



Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2021 (Consolidated Data)

August 7, 2020

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

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Scheduled date for filing of quarterly financial report: August 12, 2020

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, 2021

(April 1, 2020–June 30, 2020)

(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, 2020	33,067	(10.3)	8,395	(24.4)	6,776	(11.0)
Three months ended June 30, 2019	36,895	2.9	11,108	10.1	7,615	15.5

Note: Comprehensive income: Three months ended June 30, 2020 6,569 million yen (-15.6%)
Three months ended June 30, 2019 7,786 million yen (+46.6%)

	Net income per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2020	5.75	5.74
Three months ended June 30, 2019	6.39	6.39

(2) Consolidated Financial Position

	Total assets	Total net assets	Net assets to total assets ratio
	Million yen	Million yen	%
Three months ended June 30, 2020	1,164,117	222,870	19.0
Fiscal year ended March 31, 2020	1,085,885	222,833	20.3

(Reference) Capital: Three months ended June 30, 2020 221,444 million yen
Fiscal year ended March 31, 2020 221,212 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, 2020	—	5.50	—	5.50	11.00
Fiscal year ending March 31, 2021	—				
Fiscal year ending March 31, 2021 (Forecasts)		5.50	—	5.50	11.00

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

3. Performance Forecasts for the Fiscal Year Ending March 31, 2021 (April 1, 2020 - March 31, 2021)

(% 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)	67,800	(9.0)	18,000	(10.6)	12,600	(3.4)	10.69
Full year	134,200	(9.6)	32,800	(17.6)	23,000	(12.0)	19.51

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

Notes

(1) Changes in important subsidiaries during the first quarter of the fiscal year ending March 31, 2021: 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)

As of June 30, 2020	1,179,308,000 shares	Fiscal year ended March 31, 2020	1,179,129,000 shares
As of June 30, 2020	798,656 shares	Fiscal year ended March 31, 2020	798,656 shares
As of June 30, 2020	1,178,346,080 shares	As of June 30, 2019	1,190,246,504 shares

(b) Number of treasury shares

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

Note: Number of treasury shares and average number of shares for the period under review include shares of the Company held by "Directors' Compensation BIP Trust" and "Stock Grant ESOP Trust."

* 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, 2020	As of June 30, 2020
Assets		
Cash and due from banks	848,446	904,402
Securities	70,911	77,381
Loans	23,283	22,680
Foreign currency	0	0
ATM-related temporary payments	81,965	97,278
Other assets	16,365	16,912
Tangible fixed assets	13,985	13,413
Intangible fixed assets	29,665	31,003
Asset for retirement benefits	378	393
Deferred tax assets	909	674
Allowance for credit losses	(25)	(24)
Total assets	1,085,885	1,164,117
Liabilities		
Deposits	683,760	762,174
Negotiable certificates of deposits	800	300
Borrowed money	196	—
Bonds	105,000	105,000
ATM-related temporary advances	45,052	50,676
Other liabilities	27,288	21,600
Reserve for bonuses	573	815
Liability for retirement benefits	3	3
Reserve for directors' retirement benefits	4	4
Reserve for directors' benefit trust	236	547
Deferred tax liabilities	137	126
Total liabilities	863,051	941,247
Net assets		
Common stock	30,702	30,724
Capital surplus	30,757	30,788
Retained earnings	155,760	156,051
Treasury stock	(338)	(338)
Total shareholders' equity	216,882	217,226
Net unrealized gains on available-for-sale securities	499	480
Foreign currency translation adjustments	3,767	3,678
Accumulated adjustments for retirement benefit	62	59
Total accumulated other comprehensive income	4,329	4,218
Subscription rights to shares	274	—
Non-controlling interests	1,346	1,425
Total net assets	222,833	222,870
Total liabilities and net assets	1,085,885	1,164,117

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

(Millions of yen)

	Three months ended June 30, 2019	Three months ended June 30, 2020
Ordinary income	36,895	33,067
Interest income	886	896
(Interest on loans)	855	865
(Interest and dividends on securities)	8	8
Fees and commissions income	35,922	31,906
(ATM-related fee income)	34,055	30,096
Other operating income	58	37
Other ordinary income	27	226
Ordinary expenses	25,786	24,671
Interest expenses	187	132
(Interest on deposits)	27	18
Fees and commissions expenses	10,159	8,987
(ATM placement fee expenses)	7,812	7,034
(ATM-related fee expenses)	1,290	858
General and administrative expenses	15,246	15,336
Other ordinary expenses	193	215
Ordinary profit	11,108	8,395
Extraordinary income	—	1
Gain on disposal of fixed assets	—	1
Extraordinary losses	31	36
Loss on disposal of fixed assets	31	36
Income before income taxes	11,077	8,361
Income taxes-current	3,362	1,391
Income taxes-deferred	98	229
Total income taxes	3,461	1,620
Net income	7,615	6,740
Net income(loss)attributable to non-controlling interests	0	(36)
Net Income Attributable to Owners of Parent	7,615	6,776

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Three months ended June 30, 2019	Three months ended June 30, 2020
Net income	7,615	6,740
Other comprehensive income	170	(170)
Net unrealized gains on available-for-sale securities	167	(18)
Foreign currency translation adjustments	8	(148)
Adjustments for retirement benefit	(5)	(3)
Comprehensive income	7,786	6,569
Comprehensive income attributable to:		
Owners of the parent	7,811	6,665
Non-controlling interests	(24)	(95)

2. Quarterly Non-Consolidated Financial Statements

(1) Non-Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2020	As of June 30, 2020
Assets		
Cash and due from banks	842,606	897,472
Securities	80,826	87,430
Loans	23,528	23,659
Foreign currency	0	0
ATM-related temporary payments	81,885	97,176
Other assets	13,732	14,276
Tangible fixed assets	11,667	11,166
Intangible fixed assets	27,768	28,964
Prepaid pension cost	269	289
Deferred tax assets	9,053	7,945
Allowance for credit losses	(50)	(75)
Total assets	1,091,287	1,168,306
Liabilities		
Deposits	686,633	765,512
Negotiable certificates of deposits	800	300
Bonds	105,000	105,000
ATM-related temporary advances	45,052	50,676
Other liabilities	23,336	16,906
Reserve for bonuses	361	622
Reserve for directors' benefit trust	236	547
Total liabilities	861,421	939,565
Net assets		
Common stock	30,702	30,724
Capital surplus	30,702	30,724
Retained earnings	168,025	167,149
Treasury stock	(338)	(338)
Total shareholders' equity	229,091	228,259
Net unrealized gains on available-for-sale securities	499	480
Total valuation and translation adjustments	499	480
Subscription rights to shares	274	—
Total net assets	229,866	228,740
Total liabilities and net assets	1,091,287	1,168,306

(2) Non-Consolidated Statements of Income

(Millions of yen)

	Three months ended June 30, 2019	Three months ended June 30, 2020
Ordinary income	29,811	26,524
Interest income	889	905
(Interest on loans)	858	875
(Interest and dividends on securities)	8	8
Fees and commissions income	28,823	25,484
(ATM-related fee income)	27,031	23,801
Other operating income	63	37
Other ordinary income	34	96
Ordinary expenses	18,488	18,403
Interest expenses	187	130
(Interest on deposits)	27	18
Fees and commissions expenses	5,049	4,856
(ATM placement fee expenses)	3,951	3,863
(ATM-related fee expenses)	264	131
General and administrative expenses	13,224	13,334
Other ordinary expenses	27	82
Ordinary profit	11,323	8,120
Extraordinary losses	19	25
Loss on disposal of fixed assets	19	25
Income before income taxes	11,303	8,094
Income taxes-current	3,353	1,368
Income taxes-deferred	112	1,116
Total income taxes	3,465	2,485
Net income	7,837	5,609

3. Capital Adequacy Ratio (Domestic Standard)

(1) Consolidated Capital Adequacy Ratio (Domestic Standard)

	June 30, 2020
Consolidated capital adequacy ratio (domestic standard)	50.60%

(Reference) As of March 31, 2020
50.11%

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

	June 30, 2020
Non-consolidated capital adequacy ratio (domestic standard)	56.18%

(Reference) As of March 31, 2020
55.64%