



## Financial Results for the Third Quarter of the Fiscal Year Ending March 31, 2019 (Consolidated Data)

February 1, 2019

Company Name: Seven Bank, Ltd. Stock exchange listing: Tokyo Stock Exchange  
 Stock Code: 8410 URL: <https://www.sevenbank.co.jp/>  
 Representative: Yasuaki Funatake, President and Representative Director  
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 Scheduled date for filing of quarterly financial report: February 5, 2019  
 Scheduled date for cash dividends: –  
 Trading accounts: Not established  
 Quarterly earnings supplementary explanatory documents: Yes  
 Quarterly earnings presentation: Yes (Analysts, institutional investors)

(Amounts of less than one million yen are rounded down and percentages are rounded to the first decimal place, etc.)

### 1. Financial Highlights for the Third Quarter of the Fiscal Year Ending March 31, 2019 (April 1, 2018 – December 31, 2018)

#### (1) Consolidated Operating Results

(% represents year-on-year change)

|                                     | Ordinary income |      | Ordinary profit |     | Net income attributable to owners of the parent |        |
|-------------------------------------|-----------------|------|-----------------|-----|---|--------|
|                                     | Million yen     | %    | Million yen     | %   | Million yen                                     | %      |
| Nine months ended December 31, 2018 | 111,435         | 17.6 | 32,142          | 7.0 | 7,501   | (63.4) |
| Nine months ended December 31, 2017 | 94,715          | 2.5  | 30,029          | 3.8 | 20,550  | 4.3    |

Note: Comprehensive income: Nine months ended December 31, 2018: 7,428 million yen (-62.8%),  
 Nine months ended December 31, 2017: 19,994 million yen (+19.7%)

|                                     | Net income per share | Diluted earnings per share |
|-------------------------------------|----------------------|----------------------------|
|                                     | Yen                  | Yen                        |
| Nine months ended December 31, 2018 | 6.29                 | 6.28                       |
| Nine months ended December 31, 2017 | 17.25                | 17.22                      |

#### (2) Consolidated Financial Position

|                                     | Total assets | Total net assets | Net assets to total assets ratio |
|-------------------------------------|--------------|------------------|----------------------------------|
|                                     | Million yen  | Million yen      | %                                |
| Nine months ended December 31, 2018 | 1,218,289    | 207,266          | 16.9                             |
| As of March 31, 2018                | 1,022,485    | 212,027          | 20.6                             |

(Reference) Capital: December 31, 2018: 206,934 million yen March 31, 2018: 211,475 million yen

Note: “Net assets to total assets ratio” is calculated as: (Total net assets at the end of the period – Subscription rights to shares at the end of period – Non-controlling interests at the end of the period) / Total assets at the end of the period. Please note that this “Net assets to total assets ratio” is not the capital adequacy ratio specified in the notification of capital adequacy ratio.

### 2. Dividends

|   | Dividend per share |             |               |          |       |
|---|--------------------|-------------|---------------|----------|-------|
|   | First quarter      | Semi-annual | Third quarter | Year end | Total |
|   | Yen                | Yen         | Yen           | Yen      | Yen   |
| Fiscal year ended March 31, 2018              | –                  | 4.75        | –             | 5.25     | 10.00 |
| Fiscal year ending March 31, 2019             | –                  | 5.00        | –             |          |       |
| Fiscal year ending March 31, 2019 (Forecasts) |                    |             |               | 6.00     | 11.00 |

Note: Revisions to most recently announced dividend forecasts (Yes/No): Yes  
 For details, see “Notice Concerning Revision of the Dividend Forecast,” which was announced today.

**3. Performance Forecasts for the Fiscal Year Ending March 31, 2019 (April 1, 2018 - March 31, 2019)**

(% represents the year-on-year change from the previous fiscal year.)

|           | Ordinary income |      | Ordinary profit |     | Net income attributable to owners of the parent |        | Net income per share |
|-----------|-----------------|------|-----------------|-----|---|--------|----------------------|
|           | Million yen     | %    | Million yen     | %   | Million yen                                     | %      | Yen                  |
| Full-year | 147,200         | 15.3 | 39,900          | 4.1 | 12,800  | (49.4) | 10.74                |

Note: Note: Revisions to most recently announced performance forecasts (Yes/No): No

**Notes**

(1) Changes in important subsidiaries during the third quarter of the fiscal year ending March 31, 2019: None

(Changes in specific subsidiaries involving changes in the scope of consolidation)

Added – (company name) –, Excluded – (company name) –

(2) Application of accounting methods specific to the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policy, changes in accounting estimates, and retrospective restatements

(a) Changes in accounting policy arising from revision of accounting standards, etc.: None

(b) Changes in accounting policy other than those noted in (a) above: None

(c) Changes in accounting estimates: None

(d) Retrospective restatements: None

(4) Number of shares (common stock)

(a) Number of shares in issue (including treasury stock)

(b) Number of treasury shares

(c) Average number of shares for the period under review (Nine-month period)

|                         |                      |                                  |                      |
|-------------------------|----------------------|----------------------------------|----------------------|
| As of December 31, 2018 | 1,192,464,000 shares | Fiscal year ended March 31, 2018 | 1,191,528,000 shares |
| As of December 31, 2018 | 831,371 shares       | Fiscal year ended March 31, 2018 | 896,328 shares       |
| As of December 31, 2018 | 1,191,331,207 shares | As of December 31, 2017          | 1,191,071,846 shares |

Note: The Company has introduced "Directors' Compensation BIP Trust" and "Stock Grant ESOP Trust" and the shares in the Company held by these trusts are included in the number of treasury stock to be subtracted upon calculating the number of treasury shares at the end of the period under review and the average number of shares for the period under review

- **This quarterly earnings report is exempt from quarterly review procedures by a certified public accountant or audit corporation.**

- **Explanation of the appropriate use of earnings forecasts, and other special notes**

This report contains earnings projections and other forward-looking statements which represent the judgement of Seven Bank based on currently available information. Various factors may cause actual results to be materially different from projections in these forward-looking statements.

## 2. Quarterly Consolidated Financial Statements

### (1) Consolidated Balance Sheets

(Millions of yen)

|   | As of March 31, 2018 | As of December 31, 2018 |
|---|----------------------|-------------------------|
| <b>Assets</b>   |                      |                         |
| Cash and due from banks                               | 710,369              | 736,010                 |
| Securities  | 61,939               | 82,480                  |
| Loans   | 22,715               | 22,596                  |
| Foreign currency                                      | 0                    | 0                       |
| ATM-related temporary payments                        | 146,977              | 317,941                 |
| Other assets  | 18,537               | 16,461                  |
| Tangible fixed assets                                 | 24,798               | 15,968                  |
| Intangible fixed assets                               | 35,958               | 26,245                  |
| Asset for retirement benefits                         | 264                  | 312                     |
| Deferred tax assets                                   | 962                  | 298                     |
| Allowance for credit losses                           | (36)                 | (26)                    |
| <b>Total assets</b>                                   | <b>1,022,485</b>     | <b>1,218,289</b>        |
| <b>Liabilities</b>                                    |                      |                         |
| Deposits  | 622,406              | 744,090                 |
| Negotiable certificates of deposits                   | 800                  | 20,810                  |
| Call money  | –                    | 10,000                  |
| Borrowed money  | 10,000               | 10,000                  |
| Bonds   | 95,000               | 95,000                  |
| ATM-related temporary advances                        | 59,032               | 111,579                 |
| Other liabilities                                     | 21,769               | 19,017                  |
| Reserve for bonuses                                   | 457                  | 218                     |
| Liability for retirement benefits                     | 2                    | 2                       |
| Reserve for directors' retirement benefits            | 2                    | 4                       |
| Reserve for directors' benefit trust                  | 102                  | 143                     |
| Deferred tax liabilities                              | 885                  | 156                     |
| <b>Total liabilities</b>                              | <b>810,458</b>       | <b>1,011,023</b>        |
| <b>Net assets</b>                                     |                      |                         |
| Common stock  | 30,572               | 30,679                  |
| Capital surplus                                       | 30,554               | 30,661                  |
| Retained earnings                                     | 146,075              | 141,359                 |
| Treasury stock  | (380)                | (352)                   |
| <b>Total shareholders' equity</b>                     | <b>206,823</b>       | <b>202,348</b>          |
| Net unrealized gains on available-for-sale securities | 244                  | 691                     |
| Foreign currency translation adjustments              | 4,308                | 3,794                   |
| Accumulated adjustments for retirement benefit        | 98                   | 100                     |
| <b>Total accumulated other comprehensive income</b>   | <b>4,651</b>         | <b>4,586</b>            |
| Subscription rights to shares                         | 533                  | 320                     |
| Non-controlling interests                             | 18                   | 11                      |
| <b>Total net assets</b>                               | <b>212,027</b>       | <b>207,266</b>          |
| <b>Total liabilities and net assets</b>               | <b>1,022,485</b>     | <b>1,218,289</b>        |

**(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income****Consolidated Statement of Income**

(Millions of yen)

|  | For the nine months ended<br>December 31, 2017 | For the nine months ended<br>December 31, 2018 |
|--|--|--|
| Ordinary income                                    | 94,715   | 111,435  |
| Interest income                                    | 2,527  | 2,665  |
| (Interest on loans)                                | 2,437  | 2,581  |
| (Interest and dividends on securities)             | 15   | 16   |
| Fees and commissions income                        | 91,674   | 107,724  |
| (ATM-related fee income)                           | 86,791   | 102,251  |
| Other operating income                             | 192  | 246  |
| Other ordinary income                              | 321  | 799  |
| Ordinary expenses                                  | 64,685   | 79,293   |
| Interest expenses                                  | 536  | 495  |
| (Interest on deposits)                             | 129  | 91   |
| Fees and commissions expenses                      | 18,519   | 28,989   |
| (ATM placement fee expenses)                       | 14,710   | 22,604   |
| (ATM-related fee expenses)                         | 1,371  | 3,205  |
| Other business expenses                            | 90   | –  |
| General and administrative expenses                | 45,516   | 49,598   |
| Other ordinary expenses                            | 22   | 210  |
| Ordinary profit                                    | 30,029   | 32,142   |
| Extraordinary losses                               | 102  | 14,813   |
| Loss on disposal of fixed assets                   | 102  | 94   |
| Impairment loss                                    | –  | 14,719   |
| Income before income taxes                         | 29,927   | 17,328   |
| Income taxes-current                               | 9,937  | 10,077   |
| Income taxes-deferred                              | (558)  | (244)  |
| Total income taxes                                 | 9,378  | 9,833  |
| Net income   | 20,548   | 7,495  |
| Net loss attributable to non-controlling interests | (1)  | (6)  |
| Net income attributable to owners of the parent    | 20,550   | 7,501  |

**Consolidated Statements of Comprehensive Income**

(Millions of yen)

|   | For the nine months ended<br>December 31, 2017 | For the nine months ended<br>December 31, 2018 |
|---|--|--|
| Net income  | 20,548   | 7,495  |
| Other comprehensive income                            | (554)  | (66)   |
| Net unrealized gains on available-for-sale securities | 196  | 446  |
| Foreign currency translation adjustments              | (762)  | (515)  |
| Adjustments for retirement benefit                    | 11   | 2  |
| Comprehensive income                                  | 19,994   | 7,428  |
| Comprehensive income attributable to:                 |  |  |
| Owners of the parent                                  | 19,996   | 7,436  |
| Non-controlling interests                             | (2)  | (7)  |

**3. Quarterly Non-Consolidated Financial Statements****(1) Non-Consolidated Balance Sheets**

(Millions of yen)

|   | As of March 31, 2018 | As of December 31, 2018 |
|---|----------------------|-------------------------|
| <b>Assets</b>   |                      |                         |
| Cash and due from banks                               | 706,876              | 733,398                 |
| Securities  | 90,028               | 88,852                  |
| Loans   | 23,799               | 23,698                  |
| Foreign currency                                      | 0                    | 0                       |
| ATM-related temporary payments                        | 146,888              | 317,911                 |
| Other assets  | 11,300               | 13,046                  |
| Tangible fixed assets                                 | 17,476               | 13,191                  |
| Intangible fixed assets                               | 25,899               | 24,355                  |
| Prepaid pension cost                                  | 116                  | 159                     |
| Deferred tax assets                                   | 1,009                | 7,048                   |
| Allowance for credit losses                           | (192)                | (166)                   |
| <b>Total assets</b>                                   | <b>1,023,201</b>     | <b>1,221,495</b>        |
| <b>Liabilities</b>                                    |                      |                         |
| Deposits  | 622,781              | 744,590                 |
| Negotiable certificates of deposits                   | 800                  | 20,810                  |
| Call money  | –                    | 10,000                  |
| Borrowed money  | 10,000               | 10,000                  |
| Bonds   | 95,000               | 95,000                  |
| ATM-related temporary advances                        | 59,032               | 111,579                 |
| Other liabilities                                     | 18,067               | 15,407                  |
| Reserve for bonuses                                   | 381                  | 95                      |
| Reserve for directors' benefit trust                  | 102                  | 143                     |
| <b>Total liabilities</b>                              | <b>806,165</b>       | <b>1,007,626</b>        |
| <b>Net assets</b>                                     |                      |                         |
| Common stock  | 30,572               | 30,679                  |
| Capital surplus                                       | 30,572               | 30,679                  |
| Retained earnings                                     | 155,493              | 151,850                 |
| Treasury stock  | (380)                | (352)                   |
| <b>Total shareholders' equity</b>                     | <b>216,258</b>       | <b>212,857</b>          |
| Net unrealized gains on available-for-sale securities | 244                  | 691                     |
| Total valuation and translation adjustments           | 244                  | 691                     |
| Subscription rights to shares                         | 533                  | 320                     |
| <b>Total net assets</b>                               | <b>217,036</b>       | <b>213,869</b>          |
| <b>Total liabilities and net assets</b>               | <b>1,023,201</b>     | <b>1,221,495</b>        |

**(2) Non-Consolidated Statements of Income**

|  | (Millions of yen)                              |  |
|--|--|--|
|  | For the nine months ended<br>December 31, 2017 | For the nine months ended<br>December 31, 2018 |
| Ordinary income  | 88,257   | 91,098   |
| Interest income  | 2,518  | 2,674  |
| (Interest on loans)  | 2,437  | 2,592  |
| (Interest and dividends on securities)                     | 15   | 16   |
| Fees and commissions income                                | 85,174   | 87,339   |
| (ATM-related fee income)                                   | 80,371   | 82,103   |
| Other operating income                                     | 192  | 268  |
| Other ordinary income                                      | 372  | 816  |
| Ordinary expenses  | 55,634   | 56,870   |
| Interest expenses  | 531  | 493  |
| (Interest on deposits)                                     | 129  | 91   |
| Fees and commissions expenses                              | 13,871   | 14,382   |
| (ATM placement fee expenses)                               | 10,808   | 11,165   |
| (ATM-related fee expenses)                                 | 720  | 720  |
| Other business expenses                                    | 90   | –  |
| General and administrative expenses                        | 41,120   | 41,977   |
| Other ordinary expenses                                    | 20   | 16   |
| Ordinary profit  | 32,623   | 34,228   |
| Extraordinary losses                                       | 96   | 21,854   |
| Loss on disposal of fixed assets                           | 96   | 98   |
| Loss on valuation of stocks of subsidiaries and affiliates | –  | 21,756   |
| Income before income taxes                                 | 32,526   | 12,373   |
| Income taxes-current                                       | 9,937  | 10,035   |
| Income taxes-deferred                                      | 122  | (6,236)  |
| Total income taxes   | 10,059   | 3,798  |
| Net income   | 22,466   | 8,575  |