



Financial Results for the Fiscal Year Ended March 31, 2018 (Consolidated Data)

May 11, 2018

Company Name: Seven Bank, Ltd. Stock exchange listing: Tokyo Stock Exchange
 Stock Code: 8410 URL: <https://www.sevenbank.co.jp/english/>
 Representative: Kensuke Futagoishi, President and Representative Director
 For inquiries: Hiroshi Takeuchi, General Manager of the Planning Division
 Telephone: +81-3-3211-3041
 Scheduled date for holding the Annual General Meeting of Shareholders: June 19, 2018
 Scheduled date for cash dividends: June 1, 2018
 Scheduled date for filing the annual securities report: June 20, 2018
 Trading accounts: Not established
 Full fiscal year earnings supplementary explanatory documents: Yes
 Full fiscal year 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 Fiscal Year Ended March 31, 2018 (April 1, 2017 - March 31, 2018)

(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	%
Fiscal year ended March 31, 2018	127,656	4.9	38,305	4.3	25,301	0.7
Fiscal year ended March 31, 2017	121,608	1.3	36,710	(1.2)	25,114	1.6

Note: Comprehensive income: March 31, 2018: 24,645 million yen (+0.1%); March 31, 2017: 24,604 million yen (-0.1%)

	Net income per share	Diluted earnings per share	Return on equity (ROE)	Return on assets (ROA) – Ratio of ordinary profit to total assets	Ratio of ordinary profit to ordinary income
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2018	21.24	21.20	12.3	3.8	30.0
Fiscal year ended March 31, 2017	21.07	21.04	13.1	3.9	30.1

(Reference) Equity in net earnings of affiliated companies: March 31, 2018: —million yen; March 31, 2017: —million yen

(2) Consolidated Financial Position

	Total assets	Total net assets	Net assets to total assets ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2018	1,022,485	212,027	20.6	177.61
As of March 31, 2017	957,792	199,081	20.7	166.61

(Reference) Capital: March 31, 2018: 211,475 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.

(3) Consolidated Cash Flows

	Net cash provided by operating activities	Net cash used in investing activities	Net cash used in financing activities	Cash and cash equivalents at the end of the year
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended March 31, 2018	31,466	(3,649)	(11,729)	710,369
Fiscal year ended March 31, 2017	88,118	(28,818)	(10,446)	694,588

2. Dividends

	Dividend per share					Total dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to equity (Consolidated)
	First Quarter	Semi-annual	Third Quarter	Year end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
March 31, 2017	—	4.25	—	4.75	9.00	10,723	42.6	5.6
March 31, 2018	—	4.75	—	5.25	10.00	11,915	47.0	5.8
March 31, 2019 (Forecasts)	—	5.00	—	5.00	10.00		44.4	

3. Performance Forecasts for the Fiscal Year Ending March 31, 2019 (April 1, 2018 - March 31, 2019)

(% represents the year-on-year change from each respective corresponding period (full fiscal year and semi-annual) of 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
Semi-annual (Accumulated)	72,600	16.5	20,600	3.5	13,800	1.4	11.58
Full-year	146,700	14.9	39,800	3.9	26,800	5.9	22.49

Notes

(1) Changes in important subsidiaries during the period under review (fiscal year ended 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

Note: During the year ended March 31, 2018, Seven Payment Service, Ltd. was newly added to the scope of consolidation, but the addition is not applicable to changes in specific subsidiaries.

(3) Number of shares (common stock)

(a) Number of shares in issue

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

(b) Number of treasury shares

As of March 31, 2018 896,328 shares As of March 31, 2017 128 shares

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

Fiscal year ended Fiscal year ended
March 31, 2018 1,190,963,310 shares March 31, 2017 1,191,431,362 shares

Note: Number of treasury shares as of March 31, 2018 includes 896,200 shares of the Company held by “Directors’ Compensation BIP Trust” and “Stock Grant ESOP Trust.”

Reference: Overview of Non-Consolidated Performance

1. Non-Consolidated Financial Highlights for the Fiscal Year Ended March 31, 2018 (April 1, 2017 - March 31, 2018)

(1) Non-Consolidated Operating Results

(% represents year-on-year change)

	Ordinary income		Ordinary profit		Net income	
	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2018	116,650	3.1	42,262	8.6	29,106	8.3
Fiscal year ended March 31, 2017	113,109	2.3	38,911	(0.2)	26,871	2.9

	Net income per share	Diluted earnings per share
	Yen	Yen
Fiscal year ended March 31, 2018	24.43	24.39
Fiscal year ended March 31, 2017	22.55	22.51

(2) Non-Consolidated Financial Position

	Total assets	Total net assets	Net assets to total assets ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2018	1,023,201	217,036	21.1	181.83
As of March 31, 2017	955,644	199,602	20.8	167.07

(Reference) Capital: March 31, 2018: 216,503 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, 2019 (April 1, 2018 - March 31, 2019)

(% represents the year-on-year change from each respective corresponding period (full fiscal year and semi-annual) of the previous fiscal year.)

	Ordinary income		Ordinary profit		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Yen
Semi-annual (Accumulated)	59,900	2.9	22,400	4.1	15,500	4.6	13.01
Full-year	119,600	2.5	42,500	0.5	29,400	1.0	24.67

● Audit procedure status

This report is exempt from audit procedures based upon the Financial Instruments and Exchange Act of Japan.

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

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.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2017	As of March 31, 2018
Assets		
Cash and due from banks	694,588	710,369
Securities	77,866	61,939
Loans	19,829	22,715
Foreign currency	—	0
ATM-related temporary payments	89,286	146,977
Other assets	15,064	18,537
Tangible fixed assets	25,740	24,798
Buildings	1,724	1,691
ATMs	19,867	19,804
Other tangible fixed assets	4,148	3,301
Intangible fixed assets	34,473	35,958
Software	19,424	16,873
Other intangible fixed assets	15,049	19,084
Asset for retirement benefits	183	264
Deferred tax assets	790	962
Allowance for credit losses	(30)	(36)
Total assets	957,792	1,022,485
Liabilities		
Deposits	571,510	622,406
Negotiable certificates of deposits	800	800
Call money	10,000	—
Borrowed money	10,000	10,000
Bonds	110,000	95,000
ATM-related temporary advances	37,763	59,032
Other liabilities	16,992	21,769
Reserve for bonuses	471	457
Liability for retirement benefits	1	2
Reserve for directors' retirement benefits	—	2
Reserve for directors' benefit trust	—	102
Deferred tax liabilities	1,170	885
Total liabilities	758,710	810,458
Net assets		
Common stock	30,572	30,572
Capital surplus	30,554	30,554
Retained earnings	132,093	146,075
Treasury stock	(0)	(380)
Total shareholders' equity	193,221	206,823
Net unrealized gains on available-for-sale securities	217	244
Foreign currency translation adjustments	5,012	4,308
Accumulated adjustments for retirement benefit	73	98
Total accumulated other comprehensive income	5,303	4,651
Subscription rights to shares	533	533
Non-controlling interests	22	18
Total net assets	199,081	212,027
Total liabilities and net assets	957,792	1,022,485

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

(Millions of yen)

	The fiscal year ended March 31, 2017	The fiscal year ended March 31, 2018
Ordinary income	121,608	127,656
Interest income	2,848	3,391
Interest on loans	2,704	3,271
Interest and dividends on securities	26	18
Interest on call loans	2	1
Interest on cash and due from banks	115	100
Fees and commissions income	118,226	123,507
Remittance-related fee income	2,358	2,582
ATM-related fee income	112,051	116,854
Other fees and commissions	3,815	4,070
Other operating income	249	279
Other ordinary income	283	477
Reversal of allowance for credit losses	34	—
Other	248	477
Ordinary expenses	84,897	89,350
Interest expenses	954	718
Interest on deposits	320	163
Interest on negotiable certificates of deposits	0	0
Interest on call money	(20)	(28)
Interest on borrowed money	105	76
Interest on bonds	548	506
Fees and commissions expenses	23,092	26,583
Remittance-related fee expenses	1,359	1,466
ATM placement fee expenses	18,693	20,853
ATM-related fee expenses	1,527	2,375
Other fees and commission expenses	1,511	1,888
Other business expenses	—	90
General and administrative expenses	60,781	61,645
Other ordinary expenses	68	312
Provision of allowance for credit losses	—	6
Other	68	306
Ordinary profit	36,710	38,305
Extraordinary losses	167	141
Loss on disposal of fixed assets	167	141
Income before income taxes and non-controlling interests	36,542	38,163
Income taxes—current	11,701	13,302
Income taxes—deferred	(272)	(437)
Total income taxes	11,429	12,864
Net income	25,113	25,298
Net income (loss) attributable to non-controlling interests	(1)	(3)
Net income attributable to owners of the parent	25,114	25,301

Consolidated Statements of Comprehensive Income

(Millions of yen)

	The fiscal year ended March 31, 2017	The fiscal year ended March 31, 2018
Net income	25,113	25,298
Other comprehensive income (loss)	(509)	(653)
Net unrealized gains (losses) on available-for-sale securities	(126)	27
Foreign currency translation adjustments	(450)	(704)
Adjustments for retirement benefit	67	24
Comprehensive income	24,604	24,645
Comprehensive income attributable to:		
Owners of the parent	24,605	24,649
Non-controlling interests	(1)	(4)

(3) Consolidated Statements of Changes in Net Assets

Fiscal year ended March 31, 2017 (April 1, 2016 – March 31, 2017)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the 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			(10,423)		(10,423)
Net income attributable to owners of the parent			25,114		25,114
Acquisition of treasury stock					—
Net changes in items other than shareholders' equity					
Total changes in items during the period	58	58	14,691	—	14,808
Balance at the end of the year	30,572	30,554	132,093	(0)	193,221

	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 the beginning of the year	343	5,462	6	5,812	545	24	184,794
Changes in items during the period							
Issuance of new shares							117
Cash dividends							(10,423)
Net income attributable to owners of the parent							25,114
Acquisition of treasury stock							—
Net changes in items other than shareholders' equity	(126)	(450)	67	(508)	(11)	(1)	(522)
Total changes in items during the period	(126)	(450)	67	(508)	(11)	(1)	14,286
Balance at the end of the year	217	5,012	73	5,303	533	22	199,081

Fiscal year ended March 31, 2018 (April 1, 2017 – March 31, 2018)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the year	30,572	30,554	132,093	(0)	193,221
Changes in items during the period					
Issuance of new shares					—
Cash dividends			(11,319)		(11,319)
Net income attributable to owners of the parent			25,301		25,301
Acquisition of treasury stock				(380)	(380)
Net changes in items other than shareholders' equity					
Total changes in items during the period	—	—	13,982	(380)	13,602
Balance at the end of the year	30,572	30,554	146,075	(380)	206,823

	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 the beginning of the year	217	5,012	73	5,303	533	22	199,081
Changes in items during the period							
Issuance of new shares							—
Cash dividends							(11,319)
Net income attributable to owners of the parent							25,301
Acquisition of treasury stock							(380)
Net changes in items other than shareholders' equity	27	(703)	24	(652)	—	(4)	(656)
Total changes in items during the period	27	(703)	24	(652)	—	(4)	12,946
Balance at the end of the year	244	4,308	98	4,651	533	18	212,027

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	The fiscal year ended March 31, 2017	The fiscal year ended March 31, 2018
Cash flows from operating activities		
Income before income taxes and non-controlling interests	36,542	38,163
Depreciation of fixed assets	18,766	17,102
Amortization of goodwill	960	990
Net change in allowance for credit losses	(34)	6
Net change in reserve for bonuses	14	(12)
Net change in asset and liability for retirement benefits	(16)	(43)
Net change in reserve for directors' retirement benefits	—	2
Reserve for directors' benefit trust	—	102
Interest income	(2,848)	(3,391)
Interest expenses	954	718
Net foreign exchange gains	—	9
Net losses on disposal of fixed assets	167	141
Net change in loans	(3,620)	(2,886)
Net change in deposits	24,529	50,895
Net change in borrowed money	(5,021)	—
Net change in call loans	25,000	—
Net change in call money	10,000	(10,000)
Net change in straight bonds – issuance and redemption	—	(15,000)
Net change in ATM-related temporary accounts	(5,944)	(36,423)
Interest received	3,086	3,815
Interest paid	(1,011)	(799)
Other – net	(642)	(689)
Subtotal	100,882	42,700
Income taxes paid	(12,802)	(11,239)
Income taxes refund	38	5
Net cash provided by operating activities	88,118	31,466
Cash flows from investing activities		
Purchase of securities	(33,849)	(17,269)
Proceeds from maturity of securities	21,000	33,015
Purchase of tangible fixed assets	(6,712)	(8,468)
Purchase of intangible fixed assets	(9,256)	(10,927)
Net cash provided by (used in) investing activities	(28,818)	(3,649)
Cash flows from financing activities		
Proceeds from exercise of stock options	0	—
Dividends paid	(10,419)	(11,316)
Acquisition of treasury stock	—	(380)
Other	(26)	(33)
Net cash used in financing activities	(10,446)	(11,729)
Effect of exchange rate changes on cash and cash equivalents	(103)	(306)
Net change in cash and cash equivalents	48,750	15,780
Cash and cash equivalents at the beginning of the year	645,838	694,588
Cash and cash equivalents at the end of the year	694,588	710,369

Non-Consolidated Financial Statements

(1) Non-Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2017	As of March 31, 2018
Assets		
Cash and due from banks	685,766	706,876
Cash	599,009	629,876
Due from banks	86,757	76,999
Securities	102,533	90,028
Municipal bonds	29,003	22,983
Bonds	45,947	36,148
Stocks	784	1,287
Other securities	26,798	29,608
Loans	19,829	23,799
Loan on deeds	—	1,083
Overdrafts	19,829	22,715
Foreign currency	—	0
Due from foreign banks	—	0
Other assets	99,789	158,189
Prepaid expenses	706	772
Accrued income	8,816	9,144
ATM-related temporary payments	89,259	146,888
Other assets	1,007	1,383
Tangible fixed assets	24,159	17,476
Buildings	1,710	1,677
ATMs	18,702	12,727
Other tangible fixed assets	3,745	3,070
Intangible fixed assets	22,745	25,899
Software	18,992	16,218
Software in progress	3,748	9,677
Other intangible fixed assets	4	4
Prepaid pension cost	77	116
Deferred tax assets	775	1,009
Allowance for credit losses	(30)	(192)
Total assets	955,644	1,023,201

	(Millions of yen)	
	As of March 31, 2017	As of March 31, 2018
Liabilities		
Deposits	571,553	622,781
Ordinary deposits	336,023	393,753
Time deposits	235,402	228,811
Other deposits	127	215
Negotiable certificates of deposits	800	800
Call money	10,000	—
Borrowed money	10,000	10,000
Loans payable	10,000	10,000
Bonds	110,000	95,000
Other liabilities	53,299	77,100
Income taxes payable	6,039	8,015
Accrued expenses	5,180	5,282
ATM-related temporary advances	37,763	59,032
Asset retirement obligations	353	355
Other liabilities	3,963	4,414
Reserve for bonuses	388	381
Reserve for directors' benefit trust	—	102
Total liabilities	756,042	806,165
Net assets		
Common stock	30,572	30,572
Capital surplus	30,572	30,572
Capital reserve	30,572	30,572
Retained earnings	137,706	155,493
Legal reserve in retained earnings	0	0
Other retained earnings	137,706	155,493
Retained earnings brought forward	137,706	155,493
Treasury stock	(0)	(380)
Total shareholders' equity	198,851	216,258
Net unrealized gains on available-for-sale securities	217	244
Total valuation and translation adjustments	217	244
Subscription rights to shares	533	533
Total net assets	199,602	217,036
Total liabilities and net assets	955,644	1,023,201

(2) Non-Consolidated Statements of Income

(Millions of yen)

	The fiscal year ended March 31, 2017	The fiscal year ended March 31, 2018
Ordinary income	113,109	116,650
Interest income	2,822	3,383
Interest on loans	2,704	3,272
Interest and dividends on securities	26	18
Interest on call loans	2	1
Interest on cash and due from banks	89	90
Fees and commissions income	109,830	112,484
Remittance-related fee income	2,358	2,582
ATM-related fee income	103,702	105,986
Other fees and commissions	3,769	3,915
Other operating income	244	283
Gains on foreign exchange transactions	244	283
Other ordinary income	212	498
Reversal of allowance for credit losses	34	—
Other	178	498
Ordinary expenses	74,198	74,387
Interest expenses	945	711
Interest on deposits	320	163
Interest on negotiable certificates of deposits	0	0
Interest on call money	(20)	(28)
Interest on borrowed money	96	70
Interest on bonds	548	506
Fees and commissions expenses	17,440	18,426
Remittance-related fee expenses	1,359	1,466
ATM placement fee expenses	13,895	14,346
ATM-related fee expenses	883	949
Other fees and commissions expenses	1,301	1,663
Other business expenses	—	90
Amortization of bond issuance cost	—	90
General and administrative expenses	55,752	54,981
Other ordinary expenses	60	177
Provision of allowance for credit losses	—	161
Written-off of loans	—	0
Other	60	15
Ordinary profit	38,911	42,262
Extraordinary losses	143	124
Loss on disposal of fixed assets	143	124
Income before income taxes	38,767	42,138
Income taxes—current	11,700	13,277
Income taxes—deferred	194	(245)
Total income taxes	11,895	13,032
Net income	26,871	29,106

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

Fiscal year ended March 31, 2017 (April 1, 2016 – March 31, 2017)

(Millions of yen)

(millions of yen)

	Shareholders' equity							
	Common stock	Capital surplus		Retained earnings			Treasury stock	Total shareholders' equity
		Capital reserve	Total capital surplus	Legal reserve	Other retained earnings	Total retained earnings		
					Retained earnings brought forward			
Balance at the beginning of the 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					(10,423)	(10,423)		(10,423)
Net income					26,871	26,871		26,871
Acquisition of treasury stock								—
Net changes in items other than shareholders' equity								
Total changes in items during the period	58	58	58	—	16,448	16,448	—	16,565
Balance at the end of the year	30,572	30,572	30,572	0	137,706	137,706	(0)	198,851

	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 the beginning of the year	343	343	545	183,174
Changes in items during the period				
Issuance of new shares				117
Cash dividends				(10,423)
Net income				26,871
Acquisition of treasury stock				—
Net changes in items other than shareholders' equity	(126)	(126)	(11)	(137)
Total changes in items during the period	(126)	(126)	(11)	16,428
Balance at the end of the year	217	217	533	199,602

	Shareholders' equity							
	Common stock	Capital surplus		Retained earnings			Treasury stock	Total shareholders' equity
		Capital reserve	Total capital surplus	Legal reserve	Other retained earnings	Total retained earnings		
					Retained earnings brought forward			
Balance at the beginning of the 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					(11,319)	(11,319)		(11,319)
Net income					29,106	29,106		29,106
Acquisition of treasury stock							(380)	(380)
Net changes in items other than shareholders' equity								
Total changes in items during the period	—	—	—	—	17,786	17,786	(380)	17,406
Balance at the end of the year	30,572	30,572	30,572	0	155,493	155,493	(380)	216,258

	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 the beginning of the year	217	217	533	199,602
Changes in items during the period				
Issuance of new shares				—
Cash dividends				(11,319)
Net income				29,106
Acquisition of treasury stock				(380)
Net changes in items other than shareholders' equity	27	27	—	27
Total changes in items during the period	27	27	—	17,433
Balance at the end of the year	244	244	533	217,036