

# Financial Results for the Interim of Fiscal 2007 (Non-consolidated Date)

November 2, 2007

Company Name: Seven Bank, Ltd.

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

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Scheduled interim securities report issuing date: December 20, 2007

Trading accounts: Not established

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

## 1. Financial Highlights for the Interim of Fiscal 2007

(April 1, 2007 - September 30, 2007)

### (1) Operating Results

(% represents the change from the previous fiscal year)

	Ordinary income		Ordinary profit		Net income	
	Million Yen	%	Million Yen	%	Million Yen	%
September 30, 2007	41,139	10.4	11,755	(9.0)	6,226	(17.2)
September 30, 2006	37,234	20.2	12,919	32.0	7,524	24.4
March 31, 2007	75,427	-	25,021	-	12,667	-

	Net income per common share	Diluted Net Income per Share
	Yen	Yen
September 30, 2007	5,337 . 94	-
September 30, 2006	6,305 . 06	-
March 31, 2007	10,736 . 56	-

(Reference) Income from investment: September 30, 2007 none, September 30, 2006 none, March 31, 2007 none

### (2) Financial Conditions

	Total Assets	Net Assets	Net Assets to Total Assets Ratio	Net Assets per Share	Non-Consolidated Capital Ratio (Japanese Standards) (Note 1)
	Million Yen	Million Yen	%	Yen	%
September 30, 2007	565,065	74,285	13.1	63,674 . 56	(preliminary) 36.52
September 30, 2006	440,703	68,670	15.5	58,894 . 16	161.88
March 31, 2007	532,757	73,849	13.8	63,317 . 15	37.94

(Reference) Shareholders' equity: September 30, 2007: 74,285 million yen, September 30, 2006: 68,670 million yen, March 31, 2007: 73,849 million yen

(Note 1) From the beginning of the fiscal year ended March 31, 2007, "Non-consolidated capital ratio (Japanese Standards)" is computed based on the standards for capital adequacy ratio (the Notification of the Financial Services Agency No. 19, 2006), in light of bank's holding assets under Paragraph 2 of Article 14 of the Banking Law.

### (3) Cash Flows

	Cash flows from operating activities	Cash flows from investment activities	Cash flows from financing activities	Cash and cash equivalents at periodend
	Million Yen	Million Yen	Million Yen	Million Yen
September 30, 2007	14,768	(5,777)	(5,792)	257,955
September 30, 2006	35,006	(23,445)	(5,940)	258,739
March 31, 2007	39,750	(32,215)	(5,895)	254,757

## 2. Dividends on Common Stock

(Fiscal year ended)	Dividends per share		
	Interim	Year-end	Annual
	Yen	Yen	Yen
March 31, 2007	-	5,000 . 00	5,000 . 00
March 31, 2008	-		4,100 . 00
March 31, 2008 (estimate)		4,100 . 00	

### 3. Earnings Forecasts for Fiscal 2007 (April 1, 2007 - March 31, 2008)

(% represents the change from the previous fiscal year)

	Ordinary income		Ordinary profit		Net income		Net income per common share
	Million Yen	%	Million Yen	%	Million Yen	%	Yen
Full Year	83,400	10.5	23,300	(6.8)	13,100	3.4	11,232.50

### 4. Others

(1) Changes in Accounting Methods and Presentations (Material Changes for the Preparation of the Interim Financial Statement)

1. Changes due to revisions of accounting standards, and so forth: Yes
2. Changes due to other reasons except above: None

(Note) For details, please refer to "Notes 4 and 22 in the Interim Balance Sheet" on pages 11~13.

(2) Number of Shares Outstanding (Common Shares)

(A) Total outstanding at the end of the period (including Treasury shares)

September 30, 2007: 1,220,000 shares, September 30, 2006: 1,220,000 shares, March 31, 2007: 1,220,000 shares

(B) Treasury shares at the end of the period

September 30, 2007: 53,350 shares, September 30, 2006: 54,000 shares, March 31, 2007: 53,650 shares

(Note) For the number of shares used in computing net income per common share, please refer to "Per Share Information" on page 23.

\*Notes for the use of earnings results forecasts, and so forth

This Summary contains forward-looking statements regarding earnings results forecasts, and so forth. They were made based upon, among other things, the Company's currently available information. Therefore statements and assumptions arising may result in material differences from the actual results due to varying future factors.

# **1. Results of Operations**

## (1) Analysis of the Results of Operations

### **1. Overview of this period**

The Japanese economy maintained solid growth. While public investment continued to falter, exports grew and overall business confidence remained at a high level. Under these conditions, consumer spending showed some signs of weakness due to the slowdown in the stock markets triggered by the US subprime loan problems, and so forth, negative sentiments reflecting a rise in the tax burden in the wake of the abolition of temporary tax cuts and the transfer of tax revenue, although capital investments continued to be strong. Meanwhile, with the coming privatization of Japan Post, the banking industry continued to strive to improve their services by, for example, strengthening alliances with others in an effort to expand free mutual-use ATMs (automated teller machine), abolishing charges for the use of ATMs in convenience stores and so forth. Also, there was a resurgence in ATM installations within convenience stores.

Amidst the above business situation, ordinary income for the six months ended September 30, 2007 came to 41,139 million yen (up 10.4% on the previous period), ordinary profit 11,755 million yen (down 9.0%) and net income 6,226 million yen (down 17.2%).

Overall business conditions by segment are as follows.

#### **①. Overview of the ATM Business**

##### **(Business alliances and regional developments)**

During this period, we agreed on business alliances with Banco do Brasil (in April, 2007), Kiyo Bank, Akita Bank and Howa Bank (all in July), Fukuho Bank (in August), Woori Bank, SBI Sumishin Net Bank, Ltd. and Oita Bank (all in September) as well as other financial institutions, resulting in a total of 554 business alliance firms as of September 30, 2007.

Thanks to the expansion of business alliances, we opened up some new markets including Wakayama and Akita (both in July) and Oita (in September), and completed ATM installations at substantially all Seven-Eleven and Ito-Yokado stores in Japan. As of September 30, 2007, we had ATMs in a total of 36 prefectures including Tokyo, Shizuoka, Saitama, Osaka, Hyogo, Kanagawa, Chiba, Tochigi, Aichi, Kyoto, Nagano, Shiga, Fukuoka, Ibaragi, Hiroshima, Fukushima, Niigata, Kumamoto, Yamagata, Hokkaido, Yamaguchi, Gunma, Nagasaki, Okayama, Miyazaki, Yamanashi, Gifu, Saga, Mie, Miyagi, Nara, Iwate, Aomori, Wakayama, Akita and Oita (in order of installation date). In addition, we installed a total of 173 ATMs (as of September 30, 2007) at sales branches of Nomura Securities, with which we signed the Total ATM Operation and Management Service Agreement commenced from June. Also, following the extension of our service to foreign-issued cashcards from July, we installed ATMs at Narita Airport (4 machines) and Haneda Airport (2 machines). As a result of the development of new business areas and an increase in the density of ATM installations in our existing business areas, the total number of ATMs rose by 460 from the year ended March 31 2007 to 12,548 as of September 30 2007.

\* Of these, we counted JA Bank and JF Marine Bank separately as they fall into different business categories.

##### **(ATM availability)**

In addition to our conventional cashcard services, such as withdrawals, deposits, transfers, balance inquiries, withdrawals and balance inquiries, etc. using other tie-up financial institutions' cashcards, and so forth, we introduced a service in July that allows users with foreign-issued cashcards to withdraw Japanese yen using any of our ATMs. We stressed the promotion of this service in collaboration with the Government's "Visit Japan Campaign" (it is running the Yokoso!

Japan Campaign as part of its “Strategy for Increasing the Number of Overseas Visitors to Japan”), and the number of users of this service has since been showing solid growth. In the meantime, the number of financial institutions that have ATMs that accept IC cards increased to a total of 43 banks (including Seven Bank) in 5 different business types by the end of this period. The total number of ATM transactions during this period was 244 million (up 40 million from the same period last year), while the average number of transactions per day per machine rose to 109.3 (up 12.7).

## ②. Overview of the Financial Services Business

As of September 30, 2007, the total number of accounts was 539,000 and the deposit balance (excluding negotiable certificates of deposit) was 211,745 million yen. Of these, individual customers, our main target, held a total of 519,000 accounts (a rise of 53,000 from the same period last year), and deposit balance (combined balance in savings and time-deposit accounts for individual customers) was 81,627 million yen (up 9,455 million yen), exhibiting sound growth in both the number of accounts and deposit balance.

At the end of the period, we had a total of five “Minna-no-Ginko-Madoguchi (Everyone’s Bank Teller Window)”, which is a manned branch within Ito-Yokado stores, located in Soga, Yachiyo, Kawaguchi, Kasai and Kameari.

## 2. Full Year Outlook

We are committed to strengthening our operating foundations further in the ATM and Financial Services businesses.

In the ATM business, we will add one more ATM to each popular Seven-Eleven store in order to reduce customer queuing times (as of the end of September 2007, 213 stores were equipped with two ATMs). We also plan to install ATMs in facilities other than airports, public transportation facilities, hotels and Seven & i-related stores. Furthermore, we aim to promote our Total ATM Operation & Management Service, which exploits our expertise in the management of the ATM operation we have built up through the development of business operations. As a result of these efforts, the total number of ATMs is expected to increase to approximately 13,000 by March 31, 2008. With regard to the previously mentioned ATM instalments in Nomura Securities sales branches, the project is expected to be completed by the end of this calendar year. This will boost the number of prefectures utilizing our ATMs to 47.

In this way, we are striving to enhance our services based on the needs of our customers, as well as increase the number of ATM installations, expand operating areas and acquire more business partners. From September, we launched new services, such as a funds top-up function for users’ of electric money called “nanaco” via our second generation ATMs, and so forth. Also, in November, we are planning to introduce a transaction service via interphone for sight-impaired persons. This service will be for the customers of Seven Bank only at first, but we will extend them to customers of our partner financial institutions in the shortest possible period of time. Furthermore, we aim to increase the number of partners that accept the IC card, PIN changing services and other services, while endeavouring to complete the project of ATM replacement with faster second generation ATMs by September 2008. With these measures, we estimate that the total number of ATM transactions during the fiscal year ending March 31, 2008 will rise to 498 million (up 80 million from last year) and the average number of transactions per day per machine for the same period will increase to 110 (up 12).

With regard to the financial services business, we continue to prepare for the launch of small-amount loan services for individual customers. In addition, we will open the sixth manned “Minna-no-Ginko-Madoguchi” branch during this fiscal year. This new manned branch will be set up for experimental purposes, featuring a new style of banking branch with a strengthened consulting function. Furthermore, we are planning to improve our Internet service “Minna-no-Money-Site” (Everyone’s Money Site), by adding more services, goods and tie-up firms. We aim to offer

services unique to Seven Bank, centering on the provision of agency service with banks and other industries.

We forecast that ordinary income for the fiscal year ending March 31 2008 will be at 83.4 billion yen (up 10.5% from the last year), ordinary profit at 23.3 billion yen (down 6.8%) and net income at 13.1 billion yen (up 3.4%).

The estimated decrease in ordinary profit reflects an increase in ordinary expenses, including the rise of depreciation and maintenance & administration costs relating to ATM call centers, the enhancement of functions such as the establishment of the telephone center system, etc., and the development of new service systems, such as the ATM availability for foreign-issued cashcards and the top-up function for electric money, and so forth.

## (2) Analysis of Financial Conditions

### 1. Balance Sheet

Total assets increased by 32,308 million yen to 565,065 million yen. Cash and dues from banks used for the operation of ATMs was 257,955 million yen, accounting for a large part of total assets. Investment securities, mainly lodged as collateral for exchange settlements and the overdraft facility provided by the Bank of Japan, were 64,787 million yen. An increase in ATM temporary payments raised total assets, owing to the fact that the last day of this period fell on a holiday.

Total liabilities increased 31,872 million yen from the previous year, to 490,779 million yen. Deposits accounted for the majority of them, coming in at 211,745 million yen (excluding negotiable certificates of deposit). Of these deposits, the outstanding balance in ordinary saving deposits was 60,960 million yen, while fixed-term deposits were at 20,666 million yen.

Retained earnings were 19,151 million yen and net assets came to 74,285 million yen, subsequent to the recording of net income at 6,226 million yen, after a Dividend payment of 5,831 million yen. The capital ratio (based on Japanese standards) stood at 36.52% (preliminary base).

### 2. Cash Flows

Cash and cash equivalents (hereinafter referred to as "Cash") as of the end of this period rose 3,197 million yen from the beginning of this period of 254,757 million yen to 257,955 million yen. Cash provided from operating activities was 14,768 million yen, resulting from higher increase factors: Net income for this period of 10,525 million yen and an increase in deposits of 23,909 million yen and others, compared to lower decrease factors: an increase in ATM uncollected funds of 29,830 million yen and Income taxes and others of 7,641 million yen, and so forth. Cash used in investment activities was 5,777 million yen. Of these activities, the largest expense was the purchase of tangible fixed assets of 7,330 million yen, subsequent to our decision to purchase some fixed assets that we previously leased.

Cash used in financing activities was 5,792 million yen, due mainly to a dividend payment of 5,831 million yen.

## (3) Basic Policy regarding Profit Distribution and Dividends for This Fiscal Year

We consider the return of earnings to shareholders to be one of the most important management priorities. We also strive to ensure stable cash dividend payments, while sustaining reasonably balanced internal reserve funds in consideration of the appropriate return of year-end surplus funds to shareholders. We aim to increase the annual dividend ratio to 35%. Based on this policy, with respect to the year-end dividends for common shares for this fiscal year, we plan to pay ¥4,100 per share.

#### (4) Risks relating to the business, and so forth

Aside from the risks listed in the latest Annual Securities Report, submitted on June 25, 2007, there are no other material risks to report immediately in this Securities Report.

To see the Securities Report online, please visit the following URL;

(Company homepage)

<http://www.sevenbank.co.jp/about/disc/securities.html>

Or

(Financial Services Agency homepage EDINET)

<https://info.edinet.go.jp/EdiHtml/main.htm>

## **2. Information on Seven Bank, Ltd.**

There is no material change from the “Chart of the Overall Organization of Seven Bank (Descriptions of Business)” or “Main Affiliated Companies” reported in the latest Annual Securities Report, submitted on June 25, 2007.

## **3. Management Policy**

Our basic policies in conducting business activities, management target benchmarks and medium to long-term company management strategies, as well as issues to be addressed are disclosed in the “Financial Statements Summary for the Year Ending March 31, 2007 (non-consolidated)”, submitted on May 11, 2007. From the information in the Financial Statements Summary, there are no material changes to disclose in this Financial Statement.

To see the Financial Statements Summary, please visit the following URL

(Company homepage, disclosure page)

<http://www.sevenbank.co.jp/about/disc/settle.html>

## 4. Interim Financial Statements

### (1) Interim Balance Sheets (as of September 30, 2007)

(Million Yen)

Items	Amounts	Items	Amounts
<b>(Assets)</b>		<b>(Liabilities)</b>	
Cash and dues from banks	257,955	Deposits	211,745
Call loans	87,900	Negotiable certificates of deposits	93,880
Investment securities	64,787	Borrowed funds	65,000
Prepaid pension expenses	100	Corporate bonds	75,000
Accrued income receivables	6,789	ATM temporary receipts	31,841
ATM temporary payments	115,299	Other liabilities	10,492
Other assets	1,218	Reserve for employees' bonuses	235
Tangible fixed assets	14,479	Reserve for directors retirement benefits	245
Intangible fixed assets	14,822	Allowance for losses on lease cancellation	2,337
Deferred tax assets	1,786	<b>Total Liabilities</b>	<b>490,779</b>
Allowance for bad loans	(73)	<b>(Net assets)</b>	
		Capital stock	30,500
		Capital surplus	30,512
		Capital reserves	30,500
		Other capital reserves	12
		Retained earnings	19,151
		Other retained earnings	19,151
		Earned surplus carried forward	19,151
		Treasury shares	(5,868)
		Total shareholders' equity	74,295
		Unrealized gains on other securities	(9)
		Total revaluation, translation losses and gains	(9)
		<b>Total Net Assets</b>	<b>74,285</b>
<b>Total Assets</b>	<b>565,065</b>	<b>Total Liabilities and Net Assets</b>	<b>565,065</b>

- Notes**
1. Amounts of less than one million yen are rounded down.
  2. Investment securities with quoted market prices are stated at their quoted market prices on the interim balance sheet date (cost of investment securities sold is computed primarily under the moving average method). Investment securities where quoted market prices are not available are stated at acquisition costs as computed under the moving average method. Total net unrealized gains / losses on the marketable securities are directly recorded in shareholders' equity.
  3. Derivatives transactions are calculated based on fair value.
  4. Depreciation for tangible fixed assets is generally computed under the declining-balance method (not including buildings to which the straight-line method is applied, but including building attachments) to which the straight-line method is applied), and their estimated annual depreciation amounts are recorded proportionally over the period of their useful lives. The estimated useful lives of tangible fixed assets are as follows:  
 Buildings: 6 to 18 years  
 Equipment: 2 to 20 years  
 Due to revisions to the Tax Law for 2007, tangible fixed assets acquired after April 1, 2007 were amortized under the depreciation methods prescribed in the amended Tax Law. Subsequent to this change, both ordinary profit and net income for this period came to 291 million yen less than those calculated under conventional methods.

From this period, with regard to the tangible fixed assets acquired before March 31, 2007, we began to amortize the remaining book value of these assets evenly over five years beginning from the fiscal year succeeding the fiscal year when their accumulated depreciation reached the maximum depreciable amounts. This procedure had little impact on this Interim Financial Statement.

5. Depreciation for intangible fixed assets is computed under the straight-line method. Software for internal use is amortized over the estimated useful life (5 years).
6. Assets and liabilities denominated in foreign currencies are translated into Japanese yen, mainly at the exchange rate prevailing on the consolidated balance sheet date.
7. Allowance for bad loans is calculated in accordance with the predetermined internal standards for write-offs and allowance based on the following policy.

Normal loans and loans that require special attention are defined in “Operational Guidelines for Verification of Internal Control for Self-Assessment of Assets in Banks and Other Financial Institutions” (JICPA Bank Auditing Special Committee Report No. 4). They are classified into certain categories, and allowance is made on the basis of anticipated default rates. Allowance reserved for loans to debtors at risk of bankruptcy are determined as the amounts deemed necessary on the basis of the balance remaining after deducting the estimated amounts recoverable from the disposal of collateral and execution of guarantees. Allowance reserved for loans to debtors that are legally or virtually bankrupt are determined to be the balance remaining after the expected amount to be collected through disposal of collateral or execution of guarantees.

All loan assets are assessed by the business departments and audited by the Credit Examination Division, which is independent from the business departments, to comply with the standards for self-assessment of assets. The allowance amount of the reserve is determined based on the results of this audit.

8. Reserve for employees’ bonuses is provided for the payment of future bonus payments to employees, reflecting an estimated amount accrued on the balance sheet date.
9. Reserve for retirement benefit is provided for the payment of employees’ retirement benefits. It represents the required amount calculated from the estimated retirement benefit obligations and estimated pension assets at the period-end. As of this period-end, the estimated pension assets exceeded the combined amount of estimated retirement benefits and the difference between the unrecognized past service liabilities and unrealized actual loss, therefore the excess amount was recorded as prepaid pension expense. Net actual gains or losses between past service liabilities and actual difference are amortized under the following methods.

Past service liabilities	Amortized under the straight-line method over a certain period (10 years) within the employees’ average remaining service period in the fiscal year when the actual difference was incurred. The amortization commenced this fiscal year.
Actual difference	Amortized under the straight-line method over a certain period (10 years) within the employees’ average remaining service period in the fiscal year when the actual difference was incurred. The amortization commenced this fiscal year.

10. Reserve for directors’ retirement benefits is set up for the payment of directors’ retirement benefits. It represents the required amount at the period-end, calculated based on the Company’s regulations.
11. “Allowance for losses on lease cancellation” was provided for the future losses coming due to the cancellation of an ATM lease contract within the contract period, due to the replacement of the conventional ATM with the second-generation ATM. The allowance amount was calculated based on rational consideration of the second-generation ATM replacement plan as well as other factors.
12. The accounting for financial leases, except those where the ownership title is deemed to have been transferred to the lessee, is the same as for operating lease transactions.
13. Exceptional interest rate swaps is carried out for liabilities. Interest rate swaps are applied to individual asset as a hedge accounting method to hedge against interest rate risks arising from fluctuations in the market.
14. National and local consumption taxes are excluded from transaction amounts.
15. The accumulated depreciation of tangible fixed assets is 4,962 million yen.
16. Investment securities are pledged as collateral for foreign exchange settlements and the overdraft facility provided by the Bank of Japan is 64,493 million yen. Of which, deposit was 632 million yen.
17. Net asset per common share is 63,674.56 yen



18. Investment securities details such as market values and valuation differences, etc. are described as follow.

Other investment securities with market values

	Acquisition cost (Million Yen)	Amount on Balance Sheet (Million Yen)	Valuation differences (Million Yen)
Bonds	64,508	64,493	(15)
of which Government bonds	64,508	64,493	(15)
Total	64,508	64,493	(15)

“Unrealized gains on other securities” includes △9 million yen, net of deferred tax liability of 6 million yen thereto.

19. Investment securities that have no market value and their book values are described as follows

Securities	Book value (Million Yen)
Other investment securities	
Unlisted stocks	294

20. The main causes for deferred tax assets and deferred tax liabilities are described as follows.

Deferred tax assets	(millions of Yen)
Non-deductible allowance for losses on lease cancellation	951
Accrued enterprise tax	328
Non-deductible allowance for depreciation	301
Non-deductible reserve for directors' retirement benefits	100
Non-deductible reserve for employees' bonuses	95
Non-deductible allowance for bad loans	29
Others	19
Total deferred tax assets	1,826
Deferred tax liabilities	
Prepaid expenses	40
Total deferred tax liabilities	40
Net deferred tax assets	<u>1,786</u>

21. We entered into Loan Commitment Agreements with 4 banks. The available borrowing amount under this agreement at the end of this period was as follows.

Total loan commitment	15,000 mil. yen
Outstanding borrowing amount	-
Balance	<u>15,000 mil. yen</u>

22. With revision of some of the definitions concerning the scope of investment securities in the “Accounting standards for Financial Instruments” (ASBJ Statement No. 10, issued on June 15, 2007) and "Practical Guidelines on Accounting Standards for Financial Instruments" (JIPCA Accounting Practice Committee Statement No. 14, issued on July 4, 2007) from the accounting period or interim accounting period ending after the date when the Financial Instruments and Exchange Law of Japan became effective, we accordingly applied the amended accounting standards and practical guidance from this period.

## (2) Interim Profit and Loss Statement (from April 1, 2007 through September 30, 2007)

(Million Yen)

Items	Amount
<b>Ordinary income</b>	41,139
Interest income	493
of which interest and dividends on securities	254
Fees and commissions	40,416
of which ATM commissions received	39,552
Other operating income	53
Other ordinary income	175
<b>Ordinary expenses</b>	29,383
Interest expenses	1,357
(of which interest on deposits)	203
Fees and commissions	4,057
(of which ATM instalment fees)	3,813
(of which ATM commissions)	135
Other operating expenses	65
General & administrative expenses	23,823
Other expenses	79
<b>Ordinary profit</b>	11,755
<b>Extraordinary losses</b>	1,230
<b>Income before income taxes</b>	10,525
<b>Income, residence and business taxes</b>	3,941
<b>Income taxes adjustments</b>	357
<b>Net income</b>	6,226

**Notes**

1. Amounts less than one million yen are rounded down.
2. Net income per common share 5,337.94 yen
3. There are no potential new shares.
4. "Other expenses" include transfer to allowance for bad loans of 2 million yen.
5. "Extraordinary losses" include loss on disposal of fixed assets of 62 million yen and the provision of the allowance for loss on lease cancellation of 1,056 million yen.

## (3) Interim Statement of Changes in Net Assets (from April 1, 2007 through September 30, 2007)

(Million Yen)

	Shareholders' equity						
	Capital stock	Capital surplus			Retained earnings	Treasury shares	Total shareholders' equity
		Capital reserve	Other capital surplus	Total capital reserve	Other retained earnings		
Balance at March 31, 2007	30,500	30,500	5	30,505	18,756	(5,901)	73,861
Change during the period							
Cash dividends				-	(5,831)		(5,831)
Net income				-	6,226		6,226
Disposal of treasury shares			6	6		33	39
Net changes in items other than shareholders' equity during the period				-			-
Total changes during the period	-	-	6	6	394	33	433
Balance at September 30, 2007	30,500	30,500	12	30,512	19,151	(5,868)	74,295

	Valuation and translation adjustments		Total net assets
	Net unrealized gains on other securities	Total valuation and translation adjustments	
Balance at March 31, 2007	(11)	(11)	73,849
Changes during the period			
Cash dividends		-	(5,831)
Net income		-	6,226
Disposal of treasury shares		-	39
Net changes in items other than stockholders' equity during the period	2	2	2
Total changes during the period	2	2	435
Balance at September 30, 2007	(9)	(9)	74,285

**Notes**

1. Amounts less than one million yen are rounded down.
2. Types and number of shares issued and treasury shares are as follows.

(1,000 shares)

	Number of shares as of the previous fiscal year-end	Number of shares increased during the period	Number of shares decreased during the period	Number of shares as of the period-end	Memos
Shares issued					
Common shares	1,220	-	-	1,220	
Total	1,220	-	-	1,220	
Treasury shares					
Common shares	53	-	0	53	(Note)
Total	53	-	0	53	

(Note) Decrease in number of treasury shares (nil) is based on the disposal decision resolved by the Board of Directors on August 3, 2007.

3. No stock options.
4. Information on dividends is as follows.

Dividends paid in the six months ended September 30, 2007

Date of resolution	Type of shares	Aggregate amount of dividends	Cash dividends per share	Record date	Effective date
Board meeting held on June 1, 2007	Common shares	5,831 mil. yen	5,000 yen	March 31, 2007	June 25, 2007

Of the dividends that record dates that fall in this period, no dividend's effective date comes after the last date of this period.

5. Details of "Other retained earnings" are as follows.

	Balance at March 31, 2007	Change during the period	Balance at September 30, 2007
Earned surplus carried forward	18,756 mil. yen	394 mil. yen	19,151 mil. yen

## (4) Interim Cash Flows Statement (from April 1, 2007 through September 30, 2007)

(Million Yen)	
Items	Amount
1. Cash flows from operating activities	
Income before income taxes	10,525
Depreciation	4,693
Net change in allowance for loan losses (loss)	2
Net change in allowance for loss on lease cancellation (loss )	27
Net change in allowance for relocation loss (loss )	(87)
Interest income	(493)
Interest expenses	1,357
Net gains on securities (loss )	64
Net gains from disposal of fixed assets (loss )	62
Net change in deposits (loss )	23,909
Net change in negotiable certificates of deposit (loss )	6,580
Net change in call loans, and so forth (loss )	6,600
Net change in AMT uncollected funds(loss )	(29,830)
Interest received	429
Interest paid	(1,353)
Other	(75)
Subtotal	22,409
Income taxes paid	(7,641)
<b>Net cash flows from operating activities</b>	14,768
II Cash flows from investing activities	
Purchase of investment securities	(232,146)
Proceeds from maturity of investment securities	237,500
Purchase of tangible fixed assets	(7,330)
Purchase of intangible fixed assets	(3,800)
<b>Net cash used in investing activities</b>	(5,777)
III Cash flows from financing activities	
Dividends paid	(5,831)
Proceeds from disposal of treasury shares	39
<b>Cash used in financing activities</b>	(5,792)
IV Effect of exchange rate changes on cash and cash equivalents	-
V Net change in cash and cash equivalent	3,197
VI Cash and cash equivalents at the beginning of the fiscal year	254,757
VII Cash and cash equivalents at the end of the period	257,955

**Notes**

1. Amounts less than one million yen are rounded down.
2. Cash and cash equivalents in this statement are defined as “Cash on hand and at banks” on the Interim Balance Sheet.
3. The balance of cash and cash equivalents at period-end and the amount described in the interim balance sheet are as follows

Cash on hand and at banks	<u>257,955 million yen</u>
Cash and cash equivalents	<u>257,955 million yen</u>

## (5) Comparative Interim Balance Sheets (Condensed)

(Million Yen)

Items	September 30, 2006 (A)	September 30, 2007 (B)	Change (B – A)	March 31, 2007 (condensed) (C)	Change (B – C)
<b>(Assets)</b>					
Cash and dues from banks	258,739	257,955	(783)	254,757	3,197
Call loans	19,400	87,900	68,500	94,500	(6,600)
Investment securities	71,473	64,787	(6,685)	78,338	(13,551)
Prepaid pension Expenses	69	100	30	84	15
Uncollected revenue	6,162	6,789	627	6,562	226
ATM temporary payment	67,572	115,299	47,726	72,783	42,516
Other assets	646	1,218	572	954	263
Tangible fixed assets	3,970	14,479	10,509	9,024	5,454
Intangible fixed assets	11,776	14,822	3,045	13,677	1,145
Deferred income tax assets	979	1,786	806	2,145	(359)
Allowance for bad loans	(86)	(73)	13	(70)	(2)
<b>Total assets</b>	<b>440,703</b>	<b>565,065</b>	<b>124,361</b>	<b>532,757</b>	<b>32,308</b>
<b>(Liabilities)</b>					
Deposits	197,147	211,745	14,598	187,836	23,909
Negotiable certificates of deposit	68,110	93,880	25,770	87,300	6,580
Borrowed money	65,000	65,000	-	65,000	-
Bonds	15,000	75,000	60,000	75,000	-
ATM advanced payment	16,468	31,841	15,372	19,155	12,685
Other liabilities	9,905	10,492	587	21,785	(11,293)
Reserve for employees' bonuses	191	235	43	199	36
Reserve for directors' retirement benefits	209	245	36	231	14
Allowance for losses on lease cancellation	-	2,337	2,337	2,310	27
Allowance for relocation loss	-	-	-	87	(87)
<b>Liabilities</b>	<b>372,033</b>	<b>490,779</b>	<b>118,746</b>	<b>458,907</b>	<b>31,872</b>
<b>(Net assets)</b>					
Capital stock	30,500	30,500	-	30,500	-
Capital surplus	30,500	30,512	12	30,505	6
Capital reserve	30,500	30,500	-	30,500	-
Other capital reserve	-	12	12	5	6
Retained earnings	13,613	19,151	5,537	18,756	394
Other retained earnings	13,613	19,151	5,537	18,756	394
Earned surplus carried	13,613	19,151	5,537	18,756	394
Treasury shares	(5,940)	(5,868)	71	(5,901)	33
Total net assets	68,673	74,295	5,621	73,861	433
Net unrealized losses on other securities	(3)	(9)	(5)	(11)	2
Total valuation and translation	(3)	(9)	(5)	(11)	2
<b>Total net assets</b>	<b>68,670</b>	<b>74,285</b>	<b>5,615</b>	<b>73,849</b>	<b>435</b>
<b>Total liabilities and net assets</b>	<b>440,703</b>	<b>565,065</b>	<b>124,361</b>	<b>532,757</b>	<b>32,308</b>

(Note) Amounts less than one million yen are rounded down.

## (6) Comparative Interim Profit and Loss Statement (Condensed)

(Million Yen)

Items	September 30, 2006 (A)	September 30, 2007 (B)	Change (B – A)	March 31, 2007 (condensed) (C)
<b>Ordinary income</b>	37,234	41,139	3,904	75,427
Interest income	122	493	370	422
of which interest and dividends on securities	107	254	146	284
Fees and commissions	37,055	40,416	3,360	74,875
of which ATM commissions	36,046	39,552	3,505	73,124
Other operating income	-	53	53	-
Other ordinary income	55	175	119	129
<b>Ordinary expenses</b>	24,314	29,383	5,069	50,405
Interest expenses	529	1,357	827	1,534
of which interest on deposits	76	203	126	224
Fees and commissions	2,829	4,057	1,228	6,491
of which ATM instalment commissions	2,666	3,813	1,146	6,150
of which ATM commissions	75	135	59	158
Other operating expenses	367	65	(302)	653
General & administrative expenses	20,464	23,823	3,358	41,574
Other expenses	122	79	(43)	151
<b>Ordinary profit</b>	12,919	11,755	(1,164)	25,021
<b>Extraordinary losses</b>	571	1,230	658	4,012
Income before income taxes	12,347	10,525	(1,822)	21,009
Income, residence and business taxes	4,885	3,941	(944)	9,564
Income taxes adjustments	(62)	357	420	(1,223)
<b>Net income</b>	7,524	6,226	(1,298)	12,667

(Note) Amounts less than one million yen are rounded down.

## (7) Comparative Interim Statement of Changes in Net Assets (Condensed)

Previous interim period (from April 1, 2006 through September 30, 2006)

(Million Yen)

	Shareholders' equity					Valuation and translation adjustments		Total net assets
	Capital stock	Capital reserve	Retained earnings	Treasury shares	Total shareholders' equity	Net unrealized gains on other securities	Total valuation and translation adjustments	
Balance at March 31, 2006	61,000	-	6,089	-	67,089	(8)	(8)	67,080
Change during the period								
Transfer of capital stock to capital reserve	(30,500)	30,500			-		-	-
Net income			7,524		7,524		-	7,524
Acquisition of treasury shares				(5,940)	(5,940)		-	(5,940)
Net changes in items other than shareholders' equity during the period					-	5	5	5
Total changes during the period	(30,500)	30,500	7,524	(5,940)	1,584	5	5	1,589
Balance at September 30, 2006	30,500	30,500	13,613	(5,940)	68,673	(3)	(3)	68,670

(Note) Amounts less than one million yen are rounded down.

Current interim period (from April 1, 2007 through September 30, 2007)

(Million Yen)

	Shareholders' equity					Valuation and translation adjustments		Total net assets
	Capital stock	Capital reserve	Retained earnings	Treasury shares	Total shareholders' equity	Net unrealized gains on other securities	Total valuation and translation adjustments	
Balance at March 31, 2007	30,500	30,505	18,756	(5,901)	73,861	(11)	(11)	73,849
Change during the period								
Cash dividends			(5,831)		(5,831)		-	(5,831)
Net income			6,226		6,226		-	6,226
Disposal of treasury shares		6		33	39		-	39
Net changes in items other than stockholders' equity during the period					-	2	2	2
Total changes during the period	-	6	394	33	433	2	2	435
Balance at September 30, 2007	30,500	30,512	19,151	(5,868)	74,295	(9)	(9)	74,285

(Note) Amounts less than one million yen are rounded down.



Previous fiscal year (from April 1, 2006 through March 31, 2007)

(Million yen)

	Shareholders' equity					Valuation and translation adjustments		Total net assets
	Capital stock	Capital reserve	Retained earnings	Treasury shares	Total shareholders' equity	Net unrealized gains on other securities	Total valuation and translation adjustments	
Balance at March 31, 2006	61,000	-	6,089	-	67,089	(8)	(8)	67,080
Change during the period								
Transfer of capital stock to capital reserve	(30,500)	30,500			-		-	-
Net income			12,667		12,667		-	12,667
Acquisition of treasury shares				(5,940)	(5,940)		-	(5,940)
Disposal of treasury shares		5		38	44		-	44
Net changes in items other than shareholders' equity during the period					-	(2)	(2)	(2)
Total changes during the period	(30,500)	30,505	12,667	(5,901)	6,772	(2)	(2)	6,769
Balance at March 31, 2007	30,500	30,505	18,756	(5,901)	73,861	(11)	(11)	73,849

(Note) Amounts less than one million yen are rounded down.

## (8) Comparative Cash Flows Statement

(Million Yen)

Items	From April 1, 2006 through September 30, 2006 (A)	From April 1, 2007 through September 30, 2007 (B)	Change (B – A)	From April 1, 2006 through March 31, 2007
<b>I Cash flows from operating activities</b>				
Income before income taxes	12,347	10,525	(1,822)	21,009
Depreciation	2,187	4,693	2,506	5,412
Net change in allowance for loan losses (loss)	40	2	(38)	25
Net change in allowance for loss on lease	-	27	27	2,310
Net change in allowance for relocation loss (loss )	-	(87)	(87)	87
Interest income	(122)	(493)	(370)	(422)
Interest expenses	529	1,357	827	1,534
Net gains on securities (loss )	56	64	7	105
Net gains from disposal of fixed assets (loss )	45	62	16	77
Net change in deposits (loss )	15,376	23,909	8,532	6,065
Net change in negotiable certificates of deposit (loss )	53,000	6,580	(46,420)	72,190
Net change in call loans, and so forth (loss )	(19,400)	6,600	26,000	(94,500)
Proceeds from issuance and maturity of ordinary bonds (loss )	-	-	-	60,000
Net change in AMT uncollected funds (loss )	(24,809)	(29,830)	(5,021)	(27,332)
Interest received	226	429	202	418
Interest paid	(485)	(1,353)	(867)	(1,144)
Other	(131)	(75)	55	(302)
Subtotal	38,862	22,409	(16,453)	45,535
Income taxes paid	(3,855)	(7,641)	(3,785)	(5,784)
<b>Net cash flows from operating activities</b>	<b>35,006</b>	<b>14,768</b>	<b>(20,238)</b>	<b>39,750</b>
<b>II Cash flows from investing activities</b>				
Purchase of investment securities	(83,558)	(232,146)	(148,587)	(162,178)
Proceeds from maturity of investment securities	65,500	237,500	172,000	145,500
Purchase of tangible fixed assets	(3,317)	(7,330)	(4,013)	(10,178)
Purchase of intangible fixed assets	(2,069)	(3,800)	(1,731)	(5,358)
<b>Net cash flows from investing activities</b>	<b>(23,445)</b>	<b>(5,777)</b>	<b>17,667</b>	<b>(32,215)</b>
<b>III Cash flows from financing activities</b>				
Dividends paid	-	(5,831)	(5,831)	-
Acquisition of treasury shares	(5,940)	-	5,940	(5,940)
Proceeds from disposal of treasury shares	-	39	39	44
<b>Cash flows from financing activities</b>	<b>(5,940)</b>	<b>(5,792)</b>	<b>147</b>	<b>(5,895)</b>
<b>IV Effect of exchange rate changes on cash and cash equivalents</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>V Net change in cash and cash equivalents</b>	<b>5,621</b>	<b>3,197</b>	<b>(2,423)</b>	<b>1,640</b>
<b>VI Cash and cash equivalents at the beginning of the fiscal</b>	<b>253,117</b>	<b>254,757</b>	<b>1,640</b>	<b>253,117</b>
<b>VII Cash and cash equivalents at the end of the period</b>	<b>258,739</b>	<b>257,955</b>	<b>(783)</b>	<b>254,757</b>

(Note) Amounts less than one million yen are rounded down.

**[Per Share Data]**

		Previous interim period (as of September 30, 2006)	Current interim period (as of September 30, 2007)	Previous fiscal year (as of March 31, 2007)
Net assets per share	Yen	58,894.16	63,674.56	63,317.15
Net income per share	Yen	6,305.06	5,337.94	10,736.56
Net income per share (diluted)	Yen	-	-	-

(Note) 1. Net income per share is calculated based on the following:

		Previous interim period (from April 1, 2006 through September 30, 2006)	Current interim period (from April 1, 2007 through September 30, 2007)	Previous fiscal year (from April 1, 2006 through March 31, 2007)
Net income per share	Yen	6,305.06	5,337.94	10,736.56
Net income	Mil. Yen	7,524	6,226	12,667
Amount not to attributable to common shareholders	Mil. Yen	-	-	-
Net income attributable to common share	Mil. Yen	7,524	6,226	12,667
Average number of common shares during the period	1,000 shares	1,193	1,166	1,179

2. There is no income per share data as there were no potential new shares.

## 5. Other Financial Information

Other information relating to the first half (six months) of the Company' fiscal year (from April 1, 2007 through September 30, 2007) is as follows.

### 1. "Loans disclosed under the Financial Reconstruction Law"

Classification of loans	(Million Yen)		(Reference) (Million Yen)
	As of September 30, 2006	As of September 30, 2007	As of March 31, 2007
Unrecoverable or valueless loans	-	-	-
Doubtful loans	-	-	-
Loans in need of special caution	-	-	-

(Note) The above loans as of each period-end are classified based on the provision of Article 4 of the Ordinance for Enforcement of The Law concerning Emergency Measures for the Revitalization of Financial Functions.

### 2. Capital ratio (Japanese standards)

	As of September 30, 2007 (preliminary)	(Reference) As of March 31, 2007 (actual)
	Non-consolidated capital ratio	36.52%
Non-consolidated Tier 1 ratio	36.49%	37.91%

### 3. Gains or losses on valuation of marketable securities

#### o Unrealized gains / losses on valuation

	(Million Yen)				(Reference)				(Million Yen)					
	As of September 30, 2006				As of September 30, 2007				As of March 31, 2007					
	Fair value	Unrealized gains/losses on valuation		Gains	Losses	Fair value	Unrealized gains/losses on valuation		Gains	Losses	Fair value	Unrealized gains/losses on valuation		Gains
Other investment securities		71,473	(5)				5	10				64,493	(15)	
Equity securities	-	-	-	-	-	-	-	-	-	-	-	-	-	
Bonds	71,473	(5)	5	10	64,493	(15)	0	15	78,194	(19)	0	19		
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	

(Notes) 1. "Unrealized gains / losses on valuation" and "Unrealized profits and losses" as of each interim period-end represent the difference between their book value (after the application of amortized cost method) and fair value.

2. There are no held-to-maturity securities or share investments in subsidiaries or affiliates.

4. Derivative transactions

(1) Interest rate related transactions

		(Million Yen)						(Reference)	(Million Yen)	
Markets	Transaction type	As of September 30, 2006			As of September 30, 2007			As of March 31, 2007		
		Contract amount	Fair value	Gains or losses on valuation	Contract amount	Fair value	Gains or losses on valuation	Contract amount	Fair value	Gains or losses on valuation
Stock Exchange	-----	-	-	-	-	-	-	-	-	-
OTC	Interest rate swaps	35,000	(65)	(65)	35,000	110	110	35,000	24	24
	Total			(65)			110			24

(Note) The above figures exclude derivative transactions to which hedge accounting are excluded.

(2) Currency related transactions

Not applicable

(3) Shares related transactions

Not applicable

(4) Bonds related transactions

Not applicable

(5) Commodity related transactions

Not applicable

(6) Other transactions

Not applicable