

Financial Results for Fiscal 2015

May 2016

Seven Bank, Ltd.



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

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FY15 Financial Results

Non-consolidated

- Ordinary income (¥110.4 billion) and ordinary profit (¥39.0 billion) both increased for the fifth consecutive year of growth in revenues and profits
 - Growth in ATM-related fee income, due mainly to increase in number of ATMs installed
 - Steady increase in other income from personal loans, international money transfer services, etc.

Consolidated

- Ordinary income (¥119.9 billion) and ordinary profit (¥37.1 billion) both increased
- Annual dividends per share were ¥8.50 (interim: ¥4.00, period-end: ¥4.50), an increase of ¥0.50 per share

FY16 Outlook

- Increases in revenues and profits planned from further expansion of ATM business and growth of account and settlement-related businesses
 - Projected net increase of approx. 1,200 ATM installations with shift to higher quality; 23,700 installations by the end of March 2017
 - Balance of personal loans at end of period projected to reach ¥20.0 billion; International money transfer services projected to reach 950,000 transactions on an annual basis
- FCTI will devote all efforts to installations at U.S. 7-Eleven stores
- Scheduled interim and period-end dividends of ¥4.25 per share each for total annual dividends of ¥8.50 per share

Income Statement (Non-Consolidated)

(Billion yen)

| | FY14 | FY15 | | Changes from FY14 results | FY16 Plan | | | |
|--|--------------|------------------|--------------|---------------------------|--------------|---------------------------|-------------|------------------------------|
| | | Plan (Nov. 2015) | | | Full year | Changes from FY15 results | H1 | Changes from FY15 H1 results |
| Ordinary income | 105.6 | 111.1 | 110.4 | 4.8 | 113.8 | 3.4 | 57.1 | 1.8 |
| ATM-related fee income | 98.9 | 102.6 | 102.2 | 3.3 | 104.2 | 2.0 | 52.5 | 1.1 |
| Ordinary expenses | 67.3 | 71.5 | 71.4 | 4.1 | 74.3 | 2.9 | 36.8 | 1.3 |
| Interest expenses | 1.2 | 1.2 | 1.2 | 0.0 | 1.0 | (0.2) | 0.5 | (0.1) |
| ATM placement fee expenses | 11.9 | 12.7 | 12.7 | 0.8 | 14.0 | 1.3 | 7.1 | 0.8 |
| Outsourcing expenses | 16.8 | 17.7 | 17.6 | 0.8 | 18.0 | 0.4 | 9.0 | 0.2 |
| Maintenance fees | 3.7 | 3.7 | 3.9 | 0.2 | 3.8 | (0.1) | 1.9 | 0.0 |
| Rent for premises and equipment | 0.9 | 0.9 | 0.9 | 0.0 | 0.9 | 0.0 | 0.4 | 0.0 |
| Depreciation and amortization | 15.0 | 17.5 | 17.4 | 2.4 | 17.8 | 0.4 | 8.6 | 0.0 |
| Ordinary profit | 38.2 | 39.5 | 39.0 | 0.8 | 39.5 | 0.5 | 20.2 | 0.4 |
| Extraordinary gain (loss) | (0.1) | (0.1) | (0.1) | 0.0 | (0.1) | 0.0 | (0.0) | 0.0 |
| Income taxes | 13.6 | 13.0 | 12.8 | (0.8) | 12.1 | (0.7) | 6.2 | (0.3) |
| Net income | 24.4 | 26.3 | 26.1 | 1.7 | 27.2 | 1.1 | 13.9 | 0.7 |
| EBITDA | 53.3 | 57.0 | 56.4 | 3.1 | 57.3 | 0.9 | 28.8 | 0.4 |
| No. of ATMs installed at end of term (units) | 21,056 | 22,400 | 22,472 | 1,416 | 23,700 | 1,228 | 23,000 | 1,221 |
| ATM-related fee income per transaction (yen) | 136.2 | 133.7 | 133.6 | (2.6) | 133.0 | (0.6) | 133.1 | (0.7) |
| Daily average transactions per ATM (transactions/ATM /day) | 100.9 | 99.1 | 98.8 | (2.1) | 95.4 | (3.4) | 97.3 | (3.4) |
| Total no. of transactions (millions) | 743 | 785 | 782 | 39 | 800 | 18 | 403 | 10 |

Notes: 1. All figures are rounded down to the nearest unit.

2. Unit for comparisons with previous FY is 100 million (million for total no. of transactions)

3. EBITDA = Ordinary profit + Depreciation and amortization

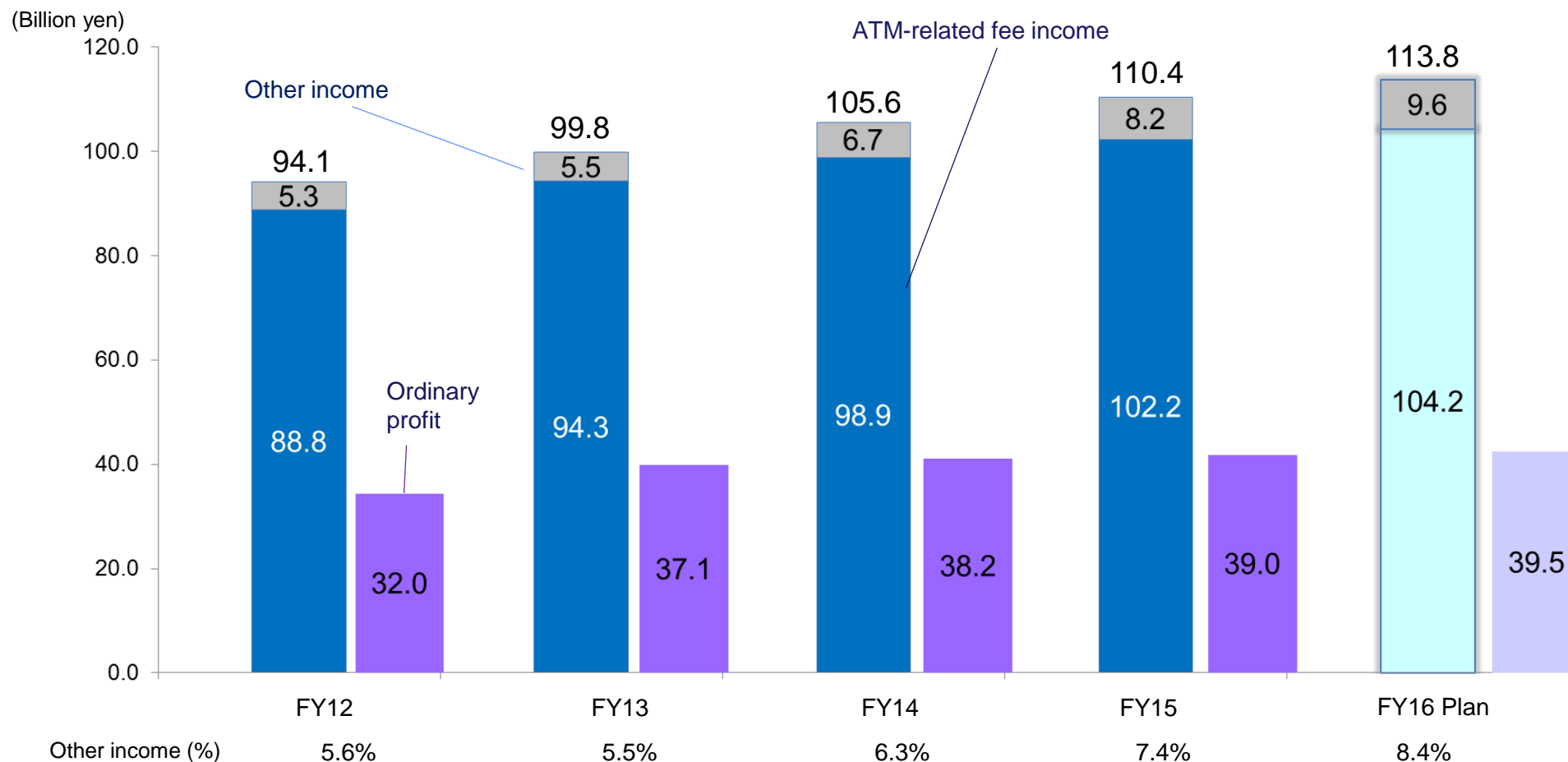
■ Continued growth in revenues and profits, with steady increases in ATM-related fee income and other income

ATM-related fee income

Fees received from banks, etc. for ATM usage

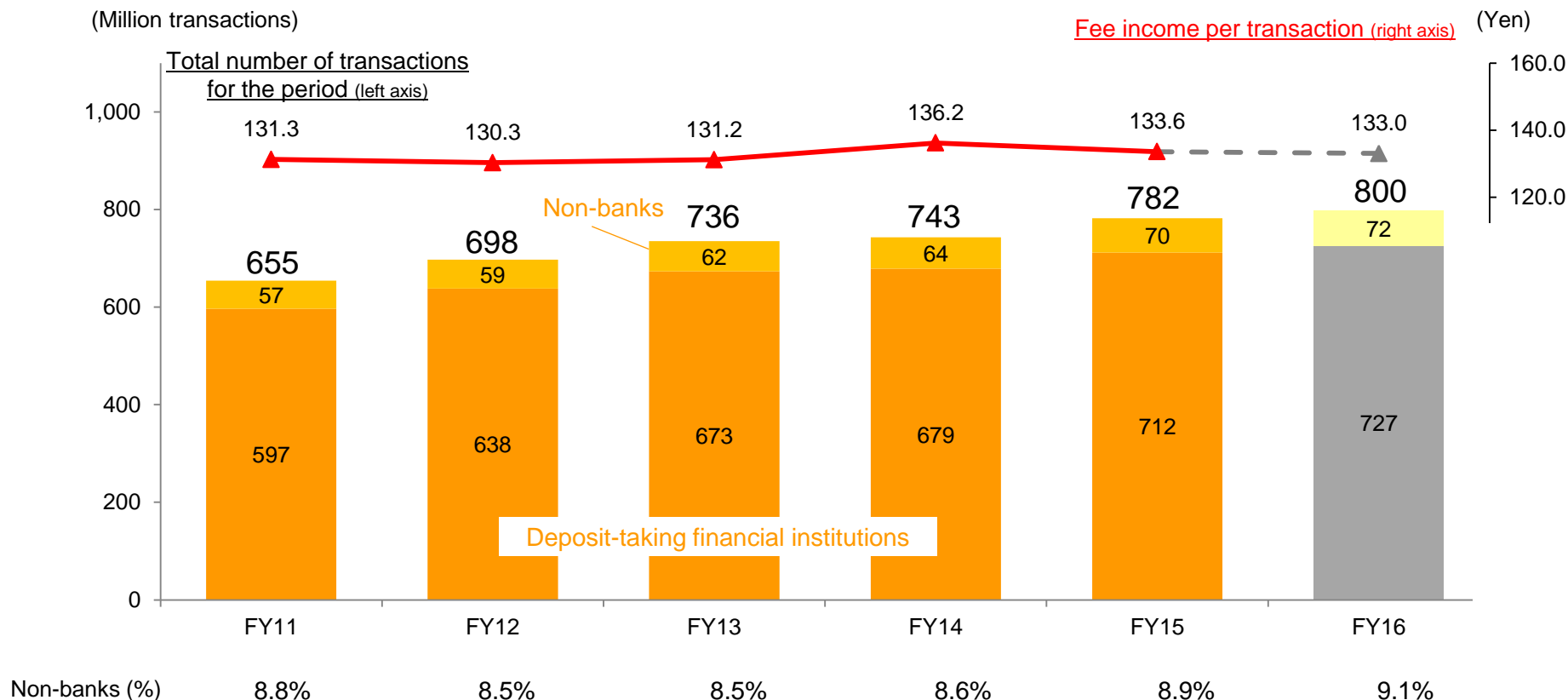
Other income

Income from ATM management for other institutions, personal loans, international money transfer services, etc.



• Personal loan services started in January 2010 and international money transfer services started in March 2011

- Fee income per transaction maintained its current level
- Continued growth in total number of transactions due to the increase in the number of ATMs

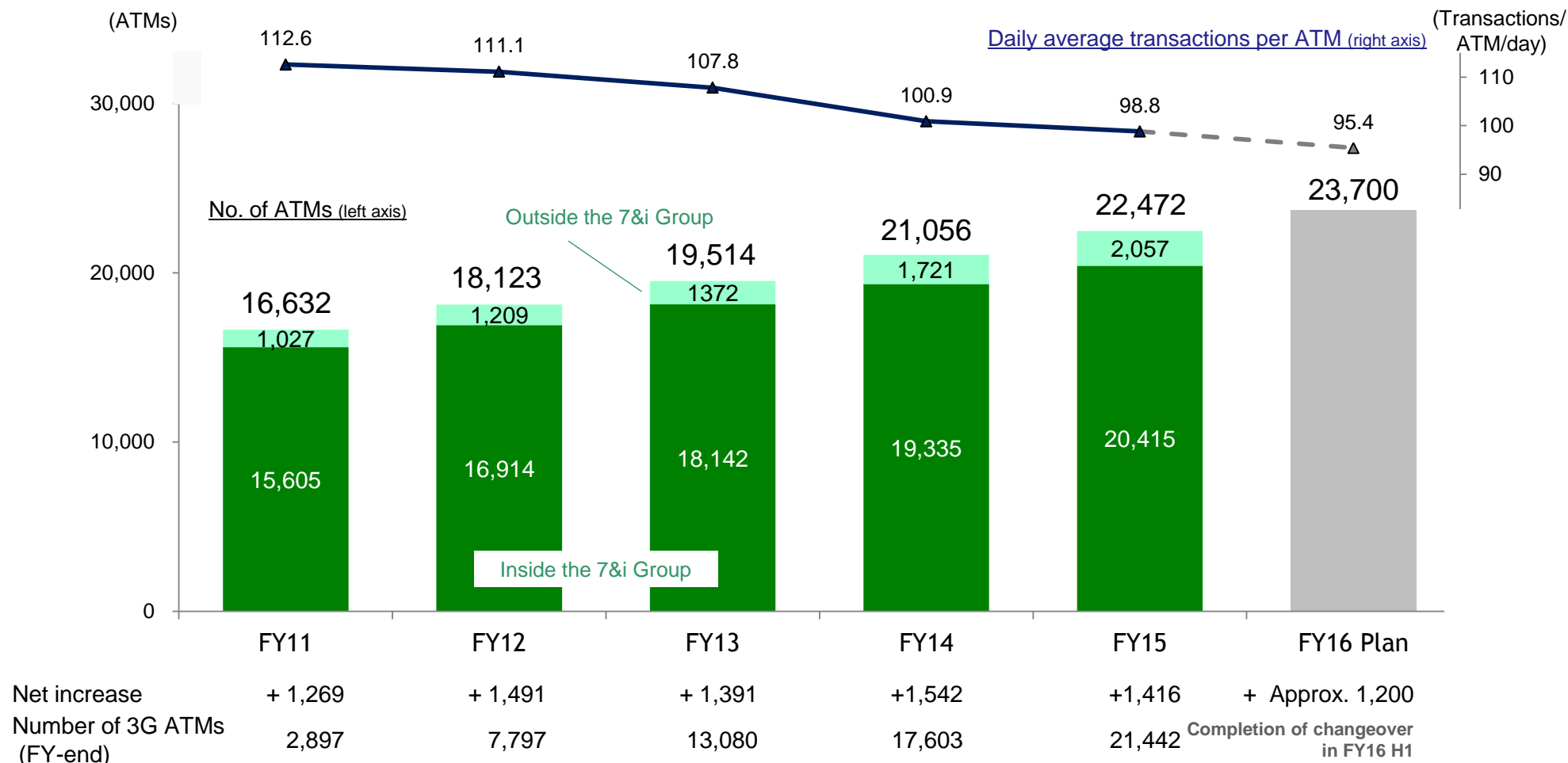


Notes:

1. Total of transactions for the period excludes balance inquiries, e-money charges, PIN changes and daily withdrawal limit changes.
2. ATM-related fee income per transaction = ATM-related fee income / (Total of transactions – Total of transactions without ATM-related fee income (i.e. sales proceeds deposits))
3. In this report, securities, life insurance, credit card, consumer credit and consumer financing companies are all referred to as “non-banks.”

Number of ATMs and Daily Average Transactions per ATM

- The number of daily average transactions trended downward due to the introduction of bank fees for customer usage and a change in consumer sentiment
- Steady increase in the number of ATMs installed both inside and outside the Group, with a net increase of approximately 1,200 ATMs planned for FY16



Note: Daily average transactions per ATM for the period excludes balance inquiries, e-money charges, PIN changes and daily withdrawal limit changes.

- Proactive rollout to transport, tourist, retail and other facilities, making the most of the benefit of handling cards issued overseas
- Efforts to reduce operating costs such as facility, communication and other expenses, and to improve the usage environment



Examples of ATM installations



JR Osaka Station

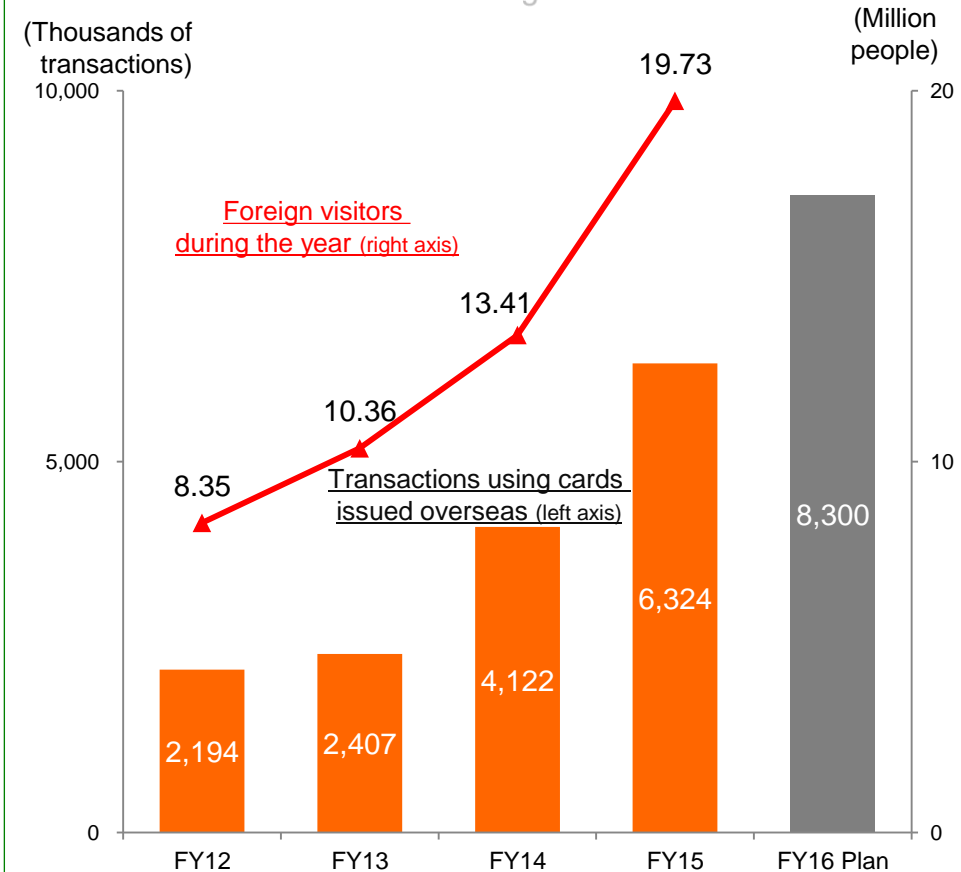


Nishitetsu
Fukuoka Tenjin Station

(ATMs)

| | FY11 | FY12 | FY13 | FY14 | FY15 |
|--|--------------|--------------|--------------|--------------|--------------|
| Airports | 33 | 36 | 36 | 39 | 44 |
| Stations and other transportation-related facilities | 84 | 98 | 138 | 207 | 295 |
| Retail facilities | 298 | 417 | 539 | 724 | 926 |
| Others | 126 | 173 | 194 | 289 | 329 |
| Securities companies | 486 | 485 | 465 | 462 | 463 |
| Total outside the Group | 1,027 | 1,209 | 1,372 | 1,721 | 2,057 |

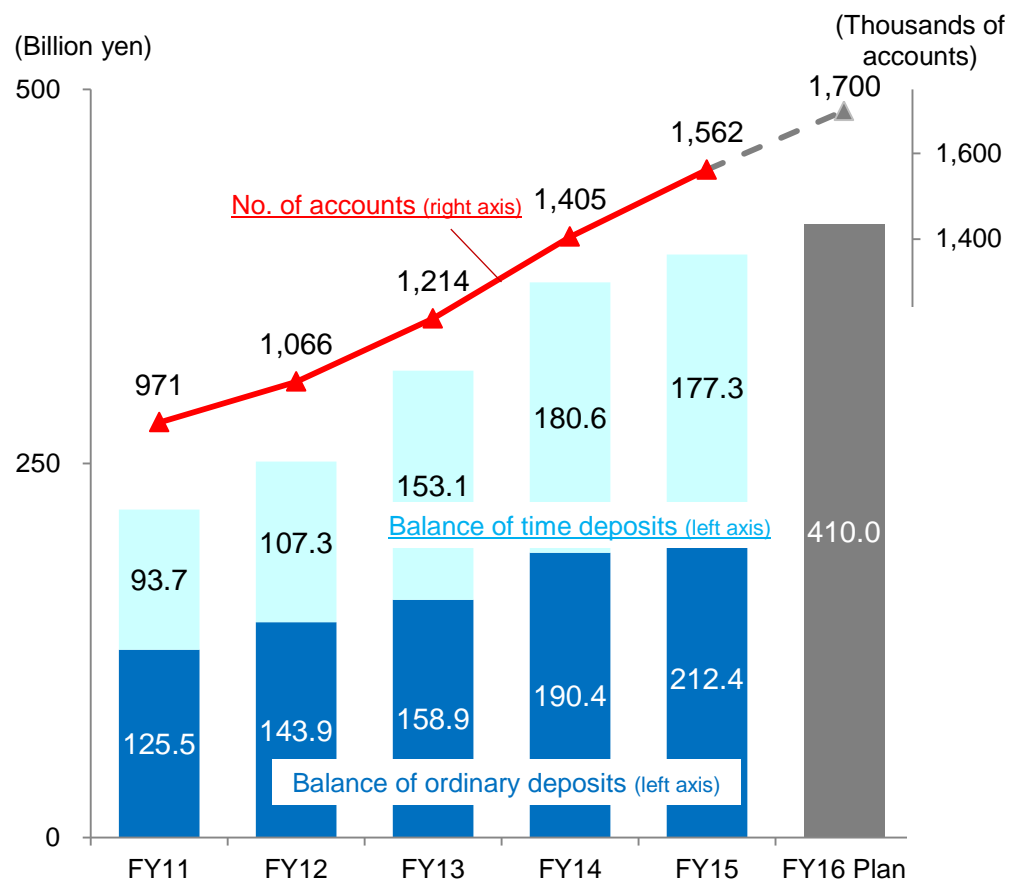
Transactions using cards issued overseas/ Number of foreign visitors



Source: Visitor Arrivals, Japan National Tourist Organization

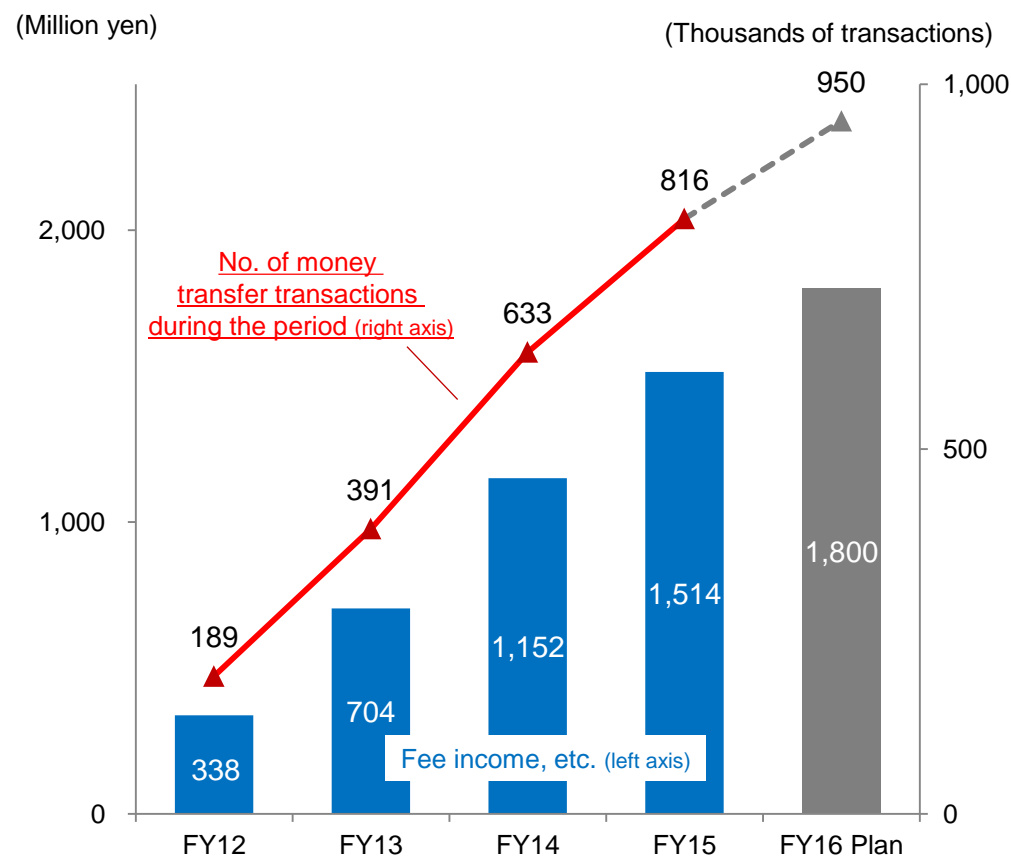
Number of individual accounts and balance of deposits

- Most cash required for ATMs is procured from deposits
- Steady increase in balance of deposits with a reputation for convenience and safety



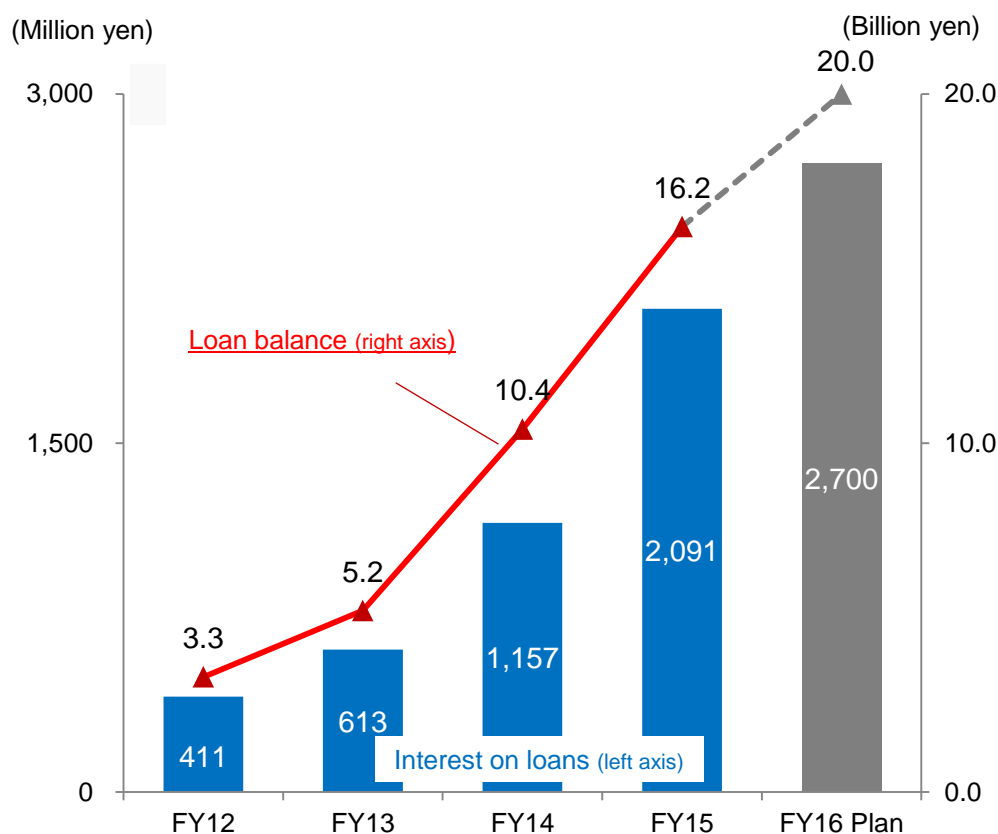
International money transfer services

- Established a strong market presence in individual international money transfers
- Aim for further expansion with new measures
(Internet services using apps, etc., manned outlets, multilingual call center, etc.)



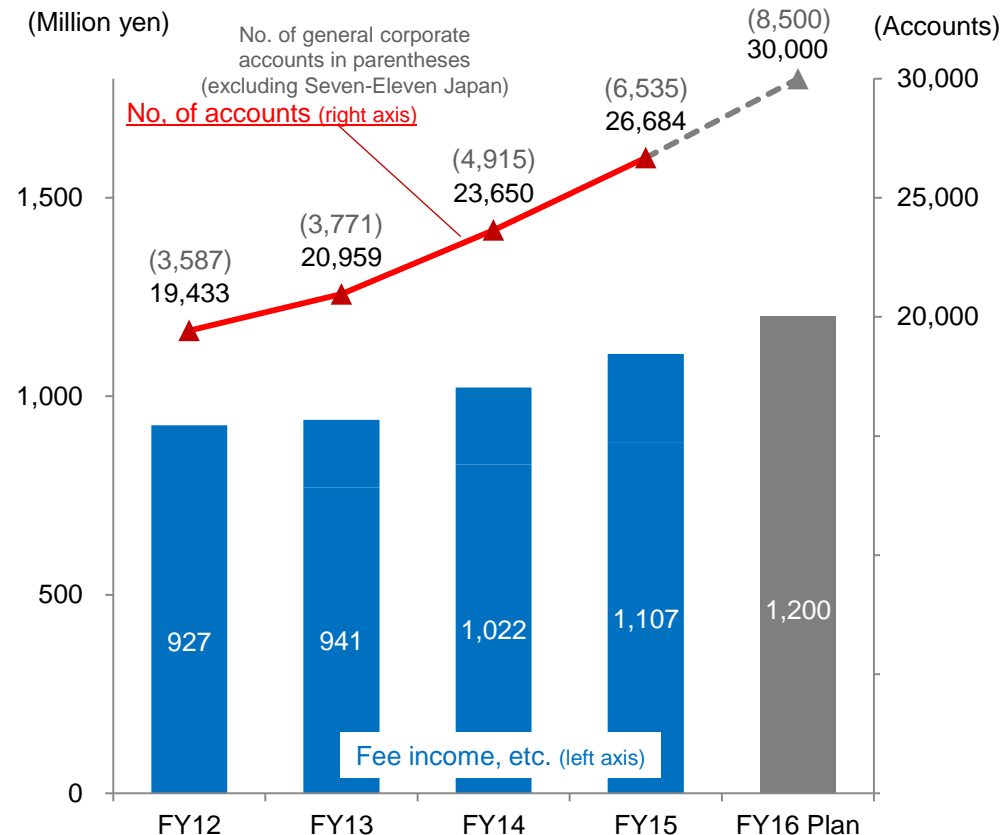
Personal loan services

- Maintain marketability with maximum amount (¥500,000), interest (15%), etc.
- Steady increase in balance from efficient activities to raise recognition



Acceptance of cash proceeds from sales

- In addition to fee income, contributes to reducing cash replenishment costs
- Working to uncover new needs in the retail and service industries



■ Enhancing ATM Services

▪ Choice of 12 languages at ATMs

- ATM screens and receipts available in 12 languages when using cards issued overseas so that customers from overseas can use ATMs safely and with peace of mind

▪ Addition of a card loan button (27 banks as of March 31, 2016)

- Development of a new ATM transaction menu for more convenient use of bank card loans

▪ Installation of cane/drink holders

- Completed installation at ATMs inside Seven-Eleven stores, based on assumed in-store ATM usage situations (May 2016)



■ Enhancing Personal Loan Services

▪ Issuance of cash cards with a debit function (Starting from autumn 2016)

- Provide new settlement methods to meet customer needs

▪ Introduction of smartphone authentication

- Strengthened security with two approval processes for Internet banking transactions to offer safer transactions

- Achieved increases in both revenues and profits in FY15
- Increases in both revenues and profits planned again in FY16, ongoing investment for growth in overseas business

(Billion yen)

| | FY14 | FY15 | | | FY16 Plan | | | |
|---|-------|---------------------|-------|---------------------------------|-----------|---------------------------------|------|------------------------------------|
| | | Plan (Nov. 2015) | | Changes from FY14 results | Full year | Changes from FY15 results | H1 | Changes from FY15 H1 results |
| Ordinary income | 114.0 | 120.3 | 119.9 | 5.9 | 123.1 | 3.2 | 61.6 | 1.6 |
| Ordinary expenses | 76.9 | 82.5 | 82.7 | 5.8 | 85.5 | 2.8 | 42.3 | 1.3 |
| Ordinary profit | 37.0 | 37.7 | 37.1 | 0.1 | 37.6 | 0.5 | 19.3 | 0.4 |
| Net income attributable to owners of the parent | 23.2 | 25.1 | 24.7 | 1.5 | 25.6 | 0.9 | 13.1 | 0.4 |

Notes:

- Changes from the previous year are comparisons in units of one hundred million yen.
- Exchange rates on the consolidated income statement per USD 1
FY14=¥105.79, FY15=¥121.10, FY16 Plan=¥115.00
per IRD 100
FY14=¥0.904, FY15=¥0.905, FY16 Plan=¥0.900

Consolidation period of each company

Seven Bank: April 1, 2015 to March 31, 2016
FCTI: January 1, 2015 to December 31, 2015
ATMi: January 1, 2015 to December 31, 2015
BBF: April 1, 2015 to March 31, 2016

Subsidiary in the United States

- Maintain the current level of the number of ATMs and transactions, secure ordinary income
- Concentrate efforts on preparing systems, personnel organization, etc. for start of installations of ATMs at U.S. 7-Eleven stores (scheduled for July 2017)

FCTI

(Million US\$)

| | FY14 | FY15 | FY16 Plan | |
|-------------------|------|-------|-----------|-------|
| | | | Full year | H1 |
| Ordinary income | 79.6 | 78.5 | 79.8 | 38.8 |
| Ordinary expenses | 77.8 | 80.6 | 82.0 | 40.4 |
| Ordinary profit | 1.7 | (2.0) | (2.1) | (1.6) |
| Net income | 1.0 | (1.5) | (1.6) | (1.1) |
| EBITDA | 8.0 | 4.4 | 5.0 | 1.8 |

Notes: 1. EBITDA = Ordinary profit + Depreciation and amortization

2. Exchange rate per US\$1:

FY14 = ¥105.79, FY15 = ¥121.10, FY16 Plan = ¥115.00

Principal benchmark

| | FY14 | FY15 | FY16 Plan |
|---|-------|-------|-----------|
| No. of ATMs installed at end of term (units) | 6,329 | 6,625 | 6,700 |
| Directly owned ATMs included in above (units) | 4,846 | 5,070 | 5,100 |
| Total no. of transactions (millions) | 38.0 | 36.9 | 37.5 |

Notes: 1. ATMs that are not directly owned are mainly owned by the owners of the locations where they are installed.

2. No. of ATMs installed includes Canada.

3. No. of ATMs installed as of March 31, 2016: 6,451



7-Eleven stores in the U.S.: 7,995 stores (as of February 29, 2016)

Subsidiary in Indonesia



■ Name: PT. ABADI TAMBAH MULIA INTERNASIONAL (ATMi)

- 88 ATMs installed as of March 31, 2016
- Make up-front investment (ATM installation) to accumulate operational experience toward getting contracts from local financial institutions

(Million yen)

| ATMi | FY15 | FY16 Plan | |
|------------------------|------|-----------|------|
| | | | |
| | | Full year | H1 |
| Ordinary income | 14 | 85 | 27 |
| Ordinary expenses | 62 | 273 | 107 |
| Ordinary profit (loss) | (47) | (188) | 79 |
| Net income (loss) | (38) | (165) | (69) |

Note: Exchange rate per IDR 100: FY15 = ¥0.905, FY16 Plan = ¥0.900

Subsidiary in Japan



■ Name: Bank Business Factory Co., Ltd. (BBF)

- Four clients for back-office support outsourcing as of March 31, 2016
- Make up-front investment (reinforce IT platform) in connection with business expansion

(Million yen)

| BBF | FY15 | FY16 Plan | |
|-------------------|------|-----------|-----|
| | | | |
| | | Full year | H1 |
| Ordinary income | 687 | 790 | 375 |
| Ordinary expenses | 646 | 774 | 368 |
| Ordinary profit | 40 | 16 | 7 |
| Net income | 29 | 11 | 5 |

Balance sheet as of March 31, 2016

(Billion yen)

| | |
|---|---|
| Cash and due from banks: 641.5 (for ATM replenishment, etc.) | Deposits: 547.0 (Individual deposits: 389.8) |
| | Bonds and borrowings: 125.0 |
| Securities: 83.3 | ATM-related temporary advances: 37.8 |
| ATM-related temporary payments: 83.3 | Other: 17.9 |
| Other: 102.7 | Net assets: 183.1 |

Assets: 910.8

Liabilities + Net assets: 910.8

As of March 31, 2016

Non-consolidated equity ratio

(Domestic standard) 53.90% (Preliminary basis)

Credit ratings

S&P A+

R&I AA

ROE (consolidated)

13.97%

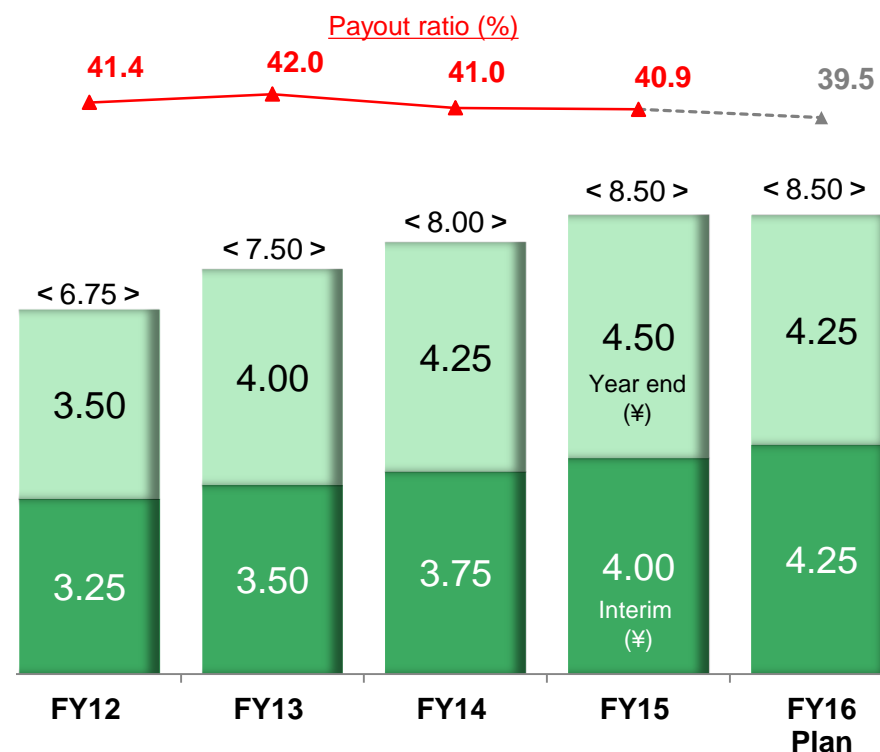
Policy

Targeting a minimum consolidated payout ratio of 35% through twice-yearly payments

Paid and forecast dividends

FY15: Increased period-end dividend by ¥0.5 to ¥4.5 for total annual dividends of ¥8.5 per share

FY16: Forecast total annual dividends of ¥8.5 per share



- Combine the strength of having more than 20,000 ATMs nationwide with the latest technologies
- Create new businesses and open up new markets that meet customer need
Established “Seven Lab,” an organization that investigates and researches social changes and new financial needs to create new technologies

