

Appendix

Financial Results for the Second Quarter of Fiscal 2016
(Non-Consolidated Data)



Nov. 2016

Basic information

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

Key data

(as of Sep. 30, 2016)

Net assets	191.6 billion yen
Common stock	30.5 billion yen
No. of ATMs	23,029
No. of manned outlets	7
No. of employees	460

Main shareholders (as of Sep. 30, 2016)

Shareholders	No. of shares	% of voting rights
Seven-Eleven Japan	453,639,000	38.07
Ito-Yokado	46,961,000	3.94
York-Benimaru	45,000,000	3.77
STATE STREET BANK AND TRUST COMPANY	30,232,689	2.53
Master Trust Bank of Japan, Ltd. (Trust account)	23,885,000	2.00
BBH FOR MATTHEWS ASIA DIVIDEND FUND	21,764,000	1.82
Japan Trustee Services, Ltd. (Trust account)	20,506,000	1.72
Sumitomo Mitsui Banking	15,000,000	1.25
Dai-ichi Life Insurance	15,000,000	1.25
JP MORGAN CHASE BANK 385174	14,340,000	1.20

Concept of incorporation: Everyone's ATM network

Anytime	24 hours, 365 days a year
Anywhere	Throughout Japan
Everyone's ATM network	Approx. 590 domestic alliance partners, cards issued overseas
Safe and secure	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
Jun. 2014	Established PT. ABADI TAMBAH MULIA INTERNASIONAL, a joint venture in Indonesia
Jul. 2014	Established Bank Business Factory Co., Ltd.

Shareholders	No. of shares	% of voting rights
7&i HD group companies	545,600,000	45.78
Financial institutions	193,614,700	16.24
Securities companies	14,097,476	1.18
Other corporations	64,350,523	5.40
Foreign investors	240,325,011	21.16
Individuals and other shareholders	133,540,162	11.20

Notes:

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

Trends in Income (Since Establishment)

(Billion yen)

	FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15
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	99.8	105.6	110.4
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	94.3	98.9	102.2
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	62.6	67.3	71.4
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	1.8	1.2	1.2
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	11.3	11.9	12.7
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	16.3	16.8	17.6
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	3.7	3.7	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	0.9	0.6	0.9	0.9
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	11.6	15.0	17.4
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	37.1	38.2	39.0
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)	(1.0)	(0.1)	(0.1)
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	13.8	13.6	12.7
Net income	(12.1)	(8.1)	5.0	10.8	10.5	12.6	13.8	16.9	17.9	16.0	17.2	19.5	22.3	24.4	26.1

Note: Amounts less than one unit have been truncated.

Customers

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

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

Offer products and services to customers at manned outlets that are easy to visit

Seven Bank Lines of Business

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.

Services for Corporate Customers

- Acceptance of cash proceeds from sales
- Cash pickup and delivery

ATM Services

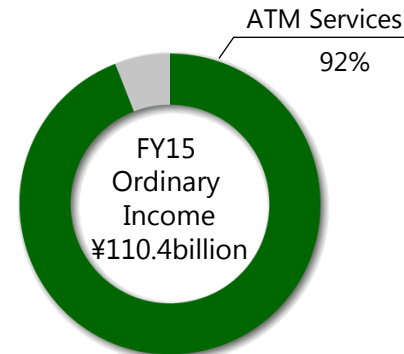
- Deposits and withdrawals
- Money transfer
- Changing PIN, etc.

7&i HLDGS. Group

- Seven-Eleven
- Ito Yokado, etc.

Outside the Group

- Airports
- Stations
- Commercial facilities, etc.



Manned Outlet Services

- Accept applications for Seven Bank accounts
- Bank agent operations

Inside Ito Yokado stores, etc.

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

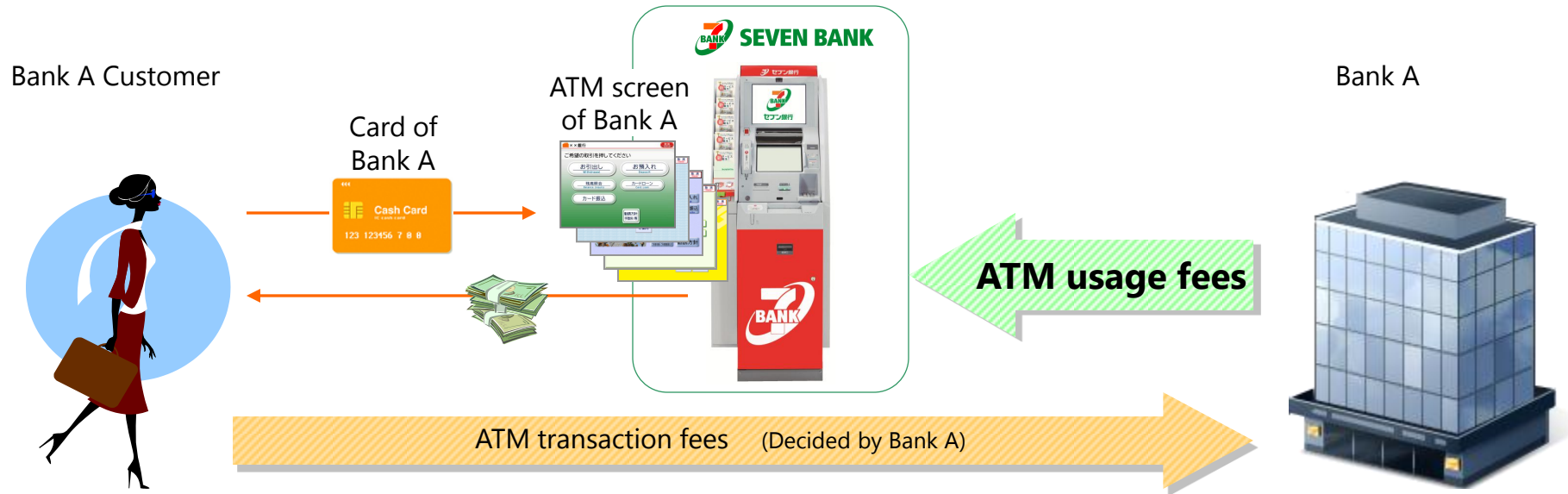
Partner Financial Institutions

Deposit-Taking Financial Institutions

- Banks
- 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



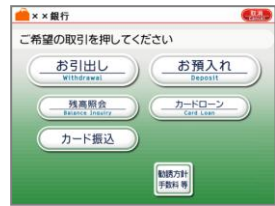
Merits for customers

- **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**

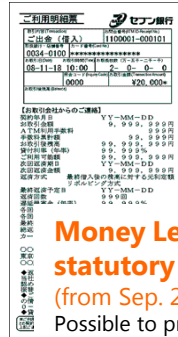
Improvements in convenience



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 Mar. 2006)
Supports highly-secure IC cards

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

Consideration to various types of customers



Overseas cards
(from Jul. 2007)
Possible to withdraw yen with cards issued overseas



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



Universal design 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

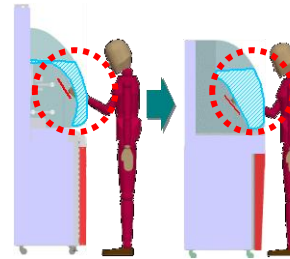
- Increase cash storage capacity, curb machine replenishment costs

Environmental considerations

- Energy-saving (approx. 48% reduction from former ATMs)
 - ~ Switches automatically to energy-saving mode when not in use
 - ~ LED-backlit transaction screen
- 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 retrieving the ATM card or cash, a voice alert will remind the user.

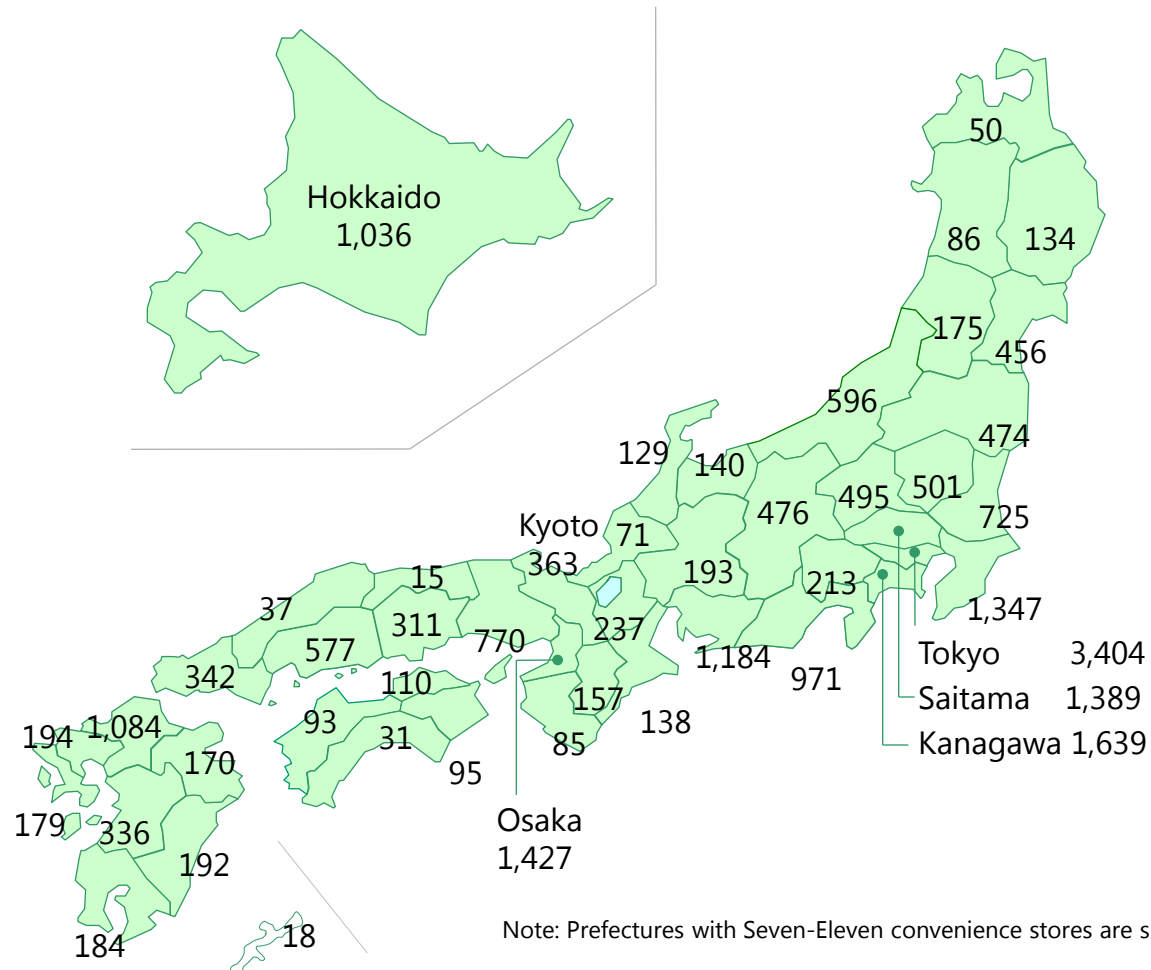
Second built-in speaker

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



No. of ATMs by prefecture (as of Sep. 30, 2016)

Total: 23,029 ATMs



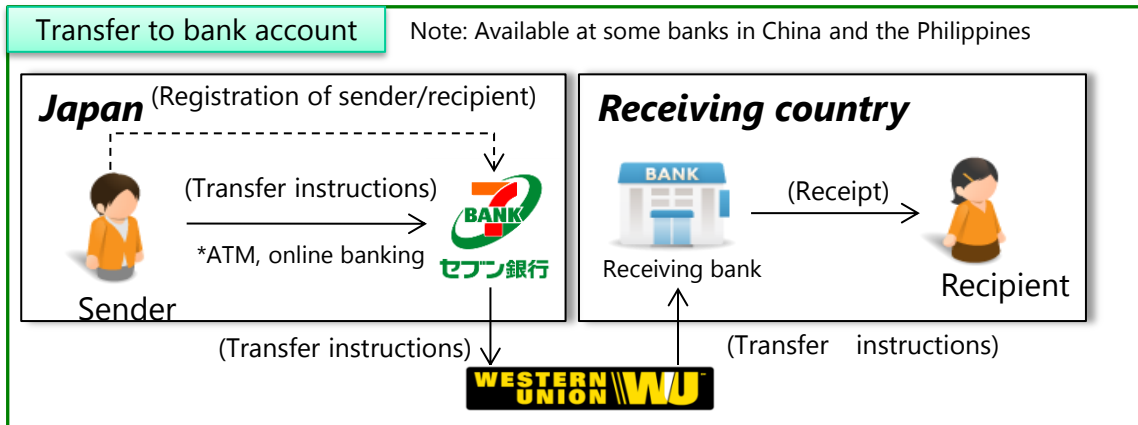
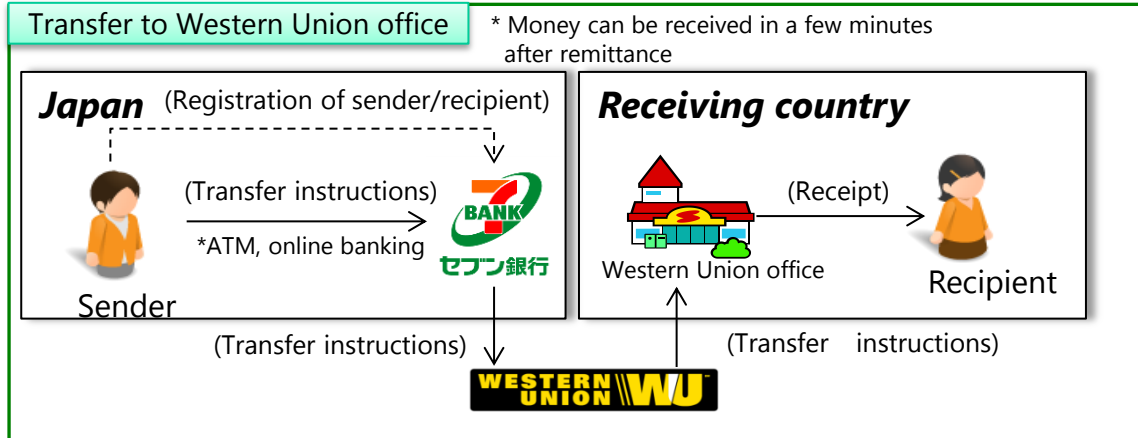
Note: Prefectures with Seven-Eleven convenience stores are shaded green

Trends in the Number of Partner Financial Institutions

	FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15
Banks	7	15	27	50	63	80	92	95	97	100	105	113	119	122	123
"Shinkin" banks	-	-	240	241	255	263	260	264	258	262	265	264	261	262	261
Credit cooperatives	-	-	-	117	122	124	122	127	127	129	132	132	131	130	129
Labor banks	-	-	-	13	13	13	13	13	13	13	13	13	13	13	13
JA Bank	-	-	-	-	1	1	1	1	1	1	1	1	1	1	1
JF Marine Bank	-	-	-	-	1	1	1	1	1	1	1	1	1	1	1
Shoko Chukin Bank	-	-	-	-	-	-	-	-	1	1	1	1	1	1	1
Securities firms	2	2	2	2	5	8	8	8	8	9	9	9	11	11	11
Life insurance firms	-	4	5	5	6	8	8	8	8	8	8	8	8	8	8
Other financial institutions (Consumer finance, credit card companies, etc.)	-	27	35	41	47	50	49	49	41	43	42	42	43	45	47
Total	9	48	309	469	513	548	554	566	555	567	577	584	589	594	595

Notes: 1. Seven Bank is not included among the partner financial institutions.

2. JA Bank and JF Marine Bank, which have many companies under their umbrella, are counted as one institute respectively.



Amount	Transfer to Western Union office	Transfer to bank account
	Transfer fee	
¥1 ~ ¥10,000	¥990	¥2,000
¥10,001 ~ ¥50,000	¥1,500	
¥50,001 ~ ¥100,000	¥2,000	
¥100,001 ~ ¥250,000	¥3,000	
¥250,001 ~ ¥500,000	¥5,000	
¥500,001 ~ ¥1,000,000	¥6,500	

24 x 365 service via over 23,000 ATMs and Internet banking

- Strict ID checks prior to account-opening
- Recipient is registered in advance
- ATMs are located in Seven-Eleven stores, throughout Japan, so that they are easy to visit for customers in rural areas.

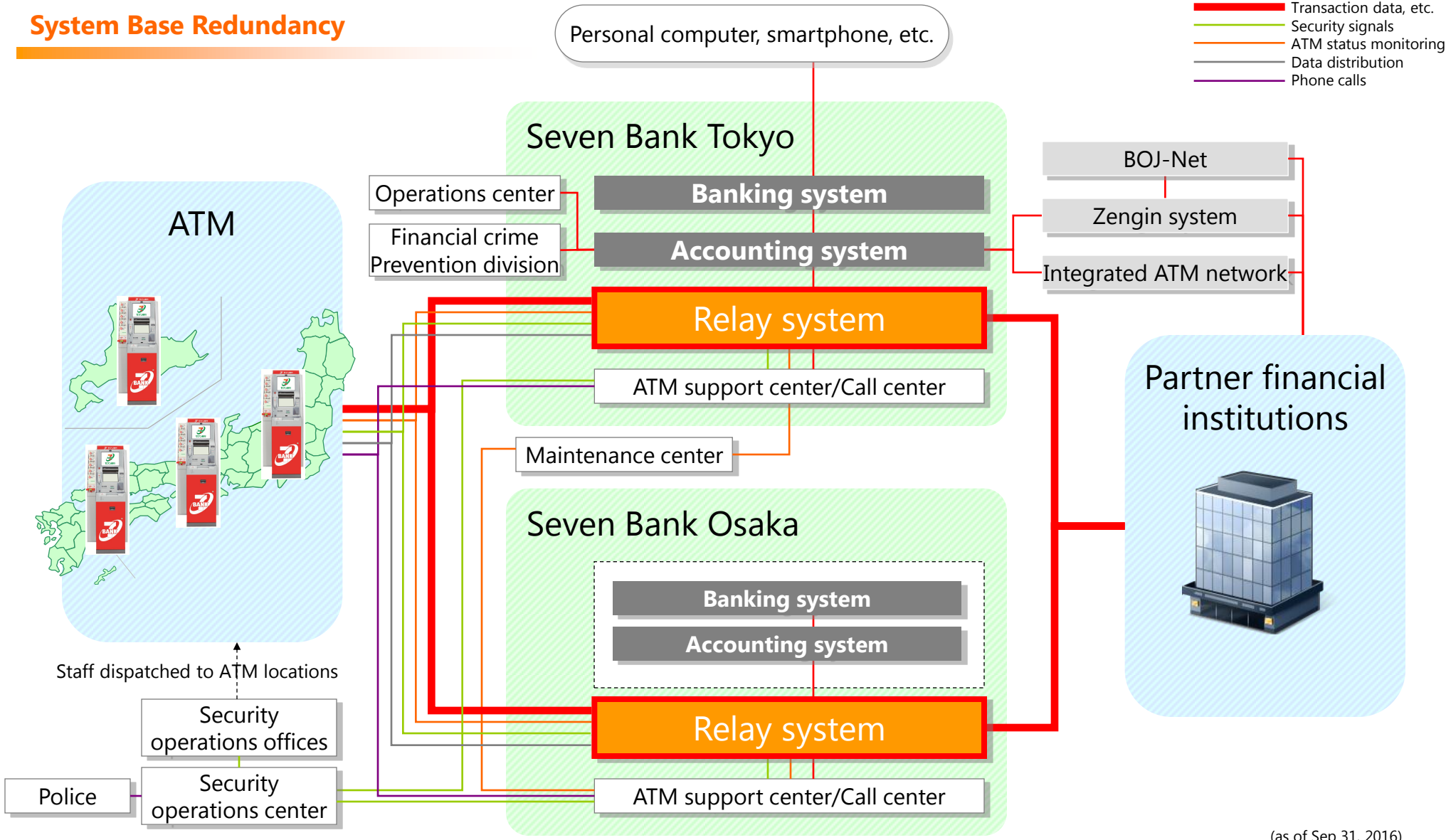
Receipt at more than 510,000 offices in 200 countries worldwide

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

Strict money-laundering account checks

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

System Base Redundancy



(as of Sep 31, 2016)

Corporate Creed

1. We aim to be a sincere company that our customers trust.
2. We aim to be a sincere company that our business partners, shareholders, and local communities trust.
3. We aim to be a sincere company that our employees trust.

Management Policy

1. We aspire to be a trusted financial service provider that fully meets customer needs.
2. We act to promptly introduce the benefits of technical innovation and pursue self-development.
3. We strive to contribute to the stability and advancement of the financial system by providing a secure and efficient payment 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.