



Financial Results for the Second Quarter of Fiscal 2016

November 2016

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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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FY16 Interim Results

Non-Consolidated

- Income and profit increased year on year in the second quarter
 - Ordinary income and ordinary profit increased due to steady progress in ATM business
 - Number of ATM transactions, etc. were largely as planned
 - Account services also remained firm with concentration on new service development

Consolidated

- Income and profit increased year on year in the second quarter

FY16 Outlook

- No change to full-year plan on both consolidated and non-consolidated basis
 - Reinforce measures to increase number of ATM transactions and measures to raise awareness of new account services
 - In addition to aforementioned initiatives, implement cost control initiatives to achieve full-year plan (income and profit growth)

Income Statement (Non-Consolidated)

(Unit: Billion yen)

	FY15 Actual Results	H1 Results	FY16 H1 Results	Changes from FY15 H1 Results	FY16 Plan	H1 Plan
Ordinary income	110.4	55.3	56.8	1.5	113.8	57.1
ATM-related income	102.2	51.4	52.3	0.9	104.2	52.5
Ordinary expenses	71.4	35.5	36.7	1.2	74.3	36.8
Interest expenses	1.2	0.6	0.4	△0.2	1.0	0.5
ATM placement fee expenses	12.7	6.3	6.9	0.6	14.0	7.1
Outsourcing expenses	17.6	8.8	8.9	0.1	18.0	9.0
Maintenance fee	3.9	1.9	2.0	0.1	3.8	1.9
Rent for premises and equipment	0.9	0.4	0.4	0.0	0.9	0.4
Depreciation and amortization	17.4	8.6	8.6	(0.0)	17.8	8.6
Ordinary profit	39.0	19.8	20.0	0.2	39.5	20.2
Extraordinary gain (loss)	(0.1)	(0.0)	(0.0)	(0.0)	(0.1)	(0.0)
Income taxes	12.8	6.5	6.1	(0.4)	12.1	6.2
Net income	26.1	13.2	13.8	0.6	27.2	13.9
EBITDA	56.4	28.4	28.6	0.2	57.3	28.8
No. of ATMs installed at end of term (units)	22,472	21,779	23,029	1,250	23,500	23,000
ATM-related fee income per transaction (yen)	133.6	133.8	133.1	(0.7)	133.0	133.1
Daily average transactions per ATM (transaction/ATM/day)	98.8	100.7	97.0	(3.7)	95.8	97.3
Total no. of transactions (million)	782	393	401	8	800	403

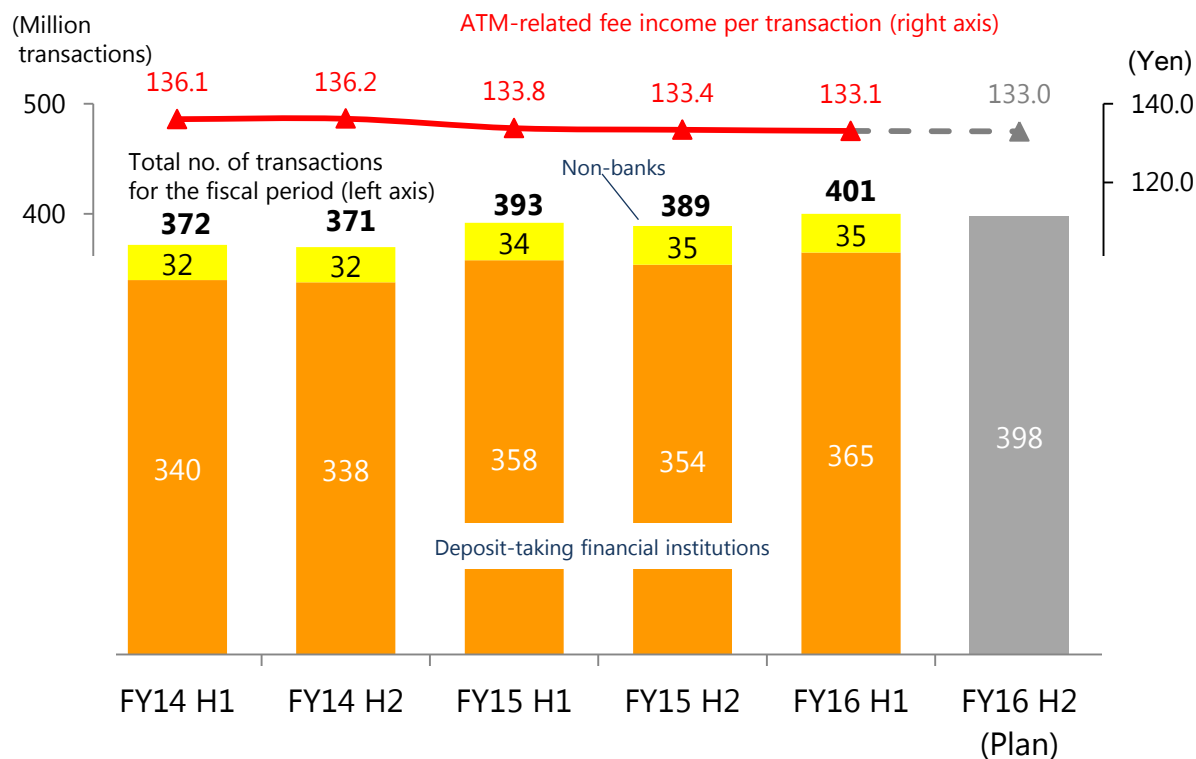
Notes: 1. Amounts less than one unit have been truncated.

2. Year-on-year comparative data in units of 100 million yen (comparative data for the total number of transactions in units of one million).

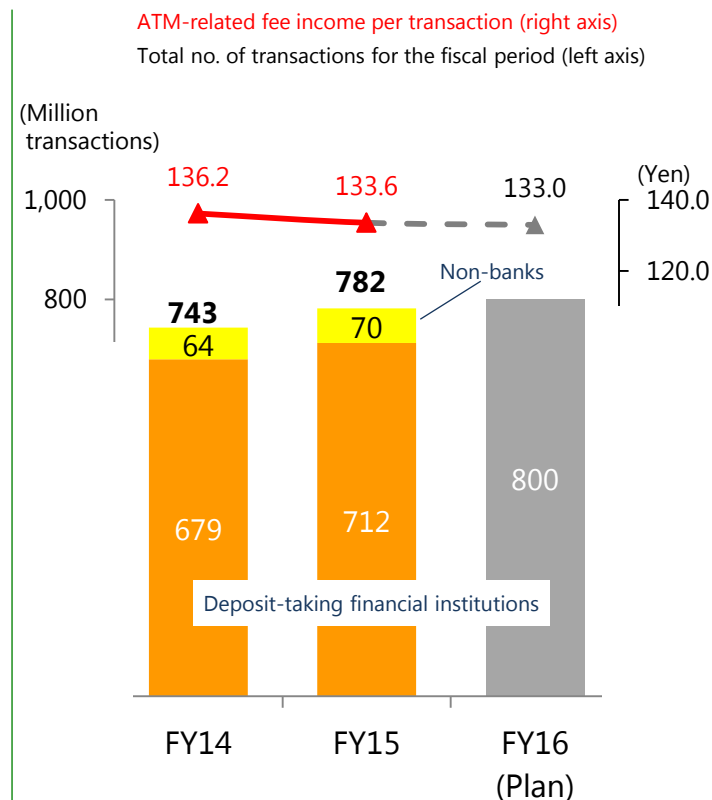
3. EBITDA = Ordinary profit + depreciation and amortization

ATM Usage and Related Fee Income per Transaction

Half-year results



Full-year results

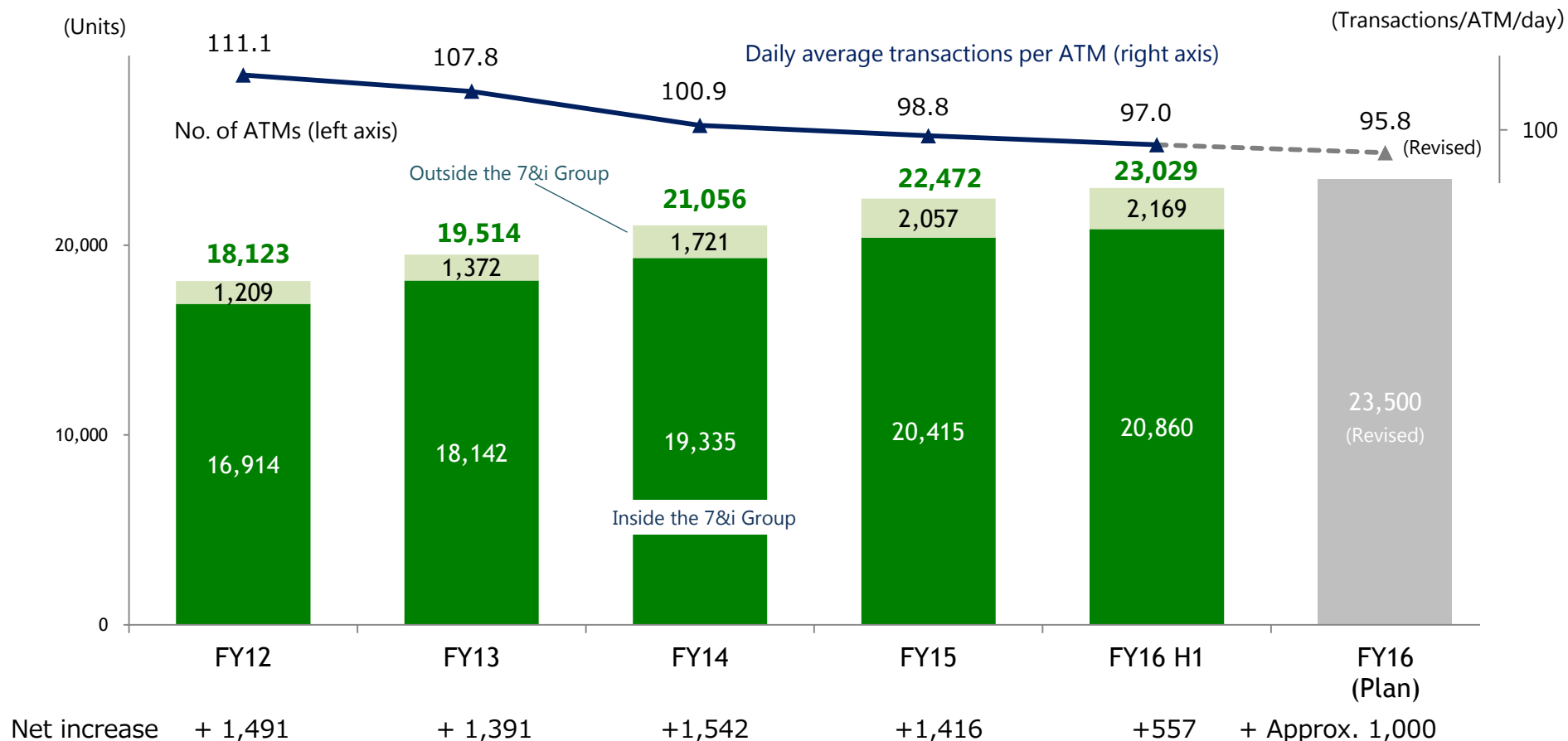


Notes: 1. Total of transactions for the period exclude balance inquiries, e-money charges, PIN changes and daily withdrawal limit changes.

2. $\text{ATM-related fee income per transaction} = \frac{\text{ATM-related fee income}}{(\text{Total of transactions} - \text{Total of transactions without ATM-related fee income (i.e. sales proceeds deposits)})}$

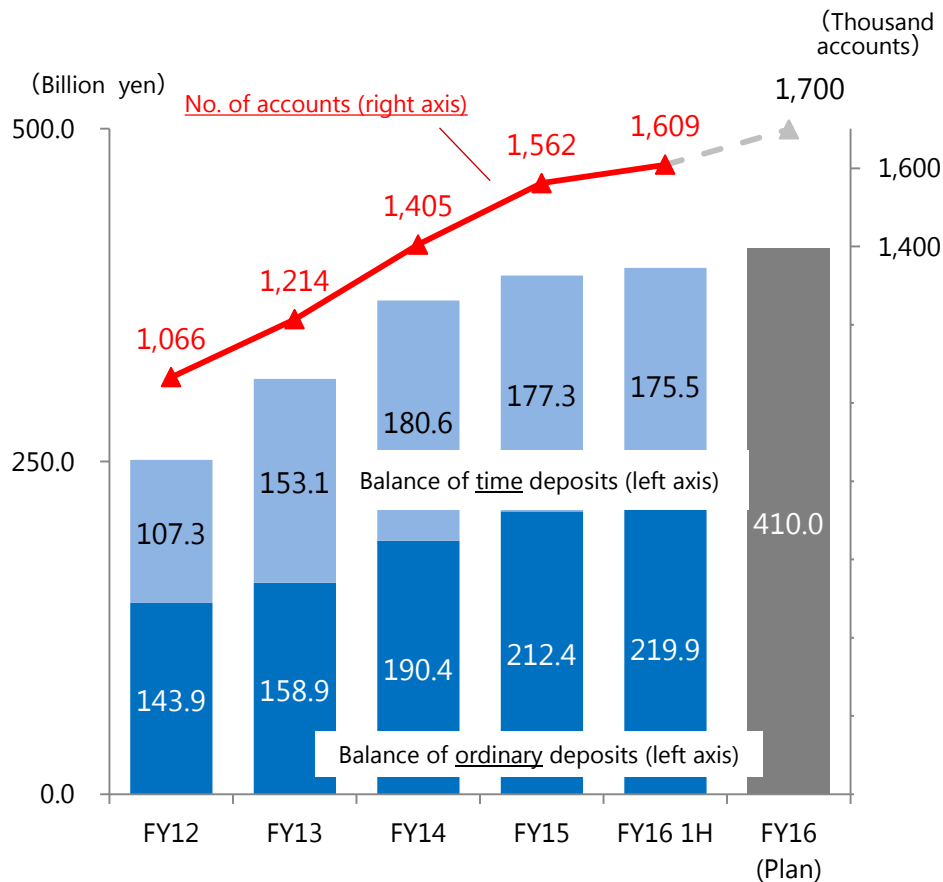
3. In this report, securities, life insurance, credit card, consumer credit, consumer financing and overseas credit card companies are all referred to as "non-banks."

Number of ATMs and Daily Average Transactions per ATM

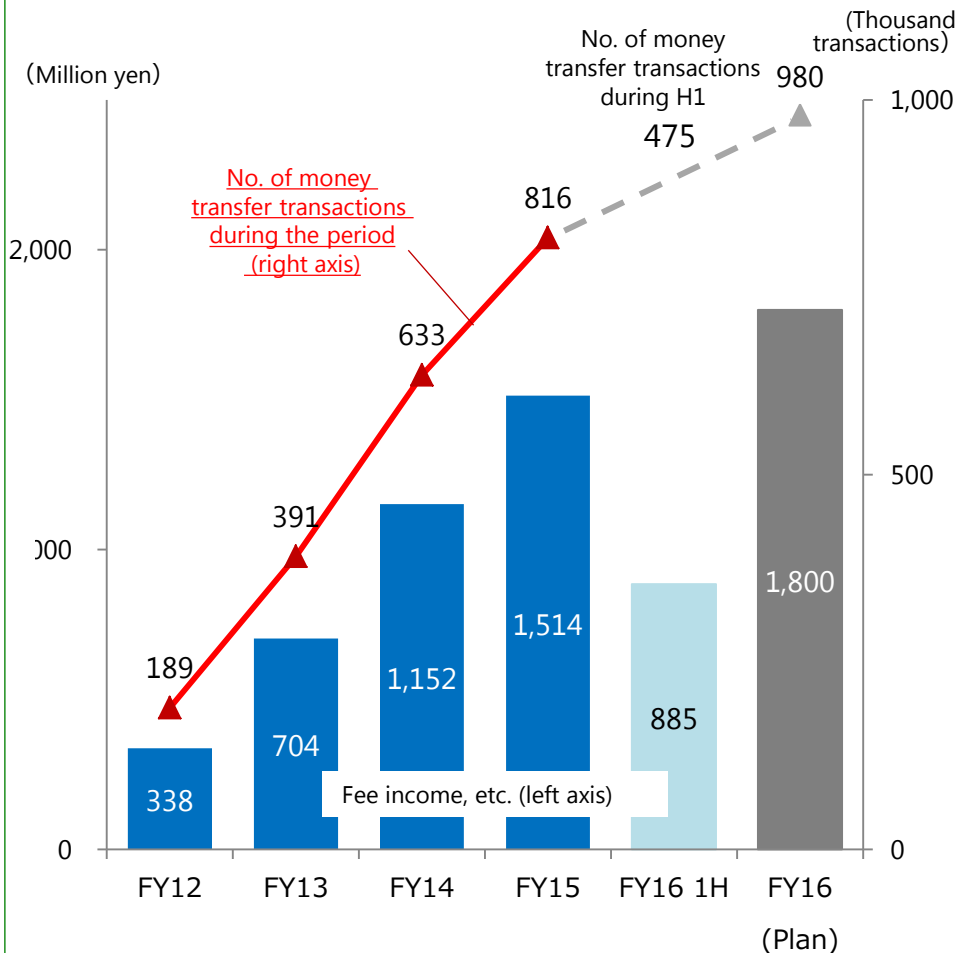


Note: 1. Daily average transactions per ATM for the period excludes balance inquiries, e-money charges, PIN changes and daily withdrawal limit changes.

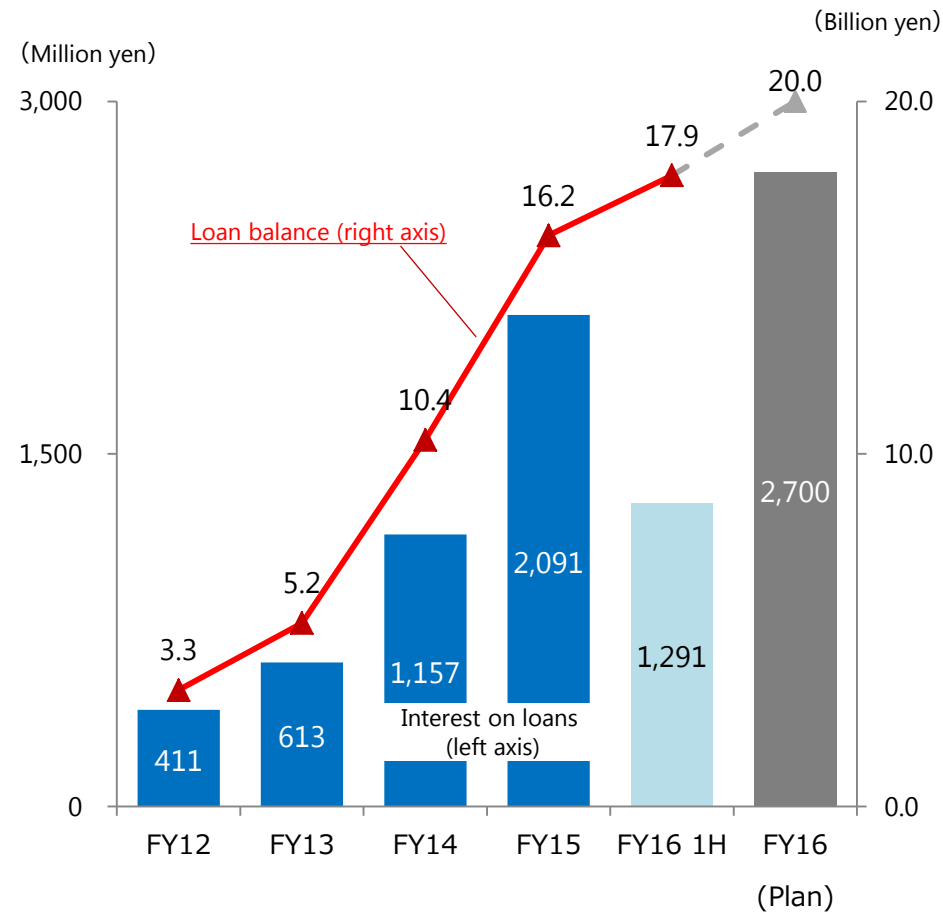
Number of individual accounts and balance of deposits



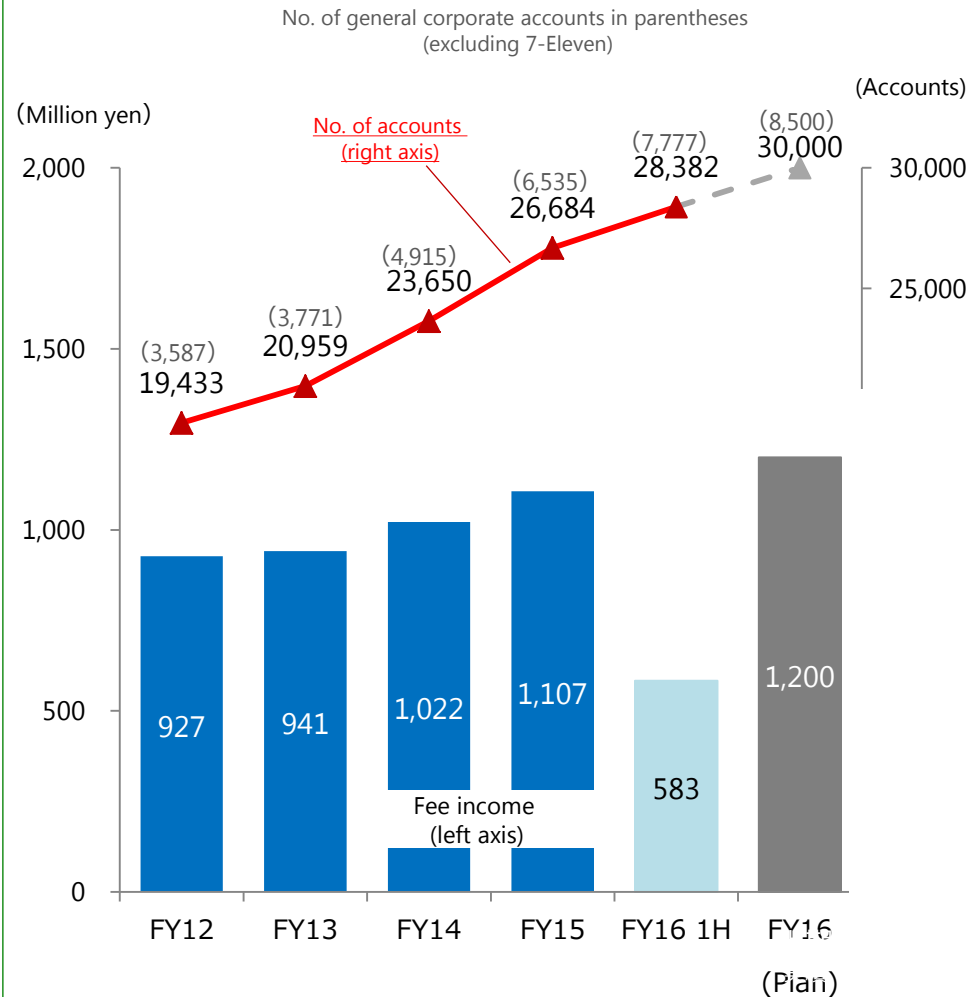
International money transfer services



Personal loan services



Acceptance of cash proceeds from sales



Subsidiary in North America

■ Name: FCTI, Inc.

- Amid intensifying competition, aim for operating efficiency with closure of unprofitable ATMs and review of costs
- Concentrate efforts on preparing for installation of ATMs at 7-Eleven stores

(Million US\$)						
FCTI (Non-Consolidated)	FY15 Actual Results	H1 (Jan.–Jun.)	FY16 H1 Results	Changes from FY15 H1 Results	FY16 Plan	H1 (Jan.–Jun.)
Ordinary income	78.5	38.9	38.9	0.0	79.8	38.8
Ordinary expenses	80.6	39.8	40.9	1.1	82.0	40.4
Ordinary profit	(2.0)	(0.8)	(1.9)	(1.1)	(2.1)	(1.6)
Net income	(1.5)	(0.6)	(1.3)	(0.7)	(1.6)	(1.1)
EBITDA	4.4	2.3	1.5	(0.8)	5.0	1.8
No. of ATMs installed (units)	6,625	6,348	6,437	89	6,700	—

Note: 6,267 ATMs installed as of September 30, 2016

Subsidiary in Indonesia

- Name: PT. ABADI TAMBAH MULIA INTERNASIONAL (ATMi)
- 100 ATMs installed (as of September 30, 2016)
Aim to undertake ATM operations for local financial institutions

ATMi (Non-Consolidated)

(Million yen)

	FY15 Actual Results	H1 (Jan.-Jun.)	FY16 H1 Results (Jan.-Jun.)	Changes from FY15 H1 Results	FY16 Plan	H1 (Jan.-Jun.)
Ordinary income	14	2	23	21	85	27
Ordinary expenses	62	16	66	50	273	107
Ordinary profit (loss)	(47)	(13)	(42)	(29)	(188)	(79)
Net income (loss)	(38)	(9)	(27)	(18)	(164)	(69)

Note: 1. Exchange rate per IDR 100:

FY15 = ¥0.905, FY16 H1 = ¥0.832, FY16 Plan = ¥0.900

Subsidiary in Japan

- Name: Bank Business Factory Co., Ltd. (BBF)
- Five customer companies for back-office support on commission (as of September 30, 2016)
Consider expanding scope of the business according to needs

BBF (Non-Consolidated)

(Million yen)

	FY15 Actual results	H1	FY16 H1 Results	Changes from FY15 H1 Results	FY16 Plan	H1
Ordinary income	687	328	403	75	790	375
Ordinary expenses	646	308	406	98	774	368
Ordinary profit (loss)	40	19	(3)	(22)	16	7
Net income (loss)	29	14	(3)	(17)	11	5

Income Statement (Consolidated)

- **Income and profit increased** year on year in the second quarter
- Aim to achieve full-year plan while maintaining investment for growth

	(Billion yen)					
	FY15 Actual Results	H1 Results	FY16 H1 Results	Changes from FY15 H1 Results	FY16 Plan	H1 Plan
Ordinary income	119.9	60.0	61.2	1.2	123.1	61.6
Ordinary expenses	82.7	41.0	42.1	1.1	85.5	42.3
Ordinary profit	37.1	18.9	19.0	0.1	37.6	19.3
Net income	24.7	12.7	12.9	0.2	25.6	13.1

Notes:

- Exchange rate on the consolidated income statement
per USD 1
FY15 = ¥121.10, FY16 H1 = ¥111.70, FY16 Plan = ¥115.00
per IRD 100
FY15 = ¥0.905, FY16 H1 = ¥0.832, FY16 Plan = ¥0.900
- Consolidated net income is net income attributable to owners of the parent.

Reference: Period of consolidation of each company

Seven Bank	April 1, 2016 to September 30, 2016
FCTI	January 1, 2016 to June 30, 2016
ATMi	January 1, 2016 to June 30, 2016
BBF	April 1, 2016 to September 30, 2016

Balance sheet as of September 30, 2016

(Billion yen)

Cash and due from banks: 681.7 (for ATMs, etc.)	Deposits: 561.4 (Individual deposits: 395.5)
	Bonds and borrowings: 124.0
Securities: 76.9	ATM-related temporary advances: 37.2
ATM-related temporary payments: 92.6	Other: 33.3
Other: 96.3	Net assets: 191.6
Assets: 947.5	Liabilities + Net Assets: 947.5

Non-consolidated capital ratio
(Domestic standard): 55.94%(Preliminary figure)

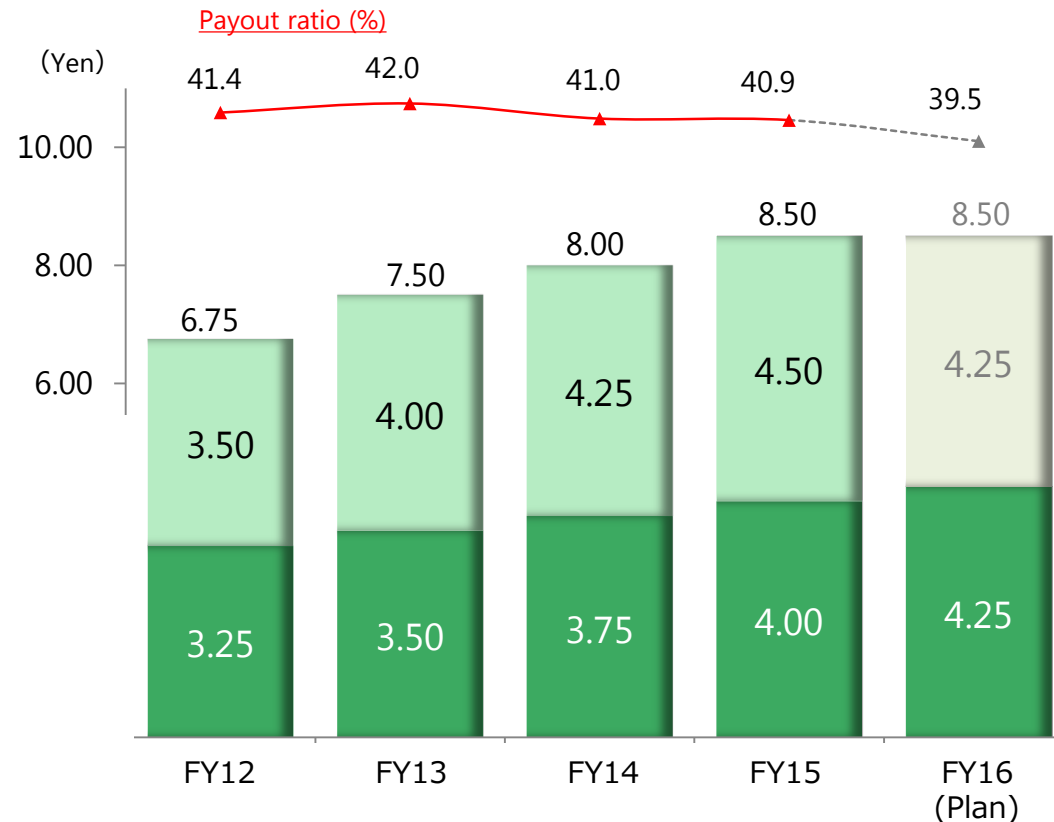
Credit ratings
S&P A+
R&I AA

Policy

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

Interim dividend

Dividend amount: ¥4.25 per share (total dividends paid ¥5.0 billion);
in line with initial plan
Dividend payment start: December 1, 2016



1. ATM platform business

Aim to be No. 1 in retail financing in both scale and quality

2. Settlement & account-related business

Develop and provide products with next-generation appeal

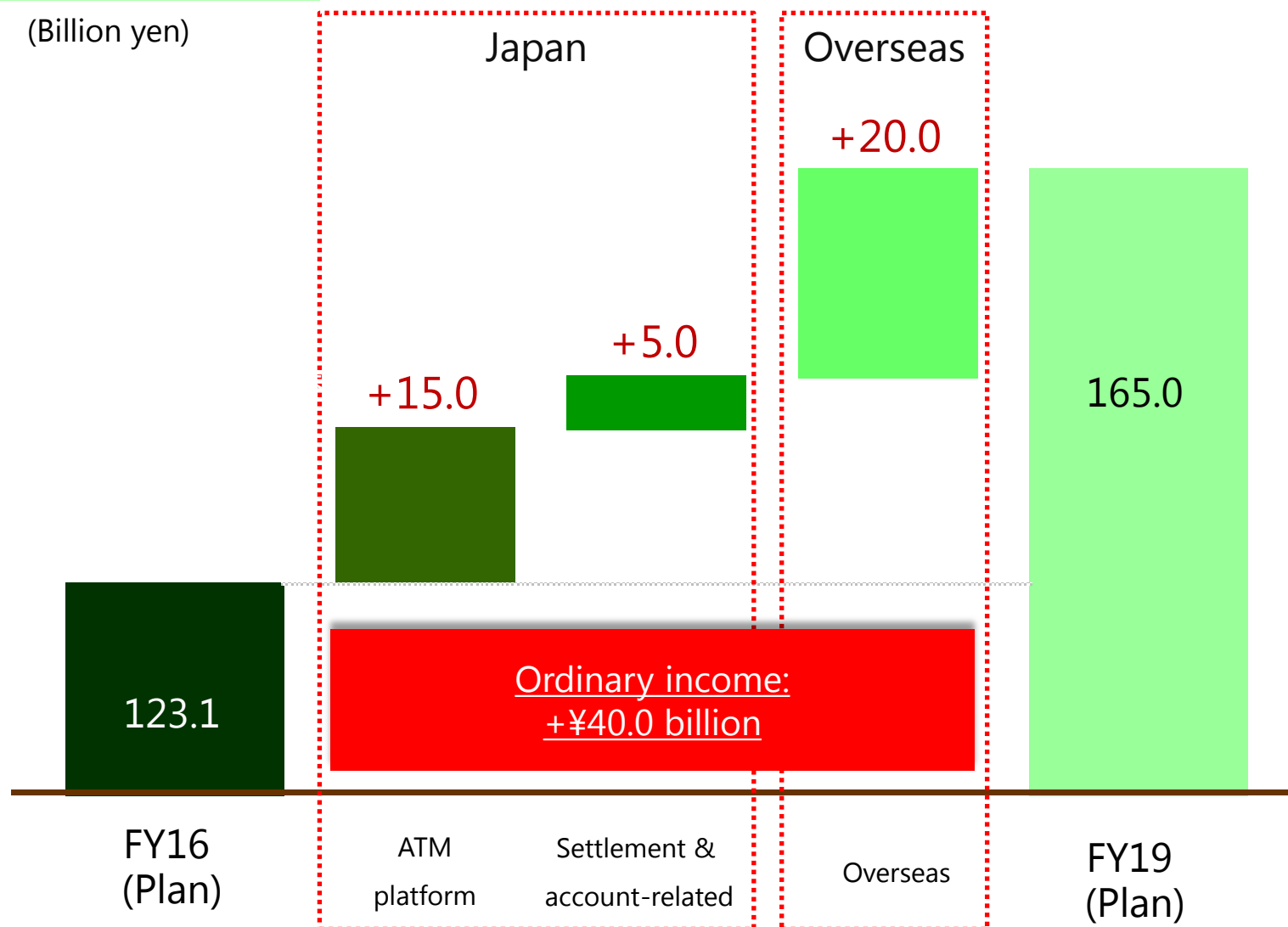
3. Overseas business

Concentrate efforts on ensuring the success of US operations

Medium-Term Growth Strategy (1)

Ordinary income

(Billion yen)



Note: Exchange rate on consolidated income statement: ¥115.00 = US\$1

ATM platform business

FY19 ordinary income:
¥15.0 billion

- Provide a platform with diverse services that respond to customer needs and societal changes

Existing partnerships
Financial institutions

Expand

Partnerships with companies
that entered the financial
services market

- Bank account transactions • Bank transfers • Money transfers • International money transfers
- Loans • Small-sum investments • Reward points
- Various benefits • Receiving agents • Returned goods and repayment
- Charging services (e-money, prepaid services) etc.

ATM Platform

Further enhance scale and quality

Continue annual net increase of 1,000 units
Cards, smartphones, facial authentication, QR codes, etc.

Medium-Term Growth Strategy (3)

Settlement & account-related business

- Loan services
 - Debit balance up 1.5 times → **¥30.0 billion**
- International money transfer services
 - No. of money transfers up 1.5 times → **1.5 million/year**
- Debit services
 - Cumulative issuance to 25% of individual accounts → **600,000**
- Acceptance of cash proceeds from sales services
 - Contract accounts + 2,000 accounts → **10,000** (excluding 7-Eleven)

FY19 ordinary income:
+¥5.0 billion

- In development
(Scheduled to begin in fall 2017)

Support for new salary and
expense report-style
operations

24 hours/365 days
Real-time transfer functions

Overseas business

- Expand American ATM business
 - In addition to ATM installation, efforts to development new services and reduce costs

FY19 ordinary income:
+¥20.0 billion

