

Notice on the Issuance of Executive Compensation-Type Stock Options (Stock Acquisition Rights)

SEPTENI hereby provides notice that at a Board of Directors meeting on January 22, 2013, in accordance with the provisions of Articles 238 and 240 of the Companies Act, a resolution was passed to issue executive compensation-type stock options, as described below.

1. Reasons for Issuing Stock Acquisition Rights as Stock Options

SEPTENI's system of compensation for its executives aims to enable management and business operations with a heightened awareness of SEPTENI's stock price and to establish a framework for raising SEPTENI's operating performance over the long term. To this end, as is described in "Issuance Criteria for Stock Acquisition Rights" below, SEPTENI will issue stock acquisition rights as executive compensation-type stock options, with financial assets to be subscribed for the exercise of stock acquisition rights amounting to ¥7 per share of stock.

2. Parties to Receive Allocation of Stock Acquisition Rights

A total of nine of SEPTENI's directors and auditors.

3. Issuance Criteria for Stock Acquisition Rights

(1) Content of the Stock Acquisition Rights

(A) Type and Number of Shares Being the Objective of the Stock Acquisition Rights

The type and number of shares being the objective of the stock acquisition rights shall be one share of SEPTENI's common stock for each stock acquisition right (hereinafter, the "Number of Shares Granted.")

In the event that, following the date of allocation, SEPTENI conducts a stock split of SEPTENI's common shares (including through the gratis allotment of SEPTENI's common shares) or a reverse share split, the calculation of the Number of Shares Granted shall be calculated as follows. Any post-adjustment fractional amounts of less than one share shall be omitted.

Number of Shares Granted after adjustment = Number of Shares Granted prior to adjustment X
split or reverse split ratio

Furthermore, in the event that SEPTENI effects an absorption-type merger or a consolidation-type merger with another company after the date of allocation, and stock acquisition rights are succeeded, or in the event of an incorporation-type company split or an absorption-type company split, or in any other event requiring that the Number of Shares Granted be adjusted, the Number of Shares Granted shall be adjusted appropriately and within the scope of rationality.

(B) Content and Amount of Financial Assets to Be Subscribed to the Exercise of Stock Acquisition Rights

The amount of financial assets to be subscribed to the exercise of one stock acquisition right shall be ¥7 (hereinafter, the "Exercise Price"), the amount paid for the receipt of delivery of one share of stock by exercising the stock acquisition right, and the total amount shall be this figure multiplied by the Number of Shares Granted.

(C) Period during Which Stock Acquisition Rights May be Exercised

This period shall be one year, from February 1, 2014, through January 31, 2015.

(D) Items Related to Additional Capital and Capital Reserves in the Event That Stock Acquisition Rights Are Exercised

(a) The amount of capital to be added in the event that shares are issued as the result of the exercise of stock acquisition rights shall be one-half of the upper limit of the amount of capital increase calculated as prescribed in Paragraph 1, Article 40, of the Corporate Calculation Regulations. Fractional amounts of less than ¥1 resulting from these calculations shall be discarded.

(b) The amount of capital reserves to be added in the event that shares are issued as the result of the exercise of stock acquisition rights shall be the upper limit of the amount of capital increase defined in (a) above less the amount of capital increased as defined in (a) above.

(E) Limitations on the Acquisition through Transfer of Stock Acquisition Rights

The acquisition of stock acquisition rights through transfer must be approved by the Board of Directors.

(F) Conditions for the Exercise of Stock Acquisition Rights

(a) A holder of stock acquisition rights must, at the time of exercising these rights, be a director or auditor of SEPTENI.

(b) A holder of stock acquisition rights may exercise the rights held, either in part or in full. However, stock acquisition rights of fractional units less than one may not be exercised.

(c) In the event that a holder of stock acquisition rights dies, the stock acquisition rights may not be exercised by the inheritor of the stock acquisition rights.

(d) Other conditions shall be set forth in the stock acquisition rights allocation agreement concluded between SEPTENI and the holder of stock acquisition rights.

(G) Conditions on the Acquisition of Stock Acquisition Rights

(a) In the event that the holder of stock acquisition rights no longer meets the conditions for the exercise of stock acquisition rights provided in (F) above, SEPTENI may acquire these stock acquisition rights on a date to be established separately by the Board of Directors.

(b) In the event that the following proposals are resolved by the general meeting of shareholders (if a general meeting of shareholders is not required, in the event that it is resolved by the Board of Directors), SEPTENI shall acquire these stock acquisition rights for no charge on a date to be established separately by the Board of Directors.

- A proposal to approve a merger agreement in which SEPTENI is absorbed
- A proposal to approve an absorption-type company split agreement or an incorporation-type company split plan in which SEPTENI is the splitting company
- A proposal to approve a share exchange agreement or share transfer plan in which SEPTENI would become a wholly owned subsidiary

(H) Stock Acquisition Rights Certificates

These shall not be issued. Holders of these stock acquisition rights shall not be allowed to request such certificates, as provided in Article 290 of the Companies Act.

(I) Handling of Stock Acquisition Rights at the Time of Organizational Restructuring

In the event that SEPTENI is involved in a merger (only in the event that SEPTENI is absorbed through a merger), absorption-type company split, incorporation-type company split, share exchange or share transfer (hereinafter, the above collectively referred to as “Organizational Restructuring Events”), SEPTENI shall deliver to holders of stock acquisition rights surviving as of the effective date of the Organizational Restructuring Events (hereinafter, “Surviving Stock Acquisition Rights”) the stock acquisition rights variously defined for companies in Paragraphs 1-8-a through e, Article 236, of the Companies Law (hereinafter, “Company Targeted for Restructuring”). In these events, the Surviving Stock Acquisition Rights shall be extinguished and delivery of stock acquisition rights of SEPTENI Targeted for Restructuring shall be limited to the cases of an absorption-type merger agreement, a consolidation-type merger agreement, an absorption-type company split agreement, an incorporation-type company split plan, a share exchange agreement or a share transfer plan.

(J) Handling of Fractional Amounts

In the event that the number of shares to be delivered to a holder of stock acquisition rights as the result of an exercise of stock acquisition rights is a fractional amount less than one share, that fractional amount shall be discarded.

(2) The Number of Stock Acquisition Rights

770

The total number of shares that may be received by delivery resulting from the exercise of stock acquisition rights shall be 770 shares. In the event that the Number of Shares Granted is adjusted as described in (1) (A) above, the post-adjustment Number of Shares Granted shall be the upper limit when multiplied by the number of stock acquisition rights indicated above.

(3) Amount to Be Paid for the Stock Acquisition Rights

This amount shall be the fair value of the stock acquisition rights calculated on the date of allocation of the stock acquisition rights. However, as directors and auditors to receive the allocation will balance out this amount out against the remuneration rights to SEPTENI, no payment amount shall arise for the stock acquisition rights.

(4) Date of Allocation of Stock Acquisition Rights

February 6, 2013