the Company and of treasury stock are as follows:

(Unit: thousand shares)

		Number of shares at the beginning of this fiscal year	Increase during this fiscal year	Decrease during this fiscal year	Number of shares at the end of this fiscal year	Remarks
Stock issued						
	Common stock	1,190	1,189,717	-	1,190,908	(Note 1)
	Total	1,190	1,189,717	-	1,190,908	
Treasury stock						
	Common stock	-	0	-	0	(Note 2)
	Total	-	0	-	0	

Notes: 1. The increase in the number of issued common stock to 1,189,717 thousand shares is due to a stock split and the exercise of stock options.

2. Common stock held as treasury stock increased by 0 thousand shares due to the purchase of stocks less than one unit.

2. Stock acquisition rights and treasury stock acquisition rights

Details of stock acquisition rights	Type of shares	Number of shares (shares)				Balance at the end of this fiscal year (millions of yen)	Remarks
		At the beginning of this fiscal year	Increase during this fiscal year	Decrease during this fiscal year	Number of shares at the end of this fiscal year		
Stock acquisition rights as stock options	-					220	
Total	-					220	

Note: There are no treasury stock acquisition rights.

3. The Company's dividend is as stated below:

(1) Dividends paid during this fiscal year

Resolution	Type of shares	Total amount of dividend	Amount per share	Record date	Effective date
In the Board of Directors' Meeting held on May 27, 2011	Common stocks	3,096 million yen	2,600 yen	March 31, 2011	June 6, 2011
In the Board of Directors' Meeting held on November 10, 2011	Common stocks	3,096 million yen	2,600 yen	September 30, 2011	December 2, 2011

(2) Dividends with record dates before March 31, 2012 and effective dates after April 1, 2012 are listed as follows.

Resolution	Type of shares	Total amount of dividend	Fiscal resource	Dividend per share	Record date	Effective date
In the Board of Directors' Meeting held on May 25, 2012	Common stocks	4,287 million yen	Retained earnings	3.60 yen	March 31, 2012	June 4, 2012

(Financial instruments related)

1. Matters concerning status of financial instruments

(1) Policy regarding the approach to financial instruments

The Company's basic policy is to ensure security and minimize risks in both raising and investing funds, and the Company does not pursue profit-making by aggressive risk-taking.

Funds raised by the Company can be broadly divided into working capital such as cash to be placed in ATMs and funds for capital investment such as ATM/system-related investment. In consideration of interest rate trends and other such factors, the Company secures the source funds by such means as deposits, long-term borrowings and bond issuance, and raises funds from the call market to cover daily fluctuations in the amount of funds that need to be raised.

On the other hand, the Company's funds are invested mainly in the form of funds and securities operations as a limited end user, although it does operate a petty loan business targeted at individuals. Investment targets are limited to Japanese government bonds and other securities with high creditworthiness and liquidity, as well as deposits at financial institutions with high creditworthiness, call loans, etc. The Company does not invest in risky financial derivatives, etc.

(2) Description and risk of financial instruments

The financial assets held by the Company are largely comprised of cash, primarily for facilitating its ATM business. Surplus funds are released in the form of call loans, which are exposed to the credit risk of the issuer. Securities consist of Japanese government bonds, etc. and stocks, and are held for "other purposes". These are exposed to credit risks of each issuer, interest rate fluctuation risks, and market price fluctuation risks. Loans receivable are in the form of loan services targeted at individuals (revolving card loans) and are exposed to credit risks arising from the nonperformance of contract by customers; however, the risks are limited, as the receivables are secured in full.

The Company also operates a banking business. Deposits and negotiable certificates of deposits, which account for the majority of its financial liabilities, are exposed to interest rate fluctuation risks. The Company raises short-term funds by using call money as necessary; it is exposed to liquidity risks in that it might not be able to raise the necessary funds. Borrowings and bonds are exposed to liquidity risks in that the payment might not be executable on the due date such as in cases where the Company cannot use the market under certain situations. The Company also borrows funds at variable interest rates, which are exposed to interest rate fluctuation risks. Such risks are averted by executing interest rate swaps.

(3) Risk management framework for financial instruments

1) Credit risk management

The Company observes its basic policy for credit risks established in the Basic Policy on Risk Control, as well as the rules established thereunder called Credit Risk Rules. Credit risks are currently limited to the ATM settlement business, interbank deposits placed with top-rated partner financial institutions, etc. subject to asset-liability management (ALM), release of funds and temporary ATM payment amounts due, thereby curbing credit risks in operations. In addition, the Company performs self-assessment and establishes an allowance for write-offs in an appropriate manner, in accordance with its self-assessment standards, write-off allowance standards and self-assessment/write-off allowance rules.

Credit risks of issuers of securities and counterparty risks in derivative transactions are managed by the Risk Management Division by means of periodically identifying credit information and market value.

2) Market risk management

The Company observes its basic policy for market risks established in the Basic Policy on Risk Control, as well as the rules established thereunder called Market Risk Rules. The Market Risk Rules establish limits on the amount of funds at risk, market position limits and loss allowance limits. The Officer in Charge of Risk Management at the Risk Management Division measures and monitors market risks on a daily basis in light of these limits and reports the results to the management including the Executive Committee. At the ALM Committee convened once a month, the Company's market risk position, expected trends in interest rates and other matters are reported and operation policies are determined.

Quantitative information concerning market risks

Because interest rate risks are key market risks to the Company, the Company measures the Value at Risk (VaR) of entire assets and liabilities of the Company. In measuring the VaR, the Company uses the Variance-Covariance Method (holding period: 125 days, confidence interval: 99.9%, data observation period: 1 year), and the Company's VaR (estimated loss amount) as of March 31, 2012 is a total of 990 million yen. Additionally, in light of our business attributes, an interest period has been recognized in terms of cash recorded under assets, which has been calculated as a 5-year zero-coupon (weighted average maturity: 2.5 years). In order to verify the validity of the model, the Company regularly performs back-testing by comparing the VaR calculated by the model and the actual gains (losses). However, since VaR calculates market risk at a certain probability that has been statistically calculated on the basis of past market fluctuations, it may not be able to capture risks that occur under market environments changing beyond our normal expectations.

3) Liquidity risk management

The Company observes its basic policy for liquidity risks established in the Basic Policy on Risk Control, as well as the rules established thereunder called Liquidity Risk Rules. The Liquidity Risk Rules establish limits regarding the cash gaps arising from differences between the duration of invested funds and those available to meet current cash needs. The Officer in Charge of Risk Management at the Risk Management Division measures and monitors liquidity risk on a daily basis in light of these limits and reports the results to the management including the Executive Committee. The Company is well prepared in that it has formulated measures in advance on a scenario-by-scenario basis so that it can take company-wide action in a speedy and flexible manner when the cash flow situation becomes tight; therefore, concerns over ensuring liquidity of funds are deemed nonexistent.

(4) Supplementary explanation of matters concerning market value, etc. of financial instruments

The market value of financial instruments includes the value based on market price, in addition to reasonably-calculated value in cases where the financial instrument has no market price. As certain assumptions, etc. are adopted when calculating the value of such financial instruments, the value may vary if different assumptions, etc. are adopted.

2. Matters concerning market value, etc. of financial instruments

The amount declared on the balance sheet, the market value and the difference between the two as at March 31, 2012 are as follows. In cases where it is deemed extremely difficult to identify the market value of unlisted stocks and other such financial instruments, the value is not included in the table below (refer to Note 2).

(Unit: million yen)

	Amount on balance sheet	Market value	Difference
(1) Cash and due from banks*	368,516	368,516	-
(2) Call loans*	22,950	22,950	-
(3) Securities			
Other securities	96,669	96,669	-
(4) Loans receivable	1,916		
Allowance for loan losses*	(0)		
	1,916	1,916	-
(5) ATM-related temporary payments*	123,550	123,550	-
Total assets	613,602	613,602	-
(1) Deposits	331,581	332,404	823
(2) Negotiable certificates of deposits	40,690	40,690	-
(3) Call money	19,000	19,000	-
(4) Borrowed money	24,000	24,350	350
(5) Bonds	54,000	54,920	920
(6) ATM-related temporary advances	42,578	42,578	-
Total liabilities	511,850	513,944	2,094

* Allowance for loan losses for general accounts and allowance for loan losses for individual accounts corresponding to loans receivable have been deducted. Allowance for loan losses with respect to cash and due from banks, call loans and ATM temporary payments were insignificant and therefore directly deducted from the amount on the balance sheet.

Note 1: Calculation method of market value of financial instruments

Assets

(1) Cash and due from banks

The market value of due from banks with no maturity is approximately the same as the book value; therefore, the book value is stated as market value. Due from banks with no maturity amounted to zero.

(2) Call loans

The contract period is short (no more than one year) and the market value is approximately the same as the book value; therefore, the book value is stated as market value.

(3) Securities

Bonds are stated at the price quoted on the exchange or the price presented by the corresponding financial institution. Notes on the securities by holding purpose are stated in "(Securities)" section below.

(4) Loans receivable

The market value of variable interest-rate loans receivable is approximately the same as the book value, since they are short-term and reflect the market interest rate, unless the credit status of the borrower is substantially different after the execution of the loans; therefore, the book value is stated as market value. Fixed interest-rate loans receivable amounted to zero.

With respect to credits, etc. to bankrupt obligors, substantially bankrupt obligors and bankruptcy risk obligors, the market value is approximately the same as the amount on the balance sheet as at the fiscal year end minus the current estimated amount of credit losses, since the estimated amount of credit losses is calculated based on the present value of estimated future cash flow or the expected collectable amount with the collateral and guarantee, etc.; therefore, the book value is stated as market value.

(5) ATM-related temporary payments

As the pre-settlement period is short (no more than one year), the market value is approximately the same as the book value; therefore, the book value is stated as market value.

Liabilities

(1) Deposits and (2) Negotiable certificates of deposits

The market value of demand deposits is deemed as the amount payable presuming that the demand is made at the end of the fiscal year (book value). The market value of time deposits is calculated by discounting the present value by future cash flow divided into categories of set periods. The discount rate applied is the rate used when accepting new deposits. The market value of deposits with a short residual period (no more than one year) is approximately the same as the book value; therefore, the book value is stated as market value.

(3) Call money

As the contract period is short (no more than one year) and the market value is approximately the same as the book value, the book value is stated as market value.

(4) Borrowed money

As for borrowed money based on a fixed interest rate, the present value is calculated by discounting the sum of the principal and interest of such borrowed money (in the case of borrowed money subject to special accounting treatment for interest rate swaps, the sum of the principal and interest based on the rate of such interest rate swaps) divided into categories of set periods at the expected rate for similar borrowings. The market value of borrowed money with a short residual period (no more than one year) is approximately the same as the book value; therefore, the book value is stated as market value. Borrowed money based on variable interest rates amounted to zero.

(5) Bonds

The market value of bonds issued by the Company is stated at market price.

(6) ATM-related temporary advances

As the pre-settlement period is short (no more than one year), the market value is approximately the same as the book value; therefore, the book value is stated as market value.

Note 2: The following are financial instruments whose market value is deemed extremely difficult to identify, and are not included in “Assets (3) Other securities” of “2. Matters concerning market value, etc. of financial instruments.”

(Unit: million yen)

Classification	Amount on balance sheet
Unlisted stocks*	2,144
Total	2,144

*Unlisted stocks do not have any market price, and their market value is deemed extremely difficult to identify; therefore, their market value is excluded from the scope of disclosure.

Note 3: Amount of redemption scheduled for monetary claims and securities with maturity after end of fiscal year

(Unit: million yen)

	Not more than 1 year	More than 1 year but not more than 3 years	More than 3 years but not more than 5 years	More than 5 years but not more than 7 years	More than 7 years but not more than 10 years	More than 10 years
Due from banks*1	4,408	-	-	-	-	-
Call loans	23,000	-	-	-	-	-
Securities						
Other securities with maturity	96,500	-	-	-	-	-
Loans receivable*2	1,913	-	-	-	-	-
ATM temporary payments	123,554	-	-	-	-	-
Total	249,376	-	-	-	-	-

*1 Due from banks: Due from banks with no maturity is included and disclosed in "Not more than one year".
*2 Loans receivable: the amount (3 million yen) of credits, etc. to bankrupt obligors, substantially bankrupt obligors or bankrupt risk obligors, for which redemption cannot be expected, are not included in loans receivable.
Loans receivable are disclosed as "Not more than one year".

Note 4: Amount of repayment scheduled for bonds, borrowed money and other interest-bearing liabilities after end of fiscal year

(Unit: million yen)

	Not more than 1 year	More than 1 year but not more than 3 years	More than 3 years but not more than 5 years	More than 5 years but not more than 7 years	More than 7 years but not more than 10 years	More than 10 years
Deposits*	268,247	33,674	29,658	-	-	-
Negotiable certificates of deposit	40,690	-	-	-	-	-
Call money	19,000	-	-			
Borrowed money	-	18,000	6,000	-	-	-
Bonds	10,000	44,000	-	-	-	-
ATM-related temporary advances	42,578	-	-	-	-	-
Total	380,516	95,674	35,658	-	-	-

*Deposits: Demand deposits are included and disclosed in "Not more than one year".

(Securities)

"Securities" in the balance sheet are as follows.

1. Securities held for trading purposes (as of March 31, 2012)
   Not applicable

2. Bonds held to maturity (as of March 31, 2012)
   Not applicable

3. Shares in subsidiary firms, subsidiary corporations, affiliates and others (as of March 31, 2012)
   Not applicable

4. Other securities (as of March 31, 2012)

	Class	Balance sheet amount (million yen)	Acquisition cost (million yen)	Gains/losses (million yen)
Securities whose balance sheet amounts exceed acquisition costs	Bonds			
	Japanese	48,619	48,609	10
	Subtotal	48,619	48,609	10
Securities whose balance sheet amounts do not exceed acquisition costs	Bonds			
	Japanese	48,049	48,067	(17)
	Subtotal	48,049	48,067	(17)
Total		96,669	96,676	(7)

Note: Unlisted stocks are not included in "Other Securities" above, since computing fair values of these securities are deemed to be extremely difficult.

5. Bonds held to maturity sold during the year (from April 1, 2011 to March 31, 2012)
   Not applicable

6. Other securities sold during the year (from April 1, 2011 to March 31, 2012)
   Not applicable

7. Changes in purpose of holding securities
   Not applicable

8. Securities to which impairment is applied
   Not applicable

(Money held in trust)

Not applicable

(Stock options, etc.)

1. Account title and amount of expenses related to stock options to be recorded in the fiscal period

Operating expenses 71 million yen

2. Detail and scale of and changes in stock options and subsequent adjustments

(1) Detail of stock options

	First Round – (1) Stock acquisition rights (Stock compensation-type stock options)	First Round – (2) Stock acquisition rights (Stock compensation-type stock options))	Second Round – (1) Stock acquisition rights (Stock compensation-type stock options)	Second Round – (2) Stock acquisition rights (Stock compensation-type stock options)
Title and number of grantees	5 Directors of the Company	3 Executive Officers of the Company	4 Directors of the Company	5 Executive Officers of the Company
Number of stock options by type of stock (Note)	Common stock: 184,000 shares	Common stock: 21,000 shares	Common stock: 171,000 shares	Common stock: 38,000 shares
Grant date	August 12, 2008	Same as at left.	August 3, 2009	Same as at left.
Condition for vesting	Holders of stock acquisition rights may only exercise their stock acquisition rights within 10 days of the date following the day on which the holder's position as Director is forfeited.	Holders of stock acquisition rights may only exercise their stock acquisition rights within 10 days of the date following the day on which the holder's position as Executive Officer is forfeited (in cases where the holder has taken the position of Director, then the date on which the position of Director is forfeited).	Holders of stock acquisition rights may only exercise their stock acquisition rights within 10 days of the date following the day on which the holder's position as Director is forfeited.	Holders of stock acquisition rights may only exercise their stock acquisition rights within 10 days of the date following the day on which the holder's position as Executive Officer is forfeited (in cases where the holder has taken the position of Director, then the date on which the position of Director is forfeited).
Requisite service period	Not specified.	Same as at left.	Same as at left.	Same as at left.
Exercise period	August 13, 2008 – August 12, 2038	Same as at left.	August 4, 2009 – August 3, 2039	Same as at left.

	Third Round – (1) Stock acquisition rights (Stock compensation-type stock options)	Third Round – (2) Stock acquisition rights (Stock compensation-type stock options)	Fourth Round – (1) Stock acquisition rights (Stock compensation-type stock options)	Fourth Round – (2) Stock acquisition rights (Stock compensation-type stock options)
Title and number of grantees	5 Directors of the Company	4 Executive Officers of the Company	5 Directors of the Company	8 Executive Officers of the Company
Number of stock options by type of stock (Note)	Common stock: 423,000 shares	Common stock: 51,000 shares	Common stock: 440,000 shares	Common stock: 118,000 shares
Grant date	August 9, 2010	Same as at left.	August 8, 2011	Same as at left.
Condition for vesting	Holders of stock acquisition rights may only exercise their stock acquisition rights within 10 days of the date following the day on which the holder's position as Director is forfeited.	Holders of stock acquisition rights may only exercise their stock acquisition rights within 10 days of the date following the day on which the holder's position as Executive Officer is forfeited (in cases where the holder has taken the position of Director, then the date on which the position of Director is forfeited).	Holders of stock acquisition rights may only exercise their stock acquisition rights within 10 days of the date following the day on which the holder's position as Director is forfeited.	Holders of stock acquisition rights may only exercise their stock acquisition rights within 10 days of the date following the day on which the holder's position as Executive Officer is forfeited (in cases where the holder has taken the position of Director, then the date on which the position of Director is forfeited).
Requisite service period	Not specified.	Same as at left.	Same as at left.	Same as at left.
Exercise period	August 10, 2010 – August 9, 2040	Same as at left.	August 9, 2011 – August 8, 2041	Same as at left.

Note: The number of stock options is stated as converted into number of shares. As of December 1, 2011, the Company conducted a 1,000 for one stock split for its common stocks; therefore, the number of converted shares was adjusted to reflect the stock split.

(2) Scale of and changes in stock options and subsequent adjustments

The following includes stock options existing during the fiscal year 2011 and the number of stock options is stated as converted into number of shares.

(Number of stock options)

	First Round – (1) Stock acquisition rights (Stock compensation-type stock options)	First Round – (2) Stock acquisition rights (Stock compensation-type stock options))	Second Round – (1) Stock acquisition rights (Stock compensation-type stock options)	Second Round – (2) Stock acquisition rights (Stock compensation-type stock options)
Prior to vesting (shares)				
At end of previous fiscal year				
Granted	-	-	-	-
Forfeited	-	-	-	-
Vested	-	-	-	-
Outstanding	-	-	-	-
Post vesting (shares)				
At end of previous fiscal year	157,000	21,000	171,000	38,000
Granted	-	-	-	-
Exercised	-	7,000	-	8,000
Forfeited	-	-	-	-
Outstanding	157,000	14,000	171,000	30,000

	Third Round – (1) Stock acquisition rights (Stock compensation-type stock options)	Third Round – (2) Stock acquisition rights (Stock compensation-type stock options)	Fourth Round – (1) Stock acquisition rights (Stock compensation-type stock options)	Fourth Round – (2) Stock acquisition rights (Stock compensation-type stock options)
Prior to vesting (shares)				
At end of previous fiscal year	-	-	-	-
Granted	-	-	440,000	118,000
Forfeited	-	-	-	-
Vested	-	-	440,000	118,000
Outstanding	-	-	-	-
Post vesting (shares)				
At end of previous fiscal year	423,000	51,000	-	-
Granted	-	-	440,000	118,000
Exercised	-	13,000	-	-
Forfeited	-	-	-	-
Outstanding	423,000	38,000	440,000	118,000

(Unit price information)

	First Round – (1) Stock acquisition rights (Stock compensation-type stock options)	First Round – (2) Stock acquisition rights (Stock compensation-type stock options))	Second Round – (1) Stock acquisition rights (Stock compensation-type stock options)	Second Round – (2) Stock acquisition rights (Stock compensation-type stock options)
Exercise price	One yen per share	One yen per share	One yen per share	One yen per share
Average price when exercised	-	165,700 yen	-	165,700 yen
Fair value valuation price when granted	236,480 yen per stock acquisition right	236,480 yen per stock acquisition right	221,862 yen per stock acquisition right	221,862 yen per stock acquisition right

	Third Round – (1) Stock acquisition rights (Stock compensation-type stock options)	Third Round – (2) Stock acquisition rights (Stock compensation-type stock options)	Fourth Round – (1) Stock acquisition rights (Stock compensation-type stock options)	Fourth Round – (2) Stock acquisition rights (Stock compensation-type stock options)
Exercise price	One yen per share	One yen per share	One yen per share	One yen per share
Average price when exercised	-	165,700 yen	-	-
Fair value valuation price when granted	139,824 yen per stock acquisition right	139,824 yen per stock acquisition right	127,950 yen per stock acquisition right	127,950 yen per stock acquisition right

Note: The number of shares to be acquired upon exercise of one (1) stock acquisition right shall be one thousand (1,000) shares of common stock of the Company. As of December 1, 2011 the Company conducted a 1,000 for one stock split for its common stocks; therefore, exercise prices were adjusted to reflect the stock split. In addition, average stock price at exercise represents the average price of the Company’s stocks at the time when stock options were exercised.

3. Calculation method employed to establish the fair value valuation price for stock options granted during the term

The method employed for calculating the fair value valuation price for the Fourth Round – (1) and Fourth Round – (2) Stock acquisition rights granted during the term is as follows.

(1) Valuation method employed: Black-Scholes model

(2) Key parameters used in the option-pricing model

	Fourth Round – (1) Stock acquisition rights (Stock compensation-type stock options)	Fourth Round – (2) Stock acquisition rights (Stock compensation-type stock options)
Expected volatility (Note 1)	34.58 %	34.58 %
Average expected life (Note 2)	6.18 years	6.18 years
Expected dividends (Note 3)	5,200 yen per share	5,200 yen per share
Risk-free interest rate (Note 4)	0.469 %	0.469 %

Notes: 1. Calculated on the basis of actual share prices for the three years and five months period from February 29, 2008 to August 8, 2011.
2. For Directors currently employed by the Company, the assumption is made that the stock options will be exercised on a future date calculated by adding a ten day period, in which the rights may be exercised, to the average period in days from June 2011 until the retirement dates of all such Directors.
3. Expected dividends are based upon actual dividend amounts as of the date of grant.
4. The risk-free rate employed is the yield of the Japan Government Bond with a period to maturity currently corresponding to the forecast period used in the calculation.

4. Method for calculating the number of stock options vested

Only the actual number of forfeited stock options is reflected because of the difficulty of accurately estimating the actual number of stock options that will be forfeited in the future.

(Tax effect accounting related items)

1. Breakdown of the main reasons for the creation of deferred tax assets and deferred tax liabilities

Deferred tax assets	
Unpaid corporate tax	493 million yen
Excess depreciation charge	190 million yen
Provision for bonuses	119 million yen
Asset retirement obligations	94 million yen
Stock options-related expenses	80 million yen
Accrued expenses	77 million yen
Excess bad debt reserve	29 million yen
Impairment loss	21 million yen
Valuation difference on available-for-sale securities	2 million yen
Other	72 million yen
Total deferred tax assets	1,182 million yen
Deferred tax liabilities	
Adjustment to tangible fixed assets related to asset retirement obligations	(34 million yen)
Prepaid expenses	(0 million yen)
Other	(1 million yen)
Total deferred tax liabilities	(35 million yen)
Net deferred tax assets	1,146 million yen

2. Following the promulgation of the “Act for Partial Amendment of the Income Tax Act, etc. for the Purpose of Creating a Taxation System Responding to Changes in Economic and Social Structures” (Act No. 114, 2011) and the “Act on Special Measures for Securing Financial Resources Necessary to Implement Measures for Reconstruction following the Great East Japan Earthquake” (Act No. 117, 2011) on December 2, 2011, the corporate income tax rate will be lowered and a special restoration surtax will be imposed from the fiscal years beginning on and after April 1, 2012. In conjunction with these

changes, the effective statutory tax rate used to measure deferred tax assets and deferred tax liabilities will change for the temporary differences expected to be resolved from the fiscal year beginning on April 1, 2012 to the fiscal year beginning on April 1, 2014, and for the temporary differences expected to be resolved on and after the fiscal years beginning on April 1, 2015, from the former 40.69% to 38.01% and 35.64%, respectively. As a result of this change, deferred tax assets and valuation difference on available-for-sale securities have decreased by 97 million yen and 0 million yen respectively, and income taxes - deferred has increased by 97 million yen.

(Income/ losses from equity-method accounted affiliates, etc.)

None

(Related party information)

1. Dealings with related parties

(1) Parent company and important corporate shareholders etc.

Type	Name	Address	Capital (million yen)	Content of business or operations	% of voting rights	Relationship	Transactions	Transaction amount (million yen)	Item	Amounts outstanding at term end (million yen)
Other related company	Seven-Eleven Japan	Chiyoda-ku Tokyo	17,200	Convenience store operation	38.09%	Contracts related to installation & operation of ATM business capital transactions	Payment of fees for ATM installation (Note 1)	9,536	Accrued expenses (Note 2)	859

Notes: 1. Conditions of transactions and method for determining conditions for transactions
The business terms and conditions and decision-making process related to ATM placement fee expenses take into account of consideration for outsourcing of office work and Seven-Eleven Japan's total infrastructure costs.
2. Consumption tax and other taxes are not included in the transaction amounts, but the end of term outstanding balance includes consumption tax and other taxes.

(2) Subsidiaries and related companies etc.

None

(3) Companies with the same parent and subsidiaries of related companies etc.

Type	Name	Address	Capital (million yen)	Content of business or operations	% of voting rights	Relationship	Trans-actions	Transaction amount (million yen)	Item	Amounts outstanding at term end (million yen)
Companies with the same parent company, etc.	Seven & i Financial Center Co., Ltd.	Chiyoda-ku Tokyo	10	Banking-related operation	-	Capital transactions	Handling of negotiable certificates of deposits (Note 2)	20,341	Negotiable certificates of deposits	40,000
							Interest on negotiable certificates of deposits (Note 1)	20	Accrued expenses	0

Notes: 1. Conditions of transactions and method for determining conditions for transactions
The interest rates for negotiable certificates of deposits are set at reasonable levels in accordance with the transaction period and currently prevailing market rates.
2. The transaction amounts for negotiable certificates of deposits represent the average balances recorded during the course of the term.

(4) Director and individual shareholders etc.

None

2. Notes about parent company or important related companies

(1) Parent company information

Seven & i Holdings Co., Ltd. (listed on the 1st Section of Tokyo Stock Exchange)

(2) Summary financial information about important related companies

None

(Per share information)

Net assets per share	105.30 yen
Net income per share	14.49 yen
Diluted net income per share	14.48 yen

Note As of December 1, 2011 the Company conducted a 1,000 for one stock split for its common stock. Subsequently, the amounts calculated for net assets per share, net income per share and diluted net income per share assume that the stock split had been conducted at the beginning of this fiscal year.

(Significant subsequent events)

Issuance of unsecured bonds

At the Board of Directors' meeting held on May 11, 2012, the Company resolved to issue unsecured corporate bonds through a public offering in Japan. The outline of the issuance is described in the table below.

1. Type of bond	Domestic unsecured straight bonds
2. Total amount of the issue	Up to 40,000 million yen
3. Interest rate	Fixed rate, annual rate at or below 1.0 %
4. Bond redemption method	Bullet maturity (with optional premature redemptions)
5. Date of Maturity	Within seven years
6. Issue price	100 yen per 100 yen of each bond
7. Offering period	Between May 11, 2012 through June 30, 2012
8. Security and guarantee for bonds	The bonds are not secured or guaranteed and no particular asset is retained.
9. Purpose of funds	Raised funds are used to finance the redemption of other corporate bonds and its general working capital.
10. Financial covenant	The Company may add a negative pledge clause
11. Others	The decision on the specific issue terms and other important matters concerning the bond issuance is delegated at the discretion of the Company's Representative Director.

Reference Materials for Ordinary General Meeting of Shareholders

Proposal 1 Election of ten Directors

Since the term of office of all eight incumbent Directors will expire at the end of this General Meeting of Shareholders, we would like to request that the number of Directors be increased by two from the previous fiscal year to further reinforce the management structure and that you elect ten Directors.

The Director candidates are as follows:

Candidate number	Name (Date of birth)	Biography, position, and business in charge in our company, and major concurrent positions	Number of Company shares owned
1	Takashi Anzai (January 17, 1941)	Apr. 1963 Joined the Bank of Japan Dec. 1994 Executive Director, Bank of Japan Nov. 1998 President, Long-Term Credit Bank of Japan, Limited (now Shinsei Bank, Limited) Aug. 2000 Advisor, Ito-Yokado Co., Ltd. Apr. 2001 President, Seven Bank, Ltd. Sep. 2005 Director, Seven & i Holdings Co., Ltd. (present post) Jun. 2010 Chairman and Representative Director, Seven Bank, Ltd. (present post) [Major concurrent positions] Director, Seven & i Holdings Co., Ltd.	515,700
2	Masatoshi Wakasugi (January 19, 1946)	Apr. 1969 Joined the Long-Term Credit Bank of Japan, Limited (now Shinsei Bank, Limited) Jun. 1996 Director and General Control Manager of Personnel Affairs Group and concurrently Manager of Training Department, Personnel Affairs Division, aforementioned bank Oct. 1997 Senior Managing Director, Chogin Securities Inc. Jun. 1998 Managing Director, Chogin Warburg Securities Inc. (now UBS Investment Bank) Jun. 1999 Executive Sales Director of Renown Incorporated Sep. 2000 Advisor, Ito-Yokado Co., Ltd. Apr. 2001 Managing Director, Seven Bank, Ltd. Jun. 2006 Director, Senior Managing Executive Officer, aforementioned company Jun. 2010 Vice Chairman and Director, Executive Officer, aforementioned company (present post) [Business in Charge] Human Resources Division	299,400
3	Kensuke Futagoishi (October 6, 1952)	Apr. 1977 Joined The Sanwa Bank, Limited (now The Bank of Tokyo-Mitsubishi UFJ, Ltd.) Apr. 2001 General Manager of Retail Planning Department, UFJ Holdings, Inc. (now Mitsubishi UFJ Financial Group) Jan. 2002 General Manager of Gotanda Corporate Sales Department, UFJ Bank Limited (now The Bank of Tokyo-Mitsubishi UFJ, Ltd.) Oct. 2003 Joined Seven Bank, Ltd. Nov. 2003 General Manager of Business Promotion Division, aforementioned company Jun. 2004 Director, aforementioned company Jun. 2006 Director, Executive Officer, aforementioned company Nov. 2007 Director, Managing Executive Officer, aforementioned company Jun. 2009 Director, Senior Managing Executive Officer, aforementioned company Jun. 2010 President and Representative Director, aforementioned company (present post) [Business in Charge] Internal Audit Division	180,900

Candidate number	Name (Date of birth)	Biography, position and business in charge in our company, and major concurrent positions	Number of Company shares owned
4	Yasuaki Funatake (November 29, 1956)	Apr. 1980 Joined the Long-Term Credit Bank of Japan, Limited (now Shinsei Bank, Limited.) Jul. 2001 Manager of Retail Operations Division, Shinsei Bank Limited Dec. 2001 Joined Seven Bank, Ltd. Oct. 2002 General Manager of Business Development Division, aforementioned company May 2006 General Manager of Project Development Division, aforementioned company Jun. 2006 Executive Officer, aforementioned company Jun. 2008 Director, Executive Officer, aforementioned company Jun. 2010 Director, Managing Executive Officer, General Manager of Planning Division, aforementioned company (present post) [Business in Charge] Planning Division and Business Transformation Division	157,700
5	Kazuhiko Ishiguro (December 2, 1957)	Apr. 1980 Joined The Sanwa Bank, Limited (now The Bank of Tokyo-Mitsubishi UFJ, Ltd.) Nov. 1998 Assistant General Manager of System Division (Tokyo), aforementioned bank Apr. 2001 Director, Ufit Co., Ltd. (now TIS Inc.) (on loan) Apr. 2004 Director, UFJIS Co., Ltd. (now Mitsubishi UFJ Information Technology, Ltd.) (on loan) Mar. 2006 Executive Managing Director, aforementioned company May 2009 Joined Seven Bank, Ltd. May 2009 Executive Officer, aforementioned company Jun. 2010 Director, Executive Officer, General Manager of System Division, aforementioned company (present post) [Business in Charge] System Division, ATM Solution Division, Operations Division, and Product Development and Promotion Division	3,700
6 *	Taku Oizumi (October 24, 1956)	Apr. 1980 Joined the Bank of Japan Nov. 2002 Branch Manager of Yokohama Branch, aforementioned bank Jul. 2006 General Manager of Payment and Settlement Systems Department, aforementioned bank Apr. 2008 General Manager of Currency Issue Department, aforementioned bank Jul. 2010 Joined Seven Bank Ltd. Jan. 2011 Executive Officer, aforementioned company (present post) [Business in Charge] Research Division, Treasury Division and Strategic Business Development Division	2,400
7	Yoji Ohashi (January 21, 1940)	Apr. 1964 Joined All Nippon Airways Co., Ltd. Jun. 1993 Director and General Manager of Narita Airport, aforementioned company Jun. 1997 Executive Managing Director and General Manager of Human Resource Division, aforementioned company Jun. 1999 Vice President and Representative Director, aforementioned company Apr. 2001 President and Representative Director, aforementioned company Apr. 2005 Chairperson and Representative Director, aforementioned company Apr. 2007 Chairperson and Director, aforementioned company (present post) May 2008 Vice-Chairman, Nippon Keidanren Jun. 2008 Director, Seven Bank, Ltd. (present post) Jun. 2008 Auditor, The Japan Atomic Power Company (present post) Oct. 2010 Director, TV TOKYO Holdings Corporation (present post) [Major concurrent position] Chairperson and Director, All Nippon Airways Co., Ltd.	2,200

Candidate number	Name (Date of Birth)	Biography, position and business in charge in our company, and major concurrent positions	Number of Company shares owned
8	Toshikazu Tamura (January 30, 1940)	Apr. 1962 Joined Nomura Securities Co., Ltd. Nov. 1984 Manager of Accounts Division, aforementioned company Nov. 1986 Manager of Administration Division, aforementioned company Dec. 1987 Director, Manager of Planning Division, Japan Associated Finance (now JAFCO) Jun. 1990 Executive Managing Director, aforementioned company Jun. 1994 Senior Executive Managing Director, aforementioned company Jun. 1998 Senior Managing Director, JAFCO, Co., Ltd. Jul. 2000 Director, The Sanno Institute of Management Dec. 2001 Professor and Deputy Chancellor, SANNO University (now the SANNO Institute) Apr. 2002 Director of Management & Information Faculty, Research School, SANNO University Graduate School Jun. 2005 Professor and Deputy Chancellor, SANNO Junior College (now Jiyugaoka SANNO College) Jun. 2008 Director, Seven Bank, Ltd. (present post) Jun. 2008 Director, Mandom Corporation (present post)	16,900
9 *	Yuko Miyazaki (July 9, 1951)	Apr. 1979 Registered as an Attorney-at-law, joined Daiichi Tokyo Bar Association (present post) Apr. 1979 Joined Nagashima & Ohno (current Nagashima Ohno & Tsunematsu) Aug. 1984 Joined as Counsel of Legal Department, The World Bank (until August 1986) [Major concurrent position] Attorney-at-law (Partner, Nagashima Ohno & Tsunematsu)	0
10	Tadahiko Ujiie (May 22, 1945)	Apr. 1980 Joined Seven-Eleven Japan Co., Ltd. May 1990 Director, aforementioned company May 1997 Executive Managing Director, aforementioned company Apr. 2001 Director, Seven Bank, Ltd. (present post) May 2001 Senior Executive Managing Director, Seven-Eleven Japan Co., Ltd. May 2003 Director, Senior Managing Executive Officer, aforementioned company Sep. 2005 Director, Chief Financial Officer, Seven & i Holdings Co., Ltd. May 2006 Director, Senior Managing Executive Officer and Chief Financial Officer, aforementioned company May 2011 Advisor, aforementioned company (present post) [Major concurrent position] Advisor, Seven & i Holdings Co., Ltd.	191,400

Notes: 1. Candidates with an asterisk are new candidates for Directors.
2. There are no particular interests between the Company and any of the above candidates for Directors.
3. During the last five years, candidate Mr. Tadahiko Ujiie was performing his duty at companies having specific business interest with the Company as follows.
   - Up to May 2009, Director, Senior Managing Executive Officer of Seven-Eleven Japan Co., Ltd.
   - Up to May 2011, Director, Senior Managing Executive Officer and Chief Financial Officer of Seven & i Holdings Co., Ltd.
   - Up to May 2011, President and Representative Director of Seven Financial Service Co., Ltd.
   - Up to May 2011, President and Representative Director of Seven & i Financial Center Co., Ltd.
4. Candidates Mr. Yoji Ohashi, Mr. Toshikazu Tamura, Ms. Yuko Miyazaki, and Mr. Tadahiko Ujiie are candidates for External Director of the Company.
5. The reasons for the candidates for External Directorships at the Company are as follows:
   - Mr. Yoji Ohashi's experience and opinions deriving from his roles as Representative Director of All Nippon Airways and as Vice-Chairman of the Nippon Keidanren truly contribute to the management of the Company and render him a suitable candidate for External Director.
   - Mr. Toshikazu Tamura's operational experience as an underwriter at Nomura Securities, his experience as Representative Director of Jafco and his specialist knowledge and opinions as Professor at the Sanno Institute of Management truly contribute to the management of the Company and render him a suitable candidate for External Director.
   - Ms. Yuko Miyazaki is a lawyer specializing in tax laws and corporate legal affairs, and the Company believes that Ms. Miyazaki is a suitable candidate for External Director because she will contribute to the Company's business management by drawing on her considerable legal knowledge and profound experience. Although Ms. Miyazaki has not been directly involved in company management other than as External Director or Outside Statutory Auditor elsewhere to date, the Company judges that she will be able to appropriately perform duties as an External Director for the above reasons.
   - Mr. Tadahiko Ujiie's experience both as Director of our large shareholder Seven-Eleven Japan and as Director of its parent

company Seven & i Holdings truly contributes to the management of the Company and renders him a suitable candidate for External Director.

6. Instances in violation of the laws and regulations or the Articles of Incorporation of the Company or other misconduct committed in other companies by the candidates for External Director while they assumed offices as Directors, Executive Officers, or Statutory Auditors of the other companies, if any in the last five years, are as follows:
   - Mr. Yoji Ohashi received an exclusion order from the Fair Trade Commission in August 2008 for acting in breach of the provisions of the Law for Preventing Unjustifiable Extra or Unexpected Benefit and Misleading Representation in his capacity as Director of All Nippon Airways in connection with a newspaper advertising campaign publicizing the airline's Premium Class which ran from February to March 2008.
   - Mr. Tadahiko Ujiie received an exclusion order from the Fair Trade Commission in June 2009 for acting in breach of the provisions of the Law Concerning Prohibition of Abuse of Dominant Bargaining Position in connection with discount daily merchandise in his capacity as Director of Seven-Eleven Japan until May 2009.
7. Mr. Yoji Ohashi, Mr. Toshikazu Tamura and Mr. Tadahiko Ujiie are currently External Directors of the Company and their periods of service as External Directors, dating from the concluding day of this general meeting of shareholders, are four years for Mr. Yoji Ohashi and Mr. Toshikazu Tamura and eleven years and three months for Mr. Tadahiko Ujiie.
8. External Director candidates Mr. Yoji Ohashi, Mr. Toshikazu Tamura and Mr. Tadahiko Ujiie are all currently serving as External Directors subject to limited liability contracts with the Company governed by the provisions of Article 427-1 and Article 423-1 of the Companies Act (moreover, the limits to the liability on the basis of these contracts are fixed at statutory levels). In the event that the three candidates should prove successful in their applications to become External Directors, their current contracts will continue to remain in force. In addition, the Company is expected to conclude the same contract with Ms. Yuko Miyazaki, should she be approved as External Director in the original proposal.
9. Mr. Yoji Ohashi and Mr. Toshikazu Tamura have been registered as Independent Officers with the Tokyo Stock Exchange.

Proposal 2 Revision of remuneration for Directors

Since the shareholders' approval at the 7th Ordinary General Meeting of Shareholders held on June 18, 2008, the amount of annual remuneration to be paid to the Company's Directors has been set to a maximum of ¥300,000,000 (including External Directors' annual remuneration to a maximum of ¥50,000,000) to date. However, in light of the fact that the number of Directors will increase by two, should Proposal 1 be approved in its original form, and various conditions including changes in the subsequent economic environment, the Company would like to propose that its shareholders approve an increase in the amount of the annual Directors' remuneration to a maximum of ¥350,000,000 (including a maximum of ¥60,000,000 for the External Directors' annual remuneration).

As in the past, annual Directors' remuneration does not include the employee salary portion for Directors concurrently serving as employees.

The current number of Directors is eight (including three External Directors) but if Proposal 1 is approved in the original form, it will stand at ten (including four External Directors).

Proposal 3 The amount of stock compensation-type stock options and revision to the remuneration scheme

Since the shareholders' approval at the 7th Ordinary General Meeting of Shareholders held on June 18, 2008, the amount of stock compensation-type stock options for the Company's Directors has been set separately from the Directors' remuneration, with the amount up to a maximum value of ¥60,000,000 to date.

The amount of stock compensation-type stock options paid to Directors is closely linked to the Company's business performance and its stock value. Directors who are granted stock compensation-type stock options can not only benefit from a rise in stock prices but also share the risk associated with a decline in stock prices with the shareholders, thereby the Company aims to improve Directors' morale and motivation to contribute to the Company's medium to long-term performance growth in a sustainable manner and to maximize its corporate value.

For the same reason as Proposal 2, the Company would like to propose a revision to the amount of the stock compensation-type stock options, separately from the aforementioned revised Directors' remuneration, to a maximum of ¥100,000,000.

Should Proposal 1 be approved in its original form, the number of Directors of the Company entitled to receive the proposed remuneration will be six, excluding four External Directors.

In addition, as a result of the revision to the remuneration amount, it is also proposed that the scheme of stock acquisition rights (the rights to acquire the Company's stocks) to be allocated to Directors as their stock compensation-type stock options will be revised as follows.

(1) Type and number of stocks to be acquired upon the exercise of a stock acquisition right

The number of stocks to be acquired upon the exercise of one stock acquisition right (hereinafter 'the number of stocks to be acquired') shall be 1,000.

In case the above number of stocks needs to be adjusted due to stock splits, gratis allotment, reverse stock splits, etc., the Company can adjust the number of stocks to be acquired within a reasonable extent.

(2) Total number of stock acquisition rights

The maximum number of stock acquisition right that the Company is authorized to grant within one year of the date of the Company's Ordinary General Meeting of Shareholders for each fiscal year is estimated by dividing the above stated amount of annual remuneration of ¥100,000,000 by the fair value of one stock acquisition right calculated by employing the Black-Scholes model (figure is rounded to the nearest whole number). The model factors in various parameters, such as the Company's stock price on the stock acquisition right allotment date, the Company's stock price volatility computed based on certain standards and the expected exercise period of the stock acquisition right.

(3) Required amount of payment for the stock acquisition right

The amount of payment for the stock acquisition right is given by multiplying the fair price of the stock acquisition right to acquire one stock on the stock acquisition rights allocation date by the number of shares to be acquired, with employment of the Black-Scholes model. However, according to Article 246-2 of the Companies Act, Directors shall offset their remuneration claims owed by the Company against the amount to be paid for the stock acquisition right.

(4) The value of property to be contributed to the exercise of stock acquisition right

The property to be contributed to the exercise of stock acquisition right is cash and the property's value is equal to the amount of one yen (i.e. the per share amount of payment for the stocks acquired by exercising the stock acquisition right) multiplied by the number of stocks to be acquired.

(5) Exercise period of stock acquisition right

Within 30 years from a day after the stock acquisition right is allocated.

(6) Restriction on the transfer of stock acquisition right

The acquisition of stock acquisition right through transfer shall require the approval of the Board of Directors.

(7) Conditions for the exercise of stock acquisition right

(a) The holder of stock acquisition right may only exercise his/her right within 10 days from a day after he/she lost his/her position as Director of the Company.

(b) In the case of the stock option holder's demise, the legal heir may exercise the stock acquisition right. The conditions for the exercise of stock acquisition right by the holder's heir are prescribed in the agreement as stipulated in (c) below.

(c) In accordance with the resolution of the Board of Directors, other conditions for the exercise of stock acquisition right shall be prescribed by the "Stock Acquisition Rights Allotment Agreement" concluded by the Company and the holders of stock acquisition right.