


# Financial Results

for Third Quarter of Fiscal 2021



# **01**

## **Financial Results for Third Quarter of Fiscal Year Ending March 31, 2022**

## Financial Results Digest for Third Quarter of Fiscal Year Ending March 31, 2022 [Consolidated]

- Ordinary income declined slightly from the same period a year earlier. It declined due primarily to an increase in ordinary expenses for upfront investment, etc.

	Nine months ended December 31, 2021	Nine months ended December 31, 2020	Comparison
Ordinary income	¥103.1 billion	¥104.0 billion	(0.8%)
Ordinary expenses	¥79.6 billion	¥75.2 billion	+5.8%
Ordinary profit	¥23.5 billion	¥28.7 billion	(18.1%)
Net income attributable to owners of the parent*	¥15.9 billion	¥21.3 billion	(25.3%)
EBITDA	¥35.5 billion	¥39.0 billion	(8.9%)

\*Recorded 712 million yen in impairment loss of Seven Global Remit as an extraordinary loss

## Notes:

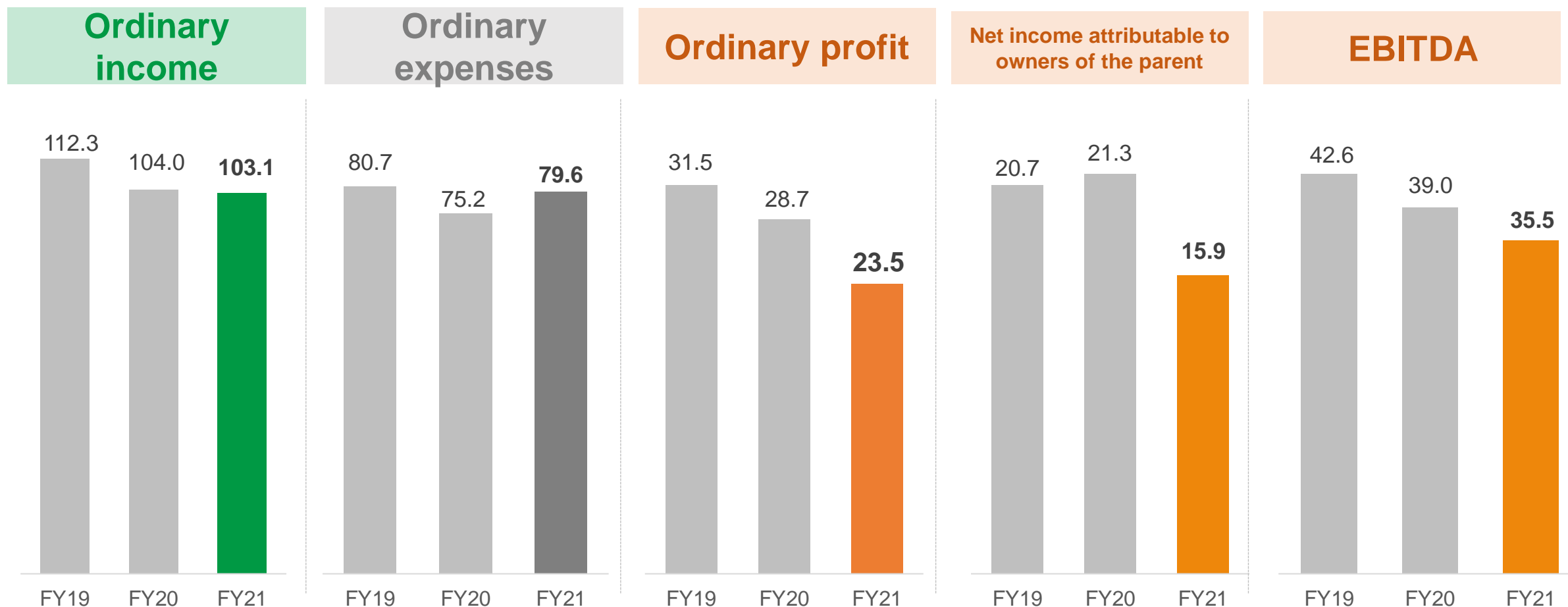
1. Amounts less than one hundred million yen have been truncated.
2. Previous-year comparisons are based on the units used in this material.
3. Exchange rates used in the consolidated income statement: FY20 3Q \$1 = ¥107.55, FY21 3Q \$1 = ¥108.58, FY21 plan \$1 = ¥108.00
4. All EBITDA in this material are Ordinary profit + Depreciation and amortization.

## Trend of Third Quarter Performance [Consolidated]

- [Ordinary income] Slight decline from the same period a year earlier. Down 8.1% compared with two years ago, before the coronavirus.
- [Ordinary profit] The decline in FY21 is mainly due to cost increase, while the decline in FY20 was due to lower ordinary income.

[Comparison of the nine months]

(Billion yen)

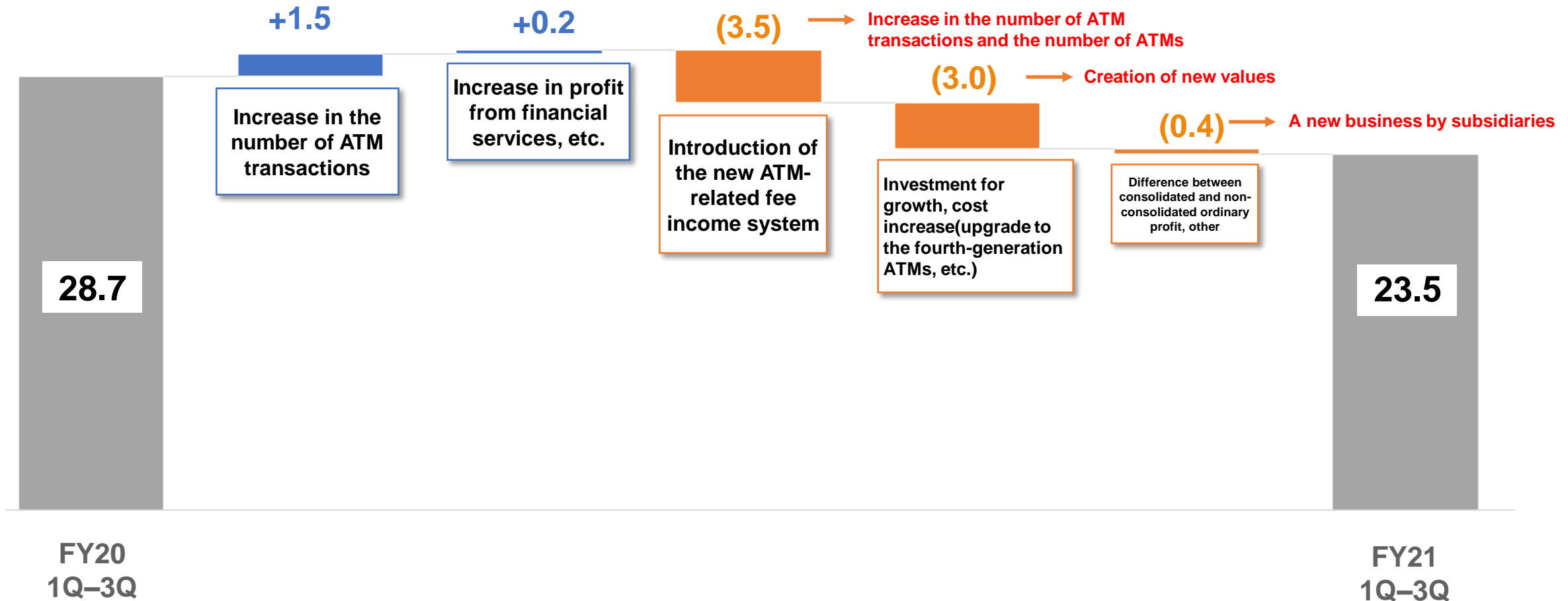


## Year-on-Year Change in Ordinary Profit (Approximation) [Consolidated]

- While the number of ATM transactions increased, ordinary profit declined approx. ¥5.2 billion due mainly to an increase in costs related to introduction of new ATM-related fee income system and investment for growth.

### Strategic moves for growth

(Billion yen)



## Income Statement [Seven Bank]

	Nine months ended December 31, 2021	Nine months ended December 31, 2020	Comparison
Ordinary income	¥83.6 billion	¥84.3 billion	(0.8%)
Ordinary expenses	¥60.5 billion	¥56.8 billion	+6.5%
Ordinary profit	¥23.0 billion	¥27.4 billion	(16.0%)
Net income*	¥14.7 billion	¥18.9 billion	(22.2%)
EBITDA	¥34.1 billion	¥37.0 billion	(7.8%)

\*Recorded 987 million yen in loss on valuation of shares in Seven Global Remit as an extraordinary loss

**Income Statement of Main Consolidated Subsidiaries [Non-consolidated, for Nine Months, Before Consolidation Adjustment]**

(Million yen)

	<b>Subsidiaries in Japan</b>		<b>Overseas subsidiaries</b> (Note: fiscal year ended December 2021; nine months from January to September)	
	<b>Bank Business Factory</b>	<b>Seven Payment Service</b>	<b>FCTI</b>	<b>ATMi</b>
	[Contract-based back-office support]	[Money transfer, settlement]	[ATM operation in the U.S.]	[ATM operation in Indonesia]
<b>Ordinary income</b>	<b>1,672</b>	<b>325</b>	<b>17,269</b>	<b>979</b>
(Changes from FY20)	349	57	(1,640)	734
<b>Ordinary profit</b>	<b>(4)</b>	<b>78</b>	<b>2,095</b>	<b>256</b>
(Changes from FY20)	(4)	80	(1)	197
<b>Net income</b>	<b>(5)</b>	<b>66</b>	<b>2,043</b>	<b>256</b>
(Changes from FY20)	(1)	68	(176)	197

**Lower profit on higher income**

Income increased reflecting large orders.  
Profit fell due to upfront investment for business expansion

**Higher profit on higher income**

ATM cash receipt service expanded steadily

**Lower profit on lower income**

Income declined as low margin ATMs were removed

**Higher profit on higher income**

The business is on track.  
Significantly increased installation of ATMs

Note: Exchange rate: FY20 3Q IDR 100 = ¥0.758, FY21 3Q IDR 100 = ¥0.737

## Financial Results Forecast

### Full-year forecast for fiscal year ending March 31, 2022 [Consolidated]

#### ➤ No change to the full-year plan

- Performing roughly in line with the FY21 plan
- The business results forecast was left unchanged given the uncertainties over the spread of the novel coronavirus infection caused by a new variant (omicron)

### Dividend forecast for the fiscal year ending March 31, 2022

#### ➤ No change from the initial plan

- Interim dividend: ¥5.50 per share (Year-end dividend of ¥5.50 per share for annual dividend of ¥11.00 is planned.)





**02**

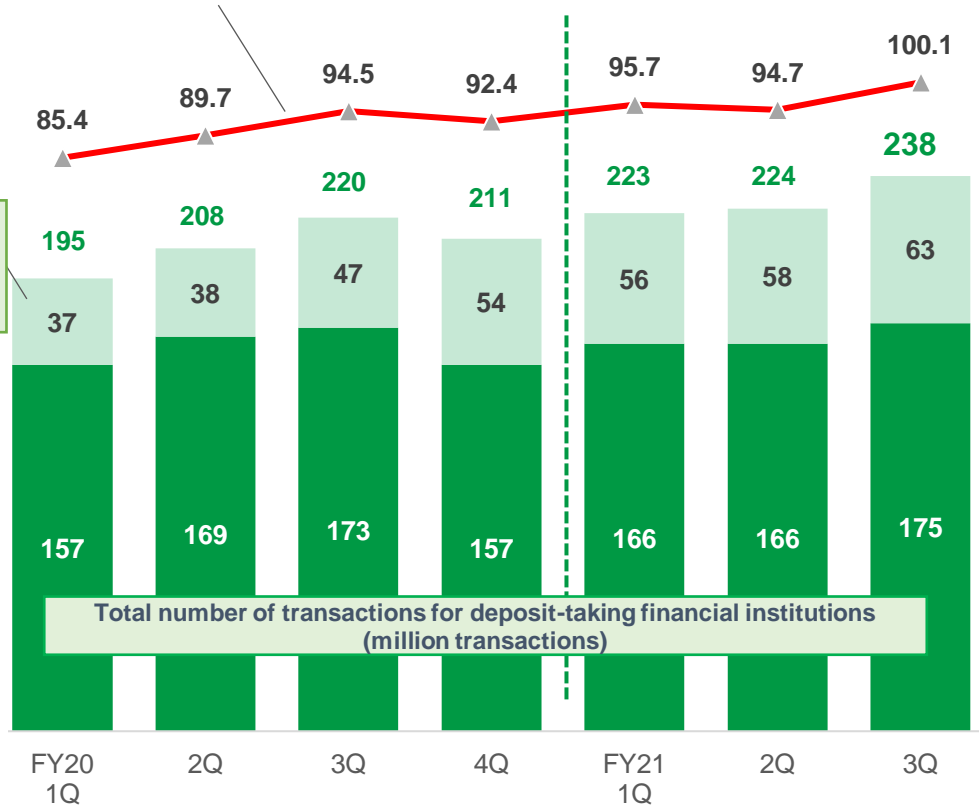
**Progress in Business Strategies**

## ATM Platform Strategy 1 Key Figures

### ATM Usage

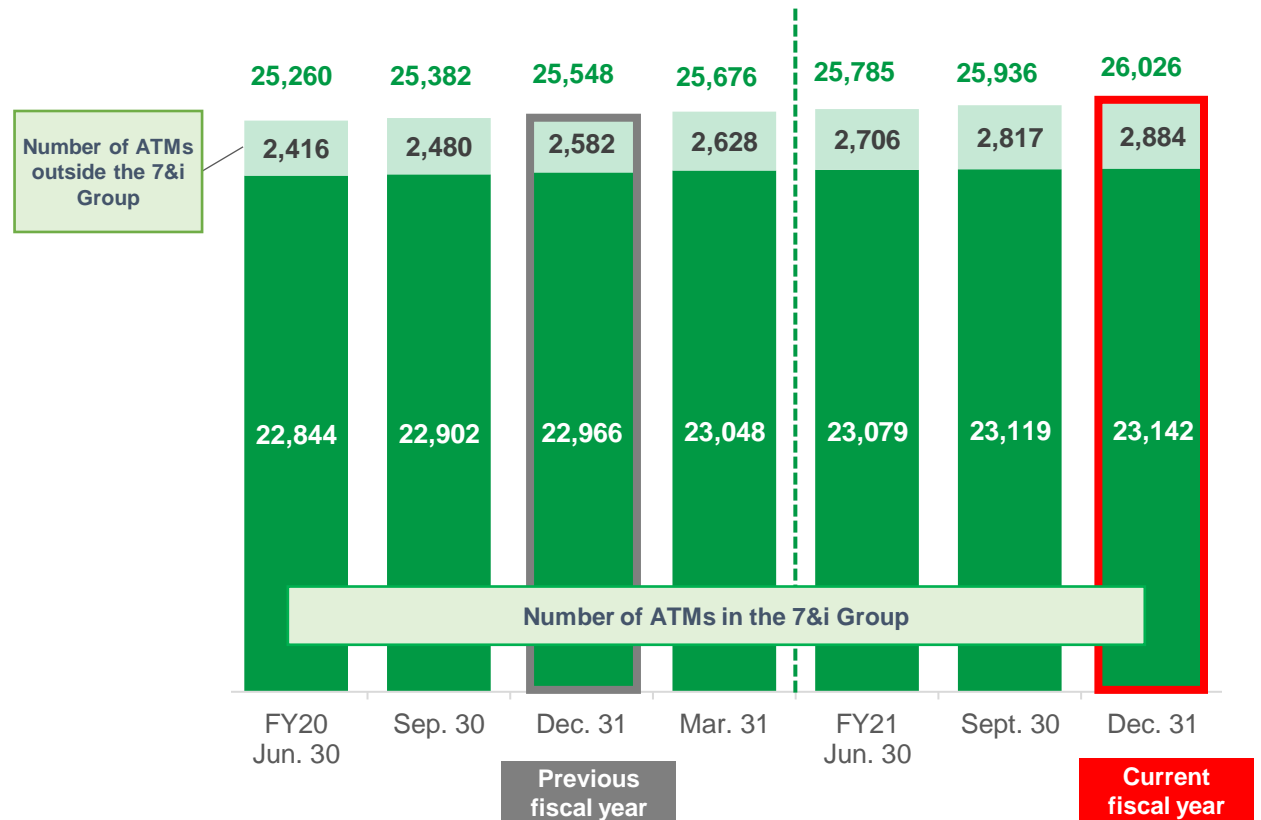
- Average number of transactions for the nine months: **+7%**;  
total number of transactions: **+9%**

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



### Number of ATMs

- **+478** (7&i Group: up 176; outside the group: **+302**)



#### Notes:

1. The total number of ATM transactions and daily average transactions per ATM do not include balance inquiries, e-money charges, PIN changes, withdrawal limit changes, or other operations.
2. In this report, securities, life insurance, credit card, consumer credit, consumer financing companies, and code payment companies are all referred to as "non-banks, etc."
3. ATM-related fee income per transaction: ¥109.4 for FY21 1Q-3Q \*ATM-related fee income per transaction = ATM-related fee income / (Total of transactions – Total of transactions without ATM-related fee income [i.e. sales proceeds deposits])

## Expand the world of ATM+

# ATM+

We have introduced 9,059 units of the fourth generation ATMS (As of December 31, 2021)



Display

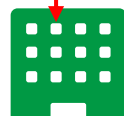


BANK

Financial institutions

Currently in feasibility study  
with 6 companies

Opening an account, changing the address, etc.



Non-financial businesses

- Prior check-in at hotels
- Member registration for used goods trading, etc.



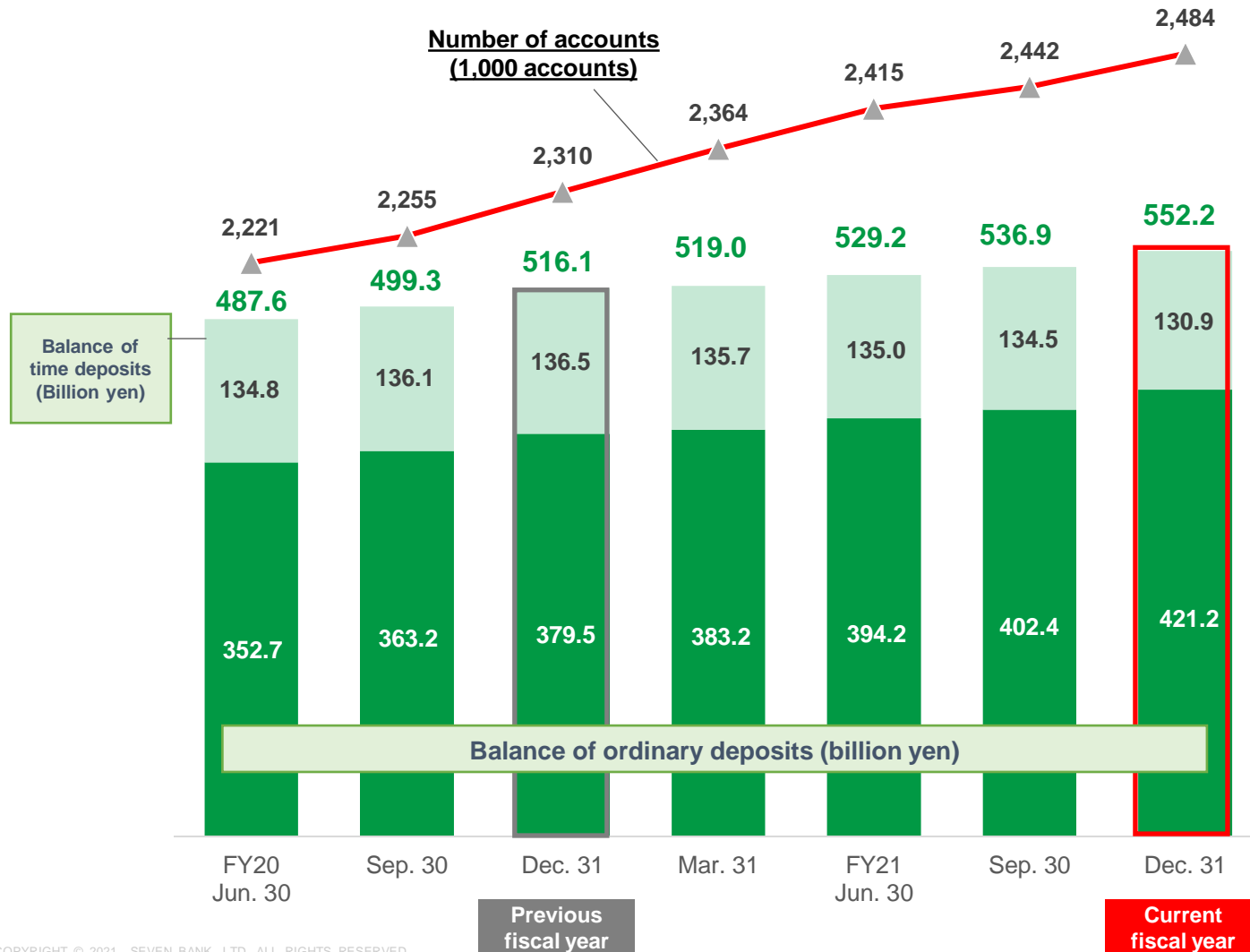
Administrative bodies and medical institutions

Application for the use of Individual Number Card as health insurance card

## Retail Strategy 1 Key Deposit Figures

### Trend in Number of Accounts and Balance of Deposits (Individual)

- Both number of accounts and balance of deposits increased strongly

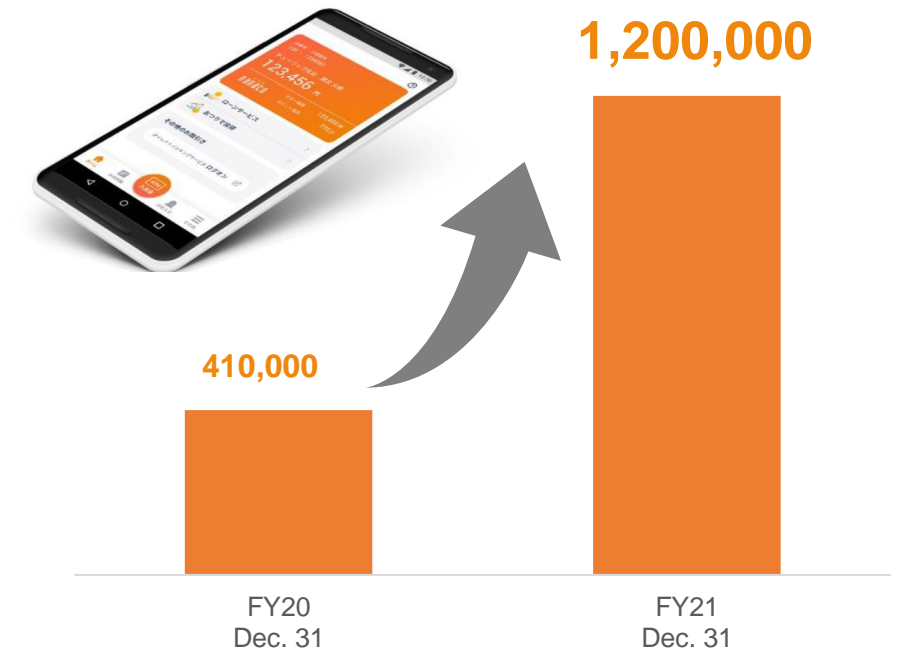


### Trend of My Seven Bank app

- Launched April 2020

The My Seven Bank app, which enables deposit and withdrawal using a smartphone from the same day of opening the account, has been growing steadily

<<Cumulative total download>>

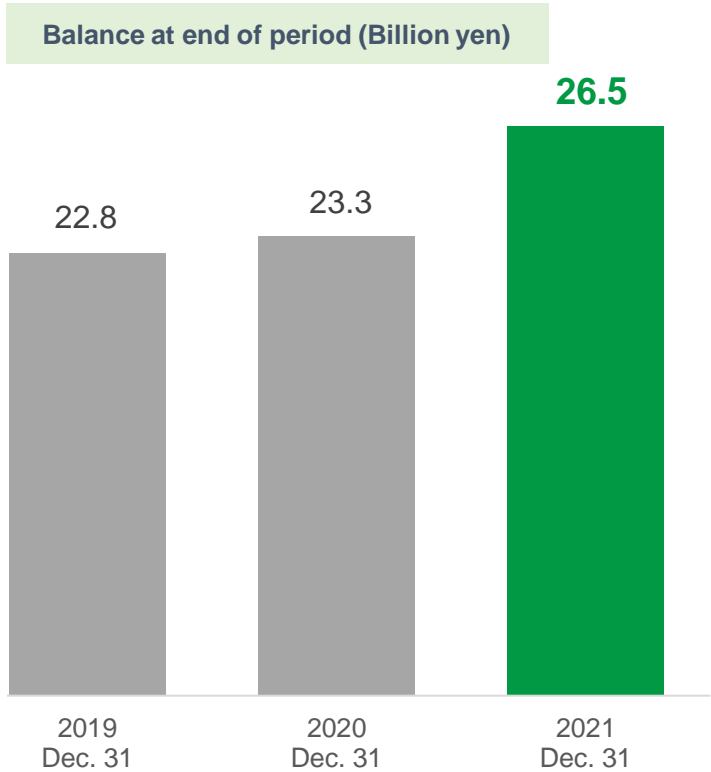


## Retail Strategy 2 Key Financial Service Figures

### Personal loan services

- Improved product attractiveness significantly: **+13%**

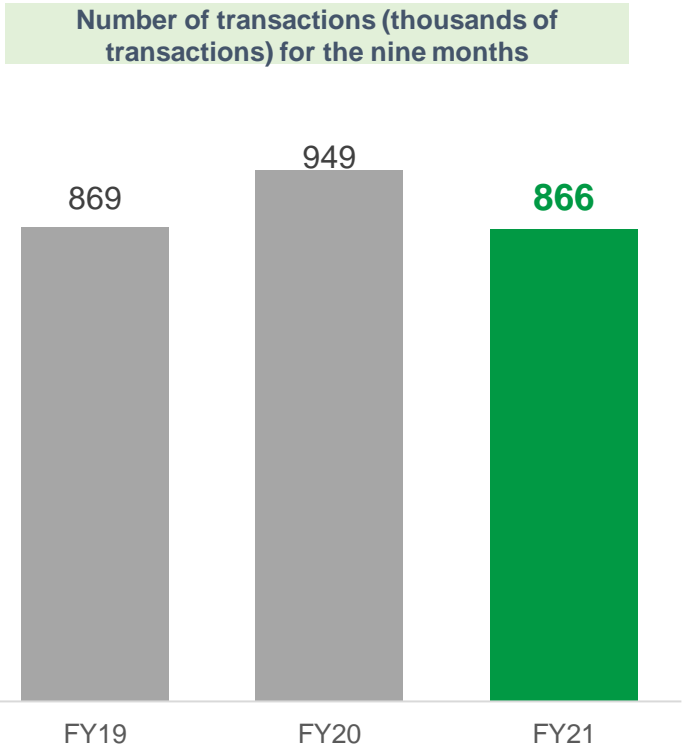
Note: Including services offered by Credd Finance , Ltd.



### International money transfer services

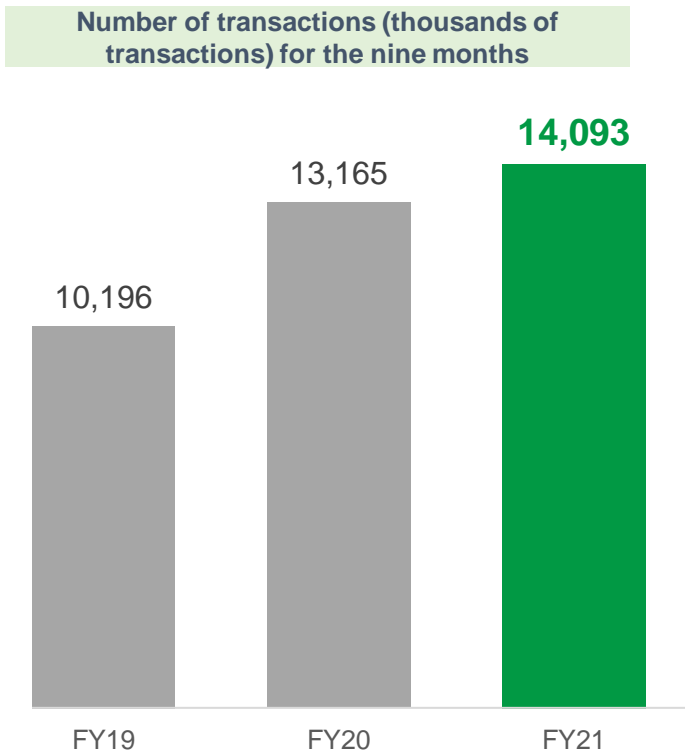
- Number of users declined due to restrictions on entering the country: **- 8%**

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



### Debit services

- Transactions increased along with advance of cashless transactions: **+ 7%**

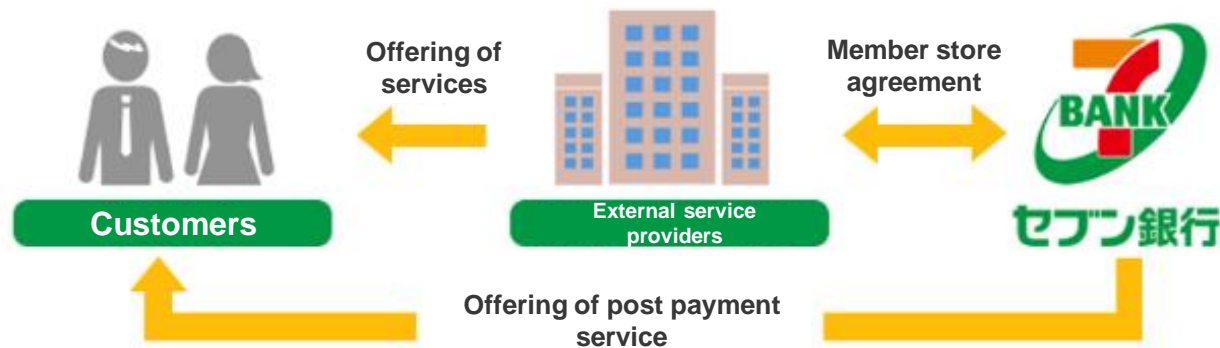


## Retail Strategy 3 Topics: BNPL (Buy Now Pay Later)

### Started offering Seven Bank Post Payment Service

- In addition to recharge (pre-payment) at ATM, post payments for small amounts also available
- Started offering the service to external businesses (prepaid card issuers, etc.)

#### [Scheme diagram]



In the first round, we are offering the service to prepaid Vandle Card issued by Kanmu.



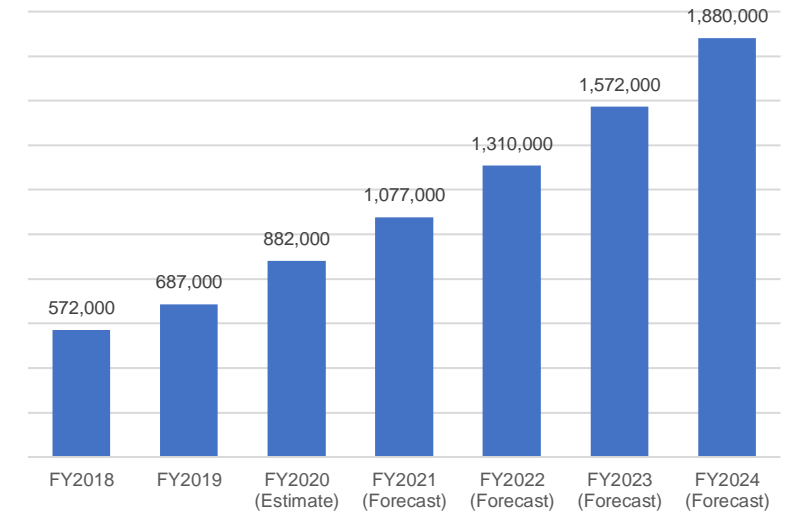
### Total transactions: ¥10.7 billion

\*Results for the period from September 21 to the end of December 2021

#### [Reference]

Japan's BNPL market is forecast to be almost ¥2 trillion in FY2024

Trend and forecast of Japan's BNPL market  
The graph shows transactions (million yen)



Notes:

1. Based on transactions at businesses offering BNPL services.

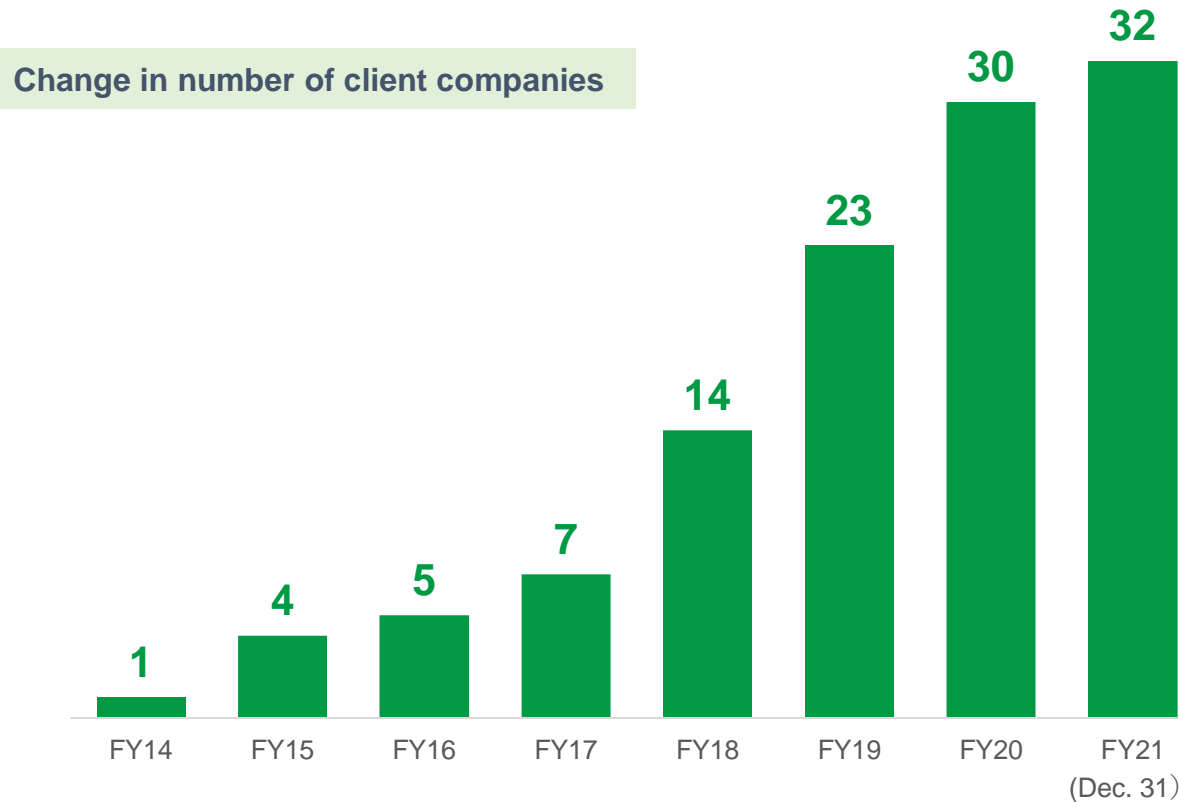
2. The figure for FY2020 is an estimate and those for FY2021 and onwards are forecasts (as of March 2021).

Source: "Ecommerce Website Designing Service Market in Japan: Key Research Findings 2021" by Yano Research Institute Ltd.

## Corporate Strategy: Progress at Subsidiaries

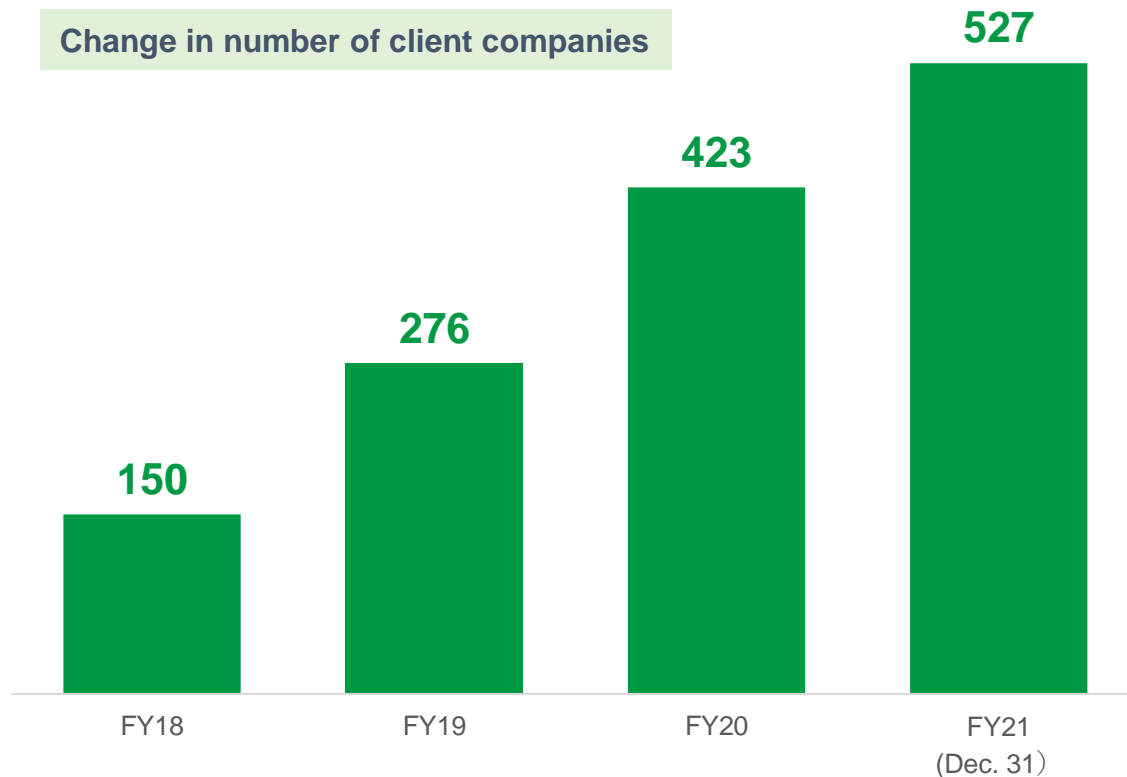


- Increase the number of financial institutions with contracts primarily among regional banks, credit unions, and online banks and expand the scope of contracted operations



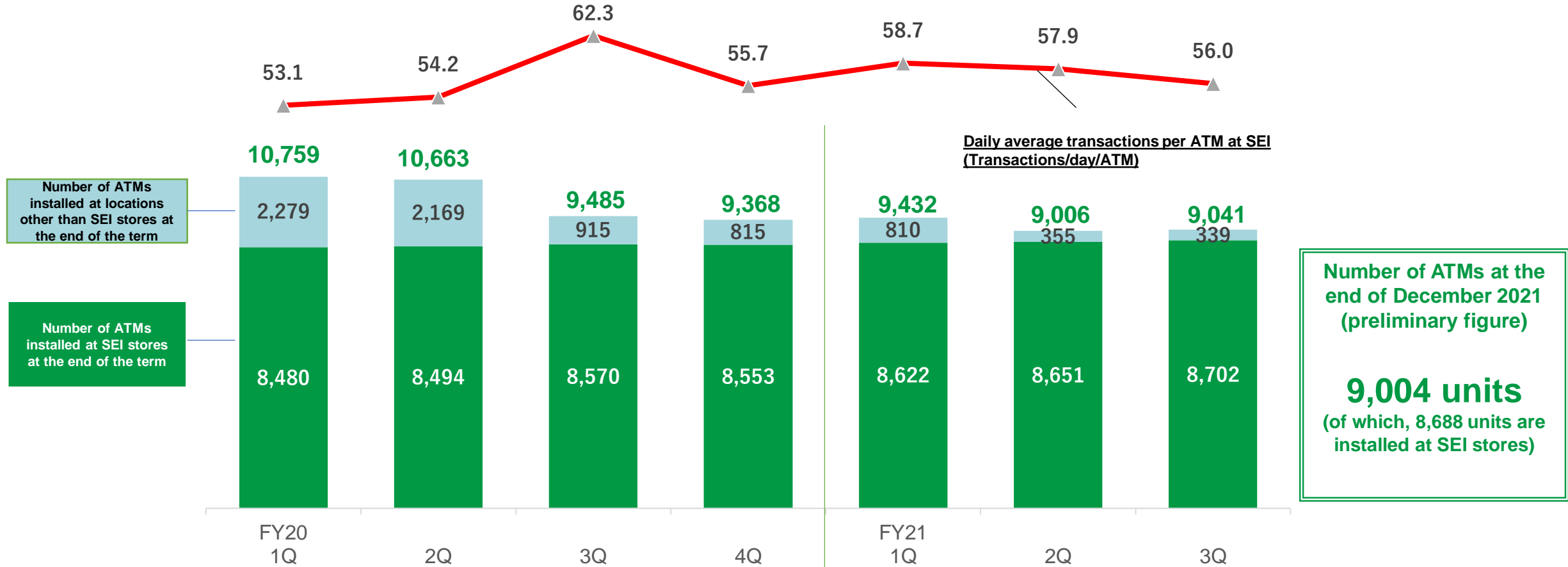
## セブン・ペイメントサービス **ATM受取**

- Increase the utilization scenes such as cash refund campaigns and payment of insurance claims  
The number of client companies exceeded 500



## Overseas Strategy 1 Number of ATMs, Transactions in U.S.

- Daily average transactions per ATM is on a declining trend in 3Q affected by the resurgence of the coronavirus infection
- Removal of ATMs installed at locations other than SEI stores progressed



Notes:

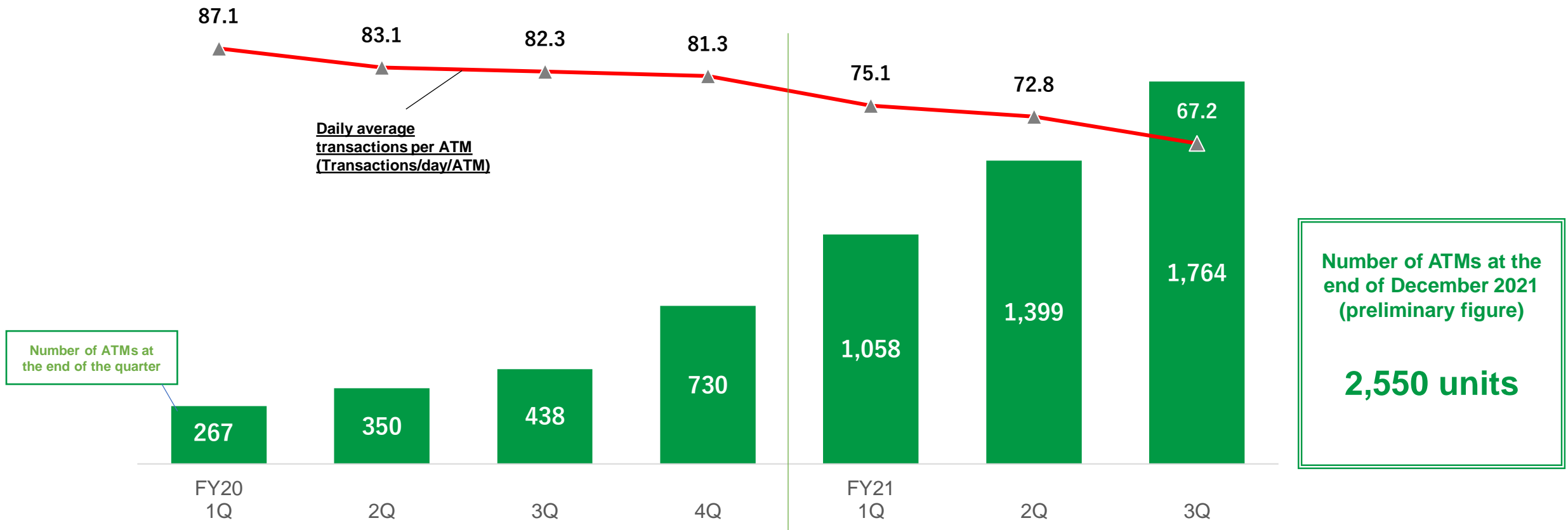
1. Total number of transactions for U.S. ATMs includes balance inquiries.

2. 1Q (January-March), 2Q (April-June), 3Q (July-September), 4Q (October-December)



## Overseas Strategy 2 Number of ATMs, Transactions in Indonesia

- The number of ATMs installed significantly exceeded the fiscal year plan of 2,000 units, reaching 2,550
- The number of daily average transactions per ATM declined as there are more ATMs that have been installed recently



Notes:

1. Total number of transactions for ATMs in Indonesia includes balance inquiries.
2. 1Q (January-March), 2Q (April-June), 3Q (July-September), 4Q (October-December)

## Overseas Strategy 3 Number of ATMs, Transactions in Philippines

- The number of ATMs installed has been expanding steadily and daily average transactions per ATM has also remained strong



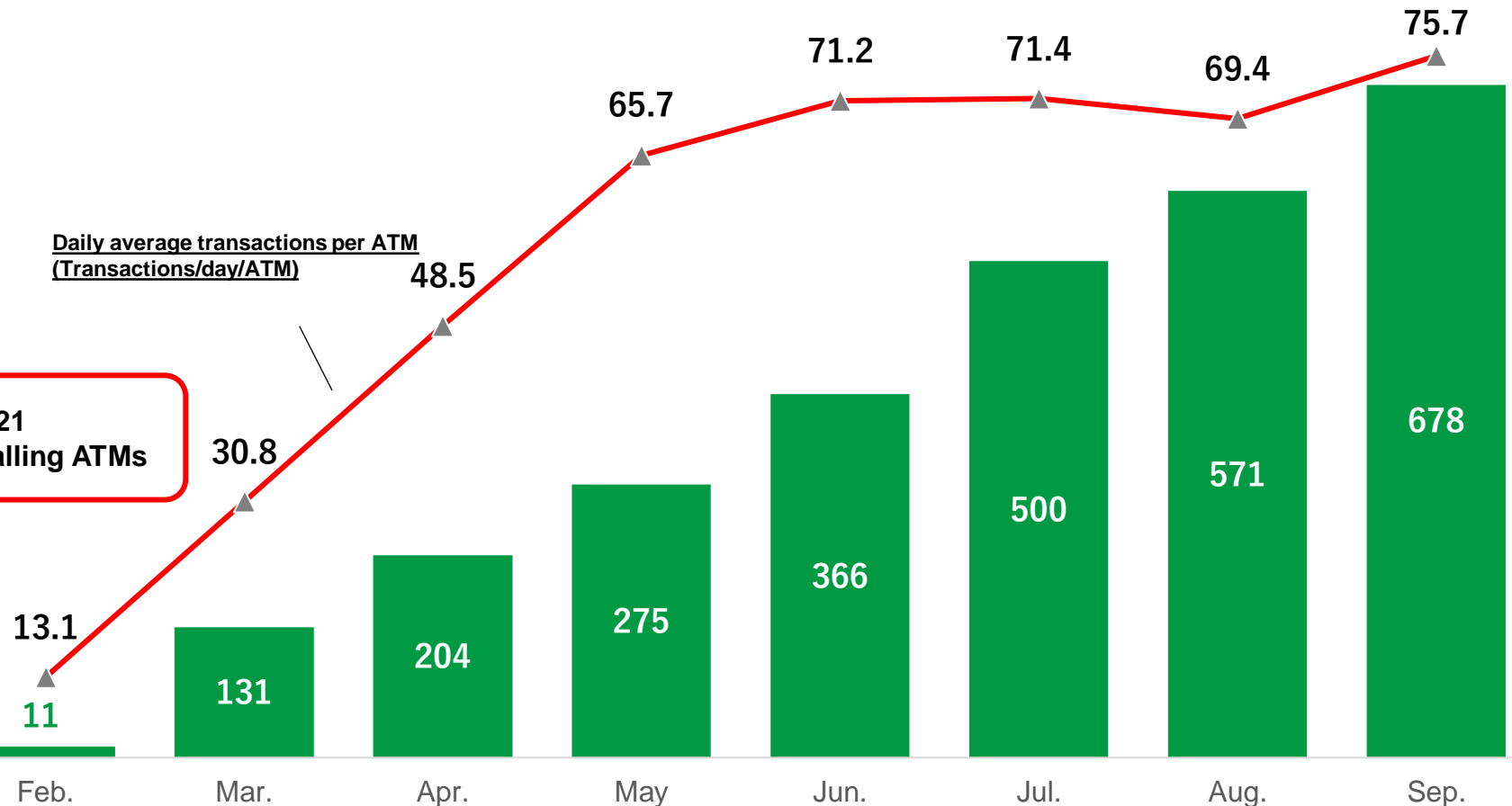
Daily average transactions per ATM  
(Transactions/day/ATM)

February 2021  
Started installing ATMs

Number of ATMs at  
the end of the month

Number of ATMs at the  
end of December 2021  
(preliminary figure)

**1,249 units**



Note: Total number of transactions for ATMs in the Philippines includes balance inquiries and excludes deposit of sales proceeds.



**03**

**APPENDIX**

## Statement of Income &lt;Consolidated&gt;

(Billion yen)

	FY20	FY21		
	1Q–3Q results	1Q–3Q results	Plan	
			Changes from FY20	Full-year
Ordinary income	104.0	103.1	(0.9)	137.6
Ordinary expenses	75.2	79.6	4.4	109.2
Ordinary profit	28.7	23.5	(5.2)	28.3
Net income attributable to owners of the parent	21.3	15.9	(5.4)	19.7

## Statement of Income <Seven Bank>

(Billion yen)

	FY20	FY21		
	1Q–3Q results	1Q–3Q results	Changes from FY20	Plan
				Full-year
<b>Ordinary income</b>	<b>84.3</b>	<b>83.6</b>	<b>(0.7)</b>	<b>110.9</b>
ATM-related fee income	75.1	73.6	(1.5)	98.1
<b>Ordinary expenses</b>	<b>56.8</b>	<b>60.5</b>	<b>3.7</b>	<b>83.6</b>
<b>Ordinary profit</b>	<b>27.4</b>	<b>23.0</b>	<b>(4.4)</b>	<b>27.3</b>
Extraordinary income and losses	0	(1.3)	(1.3)	0
Total income taxes	8.3	6.9	(1.4)	8.3
<b>Net income</b>	<b>18.9</b>	<b>14.7</b>	<b>(4.2)</b>	<b>18.9</b>
<b>EBITDA</b>	<b>37.0</b>	<b>34.1</b>	<b>(2.9)</b>	<b>43.1</b>
<b>No. of ATMs installed at end of term (units)</b>	<b>25,548</b>	<b>26,026</b>	<b>478</b>	<b>26,226</b>
<b>ATM-related fee income per transaction (yen)</b>	<b>123.1</b>	<b>109.4</b>	<b>(13.7)</b>	<b>110.9</b>
<b>Daily average transactions per ATM (transactions/ATM/day)</b>	<b>89.9</b>	<b>96.9</b>	<b>7.0</b>	<b>95.5</b>
<b>Total number of transactions (million)</b>	<b>624</b>	<b>686</b>	<b>62</b>	<b>902</b>

## Statement of Income &lt;FCTI&gt;

(Million USD)

	FY20	FY21		
	1Q–3Q (Jan–Sept) results	1Q–3Q (Jan–Sept) results	Plan	Full-year
			Changes from FY20	
Ordinary income	175.8	159.0	(16.8)	210.3
Ordinary expenses	156.3	139.7	(16.6)	188.4
Ordinary profit	19.5	19.3	(0.2)	21.8
Net income	20.6	18.8	(1.8)	21.7
EBITDA	24.5	24.0	(0.5)	28.9
No. of ATMs installed at end of term (units)	9,485	9,041	(444)	8,664
At SEI (units)	8,570	8,702	132	8,664
Daily average transactions per ATM (transactions/ATM/day)	48.1	54.1	6.0	56.1
At SEI (transactions/ATM/day)	56.6	57.5	0.9	56.9
Total number of transactions (million)	138.7	137.0	(1.7)	179.0

## Statement of Income &lt;Other Subsidiaries&gt;

(Million yen)



	FY20	FY21		
	1Q-3Q results	1Q-3Q results	Changes from FY20	Plan
				Full-year
Ordinary income	1,323	1,672	349	2,130
Ordinary expenses	1,323	1,677	354	1,920
Ordinary profit	0	(4)	(4)	210
Net income	(4)	(5)	(1)	147



	FY20	FY21		
	1Q-3Q results	1Q-3Q results	Changes from FY20	Plan
				Full-year
Ordinary income	268	325	57	521
Ordinary expenses	271	246	(25)	518
Ordinary profit	(2)	78	80	3
Net income	(2)	66	68	2

## Statement of Income &lt;Other Subsidiaries&gt;

(Million yen)



	FY20	FY21		
		1Q–3Q (Jan–Sept) results	Changes from FY20	Plan
				Full-year
Ordinary income	245	979	734	1,501
Ordinary expenses	185	722	537	1,287
Ordinary profit	59	256	197	214
Net income	59	256	197	214





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