

# Financial Results for the First Quarter of Fiscal 2018

August 2018



# Contents

Income Statement (Consolidated) 3

Income Statement (Seven Bank) 4

ATM Platform Business 5

Settlement and Account Business 6

Income Statement (FCTI) 7

Overseas Business (North America) 8

Consolidated Subsidiary (Japan ) 9

Consolidated Subsidiaries  
(Japan and Indonesia) 10

\* Earnings announcement data can be found on our website.  
(<http://www.sevenbank.co.jp/english/ir/library/presentation/>)

These presentation materials contain forward looking statements concerning forecasts, expectations, goals and plans related to the financial results of Seven Bank, Ltd. ("Seven Bank") and its consolidated subsidiaries. Except for concrete historical facts, these forward looking statements are based on the information available when they were written. As such, these forward-looking statements may contain some premises (assumptions). These statements and premises (assumptions) are subjective and subject to various risks and uncertainties. As a result of such risks and uncertainties, the actual financial results of Seven Bank may differ substantially from these forecasts and expectations. Such risks and uncertainties include, without limitation, system malfunctions, disasters, crimes and other various risks entailed in the ATM Platform Business, Settlement and Account Business and Overseas Business. Any information in these materials, which is other than that of Seven Bank and its consolidated subsidiaries, is based on publicly available information, and we have not validated the accuracy and appropriateness of such information and do not guarantee its accuracy. All rights reserved.

# Income Statement (Consolidated)

Ordinary income increased 15.7% year on year  
Ordinary profit increased 1.8% year on year  
Net income decreased 2.7% year on year

(Billion yen)

|                   | FY17<br>1Q | FY18<br>1Q | Changes from<br>FY17 1Q | FY18<br>Plan |
|-------------------|------------|------------|-------------------------|--------------|
| Ordinary income   | 30.9       | 35.8       | 4.9                     | 146.7        |
| Ordinary expenses | 21.0       | 25.7       | 4.7                     | 106.9        |
| Ordinary profit   | 9.9        | 10.0       | 0.1                     | 39.8         |
| Net income        | 6.7        | 6.5        | (0.2)                   | 26.8         |

Notes:

1. Amounts less than one hundred million yen have been truncated.
2. Previous-year comparisons are based on the units used in these materials.
3. Exchange rates per USD 1 on the consolidated income statement:  
FY17 1Q = ¥113.60, FY18 1Q = ¥108.22, FY18 Plan = ¥110.00
4. Net income is net income attributable to owners of the parent.

# Income Statement (Seven Bank)

Ordinary income increased 2.8% year on year  
Ordinary profit increased 6.1% year on year  
Net income increased 6.4% year on year

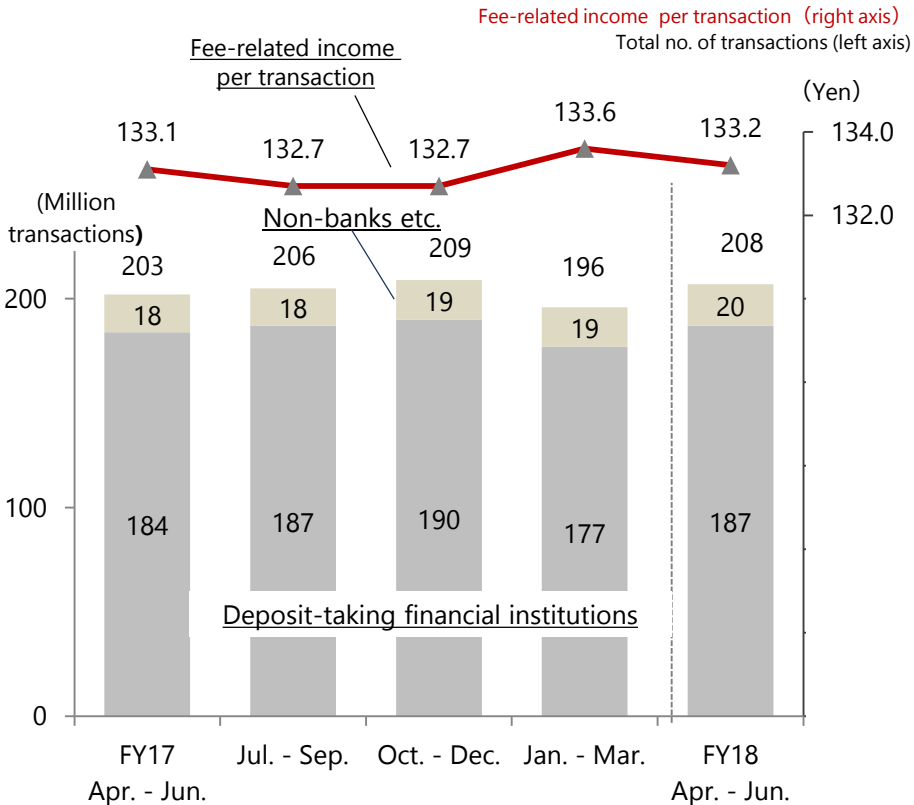
(Billion yen)

|  | FY17<br>1Q  | FY18<br>1Q  | Changes from<br>FY17 1Q | FY18<br>Plan |
|--|-------------|-------------|-------------------------|--------------|
| Ordinary income  | <b>28.9</b> | <b>29.7</b> | <b>0.8</b>              | <b>119.6</b> |
| ATM-related fee income                                       | 26.4        | 27.0        | 0.6                     | 108.3        |
| Ordinary expenses  | <b>18.2</b> | <b>18.3</b> | <b>0.1</b>              | <b>77.1</b>  |
| Ordinary profit  | <b>10.6</b> | <b>11.3</b> | <b>0.7</b>              | <b>42.5</b>  |
| Net income   | <b>7.3</b>  | <b>7.8</b>  | <b>0.5</b>              | <b>29.4</b>  |
| EBITDA   | 14.6        | 15.2        | 0.6                     | 58.6         |
| No. of ATMs installed at end of term<br>(units)              | 23,553      | 24,500      | 947                     | 25,350       |
| Daily average transactions per ATM<br>(transactions/ATM/day) | 95.7        | 93.9        | (1.8)                   | 93.1         |
| Total no. of transactions (millions)                         | 203         | 208         | 5                       | 839          |

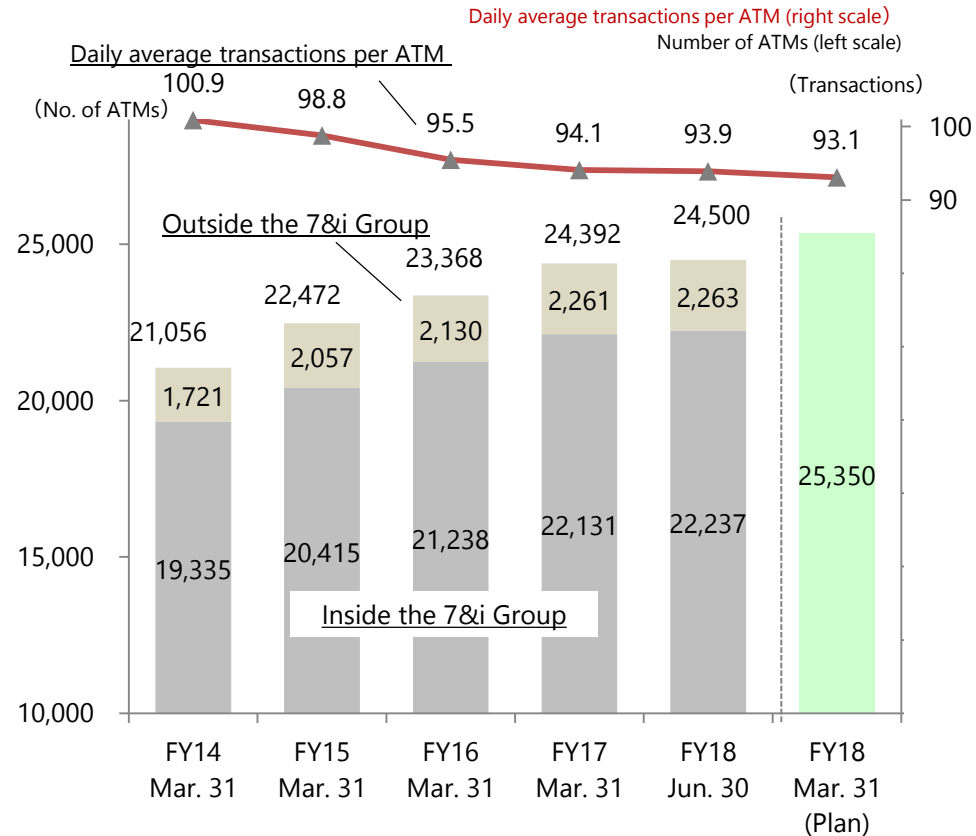
Note: EBITDA = Ordinary profit + Depreciation and amortization

# ATM Platform Business

## ATM Usage and Fee-Related Income per Transaction



## Number of ATMs and Daily Average Transactions per ATM



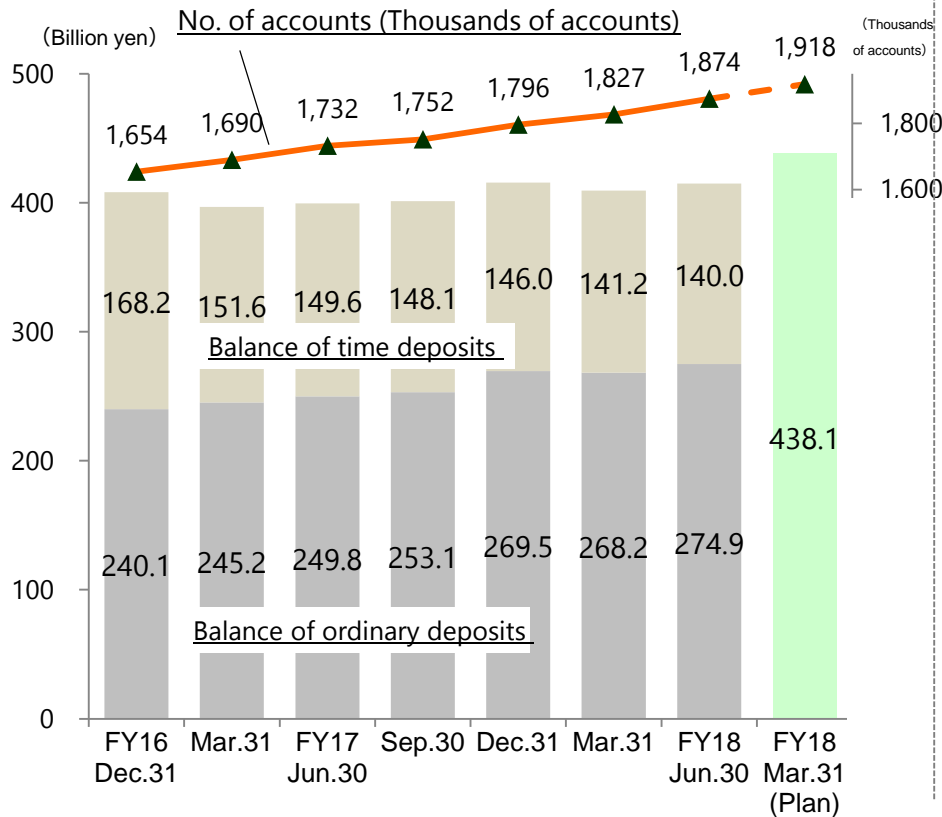
Notes:

1. Total of transactions and Daily average transactions per ATM for the period excludes balance inquiries, e-money charges, PIN changes and daily withdrawal limit changes.
2. ATM-related fee income per transaction = ATM-related fee income / (Total of transactions – Total of transactions without ATM-related fee income (i.e. sales proceeds deposits))
3. In this report, securities, life insurance, credit card, consumer credit and consumer financing companies are all referred to as “non-banks etc.”

- Number of ATMs increased and the total number of transactions increased
- Conducted measures to expand new services including smartphone ATMs, charge transactions and cash receipt service

# Settlement and Account Business

## Number of individual accounts and balance of deposits



## Personal loan services

|  | 2017<br>Mar. 31 | 2017<br>Jun. 30 | FY18<br>Plan |
|--|-----------------|-----------------|--------------|
| Balance at end of period (Billion yen) | 22.7            | 22.8            | 25.8         |

## International money transfer services

|  | 2017<br>Apr. – Jun. | 2018<br>Apr. – Jun. | FY18<br>Plan |
|--|---------------------|---------------------|--------------|
| Number of transactions (Thousands of transactions) | 255                 | 272                 | 1,259        |

## Debit services

|  | 2017<br>Apr. – Jun. | 2018<br>Apr. – Jun. | FY18<br>Plan |
|--|---------------------|---------------------|--------------|
| Number of transactions (Thousands of transactions) | 1,267               | 2,264               | 10,558       |

- Number of individual accounts and balance of deposits grew steadily
- Each service is progressing differently, and we will review our measures, including methods of attracting customers

## Income Statement (FCTI)

Ordinary income  
Ordinary profit  
Net income

increased 211.9% year on year  
decreased 128.6% year on year  
decreased 262.8% year on year

(Million US\$)

|  | FY17<br>1Q<br>(2017/Jan. – Mar.) | FY18<br>1Q<br>(2018/Jan. – Mar.) | Changes<br>from FY17<br>results | FY18 Plan     |
|--|----------------------------------|----------------------------------|---------------------------------|---------------|
| Ordinary income  | <b>17.8</b>                      | <b>55.8</b>                      | <b>38.0</b>                     | <b>239.1</b>  |
| Ordinary expenses  | <b>21.4</b>                      | <b>64.0</b>                      | <b>42.6</b>                     | <b>250.0</b>  |
| Ordinary profit  | <b>(3.5)</b>                     | <b>(8.2)</b>                     | <b>(4.7)</b>                    | <b>(10.9)</b> |
| Net income   | <b>(2.2)</b>                     | <b>(8.2)</b>                     | <b>(6.0)</b>                    | <b>(10.9)</b> |
| EBITDA   | (2.0)                            | (1.8)                            | 0.2                             | 13.9          |
| No. of ATMs installed at end of term (units)                 | 5,829                            | 13,413                           | 7,584                           | 13,300        |
| At SEI (units)   | -                                | 7,954                            | 7,954                           | 8,400         |
| Daily average transactions per ATM<br>(transactions/ATM/day) | 15.9                             | 31.2                             | 15.3                            | 36.7          |
| At SEI (transactions/ATM/day)                                | -                                | 43.0                             | -                               | 50.0          |
| Total no. of transactions (Thousands)                        | 8,660                            | 36,152                           | 27,492                          | 177,400       |

**Note:**

Number of ATMs installed as of June 30, 2018: 13,235

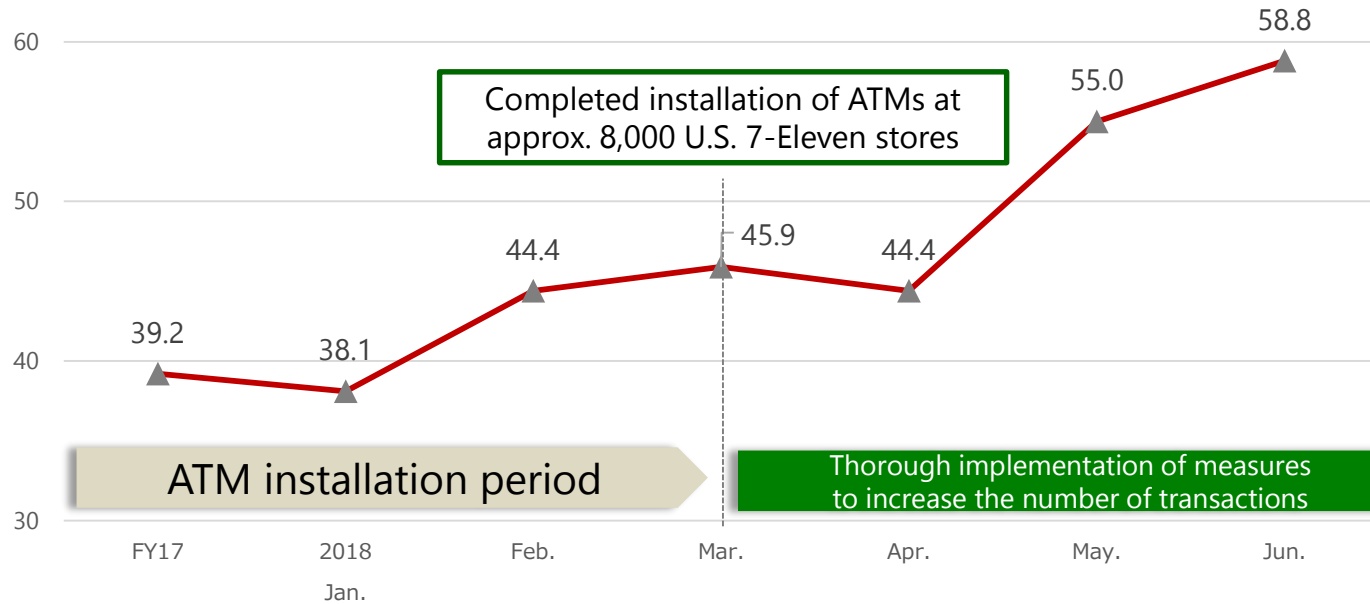
Installed at 7-Eleven stores: 7,899

Installed at stores other than 7-Eleven stores: 4,487 directly owned, 849 owned by location where installed

# Overseas Business (North America)

## ATMs Installed at U.S. 7-Eleven Stores

Monthly average transactions per ATM



- Recognition is rising and the number of transactions has been increasing since May
- Currently reviewing operations, including adjustments to ATM cash supply costs



Bank Business Factory Co., Ltd. (BBF) (Japan)



**Bank Business Factory** (Wholly owned subsidiary of Seven Bank)

## Start of Support for Money Laundering Countermeasures at Financial Institutions

In collaboration with SCSK Corporation, we started a “transaction monitoring outsourcing service,” which is an integrated service that singles out and reports on transactions deemed to be suspicious from transaction data supplied by partner companies as a countermeasure against fraudulent accounts.



Contribute to administrative efficiency of financial institutions →  
Strengthen a **wide spectrum** of relationships

- Orders from four banks for money laundering monitoring services (As of August 3, 2018)
- We have received inquiries from many financial institutions and are reinforcing the system for introduction of service

## Seven Payment Service, Ltd. (Japan)



### **SEVEN PAYMENT SERVICE** (Wholly owned subsidiary of Seven Bank)

- Cash receipt service started on May 7, 2018  
Service contracts with 52 companies (as of June 30, 2018), and aiming for contracts with 100 companies by the end of the fiscal year

## Seven Pay Co., Ltd. (Japan)

### Seven Pay Co., Ltd.

- Established on June 14, 2018 (Equity-method associate; Seven Bank investment ratio 30%)  
Preparing to launch a new settlement service using smartphones as a tool (scheduled for spring 2019)

## PT. ABADI TAMBAH MULIA INTERNASIONAL (ATMi) (Indonesia)



- 114 ATMs installed (as of June 30, 2018)

Continue to strengthen sales structure and promote S&B to increase efficiency of self-managed ATMs (Shift installations to locations where the number of transactions can be estimated)