



Financial Results for the Second Quarter (Interim Period) of the Fiscal Year Ending March 31, 2017

(Consolidated Data)

November 4, 2016

Company Name: Seven Bank, Ltd. Stock exchange listing: Tokyo Stock Exchange
 Stock Code: 8410 URL: <http://www.sevenbank.co.jp/english/>
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Scheduled date for filing of quarterly financial report: November 15, 2016
 Scheduled date for cash dividends: December 1, 2016
 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 Second Quarter (Interim Period) of the Fiscal Year Ending March 31, 2017 (April 1, 2016 – September 30, 2016)

(1) Consolidated Operating Results

(% represents 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, 2016	61,202	1.9	19,110	0.9	12,989	1.9
Six months ended September 30, 2015	60,003	5.7	18,938	(3.9)	12,745	2.7

Note: Comprehensive income: Six months ended September 30, 2016: 10,336 million yen (-20.7%);
 Six months ended September 30, 2015: 13,041 million yen (+10.8%)

	Net income per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2016	10.90	10.88
Six months ended September 30, 2015	10.70	10.68

(2) Consolidated Financial Position

	Total assets	Total net assets	Net assets to total assets ratio
	Million yen	Million yen	%
As of September 30, 2016	948,234	189,878	19.9
As of March 31, 2016	915,385	184,794	20.1

(Reference) Capital: September 30, 2016: 189,323 million yen March 31, 2016: 184,225 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 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, 2016	—	4.00	—	4.50	8.50
Fiscal year ending March 31, 2017	—	4.25			
Fiscal year ending March 31, 2017 (Forecasts)			—	4.25	8.50

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

3. Performance Forecasts for the Fiscal Year Ending March 31, 2017 (April 1, 2016 – March 31, 2017)

(% 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
	Million yen	%	Million yen	%	Million yen	%	Yen
Full-year	123,100	2.6	37,600	1.1	25,600	3.5	21.48

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

Notes

(1) Changes in important subsidiaries during the interim period of the fiscal year ending March 31, 2017: None

(Changes in specific subsidiaries involving changes in the scope of consolidation)

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.: None

(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)

As of September 30, 2016 1,191,528,000 shares As of March 31, 2016 1,191,001,000 shares

(b) Number of treasury shares

As of September 30, 2016 128 shares As of March 31, 2016 128 shares

(c) Average number of shares for the period under review (interim period)

As of September 30, 2016 1,191,335,380 shares As of September 30, 2015 1,191,000,872 shares

Overview of Non-Consolidated Performance

1. Non-Consolidated Financial Highlights for the Second Quarter (Interim Period) of the Fiscal Year Ending March 31, 2017 (April 1, 2016 – September 30, 2016)

(1) Non-Consolidated Operating Results

(% represents year-on-year change)

	Ordinary income		Ordinary profit		Net income	
	Million yen	%	Million yen	%	Million yen	%
Six months ended September 30, 2016	56,841	2.7	20,089	1.3	13,808	4.4
Six months ended September 30, 2015	55,320	4.9	19,812	(2.2)	13,225	2.0

	Net income per share
	Yen
Six months ended September 30, 2016	11.59
Six months ended September 30, 2015	11.10

(2) Non-Consolidated Financial Position

	Total assets	Total net assets	Net assets to total assets ratio
	Million yen	Million yen	%
As of September 30, 2016	947,539	191,627	20.1
As of March 31, 2016	910,801	183,174	20.0

(Reference) Capital: September 30, 2016: 191,093 million yen March 31, 2016: 182,629 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 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, 2017 (April 1, 2016 – March 31, 2017)

(% 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	113,800	3.0	39,500	1.2	27,200	4.1	22.82

Disclosure concerning the implementation status of interim audit procedures

This quarterly report is exempt from interim audit procedures based on the Financial Instruments and Exchange Act of Japan. As of this interim report's publication, audit procedures pertaining to interim consolidated and non-consolidated financial statements have not been completed.

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

- Seven Bank prepared interim consolidated and non-consolidated financial statements for the second quarter ended September 30, 2016, because it corresponds to a "specific business corporation" (as described in Article 17-15, paragraph 2 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.

3. Interim Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2016	As of September 30, 2016
Assets		
Cash and due from banks	645,838	685,087
Call loans	25,000	18,000
Securities	66,797	59,377
Loans	16,208	17,944
ATM-related temporary payments	83,407	92,699
Other assets	11,961	13,059
Tangible fixed assets	30,890	28,701
Intangible fixed assets	34,356	32,480
Asset for retirement benefits	68	95
Deferred tax assets	921	878
Allowance for credit losses	(65)	(88)
Total assets	915,385	948,234
Liabilities		
Deposits	546,981	561,394
Negotiable certificates of deposits	800	1,150
Call money	—	17,000
Borrowed money	15,022	14,000
Bonds	110,000	110,000
ATM-related temporary advances	37,830	37,217
Other liabilities	17,807	15,865
Reserve for bonuses	458	432
Liability for retirement benefits	0	0
Deferred tax liabilities	1,690	1,295
Total liabilities	730,590	758,356
Net assets		
Common stock	30,514	30,572
Capital surplus	30,496	30,554
Retained earnings	117,402	125,032
Treasury stock	(0)	(0)
Total shareholders' equity	178,412	186,160
Net unrealized gains on available-for-sale securities	343	241
Foreign currency translation adjustments	5,462	2,902
Accumulated adjustments for retirement benefit	6	18
Total accumulated other comprehensive income	5,812	3,162
Subscription rights to shares	545	533
Non-controlling interests	24	21
Total net assets	184,794	189,878
Total liabilities and net assets	915,385	948,234

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income**Consolidated Statements of Income**

(Millions of yen)

	For the six months ended September 30, 2015	For the six months ended September 30, 2016
Ordinary income	60,003	61,202
Interest income	1,029	1,369
(Interest on loans)	924	1,291
(Interest and dividends on securities)	39	18
Fees and commissions income	58,744	59,597
(ATM-related fee income)	56,002	56,588
Other operating income	96	119
Other ordinary income	133	114
Ordinary expenses	41,065	42,091
Interest expenses	646	501
(Interest on deposits)	299	184
Fees and commissions expenses	10,624	11,577
(ATM placement fee expenses)	8,845	9,408
(ATM-related fee expenses)	699	774
General and administrative expenses	29,753	29,940
Other ordinary expenses	41	72
Ordinary profit	18,938	19,110
Extraordinary losses	84	110
Loss on disposal of fixed assets	84	110
Income before income taxes	18,853	19,000
Income taxes-current	6,514	6,089
Income taxes-deferred	(402)	(77)
Total income taxes	6,111	6,011
Net income	12,741	12,989
Net income (loss) attributable to non-controlling interests	(3)	(0)
Net income attributable to owners of the parent	12,745	12,989

Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the six months ended September 30, 2015	For the six months ended September 30, 2016
Net income	12,741	12,989
Other comprehensive income (loss)	299	(2,652)
Net unrealized gains (losses) on available-for-sale securities	21	(101)
Foreign currency translation adjustments	264	(2,563)
Adjustments for retirement benefit	12	12
Comprehensive income	13,041	10,336
Comprehensive income attributable to:		
Owners of the parent	13,045	10,339
Non-controlling interests	(4)	(3)

(3) Consolidated Statements of Changes in Net Assets

For the six months ended September 30, 2015 (April 1, 2015 to September 30, 2015)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of year	30,514	30,514	102,511	(0)	163,539
Changes in items during the period					
Issuance of new shares					—
Cash dividends			(5,061)		(5,061)
Net income attributable to owners of the parent			12,745		12,745
Net change in items other than shareholders' equity during the period					
Net changes in items during the period	—	—	7,683	—	7,683
Balance at end of the period	30,514	30,514	110,195	(0)	171,223

	Accumulated other comprehensive income				Subscription rights to shares	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 beginning of year	360	5,500	13	5,874	449	26	169,890
Changes in items during the period							
Issuance of new shares							—
Cash dividends							(5,061)
Net income attributable to owners of the parent							12,745
Net change in items other than shareholders' equity during the period	21	266	12	300	95	(4)	391
Net changes in items during the period	21	266	12	300	95	(4)	8,074
Balance at end of the period	382	5,766	26	6,174	545	21	177,964

For the six months ended September 30, 2016 (April 1, 2016 to September 30, 2016)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of year	30,514	30,496	117,402	(0)	178,412
Changes in items during the period					
Issuance of new shares	58	58			117
Cash dividends			(5,359)		(5,359)
Net income attributable to owners of the parent			12,989		12,989
Net change in items other than shareholders' equity during the period					
Net changes in items during the period	58	58	7,630	—	7,747
Balance at end of the period	30,572	30,554	125,032	(0)	186,160

	Accumulated other comprehensive income				Subscription rights to shares	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 beginning of year	343	5,462	6	5,812	545	24	184,794
Changes in items during the period							
Issuance of new shares							117
Cash dividends							(5,359)
Net income attributable to owners of the parent							12,989
Net change in items other than shareholders' equity during the period	(101)	(2,560)	12	(2,649)	(11)	(3)	(2,664)
Net changes in items during the period	(101)	(2,560)	12	(2,649)	(11)	(3)	5,083
Balance at end of the period	241	2,902	18	3,162	533	21	189,878

4. Interim Non-Consolidated Financial Statements

(1) Non-Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2016	As of September 30, 2016
Assets		
Cash and due from banks	641,558	681,714
Call loans	25,000	18,000
Securities	83,332	76,909
Loans	16,208	17,944
Accrued income	8,527	8,496
ATM-related temporary payments	83,399	92,679
Other assets	1,574	1,826
Other assets	1,574	1,826
Tangible fixed assets	29,606	27,565
Intangible fixed assets	20,685	21,560
Prepaid pension cost	59	67
Deferred tax assets	914	863
Allowance for credit losses	(65)	(88)
Total assets	910,801	947,539
Liabilities		
Deposits	547,065	561,450
Negotiable certificates of deposits	800	1,150
Call money	—	17,000
Borrowed money	15,000	14,000
Bonds	110,000	110,000
ATM-related temporary advances	37,830	37,217
Other liabilities	16,551	14,714
Income taxes payable	6,806	6,572
Asset retirement obligations	350	352
Other liabilities	9,394	7,789
Reserve for bonuses	379	379
Total liabilities	727,627	755,911
Net assets		
Common stock	30,514	30,572
Capital surplus	30,514	30,572
Capital reserve	30,514	30,572
Retained earnings	121,258	129,706
Legal reserve in retained earnings	0	0
Other retained earnings	121,258	129,706
Retained earnings brought forward	121,258	129,706
Treasury stock	(0)	(0)
Total shareholders' equity	182,286	190,852
Net unrealized gains on available-for-sale securities	343	241
Total valuation and translation adjustments	343	241
Subscription rights to shares	545	533
Total net assets	183,174	191,627
Total liabilities and net assets	910,801	947,539

(2) Non-Consolidated Statements of Income

(Millions of yen)

	For the six months ended September 30, 2015	For the six months ended September 30, 2016
Ordinary income	55,320	56,841
Interest income	1,028	1,356
(Interest on loans)	925	1,291
(Interest and dividends on securities)	39	18
Fees and commissions income	54,139	55,319
(ATM-related fee income)	51,403	52,326
Other operating income	96	114
Other ordinary income	56	50
Ordinary expenses	35,508	36,752
Interest expenses	645	496
(Interest on deposits)	299	184
Fees and commissions expenses	7,724	8,665
(ATM placement fee expenses)	6,319	6,955
(ATM-related fee expenses)	409	440
General and administrative expenses	27,096	27,526
Other ordinary expenses	41	63
Ordinary profit	19,812	20,089
Extraordinary losses	57	95
Loss on disposal of fixed assets	57	95
Income before income taxes	19,754	19,993
Income taxes-current	6,508	6,089
Income taxes-deferred	20	96
Total income taxes	6,529	6,185
Net income	13,225	13,808

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

For the six months ended September 30, 2015 (April 1, 2015 to September 30, 2015)

(Millions of yen)

	Shareholders' equity							
	Common stock	Capital surplus		Legal reserve	Retained earnings		Treasury stock	Total shareholders' equity
		Capital reserve	Total capital surplus		Other retained earnings	Total retained earnings		
Balance at beginning of year	30,514	30,514	30,514	0	104,976	104,976	(0)	166,004
Changes in items during the period								
Issuance of new shares								—
Cash dividends					(5,061)	(5,061)		(5,061)
Net income					13,225	13,225		13,225
Net change in items other than shareholders' equity during the period								
Net changes in items during the period	—	—	—	—	8,163	8,163	—	8,163
Balance at end of the period	30,514	30,514	30,514	0	113,139	113,139	(0)	174,167

	Valuation and translation adjustments		Subscription rights to shares	Total net assets
	Net unrealized gains on available-for-sale securities	Total valuation and translation adjustments		
Balance at beginning of year	360	360	449	166,814
Changes in items during the period				
Issuance of new shares				—
Cash dividends				(5,061)
Net income				13,225
Net change in items other than shareholders' equity during the period	21	21	95	116
Net changes in items during the period	21	21	95	8,280
Balance at end of the period	382	382	545	175,095

For the six months ended September 30, 2016 (April 1, 2016 to September 30, 2016)

(Millions of yen)

	Shareholders' equity							Total shareholders' equity
	Common stock	Capital surplus		Legal reserve	Retained earnings		Treasury stock	
		Capital reserve	Total capital surplus		Other retained earnings	Total retained earnings		
					Retained earnings brought forward			
Balance at beginning of year	30,514	30,514	30,514	0	121,258	121,258	(0)	182,286
Changes in items during the period								
Issuance of new shares	58	58	58					117
Cash dividends					(5,359)	(5,359)		(5,359)
Net income					13,808	13,808		13,808
Net change in items other than shareholders' equity during the period								
Net changes in items during the period	58	58	58	—	8,448	8,448	—	8,566
Balance at end of the period	30,572	30,572	30,572	0	129,706	129,706	(0)	190,852

	Valuation and translation adjustments		Subscription rights to shares	Total net assets
	Net unrealized gains on available-for-sale securities	Total valuation and translation adjustments		
Balance at beginning of year	343	343	545	183,174
Changes in items during the period				
Issuance of new shares				117
Cash dividends				(5,359)
Net income				13,808
Net change in items other than shareholders' equity during the period	(101)	(101)	(11)	(113)
Net changes in items during the period	(101)	(101)	(11)	8,453
Balance at end of the period	241	241	533	191,627