



Financial Results for the Third Quarter of Fiscal 2008

Nine-month ended December 31, 2008 (Non-Consolidated Data)

February 6, 2009

Company Name: Seven Bank, Ltd.

Stock exchange listing: JASDAQ

Stock Code: 8410

URL <http://www.sevenbank.co.jp/>

President: Takashi Anzai

For inquiries: Director, Managing Executive Officer and General Manager of the Planning Division,

Kensuke Futagoishi

Telephone: +81-3-3211-3041

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Trading accounts: Not established

(Amounts of less than one million yen and one decimal point are rounded down)

1. Financial Highlights for the Third Quarter of Fiscal 2008 (April 1, 2008 – December 31, 2008)

(1) Operating Results

(% represents the change from the same quarter in the previous fiscal year)

	Ordinary income		Ordinary profit		Third Quarter Net income	
	million yen	%	million yen	%	million yen	%
Nine-Month ended Dec. 31, 2008	68,383	—	23,012	—	13,637	—
Nine-Month ended Dec. 31, 2007	62,604	10.5	18,658	(4.2)	10,312	(7.0)

	Net Income per share	Diluted Net Income per share
	yen	yen
Nine-Month ended Dec. 31, 2008	11,177.89	11,176.93
Nine-Month ended Dec. 31, 2007	8,840.28	—

(2) Financial Position

	Total assets	Total net assets	Net assets to total assets ratio (Note)	Total net assets per common share
	million yen	million yen	%	yen
Nine-Month ended Dec. 31, 2008	629,643	95,063	15.0	77,881.15
Fiscal Year ended March 31, 2008	488,137	88,974	18.2	72,930.25

Reference: Capital: Nine Months ended December 31, 2008: 95,015 million yen

Fiscal Year ended March 31, 2008: 88,974 million yen

Note: "Net assets to total assets ratio" is calculated as (Total net assets at the end of the period–Stock acquisition rights at the end of period)/Total assets at the end of the period.

2. Dividends on Common Stock

(Record date)	Dividends per share				
	First Quarter	Interim	Third Quarter	Year end	Annual
	yen	yen	yen	yen	yen
Fiscal Year ended March 31, 2008	—	0.00	—	4,200.00	4,200.00
Fiscal Year ended March 31, 2009	—	2100.00	—	—	—
Fiscal Year ended March 31, 2009 (Forecasts)	—	—	—	2,100.00	4200.00

Note: Revision to the dividend forecast during the current quarter: None

3. Performance forecasts for Fiscal 2008 (April 1, 2008 – March 31, 2009)

(% represents the change from the same period in the previous fiscal year)

	Ordinary income		Ordinary profit		Net income		Net income per share
	million yen	%	million yen	%	million yen	%	yen
Fiscal Year ended March 31, 2009	90,500	8.1	27,700	12.3	16,400	18.5	13,442.62

Note: Revision during the current quarter to the performance forecasts: None

4. Others

- (1) Adoption of simplified accounting method and accounting methods specific to the preparation of quarterly financial statements: Yes

Note: For details, please refer to 4. Others of Qualitative Information And Financial Statements on page 5.

- (2) Changes in accounting principles, procedures, presentation methods, relating to the preparation of quarterly consolidated financial statements (items stated under changes in significant assumptions underlying the preparation of the quarterly financial statements)

(a) Changes arising from revised accounting standards etc.: Yes

(b) Changes other than (a) above: None

Note: For details, please refer to 4. Others of Qualitative Information And Financial Statements on page 5.

- (3) Number of shares (common stock)

(a) Number of shares in issue

As of December 31, 2008:	1,220,000 shares	As of March 31, 2008:	1,220,000 shares
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(b) Number of treasury stock

As of December 31, 2008:	- shares	As of March 31, 2008:	- shares
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(c) Average number of shares for the Third Quarter ended (for the current Third quarter):

December 31, 2008:	1,220,000 shares	December 31, 2007:	1,166,488 shares
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* Cautionary statement with respect to earnings forecasts, and disclaimer

- Starting from the current fiscal year, the Bank has adopted the “Accounting Standard for Quarterly Financial Reporting and its Implementation Guidance” (ASBJ Statement No. 12) and the “Guidance on Accounting Standard for Quarterly Financial Reporting” (ASBJ Guidance No. 14). The quarterly financial statements have been prepared in accordance with Regulations for Quarterly Financial Statements.
- This report contains earnings projections and other forward-looking statements which are based on currently available information and certain assumptions that the Bank considers to be reasonable. Various factors may cause actual results to be materially different from projections in these forward-looking statements.

Qualitative Information And Financial Statements

1. Qualitative information on operating results

Japan's economy deteriorated significantly during the nine-month period under review (April 1, 2008 to December 31, 2008). Corporate profits continued to worsen, with exports down markedly due to a slowdown in overseas economies and appreciation of the yen, while private consumption waned within an increasingly harsh employment and income environment. Housing investment started to decrease again, and public investment remained sluggish. Furthermore, reflecting these developments in demand and growing adjustment pressures on inventories, production is expected to continue to decrease.

Over this period, Japan's banking sector increased lending, primarily to large corporations, reflecting a growing demand by companies for funds to ensure liquidity at hand and a shift towards increasing demand for direct financing. However, the earnings environment remained harsh, compelling further improvements in operational efficiency and competitive strength.

Operating results for the current period

Seven Bank's ordinary income for the nine-month period increased by 5,779 million yen to 68,383 million yen (up 9.2% compared to the first nine months of the previous fiscal year) due to an increase in ATM related fee income in line with an increase in ATM usage rates, and other factors. Ordinary expenses, on the other hand, rose by only 1,425 million yen (up 3.2%) to 45,371 million yen, as efforts to hold down overall costs alleviated the impact of factors such as an increase in depreciation expenses accompanying the switch to second-generation ATMs and an increase in ATM placement fee expenses accompanying growth in the installed ATM base.

As a result, ordinary profit for the nine-month period increased by 4,353 million yen (up 23.3%) to 23,012 million yen, and net income increased by 3,324 million yen (up 32.2%) to 13,637 million yen.

ATM services

During the nine-month period, Seven Bank continued to strive to enhance the convenience of its ATM network by expanding partnerships, upgrading services, and installing additional ATMs, at locations within the Seven & i Holdings Group and at airports, railway stations, shopping centers and other such facilities outside the group. As a result of these efforts, the number of correspondent financial institutions as of the end of December 2008 increased by seven compared to the end of March 2008, to a total of 561*. We also extended the compatibility of our ATMs to include IC cards issued by 61 banks, including Seven Bank, and increased the number of installed ATMs by 478 during the nine-month period, to 13,510 as of the end of December 2008. Steady growth was seen in both average daily usage per ATM, which was 115.6 transactions (up 5.8 transactions per day), and total ATM usage, which increased to 420 million transactions (up 46 million transactions).

*JA Bank and JF Marine Bank are each counted as one correspondent.

Seven Bank deposit accounts

As of December 31, 2008, the number of individuals' deposit accounts was 661,000, up by 80,000 accounts from March 31, 2008, with total deposits of 113.1 billion yen, representing an increase of 20.7 billion yen. Of total deposits, ordinary deposits accounted for 77.5 billion yen, representing an increase of 10.7 billion yen, while term deposits accounted for 35.6 billion yen, an increase of 10.0 billion yen.

Reference

	Fiscal 2008 (Year ending March 31, 2009)		Fiscal 2007 (Year ended March 31, 2008)	
	Nine months ended December 31, 2008	Fiscal 2008 (forecast)	Nine months ended December 31, 2007	Fiscal 2007
ATM services				
Average daily usage per ATM (transactions).....	115.6	114.2	109.8	109.0
Total transactions (million).....	420	550	373	498
Number of ATMs	13,510	13,750	12,837	13,032
Seven bank Deposits accounts				
Number of individuals' accounts.....	661,000	—	548,000	580,000
Balance of individuals' accounts (billions of yen)...	113.1	—	90.5	92.4
Balance of ordinary deposits (billions of yen).....	77.5	—	67.1	66.8
Balance of term deposits (billions of yen).....	35.6	—	23.3	25.6

Note: Figures for the number of ATMs, and number and balances of accounts are as of the period end.

2. Qualitative information on financial position

Assets

Total assets increased by 141,506 million yen from the end of the previous fiscal year to 629,643 million yen. Cash and due from banks, required to operate our ATMs, increased 41,901 million yen to 309,178 million yen. The balance of call loans increased by 48,000 million yen to 76,000 million yen; the balance of marketable securities, mainly held as collateral for exchange settlements and Bank of Japan current account overdraft transactions, increased by 1,097 million yen to 98,946 million yen; and the balance of ATM-related temporary payments, consisting of temporary advances to partner financial institutions, increased by 49,164 million yen to 102,444 million yen.

Liabilities

Total liabilities increased by 135,418 million yen from the end of the previous fiscal year to 534,580 million yen. Of total liabilities, deposits (excluding negotiable certificates of deposit) increased by 89,331 million yen to 259,880 million yen; negotiable certificates of deposit increased by 33,810 million yen to 82,400 million yen; borrowed money increased by 15,500 million yen to 80,500 million yen; and bonds decreased by 15,000 million yen to 60,000 million yen.

Net assets

Net assets increased by 6,088 million yen from the end of the previous fiscal year to 95,063 million yen.

This was primarily the result of an increase in retained earnings of 5,951 million yen, due to the recording of 13,637 million yen net income for the nine-month period, and the payment of 7,686 million yen as dividends.

3. Qualitative information on forecasts

At this point, we have made no changes to our forecast earnings for the fiscal year ending March 31, 2009 that were announced on November 6, 2008. Appropriate disclosures will be made in the event of any changes in the future.

4. Others

(1) Adoption of simplified accounting methods and accounting methods specific to quarterly financial statements

(a) Method of calculating depreciation of fixed assets

For tangible fixed assets that are depreciated using the declining-balance method, depreciation applicable to the fiscal year is allocated among the quarters on a pro-rata basis.

(b) Accounting for allowance for credit losses

With regards to allowances for credit losses other than (i) those pertaining to credits held against "bankrupt debtors" and "virtually bankrupt debtors," etc., and (ii) those pertaining to credits held against "potentially bankrupt customers", for which potential losses have been individually estimated and reserved, the amount accounted for in these results has been determined by applying the estimated loan loss ratio as of the end of the first half of the current fiscal year.

(c) Calculation of tax expense

Income taxes, etc., are calculated using the same method used in the fiscal year end results. Adjustments and deductions, however, are limited to items having a material impact on tax amounts.

(d) Determination of recoverability of deferred tax assets

Regarding the determination of the recoverability of deferred tax assets, as it has been determined that there has been no significant change in the occurrence of temporary differences since the end of the interim period, earnings forecasts and tax planning results employed at the end of the first half of the year have been applied.

(2) Changes in accounting principles, procedures, and presentation methods relating to the preparation of quarterly financial statements

(a) Starting from the current fiscal year, quarterly financial statements are prepared in accordance with "Regulations for Quarterly Financial Statements", "Accounting Standards for Quarterly Financial Reporting and its Implementation Guidance" (ASBJ Statement No. 12)" and the "Guidance on Accounting Standard for Quarterly Financial Reporting" (ASBJ Guidance No. 14).

(b) Finance leases other than those that entail a transfer of ownership of the leased asset to the lessee have previously been accounted for as operating leases. However, as "Accounting Standard for Lease Transactions" (ASBJ Statement No. 13, March 30, 2007) and "Guidance on Accounting Standard for Lease Transactions" (ASBJ Guidance No. 16; same date) have become applicable to fiscal years starting on or after April 1, 2008, the Bank began to apply that statement and the associated guidance from the first quarter of the current fiscal year.

In the first through third quarters of the current fiscal year, the Bank has not entered into any new finance leases that do not entail a transfer of ownership of the leased asset. Therefore, this change has had no effect on our quarterly financial statements.

Finance leases which do not entail a transfer of ownership and which commenced prior to the fiscal year starting April 1, 2008, continue to be accounted for as normal operating leases.

5. Quarterly Non-consolidated Financial Statements**(1) Quarterly Non-consolidated Balance Sheet**

(Millions of yen)

	As of December 31, 2008	As of March 31, 2008
Assets		
Cash and due from banks	309,178	267,277
Call loans	76,000	28,000
Securities	98,946	97,849
Prepaid pension cost	114	118
Accrued income	8,405	7,246
ATM-related temporary payments	102,444	53,280
Other	1,218	1,051
Tangible fixed assets	17,701	17,212
Intangible fixed assets	14,698	14,794
Deferred tax assets	1,017	1,373
Allowance for credit losses	(81)	(67)
Total assets	629,643	488,137
Liabilities		
Deposits	259,880	170,548
Negotiable certificates of deposits	82,400	48,590
Call money	—	1,700
Borrowed money	80,500	65,000
Bonds	60,000	75,000
ATM-related temporary advances	31,307	21,238
Other	20,413	15,240
Reserve for bonuses	79	245
Reserve for retirement benefits for directors and statutory auditors	—	270
Reserve for losses on cancellation of leases	—	1,328
Total liabilities	534,580	399,162
Net assets		
Common stock	30,500	30,500
Capital surplus	31,739	31,739
Retained earnings	32,706	26,755
Total stockholders' equity	94,945	88,994
Net unrealized losses on available-for-sale securities, net of taxes	69	(19)
Total valuation and translation adjustments	69	(19)
Stock acquisition rights	48	—
Total net assets	95,063	88,974
Total liabilities and net assets	629,643	488,137

(2) Quarterly Statement of Income

	(Millions of yen)
	For the nine months ended December 31, 2008
Ordinary income	68,383
Interest income	701
Interest and dividends on securities	463
Fees and commissions income	67,567
ATM-related fee income	65,150
Other operating income	10
Other ordinary income	104
Ordinary expenses	45,371
Interest expenses	2,155
Interest on deposits	401
Fees and commissions expenses	6,924
ATM placement fee expenses	6,428
ATM-related fee expenses	265
Other operating expenses	80
General and administrative expenses	36,142
Other ordinary expenses	68
Ordinary profit	23,012
Extraordinary profits	25
Reversal of reserve for losses on cancellation of leases	25
Extraordinary losses	23
Losses on disposal of fixed assets	23
Third Quarter income before income taxes	23,014
Current income taxes	9,082
Deferred income taxes	295
Total income taxes, etc.	9,377
Net income	13,637

(3) Quarterly Statement of Cash Flows

(Millions of yen)	
For the nine months ended December 31, 2008	
Cash flows from operating activities	
Income before income taxes	23,014
Depreciation of fixed assets	11,168
Net change in allowance for credit losses (losses)	14
Net change in reserve for losses on cancellation of leases (losses)	(1,328)
Interest income	(701)
Interest expenses	2,155
Net losses on securities transactions (losses)	74
Net losses on disposals of fixed assets (losses)	23
Net change in deposits (losses)	89,331
Net change in negotiable certificates of deposits (losses)	33,810
Net change in borrowed money	15,500
Net change in call loans (losses)	(48,000)
Net change in call money (losses)	(1,700)
Net change in issuance and repayment of straight bonds (losses)	(15,000)
Net change in ATM-related temporary accounts (losses)	(39,095)
Interest received	777
Interest paid	(2,226)
Other-net	(385)
Subtotal	67,432
Income taxes paid	(8,652)
Net cash flows from operating activities	58,780
Cash flows from investing activities	
Purchases of securities	(211,121)
Proceeds from maturity of securities	214,400
Purchase of tangible fixed assets	(9,021)
Purchase of intangible fixed assets	(3,449)
Net cash flows from investing activities	(9,192)
Cash flows from financing activities	
Dividends paid	(7,686)
Net cash from financing activities	(7,686)
Effect of exchange rate change in cash and cash equivalents	—
Net increase in cash and cash equivalents	41,901
Cash and cash equivalents at the beginning of the year	267,277
Cash and cash equivalents at the end of the third quarter	309,178

Starting from the current fiscal year, quarterly financial statements are prepared in accordance with “Regulations for Quarterly Financial Statements”, “Accounting Standards for Quarterly Financial Reporting and its Implementation Guidance” (ASBJ Statement No. 12)” and the "Guidance on Accounting Standard for Quarterly Financial Reporting" (ASBJ Guidance No. 14).

(4) Note regarding the “Going Concern” assumption

October 1, 2008 to December 31, 2008

No applicable items

(5) Note regarding significant changes in stockholders' equity

April 1, 2008 to December 31, 2008

No applicable items