

Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.

Stock Code: 8410  
May 31, 2010

## CONVOCAATION NOTICE OF THE 9TH ORDINARY GENERAL MEETING OF SHAREHOLDERS OF SEVEN BANK, LTD.

Dear Shareholder,

Notice is hereby given that the 9<sup>th</sup> Ordinary General Meeting of Shareholders of Seven Bank, Ltd. ("the Company") will be held as described below. We look forward to your attendance at the meeting.

If you are unable to attend the meeting, you may exercise your voting rights by mail. Please review the "Reference Materials for Ordinary General Meeting of Shareholders" listed below, exercise your voting rights on the enclosed Exercise of Voting Rights Form and ensure that this arrives at the return address no later than 5:30 pm on Thursday, June 17, 2010.

Yours Sincerely,

Takashi Anzai, President  
Seven Bank, Ltd.  
6-1 Marunouchi 1-chome,  
Chiyoda-ku, Tokyo

**1. Date and time** Friday, June 18, 2010 at 10:00 am

**2. Place** Providence Hall  
2F, Tokyo Prince Hotel  
3-1 Shibakoen 3-chome, Minato-ku, Tokyo

### **3. Agenda of the meeting**

Matters to be Reported Report on the Business Report and Financial Statements for the 9<sup>th</sup> fiscal period (from April 1, 2009 to March 31, 2010).

Resolutions	Proposal 1	Election of eight Directors
	Proposal 2	Election of two Statutory Auditor

### **4. Matters decided in convening the meeting**

Should you wish to exercise non-uniform voting rights, please provide written notification to this effect, together with the reasons for your decision, no less than three days prior to the meeting.

\* \* \*

### **Notes:**

1. Please present the enclosed Exercise of Voting Rights Form to the receptionist at the meeting.
2. Any amendments to Reference Materials for Ordinary General Meeting of Shareholders, the Business Report and Financial Statements will be disclosed on the Company's website and can be viewed at [http://www.sevenbank.co.jp/about/ir/english\\_ir/index.html](http://www.sevenbank.co.jp/about/ir/english_ir/index.html)

Reference documents

## Business Report for the 9<sup>th</sup> Term (from April 1, 2009 to March 31, 2010)

### 1 Current status of the Company

#### (1) Business trends and outcomes

##### Key operations

Seven Bank provides a range of cash deposit and withdrawal services via an extensive Automated Teller Machine (ATM) network operating 24 hours a day, 365 days a year. The ATM network consists of ATM machines at airports, train stations and outlets of banking and financial institutions as well as retail outlets including Seven-Eleven and Ito-Yokado which belong to Seven & i Group (Group), backed up by partnerships with a wide variety of financial institutions including banks, credit unions, credit cooperatives, Labour Banks, the JA Bank, JF Marine Bank, the Shoko Chukin Bank, securities companies, life insurance companies, credit card companies, and consumer finance companies.

Seven Bank also provides convenient deposit accounts combining ATM and remote banking services, primarily for the benefit of personal customers. In addition, the Company provides agency services for banks and administrative intermediation services for other product and service providers, through innovative services such as Everyone's Bank Teller Window (manned outlet in Ito-Yokado stores) and the internet website Everyone's Money Site.

##### Financial and economic environment

The Japanese economy is beginning to pick up on the back of various stimulus measures, including the government's Eco-points system, and increases in exports and production, although the self-sustaining recovery in private-sector demand remains weak amid the gloomy employment and income situation. In the banking sector, operational efficiency has continued to increase, despite a drop in corporate financing demand due to overcapacity and other factors.

##### Business trends and outcomes for the current fiscal year

###### (ATM services)

During fiscal 2009, Seven Bank worked to enhance customer convenience by expanding the scope of its business partnerships, and the range of services provided, and by installing ATMs in Group locations as well as non-Group locations.

During fiscal 2009, we established new partnerships with the San-in Godo Bank (July 2009), Hokuriku Bank (September 2009), First Bank of Toyama (October 2009), Daito Bank (December 2009), two credit cooperatives, and the Shoko Chukin Bank (October 2009). As a result, we now partner with 97 banks (Note 1), 258 shinkin banks (Note 2), 127 credit cooperatives (Note 3), 13 labor banks, the JA Bank, the JF Marine Bank, the Shoko Chukin Bank, eight securities companies, eight life insurance companies, and 41 other financial institutions. We have a total of 555 business partners (Note 4) as of March 31, 2010.

To improve customer service quality and to ensure that customers are able to use our facilities safely and securely, we have reinforced customer security by increasing the number of IC-cards (smart cards) accepted by our ATMs and expanding the range of services offered, such as PIN changing services. As a result, by the end of March 2010, bank IC-cards issued by 65 banks (including Seven Bank) and four financial sub-sectors were accepted by our ATMs.

We have installed new ATMs at Seven-Eleven and other Group stores, and we continued to add ATMs to Seven-Eleven stores with high ATM usage rates (849 stores had two ATMs at the end of March 2010). Outside the Group, we expanded ATM locations to new sites including airports, train stations, hotels, hospitals, commercial facilities, and highway service areas. We also began

installing ATMs at store chains such as those of appliance mass marketers and replaced other financial institutions' ATMs installed on corporate premises with Seven Bank ATMs for the sake of the financial institutions. As a result, our ATM installed base reached 14,601 machines as of March 31, 2010 (up 5.7% compared to the end of March 2009).

As a result of these initiatives, ATM usage was strong in fiscal 2009. Average daily transactions per ATM were 114.4 (up 0.1 transaction year over year), and a total of 590 million transactions were recorded (up 6.2% year over year).

Notes:

1. We had 95 partner banks at the end of March 2009. The addition of 4 new partner banks and the loss of 2 partner banks due to mergers resulted in 97 partner banks at the end of March 2010.
2. We had 264 partner shinkin banks at the end of March 2009. The loss of 6 partner shinkin banks due to mergers resulted in 258 partner shinkin banks at the end of March 2010.
3. We had 127 partner credit cooperatives at the end of March 2009. The addition of 2 new partner credit cooperatives and the loss of 2 partner credit cooperatives due to mergers resulted in 127 partner credit cooperatives at the end of March 2010.
4. JA Bank and JF Marine Bank are each counted as one institution.

#### (Financial services business)

Seven Bank had 775 thousand individual customer accounts at the end of March 2010 (up 12.6% compared to the end of March 2009).

In January 2010, we launched personal loan services as a new account feature.

In our agency and intermediary services business, we expanded our products and services line-up, including by launching insurance agency services in February 2010 at manned outlets (named Everyone's Bank Teller Window) within Ito-Yokado stores and through our Internet site (named Everyone's Money Site). In October 2009, we began offering an account aggregation service (Everyone's Account Aggregation), which allows customers to view information on accounts held at multiple financial institutions on a single screen.

#### (Operating results)

Seven Bank recorded ordinary income of 88,830 (down 1.0% year over year) million yen, ordinary profit of 30,407 (up 5.7% year over year) million yen, and net income of 17,953 (up 5.6% year over year) million yen.

ATM transaction levels were firm, and the increase in transactions at deposit-taking financial institutions compensated for the decline in cash advance transactions at partnering money-lending companies coinciding with revisions to the Money Lending Act. Nonetheless, ordinary income declined owing to the revision of terms of business with partnering institutions and other factors. Both ordinary profit and net income increased due to a decline in costs, mainly attributable to a drop in depreciation on ATMs.

#### (Assets, liabilities and net assets)

Total assets at the end of March 2010 were 502,782 million yen. The majority of this total comprised cash and due from banks required for the operation of ATMs of 294,192 million yen. The remainder mostly consisted of marketable securities held as collateral for foreign exchange settlements and Bank of Japan current account overdraft transactions of 89,410 million yen, and 126 million yen representing the balance of personal loans, a service which was launched in January 2010.

Liabilities were 392,843 million yen. These largely comprised deposits (excluding negotiable certificates of deposit) totalling 208,708 million yen. Of these, the outstanding balance of individuals' ordinary deposits was 87,748 million yen and the balance of time deposits was 41,759 million yen.

Net assets were 109,939 million yen. Of these, retained earnings were 47,606 million yen.

### **Issues the Company needs to overcome**

Seven Bank expects to see the decline in ATM usage at partnering money-lending companies due to legal reforms, and we expect to experience the ongoing effects of revisions to terms of business with partnering institutions. As a result, we expect to see a decline in ATM-related fee incomes and a corresponding drop in ordinary income.

Under these circumstances, to achieve sustained growth amid this environment, we need to continue enhancing our ATM business, establish new businesses, and put in place effective cost controls.

The major projects and programs are described below.

To achieve sustained growth, Seven Bank will continue to enhance its ATM business, establish new businesses, and put in place effective cost control initiatives.

In the ATM services business, we will continue to place ATMs in locations where high usage can be expected, while maintaining the level of credibility and trust that we have cultivated to this point. We will also work with our partnering institutions to boost use of our services by raising customer awareness of them. We will go beyond simply expanding ATM locations to increase business from non-Group sources (which includes ATM operations outsourced by other financial institutions to Seven Bank). We intend to pursue growth through long-term strategies based on innovative perspectives.

With respect to new businesses, we hope to quickly turn personal loan services and international money transfer services (slated to launch in fiscal 2010) into profit-makers, and fully utilize our existing know-how and infrastructure to cultivate new business opportunities, targeting both individuals and corporate clients, particularly in areas where services that meet social needs are currently not being delivered.

Cost-control initiatives will include establishing an IT governance system that will drive steady earnings growth while balancing maintenance and IT investment aimed at growth. At the same time, we intend to effectively control costs by revising current workflow processes and other means. In fiscal 2010, we will begin phasing in our third-generation ATMs. These new ATMs are designed to enable further costs reductions by streamlining ATM cash management and logistics and boosting maintenance efficiency.

Seven Bank aims to build up a structure capable of delivering sustainable growth by working to expand its business franchise further in both its ATM business and financial services, creating a broad-based earnings structure through these initiatives.

We trust that this outlook appeals to our shareholders, and we look forward to your continued support for the Company's ongoing operations.

## (2) Assets and profit-loss

(Unit: 100 million yen)

	FY2006	FY2007	FY2008	FY2009
Deposits	1,878	1,705	1,881	2,087
Time deposits	159	332	517	633
Others	1,718	1,373	1,363	1,453
Bonds	750	750	600	900
Loans receivable	—	—	—	1
To individuals	—	—	—	1
To medium and small enterprises	—	—	—	—
Others	—	—	—	—
Commodity-related securities	—	—	—	—
Securities	783	978	888	894
Government bonds	781	975	865	770
Others	1	2	22	123
Total assets	5,327	4,881	4,933	5,027
Amount of domestic exchange handled	32,405	77,632	115,135	118,127
Amount of foreign exchange handled	million dollars —	million dollars —	million dollars —	million dollars —
Ordinary profit	million yen 25,021	million yen 24,650	million yen 28,751	million yen 30,407
Net income for the term	Million yen 12,667	million yen 13,830	million yen 16,988	million yen 17,953
Net income per share for the term	yen 10,736.56	yen 11,808.84	yen 13,924.60	yen 14,716.01

Note: Figures in table are rounded off to the nearest whole unit.

## (3) Employees

	Current FY end	Previous FY end
Number of employees	329	308
Average age	42 years 11 months	43 years 1 months
Average years of service	3 years 10 months	3 years 4 months
Average monthly salary	444 thousand yen	440 thousand yen

Note: 1. Figures for average age, average years of service and average monthly salary are rounded off to the nearest whole unit.

2. Number of employees figures do not include temporary or part-time employees.

3. Average monthly salary is the average figure for March, excluding bonuses

## (4) Outlets and branch stores

### (a) Growth in numbers of outlets and branch stores

	Current FY end		Previous FY end	
	Total	(incl. outlets)	Total	(incl. outlets)
Tokyo metropolitan region	21	( 3 )	21	( 3 )
Saitama prefecture	1	( 1 )	1	( 1 )
Chiba prefecture	2	( 2 )	2	( 2 )
Total	24	( 6 )	24	( 6 )

Note: 1. Outlets and branch stores were inclusive of one headquarters, 17 virtual branch stores (12 for individual, 5 for corporate) and 6 manned outlets.

2. In addition to the above, non-store ATMs were installed in 13,432 locations as at the end of the current fiscal year (up from 12,814 the previous year).

(b) New outlets and branch stores

There were no new outlets and branch stores. There were 1,139 new non-store ATMs installed, but 521 non-store ATMs were closed.

(c) Bank agencies

There were no bank agencies acting on behalf of the Company.

(d) Bank agency services

Name/trading name of affiliated financial institution
Sumitomo Mitsui Banking Corporation
The Chiba Bank, Co., Ltd.
Saitama Resona Bank, Ltd.
Sony Bank Inc.
ORIX Trust and Banking Corporation

## (5) Plant and equipment investment

(a) Total value of investment

(Unit: million yen)

Total plant and equipment investment	9,958
--------------------------------------	-------

Note: 1. The above figure is rounded off to the nearest whole unit.

2. The above figure represents total investment in tangible and intangible fixed assets (excluding transfers from temporary accounts).

(b) Major plant and equipment projects

(Unit: million yen)

Details	Value
ATMs	1,942
Software	7,115

Note: All figures are rounded off to the nearest whole unit.

## (6) Key parent and affiliate company relationships

(a) Parent companies

Name	Location	Main business	Founded	Capital	Percentage of voting rights in the Company owned by the parent company*	Other
Seven & i Holdings Co., Ltd.	Chiyoda-ku, Tokyo	Pure holding company	September 1, 2005	million yen 50,000	% 47.78 (47.78)	—

Note:\* Brackets indicate indirect ownership.

The parent company has a deposit transaction relationship with the Company.

(b) Subsidiary companies

Nothing to report

## (7) Assignment of business

Nothing to report.

## (8) Other key matters in relation to the Company

### (a) Funding procurement

Seven Bank issued the 4th and 5th Series unsecured straight corporate bonds on July 2, 2009. This money was used as operating funds for cash placed in our ATMs\*.

\* The Company's main source of revenue is derived from ATM-related fee income levied on partner companies for the use of ATM services such as withdrawal and transfer at ATM machines installed in Seven-Eleven stores and other participating outlets. The Company is therefore obliged to keep the ATMs stocked with cash for withdrawal purposes. This is classified as operating funds for "cash placed in ATM."

### (b) Major loan sources

(Unit: million yen)

Loan source	Value of loans
The Dai-ichi Mutual Life Insurance Company	10,000
Meiji Yasuda Life Insurance Company	9,000
Nippon Life Insurance Company	3,000

Notes. The Dai-ichi Mutual Life Insurance Company made an organizational change to The Dai-ichi Life Insurance Company, Limited on April 1, 2010.

## 2 Executives (directors and statutory auditors)

### (1) Directors

(as at end of financial year)

Name	Position Area of responsibility	Other posts held concurrently	Other
Takashi Anzai	President [Business in Charge] Internal Audit Division	Director, Seven & i Holdings Co., Ltd.	-
Masatoshi Wakasugi	Director, Senior Managing Executive Officer and General Manager, Human Resources Division [Business in Charge] Research Division, Human Resources Division		-
Kensuke Futagoishi	Director, Senior Managing Executive Officer and General Manager, Planning Division [Business in Charge] Planning Division, Treasury Office		-
Yasuaki Funatake	Director, Managing Executive Officer and General Manager, Business Promotion Division [Business in Charge] Business Development Division, Business Promotion Division		-
Yoji Ohashi	Director (part-time)	Chairperson and Director, All Nippon Airways Co., Ltd. Vice-Chairman of the Nippon Keidanren truly	-
Toshikazu Tamura	Director (part-time)		-
Nobutake Sato	Director (part-time)	Chairman, Representative Director and Chief Executive Officer of York-Benimaru Co., Ltd.	-
Tadahiko Ujiie	Director (part-time)	Director, Senior Executive Officer and Chief Financial Officer of Seven & i Holdings Co., Ltd. President of SE Capital Corporation President of Seven & i Financial Center Co., Ltd. President of Seven & i Financial Group	-
Toshiaki Ikeda	Statutory Auditor (full-time)		-
Masaharu Hino	Statutory Auditor (part-time)	Lawyer (Chief, Masaharu Hino Law Office)	-
Sachiko Kishimoto	Statutory Auditor (part-time)	Director and Secretary-General, Center for Public Resources Development	-
Masayuki Sato	Statutory Auditor (part-time)	Executive Officer and CSV System Senior Officer of the System Planning Division, Seven & i Holdings Co., Ltd.	-

Notes:

- Following is the executives resigned during fiscal year  

(Name)	(Resigned at positions)	(Date of resignation)
Hideo Tanaka	Statutory Auditor (full-time)	June 18, 2009

2. Mr. Yoji Ohashi, Mr. Toshikazu Tamura, Mr. Masaharu Hino and Ms. Sachiko Kishimoto have been notified as independent executives to the JASDAQ Securities Exchange.

## (2) Remuneration for company directors

Category	Number of persons	Remuneration level
Director	10	226 million yen (inclusive of 37 million yen in non-salary payments)
Statutory Auditor	5	40 million yen
Total	15	267 million yen (inclusive of 37 million yen in non-salary payments)

### Notes:

1. Amounts smaller than a single unit have been discarded.
2. The number of payees and the amount of remuneration include the two Directors and one Statutory Auditor, who left office upon the adjournment of the 8th General Meeting of Shareholders held on June 18, 2009, and relevant compensations. Of the foregoing, Mr. Toshiaki Ikeda, who assumed office as Statutory Auditor at the 8th General Meeting of Shareholders upon departure from office as Director, is accounted for in the number of payees and the amount of remuneration as Director for the period that he was a Director, and as Statutory Auditor for the period that he was a Statutory Auditor.
3. In accordance with a resolution of the Board of Directors taken on June 18th 2009, 37 million of new share subscription rights were granted to four directors as stock options are included, as 'Other than fees', in the 'Fees, etc.
4. In addition to the above, an amount of 15 million yen equivalent to bonus payments has been made to persons who are both employees and directors of the Company.
5. There are no directors' bonuses or directors' retirement benefits for directors and auditors.
6. In accordance with a resolution of the Ordinary General meeting of Shareholders taken on June 18th 2008, limits of 300 million yen (including 50 million yen for external directors) and 100 million yen respectively were set for emoluments for a director and a statutory auditor. Furthermore, separately from the directors' emoluments, a limit of 60 million yen was set for stock options granted to a director.

### 3 External executives

#### (1) Concurrent posts held by external executives

Name	Concurrent posts
Yoji Ohashi	Chairperson and Director, All Nippon Airways Co., Ltd. (which has no major business interests in the Company) Vice-Chairman of the Nippon Keidanren truly (which has no major business interests in the Company)
Toshikazu Tamura	None
Nobutake Sato	Chairman, Representative Director and Chief Executive Officer of York-Benimaru Co., Ltd.  (a shareholder in the Company with business interests in the Company)
Tadahiko Ujii	Director, Senior Executive Officer and Chief Financial Officer of Seven & i Holdings Co., Ltd. (parent company with business interests in the Company) President of SE Capital Corporation (which has business interests in the Company) President of Seven & i Financial Center Co., Ltd. (which has business interests in the Company) President of Seven & i Financial Group (which has no major business interests in the Company)
Masaharu Hino	Lawyer (Chief, Masaharu Hino Law Office) (which has no major business interests in the Office)
Sachiko Kishimoto	Director and Secretary-General, Center for Public Resources Development (which has no major business interests in the Center)
Masayuki Sato	Executive Officer and CSV System Senior Officer of the System Planning Division, Seven & i Holdings Co., Ltd. (parent company with business interests in the Company)

## (2) Contribution of external executives

Name	Appointment period	Attendance at the Board of Directors during current fiscal year	Verbal input and other contributions at the Board of Directors
Yoji Ohashi	June 2008 to present	Attended 10 of the 13 Board of Directors	Contributed advice and opinions regarding management policy and company operations, drawing on his experience as a management executive
Toshikazu Tamura	As above	Attended all 13 Board of Director	Contributed advice and opinions regarding management policy and company operations, drawing on his experience as a management executive and university professor
Nobutake Sato	April 2001 to present	Attended all 13 Board of Directors	Contributed advice and opinions regarding management policy and company operations, drawing on his experience as a management executive
Tadahiko Ujiie	As above	Attended all 13 Board of Directors	Contributed advice and opinions regarding management policy and company operations, drawing on his experience as a management executive
Masaharu Hino	June 2005 to present	Attended all 13 Board of Directors Attended all 15 Board of Auditors	Contributed advice and opinions on legal compliance and internal controls in areas such as management policy and company operations, drawing on his expertise in legal affairs
Sachiko Kishimoto	As above	Attended all 13 Board of Directors Attended all 15 Board of Auditors	Contributed advice and opinions from the consumer perspective on the consumer protection implications of management policy and company operations
Masayuki Sato	As above	Attended all 13 Board of Directors Attended 14 of the 15 Board of Auditors	Contributed advice and opinions on the systems risks associated with aspects of management policy and company operations, drawing on his expertise as a systems analyst

## (3) Liability limitation agreements

On the basis of the provisions of Article 427, Section 1 of the Companies Act, the Company has concluded agreements with all part-time directors and auditors for limitation of indemnity liability as provided in Article 423, Section 1 of the Companies Act.

The amount of the liability limitation under the agreement is as provided by law.

## (4) Remuneration for external executives

	Number of persons	Remuneration from banks	Remuneration from bank parent companies
Total remuneration	9	58 million yen	356 million yen

Note:

1. All figures are rounded to the nearest whole unit.
2. The number of payees include the two external executives, who left office upon the adjournment of the 8th General Meeting of Shareholders held on June 18, 2009.
3. Directors and Statutory auditors did not receive executive bonuses, stock options or retirement benefits.

## (5) Input from external executives

Nothing to report

## 4 Company shares

<b>(1) Shares</b>	Total available for issue	Normal shares	4,880,000
	Total issued	Normal shares	1,220,027

**(2) Shareholders as at end of term** 27,705

### (3) Major shareholders

Shareholder name/title	Shareholding in the Company	
	Number of shares	% holding
Seven-Eleven Japan Co., Ltd.	353,639	28.98
Ito-Yokado Co., Ltd.	146,961	12.04
York-Benimaru Co., Ltd.	52,400	4.29
State Street Bank and Trust Company (standing proxy: The Hong Kong and Shanghai Banking Corporation Limited, Tokyo Branch)	46,246	3.79
Life Foods Co., Ltd.	30,000	2.45
Morgan Stanley and Company Inc. (standing proxy: Morgan Stanley Securities Co., Ltd.)	25,617	2.09
State Street Bank and Trust Company (standing proxy: Mizuho Corporate Bank, Ltd., Settlement & Sales Division)	23,684	1.94
SAJAP (standing proxy: The Bank of Tokyo-Mitsubishi UFJ, Ltd.)	17,897	1.46
Japan Trustee Services Bank Ltd. (trust account)	16,102	1.31
Sumitomo Mitsui Banking Corporation	15,000	1.22
The Dai-ichi Mutual Life Insurance Company (standing proxy: Trust & Custody Services Bank, Ltd.)	15,000	1.22

Notes:

- Shareholding ratios are rounded off to two decimal places.
- The Dai-ichi Mutual Life Insurance Company made an organizational change to The Dai-ichi Life Insurance Company, Limited on April 1, 2010.
- By means of a report of change, dated February 2, 2010, submitted by Southeastern Asset Management, Inc. with regard to the large shareholding report, the Company received a report that the firm holds 66,091 shares (holding ratio: 5.42%) as of January 28, 2010. However, since the Company was not able to verify the actual number of shares held by the firm as of March 31, 2010, the firm was not included in the list of major shareholders above.

## 5 Items concerning the Company's new stock subscription rights, etc.

### (1) The Company's new stock subscription rights owned by directors as of the end of the fiscal year

Name	Seven Bank First (1) New Stock Subscription Rights	Seven Bank Second (1) New Stock Subscription Rights									
Issuance decided	June 18, 2008 (see Note)	July 10, 2009									
Number of new stock subscription rights (number of persons who hold new stock subscription rights)	157 (4 persons)	171 (4 persons)									
<table border="1"> <tr> <td>Directors (excluding external directors)</td> <td>157 (4 persons)</td> <td>171 (4 persons)</td> </tr> <tr> <td>External directors</td> <td>-</td> <td>-</td> </tr> <tr> <td>Statutory auditors</td> <td>-</td> <td>-</td> </tr> </table>	Directors (excluding external directors)	157 (4 persons)	171 (4 persons)	External directors	-	-	Statutory auditors	-	-		
Directors (excluding external directors)	157 (4 persons)	171 (4 persons)									
External directors	-	-									
Statutory auditors	-	-									
Number and type of shares to be acquired per new stock subscription right	One ordinary share	One ordinary share									
Amount to be paid per new stock subscription right	236,480 yen	221,862 yen									
Capital to be issued on exercise of new stock subscription right	One yen per one new stock subscription right	One yen per one new stock subscription right									
Exercise period for new stock subscription rights	From August 13, 2008 to August 12, 2038	From August 4, 2009 to August 3, 2039									
Conditions on exercise of new stock subscription rights	The new stock subscription rights may be exercised for a period of 10 days following the day after the forfeit of the status as a director	The new stock subscription rights may be exercised for a period of 10 days following the day after the forfeit of the status as a director									

Note: The details of Seven Bank first (1) new stock subscription rights were partially amended by the resolution adopted by the Board of Directors' meeting held on July 18, 2008 and the table above shows the revised version.

### (2) New stock subscription rights granted to employees, etc. during the fiscal year

Name	Seven Bank Second (2) New Stock Subscription Rights		
Issuance decided	July 10, 2009		
Number of new stock subscription rights (number of persons who hold new stock subscription rights)	38 (5 persons)		
<table border="1"> <tr> <td>Executive Officers</td> <td>38 (5 persons)</td> </tr> </table>	Executive Officers	38 (5 persons)	
Executive Officers	38 (5 persons)		
Number and type of shares to be acquired per new stock subscription right	One ordinary share		
Amount to be paid per new stock subscription right	221,862 yen		
Capital to be issued on exercise of new stock subscription right	One yen per one new stock subscription right		
Exercise period for new stock subscription rights	From August 4, 2009 to August 3, 2039		
Conditions for exercise of new stock subscription rights	The new stock subscription rights may be exercised for a period of 10 days following the day after the forfeit of the status as an executive officer (in cases where the holder has taken the position of Director, then the day on which the position of Director is forfeited.)		

## 6 Items concerning accounting auditors

### (1) Accounting auditors

Company and individual names	Emoluments, etc. for the fiscal years	Other
KPMG AZSA & Co. Designated employees: CPA Youichi Ozawa CPA Seiki Miyata	Emoluments based on work as specified by Article 2, Item 1 of the CPA Law: 51 million yen  Emoluments other than the above: None	None

Notes:

- Amounts smaller than a single unit have been discarded.
- Regarding audit contracts between the Company and its accounting auditors, as no distinction is made, or can realistically be made, between amounts paid to auditors as auditors' emoluments based on the Company Act and those based on the Financial Instruments and Exchange Law, the amount noted as being paid as "Emoluments on the basis of work as regulated by Article 2, Item 1 of the CPA Law" includes amounts paid to auditors as auditors' emoluments on the basis of the Financial Instruments and Exchange Law.

### (2) Limited liability contracts

Nothing to report

### (3) Other items concerning accounting auditors

A: Policy on the dismissal or non-reappointment of accounting auditors

In cases where circumstances concerning the accounting auditors correspond to grounds as specified by the items under Companies Act Article 340-1 and its clauses, the Company's Board of Auditors may consider the dismissal of the accounting auditor, and, in cases where dismissal of the accounting auditor is deemed to be appropriate, shall dismiss the accounting auditor on the basis of the agreement of all of the Board of Auditors members. Furthermore, the Company's Board of Directors may, in consideration of the work conducted by the accounting auditors and the Company's auditing structure, etc., and with the approval of the Board of Auditors, make a proposal to the General Ordinary Meeting of Shareholders that the accounting auditors not be reappointed in cases where they deem that a change of accounting auditors is necessary.

B: Policy concerning the exercise of authority granted to the Board of Directors by the provisions of the appropriate articles of incorporation in cases where such provisions exist under the terms of Companies Act 459-1.

One of the most important aspects of the Company's management policy is the return of profits to shareholders and so it is a key policy of the Company to strive to ensure that a stable dividend is continuously paid from reserves while taking into consideration the need to achieve a balance between ensuring an appropriate level of return of profits to shareholders and retained earnings. The Company's basic policy is the targeting of an annual minimum payout ratio of 35% and the payment of dividends twice (i.e., an interim dividend and a year-end dividend) during the fiscal year.

C: In the case of a large company as defined by Companies Act 444-3, and where an audit (in accordance with the Companies Act or Financial Instruments and Exchange Law, or equivalent laws in foreign jurisdictions) of important financial documents (and their equivalents) of corporate or other subsidiaries of the Company is conducted by the accounting auditor (including a body with an equivalent qualification in a foreign jurisdiction), or audit is conducted by a certified public accountant (including a foreign CPA subject to CPA Law 16-2 Item 5) other than the Company's accounting auditor, details thereof:

Not applicable

## 7 Basic policy concerning the current status of persons supervising the determination of financial and operational policy

There is no precisely defined format established for this but the Company's policy is to ensure that suitable measures are taken to ensure the continued growth of the Company's business, strengthening of its corporate governance, and maximization of its corporate value.

## 8 System for the suitable maintenance of operations

It was resolved at a Board of Directors' meeting held on May 8, 2006 that the relevant steps will be taken to ensure the suitable maintenance of operations of the Company in accordance with Companies Act Article 362-4,

Item 6. In accordance with this resolution, each fiscal year the Company undertakes a review of the progress made towards this end. An outline of the review follows:

1. System for ensuring that the execution of their duties by directors is carried out in accordance with the law and with the articles of incorporation

The Company has established a “Basic Policy on Compliance” and “Compliance Standards” for the implementation of compliance as regards management. The directors regularly report to the Board of Directors on the current state of progress made on compliance initiatives.

2. System for the storage and control of information related to the execution by directors of their duties

Prompt disclosure is to be made in cases where there is a request made either by directors or statutory auditors concerning the suitable and secure storage and control of information related to the execution by directors of their duties.

3. Regulations and other structures for controlling the risk of loss

The Board of Directors has established a “Basic Policy on Risk Control” comprising systematic provisions for risk control with the aim of securing a sound and effective system for the appropriate control of the Company’s operational risk. The directors regularly report to the Board of Directors about issues related to risk control.

4. System for ensuring the efficient execution of their duties by directors

The Board of Directors aims to ensure its efficient operation by establishing “Rules for the Board of Directors” and by making provisions for important issues to be placed on its agenda and suitably reported. The Board of Directors has established the Executive Committee for the efficient determination of operational policy initiatives and introduced an executive officer system with the aim of achieving the smooth and efficient implementation of such initiatives.

5. System for ensuring that the execution of their duties by employees is carried out in accordance with the law and with the articles of incorporation

The directors have established an appropriate compliance system based on the “Basic Policy on Compliance” and “Compliance Standards”. The directors bear ultimate responsibility for the creation of structures, determination of policy and execution of such policies with the aim of ensuring that compliance is maintained in the execution of employee duties.

6. Structure for the maintenance of the appropriateness of the Group’s operations

The directors and employees of the Company, as a member of the Seven & i Holdings Group and sharing its management philosophy, are united in striving to promote a law-abiding attitude. With the aim of prioritizing the soundness of the Company’s management, the Company has established a structure for independent management decision-making whilst continuing the employment of a strict arm’s-length rule and other measures with the same aim.

7. Items concerning relevant employees in the case of requests from statutory auditors for the deployment of such employees to support the role of statutory auditors

The company employees shall be seconded to the Statutory Auditors’ Room on its establishment. In addition, the directors shall, when requested by the statutory auditors, have bank employees assist with the auxiliary audit function.

8. Items concerning the independence of the employees of the statutory auditors from the directors

The Board of Auditors may request the directors, on prior receipt of reports from the directors concerning the personnel movements and personnel evaluations of the assistants to the statutory auditors, to make changes in circumstances where it is necessary that such changes be made.

9. System for reports to the statutory auditors made by directors and employees and for other reports to the

statutory auditors

Directors and employees shall promptly report important matters, in addition to legal issues, to the statutory auditors. The directors shall determine, on receipt of an explanation of the current state of auditing policy and the implementation of the audit, the issues which should be reported to the Board of Auditors having determined such in consultation with the Board of Auditors and shall duly make their report to the Board of Auditors.

10. System for ensuring that the audit carried out by other statutory auditors is implemented effectively

The directors shall ensure that the internal audit department holds regular meetings with the Board of Auditors to facilitate the exchange of opinions about important auditing issues and themes and the deepening of their mutual understanding.

## **9 Items concerning accounting advisors**

Noting to report

## **10 Other**

Noting to report

## Balance Sheets

Balance Sheet at the End of the 9th Term (as of March 31, 2010)

(Unit: million yen)

Category	Amount	Category	Amount
<b>(Assets)</b>		<b>(Liabilities)</b>	
<b>Cash and due from banks</b>	<b>294,192</b>	<b>Deposits</b>	<b>208,708</b>
Cash	288,965	Ordinary deposits	144,997
Due from banks	5,227	Time deposits	63,381
<b>Call loans</b>	<b>20,000</b>	Other deposits	329
<b>Securities</b>	<b>89,410</b>	<b>Negotiable certificates of deposits</b>	<b>10,300</b>
Government bonds	77,098	<b>Call money</b>	<b>13,300</b>
Local government bonds	10,017	<b>Borrowed money</b>	<b>31,000</b>
Stocks	2,294	<b>Bonds</b>	<b>90,000</b>
<b>Loans receivable</b>	<b>126</b>	<b>Other liabilities</b>	<b>39,240</b>
Current overdrafts	126	Income taxes payable	6,711
<b>Other assets</b>	<b>70,064</b>	Accrued expenses	4,218
Prepaid expenses	326	Unearned revenue	8
Prepaid pension cost	77	ATM-related temporary advances	25,775
Accrued income	7,106	Other	2,526
ATM-related temporary payments	61,763	<b>Provision for bonuses</b>	<b>294</b>
Other	790	<b>Total liabilities</b>	<b>392,843</b>
<b>Tangible fixed assets</b>	<b>11,257</b>	<b>(Net assets)</b>	
Buildings	725	<b>Capital stock</b>	<b>30,503</b>
ATMs	9,183	<b>Capital surplus</b>	<b>31,742</b>
Other (tangible fixed assets)	1,347	Legal capital surplus	30,503
<b>Intangible fixed assets</b>	<b>16,648</b>	Other capital surplus	1,239
Software	12,540	<b>Retained earnings</b>	<b>47,606</b>
Software-related temporary accounts	4,094	Legal retained earnings	0
Other (intangible fixed assets)	12	Other retained earnings	47,606
<b>Deferred tax assets</b>	<b>1,211</b>	Retained earnings brought forward	47,606
<b>Allowance for loan losses</b>	<b>(129)</b>	<b>Total shareholders' equity</b>	<b>109,851</b>
		Valuation difference on available-for-sale securities	<b>(0)</b>
		Total valuation and translation adjustments	<b>(0)</b>
		<b>Stock options</b>	<b>88</b>
		<b>Total net assets</b>	<b>109,939</b>
<b>Total assets</b>	<b>502,782</b>	<b>Total liabilities and net assets</b>	<b>502,782</b>

## Statement of Income

Statement of Income for the 9th Term (from April 1, 2009 to March 31, 2010)

(Unit: million yen)

Category	Amount	
<b>Ordinary income</b>		<b>88,830</b>
<b>Interest income</b>	<b>394</b>	
Interest on loans receivable	1	
Interest and dividends on securities	317	
Interest on call loans	72	
Interest on deposits with banks	2	
<b>Fees and commissions income</b>	<b>88,350</b>	
Remittance-related fee income	499	
ATM-related fee income	85,294	
Other fees and commissions income	2,557	
<b>Other income</b>	<b>85</b>	
Other	85	
<b>Ordinary expenses</b>		<b>58,422</b>
<b>Interest expenses</b>	<b>2,176</b>	
Interest on deposits with banks	351	
Interest on negotiable certificates of deposits	148	
Interest on call money	33	
Interest on borrowings and rediscounts	510	
Interest on bonds	1,132	
<b>Fees and commissions expenses</b>	<b>9,691</b>	
Remittance-related fee expense	223	
ATM placement fee expenses	9,003	
ATM-related fee expenses	444	
Other fees and commissions expenses	20	
<b>Other operating expenses</b>	<b>230</b>	
Losses on financial derivatives	112	
Amortization of bond issuance cost	118	
<b>General and administrative expenses</b>	<b>46,256</b>	
<b>Other ordinary expenses</b>	<b>66</b>	
Provision of allowance for credit losses	63	
Other ordinary expenses	3	
<b>Ordinary profit</b>		<b>30,407</b>
<b>Extraordinary losses</b>		<b>101</b>
Losses on disposal of noncurrent assets	101	
<b>Income before income taxes</b>		<b>30,306</b>
<b>Income taxes - current</b>	<b>12,239</b>	
<b>Income taxes - deferred</b>	<b>113</b>	
<b>Total income taxes</b>		<b>12,352</b>
<b>Net income</b>		<b>17,953</b>

## Statement of Changes in Net Assets

Statement of Changes for the 9th Term (from April 1, 2009 to March 31, 2010)

(Unit: million yen)

	Stockholders' equity							Total stockholders' equity
	Common stock	Capital surplus			Surplus			
		Capital reserve	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings Retained earnings brought forward	Total retained earnings	
Balance as of March 31, 2009	30,500	30,500	1,239	31,739	—	36,057	36,057	98,296
Change in items during the period								
Issuance of new shares	3	3		3			—	6
Dividends from surplus				—		(6,405)	(6,405)	(6,405)
Provision of legal retained earnings				—	0	(0)	—	—
Net income				—		17,953	17,953	17,953
Net change in items other than stockholders' equity				—			—	—
Total change in items during the period	3	3	—	3	0	11,548	11,548	11,555
Balance as of March 31, 2010	30,503	30,503	1,239	31,742	0	47,606	47,606	109,851

	Valuation and translation adjustments		Stock acquisition rights	Total net assets
	Net unrealized losses on other available-for-sale securities, net of taxes	Total valuation and translation adjustments		
Balance as of March 31, 2009	48	48	48	98,393
Change in items during the period				
Issuance of new shares		—		6
Dividends from surplus		—		(6,405)
Provision of legal retained earnings		—		—
Net income		—		17,953
Net change in items other than stockholders' equity	(49)	(49)	39	(9)
Total change in items during the period	(49)	(49)	39	11,546
Balance as of March 31, 2010	(0)	(0)	88	109,939

## Explanatory notes

Amounts of less than one million yen have been discarded.

### Important accounting policies

#### 1. Basis and methodology for the valuation of securities

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

#### 2. Method for calculating depreciation of fixed assets

##### (1) Tangible fixed assets (excluding leases)

Depreciation of tangible fixed assets (excluding buildings and attached structures) is calculated by the declining-balance method over the estimated useful lives of the assets.

Estimated useful lives of major items are as follows:

Buildings:	6-18 years
ATMs:	5 years
Others:	2-20 years

##### (2) Intangible fixed assets (excluding leases)

Intangible fixed assets are amortized using the straight-line method. Software utilized by the Company is amortized over the period in which it is expected to be utilized (five years).

#### 3. Accounting method of deferred assets

Bond issuance expenses are accounted for as expenses in full at the time of disbursement.

#### 4. Translation of assets and liabilities denominated in foreign currencies

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

#### 5. Provisioning standards

##### (1) Allowance for credit losses

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

For credits to obligors classified as normal obligors or watch obligors, on the basis of expected loss ratios and other factors, and defined according to fixed categories, the allowance for credit losses is provided based on the Company's estimated rate of credit losses in accordance with the "Administrative guidelines concerning the self assessment of assets, bad debt amortization and bad debt reserves for banks and other financial institutions" (Japan CPA Association Bank Audit Special Committee Report No. 4).

For credits to obligors classified as bankruptcy risk obligors, the allowance for credit losses is provided for estimated unrecoverable amounts determined after excluding the portion that is estimated to be recoverable due to available security interests and guarantees.

For credits to obligors classified as substantially bankrupt obligors or bankrupt obligors, the allowance for credit losses is provided in the full amounts of such credits, excluding the portion that is estimated to be recoverable due to available security interests and guarantees.

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

##### (2) Reserve for bonuses

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

##### (3) Employees' severance and retirement benefits

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 of the

fiscal year end.

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 and unrecognized net actuarial differences are treated as expenses as follows:

Unrecognized prior service cost: Amortized using the straight-line method over ten years within the employees' average remaining service period at incurrence.

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

(Change in accounting policy)

Since the end of this fiscal year, the Company has applied "Partial Amendments to Accounting Standard for Retirement Benefits (Part 3)" (ASBJ Statement No.19, July 31, 2008).

As the discount rate used is the same as the one applied in the conventional method, the balance sheets, etc. for the fiscal year under review have not been affected by this change in accounting policy.

## 6. Lease transactions

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

## 7. Method of accounting for hedge transactions

Interest rate risk hedges

For some liabilities we have employed a special accounting treatment for interest rate swaps. For hedges designed to reduce the impact of volatility in the market for variable interest rates, we have individually identified the hedge target and designated interest rate swap trades as hedge transactions.

## 8. Consumption taxes

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

### **Additional information**

(Accounting standard for financial instruments)

Since the end of this fiscal year, the Company has adopted "Accounting Standard for Financial Instruments" (ASBJ Statement No.10, March 10, 2008) and "Guidance on Disclosures about Fair Value of Financial Instruments" (ASBJ Guidance No.19, March 10, 2008).

## **Important notes**

(Balance sheet related)

1. Loans receivable do not consist of credits to bankrupt obligors or loans in arrears.  
"Credits to bankrupt obligors" refers to loans receivable for which accrued interest was not declared on the grounds that there are no prospects for the collection or repayment of the principal or interest because the payment of the principal or interest has been continually in arrears for a considerable period of time or for other such reasons (excluding the written-off portion; hereinafter referred to as "loans with undeclared accrued interest") that correspond to any of the situations referred to in (a) through (e) of paragraph 1(3) of Article 96 of the Order for Enforcement of the Corporation Tax Act (Cabinet Order No.97, 1965) or the situation referred to in paragraph 1(4) of the said Article.  
"Loans in arrears" refers to loans with undeclared accrued interest other than credits to bankrupt obligors and loans for which an interest payment grace period has been granted for the purpose of reestablishing or assisting the business of the obligor.
2. Loans receivable do not include loans in arrears for three months or more.  
"Loans in arrears for three months or more" refers to loans for which the payment of the principal or interest has been in arrears for three months or more counting from the day after the due date agreed upon, excluding credits to bankrupt obligors and loans in arrears.
3. Loans receivable do not include restructured loans.  
"Restructured loans" refers to loans for which reduction of interest, interest payment grace period, principal repayment grace period, debt forgiveness or other such arrangements that are advantageous to the obligor have been made for the purpose of reestablishing or assisting the business of the obligor, excluding credits to

bankrupt obligors, loans in arrears and loans in arrears for three months or more.

4. Assets pledged as collateral are as follows.

Assets pledged as collateral	
Securities	1,199 million yen
Liabilities secured by above assets	
Call money	1,100 million yen

In addition to the above, for the purposes of settlement and Bank of Japan current overdraft transactions, securities of 85,916 million yen in available for sale securities has been provided. Also, 734 million yen in guarantees are included in Other Assets.

5. An overdraft agreement is an agreement to lend funds up to a certain limit if a financing request is received from a customer, unless there is any violation of the terms and conditions of the agreement. The unused balance of funds under such agreements is 146 million yen. This includes the unused balance of funds in the amount of 146 million yen under agreements in which the original term is one year or less.

6. Depreciation total for tangible fixed assets 27,593 million yen

7. Net assets per share 90,039.83 yen

8. In addition to the fixed assets included on the balance sheet, the Company uses ATMs, electronic calculating and other peripheral equipment and some other OA equipment on financial lease contracts without transfer of property ownership.

- 1) Finance lease transactions other than those under which it is acknowledged that the leased property ownership rights revert to the leasing company

(1) Acquisition price amount	Tangible fixed assets	7,656 million yen
	Intangible fixed assets	502 million yen
	Total	8,159 million yen

(2) Total equivalent depreciation amount	Tangible fixed assets	6,679 million yen
	Intangible fixed assets	448 million yen
	Total	7,128 million yen

(3) Amount remaining at year-end	Tangible fixed assets	976 million yen
	Intangible fixed assets	54 million yen
	Total	1,031 million yen

(4) Year-end total unexpired lease fees	Less than one year	1,041 million yen
	More than one year	34 million yen
	Total	1,076 million yen

(5) Lease fees payable, depreciation and lease interest payable		
	Lease fees payable	1,618 million yen
	Depreciation	1,538 million yen
	Lease interest payable	41 million yen

- (6) Method of calculating depreciation expenses  
Straight-line method based on number of years remaining on lease, residual value zero

- (7) Method of calculating interest costs  
Interest amount equivalent to the difference between the total amount of leasing expenses and acquisition cost of leased assets; allocated to each term by the interest method

- 2) Operating lease transactions

Outstanding leasing fees related to noncancellable operating lease transactions

	Less than one year	7 million yen
	More than one year	3 million yen
	Total	10 million yen

9. Retirement obligations outstanding at the end of current term	
Projected benefit obligation	-1,184 million yen
Pension assets (market value)	668 million yen
Unfunded projected benefit obligation	-515 million yen
Unrecognized actuarial differences	568 million yen
Unrecognized prior service liabilities	25 million yen
Net figure on Balance Sheet	77 million yen
Prepaid pension costs	77 million yen
10. Total monetary claims on affiliated companies	64 million yen
11. Total monetary liabilities payable to affiliated companies	39,202 million yen
12. Restriction on dividends from retained earnings in accordance with Article 18 of the Banking Law	
When paying a dividend from retained earnings, despite the provisions of Companies Act Article 445-4 (amount of capital and amount of reserves), on payment of a dividend from retained earnings, one fifth of the amount by which retained earnings has been reduced is to be accounted as capital surplus or retained earnings.	
In respect of this fiscal year 0 million yen is being accounted for in retained earnings due to the dividend being paid from retained earnings.	

(P&L related items)

1. Profit from trading with affiliated companies	
Total income from fee transactions, etc.	682 million yen
Costs deriving from transactions with affiliated companies	
Total costs deriving from fund raising transactions	18 million yen
Total costs deriving from fee transactions etc.	8,739 million yen
Total costs deriving from other transactions	7 million yen
2. Net income per share	14,716.01 yen
3. Diluted net income per share	14,712.13 yen

(Note to statements of changes in shareholders' equity)

1. The types and total amounts of shares issued by the Company and of treasury stock are as follows:

(Unit: thousand shares)

	Number of shares at the end of the preceding business year	Increase during the fiscal year	Decrease during the fiscal year	Number of shares at the end of this fiscal year	Remarks
Stock issued					
Common stock	1,220,000	27	—	1,220,027	(Note 2)
Total	1,220,000	27	—	1,220,027	

Notes: 1. There are no treasury stocks.

2. The increase in common stock was due to the exercise of stock options.

2. Stock acquisition rights and treasury stock acquisition rights

Details of stock acquisition rights	Type of shares	Number of shares (shares)				Balance at the end of the period of the fiscal year (millions of yen)	Remarks
		At the end of the previous fiscal year	Increase during the period of the fiscal year	Decrease during the period of the fiscal year	Number of shares at the end of the period of the fiscal year		
Stock acquisition rights as stock options			—			88	
Total			—			88	

Note: There are no treasury stock acquisition rights.

3. The Company's dividend is as stated below:

(1) Dividends paid during this fiscal year

Resolution	Type of shares	Total amount of dividend	Amount per share	Record date	Effective date
In the Board of Directors' Meeting held on May 29, 2009	Common stocks	3,416 million yen	2,800 yen	March 31, 2009	June 2, 2009
In the Board of Directors' Meeting held on Nov. 5, 2009	Common stocks	2,989 million yen	2,450 yen	Sep. 30, 2009	Dec. 1, 2009

(2) Dividends with record dates before March 31, 2010 and effective dates after April 1, 2010 are listed as follows.

Resolution	Type of shares	Total amount of dividend	Fiscal resource	Dividend per share	Record date	Effective date
In the Board of Directors' Meeting held on May 28, 2010	Common stocks	3,355 million yen	Retained earnings	2,750 yen	March 31, 2010	June 1, 2010

(Financial instruments related)

1. Matters concerning status of financial instruments

(1) Policy regarding the approach to financial instruments

The Company's basic policy is to ensure security and minimize risks in both raising and investing funds, and the Company does not pursue profit-making by aggressive risk-taking.

Funds raised by the Company can be broadly divided into working capital such as cash to be placed in ATMs and funds for capital investment such as ATM/system-related investment. In consideration of interest rate trends and other such factors, the Company secures the source funds by such means as deposits, long-term borrowings and bond issuance, and raises funds from the call market to cover daily fluctuations in the amount of funds that need to be raised.

On the other hand, the Company's funds are invested mainly in the form of funds and securities operations as a limited end user, although it does operate a petty loan business targeted at individuals. Investment targets are limited to Japanese government bonds and other securities with high creditworthiness and liquidity, as well as deposits at financial institutions with high creditworthiness, call loans, etc. The Company does not invest in risky financial derivatives, etc.

(2) Description and risk of financial instruments

The financial assets held by the Company are largely comprised of cash, primarily for facilitating its ATM business. Surplus funds are released in the form of call loans, which are exposed to the credit risk of the issuer. Securities consist of Japanese government bonds, local government bonds, and stocks, and are held for "other purposes". These are exposed to credit risks of each issuer, interest rate fluctuation risks, and market price fluctuation risks. Loans receivable are in the form of loan services targeted at individuals (revolving card loans) and are exposed to credit risks arising from the nonperformance of contract by customers; however, the risks are limited, as the receivables are secured in full.

The Company also operates a banking business. Deposits and negotiable certificates of deposits, which account for the majority of its financial liabilities, are exposed to interest rate fluctuation risks. The Company raises short-term funds by using call money as necessary; it is exposed to liquidity risks in that it might not be able to raise the necessary funds. Borrowings and bonds are exposed to liquidity risks in that the payment might not be executable on the due date such as in cases where the Company cannot use the market under certain situations. The Company also borrows funds at variable interest rates, which are exposed to interest rate fluctuation risks. Such risks are averted by executing interest rate swaps.

(3) Risk management framework for financial instruments

1) Credit risk management

The Company observes its basic policy for credit risks established in the Basic Policy on Risk Control, as well as the rules established thereunder called Credit Risk Rules. Credit risks are currently limited to the ATM settlement business, interbank deposits placed with top-rated partner financial institutions, etc. subject to asset-liability management (ALM), release of funds and temporary ATM payment amounts due, thereby curbing credit risks in operations. In addition, the Company performs self-assessment and establishes an allowance for write-offs in an appropriate manner, in accordance with its self-assessment standards, write-off allowance standards and self-assessment/write-off allowance rules.

Credit risks of issuers of securities and counterparty risks in derivative transactions are managed by the Risk Management Division by means of periodically identifying credit information and market value.

2) Market risk management

The Company observes its basic policy for market risks established in the Basic Policy on Risk Control, as well as the rules established thereunder called Market Risk Rules. The Market Risk Rules establish limits on the amount of funds at risk, market position limits and loss allowance limits. The Officer in Charge of Risk Management at the Risk Management Division measures and monitors market risks on a daily basis in light of these limits and reports the results to the management including the Executive Committee. At the ALM Committee convened once a month, the Company's market risk position, expected trends in interest rates and other matters are reported and operation policies are determined.

3) Liquidity risk management

The Company observes its basic policy for liquidity risks established in the Basic Policy on Risk Control, as well as the rules established thereunder called Liquidity Risk Rules. 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 Officer in Charge of Risk Management at the Risk Management Division measures and monitors liquidity risk on a daily basis in light of these limits and reports the results to the management including the Executive Committee. The Company is well prepared in that it has formulated measures in advance on a scenario-by-scenario basis so that it can take company-wide action in a speedy and flexible manner when the cash flow situation becomes tight; therefore, concerns over ensuring liquidity of funds are deemed nonexistent.

(4) Supplementary explanation of matters concerning market value, etc. of financial instruments

The market value of financial instruments includes the value based on market price, in addition to reasonably-calculated value in cases where the financial instrument has no market price. As certain assumptions, etc. are adopted when calculating the value of such financial instruments, the value may vary if different assumptions, etc. are adopted.

## 2. Matters concerning market value, etc. of financial instruments

The amount declared on the balance sheet, the market value and the difference between the two as at March 31, 2010 are as follows. In cases where it is deemed extremely difficult to identify the market value of unlisted stocks and other such financial instruments, the value is not included in the table below (refer to Note 2).

(Unit: million yen)

	Amount on balance sheet	Market value	Difference
(1) Cash and due from banks*	294,190	294,190	—
(2) Call loans*	19,981	19,981	—
(3) Securities			
Other securities	87,116	87,116	—
(4) Loans receivable	126		
Allowance for credit losses*	(0)		
	126	126	—
(5) ATM temporary payments*	61,761	61,761	—
<b>Total assets</b>	<b>463,176</b>	<b>463,176</b>	<b>—</b>
(1) Deposits	208,708	209,117	409
(2) Negotiable certificates of deposit	10,300	10,300	—
(3) Call money	13,300	13,300	—
(4) Borrowed money	31,000	31,520	520
(5) Bonds	90,000	91,929	1,929
(6) ATM-related temporary advances	25,775	25,775	—
<b>Total liabilities</b>	<b>379,084</b>	<b>381,944</b>	<b>2,859</b>

\* Allowance for credit losses for general accounts and allowance for credit losses for individual accounts corresponding to loans receivable have been deducted. Allowance for credit losses with respect to cash and due from banks, call loans and ATM temporary payments were insignificant and therefore directly deducted from the amount on the balance sheet.

### Note 1: Calculation method of market value of financial instruments

#### Assets

##### (1) Cash and due from banks

The market value of due from banks with no maturity is approximately the same as the book value; therefore, the book value is stated as market value. Due from banks with no maturity amounted to zero.

##### (2) Call loans

The contract period is short (no more than one year) and the market value is approximately the same as the book value; therefore, the book value is stated as market value.

##### (3) Securities

Bonds are stated at the price quoted on the exchange or the price presented by the corresponding financial institution. Notes on the securities by holding purpose are stated in "(Securities)" section below.

##### (4) Loans receivable

The market value of variable interest-rate loans receivable is approximately the same as the book value, since they are short-term and reflect the market interest rate, unless the credit status of the borrower is substantially different after the execution of the loans; therefore, the book value is stated as market value. Fixed interest-rate loans receivable amounted to zero.

With respect to credits, etc. to bankrupt obligors, substantially bankrupt obligors and bankruptcy risk obligors, the market value is approximately the same as the amount on the balance sheet as at the fiscal year end minus the current estimated amount of credit losses, since the estimated amount of credit losses is calculated based on the present value of estimated future cash flow or the expected collectable amount with the collateral and guarantee, etc.; therefore, the book value is stated as market value.

(5) ATM temporary payments

As the pre-settlement period is short (no more than one year), the market value is approximately the same as the book value; therefore, the book value is stated as market value.

Liabilities

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

The market value of demand deposits is deemed as the amount payable presuming that the demand is made at the end of the fiscal year (book value). The market value of time deposits is calculated by discounting the present value by future cash flow divided into categories of set periods. The discount rate applied is the rate used when accepting new deposits. The market value of deposits with a short residual period (no more than one year) is approximately the same as the book value; therefore, the book value is stated as market value.

(3) Call money

As the contract period is short (no more than one year) and the market value is approximately the same as the book value, the book value is stated as market value.

(4) Borrowed money

As for borrowed money based on a fixed interest rate, the present value is calculated by discounting the sum of the principal and interest of such borrowed money (in the case of borrowed money subject to special accounting treatment for interest rate swaps, the sum of the principal and interest based on the rate of such interest rate swaps) divided into categories of set periods at the expected rate for similar borrowings. The market value of borrowed money with a short contract period (no more than one year) is approximately the same as the book value; therefore, the book value is stated as market value. Borrowed money based on variable interest rates amounted to zero.

(5) Bonds

The market value of bonds issued by the Company is stated at market price.

(6) ATM-related temporary advances

As the pre-settlement period is short (no more than one year), the market value is approximately the same as the book value; therefore, the book value is stated as market value.

Note 2: The following are financial instruments whose market value is deemed extremely difficult to identify, and are not included in "Assets (3) Other securities" in the information on market value of financial instruments.

(Unit: million yen)

Classification	Amount on balance sheet
Unlisted stocks*	2,294
Total	2,294

\*Unlisted stocks do not have any market price, and their market value is deemed extremely difficult to identify; therefore, their market value is excluded from the scope of disclosure.

Note 3: Amount of redemption scheduled for monetary claims and securities with maturity after end of fiscal year

(Unit: million yen)

	Not more than 1 year	More than 1 year but not more than 3 years	More than 3 years but not more than 5 years	More than 5 years but not more than 7 years	More than 7 years but not more than 10 years	More than 10 years
Due from banks*1	5,227	—	—	—	—	—
Call loans	20,000	—	—	—	—	—
Securities						
Other securities with maturity	86,999	—	—	—	—	—
Loans receivable*2	126	—	—	—	—	—
ATM temporary payments	61,763	—	—	—	—	—
Total	174,117	—	—	—	—	—

\*1 Due from banks: Due from banks with no maturity is included and disclosed in “Not more than one year”.

\*2 Loans receivable: There are no credits, etc. to bankrupt obligors, substantially bankrupt obligors or bankruptcy risk obligors.

Loans receivable are disclosed as “Not more than one year”.

Note 4: Amount of repayment scheduled for bonds, borrowed money and other interest-bearing liabilities after end of fiscal year

(Unit: million yen)

	Not more than 1 year	More than 1 year but not more than 3 years	More than 3 years but not more than 5 years	More than 5 years but not more than 7 years	More than 7 years but not more than 10 years	More than 10 years
Deposits*	175,468	15,818	17,422	—	—	—
Negotiable certificates of deposit	10,300	—	—	—	—	—
Call money	13,300	—	—	—	—	—
Borrowed money	12,000	—	18,000	1,000	—	—
Bonds	—	46,000	44,000	—	—	—
ATM-related temporary advances	25,775	—	—	—	—	—
Total	236,843	61,818	79,422	1,000	—	—

\*Deposits: Demand deposits are included and disclosed in “Not more than one year”.

(Securities)

“Securities” in the balance sheet are as follows.

1. Securities held for trading purposes (as of March 31, 2010)  
Not applicable
2. Bonds held to maturity (as of March 31, 2010)  
Not applicable
3. Shares in subsidiary firms, subsidiary corporations, affiliates and others (as of March 31, 2010)  
Not applicable
4. Other securities (as of March 31, 2010)

	Class	Balance sheet amount (million yen)	Acquisition cost (million yen)	Gains/losses (million yen)
Securities whose balance sheet amounts exceed acquisition costs	Bonds			
	Japanese	26,124	26,121	3
	Local government	7,497	7,494	3
	Subtotal	33,622	33,615	6
Securities whose balance sheet amounts do not exceed acquisition costs	Bonds			
	Japanese	50,973	50,978	(5)
	Local government	2,520	2,523	(2)
	Subtotal	53,494	53,502	(8)
Total		87,116	87,117	(1)

Note: Other securities whose fair values deem to be extremely difficult to compute

	Balance sheet amount (million yen)
Shares	2,294
Total	2,294

As computing fair values of these securities are deemed to be extremely difficult, they are not included in “Other Securities” above.

5. Bonds held to maturity sold during the year (from April 1, 2009 to March 31, 2010)  
Not applicable
6. Other securities sold during the year (from April 1, 2009 to March 31, 2010)  
Not applicable
7. Changes in purpose of holding securities  
Not applicable
8. Securities to which impairment is applied  
Not applicable

(Money held in trust)

Not applicable

(Stock options, etc.)

1. Account title and amount of expenses related to stock options to be recorded in the fiscal period

Operating expenses 46 million yen

2. Detail and scale of and changes in share subscription rights and subsequent adjustments

(1) Detail of subscription rights

	First Round – (1) Stock acquisition rights (Stock compensation-type stock options)	First Round – (2) Stock acquisition rights (Stock compensation-type stock options)
Title and number of grantees	5 Directors of the Company	3 Executive Officers of the Company
Number of stock options by type of stock (Note)	Common stock: 184 shares	Common stock: 21 shares
Grant date	August 12, 2008	Same as at left.
Condition for vesting	Holder's of stock acquisition rights may only exercise their stock acquisition rights within 10 days of the date following the day on which the holder's position as Director is forfeited.	Holder's of stock acquisition rights may only exercise their stock acquisition rights within 10 days of the date following the day on which the holder's position as Executive Officer is forfeited (in cases where the holder has taken the position of Director, then the date on which the position of Director is forfeited).
Requisite service period	Not specified.	Same as at left.
Exercise period	August 13, 2008 – August 12, 2038	Same as at left.

	Second Round – (1) Stock acquisition rights (Stock compensation-type stock options)	Second Round – (2) Stock acquisition rights (Stock compensation-type stock options)
Title and number of grantees	4 Directors of the Company	5 Executive Officers of the Company
Number of stock options by type of stock (Note 1)	Common stock: 171 shares	Common stock: 38 shares
Grant date	August 3, 2009	Same as at left.
Condition for vesting	Holder's of stock acquisition rights may only exercise their stock acquisition rights within 10 days of the date following the day on which the holder's position as Director is forfeited.	Holder's of stock acquisition rights may only exercise their stock acquisition rights within 10 days of the date following the day on which the holder's position as Executive Officer is forfeited (in cases where the holder has taken the position of Director, then the date on which the position of Director is forfeited).
Requisite service period	Not specified.	Same as at left.
Exercise period	August 4, 2009 – August 30, 2039	Same as at left.

Note: The number of stock options are stated as converted into number of shares.

(2) Scale of and changes in share subscription rights and subsequent adjustments

The following includes share subscription rights existing during the fiscal year 2009 and such rights have been converted and stated as number of shares.

(Number of share subscription rights)

	First Round – (1) Stock acquisition rights (equity remuneration type stock options)	First Round – (2) Stock acquisition rights (equity remuneration type stock options)
Prior to vesting (shares)		
At end of previous fiscal year	–	–
Granted	–	–
Forfeited	–	–
Vested	–	–
Outstanding	–	–
Post vesting (shares)		
At end of previous fiscal year	184	21
Granted	–	–
Exercised	27	–
Forfeited	–	–
Outstanding	157	21

	Second Round – (1) Stock acquisition rights (equity remuneration type stock options)	Second Round – (2) Stock acquisition rights (equity remuneration type stock options)
Prior to vesting (shares)		
At end of previous fiscal year	–	–
Granted	171	38
Forfeited	–	–
Vested	171	38
Outstanding	–	–
Post vesting (shares)		
At end of previous fiscal year	–	–
Granted	171	38
Exercised	–	–
Forfeited	–	–
Outstanding	171	38

(Unit price information)

	First Round – (1) New share acquisition rights (equity remuneration type stock options)	First Round – (2) New share acquisition rights (equity remuneration type stock options)
Exercise price	One yen per share	One yen per share
Average price when exercised (Note)	251,300 yen per share subscription right	–
Fair value valuation price when granted (Note)	–	236,480 yen per share subscription right

	Second Round – (1) New share acquisition rights (equity remuneration type stock options)	Second Round – (2) New share acquisition rights (equity remuneration type stock options)
Exercise price	One yen per share	One yen per share
Average price when exercised	–	–
Fair value valuation price when granted (Note)	221,862 yen per share subscription right	221,862 yen per share subscription right

Note: The number of shares to be acquired upon exercise of one (1) share subscription right shall be one common share of the Company.

3. Calculation method employed to establish the fair value valuation price for share subscription rights granted during the term  
The method employed for calculating the fair value valuation price for the Second Round – (1) and Second Round – (2) share subscription rights granted during the term is as follows.

(1) Valuation method employed: Black-Scholes model

(2) Key parameters used in the option-pricing model

	Second Round – (1) New share acquisition rights (equity remuneration type stock options)	Second Round – (2) New share acquisition rights (equity remuneration type stock options)
Expected volatility	34.55%	34.55%
Average expected life	Five years	Five years
Expected dividends	4,900 yen per share	4,900 yen per share
Risk-free interest rate	0.745%	0.745%

Notes: 1. The Company listed on the JASDAQ Securities Exchange on February 29, 2008, making it difficult for a sufficient volume of trading history and share price data to be accumulated since the listing date. Consequently, the calculations were performed using share price data for companies similar to the Company. Furthermore, the period used for the calculation of the expected share price volatility was five years (from July 25, 2004 to August 3, 2009).

2. For directors currently employed by the Company, the assumption is made that the share subscription rights will be exercised on a future date calculated by adding a ten day period, in which the rights may be exercised, to the average period in days from June 2008 until the retirement dates of all such directors.

3. Expected dividends are based upon actual dividend amounts.

4. The risk-free rate employed is the yield of the Japan Government Bond with a period to maturity currently corresponding to the forecast period used in the calculation.

4. Method for calculating the number of share subscription rights vested

Only the actual number of forfeited share subscription rights is reflected because of the difficulty of accurately estimating the actual number of share subscription rights that will be forfeited in the future.

(Tax effect accounting related items)

Breakdown of the main reasons for the creation of deferred tax assets and deferred tax liabilities

Deferred tax assets	
Unpaid corporate tax	524 million yen
Excess depreciation charge	373 million yen
Excess bonus reserve	119 million yen
Accrued expenses	89 million yen
Excess bad debt reserve	52 million yen
Other	83 million yen
Total deferred tax assets	1,243 million yen
Deferred tax liabilities	
Prepaid expenses	-31 million yen
Total deferred tax liabilities	-31 million yen
Net deferred tax assets	1211 million yen

(Income/ losses from equity-method accounted affiliates, etc.)

None

(Related party information)

**1. Dealings with related parties**

(1) Parent company and important corporate shareholders etc.

Type	Name	Address	Capital (million yen)	Content of business or operations	% of voting rights	Relationship	Transactions	Transaction amount (million yen)	Item	Amounts outstanding at term end (million yen)
Other related company	Seven-Eleven Japan	Chiyoda-ku Tokyo	17,200	Convenience store operation	28.98%	Contracts related to installation & operation of ATM business capital transactions	Payment of fees for ATM installation	8,739	Accrued expenses	786
							Note 1		Note 3	
							Handling of negotiable certificates of deposits	4,328	Negotiable deposits	10,000
							Interest on negotiable certificates of deposits	5	Accrued expenses	0
							Note 1			
Main shareholder	Ito-Yokado	Chiyoda-ku Tokyo	40,000	Superstore operation	12.04%	Contracts related to installation & operation of ATM business capital transactions	Handling of negotiable certificates of deposits	23,235	-	-
							Note 2			
							Interest on negotiable certificates of deposits	115	-	-
							Note 1			

Notes:

- 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 account Seven-Eleven Japan's total 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.
- The transaction amounts for negotiable certificates of deposits represent the average balances recorded during the course of the term.
- Consumption tax and other taxes are not included in the transaction amounts, but the end of term outstanding balance includes consumption tax and other taxes.

(2) Subsidiaries and related companies etc.

None

(3) Companies with the same parent and subsidiaries of related companies etc.

Type	Name	Address	Capital (million yen)	Content of business or operations	% of voting rights	Relationship	Trans- actions	Transaction amount (million yen)	Item	Amounts outstanding at term end (million yen)
Companies with the same parent company, etc	Seven & i Financial Center Co., Ltd.	Chiyoda-ku Tokyo	10	Banking- related operation	-	Capital transactions Officers serving concurrently	Handling of negotiable certificates of deposits Note 2	11,115	-	-
							Interest on negotiable certificates of deposits Note 1	24	-	-

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.

(4) Director and individual shareholders etc.

None

**2. Notes about parent company or important related companies**

- (1) Parent company information  
Seven & i Holdings (listed on First Section of Tokyo Stock Exchange)
- (2) Summary financial information about important related companies  
None

## Reference Materials for Ordinary General Meeting of Shareholders

### Proposal 1 Election of eight directors

Since the term of office of all eight incumbent Directors will expire at the end of this General Meeting of Shareholders, we would like to request that you elect eight directors.

The director candidates are as follows:

Candidate number	Name (Date of birth)	Biography, position, and business in charge in our company, and major concurrent positions	Number of Company shares owned
1	Takashi Anzai (January 17, 1941)	<p>Apr. 1963      Joined the Bank of Japan</p> <p>Dec. 1994      Executive Director, Bank of Japan</p> <p>Nov. 1998      President, Long-Term Credit Bank of Japan, Limited (now Shinsei Bank, Limited)</p> <p>Aug. 2000      Advisor, Ito-Yokado Co., Ltd.</p> <p>Apr. 2001      President, Seven Bank, Ltd. (present post)</p> <p>Sep. 2005      Director, Seven &amp; i Holdings Co., Ltd. (present post)</p> <p>[Business in Charge] Internal Audit Division</p> <p>[Major concurrent positions] Director, Seven &amp; i Holdings Co., Ltd.</p>	442
2	Masatoshi Wakasugi (January 19, 1946)	<p>Apr. 1969      Joined the Long-Term Credit Bank of Japan, Limited (now Shinsei Bank, Limited)</p> <p>Jun. 1996      Director and General Control Manager of Personnel Affairs Group and concurrently Manager of Training Department, Personnel Affairs Division, aforementioned bank</p> <p>Oct. 1997      Senior Managing Director, Chogin Securities Inc.</p> <p>Jun. 1998      Managing Director, Chogin Warburg Securities Inc. (now UBS Investment Bank)</p> <p>Jun. 1999      Executive Sales Director of Renown Incorporated</p> <p>Sep. 2000      Advisor, Ito-Yokado Co., Ltd.</p> <p>Apr. 2001      Managing Director, Seven Bank, Ltd.</p> <p>Jun. 2006      Director, Senior Managing Executive Officer, aforementioned company</p> <p>Oct. 2007      Director, Senior Managing Executive Officer, Human Resource General Manager, aforementioned company (present post)</p> <p>[Business in Charge] Research Division and Human Resources Division</p>	255
3	Kensuke Futagoishi (October 6, 1952)	<p>Apr. 1977      Joined The Sanwa Bank, Limited (now The Bank of Tokyo-Mitsubishi UFJ, Ltd.)</p> <p>Apr. 2001      General Manager of Retail Planning Department of UFJ Holdings, Inc. (now Mitsubishi UFJ Financial Group)</p> <p>Jan. 2002      General Manager of Gotanda Corporate Sales Department of UFJ Bank Limited (now The Bank of Tokyo-Mitsubishi UFJ, Ltd.)</p> <p>Oct. 2003      Joined Seven Bank, Ltd.</p> <p>Nov. 2003      General Manager of Business Promotion Division, aforementioned company</p> <p>Jun. 2004      Director of aforementioned company</p> <p>Jun. 2006      Director, Executive Officer, aforementioned company</p> <p>Nov. 2007      Director, Managing Executive Officer, aforementioned company</p> <p>Jun. 2009      Director, Senior Managing Executive Officer and Planning Division General Manager, aforementioned company (present post)</p> <p>[Business in Charge] Planning Division, Accounting Division and Treasury Office</p>	166

Candidate number	Name (Date of birth)	Biography, position and business in charge in our company, and major concurrent positions	Number of Company shares owned
4	Yasuaki Funatake (November 29, 1956)	<p>Apr. 1980      Joined the Long-Term Credit Bank of Japan, Limited (now Shinsei Bank, Limited.)</p> <p>Jul. 2001      Manager, Retail Operations Division, Shinsei Bank Limited</p> <p>Dec. 2001      Joined Seven Bank, Ltd.</p> <p>Oct. 2002      General Manager of Business Development Division, aforementioned company</p> <p>May 2006      General Manager of Project Development Division, aforementioned company</p> <p>Jun. 2006      Executive Officer, aforementioned company</p> <p>Jun. 2008      Director, Executive Officer, General Manager of Business Promotion Division, aforementioned company (present post)</p> <p>[Business in Charge] Business Promotion Division and Business Development Division</p>	135
5*	Kazuhiko Ishiguro (December 2, 1957)	<p>Apr. 1980      Joined The Sanwa Bank, Limited (now The Bank of Tokyo-Mitsubishi UFJ, Ltd.)</p> <p>Nov. 1998      Assistant General Manager of System Division (Tokyo), The Sanwa Bank, Limited</p> <p>Apr. 2001      Director, Ufit Co., Ltd. (on loan)</p> <p>Apr. 2004      Director, UFJIS Co., Ltd. (now Mitsubishi UFJ Information Technology, Ltd.) (on loan)</p> <p>Mar. 2006      Executive Managing Director, UFJIS Co., Ltd. (on loan)</p> <p>May 2009      Joined Seven Bank, Ltd.</p> <p>May 2009      Executive Officer and System Division General Manager, aforementioned company (present post)</p> <p>[Business in Charge] System Division and ATM Solution Division</p>	0
6	Yoji Ohashi (January 21, 1940)	<p>Apr. 1964      Joined All Nippon Airways Co., Ltd.</p> <p>Jun. 1993      Director and General Manager of Narita Airport, aforementioned company</p> <p>Jun. 1997      Executive Managing Director and General Manager of Human Resource Division, aforementioned company</p> <p>Jun. 1999      Vice President and Representative Director, aforementioned company</p> <p>Apr. 2001      President and Representative Director, aforementioned company</p> <p>Apr. 2005      Chairperson and Representative Director, aforementioned company</p> <p>Apr. 2007      Chairperson and Director, aforementioned company (present post)</p> <p>May 2008      Vice-Chairman of the Nippon Keidanren truly (present post)</p> <p>Jun. 2008      Director, Seven Bank, Ltd. (present post)</p> <p>Jun. 2008      Auditor of The Japan Atomic Power Company (present post)</p> <p>Jun. 2009      TV TOKYO Corporation (present post)</p> <p>[Major concurrent position] Chairperson and Director, All Nippon Airways Co., Ltd. Vice-Chairman of the Nippon Keidanren</p>	2

Candidate number	Name (Date of Birth)	Biography, position and business in charge in our company, and major concurrent positions	Number of Company shares owned
7	Toshikazu Tamura (January 30, 1940)	<p>Apr. 1962      Joined Nomura Securities Co., Ltd.</p> <p>Nov. 1984      Manager, Accounts Division, Nomura Securities Co., Ltd.</p> <p>Nov. 1986      Manager, Administration Division, Nomura Securities Co., Ltd.</p> <p>Dec. 1987      Manager, Director Planning Division, Japan Associated Finance (now JAFCO)</p> <p>Jun. 1990      Executive Managing Director, aforementioned company</p> <p>Jun. 1994      Senior Executive Managing Director, aforementioned company</p> <p>Jun. 1998      Senior Managing Director, JAFCO, Co., Ltd.</p> <p>Jul. 2000      Director, The Sanno Institute of Management</p> <p>Dec. 2001      Professor and Deputy Chancellor, SANNO University (now the SANNO Institute)</p> <p>Apr. 2002      Director of Management &amp; Information Faculty, Research School, SANNO University Graduate School</p> <p>Jun. 2005      Professor and Deputy Chancellor, SANNO Junior College (now Jiyugaoka SANNO College)</p> <p>Jun. 2008      Director, Seven Bank, Ltd. (present post)</p> <p>Jun. 2008      Director, Mandom Corporation (present post)</p>	12
8	Tadahiko Ujiie (May 22, 1945)	<p>Apr. 1980      Joined Seven-Eleven Japan Co., Ltd.</p> <p>May 1990      Director, the aforementioned company</p> <p>May 1997      Executive Managing Director, the aforementioned company</p> <p>Apr. 2001      Director, Seven Bank, Ltd. (Present post)</p> <p>May 2001      Senior Executive Managing Director, Seven-Eleven Japan Co., Ltd.</p> <p>May 2003      Director, Senior Managing Executive Officer, the aforementioned company</p> <p>Sep. 2005      Director and Chief Financial Officer, Seven &amp; i Holdings Co., Ltd.</p> <p>May 2006      Director, Senior Managing Executive Officer and Chief Financial Officer, the aforementioned company (present post)</p> <p>[Major concurrent position]  Director, Senior Managing Executive Officer and Chief Financial Officer, Seven &amp; i Holdings Co., Ltd.  President and Representative Director of SE Capital Corporation  President and Representative Director of Seven &amp; i Financial Center Co., Ltd.  President and Representative Director of Seven &amp; i Financial Group Co., Ltd.</p>	165

Notes:

- The person denoted with an asterisk (\*) is a new candidate for Director.
- Candidate Tadahiko Ujiie is concurrently serving as President and Representative Director of SE Capital Corporation, a special related corporation of the Company. The equipment leasing agreement is concluded between SE Capital and the Company. He is also serving as President and Representative Director of Seven & i Financial Center Co., Ltd., a special related corporation of the Company. The Company makes capital transactions with Seven & i Financial Center Co., Ltd. None of the other candidates have any particular interests in or relationships with the Company.
- Candidate Tadahiko Ujiie is concurrently serving as Director and Chief Financial Officer of Seven & i Holdings, President and Representative Director of SE Capital Corporation, Representative Director and President of Seven & i Financial Center Co., Ltd., and Representative Director and President of Seven & i Financial Group, which are all special related corporations of the Company. Mr. Ujiie was also Director, Manager of the Planning Office and Head of the Finance Department at Seven-Eleven Japan, a special related corporation of the Company, until May 2009.
- Candidates Yoji Ohashi, Toshikazu Tamura, and Tadahiko Ujiie are candidates for external director of the Company.
- The reasons for the candidacies for external directorships at the Company are as follows:
  - Mr. Yoji Ohashi's experience and opinions deriving from his roles as Representative Director of All Nippon Airways and as Vice-Chairman of the Nippon Keidanren truly contribute to the management of the Company and render him a suitable candidate for external director.
  - Mr. Toshikazu Tamura's operational experience as an underwriter at Nomura Securities, his experience as Representative Director of Jafco and his specialist knowledge and opinions as Professor at the Sanno Institute of Management truly contribute to the management of the Company and render him a suitable candidate for external director.
  - Mr. Tadahiko Ujiie's experience both as Director of our large shareholder Seven-Eleven Japan and as Director of its parent company Seven & i Holdings truly contributes to the management of the Company and renders him a suitable candidate for external director.
- Instances in violation of the laws and regulations or the Articles of Incorporation of the Company or other misconduct committed in other companies by the candidates for external directors while they assumed offices as directors, executive officers, or statutory auditors of the other companies, if any in the last five years, are as follows:
  - Mr. Yoji Ohashi received an exclusion order from the Fair Trade Commission in August 2008 for acting in breach of the provisions of the Law for Preventing Unjustifiable Extra or Unexpected Benefit and Misleading Representation in his capacity

as Director of All Nippon Airways in connection with a newspaper advertising campaign publicizing the airline's Premium Class which ran from February to March 2008.

- Mr. Tadahiko Ujii received an exclusion order from the Fair Trade Commission in June 2009 for acting in breach of the provisions of the Law Concerning Prohibition of Abuse of Dominant Bargaining Position in connection with discount daily merchandise in his capacity as Director of Seven-Eleven Japan until May 2009.
7. Mr. Yoji Ohashi, Mr. Toshikazu Tamura, and Mr. Tadahiko Ujii are currently external directors of the Company and their periods of service as external directors, dating from the concluding day of this general meeting of shareholders are two years for Mr. Yoji Ohashi and Mr. Toshikazu Tamura and nine years and three months for Mr. Tadahiko Ujii.
  8. External director candidates Mr. Yoji Ohashi, Mr. Toshikazu Tamura and Mr. Tadahiko Ujii are all currently serving as external directors subject to limited liability contracts with the Company governed by the provisions of Article 427-1 and Article 423-1 of the Companies Act (moreover, the limits to the liability on the basis of these contracts are fixed at statutory levels). In the event that the four candidates should prove successful in their applications to become external directors, their current contracts will continue to remain in force.
  9. Mr. Yoji Ohashi and Mr. Toshikazu Tamura have been notified as independent executives to the JASDAQ Securities Exchange.

## Proposal 2 Election of two statutory auditors

It is requested that two statutory auditors be elected as the term of office of Mr. Masaharu Hino, Ms. Sachiko Kishimoto and Mr. Masayuki Sato will expire at the end of this General Meeting of Shareholders.

This proposal has already been approved by the Board of Statutory Auditors.

The candidates for statutory auditors are as follows:

Candidate number	Name (Date of Birth)	Biography, position and business in charge in our company, and major concurrent positions	Number of Company shares owned
1	Masaharu Hino (January 9, 1936)	<p>Apr. 1961 Qualified as prosecutor</p> <p>Jul. 1993 Head of Public Security Department, Supreme Public Prosecutors' Office</p> <p>Nov. 1994 President, Research and Training Institute of the Ministry of Justice</p> <p>Jun. 1996 Superintending Prosecutor, Sendai High Public Prosecutors Office</p> <p>Feb. 1997 Superintending Prosecutor, Nagoya High Public Prosecutors Office</p> <p>Jun. 1998 Commissioner, Financial Supervisory Agency</p> <p>Jul. 2000 Commissioner, Financial Services Agency</p> <p>Jan. 2001 Advisor, Financial Services Agency (until Jun. 2002)</p> <p>Feb. 2001 Lawyer registration, member of Daiichi Tokyo BAR Association (present post)</p> <p>Jun. 2001 Statutory Auditor, Toyo Kanetsu K.K. (present post)</p> <p>Jun. 2005 Statutory Auditor, Seven Bank, Ltd. (present post)</p> <p>Oct. 2007 Director, Japan Post Insurance Co., Ltd. (present post)</p> <p>Jun. 2008 Director, Fujita corporation (present post)</p> <p>[Major concurrent position] Lawyer (Chief, Masaharu Hino Law Office)</p>	0
2*	Tetsuya Katada (October 15, 1931)	<p>Apr. 1953 Joined Komatsu Ltd.</p> <p>Mar. 1978 Director, aforementioned company</p> <p>Mar. 1983 Executive Managing Director, aforementioned company</p> <p>Mar. 1987 Senior Executive Managing Director, aforementioned company</p> <p>Jun. 1988 Vice President and Representative Director, aforementioned company</p> <p>Jun. 1989 President and Representative Director, aforementioned company</p> <p>May 1995 Vice Chairman of the Board of Councilors, Keidanren (now Nippon Keidanren)</p> <p>Jun. 1995 Chairman and Representative Director, Komatsu Ltd.</p> <p>Dec. 1998 Member of the Financial Reconstruction Commission</p> <p>May 1999 Vice Chairman, Nippon Keidanren</p> <p>Jun. 1999 Director and Chairman, Komatsu Ltd.</p> <p>Jan. 2001 Member of Financial System Council, Financial Services Agency (until January 2005)</p> <p>Jun. 2001 Director and Counselor, Komatsu Ltd.</p> <p>Nov. 2002 Chairman, Blue Ribbon Panel regarding Policy Evaluation, Financial Services Agency (present post)</p> <p>Jun. 2003 Counselor and Special Advisor, Komatsu Ltd.</p> <p>Jul. 2005 Advisor, aforementioned company (present post)</p>	0

Notes:

1. The person denoted with an asterisk (\*) is a new candidate for statutory auditor.
2. The candidates for the position of statutory auditor have no particular beneficial relationship with the Company.
3. Candidates Mr. Masaharu Hino and Mr. Tetsuya Katada are candidates for external statutory auditors of the Company.
4. The reasons for the candidacies for external statutory auditors at the Company are as follows:
  - Mr. Masaharu Hino's experience deriving from the financial administration, opinions as lawyer, and considerable experience deriving from his roles as external director and external statutory auditor of other companies contribute to his duty as statutory auditor of the Company and render him a suitable candidate for external statutory auditor. Although Mr. Hino has not directly participated in business management of the Company other than the participation as external director or external statutory auditor, the Company judged that he would be suitable for the external statutory auditor considering the above reasons in performing the duties of the said position.
  - Mr. Tetsuya Katada's considerate experience deriving from his role as a business administrator, broad opinions gained in various business organizations, and long-term involvement in deliberation on financial systems are expected to contribute to supervision/monitoring of the overall management of the Company and to bring valuable advice, and render him a suitable candidate for external statutory auditor.
5. Mr. Masaharu Hino is currently serving as external statutory auditor of the Company and the length of his service as external statutory auditor will be five years at the end of this General Meeting of Shareholders.
6. Candidate for external statutory auditor Mr. Masaharu Hino is currently serving as external statutory auditor subject to limited liability contracts with the Company governed by the provisions of Article 427-1 and Article 423-1 of the Companies Act (moreover, the limits to the liability on the basis of these contracts are fixed at statutory levels). In the event that the candidate should prove successful in his application to become external statutory auditor, his current contract will continue to remain in force. Similarly, in the event that candidate for external statutory auditor Mr. Tetsuya Katada should prove successful in his application to become external statutory auditor, the Company will enter into the said contracts with Mr. Katada.
7. Mr. Masaharu Hino has been notified as independent executive to the JASDAQ Securities Exchange. Mr. Tetsuya Katada is a candidate for independent executive.