



Financial Results

for the First Quarter of Fiscal 2020

August 7, 2020
Seven Bank, Ltd.

Today's Agenda

1

Impact of Novel Coronavirus Infection

2

Results for First Quarter of Fiscal Year Ending March 31, 2021

3

Forecast for Fiscal Year Ending March 31, 2021

Today's Agenda

1

Impact of Novel Coronavirus Infection

2

Results for First Quarter of Fiscal Year Ending March 31, 2021

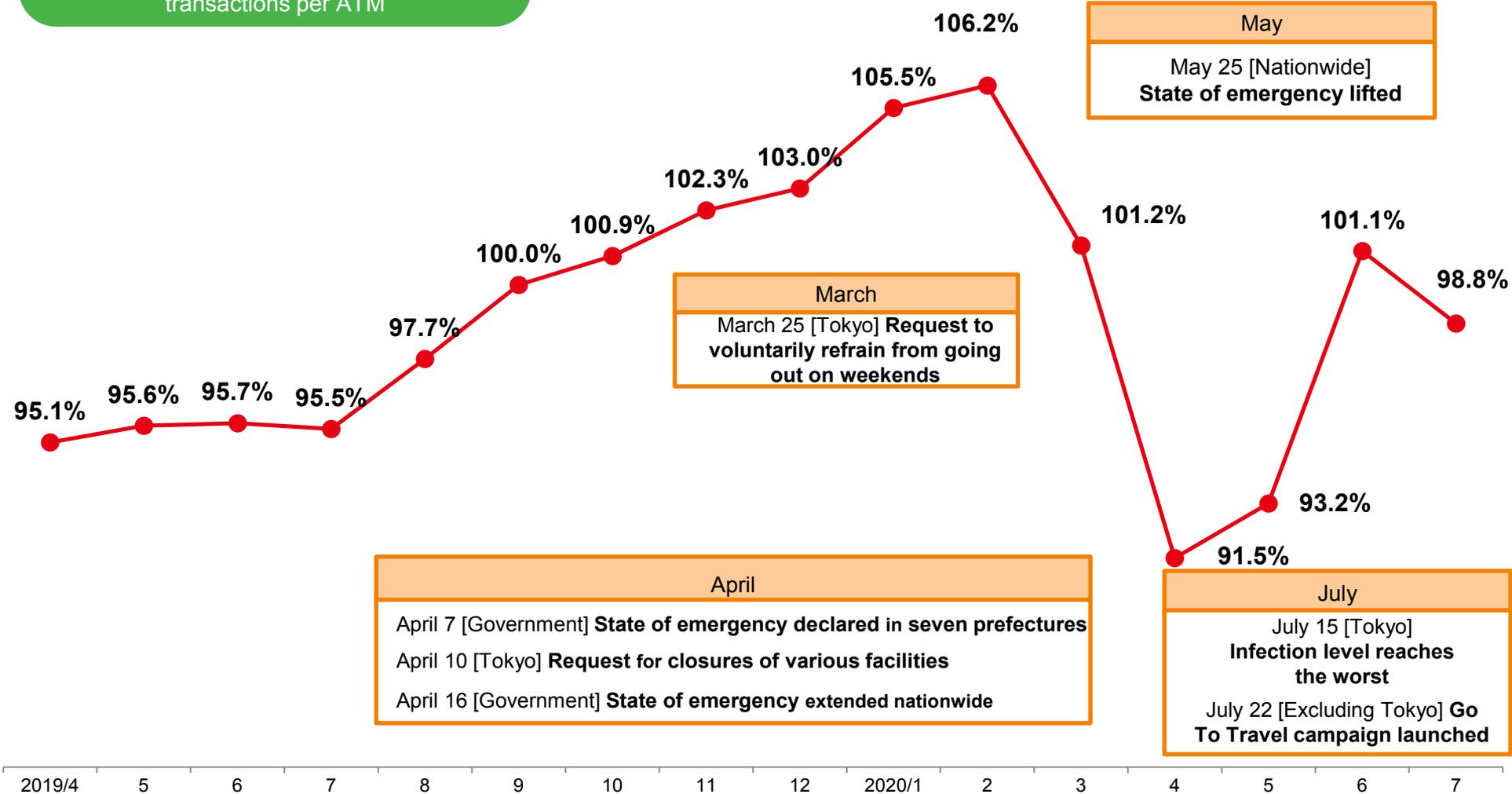
3

Forecast for Fiscal Year Ending March 31, 2021

Impact of Novel Coronavirus Infection (1)

The number of transactions at ATMs has been on a recovery trend since the lifting of the state of emergency, but the outlook remains unpredictable.

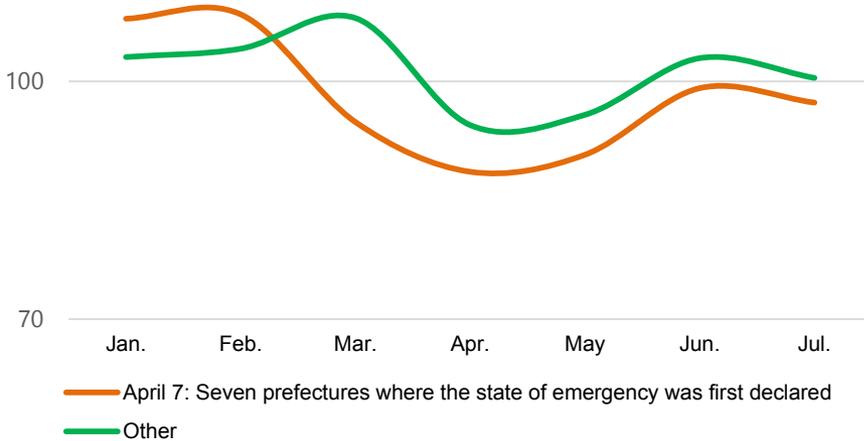
Year-on-year change in monthly average transactions per ATM



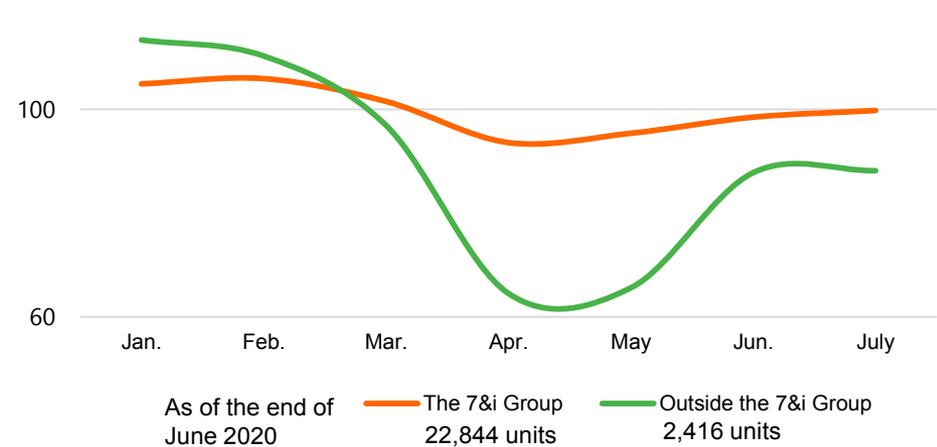
Impact of Novel Coronavirus Infection (2)

Year-on-year change in monthly average transactions per ATM

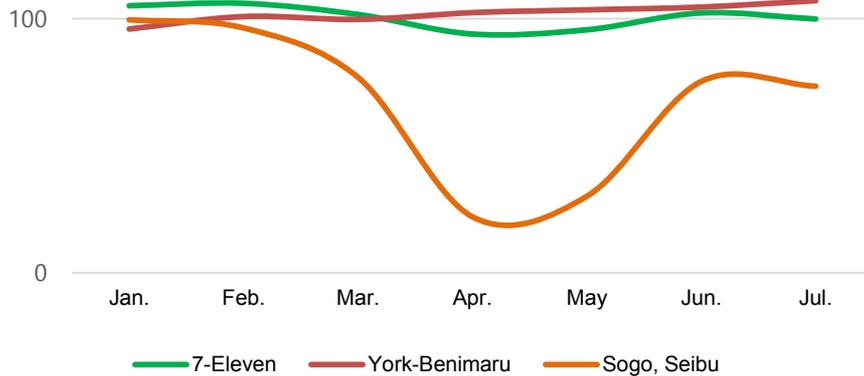
Nationwide: comparison by area



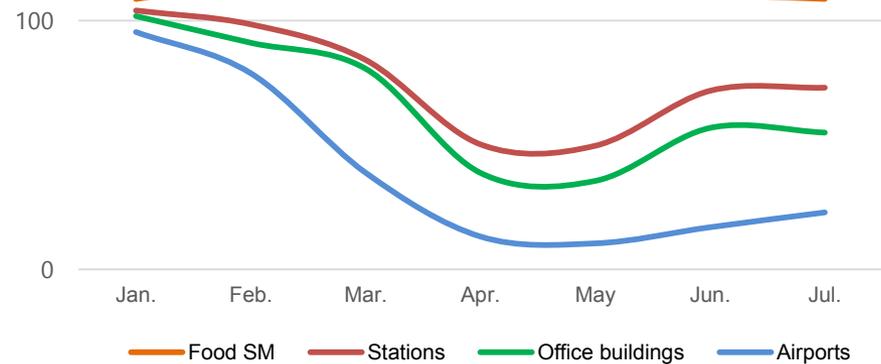
Comparison between the 7&i Group and others



Inside the 7&i Group: comparison by type of outlets



Other than the 7&i Group: comparison by location



Response Policy

- Priority on **safety and security** of customers, business partners, and employees
- Ensure stable operation of ATMs, as **social infrastructure**, so that they would not stop
- Amid **coexistence with the coronavirus**, **promote various innovations** including in-house business process, work style, business administration

Strategy

Response that takes into account daily life with the coronavirus and after the pandemic

Changes were accelerated after the spread of the coronavirus

Remote, non-face-to-face

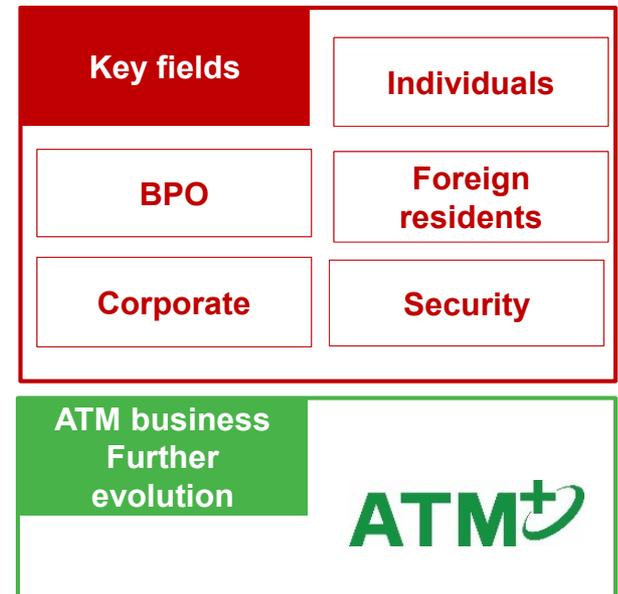
Cashless

Online

Digitization

A world where diverse options are required

- Steadily accumulate measures essential for the future growth



Today's Agenda

1

Impact of Novel Coronavirus Infection

2

Results for First Quarter of Fiscal Year Ending March 31, 2021

3

Forecast for Fiscal year Ending March 31, 2021

Results for the First Quarter of Fiscal
Year Ending March 31, 2021

➤ Both consolidated and non-consolidated (Seven Bank) income and profit declined

- Number of ATM transactions declined mainly due to the **coronavirus crisis**
(Year-on-year comparison of number of total ATM transactions in 1Q: down 4.8% in Japan, down 7.9% in the U.S.)

➤ Consolidated subsidiaries made profit contributions

- U.S. subsidiary FCTI **achieved an increase in profit** owing to the impact of controlling interest expenses, etc.
- Ordinary profit [consolidated] ¥8.3 billion > [non-consolidated] ¥8.1 billion
Net income [consolidated] ¥6.7 billion > [non-consolidated] ¥5.6 billion

Income Statement (Consolidated)

➤ Declines in both income and profit

(Billion yen)

	Three months ended June 30, 2019	Three months ended June 30, 2020		
			Changes from FY19 1Q	Comparison with FY19 1Q
Ordinary income	36.8	33.0	(3.8)	(10.3%)
Ordinary expenses	25.7	24.6	(1.1)	(4.2%)
Ordinary profit	11.1	8.3	(2.8)	(25.2%)
Net income	7.6	6.7	(0.9)	(11.8%)

Notes:

1. Amounts less than one hundred million yen have been truncated.
2. Previous-year comparisons are based on the units used in these materials.
3. Exchange rates per USD 1 on the consolidated income statement
FY19 1Q \$1 = ¥110.22, FY20 1Q \$1 = ¥108.86
4. Net income is net income attributable to owners of the parent.

Income Statement (Seven Bank)

➤ Declines in both income and profit

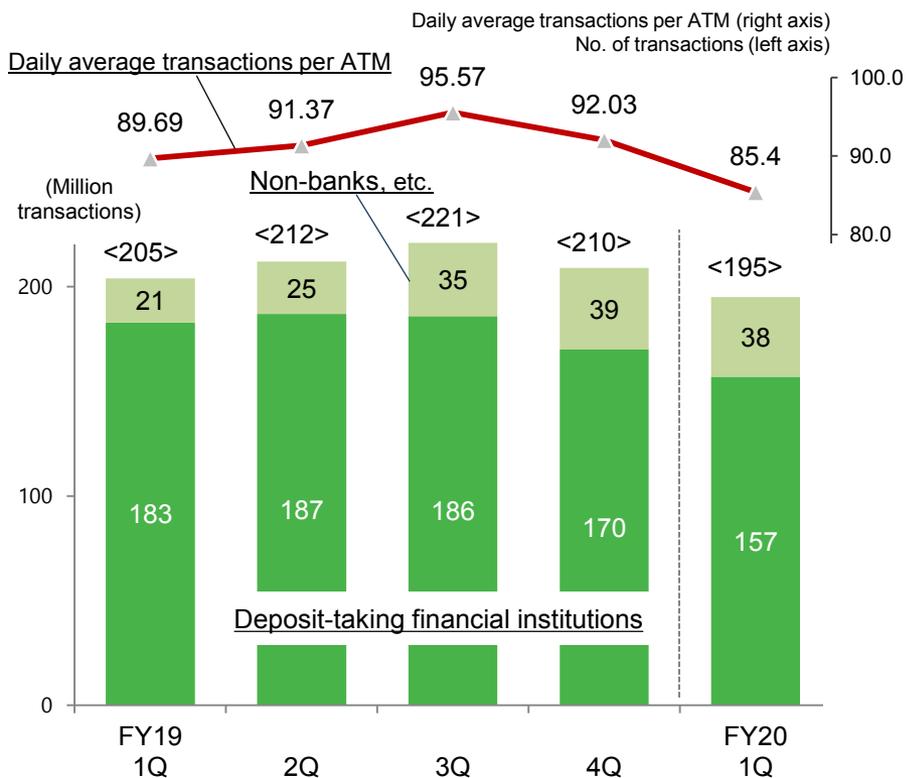
(Billion yen)

	Three months ended June 30, 2019	Three months ended June 30, 2020	Changes from	
			FY19 1Q	Comparison with FY19 1Q
Ordinary income	29.8	26.5	(3.3)	(11.0%)
ATM-related fee income	27.0	23.8	(3.2)	(11.8%)
Ordinary expenses	18.4	18.4	(0.0)	(0.0%)
Ordinary profit	11.3	8.1	(3.2)	(28.3%)
Net income	7.8	5.6	(2.2)	(28.2%)
EBITDA	14.8	11.2	(3.6)	(24.3%)
No. of ATMs installed at end of term (units)	25,252	25,260	8	+0.0%
ATM-related fee income per transaction (yen)	135.0	124.8	(10.2)	(7.5%)
Daily average transactions per ATM (transactions/ATM/day)	89.6	85.4	(4.2)	(4.6%)
Total no. of transactions (million)	205	195	(10)	(4.8%)

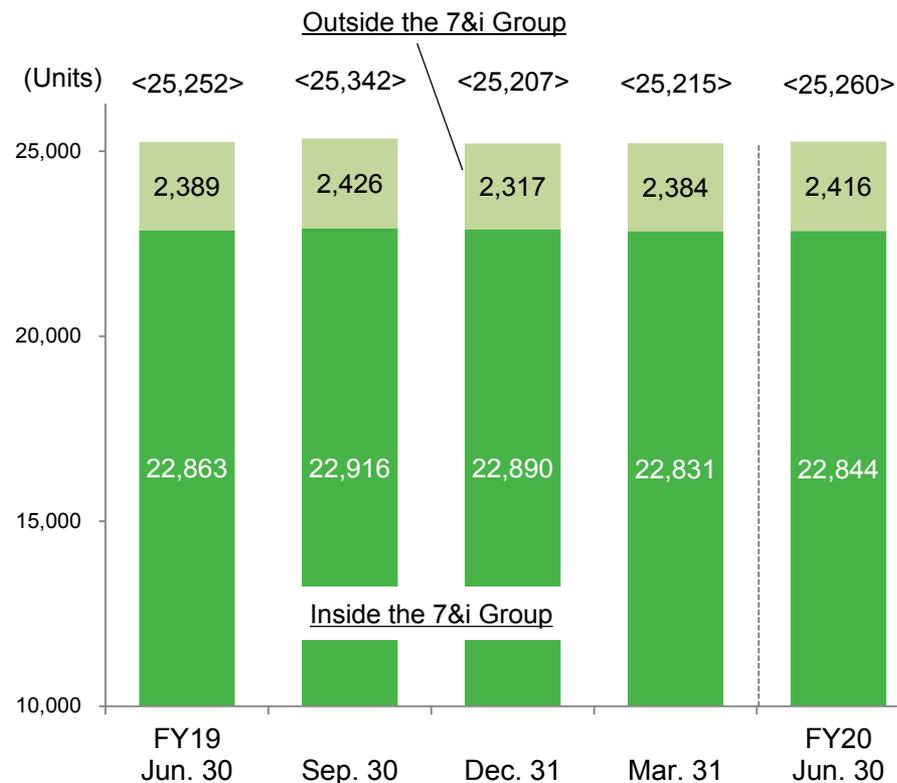
Note: All EBITDA in this material are Ordinary profit + Depreciation and amortization.

ATM Platform Business Figures (Seven Bank)

Number of Transactions and Daily Average Transactions per ATM



Number of ATMs



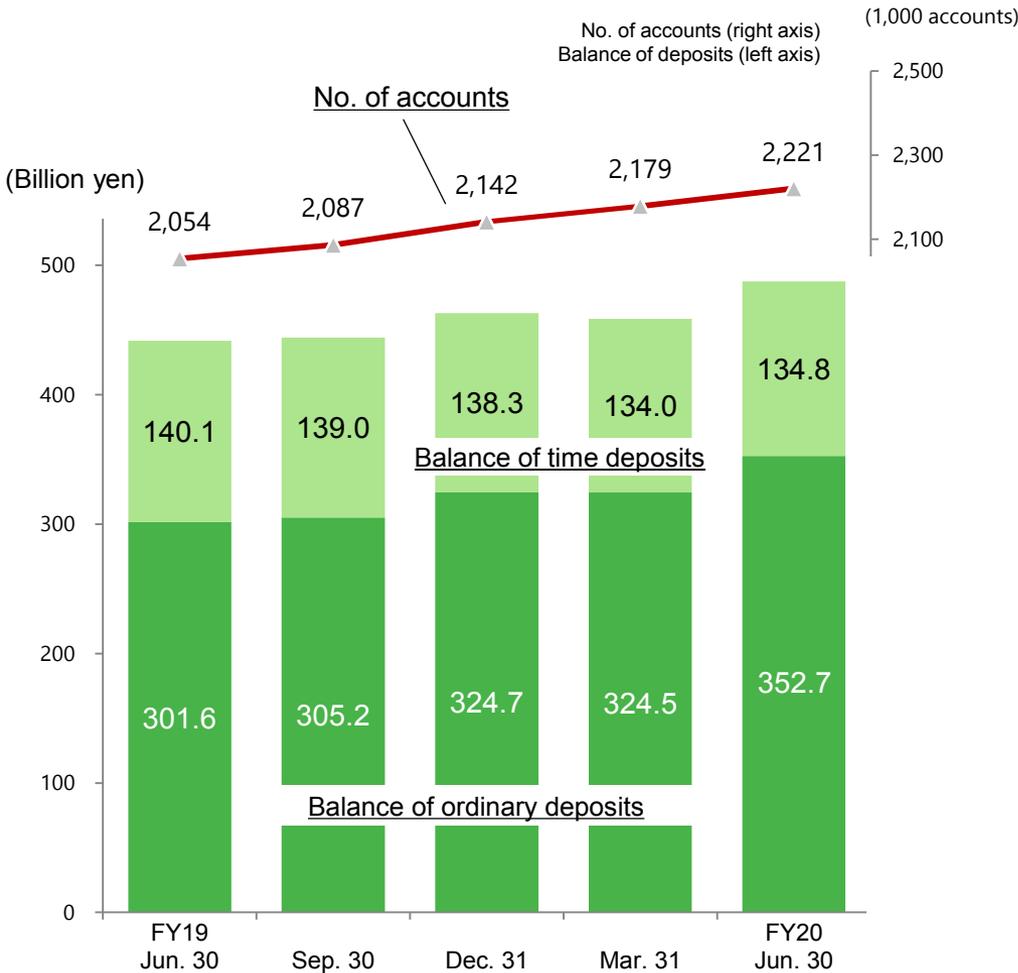
Notes:

- Total number of transactions and daily average transactions per ATM do not include balance inquiries, e-money charges, PIN changes, and withdrawal limit changes.
- In this report, securities, life insurance, credit card, consumer credit and consumer financing companies are all referred to as "non-banks, etc."
- ATM-related fee income per transaction for FY20 1Q: ¥124.8

ATM-related fee income per transaction = ATM-related fee income / (Total of transactions – Total of transactions without ATM-related fee income [i.e. sales proceeds deposits])

Settlement and Account Business Figures (Seven Bank)

Number of individual accounts and balance of deposits



Personal loan services

	June 30, 2019	June 30, 2020
Balance at end of period (Billion yen)	22.8	22.6

International money transfer services

	FY19 1Q	FY20 1Q
Number of transactions (Thousands of transactions)	291	283

Debit services

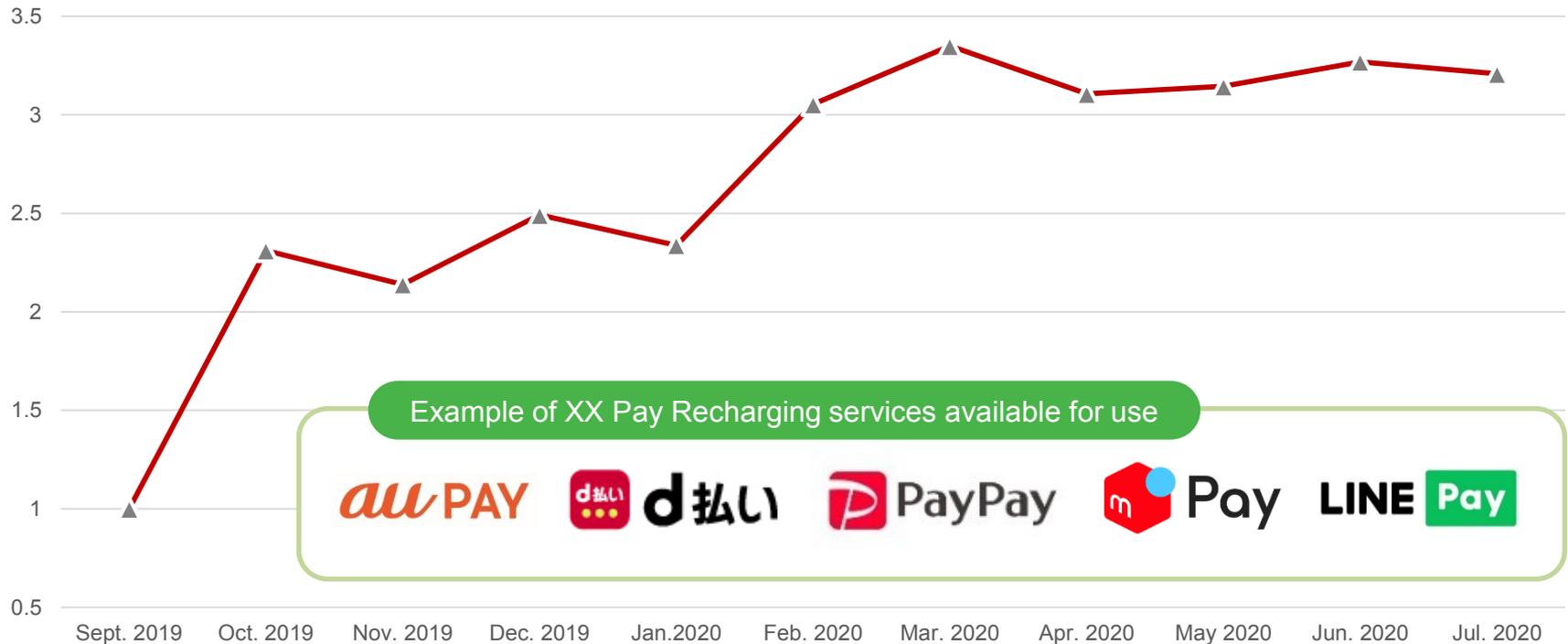
	FY19 1Q	FY20 1Q
Number of transactions (Thousands of transactions)	3,133	4,212

XX Pay Recharging Transactions

Continue to remain steady after the Point Reward Project for Consumers using Cashless Payment ended -> a certain level of awareness has been achieved

Non-financial companies: Number of transactions

Changes in the number of transactions with the number in September 2019 as the base



Example of XX Pay Recharging services available for use

au PAY

d払い

PayPay

Pay

LINE Pay

Point Reward Project for Consumers using Cashless Payment

Create new ATM values that go beyond the existing concepts

Cultivate the world of ATM+

-Realize service that goes beyond cash

ATM+

できたらいいなを、
プラスしていく。

Upgrade digital service from real contact points to a supporting terminal

Participation in the Individual Number Card Points service with ATMs

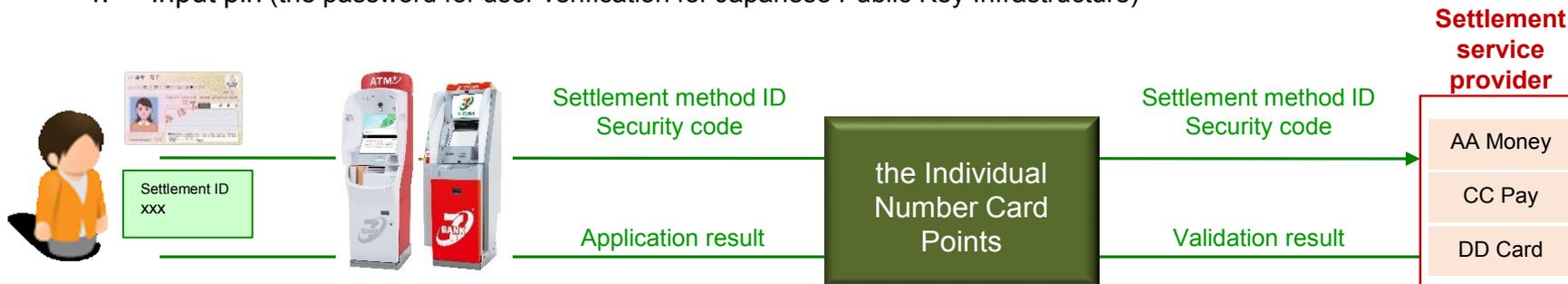
the Individual Number Card Points : the government offers points through cashless settlement service providers for a limited period of time

Consumers can “book and apply for the Individual Number Card Points” simply from a Seven Bank ATM

※ Scheduled to start service on August 31, 2020

Image of transaction procedure

1. Manually input ID of the settlement means (or set up the e-money medium)
2. Manually input the security code tied to the settlement means ID (no need to input it for e-money medium)
3. Insert "Individual Number Cards" in ATM
4. Input pin (the password for user verification for Japanese Public Key Infrastructure)



Income Statement (FCTI)

(Million USD)

➤ Income declined while profit increased

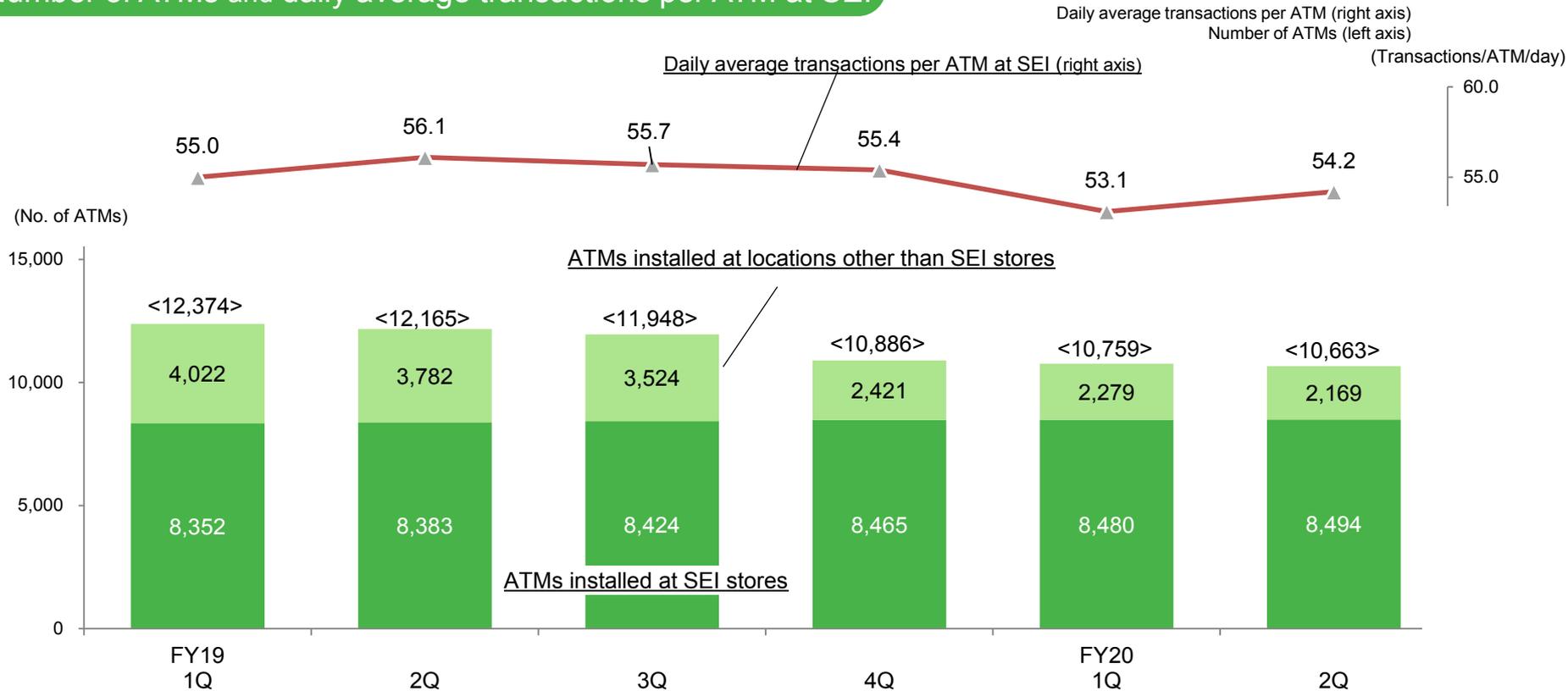
	Three months ended March 31, 2019	Three months ended March 31, 2020	Changes from FY19 1Q	
			Changes from FY19 1Q	Comparison with FY19 1Q
Ordinary income	63.4	58.1	(5.3)	(8.3%)
Ordinary expenses	62.0	53.7	(8.3)	(13.3%)
Ordinary profit	1.3	4.3	3.0	+230.7%
Net income	1.2	4.2	3.0	+250.0%
EBITDA	3.0	6.0	3.0	+100.0%
No. of ATMs installed at end of term <small>(units)</small>	12,374	10,759	(1,615)	(13.0%)
At SEI <small>(units)</small>	8,352	8,480	128	+1.5%
Daily average transactions per ATM <small>(transactions/ATM/day)</small>	41.7	44.7	3.0	+7.1%
At SEI <small>(transactions/ATM/day)</small>	55.0	53.1	(1.9)	(3.4%)
Total no. of transactions <small>(million)</small>	47.7	43.9	(3.8)	(7.9%)

Notes:

- Total number of transactions for U.S. ATMs includes balance inquiries.
- Number of ATMs as of June 30, 2020: 10,663 (preliminary figure)
At SEI: 8,494 units Other than SEI: 2,169
- 1Q (January-March), 2Q (April-June), 3Q (July-September), 4Q (October-December)

U.S. ATM Figures (FCTI)

Number of ATMs and daily average transactions per ATM at SEI



- The number of transactions at ATMs declined after the declaration of the state of emergency by the U.S. in March 2020, but it has started recovering recently.
- Seven-Eleven outlets in the U.S. also continued operating as social infrastructure.

Notes:

1. 1Q (January-March), 2Q (April-June), 3Q (July-September), 4Q (October-December)
2. The figures for 2Q FY20 are preliminary.

Today's Agenda

1

Impact of Novel Coronavirus Infection

2

Results for First Quarter of Fiscal Year Ending March 31, 2021

3

Forecast for Fiscal Year Ending March 31, 2021

Business and Dividend Forecasts for the Fiscal Year Ending March 31, 2021

Forecast for the fiscal year ending March
31, 2021

➤ See the next page for preconditions of the calculation

Consolidated

Ordinary income: **¥134.2 billion**
(down ¥14.3 billion, or 9.6%, year-on-year)

Ordinary profit: **¥32.8 billion**
(down ¥7.0 billion, or 17.5%, year-on-year)

Net income
attributable to owners of parent: **¥23.0 billion**
(down ¥3.1 billion, or 11.8%, year-on-year)

Non-consolidated

Ordinary income: **¥109.8 billion**
(down ¥10.4 billion, or 8.6%, year-on-year)

Ordinary profit: **¥32.4 billion**
(down ¥12.6 billion, or 28.0%, year-on-year)

Net income: **¥22.4 billion**
(down ¥5.2 billion, or 18.8%, year-on-year)

Dividend forecast for the fiscal year ending
March 31, 2021

➤ Maintain the same dividend amount in the previous fiscal year

- Interim dividend of ¥5.50 and year-end dividend of ¥5.50 for annual dividend of ¥11.00

Preconditions for Calculation of Business Forecast

	Outlook
Number of infected people	Further expansion of the infection and strong concerns over a second wave
Economic activity Consumption behavior	Gradually resuming but situation is difficult
Telecommuting	30 to 40% It may expand depending on the situation
Excursions, downtown areas Holding of events	Restrictions corresponding to infection status -> avoiding 3Cs (new norm)
Inbound	Entry restrictions -> possibility of partial easing

- Outlook of economy is **extremely opaque**
- There are concerns that the infection will continue to expand and prolong in the second quarter and onwards, and **the impact** of voluntary restrictions and the new lifestyle **on the business environment will remain** at least till the end of the fiscal year.
- The number of ATM transactions is expected to remain at **a level similar to the current level.**

Income Statement (Consolidated)

(Billion yen)

	FY19 results		FY20 plan (announced in August 2020)			
	Full year	1H	Full year	1H		
				Changes from FY19	Changes from FY19 1H	
Ordinary income	148.5	74.5	134.2	(14.3)	67.8	(6.7)
Ordinary expenses	108.7	54.3	101.3	(7.4)	49.7	(4.6)
Ordinary profit	39.8	20.1	32.8	(7.0)	18.0	(2.1)
Net income	26.1	13.0	23.0	(3.1)	12.6	(0.4)

Notes:

- Exchange rates per USD 1 on the consolidated income statement
FY19 \$1 = ¥109.0, FY19 H1 \$1 = ¥110.06, FY20 plan \$1 = ¥108.00
- Net income is net income attributable to owners of the parent.

Income Statement (Seven Bank)

(Billion yen)

	FY19 results		FY20 plan (announced in August 2020)			
	Full year	1H	Full year	Changes from FY19	1H	Changes from FY19 1H
Ordinary income	120.2	60.2	109.8	(10.4)	54.8	(5.4)
ATM-related fee income	108.7	54.5	98.0	(10.7)	49.1	(5.4)
Ordinary expenses	75.2	36.9	77.3	2.1	37.8	0.9
Interest expenses	0.6	0.3	0.6	(0.0)	0.2	(0.1)
ATM placement fee expenses	15.7	7.9	15.9	0.2	7.9	(0.0)
Outsourcing expenses	18.9	9.3	20.8	1.9	10.1	0.8
Maintenance fees	3.7	1.8	4.1	0.4	1.9	0.1
Depreciation and amortization	13.6	6.9	13.0	(0.6)	6.2	(0.7)
Ordinary profit	45.0	23.2	32.4	(12.6)	16.9	(6.3)
Extraordinary losses	5.1	2.6	0.0	(5.1)	0.0	(2.6)
Total income taxes	12.2	6.3	9.9	(2.3)	5.0	(1.3)
Net income	27.6	14.2	22.4	(5.2)	11.8	(2.4)
EBITDA	58.6	30.1	45.5	(13.1)	23.2	(6.9)

Note: All EBITDA in this material are Ordinary profit + Depreciation and amortization.

Principal Figures (Seven Bank)

	FY19 results		FY20 plan (announced in August 2020)			
	Full year	1H	Full year	Changes from FY19	1H	Changes from FY19 1H
No. of ATMs installed at end of term (units)	25,215	25,342	25,515	300	25,300	(42)
ATM-related fee income per transaction (yen)	130.9	133.8	124.0	(6.9)	124.4	(9.4)
Daily average transactions per ATM (transactions/ATM/day)	92.1	90.5	87.5	(4.6)	87.6	(2.9)
Total no. of transactions (million)	849	417	807	(42)	403	(14)
No. of individual accounts (thousands of accounts)	2,179	2,087	2,400	221	--	--
Balance of individual deposits (billion yen)	458.6	444.3	497.5	38.9	--	--
Balance of personal loans (billion yen)	23.2	22.9	26.0	2.8	--	--

Income Statement (FCTI)

(Million USD)

	Fiscal year ended December 31, 2019		Fiscal year ending December 31, 2020 plan (announced in August 2020)			
	Full year	1H	Full year	Changes from FY19	1H	Changes from FY19 1H
Ordinary income	254.0	128.0	213.0	(41.0)	114.3	(13.7)
Ordinary expenses	247.7	128.6	194.4	(53.3)	100.8	(27.8)
Interest expenses	35.2	19.1	16.9	(18.3)	10.2	(8.9)
ATM placement fee expenses	139.7	70.6	112.9	(26.8)	58.2	(12.4)
Outsourcing expenses	17.4	8.9	15.2	(2.2)	8.1	(0.8)
Maintenance fees	17.4	8.6	15.3	(2.1)	8.1	(0.5)
Depreciation and amortization	6.7	3.3	6.8	0.1	3.3	0.0
Ordinary profit	6.3	(0.6)	18.6	12.3	13.5	14.1
Extraordinary losses	(0.5)	(0.4)	(2.0)	(1.5)	(0.0)	0.4
Net income	6.6	(0.3)	20.5	13.9	13.5	13.8
EBITDA	13.1	2.7	25.5	12.4	16.8	14.1
No. of ATMs installed at end of term ^(units)	10,886	12,165	8,640	(2,246)	10,660	(1,505)
At SEI ^(units)	8,465	8,383	8,640	175	8,490	107
Daily average transactions per ATM ^(transactions/ATM/day)	43.1	43.7	46.5	3.4	45.1	1.4
At SEI ^(transactions/ATM/day)	55.4	55.4	52.6	(2.8)	53.7	(1.7)
Total no. of transactions ^(million)	191.6	96.1	171.5	(20.1)	88.2	(7.9)

Notes:

- Total number of transactions for U.S. ATMs includes balance inquiries.
- 1Q (January-March), 2Q (April-June), 3Q (July-September), 4Q (October-December)

Shareholder Returns

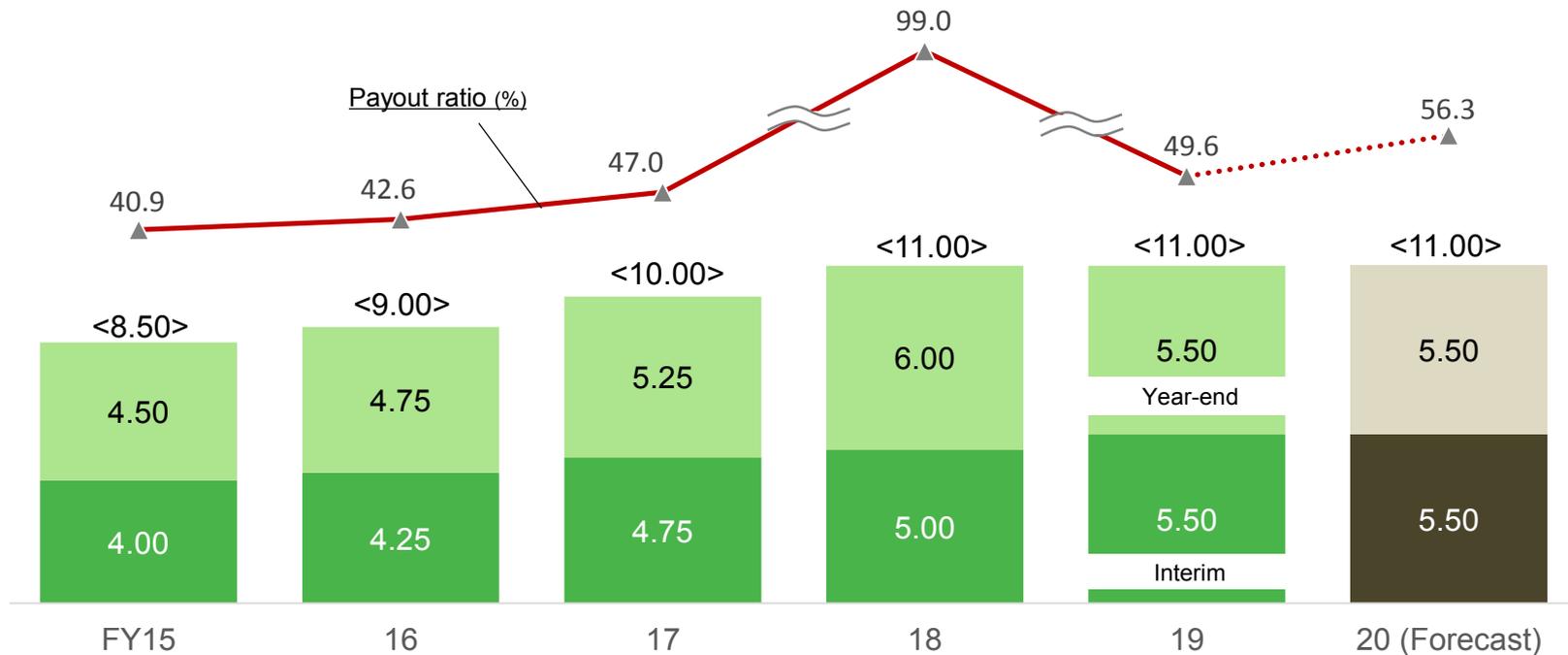
Stable dividend payment

- With dividend payment twice a year as the basis of shareholder returns, ensure stable and continuous dividend payment, with a payout ratio of 40% or more set as the minimum goal.

Dividend Forecast

➤ FY20 Forecast: annual dividend of ¥11.00 per share
(approximately ¥12.97 billion in total dividends)

Dividends and payout ratio





These presentation materials contain forward looking statements concerning forecasts, expectations, goals and plans related to the financial results of Seven Bank, Ltd. (“Seven Bank”) and its consolidated subsidiaries, etc. Except for concrete historical facts, these forward looking statements are based on the information available when they were written. As such, these forward-looking statements may contain some premises (assumptions). These statements and premises (assumptions) are subjective and subject to various risks and uncertainties. As a result of such risks and uncertainties, the actual financial results of Seven Bank may differ substantially from these forecasts and expectations. Such risks and uncertainties include, without limitation, system malfunctions, disasters, crimes and other various risks entailed in the ATM Platform Business, Settlement and Account Business and Overseas Business. Any information in these materials, which is other than that of Seven Bank and its consolidated subsidiaries, etc. is based on publicly available information, and we have not validated the accuracy or appropriateness of such information and do not guarantee its accuracy. All rights reserved.