

Financial Results Briefing for the Second Quarter of Fiscal 2017  
Key Questions and Answers

Q1 What developments have there been in the business in the United States?

A1 Installation of ATMs at approximately 8,000 U.S. 7-Eleven stores, which started in August 2017, is proceeding smoothly and completion is scheduled for spring 2018. With the stable operation of ATMs at U.S. 7-Eleven stores, we think it will be possible to achieve the increase of ¥20.0 billion in ordinary income by fiscal 2019 that has been set forth in our medium-term management plan.

To reliably secure ordinary profit as we increase ordinary income, we will promote more efficient operation of ATMs. We will also develop and provide new ATM services and conduct measures to increase the number of customers who use our ATMs while getting rid of unprofitable ATMs at stores other than 7-Eleven and thoroughly cutting ATM costs at 7-Eleven stores.

Q2 What is the status of progress in creating new styles of ATM usage in the ATM Platform Business? How do you envision their growth potential?

A2 We are promoting ATM partnerships with business operators that have newly entered the settlement business, and we are proceeding smoothly in providing new ATM services. We began accepting SoftBank Cards in August 2017 and LINE Pay in October, and both are off to a good start. We have set ATM fees that do not differ significantly from the fees we charge our existing partner financial institutions.

The various types of digital settlement are likely to continue to expand. The more digital settlement spreads, the greater the need for physical channels that offer recharge (deposit) and withdrawal services, so we believe growth potential will increase.

We are establishing a subsidiary and making other preparations for a cash receipt service, with the aim of starting operations in spring 2018. We also have prospects of partners that will offer services from the start-up stage. Through our marketing, we have ascertained strong needs for sending and receiving money in ways other than the cash receipt situations we had originally envisioned. We expect many customers to use this service.

Q3 What is the outlook for ATM-related fee income per transaction?

A3 Growth in the number of non-bank transactions is a factor increasing ATM-related fee income per transaction, while volume discounts for partner financial institutions and expansion of new services such as LINE Pay are factors

decreasing ATM-related fee income per transaction. For the time being, we do not expect any major changes in either of the two types of factors, and we do not think that there will be any significant fluctuations in ATM-related fee income per transaction.