

## Seven Bank to Begin Preparing to Offer New Services based on Basic Agreement for Business Alliance

Seven Bank, Ltd.'s board of directors met on January 29, 2010, and agreed to begin preparing for the bank's entry into international money transfer services based on a basic agreement for business alliance with Western Union.

### **1. Rationale for service launch**

Seven Bank operates a network of over 14,000 ATMs through which it continues to provide services to meet customers' needs, such as overseas-card cash withdrawal services for visitors to Japan and ATM services for the visually impaired. The Western Union Company (Western Union), on the other hand, provides money transfer services through a network of around 354,000 agent locations in over 200 countries and territories (as of September 30, 2009) and has considerable know-how in the international money transfer business.

Seven Bank believes that combining both companies' networks will enable the provision of highly convenient and reliable services to meet the recently growing demand for money transfers from Japan to overseas locations. On this basis, Seven Bank decided to enter into basic agreement for business alliance on the use of The Western Union Company's international money transfer network and to begin preparing to provide international money transfer services.

Note1: The services mentioned here are international money transfer services provided as part of Seven Bank's banking license. An account of Seven Bank is required to use the services. The launch of the services is subject to approval from Japan's Financial Services Agency for an expansion of Seven Bank's licensed business activities.

Note 2: Western Union, Vigo and Orlandi Valuta operate through a combined network of more than 400,000 agent locations.

### **2. Details of alliance**

Specific details of the alliance will be decided through negotiations between the two companies.

### **3. Overview of new services**

Following are the features of the international money transfer services that Seven Bank intends to provide

#### (1) Highly convenience

- International money transfer services available 24 hours a day via Seven Bank's nationwide network of over 14,000 ATMs and its Internet banking services
- Transfers can be made to over 200 countries and territories (over 354,000 receiving locations). Funds available in a matter of minutes once the transfer is complete

#### (2) Inexpensive fees

- Efficiency by system utilization will enable to offer lower fees than on existing international money transfer services

(3) Adequate treatment with anti-money laundering

- Safeguards against misuse of international money transfer services by rigorous customer due diligence when opening accounts, pre-registration of recipients, and certain restrictions on the purpose of money transfers, amount transferable, and so on.

#### 4. Overview of alliance partner

Businessname	The Western Union Company			
Address of the head office	Englewood, Colorado, USA			
Representative	Christina A. Gold, President, Chief Executive Officer and Director			
Description of business	Remittance services			
Capital	\$7.1 million (as of end-December 2008)			
Year of foundation	1851			
Relationships with Seven Bank	No applicable capital relationships, personnel relationships, transactional relationships, or information on related parties			
Financial conditions and operating results (\$ in millions, except per-share data)		Fiscal 2006	Fiscal 2007	Fiscal 2008
	Collective assets	5,321.1	5,784.2	5,578.3
	Net assets	-314.8	50.7	-8.1
	Amount of sales	4,470.2	4,900.2	5,282.0
	Business profits	1,311.4	1,322.0	1,355.0
	Current net earnings	914.0	857.3	919.0
	Current net earnings per share (\$)	1.20	1.13	1.26
Cash dividend per share (\$)	0.01	0.04	0.04	

#### 5. Capital expenditures for the services' launch

Seven Bank believes it will be necessary to develop new systems, but nothing has been confirmed at this stage, so earnings forecasts will be updated as the need arises.

#### 6. Scheduled service launch

Seven Bank intends to launch the services during the fiscal year ending March 31, 2011 (fiscal 2010).

#### 7. Outlook

Seven Bank believes the impact on the earnings forecasts will be minor. Nothing about details of the services has been confirmed at this stage, so earnings forecasts will be updated as the need arises.

#### For Reference

Earnings forecast for the fiscal year ending March 31, 2010 (fiscal 2009) (issued November 5, 2009) and the previous fiscal year's results

	(millions of yen)		
	Ordinary income	Ordinary profit	Net income
Current forecast (Fiscal 2009)	88,000	29,500	17,400
Previous year (Fiscal 2008)	89,815	28,751	16,988