



Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2020 (Consolidated Data)

August 2, 2019

Company Name: Seven Bank, Ltd.

Stock exchange listing: Tokyo Stock Exchange

Stock Code: 8410

URL <https://www.sevenbank.co.jp/>

Representative: (title) President and Representative Director

(name) Yasuaki Funatake

For inquiries: (title) Director, Managing Executive Officer, General Manager of Planning Division

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Scheduled date for filing of quarterly financial report: August 6, 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 First Quarter of the Fiscal Year Ending March 31, 2020 (April 1, 2019–June 30, 2019)

(1) Consolidated Operating Results (Accumulated)

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

	Ordinary income		Ordinary profit		Net income attributable to owners of the parent	
	Million yen	%	Million yen	%	Million yen	%
Three months ended June 30, 2019	36,895	2.9	11,108	10.1	7,615	15.5
Three months ended June 30, 2018	35,833	15.7	10,086	1.8	6,588	(2.7)

Note: Comprehensive income: Three months ended June 30, 2019: 7,786 million yen (+46.6%)

Three months ended June 30, 2018: 5,310 million yen (-10.9%)

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended June 30, 2019	6.39	6.39
Three months ended June 30, 2018	5.53	5.52

(2) Consolidated Financial Position

	Total assets	Total net assets	Net assets to total assets ratio
	Million yen	Million yen	%
Three months ended June 30, 2019	1,214,099	211,099	17.3
Fiscal year ended March 31, 2019	1,141,926	212,890	18.6

(Reference) Capital Three months ended June 30, 2019: 210,611 million yen March 31, 2019: 212,557 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, 2019	-	5.00	-	6.00	11.00
March 31, 2020	-				
Fiscal year ending March 31, 2020 (Forecasts)		5.50	-	5.50	11.00

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

3. Performance Forecasts for the Fiscal Year Ending March 31, 2020 (April 1, 2019 - March 31, 2020)

(% represents the year-on-year change from each respective corresponding period [full fiscal year and semi-annual] of 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
Semi-annual (Accumulated)	73,600	0.2	20,600	(0.6)	13,800	–	11.64
Full-year	148,900	1.0	39,700	(2.4)	26,700	101.7	22.59

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

Notes

(1) Changes in important subsidiaries during the first quarter of the fiscal year ending March 31, 2020: None
(Changes in specific subsidiaries involving changes in the scope of consolidation)

Added - (company name) - Excluded - (company name) -

Note: Seven Global Remit, Ltd. and Pito AxM Platform, Inc. are included as consolidated subsidiaries from the first quarter of this consolidated accounting period although they do not fall under changes in specific subsidiaries.

(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)

As of June 30, 2019	1,192,622,000 shares	Fiscal year ended March 31, 2019	1,192,464,000 shares
As of June 30, 2019	10,447,671 shares	Fiscal year ended March 31, 2019	831,371 shares
As of June 30, 2019	1,190,246,504 shares	As of June 30, 2018	1,190,743,155 shares

(b) Number of treasury shares

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

Note: The Bank has introduced the BIP Trust and ESOP Trust. The Bank's shares held by these Trusts are included in the number of treasury shares to be deducted when calculating the number of treasury shares at the end of the Fiscal term and the average number of shares during the term.

* 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.

1. Quarterly Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2019	As of June 30, 2019
Assets		
Cash and due from banks	780,650	812,206
Securities	85,639	84,934
Loans	22,688	22,803
Foreign currency	0	0
ATM-related temporary payments	194,910	233,709
Other assets	15,074	19,129
Tangible fixed assets	15,155	13,756
Intangible fixed assets	26,655	26,572
Asset for retirement benefits	444	459
Deferred tax assets	732	554
Allowance for credit losses	(23)	(25)
Total assets	1,141,926	1,214,099
Liabilities		
Deposits	678,664	734,212
Negotiable certificates of deposits	810	810
Call money	—	20,000
Borrowed money	10,000	—
Bonds	135,000	125,000
ATM-related temporary advances	80,853	97,716
Other liabilities	22,816	24,081
Reserve for bonuses	537	811
Liability for retirement benefits	2	2
Reserve for directors' retirement benefits	5	6
Reserve for directors' benefit trust	166	187
Deferred tax liabilities	179	171
Total liabilities	929,036	1,003,000
Net assets		
Common stock	30,679	30,701
Capital surplus	30,661	30,756
Retained earnings	147,094	147,555
Treasury stock	(352)	(3,071)
Total shareholders' equity	208,083	205,942
Net unrealized gains on available-for-sale securities	492	660
Foreign currency translation adjustments	3,798	3,832
Accumulated adjustments for retirement benefit	182	176
Total accumulated other comprehensive income	4,473	4,669
Subscription rights to shares	320	276
Non-controlling interests	11	210
Total net assets	212,890	211,099
Total liabilities and net assets	1,141,926	1,214,099

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

	(Millions of yen)	
	Three months ended June 30, 2018	Three months ended June 30, 2019
Ordinary income	35,833	36,895
Interest income	883	886
(Interest on loans)	854	855
(Interest and dividends on securities)	5	8
Fees and commissions income	34,855	35,922
(ATM-related fee income)	33,126	34,055
Other operating income	66	58
Other ordinary income	27	27
Ordinary expenses	25,746	25,786
Interest expenses	165	187
(Interest on deposits)	32	27
Fees and commissions expenses	9,202	10,159
(ATM placement fee expenses)	7,205	7,812
(ATM-related fee expenses)	998	1,290
General and administrative expenses	16,215	15,246
Other ordinary expenses	163	193
Ordinary profit	10,086	11,108
Extraordinary losses	52	31
Loss on disposal of fixed assets	52	31
Income before income taxes	10,034	11,077
Income taxes-current	3,238	3,362
Income taxes-deferred	207	98
Total income taxes	3,446	3,461
Net income	6,587	7,615
Net loss attributable to non-controlling interests	(0)	0
Net income attributable to owners of the parent	6,588	7,615

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Three months ended June 30, 2018	Three months ended June 30, 2019
Net income	6,587	7,615
Other comprehensive income	(1,277)	170
Net unrealized gains on available-for-sale securities	54	167
Foreign currency translation adjustments	(1,332)	8
Adjustments for retirement benefit	0	(5)
Comprehensive income	5,310	7,786
Comprehensive income attributable to:		
Owners of the parent	5,312	7,811
Non-controlling interests	(1)	(24)

2. Quarterly Non-Consolidated Financial Statements

(1) Non-Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2019	As of June 30, 2019
Assets		
Cash and due from banks	778,018	808,981
Securities	92,728	92,400
Loans	23,439	23,554
Foreign currency	0	0
ATM-related temporary payments	194,875	233,674
Other assets	11,899	15,806
Tangible fixed assets	12,155	10,939
Intangible fixed assets	24,828	24,799
Prepaid pension cost	172	194
Deferred tax assets	7,510	7,323
Allowance for credit losses	(118)	(121)
Total assets	1,145,511	1,217,552
Liabilities		
Deposits	679,730	735,388
Negotiable certificates of deposits	810	810
Call money	—	20,000
Borrowed money	10,000	—
Bonds	135,000	125,000
ATM-related temporary advances	80,853	97,716
Other liabilities	18,907	19,988
Reserve for bonuses	374	661
Reserve for directors' benefit trust	166	187
Total liabilities	925,843	999,753
Net assets		
Common stock	30,679	30,701
Capital surplus	30,679	30,701
Retained earnings	157,847	158,530
Treasury stock	(352)	(3,071)
Total shareholders' equity	218,854	216,862
Net unrealized gains on available-for-sale securities	492	660
Total valuation and translation adjustments	492	660
Subscription rights to shares	320	276
Total net assets	219,667	217,799
Total liabilities and net assets	1,145,511	1,217,552

(2) Non-Consolidated Statements of Income

(Millions of yen)

	Three months ended June 30, 2018	Three months ended June 30, 2019
Ordinary income	29,732	29,811
Interest income	885	889
(Interest on loans)	857	858
(Interest and dividends on securities)	5	8
Fees and commissions income	28,737	28,823
(ATM-related fee income)	27,075	27,031
Other operating income	75	63
Other ordinary income	34	34
Ordinary expenses	18,382	18,488
Interest expenses	164	187
(Interest on deposits)	32	27
Fees and commissions expenses	4,730	5,049
(ATM placement fee expenses)	3,682	3,951
(ATM-related fee expenses)	247	264
General and administrative expenses	13,476	13,224
Other ordinary expenses	11	27
Ordinary profit	11,349	11,323
Extraordinary losses	52	19
Loss on disposal of fixed assets	52	19
Income before income taxes	11,297	11,303
Income taxes-current	3,211	3,353
Income taxes-deferred	232	112
Total income taxes	3,443	3,465
Net income	7,854	7,837

3. Capital Adequacy Ratio (Domestic Standard)

(1) Consolidated Capital Adequacy Ratio (Domestic Standard)

	As of June 30, 2019
Consolidated capital adequacy ratio (domestic standard)	47.60%

(Reference) As of March 31, 2019
47.77%

(2) Non-consolidated Capital Adequacy Ratio (Domestic Standard)

	As of June 30, 2019
Non-consolidated capital adequacy ratio (domestic standard)	51.71%

(Reference) As of March 31, 2019
51.75%