

Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.

Securities Identification Code: 8410

May 31, 2024

(Date of commencement of electronic provision measures: May 20, 2024)

## CONVOCAATION NOTICE OF THE 23RD ORDINARY GENERAL MEETING OF SHAREHOLDERS OF SEVEN BANK, LTD.

Dear Shareholder,

Notice is hereby given that the 23rd Ordinary General Meeting of Shareholders (the "Meeting") of Seven Bank, Ltd. (the "Bank") will be held as described below.

When convening the Meeting, the Bank has taken measures for providing information in electronic format (the "electronic provision measures") and has posted matters subject to the electronic provision measures on the following Bank's website. Please access the website to view the information.

### **[The Bank's website]**

<https://www.sevenbank.co.jp/english/ir/stock/meeting.html>

In addition to the Bank's website shown above, the Bank also has posted this information on the website of Tokyo Stock Exchange (TSE). To view the information, please access the following TSE website (Listed Company Search), input the issue name (Seven Bank, Ltd.) or securities identification code (8410), and click "Search," and then click "Basic information" and select "Documents for public inspection/PR information."

### **[The TSE website (Listed Company Search)]**

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

In lieu of attending the Meeting in person, you may exercise your voting rights in writing or by electronic means (e.g., the Internet). Please review the "Reference Materials for General Meeting of Shareholders" and exercise your voting rights by 5:30 p.m. on Friday, June 14, 2024.

Yours Sincerely,

Masaaki Matsuhashi, President and Representative Director  
Seven Bank, Ltd.  
6-1 Marunouchi 1-chome,  
Chiyoda-ku, Tokyo

Shareholders with limited mobility or who require an interpreter may be accompanied by and seated with a caregiver or interpreter. Please inform the reception desk on the day of the Meeting.

Dedicated space is available in the venue for those in wheelchairs. Please ask for information at the reception desk.

**Date and time** Monday, June 17, 2024, at 10 a.m. (Doors open at 9 a.m.)

**Place** Ho-O-No-Ma (Main Hall)  
Tokyo Prince Hotel  
3-1, Shibakoen 3-chome, Minato-ku, Tokyo

### **Agenda of the Meeting**

**Matters to be Reported** 1. Business Report and Report on the Consolidated Financial Statements for the 23rd Fiscal Period (from April 1, 2023 to March 31, 2024) and the Results of Audit by the Accounting Auditor and the Audit & Supervisory Board on Said Consolidated Financial Statements.  
2. Report on the Non-consolidated Financial Statements for the 23rd Fiscal Period (from April 1, 2023 to March 31, 2024).

<b>Matters to be Resolved</b>	Proposal 1	Election of Eight (8) Directors
	Proposal 2	Election of One (1) Audit & Supervisory Board Member
	Proposal 3	Election of One (1) Substitute Audit & Supervisory Board Member

### **Matters decided in convening the Meeting**

1. Should you indicate neither approval nor disapproval on each proposal in the Exercise of Voting Rights Form, it shall be treated as an approval vote.
2. Should you wish to exercise non-uniform voting rights, please provide written or electronic notification to this effect, together with the reasons for your decision, no later than three days prior to the Meeting.

End

### **Notes:**

- If any amendments are made to matters subject to the electronic provision measures, such amendments will be posted on the respective websites where the matters are posted.
- Certain matters omitted from the document to be delivered  
The following matters will not be provided in the paper copy to shareholders who made a request for delivery of documents pursuant to the provisions of laws and regulations and Article 14, Paragraph 2 of the Articles of Incorporation of the Bank. Accordingly, the paper copy to be delivered to shareholders who made a request for delivery of documents constitutes only part of the documents audited by the Audit & Supervisory Board Members and the Accounting Auditor to prepare the Audit Report.
  - (1) "Matters concerning the Bank's subscription rights to shares, etc.," "System for ensuring the suitable maintenance of operations," "Basic policy concerning the current status of persons supervising the determination of financial and operational policy," "Matters concerning specific wholly owned subsidiaries," "Matters concerning transactions with the Bank's parent company and others," "Matters concerning accounting advisors," and "Other" in the Business Report;
  - (2) "Consolidated Statement of Changes in Net Assets" and the notes to the Consolidated Financial Statements, and;
  - (3) "Statement of Changes in Net Assets" and the notes to the Non-consolidated Financial Statements.

## Guidance to the Exercise of Voting Rights

Voting rights are important rights of shareholders. Please exercise your voting rights after carefully reviewing the “Reference Materials for General Meeting of Shareholders” listed in the matters subject to the electronic provision measures.

There are three methods for the exercise of voting rights as follows.

### Attending the General Meeting

Please present the enclosed Exercise of Voting Rights Form at the reception desk.  
Date and time of the General Meeting: Monday, June 17, 2024, at 10 a.m.

### By mail

Please indicate your approval or disapproval of the proposals on the enclosed Exercise of Voting Rights Form, and return it so that it arrives by the following deadline.  
Exercise deadline: Must arrive by 5:30 p.m., Friday, June 14, 2024

### Via the Internet

Please access the voting service Web site (<https://evote.tr.mufg.jp/>) designated by the Bank and enter your approval or disapproval of the proposals by the following deadline.  
Exercise deadline: No later than 5:30 p.m., Friday, June 14, 2024

#### Notes on the exercise of voting rights via the Internet

- Handling of exercise of voting rights via the Internet is suspended from 2:30 a.m. to 4:30 a.m. daily.
- If you have exercised your voting rights via the Internet, the vote exercised via the Internet shall prevail even if you exercise your voting rights by returning the Exercise of Voting Rights Form by mail.
- If you have exercised your voting rights more than once via the Internet, only the last vote shall prevail.
- Telecommunications and other charges that might be required to access the voting service Web site shall be borne by the shareholder.
- Please note that the exercise of voting rights using a personal computer or a smartphone, etc. may not be available depending on the Internet environment of each shareholder.

#### To Institutional Investors

As an alternative method for the exercise of voting rights for the Bank’s General Meetings, the Electronic Voting Platform operated by Investor Communications Japan, Inc. is available.

#### For inquiries relating to the system, etc., please contact:

Mitsubishi UFJ Trust and Banking Corporation, Stock Transfer Agency Division (Help Desk): 0120-173-027  
Operating hours: 9:00 a.m. to 9:00 p.m.

## Reference Materials for General Meeting of Shareholders

### Proposal 1: Election of Eight (8) Directors

The term of office of all eight (8) incumbent Directors will expire at the end of this General Meeting of Shareholders. We therefore propose that you elect eight (8) Directors.

Candidates for the position of Director are as follows.

Candidate number	Name	Skill Matrix							
		Corporate Management	Sales and Marketing	Product Development & IT	Global	Human Resources & Labor	Financial Affairs and Finance	Legal Affairs & Risk Management	
1	<b>Reappointed</b> Yasuaki Funatake Chairman and Representative Director	<input type="radio"/>	<input type="radio"/>			<input type="radio"/>	<input type="radio"/>		
2	<b>Reappointed</b> Masaaki Matsuhashi President and Representative Director	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>					
3	<b>Reappointed</b> Tsuyoshi Kobayashi Director	<input type="radio"/>			<input type="radio"/>		<input type="radio"/>		
4	<b>Reappointed</b> Makoto Kigawa Outside Director Independent Officer	<input type="radio"/>				<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
5	<b>Reappointed</b> Yukiko Kuroda Outside Director Independent Officer	<input type="radio"/>			<input type="radio"/>	<input type="radio"/>			
6	<b>Reappointed</b> Etsuhiro Takato Outside Director Independent Officer	<input type="radio"/>	<input type="radio"/>		<input type="radio"/>				
7	<b>Reappointed</b> Yuji Hirako Outside Director Independent Officer	<input type="radio"/>			<input type="radio"/>		<input type="radio"/>		
8	<b>Reappointed</b> Tami Kihara Outside Director Independent Officer			<input type="radio"/>		<input type="radio"/>			

### Skill Matrix of Audit & Supervisory Board Members

<b>Reappointed</b> Kazuhiko Ishiguro Full-time Audit & Supervisory Board Member			<input type="radio"/>				<input type="radio"/>
Ryoji Sakai Full-time Audit & Supervisory Board Member				<input type="radio"/>		<input type="radio"/>	<input type="radio"/>
Hideaki Terashima Outside Audit & Supervisory Board Member Independent Officer					<input type="radio"/>		<input type="radio"/>
Chieko Ogawa Outside Audit & Supervisory Board Member Independent Officer						<input type="radio"/>	

If Proposals 1 and 2 are approved as proposed, the skills and matrix of Directors and Audit & Supervisory Board Members after this General Meeting of Shareholders will be as shown above. 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.

Candidate number	Name (Date of birth)	Biography, position and business in charge, and significant concurrent positions	Number of Company shares owned	Attendance at meetings of the Board of Directors during fiscal 2023
1	Yasuaki Funatake (November 29, 1956) Reappointed	<p>Apr. 1980    Joined the Long-Term Credit Bank of Japan, Limited (now SBI Shinsei Bank, Limited)</p> <p>Jul. 2001    Manager of Retail Business Development Division, Shinsei Bank, Limited (now SBI Shinsei Bank, Limited)</p> <p>Dec. 2001    Joined the Bank</p> <p>Oct. 2002    General Manager of Business Development Division, the Bank</p> <p>May 2006    General Manager of Project Development Division, the Bank</p> <p>Jun. 2006    Executive Officer, General Manager of Project Development Division, the Bank</p> <p>Jun. 2008    Director, Executive Officer, General Manager of Business Promotion Division, the Bank</p> <p>Jun. 2010    Director, Managing Executive Officer, General Manager of Planning Division, the Bank</p> <p>Jun. 2013    Director, Senior Managing Executive Officer, General Manager of Planning Division, the Bank</p> <p>Apr. 2014    Director, Senior Managing Executive Officer, the Bank</p> <p>Jun. 2016    Director, Executive Vice President, the Bank</p> <p>Jun. 2018    President and Representative Director, the Bank</p> <p>Jun. 2018    Director, Seven Pay Co., Ltd.</p> <p>Jun. 2022    Chairman and Representative Director, the Bank (present post)</p> <p>May 2023    Director, Seven Card Service Co., Ltd. (present post)</p> <p>[Significant Concurrent Positions] Director, Seven Card Service Co., Ltd.</p> <p>[Reasons for appointing the candidate for Director] Mr. Yasuaki Funatake, as Chairman and Representative Director of the Bank, possesses abundant experience and demonstrated outstanding performance and insights in the Bank's overall management. Therefore, the Bank judges him to be suitable to control and supervise the Bank's overall management and a suitable candidate for Director.</p>	227,600	Attended all 15 meetings (100%)
2	Masaaki Matsuhashi (April 6, 1962) Reappointed	<p>Apr. 1983    Joined NEC Engineering, Ltd. (now NEC Platforms, Ltd.)</p> <p>Apr. 2002    Joined NEC Corporation</p> <p>Apr. 2003    Joined the Bank</p> <p>Apr. 2009    General Manager of ATM Solution Division, the Bank</p> <p>Jun. 2011    Executive Officer, General Manager of ATM Solution Division, the Bank</p> <p>Jul. 2015    Managing Executive Officer, General Manager of ATM Solution Division, the Bank</p> <p>Apr. 2016    Managing Executive Officer, the Bank</p> <p>Jun. 2018    Senior Managing Executive Officer, the Bank</p> <p>Jul. 2021    Senior Managing Executive Officer, General Manager of Corporate Transformation Division, the Bank</p> <p>Oct. 2021    Senior Managing Executive Officer, the Bank</p> <p>Jun. 2022    President and Representative Director, the Bank (present post)</p> <p>[Business in Charge] Internal Audit Division</p> <p>[Reasons for appointing the candidate for Director] Mr. Masaaki Matsuhashi, as President and Representative Director of the Bank, has controlled the Bank's overall management and possesses abundant experience, and demonstrated performance and insight in promoting the Bank's management strategies. Therefore, the Bank judges him to be a suitable candidate for Director.</p>	26,267	Attended all 15 meetings (100%)

Candidate number	Name (Date of birth)	Biography, position and business in charge, and significant concurrent positions	Number of Company shares owned	Attendance at meetings of the Board of Directors during fiscal 2023
3	Tsuyoshi Kobayashi (August 12, 1957) Reappointed	<p>Apr. 1981    Joined The Long-Term Credit Bank of Japan, Limited (now SBI Shinsei Bank, Limited)</p> <p>Jun. 2000    Joined The Industrial Bank of Japan, Limited (now Mizuho Bank, Ltd.)</p> <p>Feb. 2004    Joined Seven-Eleven Japan Co., Ltd.</p> <p>Sep. 2005    Executive Officer and Senior Officer of the Corporate Planning Department, Seven &amp; i Holdings Co., Ltd.</p> <p>May 2009    Director, Executive Officer and Senior Officer of the Corporate Planning Department and the Overseas Planning Department, Seven &amp; i Holdings Co., Ltd.</p> <p>Dec. 2014    Director, Executive Officer and Senior Officer of Assistant to the President, Seven &amp; i Holdings Co., Ltd.</p> <p>May 2015    Deputy Director-General of Planning Division, the Bank</p> <p>Mar. 2017    Director and Senior Managing Executive Officer, Seven Financial Service Co., Ltd.</p> <p>Mar. 2017    Director and Senior Managing Executive Officer, Seven Card Service Co., Ltd.</p> <p>Mar. 2018    Director, Seven CS Card Service Co., Ltd.</p> <p>Jun. 2018    President and Representative Director, Seven Pay Co., Ltd.</p> <p>Mar. 2022    Executive Officer and General Manager of Financial Business Strategy Office, Seven &amp; i Holdings Co., Ltd.</p> <p>Mar. 2023    Chairman and Representative Director, Seven Financial Service Co., Ltd. (present post)</p> <p>Mar. 2023    Chairman and Representative Director, Seven Card Service Co., Ltd. (present post)</p> <p>Apr. 2023    Managing Executive Officer, Head of Financial services, Seven &amp; i Holdings Co., Ltd. (present post)</p> <p>Jun. 2023    Director, the Bank (present post)</p> <p>[Significant Concurrent Positions]  Managing Executive Officer, Seven &amp; i Holdings Co., Ltd.  Chairman and Representative Director, Seven Card Service Co., Ltd.  Chairman and Representative Director, Seven Financial Service Co., Ltd.</p> <p>[Reasons for appointing the candidate for Director]  Mr. Tsuyoshi Kobayashi, as Managing Executive Officer of Seven &amp; i Holdings Co., Ltd. and as Chairman and Representative Director of both Seven Card Service Co., Ltd. and Seven Financial Service Co., Ltd., possesses experience and demonstrated insight. Therefore, the Bank judges him to be a suitable candidate for Director.</p>	32,900	Attended 10 of 11 meetings (90.9%)

Candidate number	Name (Date of birth)	Biography, position and business in charge, and significant concurrent positions	Number of Company shares owned	Attendance at meetings of the Board of Directors during fiscal 2023
4	Makoto Kigawa (December 31, 1949) Reappointed Independent Officer Outside Director	<p>Apr. 1973 Joined The Fuji Bank, Limited (now Mizuho Bank, Ltd.)</p> <p>Apr. 2004 Managing Director, Mizuho Corporate Bank, Ltd. (now Mizuho Bank, Ltd.)</p> <p>Apr. 2005 Joined YAMATO TRANSPORT CO., LTD. (now YAMATO HOLDINGS CO., LTD.)</p> <p>Jun. 2005 Managing Director, YAMATO TRANSPORT CO., LTD.</p> <p>Jun. 2006 Representative Director and Senior Executive Officer, YAMATO TRANSPORT CO., LTD.</p> <p>Mar. 2007 Representative Director, President and Executive Officer, YAMATO TRANSPORT CO., LTD.</p> <p>Apr. 2011 Representative Director, President and Executive Officer, YAMATO HOLDINGS CO., LTD.</p> <p>Apr. 2015 Representative Director and Chairman, YAMATO HOLDINGS CO., LTD.</p> <p>Jun. 2016 Director, Komatsu Ltd.</p> <p>Apr. 2018 Director and Chairman, YAMATO HOLDINGS CO., LTD.</p> <p>Jun. 2018 Director, the Bank (present post)</p> <p>Apr. 2019 Director, YAMATO HOLDINGS CO., LTD.</p> <p>Jun. 2019 Director, Oki Electric Industry Co., Ltd. (present post)</p> <p>Jun. 2019 Special Adviser, YAMATO HOLDINGS CO., LTD.</p> <p>Apr. 2020 Corporate Auditor, The Higo Bank, Ltd.</p> <p>Apr. 2022 Director, The Higo Bank, Ltd. (present post)</p> <p>Jun. 2022 External Board Member, ICMG Co., Ltd. (present post)</p> <p>Jun. 2023 Advisor, YAMATO HOLDINGS CO., LTD.</p> <p>[Significant Concurrent Positions] Outside Director, Oki Electric Industry Co., Ltd. Outside Director, The Higo Bank, Ltd.</p> <p>[Reasons for appointing the candidate for Outside Director and Outline of Expected Roles] Mr. Makoto Kigawa's experience and insight as a manager at YAMATO HOLDINGS CO., LTD., etc., have genuinely contributed to the Bank's management. Therefore, the Bank judges him to be a suitable candidate for Outside Director. If he is elected as an Outside Director, the Bank expects him to continue providing supervision and guidance regarding management policies and business operations drawing on his experience and insight in corporate management.</p>	0	Attended all 15 meetings (100%)

Candidate number	Name (Date of birth)	Biography, position and business in charge, and significant concurrent positions	Number of Company shares owned	Attendance at meetings of the Board of Directors during fiscal 2023
5	Yukiko Kuroda (September 24, 1963) Reappointed Independent Officer Outside Director	<p>Apr. 1986      Joined Sony Corporation</p> <p>Jan. 1991      Representative Director, People Focus Consulting</p> <p>Jun. 2010      Audit &amp; Supervisory Board Member, Astellas Pharma Inc.</p> <p>Mar. 2011      Director, CAC Co., Ltd. (now CAC Holdings Corporation)</p> <p>Apr. 2012      Director/Founder, People Focus Consulting</p> <p>Jun. 2013      Director, Marubeni Corporation</p> <p>Jun. 2015      Member of the Board, Mitsui Chemicals, Inc.</p> <p>Jun. 2018      Director, the Bank (present post)</p> <p>Jun. 2018      Director, Terumo Corporation (present post)</p> <p>Jun. 2022      Director, OBAYASHI CORPORATION (present post)</p> <p>Aug. 2022      Director, Oracle Corporation Japan (present post)</p> <p>Mar. 2024      Advisor/Founder, People Focus Consulting (present post)</p> <p>[Significant Concurrent Positions]  Advisor/Founder, People Focus Consulting  Outside Director, Terumo Corporation  Independent Director, OBAYASHI CORPORATION  Outside Director, Oracle Corporation Japan</p> <p>[Reasons for appointing the candidate for Outside Director and Outline of Expected Roles]  Ms. Yukiko Kuroda's experience as a corporate manager and insight related to the development of human resources who can handle global business have genuinely contributed to the Bank's management. Therefore, the Bank judges her to be a suitable candidate for Outside Director. If she is elected as an Outside Director, the Bank expects her to continue providing supervision and guidance regarding management policies and business operations drawing on her experience in corporate management and insight into the development of human resources who can handle global business.</p>	0	Attended all 15 meetings (100%)



Candidate number	Name (Date of birth)	Biography, position and business in charge, and significant concurrent positions	Number of Company shares owned	Attendance at meetings of the Board of Directors during fiscal 2023
6	Etsuhiro Takato (February 6, 1957) Reappointed Independent Officer Outside Director	<p>Apr. 1979      Joined Ajinomoto Co., Inc.</p> <p>Aug. 2002      President, PT Ajinomoto Indonesia</p> <p>Jul. 2007      General Manager, Industrial Umami Seasonings Dept., Amino Acids Company, Ajinomoto Co., Inc.</p> <p>Jun. 2009      Corporate Executive Officer, Ajinomoto Co., Inc.</p> <p>Jun. 2009      President, Ajinomoto do Brasil Indústria e Comércio de Alimentos Ltda.</p> <p>Jun. 2013      Member of the Board &amp; Corporate Vice President, Ajinomoto Co., Inc.</p> <p>Jun. 2013      President, Ajinomoto Co., (Thailand) Ltd.</p> <p>Jan. 2015      President, Ajinomoto SEA Regional Headquarters Co., Ltd.</p> <p>Jun. 2015      Member of the Board &amp; Corporate Senior Vice President, Ajinomoto Co., Inc.</p> <p>Jun. 2016      General Manager, Food Products Division, Ajinomoto Co., Inc.</p> <p>Jun. 2017      Representative Director &amp; Corporate Senior Vice President, Ajinomoto Co., Inc.</p> <p>Jun. 2019      Member of the Board, Ajinomoto Co., Inc.</p> <p>Jun. 2020      Chairman, Umami Manufacturers Association of Japan</p> <p>Jun. 2021      Advisor, Ajinomoto Co., Inc.</p> <p>Mar. 2022      Director, Milbon Co., Ltd. (present post)</p> <p>Apr. 2022      Director, TOKYO VERDY, Inc. (present post)</p> <p>Jun. 2022      Director, the Bank (present post)</p> <p>[Significant Concurrent Positions] Outside Board Director, Milbon Co., Ltd.</p> <p>[Reasons for appointing the candidate for Outside Director and Outline of Expected Roles] Mr. Etsuhiro Takato's experience and insight in corporate management, marketing, and global duties from working at Ajinomoto Co., Inc. have genuinely contributed to the Bank's management. Therefore, the Bank judges him to be a suitable candidate for Outside Director. If he is elected as an Outside Director, the Bank expects him to continue providing supervision and guidance regarding management policies and business operations drawing on his experience and insight in corporate management, marketing, and global duties.</p>	6,900	Attended 14 of 15 meetings (93.3%)

Candidate number	Name (Date of birth)	Biography, position and business in charge, and significant concurrent positions	Number of Company shares owned	Attendance at meetings of the Board of Directors during fiscal 2023
7	Yuji Hirako (January 25, 1958) Reappointed Independent Officer Outside Director	<p>Apr. 1981    Joined ALL NIPPON AIRWAYS CO., LTD. (now ANA HOLDINGS INC.)</p> <p>Apr. 2010    Director of Corporate Planning, ALL NIPPON AIRWAYS CO., LTD.</p> <p>Jun. 2011    Executive Vice President, ALL NIPPON AIRWAYS CO., LTD.</p> <p>Apr. 2013    Executive Vice President, ALL NIPPON AIRWAYS CO., LTD.</p> <p>Apr. 2015    Executive Vice President, ANA HOLDINGS INC.</p> <p>Jun. 2015    Member of the Board of Directors, Executive Vice President, ANA HOLDINGS INC.</p> <p>Apr. 2017    Member of the Board of Directors, ANA HOLDINGS INC.</p> <p>Apr. 2017    President and CEO, ALL NIPPON AIRWAYS, CO., LTD.</p> <p>Apr. 2022    Member of the Board, Vice Chairman, ANA HOLDINGS INC.</p> <p>Jun. 2023    Director, the Bank (present post)</p> <p>Jun. 2023    Director, JVCKENWOOD Corporation (present post)</p> <p>Apr. 2024    Senior Advisor, ANA HOLDINGS INC. (present post)</p> <p>[Significant Concurrent Positions] Senior Advisor, ANA HOLDINGS INC. External Director, JVCKENWOOD Corporation</p> <p>[Reasons for appointing the candidate for Outside Director and Outline of Expected Roles] Mr. Yuji Hirako's experience and insight as a manager at ANA HOLDINGS INC., etc. have genuinely contributed to the Bank's management. Therefore, the Bank judges him to be a suitable candidate for Outside Director. If he is elected as an Outside Director, the Bank expects him to continue providing supervision and guidance regarding management policies and business operations drawing on his experience and insight in corporate management.</p>	600	Attended all 11 meetings (100%)
8	Tami Kihara (June 27, 1962) Reappointed Independent Officer Outside Director	<p>Apr. 1985    Joined Ricoh Company, Ltd.</p> <p>Apr. 2019    Administrative Officer and General Manager of Technology Management Division, Ricoh IT Solutions Co., Ltd.</p> <p>Apr. 2021    General Manger of Digital Professionals Strategy Center of Digital Strategy Department, Ricoh Company, Ltd.</p> <p>Apr. 2022    Administrative Officer, Ricoh IT Solutions Co., Ltd.</p> <p>Jul. 2022    Director, Ricoh IT Solutions Co., Ltd.</p> <p>Jun. 2023    Director, the Bank (present post)</p> <p>Apr. 2024    Advisor, ILY. inc (present post)</p> <p>[Reasons for appointing the candidate for Outside Director and Outline of Expected Roles] Ms. Tami Kihara' experience and insight in corporate management at Ricoh IT Solutions Co., Ltd. and HR strategy at Ricoh Company, Ltd. have genuinely contributed to the Bank's management. Therefore, the Bank judges her to be a suitable candidate for Outside Director. If she is elected as an Outside Director, the Bank expects her to continue providing supervision and guidance regarding management policies and business operations drawing on her experience and insight in corporate management and HR strategy.</p>	0	Attended all 11 meetings (100%)

- Notes: 1. Mr. Yasuaki Funatake concurrently serves as Director of Seven Card Service Co., Ltd., which is the Bank's specified related business operator.  
Mr. Tsuyoshi Kobayashi concurrently serves as Managing Executive Officer of Seven & i Holdings Co., Ltd., which is the Bank's specified related business operator, and as Chairman and Representative Director of both Seven Card Service Co., Ltd. and Seven Financial Service Co., Ltd.  
There are no particular interests between the Bank and any of the other candidates for Director.  
If the election of Mr. Tsuyoshi Kobayashi is approved as originally proposed, Mr. Kobayashi will become a non-executive Director.
2. Mr. Makoto Kigawa, Ms. Yukiko Kuroda, Mr. Etsuhiro Takato, Mr. Yuji Hirako, and Ms. Tami Kihara are candidates for Outside Director of the Bank.
3. Regarding Mr. Makoto Kigawa, Ms. Yukiko Kuroda, Mr. Etsuhiro Takato, Mr. Yuji Hirako, and Ms. Tami Kihara, who are currently serving as Outside Directors of the Bank, each candidate's length of service period as an Outside Director is six years for Mr. Makoto Kigawa and Ms. Yukiko Kuroda, and two years for Mr. Etsuhiro Takato, and one year for Mr. Yuji Hirako and Ms. Tami Kihara at the end of the 23rd Ordinary General Meeting of Shareholders.
4. With Mr. Makoto Kigawa, Ms. Yukiko Kuroda, Mr. Etsuhiro Takato, Mr. Yuji Hirako, and Ms. Tami Kihara, the Bank currently has a contract for limitation of indemnity liability as provided in Article 423, Paragraph 1 of the Companies Act on the basis of the provisions of Article 427, Paragraph 1 of the Companies Act. (Provided, however, that the amount of the liability limitation under the contract is as

provided by law.) If the elections of these candidates are approved as originally proposed, this contract with each of them shall continue to be effective.

5. Seven & i Holdings Co., Ltd., which is the Bank's parent company, has entered into a Directors and Officers Liability Insurance (D&O Insurance) contract with an insurance company to insure its directors, audit & supervisory board members, and executive officers as well as those of its subsidiaries including the Bank (excluding some subsidiaries). The insurance contract is scheduled to be renewed in September 2024.

Each of the candidates who is an incumbent director is insured under the insurance contract, and if each candidate reassumes office as director, he/she will be insured under the insurance contract.

The Bank fully covers the insurance premiums for its Directors, Audit & Supervisory Board Members, and Executive Officers.

6. Mr. Makoto Kigawa, Ms. Yukiko Kuroda, Mr. Etsuhiro Takato, Mr. Yuji Hirako, and Ms. Tami Kihara have been registered as Independent Officers with the Tokyo Stock Exchange, based on the provisions stipulated by Tokyo Stock Exchange, Inc. If the election of these candidates is approved as originally proposed, the Bank intends to continue to register them as Independent Officer with the Tokyo Stock Exchange.

Mr. Makoto Kigawa concurrently holds offices as Outside Director of The Higo Bank, Ltd. The Bank has the following transactions with The Higo Bank, Ltd. However, the amount of such transactions comprises less than 1% of total ordinary income or of total ordinary expenses of the Bank's most recent consolidated business year and it is not deemed a major business partner.

- The Bank has ATM collaboration partnership with The Higo Bank, Ltd. and receives payments for fees, etc., from The Higo Bank, Ltd.
- The Bank pays business entrustment fees, etc., to The Higo Bank, Ltd.

Ms. Yukiko Kuroda concurrently holds office as Independent Director of OBAYASHI CORPORATION and Outside Director of Oracle Corporation Japan. The Bank and its subsidiaries have the following transactions with OBAYASHI CORPORATION and Oracle Corporation Japan. However, the amount of such transactions with each comprises less than 1% of total ordinary income or of total ordinary expenses of the Bank's most recent consolidated business year and they are not deemed major business partners.

- The Bank's subsidiaries receive payments for system usage fees, etc., from OBAYASHI CORPORATION.
- The Bank pays fees for contracted operation, etc. to OBAYASHI CORPORATION.
- The Bank pays machine maintenance fees, etc. to Oracle Corporation Japan.

Additionally, Mr. Yuji Hirako concurrently holds office as Senior Advisor of ANA HOLDINGS INC. The Bank's subsidiaries have the following transactions with subsidiaries of ANA HOLDINGS INC. However, the amount of such transactions with each comprises less than 1% of the total ordinary income of the Bank's most recent consolidated business year and they are not deemed major business partners.

- The Bank's subsidiaries receive system usage fees and commissions, etc. from subsidiaries of ANA HOLDINGS INC.

7. Ms. Yukiko Kuroda's name on the Family Register is Yukiko Matsumoto.

8. Ms. Tami Kihara's name on the Family Register is Tami Isobe.

## Proposal 2: Election of One (1) Audit & Supervisory Board Member

The term of office of Mr. Kazuhiko Ishiguro as Audit & Supervisory Board Member will expire at the end of this General Meeting of Shareholders. We therefore propose that you elect one (1) Audit & Supervisory Board Member. This proposal has already been approved by the Audit & Supervisory Board.

The candidate for the position of Audit & Supervisory Board Member is as follows.

Candidate number	Name (Date of birth)	Biography, position, and significant concurrent positions	Number of Company shares owned	Attendance at meetings of the Board during fiscal 2023
1	Kazuhiko Ishiguro (December 2, 1957) Reappointed	<p>Apr. 1980    Joined The Sanwa Bank, Limited (now MUFG Bank, Ltd.)</p> <p>Apr. 2001    Director, Ufit Co., Ltd. (now TIS Inc.) (on loan)</p> <p>Apr. 2004    Director, UFJIS Co., Ltd. (now Mitsubishi UFJ Information Technology, Ltd.) (on loan)</p> <p>Mar. 2006    Executive Managing Director, UFJIS Co., Ltd. (on loan)</p> <p>May 2009    Joined the Bank</p> <p>May 2009    Executive Officer, General Manager of System Division, the Bank</p> <p>Jun. 2010    Director, Executive Officer, General Manager of System Division, the Bank</p> <p>Jun. 2013    Director, Managing Executive Officer, General Manager of System Division, the Bank</p> <p>Apr. 2014    Director, Managing Executive Officer, the Bank</p> <p>Jun. 2016    Director, Senior Managing Executive Officer, the Bank</p> <p>May 2019    Audit &amp; Supervisory Board Member, Signpost Corporation (present post)</p> <p>Jun. 2020    Audit &amp; Supervisory Board Member, the Bank (present post)</p> <p>[Significant Concurrent Positions] Outside Audit &amp; Supervisory Board Member, Signpost Corporation</p> <p>[Reasons for appointing the candidate for Audit &amp; Supervisory Board Member] Mr. Kazuhiko Ishiguro possesses insight in the Bank's systems and overall banking operation, and has actually performed audits on overall management of the Bank. Therefore, the Bank judges him to be a suitable candidate for Audit &amp; Supervisory Board Member.</p>	253,300	<p>[Board of Directors]</p> <p>Attended 14 of 15 meetings (93.3%)</p> <p>[Audit &amp; Supervisory Board]</p> <p>Attended All 14 meetings (100%)</p>

- Notes:
- There are no particular interests between the Bank and the candidate Mr. Kazuhiko Ishiguro.
  - With Mr. Kazuhiko Ishiguro, the Bank currently has a contract for limitation of indemnity liability as provided in Article 423, Paragraph 1 of the Companies Act on the basis of the provisions of Article 427, Paragraph 1 of the Companies Act. (Provided, however, that the amount of the liability limitation under the contract is as provided by law.) If his election is approved as originally proposed, this contract with him shall continue to be effective.
  - Seven & i Holdings Co., Ltd., which is the Bank's parent company, has entered into a Directors and Officers Liability Insurance (D&O Insurance) contract with an insurance company to insure its directors, audit & supervisory board members, and executive officers as well as those of its subsidiaries including the Bank (excluding some subsidiaries). The insurance contract is scheduled to be renewed in September 2024.  
Mr. Kazuhiko Ishiguro, who is an incumbent Audit & Supervisory Board Member, is insured under the insurance contract. If he reassumes office as Audit & Supervisory Board Member, he will be insured under the insurance contract.  
The Bank fully covers the insurance premiums for its Directors, Audit & Supervisory Board Members, and Executive Officers.

### Proposal 3: Election of One (1) Substitute Audit & Supervisory Board Member

As the effectiveness of the election of Substitute Audit & Supervisory Board Member Mr. Ichiro Ashihara, who was elected at the 22nd Ordinary General Meeting of Shareholders held on June 19, 2023, will expire as of this General Meeting of Shareholders, to prepare for the event that the number of Audit & Supervisory Board Members falls below the required number stipulated by laws and regulations, we propose that you once again elect one (1) Substitute Audit & Supervisory Board Member.

Provided, however, the election based on this proposal shall be able to be revoked with approval by the Audit & Supervisory Board and by resolution of the Board of Directors only before the elected Audit & Supervisory Board Member assumes office.

This proposal has already been approved by the Audit & Supervisory Board.

The candidate for the position of Substitute Audit & Supervisory Board Member is as follows.

Name (Date of birth)	Biography, position, and significant concurrent positions	Number of Company shares owned
Ichiro Ashihara (May 25, 1967)	Apr. 1995 Registered as an Attorney-at-law, joined Tokyo Bar Association (present post)	0
	Apr. 1995 Joined Mori Sogo (now Mori Hamada & Matsumoto)	
	Oct. 1999 General counsel, American Family Life Assurance Company of Columbus (now Aflac Life Insurance Japan Ltd.)	
	Apr. 2006 Acting general counsel, Senior Manager, Manager of Legal Department, American Family Life Assurance Company of Columbus	
	May 2006 Registered as an Attorney-at-law in New York State, United States	
	Jun. 2009 Chief compliance officer, General Electric Japan, Ltd.	
	Dec. 2009 Senior legal counsel, Mizuho Securities Co., Ltd.	
	Apr. 2012 Board member, Japan In-House Lawyers Association	
	Aug. 2013 General counsel, Zurich Insurance Company Ltd and Zurich Life Insurance Japan Company Ltd.	
	Jul. 2018 General counsel, Seven Rich Law	
	Mar. 2020 Partner, Legal Profession Corporation CAST (now Legal Profession Corporation CastGlobal) (present post)	
	Apr. 2020 Corporate Auditor, CRAFT Co., Ltd. (present post)	
	Nov. 2020 Bar examiner	
	Jun. 2021 Director, Nisshin Fire & Marine Insurance Co., Ltd. (present post)	
	[Significant Concurrent Positions] Partner, Legal Profession Corporation CastGlobal Outside Director, Nisshin Fire & Marine Insurance Co., Ltd.	
[Reasons, etc. for appointing the candidate for Substitute Outside Audit & Supervisory Board Member] Because we can expect Mr. Ichiro Ashihara to utilize international insight as an Attorney-at-law in auditing our management, the Bank judges him to be a suitable candidate for Substitute Outside Audit & Supervisory Board Member.		

- Notes:
- Candidate Mr. Ichiro Ashihara is a candidate for Substitute Outside Audit & Supervisory Board Member of the Bank.
  - There are no particular interests between the Bank and candidate Mr. Ichiro Ashihara.
  - If candidate Mr. Ichiro Ashihara assumes office as an Outside Audit & Supervisory Board Member of the Bank, the Bank intends to conclude with him a contract for limitation of indemnity liability as provided in Article 423, Paragraph 1 of the Companies Act on the basis of the provisions of Article 427, Paragraph 1 of the Companies Act. (Provided, however, that the amount of the liability limitation under the contract is as provided by law.)
  - Seven & i Holdings Co., Ltd., which is the Bank's parent company, has entered into a Directors and Officers Liability Insurance (D&O Insurance) contract with an insurance company to insure its directors, audit & supervisory board members, and executive officers as well as those of its subsidiaries including the Bank (excluding some subsidiaries). The insurance contract is scheduled to be renewed in September 2024.  
If the candidate for Audit & Supervisory Board Member assumes office, he will be insured under the insurance contract.  
The Bank fully covers the insurance premiums for its Directors, Audit & Supervisory Board Members, and Executive Officers.
  - If candidate Mr. Ichiro Ashihara assumes office as an Outside Audit & Supervisory Board Member of the Bank, the Bank intends to register him as Independent Officer with the Tokyo Stock Exchange, based on the provisions stipulated by Tokyo Stock Exchange, Inc.

## **(Reference) Regarding Independence of Outside Officers**

### 1. Independence Standards of Outside Officers

- (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 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 to 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.

### 2. Other matters relating to Independent Officers

The Bank registers all applicable persons who fulfill the qualifications of independent officer as such.

## **1 Matters concerning the current status of the Corporate Group**

### **1. Business developments of the Bank's group and outcomes**

#### **Description of main businesses**

Seven Bank Group (the "Bank's group") comprises 13 companies, i.e., Seven Bank, Ltd. (the "Bank") and its 9 consolidated subsidiaries (FCTI, Inc., PT. ABADI TAMBAH MULIA INTERNASIONAL, Bank Business Factory Co., Ltd., Seven Payment Service, Ltd., Pito AxM Platform, Inc., Seven Global Remit, Ltd., ACSiON, Ltd., Viva Vida Medical Life Co., Ltd., and Seven Card Service Co., Ltd.) and 3 affiliates (Seven Pay Co., Ltd., TORANOTEC Ltd., and TORANOTEC Asset Management Ltd.), promoting each business in Japan and overseas.

#### **(1) Domestic business (banking business and other) segment**

The Bank's group installed ATMs in Seven-Eleven and Ito-Yokado belonging to companies of the Seven & i Group, as well as at airports, stations and branches of financial institutions. By cooperating with numerous domestic financial institutions, the Bank's group provides ATM services to numerous customers using its convenient ATM network which operates 24/365 in principle.

In addition, the Bank's group provides ubiquitous and convenient account services such as ordinary deposits, time deposits, loan services, international money transfer services and debit services for customers who have an account with the Bank. The Bank's group is also providing financial services that meet the needs of various customers by utilizing the knowledge of the Bank's group and collaborating with external corporations.

#### **(2) Credit card and electronic money businesses segment**

Our consolidated subsidiary Seven Card Service Co., Ltd. is engaged in non-banking business, etc. in Japan, mainly including credit card business and electronic money business.

#### **(3) Overseas business segment**

FCTI, Inc., a consolidated subsidiary of the Bank, is developing ATM services in the United States, installing ATMs at Seven-Eleven stores. PT. ABADI TAMBAH MULIA INTERNASIONAL, a consolidated subsidiary of the Bank in Indonesia, is developing local ATM services. Moreover, Pito AxM Platform, Inc., a consolidated subsidiary of the Bank in the Philippines, is working on installing ATMs at Seven-Eleven stores, etc. and developing ATM services.

As stated above, the Bank's group has been promoting initiatives towards diversification of businesses and services with the aim of the sustainable creation of both social value and corporate value while recognizing changes in a diverse society as substantial business opportunities.

#### **Economic and financial environment**

During the consolidated fiscal year under review, the Japanese economy showed signs of recovery in personal consumption due to the normalization of economic activities, as behavioral restrictions were further eased, including the reclassification of the status of COVID-19 to "Class 5 infectious disease." However, the economic outlook remained uncertain due to factors such as concerns about the impact of global monetary tightening as well as the impact of rising prices associated with soaring energy and raw material costs and that of fluctuations in interest rates and exchange rates.

#### **Business developments and outcomes**

##### **(1) Domestic business (banking business and other) segment**

During the consolidated fiscal year under review, the total number of ATM transactions was higher than in the corresponding period of the previous year due to a continued steady increase in the number of transactions using the Bank's ATMs to charge cash into various cashless settlement methods in addition to an increase in the number of transactions at financial institutions for deposits and savings.

The number of our ATMs installed reached 27,422 as of March 31, 2024 (up 1.8% compared with the end of March 2023). The average number of daily transactions per ATM was 105.0

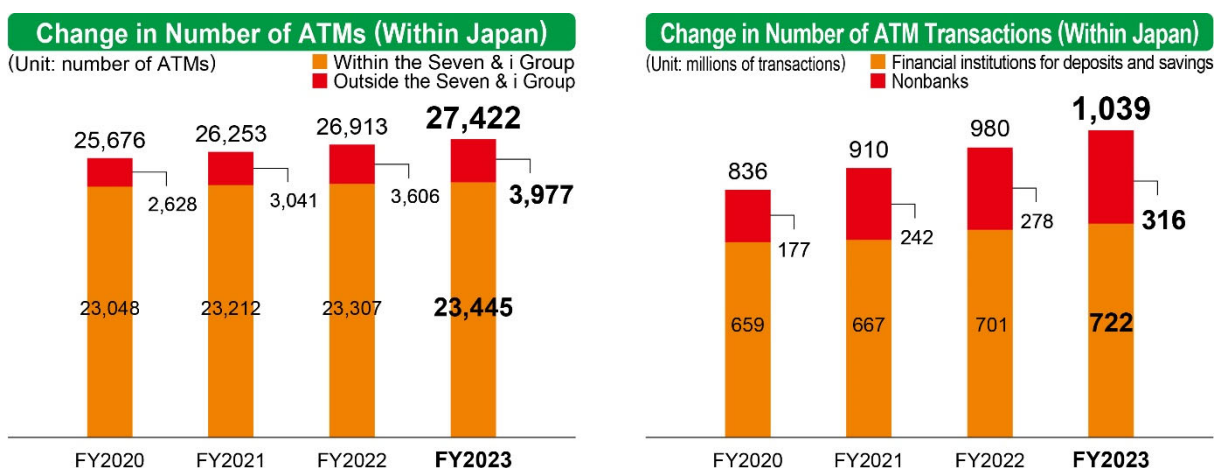
(up 3.4% year over year), and a total of 1,039 million ATM transactions were recorded (up 6.0% year over year).

As of March 31, 2024, we had partnered with 676 financial institutions, etc.\* and the number of fourth-generation ATMs installed was 19,771 as of March 31, 2024 (up 47.3% compared with the end of March 2023).

In addition to creating an environment where one can receive services anytime and anywhere through the joint operation of ATMs and the active installation of ATMs outside the group, the Bank's group has steadily proceeded with the advancement of service platform strategies to expand the possibilities of ATMs by starting services enabling application through ATMs for using an Individual Number Card as a health insurance card and Mynaportal information sharing services, and launching the new service "+Connect" to accept various applications to financial institutions through ATMs.

Due to rising prices, fluctuations in interest rates and foreign exchange rates, and the shift to cashless transactions, etc., the business environment outlook will still remain uncertain, but the Bank's group will continue to promote the ATM platform strategy that flexibly responds to changes in society and customer needs by developing the social value of ATMs from a cash-based platform to a service platform.

Note: JA Bank and JF Marine Bank are each counted as one institution.



As of March 31, 2024, the number of individual customer accounts increased steadily to 3,037,000 (up 10.2% compared with the end of March 2023), and the balance of individuals' deposits was 598,300 million yen (up 3.9% year over year). As of March 31, 2024, the balance of loan services for individual customers was 44,300 million yen (up 26.2% year over year).

For the consolidated fiscal year under review, the total amount handled of the "Seven Bank Deferred Payment Service" was 60,600 million yen (up 32.0% compared with the previous fiscal year).

Recognizing that contributing to the resolution of social problems that become apparent and more serious with changes in society is a business opportunity, the Bank aims to provide new financial services to meet the various needs of our customers in collaboration with external corporations as well as utilizing the Bank's know-how accumulated to date.

## (2) Credit card and electronic money businesses segment

The Bank made Seven Card Service Co., Ltd. engaging in credit card business and electronic money business a consolidated subsidiary on July 1, 2023.

As of March 31, 2024, the number of credit card members was 3.54 million and credit card cashing balance was 10,500 million yen. Shopping transaction value using credit cards for the consolidated fiscal year (from July 2023 to March 2024) was 617,900 million yen.

As of March 31, 2024, the number of electronic money "nanaco" members was 82.16 million and electronic money transactions in value for the consolidated fiscal year (from July 2023 to March 2024) was 1,355,000 million yen.



(3) Overseas business segment

FCTI, Inc., a consolidated subsidiary of the Bank, installed ATMs in 7-Eleven stores in the United States, the number of which was 8,602 as of December 31, 2023 (down 0.4% compared to December 31, 2022).

PT. ABADI TAMBAH MULIA INTERNASIONAL, a consolidated subsidiary of the Bank in Indonesia, installed ATMs mainly in local convenience store chains in Indonesia. The number of ATMs installed was 7,959 as of December 31, 2023 (up 43.2% compared to December 31, 2022).

Additionally, Pito AxM Platform, Inc., a consolidated subsidiary of the Bank in the Philippines, installed ATMs in 7-Eleven stores, etc. in the Philippines, and the number of ATMs installed was 3,017 as of December 31, 2023 (up 29.8% compared to December 31, 2022).

#### (4) Operating results

As for the consolidated results of our operations in fiscal 2023, profit increased mainly due to an increase in the total number of ATM transactions resulting from the restored movement of people and growth of demand for funds, as well as the impact of making Seven Card Service Co., Ltd. as a consolidated subsidiary of the Bank on July 1, 2023. On the other hand, expenses also increased mainly due to the replacement with new 4th generation ATMs, software updates to support new banknotes, an increase in financing costs at our consolidated subsidiary FCTI, Inc. due to higher U.S. interest rates, which are more than offset by the increase in profit, resulting in an increase in ordinary profit. In addition, net income attributable to owners of the parent also increased due to reasons such as the recognition of extraordinary income, including gain on bargain purchase from the consolidation of Seven Card Service Co., Ltd. as our subsidiary.

As a result, ordinary income was 197,877 million yen (up 27.6% year over year), ordinary profit was 30,526 million yen (up 5.5% year over year), and net income attributable to owners of the parent was 31,970 million yen (up 69.5% year over year).

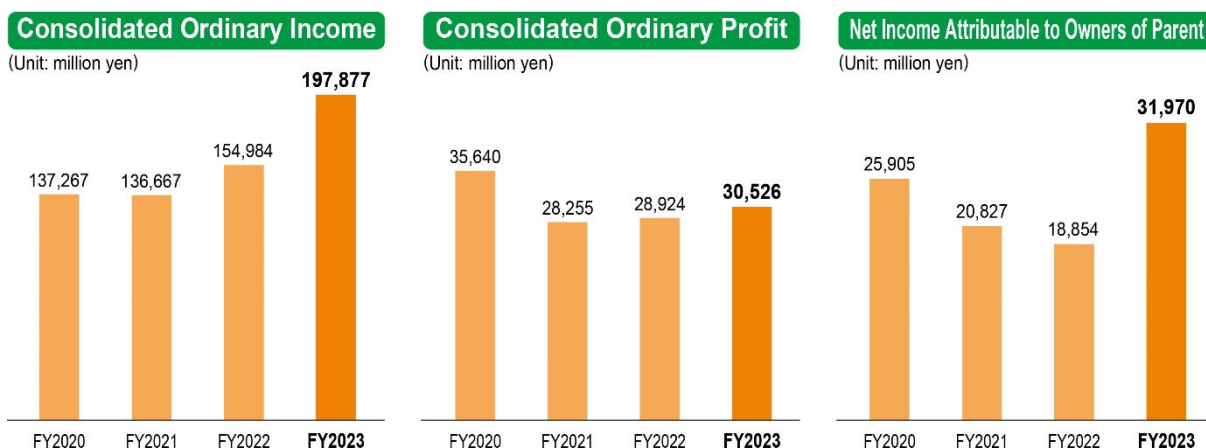
As for the Bank's non-consolidated business results, ordinary income was 128,899 million yen (up 6.9% year over year), ordinary profit was 29,123 million yen (down 7.5% year over year), and net income was 19,320 million yen (down 0.9% year over year).

#### (5) Assets, liabilities and net assets

Total assets at the end of March 2024 were 1,717,818 million yen. The majority of this total comprised cash and due from banks required for the operation of ATMs of 988,932 million yen. The remainder mostly consisted of marketable securities of 118,077 million yen held as collateral for foreign exchange settlements and Bank of Japan current account overdraft transactions, and 205,420 million yen representing ATM-related temporary payments, which are temporary advances from partner financial institutions.

Liabilities were 1,441,962 million yen. These largely comprised deposits (excluding negotiable certificates of deposit) totaling 914,768 million yen. Of these, the outstanding balance of individuals' ordinary deposits was 482,906 million yen and the balance of individuals' time deposits was 115,472 million yen.

Net assets were 275,856 million yen. Of these, retained earnings were 201,836 million yen.



## Issues the Bank's group needs to cope with

Since its establishment in 2001, the Bank has achieved firm and steady growth by pursuing ATM services that can be accessed “anytime, anywhere, by anyone, and with safety and security.” However, as the trend towards digitalization and a cashless society progresses, customers' lifestyle and the values that customers seek for companies are changing. On the other hand, as the risk of natural disasters due to climate change increases on a global scale, the ideal form of corporate management that strives for the realization of a sustainable society is being examined.

In order to respond to big changes in the business environment, in 2021, the Bank's group developed its purpose (raison d'être) to “Create a better version of daily life by going beyond the wishes of our customers,” and announced the Medium-Term Management Plan (FY2021 – FY2025) to embody the purpose and achieve sustainable growth.

The Bank's group sees these environmental changes as opportunities for further reform and leap, and by addressing the following issues, the group will aim to realize sustainable growth and continue to be a company that is needed by customers and society.

<Domestic business (banking business and other) segment>

### ■ ATM platform strategies

Although the ATM cash-based platform business, which has been the Bank's core business thus far, is now at a major turning point due to the advancement of cashless payments and other developments, the Bank's total annual number of ATM transactions is still increasing due to reasons such as a significant increase in the number of cash charge transactions with QR code settlement companies in addition to cash deposit and withdrawal transactions with financial institutions, which were historically handled by the Bank. Recognizing that changes in the settlement environment are opportunities for new ATM services, the Bank will continue its efforts to provide customers with secure and convenient services through ATMs as an important interface between non-virtual and virtual transactions even in the movement toward adopting digitalized and cashless payment systems.

The installation of fourth-generation ATMs began in September 2019, and due to progress with replacement, the number of fourth-generation ATMs has reached 70% or more of the total number of ATMs. Launching the new service “+Connect” from September 2023 that utilizes the newly implemented functions (personal authentication function, scanning function, etc.) of the fourth-generation ATM, the Bank made services to accept various applications to financial institutions available through Seven Bank's ATMs. The Bank will expand the areas in which such application acceptance services are available and enhance the services going forward, aiming to create a world where Seven Bank's ATMs serve as a service platform for windows for various procedures and certification.

### ■ Retail strategies

In the financial retail field, in addition to conventional financial institutions, various companies, such as Fintech companies, are appearing one after another and competing, which propels unbundling and diversification of financial services. Under such circumstances, the Bank will strengthen cooperation with the Seven & i Group, including cooperation with “7iD” that boasts 30 million or more members, and expand its efforts to develop and provide exceptional financial products unique to a bank that originated in a distribution group.

In addition, under the circumstances where foreign residents are increasing in Japan, the Bank's group continues to contribute to the realization of a multi-cultural symbiosis by providing financial services that are easy for foreign residents to use, while leveraging our strengths, such as collaboration with overseas remittance service providers through Seven Bank International Money Transfer Service and Seven Bank ATMs, and cooperation with overseas group companies, aiming to create a society where all members can live comfortably.

## ■ Corporate strategies

The Bank has strived to expand the services provided to financial institutions and general businesses regarding bank-quality administrative skills, safe and secure fund management/fund transfer mechanisms, and high-security technologies including authentication that are the Bank's strengths accumulated since its founding. In recent years, the Bank has quickly adopted the evolving DX technology, and aims to expand the scale of business through collaboration with external companies.

### <Credit card and electronic money businesses segment>

Seven Card Service Co., Ltd., which became a consolidated subsidiary of the Bank in July 2023, issues and operates "Seven Card Plus/Seven Card" credit cards and "nanaco" electronic money to support customers' daily convenience as a payment service provider of the Seven & i Group. Going forward, we will continue to take on the challenge of providing financial services closely linked to everyday life by deepening cooperation with "7iD," the common membership base of the Bank's group, while integrating and expanding the know-how and expertise cultivated by the two companies through integrated operation with Seven Bank's banking business.

### <Overseas business segment>

In the United States, fund procurement costs have increased due to the rise in policy interest rates. The Bank will take measures to minimize the impact of rising interest rates by means such as formulating measures for cash reduction in ATMs. In addition to the approximately 8,600 ATMs currently installed in 7-Eleven stores in the United States, the Bank will begin to newly install ATMs in approximately 3,000 Speedway stores to further strengthen our ATM network in the United States. In addition, based on this strong ATM network, the Bank will expand its cooperation with 7-Eleven in the United States to provide unique financial services that combine retail and financial services, with the aim of strengthening its customer base and diversifying its business in the United States market.

In Asia, we continued to aggressively install ATMs in Indonesia and the Philippines, becoming the largest ATM operator in both countries. In those countries, high demand is expected to continue as there are not enough ATMs installed that users need in their daily lives. Going forward, the Bank will continue to expand ATM networks in both countries and then, using ATMs as an introduction, strive to bring about multi-layered financial services.

### <Realization of a sustainable society>

The Bank's group positioned sustainability as the basis for its long-term management strategy and in fiscal 2021 established the "Basic Sustainability Promotion Policy" and the "Sustainability Committee" chaired by the officer in charge of SDGs promotion to promote the group-wide sustainability efforts.

In fiscal 2019, the Bank's group identified its priority issues to be addressed by designating "Five Materiality\*" with the aim of solving environmental and social issues through business activities and strengthening business competitiveness at the same time. In addition, we have placed "contribution to solving social issues" as one of the pillars of our growth strategy in the Bank's Medium-Term Management Plan that started in fiscal 2021 and have been promoting the group-wide efforts to solve social issues through our core business based on the "Five Materiality."

#### Note: The Five Materiality

- Provide safe and secure settlement infrastructure
- Create life quality through new financial services
- Create a society where everybody can play a part
- Reduce environmental impact
- Realize coexistence of multiple cultures

The Sustainability Committee in fiscal 2023 has set the following three priority topics: "the Seven Bank Group's collaborative response to climate change," "further promotion of human capital management," and "review of the Five Materiality and strengthening of information dissemination both internally and externally." In addition, the D&I Promotion Subcommittee was

established to foster an organizational climate in which diverse human resources can play an active role.

For response to climate change, we already expressed an endorsement of Task Force on Climate-related Financial Disclosures (TCFD) in December 2021 and to measure the impact of climate change risks and opportunities on our core ATM platform business, we conducted a scenario analysis for 2030, based on our information as of the end of the fiscal year ended March 31, 2022.

The environment surrounding the Bank's group continues to change dramatically, but the group's stance of always listening to and responding to the thoughts of customers, which the group has valued since the group's establishment, will not change.

The Bank's group will endeavor to further improve its services with the aim of achieving its purpose to "Create a better version of daily life by going beyond the wishes of our customers."

We look forward to your continued support and guidance.

## 2. Assets and profit/loss of the Bank and the Bank's group

### A. Assets and profit/loss of the Bank's group (Consolidated)

(Unit: millions of yen)

	FY2020	FY2021	FY2022	FY2023
Ordinary income	137,267	136,667	154,984	197,877
Ordinary profit	35,640	28,255	28,924	30,526
Net income attributable to owners of the parent	25,905	20,827	18,854	31,970
Comprehensive income	25,605	22,163	20,459	34,387
Total net assets	234,676	244,113	254,242	275,856
Total assets	1,197,158	1,221,623	1,312,273	1,717,818

Note: Figures in the table are rounded down to the nearest whole unit.

### B. Assets and profit/loss of the Bank (Non-consolidated)

(Unit: millions of yen)

	FY2020	FY2021	FY2022	FY2023
Deposits	784,892	792,751	824,778	949,751
Time deposits	240,346	229,097	227,018	218,748
Others	544,545	563,654	597,759	731,003
Bonds	105,000	105,000	85,000	65,000
Loans receivable	24,350	28,203	35,571	44,468
To individuals	24,300	27,953	34,921	44,318
To medium and small enterprises	—	—	—	—
Others	50	250	650	150
Commodity-related securities	—	—	—	—
Securities	91,173	111,167	122,324	172,795
Government bonds	—	—	—	—
Others	91,173	111,167	122,324	172,795
Total assets	1,192,358	1,209,040	1,287,693	1,536,555
Amount of domestic exchange handled	37,065,517	38,152,148	40,348,768	43,474,432
Amount of foreign exchange handled	Millions of U.S. dollars 636	Millions of U.S. dollars 526	Millions of U.S. dollars 528	Millions of U.S. dollars 290
Ordinary profit	34,593	28,412	31,500	29,123
Net income for the term	15,825	18,135	19,508	19,320
Net income per share for the term	Yen 13.44	Yen 15.42	Yen 16.58	Yen 16.47

Note: Figures in the table are rounded down to the nearest whole unit.

## 3. Employees of the Bank's group

	Current FY end		
	Domestic Business (Banking Business and Other)	Credit Card and Electronic Money Businesses	Overseas Business
Number of employees	890	208	203

Note: Number of employees does not include officers, executive officers, employees on loan to outside the Bank's group, part-time employees and dispatched employees, whereas it does include employees on loan from outside the Bank's group.

#### 4. Major outlets and branch stores of the Bank's group

##### A. Banking business

##### (a) Major outlets and branch stores and numbers of outlets and branch stores

	Major outlet and branch store	Current FY end	
		Total	(Outlets)
Tokyo metropolitan region	Headquarters and others	18	(-)

Notes: 1. Outlets and branch stores in the Tokyo metropolitan region include 17 virtual branch stores (12 for individuals, 5 for corporations), all of which are located at the headquarters.  
2. In addition to the above, non-store ATMs were installed in 27,422 locations as of the end of FY2023.

##### (b) List of bank agencies

Name	Location of the major office or operating office	Major operation other than bank agency business
Altius Link, Inc.	3-2, Nishishinjuku 2-chome, Shinjuku-ku, Tokyo	Telephone answering service
Seven Payment Service, Ltd.	6-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo	Remittance and settlement services

Note: Information on Seven Global Remit, Ltd. is omitted because the contract was terminated as of the end of fiscal year.

##### (c) Bank agency services, etc. operated by Seven Bank

Not applicable

##### B. Domestic business (banking business and other) segment (excluding banking business)

Bank Business Factory Co., Ltd.: Head Office in Yokohama, Kanagawa Prefecture, Japan

Seven Payment Service, Ltd.: Head Office in Chiyoda-ku, Tokyo, Japan

Seven Global Remit, Ltd.: Head Office in Chiyoda-ku, Tokyo, Japan

ACSiON, Ltd.: Head Office in Chiyoda-ku, Tokyo, Japan

Viva Vida Medical Life Co., Ltd.: Head Office in Yamato, Kanagawa Prefecture, Japan

##### C. Credit card and electronic money businesses segment

Seven Card Service Co., Ltd.: Head Office in Chiyoda-ku, Tokyo, Japan

##### D. Overseas business segment

FCTI, Inc.: Head Office in the United States

PT. ABADI TAMBAH MULIA INTERNASIONAL: Head Office in Indonesia

Pito AxM Platform, Inc.: Head Office in the Philippines

#### 5. Plant and equipment investment by the Bank's group

##### A. Total amount of investment

(Unit: millions of yen)

Reportable Segment	Amount
Domestic business (banking business and other)	32,346
Credit card and electronic money businesses	2,742
Overseas business	3,755
Total	38,844

Notes: 1. The above figure is rounded down to the nearest whole unit.

2. The above figure represents total investment amount in tangible and intangible fixed assets (excluding transfers from temporary accounts).

##### B. Important plant and equipment newly established

(Unit: millions of yen)

Reportable Segment	Details	Amount
Domestic business (banking business and other)	ATMs	12,644
	Software	17,369

Note: Figures in the table are rounded down to the nearest whole unit.

## 6. Principal parent company and subsidiary, etc.

### A. Parent company

Name	Location	Main businesses	Stated capital	Percentage of voting rights in the Bank owned by the parent company	Others
Seven & i Holdings Co., Ltd.	Chiyoda-ku, Tokyo	Pure holding company	Millions of yen 50,000	46.43 % (46.43)	(Note 2)

Notes 1. Parentheses in the column of the percentage of voting rights indicate a ratio of indirect ownership.  
2. The Bank does not have any agreements concluded regarding Group management with the parent company.

The parent company has relationships with the Bank including a deposit transaction relationship.

### B. Subsidiary, etc.

(As of the end of fiscal year)

Name	Location	Main businesses	Stated capital	Percentage of voting rights in subsidiaries, etc. owned by the Bank	Others
FCTI, Inc.	California, USA	ATM operation	Millions of U.S. dollars 19	% 100.00	—
PT. ABADI TAMBAH MULIA INTERNASIONAL	Jakarta Special Capital Region, Indonesia	ATM operation	100 millions of Indonesian rupiah 10,283	67.89	—
Bank Business Factory Co., Ltd.	Yokohama, Kanagawa Prefecture, Japan	Commissioned clerical work	Millions of yen 400	100.00	—
Seven Payment Service, Ltd.	Chiyoda-ku, Tokyo, Japan	Remittance and settlement services	Millions of yen 475	100.00	—
Pito AxM Platform, Inc.	Manila Metropolitan Area, Republic of the Philippines	ATM operation	Millions of Philippine peso 3,214	100.00	—
Seven Global Remit, Ltd.	Chiyoda-ku, Tokyo, Japan	Fund transfer for foreign nationals in Japan	Millions of yen 3	100.00	—
ACSION, Ltd.	Chiyoda-ku, Tokyo, Japan	Personal authentication and fraud detection platform	Millions of yen 100	58.28	—
Viva Vida Medical Life Co., Ltd.	Yamato, Kanagawa Prefecture, Japan	Small amount and short term insurance business for foreign nationals in Japan	Millions of yen 45	97.78	—
Seven Card Service Co., Ltd.	Chiyoda-ku, Tokyo, Japan	Credit card and electronic money businesses	Millions of yen 7,500	98.86	—

Note: Other than the above, there are three equity-method affiliates of the Bank.

## 7. Assignment of business, etc.

Not applicable

## 8. Other important items concerning the current situation of the Bank's group

Not applicable



## 2 Matters concerning Company officers (Directors and Audit & Supervisory Board Members)

### 1. Status of Company officers

(As of the end of fiscal year)

Name	Position and business in charge	Significant concurrent posts	Other
Yasuaki Funatake	Chairman and Representative Director	Director, Seven Card Service Co., Ltd.	—
Masaaki Matsuhashi	President and Representative Director	—	—
Tsuyoshi Kobayashi	Director	Managing Executive Officer, Seven & i Holdings Co., Ltd.; Chairman and Representative Director, Seven Card Service Co., Ltd. Chairman and Representative Director, Seven Financial Service Co., Ltd.	—
Makoto Kigawa	Director (Outside Director)	Advisor, YAMATO HOLDINGS CO., LTD.; Outside Director, Oki Electric Industry Co., Ltd.; Outside Director, The Higo Bank, Ltd.	(Note 1)
Yukiko Kuroda	Director (Outside Director)	Advisor/Founder, People Focus Consulting; Outside Director, Terumo Corporation; Independent Director, OBAYASHI CORPORATION; Outside Director, Oracle Corporation Japan	(Note 1)
Etsuhiro Takato	Director (Outside Director)	Outside Board Director, Milbon Co., Ltd.	(Note 1)
Yuji Hirako	Director (Outside Director)	Member of the Board, Vice Chairman, ANA HOLDINGS INC. External Director, JVCKENWOOD Corporation	(Note 1)
Tami Kihara	Director (Outside Director)	—	(Note 1)
Kazuhiko Ishiguro	Audit & Supervisory Board Member (full-time)	Outside Audit & Supervisory Board Member, Signpost Corporation	—
Ryoji Sakai	Audit & Supervisory Board Member (full-time)	—	—
Hideaki Terashima	Audit & Supervisory Board Member (Outside Audit & Supervisory Board Member)	Attorney-at-law (Harumi-kyowa Law Offices)	(Note 1)
Chieko Ogawa	Audit & Supervisory Board Member (Outside Audit & Supervisory Board Member)	Certified Public Accountant and Certified Tax Accountant (Head of Ogawa CPA Office) Member of the Board (Outside) (Member of the Audit & Supervisory Committee), Yorozu Corporation	(Note 1) (Note 2)

- Notes: 1. Mr. Makoto Kigawa, Ms. Yukiko Kuroda, Mr. Etsuhiro Takato, Mr. Yuji Hirako, Ms. Tami Kihara, Mr. Hideaki Terashima and Ms. Chieko Ogawa have been registered as Independent Officers with the Tokyo Stock Exchange, based on the provisions stipulated by Tokyo Stock Exchange, Inc.
2. Ms. Chieko Ogawa is qualified as a Certified Public Accountant and possesses considerable knowledge of finance and accounting.

## 2. Compensations, etc., for Company officers

### A. Total amount of compensation by category of officers, total amount of compensation, etc. by class, and number of eligible officers

(Unit: millions of yen)

Category	Recipients	Total compensation, etc.	Fixed compensation	Variable compensation (Performance-based compensation, etc.)	
			Basic compensation	Bonuses	Performance-based stock compensation (nonmonetary compensation, etc.)
Directors	11	236	150	41	45
Audit & Supervisory Board Members	5	67	67	—	—
Total	16	303	217	41	45

- Notes:
- Figures in the table are rounded down to the nearest whole unit.
  - The amounts listed for performance-based stock compensation are the amounts recognized in expenses for the fiscal year under review.
  - Upon transitioning from stock options to a performance-based stock compensation system as of August 11, 2020, the Bank now manages and operates the stock compensation system in an integrated manner. Directors will waive their unexercised and outstanding subscription rights to share previously granted to them as stock options, and as a transitional measure, the Directors will be granted points under the system that are equivalent to the number of shares that would have been acquired upon the exercise of the waived subscription rights to share (equivalent to a total of 860,000 shares). These points will basically only be exchanged for company shares after retirement, in the same manner as stock options prior to the transition. Also, because the amounts of remuneration from stock options prior to the transition have been disclosed, they are not included in the performance-based stock compensation column above.

### B. Policy on Compensation of Officers and Compensation System for Officers (Outline of policy based on Article 361, Paragraph 7 of the Companies Act)

#### (a) 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

#### (b) Method of determining 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 organization to the Board of Directors. 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. This procedure is stipulated in the Regulations for Officers, which is modified, amended or abolished upon resolution of the Board of Directors upon discussion with Audit & Supervisory Board Members.

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

#### (c) 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 follows.

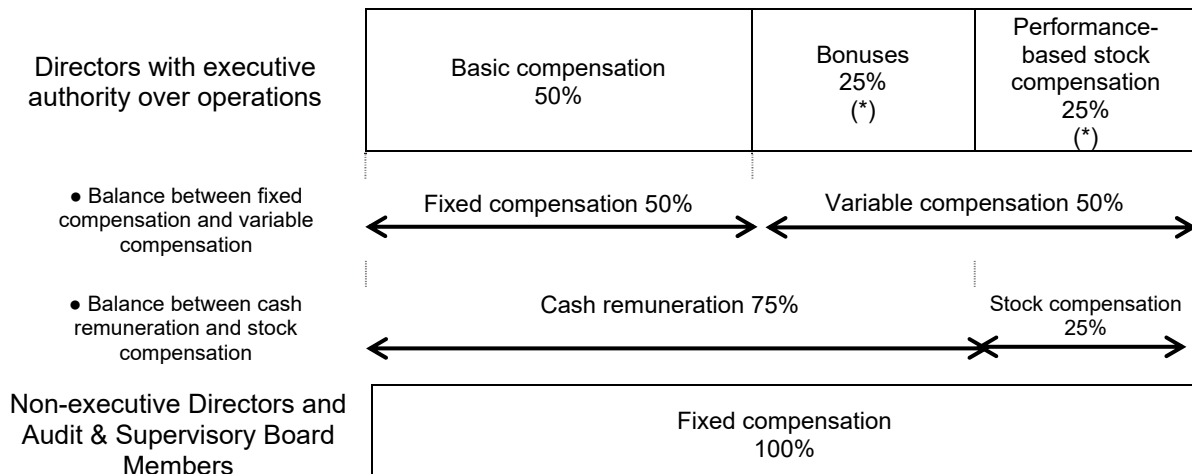
	Fixed compensation	Variable compensation	
	(a) Basic compensation	(b) Bonuses	(c) Performance-based stock compensation
Directors with executive authority over operations	○	○	○
Non-executive Directors	○	—	—
Audit & Supervisory Board Members	○	—	—

Each plan is positioned as follows.

(a) Basic compensation	Compensation aiming to encourage steady execution of duties commensurate with job rank
(b) Bonuses	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 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.



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

(d) Compensation level

To provide a competitive compensation level and thereby secure highly capable human resources, the Bank's compensation level for officers is determined by resolution of the Board of Directors upon a proposal by the Nomination & Compensation Committee. The Committee makes the proposal based on 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 was drawn from a larger body of objective data on compensation levels provided by an outside professional organization (excluding compensation for Audit & Supervisory Board Members).

(e) Details of variable compensation and its calculation method

• 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 malus clause already adopted, the Bank has adopted a clawback clause providing that the Bank may require Directors to return performance-based stock compensation in a certain event, such as gross negligence or misconduct in settlement of accounts, material amendment to financial results, and a breach of laws and regulations. Compensation that may be returned shall be performance-based stock compensation received by Directors as compensation for the fiscal year for which such event is identified and the three fiscal years preceding to that fiscal year. The clawback policy will apply to performance-based stock compensation to be provided as compensation for the fiscal year ended March 31, 2024 and all fiscal years thereafter.

- Indicators for evaluation of variable compensation (performance indicators) and their evaluation methods

In order to make evaluation indicators well-balanced from the aspects of both sales volume and profitability, consolidated ordinary income and consolidated ordinary profit are used as the evaluation indicators. In addition, employee engagement has been added to the evaluation indicators for performance-based stock compensation points to be granted as compensation for the fiscal year ended March 31, 2024.

Plan		Indicators and evaluation method
Bonuses		<ul style="list-style-type: none"> <li>• Evaluation based on the achievement status and process for performance targets (milestones) for the medium- and long-term improvement of corporate value, taking into account the management strategy of “Achieving Growth in Our Main Business as We Diversify Our Operations”</li> <li>• Quantitative evaluation based on the achievement status of targets for consolidated ordinary income and consolidated ordinary profit in the previous fiscal year</li> <li>• Determination of a compensation amount in the range of 0% to 200% of the baseline amount</li> </ul>
Performance-based stock compensation	Fixed portion	—
	Performance-based portion	<ul style="list-style-type: none"> <li>• 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”</li> <li>• Quantitative evaluation based on the achievement status of consolidated ordinary income, consolidated ordinary profit, and other targets in the previous fiscal year (employee engagement has been added to the evaluation indicators for performance-based stock compensation points to be granted as compensation for the fiscal year ended March 31, 2024)</li> <li>• 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</li> </ul>

- Targets and results, etc. of evaluation indicators for variable compensation

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

Evaluation indicators	Target (millions of yen)	Result (millions of yen)	Achievement level of target (%)
Consolidated ordinary income	198,500	197,877	99.7%
Consolidated ordinary profit	25,500	30,526	119.7%

Evaluation indicators	Score as of March 2023	Score as of March 2024	Increase/decrease from the previous fiscal year
Employee engagement	68	69	+1

Note: Employee engagement as one of the evaluation indicators is defined as the index corresponding to a comparison between the overall score of the employee engagement survey conducted in March 2023 and the overall score of the same survey

conducted in March 2024.

### C. Method of determining the policy under Article 361, Paragraph 7 of the Companies Act

The policy on compensation of officers and compensation system for officers are determined by resolution of the Board of Directors upon a proposal by the Nomination & Compensation Committee.

### D. Reasons the Board of Directors judges that the content of the compensation, etc. for individual Directors in the fiscal year under review is in line with the policy under Article 361, Paragraph 7 of the Companies Act

In determining the content of the compensation, etc. for individual Directors, the Nomination & Compensation Committee deliberates on the consistency between the content of the compensation, etc. for individual Directors and the determination policy from various perspectives. Therefore, the Board of Directors respects the Committee's proposals and judges that the contents are in line with the determination policy.

### E. Matters concerning resolutions of the General Meeting of Shareholders concerning remuneration, etc. for Directors and Audit & Supervisory Board Members

- June 18, 2008: The amount of compensation for Audit & Supervisory Board Members shall be within 100,000,000 yen a year (Number of Audit & Supervisory Board Members at time of resolution: 4)
- June 22, 2020: As compensation to Directors (excluding non-executive Directors and Directors residing overseas), grant performance-based stock compensation of up to 400 million yen every three fiscal years in a separate framework from the limit of compensation for Directors. Further, the limit on the number of points (number of shares) awarded every year to Directors will be 400,000 points (shares). However, for fiscal 2020, an additional amount of up to 400 million yen (up to 900,000 points (shares)) will be added to this as a transitional measure for the shift from stock compensation-type stock options. (Number of Directors (excluding non-executive Directors and Directors residing overseas) at time of resolution: 2)
- June 19, 2023: The amount of compensation for Directors shall be within 350,000,000 yen a year (of which, within 100,000,000 yen a year for Outside Directors) (Number of Directors at time of resolution: 8, of which 5 Outside Directors)

## 3. Liability limitation agreements

Name	Outline of liability limitation agreement
Tsuyoshi Kobayashi Makoto Kigawa Yukiko Kuroda Etsuhiro Takato Yuji Hirako Tami Kihara Kazuhiko Ishiguro Ryoji Sakai Hideaki Terashima Chieko Ogawa	On the basis of the provisions of Article 427, Paragraph 1 of the Companies Act, the Bank has concluded agreements for limitation of indemnity liability as provided in Article 423, Paragraph 1 of the Companies Act. The amount of the liability limitation under the agreement is as provided by law.

Note: Due to the Bank's making Seven Card Service Co., Ltd. its subsidiary on July 1, 2023, the liability limitation agreement with Mr. Tsuyoshi Kobayashi is no longer effective prospectively pursuant to Article 427, Paragraph 2 of the Companies Act since Mr. Kobayashi has become a director with executive authority over operations of the Company.

## 4. Matters concerning indemnity agreements

Not applicable.

## 5. Matters concerning Directors and Officers liability insurance (D&O insurance) contracts

Not applicable.

Note: Seven & i Holdings Co., Ltd., which is the Bank's parent company, has entered into a Directors and Officers Liability Insurance (D&O Insurance) contract as stipulated in Article 430-3 Paragraph 1 of the Companies Act with an insurance company to insure its directors, audit & supervisory board members, and executive officers as well as those of its subsidiaries, including the Bank

(excluding some subsidiaries). The Bank fully covers the insurance premiums for its Directors, Audit & Supervisory Board Members, and Executive Officers.

This agreement covers compensation for damages (legal damages and litigation costs) to be borne by the Bank's officers, who are insured persons, in the event of claims made against them for actions taken (or inaction) in their roles as an officer of the Bank during the insurance period.

However, in order to prevent the impairment of the properness of the performance of duties by officers, there are certain exemptions, for instance damages arising from acts committed with the knowledge that they violate laws and regulations will not be compensated.

### 3 Matters concerning Outside Company officers

#### 1. Concurrent posts held by Outside Company officers, etc.

(As of March 31, 2024)

Name	Concurrent posts, etc.
Makoto Kigawa	Advisor, YAMATO HOLDINGS CO., LTD.; Outside Director, Oki Electric Industry Co., Ltd.; Outside Director, The Higo Bank, Ltd.; External Board Member, ICMG Co., Ltd.
Yukiko Kuroda	Advisor/Founder, People Focus Consulting; Outside Director, Terumo Corporation; Independent Director, OBAYASHI CORPORATION; Outside Director, Oracle Corporation Japan
Etsuhiro Takato	Outside Board Director, Milbon Co., Ltd.; Outside Director, TOKYO VERDY, Inc.
Yuji Hirako	Member of the Board, Vice Chairman, ANA HOLDINGS INC External Director, JVCKENWOOD Corporation
Tami Kihara	—
Hideaki Terashima	Attorney-at-law (Harumi-kyowa Law Offices)
Chieko Ogawa	Certified Public Accountant and Certified Tax Accountant (Head of Ogawa CPA Office) Member of the Board (Outside) (Member of the Audit & Supervisory Committee), Yorozu Corporation Representative Audit Commissioner in Toda City, Saitama Prefecture Representative Audit Committee Member, BOAT RACE TODA Director, CPACOS

Note: There are no major business interests and other relationships between the Bank and the companies at which the above-listed outside company officers have concurrent posts.

#### 2. Contribution of Outside Company officers

Name	Appointment period	Attendance at meetings of the Board of Directors, etc., during the fiscal year	Verbal input and other contributions at meetings of the Board of Directors, etc.
Makoto Kigawa	June 2018 to present	Attended all 15 meetings of the Board of Directors	Fulfilled the roles expected by the Company, including actively contributing advice and opinions regarding management policy and company operations, drawing on his experience and insights as a corporate manager
Yukiko Kuroda	June 2018 to present	Attended all 15 meetings of the Board of Directors	Fulfilled the roles expected by the Company, including actively contributing advice and opinions regarding management policy and company operations, drawing on her experience and insights as a corporate manager
Etsuhiro Takato	June 2022 to present	Attended 14 of 15 meetings of the Board of Directors	Fulfilled the roles expected by the Company, including actively contributing advice and opinions regarding management policy and company operations, drawing on his experience and insights as a corporate manager
Yuji Hirako	June 2023 to present	Attended all 11 meetings of the Board of Directors	Fulfilled the roles expected by the Company, including actively contributing advice and opinions regarding management policy and company operations, drawing on his experience and insights as a corporate manager
Tami Kihara	June 2023 to present	Attended all 11 meetings of the Board of Directors	Fulfilled the roles expected by the Company, including actively contributing advice and opinions regarding management policy and company operations, drawing on her experience and insights as a corporate manager
Hideaki Terashima	June 2019 to present	Attended all 15 meetings of the Board of Directors Attended all 14 meetings of the Audit & Supervisory Board	Actively contributed advice and opinions regarding management policy and company operations, drawing on his experience and insights as an Attorney-at-law
Chieko Ogawa	June 2023 to present	Attended all 11 meetings of the Board of Directors Attended all 10 meetings of the Audit & Supervisory Board	Actively contributed advice and opinions regarding management policy and company operations, drawing on her experience and insights as a Certified Public Accountant

Notes: 1. Attendance of Mr. Yuji Hirako and Ms. Tami Kihara is only with regard to the Board of Directors meetings that were held after they assumed office on June 19, 2023.

2. Attendance of Ms. Chieko Ogawa is only with regard to the Board of Directors meetings and the Audit & Supervisory Board meetings that were held after she assumed office on June 19, 2023

### 3. Remuneration for Outside Company officers

(Unit: millions of yen)

	Recipients	Remuneration from the Bank	Remuneration from the Bank's parent company and others
Total remuneration, etc.	10	81	—

Note: Figures in the table are rounded down to the nearest whole unit.

### 4. Input from Outside Company officers

Not applicable



#### 4 Matters concerning shares of the Bank

1. Number of shares	Total number of shares available for issuance	Common stock	4,763,632 thousand shares
	Total number of shares issued	Common stock	1,179,308 thousand shares

#### 2. Number of shareholders as at the end of fiscal 2023

223,404

#### 3. Major shareholders

Shareholder name	Shareholding in the Bank	
	Number of shares	% holding
Seven-Eleven Japan Co., Ltd.	(thousand shares) 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

Notes: 1. In regard to the "Number of shares" above, less than 1,000 shares were rounded down.

2. The percentage of holdings above was calculated by excluding treasury stock (3,835 thousand shares), and with the third decimal place rounded down. The number of shares of treasury stock does not include the Bank's shares (5,555 thousand shares) held by the BIP Trust for officer remuneration and the ESOP Trust, which grants the Bank's shares.

#### 4. Officers' shareholdings

Not applicable

#### 5. Other important items concerning the Bank's shares

Not applicable

## 5 Matters concerning the Bank's subscription rights to shares, etc.

### 1. Subscription rights to shares, etc. held by the Bank's officers on the last day of the fiscal year under review

Not applicable

### 2. Subscription rights to shares, etc. granted to employees and other persons during the fiscal year under review

Not applicable

### 3. Other status of subscription rights to shares, etc.

At the meeting of the Bank's Board of Directors held on September 8, 2023, the Bank resolved to determine the terms and conditions for offering of subscription rights to shares to be allotted to Directors, Audit & Supervisory Board Members and employees of the Bank and its subsidiaries (including secondees thereto) as paid stock options pursuant to Articles 236, 238 and 240 of the Companies Act, and to solicit persons to subscribe to such subscription rights to shares. In addition, at the meeting of the Bank's Board of Directors held on October 6, 2023, the Bank resolved to allot said subscription rights to shares on October 31, 2023, pursuant to Article 243 of the Companies Act.

	No. 10-1 Subscription Rights to Shares
Date of resolution for issuance	October 6, 2023
Number of subscription rights to shares	38,352 units
Class and number of shares to be issued upon exercise of subscription rights to shares	3,835,200 shares of common stock (100 shares per subscription right to shares)
Amount to be paid in for subscription rights to shares	100 yen per subscription right to shares
Amount of assets to be contributed upon exercise of subscription rights to shares	31,940 yen per subscription right to shares (319.4 yen per share)
Exercise period	From June 1, 2026 to October 31, 2027
Terms and conditions for exercise of subscription rights to shares	(Note)
Allottee	Directors, Audit & Supervisory Board Members and employees of the Bank and its subsidiaries (including secondees thereto) Number of allottees: 418

Notes: Terms and conditions for exercise of subscription rights to shares are as follows.

1. Holders of subscription rights to shares may exercise subscription rights to shares only if all of the financial goals of a. through c. below are achieved as specified in the Bank's Medium-Term Management Plan:
  - a. Consolidated ordinary income under the consolidated statement of income for the fiscal year ending March 31, 2026: 250,000 million yen
  - b. Consolidated ordinary profit under the consolidated statement of income for the fiscal year ending March 31, 2026: 45,000 million yen
  - c. Return on equity (ROE) calculated based on the consolidated balance sheet as of March 31, 2026 and the consolidated statement of income for the fiscal year ending March 31, 2026: 8%The determination of the above performance conditions shall be based on the figures contained in the annual securities report filed by the Bank. If the Board of Directors determines that it is not appropriate to use the figures presented in the consolidated balance sheet and consolidated statement of income for the determination, such as in the case of a change in the fiscal year-end, a change in the applicable accounting standards or a business acquisition that materially affects the Bank's performance, the Bank may make an appropriate adjustment to a reasonable extent to eliminate such effects.
2. Holders of subscription rights to shares must be Directors, Audit & Supervisory Board Members or employees of the Bank or its affiliates (including seconded employees working for them) at the time of exercising their subscription rights to shares.
3. Subscription rights to shares may not be exercised by the heirs of holders of subscription rights to shares.
4. If the exercise of subscription rights to shares results in causing the total number of shares issued by the Bank to exceed the total number of shares available for issuance at that time, such subscription rights to shares may not be exercised.
5. Subscription rights to shares less than one unit may not be exercised.

## 6 Matters concerning Accounting Auditors

### 1. Accounting Auditors

(Unit: millions of yen)

Company and individual names	Remuneration, etc., for the fiscal year	Others
KPMG AZSA LLC Designated Limited Liability Partners: CPA Satoshi Hataoka CPA Tomoaki Takeuchi	79	1) Receiving the report on the Accounting Auditors' accounting audit plan for the current fiscal year and other documents, inspecting the previous year's audit performance by the accounting auditors and, based on its evaluation, the Bank's Audit & Supervisory Board verified the adequacy of estimated hours and the amount paid for the audit duties. As a result, the board judged that the remuneration, etc., for the accounting auditors is appropriate, therefore it gave consent under Article 399, Paragraph 1 of the Companies Act. 2) The Bank pays remuneration to the Accounting Auditors for support services concerning the calculation of the capital adequacy ratio, which are services outside the services stipulated in Article 2, Paragraph 1 of the Certified Public Accountants Act (non-audit services).

Notes: 1. Figures in the table are rounded down to the nearest whole unit.  
2. In audit contracts between the Bank and its Accounting Auditors, as no distinction is made, or can substantially be made, between the amounts paid for audit as accounting auditors' remuneration pursuant to the Companies Act and those pursuant to the Financial Instruments and Exchange Act, the amount noted as being paid as "Remuneration, etc., for the fiscal year" states the total of such amounts.  
3. Total amount of money and other property benefits payable to the Accounting Auditors by the Bank and its subsidiary corporations or entities: 110 million yen

### 2. Limitation of liability contracts

Not applicable.

### 3. Indemnity agreements

Not applicable.

### 4. Other matters concerning Accounting Auditors

#### A. Policies on the dismissal or refusal of reappointment of Accounting Auditors

In cases where circumstances concerning the Accounting Auditors correspond to grounds as specified by the items under Article 340, Paragraph 1 of the Companies Act, the Bank's Audit & Supervisory Board may consider the dismissal of the Accounting Auditors, and, in cases where dismissal of the Accounting Auditors is deemed to be appropriate, shall dismiss the Accounting Auditors on the basis of the agreement of all of the Audit & Supervisory Board Members. Furthermore, the Bank's Audit & Supervisory Board may, in consideration of the work conducted by the Accounting Auditors and the Bank's auditing structure, etc., make a proposal to the General Meeting of Shareholders that the Accounting Auditors not be reappointed in cases where they deem that a change of Accounting Auditors is necessary.

B. In the case of a large company as defined by Article 444, Paragraph 3 of the Companies Act, and where an audit (in accordance with the Companies Act or the Financial Instruments and Exchange Act, or equivalent laws in foreign jurisdictions) of financial documents (and their equivalents) of important subsidiary corporations or entities of the bank is conducted by the audit corporation (including a body with an equivalent qualification in a foreign jurisdiction), or an audit is conducted by a Certified Public Accountant (including a foreign CPA subject to CPA Law 16-2, Paragraph 5) other than the Accounting Auditors of the bank, details thereof:

PT. ABADI TAMBAH MULIA INTERNASIONAL and Pito AxM Platform, Inc. were audited by audit corporations other than the Accounting Auditors of the Bank (including a body with an equivalent qualification in a foreign jurisdiction).

## **7 System for ensuring the suitable maintenance of operations**

### **(1) Contents of resolutions made at the Board of Directors**

It was resolved at a Board of Directors' meeting held on May 8, 2006, that the relevant steps would be taken to ensure the suitable maintenance of operations of the Bank in accordance with Article 362, Paragraph 4, Item 6, of the Companies Act. In regard to this resolution, each fiscal year the Bank undertakes a review of the progress made toward this end. An outline of the review follows:

- 1) System for ensuring that the execution of their duties by Directors is carried out in accordance with the law and the Articles of Incorporation  
The Board of Directors has established a "Policy on Compliance" and "Compliance Standards" for the implementation of compliance as regards management. The Directors regularly report to the Board of Directors on the current state of progress made on compliance initiatives.
- 2) System for the storage and control of information related to the execution by Directors of their duties  
The information related to the execution by Directors of their duties is to be appropriately stored and controlled without fail, and prompt disclosure of the information is to be made in cases where there is a request made either by Directors or Audit & Supervisory Board Members.
- 3) Regulations and other structures for controlling the risk of loss  
The Board of Directors has established a "Basic Policy on Risk Control" comprising systematic provisions for risk control with the aim of securing a sound and effective management for the appropriate control of the Bank's operational risk. The Directors regularly report to the Board of Directors about issues related to risk control.
- 4) System for ensuring the efficient execution of their duties by Directors  
The Board of Directors aims to ensure its efficient operation by establishing "Rules for the Board of Directors" and by making provisions for important issues to be placed on its agenda and suitably reported. The Board of Directors has established the Executive Committee for the efficient determination of operational policy initiatives and introduced an executive officer system with the aim of achieving the smooth and efficient implementation of such initiatives.
- 5) System for ensuring that the execution of duties by employees is carried out in accordance with the law and the Articles of Incorporation  
The Directors have established an appropriate compliance system based on the "Policy on Compliance" and "Compliance Standards." The Directors bear ultimate responsibility for the creation of structures to ensure compliance in the execution of employees' duties, determination of policy, execution of such policies, verification of their implementation status and assessment of the policies.
- 6) Structure for the maintenance of the appropriateness of the Group's operations  
The Directors and employees of the Bank, as members of the Seven & i Group sharing the Group's management philosophy, are united in striving to promote a law-abiding attitude. With the aim of prioritizing the soundness of the Bank's management, the Bank has established a structure for independent management decision making while continuing to adhere to the arm's-length rule and other measures. To ensure the appropriateness of operations conducted by the Group consisting of the Bank and its subsidiaries, the Board of Directors formulates the "Policy to Manage Subsidiaries," and, based on such "Policy to Manage Subsidiaries," Directors put a structure in place to manage subsidiaries appropriately.
- 7) Items concerning relevant employees in the case of requests from Audit & Supervisory Board Members for the deployment of the Bank's employees to support the role of Audit & Supervisory Board Members  
The Bank shall install the Audit & Supervisory Board Members' Office and deploy employees dedicated for the Audit & Supervisory Board Members' Office to support the role of Audit & Supervisory Board Members. In addition, the Directors shall, when requested by the Audit & Supervisory Board Members, have employees assist with the audit function.

- 8) Items concerning the independence of the Bank's employees dedicated to the Audit & Supervisory Board Members' Office from the Directors

Concerning the employees dedicated to the Audit & Supervisory Board Members' Office, the Officers in charge of the Human Resources Division should preliminarily report to, and gain prior approval of, the full-time Audit & Supervisory Board Members concerning personnel transfers, performance evaluations of the personnel and disciplinary actions.

- 9) Items concerning ensuring the effectiveness of instructions given to the employees who assist Audit & Supervisory Board Members with their audit duties

The Bank shall ensure the appropriate number of employees dedicated to the Audit & Supervisory Board Members' Office and the authority to give instructions and orders to such employees shall belong to the Audit & Supervisory Board Members. Moreover, the employees dedicated to the Audit & Supervisory Board Members' Office shall have an authority to investigate the appropriateness of duties and collect necessary information.

- 10) System for reports to the Bank's Audit & Supervisory Board Members made by Directors and employees

Directors shall receive explanation as necessary from the Audit & Supervisory Board regarding the audit policy, the audit plan, the status of implementation of audits and the audit results. Directors shall determine the issues that should be reported to the Audit & Supervisory Board by consulting with the Audit & Supervisory Board, and shall duly make their report to the Audit & Supervisory Board. Directors and employees shall promptly report to the Audit & Supervisory Board Members matters that have a significant impact on the overall company, the status of implementation of internal audits and important matters related to compliance in addition to legal issues. With regard to subsidiaries, a division in charge of subsidiaries shall be installed inside the Bank and such a division shall receive reports from directors and employees of the subsidiaries regarding each subsidiary's business operation and internal management related to compliance and risk management and other situations. The content reported from subsidiaries to the division shall be reported by the division to the Audit & Supervisory Board Members as necessary.

- 11) System for ensuring that persons who report to the Audit & Supervisory Board Members do not receive unreasonable treatment because of the reporting

As a system to ensure that persons who report to the Audit & Supervisory Board Members do not receive unreasonable treatment because of the reporting, the Bank shall streamline the related internal rules and appropriately implement such rules.

- 12) Matters related to the procedures for prepayment or reimbursement of expenses incurred by the execution of duties by the Audit & Supervisory Board Members or policies related to other processing of expenses or obligations incurred by execution of duties by the Audit & Supervisory Board Members

Concerning expenses for regular audit duties, a relevant budget shall be made according to the audit plan formulated by the Audit & Supervisory Board Members. With regard to expenses for emergency audits or extraordinary expenses, the reimbursement of such expenses can be requested afterward.

- 13) Other systems for ensuring the effectiveness of audits by the Audit & Supervisory Board Members

Directors and the Internal Audit Division shall regularly hold meetings with the Audit & Supervisory Board, exchange opinions concerning important audit issues, etc., and deepen mutual understanding.

- (2) Status of operation of the structure for the maintenance of the appropriateness of the Bank's operations

Outline of the status of operation of the structure for the maintenance of the appropriateness of the Bank's operations for the fiscal year under review is as follows.

- 1) Compliance system

The Bank has a Compliance Committee installed for the purpose of inspecting and evaluating the company-wide compliance from the perspective of comprehensive management and operation. During the fiscal year under review, the Compliance Committee met twice, understanding compliance-related issues and discussing the measures to address such issues.

Furthermore, the Bank has established a “compliance program.” The Bank causes its employees to engage in compliance efforts pursuant to the program and monitors the status of progress and implementation of the program through a self-examination system, interviews with compliance officers, etc.

2) Risk management system

The Bank has a Risk Management Committee installed for the purpose of deliberating on important matters regarding the status of risk management reported from the Risk Management Division controlling each risk and reporting the content to the Executive Committee. During the fiscal year under review, the Risk Management Committee met five times, receiving reports from the Risk Management Division controlling each risk concerning the risk management status and evaluation, etc., and discussing measures to address such risks.

3) Execution of duties by Directors

During the fiscal year under review, the Board of Directors held 15 meetings to determine matters stipulated by laws and regulations, as well as the Bank’s Articles of Incorporation. In addition, the board determined management policy, formulated a budget and determined other important managerial matters; analyzed and evaluated monthly business performance; and deliberated from the perspectives of compliance with laws, regulations and the Bank’s Articles of Incorporation, as well as the appropriateness of business duties.

In addition, during the fiscal year under review, the Board of Directors implemented measures to enrich the content of deliberation and enhance the efficiency of deliberation, such as explaining to Outside Directors beforehand on certain issues that might have a significant effect on management and making efforts to further deepen an understanding of the Bank’s business operation.

4) Group management structure

Regarding the subsidiaries’ business plans that the Bank approved, the Bank gives the subsidiaries some room for their discretion in the execution of business within the approved range. Then, the Board of Directors, at its meetings, shall receive reports from directors, etc., of subsidiaries regarding the status of management, etc., of such subsidiaries to understand the current situation. In addition, the Bank’s Internal Audit Division regularly audits business operation of subsidiaries. The Bank is also strengthening its group-wide management system to respond appropriately to incidents, concerns and other matters that come to the surface at its subsidiaries.

5) Execution of duties by the Audit & Supervisory Board Members

The Bank’s Audit & Supervisory Board consists of four Audit & Supervisory Board Members including two Outside Audit & Supervisory Board Members. During the fiscal year under review, the Audit & Supervisory Board held 14 meetings, receiving reports from full-time Audit & Supervisory Board Members with regard to the current status of the Bank and exchanging opinions among the Audit & Supervisory Board Members.

In addition, the Audit & Supervisory Board Members attend important meetings such as Board of Directors meetings and the Executive Committee meetings, regularly exchanging information with Representative Directors, the Accounting Auditor and the Internal Audit Division, thereby monitoring Directors’ execution of duties.

6) Ensuring the effectiveness of audits by the Audit & Supervisory Board Members

To support the role of the Audit & Supervisory Board Members, the Bank has the Audit & Supervisory Board Members’ Office with two employees dedicated to the office, assisting the Audit & Supervisory Board Members with their duties.

Directors receive explanation as necessary from the Audit & Supervisory Board regarding the audit policy, the audit plan, the status of implementation of audits and the audit results. Directors determine the issues that should be reported to the Audit & Supervisory Board by consulting with the Audit & Supervisory Board, and they are duly reporting to the Audit & Supervisory Board.

Directors and employees of the Bank and directors and employees of the subsidiaries report to the Audit & Supervisory Board Members as necessary regarding matters that have a significant impact on the overall company, the status of implementation of the internal audits and important matters related to compliance in addition to legal issues.

**8 Basic policy concerning the current status of persons supervising the determination of financial and operational policy**

The Bank's policy is to ensure that suitable measures are taken to ensure the continued growth of the Bank's business, the strengthening of its corporate governance and the maximization of its corporate value.

**9 Matters concerning specific wholly owned subsidiaries**

Not applicable

**10 Matters concerning transactions with the Bank's parent company and others**

Not applicable

**11 Matters concerning accounting advisors**

Not applicable

**12 Other**

**Policy concerning the exercise of authority granted to the Board of Directors by the provisions of the Articles of Incorporation under the terms of Article 459, Paragraph 1 of the Companies Act**

One of the most important aspects of the Bank's management policy is the return of profits to shareholders; therefore, it is a key policy of the Bank to strive to ensure that a stable dividend is continuously paid from reserves while taking into consideration the need to achieve a balance between ensuring an appropriate level of return of profits to shareholders and retained earnings. The Bank's basic policy is the targeting of an annual minimum payout ratio of 40% and the payment of dividends twice (i.e., an interim dividend and a year-end dividend) during the fiscal year.

**Consolidated Balance Sheet**  
at the End of the 23rd Term (as of March 31, 2024)

(Unit: million yen)

Category	Amount	Category	Amount
<b>(Assets)</b>		<b>(Liabilities)</b>	
Cash and due from banks	988,932	Deposits	914,768
Call loans	50,000	Negotiable certificates of deposits	650
Securities	118,077	Call money	110,000
Loans receivable	56,289	Borrowed money	19,052
Foreign exchanges	0	Bonds	65,000
ATM-related temporary payments	205,420	ATM-related temporary advances	118,566
Accounts receivable - members	134,340	Accounts payable for credit card business	42,429
Other assets	76,038	Deposits for electronic money	70,899
<b>Tangible fixed assets</b>	<b>39,150</b>	Other liabilities	97,177
Buildings	1,970	Reserve for bonuses	1,032
ATMs	32,302	Net defined benefit liability	25
Other (tangible fixed assets)	4,877	Reserve for directors' retirement benefits	29
<b>Intangible fixed assets</b>	<b>46,795</b>	Reserve for stocks payment	812
Software	36,530	Provision for loss on litigation	1,418
Other (intangible fixed assets)	10,264	Deferred tax liabilities	99
<b>Net defined benefit asset</b>	<b>2,615</b>	<b>Total liabilities</b>	<b>1,441,962</b>
<b>Deferred tax assets</b>	<b>4,751</b>	<b>(Net assets)</b>	
<b>Allowance for losses</b>	<b>(4,593)</b>	Capital stock	30,724
		Capital surplus	30,850
		Retained earnings	201,836
		Treasury stock	(2,744)
		<b>Total shareholders' equity</b>	<b>260,666</b>
		Valuation difference on available-for-sale securities	607
		Foreign currency translation adjustment	8,574
		Remeasurements of defined benefit plans	688
		<b>Total accumulated other comprehensive income</b>	<b>9,870</b>
		Share acquisition rights	12
		Non-controlling interests	5,306
		<b>Total net assets</b>	<b>275,856</b>
<b>Total assets</b>	<b>1,717,818</b>	<b>Total liabilities and net assets</b>	<b>1,717,818</b>



**Consolidated Statement of Income**  
for the 23rd Term (from April 1, 2023 to March 31, 2024)

(Unit: million yen)

Category	Amount	
<b>Ordinary income</b>		<b>197,877</b>
<b>Interest income</b>	<b>8,158</b>	
Interest on loans receivable	7,453	
Interest and dividends on securities	147	
Interest on call loans	49	
Interest on deposits with banks	508	
<b>Fees and commissions income</b>	<b>186,235</b>	
Remittance-related fee income	3,744	
ATM-related fee income	149,446	
Credit card operating income	10,058	
Electronic money operating income	10,201	
Other fees and commissions income	12,783	
<b>Other ordinary income</b>	<b>309</b>	
<b>Other income</b>	<b>3,174</b>	
Other	3,174	
<b>Ordinary expenses</b>		<b>167,351</b>
<b>Interest expenses</b>	<b>1,174</b>	
Interest on deposits with banks	32	
Interest on negotiable certificates of deposits	0	
Interest on call money	(59)	
Interest on borrowings and rediscounts	903	
Interest on bonds	298	
<b>Fees and commissions expenses</b>	<b>53,418</b>	
Remittance-related fee expense	1,808	
ATM placement fee expenses	31,541	
ATM-related fee expenses	10,187	
Credit card operating expense	4,306	
Electronic money operating expense	726	
Other fees and commissions expenses	4,849	
<b>General and administrative expenses</b>	<b>108,084</b>	
<b>Other expenses</b>	<b>4,673</b>	
Provision of allowance for credit losses	2,179	
Other expenses	2,493	
<b>Ordinary profit</b>		<b>30,526</b>
<b>Extraordinary income</b>		<b>22,326</b>
Gain on disposal of non-current assets	0	
Gain on sale of stocks of subsidiaries and affiliates	785	
Gain on bargain purchase	21,540	
<b>Extraordinary losses</b>		<b>7,722</b>
Losses on disposal of non-current assets	549	
Impairment losses	351	
Loss related to Individual Number Card Points	4,619	
Provision for loss on litigation	1,406	
Other extraordinary losses	795	
<b>Income before income taxes</b>		<b>45,130</b>
<b>Income taxes - current</b>	<b>8,503</b>	
<b>Income taxes - deferred</b>	<b>4,667</b>	
<b>Total income taxes</b>		<b>13,170</b>
<b>Net income</b>		<b>31,959</b>
<b>Loss attributable to non-controlling shareholders</b>		<b>(11)</b>
<b>Net income attributable to owners of the parent</b>		<b>31,970</b>

**Consolidated Statement of Changes in Net Assets**  
for the 23rd Term (from April 1, 2023 to March 31, 2024)

(Unit: million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of April 1, 2023	30,724	30,864	182,431	(900)	243,120
Changes in items during the period					
Dividends from surplus	–	–	(12,972)	–	(12,972)
Net income attributable to owners of the parent	–	–	31,970	–	31,970
Purchase of treasury stock	–	–	–	(1,873)	(1,873)
Disposal of treasury stock	–	–	–	30	30
Net change in capital surplus arising from change in interest of consolidated subsidiaries	–	(14)	–	–	(14)
Fluctuation resulting from exclusion of equity method affiliates	–	–	406	–	406
Net changes in items other than shareholders' equity	–	–	–	–	–
Total changes in items during the period	–	(14)	19,404	(1,843)	17,546
Balance as of March 31, 2024	30,724	30,850	201,836	(2,744)	260,666

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance as of April 1, 2023	500	6,783	226	7,510	–	3,611	254,242
Changes in items during the period							
Dividends from surplus	–	–	–	–	–	–	(12,972)
Net income attributable to owners of the parent	–	–	–	–	–	–	31,970
Purchase of treasury stock	–	–	–	–	–	–	(1,873)
Disposal of treasury stock	–	–	–	–	–	–	30
Net change in capital surplus arising from change in interest of consolidated subsidiaries	–	–	–	–	–	–	(14)
Fluctuation resulting from exclusion of equity method affiliates	–	–	–	–	–	–	406
Net changes in items other than shareholders' equity	107	1,790	461	2,360	12	1,695	4,067
Total changes in items during the period	107	1,790	461	2,360	12	1,695	21,614
Balance as of March 31, 2024	607	8,574	688	9,870	12	5,306	275,856

## Explanatory Notes (Consolidated)

Amounts of less than one million yen have been discarded.

### Basis of Presenting Consolidated Financial Statements

The definition of “subsidiary firms,” “subsidiary corporations” and “affiliates and others” is as set forth in Article 2, Paragraph 8 of the Banking Law and Article 4-2 of the Order for Enforcement of the Banking Law.

#### 1. Scope of consolidation

- (1) Number of consolidated subsidiary firms and subsidiary corporations: 9

Name of the subsidiary firm (corporation): FCTI, Inc., PT. ABADI TAMBAH MULIA INTERNASIONAL, Bank Business Factory Co., Ltd., Seven Payment Service, Ltd., Pito AxM Platform, Inc., Seven Global Remit, Ltd., ACSION, Ltd., Viva Vida Medical Life Co., Ltd., and Seven Card Service Co., Ltd.

(Change in scope of consolidation)

From the current fiscal year, Seven Card Service Co., Ltd. was newly included in the scope of consolidation due to the acquisition of its shares. In addition, Credd Finance, Ltd. was excluded from the scope of consolidation due to the completion of liquidation.

- (2) Unconsolidated subsidiary firms and subsidiary corporations:

Not applicable

#### 2. Application of the equity method

- (1) Unconsolidated subsidiary firms and subsidiary corporations to which the equity method is applied

Not applicable

- (2) Affiliates and others to which the equity method is applied: 3

Name of affiliates: Seven Pay Co., Ltd., TORANOTEC Ltd., and TORANOTEC Asset Management Ltd.

(Significant change in scope of application of equity method)

Metaps Payment Inc. was excluded from the scope of application of the equity method due to the sale of its shares in the current fiscal year.

- (3) Unconsolidated subsidiary firms and subsidiary corporations to which the equity method is not applied

Not applicable

- (4) Affiliates and others to which the equity method is not applied

Not applicable

- (5) Matters deemed necessary to be stated concerning procedures for applying equity method

For companies to which the equity method is applied that have different closing dates for the settlement of accounts from the consolidated closing date, the financial statements as of each fiscal year of such companies are used.

#### 3. Business years, etc., of the consolidated subsidiary firms and subsidiary corporations

- (1) Closing date for the settlement of accounts of the consolidated subsidiary firms and subsidiary corporations is as follows:

December 31: 3 companies

March 31: 6 companies

- (2) In preparing the consolidated financial statements, the financial statements as of their respective balance sheet dates are used with regard to the consolidated subsidiary firms and subsidiary corporations.

The financial statements of said companies are provided with necessary adjustments for consolidation purposes with regard to material transactions between the closing date (December 31) above and the consolidated closing date (March 31).

#### 4. Amortization of goodwill

Goodwill is equally amortized using the straight-line method over a period of 5 years. However, if the amount is insignificant, the corresponding goodwill is recorded as an expense at the time of occurrence.

## Accounting policies

### (1) Basis and methodology for the valuation of securities

As for valuation of securities, available-for-sale securities are stated at their market values (cost of securities sold are computed using primarily the moving-average method). Provided, however, that stocks, etc. with no market value are stated at cost using the moving-average method.

Valuation difference on available-for-sale securities is reported as a separate component of net assets.

### (2) Method for calculating depreciation of fixed assets

#### 1) Tangible fixed assets

Depreciation of tangible fixed assets of the Bank is calculated by the straight-line method.

Estimated useful lives of major items are as follows:

Buildings: 6–18 years

ATMs: 5 years

Others: 2–20 years

Depreciation of the tangible fixed assets of the consolidated subsidiary firms and subsidiary corporations is calculated by the straight-line method over the estimated useful lives of the assets.

#### 2) Intangible fixed assets

Intangible fixed assets are amortized using the straight-line method. Software utilized by the Bank and its consolidated subsidiary firms and subsidiary corporations is amortized over the period in which it is expected to be utilized (mainly five years).

### (3) Provisioning standards

#### 1) Allowance for losses

An allowance for losses is provided as detailed below in accordance with the Bank's internal standards for write-offs and provisions.

For credits to obligors classified as normal obligors or watch obligors, the allowance for losses is provided in the Bank's estimated amount of credit losses for the following fiscal year in accordance with the "Administrative guidelines concerning the self-assessment of assets, bad debt amortization and bad debt reserves for banks and other financial institutions" (Bank Audit Special Committee Report No. 4 issued on April 14, 2022, by The Japanese Institute of Certified Public Accountants (JICPA)). Of which, on the basis of loss ratios, determined by the average for a fixed period of time of historical credit loss ratios or historical bankruptcy ratios, which is based on credit loss history or bankruptcy loss history in the fiscal year, the estimated amount of credit losses is calculated by making requisite amendments, including future projections, to the loss ratios. For credits to obligors classified as bankruptcy risk obligors, the allowance for losses is provided for estimated unrecoverable amounts determined after excluding the portion that is estimated to be recoverable due to available security interests and guarantees. For credits to obligors classified as substantially bankrupt obligors or bankrupt obligors, the allowance for losses is provided in the full amounts of such credits, excluding the portion that is estimated to be recoverable due to available security interests and guarantees.

The Bank's Risk Management Division, which is independent from the Bank's other divisions, performs the secondary evaluation of all credits in accordance with its internal rules for self-assessment of assets after the primary evaluation by the Bank's other divisions, and the evaluations are audited by the Internal Audit Division, which is independent from the Bank's other divisions and the Risk Management Division. The allowance is provided based on the results of these assessments.

For consolidated subsidiary firms and subsidiary corporations, an allowance for losses for general credits is provided for estimated amounts based on historical credit loss ratios; for specific credits such as credits with loss possibility, an allowance for losses is provided for estimated unrecoverable amounts based on assessment of recoverability.

#### 2) Reserve for bonuses

The reserve for bonuses is provided for employees in the amount of estimated bonuses attributed to the relevant consolidated fiscal year.

#### 3) Reserve for stocks payment

Reserve for directors' benefit trust is provided for possible payment for allocation of the Bank's shares based on the "Rules for Stock Allocation to Directors" and the "Rules for Stock Allocation to Executive Officers," as well as "Rules for Stock Allocation to Employees" to Directors (excluding non-executive Directors and Directors residing overseas), Executive Officers (excluding those residing overseas), and certain employees (excluding those residing overseas) respectively, in the amount calculated based on the projected stock allocation obligations as of the end of the consolidated fiscal year under review.

#### 4) Reserve for directors' retirement benefits

Reserve for directors' retirement benefits is recorded by certain consolidated subsidiaries in the amount that is considered to have occurred at the end of the fiscal year based on the estimated amount of retirement benefits to be paid to directors of these subsidiaries.

#### 5) Provision for loss on litigation

The provision for loss on litigation is recognized for pending litigation in the amount of the estimated losses that could be incurred in the future.

(4) Accounting procedure regarding employees' retirement benefits

In calculating the retirement benefit obligations, the benefit formula basis is used to allocate the projected retirement benefits to the years of service up to the end of the consolidated fiscal year under review. Net actuarial difference is amortized as follows:

Net actuarial difference: Amortized using the straight-line method over 10 years within the employees' average remaining service period at the time of occurrence commencing from the next consolidated fiscal year of occurrence.

(5) Translation of assets and liabilities denominated in foreign currencies

The Bank's assets and liabilities denominated in foreign currencies are translated into Japanese yen mainly at the exchange rate prevailing at the consolidated balance sheet date.

Assets and liabilities denominated in foreign currencies of subsidiary firms and subsidiary corporations are translated into Japanese yen mainly at the exchange rate prevailing at their respective balance sheet dates.

(6) Standards for recording significant revenue

- Financial services business centering on the credit card business and the electronic money business

The Bank provides financial services such as the credit card business and the electronic money business. The Bank recognizes revenues as fee income on these financial services when the transactions related to these services are completed.

- Banking business centering on the ATM platform business

The Bank and its consolidated subsidiary firms and subsidiary corporations mainly provide a service to accept or deliver cash to the users of the Bank's partner financial institutions, etc. when they deposit in or withdraw cash from their deposits, etc. by using the Bank's ATMs. As for the service fee income to be received through the provision of these ATM services, etc., the Bank recognizes revenue at the time when users of the partner financial institutions, etc. use the Bank's ATMs services, etc. The consideration for the transactions is received generally within a month following the month in which the performance obligation was satisfied.

- Financial services business centering on the credit card business and the electronic money business

Seven Card Service Co., Ltd. provides financial services such as the credit card business and the electronic money business. The Bank recognizes revenues from fee income received from the provision of these financial services when the transactions related to these services are completed.

### Changes in presentation method

Certain overseas consolidated subsidiaries of the Bank have included expenses that were previously included in general and administrative expenses in ATM placement fee expenses, a separate line item, from the beginning of the consolidated fiscal year under review. This change in presentation has been made to reflect transactions more accurately in the consolidated financial statements in line with the expansion of the business scale of the relevant overseas consolidated subsidiaries.

To reflect this change in presentation, the consolidated financial statements for the previous fiscal year have been reclassified.

### Additional information

(Performance-based stock compensation plan for Directors)

The Bank has adopted a performance-based stock compensation plan for the Bank's Directors (excluding non-executive directors and those who are residing overseas, the same applies below), using the BIP Trust for officer remuneration (this "Plan" below) to further raise their motivation to contribute to medium- to long-term continual improvement in business performance.

Related to this trust contract, the Bank applies an accounting treatment method in line with the "Practical Solution on Transactions of Delivering the Bank's Own Stock to Employees, etc., through Trusts" (ASBJ PITF No. 30, March 26, 2015).

(1) Outline of the transaction

This Plan is a performance-based stock compensation plan in which the Bank's shares are purchased via the Trust using the money contributed by the Bank as a source fund and the Bank's shares, etc., are delivered to Directors via the Trust in accordance with the Rules for Stock Allocation to Directors. The timing for Directors to receive the Bank's shares, etc., shall be at the time of retirement of each Director, in principle.

(2) The Bank's shares remaining in the Trust

The Bank's shares remaining in the Trust are recorded as Treasury stock under Net assets at the book value in the Trust (excluding the amount of expenses for acquiring shares). The book value of such shares as of the end of the consolidated fiscal year was 441 million yen and the number of such shares was 1,462 thousand.

(Performance-based stock compensation plan for Executive Officers and certain employees)

The Bank has adopted a performance-based stock compensation plan for the Bank's Executive Officers (excluding those who are residing overseas, the same applies below) and certain employees (excluding those who are residing overseas, the same applies below), using the ESOP Trust for stock allocation (this "Plan" below) to further raise their motivation to contribute to medium- to long-term continual improvement in business performance.

Related to this trust contract, the Bank applies the “Practical Solution on Transactions of Delivering the Company's Own Stock to Employees, etc., through Trusts” (ASBJ PITF No. 30, March 26, 2015).

(1) Outline of the transaction

This Plan is a performance-based stock compensation plan in which the Bank's shares are purchased via the Trust using the money contributed by the Bank as a source fund and the Bank's shares, etc., are delivered to Executive Officers and certain employees via the Trust in accordance with the Rules for Stock Allocation to Executive Officers and the Rules for Stock Allocation to Employees. The timing for Executive Officers and certain employees to receive the Bank's shares, etc., shall be at the time of retirement of each Executive Officer and each certain employee, in principle.

(2) The Bank's shares remaining in the Trust

The Bank's shares remaining in the Trust are recorded as Treasury stock under Net assets at the book value at the Trust (excluding the amount of expenses for acquiring shares). The book value of such shares as of the end of the consolidated fiscal year was 1,145 million yen and the number of such shares was 4,092 thousand.

**Important notes**

(Consolidated balance sheet)

1. Claims stipulated by the Banking Law and the Act on Emergency Measures for the Revitalization of the Financial Functions are as follows. “Claims” refers to bonds (limited to those whose redemption of principal and all or part of the payment of interest thereon are guaranteed, and whose issuance is made through the private placement of securities (as set forth in Article 2, Paragraph 3 of the Financial Instruments and Exchange Act)) included in “securities” on the consolidated balance sheet, loans receivable, foreign exchanges, and accrued interest and suspense payments included in “Other assets,” and items recorded under customers' liabilities for acceptances and guarantees, as well as securities on loan among the securities with notes (limited to those based on loan-for-use agreements or loan agreements).

	(Million yen)
Amount of claims subject to bankruptcy proceeding and reorganization proceedings and any other type of claims equivalent thereto	651
Amount of claims with risks	—
Amount of loans in arrears for three months or more	68
Amount of restructured loans	496
Total	1,216

“Claims subject to bankruptcy proceeding and reorganization proceedings and any other type of claims equivalent thereto” refers to the claims held against debtors with failed business status due to the grounds such as commencement of bankruptcy proceedings, commencement of reorganization proceedings, or commencement of rehabilitation proceedings, and any other type of claims equivalent thereto.

“Claims with risks” refers to the claims whose debtor is not yet in the status of failure in business although such debtor's financial status and business performance are worsening, and for which it is highly likely that the collection of principal or receipt of interest in accordance with the contract is impossible, excluding claims subject to bankruptcy proceeding and reorganization proceedings and any other type of claims equivalent thereto.

“Loans in arrears for three months or more” refers to loans for which the payment of the principal or interest has been in arrears for three months or more counting from the day after the due date agreed upon, excluding claims subject to bankruptcy proceeding and reorganization proceedings and any other type of claims equivalent thereto and claims with risks.

“Restructured loans” refers to loans for which reduction of interest, interest payment grace period, principal repayment grace period, debt forgiveness or other such arrangements that are advantageous to the obligor have been made for the purpose of reestablishing or assisting the business of the obligor, excluding claims subject to bankruptcy proceeding and reorganization proceedings and any other type of claims equivalent thereto, claims with risks and loans in arrears for three months or more.

The amounts of claims shown above are amounts prior to the deduction of the allowance for losses.

2. As collateral for exchange settlement and Bank of Japan current overdraft transactions, securities of 102,612 million yen have been provided. Also, 2,779 million yen in guarantees and a deposit of 6,500 million yen in a central counterparty clearinghouse (CCP) are included in Other assets.  
As collateral for borrowings at some overseas consolidated subsidiaries, cash and due from banks of 211 million yen have been provided.
3. An overdraft agreement is an agreement to lend funds up to a certain limit if a financing request is received from a customer, unless there is any violation of the terms and conditions of the agreement. The unused balance of funds under such agreements is 30,006 million yen. This includes the unused balance of funds in the amount of 30,006 million yen under agreements in which the original term is one year or less. A consolidated subsidiary of the Bank conducts the cashing business incidental to the credit card business. The total amount of loan commitments and the balance of used loans for the business amounted to 352,417 million yen and 10,618 million yen, respectively, and the balance of unused loans related to the loan

commitments amounted to 341,798 million yen.

4. Accumulated depreciation for tangible fixed assets 57,122 million yen
5. Of Other assets, the amount of receivables from contracts with customers is as described in “Important notes, (Revenue recognition), 3. Useful information in understanding the amount of revenue for the consolidated fiscal year under review and after the end of the consolidated fiscal year under review” in the “Explanatory Notes (Consolidated).”

(Consolidated statement of income)

1. Revenue from contracts with customers

Regarding ordinary income from customers, income from contracts with customers and other income are not separately presented. The amount of revenue from contracts with customers is presented in "Important notes, (Revenue recognition), 1. Disaggregation of revenue from contracts with customers" in the "Explanatory Notes (Consolidated)."

2. 56 million yen of gain on sale of equity securities is included in "Other income."

3. 19 million yen of equity in losses of affiliates is included in "Other expenses."

4. Impairment loss

The Bank's group recorded an impairment loss in the following asset groups.

(Unit: million yen)

Location	Purpose	Type	Amount
Japan	Assets for business use	Buildings	8
		Other tangible fixed assets	7
		Software	251
		Other intangible fixed assets	70
		Other assets	14
Total			351

The groupings of assets of the Bank's group are done individually by companies, in which each company is treated as the smallest unit that creates cash flow.

Concerning the above asset groups, asset performance has been below the Bank's initially formulated business plan. We reviewed our future business plan and concluded that invested amounts will not be recoverable. Therefore, by deducting the book value of those assets to the recoverable amount, such deducted amount was recorded as an impairment loss as an extraordinary loss.

The recoverable amount of each asset group is measured based on value in use, and assets without a prospect of future cash flow are evaluated assuming that their recoverable amount is zero.

5. Loss related to Individual Number Card Points

Seven Card Service Co., Ltd., a consolidated subsidiary of the Bank, receives from the Individual Number Card Points Office the amount equivalent to points granted at the time of customers' application to the Office, less the portion expected to expire based on the historical points expiration rate ("initial expiration rate"). However, the actual point expiration rate for points expiring at March 31, 2024 was much lower than the initial expiration rate, the cause of which was identified in the fourth quarter of the current fiscal year as the points granted when customers' applying for Individual Number Card Points. As a result, the Bank incurred a loss of 4,619 million yen related to Individual Number Card Points for the amount equivalent to the number of points that expired at March 31, 2024, which was below the initial assumption, and the expected amount equivalent to the number of points expiring at March 31, 2025 that is anticipated to be lower than the initial assumption.

6. Provision for loss on litigation

Regarding the pending litigation at FCTI, Inc., the Bank's consolidated subsidiary, the amount of estimated losses that may be incurred in the future based on the progress of the litigation and other circumstances is recorded as a provision for loss on litigation in extraordinary losses.

7. 299 million yen of impairment loss is included in "Other extraordinary losses," which is related to bonds with subscription rights to shares of the Bank's affiliate TORANOTEC, Ltd.

(Consolidated statement of changes in net assets)

1. The types and number of shares issued and of treasury stock are as follows:

(Unit: thousand shares)

	Number of shares at the beginning of this consolidated fiscal year	Increase during this consolidated fiscal year	Decrease during this consolidated fiscal year	Number of shares at the end of this consolidated fiscal year	Remarks
Shares issued					
Common stock	1,179,308	—	—	1,179,308	
Total	1,179,308	—	—	1,179,308	
Treasury stock					
Common stock	3,098	6,400	107	9,391	(Notes 1, 2, 3)
Total	3,098	6,400	107	9,391	



- Notes: 1. The number of treasury shares increased by 6,400 thousand shares, of which 3,835 thousand shares were due to the acquisition in preparation for the exercise of subscription rights to shares allotted as stock options with charge, 2,565 thousand shares were due to the acquisition of the Bank's shares by the BIP Trust for officer remuneration and the ESOP Trust, and 0 thousand shares were due to purchase of shares less than one unit.
2. The number of treasury shares decreased by 107 thousand shares due to the delivery of the Bank's shares held by the BIP Trust for officer remuneration and the ESOP Trust for stock allocation.
3. The numbers of treasury shares as of April 1, 2023 and March 31, 2024 include 3,098 thousand shares and 5,555 thousand shares of the Bank, respectively, held by the BIP Trust for officer remuneration and the ESOP Trust for stock allocation.

2. Subscription rights to shares and treasury subscription rights to shares:

Not applicable

3. The Bank's dividend is as stated below:

(1) Dividends paid during this consolidated fiscal year

Resolution	Type of shares	Total amount of dividends	Dividend per share	Record date	Effective date
At the Board of Directors' meeting held on May 19, 2023	Common stock	6,486 million yen	5.50 yen	March 31, 2023	June 2, 2023
At the Board of Directors' meeting held on November 10, 2023	Common stock	6,486 million yen	5.50 yen	September 30, 2023	December 1, 2023

Notes: 1. The total amount of dividends determined by resolution of the Board of Directors at its meeting held on May 19, 2023, includes dividends of 17 million yen for the Bank's shares held by the BIP Trust for officer remuneration and the ESOP Trust for stock allocation.

2. The total amount of dividends determined by resolution of the Board of Directors at its meeting held on November 10, 2023, includes dividends of 30 million yen for the Bank's shares held by the BIP Trust for officer remuneration and the ESOP Trust for stock allocation.

(2) Dividends with record dates within this consolidated fiscal year, and effective dates after March 31, 2024, are listed as follows.

Resolution	Type of shares	Total amount of dividends	Fiscal resource	Dividend per share	Record date	Effective date
At the Board of Directors' meeting held on May 17, 2024	Common stock	6,465 million yen	Retained earnings	5.50 yen	March 31, 2024	June 3, 2024

Note: The total amount of dividends includes dividends of 30 million yen for the Bank's shares held by the BIP Trust for officer remuneration and the ESOP Trust for stock allocation.

(Financial instruments)

1. Matters concerning status of financial instruments

(1) Policy regarding the approach to financial instruments

The Bank's group's basic policy is to ensure security and minimize risks in both raising and investing funds, and the Bank's group does not pursue profit-making by aggressive risk-taking.

Funds raised by the Bank's group can be broadly divided into working capital such as cash to be placed in ATMs and funds for capital investment such as ATM/system-related investment. In consideration of interest rate trends and other such factors, the Bank's group secures the source funds by such means as deposits and bond issuance, and raises funds from the call market to cover daily fluctuations in the amount of funds that need to be raised.

On the other hand, the Bank's group's funds are invested mainly in the form of funds and securities operations as a limited end user, although it does operate a small loan business, etc. targeted at individuals. Investment targets are limited to bonds, investment trusts and other securities with high creditworthiness and liquidity, as well as deposits at financial institutions with high creditworthiness, call loans, etc. The Bank's group does not invest in risky financial derivatives, etc.

(2) Description and risk of financial instruments

The financial assets held by the Bank's group are largely comprised of cash, primarily for facilitating its ATM business. Surplus funds are released in the form of call loans, which are exposed to the credit risk of the borrowers. Securities mainly consist of bonds and investment trusts, etc. with high creditworthiness and liquidity, and are held for "other purposes." These are exposed to the credit risks of each borrower or issuer, interest rate fluctuation risks and market price fluctuation risks. Loans receivable are in the form of loan services targeted at individuals and are exposed to credit risks arising from the nonperformance of contract by customers; however, the risks are limited, as most of the loans receivable are secured in full.

The Bank's group also mainly operates a banking business. Deposits and negotiable certificates of deposits, which account for the majority of its financial liabilities, are exposed to interest rate fluctuation risks. The Bank's group raises short-term funds by using call money as necessary; it is exposed to liquidity risks in that it might not be able to raise the necessary funds. Borrowings and bonds are exposed to liquidity risks in that the payment might not be executable on the due date such as in situations where the market is unavailable under certain conditions.

(3) Risk management framework for financial instruments

1) Credit risk management

The Bank observes its basic policy for credit risks established in the Basic Policy on Risk Control, as well as the rules established thereunder called Credit Risk Rules. Credit risks are currently limited to the ATM settlement business, interbank deposits placed with top-rated partner financial institutions, etc., subject to asset-liability management (ALM), release of funds and temporary ATM payment amounts due, thereby curbing credit risks in operations. In addition, the Bank performs self-assessment and establishes an allowance for write-offs in an appropriate manner, in accordance with the Rules for Self-Assessment, Write-Off and Provision of Allowance.

Credit risks of issuers of securities and counterparty risks in derivative transactions are managed by the Risk Management Division by means of periodically identifying credit information and market value.

2) Market risk management

The Bank observes its basic policy for market risks established in the Basic Policy on Risk Control, as well as the rules established thereunder called Market Risk Rules. The Market Risk Rules establish limits on the amount of funds at risk, market position limits and loss allowance limits. The Risk Management Group under the Risk Management Division measures and monitors market risks in light of these limits and reports the results to the management including the Executive Committee. At the ALM Committee convened once every quarter, the Bank's market risk position, expected trends in interest rates and other matters are reported and operation policies are determined.

Quantitative information concerning market risks

Regarding market risks, the Bank measures the Value at Risk (VaR) of its entire assets and liabilities. In measuring the VaR, the Bank uses the Variance-Covariance Method (holding period: 125 days, confidence interval: 99.9%, data observation period: 1 year), and the VaR (estimated loss amount) as of March 31, 2024, was a total of 17,114 million yen. Additionally, in light of our business attributes, an interest period has been recognized in terms of cash recorded under assets, which has been calculated as a 5-year zero coupon (average maturity: 2.5 years). In order to verify the validity of the model, the Bank regularly performs back-testing by comparing the VaR calculated by the model and the actual gains (losses). However, since VaR calculates market risk at a certain probability that has been statistically calculated on the basis of past market fluctuations, it may not be able to capture risks that occur under market environments changing beyond our normal expectations.

### 3) Liquidity risk management

The Bank observes its basic policy for liquidity risks established in the Basic Policy on Risk Control, as well as the rules established thereunder called Liquidity Risk Rules. The Liquidity Risk Rules establish limits regarding the cash gaps arising from differences between the duration of invested funds and those available to meet current cash needs. The Risk Management Group under Risk Management Division measures and monitors liquidity risk on a daily basis in light of these limits and reports the results to the management including the Executive Committee. The Bank is well prepared in that it has formulated measures in advance on a scenario-by-scenario basis so that it can take company-wide action in a speedy and flexible manner when the cash flow situation becomes tight; therefore, concerns over ensuring liquidity of funds are deemed nonexistent.

### (4) Supplementary explanation of matters concerning market value, etc., of financial instruments

As certain assumptions, etc., are adopted when calculating the market value of financial instruments, the value may vary if different assumptions, etc., are adopted.

## 2. Matters concerning market value, etc., of financial instruments

The amount declared on the consolidated balance sheet, the market value and the difference between the two as at March 31, 2024, are as follows. Stocks, etc. with no market value and investments in partnership are not included in the table below (refer to Note 1). In addition, notes to cash and due from banks, call loans, ATM-related temporary payments, call money, ATM-related temporary advances, accounts payable for credit card business, and deposits for electronic money are omitted, as they are settled within a short period of time and their market values are approximately the same as the book values.

(Unit: million yen)

	Consolidated balance sheet amount	Market value	Difference
(1) Securities			
Other securities	112,349	112,349	—
(2) Loans receivable	56,289		
Allowance for losses *1	(454)		
	55,835	56,444	609
(3) Accounts receivable - members	134,340		
Allowance for losses *1	(2,345)		
	131,995	133,183	1,188
(4) Other assets *2	6,927		
Allowance for losses *1 *2	(1,600)		
	5,326	5,326	—
<b>Total assets</b>	<b>305,506</b>	<b>307,304</b>	<b>1,797</b>
(1) Deposits	914,768	914,786	17
(2) Negotiable certificates of deposits	650	650	—
(3) Borrowed money	19,052	19,052	—
(4) Bonds	65,000	64,632	(367)
<b>Total liabilities</b>	<b>999,471</b>	<b>999,121</b>	<b>(349)</b>

\*1 Allowance for losses for general accounts and allowance for losses for individual accounts corresponding to loans receivable, accounts receivable - members and other assets have been deducted.

\*2 Of other assets, those in the scope of disclosure of fair value are presented.

Note 1: Amounts of stocks, etc. with no market value and investments in partnership recorded on consolidated balance sheet are as follows, which are not included in "Other securities" under "Matters concerning market value, etc., of financial instruments."

(Unit: million yen)

Classification	Amount on consolidated balance sheet
Unlisted stocks*1 *2	1,650
Investment in partnership*3	4,077

\*1 Unlisted stocks are excluded from the scope of disclosure in accordance with Paragraph 5 of "Implementation Guidance on Disclosures about Fair Value of Financial Instruments" (ASBJ Guidance No. 19, March 31, 2020).

\*2 An impairment loss of 1,363 million yen on unlisted stocks was recorded for the consolidated fiscal year under review.

\*3 Investment in partnership is excluded from the scope of disclosure in accordance with Paragraph 24-16 of the "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31, June 17, 2021).

Note 2: Amount of redemption scheduled for monetary claims and securities with maturity after end of consolidated fiscal year  
(Unit: million yen)

	Within 1 year	Over 1 year but within 3 years	Over 3 years but within 5 years	Over 5 years but within 7 years	Over 7 years but within 10 years	Over 10 years
Deposits	194,871	—	—	—	—	—
Call loans	50,000	—	—	—	—	—
Securities						
Other securities with maturity	30,014	74,190	6,200	—	1,000	—
Municipal bonds	12,114	51,690	1,400	—	—	—
Bonds	17,900	22,500	4,800	—	1,000	—
Loans receivable*1	50,568	3,918	558	1	0	—
ATM-related temporary payments	205,420	—	—	—	—	—
Accounts receivable - members*2	115,873	7,020	2,707	1,184	680	427
Other assets*3	5,617	—	—	—	—	—
<b>Total</b>	<b>652,365</b>	<b>85,129</b>	<b>9,466</b>	<b>1,185</b>	<b>1,681</b>	<b>427</b>

\*1 Loans receivable: The amount (1,242 million yen) of credits, etc., to bankrupt obligors, substantially bankrupt obligors or bankrupt risk obligors, for which redemption cannot be expected, is not included in loans receivable.

\*2 Accounts receivable - members: The amount (6,445 million yen) of credits, etc., to bankrupt obligors, substantially bankrupt obligors or bankrupt risk obligors, for which redemption cannot be expected, is not included in accounts receivable - members.

\*3 Other assets: The amount (1,310 million yen) of credits, etc., to bankrupt obligors, substantially bankrupt obligors or bankrupt risk obligors, for which redemption cannot be expected, is not included in other assets.

Note 3: Amount of repayment scheduled for bonds payable, borrowed money and other interest-bearing liabilities after the consolidated balance sheet date

(Unit: million yen)

	Within 1 year	Over 1 year but within 3 years	Over 3 years but within 5 years	Over 5 years but within 7 years	Over 7 years but within 10 years	Over 10 years
Deposits*	810,394		61,950	42,422	—	—
Negotiable certificates of deposits	650	—	—	—	—	—
Call money	110,000	—	—	—	—	—
Borrowed money	19,052	—	—	—	—	—
Bonds	15,000	—	50,000	—	—	—
<b>Total</b>	<b>955,097</b>		<b>61,950</b>	<b>92,422</b>	<b>—</b>	<b>—</b>

\*Deposits: Demand deposits are included and disclosed in "Within 1 year."

3. Fair value information by level within the fair value hierarchy

The fair value of financial instruments is classified into the following three levels according to the observability and materiality of inputs used to measure fair value.

Level 1 fair value: Fair value measured using observable inputs which are quoted prices in active markets for assets or liabilities that are the subject of the measurement of the fair value.

Level 2 fair value: Fair value measured using observable inputs other than Level 1 inputs.

Level 3 fair value: Fair value measured using unobservable inputs.

If multiple inputs that significantly affect the fair value measurement are used, the resulting fair value is categorized in the level to which the input with the lowest priority for the measurement belongs among such inputs.

(1) Financial instruments recorded on consolidated balance sheet at fair value

(Unit: million yen)

Category	Fair value			
	Level 1	Level 2	Level 3	Total
Securities				
Other securities				
Municipal bonds	—	65,327	—	65,327
Corporate bonds	—	46,181	—	46,181
Stocks	839	—	—	839
Total assets	839	111,509	—	112,349

(2) Financial instruments other than those recorded on consolidated balance sheet at fair value

(Unit: million yen)

Category	Fair value			
	Level 1	Level 2	Level 3	Total
Loans receivable	—	44,239	12,205	56,444
Accounts receivable - members	—	—	133,183	133,183
Other assets	—	—	5,326	5,326
Total assets	—	44,239	150,715	194,954
Deposits	—	914,786	—	914,786
Negotiable certificates of deposits	—	650	—	650
Borrowed money	—	19,052	—	19,052
Bonds	—	64,632	—	64,632
Total liabilities	—	999,121	—	999,121

## Note 1: Descriptions of the valuation technique(s) and inputs used in the fair value measurements

### Assets

#### Securities

Among securities, fair value of listed stocks and others that are traded in active markets, whose unadjusted quoted prices can be used, is classified as Level 1.

The fair value of securities for which public quoted prices were used but not traded in active markets are classified as Level 2. This includes municipal bonds and corporate bonds.

#### Loans receivable

The fair value of loans receivable is calculated by discounting the sum of the principal and interest of such loans receivable, divided into categories of set types and periods, at the discount rate that reflects credit risk, etc. in market interest rates. The fair value of variable interest-rate loans receivable is stated at book value, because their fair value is approximately the same as the book value, since they are short-term and reflect the market interest rate, unless the credit status of the borrower is substantially different after the execution of the loans. With respect to credits, etc., to bankrupt obligors, substantially bankrupt obligors and bankruptcy risk obligors, the fair value is calculated based on the discounted present value of estimated future cash flow or the discounted present value using the expected collectable amount with the collateral and guarantee, etc. When the impact of unobservable inputs is significant to the fair value measurement, it is classified as Level 3, otherwise, it is classified as Level 2.

#### Accounts receivable - members

The fair value of general receivables credits is basically calculated for each category at based on the present value of the total of future cash flows on principal and interest, discounted by the rate that is the total of market rate and the corresponding credit risk. For general receivables that are expected to be collected in the short term, the fair value is considered to be approximately the same as the balance sheet amount less the allowance for losses, therefore the balance sheet amount less the allowance for losses is regarded as fair value.

The fair value of specific receivables such as ones with possibility of default is considered to be approximately the same as the balance sheet amount less the allowance for losses as the allowance is calculated at the expected recoverable amount, therefore the balance sheet amount less the allowance for losses is regarded as fair value.

The fair value of Account receivables from members on credit card business is classified as Level 3.

#### Other assets

The pre-settlement period is short (no more than one year) and the market value is approximately the same as the book value; therefore, the fair value is stated at book value. Such fair value, which was classified as Level 2 in the previous fiscal year, has been classified as Level 3 from the current fiscal year due to the increased significance of unobservable inputs.

### Liabilities

#### Deposits and Negotiable certificates of deposits

As for demand deposits, an amount to be paid immediately upon demand at the end of consolidated fiscal year is stated as fair value. The fair value of time deposits is calculated by discounted present value by discounting future cash flow, divided into categories of set periods. The discount rate applied is the rate used when accepting new deposits. The fair value of deposits with a short residual period (no more than one year) is approximately the same as the book value; therefore, the fair value is stated at book value, and is classified as Level 2.

#### Borrowed money

The present value of borrowed money is calculated by discounting the sum of the principal and interest of such borrowed money divided into categories of set periods at the rate that factors in the residual period and credit risk of such loans. The fair value of borrowed money with a short residual period (no more than one year) is approximately the same as the book value; therefore, their fair value is stated at book value, and is classified as Level 2. Borrowed money based on variable interest rates amounted to zero.

#### Bonds

The fair value of bonds issued by the Bank is stated at an amount presented by Reference Statistical Prices [Yields] for OTC Bond Transactions published by the Japan Securities Dealers Association, and is classified as Level 2.

(Securities)

1. Securities held for trading purposes (as of March 31, 2024)

Not applicable

2. Bonds held to maturity (as of March 31, 2024)

Not applicable

3. Other securities (as of March 31, 2024)

	Class	Consolidated balance sheet amount (million yen)	Acquisition cost (million yen)	Gains/losses (million yen)
Securities whose consolidated balance sheet amounts exceed acquisition costs	Stocks	839	214	625
	Bonds	3,009	3,001	7
	Municipal bonds	—	—	—
	Corporate bonds	3,009	3,001	7
	Subtotal	3,849	3,216	633
Securities whose consolidated balance sheet amounts do not exceed acquisition costs	Bonds	108,499	108,877	(377)
	Municipal bonds	65,327	65,495	(168)
	Corporate bonds	43,172	43,381	(209)
	Subtotal	108,499	108,877	(377)
Total		112,349	112,093	256

4. Bonds held to maturity sold during the consolidated fiscal year (from April 1, 2023 to March 31, 2024)

Not applicable

5. Other securities sold during the consolidated fiscal year (from April 1, 2023 to March 31, 2024)

Category	Amount sold (million yen)	Total gain on sale (million yen)	Total loss on sale (million yen)
Stocks	79	56	—
Total	79	56	—

6. Changes in purpose of holding securities

Not applicable

7. Securities to which impairment is applied

Not applicable

(Stock options, etc.)

The consolidated fiscal year (from April 1, 2023 to March 31, 2024)

1. Amount of stock options recorded as expenses in the consolidated fiscal year and its account title

Account title	Amount recorded (million yen)
General and administrative expenses	8

2. Amount recorded as profit due to forfeiture by non-exercise of rights

Account title	Amount recorded (million yen)
Other income	0

3. Details and scale of and changes in stock options

(1) Details of stock options

Tenth Round-(1) Subscription rights to shares	
Company name	Seven Bank, Ltd.
Date of resolution	October 6, 2023
Title and number of grantees	Directors and Audit & Supervisory Board Members of the Bank: 7 persons Employees of the Bank: 253 persons Directors and Audit & Supervisory Board Members of the Bank's subsidiaries: 9 persons

	Employees of the Bank's subsidiaries: 149 persons
Number of stock options by type of stock (Note)	Common stock: 3,835,200 shares
Grant date	October 31, 2023
Condition for exercise	<p>1. Holders of subscription rights to shares may exercise their rights only when all of the financial targets set forth in the Bank's Medium-Term Management Plan, as listed in a. through c. below, have been achieved.</p> <p>a. Ordinary income on the consolidated statement of income for the fiscal year ending March 31 2026: 250,000 million yen</p> <p>b. Ordinary profit on the consolidated statement of income for the fiscal year ending March 31 2026: 45,000 million yen</p> <p>c. Return on equity (ROE) calculated based on the consolidated balance sheet and consolidated statement of income for the fiscal year ending March 31 2026: 8%</p> <p>In determining whether the above performance conditions have been met, reference shall be made to the figures in the annual securities report submitted by the Bank. If the Board of Directors determines that it is not appropriate to make a determination based on the figures shown in the consolidated balance sheet and consolidated statement of income due to a change in the fiscal year end, changes in applicable accounting standards, or the occurrence of an event such as a corporate acquisition that significantly affects the Bank's performance, the Bank may make appropriate adjustments to eliminate such effects to a reasonable extent.</p> <p>2. Holders of subscription rights to shares must be Directors, Audit &amp; Supervisory Board Members, and employees of the Bank or its subsidiaries and affiliates (including seconded employees working for them) at the time of exercising the subscription rights to shares.</p> <p>3. The exercise of the subscription rights to shares by the heirs of holders of such rights shall not be permitted.</p> <p>4. If the exercise of the subscription rights to shares would cause the total number of shares issued by the Bank to exceed the total number of shares authorized to be issued at the time, the subscription rights to shares may not be exercised.</p> <p>5. Any fraction less than one unit of subscription right to shares may not be exercised.</p>
Requisite service period	From October 31, 2023 to May 31, 2026
Exercise period	From June 1, 2026 to October 31, 2027

(Note) The number of stock options is stated as converted into number of shares.

(2) Scale of and changes in stock options

The following includes the number of stock options that existed during the current fiscal year (ended March 31, 2024) and the number of stock options is stated as converted into number of shares.

1) Number of stock options

	Tenth Round-(1) Subscription rights to shares
Prior to vesting (shares)	
At end of the previous consolidated fiscal year	—
Granted	3,835,200
Forfeited	40,000
Vested	—
Outstanding	3,795,200
Post vesting (shares)	
At end of the previous consolidated fiscal year	—
Vested	—
Exercised	—
Forfeited	—
Outstanding	—

2) Unit price information

	Tenth Round-(1) Subscription rights to shares
Exercise price	319.4 yen
Average price when exercised	—
Fair value valuation price when granted	16 yen

4. Method for estimating a fair unit value of stock options

(1) Valuation method employed: Black-Scholes model

(2) Key parameters used in the option-pricing model

	Tenth Round-(1) Subscription rights to shares
Expected volatility (Note 1)	17.06%
Expected life (Note 2)	3.3 years



Expected dividend rate (Note 3)	3.69%
Risk-free interest rate (Note 4)	0.216%

(Notes)

1. Expected volatility is calculated based on the actual share prices during the past period (from July 15, 2020 to October 31, 2023) corresponding to the expected life.
  2. Due to the difficulty in reasonably estimating the period until the exercise of rights, the expected life is assumed to be the period from the time of calculation to the midpoint of the exercise period.
  3. Expected dividend rate is based on the actual dividend amounts for the fiscal year ended March 31, 2023.
  4. The risk-free rate represents the Japanese Government Bond yield corresponding to the expected life.
5. Method for estimating the number of vested stock options  
Only the actual number of forfeited stock options is reflected because of the difficulty in reasonably estimating the number of stock options that will be forfeited in the future.

(Business combinations)

(Transaction under common control)

Based on the resolution at the Board of Directors meeting held on April 6, 2023, the Bank acquired 870,000 issued shares of Seven Card Service Co., Ltd. ("7CE"), which was owned by Seven Financial Service Co., Ltd., and made 7CE a consolidated subsidiary as of July 1, 2023. (The ratio of voting rights acquired to the voting rights of all shareholders is 98.86%. The figure is rounded to the second decimal place; and the same shall apply hereinafter.)

1. Outline of the business combination

(1) Name and business of the company that the Bank acquired shares of

Name of the acquired company: Seven Card Service Co., Ltd.

Business: Credit card business, electronic money business

(2) Date of business combination

July 1, 2023

(3) Legal form of business combination

Share acquisition in consideration for cash

(4) Name of the company after the combination

No change

(5) Purpose and outline of the transaction

• Purpose

The Bank and 7CE, subsidiaries of Seven & i Holdings Co., Ltd., were both incorporated in 2001 in order to provide customers visiting stores of Seven & i Group with highly convenient financial services. For almost 20 years since their incorporation, both companies have been making efforts to develop services to achieve the objectives. The Bank has been used by many customers mainly in ATM business and account business, and 7CE has been used mainly in credit card business and electronic money business (nanaco).

Going forward, both companies will develop financial services as a distribution and retail group and provide unique experiences by integrating and expanding their know-how and specialized services they cultivated, rearranging various financial services from the viewpoints of customers and utilizing past knowledge and findings obtained at 7iD.

• Outline of transaction

Number of shares acquired: 870,000 shares

Acquisition value: 32,000 million yen

Ownership ratio after acquisition: 98.86%

2. Outline of accounting treatment applied

The transaction was accounted for as a transaction under common control in accordance with the "Accounting Standard for Business Combination" (ASBJ Statement No. 21, January 16, 2019) and the "Implementation Guidance on Accounting Standard for Business Combination and Accounting Standard for Business Divestiture" (ASBJ Guidance No. 10, January

16, 2019.)

(Revenue recognition)

1. Disaggregation of revenue from contracts with customers

(Unit: million yen)

	Reportable segment				Adjustments	Amount on consolidated financial statements
	Domestic business (Banking business and others)	Credit card business, electronic money business	Overseas business	Total		
Ordinary income						
ATM-related fee income	111,336	—	38,156	149,493	(47)	149,446
Credit operating income	—	6,145	—	6,145	—	6,145
Electronic money operating income	—	10,201	—	10,201	—	10,201
Other	13,337	3,277	187	16,802	(448)	16,353
Ordinary income from contracts with customers	124,674	19,624	38,344	182,643	(495)	182,147
Other ordinary income	8,381	7,193	518	16,094	(363)	15,730
Ordinary income with external customers	133,055	26,818	38,862	198,737	(859)	197,877

Note 1: Ordinary income is stated in lieu of net sales of general enterprises

Note 2: Adjustments are mainly elimination of inter-segment transactions.

2. Useful information in understanding revenue from contracts with customers

- Banking business centering on the ATM platform business

The Bank and its consolidated subsidiary firms and subsidiary corporations mainly provide the banking business centering on the ATM platform business. Their main services are to accept or deliver cash to the users of the Bank's partner financial institutions, etc. when they deposit in or withdraw cash from their deposits, etc. by using the Bank's ATMs, and through the provision of these ATM services, etc., we receive service fee income. The transaction prices are calculated by multiplying the number of ATM transactions by a per-transaction fee, based on the contracts with partner financial institutions, etc. Revenue is recognized at the time when users of the partner financial institutions, etc. use the Bank's ATMs services, etc. The consideration for these transactions is received generally within a month following the month in which the performance obligation was satisfied.

- Financial services business centering on the credit card business and the electronic money business

Seven Card Services Co., Ltd., a consolidated subsidiary of the Bank, mainly provides the financial services business centering on the credit card business and the electronic money business, and receives service fee income through the provision of these financial services.

The transaction prices for the credit card business are calculated based on the credit card settlement amount multiplied by a certain rate based on the contracts with the merchants, and revenue is recognized at the time of the establishment of credit sales (comprehensive credit purchase mediation), which is a performance obligation.

The transaction prices for the electronic money business are calculated based on the electronic money settlement amount multiplied by a certain rate based on the contracts with the merchants, and revenue is recognized at the time of the establishment of the electronic money transaction.

3. Useful information in understanding the amount of revenue for the consolidated fiscal year under review and after the end of the consolidated fiscal year under review

The balance of receivables from contracts with customers is as follows.

(Unit: million yen)

	Consolidated fiscal year under review	
	Beginning balance (April 1, 2023)	Ending balance (March 31, 2024)
Receivables from contracts with customers	11,172	12,420

Note: Receivables from contracts with customers are included in Other assets on the consolidated balance sheet.

(Per share information)

Net assets per share	231.24 yen
Net income attributable to owners of the parent per share	27.25 yen

Notes:

- The Bank has adopted the BIP Trust for officer remuneration and the ESOP Trust for stock allocation. The Bank's shares held in these trusts are included in the number of treasury shares, which are deducted from the total number of shares issued as of the end of the consolidated fiscal year to calculate Net assets per share. The number of treasury shares deducted at the end of the consolidated fiscal year under review was 5,555 thousand. They are also included in the treasury shares deducted in the calculation of the average number of shares for the period as part of the calculation of Net income attributable to owners of the parent per share. The average number of treasury shares deducted for the consolidated fiscal year under review was 5,143 thousand.
- Diluted net income attributable to owners of the parent per share is not provided as potential shares, although they exist, have no dilutive effects.

(Significant subsequent events)

Not applicable

**Balance Sheet**  
at the End of the 23rd Term (as of March 31, 2024)

(Unit: million yen)

Category	Amount	Category	Amount
<b>(Assets)</b>		<b>(Liabilities)</b>	
<b>Cash and due from banks</b>	<b>956,804</b>	<b>Deposits</b>	<b>949,751</b>
Cash	776,540	Ordinary deposits	730,637
Due from banks	180,263	Time deposits	218,748
<b>Call loans</b>	<b>50,000</b>	Other deposits	365
<b>Securities</b>	<b>172,795</b>	<b>Negotiable certificates of deposits</b>	<b>650</b>
Municipal bonds	65,327	<b>Call money</b>	<b>110,000</b>
Bonds	46,181	<b>Bonds</b>	<b>65,000</b>
Stocks	38,067	<b>Other liabilities</b>	<b>148,154</b>
Other securities	23,218	Income taxes payable	3,743
<b>Loans receivable</b>	<b>44,468</b>	Accrued expenses	6,964
Loan on deeds	150	ATM-related temporary advances	118,566
Current overdrafts	44,318	Asset retirement obligations	430
<b>Foreign exchanges</b>	<b>0</b>	Other	18,450
Due from foreign banks	0	<b>Reserve for bonuses</b>	<b>634</b>
<b>Other assets</b>	<b>231,427</b>	<b>Reserve for stocks payment</b>	<b>812</b>
Prepaid expenses	1,831	<b>Acceptances and guarantees</b>	<b>13,300</b>
Accrued income	10,466	<b>Total liabilities</b>	<b>1,288,303</b>
ATM-related temporary payments	198,172	<b>(Net assets)</b>	
Other	20,957	<b>Capital stock</b>	<b>30,724</b>
<b>Tangible fixed assets</b>	<b>29,023</b>	<b>Capital surplus</b>	<b>30,724</b>
Buildings	1,756	Legal capital surplus	30,724
ATMs	23,164	<b>Retained earnings</b>	<b>188,926</b>
Other (tangible fixed assets)	4,102	Legal retained earnings	0
<b>Intangible fixed assets</b>	<b>38,484</b>	Other retained earnings	188,926
Software	30,597	Retained earnings brought forward	188,926
Software-related temporary accounts	7,880	<b>Treasury stock</b>	<b>(2,744)</b>
Other (intangible fixed assets)	6	<b>Total shareholders' equity</b>	<b>247,631</b>
<b>Prepaid pension cost</b>	<b>921</b>	<b>Valuation difference on available-for-sale securities</b>	<b>607</b>
<b>Deferred tax assets</b>	<b>1,131</b>	<b>Total valuation and translation adjustments</b>	<b>607</b>
<b>Customers' liabilities for acceptances and guarantees</b>	<b>13,300</b>	<b>Share acquisition rights</b>	<b>12</b>
<b>Allowance for losses</b>	<b>(1,802)</b>	<b>Total net assets</b>	<b>248,252</b>
<b>Total assets</b>	<b>1,536,555</b>	<b>Total liabilities and net assets</b>	<b>1,536,555</b>

**Statement of Income**  
for the 23rd Term (from April 1, 2023 to March 31, 2024)

(Unit: million yen)

Category	Amount	
<b>Ordinary income</b>		<b>128,899</b>
<b>Interest income</b>	<b>6,163</b>	
Interest on loans receivable	5,880	
Interest and dividends on securities	147	
Interest on call loans	49	
Interest on deposits with banks	86	
<b>Fees and commissions income</b>	<b>121,505</b>	
Remittance-related fee income	3,744	
ATM-related fee income	111,060	
Other fees and commissions income	6,700	
<b>Other ordinary income</b>	<b>310</b>	
Gains on foreign exchange transactions	310	
<b>Other income</b>	<b>919</b>	
Gain on sale of equity securities	56	
Other	862	
<b>Ordinary expenses</b>		<b>99,775</b>
<b>Interest expenses</b>	<b>271</b>	
Interest on deposits with banks	32	
Interest on negotiable certificates of deposits	0	
Interest on call money	(59)	
Interest on borrowings and rediscounts	0	
Interest on bonds	298	
<b>Fees and commissions expenses</b>	<b>25,339</b>	
Remittance-related fee expense	1,808	
ATM placement fee expenses	17,525	
ATM-related fee expenses	2,646	
Other fees and commissions expenses	3,358	
<b>General and administrative expenses</b>	<b>71,580</b>	
<b>Other expenses</b>	<b>2,585</b>	
Provision of allowance for credit losses	1,123	
Written-off of loans	0	
Written-off equity securities	1,363	
Other expenses	98	
<b>Ordinary profit</b>		<b>29,123</b>
<b>Extraordinary income</b>		<b>200</b>
Gain on sale of stocks of subsidiaries and affiliates	200	
<b>Extraordinary losses</b>		<b>1,719</b>
Losses on disposal of non-current assets	503	
Losses on valuation of shares of subsidiaries and affiliates	909	
Other extraordinary losses	306	
<b>Income before income taxes</b>		<b>27,603</b>
<b>Income taxes - current</b>	<b>8,301</b>	
<b>Income taxes - deferred</b>	<b>(18)</b>	
<b>Total income taxes</b>		<b>8,283</b>
<b>Net income</b>		<b>19,320</b>

**Statement of Changes in Net Assets**  
for the 23rd Term (from April 1, 2023 to March 31, 2024)

(Unit: million yen)

	Shareholders' equity							
	Capital stock	Capital surplus		Retained earnings			Treasury stock	Total shareholders' equity
		Legal capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings	Total retained earnings		
					Retained earnings brought forward			
Balance as of April 1, 2023	30,724	30,724	30,724	0	182,578	182,578	(900)	243,127
Changes in items during the period								
Dividends from surplus	–	–	–	–	(12,972)	(12,972)	–	(12,972)
Net income	–	–	–	–	19,320	19,320	–	19,320
Purchase of treasury stock	–	–	–	–	–	–	(1,873)	(1,873)
Disposal of treasury stock	–	–	–	–	–	–	30	30
Net changes of items other than shareholders' equity	–	–	–	–	–	–	–	–
Total changes of items during the period	–	–	–	–	6,348	6,348	(1,843)	4,504
Balance as of March 31, 2024	30,724	30,724	30,724	0	188,926	188,926	(2,744)	247,631

	Valuation and translation adjustments		Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
Balance as of April 1, 2023	500	500	–	243,627
Changes in items during the period				
Dividends from surplus	–	–	–	(12,972)
Net income	–	–	–	19,320
Purchase of treasury stock	–	–	–	(1,873)
Disposal of treasury stock	–	–	–	30
Net changes of items other than shareholders' equity	107	107	12	120
Total changes of items during the period	107	107	12	4,624
Balance as of March 31, 2024	607	607	12	248,252

## Explanatory Notes

Amounts of less than one million yen have been discarded.

### Significant accounting policies

#### 1. Basis and methodology for the valuation of securities

As for valuation of securities, stocks of subsidiary firms and subsidiary corporations, affiliates and others are stated at cost using the moving-average method and available-for-sale securities are stated at their market values (cost of securities sold are computed using primarily the moving-average method). Provided, however, that stocks, etc. with no market value are stated at cost using the moving-average method. Unrealized gains and losses on available-for-sale securities are reported as a separate component of net assets.

#### 2. Method for calculating depreciation of fixed assets

##### (1) Tangible fixed assets

Depreciation of tangible fixed assets is calculated by the straight-line method.

Estimated useful lives of major items are as follows:

Buildings: 6–18 years

ATMs: 5 years

Others: 2–20 years

##### (2) Intangible fixed assets

Intangible fixed assets are amortized using the straight-line method. Software utilized by the Bank is amortized over the period in which it is expected to be utilized (five years).

#### 3. Translation of assets and liabilities denominated in foreign currencies

Assets and liabilities denominated in foreign currencies are translated into Japanese yen mainly at the exchange rate prevailing at the balance sheet date excluding stocks of subsidiary firms and subsidiary corporations, which are translated into Japanese yen at the exchange rate prevailing at the time of their acquisition.

#### 4. Provisioning standards

##### (1) Allowance for losses

An allowance for losses is provided as detailed below in accordance with the Bank's internal standards for write-offs and provisions.

For credits to obligors classified as normal obligors or watch obligors, the allowance for losses is provided in the Bank's estimated amount of credit losses for the following fiscal year in accordance with the "Administrative guidelines concerning the self-assessment of assets, bad debt amortization and bad debt reserves for banks and other financial institutions" (Bank Audit Special Committee Report No. 4 issued on April 14, 2022, by The Japanese Institute of Certified Public Accountants (JICPA)). Of which, on the basis of loss ratios, determined by the average for a fixed period of time of historical credit loss ratios or historical bankruptcy ratios, which is based on credit loss history or bankruptcy loss history in the fiscal year, the estimated amount of credit losses is calculated by making requisite amendments, including future projections, to the loss ratios. For credits to obligors classified as bankruptcy risk obligors, the allowance for losses is provided for estimated unrecoverable amounts determined after excluding the portion that is estimated to be recoverable due to available security interests and guarantees. For credits to obligors classified as substantially bankrupt obligors or bankrupt obligors, the allowance for losses is provided in the full amounts of such credits, excluding the portion that is estimated to be recoverable due to available security interests and guarantees.

The Bank's Risk Management Division, which is independent from the Bank's other divisions, performs the secondary evaluation of all credits in accordance with its internal rules for self-assessment of assets after the primary evaluation by the Bank's other divisions, and the evaluations are audited by the Internal Audit Division, which is independent from the Bank's other divisions and the Risk Management Division. The allowance is provided based on the results of these assessments.

##### (2) Reserve for bonuses

The Bank records a reserve for bonuses for employees in the amount of estimated bonuses attributed to the relevant fiscal year.

##### (3) Employees' severance and retirement benefits

Reserve for employees' severance and retirement benefits is provided for possible payment of employees' retirement benefits at the amount to be accrued at the balance sheet date, and is calculated based on projected benefit obligations and the related plan assets as of the fiscal year-end. In calculating the projected benefit obligations, the benefit formula basis is used to allocate the projected retirement benefits to the years of service up to the end of the fiscal year under review. Net actuarial difference is amortized as follows:

Net actuarial difference: Amortized using the straight-line method over 10 years within the employees' average remaining service period at the time of occurrence, commencing from the next fiscal year of occurrence.

For the fiscal year under review, as the projected plan assets exceeded the amount at which the projected benefit obligations were adjusted for the unrecognized actuarial differences, the excess was recorded as prepaid pension cost in

the balance sheet.

(4) Reserve for stocks payment

Reserve for directors' benefit trust is provided for possible payment for allocation of the Bank's shares based on the "Rules for Stock Allocation to Directors" and the "Rules for Stock Allocation to Executive Officers," as well as "Rules for Stock Allocation to Employees" to Directors (excluding non-executive Directors and Directors residing overseas), Executive Officers (excluding those residing overseas), and certain employees (excluding those residing overseas), respectively, in the amount calculated based on projected stock allocation obligations as of the fiscal year-end.

5. Standards for recording revenue

The details of the main performance obligations in the major businesses related to revenue from contracts with the customers of the Bank and the timing at which the Bank typically satisfies these performance obligations (when it typically recognizes revenue) are as follows.

- Banking business centering on the ATM platform business

The Bank mainly provides a service to accept or deliver cash to the users of the Bank's partner financial institutions, etc. when they deposit in or withdraw cash from their deposits, etc. by using the Bank's ATMs. As for the service fee income to be received through the provision of these ATM services, etc., the Bank recognizes revenue at the time when users of the partner financial institutions, etc. use the Bank's ATMs services, etc. The consideration for the transactions is received generally within a month following the month in which the performance obligation was satisfied.

6. Other significant matters forming the basis of preparing financial statements

Retirement benefits

The method of accounting for the unappropriated amount of unrecognized actuarial differences related to retirement benefits differs from that used for consolidated financial statements.

**Additional information**

(Performance-based stock compensation plan for Directors, Executive Officers and certain employees)

A performance-based stock compensation plan has been adopted for the Bank's Directors (excluding non-executive Directors and Directors residing overseas), Executive Officers (excluding those residing overseas) and certain employees (excluding those residing overseas). The outline of the plan is as described in "Additional information" in the "Explanatory Notes (Consolidated)."



## Important notes

(Balance sheet)

1. Total amount of stocks of (and investments in) subsidiaries and affiliates: 54,737 million yen
2. Claims stipulated by the Banking Law and the Act on Emergency Measures for the Revitalization of the Financial Functions are as follows. "Claims" refers to bonds (limited to those whose redemption of principal and all or part of the payment of interest thereon are guaranteed, and whose issuance is made through the private placement of securities (as set forth in Article 2, Paragraph 3 of the Financial Instruments and Exchange Act)) included in "securities" on the balance sheet, loans receivable, foreign exchanges, and accrued interest and suspense payments included in "Other assets," and items recorded under customers' liabilities for acceptances and guarantees, as well as securities on loan among the securities with notes (limited to those based on loan-for-use agreements or loan agreements).

(Million yen)

Amount of claims subject to bankruptcy proceeding and reorganization proceedings and any other type of claims equivalent thereto	78
Amount of claims with risks	—
Amount of loans in arrears for three months or more	—
Amount of restructured loans	—
Total	78

"Claims subject to bankruptcy proceeding and reorganization proceedings and any other type of claims equivalent thereto" refers to the claims held against debtors with failed business status due to the grounds such as commencement of bankruptcy proceedings, commencement of reorganization proceedings, or commencement of rehabilitation proceedings, and any other type of claims equivalent thereto.

"Claims with risks" refers to the claims whose debtor is not yet in the status of failure in business although such debtor's financial status and business performance are worsening, and for which it is highly likely that the collection of principal or receipt of interest in accordance with the contract is impossible, excluding claims subject to bankruptcy proceeding and reorganization proceedings and any other type of claims equivalent thereto.

"Loans in arrears for three months or more" refers to loans for which the payment of the principal or interest has been in arrears for three months or more counting from the day after the due date agreed upon, excluding claims subject to bankruptcy proceeding and reorganization proceedings and any other type of claims equivalent thereto and claims with risks.

"Restructured loans" refers to loans for which reduction of interest, interest payment grace period, principal repayment grace period, debt forgiveness or other such arrangements that are advantageous to the obligor have been made for the purpose of reestablishing or assisting the business of the obligor, excluding claims subject to bankruptcy proceeding and reorganization proceedings and any other type of claims equivalent thereto, claims with risks and loans in arrears for three months or more.

The amounts of claims shown above are amounts prior to the deduction of the allowance for losses.

3. As collateral for exchange settlement and Bank of Japan current overdraft transactions, securities of 102,612 million yen have been provided.

Also, 2,318 million yen in guarantees and a deposit of 6,500 million yen in a central counterparty clearinghouse (CCP) are included in Other Assets.

4. An overdraft agreement is an agreement to lend funds up to a certain limit if a financing request is received from a customer, unless there is any violation of the terms and conditions of the agreement. The unused balance of funds under such agreements is 30,006 million yen. This includes the unused balance of funds in the amount of 30,006 million yen under agreements in which the original term is one year or less.

5. Accumulated depreciation for tangible fixed assets 44,770 million yen
6. The Bank has guaranteed 13,300 million yen for a portion of the amount of security for issuance of "nanaco" electronic money issued by Seven Card Service Co. Ltd., a consolidated subsidiary of the Bank.
7. Total monetary claims on subsidiaries and affiliates 336 million yen
8. Total monetary liabilities payable to subsidiaries and affiliates 119,674 million yen
9. Restriction on dividends from retained earnings in accordance with Article 18 of the Banking Law

When paying a dividend from retained earnings, despite the provisions of the Companies Act Article 445, Paragraph 4 (amount of capital and amount of reserves), one fifth of the amount by which retained earnings has been reduced as a result of the payment of a dividend from retained earnings is to be accounted as legal capital surplus or retained earnings.

No amount is accounted for in legal capital surplus and in retained earnings associated with the dividends to be paid from retained earnings during this fiscal year.

(Statement of income)

1. Profit from trading with subsidiaries and affiliates  
Total income from fund management transactions 0 million yen  
Total income from fee transactions, etc. 1,787 million yen

- |  |                    |
|--|--------------------|
| Total income from other transactions and other ordinary transactions   | 161 million yen    |
| 2. Costs deriving from transactions with subsidiaries and affiliates   |                    |
| Total costs deriving from fund raising transactions  | 1 million yen      |
| Total costs deriving from fee transactions, etc.   | 15,331 million yen |
| Total costs deriving from other transactions   | 2,214 million yen  |
| 3. Losses on valuation of shares of subsidiaries and affiliates of 909 million yen occurred upon the valuation of Seven Global Remit, Ltd. and Credd Finance, Ltd., consolidated subsidiaries of the Bank. |                    |
| 4. 299 million yen of impairment loss is included in "Other extraordinary losses," which is related to bonds with subscription rights to shares of the Bank's affiliate TORANOTEC, Ltd.                    |                    |

(Statement of changes in net assets)

The types and number of shares of treasury stock of the Bank are as follows:

(Unit: thousand shares)

	Number of shares at the beginning of this fiscal year	Increase during this fiscal year	Decrease during this fiscal year	Number of shares at the end of this fiscal year	Remarks
Treasury stock					
Common stock	3,098	6,400	107	9,391	(Notes 1, 2, 3)
Total	3,098	6,400	107	9,391	

- Notes: 1. The number of treasury shares increased by 6,400 thousand shares, of which 3,835 thousand shares were due to the acquisition in anticipation of the exercise of stock options with charge, and 2,565 thousand shares were due to the acquisition of the Bank's shares by the BIP Trust for officer remuneration and the ESOP Trust. In addition, the number of treasury shares increased by 0 thousand shares due to purchase of shares less than one unit.
2. The number of treasury shares decreased by 107 thousand shares due to the delivery of the Bank's shares held by the BIP Trust for officer remuneration and the ESOP Trust for stock allocation.
3. The numbers of treasury shares as of April 1, 2023 and March 31, 2024 include 3,098 thousand shares and 5,555 thousand shares of the Bank, respectively, held by the BIP Trust for officer remuneration and the ESOP Trust for stock allocation.

(Securities)

- Securities held for trading purposes (as of March 31, 2024)  
Not applicable
- Bonds held to maturity (as of March 31, 2024)  
Not applicable
- Shares in subsidiary firms, subsidiary corporations, affiliates and others (as of March 31, 2024)  
There are no shares in subsidiary firms, subsidiary corporations, affiliates and others that have market value.  
Balance sheet amounts of stocks with no market value of subsidiary firms and affiliates are as follows.

	Balance sheet amount (million yen)
Stocks of subsidiary firms and subsidiary corporations	54,737
Stocks of affiliates and others	0

4. Other securities (as of March 31, 2024)

	Class	Balance sheet amount (million yen)	Acquisition cost (million yen)	Gains/losses (million yen)
Securities whose balance sheet amounts exceed acquisition costs	Stocks	839	214	625
	Bonds	3,009	3,001	7
	Municipal bonds	—	—	—
	Corporate bonds	3,009	3,001	7
	Subtotal	3,849	3,216	633
Securities whose balance sheet amounts do not exceed acquisition costs	Bonds	108,499	108,877	(377)
	Municipal bonds	65,327	65,495	(168)
	Corporate bonds	43,172	43,381	(209)
	Subtotal	108,499	108,877	(377)
Total		112,349	112,093	256

Note: Balance sheet amount of stocks, etc. with no market value and investments in partnership not included in the above

Classification	Balance sheet amount (million yen)
Unlisted stocks	1,630
Investments in partnership	4,077

Investments in partnership are excluded from the scope of disclosure in accordance with Paragraph 24-16 of the "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31, June 17, 2021). An impairment loss of 1,363 million yen on unlisted stocks was recorded for the fiscal year under review.

5. Bonds held to maturity sold during the fiscal year (from April 1, 2023 to March 31, 2024)

Not applicable

6. Other securities sold during the fiscal year (from April 1, 2023 to March 31, 2024)

Category	Amount sold (million yen)	Total gain on sale (million yen)	Total loss on sale (million yen)
Stocks	79	56	—
Total	79	56	—

7. Changes in purpose of holding securities

Not applicable

8. Securities to which impairment is applied

Not applicable

(Money held in trust)

Not applicable

(Tax effect accounting)

Breakdown of the main reasons for the creation of deferred tax assets and deferred tax liabilities

	(million yen)
Deferred tax assets:	
Losses on valuation of shares of subsidiaries and affiliates, etc.	8,555
Excess bad debt reserve	551
Excess depreciation charge	293
Reserve for stocks payment	248
Unpaid corporate tax	240
Reserve for bonuses	194
Asset retirement obligations	131
Investments in partnership	88
Other	88
Subtotal deferred tax assets	<u>10,393</u>
Valuation allowance	<u>(8,676)</u>
Total deferred tax assets	1,716
Deferred tax liabilities:	
Prepaid pension cost	(282)
Valuation difference on available-for-sale securities	(268)
Adjustment to tangible fixed assets related to asset retirement obligations	(31)
Other	(2)
Total deferred tax liabilities	<u>(585)</u>
Net deferred tax assets	<u>1,131</u>

(Related party information)

1. Dealings with related parties

(1) Parent company and important corporate shareholders, etc.

Type	Name	Address	Capital (million yen)	Content of business or operations	% of voting rights	Relationship	Transactions	Transaction amount (million yen)	Item	Amounts outstanding at term end (million yen)
Other related company	Seven-Eleven Japan Co., Ltd.	Chiyoda-ku, Tokyo	17,200	Convenience store operation	Directly held 38.61%	Contracts related to installation & operation of ATM business capital transactions	Payment of fees for ATM installation (Note 1)	15,331	Accrued expenses (Note 2)	1,438

Notes: 1. Conditions of transactions and method for determining conditions for transactions

The business terms and conditions and decision-making process related to ATM placement fee expenses comprehensively take into account the consideration for outsourcing of office work and Seven-Eleven Japan's total infrastructure costs.

2. Consumption tax and other taxes are not included in the transaction amount, but the end-of-term outstanding balance includes consumption tax and other taxes.

(2) Subsidiaries and related companies, etc.

There are no material transactions of note.

(3) Companies with the same parent and subsidiaries of other affiliated companies, etc.

The Bank acquired shares of Seven Card Service Co., Ltd. from Seven Financial Service Co., Ltd. which shares the parent company with the Bank. For details, please refer to "Business combinations, etc." in the "Explanatory Notes (Consolidated)."

(4) Directors and individual shareholders, etc.

Not applicable.

2. Notes about parent company or important related companies

(1) Parent company information

Seven & i Holdings Co., Ltd. (listed on Prime Market, Tokyo Stock Exchange)

(2) Summary financial information about important related companies

None

(Revenue recognition)

Useful information in understanding revenue from contracts with customers

• Banking business centering on the ATM platform business

The Bank mainly provides the banking business centering on the ATM platform business. The main services are to accept or deliver cash to the users of the Bank's partner financial institutions, etc. when they deposit in or withdraw cash from their deposits, etc. by using the Bank's ATMs, and through the provision of these ATM services, etc., the Bank receives service fee income. The transaction prices are calculated by multiplying the number of ATM transactions by a per-transaction fee, based on the contracts with partner financial institutions, etc. Revenue is recognized at the time when users of the partner financial institutions, etc. use the Bank's ATMs services, etc. The consideration for these transactions is received generally within a month following the month in which the performance obligation was satisfied.

(Per share information)

Net assets per share 212.18 yen

Basic earnings per share 16.47 yen

Notes:

1. The Bank has adopted the BIP Trust for officer remuneration and the ESOP Trust for stock allocation. The Bank's shares held by these trusts are included in the number of treasury shares, which are deducted from the total number of shares issued as of the end of the fiscal year, to calculate Net assets per share. The number of treasury shares that were deducted at the end of the fiscal year was 5,555 thousand. They are also included in the treasury shares deducted in the calculation of the average number of shares for the period as part of the calculation of Basic earnings per share. The average number of treasury shares deducted for the fiscal year under review was 5,143 thousand.

2. Diluted earnings per share is not provided as potential shares, although they exist, have no dilutive effects.

(Significant subsequent events)

Not applicable

The Board of Directors  
Seven Bank, Ltd.

KPMG AZSA LLC, Tokyo Office

Satoshi Hataoka  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Tomoaki Takeuchi  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

### Opinion

We have audited the consolidated financial statements, which comprise the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in net assets and the related notes of Seven Bank, Ltd. ("the Company") and its consolidated subsidiaries (collectively referred to as "the Group"), as at March 31, 2024 and for the year from April 1, 2023 to March 31, 2024 in accordance with Article 444, paragraph (4) of the Companies Act.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position and the results of operations of the Group for the period, for which the consolidated financial statements were prepared, in accordance with accounting principles generally accepted in Japan.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other Information

The other information comprises the business report and its supplementary schedules. Management is responsible for the preparation and presentation of the other information. Corporate auditors and the board of corporate auditors are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the reporting process for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Responsibilities of Management and Corporate Auditors and the Board of Corporate Auditors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable

the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

Corporate auditors and the board of corporate auditors are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the Group's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the consolidated financial statements are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with corporate auditors and the board of corporate auditors regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide corporate auditors and the board of corporate auditors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

### **Interest required to be disclosed by the Certified Public Accountants Act of Japan**

Our firm and its designated engagement partners do not have any interest in the Company and its subsidiaries which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

### **Notes to the Reader of Independent Auditor's Report:**

The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the

Companies Act for the conveniences of the reader.



The Board of Directors  
Seven Bank, Ltd.

KPMG AZSA LLC, Tokyo Office

Satoshi Hataoka  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Tomoaki Takeuchi  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

### Opinion

We have audited the financial statements, which comprise the balance sheet, the statement of income, the statement of changes in net assets and the related notes, and the supplementary schedules ("the financial statements and the supplementary schedules") of Seven Bank, Ltd. ("the Company") as at March 31, 2024 and for the year from April 1, 2023 to March 31, 2024 in accordance with Article 436, paragraph (2), Item (i) of the Companies Act.

In our opinion, the financial statements and the supplementary schedules referred to above present fairly, in all material respects, the financial position and the results of operations of the Company for the period, for which the financial statements and the supplementary schedules were prepared, in accordance with accounting principles generally accepted in Japan.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements and the Supplementary Schedules* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other Information

The other information comprises the business report and its supplementary schedules. Management is responsible for the preparation and presentation of the other information. Corporate auditors and the board of corporate auditors are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the reporting process for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## **Responsibilities of Management and Corporate Auditors and the Board of Corporate Auditors for the Financial Statements and the Supplementary Schedules**

Management is responsible for the preparation and fair presentation of the financial statements and the supplementary schedules in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements and the supplementary schedules that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the accompanying supplementary schedules, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

Corporate auditors and the board of corporate auditors are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the Company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements and the Supplementary Schedules**

Our objectives are to obtain reasonable assurance about whether the financial statements and the supplementary schedules as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements and the supplementary schedules.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements and the supplementary schedules, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the supplementary schedules or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the financial statements and the supplementary schedules are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the financial statements and the supplementary schedules, including the disclosures, and whether the financial statements and the supplementary schedules represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with corporate auditors and the board of corporate auditors regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide corporate auditors and the board of corporate auditors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

**Interest required to be disclosed by the Certified Public Accountants Act of Japan**

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

**Notes to the Reader of Independent Auditor's Report:**

This is an English translation of the Independent Auditor's Report as required by the Companies Act of Japan for the conveniences of the reader.

Audit Report  
(English Translation)

Regarding the performance of duties by the Directors for the 23rd fiscal year from April 1, 2023 to March 31, 2024, the Audit & Supervisory Board hereby submits its Audit Report, which has been prepared upon careful consideration based on the audit report prepared by each Audit & Supervisory Board Member.

1. Summary of Auditing Methods by the Audit & Supervisory Board Members and the Audit & Supervisory Board

- (1) The Audit & Supervisory Board established auditing policies, allocation of duties, and other relevant matters and received reports from each Audit & Supervisory Board Member regarding his or her audits and results thereof, as well as received reports from the Directors, other relevant personnel and the Accounting Auditors regarding performance of their duties, and requested explanations, as necessary.
- (2) Each Audit & Supervisory Board Member complied with the auditing standards stipulated by the Audit & Supervisory Board, followed the auditing policies, allocation of duties and other relevant matters for the fiscal year ended March 31, 2023, communicated with Directors, the internal audit division, other employees and any other relevant personnel, made efforts to prepare the environment for information collection and audit, and conducted audits by the following methods.
  - 1) Participated in meetings of the Board of Directors and other important meetings, received reports from the Directors, employees and other relevant personnel regarding performance of their duties, requested explanations as necessary, examined important authorized documents and associated information, and studied the operations and financial positions at the head office and principal business offices. With respect to the subsidiaries, we communicated and exchanged information with Directors, Audit & Supervisory Board Members and other relevant personnel of the subsidiaries and received the business reports therefrom as necessary.
  - 2) With respect to the system for ensuring that the performance of duties by the Directors as stated in the Business Report conforms to the related laws, regulations and the Articles of Incorporation, and the system prepared based on the contents of the resolutions of the Board of Directors and such resolutions regarding preparation of the system stipulated in Article 100, Paragraphs 1 and 3 of the Ordinance for Enforcement of the Companies Act (internal control system) as a necessary system for ensuring the appropriateness of business operation by a corporate group consisting of the stock company and its subsidiaries, we received regular reports from Directors, employees and other relevant personnel regarding the development and the operation of the system, requested explanations as necessary and expressed opinions.

With regard to the internal control over financial reporting based on the Financial Instruments and Exchange Act, we received reports on the assessment and audit status of said internal control from the Directors and the Accounting Auditors (KPMG AZSA LLC), and requested explanations as necessary.
  - 3) We monitored and verified whether the Accounting Auditors maintained their independence and implemented appropriate audits, as well as received reports from the Accounting Auditors regarding the performance of their duties and requested explanations as necessary. In addition, we received notice from the Accounting Auditors that the “system for ensuring that duties are performed properly” (matters set forth in each item of Article 131 of the Ordinance for Corporate Accounting) had been prepared in accordance with the “Product Quality Management Standards Regarding Audits” (issued by the Business Accounting Council) and other relevant standards, and requested explanations as necessary.

Based on the above methods, we examined the business report and its accompanying supplementary schedules, financial statements (Balance Sheet, Statement of Income, Statement of Changes in Net Assets and Explanatory Notes) and the supplementary schedules, as well as the consolidated financial statements (Consolidated Balance Sheet, Consolidated Statement of Income, Consolidated Statement of Changes in Net Assets and Explanatory Notes (Consolidated)) pertaining to the relevant fiscal year.

## 2. Results of Audit

### (1) Results of Audit of Business Report and Other Relevant Documents

- 1) In our opinion, the Business Report and the supplementary schedules are in accordance with the related laws, regulations and the Articles of Incorporation, and fairly present the Bank's condition.
- 2) We have found no evidence of wrongful action or material violation of related laws and regulations, nor of any violation with respect to the Articles of Incorporation, related to performance of duties by the Directors.
- 3) In our opinion, the contents of the resolutions of the Board of Directors related to the internal control system are fair and reasonable. In addition, we have found no matters on which to remark regarding the description in the Business Report and the performance of duties by the Directors related to such internal control system, including the internal control over financial reporting.

### (2) Results of Audit of Financial Statements and the supplementary schedules

In our opinion, the methods and results employed and rendered by KPMG AZSA LLC are fair and reasonable.

### (3) Results of Audit of Consolidated Financial Statements

In our opinion, the methods and results employed and rendered by KPMG AZSA LLC are fair and reasonable.

May 17, 2024

Audit & Supervisory Board, Seven Bank, Ltd.

Full-time Audit & Supervisory Board Member	Kazuhiko Ishiguro (seal)
Full-time Audit & Supervisory Board Member	Ryoji Sakai (seal)
Outside Audit & Supervisory Board Member	Hideaki Terashima (seal)
Outside Audit & Supervisory Board Member	Chieko Ogawa (seal)

## (Reference) Concerning Corporate Governance

### 1. 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 the social trust and seeks to ensure effective corporate governance. This is achieved by maintaining and improving its corporate governance and compliance system to ensure transparent, fair and swift managerial decision making; clarify the roles and responsibilities of executives and employees; strengthen management oversight functions; and ensure equitable operations.

The Bank adopts the organizational form of a Company with Audit & Supervisory Board Members. 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 the audits by the Audit & Supervisory Board Members.

To clarify the specific issues to be addressed by the Bank to realize the above policy and fulfill the accountability of the Bank's corporate governance to its shareholders, the Bank has established the "Corporate Governance Guidelines," which are disclosed on its website.

<<URL of the page regarding corporate governance>>

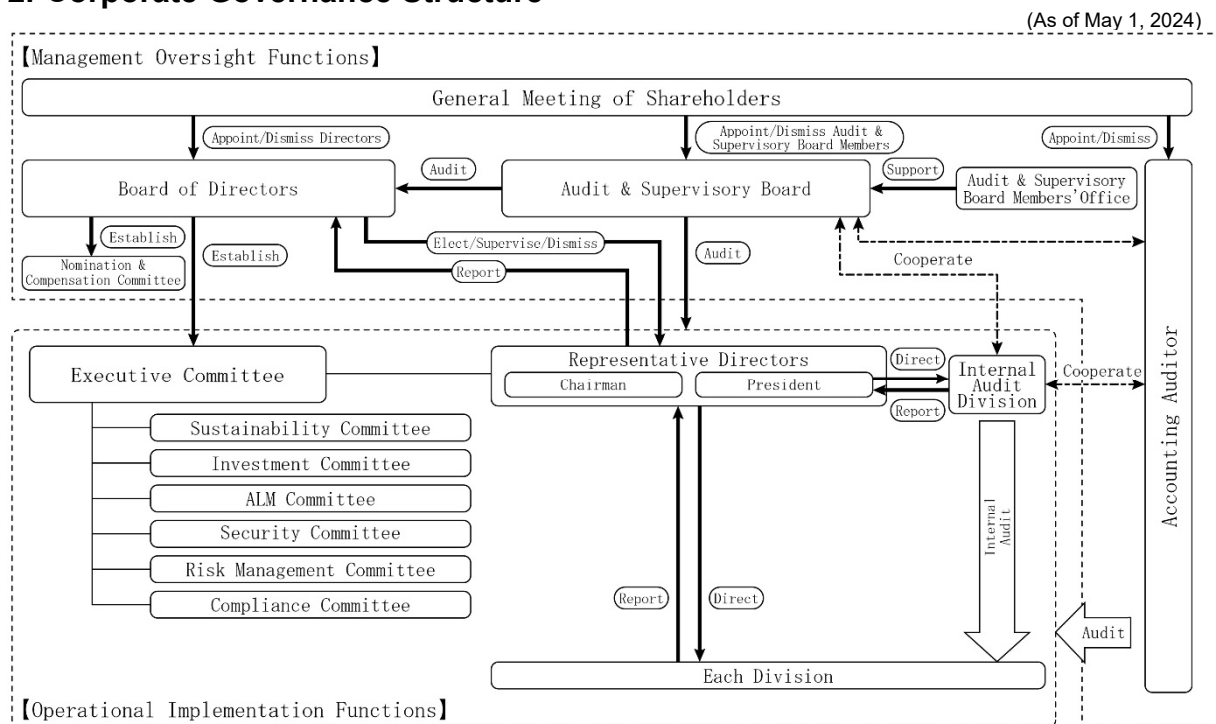
<https://www.sevenbank.co.jp/english/csr/esg/governance/>

<<Corporate Governance Guidelines>>

[https://contents.xj-](https://contents.xj-storage.jp/xcontents/AS96633/fc234663/e1ad/488e/a49d/eecf2f1b12b2/20230330104134602s.pdf)

[storage.jp/xcontents/AS96633/fc234663/e1ad/488e/a49d/eecf2f1b12b2/20230330104134602s.pdf](https://contents.xj-storage.jp/xcontents/AS96633/fc234663/e1ad/488e/a49d/eecf2f1b12b2/20230330104134602s.pdf)

### 2. Corporate Governance Structure



### **3. Policies and procedures for the Board of Directors to appoint or remove top management and nominate candidates for Director and candidates for Audit & Supervisory Board Member**

<<Criteria for appointing or removing top management>>

1. Top management must have a significant track record, high capabilities and insights in the Bank's group, as well as a full understanding of the social mission and responsibilities of the banking business, and must be capable of pursuing corporate management and business operations in a highly disciplined manner, thereby contributing to the further development of the Bank's group so that the Bank will continue to be an enterprise that will grow in the future.
2. Any of the following shall disqualify top management.
  - Having any form of relations with antisocial forces, or
  - Violations of law and/or internal regulations in the course of conducting duties and/or legal violations in association with personal matters.
3. In the event that top management reaches a certain age as specified in internal rules; in the event of fraud; in the event of the occurrence of a serious obstacle to the execution of business; in the event that the selection criteria set forth in 1. and 2. above are not met, or in the event that there is a significant lack of qualifications as top management, including cases where it is judged that the level of business execution as top management does not meet the requirements of the Bank, the top management will be released from their position.

<<Criteria for selecting candidates for Director>>

1. A candidate for Director must have a significant track record, high capabilities and insights in his or her area of expertise, as well as a full understanding of the social mission and responsibilities of the banking business, and must be capable of pursuing corporate management and business operations in a highly disciplined manner, thereby contributing to the further development of the Bank's group.
2. Any of the following shall disqualify a candidacy for Director.
  - Having any form of relations with antisocial forces, or
  - Violations of law and/or internal regulations in the course of conducting duties and/or legal violations in association with personal matters.

<<Criteria and procedures for selecting candidates for Audit & Supervisory Board Member>>

1. A candidate for Audit & Supervisory Board Member must have a significant track record and high capabilities in his or her area of expertise, financial, accounting and legal knowledge and insights necessary for the execution of business, as well as a full understanding of the social mission and responsibilities of the banking business, and must be capable of auditing the status of Directors' execution of duties from a fair and objective standpoint, thereby contributing to the enhancement of the soundness and transparency of corporate management.
2. Any of the following shall disqualify a candidacy for Audit & Supervisory Board Member.
  - Having any form of relations with antisocial forces, or
  - Violations of law and/or internal regulations in the course of conducting duties and/or legal violations in association with personal matters.
3. When selecting candidates for Audit & Supervisory Board Member, the Audit & Supervisory Board makes appropriate judgements from an independent and objective standpoint, such as by having candidate interviews conducted by the Audit & Supervisory Board.

## 4. Protection of Rights of Minority Shareholders

<<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.

<<Relationship with the Bank's 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 means 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, we have established a Nomination & Compensation Committee, which is chaired by an independent Outside Director, as an advisory body to the Board of Directors. This Committee deliberates on matters concerning recommendations for candidates for Directors and Executive Officers. In this way, independence from the parent company is ensured regarding the appointment of top management personnel. Further, the Bank also has Outside Directors and Outside Audit & Supervisory Board Members with a certain degree of independence who supervise to ensure that no conflict of interest arises 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. 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., from the standpoint of respecting the independence of Seven Bank, Ltd., we value the management decisions of the said listed subsidiary, and respect the independent and autonomous deliberation and determination of its business strategies, personnel policies, capital policies, etc., as it engages in its own operating activities."

(Excerpt from the website of Seven & i Holdings Co., Ltd.)