

Financial Results for Fiscal 2014

May 2015

Seven Bank, Ltd.



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

FY14 Financial Results

Non-consolidated

- Ordinary income (¥105.6 billion) and ordinary profit (¥38.2 billion) both increased for the fourth consecutive year of growth in revenues and profits
 - Growth as planned in fee income, due mainly to increase in number of ATMs installed
 - Steady increase in other income from international money transfers, personal loans, etc.

Consolidated

- Ordinary income (¥114.0 billion) and ordinary profit (¥37.0 billion) both increased
- Annual dividends per share were ¥8.00 (interim: ¥3.75, period-end: ¥4.25), an increase of ¥0.50 per share

FY15 Outlook

- Increases in revenues and profits planned from further expansion of ATM business and growth of account-related businesses
 - Projected net increase of approx. 1,300 ATM installations; 22,400 installations by the end of March 2016
 - International money transfer services projected to reach 900,000 transactions on an annual basis; balance of personal loans at end of period projected to reach ¥15.0 billion
- Make a solid advance in the ATM business in North America and Indonesia
- Scheduled interim and period-end dividends of ¥4.00 per share each for total annual dividends of ¥8.00 per share

Seven Bank Non-Consolidated

(Billion yen)

	FY13	FY14	FY15 Plan	
			Full year	H1
Ordinary income	99.8	105.6	110.5	55.1
Ordinary expenses	62.6	67.3	71.4	35.1
Ordinary profit	37.1	38.2	39.0	20.0
Net income	22.3	24.4	26.0	13.3

Notes:

1. In this document, amounts less than one unit have been truncated.
2. Exchange rate per US\$1 on the income statements:
 FY13 = ¥97.73, FY14 = ¥105.79, FY15 Plan = ¥118.00

Consolidated

(Billion yen)

	FY13	FY14	FY15 Plan	
			Full year	H1
Ordinary income	105.5	114.0	121.0	59.9
Ordinary expenses	69.8	76.9	83.2	40.6
Ordinary profit	35.7	37.0	37.7	19.3
Net income	21.2	23.2	24.8	12.7

Consolidation periods of companies in FY14 results

Seven Bank: April 1, 2014 to March 31, 2015
 FCTI: January 1, 2014 to December 31, 2014
 ATMi: June 10, 2014 to December 31, 2014
 BBF: July 1, 2014 to March 31, 2015

Income Statement (Non-Consolidated)

(Billion yen)

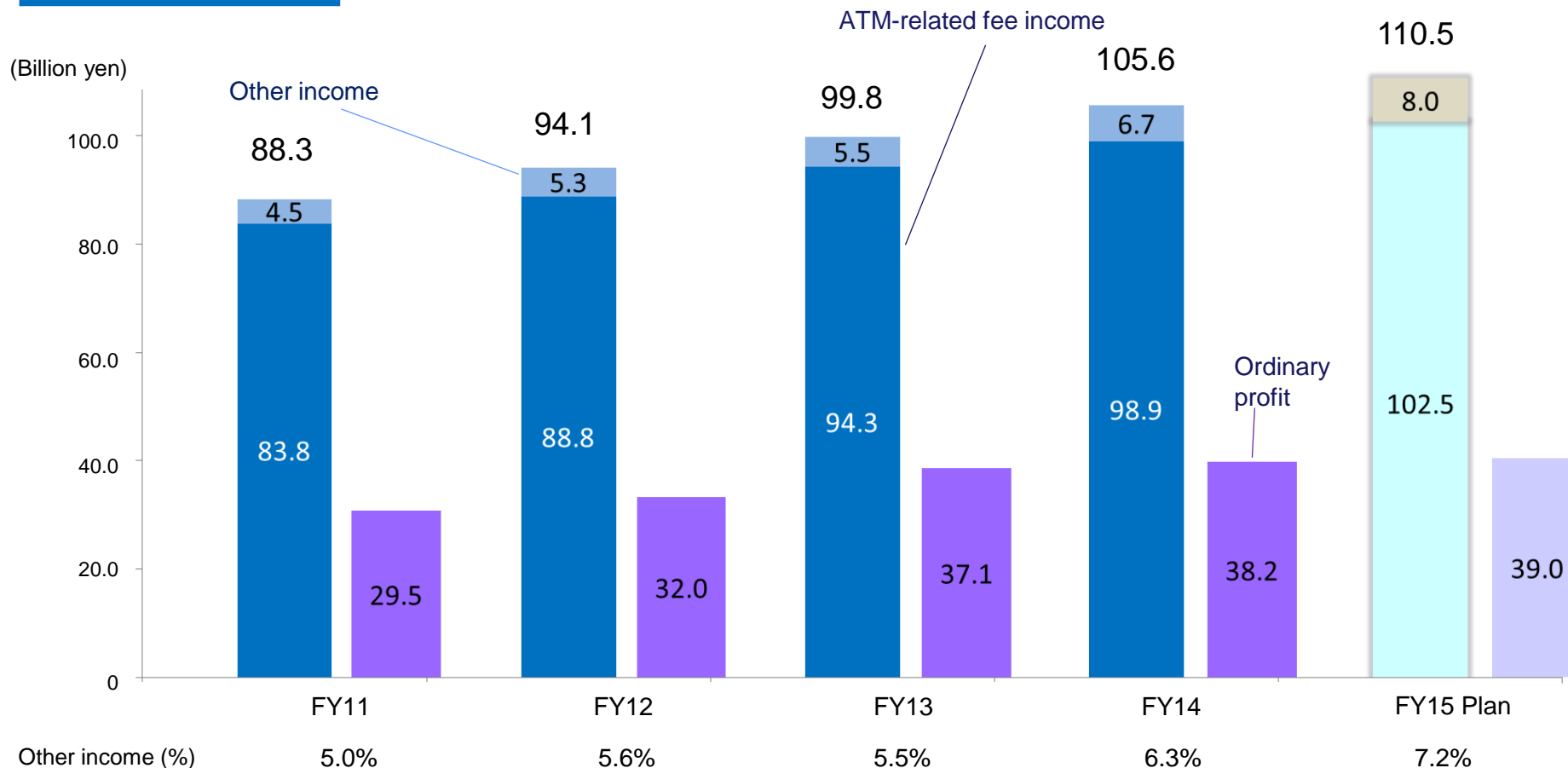
	FY13	FY14		FY15 Plan				
		Plan (Nov. 2014)		Changes from FY13 results	Full year	Changes from FY14 results	H1	Changes from FY14 H1 results
Ordinary income	99.8	105.8	105.6	5.8	110.5	4.9	55.1	2.5
ATM-related fee income	94.3	99.1	98.9	4.6	102.5	3.6	51.4	1.9
Ordinary expenses	62.6	67.7	67.3	4.7	71.4	4.1	35.1	2.7
Interest expenses	1.8	1.2	1.2	(0.6)	1.2	0.0	0.6	0.0
ATM placement fee expenses	11.3	11.7	11.9	0.6	12.5	0.6	6.2	0.3
Outsourcing expenses	16.3	16.9	16.8	0.5	17.3	0.5	8.7	0.4
Maintenance fees	3.7	3.7	3.7	0.0	4.0	0.3	1.8	0.0
Rent for premises and equipment	0.6	0.8	0.9	0.3	0.9	0.0	0.4	0.0
Depreciation of fixed assets	11.6	15.3	15.0	3.4	17.5	2.5	8.6	1.5
Ordinary profit	37.1	38.0	38.2	1.1	39.0	0.8	20.0	(0.2)
Extraordinary gain (loss)	(1.0)	(0.1)	(0.1)	0.9	(0.1)	0.0	0.0	0.1
Income taxes	13.8	13.5	13.6	(0.2)	12.8	(0.8)	6.6	(0.5)
Net income	22.3	24.3	24.4	2.1	26.0	1.6	13.3	0.4
EBITDA	48.8	53.4	53.3	4.5	56.6	3.3	28.6	1.2
No. of ATMs installed at end of term (units)	19,514	21,000	21,056	1,542	22,400	1,344	21,700	1,393
ATM-related fee income per transaction (yen)	131.2	135.8	136.2	5.0	133.6	(2.5)	133.8	(2.3)
Daily average transactions per ATM (transactions/ATM/day)	107.8	101.2	100.9	(6.9)	99.0	(1.9)	100.7	(1.8)
Total no. of transactions (millions)	736	746	743	7	785	42	393	21

Other income

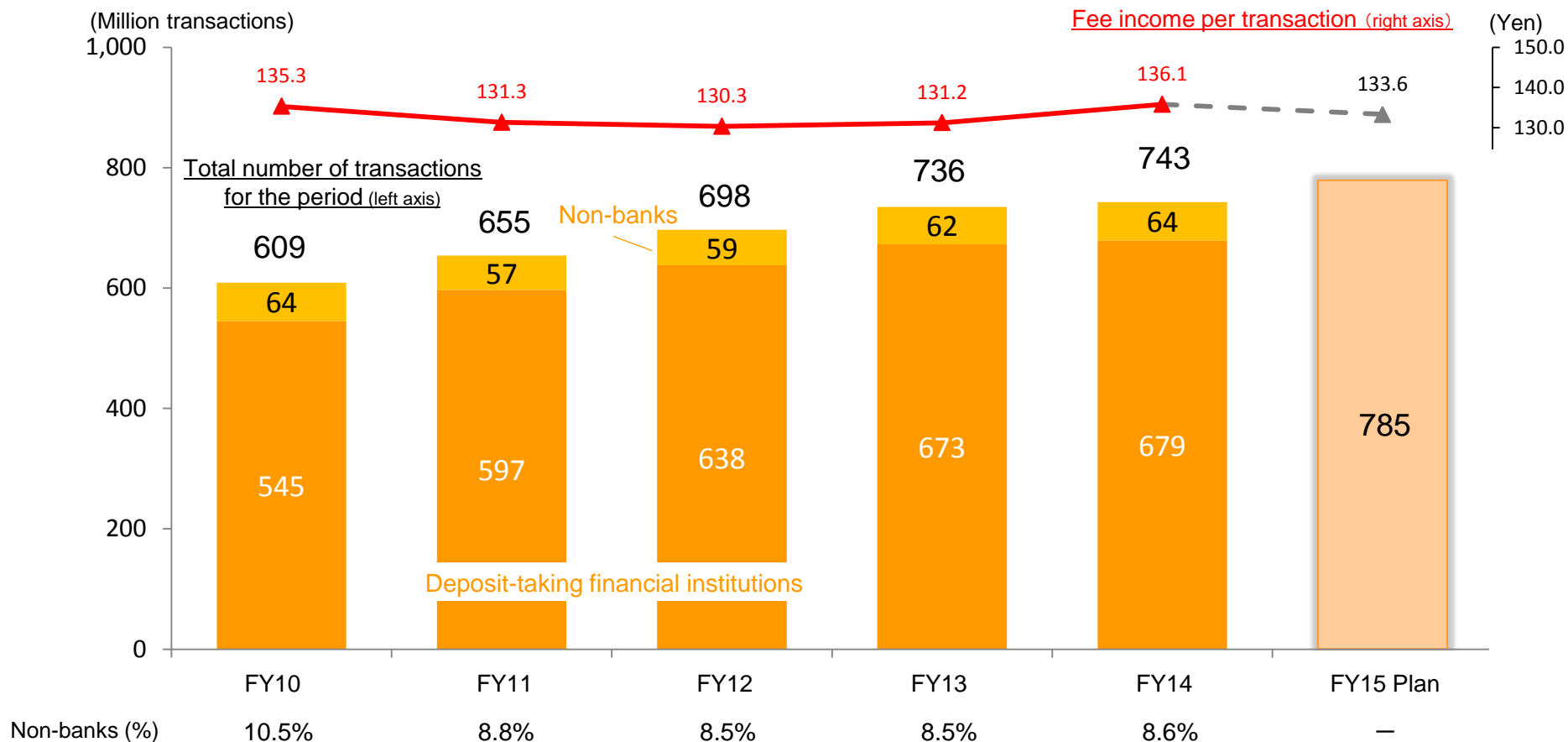
Income from ATM management for other institutions, international money transfer services, personal loans, etc.

ATM-related fee income

Fees received from banks, etc. for ATM usage



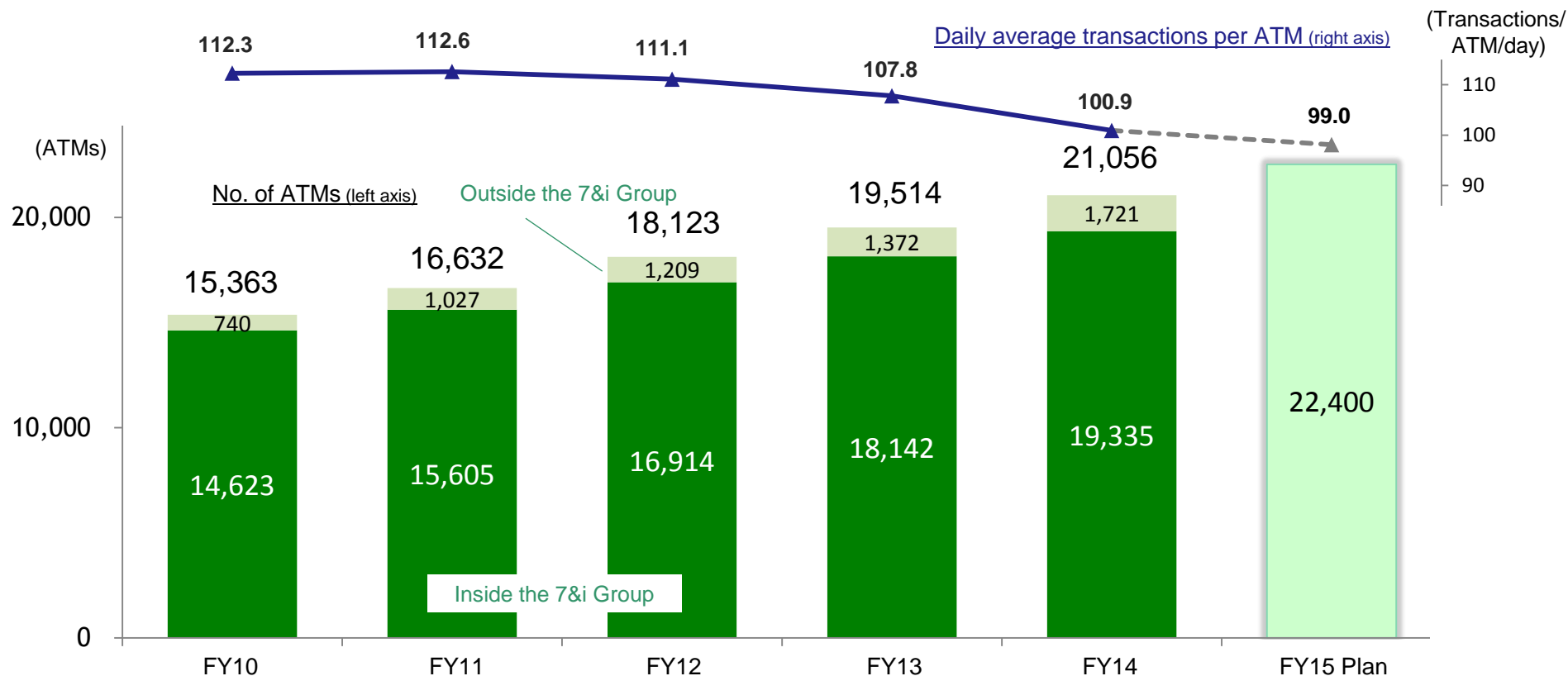
Personal loan services started in January 2010 and international money transfer services started in March 2011



Notes:

1. Total of transactions for the period excludes balance inquiries, e-money charges, PIN changes and daily withdrawal limit changes.
2. ATM-related fee income per transaction = ATM-related fee income / (Total of transactions – Total of transactions without ATM-related fee income (i.e. sales proceeds deposits))
3. In this report, securities, life insurance, credit card, consumer credit and consumer financing companies are all referred to as “non-banks.”

- Steady increase in the number of ATMs installed both inside and outside the Group
- Net increase of approximately 1,300 ATMs planned for FY15



Net increase	+762	+ 1,269	+ 1,491	+ 1,391	+1,542	+ Approx. 1,300
Number of 3G ATMs (FY-end)	206	2,897	7,797	13,080	17,603	Approx. 21,300

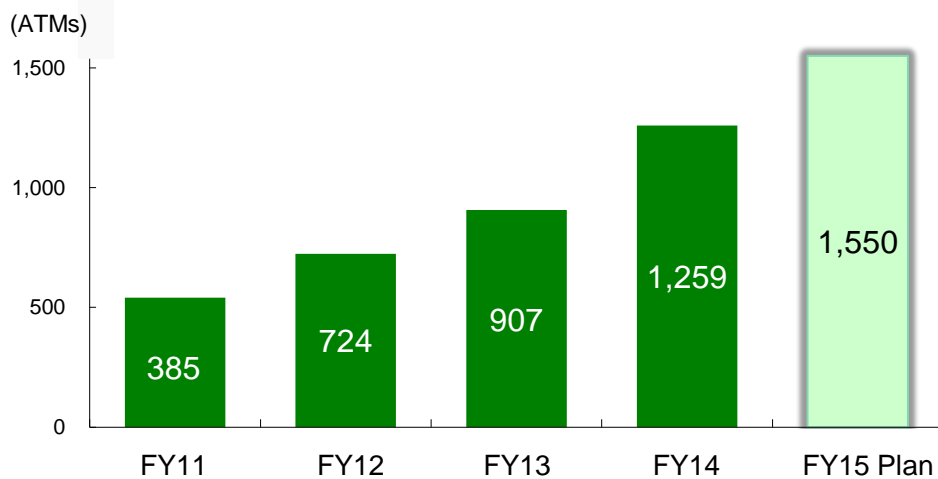
Note: Daily average transactions per ATM for the period excludes balance inquiries, e-money charges, PIN changes and daily withdrawal limit changes.

- Rapid increase in use of credit cards issued overseas by visitors to Japan
- Proactive rollout at transportation, retail locations, etc. to take advantage of inbound tourism (enable use of cards issued overseas)

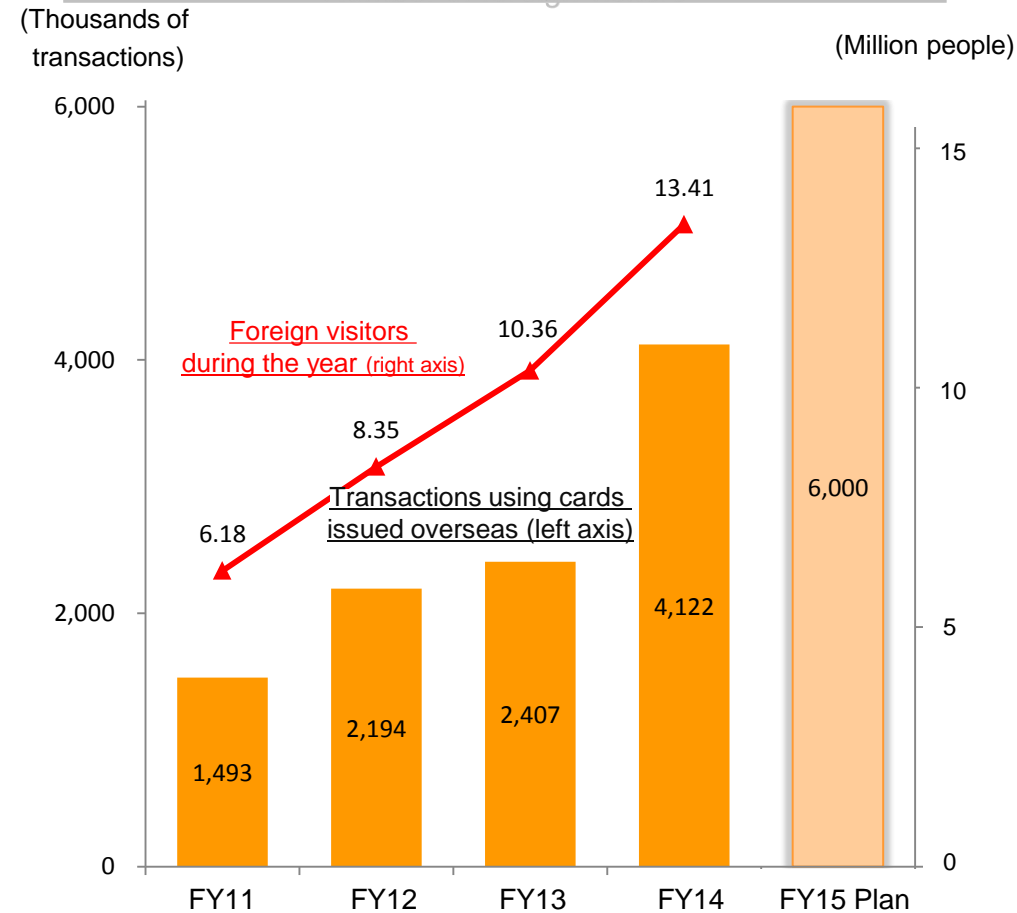


Expansion of the number of ATM installations outside the Group (excluding securities companies)

Total number of units installed	(ATMs)			
	FY11	FY12	FY13	FY14
Airports	33	36	36	39
Stations and other transportation-related facilities	84	98	138	207
Retail facilities	298	417	539	724
Others	126	173	194	289
Total	541	724	907	1,259



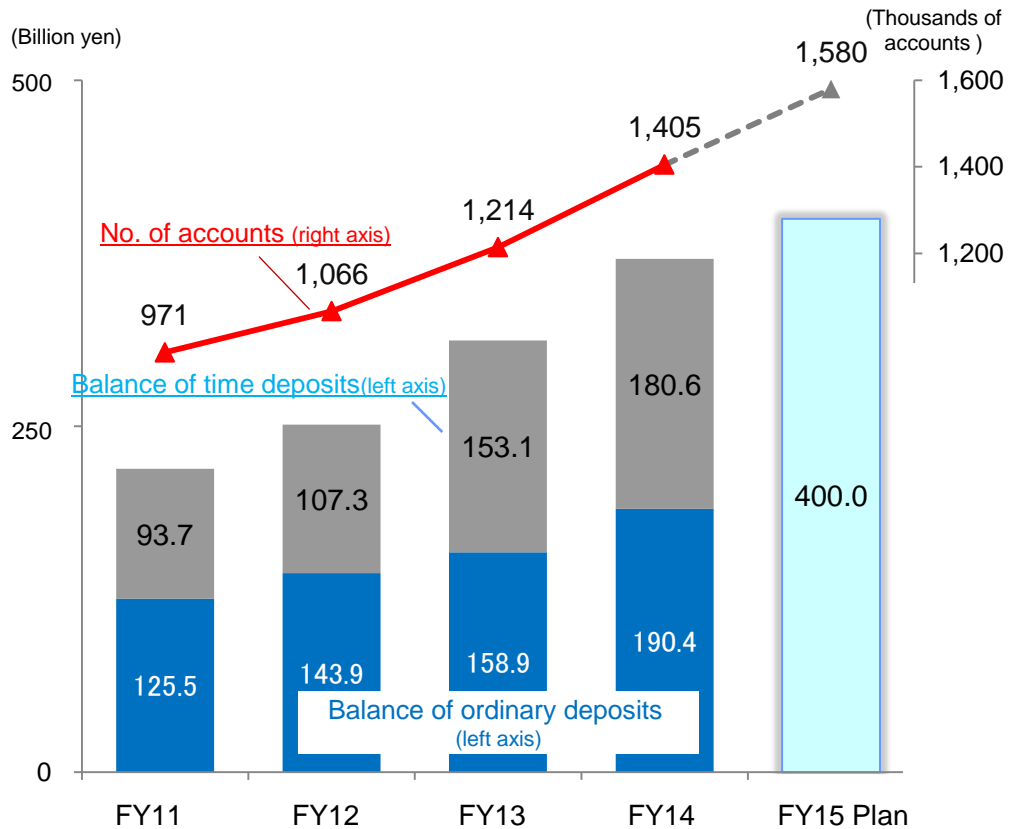
Transactions using cards issued overseas/ Number of foreign visitors



Source: Visitor Arrivals, Japan National Tourist Organization

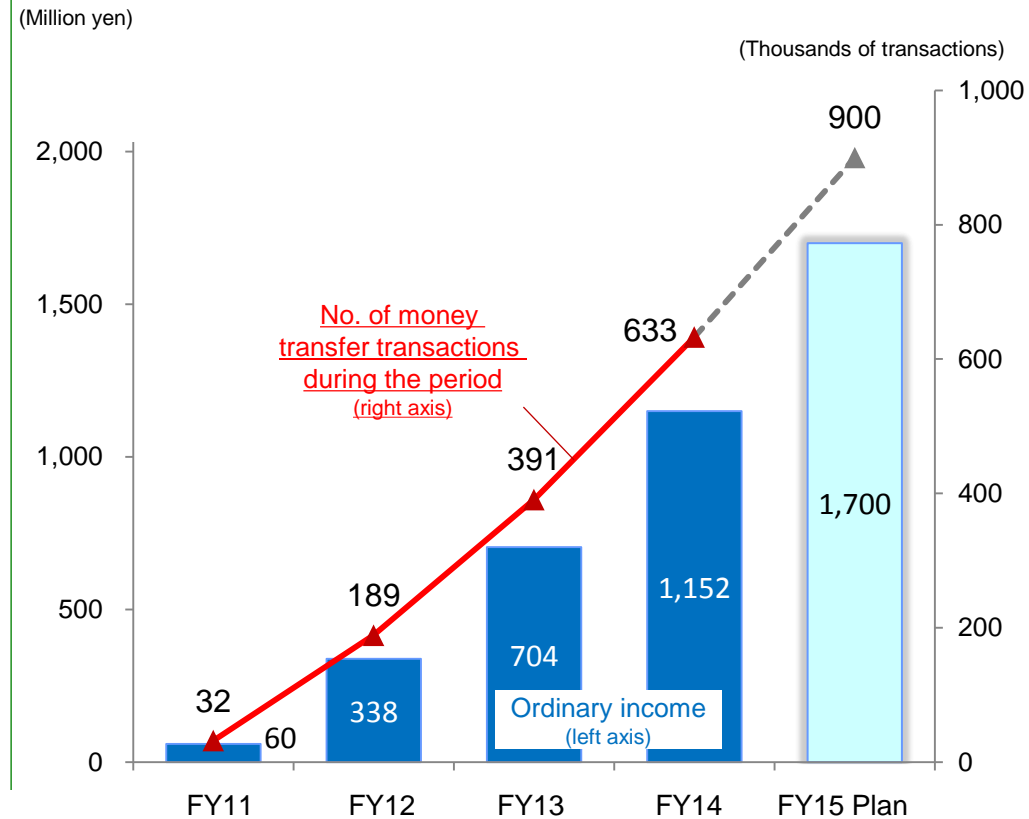
Number of individual accounts and balance of deposits

- Growth in number of accounts and balance following enhancement of account services
- Deposits are main method of procuring capital for the ATM business



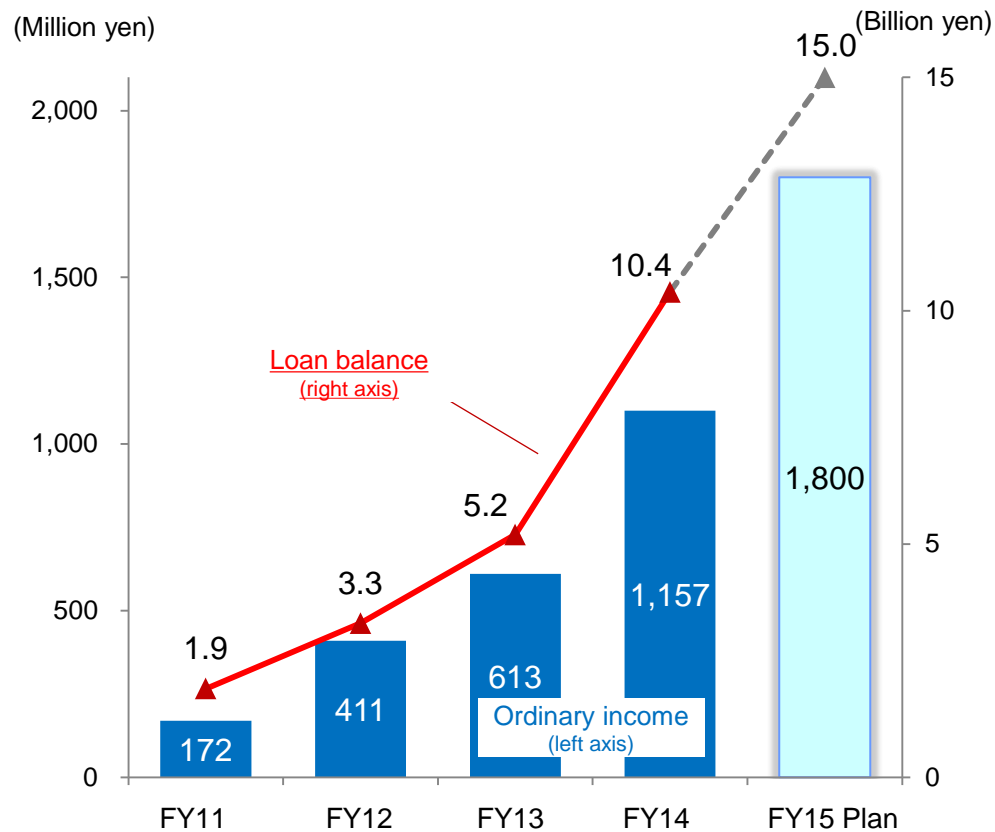
International money transfer services

- Strengthened sales capabilities with manned outlets (7 locations), multilingual call center, etc.
- Enhanced app-based Internet services, number of languages handled



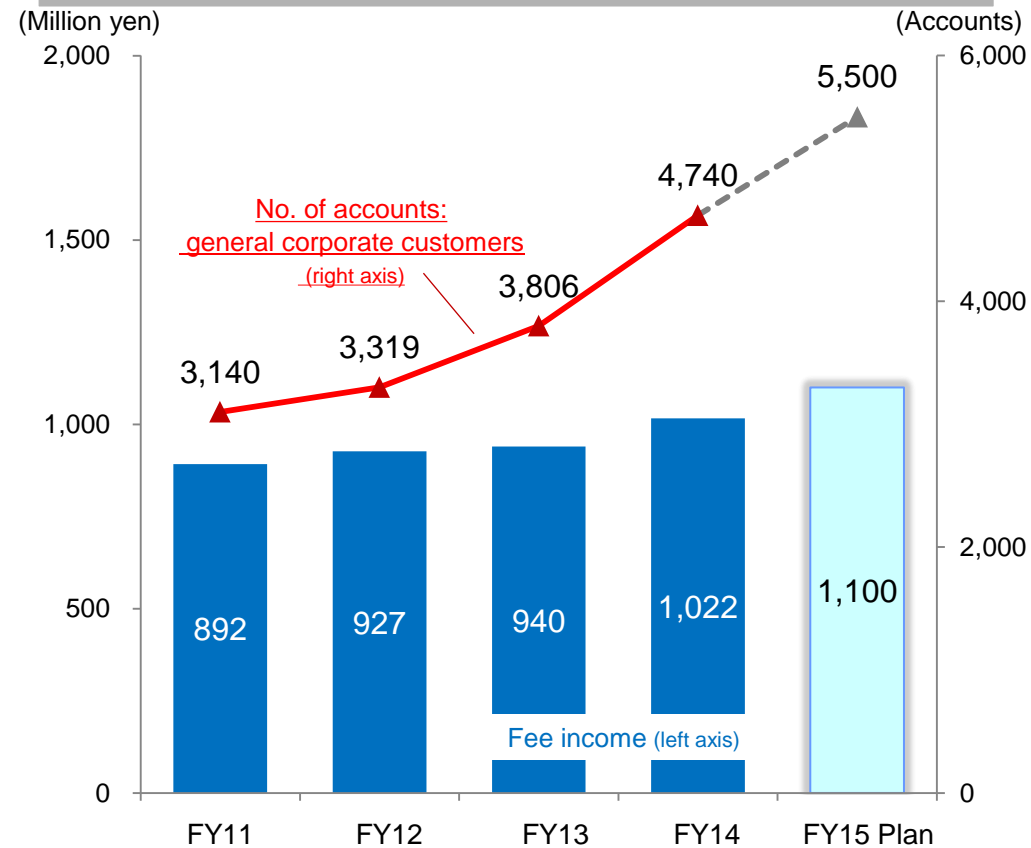
Personal loan services

- Maintain marketability with maximum amount (¥500,000), interest (15%), etc.
- Aim for steady increase in loan balance with effective advertising



Acceptance of cash proceeds from sales

- Corporate customers: Convenience
Reduce cash management costs through use as alternative to late-night deposits
- Seven Bank: Profit + increased ATM operating efficiency
Reduce cash replenishment costs in addition to fee income and capital procurement method



Subsidiary in the United States

- FCTI plans to secure a profit in FY15, with ordinary income of US\$89.0 million and ordinary profit of US\$2.1 million
- Aims to expand profits by reducing costs with operating efficiency improvements and increasing the number of ATMs

FCTI

(Million US\$)

	FY13	FY14	FY15 Plan	
			Full year	H1
Ordinary expenses	58.6	77.8	86.9	39.9
Ordinary profit	0.3	1.7	2.1	0.7
Net income	1.0	1.0	1.3	0.4
EBITDA	6.4	8.0	10.0	4.1

Notes: 1. EBITDA = Ordinary profit + depreciation of fixed assets
 2. Exchange rate per US\$1:
 FY13 = ¥97.73, FY14 = ¥105.79, FY15 Plan = ¥118.00

Principal benchmark

	FY13	FY14	FY15 Plan
No. of ATMs installed at end of term (units)	7,176	6,329	8,200
Directly owned ATMs included in above (units)	5,126	4,846	6,500
Total no. of transactions (millions)	24.6	38.0	45.0

Note: ATMs that are not directly owned are mainly owned by the owners of the locations where they are installed.

Status of distribution of FCTI bases



Subsidiary in Indonesia



PT. Abadi Tambah Mulia Internasional

■ Name: PT. ABADI TAMBAH MULIA INTERNASIONAL (ATMi)

- Installation of ATMs mainly in hotels and office buildings, etc. in FY15
- Also aim to handle operations for small and medium-sized financial institutions, etc.

(Million yen)

ATMi	FY14	FY15 Plan	
		Full year	H1
Ordinary income	2	18	2
Ordinary expenses	10	100	28
Ordinary profit (loss)	(7)	(82)	(25)
Net income (loss)	(7)	(82)	(25)

Notes: 1. Exchange rate per IDR100: FY14 = ¥0.904, FY15 Plan = ¥0.9

2. ATMi was established on June 10, 2014. As a result, its period of consolidation in FY14 was from June 10, 2014 to December 31, 2014 only.

Subsidiary in Japan



セブン銀行の100%子会社
バンク・ビジネスファクトリー

■ Name: Bank Business Factory Co., Ltd. (BBF)

- Expanded back-office support outsourcing (2 customer companies as of end of FY14)
- Planning to open new center in Nagasaki Prefecture to expand business

(Million yen)

BBF	FY14	FY15 Plan	
		Full year	H1
Ordinary income	426	700	340
Ordinary expenses	399	663	322
Ordinary profit	26	37	18
Net income	5	25	12

Note: BBF was established on July 1, 2014. As a result, its period of consolidation in FY14 was from July 1, 2014 to March 31, 2015 only.

Balance sheet as of March 31, 2015

(Billion yen)

Cash and due from banks: 599.6 (for ATM replenishment)	Deposits: 501.5 (Individual deposits 371.0)
Securities: 84.0	Bonds and borrowings: 126.0
ATM-related temporary payments: 81.6	ATM-related temporary advances: 37.8
Other: 85.1	Other: 18.2
Assets: 850.3	Net assets: 166.8
	Liabilities + Net assets: 850.3

As of March 31, 2015

Non-consolidated equity ratio

(Domestic standard) 54.01% (Preliminary basis)

Credit ratings

S&P AA-

R&I AA

ROE (consolidated)

14.4%

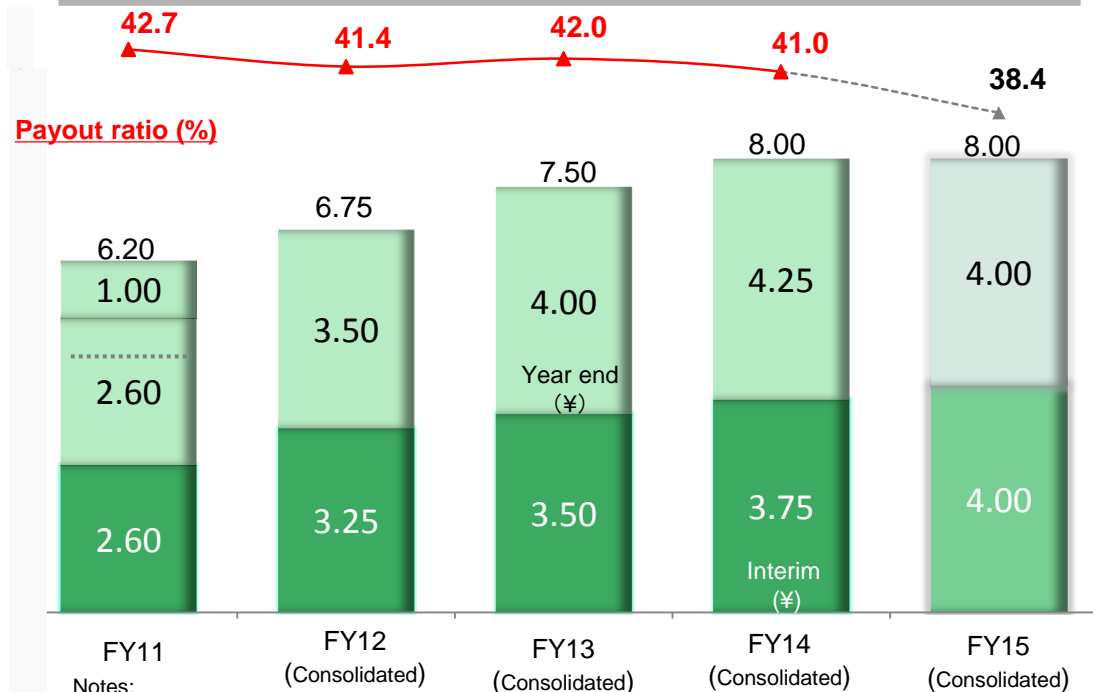
Policy

Targeting a minimum consolidated payout ratio of 35% through twice-yearly payments

Paid and forecast dividends

FY14: Increased period-end dividend by ¥0.5 to ¥4.25 for total annual dividends of ¥8.00 per share

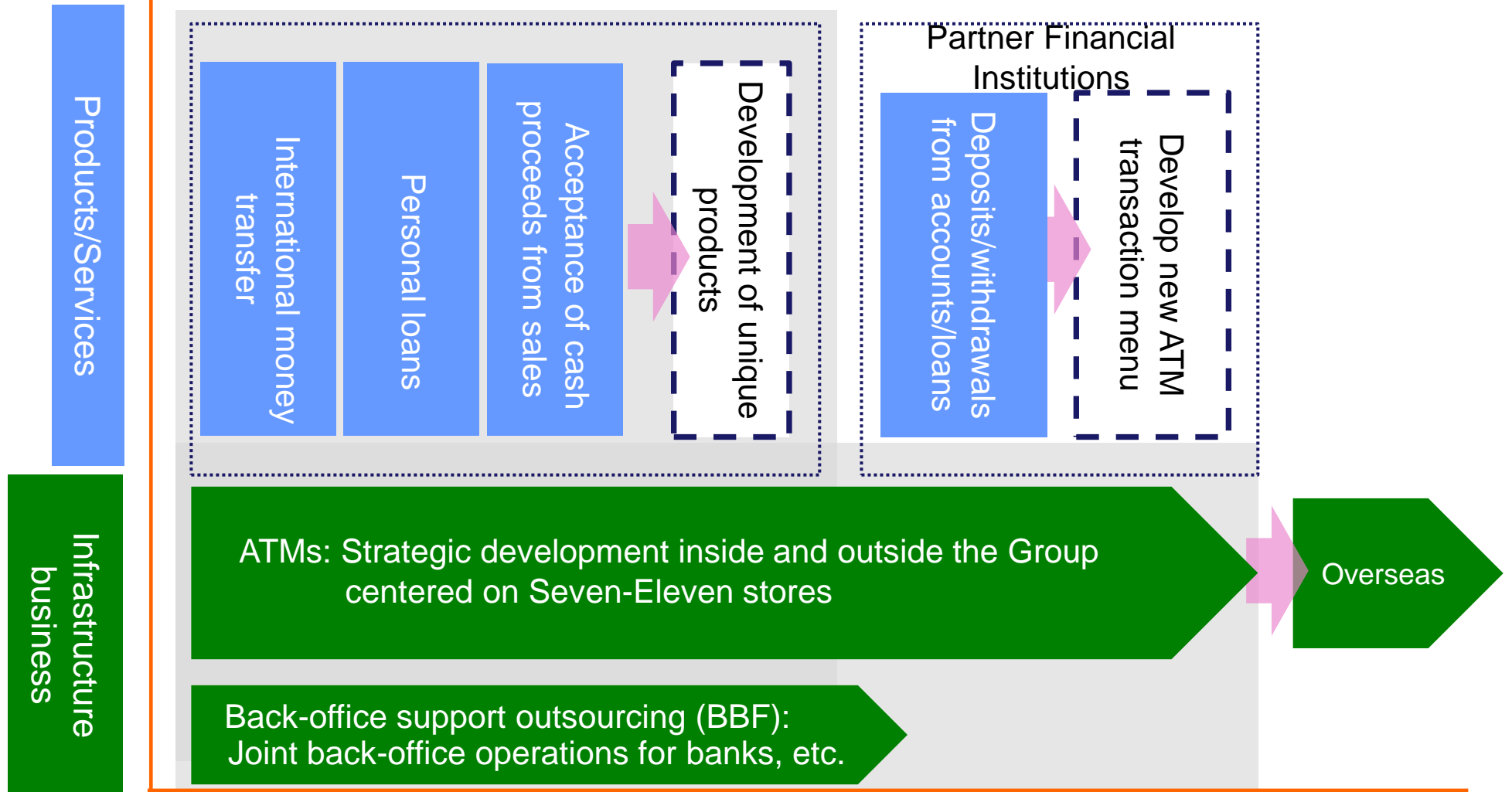
FY15: Forecast total annual dividends of ¥8.00 per share



Notes:

- On December 1, 2011, the Bank carried out a 1,000-for-1 stock split (common shares).
- The period-end dividend for fiscal 2011 includes an extra commemorative payment of ¥1.00 per share following the Bank's listing on the Tokyo Stock Exchange.
- Financial results are recorded on a consolidated basis in FY12 and thereafter.

- Strategic development of ATM network
- Use of infrastructure to enhance retail services



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