



Financial Results for the Second Quarter (Interim Period) of the Fiscal Year Ending March 31, 2023 [JGAAP] (Consolidated Data)

November 4, 2022

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) Masaaki Matsuhashi
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 Scheduled date for filing of quarterly financial report: November 10, 2022
 Scheduled date for cash dividends: December 1, 2022
 Trading accounts: None
 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 Second Quarter (Interim Period) of the Fiscal Year Ending March 31, 2023 (April 1, 2022 – September 30, 2022)

(1) Consolidated Operating Results (% represents the year-on-year change)

	Ordinary income		Ordinary profit		Net income attributable to owners of the parent	
	Million yen	%	Million yen	%	Million yen	%
Six months ended September 30, 2022	73,856	9.5	14,536	(3.6)	9,764	(10.3)
Six months ended September 30, 2021	67,425	(1.2)	15,079	(19.7)	10,897	(23.4)

Note: Comprehensive income: Six months ended September 30, 2022 13,270 million yen (15.5%)
 Six months ended September 30, 2021 11,482 million yen (-16.6%)

	Net income per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2022	8.30	—
Six months ended September 30, 2021	9.26	—

Note: “Diluted earnings per share” is not described because there were no dilutive shares.

(2) Consolidated Financial Position

	Total assets	Total net assets	Net assets to total assets ratio
	Million yen	Million yen	%
As of September 30, 2022	1,354,082	251,168	18.4
As of March 31, 2022	1,221,623	244,113	19.8

(Reference) Capital: As of September 30, 2022 249,500 million yen
 As of March 31, 2022 242,506 million yen

Note: “Net assets to total assets ratio” is calculated as: (Total net assets at the end of the 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, 2022	—	5.50	—	5.50	11.00
Fiscal year ending March 31, 2023	—	5.50	—	—	—
Fiscal year ending March 31, 2023 (Forecasts)	—	—	—	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, 2023 (April 1, 2022 – March 31, 2023)

(% 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
Full year	Million yen	%	Million yen	%	Million yen	%	Yen
	149,000	9.0	28,000	(0.9)	19,500	(6.3)	16.58

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

Notes

(1) Changes in important subsidiaries during the period under review (six months ended September 30, 2022) (changes in specific subsidiaries involving changes in the scope of consolidation): None

Added - (company name)-

Excluded - (company name)-

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

(a) Changes in accounting policy arising from revision of accounting standards, etc. : Yes

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

(c) Changes in accounting estimates : None

(d) Retrospective restatements : None

(3) 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 (six-month period)

As of September 30, 2022	1,179,308,000 shares	As of March 31, 2022	1,179,308,000 shares
As of September 30, 2022	3,104,644 shares	As of March 31, 2022	3,982,063 shares
Six months ended September 30, 2022	1,175,701,759 shares	Six months ended September 30, 2021	1,175,725,854 shares

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.”

(Overview of Non-Consolidated Performance)

1. Non-Consolidated Financial Highlights for the Second Quarter (Interim Period) of the Fiscal Year Ending March 31, 2023 (April 1, 2022 – September 30, 2022)

(1) Non-Consolidated Operating Results

(% represents the year-on-year change)

	Ordinary income		Ordinary profit		Net income	
	Million yen	%	Million yen	%	Million yen	%
Six months ended September 30, 2022	58,638	7.2	15,239	3.4	10,016	(0.6)
Six months ended September 30, 2021	54,652	(0.9)	14,726	(17.3)	10,078	(18.2)
	Net income per share					
	Yen					
Six months ended September 30, 2022	8.51					
Six months ended September 30, 2021	8.57					

(2) Non-Consolidated Financial Position

	Total assets	Total net assets	Net assets to total assets ratio
	Million yen	Million yen	%
As of September 30, 2022	1,337,515	240,733	17.9
As of March 31, 2022	1,209,040	236,925	19.5

(Reference) Capital: As of September 30, 2022 240,733 million yen

As of March 31, 2022 236,925 million yen

Note: “Net assets to total assets ratio” is calculated as: Total net assets 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. Non-Consolidated Performance Forecasts for the Fiscal Year Ending March 31, 2023 (April 1, 2022 – March 31, 2023)

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

	Ordinary income		Ordinary profit		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	116,500	5.6	27,500	(3.2)	19,000	4.7	16.15

* This earnings report is exempt from audit procedures.

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

- Seven Bank prepared an interim consolidated and non-consolidated financial statements for the second quarter ended September 30, 2022, as it falls under a “company engaged in specific business” (as described in Paragraph 2, Article 17-15 of the Cabinet Office Ordinance for Disclosure of Business and Related Matters).
- 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. Interim Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
Assets		
Cash and due from banks	931,404	988,701
Call loans	-	40,000
Securities	89,945	101,949
Loans	28,056	31,046
Foreign currency	0	0
ATM-related temporary payments	84,461	98,447
Other assets	24,062	25,844
Tangible fixed assets	26,571	30,280
Intangible fixed assets	33,593	34,142
Asset for retirement benefits	1,051	1,099
Deferred tax assets	2,979	3,596
Allowance for credit losses	(504)	(1,025)
Total assets	1,221,623	1,354,082
Liabilities		
Deposits	789,937	835,446
Negotiable certificates of deposits	750	1,040
Call money	-	70,000
Borrowed money	1,936	7,105
Bonds	105,000	105,000
ATM-related temporary advances	49,233	53,155
Other liabilities	29,071	29,962
Reserve for bonuses	789	627
Liability for retirement benefits	13	14
Reserve for directors' benefit trust	774	557
Deferred tax liabilities	3	3
Total liabilities	977,509	1,102,914
Net assets		
Common stock	30,724	30,724
Capital surplus	30,764	30,764
Retained earnings	176,549	179,827
Treasury stock	(1,173)	(902)
Total shareholders' equity	236,864	240,414
Net unrealized gains on available-for-sale securities	606	614
Foreign currency translation adjustments	4,714	8,176
Accumulated adjustments for retirement benefit	320	294
Total accumulated other comprehensive income	5,641	9,085
Non-controlling interests	1,606	1,668
Total net assets	244,113	251,168
Total liabilities and net assets	1,221,623	1,354,082

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

Consolidated Statement of Income

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Ordinary income	67,425	73,856
Interest income	1,956	2,305
(Interest on loans)	1,887	2,216
(Interest and dividends on securities)	15	22
Fees and commissions income	64,704	71,058
(ATM-related fee income)	60,372	65,248
Other operating income	164	356
Other ordinary income	600	135
Ordinary expenses	52,345	59,319
Interest expenses	291	362
(Interest on deposits)	25	17
Fees and commissions expenses	17,807	19,502
(ATM placement fee expenses)	14,147	14,802
(ATM-related fee expenses)	1,180	1,612
General and administrative expenses	33,670	37,999
Other ordinary expenses	576	1,455
Ordinary profit	15,079	14,536
Extraordinary income	423	6
Gain on disposal of fixed assets	7	6
Gain on change in equity	415	-
Extraordinary losses	195	138
Loss on disposal of fixed assets	195	138
Income before income taxes	15,307	14,403
Income taxes-current	4,475	4,874
Income taxes-deferred	11	(187)
Total income taxes	4,487	4,687
Net income	10,820	9,716
Net loss attributable to non-controlling interests	(77)	(48)
Net income attributable to owners of the parent	10,897	9,764

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Net income	10,820	9,716
Other comprehensive income	662	3,553
Net unrealized gains on available-for-sale securities	(74)	7
Foreign currency translation adjustments	759	3,572
Adjustments for retirement benefit	(21)	(25)
Comprehensive income	11,482	13,270
Comprehensive income attributable to:		
Owners of the parent	11,537	13,208
Non-controlling interests	(54)	61

(3) Consolidated Statements of Changes in Net Assets

For the six months ended September 30, 2021

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the year	30,724	30,724	168,694	(1,081)	229,061
Changes in items during the period					
Cash dividends			(6,486)		(6,486)
Net income attributable to owners of the parent			10,897		10,897
Acquisition of treasury stock					-
Disposal of treasury stock				4	4
Change in capital surplus due to change in equity of consolidated subsidiaries		(12)			(12)
Net changes in items other than shareholders' equity					
Total changes in items during the period	-	(12)	4,411	4	4,403
Balance at end of period	30,724	30,712	173,105	(1,076)	233,465

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Net unrealized gains on available-for-sale securities	Foreign currency translation adjustments	Accumulated adjustments for retirement benefit	Total accumulated other comprehensive income		
Balance at the beginning of the year	440	3,407	359	4,207	1,407	234,676
Changes in items during the period						
Cash dividends						(6,486)
Net income attributable to owners of the parent						10,897
Acquisition of treasury stock						-
Disposal of treasury stock						4
Change in capital surplus due to change in equity of consolidated subsidiaries						(12)
Net changes in items other than shareholders' equity	(74)	736	(21)	640	196	836
Total changes in items during the period	(74)	736	(21)	640	196	5,240
Balance at end of period	365	4,143	337	4,847	1,603	239,916

For the six months ended September 30, 2022

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the year	30,724	30,764	176,549	(1,173)	236,864
Changes in items during the period					
Cash dividends			(6,486)		(6,486)
Net income attributable to owners of the parent			9,764		9,764
Acquisition of treasury stock				(0)	(0)
Disposal of treasury stock				270	270
Change in capital surplus due to change in equity of consolidated subsidiaries					-
Net changes in items other than shareholders' equity					
Total changes in items during the period	-	-	3,278	270	3,549
Balance at end of period	30,724	30,764	179,827	(902)	240,414

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Net unrealized gains on available-for-sale securities	Foreign currency translation adjustments	Accumulated adjustments for retirement benefit	Total accumulated other comprehensive income		
Balance at the beginning of the year	606	4,714	320	5,641	1,606	244,113
Changes in items during the period						
Cash dividends						(6,486)
Net income attributable to owners of the parent						9,764
Acquisition of treasury stock						(0)
Disposal of treasury stock						270
Change in capital surplus due to change in equity of consolidated subsidiaries						-
Net changes in items other than shareholders' equity	7	3,462	(25)	3,443	61	3,505
Total changes in items during the period	7	3,462	(25)	3,443	61	7,054
Balance at end of period	614	8,176	294	9,085	1,668	251,168

2. Interim Non-Consolidated Financial Statements

(1) Non-Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
Assets		
Cash and due from banks	910,849	963,283
Call loans	-	40,000
Securities	111,167	123,125
Loans	28,203	31,544
Foreign currency	0	0
Accrued income	8,587	8,980
ATM-related temporary payments	83,547	97,029
Other assets	12,120	13,073
Other assets	12,120	13,073
Tangible fixed assets	21,060	22,911
Intangible fixed assets	31,698	32,018
Prepaid pension cost	559	638
Deferred tax assets	839	902
Customers' liabilities for acceptances and guarantees	901	5,068
Allowance for credit losses	(495)	(1,060)
Total assets	1,209,040	1,337,515
Liabilities		
Deposits	792,751	838,527
Negotiable certificates of deposits	750	1,040
Call money	-	70,000
Bonds	105,000	105,000
ATM-related temporary advances	49,233	53,155
Other liabilities	22,174	23,035
Income taxes payable	4,275	5,312
Asset retirement obligations	400	403
Other liabilities	17,498	17,319
Reserve for bonuses	529	397
Reserve for directors' benefit trust	774	557
Acceptances and guarantees	901	5,068
Total liabilities	972,115	1,096,782
Net assets		
Common stock	30,724	30,724
Capital surplus	30,724	30,724
Capital reserve	30,724	30,724
Retained earnings	176,042	179,572
Legal reserve in retained earnings	0	0
Other retained earnings	176,042	179,572
Retained earnings brought forward	176,042	179,572
Treasury stock	(1,173)	(902)
Total shareholders' equity	236,318	240,119
Net unrealized gains on available-for-sale securities	606	614
Total valuation and translation adjustments	606	614
Total net assets	236,925	240,733
Total liabilities and net assets	1,209,040	1,337,515

(2) Non-Consolidated Statement of Income

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Ordinary income	54,652	58,638
Interest income	1,944	2,282
(Interest on loans)	1,883	2,209
(Interest and dividends on securities)	15	22
Fees and commissions income	52,042	56,151
(ATM-related fee income)	48,217	51,292
Other operating income	152	108
Other ordinary income	512	95
Ordinary expenses	39,925	43,398
Interest expenses	257	243
(Interest on deposits)	25	17
Fees and commissions expenses	10,509	11,034
(ATM placement fee expenses)	8,215	8,530
(ATM-related fee expenses)	341	498
General and administrative expenses	29,033	30,959
Other ordinary expenses	124	1,160
Ordinary profit	14,726	15,239
Extraordinary losses	191	451
Loss on disposal of fixed assets	191	113
Loss on valuation of stocks of subsidiaries and affiliates	-	337
Income before income taxes	14,534	14,788
Income taxes-current	4,440	4,839
Income taxes-deferred	15	(66)
Total income taxes	4,456	4,772
Net income	10,078	10,016

(3) Non-Consolidated Statements of Changes in Net Assets

For the six months ended September 30, 2021

(Millions of yen)

	Shareholders' equity							
	Common stock	Capital surplus		Retained earnings			Treasury stock	Total shareholders' equity
		Capital reserve	Total capital surplus	Legal reserve in retained earnings	Other retained earnings	Total retained earnings		
					Retained earnings brought forward			
Balance at the beginning of the year	30,724	30,724	30,724	0	170,879	170,879	(1,081)	231,246
Changes in items during the period								
Cash dividends					(6,486)	(6,486)		(6,486)
Net income					10,078	10,078		10,078
Acquisition of treasury stock								-
Disposal of treasury stock							4	4
Net changes in items other than shareholders' equity								
Total changes in items during the period	-	-	-	-	3,592	3,592	4	3,596
Balance at end of period	30,724	30,724	30,724	0	174,471	174,471	(1,076)	234,843

	Valuation and translation adjustments		Total net assets
	Net unrealized gains on available-for-sale securities	Total valuation and translation adjustments	
Balance at the beginning of the year	440	440	231,687
Changes in items during the period			
Cash dividends			(6,486)
Net income			10,078
Acquisition of treasury stock			-
Disposal of treasury stock			4
Net changes in items other than shareholders' equity	(74)	(74)	(74)
Total changes in items during the period	(74)	(74)	3,522
Balance at end of period	365	365	235,209

For the six months ended September 30, 2022

(Millions of yen)

	Shareholders' equity							
	Common stock	Capital surplus		Retained earnings			Treasury stock	Total shareholders' equity
		Capital reserve	Total capital surplus	Legal reserve in retained earnings	Other retained earnings Retained earnings brought forward	Total retained earnings		
Balance at the beginning of the year	30,724	30,724	30,724	0	176,042	176,042	(1,173)	236,318
Changes in items during the period								
Cash dividends					(6,486)	(6,486)		(6,486)
Net income					10,016	10,016		10,016
Acquisition of treasury stock							(0)	(0)
Disposal of treasury stock							270	270
Net changes in items other than shareholders' equity								
Total changes in items during the period	-	-	-	-	3,529	3,529	270	3,800
Balance at end of period	30,724	30,724	30,724	0	179,572	179,572	(902)	240,119

	Valuation and translation adjustments		Total net assets
	Net unrealized gains on available-for-sale securities	Total valuation and translation adjustments	
Balance at the beginning of the year	606	606	236,925
Changes in items during the period			
Cash dividends			(6,486)
Net income			10,016
Acquisition of treasury stock			(0)
Disposal of treasury stock			270
Net changes in items other than shareholders' equity	7	7	7
Total changes in items during the period	7	7	3,808
Balance at end of period	614	614	240,733