

TOP MESSAGE



We will continue to reinforce our income base to achieve our Medium-Term Management Plan, and promote the transformation to a business model with an eye toward the future.

Masaaki Matsuhashi

President and Representative Director

Establishing and further deepening our Purpose

“We shape the future of everyday life by seeing your wishes and going beyond.” This company’s Purpose was set three years ago, in 2021. We had just entered the second founding phase, and we were looking to diversify our business while also reviewing and further strengthening existing businesses. At that point, the formulation of our Purpose was underpinned by our desire to once again tightly align the direction of our employees.

The Purpose explains what we care about and what we value in; First, we give shape to our customers’ ideas without being bound by common practices or

preconceived notions, aiming to achieve “first” in the industry, Japan, and the world. Second, we place importance on continuing to tackle challenges to create a new daily life for our customers. Both the company and its business endeavors require continuous challenge and innovation if they are going to grow. By accumulating small successes toward realizing our Purpose, we hope to contribute to resolving social issues and create a new world that we previously could not have imagined.

Once we formulated our Purpose, we worked to ensure that each workplace, or each individual employee, would make it a “personal” matter. I have had a couple of times to communicate directly with many employees through occasions such as town hall meetings, and I have realized that each and every one of

them has great passion toward their work. For example, people who work in administrative division suggest proactively promoting the digital transformation (DX) of operations, and our sales force is evolving from simply selling products to providing consulting services as a business partner that identifies and resolves customer issues. I assume now that many employees have tied the Purpose to their work so that they recognize their own Purpose and are aiming for higher levels of performance.

The next step, on which we are now focusing, is to further refine our thoughts and approach to achieving our Purpose. To this end, I clarify code of conduct consisting of 6 items including “Challenge common practices” and “Unlearn Relearn,” which encourages employees to let go of their attachment and learn anew.

TOP MESSAGE

Behavior Identity

I will take the initiative to practice on my own to ensure the company-wide implementation of the Code of Conduct.

Challenge common practices

It is important to question conventional wisdom if we are to be able to adapt to change and take a leap forward. Accepting things as “usual” precludes thought and makes us passive. Let’s question all common practices and drive innovation.

Unlearn Relearn

Things such as past successes, accumulated experiences, and theories we have developed in the past can contribute to trapping us within our own thought framework. Let’s get rid of our attachment to particular outcomes, relearn with a new mindset, and absorb many different things.

IT/AI/Data usage

Multiply the power of digital innovation now taking place by the power of our collective imagination, and on the other side lies our future. Let’s make this a company where everyone can leverage AI and data to give form to their dreams.

PDCA→OODA

Make quick strategic decisions based on the OODA loop (Observe the current situation → Orient to what is happening now → Decide what to do → Act) concept, leading to quick action.

Model tuning

To those who remain stationary, this rapidly changing world poses a threat. Conversely, to those who pursue the possibilities, it is an opportunity. The business model needs to be tuned to be flexible and agile to satisfy the changing needs of society and customers.

Leading the industry

We need to keep pursuing new social value and new types of uniqueness to exceed “the wishes of our customers.” We will remain a necessary part of society as long as we maintain this attitude.

The unchanging DNA that will continue to underpin our actions

Think from the customer’s point of view

Tackle new challenges

Deepen Purpose management

We shape the future of everyday life by seeing your wishes and going beyond.

Now I am working to ensure the company-wide implementation of it. By merging them with the DNA we inherited from Seven-Eleven—“think from the customer’s point of view and tackle new challenges”—we intend to further deepen Purpose management.

Overview of FY2023 and outlook for FY2024

In FY2023, in addition to steady existing business expansion, our acquisition of Seven Card Service Co.,

Ltd. as a subsidiary in July 2023 led to a significant 27.6% YoY increase in consolidated ordinary income and a 5.5% YoY increase in consolidated ordinary profit. Due to robust funding demand, growth in the number of ATM transactions enabled Seven Bank to post a new high in non-consolidated ordinary income, but investments in the replacement of ATMs with new models and new banknotes resulted in a decline in ordinary profit.

For FY2024, both consolidated and non-consolidated ordinary income are expected to rise, but the company projects a decline in ordinary profit. Seven Bank on a non-consolidated basis is expected to see increased

income due to growth in the number of ATM transactions, and Seven Card Service is also expected to contribute to the results for the full year. Meanwhile, factors in the projected decrease in profits include depreciation associated with the replacement of ATMs with new models reaching its peak and continued growth investment.

P11 Message from the Chief Financial Officer

Future business strategy

Our ATM platform strategy remains the pillar of our future growth strategy. We believe that the strengths of our ATM business lie in our stance of constant building of functions and services from scratch on a customer-oriented basis, and restructuring of everything using IT. We have thoroughly disassembled the elements of existing ATMs and introduced new services and functions from the customer’s point of view, while at the same time eliminating unnecessary functions. We have always been a step ahead in terms of delivering a new generation of ATMs to the market.

It is very important to employ foresight and invest boldly. We envisioned one of the major enhanced functions called plus area, for instance, which is included in our fourth-generation ATMs launched in 2019, from the conception stage in 2016 to provide an identity verification function, ensure digital safety, and replace administrative functions, including support for Individual Number Cards.

We have designed the 27,000 ATMs nationwide in such a manner that software is all that is required to adapt to the new banknotes. This advance investment came to life in the form of +Connect, which we launched in September 2023. +Connect is a business

concept that transitions away from the ATM as a conventional cash payment platform, integrating the functions of identity verification document reading and facial recognition to offer new services and customer experiences.

In the short term, our focus is on the host of procedures and other over-the-counter services that have been offered by financial institutions; in the long term, our vision is to make ATMs a one-stop provider of all procedures and identity verifications that have been traditionally been conducted in person, including at counters of municipalities and other administrative agencies.

➡ P31 ATM +Connect creates the future

In the retail business, we aim to maximize synergies by leveraging 7iD, the Seven & i Group's common membership platform. 7iD currently boasts over 30 million members. Linking this individual retail purchase data with bank accounts, credit cards, electronic money, and other financial data should enable us to utilize the data for digital marketing and credit, as well as in developing new financial services. Together with Seven Card Service, which we made a subsidiary in July 2023, we plan to issue a new credit card with unique product features that capitalize on the characteristics of retail and finance.

We have positioned our overseas business as one of the company's growth drivers, and in addition to Indonesia, the Philippines, and the U.S.—the three countries in which we had already been doing business—we newly established a local subsidiary in Malaysia in May 2024. In the U.S., we will renew our agreement with 7-Eleven, Inc. in July 2024 and will establish an ATM network of approximately 11,600 ATMs, including 3,000 new units at Speedway stores starting in FY2025.

The company will promote the +Connect strategy and transform the ATM into a new platform on which all conceivable procedures can be performed.

Business in Indonesia and the Philippines has also been robust. In Indonesia, the number of ATMs has reached 8,000 and in the Philippines, placement in local 7-Eleven stores has been completed, and the next phase of the plan is to proceed with the installation of ATMs in local supermarkets. New financial services through ATMs are being developed in both countries. We are in the process of transforming ourselves from a so-called ATM operator into a financial services provider linked to retailers.

➡ P35-44 Growth strategy

Use of human capital and DX strategy

We refer to them as “human capital” rather than “human resources,” because I believe they are the source of our competitive advantages and absolutely the main characters in realizing our Purpose. My focus in human capital development is on our people honing their ability to grasp change, using their imagination, and creating new things. I believe that the best way to realize this is to properly complete each task and issue. Through this process, we will each achieve personal growth and





I will continue to lead our employees and to be innovative by taking my own initiatives and continuing to learn.

move forward to tackle the next challenge. My view is that fostering such a culture is a basic element of our human capital strategy.

Part of our management ethos reads, “We act to promptly introduce the benefits of technical innovation and pursue self-development.” For this reason, we have a variety of programs to aid all employees in using technology and applying it in their business endeavors. Participants in our Data Management Office (DMO), for instance, which aims to use data to transform business models and processes, currently number about 330 people, or almost half of our employees. Many

employees also voluntarily participate in the “Data Science Program” and “App Development Training,” in which they can enroll according to their individual skills, and participants have achieved results in the performance of their actual duties.

Going forward, the utilization of AI and data will be required across all operations. Executing DX strategy is also essential to our growth. We are promoting DX internally by preparing an environment where digital tools are available company-wide, offering these opportunities to everyone regardless of business domain, and having staff members who will support throughout the

process. With regard to the personnel system, we have established a specialist system to focus on talent development in IT and other such specialized fields, and have launched a scheme that facilitates employees playing active roles and rewards them in the form of compensation. With several initiatives, as mentioned before, running in parallel, I can see that an organization culture is beginning to develop where employees enjoy learning IT skills and proactively seek out new challenges to tackle with these skills.

→ P45 Human capital strategy

→ P53 IT Strategy

Sustainability initiatives

Although we had not utilized the word “sustainability” since our founding, we have conducted our corporate activities with the objective of balancing our business endeavors against our quest to realize social and environmental value. And the formulation of the Purpose in 2021 has helped us to clarify what our company stands for and what our most important values are. Today, we are positioning sustainability as the core of our long-term management strategy and, in line with our five material issues, are accelerating initiatives to address environmental and social issues through our main business.

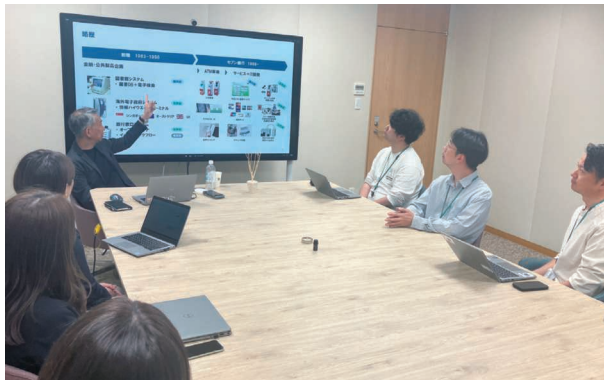
In the ATM business, in addition to the convenience of having ATMs available for use 24 hours a day, 365 days a year at a nearby convenience store, the large-sized screen, simple operation, and strong security also facilitate use. We believe that we can play a role in resolving social issues by providing services that are easy for everyone to use, regardless of age or nationality.

Moreover, we are confident that, going forward, we will be able to support financial institutions and government agencies to streamline their counter services by our ATMs. These initiatives should redouble our contribution to society by streamlining not only convenience and operability of ATMs, but also various types of operations through ATMs.

Additionally, with regard to global environmental initiatives, our ATMs contribute to the DX for banking and administrative operations, thereby promoting the elimination of paper usage. We are also attempting to mitigate greenhouse gas emissions by heightening logistics efficiency during cash transportation. Meanwhile, I understand that there are remaining issues to work on, such as the development of equipment and services that people with disabilities and foreign residents in Japan can easily use.

Going forward, we will focus on promoting sustainability, with the aim of becoming “society’s most friendly digital channel” as well as “the most environmentally friendly ATM network.”

→ P25 Sustainability



Town Hall meeting

Attitudes and values that are important as a leader

Above all, as head of the company, I am always mindful of taking the initiative. Whenever I attempt something new, I dive in before anyone else and be sure to work with those who are willing and able to follow. I adopted this approach when setting up Seven Labo, a department responsible for promoting new businesses and collaborating with other companies. I also established a corporate transformation department by personally entering the domain of AI utilization and data science and banding with my team to take on the challenges. It is also important to continue learning. If we are going to exceed the wishes of our customers, we must continually update our own skills and knowledge. Failure to do so will prevent us from keeping pace with the speed of change and creating services beyond what our customers anticipate. In my private time, I am now learning to edit images using generative AI. With consideration for the future, I feel the need to transform myself in order to

adapt to generative AI. That’s why I’m currently taking on this challenge in my private life. I also maintain an attitude of openness and equality and to actively disseminate information. Through company-wide morning assemblies and town hall meetings, I regularly communicate this attitude to employees.

In my experience, projects have been more successful when there have been large numbers of people opposing them. I believe that it is because of that very diversity of opinions that, through discussion, I have succeeded in navigating obstacles and difficulties together with my colleagues, and I hope to continue to innovate in this way going forward.

As with the +Connect strategy, the aim of which is to cover all over-the-counter services, I always try to dream big. But the important thing is to execute methodically, one step at a time. The accumulation of small success stories leads to individuals gaining confidence and the subsequent improvement in the level of individual work will lead to the further development of the business. The Seven Bank Group will work in a unified manner, moving one step at a time, to tackle the challenge of realizing our Purpose. And in a few years, we want to have become so innovative that people will say, “That’s the company that used to be a bank.”



Group photo at the CX department training camp

Message from the Chief Financial Officer



We will continue aggressive investment based on strong earning and financial foundations, aiming for steady medium- to long-term growth.

Ken Shimizu

Managing Executive Officer
in charge of Planning Division,
Brand Communication Division,
and SDGs Promotion

Consolidated ordinary income reaches all-time high. Profits were slightly sluggish, owing to a high level of investment.

In FY2023, consolidated ordinary income grew by a significant 27.6% year over year, reaching a record high. In addition to the strong performance of Seven Bank on a non-consolidated basis, the consolidation of Seven Card Service as a consolidated subsidiary in July 2023 had the effect of adding 26.8 billion yen on an ordinary income basis. Furthermore, overseas operations, primarily in Asia such as Indonesia and the Philippines, boosted income by nearly 7.0 billion yen. The key factors in the increase are as follows. Our success in securing a reasonable level of earnings in multiple businesses in this way was a major achievement, as it will lead to us realizing our strategy, “constructing a business portfolio with multiple earnings pillars for stable growth.”

While ordinary income grew notably, ordinary profit

Financial Goals

(Billions of yen)

	Results for FY2021	Results for FY2022	Results for FY2023	Plan for FY2024	Target for FY2025
Consolidated ordinary income	136.6	154.9	197.8	215.0	250.0
Domestic business	112.0	123.1	159.0	168.4	187.5
(of which, ATM platform business)	97.1	104.0	111.0	113.5	105.0
Overseas business	24.6	31.8	38.8	46.6	62.5
Consolidated ordinary profit	28.2	28.9	30.5	28.0	45.0
EBITDA (consolidated)	44.6	48.4	53.9	–	80.0
ROE (consolidated)	8.7%	7.6%	12.2%	–	8.0% or more

increased only 5.5%. This was attributable to increased investment in growth, including fourth-generation ATMs and +Connect services, as well as one-time costs toward support for new banknotes. For FY2024, although consolidated ordinary income is forecast to rise 8.6%, ordinary profit is projected to fall 8.2% due to continued aggressive growth investment and strategic cost allocation in the credit card business.

Since the company continues to invest in a high level of growth, in some respects this is inevitable. Improving the profit margin, however, remains a key issue. Although ROE currently exceeds the cost of shareholders' equity, it has not achieved the 8% target of the Medium-Term Management Plan when excluding gain on bargain purchase resulting from the consolidation of Seven Card Service as a consolidated subsidiary. The only method for improving the profit margin is to work steadily to control costs while expanding profitable businesses and liquidating those that are unprofitable. From this standpoint, we are currently working to steadily grow our ATM platform business while expanding

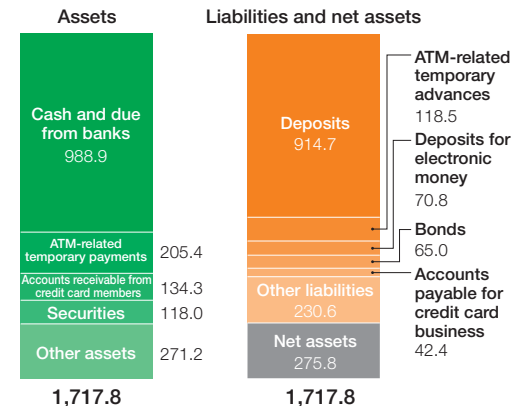
profitable new businesses such as +Connect. And, in our credit card business, while attempting to broaden our member base and expand settlement fees, we are working to raise our profit margin by handling more finance services. We also implemented the liquidation or transfer of subsidiaries where there were no prospects for returning to profitability. Looking at costs, we have numerous fixed costs, such as those related to the management and operation of more than 27,000 ATMs in Japan alone—a number which cannot be reduced rapidly—but we will control this to avoid unnecessary growth.

Medium-Term Management Plan faces profit-related challenges working to bridge the gap

With regard to the Medium-Term Management Plan, in FY2023, we updated the targets in line with the consolidation of Seven Card Service as a consolidated subsidiary. For FY2025, we are

Consolidated Balance Sheet
(as of March 31, 2024)

(Billions of yen)

Capital Adequacy Ratio
(consolidated, Japanese standard)

As of Mar. 31, 2024

30.74%

Credit Ratings (Long-Term)

S&P Global Ratings (S&P)	A
Rating and Investment Information, Inc. (R&I)	AA-

targeting consolidated ordinary income of 250.0 billion yen, consolidated ordinary profit of 45.0 billion yen, and an ROE of 8% or higher. We also reviewed the investment plan at that time, and it now calls for an investment of 205.0 billion yen over the five-year period from FY2021 to FY2025.

At this point, we are nearly in line with our plans for progress in terms of ordinary income and our investment plan, but when it comes to profit, there is a slight divergence. The primary factors are the overseas and credit card businesses. Concerning overseas business, the impact of increasing losses in the U.S. business due to factors such as rising interest rates was significant. With regard to the credit card business, we strategically allocated costs to greatly increase the member base, particularly Seven & i Group customers. However, concerning overseas business, in addition to Indonesia and the Philippines, we anticipate further growth in Asian operations, including Malaysia, where we have plans for new development. In the U.S., we expect to capitalize on the renewal of the contract with 7-Eleven, Inc. to expand the scale of operations and

Message from the Chief Financial Officer

enhance profitability. In the credit card business, we are aiming to increase the customer base by five or 10 million by reinforcing ties with 7iD, the common membership base of the Seven & i Group. We are convinced that we can change profitability and viability significantly if we succeed in expanding our financial services based on this membership base.

Certain aspects are contingent on the timing of profit contributions from the credit card and overseas businesses. While assuming a variety of possibilities, including M&A, however, we will continue our efforts to fill in the gaps without giving up on achieving our goals.

Aiming to leverage the collective strengths of the Seven & i Group to further expand the scale of business

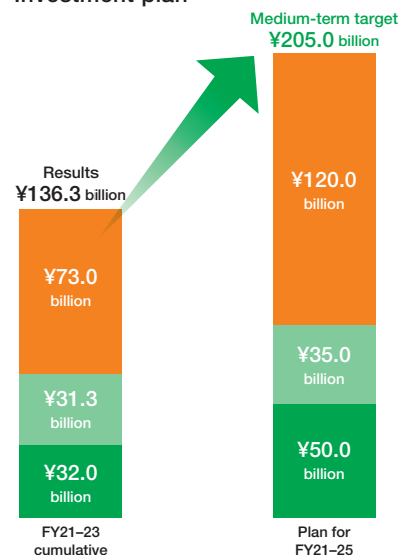
The entire Seven & i Group's annual revenues from operations exceeds 11 trillion yen. Looking at other corporate groups, financial business accounts for approximately 4-5% of their total revenues from operations. Given this, we believe that we have the potential to achieve consolidated ordinary income on the order of 500.0 billion yen. To achieve this, we must fully leverage the comprehensive strengths of one of Japan's largest retail distribution groups. In both the account and credit card businesses, with 7iD at the core, we believe that if we can accurately respond to customer needs while leveraging the

comprehensive strengths of the Seven & i Group, we will be able to significantly boost account and member numbers from the current level.

Moreover, there is considerable room for growth in new businesses such as +Connect, the corporate business handled by group companies Bank Business Factory and Seven Payment Service, and the security-related business operated by ACSiON.

If, in addition to our domestic and overseas ATM platform businesses, we can grow these businesses as well, we believe that going forward we can achieve income and profits that surpass the current Medium-Term Management Plan. Because there is quite a bit of advance investment for growth, some may have concerns about short-term profits, but we believe that we will be able to continue on a steady growth path in the medium to long term. Our capital

Investment plan



Major investment projects from FY2021-FY2023

Growth investment

Investment in growth fields in Japan

- New M&A (Seven Card Service becomes a subsidiary)
- ATM service platform-related investments, etc.

Investment in overseas business

- ATM-related investments in Indonesia, the Philippines, etc.

Investment for promoting corporate transformation

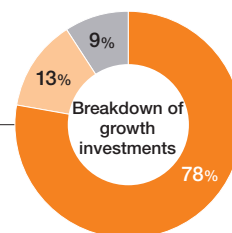
- Construction of data integration infrastructure
- Construction and operation of robotic process automation (RPA), etc.

Maintenance of infrastructure

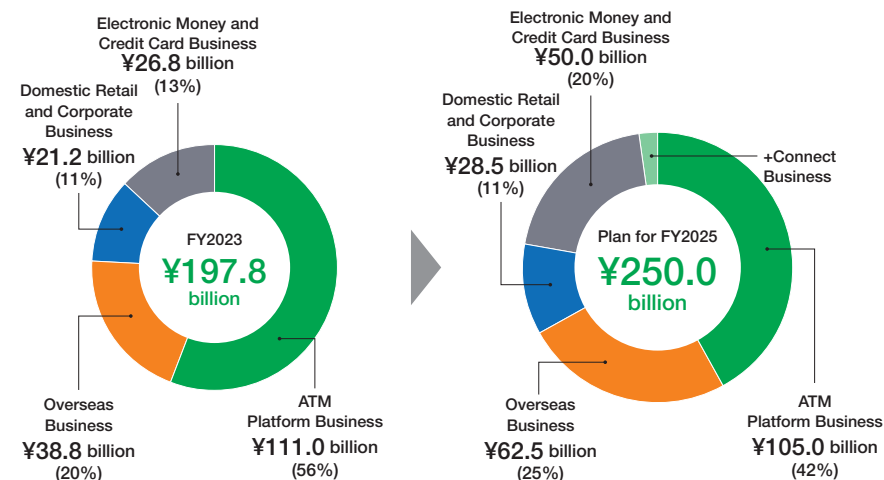
- Construction of safe, secure network
- Construction of system to realize new financial services

ATM installation

- Investment in fourth-generation ATM



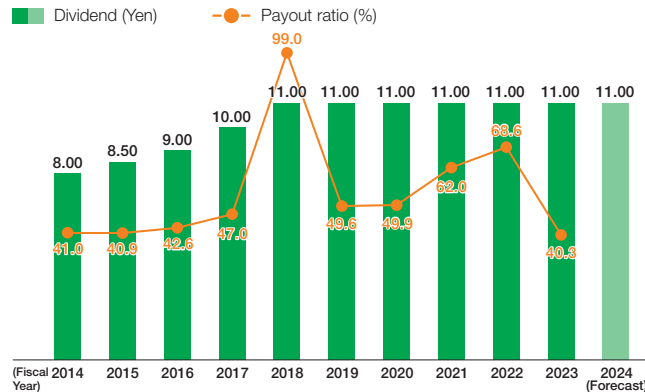
Ordinary Income



Basic policy

Stable and continuous shareholder returns centered on dividends, backed by a firm financial foundation

Maintain a payout ratio of 40% or higher, while paying due consideration to the actual amount

Dividend/payout ratio**Total shareholder return***

(%)

FY2021	FY2022	FY2023
83.18	94.50	107.34

*TSR: The ratio of the total return (sum of dividends and year end stock price) earned on a stock investment since the end of FY2018 divided by the invested amount (stock price at the end of FY2018).

adequacy ratio remains high, and we expect to secure ordinary profit of 28.0 billion yen in FY2024—despite profits actually falling—so we are still sufficiently strong. Please understand that our aim is to achieve medium- to long-term growth while also investing aggressively based on a strong financial foundation.

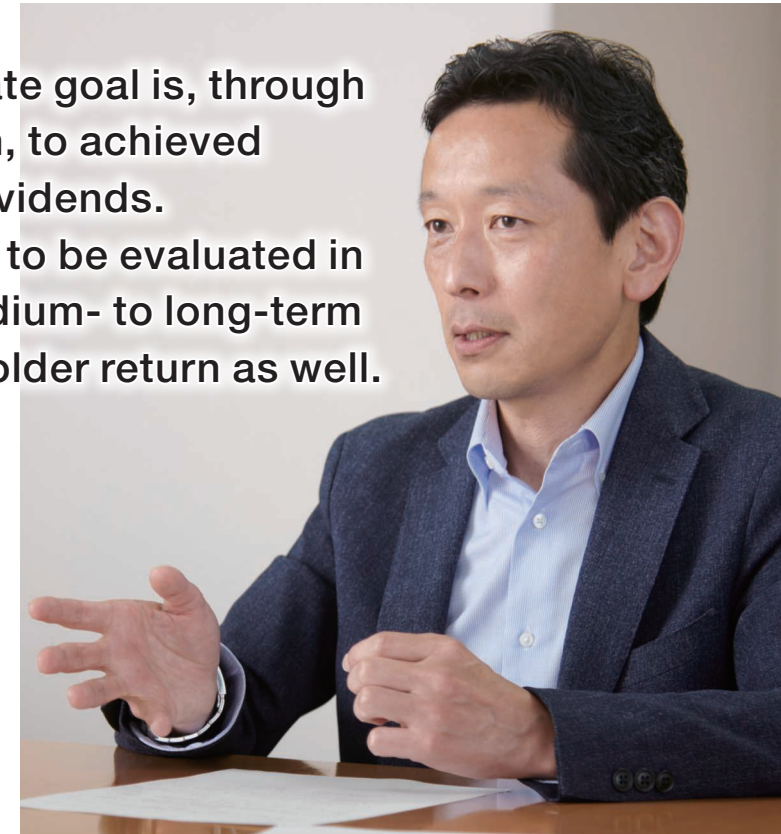
Boost medium- to long-term corporate value by balancing growth and profitability from an overall optimization perspective

I acknowledge that, as CFO, my most vital role is to heighten medium- to long-term corporate value by

considering and implementing management and financial strategies—as well as resource allocation—that balance growth and profitability, always from the standpoint of overall optimization. We also believe it is important to construct relationships of trust by maintaining close communication with stakeholders inside and outside the company and thoroughly explaining these strategies to them. We believe it is essential to carefully explain our future growth potential, particularly now that advance growth investments have resulted in a decline in profit levels.

With regard to shareholder returns, we have continued to pay a dividend of 11 yen per share annually for the past several years underpinned by our basic policy of maintaining a payout ratio of 40% or higher, while paying due consideration to the actual amount. We will continue to adhere to this

The immediate goal is, through profit growth, to achieved increased dividends.
We will work to be evaluated in terms of medium- to long-term total shareholder return as well.



policy and, in line with profit growth, work to increase dividends. Although we were founded just over two decades ago, we are still a growing company. We will strive to be recognized not only in terms of dividends, but also in terms of total shareholder return, including medium- to long-term capital gains.

Outside Directors Roundtable



Tami Kihara
Outside Director
(Independent Officer)

Yuji Hirako
Outside Director
(Independent Officer)

Achieve further growth by adding new services, centered on ATM business

Leveraging Seven Bank's own strength, we look forward to building a solid future.

Kihara: All of the members are very active at every Board of Directors' meeting. Initially, the liveliness of the discussions took me by surprise. Having said that, the discussions have not become overly familiar, therefore, I got the impression that the Board was functioning in a healthy way. That inspired me to do the same, and I try to be proactive in speaking up at each meeting. For my part, as a Director, I attempt to offer my opinions from a more objective, long-term viewpoint.

Hirako: We are very frank and say quite a few things that may seem grating to those within the company. I believe that we as Outside Directors are responsible for oversight particularly with regard to conflicts of interest. We also try to closely monitor whether or not consideration is given to minority shareholders. On top of this, I feel that what is

expected of me is growth-oriented governance. I hope to apply my many years of experience in management to offering useful advice that will help lead the company to sustainable growth.

**The Purpose has permeated the company.
Our challenge going forward is to change individual behavior.**

Hirako: I feel that the Purpose itself—created three years ago—has become quite widespread within the company. If we do not ensure, however, that the company's stated Purpose and that of the individual are united, it may become no more than an

ornament. Going forward, the questions will be whether each individual is thinking about what they can achieve in terms of career development, whether they are approaching their work with a purpose, and whether or not the company is supporting them well.

Kihara: I had the opportunity to be a part of the judging panel for the "Purpose Award," and found the presentations of the eight finalists to be extremely impressive. It became clear to me that everyone in various divisions such as general affairs, sales, and development had accepted the challenge of going a step further, each aware of the Purpose of "seeing your wishes and going beyond," and I was convinced that the Purpose is permeating the company. I sometimes get the feeling, though, that the Purpose is the final destination, and that our people may not yet have a clear idea of how they should conduct themselves in order to get there.

➡ **P65 FOCUS (Interaction between employees and executives at the "Purpose Award")**

High expectations for value-added services at ATMs. The keys going forward will be securing profit levels and investment strategies.

Kihara: The focus for the next stage of our growth is the "ATM+" concept, in which we add new services using the ATM as a platform, as stipulated in our Medium-Term Management Plan. As we have a significant advantage in holding the actual ATM



The key to growth will be how rapidly we can get these new services launched.

hardware, I believe that the key to the next stage of our growth lies in how rapidly we can expand new services centered on our ATMs. Identity verification with the +Connect service also has the potential to become a killer application for ATMs in the future. I believe that how we can cultivate these areas into essential and appealing services for society will be the most important factor.

Hirako: Location is the strength of our ATM business. We have over 27,000 ATMs installed, all of them are exquisitely located—a perfect manifestation of “seeing your wishes.” Combining that superior location with the host of features that +Connect can provide should ensure a solid position in the market. In addition to upgrading the

function of ATMs, with +Connect, we will be able to offer a variety of other services. Needless to say about convenience stores and banks, if we provide it at airports, train stations, and government offices, they stand a great chance of becoming part of the social infrastructure. As the declining population, birthrates, and aging of society continue to progress, labor-intensive business models become more challenging. I believe that the value of nearby ATMs, which can perform a wide range of procedures on behalf of people without them having to travel far, will grow.

Kihara: Three years after the start of the Medium-Term Management Plan, my primary concern is the declining profit margin. I feel that earning power has weakened. Our company still needs to grow, and we must continue to invest in order to make that happen. For this reason, I believe that going forward it is important for us to look harder than ever at how to procure funds for investment. To reduce costs, establishing targets, implementing measures and verifying their effectiveness while achieving them is essential. Since we have continued to boost sales and profits, it seems we have not had to work very hard to control costs. The time has come, however,

when we must finally look at this seriously.

Hirako: Currently, the ATM platform business accounts for 60% of consolidated ordinary income. Since we have set a goal of achieving 40% of our ATM business by FY2025 through business diversification, we need to expand our non-ATM businesses, such as overseas development and our retail financial services. While firmly growing these businesses, we will also steadily develop our core ATM business. We are approaching a point where it is truly important to find ways to utilize all resources optimally—including people, goods, and money—to successfully strike this balance. In particular, I think the key issues are the positioning of investments and how to allocate capital. Closely monitoring whether resources are being used effectively is also an important role for us. We must also, of course, pay sufficient consideration to the balance with shareholder returns.

Human capital strategy tied to business strategy Becoming a company attractive to diverse workforce

Kihara: I believe that the most crucial element when changing business portfolios and tackling challenges in different fields is having a human capital strategy tied to management strategy—in other words, securing the human capital needed to bring this strategy to fruition. At our company, the seeds of reform are gradually becoming evident. We have not yet reached the point, however, where we can link our strategy for management with that for

human capital. It is apparent to me that we must develop a detailed strategy to ascertain the skills necessary in the new fields we plan to take on, whether we can procure those skills internally, and if not, how to secure, acquire, and train personnel internally.

Hirako: We are a company with a great number of younger people, and one where both women and employees from outside the firm are active. We are a very diverse company and I think it is fantastic. Going forward, we will see an increasingly competitive situation regarding human capital—a war of attrition—so it is important to ensure that talented people do not leave the company. Rather, I would prefer that the company attract promising personnel.

Kihara: I have heard, for instance, that recruiting data scientists has been relatively easy for us, while other companies struggle to do so. I think that, while it is also important how we treat them, people who possess these highly specialized skills tend to be attracted to being involved in interesting work with discretion. I have high expectations for a human capital strategy that establishes a brand image for us as a technology company, and not as merely a bank.

As our organization continues to expand, we must be cautious that the vertical integration typically associated with large-scale growth does not lead to the erosion of our innovative corporate culture and climate, which are among our key strengths. Having experienced many of the drawbacks of vertical integration, I would like to proactively offer advice on creating effective cross-functional governance mechanisms before such issues arise.

Our company's strength lies in the real world. Expectations for the pioneering of a new world

Kihara: Our company is now pioneering a new world with +Connect, a platform based on ATMs, and a new world where retail and finance are integrated. I believe this is an incredibly promising company with great potential, and I have high expectations for its future. However, as I have mentioned, to continue investing, we must further reduce costs. Additionally, to further promote the use of data, we need to establish governance for that purpose, which naturally brings new challenges. I hope to work together with everyone here at Seven Bank to resolve these issues from a longer-term, bird's-eye perspective.

Hirako: In the era to come, digitalization and virtual world initiatives will tend to be in the limelight, but the real world is where we excel. I think it is important to reaffirm the value of this, and by exposing fundamentally what we want in the real world, we will be able to seize “seeing your wishes and going beyond.” In the virtual world, the possibilities are endless, but even in the real world, while not infinite, there are still countless new opportunities through continuous innovation. How do we find and realize the truly good ideas from among these? There are likely many possibilities hidden in our daily lives. I would very much like it if our company continued its journey to find this potential.

We hope the company will continue its journey of “seeing your wishes and going beyond” that lies dormant in daily life.

