

# Human Resources Strategy Officers Roundtable


### Kazutaka Inagaki

Managing Executive Officer  
in charge of General Affairs Division  
and Human Resources Division



### Tomoaki Nakayama

Managing Executive Officer  
in charge of Seven Labo Division and  
AI Data Strategy Division



**The power of people drives transformation.  
We will continue building a companywide foundation and culture that supports the acceptance of challenges.**

**We should be able to adapt to any changes in the environment  
What Seven Bank looks for in independent human resources**

**Inagaki:** We are in an era of rapid change in the world and constant vicissitudes in the business environment. To realize “the future of everyday life” which Seven Bank established as its Purpose, it is necessary for each individual employee to take on challenges and continue to be creative in pursuit of the ideal. We believe that people drive the creation of new value, and as a company, we strive to promote autonomous growth to give our employees the ability to adapt to change and continue contributing to society.

**Nakayama:** The term “DX human resources” is often used in the context of adaptability to change. At our company, however, our goal is to cultivate human resources who can bring about diverse transformation (X), not just digital (D). The reason for this is that technology is merely a means to an end. What is important is whether we can bring about transformation that lies ahead on our own.

**Inagaki:** I couldn’t agree more. We are looking for people who can solve the issues right in front of them using creativity and technology, and in the process, transform themselves, the company, and society. We need people with a global perspective who are able to work across borders. Even if they have the skills and expertise, though, they will not contribute to the growth of the company without the right mindset and leadership to guide them to success.

**Nakayama:** New challenges and transformation require the determination to carry through and resilience. Put another way, it is passion and physical strength, combined with a unwavering spirit in the face of adversity, and the determination to persevere.

**Inagaki:** It is extremely important to gain experience in seeing things through. I believe that enhancing problem-solving skills and expanding capacity through various challenges will lead to in the future.

**Nakayama:** We want to create an environment in which we do not expect perfection from our employees; rather, we encourage them to actively take on challenges with the aim of completing tasks. Even if they fail, they can learn from it and apply that lesson to their next challenge. We believe that this accumulation leads to personal growth and, ultimately, to the sustainable growth of the company.

## Each and every one of us is the central figure in transformation. Transform individual mindsets into organizational power

**Inagaki:** When we talk about transformation, we tend to focus our attention on growth-oriented divisions like new businesses, but it is because the defensive divisions handling routine tasks are solidly supporting them that we can take on growth-oriented challenges with confidence. Meanwhile, the defensive divisions also require a mindset and attitude of constant challenge. Recently, innovation has been emerging from back-office and corporate divisions, which are using no-code and low-code tools to improve operations.

**Nakayama:** It's absolutely true that anyone is capable of bringing about transformation. Seven Labo is implementing a variety of measures to ensure that the mindset of "transformation is a personal responsibility" becomes firmly entrenched throughout the company. In addition to in-house measures, we would like to expand our external network and create unprecedented opportunities to view things from wide-ranging perspectives.

**Inagaki:** The Human Resources Division plans to increase the number of multidisciplinary personnel who gain experience in various divisions within the company. Gaining experience in several different divisions within our company will enable employees to develop the ability to view our business from multiple perspectives. Employees can then build on these experiences to refine themselves as individuals and contribute to the strength of the organization.

**Nakayama:** It is important for companies to establish a support system that gives each employee the freedom to take the initiative in pursuing transformation. I believe that this leads to strength as an organization.

## We need to align employee and corporate growth. What type of leadership promotes transformation?

**Inagaki:** Seven Bank has established "seven skills" as the behaviors and attitudes necessary for leadership. In 2024, we incorporated them into the behavioral evaluations of all employees. The program is designed to enhance these strengths so that anyone can aim for a managerial position in the future. Over the past several

years, we have completely revamped our personnel system. We have revised our evaluation system so that evaluators and evaluatees have shared goals. The evaluation is based on the level of achievement expected in the tasks required of each employee, in line with the ideal employee profile we aim to achieve. We have also incorporated systems that encourage challenges. One such example is EX10, a scheme that allows 10% of work to be allocated to innovation activities.

Systems are merely tools, however, and they are meaningless unless they are used effectively, regardless of how well designed they may be. The question then becomes whether or not these systems can promote behavioral change in the workplace.

**Nakayama:** We want our employees to avail themselves of Seven Bank's assets and capabilities to realize their goals. For that purpose, over the past few years, we have focused on fostering a companywide culture of

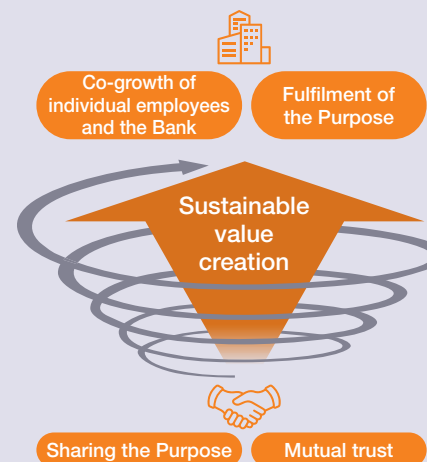
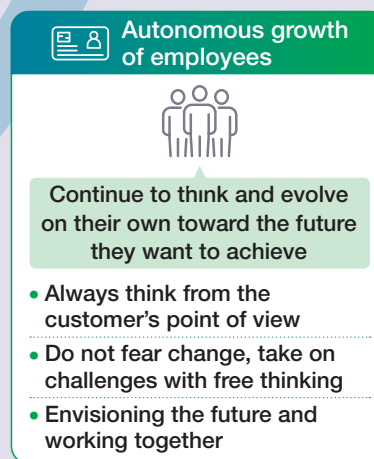




innovation. There has recently been an increase in the number of mid-career human resources with diverse backgrounds being hired. We view this as an prime opportunity to leverage new perspectives and knowledge to bring about even greater transformation, and to make diversity a driving force behind corporate growth.

**Inagaki:** A company is capable of sustainable growth if its people take on challenges voluntarily. This is the reason we have established a system that supports each employee's career development and challenges. We are increasing the number of projects in which employees can voluntarily participate, and we are developing an organizational culture that encourages new initiatives even during working hours.

**Nakayama:** In the interest of fostering an environment in which employees can take on challenges voluntarily, isn't it also necessary for us in management to change our awareness and behavior? When it comes to the ideal form of leadership for promoting transformation, I am always conscious of my own behavior.



**Inagaki:** I agree with you. This is why we are also focused on management reform, transitioning from the previous management style that emphasized instruction, control, and evaluation to a style that stresses nurturing subordinates by engaging in dialogue and providing support. There is no one correct management method, but leadership from management is extremely important to link the growth of employees and the company.

### Human resources who create the future together. Toward a system that enables us to co-create the future of everyday life

**Inagaki:** Employee engagement has steadily improved thanks to our efforts to this point, but there is still considerable room for improvement, and we will continue to implement measures.

**Nakayama:** As suggested by the term “well-being,” it is important to achieve both a comfortable work

environment and job satisfaction. Here at Seven Bank, with regard to systems and structures, we feel that we have established a comfortable work environment, so going forward we would like to focus on heightening job satisfaction. To that end, I want all employees to be able to express in their own words the value they offer to society. I believe that this ultimately leads to a sense of job satisfaction. When each employee is able to explain in their own words the value they offer to society, I am convinced it will lead to a sense of job satisfaction.

For this purpose, we will continue to promote initiatives that foster awareness change internally through the company's structure and corporate culture.





**Inagaki:** Each employee envisions their ideal self, then learns and works to continuously transform themselves. This will enable us to continue growing together with our employees toward the realization of the “future of everyday life” set forth in our Purpose. This is the fundamental concept underpinning our human resources strategy. By realizing co-growth between our employees and the company, we aim to achieve sustainable growth and enhance corporate value.

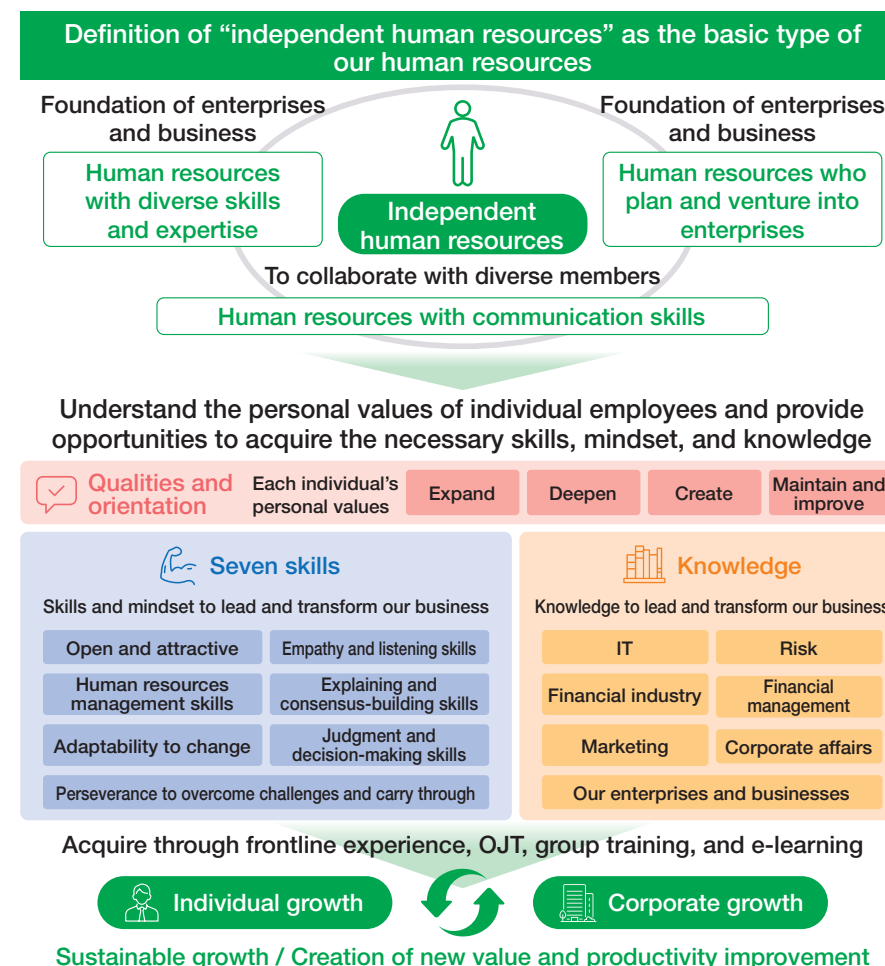


What type of human resources does the Seven Bank Group seek?

## We support individual employees' autonomous growth and provide arenas for their success to contribute to society through our business

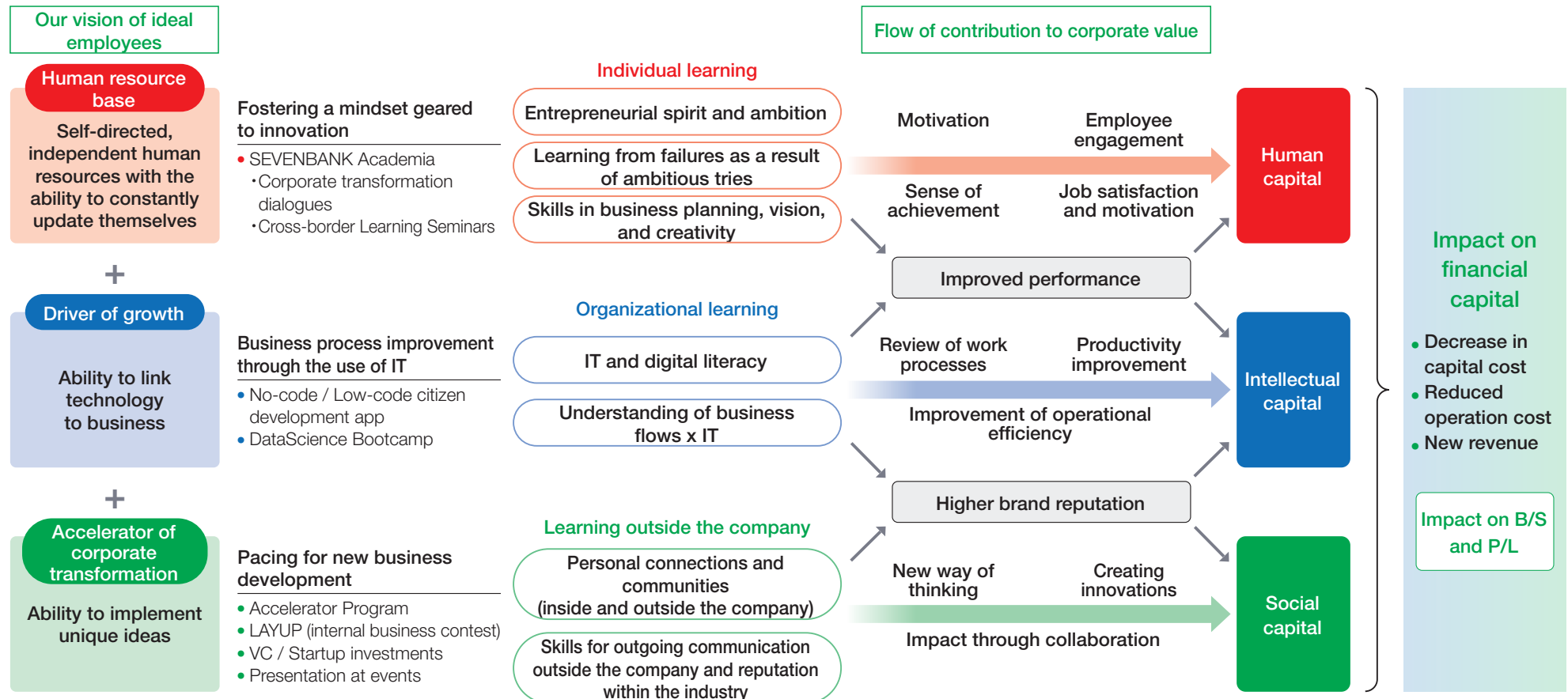
Seven Bank's human capital management aims to support the autonomous growth of "employees" who are to drive corporate value enhancement and provide them with arenas for success. This will enable all employees to contribute to society through business undertakings with a mindset geared to innovation, toward achieving the "future of everyday life" set forth in our Purpose. Regarding employees who are the driving force of human capital management, the Bank has declared "independent human resources" to be the ideal employees it seeks. Having clarified the definition of such human resources, it has set forth that providing opportunities for employees to acquire the necessary skills, mindset, and knowledge as a priority policy for its human resources development.

Management strategy	 Purpose	<ul style="list-style-type: none"><li>• We shape the future of everyday life by seeing your wishes and going beyond.</li></ul>		
	 Medium-term Targets	<ul style="list-style-type: none"><li>• Evolve from cash platform to ATM+</li><li>• Expand growth fields that come after ATMs by leveraging our strengths (business diversification)</li></ul>		
	 Business strategy	Core	<ul style="list-style-type: none"><li>• ATM platform strategy</li></ul>	
Human resources development	 Priority policies	Growth	<ul style="list-style-type: none"><li>• Retail strategy/corporate business strategy</li><li>• Overseas business strategy</li></ul>	
		Vision	<b>To hone employees' ability to grasp change and use imagination to create new things</b> <ul style="list-style-type: none"><li>• Human resource base: Self-directed, independent human resources with the ability to constantly update themselves</li><li>• Drive growth: Ability to link technology to business</li><li>• Accelerator of corporate transformation: Ability to implement unique ideas</li></ul>	
	Core human resources	<ul style="list-style-type: none"><li>• Equipped with: Qualities and orientation &lt;Expand ⇔ Deepen / Maintain and Improve ⇔ Create&gt;</li><li>• Acquire: Seven skills / Knowledge</li><li>• Practice: Generalists (experience in multiple key divisions) / Specialists (specific division)</li></ul>		
		Personnel strategy	General policy	<ul style="list-style-type: none"><li>• Strengthen and increase professional human resources to link technology and business</li><li>• Strengthen innovation human resources</li><li>• Fostering independent human resources</li></ul>
	Human resources strategy	Organizational design	<ul style="list-style-type: none"><li>• Transform ourselves into an organization in which independent human resources can play key roles</li><li>• Transform business models and processes with a view to utilizing / leveraging technologies and increasing efficiency</li></ul>	
Personnel policy		<ul style="list-style-type: none"><li>• Support individual employees' autonomous growth and provide arenas for their success to contribute to society through our business</li></ul>		



## Identifying issues independently and seeking necessary solutions, to drive personal self-transformation and corporate transformation

To bring about a new corporate transformation in the times of rapid change, we need human resources who are not bound by conventional ideas and practices but are able to identify issues not yet visualized and use their own creativity and technology to transform themselves, the company, and society. “Independent human resources” are the basic type of human resources we seek, and on top of that, the ideal human resources we seek are to have the ability to lead growth and the ability to accelerate corporate transformation. We have introduced various measures to help every employee develop a mindset geared to innovation.

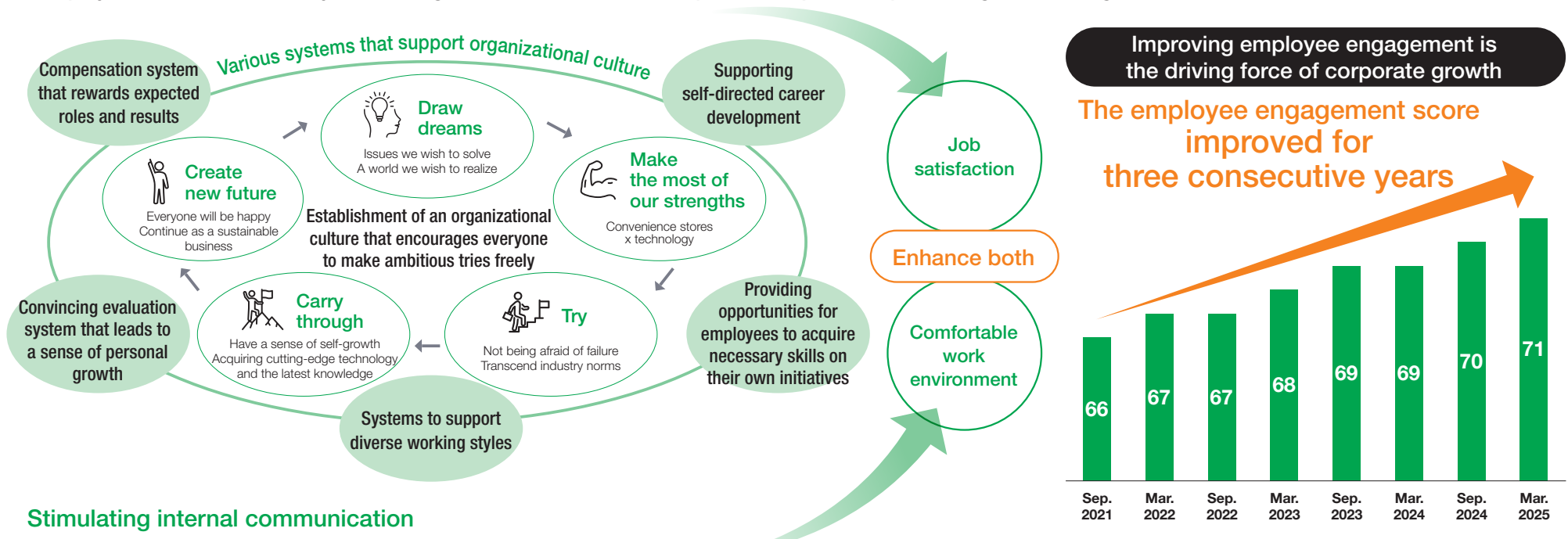


Experience of personal growth and the feeling of contributing to business growth lead to co-growth of individuals and the company

Seeking both a comfortable work environment and job satisfaction

## Establish an environment that helps every employee to grow autonomously and an organizational culture that encourages employees to make ambitious tries freely to achieve our Purpose

Seven Bank has introduced the EX10 system which allows employees to allocate 10% of their work hours to activities for future contribution to the company or improvement of their skills, even without immediate benefit for their current work. Now incorporated in behavioral evaluations, it is intended to encourage self-directed innovation activities. As about 80% of our employees are mid-career hires, we aim to create an environment in which people with diverse backgrounds can play their roles successfully, and an organizational culture that helps them experience personal growth through new tries.



### Stimulating internal communication

#### Opportunities to talk with the management team

##### Town hall meetings



The President and Officers take turns having discussions in small-groups with all employees.

#### Fostering a sense of togetherness across the Group

##### Coffee time and bar time



As a place for interaction and friendly communication among Group employees, a social event is held monthly in the company lounge themed on specific topics.

#### Instilling and implementation of the Purpose

##### Purpose Award



In FY2024, the third Purpose Award event was held to commend the activities that embody the Purpose.

#### Deepening mutual understanding

##### Office Open Day



Every summer, we invite the families of our employees to our office, and hold events where they can enjoy a variety of activities, including company tours.





**Yoichi Mizumura**

Executive Officer  
in charge of ATM Solution Division,  
ATM Operations Management Division

# Creating the “future of everyday life”

## Innovative technologies and operations in support of a stable financial system

**Mizumura:** Since we launched our ATM service, using our proprietary system, we have developed them with a focus on safety, security, and convenience. The key is achieving “uninterrupted, stable operation.” This is a daunting task, given that we have approximately 28,000 ATMs nationwide. By building a unique system centered on ATMs, however, we can deliver advanced, stable operations even without staff members. On a daily basis, for instance, we collect and analyze data on ATM component operation to predict malfunctions, prevent cash shortages using AI technology, and respond promptly to customers by collaborating with call centers and maintenance and security systems. Our ATMs play the role of a service platform for our customers, while also functioning as a back-end platform that supports transactions with over 680 partners.

**Takizawa:** The account system I am responsible for differs from our proprietary ATM development in that our approach is to maximize the use of existing systems and general technologies. Duplication is the most important concept in ensuring the stable operation of an account system. Banks’ core systems are always duplicated so that in the event one system stops, the other continues operating. We maintain an active-active

configuration with both systems running at all times to enable the fastest possible switchover.

Additionally, as a disaster countermeasure, we have prepared DR<sup>\*1</sup> sites at remote location in Tokyo and Osaka for accounting and other core systems. In 2018, we became Japan’s first financial institution to introduce the “Tokyo-Osaka Alternating Operation Method,” which alternately serve as the production system. We are proud to say that this is a rare initiative in banking. It has enabled the advancement of Business Continuity Plan (BCP) and 24/365 uninterrupted operation.

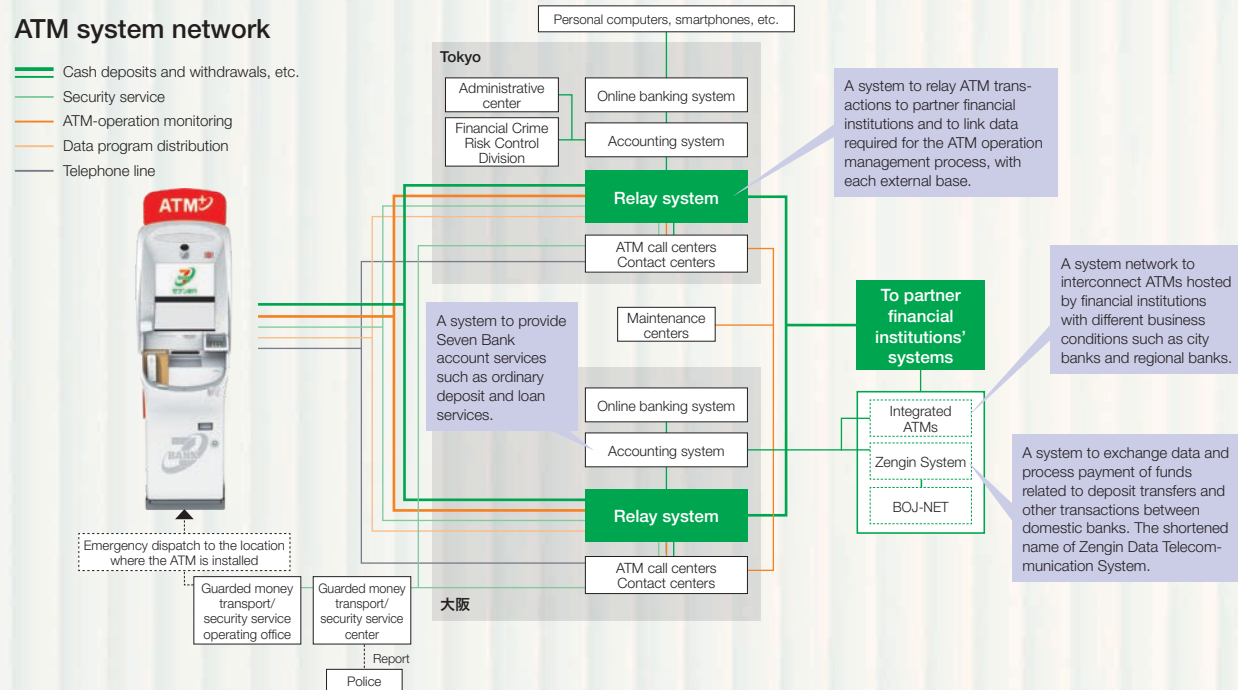
## Toward zero system outages The pursuit of anticipation and mobility

**Mizumura:** It is essential to respond quickly to rapid changes in society and technology for ATM systems to operate stably. We are strongly conscious of anticipation because we develop completely original ATMs. This is the idea of incorporating changes that may occur later into the design stage. Preparing a system that can flexibly respond to changes ahead of time enabled us to handle the new banknotes in 2024 simply by updating the software, without requiring major renovations. We have already achieved designs that facilitate addition of new authentication methods, including iris and fingerprint recognition.

<sup>\*1</sup> DR: Disaster Recovery

# through original services utilizing IT.

## ATM system network



**Takizawa:** The account system focuses on quick response to changes in the world and providing services swiftly by leveraging existing systems and general technologies. Examples of our advanced initiatives include our early adoption of cloud technology and the development of core systems such as internet banking and ATM relay systems.

Today, we are even more aware of speed, starting small when it comes to development and implementing improvements while monitoring customer reactions. The results of development using this approach include the My Seven Bank app, the ATM cash collection service that allows users to deposit sales proceeds at Seven Bank ATMs, the ATM cash receiving service that



**Taku Takizawa**

Executive Officer  
in charge of Financial Solution Division





makes it possible for businesses to send money to individuals—receivable at Seven Bank ATMs and 7-Eleven registers 24 hours a day, 365 days a year—and the recently redesigned “Tsutsumuto” service, which lets users easily send gifts from ATMs. Not only can we launch new services quickly and at low cost, but we can make adjustments flexibly based on feedback from customers.

**Mizumura:** As ATMs are the most familiar presence for our customers, we are also committed to UX.<sup>\*2</sup> We pursued ease of use with a large dual-screen display, employed animation and sound to guide customers intuitively, and created seasonal screen displays, which were well received on social media. We have comprehensively tested every detail—including the

Background images that change with the season or transaction progress

Animation guides the viewer's gaze, intuitively preventing customers from leaving items behind

Piano tones create a pleasant user experience



Image of ATM screen

feel of the keys and the sound they make when pressed—and have implemented improvements based on our findings.

### In-house development and design Building an organization that fosters creativity

**Takizawa:** Organizational and development systems are crucial in creating this originality. Regarding our account system in recent years, we have actively promoted in-house development. In addition to our employees, we receive cooperation from many partner companies. We believe, though, that it is a significant advantage to maintain development resources in-house and quickly create and verify prototypes when necessary.

We are not a system development company; rather, we are a business company that offers financial services.

We are constantly exploring how we can leverage IT to contribute to business, and what our customers truly value.

**Mizumura:** In the ATM Business, we launched ATM Design Studio, an in-house team specializing in ATM software and UI design, in 2023. Led by our in-house development team and designers, we design and develop ATM transaction screens and other systems internally, allowing us to respond to customer feedback more quickly and directly. By working together to implement the improvement cycle, designers and developers can now put far more improvements into practice in a shorter period of time. Going forward, this team will also be responsible for developing new services.

**Takizawa:** It's actually unusual for a bank to have in-house designers. The design for our smartphone app, My Seven Bank, was also created in-house. For

<sup>\*2</sup>: UX: User experience



this project, we formulated a design system that integrated the design concept and policy. Improvements in design clarity and visibility may seem minor in terms of effects. We believe, however, they contribute greatly to peace of mind and convenience for customers.

## Future IT strategy that goes beyond “seeing your wishes”

**Mizumura:** Our aim is to create a future in which the new services we offer are naturally integrated into our customers’ daily lives, improving their quality of life and giving them convenience and fulfillment in an essentially unnoticeable way. Toward realizing this, our

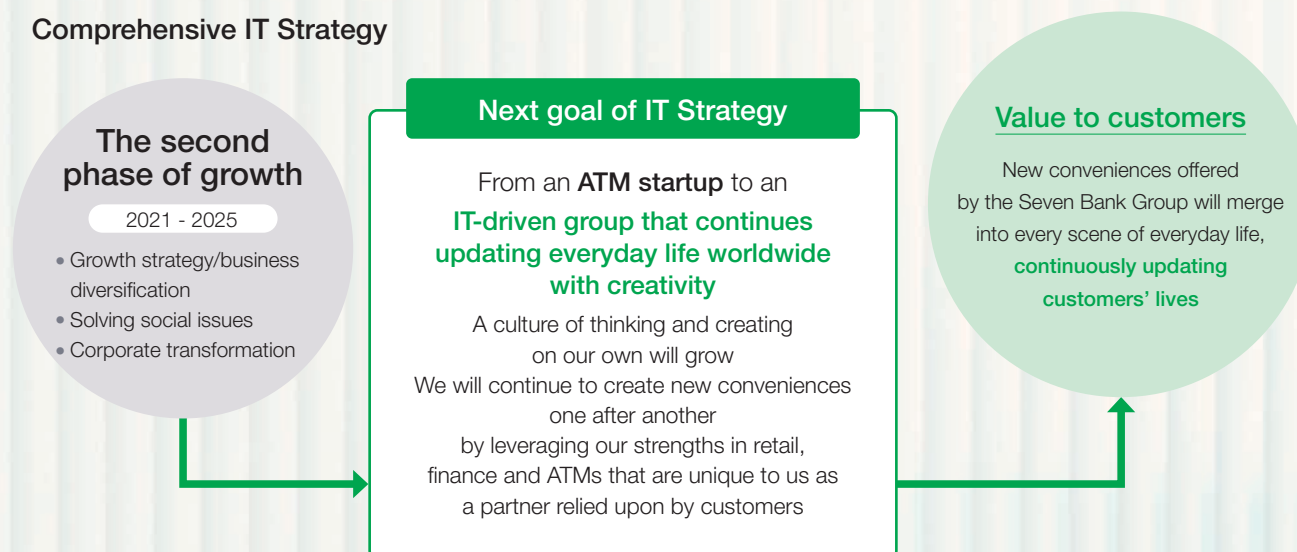
development team has established a grand vision: “From an ATM startup to an IT-driven group that continues updating everyday life worldwide with creativity.” Achieving this will require us to foster a companywide “culture of thinking and creating on our own.”

**Takizawa:** When it comes to our account system, we also strive to ascertain customer needs and pursue technologies to satisfy them. Technologies such as generative AI and AI agents can potentially simplify procedures for customers. It is important to remember, however, that there are many tools available, and that IT is only one of them. Instead of focusing on technology, we accurately identify what our customers truly desire and select and utilize the most appropriate technology

to deliver it. We will always be mindful of this balance and strive to leverage the power of IT to create a new normal that surpasses customers’ expectations.

**Mizumura:** As discussions progress on fifth-generation ATMs, we are moving forward with developing a vision from a philosophical perspective. We are considering technological innovations as well as what customers will want from stores and real channels, and what value our ATMs can provide. Given this, through industry-academia collaboration with universities and other institutions, we will explore “seeing your wishes” for the future by incorporating knowledge from diverse fields including cognitive psychology, AI, and behavioral analysis.

## Comprehensive IT Strategy



# Responses to Environmental Issues

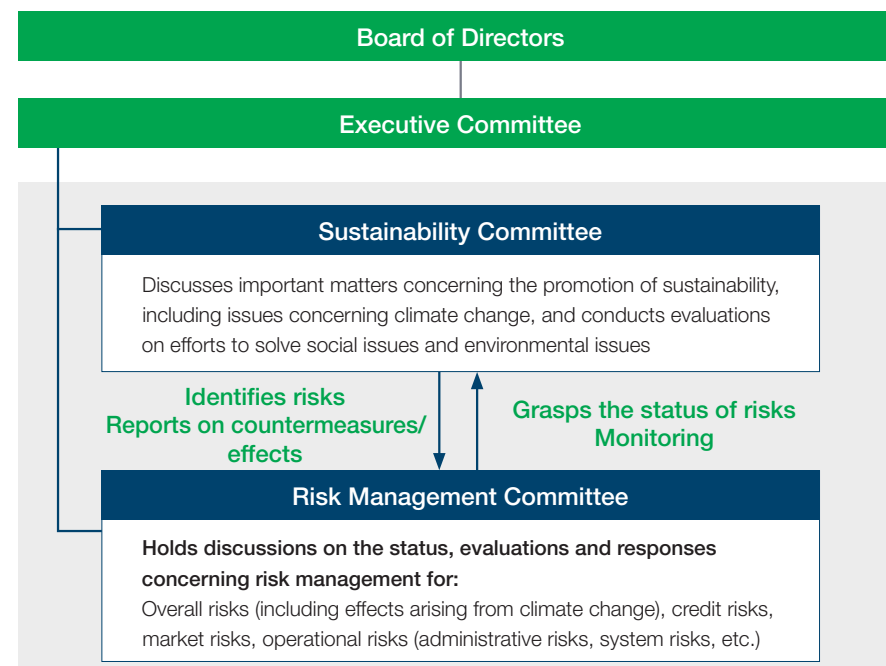
## Initiatives for Climate Change

The Seven Bank Group has set to “contribute to the prosperity of our society and the future of the Earth” as one of its five material issues, and considers responses to climate change to be one of its most important management issues. The Seven Bank Group expressed an endorsement of the Task Force on Climate-related Financial Disclosures (TCFD) in 2021. In 2023, we conducted a scenario analysis to measure the impact of climate change on our business activities and revenues in the ATM platform business, which is our core business, which identified risks and opportunities from climate change and estimated the financial impact. Responding to the potential impact of climate change risks and opportunities and taking specific measures, the entire Group will take various initiatives aimed at realizing a decarbonized society.

### Governance

In the Seven Bank Group, important matters related to climate change are discussed in the Sustainability Committee, which is an advisory body to the Executive Committee. We disclose such sustainability information for the entire group, including the progress of initiatives addressing social and environment issues conducted by each group companies and prepare for external evaluation.

With regard to climate-related risks, we assess the status of overall risk management including impacts arising from climate change and take action in cooperation with the Risk Management Committee, which is an advisory body to the Executive Committee in accordance with the “Basic Policy on Risk Control” established every fiscal year by the Board of Directors, to quarterly check the overall risk status. We have established a system to ensure that, by the Sustainability Committee and the Risk Management Committee, matters concerning sustainability including climate change are referred to and reported to the Executive Committee and the Board of Directors, which makes decisions on basic sustainability policies and important matters in business operations and oversee business execution as a body responsible for management decisions and oversight.



### Strategy

The Sustainability Committee conducted a scenario analysis for the year 2030, based on information as of the end of March 2022 targeting our core ATM platform business. In the analysis, the financial impact due to the physical risk of extreme weather was estimated, which is assumed to have a significant business impact.



## Analysis process



## Conditions of assumed scenarios

The scenario analysis of climate change was conducted assuming the 2 degree limit scenario and the 4 degree scenario based on reports issued by International Energy Agency (IEA) and Intergovernmental Panel on Climate Change (IPCC). We identified a wide variety of potential factors impacting our ATM services under each of scenario, assessed the financial impact, and then identified risks and opportunities.

## Assumption of scenario analysis

Items	The 2 degree limit scenario	The 4 degree scenario
<b>Reference scenarios</b>	(2 degree scenario) IEA Sustainable Development Scenario, IPCC RCP2.6  (1.5 degree scenario) IEA Net Zero Emissions by 2050	(4 degree scenario) IEA Stated Policies Scenario, IPCC RCP8.5
<b>Target year</b>	As of 2030	
<b>Worldview</b>	The scenario assumes an average temperature increase of less than 1.5°C above the pre-industrial level by 2100. Policies, laws, and regulations will be more stringent than now to achieve carbon neutrality to control problems from climate change.	The scenario assumes an average temperature increase of 3.2°C to 5.4°C (about 4°C) above the pre-industrial level by 2100. No proactive policies, laws, or regulations are put in place to mitigate problems from climate change, while extreme weather events intensify remarkably.

## Calculation of financial impact

In addition, for the damage and impact of extreme weather events on our ATMs, which were evaluated as having a large business impact as a result of the scenario analysis, we estimated the frequency and probability of floods and storm surges occurring in the areas where our ATM locations nationwide using hazard maps and calculated damage to the actual ATM machines, including ATM recovery cost and financial loss due to ATM shutdowns, and estimated the financial impact.

Assumptions	Calculation	Calculation result (in millions of yen/year)
In both the 4 degree scenario and the 2 degree limit scenario, as of 2030, physical damage from floods and storm surges increases due to intensified severe extreme weather events. We have a large number of ATMs nationwide and expect to have a significant financial impact from the increasing frequency of floods and storm surges.	<p>The following items are estimated based on the Manual for Economic Evaluation of Flood Control Investment (Ministry of Land, Infrastructure, Transport and Tourism) and other references.</p> <p> <b>• Damage to ATM asset due to flooding</b>   • <b>ATM recovery cost</b>   • <b>Losses due to ATM shutdown</b> </p> <p> <small>*Damage prediction data, such as estimated flood depth, is identified for each ATM location from hazard maps.            *Annual average damage is calculated by multiplying the estimated damage in the event of flooding or storm surge by the annual exceedance probability.            *Influence on cash is beyond the scope of the analysis (assumed no cash is lost)</small> </p>	805 ~ 1,408

## Identified climate change risks and opportunities

Type of risk/opportunity	Assessment item	Projected time-frame	Business impact	Financial impact	
				4°C	1.5°C
Transition risk	Policy and regulations	Regulations on resource recycling	Medium- to long-term	<ul style="list-style-type: none"> <li>Regulations on the distribution and use of fossil fuel-derived plastics used in ATM enclosures will require shift to alternative materials such as bioplastics</li> <li>A shift to recyclable materials and structures will be required, increasing costs for adaptation</li> </ul>	– Medium
	Change in market	Change in raw material costs	Medium- to long-term	<ul style="list-style-type: none"> <li>Increase in the prices of fossil fuel-derived plastics used in ATM enclosures due to higher crude oil prices can increase manufacturing costs</li> </ul>	– Medium
		Change in energy costs	Medium- to long-term	<ul style="list-style-type: none"> <li>Increased demand for renewable energy can bring up electricity prices and increase operating costs for offices and data centers</li> <li>Higher gasoline prices will increase costs such as guarded transportation costs</li> </ul>	– Small
Physical risk	Acute	Frequent and intensified extreme weather events	Short- to long-term	<ul style="list-style-type: none"> <li>ATM failures due to flooding, transportation networks disruption due to natural disasters, decrease of transactions due to shutdowns of business operators with ATMs installed, decrease of profitability of our core business ATM services</li> <li>The number of ATM transactions decreases as people go out less, resulting in lower income</li> </ul>	Large Medium
	Chronic	Rise in average temperature	Short- to long-term	<ul style="list-style-type: none"> <li>Air-conditioning costs for offices and eastern and western data centers will increase</li> </ul>	Medium Small
Opportunity	Product and services	Growing environmental awareness	Medium- to long-term	<ul style="list-style-type: none"> <li>Demand for replacement to Seven Bank ATMs will increase due to replacement of ATMs to those with advanced energy-saving functionality and due to an increasing interest in recyclable ATMs</li> <li>Demand for ATMs as sustainable social infrastructure will increase as the initiatives addressing climate change progress across the ATM network as a whole</li> </ul>	Medium Small
	Market	Need for cash in ordinary times/emergency situations	Short- to long-term	<ul style="list-style-type: none"> <li>Rising temperatures will increase the number of customers visiting convenience stores and increase opportunities to use ATMs</li> <li>Demand for mobile ATM vehicle dispatch services as disaster response measures will increase</li> <li>Increased need for cash in the event of a disaster will increase the number of transactions</li> </ul>	Medium Small

\*Short-term: 1 year, Medium-term: 1 to 5 years, Long-term: 5 to 30 years

## Responses to Environmental Issues

### Seven Bank's major initiatives

Responding to the potential impact of climate change risks and opportunities, the Seven Bank Group has been taking various actions to enable a decarbonized society.

#### Risk

Risk type		Assessment item	Major initiatives	
Transition risk	Policy and regulations	Regulations on resource recycling	<b>Response for existing ATMs</b>	<ul style="list-style-type: none"> <li>For ATMs, we have proactively introduced recycled materials and adopted an easy-to-maintain structure, etc. from the design phase. In the event of defects, we perform parts replacement and maintenance and make other efforts to extend its life.</li> <li>ATMs removed and collected due to renovation and closure of Seven-Eleven stores and replacement with fourth-generation ATMs are, if they are reusable machines, reused after maintenance, or reused as parts.</li> <li>Old unrecyclable ATMs are recycled as resources through recycling business operators. Thus, we achieve a recycling rate of around 100% for ATMs.</li> </ul>
	Change in market	Change in raw material costs	<b>Response for next-generation ATMs</b>	<ul style="list-style-type: none"> <li>We proactively engage in collaboration with academia, etc. in view of exploration of new materials and research and development of recyclable materials for discussion of next-generation ATMs.</li> </ul>
		Change in energy costs		<ul style="list-style-type: none"> <li>To maintain an appropriate level of cash stored in ATMs, the usage patterns of each individual ATM are currently analyzed using AI technology and the timing of funds needing to be replenished is forecasted. Based on the information, optimal cash transportation routes and the frequency are determined in cooperation with a guarded money transport company. This enables efficient operation considering transportation-related energy consumption and CO<sub>2</sub> emissions.</li> <li>Starting in 2022 with a data center which is powered by electricity solely from renewable sources, as well as a cloud storage service based on sustainable concerns, we are addressing future changes in energy costs, aiming to achieve complete zero emissions of CO<sub>2</sub> by 2025.</li> </ul>
Physical risk	Acute	Frequent and intensified extreme weather events		<ul style="list-style-type: none"> <li>Although we established a structure to ensure business continuity traditionally by having our system bases in eastern and western Japan, in 2021, most core systems were transferred to cloud storage. In cooperation with our business partners, we continue to duplicate our systems and operate them alternately from our sites in eastern Japan and western Japan. At the same time, we have also stepped-up measures for early recovery in the event of failure, which includes rapid fault isolation and enhancing the remote maintenance environment.</li> <li>We take measures against blackouts due to disaster by installing an uninterruptible power supply (UPS) on the ATM itself.</li> <li>To minimize damage caused by natural disasters, we have established a system with Seven-Eleven to cooperate with the store management teams in the disaster area in advance and utilize the store information sharing system "7VIEW" to grasp the situation in real time and take early action.</li> </ul>
	Chronic	Rise in average temperature		<ul style="list-style-type: none"> <li>Promoting casual office attire and reducing power consumption by heating and cooling equipment</li> </ul>

#### Opportunity

Type		Assessment item	Major initiatives	
Opportunity	Product and services	Growing environmental awareness		<ul style="list-style-type: none"> <li>By March 2025, we have replaced all of our ATM installations with the fourth-generation ATMs, which was first introduced in 2019. Since the initial stage of development, the fourth-generation ATM model aimed to not only improve features and performance but also to contribute even better to society and the environment so as to meet broader customers' and social needs. We successfully reduced power consumption by 40% compared to the third-generation ATM model in cooperation with our business partners through reconsideration of ATM circuit design and thorough selection of low power consumption parts. Although the total number of ATMs installed increased by 3,598 from the end of March 2019, when the third generation ATMs were in place, total CO<sub>2</sub> emissions from all ATMs decreased by 28.1%, leading to a reduction in environmental impact.</li> </ul>
	Market	Need for cash in ordinary times/ emergency situations		<ul style="list-style-type: none"> <li>Assuming an increase of ATM replacements by financial institutions to minimize damages to bank branches and ATMs due to natural disasters, we strive for enhancing ATM services as a social infrastructure.</li> <li>In the event of a large-scale disaster that disables ATM operations over a wide area, we will dispatch mobile ATM vehicles to help the affected communities through the provision of settlement infrastructure.</li> </ul>

## Risk Management

The Seven Bank Group incorporated climate change risks into the company-wide risk management system as part of the process of identifying and managing climate-related risks, as the section on the overall risk management policy in the “Basic Policy on Risk Control” requires the Bank to practice agile risk management by responding immediately to changes in the external and internal environment based on risk assessment results and monitoring.

Meanwhile, with regard to opportunities, the Sustainability Committee holds regular hearings on the status of efforts in each business unit to “contribute to the prosperity of our society and the future of the Earth,” which is one of the priority issues, and is strengthening group-wide environmental initiatives. In February 2024, we launched the ATM Partner Sustainability Conference with three major ATM-related business partners. Aiming to build an ATM network that can contribute to solving social and environmental issues more than before, we will continue to drive forward our sustainability strategy as one team including the whole supply chain.

## Indicators and Target

In order to measure the environmental impact quantitatively, the Group calculates CO<sub>2</sub> emissions for each fiscal year.

In the past, we calculated CO<sub>2</sub> emissions for Seven Bank alone, but we have expanded the scope of calculation in Scope 2 starting from this fiscal year. Accordingly, CO<sub>2</sub> emissions from the Seven Bank Group on a consolidated basis were calculated for the most recent three fiscal years (from FY2022 to FY2024).

In Scope1, the amount of mobile combustion associated with the use of company vehicles was calculated on a non-consolidated basis for Seven Bank. Although our four overseas subsidiaries also use company vehicles, the consolidated figure is not calculated because numerical records necessary for such calculation are currently hardly available and the impact is deemed to be insignificant due to the limited the number of vehicles subject to calculation. In the future, we plan to consider setting targets for CO<sub>2</sub> emissions for the Seven Bank Group in conjunction with the calculation of CO<sub>2</sub> emissions in Scope 3 on a consolidated basis.

The scope of calculation for Scope 2 is as follows.

The calculations are based on the GHG Protocol. We basically use the market-based method (calculations based on contracted electricity menus) for Japan, and the location-based method (calculations based on the average emission intensity for the specific region) for other countries. For some sites for which it is difficult to determine the actual amount of electricity used, the estimated floor area is used under the location-based approach. All calculations are based on Persefoni's carbon-accounting platform.

Scope 3 emissions of Seven Bank on a non-consolidated basis from FY2021 to FY2023 are as shown on the right.

Japan	Overseas
<ul style="list-style-type: none"> <li>• <b>Seven Bank, Ltd.</b> Five offices: two in Chiyoda-ku, Tokyo and one in Sumida-ku, Tokyo, Yokohama City, Kanagawa Prefecture, Toyonaka City, Osaka Prefecture respectively Three directly-managed Seven Bank ATMs locations: Shinjuku-ku, Tokyo<sup>*1</sup>, Minato-ku, Tokyo, Osaka City, Osaka Prefecture</li> <li>• <b>Seven Payment Service, Ltd.</b> One office: Chiyoda-ku, Tokyo<sup>*2</sup></li> <li>• <b>ACSion, Ltd.</b> One office: Chiyoda-ku, Tokyo<sup>*2</sup></li> <li>• <b>Bank Business Factory Co., Ltd.</b> Three offices: one in Yokohama City, Kanagawa Prefecture and two in Nagasaki City, Nagasaki Prefecture</li> <li>• <b>VIVA VIDA MEDICAL LIFE CO., LTD.</b><sup>*3</sup> One office: Yamato City, Kanagawa Prefecture</li> <li>• <b>Seven Card Service Co., Ltd.</b><sup>*4</sup> Three offices: two in Chiyoda-ku, Tokyo<sup>*5</sup> and one in Saitama-shi, Saitama Prefecture</li> </ul>	<ul style="list-style-type: none"> <li>• <b>FCTI, Inc.</b> (Dallas, USA)<sup>*6</sup></li> <li>• <b>PT. ABADI TAMBAH MULIA INTERNASIONAL</b> (Jakarta, Indonesia)</li> <li>• <b>Pito AxM Platform, Inc.</b> (Manila, the Philippines)</li> <li>• <b>ABADI TAMBAH MULIA INTERNASIONAL MALAYSIA SDN. BHD. (currently Reachful Malaysia Sdn. Bhd.)</b> (Kuala Lumpur, Malaysia)<sup>*7</sup></li> </ul>

<sup>\*1</sup> Closed in January 2024. <sup>\*2</sup> Uses the same office in Chiyoda-ku, Tokyo as Seven Bank, Ltd.

<sup>\*3</sup> Became a subsidiary in November 2022 (moved to Yokohama City in May 2025). <sup>\*4</sup> Became a subsidiary in July 2023.

<sup>\*5</sup> Has used the same office as Seven Bank, Ltd. in Chiyoda-ku, Tokyo since January 2025. It had used a separate office in Chiyoda-ku, Tokyo until then, and both offices are included in the scope of calculation for the period under review.

<sup>\*6</sup> Moved to the location in April 2024. Had used an office in Los Angeles until March 2024. <sup>\*7</sup> Founded in May 2024.

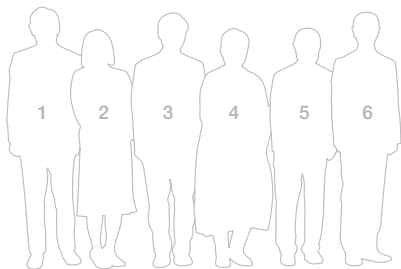
(t-CO<sub>2</sub>)

		FY2022	FY2023	FY2024
<b>Scope 1</b>	Use of fuel (mobile combustion) *Non-consolidated figure for Seven Bank	10	11	9
<b>Scope 2</b>	Indirect emissions from the use of electricity, heat, etc. supplied by others *Consolidated figure for Seven Bank Group	891	816	816
		FY2021	FY2022	FY2023
<b>Scope 3</b>	Categories 1, 5, 6, 7, 12, 13 and other	17,293	17,787	17,473



# Corporate Governance

## Management Member



1 **Audit & Supervisory Board Member**

**Kazuhiko Ishiguro**

Full-time Audit & Supervisory Board Member

2 **Audit & Supervisory Board Member**

**Chieko Ogawa**

Outside Audit & Supervisory Board Member  
(Independent Officer)

3 **Director**

**Ken Shibusawa**

Outside Director (Independent Officer)

4 **Director**

**Mika Matsuo**

Outside Director (Independent Officer)

5 **Director**

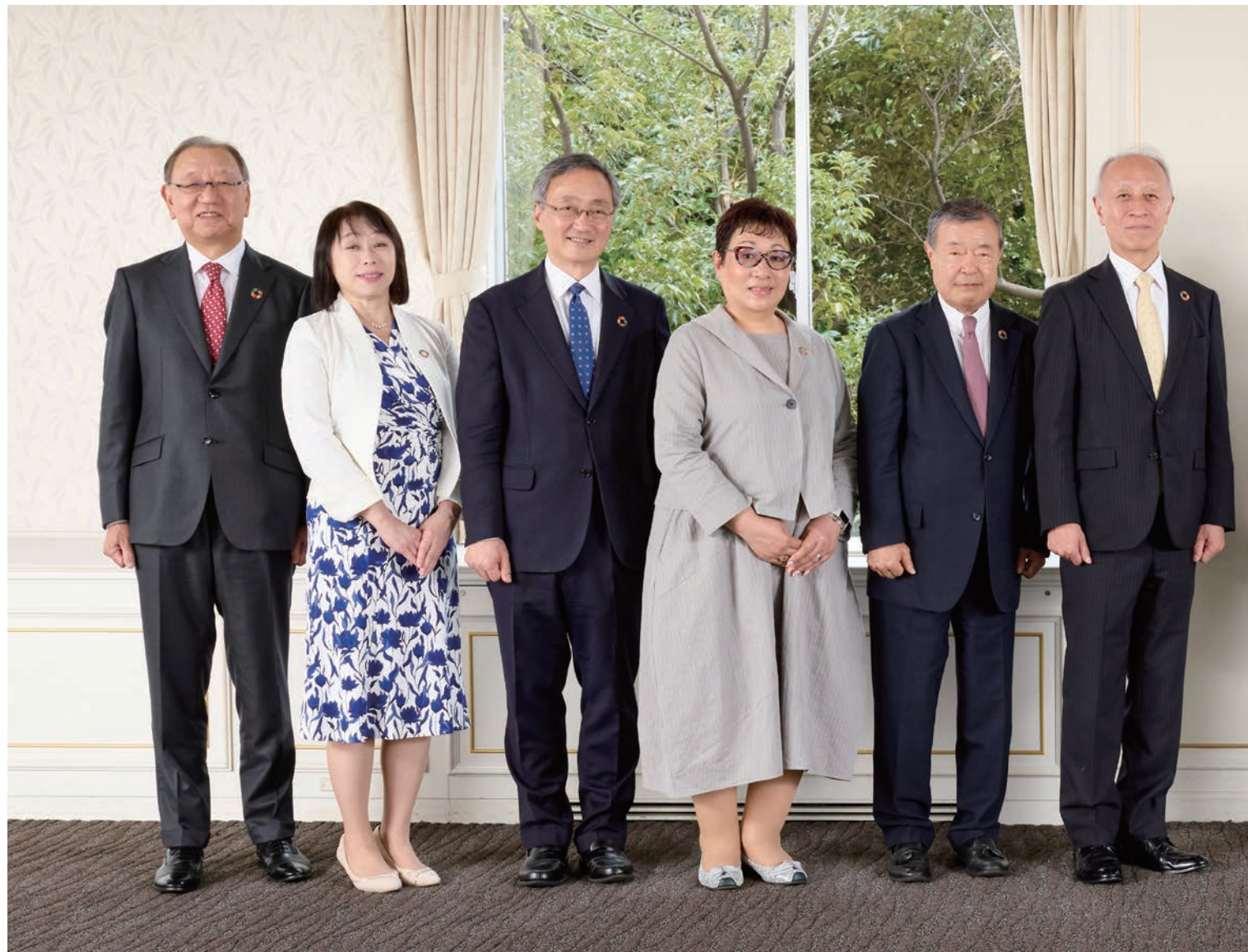
**Etsuhiro Takato**

Outside Director (Independent Officer)

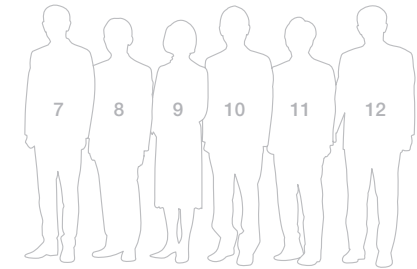
6 **Director**

**Yasuaki Funatake**

Chairman and Representative Director





**7 Director****Masaaki Matsuhashi**

President and Representative Director

**8 Director****Yuji Hirako**

Outside Director (Independent Officer)

**9 Director****Tami Kihara**

Outside Director (Independent Officer)

**10 Audit & Supervisory Board Member****Ichiro Ashihara**Outside Audit & Supervisory Board Member  
(Independent Officer)**11 Director****Tsuyoshi Kobayashi**

Director

**12 Audit & Supervisory Board Member****Keisuke Aoyama**

Full-time Audit &amp; Supervisory Board Member

## Basic Views

As a bank that owns and operates an ATM network that manages deposits from a large number of customers and has a nature similar to that of public infrastructure, the Bank recognizes that ensuring disciplined corporate management is vital in responding to social trust and seeks to ensure effective corporate governance. This is achieved by maintaining and improving corporate governance and compliance systems to ensure transparent, fair and swift managerial decision making; clarifying the roles and responsibilities of executives and employees; strengthening management oversight functions; and ensuring equitable operations.

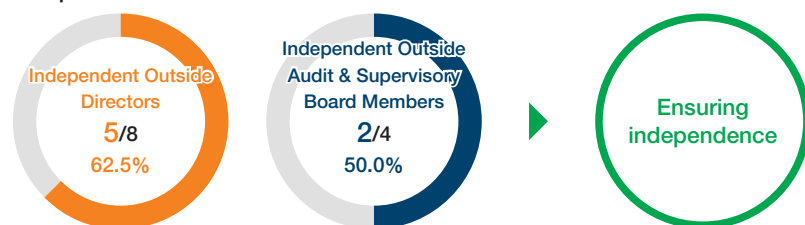
The Bank also adopts the organizational form of a Company with Audit & Supervisory Board. At the Board of Directors, the Bank ensures effective corporate governance through decision making by Directors with executive authority over operations who are well versed in the Bank's operations and Outside Directors who have considerable experience and insight in their areas of expertise as well as through audits by the Audit & Supervisory Board Members.

Please note that the Bank set the basic views, the framework, and the operation policy that need to be addressed to enable the effective corporate governance in its Corporate Governance Guidelines, and released it on our website.

Web <https://www.sevenbank.co.jp/english/csr/esg/governance/>



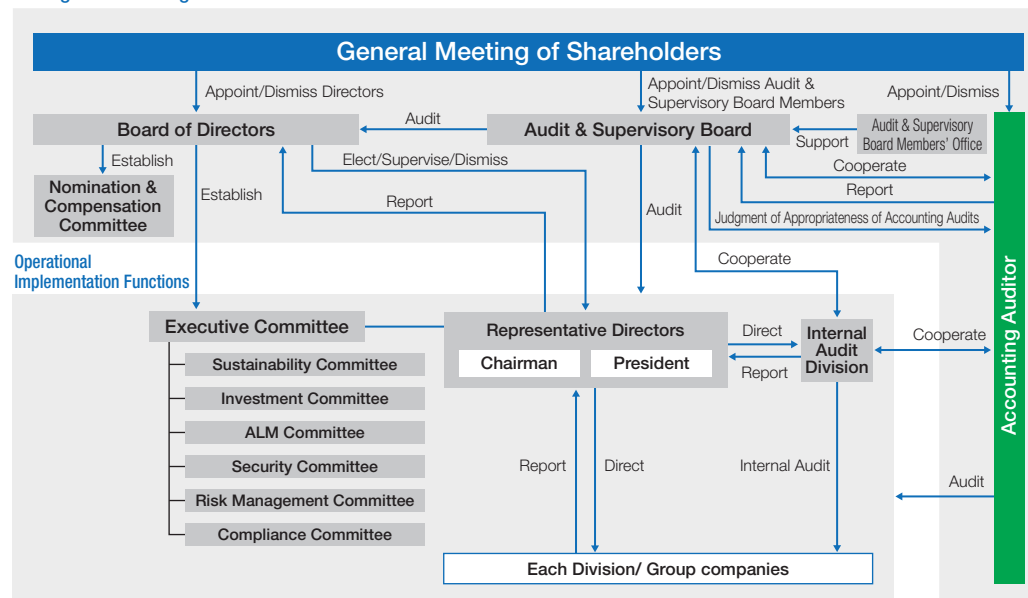
### Independence of Officers



### Main Items and Descriptions

Organizational design <b>Company with Audit &amp; Supervisory Board</b>	Number of meetings of the Board of Directors Average attendance of Outside Directors <b>98.6% of 14 meetings</b> Fiscal2024	Number of meetings of Audit & Supervisory Board Average attendance of Outside Audit & Supervisory Board Members <b>100% of 14 meetings</b> Fiscal2024
Advisory body to the Board of Directors <b>Nomination &amp; Compensation Committee</b>	Chairperson of the Nomination & Compensation Committee <b>Independent Outside Director</b>	Proportion of female Officers <b>25% (3 of 12)</b>

### Management Oversight Functions



### Members of major organizations (As of July 1,2025)

Position	Name	Board of Directors	Nomination & Compensation Committee	Executive Committee	Position	Name	Audit & Supervisory Board	Board of Directors	Nomination & Compensation Committee	Executive Committee
Chairman and Representative Director	Yasuaki Funatake	○	○	○	Full-time Audit & Supervisory Board Member	Kazuhiko Ishiguro	◎	△	△	△
President and Representative Director	Masaaki Matsuhashi	◎	○	◎	Full-time Audit & Supervisory Board Member	Keisuke Aoyama	○	△		△
Director	Tsuyoshi Kobayashi	○			Outside Audit & Supervisory Board Member	Chieko Ogawa	○	△		
Outside Director	Etsuhiro Takato	○	◎		Outside Audit & Supervisory Board Member	Ichiro Ashihara	○	△		
Outside Director	Yuji Hirako	○	○							
Outside Director	Tami Kihara	○	○							
Outside Director	Ken Shibusawa	○	○							
Outside Director	Mika Matsuo	○	○							
(Executive Officer)	14 other persons			○*						

◎ Chairperson  
○ Member  
△ Observer

\*Members of the Executive Committee exclude the Project Executive Officers.



## Board of Directors:

Composition

**Eight Directors including  
five Independent Outside Directors**

Number of meetings  
held during FY2024

**14 times**

Average  
attendance rate

**99.1%**

The Bank's Board of Directors consists of eight Directors, including five Independent Outside Directors. The Board of Directors meets, in principle, once a month to decide the Bank's basic management policies and important operational issues and to supervise the execution of duties by Directors with executive authority over operations and Executive Officers.

### Major agendas

- Management policies and plans to achieve the Medium-Term Management Plan
- Growth strategy for the credit card business
- Capital policy based on the deconsolidation policy of the parent company
- Revision of Seven Bank Group's material issues
- M&A
- Founding of a new company in Malaysia

## Nomination & Compensation Committee:

Composition

**Three Independent Outside Directors  
and two Representative Directors**

Number of meetings  
held during FY2024

**8 times**

Average  
attendance rate

**100%**

As an advisory body to the Board of Directors, the Bank has established the Nomination & Compensation Committee, chaired by an Independent Outside Director in order to supplement the functions of the Board of Directors. The committee is delegated by the Board of Directors to recommend candidates for Director to be put on the agenda at a General Meeting of Shareholders, to recommend candidates for Executive Officer to be put on the agenda at a Board of Directors meeting, and to supervise a plan on successors to the position of Director, etc.

### Major agendas

- Recommendation of candidates for Director and candidates for Executive Officer to the Board of Directors
- Performance-based indicators for compensation of officers
- Composition of the Nomination & Compensation Committee
- Succession plan for successors to the positions of President and Executive Officer

The Nomination & Compensation Committee consists of a total of seven members: five Independent Outside Directors and two Representative Directors as of July 1, 2025.

## Audit & Supervisory Board:

Composition

**Four Audit & Supervisory Board Members including  
two Independent Outside Audit & Supervisory Board Members**

Number of meetings  
held during FY2024

**14 times**

Average attendance rate **96.4%**

The Bank's Audit & Supervisory Board consists of four Audit & Supervisory Board Members, including two Independent Outside Audit & Supervisory Board Members. The Audit & Supervisory Board meets, in principle, at least once a month to receive reports regarding important auditing-related issues and deliberate and make decisions thereof. The Audit & Supervisory Board convenes with Representative Directors, the Internal Audit Division and the Accounting Auditor on a regular basis to exchange opinions and make requests as necessary on issues to be addressed by the Bank, the status of improvements to the Audit & Supervisory Board Members' auditing environment and important auditing-related issues.

## Executive Committee

Composition

**Two Representative Directors and 10 Executive Officers excluding  
Project Executive Officers**

Number of meetings  
held during FY2024

**70 times**

In principle, the Executive Committee meets on a weekly basis to deliberate the execution of important operations, including business plans; acquisition and disposal of assets; credit provision-related issues; borrowing of money and payment of expenses; credit management issues; rewards and sanctions for employees; issues related to employees' working conditions and benefits; the establishment, change and abolition of the organization; and the formation, revision and elimination of rules and regulations, in addition to conferring on issues to be deliberated at the Board of Directors meetings in advance. The Bank has adopted an executive officer system, and the Executive Committee comprises Executive Officers and others nominated by the Board of Directors.

## Corporate Governance

### Directors and Officers

\*The Bank registers all persons who fulfill the qualifications of Independent Officers as such.

#### Directors (As of July 1, 2025)



Outside Director  
(Independent Officer)  
**Etsuhiro Takato**

Attendance	
Board of Directors:	14 out of 14 meetings
Nomination & Compensation Committee:	6 out of 6 meetings

After serving in a number of important positions, including Representative Director & Corporate Senior Vice President, Ajinomoto Co., Ltd., Mr. Takato was appointed as Director of the Bank in June 2022, to the present. He concurrently serves as Director, Milbon Co., Ltd. and Director, TOKYO VERDY, Inc.



Outside Director  
(Independent Officer)  
**Tami Kihara**

Attendance	
Board of Directors:	13 out of 14 meetings


After serving in a number of important positions, including General Manager of Digital Professionals Strategy Center of Digital Strategy Department, Ricoh Company, Ltd. and Director, Ricoh IT Solutions Co., Ltd., Ms. Kihara was appointed as Director of the Bank in June 2023, to the present. She concurrently serves as Advisor, ILY, Inc., Member of the Board, Mitsui Chemicals, Inc., and Director, YAMATO HOLDINGS CO., LTD.



Outside Director  
(Independent Officer)  
**Mika Matsuo**

Attendance	
Board of Directors:	14 out of 14 meetings

After serving in a number of important positions, including Director, Executive Officer & Chief Human Resources Officer, AIG Japan Holdings KK, Ms. Matsuo was appointed as Director of the Bank in June 2025, to the present. She concurrently serves as Executive Advisor, Asahi Group Holdings, Ltd., Director, CAC Holdings Corporation, Director, Supervisory Committee Member, SEMBA CORPORATION, Director, Manulife Life Insurance Company, and Director, Tokyo English Life Line.



Chairman and Representative Director  
**Yasuaki Funatake**

Attendance	
Board of Directors:	14 out of 14 meetings
Nomination & Compensation Committee:	8 out of 8 meetings

After serving in a number of important positions, including Manager of Retail Business Development Division, Shinsei Bank Limited (now SBI Shinsei Bank, Limited), as well as Director, Executive Officer, General Manager of Business Promotion Division, and Director, Senior Managing Executive Officer, General Manager of Planning Division of the Bank, Mr. Funatake was appointed as President and Representative Director of the Bank in June 2018. He was appointed as Chairman and Representative Director of the Bank in June 2022, to the present. He concurrently serves as Director, Seven Card Service Co., Ltd.



Outside Director  
(Independent Officer)  
**Yuji Hirako**

Attendance	
Board of Directors:	14 out of 14 meetings


After serving in a number of important positions, including President and CEO, ALL NIPPON AIRWAYS, CO., LTD., Mr. Hirako was appointed as Director of the Bank in June 2023, to the present. He concurrently serves as Senior Advisor, ANA HOLDINGS INC., Director, JVCKENWOOD Corporation, Member of the Board of Directors, Kyushu Electric Power Company, Incorporated, and Director, SMBC Nikko Securities Inc.



Outside Director  
(Independent Officer)  
**Ken Shibusawa**

Newly appointed

Mr. Shibusawa founded Shibusawa and Company, Inc. and assumed the post of Representative Director in 2001. He was appointed as Director of the Bank in June 2025, to the present. He concurrently serves as Chairman of the Board, Commons Asset Management Inc., Representative Director and CEO, &Capital Inc., and Director, Kyushu Financial Group, Inc.



Director  
**Tsuyoshi Kobayashi**

Attendance	
Board of Directors:	14 out of 14 meetings

After serving in a number of important positions, including Director, Executive Officer, Seven & i Holdings Co., Ltd., Mr. Kobayashi was appointed as Director of the Bank in June 2023, to the present. He concurrently serves as Chairman and Representative Director, Seven Financial Service Co., Ltd.



President and Representative Director  
**Masaaki Matsuhashi**

Attendance	
Board of Directors:	14 out of 14 meetings
Nomination & Compensation Committee:	8 out of 8 meetings

In addition to work experience in the IT and digital-related areas in NEC Corporation and other companies, Mr. Matsuhashi served in a number of important positions of the Bank, including Managing Executive Officer, General Manager of ATM Solution Division, and Senior Managing Executive Officer in charge of Corporate Transformation Division and Seven Labo. He was appointed as President and Representative Director of the Bank in June 2022.

#### Audit & Supervisory Board Members (As of July 1, 2025)



Outside Audit & Supervisory Board Member  
(Independent Officer)  
**Chieko Ogawa**

Attendance	
Board of Directors:	14 out of 14 meetings
Audit & Supervisory Board:	14 out of 14 meetings

Certified Public Accountant and Certified Tax Accountant. Ms. Ogawa was registered as a Certified Public Accountant in 2005, as a Certified Public Accountant in Washington State, United States in 2010, and as a Certified Tax Accountant in 2014. She was appointed as Audit & Supervisory Board Member of the Bank in June 2023, to the present. She concurrently serves as Head of Ogawa CPA Office and Member of the Board (Member of the Audit & Supervisory Committee), Yorozu Corporation.



Outside Audit & Supervisory Board Member (Independent Officer)  
**Ichiro Ashihara**

Newly appointed

Mr. Ashihara was registered as an Attorney-at-law in 1995 and as an Attorney-at-law in New York State, United States in 2006. After serving in a number of important positions, including bar examiner, he was appointed as Audit & Supervisory Board Member of the Bank in June 2025, to the present. He concurrently serves as Partner, Legal Profession Corporation CastGlobal, Corporate Auditor, CRAFT Co., Ltd., and Director, Nisshin Fire & Marine Insurance Co., Ltd.



Full-time Audit & Supervisory Board Member  
**Kazuhiko Ishiguro**

Attendance	
Board of Directors:	14 out of 14 meetings
Audit & Supervisory Board:	14 out of 14 meetings

After serving in a number of important positions, including Executive Managing Director, UFJIS Co., Ltd. (now Mitsubishi UFJ Information Technology, Ltd.), and Director, Senior Managing Executive Officer of the Bank, Mr. Ishiguro was appointed as Full-time Audit & Supervisory Board Member of the Bank in June 2020, to the present. He concurrently serves as an Audit & Supervisory Board Member, Signpost Corporation.



Full-time Audit & Supervisory Board Member  
**Keisuke Aoyama**

Newly appointed

After serving in a number of important positions, including Deputy General Manager, Distribution Business Unit, MITSUI & CO., LTD., Executive Officer, General Manager, Global Strategic Planning Department, Seven-Eleven Japan Co., Ltd., and Senior Officer, Overseas CVS Management Department, Seven & i Holdings Co., Ltd., Mr. Aoyama was appointed as Full-time Audit & Supervisory Board Member of the Bank in June 2025, to the present.

The Nomination & Compensation Committee met eight times in FY2024. The number of the committee's meetings held and the number attended by Mr. Etsuhiro Takato include only the meetings held after he assumed the position of committee member on June 17, 2024.

## Skill Matrix (Roles and expertise of Directors and Audit & Supervisory Board Members)

We believe that the role of Directors and Audit & Supervisory Board Members is to realize appropriate business management by supervising and auditing business execution while fully understanding the social responsibilities and mission of the banking business. In order to properly fulfill this role, we utilize the skill matrix when appointing Directors and Audit & Supervisory Board Members, and aim for a well-balanced composition of members with diverse skills and expertise.

Skill Type	Definition (Judged by the Nomination & Compensation Committee in a comprehensive manner based on the following principles.)	Etsuhiro Takato	Yuji Hirako	Tami Kihara	Ken Shibusawa	Mika Matsuo	Tsuyoshi Kobayashi	Yasuaki Funatake	Masaaki Matsuhashi	Chieko Ogawa	Ichiro Ashihara	Kazuhiko Ishiguro	Keisuke Aoyama
Corporate Management	Skills to perform supervisory functions for the management of the Bank by leveraging experience in managing operating companies, etc., particularly as a top executive.	●	●		●		●	●	●				
Sales and Marketing	Skills to provide advice to help the Bank continue to grow through business strategies, by leveraging experience in formulating strategies in the areas of sales and marketing at operating companies, etc.	●						●	●				
Product Development & IT	Skills to provide advice to help the Bank continue to create new services, by leveraging experience in formulating strategies in the areas of product development and IT at operating companies, etc.			●					●			●	
Global	Skills to provide advice to help the Bank grow its overseas business, leveraging international experience and knowledge	●	●		●	●	●			●	●		●
Human Resources & Labor	Skills to provide advice to help the Bank promote human resource strategies that are linked with management strategies, leveraging experience and knowledge in human resources			●		●		●			●		
Financial Affairs and Finance	Skills to provide advice to help the Bank promote financial strategies, leveraging experience and knowledge in financial affairs and finances at operating companies mainly in the banking industry		●		●		●	●		●			●
Legal Affairs & Risk Management	Skills to provide advice to help the Bank manage risk, leveraging experience and knowledge in legal affairs at operating companies mainly in the banking industry										●	●	

## Executive Officers (As of July 1, 2025)

Managing Executive Officer  
In charge of General Affairs Division and Human Resources Division

**Kazutaka Inagaki**

Managing Executive Officer  
In charge of Planning Division, Brand Communication Division and SDGs Promotion, and General Manager, Planning Division

**Ken Shimizu**

Executive Officer  
General Manager, Internal Audit Division

**Tomomi Hashizume**

Project Executive Officer  
Special Assignment, President and Representative Director, Bank Business Factory Co., Ltd.

**Kenichi Yamamoto**

Managing Executive Officer  
In charge of ATM Platform Promotion Division and ATM+ Planning Division

**Koji Fukasawa**

Managing Executive Officer  
In charge of Seven Labo and AI Data Strategy Division

**Tomoaki Nakayama**

Executive Officer  
In charge of ATM Solution Division and ATM Operations Management Division

**Yoichi Mizumura**

Project Executive Officer  
Special Assignment, President and Representative Director, Seven Card Service Co., Ltd.

**Hiroshi Takeuchi**

Managing Executive Officer  
In charge of Operations Solution Division and Global Business Development Division

**Tsuneo Nagashima**

Executive Officer  
In charge of Financial Solution Division

**Taku Takizawa**

Executive Officer  
General Manager, Brand Communication Division

**Emi Nose**

Project Executive Officer  
Special Assignment, Senior Officer, Financial Business Management Division, Seven & i Holdings Co., Ltd., and Executive Officer, Seven Card Service Co., Ltd.

**Takashi Tsuzuura**

Managing Executive Officer  
In charge of Banking Management Division and Financial Strategy Promotion Division

**Kenjiro Nishii**

Executive Officer  
In charge of Risk Management Division and Financial Crime Risk Control Division

**Shinji Yamashita**



### Independence Standards for Outside Officers

The Bank's Independence Standards for Outside Officers are as follows.

- 1 Is not a person with executive authority over operations of the Bank's parent company or fellow subsidiary (or has been in such position in the past; hereinafter, the same applies to each item);
- 2 Is not a person for which the Bank is a major business partner or a person with executive authority over such entity's operations, or a major business partner of the Bank or a person with executive authority over such entity's operations;
- 3 Is not a consultant, an accounting professional, a legal professional or a person belonging to an organization that receives a significant amount of monetary compensation from the Bank, other than officers' compensation;
- 4 Is not a major shareholder of the Bank or a person with executive authority over operations of such shareholder; or
- 5 Is not a close relative of a person that falls under any of the above or a relative by blood or marriage within the second degree to a person with executive authority over operations of the Bank.

Other matters concerning Independent Officers

The Bank registers all persons who fulfill the qualifications of Independent Officers, as well as the Independence Standards for Outside Officers, as Independent Officers.

### Support Systems/Training Policies for Outside Officers

- 1 Provide necessary and sufficient internal systems for enabling Directors and Audit & Supervisory Board Members to fulfill their roles and responsibilities in an effective manner.
- 2 Provide Directors and Audit & Supervisory Board Members with necessary opportunities to enable them to fulfill their roles, such as by providing the information and knowledge relating to the business activities that would be necessary to supervise corporate management when they take office and continually thereafter.
- 3 Build systems for sharing a sufficient amount of the Bank's internal information with Outside Directors and Outside Audit & Supervisory Board Members (hereinafter referred to as "Outside Officers").
- 4 Encourage Outside Officers to deepen their understanding of the Bank's management ethos and corporate culture, while providing information on the Bank's business environment and other issues on a continuous basis.
- 5 Maintain and improve the environment for Outside Officers to mutually share information and exchange ideas, such as by holding periodic meetings with Executive Officers and/or other Non-Executive Officers.
- 6 Bear the expenses for Outside Officers to fulfill their roles.

### Reasons for Appointment of Outside Officers

Name		Reasons for Appointment
Outside Directors	Etsuhiro Takato	Mr. Etsuhiro Takato's experience and insight in corporate management, marketing, and global duties at Ajinomoto Co., Inc. have genuinely contributed to the Bank's management.
	Yuji Hirako	Mr. Yuji Hirako's experience and insight in corporate management at ANA HOLDINGS INC., etc. have genuinely contributed to the Bank's management.
	Tami Kihara	Ms. Tami Kihara's experience and insight in corporate management at Ricoh IT Solutions Co., Ltd. and human resource strategy at Ricoh Company, Ltd. have genuinely contributed to the Bank's management.
	Ken Shibusawa	Mr. Ken Shibusawa possesses experience and demonstrated insight in corporate management from a global perspective, including establishment of Shibusawa and Company, Inc. after obtaining an MBA in the United States.
	Mika Matsuo	Ms. Mika Matsuo has been involved in corporate management at AIG Japan Holdings KK etc., and possesses experience and demonstrated insight in the area of human resources from a global perspective after obtaining an MBA in the United States.
Outside Audit & Supervisory Board Members	Chieko Ogawa	Ms. Chieko Ogawa's international insight nurtured in her career as a Certified Public Accountant has genuinely contributed to audits of the Bank's management.
	Ichiro Ashihara	We can expect Mr. Ichiro Ashihara to utilize international insight as an Attorney-at-law in auditing our management.

## Evaluation of Effectiveness of the Board of Directors

The Bank has conducted “evaluation of effectiveness of the Board of Directors” since FY2015 to improve the effectiveness of the Board of Directors as a forum for strategic and constructive discussions within the Seven Bank Group. In FY2024 as well, a questionnaire survey was anonymously conducted for Directors and Audit & Supervisory Board Members about the operation of the Board of Directors, the composition of the Board of Directors, agenda items of the Board of Directors and other items. The results were deliberated at the Board of Directors.

### Results of the Evaluation for FY2024

It has been confirmed that the Bank’s Board of Directors has been fulfilling both its decision-making and supervisory functions as all Directors and Audit & Supervisory Board Members share its roles, responsibilities and issues for improvement, and conduct deliberations from diverse perspectives through free and open discussions based on the members’ respective knowledge and expertise. Thus, according to the results of the evaluation, the Board of Directors has been operating appropriately, thereby ensuring its effectiveness.

Priority Matters for FY2024	Details of initiatives
<b>Advance governance in the Seven Bank Group</b>	<ul style="list-style-type: none"> <li>Reviewed the status of risk management and evaluation reports and discussed measures to be taken</li> <li>Improved the group risk management system and internal audit system</li> </ul>
<b>Enhance broad and strategic discussion</b>	<ul style="list-style-type: none"> <li>Ensured the members’ understanding of proposals and in-depth discussions by providing summaries of the background, objectives, and effects of discussions and sharing the summary of discussions at the Executive Committee in advance.</li> <li>Shared the status of communication with shareholders and investors (discussions in interviews including overseas IR events and NIKKEI IR Fair) at the Board of Directors’ meetings</li> </ul>
<b>Ensure continuity of opportunities for exchange of views and interaction with executive personnel</b>	<ul style="list-style-type: none"> <li>All Outside Directors served as judges for the Purpose Award, where our employees present their initiatives aligned with the Purpose</li> <li>Held briefings on operations by newly appointed General Managers to exchange views and increase the members’ understanding of front-line operations</li> </ul>

Issues for improvement were also identified, which included the diversity of members of the Board of Directors, the appointment and dismissal of senior management, and the need to enhance discussions on internal control and risk management systems. We will continue to work for improvements.

### Priority Matters for FY2025

#### ① Advance governance in the Seven Bank Group

- Improve monitoring functions and enhance discussions from a risk point of view
- Increase diversity of the board member composition and the management team, and ensure transparency of appointment and dismissal processes

#### ② Enhance broad and strategic discussion

- Share awareness of issues from medium - to long-term perspectives among Board members and have discussions on growth strategies
- Share the status of dialogues with shareholders and investors among Board members and have strategic discussions in light of the voices of the capital market

#### ③ Ensure opportunities for exchange of views and interaction with executive personnel

- Provide opportunities for briefing on operations and information sharing by executive personnel, and organize opportunities for exchange of views and interaction with executive personnel

## Status of Improvement and Operation of the Internal Control Systems

Concerning the system upgrades stipulated in Article 362, Paragraph 4, Item 6 of the Companies Act, the Board of Directors made a resolution on May 8, 2006, on matters to be implemented by the Bank. Progress of the details of this resolution is reviewed each fiscal year. In line with this resolution, Seven Bank strives for good corporate governance and internal control, while ensuring appropriateness in the Seven Bank Group’s operations.

## Policy on Compensation of Officers and Compensation System for Officers

Seven Bank's "Policy on Compensation of Officers and Compensation System for Officers" were, excluding compensation for Audit & Supervisory Board Members, proposed to the Board of Directors by the Nomination & Compensation Committee, and determined with a resolution of the Board of Directors as follows.

### ① Basic Policy on Compensation of Officers

The Bank decides compensation of officers based on the following points.

- Ensuring a compensation system to promote sustainable improvement of corporate value with emphasis placed on the link to business performance
- Ensuring compensation systems and compensation levels with their responsibilities to secure highly capable human resources who lead and take responsibility for, in an appropriate manner, the supervision and execution of operations
- Ensuring a compensation system based on an objective and transparent process, and that is fair and equitable

### ② Method for Determining Compensation, etc. Compensation, etc. for Individual Officers in the Fiscal Year under Review

The Bank has established a Nomination & Compensation Committee, comprising a total of five members made up of three Independent Outside Directors and two Representative Directors, chaired by an Independent Outside Director, as an advisory body to the Board of Directors (as of the end of the fiscal year under review)\*. The Nomination & Compensation Committee proposes specific amounts of compensation, etc. to be granted to Directors within the range of the total amount approved at the General Meeting of Shareholders, for determination by resolution of the Board of Directors. From the perspective of understanding the process of discussion, Audit & Supervisory Board Members may participate as observers who do not possess voting rights, when a Nomination & Compensation Committee meeting is held. The procedure is stipulated in the Regulations for Officers, which is modified, amended, or abolished by a resolution of the Board of Directors upon discussion with the Audit & Supervisory Board Members.

Compensation, etc. for Audit & Supervisory Board Members is determined upon discussion by the Audit & Supervisory Board Members within the range of the total amount approved at the General Meeting of Shareholders.

\*The Nomination & Compensation Committee consists of a total of seven members: five Independent Outside Directors and two Representative Directors as of July 1, 2025.

### ③ Compensation Structure

The Bank's compensation structure for officers comprises "basic compensation" as fixed compensation and "bonuses" and "performance-based stock compensation" as variable compensation, which are applied as below.

	Fixed compensation	Variable compensation	
	(a) Basic compensation	(b) Bonuses	(c) Performance-based stock compensation
Directors with executive authority over operations	○	○	○
Non-executive Directors	○	—	—
Audit & Supervisory Board Members	○	—	—

Each plan is positioned as follows.

(a) Basic compensation	Compensation aiming to encourage steady execution of duties commensurate with job rank
(b) Bonuses	Compensation aiming to encourage steady execution of duties commensurate with job rank short-term incentives aiming to steadily achieve performance targets (milestones) for each fiscal year for the medium- to long-term improvement of corporate value
(c) Performance-based stock compensation	Medium- to long-term incentives for the medium- to long-term improvement of corporate value, aligning interests with shareholders

The ratio of each plan has been decided as described below by a resolution of the Board of Directors upon a proposal by the Nomination & Compensation Committee. Factors taken into account included a balance between fixed compensation and variable compensation, a balance between cash remuneration and stock compensation, and a balance between bonuses and stock compensation, which are incentives to execute management with a well-balanced perspective in both the short-term and the medium- to long-term (excluding compensation for Audit & Supervisory Board Members).

In addition, non-executive Directors and Audit & Supervisory Board Members receive only fixed compensation, as their role is to supervise the Bank's management from an objective and independent standpoint.

Directors with executive authority over operations	Basic compensation 50%	Bonuses 25%*	Performance-based Stock Compensation 25%*
Balance between fixed compensation and variable compensation	<div> <div>Fixed compensation 50%</div> <div>Variable compensation 50%</div> </div>		
Balance between cash remuneration and stock compensation	<div> <div>Cash remuneration 75%</div> <div>Stock compensation 25%</div> </div>		
Non-executive Directors and Audit & Supervisory Board Members	Fixed compensation 100%		

\*Calculated on the assumption that bonuses and performance-based stock compensation are based on a standard compensation amount.



#### ④ Compensation Level

To provide a competitive compensation level and thereby secure highly capable human resources, the Bank's compensation level for officers has been determined by a resolution of the Board of Directors based on the proposal made by the Nomination & Compensation Committee. The deliberation was based on the analysis and comparison of data on the compensation levels of a group of companies of the same size and operating in the same industry as the Bank, which has been drawn from a larger body of objective data on compensation levels provided by an outside professional organization (excluding compensation for Audit & Supervisory Board Members).

#### ⑤ Details and Method of Calculation of Variable Compensation

##### Bonuses

Bonuses, which are provided as short-term incentives, will be determined by multiplying the standard amount of compensation for each job rank by performance-linked factors corresponding to the achievement of consolidated performance targets for the previous fiscal year.

##### Performance-based Stock Compensation

Performance-based stock compensation, which is provided as a medium- to long-term incentive, is composed of a "fixed portion," which grants fixed points for each job rank, and a "performance-based portion," which grants a varying number of points determined by job rank and performance. For each portion, points are granted and accumulate every year of the term of office of the relevant officer, and a number of the Bank's shares corresponding to the amount of accumulated points will be delivered to the officer upon retirement.

The number of points (i.e., the number of shares to be delivered) to be provided in the performance-based portion will be determined by multiplying the number of points for each rank by performance-linked factors according to the achievement level of consolidated performance targets.

The Bank has introduced a clawback clause that allows the Bank to require Directors to repay performance-based stock compensation in the event of falling under certain circumstances such as gross negligence or fraud in relation to financial results, material revision of financial results, or violation of law or regulation as well as the malus clause. Compensation that may be subject to repayment is performance-based stock compensation received as compensation for the fiscal year in which the relevant circumstances arose and the three preceding fiscal years. This provision applies to performance-based stock compensation granted as compensation for the fiscal year ended March 31, 2024 and all periods thereafter.

#### Evaluation Indicators for Variable Compensation (Performance Indicators) and Evaluation Method

Consolidated ordinary income and consolidated ordinary profit are used as the evaluation indicators to take account of both sales size and profitability aspects with a good balance. Additionally, employee engagement was added as an evaluation indicator to be reflected by the performance-based stock compensation points granted for the fiscal year ended March 31, 2024 and thereafter.

Plan		Indicators and evaluation method
Bonuses		<ul style="list-style-type: none"> <li>● Evaluation based on the achievement status and process for performance targets (milestones) for the medium- to long-term improvement of corporate value, taking into account the management strategy of achieving "Growth in Our Main Business as We Diversify Our Operations"</li> <li>● Quantitative evaluation based on the achievement status of targets for consolidated ordinary income and consolidated ordinary profit in the previous fiscal year</li> <li>● Determination of a compensation amount in the range of 0% to 200% of the baseline amount</li> </ul>
Performance-based stock compensation	Fixed portion	—
	Performance-based portion	<ul style="list-style-type: none"> <li>● Evaluation based on the results of the medium- to long-term improvement of corporate value, taking into account the management strategy of achieving "Growth in Our Main Business as We Diversify Our Operations"</li> <li>● Quantitative evaluation based on the achievement status of consolidated ordinary income, consolidated ordinary profit, and other targets in the previous fiscal year (employee engagement was added as an evaluation indicator to be reflected by the performance-based stock compensation points granted for the fiscal year ended March 31, 2024 and thereafter)</li> <li>● Determination of a number of points (i.e., the number of shares to be delivered) in the range of 0% to 200% of the baseline number of points</li> </ul>

For the performance-based portion of bonuses and performance-based stock compensation, the degree of target achievement is used as an evaluation indicator. For this purpose, the performance forecasts for the fiscal year ended March 31, 2025, including consolidated ordinary income and consolidated ordinary profit, disclosed with the announcement of the financial results for the previous fiscal year (on May 10, 2024) are used as target figures.

#### Targets and Results of Evaluation Indicators for Variable Compensation

Fiscal year under review (from April 1, 2024 to March 31, 2025)

Evaluation indicators	Target (millions of yen)	Result (millions of yen)	Degree of target achievement (%)
Consolidated ordinary income	215,000	214,408	99.7%
Consolidated ordinary profit	28,000	30,289	108.2%
Evaluation indicators	Score in March 2024	Score in March 2025	Year on Year
Employee engagement	69	71	+2

(Note) Of the evaluation indicators, those for employee engagement are expressed as an index representing the results comparing the total scores for the employee engagement survey conducted in March 2024 and March 2025.

### Status of Audits

#### ① Cooperation between Audit & Supervisory Board Members and the Accounting Auditor

Audit & Supervisory Board Members and the Accounting Auditor hold regular meetings to exchange opinions and promote mutual cooperation, based on the audit contract with KPMG AZSA LLC. Audit & Supervisory Board Members perform audits on the execution of duties by Directors by attending the Board of Directors meetings or other means. In addition to conducting their own operational and accounting audits, Audit & Supervisory Board Members receive reports on results of external audits by the Accounting Auditor, and check the appropriateness thereof. Members from the Internal Audit Division are also present when receiving accounting audit reports from the Accounting Auditor, in an effort to facilitate close cooperation.

#### ② Cooperation between the Audit & Supervisory Board Members and Internal Audit Division

The Bank has in place the Internal Audit Division, which is independent of the Bank's other departments engaging in business operations and directly reports to the President and Representative Director.

The Internal Audit Division annually sets a basic policy for internal auditing plans and priority issues to be addressed, which are to be approved by the Board of Directors. Individual internal auditing plans are formulated by the General Manager of the Internal Audit Division, and approval of these plans is obtained from the President and Representative Director, who is the officer in charge of the Internal Audit Division. Individual internal

audits are conducted by investigating and evaluating the appropriateness and effectiveness of internal management systems as a whole based on the following items to discover problems, if any, and suggest how to address them. The results of these audits are reported to the President and Representative Director, the Executive Committee, the Board of Directors, and the Audit & Supervisory Board.

Internal audits are conducted on all the Bank's departments and systems, including those of its subsidiaries. Audits are also conducted on the operations of the Bank's major outsourcing contractors regarding the status of management by its relevant internal departments, as well as on the outsourcing contractors themselves, within the scope agreed with them. Audit & Supervisory Board Members receive periodic reports from the Internal Audit Division on its audit plans and results, and request investigations as necessary to ensure that the audit results of the Internal Audit Division are effectively utilized for internal control system audits by Audit & Supervisory Board Members. In addition, Audit & Supervisory Board Members receive reports on the status of internal control systems regularly or as necessary from the departments in charge of internal control functions, and ask for detailed explanations as necessary.

- A** Status of business plans
- B** Compliance system and compliance status
- C** Appropriateness and effectiveness of internal controls over financial reporting
- D** Systems for and the current status of customer management, including customer protection
- E** Systems for and the current status of risk management
- F** Internal management systems at each operational department and appropriateness and effectiveness thereof

## Protection of Rights of Minority Shareholders

As of the end of June 2025, Seven-Eleven Japan Co., Ltd., which is the leading shareholder of the Bank, directly holds 39.92% of the voting rights of the Bank. At the same time, Seven & I Holdings Co., Ltd., the parent company of Seven-Eleven Japan Co., Ltd., indirectly holds 39.92% of the voting rights of the Bank. Therefore, the two companies fall under the definition of other affiliates of the Bank.

### Seven Bank Group's Position in the Seven & i Group

Seven & i Holdings Co., Ltd., one of the Bank's other affiliates, is a pure holding company engaged in the planning, management, and operation of the Seven & I Group, which operates the domestic convenience store business with Seven-Eleven at its core, the overseas convenience store business, the superstore business, financial services and other businesses, aiming to become a worldwide top-class retail group centered on "food." Seven Bank operates, with financial services at its core, ATM platform business, banking business, credit card and electronic money businesses, etc. Although Seven & i Holdings' financial services includes not only the Bank and its subsidiaries, but also Seven Financial Service Co., Ltd., and Seven CS Card Service Co., Ltd., their services and target customers are different from ours, and therefore we consider that our clear business demarcation is and will be ensured. As business segments clearly differ between the Seven & i Group and the Bank, we believe that we are in the position where we can grow together with the Seven & i Group through developing unique retailer-specific financial services mainly for customers visiting the Seven & i Group stores.

### Relationship with Seven & i Holdings Co., Ltd., an other affiliate

The Bank believes that in order to achieve sound and sustainable growth, it is essential to engage in business development (innovation) by integrating collaboration with various partners to an advanced degree based on our credibility and transparency of management as a corporate entity. Furthermore, we recognize that listing on the market is one of the most effective ways to ensure the Bank's credibility and transparency of management. As an independently listed company, the Bank autonomously deliberates and determines, independently of Seven & i Holdings Co., Ltd., its own business strategies, personnel

policies, capital policies, etc., in engaging in its business activities. In addition, to ensure the necessary independence from Seven & i Holdings Co., Ltd., we have established the Nomination & Compensation Committee chaired by an Independent Outside Director as an advisory body to the Board of Directors. This Committee deliberates on matters concerning recommendations of candidates for Directors and Executive Officers, thereby ensuring independence from Seven & i Holdings Co., Ltd. in the appointment of top management. Furthermore, the Bank has also appointed Independent Outside Directors and Independent Outside Audit & Supervisory Board Members, who provide supervision to ensure that no conflicts of interest arise between Seven & i Holdings Co., Ltd. and its minority shareholders. The Bank does not have any agreements concluded regarding group management with Seven & i Holdings Co., Ltd. In addition, to comply with the disclosure obligations, etc., of Seven & i Holdings Co., Ltd., the Bank has established the Guidelines for Reporting of Material Facts with Seven & i Holdings Co., Ltd. and reports to the Seven & i Holdings Co., Ltd. accordingly. These reports are limited to matters that impact the timely disclosure of Seven & i Holdings Co., Ltd., materially impact the consolidated financial statements of Seven & i Holdings Co., Ltd., and may potentially impair the credibility of the Seven & i Group.

### Guidelines on Measures to Protect Minority Shareholders in Conducting Transactions with Companies of the Seven & i Group

When conducting transactions, etc., with companies of the Seven & i Group, the Bank will comply with the arm's-length rule under the Banking Law, which is a rule established to prevent the soundness of the Bank's management from being compromised through conflict-of-interest transactions. The Bank fully confirms the necessity for such transactions and that the conditions of such transactions do not differ significantly from conditions of usual transactions with third parties. In the event of a transaction of particular significance with another company in the Seven & i Group, the Bank will set up a special committee to discuss and determine the appropriateness of the terms of transaction and the fairness of the procedure in order to ensure the benefit of minority shareholders, and the committee will thoroughly discuss from an independent standpoint at a different level from the Board of Directors and makes a final decision.



# Outside Directors Message

To nurture corporate value that leads to the future.

Seven Bank is working to realize its Purpose by taking on social issues and continuously creating new value.

Achieving this evolution will require outside directors with diverse perspectives and rich experience capable of helping create the future.

We will satisfy the expectations of all stakeholders and work cooperatively to create a better future.



**Etsuhiro Takato**

Outside Director (Independent Director)

### Becoming an industry leader by constructing a global brand

Seven Bank is a leader in establishing an ATM business from a consumer perspective and highly values its youthful spirit as an organization continuously promoting new initiatives in line with its Purpose. Meanwhile, although the overseas business is increasing in importance, it seems that operations in each country in which we operate are still being individually managed. Going forward, we hope to establish our brand in the global market—including Japan—while raising awareness of Seven Bank as social infrastructure, and becoming a presence that supports the lives of people around the globe. Moreover, as management independence increases, we will be able to pursue a more aggressive expansion policy, which will allow us to then try to become the absolute industry leader. I recognize that supporting decision-making for this purpose and contributing to the enhancement of corporate value are my roles.

### ATMs: Becoming a presence that connects the real and virtual worlds, the present and the future

As someone engaged in airline management during the unprecedented disaster of the pandemic, I was keenly aware of the value of the “real” world, which I had not really thought about previously. Meanwhile, there are many examples of how digital and virtual technologies have enhanced convenience in everyday life. People today make a clear distinction between the real and virtual worlds. Seven Bank ATMs, which are conveniently located as our Purpose mandates us “seeing your wishes,” seem to serve as a conduit between the real and virtual worlds. +Connect was born from our desire to create a pocket that connects the present and the future. It is now available throughout Japan and will eventually spread worldwide. We will continue to monitor what people choose to fill that pocket with. Watch this space!



**Yuji Hirako**

Outside Director (Independent Director)



**Tami Kihara**

Outside Director (Independent Director)

## The next leap forward with the evolution of ATM+ and digital human resources

Our ATM+ is evolving into a new service platform that includes cash deposits and withdrawals as well as administrative services. It is at a major tipping point in becoming a social infrastructure that can resolve various social issues such as the declining birthrate and aging population. By leveraging our expertise based on technical capability and operational experience in areas such as information security and AI, we anticipate making significant progress. At the same time, we must break free of the downward trend in profit margins and regain our earning power so we can continue investing in growth. To achieve this, we recognize that securing and cultivating human resources capable of leveraging digital technology and data to raise operational efficiency and generate new value is a priority. I would like to leverage my experience and knowledge in digital human resources strategy as I support us taking on the challenge this crucial tipping point presents.

## Pursuing Seven Bank's Purpose of creating value and making the world prosperous

The purpose of a company's existence is to leverage its unique strengths to create value by resolving societal issues. Earnings expand and sustainable growth in corporate value is achieved because this value creation satisfies the needs of an increasing number of customers. Seven Bank's strength lies in the integration of its IT infrastructure and banking function. Rather than restricting ourselves to a two-dimensional approach focused solely on the creation of a platform connecting digital and analog financial settlement functions, we should aim for the co-creation of three-dimensional value by resolving issues and fostering an ecosystem that enriches the lives of people worldwide, while also striving to raise the visibility of that value. I hope to leverage the experience I have gained as a long-term investor in the creation and visualization of value at Seven Bank.



**Ken Shibusawa**

Outside Director (Independent Director)

## Viewing human resources as the source of our competitive power, we are working foster a corporate culture that nurtures creativity

I previously worked at a foreign-affiliated bank, where I was involved in the launch of Japan's first 24-hour ATM. This made me aware of the importance of always anticipating convenience for our customers. Today, as society and customer needs are changing at a frenetic pace, the service transformation we are promoting through +Connect is a challenge to create new value that transcends the financial infrastructure framework, and I am very much on board with this approach. I especially believe that the stance of reconstructing ATM functions from the customer's perspective and leveraging IT, as well as its forward-looking initiatives with a view to linkage with administrative services, are important steps toward realizing a sustainable society. I also agree strongly with the human resource strategy, which views human resources as a source of competitive advantage and, as such, positions the cultivation of a corporate culture that fosters the ability to embrace change and creativity as a priority. I will leverage my global human resources experience in contributing to Seven Bank's further growth.



**Mika Matsuo**

Outside Director (Independent Director)

## Risk Management and Audit Roundtable



**Shinji Yamashita**

Executive Officer  
in charge of Risk Management Division  
and Financial Crime Risk Control Division

**Tomomi Hashizume**

Executive Officer  
General Manager,  
Internal Audit Division

**In this era of frenetic change,  
we are looking at risk management  
and auditing methods  
that will reinforce the front line.**

### Focus on responding to systems risks at Group companies

**Yamashita:** The Risk Management Division consists of three lines: the Risk Management Group, the Legal Compliance Group, and the Information Security Management Office. The Information Security Management Office responds to issues such as systems risks, and has established a Computer Security Incident Response Team (CSIRT) to enable an immediate group-wide response in the event an incident occurs.

**Hashizume:** The Internal Audit Division is an independent organization reporting directly to the President, entrusted by the Board of Directors. As the third element in the three-line defense system, which is the basis of internal control (first line = each business division, second line = risk management divisions, third line = internal audit divisions), the Division audits the internal management system of the entire Seven Bank Group and report to management. Although each Group company has its own audit function, we dispatch skilled personnel from the parent company to maintain and improve the level of internal auditing groupwide.

**Yamashita:** Given the nature of our business, we put particular emphasis on dealing with information security and systems risks, which are largely inherent risks. In response to information security risks, we established a new Information Security Management Office to centralize and clarify internal responsibilities. This represents the establishment of a management system that covers not only Seven Bank but also Group





companies. We are aware that the environment surrounding systems is undergoing significant change, including new technologies and the evolution of development methods, and that we must approach risk management from a new perspective. Moreover, as part of the Seven Bank Group's overall risk management, we focused on bolstering the risk management structure of Seven Card Service, which became a consolidated subsidiary in FY2023. Going forward, we will endeavor to improve the risk sensitivity of all employees to achieve optimal risk management.

**Hashizume:** The Internal Audit Division also focused on systems risks at Group companies. There were also cases where issues were identified within Group companies but, due to personnel and budgetary constraints, were not addressed in a timely fashion. We assessed the situation, worked together to figure out how to deal with it, and reported the actual situation to management. Recently, there has been an acceleration in external environmental changes such as rising interest rates, cashless settlements, and increasing financial crimes. In line with this, the Seven Bank Group's business strategy will also change. Going forward, we will respond flexibly to new risks arising from these changes with the aim of providing management audits that contribute to corporate growth.

### Aiming to promote risk ownership

**Hashizume:** From now on, it will be essential for employees involved in front-line operations to take ownership of risk and handle it independently. In addition to engaging with each division during the on-site audit period, the Internal Audit Division should strengthen ongoing off-site monitoring so it may identify risks early and discuss them with each division in a timely manner. We are currently explaining the necessity of risk ownership to each division, but it will take some time. The important things are audits and personnel exchanges between divisions. Auditors come from different divisions to incorporate their own division's perspectives. Personnel who have experienced audits return to their respective divisions and spread awareness of the importance of risk ownership. This circulation of human resources leads to organizational resilience.

**Yamashita:** Risk management that leads to enhancing corporate value requires decisions be made on the degree of risk that is acceptable depending on the situation. Ultimately, that decision is up to the individual division. Rather than having all employees in each division commit detailed rules to memory, we must make certain that they thoroughly comprehend fundamental principles and enable them to make their own decisions based on those principles. For this purpose, we have appointed compliance officers in each division to facilitate early identification and addressing of issues. We believe it is important for us in the second line of defense to support each division with our expertise so



## Risk Management and Audit Roundtable

that they can proceed with a sense of satisfaction. For those in the third line, their role is to evaluate objectively and report to management.

**Hashizume:** Coordination between the Internal Audit Division and the Risk Management Division is also important. The quality and speed of information gathered by each team is different, so we share information to support front-line employees. We rely on our Risk Management Division, which has expertise in a wide range of areas.

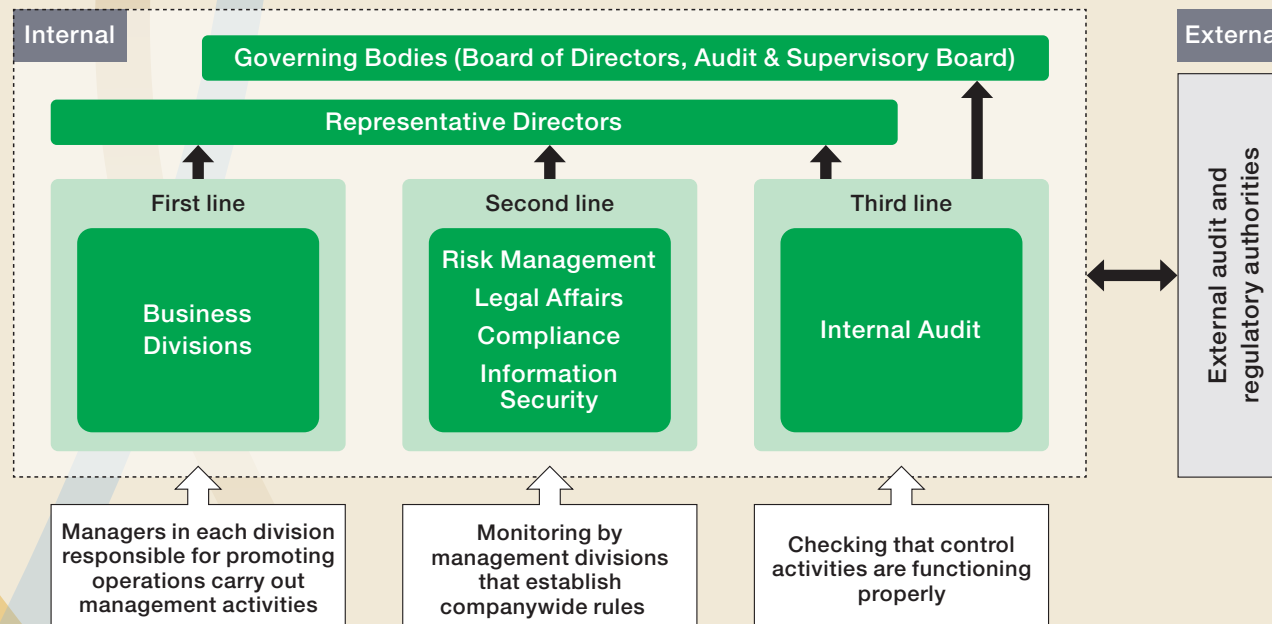
**Yamashita:** Having previously worked in the Internal Audit Division, I have a deep understanding of the importance of the third line of defense as a conduit between management and the various divisions. The relationship of requesting audits from a risk management perspective is also important. The efforts made in FY2024 to address systems risks at Group companies were effectively coordinated with the Internal Audit Division.

## Proactively managing risk to contribute to increased corporate value

**Yamashita:** The environment surrounding Seven Bank is changing significantly. We believe that we must focus on early detection and monitoring of environmental changes more than we ever have. Given this, we will strengthen internal and external cooperation and utilize data analysis to develop a system that can predict potential risks. We enable rapid risk response by sharing front-line and risk information. With regard to specific cases, we believe we need to further strengthen measures against cyber security, systems risks, and financial crimes.

**Hashizume:** The front line must be strong for a company to become stronger overall. Auditing also has to change to accommodate this. We aim to serve as a front-line “sparring partner” and provide management audits that offer insights for resolving management issues. Since its founding, Seven Bank has been characterized by close cooperation between each business division and the Risk Management Division and Internal Audit Division. There is no atmosphere of divisions bracing themselves for an audit. I would like maximize these strengths to contribute to the sustainable growth of our company.

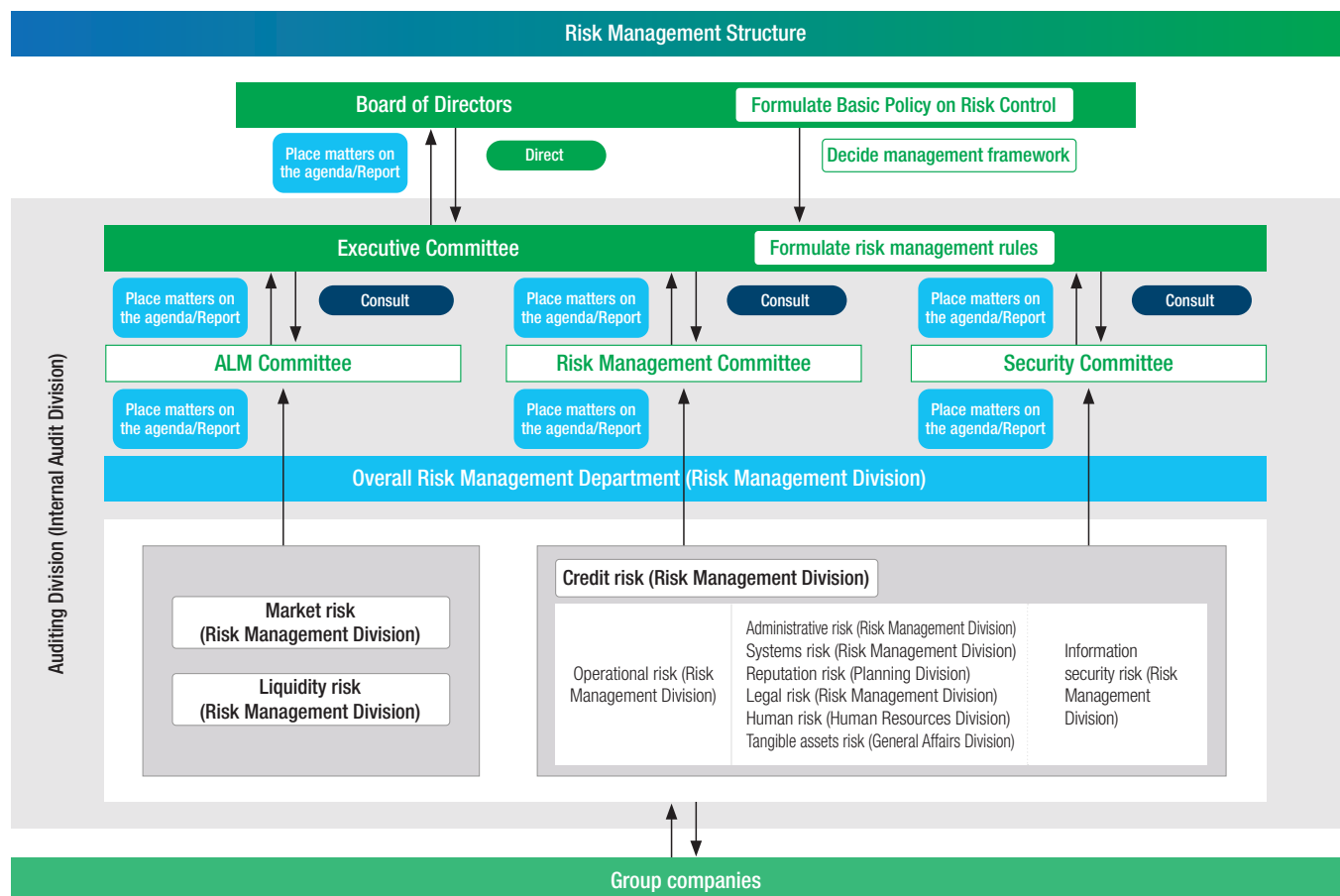
### Three-line defense



## Risk Management Structure

Every fiscal year, the Board of Directors establishes the “Basic Policy on Risk Control,” which specifies the overall risk management policy, specific risk management policies and the organization and system for risk management. In accordance with this policy, the Executive Committee establishes detailed rules and regulations related to risk management and confirms the companywide risk status every quarter. The Bank’s risk management structure includes the Risk Management Division, which is responsible for supervising overall risk management activities, specific risk management divisions

and the Internal Audit Division to perform internal audits. We have also established the Risk Management Committee and the Security Committee, chaired by the officer in charge of the Risk Management Division, and the Asset-Liability Management (ALM) Committee, chaired by the officer in charge of the Planning Division, as advisory bodies to the Executive Committee concerning risk management. The Group companies also establish risk management system aligned with the Bank’s policy and confirm their risk status, including their specific risks.





### Overall Management of Risk

The Bank observes its basic policies relating to overall risk management, which are governed by the Basic Policy on Risk Control and Overall Risk Management Rules, established under the policy. We gain an overall grasp of our risks including climate change by assessing each of the Bank's risk categories and manage them by comparing them with our equity.

We are also striving for enhanced risk management through priority items for risk management set by the Board of Directors (information security risk, system risk, financial crime countermeasures, market risk and liquidity risk) based on our policy for establishing the risk management structure. Our policy for establishing the risk management structure is based on the ideas of a risk-based approach, principles-based approach, strengthening of risk ownership, and group-based approach.

Risk type	Risk management
<b>Credit Risk</b>	Currently, our risk management activities relating to credit risk are limited to the ATM settlement business, the ALM of interbank deposits placed with top-rated partner financial institutions, bonds, the lending of funds in the call-money market, temporary ATM payment amounts due, and small personal loans, to minimize credit risk. In addition, the Bank performs self-assessment of asset quality as appropriate and establishes an allowance for credit losses in accordance with its self-assessment and reserve rules.
<b>Market Risk</b>	It is stipulated that the limits on the maximum level of funds at risk, the market position limits and the loss allowance limits, shall be set. The Risk Management Division measures and monitors market risk in light of these limits and reports the results to management, including the Executive Committee. At the ALM Committee meeting held every quarter, the Bank's market risk position, expected trends in interest rates and other matters are reported and the policy for the ALM operation is determined.
<b>Liquidity Risk</b>	It is stipulated that the limits regarding the cash gaps arising from differences between the period of the management of invested funds and the timing of the liquidation shall be set. The Risk Management Division measures and monitors liquidity risk in light of these limits and reports the results to management, including the Executive Committee. To prepare for emergency events requiring immediate funding, the Bank has devised preemptive comprehensive countermeasures to be able to take quick and flexible Companywide action by risk scenario, and therefore does not expect to experience a major liquidity problem.
<b>Operational Risk</b>	Recognizing that operational risks may come to the surface in all business divisions, the Bank has established the structure to identify, evaluate, monitor, control, and reduce risks. Risk categories are as follows. <div> <div>Administrative Risk</div> <div>Systems Risk</div> <div>Information Security Risk</div> <div>Reputation Risk</div> <div>Legal Risk</div> <div>Human Risk</div> <div>Tangible Assets Risk</div> </div>

Priority items	Latest initiatives
<b>Information Security Risk</b>	<ul style="list-style-type: none"> <li>Establishment of a structure including the Information Security Management Office</li> <li>Strengthening emergency response capabilities through the work of the Group CSIRT</li> </ul>
<b>Systems Risk</b>	<ul style="list-style-type: none"> <li>Establishment of a structure for managing Group-wide common system risks</li> <li>Sophistication of system failure management</li> </ul>
<b>Measures against financial crimes</b>	<ul style="list-style-type: none"> <li>Strengthening the groupwide cross-organizational AML structure</li> <li>Upgrading to a global-standard AML structure</li> </ul>
<b>Market risk / Liquidity risk</b>	<ul style="list-style-type: none"> <li>Strengthening resilience to the risk of interest rate increase</li> <li>Strengthening monitoring to ensure liquidity</li> </ul>

## Initiatives for Enhancing Cyber Security

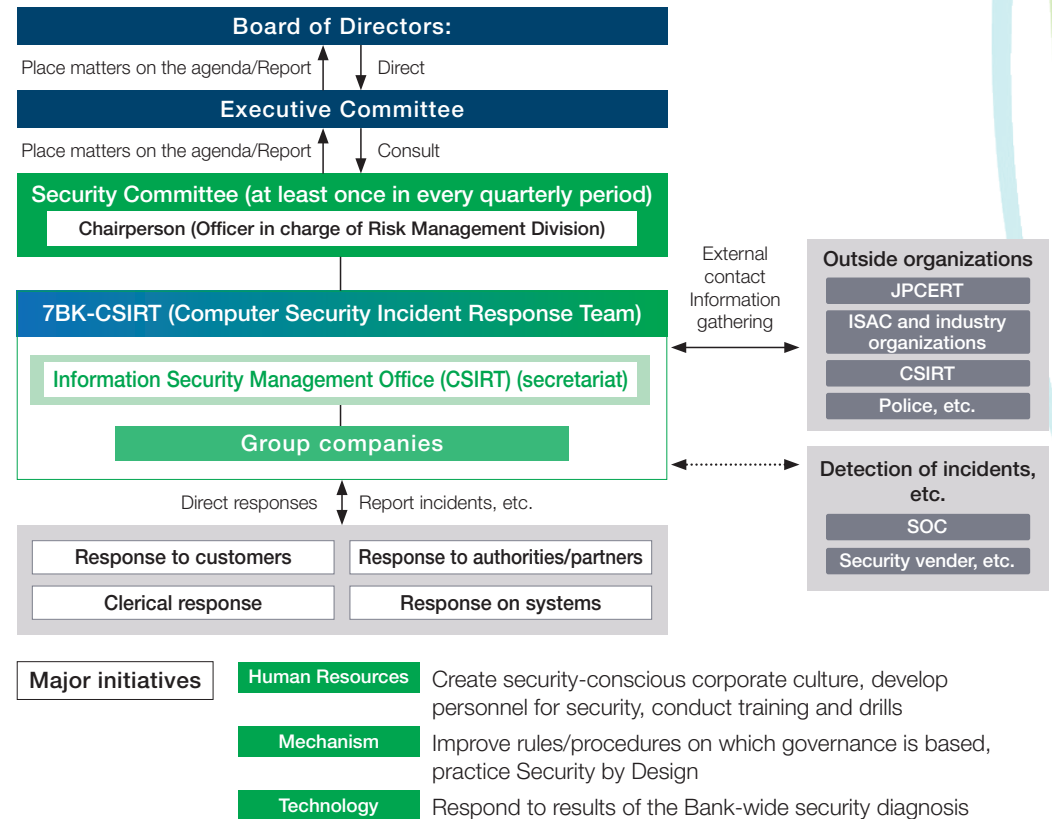
7BK-CSIRT (Computer Security Incident response Team), a dedicated team for cyber security management of the Seven Bank Group, is in charge of the Bank-wide management of cyber security risks and is composed of members from multiple divisions. The team responds to a wide range of attacks on the Bank's services and systems, including cyber attacks, skimming, fake cards, fraudulent access, and information leakage.

7BK-CSIRT conducts training and drills to be able to immediately respond in case of cyber incidents, by taking actions such as information coordination and external response. The initiatives of the team include cooperation with industry organizations and promotion of activities in the security community.

7BK-CSIRT also engages in Security by Design in which security methodology is incorporated as an essential factor at the planning stage of new services, considering increasingly sophisticated cyber attacks and proactive promotion of new technologies. This enables the Seven Bank to provide safe and secure services. Not only 7BK-CSIRT members but also our employees in charge of planning and designing services who are involved Security by Design deepen their knowledge through seminars about preventative measures against fraudulent use of services and other learning opportunities.

Believing the balanced combination of human resources, mechanism, and technology is necessary to maintain security, the Bank is working on each of them.

### Cyber Security Structure



## Establishment of Business Continuity Plan (BCP)

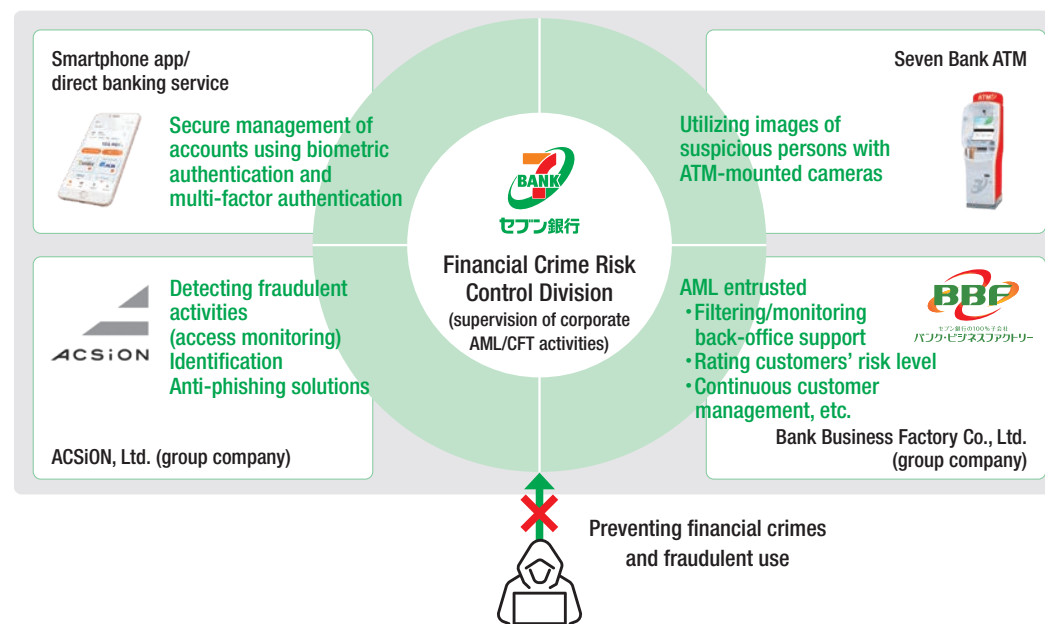
To fulfill our social responsibility as a bank, Seven Bank has defined the following four operations as top priorities for continuity in the event of a disaster, large-scale accident, or other crisis: the ATM services; the fund settlement operations serving banks and ATM partners; withdrawals from the Bank's accounts and money transfer operations; and other operations of which interruption would have a significant impact on our management. Each division has also created a Business Continuity Plan (BCP) to enable

continuity of these essential operations in the event of an accident, disaster, or other crisis. In addition, in order to verify the effectiveness of the business continuity management system and the business continuity plan, company-wide initial response drills assuming a major disaster, and drills assuming damage to data centers and other facilities are regularly conducted by departments in charge.

### Prevention of Financial Crimes

Seven Bank Group is actively working to prevent financial crimes to ensure all customers can use its services securely by leveraging the know-how it has accumulated in financial crime prevention, a network of about 28,000 ATMs across Japan, and the Seven Bank Group's expertise in developing IT solutions.

Recently, financial crimes and fraudulent transactions targeting customers are becoming increasingly crafty and frequent. Seven Bank, recognizing the specialty of its banking business based on non-face-to-face transactions primarily through ATMs, has established the Financial Crime Risk Control Division as a dedicated unit to combat financial crimes. The division focuses on preventing financial crimes and protecting customers' assets in order to ensure that customers can use the bank's services with security. The division works against money laundering, terrorism financing (AML/CFT), and proliferation financing, eliminates fraudulent accounts, detects and prevents special fraud, etc., and provides appropriate cooperation with the police and other investigative agencies, by monitoring and filtering transactions and monitoring information on unauthorized use in cooperation with other divisions and Group companies.



### For Ensuring Security for Customers Using ATMs

To prevent the use of ATMs for criminal purposes, Seven Bank's ATMs are provided with a video-recording camera and measures to make the screen and input buttons unviewable by others, in addition to calling for attention to prevent bank transfer scams. In addition to supporting the use of IC cards and transactions with cards issued overseas, our ATMs also detect suspicious objects and monitor transactions. For Seven Bank accounts, we have introduced authentication using a smartphone app to prevent fraudulent transactions. Seven Card Service has introduced a system to detect fraudulent use of its credit cards, and monitors fraudulent use 24 hours a day, 365 days a year.

### Cooperation with the Police, Public Bodies, Partner Financial Institutions, etc.

Seven Bank has contributed to the detection of financial crimes in more than 120,000 cases a year nationwide, by cooperating with public bodies including the police and the Regional Taxation Bureaus and bar associations, which includes providing information about ATM camera images and account transactions upon their requests.

In addition, we are seeking to strengthen our relationships with external parties and are willing to mutually utilize and accumulate know-how from each other, for example, by sharing information with criminal investigation bodies and financial crime prevention staff from partner financial institutions.

### Hosting a Seminar about Prevention of Financial Crimes for Junior High- and High-school Students

As financial crimes become increasingly sophisticated, fraudulent account openings and illegal trading of bank accounts for the purpose of fraud and money laundering have emerged as a social concern. Seven Bank holds lecture sessions for junior high and high school students by the staff of the Financial Crime Risk Control Division and cooperates with the police to raise awareness about illegal trading of bank accounts. By May 2025, the lecture sessions had been held at about 30 schools. The public and private sectors work together to disseminate accurate information to young people to prevent financial crimes.

### Held a Conference on AML/CFT and Financial Crime Control

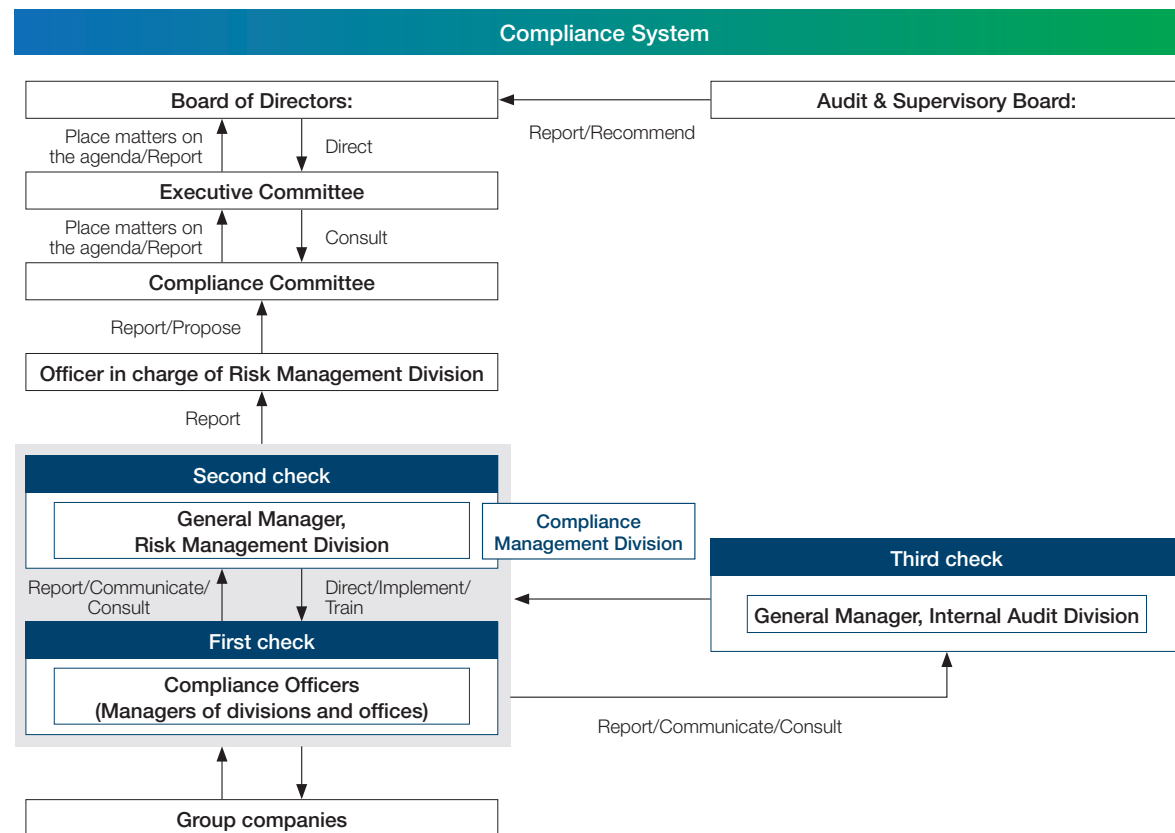
Amid the need of further sophistication of measures against AML/CFT and proliferation finance, Seven Bank hosted a conference for financial institutions. With the participation of representatives from more than 70 financial institutions, the program featuring a keynote address by an external expert and examples of front-line measures shared by participating financial institutions contributed to increasing the understanding of the issue across the financial industry and raising the overall level of countermeasures.



The Bank regards compliance with applicable laws and regulations, and societal norms as a fundamental prerequisite to earning the trust of society. Aware of the importance of its public mission and the significance of its societal responsibilities, the Bank has developed the following initiatives to ensure compliance.

## Compliance System

In order to allow each employee in charge of real operations to have strong awareness of and knowledge base for pursuing compliance, Seven Bank has in place the following system so that the compliance check can appropriately function at each division to ensure the thorough compliance across the Bank.



## Compliance Committee

Seven Bank has established the Compliance Committee as an advisory organization to the Executive Committee which confirms and verifies the status of compliance related to operations in general, and considers measures concerning compliance, so as to further enhance and improve the compliance system. The Compliance Committee has functions to consider responses to compliance-related problems and issues, material compliance violations, etc., and counter-measures therefor. The Committee reports, considers, and evaluates important compliance-related matters which should be treated as management issues.

### Major Agendas of Compliance Committee in FY2024

- 1 Results and plans of compliance program
- 2 Operation of the compliance consultation system
- 3 Revision of Compliance Manual
- 4 Response for customer protection
- 5 Responses to financial crimes and antisocial groups

## Compliance Program

The Seven Bank Group establishes a compliance program each fiscal year that sets out the compliance implementation plan for that year. The Board of Directors reviews and evaluates the progress and implementation status of the compliance program for the relevant year and, using such reviews and evaluations, formulates a compliance program for the following fiscal year.

Issue	
<b>Compliance</b>	Foster awareness of compliance
<b>Information Management</b>	Strengthen information management and security measures
<b>Harassment</b>	Establish workplace without harassment
<b>Anti-money Laundering/ Countering the Financing of Terrorism</b>	Advance management structure

## Internal Evaluation System

A compliance officer of the Seven Bank Group conducts a regular self-evaluation of the status of compliance implementation and the compliance level of customer protection management in each department monthly. Issues are identified according to the evaluation results and are addressed for improvement.

## Compliance Training

The Seven Bank Group formulates a compliance training plan to promote and stabilize the awareness of the importance of compliance within the company, and conducts practical trainings.

## Main Compliance Issues

### Prevention of Money Laundering and Financial Crimes, and Measures against Antisocial Groups

The Seven Bank Group determined the policy for countermeasures for money laundering and provision of terrorist funds. In addition, through strict confirmation at transactions, etc., the Group has put emphasis on eliminating relationships with antisocial groups and preventing fraudulent accounts from being opened.

To be more specific, among other steps, the Group asks applicants opening accounts to sign an affidavit stating they are not associated with antisocial forces. By including provisions that explicitly indicate the exclusion of organized crime groups in the transaction rules and other clauses, the Group rejects the account application and closes the account upon finding that the customer falls under or is associated with antisocial forces.

In addition, the Group has established a structure to ensure that it can take appropriate actions in an organized manner against wrongful demands and other similar events in accordance with internal rules and regulations.

## Compliance Consultation System

The Seven Bank Group has established a Compliance Consultation System in compliance with the amended Whistleblower Protection Act established in 2022, to identify and address compliance issues early, and prevent reoccurrences. The system provides contact points for both internal and external consultation and reporting. As contact points for employees seeking consultations or reporting issues, employees can consult the compliance officer in their divisions. In addition, the Compliance Consultation Desk within the Bank and the Groupwide Help Line (a consultation and reporting contact point for all Seven & i Group companies) outside the Bank have been established. Posters with contact information have been put up and booklets with contact information have been distributed to all employees to ensure their awareness of these contact points. The International Hotline has also been established for employees of foreign group companies as a point of contact for consultations in local languages.

In addition, to promote fair transactions and provide safe and secure services for customers, a Business Partner Helpline (a consultation and reporting contact point for all Seven & i Group companies) has been established for suppliers.

## Communication with Shareholders and Investors

We strive to proactively disclose the Bank's management information, not limited to the scope of legal disclosure, aiming to aid our shareholders and investors in gaining a more comprehensive understanding of our business activities and future growth. We will continue to boost our reputation on the stock market and enhance our corporate value by leveraging shareholder and investor feedback in our management and fostering even closer IR communication.

### IR Calendar (Major events in FY2024)

	April	May	June	July	August	September	October	November	December	January	February	March
<b>Financial results related events</b>		● Release of financial results for the full fiscal year ● Presentation about financial results for the fiscal year		● Annual General Meeting of Shareholders	● Release of financial results for the first quarter ● Presentation about financial results for the fiscal year	● Participated in IR Fair for Individual Investors		● Release of financial results for the second quarter ● Presentation about financial results for the fiscal year	● IR presentations for individual investors		● Release of financial results for the third quarter ● Presentation about financial results for the fiscal year	
<b>Communication tools</b>		● Issuance of FACT BOOK		● Issuance of Integrated Report/Disclosure Report in Japanese		● Issuance of Annual Report in English				● Issuance of Interim Disclosure Report in Japanese		
									● Issuance of Shareholders' Newsletter in Japanese			

### Tools for Dialogue

- Distribution of audio recordings, and transcripts of the presentations of financial results for analysts and institutional investors (Japanese and English)
- Issuance of Integrated Report/Disclosure Report in Japanese and Annual Report in English
- Issuance of FACT BOOK
- Issuance of Shareholders' Newsletter in Japanese
- Posting of information on the Bank's website for individual investors in Japanese
- Holding IR presentations for individual investors

Our disclosure policy is posted on the following website.

<https://www.sevenbank.co.jp/english/ir/policy/>



### Activities in FY2024

General Meeting of Shareholders	Presentation about quarterly financial results (for institutional investors)	Number of individual interviews with institutional investors	Number of times participated in conferences hosted by securities companies	Holding IR presentations for individual investors
Attendance: Approx. 130 persons Q&A session: 12 persons, 18 questions	Number of events held: Four times (quarterly basis)	100 interviews (cumulative and including interviews held at conferences hosted by securities companies listed on the right)	Twice	Participated in an IR Fair (August) Survey responses: 420 persons Online IR presentation (December) Survey responses: 864 persons

### Major interests and opinions of shareholders and investors (FY2024)

- Changes in ATM needs in the era of cashless
- Growth potential of credit card business
- Prospects for overseas businesses to post profitability
- Appropriate level of capital
- Possibility of business and capital partnerships with other companies