

## Financial results presentation for the second quarter of Fiscal 2010

### Key Q&As

Q: Did fiscal-first-half strategies to encourage use of ATMs produce results?

A: In some geographic areas, we tied up with financial institutions and 7-11 stores to boost name recognition of cards that can be used at our ATMs. Our efforts produced results in those areas. We intend to continue implementing soundly devised strategies going forward.

Q: You introduced discounts for banks that depend on the number of transactions processed. Did this have any effect?

A: Total number of transactions and revenues from banks have risen, so we are seeing a positive effect.

Q: Is there any room left for further cost cutting?

A: We still have room to make cuts by streamlining operations, controlling nonessential expenses, and so on.

Q: Have you made any changes to your 2012 outlook for depreciation expenses, outsourcing expenses, and maintenance fees?

A: These expenses will be affected by the pace with which we replace current ATMs with the new 3<sup>rd</sup> generation models. Our ATM rollout schedule has not changed, so our outlook also remains unchanged.

Q: How do you intend to market international money transfer services?

A: We intend to conduct promotions targeting corporations at which foreign residents work, communities in which they congregate, and so on. We are currently interviewing foreign residents from a range of countries as a means of researching their needs and behavior patterns.

Q: You plan to launch international money transfer services for Internet banking and ATMs at different times. Will the content of the services be the same?

A: There will be no major differences in service content.

Q: What were your reasons for deciding to execute a share buyback.

A: Our decision was partly based on our share price, but the buyback is not a one-off response to our share price.

Even after considering growth investment prospects, we determined that we have more than sufficient capital. We accordingly decided to enhance shareholder returns while also boosting capital efficiency through the buyback. Going forward, we will continue to act on such opportunities as we deem appropriate.

Q: Are you buying back your own shares because you have no other investment prospects?

A: In examining new business prospects, we are also uncovering opportunities to invest for growth. We do have other investment prospects but decided to execute the buyback because we view it as a more immediate priority.

Q: What percentage of your shares will your parent company (Seven & i Holdings) own when the buyback is complete?

A: Unless our parent company sells any shares, its percentage of ownership will increase by about 1%.

Q: How do you respond when shareholders who have held your shares since before those shares were listed indicate that they want to sell them?

A: We leave such decisions up to the shareholder. The departure of long-term shareholders has the benefit of increasing our stock liquidity.