



# Financial Results

## for the Third Quarter of Fiscal 2020

February 5, 2021  
Seven Bank, Ltd.

## Today's Agenda

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Third Quarter of Fiscal Year Ending  
March 31, 2021

2

Progress in Business Strategies

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Appendix

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Third Quarter of Fiscal Year Ending March 31, 2021

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

FY2020 Plan

➤ **No change to either consolidated or non-consolidated plans**

- Performing in line with the FY20 Plan (disclosed in August 2020)
- The state of emergency was declared once again in January 2021 (the target areas were expanded from the four prefectures in the Tokyo metropolitan area)  
The level of impact on our business is unclear

FY2020 dividend forecast

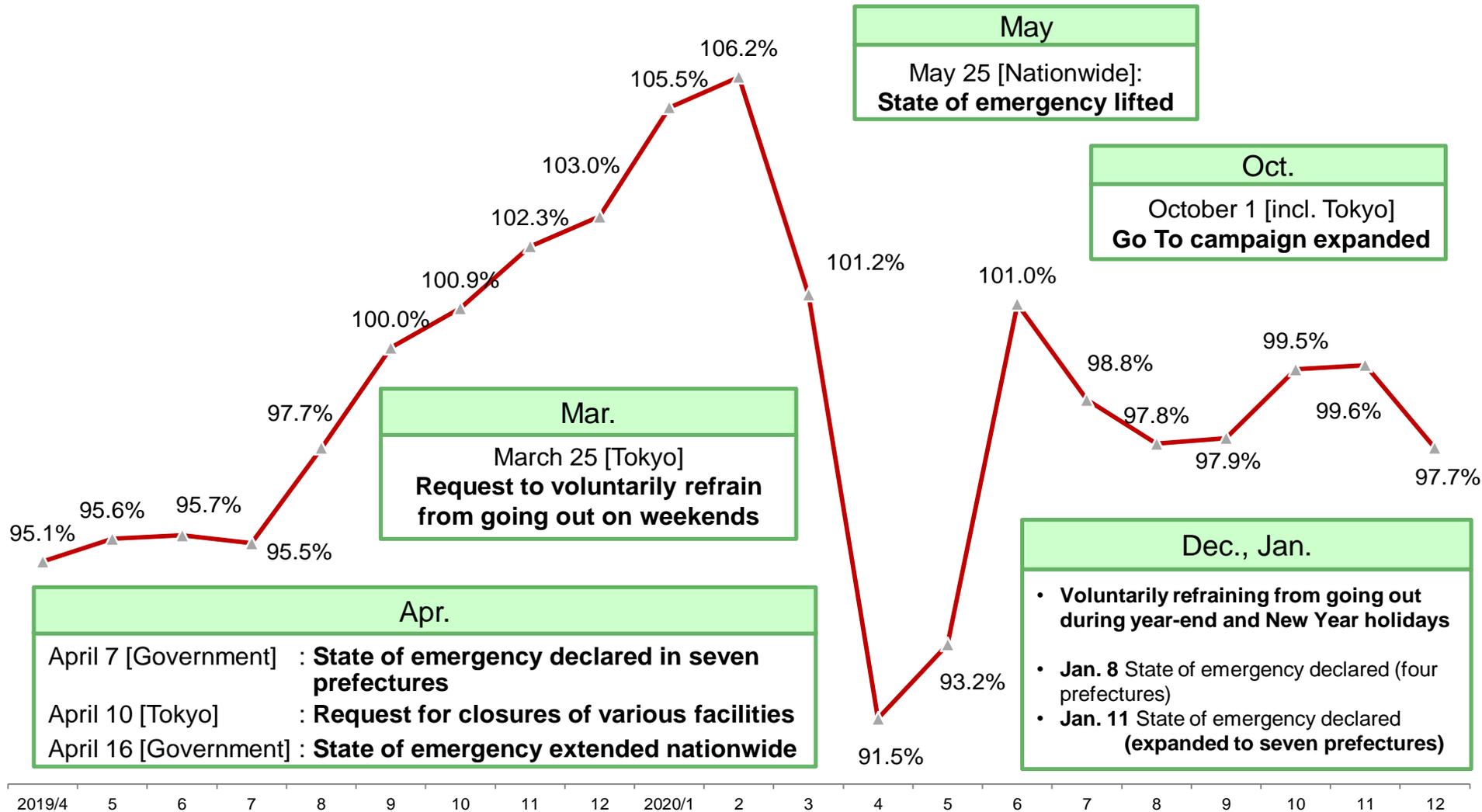
➤ **No change from the initial plan**

- Year-end dividend of ¥5.50 per share is planned (annual dividend of ¥11.00 per share including interim dividend of ¥5.50 per share).

# (Reference) Impact of COVID-19 Infection

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

Most recent figures have worsened due mainly to the rapid spread of the COVID-19 infection



# Income Statement (Consolidated)

(Billion yen)

	FY19	FY20		
	1Q-3Q Result	1Q-3Q Result	Changes from FY19 1Q-3Q	Full-year plan
Ordinary income	112.3	<b>104.0</b>	(8.3)	134.2
Ordinary expenses	80.7	<b>75.2</b>	(5.5)	101.3
Ordinary profit	31.5	<b>28.7</b>	(2.8)	32.8
Net income	20.7	<b>21.3</b>	0.6	23.0

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 used in the consolidated income statement:  
FY19 3Q \$1 = ¥109.12, FY20 3Q \$1 = ¥107.55, FY20 plan \$1 = ¥108.00
4. Net income is net income attributable to owners of the parent.

# Income Statement (Seven Bank)

(Billion yen)

	FY19	FY20		
	1Q-3Q Result	1Q-3Q Result	Changes from FY19 1Q-3Q	Full-year plan
Ordinary income	91.0	<b>84.3</b>	(6.7)	109.8
ATM-related fee income	82.4	<b>75.1</b>	(7.3)	98.0
Ordinary expenses	55.8	<b>56.8</b>	1.0	77.3
Ordinary profit	35.1	<b>27.4</b>	(7.7)	32.4
Extraordinary losses	3.0	<b>0.0</b>	(3.0)	0
Total income taxes	9.8	<b>8.3</b>	(1.5)	9.9
Net income	22.2	<b>18.9</b>	(3.3)	22.4
EBITDA	45.4	<b>37.0</b>	(8.4)	45.5
No. of ATMs installed at end of term (units)	25,207	<b>25,548</b>	341	25,515
ATM-related fee income per transaction (yen)	131.9	<b>123.1</b>	(8.8)	124.0
Daily average transactions per ATM (transactions/ATM/day)	92.2	<b>89.9</b>	(2.3)	87.5
Total no. of transactions (million)	638	<b>624</b>	(14)	807

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

# Income Statement (FCTI)

(Million USD)

	FY19	FY20		
	1Q-3Q Result (Jan.-Sept.)	1Q-3Q Result (Jan.-Sept.)	Changes from FY19 1Q-3Q	Full-year plan
Ordinary income	192.3	<b>175.8</b>	(16.5)	213.0
Ordinary expenses	190.1	<b>156.3</b>	(33.8)	194.4
Ordinary profit	2.2	<b>19.5</b>	17.3	18.6
Net income	2.3	<b>20.6</b>	18.3	20.5
EBITDA	7.3	<b>24.5</b>	17.2	25.5
No. of ATMs installed at end of term (units)	11,948	<b>9,485</b>	(2,463)	8,640
At SEI (units)	8,424	<b>8,570</b>	146	8,640
Daily average transactions per ATM (transactions/ATM/day)	42.9	<b>48.1</b>	5.2	46.5
At SEI (transactions/ATM/day)	55.7	<b>56.6</b>	0.9	52.6
Total no. of transactions (million)	144.7	<b>138.7</b>	(6.0)	171.5

Notes:

1. Total number of transactions for U.S. ATMs includes balance inquiries.
2. FCTI interest expenses: Equivalent to interest charges paid to financial institutions supplying cash to ATMs, outsourcing expenses, etc.
3. Number of ATMs as of December 31, 2020 (preliminary figure) At SEI: 8,553 units, Other than SEI: 815 units

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## Achieve growth in our main business as we diversify our operations

### Response that takes into account daily life with COVID-19

Changes gathered pace after the COVID-19 crisis

Remote, non-face-to-face	Cashless
Online	Digitization

A world where diverse options are required

Steadily accumulate measures essential for the future growth with a sense of urgency

### Evolution of existing business

Further strengthen the ATM platform business

- Create new ways to use ATMs in response to the cashless trend
- Promotion of contract-based ATM operations

Cultivate the world of “ATM+”

- Realize service that goes beyond cash
- Respond to applications for Individual Number Card Points (MAINA-Point)



### Expansion of new business domain

Domestic Business Key fields	Individual	Overseas Business
<u>BPO</u>	<u>Foreign residents</u>	<u>ATM business expansion</u>
<u>Security</u>	Corporate	<u>New businesses</u>

Progress in underlined measures from the next slide

## Contribute to operational reforms (improving efficiency) of Japanese financial institutions

### “ATM platform” and “knowledge developed in business operation”



- **Promotion of contract-based operation of ATMs belonging to other financial institutions**
  - Entrusted 62 ATMs from The Tokyo Star Bank (as of Dec. 31, 2020)
  - Number of ATMs we operate on a contract basis: 235 as of Mar. 31, 2020 → 285 as of Sept. 30 → 330 as of Dec. 31



- **Promotion of digitization and BPO of financial back-office operations**
  - Offer money laundering countermeasures and shared-use service for opening online account
  - Number of external companies with contracts: 23 as of Mar. 31, 2020 → 30 as of Dec. 31

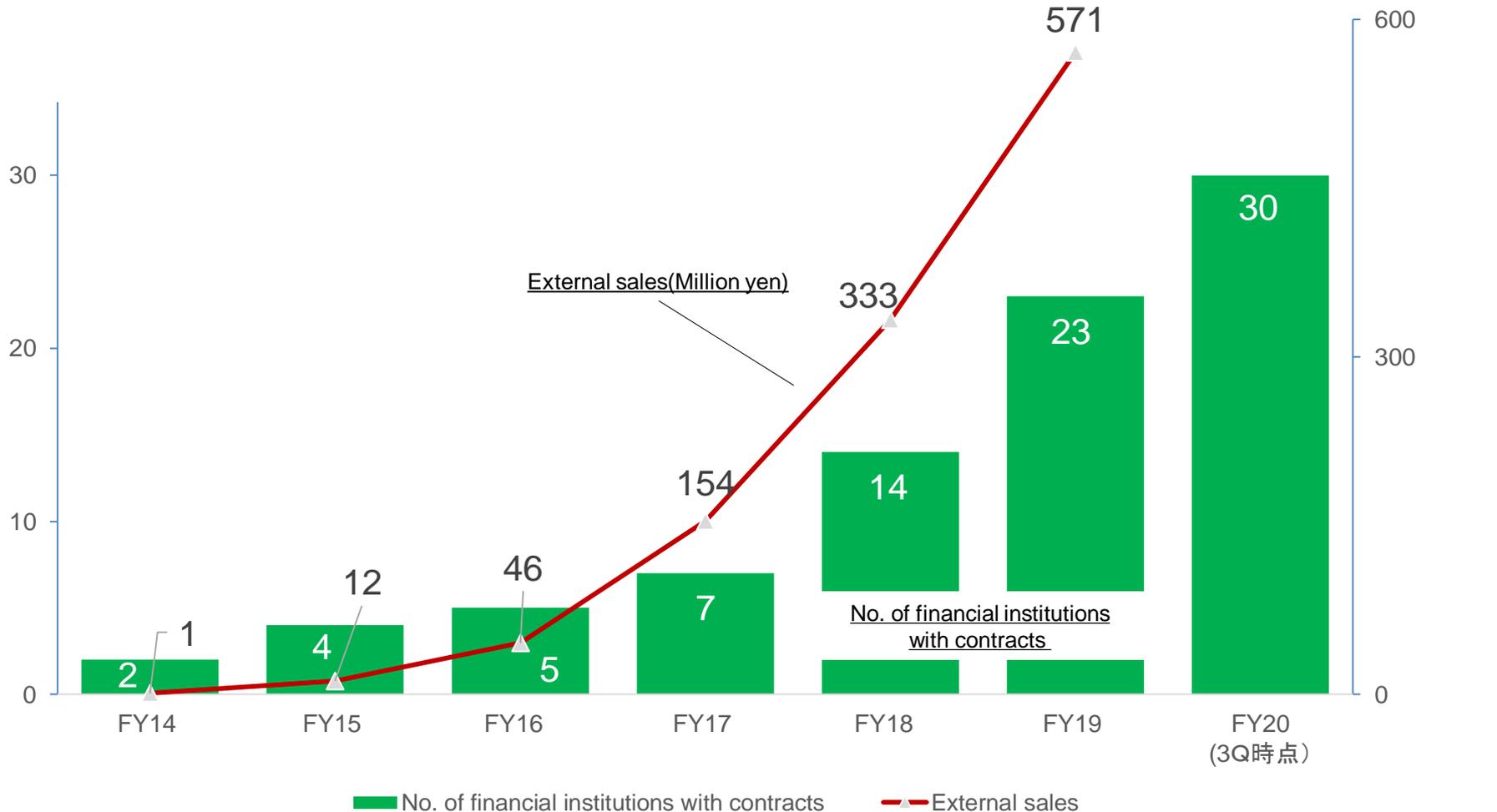


- **Fraud detection, identity verification business**
  - Prevention of financial crimes through highly accurate identity verification and fraud detection
  - The Shizuoka Bank and The San-In Godo Bank have introduced identity verification service

## Trend in the number of financial institutions with contracts and external sales

(number of companies)

External sales (right scale)  
No. of financial institutions with contracts (left scale)



## Improve convenience in daily lives of foreign residents

Offer new values using financial infrastructure through combined service of **overseas remittance** and **credit services**



- **Track record of overseas remittance exceeding 1.2 million transactions a year**
  - Handling nine languages through ATM display, smartphone apps, and customer centers
  - Smartphone remittance in tie-up with BDO Unibank, Inc. of the Philippines



- **Overseas remittance targeting technical interns and skilled workers**
  - Expansion of network to Southeast Asia, the main target
  - In Spring 2021, the service based on tie-up with DBS Bank Ltd of Singapore to start



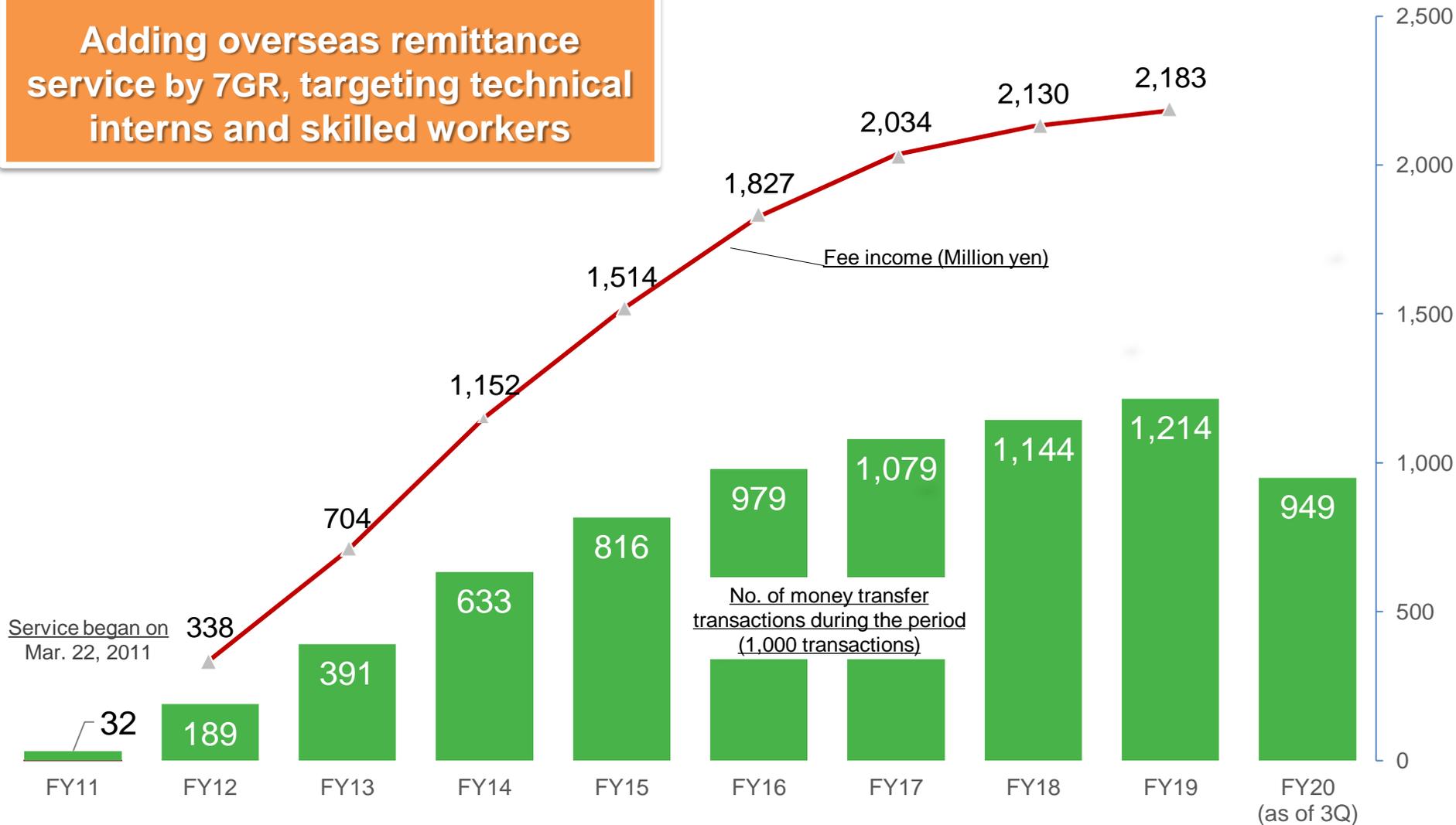
- **Offering of credit-related services, etc. to foreign residents**
  - Our foreigner customer base + Shinsei Bank Group's knowhow for offering credit services to individuals
  - Introduced Sendy Credit Card and Sendy Personal Loan in the current fiscal year

# Overseas Remittance Service <Seven Bank>

Trends in the number of transactions of overseas remittance service and fee income

<Service to be launched in spring 2021>

**Adding overseas remittance service by 7GR, targeting technical interns and skilled workers**



## Initiatives for cultivating global market

“ATM operation capability reflecting situation of respective areas” and  
“global store network of 7&i”



- **Track record of operating 9,368 ATMs in the U.S.** (as of December 2020)
  - 9,283 7-Eleven stores in the mainland U.S. (as of September 2020)
  - Preparing for a trial run of new financial service corresponding to local needs



- **Track record of operating 730 ATMs in Indonesia** (as of December 2020)
  - Ratio of people having bank account is rising and demand for ATM is high (average of 82.8 transactions/ATM/day in FY20)
  - Net increase of 530 ATMs in FY20

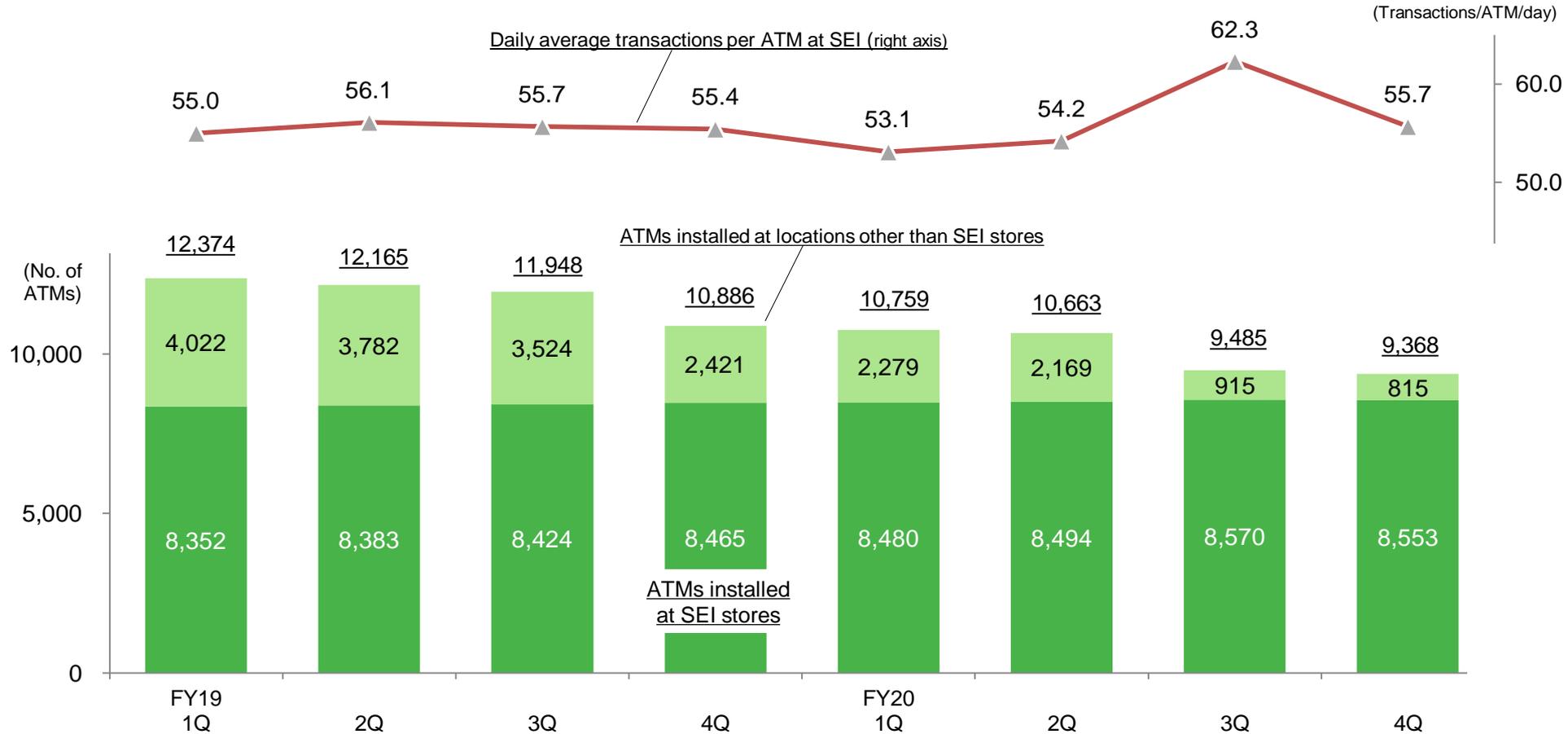


- **Plan to start establishing ATMs in the Philippines from February 2021**
  - 2,960 7-Eleven stores in the Philippines (as of September 2020)
  - Considering starting installation of cash-recycling ATMs

# U.S. ATM Figures (FCTI)

Number of ATMs and daily average transactions per ATM at SEI

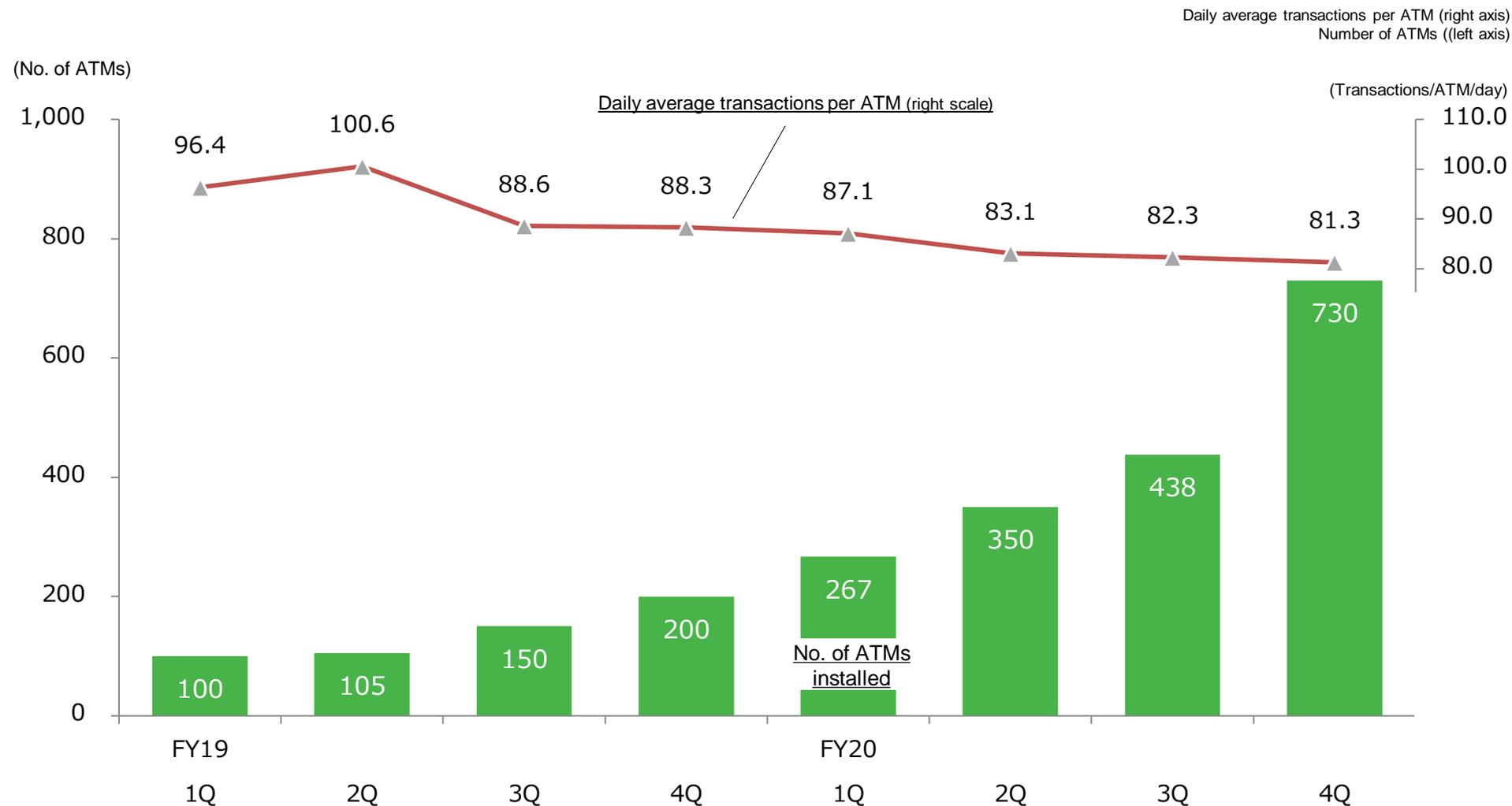
Daily average transactions per ATM (right axis)  
Number of ATMs (left axis)



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

# Figures for ATMs in Indonesia <ATMi>

## Number of ATMs and daily average transactions per ATM



- Notes
1. The figures for December are preliminary.
  2. The daily average transactions per ATM is for white label ATMs alone.
  3. Total number of transactions for Indonesia ATMs includes balance inquiries.

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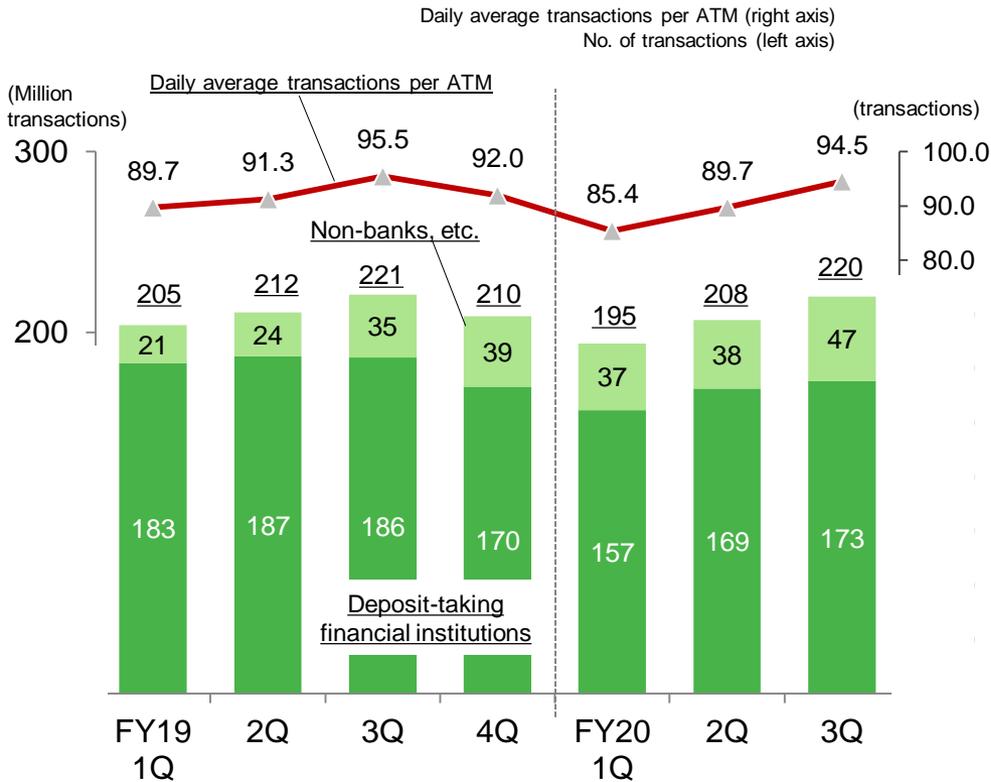
Progress in Business Strategies

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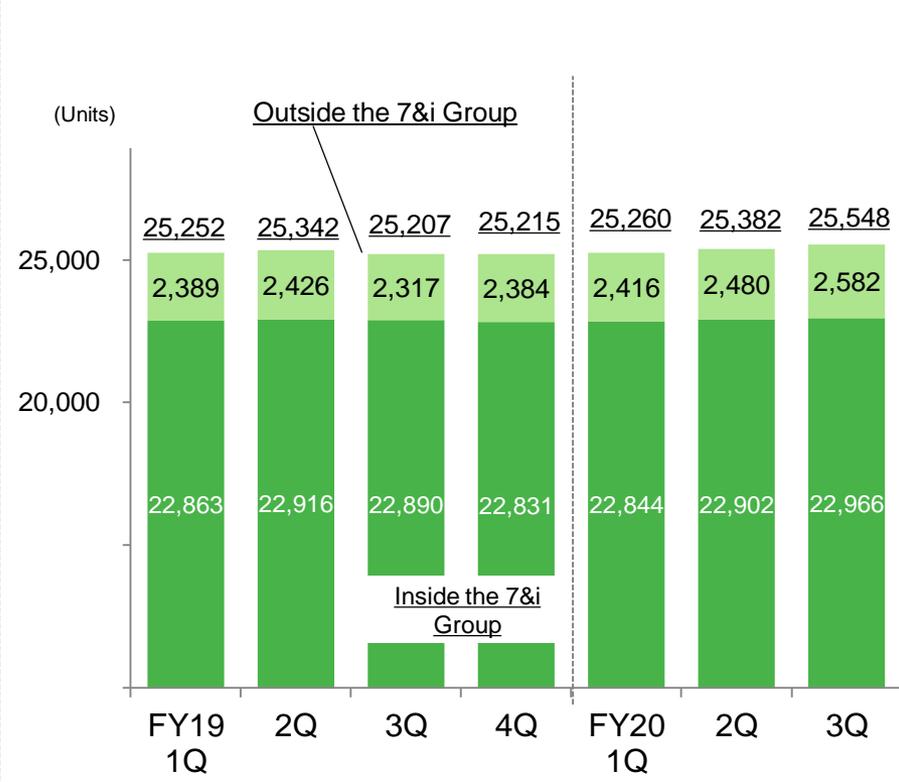
Appendix

# ATM Platform Business Figures (Seven Bank)

## Number of transactions and Daily average transactions per ATM



## Number of ATMs



Notes: 1. The number of ATM transactions and daily average transactions per ATM do not include balance inquiries, e-money charges, PIN changes, or withdrawal limit changes.

2. In this report, securities, life insurance, credit card, consumer credit and consumer financing companies are all referred to as "non-banks, etc."

3. ATM-related fee income per transaction for FY20 1Q-3Q: ¥120.9

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])

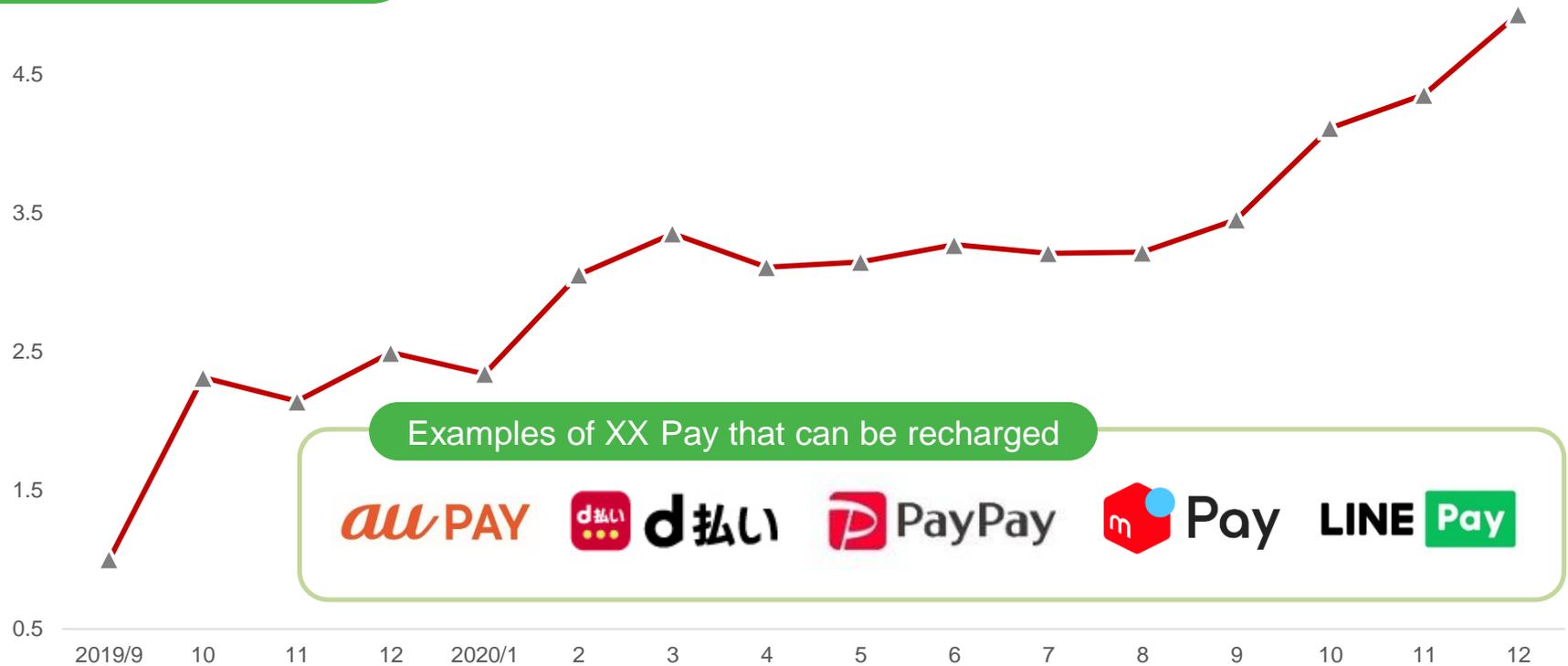
# Transactions with Non-Financial Companies (XX Pay)

## Further strengthen the ATM platform business

- High rating as a safe and secure service that supports cashless settlement
- The service has acquired a certain level of recognition and its use has been accelerating even during the period in which COVID-19 was spreading in December 2020

## Non-financial companies: Number of transactions

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



## Examples of XX Pay that can be recharged

au PAY



d払い



PayPay



Pay

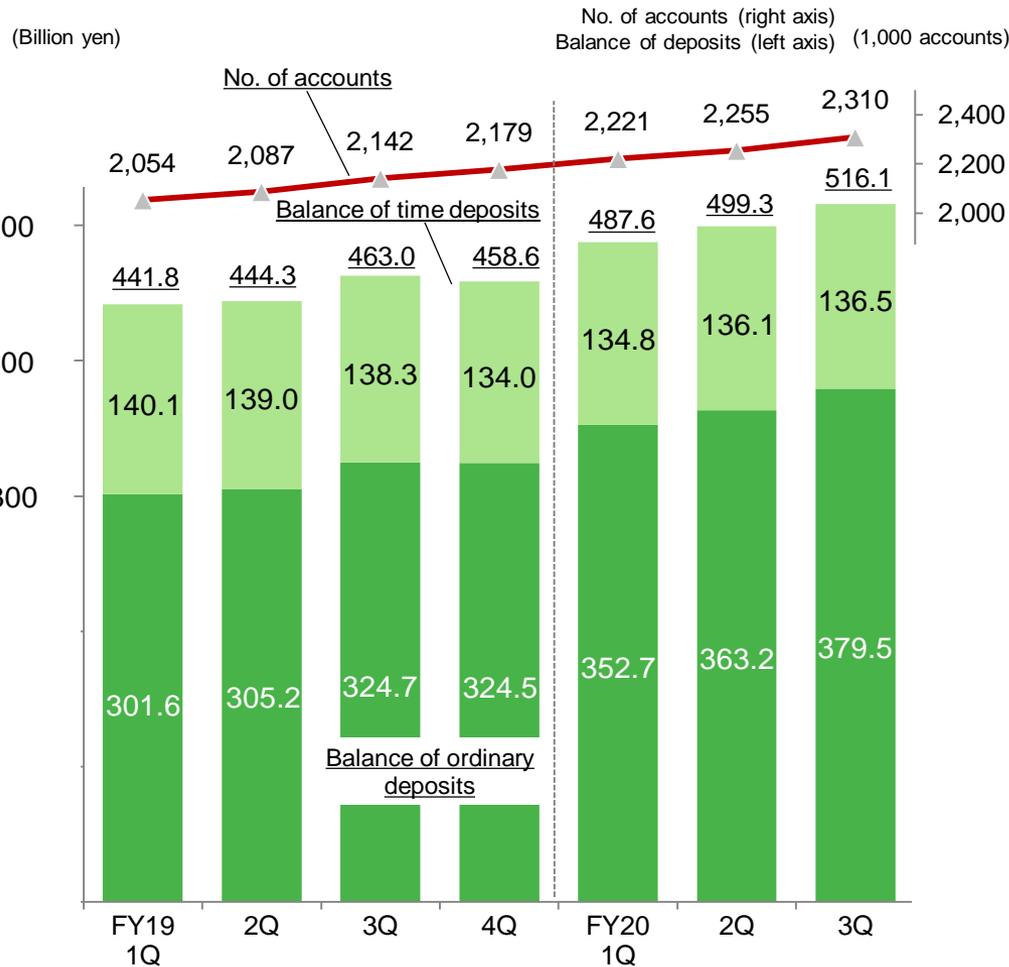
LINE

Pay

Point Reward Project for Consumers using Cashless Payment

# Settlement and Account Business Figures (Seven Bank)

## Number of individual accounts and balance of deposits



## Personal loan services

	As of December 31, 2019	As of December 31, 2020	FY20 plan
Balance at end of period (Billion yen)	22.8	23.3	26.0

## International money transfer services

	As of December 31, 2019	As of December 31, 2020	FY20 plan *
Number of transactions (Thousands of transactions)	869	949	1,200

\* Including services offered by Seven Global Remit, Ltd.

## Debit services

	As of December 31, 2019	As of December 31, 2020	FY20 plan
Number of transactions (Thousands of transactions)	10,196	13,165	16,740



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