



May 12, 2017
Seven Bank, Ltd.

Formulation of the Medium-Term Management Plan

Seven Bank, Ltd. (“Seven Bank,” or the “Bank” below), hereby announces that it has formulated its Medium-Term Management Plan covering three years, with FY2019 as its final year.

1. Basic Policy of Seven Bank’s Medium-Term Management Plan

To achieve Seven Bank’s sustainable growth and further improvement of its corporate value, we recognize that the diversification of our earnings structure is a key issue, and in aiming to resolve this, we have formulated the Medium-Term Management Plan with FY2019 as its final year. Positioning the period for the Medium-Term Management Plan as a phase for establishing foundations for sustainable growth of the Bank, we will strive for business expansion by strengthening the following three businesses.

- (1) ATM platform business
- (2) Settlement and account business
- (3) Overseas business

2. Numerical Targets of the Medium-Term Management Plan (consolidated)

(Billions of yen)

| | Results for FY2016 | Target for FY2019 | Difference from FY2016 |
|-----------------|--------------------|-------------------|----------------------------|
| Ordinary income | 121.6 | 161.6 | +40.0 |
| Ordinary profit | 36.7 | 44.7 | +8.0 |
| ROE | 13.1% | 13% or higher | Maintain the current level |

3. Specific Initiatives

(1) ATM platform business

Positioning our nationwide ATM infrastructure with more than 23,000 units as our platform, we will develop initiatives to increase the number of business partners and customers. Specifically, mainly by providing new services for our existing partner financial institutions and by providing services that cater to businesses that have newly entered the settlement market, we will strive to create ATM utilization styles that transcend convention and explore new markets.

In addition, while continuing the steady installation of ATMs within the Seven & i Group (the “Group” below), we will aggressively promote the installation of high-operability ATMs outside the Group as well, primarily at each center of transportation, logistics and tourism. Through these initiatives, we will strive to enrich both the quality and quantity of our ATM platform as we expand our ATM services.

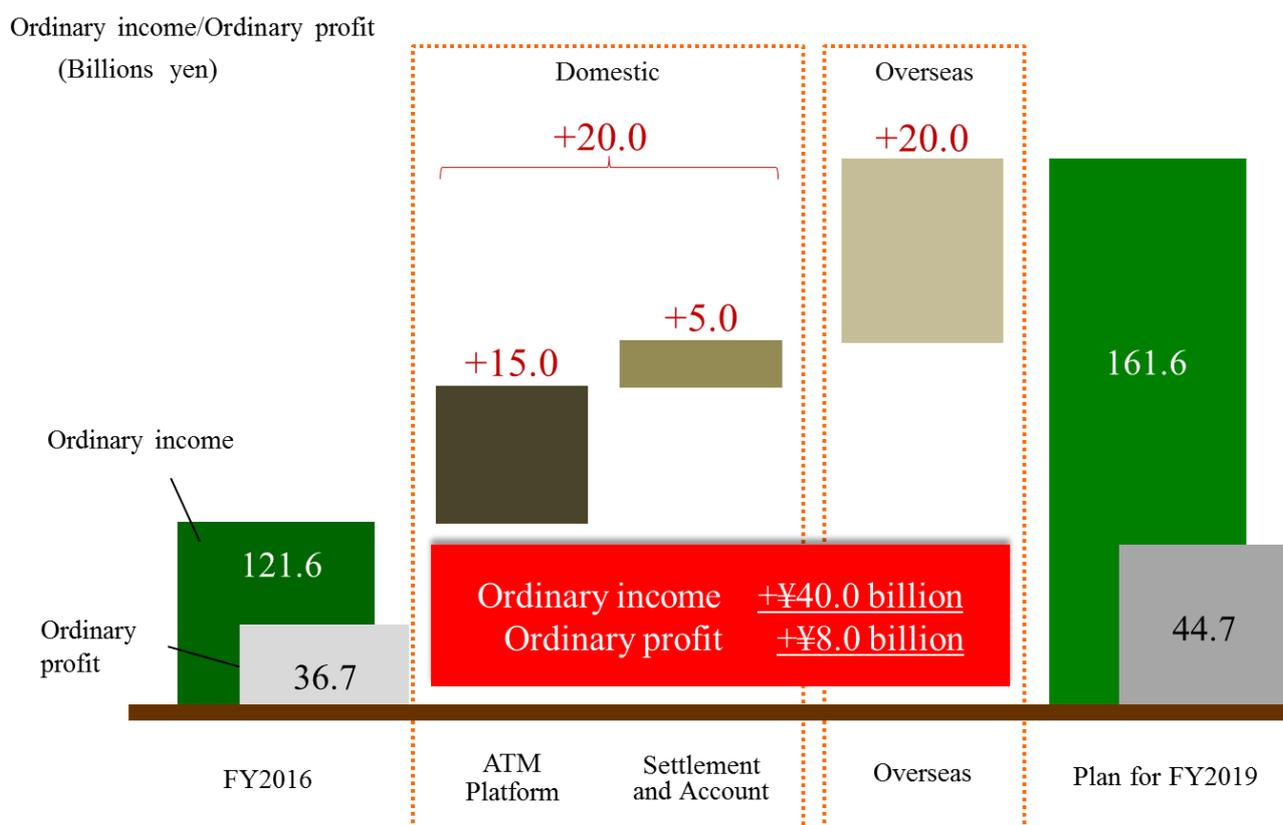
(2) Settlement and account business

In addition to improving convenience and enhancing profitability of our existing services such as personal loan services and international money transfer services, we will strive to further increase earnings by developing our proprietary services utilizing new technologies. We will also promote initiatives to provide new financial services such as a settlement service for as many as 22 million customers a day who visit stores of the Group.

(3) Overseas business

In fiscal 2017, FCTI, Inc., the Bank's consolidated subsidiary in the United States, will start installing ATMs inside Seven-Eleven stores all over the United States. We will strive to ensure steady ATM operation, pursue synergies with 7-Eleven, Inc. (U.S.) and aim to provide new services as well. In our efforts to expand in Indonesia and other regions, we will optimize the Bank's know-how and infrastructure to develop our overseas business.

Through these initiatives, compared with fiscal 2016, we will strive to create another ¥40.0 billion of ordinary income and ¥8.0 billion of ordinary profit in fiscal 2019, the final year of the Medium-Term Management Plan.



4. Capital Policy

Effectively utilizing the profits to be created by business operations in accordance with the Medium-Term Management Plan, the Bank will conduct aggressive investments in new fields toward further growth and make the necessary preparations against risks that may affect our business continuity as an infrastructure business operator, while also steadily enhancing shareholder returns. In light of our future growth strategies and profitability prospects, we will raise our existing minimum payout ratio of 35% or more to 40% or more and strive for a stable and continuing increase in the amount of dividend paid.