

Financial Results for Third Quarter of Fiscal 2022

Financial Results


Today's Agenda

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



02 Topics and Key Figures by Business

03 APPENDIX



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

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

Key points of the third quarter results

Financial Results Overview

- ◆ Profit declined due to continuous investment for growth, but Income increased compared with the same period a year ago

Domestic ATM Business

- ◆ The number of transactions continued to be steady; the number of ATMs were almost in line with plan

Financial Service Business

- ◆ Continued growth led by accounts and loans

Overseas Business

- ◆ Conditions in the U.S. are difficult due to rising interest rates and other factors, but the business continues to expand in Asia

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

Ordinary income: Increased primarily owing to better-than-expected income on a non-consolidated basis as well as growth at subsidiaries in Asia, etc.

Ordinary Profit: Declined, due to continued investment in growth and increased losses in the U.S. owing to foreign exchange effects

	Nine months ended December 31, 2022	Nine months ended December 31, 2021	Comparison
Ordinary income	¥114.2 billion	¥103.1 billion	+10.7%
Ordinary expenses	¥91.3 billion	¥79.6 billion	+14.6%
Ordinary profit	¥22.8 billion	¥23.5 billion	(2.9%)
Net income attributable to owners of the parent	¥15.3 billion	¥15.9 billion	(3.7%)
EBITDA	¥37.1 billion	¥35.5 billion	+4.5%

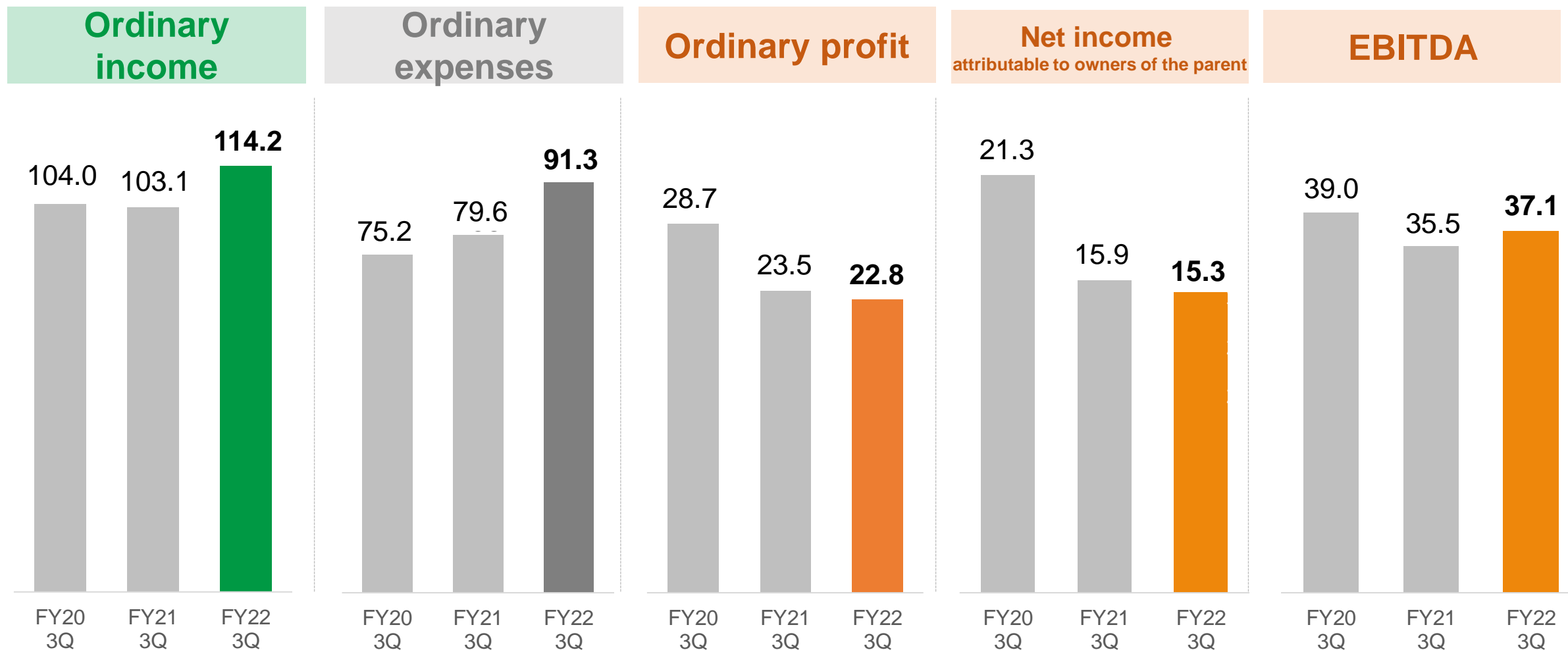
Notes:

1. All comments and figures regarding changes are compared with the same period a year ago.
2. All figures in this document are rounded down to the indicated unit.
3. Previous-year comparisons are based on the units used in this material.
4. Exchange rates used in the consolidated income statement: FY21 3Q \$1 = ¥108.58, FY22 3Q \$1 = ¥128.3, FY22 plan \$1 = ¥131.00 (initial plan \$1 = ¥114.00)
5. All EBITDA in this material are Ordinary profit + Depreciation and amortization.

Trend of Third Quarter Performance [Consolidated]

[Comparison of the nine months]

(Billion yen)



Note: All figures in this document are rounded down to the indicated unit.

Income Statement [Seven Bank]

	Nine months ended December 31, 2022	Nine months ended December 31, 2021	Comparison
Ordinary income	¥89.6 billion	¥83.6 billion	+7.1%
Ordinary expenses	¥65.4 billion	¥60.5 billion	+8.0%
Ordinary profit	¥24.2 billion	¥23.0 billion	+5.2%
Net income	¥16.2 billion	¥14.7 billion	+10.2%
EBITDA	¥36.7 billion	¥34.1 billion	+7.6%

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4. All EBITDA in this material are Ordinary profit + Depreciation and amortization.

Financial Results Forecast

Full-year forecast for fiscal year ending March 31, 2023 [Consolidated]

Ordinary income	¥149.0 billion
Ordinary profit	¥28.0 billion
Net income attributable to owners of the parent	¥19.5 billion

➤ No change to the full-year plan

- Results continued to be better than expected led by Seven Bank (non-consolidated), while income and profits were lower compared to the plan at some subsidiaries
- The forecasts were kept unchanged, as the external environment, including fluctuation in foreign exchange market and price increases, continues to be uncertain

Dividend forecast for the fiscal year ending March 31, 2023

➤ No change from the initial plan

- Planning annual dividend of ¥11.00 per share
(interim dividend of ¥5.50 per share and year-end dividend of ¥5.50)



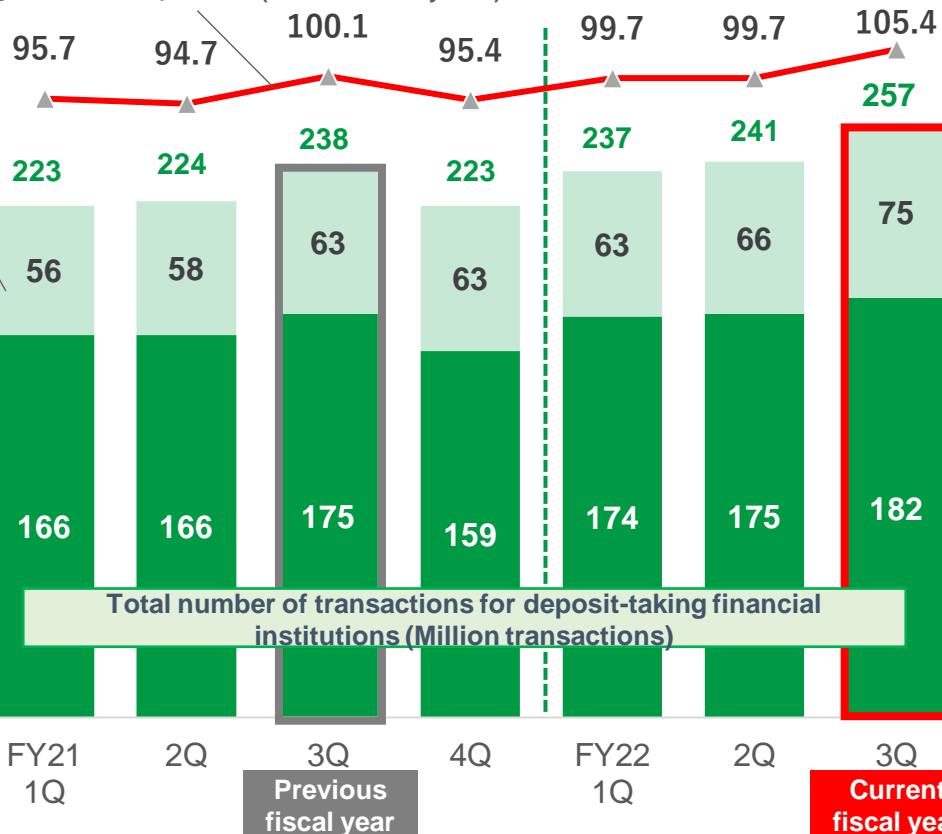
02 Topics and Key Figures by Business

Key Figures Related to Domestic Business (ATM)

ATM Usage

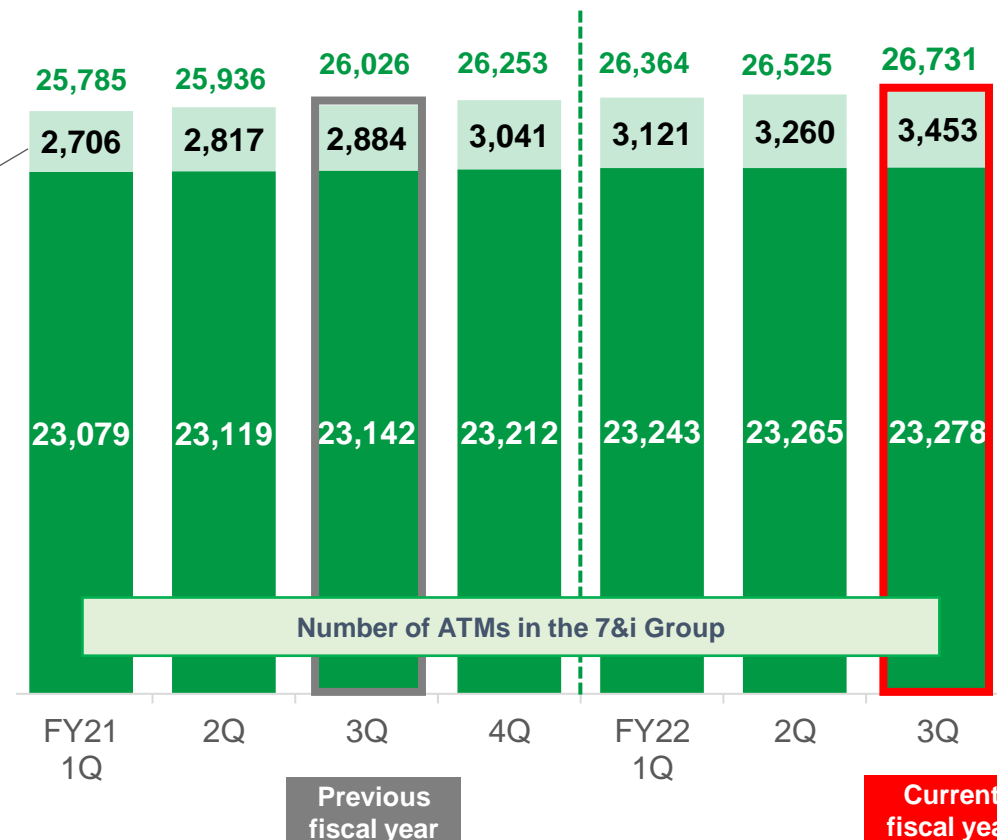
- Total number of transactions for the nine months: **737 million (+50 million year on year)**
- Average number of transactions: **101.6 (+4.7 year on year)**

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



Number of ATMs

- **+705** (7&i Group: **+136**; outside the group: **+569**)

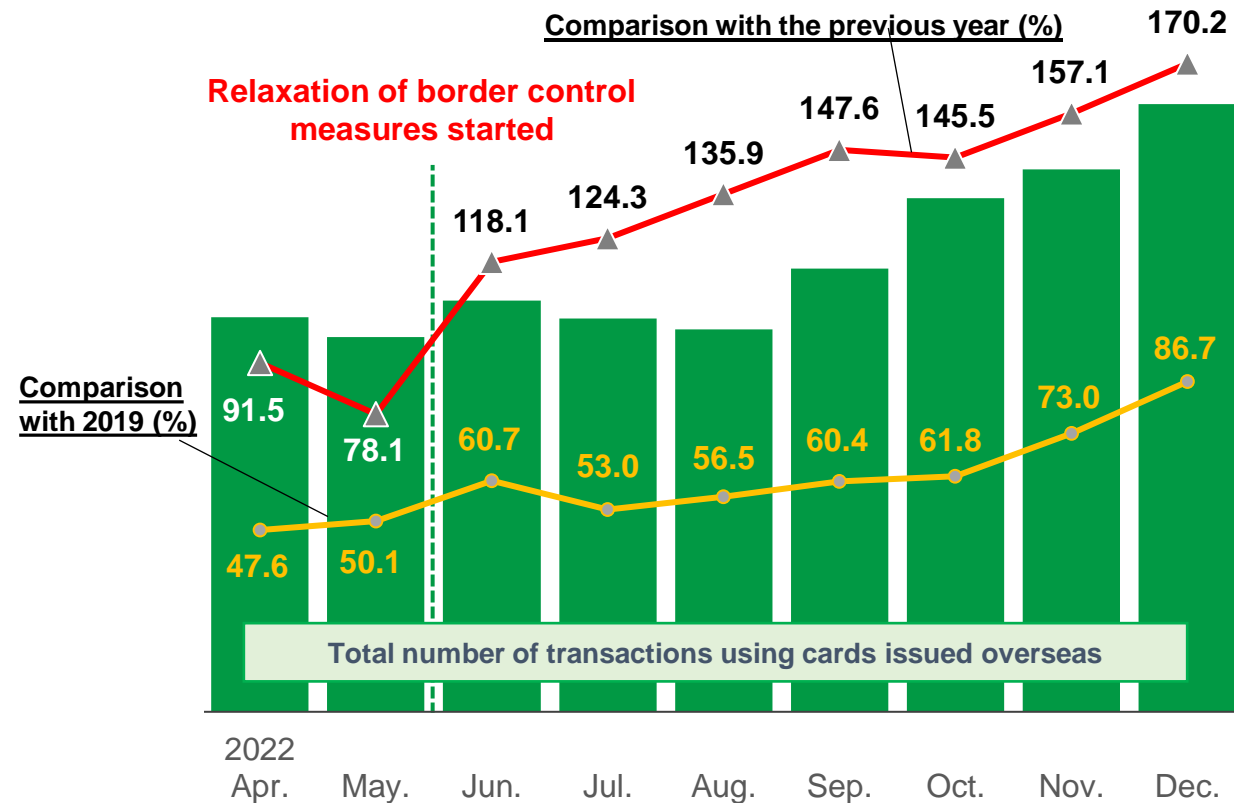


- Notes:
1. All comments and figures regarding changes are compared with the same period a year ago.
 2. The total number of ATM transactions and daily average transactions per ATM do not include balance inquiries, e-money charges, PIN changes, withdrawal limit changes, or other operations.
 3. In this report, securities, life insurance, credit card, consumer credit, consumer financing companies, and code payment companies are all referred to as "non-banks, etc."
 4. ATM-related fee income per transaction: ¥108.3 for the nine months ended Dec. 31, 2022. *ATM-related fee income per transaction = ATM-related fee income / (Total of transactions – Total of transactions without ATM-related fee income [i.e. deposit of sales proceeds])

Topics Related to Domestic Business (ATM)

Transactions using cards issued overseas have been strong thanks to relaxation of restrictions on entering the country

- The number of transactions increased significantly compared with the previous year and it has also recovered to more than 80% of 2019



- Dynamic currency conversion (DCC) service for cards issued overseas began in July 2022

SEVEN BANK

Please choose the currency to be charged to your account.

Cancel 取消

Cash Withdrawal 出金額	100,000 JPY
ATM Transaction Fee ご利用手数料	220 JPY
Total Amount 合計金額	100,220 JPY
Exchange Rate 為替レート	100 USD = 11,582.20 JPY 3.5 % conversion fee included
Converted Amount 請求金額	865.23 USD

Make sure you understand the costs of currency conversion as they may be different depending on whether you select your home currency or the transaction currency.

100,220 JPY 865.23 USD

Ratio of those selecting DCC: 25%

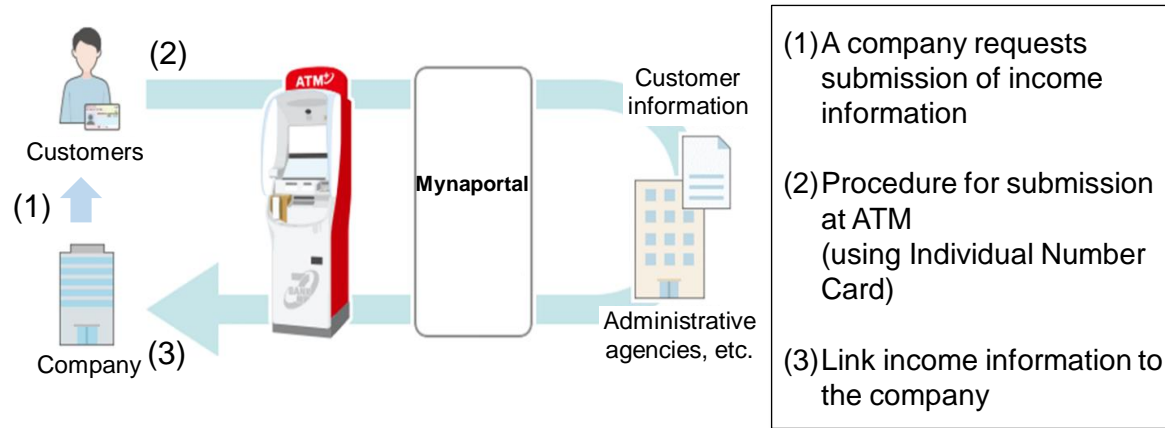
The convenience of finalizing settlement amount in one's own currency is popular and the use has been expanding at airports, etc.

Topics Related to Domestic Business (ATM)

Began offering new service of Mynaportal information linkage service using Individual Number Card

Outline of Mynaportal information linkage service

- A user can submit income information by using Individual Number Card at ATM



Caters to the need for submitting income information when applying for loans

AIFUL CORPORATION began using the service on November 28, 2022



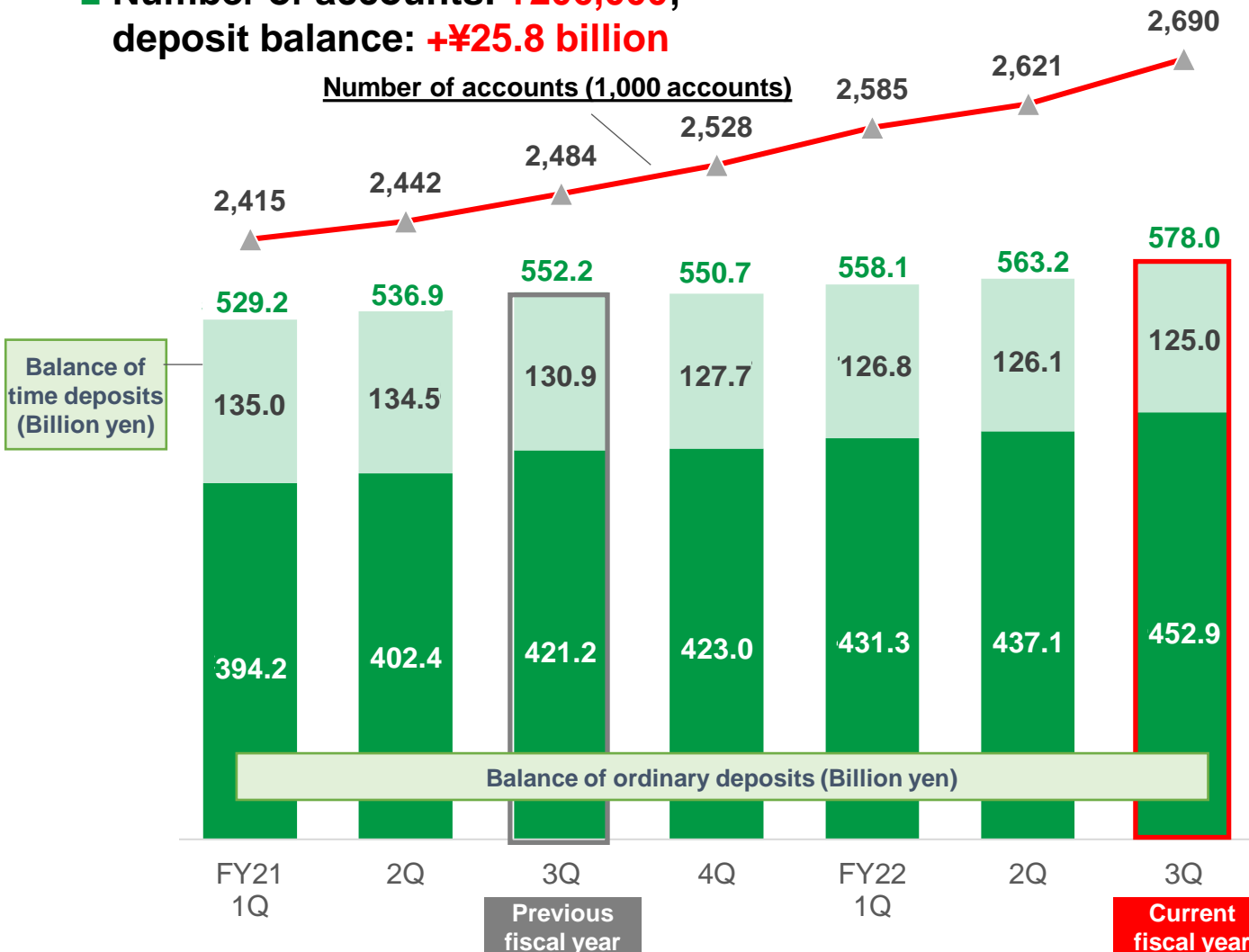
<Advantages at partner companies>

- Data linkage reduces burden of back-office operations
- No risk of forging or falsification
- No document issuing procedures or time constraints; improvement also in customer convenience

Key Figures Related to Domestic Business (Retail: Deposit, Post Payment)

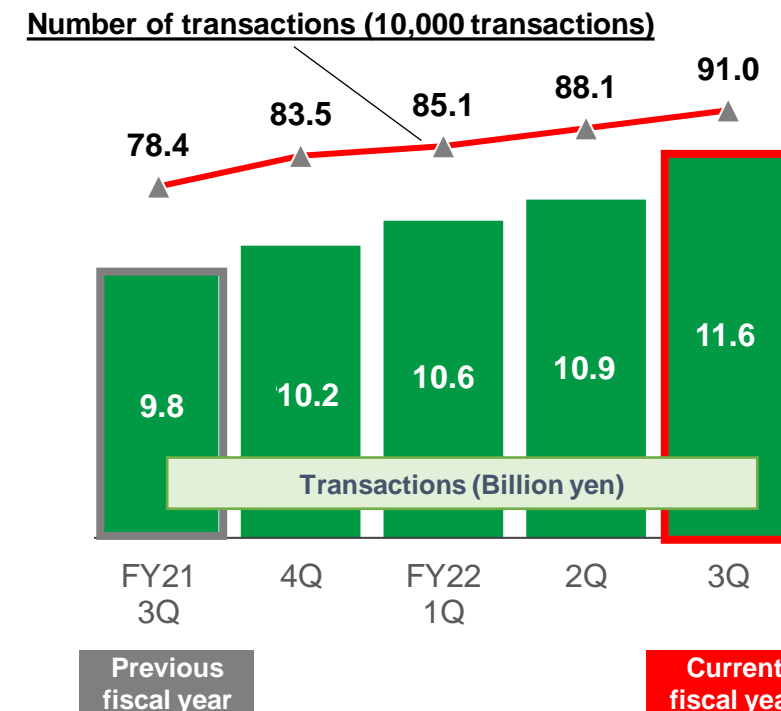
Trend in Number of Accounts and Balance of Deposits (Individual)

- Number of accounts: **+206,000**;
deposit balance: **+¥25.8 billion**



Seven Bank Post Payment Service

- Transactions in value: **+¥1.8 billion**;
number of transactions: **+126,000**



The partnership with Kanmu, Inc. continues

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

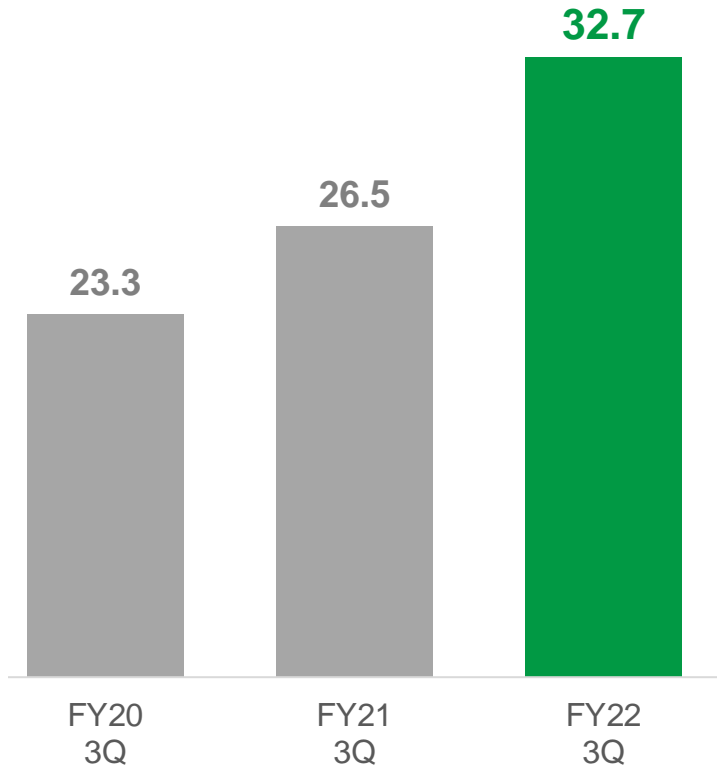
Key Figures Related to Domestic Business (Retail: Financial Service)

Personal loan services

- Strengthening of acquisition measures
+¥6.2 billion

Note: Including services offered by Credd Finance

Balance at end of period (Billion yen)

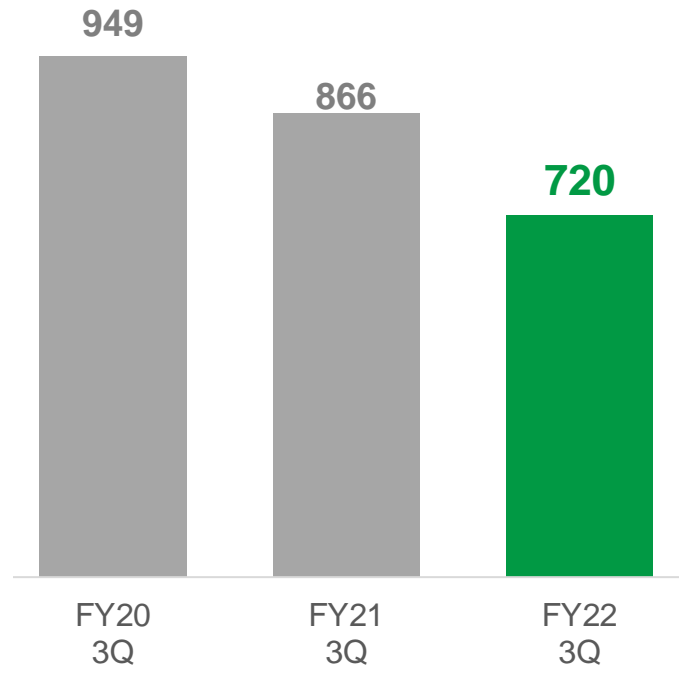


International money transfer services

- Number of users declined due to restrictions on entering the country:
-146,000

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

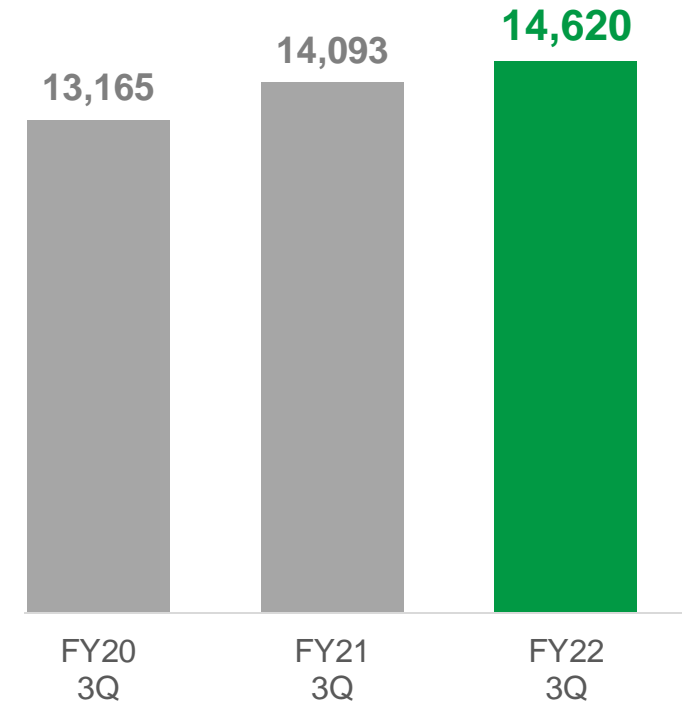
Number of transactions (Thousands of transactions) for the nine months



Debit services

- Increase in transactions from the growth in the number of accounts
+527,000

Number of transactions (Thousands of transactions) for the nine months

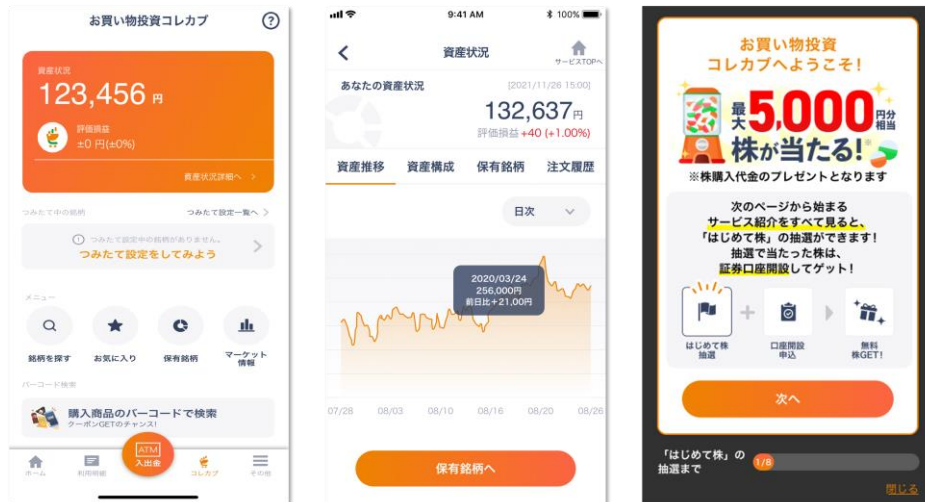


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Topics Related to Domestic Business (Retail: Financial Service)

Started financial instruments brokerage service

- Started offering the service on November 8, 2022
- Users can purchase foreign stocks and ETFs as well as Japanese stocks



VIVA VIDA MEDICAL LIFE Co., Ltd. became a consolidated subsidiary

- Became a consolidated subsidiary in November 2022



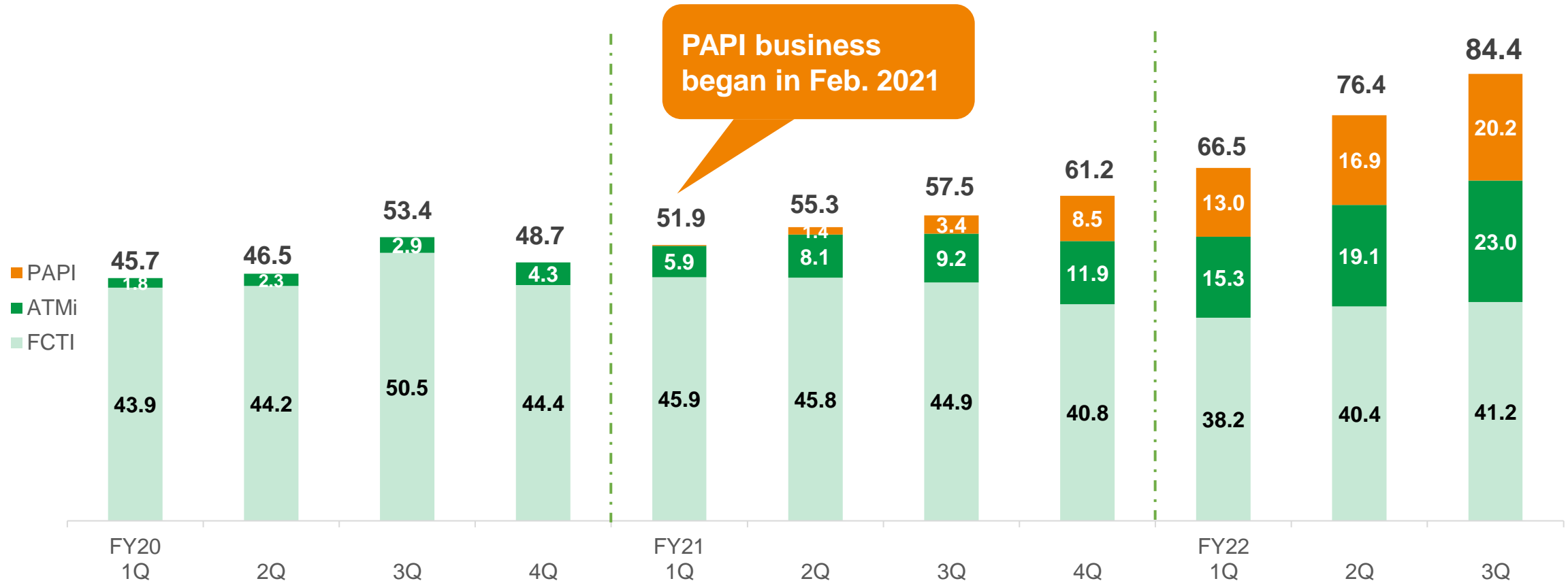
7 Bank Group aims to further expand business targeting foreign residents

Overseas Business: Overview

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

- The number of total ATM transactions grew, as installation of ATMs in Indonesia (ATMi) and Philippines (PAPI) continued to expand

(Million transactions)



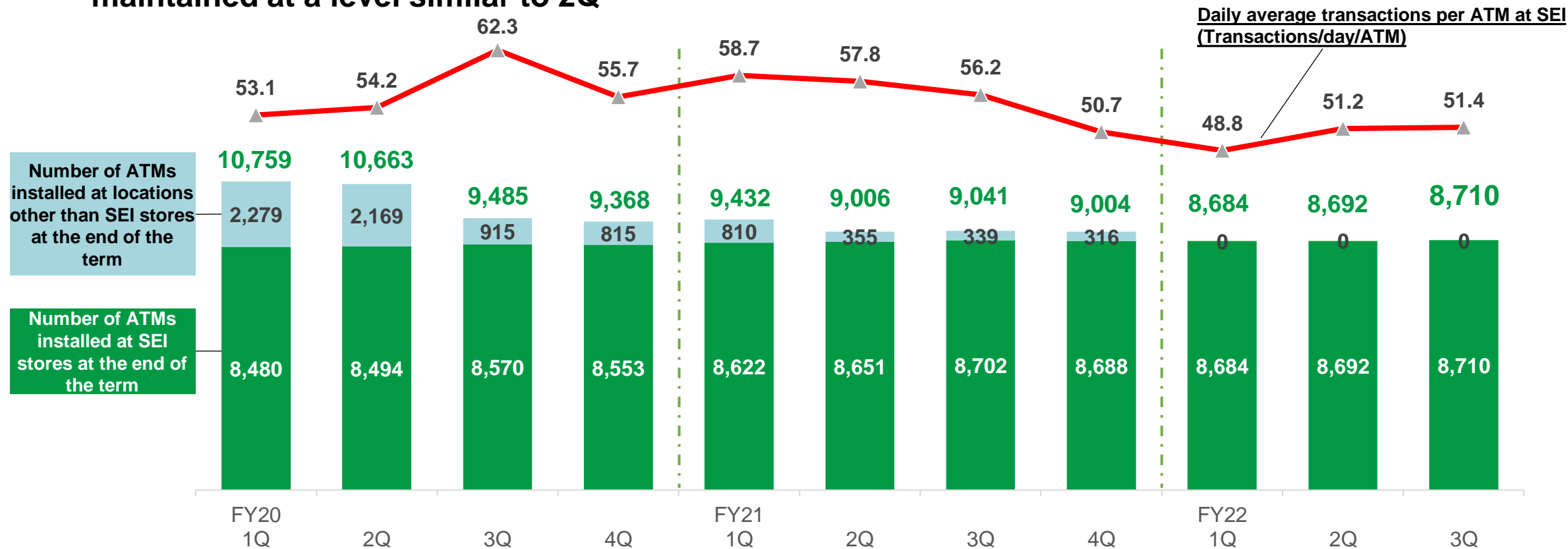
Note: 1Q (Jan.–Mar.), 2Q (Apr.–June), 3Q (July–Sept.), 4Q (Oct.–Dec.)

Overseas business

U.S.



- The trend of rising interest rates and prices continued, but average number of transactions was maintained at a level similar to 2Q



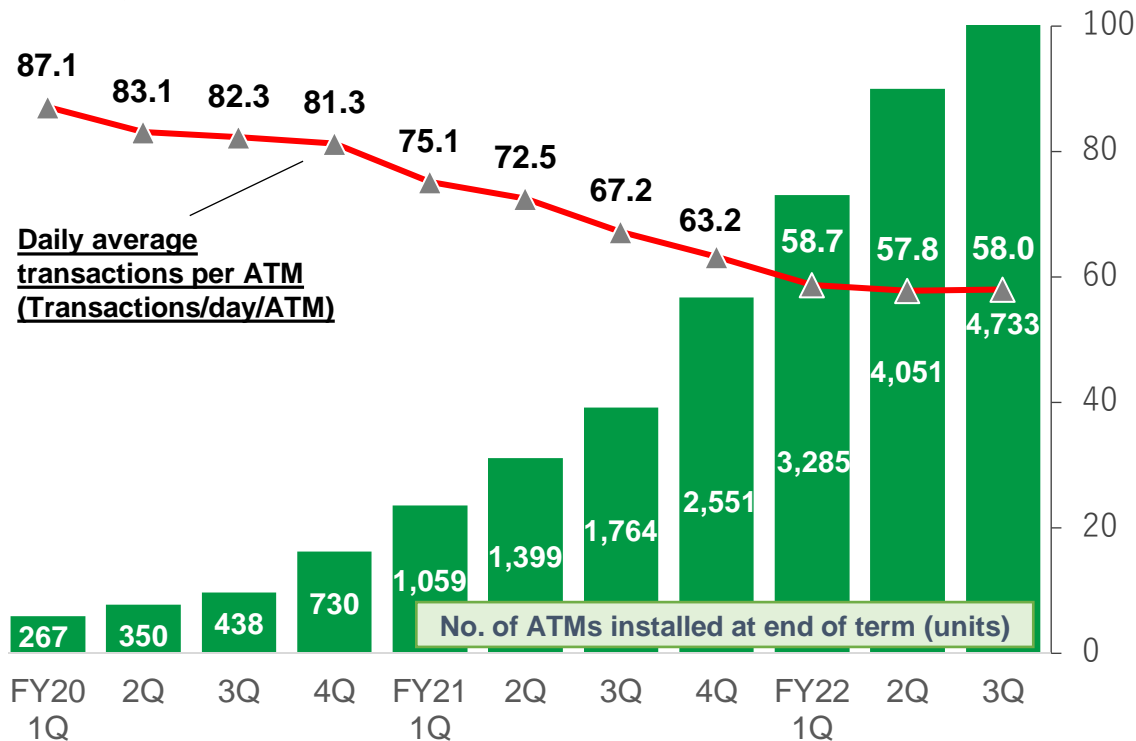
Notes: 1. Total number of transactions for U.S. ATMs includes balance inquiries.
 2. 1Q (Jan.–Mar.), 2Q (Apr.–June), 3Q (July–Sept.), 4Q (Oct.–Dec.)

- **The number of ATMs as of the end of December 2022 was 8,643 (preliminary) *Completed removing ATMs outside SEI stores**

Overseas business

Indonesia

- Carried out capital increase in December 2022 and procured funds from Seven bank and iForte Will strengthen cooperation with Djarum Group, Indonesia's largest conglomerate, and aim to add 3,000 ATMs in FY2023



- The number of ATMs as of the end of December 2022 was 5,557 (preliminary)**

Notes: 1. Total number of transactions for ATMs in Indonesia includes balance inquiries.
 2. 1Q (Jan.–Mar.), 2Q (Apr.–June), 3Q (July–Sept.), 4Q (Oct.–Dec.)
 3. The preliminary figures do not include installation of contract-based ATMs

NEWS RELEASE



January 13th, 2023

Notice of Capital Increase of ATMi in Indonesia

Strengthen Cooperation with Djarum Group, Indonesian largest conglomerate

Seven Bank (Seven Bank, Ltd.; Head Office: Chiyoda-ku, Tokyo; President and Representative Director: Masaaki Matsuhashi, hereinafter "Seven Bank") determined to increase capital for PT Abadi Tambah Mulia Internasional (Head Office: Jakarta, Indonesia, President Director: Jo Watabe, hereinafter "ATMi"), an overseas subsidiary, through share subscription made by PT iForte Solusi Infotek (hereinafter "iForte") and Seven Bank. This resulted in iForte, a member of Indonesia conglomerate Djarum Group, becoming a new equity partner along with PT Alto Network ("hereinafter "ALTO").

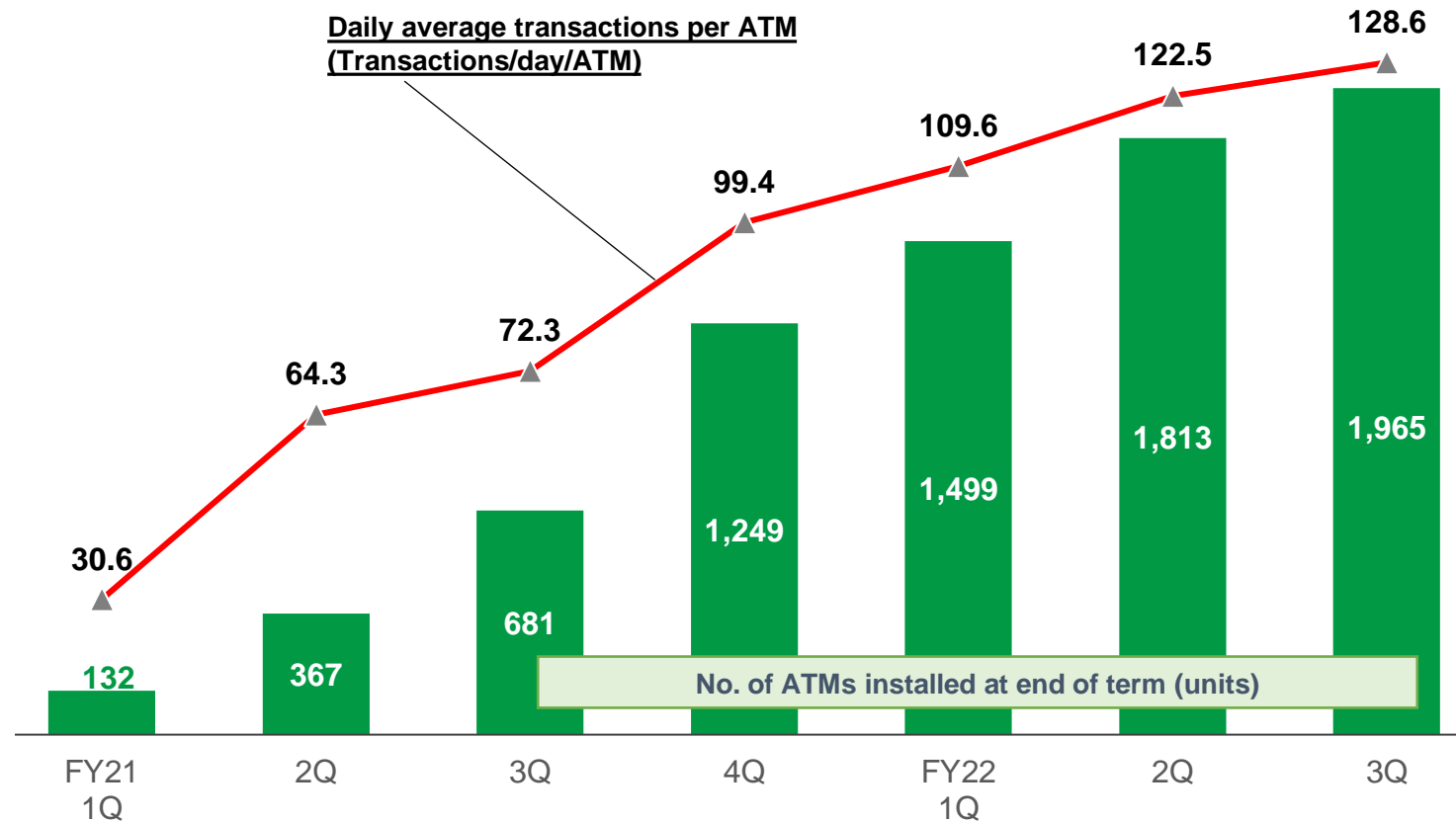
In Indonesia, which is the fourth largest population in the world, the demand for ATM is rising rapidly as financial services have been broadening their reach. Seven Bank together with ALTO established ATMi, an independent ATM operator, in 2014 and has accelerated the number of ATM installation in convenience stores in the country against the backdrop of aggressive expansion of local convenience store openings. The number of ATM installed in Sumatra, Java, Sulawesi and other islands is 5,678 units as of the end of December 2022.

Seven Bank has positioned this financing as a growth-oriented investment to establish a solid ATM network through expansion of its installations. ATMi continues to expand ATM network as core business through utilizing AI that predicts the volume of ATM transactions and other digital technologies. Going forward, ATMi will pursue a variety of initiatives aimed at contributing to the spread of financial services in Indonesia.

Overseas business

Philippines

- Daily average transactions per ATM rose thanks to increasing the number of ATMs and the impact of the Landbank partnership



The number of ATMs as of
the end of December 2022
was 2,344 (preliminary)

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



03 APPENDIX

Statement of Income <Consolidated>

(Billion yen)

	FY2021	FY2022		
	1Q–3Q results	1Q–3Q results	Plan	Full year
			Changes from FY2021	
Ordinary income	103.1	114.2	11.1	149.0
Ordinary expenses	79.6	91.3	11.7	121.0
Ordinary profit	23.5	22.8	(0.7)	28.0
Net income attributable to owners of the parent	15.9	15.3	(0.6)	19.5

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FY21 3Q \$1 = ¥108.58, FY22 3Q \$1 = ¥128.3, FY22 plan \$1 = ¥131.00 (initial plan = ¥114.00)

Statement of Income <Seven Bank>

(Billion yen)

	FY2021	FY2022		
	1Q–3Q results	1Q–3Q results	Plan	
			Changes from FY2021	Full year
Ordinary income	83.6	89.6	6.0	116.5
ATM-related fee income	73.6	78.3	4.7	101.8
Ordinary expenses	60.5	65.4	4.9	89.0
Ordinary profit	23.0	24.2	1.2	27.5
Extraordinary income and losses	(1.3)	(0.5)	0.8	0
Total income taxes	6.9	7.5	0.6	8.5
Net income	14.7	16.2	1.5	19.0
EBITDA	34.1	36.7	2.6	45.0
No. of ATMs installed at end of term (units)	26,026	26,731	705	26,953
ATM-related fee income per transaction (yen)	109.4	108.3	(1.1)	109.5
Daily average transactions per ATM (transactions/ATM/day)	96.9	101.6	4.7	97.7
Total number of transactions (million)	686	737	51	948

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Statement of Income <FCTI>

(Million USD)

	FY2021 (Jan–Dec)	FY2022 (Jan–Dec)		
	1Q–3Q results	1Q–3Q results	Changes from FY2021	Plan
				Full year
Ordinary income	159.0	139.9	(19.1)	204.6
Ordinary expenses	139.7	141.5	1.8	191.1
Ordinary profit	19.3	(1.5)	(20.8)	13.4
Net income	18.8	(1.7)	(20.5)	12.2
EBITDA	24.0	3.3	(20.7)	18.8
No. of ATMs installed at end of term (units)	9,041	8,710	(331)	8,818
At SEI (units)	8,702	8,710	8	8,818
Daily average transactions per ATM (transactions/ATM/day)	54.1	50.2	(3.9)	54.8
At SEI (transactions/ATM/day)	57.5	50.2	(7.3)	54.8
Total number of transactions (million)	137.0	119.9	(17.1)	175.4

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Statement of Income <Other Subsidiaries>

(Million yen)



	FY2021	FY2022		
	1Q-3Q results			Plan
		1Q-3Q results	Changes from FY2021	Full year
Ordinary income	1,672	2,228	556	2,700
Ordinary expenses	1,677	2,378	701	2,500
Ordinary profit	(4)	(149)	(145)	200
Net income	(5)	(101)	(96)	138



	FY2021	FY2022		
	1Q-3Q results			Plan
		1Q-3Q results	Changes from FY2021	Full year
Ordinary income	325	381	56	599
Ordinary expenses	246	318	72	597
Ordinary profit	78	63	(15)	2
Net income	66	53	(13)	1

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Statement of Income <Other Subsidiaries>

(Million yen)



	FY2021 (Jan–Dec)	FY2022 (Jan–Dec)		
	1Q–3Q (Jan–Sept) results	1Q–3Q (Jan–Sept) results	Plan	
			Changes from FY2021	Full year
Ordinary income	979	2,902	1,923	3,894
Ordinary expenses	722	2,358	1,636	3,433
Ordinary profit	256	543	287	461
Net income	256	537	281	394



	FY2021 (Jan–Dec)	FY2022 (Jan–Dec)		
	1Q–3Q (Jan–Sept) results	1Q–3Q (Jan–Sept) results	Plan	
			Changes from FY2021	Full year
Ordinary income	250	1,886	1,636	2,981
Ordinary expenses	399	1,979	1,580	3,232
Ordinary profit	(148)	(92)	56	(251)
Net income	(148)	(94)	54	(251)

Note: 1. Exchange rate:

FY2021 1Q–3Q IDR 100 = ¥0.758, FY2022 1Q–3Q IDR 100 = ¥0.877

FY2021 1Q–3Q PHP 1 = ¥2.220, FY2022 1Q–3Q PHP 1 = ¥2.389

2. The third quarter of ATMi and PAPI is from Jan. to Sept.

3. The figures for the third quarter of the fiscal year ending December 2021 for PAPI are results for the period from February to Sept. 2021.

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



These presentation materials contain forward looking statements concerning forecasts, expectations, goals and plans related to the financial results of Seven Bank, Ltd. (“Seven Bank”) and its consolidated subsidiaries, etc. Except for concrete historical facts, these forward looking statements are based on the information available when they were written. As such, these forward-looking statements may contain some premises (assumptions). These statements and premises (assumptions) are subjective and subject to various risks and uncertainties. As a result of such risks and uncertainties, the actual financial results of Seven Bank may differ substantially from these forecasts and expectations. Such risks and uncertainties, while not limited to these alone, include system malfunctions, disasters, crimes and other various risks surrounding the business. Any information in these materials, which is other than that of Seven Bank and its consolidated subsidiaries, etc., is based on publicly available information, and we have not validated the accuracy or appropriateness of such information and do not guarantee its accuracy. All rights reserved.