

Financial Results Briefing for Fiscal 2015
Key Questions and Answers

- Q1 What is the reason for the downward trend in daily average transactions per ATM? Has Japan's negative interest rate policy had an impact?
- A1 We have conducted various analyses of the recent downturn in daily average transactions. There are thought to be multiple factors, and the decrease in transactions in February and March cannot be explained by prior factors alone. It is believed that negative interest rates and other factors had a chilling effect on consumer sentiment, also decreasing the number of occasions for ATM transactions. Even under these conditions, we believe there is substantial room to work to increase the number of transactions. Up to now, we have been emphasizing increasing the number of ATMs installed with the intention of increasing the total number of transactions. In the future, we will also concentrate on measures to raise the number of daily average transactions at the same time.
- Q2 Your plans to install ATMs outside the 7&i Group have become less aggressive than before. Why is that?
- A2 Up to now, ATM demand from inbound tourism has been substantial, and we have been aggressively installing ATMs outside the 7&i Group. Because some of those ATMs have not reached the number of transactions we had assumed, we are currently working to increase the number of transactions while checking on conditions at each ATM, among other factors. In the future, we will follow a policy of ensuring income when installing new ATMs.
- Q3 What is your objective in planning to issue cash cards with a debit function? Is there a possibility that the 7&i Group will change its financial services?
- A3 In the 7&i Group, Seven Financial Services Co., Ltd. issues credit cards and *nanaco* electronic money. The debit service that Seven Bank will provide is a payment method for immediate payment from a bank account. On the other hand, the services offered by Seven Financial Services are a credit function for deferred payment and payments within the scope of a stored balance. We believe it is important for each Group company to provide payment methods in line with the diverse needs of its customers, and to establish an environment for secure and convenient use.
- Q4 Will FCTI, Inc. install ATMs at 7-Eleven stores in the United States ahead of the scheduled date of July 2017?

A4 At present, we do not think installations will be accelerated during the year. July 2017 is the deadline for the start of installation, so we will not begin after that date, either. The benefit of an early start for installations would be that we can disperse the burden of installation operations. We are making preparations to start installations from July next year and finish in about six months. That is not a particularly unreasonable plan, so we are not negotiating to go out of our way to start installations earlier.