

# **Medium-Term Management Plan FY21-FY25**



# **01 Seven Bank's Vision**

# What Seven Bank Aspires to Be

## Seven Bank so far

Born from voices of customers, "It would be great to have an ATM at 7-Eleven."

Realize a world where customers can use ATMs safely and securely anytime, anywhere.

## Seven Bank from now on

Purpose

Create a better version of daily life by going beyond the wishes of our customers.

Vision

A unique bank that realizes both "close and convenient" and "reliable and safe."

Environmental changes

Medium-Term Management Plan (FY2021-FY2025)

Growth strategy + Solutions to social issues + Corporate transformation

Medium-Term Management Plan for realizing the vision

Management Ethos

Corporate Principles

Principles and ideas that form the foundation of a company

## Purpose of Seven Bank

# Create a better version of daily life by going beyond the wishes of our customers.

Our customers' wishes are seeds that grow and become the future.

Seven Bank began in response to our customers who wanted to see ATMs in 7-Eleven stores. Customers' wishes came first, that is our origin.

Times change,  
and so do people's needs and wants. They also become diverse.

While holding true to our core philosophy, we keep evolving to meet our customers' wishes.

As a unique bank that offers convenience, reliability and trust, Seven Bank continues to launch new initiatives that support people and society.

As a vital part of people's daily lives, we remain inventive, striving to create new lasting value beyond traditional financial services.

We strive to be closer to our customers, to help them fulfill their wants and needs easily.

Using cutting-edge technology and manpower, we challenge ourselves to move beyond the status quo.

We seek to create a better version of daily life for everyone.

That is our reason for being.

## Seven Bank's Management Ethos and Corporate Principles (unchanged)

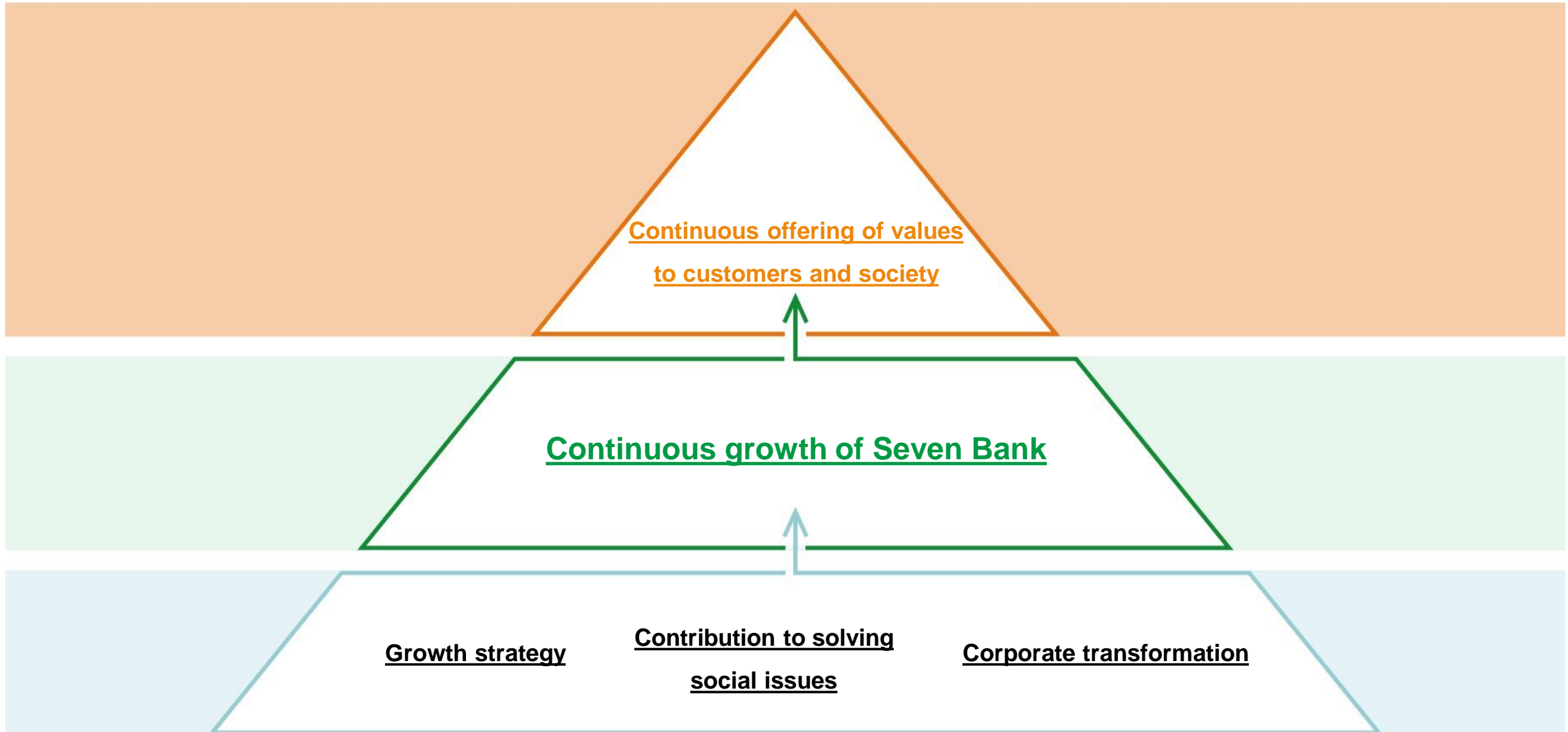
### Management Ethos

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.

### Corporate Principles

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.

## Seven Bank's Management Concept

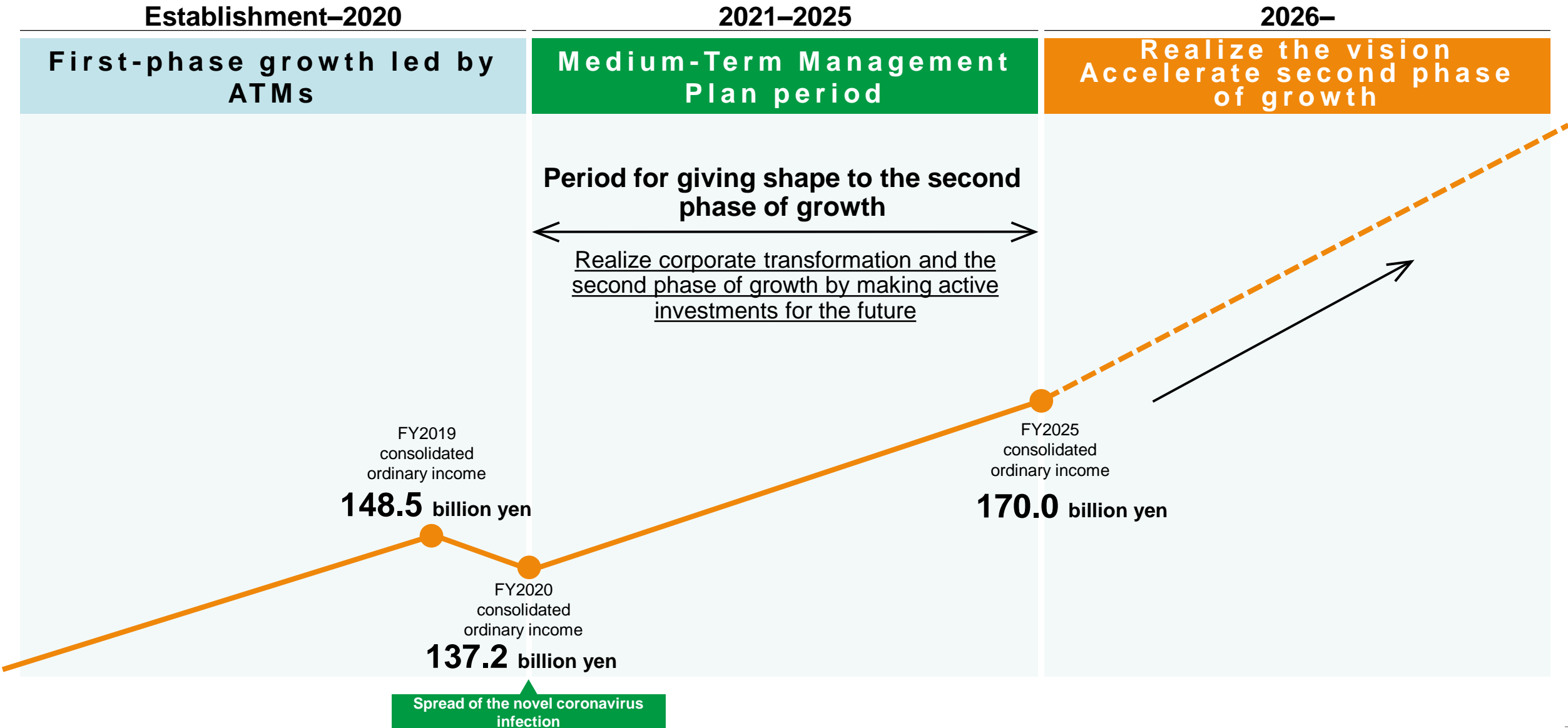




**02**

**Medium-Term Management Plan**  
**FY21-FY25**

## Positioning of Medium-Term Management Plan





## Overview of Medium-Term Management Plan (FY2021-FY2025)

We give concrete shape to the second phase of growth with focus on “growth strategy,” “contributions to solving social issues,” and “corporate transformation.”

### Growth strategy

Evolve from cash platform to ATM+

Expand growth fields that come after ATMs by leveraging our strengths (business diversification)

	Core	ATM Platform Strategy
Domestic business	Growth	Retail strategy
		Corporate strategy
Overseas business		Overseas strategy

### Contribution to solving social issues

Review basic policy and structure of sustainability promotion

Further develop initiatives for the five materialities

Cooperation with the group and external contractors for solving environmental issues

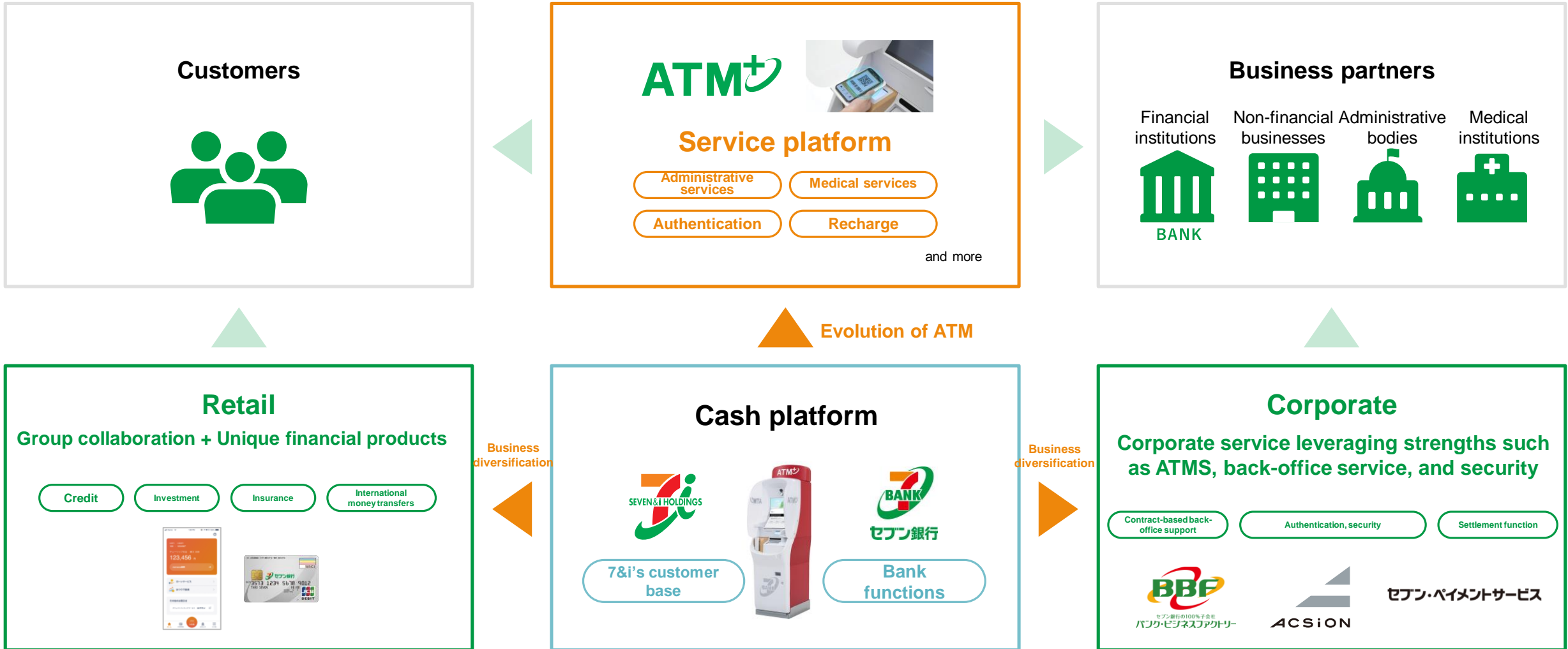
### Corporate transformation

Reform into an organization where independent human resources can take an active part

Innovation of business model and process with focus on data utilization and efficiency improvement

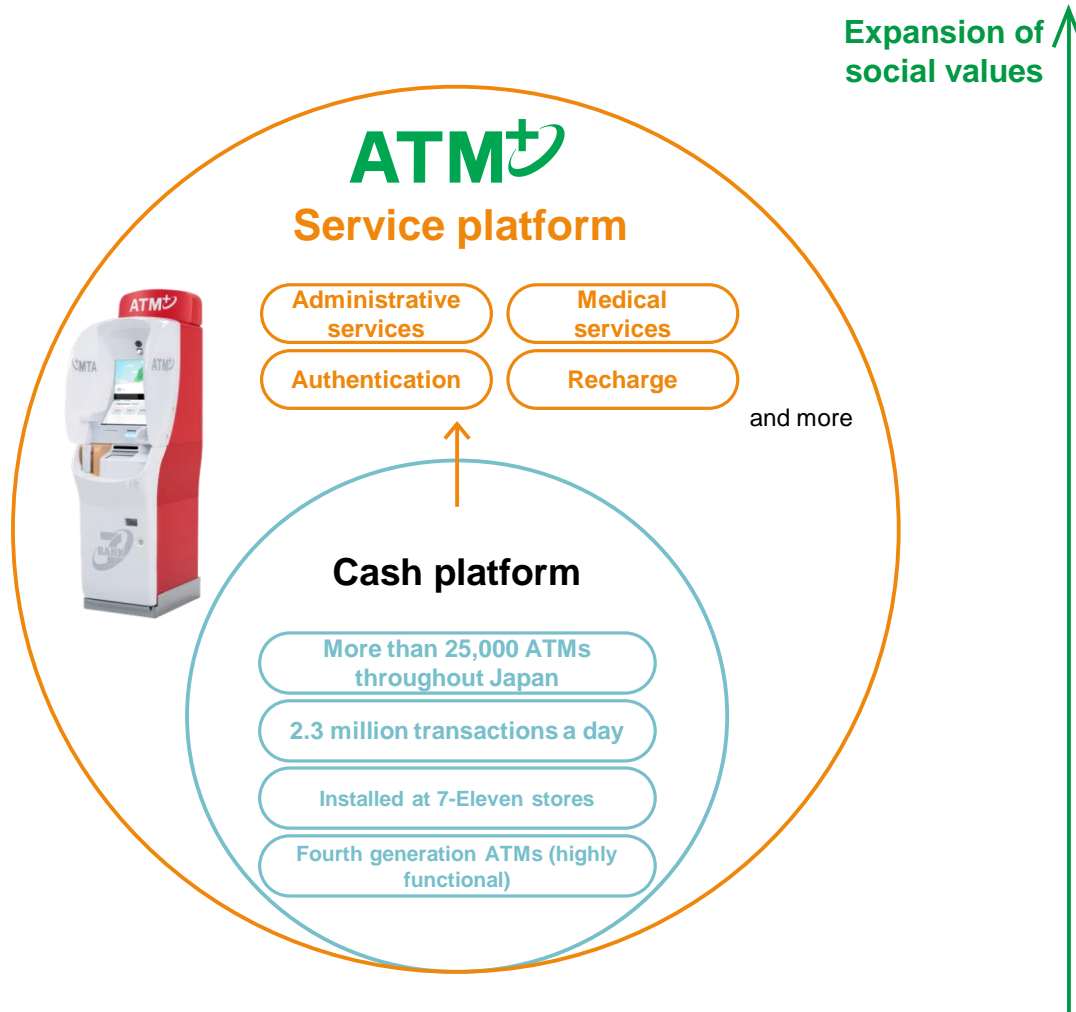
# Business expansion starting from the strengths of Seven Bank


Expand business, Going beyond the wishes of our customers and business partners



ATM platform strategy (core area)


Expand ATM's social values and establish formidable presence in the market






### Administrative bodies and medical institutions, etc.

The only ATM that has a platform that enables collaboration with administrative and medical services




Applications for Individual Number Card Points




Application for the use of Individual Number Card as health insurance card

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### Non-financial businesses

Attractiveness as a cash recharging method  
Attractiveness as a platform that enables service collaboration of various kinds including authentication and data collaboration




Recharging for various Pay services



Expansion of authentication business

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### Partner financial institutions

Reducing the number of ATMs due to streamlining -> Attractiveness of highly functional ATMs that attract customers

Replacement of ATMs by partner financial institutions

We have replaced 327 ATMs by 31 financial institutions so far (as of the end of March 2021)

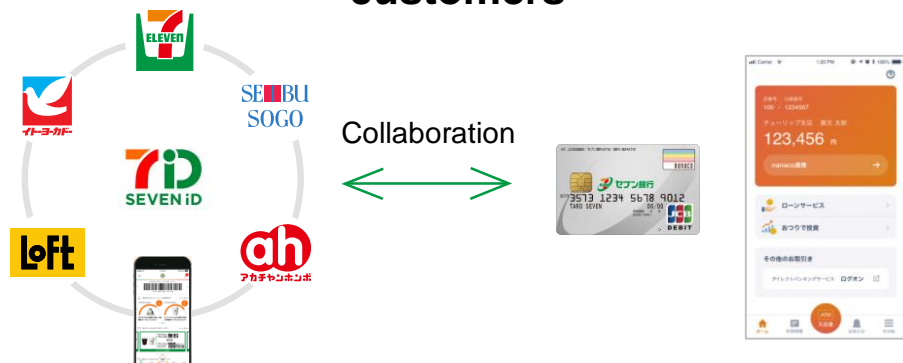
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Retail Strategy (Growth Fields in Japan [1])

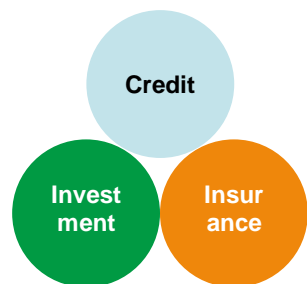
Strengthen collaboration with 7&i Group and pursue unique products

Strengthen group collaboration using 7iD and increase customers



Offer unique products and services

Make it easy to understand and use



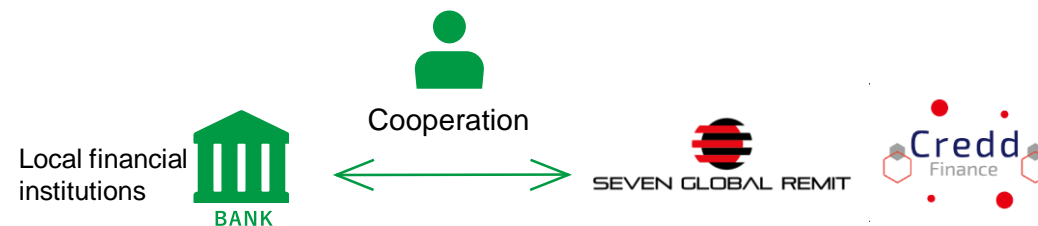
Collaborate also with investment targets to enhance services



Services that comprehensively support financial and daily life aspects of foreign residents and are chosen by them

Get involved with finance of technical interns and skilled workers from an early stage (before their arrival in Japan) and expand market share

Cooperate with local financial institutions regarding offering of loans for travel expenses and their repayment



Provide full financial and daily life support after their arrival in Japan



Offer daily life support such as multilingual support and dissemination of local information



Corporate Strategy (Growth Fields in Japan [2])

**B to B: direct sales business**

Further expand customer base and business operations in response to needs for cash settlement by SMEs

**Expected customers**

SMEs that have settlement needs, primarily cash handling

Number of companies who are contract partner companies (at present): more than **1,500**



Sales proceeds deposit service



Real time bank transfer service

**ATM受取**

ATM cash receipt service



Further expand services in the future

**B to B to X: platform business**

Utilize the strengths of ATM and network, deploy contract-based business that integrates the offering of financial functions as well as back-office support and systems

**Expected customers**

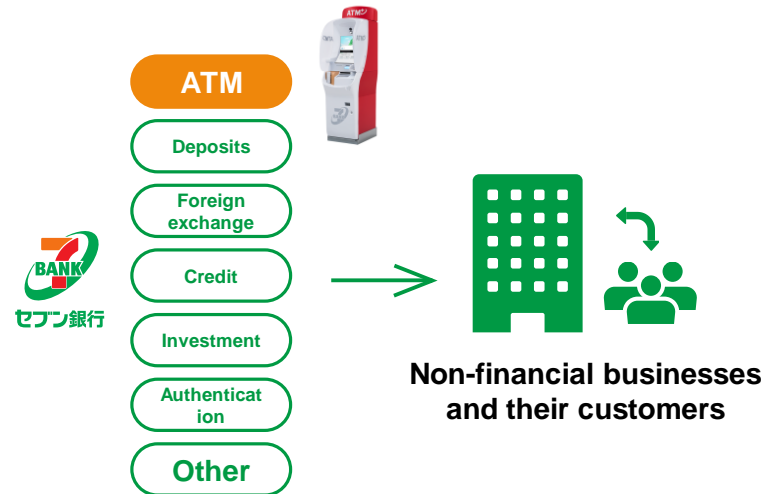
Companies considering improving additional values to their businesses

**Expected customers**

Partner financial institutions that are pushing forward with streamlining and improving efficiency of operations

**Promotion of offering of financial functions**

Offer financial functions catering to business needs of customer companies



**Promotion of contract-based service business**

Increase contracts by supporting sophisticated and specialized operations such as AML and security from the aspects of both back-office operations and systems



In addition to offering of services via smartphones, offer authentication and fraud detection services using ATM, which is our strength



## Overseas Strategy

### Deploy multi-layered financial service in each country with the ATM business as an entry point

STEP1

Establish ATM business in each country by leveraging the knowhow in Japan

STEP2

Offer financial services utilizing ATM user data, etc. corresponding to the maturity of each market

STEP3

Further expand business by linking services and networks between the countries where we have entered

### Countries where we currently have business

U.S. FCTI  
NATIONWIDE ATM NETWORK

- ATM business has been steadily expanding along with the deployment of SEI
- Develop and offer new businesses by utilizing ATM user data

Indonesia IATMi Philippines Pito AxM Platform, Inc.

- First of all, we will proactively increase the number of ATMs to stabilize the ATM business
- Also consider new businesses corresponding to the maturity of each market

Contribution to Solving Social Issues (1)

Position sustainability as the basis for the long-term management strategy and continuously promote it

- Proactively work on solving environmental and social issues **through business activities** and create values for both environment / society and the company
- Fulfill the **social responsibilities** we should voluntarily carry out as a business that is supported by customers and society and coexists with the environment and society



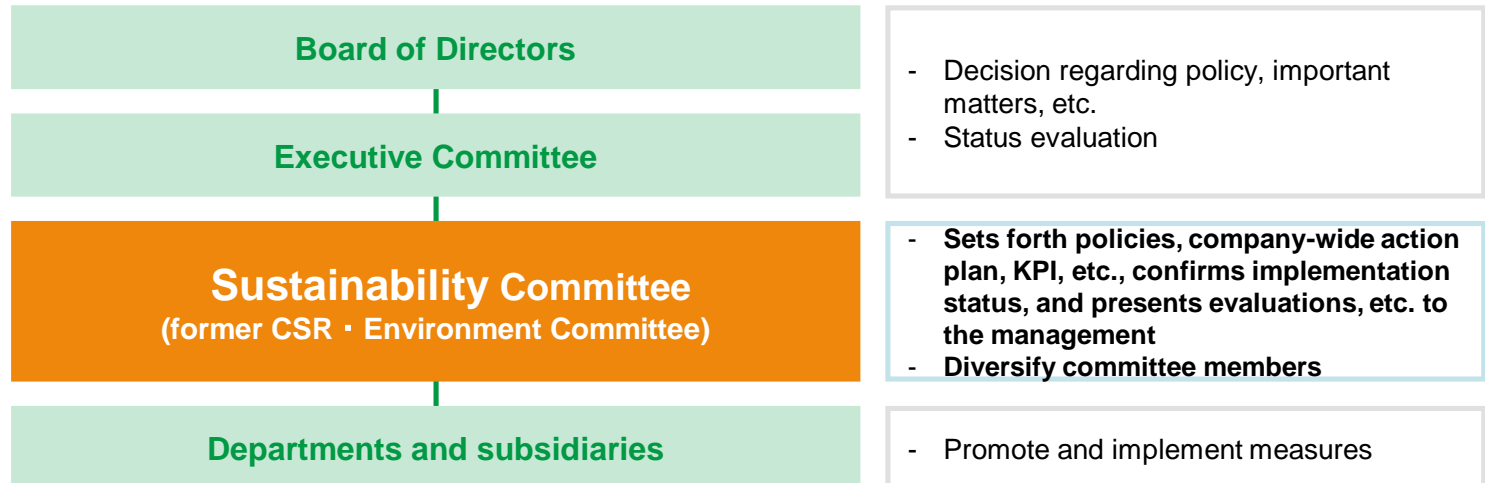
Review of basic policy and promotion structure (April 2021)

Basic policy

Completely revised the former Basic CSR Policy into **Basic Sustainability Promotion Policy**

Clearly state our policy to actively contribute to solving social issues through our business activities, without limiting it to just social contribution activities.

Promotion structure





Contribution to Solving Social Issues (2)

Further build on the initiatives taken so far

Five materialities (set forth in FY2019) and main initiatives

1. Offering of safe and secure settlement infrastructure

- Ensuring around-the-clock operation of ATMs
- Measures for preventing financial crimes



2. Creation of lifestyle through new financial services

- Development and installation of ATM with new functions (fourth generation ATMs)
- Development of new services addressing social issues



3. Creation of a society where everyone can be active

- Realization of voice-guided ATMs for visually impaired



4. Reduction of environmental burden

- Energy saving with fourth-generation ATMs
- Reduction of environmental burden from the overall business



5. Realization of multicultural symbiosis

- Enhancement of financial services for foreigners
- Daily life support for foreigners such as multilingual support and dissemination of local information



Initiatives involving social contribution activities

Forest conservation activities in cooperation with Seven-Eleven Memorial Foundation

Support for *Guardian of the Forest Bonolon*

Contribution to "Radio Charity Musicthon" charity campaign of Nippon Broadcasting System

and more

Goal of Seven & i Holdings: **virtually zero CO2 emissions in 2050**

(amount of CO2 emissions from operation of group outlets)



Promote initiatives for achieving the goal as a member of the Seven&i Group

Pursuit of initiatives that cover the entire ATM business in cooperation with business partners such as outsourcing contractors

Manufacture

- Design to realize energy saving
- Use long-life parts and recyclable materials

Operation

- Improve efficiency of ATM visits (security transportation of cash, maintenance, etc.)
- Reduce electricity consumed by back-office operations, etc.
- Reuse of ATMs removed due to closure

Disposal

- Recycling of disposed ATMs

Power consumption of fourth generation ATMs is **40% less** compared with third generation ATMs

Realize **100%** recycling of disposed ATMs



## Corporate transformation

Carry out corporate transformation from both aspects of organization and business model / process



### Transformation of organization

Transform into an organization which promotes employees' voluntary improvement of skills, career formation, and selection of workstyle and where **independent human resources** can play active roles

**Personnel system**



Human resource development (DX training, reskilling training, etc.)  
 Career development support (in-house recruitment system, etc.)  
 Develop an organization where diverse people can participate actively

**Office automation**



Workstyle not restricted by location  
 Realize flexible communications not restricted by organizations

and more

### Transformation of business model / process

Establish a **business that leverages data** of Seven Bank and the group

Improve operating efficiency and strengthen sales and marketing through **automation and data integration**

Utilize data of ATMs, accounts, and the group



Automate operations using RPA



and more

## Financial Goals

We attach utmost importance to profit expansion in the Medium-Term Management Plan period for business diversification

### Financial goals for FY2025

**Consolidated ordinary income: ¥170.0 billion**

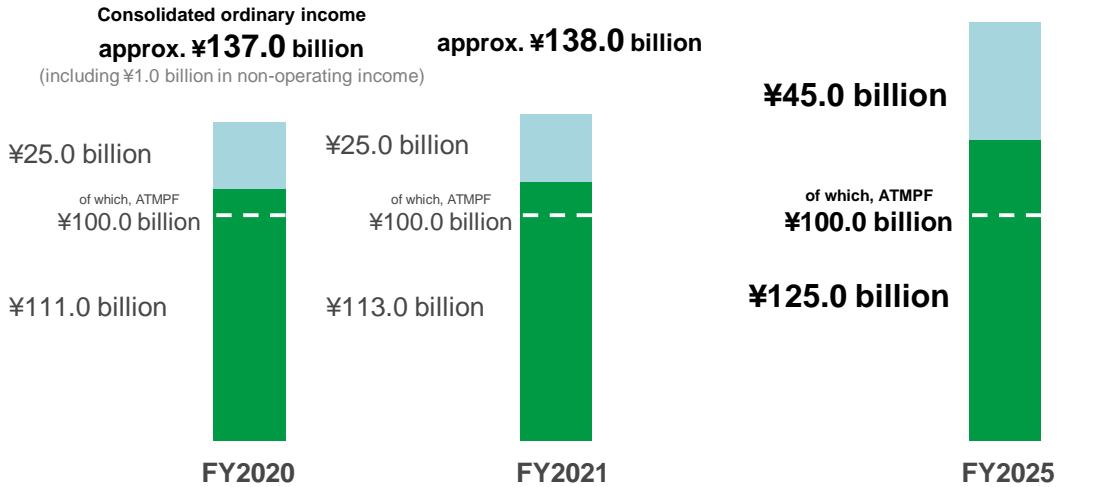
**Consolidated ordinary profit: ¥35.0 billion**

**ROE: 8% or more**

#### Consolidated ordinary income

- Overseas business
- Domestic business

Average annual growth rate: **5%**

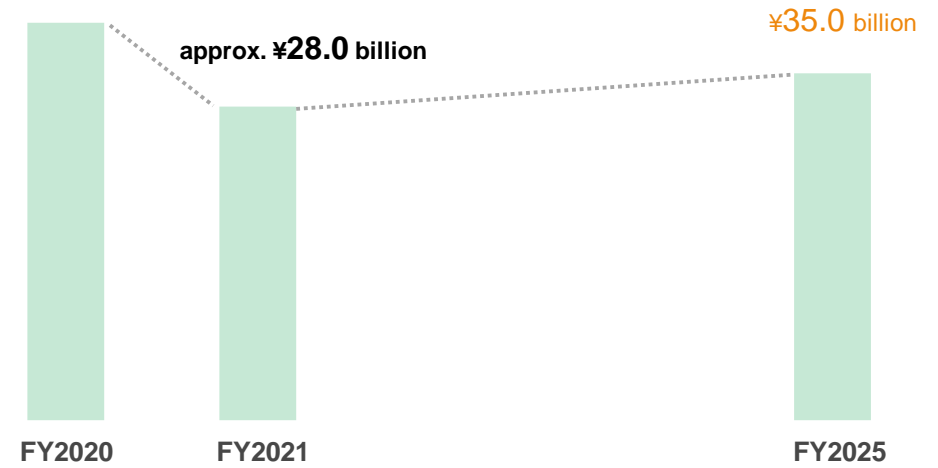


#### Consolidated ordinary profit

\*EBITDA = Ordinary profit + Depreciation and amortization

(Reference) EBITDA\* (approx. ¥50.0 billion) (approx. ¥45.0 billion) (¥60.0 billion)

Consolidated ordinary profit approx. ¥36.0 billion



## Financial Strategy

We will invest a total of ¥150 billion during the Medium-Term Management Plan period for future profit expansion

### Basic policy

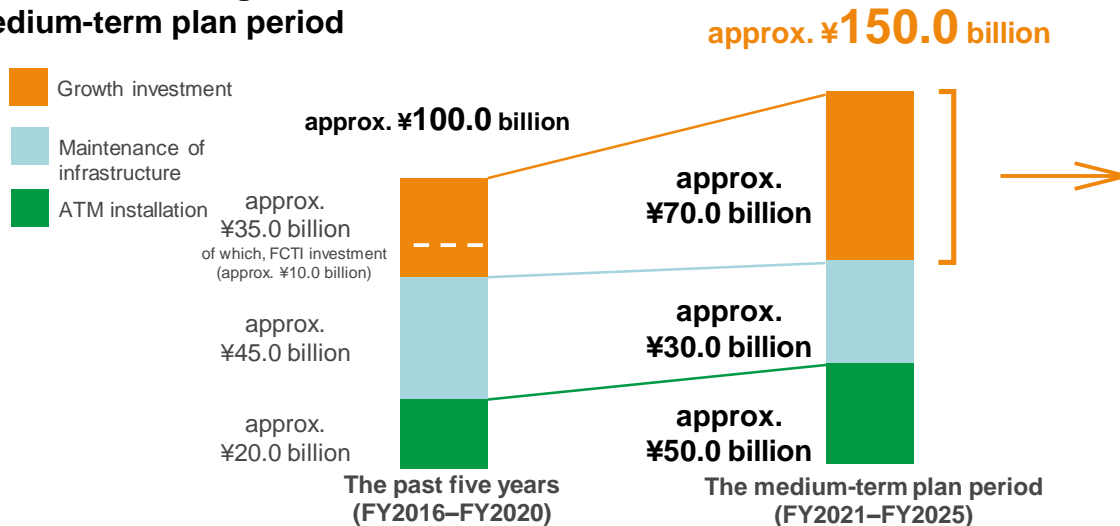
- Achieve both proactive investment for future growth and stable shareholder returns
- We will use cash flow\* for investment and dividend payment

### Investment details

- Growth investment (in the scale of ¥70 billion) aimed at promotion of growth strategy and corporate transformation
- Promote installation of the fourth generation ATMs and develop infrastructure that realize “the wishes of our customers”

\*Cash flow: Net income + Depreciation and amortization

### Investments during the medium-term plan period



### Breakdown of major growth investments

- Investment in growth fields in Japan (¥30.0 billion–¥40.0 billion)
- Investment in overseas business (¥20.0 billion–¥25.0 billion)
- Investment for promoting corporate transformation (¥5.0 billion–¥10.0 billion)

## Shareholder Returns

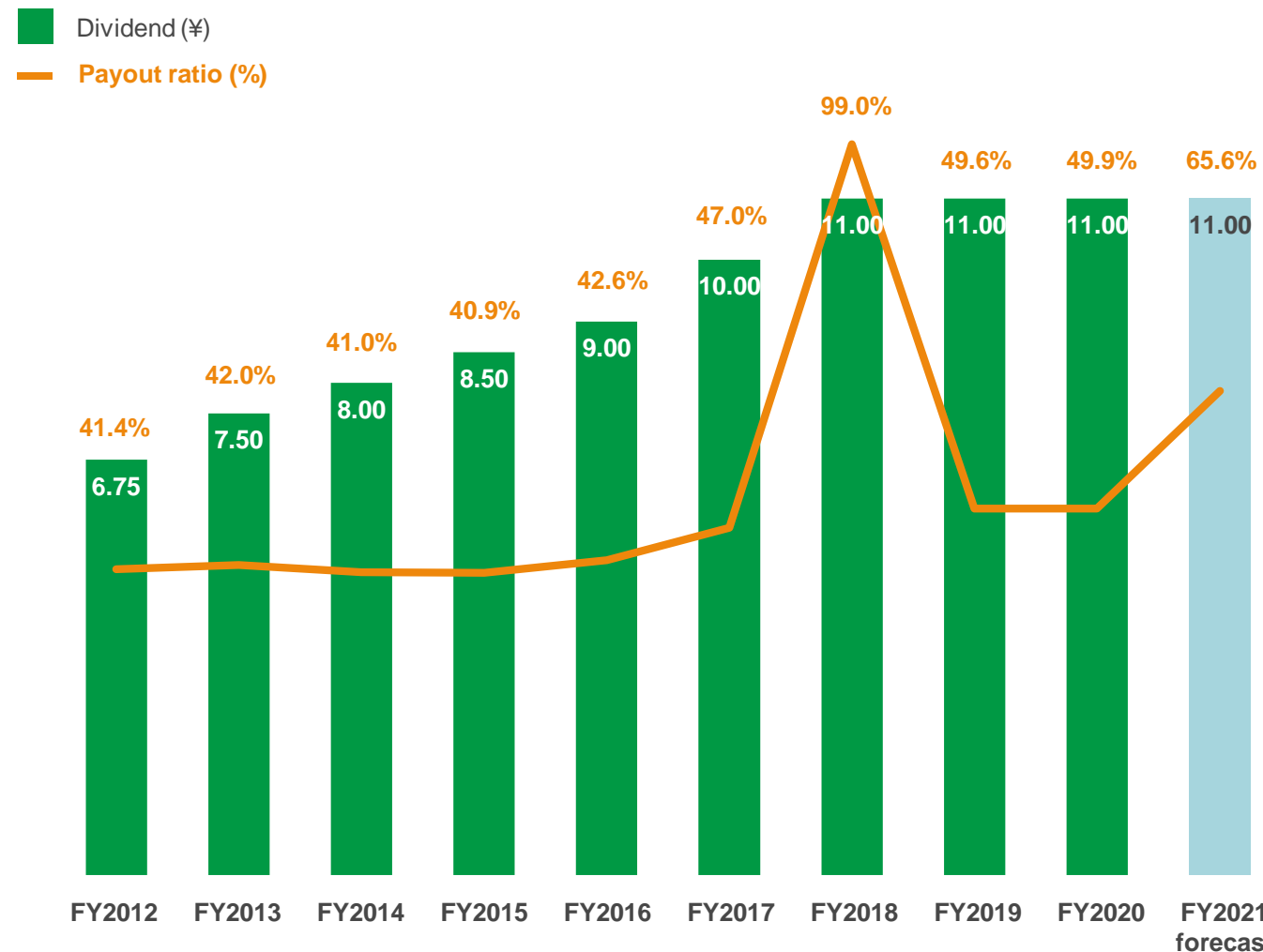
### Basic policy

**We will maintain stable and continuous shareholder returns centered on dividends, backed by a firm financial foundation**

### Dividend

**We will maintain a payout ratio of 40% or more while taking into account the actual dividend amount**

### Changes in dividends





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