



## Financial Results for the Second Quarter (Interim Period) of the Fiscal Year Ending March 31, 2019 (Consolidated Data)

November 2, 2018

Company Name: Seven Bank, Ltd. Stock exchange listing: Tokyo Stock Exchange  
 Stock Code: 8410 URL: <https://www.sevenbank.co.jp/english/>  
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Scheduled date for filing of quarterly financial report: November 13, 2018  
 Scheduled date for cash dividends: December 3, 2018  
 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, 2019 (April 1, 2018 – September 30, 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	%
Six months ended September 30, 2018	73,450	17.9	20,725	4.1	(258)	—
Six months ended September 30, 2017	62,279	1.7	19,898	4.1	13,602	4.7

Note: Comprehensive income: Six months ended September 30, 2018: (459) million yen (—%);  
 Six months ended September 30, 2017: 12,808 million yen (+23.9%)

	Net income per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2018	(0.21)	—
Six months ended September 30, 2017	11.41	11.39

Note: Diluted earnings per share for the six months ended September 30, 2018 are not presented because a net loss was recorded.

#### (2) Consolidated Financial Position

	Total assets	Total net assets	Net assets to total assets ratio
	Million yen	Million yen	%
As of September 30, 2018	1,089,978	205,341	18.8
As of March 31, 2018	1,022,485	212,027	20.6

(Reference) Capital: September 30, 2018: 205,009 million yen March 31, 2018: 211,475 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, 2018	—	4.75	—	5.25	10.00
Fiscal year ending March 31, 2019	—	5.00			
Fiscal year ending March 31, 2019 (Forecasts)			—	5.00	10.00

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

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

(% 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	147,200	15.3	39,900	4.1	12,800	(49.4)	10.74

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, 2019: 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, 2018 1,192,464,000 shares As of March 31, 2018 1,191,528,000 shares

(b) Number of treasury shares

As of September 30, 2018 831,371 shares As of March 31, 2018 896,328 shares

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

As of September 30, 2018 1,191,179,673 shares As of September 30, 2017 1,191,293,135 shares

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.”

## Overview of Non-Consolidated Performance

### 1. Non-Consolidated Financial Highlights for the Second Quarter (Interim Period) of the Fiscal Year Ending March 31, 2019 (April 1, 2018 – September 30, 2018)

#### (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, 2018	60,405	3.8	22,826	6.1	701	(95.2)
Six months ended September 30, 2017	58,186	2.3	21,507	7.0	14,808	7.2

	Net income per share
	Yen
Six months ended September 30, 2018	0.58
Six months ended September 30, 2017	12.43

#### (2) Non-Consolidated Financial Position

	Total assets	Total net assets	Net assets to total assets ratio
	Million yen	Million yen	%
As of September 30, 2018	1,093,394	212,110	19.3
As of March 31, 2018	1,023,201	217,036	21.1

(Reference) Capital: September 30, 2018: 211,790 million yen March 31, 2018: 216,503 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 the previous fiscal year.)

	Ordinary income		Ordinary profit		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Yen
Full-year	119,600	2.5	42,500	0.5	14,000	(51.9)	11.75

#### This earnings report is exempt from audit procedures

#### 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, 2018, 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, 2018	As of September 30, 2018
<b>Assets</b>		
Cash and due from banks	710,369	728,983
Securities	61,939	78,982
Loans	22,715	22,863
Foreign currency	0	0
ATM-related temporary payments	146,977	199,072
Other assets	18,537	15,152
Tangible fixed assets	24,798	17,203
Intangible fixed assets	35,958	26,933
Asset for retirement benefits	264	296
Deferred tax assets	962	522
Allowance for credit losses	(36)	(32)
<b>Total assets</b>	<b>1,022,485</b>	<b>1,089,978</b>
<b>Liabilities</b>		
Deposits	622,406	677,417
Negotiable certificates of deposits	800	1,360
Borrowed money	10,000	10,000
Bonds	95,000	95,000
ATM-related temporary advances	59,032	80,448
Other liabilities	21,769	19,662
Reserve for bonuses	457	471
Liability for retirement benefits	2	2
Reserve for directors' retirement benefits	2	3
Reserve for stocks payment	102	120
Deferred tax liabilities	885	149
<b>Total liabilities</b>	<b>810,458</b>	<b>884,637</b>
<b>Net assets</b>		
Common stock	30,572	30,679
Capital surplus	30,554	30,661
Retained earnings	146,075	139,562
Treasury stock	(380)	(352)
<b>Total shareholders' equity</b>	<b>206,823</b>	<b>200,551</b>
Net unrealized gains on available-for-sale securities	244	844
Foreign currency translation adjustments	4,308	3,514
Accumulated adjustments for retirement benefit	98	99
<b>Total accumulated other comprehensive income</b>	<b>4,651</b>	<b>4,458</b>
Subscription rights to shares	533	320
Non-controlling interests	18	11
<b>Total net assets</b>	<b>212,027</b>	<b>205,341</b>
<b>Total liabilities and net assets</b>	<b>1,022,485</b>	<b>1,089,978</b>

**(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, 2017	For the six months ended September 30, 2018
Ordinary income	62,279	73,450
Interest income	1,652	1,770
(Interest on loans)	1,591	1,716
(Interest and dividends on securities)	10	9
Fees and commissions income	60,480	70,996
(ATM-related fee income)	57,302	67,421
Other operating income	125	135
Other ordinary income	20	548
Ordinary expenses	42,381	52,725
Interest expenses	351	330
(Interest on deposits)	89	62
Fees and commissions expenses	12,038	18,980
(ATM placement fee expenses)	9,619	14,821
(ATM-related fee expenses)	849	2,089
General and administrative expenses	29,962	33,249
Other ordinary expenses	29	165
Ordinary profit	19,898	20,725
Extraordinary losses	83	14,678
Loss on disposal of fixed assets	83	81
Impairment loss	—	14,596
Income before income taxes	19,814	6,047
Income taxes-current	6,755	6,844
Income taxes-deferred	(542)	(531)
Total income taxes	6,213	6,312
Net income (loss)	13,601	(264)
Net income (loss) attributable to non-controlling interests	(1)	(6)
Net income (loss) attributable to owners of the parent	13,602	(258)

**Consolidated Statements of Comprehensive Income**

(Millions of yen)

	For the six months ended September 30, 2017	For the six months ended September 30, 2018
Net income (loss)	13,601	(264)
Other comprehensive income	(792)	(194)
Net unrealized gains (losses) on available-for-sale securities	103	600
Foreign currency translation adjustments	(903)	(795)
Adjustments for retirement benefit	7	1
Comprehensive income	12,808	(459)
Comprehensive income attributable to:		
Owners of the parent	12,810	(451)
Non-controlling interests	(1)	(7)

**(3) Consolidated Statements of Changes in Net Assets**

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 (loss) attributable to owners of the parent			13,602		13,602
Acquisition of treasury stock				(380)	(380)
Disposal of treasury stock					—
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 (loss) attributable to owners of the parent							13,602
Acquisition of treasury stock							(380)
Disposal of treasury stock							—
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

For the six months ended September 30, 2018 (April 1, 2018 to September 30, 2018)

(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	146,075	(380)	206,823
Changes in items during the period					
Issuance of new shares	106	106			213
Cash dividends			(6,255)		(6,255)
Net income (loss) attributable to owners of the parent			(258)		(258)
Acquisition of treasury stock					—
Disposal of treasury stock				27	27
Net change in items other than shareholders' equity during the period					
Net changes in items during the period	106	106	(6,513)	27	(6,272)
Balance at end of the period	30,679	30,661	139,562	(352)	200,551

	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	244	4,308	98	4,651	533	18	212,027
Changes in items during the period							
Issuance of new shares							213
Cash dividends							(6,255)
Net income (loss) attributable to owners of the parent							(258)
Acquisition of treasury stock							—
Disposal of treasury stock							27
Net change in items other than shareholders' equity during the period	600	(794)	1	(193)	(212)	(7)	(413)
Net changes in items during the period	600	(794)	1	(193)	(212)	(7)	(6,686)
Balance at end of the period	844	3,514	99	4,458	320	11	205,341



### 3. Interim Non-Consolidated Financial Statements

#### (1) Non-Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2018	As of September 30, 2018
<b>Assets</b>		
Cash and due from banks	706,876	726,236
Securities	90,028	85,315
Loans	23,799	23,965
Foreign currency	0	0
Accrued income	9,144	8,950
ATM-related temporary payments	146,888	199,041
Other assets	2,156	2,851
Other assets total	2,156	2,851
Tangible fixed assets	17,476	14,739
Intangible fixed assets	25,899	25,048
Prepaid pension cost	116	145
Deferred tax assets	1,009	7,271
Allowance for credit losses	(192)	(170)
<b>Total assets</b>	<b>1,023,201</b>	<b>1,093,394</b>
<b>Liabilities</b>		
Deposits	622,781	677,959
Negotiable certificates of deposits	800	1,360
Borrowed money	10,000	10,000
Bonds	95,000	95,000
ATM-related temporary advances	59,032	80,448
Other liabilities	18,067	16,031
Income taxes payable	8,015	7,341
Asset retirement obligations	355	360
Other liabilities	9,696	8,329
Reserve for bonuses	381	363
Reserve for stocks payment	102	120
<b>Total liabilities</b>	<b>806,165</b>	<b>881,283</b>
<b>Net assets</b>		
Common stock	30,572	30,679
Capital surplus	30,572	30,679
Capital reserve	30,572	30,679
Retained earnings	155,493	149,938
Legal reserve in retained earnings	0	0
Other retained earnings	155,493	149,938
Retained earnings brought forward	155,493	149,938
Treasury stock	(380)	(352)
<b>Total shareholders' equity</b>	<b>216,258</b>	<b>210,945</b>
Net unrealized gains on available-for-sale securities	244	844
Total valuation and translation adjustments	244	844
Subscription rights to shares	533	320
<b>Total net assets</b>	<b>217,036</b>	<b>212,110</b>
<b>Total liabilities and net assets</b>	<b>1,023,201</b>	<b>1,093,394</b>

**(2) Non-Consolidated Statements of Income**

(Millions of yen)

	For the six months ended September 30, 2017	For the six months ended September 30, 2018
Ordinary income	58,186	60,405
Interest income	1,645	1,776
(Interest on loans)	1,591	1,723
(Interest and dividends on securities)	10	9
Fees and commissions income	56,348	57,920
(ATM-related fee income)	53,219	54,482
Other operating income	125	149
Other ordinary income	66	559
Ordinary expenses	36,679	37,579
Interest expenses	347	328
(Interest on deposits)	89	62
Fees and commissions expenses	9,150	9,517
(ATM placement fee expenses)	7,155	7,404
(ATM-related fee expenses)	480	479
General and administrative expenses	27,155	27,727
Other ordinary expenses	25	6
Ordinary profit	21,507	22,826
Extraordinary losses	78	21,841
Loss on disposal of fixed assets	78	85
Loss on valuation of stocks of subsidiaries and affiliates	—	21,756
Income before income taxes	21,429	984
Income taxes-current	6,754	6,811
Income taxes-deferred	(133)	(6,527)
Total income taxes	6,620	283
Net income	14,808	701

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

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	Total retained earnings		
					Retained earnings brought forward			
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)
Disposal of treasury stock								—
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)
Disposal of treasury stock				—
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

For the six months ended September 30, 2018 (April 1, 2018 to September 30, 2018)

(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		
				Retained earnings brought forward				
Balance at beginning of year	30,572	30,572	30,572	0	155,493	155,493	(380)	216,258
Changes in items during the period								
Issuance of new shares	106	106	106					213
Cash dividends					(6,255)	(6,255)		(6,255)
Net income					701	701		701
Acquisition of treasury stock								—
Disposal of treasury stock							27	27
Net change in items other than shareholders' equity during the period								
Net changes in items during the period	106	106	106	—	(5,554)	(5,554)	27	(5,313)
Balance at end of the period	30,679	30,679	30,679	0	149,938	149,938	(352)	210,945

	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	244	244	533	217,036
Changes in items during the period				
Issuance of new shares				213
Cash dividends				(6,255)
Net income				701
Acquisition of treasury stock				—
Disposal of treasury stock				27
Net change in items other than shareholders' equity during the period	600	600	(212)	387
Net changes in items during the period	600	600	(212)	(4,925)
Balance at end of the period	844	844	320	212,110