



Financial Results for the Third Quarter of Fiscal 2017

February 2018



Contents

Income Statement (Consolidated) 2

Income Statement (Seven Bank / Non-Consolidated) 3

ATM Platform Business Figures 4

Settlement and Account Business Figures 5

Domestic Business: Status of Progress 6

Overseas Business Figures 7

Overseas Business: Status of Progress 8

Shareholder Returns 9

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

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, without limitation, system malfunctions, disasters, crimes and other various risks entailed in the ATM Platform Business, Settlement and Account Business and Overseas Business. Any information in these materials, which is other than that of Seven Bank and its consolidated subsidiaries, is based on publicly available information, and we have not validated the accuracy or appropriateness of such information and do not guarantee its accuracy. All rights reserved.

Income Statement (Consolidated)

- In the third quarter, **income and profit increased** year on year.

(Billion yen)

	FY16 1Q-3Q	FY17 1Q-3Q	Changes from FY16 1Q-3Q	FY17
				<u>Revised Plan</u> (Feb. 2, 2018)
Ordinary income	92.3	94.7	2.4	126.7
Ordinary expenses	63.4	64.6	1.2	89.2
Ordinary profit	28.9	30.0	1.1	37.4
Net income	19.6	20.5	0.9	25.3

Notes:

- Amounts less than one hundred million yen have been truncated.
- Previous-year comparisons are based on the units used in these materials.
- Exchange rates per USD 1 on the consolidated income statement
FY16 1Q-3Q = ¥108.57, FY17 1Q-3Q = ¥111.89, FY17 Plan = ¥110.00
- Net income is net income attributable to owners of the parent.

Income Statement (Seven Bank / Non-Consolidated)

- In the third quarter, **income and profit increased** year on year.

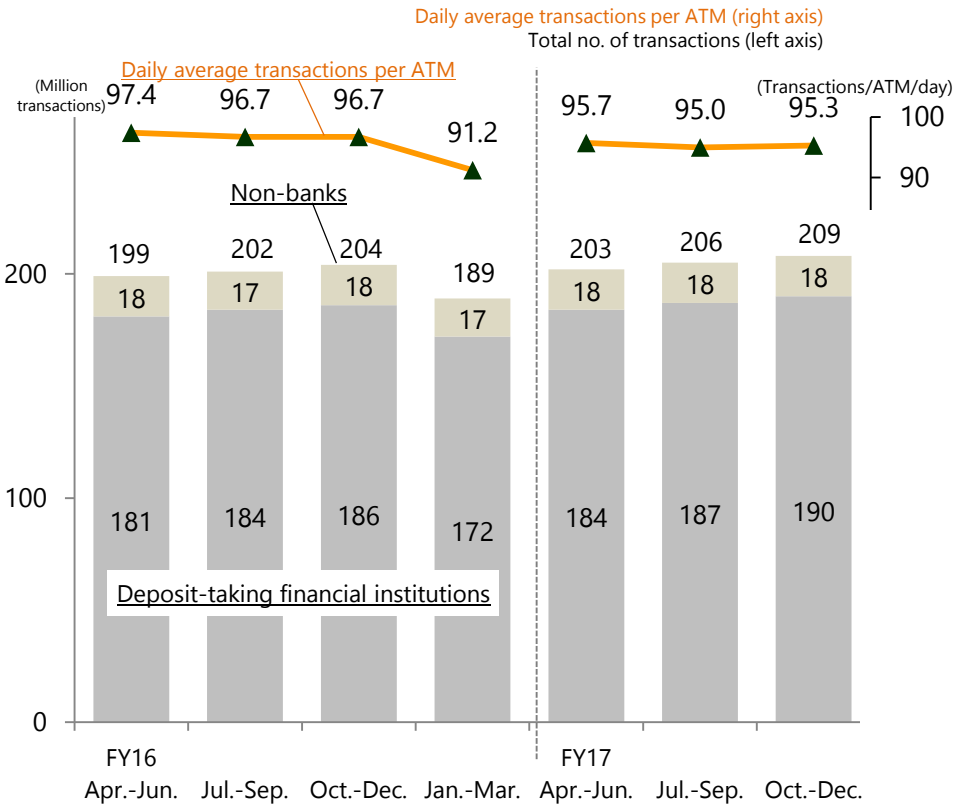
(Billion yen)

	FY16 1Q-3Q	FY17 1Q-3Q	Changes from FY16 1Q-3Q	FY17 Initial Plan
Ordinary income	85.8	88.2	2.4	117.0
ATM-related fee income	78.9	80.3	1.4	106.0
Ordinary expenses	55.4	55.6	0.2	76.0
Ordinary profit	30.4	32.6	2.2	41.0
Extraordinary gain (loss)	(0.1)	(0.0)	0.1	(0.1)
Income taxes	9.3	10.0	0.7	12.5
Net income	20.9	22.4	1.5	28.3
EBITDA	43.5	44.4	0.9	57.1
No. of ATMs installed at end of term (units)	23,177	24,032	855	24,300
Daily average transactions per ATM (transactions/ATM/day)	96.9	95.3	(1.6)	94.3
Total no. of transactions (million)	606	618	12	815

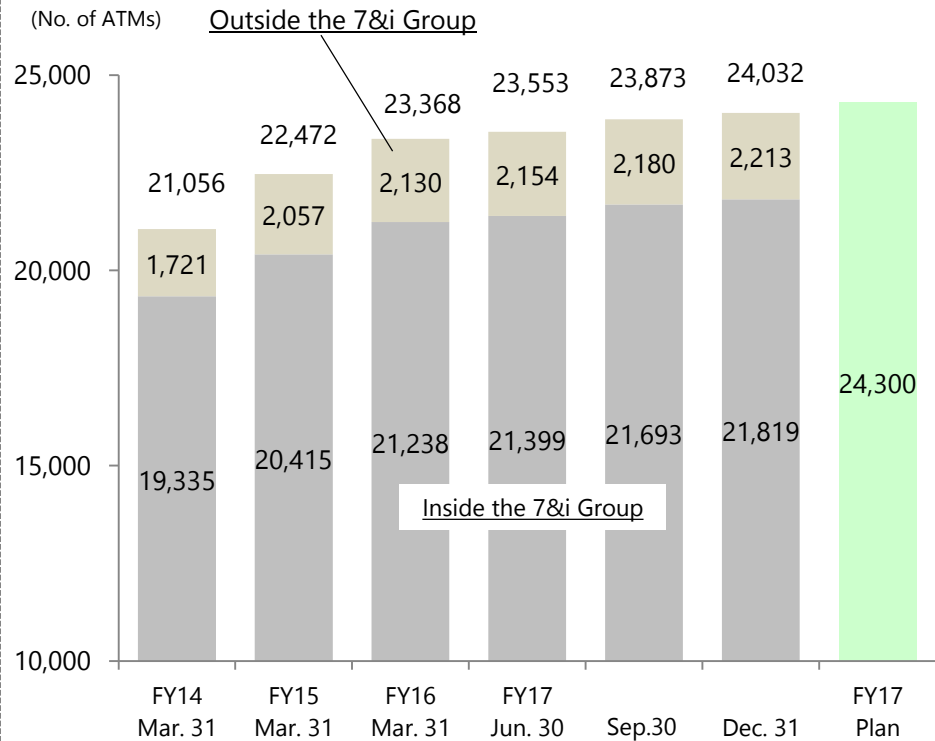
Note: EBITDA = Ordinary profit + Depreciation and amortization

ATM Platform Business Figures

ATM usage



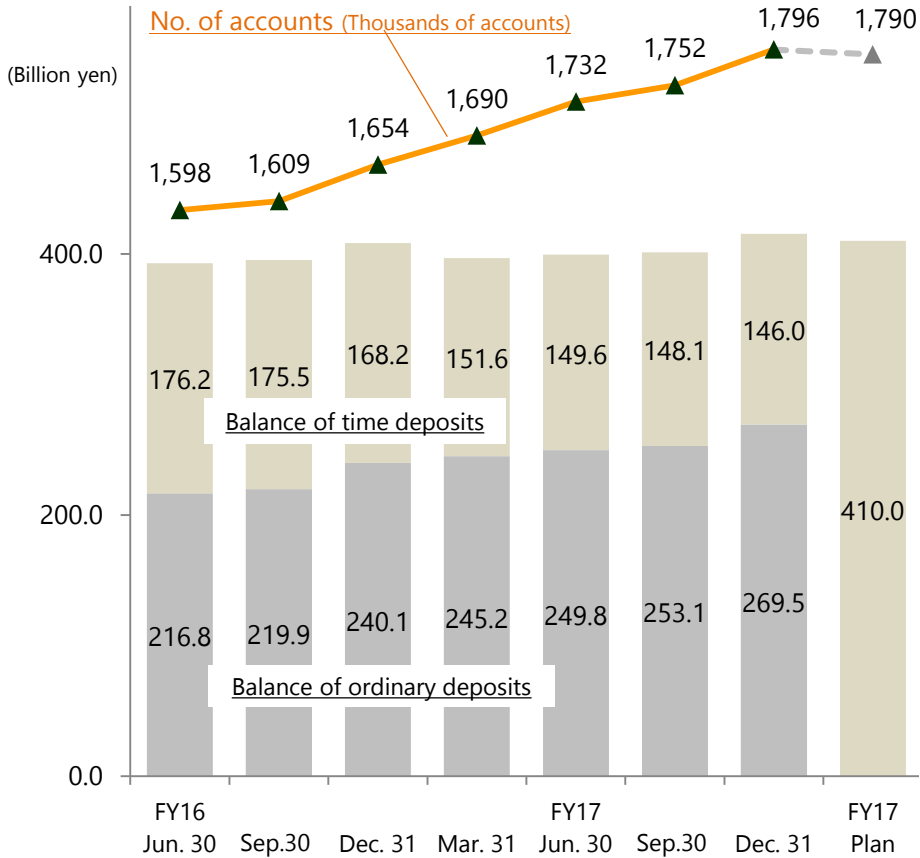
Number of ATMs



Note: Daily average transactions per ATM do not include balance inquiries, e-money charges, PIN changes and withdrawal limit changes.

Settlement and Account Business Figures

Number of individual accounts and balance of deposits



Personal loan services

	Dec. 31, 2016	Dec. 31, 2017	FY17 Plan
Balance at end of period (Billion yen)	18.5	22.2	24.0

International money transfer services

	Apr.-Dec. 2016	Apr.-Dec. 2017	FY17 Plan
Number of transactions (Thousands of transactions)	738	818	1,150

Debit services

	Apr.-Dec. 2016	Apr.-Dec. 2017	FY17 Plan
Number of transactions (Thousands of transactions)	319	4,582	9,000

Review

ATM Platform Business

- ✓ Solid start in creating new styles of ATM usage (SoftBank Payment, LINE Pay, etc.)
- ✓ Preparing for the start of cash receipt service (start of service scheduled for spring 2018)
- ✓ Number of ATM transactions was short of the plan
- ✓ Number of daily average transactions per ATM continued to fall, but at a lower rate of decrease
- ✓ Number of ATMs and ATM-related fee income per transaction were in line with the plan

Settlement and Account Business


- ✓ All services are progressing steadily, although slightly short of the rate in the plan
- ✓ Group financial strategy: Smartphone app settlement method under development

Overseas Business (FCTI) Figures

- In the third quarter, **income and profit decreased** year on year.

Summary of results

(Million US\$)



	FY16 3Q (Jan.-Sep.)	FY17 3Q (Jan.-Sep.)	FY17 Initial Plan
Ordinary income	59.4	56.7	122.8
Ordinary expenses	63.0	70.1	130.6
Ordinary profit (loss)	(3.6)	(13.3)	(7.8)
Net income (loss)	(2.4)	(8.5)	(5.0)
EBITDA	1.7	(8.3)	3.5

Main ATM figures

	FY16 3Q (Jan.-Sep.)	FY17 3Q (Jan.-Sep.)
No. of ATMs installed at end of term (Units)	6,267	7,789
At SEI (Units)	-	2,162
Other than SEI: Directly owned (Units)	4,958	4,652
Other than SEI: Owned by location where installed (Units)	1,309	975
Total no. of transactions during the period (Thousands)	28,482	27,248

Notes:

1. Total number of transactions for U.S. ATMs includes balance inquiries.
2. Number of ATMs as of December 31, 2017: 11,582
At SEI: 5,948
Other than SEI: 4,678 directly owned, 956 owned by location where installed

Review

U.S. 7-Eleven

- ✓ ATM replacement is proceeding steadily, even with the impact of a delayed start
- ✓ Achieved stable operation after replacement, with utilization rate above 99%
- ✓ Increase in operating costs (increased allocation of cash to ATMs due to emphasis on stable operation; rise in interest rates)
- ✓ Slump in number of transactions during ATM replacement period (measures to be implemented to increase transactions after replacements are completed)

Other than U.S. 7-Eleven

- ✓ Declining trend in number of transactions (decrease in the number of ATM transactions in the market overall)
- ✓ Ongoing upward pressure on installation costs
- ✓ Continuing series of disposals of ATMs owned by the locations where they are installed

Shareholder Returns

Policy

Targeting a minimum consolidated payout ratio of 40% through twice-yearly payments

Year-end dividend forecast

Dividend amount: ¥5.25 per share (approximately ¥6.2 billion in total dividends paid)

¥0.50 increase from initial plan for annual dividends of ¥10.00 per share

Dividends and payout ratio

