

Financial Results Briefing for the Second Quarter of Fiscal 2012

Key Questions and Answers

Q1 What possibility is there of Seven Bank installing ATMs in 7-Eleven stores in the United States?

A1 A leading ATM operator in the United States has been installing ATMs in U.S. 7-Eleven stores. Seven Bank will work hard to ensure that 7-Eleven and its customers choose FCTI ATMs when this leading company negotiates a contract extension with 7-Eleven. At the moment, that is all I can say about this matter. As of today, no decision has been made.

Q2 While it appears that FCTI's goodwill stands at around ¥7.0 to ¥8.0 billion, what impact will this have on earnings from fiscal 2013 and after, and over how many years will goodwill be amortized?

A2 At present, FCTI's goodwill is estimated to be in that range, but a final figure has not yet been decided. Although the maximum length of the goodwill amortization period could be 20 years, we will amortize goodwill over a period of time that is considered appropriate. We are thinking of a period of 10 years or less. For instance, even if we amortize goodwill over a 10-year period, consolidation effects will not be great.

Q3 Although FCTI's acquisition price is 15 times the EBITDA multiple, what are your reasons for paying such a premium?

A3 When we acquired FCTI, we had a competitor bidding against us. Moreover, we have been researching ways of expanding our ATM business, especially in Asia, but since the ATM business is closely related to the financial industry, and

therefore to local authorities, we knew that it would be difficult to start from scratch. Therefore, we reached the decision that it would be faster to just buy a company that already has ATMs. Above all, we thought that buying an existing company in the United States, the world's largest and most mature market, would be an effective way to start. In view of the fact that there was a competitor at the time of the acquisition, the amount of time that it takes to start up a business from scratch, and the labor involved, we considered the price reasonable.

Q4 I believe the ATM business in the U.S. is marked by poorer ATM performance and a lower level of service than in Japan, how do you plan to add value?

A4 We think there is still room to improve FCTI's competitiveness in the U.S. by taking advantage of our accumulated know-how. However, we do not plan to introduce a Japanese business model; instead we will study low-cost business operations in the U.S. and explore the feasibility of expanding such operations to other regions of the world. That is another major reason for the FCTI acquisition.

Q5 Regarding your view on non-bank transaction growth from the second half, you previously mentioned growth of 2% to 3%, but after speaking to consumer finance companies, I think the growth rate could be a little higher.

A5 The 2% to 3% figure is definitely conservative, but that is our present view. As for next fiscal year, we will think about our forecast after seeing next year's trends.