



Financial Results for the Third Quarter of the Fiscal Year Ending March 31, 2020 (Consolidated Data)

February 7, 2020

Company Name: Seven Bank, Ltd. Stock exchange listing: Tokyo Stock Exchange
 Stock Code: 8410 URL <https://www.sevenbank.co.jp/>
 Representative: Yasuaki Funatake, President and Representative Director
 For inquiries: Hisanao Kawada, Managing Executive Officer, General Manager of Planning Division
 Telephone: +81-3-3211-3041
 Scheduled date for filing of quarterly financial report: February 10, 2020
 Scheduled date for cash dividends: —
 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 Third Quarter of the Fiscal Year Ending March 31, 2020 (April 1, 2019–December 31, 2019)

(1) Consolidated Operating Results (Accumulated)

(% represents the year-on-year change from the same period of the previous fiscal year.)

	Ordinary income		Ordinary profit		Net income attributable to owners of the parent	
	Million yen	%	Million yen	%	Million yen	%
Nine months ended December 31, 2019	112,345	0.8	31,556	(1.8)	20,788	177.1
Nine months ended December 31, 2018	111,435	17.6	32,142	7.0	7,501	(63.4)

Note: Comprehensive income: Nine months ended December 31, 2019 20,759 million yen (+179.4%)
 Nine months ended December 31, 2018 7,428 million yen (-62.8%)

	Net income per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2019	17.57	17.55
Nine months ended December 31, 2018	6.29	6.28

(2) Consolidated Financial Position

	Total assets	Total net assets	Net assets to total assets ratio
	Million yen	Million yen	%
Nine months ended December 31, 2019	1,162,043	216,581	18.5
As of March 31, 2019	1,141,926	212,890	18.6

(Reference) Capital: Nine months ended December 31, 2019 216,011 million yen
 As of March 31, 2019 212,557 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 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
As of March 31, 2019	—	5.00	—	6.00	11.00
Fiscal year ending March 31, 2020	—	5.50	—		
Fiscal year ending March 31, 2020 (Forecasts)				5.50	11.00

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

3. Performance Forecasts for the Fiscal Year Ending March 31, 2020 (April 1, 2019–March 31, 2020)

(% 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		Net income per share
Full year	Million yen 148,900	% 1.0	Million yen 39,700	% (2.4)	Million yen 26,700	% 101.7	Yen 22.59

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

Notes

(1) Changes in important subsidiaries during the third quarter of the fiscal year ending March 31, 2020 : None

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

Added - (company name) - Excluded - (company name) -

Note: Pito AxM Platform, Inc., Seven Global Remit, Ltd., and ACSiON, Ltd. are included as consolidated subsidiaries in the nine months under review although they do not fall under changes in specific subsidiaries.

(2) Application of accounting methods specific to the preparation of quarterly consolidated financial statements:
None

(3) 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

(4) Number of shares (common stock)

(a) Number of shares in issue (including treasury stock)

As of December 31, 2019	1,179,129,000 shares	As of March 31, 2019	1,192,464,000 shares
As of December 31, 2019	798,656 shares	As of March 31, 2019	831,371 shares
As of December 31, 2019	1,182,690,987 shares	As of December 31, 2018	1,191,331,207 shares

(b) Number of treasury shares

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

Note: Number of treasury shares and average number of shares for the period under review include shares of the Company held by “Directors’ Compensation BIP Trust” and “Stock Grant ESOP Trust.”

* This quarterly earnings report is exempt from quarterly review procedures by a certified public accountant or audit corporation.

* 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.

1. Quarterly Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2019	As of December 31, 2019
Assets		
Cash and due from banks	780,650	866,004
Securities	85,639	71,879
Loans	22,688	22,882
Foreign currency	0	0
ATM-related temporary payments	194,910	141,544
Other assets	15,074	17,452
Tangible fixed assets	15,155	13,289
Intangible fixed assets	26,655	28,156
Asset for retirement benefits	444	497
Deferred tax assets	732	360
Allowance for credit losses	(23)	(24)
Total assets	1,141,926	1,162,043
Liabilities		
Deposits	678,664	735,981
Negotiable certificates of deposits	810	800
Borrowed money	10,000	—
Bonds	135,000	125,000
ATM-related temporary advances	80,853	57,505
Other liabilities	22,816	25,620
Reserve for bonuses	537	188
Liability for retirement benefits	2	2
Reserve for directors' retirement benefits	5	3
Reserve for directors' benefit trust	166	215
Deferred tax liabilities	179	143
Total liabilities	929,036	945,462
Net assets		
Common stock	30,679	30,702
Capital surplus	30,661	30,757
Retained earnings	147,094	150,385
Treasury stock	(352)	(338)
Total shareholders' equity	208,083	211,507
Net unrealized gains on available-for-sale securities	492	666
Foreign currency translation adjustments	3,798	3,672
Accumulated adjustments for retirement benefit	182	164
Total accumulated other comprehensive income	4,473	4,503
Subscription rights to shares	320	274
Non-controlling interests	11	294
Total net assets	212,890	216,581
Total liabilities and net assets	1,141,926	1,162,043

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

Consolidated Statement of Income

(Millions of yen)

	Nine months ended December 31, 2018	Nine months ended December 31, 2019
Ordinary income	111,435	112,345
Interest income	2,665	2,678
(Interest on loans)	2,581	2,589
(Interest and dividends on securities)	16	21
Fees and commissions income	107,724	109,352
(ATM-related fee income)	102,251	103,510
Other operating income	246	196
Other ordinary income	799	117
Ordinary expenses	79,293	80,788
Interest expenses	495	519
(Interest on deposits)	91	80
Fees and commissions expenses	28,989	30,647
(ATM placement fee expenses)	22,604	23,487
(ATM-related fee expenses)	3,205	3,855
General and administrative expenses	49,598	46,017
Other ordinary expenses	210	3,604
Ordinary profit	32,142	31,556
Extraordinary income	—	56
Gain on disposal of fixed assets	—	56
Extraordinary losses	14,813	105
Loss on disposal of fixed assets	94	105
Impairment loss	14,719	—
Income before income taxes	17,328	31,507
Income taxes-current	10,077	10,479
Income taxes-deferred	(244)	271
Total income taxes	9,833	10,750
Net income	7,495	20,756
Net loss attributable to non-controlling interests	(6)	(31)
Net income attributable to owners of the parent	7,501	20,788

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Nine months ended December 31, 2018	Nine months ended December 31, 2019
Net income	7,495	20,756
Other comprehensive income	(66)	2
Net unrealized gains on available-for-sale securities	446	173
Foreign currency translation adjustments	(515)	(153)
Adjustments for retirement benefit	2	(17)
Comprehensive income	7,428	20,759
Comprehensive income attributable to:		
Owners of the parent	7,436	20,818
Non-controlling interests	(7)	(59)

2. Quarterly Non-Consolidated Financial Statements

(1) Non-Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2019	As of December 31, 2019
Assets		
Cash and due from banks	778,018	861,289
Securities	92,728	80,642
Loans	23,439	23,417
Foreign currency	0	0
ATM-related temporary payments	194,875	141,477
Other assets	11,899	14,752
Tangible fixed assets	12,155	10,828
Intangible fixed assets	24,828	26,474
Prepaid pension cost	172	244
Deferred tax assets	7,510	8,050
Allowance for credit losses	(118)	(78)
Total assets	1,145,511	1,167,099
Liabilities		
Deposits	679,730	737,308
Negotiable certificates of deposits	810	800
Borrowed money	10,000	—
Bonds	135,000	125,000
ATM-related temporary advances	80,853	57,505
Other liabilities	18,907	21,533
Reserve for bonuses	374	103
Reserve for directors' benefit trust	166	215
Total liabilities	925,843	942,466
Net assets		
Common stock	30,679	30,702
Capital surplus	30,679	30,702
Retained earnings	157,847	162,624
Treasury stock	(352)	(338)
Total shareholders' equity	218,854	223,690
Net unrealized gains on available-for-sale securities	492	666
Total valuation and translation adjustments	492	666
Subscription rights to shares	320	274
Total net assets	219,667	224,632
Total liabilities and net assets	1,145,511	1,167,099

(2) Non-Consolidated Statements of Income

(Millions of yen)

	Nine months ended December 31, 2018	Nine months ended December 31, 2019
Ordinary income	91,098	91,015
Interest income	2,674	2,681
(Interest on loans)	2,592	2,595
(Interest and dividends on securities)	16	21
Fees and commissions income	87,339	87,930
(ATM-related fee income)	82,103	82,417
Other operating income	268	225
Other ordinary income	816	176
Ordinary expenses	56,870	55,834
Interest expenses	493	516
(Interest on deposits)	91	80
Fees and commissions expenses	14,382	15,309
(ATM placement fee expenses)	11,165	11,930
(ATM-related fee expenses)	720	787
General and administrative expenses	41,977	39,915
Other ordinary expenses	16	92
Ordinary profit	34,228	35,181
Extraordinary losses	21,854	3,056
Loss on disposal of fixed assets	98	56
Loss on valuation of stocks of subsidiaries and affiliates	21,756	2,999
Income before income taxes	12,373	32,124
Income taxes-current	10,035	10,466
Income taxes-deferred	(6,236)	(616)
Total income taxes	3,798	9,850
Net income	8,575	22,274

3. Capital Adequacy Ratio (Domestic Standard)

(1) Consolidated Capital Adequacy Ratio (Domestic Standard)

	As of December. 31, 2019
Consolidated capital adequacy ratio (domestic standard)	50.92%

(Reference) As of March 31, 2019
47.77%

(2) Non-consolidated Capital Adequacy Ratio (Domestic Standard)

	As of December. 31, 2019
Non-consolidated capital adequacy ratio (domestic standard)	55.82%

(Reference) As of March 31, 2019
51.75%