

# Appendix

Financial Results for Fiscal 2015 (Non-Consolidated Data)



May 2016

## Basic information

Headquarters	1-6-1 Marunouchi Chiyoda-ku, Tokyo
Major business lines	ATM services / Other financial services

## Key data

(as of Mar. 31, 2016)

Net assets	183.1 billion yen
Common stock	30.5 billion yen
No. of ATMs	22,472
No. of manned outlets	7
No. of employees	456

## Main shareholders (as of Mar. 31, 2016)

Shareholders	No. of shares	% of voting rights
Seven-Eleven Japan	453,639,000	38.08
State Street Bank and Trust Company	57,294,078	4.81
Ito-Yokado	46,961,000	3.94
York-Benimaru	45,000,000	3.77
Japan Trustee Services Bank, Ltd. (Trust account)	30,826,100	2.58
The Master Trust Bank of Japan, Ltd. (Trust account)	30,158,200	2.53
The Bank of New York, Non-Treaty Jasdec Account	20,785,256	1.74
Northern Trust Co. (AVFC) Re Fidelity Funds	15,522,400	1.30
Sumitomo Mitsui Banking Corporation	15,000,000	1.25
The Dai-ichi Life Insurance Company	15,000,000	1.25

## Concept of incorporation: Everyone's ATM network

<b>Anytime</b>	24 hours, 365 days a year
<b>Anywhere</b>	Throughout Japan
<b>Everyone's ATM network</b>	Approx. 590 domestic alliance partners, cards issued overseas
<b>Safe and secure</b>	Safe, monitored locations, high security

## History

Apr. 2001	Incorporated under the name IY Bank Co., Ltd.
Oct. 2005	Changed corporate name to Seven Bank, Ltd.
Feb. 2008	Listed on the JASDAQ Standard Market of OSE * Delisted on April 14, 2012
Dec. 2011	Listed on the First Section of TSE
Oct. 2012	Made U.S.-based ATM operating company FCTI a consolidated subsidiary
Jun. 2014	Established PT. ABADI TAMBAH MULIA INTERNASIONAL, a joint venture in Indonesia
Jul. 2014	Established Bank Business Factory Co., Ltd.

Shareholders	No. of shares	% of voting rights
7&i HD group companies	545,600,000	45.81
Financial institutions	205,335,700	17.24
Financial companies	10,261,326	0.86
Other corporations	59,279,211	4.97
Foreign corporations	260,680,355	21.88
Individuals	109,844,408	9.22

Notes:

- For voting rights percentages, amounts have been truncated at the second decimal place.
- Orange shading indicates 7&i Holdings group companies.
- Other corporations excludes 7&i Holdings group companies.

# Trends in Income (Since Establishment)

(Billion yen)

	FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15
Ordinary income	1.9	11.5	29.1	47.9	64.6	75.4	83.6	89.8	88.8	83.9	88.3	94.1	99.8	105.6	110.4
ATM-related fee income	1.8	11.3	28.9	45.8	61.9	73.1	80.1	85.5	85.2	80.5	83.8	88.8	94.3	98.9	102.2
Ordinary expenses	14.0	19.7	26.0	37.8	45.2	50.4	59.0	61.0	58.4	56.5	58.7	62.0	62.6	67.3	71.4
Interest expenses	0.0	0.0	0.0	0.4	0.6	1.5	2.7	2.7	2.1	2.0	1.9	1.6	1.8	1.2	1.2
ATM placement fee expenses	0.3	1.1	2.2	3.5	4.5	6.1	7.7	8.5	9.0	9.3	9.9	10.6	11.3	11.9	12.7
Outsourcing expenses	5.1	7.0	8.5	12.0	14.4	13.7	13.7	13.9	13.9	14.2	15.0	15.8	16.3	16.8	17.6
Maintenance fees	0.3	0.8	1.1	3.0	2.5	2.9	3.4	3.5	3.5	3.9	4.2	3.9	3.7	3.7	3.9
Rent for premises and equipment	2.0	3.4	4.6	6.3	7.5	6.7	4.7	2.8	2.4	2.1	1.0	0.9	0.6	0.9	0.9
Depreciation and amortization	1.6	2.6	3.1	3.5	4.3	5.4	11.4	15.4	12.8	11.6	12.3	13.8	11.6	15.0	17.4
Ordinary profit (loss)	(12.1)	(8.1)	3.0	10.0	19.4	25.0	24.6	28.7	30.4	27.4	29.5	32.0	37.1	38.2	39.0
Extraordinary gain (loss)	0.0	0.0	(0.1)	(0.1)	(2.8)	(4.0)	(1.3)	(0.0)	(0.1)	(0.4)	(0.2)	(0.5)	(1.0)	(0.1)	(0.1)
Income taxes	0.0	0.0	(2.1)	(0.9)	6.0	8.3	9.5	11.7	12.3	10.9	12.0	11.9	13.8	13.6	12.7
Net income	(12.1)	(8.1)	5.0	10.8	10.5	12.6	13.8	16.9	17.9	16.0	17.2	19.5	22.3	24.4	26.1

Note: Amounts less than one unit have been truncated.

## Customers

Offer account services that are easy to use, convenient, reasonably priced, and replace the purse

Offer ATM services that all customers can use anytime, anywhere, and securely

Offer products and services to customers at manned outlets that are easy to visit

## Seven Bank Lines of Business

### Bank Account Services

- Ordinary deposit accounts and term deposit accounts
- Domestic money transfers, payment, and online settlement services
- Personal loan services
- International money transfer services, etc.

#### Services for Corporate Customers

- Acceptance of cash proceeds from sales
- Cash pickup and delivery

### ATM Services

- Deposits and withdrawals
- Money transfer
- Changing PIN, etc.

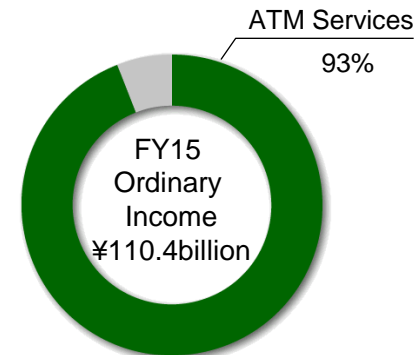


#### 7&i HLDGS. Group

- Seven-Eleven
- Ito Yokado, etc.

#### Outside the Group

- Airports
- Stations
- Commercial facilities, etc.



### Manned Outlet Services

- Accept applications for Seven Bank accounts
- Bank agent operations

Inside Ito Yokado stores, etc.

Contributing to improving the efficiency of the financial system  
Creation of a symbiotic business model with partner financial institutions

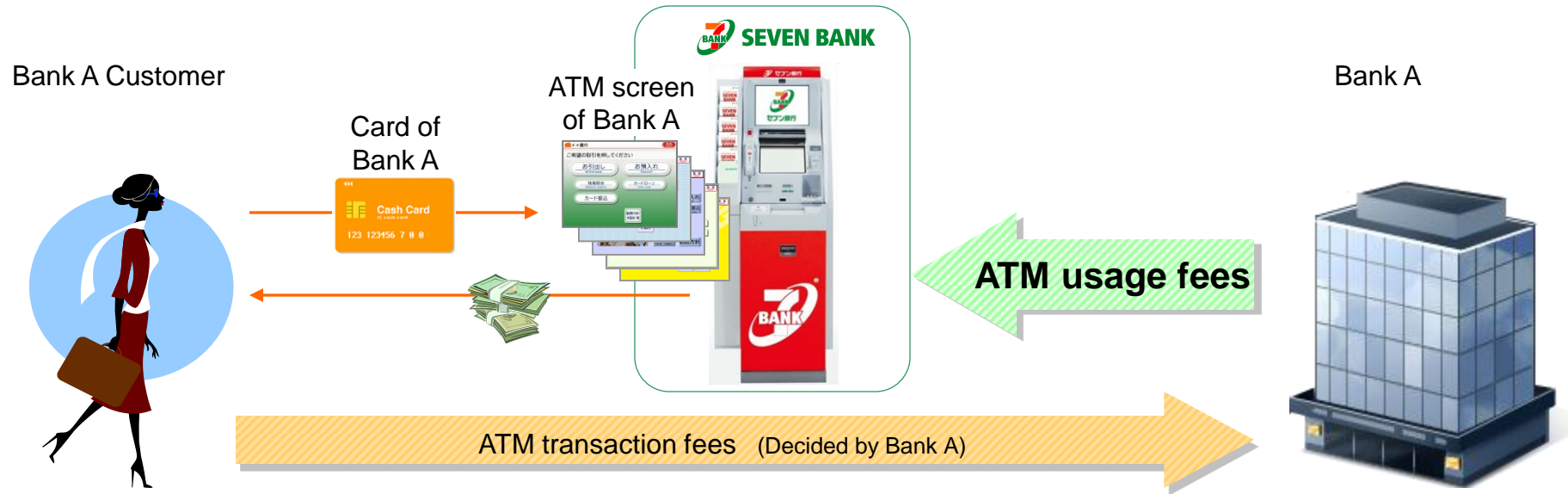
## Partner Financial Institutions

### Deposit-Taking Financial Institutions

- Banks
- "Shinkin" banks
- Credit cooperatives
- Labor banks
- JA Bank, JF Marine Bank
- Shoko Chukin Bank

### Non-banks

- Securities companies
- Life insurance companies
- Credit card companies
- Credit companies
- Consumer finance companies
- Business loan providers



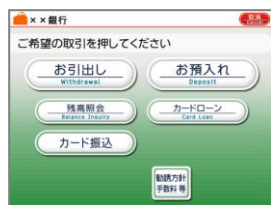
## Merits for customers

- **Convenience of ATM service hours and locations**
  - 24 x 365 availability
  - No need to carry large sums of cash for business or leisure trips
  - Access to identical services from any ATM nationwide (because of ATM management by a single bank)
- **Safety and security**
  - Security due to installation in convenience stores

## Merits for partner financial institutions

- **Access to nationwide network of ATMs operating 24 x 365 without the cost required for own ATMS**
- **Utilization as own ATMs**
  - Each bank decides its own customer fees
  - Screens identical to banks' own ATMs
- **Scaling back of own ATMs (cost reduction), marketing strategy that utilizes Seven Bank ATMs**

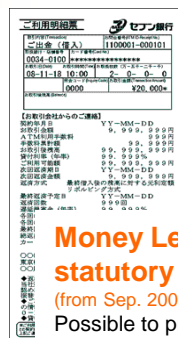
## Improvements in convenience



**Operation screen**  
Transaction screen matches that of card-issuing banks



**Secondary display**  
Screen display used for advertisements and warnings



**Money Lending Business Act statutory document printing**  
(from Sep. 2006)  
Possible to print documents as required by the Act



**“nanaco” cards**  
(from Oct. 2007)  
Charging and balance confirmation supported



## Assurance of safety and security



**Numerical keypad**  
Operations difficult for other people to see



**Operation screen**  
Cannot be seen diagonally from the side



**Mirror**  
Allows the ATM user to view the situation behind them



**IC cards** (from Mar. 2006)  
Supports highly-secure IC cards

**Changing PIN**  
**Changing transaction limit**  
(from Jul. 2007)  
Customers able to set their own transaction limit and PIN.

## Consideration to various types of customers



**Overseas cards**  
(from Jul. 2007)  
Possible to withdraw yen with cards issued overseas



**Audio-guidance**  
(from Nov. 2007)  
Operations possible via intercom, enabling use by disabled people



**Universal design font**  
(from Nov. 2010)  
Adopted a font that is easy for everyone to see and read

## Shorter transaction times

- 33% time-saving
  - ~ Machine adjustment time between bill withdrawal and next transaction greatly reduced

## Cash operations streamlined

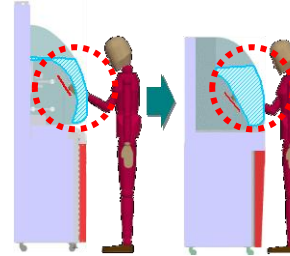
- Increase cash storage capacity, curb machine replenishment costs

## Environmental considerations

- Energy-saving (approx. 48% reduction from former ATMs)
  - ~ Switches automatically to energy-saving mode when not in use
  - ~ LED-backlit transaction screen
- Effective use of resources
  - ~ Long-life parts and recyclable materials make the new model resource-efficient (RoHS compliant)

## Enhanced safety and security features

### 1) More compact and user-friendly



2G ATM and 3G ATM

- Changed input screen position and angle. **Doubled** the area obscured from others' view by the shields on the left and right sides of the ATM.
  - ⇒ Improved privacy by making it more difficult to spy on screen and user operations

### 2) Extra features to enhance security

#### Camera at top of unit

- ~ Records events when users forget to retrieve their ATM card or cash, enhancing security in the ATM's vicinity

#### Forget-me-not alert sensor

- ~ If the sensor detects a user moving away from the ATM without retrieving the ATM card or cash, a voice alert will remind the user.

#### Second built-in speaker

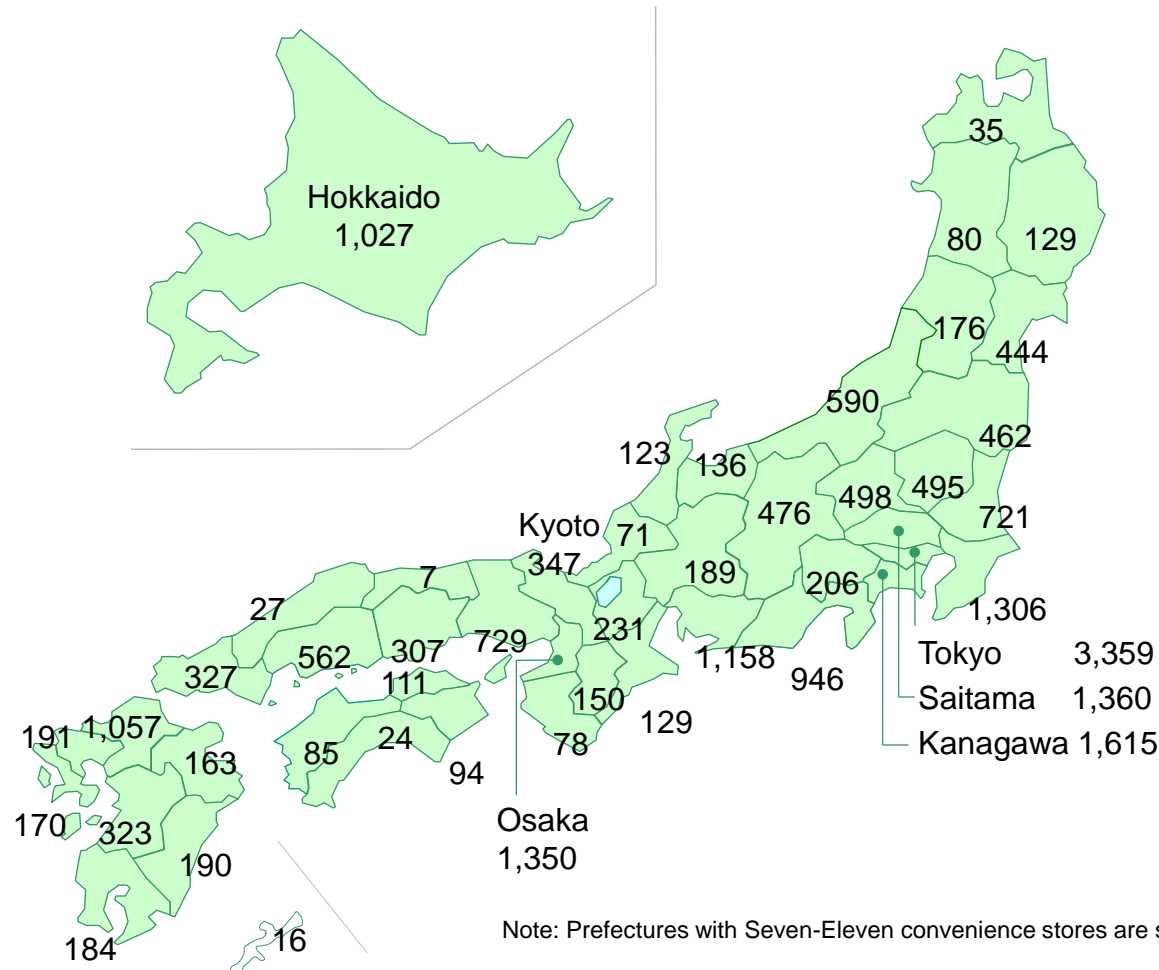
- ~ A new speaker near the cash outlet provides an extra reminder not to leave items behind





## No. of ATMs by prefecture (as of Mar. 31, 2016)

Total: 22,472 ATMs



Note: Prefectures with Seven-Eleven convenience stores are shaded green

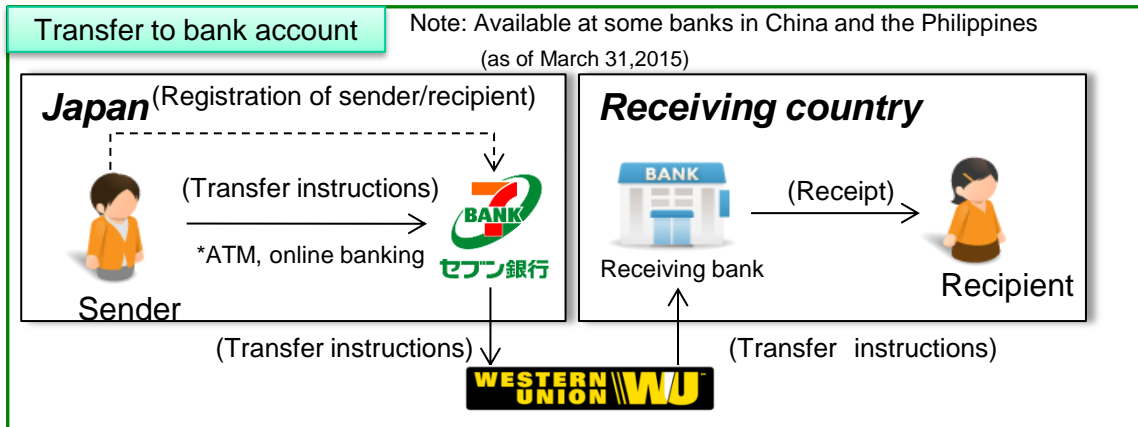
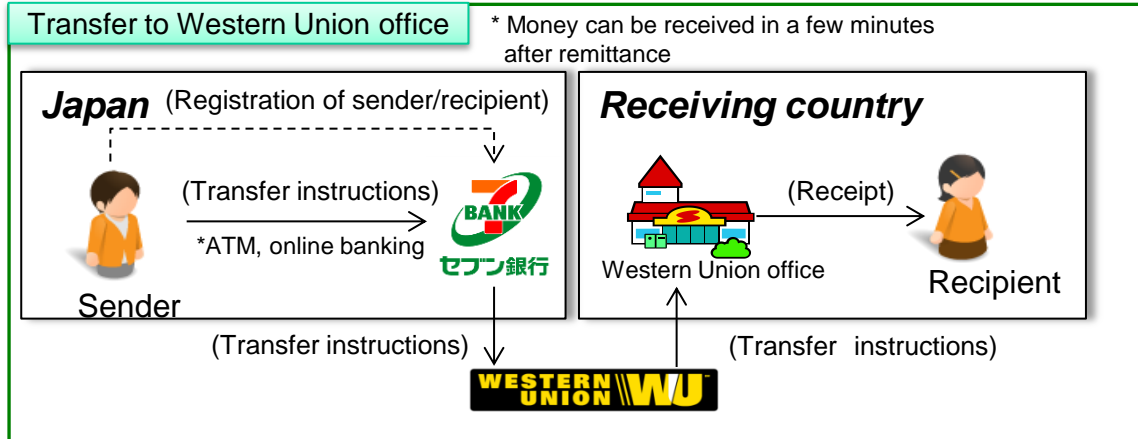


# Trends in the Number of Partner Financial Institutions

	FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15
Banks	7	15	27	50	63	80	92	95	97	100	105	113	119	122	123
“Shinkin” banks	-	-	240	241	255	263	260	264	258	262	265	264	261	262	261
Credit cooperatives	-	-	-	117	122	124	122	127	127	129	132	132	131	130	129
Labor banks	-	-	-	13	13	13	13	13	13	13	13	13	13	13	13
JA Bank	-	-	-	-	1	1	1	1	1	1	1	1	1	1	1
JF Marine Bank	-	-	-	-	1	1	1	1	1	1	1	1	1	1	1
Shoko Chukin Bank	-	-	-	-	-	-	-	-	1	1	1	1	1	1	1
Securities firms	2	2	2	2	5	8	8	8	8	9	9	9	11	11	11
Life insurance firms	-	4	5	5	6	8	8	8	8	8	8	8	8	8	8
Other financial institutions (Consumer finance, credit card companies, etc.)	-	27	35	41	47	50	49	49	41	43	42	42	43	45	47
<b>Total</b>	<b>9</b>	<b>48</b>	<b>309</b>	<b>469</b>	<b>513</b>	<b>548</b>	<b>554</b>	<b>566</b>	<b>555</b>	<b>567</b>	<b>577</b>	<b>584</b>	<b>589</b>	<b>594</b>	<b>595</b>

Notes: 1. Seven Bank is not included among the partner financial institutions.

2. JA Bank and JF Marine Bank, which have many companies under their umbrella, are counted as one institute respectively.



Amount	Transfer to Western Union office	Transfer to bank account
	Transfer fee	
¥1 ~ ¥10,000	¥990	¥2,000
¥10,001 ~ ¥50,000	¥1,500	
¥50,001 ~ ¥100,000	¥2,000	
¥100,001 ~ ¥250,000	¥3,000	
¥250,001 ~ ¥500,000	¥5,000	
¥500,001 ~ ¥1,000,000	¥6,500	

**24 x 365 service via over 22,000 ATMs and Internet banking**

- Strict ID checks prior to account-opening
- Recipient is registered in advance
- ATMs are located in Seven-Eleven stores, throughout Japan, so that they are easy to visit for customers in rural areas.

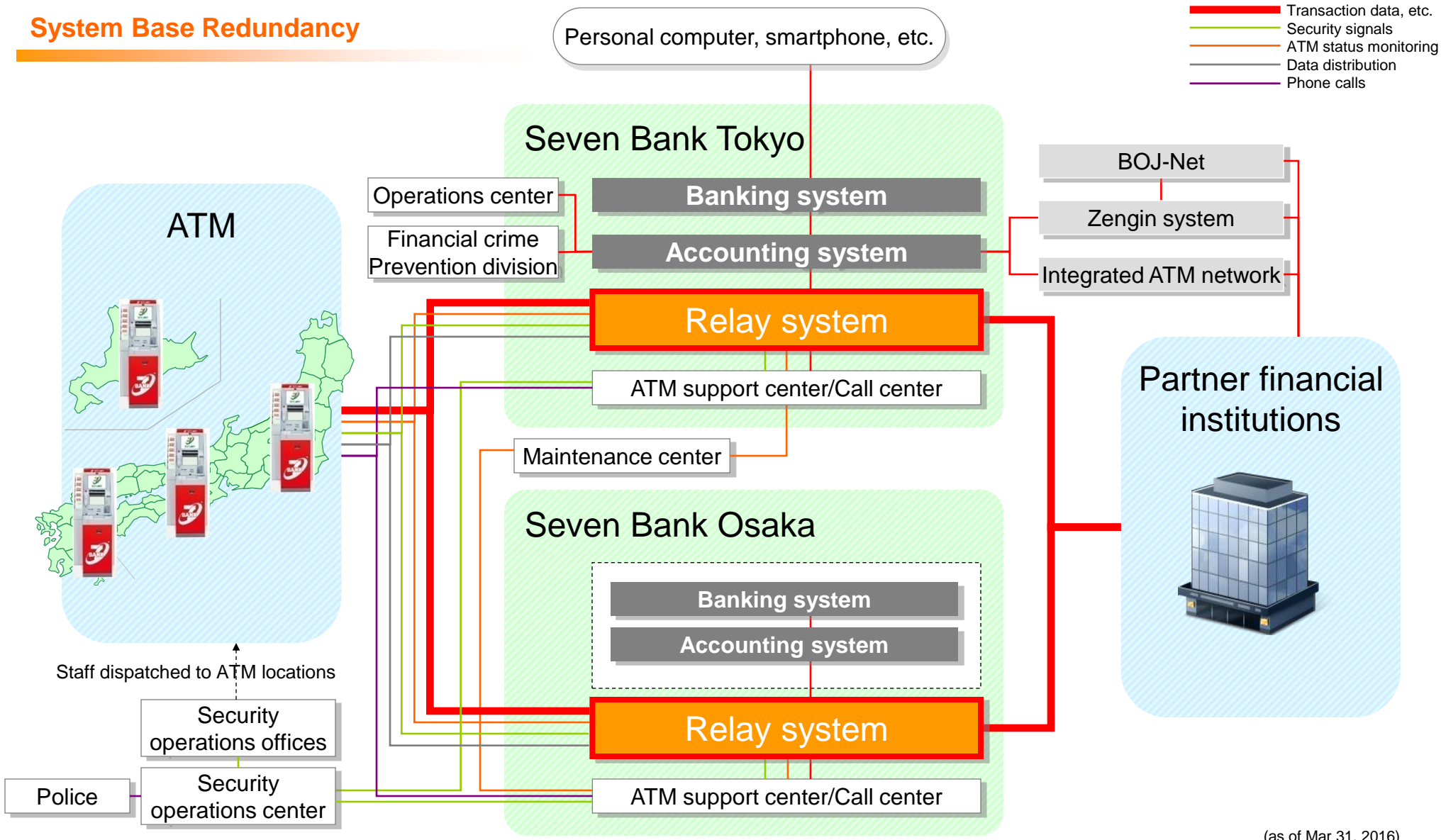
**Receipt at more than 510,000 offices in 200 countries worldwide**

- Money can be sent to most countries and territories worldwide, excluding those involving major money-laundering risk

**Strict money-laundering account checks**

- Close monitoring for suspicious transaction activities. If discovered, matter is immediately reported to authorities.

## System Base Redundancy



(as of Mar 31, 2016)

## Corporate Principles

1. We aspire to be a sincere company that is trusted by its customers.
2. We aspire to be a sincere company that is trusted by its shareholders, business partners and society.
3. We aspire to be a sincere company that is trusted by its employees.

## Management Policy

1. Our aim is to be a trusted bank that fully meets customer needs.
2. Each employee will seek to speedily introduce the benefits of technical innovation and pursue self-development.
3. We will contribute to the stability and advancement of our country's financial system by providing a secure and efficient settlement infrastructure.

## Charter of Ethics (abridged)

This ethical charter represents the cornerstone of the standards to which we will conform in making the decisions involved in the management of our business.

1. Be fully aware of the public nature and social responsibilities of a bank.
2. Provide highly convenient, customer-focused services, matched to current needs.
3. Act with integrity and fairness.
4. Communicate with society.
5. Have respect for humanity.

## Compliance standards

1. Observe rules.
2. Keep promises.
3. Be honest.
4. Do not conceal the truth.
5. Protect confidentiality.
6. Do not cause trouble for others.
7. Do not mix public and private matters.
8. Combat corruption.
9. Remember the basics of service.
10. Be responsible for your own actions.