

Financial Results for the Second Quarter of Fiscal 2010

November 2010



SEVEN BANK



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These presentation materials contain forward looking statements concerning forecasts, expectations, goals and plans related to the financial results of Seven Bank, Ltd. (“Seven Bank”). Except for concrete historical facts, these forward looking statements are based on the information available when they were written. As such, these forward-looking statements may contain some premises (assumptions). These statements and premises (assumptions) are subjective and subject to various risks and uncertainties. As a result of such risks and uncertainties, the actual financial results of Seven Bank may differ substantially from these forecasts and expectations. Such risks and uncertainties include, but are not limited to, system failures, disasters, crimes and other various risks surrounding the ATM and financial services businesses. Any information in these materials, which is other than that of Seven Bank, is based on publicly available information and we have not validated the accuracy and appropriateness of such information and do not guarantee its accuracy. All rights reserved.

【 FY10 Interim 】

- ◆ Seven Bank recorded ordinary profit of 14.9 bn yen and net income of 8.8 bn. yen, meeting its initially announced interim profit plan.
 - Increase in number of ATMs installed resulted in 310 mn transactions in total(up 4.5% yoy)
 - Ordinary income was reduced 2.4 bn yen by the revision of terms of business and lower consumer lending card usage.

【 FY10 Forecast 】

- ◆ Despite downwardly revising its annual revenue forecasts, the Bank aims to achieve its initially announced annual profit plan.
- ◆ Negative factors will peter out in FY2010, and earnings growth should be reinstated in FY2011.

【 Shareholders return 】

- ◆ Dividend Interim dividend : 2,600 yen per share (in line with initial forecast)
 Year end dividend forecast : 2,600 yen per share (unchanged)
- ◆ Buy Back Decided on repurchase its own share up to 30,000 shares or 5.0 bn yen

Income statement

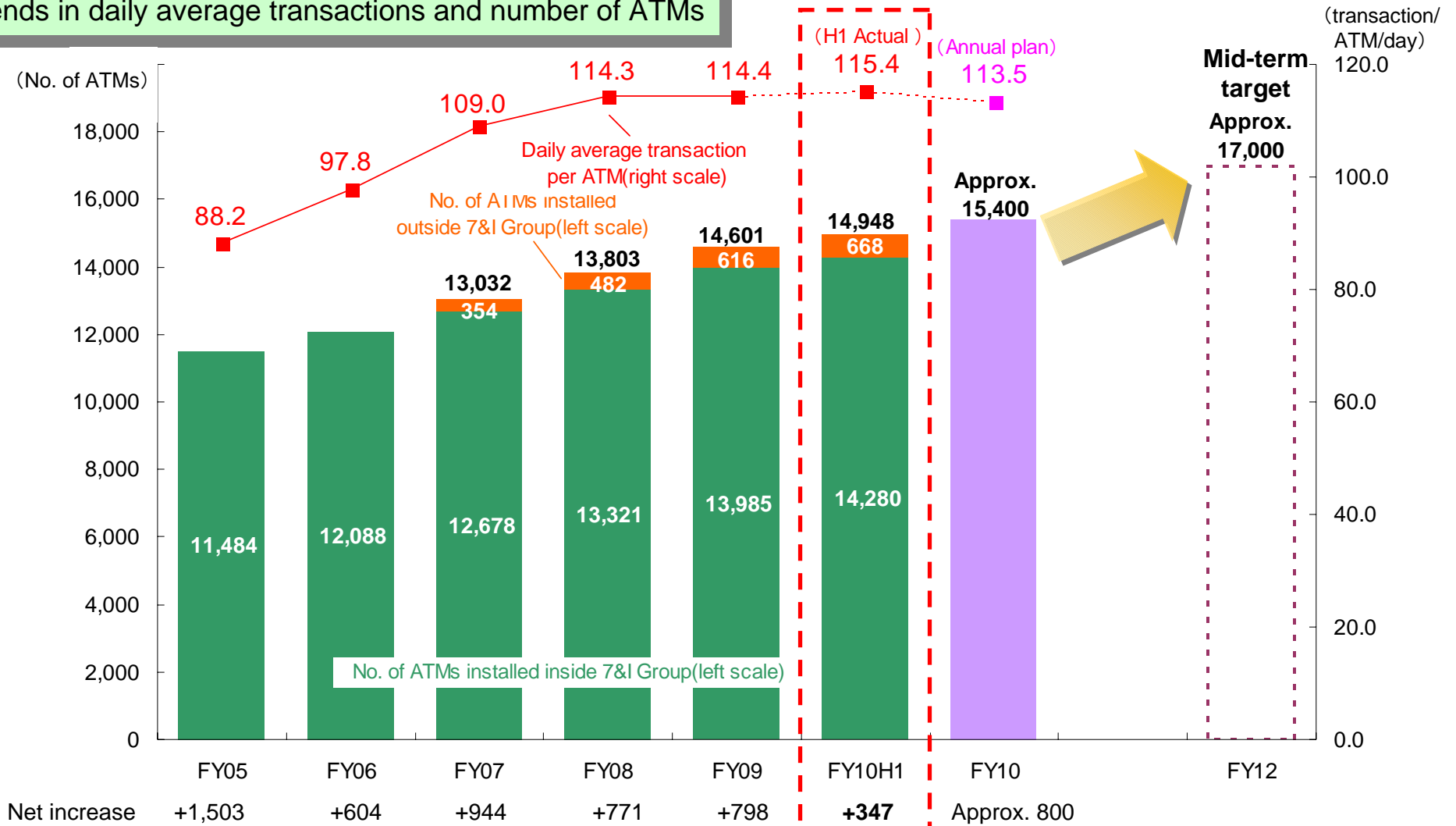
(Unit : Billion yen)

	FY09		FY10		FY10			FY10	
	Actual results	H1	Initial full year plan	H1 Plan	H1 Actual results	Changes from FY09 H1 results	Changes from FY10 H1 plan	Revised full year plan	Changes from FY10 H1 results
Ordinary income	88.8	45.6	86.9	43.8	43.1	-2.4	-0.6	85.2	-3.5
ATM-related fee income	85.2	43.8	83.3	42.1	41.4	-2.3	-0.6	81.9	-3.3
Ordinary expenses	58.4	29.3	59.4	29.1	28.1	-1.1	-0.9	57.8	-0.6
Interest expenses	2.1	1.1	2.0	1.0	1.0	-0.1	-0.0	1.9	-0.1
ATM placement fee expenses	9.0	4.4	9.6	4.7	4.7	+0.2	-0.0	9.4	+0.4
Outsourcing expenses	13.9	7.0	14.5	7.3	7.1	+0.0	-0.1	14.4	+0.4
Maintenance fees	3.5	1.9	4.2	1.8	1.8	-0.1	-0.0	4.1	+0.5
Rent for premises and equipment	2.4	1.2	2.2	1.1	1.1	-0.1	-0.0	2.1	-0.2
Depreciation expenses	12.8	6.2	12.3	5.6	5.4	-0.7	-0.1	11.8	-1.0
Ordinary profit	30.4	16.3	27.4	14.7	14.9	-1.3	+0.2	27.4	-2.9
Extraordinary gain (loss)	-0.1	-0.0	-0.0	—	-0.0	+0.0	-0.0	-0.0	+0.0
Income taxes	12.3	6.6	11.1	5.9	6.0	-0.5	+0.0	11.1	-1.2
Net income	17.9	9.6	16.2	8.7	8.8	-0.7	+0.1	16.2	-1.6
No. of ATMs installed at end of term (units)	14,601	14,188	15,400 est	14,920 est	14,948	+760	+28	15,400 est	800 est
ATM-related fee income per ATM (yen)	147.9	151.4	137.0	138.2	136.9	-14.5	-1.3	135.9	-12.0
Daily average transactions per ATM (Transactions /ATM /day)	114.4	116.2	116.6	118.0	115.4	-0.8	-2.6	113.5	-0.9
Total no. of transactions (millions)	590	296	635	318	310	+13	-8	617	+27

Notes: Amounts less than unit have been truncated.

Changes from the previous fiscal year and changes from its initial plan have been compared in units of one million yen (for total transactions, one thousand units), and amounts less than this unit have been truncated.

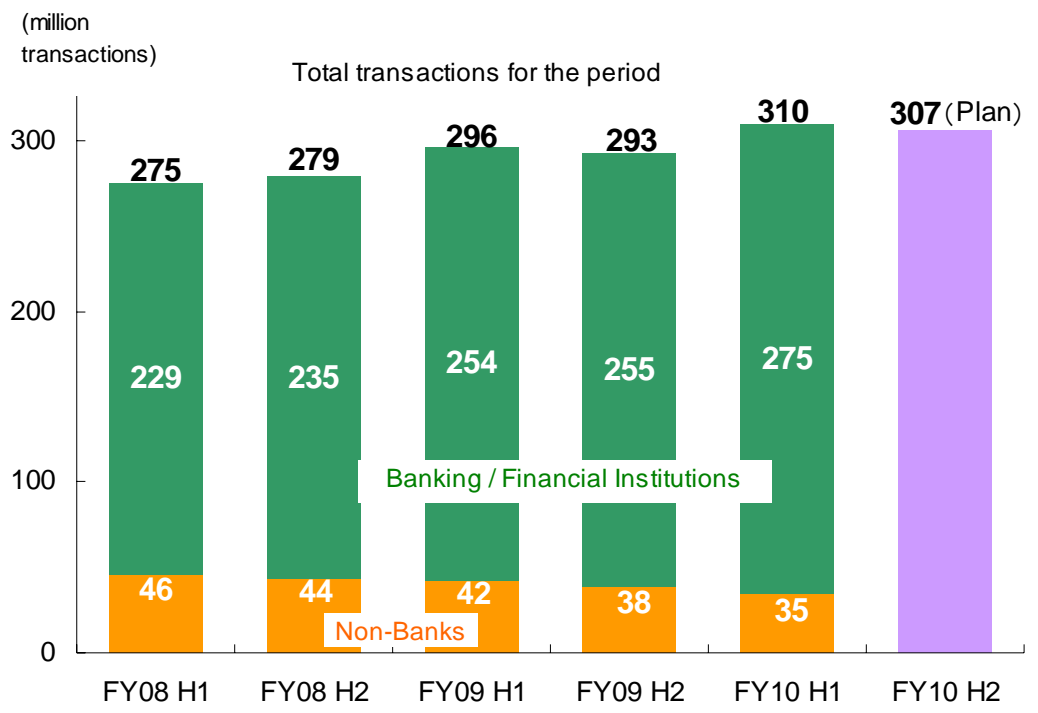
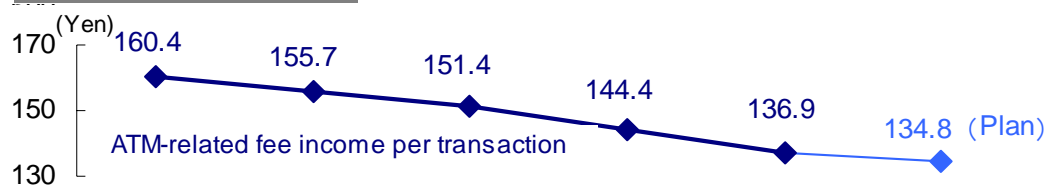
Trends in daily average transactions and number of ATMs



Notes: 1. Daily average transaction per ATM excludes balance inquiries, e-money charges, PIN changes and daily withdrawal limit changes(truncated at the first decimal place).
 2. Daily average transactions are annual daily averages (except for FY10 H1, for which the six-month daily average is shown).

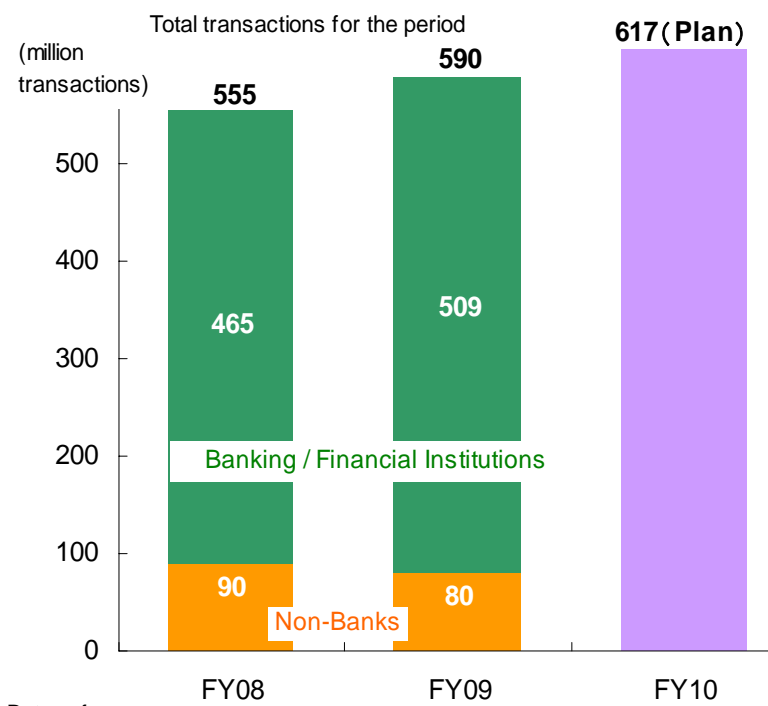
ATM usage and unit fee income

Half-year trend



Period	Rates of Non-Banks transactions
FY08 H1	16.7%
FY08 H2	15.7%
FY09 H1	14.1%
FY09 H2	13.1%
FY10 H1	11.3%
FY10 H2	-

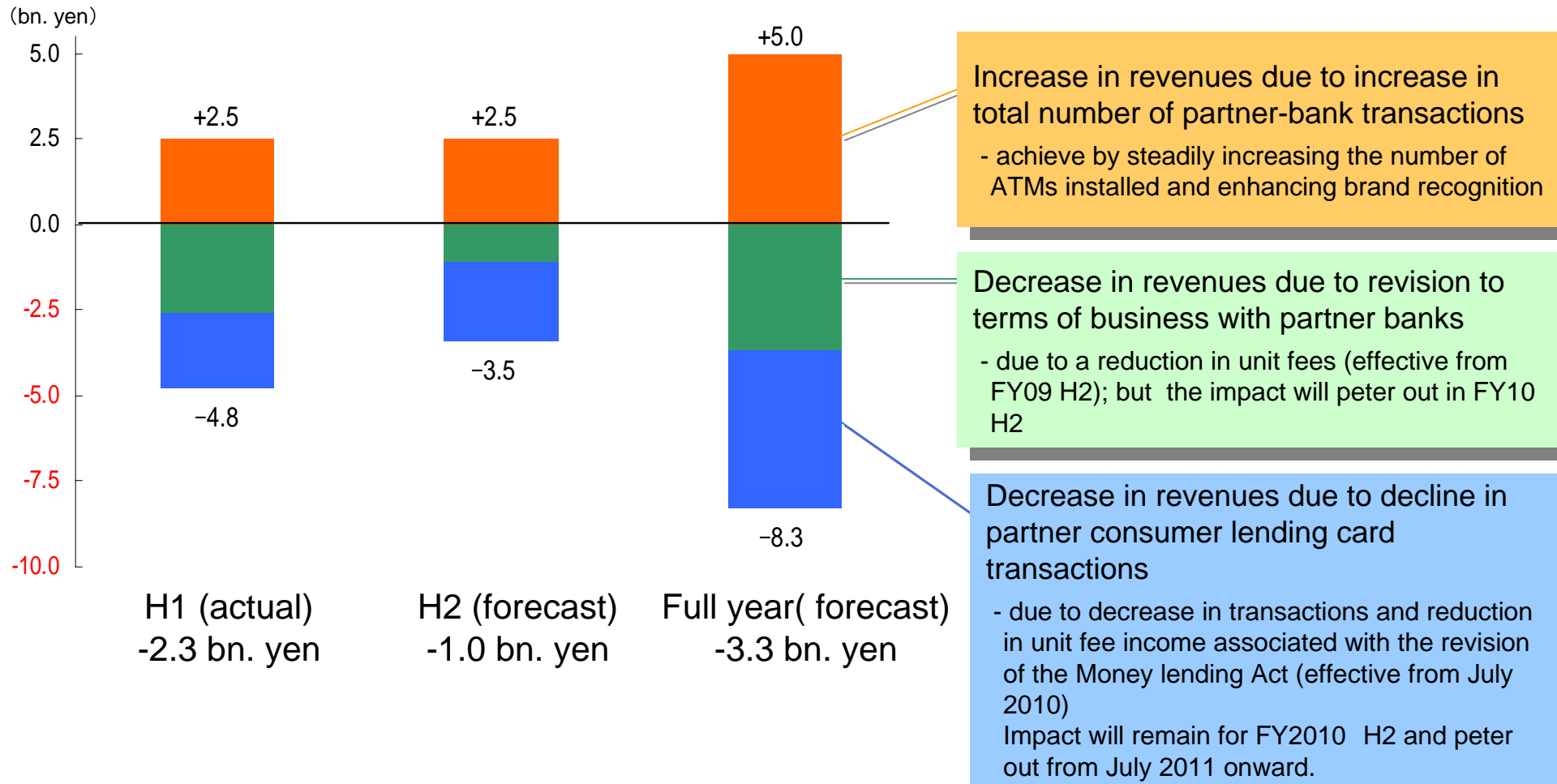
Full year trend



Year	Rates of Non-Banks transactions
FY08	16.2%
FY09	13.6%
FY10	-

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

Year on year factor analysis of ATM-related fee income



- ◆ Create new business using our ATM network that are connected to many affiliated partners and our settlement functions

Loan service

International money
transfer service

Operations Outsourced
to Seven Bank

Overseas expansion
(under consideration)

Loan Services

As of Sep. 30, 2010	
Contracts	6 thousand(+3 thousand)
Balance	349 million yen (+223 million yen)

Notes: Amounts less than unit have been truncated.

- Currently positioned as a basic account features
- While keeping a keen eye on personal loan market trends in the wake of the Money Lending Act revision, we aim to expand judiciously and steadily

International money transfer services

<Progress so far>

- Entered into contract with Western Union (WU) in July 2010
- Investigating effective marketing methods by interviewing foreign workers, international students, etc.
- Currently considering our fee structure, taking into account our competitive strengths vis-à-vis new market entrants

Seven Bank's strengths

- **Powerful domestic network**
- 24 x 365 availability
- Systemized, immediate processing
- Rigorous improper transaction countermeasures

WU's strengths

- **Powerful international network**
- 24 x 365 availability
- Systemized, immediate processing
- No receiving account required

Targeting 1 million transactions per year through full use of these strengths + attractive fee plans

Aims of Development

Revenues

Greater Customer Satisfaction

- Greater speed (reduce transaction time by one third)
- Easier to use
- Increased sense of security for users



Sustained
profit
growth

Greater Cost Efficiency

- Costs reduced by more efficient cash management

► Efficiency

Environmental considerations

- Reduce electricity consumption
- Efficient use of resources

Schedule for replacement installation

- ◇ Nov. 2010
Start of trial installation and use in western Tokyo (about 50 units)
- ◇ Mar. 2011
Start of gradual installation of new models, primarily in Tokyo (around 300 units)
- ◇ Fiscal 2011
Achieve installed base of around 3,000 units in Tokyo, Yamanashi Prefecture, and Shizuoka Prefecture



Replace all existing ATMs by mid-fiscal 2015



Effectively use 2G ATMs

- **Consider using for overseas expansion**

Financial position as of September 30, 2010

Cash placed in our ATMs
Increase following increase in number of ATMs

Securities required for transfer settlement and overdraft with Bank of Japan accounts

ATM-related temporary advances: Funds provisionally paid to customers of correspondent financial institutions withdrawing from our ATMs. (Increases result when term-end day is a non-business day since amounts cannot be settled.)

*In principle, for transactions with non-banks there is no remaining balance of ATM-related temporary payments since these are settled in our corporate account on the same day

Loans and bills discounted 0.3(+ 0.2)

Mainly ATMs

Software and software-related temporary accounts

Cash and Due from banks	323.5(+ 29.3)
Securities	89.6(+ 0.2)
Loans and bills discounted	0.3(+ 0.2)
ATM-Related temporary payments etc.	74.0(+ 4.0)
Tangible fixed assets	10.9(- 0.3)
Intangible fixed assets	17.7(+ 1.0)
Deferred tax assets	1.1
Allowance for credit loss	-0.04

Assets 517.3
(+ 14.5)

(Unit: billion yen)

Deposits (Individuals)	141.5(+ 11.9)
Deposits (Corporate)	95.7(+ 16.5)
Negotiable certificate of deposits	1.1 (- 9.1)
Call money	5.1 (- 8.2)
Borrowed money	32.0(+ 1.0)
Bonds	90.0(± 0)
ATM-related temporary advances	36.0(- 3.1)
Capital stock	30.5(± 0)
Capital Surplus	31.7(± 0)
Retained earnings	53.1(+ 5.4)
Loss from evaluations of other securities	-0.01
New share warrants	0.1

Liabilities and Net Assets 517.3
(+ 14.5)

Ordinary deposits: 161.1 bn yen
Term deposits: 75.8 bn yen

2nd issue(2006) 36.0 bn yen (5yr bond)
3rd issue(2006) 24.0 bn yen (7yr bond)
4th issue(2009) 10.0 bn yen (3yr bond)
5th issue(2009) 20.0 bn yen (5yr bond)

Liabilities
401.8 (+ 9.0)

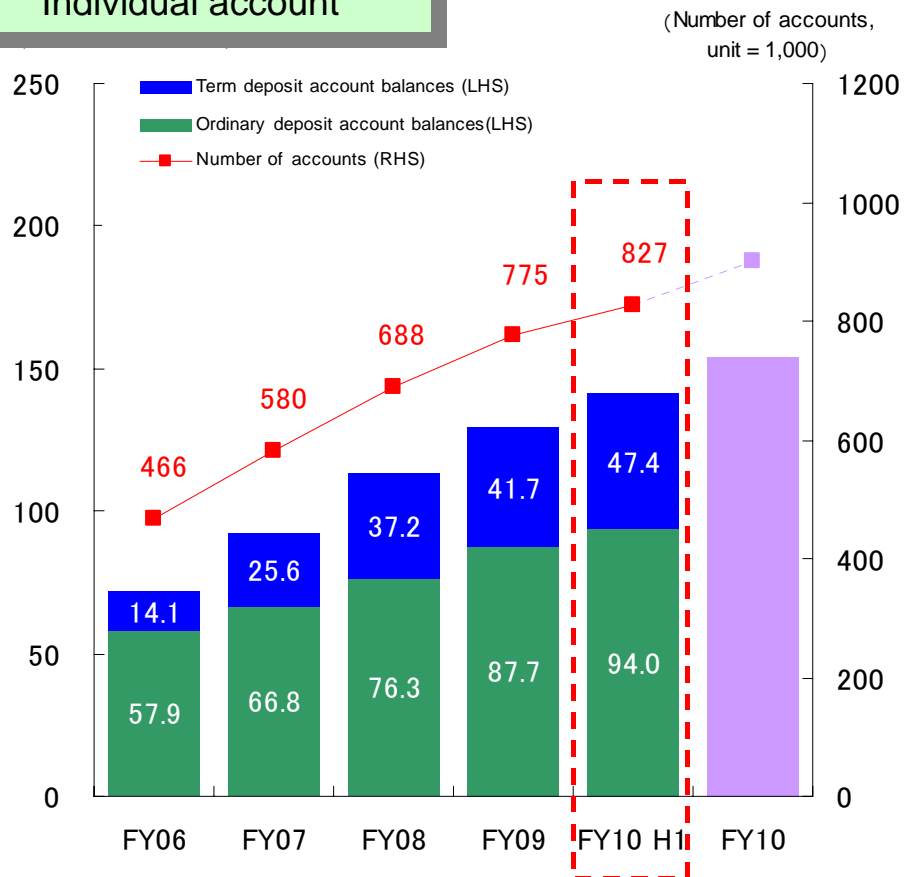
ATM-related temporary advances: Provisional deposits of customers of correspondent financial institutions pending next business day settlement with those institutions.

Provision for bonus 0.3

Net assets
115.5 (+ 5.5)

Note: Figures in brackets refer to change from March 31, 2010 and are calculated in units of million yen, then truncated at the first decimal place

Individual account



Note: Figures are balance and No. of accounts at the end of year (for FY10H1, those at the end of Sep. 2010)

Sound financials and strong creditworthiness

Tier I capital ratio (Domestic Standard)
51.78%(preliminary figure)

Ratings (as of Sep 30, 2010)

- S&P (Long-term counter party rating) **AA-**
- R&I (Issuer rating) **AA**

Redemption and repayment schedule for long-term funding

(billion yen)

		Bonds		Borrowing	
		balances	redemption	balances	repayment
FY10	H1	90.0	—	32.0	—
FY10	H2	Undecided	—	Undecided	-12.0
FY11	H1		—		—
	H2		-36.0		—
FY12	H1		-10.0		—
	H2		—		—
FY13 onwards			-44.0		-20.0

◆ Interim dividend

- Amount of dividends :2,600 yen per share (Total dividend 3.1 billion yen)
- in line with the initial forecast
- Effective date :December 1, 2010

- * Year end dividend forecast :2,600 yen per share (unchanged)

◆ Buyback of own shares

➤ Reason for the buyback

The buyback will be conducted to deliver enhanced value to shareholders by improving capital efficiency and net income per share.

- Number of shares up to 30,000 shares (2.45% of total stocks issued)
- Total value of shares up to 5.0 billion yen
- Period for purchase November 12, 2010 to February 28, 2011
- Method of purchase Market purchase through trust bank

Appendix

Basic information

Headquarters	1-6-1 Marunouchi Chiyoda-ku, Tokyo
Major business lines	ATM services / Other financial services

Key data

(end Sep. 2010)

Net assets	115.5 billion yen
Common stock	30.5 billion yen
No. of ATMs	14,948
No. of manned outlets	6
No. of employees	322

Concept of incorporation: Everyone's ATM network

Anytime	24 hours, 365 days a year
Anywhere	Throughout Japan
Everyone's ATM network	Approx. 560 domestic alliance partners
Safe and secure	Safe, monitored locations, high security

History

Apr. 2001	Incorporated under the name IY Bank Co., Ltd.
Oct. 2005	Changed corporate name to Seven Bank, Ltd.
Feb. 2008	Listed on the JASDAQ securities exchange

Major Shareholders (as of September 30, 2010)

Shareholders	# of Shares	% of voting
Seven-Eleven Japan	353,639	28.98
Ito-Yokado	146,961	12.04
York-Benimaru	52,400	4.29
State Street Bank and Trust Company	49,834	4.08
Life Foods	30,000	2.45
State Street Bank and Trust Company	23,689	1.94
Morgan Stanley and Company Inc	18,293	1.49
SAJAP	17,897	1.46
The Master Trust Bank of Japan ,Ltd (Trust account)	16,904	1.38
Sumitomo Mitsui Banking Corporation	15,000	1.22
Dai-ichi Mutual Life Insurance	15,000	1.22

Shareholders	# of Shares	% of voting
7&i HD group companies	583,000	47.78
Financial institutions	179,318	14.69
Financial companies	10,819	0.88
Other corporations	75,881	6.21
Foreign corporations	251,530	20.61
Individuals	119,479	9.79

Notes:

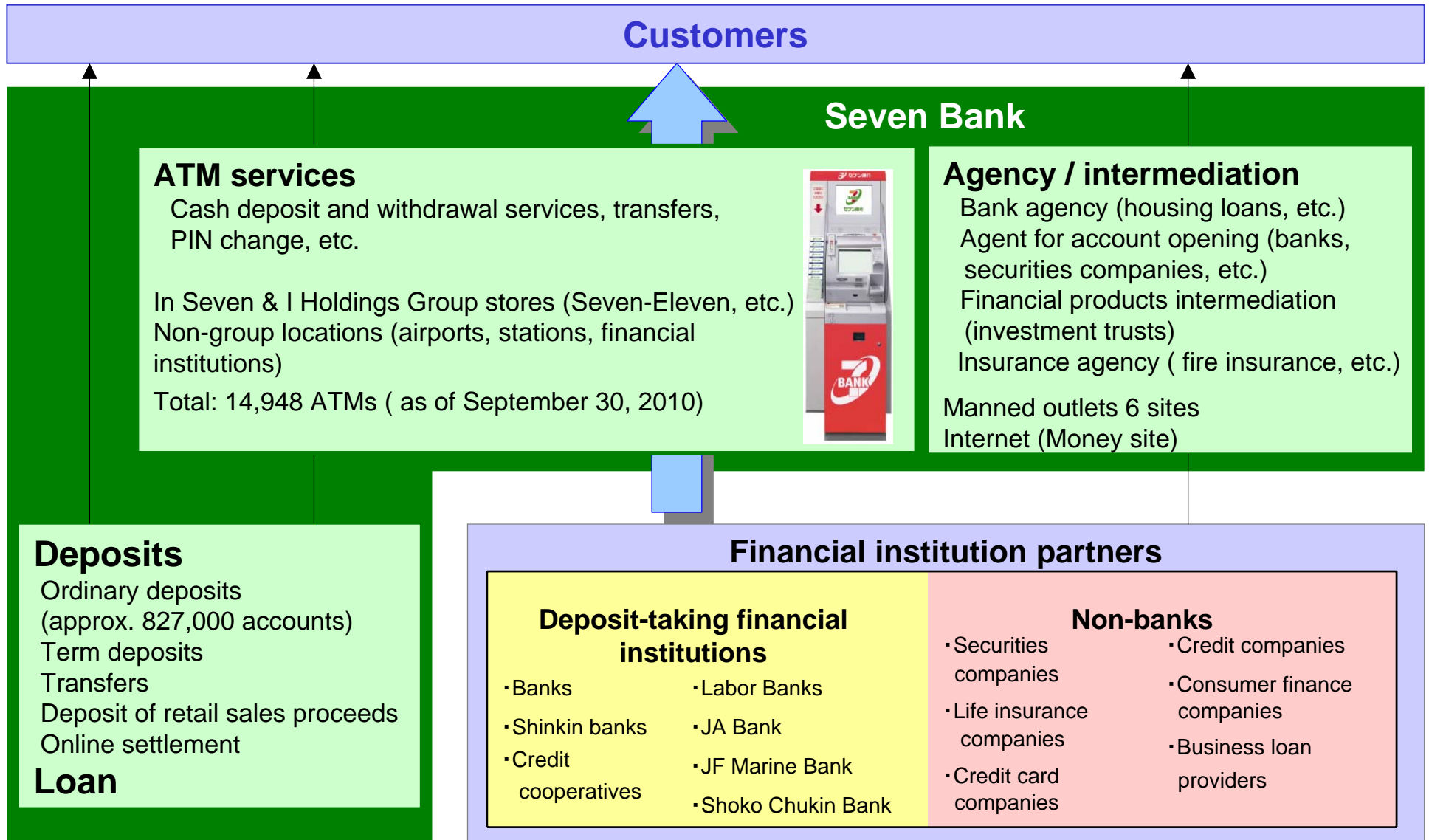
- 1) For voting rights percentages, amounts have been truncated at the second decimal place
- 2) Orange shading indicates 7&i HD group companies.
- 3) Other corporations excludes 7&i HD group companies

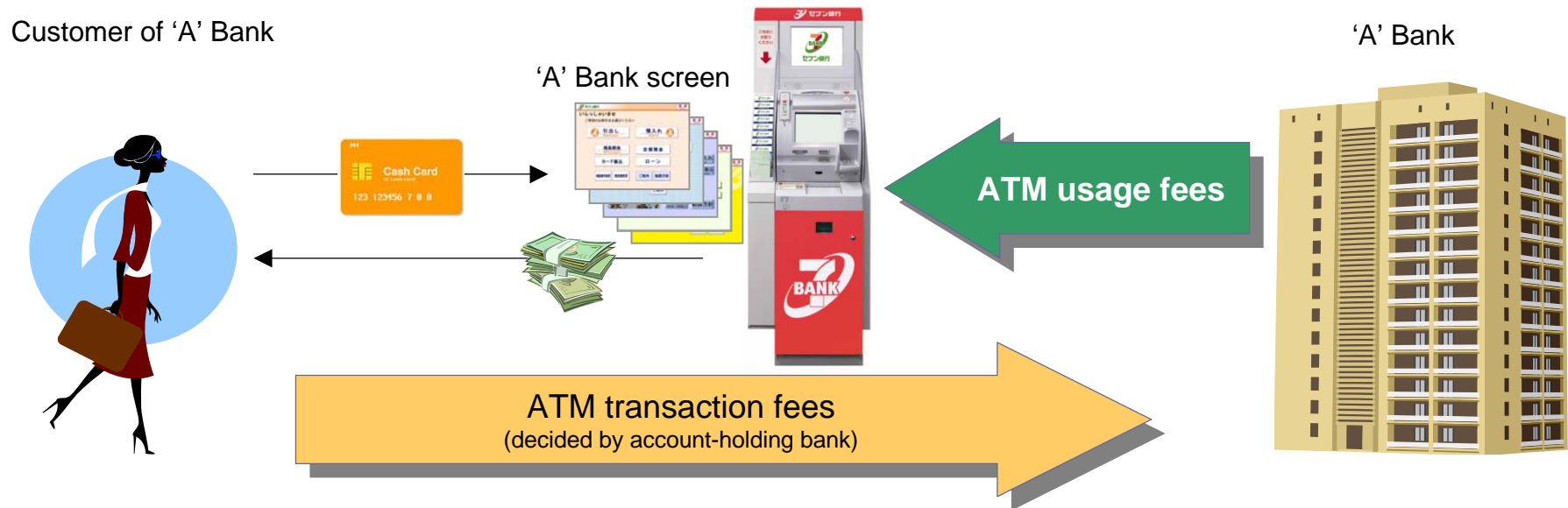
Trends in income (since establishment)

Unit: billion yen

	FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09
Ordinary income	1.9	11.5	29.1	47.9	64.6	75.4	83.6	89.8	88.8
ATM-related fee income	1.8	11.3	28.9	45.8	61.9	73.1	80.1	85.5	85.2
Ordinary expenses	14.0	19.7	26.0	37.8	45.2	50.4	59.0	61.0	58.4
Interest expenses	0.0	0.0	0.0	0.4	0.6	1.5	2.7	2.7	2.1
ATM placement fee expenses	0.3	1.1	2.2	3.5	4.5	6.1	7.7	8.5	9.0
Outsourcing expenses	5.1	7.0	8.5	12.0	14.4	13.7	13.7	13.9	13.9
Maintenance fees	0.3	0.8	1.1	3.0	2.5	2.9	3.4	3.5	3.5
Rent for premises and equipment	2.0	3.4	4.6	6.3	7.5	6.7	4.7	2.8	2.4
Depreciation expenses	1.6	2.6	3.1	3.5	4.3	5.4	11.4	15.4	12.8
Ordinary profit	-12.1	-8.1	3.0	10.0	19.4	25.0	24.6	28.7	30.4
Extraordinary loss	0.0	0.0	-0.1	-0.1	-2.8	-4.0	-1.3	-0.0	-0.1
Income taxes	0.0	0.0	-2.1	-0.9	6.0	8.3	9.5	11.7	12.3
Net income	-12.1	-8.1	5.0	10.8	10.5	12.6	13.8	16.9	17.9

Notes: Amount less than unit have been truncated.





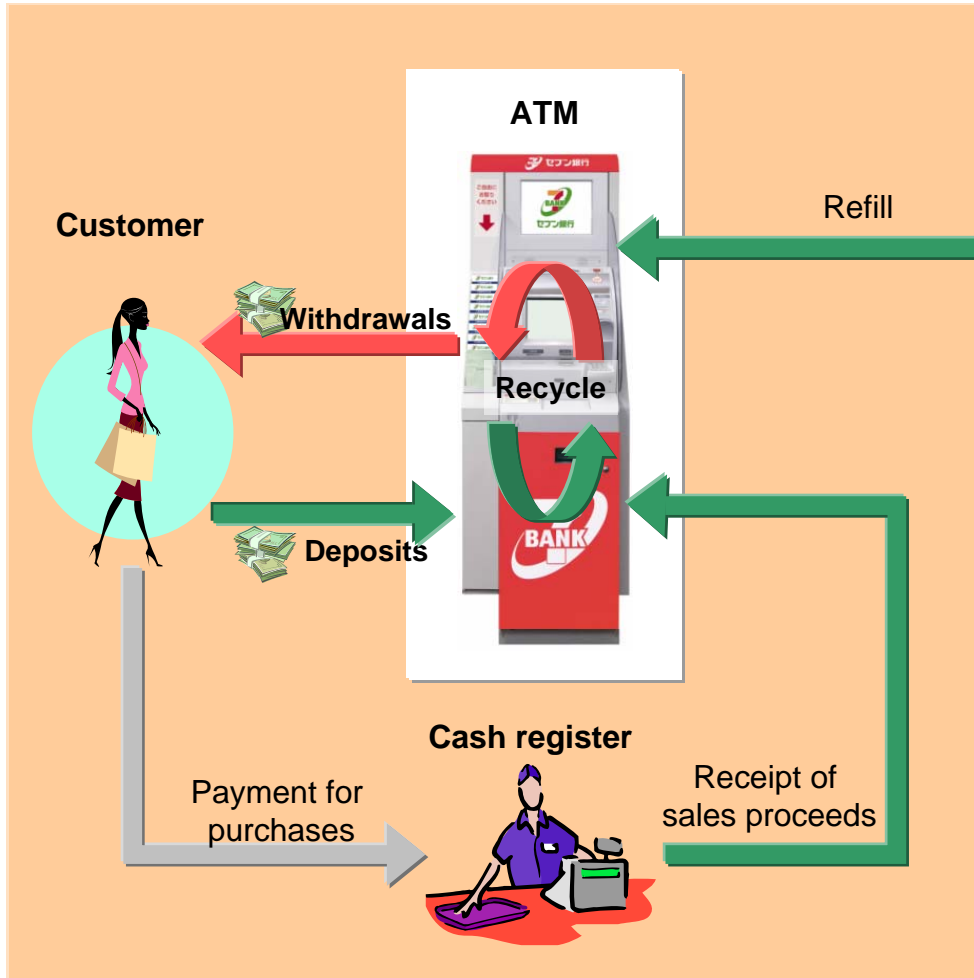
Merits to customer (user)

- **Convenience of ATM service hours and locations**
 - 24 x 365 availability
 - No need to carry large sums of cash for business or leisure trips
 - Access to identical services from any ATM nationwide (because of ATM management by a single bank)
- **Safety and security**
 - Security due to installation in convenience stores

Merits to ATM alliance partner (financial institution)

- **Access to nationwide network of ATMs operating 24 x 365 without the cost required for own 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**

Sales proceeds managed with ATMs



Reduction in cash replenishment costs

Increase in efficiency

Number of monthly cash refill service calls per ATM

FY04	Approx. 3.5
FY09	Approx. 1.7

Shift to more efficient ATMs from FY05

Analyze the cash needs of each ATM location, select an optimal combination of ATM cash cassettes, and reduce the number of cash refill service calls.

Trends in the number of correspondent companies

(Number of correspondent companies)

	FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09
Banks	7	15	27	50	63	80	92	95	97
Major banks	3	5	5	5	4	5	5	5	5
Regional banks	3	9	19	41	54	69	76	77	79
Other banks	1	1	3	4	5	6	11	13	13
"Shinkin" banks	-	-	240	241	255	263	260	264	258
Credit cooperatives	-	-	-	117	122	124	122	127	127
Labor banks	-	-	-	13	13	13	13	13	13
JA Bank	-	-	-	-	1	1	1	1	1
JF Marine Bank	-	-	-	-	1	1	1	1	1
Shoko Chukin Bank	-	-	-	-	-	-	-	-	1
Securities firms	2	2	2	2	5	8	8	8	8
Life insurance firms	-	4	5	5	6	8	8	8	8
Other financial institutions (Consumer finance, credit card companies, etc.)	-	27	35	41	47	50	49	49	41
Total	9	48	309	469	513	548	554	566	555

Note 1. Seven Bank is not included among the correspondent companies.

2. Japan Post Bank, which was privatized and separated in October 2007, is included among 'Other banks'.

3. JA Bank and JF Marine Bank are each counted as one institution.

1. Designed for privacy and security

Keypad: Input of personal identification number hidden by users hand

Touch screen: Customer transaction details cannot be seen by someone standing diagonally behind

2. Advanced security system

A security camera captures images during transactions

Triple DES encryption protects information from interception

3. Compatible with IC cards

4. PIN and daily withdrawal limits can be changed

5. Screen also used for ads and warnings

6. Displays the user interface of each correspondent financial institution

When the customer inserts their bank card the familiar user interface of their own financial institution is displayed



7. Can charge electronic money cards



8. Overseas-issued cards can be used

Customers can withdraw Yen using an overseas-issued cash card or credit card



9. Accessible for vision-impaired customers

Equipped with audio guidance services via interphone to provide accessibility to vision-impaired customers

10. Ability to print legally required loan receipts

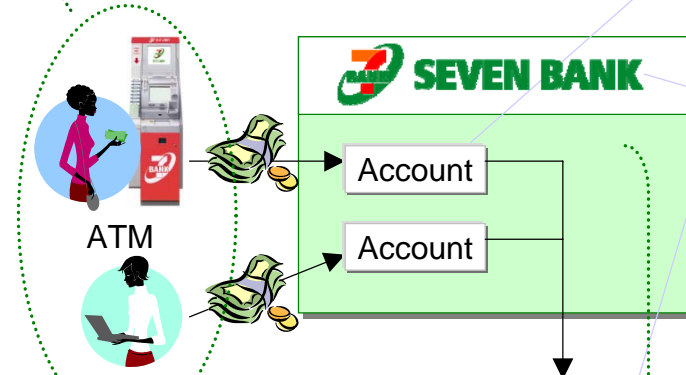
Customers can print loan receipts from correspondent financial institutions as required by law



International money transfer service overview

Service via around 15,000 ATMs and Internet banking
 → Can send money from anywhere 24 hours a day

- Strict customer due diligence when accounts opened
- Recipient also registers in advance
- Can send money 7 days 24 hours
- ATMs located in Seven-Eleven stores, Nomura Securities branches, etc., throughout Japan. Easy access in rural areas also



Strict anti money laundering checks

- Close monitoring for suspicious transactions activity etc. Immediately reported to authorities if discovered

Financial soundness

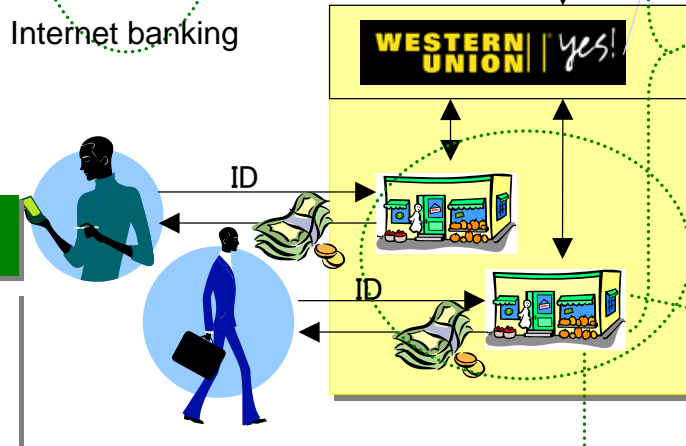
- Financial soundness provides peace of mind in the rare event that the money transfer does not reach recipient
 <Credit rating>
 Seven Bank AA- (S&P)
 Western Union A- (S&P)

Transfer completed in a few minutes (funds available)

- Funds available in a matter of minutes once transfer complete

Fees: to be decided

- Will set at a competitive level
- Reduce fee-burden on customers; Established position as a convenient money-transfer channel



Money can be received at approx. 400,000 agencies in around 200 countries and territories worldwide

- Money can be sent to most countries and territories worldwide, excluding countries with a high risk of money laundering transfers

Recipients do not need a bank account

- ID checked with personal ID documents approved under local law. Funds paid out in cash, so bank account not necessary

◆ Shorter transaction times

- The 3G ATM reduces the present transaction time to two third.

Significantly reduce waiting time until the start of the next transaction

◆ Environmental considerations

<Main power-saving features>

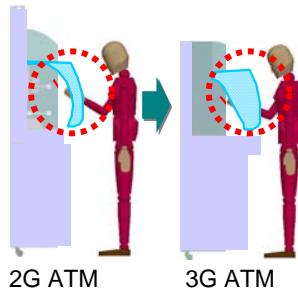
- Always switches automatically to energy-saving mode when not in use
- LED-backlit main transaction screen and second display

<Efficient use of resources>

- Use of long-life parts and recyclable materials make the new model resource efficient.(RoHS compliant)

◆ Enhanced safety and security features

- 1) The 3G ATM unit's height has been lowered results in a more compact ATM



Changed input screen position and angle. Increased by 2-fold the area obscured from others' view by the shields on the left and right sides of the ATM



The intercom handset and input keypad have been lowered, making it easier for wheelchair-bound customers to use the ATM

- 2) Additional features to enhance ATM safety

◆ Camera at top of unit

The camera records events when users forget to retrieve their ATM card or cash, when other alerts are triggered, thus enhancing user security and security in the ATM's vicinity.

◆ Forget-me-not alert sensor

If the sensor detects a user moving away from the ATM without first retrieving the ATM card or cash, a voiced alert will remind the user not to leave these items behind.

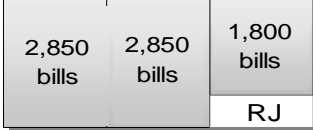
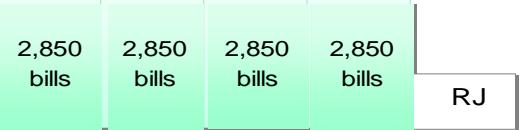
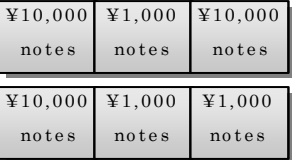
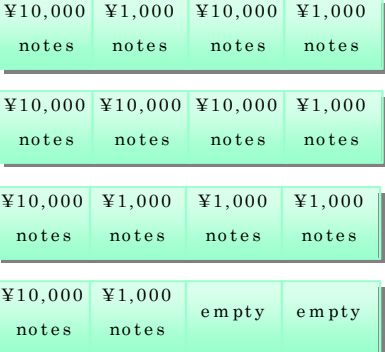
◆ Addition of second built-in speaker

A speaker has been added near the cash outlet to provide an extra reminder not to leave items behind.



◆ Capable of handling more notes

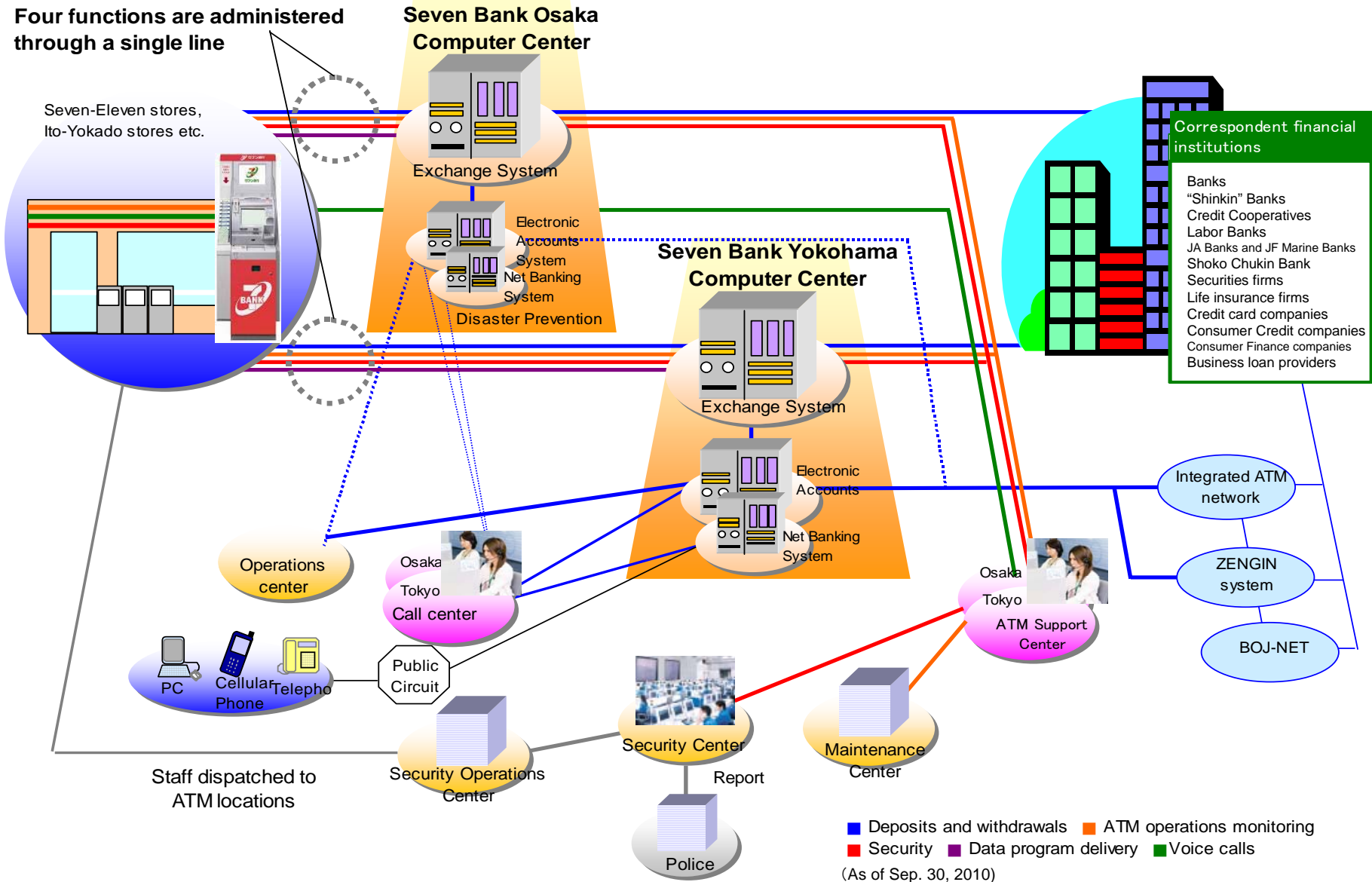
- The 3G ATM's note-handling capacity is increased by increasing the number of cash cassettes, which will reduce guarded cash replenishment costs.
- This will also enables more flexible cassette management by location and help prevent ATMs from running out of cash. The ability to swap individual cassettes enables more efficient cash operations and lowers the overall cash requirements of total ATMs.

	2GATM	3GATM
Capable of handling more notes by increasing the number of cash cassettes	<p>3 cassettes</p> 	<p>5 cassettes</p> 
The 3G ATMs enables more flexible cassette management by location and helps prevent ATMs from running out of cash.		 <p>⇒Cassette can be to swap individually</p>

(Note) RJ: Reject box
 Deposited bills that are soiled or otherwise damaged such that they cannot be dispensed are stored in this compartment.

Safety and security supported by solid infrastructure

Four functions are administered through a single line



Corporate Principles

1. We aspire to be a sincere company that is trusted by its customers.
2. We aspire to be a sincere company that is trusted by its shareholders, business partners and society.
3. We aspire to be a sincere company that is trusted by its employees.

Management Policy

1. Our aim is to be a trusted bank that fully answers customer needs.
2. Each employee will seek to speedily introduce the benefits of technical innovation and pursue personal enhancement.
3. We will contribute to the stability of Japan's financial system by providing a secure and efficient settlement infrastructure.

Charter of Ethics (abridged)

This ethical charter represents the cornerstone of the standards to which we will conform in making the decisions involved in the management of our business.

1. Be fully aware of the public nature and social responsibilities of a bank.
2. Provide highly convenient, customer-focused services, matched to current needs.
3. Act with integrity and fairness.
4. Communicate with society.
5. Have respect for humanity.

Compliance standards

1. Observe rules.
2. Keep promises.
3. Be truthful.
4. Don't conceal the truth.
5. Protect confidentiality.
6. Do not offend others.
7. Do not mix public and private matters.
8. Combat corruption.
9. Remember the basics of service.
10. Be responsible for your own actions.