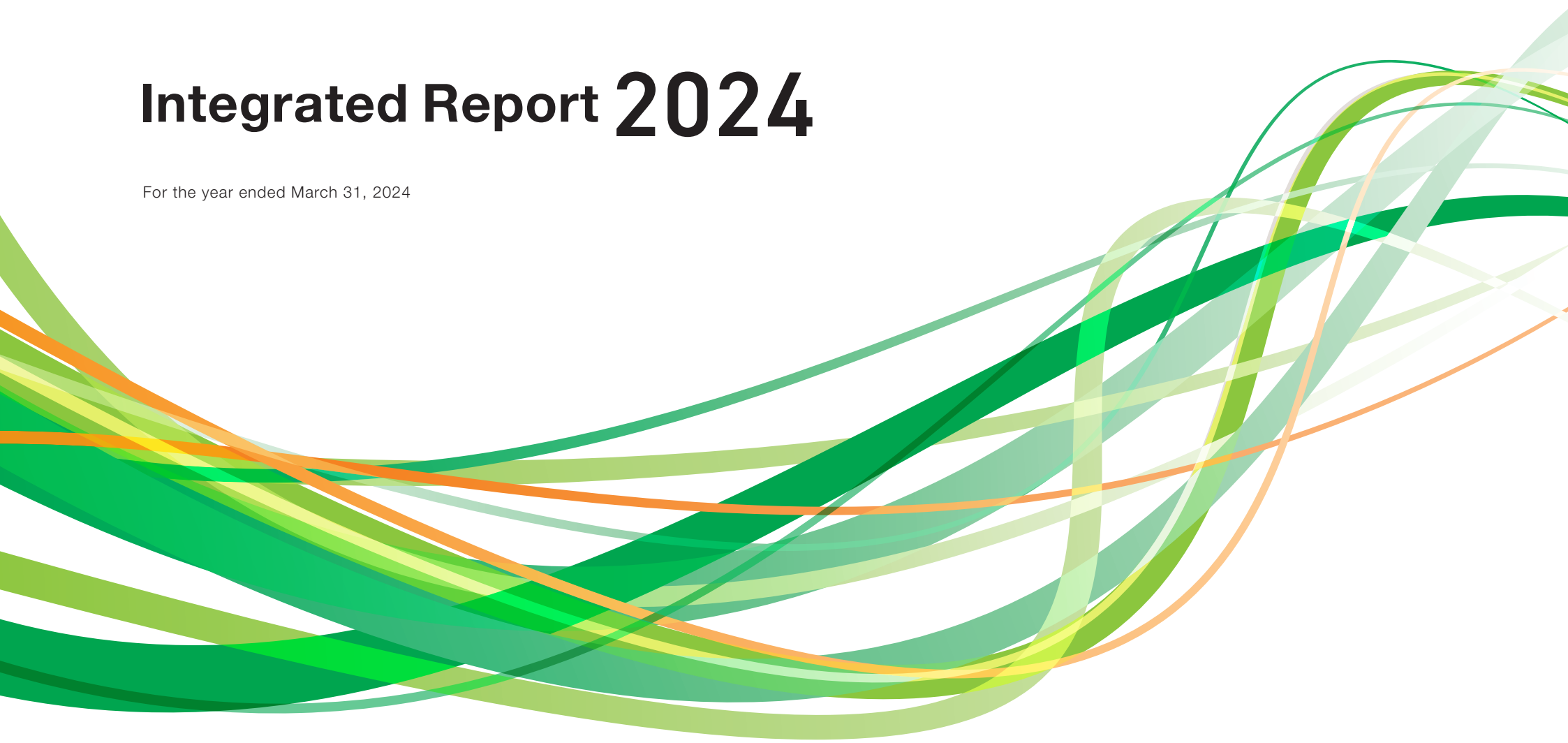


Integrated Report 2024

For the year ended March 31, 2024



As Seven Bank celebrates 20 years since its founding,
the internal and external environment surrounding Seven Bank has changed markedly.
On this milestone occasion, we have clarified Seven Bank's reason for being
and formulated a language easy for anyone to understand.

PURPOSE

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

STORY

Our future has always sprung from the best seeds — the thoughts of our customers.

The wishes of our customers evolve with the times, but our philosophy is constant.
And that keeps us changing too.

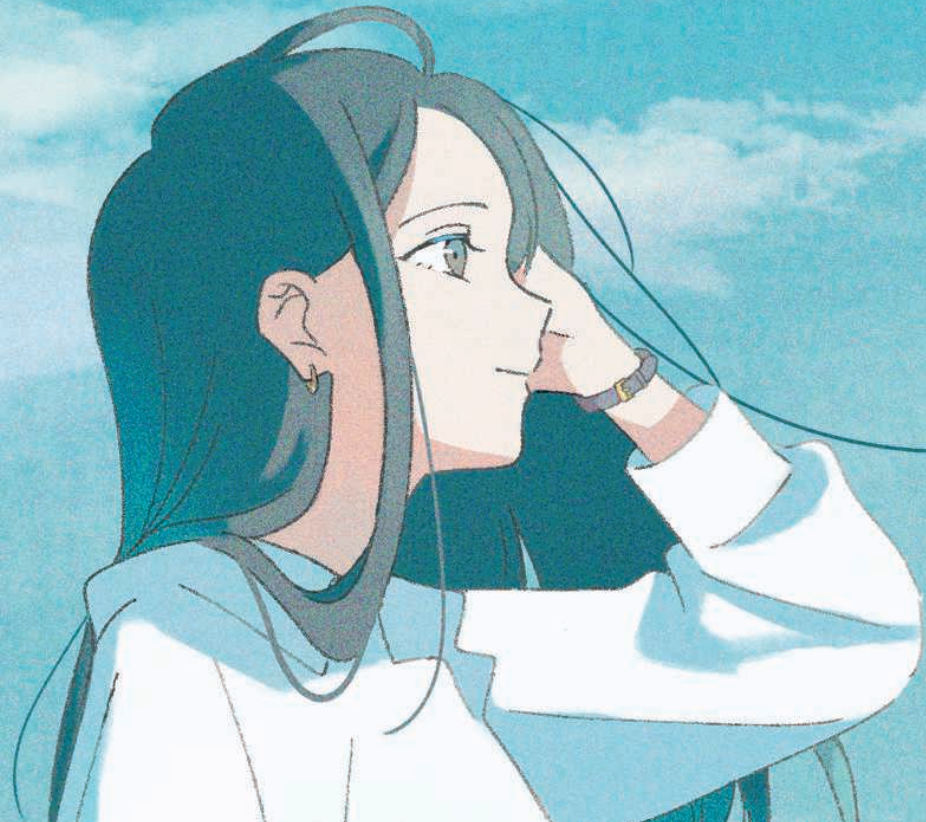
People count on us as we offer unique banking services
with convenient, secure, and trustworthy features.
For better society and people, we stride to take financial services further
while bringing them closer to where you are.

We challenge ourselves beyond the limits
through the power of technology and human ingenuity.
We strive to create an ever more convenient future for all people, day in and day out.

This is the Seven Bank way.

The “Story of Purpose” section of our website introduces our
various initiatives aimed at realizing Purpose. (in Japanese only)

<https://www.sevenbank.co.jp/branding/purpose/>



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Editorial policy

This report has been created to provide shareholders, investors and other stakeholders with non-financial information on issues including the environment, society and corporate governance, integrated with financial information, to describe how we create corporate value in an easy-to-understand format. The report has been prepared referencing the International Integrated Reporting Council's ("IIRC") "International Integrated Reporting Framework," published in December 2013, and the Ministry of Economy, Trade and Industry's "Guidance for Integrated Corporate Disclosure and Company-Investor Dialogues for Collaborative Value Creation," announced on May 29, 2017.



About this publication

This integrated report includes information related to Seven Bank's management ethos, business performance, business overview, corporate social responsibility (CSR) and financial position. It has also been prepared to include comprehensive non-financial information that supports our sustainable growth.

Key matters reported

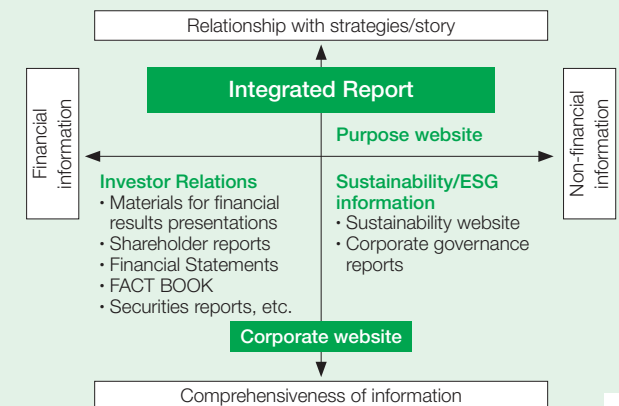
This document mainly describes our business activities in FY2023 and future initiatives, as well as financial results announced for FY2023.

For detailed financial data, please refer to Financial Section 2024 available on our website (<https://www.sevenbank.co.jp/english/ir/library/disclosure/>).

Period covered by this report

April 1, 2023 - March 31, 2024, as a general rule

Positioning of Integrated Report



- Corporate website >>> <https://www.sevenbank.co.jp/english/corp/>
- Investor Relations >>> <https://www.sevenbank.co.jp/english/ir/>
- Sustainability website >>> <https://www.sevenbank.co.jp/english/csr/>
- Purpose website >>> <https://www.sevenbank.co.jp/branding/purpose/>



TOP MESSAGE



We will continue to reinforce our income base to achieve our Medium-Term Management Plan, and promote the transformation to a business model with an eye toward the future.

Masaaki Matsuhashi

President and Representative Director

Establishing and further deepening our Purpose

“We shape the future of everyday life by seeing your wishes and going beyond.” This company’s Purpose was set three years ago, in 2021. We had just entered the second founding phase, and we were looking to diversify our business while also reviewing and further strengthening existing businesses. At that point, the formulation of our Purpose was underpinned by our desire to once again tightly align the direction of our employees.

The Purpose explains what we care about and what we value in; First, we give shape to our customers’ ideas without being bound by common practices or

preconceived notions, aiming to achieve “first” in the industry, Japan, and the world. Second, we place importance on continuing to tackle challenges to create a new daily life for our customers. Both the company and its business endeavors require continuous challenge and innovation if they are going to grow. By accumulating small successes toward realizing our Purpose, we hope to contribute to resolving social issues and create a new world that we previously could not have imagined.

Once we formulated our Purpose, we worked to ensure that each workplace, or each individual employee, would make it a “personal” matter. I have had a couple of times to communicate directly with many employees through occasions such as town hall meetings, and I have realized that each and every one of

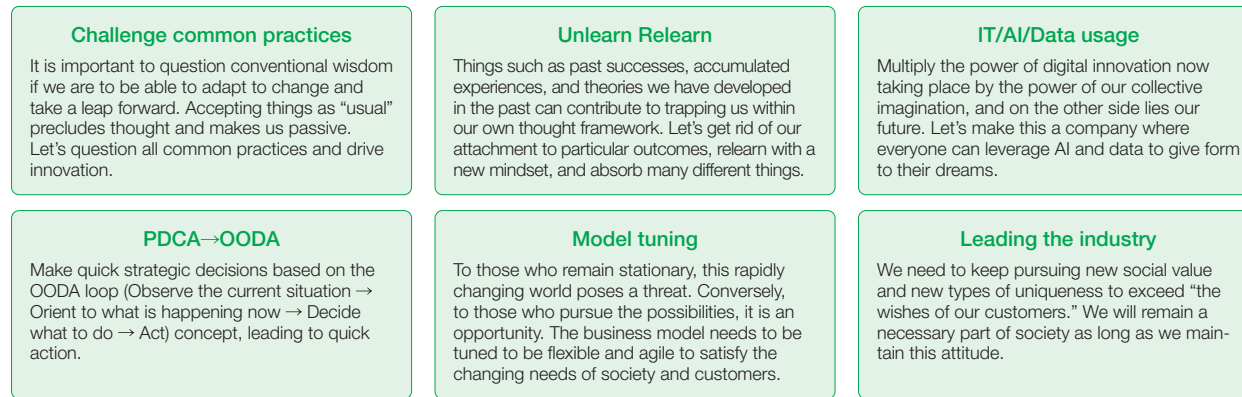
them has great passion toward their work. For example, people who work in administrative division suggest proactively promoting the digital transformation (DX) of operations, and our sales force is evolving from simply selling products to providing consulting services as a business partner that identifies and resolves customer issues. I assume now that many employees have tied the Purpose to their work so that they recognize their own Purpose and are aiming for higher levels of performance.

The next step, on which we are now focusing, is to further refine our thoughts and approach to achieving our Purpose. To this end, I clarify code of conduct consisting of 6 items including “Challenge common practices” and “Unlearn Relearn,” which encourages employees to let go of their attachment and learn anew.

TOP MESSAGE

Behavior Identity

I will take the initiative to practice on my own to ensure the company-wide implementation of the Code of Conduct.



The unchanging DNA that will continue to underpin our actions



Deepen Purpose management

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

Now I am working to ensure the company-wide implementation of it. By merging them with the DNA we inherited from Seven-Eleven—“think from the customer’s point of view and tackle new challenges”—we intend to further deepen Purpose management.

Overview of FY2023 and outlook for FY2024

In FY2023, in addition to steady existing business expansion, our acquisition of Seven Card Service Co.,

Ltd. as a subsidiary in July 2023 led to a significant 27.6% YoY increase in consolidated ordinary income and a 5.5% YoY increase in consolidated ordinary profit. Due to robust funding demand, growth in the number of ATM transactions enabled Seven Bank to post a new high in non-consolidated ordinary income, but investments in the replacement of ATMs with new models and new banknotes resulted in a decline in ordinary profit.

For FY2024, both consolidated and non-consolidated ordinary income are expected to rise, but the company projects a decline in ordinary profit. Seven Bank on a non-consolidated basis is expected to see increased

income due to growth in the number of ATM transactions, and Seven Card Service is also expected to contribute to the results for the full year. Meanwhile, factors in the projected decrease in profits include depreciation associated with the replacement of ATMs with new models reaching its peak and continued growth investment.

P11 Message from the Chief Financial Officer

Future business strategy

Our ATM platform strategy remains the pillar of our future growth strategy. We believe that the strengths of our ATM business lie in our stance of constant building of functions and services from scratch on a customer-oriented basis, and restructuring of everything using IT. We have thoroughly disassembled the elements of existing ATMs and introduced new services and functions from the customer’s point of view, while at the same time eliminating unnecessary functions. We have always been a step ahead in terms of delivering a new generation of ATMs to the market.

It is very important to employ foresight and invest boldly. We envisioned one of the major enhanced functions called plus area, for instance, which is included in our fourth-generation ATMs launched in 2019, from the conception stage in 2016 to provide an identity verification function, ensure digital safety, and replace administrative functions, including support for Individual Number Cards.

We have designed the 27,000 ATMs nationwide in such a manner that software is all that is required to adapt to the new banknotes. This advance investment came to life in the form of +Connect, which we launched in September 2023. +Connect is a business

concept that transitions away from the ATM as a conventional cash payment platform, integrating the functions of identity verification document reading and facial recognition to offer new services and customer experiences.

In the short term, our focus is on the host of procedures and other over-the-counter services that have been offered by financial institutions; in the long term, our vision is to make ATMs a one-stop provider of all procedures and identity verifications that have been traditionally been conducted in person, including at counters of municipalities and other administrative agencies.

☞ **P31 ATM +Connect creates the future**

In the retail business, we aim to maximize synergies by leveraging 7iD, the Seven & i Group’s common membership platform. 7iD currently boasts over 30 million members. Linking this individual retail purchase data with bank accounts, credit cards, electronic money, and other financial data should enable us to utilize the data for digital marketing and credit, as well as in developing new financial services. Together with Seven Card Service, which we made a subsidiary in July 2023, we plan to issue a new credit card with unique product features that capitalize on the characteristics of retail and finance.

We have positioned our overseas business as one of the company’s growth drivers, and in addition to Indonesia, the Philippines, and the U.S.—the three countries in which we had already been doing business—we newly established a local subsidiary in Malaysia in May 2024. In the U.S., we will renew our agreement with 7-Eleven, Inc. in July 2024 and will establish an ATM network of approximately 11,600 ATMs, including 3,000 new units at Speedway stores starting in FY2025.

The company will promote the +Connect strategy and transform the ATM into a new platform on which all conceivable procedures can be performed.

Business in Indonesia and the Philippines has also been robust. In Indonesia, the number of ATMs has reached 8,000 and in the Philippines, placement in local 7-Eleven stores has been completed, and the next phase of the plan is to proceed with the installation of ATMs in local supermarkets. New financial services through ATMs are being developed in both countries. We are in the process of transforming ourselves from a so-called ATM operator into a financial services provider linked to retailers.

☞ **P35-44 Growth strategy**

Use of human capital and DX strategy

We refer to them as “human capital” rather than “human resources,” because I believe they are the source of our competitive advantages and absolutely the main characters in realizing our Purpose. My focus in human capital development is on our people honing their ability to grasp change, using their imagination, and creating new things. I believe that the best way to realize this is to properly complete each task and issue. Through this process, we will each achieve personal growth and





I will continue to lead our employees and to be innovative by taking my own initiatives and continuing to learn.

process. With regard to the personnel system, we have established a specialist system to focus on talent development in IT and other such specialized fields, and have launched a scheme that facilitates employees playing active roles and rewards them in the form of compensation. With several initiatives, as mentioned before, running in parallel, I can see that an organization culture is beginning to develop where employees enjoy learning IT skills and proactively seek out new challenges to tackle with these skills.

→ P45 Human capital strategy

→ P53 IT Strategy

Sustainability initiatives

Although we had not utilized the word “sustainability” since our founding, we have conducted our corporate activities with the objective of balancing our business endeavors against our quest to realize social and environmental value. And the formulation of the Purpose in 2021 has helped us to clarify what our company stands for and what our most important values are. Today, we are positioning sustainability as the core of our long-term management strategy and, in line with our five material issues, are accelerating initiatives to address environmental and social issues through our main business.

In the ATM business, in addition to the convenience of having ATMs available for use 24 hours a day, 365 days a year at a nearby convenience store, the large-sized screen, simple operation, and strong security also facilitate use. We believe that we can play a role in resolving social issues by providing services that are easy for everyone to use, regardless of age or nationality.

move forward to tackle the next challenge. My view is that fostering such a culture is a basic element of our human capital strategy.

Part of our management ethos reads, “We act to promptly introduce the benefits of technical innovation and pursue self-development.” For this reason, we have a variety of programs to aid all employees in using technology and applying it in their business endeavors. Participants in our Data Management Office (DMO), for instance, which aims to use data to transform business models and processes, currently number about 330 people, or almost half of our employees. Many

employees also voluntarily participate in the “Data Science Program” and “App Development Training,” in which they can enroll according to their individual skills, and participants have achieved results in the performance of their actual duties.

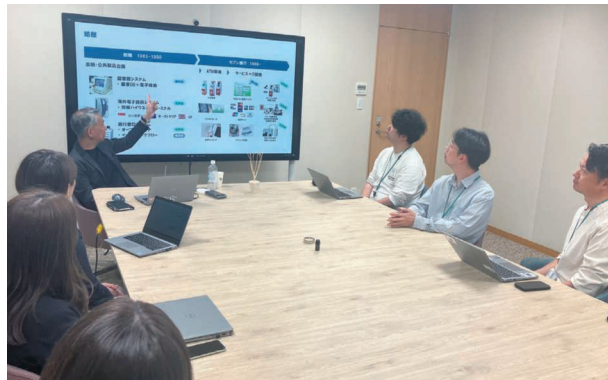
Going forward, the utilization of AI and data will be required across all operations. Executing DX strategy is also essential to our growth. We are promoting DX internally by preparing an environment where digital tools are available company-wide, offering these opportunities to everyone regardless of business domain, and having staff members who will support throughout the

Moreover, we are confident that, going forward, we will be able to support financial institutions and government agencies to streamline their counter services by our ATMs. These initiatives should redouble our contribution to society by streamlining not only convenience and operability of ATMs, but also various types of operations through ATMs.

Additionally, with regard to global environmental initiatives, our ATMs contribute to the DX for banking and administrative operations, thereby promoting the elimination of paper usage. We are also attempting to mitigate greenhouse gas emissions by heightening logistics efficiency during cash transportation. Meanwhile, I understand that there are remaining issues to work on, such as the development of equipment and services that people with disabilities and foreign residents in Japan can easily use.

Going forward, we will focus on promoting sustainability, with the aim of becoming “society’s most friendly digital channel” as well as “the most environmentally friendly ATM network.”

→ P25 Sustainability



Town Hall meeting

Attitudes and values that are important as a leader

Above all, as head of the company, I am always mindful of taking the initiative. Whenever I attempt something new, I dive in before anyone else and be sure to work with those who are willing and able to follow. I adopted this approach when setting up Seven Labo, a department responsible for promoting new businesses and collaborating with other companies. I also established a corporate transformation department by personally entering the domain of AI utilization and data science and banding with my team to take on the challenges. It is also important to continue learning. If we are going to exceed the wishes of our customers, we must continually update our own skills and knowledge. Failure to do so will prevent us from keeping pace with the speed of change and creating services beyond what our customers anticipate. In my private time, I am now learning to edit images using generative AI. With consideration for the future, I feel the need to transform myself in order to



Group photo at the CX department training camp

adapt to generative AI. That’s why I’m currently taking on this challenge in my private life. I also maintain an attitude of openness and equality and to actively disseminate information. Through company-wide morning assemblies and town hall meetings, I regularly communicate this attitude to employees.

In my experience, projects have been more successful when there have been large numbers of people opposing them. I believe that it is because of that very diversity of opinions that, through discussion, I have succeeded in navigating obstacles and difficulties together with my colleagues, and I hope to continue to innovate in this way going forward.

As with the +Connect strategy, the aim of which is to cover all over-the-counter services, I always try to dream big. But the important thing is to execute methodically, one step at a time. The accumulation of small success stories leads to individuals gaining confidence and the subsequent improvement in the level of individual work will lead to the further development of the business. The Seven Bank Group will work in a unified manner, moving one step at a time, to tackle the challenge of realizing our Purpose. And in a few years, we want to have become so innovative that people will say, “That’s the company that used to be a bank.”

Message from the Chief Financial Officer



We will continue aggressive investment based on strong earning and financial foundations, aiming for steady medium- to long-term growth.

Ken Shimizu

Managing Executive Officer
in charge of Planning Division,
Brand Communication Division,
and SDGs Promotion

Consolidated ordinary income reaches all-time high. Profits were slightly sluggish, owing to a high level of investment.

In FY2023, consolidated ordinary income grew by a significant 27.6% year over year, reaching a record high. In addition to the strong performance of Seven Bank on a non-consolidated basis, the consolidation of Seven Card Service as a consolidated subsidiary in July 2023 had the effect of adding 26.8 billion yen on an ordinary income basis. Furthermore, overseas operations, primarily in Asia such as Indonesia and the Philippines, boosted income by nearly 7.0 billion yen. The key factors in the increase are as follows. Our success in securing a reasonable level of earnings in multiple businesses in this way was a major achievement, as it will lead to us realizing our strategy, “constructing a business portfolio with multiple earnings pillars for stable growth.”

While ordinary income grew notably, ordinary profit

Financial Goals

(Billions of yen)

	Results for FY2021	Results for FY2022	Results for FY2023	Plan for FY2024	Target for FY2025
Consolidated ordinary income	136.6	154.9	197.8	215.0	250.0
Domestic business	112.0	123.1	159.0	168.4	187.5
(of which, ATM platform business)	97.1	104.0	111.0	113.5	105.0
Overseas business	24.6	31.8	38.8	46.6	62.5
Consolidated ordinary profit	28.2	28.9	30.5	28.0	45.0
EBITDA (consolidated)	44.6	48.4	53.9	-	80.0
ROE (consolidated)	8.7%	7.6%	12.2%	-	8.0% or more

increased only 5.5%. This was attributable to increased investment in growth, including fourth-generation ATMs and +Connect services, as well as one-time costs toward support for new banknotes. For FY2024, although consolidated ordinary income is forecast to rise 8.6%, ordinary profit is projected to fall 8.2% due to continued aggressive growth investment and strategic cost allocation in the credit card business.

Since the company continues to invest in a high level of growth, in some respects this is inevitable. Improving the profit margin, however, remains a key issue. Although ROE currently exceeds the cost of shareholders' equity, it has not achieved the 8% target of the Medium-Term Management Plan when excluding gain on bargain purchase resulting from the consolidation of Seven Card Service as a consolidated subsidiary. The only method for improving the profit margin is to work steadily to control costs while expanding profitable businesses and liquidating those that are unprofitable. From this standpoint, we are currently working to steadily grow our ATM platform business while expanding

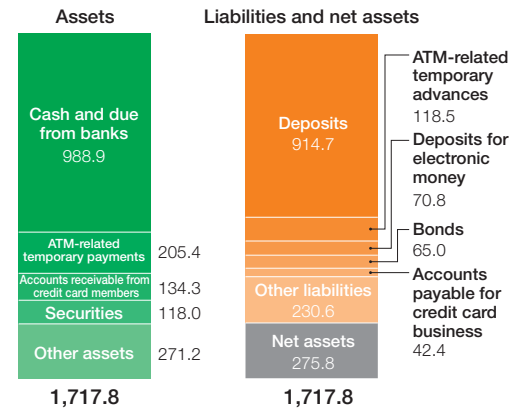
profitable new businesses such as +Connect. And, in our credit card business, while attempting to broaden our member base and expand settlement fees, we are working to raise our profit margin by handling more finance services. We also implemented the liquidation or transfer of subsidiaries where there were no prospects for returning to profitability. Looking at costs, we have numerous fixed costs, such as those related to the management and operation of more than 27,000 ATMs in Japan alone—a number which cannot be reduced rapidly—but we will control this to avoid unnecessary growth.

Medium-Term Management Plan faces profit-related challenges working to bridge the gap

With regard to the Medium-Term Management Plan, in FY2023, we updated the targets in line with the consolidation of Seven Card Service as a consolidated subsidiary. For FY2025, we are

Consolidated Balance Sheet (as of March 31, 2024)

(Billions of yen)



Capital Adequacy Ratio (consolidated, Japanese standard)



Credit Ratings (Long-Term)

S&P Global Ratings (S&P)	A
Rating and Investment Information, Inc. (R&I)	AA-

targeting consolidated ordinary income of 250.0 billion yen, consolidated ordinary profit of 45.0 billion yen, and an ROE of 8% or higher. We also reviewed the investment plan at that time, and it now calls for an investment of 205.0 billion yen over the five-year period from FY2021 to FY2025.

At this point, we are nearly in line with our plans for progress in terms of ordinary income and our investment plan, but when it comes to profit, there is a slight divergence. The primary factors are the overseas and credit card businesses. Concerning overseas business, the impact of increasing losses in the U.S. business due to factors such as rising interest rates was significant. With regard to the credit card business, we strategically allocated costs to greatly increase the member base, particularly Seven & i Group customers. However, concerning overseas business, in addition to Indonesia and the Philippines, we anticipate further growth in Asian operations, including Malaysia, where we have plans for new development. In the U.S., we expect to capitalize on the renewal of the contract with 7-Eleven, Inc. to expand the scale of operations and

Message from the Chief Financial Officer

enhance profitability. In the credit card business, we are aiming to increase the customer base by five or 10 million by reinforcing ties with 7iD, the common membership base of the Seven & i Group. We are convinced that we can change profitability and viability significantly if we succeed in expanding our financial services based on this membership base.

Certain aspects are contingent on the timing of profit contributions from the credit card and overseas businesses. While assuming a variety of possibilities, including M&A, however, we will continue our efforts to fill in the gaps without giving up on achieving our goals.

Aiming to leverage the collective strengths of the Seven & i Group to further expand the scale of business

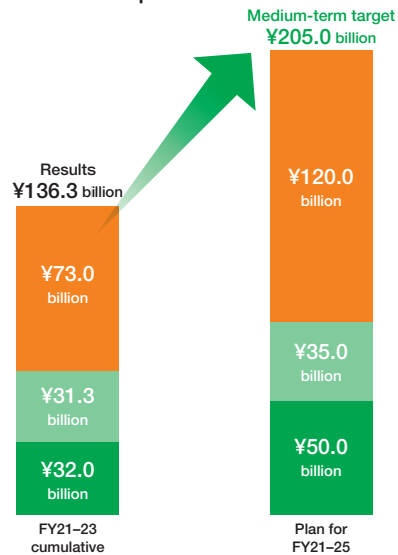
The entire Seven & i Group's annual revenues from operations exceeds 11 trillion yen. Looking at other corporate groups, financial business accounts for approximately 4-5% of their total revenues from operations. Given this, we believe that we have the potential to achieve consolidated ordinary income on the order of 500.0 billion yen. To achieve this, we must fully leverage the comprehensive strengths of one of Japan's largest retail distribution groups. In both the account and credit card businesses, with 7iD at the core, we believe that if we can accurately respond to customer needs while leveraging the

comprehensive strengths of the Seven & i Group, we will be able to significantly boost account and member numbers from the current level.

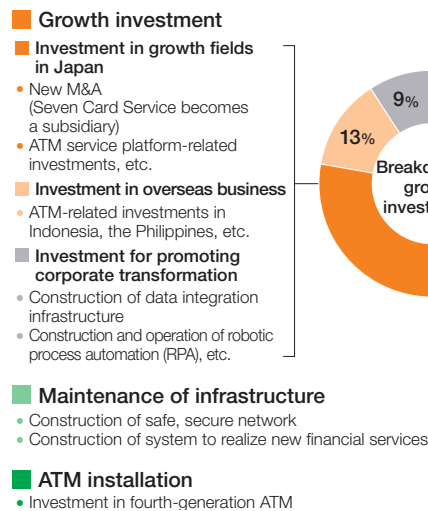
Moreover, there is considerable room for growth in new businesses such as +Connect, the corporate business handled by group companies Bank Business Factory and Seven Payment Service, and the security-related business operated by ACSiON.

If, in addition to our domestic and overseas ATM platform businesses, we can grow these businesses as well, we believe that going forward we can achieve income and profits that surpass the current Medium-Term Management Plan. Because there is quite a bit of advance investment for growth, some may have concerns about short-term profits, but we believe that we will be able to continue on a steady growth path in the medium to long term. Our capital

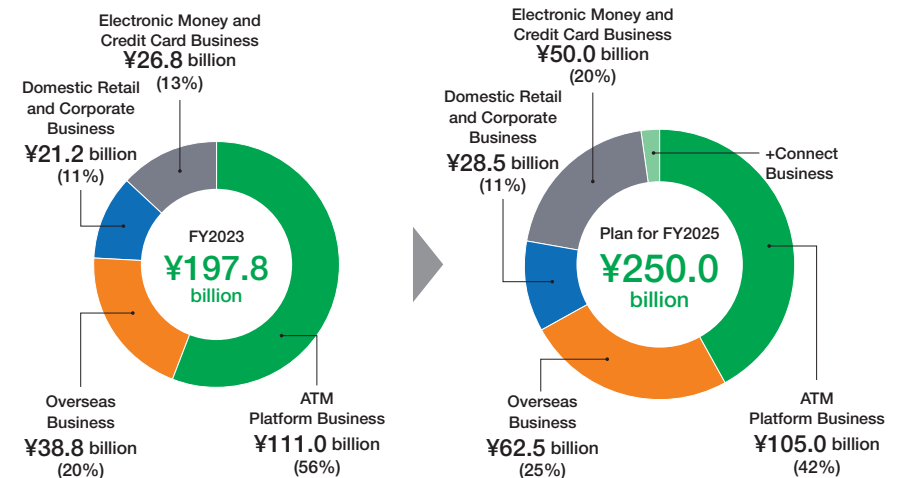
Investment plan



Major investment projects from FY2021–FY2023



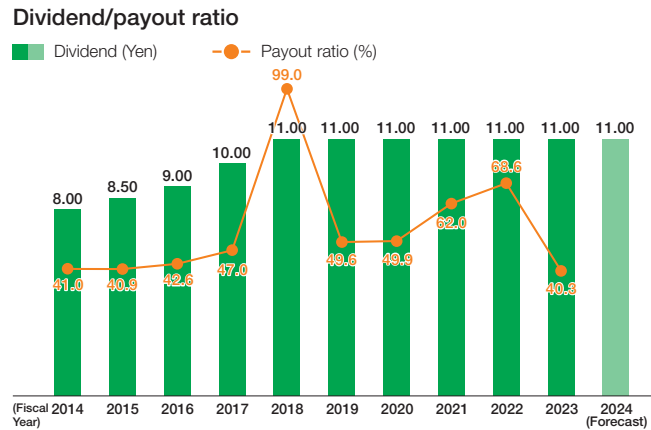
Ordinary Income



Basic policy

Stable and continuous shareholder returns centered on dividends, backed by a firm financial foundation

Maintain a payout ratio of 40% or higher, while paying due consideration to the actual amount



Total shareholder return* (%)

FY2021	FY2022	FY2023
83.18	94.50	107.34

*TSR: The ratio of the total return (sum of dividends and year end stock price) earned on a stock investment since the end of FY2018 divided by the invested amount (stock price at the end of FY2018).

adequacy ratio remains high, and we expect to secure ordinary profit of 28.0 billion yen in FY2024—despite profits actually falling—so we are still sufficiently strong. Please understand that our aim is to achieve medium- to long-term growth while also investing aggressively based on a strong financial foundation.

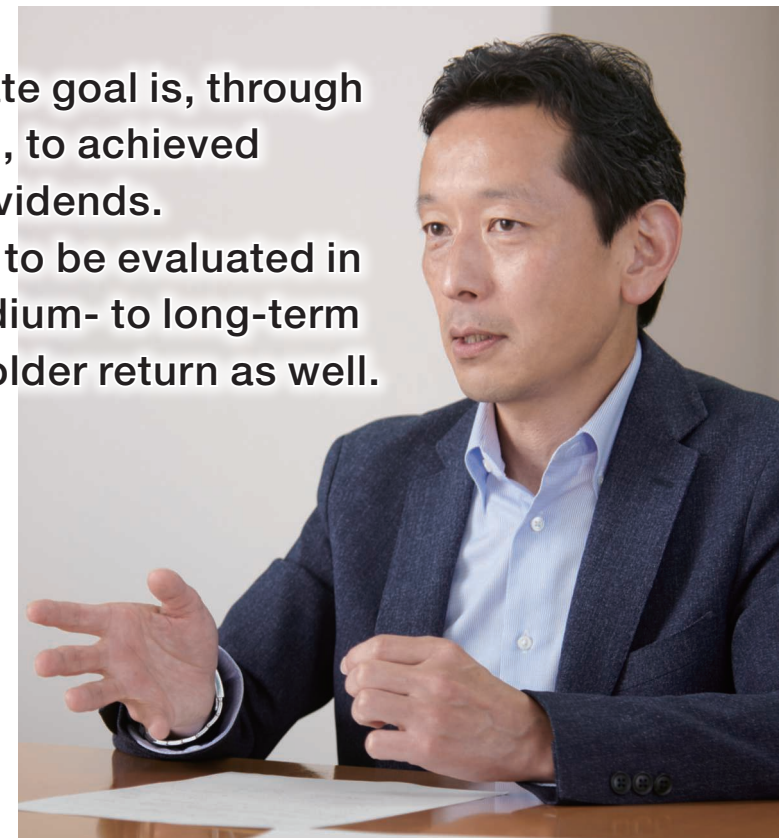
Boost medium- to long-term corporate value by balancing growth and profitability from an overall optimization perspective

I acknowledge that, as CFO, my most vital role is to heighten medium- to long-term corporate value by

considering and implementing management and financial strategies—as well as resource allocation—that balance growth and profitability, always from the standpoint of overall optimization. We also believe it is important to construct relationships of trust by maintaining close communication with stakeholders inside and outside the company and thoroughly explaining these strategies to them. We believe it is essential to carefully explain our future growth potential, particularly now that advance growth investments have resulted in a decline in profit levels.

With regard to shareholder returns, we have continued to pay a dividend of 11 yen per share annually for the past several years underpinned by our basic policy of maintaining a payout ratio of 40% or higher, while paying due consideration to the actual amount. We will continue to adhere to this

The immediate goal is, through profit growth, to achieved increased dividends. We will work to be evaluated in terms of medium- to long-term total shareholder return as well.



policy and, in line with profit growth, work to increase dividends. Although we were founded just over two decades ago, we are still a growing company. We will strive to be recognized not only in terms of dividends, but also in terms of total shareholder return, including medium- to long-term capital gains.

Outside Directors Roundtable



Tami Kihara
Outside Director
(Independent Officer)

Yuji Hirako
Outside Director
(Independent Officer)

Achieve further growth by adding new services, centered on ATM business

Leveraging Seven Bank’s own strength, we look forward to building a solid future.

Kihara: All of the members are very active at every Board of Directors’ meeting. Initially, the liveliness of the discussions took me by surprise. Having said that, the discussions have not become overly familiar, therefore, I got the impression that the Board was functioning in a healthy way. That inspired me to do the same, and I try to be proactive in speaking up at each meeting. For my part, as a Director, I attempt to offer my opinions from a more objective, long-term viewpoint.

Hirako: We are very frank and say quite a few things that may seem grating to those within the company. I believe that we as Outside Directors are responsible for oversight particularly with regard to conflicts of interest. We also try to closely monitor whether or not consideration is given to minority shareholders. On top of this, I feel that what is

expected of me is growth-oriented governance. I hope to apply my many years of experience in management to offering useful advice that will help lead the company to sustainable growth.

The Purpose has permeated the company. Our challenge going forward is to change individual behavior.

Hirako: I feel that the Purpose itself—created three years ago—has become quite widespread within the company. If we do not ensure, however, that the company’s stated Purpose and that of the individual are united, it may become no more than an

ornament. Going forward, the questions will be whether each individual is thinking about what they can achieve in terms of career development, whether they are approaching their work with a purpose, and whether or not the company is supporting them well.

Kihara: I had the opportunity to be a part of the judging panel for the “Purpose Award,” and found the presentations of the eight finalists to be extremely impressive. It became clear to me that everyone in various divisions such as general affairs, sales, and development had accepted the challenge of going a step further, each aware of the Purpose of “seeing your wishes and going beyond,” and I was convinced that the Purpose is permeating the company. I sometimes get the feeling, though, that the Purpose is the final destination, and that our people may not yet have a clear idea of how they should conduct themselves in order to get there.

➡ **P65 FOCUS (Interaction between employees and executives at the “Purpose Award”)**

High expectations for value-added services at ATMs. The keys going forward will be securing profit levels and investment strategies.

Kihara: The focus for the next stage of our growth is the “ATM+” concept, in which we add new services using the ATM as a platform, as stipulated in our Medium-Term Management Plan. As we have a significant advantage in holding the actual ATM



The key to growth will be how rapidly we can get these new services launched.

hardware, I believe that the key to the next stage of our growth lies in how rapidly we can expand new services centered on our ATMs. Identity verification with the +Connect service also has the potential to become a killer application for ATMs in the future. I believe that how we can cultivate these areas into essential and appealing services for society will be the most important factor.

Hirako: Location is the strength of our ATM business. We have over 27,000 ATMs installed, all of them are exquisitely located—a perfect manifestation of “seeing your wishes.” Combining that superior location with the host of features that +Connect can provide should ensure a solid position in the market. In addition to upgrading the

function of ATMs, with +Connect, we will be able to offer a variety of other services. Needless to say about convenience stores and banks, if we provide it at airports, train stations, and government offices, they stand a great chance of becoming part of the social infrastructure. As the declining population, birthrates, and aging of society continue to progress, labor-intensive business models become more challenging. I believe that the value of nearby ATMs, which can perform a wide range of procedures on behalf of people without them having to travel far, will grow.

Kihara: Three years after the start of the Medium-Term Management Plan, my primary concern is the declining profit margin. I feel that earning power has weakened. Our company still needs to grow, and we must continue to invest in order to make that happen. For this reason, I believe that going forward it is important for us to look harder than ever at how to procure funds for investment. To reduce costs, establishing targets, implementing measures and verifying their effectiveness while achieving them is essential. Since we have continued to boost sales and profits, it seems we have not had to work very hard to control costs. The time has come, however,

when we must finally look at this seriously.

Hirako: Currently, the ATM platform business accounts for 60% of consolidated ordinary income. Since we have set a goal of achieving 40% of our ATM business by FY2025 through business diversification, we need to expand our non-ATM businesses, such as overseas development and our retail financial services. While firmly growing these businesses, we will also steadily develop our core ATM business. We are approaching a point where it is truly important to find ways to utilize all resources optimally—including people, goods, and money—to successfully strike this balance. In particular, I think the key issues are the positioning of investments and how to allocate capital. Closely monitoring whether resources are being used effectively is also an important role for us. We must also, of course, pay sufficient consideration to the balance with shareholder returns.

Human capital strategy tied to business strategy Becoming a company attractive to diverse workforce

Kihara: I believe that the most crucial element when changing business portfolios and tackling challenges in different fields is having a human capital strategy tied to management strategy—in other words, securing the human capital needed to bring this strategy to fruition. At our company, the seeds of reform are gradually becoming evident. We have not yet reached the point, however, where we can link our strategy for management with that for

human capital. It is apparent to me that we must develop a detailed strategy to ascertain the skills necessary in the new fields we plan to take on, whether we can procure those skills internally, and if not, how to secure, acquire, and train personnel internally.

Hirako: We are a company with a great number of younger people, and one where both women and employees from outside the firm are active. We are a very diverse company and I think it is fantastic. Going forward, we will see an increasingly competitive situation regarding human capital—a war of attrition—so it is important to ensure that talented people do not leave the company. Rather, I would prefer that the company attract promising personnel.

Kihara: I have heard, for instance, that recruiting data scientists has been relatively easy for us, while other companies struggle to do so. I think that, while it is also important how we treat them, people who possess these highly specialized skills tend to be attracted to being involved in interesting work with discretion. I have high expectations for a human capital strategy that establishes a brand image for us as a technology company, and not as merely a bank.

As our organization continues to expand, we must be cautious that the vertical integration typically associated with large-scale growth does not lead to the erosion of our innovative corporate culture and climate, which are among our key strengths. Having experienced many of the drawbacks of vertical integration, I would like to proactively offer advice on creating effective cross-functional governance mechanisms before such issues arise.

Our company’s strength lies in the real world. Expectations for the pioneering of a new world

Kihara: Our company is now pioneering a new world with +Connect, a platform based on ATMs, and a new world where retail and finance are integrated. I believe this is an incredibly promising company with great potential, and I have high expectations for its future. However, as I have mentioned, to continue investing, we must further reduce costs. Additionally, to further promote the use of data, we need to establish governance for that purpose, which naturally brings new challenges. I hope to work together with everyone here at Seven Bank to resolve these issues from a longer-term, bird’s-eye perspective.

Hirako: In the era to come, digitalization and virtual world initiatives will tend to be in the limelight, but the real world is where we excel. I think it is important to reaffirm the value of this, and by exposing fundamentally what we want in the real world, we will be able to seize “seeing your wishes and going beyond.” In the virtual world, the possibilities are endless, but even in the real world, while not infinite, there are still countless new opportunities through continuous innovation. How do we find and realize the truly good ideas from among these? There are likely many possibilities hidden in our daily lives. I would very much like it if our company continued its journey to find this potential.

We hope the company will continue its journey of “seeing your wishes and going beyond” that lies dormant in daily life.



History of Evolution

“If there was an ATM at 7-Eleven, it would be more convenient ...” Seven Bank was established in 2001 in response to such customers’ wishes. We have worked to develop a secure and efficient settlement infrastructure by providing ATM services that can be used “anytime, anywhere, by anyone, and with safety and security.” We have grown into playing a role as part of the social infrastructure with currently more than 27,000 ATMs covering all prefectures in Japan and used by 2.84 million customers a day.



2001
 IY Bank Co., Ltd. established
 Initiated bank account services and ATM services at the same time
 Began providing services for acceptance of cash proceeds from sales

2005
 Introduction of second-generation ATMs that provide Japan’s first second display and improved operational efficiency
 Company name changed to Seven Bank, Ltd.

2007
 Completed installation of ATMs in all 47 prefectures, and began installation of ATMs in locations outside of Seven & i Group
 Initiated services for cards issued overseas and began handling a top-up service at ATMs for nanaco electronic money cards
 Initiated voice-guided services for visually impaired customers

2008
 Listed on the then JASDAQ Securities Exchange (at the time)

2010
 Introduction of third-generation ATMs that allow speedy transactions partly due to increased banknote processing speed

2011
 Listed on the then First Section of the Tokyo Stock Exchange (at the time)
 Initiated international money transfer services at ATMs

2012
 Turned a U.S. based ATM operating company into a wholly owned subsidiary

2014
 Established a joint venture operating ATMs in Indonesia

2017
 Began offering Smartphone ATM service to allow cardless deposits and withdrawals

2018
 Began offering ATM cash receiving services
 Began handling a top-up service for electronic money to transportation IC cards, etc.

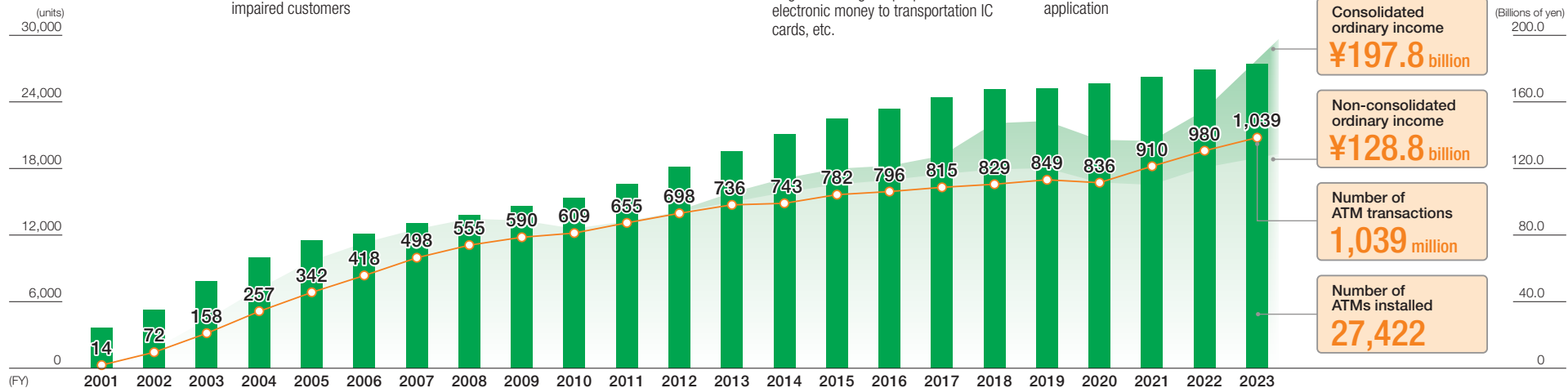
2019
 Introduction of fourth-generation ATMs equipped with various functions, such as facial recognition, reading functions for personal authentication documents and QR code, as well as Bluetooth
 Established a subsidiary in the Philippines operating ATMs

2020
 Launched “My Seven Bank,” an app that enables instant account opening with a smartphone
 Began ATM services for Individual Number Card Points preregistration/application

2021
 Formulated Purpose to mark the 20th anniversary of foundation of Seven Bank
 Began ATM services for application to use Individual Number Card as a health insurance card

2022
 Transitioned to the Prime Market of the Tokyo Stock Exchange

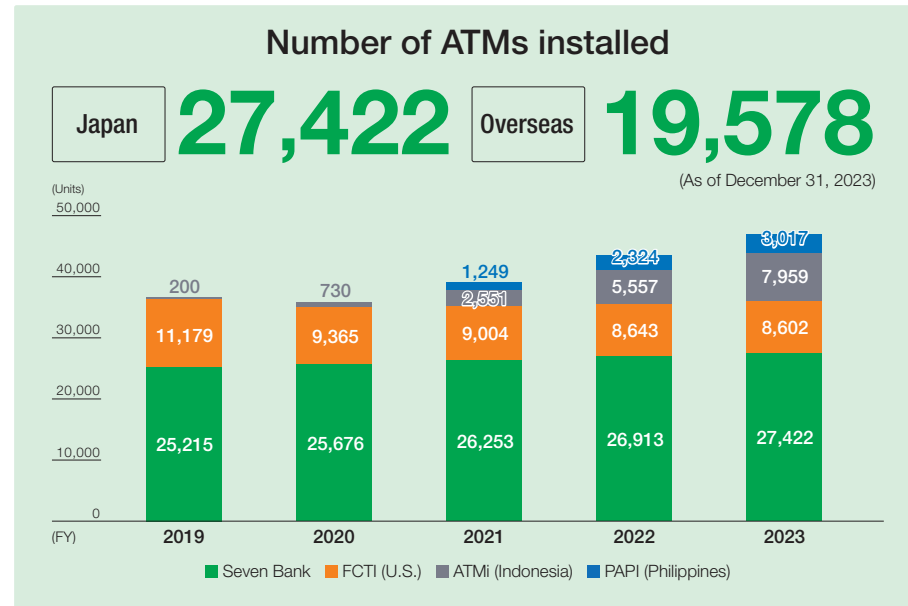
2023
 Turned Seven Card Service into a consolidated subsidiary
 Initiated “+Connect” services



*QR code is a registered trademark of DENSO WAVE INCORPORATED.

Seven Bank Group Today

Unless specifically stated otherwise, figures are as of fiscal 2023 or March 31, 2024.



Number of ATM transactions (Japan)
1,039 million

Average number of transactions per ATM per day (Japan)
105.0

Number of ATM partners
676

ATM operating rate
99.98%

Number of customers using ATMs
Approx. **2.84** million per day

Individual accounts
3.03 million

Number of Seven Card Service credit members
Approx. **3.5** million

Number of Seven Card Service nanaco members
Approx. **82** million

Seven Bank Group 2023 Highlights & Topics

The number of ATMs marked 47,000 globally and the number of ATM transactions reached over 1,400 million



The number of ATMs installed and the number of transactions have steadily increased globally amid the increasing prevalence of cashless payment. The Group will take on new challenges to accommodate the next stage.

“+Connect” for the realization of an ATM+ world

“+Connect” offers a variety of highly convenient services to a wide range of industries, including banks, non-banks, operating companies and government, with the aim of the world of “Seven Bank ATMs the conduit for all manner of authentication and procedures.”

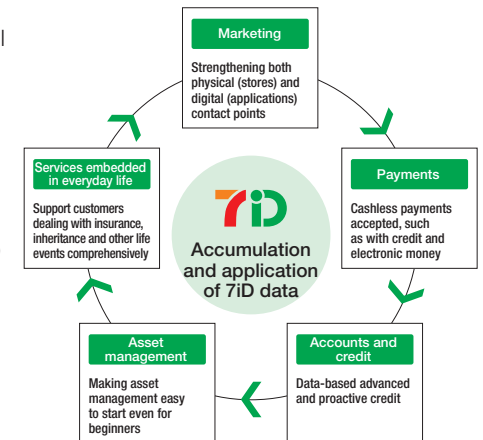


Integrated Seven Card Service enabled new services that integrate retail and finance

We offer financial services as a distributor/retail group to meet our customers’ diverse needs through expanding the integrated knowledge and expertise developed by each of the companies.

Demonstrating further group synergies through integrated 7iD

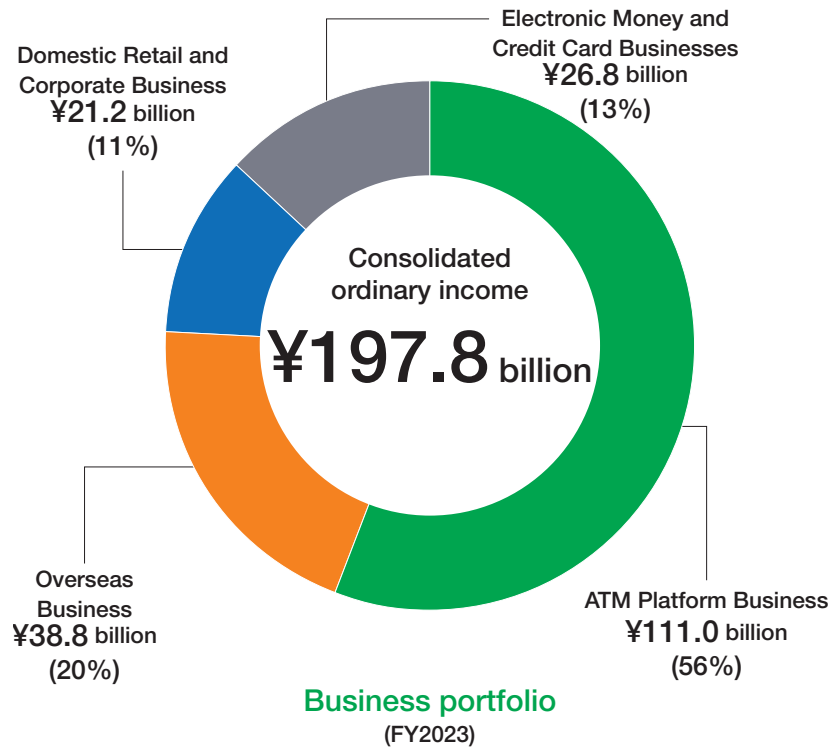
Service to register a Seven Bank account to 7iD, a membership platform common across the Seven & i Group. Through demonstrating group synergies, we aim to improve customer experience in retailing and financing, and thereby to offer unique user-friendly finance services.



Overview of Seven Bank Group



Profit Structure of Seven Bank Group



Domestic Business: Retail Strategy/Credit Card and Electronic Money Business

[Details on page 37](#)

[Details on page 39](#)

Income	Key drivers	Business environment (opportunities and risks)
<ul style="list-style-type: none"> Fees from affiliated stores Revolving credit and cash advance fees Interest on loans 	<ul style="list-style-type: none"> Numbers of accounts and members Amounts of credit card and electronic money payments Revolving credit and cash advance balances Loan balances 	<ul style="list-style-type: none"> Diverse payment methods have come to be used, and credit card transaction volumes in particular have been on an uptrend. Demand for financial services, including loans and post payments, remains elevated thanks to more active consumption activities, leading us to expect further demand growth. There have been a series of entry into the financial service industry by new players from other industries. We need to offer financial services with high added value that are unique to our combined retail x financial services.

Domestic Business: ATM Platform Strategy [Details on page 35](#)

Income	Key drivers	Business environment (opportunities and risks)
<ul style="list-style-type: none"> ATM-related fee income 	<ul style="list-style-type: none"> Number of ATMs installed Number of instances of use Unit fees 	<ul style="list-style-type: none"> Amounts of code settlement and top-up transactions for electronic money have increased and the number of use instances has been on an uptrend. Even as the total number of ATMs is on a decline in Japan, we have aggressively installed new ATMs to increase our share. A declining labor force due to declining birth-rates has driven more efficient business operations in all industries. "+Connect" has great potential and the significance of ATM as a social infrastructure will also grow.

Domestic Business: Corporate Strategy [Details on page 41](#)

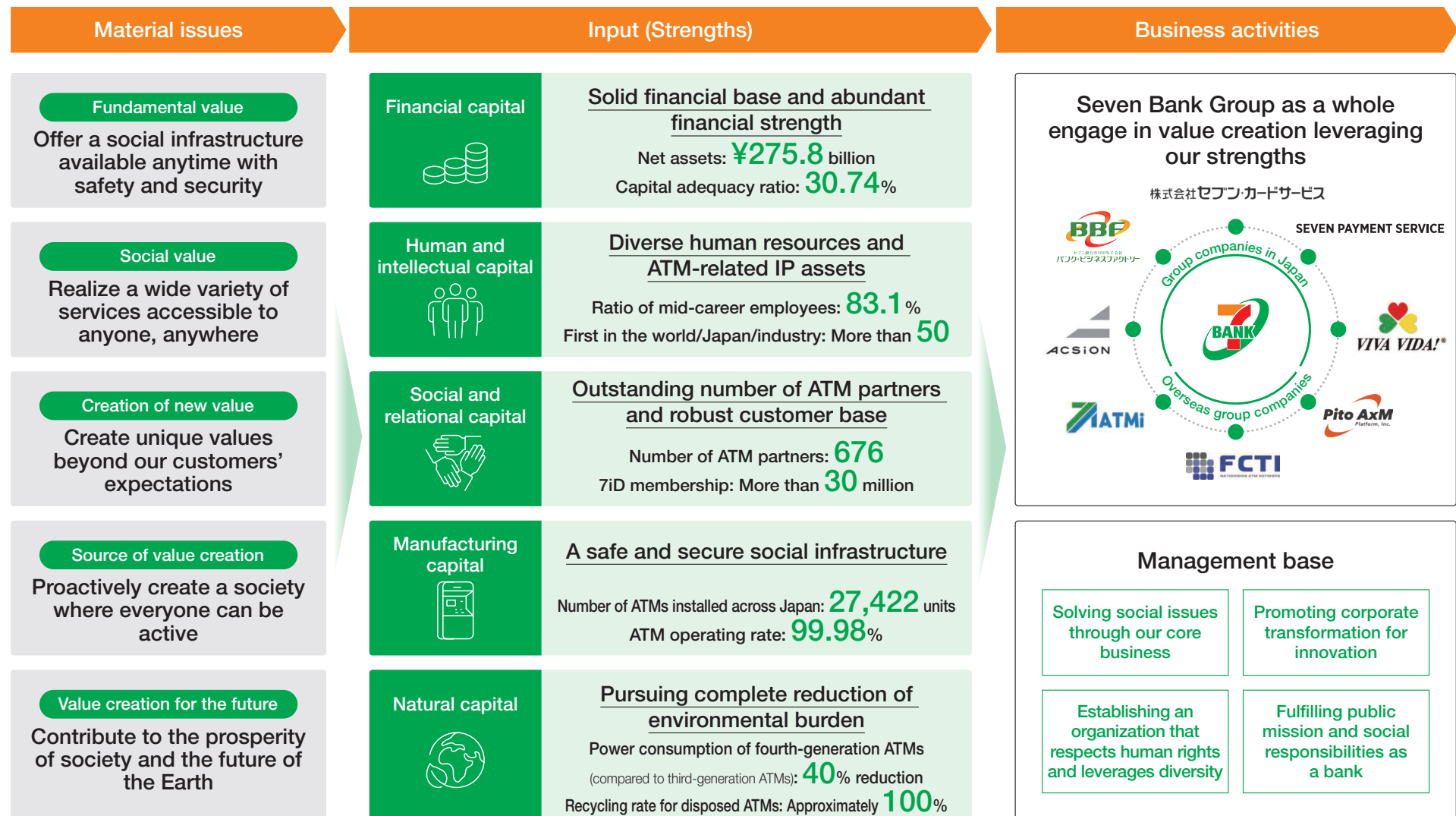
Income	Key drivers	Business environment (opportunities and risks)
<ul style="list-style-type: none"> Service fees 	<ul style="list-style-type: none"> Product and service features Number of contracts 	<ul style="list-style-type: none"> Laws and regulations on financial institutions and security measures present heavy load, and there is strong demand for outsourcing back-office operations. There is urgent need to address financial crimes. This is an area where abundant knowledge and know-how is required, and there is a strong market potential. Our ATM network covering areas across Japan is our strength in services for remittance and payment from operating companies and government agencies to individuals.

Overseas Business [Details on page 43](#)

Income	Key drivers	Business environment (opportunities and risks)
<ul style="list-style-type: none"> ATM-related fee income 	<ul style="list-style-type: none"> Number of ATMs installed Number of instances of use Unit fees Local partner companies 	<ul style="list-style-type: none"> As rises in policy rates drive rises in fund-procurement costs, fund management in each country remains a significant issue. As need for cash remains strong and the number of ATMs is in short in Asia, their number will remain on an uptrend. Relationship with local Seven-Eleven operators and partner companies will increase in significance. We need to develop financial services that ensure win-win relationship with local partners.

Value Creation Process

Our value creation is linked to the fulfilment of our Purpose. In order for Seven Bank Group to achieve our Purpose, we set five values that we co-create with our stakeholders as our material issues; fundamental value, social value, creation of new value, source of value creation, and value creation for the future. We are striving to create corporate value through focusing on fulfilling our Purpose and promoting the material issues.



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

Output (business results)

ATM Platform Business
Provide diverse services through more than 27,000 ATMs throughout Japan

- Number of ATM transactions: 1,030 million
- Launched “+Connect” services

Domestic Retail Business
Provide unique financial services to support the daily lives of customers

- Number of accounts: 3.03 million
- Number of credit card members: Approx. 3.5 million
- Number of electronic money members: Approx. 82 million

Domestic Corporate Business
Provide corporate services with bank-quality reliability and enhanced convenience

- Increase rate of partner companies: 124%

Overseas Business
Expand and enhance ATM services overseas

- Number of ATMs installed overseas: 19,578 units
- Number of ATM transactions overseas: 430 million

Outcome (capital impact)

Financial capital
Promoted the business for the next growth aiming for higher capital efficiency based on solid financial base

Human and intellectual capital
Accelerated growth through creating an environment where people with diverse backgrounds can contribute to success and through our organizational culture which promotes creating innovation

Social and relational capital
Expanded our services through increasing the number of ATM partners and leveraging our physical contact points which generate daily 22 million contacts for the group as a whole

Manufacturing capital
Developed “Non-stop ATMs” through the cooperation with highly specialized business partners

Natural capital
Established the most environmentally-friendly ATM network in the world through our initiatives in the reduction of environmental burden in cooperation with our business partners

Toward sustainable growth

Accelerating growth strategy

Realize an ATM+ world
Support DX of all businesses and services to enhance convenience for consumers

Accelerate business diversification
Provide financial services necessary for every person's life safely, easily, and seamlessly

Establish sustainability management
Solve social issues and enhance corporate value through all of our business activities

Promote working on material issues

- Connectivity
- Accessibility
- Innovation
- Collaboration
- Responsibility

Social impact



Society with a diverse range of choices



Easy-to-live daily life



A world in which no one is left behind

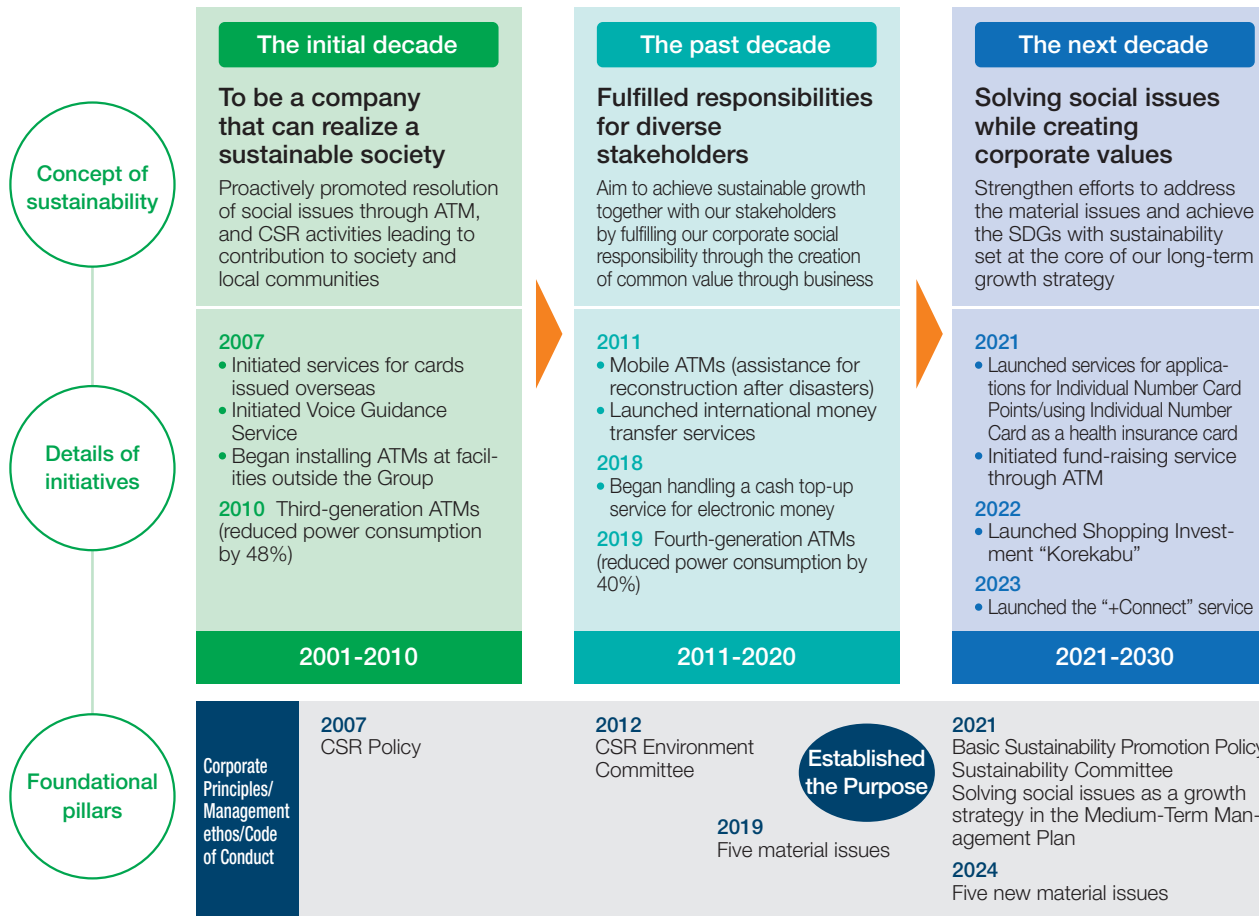


Sustainable global environment

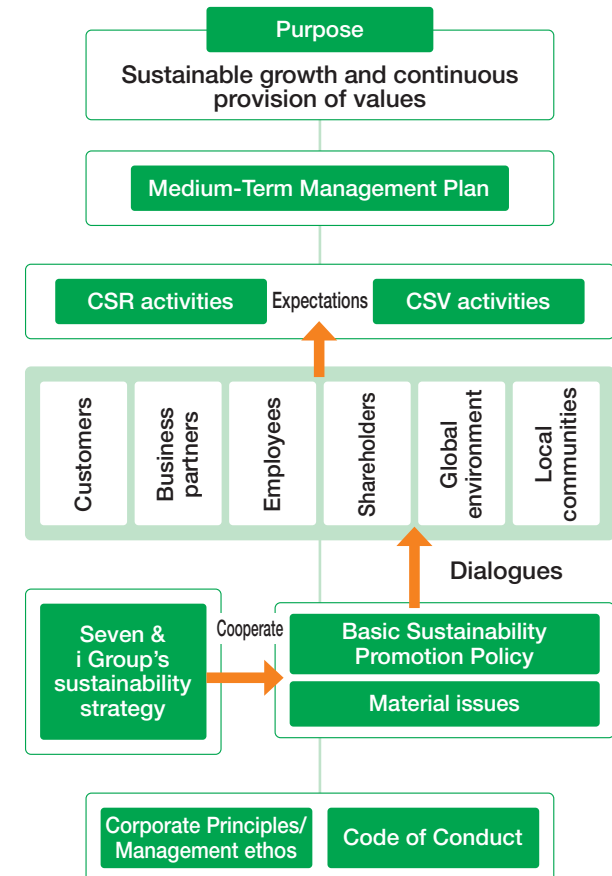
Toward Realization of Sustainable Growth

Since its founding, the Seven Bank Group has been working to solve social and environmental issues through its business activities. In 2007, we formulated our CSR Policy and started our efforts for sustainability in earnest, aiming to achieve sustainable growth together with our diverse stakeholders. Now, positioning sustainability as the basis for our long-term growth, we are further strengthening our efforts to address our materiality and achieve the SDGs. Thus, we have now updated our five material issues (materiality).

History of Seven Bank's Approach to Sustainability



Sustainability Overview



Seven Bank Group’s Direction of Sustainability Promotion

The Sustainability Committee formulates policies on sustainability and deliberates the appropriateness and validity of important matters. A system has been established to ensure that policies and important matters are referred to and reported to the Executive Committee and the Board of Directors, Executive Officers are responsible for sustainability promotion, and Directors supervise them.

As a member of the Seven & i Group, Seven Bank is also working with other group companies to promote sustainability activities leveraging our Group’s strengths.



Three focus topics

- Response to climate change** in linkage with Seven Bank Group companies
- Further promotion of **human capital management**
- Review of the five material issues** and **strengthening of communication** within and outside the Company

Goals of initiatives in FY2023

- Promote cooperation with the Seven & i Group companies in information sharing and initiatives:**
Seek group synergies through linkage with Seven Bank’s initiatives
 - Promote sustainability initiatives as the Seven Bank Group:**
Expand the scope of sustainability promotion activities to involve major Group companies in Japan
 - Strengthen disclosure of information related to sustainability:**
Enhance ESG information disclosure and strengthen internal and external communication to disseminate sustainability information
 - Fostering an awareness of sustainability in the Seven Bank Group:**
Promote initiatives involving Group company employees
- Promote dialogues with diverse stakeholders to be a company highly rated not only for its business strategy but also for its corporate management**

Initiatives in FY2023

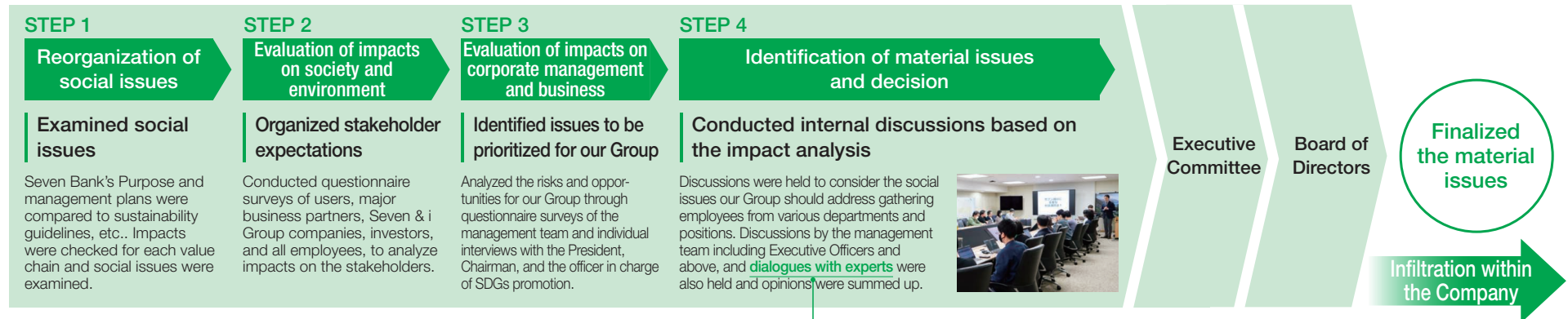
Topics	Initiatives to drive actions
Response to climate change in linkage with Seven Bank Group companies	<ul style="list-style-type: none"> Launched ATM Partner Sustainability Conference for collaboration across the supply chain Details on pages 57-60
Further promotion of human capital management	<ul style="list-style-type: none"> Implemented measures for recruitment/training and cultivation of organizational culture to achieve the Purpose Details on pages 45-52 Established the D&I Promotion Subcommittee as a subcommittee under the Sustainability Committee, and carried out activities involving all Group companies in Japan Details on page 51
Review of the five material issues and strengthening of communication within and outside the Company	<ul style="list-style-type: none"> Updated our materiality analysis to reflect changes in the environment and renewed the previously identified five material issues into new ones in July 2024 Details on pages 27-28

Major CSR activities

Promotion of environmental activities	<ul style="list-style-type: none"> Conducted in-house training about environment (e-learning) Nature conservation activities at Takaonomori Nature School Food drives and contact lens case recycling activities carried out by employees
Promotion of CSR activities Details on pages 81-82	<ul style="list-style-type: none"> Supported the publication of the free picture book series “Mori no Senshi (Guardian of the Forest) Bonolon” Collected donations (Seven Bank Charity Campaign) and gave them to Nippon Broadcasting System’s “Radio Charity Musicthon” Contributed 100 yen for every Bonolon cash card issued to present Bonolon picture books to 2,692 children’s centers nationwide Contributed donations collected from customers closing their international money transfer accounts to the World Toy Project to present toys to 200 children’s centers nationwide Provided a financial education program for elementary schools

Five Material Issues (Materiality)

The Seven Bank Group designated five material issues (materiality) in 2019 toward the achievement of sustainable growth. Then the development in the following five years, including the expansion of the retail financial business and overseas business, changed the Group's business portfolio significantly, and the external environment also has changed. To respond to these changes, we have re-examined the validity of our materiality, and identified the following five material issues anew. Currently, we are working on setting KPIs and targets.



Dialogues with experts



Financial expert
Mr. Mamoru Nagano
 Professor of Finance, Faculty of Economics, Seikei University
 Director, Center for Asian and Pacific Studies



Human resources expert
Ms. Sook Ja Pak
 Representative, Appassionata, Inc.



ESG investment expert
Ms. Yumiko Murakami
 MPower Partners Fund
 General Partner






We had dialogues with experts to incorporate stakeholder expectations into our materiality. The exchange of views with experts provided new perspectives and insights. From Seven Bank, the President, Chairman, and the officer in charge of SDGs promotion participated in the discussions.




Five material issues (updated)	Social issues to be solved
Offer a social infrastructure available anytime with safety and security	<ul style="list-style-type: none"> Strengthening information security and risk management Developing and offering products and services that contribute to the safety and security of society Improvement of quality and safety of products and services Provision of safety and security in the event of disasters
Realize a wide variety of services accessible to anyone, anywhere	<ul style="list-style-type: none"> Contributing to the development of local communities Resolving frustrations about access to financial services Pursuit of convenience of products and services for diverse customers Offering financial services for tourists from overseas Understanding needs for financial services in overseas markets
Create unique values beyond our customers' expectations	<ul style="list-style-type: none"> Innovating the business model with digital technology Response to diversifying needs created by lifestyle changes
Promote the creation of a society where everyone can be active	<ul style="list-style-type: none"> Creating a workplace where diverse people can play active roles Respect for human rights and prevention of discrimination and harassments Creating an environment that helps employees to achieve their potentials with job satisfaction Improving employees' well-being
Contribute to the prosperity of our society and the future of the Earth	<ul style="list-style-type: none"> Reducing CO₂ emissions Shift to a circular business model Strengthening corporate governance Expanding partnerships Financial education for children

Seven Bank Group's Five Material Issues (Materiality)



Category	Material issues	Social issues to be addressed	Vision
fundamental value  Connectivity	Offer a social infrastructure available anytime with safety and security	Amid drastic changes in the environment surrounding the financial sector, the provision of a safe and secure settlement infrastructure is now one of the most important issues against the backdrop of the growth of digital payments in addition to the increasing sophistication and ingenuity of financial crimes and increase in cyber attacks. In addition, as natural disasters are getting to cause severer damages than before, there is a need to establish and support a safe and secure infrastructure for people's life.	Seven Bank will provide ATM services that are available at any time in daily life by building a security system that is solid whether at normal times or in an emergency, as well as an organization and structure to minimize operation suspensions in the event of an emergency, to become a social infrastructure that provides safety and security to society.
Social value  Accessibility	Realize a wide variety of services accessible to anyone, anywhere	In order to address issues of disparities such as regional disparities and the digital divide (information gap), it is essential to build alternative social and information infrastructures. Driving DX across society through closer cooperation between the public and private sectors will lead to realizing a world where people of any age in any region can access the services they need.	Aiming to be "the most user-friendly digital channel in society," through a network of over 50,000 ATMs in five countries around the world, we will establish a social infrastructure accessible to anyone, anytime and anywhere to provide a variety of services needed by users.
Creation of new values  Innovation	Create unique values beyond our customers' expectations	The evolution of digital technology and lifestyle changes are making customers' values and needs more diverse than before. In addition to providing highly convenient financial services that meet the needs of individual customers, we are also required to build relationships with customers through providing new customer experiences.	On top of the basis of "being close-by and convenient" and "safety and security," through the development of new "retail x finance" services out of the box of conventional financial services, we will create new value that will connect us with customers in their daily lives.
Source of value creation  Collaboration	Create a society where everyone can be active	Now we live in the world where diversity is turned into strengths. In corporate management, to create a work environment suitable for diverse human resources and diverse work styles, as well as to develop every individual's career and skills will be the key to strengthening competitiveness. In society, respecting different cultures and values and working together across differences in nationality, gender and religion will lead us to solutions to issues and further development.	Respecting human rights and diversity, the entire Seven Bank Group will strive to be a group of companies that help everyone to have a sense of purpose in life and satisfaction in work. We will expand our drive to also involve our business partners and partner companies to achieve a society where diversity can thrive.
Value creation for the future  Responsibility	Contribute to the prosperity of our society and the future of the Earth	Addressing global environmental issues including weather disasters due to climate change and the loss of natural capital is an urgent challenge for corporate management. For the next generations, it will also be more necessary for financial institutions to work to develop new financial literacy among the public, about such things as electronic payments and digital currencies, in addition to preventing financial crimes and frauds.	To hand over the future of the Earth and society to future generations, we, as a corporate citizen, a financial institution, and a member of the Seven & i Group, will work on solutions to various issues that will allow companies, our society, and the planet to be sustainable.

Medium-Term Management Plan (FY2021–FY2025)

Overview of Plan

Growth strategy

- Evolve from cash platform to ATM+

ATM Platform Strategy

Strengthen income base

Promote diversification

Details on page 35

- Expand growth fields that come after ATMs by leveraging our strengths (business diversification)

Retail Strategy

Reform the customer experience

Strengthen collaboration with Seven & i Group

Details on page 37

Corporate Strategy

Increase corporate partners/users

Promote DX

Details on page 41

Overseas Strategy

Expand Asia strategy

Retail x financial services

Details on page 43

Contribution to solving social issues

Promote sustainability, develop initiatives for material issues, and collaborate to solve environmental issues

Stronger intragroup operation

More disclosure & communication

Details on page 25

Corporate transformation

Business model and process transformation through the cultivation of independent human resources and organization building, and data utilization

Autonomous growth

Create new experience value

Details on page 45

Support for growth

Creating innovation



Initiatives/results in FY2023



Strengthened income base

- Reached 27,000 ATMs in Japan
- Reached ¥40 billion in loan balances
- Completed renewal of ATM installation agreement with FCTI in the U.S.



Promote diversification

- Converted Seven Card Service into a consolidated subsidiary (process completed in April 2024)
- Launched “+Connect” service



Improved income structure

- Completed liquidation of Credde Finance
- Transferred business of Seven Global Remit, Ltd.



Contribution to solving social issues

- Reorganized sustainability structure
- Reviewed material issues
- Upgraded TCFD disclosure



Corporate transformation

- Achieved penetration of data and digital utilization and fostered awareness of change
- Reviewed the personnel system with the aim of cultivating expert human resources
- Expanded engagement measures

Major initiatives in FY2024

To achieve the Medium-Term Management Plan, continue to **strengthen the income base**, and promote **transformation of the business model** with an eye to the future.

Three priority issues

Early scaling of
new **“+Connect”** service

Remarkable expansion of
credit card members

Improving profitability and promoting
diversification in **overseas business**

Issue

As diversification efforts for the second phase of growth take shape, the challenges going forward include scaling new businesses to a level where they will contribute to income and further raising the profitability of existing businesses in Japan and abroad.

Outlook for the Medium-Term Management Plan

Ordinary income (Billions of yen)

(Fiscal Year) 2023 2024 (Planned) 2025 (Target)

Ordinary profit (Billions of yen)

(Fiscal Year) 2023 2024 (Planned) 2025 (Target)

Business portfolio

- ATM Platform Business
- Overseas Business
- Domestic Retail and Corporate Businesses
- Electronic Money and Credit Card Businesses

FY2025 Plan

Current forecast for FY2025

Major initiatives in FY2024

Strengthened income base

Implement measures leading to income

ATM Platform Business

- Install and reallocate with emphasis on profitability
- Strengthen collaboration, cross-selling with “+Connect”

Retail Business (Accounts)

- Full-scale deployment of digital marketing centered on “7iD” collaboration

Overseas Business

- U.S.: Aiming for profitability through new contracts and diversification
- Asia: Expanding surplus and penetrating new countries

Transform business model

Toward a structure that enables the securing of profits even amidst changes in the business environment

Retail Business (Credit Card)

- Remarkable expansion of membership, particularly among customers of 7-Eleven

Retail Business (Accounts)

- Actively promote recurring revenue-type businesses such as loans

“+Connect” Business

- Upgrading, early scaling of “+Connect” business

Contribution to solving social issues

- Review of material issues in accordance with changes in the environment
- Cooperate with the group and external contractors for solving environmental issues

Corporate transformation

- Promote work styles based on data utilization and the leveraging of technologies such as generative AI
- Continue developing human resources with literacy in DX and new business creation

“+Connect”: ATMs That Create the Future

Perform all types of procedures
and certification via ATM

We will contribute to the creation
of an all-inclusive digital society
with our ATM platform strategy.

Koji Fukasawa

Managing Executive Officer
in charge of the ATM Solution Division and
the ATM+ Planning Division



Developing ATM services from the user's perspective as a bank born of the retail industry

We are a bank that originated from the concept that it would be nice if there were ATMs at convenience stores. Under the catchphrase “ATMs anytime, anywhere, by anyone”, we have continued working to develop and improve the infrastructure of ATMs. It is not easy to construct an ATM network that operates continuously, 24 hours a day, 365 days a year. Adopting the same mindset as in the world of convenience stores, however, which operate on the premise that even a single missing item is a serious issue, we have pioneered a number of innovations, such as constructing our own network to ensure stable ATM operations and utilizing AI. In addition to the screen display, the UI/UX is highly refined, with thorough attention paid to details such as the comfort of the keyboard touch and sound effects. Our stance of placing customer convenience and ease of use first—the unique attitude of a bank born of the retail industry—and the many initiatives we have undertaken have been appreciated by customers and business partners, which I believe has led to the expansion we have achieved for our ATM business.

New ATM strategy “+Connect” is launched. Toward an era in which all procedures are “connected” via convenience store ATMs

Our fourth-generation ATMs, which we started rolling out across Japan in 2019, are scheduled to completely

replace all over 27,000 units nationwide by the end of FY2024. With the new ATM infrastructure nearly in place, the next step will be to promote +Connect, our ATM service platform strategy that will provide the world with new experiences and value. As that first step, in September 2023, we began providing ATM Teller and ATM Notification services*1. The pillar of the +Connect business concept is to create a world where various procedures and certification that had been performed at the counter or in person can be accomplished at 7-Eleven stores anytime.

The driver behind the introduction of this service is the declining availability of over-the-counter service at banks in Japan. The promotion of online banking and applications as alternatives is spreading, but various issues exist, such as IT literacy and concerns over security. This led us to the idea that our ATMs—located close to our daily lives and used regularly—could provide customers with new value, improve the bank's operational efficiency, and take on the role of a teller's window to reinforce points of contact with customers. As of July 2024, 10 months since the service was launched, nine banks have already introduced the service. We have also made steady progress in growing the number of companies contracted for introduction. In addition to banks, we have also found that credit card companies and other businesses have a need for this service, and several projects are already in progress. We are looking at expanding into insurance and administrative procedures going forward. Our view is that the market for such in-person procedures will reach several trillion yen in Japan, and that capturing even a small percentage of this would be a business of considerable size.

Toward expanding +Connect strategy

The system's utilization results show that its effectiveness exceeds initial expectations, and companies that have adopted the system have assessed it as being a useful, non-face-to-face point of contact with customers in a real-world setting. Specifically, from an anti-money laundering perspective, banks face pressing issues such as continuous customer management*2 and managing residency deadlines for foreign residents. Compared with means we have used in the past, such as mail, e-mail, and short messaging, we found that the rate of the customer response to ATM Notification was in the 70 to 80% range. Furthermore, when changes in registered information are discovered, ATM Teller serves as a one-stop solution for performing procedures. Seventy percent of the total number of transactions were performed during hours when bank tellers were closed, and the time required to complete an ATM transaction was only three minutes, demonstrating just how convenient this service is. Customers who have used the service have in fact welcomed it, as evidenced by comments such as, “It is convenient because it is near where I live and I can use it at my convenience even outside of bank business hours,” and “Operation is very simple.” Meanwhile, this initiative has just gotten underway. We are currently communicating with a number of banks and companies regarding introducing the system to enable use by as many people as possible in the very near future. We also conduct a variety of promotions to inform customers of the system. We will continue to focus on expanding the +Connect service to facilitate rapidly offering a world in which easy, convenient procedures become matter of fact at convenience store ATMs.

*1 ATM Teller: A service that allows customers to complete applications to open bank accounts and change their registered information at ATMs.
ATM Notification: A service that provides ATM users with one-to-one information.

*2 Continuous customer management: Efforts to ensure customer information is up to date by periodically confirming customer names, addresses, and other identification information, as well as the purpose of account use.

It is still important to pursue service and planning from the standpoint of the customer in promoting the +Connect strategy.



Keep an eye out for our ATM platform strategy, which also provides significant value to society.

We position our ATMs as “the easiest digital channels in society.” We will continue to proactively expand unique services such as credit card and insurance applications, money transfer registration procedures, and hotel check-in. We believe that this will heighten our value to

society as a service platform that provides a secure environment for various types of settlement, procedures, and certification. It will help to realize the government’s goal of “a digital society where no one is left behind.”

On top of that, what is important is pursuing the customer’s perspective, which is also connected to our Purpose. We believe that our mission, as a bank born of the retail industry, is to provide services that surpass “seeing your wishes and going beyond” with a sense of speed, while refining our UI/UX, staying attuned to our customers’ changing needs, and keeping pace with the

times and technological evolution. We will continue to create new conveniences and a new way of living that only ATMs located in real places close to our daily lives are able to offer. And we aim to further enhance our corporate value by providing these services.



More than 27,000 ATMs across Japan operating basically 24 hours a day, 365 days a year
Promoting services that transcend the boundaries of finance, with Seven Bank ATMs the conduit for all manner of authentication and procedures

ATM窓口

STEP 1

Seven Bank ATMs began serving as tellers for partner banks in September 2023

To meet the needs of those customers who can't visit banks during business hours, Seven Bank launched a service that allows them to complete some of the procedures conventionally done by partner banks' human tellers through Seven Bank ATMs.

STEP 2

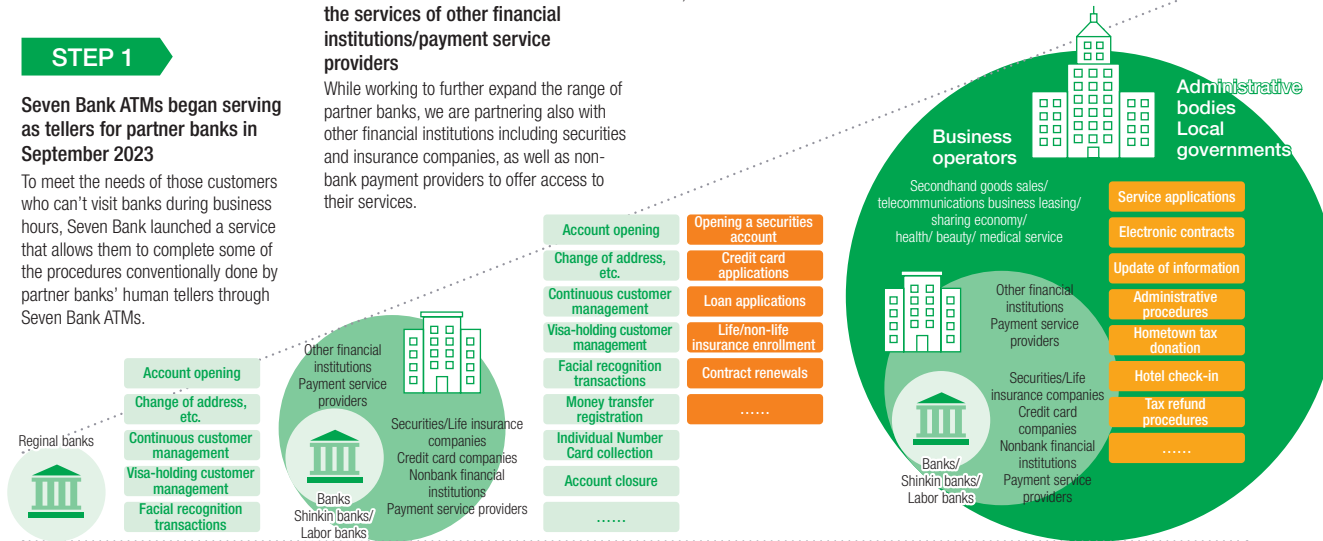
To serve as access points to the services of other financial institutions/payment service providers

While working to further expand the range of partner banks, we are partnering also with other financial institutions including securities and insurance companies, as well as non-bank payment providers to offer access to their services.

STEP 3

To serve as access points to the services of various commercial service providers and administrative services

In the future, Seven Bank ATMs will serve as access points to administrative services, and also serve as external terminals of various Web services.



Facial recognition



Reading personal identification documents



The new ATMs equipped with a camera-based facial recognition function and an identification document scanner can perform identity verification for electronic applications speedily.



ATMお知らせ

This service displays information that needs to be notified to the customers using ATMs during their transactions and obtains customer responses to that information. Partner companies can notify their customers regularly using the ATMs of various information in an effective manner during their transactions. Target customers, the content, and the timing of notification can be specified by the company subscribing the service, making it an effective tool for one-to-one marketing.

- Continuous customer management/Visa expiration management
- Notification on submission of income information
- Allow for updating address, phone number, and other information
- Information on financial products such as loans

Domestic Business ATM Platform Strategy



Strategy keywords

Strengthen income base

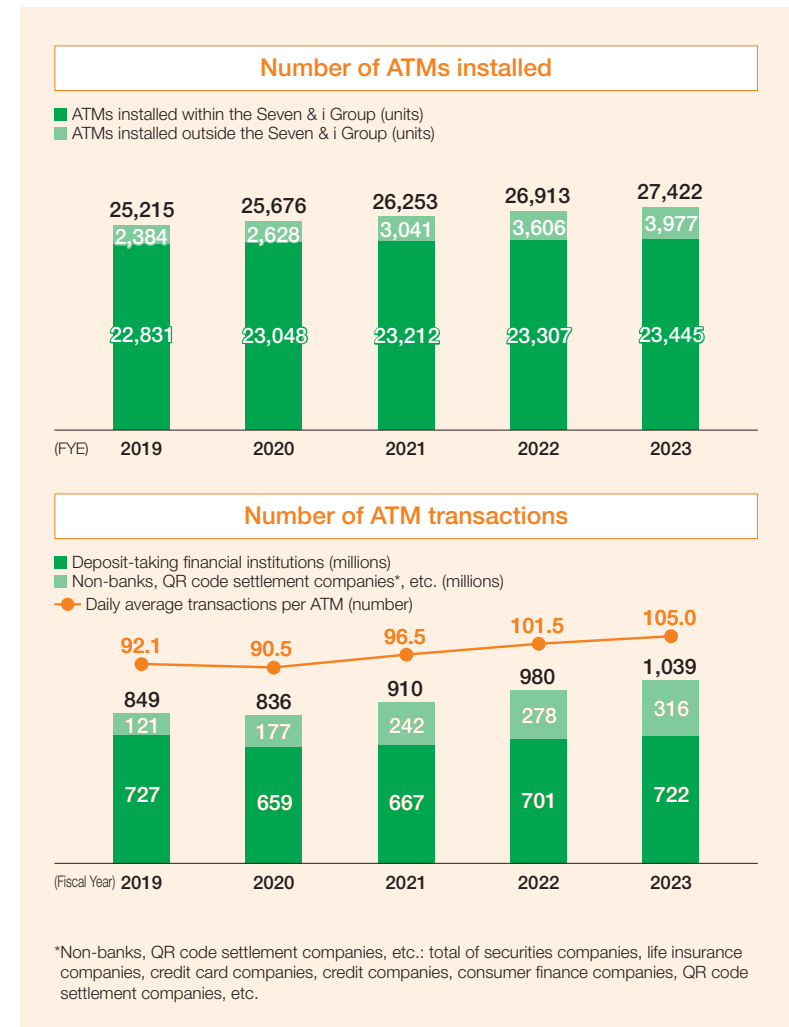
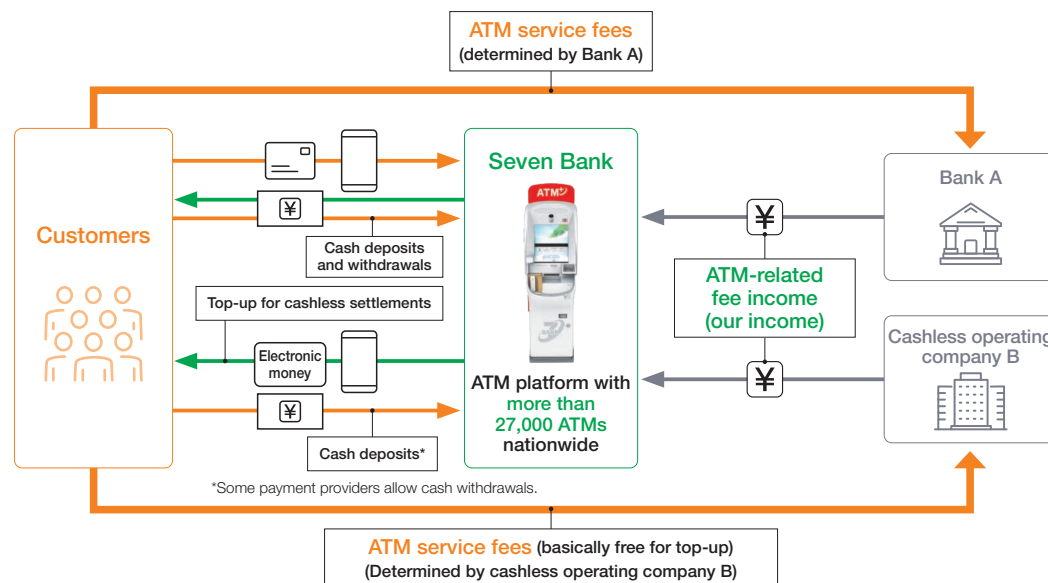
Promote diversification

Seven Bank has more than 27,000 ATMs in 47 prefectures in Japan, and provides customers with a variety of services around the core services of cash deposits and withdrawals. In recent years, we have been offering a wide range of services, including topping up QR code settlement or electronic money accounts with cash, and procedures with financial institutions and administrative procedures using the facial recognition or identification document reading function, to meet all kinds of customer needs in daily lives. Seven Bank will continue to strive to increase the social value of ATMs as an important social infrastructure.

Business Overview

- | | |
|----------------------|--|
| Business environment | <ul style="list-style-type: none"> Customer needs are diversifying including cash top-up for cashless settlements The market share is growing while the number of ATMs in Japan as a whole is decreasing |
| Strengths | <ul style="list-style-type: none"> Provision of advanced ATM services to meet all kinds of needs One of the top ATM networks in Japan backed by the Seven & i Group's store network |

Business Model (example of main partner financial institution and operating company)



■ Initiatives in FY2023

As touch points for a cashless economy and digital society

As cashless settlements rapidly gain acceptance across the society, Seven Bank ATMs offer a cash top-up service for a wide range of electronic money and QR code settlement, with over 200 million cash top-up transactions performed in a year.

Seven Bank ATMs are also capable of reading Individual Number Cards and available for applications for using Individual Number Card as a health insurance card, or for allowing the user's Mynaportal information to be shared with designated organizations. They play a role in driving the digital society forward.



Image of ATM screen

Continuous improvement of UI/UX

Seven Bank ATMs have been continuously improving their UI/UX to realize a “digital society in which no one is left behind.” Our fourth-generation ATMs, introduced in 2019, were designed to be easy to use for everyone, and obtained Color Universal Design certification for both hardware and software.

In August 2023, the screens of the fourth-generation ATMs were also fully renewed. Customers’ feedback has further evolved our ATMs to be even easier to use.

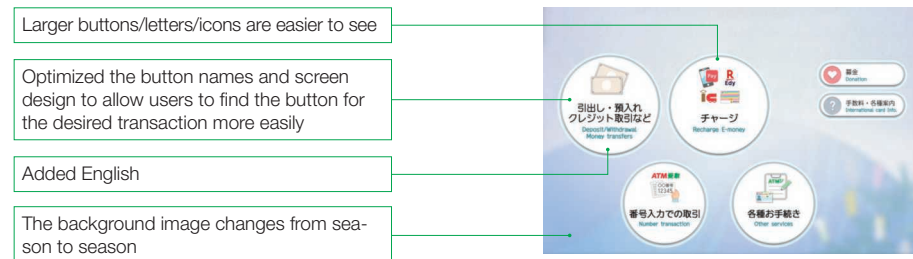


Image of ATM screen

Expanding collaborations with partner financial institutions

Partnered with many financial institutions and payment service providers, Seven Bank is expanding collaboration with them using consulting sales approaches to invite partner financial institutions to use our ATMs for a wider range of purposes.

The new “+Connect” service offers an alternative to in-person procedures at bank branch counters. As of July 2024, it has been adopted by nine financial institutions, many of which are regional banks.

In addition, we have more than 400 ATMs jointly operated with financial institutions nationwide. Combined with the “+Connect” service, they contribute to strengthening the channels of the partner financial institutions and improving their operational efficiency.



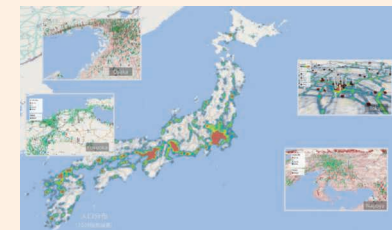
We sent a mobile ATM vehicle to the front of a branch of the Hokuriku Bank that adopted the “+Connect” service and performed account opening procedures on behalf of the bank (March 2024)



FOCUS

Establishing a new data-driven style of sales in the ATM business

To invite more customers to use Seven Bank ATMs, Seven Bank has been working to increase the number of ATMs, but sometimes, challenges were in efficiently finding promising candidate locations. The ATM Platform Promotion Division, in charge of sales activities directed to ATM location owners and partner financial institutions, has visualized the flow of people in a 3D heat map, which combines the population statistics from the government with our own data of the number of ATM transactions. The heat map has enabled the sales team to discover promising candidate locations for ATMs, while serving as a powerful tool for sales activities for partner financial institutions.



Domestic Business Retail Strategy (Accounts)



Strategy keywords

Reform the customer experience

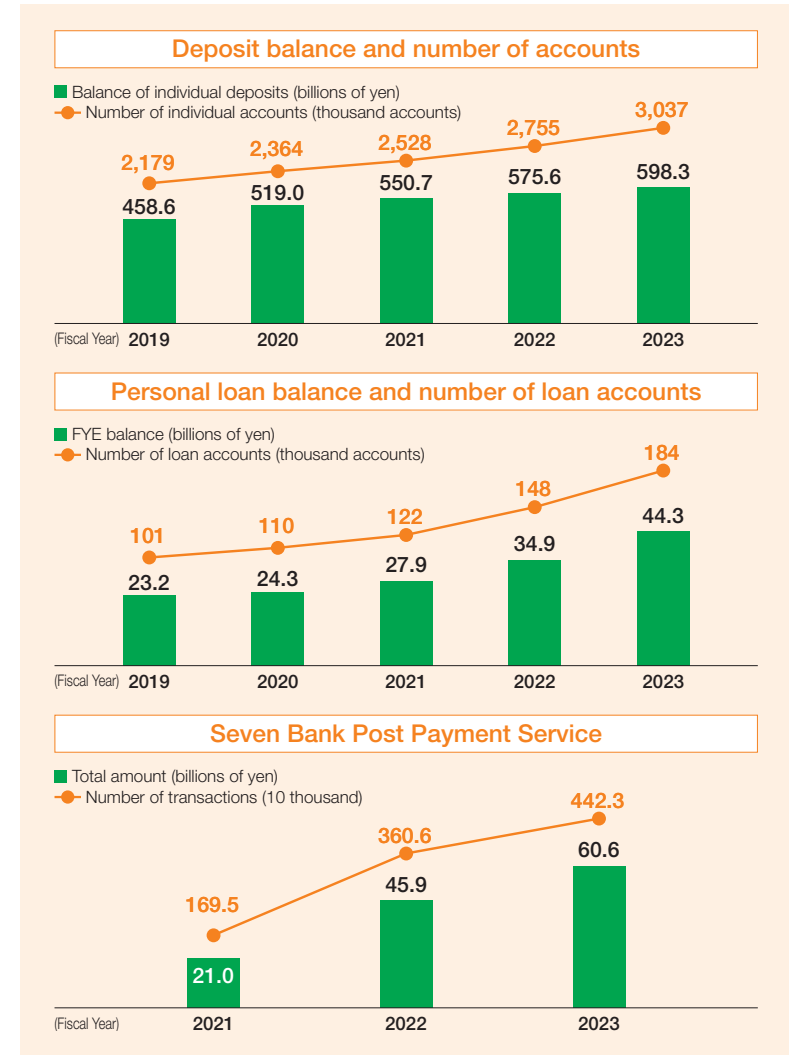
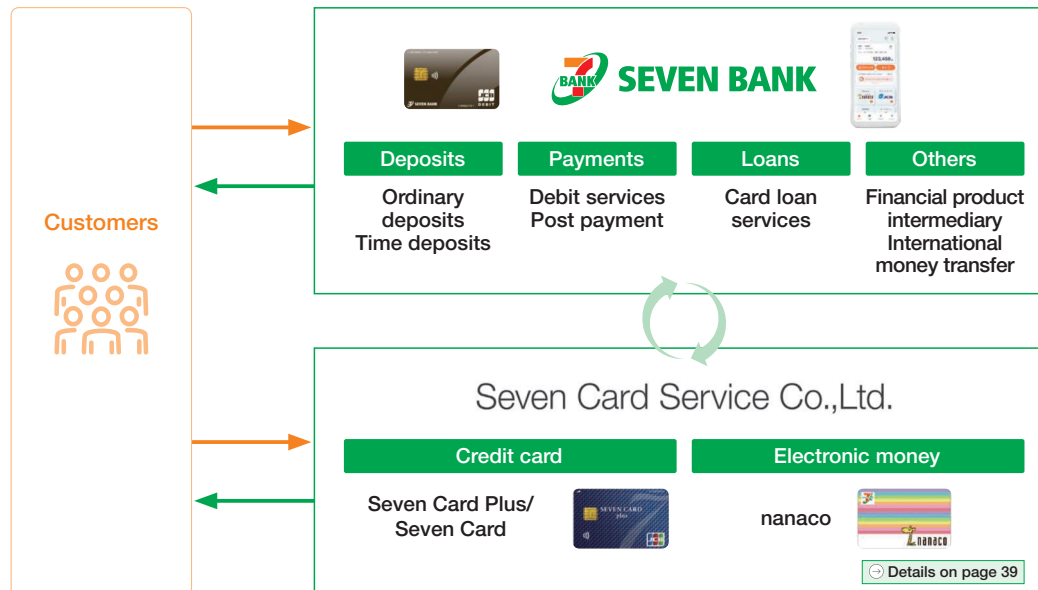
Strengthen cooperation with the Seven & i Group

In addition to pursuing convenience through a smartphone app that allows customers to open an account in 10 minutes at the fastest and a nationwide network of more than 27,000 ATMs, Seven Bank is also working to provide financial services such as debit service, loans, and financial product intermediary services in a readily accessible and convenient manner. Going forward, while working to strengthen cooperation with Seven Card Service and the Seven & i Group, we will expand our efforts to develop and offer unique financial products possible only by a bank born from the retail industry.

Business Overview

Business environment	<ul style="list-style-type: none"> • Dramatic changes in lifestyle with the spread of cashless payments and advancement of digitalization • Intensifying competition due to the entry of non-financial players into the financial business and other factors
Strengths	<ul style="list-style-type: none"> • Consumer-friendly, unique financial services possible only by a financial group born from the retail industry • A large number of customer contact points, both physical and digital

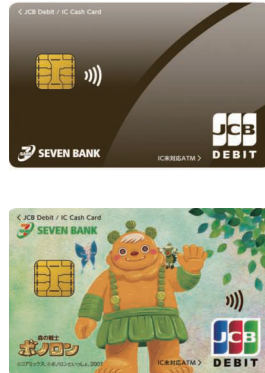
Business Model



Initiatives in FY2023

New designs of cash cards with a debit function

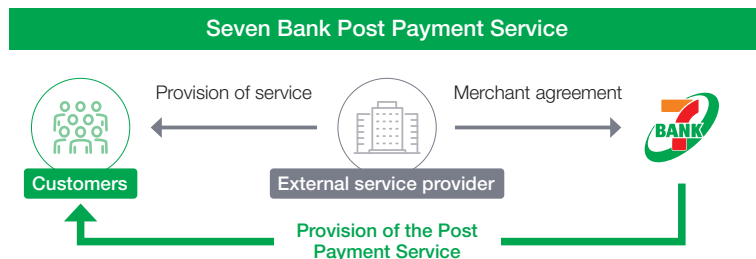
Seven Bank accounts are used by many customers for their high convenience, including free of charge cash withdrawal service at more than 27,000 ATMs nationwide between 7:00 a.m. and 7:00 p.m. every day. In November 2023, we renewed the designs of cash cards with debit functions and added a contactless payment feature. Combined with the electronic money and credit cards issued by Seven Card Service, a Group company, our customers can now experience contactless payments choosing a desired timing of settlement.



More convenient loan and post payment services

Customers applying for Seven Bank's loan service will receive the results of their applications the day following the submission of application at the earliest. Using the My Seven Bank smartphone app, customers can also borrow and repay money without a card. The high level of convenience including these is chosen by many customers.

In addition, as a unique payment service, Seven Bank also launched the Seven Bank Post Payment Service in 2021 partnered with external service providers. By conducting screening and fraud detection leveraging the know-how we have cultivated through our banking business, we offer services with higher security and convenience.



Launched a linkage service between Seven Bank accounts and 7iD, a membership platform common across the Seven & i Group



With a service launched in February 2024, customers can register their 7iD accounts, which are accounts in the Seven & i Group's common membership platform, to their Seven Bank accounts. Now customers can use their 7iD account information to open their bank accounts smoothly. We have also started to award Seven Miles for day-to-day transactions on ATMs. Seven Bank will continue to develop unique services using 7iD to improve customer experience in shopping and financing.



If you are a 7iD member, your 7iD registration information is automatically linked when opening a Seven Bank account.



FOCUS

Agile development of My Seven Bank smartphone app

Seven Bank has been constantly improving its app in prompt response to feedback from both inside and outside by adopting an agile development system. For example, in the Shopping Investment "Korekabu" service that allows users to invest through a smartphone app, we have made improvements such as displaying a list

of shares held by the user on the top screen to invite users to experience investing more readily. We will continue to work to further strengthen our service, promptly responding to our customers' feedback.



Takayuki Kimura
Banking Management Division



A list of shares held has been added to the top page to solve user frustration of being unable to view the list without moving between pages

Domestic Business Retail Strategy

(Credit Card/Electronic Money)

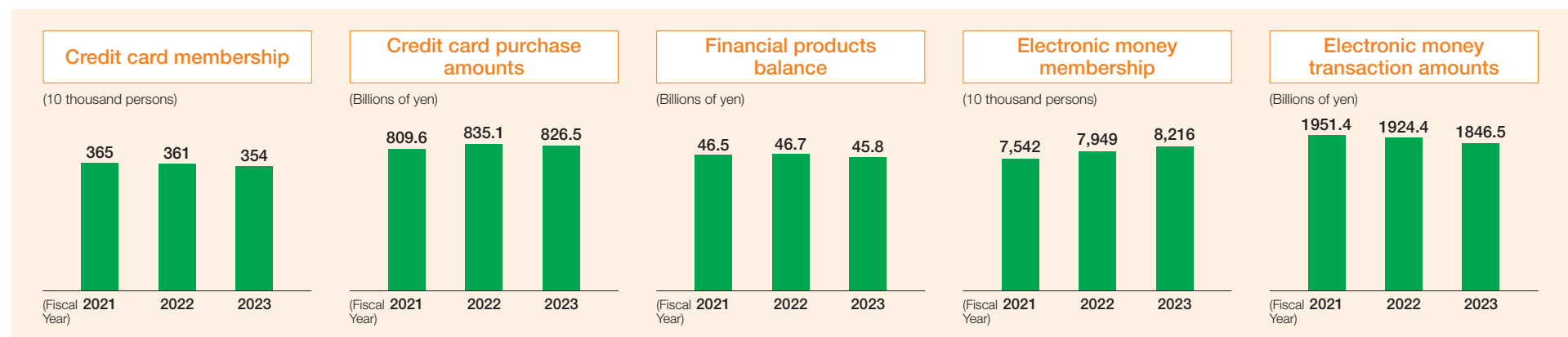
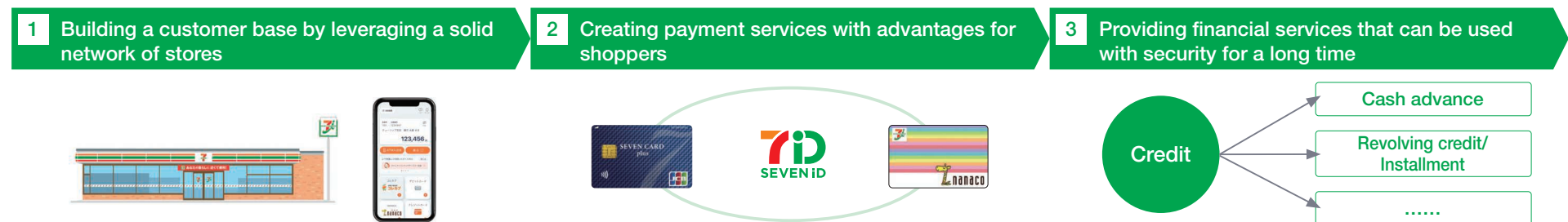
 Strategy keywords
 Expand customer base
Create unique payment experience

A settlement service company of the Seven & i Group that is one of the largest distribution groups in Japan, Seven Card Service issues and operates credit cards and electronic money. With the company joining the Seven Bank Group in July 2023, Seven Bank and Seven Card Service will now work as one team to provide financial services embedded in customers' day-to-day lives, leveraging the strengths of both.

Business Overview

Business environment	<ul style="list-style-type: none"> • Diversification of consumers' payment needs and payment methods • Provision of added values through point program integration, data utilization, etc. 	Strengths	<ul style="list-style-type: none"> • Unparalleled volume of settlements as services originating from one of the largest distribution groups in Japan • Creation of unique financial services and payment experiences through combining purchase data and financial data
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Business Model



Initiatives in FY2023

Enhanced the issuance of Seven Card Plus with contactless payment function

Seven Card Plus and Seven Card, credit cards issued by Seven Card Service, are used by over 3.5 million customers, serving for their convenience day to day.

In February 2024, we began issuing Seven Card Plus, an unembossed card with a contactless payment function to provide customers with more comfortable shopping experience.

Seven Card Service will continue to promote cashless settlements and work to improve convenience in customers' shopping by creating more comfortable and convenient payment experiences.



Driving nanaco electric money's mobile shift and digital shift

The nanaco electronic money issued by Seven Card Service is used by over 82 million customers in their daily shopping at more than 1.2 million affiliated stores nationwide.

Seven Card Service is driving the mobile shift and digital shift of nanaco to make it more convenient to use, incorporating the nanaco payment function into the 7-Eleven app and renewing the nanaco mobile app (for Android).



Customers shopping at Seven & i Group stores gain more rewards through linkage with 7iD

To make shopping at Seven & i Group stores even more enjoyable and rewarding, Seven Card Service offers a service that automatically awards Seven Miles upon each payment to shoppers who have linked their 7iD accounts with their Seven Card Plus, Seven Card or nanaco. Seven Card Service will continue to work with the Seven & i Group and Seven Bank to develop services that make shopping at Seven & i Group stores more rewarding while working to improve its products.



FOCUS

Expanding opportunities for collaboration between Seven Card Service and Seven Bank

Having been part of the Seven Bank Group since July 2023, Seven Card Service is expanding its collaboration with Seven Bank aiming to provide more convenient financial services to customers by leveraging group synergies.

Project team members from both companies work on the development of new products and services on a daily basis, while joint workshops and study sessions open to all employees are held. The two companies are working together as one group to create unique financial services beneficial to customers by leveraging the strengths of both companies.



Domestic Business Corporate Business Strategy

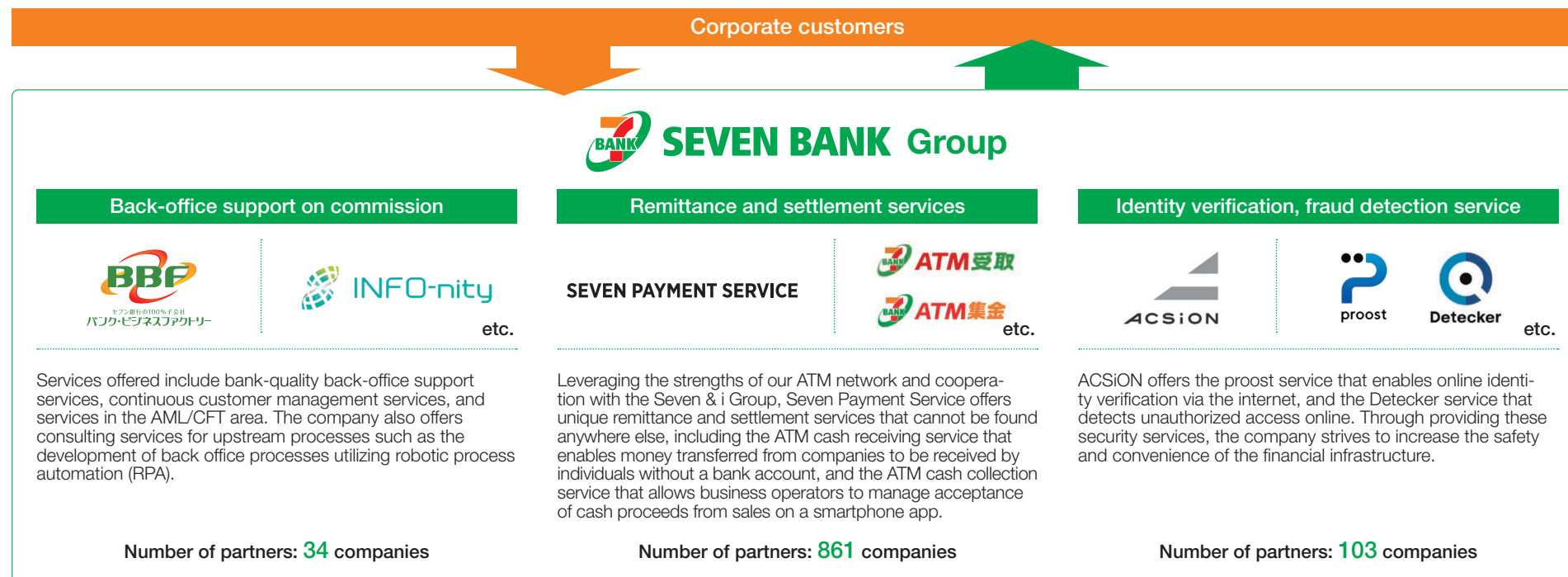

Strategy keywords
Increase corporate partners/users
Promote DX

In the domestic corporate business, we provide highly specialized services to financial institutions and general business operators through three companies in the Seven Bank Group: Bank Business Factory, Seven Payment Service, and ACSiON. We will aim to expand the scale of our business through services that utilize our strong ATM network and cooperation with Seven & i Group companies, leveraging the high quality back-office service, advanced security measures, and know-how in fraud detection that we have cultivated through our banking operations, while swiftly adopting ever-evolving DX technologies.

Business Overview

<p>Business environment</p> <ul style="list-style-type: none"> • Services and players in the financial sector getting increasingly borderless • Growing demand for work efficiency improvement with the promotion of DX • Increasing variety and complexity of criminal techniques 	<p>Strengths</p> <ul style="list-style-type: none"> • Corporate services that leverage our strengths in areas such as ATMs, back-office services and security (utilizing our ATMs as business capital)
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Business Model



Initiatives in FY2023

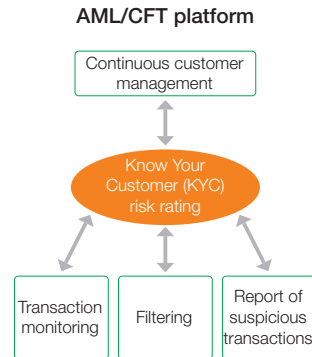
Bank Business Factory Co., Ltd.

BPO Back-office support service

Obtained a license for funds transfer transaction analysis business

Bank Business Factory provides a high quality platform for Anti Money Laundering/Countering the Financing of Terrorism (AML/CFT). To further improve efficiency, accuracy and effectiveness, the company obtained a license for funds transfer transaction analysis business* in January 2024.

*Funds transfer transaction analysis business is the business of conducting transaction filtering and transaction monitoring for funds transfer transactions on behalf of multiple financial institutions. Funds transfer transaction analysis service providers are expected to contribute to improving the effectiveness of AML/CFT measures at financial institutions by continuously improving the effectiveness of transaction filtering and monitoring.



Achieves risk-based customer response in each area and systems integration

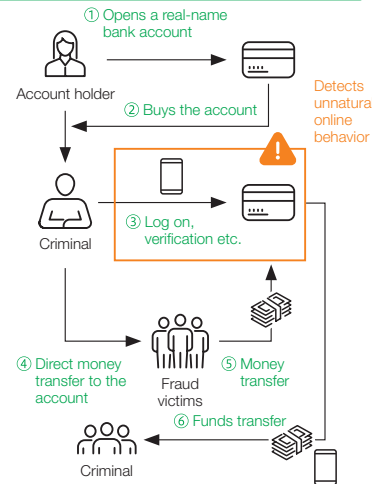
ACSiON, Ltd.

Jointly developed a new fraud detection algorithm

In collaboration with the Shizuoka Bank, ACSiON developed an algorithm for immediately detecting accounts that show signs of fraudulent transactions, which has been fully implemented in the fraud detection platform Detecker. It has been recognized for its high effectiveness in preventing unauthorized use of accounts and its accuracy for detecting suspicious transactions.

The proost identity verification platform has started using an algorithm for detecting fake driver's licenses developed based on accumulated knowledge in its identity verification service.

Security Platform provision service



Seven Payment Service, Ltd.

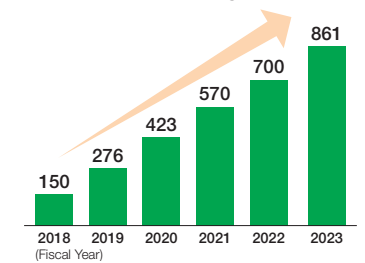
Settlement function ATM cash receiving/ ATM cash collection

Number of companies using the ATM cash receiving service exceeded 800

The ATM cash receiving service is used in a variety of situations, including by railway companies in the Tokyo metropolitan area and local government services (for the reception of benefits and subsidies). The number of corporate partners increased to 861 by the end of FY2023. The service that reduces the burdens of acquiring and managing account information as well as money transfer operations has gained wide acceptance for its convenience, allowing cash to be received basically 24 hours a day, 365 days a year.

We will strive to further expand our business by offering unique services that make the most of the strengths of the ATM network and the Seven & i Group, including the ATM cash collection service and the service for acceptance of cash proceeds from sales.

Number of corporate partners using the ATM cash receiving service



February 2024 Certified to the International Standard for Information Security Management System



FOCUS

Combatting financial crimes across the boundaries of companies

With the vision of "make world be honest," ACSiON is working to prevent crimes and limit their damage through strengthening the security of online channels. Our company was named with the meaning of "Across the mission." Companies with a common mission of combating frauds in the world will work together to build the foundations to support the prosperity of our society.

Yoshiki Yasuda

President of ACSiON, Ltd.



Overseas Business



Strategy keywords

Expand Asia strategy

Retail x financial services

Seven Bank operates its ATM operation business in three countries abroad—the United States, Indonesia, and the Philippines—leveraging the expertise in ATM operations it has developed in Japan. As of the end of December 2023, we had a total of 19,578 ATMs outside Japan, mainly in Asian markets with growth potential, with a total of number of transactions exceeding 400 million. In fiscal 2024, FCTI renewed its contract with 7-Eleven, Inc. on the installation of ATMs for a new contract period. Also to accelerate our global expansion particularly in Asian markets that steadily show strong demand for cash, we established a local subsidiary in Malaysia in May 2024 as our fourth overseas country. We will continue to develop ATMs that meet the market needs of the countries in which we operate, and aim to offer new services that combine retail and finance.

Business Overview

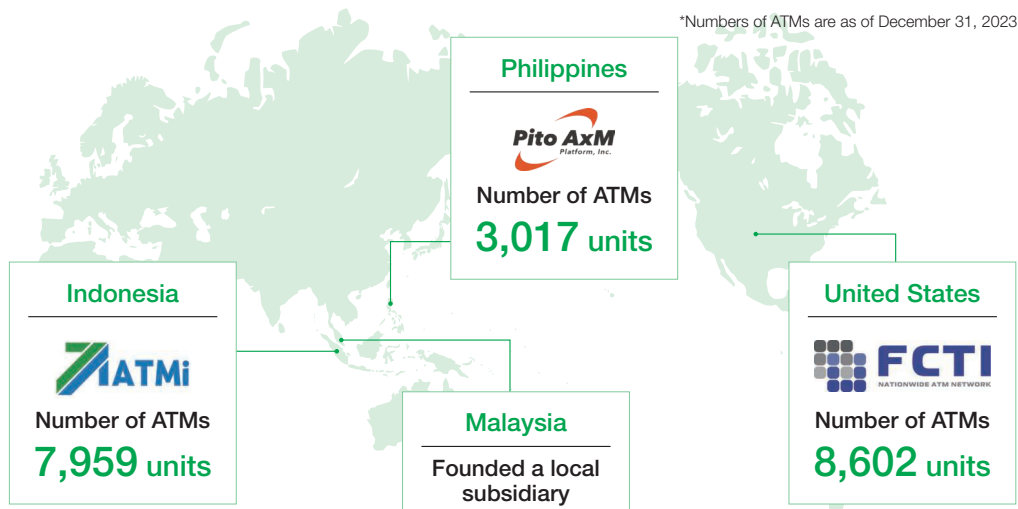
Business environment

- In all countries: Increasing funding costs due to higher policy interest rates
- Indonesia and the Philippines: Although about 50% of the population have bank accounts, the number of ATMs is insufficient for the population. Expanded access to financial services is desired.

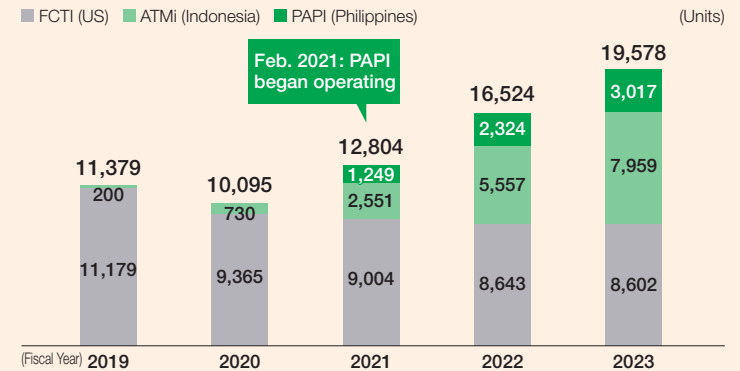
Strengths

- Collaboration with Seven & i Group (local 7-Eleven operating companies)
- Sophisticated expertise in ATM operations cultivated in Japan

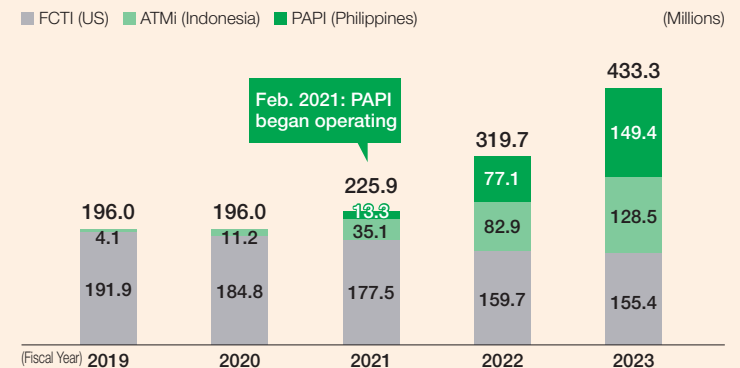
Countries for Operations



Number of ATMs installed



Number of ATM transactions



Initiatives in FY2023

United States



- FCTI renewed its contract with 7-Eleven, Inc. on the installation of ATMs at 7-Eleven stores in the United States (including Speedway stores). From 2025, it plans to install about 3,000 new ATMs at Speedway stores, which thus far had none of our ATMs. This is expected to increase the number of our ATMs to about 11,600.
- We conducted an eight-month demonstration experiment of the TAPT small loan and debit services from July 2023, which verified the usefulness of ATMs as a customer contact channel. We will utilize the findings from the experiment for planning financial services in the future, and aim to realize a “retail and financial services business” that provides new added value beyond cash deposits and withdrawals.



Philippines

- Since the business launch in 2021, both the number of ATMs and the number of ATM transactions have been steadily growing. Transactions under the bank brands of BDO Unibank, LANDBANK, and RCBC increased, maintaining the average number of transactions steadily above the plan.
- Over 3,000 ATMs have been installed, now at almost all local 7-Eleven stores. Going forward, we aim to install more ATMs by finding new partners.



Indonesia



- ATMi started installing ATMs at local convenience stores in 2015. We are currently expanding the ATM network to meet the strong needs of the local market, having grown the network to a scale of 8,000 units by now. We will continue to carefully select new locations for ATMs, prioritizing areas around major cities where ATMs have a large number of transactions.



FOCUS

Through my secondment to Seven Bank

Indonesia, comprising more than 10,000 islands, is home to diverse ethnic groups, and the majority of the population are Muslims. While cashless settlements are growing mainly in metropolitan areas, cash payments remain common in suburban areas. ATMi has 66 employees, working in a culture of flexible work styles and open communication. We are like a family to each other, holding company events to deepen our bonds. During my stay for a year, I hope to gain a deep understanding of Japanese culture and language, business models and operations, which I hope to use in my future projects. The company can grow together with its employees, and through that, I hope we can work towards solving the global issue of access to financial services.

Yusi Skyamanda

Joined ATMi in 2017. General Manager of Human Resources Division and General Affairs Division since 2020. Seconded to Seven Bank for one year from April 2024.



Human Resources Strategy

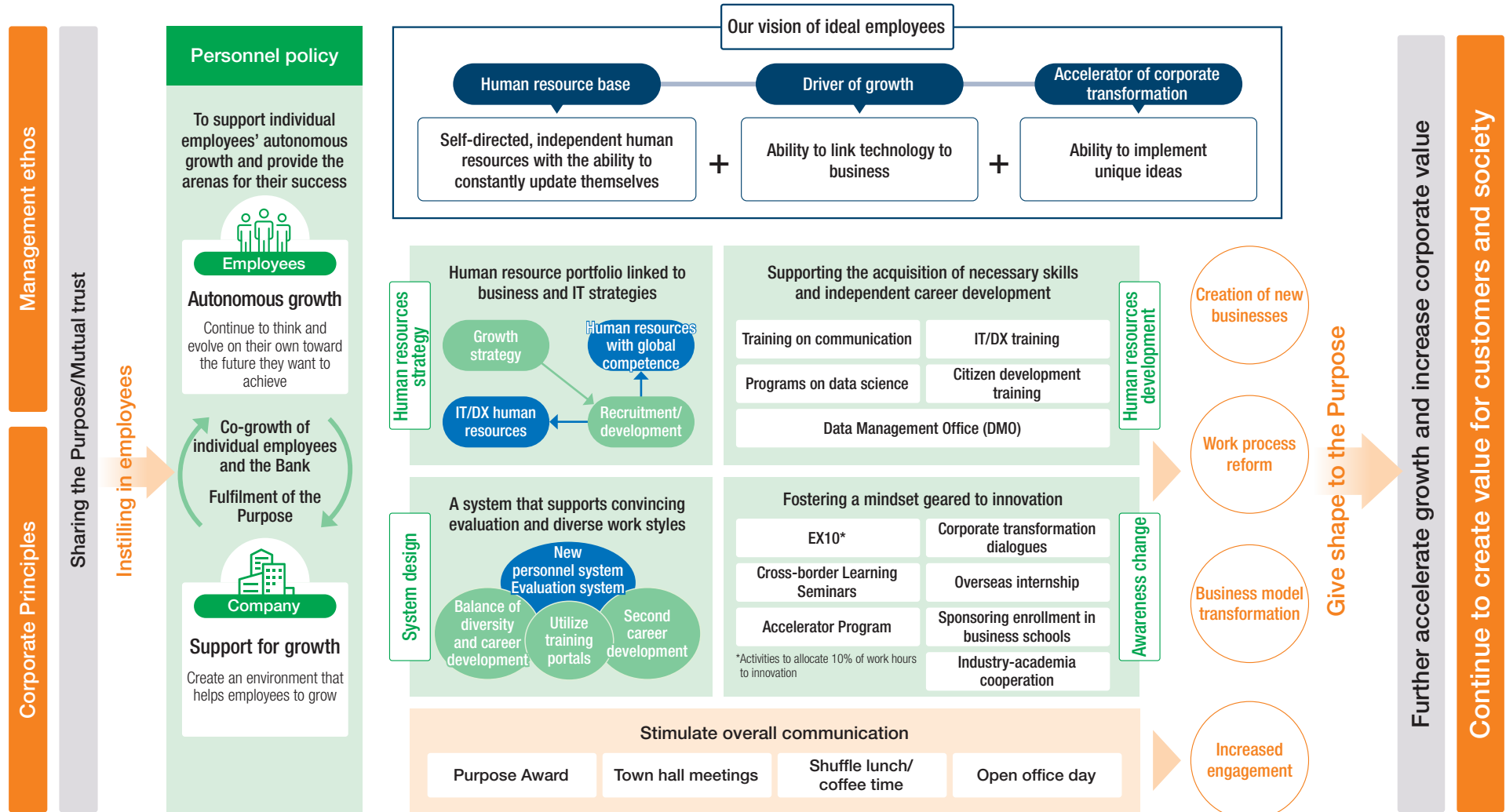


Strategy keywords

Autonomous growth

Support for growth

Our Group regards human resources as one of our most important management resources, as the source of value creation and the driving force for sustainable growth. To fulfill our Purpose, we are working to create an environment that helps every employee to participate in success, focusing on creating mechanisms to synchronize employees' autonomous growth with the Bank's sustainable growth.



Message from the Officer in charge of Human Resources Division



Kazutaka Inagaki

Managing Executive Officer in charge of General Affairs Division and Human Resources Division

Through human capital management, accelerate the co-growth of employees and the company. Co-creating “the future of everyday life.”

We have actively supported the growth of our employees, because we have long believed that it is “people” who create new values. Through learning and working, each employee will continue growing, and will be able to envision what he or she wants to be. As a result, our human resource policy is founded on the notion that our company will grow together with our employees to realize the “future of everyday life” set forth in our Purpose. To realize said Purpose more effectively, we have formulated the necessary human resource strategy in conjunction with the three pillars of our management strategy: growth strategy, contribution to solving social issues, and corporate transformation.

Moreover, to make the Company a place where each and every employee can “make their wishes come true,” we have made revisions to our personnel system to encourage opportunities for a diverse range of employees to grow and tackle new challenges. We expect our employees to be dependable, independent human resources with the sense of responsibility and the requisite expertise to fully accomplish operations, the ability to expand and create business, and the humanity and communication skills to understand and respect people with diverse values and goals. The aim of the management team is to make our company appealing; the company of choice for people who want to grow.

Personnel policy

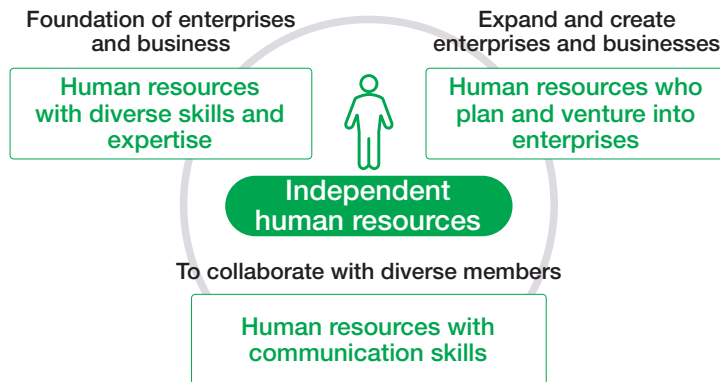
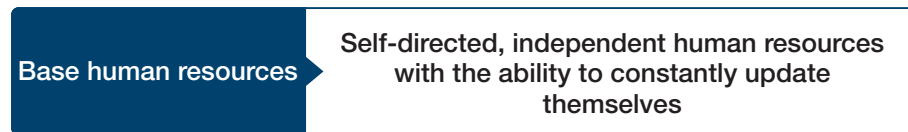
We have positioned our personnel policy as an indispensable and unchanging approach to achieving our human resources strategy, and we aim for the co-growth of employees and the company. From the perspective of the autonomous growth of our employees, we are promoting initiatives to foster a mindset among them that will allow them to think freely and challenge themselves without fear of change, so that they may continue to evolve independently toward the future they want to realize. In terms of continuous support for growth, we strive to create opportunities for a diverse range of personnel with the objective of providing an environment that allows employees to maximize their potential and grow.

Human Resources Strategy

Human resources strategy

Human resource portfolio linked to business and IT strategies

Toward accelerating the second phase of growth to respond to the changing business environment, we have formulated our human resources strategy in linkage with the three pillars of our management strategy — growth strategy, contribution to solving social issues, and corporate transformation. We have examined the gaps between the current state of our human resources and the human resources needed to achieve our growth strategy in terms of quantity and quality, and for each business and each role or function, checked the gaps our current skill-holding employees have against the need. Through these, we have positioned the recruitment and development of IT human resources and human resources with global competence as a key action. To develop IT human resources, we promote the acquisition of necessary skills by employees, by providing IT/DX training to all employees and involving them in in-house development projects. For the recruitment and development of human resources with global competence, we are strengthening the recruitment of new graduates with overseas living experience, and also provide existing employees with opportunities of internships at our overseas group companies to experience local operations.



Initiatives

Overseas internship

For the development of human resources with global competence, we solicited applications from employees outside of departments engaging in the overseas business to participate in an internship program that involves traveling abroad. As the program was launched in fiscal 2022, it was the second overseas internship program, this time with three participants. The participants visited local stores to see their operations and the locations of ATMs, and also had the opportunities to interact with local employees. After returning to Japan, the participants shared what they took home with their colleagues at an internal reporting session. We will continue to implement various measures for human resource development linked to our business strategy.



Key Indicators

	Results for FY2023	Target
Training cost per employee	109 thousand yen →	120 thousand yen
IT/DX basic training enrollment ratio	57% →	100%
Number of employees enrolled in data science programs	262 →	300
Number of annual TOEIC test-takers	57 →	80
Ratio of new graduates with overseas experience	20% →	30%
Ratio of overseas employees to consolidated number of employees	15.6% →	20%

System design Convincing evaluation/supporting diverse work styles

We believe that it is our obligation to contribute to creating a society that helps diverse human resources to participate in success in diverse ways. We believe that creating an environment that helps everyone to participate in success will lead to prosperous life and the continuous development of society, which includes creating opportunities for people of all genders, ages, nationalities, and other backgrounds to participate in success, and developing diverse human resources. On the other hand, to encourage employees to contribute to Seven Bank for as long as possible, it is essential to establish and operate a system of evaluation that brings convincingness to employees and leads to a sense of their personal growth, as well as a compensation system that rewards the expected roles and achievements of individual employees. We believe that by building a system in which the Bank firmly supports employees drawing their own career paths and focusing on achieving them, we can encourage promising human resources to stay with us and contribute greatly to our business growth.

Initiatives

- Childcare leave, nursing care leave, and shorter work-hour system
- Child activity leave system (5 days a year)
- Volunteer activity leave system (5 days a year)
- Introducing an employee stock ownership plan for managerial-level employees
- Creating the expert career track
- Establishing “special appointment positions” for highly specialized human resources
- Introducing a management-by-objectives system and a bonus system for rehired retired employees
- Developing systems and operations based on no age limit for working



FOCUS

Revision of the personnel system

General Manager, Human Resources Division **Masanori Iijima**

We revised our personnel system in FY2024. We revised the system for two purposes: (1) to create an environment that encourages achievement and challenge to attract motivated human resources, and (2) to clarify expected roles to develop the next generation of leaders through practical experience. In the new personnel system, the three ideas of “promoting autonomous growth,” “enhancing leadership skills” and “expanding career choice opportunities” are embodied in “grades,” “evaluation,” “compensation” and “transfers/assignments.” For example, we plan to introduce a mission grade system to clarify expected roles, and to secure and develop specialized human resources by establishing the expert career track.

Key Indicators

Results for FY2023		Results for FY2023		Results for FY2023	
Employee service years	7.2 years	Ratio of female managers	17.7%	Occupational accident frequency rate	0%
Ratio of paid leave taken by employees	83.4%	Ratio of mid-career employees	83.1%	Occupational accident severity rate	0%
Number of employees who took childcare leave	26 (5 men and 21 women). Returned to work: 100%	Ratio of mid-career hires	80.4%	Number of contacts received at the Help Line for employees	8 cases
Number of employees who took a leave for nursing care	1	Percentage of employees with disabilities	2.3%	Average employee overtime per month	24.4 hours
Number of employees who used the shorter work-hour system due to childcare or nursing care	23	Cases of volunteer activity leaves taken	4 cases		

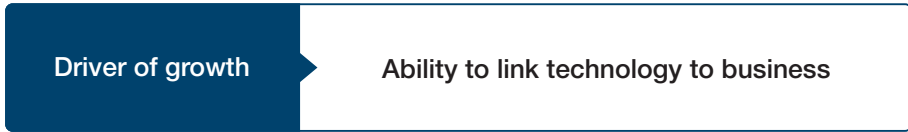
*Ratio of female managers is calculated based on management positions (Senior Officer, Officer, Assistant Officer), excluding those seconded from the Bank to external companies. *Ratio of employment of persons with disabilities as of April 1, 2024
 *Occupational accident frequency rate = (Number of occupational accidents occurred/Cumulative work hours) × 1,000,000 *Occupational accident severity rate = (Lost work days due to an accident/Cumulative work hours) × 1,000

Human Resources Strategy

Human resources development

Acquisition of necessary skills and independent career development

It is also necessary to prepare an environment that encourages independent human resources to constantly update themselves. To encourage the independent career development and personal growth of employees, we provide various training programs and opportunities to equip them with necessary skills. In particular, utilizing IT/DX in business is essential to the growth strategy of our Group. To this end, in addition to our conventional communication training programs, we are focusing on training and the development of communities for the utilization of AI and data. Through these, we are building an environment that encourages everyone to aim to join our DX human resources through various opportunities.



Initiatives

Data Management Office (DMO)

Aiming to transform business models and processes utilizing data, we are implementing various measures to incorporate the use of data in our work, which include setting up knowledge sites, creating data marts, holding consultation meetings and workshops, and providing support for building departmental dashboards.



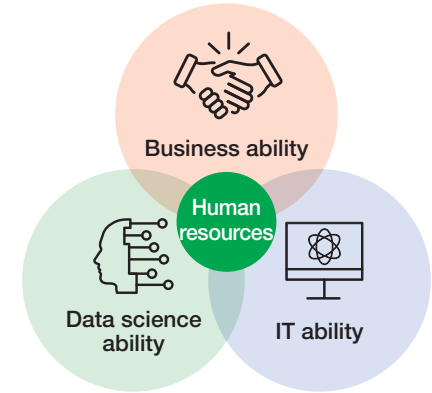
Key Indicators

	Results for FY2023		Target
Number of employees in the IT business	144	➔	200
Number of employees with agile development/data science skills	85	➔	150
Number of DMO community participants	330		
Number of citizen development app community participants	392		
Number of employees who have set EX10 targets	174	➔	250

*Activities to allocate 10% of work hours to innovation

Corporate Transformation (CX) to Drive Transformation

Seven Bank defines CX as a combination of DX (digital transformation) and EX (employee experience). We pursue a business model that enables individuals and the company to grow together through materializing the development of IT systems for increasing productivity, utilization of advanced AI and data, and the changes entailed in skill sets, organizational and corporate culture and awareness.



FOCUS

Citizen-Developed App Awards

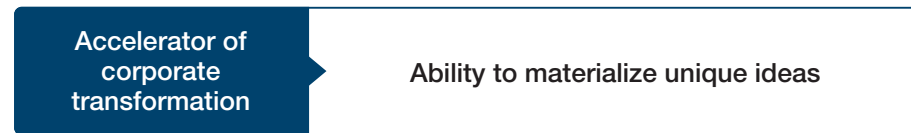
The citizen development training program is a hands-on training program to enable employees, who are untrained in IT but wish to streamline or automate their complicated tasks, to develop apps by themselves with assistance by the citizen development promotion team.



- Best App of the Year Award**
Sevenko Management app
Hikari Tsurumaki, Kazuki Nagamatsu, and Sayako Yuki, Human Resources Division team
App for managing borrowing and returning of books in Seibunko
- Business Reform Award**
Cash Flow Management Table app
Momoe Otsuka, Business Support Division
An app that automatically submits data on expenses scheduled for debit to the Cash and Securities Office on a daily basis
- Good Idea Award**
Image Search app
Maki Sakai, Brand Communication Division
An app that allows users to search and use image materials easily

Awareness change Fostering a mindset geared to innovation

Aiming to achieve our growth strategy and to increase the corporate value essentially requires changing the mindset of employees. Fostering a mindset geared to innovation in all employees requires cultivation of a mindset to be able to “expand” their areas and “create” businesses. We carry out various measures to develop human resources to drive “expansion x creation,” as human resources needed to achieve the second phase of growth. The EX10 system encourages independent innovation activities by allowing employees to allocate 10% of their work hours to activities for future contribution to the company or improvement of their skills, even without immediate benefit for their current work. In FY2023, 174 employees used this system.



Awareness cultivation Behavioral change Business reform/Creating new businesses



- Understand our strengths
- Recognize our assets available for new endeavors
- Cultivate a challenger mindset
- Cultivate a sense of ownership of “the second phase of growth”



- Incorporate learning into work
- Take one step ahead, take small actions



- Related departments organically link together
- Collaborative businesses spring up spontaneously

Initiatives Corporate transformation dialogues

Through talks between executives of other companies and our officers, we communicate messages from the management team driving corporate transformation to employees.



Initiatives Cross-border Learning Seminars

Hands-on programs that encourage employees to act autonomously and help them take on the challenge of creating new businesses.

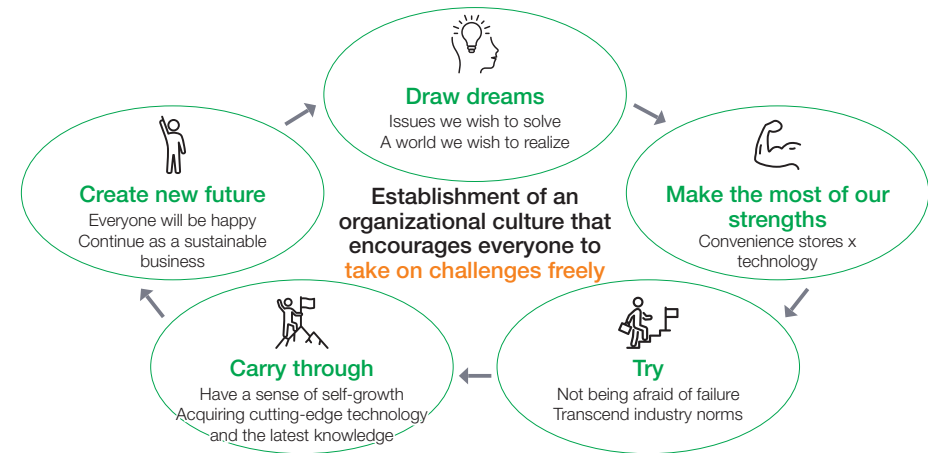


Initiatives Accelerator Program

Seven Bank has held the Accelerator Program almost annually since 2016, to collaborate with companies from a broad range of sectors including startups to create new businesses.



To a Company Where Diverse Human Resources Gather for Active Participation and Growth!



Human Resources Strategy

Diversity and Inclusion

Seven Bank established the D&I Promotion Subcommittee in FY2023. Aiming to create a workplace environment where all employees can achieve their potentials equally, the entire Seven Bank Group is working together on the following activities.

Held an Event Commemorating International Women's Day Jointly with Overseas Group Companies

In March 2024, we held an event to commemorate International Women's Day jointly with our three overseas Group companies (FCTI, ATMi, and PAPI).

Participants gave presentations on women's participation in success in their respective countries, and learned about differences in situations between countries and challenges common to all countries. The event also created a sense of connection across national borders in many employees, helping to foster unity within the Seven Bank Group.



Conducted a D&I Training Session for Employees

A group work session on D&I was held jointly by three Group companies in Japan, with a total of 50 participants.

In this program, participants tried to put themselves in the shoes of people facing various difficulties, such as childcare or nursing care, and thought how they would respond. Through the program, they became aware of the unconscious bias within themselves, and the importance of communicating with others and having a considerate attitude towards co-workers.



FOCUS

Working for the promotion of D&I that will lead to Seven Bank Group's business growth

The D&I Promotion Subcommittee is working to create an environment to help employees learn more about D&I and put what they have learned into practice, through information activities and events about D&I. In FY2023, aside from the initiatives mentioned above, we conducted an awareness survey of all employees, which showed us the current situation of our Group and the expectations of our employees.

In the subcommittee, a total of eight members including employees of Seven Bank and two Group companies in Japan are planning and driving the activities for D&I. They are the employees of different levels ranging from managers to young employees, from a variety of departments. I also feel that the distances between companies are getting narrower than ever before through the group-wide cross-organizational activities.

In the era of rapid change, I believe that continuing to promote D&I directly leads to business growth and innovation. To drive the activities forward, it is also essential to change the awareness of all employees in linkage with human resource strategies. Going forward, as a subcommittee, we would like to carry out our activities while also following up on the measures taken by the Bank.



Tomomi Hashizume

Chairperson, D&I Promotion Subcommittee (Executive Officer and General Manager, Internal Audit Division)

Revitalization of Company-wide Communication

The Seven Bank Group holds various events to stimulate internal communication. We hold a variety of internal events throughout the year, from lunch meetings intended to encourage interaction between employees from different groups and departments, to face-to-face events at respective locations, events connecting multiple locations online, and events that invite employee families to offices.

We also focus on fostering a sense of ownership of the Purpose in employees, through measures such as small-group discussions with officers, and an award program for recognizing efforts to materialize the Purpose. In the FY2023 Purpose Award, all Outside Officers participated in the judging, evaluated the presentations by employees, and also participated in the awards ceremony and reception.

Initiatives

Discussions with the President and Officers
Town hall meetings



Opportunities to talk with the management team

Instilling and implementation of the Purpose



Commending the activities that embody the Purpose
Purpose Award

Events for internal communication
Shuffle lunch



Fostering a sense of togetherness

Deepening mutual understanding

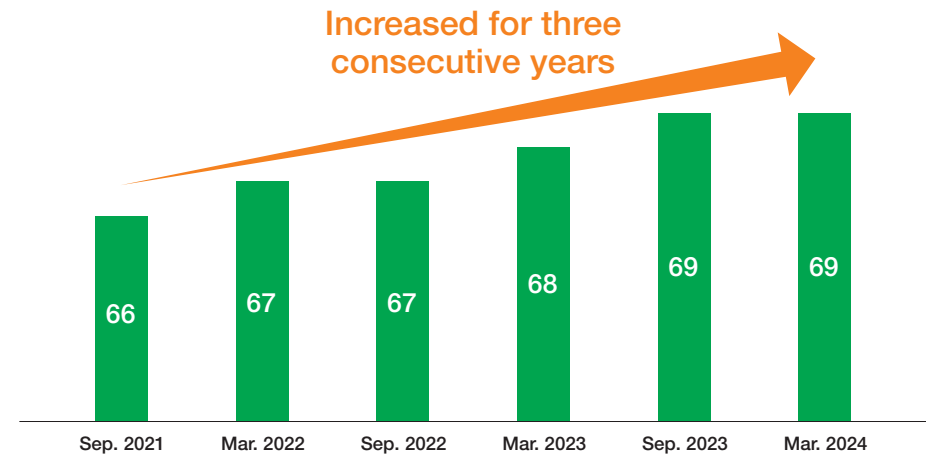


Family events to connect families and the company
Open office day

Increase in engagement

Key Indicators

Engagement scores



Employee “engagement” is a barometer of employees’ trust and attachment to the company, which is drawing attention as an indicator related to customer satisfaction, productivity, and income. To increase the engagement score, empathy with the company’s philosophy and vision and a mindset of contributing to the company’s growth in employees are highly relevant.

Seven Bank started companywide employee engagement surveys in 2021. The engagement score at the end of FY2023 was up 1 point from the previous fiscal year, showing an increase for the third consecutive year.



We have positioned IT strategy as one of our key management strategies, proactively adopting new IT technologies. This, including the proactive use of cloud infrastructure and the promotion of agile development, has contributed to our business expansion. Meanwhile, our existing IT systems, optimized for individual business operations, have a weakness in flexibility and agility in a rapidly changing business environment. To solve this issue, we have established the IT Design Office as a cross-departmental organization and formulated a new comprehensive IT strategy, to bring together the Seven Bank Group including overseas companies to make ourselves a leader in business innovation through demonstrating team synergy.

Comprehensive IT Strategy



FOCUS

Formulation of the IT strategy

Since the founding of Seven Bank, our systems have strategically focused on maximizing uptime and fault tolerance to support the ATM services that were born out of the wishes of customers. As a result, our services have earned customers' trust as a readily accessible ATM network, which has contributed to the development of the Bank.

Going forward, our challenge will be to create services that match customers' lifestyles more quickly while maintaining this reliability. Aiming to deliver "new conveniences" to more customers, the IT Design Office, my organization, was established, so now we have an organization in place to implement the strategy. From now on, the IT Design Office will drastically revamp the structure of our systems and our approach to building them. This will further strengthen our orientation of facing toward customers and enable us to continue to create valuable services with high agility.



Takayuki Aihara

ATM Solution Division
Strategy Group Lead,
IT Design Office



Hanae Isaki

ATM Solution Division
Strategy Group,
IT Design Office

Structure

Revamp the overall system design

- Develop a new infrastructure that enables businesses creation through a team effort across the whole Seven Bank Group
- Renew the old systems into IT architectures suited to the current times

We will totally revamp the IT systems that have been previously built and evolved independently by each of our financial business segments. This will enable us to link our financial services, such as banking, credit, and electronic money, with a wider range of scenes in customers' lives, such as shopping, to provide them with fresh, seamless experience that only we can offer.

The new infrastructure "Forest" will be a hub to connect customers with various companies and services



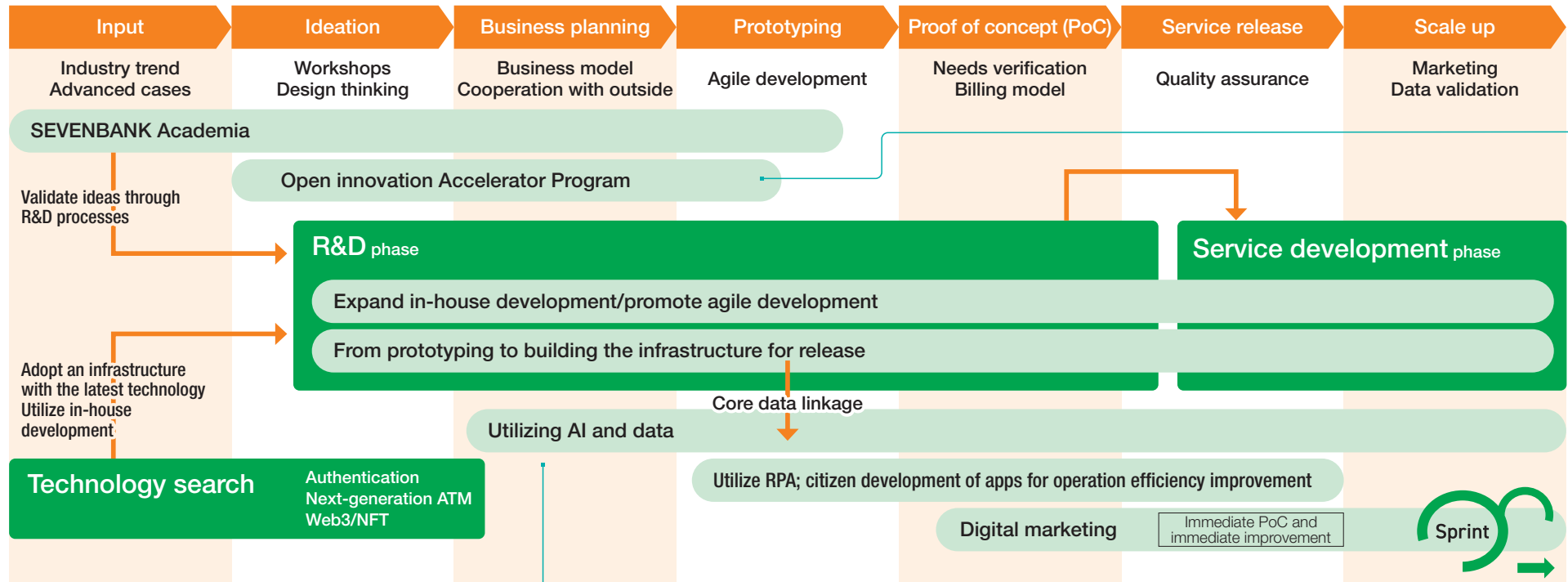
IT Strategy

Approach to building

Transform the development style

- Agile co-creation together with business divisions from the seeds of ideas
- Expand in-house development; development led by the front line, anytime with everyone

To provide new values to our customers through innovation, we will not only revamp our system infrastructure, but also change our style of development. We will co-create services from the seeds of ideas obtained through various technology searches in an agile manner in a cross-functional organization involving business divisions, to eventually implement the services. Also in the service phase, we aim to establish a style of development in which we continue to refine the UX swiftly by putting ourselves in the customer's shoes.



Utilization of AI and data



Award

Received the Data Utilization Award in the Data Management Award 2024 sponsored by Japan Data Management Consortium (JDMC) for our efforts to make an impact on business

Seven & i Group's data utilization

- PoC for credit utilization of nanaco data
- Study for utilizing 7iD purchase data



ATM trouble prediction

- Elimination of regular inspection
- 50% reduction of maintenance costs



AI-based cash demand prediction

- Handling of cash flow amounting to ¥22 trillion a year
- Optimization of deployment, prevention of shortage

Promoting open innovation

With a core role played by Seven Labo in this arena, every day, we search for external knowledge that is vital for creating innovation, and collaborate with startups on a “give first” basis. Examples of unique services we offer include Shopping Investment “Korekabu” and Post Payment Service.

Timee: スキマバイトはタイミー
FINATEX
Kanmu
SMART+

Real-time money transfer services are used for immediate wage/fee payments

Shopping Investment “Korekabu”

Post Payment Service

New wedding gift money transfer service “Tsumumuto”

Through the “New Business Creation Program (Accelerator) 2023,” Seven Bank selected the plan proposed by TAKE AND GIVE. NEEDS Co., Ltd., a major bridal service provider, as a collaboration project. We brushed up the proposed business idea together and launched “Tsumumuto,” a service that allows users to send wedding gifts from ATMs in a smart, easy, and convenient way, in April 2024.



Members from TAKE AND GIVE, NEEDS and Seven Bank's Seven Labo



FOCUS

Joint research initiated in industry-academia collaboration with a view to creating next generation ATMs

Seven Bank has begun collaboration with educational and research institutions, namely Hokkaido University and National Institute of Technology (KOSEN), Kushiro College for exploration in a wide range of areas from the perspectives of UI/UX with a view to creating next generation ATMs. This is the first industry-academia collaboration project for Seven Bank since its founding.



Part 1: Research themes

Hokkaido University

Exploration of the customer experience from a cognitive psychology perspective

Exploration of new device operation interfaces

Predictive behavior analysis using AI and image recognition

National Institute of Technology (KOSEN), Kushiro College

Creation of a safe space through sensing technology

Responses to Environmental Issues

Initiatives for Climate Change

The Seven Bank Group recognizes the issue of climate change as one of its management material issues understanding that global warming severely affects the sustainability of companies. The Seven Bank Group expressed an endorsement of the Task Force on Climate-related Financial Disclosures (TCFD) in December 2021. In 2023, it conducted a scenario analysis to measure the impact of climate change risks and opportunities on our core ATM platform business. We analyzed the impact of climate change on our business activities and revenues, etc., and are taking specific measures, while enhancing information disclosure to stakeholders.

Governance

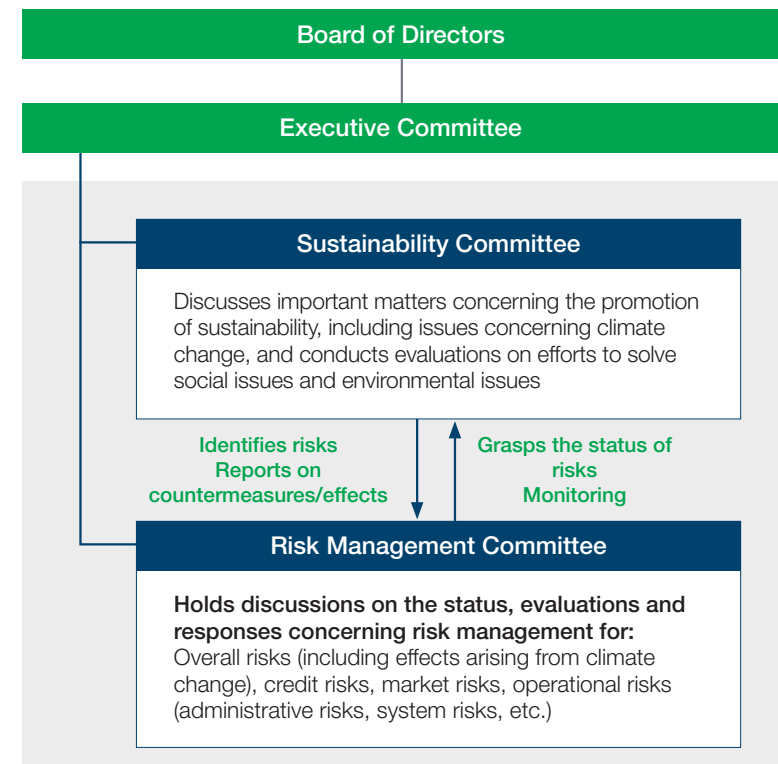
The Seven Bank Group defines “Response and approach to climate change linked to the Seven & i Group” as one of our focused items. Important matters related to climate change are discussed in the Sustainability Committee. We disclose such sustainability information, including the progress status of our initiatives addressing social and environment issues and prepare for external evaluation.

The Risk Management Committee is established as an advisory body to the Executive Committee related to risk management. Every fiscal year, the Board of Directors establishes the “Basic Policy on Risk Control,” which specifies the overall risk management policy, specific risk management policies and the organization and system for risk management. The Executive Committee sets risk control regulations and quarterly evaluates the overall risk status.

The Executive Committee determines a response policy for material items reported at the Sustainability Committee and the Risk Management Committee, advisory bodies of the Executive Committee. The Executive Committee also supervises the progress of responses and target achievement status of each department and group company through the Sustainability Committee and the Risk Management Committee, reviewing the policy and initiatives as required.

The Board of Directors, on the other hand, based on discussions on sustainability in the Executive Committee, supervises the decisions and business execution of important matters in the basic policy and business management related to sustainability from a corporate management standpoint.

Climate change risks are also addressed through study of the situation and countermeasures, monitoring, etc. within the structure.



Strategy

The Sustainability Committee conducted a scenario analysis for the year 2030, based on information as of the end of March 2022 targeting our core ATM platform business. In the analysis, the financial impact due to the physical risk of extreme weather was estimated, which is assumed to have a significant business impact.

Analysis process



Conditions of assumed scenarios

The scenario analysis of climate change was conducted assuming the 2 degree limit scenario and the 4 degree scenario based on reports issued by International Energy Agency (IEA) and Intergovernmental Panel on Climate Change (IPCC). We identified a wide variety of potential factors impacting our ATM services under each of scenario, assessed the financial impact, and then identified risks and opportunities.

Assumption of scenario analysis

Items	The 2 degree limit scenario	The 4 degree scenario
Reference scenarios	(2 degree scenario) IEA Sustainable Development Scenario, IPCC RCP2.6 (1.5 degree scenario) IEA Net Zero Emissions by 2050	(4 degree scenario) IEA Stated Policies Scenario, IPCC RCP8.5
Target year	As of 2030	
Worldview	The scenario assumes an average temperature increase of less than 1.5°C above the pre-industrial level by 2100. Policies, laws, and regulations will be more stringent than now to achieve carbon neutrality to control problems from climate change.	The scenario assumes an average temperature increase of 3.2°C to 5.4°C (about 4°C) above the pre-industrial level by 2100. No proactive policies, laws, or regulations are put in place to mitigate problems from climate change, while extreme weather events intensify remarkably.

Identified climate change risks and opportunities

Type of risk/opportunity	Assessment item	Projected time-frame	Business impact	Financial impact		
				4°C	1.5°C	
Transition risk	Policy and regulations	Regulations on resource recycling	Medium- to long-term	<ul style="list-style-type: none"> Regulations on the distribution and use of fossil fuel-derived plastics used in ATMs will require shift to alternative materials such as bioplastics A shift to recyclable materials and structures will be required, increasing costs for adaptation 	-	Medium
	Change in market	Change in raw material costs	Medium- to long-term	<ul style="list-style-type: none"> Increase in the prices of fossil fuel-derived plastics used in ATMs due to higher crude oil prices can increase manufacturing costs 	-	Medium
		Change in energy costs	Medium- to long-term	<ul style="list-style-type: none"> Increased demand for renewable energy can bring up electricity prices and increase operating costs for offices and data centers Higher gasoline prices will increase costs such as guarded transportation costs 	-	Small
Physical risk	Acute	Frequent and intensified extreme weather events	Short- to long-term	<ul style="list-style-type: none"> ATM failures due to flooding, transportation networks disruption due to natural disasters, decrease of transactions due to shut-downs of business operators with ATMs installed, decrease of profitability of our core business ATM services The number of ATM transactions decreases as people go out less, resulting in lower income 	Large	Medium
	Chronic	Rise in average temperature	Short- to long-term	<ul style="list-style-type: none"> Air-conditioning costs for offices and eastern and western data centers will increase 	Medium	Small
Opportunity	Product and services	Growing environmental awareness	Medium- to long-term	<ul style="list-style-type: none"> Demand for replacement to Seven Bank ATMs will increase due to replacement of ATMs to those with advanced energy-saving functionality and due to an increasing interest in recyclable ATMs Demand for ATMs as sustainable social infrastructure will increase as the initiatives addressing climate change progress across the ATM network as a whole 	Medium	Small
	Market	Need for cash in ordinary times/ emergency situations	Short- to long-term	<ul style="list-style-type: none"> Rising temperatures will increase the number of customers visiting convenience stores and increase opportunities to use ATMs Demand for mobile ATM vehicle dispatch services as disaster response measures will increase Increased need for cash in the event of a disaster will increase the number of transactions 	Medium	Small

*Short-term: 1 year, Medium-term: 1 to 5 years, Long-term: 5 to 30 years

Responses to Environmental Issues

Calculation of financial impact

In addition, for the damage and impact of extreme weather events on our ATMs, which were evaluated as having a large business impact as a result of the scenario analysis, we estimated the frequency and probability of floods and storm surges occurring in the areas where our ATM locations nationwide using hazard maps and calculated damage to the actual ATM machines, including ATM recovery cost and financial loss due to ATM shutdowns, and estimated the financial impact.

Assumptions	Calculation	Calculation result (in millions of yen/year)
<p>In both the 4 degree scenario and the 2 degree limit scenario, as of 2030, physical damage from floods and storm surges increases due to intensified severe extreme weather events. We have a large number of ATMs nationwide and expect to have a significant financial impact from the increasing frequency of floods and storm surges.</p>	<p>The following items are estimated based on the Manual for Economic Evaluation of Flood Control Investment (Ministry of Land, Infrastructure, Transport and Tourism) and other references.</p> <p> ● Damage to ATM asset due to flooding ● ATM recovery cost ● Losses due to ATM shutdown </p> <p><small>*Damage prediction data, such as estimated flood depth, is identified for each ATM location from hazard maps. *Annual average damage is calculated by multiplying the estimated damage in the event of flooding or storm surge by the annual exceedance probability. *Influence on cash is beyond the scope of the analysis (assumed no cash is lost)</small></p>	<p>805 ~ 1,408</p>

Seven Bank's major initiatives

Responding to the potential impact of climate change risks and opportunities, the Seven Bank Group has been taking various actions to enable a decarbonized society.

Risk

Risk type	Assessment item	Major initiatives
Transition risk	Policy and regulations	<p>Regulations on resource recycling</p> <p>Response for existing ATMs</p> <ul style="list-style-type: none"> ● For ATMs, we have proactively introduced recycled materials and adopted an easy-to-maintain structure, etc. from the design phase. In the event of defects, we perform parts replacement and maintenance and make other efforts to extend its life. ● ATMs removed and collected due to renovation and closure of Seven-Eleven stores and replacement with fourth-generation ATMs are, if they are reusable machines, reused after maintenance, or reused as parts. ● Old unrecyclable ATMs are recycled as resources through recycling business operators. Thus, we achieve a recycling rate of around 100% for ATMs. ● We proactively engage in collaboration with academia, etc. in view of exploration of new materials and research and development of recyclable materials for discussion of next-generation ATMs.
	Change in raw material costs	<p>Response for next-generation ATMs</p>
	Change in market	<p>Change in energy costs</p> <ul style="list-style-type: none"> ● To maintain an appropriate level of cash stored in ATMs, the usage patterns of each individual ATM are currently analyzed using AI technology and the timing of funds needing to be replenished is forecasted. Based on the information, optimal cash transportation routes and the frequency are determined in cooperation with a guarded money transport company. This enables efficient operation considering transportation-related energy consumption and CO₂ emissions. ● Starting in 2022 with a data center which is powered by electricity solely from renewable sources, as well as a cloud storage service based on sustainable concerns, we are addressing future changes in energy costs, aiming to achieve complete zero emissions of CO₂ by 2025.
Physical risk	Acute	<p>Frequent and intensified extreme weather events</p> <ul style="list-style-type: none"> ● Although we established a structure to ensure business continuity traditionally by having our system bases in eastern and western Japan, in 2021, most core systems were transferred to cloud storage. In cooperation with our business partners, we continue to duplicate our systems and operate them alternately from our sites in eastern Japan and western Japan. At the same time, we have also stepped-up measures for early recovery in the event of failure, which includes rapid fault isolation and enhancing the remote maintenance environment. ● We take measures against blackouts due to disaster by installing an uninterruptible power supply (UPS) on the ATM itself. ● To minimize damage caused by natural disasters, we have established a system with Seven-Eleven to cooperate with the store management teams in the disaster area in advance and utilize the store information sharing system "7VIEW" to grasp the situation in real time and take early action.
	Chronic	<p>Rise in average temperature</p> <ul style="list-style-type: none"> ● Promoting casual office attire and reducing power consumption by heating and cooling equipment

Opportunity

Type	Assessment item	Major initiatives
Opportunity	Product and services	<ul style="list-style-type: none"> Since the initial stage of development, the fourth-generation ATM model released in 2019 aimed to not only improve features and performance but also to contribute even better to society and the environment so as to meet broader customers' and social needs. We successfully reduced power consumption by 40% in cooperation with our business partners through reconsideration of ATM circuit design and thorough selection of low power consumption parts. Currently, the fourth-generation ATMs are being gradually introduced nationwide and, replacing third-generation ATMs leads to reduced CO₂ emissions.
	Market	<ul style="list-style-type: none"> Need for cash in ordinary times/emergency situations Assuming an increase of ATM replacements by financial institutions to minimize damages to bank branches and ATMs due to natural disasters, we strive for enhancing ATM services as a social infrastructure. In the event of a large-scale disaster that disables ATM operations over a wide area, we will dispatch mobile ATM vehicles to help the affected communities through the provision of settlement infrastructure.

Risk Management

The Seven Bank Group incorporated climate change risks into the company-wide risk management system as part of the process of identifying and managing climate-related risks, as the section on the overall risk management policy in the “Basic Policy on Risk Control” requires the Bank to practice agile risk management by responding immediately to changes in the external and internal environment based on risk assessment results and monitoring.

Meanwhile, with regard to opportunities, the Sustainability Committee holds regular hearings on the status of efforts in each business unit to “reduce environmental impact,” which has been one of the priority issues up to now, and is strengthening cooperation with related divisions on further efforts to make ATMs more environmentally-friendly. We also cooperate with our business partners related to the ATM business and started discussions about establishing a sustainable ATM network.

Indicators and Target

Seven Bank is making strong efforts to reduce environmental loads, working toward achieving the target of “substantially no CO₂ emissions associated with store operations” set in Seven & i Group’s environmental declaration “GREEN CHALLENGE 2050,” and calculate annual CO₂ emissions volume in order to quantitatively understand environment loads. The CO₂ emissions of the four dedicated offices of the Bank and three directly-managed Seven Bank ATM locations are shown on the right.

Taking into consideration expanding scope of our efforts to include consolidated subsidiaries in the future and enhancing cooperation with business partners for Scope 3, we plan to increase our efforts to reduce CO₂ emissions.

[Scope]

- Four offices: Chiyoda-ku, Tokyo, Sumida-ku, Tokyo, Yokohama City, Kanagawa Prefecture, Toyonaka City, Osaka Prefecture
- Three directly-managed Seven Bank ATM locations: Shinjuku-ku, Tokyo, Minato-ku, Tokyo, Osaka City, Osaka Prefecture

		(t-CO ₂)		
		2020	2021	2022
Scope 1+2	Indirect emissions from the use of electricity, heat, etc. supplied by others	638	596	663**
Scope 3	Categories 1, 5, 6, 7, 12, 13 and other**	20,630	17,293	17,787

*1 CO₂ emissions from the use of steam, hot water, and chilled water is included starting FY2022

**2 The category of other mainly includes CO₂ emissions from the use of electricity by employees at home

Responses to Environmental Issues

Environmentally-friendly ATMs

Fourth-generation ATMs with Smaller Energy Consumption

The fourth-generation ATMs released in 2019 reduce power consumption by 40% compared to the third-generation ATMs. This was enabled by not only enhancing functions and performance when developing new ATMs but also by aiming to increase contribution to the society and environment. In order to aim for future ATMs which ensure sustainability while adopting highly functional components such as a reader for facial recognition and Individual Number Cards, we are also striving to reduce the environmental burden in ATM development through reconsideration of ATM circuit design and thorough selection of low power-consumption parts in cooperation with our business partners.



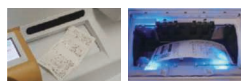
As the introduction of the fourth-generation ATMs with lower power consumption progresses nationwide, CO₂ consumption from all ATMs was reduced by about 20% compared to the result at the end of FY2019.

Reducing Environmental Burden through Reduction of ATM Slip Waste

Seven Bank ATMs reduce the use of paper by reduction of ATM slip waste and CO₂ emissions by reduction of number of times vehicles are dispatched. In addition to providing buttons to allow customers to choose whether to print a slip upon each transaction, we have eliminated slips which were automatically printed in the event of a PIN error or an insufficient account balance starting in FY2021. We successfully reduced the environmental burden across the whole supply chain. The results in FY2023 show the number of ATM slip being reduced by approximately 20 million annually and the number of times vehicle dispatched due to ATMs running out of slip paper being reduced by 60% compared to the results before the introduction of the mandatory non-issuance (FY2020).

Benefits of reducing ATM slip issuance

- 1 Reduces paper use
- 2 Reduces the frequency of roll replacement
- 3 Reduces the number of vehicle dispatches due to ATM troubles
- 4 Reduces litter to improve customer experience



Slips left on the ATM can cause machine trouble



Reuse ATMs in Cooperation with NEC

Seven Bank and NEC Corporation (hereinafter NEC) jointly engage in the reuse of ATMs, striving for the effective use of resources. Seven Bank ATMs are built with recycled materials from the design stage and are designed to allow replacement of individual parts and maintenance in the event of a malfunction. NEC collects ATMs which were removed due to renovation and closures of stores, thoroughly cleans the sensors and the interior, and conducts performance checks. This enables the reuse of ATMs. Through these efforts, a total of more than 13,000 ATMs have been reused. We also reuse some ATMs as parts. ATMs considered unrecyclable due to aging are recycled as resources through recycling business operators. We achieve a recycling rate of approximately 100% for ATMs through these initiatives, enabling sustainable ATMs.



Activities Taken Across the Supply Chain

Four Supply Chain Companies Launched Partner Meetings

Seven Bank launched the ATM Partner Sustainability Meeting together with three companies, NEC Corporation, SOHGO SECURITY SERVICES CO.,LTD., and Nomura Research Institute, Ltd. in order to promote sustainability initiatives across the supply chain for the ATM business in FY2023.



Four ATM business partner companies collaborate in enhancing information coordination in the field of sustainability and discuss future initiatives, and thereby we promote activities across the supply chain aiming to establish further environmentally-friendly ATMs.

Using Data Centers with High Environmental Performance

We have been able to achieve a rate of 100% renewable energy sources for the electricity used at the Seven Bank data centers* provided by Nomura Research Institute, Ltd., and we have obtained ISO 14001 certification, the international standard for environmental management systems.



Our high environmental performance data centers are designed and built with efficient and flexible air conditioning, and currently, our data centers have zero CO₂ emissions related to energy consumption.

*The Company's data centers are two domestic data centers provided by Nomura Research Institute, Ltd. and a public cloud platform provided by Microsoft Japan Co., Ltd.

Toward Environmentally-friendly Cash Transportation

We are working in cooperation with SOHGO SECURITY SERVICES CO.,LTD. for the transportation of cash and on the spot response in case of failure for ATMs.



As part of our effort to reduce our overall environmental burden, we are working towards making cash delivery vehicles both safer and lighter, while at the same time promoting the adoption of environmentally-friendly vehicles.

In addition, using AI data analysis we are making plans for optimal transportation of cash, taking a variety of measures to reduce our CO₂ emissions.

Reuse of Poster Panels in Seven-Eleven Stores

The poster panels showing the list of banks that can be accessed via Seven Bank ATMs that are used at Seven-Eleven stores are produced by the Company and displayed in Seven-Eleven stores. Since the end of FY2021, these poster panels have been produced with reusable materials, and when stores close, etc., they are collected, cleaned, and reused (other than those in bad condition).



A poster panel displayed in a store

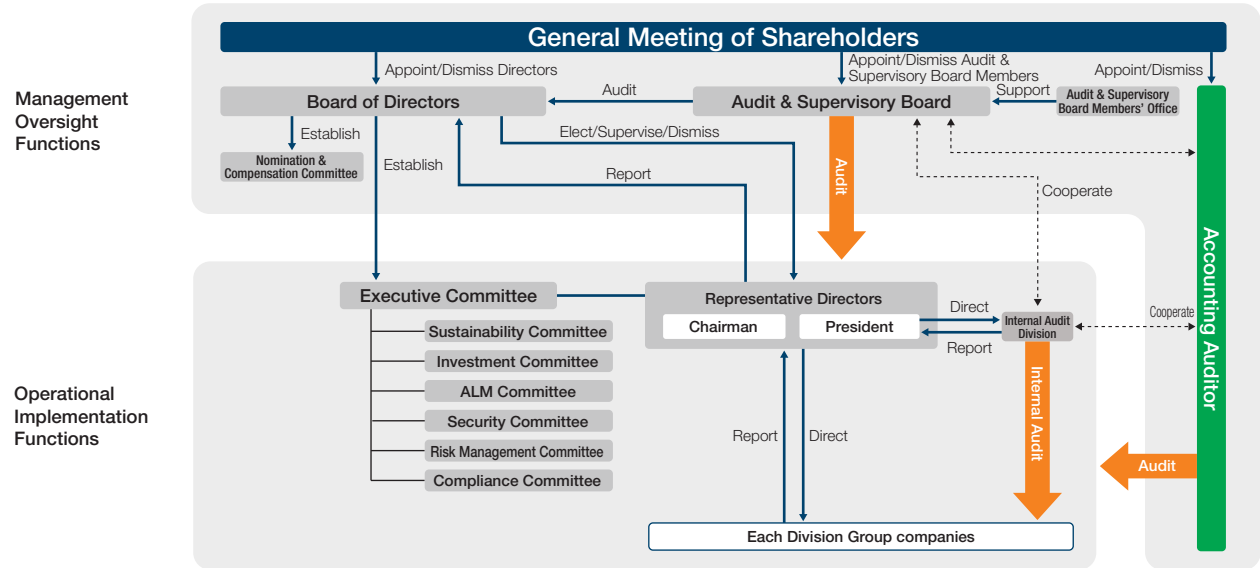
We have also started an initiative to recycle the acrylic panels produced in the past when they are no longer needed and create acrylic desk calendars. With sliding calendar panels, these can be used for many years, making them an environmentally-friendly item. We are planning to distribute these calendars as promotional items at Seven & i Group environment-related events, etc. in the future.

Corporate Governance

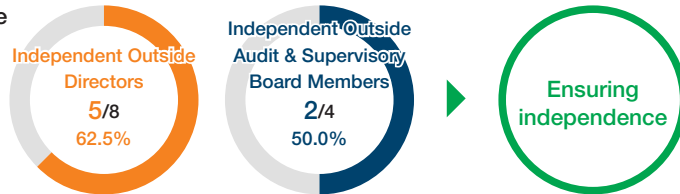
Basic Views

As a bank that owns and operates an ATM network that manages deposits from a large number of customers and has a nature similar to that of public infrastructure, the Bank recognizes that ensuring disciplined corporate management is vital in responding to social trust and seeks to ensure effective corporate governance. This is achieved by maintaining and improving corporate governance and compliance systems to ensure transparent, fair and swift managerial decision making; clarifying the roles and responsibilities of executives and employees; strengthening management oversight functions; and ensuring equitable operations.

The Bank also adopts the organizational form of a Company with Audit & Supervisory Board. At the Board of Directors, the Bank ensures effective corporate governance through decision making by Directors with executive authority over operations who are well versed in the Bank's operations and Outside Directors who have considerable experience and insight in their areas of expertise as well as through audits by the Audit & Supervisory Board Members.



Independence of Officers



Main Items and Descriptions

Organizational design Company with Audit & Supervisory Board	Number of meetings of the Board of Directors Average attendance of Outside Directors 98.6% of 15 meetings Fiscal2023	Number of meetings of Audit & Supervisory Board Average attendance of Outside Audit & Supervisory Board Members 100% of 14 meetings Fiscal2023
Advisory body to the Board of Directors Nomination & Compensation Committee	Chairperson of the Nomination & Compensation Committee Independent Outside Director	Proportion of female Officers 25% (3 of 12)

Members of major organizations (As of July 1, 2024)

Position	Name	Board of Directors	Nomination & Compensation Committee	Executive Committee	Position	Name	Audit & Supervisory Board	Board of Directors	Nomination & Compensation Committee	Executive Committee
Chairman and Representative Director	Yasuaki Funatake	○	○	○	Full-time Audit & Supervisory Board Member	Kazuhiko Ishiguro	◎	△	△	△
President and Representative Director	Masaaki Matsuhashi	◎	○	◎	Full-time Audit & Supervisory Board Member	Ryoji Sakai	○	△		△
Director	Tsuyoshi Kobayashi	○			Outside Audit & Supervisory Board Member	Hideaki Terashima	○	△		
Outside Director	Makoto Kigawa	○	◎		Outside Audit & Supervisory Board Member	Chieko Ogawa	○	△		
Outside Director	Yukiko Kuroda	○	○							
Outside Director	Etsuhiro Takato	○	○							
Outside Director	Yuji Hirako	○								
Outside Director	Tami Kihara	○								
(Executive Officer)	14 other persons			○*						

◎ Chairperson
○ Member
△ Observer

*Members of the Executive Committee exclude the Project Executive Officers.

Board of Directors

Composition

Eight Directors including five Independent Outside Directors

Number of Meetings held during FY2023

15 times

Average attendance rate

98.0%

The Bank's Board of Directors consists of eight Directors, including five Independent Outside Directors. The Board of Directors meets, in principle, once a month to decide the Bank's basic management policies and important operational issues and to supervise the execution of duties by Directors with executive authority over operations and Executive Officers.

Major agendas

- Management policies and plans to achieve the Medium-Term Management Plan
- Sustainability promotion plan
- M&A
- Revision of the Charter of Ethics
- Group engagement
- Subsidiary investment/impairment loss

Nomination & Compensation Committee

Composition

Two Independent Outside Directors and two Directors

Number of Meetings held during FY2023

7 times

Average attendance rate

100%

As an advisory body to the Board of Directors, the Bank has established the Nomination & Compensation Committee, chaired by an Independent Outside Director in order to supplement the functions of the Board of Directors. The committee is delegated by the Board of Directors to recommend candidates for Director to be put on the agenda at a General Meeting of Shareholders, to recommend candidates for Executive Officer to be put on the agenda at a Board of Directors meeting, and to supervise a plan on successors to the position of Director, etc.

Major agendas

- Recommendation of candidates for Director and candidates for Executive Officer to the Board of Directors
- Suggestion of compensation for Directors and Executive Officers to the Board of Directors
- Succession plan for successors to the positions of President and Executive Officer
- Review of timing for execution system change

*The Nomination & Compensation Committee consists of a total of five members: three Independent Outside Directors and two Directors as of July 1, 2024.

Audit & Supervisory Board

Composition

Four Audit & Supervisory Board Members including two Independent Outside Audit & Supervisory Board Members

Number of Meetings held during FY2023

14 times

Average attendance rate

100%

The Bank's Audit & Supervisory Board consists of four Audit & Supervisory Board Members, including two Independent Outside Audit & Supervisory Board Members. The Audit & Supervisory Board meets, in principle, at least once a month to receive reports regarding important auditing-related issues and deliberate and make decisions thereof. The Audit & Supervisory Board convenes with Representative Directors, the Internal Audit Division and the Accounting Auditor on a regular basis to exchange opinions and make requests as necessary on issues to be addressed by the Bank, the status of improvements to the Audit & Supervisory Board Members' auditing environment and important auditing-related issues.

Executive Committee

Composition

Two Directors and 11 Executive Officers excluding Project Executive Officer

Number of Meetings held during FY2023

62 times

In principle, the Executive Committee meets on a weekly basis to deliberate the execution of important operations, including business plans; acquisition and disposal of assets; credit provision-related issues; borrowing of money and payment of expenses; credit management issues; rewards and sanctions for employees; issues related to employees' working conditions and benefits; the establishment, change and abolition of the organization; and the formation, revision and elimination of rules and regulations, in addition to conferring on issues to be deliberated at the Board of Directors meetings in advance. The Bank has adopted an executive officer system, and the Executive Committee comprises Executive Officers and others nominated by the Board of Directors.

Corporate Governance

Initiatives to Strengthen Corporate Governance

For the sustainable growth and the improvement of corporate value, the Bank has positioned strengthening governance as a key management issue. In FY2023, with new Outside Directors and a new Outside Audit & Supervisory Board Member added, we have enhanced the independence of the Board of Directors, and have put our effort in making the Board of Director more effective with the Board of Directors composed of diverse members. Please note that the Company set the basic views, the framework, and the operation policy that need to be addressed to enable the effective corporate governance in its Corporate Governance Guidelines, and released it on our website.

WEB <https://www.sevenbank.co.jp/english/csr/esg/governance/>



Evaluation of Effectiveness of the Board of Directors

The Seven Bank has conducted “evaluation of effectiveness of the Board of Directors” since FY2015. In FY2023, a questionnaire survey was anonymously conducted for Directors and Audit & Supervisory Board Members about the operation of the Board of Directors, the composition of the Board of Directors, agenda items of the Board of Directors and other items. The results were deliberated at the Board of Directors.

Results of the Evaluation for FY2023

The Bank’s Board of Directors has been fulfilling both its decision-making and supervisory functions as all Directors and Audit & Supervisory Board Members share its roles and responsibilities and conduct deliberations from diverse perspectives through free and open discussions based on the members’ respective knowledge and expertise. Thus, it was confirmed that the Board of Directors has been operating appropriately, thereby ensuring its effectiveness. Details of initiatives concerning the priority matters are as follows.

Priority matters for FY2023	Details of initiatives in FY2023
Advance governance in the Seven Bank Group	Newly appointed Outside Directors and Audit & Supervisory Board Members to ensure diversity among the members of the Board of Directors. Accelerated provision of reference materials and changed their contents for deeper understanding of agenda items.
Enhance opportunities for exchange of views and interaction with executive personnel.	Regularly conducted opinion exchanges with executive personnel who are closer to front-line work, for example, newly appointed General Manager or President of the Group companies giving business briefing. All Outside Directors served as judges for the Purpose Award, where our employees present their initiatives aligned with the Company’s Purpose.
Activities for constructive dialogues with shareholders and investors	Proactively shared Company’s and the Seven & i Holdings Co., Ltd.’s financial situation and investors responses at the meetings of the Board of Directors.

Priority Matters for FY2024

1 Advance governance in the Seven Bank Group

Advance monitoring function and enhance discussion from a risk point of view, promote more diversity in composition and executive personnel

2 Enhance broad and strategic discussion

Share the awareness of the issues in the medium- to long-term viewpoint and engage in discussions of growth strategies, share the status of dialogues with shareholders and investors with the Board of Directors, and hold strategic discussions in light of the voices of the capital market

3 Ensure continuity of opportunities for exchange of views and interaction with executive personnel

Provide opportunities for briefing on operations and information sharing by executive personnel, and organize opportunities for exchange of views and interaction with executive personnel



FOCUS

Interaction between employees and executives at the “Purpose Award”

The Company has held the Purpose Award program since FY2022 with the aim of “sharing real-life examples of efforts to achieve our Purpose across the group to help all employees apply what they have learned to their work,” initiatives submitted by all departments and Group companies are judged for the award. In FY2023, of a total of 40 entries, eight projects passed the preliminary and secondary selections by all employees and Executive Officers, and went to the finals. At the final selection, a person representing each entry presented their project directly to the Outside Directors and Audit & Supervisory Board Members who served as judges. This was a valuable opportunity for front-line employees and outside officers, those who have no connection in regular work, to communicate. After each presentation, they engaged in an active question and answer session and opinion exchanges including encouragement from outside officers to our employees.



Independence Standards for Outside Officers

The Bank's Independence Standards for Outside Officers are as follows.

- 1 Is not a person with executive authority over operations of the Bank's parent company or fellow subsidiary (or has been in such position in the past; hereinafter, the same applies to each item);
- 2 Is not a person for which the Bank is a major business partner or a person with executive authority over such entity's operations, or a major business partner of the Bank or a person with executive authority over such entity's operations;
- 3 Is not a consultant, an accounting professional, a legal professional or a person belonging to an organization that receives a significant amount of monetary compensation from the Bank, other than officers' compensation;
- 4 Is not a major shareholder of the Bank or a person with executive authority over operations of such shareholder; or
- 5 Is not a close relative of a person that falls under any of the above or a relative by blood or marriage within the second degree to a person with executive authority over operations of the Bank.

Other matters concerning Independent Officers

The Bank registers all persons who fulfill the qualifications of Independent Officers, as well as the Independence Standards for Outside Officers, as Independent Officers.

Support Systems/Training Policies for Outside Officers

- 1 Provide necessary and sufficient internal systems for enabling Directors and Audit & Supervisory Board Members to fulfill their roles and responsibilities in an effective manner.
- 2 Provide Directors and Audit & Supervisory Board Members with necessary opportunities to enable them to fulfill their roles, such as by providing the information and knowledge relating to the business activities that would be necessary to supervise corporate management when they take office and continually thereafter.
- 3 Build systems for sharing a sufficient amount of the Bank's internal information with Outside Directors and Outside Audit & Supervisory Board Members (hereinafter referred to as "Outside Officers").
- 4 Encourage Outside Officers to deepen their understanding of the Bank's management ethos and corporate culture, while providing information on the Bank's business environment and other issues on a continuous basis.
- 5 Maintain and improve the environment for Outside Officers to mutually share information and exchange ideas, such as by holding periodic meetings with Executive Officers and/or other Non-Executive Officers.
- 6 Bear the expenses for Outside Officers to fulfill their roles.

Reasons for Appointment of Outside Officers

	Name	Reasons for Appointment
Outside Directors	Makoto Kigawa	Mr. Makoto Kigawa's experience and insight in corporate management at YAMATO HOLDINGS CO., LTD., etc., have genuinely contributed to the Bank's management.
	Yukiko Kuroda	Ms. Yukiko Kuroda's experience as a corporate manager and insight related to developing human resources who can handle global business have genuinely contributed to the Bank's management.
	Etsuhiro Takato	Mr. Etsuhiro Takato's experience and insight in corporate management, marketing, and global duties at Ajinomoto Co., Inc. have genuinely contributed to the Bank's management.
	Yuji Hirako	Mr. Yuji Hirako's experience and insight in corporate management at ANA HOLDINGS INC., etc. have genuinely contributed to the Bank's management.
	Tami Kihara	Ms. Tami Kihara's experience and insight in corporate management at Ricoh IT Solutions Co., Ltd. and human resource strategy at Ricoh Company, Ltd. have genuinely contributed to the Bank's management.
Outside Audit & Supervisory Board Members	Hideaki Terashima	Mr. Hideaki Terashima's broad insight into corporate legal affairs, nurtured in his career as an attorney-at-law, has genuinely contributed to audits of the Bank's management.
	Chieko Ogawa	Ms. Chieko Ogawa's international insight nurtured in her career as a Certified Public Accountant has genuinely contributed to audits of the Bank's management.

Corporate Governance

Policy on Compensation of Officers and Compensation System for Officers

Seven Bank's "Policy on Compensation of Officers and Compensation System for Officers" were, excluding compensation for Audit & Supervisory Board Members, proposed to the Board of Directors by the Nomination & Compensation Committee, and determined with a resolution of the Board of Directors as follows.

1 Basic Policy on Compensation of Officers

The Bank decides compensation of officers based on the following points.

- Ensuring a compensation system to promote sustainable improvement of corporate value with emphasis placed on the link to business performance
- Ensuring compensation systems and compensation levels with their responsibilities to secure highly capable human resources who lead and take responsibility for, in an appropriate manner, the supervision and execution of operations
- Ensuring a compensation system based on an objective and transparent process, and that is fair and equitable

2 Method for Determining Compensation, etc. Compensation, etc. for Individual Officers in the Fiscal Year under Review

The Bank has established a Nomination & Compensation Committee, comprising a total of four members made up of two Independent Outside Directors and two Representative Directors, chaired by an Independent Outside Director, as an advisory body to the Board of Directors (as of the end of the fiscal year under review)*. The Nomination & Compensation Committee proposes specific amounts of compensation, etc. to be granted to Directors within the range of the total amount approved at the General Meeting of Shareholders, for determination by resolution of the Board of Directors. From the perspective of understanding the process of discussion, Audit & Supervisory Board Members may participate as observers who do not possess voting rights, when a Nomination & Compensation Committee meeting is held. The procedure is stipulated in the Regulations for Officers, which is modified, amended, or abolished by a resolution of the Board of Directors upon discussion with the Audit & Supervisory Board Members.

Compensation, etc. for Audit & Supervisory Board Members is determined upon discussion by the Audit & Supervisory Board Members within the range of the total amount approved at the General Meeting of Shareholders.

*The Nomination & Compensation Committee consists of a total of five members: three Independent Outside Directors and two Directors as of July 1, 2024.

3 Compensation Structure

The Bank's compensation structure for officers comprises "basic compensation" as fixed compensation and "bonuses" and "performance-based stock compensation" as variable compensation, which are applied as below.

	Fixed compensation	Variable compensation	
	(a) Basic compensation	(b) Bonuses	(c) Performance-based stock compensation
Directors with executive authority over operations	○	○	○
Non-executive Directors	○	—	—
Audit & Supervisory Board Members	○	—	—

Each plan is positioned as follows.

(a) Basic compensation	Compensation aiming to encourage steady execution of duties commensurate with job rank
(b) Bonuses	Compensation aiming to encourage steady execution of duties commensurate with job rank short-term incentives aiming to steadily achieve performance targets (milestones) for each fiscal year for the medium- to long-term improvement of corporate value
(c) Performance-based stock compensation	Medium- to long-term incentives for the medium- to long-term improvement of corporate value, aligning interests with shareholders

The ratio of each plan has been decided as described below by a resolution of the Board of Directors upon a proposal by the Nomination & Compensation Committee. Factors taken into account included a balance between fixed compensation and variable compensation, a balance between cash remuneration and stock compensation, and a balance between bonuses and stock compensation, which are incentives to execute management with a well-balanced perspective in both the short-term and the medium- to long-term (excluding compensation for Audit & Supervisory Board Members).

In addition, non-executive Directors and Audit & Supervisory Board Members receive only fixed compensation, as their role is to supervise the Bank's management from an objective and independent standpoint.

Directors with executive authority over operations	Basic compensation 50%	Bonuses 25%*	Performance-based stock compensation 25%*
Balance between fixed compensation and variable compensation	Fixed compensation 50%		Variable compensation 50%
Balance between cash remuneration and stock compensation	Cash remuneration 75%		Stock compensation 25%
Non-executive Directors and Audit & Supervisory Board Members	Fixed compensation 100%		

*Calculated on the assumption that bonuses and performance-based stock compensation are based on a standard compensation amount.

④ Compensation Level

To provide a competitive compensation level and thereby secure highly capable human resources, the Bank's compensation level for officers has been determined by a resolution of the Board of Directors based on the proposal made by the Nomination & Compensation Committee. The deliberation was based on the analysis and comparison of data on the compensation levels of a group of companies of the same size and operating in the same industry as the Bank, which has been drawn from a larger body of objective data on compensation levels provided by an outside professional organization (excluding compensation for Audit & Supervisory Board Members).

⑤ Details and Method of Calculation of Variable Compensation

Bonuses

Bonuses, which are provided as short-term incentives, will be determined by multiplying the standard amount of compensation for each job rank by performance-linked factors corresponding to the achievement of consolidated performance targets for the previous fiscal year.

Performance-based Stock Compensation

Performance-based stock compensation, which is provided as a medium- to long-term incentive, is composed of a "fixed portion," which grants fixed points for each job rank, and a "performance-based portion," which grants a varying number of points determined by job rank and performance. For each portion, points are granted and accumulate every year of the term of office of the relevant officer, and a number of the Bank's shares corresponding to the amount of accumulated points will be delivered to the officer upon retirement.

The number of points (i.e., the number of shares to be delivered) to be provided in the performance-based portion will be determined by multiplying the number of points for each rank by performance-linked factors according to the achievement level of consolidated performance targets.

In addition to the existing malus clause, the Bank has introduced a clawback clause that allows the Bank to require Directors to repay performance-based stock compensation in the event of falling under certain circumstances such as gross negligence or fraud in relation to financial results, material revision of financial results, or violation of law or regulation. Compensation that may be subject to repayment is performance-based stock compensation received as compensation for the fiscal year in which the relevant circumstances arose and the three preceding fiscal years. This provision applies to performance-based stock compensation granted as compensation for the fiscal year ended March 31, 2024 and all periods thereafter.

Evaluation Indicators for Variable Compensation (Performance Indicators) and Evaluation Method

Consolidated ordinary income and consolidated ordinary profit are used as the evaluation indicators to take account of both sales size and profitability aspects with a good balance. Additionally, employee engagement was added as an evaluation indicator to be reflected by the performance-based stock compensation points granted for the fiscal year ended March 31, 2024 and thereafter.

Plan		Indicators and evaluation method
Bonuses		<ul style="list-style-type: none"> ● Evaluation based on the achievement status and process for performance targets (milestones) for the medium- to long-term improvement of corporate value, taking into account the management strategy of achieving "Growth in Our Main Business as We Diversify Our Operations" ● Quantitative evaluation based on the achievement status of targets for consolidated ordinary income and consolidated ordinary profit in the previous fiscal year ● Determination of a compensation amount in the range of 0% to 200% of the baseline amount
Performance-based stock compensation	Fixed portion	—
	Performance-based portion	<ul style="list-style-type: none"> ● Evaluation based on the results of the medium- to long-term improvement of corporate value, taking into account the management strategy of achieving "Growth in Our Main Business as We Diversify Our Operations" ● Quantitative evaluation based on the achievement status of consolidated ordinary income, consolidated ordinary profit, and other targets in the previous fiscal year (employee engagement was added as an evaluation indicator to be reflected by the performance-based stock compensation points granted for the fiscal year ended March 31, 2024 and thereafter) ● Determination of a number of points (i.e., the number of shares to be delivered) in the range of 0% to 200% of the baseline number of points

Targets and Results of Evaluation

Indicators for Variable Compensation

Fiscal year under review (from April 1, 2023 to March 31, 2024)

Evaluation indicators	Target value (Millions of yen)	Result (Millions of yen)	Degree of target achievement (%)
Consolidated ordinary income	198,500	197,877	99.7%
Consolidated ordinary profit	25,500	30,526	119.7%

Evaluation indicators	Score in March 2023	Score in March 2024	Year on Year
Employee engagement	68	69	+1

*Of the evaluation indicators, those for employee engagement are expressed as an index representing the results comparing the total scores for the employee engagement survey conducted in March 2023 and March 2024.

Corporate Governance

Status of Audits

1 Cooperation between Audit & Supervisory Board Members and the Accounting Auditor

Audit & Supervisory Board Members and the Accounting Auditor hold regular meetings to exchange opinions and promote mutual cooperation, based on the audit contract with KPMG AZSA LLC. Audit & Supervisory Board Members perform audits on the execution of duties by Directors by attending the Board of Directors meetings or other means. In addition to conducting their own operational and accounting audits, Audit & Supervisory Board Members receive reports on results of external audits by the Accounting Auditor, and check the appropriateness thereof. Members from the Internal Audit Division are also present when receiving accounting audit reports from the Accounting Auditor, in an effort to facilitate close cooperation.

2 Cooperation between the Audit & Supervisory Board Members and Internal Audit Division

The Bank has in place the Internal Audit Division, which is independent of the Bank's other departments engaging in business operations and directly reports to the President and Representative Director.

The Internal Audit Division annually sets a basic policy for internal auditing plans and priority issues to be addressed, which are to be approved by the Board of Directors. Individual internal auditing plans are formulated by the General Manager of the Internal Audit Division, and approval of these plans is obtained from the President and Representative Director, who is the officer in charge of the Internal Audit Division. Individual internal audits are conducted by investigating and evaluating the appropriateness and effectiveness of internal management systems as a whole based on the following items to discover problems, if any, and suggest how to address them. The results of these audits are reported to the President and Representative Director, the Executive Committee, the Board of Directors, and the Audit & Supervisory Board.

- A Status of business plans
- B Compliance system and compliance status
- C Appropriateness and effectiveness of internal controls over financial reporting
- D Systems for and the current status of customer management, including customer protection
- E Systems for and the current status of risk management
- F Internal management systems at each operational department and appropriateness and effectiveness thereof

Internal audits are conducted on all the Bank's departments and systems, including those of its subsidiaries. Audits are also conducted on the operations of the Bank's major outsourcing contractors regarding the status of management by its relevant internal departments, as well as on the outsourcing contractors themselves, within the scope agreed with them. Audit & Supervisory Board Members receive periodic reports from the Internal Audit Division on its audit plans and results, and request investigations as necessary to ensure that the audit results of the Internal Audit Division are effectively utilized for internal control system audits by Audit & Supervisory Board Members. In addition, Audit & Supervisory Board Members receive reports on the status of internal control systems regularly or as necessary from the departments in charge of internal control functions, and ask for detailed explanations as necessary.

Status of Improvement and Operation of the Internal Control Systems

Concerning the system upgrades stipulated in Article 362, Paragraph 4, Item 6 of the Companies Act, the Board of Directors made a resolution on May 8, 2006, on matters to be implemented by the Bank. Progress of the details of this resolution is reviewed each fiscal year. In line with this resolution, Seven Bank strives for good corporate governance and internal control, while ensuring appropriateness in the Seven Bank Group's operations.

Policy on Governance related to Listed Subsidiaries (Protection of Rights of Minority Shareholders)

■ Seven Bank Group's Position in the Parent Company

Seven & i Holdings Co., Ltd., the Bank's parent company, aiming to become a world-wide top-class retail group centered on "food," operates domestic convenience store operations with Seven-Eleven at its core, overseas convenience store operations, superstore operations, financial services, etc. Seven Bank operates, with financial services at its core, ATM platform business, banking business, credit card and electronic money businesses, etc. Although Seven & i Holdings' financial services includes not only the Company and its subsidiaries, but also Seven Financial Service Co., Ltd., and Seven CS Card Service Co., Ltd., their services and target customers are different from ours, and therefore we consider that our clear business demarcation is and will be ensured. As business segments clearly differ between the parent company group and the Company, we believe that we are in the position where we can grow together with the parent company group through developing unique retailer-specific financial services mainly for customers visiting the parent company group stores.

■ Guidelines on Measures to Protect Minority Shareholders in Conducting Transactions with a Controlling Shareholder

Seven & i Holdings Co., Ltd. is the Bank's parent company, indirectly holding 46.43% of its voting rights, and therefore falls under the category of controlling shareholder stipulated in the Timely Disclosure Rules. When conducting transactions, etc., with the parent company, the Bank will comply with the arm's-length rule under the Banking Law, which is a rule established to prevent the soundness of the Bank's management from being compromised through conflict-of-interest transactions. The Bank fully confirms the necessity for such transactions and that the conditions of such transactions do not differ significantly from conditions of usual transactions with third parties. The transaction for the acquisition of shares of Seven Card Service Co., Ltd. from Seven Financial Service Co., Ltd., a wholly-owned subsidiary of Seven & i Holdings Co., Ltd., conducted in 2023 fell under a transaction with a controlling shareholder. Accordingly, the Bank set up a special committee to discuss and determine the validity of the transaction conditions and the fairness of the procedure in order to ensure the benefit of minority shareholders following the "Fair M&A Guidelines." The committee thoroughly discussed from an independent standpoint at a different level from the Board of Directors and finally made a decision. If another material case similar to the above arises, the Bank will pay full attention to protecting the benefit of our minority shareholders by setting a special committee.

■ Relationship with Parent Company, Seven & i Holdings Co., Ltd.

The Bank believes that in order to achieve sound and sustainable growth, it is essential to engage in business development (innovation) by integrating collaboration with various partners to an advanced degree based on our credibility and transparency of management as a corporate entity. Furthermore, we recognize that listing on the market is one of the most effective ways to ensure the Bank's credibility and transparency of management. As an independently listed company, the Bank independently and autonomously deliberates and determines our own business strategies, personnel policies, capital policies, etc., as we engage in our own operating activities. In addition, in order to ensure the necessary independence from our parent company, the Bank has also appointed Independent Outside Directors and Independent Outside Audit & Supervisory Board Members, who provide supervision to ensure that no conflicts of interest arise between our parent company and shareholders other than the parent company. The Bank does not have any agreements concluded regarding group management with the parent company. Furthermore, we have established the Nomination & Compensation Committee chaired by an Independent Outside Director as an advisory body to the Board of Directors. This Committee deliberates on matters concerning recommendations of candidates for Director and Executive Officer, thereby ensuring independence from our parent company in the appointment of top management. In addition, to comply with the disclosure obligations, etc., of the parent company, the Bank has established the Guidelines for Reporting of Material Facts with the parent company and reports to the parent company accordingly. These reports are limited to matters that impact the parent company's timely disclosure, materially impact the parent company's consolidated financial statements, and may potentially impair the credibility of the Seven & i Group.

The parent company's approach and policy regarding group management are as follows.

"Although the Company owns the listed subsidiary, Seven Bank, Ltd., the ATM platform business and banking operations conducted by this entity and its subsidiaries do not overlap with the core operations of other Group companies, ensuring clear business demarcation. From the standpoint of respecting the independence of its listed subsidiaries, the Company values the management decisions of said company, and respects the independent and autonomous deliberation and determination of its business strategies, personnel policies, and capital policies, as it engages in its operating activities." (Quoted from the website of Seven & i Holdings Co., Ltd.)

Directors and Officers

*The Bank registers all persons who fulfill the qualifications of Independent Officers as such.

Directors (As of July 1, 2024)



Outside Director
(Independent Officer)
Makoto Kigawa

Attendance	
Board of Directors:	15 out of 15 meetings
Nomination & Compensation Committee:	7 out of 7 meetings

After serving in a number of important positions, including Representative Director, President, YAMATO HOLDINGS CO., LTD., Mr. Kigawa was appointed as Director of the Bank in June 2018, to the present. He concurrently serves as Director, Oki Electric Industry Co., Ltd., Outside Director, The Higo Bank, Ltd., and External Board Member, ICMG Co., Ltd.



Outside Director
(Independent Officer)
Etsuhiro Takato

Attendance	
Board of Directors:	14 out of 15 meetings

After serving in a number of important positions, including Representative Director & Corporate Senior Vice President, Ajinomoto Co., Ltd., Mr. Takato was appointed as Director of the Bank in June 2022, to the present. He concurrently serves as Director, Milbon Co., Ltd. and Director, TOKYO VERDY, Inc.



Outside Director
(Independent Officer)
Tami Kihara

Attendance	
Board of Directors:	11 out of 11 meetings

After serving in a number of important positions, including General Manager of Digital Professionals Strategy Center of Digital Strategy Department, Ricoh Company, Ltd. and Director, Ricoh IT Solutions Co., Ltd., Ms. Kihara was appointed as Director of the Bank in June 2023, to the present. She concurrently serves as Advisor, ILY, Inc. and Member of the Board, Mitsui Chemicals, Inc.



Chairman and
Representative Director
Yasuaki Funatake

Attendance	
Board of Directors:	15 out of 15 meetings
Nomination & Compensation Committee:	7 out of 7 meetings

After serving in a number of important positions, including Manager of Retail Business Development Division, Shinsei Bank Limited (now SBI Shinsei Bank, Limited), as well as Director, Executive Officer, General Manager of Business Promotion Division, and Director, Senior Managing Executive Officer, General Manager of Planning Division of the Bank, Mr. Funatake was appointed as President and Representative Director of the Bank in June 2018. He was appointed as Chairman and Representative Director of the Bank in June 2022 to the present. He concurrently serves as Director, Seven Card Service Co., Ltd.



Outside Director
(Independent Officer)
Yukiko Kuroda

Attendance	
Board of Directors:	15 out of 15 meetings
Nomination & Compensation Committee:	7 out of 7 meetings

After serving in a number of important positions, including Representative Director, People Focus Consulting, Ms. Kuroda was appointed as Director of the Bank in June 2018, to the present. She concurrently serves as Advisor/Founder, People Focus Consulting, Independent Director, Obayashi Corporation, and Director, Oracle Corporation Japan.



Outside Director
(Independent Officer)
Yuji Hirako

Attendance	
Board of Directors:	11 out of 11 meetings

After serving in a number of important positions, including President and CEO, ALL NIPPON AIRWAYS, CO., LTD., Mr. Hirako was appointed as Director of the Bank in June 2023, to the present. He concurrently serves as Senior Advisor, ANA HOLDINGS INC., Director, JVCケンウッド Corporation, and Member of the Board of Directors, Kyushu Electric Power Company, Incorporated.



Director
Tsuyoshi Kobayashi

Attendance	
Board of Directors:	10 out of 11 meetings

After serving in a number of important positions, including Director, Executive Officer, Seven & i Holdings Co., Ltd., Mr. Kobayashi was appointed as Director of the Bank in June 2023, to the present. He concurrently serves as Managing Executive Officer, Seven & i Holdings Co., Ltd., Chairman and Representative Director, Seven Card Service Co., Ltd., and Chairman and Representative Director, Seven Financial Service Co., Ltd.



President and
Representative Director
Masaaki Matsuhashi

Attendance	
Board of Directors:	15 out of 15 meetings
Nomination & Compensation Committee:	7 out of 7 meetings

In addition to work experience in the IT and digital-related areas in NEC Corporation and other companies, Mr. Matsuhashi served in a number of important positions of the Bank, including Managing Executive Officer, General Manager of ATM Solution Division, and Senior Managing Executive Officer in charge of Corporate Transformation Division and Seven Labo. He was appointed as President and Representative Director of the Bank in June 2022.

Audit & Supervisory Board Members (As of July 1, 2024)



Outside Audit &
Supervisory Board Member
(Independent Officer)
Hideaki Terashima

Attendance	
Board of Directors:	15 out of 15 meetings
Audit & Supervisory Board:	14 out of 14 meetings

After serving in a number of important positions, including Professor, Legal Training and Research Institute of Japan, Supreme court of Japan, and Professor, Law School, Senshu University, Mr. Terashima was appointed as Audit & Supervisory Board Member of the Bank in June 2019, to the present. He concurrently serves as an Attorney-at-law registered with the Tokyo Bar Association.



Outside Audit &
Supervisory Board Member
(Independent Officer)
Chieko Ogawa

Attendance	
Board of Directors:	11 out of 11 meetings
Audit & Supervisory Board:	10 out of 10 meetings

Certified Public Accountant and Certified Tax Accountant. Ms. Ogawa was registered as a Certified Public Accountant in 2005, as a Certified Public Accountant in Washington State, United States in 2010, and as a Certified Tax Accountant in 2014. She was appointed as Audit & Supervisory Board Member of the Bank in June 2023, to the present. She concurrently serves as Head of Ogawa CPA Office and Member of the Board (Member of the Audit & Supervisory Committee), Yorozu Corporation.



Full-time Audit &
Supervisory Board Member
Kazuhiko Ishiguro

Attendance	
Board of Directors:	14 out of 15 meetings
Audit & Supervisory Board:	14 out of 14 meetings

After serving in a number of important positions, including Executive Managing Director, UFJIS Co., Ltd. (now Mitsubishi UFJ Information Technology, Ltd.), and Director, Senior Managing Executive Officer of the Bank, Mr. Ishiguro was appointed as Full-time Audit & Supervisory Board Member of the Bank in June 2020, to the present. He concurrently serves as an Audit & Supervisory Board Member, Signpost Corporation.



Full-time Audit &
Supervisory Board Member
Ryoji Sakai

Attendance	
Board of Directors:	14 out of 15 meetings
Audit & Supervisory Board:	14 out of 14 meetings

After serving in a number of important positions, including Director, Senior Managing Executive Officer, Head of Planning Division, Financial Division, and Overseas Business Division, Seven Eleven Japan Co., Ltd., Mr. Sakai was appointed as Full-time Audit & Supervisory Board Member of the Bank in June 2021, to the present.

Skill Matrix (Roles and expertise of Directors and Audit & Supervisory Board Members)

We believe that the role of Directors and Audit & Supervisory Board Members is to realize appropriate business management by supervising and auditing business execution while fully understanding the social responsibilities and mission of the banking business. In order to properly fulfill this role, we utilize the skill matrix when appointing Directors and Audit & Supervisory Board Members, and aim for a well-balanced composition of members with diverse skills and expertise.

		Corporate Management	Sales and Marketing	Product Development & IT	Global	Human Resources & Labor	Financial Affairs and Finance	Legal Affairs & Risk Management
Makoto Kigawa	Outside Director (Independent Officer)	●				●	●	●
Yukiko Kuroda	Outside Director (Independent Officer)	●			●	●		
Etsuhiro Takato	Outside Director (Independent Officer)	●	●		●			
Yuji Hirako	Outside Director (Independent Officer)	●			●		●	
Tami Kihara	Outside Director (Independent Officer)			●		●		
Tsuyoshi Kobayashi	Director	●			●		●	
Yasuaki Funatake	Chairman and Representative Director	●	●			●	●	
Masaaki Matsuhashi	President and Representative Director	●	●	●				
Hideaki Terashima	Outside Audit & Supervisory Board Member (Independent Officer)					●		●
Chieko Ogawa	Outside Audit & Supervisory Board Member (Independent Officer)						●	
Kazuhiko Ishiguro	Full-time Audit & Supervisory Board Member			●				●
Ryoji Sakai	Full-time Audit & Supervisory Board Member				●		●	●

Executive Officers (As of July 1, 2024)

Managing Executive Officer
In charge of General Affairs Division and Human Resources Division

Kazutaka Inagaki

Managing Executive Officer
In charge of ATM Platform Promotion Division, ATM Operations Management Division, and Business Support Division

Hiroshi Takeuchi

Managing Executive Officer
In charge of ATM Solution Division and ATM+ Planning Division

Koji Fukasawa

Managing Executive Officer
In charge of Global Business Development Division

Tsuneo Nagashima

Managing Executive Officer
In charge of Banking Management Division and Financial Strategy Promotion Division

Kenjiro Nishii

Managing Executive Officer
In charge of Planning Division, Brand Communication Division and SDGs Promotion, and General Manager, Planning Division

Ken Shimizu

Managing Executive Officer
In charge of Corporate Transformation Division and Seven Labo

Tomoaki Nakayama

Managing Executive Officer
General Manager, Seven Labo

Noriko Iguchi

Executive Officer
In charge of Financial Solution Division

Taku Takizawa

Executive Officer
In charge of Risk Management Division and Financial Crime Risk Control Division

Shinji Yamashita

Executive Officer
General Manager, Internal Audit Division

Tomomi Hashizume

Project Executive Officer
Special Assignment, President and Representative Director, Seven Card Service Co., Ltd.

Hisanao Kawada

Project Executive Officer
Special Assignment, President and Representative Director, Bank Business Factory Co., Ltd.

Kenichi Yamamoto

Project Executive Officer
Special Assignment, General Manager of Financial services, Seven & i Holdings Co., Ltd.

Takashi Tzuuura

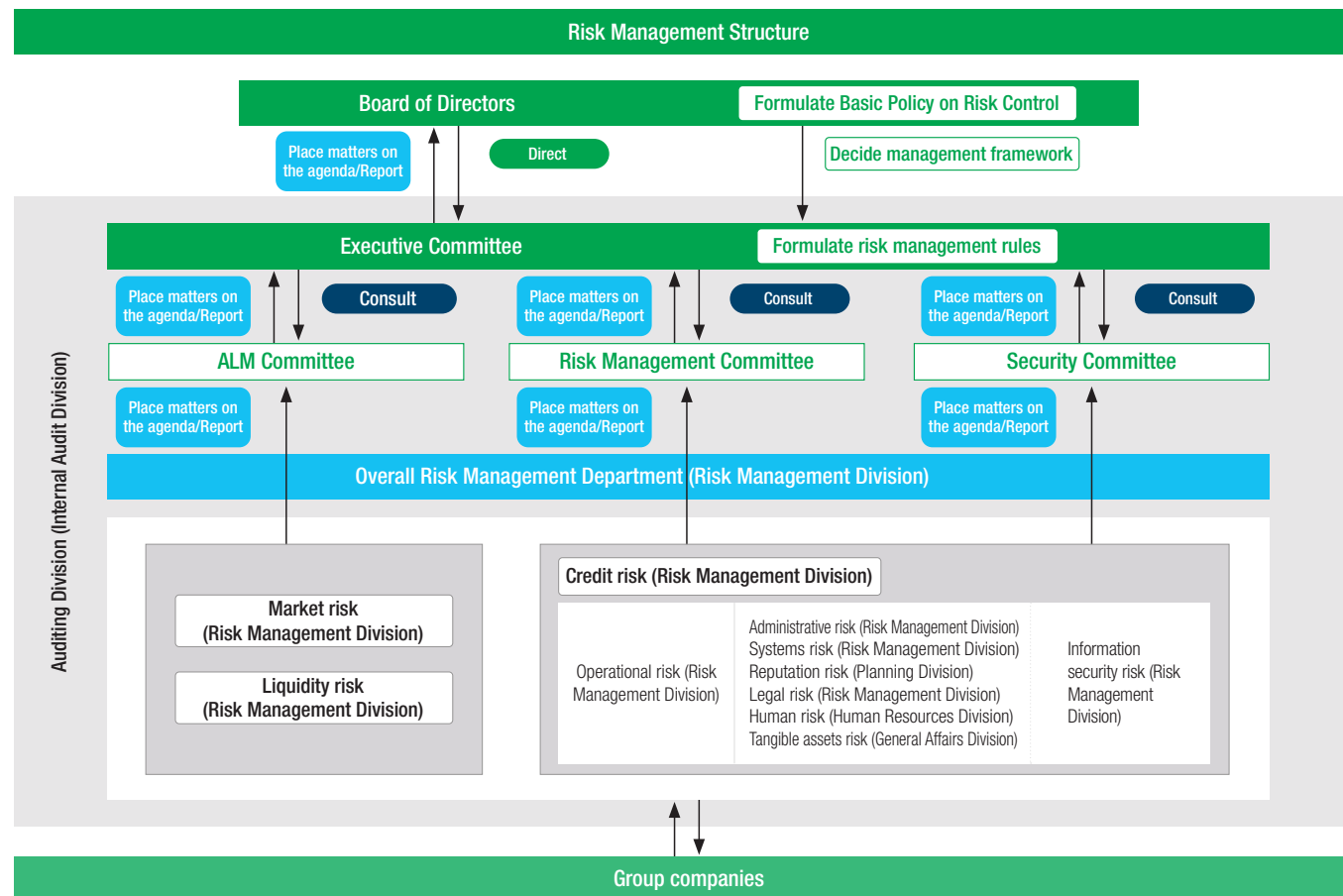
Risk Management

Risk Management System

Every fiscal year, the Board of Directors establishes the “Basic Policy on Risk Control,” which specifies the overall risk management policy, specific risk management policies and the organization and system for risk management. In accordance with this policy, the Executive Committee establishes detailed rules and regulations related to risk management and confirms the companywide risk status every quarter. The Bank’s risk management structure includes the Risk Management Division, which is responsible for supervising overall risk management activities, specific risk management divisions and the Internal Audit Division to perform internal audits. We have also established the Risk Management Committee and the Security Committee, chaired by the officer in

charge of the Risk Management Division, and the Asset-Liability Management (ALM) Committee, chaired by the officer in charge of the Planning Division, as advisory bodies to the Executive Committee concerning risk management. The Group companies also establish risk management system aligned with the Company’s policy and confirm their risk status, including their specific risks.

In FY2023, in light of the expansion of our business, we strengthened the Seven Bank Group’s risk management system by including those companies that have newly joined the Group in the existing framework.



Overall Management of Risk

The Bank observes its basic policies relating to overall risk management, which are governed by the Basic Policy on Risk Control and Overall Risk Management Rules, established under the policy. We gain an overall grasp of our risks including climate change by assessing each of the Bank’s risk categories and manage them by comparing them with our equity. Additionally, we are striving for enhanced risk management through priority items for risk management set by the Board of Directors.

Credit Risk	Currently, our risk management activities relating to credit risk are limited to the ATM settlement business, the ALM of interbank deposits placed with top-rated partner financial institutions, bonds, the lending of funds in the call-money market, temporary ATM payment amounts due, and small personal loans, to minimize credit risk. In addition, the Bank performs self-assessment of asset quality as appropriate and establishes an allowance for credit losses in accordance with its self-assessment and reserve rules.
Market Risk	It is stipulated that the limits on the maximum level of funds at risk, the market position limits and the loss allowance limits, shall be set. The Risk Management Division measures and monitors market risk in light of these limits and reports the results to management, including the Executive Committee. At the ALM Committee meeting held every quarter, the Bank’s market risk position, expected trends in interest rates and other matters are reported and the policy for the ALM operation is determined.
Liquidity Risk	It is stipulated that the limits regarding the cash gaps arising from differences between the period of the management of invested funds and the timing of the liquidation shall be set. The Risk Management Division measures and monitors liquidity risk in light of these limits and reports the results to management, including the Executive Committee. To prepare for emergency events requiring immediate funding, the Bank has devised preemptive comprehensive countermeasures to be able to take quick and flexible Companywide action by risk scenario, and therefore does not expect to experience a major liquidity problem.
Operational Risk	<p>Recognizing that operational risks may come to the surface in all business divisions, the Bank has established the structure to identify, evaluate, monitor, control, and reduce risks. Risk categories are as follows.</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="border: 1px solid black; padding: 5px; text-align: center;">Administrative Risk</div> <div style="border: 1px solid black; padding: 5px; text-align: center;">Systems Risk</div> <div style="border: 1px solid black; padding: 5px; text-align: center;">Information Security Risk</div> <div style="border: 1px solid black; padding: 5px; text-align: center;">Reputation Risk</div> <div style="border: 1px solid black; padding: 5px; text-align: center;">Legal Risk</div> <div style="border: 1px solid black; padding: 5px; text-align: center;">Human Risk</div> <div style="border: 1px solid black; padding: 5px; text-align: center;">Tangible Assets Risk</div> </div>

Management System of Information Security Risk

Understanding appropriate management of customers’ information including personal information and confidential information is an essential factor to ensure customers’ trust in the Seven Bank, we establish an information management structure to prevent information leakage, fraudulent access, and falsification by implementing security management measures in accordance with laws and regulations, and various guidelines.

Risk Management

Initiatives for Enhancing Cyber Security

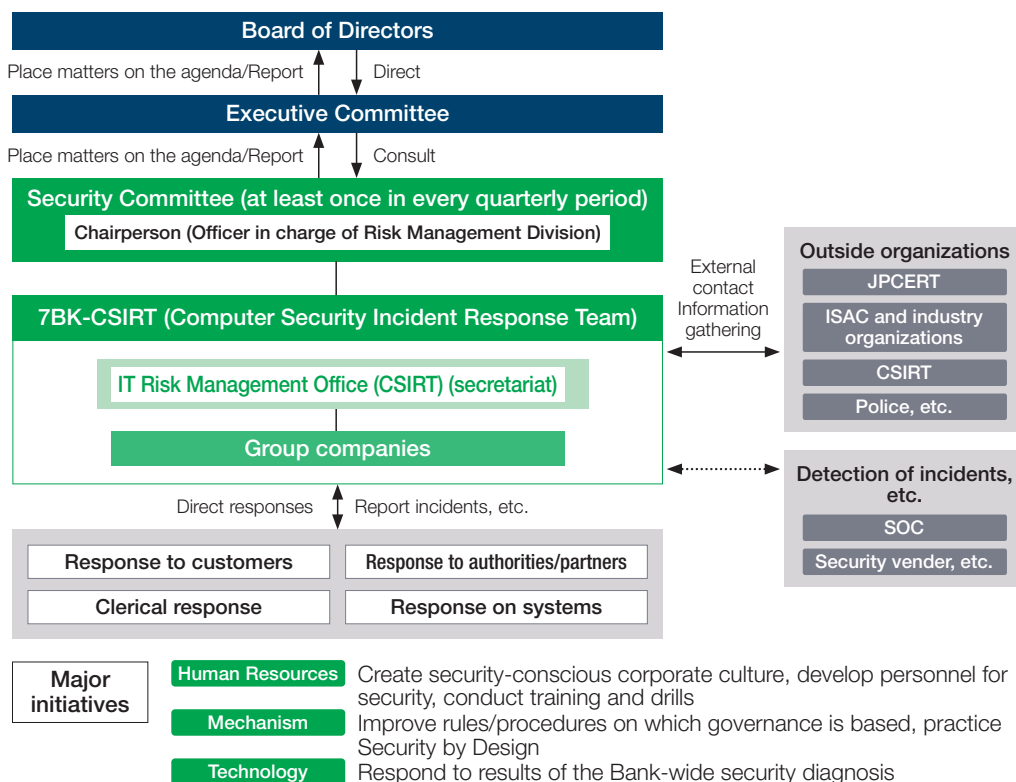
7BK-CSIRT (Computer Security Incident response Team), a dedicated team for cyber security management of the Seven Bank Group, is in charge of the Bank-wide management of cyber security risks and is composed of members from multiple divisions. The team responds to a wide range of attacks on the Bank's services and systems, including cyber attacks, skimming, fake cards, fraudulent access, and information leakage.

7BK-CSIRT conducts training and drills to be able to immediately respond in case of cyber incidents, by taking actions such as information coordination and external response. The initiatives of the team include cooperation with industry organizations and promotion of activities in the security community.

7BK-CSIRT also engages in Security by Design in which security methodology is incorporated as an essential factor at the planning stage of new services, considering increasingly sophisticated cyber attacks and proactive promotion of new technologies. This enables the Seven Bank to provide safe and secure services. Not only 7BK-CSIRT members but also our employees in charge of planning and designing services who are involved Security by Design deepen their knowledge through seminars about preventative measures against fraudulent use of services and other learning opportunities.

Believing the balanced combination of human resources, mechanism, and technology is necessary to maintain security, the Bank is working on each of them.

Cyber Security Structure



FOCUS

Human resource development of 7BK-CSIRT members

The Company identifies the required skill sets of 7BK-CSIRT members and fosters development according to their individual skills level to advance their expertise. They are also strongly encouraged to acquire certifications in the field of security, and the number of members with qualifications such as Registered Information Security Specialist*1 and CISSP*2 is increasing. The Company also strives to nurture a security-conscious corporate culture through providing e-learning and phishing mail training targeted for all employees including employees of the Group companies, and holding regular opinion exchanges between the management and external security vendors. In FY2023, one of our employees, a 7BK-CSIRT member, was given an award by a private organization Financials ISAC Japan*3 for her performance. She was recognized for her initiatives for the reduction and prevention of fraudulent money transfers through sharing information about detection and countermeasures, as well as cooperation inside and outside of the Company.

*1 Registered Information Security Specialist: A national qualification in the field of cyber security certified by the Ministry of Economy, Trade and Industry. *2 CISSP (Certified Information Systems Security Professional): The most globally recognized qualification in the cyber security field certified by ISC2, the U.S.-based NPO. *3 Financials ISAC (Information Sharing and Analysis Center) Japan: A private organization that advances cooperation and sharing intelligence regarding cyber security among financial institutions. It has partnerships with more than 400 financial service providers in Japan including banks, security companies, insurance companies, credit card operators, and payment service providers.



7BK-CSIRT
Akiko Kubota

Winner of the Financials ISAC Japan Award 2023 for individual

Establishment of Business Continuity Plan (BCP)

To fulfill our social responsibility as a bank, Seven Bank has defined the following three operations as top priorities for continuity in the event of a disaster, large-scale accident, or other crisis: the ATM business; the fund settlement business serving banks and ATM partners; and withdrawals from the Bank's accounts and money transfer

operations. Each division has also created a Business Continuity Plan (BCP) to enable continuity of these essential operations in the event of an accident, disaster, or other crisis. To further ensure the business continuity, each division regularly conducts business continuity training, envisioning damage to data centers and other facilities.

Our Initiatives Behind Non-stop ATM

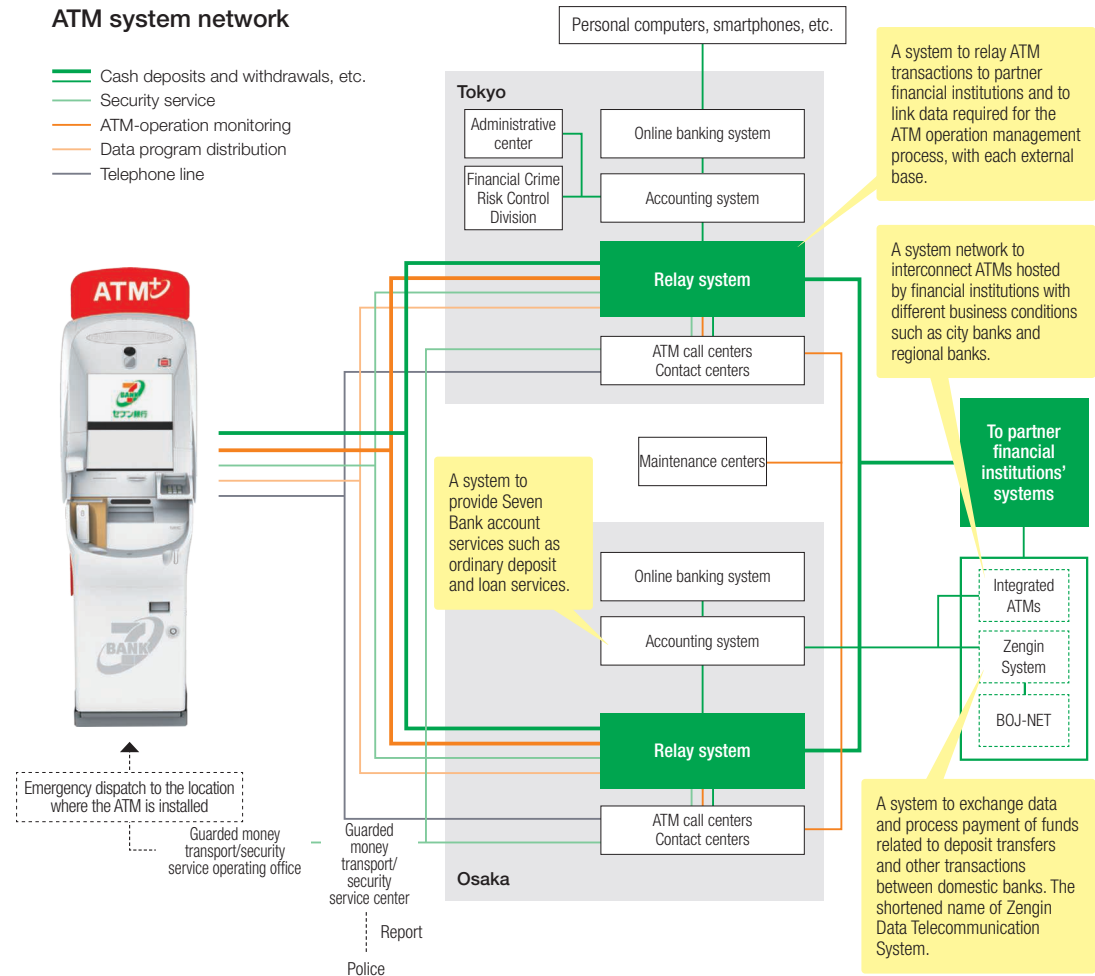
Seven Bank has established the safe and secure ATM network which is always available in customers' daily life to support providing various convenient services.

- Duplicated system bases

The operation of our critical systems and functions are duplicated in our eastern and western bases in Japan, which allows us to provide "non-stop ATM" service, services available for 24 hours a day, 365 days a year. This also enables us to establish a structure to continue our business in one of the two bases in case of a major disaster in the other base.

- Prevention and speedy recovery of out of cash and system failure incidents

In collaboration with our partner companies, all ATMs and the network are under manned live monitoring to ensure stable operation. If unpredicted service outages arise, a maintenance specialist with expertise arrives on site and works towards immediate recovery. Our wide range of initiatives includes the use of AI technology to predict demand for cash stored in ATMs responding to the changing payment needs, and preventative maintenance to predict the failure of different components.

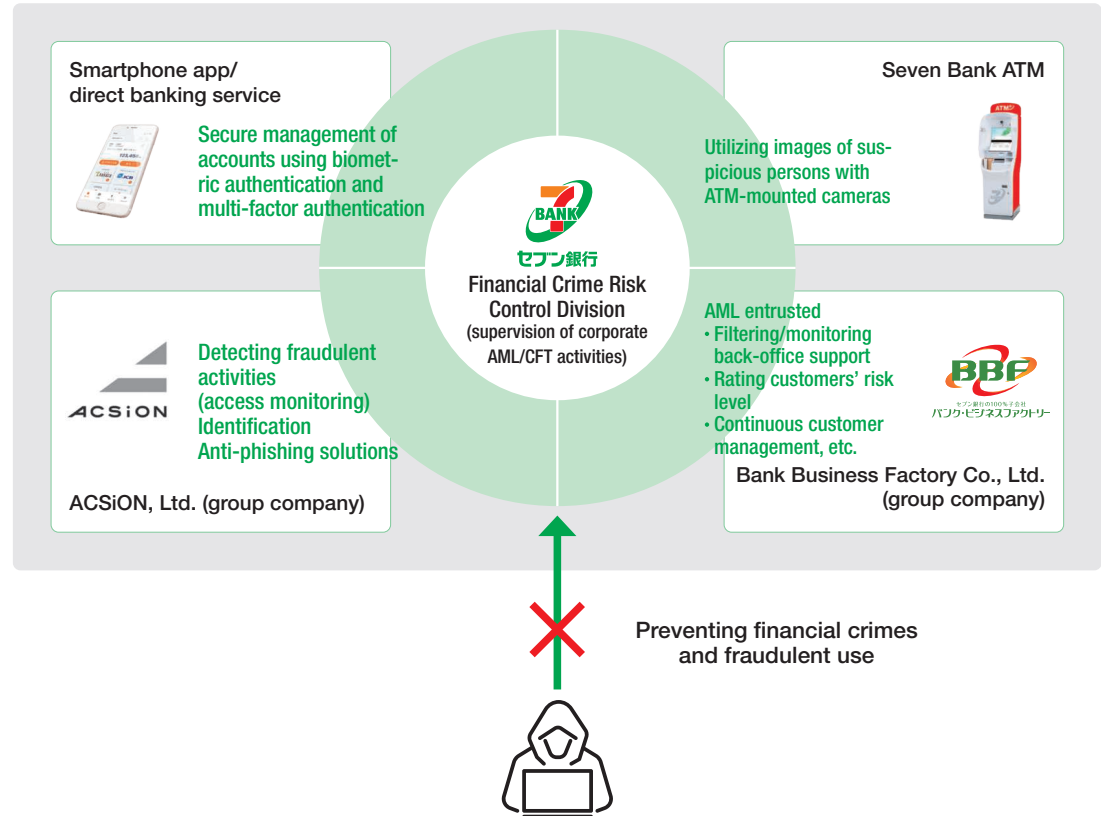


Risk Management

Prevention of Financial Crimes

Seven Bank is actively working to prevent financial crimes to ensure all customers can use its services securely by leveraging the know-how it has accumulated in financial crime prevention, a network of more than 27,000 ATMs across Japan, and the Seven Bank Group's expertise in developing IT solutions.

Recently, financial crimes and fraudulent transactions targeting customers are becoming increasingly crafty and frequent. Seven Bank, recognizing the specialty of its banking business based on non-face-to-face transactions primarily through ATMs, has established the Financial Crime Risk Control Division as a dedicated unit to combat financial crimes. The division focuses on preventing financial crimes and protecting customers' assets in order to ensure that customers can use the bank's services with security. The division works against money laundering, terrorism financing, and proliferation finance, eliminates fraudulent accounts, detects and prevents special fraud, etc., and provides appropriate cooperation with the police and other investigative agencies, by monitoring and filtering transactions and monitoring information on unauthorized use in cooperation with other divisions and Group companies.



For Ensuring Security for Customers Using ATMs

Seven Bank's ATMs are provided with measures against peeking at the keypad to make PINs or transaction amounts unviewable by others. These ATMs also display and sound alerts to prevent bank transfer fraud when customers attempt to transfer money. We also take measures to detect any suspicious object attached to an ATM and unusual transactions as well as to prevent fraudulent acquisition of credit card information (skimming) at all times.

Our customer management continues even after the opening deposit accounts to prevent fraudulent use of accounts and ensure secure use for customers, aiming for maintaining up-to-date customer information. New ATMs allow our customers to respond easily and comfortably using "+Connect" functions of "ATM Notification" and "ATM Teller." This allows us to receive more customer responses compared to the traditional way.

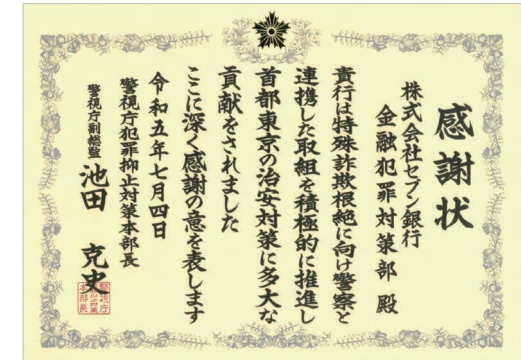


Cooperation with the Police, Public Bodies, Partner Financial Institutions, etc.

Seven Bank has received a letter of appreciation from the police for its contribution to the detection of financial crimes by cooperating in more than 100,000 cases a year, which includes providing information about ATM camera images and account transactions as requested by the police, the Regional Taxation Bureaus, bar associations, and other public bodies nationwide.

In January 2024, Bank Business Factory Co., Ltd. (BBF), a Group company outsourcing back-office support, was certified as an entity that provides transaction filtering and transaction monitoring for banks' fund transfer transactions on a large scale. This allows us to strengthen safeguards for fraudulent transactions covering outsourced financial institutions, and further enhance our internal and external cooperation structure.

In addition, we are seeking to strengthen our relationships with external parties and are willing to mutually utilize and accumulate know-how from each other, for example, by hosting training sessions for working police officers and financial crime prevention staff from partner financial institutions.



FOCUS

Hosting a seminar about prevention of financial crimes for junior high- and high-school students

Amid the ever-evolving crafty and frequent financial crimes, fraudulent account openings and bank account trading intended for use in fraud and money laundering never stop. Especially recently, many cases in which the young generation, including minors, were carelessly involved in bank account trading, a criminal action, via social media, etc., occurred, becoming a social issue.

Aiming to prevent such financial crimes, Seven Bank launched an initiative to provide seminars about financial crime by dispatching an employee from the Financial Crime Risk Control Division to schools, mainly targeting junior high- and high-school students.

Now, we have engaged in raising awareness of bank account trading and the consequences of being involved in financial crimes among students in cooperation with police and other responsible institutions. We have conducted seminars at about 10 schools so far as of July 2024. With the public and private sectors working together, we will continue to strive to prevent financial crime through providing accurate knowledge to the digital-native generation who will lead into the future.



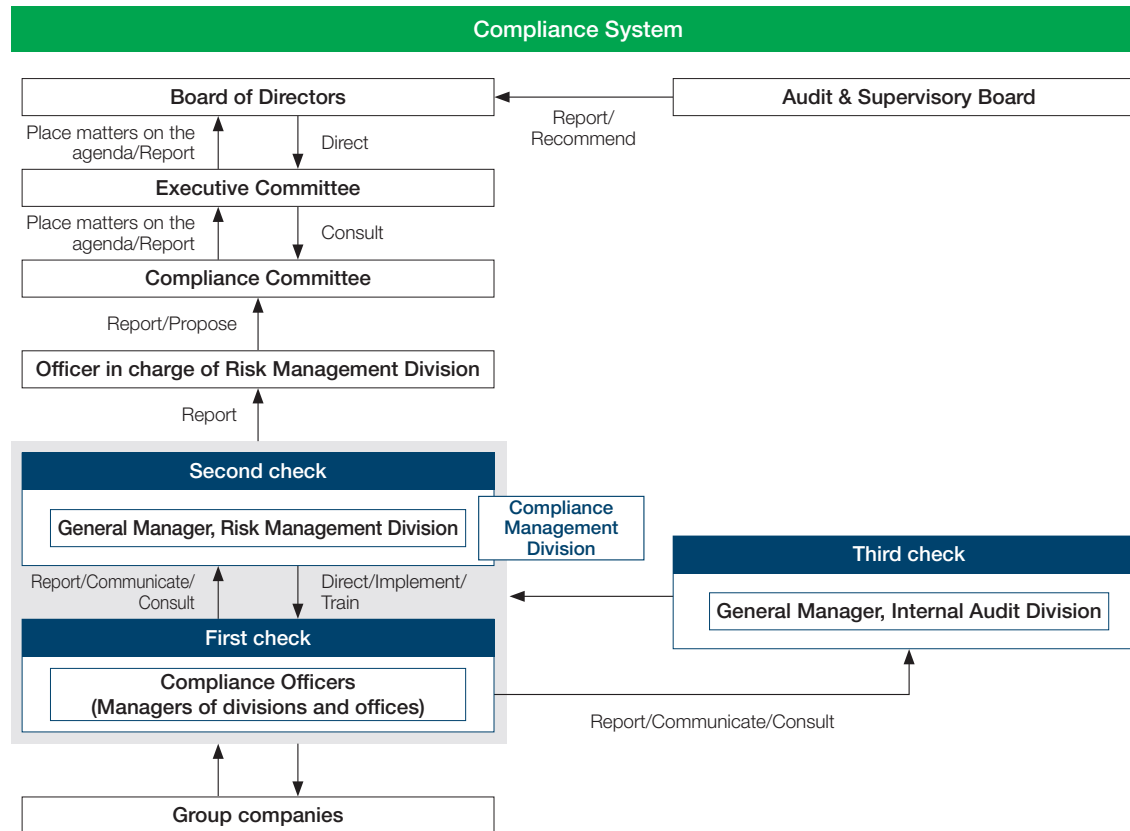
Financial crime seminar held at a public school in Saitama Prefecture

Compliance

The Bank regards compliance with applicable laws and regulations, and societal norms as a fundamental prerequisite to earning the trust of society. Aware of the importance of its public mission and the significance of its societal responsibilities, the Bank has developed the following initiatives to ensure compliance.

Compliance System

In order to allow each employee in charge of real operations to have strong awareness of and knowledge base for pursuing compliance, Seven Bank has in place the following system so that the compliance check can appropriately function at each division to ensure the thorough compliance across the Bank.



Compliance Committee

Seven Bank has established the Compliance Committee as an advisory organization to the Executive Committee which confirms and verifies the status of compliance related to operations in general, and considers measures concerning compliance, so as to further enhance and improve the compliance system. The Compliance Committee has functions to consider responses to compliance-related problems and issues, material compliance violations, etc., and counter-measures therefor. The Committee reports, considers, and evaluates important compliance-related matters which should be treated as management issues.

Major Agendas of Compliance Committee in FY2023

- 1 Results and plans of compliance program
- 2 Operation of the compliance consultation system
- 3 Revision of Compliance Manual
- 4 Response for customer protection
- 5 Responses to financial crimes and antisocial groups
- 6 Status of establishing an anti-money laundering management structure

Compliance Program

The Bank establishes a compliance program each fiscal year that sets out the compliance implementation plan for that year. The Board of Directors reviews and evaluates the progress and implementation status of the compliance program for the relevant year and, using such reviews and evaluations, formulates a compliance program for the following fiscal year.

The Group companies also formulate a program according to their own specific characteristics based on the Seven Bank compliance program and take initiatives.

	Issue
Compliance	Foster awareness of compliance
Information Management	Strengthen information management and security measures
Harassment	Establish workplace without harassment
Anti-money Laundering/ Countering the Financing of Terrorism	Advance management structure

Internal Evaluation System

A compliance officer of the Bank conducts a regular self-evaluation of the status of compliance implementation and the compliance level of customer protection management in each department monthly. Issues are identified according to the evaluation results and are addressed for improvement.

Compliance Training

The Bank formulates a compliance training plan to promote and stabilize the awareness of the importance of compliance within the Company, and conducts practical trainings.

Main Compliance Issues

Prevention of Money Laundering and Financial Crimes, and Measures against Antisocial Groups

Seven Bank determined the policy for countermeasures for money laundering and provision of terrorist funds. In addition, through strict confirmation at transactions, etc., the Bank has put emphasis on eliminating relationships with antisocial groups and preventing fraudulent accounts from being opened.

To be more specific, among other steps, the Bank asks applicants opening accounts to sign an affidavit stating they are not associated with antisocial forces. By including provisions that explicitly indicate the exclusion of organized crime groups in the transaction rules and other clauses, the Bank rejects the account application and closes the account upon finding that the customer falls under or is associated with antisocial forces.

In addition, the Bank has established a structure to ensure that it can take appropriate actions in an organized manner against wrongful demands and other similar events in accordance with internal rules and regulations.

Compliance Consultation System

The Bank has established a Compliance Consultation System in compliance with the amended Whistleblower Protection Act established in 2022, to identify and address compliance issues early, and prevent reoccurrences. The system provides contact points for both internal and external consultation and reporting. As contact points for employees seeking consultations or reporting issues, employees can consult the compliance officer in their divisions. In addition, the Compliance Consultation Desk within the Bank and the Groupwide Help Line (a consultation and reporting contact point for all Seven & i Group companies) outside the Bank have been established. Posters with contact information have been put up and booklets with contact information have been distributed to all employees to ensure their awareness of these contact points. The International Hotline has also been established for employees of foreign group companies as a point of contact for consultations in local languages.

In addition, to promote fair transactions and provide safe and secure services for customers, a Business Partner Helpline (a consultation and reporting contact point for all Seven & i Group companies) has been established for suppliers.

Communication with Stakeholders

To Ensure that No One is Left Behind

Initiative to Publish “Mori no Senshi Bonolon” Picture Books and Distribute Copies of the Books for Free

Seven Bank has supported the initiative to distribute copies of “Mori no Senshi (Guardian of the Forest) Bonolon” picture book series for free at 7-Eleven stores, etc., since 2005. Our sponsorship of this initiative is rooted in our wish to distribute picture books for free to children to avoid a situation where children cannot read books even though they want to, and we have received warm support from a wide variety of advocates. We have also supported book reading activities as a part of our effort, and have prepared large-size picture books which are useful for book reading events for a large audience. Through our support for “Mori no Senshi Bonolon,” we will continue to contribute to affluent society and the global future.



Copies of the picture books, in which Bonolon, the main character, draws closer to a person in need and gently grants the person a wish are issued on the 15th day of every even month and distributed free of charge.

Holding Seven Bank Charity Campaign

Voice guidance service is available at Seven Bank ATMs to assist visually impaired persons to use ATM services. This opened up an opportunity for us starting in 2010 to cooperate with Nippon Broadcasting System’s “Radio Charity Musicthon,” a charity which collects funds to install audible traffic signals enabling visually impaired persons to walk streets with peace of mind.

We hold a Seven Bank Charity Campaign from December through January every year and collect funds from many customers through a variety of means including fund-raising at ATMs and one-click donations.

As a result, we presented ¥2,792,902 in donations including those we received from our customers to the “49th Radio Charity Musicthon” in FY2023.



Seven Bank President Matsuhashi and Nippon Broadcasting System President Hiwara

Starting Service for Fund-raising Through Seven Bank ATMs

Seven Bank started a service for collecting funds through ATMs in 2021 on behalf of organizations engaging in social issues.

The service was drawn from our wish that we can contribute to linking people and the society by utilizing Seven Bank ATMs as donation boxes since they are conveniently accessible in customers’ everyday life. We have made the fund-raising service permanently available for five organizations as well as emergency fund-raising in case of major disasters starting FY2023.

We also held an NFT fund-raising campaign for a limited time in FY2023. This was a unique opportunity for customers to experience donations with new added value by distributing NFT (non-fungible token) digital art works as a novelty.

Donations have steadily grown in terms of the number and the amount since the service started. Providing the service allows us to realize that a lot of our customers are willing to contribute to society through fund-raising. Seven Bank will continue to pursue initiatives to solve social issues together with its customers.



Image of ATM screen

Organizations to which you can donate (as of July 31, 2024)

Seven-Eleven Memorial Foundation, Japan Committee for UNICEF, Médecins Sans Frontières Japan, Japanese Red Cross Society, World Wide Fund for Nature Japan

*Organizations to which you can donate through the ATMs are subject to change. Please check the ATM display when you donate.

Communication with Stakeholders

Communication with Shareholders and Investors

We strive to proactively disclose the Company's management information, not limited to the scope of legal disclosure, aiming to aid our shareholders and investors in gaining a more comprehensive understanding of our business activities and future growth. We will continue to boost our reputation on the stock market and enhance our corporate value by leveraging shareholder and investor feedback in our management and fostering even closer IR communication.

IR Calendar (Major events in FY2023)

	April	May	June	July	August	September	October	November	December	January	February	March	
Financial results related events		<ul style="list-style-type: none"> ● Release of financial results for the fiscal year ● Presentation about financial results for the fiscal year 	<ul style="list-style-type: none"> ● Annual General Meeting of Shareholders 		<ul style="list-style-type: none"> ● Release of financial results for the first quarter ● Presentation about financial results for the fiscal year 				<ul style="list-style-type: none"> ● Release of financial results for the second quarter ● Presentation about financial results for the fiscal year 		<ul style="list-style-type: none"> ● IR event for individual investors 	<ul style="list-style-type: none"> ● Release of financial results for the third quarter ● Presentation about financial results for the fiscal year 	
Communication tools		<ul style="list-style-type: none"> ● FACT BOOK 		<ul style="list-style-type: none"> ● Issuance of Integrated Report/Disclosure Report in Japanese 		<ul style="list-style-type: none"> ● Issuance of Annual Report in English 		<ul style="list-style-type: none"> ● Issuance of Shareholders' Newsletter in Japanese 		<ul style="list-style-type: none"> ● Issuance of Interim Disclosure Report in Japanese 			

Tools for Dialogue

- Distribution of audio recordings, and transcripts of the presentations of financial results for analysts and institutional investors (Japanese and English)
- Issuance of Integrated Report/Disclosure Report in Japanese and Annual Report in English
- Issuance of FACT BOOK
- Issuance of Shareholders' Newsletter in Japanese
- Posting of information on the Bank's website for individual investors in Japanese
- IR presentations for individual investors (online)

Our disclosure policy is posted on the following website.

<https://www.sevenbank.co.jp/english/ir/policy/>



Activities in FY2023

General Meeting of Shareholders	Presentation about quarterly financial results (for institutional investors)	Number of individual interviews with institutional investors	Number of times participated in conferences hosted by securities companies	Participation in events for individual investors
Number of participants: Approx. 380 (including online participants) Q&A session: 18 questions raised by 14 participants	Number of events held: Four times (quarterly basis)	103 interviews (cumulative and including interviews held at conferences hosted by securities companies listed on the right)	5 times	Number of times participated: Once Format: Online Number of viewers in online booth: 5,820 viewers (cumulative) Survey responses: 677

Major interests and opinions of shareholders and investors (FY2023)

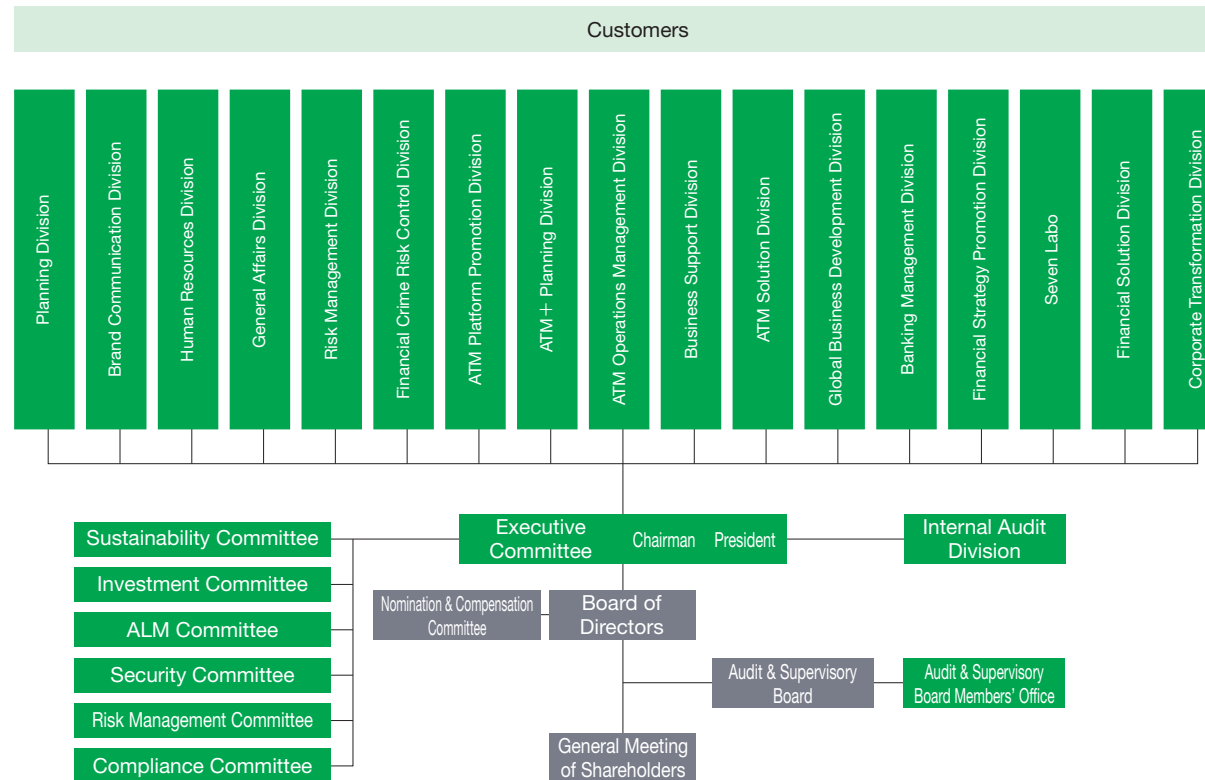
- Medium- to long-term outlook and initiatives based on the cash-less society
- Synergy between Seven Card Service and Seven & i Group
- Prospective overseas business expansion target area
- Concept of capital measures
- Potential enhancement of shareholder returns in the future

Corporate Information

Company Information (As of June 30, 2024)

Company Name	Seven Bank, Ltd.	Number of Employees	640 (Non-consolidated, excluding officers, executive officers, temporary staff and part-time employees)
Head Office	1-6-1, Marunouchi, Chiyoda-ku, Tokyo, 100-0005, Japan	Credit Ratings	[S&P Global Ratings (S&P)] Long-term counterparty issuer rating "A" Outlook "stable" Short-term counterparty issuer rating "A-1" [Rating & Investment Information, Inc. (R&I)] Issuer rating "AA-" Outlook "positive"
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		

Organization Chart (As of July 1, 2024)



Shares Status (As of March 31, 2024)

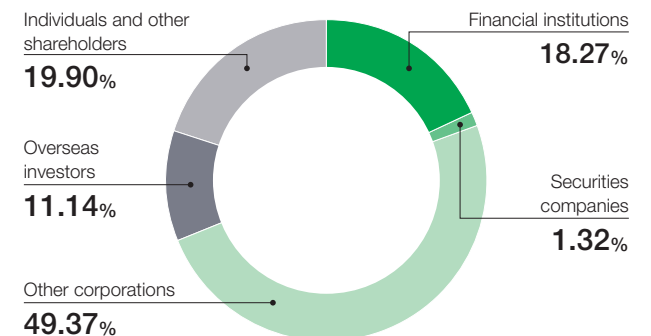
Number of Issuable Shares	4,763,632 thousand
Number of Shares Issued	1,179,308 thousand
Number of Shareholders	223,404

Status of Major Shareholders (As of March 31, 2024)

Shareholder name/title	Number of shares (Thousands of shares)	Holding (%)
Seven-Eleven Japan Co., Ltd.	453,639	38.59%
The Master Trust Bank of Japan, Ltd. (trust account)	91,055	7.74%
Ito-Yokado Co., Ltd.	46,961	3.99%
York-Benimaru Co., Ltd.	45,000	3.82%
Custody Bank of Japan, Ltd. (trust account)	37,146	3.16%
BBH FOR UMB BK, NATL ASSOCIATION-GLOBAL ALPHA INTL SMALL CAP FUND LP	19,143	1.62%
Sumitomo Mitsui Banking Corporation	15,000	1.27%
The Dai-ichi Life Insurance Company, Limited	15,000	1.27%
MUFG Bank, Ltd.	10,000	0.85%
Nomura Research Institute, Ltd.	10,000	0.85%
NEC Corporation	10,000	0.85%

*The percentage of holdings was calculated by excluding treasury stock, and with the third decimal place rounded down. The number of shares of treasury stock does not include the Bank's shares held by the Directors' Compensation Board Incentive Plan (BIP) Trust and the Stock Grant Employee Stock Ownership Plan (ESOP) Trust.

Composition of Shareholders (As of March 31, 2024)



Key Financial Metrics Summary

Consolidated Financial Highlights

Amounts less than one unit have been truncated.

		(Fiscal Year)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Items on the Statement of Income:	Ordinary Income	(Millions of yen)	114,036	119,939	121,608	127,656	147,288	148,553	137,267	136,667	154,984	197,877
	Ordinary expenses	(Millions of yen)	76,997	82,772	84,897	89,350	106,574	108,716	101,626	108,412	126,059	167,351
	Ordinary profit	(Millions of yen)	37,038	37,167	36,710	38,305	40,714	39,836	35,640	28,255	28,924	30,526
	Net income attributable to owners of the parent	(Millions of yen)	23,220	24,716	25,114	25,301	13,236	26,162	25,905	20,827	18,854	31,970
	Depreciation and amortization*1	(Millions of yen)	16,251	18,779	18,766	17,102	17,529	14,634	14,070	16,388	19,526	23,302
	EBITDA*2	(Millions of yen)	53,289	55,946	55,477	55,408	58,244	54,471	49,710	44,644	48,450	53,828
Items on the Balance Sheet:	Total assets	(Millions of yen)	856,415	915,385	957,792	1,022,485	1,141,926	1,085,885	1,197,158	1,221,623	1,312,273	1,717,818
	Deposits*3	(Millions of yen)	502,285	547,865	572,353	623,581	679,474	684,560	783,408	790,687	821,508	915,418
	Total liabilities	(Millions of yen)	686,525	730,590	758,710	810,458	929,036	863,051	962,482	977,509	1,058,031	1,441,962
	Total net assets	(Millions of yen)	169,890	184,794	199,081	212,027	212,890	222,833	234,676	244,113	254,242	275,856
Per share data:	EPS (Earnings per share)	(Yen)	19.49	20.75	21.07	21.24	11.11	22.14	22.01	17.71	16.03	27.25
	DPS (Dividend per share)	(Yen)	8.00	8.50	9.00	10.00	11.00	11.00	11.00	11.00	11.00	11.00
	Payout ratio	(%)	41.0	40.9	42.6	47.0	99.0	49.6	49.9	62.0	68.6	40.3
Management indicators:	EBITDA margin*4	(%)	46.7	46.6	45.6	43.4	39.5	36.6	36.2	32.6	31.2	27.2
	ROE (Return on equity)*5	(%)	14.4	13.9	13.1	12.3	6.2	12.0	11.3	8.7	7.6	12.2
	Capital adequacy ratio (domestic standard)*6	(%)	50.53	49.77	51.71	50.78	47.77	50.11	47.93	47.31	46.51	30.74
	PER (Price-to-earnings ratio)	(Times)	30.4	23.1	17.2	15.9	29.4	12.6	11.4	13.4	16.5	10.8
Cash flow:	Cash flow from operating activities	(Millions of yen)	99,931	66,482	88,118	31,466	117,471	89,619	136,039	41,311	66,577	100,751
	Cash flow from investing activities	(Millions of yen)	4,994	(11,634)	(28,818)	(3,649)	(34,882)	(5,801)	(32,770)	(36,114)	(36,191)	(51,937)
	Cash flow from financing activities	(Millions of yen)	(9,204)	(9,826)	(10,446)	(11,729)	(12,246)	(16,009)	(13,555)	(12,727)	(12,973)	(12,090)
Capital investments:	Capital investment amounts	(Millions of yen)	19,037	17,216	14,213	11,900	10,792	16,694	25,132	23,712	24,734	38,844
	For domestic business ATMs	(Millions of yen)	10,698	8,885	4,052	1,673	1,986	3,556	9,228	7,898	6,450	12,644
	For domestic business software	(Millions of yen)	7,122	7,550	8,756	9,863	7,589	11,567	14,023	9,918	12,115	17,369

*1 Depreciation and amortization (excluding goodwill). *2 EBITDA = ordinary profit + depreciation and amortization *3 Including negotiable certificates of deposits *4 EBITDA margin = EBITDA/ordinary income

*5 ROE = net income/average equity balance *6 Calculated based on the formula stipulated in the Financial Services Agency Announcement No. 19 of 2006 in accordance with the second provision of the Banking Law No. 14.

Non-Financial Highlights

		(Fiscal Year)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Number of employees (Consolidated)*1	(Persons)		576	619	634	654	657	713	809	911	1,016	1,301
Number of employees (Non-consolidated)*1	(Persons)		445	456	472	468	460	487	470	505	549	614
Ratio of female employees (Non-consolidated)	(%)		35	35	36	37	39	41	39	40	39	41
Ratio of female managers*2	(%)		9.9	10.7	12.0	14.7	14.5	17.4	18.2	16.0	18.4	17.7
Ratio of paid leave taken by employees	(%)		—	—	83.4	86.9	78.1	80.0	70.5	80.2	83.8	83.4
Number of employees who took childcare leave*3	(Persons)		12	10	13	16	12	11	11	15	24	26

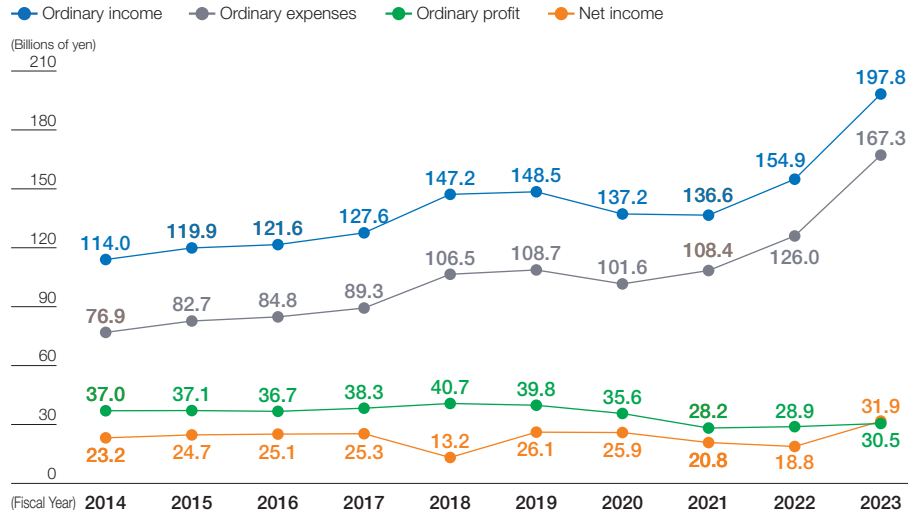
*1 Excluding officers, executive officers, employees seconded from the Bank to external companies, part-time employees and temporary staff; and including employees seconded from external companies to the Bank.

*2 Ratio of female managers is calculated based on management positions (Senior Officer, Officer, Assistant Officer), excluding those seconded from the Bank to external companies.

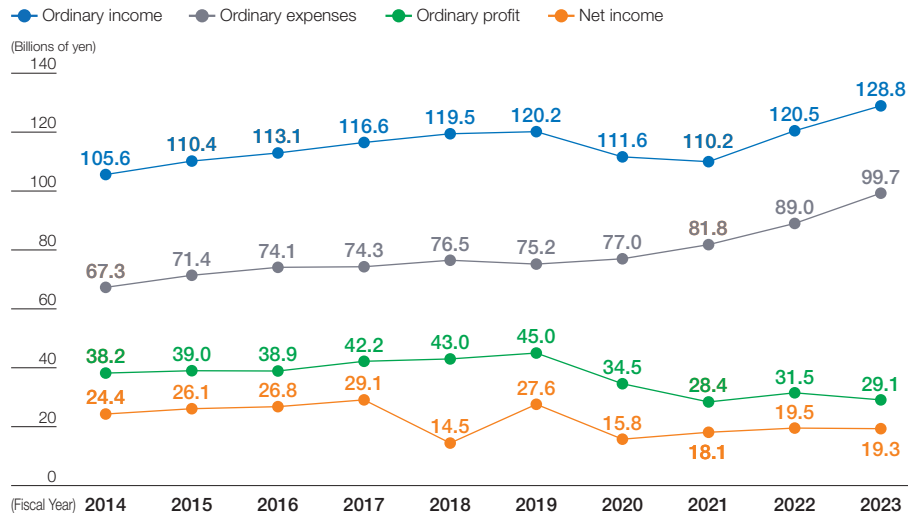
*3 Number of employees who took childcare leave in each fiscal year, including contractors

Principle Data

Consolidated Financial Highlights

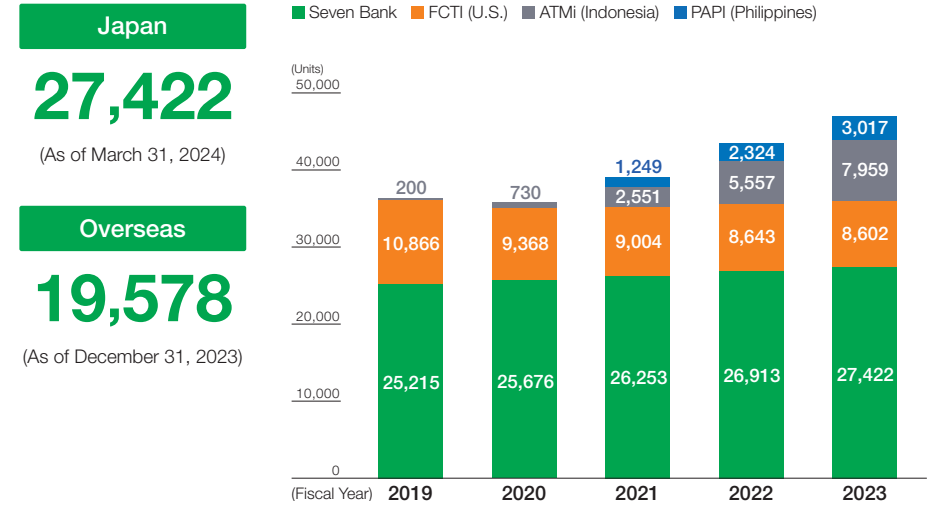


Non-consolidated Financial Highlights (Seven Bank alone)



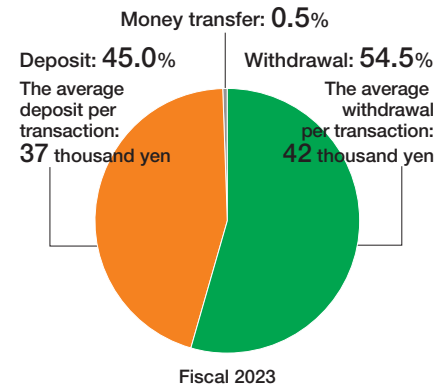
Amounts less than one unit have been truncated.

Number of ATMs Installed

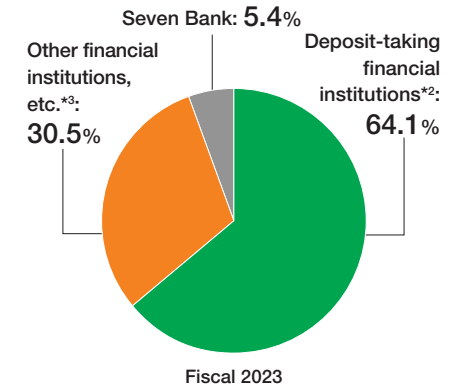


Use of Seven Bank ATMs

Number of ATM Transactions by Service*1 (excluding Seven Bank)



Number of ATM Transactions by Business Category*1 Breakdown



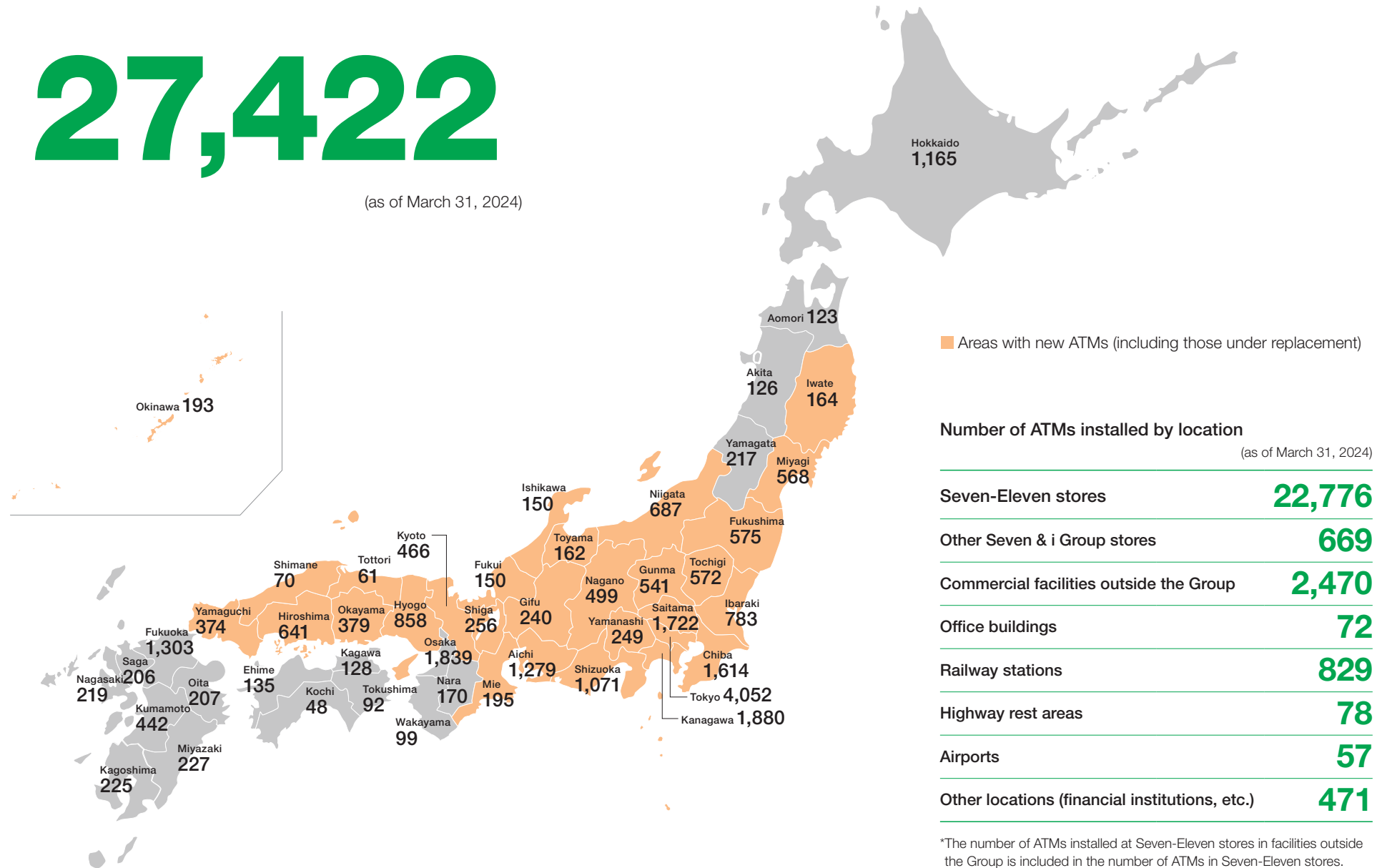
Amounts less than one unit have been truncated.

*1 Number of transactions: Total number of deposits, withdrawals and money transfers. Balance inquiry, electronic money charge/balance confirmation, PIN number change, usage limit change, Individual Number Card Points preregistration/application, and "+Connect" procedures are not included.
 *2 Deposit-taking financial institutions: Banks (excluding Seven Bank), Shinkin banks, credit cooperatives, labor banks, the JA Bank, the JF Marine Bank, the Shoko Chukin Bank.
 *3 Other financial institutions, etc.: securities companies, life insurance companies, credit card companies, credit companies, consumer finance companies, business loan providers, operating companies, cards issued overseas.

ATMs nationwide

27,422

(as of March 31, 2024)



As a member of the Group

Holding true to our core philosophy

Corporate Principles

1. We aim to be a sincere company that our customers trust.
2. We aim to be a sincere company that our business partners, shareholders, and local communities trust.
3. We aim to be a sincere company that our employees trust.

management ethos

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

Code of Conduct

(Only items are excerpted)

1. Public mission and social responsibility
2. Customers come first put customers first
3. Act with integrity and fairness
4. Contribute to a sustainable society
5. Respect human rights
6. Respect diversity and improve job satisfaction
7. Prohibit relationships with antisocial forces, respond to terrorism and other threats

Seven Bank, Ltd.

Brand Communication Division

6-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-0005, Japan Marunouchi Center Building

Designated banking business dispute resolution body under the Banking Act with which the Company has contracted

Japanese Bankers Association

Contact: Japanese Bankers Association Customer Relations Center

Telephone: +81-3-5252-3772

Open Monday through Friday (excluding national and bank holidays)

Hours of operation: 09:00–17:00

This document contains statements concerning the current plans, expectations, strategies and beliefs of Seven Bank, Ltd. ("Seven Bank"). Statements contained herein that relate to future operating performance and that are not historical facts are forward-looking statements. Forward-looking statements may include, but are not limited to, words such as "believe," "anticipate," "plan," "strategy," "expect," "forecast," "predict," "potential," "possibility" and similar words that describe future operating activities, business performance, events or conditions. Forward-looking statements, whether spoken or written, are based on judgments made by the management of Seven Bank, based on information that is currently available to it. As such, these forward-looking statements are subject to various risks and uncertainties, including, but not limited to, changes in the level of demand for the services offered by Seven Bank, challenges Seven Bank faces in achieving further growth and various other factors. As a result of such risks and uncertainties, the actual business results of Seven Bank may vary substantially from the forecasts expressed or implied in forward-looking statements. Consequently, investors are cautioned not to place undue reliance on forward-looking statements. Seven Bank disclaims any obligation to revise forward-looking statements in light of new information, future events or other findings. The information contained in this document does not constitute or form part of any offer for sale or subscription of or solicitation or invitation of any offer to buy or subscribe for any securities, nor shall it or any part of it form the basis of or be relied on in connection with any contract or commitment whatsoever.