



Financial Results for Fiscal 2016



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Note: Earnings announcement data can be found on our website.
(<http://www.sevenbank.co.jp/english/ir/library/presentation/>)

Financial Results Digest

FY16 Financial Results (Consolidated)

Ordinary income: ¥121.6 billion (up ¥1.7 billion year-on-year)
Ordinary profit: ¥36.7 billion (down ¥0.4 billion year-on-year)
Net income: ¥25.1 billion (up ¥0.4 billion year-on-year)

- Domestic business: Weak growth in number of ATM transactions, but recent recovery trend
Achieved plan for financial services
 - Overseas business: Smooth progress in preparing for installation of ATMs at
U.S. 7-Eleven stores
- Annual dividends per share were ¥9.00 (interim: ¥4.25, period-end: ¥4.75),
an increase of ¥0.50 per share

FY17 Outlook (Consolidated)

Planned increases in both ordinary income (¥130.8 billion) and ordinary profit (¥38.6 billion)

- ATM Platform Business: 820 million ATM transactions per year with steady growth in both quality and scale
 - Settlement and account Business: ¥24.0 billion balance of personal loans at fiscal year-end;
1,150,000 international money transfer transactions per year
 - Overseas Business: Start installing approximately 8,000 ATMs at U.S. 7-Eleven stores
- Scheduled interim and period-end dividends of ¥4.75 per share each for total
annual dividends of ¥9.50 per share

Formulated a Medium-Term Management Plan for the Period Ending in FY19

Income Statement (Consolidated)

(Billion yen)

	FY15	Plan (Feb. 2017)	FY16	Changes from FY15 results	FY17 Plan			
					Full year	Changes from FY16 results	H1	Changes from FY16 H1 results
Ordinary income	119.9	122.3	121.6	1.7	130.8	9.2	62.7	1.5
Ordinary expenses	82.7	85.0	84.8	2.1	92.1	7.3	43.4	1.3
Ordinary profit	37.1	37.2	36.7	(0.4)	38.6	1.9	19.2	0.2
Net income attributable to owners of the parent	24.7	25.3	25.1	0.4	26.4	1.3	13.1	0.2

Notes:

1. Amounts less than one hundred million yen have been truncated.
2. Previous-year comparisons are based on the units used in these materials.
3. Exchange rates on the consolidated income statement:
per USD 1
FY15 = ¥121.10, FY16 = ¥108.78, FY17 Plan = ¥110.00
per IRD 100
FY15 = ¥0.905, FY16 = ¥0.817, FY17 Plan = ¥0.900

Seven Bank, Ltd.

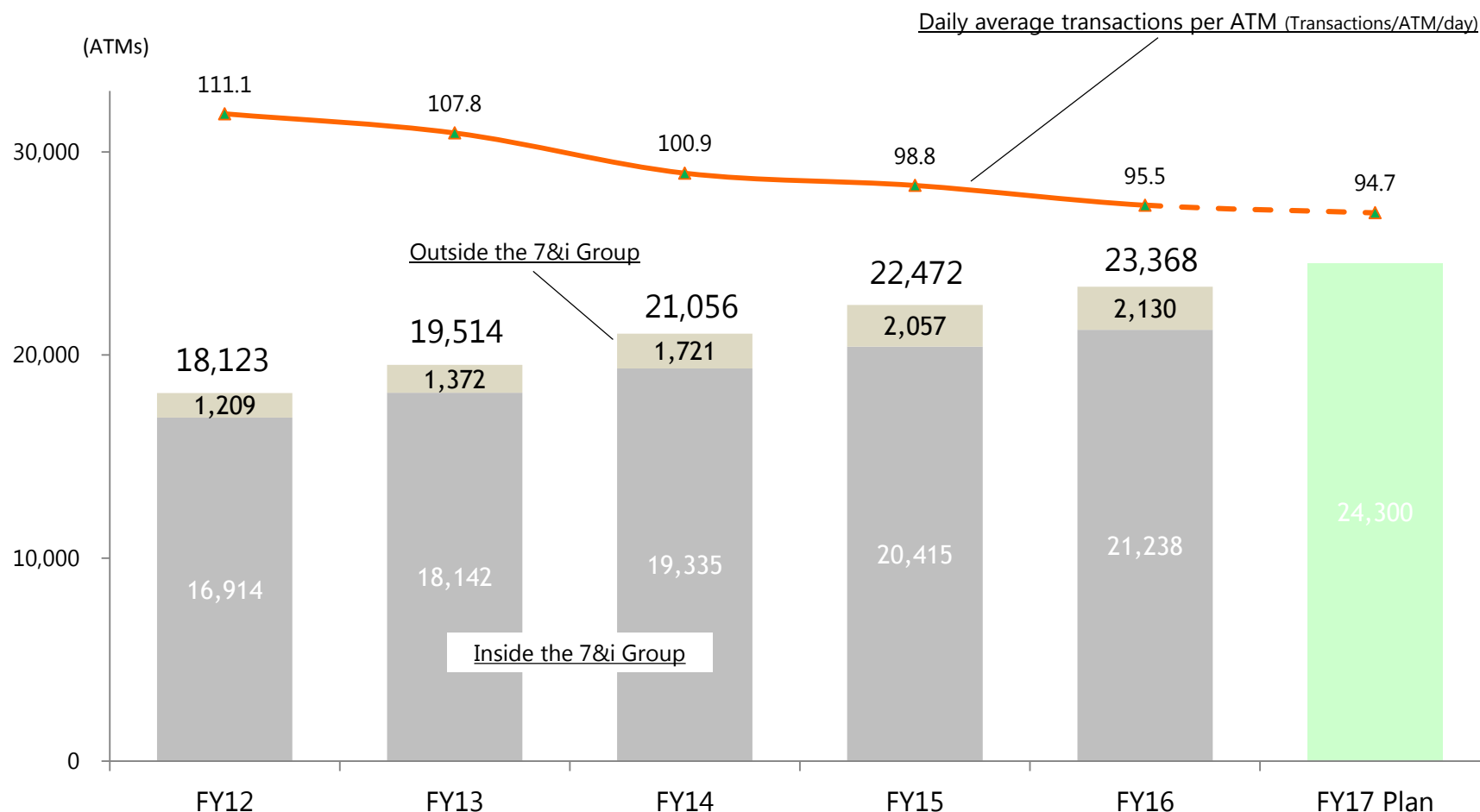
Income Statement (Seven Bank, Ltd.)

(Billion yen)

	FY15	Plan	FY16	Changes from FY15 results	FY17 Plan			
					Full year	Changes from FY16 results	H1	Changes from FY16 H1 results
Ordinary income	110.4	113.8	113.1	2.7	117.0	3.9	58.5	1.7
ATM-related fee income	102.2	104.2	103.7	1.5	106.0	2.3	53.3	1.0
Ordinary expenses	71.4	74.3	74.1	2.7	76.0	1.9	37.9	1.2
Interest expenses	1.2	1.0	0.9	(0.3)	0.8	(0.1)	0.3	(0.1)
ATM placement fee expenses	12.7	14.0	13.8	1.1	14.6	0.8	7.2	0.3
Outsourcing expenses	17.6	18.0	17.8	0.2	18.5	0.7	9.3	0.4
Maintenance fees	3.9	3.8	4.0	0.1	4.2	0.2	2.1	0.1
Depreciation and amortization	17.4	17.8	17.5	0.1	16.1	(1.4)	8.0	(0.6)
Ordinary profit	39.0	39.5	38.9	(0.1)	41.0	2.1	20.5	0.5
Extraordinary gain (loss)	(0.1)	(0.1)	(0.1)	0.0	(0.1)	0.0	(0.0)	0.0
Income taxes	12.8	12.1	11.8	(1.0)	12.5	0.7	6.3	0.2
Net income	26.1	27.2	26.8	0.7	28.3	1.5	14.2	0.4
EBITDA	56.4	57.3	56.5	0.1	57.1	0.6	28.6	0.0
No. of ATMs installed at end of term (units)	22,472	23,500	23,368	896	24,300	932	23,800	771
ATM-related fee income per transaction (yen)	133.6	133.0	133.1	(0.5)	132.3	(0.8)	132.3	(0.8)
Daily average transactions per ATM (transactions/ATM/day)	98.8	95.8	95.5	(3.3)	94.7	(0.8)	95.9	(1.1)
Total no. of transactions (millions)	782	800	796	14	820	24	412	11

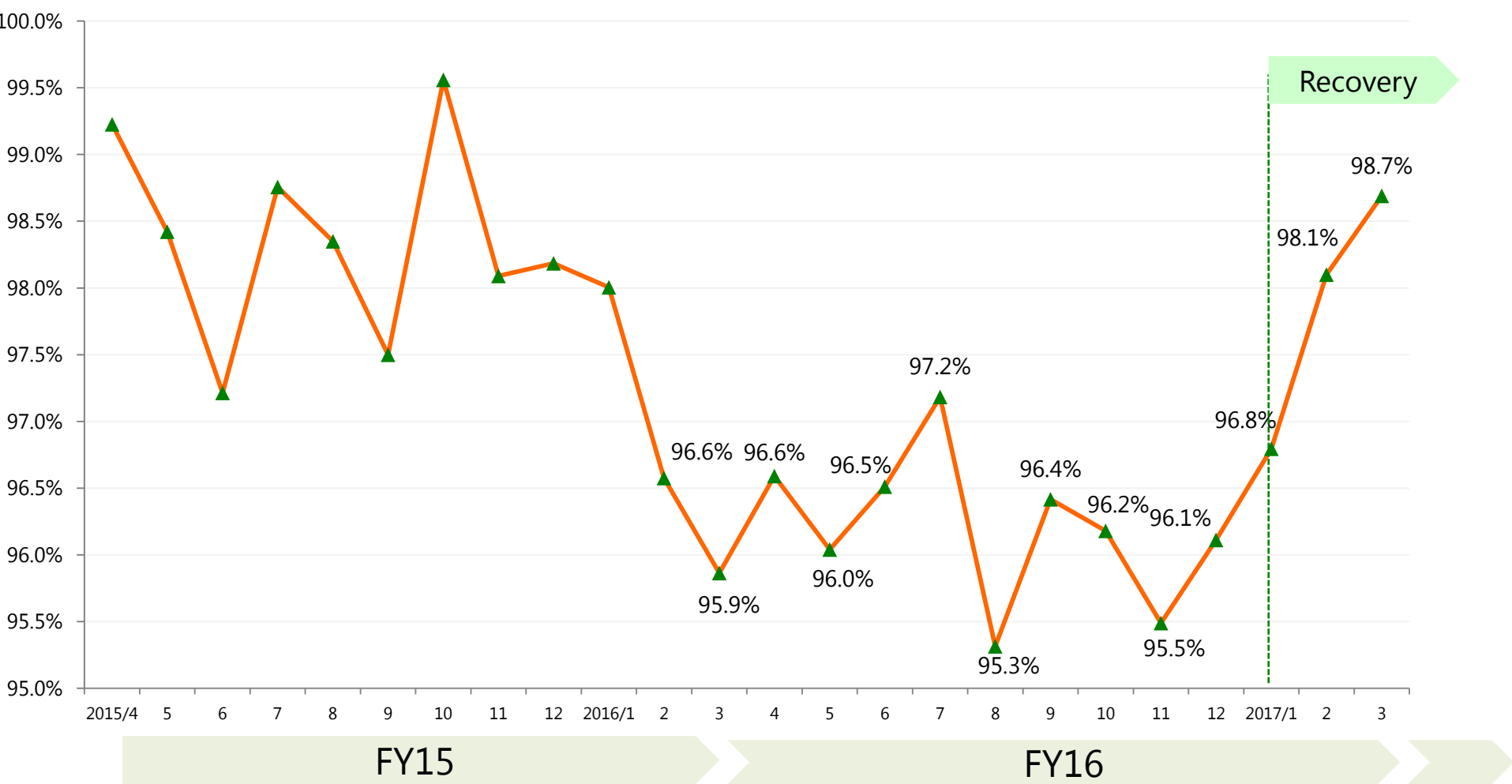
Note: EBITDA = Ordinary profit + Depreciation and amortization

Number of ATMs and Daily Average Transactions per ATM

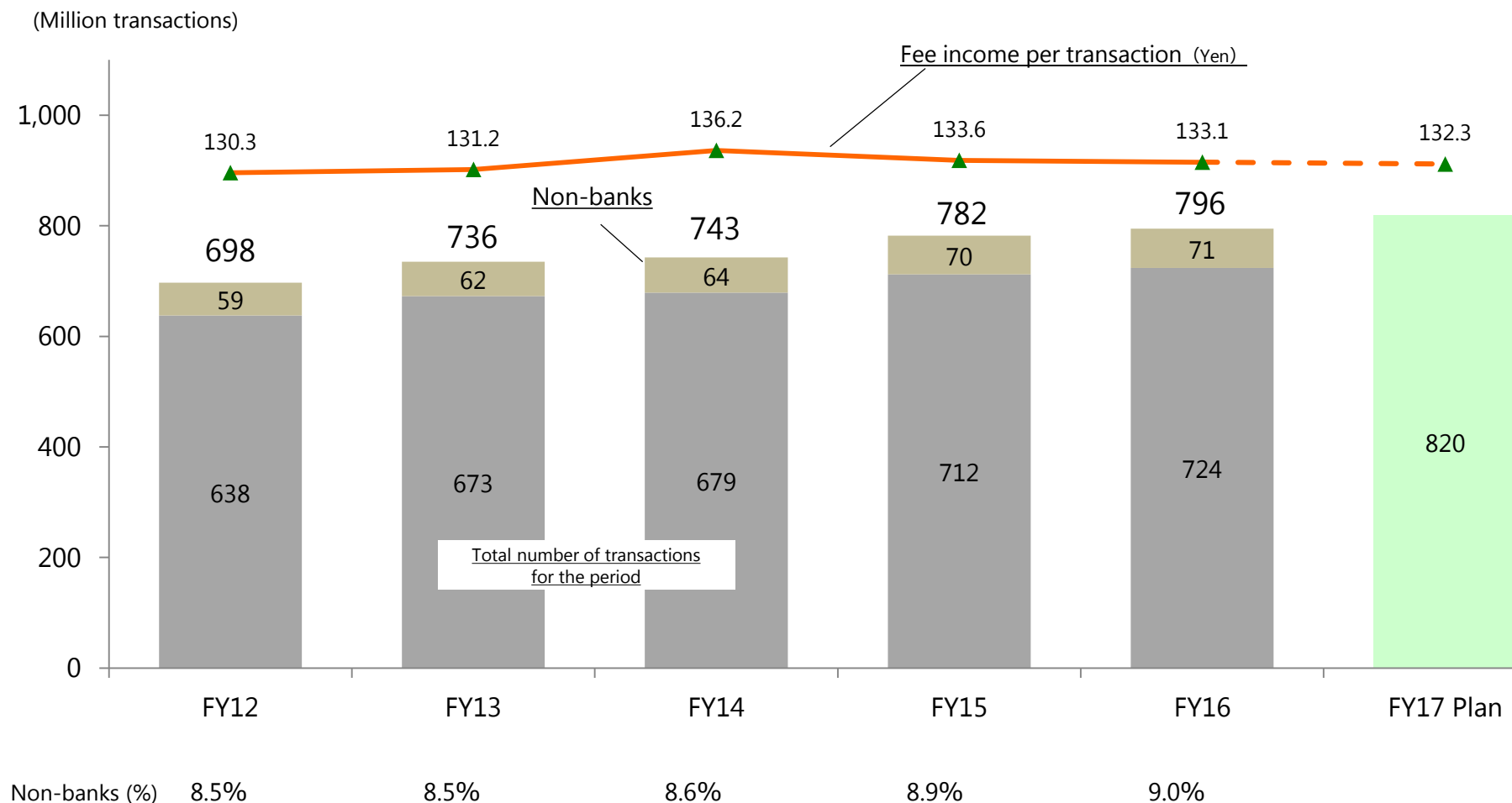


Note: Daily average transactions per ATM for the period excludes balance inquiries, e-money charges, PIN changes and daily withdrawal limit changes.

Daily Average Transactions per ATM versus Previous Year by Month



ATM Usage and Income per Transaction

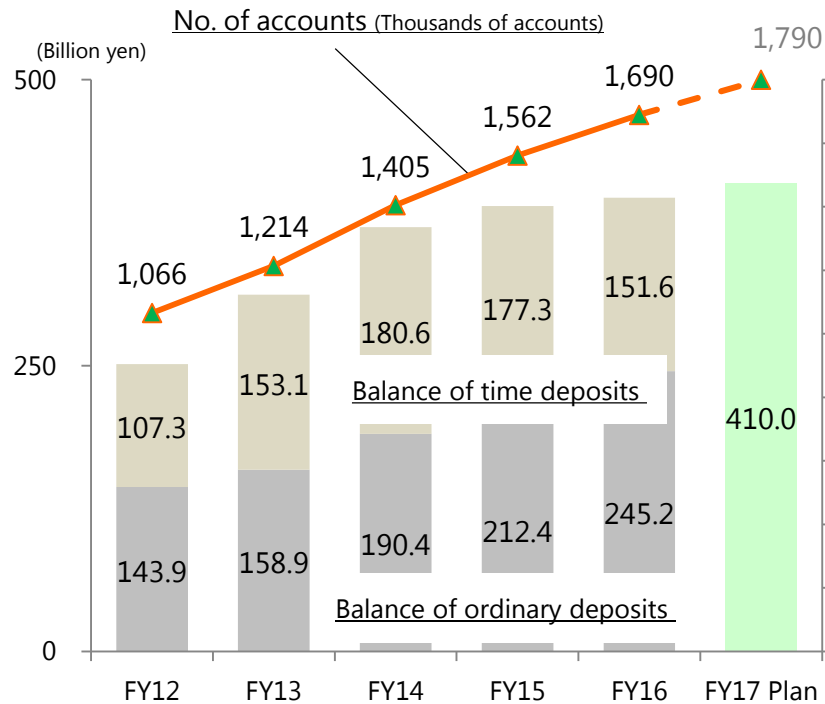


Notes:

1. Total of transactions for the period excludes balance inquiries, e-money charges, PIN changes and daily withdrawal limit changes.
2. 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))
3. In this report, securities, life insurance, credit card, consumer credit and consumer financing companies are all referred to as "non-banks."

Settlement and Account Business

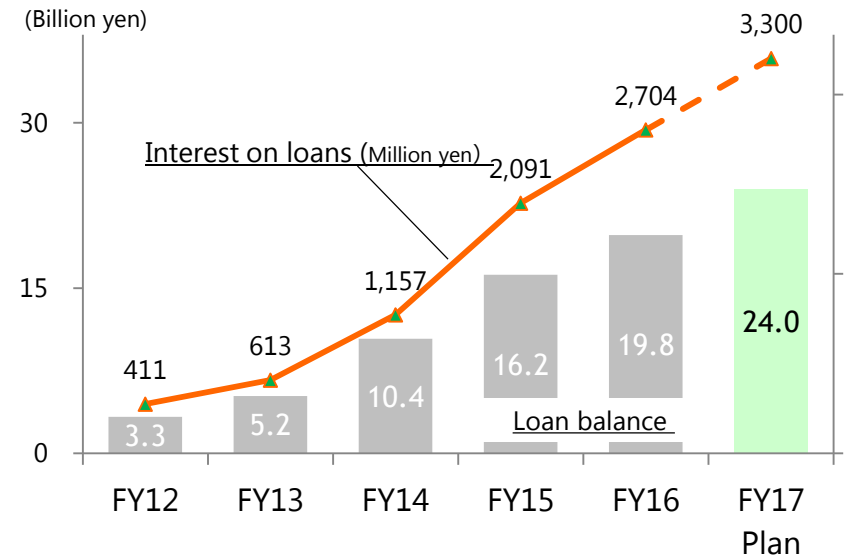
Number of individual accounts and balance of deposits



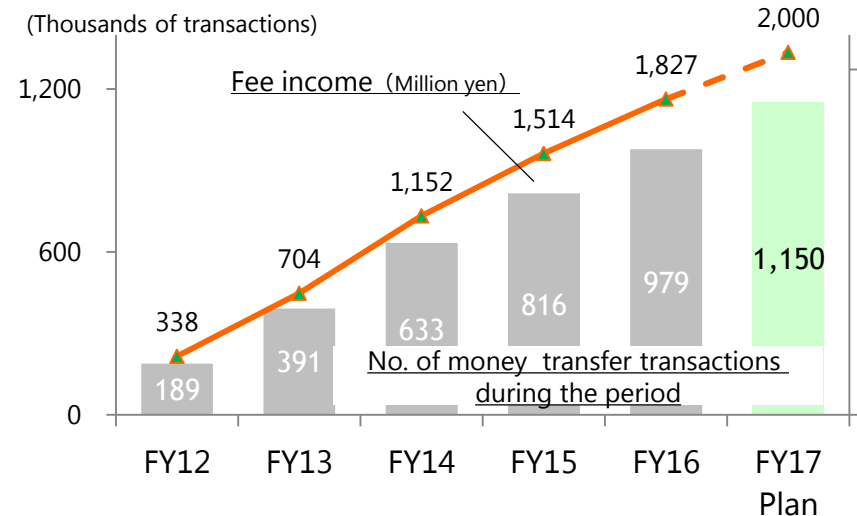
Debit services

	FY16	FY17 Plan
Accounts (Thousands of accounts)	149	350
Number of transactions (Thousands of transactions)	1,160	9,000

Personal loan services



International money transfer services



Consolidated Subsidiaries

Subsidiary in North America

FCTI

(Million US\$)

	FY15				FY17 Plan			
		Plan (May 2016)	FY16	Changes from FY15 results	Full year	Changes from FY16 results	H1	Changes from FY16 H1 results
Ordinary income	78.5	79.8	77.6	(0.9)	122.8	45.2	37.2	(1.7)
Ordinary expenses	80.6	82.0	84.2	3.6	130.6	46.4	43.1	2.2
Ordinary profit	(2.0)	(2.1)	(6.6)	(4.6)	(7.8)	(1.2)	(5.9)	(4.0)
Net income	(1.5)	(1.6)	(4.3)	(2.8)	(5.0)	(0.7)	(3.7)	(2.4)
EBITDA	4.4	5.0	0.2	(4.2)	3.5	3.3	(3.0)	(4.5)

Number of ATMs (units)	6,625	6,700	6,227	(398)	12,640	6,413	4,500	(1,937)
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Note: Number of ATMs installed as of March 31, 2017: 5,829 (4,762 directly owned, 1,067 owned by location where installed)

- FY16
Decrease in sales due to falling short of planned number of ATM installations, etc., and increase in expenses including ATM placement fees and interest expenses
- FY17 Plan
Installation of ATMs in U.S. 7-Eleven stores to begin in August, with completion scheduled for February 2018

Subsidiaries in Indonesia and Japan

ATMi

	FY15	FY16	(Million yen)	
			FY17 Plan	
			Full year	H1
Ordinary income	14	49	127	50
Ordinary expenses	62	131	224	100
Ordinary profit (loss)	(47)	(82)	(97)	(50)
Net income (loss)	(38)	(47)	(72)	(37)

Notes:

1. Exchange rate per IDR 100:
FY15 = ¥0.905, FY16 = ¥0.817, FY17 Plan = ¥0.900
2. 127 ATMs installed as of March 31, 2017

BBF

	FY15	FY16	(Million yen)	
			FY17 Plan	
			Full year	H1
Ordinary income	687	815	926	460
Ordinary expenses	646	833	894	440
Ordinary profit (loss)	40	(18)	32	20
Net income (loss)	29	(18)	20	13

Credit Ratings/Dividends

Credit ratings

S&P A+ (stable)
R&I AA

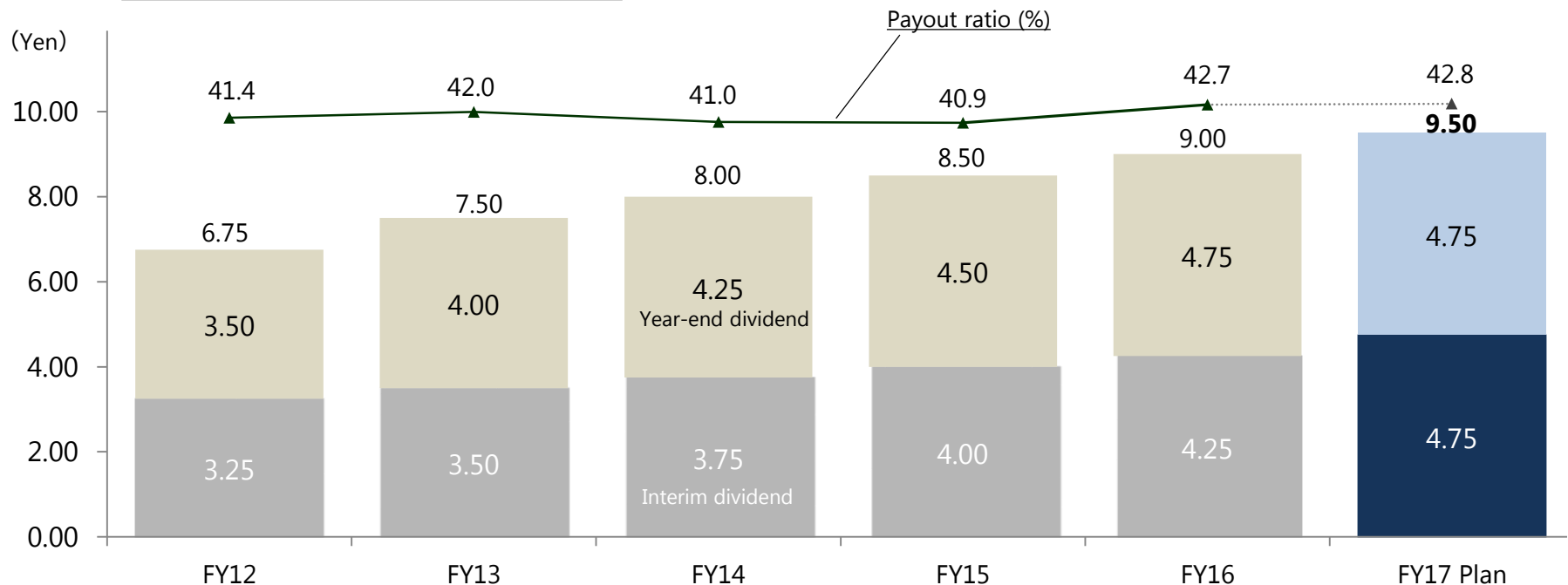
Financial position

Non-consolidated capital adequacy ratio
(domestic standard; preliminary figure): 56.2%
ROE (consolidated): 13.1%

Dividend

FY16: Annual dividends of ¥9.00 per share (Total dividends ¥10.7 billion)
FY17: Forecast annual dividends of ¥9.50 per share (Total dividends ¥11.3 billion)

Cash dividends and payout ratio





FY17-FY19 Medium-Term Management Plan



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Basic Policy for the Three-Year Period

Achieve Growth in Our Main Business as We Diversify Our Operations

ATM Platform Business

Create new styles of ATM usage

Settlement and account Business

Provide financial services that meet the needs of the 22 million customers who visit Seven & i Group stores each day

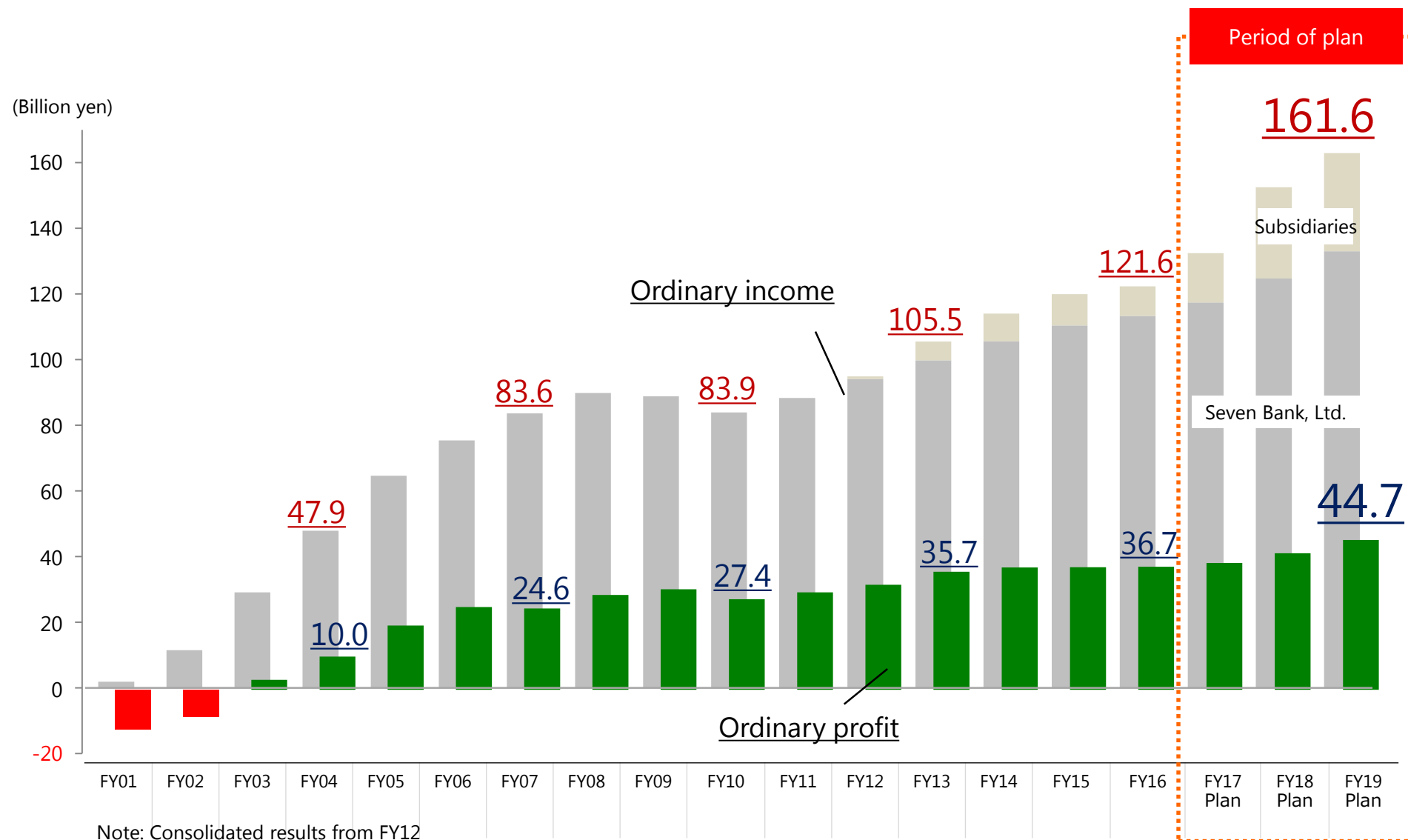
Overseas Business

Get U.S. operations on their way, establish a solid platform in Asia

Targets for the Three-Year Period (Consolidated)

	FY16 Results	FY19 Plan
Ordinary income	¥121.6 billion	¥161.6 billion
Ordinary profit	¥36.7 billion	¥44.7 billion
ROE	13.1%	13% or higher

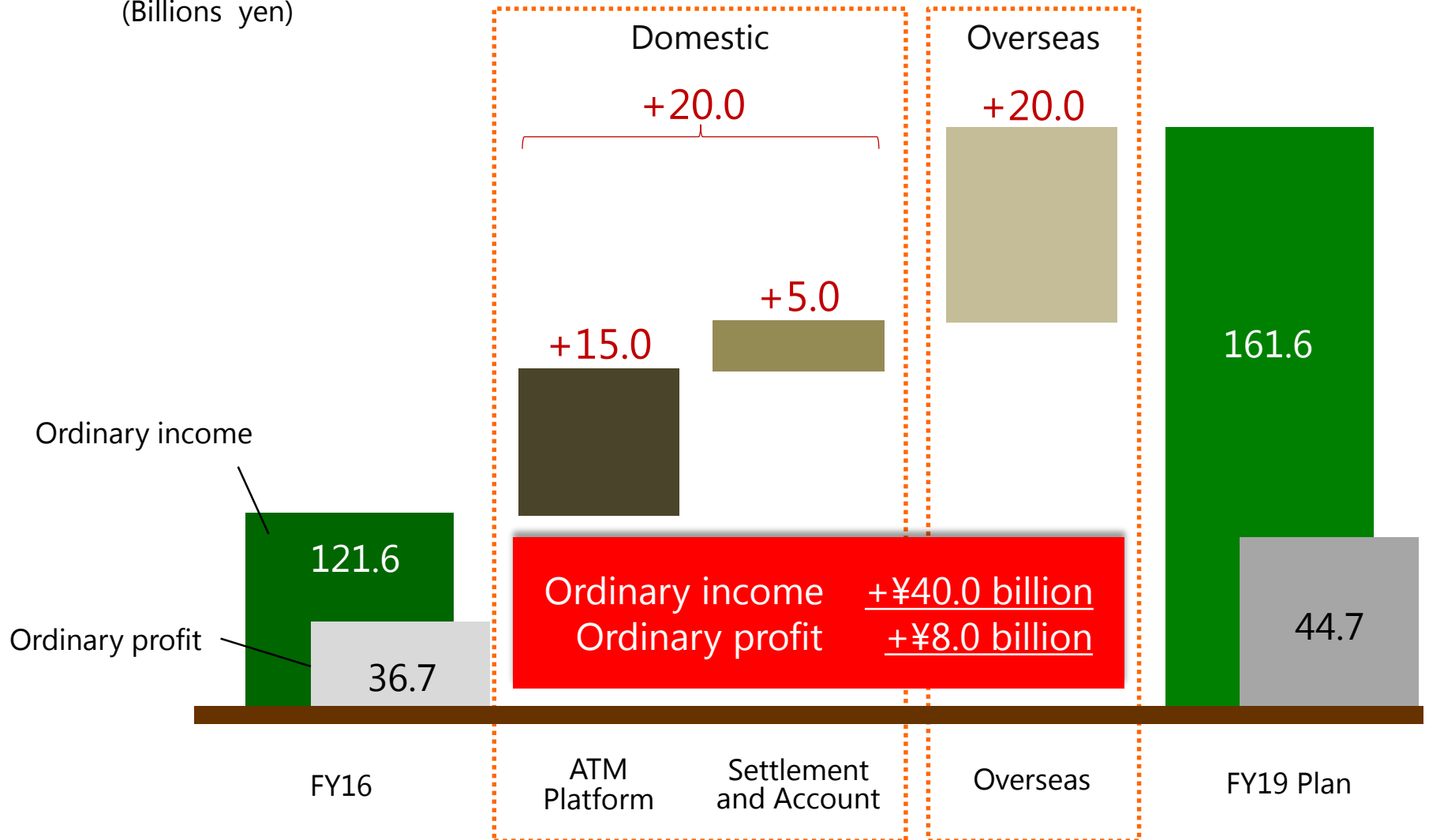
Ordinary Income and Ordinary Profit



Plan for Ordinary Income

Ordinary income/Ordinary profit

(Billions yen)



ATM Platform Business

Steady expansion of scale

Achieve a net increase of 3,000 ATMs over three years

Further improvement in quality

Raise the utilization rate by improving the user environment, conducting area-based sales promotions, etc.

Create new styles of ATM usage

Add new services and partners with enhanced ATM functions such as smartphone compatibility

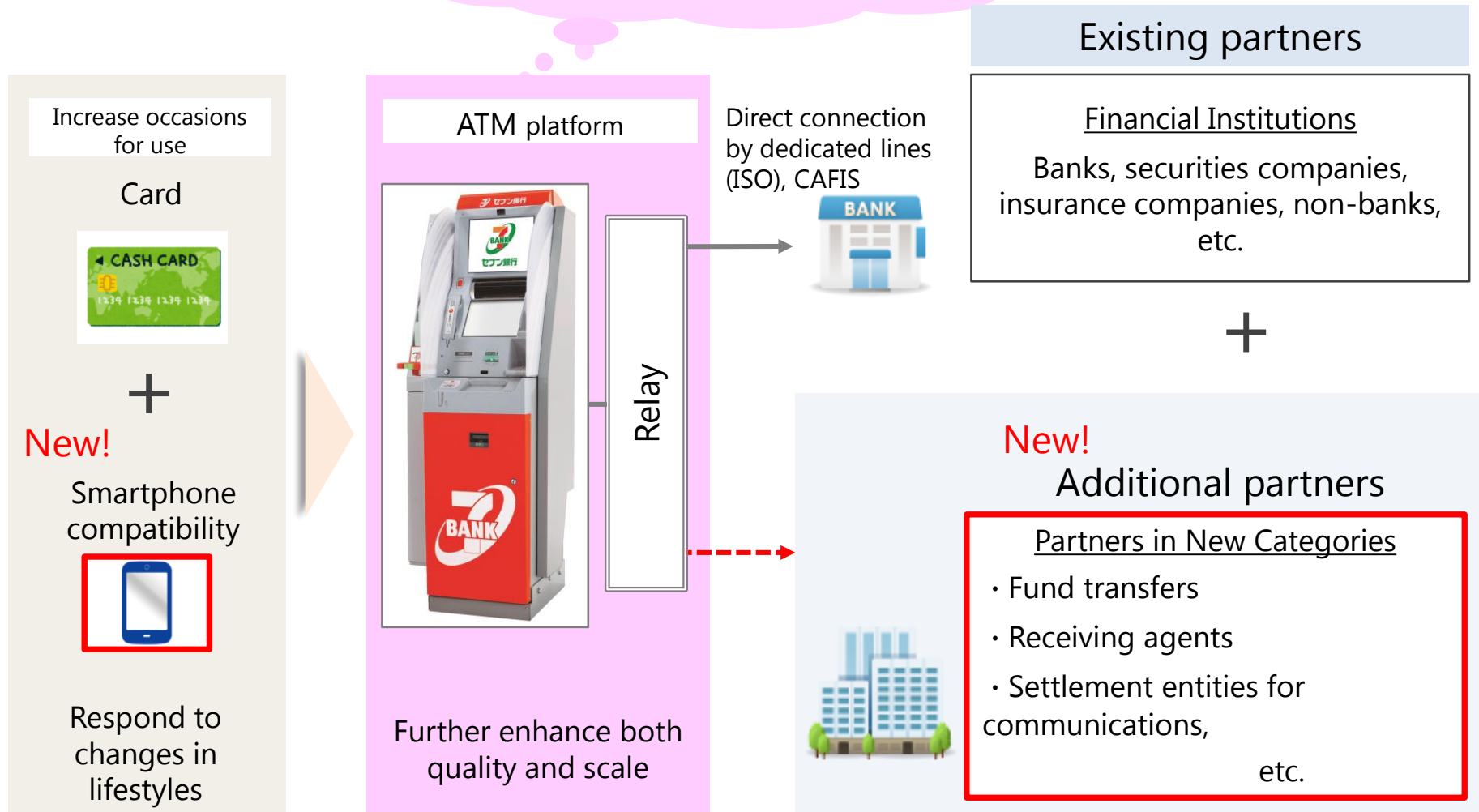
+¥10.0
billion

+¥5.0
billion

+¥15.0 billion in income over the three years from FY17 to FY19

Create New Styles of ATM Usage (1)

New! Start development of
Next-generation ATM



Create New Styles of ATM Usage (2)

Example: Cash receipt service

Remittances from **business entities**
to **individuals**

- Refunds (Mail-order returns, ticket refunds, etc.)
- Prizes, campaigns
- Wages, remuneration
- Various benefit payments, etc.

Growing Demand

Problem

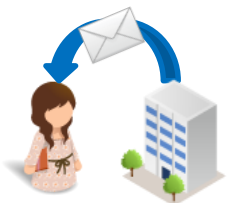
- Takes time
- High cost

Solution

New scheme
using
convenience
stores

Meet customer
needs

1. Get receipt info



- Get receipt info from business entity

2. Input receipt number



- Input receipt number
- Confirm recipient

3. Get cash



- Get cash
- Get receipt

Amounts less than ¥1,000

4. Show receipt to get coins



Bills at ATM
Coins at cash register

Settlement and Account Business

FY19 Targets

Loan services

Increase loan balance 1.5 times to **¥30.0 billion**

International money transfer services

Increase remittances 1.5 times to
1.5 million transactions per year

Debit services

Provide to 25% of all individual accounts for a cumulative total of
600,000 cards issued

Acceptance of cash proceeds from sales services

Increase number of accounts by 2,000 to
10,000 accounts (excluding 7-Eleven accounts)

Increase income by ¥5.0 billion through growth of current lineup of services

Group Financial Strategy

Strategic Points

Provide settlement services to 22 million store customers each day

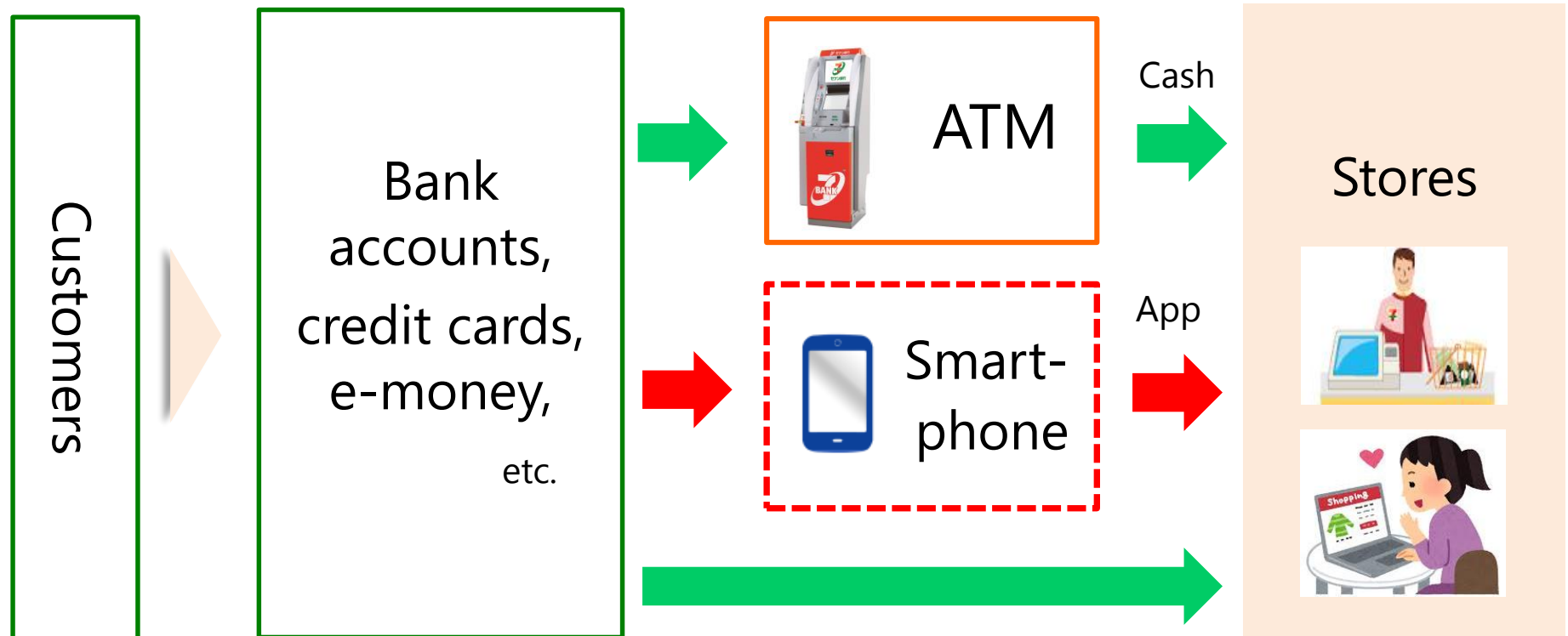
Build a new settlement platform for more convenient shopping

Provide financial services suitable for the Seven & i Group

Develop new “close at hand and convenient” financial products with good value

Work to create new financial services
that integrate financial companies with retail outlets

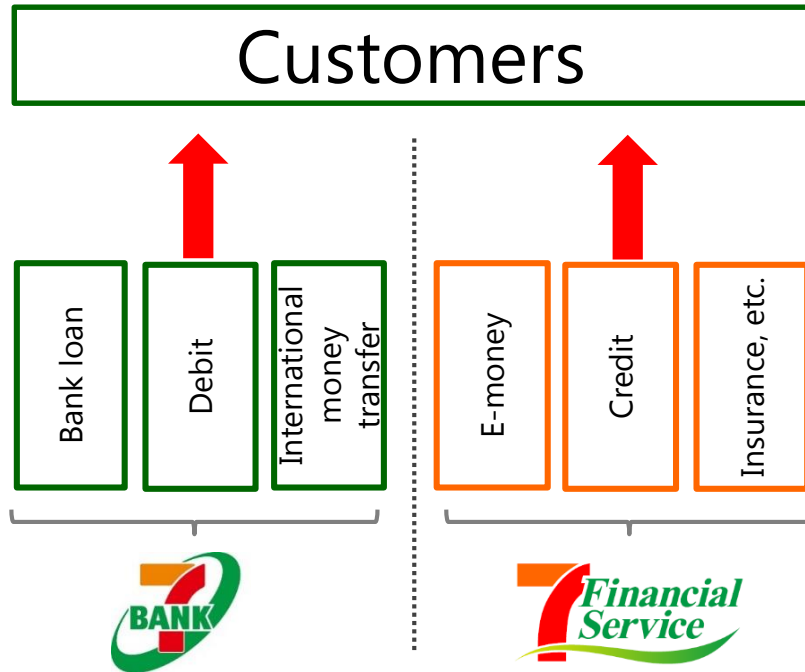
Envisioned Group Financial Strategy (1)



- (1) Register with apps for credit, e-money, debit, etc.
- (2) Easy payment at cash registers, on e-commerce, or via smartphone

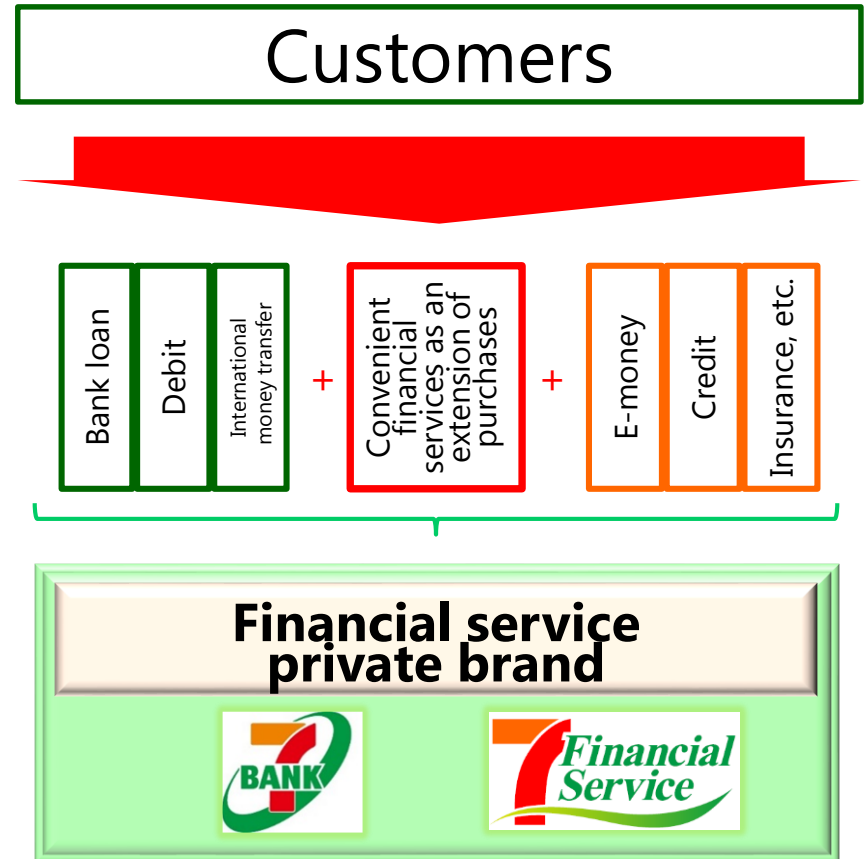
Envisioned Group Financial Strategy (2)

Until now



Unable to meet customer needs

Envisioned



Offer customers convenient financial services with good value

Overseas Business

United States

Increase to around 14,000 ATMs with installations in U.S. 7-Eleven stores

+ ¥20.0 billion

Indonesia

Generate initial results from operating ATMs
Lay the groundwork for offering back-office support for banks

New services

New areas

Introduce new services tailored to the area
Consider expansion of operating area

+ more

Increase income by ¥20.0 billion
over the three years from FY17 to FY19

Installation of ATMs at U.S. 7-Eleven Stores

	FY17	FY18	FY19
Ordinary income	US\$122 million	US\$277 million	US\$290 million
Total number of ATMs	12,500	13,200	14,000
ATMs at 7-Eleven stores included in above	8,000	+ 7-Eleven new store openings 400	+ 7-Eleven new store openings 500

Smooth ATM installations and stable operation

- Raise service quality
- Work for efficient operation
- Successively introduce new services

Increase users and income

Capital Policy

Allocate **net income** generated over the three-year period (¥85.0 billion)
mainly to investment for growth and shareholder returns

Investment for growth

Proactive investment in **improving ATM infrastructure**, etc.

¥20.0 billion
or more

Further strengthen the management base

BCP/flexible response

(**Group Financial Strategy, new investment opportunities**)

¥20.0 billion
or more

Shareholder returns

Use results of income growth to **enhance returns**

¥40.0 billion
or more

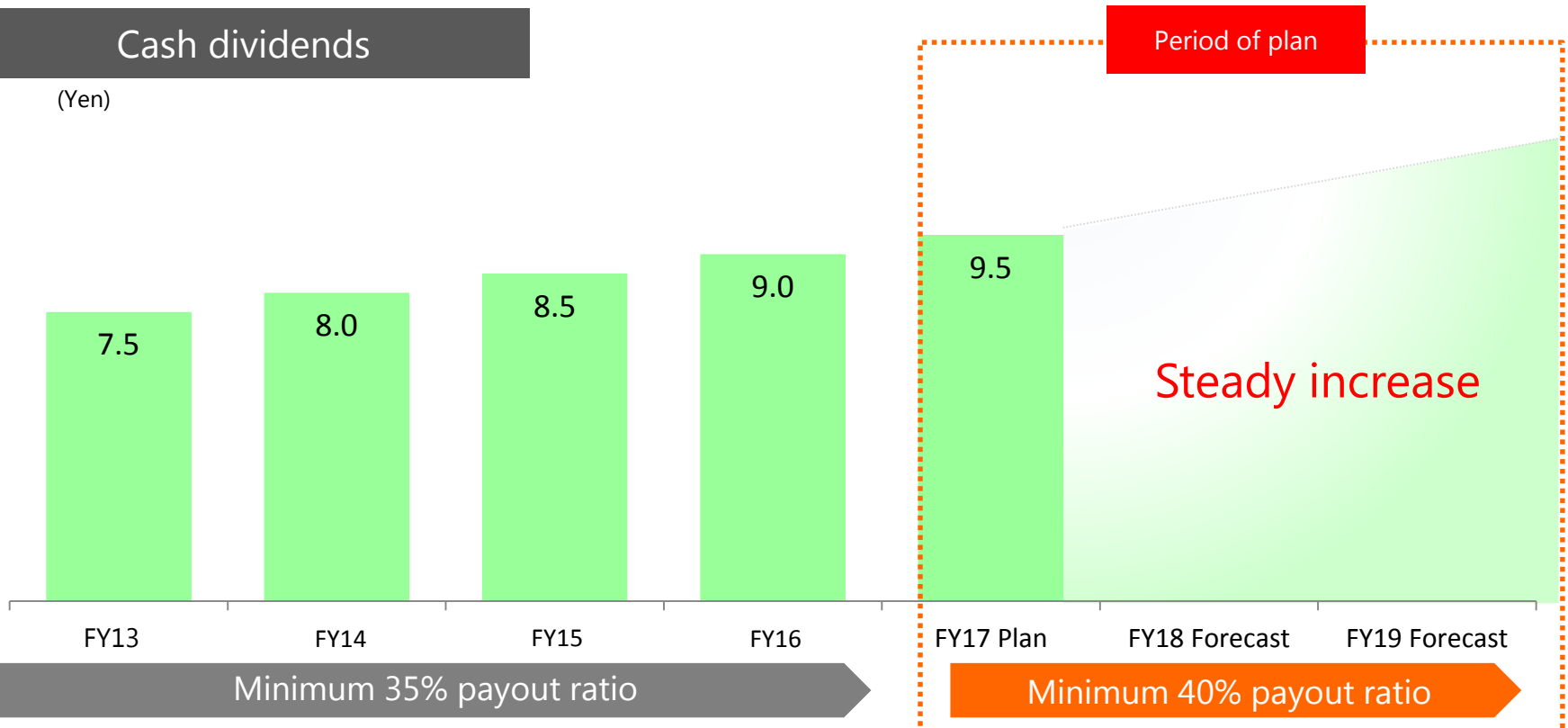
Ensure increased income and sufficient capital adequacy ratio
Maintain capital efficiency (ROE) at current level (13%)

Basic Policy for Shareholder Returns

- Using dividends as the basis for shareholder returns, aim to achieve a steady increase in dividends along with continuous growth, with a minimum payout ratio of 40%
- Flexibly conduct share repurchases in line with the share price level after considering factors such as business results and financial position

Cash dividends

(Yen)





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. 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 include, but are not limited to, system failures, disasters, crimes and other various risks surrounding the ATM platform, settlement and account and overseas businesses. Any information in these materials, which is other than that of Seven Bank and its consolidated subsidiaries, is based on publicly available information. We have not validated the accuracy or appropriateness of such information and do not guarantee its accuracy. All rights reserved.