SEVEN BANK

Integrated Report 2026

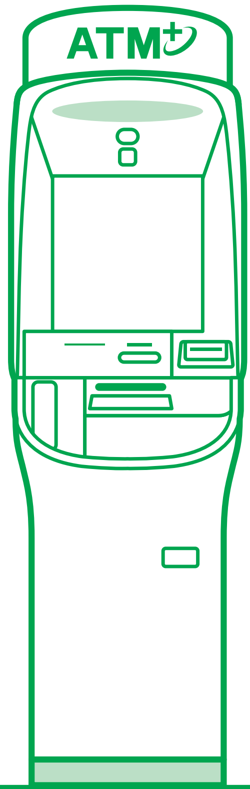
Financial Section

For the year ended March 31, 2026

Financial Information

Corporate Information

*Unless otherwise noted, the amounts presented in this document are rounded down to the nearest unit.



Management's Discussion and Analysis (Fiscal year ended March 31, 2026: FY2025)

Summary of Fiscal 2025

During the consolidated fiscal year under review, the Japanese economy continued a gradual recovery trend, supported by improvements in the employment and income environment and a recovery in personal consumption. On the other hand, the outlook remains uncertain, with concerns such as the impact of the situation in the Middle East, interest rate and exchange rate fluctuations, and developments in U.S. trade policy.

In this environment, ordinary income increased mainly due to an increase in the total number of ATM transactions, reflecting the solid trend in the number of transactions at financial institutions for deposits and savings and the number of cash-charge transactions for various cashless settlement methods. On the other hand, expenses increased mainly due to an increase in depreciation associated with the replacement with the fourth-generation ATMs, resulting in a decrease in ordinary profit. Net income attributable to owners of the parent decreased due to the recognition of impairment losses incurred in the process of promoting the credit card business of the Bank's group (the "Group") as extraordinary losses.

As a result, the Bank's consolidated business results for the fiscal year under review are as follows: ordinary income was 220,025 million yen, ordinary profit was 30,165 million yen, and net income attributable to owners of the parent was 13,476 million yen.

As for the Bank's non-consolidated business results, ordinary income was 142,951 million yen, ordinary profit was 26,697 million yen, and net income was 18,016 million yen.

(1) Domestic business (banking business and other) segment

During the consolidated fiscal year under review, the total number of ATM transactions was higher than in the corresponding period of the previous year due to the steady trend in the number of cash-charge transactions for various cashless settlement methods in addition to the solid trend in the number of transactions at financial institutions for deposits and savings.

The number of our ATMs installed reached 28,536 as of March 31, 2026 (up 1.9% compared with the end of March 2025). The average number of daily transactions per ATM for the consolidated fiscal year under review was 109.2 (up 1.1% year over year), and a total of 1,122 million ATM transactions were recorded (up 3.0% year over year).

As of March 31, 2025, we completed the replacement with the fourth-generation ATMs, which we had implemented since 2019. As of March 31, 2026, we had partnered with 696 financial institutions, etc.*

In addition to promoting the development of an environment where customers can use services more conveniently through the installation of ATMs, the Bank's group has steadily proceeded with the advancement of service platform strategies to expand the possibilities of ATMs by providing the service "+Connect" to accept various applications to financial institutions through ATMs.

Note: JA Bank and JF Marine Bank are each counted as one institution.

Due to rising prices, fluctuations in interest rates and foreign exchange rates, and the shift to cashless transactions, etc., the business environment outlook will still remain uncertain, but the Bank's group will continue to promote the ATM platform strategy that flexibly responds to changes in society and customer needs by developing the social value of ATMs from a cash-based platform to a service platform.

As of March 31, 2026, the number of individual customer accounts was 3,500,000 (up 4.1% compared with the end of March 2025), the balance of individuals' deposits was 652,400 million yen (up 7.3% year over year), and the balance of loan services for individual customers was 79,200 million yen (up 30.8% year over year).

For the consolidated fiscal year under review, the total amount handled of the "Seven Bank Deferred Payment Service" was 103,500 million yen (up 35.5% compared with the previous fiscal year).

As a result, the Domestic business (banking business and other) segment recorded ordinary income of 146,769 million yen and ordinary profit of 27,172 million yen for the consolidated fiscal year under review.

(2) Credit card and electronic money businesses segment

Our consolidated subsidiary Seven Card Service Co., Ltd. is engaged in credit card business and electronic money business.

As of March 31, 2026, the number of credit card members was 3.08 million (down 2.8% compared with the end of March 2025), and the balance of financial products was 45,100 million yen (down 0.6% year over year). Shopping transaction value using credit cards for the consolidated fiscal year under review was 763,700 million yen (down 3.6% compared with the previous fiscal year).

As of March 31, 2026, the number of electronic money "nanaco" members was 84.70 million (up 1.6% compared with the end of March 2025), and electronic money transactions in value for the consolidated fiscal year under review was 1,457,400 million yen (down 10.1% compared with the previous fiscal year).

As a result, the Credit card and electronic money businesses segment recorded ordinary income of 30,670 million yen and ordinary loss of 592 million yen for the consolidated fiscal year under review.

(3) Overseas business segment

FCTI, Inc., a consolidated subsidiary of the Bank in the United States, installed ATMs mainly in 7-Eleven stores in the United States, the number of which was 9,583 as of December 31, 2025 (up 15.0% compared to December 31, 2024).

PT. ABADI TAMBAH MULIA INTERNASIONAL, a consolidated subsidiary of the Bank in Indonesia, installed ATMs mainly in local convenience store chains in Indonesia. The number of ATMs installed was 9,073 as of December 31, 2025 (down 2.5% compared to December 31, 2024).

Pito AxM Platform, Inc., a consolidated subsidiary of the Bank in the Philippines, installed ATMs mainly in 7-Eleven stores in the Philippines, and the number of ATMs installed was 4,009 as of December 31, 2025 (up 14.0% compared to December 31, 2024).

Additionally, Reachful Malaysia Sdn. Bhd., a consolidated subsidiary of the Bank in Malaysia, began installing ATMs mainly in 7-Eleven stores in Malaysia in January 2025, and the number of ATMs installed was 98 as of December 31, 2025.

As a result, the Overseas business segment recorded ordinary income of 43,602 million yen and ordinary profit of 3,583 million yen for the consolidated fiscal year under review.

Summary of Financial Position of Fiscal 2025

Assets

Total assets at the end of March 2026 were 1,545,743 million yen. The majority of this total comprised cash and due from banks required for the operation of ATMs of 896,249 million yen. The remainder mostly consisted of marketable securities of 167,855 million yen held as collateral for foreign exchange settlements and Bank of Japan current account overdraft transactions, 99,664 million yen in ATM-related temporary payments, which are to be received from partner financial institutions, and 126,146 million yen in accounts receivable from credit card members, which are receivables in the credit card business.

Liabilities

Liabilities were 1,259,477 million yen as of March 31, 2026. These largely comprised deposits totaling 875,261 million yen (excluding negotiable certificates of deposits). Of these, the outstanding balance of individuals' ordinary deposits was 499,397 million yen and the balance of individuals' time deposits was 153,046 million yen.

Net assets

Net assets were 286,265 million yen as of March 31, 2026. Of these, retained earnings were 208,740 million yen.

Summary of Cash Flows of Fiscal 2025

Cash and cash equivalents increased by 137 million yen during the fiscal year under review to 892,764 million yen. Cash flows in each category and the factors behind the changes were as follows.

Cash Flow from Operating Activities

Net cash provided by operating activities was 83,930 million yen. Factors that provided cash included a net increase in deposits of 33,916 million yen and a net increase in straight bonds due to issuance and redemption of 50,000 million yen. These factors exceeded factors that used cash, such as 18,586 million yen in a net increase in loans and 35,000 million yen in a net decrease in call money.

Cash Flow from Investing Activities

Net cash used in investing activities was 71,453 million yen. Factors that used cash included purchase of securities of 136,706 million yen, purchase of tangible fixed assets of 9,947 million yen, and purchase of intangible fixed assets of 16,327 million yen. These factors exceeded factors that provided cash such as proceeds from redemption of securities of 73,990 million yen.

Cash Flow from Financing Activities

Net cash used in financing activities was 11,652 million yen. Factors that used cash included purchase of treasury stock of 50,824 million yen and dividends paid of 11,862 million yen. These factors exceeded factors that provided cash such as proceeds from disposal of treasury stock of 51,375 million yen.

Outlook for Fiscal 2026

The business results forecast for Fiscal 2026 is as follows:

(Consolidated business results forecast)

	Fiscal 2026	
		Year-over-year change
Ordinary income	235,500 million yen	Up 7.0%
Ordinary profit	29,500 million yen	Down 2.2%
Net income attributable to owners of the parent	17,000 million yen	Up 26.1%

* Foreign exchange rate assumed: USD1.00 = JPY154.00

(Non-consolidated business results forecast of the Bank)

	Fiscal 2026	
		Year-over-year change
Ordinary income	149,000 million yen	Up 4.2%
Ordinary profit	25,000 million yen	Down 6.3%
Net income	17,000 million yen	Down 5.6%

Risk Factors

Major risks related to the business of the Bank's group and other areas that have been recognized by management as possibly having significant effects on the financial condition, operating results, and cash flows of the consolidated companies are listed below. Moreover, items that may not qualify as such but are deemed important for investment decisions of investors are also disclosed below, for the purpose of proactive disclosure to investors. Risks related to the business of the Bank's group and other areas are not limited to those stated, and the group does not guarantee that it is free from risks other than those stated, including those that are unidentified.

Certain items in this section may contain forward-looking statements. However, unless otherwise stated, all judgments were made at the end of the consolidated fiscal year under review.

Under the Basic Policy on Risk Control, which is determined by the Bank's Board of Directors, the Bank has established Bank-wide risk management policies, management policies for specific risks, and a risk management organization and structure as a framework to appropriately recognize and manage various types of risks in its operations. In addition, for appropriate risk management, the Bank has established a Risk Management Committee, an Asset-Liability Management (ALM) Committee, and a Security Committee as advisory bodies to the Executive

Committee with respect to risks; the Risk Management Division, which is responsible for supervising overall Bank-wide risk management activities; and risk management divisions for managing specific types of risk.

1. Risk Relating to Our Business Strategy

(1) Domestic business (banking business and other) segment

Seven Bank substantially depends on the ATM platform business for its revenues for the Domestic business (banking business and other) segment. The Bank is steadily increasing the number of ATMs, developing and offering its proprietary new ATM services as well as enhancing security, to increase customers' convenience and sense of security. However, changes that threaten the ATM platform business model, such as those described below, could affect the results and financial position of the Bank's group.

A) Increase in the use of non-cash payment methods

The further increase in the use of non-cash payment methods in the future could reduce the number of ATM transactions, which could affect the Bank's results.

Even in such an environment, the Bank will strive to create new ATM services that go beyond conventional concepts, including services that enable charging (loading money onto) electronic money for various cashless settlement methods, ATM cash receipt (money transfer) services, and the service "+Connect" that provides identity verification and other services, with a view to expanding the social value of ATMs and increasing the number of ATM transactions.

B) Growing competition from other ATM networks

Seven Bank competes with companies installing ATMs at convenience stores and other locations. In addition, competition with financial institutions that have ATM networks could increase if these institutions actively expand their ATM networks.

In the future, increased competition with these companies could cause such challenges as a decrease in the number of users of the Bank's ATMs or a decrease in ATM-related fee income, which could affect the results and financial position of the Bank's group.

C) Changes in economic conditions

The level of ATM-related fee income that Seven Bank charges its partners is judged by both parties to be reasonable. However, the level of the ATM-related fee income may decline, or failure to agree on ATM-related fee income levels may dissolve partnerships, which could affect the results and financial position of the Bank's group.

D) Difficulty in securing ATM locations

Seven Bank has steadily secured and expanded its ATM network at convenience stores, railway stations, commercial facilities, and other locations. In the future, however, obstacles to maintaining or expanding its ATM locations could affect the results of the Bank's group.

E) Effect of amendment of laws, etc. on partner companies' business

An amendment of a law or regulation, etc., related to the business of a partner company that results in a substantial decrease in the number of transactions of Seven Bank's ATMs by the customers of such partner company could cause a decline in ATM-related fee income and other outcomes that could affect the results of the Bank's group.

F) Higher interest rates

Seven Bank procures necessary cash for its ATM platform business through deposits, bonds, and other means. The cost of this fund procurement is influenced by market interest rate trends.

The Bank takes appropriate steps to minimize the impact of interest rate fluctuations, such as procuring long-term funds at fixed rates. However, substantial interest rate fluctuations could cause an unanticipated rise in fund procurement costs, which could affect the results and financial position of the Bank's group.

Seven Bank offers ordinary deposits and time deposits, personal loans, deferred payment services and international money transfer services for individuals, and debit card service, as well as back-office support on commission for other financial institutions through its domestic consolidated subsidiary. However, there is no guarantee that these services will successfully expand.

In addition, Seven Bank may offer new services or establish other new businesses that it is not currently handling but cannot guarantee that they will succeed. The inability of the Bank to realize the initially expected effect of these strategic investments and to achieve its strategic objectives could affect the results and financial position of the Bank's group.

(2) Credit card and electronic money business segment

A) Increasing competition for credit cards

In the credit card industry, deregulation and technological advances have led to intensifying competition with new companies from other industries, making it more difficult for the Bank's group to differentiate its strategies from those of its rivals. If the Bank's group is unable to adequately respond to the competition, this could have an adverse effect on the business performance and financial position of the group.

B) Changes in economic conditions

The franchise fee that the Bank's group receives from stores and companies is set at a level that is deemed reasonable for the businesses of both parties. However, if the franchise fee level is reduced, or if an agreement on the franchise fee level cannot be reached and an alliance is terminated, this could affect the results and financial position of the Bank's group.

C) Changes in regulations and legal systems

The Bank's group operates in accordance with current regulations and with regulatory risks. The business of the Bank's group is subject to general laws and regulations related to company management as well as finance-related laws and regulations. However, future amendments to these laws and regulations, changes in their interpretation or tougher application of them, or the introduction of new legal regulations could have an adverse effect on the results and financial position of the Bank's group.

(3) Overseas business segment

A) Country risks

Seven Bank has consolidated subsidiaries that operate ATMs overseas. The future occurrence of major changes in the political or economic environment surrounding these consolidated subsidiaries, an unforeseen event such as a natural disaster, or poor business performance of these consolidated subsidiaries could affect the results of the Bank's group.

B) Higher interest rates and foreign exchange risks

In its overseas business, Seven Bank procures necessary cash for its ATM business from financial institutions and other sources. However, rising market interest rates could affect the results of the Bank's group. In addition, exchange rate fluctuations could decrease the profits of the Bank's group.

C) Risks of crime, etc.

ATM locations of the above consolidated subsidiaries include some areas where security is more unstable than in Japan. The Bank takes adequate security measures, assuming a variety of crimes. However, ATMs may be damaged or cash in ATMs may be stolen as a result of a physical attack on ATMs or other unexpected crimes, which could result in a loss.

(4) Impairment of fixed assets

Seven Bank holds tangible fixed assets and intangible fixed assets. Factors such as worsening profitability of assets held or consolidated subsidiaries or a decline in the value of other assets could make it necessary to record impairment of these assets, which could affect the results and financial position of the Bank's group.

2. Information Security

In providing stable financial services centered on banking operations, the Bank's group has established its basic approach in the Information Security Risk Management Rules, and endeavors to develop and maintain an information security risk management framework across the Bank and its consolidated subsidiaries. In addition, the CSIRT responsible for incident response and other related activities comprises members from across the Bank and its consolidated subsidiaries and strives to maintain and enhance its response capabilities through training and other initiatives.

However, cyberattack methods are becoming increasingly advanced and sophisticated. Unauthorized access, malware infections, ransomware attacks, attacks conducted through service providers or other third parties, and other forms of cyberattacks may result in the leakage of customer information and other data held by the Bank's group, the destruction or alteration of data, or disruptions to ATM services, payment services, or other financial services. Such incidents could affect the results of the Bank's group.

3. System Failure

The Bank's group has established Systems Risk Rules to articulate its fundamental policies related to system risk management and, by developing and operating its systems based on the rules, it is striving to realize efficient system development, improved system quality, and stable system operations. In addition, the Bank has adopted a system configuration that employs two system centers that are always in operation, redundant server network equipment, and 24 hour/365 day monitoring operations, as well as the implementation of other system failure countermeasures. In addition, in accordance with the importance of files, programs, etc., the Bank performs data backups and has taken measures for remote-location data storage in preparation for unexpected situations.

However, it is impossible to completely eliminate the danger of system function interruptions due to failure resulting from factors, including such natural disasters as large earthquakes and typhoons, power outages, network failure, malicious use of new technologies such as artificial intelligence (AI), or human error. Such interruptions could affect the results the Bank's group.

4. External Contractors

The Bank's group outsources key tasks, including ATM cash replenishment, development and operation of various systems, ATM security and management, and call center operations. In addition, the Bank outsources cash card issuance and mail delivery for new deposit accounts.

Relationships with these external contractors are currently satisfactory. However, increasing fees resulting from deterioration of their operating environments or difficulties in continuing to provide services for any reason could affect the results of the Bank's group.

5. Relationship with Other Affiliates

Seven Bank is an equity-method affiliate of Seven & i Holdings Co., Ltd. (the "Company"), which is listed on the Prime Market of the Tokyo Stock Exchange. The Company owns 33.40% of the voting rights of Seven Bank as of the end of the consolidated fiscal year under review.

As approximately 80% of the Bank's ATMs are installed in 7-Eleven stores operated by subsidiaries of Seven & i Holdings, difficulties in keeping ATMs installed in 7-Eleven stores or a marked decrease in customers at 7-Eleven stores could affect the results of the Bank's group.

In addition, Seven Bank pays ATM installation fees to the Company's subsidiary, Seven-Eleven Japan Co., Ltd., but major changes in fee terms could affect the results of the Bank's group.

Material transactions involving these companies are disclosed under "Related Party Transactions" in the "Notes to the Consolidated Financial Statements."

In addition, the Bank is an equity-method affiliate of ITOCHU Corporation (listed on the Prime Market of the Tokyo Stock Exchange), which held 20.43% of the voting rights of the Bank as of the end of the consolidated fiscal year under review.

The Bank also entered into a capital and business alliance agreement with ITOCHU Corporation on September 26, 2025. For details, please refer to "Additional information (Execution of a Capital and Business Alliance Agreement with ITOCHU Corporation and Disposal of Treasury Stock Through Third-party Allotment)" in the "Notes to Consolidated Financial Statements."

The Bank independently considers and determines all matters relating to its business strategies, human resources policies, capital policies, and other matters on its own initiative. However, there is no guarantee that any future changes by either company to its management policies or business strategies (including its policy regarding the holding of the Bank's shares) for any reason will not affect the Bank's decision-making.

6. Response to Financial Crimes Such As Money Laundering and Terrorist Financing

Seven Bank's business consists primarily of the execution of non-face-to-face transactions, mainly via ATMs. As such, the Bank undertakes strict customer due diligence when customers apply to open new accounts. In addition, the Bank constantly monitors ATM and account usage and strengthens its systems for preventing financial crimes such as money laundering and terrorist financing, with a focus on protecting its customers. Also, its consolidated subsidiaries, such as Seven Card Service Co., Ltd., which operates credit card and money lending businesses, are also further strengthening the construction of risk management systems based on the risks involved in their respective businesses. However, reputation damage and other factors arising from a temporary failure to keep pace with increasingly intricate and sophisticated criminal techniques could affect the social standing or the results of the Bank's group.

7. Litigation

Seven Bank focuses on preventative measures and minimizes litigation risks in consultation with specialists including attorneys. However, there is no guarantee that the Bank's group will not be subject to litigation or disputes that could affect its results and financial position in the future, resulting from legal issues, such as legal violations or inadequate contractual agreements.

8. Effects of Legal Amendments

The Bank's group operates its businesses in compliance with current laws and regulations. However, the contents or effects of future legal amendments are difficult to predict or control. Consequently, there is no guarantee that in the future the Bank's group will be able to continue to execute its business under initial assumptions.

9. Regulations

Based on the regulations in Article 4, Paragraph 1 of the Banking Law, Seven Bank has received a license to operate in the banking business (Financial Supervisory Agency License Number 1812) that enables it to take deposits, handle currency exchange, make loans, and conduct other relevant business. However, based on the regulations in Article 4, Paragraph 4 of the Banking Law (see note), Seven Bank's banking license is subject to certain conditions. Future new businesses such as foreign currency-denominated accounts will require the approval of the commissioner of the Financial Services Agency as the head of the supervisory authority.

Depending on the progress in application for approval, Seven Bank may not be able to develop new businesses as planned, which could affect the Bank's results.

In addition, regarding the banking business, Articles 26 and 27 of the Banking Law specify prerequisites for issues, including suspension of operations and license revocation, respectively. If these prerequisites are applicable, the Bank may be legally required to suspend its operations or its license may be revoked.

The Bank is currently aware of no reason for these measures to be taken. However, future suspension of operations or license revocation for any reason could obstruct the Bank's business activities and could materially affect the Bank's results.

Note: Article 4, Paragraph 4 of the Banking Law: When the prime minister deems it necessary for the public interest based on consideration of the regulations of the preceding two paragraphs, the prime minister may attach conditions to the license of the first paragraph and modify the license to the extent necessary.

10. Decline in Capital Adequacy Ratio

Seven Bank does not have sales bases overseas. Therefore, Seven Bank must maintain a ratio of non-consolidated net assets to total assets above 4% according to the domestic standard specified by "Criteria for Judging Whether A Financial Institution's Own Capital Is Sufficient in Light of the Assets Held, etc. under the Provision of Article 14-2 of the Banking Law (Notification Number 19 of 2006, the Financial Services Agency)."

Currently, Seven Bank's non-consolidated capital adequacy ratio substantially exceeds the relevant standard. However, the Bank may be unable to meet its required capital adequacy standard if various business or other risks discussed in this section or elsewhere in this document materialize or the regulations or other relevant rules change in the future.

11. Personal Information Leakage

Through its banking business, Seven Bank possesses a large amount of customer information, including personal information. As a business handling personal information as specified by Act on the Protection of Personal Information, the Bank announces or otherwise publicizes the purpose for using personal information, safely administers personal information, duly considers requests for disclosure of personal information on file from the individual, and ensures thorough awareness within the Bank to that effect as stipulated by in-house personal information management regulations. Furthermore, the Bank concludes the memoranda with subcontractors and conducts strict, thorough management of the handling of personal information by them. However, serious damage to customers from large-scale information leakage may result in orders or punitive measures from regulatory authorities, claims for damages, and reputation damage. These and other factors may affect the results and financial position of the Bank's group.

12. Reduced Liquidity due to Ratings Downgrade

Seven Bank currently has a long-term issuer rating of A- with a stable outlook and a short-term issuer rating of A-2 from S&P Global Ratings. The Bank also has an issuer rating of AA- with a stable outlook from Rating & Investment Information, Inc.

However, there is no guarantee that the Bank can maintain these ratings in the future. A rating downgrade may affect the Bank's capital and fund procurement.

13. Securing Personnel

Securing the personnel required to continuously expand as a bank centered on the ATM platform business, and to develop new businesses, is an essential part of the business strategy of the Bank's group.

The Bank's group competes for personnel not only with other financial institutions, but also with Internet service-related businesses, systems-related businesses, and other entities. Consequently, an inability to continually hire, train, and retain required personnel may affect the results and future development of the Bank's group.

14. Reputation

The Bank's group has established Reputation Risk Rules that set the range of reputation risks to be recognized as follows.

- Gossip and rumors related to the Bank's group among customers, in markets, on the Internet, on social media, in e-mail, etc.
- Rumors related to the Bank's group caused by inaccurate or arbitrary reporting by the media
- A negative public image caused by an inappropriate response to accidents, such as system failure, personal information leakage or operational error, or a fundamental management problem
- Rumors related to financial institutions that are business partners, external contractors, or other parties the Bank's group has transactions with

Basic policy of the Bank's group is to respond to these reputation risks accurately and urgently, based on the facts. The Bank's group will take care to prevent the generation of rumors that may damage it. It also has a framework in place to minimize damage by responding appropriately in the event that such a rumor is generated or responding externally in an appropriate manner in the event that an accident or a problem that affects the core of the management of the Bank's group occurs.

However, because the Bank's group has many business partners and external contractors, it could become involved in various difficulties even if it is not to blame, which has the potential to affect the reputation and results of the Bank's group.

15. Outbreak and Spread of Infectious Diseases

The Bank's group has formulated a business continuity plan (BCP) that addresses potential emergencies in accordance with internal rules and regulations, including the Business Continuity Management Rules, to respond to outbreaks and spread of infectious diseases. Based on the BCP, the Bank has established a system to prevent infections for its employees and external contractors. However, if an outbreak or similar event persists for an extended period, it may disrupt the operations of the Bank's group and affect its results.

16. Soaring Prices and Labor Costs

Rising resource prices due to rising geopolitical tensions and rising labor costs due to structural labor shortages may lead to an increase in ATM operation expenses and parts procurement costs, which may disrupt the operations of the Bank's group and affect its results.

17. Impacts of Climate Change

Increased frequency of natural disasters such as torrential rains, typhoons, and floods caused by climate change may damage Seven Bank's facilities including ATMs. If this happens, it may disrupt the Bank's operating activities, and if the impact is prolonged, economic activities may be restricted and the number of ATM transactions may decrease, which could affect the results of the Bank's group.

Seven Bank positions climate change as one of the important management issues. For this reason, we endorsed the TCFD recommendations in December 2021. In accordance with the TCFD framework, the Bank will examine the impact of climate change on its business activities and disclose the results as they become available.

18. Risks Related to M&A, Capital and Business Alliances, and Other Similar Transactions

Seven Bank may engage in M&A transactions, enter into capital and business alliances with other companies, or pursue other similar initiatives to strengthen its existing businesses and expand the scope of its business. When undertaking such M&A transactions and other similar initiatives, the Bank seeks to mitigate risks by conducting thorough advance reviews and assessments of matters such as the target company's financial condition, the terms and conditions of the relevant agreements, and the post-transaction business plan. However, there is no guarantee that such transactions will be completed or proceed as initially planned. In addition, unforeseen issues may be identified after completion, or changes in the business environment and other factors may prevent the Bank from realizing the anticipated benefits and achieving its strategic objectives. These situations may affect the results and financial position of the Bank's group.

Status of the Corporate Group

The Bank's group comprises 10 companies, i.e., the Bank and its nine consolidated subsidiaries (FCTI, Inc., PT. ABADI TAMBAH MULIA INTERNASIONAL, Bank Business Factory Co., Ltd., Seven Payment Service, Ltd., Pito AxM Platform, Inc., ACSiON, Ltd., VIVA VIDA MEDICAL LIFE Co., Ltd., Seven Card Service Co., Ltd., and Reachful Malaysia Sdn. Bhd.), operating in each business field in Japan and overseas.

The Bank and each of its group companies are structured via businesses as follows.

(1) Domestic business (banking business and other) segment

The Bank's group installed ATMs in stores such as 7-Eleven as well as at airports, stations and branches of financial institutions. By cooperating with numerous domestic financial institutions, the Bank's group provides ATM services to many customers using its convenient ATM network which operates 24 hours a day, 365 days a year in principle.

The Bank's group provides the ubiquitous and convenient account services such as ordinary deposits, time deposits, loan services, international money transfer services and debit services for customers who have an account with the Bank, and also provides financial services that meet the needs of various customers by utilizing the knowledge of the Bank's group and collaborating with external corporations.

(2) Credit card and electronic money business segment

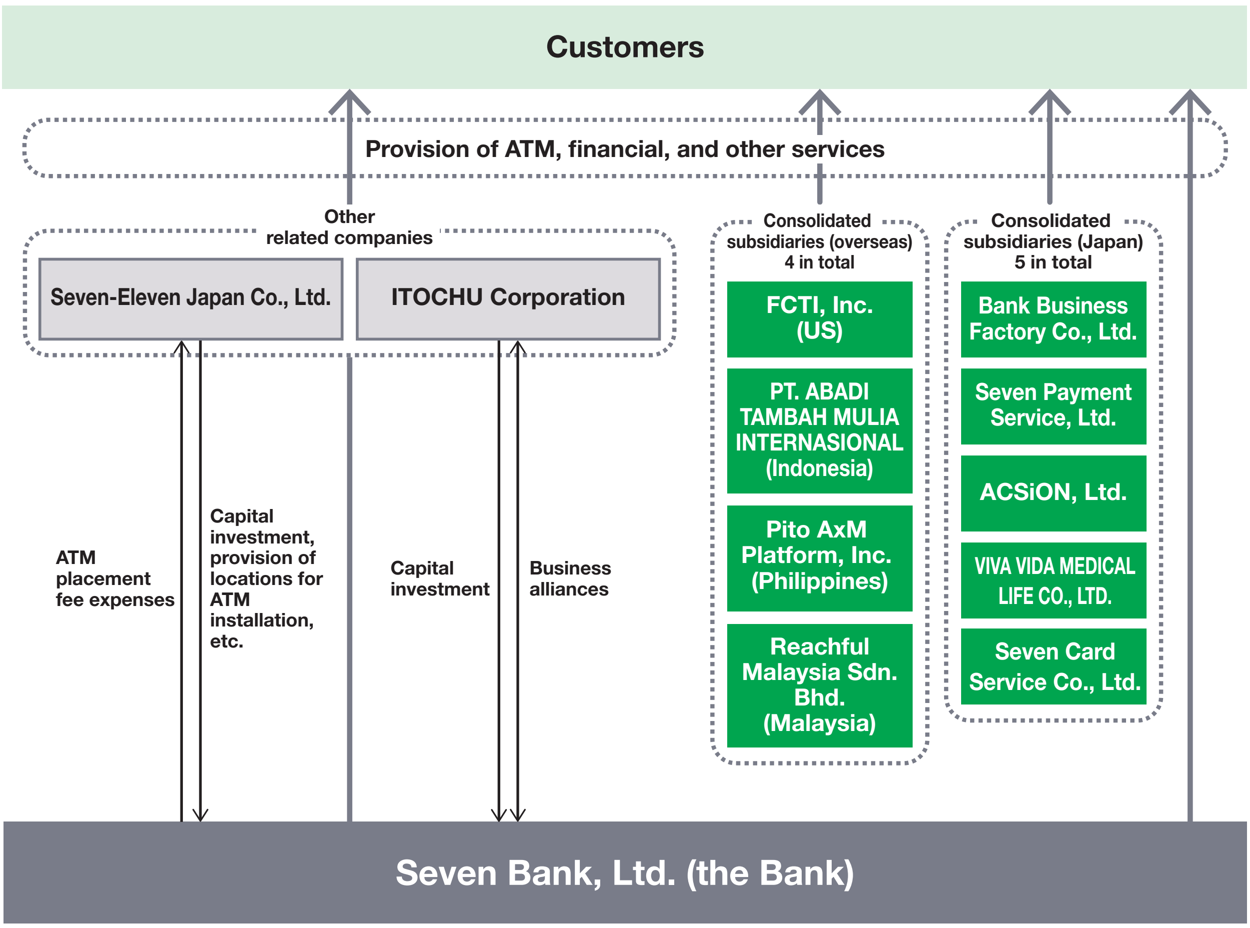
Seven Card Service Co., Ltd., a consolidated subsidiary of the Bank, operates non-bank businesses in Japan, primarily in the credit card business and electronic money business.

(3) Overseas business segment

The Bank's group provides local ATM services in four countries: the United States, Indonesia, the Philippines, and Malaysia.

As stated above, the Bank's group has been promoting initiatives towards diversification of businesses and services with the aim of the sustainable creation of both social value and corporate value while recognizing changes in a diverse society as substantial business opportunities.

■ Operating System of Seven Bank and Its Group Companies



Management Policy, Management Environment, Issues to be Addressed, etc.

(1) Management Policies

1. Purpose of Seven Bank's group

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

2. Management Ethos

a. We aspire to be a trusted financial service provider that fully meets customer needs.
b. We act to promptly introduce the benefits of technical innovation and pursue self-development.
c. We strive to contribute to the stability and advancement of the financial system by providing a secure and efficient payment infrastructure.

(2) Target Management Indicators

To respond to significant changes in the business environment and sustainably improve its corporate value, the Bank is further strengthening its core ATM platform business while promoting business diversification. Based on the three-year outlook announced in May 2026, the Bank is implementing initiatives focused on increasing consolidated ordinary income and consolidated ordinary profit with the aim of maximizing the sustainability and growth potential of the Bank's group. Looking ahead, the Bank has set the following targets for fiscal 2028.

	Results for FY2025	Target for FY2028
Consolidated ordinary income	220,000 million yen	280,000 million yen
Consolidated ordinary profit	30,100 million yen	40,000 million yen
ROE (consolidated)	4.8%	8.0% or more

(3) Management Environment

The business environment surrounding the Bank's group is undergoing rapid changes, including soaring prices and rising interest rates both at home and abroad, diversification of payment methods due to the development of digital technology, the entry into the financial sector of businesses from other industries, and heightened awareness of environmental and social issues. The Bank's group recognizes that there is a need for flexible management that is more than ever sensitive to changes in society and diversification of customer needs and rapidly incorporates the results of technological innovation.

In addition, social issues such as widening disparities and climate change are becoming more apparent and serious, leading to an era when businesses, as members of society, are required to face these issues more sincerely than ever before to seek solutions.

(4) Medium- to Long-Term Management Strategies

"We shape the future of everyday life by seeing your wishes and going beyond." This is the purpose of the Bank's group. Based on this purpose, Seven Bank will strive to achieve sustainable growth as a unique bank that is close to customers' lives, offering convenience, reliability and trust.

The Bank's group has announced a three-year outlook that sets out indicators for its sustainable growth. Under this three-year outlook, the Bank's group will implement initiatives focused on increasing consolidated ordinary income and consolidated ordinary profit by driving top-line growth and improving profitability and efficiency.

(5) Issues to Be Addressed

The Bank's group sees changes in the business environment as opportunities for further reform and leap, and by addressing the following issues, the group will aim to realize sustainable growth and continue to be a company that is needed by customers and society.

<Domestic business (banking business and other) segment>

■ ATM platform strategy

Although the ATM platform business, which has been the Bank's core business thus far, is now at a major turning point due to the advancement of cashless payments and other developments, the Bank's total annual number of ATM transactions has continued to increase due in part to a significant increase in the number of cash-charge transactions for various cashless settlement methods in addition to cash deposit and withdrawal transactions with financial institutions, which were historically handled by the Bank. Recognizing that changes in the settlement environment are opportunities for new ATM services, the Bank will continue its efforts to provide customers with secure and convenient services through ATMs as an important interface between non-virtual and virtual transactions even in the movement toward adopting digitalized and cashless payment systems.

As of March 31, 2025, we completed the replacement with the fourth-generation ATMs, which we had implemented since September 2019. With fourth-generation ATMs, the Bank provides the service "+Connect," which enables procedures of financial institutions, etc. utilizing the newly implemented functions (personal authentication function, scanning function, etc.), and the number of such services is gradually increasing. The Bank will expand the number of "+Connect" partners and the services offered going forward, aiming to create a world where Seven Bank's ATMs serve as a service platform for windows for various procedures and certification.

In March 2026, the Bank also entered into an ATM placement agreement with FamilyMart Co., Ltd. The installation of ATMs at FamilyMart stores throughout Japan is scheduled to begin in phases from early summer 2026, with approximately 16,000 ATMs planned to be installed over about four years. The Bank will continue to pursue further growth through the expansion of its ATM network.

■ Retail strategies

In the financial retail field, the competitive environment is intensifying due to changes in lifestyles and payment experiences resulting from the advancement of cashless transactions and the entry of new non-financial companies into the financial business. Under such circumstances, the Bank will continue to expand its efforts to develop and provide exceptional and unique financial services. These include bank accounts that can be opened immediately in as little as 10 minutes and card loan services for individual customers that allow users to borrow and repay funds at the Bank's ATMs, etc. nationwide, 24 hours a day, 365 days a year, in principle.

In addition, under the circumstances where foreign residents are increasing in Japan, the Bank continues to contribute to the realization of a multi-cultural symbiosis by providing financial services that are easy for foreign residents to use, while leveraging our strengths, such as applications to open accounts at the Bank's ATMs and collaboration with overseas remittance service providers through Seven Bank International Money Transfer Service and the Bank's ATMs, aiming to create a society where all members can live comfortably.

■ Corporate strategies

The Bank has strived to expand the services provided to financial institutions and general businesses regarding bank-quality administrative skills, safe and secure fund management/fund transfer mechanisms, and high-security technologies including fraud prevention measures that are the Bank's strengths accumulated since its founding. In recent years, the Bank has quickly adopted the evolving DX technology, and aims to expand the scale of business through collaboration with external companies.

<Credit card and electronic money businesses segment>

Seven Card Service Co., Ltd., which is a consolidated subsidiary of the Bank, issues and operates "Seven Card Plus/Seven Card" credit cards and "nanaco" electronic money to support customers' daily convenience. Going forward, by deepening collaboration with Seven Bank's financial retail business, we will continue to integrate and expand the know-how and expertise cultivated by the two companies and take on the challenge of providing financial services closely linked to everyday life.

<Overseas business segment>

In the United States, funding and operating costs are increasing due to high policy interest rates and rising inflation, but we are taking various cost reduction measures by working to optimize our ATM operations. In addition to the approximately 8,500 ATMs currently installed in 7-Eleven stores in the United States, the Bank began to newly install ATMs at Speedway, among other locations to further strengthen our ATM network in the United States. In addition, based on this strong ATM network, the Bank will expand its cooperation with 7-Eleven in the United States to provide unique financial services that combine retail and financial services, with the aim of strengthening its customer base and diversifying its business in the United States market.

In Asia, through active ATM installation in Indonesia and the Philippines, we have grown into one of the largest ATM operators in both countries.

Since January 2025, the Bank's group has also started ATM operation business in Malaysia and has been proceeding with ATM installation.

Going forward, the Bank will continue to expand ATM networks in each country and then, using ATMs as an introduction, strive to bring about multi-layered financial services.

Since its establishment, the Bank's group has been working to solve social and environmental issues through its business activities. The group's stance of always listening to and responding to the thoughts of customers will not change. The Bank's group continues to be committed to contributing to the prosperity of our society and the future of the Earth with the aim of achieving its Purpose "We shape the future of everyday life by seeing your wishes and going beyond."

Consolidated Balance Sheet

Seven Bank, Ltd. and Consolidated Subsidiaries
As of March 31, 2025 and 2026

	Millions of yen	
	2025	2026
Assets		
Cash and due from banks	*2 892,852	*2 896,249
Securities	*2 120,702	*2 167,855
Loans	*1, *3 72,257	*1, *3 90,843
Foreign exchanges	*1 0	*1 0
ATM-related temporary payments	*1 102,749	*1 99,664
Accounts receivable from credit card members	128,458	126,146
Other assets	*1, *2, *5 77,733	*1, *2, *5 73,291
Tangible fixed assets	*4 50,247	*4 45,812
Buildings	2,328	2,237
ATMs	41,584	33,795
Other tangible fixed assets	6,334	9,778
Intangible fixed assets	50,046	44,402
Software	41,521	38,999
Other intangible fixed assets	8,524	5,403
Asset for retirement benefits	2,969	4,709
Deferred tax assets	2,639	2,473
Allowance for credit losses	(4,679)	(5,705)
Total assets	1,495,977	1,545,743
Liabilities		
Deposits	841,344	875,261
Negotiable certificates of deposits	800	300
Call money	35,000	—
Borrowed money	13,343	13,598
Bonds	50,000	100,000
ATM-related temporary advances	71,228	68,319
Accounts payable for credit card business	40,738	39,155
Deposits for electronic money	62,660	59,186
Other liabilities	96,103	100,759
Provision for bonuses	1,063	1,418
Liability for retirement benefits	35	44
Provision for retirement benefits of directors	9	—
Provision for stocks payment	983	1,084
Deferred tax liabilities	177	350
Total liabilities	1,213,488	1,259,477
Net assets		
Common stock	30,724	30,724
Capital surplus	31,071	32,068
Retained earnings	207,126	208,740
Treasury stock	(2,738)	(3,089)
Total shareholders' equity	266,184	268,443
Net unrealized gains (losses) on available-for-sale securities	85	564
Foreign currency translation adjustments	10,245	9,852
Accumulated adjustments for retirement benefits	685	1,630
Total accumulated other comprehensive income	11,016	12,047
Subscription rights to shares	32	8
Non-controlling interests	5,255	5,766
Total net assets	282,489	286,265
Total liabilities and net assets	1,495,977	1,545,743

See accompanying notes.

Consolidated Statement of Income

Seven Bank, Ltd. and Consolidated Subsidiaries
For the fiscal years ended March 31, 2025 and 2026

	Millions of yen	
	2025	2026
Ordinary income	*1 214,408	*1 220,025
Interest income	11,089	15,866
Interest on loans	9,672	12,473
Interest and dividends on securities	359	1,231
Interest on call loans	77	166
Interest on cash and due from banks	980	1,995
Fees and commissions income	197,895	200,981
Remittance-related fee income	3,913	3,922
ATM-related fee income	156,400	159,240
Credit card operating income	12,165	11,774
Electronic money operating income	12,010	10,886
Other fees and commissions income	13,406	15,157
Other operating income	264	146
Other ordinary income	5,158	3,031
Other	*2 5,158	*2 3,031
Ordinary expenses	184,118	189,860
Interest expenses	2,098	3,344
Interest on deposits	517	1,833
Interest on negotiable certificates of deposits	1	1
Interest on call money	348	253
Interest on borrowed money	979	711
Interest on bonds	251	503
Other interest expenses	—	42
Fees and commissions expenses	55,654	55,156
Remittance-related fee expenses	1,845	1,802
ATM placement fee expenses	31,647	30,603
ATM-related fee expenses	9,805	9,129
Credit card operating expenses	5,653	5,722
Electronic money operating expenses	886	721
Other fees and commissions expenses	5,815	7,176
Other operating expenses	7	229
General and administrative expenses	*3 122,166	*3 125,644
Other ordinary expenses	4,191	5,485
Provision of allowance for credit losses	2,887	4,316
Other	*4 1,304	*4 1,168
Ordinary profit	30,289	30,165
Extraordinary income	1,314	2
Gain on sales of fixed assets	—	2
Gain on change in equity of affiliates	76	—
Gain on sale of shares of subsidiaries and affiliates	179	—
Other extraordinary income	*6 1,057	—
Extraordinary losses	2,767	8,701
Losses on disposal of fixed assets	742	245
Impairment losses	*5 2,025	*5 8,456
Income before income taxes	28,836	21,466
Income taxes-current	8,141	8,223
Income taxes-deferred	2,425	(297)
Total income taxes	10,567	7,926
Net income	18,268	13,539
Net income attributable to non-controlling interests	47	62
Net income attributable to owners of the parent	18,221	13,476

See accompanying notes.

Consolidated Statement of Comprehensive Income

Seven Bank, Ltd. and Consolidated Subsidiaries
For the fiscal years ended March 31, 2025 and 2026

	Millions of yen	
	2025	2026
Net income	18,268	13,539
Other comprehensive income	*1 1,415	*1 876
Net unrealized gains (losses) on available-for-sale securities	(521)	478
Foreign currency translation adjustments	1,939	(546)
Adjustments for retirement benefits	(2)	944
Comprehensive income	19,684	14,415
Comprehensive income attributable to:		
Owners of the parent	19,367	14,507
Non-controlling interests	317	(91)

See accompanying notes.

Consolidated Statement of Changes in Net Assets

Seven Bank, Ltd. and Consolidated Subsidiaries
For the fiscal years ended March 31, 2025 and 2026

Fiscal year ended March 31, 2025 (April 1, 2024–March 31, 2025)

	Millions of yen				
	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the year	30,724	30,850	201,836	(2,744)	260,666
Changes in items during the period					
Cash dividends			(12,930)		(12,930)
Net income attributable to owners of the parent			18,221		18,221
Purchase of treasury stock				(0)	(0)
Disposal of treasury stock				5	5
Change in capital surplus due to change in equity of consolidated subsidiaries		221			221
Fluctuation resulting from exclusion of affiliates accounted for using equity method			0		0
Net changes in items other than shareholders' equity					
Total changes in items during the period	—	221	5,290	5	5,517
Balance at end of the year	30,724	31,071	207,126	(2,738)	266,184

	Millions of yen						
	Accumulated other comprehensive income						
	Net unrealized gains (losses) on available-for-sale securities	Foreign currency translation adjustments	Accumulated adjustments for retirement benefits	Total accumulated other comprehensive income	Subscription rights to shares	Non-controlling interests	Total net assets
Balance at the beginning of the year	607	8,574	688	9,870	12	5,306	275,856
Changes in items during the period							
Cash dividends							(12,930)
Net income attributable to owners of the parent							18,221
Purchase of treasury stock							(0)
Disposal of treasury stock							5
Change in capital surplus due to change in equity of consolidated subsidiaries							221
Fluctuation resulting from exclusion of affiliates accounted for using equity method							0
Net changes in items other than shareholders' equity	(521)	1,670	(2)	1,146	19	(50)	1,114
Total changes in items during the period	(521)	1,670	(2)	1,146	19	(50)	6,632
Balance at end of the year	85	10,245	685	11,016	32	5,255	282,489

Fiscal year ended March 31, 2026 (April 1, 2025–March 31, 2026)

	Millions of yen				
	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the year	30,724	31,071	207,126	(2,738)	266,184
Changes in items during the period					
Cash dividends			(11,863)		(11,863)
Net income attributable to owners of the parent			13,476		13,476
Purchase of treasury stock				(50,824)	(50,824)
Disposal of treasury stock		996		50,473	51,470
Change in capital surplus due to change in equity of consolidated subsidiaries					—
Fluctuation resulting from exclusion of affiliates accounted for using equity method					—
Net changes in items other than shareholders' equity					
Total changes in items during the period	—	996	1,613	(351)	2,259
Balance at end of the year	30,724	32,068	208,740	(3,089)	268,443

	Millions of yen						
	Accumulated other comprehensive income						
	Net unrealized gains (losses) on available-for-sale securities	Foreign currency translation adjustments	Accumulated adjustments for retirement benefits	Total accumulated other comprehensive income	Subscription rights to shares	Non-controlling interests	Total net assets
Balance at the beginning of the year	85	10,245	685	11,016	32	5,255	282,489
Changes in items during the period							
Cash dividends							(11,863)
Net income attributable to owners of the parent							13,476
Purchase of treasury stock							(50,824)
Disposal of treasury stock							51,470
Change in capital surplus due to change in equity of consolidated subsidiaries							—
Fluctuation resulting from exclusion of affiliates accounted for using equity method							—
Net changes in items other than shareholders' equity	478	(392)	944	1,030	(23)	510	1,517
Total changes in items during the period	478	(392)	944	1,030	(23)	510	3,776
Balance at end of the year	564	9,852	1,630	12,047	8	5,766	286,265

Consolidated Statement of Cash Flows

Seven Bank, Ltd. and Consolidated Subsidiaries
For the fiscal years ended March 31, 2025 and 2026

	Millions of yen	
	2025	2026
Cash flows from operating activities		
Income before income taxes	28,836	21,466
Depreciation and amortization	29,106	30,980
Impairment losses	2,025	8,456
Amortization of goodwill	67	—
Equity in losses (earnings) of affiliates	76	—
Net change in allowance for credit losses	81	1,025
Net change in provision for bonuses	17	344
Net change in asset and liability for retirement benefits	(342)	(380)
Net change in provision for retirement benefits of directors	(20)	(9)
Net change in provision for stock payment	170	101
Net change in provision for loss on litigation	(1,516)	—
Interest income	(11,089)	(15,866)
Interest expenses	2,098	3,344
Loss (gain) related to securities	(2,444)	(809)
Net loss (gain) on disposal of fixed assets	742	242
Loss (gain) on change in equity of affiliates	(76)	—
Other extraordinary income	(1,057)	—
Net decrease (increase) in loans	(15,962)	(18,586)
Net increase (decrease) in deposits	(73,532)	33,916
Net increase (decrease) in negotiable certificates of deposits	150	(500)
Net increase (decrease) in borrowed money (excluding subordinated borrowings)	(6,787)	663
Net decrease (increase) in due from banks (excluding cash equivalents)	—	(2,338)
Net decrease (increase) in call loans	50,000	—
Net increase (decrease) in call money	(75,000)	(35,000)
Net increase (decrease) in straight bonds due to issuance and redemption	(15,000)	50,000
Net change in ATM-related temporary accounts	55,707	55
Net decrease (increase) in accounts receivable from credit card members	5,881	2,311
Net increase (decrease) in accounts payable for credit card business	(1,691)	(1,582)
Net increase (decrease) in deposits for electronic money	(8,238)	(3,474)
Interest received	11,254	14,908
Interest paid	(2,021)	(2,606)
Other - net	(4,535)	6,627
Subtotal	(33,100)	93,291
Settlement payments	—	(1,496)
Income taxes paid	(7,668)	(8,016)
Income taxes refund	1,899	152
Net cash provided by (used in) operating activities	(38,869)	83,930
Cash flows from investing activities		
Purchase of securities	(36,884)	(136,706)
Proceeds from sale of securities	4,562	17,528
Proceeds from redemption of securities	30,732	73,990
Purchase of tangible fixed assets	(23,206)	(9,947)
Proceeds from sales of tangible fixed assets	—	9
Purchase of intangible fixed assets	(21,856)	(16,327)
Net payments for sale of shares of subsidiaries resulting in change in scope of consolidation	(63)	—
Net cash used in investing activities	(46,714)	(71,453)
Cash flows from financing activities		
Purchase of treasury stock	(0)	(50,824)
Proceeds from disposal of treasury stock	—	51,375
Dividends paid	(12,920)	(11,862)
Proceeds from stock issuance to non-controlling interests	619	—
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(367)	—
Other	—	(340)
Net cash used in financing activities	(12,667)	(11,652)
Effect of exchange rate changes on cash and cash equivalents	2,157	(686)
Net change in cash and cash equivalents	(96,094)	137
Cash and cash equivalents at the beginning of the year	988,721	892,626
Cash and cash equivalents at the end of the year	*1 892,626	*1 892,764

See accompanying notes.

(Basis of Presenting Consolidated Financial Statements)

The accompanying consolidated financial statements of Seven Bank, Ltd. (the "Bank") and its consolidated subsidiaries (collectively the "Group") have been prepared in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Law and its related accounting regulations, and in conformity with accounting principles and practices generally accepted in Japan ("Japanese GAAP"), which are different in certain respects as to application and disclosure requirements from International Financial Reporting Standards.

The accompanying consolidated financial statements have been translated into English from the consolidated financial statements of the Group prepared in accordance with Japanese GAAP and filed with the appropriate Local Finance Bureau of the Ministry of Finance as required by the Financial Instruments and Exchange Law.

In preparing the accompanying consolidated financial statements and notes, amounts less than one million Japanese yen have been rounded down to the nearest million, except for per share data. Therefore, total or subtotal amounts shown in the accompanying consolidated financial statements and notes thereto are not necessarily equal to sums of individual amounts.

The preparation of consolidated financial statements in conformity with Japanese GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities as of the balance sheet date and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(Significant Accounting Policies)

1. Scope of consolidation

(1) Number of consolidated subsidiaries: 9

Name of companies:

FCTI, Inc.
PT. ABADI TAMBAH MULIA INTERNASIONAL
Bank Business Factory Co., Ltd.
Seven Payment Service, Ltd.
Pito AxM Platform, Inc.
ACSiON, Ltd.
VIVA VIDA MEDICAL LIFE Co., Ltd.
Seven Card Service Co., Ltd. (hereinafter referred to as "7CE")
Reachful Malaysia Sdn. Bhd.

Note: ABADI TAMBAH MULIA INTERNASIONAL MALAYSIA SDN. BHD. changed its trade name to Reachful Malaysia Sdn. Bhd. on May 30, 2025.

(2) Unconsolidated subsidiaries

Not applicable.

2. Application of the equity method

(1) Unconsolidated subsidiaries accounted for using the equity method

Not applicable.

(2) Number of affiliates accounted for using the equity method

Not applicable.

(Change in scope of application of equity method)
Seven Pay Co., Ltd. was excluded from the scope of application of equity method because its liquidation was completed on May 29, 2025.

(3) Unconsolidated subsidiaries not accounted for using the equity method

Not applicable.

(4) Affiliates not accounted for using the equity method

Not applicable.

3. Fiscal year, etc. of consolidated subsidiaries

(1) The balance sheet dates of the consolidated subsidiaries are as follows:

December 31: 4 companies
March 31: 5 companies

(2) The subsidiaries are consolidated using the financial statements on their own balance sheet dates.

Appropriate adjustments have been made for significant intervening transactions occurring during the period from December 31 to March 31.

4. Accounting policies

(1) Valuation standard and method for securities

Available-for-sale securities are measured at fair value (cost of sales is calculated mainly using the moving-average method) except that equity securities, etc. that do not have a market price are stated at cost using the moving-average method.

Unrealized gains and losses on these securities are stated as a separate component of net assets.

(2) Depreciation and amortization of fixed assets

1) Tangible fixed assets

Depreciation of tangible fixed assets of the Bank is calculated by the straight-line method.

Estimated useful lives of major items as of March 31, 2025 and 2026 are as follows:

Buildings: 6-18 years
ATMs: 5 years
Others: 2-20 years

Depreciation of tangible fixed assets of the consolidated subsidiaries is calculated by the straight-line method over the estimated useful lives of the assets.

2) Intangible fixed assets

Intangible fixed assets are amortized using the straight-line method. Software for internal use is amortized over useful life (mainly, five years) determined by the Bank and its consolidated subsidiaries.

(3) Accounting treatment of deferred assets

Bond issuance costs are fully expensed when incurred.

(4) Allowance for credit losses

Allowance for credit losses of the Bank is provided as detailed below in accordance with the Bank's internal policies for write-offs and provisions.

For loans and receivables to those classified as normal obligors or obligors requiring caution as provided in "Practical Guidelines on Audit of Self-Assessment of Assets, Write-offs and Allowances for Credit Losses in Banks and Other Financial Institutions" (Japanese Institute of Certified Public Accountants (JICPA), Special Committee for Audits of Banks, etc., Report No. 4, April 14, 2022), the allowance for credit losses is provided based on the Bank's expected credit losses for the following one year. The expected credit losses are determined using the loss ratio computed based on the average rate for a certain past period of bad debt ratios or default probabilities measured based on actual bad debt or default experience for one year, and modified with adjustments considered necessary to reflect future prospects and other factors. For loans and receivables to obligors classified as bankruptcy risk obligors, the allowance for credit losses is provided for at the amount deemed necessary, after deducting the expected amount recoverable through the disposal of collateral or execution of guarantee. For credits to obligors classified as substantially bankrupt obligors or bankrupt obligors, the allowance for credit losses is provided for at the full amounts of such credits, after deducting the expected amount recoverable through the disposal of collateral or execution of guarantee.

In accordance with the internal rules for self-assessment of assets, the Operation-related divisions perform the first assessment of all credits and the Bank's Risk Management Division, which is independent from the Bank's Operation-related divisions, performs the second assessment. The allowance is provided for based on the results of these assessments which are audited by the Internal Audit Division, which is independent from the Bank's Operation-related divisions and the Risk Management Division.

Allowance for credit losses of consolidated subsidiaries is stated at amounts expected to be unrecoverable considering the individual collectability for specific receivables such as doubtful receivables and, for other receivables, at amounts considered to be appropriate based on past credit loss experience.

(5) Provision for bonuses

Provision for bonuses for employees is recorded in the amount of estimated bonuses attributed to the relevant fiscal year.

(6) Provision for stocks payment

Provision for stocks payment is recorded in the estimated amount of stock benefits as of the end of the fiscal year to prepare for the delivery of the Bank's shares to the Bank's directors (excluding non-executive directors and directors residing overseas), executive officers (excluding those residing overseas) and certain employees (excluding those residing overseas) pursuant to the Share Delivery Rules for directors, executive officers and employees.

(7) Method of accounting for retirement benefits

In calculating the projected benefit obligation, projected retirement benefits attributable up to the end of the fiscal year is determined using a benefit formula. Also, net actuarial difference is amortized as follows.

Net actuarial difference is amortized using the straight-line method over ten years within the employees' average remaining service period, commencing from the fiscal year after the year of incurrence.

(8) Significant revenue recognition

The details of the main performance obligations in the major businesses related to revenue from contracts with the customers of the Bank and its consolidated subsidiaries and the timing at which they typically satisfy these performance obligations (when it typically recognizes revenue) are as follows:

- Banking business, focusing on the ATM platform business

We have been providing services such as accepting or dispensing cash which the users of the partner financial institutions deposit in or withdraw from their deposit accounts when they use the Bank's ATMs. With regard to the service fee income from providing these ATM services, the Bank recognizes revenue at the time when the users of the partner financial institutions use the ATM service of the Bank and the related considerations are received generally within the following month after the performance obligations are satisfied.

- Financial services business focusing on credit card business and electronic money service business

We have been providing financial services such as credit card business and electronic money business. With respect to the service fee income from providing these financial services, we recognize revenue at the time when a transaction is made for such services.

(9) Foreign currency translation

Assets and liabilities of the Bank denominated in foreign currencies are translated into Japanese yen mainly at the exchange rate prevailing as of the balance sheet date. Assets and liabilities of the consolidated subsidiaries denominated in foreign currencies are translated at the exchange rate prevailing at the balance sheet dates of the consolidated subsidiaries.

(10) Cash and cash equivalents

For the purpose of presenting the consolidated statement of cash flows, cash and cash equivalents represent cash and due from banks maturing within 3 months from the acquisition date.

(New Accounting Standards Not Yet Applied)

(Accounting Standard for Leases, etc.)

- Accounting Standard for Leases (ASBJ Statement No. 34, September 13, 2024)
- Implementation Guidance on Accounting Standard for Leases (ASBJ Guidance No. 33, September 13, 2024)
- Other amendments to related Accounting Standards, Implementation Guidance, Practical Solutions and Transferred Guidance

(1) Overview
Similar to international accounting standards, these standards and guidance require recognition of assets and liabilities for all leases by lessees.
(2) Date of adoption
The Bank expects to adopt these accounting standards, etc. from the beginning of the fiscal year ending March 31, 2028.
(3) Effect of adopting the accounting standards, etc.
The effect of adopting the accounting standards, etc. is currently under assessment.

(Practical Guidelines on Accounting for Financial Instruments)

- Practical Guidelines on Accounting for Financial Instruments (ASBJ Revised Transferred Guidance No. 9, March 11, 2025)

(1) Overview
According to the Guidelines, listed companies, etc. who have equity interests in venture capital funds are allowed to choose to measure unlisted stocks held by the funds at fair value, and record their share of unrealized gains or losses in net assets.
(2) Date of adoption
The Bank expects to adopt these accounting standards, etc. from the beginning of the fiscal year ending March 31, 2027.
(3) Effect of adopting the accounting standards, etc.
The effect of adopting the accounting standards, etc. is currently under assessment.

(Accounting Standard for Subsequent Events, etc.)

- Accounting Standard for Subsequent Events (ASBJ Statement No. 41, January 9, 2026, Accounting Standards Board of Japan)
- Implementation Guidance on Accounting Standard for Subsequent Events (ASBJ Implementation Guidance No. 35, January 9, 2026, Accounting Standards Board of Japan)

(1) Overview
The Accounting Standard for Subsequent Events, etc. were developed with the primary objective of providing comprehensive accounting standards covering the definition, accounting treatment, and disclosure of subsequent events. As a basic policy, the accounting-related content set out in Auditing Standards Committee Statement No. 560, Practical Guideline No. 1, "Audit Considerations Relating to Subsequent Events," issued by the Auditing and Assurance Standards Committee of the Japanese Institute of Certified Public Accountants, has in principle been adopted and incorporated into the ASBJ standard and guidance. In accordance with this policy, these standard and guidance set out the accounting treatment and disclosure requirements for subsequent events by revising the wording, clarifying the period for evaluating subsequent events, and introducing new disclosure requirements, including notes regarding the authorization for issue of financial statements.
(2) Date of adoption
The Bank expects to adopt these accounting standards, etc. from the beginning of the fiscal year ending March 31, 2028.

(Changes in Accounting Estimates)

(Change in Useful Life)

For ATMs held by an overseas subsidiary of the Group, depreciation had previously been calculated using a useful life of five years. However, as sufficient operating experience with these assets had been accumulated, the Group reviewed their actual operating status and determined that the ATMs are expected to remain in service for a longer period than previously estimated. Accordingly, effective from the fiscal year ended March 31, 2026, the estimated useful life of these ATMs was revised from five years to eight years, and the effect of this change has been accounted for prospectively.

As a result of this change, ordinary profit and income before income taxes for the fiscal year ended March 31, 2026 increased by ¥583 million, respectively, compared with the amounts that would have been reported under the previous estimate of useful life.

(Additional Information)

(Performance-Based Stock Compensation Plan for Directors)

The Bank has introduced a Performance-Based Stock Compensation Plan (hereinafter the "Plan") for the Bank's directors (excluding non-executive Directors and Directors residing overseas, the same applies hereinafter) using the Directors' Compensation Board Incentive Plan (BIP) Trust (hereinafter "BIP Trust"), aiming to further raise motivation in contributing to the medium- to long-term enhancement of performance.

The accounting treatment for the said trust agreement is in accordance with "Practical Solution on Transactions of Delivering the Company's Own Stock to Employees etc. through Trusts" (Practical Issue Task Force (PITF) No. 30, March 26, 2015).

(1) Outline of the transaction

The plan is a performance-based stock compensation plan whereby the Bank contributes an appropriate amount of money to the BIP Trust, which is used as funds to acquire Bank's shares. The Bank's shares are delivered to directors in accordance with Share Delivery Rules for directors stipulated by the Bank. Directors shall receive delivery of the Bank's shares, etc., in principle, upon their retirement.

(2) Bank's shares remaining in the BIP Trust

The Bank's shares remaining in the BIP Trust are recorded as treasury stock under net assets at their carrying amount (excluding incidental expenses). The carrying amount and the number of the Bank's shares remaining in the BIP Trust as of March 31, 2025 and 2026 are ¥441 million and ¥426 million and 1,462 thousand shares and 1,413 thousand shares, respectively.

(Performance-Based Stock Compensation Plan for Executive Officers and Certain Employees)

The Bank has introduced a Performance-Based Stock Compensation Plan (hereinafter the "Plan") for the Bank's executive officers (excluding those residing overseas; the same applies hereinafter) and certain employees (excluding those residing overseas; the same applies hereinafter) using the Stock Grant Employee Stock Ownership Plan (ESOP) Trust (hereinafter "ESOP Trust"), aiming to further raise motivation in contributing to the medium- to long-term enhancement of performance.

The Bank adopted "Practical Solution on Transactions of Delivering the Company's Own Stock to Employees etc. through Trusts" (PITF No. 30, March 26, 2015) to account for the said trust agreement.

(1) Outline of the transaction

The plan is a performance-based stock compensation plan whereby the Bank contributes an appropriate amount of money to the ESOP Trust, which is used as funds to acquire Bank's shares. The Bank's shares are delivered to executive officers and certain employees in accordance with Share Delivery Rules for executive officers and employees stipulated by the Bank. Executive officers and certain employees shall receive delivery of the Bank's shares, etc., in principle, upon their retirement.

(2) Bank's shares remaining in the ESOP Trust

The Bank's shares remaining in the ESOP Trust are recorded as treasury stock under net assets at their carrying amount (excluding incidental expenses). The carrying amount and the number of the Bank's shares remaining in the Trust as of March 31, 2025 and 2026 are ¥1,140 million and ¥1,060 million and 4,072 thousand shares and 3,786 thousand shares, respectively.

(Acquisition of Treasury Stock)

At the Board of Directors meeting held on June 19, 2025, the Bank resolved to acquire treasury stock pursuant to the provisions of the Companies Act, and acquired treasury stock on June 24, 2025 as follows. As a result of the acquisition of treasury stock, Seven & i Holdings Co., Ltd.'s voting rights ratio in the Bank decreased from 46.44% to 39.92% as of June 24, 2025. Accordingly, Seven & i Holdings Co., Ltd. has no longer been the parent company of the Bank and become an other related company.

1. Reason for the acquisition of treasury stock

Seven & i Holdings Co., Ltd. announced on March 6, 2025 that, as part of its initiatives to transform capital structure and business, it decided to decrease its ownership share of the Bank to below 40% and deconsolidate the Bank. The Bank was then informed that Seven & i Holdings Co., Ltd. intended to sell part or all of shares in the Bank held by Seven-Eleven Japan Co., Ltd., Ito-Yokado Co., Ltd. and York Benimaru Co., Ltd. The Bank carefully considered the matter in consultation with Seven & i Holdings Co., Ltd. and judged that this would contribute to an increase in its corporate value and capital efficiency.

2. Details of the acquisition

(1) Class of shares acquired	Common stock of the Bank
(2) Total number of shares acquired	193,987,300 shares
(3) Total value of shares acquired	50,824,672,600 yen
(4) Date of acquisition	June 24, 2025
(5) Method of acquisition	Repurchase through the Tokyo Stock Exchange Trading Network System for off-auction repurchase of own shares (ToSTNeT-3)

(Execution of a Capital and Business Alliance Agreement with ITOCHU Corporation and Disposal of Treasury Stock Through Third-party Allotment)

Pursuant to the resolution of the Board of Directors adopted at its meeting held on September 26, 2025, the Bank entered into an agreement on capital and business alliance (hereinafter the "Capital and Business Alliance") with ITOCHU Corporation (hereinafter "ITOCHU") and carried out a disposal of treasury stock through a third-party allotment to ITOCHU (hereinafter the "Disposal of Treasury Stock"). An outline is as follows.

1. Execution of the capital and business alliance agreement with ITOCHU Corporation

(1) Purpose and reason for the Capital and Business Alliance

The Capital and Business Alliance is intended to maximize the resources and expertise of both groups to create value in new areas of financial service.

Through this alliance, both companies will seek to provide higher value-added financial services to customers and society as a whole, and to develop innovative business models through collaboration that leverages the strengths of both parties.

(2) Details of the business alliance

The Bank and ITOCHU have agreed to work together on the following initiatives with the aim of enhancing the corporate value of both groups. The specific details of implementation, including timing, will be discussed and determined by the two companies in due course.

- To commence the installation of ATM machines operated by the Bank in FamilyMart convenience stores operated by FamilyMart Co., Ltd., a subsidiary of ITOCHU.
- To engage in good faith discussions concerning business alliance and capital alliance between the two companies, as well as their respective subsidiaries and affiliates, in relation to credit card operations, payment services, and other financial businesses.

(3) Details of the capital alliance

On September 26, 2025, the Bank entered into the Capital and Business Alliance Agreement with ITOCHU. In connection therewith, 191,700,000 shares of the Bank's treasury stock were allotted to ITOCHU, and ITOCHU acquired all of such shares on October 14, 2025.

In addition, ITOCHU acquired shares of the Bank through market purchases and other transactions. Accordingly, ITOCHU's voting rights ratio in the Bank's shares exceeded 20%, and ITOCHU became an other related company of the Bank.

As a result of ITOCHU's acquisition of the Bank's shares through the Disposal of Treasury Stock and through market purchases, etc., the total number of shares held by ITOCHU as of March 31, 2026 was 239,491,200 shares, and its shareholding ratio to the total number of shares issued by the Bank was 20.30%.

2. Disposal of treasury stock through third-party allotment

(1) Overview of the disposal of treasury stock

Date of disposal	October 14, 2025
Number of shares for disposal	Common stock: 191,700,000 shares
Disposal price	¥268 per share
Total disposal price	¥51,375,600,000
Method of offering or disposal	Disposal of treasury stock through third-party allotment
Disposal recipient	ITOCHU Corporation

(2) Purpose and reason for the Disposal of Treasury Stock and use of proceeds

The Bank and ITOCHU believe that a business alliance will contribute to the enhancement of the corporate value of both companies. To establish a stable and reliable relationship between the two companies to ensure the steady promotion of the business alliance, the two companies have also agreed to form a capital alliance through ITOCHU's ownership of shares in the Bank.

In considering this financing transaction, the Bank also examined various other alternatives, taking into account the impact on existing shareholders. As a result, the Bank determined that implementing the Disposal of Treasury Stock, with ITOCHU as the allottee, is the best course of action as a reliable and prompt means of strengthening capital. Although the Disposal of Treasury Stock will result in a certain level of dilution, the Bank believes that building a cooperative relationship with ITOCHU under the Capital and Business Alliance will contribute to the enhancement of both its corporate value and shareholder value.

The proceeds from the Disposal of Treasury Stock are expected to be used for expenditures associated with the Capital and Business Alliance, including the installation of new ATMs and cash replenishment for those ATMs.

(Consolidated Balance Sheet)

*1. Loans based on the Banking Act and the Law concerning Emergency Measures for the Revitalization of the Financial Functions are as follows:

For the purpose of this disclosure, loans are defined as corporate bonds included in "Securities" in the consolidated balance sheet (for which the whole or part of the redemption of the principal and payment of interest are guaranteed and which are limited to the corporate bonds issued through private placement of the securities (as provided for by Article 2, Paragraph 3 of the Financial Instruments and Exchange Act)), loans, foreign exchanges, accrued interest and suspense payments included in "Other assets," items recorded in customers' liabilities for acceptances and guarantees, and lent securities (limited to loan contract for use or lease contract).

	Millions of yen	
	2025	2026
Loans under Bankruptcy/rehabilitation or similar proceedings	667	724
Risk loans	—	—
Delinquent loans past due over three months	41	44
Restructured loans	454	397
Total	1,163	1,167

Loans under bankruptcy/rehabilitation or similar proceedings are loans to borrowers under bankruptcy or similar proceedings due to the reasons such as commencement of bankruptcy proceedings, commencement of rehabilitation proceedings, petition for rehabilitation proceedings, and other similar loans.

Risk loans are loans for which it is unlikely to receive repayments of the principal and interest according to the contract due to the deteriorated financial positions and operating performances of the debtors, and which do not fall in the category of loans under bankruptcy/rehabilitation or similar proceedings.

Delinquent loans past due over three months are loans on which the payment of principal and/or interest is past due for three months or more from the due date, and which do not fall in the category of loans under bankruptcy/rehabilitation or similar proceedings, or risk loans.

Restructured loans are loans on which terms and conditions have been amended in favor of borrowers, in order to facilitate or assist the borrowers' restructuring by reducing the rate of interest, by providing a grace period for the payment of principal or interest or by loan forgiveness, and which do not fall into the aforementioned categories.

The above loans are presented before deduction of the allowance for credit losses.

*2. The assets pledged as collateral are as follows.

The following were pledged as collateral for exchange settlements and overdraft transactions with the Bank of Japan.

	Millions of yen	
	2025	2026
Securities	89,003	128,922

In addition, other assets included guarantee deposits and deposits to Central Counterparty. The amounts are as follows:

	Millions of yen	
	2025	2026
Guarantee deposits	3,610	3,314
Deposits to Central Counterparty	7,000	—

The following were pledged as collateral for borrowings of a certain overseas consolidated subsidiary.

	Millions of yen	
	2025	2026
Cash and due from banks	225	171

*3. An overdraft contract or a revolving credit agreement is a contract where funds are loaned up to a certain limit, provided that there is no violation of the stipulated conditions in the contract, upon the customer's request for the execution of the loan.

The unused portion of such contracts was as follows:

	Millions of yen	
	2025	2026
Unused credit facilities	34,986	44,673
Of which original contract period is within one year	34,986	44,673

A consolidated subsidiary of the Bank engages in cashing operations incidental to credit card business, etc.
Unused credit facilities on loan commitment in the business were as follows:

	Millions of yen	
	2025	2026
Total amount of loan commitment	326,127	320,091
Used portion	10,444	10,389
Unused credit facilities	315,683	309,701

The above balances of unused credit facilities do not necessarily impact the future cash flows of the Bank and its consolidated subsidiaries as most of these contracts expire without being used.

*4. Accumulated depreciation of tangible fixed assets

	Millions of yen	
	2025	2026
Accumulated depreciation of tangible fixed assets	50,678	63,940

*5. Of the other assets, the amount of receivables from contracts with customers are as described in "Notes (Revenue Recognition), 3. Information to understand the amounts of revenue from contracts with customers for the fiscal year and after the end of the fiscal year."

(Consolidated Statement of Income)

*1. Revenue from contracts with customers

Ordinary income is not classified to distinguish between revenue from contracts with customers and other income. The amount of revenue from contracts with customers are as described in "Notes (Segment Information, etc.)."

*2. Other ordinary income consisted of the following:

	Millions of yen	
	2025	2026
Gain on sales of equity securities	2,305	950
Gain on forfeiture of electronic money	2,184	1,656

*3. Main items and amounts of general and administrative expenses were as follows:

	Millions of yen	
	2025	2026
Salary and allowance	14,371	15,460
Retirement benefit costs	346	385
Depreciation and amortization	29,106	30,980
Business outsourcing expenses	32,231	32,989

*4. Other ordinary expenses-other included the following:

	Millions of yen	
	2025	2026
Equity in losses of affiliates	76	—
Losses on devaluation of equity and other securities	33	56

*5. Impairment losses

For the fiscal year ended March 31, 2025

The Group recorded impairment losses on the following fixed asset group:

Location	Purpose	Classification	Millions of yen Amount
Japan	Business assets	Buildings	1
		Other tangible fixed assets	10
		Software	190
		Other intangible fixed assets	206
		Other assets	5
	Idle assets	Software	14
		Other intangible fixed assets	1,334
	Others	Goodwill	262
	Total		2,025

The Group mainly identifies each Group company as the smallest identifiable group of assets that independently generates cash inflows. Each of idle assets is treated as an independent unit.

For the above asset groups, their performance has continued to be below initial plans, and a review of future business plans has led to the conclusion that the recovery of the full amount of investments is no longer expected. As a result, impairment losses are recognized by reducing their book value to the recoverable amount.

The recoverable amount of asset groups is measured at value in use, while carrying amount of assets with no future potential cash flow are reduced to zero.

For the fiscal year ended March 31, 2026

The Group recorded impairment losses on the following fixed asset group:

Location	Purpose	Classification	Millions of yen Amount
Japan	Business assets	Buildings	37
		Other tangible fixed assets	30
		Software	1,116
		Other intangible fixed assets	3,944
		Other assets	3,328
	Total		8,456

The Group mainly identifies each Group company as the smallest identifiable group of assets that independently generates cash inflows.

For the above asset groups, their performance has continued to be below initial plans, and a review of future business plans has led to the conclusion that the recovery of the full amount of investments is no longer expected. As a result, impairment losses are recognized by reducing their book value to the recoverable amount.

The recoverable amount of asset groups is measured at value in use, while carrying amount of assets with no future potential cash flow are reduced to zero.

*6. Other extraordinary income

For the fiscal year ended March 31, 2025

7CE, a consolidated subsidiary of the Bank, records gains when the granted points expire. Of these gains from expired points accrued during the fiscal year ended March 31, 2025, the Group recorded a gain of ¥1,057 million related to temporary businesses as other extraordinary income.

For the fiscal year ended March 31, 2026

Not applicable.

(Consolidated Statement of Comprehensive Income)

*1. Reclassification adjustment on other comprehensive income and income tax effect

	Millions of yen	
	2025	2026
Net unrealized gains (losses) on available-for-sale securities		
Amount arising during the year	513	1,155
Reclassification adjustment	(1,263)	(456)
Amount before income tax effect	(750)	699
Income tax effect	228	(220)
Total	(521)	478
Foreign currency translation adjustments		
Amount arising during the year	1,939	(546)
Reclassification adjustment	—	—
Amount before income tax effect	1,939	(546)
Income tax effect	—	—
Total	1,939	(546)
Adjustments for retirement benefits		
Amount arising during the year	140	1,487
Reclassification adjustment	(137)	(137)
Amount before income tax effect	3	1,349
Income tax effect	(5)	(405)
Total	(2)	944
Total other comprehensive income	1,415	876

(Consolidated Statement of Changes in Net Assets)

For the fiscal year ended March 31, 2025

1. Type and number of shares issued and treasury stock

	Thousands of shares			
	April 1, 2024	Increase	Decrease	March 31, 2025
Shares issued				
Common stock	1,179,308	—	—	1,179,308
Total	1,179,308	—	—	1,179,308
Treasury stock				
Common stock [1, 2, 3]	9,391	0	20	9,370
Total	9,391	0	20	9,370

(Notes) 1. Increase in number of shares of treasury stock: 0 thousand shares due to acquisition of the Bank's shares that are less than one unit
2. Decrease in number of shares of treasury stock: 20 thousand shares due to delivery of the Bank's shares held by the BIP Trust and ESOP Trust
3. The number of shares of treasury stock as of April 1, 2024 and March 31, 2025 included 5,555 thousand shares and 5,535 thousand shares of the Bank held by the BIP Trust and ESOP Trust, respectively.

2. Information on subscription rights to shares

Entity	Breakdown of subscription rights to shares	Type of shares subject to subscription rights	Number of shares subject to subscription rights (Thousands of shares)				Balance as of March 31, 2025 (Millions of yen)
			April 1, 2024	Fiscal year ended March 31, 2025		March 31, 2025	
				Increase	Decrease		
The Bank	Subscription rights to shares as stock option			——			32
Total				——			32

(Note) The exercise period of the subscription rights to shares as stock options has yet to commence at March 31, 2025.

3. Information on dividends

(1) Dividends paid in the fiscal year

(Resolution)	Type of shares	Aggregate amount of dividends (Millions of yen)	Cash dividends per share (Yen)	Record date	Effective date
Board of Directors meeting held on May 17, 2024	Common stock	6,465	5.50	March 31, 2024	June 3, 2024
Board of Directors meeting held on November 8, 2024	Common stock	6,465	5.50	September 30, 2024	December 2, 2024

(Notes) 1. Aggregate amount of dividends determined by the resolution of Board of Directors on May 17, 2024 includes ¥30 million of dividends on the Bank's shares held by the BIP Trust and ESOP Trust.
2. Aggregate amount of dividends determined by the resolution of Board of Directors on November 8, 2024 includes ¥30 million of dividends on the Bank's shares held by the BIP Trust and ESOP Trust.

(2) Dividends for which the record date is in the fiscal year but the effective date is after the fiscal year end

(Resolution)	Type of shares	Aggregate amount of dividends (Millions of yen)	Source of dividends	Cash dividends per share (Yen)	Record date	Effective date
Board of Directors meeting held on May 23, 2025	Common stock	6,465	Retained earnings	5.50	March 31, 2025	June 9, 2025

(Note) Aggregate amount of dividends to be paid includes ¥30 million of dividends on the Bank's shares held by the BIP Trust and ESOP Trust.

For the fiscal year ended March 31, 2026

1. Type and number of shares issued and treasury stock

	Thousands of shares			
	April 1, 2025	Increase	Decrease	March 31, 2026
Shares issued				
Common stock	1,179,308	—	—	1,179,308
Total	1,179,308	—	—	1,179,308
Treasury stock				
Common stock [1, 2, 3]	9,370	193,987	192,035	11,323
Total	9,370	193,987	192,035	11,323

(Notes) 1. Increase in number of shares of treasury stock: 193,987 thousand shares due to off-auction repurchase of own shares and 0 thousand shares due to acquisition of the Bank's shares that are less than one unit

2. Decrease in number of shares of treasury stock: 191,700 thousand shares due to disposal of treasury stock through third-party allotment and 335 thousand shares due to delivery of the Bank's shares held by the BIP Trust and ESOP Trust

3. The number of shares of treasury stock as of April 1, 2025 and March 31, 2026 included 5,535 thousand shares and 5,200 thousand shares of the Bank held by the BIP Trust and ESOP Trust, respectively.

2. Information on subscription rights to shares

Entity	Breakdown of subscription rights to shares	Type of shares subject to subscription rights	Number of shares subject to subscription rights (Thousands of shares)				Balance as of March 31, 2026 (Millions of yen)
			April 1, 2025	Fiscal year ended March 31, 2026		March 31, 2026	
				Increase	Decrease		
The Bank	Subscription rights to shares as stock option			———			—
Consolidated subsidiary	Subscription rights to shares as stock option			———			8
Total				———			8

(Notes) 1. As of the filing date of the annual securities report (June 17, 2026), the subscription rights to shares as stock options of the Bank were forfeited because the exercise conditions were not met.

2. The exercise period of the subscription rights to shares as stock options of the consolidated subsidiary has yet to commence at March 31, 2026.

3. Information on dividends

(1) Dividends paid in the fiscal year

(Resolution)	Type of shares	Aggregate amount of dividends (Millions of yen)	Cash dividends per share (Yen)	Record date	Effective date
Board of Directors meeting held on May 23, 2025	Common stock	6,465	5.50	March 31, 2025	June 9, 2025
Board of Directors meeting held on November 7, 2025	Common stock	5,398	5.50	September 30, 2025	December 1, 2025

(Notes) 1. Aggregate amount of dividends determined by the resolution of Board of Directors on May 23, 2025 includes ¥30 million of dividends on the Bank's shares held by the BIP Trust and ESOP Trust.
2. Aggregate amount of dividends determined by the resolution of Board of Directors on November 7, 2025 includes ¥30 million of dividends on the Bank's shares held by the BIP Trust and ESOP Trust.

(2) Dividends for which the record date is in the fiscal year but the effective date is after the fiscal year end

(Resolution)	Type of shares	Aggregate amount of dividends (Millions of yen)	Source of dividends	Cash dividends per share (Yen)	Record date	Effective date
Board of Directors meeting held on May 22, 2026	Common stock	6,452	Retained earnings	5.50	March 31, 2026	June 8, 2026

(Note) Aggregate amount of dividends to be paid includes ¥28 million of dividends on the Bank's shares held by the BIP Trust and ESOP Trust.

(Consolidated Statement of Cash Flows)

*1. Relationship between the balance of cash and cash equivalents and accounts stated in the consolidated balance sheet

	Millions of yen	
	2025	2026
Cash and due from banks	892,852	896,249
Time deposits	—	(3,313)
Other	(225)	(171)
Cash and cash equivalents	892,626	892,764

(Lease Transactions)

1. Finance leases

(As a lessee)

Disclosure is omitted as it is immaterial.

2. Operating leases

(As a lessee)

Future minimum lease payments under non-cancelable operating leases

	Millions of yen	
	2025	2026
Due within one year	1,026	928
Due after one year	1,849	923
Total	2,875	1,851

(Financial Instruments)

1. Disclosure on financial instruments

(1) Policy on financial instruments

The Group has its basic policy for both fund procurement and investments, which is designed to keep volatility low and risks minimized, and does not seek to generate profits by aggressive risk taking.

The Group procures necessary cash for working capital mainly for cash held in ATMs and capital expenditure for ATM- and system-related infrastructure. The Group raises its base capital taking into account interest rate trends through deposits, long-term borrowing, and bond issuance and uses the call market to raise additional capital to cover the daily fluctuation of its cash needs.

On the asset side, the Group makes investments such as lending money to individuals with small lots. However, the main operation is in treasury and securities as a limited end user. Investments are limited to securities with high creditworthiness and liquidity, such as bonds and investment trusts, deposits placed at highly rated partner financial institutions, and lending of funds in the call loan market. The Group does not invest in high-risk derivatives and other instruments.

(2) Details of financial instruments and associated risks

Cash for the operation of the ATM business accounts for most of the financial assets the Group holds. The Group provides unutilized capital to call loan lending and is exposed to credit risk of the borrowers. Securities mainly consist of bonds and investment trusts with high creditworthiness and liquidity, all of which are classified as available-for-sale securities. These securities are exposed to borrower and issuers' credit risks, interest rate risk, and market (price) risk. Loans are those for individual customers, which are exposed to credit risks of the borrowers. However, the risk is limited because guarantees are mostly attached to the entire loan amounts.

The Group principally conducts banking business and its deposits and negotiable certificates of deposits that account for most of its financial liabilities are exposed to interest rate risk. It also uses the call market to raise short-term additional capital and is exposed to liquidity risk that it cannot raise necessary capital when needed. Borrowed money and bonds are also exposed to liquidity risk in that the Group cannot make necessary payments upon the due dates under certain circumstances where the Group cannot access the capital market.

(3) Risk management relating to financial instruments

1) Credit risk management

Basic policies related to credit risk are stipulated in the Basic Policy on Risk Control and the Credit Risk Rules established thereunder. Currently, the Bank has low credit risk exposures in the limited areas of the ATM settlement operation, asset liability management (ALM)-related interbank deposits placed at highly rated partner financial institutions, money lent in the call loan market, and temporary ATM payment amounts due. In addition, the Bank performs self-assessment on asset quality as appropriate and sets an allowance for credit losses in accordance with its self-assessment guidelines, reserve guidelines, and related internal rules and regulations.

Credit risks related to issuers of securities and counterparty risks of derivative transactions are managed by the Risk Management Division by periodically collecting updated credit information and fair values of the instruments.

2) Market risk management

Basic policies related to market risk are stipulated in the Basic Policy on Risk Control and the Market Risk Rules established thereunder. The Market Risk Rules establish limits on the maximum level of funds at risk, market position limits and loss allowance limits. The Risk Management Group measures and monitors market risk in light of these limits and reports the results to management including the Executive Committee. Risk management operations are directed based on decisions at the quarterly ALM Committee meetings where the Bank's market risk position, expectations on interest rate trends and other matters are reported.

Quantitative Information related to Market Risk

Market risk is measured using Value at Risk (VaR) for the overall assets and liabilities of the Bank. The variance-covariance method has been adopted to calculate VaR with reference to data from the past one year at a 99.9% confidence level assuming a 125-day holding period. As of March 31, 2026, the market risk quantity (maximum potential loss) was ¥4,908 million (¥9,238 million as of March 31, 2025). In addition, given the characteristics of the business, in measuring the market risk, the interest period of cash assets has been recognized and cash assets have been deemed as five-year zero-coupon bonds with an average duration of approximately 2.5 years. Back-testing is regularly performed to compare the VaR calculated by the internal model against actual profit or loss. However, as VaR measures the amount of market risk under certain probabilities statistically calculated based on past market volatility, it may underestimate the probability of extreme market movements and may, in some instances, not adequately capture those risks.

3) Management of liquidity risk

Basic policies related to liquidity risk are stipulated in the Basic Policy on Risk Control and the Liquidity Risk Rules established thereunder. The Liquidity Risk Rules establish limits regarding the cash gaps arising from differences between the duration of invested funds and those procured to meet current cash needs. The Risk Management Group measures and monitors liquidity risk on a daily basis in light of these limits and reports the results to management, including the Executive Committee. Contingency measures for each of liquidity crisis levels have been established in advance to enable a prompt and flexible company-wide response in the event of liquidity stress or constraint. Accordingly, we believe that there are no material concerns regarding the Group's ability to secure sufficient liquidity.

(4) Supplementary explanation on fair value of financial instruments

Certain assumptions are used for the calculation of the fair value of financial instruments and therefore, the results of such calculation may vary if different assumptions are employed.

2. Fair value of financial instruments

The following table summarizes the amounts stated in the consolidated balance sheet and the fair value of financial instruments as of March 31, 2025 and 2026 together with their differences. Note that the following table does not include equity securities, etc. that do not have a market price and investments in partnerships (see (Note 1)). In addition, notes on cash and due from banks, ATM-related temporary payments, call money, ATM-related temporary advances, accounts payable for credit card business and deposits for electronic money are omitted because their fair value approximates the carrying amount due to the short settlement period.

As of March 31, 2025	Millions of yen		
	Carrying amount	Fair value	Difference
(1) Securities			
Available-for-sale securities	114,909	114,909	—
(2) Loans	72,257		
Allowance for credit losses *1	(387)		
	71,869	72,451	581
(3) Accounts receivable from credit card members	128,458		
Allowance for credit losses *1	(2,337)		
	126,121	127,239	1,117
(4) Other assets *2	9,241		
Allowance for credit losses *1, *2	(1,896)		
	7,344	7,344	—
Total assets	320,245	321,944	1,699
(1) Deposits	841,344	841,017	(327)
(2) Negotiable certificates of deposits	800	800	—
(3) Borrowed money	13,343	13,343	—
(4) Bonds	50,000	48,764	(1,236)
Total liabilities	905,488	903,925	(1,563)

* 1. Allowance for credit losses corresponding to loans, accounts receivable from credit card members and other assets is deducted.
* 2. Other assets subject to fair value disclosure are shown.

As of March 31, 2026

	Millions of yen		
	Carrying amount	Fair value	Difference
(1) Securities			
Available-for-sale securities	161,204	161,204	—
(2) Loans	90,843		
Allowance for credit losses *1	(383)		
	90,460	91,015	554
(3) Accounts receivable from credit card members	126,146		
Allowance for credit losses *1	(2,473)		
	123,673	124,790	1,116
(4) Other assets *2	11,943		
Allowance for credit losses *1, *2	(2,780)		
	9,163	9,163	—
Total assets	384,501	386,173	1,671
(1) Deposits	875,261	874,777	(483)
(2) Negotiable certificates of deposits	300	300	—
(3) Borrowed money	13,598	13,598	—
(4) Bonds	100,000	97,708	(2,292)
Total liabilities	989,159	986,384	(2,775)

* 1. Allowance for credit losses corresponding to loans, accounts receivable from credit card members and other assets is deducted.
* 2. Other assets subject to fair value disclosure are shown.

(Note 1) The following table summarizes the carrying amounts of equity securities, etc. that do not have a market price and investments in partnerships. These securities are not included in the amount presented in “Available-for-sale securities” under “(1) Securities” in the table summarizing fair value of financial instruments.

	Millions of yen	
	2025	2026
Unlisted equity securities *1, *2	1,787	1,610
Investments in partnership *3	4,005	5,039

* 1. Unlisted equity securities are not included in the scope of fair value disclosure pursuant to Paragraph 5 of the “Implementation Guidance on Disclosures about Fair Value of Financial Instruments” (ASBJ Guidance No. 19, March 31, 2020).
* 2. Impairment losses of ¥33 million and ¥56 million on unlisted equity securities are recognized for the fiscal years ended March 31, 2025 and 2026, respectively.
* 3. Investments in partnership are not included in the scope of fair value disclosure pursuant to Paragraph 24-16 of the “Implementation Guidance on Accounting Standard for Fair Value Measurement” (ASBJ Guidance No. 31, June 17, 2021).

(Note 2) Redemption schedule of monetary claims and securities with maturities

As of March 31, 2025

	Millions of yen					
	Within one year	Over one year but within three years	Over three years but within five years	Over five years but within seven years	Over seven years but within ten years	Over ten years
Due from banks	141,927	—	—	—	—	—
Securities:						
Available-for-sale securities with maturity	65,890	28,800	3,200	300	700	—
Japanese government bonds	—	—	—	—	—	—
Japanese municipal bonds	42,690	17,100	—	—	—	—
Corporate bonds	23,200	11,700	3,200	300	700	—
Loans *1	66,563	3,915	547	1	0	—
ATM-related temporary payments	102,749	—	—	—	—	—
Accounts receivable from credit card members *2	110,511	6,443	2,580	1,204	692	479
Other assets *3	7,773	—	—	—	—	—
Total	495,415	39,159	6,327	1,505	1,392	479

* 1. ¥1,229 million of claims for which redemption schedule is not determinable, such as those against bankrupt, substantially bankrupt, and bankruptcy risk obligors are excluded from loans, as of March 31, 2025.
* 2. ¥6,546 million of claims for which redemption schedule is not determinable, such as those against bankrupt, substantially bankrupt, and bankruptcy risk obligors are excluded from accounts receivable from credit card members, as of March 31, 2025.
* 3. ¥1,467 million of claims for which redemption schedule is not determinable, such as those against bankrupt, substantially bankrupt, and bankruptcy risk obligors are excluded from other assets, as of March 31, 2025.

As of March 31, 2026

	Millions of yen					
	Within one year	Over one year but within three years	Over three years but within five years	Over five years but within seven years	Over seven years but within ten years	Over ten years
Due from banks	314,090	—	—	—	—	—
Securities:						
Available-for-sale securities with maturity	81,100	79,600	—	1,000	—	—
Japanese government bonds	20,000	10,000	—	—	—	—
Japanese municipal bonds	43,900	15,300	—	—	—	—
Corporate bonds	17,200	54,300	—	1,000	—	—
Loans *1	84,996	4,040	561	1	0	0
ATM-related temporary payments	99,664	—	—	—	—	—
Accounts receivable from credit card members *2	108,788	5,893	2,435	1,205	696	501
Other assets *3	9,696	—	—	—	—	—
Total	698,336	89,534	2,997	2,207	696	502

* 1. ¥1,242 million of claims for which redemption schedule is not determinable, such as those against bankrupt, substantially bankrupt, and bankruptcy risk obligors are excluded from loans, as of March 31, 2026.
* 2. ¥6,625 million of claims for which redemption schedule is not determinable, such as those against bankrupt, substantially bankrupt, and bankruptcy risk obligors are excluded from accounts receivable from credit card members, as of March 31, 2026.
* 3. ¥2,247 million of claims for which redemption schedule is not determinable, such as those against bankrupt, substantially bankrupt, and bankruptcy risk obligors are excluded from other assets, as of March 31, 2026.

(Note 3) Repayment schedule of bonds payable, borrowed money, and other interest-bearing liabilities

As of March 31, 2025

	Millions of yen					
	Within one year	Over one year but within three years	Over three years but within five years	Over five years but within seven years	Over seven years but within ten years	Over ten years
Deposits *	732,277	57,857	51,209	—	—	—
Negotiable certificates of deposits	800	—	—	—	—	—
Call money	35,000	—	—	—	—	—
Borrowed money	13,343	—	—	—	—	—
Bonds	—	30,000	20,000	—	—	—
Total	781,421	87,857	71,209	—	—	—

* Demand deposits are included in the “Within one year” category.

As of March 31, 2026

	Millions of yen					
	Within one year	Over one year but within three years	Over three years but within five years	Over five years but within seven years	Over seven years but within ten years	Over ten years
Deposits *	764,551	56,324	54,385	—	—	—
Negotiable certificates of deposits	300	—	—	—	—	—
Call money	—	—	—	—	—	—
Borrowed money	13,598	—	—	—	—	—
Bonds	—	70,000	20,000	10,000	—	—
Total	778,449	126,324	74,385	10,000	—	—

* Demand deposits are included in the “Within one year” category.

3. Fair value information by level within the fair value hierarchy

The fair value of financial instruments is classified into the following three levels according to the observability and materiality of inputs used to measure fair value.

Level 1 fair value: Fair value measured using observable inputs, i.e. quoted prices in active markets for assets or liabilities that are the subject of the measurement.
Level 2 fair value: Fair value measured using observable inputs other than Level 1 inputs.
Level 3 fair value: Fair value measured using unobservable inputs.

If multiple inputs are used that are significant to the fair value measurement, the fair value is classified in its entirety in the level of the lowest priority for calculation of fair value among inputs that are significant to the entire measurement.

(1) Financial instruments stated at fair value in the consolidated balance sheet

As of March 31, 2025	Millions of yen			
	Fair value			
Classification	Level 1	Level 2	Level 3	Total
Securities				
Available-for-sale:				
Japanese government bonds	—	—	—	—
Japanese municipal bonds	—	59,596	—	59,596
Corporate bonds	—	38,879	—	38,879
Equity securities	781	—	—	781
Others	—	15,652	—	15,652
Total assets	781	114,128	—	114,909

As of March 31, 2026	Millions of yen			
	Fair value			
Classification	Level 1	Level 2	Level 3	Total
Securities				
Available-for-sale:				
Japanese government bonds	29,845	—	—	29,845
Japanese municipal bonds	—	58,750	—	58,750
Corporate bonds	—	71,733	—	71,733
Equity securities	876	—	—	876
Others	—	—	—	—
Total assets	30,721	130,483	—	161,204

(2) Financial instruments other than those stated at fair value in the consolidated balance sheet

As of March 31, 2025	Millions of yen			
	Fair value			
Classification	Level 1	Level 2	Level 3	Total
Loans	—	60,450	12,001	72,451
Accounts receivable from credit card members	—	—	127,239	127,239
Other assets	—	—	7,344	7,344
Total assets	—	60,450	146,585	207,035
Deposits	—	841,017	—	841,017
Negotiable certificates of deposits	—	800	—	800
Borrowed money	—	13,343	—	13,343
Bonds	—	48,764	—	48,764
Total liabilities	—	903,925	—	903,925

As of March 31, 2026	Millions of yen			
	Fair value			
Classification	Level 1	Level 2	Level 3	Total
Loans	—	79,066	11,948	91,015
Accounts receivable from credit card members	—	—	124,790	124,790
Other assets	—	—	9,163	9,163
Total assets	—	79,066	145,902	224,968
Deposits	—	874,777	—	874,777
Negotiable certificates of deposits	—	300	—	300
Borrowed money	—	13,598	—	13,598
Bonds	—	97,708	—	97,708
Total liabilities	—	986,384	—	986,384

(Note 1) A description of the valuation technique(s) and inputs used in the fair value measurements is as follows.

Assets

Securities

The fair value of securities, for which unadjusted quoted prices in active markets are available, is classified as Level 1. Listed shares and Japanese government bonds are included in this category. The fair value of securities, for which quoted prices are published, but traded in inactive markets, is classified as Level 2. Japanese municipal bonds and corporate bonds are included in this category. For investment trusts for which there is no trading price in the market, the net asset value is used as the fair value and classified as Level 2, if there are no significant restrictions on redemption or repurchase that would cause market participants to require compensation for the associated risk.

Loans

The fair value of loans is calculated by grouping the loans based on their type and maturity and then discounting the sum of principal and interests at the market interest rates reflecting credit risk, etc. For loans with variable interest rates, the carrying amount is presented as the fair value, as the loans reflect market rates in a timely manner and the carrying amount approximates such fair value, unless the creditworthiness of the borrowers change significantly since the loan origination. For receivables from bankrupt, substantially bankrupt, and bankruptcy risk obligors, the fair value is determined based on estimated future cash flows discounted to the present value or the present value of the expected amount to be recovered from collaterals and guarantees. If the impact from unobservable inputs on the fair value is significant, the fair value is classified as Level 3, and Level 2 if the impact from unobservable inputs on the fair value is not significant.

Accounts receivable from credit card members

The fair value of the receivables other than specific receivables described below is calculated by discounting the sum of principal and interests to present value using the market interest rates reflecting credit risk, etc., by the types of receivables. For short-term receivables, the fair value approximates the carrying amount less the estimated amount of credit losses. As a result, the amount after the reduction of the estimated credit losses is recognized as the fair value.

For specific receivables such as doubtful receivables, the estimated amount of credit losses is calculated based on the expected amounts to be recovered. As a result, the fair value approximates the carrying amount less the estimated amount of credit losses, and the carrying amount after the reduction of the estimated credit losses is recognized as the fair value.

The fair value of these receivables is classified as Level 3.

Other assets

The net book value of other assets is presented as the fair value because the remaining terms of the payments are within one year. For specific receivables such as doubtful receivables, the estimated amount of credit losses is calculated based on the expected amounts to be recovered. As a result, the fair value approximates the carrying amount less the estimated amount of credit losses, and the carrying amount after the reduction of the estimated credit losses is recognized as the fair value. The fair value of other assets is classified as Level 3.

Liabilities

Deposits

For demand deposits to be paid immediately upon request, the carrying amount as of the consolidated balance sheet date is deemed as the fair value. Fixed-rate time deposits are grouped by the periods to maturity. The fair value of such deposits is calculated as the present value of expected future cash flows. The discount rates used are the interest rates that would be applied to similar deposits newly accepted. For deposits with maturity of less than one year, the carrying amount is presented as the fair value, as the carrying amount approximates such fair value. The fair value is classified as Level 2.

Borrowed money

The fair value of borrowed money is calculated as the present value of expected future cash flows from these borrowings grouped by the periods to maturity, discounted using interest rates reflecting its remaining periods to maturity and credit risk. For the borrowed money with maturity less than one year, the carrying amount is presented as the fair value, as the carrying amount approximates such fair value. The fair value is classified as Level 2. There is no floating rate borrowing.

Bonds

The fair value of corporate bonds issued by the Bank is calculated based on the amounts presented in the Reference Statistical Prices [Yields] for OTC Bond Transactions published by the Japan Securities Dealers Association. The fair value is classified as Level 2.

(Securities)

1. Securities held for trading
   Not applicable.

2. Bonds held to maturity
   Not applicable.

3. Available-for-sale securities
   As of March 31, 2025

	Millions of yen		
	Carrying amount	Acquisition cost	Difference
Securities with higher balances than acquisition costs			
Equity securities	781	151	629
Bonds:	—	—	—
Japanese government bonds	—	—	—
Japanese municipal bonds	—	—	—
Corporate bonds	—	—	—
Others	2,622	2,591	30
Subtotal	3,403	2,743	659
Securities with the same or lower balances than acquisition costs			
Equity securities	—	—	—
Bonds:	98,475	99,124	(648)
Japanese government bonds	—	—	—
Japanese municipal bonds	59,596	59,942	(345)
Corporate bonds	38,879	39,182	(302)
Others	13,030	13,363	(333)
Subtotal	111,505	112,488	(982)
Total	114,909	115,231	(322)

As of March 31, 2026

	Millions of yen		
	Carrying amount	Acquisition cost	Difference
Securities with higher balances than acquisition costs			
Equity securities	876	151	724
Bonds:	—	—	—
Japanese government bonds	—	—	—
Japanese municipal bonds	—	—	—
Corporate bonds	—	—	—
Others	—	—	—
Subtotal	876	151	724
Securities with the same or lower balances than acquisition costs			
Equity securities	—	—	—
Bonds:	160,328	161,008	(679)
Japanese government bonds	29,845	29,895	(50)
Japanese municipal bonds	58,750	58,914	(163)
Corporate bonds	71,733	72,198	(465)
Others	—	—	—
Subtotal	160,328	161,008	(679)
Total	161,204	161,160	44

4. Bonds held to maturity sold

Not applicable.

5. Available-for-sale securities sold

For the fiscal year ended March 31, 2025

Classification	Millions of yen		
	Sales proceeds	Gain on sales	Loss on sales
Equity securities	1,660	1,567	—
Others	1,984	—	7
Total	3,644	1,567	7

For the fiscal year ended March 31, 2026

Classification	Millions of yen		
	Sales proceeds	Gain on sales	Loss on sales
Equity securities	—	—	—
Others	16,455	584	84
Total	16,455	584	84

6. Securities of which the purpose of holding was changed

Not applicable.

7. Securities with impairment losses

Not applicable.

(Money Held in Trust)

Not applicable.

(Net Unrealized Gains (Losses) on Available-for-sale Securities)

Net unrealized gains (losses) on available-for-sale securities on the consolidated balance sheet were as follows:

As of March 31, 2025

	Millions of yen
Unrealized gains (losses):	125
On available-for-sale securities	125
Deferred tax liabilities	(39)
Net unrealized gains (losses) on available-for-sale securities	85

(Note) Unrealized gains (losses) on investments in partnership, which do not have a market price, of ¥448 million is included in "On available-for-sale securities."

As of March 31, 2026

	Millions of yen
Unrealized gains (losses):	824
On available-for-sale securities	824
Deferred tax liabilities	(259)
Net unrealized gains (losses) on available-for-sale securities	564

(Note) Unrealized gains (losses) on investments in partnership, which do not have a market price, of ¥780 million is included in "On available-for-sale securities."

(Employees' Severance and Retirement Benefits)

1. Outline of retirement benefit plans

The Bank and certain domestic consolidated subsidiaries have employee pension plans that are defined benefit pension plans, in addition to the optional defined contribution pension plans.

Certain overseas consolidated subsidiaries have defined benefit retirement payment plans, in addition to defined contribution pension plans.

2. Defined benefit plan

(1) Movement in projected benefit obligation

	Millions of yen	
Classification	2025	2026
Balance at the beginning of the year	5,880	6,093
Service cost	470	507
Interest cost	77	80
Actuarial difference	(62)	(843)
Benefits paid	(273)	(270)
Other	1	(0)
Balance at the end of the year	6,093	5,567

(2) Movement in plan assets

	Millions of yen	
Classification	2025	2026
Balance at the beginning of the year	8,469	9,026
Expected return on plan assets	169	180
Actuarial difference	78	643
Contributions paid by the employer	582	650
Benefits paid	(273)	(269)
Balance at the end of the year	9,026	10,231

(3) Reconciliation from projected benefit obligation and plan assets to liability and assets for retirement benefits recorded on the consolidated balance sheet

	Millions of yen	
Classification	2025	2026
Funded projected benefit obligation	6,057	5,522
Plan assets	(9,026)	(10,231)
	(2,969)	(4,709)
Unfunded projected benefit obligation	35	44
Total net liability (asset) for retirement benefits at the end of the year	(2,933)	(4,664)

	Millions of yen	
Classification	2025	2026
Liability for retirement benefits	35	44
Asset for retirement benefits	(2,969)	(4,709)
Total net liability (asset) for retirement benefits at the end of the year	(2,933)	(4,664)

(4) Retirement benefit costs

Classification	Millions of yen 2025	2026
Service cost	470	507
Interest cost	77	80
Expected return on plan assets	(169)	(180)
Amortization of actuarial difference	(137)	(137)
Other	3	0
Retirement benefit costs	244	271

(5) Adjustments for retirement benefits

The components of items recognized in adjustments for retirement benefits (pre-tax) were as follows:

Classification	Millions of yen 2025	2026
Actuarial difference	3	1,349
Total amount recognized for the year	3	1,349

(6) Accumulated adjustments for retirement benefits

The components of items recognized in accumulated adjustments for retirement benefits (pre-tax) were as follows:

Classification	Millions of yen 2025	2026
Unrecognized actuarial difference	1,011	2,361
Total balance at the end of the year	1,011	2,361

(7) Plan assets

1) Plan assets comprise:

Classification	2025	2026
Bonds	49%	46%
Equity securities	21%	21%
Other	30%	33%
Total	100%	100%

2) Long-term expected rate of return on plan assets

Current and target asset allocations, historical and expected returns on various categories of plan assets have been considered in determining the long-term expected rate of return.

(8) Actuarial assumptions

The principal actuarial assumptions, presented in weighted average rates, were as follows:

Classification	2025	2026
Discount rate	1.3%	2.8%
Long-term expected rate of return on plan assets	2.0%	2.0%
Expected rate of salary increase	2.3%	2.3%

Note: Disclosure of information on overseas consolidated subsidiaries was omitted since it is immaterial.

3. Defined contribution plan

The amount of required contribution to the defined contribution plans of the Bank and certain domestic and overseas consolidated subsidiaries for the fiscal years ended March 31, 2025 and 2026 was ¥102 million and ¥114 million, respectively.

(Stock Options)

1. Recorded expense amount and account name related to stock options

	Millions of yen	
	2025	2026
General and administrative expenses	19	(32)

2. Amount recorded as gain on forfeited options due to expiration without exercise of rights

	Millions of yen	
	2025	2026
Other ordinary income	0	—

3. Outline, scale and changes of stock options

The Bank (parent company)

(1) Outline of stock options

	Tenth Round-1 Subscription Rights to Shares
Recipients	7 Directors and Audit & Supervisory Board Members and 253 employees of the Bank and 9 Directors and Audit & Supervisory Board Members and 149 employees of its subsidiaries
Class and number of underlying shares [1]	3,835,200 shares of common stock of the Bank
Grant date	October 31, 2023
Conditions for vesting	1. A holder of subscription rights to shares may exercise the subscription rights to shares only if all the following financial targets of A through C specified in the Medium-Term Management Plan of the Bank are achieved: A. Ordinary income in the consolidated statement of income for the fiscal year ended March 31, 2026: ¥250.0 billion; B. Ordinary profit in the consolidated statement of income for the fiscal year ended March 31, 2026: ¥45.0 billion; and C. Return on equity (ROE) calculated based on the consolidated balance sheet and the consolidated statement of income for the fiscal year ended March 31, 2026: 8%. Whether or not the above targets are achieved shall be determined in reference to the financial results of the annual securities report to be filed by the Bank. In the case that the Board of Directors deems it inappropriate to determine whether or not the targets are achieved based on the financial results in the consolidated balance sheet and the consolidated statement of income when, for example, there is a change in the fiscal year end, a change in the accounting standards applied, or an event that significantly affects the Bank's performance results such as a business acquisition, the Bank may make appropriate adjustments to eliminate such effect to a reasonable extent. 2. A holder of subscription rights to shares shall be Director, Audit & Supervisory Board Member, or an employee of the Bank or any of its subsidiaries and affiliates (including a seconded employee working for the Bank or any of its affiliates) at the time of exercising the subscription rights. 3. An heir to a holder of subscription rights to shares shall not be permitted to exercise the stock options. 4. If the exercise of the stock options causes the total number of shares issued by the Bank to exceed the total number of shares authorized to be issued at the time of the exercise, it shall not be permitted. 5. The subscription rights to shares shall not be exercisable for less than one unit of the rights.
Requisite service period	October 31, 2023 through May 31, 2026
Exercise period	June 1, 2026 through October 31, 2027

(Notes) 1. The number of stock options is converted into the number of shares.
2. As of the filing date of the annual securities report (June 17, 2026), the subscription rights to shares were forfeited because the exercise conditions were not met.

(2) Scale and changes of the stock option

The details of stock options that existed in the fiscal year ended March 31, 2026, the number of which is converted into the number of shares, were as follows.

1) Number of stock options

Number of shares	Tenth Round-1 Subscription Rights to Shares
Before vesting:	
At April 1, 2025	3,617,200
Granted	—
Forfeited	3,617,200
Vested	—
Outstanding at March 31, 2026	—
After vesting:	
At April 1, 2025	—
Vested	—
Exercised	—
Forfeited	—
Outstanding at March 31, 2026	—

2) Unit price information:

	Tenth Round-1 Subscription Rights to Shares
Exercise price	¥319.4
Average stock price at exercise	—
Fair value at grant date	¥ 16

Consolidated subsidiary

(1) Outline of stock options

	First Round Subscription Rights to Shares	Second Round Subscription Rights to Shares
Recipients	3 Directors and 14 employees of the company	13 employees of the company
Class and number of underlying shares [1]	4,459 shares of common stock of the company	162 shares of common stock of the company
Grant date	July 23, 2025	February 27, 2026
Conditions for vesting	1. A holder of subscription rights to shares may exercise the subscription rights to shares only if the company achieves the sales target prescribed by the company in any fiscal year from the fiscal year ended March 31, 2026 to the fiscal year ending March 31, 2028. 2. Notwithstanding 1. above, if, during the period from the allotment date of the subscription rights to shares to the expiration date of the exercise period, the company's common stock is issued or sold for consideration at a price lower than the exercise price, or if the share valuation amount determined by a third-party valuation institution or other party falls below the exercise price, or if the company's common stock is listed on a financial instruments exchange in Japan and the closing price of regular transactions of the company's common stock on such financial instruments exchange falls below the exercise price, none of the remaining subscription rights to shares may be exercised. 3. Notwithstanding 1. and 2. above, the subscription rights to shares may be exercised only if the company's common stock is listed on a financial instruments exchange in Japan or if a transaction involving a transfer of control of the company (meaning a share transfer, merger, company split, business transfer, share exchange, statutory share transfer, or other similar transaction) occurs. 4. A holder of subscription rights to shares shall continuously hold the position of director, audit & supervisory board member, other officer, or employee of the company from the allotment date of the subscription rights to shares until the time of exercise. However, this shall not apply if the Board of Directors determines that there is a justifiable reason, such as retirement due to expiration of term of office or mandatory retirement.	1. A holder of subscription rights to shares may exercise the subscription rights to shares only if the company achieves the sales target prescribed by the company in any fiscal year from the fiscal year ending March 31, 2027 to the fiscal year ending March 31, 2028. 2. Notwithstanding 1. above, if, during the period from the allotment date of the subscription rights to shares to the expiration date of the exercise period, the company's common stock is issued or sold for consideration at a price lower than the exercise price, or if the share valuation amount determined by a third-party valuation institution or other party falls below the exercise price, or if the company's common stock is listed on a financial instruments exchange in Japan and the closing price of regular transactions of the company's common stock on such financial instruments exchange falls below the exercise price, none of the remaining subscription rights to shares may be exercised. 3. Notwithstanding 1. and 2. above, the subscription rights to shares may be exercised only if the company's common stock is listed on a financial instruments exchange in Japan or if a transaction involving a transfer of control of the company (meaning a share transfer, merger, company split, business transfer, share exchange, statutory share transfer, or other similar transaction) occurs. 4. A holder of subscription rights to shares shall continuously hold the position of director, audit & supervisory board member, other officer, or employee of the company from the allotment date of the subscription rights to shares until the time of exercise. However, this shall not apply if the Board of Directors determines that there is a justifiable reason, such as retirement due to expiration of term of office or mandatory retirement.
Requisite service period	There is no prescribed requisite service period.	There is no prescribed requisite service period.
Exercise period	July 1, 2026 through July 22, 2035	July 1, 2027 through July 22, 2035

(Note) The number of stock options is converted into the number of shares.

(2) Scale and changes of the stock option

The details of stock options that existed in the fiscal year ended March 31, 2026, the number of which is converted into the number of shares, were as follows.

1) Number of stock options

Number of shares	First Round Subscription Rights to Shares	Second Round Subscription Rights to Shares
Before vesting:		
At April 1, 2025	—	—
Granted	4,459	162
Forfeited	—	—
Vested	—	—
Outstanding at March 31, 2026	4,459	162
After vesting:		
At April 1, 2025	—	—
Vested	—	—
Exercised	—	—
Forfeited	—	—
Outstanding at March 31, 2026	—	—

2) Unit price information:

	First Round Subscription Rights to Shares	Second Round Subscription Rights to Shares
Exercise price	¥87,500	¥92,500
Average stock price at exercise	—	—
Fair value at grant date	—	—

4. Method and assumptions used to measure the fair value of the stock options

The Bank (parent company)

Not applicable.

Consolidated subsidiary

At the grant date of the stock options, the consolidated subsidiary was an unlisted company. Accordingly, the fair unit value of the stock options is calculated based on the intrinsic value per unit. In addition, the valuation method for the company's stock used as the basis for calculating the intrinsic value per unit is based on the price calculated using the DCF method.

5. Method to estimate the number of stock options vested

In principle, the number of stock options vested are estimated by reflecting the actual number of forfeitures as it is difficult to reasonably estimate the number of forfeitures in the future.

6. Total intrinsic value of stock options calculated based on intrinsic value as of March 31, 2026, and total intrinsic value of stock options exercised during the fiscal year ended March 31, 2026 at the exercise date

The Bank (parent company)

Not applicable.

Consolidated subsidiary

1) Total intrinsic value as of March 31, 2026	¥22 million
2) Total intrinsic value exercised during the fiscal year ended March 31, 2026	¥ — million

(Income Taxes)

1. Breakdown of deferred tax assets and liabilities by main cause

	Millions of yen	
	2025	2026
Deferred tax assets:		
Net operating loss carry forwards (Note 3)	8,131	8,415
Depreciation of fixed assets and impairment losses	578	2,717
Allowance for credit losses	1,083	1,400
Non-deductible losses on unredeemed points	1,156	1,212
Loss on valuation of securities	1,406	1,178
Provision for bonuses	337	364
Provision for stocks payment	309	341
Enterprise tax	301	324
Asset retirement obligations	249	255
Other	1,497	1,066
Subtotal deferred tax assets	15,051	17,276
Valuation allowance for net operating loss carry forwards (Note 3)	(7,809)	(8,339)
Valuation allowance for total future deductible temporary differences	(3,576)	(4,704)
Subtotal valuation allowance (Note 2)	(11,386)	(13,044)
Total deferred tax assets	3,665	4,232
Deferred tax liabilities:		
Asset for retirement benefits	(937)	(1,466)
Net unrealized gains (losses) on available-for-sale securities	(39)	(248)
Adjustment for tangible fixed assets related to asset retirement obligations	(54)	(48)
Other	(172)	(345)
Total deferred tax liabilities	(1,203)	(2,109)
Net deferred tax assets	2,461	2,122

(Note 1) Net deferred tax assets are included in the following items in the consolidated balance sheet.

	Millions of yen	
	2025	2026
Deferred tax assets	2,639	2,473
Deferred tax liabilities	177	350

(Note 2) Valuation allowance increased by ¥1,657 million compared with that of the previous fiscal year mainly due to increases in valuation allowance for impairment losses on fixed assets.

(Note 3) Net operating loss carry forwards and its deferred tax assets by term

As of March 31, 2025

	Millions of yen						
	Within one year	Over one year but within two years	Over two years but within three years	Over three years but within four years	Over four years but within five years	Over five years	Total
Net operating loss carry forwards *1	165	155	—	—	41	7,768	8,131
Valuation allowance	—	—	—	—	(41)	(7,768)	(7,809)
Deferred tax assets	165	155	—	—	—	—	*2 321

(*1) Net operating loss carry forwards is the amount after multiplying by the statutory tax rate.

(*2) Deferred tax assets on net operating loss carryforwards was judged to be recoverable mainly because taxable income before adjustments of temporary differences will likely exceed the amount expected to be deductible in the fiscal years when net operating loss carryforwards are expected to be deducted.

As of March 31, 2026

	Millions of yen						
	Within one year	Over one year but within two years	Over two years but within three years	Over three years but within four years	Over four years but within five years	Over five years	Total
Net operating loss carry forwards *1	75	—	—	41	132	8,165	8,415
Valuation allowance	—	—	—	(41)	(132)	(8,165)	(8,339)
Deferred tax assets	75	—	—	—	—	—	*2 75

(*1) Net operating loss carry forwards is the amount after multiplying by the statutory tax rate.

(*2) Deferred tax assets on net operating loss carryforwards was judged to be recoverable mainly because taxable income before adjustments of temporary differences will likely exceed the amount expected to be deductible in the fiscal years when net operating loss carryforwards are expected to be deducted.

2. Breakdown of the material difference between the statutory tax rate and the effective income tax rate by major items of the cause

	2025	2026
Statutory tax rate	30.62%	30.62%
Non-deductible expenses, including entertainment expenses	0.80	1.11
Increase (decrease) in valuation allowance	9.35	8.01
Effect of changes to tax rate	(0.56)	(0.83)
Effect of exclusion from the scope of equity method	(2.67)	—
Differences in tax rates of consolidated subsidiaries	(0.31)	(1.16)
Other	(0.59)	(0.82)
Effective tax rate	36.64%	36.92%

(Changes in Presentation)
"Differences in tax rates of consolidated subsidiaries," which was included in "Other" for the fiscal year ended March 31, 2025, has been separately presented for the fiscal year ended March 31, 2026 due to its increased materiality. To reflect this change in presentation, the notes for the fiscal year ended March 31, 2025 have been reclassified.

As a result, (0.90)% previously presented under "Other" for the fiscal year ended March 31, 2025 has been reclassified to (0.31)% under "Differences in tax rates of consolidated subsidiaries" and (0.59)% under "Other."

(Asset Retirement Obligations)

Asset retirement obligations that are recorded in the consolidated balance sheet

(1) Overview of asset retirement obligations

Asset retirement obligations are based upon estimated future restoration obligations pursuant to real estate lease agreements of head office and ATM installation agreements of the overseas consolidated subsidiaries.

(2) Method of calculating the amount of the asset retirement obligations

Estimated useful life: 1-18 years

Discount rate: 0.0-8.2%

(3) The changes in asset retirement obligations

	Millions of yen	
	2025	2026
Balance at the beginning of the year	817	843
Increase due to acquisition of tangible fixed assets	84	15
Accretion expense	5	3
Obligations settled in current period	(104)	—
Other increase (decrease)	40	(3)
Balance at the end of the year	843	858

(Revenue Recognition)

1. Information on disaggregated revenue from contracts with customers
   Information on disaggregated revenue from contracts with customers is described in Notes “Segment Information, etc.”

2. Basic information to understand revenue from contracts with customers
   • Banking business, focusing on the ATM platform business
   The Bank and its consolidated subsidiaries conduct banking and other business, focusing on the ATM platform business and provide services such as accepting or dispensing cash which the users of the partner financial institutions deposit in or withdraw from their deposit accounts when they use the Bank’s ATMs. The Bank receives the service fee income from providing these ATM services. The transaction price is principally determined by multiplying the number of usage of ATMs with the unit price of the service fee based on the contracts with partner financial institutions. The Bank recognizes revenue at the time when the users of the partner financial institutions use the ATM service of the Bank and the related considerations are received generally within the following month after the performance obligations are satisfied.
   • Financial services business focusing on credit card business and electronic money business
   7CE, which is a consolidated subsidiary of the Bank, conducts financial services business focusing on credit card business and electronic money business and receives service fee income from providing these financial services.
   The transaction price in credit card business is based on an amount determined by multiplying the credit card settlement amount by a certain rate as stipulated in the contract with member stores. The Group recognizes revenue at the time of completion of the credit sales (intermediation of credit purchases by card holders) which is the performance obligation.
   The transaction price in electronic money business is based on an amount determined by multiplying the electronic money settlement amount by a certain rate as stipulated in the contract with member stores. The Group recognizes revenue at the time of completion of the electronic money transaction.

3. Information to understand the amounts of revenue from contracts with customers for the fiscal year and after the end of the fiscal year
   Amounts of receivables from contracts with customers are as follows:

	Millions of yen			
	April 1, 2024	March 31, 2025	April 1, 2025	March 31, 2026
Receivables from contracts with customers	12,420	12,233	12,233	13,222

(Note) Receivables from contracts with customers are included in “Other assets” of the consolidated balance sheet.

(Segment Information, etc.)

(Segment Information)

1. Overview of reportable segments
   The Group’s reportable segments are units of the Group for which discrete financial information is available and which are subject to the periodical review by the Board of Directors to determine the allocation of management resources and assess the performance.
   The Group has three reportable segments: “Domestic business (banking, etc.) segment,” “Credit card/ Electronic money business segment” and “Overseas business segment.” “Domestic business (banking, etc.) segment” mainly engages in banking business focusing on ATM platform business in Japan, “Credit card/ Electronic money business segment” mainly engages in non-bank business focusing on credit card business and electronic money business and “Overseas business segment” engages in ATM services in the U.S., Indonesia, the Philippines, and Malaysia.

2. Calculation method for ordinary income, segment profit or loss, assets, liabilities and other material items by reportable segment
   Accounting treatment for reportable segments is consistent with those described in “Significant Accounting Policies.” Segment profit is based on ordinary profit.
   Ordinary income from internal transactions is based on transaction prices between third parties.
   As described in “Notes (Changes in Accounting Estimates),” the Group revised the useful life of ATMs held by an overseas subsidiary from five years to eight years and applied this change prospectively. As a result of this change, segment profit for the Overseas business for the fiscal year ended March 31, 2026 increased by ¥583 million compared with the amount that would have been reported under the previous estimate of useful life.

3. Information on ordinary income, segment profit or loss, assets and other items and on disaggregated revenue

For the fiscal year ended March 31, 2025

Millions of yen

	Reportable segment				Adjustments	Consolidated
	Domestic (banking, etc.)	Credit card/ Electronic money	Overseas	Total		
Ordinary income:						
ATM-related fee income	113,733	—	42,667	156,400	—	156,400
Credit card operating income	—	7,010	—	7,010	—	7,010
Electronic money operating income	—	12,010	—	12,010	—	12,010
Other	12,990	4,059	107	17,157	—	17,157
Ordinary income from customer contracts	126,723	23,080	42,774	192,579	—	192,579
Other ordinary income	12,053	9,402	780	22,236	(407)	21,829
Ordinary income from external customers	138,777	32,482	43,555	214,815	(407)	214,408
Internal transactions	695	57	—	752	(752)	—
Total	139,473	32,539	43,555	215,568	(1,159)	214,408
Segment profit (loss)	27,226	2,704	353	30,284	5	30,289
Segment assets	1,314,589	208,191	51,000	1,573,782	(77,804)	1,495,977
Other:						
Depreciation and amortization	23,228	2,264	3,613	29,106	—	29,106
Amortization of goodwill	67	—	—	67	—	67
Interest income	8,598	2,018	505	11,122	(32)	11,089
Interest expenses	1,155	4	971	2,131	(32)	2,098
Equity in losses of affiliates	(76)	—	—	(76)	—	(76)
Impairment losses	1,821	204	—	2,025	—	2,025
Increase in tangible and intangible fixed assets	37,488	2,205	5,822	45,517	—	45,517

(Notes) 1. Ordinary income is stated in lieu of sales of general enterprises.
2. Adjustments are mainly elimination of internal transactions.
3. Segment profit has been reconciled with ordinary profit of consolidated statement of income.
4. Credit card/Electronic money business recorded extraordinary income of ¥1,057 million as other extraordinary income.

For the fiscal year ended March 31, 2026

Millions of yen

	Reportable segment				Adjustments	Consolidated
	Domestic (banking, etc.)	Credit card/ Electronic money	Overseas	Total		
Ordinary income:						
ATM-related fee income	116,475	—	42,765	159,240	—	159,240
Credit card operating income	—	6,570	—	6,570	—	6,570
Electronic money operating income	—	10,886	—	10,886	—	10,886
Other	14,611	4,207	195	19,014	—	19,014
Ordinary income from customer contracts	131,086	21,663	42,961	195,711	—	195,711
Other ordinary income	14,760	8,913	641	24,314	(0)	24,314
Ordinary income from external customers	145,846	30,577	43,602	220,026	(0)	220,025
Internal transactions	922	93	—	1,015	(1,015)	—
Total	146,769	30,670	43,602	221,041	(1,015)	220,025
Segment profit (loss)	27,172	(592)	3,583	30,163	1	30,165
Segment assets	1,377,801	195,654	51,049	1,624,506	(78,762)	1,545,743
Other:						
Depreciation and amortization	25,157	2,351	3,471	30,980	—	30,980
Amortization of goodwill	—	—	—	—	—	—
Interest income	13,469	2,077	393	15,939	(72)	15,866
Interest expenses	2,748	6	661	3,417	(72)	3,344
Equity in losses of affiliates	—	—	—	—	—	—
Impairment losses	459	7,996	—	8,456	—	8,456
Increase in tangible and intangible fixed assets	21,497	1,867	3,168	26,533	(424)	26,109

(Notes) 1. Ordinary income is stated in lieu of sales of general enterprises.
2. Adjustments are mainly elimination of internal transactions.
3. Segment profit has been reconciled with ordinary profit of consolidated statement of income.

(Related Information)

For the fiscal year ended March 31, 2025

1. Information by service

Millions of yen

	ATM related business	Other	Total
Ordinary income attributable to external customers	156,400	58,007	214,408

(Note) Ordinary income is stated in lieu of sales of general enterprises.

2. Information by geographical area

(1) Ordinary income

Millions of yen

Japan	U.S.	Other regions	Total
170,853	26,956	16,597	214,408

(Notes) 1. Ordinary income is stated in lieu of sales of general enterprises.
2. Ordinary income is classified into countries or regions based on the location of the Group's regional headquarters.
3. Main countries or regions included in "Other regions": Indonesia, the Philippines.

(2) Tangible fixed assets

Millions of yen

Japan	U.S.	Indonesia	Philippines	Other regions	Total
37,960	2,616	4,658	5,006	4	50,247

3. Information by major customer

Disclosure is omitted because there were no specific customers whose ordinary income accounts for 10% or more of ordinary income in the consolidated statement of income.

For the fiscal year ended March 31, 2026

1. Information by service

	Millions of yen		
	ATM related business	Other	Total
Ordinary income attributable to external customers	159,240	60,785	220,025

(Note) Ordinary income is stated in lieu of sales of general enterprises.

2. Information by geographical area

(1) Ordinary income

Millions of yen			
Japan	U.S.	Other regions	Total
176,426	27,282	16,317	220,025

(Notes) 1. Ordinary income is stated in lieu of sales of general enterprises.
2. Ordinary income is classified into countries or regions based on the location of the Group's regional headquarters.
3. Main countries or regions included in "Other regions": Indonesia, the Philippines, Malaysia.

(2) Tangible fixed assets

Millions of yen					
Japan	U.S.	Indonesia	Philippines	Other regions	Total
34,047	3,445	3,804	4,294	221	45,812

3. Information by major customer

Disclosure is omitted because there were no specific customers whose ordinary income accounts for 10% or more of ordinary income in the consolidated statement of income.

(Information on Impairment Losses on Fixed Assets for Each Reportable Segment)

For the fiscal year ended March 31, 2025

	Millions of yen					
	Reportable segment				Other	Total
	Domestic (banking, etc.)	Credit card/ Electronic money	Overseas	Total		
Impairment losses	1,821	204	—	2,025	—	2,025

For the fiscal year ended March 31, 2026

	Millions of yen					
	Reportable segment				Other	Total
	Domestic (banking, etc.)	Credit card/ Electronic money	Overseas	Total		
Impairment losses	459	7,996	—	8,456	—	8,456

(Information on Amortization of Goodwill and Its Remaining Balance for Each Reportable Segment)

For the fiscal year ended March 31, 2025

	Millions of yen					
	Reportable segment				Other	Total
	Domestic (banking, etc.)	Credit card/ Electronic money	Overseas	Total		
Amortization	67	—	—	67	—	67
Unamortized balance	—	—	—	—	—	—

For the fiscal year ended March 31, 2026

Not applicable.

(Information on Gain on Bargain Purchase for Each Reportable Segment)

Not applicable.

(Related Party Transactions)

1. Transactions with related parties

(1) Transactions between the Bank and related parties

(a) Parent company and major corporate shareholders

For the fiscal year ended March 31, 2025

Related party	Category	Location	Share capital (Millions of yen)	Details of business	Relationship with related parties	Amounts of transactions		Balance at the end of fiscal year	
						Description of transactions	Millions of yen	Account title	Millions of yen
Seven-Eleven Japan Co., Ltd. *1	Other related companies	Chiyoda-ku, Tokyo	17,200	Convenience store business	Contract on placement and management of ATM Fund transaction	Payment of ATM placement fee expenses *2	15,611	Accrued expenses *3	1,455

(Notes) 1. 38.61% of the outstanding common stock of the Bank is directly owned by Seven-Eleven Japan Co., Ltd. as of March 31, 2025.
2. Terms and conditions as well as decision policies of terms and conditions:
The terms and conditions as well as decision policies of terms and conditions associated with ATM placement fees are determined by comprehensively taking into account compensation for delegated administrative work and Seven-Eleven Japan's infrastructure costs.
3. The accrued expenses include consumption tax.

For the fiscal year ended March 31, 2026

Related party	Category	Location	Share capital (Millions of yen)	Details of business	Relationship with related parties	Amounts of transactions		Balance at the end of fiscal year	
						Description of transactions	Millions of yen	Account title	Millions of yen
Seven-Eleven Japan Co., Ltd. *1	Other related companies	Chiyoda-ku, Tokyo	17,200	Convenience store business	Contract on placement and management of ATM Fund transaction	Payment of ATM placement fee expenses *2	15,791	Accrued expenses *3	1,472
						Acquisition of treasury stock *4	16,250	—	—

(Notes) 1. 33.40% of the outstanding common stock of the Bank is directly owned by Seven-Eleven Japan Co., Ltd. as of March 31, 2026.
2. Terms and conditions as well as decision policies of terms and conditions:
The terms and conditions as well as decision policies of terms and conditions associated with ATM placement fees are determined by comprehensively taking into account compensation for delegated administrative work and Seven-Eleven Japan's infrastructure costs.
3. The accrued expenses include consumption tax.
4. The treasury stock was acquired on June 24, 2025 through the Tokyo Stock Exchange off-auction own share repurchase trading system pursuant to the resolution of the Board of Directors at its meeting held on June 19, 2025. The transaction amount was based on the closing price (including the final special quote) on June 19, 2025.

(b) The Bank's unconsolidated subsidiaries and affiliates

There is no material transaction to be noted for the fiscal years ended March 31, 2025 and 2026.

(c) Company that has the same parent company as the Bank, and subsidiaries of the Bank's other related companies

For the fiscal year ended March 31, 2025

There is no material transaction to be noted for the fiscal year ended March 31, 2025.

For the fiscal year ended March 31, 2026

Related party	Category	Location	Share capital (Millions of yen)	Details of business	Relationship with related parties	Amounts of transactions		Balance at the end of fiscal year	
						Description of transactions	Millions of yen	Account title	Millions of yen
Ito-Yokado Co., Ltd.	Same parent company *2	Chiyoda-ku, Tokyo	41,000	Retail business	Contract on placement and management of ATM	Acquisition of treasury stock *1	12,303	—	—
York Benimaru Co., Ltd.	Same parent company *2	Koriyama, Fukushima Prefecture	9,927	Retail business	Contract on placement and management of ATM	Acquisition of treasury stock *1	11,790	—	—

(Notes) 1. The treasury stock was acquired on June 24, 2025 through the Tokyo Stock Exchange off-auction own share repurchase trading system pursuant to the resolution of the Board of Directors at its meeting held on June 19, 2025. The transaction amount was based on the closing price (including the final special quote) on June 19, 2025.
2. As of March 31, 2026, Ito-Yokado Co., Ltd. and York Benimaru Co., Ltd. were no longer related parties due to the business reorganization of Seven & i Holdings Co., Ltd.

(d) The Bank's directors and major individual shareholders
Not applicable.

(2) Transactions between the Bank's consolidated subsidiaries and related parties
(a) Parent company and major corporate shareholders

For the fiscal year ended March 31, 2025

Related party	Category	Amounts of transactions		Balance at the end of fiscal year	
		Description of transactions	Millions of yen	Account title	Millions of yen
Seven-Eleven Japan Co., Ltd.	Other related companies	Settlement of nanaco electronic money charged and used	238,068	Accounts payable	29,531
		Settlement of nanaco points awarded and used	5,623		
		Settlement of third party electronic money charged and used	144,720		

(Note) Terms and conditions as well as decision policies of terms and conditions:
The terms and conditions of contracts with member stores for Seven-Eleven Japan Co., Ltd. are determined after price negotiations considering prevailing market trends.

For the fiscal year ended March 31, 2026

Related party	Category	Amounts of transactions		Balance at the end of fiscal year	
		Description of transactions	Millions of yen	Account title	Millions of yen
Seven-Eleven Japan Co., Ltd.	Other related companies	Settlement of nanaco electronic money charged and used	221,333	Accounts payable	28,600
		Settlement of nanaco points awarded and used	4,312		
		Settlement of third party electronic money charged and used	148,398		

(Note) Terms and conditions as well as decision policies of terms and conditions:
The terms and conditions of contracts with member stores for Seven-Eleven Japan Co., Ltd. are determined after price negotiations considering prevailing market trends.

(b) The Bank's unconsolidated subsidiaries and affiliates
There is no material transaction to be noted for the fiscal years ended March 31, 2025 and 2026.

(c) Company that has the same parent company as the Bank, and subsidiaries of the Bank's other related companies

For the fiscal year ended March 31, 2025

		Amounts of transactions		Balance at the end of fiscal year	
Related party	Category	Description of transactions	Millions of yen	Account title	Millions of yen
7-Eleven, Inc.	Same parent company	Payment of ATM placement fee expenses	11,060	Accrued expenses	898

(Note) Terms and conditions as well as decision policies of terms and conditions:
The terms and conditions as well as decision policies of terms and conditions associated with ATM placement fees are determined by comprehensively taking into account 7-Eleven, Inc.'s infrastructure costs.

For the fiscal year ended March 31, 2026

		Amounts of transactions		Balance at the end of fiscal year	
Related party	Category	Description of transactions	Millions of yen	Account title	Millions of yen
7-Eleven, Inc.	Subsidiary of other related company *2	Payment of ATM placement fee expenses *1	9,613	Accrued expenses	976

(Notes) 1. Terms and conditions as well as decision policies of terms and conditions:
The terms and conditions as well as decision policies of terms and conditions associated with ATM placement fees are determined by comprehensively taking into account 7-Eleven, Inc.'s infrastructure costs.
2. As of March 31, 2026, 7-Eleven, Inc. is a subsidiary of an other related company due to the business reorganization of Seven & i Holdings Co., Ltd.

(d) The Bank's directors and major individual shareholders
Not applicable.

2. Notes on the parent company or any significant affiliated company
(1) Parent company
As a result of the Bank's acquisition of treasury stock on June 24, 2025, Seven & i Holdings Co., Ltd. (listed on the Tokyo Stock Exchange) ceased to be the Bank's parent company and became an other related company of the Bank as of June 24, 2025. An outline is as described in "Notes (Additional Information) (Acquisition of Treasury Stock)."

(2) Condensed financial information of significant affiliated companies
Not applicable.

(Per Share Data)

	Yen	
	2025	2026
Net assets per share	236.93	240.14
Net income per share	15.57	12.14

(Notes) 1. Net income per share (diluted) for the fiscal years ended March 31, 2025 and 2026 is not presented because there is no potentially dilutive share.
2. Net assets per share is calculated based on the following: The Bank has introduced the BIP Trust and ESOP Trust and the Bank's shares held by these Trusts are included in treasury stock that is deducted from the total number of shares issued at the fiscal year end when calculating net assets per share. The number of shares deducted for the fiscal years ended March 31, 2025 and 2026 were 5,535 thousand and 5,200 thousand, respectively.

	Millions of yen, except thousands of shares	
	2025	2026
Net assets	282,489	286,265
Amount excluded from net assets	5,288	5,774
Of which, subscription rights to shares	32	8
Of which, non-controlling interests	5,255	5,766
Net assets attributable to common stock at the fiscal year end	277,201	280,491
Number of shares of common stock at the fiscal year end used for the calculation of net assets per share (Thousands of shares)	1,169,937	1,167,984

3. Net income per share is calculated based on the following: The Bank has introduced the BIP Trust and ESOP Trust and the Bank's shares held by these Trusts are included in treasury stock that is deducted from the weighted average number of shares during the fiscal year when calculating net income per share. The weighted average number of shares deducted during the fiscal years ended March 31, 2025 and 2026 were 5,542 thousand and 5,370 thousand, respectively.

	Millions of yen, except thousands of shares	
	2025	2026
Net income per share		
Net income attributable to owners of the parent	18,221	13,476
Amount not attributable to common shareholders	—	—
Net income attributable to common shareholders of the parent	18,221	13,476
Average number of shares of common stock during the year (Thousands of shares)	1,169,930	1,109,518

For the fiscal years ended March 31, 2025 and 2026, there were 36,172 units and 33,872 units of subscription rights to shares issued based on a resolution at the Board of Directors' meeting held on October 6, 2023, which were not included when calculating net income per share (diluted) as they were not dilutive.

(Significant Subsequent Events)

Not applicable.

(Consolidated Supplementary Schedules)

(Schedule of Bonds)

(Millions of yen, except percentages)

Company	Issue	Date of issue	Balance at April 1, 2025	Balance at March 31, 2026	Interest rate (%)	Secured	Redemption date
The Bank	12th series unsecured bonds	October 20, 2017	30,000	30,000	0.39	No	September 17, 2027
	14th series unsecured bonds	January 25, 2019	20,000	20,000	0.38	No	December 20, 2028
	15th series unsecured bonds	October 30, 2025	—	20,000	1.28	No	October 30, 2028
	16th series unsecured bonds	October 30, 2025	—	20,000	1.53	No	October 30, 2030
	17th series unsecured bonds	October 30, 2025	—	10,000	1.77	No	October 29, 2032
Total	—	—	50,000	100,000	—	—	—

(Note) The repayment schedule of bonds within five years as of March 31, 2026 was as follows:

	Millions of yen
	Amount
Within one year	—
Over one year but within two years	30,000
Over two years but within three years	40,000
Over three years but within four years	—
Over four years but within five years	20,000

(Schedule of Borrowings)

(Millions of yen, except percentages)

Classification	Balance at April 1, 2025	Balance at March 31, 2026	Weighted average interest rate (%)	Redemption date
Borrowed money	13,343	13,598	4.82	—
Bills discounted	—	—	—	—
Borrowings from other banks	13,343	13,598	4.82	February 2026 to December 2026
Current portion of lease liabilities	134	678	2.02	—
Lease liabilities (excluding current portion)	196	3,951	1.93	January 2027 to October 2033

(Notes) 1. The weighted average interest rate is calculated based on the interest rate as of the end of the fiscal year and the balance at the end of the fiscal year.
2. The repayment schedule of borrowed money and lease liabilities within five years as of March 31, 2026 were as follows:

	Millions of yen	
	Borrowed money	Lease liabilities
Within one year	13,598	678
Over one year but within two years	—	647
Over two years but within three years	—	585
Over three years but within four years	—	576
Over four years but within five years	—	584

3. Above borrowed money is recorded by a consolidated subsidiary of which fiscal year end is December 31.

The banking business mainly engages in business activities including accepting deposits and raising and managing funds from the call and notes markets. Therefore, the above schedules of borrowings present “Borrowed money” under “Liabilities” and lease liabilities included in “Other liabilities” under “Liabilities” in the consolidated balance sheet.
(Reference) The Bank does not issue commercial paper using promissory notes as a means of raising funds for business activities.

(Schedule of Asset Retirement Obligation)

The disclosure is omitted because the amount of asset retirement obligations at the beginning and end of the fiscal year ended March 31, 2026 are not more than 1% of the total liabilities and net assets at the beginning and end of the fiscal year ended March 31, 2026.

KPMG

Independent auditor’s report

To the Board of Directors of Seven Bank, Ltd.:

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Seven Bank, Ltd. (“the Company”) and its consolidated subsidiaries (collectively referred to as “the Group”), which comprise the consolidated balance sheet as at March 31, 2026, the consolidated statement of income, the consolidated statement of comprehensive income, the consolidated statement of changes in net assets and the consolidated statement of cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2026, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements in Japan (including those that are relevant to our audit of the consolidated financial statements of public interest entities), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Accuracy of the amount of automatic teller machines (ATM)-related fee income recognized	
The key audit matter	**How the matter was addressed in our audit**
In the consolidated statement of income of the Company and its consolidated subsidiaries, ATM-related fee income of	The primary procedures we performed to assess the accuracy of the amount of ATM-related fee income recognized included the following:

¥159,240 million was recognized. Of this amount, ATM-related fee income of the Company amounted to ¥116,000 million, which represented approximately 53% of consolidated ordinary income of ¥220,025 million. ATM-related fee income of the Company is principally determined by multiplying the number of usage of ATMs with the unit price of the service fee based on the contracts with partner financial institutions and the Company recognizes revenue at the time when the users of the partner financial institutions use the ATM service of the Company, as described in "Notes (Significant Accounting Policies), Section 4. Accounting policies, (8) Significant revenue recognition, and "Notes (Revenue Recognition)", 2. Basic information to understand revenue from contracts with customers. ATM-related fee income of the Company is recognized based on calculations done by the IT system. However, in executing this system calculation, it is necessary to aggregate in a timely and accurate manner a large number of ATMs transactions nationwide and to accurately reflect multiple fee pricing structures in the calculation of ATM-related fee income. Therefore, the accuracy of the amount of ATM-related fee income recognized in the consolidated statement of income has inherent risks. In particular, in the calculation of ATM-related fee income, it is necessary to input the unit price of the service fee into the unit price master within the system in a timely manner. However, since the data entry for registration or modification of the unit price master is performed manually, there is a risk that the unit price master could be manipulated arbitrarily, which may result in the improper recognition of ATM-related fee income. We, therefore, determined that our assessment of the accuracy of the amount of ATM-related fee income of the Company	**(1) Internal control testing** We tested the design and operating effectiveness of certain of the Company's internal controls relevant to the recognition of ATM-related fee income as they related to the following: ● management of the unit price master; ● aggregation of the number of transactions; and ● generation of fee billing data. The internal control testing over the related IT systems included general IT control and application control testing involving our IT specialists. **(2) Assessment of the accuracy of the amount of ATM-related fee income recognized** In order to assess the accuracy of the amount of ATM-related fee income recognized, we: ● have compared the amount recognized with the amount recalculated by us based on contract unit prices and the number of transactions aggregated in the IT system; ● have compared newly registered/modified unit prices and their effective dates with contract information, after inspecting monthly fee billing data to identify partner companies for which unit prices were newly registered or modified; ● have compared the unit prices stated in the monthly billing data with contract unit prices, after inspecting Executive Committee meeting materials and approved documents to identify partner companies for which unit prices were newly registered or modified; and ● have compared the amount of accrued revenue related to ATM-related fee income recognized with confirmation balances or cash receipt data for certain partner companies which were selected based on statistical random sampling techniques and specific sampling based on quantitative criteria.

recognized was the most significant in our audit of the consolidated financial statements for the current fiscal year, and accordingly, a key audit matter.	

Other Information

The other information comprises the information included in the Integrated Report 2026 Financial Section but does not include the consolidated financial statements and our auditor's report thereon. Management is responsible for the preparation and presentation of the other information. Audit & Supervisory Board Members and Audit & Supervisory Board are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the reporting process for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and Audit & Supervisory Board Members and Audit & Supervisory Board for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, and disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

Audit & Supervisory Board Members and Audit & Supervisory Board are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the consolidated financial statements are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purpose of the group audit. We remain solely responsible for our audit opinion.

We communicate with Audit & Supervisory Board Members and Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board Members and Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with Audit & Supervisory Board Members and Audit & Supervisory Board, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Fee-related Information

Fees paid or payable to our firm and to other firms within the same network as our firm for audit and non-audit services provided to the Company and its subsidiaries for the current year are 165 million yen and 8 million yen, respectively.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

We do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

/S/Satoshi Hataoka

Designated Engagement Partner

Certified Public Accountant

/S/Hirofumi Hanyu

Designated Engagement Partner

Certified Public Accountant

KPMG AZSA LLC

Tokyo Office, Japan

August 31, 2026

Notes to the Reader of Independent Auditor's Report:
This is a copy of the Independent Auditor's Report and the original copies are kept separately by the Company and KPMG AZSA LLC.

Company Information

The Company (As of June 30, 2026)

Company Name	Seven Bank, Ltd.
Head Office	1-6-1, Marunouchi, Chiyoda-ku, Tokyo, 100-0005, Japan
Chairman and Representative Director	Yasuaki Funatake
President and Representative Director	Masaaki Matsuhashi
Established	April 10, 2001
Initiated Operations	May 7, 2001
Common Stock	30,724 million yen
Number of Shares Issued	1,179,308,000
Number of Employees	726 (Non-consolidated, excluding officers, executive officers, temporary staff and part-time employees)
Credit Ratings	[S&P Global Ratings (S&P)] Long-term counterparty issuer rating "A-" Outlook "stable" Short-term counterparty issuer rating "A-2" [Rating & Investment Information, Inc. (R&I)] Issuer rating "AA—" Outlook "stable"

Consolidated subsidiaries (As of June 30, 2026)

Company Name	Head Office	Representative (title/name)	Established	Common Stock	Business Description	Percentage of Voting Rights Held by the Bank	Percentage of Voting Rights Held by Subsidiaries, etc.
FCTI, Inc.	Dallas, Texas, USA	President & CEO Peter Kulik	August 25, 1993	19 million U.S. dollars	ATM operation business	100%	—
PT. ABADI TAMBAH MULIA INTERNASIONAL	Jakarta Special Capital Region, Indonesia	PRESIDENT Director: Rudy Hadi	June 10, 2014	1,195.5 billion Indonesian Rupiah	ATM operation business	67.89%	—
Bank Business Factory Co., Ltd.	134 Godo cho, Hodogaya-ku, Yokohama-shi, Kanagawa Prefecture, Japan	President and Representative Director: Kenichi Yamamoto	July 1, 2014	400 million yen	Back-office support on commission	100%	—
Seven Payment Services, Ltd.	1-6-1 Marunouchi, Chiyoda-ku, Tokyo, Japan	President and Representative Director: Toshikatsu Kashiwaguma	January 11, 2018	475 million yen	Remittance and settlement services	100%	—
Pito AxM Platform, Inc.	Taguig, Manila Metropolitan Area, Republic of the Philippines	President: Taku Namikawa	April 1, 2019	3,214 million Philippine pesos	ATM operation business	100%	—
ACSiON, Ltd.	1-8-10 Harumi, Chuo-ku, Tokyo, Japan	President: Yoshiki Yasuda	July 16, 2019	100 million yen	Identity verification and fraud detection platform business, Anti-phishing services	58.28%	—
VIVA VIDA MEDICAL LIFE CO., LTD.	134 Godo cho, Hodogayaku, Yokohama-shi, Kanagawa Prefecture, Japan	President: Masato Takahashi	September 14, 2007	45 million yen	Small Amount and Short Term Insurance	97.78%	—
Seven Card Service Co., Ltd.	1-6-1 Marunouchi, Chiyoda-ku, Tokyo, Japan	President and Representative Director: Hiroshi Takeuchi	October 31, 2001	7,500 million yen	Credit card business, electronic money business	100%	—
Reachful Malaysia Sdn. Bhd.	Kuala Lumpur, Malaysia	CEO : Jin Sudo	May 30, 2024	43 million Malaysian Ringgit	ATM operation business	50.10%	—

Name and Address of Branches and Outlets (As of March 31, 2026)

Headquarters Location: 1-6-1, Marunouchi, Chiyoda-ku, Tokyo, 100-0005, Japan

Branches Location: 1-6-1, Marunouchi, Chiyoda-ku, Tokyo, 100-0005, Japan

Each branch has been assigned a name of a flower suitable for each month. (As our bank engages in non-face-to-face transactions mainly through ATMs, we do not conduct over-the-counter services at these branches. We receive and handle all inquiries from customers at our Contact Centers.

Month when Account was Opened	Branch Name	Month when Account was Opened	Branch Name	Month when Account was Opened	Branch Name
January	Margaret	May	Carnation	September	Salvia
February	Freesia	June	Iris	October	Cosmos
March	Pansy	July	Rose	November	Cattleya
April	Tulip	August	Hibiscus	December	Poinsettia

For corporate customers, we open corporate accounts providing services necessary for business operations, such as ATM tie-ups and acceptance of cash proceeds from sales. Branches offering services to corporate customers are as follows.

Name of Branches
Corporate Business Division I
Corporate Business Division II
Corporate Business Division III
Corporate Business Division IV
Corporate Business Division V

Joint Outlets Number of ATM installation locations and number of ATMs installed according to outlet

	Number of locations	Number of ATMs
Seven-Eleven	21,825	23,179
Others	4,816	5,357
Total	**26,641**	**28,536**

* Please refer to the Seven Bank Web site (https://www.sevenbank.co.jp/english/) for the latest information on ATMs.

Bank Agency
- Altius Link, Inc.
  Yokohama Sales Office, Senri Sales Office, Sapporo Sales Office