

# Financial Results for the Second Quarter of Fiscal 2011

November 2011



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Appendix is available at the Seven Bank home page.  
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## 【 FY 2011 interim results 】

- ◆ Ordinary income (44.3 bn yen) and ordinary profit (15.7 bn yen) exceeded the plan as both revenues and income showed a year on year increase
  - ~ ATM installations reached 16,000
  - ~ Measures to expand new users were successful
  - ~ The level of decrease in non-banks transactions has lessened

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## 【 FY11 full-year outlook 】

- ◆ Based on the results of the first half, both ordinary income and net income will be revised for the full-year plan

# Income statement

(unit: billion yen unless otherwise stated)

	2010		2011		2011			2011
	Full year	First half	Full year planned	First half	First half results	Change from FY10	Change from plan	Revised plan
<b>Ordinary income</b>	<b>83.9</b>	<b>43.1</b>	<b>86.8</b>	<b>43.7</b>	<b>44.3</b>	<b>1.2</b>	<b>0.6</b>	<b>88.1</b>
ATM-related fee income	80.5	41.4	82.7	41.8	42.2	0.8	0.4	83.9
<b>Ordinary expenses</b>	<b>56.5</b>	<b>28.1</b>	<b>59.0</b>	<b>29.1</b>	<b>28.6</b>	<b>0.5</b>	<b>-0.5</b>	<b>60.0</b>
Interest expenses	2.0	1.0	2.0	1.0	1.0	0.0	0.0	2.0
ATM placement fee expenses	9.3	4.7	9.8	4.8	4.9	0.2	0.1	9.9
Outsourcing expenses	14.2	7.1	15.1	7.5	7.4	0.3	-0.1	15.2
Maintenance fees	3.9	1.8	4.4	2.2	2.1	0.3	-0.1	4.4
Rent for premises and equipment	2.1	1.1	1.0	0.4	0.5	-0.6	0.1	1.0
Depreciation expenses	11.6	5.4	12.7	6.0	5.7	0.3	-0.3	13.0
<b>Ordinary profit</b>	<b>27.4</b>	<b>14.9</b>	<b>27.7</b>	<b>14.5</b>	<b>15.7</b>	<b>0.8</b>	<b>1.2</b>	<b>28.0</b>
Extraordinary gain (loss)	-0.4	-0.0	-0.0	-0.0	-0.0	0.0	0.0	-0.0
Income taxes	10.9	6.0	11.2	5.9	6.3	0.3	0.4	11.3
<b>Net income</b>	<b>16.0</b>	<b>8.8</b>	<b>16.4</b>	<b>8.6</b>	<b>9.2</b>	<b>0.4</b>	<b>0.6</b>	<b>16.5</b>
No. of ATMs installed at end of term (units)	15,363	14,948	16,300	15,800	16,005	1,057	205	16,400
Unit fee (yen)	135.3	136.9	131.2	131.9	131.7	-5.2	-0.2	131.4
Daily average transactions per ATM (Transactions/ATM/day)	112.3	115.4	111.9	114.1	115.1	-0.3	1.0	112.4
Total number of transactions (millions)	609	310	647	325	328	18	3	655

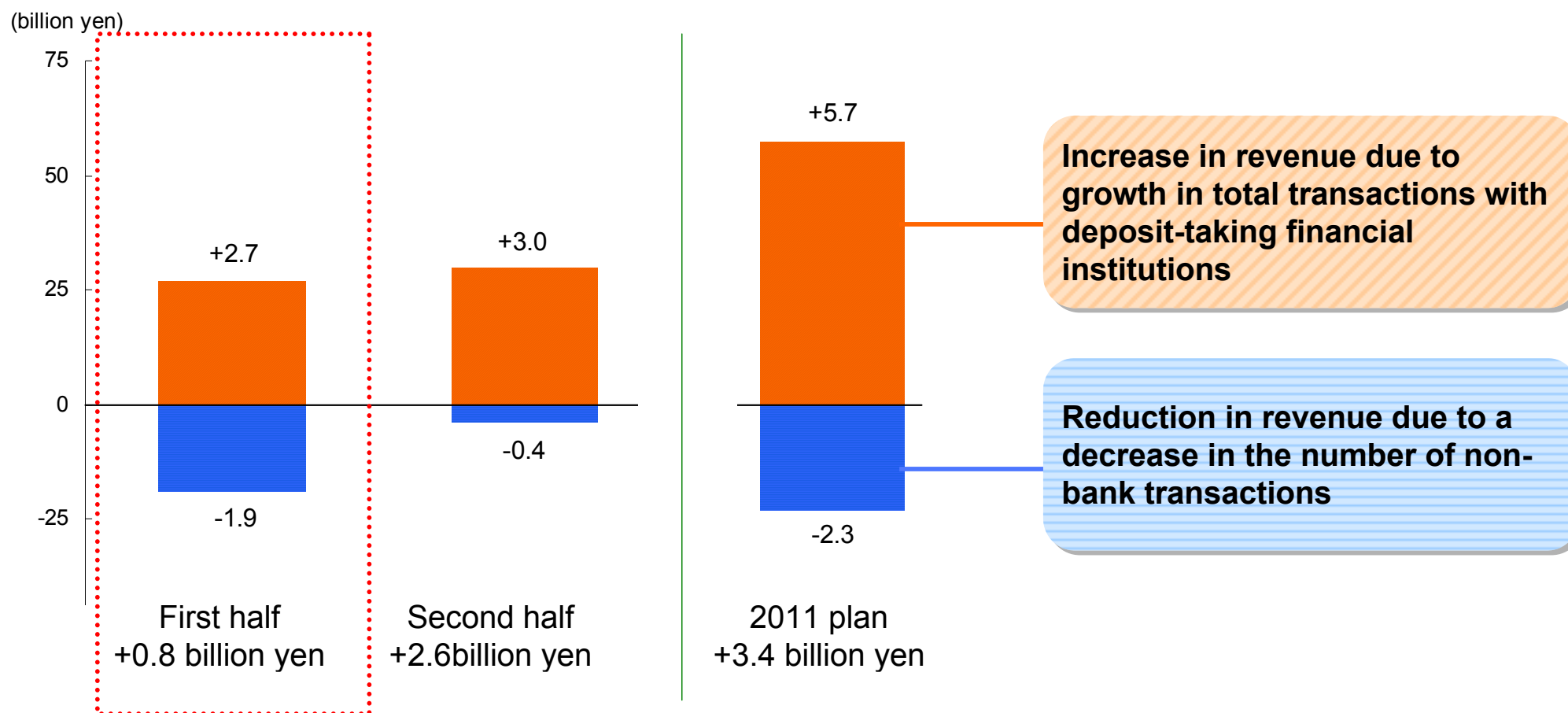
Notes: 1. Amounts except number of ATMs have been truncated to the 2nd decimal place.

Changes from the previous year and plan were compared by units of hundred million (million for total transactions).

Results during the first half were mostly in line with the plan

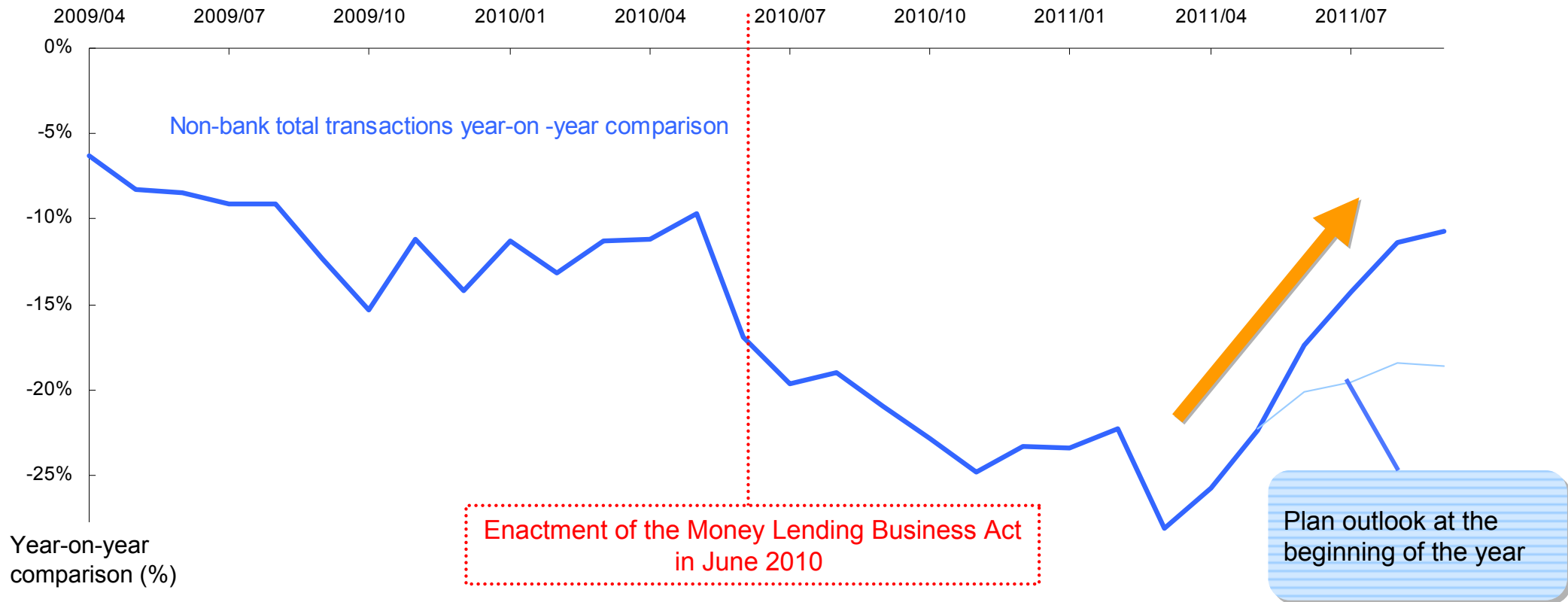
- Slight increase in revenue due to growth in transactions with deposit-taking financial institutions
- Reduction in revenue due to a decrease in non-bank transactions

## Year-on-year change



- The number of transactions has decreased year-on-year from the second half of 2008
- The level of decrease in non-banks transactions has lessened since FY2011

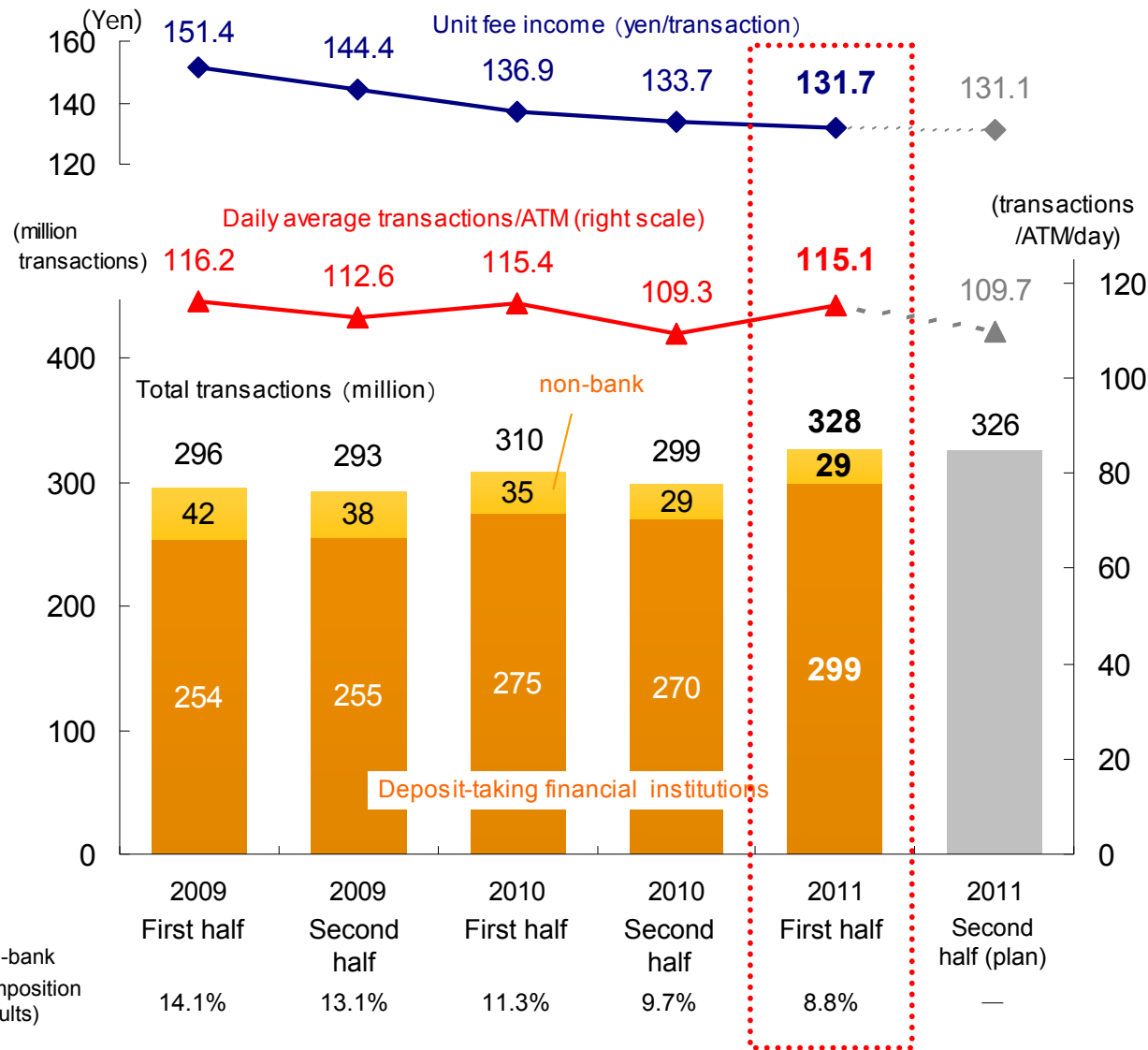
## Year-on-year change in no. of transactions



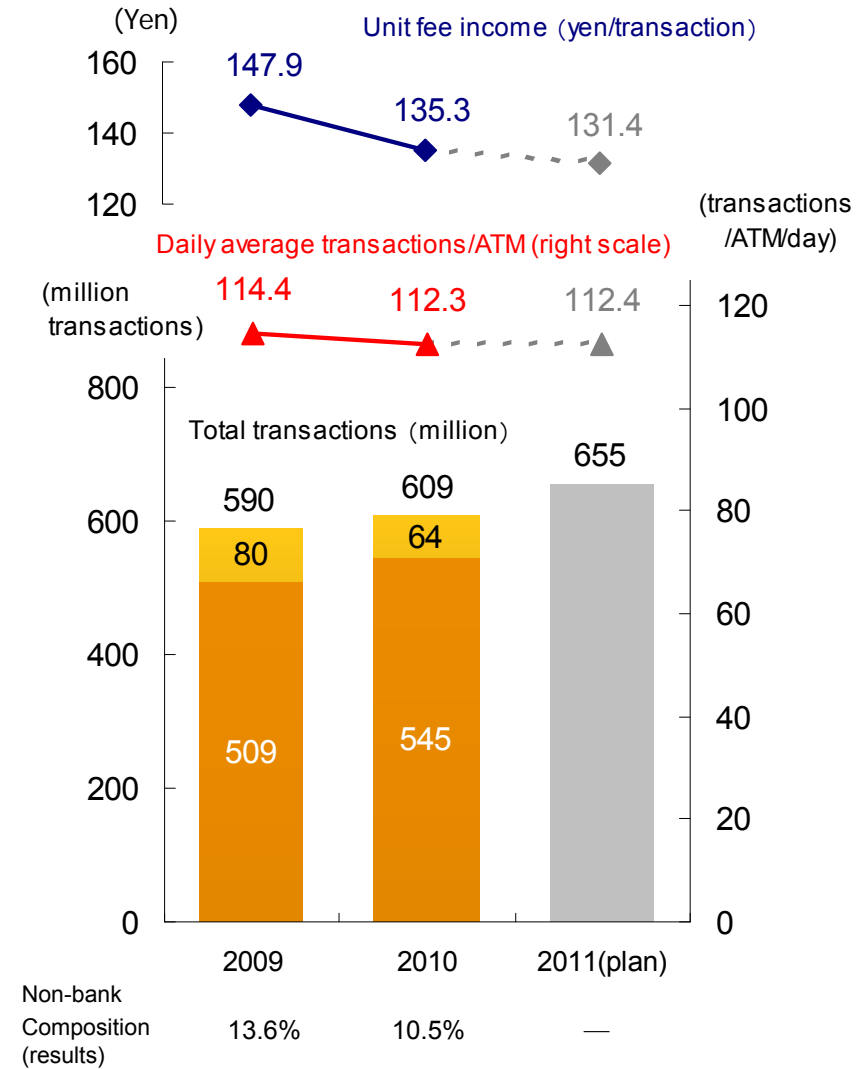
# ATM transaction numbers and unit fee income trends



## Half-year results



## Full-year results

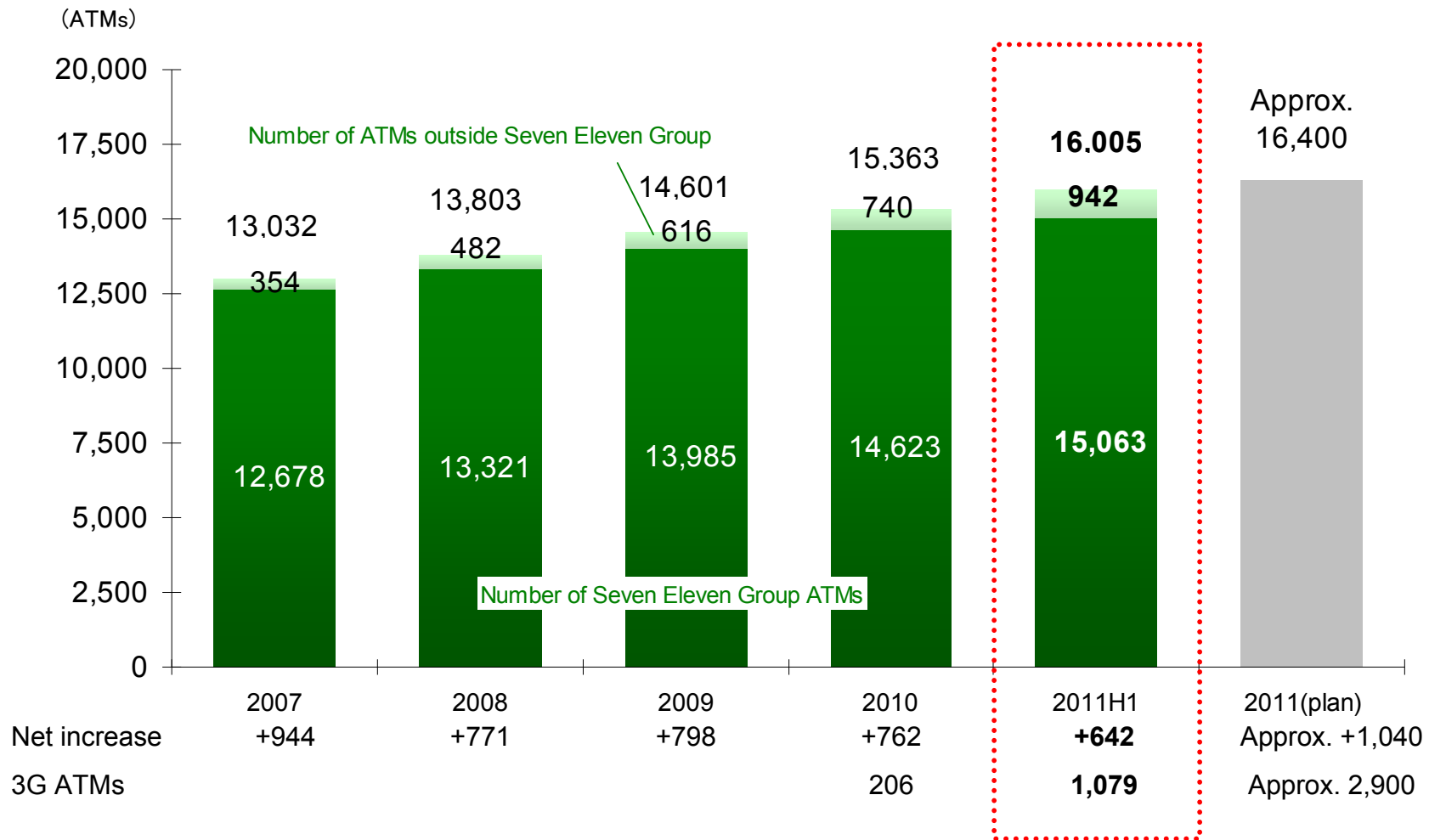


**Notes:**

1. Average daily usage per ATM and total transactions for the period exclude balance inquiries, e-money charges, PIN changes and daily withdrawal limit changes.
2. Total transactions for the period have been truncated at one million. Average daily usage per ATM and ATM-related fee income have been truncated at the first decimal place.
3. ATM-related fee income = ATM-related fee income / (Total transactions for the period - ATM-related fee without income (ie. Sales deposits))
4. Securities companies, life insurance companies and other financial institutions are referred to as non-banks in this document

# Number of ATMs

- No. of ATMs has steadily increased both inside and outside the Group
- No. of 3G ATMs introduced in 2011 changed from initial plans of 1,200 ATMs to 2,500 ATMs





Aim to steadily increase transactions by raising awareness of “close and convenient” ATM network, and by actively expanding installation locations

## ■ Developing and expanding customer base

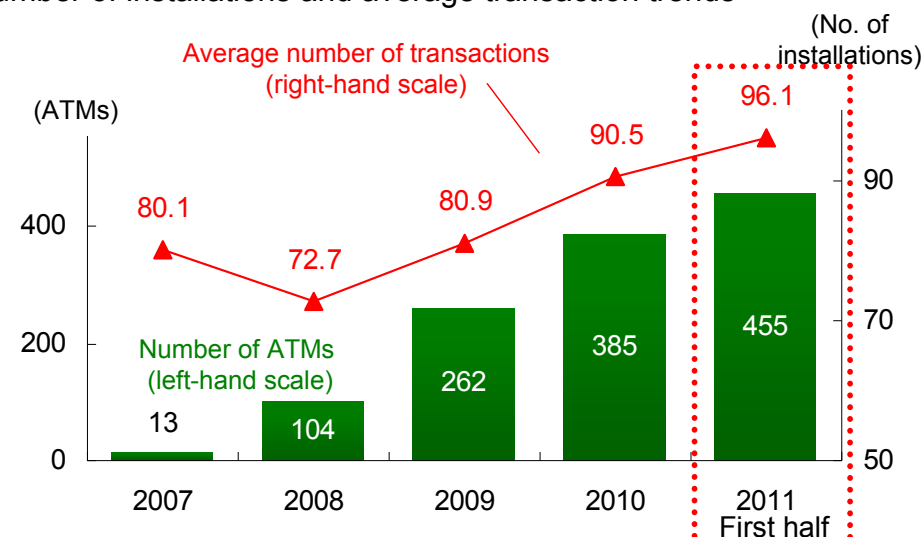
- Tap into latent needs
  - Joint campaigns with partners of Seven-Eleven
  - Plans to continue campaigns into the second half
- Expand ATM alliances
  - New alliances with three banks during the first half (SBJ Bank, Fukuoka Chuo Bank, and Nagasaki Bank)
  - Approaching financial institutions in regions not yet penetrated by Seven-Eleven Japan during the second half

## ■ Expand installations

- Expand non-Group locations
  - Installation completed at branches of Daiwa Securities (140 ATMs)
  - negotiating installation and expansion of ATM base in Tokyo and Osaka commercial districts

## ■ Expand non-Group locations

Number of installations and average transaction trends



Breakdown of installation locations

	2007	2008	2009	2010	2011 H1
Airports	9	22	30	30	33
Train station & transport facilities	1	24	61	71	78
<b>Commercial facilities</b>	—	32	115	196	<b>237</b>
Others	3	26	56	88	107
<b>Total</b>	<b>13</b>	<b>104</b>	<b>262</b>	<b>385</b>	<b>455</b>

## Balance sheet

(Unit: billion yen)

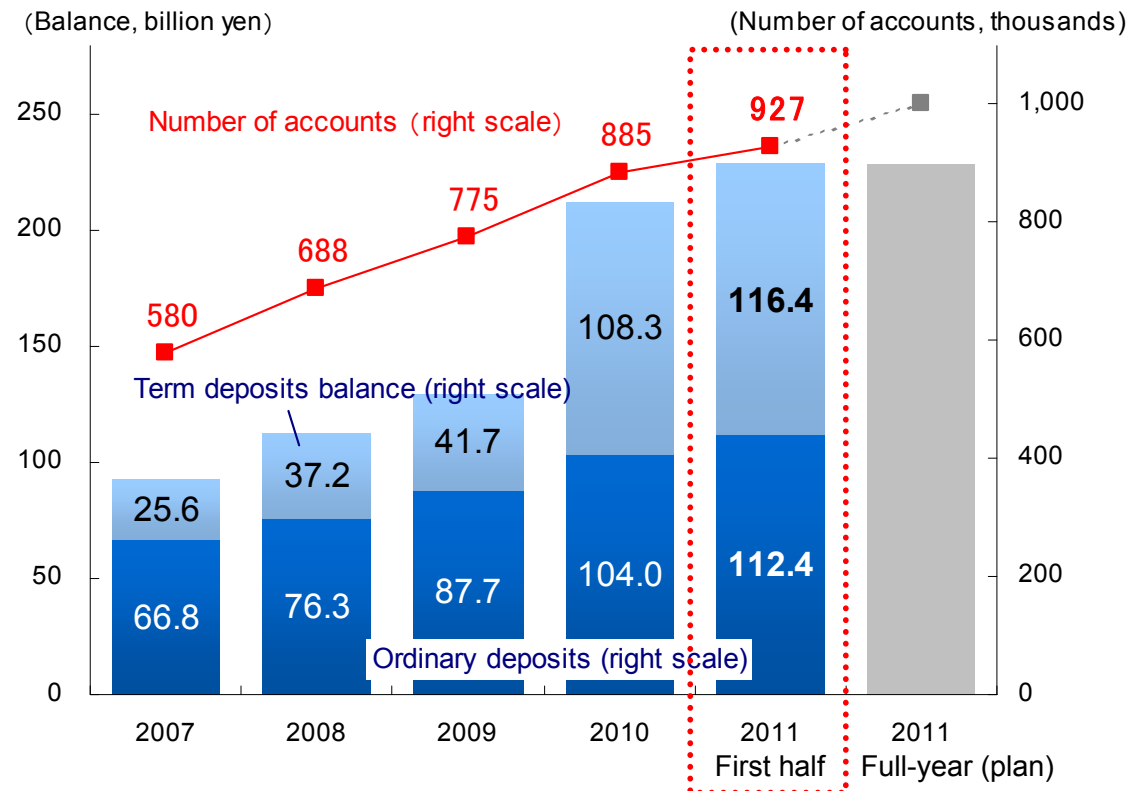
Cash deposits	332.8 (1)	Liquid deposits	176.2
Securities	109.7 (2)	Time deposits	153.6
ATMsuspense payments	79.2 (3)	Bonds and borrowings	110.0
Other assets	82.0	ATM suspense receipts	29.2 (4)
		Other liabilities	13.9
		Net assets	120.7
<b>Assets</b>	<b>603.8 (+3.8)</b>	<b>Liabilities + net assets</b>	<b>603.8 (+3.8)</b>

- (1) Cash loaded in ATMs
- (2) Mainly exchange settlement and Bank of Japan overdraft transaction collateral
- (3) Temporarily incurred with ATM withdrawals
- (4) Temporarily incurred with ATM deposits

## Strong financial soundness and creditworthiness

Tier I capital ratio (Domestic Standard) 53.02% (preliminary figure)  
 Ratings (as of the end of September 2011) S&P AA- (long-term issuer)  
 R&I AA (issuer)

## Accounts (individuals)

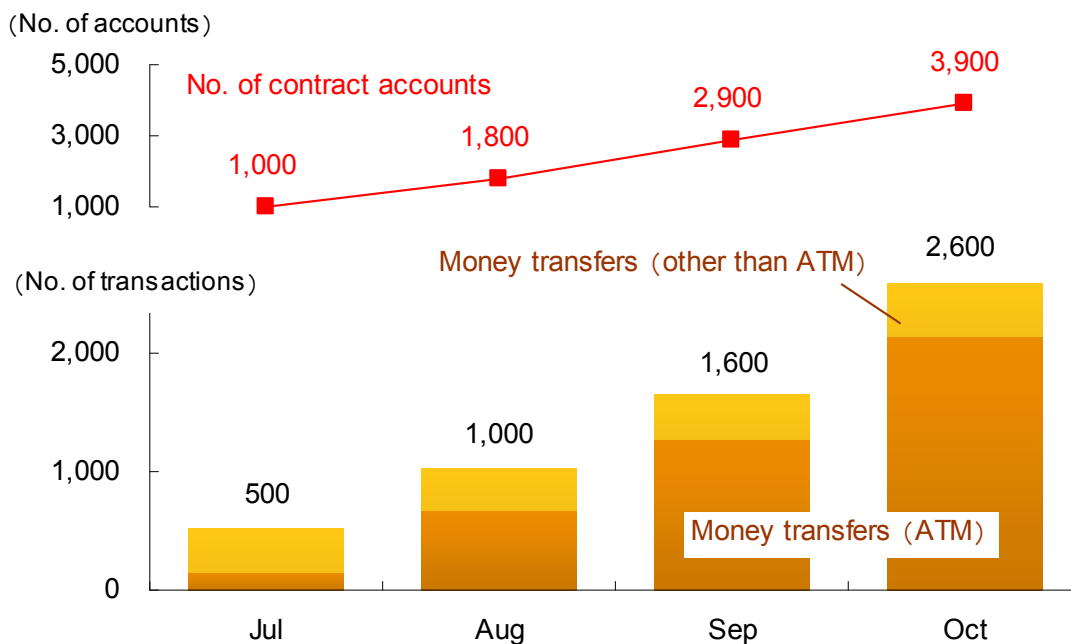


## International money transfer services

Launched through Internet & mobile banking in March 2011  
 Service via ATMs started in July 2011

- Steady increase in the no. of contract accounts through workplace sales focused on the Tokyo metropolitan area
- Over 80% of recent transactions (as of Oct. 2011) have been via ATMs

→ Seven Bank's strength

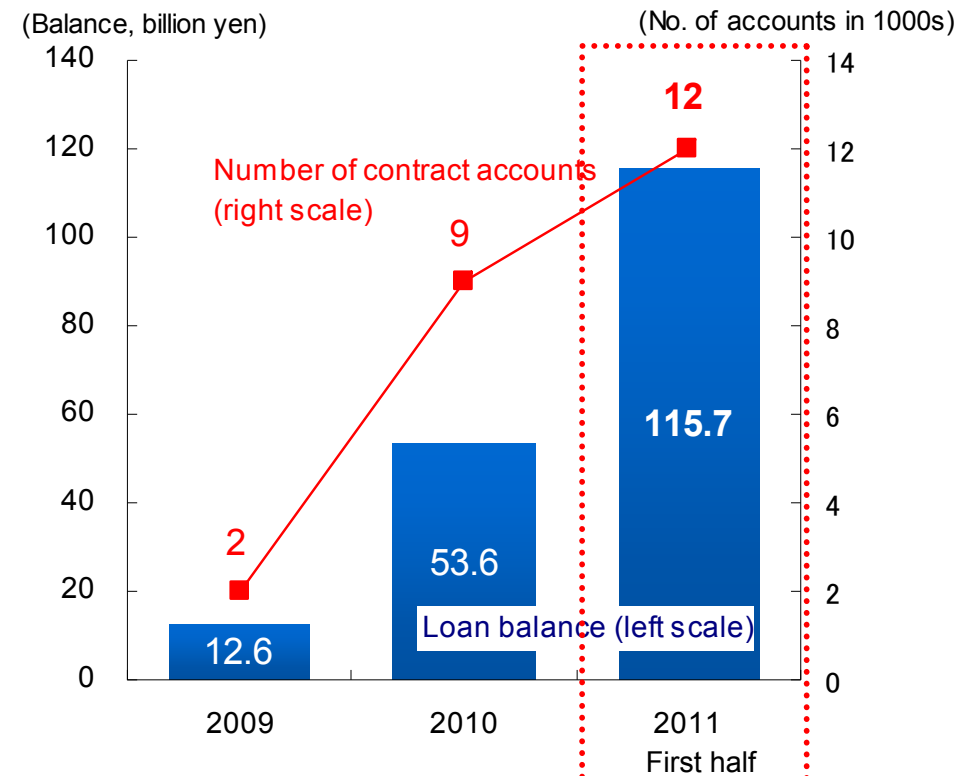


## Individual loan services

As of June 2011, became possible to apply for an increase of loan-limit 300,000 or 500,000 yen

\*Applies to clients who fulfill certain conditions

Total amount of the loan has increased due to raise in cashing limit etc.



## Policy

Seven Bank aims to maintain a stable dividend payout, targeting a minimum payout ratio of 35% through twice-yearly payments (interim and year-end).

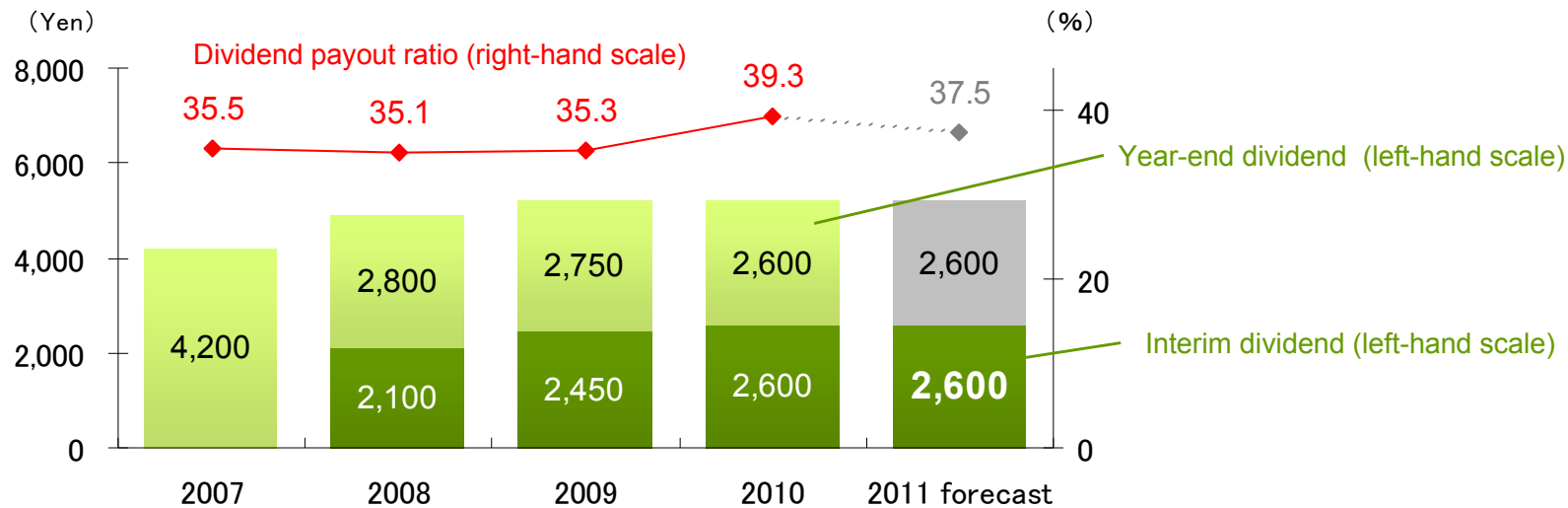
## Interim dividend

Dividend amount: 2,600 yen per share (total dividends of 3 billion yen), same as the forecast at the beginning of the year

Dividend execution date: December 2, 2011

A year-end dividend of 2,600 yen per share is planned

## Dividends and dividend payout ratio



Notes: 1. From FY 2008, Seven Bank has paid dividends twice a year through interim and year-end payments