



Financial Results for the Second Quarter (Interim Period) of the Fiscal Year Ending March 31, 2020 [JGAAP] (Consolidated Data)

November 8, 2019

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 14, 2019
 Scheduled date for cash dividends: December 2, 2019
 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, 2020 (April 1, 2019–September 30, 2019)

(1) Consolidated Operating Results (% represents the 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, 2019	74,509	1.4	20,145	(2.7)	13,047	-
Six months ended September 30, 2018	73,450	17.9	20,725	4.1	(258)	-

Note: Comprehensive income: Six months ended September 30, 2019 13,050 million yen (-%)
 Six months ended September 30, 2018 (459) million yen (-%)

	Net income per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2019	11.01	11.00
Six months ended September 30, 2018	(0.21)	-

Note: Diluted earnings per share is not stated for the six months ended September 30, 2018, as net loss was reported for the period.

(2) Consolidated Financial Position

	Total assets	Total net assets	Net assets to total assets ratio
	Million yen	Million yen	%
As of September 30, 2019	1,078,839	215,357	19.9
As of March 31, 2019	1,141,926	212,890	18.6

(Reference) Capital: September 30, 2019 214,752 million yen 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
Fiscal year ended 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 per share
	Million yen	%	Million yen	%	Million yen	%	Yen
Full-year	148,900	1.0	39,700	(2.4)	26,700	101.7	22.59

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

Notes

- (1) Changes in important subsidiaries during the period under review (six months ended September 30, 2019) (changes in specific subsidiaries involving changes in the scope of consolidation): None
 Added - (company name) - Excluded - (company name) -

Note: Pito AxM Platform, Inc., Seven Global Remit, Ltd., and ACSiON, Ltd. are included as consolidated subsidiaries from the first half of this consolidated accounting period although they do not fall under changes in specific subsidiaries.

- (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, 2019	1,179,122,000 shares	As of March 31, 2019	1,192,464,000 shares
(b) Number of treasury shares	As of September 30, 2019	798,656 shares	As of March 31, 2019	831,371 shares
(c) Average number of shares for the period under review (six-month period)	As of September 30, 2019	1,184,883,835 shares	As of September 30, 2018	1,191,179,673 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, 2020 (April 1, 2019–September 30, 2019)

- (1) Non-Consolidated Operating Results (% represents the year-on-year change)

	Ordinary income		Ordinary profit		Net income	
	Million yen	%	Million yen	%	Million yen	%
Six months ended September 30, 2019	60,204	(0.3)	23,218	1.7	14,291	-
Six months ended September 30, 2018	60,405	3.8	22,826	6.1	701	(95.2)

	Net income per share	
	Yen	
Six months ended September 30, 2019	12.06	
Six months ended September 30, 2018	0.58	

- (2) Non-Consolidated Financial Position

	Total assets		Total net assets		Net assets to total assets ratio	
	Million yen	%	Million yen	%		
As of September 30, 2019	1,083,221		223,134		20.5	
As of March 31, 2019	1,145,511		219,667		19.1	

(Reference) Capital: September 30, 2019 222,857 million yen March 31, 2019 219,347 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) / 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, 2020 (April 1, 2019–March 31, 2020)

(% 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	120,200	0.5	41,700	(3.1)	28,900	98.3	24.45	

* This earnings report is exempt from audit procedures.

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

- Seven Bank prepares interim consolidated and non-consolidated financial statements for the second quarter ended September 30, 2019, as it falls under a “specific business corporation” (as described in Paragraph 2, Article 17-15 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.

1. Interim Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2019	As of September 30, 2019
Assets		
Cash and due from banks	780,650	825,048
Securities	85,639	74,471
Loans	22,688	22,981
Foreign currency	0	0
ATM-related temporary payments	194,910	98,659
Other assets	15,074	15,641
Tangible fixed assets	15,155	13,649
Intangible fixed assets	26,655	27,278
Asset for retirement benefits	444	478
Deferred tax assets	732	652
Allowance for credit losses	(23)	(22)
Total assets	1,141,926	1,078,839
Liabilities		
Deposits	678,664	662,758
Negotiable certificates of deposits	810	860
Borrowed money	10,000	-
Bonds	135,000	125,000
ATM-related temporary advances	80,853	48,880
Other liabilities	22,816	25,135
Reserve for bonuses	537	491
Liability for retirement benefits	2	2
Reserve for directors' retirement benefits	5	7
Reserve for stocks payment	166	194
Deferred tax liabilities	179	152
Total liabilities	929,036	863,482
Net assets		
Common stock	30,679	30,701
Capital surplus	30,661	30,756
Retained earnings	147,094	149,129
Treasury stock	(352)	(338)
Total shareholders' equity	208,083	210,249
Net unrealized gains on available-for-sale securities	492	666
Foreign currency translation adjustments	3,798	3,665
Accumulated adjustments for retirement benefit	182	170
Total accumulated other comprehensive income	4,473	4,502
Subscription rights to shares	320	276
Non-controlling interests	11	328
Total net assets	212,890	215,357
Total liabilities and net assets	1,141,926	1,078,839

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

Consolidated Statement of Income

(Millions of yen)

	For the six months ended September 30, 2018	For the six months ended September 30, 2019
Ordinary income	73,450	74,509
Interest income	1,770	1,774
(Interest on loans)	1,716	1,717
(Interest and dividends on securities)	9	12
Fees and commissions income	70,996	72,553
(ATM-related fee income)	67,421	68,714
Other operating income	135	127
Other ordinary income	548	53
Ordinary expenses	52,725	54,363
Interest expenses	330	355
(Interest on deposits)	62	54
Fees and commissions expenses	18,980	20,519
(ATM placement fee expenses)	14,821	15,717
(ATM-related fee expenses)	2,089	2,641
General and administrative expenses	33,249	30,424
Other ordinary expenses	165	3,064
Ordinary profit	20,725	20,145
Extraordinary income	-	48
Gain on disposal of fixed assets	-	48
Extraordinary losses	14,678	42
Loss on disposal of fixed assets	81	42
Impairment loss	14,596	-
Income before income taxes	6,047	20,151
Income taxes-current	6,844	7,115
Income taxes-deferred	(531)	(13)
Total income taxes	6,312	7,102
Net income (loss)	(264)	13,049
Net income (loss) attributable to non-controlling interests	(6)	1
Net income (loss) attributable to owners of the parent	(258)	13,047

Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the six months ended September 30, 2018	For the six months ended September 30, 2019
Net income (loss)	(264)	13,049
Other comprehensive income	(194)	1
Net unrealized gains on available-for-sale securities	600	173
Foreign currency translation adjustments	(795)	(160)
Adjustments for retirement benefit	1	(11)
Comprehensive income	(459)	13,050
Comprehensive income attributable to:		
Owners of the parent	(451)	13,076
Non-controlling interests	(7)	(25)

(3) Consolidated Statements of Changes in Net Assets

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 the beginning of the 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)
Purchase of treasury stock					-
Disposal of treasury stock				27	27
Cancellation of treasury stock					-
Change in capital surplus due to change in equity of consolidated subsidiaries					-
Net changes in items other than shareholders' equity					
Net changes in items during the period	106	106	(6,513)	27	(6,272)
Balance at end of 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 the beginning of the 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)
Purchase of treasury stock							-
Disposal of treasury stock							27
Cancellation of treasury stock							-
Change in capital surplus due to change in equity of consolidated subsidiaries							-
Net changes in items other than shareholders' equity	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 period	844	3,514	99	4,458	320	11	205,341

For the six months ended September 30, 2019(April 1, 2019 to September 30, 2019)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the year	30,679	30,661	147,094	(352)	208,083
Changes in items during the period					
Issuance of new shares	22	22			44
Cash dividends			(7,154)		(7,154)
Net income (loss) attributable to owners of the parent			13,047		13,047
Purchase of treasury stock				(3,857)	(3,857)
Disposal of treasury stock				13	13
Cancellation of treasury stock			(3,857)	3,857	-
Change in capital surplus due to change in equity of consolidated subsidiaries		73			73
Net changes in items other than shareholders' equity					
Net changes in items during the period	22	95	2,034	13	2,166
Balance at end of period	30,701	30,756	149,129	(338)	210,249

	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	492	3,798	182	4,473	320	11	212,890
Changes in items during the period							
Issuance of new shares							44
Cash dividends							(7,154)
Net income (loss) attributable to owners of the parent							13,047
Purchase of treasury stock							(3,857)
Disposal of treasury stock							13
Cancellation of treasury stock							-
Change in capital surplus due to change in equity of consolidated subsidiaries							73
Net changes in items other than shareholders' equity	173	(133)	(11)	28	(43)	316	301
Net changes in items during the period	173	(133)	(11)	28	(43)	316	2,467
Balance at end of period	666	3,665	170	4,502	276	328	215,357

2. Interim Non-Consolidated Financial Statements

(1) Non-Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2019	As of September 30, 2019
Assets		
Cash and due from banks	778,018	820,704
Securities	92,728	82,994
Loans	23,439	23,515
Foreign currency	0	0
Accrued income	9,265	8,973
ATM-related temporary payments	194,875	98,624
Other assets	2,634	3,420
Other assets	2,634	3,420
Tangible fixed assets	12,155	11,060
Intangible fixed assets	24,828	25,575
Prepaid pension cost	172	219
Deferred tax assets	7,510	8,209
Allowance for credit losses	(118)	(75)
Total assets	1,145,511	1,083,221
Liabilities		
Deposits	679,730	663,934
Negotiable certificates of deposits	810	860
Borrowed money	10,000	-
Bonds	135,000	125,000
ATM-related temporary advances	80,853	48,880
Other liabilities	18,907	20,846
Income taxes payable	6,973	7,630
Asset retirement obligations	362	364
Other liabilities	11,571	12,851
Reserve for bonuses	374	371
Reserve for stocks payment	166	194
Total liabilities	925,843	860,087
Net assets		
Common stock	30,679	30,701
Capital surplus	30,679	30,701
Capital reserve	30,679	30,701
Retained earnings	157,847	161,126
Legal reserve in retained earnings	0	0
Other retained earnings	157,847	161,126
Retained earnings brought forward	157,847	161,126
Treasury stock	(352)	(338)
Total shareholders' equity	218,854	222,190
Net unrealized gains on available-for-sale securities	492	666
Total valuation and translation adjustments	492	666
Subscription rights to shares	320	276
Total net assets	219,667	223,134
Total liabilities and net assets	1,145,511	1,083,221

(2) Non-Consolidated Statement of Income

(Millions of yen)

	For the six months ended September 30, 2018	For the six months ended September 30, 2019
Ordinary income	60,405	60,204
Interest income	1,776	1,778
(Interest on loans)	1,723	1,723
(Interest and dividends on securities)	9	12
Fees and commissions income	57,920	58,173
(ATM-related fee income)	54,482	54,553
Other operating income	149	142
Other ordinary income	559	110
Ordinary expenses	37,579	36,986
Interest expenses	328	351
(Interest on deposits)	62	54
Fees and commissions expenses	9,517	10,147
(ATM placement fee expenses)	7,404	7,940
(ATM-related fee expenses)	479	514
General and administrative expenses	27,727	26,431
Other ordinary expenses	6	55
Ordinary profit	22,826	23,218
Extraordinary losses	21,841	2,619
Loss on disposal of fixed assets	85	29
Loss on valuation of stocks of subsidiaries and affiliates	21,756	2,590
Income before income taxes	984	20,599
Income taxes-current	6,811	7,083
Income taxes-deferred	(6,527)	(775)
Total income taxes	283	6,307
Net income	701	14,291

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

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
		Capital reserve	Total capital surplus	Legal reserve in retained earnings	Other retained earnings Retained earnings brought forward	Total retained earnings		
Balance at the beginning of the 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
Purchase of treasury stock								-
Disposal of treasury stock							27	27
Cancellation of treasury stock								-
Net changes in items other than shareholders' equity								
Net changes in items during the period	106	106	106	-	(5,554)	(5,554)	27	(5,313)
Balance at end of 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 the beginning of the year	244	244	533	217,036
Changes in items during the period				
Issuance of new shares				213
Cash dividends				(6,255)
Net income				701
Purchase of treasury stock				-
Disposal of treasury stock				27
Cancellation of treasury stock				-
Net changes in items other than shareholders' equity	600	600	(212)	387
Net changes in items during the period	600	600	(212)	(4,925)
Balance at end of period	844	844	320	212,110

For the six months ended September 30, 2019(April 1, 2019 to September 30, 2019)

(Millions of yen)

	Shareholders' equity							Total shareholders' equity
	Common stock	Capital surplus		Legal reserve in retained earnings	Retained earnings		Treasury stock	
		Capital reserve	Total capital surplus		Other retained earnings	Total retained earnings		
				Retained earnings brought forward				
Balance at the beginning of the year	30,679	30,679	30,679	0	157,847	157,847	(352)	218,854
Changes in items during the period								
Issuance of new shares	22	22	22					44
Cash dividends					(7,154)	(7,154)		(7,154)
Net income					14,291	14,291		14,291
Purchase of treasury stock							(3,857)	(3,857)
Disposal of treasury stock							13	13
Cancellation of treasury stock					(3,857)	(3,857)	3,857	—
Net changes in items other than shareholders' equity								
Net changes in items during the period	22	22	22	-	3,278	3,278	13	3,336
Balance at end of period	30,701	30,701	30,701	0	161,126	161,126	(338)	222,190

	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	492	492	320	219,667
Changes in items during the period				
Issuance of new shares				44
Cash dividends				(7,154)
Net income				14,291
Purchase of treasury stock				(3,857)
Disposal of treasury stock				13
Cancellation of treasury stock				-
Net changes in items other than shareholders' equity	173	173	(43)	129
Net changes in items during the period	173	173	(43)	3,466
Balance at end of period	666	666	276	223,134