

# Appendix

Financial results for the Second Quarter of Fiscal 2013  
(Non-Consolidated Data)



November 2013

## Basic Information

Headquarters	1-6-1 Marunouchi Chiyoda-ku, Tokyo
Major business lines	ATM services / Other financial services

## Key data

(as of Sep. 30, 2013)

Net assets	145.1 billion yen
Common stock	30.5 billion yen
No. of ATMs	18,844
No. of manned outlets	5
No. of employees	435

## Major Shareholders (as of Sep. 30, 2013)

Shareholders	No. of Shares	% of voting rights
Seven-Eleven Japan	453,639,000	38.09
State Street Bank and Trust Company	54,309,855	4.56
Ito-Yokado	46,961,000	3.94
York-Benimaru	45,000,000	3.77
The Master Trust Bank of Japan, Ltd. (Trust account)	39,237,900	3.29
Japan Trustee Services Bank, Ltd. (Trust account)	33,939,800	2.84
Sumitomo Mitsui Banking Corporation	15,000,000	1.25
The Dai-ichi Life Insurance Company	15,000,000	1.25
Japan Trustee Services Bank, Ltd. (Trust account 9)	14,564,200	1.22
JP Morgan Chase Bank 385174	14,278,000	1.19

## Concept of incorporation: Everyone's ATM network

<b>Anytime</b>	24 hours, 365 days a year
<b>Anywhere</b>	Throughout Japan
<b>Everyone's ATM network</b>	Approx. 590 domestic alliance partners, cards issued overseas
<b>Safe and secure</b>	Safe, monitored locations, high security

## History

- Apr. 2001 Incorporated under the name IY Bank Co., Ltd.
- Oct. 2005 Changed corporate name to Seven Bank, Ltd.
- Feb. 2008 Listed on the JASDAQ Standard Market of OSE  
\* Delisted on April 14, 2012
- Dec. 2011 Listed on the First Section of TSE
- Oct. 2012 Made U.S.-based ATM operating company FCTI a consolidated subsidiary

Shareholders	No. of Shares	% of voting rights
7&i HD group companies	545,600,000	45.81
Financial institutions	218,003,700	18.30
Financial companies	16,917,935	1.42
Other corporations	65,326,860	5.48
Foreign corporations	222,895,973	18.71
Individuals	122,204,532	10.26

Notes:

- 1) For voting rights percentages, amounts have been truncated at the second decimal place.
- 2) Orange shading indicates 7&i HLDGS. group companies.
- 3) Other corporations excludes 7&i HLDGS. group companies.

## Trends in income (since establishment)

Unit: billion yen

	FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12
Ordinary income	1.9	11.5	29.1	47.9	64.6	75.4	83.6	89.8	88.8	83.9	88.3	94.1
ATM-related fee income	1.8	11.3	28.9	45.8	61.9	73.1	80.1	85.5	85.2	80.5	83.8	88.8
Ordinary expenses	14.0	19.7	26.0	37.8	45.2	50.4	59.0	61.0	58.4	56.5	58.7	62.0
Interest expenses	0.0	0.0	0.0	0.4	0.6	1.5	2.7	2.7	2.1	2.0	1.9	1.6
ATM placement fee expenses	0.3	1.1	2.2	3.5	4.5	6.1	7.7	8.5	9.0	9.3	9.9	10.6
Outsourcing expenses	5.1	7.0	8.5	12.0	14.4	13.7	13.7	13.9	13.9	14.2	15.0	15.8
Maintenance fees	0.3	0.8	1.1	3.0	2.5	2.9	3.4	3.5	3.5	3.9	4.2	3.9
Rent for premises and equipment	2.0	3.4	4.6	6.3	7.5	6.7	4.7	2.8	2.4	2.1	1.0	0.8
Depreciation and amortization	1.6	2.6	3.1	3.5	4.3	5.4	11.4	15.4	12.8	11.6	12.3	13.8
Ordinary profit (loss)	(12.1)	(8.1)	3.0	10.0	19.4	25.0	24.6	28.7	30.4	27.4	29.5	32.0
Extraordinary gain (loss)	0.0	0.0	(0.1)	(0.1)	(2.8)	(4.0)	(1.3)	(0.0)	(0.1)	(0.4)	(0.2)	(0.5)
Income taxes	0.0	0.0	(2.1)	(0.9)	6.0	8.3	9.5	11.7	12.3	10.9	12.0	11.9
	(12.1)	(8.1)	5.0	10.8	10.5	12.6	13.8	16.9	17.9	16.0	17.2	19.5

Note: Amount less than unit have been truncated.

**Customers**

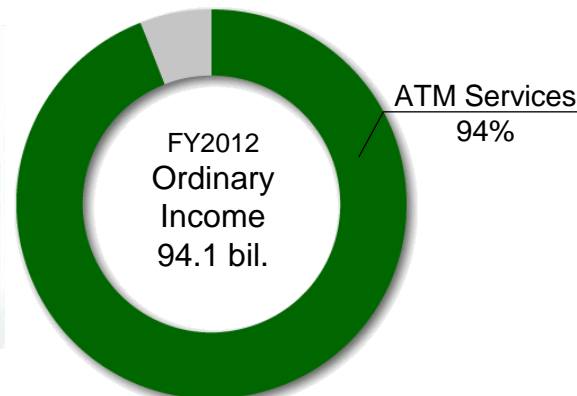
Offer ATM services that all customers can use anytime, anywhere, and securely

Offer account services that are easy to use, convenient, reasonably priced, and replace the purse

**Seven Bank Lines of Business**

**ATM Services**

- ATM services through the stores of the Seven & i Holdings Group
- ATM services available from our machines in other public and commercial facilities
- Our own ATM corner facilities
- A full range of services for operating and managing the ATMs of other financial institutions



**Bank Account Services**

- Ordinary deposit accounts and term deposit accounts
- Domestic money transfers, payment, and online settlement services
- Personal loan services
- International money transfer services etc.

Contributing to improving the efficiency of the financial system  
Creation of a symbiotic business model with partner financial institutions

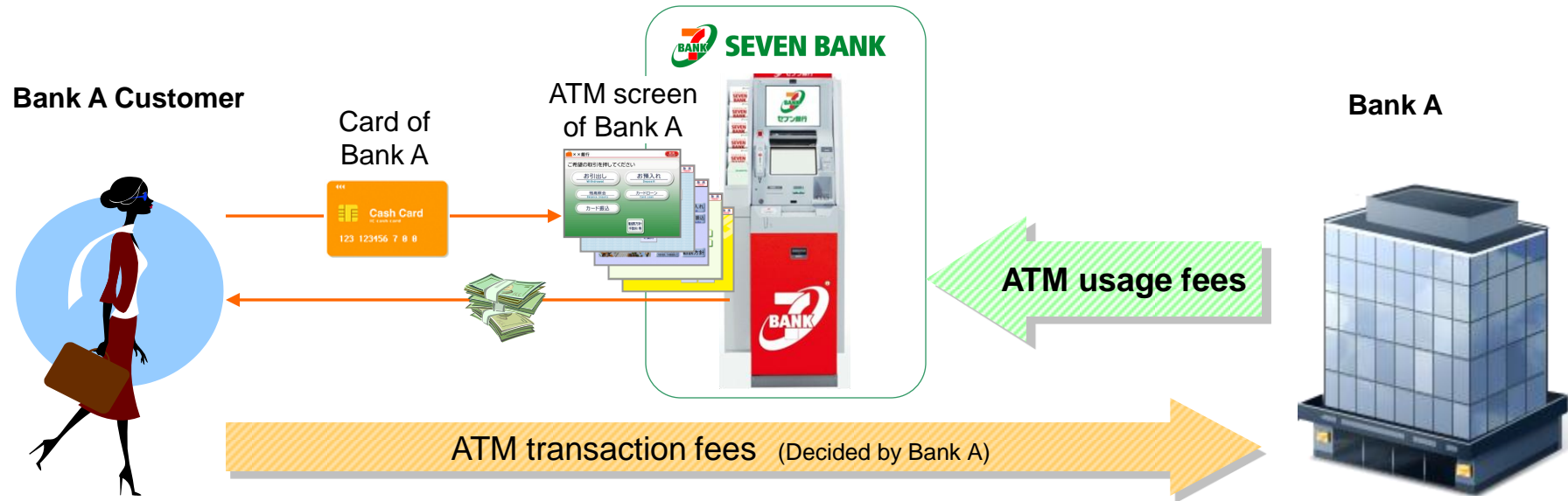
**Partner Financial Institutions**

**Deposit-Taking Financial Institutions**

- Banks
- Shinkin banks
- Credit cooperatives
- Labor banks
- JA Bank, JF Marine Bank
- Shoko Chukin Bank

**Non-banks**

- Securities companies
- Life insurance companies
- Credit card companies
- Credit companies
- Consumer finance companies
- Business loan providers



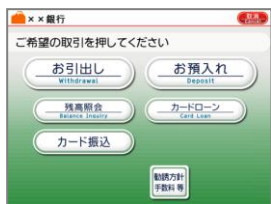
### Merits for customers

- **Convenience of ATM service hours and locations**
  - 24 x 365 availability
  - No need to carry large sums of cash for business or leisure trips
  - Access to identical services from any ATM nationwide (because of ATM management by a single bank)
- **Safety and security**
  - Security due to installation in convenience stores

### Merits for partner financial institutions

- **Access to nationwide network of ATMs operating 24 x 365 without the cost required for own ATMS**
- **Utilization as own ATMs**
  - Each bank decides its own customer fees
  - Screens identical to banks' own ATMs
- **Scaling back of own ATMs (cost reduction), marketing strategy that utilizes Seven Bank ATMs**

## Improvements in convenience



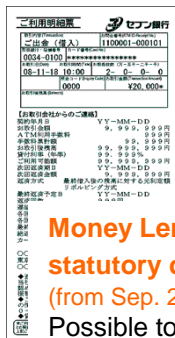
### Operation screen

Transaction screen matches that of card-issuing banks



### Secondary display

Screen display used for advertisements and warnings



### Money Lending Business Act statutory document printing

(from Sep. 2006)  
Possible to print documents as required by the Act



### "nanaco" cards

(from Oct. 2007)  
Charging and balance confirmation supported

## Assurance of safety and security



### Numerical keypad

Operations difficult for other people to see



### Operation screen

Cannot be seen diagonally from the side



### Mirror

Allows the ATM user to view the situation behind them



### IC cards

(from March 2006)  
Supports highly-secure IC cards



### Changing PIN Changing transaction limit

(from July 2007)  
Customers able to set their own transaction limit and PIN.

## Consideration to various types of customers



### Overseas cards

(from July 2007)  
Possible to withdraw yen with cards issued overseas



### Audio-guidance

(from Nov. 2007)  
Operations possible via intercom, enabling use by disabled people



### UD font

(from Nov. 2010)  
Adopted a font that is easy for everyone to see and read

## Shorter transaction times

- 33% time-saving
  - ~ Machine adjustment time between bill withdrawal and next transaction greatly reduced

## Cash operations streamlined

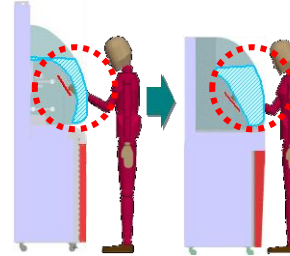
- Increase cash storage capacity, curb machine replenishment costs

## Environmental considerations

- Power-saving (48% reduction from current levels)
  - ~ Switches automatically to energy-saving mode when not in use LED-backlit transaction screen, etc
- Effective use of resources
  - ~ Long-life parts and recyclable materials make the new model resource-efficient (RoHS compliant)

## Enhanced safety and security features

### 1) More compact and user-friendly



2G ATM and 3G ATM

- Changed input screen position and angle. **Doubled** the area obscured from others' view by the shields on the left and right sides of the ATM
  - ⇒ Improved privacy by making it more difficult to spy on screen and user operations

### 2) Extra features to enhance security

#### Camera at top of unit

- ~ Records events when users forget to retrieve their ATM card or cash, enhancing security in the ATM's vicinity

#### Forget-me-not alert sensor

- ~ If the sensor detects a user moving away from the ATM without first retrieving the ATM card or cash, a voice alert will remind the user

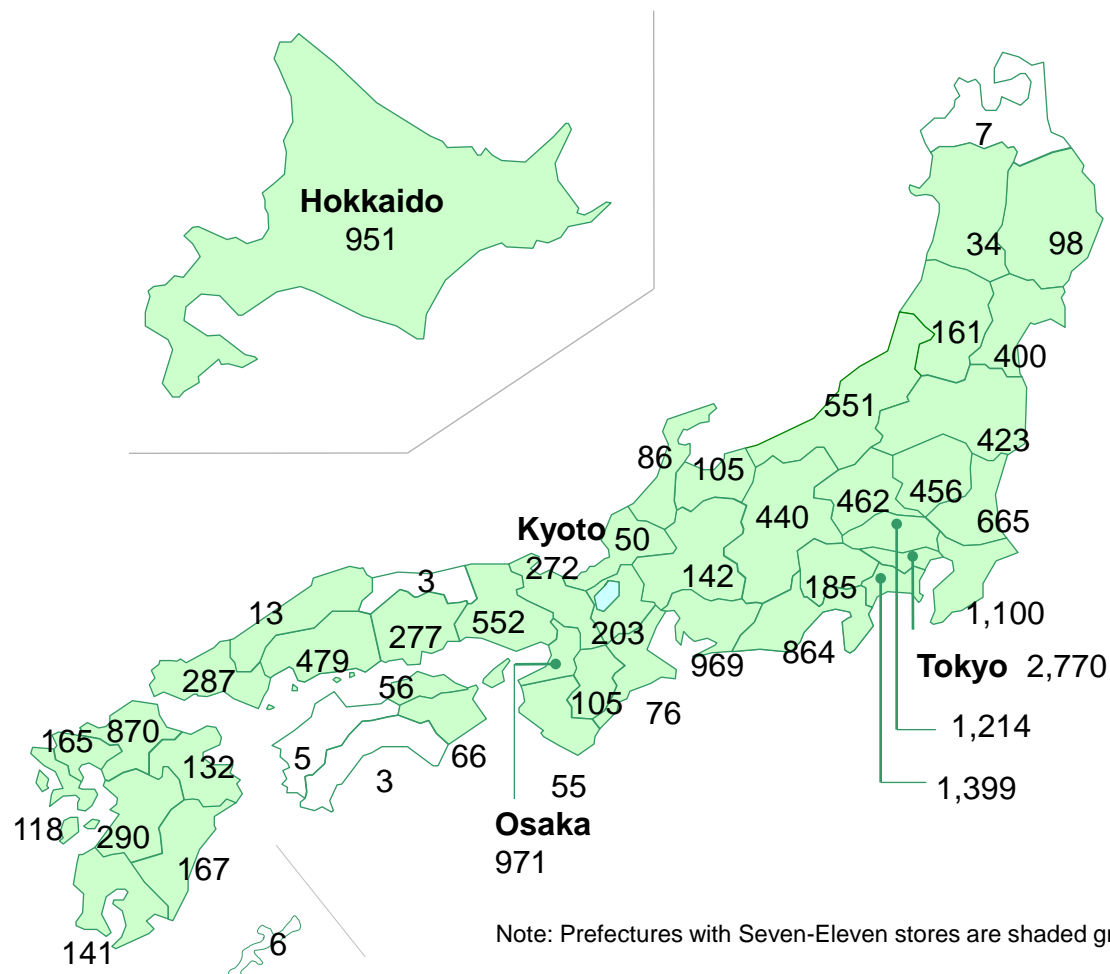
#### Second built-in speaker

- ~ A new speaker near the cash outlet provides an extra reminder not to leave items behind



No. of ATMs by prefecture (As of September 30, 2013)

Total: 18,844 ATMs



Note: Prefectures with Seven-Eleven stores are shaded green



# Trends in the number of partner companies

(Number of correspondent companies)

	FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12
Banks	7	15	27	50	63	80	92	95	97	100	105	113
“Shinkin” banks	-	-	240	241	255	263	260	264	258	262	265	264
Credit cooperatives	-	-	-	117	122	124	122	127	127	129	132	132
Labor banks	-	-	-	13	13	13	13	13	13	13	13	13
JA Bank	-	-	-	-	1	1	1	1	1	1	1	1
JF Marine Bank	-	-	-	-	1	1	1	1	1	1	1	1
Shoko Chukin Bank	-	-	-	-	-	-	-	-	1	1	1	1
Securities firms	2	2	2	2	5	8	8	8	8	9	9	9
Life insurance firms	-	4	5	5	6	8	8	8	8	8	8	8
Other financial institutions <small>(Consumer finance, credit card companies, etc.)</small>	-	27	35	41	47	50	49	49	41	43	42	42
<b>Total</b>	<b>9</b>	<b>48</b>	<b>309</b>	<b>469</b>	<b>513</b>	<b>548</b>	<b>554</b>	<b>566</b>	<b>555</b>	<b>567</b>	<b>577</b>	<b>584</b>

Note: 1) Seven Bank is not included among the correspondent companies.

2) JA Bank and JF Marine Bank are each counted as one institution.

## 24 x 365 service via over 18,000 ATMs and Internet banking

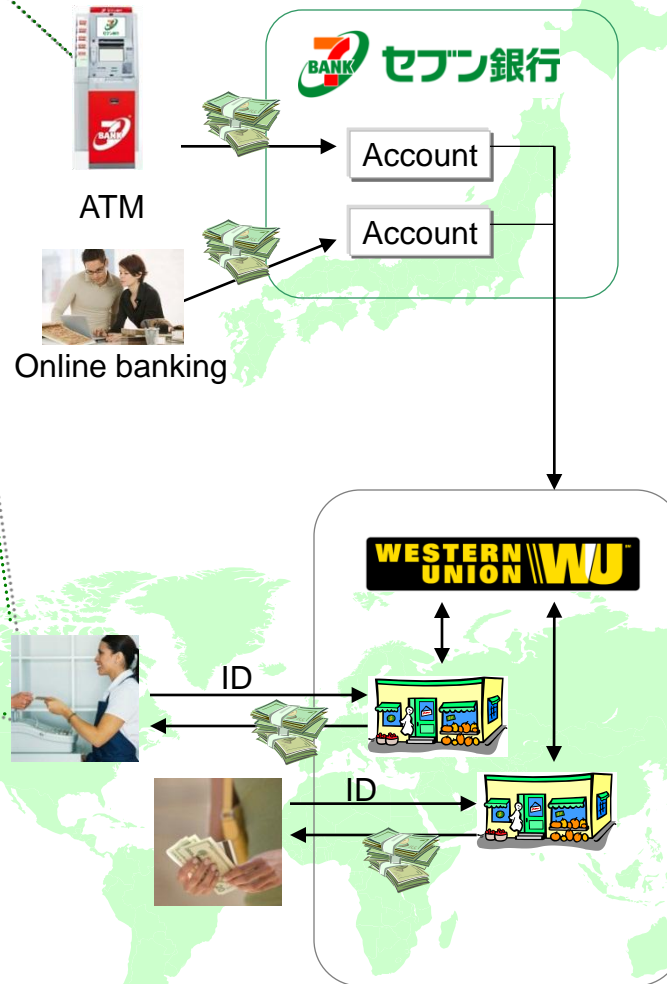
- Strict ID checks prior to account-opening
- Recipient also registers in advance
- ATMs located in Seven-Eleven stores, throughout Japan. Easy access in rural areas also

## Recipients do not need a bank account

- ID checked with personal ID documents approved under local law. Funds paid out in cash, so bank account not necessary

## Transfer charges

Amount	Some examples	
	Seven Bank	Other banks
Up to ¥10,000	¥990	¥4,000
¥10,001- ¥50,000	¥1,500	
¥50,001- ¥100,000	¥2,000	



## Strict money-laundering account checks

- Close monitoring for suspicious transaction activity etc. If discovered, matter is immediately reported to authorities

## Financial soundness

- Financial soundness supports service management

Credit ratings:

Seven Bank: AA- (S&P)

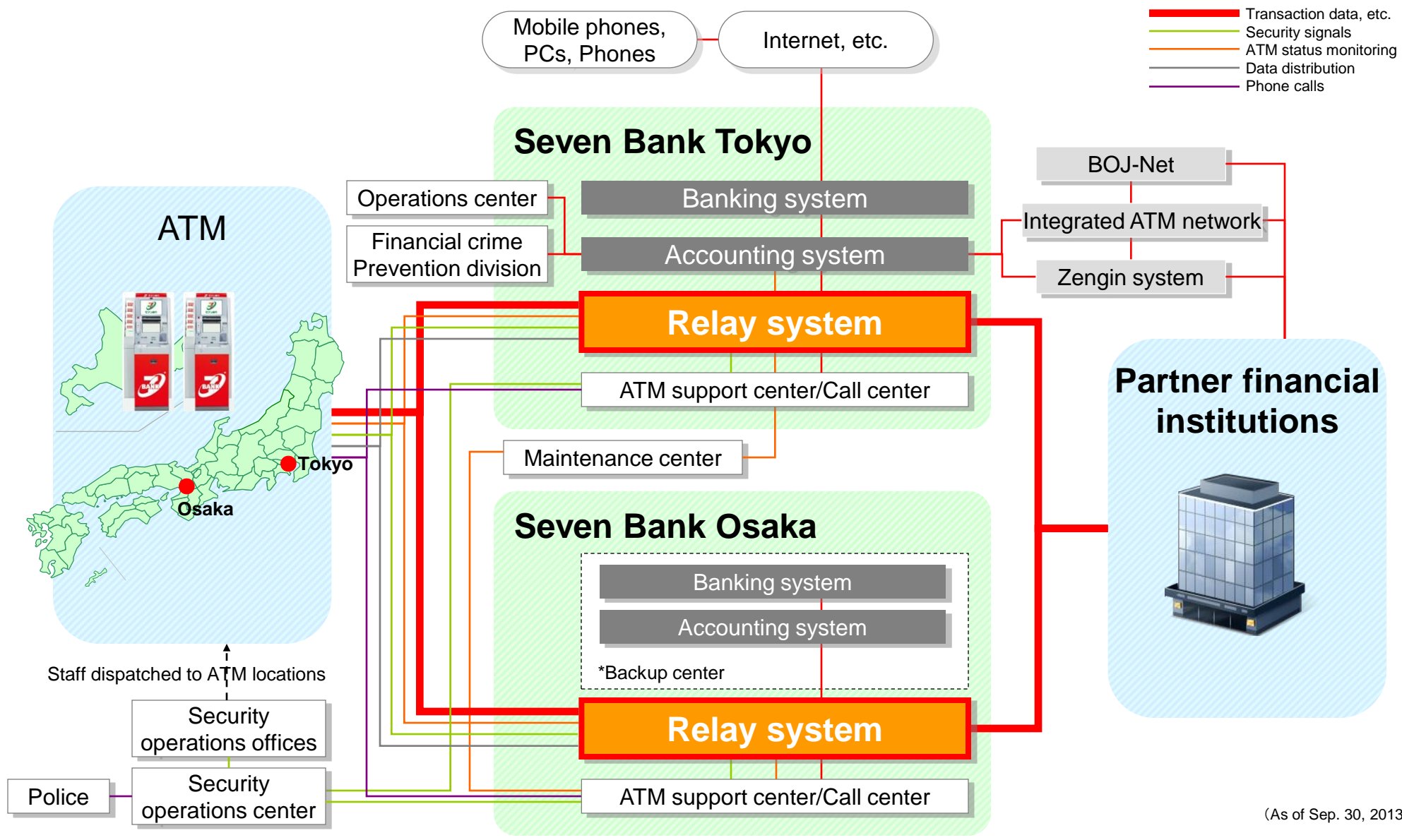
Western Union: BBB+ (S&P)

## Transfer completed in just a few minutes

- Funds available in a matter of minutes once transfer is complete

## Receipt at more than 480,000 offices in 200 countries worldwide

- Money can be sent to most countries and territories worldwide, excluding those involving major money-laundering risk



(As of Sep. 30, 2013)

## Corporate Principles

1. We aspire to be a sincere company that is trusted by its customers.
2. We aspire to be a sincere company that is trusted by its shareholders, business partners and society.
3. We aspire to be a sincere company that is trusted by its employees.

## Management Policy

1. Our aim is to be a trusted bank that fully meets customer needs.
2. Each employee will seek to speedily introduce the benefits of technical innovation and pursue self-development.
3. We will contribute to the stability and advancement of our country's financial system by providing a secure and efficient settlement infrastructure.

## Charter of Ethics (abridged)

This ethical charter represents the cornerstone of the standards to which we will conform in making the decisions involved in the management of our business.

1. Be fully aware of the public nature and social responsibilities of a bank.
2. Provide highly convenient, customer-focused services, matched to current needs.
3. Act with integrity and fairness.
4. Communicate with society.
5. Have respect for humanity.

## Compliance standards

1. Observe rules.
2. Keep promises.
3. Be honest.
4. Do not conceal the truth.
5. Protect confidentiality.
6. Do not cause trouble for others.
7. Do not mix public and private matters.
8. Combat corruption.
9. Remember the basics of service.
10. Be responsible for your own actions.