



Financial Results for the Second Quarter (Interim Period) of the Fiscal Year Ending March 31, 2018 (Consolidated Data)

November 10, 2017

Company Name: Seven Bank, Ltd. Stock exchange listing: Tokyo Stock Exchange
 Stock Code: 8410 URL: <http://www.sevenbank.co.jp/english/>
 Representative: Kensuke Futagoishi, President and Representative Director
 For inquiries: Hiroshi Takeuchi, Executive Officer, General Manager of Planning Division
 Telephone: +81-3-3211-3041
 Scheduled date for filing of quarterly financial report: November 14, 2017
 Scheduled date for cash dividends: December 1, 2017
 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, 2018 (April 1, 2017 – September 30, 2017)

(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, 2017	62,279	1.7	19,898	4.1	13,602	4.7
Six months ended September 30, 2016	61,202	1.9	19,110	0.9	12,989	1.9

Note: Comprehensive income: Six months ended September 30, 2017: 12,808 million yen (+23.9%);
 Six months ended September 30, 2016: 10,336 million yen (-20.7%)

	Net income per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2017	11.41	11.39
Six months ended September 30, 2016	10.90	10.88

(2) Consolidated Financial Position

	Total assets	Total net assets	Net assets to total assets ratio
	Million yen	Million yen	%
As of September 30, 2017	988,390	205,850	20.7
As of March 31, 2017	957,792	199,081	20.7

(Reference) Capital: September 30, 2017: 205,295 million yen March 31, 2017: 198,525 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, 2017	—	4.25	—	4.75	9.00
Fiscal year ending March 31, 2018	—	4.75			
Fiscal year ending March 31, 2018 (Forecasts)			—	4.75	9.50

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

3. Performance Forecasts for the Fiscal Year Ending March 31, 2018 (April 1, 2017 – March 31, 2018)

(% 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	130,800	7.5	38,600	5.1	26,400	5.1	22.16

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, 2018: 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, 2017 1,191,528,000 shares As of March 31, 2017 1,191,528,000 shares

(b) Number of treasury shares

As of September 30, 2017 896,328 shares As of March 31, 2017 128 shares

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

As of September 30, 2017 1,191,293,135 shares As of September 30, 2016 1,191,335,380 shares

Note: Number of treasury shares as of September 30, 2017 includes 896,200 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, 2018 (April 1, 2017 – September 30, 2017)

(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, 2017	58,186	2.3	21,507	7.0	14,808	7.2
Six months ended September 30, 2016	56,841	2.7	20,089	1.3	13,808	4.4

	Net income per share
	Yen
Six months ended September 30, 2017	12.43
Six months ended September 30, 2016	11.59

(2) Non-Consolidated Financial Position

	Total assets	Total net assets	Net assets to total assets ratio
	Million yen	Million yen	%
As of September 30, 2017	988,795	208,474	21.0
As of March 31, 2017	955,644	199,602	20.8

(Reference) Capital: September 30, 2017: 207,941 million yen March 31, 2017: 199,069 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, 2018 (April 1, 2017 – March 31, 2018)

(% 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	117,000	3.4	41,000	5.3	28,300	5.3	23.76

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, 2017, 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.

2. Interim Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2017	As of September 30, 2017
Assets		
Cash and due from banks	694,588	674,327
Securities	77,866	68,549
Loans	19,829	22,078
Foreign currency	—	0
ATM-related temporary payments	89,286	147,594
Other assets	15,064	16,664
Tangible fixed assets	25,740	23,314
Intangible fixed assets	34,473	34,786
Asset for retirement benefits	183	216
Deferred tax assets	790	889
Allowance for credit losses	(30)	(32)
Total assets	957,792	988,390
Liabilities		
Deposits	571,510	614,980
Negotiable certificates of deposits	800	1,190
Call money	10,000	—
Borrowed money	10,000	10,000
Bonds	110,000	80,000
ATM-related temporary advances	37,763	56,773
Other liabilities	16,992	18,385
Reserve for bonuses	471	424
Liability for retirement benefits	1	1
Reserve for directors' retirement benefits	—	0
Reserve for directors' benefit trust	—	50
Deferred tax liabilities	1,170	733
Total liabilities	758,710	782,540
Net assets		
Common stock	30,572	30,572
Capital surplus	30,554	30,554
Retained earnings	132,093	140,036
Treasury stock	(0)	(380)
Total shareholders' equity	193,221	200,784
Net unrealized gains on available-for-sale securities	217	320
Foreign currency translation adjustments	5,012	4,109
Accumulated adjustments for retirement benefit	73	81
Total accumulated other comprehensive income	5,303	4,511
Subscription rights to shares	533	533
Non-controlling interests	22	21
Total net assets	199,081	205,850
Total liabilities and net assets	957,792	988,390

(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, 2016	For the six months ended September 30, 2017
Ordinary income	61,202	62,279
Interest income	1,369	1,652
(Interest on loans)	1,291	1,591
(Interest and dividends on securities)	18	10
Fees and commissions income	59,597	60,480
(ATM-related fee income)	56,588	57,302
Other operating income	119	125
Other ordinary income	114	20
Ordinary expenses	42,091	42,381
Interest expenses	501	351
(Interest on deposits)	184	89
Fees and commissions expenses	11,577	12,038
(ATM placement fee expenses)	9,408	9,619
(ATM-related fee expenses)	774	849
General and administrative expenses	29,940	29,962
Other ordinary expenses	72	29
Ordinary profit	19,110	19,898
Extraordinary losses	110	83
Loss on disposal of fixed assets	110	83
Income before income taxes	19,000	19,814
Income taxes-current	6,089	6,755
Income taxes-deferred	(77)	(542)
Total income taxes	6,011	6,213
Net income	12,989	13,601
Net income (loss) attributable to non-controlling interests	(0)	(1)
Net income attributable to owners of the parent	12,989	13,602

Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the six months ended September 30, 2016	For the six months ended September 30, 2017
Net income	12,989	13,601
Other comprehensive income (loss)	(2,652)	(792)
Net unrealized gains (losses) on available-for-sale securities	(101)	103
Foreign currency translation adjustments	(2,563)	(903)
Adjustments for retirement benefit	12	7
Comprehensive income	10,336	12,808
Comprehensive income attributable to:		
Owners of the parent	10,339	12,810
Non-controlling interests	(3)	(1)

(3) Consolidated Statements of Changes in Net Assets

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
Acquisition of treasury stock					—
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
Acquisition of treasury stock							—
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

For the six months ended September 30, 2017 (April 1, 2017 to September 30, 2017)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of year	30,572	30,554	132,093	(0)	193,221
Changes in items during the period					
Issuance of new shares					—
Cash dividends			(5,659)		(5,659)
Net income attributable to owners of the parent			13,602		13,602
Acquisition of treasury stock				(380)	(380)
Net change in items other than shareholders' equity during the period					
Net changes in items during the period	—	—	7,943	(380)	7,562
Balance at end of the period	30,572	30,554	140,036	(380)	200,784

	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	217	5,012	73	5,303	533	22	199,081
Changes in items during the period							
Issuance of new shares							—
Cash dividends							(5,659)
Net income attributable to owners of the parent							13,602
Acquisition of treasury stock							(380)
Net change in items other than shareholders' equity during the period	103	(903)	7	(792)	—	(1)	(794)
Net changes in items during the period	103	(903)	7	(792)	—	(1)	6,768
Balance at end of the period	320	4,109	81	4,511	533	21	205,850

3. Interim Non-Consolidated Financial Statements

(1) Non-Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2017	As of September 30, 2017
Assets		
Cash and due from banks	685,766	668,025
Securities	102,533	94,359
Loans	19,829	22,078
Foreign currency	—	0
Accrued income	8,816	8,669
ATM-related temporary payments	89,259	147,480
Other assets	1,713	2,255
Other assets total	1,713	2,255
Tangible fixed assets	24,159	20,674
Intangible fixed assets	22,745	24,323
Prepaid pension cost	77	96
Deferred tax assets	775	863
Allowance for credit losses	(30)	(32)
Total assets	955,644	988,795
Liabilities		
Deposits	571,553	615,037
Negotiable certificates of deposits	800	1,190
Call money	10,000	—
Borrowed money	10,000	10,000
Bonds	110,000	80,000
ATM-related temporary advances	37,763	56,773
Other liabilities	15,536	16,908
Income taxes payable	6,039	7,260
Asset retirement obligations	353	353
Other liabilities	9,143	9,294
Reserve for bonuses	388	361
Reserve for directors' benefit trust	—	50
Total liabilities	756,042	780,320
Net assets		
Common stock	30,572	30,572
Capital surplus	30,572	30,572
Capital reserve	30,572	30,572
Retained earnings	137,706	146,855
Legal reserve in retained earnings	0	0
Other retained earnings	137,706	146,855
Retained earnings brought forward	137,706	146,855
Treasury stock	(0)	(380)
Total shareholders' equity	198,851	207,620
Net unrealized gains on available-for-sale securities	217	320
Total valuation and translation adjustments	217	320
Subscription rights to shares	533	533
Total net assets	199,602	208,474
Total liabilities and net assets	955,644	988,795

(2) Non-Consolidated Statements of Income

(Millions of yen)

	For the six months ended September 30, 2016	For the six months ended September 30, 2017
Ordinary income	56,841	58,186
Interest income	1,356	1,645
(Interest on loans)	1,291	1,591
(Interest and dividends on securities)	18	10
Fees and commissions income	55,319	56,348
(ATM-related fee income)	52,326	53,219
Other operating income	114	125
Other ordinary income	50	66
Ordinary expenses	36,752	36,679
Interest expenses	496	347
(Interest on deposits)	184	89
Fees and commissions expenses	8,665	9,150
(ATM placement fee expenses)	6,955	7,155
(ATM-related fee expenses)	440	480
General and administrative expenses	27,526	27,155
Other ordinary expenses	63	25
Ordinary profit	20,089	21,507
Extraordinary losses	95	78
Loss on disposal of fixed assets	95	78
Income before income taxes	19,993	21,429
Income taxes-current	6,089	6,754
Income taxes-deferred	96	(133)
Total income taxes	6,185	6,620
Net income	13,808	14,808

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

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

(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 Retained earnings brought forward	Total retained earnings		
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
Acquisition of treasury stock								—
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
Acquisition of treasury stock				—
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

For the six months ended September 30, 2017 (April 1, 2017 to September 30, 2017)

(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 Retained earnings brought forward	Total retained earnings		
Balance at beginning of year	30,572	30,572	30,572	0	137,706	137,706	(0)	198,851
Changes in items during the period								
Issuance of new shares								—
Cash dividends					(5,659)	(5,659)		(5,659)
Net income					14,808	14,808		14,808
Acquisition of treasury stock							(380)	(380)
Net change in items other than shareholders' equity during the period								
Net changes in items during the period	—	—	—	—	9,148	9,148	(380)	8,768
Balance at end of the period	30,572	30,572	30,572	0	146,855	146,855	(380)	207,620

	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	217	217	533	199,602
Changes in items during the period				
Issuance of new shares				—
Cash dividends				(5,659)
Net income				14,808
Acquisition of treasury stock				(380)
Net change in items other than shareholders' equity during the period	103	103	—	103
Net changes in items during the period	103	103	—	8,872
Balance at end of the period	320	320	533	208,474