

Financial Results

for First Quarter of Fiscal 2022



Today's Agenda

**01 Financial Results for First Quarter of
Fiscal Year Ending March 31, 2023**



02 Progress in Implementation of Growth Strategy

03 APPENDIX



01 **Financial Results for First
Quarter of Fiscal Year Ending
March 31, 2023**

Financial Results Digest for First Quarter of Fiscal Year Ending March 31, 2023 [Consolidated]

Key points of the first quarter results

- ◆ Lower ordinary profit on higher ordinary income compared with the same period a year ago, but the results outperformed the plan.
- ◆ The Japanese ATM business was strong both in terms of the number of transactions and ATMs.
- ◆ Financial services for individuals were steady in general.
- ◆ The overseas business expanded the ATM network, primarily in Asia.

Overview of Financial Results for First Quarter of Fiscal Year Ending March 31, 2023 [Consolidated]

Ordinary income: Increased mainly due to an increase in the number of ATM transactions reflecting return of people and a recovery in fund demand
Ordinary Profit: Declined primarily owing to an increase in expenses incurred by continuous growth investment, etc.

	Results for three months ended June 2022	Year-on-year change	Rate of progress in the first half plan
Ordinary income	¥35.8 billion	+7.1%	49.3%
Ordinary Profit	¥7.3 billion	(3.9)%	54.0%
Net income	¥4.9 billion	(9.2)%	51.5%
EBITDA	¥11.8 billion	+3.5%	—

Notes: 1. All comments and figures regarding changes are compared with the same period a year ago.
 2. Amounts less than one hundred million yen have been truncated.
 3. Previous-year comparisons are based on the units used in these materials.
 4. Exchange rates used in the consolidated income statement: \$1 = ¥116.34
 5. All EBITDA in these materials are Ordinary profit + Depreciation and amortization.

Trend of First Quarter Performance [Consolidated]

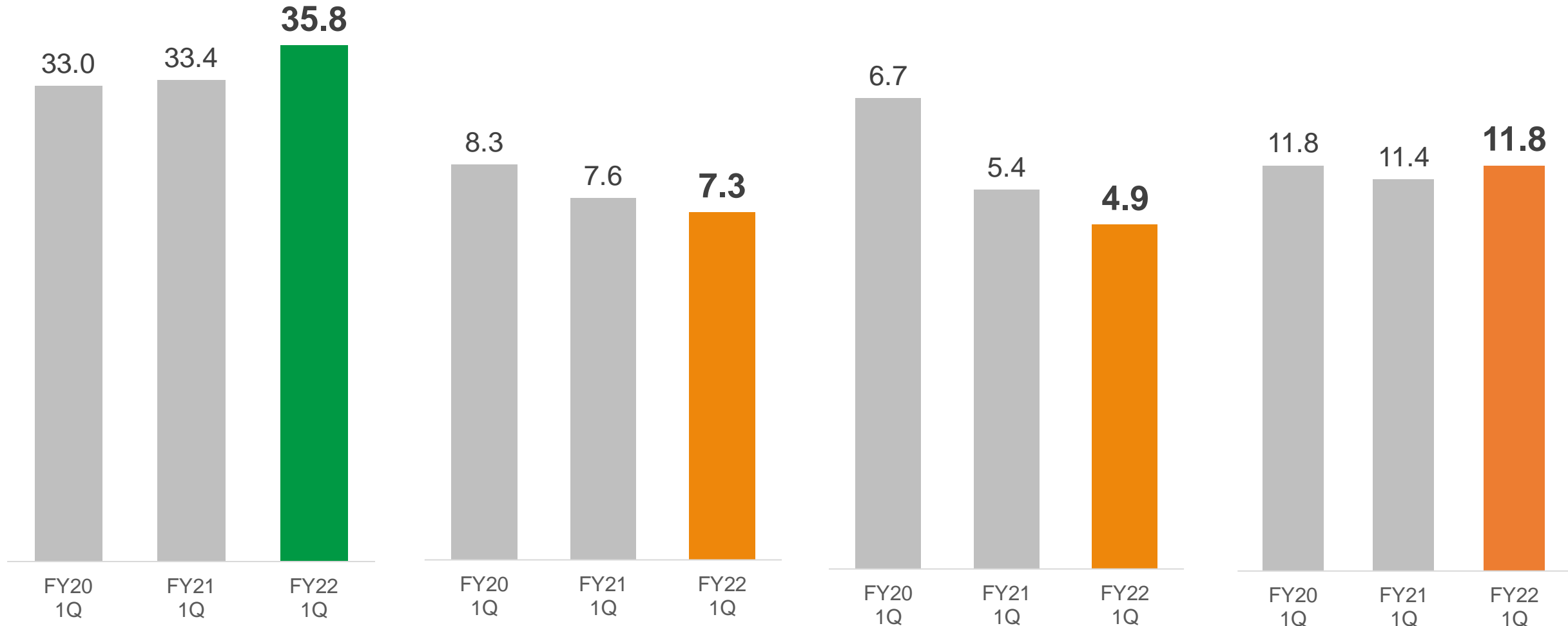
(Billion yen)

Ordinary income

Ordinary profit

Net income

EBITDA



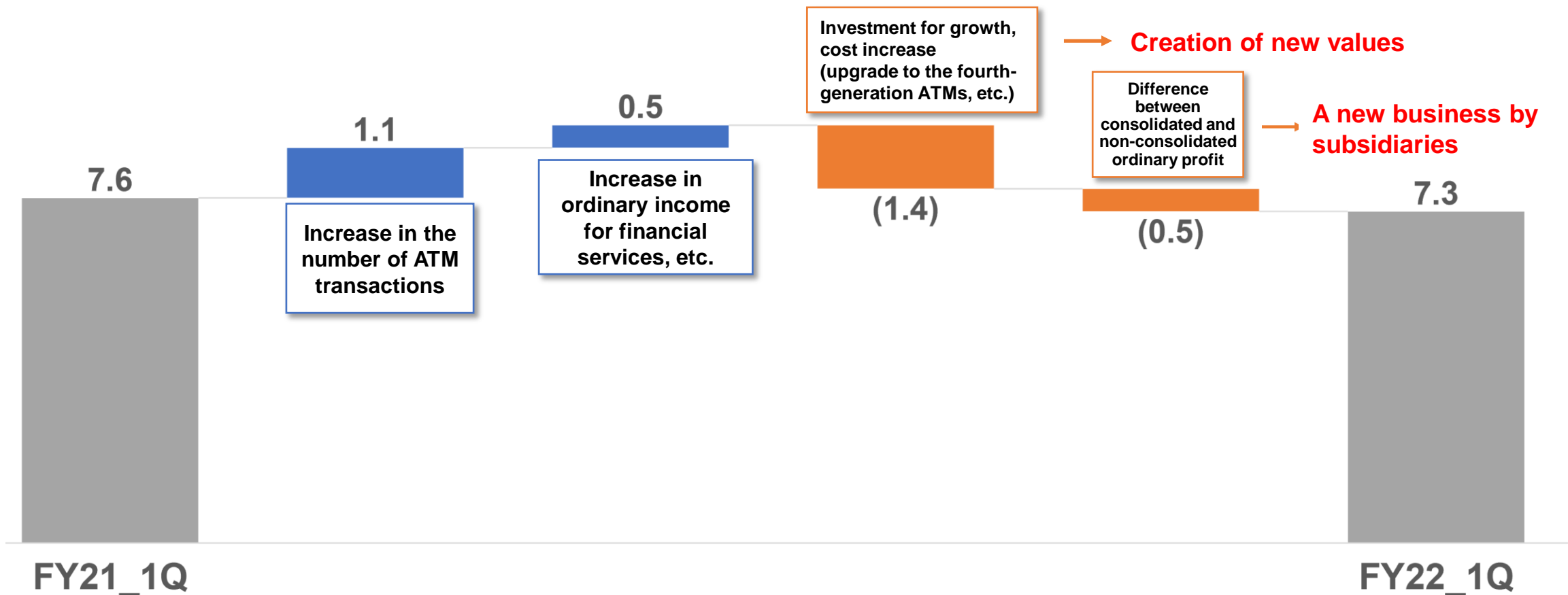
Note: Amounts less than one hundred million yen have been truncated.

Year-on-Year Change in Ordinary Profit (Approximation) [Consolidated]

- While ordinary income rose as the number of ATM transactions increased, ordinary profit declined by ¥300 million due mainly to higher expenses from continued investment in growth, etc.

(Billion yen)

Strategic moves for growth



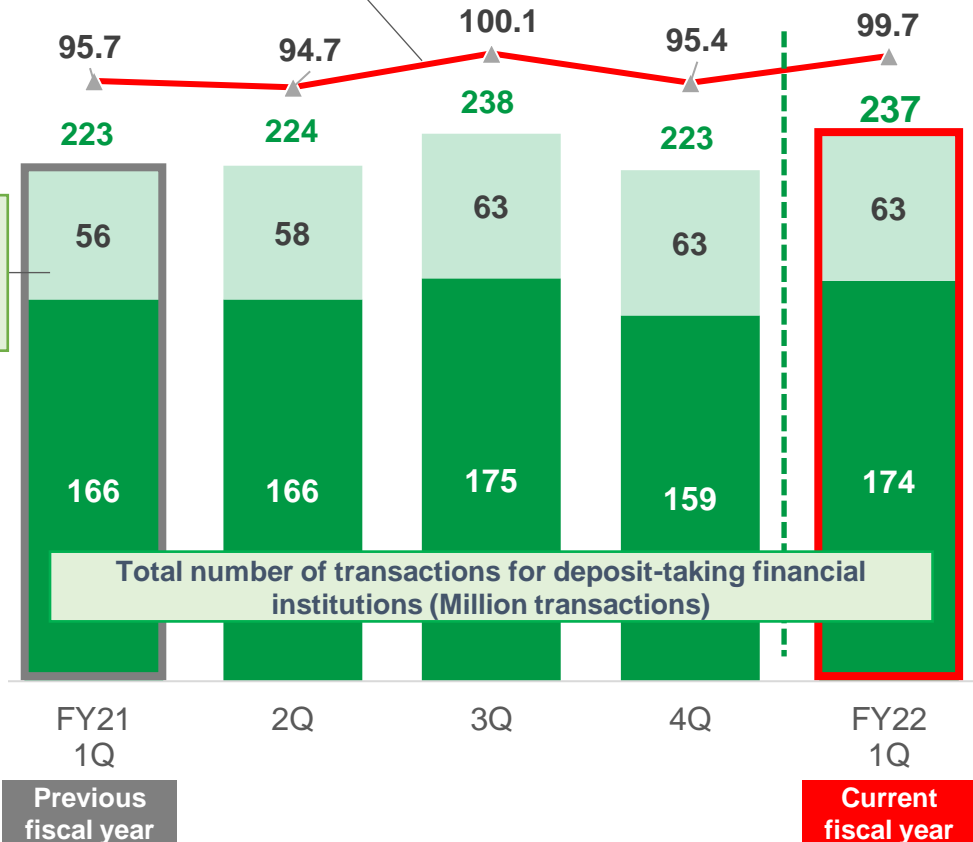
Note: All comments and figures regarding changes are compared with the same period a year ago.

Key Figures Related to Domestic Business (ATM)

ATM Usage

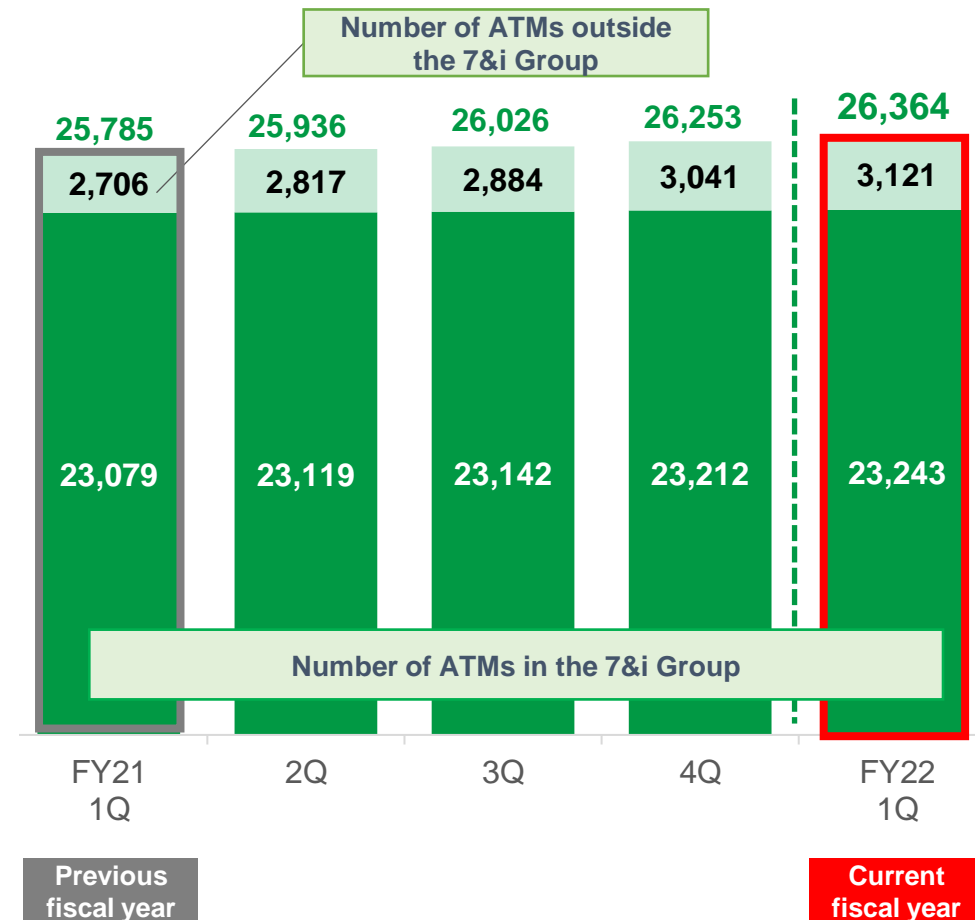
- Average number of transactions: **+4.0**;
Total number of transactions: **+14 million**

Daily average transactions per ATM (Transactions/day/ATM)



Number of ATMs

- **+579** (7&i Group: +164; outside the group: +415)



Notes: 1. All comments and figures regarding changes are compared with the same period a year ago.

2. The total number of ATM transactions and daily average transactions per ATM do not include balance inquiries, e-money charges, PIN changes, withdrawal limit changes, or other operations.

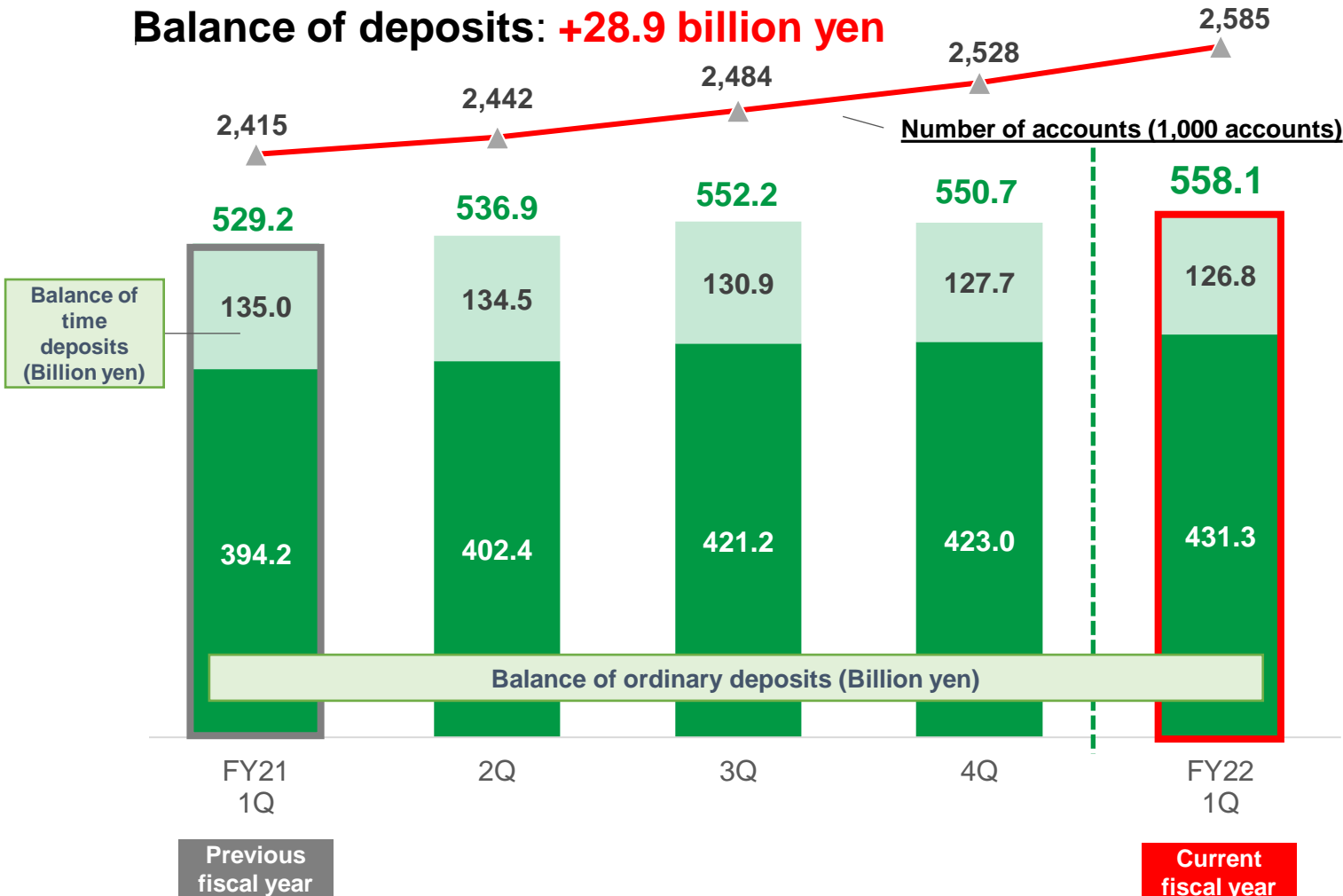
3. In these materials, securities, life insurance, credit card, consumer credit and consumer financing companies are all referred to as "non-banks, etc."

4. ATM-related fee income per transaction: ¥109.2 for FY22 1Q *ATM-related fee income per transaction = ATM-related fee income / (Total of transactions – Total of transactions without ATM-related fee income

Key Figures Related to Domestic Business (Deposit)

Trend in the number of accounts and balance of deposits (individual)

- Number of accounts: **+170,000**;
Balance of deposits: **+28.9 billion yen**



Seven Bank Post Payment Service (Service began in September 2021)



FY2022 1Q (Apr.–June) transactions

¥10.6 billion

+ ¥0.4 billion vs. FY2021 4Q (Jan.–Mar.)

FY2022 1Q (Apr.–June) number of transactions

851,000

+ 16,000 vs. FY2021 4Q (Jan.–Mar.)

Note: All comments and figures regarding changes in the number of accounts and balance of deposits are compared with the same period a year ago.

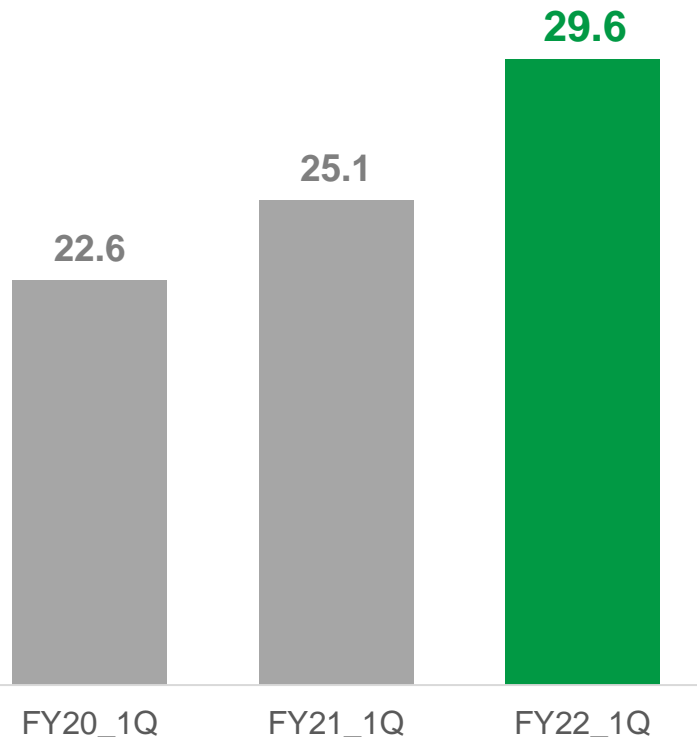
Key Figures Related to Domestic Business (Financial Services)

Personal loan services

- Recovery in fund demand, etc.: **+ 4.5 billion yen**

Note: Including services offered by Credd Finance

Balance at end of period
(Billion yen)

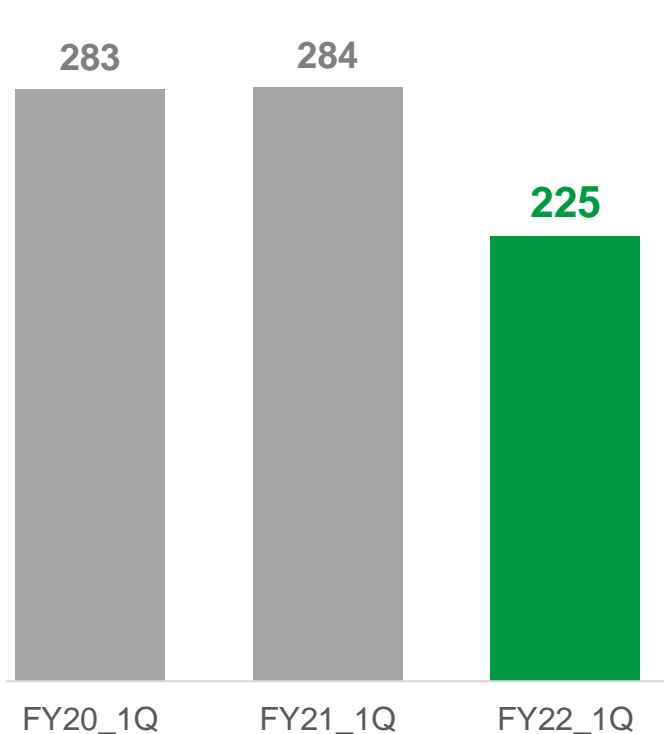


International money transfer services

- Impact of stricter rules: **(59) thousand**

Note: Including services offered by Seven Global Remit, Ltd.

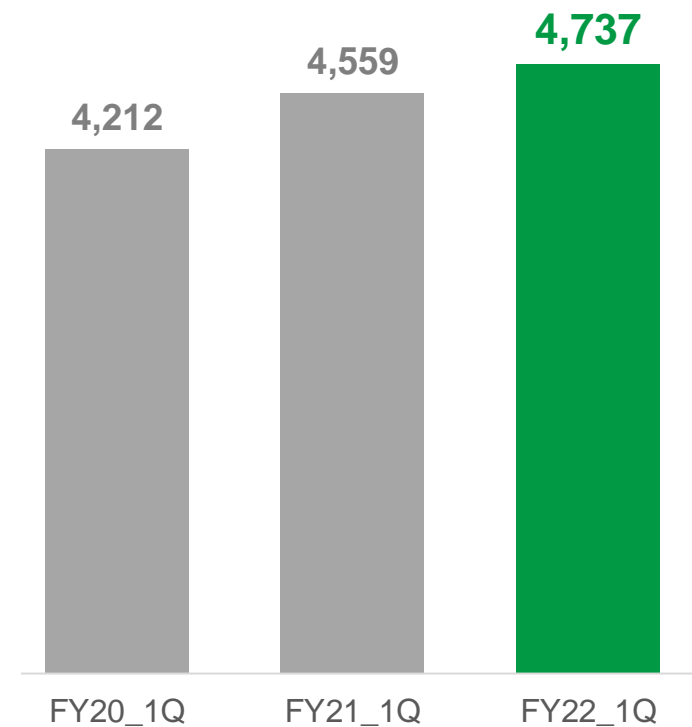
Number of transactions
(Thousands of transactions)



Debit services

- Increase in transactions from a growth in the number of accounts **+178 thousand**

Number of transactions
(Thousands of transactions)



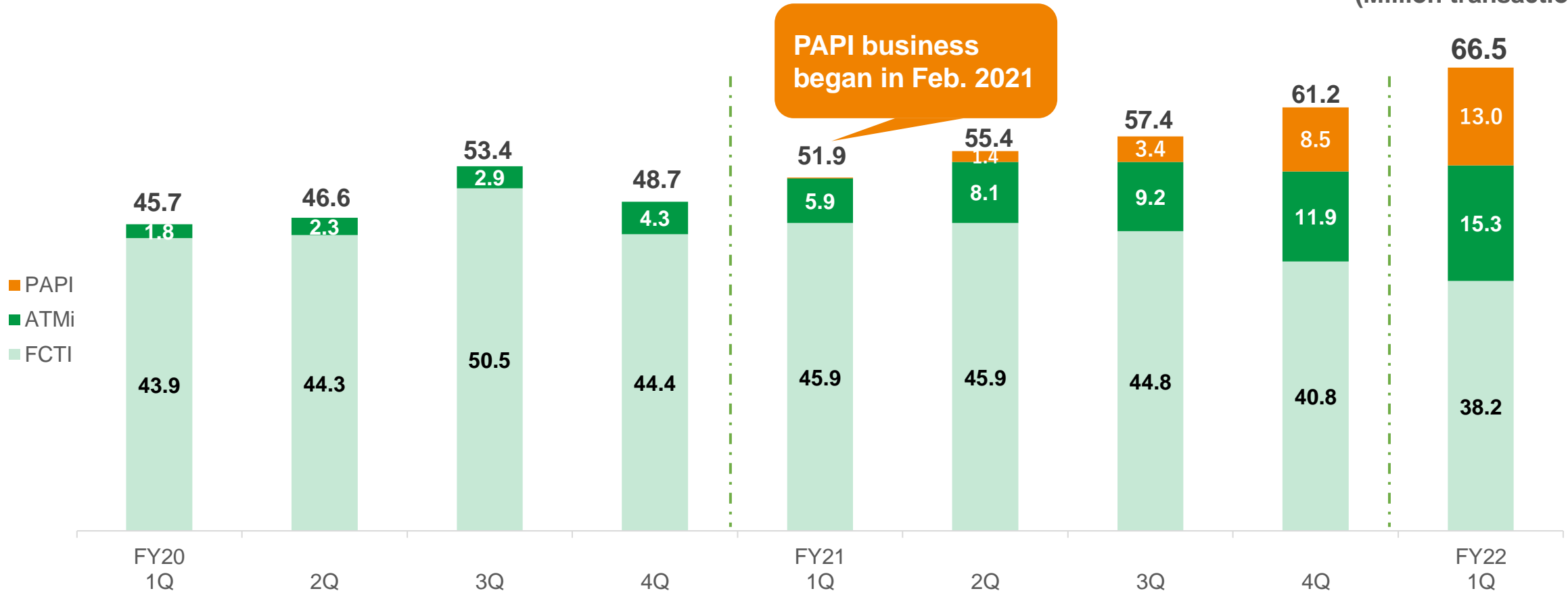
Notes: 1. All comments and figures regarding changes are compared with the same period a year ago.
2. Previous-year comparisons are based on the units used in these materials.

Overseas Business: Overview

Trend in the total number of ATM transactions in the overseas business

- Operating the ATM business in three countries outside Japan: the U.S. (FCTI), Indonesia (ATMi), the Philippines (PAPI)
In Southeast Asia, the number of transactions increased greatly as the installation of ATMs expanded.

(Million transactions)



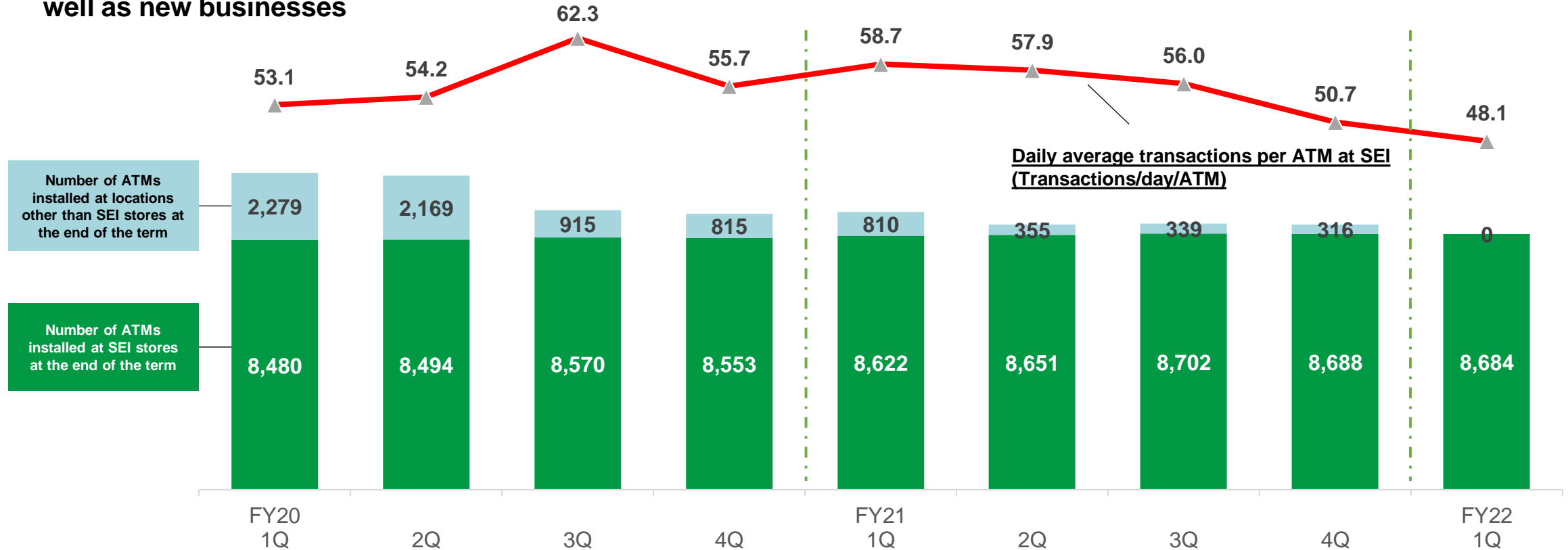
Note: 1Q (Jan.–Mar.), 2Q (Apr.–June), 3Q (July–Sept.), 4Q (Oct.–Dec.)

Overseas Business: U.S.

U.S.



- Removed unprofitable ATMs outside SEI stores; to focus on income diversification of ATMs installed at SEI stores as well as new businesses



Notes: 1. Total number of transactions for U.S. ATMs includes balance inquiries.
 2. 1Q (Jan.–Mar.), 2Q (Apr.–June), 3Q (July–Sept.), 4Q (Oct.–Dec.)

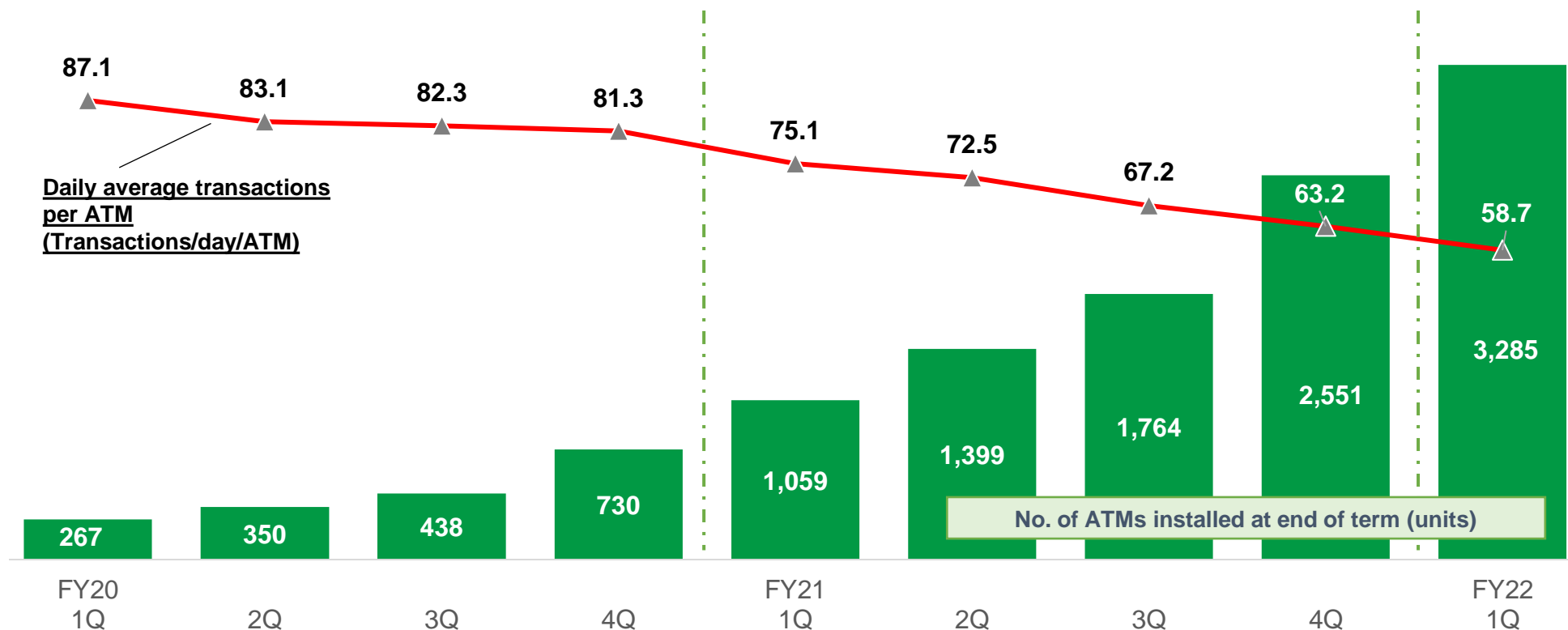
● **The number of ATMs as of the end of June 2022 was 8,696 (preliminary)**
 *Completed removing ATMs outside SEI outlets
=> 8,818 units in the plan for fiscal year ending December 2022
 (the number of units as of the end of the period)

Overseas Business: Indonesia



Indonesia

■ Installation of ATMs expanded steadily. While the number of ATM transactions immediately after the installation is low, the daily average transactions rise as more customers become aware of it with the passage of time.



Notes: 1. Total number of transactions for ATMs in Indonesia includes balance inquiries.
 2. 1Q (Jan.–Mar.), 2Q (Apr.–June), 3Q (July–Sept.), 4Q (Oct.–Dec.)

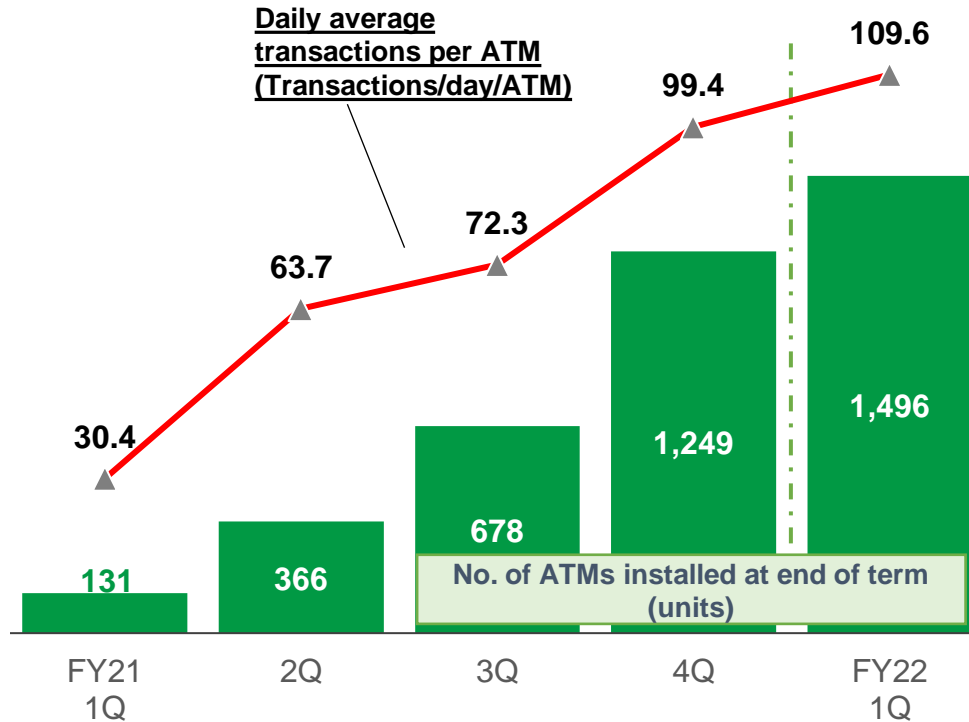
● **The number of ATMs as of the end of June 2022 was 4,050 (preliminary)**
 => **5,500 units in the plan for fiscal year ending December 2022**
 (the number of units as of the end of the period)

Overseas Business: Philippines

Philippines



- Installation of ATMs expanded steadily. Began a tie-up with Landbank in May. We will continue to focus on acquiring tie-up partners and increase the number of transactions.



- **The number of ATMs as of the end of June 2022 was 1,800 (preliminary)**
- ⇒ **3,050 units in the plan for fiscal year ending December 2022 (the number of units as of the end of the period)**

Notes: 1. Total number of transactions for ATMs in the Philippines includes balance inquiries and excludes deposit of sales proceeds.
 2. 1Q (Jan.–Mar.), 2Q (Apr.–June), 3Q (July–Sept.), 4Q (Oct.–Dec.)



02 Progress in Implementation of Growth Strategy

Strategy with focus on growth fields

External environment



Popularization of cashless settlement methods



Needs for Individual Number utilization and receiving benefits



Stricter identity verification and information management

Strategy

Medium-Term Management Plan

Growth Strategy		
Evolve from cash platform to ATM+		
Expand growth fields that would follow the ATM business by leveraging our strengths (business diversification)		
Domestic business	Core	ATM platform strategy
	Growth	Retail strategy
		Corporate strategy
Overseas business		Overseas strategy

Various initiatives

QR Code settlement, reloading for regional currencies, etc.



ATM replacement needs stemming from issuance of new banknotes

Application for the Individual Number Card Points and receiving payments at ATMs



Streamline counter operations and strengthen customer contacts

Identity verification at ATM

Growth fields

Response to the cashless era

¥12 trillion in settlement

Receipt of administrative benefits

1,741 municipalities in Japan

Counter services for all sorts of procedures and authentications

¥4 trillion in administrative costs

Notes: 1. The cashless market scale is based on the amount of settlements using QR Code.
 2. The number of municipalities is as of July 1, 2022.
 3. The administrative costs is our estimate.

Expand advanced use of procedure application service utilizing authentication function

- Increase implementation of initiatives one by one from July to create a universal system that serves as the counter for all sorts of procedures and authentications.

Bank  Change of filed information such as address and phone number



静岡銀行



千葉銀行



沖縄銀行




東京スター銀行

Our own unique service that utilizes the functions of the 4th generation ATM



Expand tie-up partner companies/
Expand areas and the number of ATMs offering these services
(6,000 units in six prefectures)

Finance  Various procedures and information




Non-financial businesses  Check-in, member application





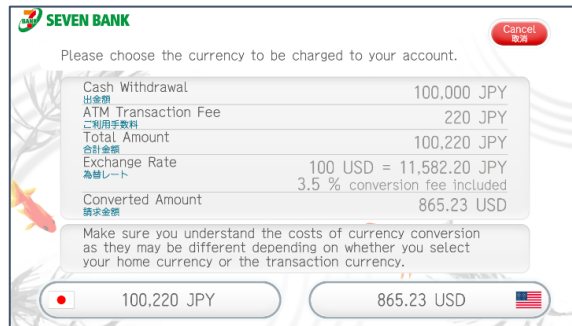
Note: The services with the Bank of Okinawa to start from August and the Tokyo Star Bank from October onwards.

New initiatives for improving user convenience and income

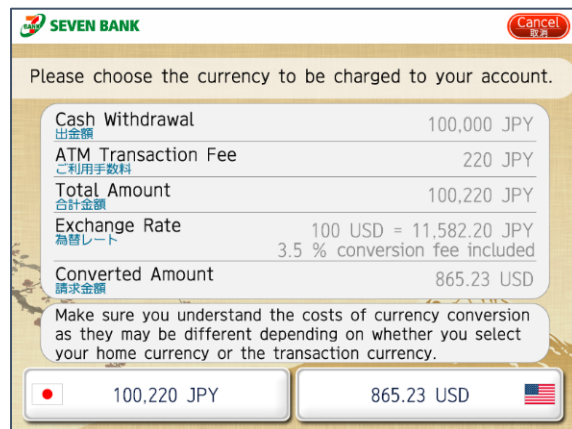
Start dynamic currency conversion (DCC) service using cards issued outside Japan

Settlement currency can be selected when using ATM
=> Respond to foreign exchange needs of foreign travelers

[Screen of the 4th generation ATM]



[Screen of the 3rd generation ATM]



Start financial instrument brokerage service

Offer services that combine deposits and investment for beginner investors

=> Planning implementation of functions unique to retail service



Service is expected to start from autumn 2022 onward*.

* We are currently in prior discussions with the concerned authorities regarding the financial instrument brokerage service, and we expect to release the service from autumn 2022 onward, provided the registration with the authorities is completed.



03 APPENDIX

Statement of Income <Consolidated>

(Billion yen)

	FY2021 1Q	FY2022 1Q		
			Changes from FY2021 1Q	Comparison with FY2021 1Q
Ordinary income	33.4	35.8	2.4	107.1%
Ordinary expenses	25.8	28.5	2.7	110.4%
Ordinary profit	7.6	7.3	(0.3)	96.0%
Net income	5.4	4.9	(0.5)	90.7%
EBITDA	11.4	11.8	0.4	103.5%

- Notes: 1. Exchange rates per USD 1 on the consolidated income statement
FY2021 1Q \$1 = ¥106.09, FY2022 1Q \$1 = ¥116.34
2. Net income is net income attributable to owners of the parent.
3. All EBITDA in this material are Ordinary profit + Depreciation and amortization.
4. Previous-year comparisons are based on the units used in these materials.

Statement of Income <Seven Bank>

(Billion yen)

	FY2021 1Q	FY2022 1Q	Comparison with FY2021 1Q	
			Changes from FY2021 1Q	Comparison with FY2021 1Q
Ordinary income	27.3	29.0	1.7	106.2%
ATM-related fee income	24.1	25.4	1.3	105.3%
Ordinary expenses	19.8	21.4	1.6	108.0%
Ordinary profit	7.4	7.6	0.2	102.7%
Net income	5.0	5.2	0.2	104.0%
EBITDA	11.0	11.6	0.6	105.4%
No. of ATMs installed at end of term (units)	25,785	26,364	579	102.2%
ATM-related fee income per transaction (yen)	110.4	109.2	(1.2)	98.9%
Daily average transactions per ATM (transactions/ATM/day)	95.7	99.7	4.0	104.1%
Total no. of transactions (million)	223	237	14	106.2%

Notes: 1. All EBITDA in these materials are Ordinary profit + Depreciation and amortization.
 2. Previous-year comparisons are based on the units used in these materials.

Statement of Income <FCTI>

(Million USD)

	FY2021 1Q (Jan.–Mar.)	FY2022 1Q (Jan.–Mar.)	FY2022 1Q	
			Changes from FY2021 1Q	Comparison with FY2021 1Q
Ordinary income	52.6	44.9	(7.7)	85.3%
Ordinary expenses	46.2	44.1	(2.1)	95.4%
Ordinary profit	6.3	0.8	(5.5)	12.6%
Net income	6.1	0.5	(5.6)	8.1%
EBITDA	7.9	2.4	(5.5)	30.3%
No. of ATMs installed at end of term (units)	9,432	8,684	(748)	92.0%
At SEI (units)	8,622	8,684	62	100.7%
Daily average transactions per ATM (transactions/ATM/day)	54.2	48.1	(6.1)	88.7%
At SEI (transactions/ATM/day)	58.7	48.1	(10.6)	81.9%
Total no. of transactions (million)	45.9	38.2	(7.7)	83.2%

Notes: 1. Number of ATMs installed as of June 30, 2022 (preliminary data): 8,696 (at SEI stores)

2. The first quarter of FCTI is from Jan. to Mar.

3. Previous-year comparisons are based on the units used in these materials.

Statement of Income <Other Subsidiaries>

(Million yen)



	FY2021 1Q	FY2022 1Q	Comparison with FY2021 1Q	
			Changes from FY2021 1Q	Comparison with FY2021 1Q
Ordinary income	437	610	173	139.5%
Ordinary expenses	478	729	251	152.5%
Ordinary profit	(41)	(118)	(77)	—
Net income	(28)	(78)	(50)	—

(Million yen)




	FY2021 1Q	FY2022 1Q	Comparison with FY2021 1Q	
			Changes from FY2021 1Q	Comparison with FY2021 1Q
Ordinary income	102	116	14	113.7%
Ordinary expenses	73	95	22	130.1%
Ordinary profit	28	20	(8)	71.4%
Net income	24	19	(5)	79.1%


Note: Previous-year comparisons are based on the units used in these materials.

Statement of Income <Other Subsidiaries>

(Million yen)

 PT. Abadi Tambah Mulia Internasional	FY2021 1Q (Jan.–Mar.)	FY2022 1Q (Jan.–Mar.)	Changes from	
			FY2021 1Q	Comparison with FY2021 1Q
Ordinary income	248	721	473	290.7%
Ordinary expenses	174	580	406	333.3%
Ordinary profit	73	141	68	193.1%
Net income	73	141	68	193.1%

(Million yen)

 Platform, Inc.	FY2021 1Q (Jan.–Mar.)	FY2022 1Q (Jan.–Mar.)	Changes from	
			FY2021 1Q	Comparison with FY2021 1Q
Ordinary income	11	414	403	3,763.6%
Ordinary expenses	76	464	388	610.5%
Ordinary profit	(65)	(50)	15	—
Net income	(65)	(50)	15	—

Notes: 1. Exchange rate:

FY2021 1Q IDR 100 = ¥0.749, FY2022 1Q IDR 100 = ¥0.811

FY2021 1Q PHP 1 = ¥2.194, FY2022 1Q PHP 1 = ¥2.256

2. The first quarter of ATMi and PAPI is from Jan. to Mar.

3. Previous-year comparisons are based on the units used in these materials.



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