



ONE OF A KIND

SEVEN BANK, LTD.
Annual Report **2012**
For the year ended March 31, 2012

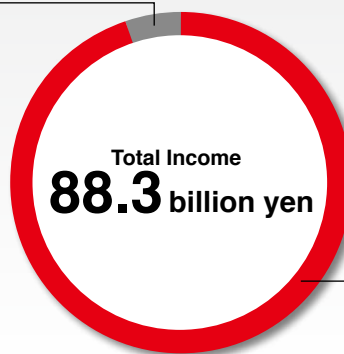


A DIFFERENT KIND OF BANK

Seven Bank's focus on ATM services is unique among Japanese banks, with 95% of our revenues coming from ATM usage fees paid by partner financial institutions.

Bank Account Services / Other

4.5 billion yen
(5%)



ATM Services

83.8 billion yen
(95%)

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Customers

ATM services that can be accessed, “anytime, anywhere, by anyone, and with safety and security” all over Japan

Account services that are easy to use, convenient, reasonably priced, and serve as an “instant wallet”

Seven Bank’s Business Areas

ATM Services

- ATM services through the stores of the Seven & i Holdings Group
- ATM services available from our machines in other public and commercial facilities
- Our own ATM corner facilities
- A full range of services for operating and managing the ATMs of other financial institutions

ATM Locations

Seven & i Holdings Group

- Seven-Eleven
- Ito-Yokado
- Other companies

ATMs outside Group company premises

- Airports
- Railway and other stations
- Commercial facilities
- Other locations

Bank Account Services

Services for individuals

- International money transfer services
- Ordinary deposit accounts and term deposit accounts
- Domestic money transfers, payment, and online settlement services
- Personal loan services
- Other services

Services for corporations

- Acceptance of cash proceeds from sales
- Cash pickup and delivery services

Contribution to improving the efficiency of the financial system

Creation of a symbiotic business model with partner financial institutions

- Tie-ups for ATM use
- Full turnkey services for ATM operation and management

Partner Financial Institutions

Deposit-taking financial institutions

- Banks
- Shinkin banks
- Credit cooperatives
- Labor banks
- JA Bank, JF Marine Bank
- Shoko Chukin Bank

Non-banks

- Securities companies
- Life insurance companies
- Credit card companies
- Credit companies
- Consumer finance companies
- Business loan providers

Forward-looking Statements

This document contains statements concerning the current plans, expectations, strategies, and beliefs of Seven Bank, Ltd. (“Seven Bank”). Statements contained herein that relate to future operating performance and that are not historical facts are forward-looking statements. Forward-looking statements may include, but are not limited to, words such as “believe,” “anticipate,” “plan,” “strategy,” “expect,” “forecast,” “predict,” “potential,” “possibility,” and similar words that describe future operating activities, business performance, events, or conditions. Forward-looking statements, whether spoken or written, are based on judgments made by the management of Seven Bank, based on information that is currently available to it. As such, these forward-looking statements are subject to various risks and uncertainties, including, but not limited to, changes in the level of demand for the services offered by Seven Bank, challenges Seven Bank faces in achieving further growth, and various other factors. As a result of such risks and uncertainties, the actual business results of Seven Bank may vary substantially from the forecasts expressed or implied in forward-looking statements.

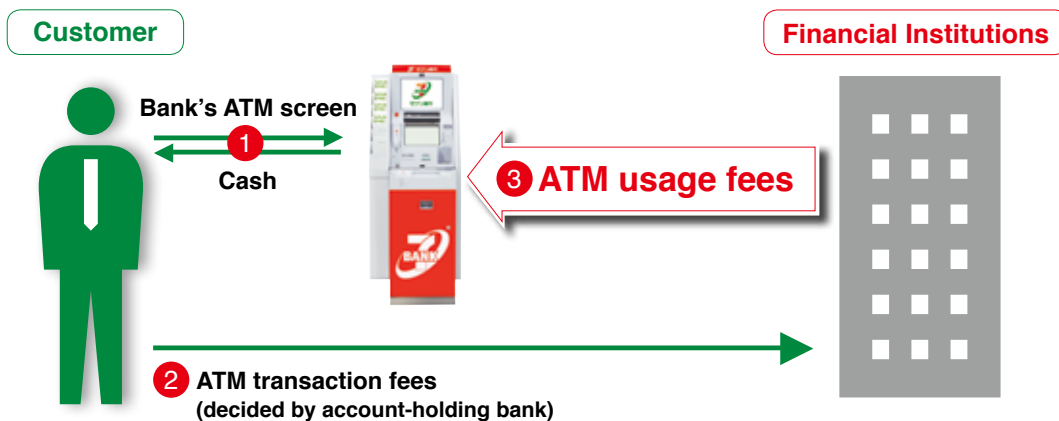
Consequently, investors are cautioned not to place undue reliance on forward-looking statements. Seven Bank disclaims any obligation to revise forward-looking statements in light of new information, future events, or other findings.

The information contained in this document does not constitute or form part of any offer for sale or subscription of or solicitation or invitation of any offer to buy or subscribe for any securities, nor shall it or any part of it form the basis of or be relied on in connection with any contract or commitment whatsoever.

PROVEN BUSINESS MODEL THAT HAS BECOME PART OF THE SOCIAL INFRASTRUCTURE

Our stable growth is driven by an innovative business model built on win-win relationships with partner financial institutions, a reliable revenue flow of ATM usage fees and the overwhelming market presence of Seven-Eleven convenience stores. The ATM network we have built based on this business model is part of the social infrastructure and indispensable to people's daily lives.

A Business Model Valued by Customers and Financial Institutions



- 1 The customer makes a withdrawal (deposit) using the ATM screen of the financial institution where he or she has an account.
- 2 The financial institution charges the customer an ATM transaction fee.
- 3 The financial institution pays Seven Bank an ATM usage fee.

Benefits for Customers

Convenience of ATM service hours and locations

- 24/365 availability
- No need to carry large sums of cash for business or leisure trips
- Access to identical services from any ATM nationwide

Safety and security

- Security due to installation in convenience stores

Benefits for Financial Institutions

Access to nationwide network of ATMs operating 24/365 without the cost of owning ATMs

Utilization as own ATMs

- Each bank decides its own customer fees
- Screens identical to banks' own ATMs

Scaling back of own ATMs (cost reduction), marketing strategy that utilizes Seven Bank ATMs

Maximizing the Advantages of Seven-Eleven's Store Network

Convenience stores are an indispensable part of the Japanese lifestyle. Seven Bank's ATM network deploys the strong advantage of locations in the Seven-Eleven store network, by far the country's largest.

Convenience Stores in Everyday Life in Japan

- A total of 44,814 convenience stores nationwide (as of March 31, 2012; Source: Japan Franchise Association)
- The number of convenience stores is on the rise amid decreases in the number of supermarkets and department stores
- Completely integrated into the Japanese lifestyle

Seven-Eleven: A Dominant Presence in the Convenience Store Industry

- The most stores in Japan: 14,005 stores (31.3% market share)*
- The highest annual sales in Japan: 3,280.5 billion yen*



Maximizing the Possibility of Interactions with ATM Users

*As of February 29, 2012

Full-Scale Shift to More Efficient 3G ATMs from Fiscal 2011

- Shorter transactions: 33% reduction in transaction time*
- Streamlined cash operations: Increased cash storage capacity reduces replenishment costs
- Lower environmental impact: 48% reduction in power use* with automatic energy-saving mode; long-life parts and recyclable materials

*Compared with 2G ATMs



POWERFUL MARKET PRESENCE

We have expanded rapidly since our foundation. Today our ever-more convenient ATM services can be accessed, “anytime, anywhere, by anyone, and with safety and security” all over Japan.

Strong ATM Network

High Quality

Sound Finances

Partner Financial Institutions

577

Number of ATMs Installed

16,632

Scope of ATM Network

All **47**
prefectures

Availability

7 days/week
24 hours/day

Competitive ATMs

3G
Third generation

A Network System for
Safe Operations

2 locations

Centers in east and west Japan for
continuous operations in a disaster

Non-consolidated
Tier 1 Capital Ratio

53.25%

Ratings

S&P **AA-**
R&I **AA**

The highest among Japanese banks

As of March 31, 2012

STABLE GROWTH PROSPECTS

Dedicated to fulfilling customers' expectations, we will continue to strengthen our ATM operations while creating new revenue sources that use our proven ATM infrastructure.

Create New Business

Open overseas ATMs and offer banking agency services

Develop Financial Services Business

Full-scale rollout of international money transfer and personal loan services

Strengthen ATM Business

Expand ATM network and broaden customer base

Over the next decade, Seven Bank aims to widen the ATM customer base and develop new revenue sources

Strengthen ATM Business

Broaden customer base and expand ATM network

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

Broaden customer base

- Tap into latent needs
 - Appeal to elderly and female customers based on security, safety and convenience
 - Joint campaign with partner companies and Seven-Eleven Japan Co., Ltd.
- Expand ATM alliances
 - Approach financial institutions in areas where Seven-Eleven Japan has yet to penetrate

Expand ATM network

- Increase non-Group locations
 - Actively expand ATM base in commercial facilities

Develop Financial Services Business

Full-scale rollout of international money transfer and personal loan services

Diversify revenues by expanding the range of convenient financial services using our well-developed ATM network

International money transfer services

- Expand target countries
 - Strengthen marketing of money transfer services to countries other than the Philippines, the top transfer destination in fiscal 2011 (China, Brazil, Peru, etc.)
- Strengthen marketing channels
 - Expand marketing beyond the greater Tokyo area
 - Improve multilingual competency of phone service staff

Personal loan services

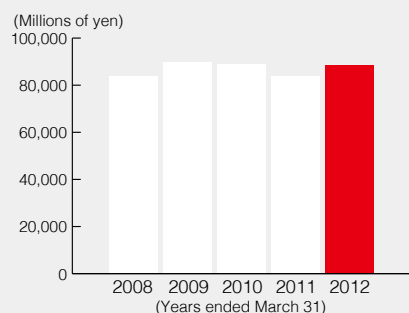
Financial Highlights

Seven Bank, Ltd. Years ended March 31

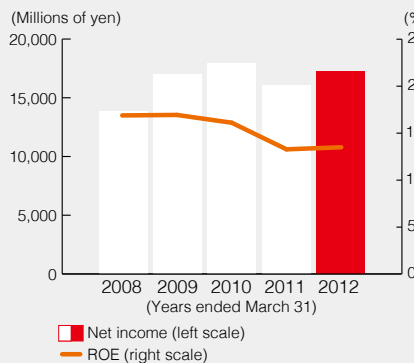
	% Change		Millions of yen			
	2012/2011	2012	2011	2010	2009	2008
For the year:						
Total income	5.1%	¥ 88,318	¥ 84,022	¥ 88,830	¥ 89,842	¥ 83,667
Fees and commissions income	4.8	87,711	83,644	88,350	88,741	82,471
Fees and commissions expenses	6.9	10,705	10,011	9,691	9,183	8,328
Income before income taxes	8.5	29,300	26,999	30,306	28,736	23,343
Net income	7.8	17,267	16,008	17,953	16,988	13,830
At year-end:						
Total assets	8.8	¥652,956	¥600,061	¥502,782	¥493,360	¥488,137
Deposits	11.6	372,271	333,382	219,008	229,311	219,138
Total liabilities	8.6	527,326	485,522	392,843	394,966	399,162
Total net assets	9.6	125,629	114,539	109,939	98,393	88,974
Per share data (Note 5):						
Net income	—	¥ 14.49	¥ 13.19	¥ 14.71	¥ 13.92	¥ 11.80
Net assets	—	105.30	96.05	90.03	80.61	72.93
Dividends (Note 6)	—	6.20	5.20	5.20	4.90	4.20
Management indicators:						
Return on equity (ROE) (%)	—	13.50	13.28	16.11	16.94	16.89
Return on assets (ROA) (%)	—	4.55	4.66	5.49	5.13	4.75
Non-consolidated Tier 1 capital ratio (Domestic standard) (%)	—	53.25	51.19	49.58	45.05	43.89
Return on ATM cash (%)	—	7.04	7.58	9.05	8.30	7.83
Overhead ratio (%)	—	60.97	61.73	60.35	62.99	65.63
Payout ratio (%)	—	42.75	39.39	35.33	35.18	35.56

- Notes: 1. Return on equity = net income/the daily average total shareholders' equity
2. Return on assets = net operating profit (*gyomu jun-eki*)/the average of total assets
3. Return on ATM cash = (ATM-related fee income - interest expenses - ATM placement fees - general and administrative expenses)/daily average balance of cash and due from banks
4. Overhead ratio = general and administrative expenses/gross operating profit (*gyomu ararieki*)
5. On December 1, 2011, the Company conducted a 1,000-for-1 stock split. Per share data for previous fiscal years have been restated to reflect the change.
6. The year-end dividend for the fiscal year ended March 31, 2012 included an extra 1 yen to commemorate the Company's listing on the First Section of the Tokyo Stock Exchange.

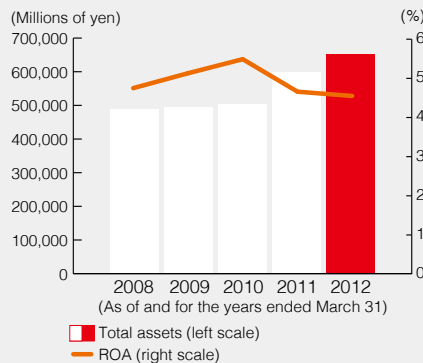
Total Income



Net Income / ROE



Total Assets / ROA



To Our Shareholders and Investors

In April 2001, Seven Bank was established in response to the voices of many Seven-Eleven Japan customers who said “It would really be great if there were ATMs in Seven-Eleven stores.” Since then, our epochal business model focused on ATM fee income received from partner financial institutions has enabled us to maintain stable corporate growth.

Fiscal 2010, ended March 31, 2011, represented the end of our first decade of operations. As we began our second decade in fiscal 2011, ended March 31, 2012, the Japanese economy remained flat due to the downturn in the global economy and the impact of yen appreciation. However, signs of a moderate recovery began to appear, supported by economic growth in the emerging and resource nations and an increase in demand related to earthquake recovery efforts.


Amid these conditions, we expanded our ATM network and increased the number of our partnerships with financial institutions. As a result, Seven Bank achieved growth in both revenues and earnings, recording total income of 88,318 million yen (up 5.1% year on year) and net income of 17,267 million yen (up 7.8% year on year).

Going forward, we will continue to give top priority to providing customer-oriented services as we strive to further strengthen our ATM operations. At the same time, we will continue to grow by creating new sources of revenue that make the most of our ATM network, which serves as part of Japan’s social infrastructure.



安高 隆

Takashi Anzai
Chairman and Representative Director



二子石 謙輔

Kensuke Futagoishi
President and Representative Director

We will achieve continued growth centered on our ATM business, which has become part of Japan's social infrastructure, with our full-scale entry into the financial services business as a medium-term growth driver.

Kensuke Futagoishi

President and Representative Director



Q1:

While economic conditions in Japan were unstable, Seven Bank increased total income and net income. What factors supported these results?

A1:

We responded effectively to our operating environment. Steady progress in implementing our basic strategies included increasing the number of ATMs installed. The international money transfer services and other businesses targeting future growth also performed well.

During fiscal 2011, ended March 31, 2012, we were concerned about the impact on our business of factors such as the rolling blackouts after the Great East Japan Earthquake. However, we successfully increased the number of ATMs installed and transactions with deposit-taking financial institutions in line with our basic strategies. This enabled results that exceeded our plan at the start of the fiscal year. Our ability to increase total income and net income demonstrates that we responded effectively to our unstable operating environment, making fiscal 2011 a year that reminded us of the importance of steadily executing our strategies.

Solid expansion in international money transfer services, personal loan services and other financial service businesses that use our ATMs was a major success that will support future growth. The international money transfer services we initiated in March 2011 were particularly strong. We complemented the start of ATM transactions for this business in July 2011 by adding a multilingual interface in November 2011. As a result, the number of transactions for fiscal 2011 was 32,500 and the number of accounts totaled 10,700 as of March 31, 2012. Given the number of transactions and the strongly positive reaction we received from users, this was a solid start with potential for future growth.

Q2:

What is the status of and the future approach for Seven Bank's management strategy of strengthening the ATM business?

A2:

We have made solid progress in expanding relationships with new kinds of users and installing ATMs in more locations, and will continue to strengthen the ATM business based on these fundamental policies.

In the ATM business, we see expanding relationships with new kinds of users and installing ATMs in more locations as short-term growth drivers.

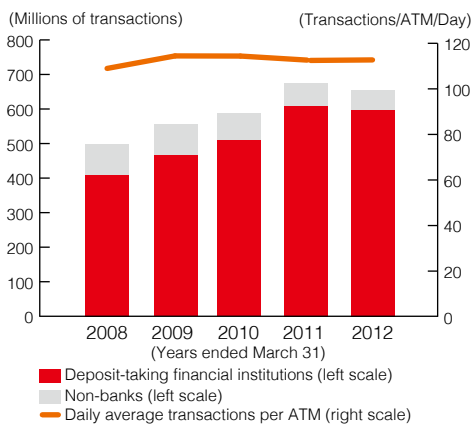
Our top priority in expanding relationships with new kinds of users is increasing ATM partner financial institutions. We initiated partnerships with eleven financial institutions during fiscal 2011, and we have added three more as of May 2012. We are currently able to use the cash cards of more than 500 financial institutions, but naturally the ability to use the cash cards of all financial institutions is significantly more appealing in terms of user convenience. We want to establish relationships with all financial institutions, and will therefore draw on customer opinions as we continue to negotiate win-win relationships with partner financial institutions.

We still have plenty of room to expand the number of ATMs installed by placing ATMs in more locations, based on Seven-Eleven store opening trends. During fiscal 2012, ending March 31, 2013, we are aiming for a net increase of 1,100 ATMs, with 900 in Seven & i Holdings Group locations,

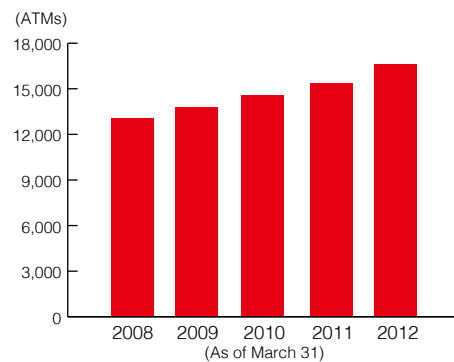
primarily Seven-Eleven stores, and 200 in locations outside the Seven & i Holdings Group, primarily commercial facilities.

These two approaches to expanding the ATM business are effectively producing results. In fiscal 2011, the net increase in the number of ATMs was 1,269 year on year, and average daily transactions per ATM increased year on year to 112.6. Generally, increasing the number of ATMs tends to dilute users per ATM and decrease capacity utilization (transactions per day) per ATM. However, capacity utilization is increasing for our ATMs. By moving forward with ATM installations in specified regions, our strategy has been effective in increasing customer awareness, attracting new users and increasing usage frequency per user.

ATM Transactions



Number of ATMs Installed



Q3:

Seven Bank is further strengthening the large and powerful ATM network it has built. What is the essential advantage of your ATM network?

A3:

Its essential advantage is that it has become part of Japan's social infrastructure, integrated into the daily lives of ATM users.

The greatest strength of our ATM network is that it is integrated into the daily lives of ATM users. Our ATMs are everywhere daily life takes place and therefore offer outstanding convenience because users do not have to go far to withdraw money.

The scope of the Seven-Eleven store network in Japan supports the advantages of our ATM network, as do the capabilities of our ATMs themselves and the robustness of our network system.

Seven-Eleven leads the evolution of convenience stores in Japan with the undisputed number one position in sales and number of stores. Our ATM network derives enormous strength from using the Seven-Eleven network.

Enhancing the capabilities of our ATMs themselves, we have been phasing in our third-generation ATMs since fiscal 2010, ended March 31, 2011. These third-generation ATMs improve security and convenience. They are a highly competitive new model with enhanced environmental benefits.

We are promoting the stable operation of our network system with a focus on the three themes of preventing system downtime, thorough security countermeasures, and rapid response to breakdowns and security incidents. The Great East Japan Earthquake of March 2011 demonstrated the strengths of our network system.

We have built these strengths because we were established as a bank that specializes in ATM services, and have therefore concentrated the investment of our resources in the ATM business. One of our strengths is the ability to use overseas cards in our ATMs, a service that is largely possible because of our specialization.

As a company that provides ATM social infrastructure, we will maintain our position of neutrality as we work to enhance our advantages.

Create New Business
Open overseas ATMs and offer banking agency services

Develop Financial Services Business
Full-scale rollout of international money transfer and personal loan services

Strengthen ATM Business
Expand ATM network and broaden customer base

Q4: Sustained growth in the future will require the full-scale development of new services. What is Seven Bank's approach to business development?

A4: We will commercialize financial service businesses that make maximum use of our ATM network, such as international money transfer services, to drive growth over the medium-to-long term.

We will generate future growth with financial service businesses that make maximum use of our outstanding ATM network as medium-to-long-term growth drivers. Our approach to utilizing and leveraging our ATM network will be the key to growth.

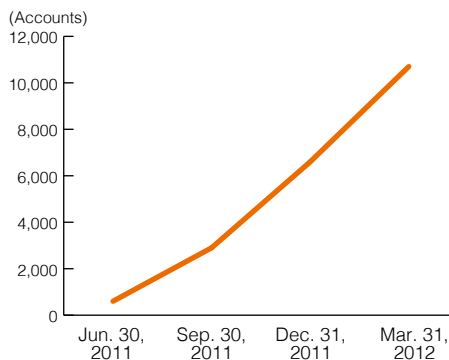
The international money transfer services we initiated in March 2011 are representative of our perspective. As I mentioned earlier, these services got off to a good start, and the number of transactions is steadily increasing. We are aiming for 170,000 money transfer transactions in fiscal 2012 and 1 million annual transfer transactions in the following four to five years. Usage and loan balances for our personal loan services for ATM users are also increasing steadily.

We are also considering additional new services, and we are now beginning to flesh out the details for bank process outsourcing services. In April 2012, we outsourced a portion of our account opening process to Dalian Xinhua Infotech Co., Ltd. in China, which has accelerated account opening and raised efficiency. We will expand the scope of outsourcing in the future with the intent of using the knowledge we acquire to develop the process outsourcing business for other financial institutions.

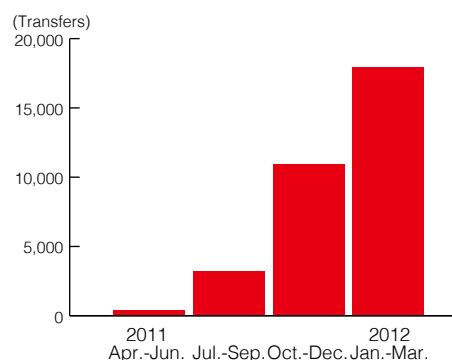
With convenience stores spreading in Asia, we are also considering the overseas ATM business with the aim of generating sustained corporate growth over the long term.

International Money Transfer Services

Number of Accounts with Seven Bank



Number of Transfers



Q5: Initiatives during fiscal 2011 included a stock split and a listing on the First Section of the Tokyo Stock Exchange. What are Seven Bank's capital policies?

A5: We will focus on increasing shareholder value with a basic policy of stable dividends and a target dividend payout ratio of 35% or higher.

Seven Bank believes that returning profits to shareholders is an important management policy.

Our basic policy targets stable and sustained cash dividends in consideration of an appropriate balance between distributions of earnings to shareholders and internal capital resources. Our target dividend payout ratio is 35% or higher, and we have a basic policy of paying an interim and a year-end dividend.

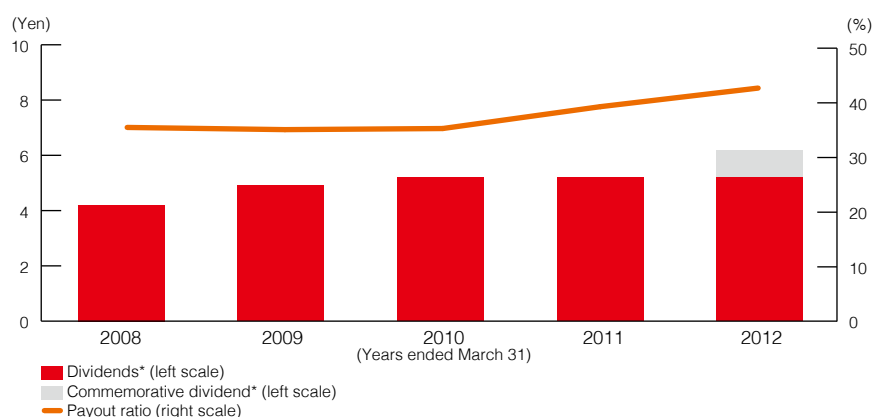
We conducted a 1,000-for-1 stock split in December 2011 in order to increase the liquidity of our shares and diversify our shareholder base. We also listed our shares on the First Section of the Tokyo Stock Exchange in December 2011, with objectives including further enhancing our credibility, public profile and ability to procure funds.

Cash dividends per share for fiscal 2011 totaled 6.20 yen, which consisted of a 2.60 yen* interim dividend and a 3.60 yen year-end dividend that included a 1.00 yen dividend commemorating the listing on the Tokyo Stock Exchange. For fiscal 2012, we plan to pay an interim and a year-end dividend of 3.25 yen each for an annual dividend of 6.50 yen.

We will continue to focus on increasing shareholder value through means including share buy-backs when we decide the conditions are right.

*Adjusted for the 1,000-for-1 stock split conducted on December 1, 2011.

Dividends* and Payout Ratio



* Adjusted for the 1,000-for-1 stock split conducted on December 1, 2011. The year-end dividend for the fiscal year ended March 31, 2012 included an extra 1 yen to commemorate the Company's listing on the First Section of the Tokyo Stock Exchange.



Q6:
How will you further increase shareholder value?

A6:
Steadily executing our strategies is our top priority, and we will do so vigorously. Moreover, markets are becoming borderless with increasing speed, so we are considering overseas business development centered on Asia over the medium-to-long term with the aim of sustained growth.

We have a clear strategy of expanding the ATM business over the near-term and fully developing new services such as financial service businesses over the medium term. Properly executing this strategy is crucial; half-measures are not an option. Complete execution will naturally generate favorable results. Therefore, my responsibility is to vigorously encourage strategy execution and decisively pursue results.

At the same time, we recognize the long-term importance of new business development. As the world's economies become increasingly borderless, we are looking at markets overseas, primarily in Asia, as an extension of our business in Japan in order to manage our operations dynamically with a global perspective.

We will continue to focus on the ATM business in further strengthening our business base with the aim of sustained growth in the future.

New Revenue Model Using the ATM Network Infrastructure

Steady Growth of the International Money Transfer Services

Groundbreaking Services to Meet the Needs of Foreign Nationals in Japan

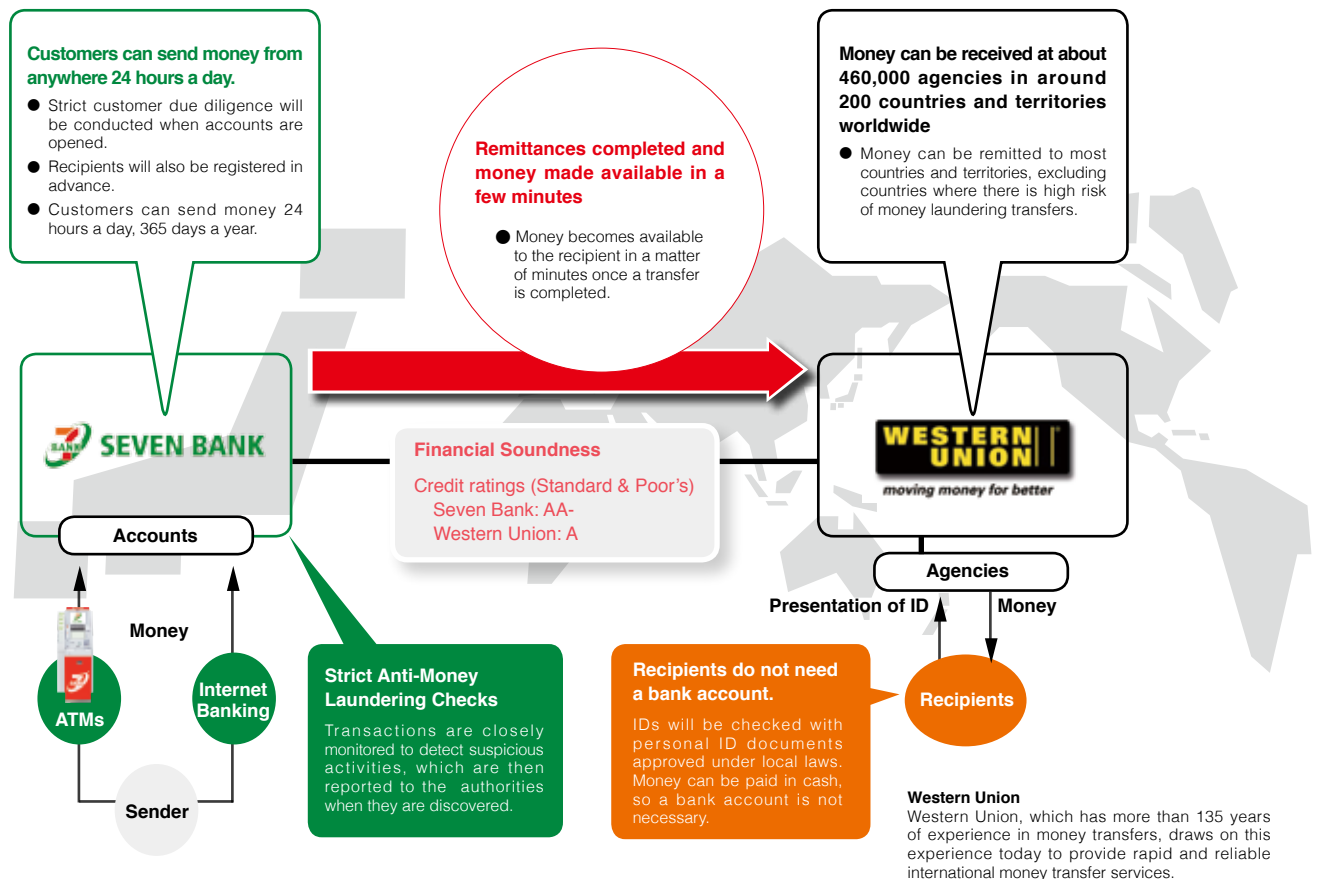
As globalization advances, the number of foreign nationals working in Japan and Japanese nationals living overseas is increasing, leading to a growing need for overseas transfers of funds from Japan.

In light of this trend, Seven Bank launched international money transfer services in March 2011 on its Internet and mobile platforms. Since July 2011, customers have been able to access the international money transfer services at any Seven Bank ATM.

These services demonstrate the synergy of the partnership between Seven Bank and The Western Union Company of the U.S. Seven Bank has one of Japan's largest ATM networks, with over 17,000 machines, while Western Union operates the world's largest international money transfer network, with services offered through more than 460,000 agencies in over 200 countries and territories worldwide. The collaboration between the companies makes it possible to offer customers these groundbreaking services anytime, anywhere, speedily and safely, at affordable rates.

The services, which let customers send money from ATMs at Seven-Eleven stores and other locations throughout Japan, are generally available 24 hours a day, 365 days a year with affordable transfer charges, and funds are available in as little as minutes after transfer. These advantages make the services highly competitive, and they have already received strong support from customers.

Overview of International Money Transfer Services

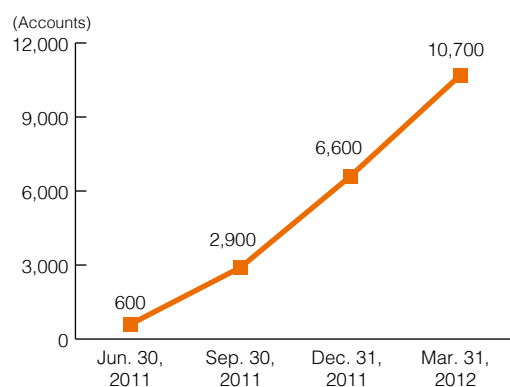


New Source of Earnings Using the ATM Network Infrastructure

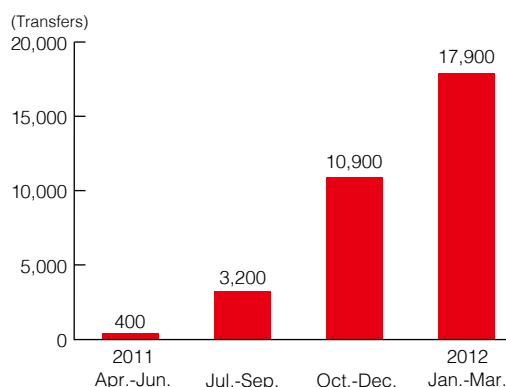
The international money transfer services are very significant for Seven Bank, as they represent a highly stable new source of earnings in addition to ATM fees, by making effective use of the Bank's asset of an ATM network that spans Japan.

Usage has grown steadily since the services were launched, with a total of 32,500 transfers in fiscal 2011. For fiscal 2012, Seven Bank has set a target of 170,000 transfers. In addition to widening the promotional region beyond the Tokyo metropolitan area, improvements will include expanding the language coverage of the telephone support service, which is currently offered in six languages: English, Japanese, Tagalog, Spanish, Portuguese, and Chinese. Within the next four to five years, the Bank aims to raise the number of money transfers to 1,000,000 annually to develop services that contribute to total income growth.

Number of Accounts with Seven Bank



Number of Transfers



Accepting Overseas Cards to Increase Convenience for Customers Visiting Japan

Overseas visitors to Japan often find it difficult to obtain yen after arriving in the country.

Few cash dispensers and ATMs in Japan accept cash cards or credit cards issued in foreign countries. In addition, for those who need to exchange foreign currency into yen, banks and post offices are only open at certain times on certain days, and locating their branches can be troublesome.

Given this situation, Seven Bank provides a service that allows anyone with a foreign-issued cash card or credit card to make withdrawals in Japanese yen. Seven Bank ATMs are located in Seven-Eleven stores, a name familiar to many outside Japan, allowing simple cash withdrawals 24 hours a day, 365 days a year (in principle). Over 17,000 Seven Bank ATMs have been installed at Narita and Haneda airports, and Seven-Eleven stores throughout Japan, including stores located near hotels and sightseeing spots. ATMs offer voice and on-screen guidance in four languages — English, Korean, Chinese and Portuguese — thereby providing a service that meets the needs of many users.



Cards with these logos are accepted at Seven Bank ATMs.

Corporate Governance

Corporate Governance Policy

Seven Bank recognizes that good corporate governance plays a vital role in raising its corporate value. The Bank works to maintain and improve its corporate governance and compliance systems in order to ensure swift managerial decision making, clarify the roles and responsibilities of executives and employees, maintain effective management oversight and ensure equitable operations.

Corporate Governance Initiatives

1. Details

As of June 19, 2012, the Board of Directors consists of ten directors, including four outside directors. The Board of Directors meets at least once a month to decide on the Bank's basic operational policies and important operational issues, and to supervise the execution of directors' duties.

The Board of Directors has established an Executive Committee as a deliberative body concerned with operational implementation within the scope delegated by the Board of Directors. In principle, the Executive Committee meets on a weekly basis to supervise the formulation or amendment of business plans; acquisition and disposal of assets; credit provision-related issues; payment of debts and expenses; credit management issues; rewards and punishment for employees; issues related to working conditions and benefits; the establishment, change, and abolition of elements of the organization; and the formation, revision, and elimination of rules and policies in addition to conferring on issues to be deliberated by the Board of Directors prior to its meetings. Since June 2006, the Bank has adopted an executive officer system, and the Executive Committee comprises executive officers and others nominated by the Board of Directors.

As of June 19, 2012, the Board of Auditors consists of four statutory auditors, including three outside statutory auditors. The Board of Auditors meets, in principle, at least once a month to deliberate and make decisions regarding

important auditing-related issues reported to it. The Board of Auditors convenes with the Representative Director and the Internal Audit Division on a regular basis to exchange opinions and make requests as deemed necessary on issues the Bank is addressing, issues related to the status of improvements to the statutory auditors' auditing environment, and important auditing-related issues. In addition, the statutory auditors oversee and verify the status of fulfillment of legal obligations, including the duty of care of a good manager and the duty of loyalty, with regard to resolutions of the Board of Directors and other decision-making by directors.

2. Preparation of Internal Control Systems

The Board of Directors decided on May 8, 2006 to implement system upgrades stipulated in Company Law Article 362, Paragraph 4, Item 6. Details of this decision are reviewed each fiscal year in a Progress Review.

Approach to Roles and Appointment of Outside Directors and Outside Statutory Auditors

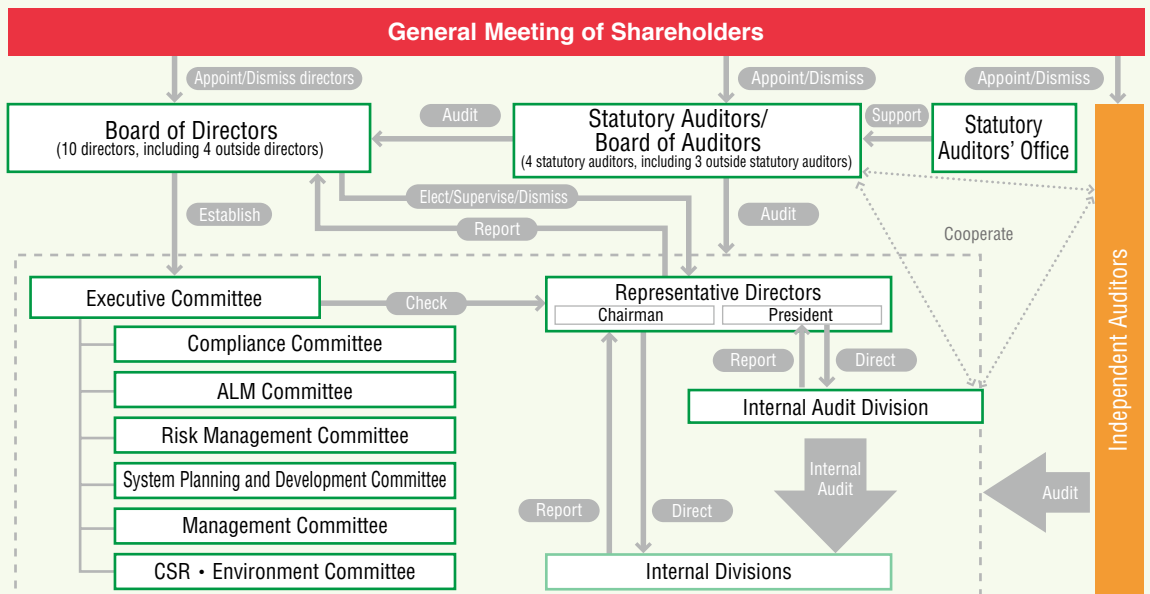
A. OUTSIDE DIRECTORS

Mr. Yoji Ohashi was appointed as an outside director of the Bank in order to utilize his experience and insight as Representative Director of All Nippon Airways Co., Ltd. and as Vice Chairman of the Japan Business Federation (Nippon Keidanren) in the Bank's management. The Bank has designated Mr. Ohashi as an independent officer as he meets the criteria for independence from the Bank and is not likely to have conflicts of interest with general shareholders.

Mr. Toshikazu Tamura was appointed as an outside director of the Bank in order to utilize his business experience as an underwriter at Nomura Securities Co., Ltd., his experience as Representative Director of JAFCO Co., Ltd., and his specialized knowledge and insight as a professor at Sanno University in the Bank's management. The Bank has designated Mr. Tamura as an independent

Corporate Governance Organization

(As of June 19, 2012)



officer as he meets the criteria for independence from the Bank and is not likely to have conflicts of interest with general shareholders.

Ms. Yuko Miyazaki was appointed as an outside director of the Bank in order to utilize her legal knowledge and extensive experience as an attorney at law specializing in tax law and corporate legal affairs in the Bank's management.

Mr. Tadahiko Ujiie, an outside director of the Bank, comes from the Bank's parent company and therefore does not meet the criteria for independence. However, the Bank appointed Mr. Ujiie with the expectation that his professional perspective based on his many years as manager of the finance department will benefit the Bank's overall financial strategy.

B. OUTSIDE STATUTORY AUDITORS

Mr. Masaharu Hino was appointed as an outside statutory auditor of the Bank to supervise the directors' execution of their duties from a broad perspective, including legal aspects, utilizing his experience and perspective as a public prosecutor, Financial Services Agency Commissioner and attorney. Mr. Hino is designated as an independent officer as he meets the criteria for independence from the Bank and is not likely to have conflicts of interest with general shareholders.

Mr. Tetsuya Katada was appointed as an outside statutory auditor of the Bank in order to provide oversight and effective advice on the Bank's management in general, utilizing his extensive experience as a corporate manager, his broad insight in various economic organizations and his many years of experience in monetary policy deliberations. The Bank has designated Mr. Katada as an independent officer as he meets the criteria for independence from the Bank and is not likely to have conflicts of interest with general shareholders.

Ms. Naomi Ushio was appointed as an outside statutory auditor of the Bank in order to oversee the execution of duties by the Bank's directors, utilizing her expert knowledge and insight as a professor at Meiji University in the Bank's management. Ms. Ushio is designated as an independent officer as she meets the criteria for independence from the Bank and is not likely to have conflicts of interest with general shareholders.

Oversight or Audits by Outside Directors or Outside Statutory Auditors; Cooperation with Internal Audits, Audits by Statutory Auditors and Accounting Audits; and Relationship with Internal Control Department

The outside statutory auditors are responsible for asking frank questions and submitting their opinions to the

Representative Director and Board of Directors from an independent standpoint, in keeping with their independence and reasons for appointment. To fulfill these responsibilities, the outside statutory auditors receive information gathered by the full-time statutory auditors, who are responsible for ensuring the effectiveness of audits in cooperation with the Internal Audit Department and the department in charge of internal control functions. In addition, the Board of Auditors, which is composed of all statutory auditors including outside statutory auditors, regularly exchanges opinions with the accounting auditors for mutual collaboration.

The outside directors do not collaborate with the internal audit department, accounting auditors and internal control department directly. However, they fulfill their management oversight function from a position of independence from business execution based on their reasons for appointment and on the questions and opinions submitted at Board of Directors meetings by outside statutory auditors, who share information with the full-time statutory auditors who collaborate with those departments.

Policy for Determining the Amount and Method of Calculation of Compensation of Directors and Statutory Auditors

A. POLICY FOR DETERMINING THE AMOUNT OF COMPENSATION

Compensation is determined by taking into consideration factors including contribution to the Bank, content and importance of duties, status of performance of duties and years in office. In addition, after the system of special retirement benefits for directors was abolished in June 2008, the Bank introduced stock options for stock-linked compensation up to a maximum total amount of ¥100 million for inside directors. This stock option compensation is determined according to position and executive officer title, and is based on monthly compensation.

B. METHOD OF DETERMINING THE AMOUNT OF COMPENSATION

The Compensation Committee, which is chaired by an outside director and composed of one full-time director and more than one outside director, makes proposals for the amount of compensation of directors to the Board of Directors, and the final decision is made by resolution of the Board of Directors.

Compensation of statutory auditors is determined by deliberation of the Board of Auditors.

Compensation of Directors and Statutory Auditors in the Fiscal Year Ended March 31, 2012

(Millions of yen)

	Amount of Compensation	Total Compensation by Type				Number of Recipients (persons)
		Basic Remuneration	Stock Options	Bonuses	Retirement Benefits	
Directors (excluding outside directors)	251	195	56	—	—	5
Statutory Auditors (excluding outside statutory auditors)	22	22	—	—	—	1
Outside Directors and Outside Statutory Auditors	45	45	—	—	—	6

Risk Management

Risk Management Initiatives

Seven Bank has designed a risk management system to ensure the soundness and efficiency of management by recognizing and appropriately managing specific types of risk faced in conducting business. The Board of Directors has established the Basic Policy on Risk Control as overall risk management policy, risk management policy regarding specific risks, and internal structures and systems to manage risk. Based on the Basic Policy on Risk Control, the Executive Committee has established detailed rules and regulations governing day-to-day risk management.

The Bank's risk management structure includes the Risk Management Division, which is responsible for supervising overall risk management activities, specific risk management divisions, and the Internal Audit Division to perform internal audits. In addition, the Risk Management Committee and the Asset-Liability Management (ALM) Committee act as advisory bodies to the Executive Committee with respect to risk management.

Formulation of Business Continuity Plan (BCP)

Seven Bank has defined three priority business operations to maintain in the event of a major disaster or accident to fulfill its social obligation as a bank. These operations are ATM business, fund settlement with other banks and partner financial institutions, and payment of withdrawals and currency exchange. In addition, to ensure that these

important business operations can continue even if a disaster or accident occurs, each department has created a business continuity plan (BCP). The departments conduct BCP drills on a regular basis that assume cases in which data centers and other facilities are damaged for varying periods of time.

In the Great East Japan Earthquake of March 2011, an emergency headquarters headed by the president was set up in accordance with the business continuity management (BCM) policy. The headquarters held a response meeting to decide policies and measures for the quick restoration and stable operation of ATMs and other matters, and immediately moved to implement them.

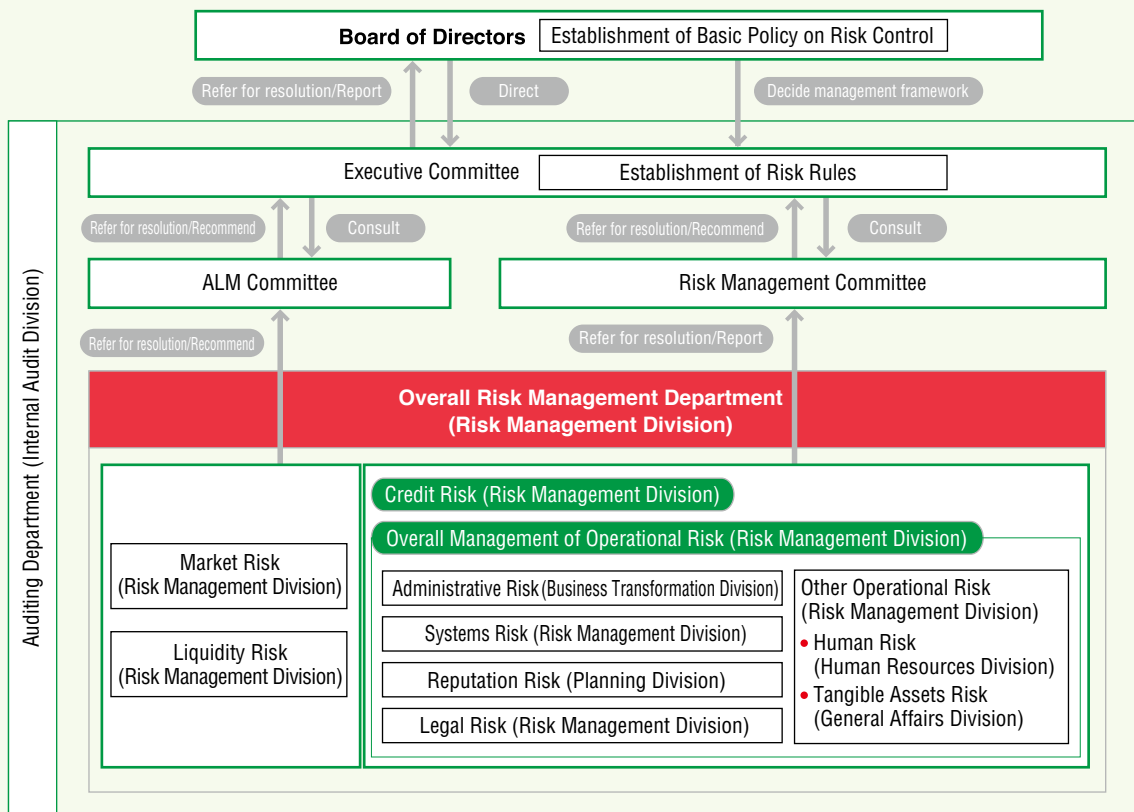
Overall Management of Risk

Basic policies relating to overall risk management are governed by the Basic Policy on Risk Control. The Bank manages risk comprehensively, evaluating risks by category and comparing them with capital.

Credit Risk

Basic policies relating to credit risk are governed by the Basic Policy on Risk Control and by the Credit Risk Rules established thereunder. Currently, risk management activities relating to credit risk are limited to the ATM settlement business, ALM of interbank deposits placed with top-rated partner financial institutions, lending of funds in the call-money market, temporary ATM payment

Risk Management System



amounts due, and small personal loans. In addition, the Bank performs self-assessment of asset quality as appropriate and establishes an allowance for credit losses in accordance with its self-assessment guidelines, reserve guidelines, and related internal rules and regulations.

Market Risk

Basic policies relating to market risk are governed by the Basic Policy on Risk Control and by the Market Risk Rules established thereunder. The Market Risk Rules establish limits on the maximum level of funds at risk, market position limits, and loss allowance limits. The Risk Management Division measures and monitors market risk on a daily basis in light of these limits and reports the results to management, including the Executive Committee. Risk management operations are also based on the monthly reports of the ALM Committee regarding the Bank's market risk position, expected trends in interest rates, and other matters.

Liquidity Risk

Basic policies relating to liquidity risk are governed by the Basic Policy on Risk Control and by the Liquidity Risk Rules established thereunder. 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 Risk Management Division measures and monitors liquidity risk on a daily basis in light of these limits and reports the results to the Executive Committee. The Bank has devised comprehensive countermeasures for a number of constrained funding scenarios to enable a quick and flexible Bank-wide response, and therefore does not expect to experience liquidity problems.

Overall Management of Operational Risk

Basic policies relating to operational risk are governed by the Basic Policy on Risk Control and by the Operational Risk Rules established thereunder. The Bank recognizes administrative risk, systems risk, reputation risk, legal risk, and other operational risks as operational risks, and comprehensively manages risk from a qualitative and a quantitative standpoint.

Administrative Risk

Seven Bank's business consists primarily of the execution of transactions, mainly through its ATM network, that do not involve face-to-face interaction. The Administrative Risk Rules, which were established in accordance with the Basic Policy on Risk Control, are designed to reflect this special characteristic and ensure accuracy and fairness in administrative operations. In addition, the Bank works to prevent administrative errors and employee misconduct through self-monitoring and appropriate audits of all divisions, offices, and centers by the Internal Audit

Division. The Bank is organized to quickly analyze the cause of problems it has identified, such as scandals, work-related accident and complaints, and determine measures to prevent their recurrence. The Bank also manages administrative risk, including potential administrative risk, by verifying administrative error reports and self-monitoring in order to understand the occurrence of administrative errors in all divisions and centers.

Systems Risk

Basic policies relating to systems risk are governed by the Basic Policy on Risk Control and by the Systems Risk Rules established thereunder. The Bank seeks to improve systems development efficiency, service quality, and systems safety. Initiatives in systems construction include one or more layers of redundancy in network and hardware equipment and a backup center designed to engage in the event of a natural disaster or systems failure. File libraries and programs are backed up as appropriate based on relative importance to operations, and such backup data is stored off-site as a precaution against unforeseeable events. In addition, the Bank takes the utmost care in information management, including using firewalls to block unauthorized systems access, monitoring access 24 hours a day, 365 days a year, encrypting all electronic transactions with customers, and employing anti-virus software. Furthermore, in order for its customers to use the Bank's services with peace of mind, the Bank prepares for unforeseen events such as service interruptions or disasters and has prepared a business succession plan in advance, and also has set up a framework for conducting regular drills and other measures.

Reputation Risk

Basic policies relating to reputation risk are governed by the Basic Policy on Risk Control and by the Reputation Risk Rules established thereunder. The Bank works to gather information concerning its reputation on a daily basis and maintains a response system, including a bank-wide communication structure and timely and appropriate disclosure for dealing with events that affect its reputation.

Legal Risk

Basic policies relating to legal risk are governed by the Basic Policy on Risk Control and by the Legal Risk Rules established thereunder. The Bank works to minimize or prevent the manifestation of legal risks, and respond accurately and efficiently to avert or minimize losses in the event that such risks materialize.

Other Operational Risks

Basic policies relating to other operational risks are governed by the Basic Policy on Risk Control. The main other operational risks recognized and managed are human risk and tangible assets risk.

Compliance

Compliance Initiatives

Seven Bank considers compliance with applicable laws and societal norms to be a fundamental prerequisite to earning the trust of society. Aware of the importance of its public mission and the significance of its societal responsibilities, the Bank has developed the following initiatives to ensure compliance, one of the most important responsibilities of management.

Compliance Systems

The Bank appoints a Compliance Officer to each of its internal divisions to implement compliance and serve as a point-person to consult on compliance-related problems and other issues. The Risk Management Division, led by the officer in charge, works as the Bank-wide compliance department to improve accountability and responsibility, self-help capabilities, and reciprocal monitoring as a means of creating an organization with an inherent self-monitoring function. The Internal Audit Division independently audits the Bank-wide compliance system. In addition, the Compliance Committee, which acts as an advisory body to the Executive Committee, reviews and evaluates all significant compliance-related issues as they arise.

Compliance Program

The Bank establishes a compliance program each fiscal year that sets out the specific compliance plan for that year. The Board of Directors reviews and evaluates the progress and the practical results of the compliance program for the relevant year and, based on such reviews and evaluations, designs and adopts the compliance program for the following fiscal year.

Compliance Manual

To enhance compliance, the Bank publishes a compliance

manual that is distributed internally to all employees, while implementing compliance training sessions in order to repeatedly keep employees informed about compliance.

Main Compliance Issues

1. Prevention of fraudulent accounts and money laundering

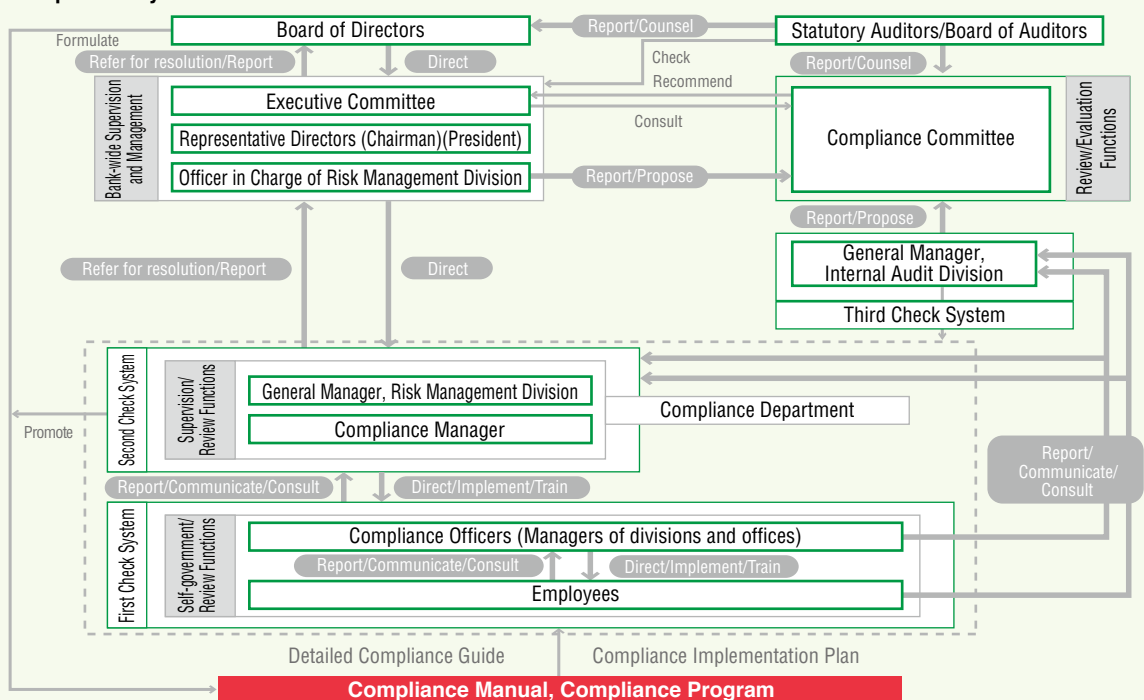
The Bank focuses on preventing the opening of fraudulent accounts by strictly enforcing customer due diligence procedures when customers apply to open new accounts.

Moreover, the Bank has established the Financial Crime Prevention Division as a specialized unit to combat financial crime. This division works to eliminate fraudulent accounts, prevent fraudulent bank transfers and other activities and cooperate appropriately with the police and other governmental authorities by monitoring and filtering accounts on a daily basis.

2. Response to anti-social groups

The Bank concentrates on eliminating connections with anti-social groups by continuously gathering and accumulating information concerning these organizations and conducting preliminary reviews based on this information before starting new business transactions. Also, among other steps since January 2010, we have asked customers applying to open accounts to sign an affidavit stating they are not associated with anti-social forces, have included rules and other clauses that provide explicitly for the exclusion of organized crime groups, and have enabled account application rejection and account closure for customers associated with anti-social forces. In addition, the Bank conducts regular training for officers and employees to ensure they respond appropriately, and as an organization, to wrongful demands and other events in accordance with internal rules and regulations.

Compliance System



Management Team

As of July 1, 2012

Directors



Chairman and Representative Director

Takashi Anzai



Director, Vice Chairman, Executive Officer

Masatoshi Wakasugi

In charge of:
Human Resources Division



President and Representative Director

Kensuke Futagoishi

In charge of:
Internal Audit Division



Director, Managing Executive Officer, General Manager of Planning Division

Yasuaki Funatake

In charge of:
Planning Division, General Affairs Division, Business Transformation Division



Director, Executive Officer, General Manager of System Development Division

Kazuhiko Ishiguro

In charge of:
System Development Division, ATM Solution Division, Product Development and Promotion Division



Director, Executive Officer

Taku Oizumi

In charge of:
Research Division, Treasury Division, Strategic Business Development Division



Outside Director

Yoji Ohashi



Outside Director

Toshikazu Tamura



Outside Director

Yuko Miyazaki



Outside Director

Tadahiko Ujiie

Statutory Auditors

Statutory Auditor

Toshiaki Ikeda

Outside Statutory Auditor

Masaharu Hino

Outside Statutory Auditor

Tetsuya Katada

Outside Statutory Auditor

Naomi Ushio

Executive Officers

Managing Executive Officer

Tsutomu Yamazaki

In charge of:
Customer Service Division, ATM Administration Division, Business Promotion Division

Executive Officer, General Manager of Operations Division

Yoshiaki Nakajima

In charge of:
Operations Division

Executive Officer, General Manager of Human Resources Division

Shinichi Hayashi

Executive Officer, General Manager of ATM Solution Division

Masaaki Matsuhashi

Executive Officer, General Manager of Risk Management Division

Nobuyoshi Motegi

In charge of:
Risk Management Division, Financial Crime Prevention Division

Executive Officer, General Manager of Business Promotion Division

Tomofumi Oguchi

Executive Officer, General Manager of Product Development and Promotion Division

Hisanao Kawada

Notes: 1. Takashi Anzai and Kensuke Futagoishi concurrently act as executive officers.
2. Mr. Yoji Ohashi, Mr. Toshikazu Tamura, Mr. Masaharu Hino, Mr. Tetsuya Katada, and Ms. Naomi Ushio have been notified as independent executives to the Tokyo Stock Exchange.

Seven Bank's Basic CSR Policy

Seven Bank defines corporate social responsibility (CSR) as "the primary obligation to be fulfilled to co-exist with the environment and society from which the Bank derives its customer and social support." To continue to pursue and further develop its business operations, Seven Bank is fully aware that its CSR activities are indispensable. To fulfill its responsibilities, the Bank has established a basic policy of conducting effective and continuous CSR initiatives based on its Corporate Principles, Management Policy and Charter of Ethics.

In addition, in promoting CSR, Seven Bank aims to enhance its CSR activities to meet the demands of the international community, with reference to the ISO 26000 international guidelines for social responsibility.

Conducting CSR Activities from Six Standpoints

To conduct ongoing and effective CSR activities, Seven Bank has established the following six standpoints for the implementation of CSR activities, under its Basic CSR Policy.

1. How do the Bank's business activities contribute to society's economic well-being?
2. Is the Bank sufficiently attentive to the natural environment, and does it make sufficient efforts to address environmental problems?
3. What responsibility does the Bank bear for its products and services toward its customers, and to what extent are these responsibilities fulfilled?
4. Does the Bank maintain a safe and comfortable working environment and respect the human rights of its employees and the employees of its business partners?
5. Does the Bank work closely with society as a good corporate citizen and actively undertake activities that contribute to society?
6. Does the Bank maintain a policy that strongly opposes anti-social groups?

Overview of Seven Bank's CSR Activities

Core Subjects of ISO 26000	Seven Bank Initiatives
Organizational governance	<ul style="list-style-type: none"> • Corporate governance • Risk management
Human rights	<ul style="list-style-type: none"> • Ensuring equal opportunity and diversity in employment • Compliance
Labor practices	<ul style="list-style-type: none"> • Helping employees to achieve good work-life balance • Ensuring diversity • Establishing education and training programs
The environment	<ul style="list-style-type: none"> • Reducing environmental impact of ATM services • Environmental protection through employee participation
Fair operating practices	<ul style="list-style-type: none"> • Cooperating with partner companies • Compliance
Consumer issues	<ul style="list-style-type: none"> • Stable operation of the ATM system network • Providing safe and secure services • Considering the diversity of customers • Dialogue with customers
Community involvement and development	<ul style="list-style-type: none"> • Communication with society

Visit the Seven Bank website for more information on its CSR activities.

<http://www.sevenbank.co.jp/english/ir/csr/>





FINANCIAL SECTION

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Eleven-Year Summary of Selected Financial Data

Seven Bank, Ltd. Years ended March 31

	2012	2011	2010	2009
For the year:				
Total income	¥ 88,318	¥ 84,022	¥ 88,830	¥ 89,842
Fees and commissions income	87,711	83,644	88,350	88,741
Fees and commissions expenses	10,705	10,011	9,691	9,183
Income before income taxes	29,300	26,999	30,306	28,736
Net income	17,267	16,008	17,953	16,988
EBITDA	41,912	39,052	43,253	44,153
Depreciation of fixed assets	12,355	11,603	12,846	15,402
At year-end:				
Total assets	¥652,956	¥600,061	¥502,782	¥493,360
Deposits	372,271	333,382	219,008	229,311
Total liabilities	527,326	485,522	392,843	394,966
Total net assets	125,629	114,539	109,939	98,393
Per share data (Note 5):				
Net income	¥ 14.49	¥ 13.19	¥ 14.71	¥ 13.92
Net assets	105.30	96.05	90.03	80.61
Dividends (Note 6)	6.20	5.20	5.20	4.90
Management indicators:				
EBITDA margin (%)	47.45	46.51	48.69	49.15
Return on equity (ROE) (%)	13.50	13.28	16.11	16.94
Return on assets (ROA) (%)	4.55	4.66	5.49	5.13
Non-consolidated Tier 1 capital ratio (Domestic standard) (%)	53.25	52.09	50.51	45.99
Return on ATM cash (%)	7.04	7.58	9.05	8.30
Overhead ratio (%)	60.97	61.73	60.35	62.99
Payout ratio (%)	42.7	39.3	35.3	35.1
ATM indicators:				
Number of ATMs installed (ATMs)	16,632	15,363	14,601	13,803
Daily average transactions per ATM (Transactions)	112.6	112.3	114.4	114.3
Total number of transactions (Millions of transactions)	655	609	590	555

- Notes: 1. Return on equity = net income/the daily average total shareholders' equity
2. Return on assets = net operating profit (*gyomu jun-eki*)/the average of total assets
3. Return on ATM cash = (ATM-related fee income - interest expenses - ATM placement fees - general and administrative expenses)/daily average balance of cash and due from banks
4. Overhead ratio = general and administrative expenses/gross operating profit (*gyomu ararieki*)
5. On December 1, 2011, the Company conducted a 1,000-for-1 stock split. Per share data for previous fiscal years have been restated to reflect the change.
6. The year-end dividend for the fiscal year ended March 31, 2012 included an extra 1 yen to commemorate the Company's listing on the First Section of the Tokyo Stock Exchange.

Millions of yen

2008	2007	2006	2005	2004	2003	2002
¥ 83,667	¥ 75,427	¥ 64,628	¥ 47,967	¥ 29,138	¥ 11,591	¥ 1,906
82,471	74,875	63,973	47,917	29,045	11,421	1,867
8,328	6,491	4,845	3,753	2,404	1,261	348
23,343	21,009	16,601	9,944	2,892	(8,176)	(12,168)
13,830	12,667	10,590	10,843	5,027	(8,191)	(12,181)
36,141	30,433	23,720	13,649	6,156	(5,556)	(10,485)
11,491	5,412	4,311	3,574	3,121	2,617	1,683
¥488,137	¥532,757	¥361,338	¥313,305	¥259,676	¥159,928	¥127,472
219,138	275,136	196,880	189,776	187,442	115,908	75,489
399,162	458,907	294,257	256,797	214,013	119,269	78,639
88,974	73,849	—	—	—	—	—

Yen

¥ 11.80	¥ 10.73	¥ 8.68	¥ 8.88	¥ 4.12	¥ —	¥ —
72.93	63.31	54.98	46.31	37.42	—	—
4.20	5.00	—	—	—	—	—
43.19	40.34	36.71	28.45	21.14	—	—
16.89	17.03	15.80	21.14	12.06	—	—
4.75	5.59	5.74	3.55	1.48	—	—
43.86	37.91	233.35	182.20	200.98	221.23	300.84
7.83	8.73	6.26	3.71	2.02	—	—
65.63	62.40	67.12	76.34	88.13	181.46	832.14
35.5	46.5	—	—	—	—	—
13,032	12,088	11,484	9,981	7,804	5,250	3,657
109.0	97.8	88.2	76.6	67.5	46.8	24.9
498	418	342	257	158	72	14

Operating Results

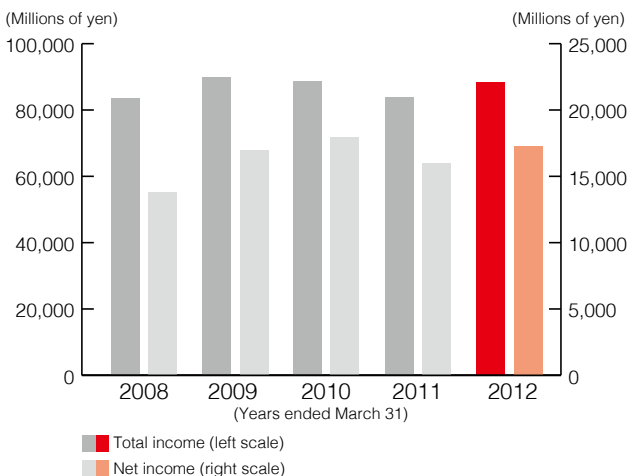
Summary of Fiscal 2011

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.

Amid this operating environment, the Bank recorded total income of 88,318 million yen (up 5.1% year on year), and net income of 17,267 million yen (up 7.8% year on year).

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

Total Income and Net Income



ATM Business

Seven Bank continued to add ATMs within and outside the Group during fiscal 2011. In addition, we worked to increase our partner financial institutions to enhance convenience for customers of these financial institutions 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) and Orix Bank Corporation (March 2012) as well as 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.

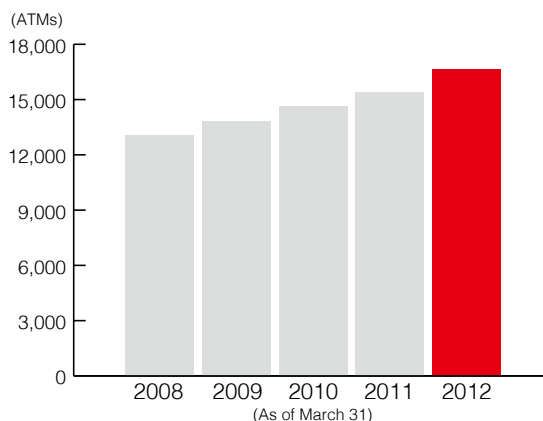
Within the Group, we have installed ATMs in areas with new Seven-Eleven stores, for example Kagoshima Prefecture. We also added ATMs to Seven-Eleven stores with high ATM usage rates (1,100 stores had more than one ATM at the end of fiscal 2011). As for operations outside the Group, approximately 140 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.

Also, efforts were 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.

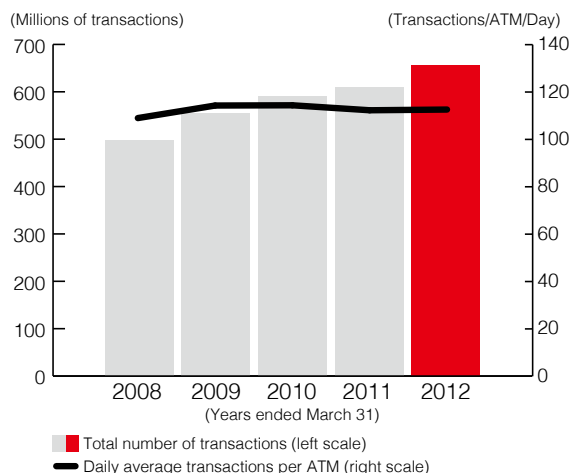
As a result of such initiatives, our ATM network reached 16,632 machines as of March 31, 2012 (up 8.2% from the end of March 2011). Moreover, daily average transactions per ATM were 112.6 (up 0.3 transactions year on year), and a total of 655 million transactions were recorded (up 7.4% year on year).

Notes: 1. We had 43 other partner financial institutions at the end of March 2011. The loss of one 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.

Number of ATMs Installed



ATM Transactions



Financial Services Business

Seven Bank had 971,000 individual customer accounts at the end of March 2012 (up 9.6% compared with the end of March 2011) and 17,000 contract accounts for personal loan services (up 90.9% year on year). In response to the varied needs of customers, in June 2011 the borrowing limit for our personal loan service became adjustable from 100,000 yen to 300,000 yen or 500,000 yen for customers who fulfill certain conditions.

The international money transfer services we launched in March 2011 using Internet banking and mobile banking were made available from ATMs as well from July 2011. Approximately one year after the start of these services, the number of contract accounts has grown to approximately 10,000 and the number of money transfers to approximately 32,000.

Outlook for Fiscal 2012

In fiscal 2012, we will continue to increase the number of ATMs installed and work to develop new users. We forecast that the number of ATMs installed will increase 6.4% year on year to approximately 17,700, the total number of ATM transactions will increase 6.5% to approximately 698 million, and average daily transactions per ATM will decrease 0.7% to approximately 111.9. We also expect that total income will increase due to steady growth in the total number of ATM transactions.

Aiming to generate additional profit, we will work to broaden the customer base in terms of segments for the international money transfer services that we began offering in March 2011 by enhancing sales activities, while developing new businesses that fully utilize our existing know-how and infrastructure. In addition, during fiscal 2012 we will move to increase customer convenience by accelerating the phase-in of our third-generation ATMs, which began in November 2010.

On the other hand, we forecast that total expenses will increase year on year due to factors including increased depreciation expenses resulting from the introduction of third-generation ATMs.

Despite the rise in total expenses, owing to our expectations that growth in total income will exceed the rise in total expenses, we are forecasting that net income will increase year on year.

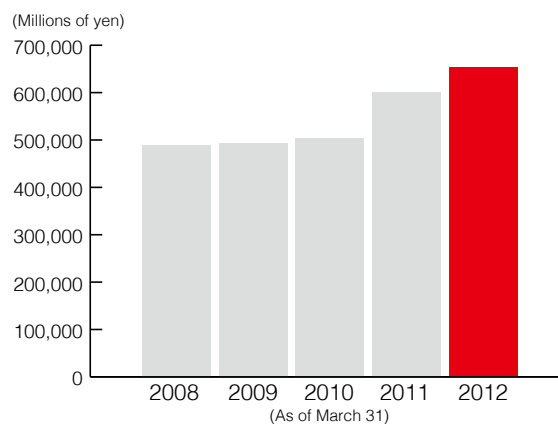
For fiscal 2012, we forecast total income of 93,800 million yen (up 6.2% year on year) and net income of 18,700 million yen (up 8.2%).

Analysis of Financial Position

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 securities held as collateral for domestic exchange settlements and Bank of Japan current account overdraft transactions of 98,813 million yen and ATM-related temporary payments to partner financial institutions of 123,554 million yen.

Total Assets



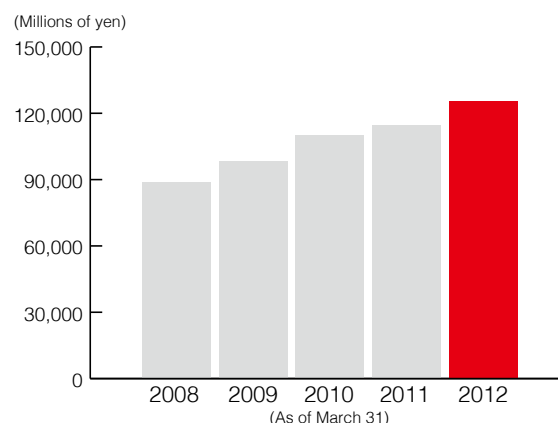
Liabilities

Liabilities were 527,326 million yen. These largely comprised deposits (including negotiable certificates of deposit) totaling 372,271 million yen. Of these, the outstanding balance of individuals' ordinary deposits was 125,510 million yen and the balance of term deposits was 93,746 million yen.

Net Assets

Net assets were 125,629 million yen. Of these, other retained earnings were 64,401 million yen and the non-consolidated Tier 1 capital ratio (domestic standard) was 53.25%.

Net Assets



Cash Flows

Cash and cash equivalents decreased by 16,494 million yen compared with the end of March 2011, to 368,518 million yen. Cash flows in each category and the factors behind changes were as follows:

Cash Flow from Operating Activities

Net cash provided by operating activities was 1,401 million yen. Factors contributing cash, including income before income taxes of 29,300 million yen, net change in negotiable certificates of deposit of 20,000 million yen, net change in deposits of 18,888 million yen, and net change in call money of 16,200 million yen, exceeded factors using cash that included net change in

ATM-related temporary accounts of 41,067 million yen and proceeds from issuance and maturity of ordinary bonds of 36,000 million yen.

Cash Flow from Investing Activities

Net cash used in investing activities was 11,703 million yen, as factors that used cash including purchases of securities of 161,465 million yen and purchases of tangible fixed assets of 6,878 million yen exceeded factors that provided cash such as proceeds from the maturity of securities of 161,500 million yen.

Cash Flow from Financing Activities

Net cash used in financing activities was 6,192 million yen, due to factors including 6,192 million yen in dividends paid.

Cash Flow Highlights

(Years ended March 31)	Millions of yen		
	2012	2011	2010
Net cash provided by operating activities	1,401	125,487	30,527
Net cash used in investing activities	(11,703)	(23,140)	(10,518)
Net cash used in financing activities	(6,192)	(11,526)	(6,405)
Cash and cash equivalents at the end of the year	368,518	385,013	294,192

Basic Policy on Profit Distribution and Dividends in Fiscal 2011 and Fiscal 2012

Seven Bank regards returning profits to shareholders as an important management issue, and with the aim of providing a fair return to shareholders, our basic policy is to strive to pay a sustained and stable cash dividend while maintaining an appropriate balance between dividend payments and internally retaining a suitable level of earnings. Seven Bank targets a minimum dividend payout ratio of 35% and maintains a basic policy of paying dividends twice a year (interim and year-end dividend payments).

For fiscal 2011, we paid an interim dividend of 2.60 yen (see Note; adjusted for stock split) and a year-end dividend of 3.60 yen (includes a 1.00 yen dividend commemorating our listing on the First Section of the Tokyo Stock Exchange), resulting in an annual dividend of 6.20 yen per share.

For fiscal 2012, we intend to pay an annual dividend of 6.50 yen (comprising an interim dividend of 3.25 yen and year-end dividend of 3.25 yen).

Retained earnings will be allocated to provide working capital for ATM operations and to fund capital investment. Retained earnings will also be set aside for growth investments.

Note: The Company conducted a 1,000-for-1 stock split of its common shares on December 1, 2011. The annual dividend was 2,603.60 yen per share if calculated using an interim dividend of 2,600 yen per share that is unadjusted for the split.

Management Policies

(1) Basic Management Policies

Management Ethos

- Seven Bank strives to be a trustworthy bank that accurately meets its customers' needs.
- Every single staff member will swiftly adopt the benefits of technological innovation and aim for self-improvement.
- Seven Bank contributes to the stability and development of Japan's financial system by offering a safe and efficient transaction settlement infrastructure.

Basic Management Policy

Seven Bank is working to offer safe, accurate, and speedy banking services deeply embedded in customers' daily lives as their "instant wallets." We aim to achieve this by creating a network of ATMs accessible 24 hours a day, 365 days a year, utilizing the 14,000-plus retail locations of Seven & i Holdings'-related companies led by Seven-Eleven convenience stores.

Seven Bank operates under an ethos of co-existence and co-prosperity by encouraging other financial institutions to make use of its easily accessible ATMs, thereby enhancing customer services and improving business efficiency.

Further, by proactively offering financial services sought by customers of Seven & i Holdings and its affiliates, we are working to attract a wider range of customers to Seven & i Holdings' stores more often, and we will continue to pursue synergies to enhance Seven & i Holdings' profitability.

(2) Target Management Indicators

Seven Bank aims to maintain consistent, steady growth in net income with the aim of maximizing corporate value over the medium-to-long term. Other performance metrics that Seven Bank focuses on include daily average transactions per ATM, return on ATM cash (see Note below), and the overhead ratio.

Note: Return on ATM cash = (ATM-related fee income – interest expenses – ATM placement fees – general and administrative expenses) ÷ daily average balance of cash and due from banks

(3) Medium-to-Long-Term Management Strategies

Initiatives to achieve sustained growth will include 1) further strengthening the ATM business; 2) quickly generating earnings in the financial services business; and 3) building new businesses. We will work to enhance our earnings structure through these initiatives.

- In the ATM business, we will increase the number of partner financial institutions and ATMs installed and work to raise usage rates with emphasis on ATMs installed at non-Group locations. Regarding increasing the number of partner financial institutions, we aim to further raise convenience for customers who use our ATMs by strengthening our approach to financial institutions that are not yet partners. Regarding increasing the

number of ATMs installed, we will continue to steadily install ATMs at Group locations while further increasing our proactive efforts to install more ATMs at non-Group locations. To raise ATM usage rates, we will carefully select non-Group installation locations that we expect a large number of customers to use, and we will carry out ATM usage promotion activities after installation at Group and non-Group locations. In addition, we will steadily phase in third-generation ATMs and work to increase customer convenience and safety.

2. For the international money transfer services included in the financial services business we have already initiated, we will work to create and expand relationships with new kinds of users. For personal loan services, we will work to increase awareness of our services to promote the establishment of additional personal loan service accounts.
3. Regarding other new businesses, we intend to cultivate new business opportunities for which we can fully utilize our know-how and infrastructure.

Risk Factors

1. Risk Relating to Our Business Strategy

(1) ATM business

Seven Bank substantially depends on the ATM business for its revenues. The Bank is increasing the number and density of ATMs installed, as well as enhancing security, to increase customers' convenience and sense of security. However, changes that threaten the ATM business model, such as those described below, could affect the Bank's results and financial position.

A) Increase in the use of non-cash payment methods

The number of ATM transactions is currently increasing. However, the increase in the use of non-cash payment methods, such as credit cards and electronic money, could reduce the number of ATM transactions, which could affect the Bank's results.

B) Growing competition from other ATM networks

Seven Bank competes with companies installing ATMs at convenience stores outside the Seven & i Holdings Group and other locations. In addition, competition with partner financial institutions that have ATM networks could increase if these institutions actively expand their ATM networks.

Currently, total ATM transactions continue to increase. In the future, however, increased competition with the Bank's partner financial institutions could cause such challenges as a decrease in the number of users of the Bank's ATMs or a decrease in ATM-related fee income, which could affect the Bank's results.

C) Changes in economic conditions

The level of ATM-related fee income that Seven Bank charges its partners is judged by both parties to be reasonable. However, there is no guarantee that the level will not change in

the future. The level of the ATM-related fee income may decline, or failure to agree on ATM-related fee income levels may dissolve partnerships, which could affect the Bank's results and financial position.

D) Difficulty in securing ATM locations

Seven Bank has in a stable manner secured and expanded locations for ATMs, centered on Seven & i Holdings Group stores, and is expanding the installation of ATMs at commercial facilities and other non-Group sites. In the future, however, obstacles to maintaining or expanding ATM locations could affect the Bank's results.

E) Effect of amendment of the Money Lending Business Act

Results of the complete implementation of amendments of the Money Lending Business Act (June 2010) include restrictions on the total volume of lending. Factors associated with this act, including future amendments, reinterpretations or additional restrictions that substantially decrease the use of Seven Bank's ATMs by the customers of partner money lending companies, could cause a decline in ATM-related fee income and other outcomes that could affect the Bank's results.

F) Risk of higher interest rates

Seven Bank procures necessary cash for its ATM business through deposits, loans, bonds, and other means. The cost of this fund procurement is influenced by market interest rate trends.

The Bank takes appropriate steps to minimize the impact of interest rate fluctuations, such as procuring long-term funds at fixed rates. However, substantial interest rate fluctuations could cause an unanticipated rise in fund procurement costs, which could affect the Bank's results and financial position.

(2) Financial services business

In addition to ordinary deposits and term deposits, Seven Bank has begun offering card loans and international money transfer services for individuals. However, there is no guarantee that these services will successfully expand.

In addition, Seven Bank may offer new services or establish other new businesses that it is not currently handling to expand the financial services business, but cannot guarantee that they will succeed. When expanding new businesses, the Bank may also establish new subsidiaries and form capital alliances with other corporations. Upon assuming leadership of a corporate group created to develop business, the Bank could fail to provide adequate group management because it has only operated as a discrete corporation. This could affect the Bank's results and financial position.

2. Risk Management Systems

Through its Basic Policy on Risk Control, Seven Bank has established Bank-wide risk management policies, policies for specific risks, and a risk management organization and structure

to appropriately recognize and manage all kinds of risks in its operations. In addition, for appropriate risk management, the Bank has established a Risk Management Committee as an advisory body to the Executive Committee with respect to risk; the Risk Management Division, which is responsible for supervising overall Bank-wide risk management activities; and risk management divisions for managing specific types of risk.

Seven Bank has thus constructed a sufficient framework for, and is implementing, risk management as required. However, failure to respond adequately to every risk could affect the Bank's results and financial position.

3. System Failure

Seven Bank has established "system risk management rules" to articulate its fundamental policies related to system risk management and by developing and operating its systems based on the rules it is striving to realize efficient system development, improved system quality, and stable system operations. In addition, the Bank has adopted a system configuration that employs two system centers that are always in operation, redundant server network equipment, and 24x7x365 monitoring operations, as well as the implementation of other system failure countermeasures. In addition, in accordance with the importance of files, programs, etc., the Bank performs data backups and has taken measures for remote-location data storage in preparation for unexpected situations.

However, it is impossible to completely eliminate the danger of system function interruptions due to failure resulting from factors including such natural disasters as large earthquakes and typhoons, power outages, network failure, computer viruses, or human error. Such interruptions could affect the Bank's results.

4. Deterioration in Relationships with External Contractors

Seven Bank outsources key tasks, including ATM cash replenishment, development and operation of various systems, ATM security and management, and call center operations. In addition, the Bank outsources cash card issuance and mail delivery for new deposit accounts.

Relationships with these external contractors are currently satisfactory. However, increasing fees resulting from deterioration of their operating environments or difficulties in continuing to provide services for any reason could affect the Bank's results.

5. Relationship with Seven & i Holdings Group

Overall, Seven Bank determines issues including business strategy, personnel policy and capital policy autonomously after independent consideration. However, the Bank operates its ATM business by installing ATMs primarily in the stores of companies that are part of the Seven & i Holdings Group, which is Seven Bank's parent company.

As of March 31, 2012, the relationship between Seven Bank and the Seven & i Holdings Group was as follows.

(1) Equity relationship

Seven Bank is a subsidiary of Seven & i Holdings Co., Ltd., which is listed on the First Section of the Tokyo Stock Exchange. Seven & i Holdings controls 45.81% of the voting rights of Seven Bank. The Seven & i Holdings Group is expected to remain a major Seven Bank shareholder, and the Bank cannot guarantee that the Seven & i Holdings Group will not influence its policies and decisions.

(2) Personnel relationship

Seven Bank's Chairman and Representative Director, Takashi Anzai, concurrently serves as a director of Seven & i Holdings Co., Ltd.

In addition, Seven Bank has a cooperative business relationship with the Seven & i Holdings Group that involves personnel exchanges.

(3) Transactional relationship

At the end of March 2012, Seven Bank had installed 15,605 ATMs at Seven & i Holdings Group stores (including 15,129 ATMs at Seven-Eleven stores, 300 ATMs at Ito-Yokado stores, and 176 ATMs at other Seven & i Holdings Group stores). In addition, the Bank has installed 1,027 ATMs at locations other than Seven & i Holdings Group stores.

Thus, 93.8% of the Bank's ATMs are installed at Seven & i Holdings Group stores. Difficulties in keeping ATMs installed at Group stores or a marked decrease in customers at Seven & i Holdings Group stores could affect the Bank's results.

In addition, Seven Bank pays ATM installation fees to Seven & i Holdings Group companies, but cannot guarantee that fee terms will not change in the future. Major changes in fee terms could affect the Bank's results.

6. Response to Financial Crime

Seven Bank's business consists primarily of the execution of non-face-to-face transactions, mainly via ATMs. As such, the Bank undertakes strict customer due diligence when customers apply to open new accounts. In addition, the Bank monitors accounts to prevent from being abused for financial crimes and focuses on protecting customers. However, reputation damage and other factors arising from a temporary failure to keep pace with rapid and diverse changes in criminal techniques could affect the Bank's social standing or its results.

7. Litigation

To date, Seven Bank has not been involved in significant litigation. In addition, with a focus on preventative measures, the Bank is working to minimize litigation risk in consultation with attorneys who specialize in this area. However, there is no guarantee that the Bank will not be subject to litigation or disputes that affect its results and financial position in the future, resulting from legal issues, such as legal violations or inadequate contractual agreements.

8. Effects of Legal Amendments

Seven Bank operates its businesses in compliance with current laws and regulations. However, the contents or effects of future

legal amendments are difficult to predict or control. Consequently, there is no guarantee that in the future the Bank will be able to continue executing its business plan under initial assumptions.

9. Regulations

Based on the regulations in Article 4, Paragraph 1 of the Banking Act, Seven Bank has received a license to operate in the banking business (Financial Supervisory Agency License Number 1812) that enables it to take deposits, handle currency exchange, make loans and conduct other relevant business. However, based on the regulations in Article 4, Paragraph 4 of the Banking Act (Note), the Company's banking license is subject to certain conditions. Future new businesses such as foreign currency-denominated accounts will require the approval of the commissioner of the Financial Services Agency as the head of the supervisory authority.

Based on the progress in application for approval, Seven Bank may not be able to develop new businesses as planned, which could affect the Bank's results.

In addition, regarding the banking business, Articles 26 and 27 of the Banking Act specify prerequisites for issues including suspension of operations and license revocation, respectively. If these prerequisites are applicable, the Bank may be legally required to suspend its operations or its license may be revoked.

The Bank is currently aware of no reason for these measures to be taken. However, future suspension of operations or license revocation for any reason could obstruct the Bank's business activities and could materially affect the Bank's results.

Note: Article 4, Paragraph 4 of the Banking Act: When the Prime Minister deems it necessary for the public interest based on consideration of the regulations of the preceding two paragraphs, the Prime Minister may attach conditions to the license of the first paragraph and modify the license to the extent necessary.

10. Capital Adequacy Ratio

Seven Bank does not have sales bases overseas. Therefore, Seven Bank must maintain a ratio of nonconsolidated net assets to total assets above 4% according to the domestic standard specified by "Criteria for Judging Whether A Financial Institution's Own Capital Is Sufficient in Light of the Assets Held, etc. under the Provision of Article 14-2 of the Banking Law" (Notification Number 19 of 2006, the Financial Services Agency).

Currently, Seven Bank's nonconsolidated capital adequacy ratio substantially exceeds the relevant standard. However, the Bank may be unable to meet its required capital adequacy standard if various business or other risks specified by the relevant provisions materialize or the regulations or other relevant items change in the future.

11. Personal Information Leakage

Through its banking business, Seven Bank possesses a large amount of customer information, including personal information. As a business handling personal information as specified by the Personal Information Protection Act, the Bank announces or otherwise publicizes the purpose for using personal information, safely administers personal information, duly considers requests

for disclosure of personal information on file from the subject, and ensures thorough awareness within the Bank to that effect as stipulated by in-house personal information management regulations. Furthermore, the Bank concludes memoranda with, and conducts strict, thorough management of the handling of personal information by, subcontractors. However, serious damage to customers from large-scale information leakage may result in orders or punitive measures from regulatory authorities, claims for damages, and reputation damage. These and other factors may affect the Bank's results and financial position.

12. Reduced Liquidity due to Ratings Downgrade

Seven Bank currently has a long-term issuer rating of AA- with a negative outlook and a short-term issuer rating of A-1+ from Standard & Poor's Ratings Services, and a Bank Fundamental Strength Rating of B. The Bank also has an issuer rating of AA, with a stable outlook, from Rating & Investment Information, Inc.

However, there is no guarantee that the Bank can maintain these ratings in the future. A rating downgrade may affect the Bank's capital and fund procurement.

13. Securing Personnel

Securing the personnel required to continuously expand as a bank centered on the ATM business, and to develop new businesses, is an essential part of Seven Bank's business strategy.

Seven Bank competes for personnel not only with other financial institutions, but also with Internet service-related businesses, systems-related businesses, and other entities. Consequently, an inability to continually hire and retain required personnel may affect the Bank's performance and future development.

14. Reputation

Seven Bank has established Reputation Risk Rules that set the range of reputation risks to be recognized as follows.

- (1) Gossip and rumors among customers, in the markets, on the Internet, in e-mail, etc. (hereafter "rumors")
- (2) Rumors caused by inaccurate or inadequate reporting by mass media
- (3) A negative public image caused by an inappropriate response to accidents, such as system failure, personal information leakage or operational error, or a fundamental management problem
- (4) Rumors related to financial institutions that are partners in the ATM business, external contractors, or other partners

Seven Bank's basic policy is to respond to these reputation risks accurately and urgently, based on the facts. The Bank will take care to prevent the generation of rumors that may damage it. It also has a framework in place to minimize damage by responding appropriately internally and externally in the event that one of the above-noted risks materializes.

However, because Seven Bank has many business partners and external contractors, it could become involved in various difficulties even if it is not to blame, which has the potential to affect the Bank's reputation.

Balance Sheets

Seven Bank, Ltd.
As of March 31, 2012 and 2011

	Millions of yen	
	2012	2011
Assets:		
Cash and due from banks (Notes 2, 3, 4 and 5).....	¥368,518	¥385,013
Call loans (Note 5).....	23,000	10,000
Securities (Notes 2, 5, 6 and 7).....	98,813	99,978
Loans (Notes 5 and 8).....	1,916	536
Accrued income.....	7,206	6,391
ATM-related temporary payments (Note 5).....	123,554	67,465
Tangible fixed assets (Notes 2, 9 and 32).....	10,954	9,393
Intangible fixed assets (Notes 2 and 10).....	16,693	18,689
Deferred tax assets (Notes 2 and 24).....	1,146	1,111
Other assets (Notes 2, 7, 11 and 16).....	1,232	1,551
Allowance for credit losses (Note 2).....	(77)	(71)
Total assets.....	¥652,956	¥600,061
Liabilities:		
Deposits (Notes 5, 12 and 26).....	¥372,271	¥333,382
Call money (Notes 5 and 7).....	19,000	2,800
Borrowed money (Notes 5, 13 and 28).....	24,000	20,000
Bonds (Notes 5 and 14).....	54,000	90,000
ATM-related temporary advances (Note 5).....	42,578	27,557
Reserve for bonuses (Note 2).....	315	325
Other liabilities (Notes 2, 15, 26 and 30).....	15,160	11,456
Total liabilities.....	527,326	485,522
Net assets (Notes 2, 17 and 25):		
Common stock.....	30,505	30,503
Capital surplus.....	30,505	30,503
Legal earnings reserve.....	0	0
Other retained earnings (Notes 2 and 33).....	64,401	53,326
Treasury stock.....	(0)	—
Total shareholders' equity.....	125,413	114,333
Net unrealized gains (losses) on available-for-sale securities, net of taxes (Note 6).....	(4)	51
Total valuation and translation adjustments.....	(4)	51
Subscription rights to shares (Note 29).....	220	154
Total net assets.....	125,629	114,539
Total liabilities and net assets.....	¥652,956	¥600,061

See accompanying notes.

Statements of Income

Seven Bank, Ltd.
For the years ended March 31, 2012 and 2011

	Millions of yen	
	2012	2011
Income:		
Interest income	¥ 486	¥ 179
Interest and dividends on securities	247	68
Other interest income	239	111
Fees and commissions income (Note 18)	87,711	83,644
Other operating income (Note 20)	5	—
Other income (Note 22)	115	197
Total income	88,318	84,022
Expenses:		
Interest expenses	1,931	2,009
Interest on deposits (Note 26)	588	448
Interest on call money	21	23
Interest on borrowed money	256	332
Interest on bonds	1,064	1,204
Fees and commissions expenses (Notes 19 and 26)	10,705	10,011
Other operating expenses (Note 21)	—	12
General and administrative expenses	46,075	44,321
Other expenses (Note 23)	305	667
Total expenses	59,018	57,022
Income before income taxes	29,300	26,999
Income taxes (Notes 2 and 24)		
Current	12,029	10,927
Deferred	3	63
Total income taxes	12,032	10,991
Net income	¥17,267	¥16,008

Amounts per share of common stock (Notes 2, 25 and 31):

	Yen	
	2012	2011
Net assets	¥ 105.30	¥ 96.05
Net income	14.49	13.19
Diluted net income	14.48	13.19
Cash dividends applicable to the year	2,603.60	5,200.00

See accompanying notes.

Statements of Changes in Net Assets

Seven Bank, Ltd.
For the years ended March 31, 2012 and 2011

	Millions of yen	
	2012	2011
Shareholders' equity		
Common stock		
Balance at the beginning of the fiscal year.....	¥ 30,503	¥ 30,503
Changes in items during the period		
Issuance of new shares	2	—
Net changes in items during the period	2	—
Balance at the end of the fiscal year.....	¥ 30,505	¥ 30,503
Capital surplus		
Legal capital surplus		
Balance at the beginning of the fiscal year	¥ 30,503	¥ 30,503
Changes in items during the period		
Issuance of new shares	2	—
Net changes in items during the period	2	—
Balance at the end of the fiscal year	¥ 30,505	¥ 30,503
Other capital surplus		
Balance at the beginning of the fiscal year	¥ —	¥ 1,239
Changes in items during the period		
Disposal of treasury stock.....	—	(1,239)
Net changes in items during the period	—	(1,239)
Balance at the end of the fiscal year	¥ —	¥ —
Total capital surplus		
Balance at the beginning of the fiscal year	¥ 30,503	¥ 31,742
Changes in items during the period		
Issuance of new shares	2	—
Disposal of treasury stock.....	—	(1,239)
Net changes in items during the period	2	(1,239)
Balance at the end of the fiscal year	¥ 30,505	¥ 30,503
Earned surplus (Note 2)		
Legal earnings reserve		
Balance at the beginning of the fiscal year	¥ 0	¥ 0
Changes in items during the period		
Provision of legal earnings reserve.....	0	—
Net changes in items during the period	0	—
Balance at the end of the fiscal year	¥ 0	¥ 0
Other retained earnings		
Retained earnings brought forward		
Balance at the beginning of the fiscal year	¥ 53,326	¥ 47,606
Changes in items during the period		
Cash dividends.....	(6,192)	(6,527)
Provision of legal earnings reserve.....	(0)	—
Net income.....	17,267	16,008
Disposal of treasury stock.....	—	(3,760)
Net changes in items during the period	11,075	5,720
Balance at the end of the fiscal year	¥ 64,401	¥ 53,326
Total earned surplus		
Balance at the beginning of the fiscal year	¥ 53,326	¥ 47,606
Changes in items during the period		
Cash dividends.....	(6,192)	(6,527)
Provision of legal earnings reserve.....	—	—
Net income.....	17,267	16,008
Disposal of treasury stock.....	—	(3,760)
Net changes in items during the period	11,075	5,720
Balance at the end of the fiscal year	¥ 64,401	¥ 53,326

	Millions of yen	
	2012	2011
Treasury stock		
Balance at the beginning of the fiscal year	¥ —	¥ —
Changes in items during the period		
Purchase of treasury stock	(0)	(4,999)
Disposal of treasury stock.....	—	4,999
Net changes in items during the period	(0)	—
Balance at the end of the fiscal year	¥ (0)	¥ —
Total shareholders' equity		
Balance at the beginning of the fiscal year.....	¥114,333	¥109,851
Changes in items during the period		
Issuance of new shares	5	—
Cash dividends	(6,192)	(6,527)
Net income	17,267	16,008
Purchase of treasury stock	(0)	(4,999)
Disposal of treasury stock.....	—	—
Net changes in items during the period	11,080	4,481
Balance at the end of the fiscal year.....	¥125,413	¥114,333
Valuation and translation adjustments		
Net unrealized gains (losses) on available-for-sale securities, net of taxes		
Balance at the beginning of the fiscal year.....	¥ 51	¥ (0)
Changes in items during the period		
Net changes in items other than shareholders' equity	(55)	52
Net changes in items during the period	(55)	52
Balance at the end of the fiscal year.....	¥ (4)	¥ 51
Total valuation and translation adjustments		
Balance at the beginning of the fiscal year.....	¥ 51	¥ (0)
Changes in items during the period		
Net changes in items other than shareholders' equity	(55)	52
Net changes in items during the period	(55)	52
Balance at the end of the fiscal year.....	¥ (4)	¥ 51
Subscription rights to shares		
Balance at the beginning of the fiscal year.....	¥ 154	¥ 88
Changes in items during the period		
Net changes in items other than shareholders' equity.....	66	66
Net changes in items during the period.....	66	66
Balance at the end of the fiscal year.....	¥ 220	¥ 154
Total net assets		
Balance at the beginning of the fiscal year.....	¥114,539	¥109,939
Changes in items during the period		
Issuance of new shares	5	—
Cash dividends	(6,192)	(6,527)
Net income	17,267	16,008
Purchase of treasury stock.....	(0)	(4,999)
Net changes in items other than shareholders' equity.....	10	118
Net changes in items during the period	11,090	4,599
Balance at the end of the fiscal year.....	¥125,629	¥114,539

See accompanying notes.

Statements of Cash Flows

Seven Bank, Ltd.
For the years ended March 31, 2012 and 2011

	Millions of yen	
	2012	2011
Cash flows from operating activities:		
Income before income taxes.....	¥ 29,300	¥ 26,999
Adjustments to reconcile income before income taxes to net cash provided by operating activities:		
Depreciation of fixed assets.....	12,355	11,603
Losses on impairment of fixed assets.....	111	—
Net change in allowance for credit losses.....	6	(57)
Interest income.....	(486)	(179)
Interest expenses.....	1,931	2,009
Net losses on securities transactions.....	—	137
Net losses on disposal of fixed assets.....	145	19
Net change in loans.....	(1,380)	(409)
Net change in deposits.....	18,888	103,984
Net change in negotiable certificates of deposit.....	20,000	10,390
Net change in borrowed money.....	4,000	(11,000)
Net change in call loans.....	(13,000)	10,000
Net change in call money.....	16,200	(10,500)
Proceeds from issuance and maturity of ordinary bonds.....	(36,000)	—
Net change in ATM-related temporary accounts.....	(41,067)	(3,920)
Interest received.....	1,473	990
Interest paid.....	(1,939)	(1,827)
Other — net.....	1,154	(202)
Subtotal.....	11,693	138,035
Income taxes paid.....	(10,292)	(12,547)
Net cash provided by operating activities.....	1,401	125,487
Cash flows from investing activities:		
Purchases of securities.....	(161,465)	(300,976)
Proceeds from sales of securities.....	—	12
Proceeds from maturity of securities.....	161,500	289,499
Increase in money held in trust.....	—	(5,029)
Decrease in money held in trust.....	—	5,029
Purchases of tangible fixed assets.....	(6,878)	(3,377)
Proceeds from sales of tangible fixed assets.....	0	—
Purchases of intangible fixed assets.....	(4,859)	(8,297)
Net cash used in investing activities.....	(11,703)	(23,140)
Cash flows from financing activities:		
Proceeds from exercise of stock options.....	0	—
Dividends paid.....	(6,192)	(6,527)
Purchase of treasury stock.....	(0)	(4,999)
Net cash used in financing activities.....	(6,192)	(11,526)
Net change in cash and cash equivalents.....	(16,494)	90,820
Cash and cash equivalents at the beginning of the year.....	385,013	294,192
Cash and cash equivalents at the end of the year (Note 3 and 4).....	¥ 368,518	¥ 385,013

See accompanying notes.

Notes to Financial Statements

Seven Bank, Ltd.
As of and for the years ended March 31, 2012 and 2011

1. Basis of Presenting Financial Statements

(a) The accompanying financial statements of Seven Bank, Ltd. (the "Bank") have been prepared in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Law and its related accounting regulations, and in conformity with accounting principles and practices generally accepted in Japan ("Japanese GAAP"), which are different in certain respects as to application and disclosure requirements from International Financial Reporting Standards.

The accompanying financial statements have been reclassified and translated into English (with some expanded descriptions) from the financial statements of the Bank prepared in accordance with Japanese GAAP and filed with the appropriate Local Finance Bureau of the Ministry of Finance as required by the Financial Instruments and Exchange Law. Some supplementary information included in the statutory Japanese language financial statements, but not required for fair presentation, is not presented in the accompanying financial statements.

(b) The Bank maintains its accounting records in Japanese yen, the currency of the jurisdiction in which the Bank is incorporated and operates. In preparing the accompanying financial statements and notes thereto, Japanese yen figures less than one million yen have been rounded down to the nearest million yen, except for per share data, in accordance with the Financial Instruments and Exchange Law and Enforcement Ordinance concerning the Banking Law of Japan. Therefore, total or subtotal amounts shown in the accompanying financial statements and notes thereto are not necessarily equal to sums of individual amounts.

(c) The preparation of financial statements in conformity with Japanese GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. Significant Accounting Policies

(a) Securities

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

observe are stated at cost using the moving-average method.

(b) Cash and cash equivalents

For the purpose of presenting the statements of cash flows, cash and cash equivalents represent cash and due from banks.

(c) Tangible fixed assets (excluding leases)

Tangible fixed assets are generally stated at cost less accumulated depreciation. Depreciation of tangible fixed assets is mainly calculated by the declining-balance method over the estimated useful lives of the assets.

Estimated useful lives of major items as of March 31, 2012 are as follows:

Buildings: 6-18 years

ATMs: 5 years

Others: 2-20 years

(d) Intangible fixed assets (excluding leases)

Intangible fixed assets are amortized using the straight-line method. Software for internal use is amortized over its estimated useful life (five years).

(e) Foreign currency translation

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

(f) Allowance for credit losses

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

The Bank classifies its obligors into five categories for self-assessment purposes, namely, "normal obligors," "obligors requiring caution," "bankruptcy risk obligors," "substantially bankrupt obligors," and "bankrupt obligors."

For credits to those classified as normal obligors or obligors requiring caution, the allowance for credit losses is provided based on the Bank's estimated rate of credit losses.

For credits to obligors classified as bankruptcy risk obligors, the allowance for credit losses is provided for the amount deemed necessary, deducting the expected amount recoverable through the disposal of collateral or execution of guarantee.

For credits to obligors classified as substantially bankrupt obligors or bankrupt obligors, the allowance for credit losses is provided for the full amounts of such credits, deducting the expected amount recoverable through the disposal of collateral or execution of guarantee.

The Bank's Risk Management Office, which is independent from the Bank'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 Bank's other divisions and the Risk Management Office. The allowance is provided based on the results of these assessments.

(g) Reserve for bonuses

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

(h) Employees' severance and retirement benefits

The Bank has contributory funded pension plans for its employees, under which all eligible employees are entitled to benefits based on the level of salaries at the time of retirement or termination, length of service and certain other factors.

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

(i) Accounting for certain lease transactions

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

(j) Derivative transactions and hedge accounting

The Bank uses derivative financial instruments to manage its exposure to fluctuations in interest rates.

Interest rate swaps are utilized by the Bank to reduce the risk of fluctuations in interest rates. The Bank does not enter into derivatives transactions for trading or speculative purposes.

Derivative financial instruments are classified and accounted for as follows. All derivative transactions are recognized as either assets or liabilities and measured at fair values, and gains or losses on derivative transactions are recognized in the statements of income.

Interest rate swaps which qualify for hedge accounting and meet specific matching criteria are not

re-measured at fair values, but the difference paid or received under these swap agreements is recognized as, and included in, interest expenses or income.

(k) Income taxes

Income taxes consist of corporation, inhabitants and enterprise taxes. The provision for income taxes is computed based on the pretax income of the Bank with certain adjustments required for tax purposes. The asset and liability approach is used to recognize deferred tax assets and liabilities for expected future tax consequences of temporary differences between the carrying amounts and the tax basis of assets and liabilities.

(l) Consumption taxes

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

(m) Amounts per share

Net assets per share is calculated by dividing net assets by the number of shares of common stock outstanding at the end of the fiscal year, excluding treasury stock.

Net income per share is calculated by dividing net income attributable to shareholders by the weighted average number of shares of common stock outstanding during the fiscal year, excluding treasury stock.

Cash dividends per share represent the actual amounts declared as applicable to the fiscal year.

(n) Appropriation of retained earnings

Cash dividends are recorded in the fiscal year when the relevant proposed appropriation of retained earnings is approved by the Board of Directors and for which notification is given at a general meeting of shareholders.

(o) Application of new accounting standards

The Bank has adopted "Accounting Standard for Accounting Changes and Error Corrections" (ASBJ Statement No. 24, issued on December 4, 2009) and "Guidance on Accounting Standard for Accounting Changes and Error Corrections" (ASBJ Guidance No. 24, issued on December 4, 2009) for accounting changes and corrections of prior period errors which are made on and after the beginning of the fiscal year ended March 31, 2012.

3. Cash and Cash Equivalents

Cash and cash equivalents in the statements of cash flows for the years ended March 31, 2012 and 2011 consisted of cash and due from banks of ¥368,518 million and ¥385,013 million on the balance sheets as of March 31, 2012 and 2011, respectively.

4. Cash and Due from Banks

Cash and due from banks as of March 31, 2012 and 2011 consisted of the following:

	Millions of yen	
	2012	2011
Cash	¥364,110	¥367,611
Due from banks	4,408	17,401
Total	¥368,518	¥385,013

5. Financial Instruments

1) Disclosure on Financial Instruments

(1) Policy on Financial Instruments

The Bank has its basic policy for both fund procurement and investments, which is designed to keep volatility low and risks minimized, and does not seek profits by aggressive risk taking.

The Bank procures necessary cash for working capital mainly for cash held in ATMs and capital expenditure for ATM- and system-related infrastructure. We raise our base capital taking into account interest rate trends through deposits, long-term borrowing, and bond issuance and use the call market to raise additional capital to cover the daily fluctuation of our cash needs.

On the asset side, the Bank lends money to individuals with minimal lots. However, the main operation is in treasury and securities as a limited end user. Investments are limited to securities with high creditworthiness and liquidity, such as Japanese government bonds, deposits placed at highly rated partner financial institutions, and lending of funds in the call-money market. The Bank does not invest in high risk derivatives and other instruments.

(2) Types of and Risks Associated with Financial Instruments

Cash for the operation of the ATM business accounts for most of the financial instruments the Bank holds. We provide unutilized capital to call loan lending and are subject to credit risk of the borrowers. Securities consist of Japanese government bonds, Japanese municipal bonds, and stocks, all of which are classified as being held as available-for-sale securities. These securities are subject to issuers' credit risks, interest rate risk, and market (price) risk. Loans are those for individual customers (revolving card loans), which are subject to credit risk of the borrowers. However, the risk is limited, because guarantees are attached to the entire loan amounts.

The Bank conducts banking business and its deposits and negotiable certificates of deposit that account for most of its financial liabilities are subject to interest rate risk. It also uses the call market to raise short-term additional capital and is subject to liquidity risk that it cannot raise necessary capital when needed.

Borrowed money and bonds also entail liquidity risk in that the Bank cannot make necessary payments upon the due dates under certain circumstances where the Bank cannot access the capital market. Additionally, the borrowed money bears floating rate interest payments and is subject to interest rate risk, which, however, is hedged by the use of interest rate swaps.

(3) Risk Management Relating to Financial Instruments

(A) Credit Risk Management

Basic policies related to credit risk are governed by the Basic Policy on Risk Control and by the Credit Risk Rules established thereunder. Currently, the Bank has low credit risk exposures in the limited areas of the ATM settlement operation, ALM management-related interbank deposits placed at highly rated partner financial institutions, pouring money in the call-money market, and temporary ATM payment amounts due. In addition, the Bank performs self-assessment of asset quality as appropriate and sets an allowance for credit losses in accordance with its self-assessment guidelines, reserve guidelines, and related internal rules and regulations.

Credit risks related to issuers of securities and counterparty risks of derivative transactions are managed by the Risk Management Division by periodically collecting updated credit information and fair values of the instruments.

(B) Market Risk Management

Basic policies related to market risk are governed by the Basic Policy on Risk Control and by the Market Risk Rules established thereunder. The Market Risk Rules establish limits on the maximum level of funds at risk, market position limits and loss allowance limits. The Risk Management Division measures and monitors market risk on a daily basis in light of

these limits and reports the results to management including the Executive Committee. Risk management operations are also based on decisions at the monthly ALM Committee meeting where the Bank's market risk position and expected trends in interest rates and other matters are reported.

Quantitative Information related to Market Risk

Major market risk for the Bank is interest rate risk. The Bank measures the market risk using Value at Risk (VaR) for the overall assets and liabilities of the Bank. The Bank has adopted the variance-covariance method and calculates VaR with reference to data from the past 1 year to a 99.9% confidence level assuming a 125 days holding period. As of March 31, 2012, the Bank's market risk quantity (maximum potential loss) is ¥990 million in the aggregate. In addition, given the characteristics of the Bank's business, in measuring the market risk, the Bank has recognized the interest period for cash assets and regarded cash assets as five-year zero-coupon bonds (average duration of about 2.5 years). The Bank regularly performs back-testing to compare the VaR calculated by its internal model against actual profit and loss. However, as VaR measures the amount of market risk under certain probabilities statically calculated based on past movement volatility, it may underestimate the probability of extreme market movements and, may in some instances, not properly capture those risks.

(C) Management of Liquidity Risk

Basic policies related to liquidity risk are governed by the Basic Policy on Risk Control and by the Liquidity Risk Rules established thereunder. The Liquidity Risk Rules establish limits regarding the cash gaps arising from differences between the duration of invested funds and those procured to meet current cash needs.

The Risk Management Division measures and monitors liquidity risk on a daily basis in light of these limits and reports the results to management, including the Executive Committee. In the event of a cash shortage, according to the measures corresponding to each scenario, which are designed prior to those events, companywide actions are taken to secure the liquidity in a fast and flexible manner. Hence, there shall be no concern on liquidity risk.

(4) Supplementary Explanation on Fair Value of Financial Instruments

The fair value of financial instruments includes, in addition to the value determined based on the market price, a valuation calculated on a reasonable basis in the event where no market price is available. Certain assumptions are used for the calculation of such values. Accordingly, the results of such calculation may vary if different assumptions are employed.

2) Fair Value of Financial Instruments

The following table summarizes the amount stated in the balance sheet and the fair value of financial instruments as of March 31, 2012 and 2011 together with their differences. Note that the following table does not include unlisted equity securities for which fair value is extremely difficult to determine (see Note 2).

March 31, 2012

	Millions of yen		
	Carrying amount	Fair value	Difference
(1) Cash and due from banks (*)	¥368,516	¥368,516	¥ —
(2) Call loans (*)	22,950	22,950	—
(3) Securities			
Available-for-sale securities.....	96,669	96,669	—
(4) Loans	1,916		
Allowance for credit 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 deposit.....	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

March 31, 2011	Millions of yen		
	Carrying amount	Fair value	Difference
(1) Cash and due from banks (*)	¥385,000	¥385,000	¥ —
(2) Call loans (*)	9,969	9,969	—
(3) Securities			
Available-for-sale securities	97,834	97,834	—
(4) Loans	536		
Allowance for credit losses (*)	(0)		
	536	536	—
(5) ATM-related temporary payments (*)	67,463	67,463	—
Total assets	¥560,803	¥560,803	¥ —
(1) Deposits	¥312,692	¥313,173	¥ 480
(2) Negotiable certificates of deposit	20,690	20,688	(1)
(3) Call money	2,800	2,800	—
(4) Borrowed money	20,000	20,248	248
(5) Bonds	90,000	91,508	1,508
(6) ATM-related temporary advances	27,557	27,557	—
Total liabilities	¥473,740	¥475,977	¥2,236

(*) Allowance for credit losses corresponding to loans is deducted. However, with respect to items other than loans, the amounts stated in the balance sheet are ones for which allowances are deducted directly since the amounts of allowance for credit losses corresponding to these items are not material.

(Note 1) Method used for determining the fair value of financial instruments

Assets

(1) Cash and due from banks

For deposits without maturity, the carrying amount is presented as the fair value, for the fair value approximates such carrying amount. There is no deposit with maturity.

(2) Call loans

The majority of transactions have short contractual terms (less than one year). Thus, the carrying amount is presented as the fair value, for the fair value approximates such carrying amount.

(3) Securities

The fair value of bonds is determined based on the price quoted by the exchange or the financial institutions from which they are purchased.

See "6. Securities" for notes on securities by categories based on purposes of holding the securities.

(4) Loans

For loans with variable interest rates, the carrying amount is presented as the fair value, for the loans reflect market rates in a timely manner and the fair value approximates such carrying amount, unless the creditworthiness of the borrower has changed significantly since the loan origination. There is no loan with fixed interest rate.

For receivables from bankrupt, substantially bankrupt, and bankruptcy risk obligors, credit loss is estimated based on factors such as the present value of expected future cash flow or the expected amount to be collected from collaterals and guarantees. Since the fair value of these items approximates the carrying amount net of the currently expected credit loss amount, such carrying amount is presented as the fair value.

(5) ATM-related temporary payments

The remaining terms of the payments are short-term (less than one year). Thus, the carrying amount is presented as the fair value, for the fair value approximates such carrying amount.

Liabilities

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

For demand deposits, the amount payable on demand as of the balance sheets date (i.e., the carrying amount) is considered to be the fair value. Fixed rate time deposits are grouped by certain maturity lengths. The fair value of such deposits is the present value discounted by expected future cash flow. The discount rate used is the interest rate that would be applied to newly accepted deposits. For deposits with maturity of less than a year, the carrying amount is presented as the fair value, for the fair value approximates such carrying amount.

(3) Call money

The majority of transactions have short contractual terms (less than one year). Thus, the carrying amount is presented as the fair value, for the fair value approximates such carrying amount.

(4) Borrowed money

For borrowed money with fixed interest rates, the fair value is calculated as the present value of expected future cash flows from these borrowings (for the borrowings qualifying for special hedge accounting treatment of interest rate swaps under JGAAP, expected future cash flow based on the interest rate swap rate), grouped by certain maturity lengths, which is discounted at an interest rate generally applicable to similar borrowings reflecting premiums applicable to us.

For the borrowed money with maturity of less than a year, the carrying amount is presented as the fair value, for the fair value approximates such carrying amount. There is no floating rate borrowing.

(5) Bonds

The fair value of corporate bonds issued by the Bank is determined based on the market prices.

(6) ATM-related temporary advances

The remaining terms of the payments are short-term (less than one year). Thus, the carrying amount is presented as the fair value, for the fair value approximates such carrying amount.

(Note 2) The following table summarizes financial instruments whose fair value is extremely difficult to estimate. These securities are not included in the amount presented under the line item "(3) Securities" in the table summarizing fair value of financial instruments.

Category	Millions of yen	
	2012	2011
Unlisted equity securities *	¥2,144	¥2,144
Total	¥2,144	¥2,144

* Unlisted equity securities do not have market prices to quote. Since it is extremely difficult to estimate the fair value of these securities, their fair value is not included in the scope of fair value disclosure.

(Note 3) Redemption schedule of monetary claims and securities with maturities.

March 31, 2012

	Millions of yen					
	Within one year	Over one year but within three years	Over three years but within five years	Over five years but within seven years	Over seven years but within ten years	Over ten years
Due from banks *1	¥ 4,408	¥—	¥—	¥—	¥—	¥—
Call loans	23,000	—	—	—	—	—
Securities:						
Available-for-sale securities with maturity	96,500	—	—	—	—	—
Japanese government bonds	96,500	—	—	—	—	—
Loans *2	1,913	—	—	—	—	—
ATM-related temporary payments	123,554	—	—	—	—	—
Total	¥249,376	¥—	¥—	¥—	¥—	¥—

March 31, 2011

	Millions of yen					
	Within one year	Over one year but within three years	Over three years but within five years	Over five years but within seven years	Over seven years but within ten years	Over ten years
Due from banks *1	¥ 17,401	¥—	¥—	¥—	¥—	¥—
Call loans	10,000	—	—	—	—	—
Securities:						
Available-for-sale securities with maturity	97,200	—	—	—	—	—
Japanese government bonds	95,000	—	—	—	—	—
Bonds	2,200	—	—	—	—	—
Loans *2	535	—	—	—	—	—
ATM-related temporary payments	67,465	—	—	—	—	—
Total	¥192,602	¥—	¥—	¥—	¥—	¥—

Notes: *1 Due from banks with no maturities are included in the "Within one year" category.

*2 For the loans, ¥3 million and ¥0 million as of March 31, 2012 and 2011 are excluded for loans that are not expected to be collected, which are for the debtors who are bankrupt, substantially bankrupt, and bankruptcy risk obligors. In addition, loans are disclosed as "Within one year."

(Note 4) Repayment schedule of bonds payable, borrowed money, and other interest bearing debt

March 31, 2012

	Millions of yen					
	Within one year	Over one year but within three years	Over three years but within five years	Over five years but within seven years	Over seven years but within ten years	Over ten 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	¥—	¥—	¥—

March 31, 2011

	Millions of yen					
	Within one year	Over one year but within three years	Over three years but within five years	Over five years but within seven years	Over seven years but within ten years	Over ten years
Deposits *.....	¥257,087	¥29,064	¥26,540	¥—	¥—	¥—
Negotiable certificates of deposit	20,390	300	—	—	—	—
Call money.....	2,800	—	—	—	—	—
Borrowed money	—	13,000	6,000	1,000	—	—
Bonds	36,000	34,000	20,000	—	—	—
ATM-related temporary advances.....	27,557	—	—	—	—	—
Total.....	¥343,834	¥76,364	¥52,540	¥1,000	¥—	¥—

* Demand deposits are included in the "Within one year" category.

6. Securities

(1) The following tables summarize acquisition cost and carrying amount of securities with available fair values as of March 31, 2012 and 2011:

Available-for-sale securities:

Securities with higher balances than acquisition costs

March 31, 2012

	Millions of yen		
	Acquisition cost	Carrying amount	Difference
Bonds:			
Japanese government bonds.....	¥48,609	¥48,619	¥10
Total.....	¥48,609	¥48,619	¥10

March 31, 2011

	Millions of yen		
	Acquisition cost	Carrying amount	Difference
Bonds:			
Japanese government bonds.....	¥85,541	¥85,633	¥91
Japanese corporate bonds	—	—	—
Total.....	¥85,541	¥85,633	¥91

Securities with the same or lower balances than acquisition costs

March 31, 2012

	Millions of yen		
	Acquisition cost	Carrying amount	Difference
Bonds:			
Japanese government bonds.....	¥48,067	¥48,049	¥(17)
Total.....	¥48,067	¥48,049	¥(17)
Grand total.....	¥96,676	¥96,669	¥ (7)

March 31, 2011

	Millions of yen		
	Acquisition cost	Carrying amount	Difference
Bonds:			
Japanese government bonds.....	¥ 9,998	¥ 9,997	¥ (1)
Japanese corporate bonds	2,206	2,203	(3)
Total.....	¥12,205	¥12,200	¥ (4)
Grand total.....	¥97,747	¥97,834	¥86

Note: Unlisted equity securities do not have market prices to quote. Since it is extremely difficult to estimate the fair value of these securities, they are not included in the above tables.

(2) Net unrealized gains (losses) on available-for-sale securities on the balance sheets are as follows:

March 31, 2012 and 2011

	Millions of yen	
	2012	2011
Unrealized gains (losses):		
On available-for-sale securities.....	¥(7)	¥ 86
Deferred tax asset (liability).....	2	(35)
Net unrealized gains (losses) on available-for-sale securities, net of taxes.....	¥(4)	¥ 51

7. Assets Pledged

Available-for-sale securities of ¥1,800 million and ¥2,922 million were pledged as collateral for ¥1,700 million and ¥2,800 million of call money as of March 31, 2012 and 2011, respectively. Additionally, available-for-sale securities were pledged as collateral for exchange settlements and overdraft transactions with the Bank of Japan. The securities amounted to ¥94,868 million and ¥94,912 million as of March 31, 2012 and 2011, respectively.

Other assets include guarantee deposits of ¥782 million and ¥797 million as of March 31, 2012 and 2011, respectively.

8. Loans

Loans to bankrupt borrowers and delinquent loans were ¥0 million and ¥3 million, respectively, as of March 31, 2012, and ¥0 million and ¥0 million, respectively, as of March 31, 2011.

Loans to bankrupt borrowers are non-accrual loans, after write-off, to borrowers who are legally bankrupt as defined in Article 96 (1) (iii) and (iv) of the Corporation Tax Act Enforcement Ordinance (Article 97 of 1965 Cabinet Order), for which interest is not recognized as there is substantial doubt on collectability because they are past due for a considerable period.

Delinquent loans are non-accrual loans other than (i) loans to bankrupt borrowers and (ii) loans of which payments of interest are deferred in order to assist or facilitate the restructuring of borrowers in financial difficulties.

There were no loans past due three months or more as of March 31, 2012 and 2011. Loans past due three months or more are loans on which the payment of principal and/or interest is past due for three months or more from the due date, and which are not included in loans to bankrupt borrowers or delinquent loans.

The renegotiated loans were ¥0 million and ¥1 million as of March 31, 2012 and 2011, respectively. Those loans are ones on which terms and conditions have been amended in favor of borrowers, in order to facilitate or assist the borrowers' restructuring by reducing the rate of interest, by providing a grace period for the payment of principal or interest or by debt forgiveness, and are not classified in any of the above categories.

The totals of loans to bankrupt borrowers, delinquent loans, loans past due three months or more, and restructured loans were ¥3 million and ¥2 million as of March 31, 2012 and 2011, respectively. The amounts above are before deduction of allowance for credit losses.

Overdraft facilities are contracts under which the Bank lends money to customers in good standing upon request up to the contracted limit. Unused overdraft facilities amounted to ¥1,204 million and ¥387 million as of March 31, 2012 and 2011, respectively. Unused overdraft facilities for contracts with a term of less than one year also amounted to ¥1,204 million and ¥387 million as of March 31, 2012 and 2011, respectively.

9. Tangible Fixed Assets

Tangible fixed assets as of March 31, 2012 and 2011 consisted of the following:

	Millions of yen	
	2012	2011
Buildings.....	¥ 803	¥ 870
ATMs	8,807	7,067
Other.....	1,343	1,456
Total.....	¥10,954	¥9,393

10. Intangible Fixed Assets

Intangible fixed assets as of March 31, 2012 and 2011 consisted of the following:

	Millions of yen	
	2012	2011
Software.....	¥15,944	¥17,473
Software-related temporary accounts.....	738	1,204
Other.....	9	11
Total.....	¥16,693	¥18,689

11. Other Assets

Other assets as of March 31, 2012 and 2011 consisted of the following:

	Millions of yen	
	2012	2011
Prepaid expenses.....	¥ 406	¥ 441
Prepaid pension cost.....	0	36
Other.....	824	1,074
Total.....	¥1,232	¥1,551

12. Deposits

Deposits as of March 31, 2012 and 2011 consisted of the following:

	Millions of yen	
	2012	2011
Ordinary deposits.....	¥196,290	¥171,873
Time deposits.....	134,949	140,604
Other deposits *1.....	341	214
Negotiable certificates of deposit.....	40,690	20,690
Total.....	¥372,271	¥333,382

Note: *1 Other deposits are specified deposits.

13. Borrowed Money

Borrowed money as of March 31, 2012 and 2011 consisted of the following:

	Millions of yen	
	2012	2011
Borrowed money from banks and insurance companies.....	¥24,000	¥20,000

The weighted average interest rate applicable to the balance of total borrowed money as of March 31, 2012 and 2011 was 1.14% and 1.25%, respectively.

The repayment schedule on borrowed money as of March 31, 2012 and 2011 was as follows:

	Millions of yen	
	2012	2011
Within one year.....	¥ —	¥ —
Over one year but within two years.....	13,000	—
Over two years but within three years.....	5,000	13,000
Over three years but within four years.....	1,000	5,000
Over four years but within five years.....	5,000	1,000
Over five years.....	—	1,000

14. Bonds

Bonds as of March 31, 2012 and 2011 consisted of the following:

	Millions of yen	
	2012	2011
Unsecured:		
1.45% unsecured bonds due December 20, 2011.....	¥ —	¥36,000
1.67% unsecured bonds due December 20, 2013.....	24,000	24,000
0.74% unsecured bonds due June 20, 2012.....	10,000	10,000
1.03% unsecured bonds due June 20, 2014.....	20,000	20,000
Total.....	¥54,000	¥90,000

The repayment schedule on bonds as of March 31, 2012 and 2011 was as follows:

	Millions of yen	
	2012	2011
Within one year.....	¥10,000	¥36,000
Over one year but within two years.....	24,000	10,000
Over two years but within three years.....	20,000	24,000
Over three years but within four years.....	—	20,000
Over four years but within five years.....	—	—

15. Other Liabilities

Other liabilities as of March 31, 2012 and 2011 consisted of the following:

	Millions of yen	
	2012	2011
Income taxes payable.....	¥ 6,755	¥ 4,994
Accrued expenses.....	4,822	3,952
Unearned income.....	9	—
Asset retirement obligations.....	265	264
Other.....	3,307	2,246
Total.....	¥15,160	¥11,456

16. Employees' Severance and Retirement Benefits

The Bank has an employee pension plan which is a contributory funded defined benefit pension plan.

The reserve for severance and retirement benefits as of March 31, 2012 and 2011 consisted of the following:

	Millions of yen	
	2012	2011
1. Projected benefit obligation.....	¥(1,480)	¥(1,295)
2. Fair value of plan assets.....	973	840
3. Unaccrued projected benefits obligation (1+2).....	(507)	(454)
4. Unrecognized actuarial difference.....	493	470
5. Unrecognized prior service cost.....	15	20
6. Net amount recorded on the balance sheet (3+4+5).....	0	36
7. Prepaid pension cost.....	0	36
8. Reserve for severance and retirement benefits (6-7).....	¥ —	¥ —

The components of net periodic retirement benefit costs for the fiscal years ended March 31, 2012 and 2011 were as follows:

	Millions of yen	
	2012	2011
Service cost.....	¥157	¥154
Interest cost.....	25	23
Expected return on plan assets.....	(21)	(20)
Amortization of unrecognized prior service cost.....	5	5
Amortization of unrecognized actuarial difference.....	77	78
Other retirement cost (non-actuarial basis cost).....	—	0
Net periodic retirement benefit costs.....	¥244	¥243

Assumptions used for the fiscal years ended March 31, 2012 and 2011 are set forth as follows:

	2012	2011
Discount rate.....	2.0%	2.0%
Expected rate of return on plan assets.....	2.5%	2.5%
Allocation method of projected retirement benefit obligation.....	Point based	Point based
Amortization period for prior service cost.....	10 years (using the straight-line method within the employees' average remaining service period at incurrence)	10 years (using the straight-line method within the employees' average remaining service period at incurrence)
Amortization period for actuarial difference.....	10 years (using the straight-line method within the employees' average remaining service period, commencing from the next fiscal year of incurrence)	10 years (using the straight-line method within the employees' average remaining service period, commencing from the next fiscal year of incurrence)

17. Net Assets

Under the Company Law of Japan (the "Company Law"), the entire amount of the issue price for shares is required to be accounted for as capital, although a company may, by resolution of its board of directors, account for an amount not exceeding one-half of the issue price of the new shares as additional paid-in capital, which is included in capital surplus.

The payment of dividends by the Bank is subject to restrictions under Article 18 of the Banking Law of Japan (the "Banking Law"). The Banking Law provides that an amount equal to at least 20% of cash dividends and other cash appropriations shall be appropriated and set aside as a legal earnings reserve until the total amount of the legal earnings reserve and additional paid-in capital equals 100% of common stock. The legal earnings reserve and additional paid-in capital may be used to eliminate or reduce a deficit by a resolution of a shareholders' meeting or may be capitalized by a resolution of the board of directors. On condition that the total amount of the legal earnings reserve and additional paid-in capital remains equal to or exceeds 100% of common stock, they are available for distributions or certain other purposes by a resolution of a shareholders' meeting.

The maximum amount that the Bank can distribute as dividends is calculated based on the non-consolidated financial statements of the Bank in accordance with the Company Law.

In the fiscal year ended March 31, 2012, the Bank recorded ¥0 million legal earnings reserve, additionally.

In the fiscal year ended March 31, 2011, as the total amount of additional paid in capital and legal earnings reserve was greater than the amount of common stock, the Bank did not record legal earnings reserve, additionally.

18. Fees and Commissions Income

Fees and commissions income received for the fiscal years ended March 31, 2012 and 2011 consisted of the following:

	Millions of yen	
	2012	2011
Remittance-related fee income	¥ 591	¥ 517
ATM-related fee income	83,870	80,521
Other	3,249	2,605
Total	¥87,711	¥83,644

19. Fees and Commissions Expenses

Fees and commissions expenses paid for the fiscal years ended March 31, 2012 and 2011 consisted of the following:

	Millions of yen	
	2012	2011
Remittance-related fee expenses	¥ 269	¥ 226
ATM placement fee expenses	9,954	9,344
ATM-related fee expenses	381	389
Other	100	51
Total	¥10,705	¥10,011

20. Other Operating Income

Other operating income for the fiscal years ended March 31, 2012 and 2011 consisted of the following:

	Millions of yen	
	2012	2011
Gains on foreign exchange transactions	¥5	¥—
Total	¥5	¥—

21. Other Operating Expenses

Other operating expenses for the fiscal years ended March 31, 2012 and 2011 consisted of the following:

	Millions of yen	
	2012	2011
Losses on foreign exchange transactions	¥—	¥12
Total	¥—	¥12

22. Other Income

Other income for the fiscal years ended March 31, 2012 and 2011 consisted of the following:

	Millions of yen	
	2012	2011
Gains on money held in trust	¥ —	¥ 0
Reversal of allowance for credit losses	—	57
Other	115	139
Total	¥115	¥197

23. Other Expenses

Other expenses for the fiscal years ended March 31, 2012 and 2011, consisted of the following:

	Millions of yen	
	2012	2011
Losses on disposal of fixed assets	¥145	¥ 19
Losses on impairment of fixed assets *1	111	—
Losses on disaster *2	—	356
Loss on sale of shares	—	137
Allowance for credit losses	6	—
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	131
Other	42	23
Total	¥305	¥667

Notes: *1 The Bank has recorded losses on impairment of fixed assets for the following assets.

Main area: West Tokyo

Main use: Idle assets

Class: ATMs

Grouping of the assets is based on the Bank as a whole as one unit. Idle assets are treated by individual unit.

Along with replacement of third-generation ATMs, the carrying amount of assets that are not expected to be used in the future is reduced to recoverable amount, and the amount of such decrease is recorded as impairment loss.

Recoverable amount is calculated using net selling price, and net selling price is zero since diversion to other purposes or sale is difficult.

*2 Losses of assets, mainly ATMs due to the Great East Japan Earthquake on March 11, 2011.

24. Income Taxes

Income taxes in the statements of income consist of corporation tax, inhabitants tax and enterprise tax. For the fiscal years ended March 31, 2012 and 2011, the difference between the effective income tax rate and effective tax payout ratio was less than 5%.

Significant components of the deferred tax assets and liabilities as of March 31, 2012 and 2011 were as follows:

	Millions of yen	
	2012	2011
Deferred tax assets:		
Enterprise tax	¥ 493	¥ 394
Depreciation	190	229
Reserve for bonuses	119	132
Asset retirement obligations	94	107
Stock option expenses	80	62
Accounts payable		
(Reserve for retirement benefits for directors and statutory auditors)	77	85
Allowance for credit losses	29	28
Losses on impairment of fixed assets	21	—
Net unrealized gains on available-for sale securities	2	—
Losses on disaster	—	116
Other	72	49
Total deferred tax assets	¥1,182	¥1,206
Deferred tax liabilities:		
Adjustment for tangible fixed assets related to asset retirement obligations	¥ (34)	¥ (44)
Prepaid expenses	(0)	(14)
Valuation difference on available-for sale securities	—	(35)
Other	(1)	—
Total deferred tax liabilities	(35)	(94)
Net deferred tax assets	¥1,146	¥1,111

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 corporation tax will be imposed from the fiscal years beginning on or 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 from the fiscal years beginning on or after April 1, 2015, from the former 40.69% to 38.01% and 35.64%, respectively. As a result of this change, the amount of deferred tax assets has decreased by ¥97 million, net unrealized gains (losses) on available-for-sale securities have decreased by ¥0 million, and the amount of income taxes-deferred has increased by ¥97 million.

25. Changes in Net Assets

(1) Information on shares issued and treasury stock:

(a) Type and number of shares issued and treasury stock for the fiscal year ended March 31, 2012 were as follows:

	Thousands of shares			
	April 1, 2011	Increase	Decrease	March 31, 2012
Shares issued				
Common stock *1	1,190	1,189,717	—	1,190,908
Total	1,190	1,189,717	—	1,190,908
Treasury stock				
Common stock *2	—	0	—	0
Total	—	0	—	0

Notes: *1 Increase in number of shares:
1,189,717 thousand shares due to stock split and exercise of stock options.

*2 Increase in number of shares:
0 thousand shares due to purchase of fractional shares.

(b) Type and number of shares issued and treasury stock for the fiscal year ended March 31, 2011 were as follows:

	Thousands of shares			
	April 1, 2010	Increase	Decrease	March 31, 2011
Shares issued				
Common stock *1	1,220	—	29	1,190
Total	1,220	—	29	1,190
Treasury stock				
Common stock *2	—	29	29	—
Total	—	29	29	—

Notes: *1 Decrease in number of shares:
29 thousand shares due to redemption of treasury stock based on resolution of Board of Directors meeting on March 4, 2011.

*2 Increase in number of shares:
29 thousand shares due to purchase of treasury stock based on resolution of Board of Directors meeting on November 5, 2010.
Decrease in number of shares:
29 thousand shares due to redemption of treasury stock based on resolution of Board of Directors meeting on March 4, 2011.

(2) Information on subscription rights to shares:

(a) Year ended March 31, 2012:

Details of subscription rights to shares	Type of shares	Thousands of shares				Balance at March 31, 2012 (Millions of yen)
		April 1, 2011	Increase	Decrease	March 31, 2012	
Subscription rights to shares as stock options			—			¥220
Total			—			¥220

Note: There are no treasury subscription rights to shares.

(b) Year ended March 31, 2011:

Details of subscription rights to shares	Type of shares	Thousands of shares				Balance at March 31, 2011 (Millions of yen)
		April 1, 2010	Increase	Decrease	March 31, 2011	
Subscription rights to shares as stock options			—			¥154
Total			—			¥154

Note: There are no treasury subscription rights to shares.

(3) Information on dividends:

(a) Dividends paid in the fiscal year ended March 31, 2011

(Millions of yen, except per share amounts)

Type of shares	Aggregate amount of dividends	Source of dividends	Cash dividends per share	Record date	Effective date
Common stock *1	¥3,355	Retained earnings	¥2,750	March 31, 2010	June 1, 2010
Common stock *2	¥3,172	Retained earnings	¥2,600	September 30, 2010	December 1, 2010

Notes: *1 Date of resolution: Board of Directors meeting held on May 28, 2010

*2 Date of resolution: Board of Directors meeting held on November 5, 2010

(b) Dividends paid in the fiscal year ended March 31, 2012

(Millions of yen, except per share amounts)

Type of shares	Aggregate amount of dividends	Source of dividends	Cash dividends per share	Record date	Effective date
Common stock *1	¥3,096	Retained earnings	¥2,600	March 31, 2011	June 6, 2011
Common stock *2	¥3,096	Retained earnings	¥2,600	September 30, 2011	December 2, 2011

Notes: *1 Date of resolution: Board of Directors meeting held on May 27, 2011

*2 Date of resolution: Board of Directors meeting held on November 10, 2011

(c) Dividends to be paid in the fiscal year ending March 31, 2013

(Millions of yen, except per share amounts)

Type of shares	Aggregate amount of dividends	Source of dividends	Cash dividends per share	Record date	Effective date
Common stock	¥4,287	Retained earnings	¥3.60	March 31, 2012	June 4, 2012

Note: Date of resolution: Board of Directors meeting held on May 25, 2012

Cash dividends per share based on business results for the fiscal year ended March 31, 2012 were ¥2,603.60 annually with the year-end dividend of ¥3.60 added to the interim dividend of ¥2,600. (As of December 1, 2011, the Bank implemented a stock split with 1,000 common shares for one common share. If calculated reflecting the stock split, the interim dividend corresponds to ¥2.60 and the annual dividend corresponds to ¥6.20.)

26. Related Party Transactions

(1) Transactions with related parties

(a) Related party transactions for the fiscal year ended March 31, 2012 were as follows:

Parent company and major shareholders

Related party	Category	Amounts of transactions		Balance at the end of fiscal year	
		Description of transactions	Millions of yen	Account title	Millions of yen
Seven-Eleven Japan Co., Ltd.*1	Other related companies	Payment of ATM placement fee expenses *2	¥9,536	Accrued expenses *3	¥859

Notes: *1 38.09% of the outstanding common stock of the Bank is directly owned by Seven-Eleven Japan Co., Ltd. as of March 31, 2012.

*2 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 consideration Seven-Eleven Japan's overall infrastructure costs.

*3 The accrued expenses include consumption tax.

Company that has the same parent company as the Bank, and subsidiaries of the Bank's other related companies:

Related party	Category	Amounts of transactions		Balance at the end of fiscal year	
		Description of transactions	Millions of yen	Account title	Millions of yen
Seven & i Financial Center Co., Ltd.	Sister companies	Handling of negotiable certificates of deposits *2	¥20,341	Negotiable certificates of deposits	¥40,000
		Interest on negotiable certificates of deposits *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.

(b) Related party transactions for the fiscal year ended March 31, 2011 were as follows:

Related party	Category	Amounts of transactions		Balance at the end of fiscal year	
		Description of transactions	Millions of yen	Account title	Millions of yen
Seven-Eleven Japan Co., Ltd. *1	Other related companies	Payment of ATM placement fee expenses *2	¥ 8,994	Accrued expenses *4	¥770
		Handling of negotiable certificates of deposits *3	14,493	—	—
		Interest on negotiable certificates of deposits *2	15	—	—

Notes: *1 38.09% of the outstanding common stock of the Bank is directly owned by Seven-Eleven Japan Co., Ltd. as of March 31, 2011.

*2 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 consideration Seven-Eleven Japan's overall infrastructure costs. The interest rates for negotiable certificates of deposits are set at reasonable levels in accordance with the transaction period and currently prevailing market rates.

*3 The transaction amounts for negotiable certificates of deposits represent the average balances recorded during the course of the term.

*4 The accrued expenses include consumption tax.

Company that has the same parent company as the Bank and subsidiaries of the Bank's other related companies:

Related party	Category	Amounts of transactions		Balance at the end of fiscal year	
		Description of transactions	Millions of yen	Account title	Millions of yen
Seven & i Financial Center Co., Ltd.	Sister companies	Handling of negotiable certificates of deposits *2	¥13,671	Negotiable certificates of deposits	¥20,000
		Interest on negotiable certificates of deposits *1	15	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.

(2) Notes on parent company or important related companies

(a) Parent company information

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

(b) Summary financial information about important related companies

None

27. Lease Transactions

Finance Leases:

The transactions prior to April 1, 2008 are required, by the ASBJ Statement No. 13 and the ASBJ Guidance No. 16, to be disclosed here.

A summary of assumed amounts of acquisition cost, accumulated depreciation, and net carrying amount for finance leases without transfer of ownership as of March 31, 2012 and 2011 were as follows:

	Millions of yen		
	Acquisition cost	Accumulated depreciation	Net carrying amount
March 31, 2012			
Equipment	¥—	¥—	¥—
Other	—	—	—
Total	¥—	¥—	¥—
March 31, 2011			
Equipment	¥6,645	¥6,630	¥15
Other	194	177	17
Total	¥6,840	¥6,807	¥33

Future minimum lease payments excluding interest as of March 31, 2012 and 2011 were as follows:

	Millions of yen	
	2012	2011
Due within one year.....	¥—	¥34
Due after one year.....	—	0
Total.....	¥—	¥34

Total lease expenses for the fiscal years ended March 31, 2012 and 2011 were ¥32 million and ¥1,052 million, respectively.

Assumed depreciation expenses for the fiscal years ended March 31, 2012 and 2011 amounted to ¥30 million and ¥997 million, respectively. Assumed depreciation is calculated using the straight-line method over the lease term of the respective assets.

The difference between the minimum lease payments and the acquisition costs of the lease assets represents interest expenses.

The allocation of such interest expenses over the lease term is computed using the effective interest method. Interest expenses for the fiscal years ended March 31, 2012 and 2011 amounted to ¥0 million and ¥10 million, respectively.

Operating Leases:

Future minimum lease payments under non-cancelable operating leases as of March 31, 2012 and 2011 were as follows:

	Millions of yen	
	2012	2011
Due within one year.....	¥ 9	¥11
Due after one year.....	5	13
Total.....	¥15	¥24

28. Derivative Financial Instruments and Hedging Transactions

Derivative transactions to which the hedge accounting method is not applied:

None

Derivative transactions to which the hedge accounting method is applied:

For derivative transactions to which the hedge accounting method is applied, the following table shows contract or notional amounts, fair values, and methods of fair value calculation as of the balance sheet date for each type of hedging instrument and hedge accounting method. The contract or notional amounts, however, do not represent the magnitude of market risk associated with the derivative transactions.

Interest related transactions:

March 31, 2012

Hedge accounting method	Hedging instruments	Hedged items	Millions of yen		Fair value
			Contract or notional amount	Over one year	
Special treatment for interest rate swap	Interest rate swaps	Borrowed			
	Receive variable, pay fixed.....	money	¥5,000	¥5,000	Note
	Total.....		—	—	—

Note: Derivatives accounted for by the special treatment for interest rate swaps are valued in conjunction with the hedged item, i.e., borrowed money. Hence, the fair value is included in the fair value of the borrowed money shown in "5. Financial Instruments".

Interest related transactions:

March 31, 2011

Hedge accounting method	Hedging instruments	Hedged items	Millions of yen		Fair value
			Contract or notional amount	Over one year	
Special treatment for interest rate swap	Interest rate swaps	Borrowed			
	Receive variable, pay fixed.....	money	¥5,000	¥5,000	Note
	Total.....		—	—	—

Note: Derivatives accounted for by the special treatment for interest rate swap are valued in conjunction with the hedged item, i.e., borrowed money. Hence, the fair value is included in the fair value of the borrowed money shown in "5. Financial Instruments".

29. Stock Options

Share-based compensation expense of ¥71 million and ¥66 million are accounted for as general and administrative expenses in the fiscal years ended March 31, 2012 and 2011, respectively.

Outline of stock options and changes are as follows:

(1) Outline of stock options

	First grant-1	First grant-2
Title and number of grantees	5 directors	3 executive officers
Number of stock options (a).....	184,000 common shares	21,000 common shares
Grant date	August 12, 2008	August 12, 2008
Condition for vesting	Within 10 days from the day following the day that a subscription holder loses his/her position as a director	Within 10 days from the day following the day that a subscription holder loses his/her position as a director or executive officer
Requisite service period.....	No provisions	No provisions
Exercise period	From August 13, 2008 to August 12, 2038	From August 13, 2008 to August 12, 2038
	Second grant-1	Second grant-2
Title and number of grantees	4 directors	5 executive officers
Number of stock options (a).....	171,000 common shares	38,000 common shares
Grant date	August 3, 2009	August 3, 2009
Condition for vesting	Within 10 days from the day following the day that a subscription holder loses his/her position as a director	Within 10 days from the day following the day that a subscription holder loses his/her position as a director or executive officer
Requisite service period.....	No provisions	No provisions
Exercise period	From August 4, 2009 to August 3, 2039	From August 4, 2009 to August 3, 2039
	Third grant-1	Third grant-2
Title and number of grantees	5 directors	4 executive officers
Number of stock options (a).....	423,000 common shares	51,000 common shares
Grant date	August 9, 2010	August 9, 2010
Condition for vesting	Within 10 days from the day following the day that a subscription holder loses his/her position as a director	Within 10 days from the day following the day that a subscription holder loses his/her position as a director or executive officer
Requisite service period.....	No provisions	No provisions
Exercise period	From August 10, 2010 to August 9, 2040	From August 10, 2010 to August 9, 2040
	Fourth grant-1	Fourth grant-2
Title and number of grantees	5 directors	8 executive officers
Number of stock options (a).....	440,000 common shares	118,000 common shares
Grant date	August 8, 2011	August 8, 2011
Condition for vesting	Within 10 days from the day following the day that a subscription holder loses his/her position as a director	Within 10 days from the day following the day that a subscription holder loses his/her position as a director or executive officer
Requisite service period.....	No provisions	No provisions
Exercise period	From August 9, 2011 to August 8, 2041	From August 9, 2011 to August 8, 2041

(a) Number of stock options means total shares to be issued upon exercise of subscription rights to shares. As of December 1, 2011, the Bank implemented a stock split with 1,000 common shares for one common share; therefore, the number of shares was adjusted to reflect the stock split.

(2) Scale and changes in stock options

The following describes scale and changes in stock options that existed during the fiscal year ended March 31, 2012. The number of stock options is converted into the number of shares.

Fiscal year ended March 31, 2012:

Number of stock options

	First grant-1	First grant-2
Before vested		
As of March 31, 2011	—	—
Granted.....	—	—
Forfeited.....	—	—
Vested.....	—	—
Outstanding.....	—	—
After vested		
As of March 31, 2011	157,000	21,000
Vested.....	—	—
Exercised.....	—	7,000
Forfeited.....	—	—
Outstanding.....	157,000	14,000

	Second grant-1	Second grant-2
Before vested		
As of March 31, 2011	—	—
Granted.....	—	—
Forfeited.....	—	—
Vested.....	—	—
Outstanding.....	—	—
After vested		
As of March 31, 2011	171,000	38,000
Vested.....	—	—
Exercised.....	—	8,000
Forfeited.....	—	—
Outstanding.....	171,000	30,000

	Third grant-1	Third grant-2
Before vested		
As of March 31, 2011	—	—
Granted.....	—	—
Forfeited.....	—	—
Vested.....	—	—
Outstanding.....	—	—
After vested		
As of March 31, 2011	423,000	51,000
Vested.....	—	—
Exercised.....	—	13,000
Forfeited.....	—	—
Outstanding.....	423,000	38,000

	Fourth grant-1	Fourth grant-2
Before vested		
As of March 31, 2011	—	—
Granted.....	440,000	118,000
Forfeited.....	—	—
Vested.....	440,000	118,000
Outstanding.....	—	—
After vested		
As of March 31, 2011	—	—
Vested.....	440,000	118,000
Exercised.....	—	—
Forfeited.....	—	—
Outstanding.....	440,000	118,000

Price information	First grant-1	First grant-2
Exercise price.....	¥1 per share	¥1 per share
Average stock price at exercise.....	—	¥165,700
Fair value at the grant date (a).....	¥236,480 per subscription to share	¥236,480 per subscription to share

Price information	Second grant-1	Second grant-2
Exercise price.....	¥1 per share	¥1 per share
Average stock price at exercise.....	—	¥165,700
Fair value at the grant date (a).....	¥221,862 per subscription to share	¥221,862 per subscription to share

Price information	Third grant-1	Third grant-2
Exercise price.....	¥1 per share	¥1 per share
Average stock price at exercise.....	—	¥165,700
Fair value at the grant date (a).....	¥139,824 per subscription to share	¥139,824 per subscription to share

Price information	Fourth grant-1	Fourth grant-2
Exercise price.....	¥1 per share	¥1 per share
Average stock price at exercise.....	—	—
Fair value at the grant date (a).....	¥127,950 per subscription to share	¥127,950 per subscription to share

(a) The number of shares to be issued upon exercise of one subscription right to shares shall be 1,000 common shares. As of December 1, 2011, the Bank implemented a stock split with 1,000 common shares for one common share; therefore, exercise prices were adjusted to reflect the stock split. In addition, average stock price at exercise represents the average stock price of the Bank at the time when stock options were exercised.

(3) Valuation method for estimating per share fair value of stock options

Valuation technique used for valuating fair value of Fourth grant-1 of subscription rights to shares and Fourth grant-2 of subscription to shares during the fiscal year ended March 31, 2012 is as follows:

Valuation method used: Black-Scholes option-pricing model

Principal parameters and estimation method	Fourth grant-1	Fourth grant-2
Expected volatility of the underlying stock (a)	34.58%	34.58%
Remaining expected life of the option (b).....	6.18 years	6.18 years
Expected dividends on the stock (c)	¥5,200 per share	¥5,200 per share
Risk-free interest rate during the expected option term (d).....	0.469%	0.469%

(a) The expected volatility was calculated based upon share price data during the three years and five months from February 29, 2008 to August 8, 2011.

(b) The average expected life of the option was estimated assuming that the options were exercised at the simple average period from June 2011 to each director's expected retirement date, plus 10 days of exercisable period.

(c) Expected dividends are determined based on the actual dividends on common stock for the fiscal year ended March 31, 2011.

(d) Japanese government bond yield corresponding to the average expected life.

(4) Estimation of the number of stock options vested

Because it is difficult to reasonably estimate the number of options that will expire in the future, the number of options that have actually forfeited is reflected.

30. Asset Retirement Obligations

(1) Overview of asset retirement obligations

Asset retirement obligations are based upon estimated future restoration obligations pursuant to real estate lease agreements of head office and others.

(2) Method of calculating the amount of the asset retirement obligations

Estimated useful life: 4-18 years

Discount rate: 0.4-1.9%

(3) The changes in asset retirement obligations for the fiscal years ended March 31, 2012 and 2011 were as follows:

	Millions of yen	
	2012	2011
Balance at the beginning of the year (note).....	¥264	¥247
Increase in purchases of tangible fixed assets.....	—	11
Accretion expense	4	4
Obligations settled in current period.....	(3)	—
Balance at the end of the year	¥265	¥264

Note: "Balance at the beginning of the year" for the fiscal year ended March 31, 2011 represents the balance due to the Bank's adoption of "Accounting Standard for Asset Retirement Obligations" (ASBJ Statement No. 18, issued on March 31, 2008) and "Guidance on Accounting Standard for Asset Retirement Obligations" (ASBJ Guidance No. 21, issued on March 31, 2008).

31. Per Share Data

March 31, 2012 and 2011	Yen	
	2012	2011
Net assets per share	¥105.30	¥96.05

Years ended March 31, 2012 and 2011	Yen	
	2012	2011
Net income per share.....	¥ 14.49	¥13.19
Net income per share (diluted)	14.48	13.19

Notes: 1. As of December 1, 2011, the Bank implemented a stock split with 1,000 common shares for one common share. The above per share data is calculated assuming the stock split took place at the beginning of the fiscal year ended March 31, 2011.

(Application of new accounting standards)

From the fiscal year ended March 31, 2012, the Bank has adopted "Accounting Standard for Earnings Per Share" (ASBJ Statement No. 2, issued on June 30, 2010), "Guidance on Accounting Standard for Earnings Per Share" (ASBJ Guidance No. 4, issued on June 30, 2010), and "Practical Solution on Accounting for Earnings Per Share" (ASBJ PITF No. 9, issued on June 30, 2010). As a result of this adoption, net assets per share, net income per share and net income per share (diluted) are calculated assuming the stock split during the fiscal year ended March 31, 2012 took place at the beginning of the fiscal year ended March 31, 2011.

Net assets per share, net income per share and net income per share (diluted) for the fiscal year ended March 31, 2011 without the effect of adoption of the above accounting standards, are as follows.

Net assets per share:	¥96,050.49
Net income per share:	¥13,198.52
Net income per share (diluted):	¥13,191.01

2. Net income per share is calculated based on the following:

Years ended March 31, 2012 and 2011	Millions of yen, except thousands of shares	
	2012	2011
Net income per share		
Net income	¥ 17,267	¥ 16,008
Amount not attributable to common shareholders	—	—
Net income attributable to common stock	17,267	16,008
Average number of common stock during the year.....	1,190,901	1,212,873
Net income per share (diluted)		
Adjustment for net income	—	—
Increase in number of common stock.....	1,192	686
Subscription rights to shares (inclusive)	1,192	686
Description of dilutive shares not included in the calculation of diluted net income per share because the shares have no dilutive effects.....	—	—

32. Segment Information

The Bank has only one segment; banking services. Therefore, this information is omitted.

Related Information

Fiscal year ended March 31, 2012:

(1) Information by services

The amount of ordinary income attributable to outside customers with ATM-related business exceeds 90% of that for the fiscal year ended March 31, 2012; therefore, information by service is omitted.

(2) Information by geographical area

a. Ordinary income

The amount of ordinary income attributable to outside customers in Japan exceeds 90% of that for the fiscal year ended March 31, 2012; therefore, geographical information is omitted.

b. Tangible fixed assets

The amount of tangible fixed assets located in Japan exceeds 90% of that on the balance sheets for the fiscal year ended March 31, 2012; therefore, geographical information is omitted.

(3) Information by major customer

(Millions of yen)		
Name of customer	Ordinary income	Related segment
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	¥10,111	Banking service

Note: Ordinary income is stated as sales of general enterprises.

Fiscal year ended March 31, 2011:

(1) Information by services

The amount of ordinary income attributable to outside customers with ATM-related business exceeds 90% of that for the fiscal year ended March 31, 2011; therefore, information by service is omitted.

(2) Information by geographical area

a. Ordinary income

The amount of ordinary income attributable to outside customers in Japan exceeds 90% of that for the fiscal year ended March 31, 2011; therefore, geographical information is omitted.

b. Tangible fixed assets

The amount of tangible fixed assets located in Japan exceeds 90% of that on the balance sheets for the fiscal year ended March 31, 2011; therefore, geographical information is omitted.

(3) Information by major customer

(Millions of yen)		
Name of customer	Ordinary income	Related segment
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	¥9,100	Banking service

Note: Ordinary income is stated as sales of general enterprises.

Information on impairment losses of fixed tangible assets by reportable segments

Fiscal year ended March 31, 2012:

The Bank has only one segment; banking services. Therefore, this information is omitted.

Fiscal year ended March 31, 2011:

There is no item to be reported under impairment of fixed assets.

Information on amortization of goodwill and unamortized balance by reportable segments

There is no item to be reported under amortization of goodwill and unamortized balance for the fiscal years ended March 31, 2012 and 2011.

Information on gain on negative goodwill by reportable segments

There is no item to be reported under gain on negative goodwill for the fiscal years ended March 31, 2012 and 2011.

33. Subsequent Events

(1) Dividends

On May 25, 2012, the Board of Directors approved the following appropriations of retained earnings:
Appropriation of retained earnings as of March 31, 2012

	Millions of yen
Year-end cash dividends — Common stock (¥3.60 per share).....	¥4,287

(2) Issuance of unsecured straight corporate bonds

The Bank has issued unsecured straight corporate bonds through an offering to the general public in Japan according to the resolution by the Board of Directors meeting held on May 11, 2012 as follows:

Name of bond	Seven Bank, Ltd. 6th series unsecured straight corporate bonds with limited interbond pari passu clause	Seven Bank, Ltd. 7th series unsecured straight corporate bonds with limited interbond pari passu clause
Total issue amount	¥30 billion	¥10 billion
Issue date	May 31, 2012	
Issue price	¥100 per value	
Coupon rate	0.398% per annum	0.613% per annum
Collateral and guarantee	No collateral or guarantee is pledged and no assets are specifically reserved	
Redemption method	Redemption in full at maturity (Or retirement by purchase before maturity)	
Redemption at maturity	June 20, 2017	June 20, 2019
Use of the fund	Fund for redemption of bonds and general operation fund	



Independent Auditor's Report

To the Board of Directors of Seven Bank, Ltd.:

We have audited the accompanying financial statements of Seven Bank, Ltd., which comprise the balance sheets as at March 31, 2012 and 2011, and the statements of income, statements of changes in net assets and statements of cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information expressed in Japanese yen.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, while the objective of the financial statement audit is not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion









In our opinion, the financial statements present fairly, in all material respects, the financial position of Seven Bank, Ltd. as at March 31, 2012 and 2011, and their financial performance and cash flows for the years then ended in accordance with accounting principles generally accepted in Japan.

KPMG AZSA LLC

August 10, 2012
Tokyo, Japan

KPMG AZSA LLC, a limited liability audit corporation incorporated under the Japanese Certified Public Accountants Law and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

History

2001	April 6	Preliminary license received	
	April 10	IY Bank Co., Ltd. established (common stock: 20,205 million yen)	
	April 25	Banking business license received	
	May 7	Initiated operations (began accepting applications for new accounts)	 <i>IY Bank cash card</i>
	May 15	Initiated ATM services	 <i>Ceremony for the start of ATM services</i>  <i>First-generation ATM</i>
	May 23	Joined the Japanese Bankers Association (regular member)	
	June 11	Connected to the Zengin System (Japanese Banks' Payment Clearing Network)	
	June 13	Connected to BANCS (began handling withdrawals from our ATMs using city bank cards)	
	June 18	Initiated money transfer services	
	July 13	Number of ATMs installed exceeded 1,000	
	August 30	First third-party allocation of shares (common stock: 30,805 million yen)	
	December 17	Initiated Internet, mobile and telephone banking services	
2002	March 27	Second third-party allocation of shares (common stock: 61,000 million yen)	
2003	March 24	Number of ATMs installed exceeded 5,000	
	December 10	First issue of unsecured bonds (limited to qualified institutional investors; 15,000 million yen in five-year bonds)	
2004	July 7	Customer Service Division established	
2005	April 1	ATM Call Center (Osaka) began operation	
	April 4	Number of ATMs installed exceeded 10,000 Began handling time deposits for defined contribution pension plans	
	April 27	Established first manned outlet in Ito-Yokado Soga store	
	July 26	Introduction of second-generation ATMs began	 <i>Second-generation ATM</i>
	October 11	Company name changed to Seven Bank, Ltd.	
2006	January 3	Initiated operation of new account system	
	March 2	Initiated bank agency services at Ito-Yokado Kawaguchi Branch	
	March 20	Began offering time deposits	
	April 3	Began accepting IC cash cards	
	September 1	Common stock reduced (common stock of 61,000 million yen reduced by transfer of 30,500 million yen to capital surplus)	
	December 4	Second and third issues of unsecured bonds (public offering; 36,000 million yen in five-year bonds; 24,000 million yen in seven-year bonds)	
2007	June 18	Everyone's Money Site established (service terminated on June 30, 2011)	
	June 25	First dividend paid since establishment Began outsourcing ATM operation and administration	
	July 11	Initiated services for cards issued overseas	 <i>Ceremony for the start of services for cards issued overseas</i>
	September 3	Began loading money onto <i>nanaco</i> electronic money cards at ATMs	
	September 27	Completed the installation of ATMs in the 36 prefectures that had Seven Eleven and Ito-Yokado stores	
	November 26	Initiated ATM services for visually impaired customers (voice-guided transactions)	
	December 17	Completed installation of ATMs in all 47 prefectures	
2008	February 29	Listed on the JASDAQ Securities Exchange (currently the Osaka Securities Exchange JASDAQ Market) (delisted on April 14, 2012)	
2009	April 1	Established Financial Crime Prevention Center (currently Financial Crime Prevention Division)	
	July 2	Fourth and fifth issues of unsecured bonds (10,000 million yen in three-year bonds; 20,000 million yen in five-year bonds)	
2010	January 25	Initiated personal loan services	
	February 15	Initiated insurance agency operations (service terminated on June 30, 2011)	
	July 7	Established directly managed ATM corners	
	November 5	Number of ATMs installed exceeded 15,000	
	November 29	Introduction of third-generation ATMs began	 <i>Third-generation ATM</i>
2011	March 22	Initiated international money transfer services (began Internet/mobile banking services)	
	July 19	Initiated international money transfer services (began service at ATMs)	
	December 1	1,000-for-1 stock split Adopted share unit number system with 100 shares per unit	
	December 26	Listed on the First Section of the Tokyo Stock Exchange	

Investor Information

As of March 31, 2012

Company Information

Head Office	1-6-1, Marunouchi, Chiyoda-ku, Tokyo, 100-0005, Japan
Established	April 10, 2001
Common Stock	30,505 million yen
Number of Employees	409
Fiscal Year-End	March 31

Contact Address	Seven Bank, Ltd. Investor Relations E-mail: ir-7bk@sevenbank.co.jp URL: http://www.sevenbank.co.jp/english/ir/
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Shareholder Information

Number of Shareholders	30,518
Common Stock Number of Shares Issued:	1,190,908,000
Stock Code	8410 (Tokyo Stock Exchange, First Section)

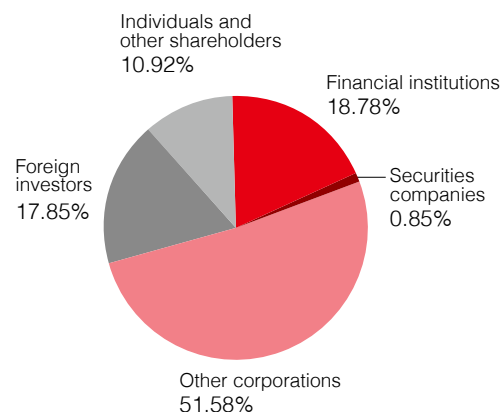
Transfer Agent	Mitsubishi UFJ Trust and Banking Corporation Corporate Agency Division 7-10-11, Higashi Suna, Koto-ku, Tokyo 137-8081
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Independent Auditors	KPMG AZSA LLC
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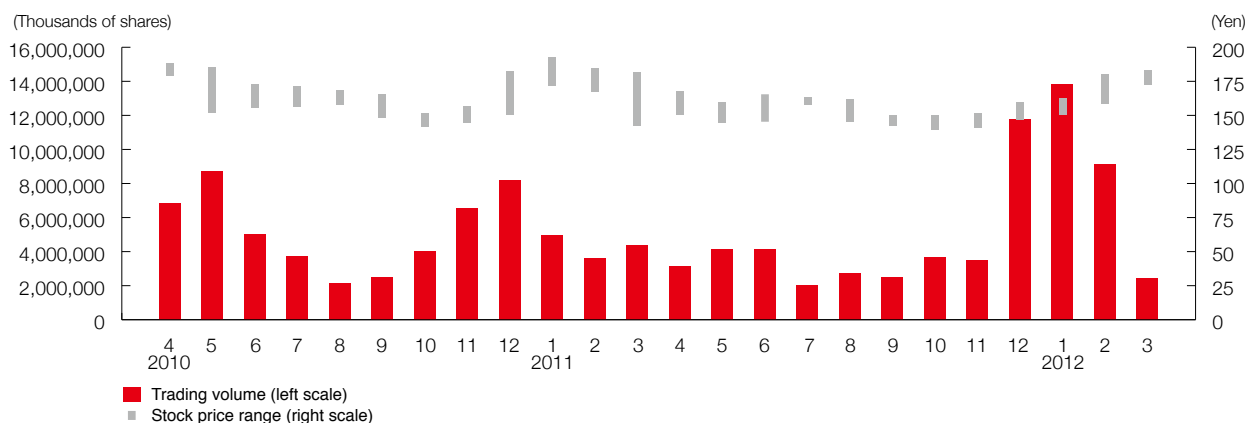
Major Shareholders

Shareholder name / title	Shareholding in the Company	
	Number of shares	% holding
Seven-Eleven Japan Co., Ltd.	453,639,000	38.09
Ito-Yokado Co., Ltd.	46,961,000	3.94
York-Benimaru Co., Ltd.	45,000,000	3.77
Japan Trustee Services Bank, Ltd. (trust account)	40,629,500	3.41
State Street Bank and Trust Company (standing proxy: The Hong Kong and Shanghai Banking Corporation Limited, Tokyo Branch)	39,775,961	3.33
The Master Trust Bank of Japan, Ltd. (trust account)	35,785,500	3.00
JP Morgan Chase Bank 385174 (standing proxy: Mizuho Corporate Bank, Ltd., Settlement & Sales Division)	32,705,200	2.74
The Chase Manhattan Bank 385036 (standing proxy: Mizuho Corporate Bank, Ltd., Settlement & Sales Division)	17,320,300	1.45
Sumitomo Mitsui Banking Corporation	15,000,000	1.25
The Dai-ichi Life Insurance Company, Limited (standing proxy: Trust & Custody Services Bank, Ltd.)	15,000,000	1.25

Composition of Shareholders



Stock Price Range and Trading Volume



Note: On December 1, 2011, the Company conducted a 1,000-for-1 stock split. Stock prices for previous fiscal years have been restated to reflect the change.



<http://www.sevenbank.co.jp/english/ir/>

