
Financial Results for the Third Quarter of Fiscal 2018

February 1, 2019
Seven Bank, Ltd.

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

FY18 3Q

Consolidated

Ordinary income: ¥111.4 billion (up ¥16.7 billion year-on-year)
Ordinary profit: ¥32.1 billion (up ¥2.1 billion year-on-year)

Non-consolidated

Ordinary income: ¥91.0 billion (up ¥2.8 billion year-on-year)
Ordinary profit: ¥34.2 billion (up ¥1.6 billion year-on-year)

Record ordinary income and profit for a third quarter

Net income attributable to owners of the parent:
¥7.5 billion (down ¥13.0 billion year-on-year)

Net income:
¥8.5 billion (down ¥13.9 billion year-on-year)

Aim to achieve the FY18 plan/
steadily promote the Medium-Term Management Plan

Dividend

[Dividend increase]

Increased the year-end dividend forecast from the current ¥5.00 per share to ¥6.00 per share (annually ¥11.00 per share)

- In the third quarter, **income and profit increased** year on year.

(Billion yen)

	FY17 1Q-3Q	FY18 1Q-3Q	Changes from FY17 1Q-3Q	FY18 <u>Revised Plan</u> (Sep. 7, 2018)
Ordinary income	94.7	111.4	16.7	147.2
Ordinary expenses	64.6	79.2	14.6	107.3
Ordinary profit	30.0	32.1	2.1	39.9
Net income	20.5	7.5	(13.0)	12.8

Notes:

- Amounts less than one hundred million yen have been truncated.
- Previous-year comparisons are based on the units used in these materials.
- Exchange rates per USD 1 on the consolidated income statement
FY17 1Q-3Q = ¥111.89, FY18 1Q-3Q = ¥109.60, FY18 Plan = ¥110.00
- Net income is net income attributable to owners of the parent.

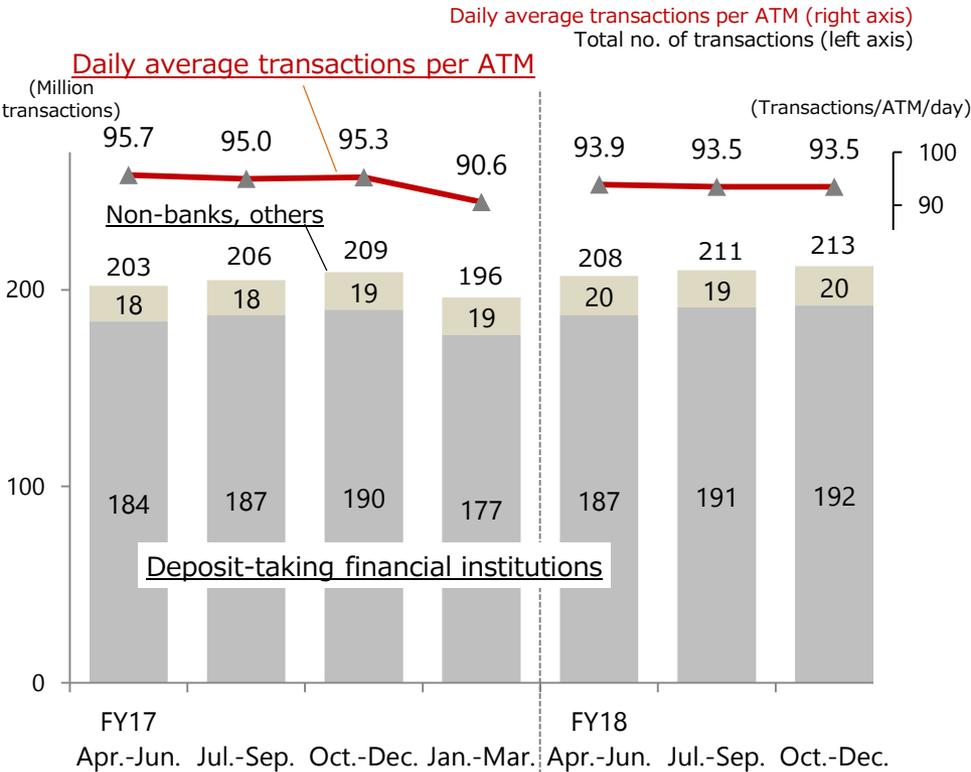
- In the third quarter, **income and profit increased** year on year.

(Billion yen)

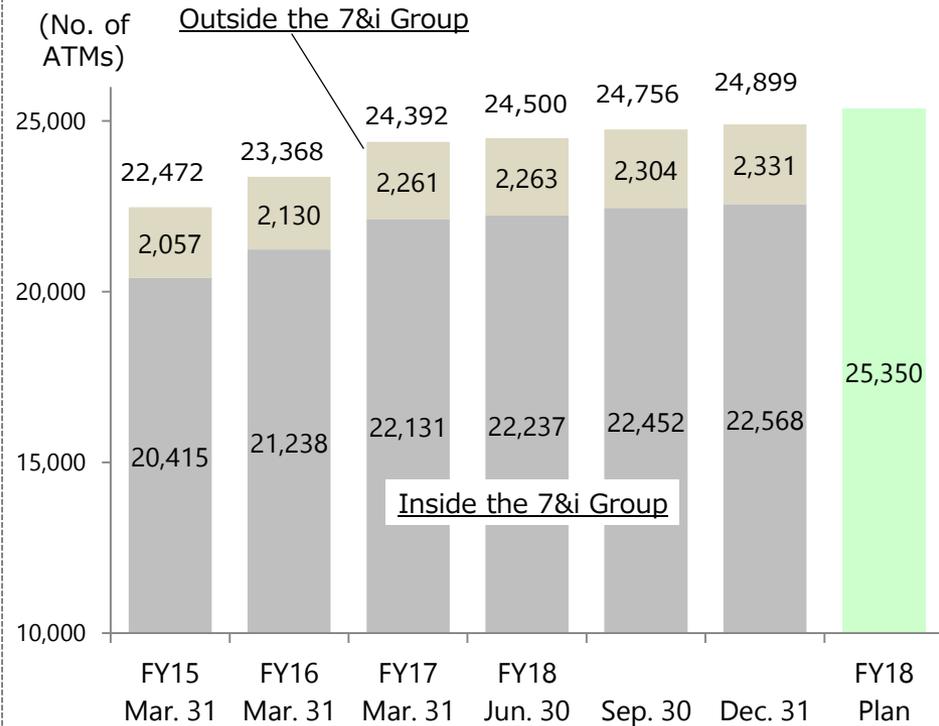
	FY17 1Q-3Q	FY18 1Q-3Q	Changes from FY17 1Q-3Q	FY18 Revised Plan (Sep. 7, 2018)
Ordinary income	88.2	91.0	2.8	119.6
ATM-related fee income	80.3	82.1	1.8	108.3
Ordinary expenses	55.6	56.8	1.2	77.1
Ordinary profit	32.6	34.2	1.6	42.5
Extraordinary losses	0.0	21.8	21.8	21.9
Income taxes	10.0	3.7	(6.3)	6.4
Net income	22.4	8.5	(13.9)	14.0
EBITDA	44.4	46.3	1.9	58.6
No. of ATMs installed at end of term (units)	24,032	24,899	867	25,350
Daily average transactions per ATM (transactions/ATM/day)	95.3	93.6	(1.7)	92.3
Total no. of transactions (million)	618	632	14	830

Note: EBITDA = Ordinary profit + Depreciation and amortization

ATM usage

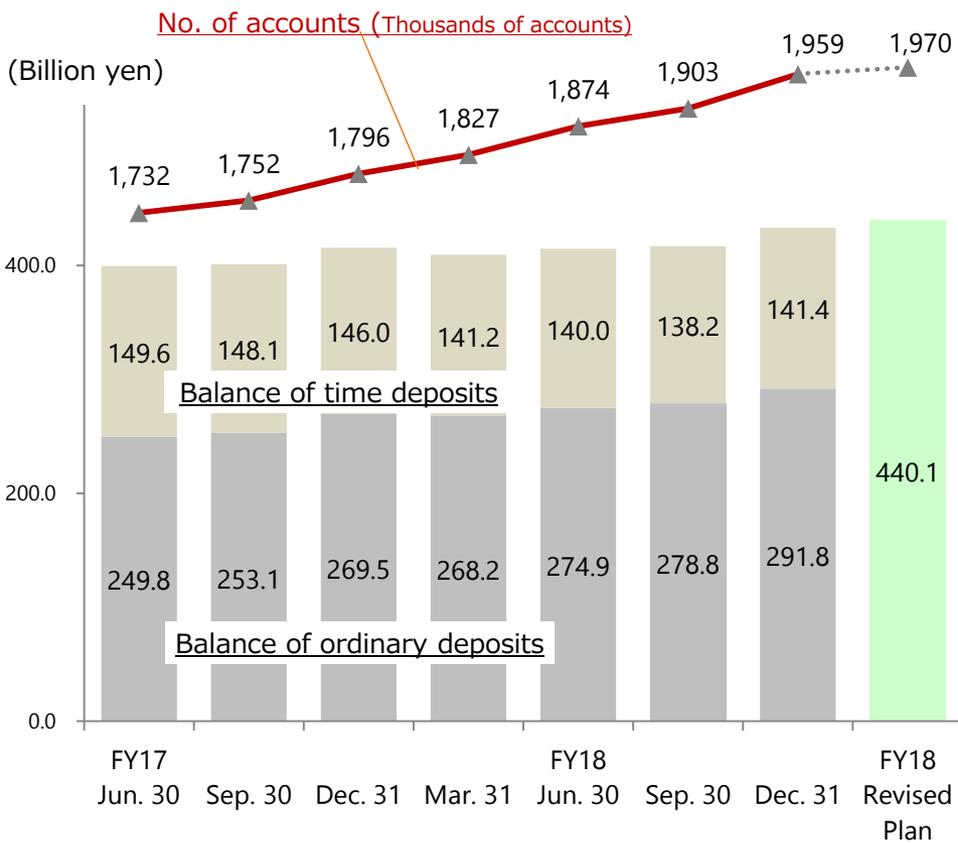


Number of ATMs



Note: Daily average transactions per ATM do not include balance inquiries, e-money charges, PIN changes and withdrawal limit changes.

Number of individual accounts and balance of deposits



Personal loan services

	Dec. 31, 2017	Dec. 31, 2018	FY18 Revised Plan
Balance at end of period (Billion yen)	22.2	22.5	22.7

International money transfer services

	Apr.-Dec. 2017	Apr.-Dec. 2018	FY18 Revised Plan
Number of transactions (Thousands of transactions)	818	869	1,150

Debit services

	Apr.-Dec. 2017	Apr.-Dec. 2018	FY18 Revised Plan
Number of transactions (Thousands of transactions)	4,582	7,605	10,317

Surely implementing various measures under the Medium-Term Management Plan

■ E-money charges (the service was enhanced on Oct. 15)

- Nov. 1-15: TV commercials, Area-based ads
- Nov. 26-Dec. 16: Campaigns (transportation-related)



Firm increase in the number of e-money charges

+

Increase in ATM usage (accompanying transactions)
Withdrawal transactions before or after e-money charging, etc.

■ Wide-area entrustment of ATMs installed outside of branches belonging to THE NANTO BANK, LTD.

- First time among regional banks! To replace outside ATMs from 2019

Actualization of needs



Increase in the number of ATMs installed
Expansion of opportunities to be entrusted from financial institutions

■ Investment in TORANOTEC Ltd

- A company developing and operating change investment app Toranoko

It conforms with "7&i's unique concept of offering financial products and services that stand close to customers"

Invested approx. 2 billion yen
TORANOTEC Ltd became an equity method affiliated company



Promote development of products and services for Seven Premium financial version

- In the third quarter, **income and profit increased** year on year.

Summary of results



(Million US\$)

	FY17 1Q-3Q (Jan.-Sep.)	FY18 1Q-3Q (Jan.-Sep.)	FY18 <u>Revised Plan</u> (Sep. 7, 2018)
Ordinary income	56.7	183.7	244.3
Ordinary expenses	70.1	194.2	258.4
Ordinary profit	(13.3)	(10.5)	(14.0)
Net income	(8.5)	(100.5)	(104.0)
EBITDA	(8.3)	3.6	2.0

Main ATM figures

	FY17 1Q-3Q (Jan.-Sep.)	FY18 1Q-3Q (Jan.-Sep.)
No. of ATMs installed at end of term (Units)	7,789	13,525
At SEI (Units)	2,162	8,202
Other than SEI: Directly owned (Units)	4,652	4,491
Other than SEI: Owned by location where installed (Units)	975	832
Total no. of transactions during the period (Thousands)	27,248	131,180

Note: It is currently being audited by the auditing firm and the figures are estimates

Notes:

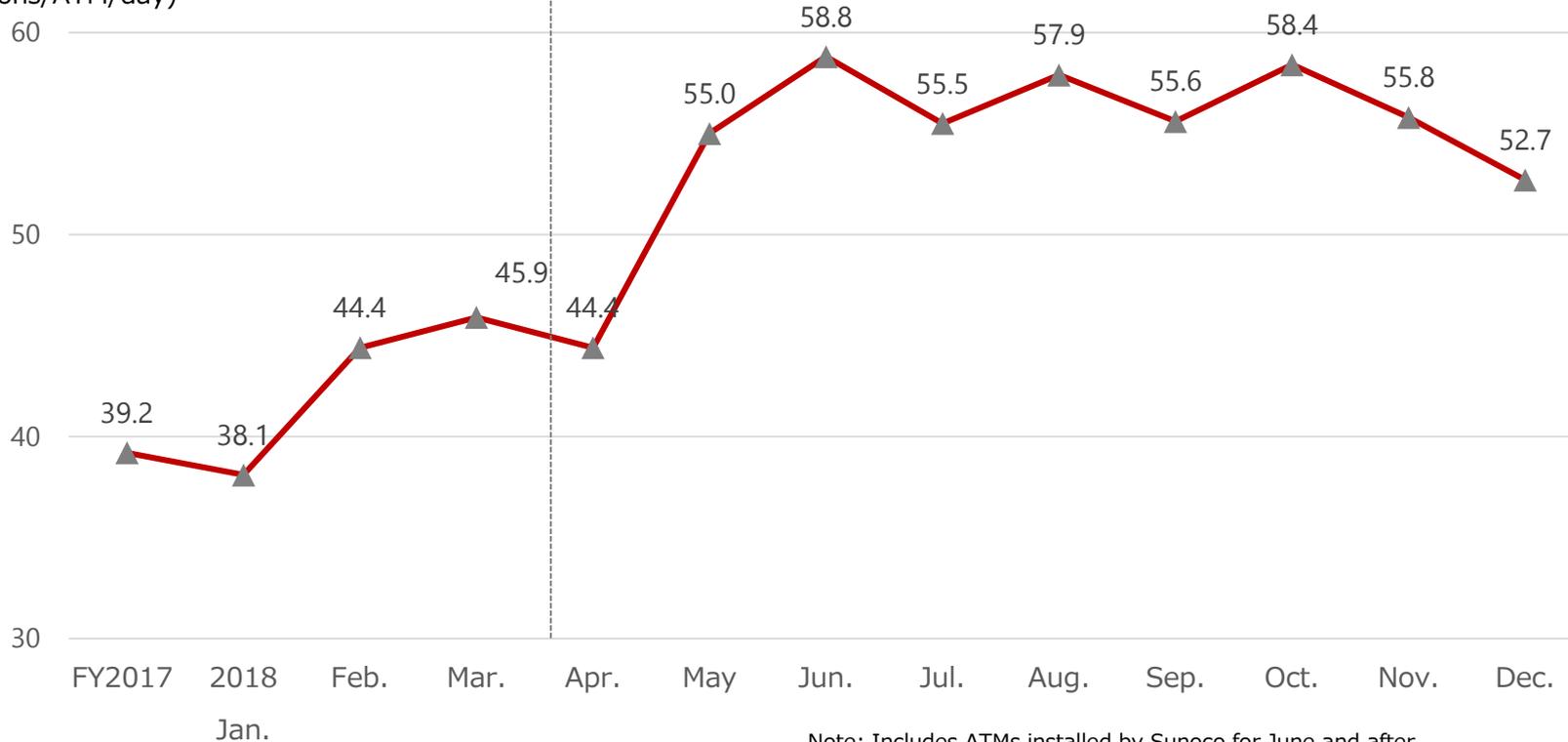
- Total number of transactions for U.S. ATMs includes balance inquiries.
- Number of ATMs as of December 31, 2018: 12,795
At SEI: 8,349
Other than SEI: 4,446 directly owned

ATMs installed at U.S. 7-Eleven

Monthly average transactions per ATM

Installation at about 8,000 U.S. 7-Eleven stores completed

(Transactions/ATM/day)



Pursue further improvement in operation efficiency to surely move into the black in the next fiscal year

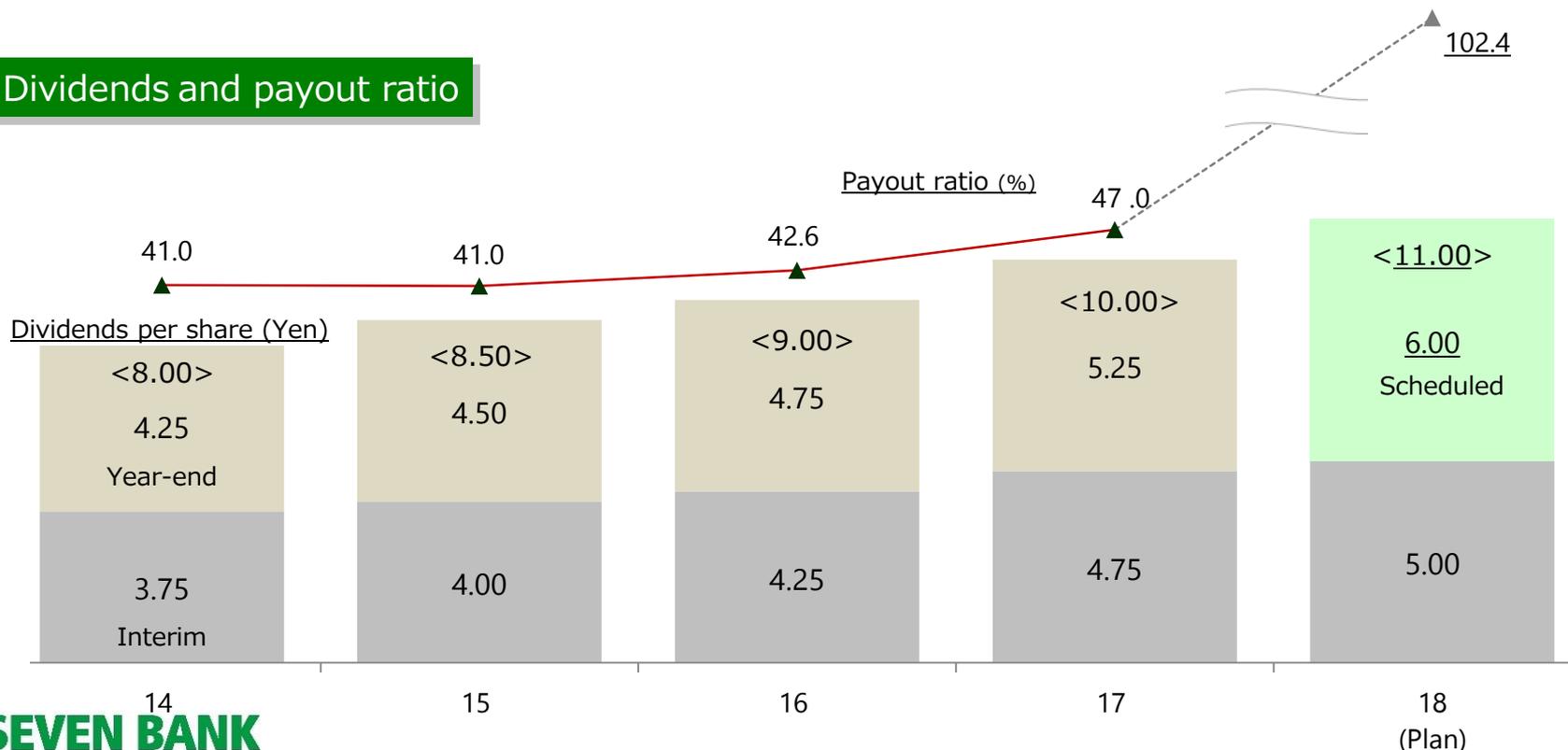
Policy

Targeting a minimum consolidated payout ratio of **40%** through twice-yearly payments

Year-end dividend forecast

Dividend amount: ¥6.0 per share (approximately ¥7.1 billion in total dividends paid)
¥1.00 increase from initial plan for annual dividends of ¥11.00 per share

Dividends and payout ratio



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 or appropriateness of such information and do not guarantee its accuracy. All rights reserved.

