

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

We shape the future of everyday life by seeing your wishes and going beyond

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

We shape the future of everyday life by seeing your wishes and going beyond

Our future has always sprung from the best seeds — the thoughts of our customers.

The wishes of our customers evolve with the times, but our philosophy is constant.
And that keeps us changing too.

People count on us as we offer unique banking services with convenient, secure, and trustworthy features.
For better society and people, we stride to take financial services further while bringing them closer to where you are.

We challenge ourselves beyond the limits through the power of technology and human ingenuity.
We strive to create an ever more convenient future for all people, day in and day out.

This is the Seven Bank way.

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

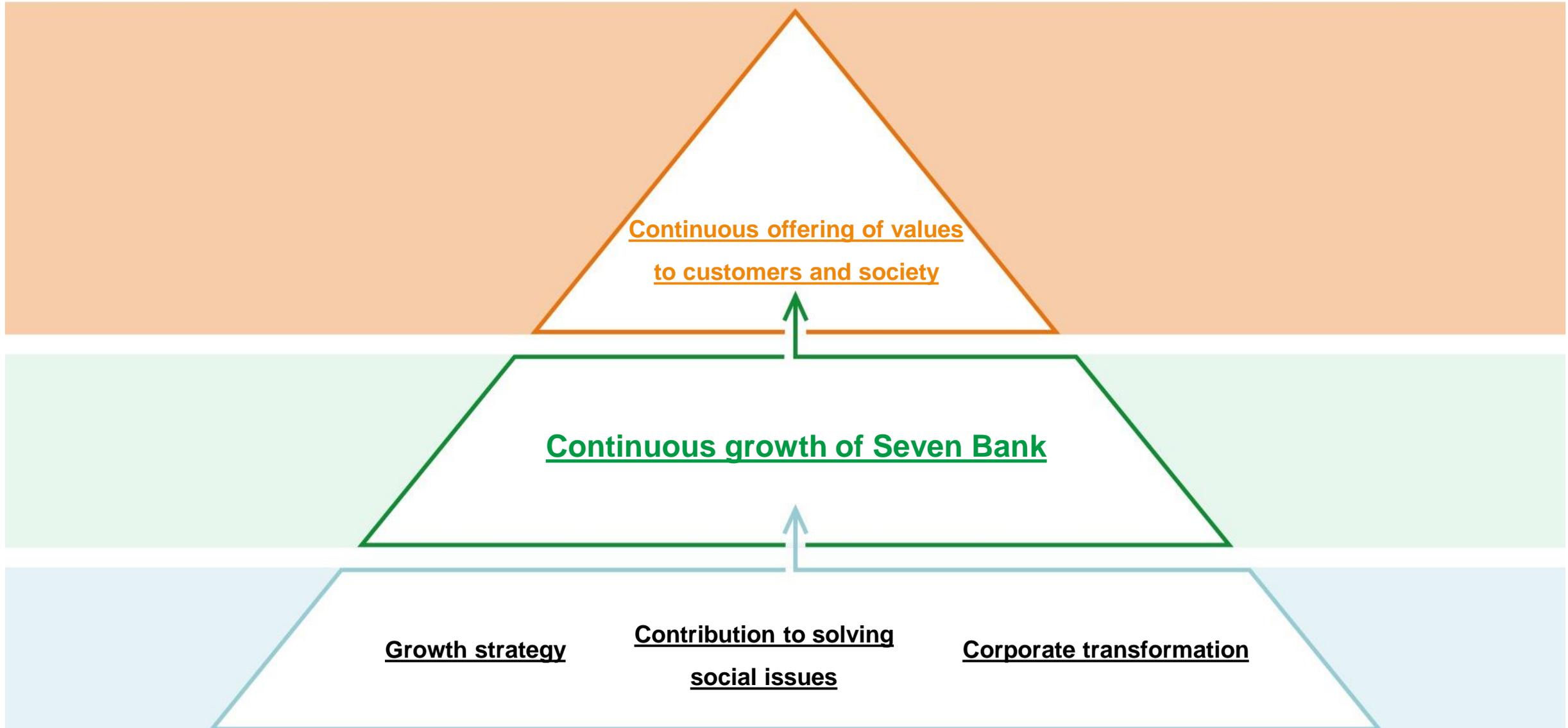
Management Ethos

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

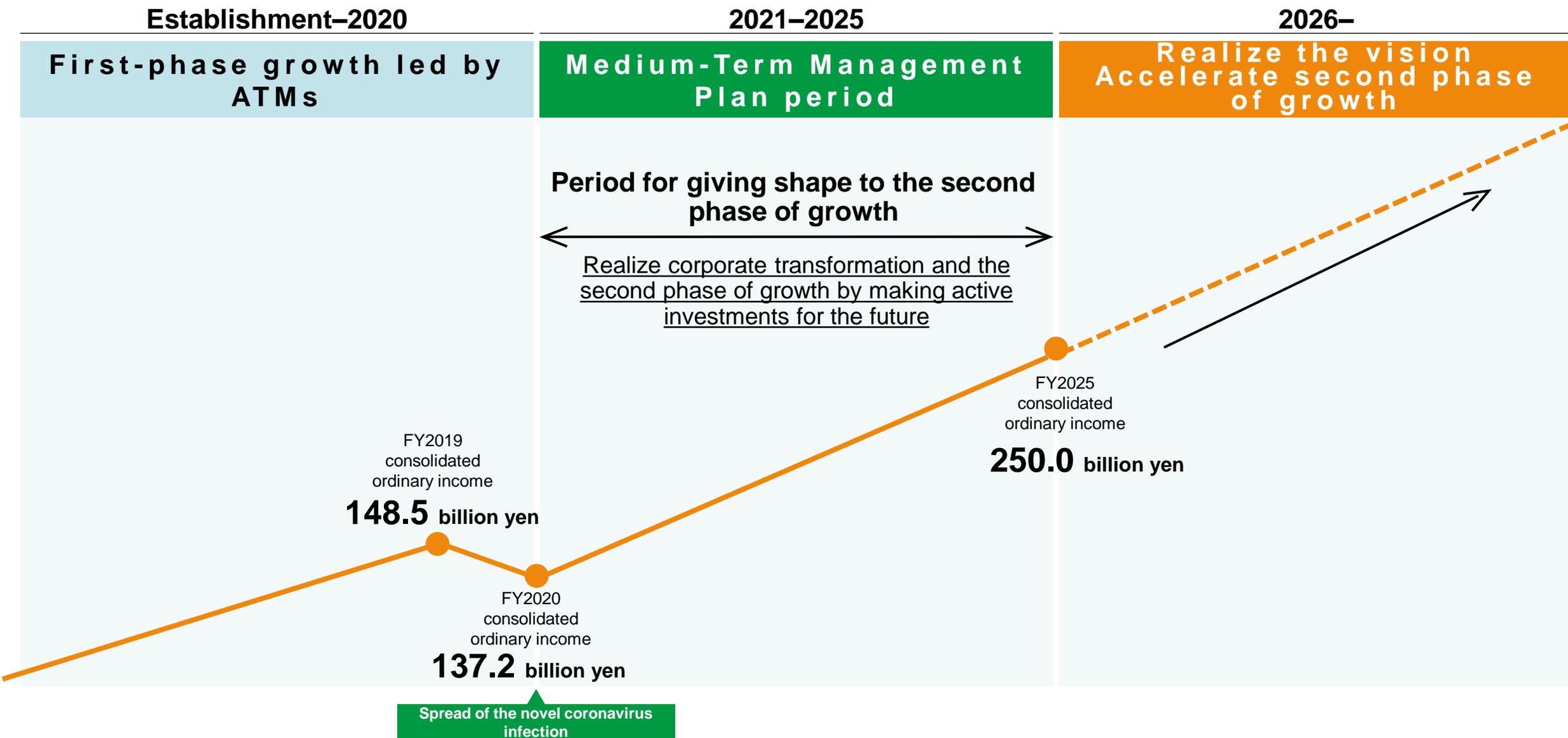




02

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

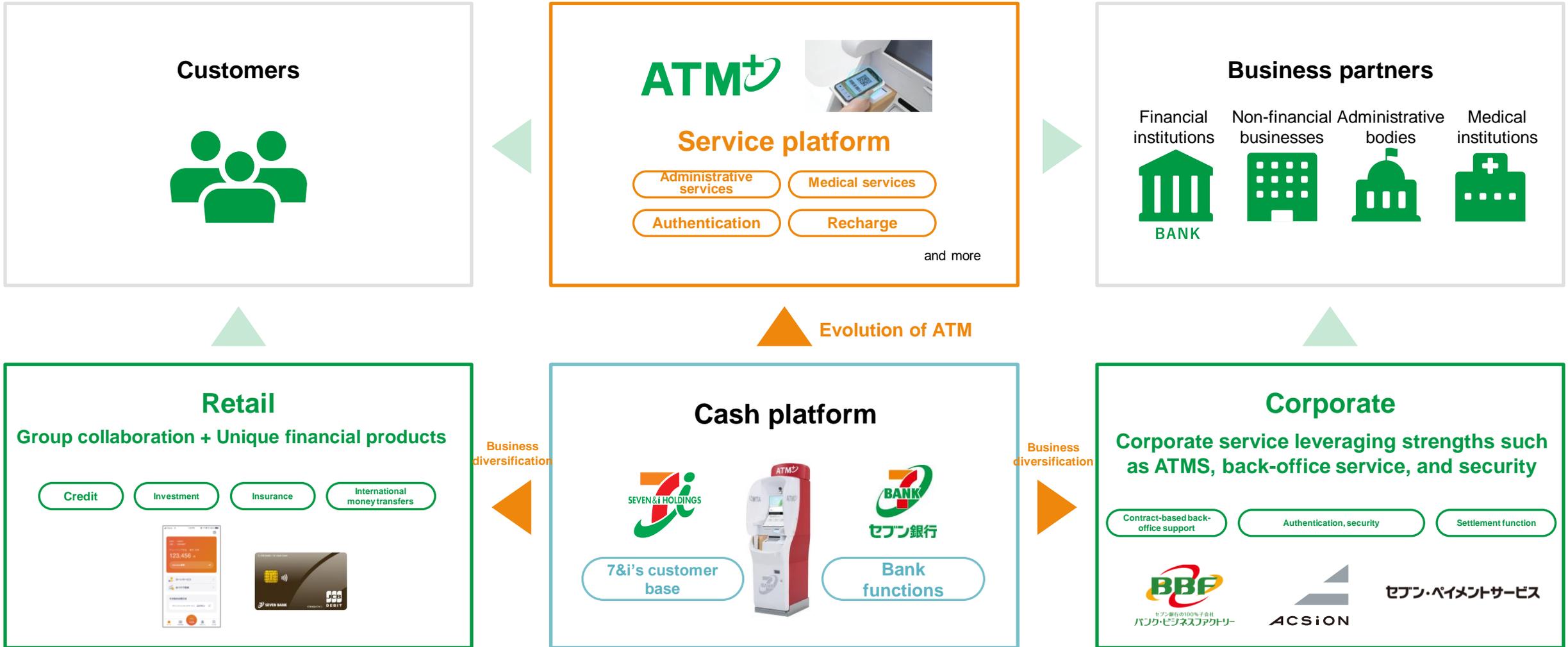
Corporate transformation

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

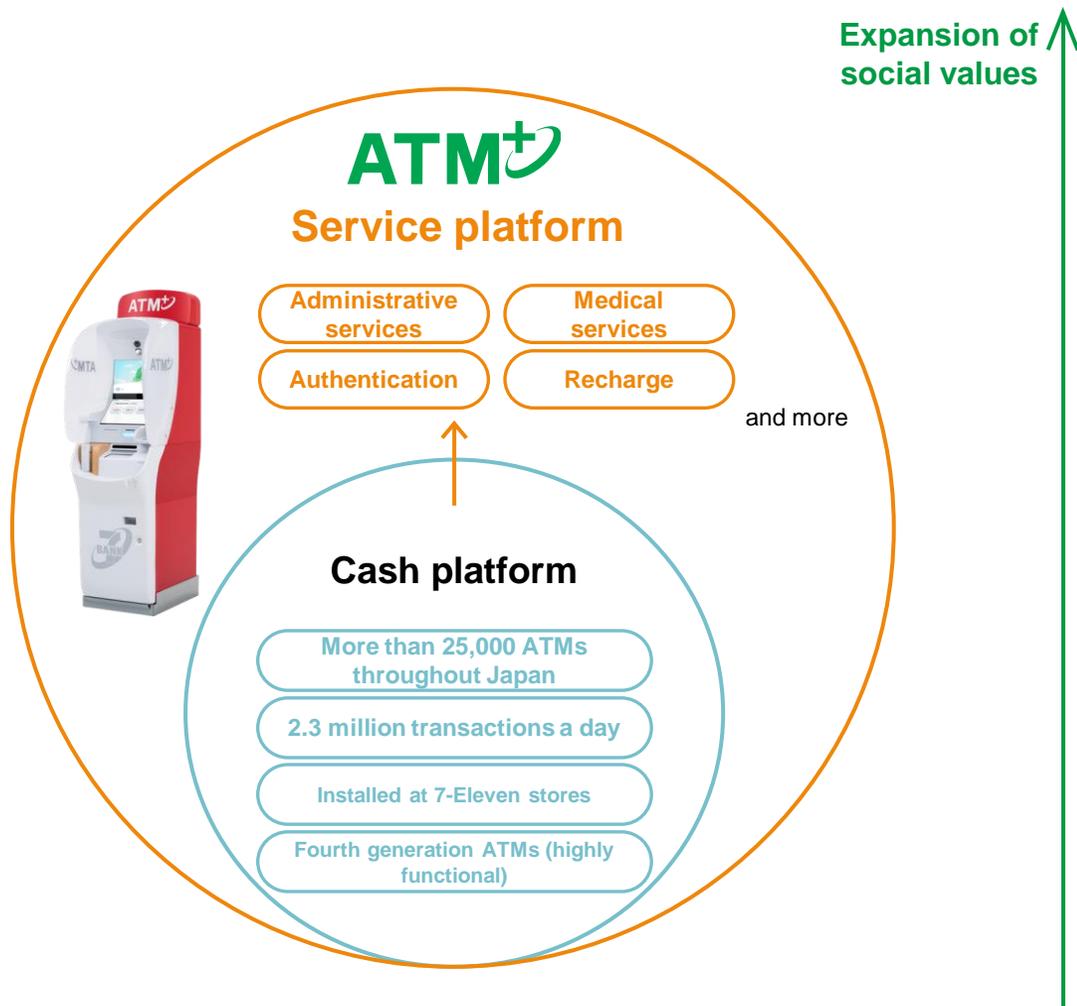
Business expansion starting from the strengths of Seven Bank

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

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

BANK

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)

Retail Strategy (Growth Fields in Japan [1])

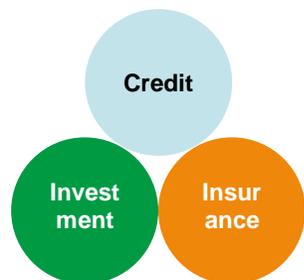
Strengthen collaboration with 7&i Group and pursue unique products

Strengthen group collaboration using 7iD and increase customers



Offer unique products and services

Make it easy to understand and use



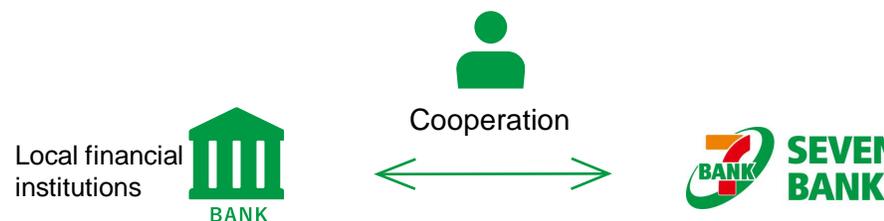
Collaborate also with investment targets to enhance services



Kanmu and more

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

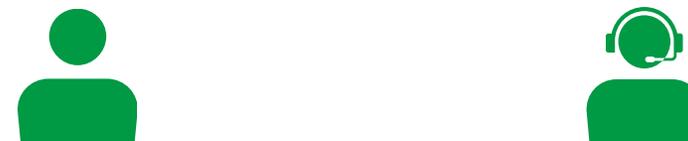
Get involved with finance of technical interns and skilled workers from an early stage (before their arrival in Japan) and expand market share



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

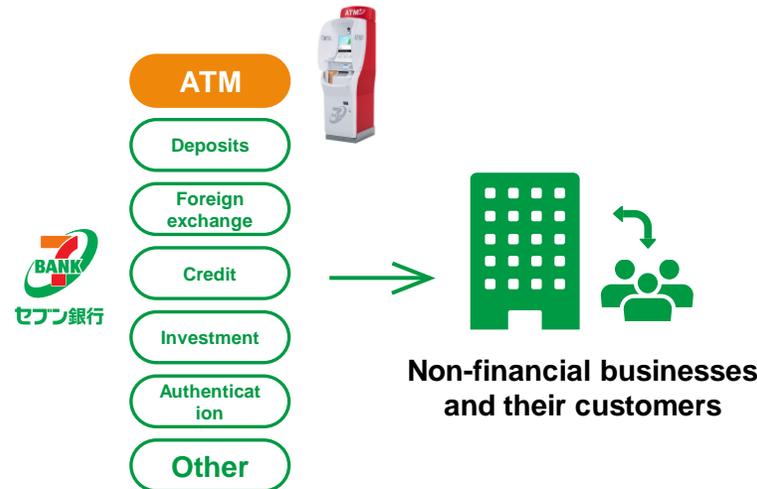
Companies considering improving additional values to their businesses

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



Countries where we currently have business



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



- 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

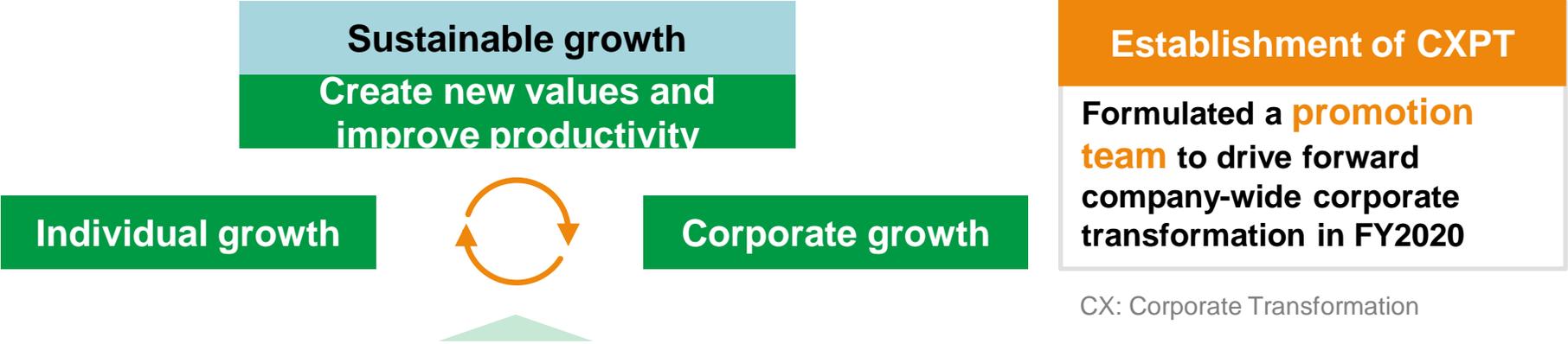
- Recycling of disposed ATMs

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

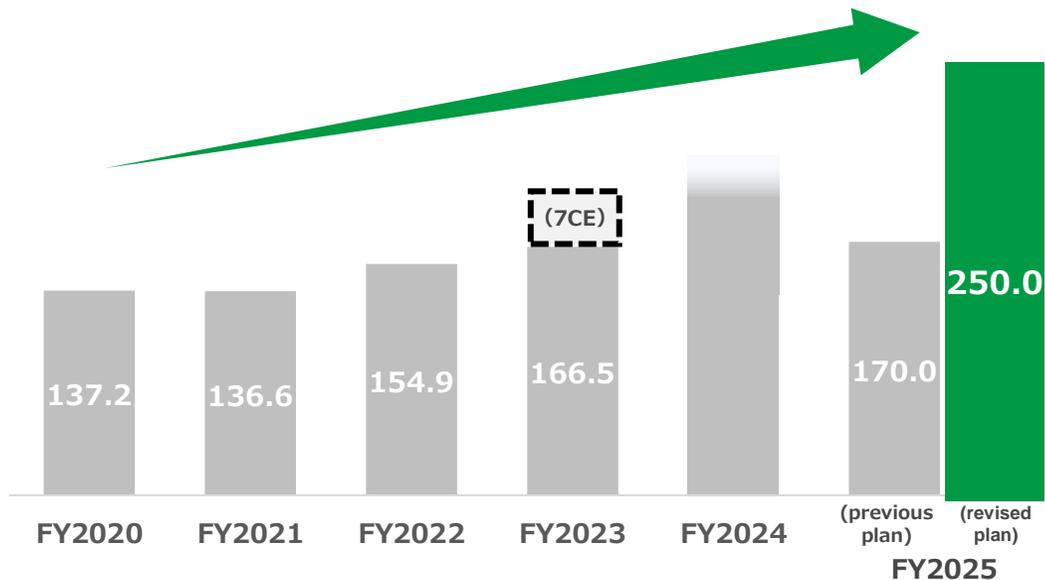
Financial goals for FY2025

Consolidated ordinary income: ¥250.0 billion

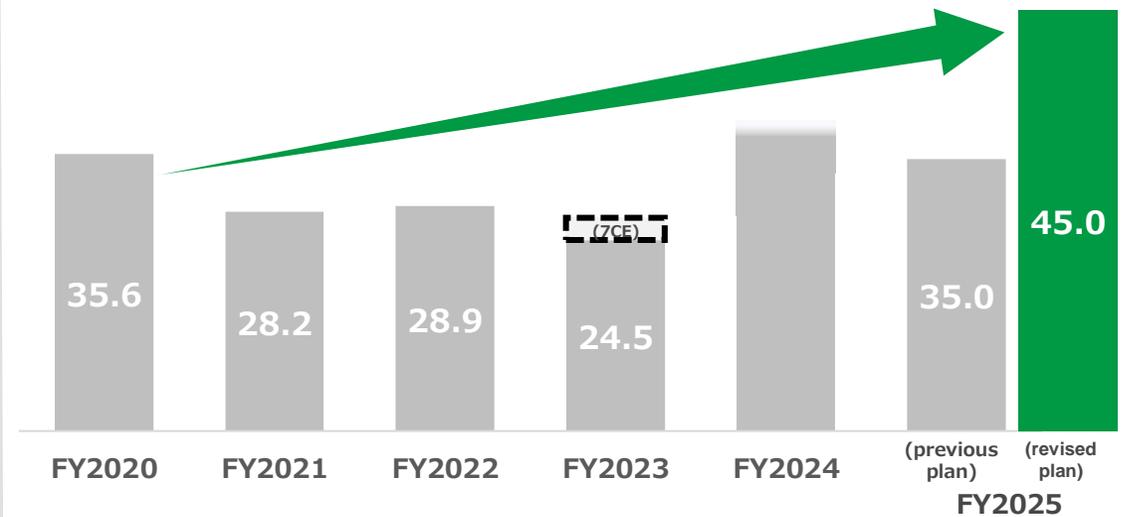
Consolidated ordinary profit: ¥45.0 billion

ROE: 8% or more

Consolidated ordinary income (Billion Yen)



Consolidated ordinary profit (Billion Yen)



Note: 7CE is an abbreviation of Seven Card Service

Financial Strategy

We will invest a total of ¥205 billion during the Medium-Term Management Plan period for future profit expansion

Basic policy

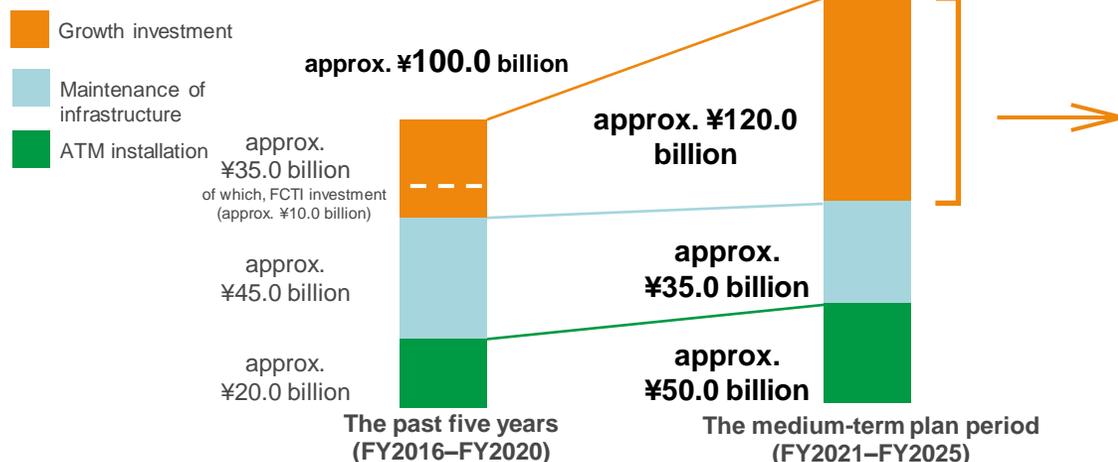
- Achieve both proactive investment for future growth and stable shareholder returns
- We will use cash flow* for investment and dividend payment

Investment details

- Growth investment (in the scale of ¥120 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



Investment in overseas business



Investment for promoting corporate transformation

Shareholder Returns

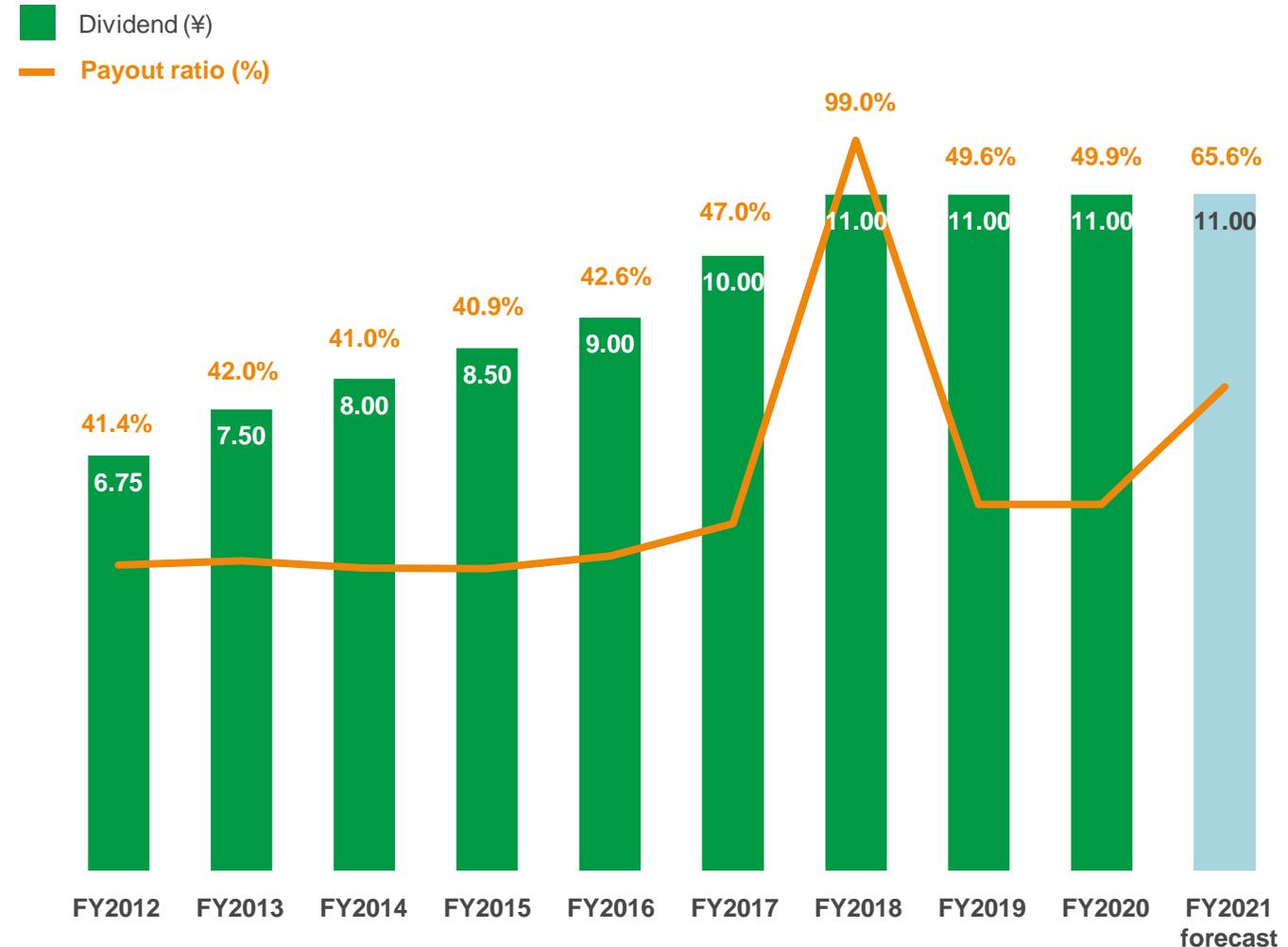
Basic policy

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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