

## Financial results for the six months ended September 2009

### Q&A

- Q. Please describe your dividend policy for next fiscal year and beyond.
- A. Our intention is to maintain a dividend payout ratio of 35%. In certain circumstances a renegotiation of terms may require us to distribute a portion of earnings to our alliance partners, but we would aim to achieve this without any corresponding reduction in shareholder dividends. We have therefore left our fiscal 2009 dividend forecast unchanged despite the prospect of lower profits.
- Q. What are your forecasts for your small-denomination card loan services over the next two to three years?
- A. We have no specific numerical targets and have not included this segment in our earnings forecasts.
- Q. What is the estimated cost of discounted inter-bank ATM usage fees?
- A. Negotiations are still in progress, so we cannot go into any specifics at this time. This discounting arrangement would be undertaken within our existing pricing fee framework, with discounts to be linked to increased transactional volume.
- Q. What are the main factors behind the 3.0 billion yen downward revision of your full-year revenue forecast?
- A. Volume and revenue are up for deposit-taking financial institutions, but this has not been enough to offset a decline in revenue from non-banks. We have also factored in the likely impact of changes in the terms of contracts with Japan Post Bank and other banks.
- Q. What do you expect to gain in return for these changes in contract terms?
- A. Our alliance partners will have a cost incentive to encourage their customers to use our ATM network, thereby helping us to build transactional volume in the longer term.
- Q. What are your plans regarding (1) installation of cash dispensers on corporate premises on behalf of other financial institutions and (2) use of locations from which other banks have withdrawn or intend to withdraw?
- A. We expect to have around 30 arrangements in place by the end of fiscal 2009. We have already been approached by a number of banks, but we intend to proceed cautiously based on a careful screening process.

Q. Won't discounting inter-bank ATM usage fees place larger banks at an advantage?

A. We intend to take bank size into account when formulating our policy.

Q. Do you have any plans to increase ATM usage fees charged to alliance partners?

A. We have no such plans. Our aim is to boost profits wherever possible through our card loans and new business by efficient use of existing infrastructure.

Q. Are you planning further cost-cutting initiatives for the second half of fiscal 2009?

A. We are currently examining strategies for controlling our infrastructure costs, and we also expect deployment of third-generation ATMs to deliver significant cost savings.

Q. Will you announce full details of the proposed third-generation ATMs along with your full-year financial results?

A. We do not expect to be in a position to provide details until around autumn 2010.

Q. Was the decision to discount inter-bank ATM usage fees made in response to requests from alliance partners?

A. No, we made the decision of our own accord.

Q. Are you discounting inter-bank ATM usage fees because of the cost savings that will be achieved by deploying next-generation ATMs?

A. The two matters are entirely unrelated. We have a clear duty to our investors to keep running costs as low as possible, and we seek to ensure that this responsibility is reflected in each and every one of our management decisions.