



Notice Regarding Extraordinary Loss and Revision of Forecast  
(Disclosure on September 7, 2018)

Explanatory materials

September 2018



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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.

## 1. Extraordinary losses are recorded for the second quarter of the fiscal year ending March 31, 2019.

Amount of extra ordinary losses <sup>\*1</sup>

Consolidated : approx. ¥14.5 billion

Non-consolidated: approx. ¥21.8 billion (unrealized losses on stockholdings) <sup>\*2</sup>

\*1: Auditing by an auditing firm is in progress and extraordinary losses are expected.

\*2: Unrealized losses on shares of subsidiaries and affiliates are eliminated in the consolidated financial statements, therefore there is no impact on consolidated results.

(Billion yen)	Total	FCTI	ATMi
Consolidated	14.5 (approx.)	14.4	0.1
Non-consolidated	21.8 (approx.)	21.4	0.4

- ✓ Losses incurred in the promotion of overseas businesses (North American:FCTI and Indonesia:ATMi)
- ✓ Mainly goodwill and intangible assets at the time of acquisition of shares in FCTI

## 2. Revisions to earnings forecasts for FY18

- ✓ Occurrence of the above extraordinary loss (impairment loss on goodwill, etc.)
- ✓ In consideration of the delay in the income of overseas operations

## 3. Dividend plan: No change from initial plan(10 yen per share per year)

# Revision of Result Forecast <Consolidated>

(Billion yen)

	FY17	FY18 Initial Plan (May 2018)				FY18 Revision Plan (September 2018)					
		Full year	Changes from FY17 results	H1	Changes from FY17 results	Full year	Changes from Initial plan	Changes from FY17 results	H1	Changes from Initial plan	Changes from FY17 results
Ordinary income	127.6	146.7	19.1	72.6	10.4	<b>147.2</b>	<b>0.5</b>	<b>19.6</b>	<b>73.0</b>	<b>0.4</b>	<b>10.8</b>
Ordinary expenses	89.3	106.9	17.6	52.0	9.7	<b>107.3</b>	<b>0.4</b>	<b>18.0</b>	<b>52.7</b>	<b>0.7</b>	<b>10.4</b>
Ordinary profit	38.3	39.8	1.5	20.6	0.8	<b>39.9</b>	<b>0.1</b>	<b>1.6</b>	<b>20.3</b>	<b>(0.3)</b>	<b>0.5</b>
Extraordinary loss	0.1	0.1	0.0	0.0	0.0	<b>14.6</b>	<b>14.5</b>	<b>14.5</b>	<b>14.6</b>	<b>14.6</b>	<b>14.6</b>
Net income attributable to owners of the parent	25.3	26.8	1.5	13.8	0.2	<b>12.8</b>	<b>(14.0)</b>	<b>(12.5)</b>	<b>(0.5)</b>	<b>(14.3)</b>	<b>(14.1)</b>

Note 1) All counts in this document are rounded down to the nearest unit of display.

Note 2) All the year-on-year differences in this document are compared on a per-display basis.

Note 3) Currency rates of consolidated statements

Per USD :1

FY2017 results = 112.16 yen, FY2018 initial plan = 110.00 yen, FY2018 first half revised plan = 108.67 yen, 2018 full year revised plan = 110.00 yen

Per IDR :100

FY2017 results = 0.838 yen, FY2018 initial plan = 0.900 yen, FY2018 first half revised plan = 0.790 yen, FY2018 full year plan = 0.900 yen

# Revision of Result Forecast <Seven Bank>

(Billion yen)

	FY17	FY18 Initial Plan (May 2018)				FY18 Revision Plan (September 2018)					
		Full year	Changes from FY17 results	H1	Changes from FY17 results	Full year	Changes from Initial plan	Changes from FY17 results	H1	Changes from Initial plan	Changes from FY17 results
Ordinary income	116.6	119.6	3.0	59.9	1.8	<b>119.6</b>	<b>0.0</b>	<b>3.0</b>	<b>59.9</b>	<b>0.0</b>	<b>1.8</b>
Ordinary expenses	74.3	77.1	2.8	37.5	0.9	<b>77.1</b>	<b>0.0</b>	<b>2.8</b>	<b>37.5</b>	<b>0.0</b>	<b>0.9</b>
Ordinary profit	42.2	42.5	0.3	22.4	0.9	<b>42.5</b>	<b>0.0</b>	<b>0.3</b>	<b>22.4</b>	<b>0.0</b>	<b>0.9</b>
Extraordinary loss	0.1	0.1	0.0	0.0	0.0	<b>21.9</b>	<b>21.8</b>	<b>21.8</b>	<b>21.9</b>	<b>21.9</b>	<b>21.9</b>
Net income	29.1	29.4	0.3	15.5	0.7	<b>14.0</b>	<b>(15.4)</b>	<b>(15.1)</b>	<b>0.1</b>	<b>(15.4)</b>	<b>(14.7)</b>

NOTE) Unrealized losses on investments in subsidiaries and shares amounting to ¥21.8 billion, which are included in extraordinary losses

US\$1 = 110.00 yen

100 IDR = 0.900 yen

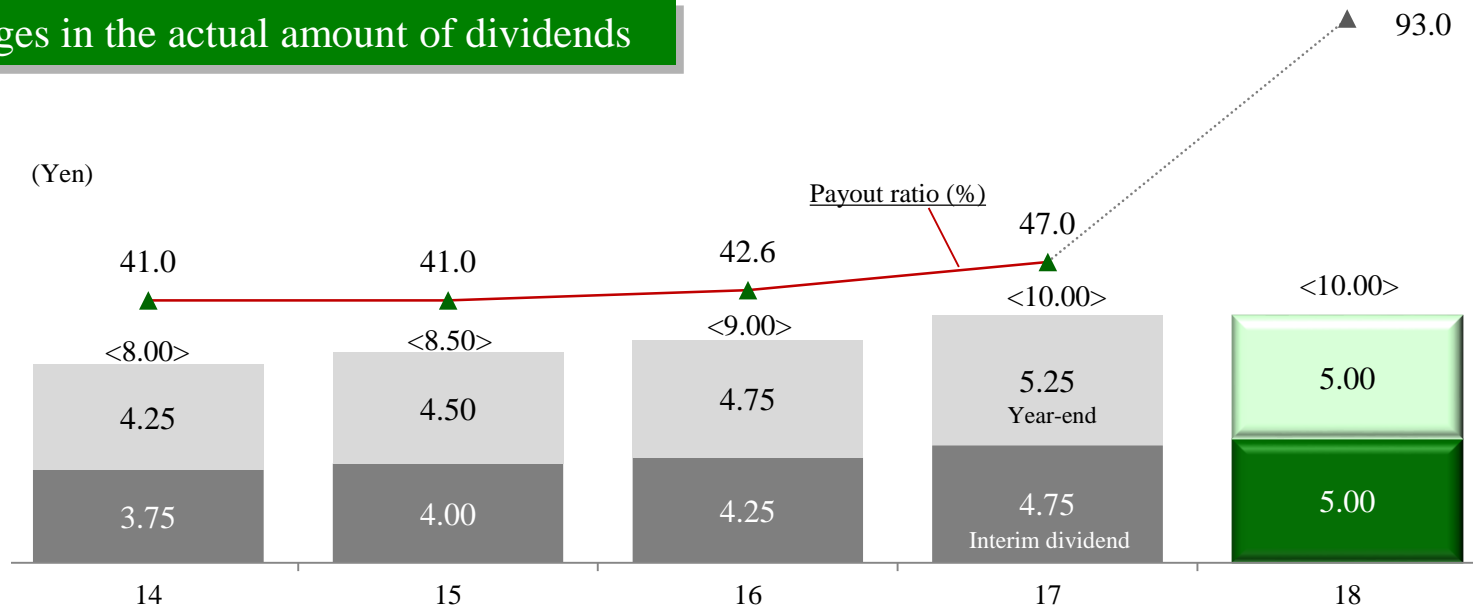
# Revision of Result Forecast <FCTI>

(Million US\$)

	FY17	FY18 Initial Plan (May 2018)				FY18 Revision Plan (September 2018)					
		Full year	Changes from FY17 results	H1	Changes from FY17 results	Full year	Changes from Initial plan	Changes from FY17 results	H1	Changes from Initial plan	Changes from FY17 results
Ordinary income	96.5	239.1	142.6	113.8	77.9	<b>244.3</b>	<b>5.2</b>	<b>147.8</b>	<b>119.1</b>	<b>5.3</b>	<b>83.2</b>
Ordinary expenses	120.4	250.0	129.6	122.7	79.2	<b>258.4</b>	<b>8.4</b>	<b>138.0</b>	<b>131.4</b>	<b>8.7</b>	<b>87.9</b>
Ordinary profit	(23.9)	(10.9)	13.0	(8.9)	(1.3)	<b>(14.0)</b>	<b>(3.1)</b>	<b>9.9</b>	<b>(12.3)</b>	<b>(3.4)</b>	<b>(4.7)</b>
Extraordinary loss	0.0	0.0	0.0	0.0	0.0	<b>90.0</b>	<b>90.0</b>	<b>90.0</b>	<b>90.0</b>	<b>90.0</b>	<b>90.0</b>
Net income	(27.4)	(10.9)	16.5	(8.9)	(4.0)	<b>(104.0)</b>	<b>(93.1)</b>	<b>(76.6)</b>	<b>(102.3)</b>	<b>(93.4)</b>	<b>(97.4)</b>

# Shareholder Returns (Dividends)

## Changes in the actual amount of dividends

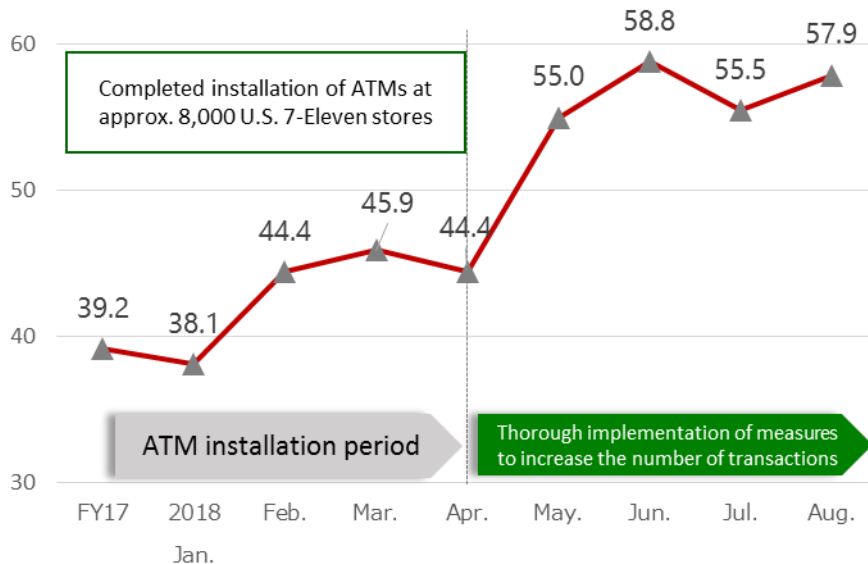


- ✓ Impairment loss, which was announced today, is contingent and non-cash expenses
- ✓ By comprehensively taking into account the fund position, financial result and the soundness of the financial position

No change in dividend plan announced on May 11, 2018

## 1. FCTI (North America)

Monthly average transactions per ATM at SEI



Since completion of installation of ATMs at SEI, the number of transactions has been increasing  
Income rose steadily in line with the plan

## 2. ATMi (Indonesia)

### Review of business plan

### Past achievements

- ✓ Completion of installation of ATMs at SEI
- ✓ Strong increase in number of transactions

### Future Measures

#### At SEI









- ✓ Installation of ATMs at Sunoco
  - Temporary costs incurred when installation starts in the second half of FY18
  - Factors for increase in revenue from the next fiscal year
- ✓ Review of operating costs (maintenance costs, etc.)
  - Improvement of operational issues from the start of installation

#### At non-SEI

- ✓ Revision of contract terms
  - Commencement of negotiations with low-profit customers
- ✓ Early liquidation of ATMs (ATMs owned by location where installed)

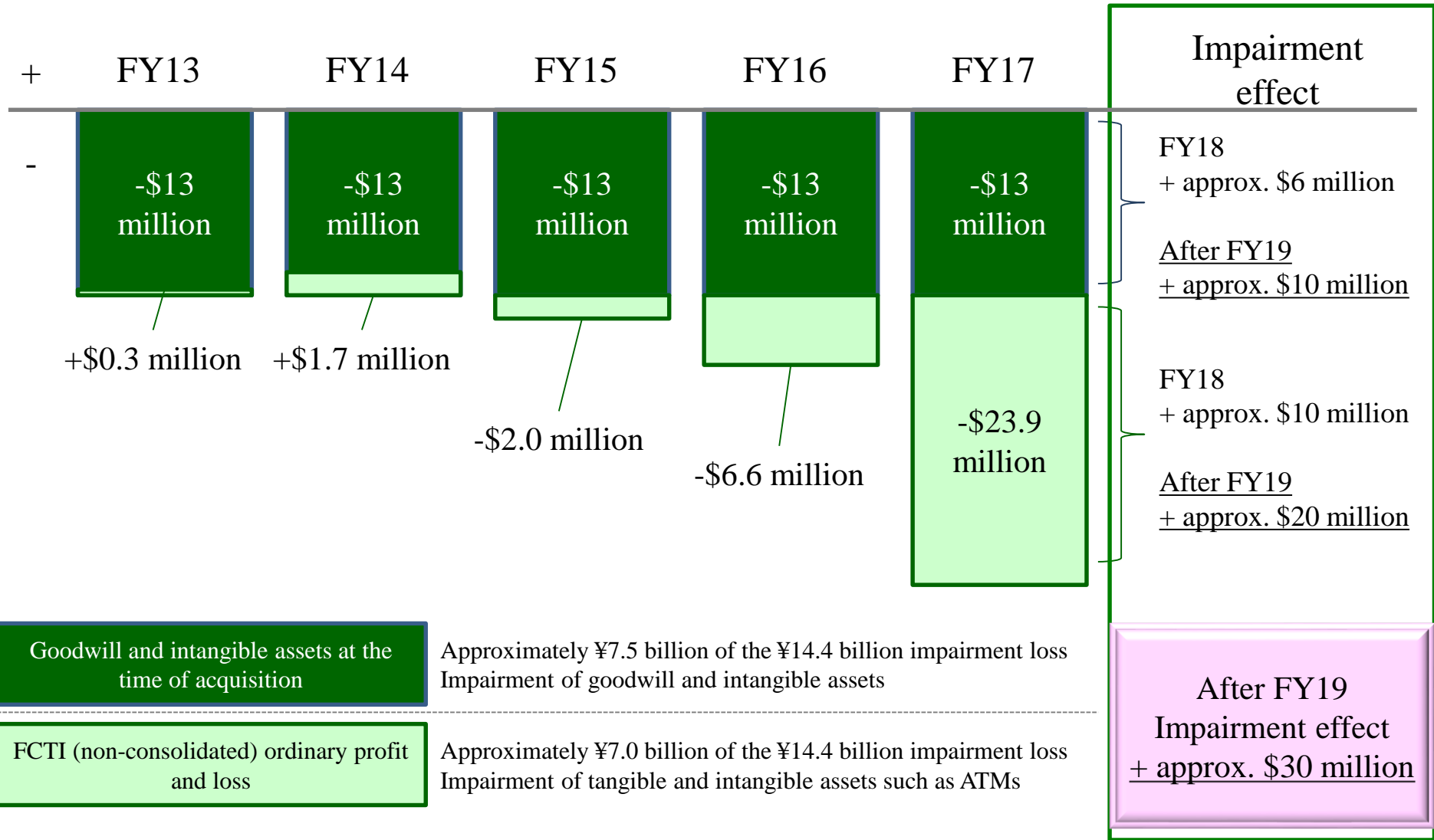


## Reference (Effect of Impairment Loss①)

Items	Effect		Remark
	FY18	Next fiscal year or later	
①FCTI Profit			<p><b>【FY18】</b> Positive impact on ordinary profit (depreciation burden minus about \$10 million)</p> <p><b>【Next fiscal year or later】</b> Positive impact on ordinary profit (depreciation burden minus about \$20 million)</p>
②Consolidated Profit			<p><b>【FY18】</b> Negative impact on net income (extraordinary loss of approximately ¥14.5 billion)</p> <p><b>【Next fiscal year or later】</b> Positive impact on ordinary profit (due to the elimination of about ¥1 billion in depreciation of goodwill)</p>
①+② Consolidated accounting Impact	<p>Profit recovery from impairment loss</p> <p>[Current year] FCTI(Non-consolidated) + 10 million US dollars + consolidated adjustment + 6 million US dollars = + approximately 1.7 billion yen</p> <p>[Next fiscal year or later] FCTI(Non-consolidated) + 20 million US dollars + consolidated adjustment + 10 million US dollars = + approximately 3.2 billion yen</p> <p style="text-align: right;">US\$1 = 110.00 yen</p>		
ROE			<p><b>【FY18】</b> Negative impact due to a temporary decline in profits</p> <p><b>【Next fiscal year or later】</b> Positive impact due to an increase in net income</p>
EPS			<p><b>【FY18】</b> Decreased due to a temporary decline in profits</p> <p><b>【Next fiscal year or later】</b> Increase due to increase in current income</p>

The positive and negative notation in the affect column are the comparison between the impairment loss on goodwill and the non-impairment loss on goodwill, and other factors are assumed to be constant.

Impact on consolidated income statement related to FCTI



Impairment loss of goodwill, etc. is only compared to that of "if it is performed" and "if it is not performed," and other factors are stated as being constant.