



Financial Results for the Second Quarter (Interim Period) of the Fiscal Year Ending March 31, 2021 [JGAAP] (Consolidated Data)

November 6, 2020

Company Name: Seven Bank, Ltd. Stock exchange listing: Tokyo Stock Exchange
 Stock Code: 8410 URL <https://www.sevenbank.co.jp/>
 Representative: (title) President and Representative Director (name) Yasuaki Funatake
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Scheduled date for filing of quarterly financial report: November 12, 2020
 Scheduled date for cash dividends: December 1, 2020

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, 2021 (April 1, 2020–September 30, 2020)

(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, 2020	68,309	(8.3)	18,792	(6.7)	14,237	9.1
Six months ended September 30, 2019	74,509	1.4	20,145	(2.7)	13,047	—

Note: Comprehensive income: Six months ended September 30, 2020 13,779 million yen (5.5%)
 Six months ended September 30, 2019 13,050 million yen (-%)

	Net income per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2020	12.08	12.08
Six months ended September 30, 2019	11.01	11.00

(2) Consolidated Financial Position

	Total assets	Total net assets	Net assets to total assets ratio
	Million yen	Million yen	%
As of September 30, 2020	1,143,818	229,337	19.9
As of March 31, 2020	1,085,885	222,833	20.3

(Reference)Capital: September 30, 2020 227,835 million yen
 March 31, 2020 221,212 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, 2020	—	5.50	—	5.50	11.00
Fiscal year ending March 31, 2021	—	5.50	—	—	—
Fiscal year ending March 31, 2021 (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, 2021 (April 1, 2020 - March 31, 2021)

(% 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	134,200	(9.6)	32,800	(17.6)	23,000	(12.0)	19.54

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, 2020)
(changes in specific subsidiaries involving changes in the scope of consolidation): None

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, 2020	1,179,308,000 shares	Fiscal year ended March 31, 2020	1,179,129,000 shares
As of September 30, 2020	3,587,793 shares	March 31, 2020	798,656 shares
As of September 30, 2020	1,177,785,856 shares	Six months ended September 30, 2019	1,184,883,835 shares

(b) Number of treasury shares

(c) Average number of shares for the period under review (six-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.”

(Overview of Non-Consolidated Performance)

1. Non-Consolidated Financial Highlights for the Second Quarter (Interim Period) of the Fiscal Year Ending March 31, 2021 (April 1, 2020–September 30, 2020)

(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, 2020	55,178	(8.3)	17,811	(23.2)	12,322	(13.7)
Six months ended September 30, 2019	60,204	(0.3)	23,218	1.7	14,291	—
	Net income per share					
		Yen				
Six months ended September 30, 2020		10.46				
Six months ended September 30, 2019		12.06				

(2) Non-Consolidated Financial Position

	Total assets		Total net assets		Net assets to total assets ratio	
	Million yen	%	Million yen	%		%
As of September 30, 2020	1,146,555		234,454			20.4
As of March 31, 2020	1,091,287		229,866			21.0

(Reference) Capital: September 30, 2020 234,454 million yen
March 31, 2020 229,591 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, 2021 (April 1, 2020 - March 31, 2021)

(% 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	109,800	(8.7)	32,400	(28.0)	22,400	(19.0)	19.03	

* 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, 2020, 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, 2020	As of September 30, 2020
Assets		
Cash and due from banks	848,446	894,048
Securities	70,911	77,048
Loans	23,283	22,859
Foreign currency	0	0
ATM-related temporary payments	81,965	84,249
Other assets	16,365	16,064
Tangible fixed assets	13,985	15,826
Intangible fixed assets	29,665	32,457
Asset for retirement benefits	378	410
Deferred tax assets	909	889
Allowance for credit losses	(25)	(35)
Total assets	1,085,885	1,143,818
Liabilities		
Deposits	683,760	737,894
Negotiable certificates of deposits	800	800
Borrowed money	196	300
Bonds	105,000	105,000
ATM-related temporary advances	45,052	43,958
Other liabilities	27,288	25,318
Reserve for bonuses	573	519
Liability for retirement benefits	3	3
Reserve for directors' retirement benefits	4	5
Reserve for directors' benefit trust	236	567
Deferred tax liabilities	137	113
Total liabilities	863,051	914,481
Net assets		
Common stock	30,702	30,724
Capital surplus	30,757	30,724
Retained earnings	155,760	163,512
Treasury stock	(338)	(1,081)
Total shareholders' equity	216,882	223,880
Net unrealized gains on available-for-sale securities	499	225
Foreign currency translation adjustments	3,767	3,674
Accumulated adjustments for retirement benefit	62	55
Total accumulated other comprehensive income	4,329	3,955
Subscription rights to shares	274	—
Non-controlling interests	1,346	1,501
Total net assets	222,833	229,337
Total liabilities and net assets	1,085,885	1,143,818

(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, 2019	For the six months ended September 30, 2020
Ordinary income	74,509	68,309
Interest income	1,774	1,777
(Interest on loans)	1,717	1,718
(Interest and dividends on securities)	12	14
Fees and commissions income	72,553	65,352
(ATM-related fee income)	68,714	61,503
Other operating income	127	136
Other ordinary income	53	1,042
Ordinary expenses	54,363	49,517
Interest expenses	355	269
(Interest on deposits)	54	36
Fees and commissions expenses	20,519	17,776
(ATM placement fee expenses)	15,717	14,145
(ATM-related fee expenses)	2,641	1,400
General and administrative expenses	30,424	31,097
Other ordinary expenses	3,064	373
Ordinary profit	20,145	18,792
Extraordinary income	48	12
Gain on disposal of fixed assets	48	12
Extraordinary losses	42	50
Loss on disposal of fixed assets	42	50
Income before income taxes	20,151	18,754
Income taxes-current	7,115	4,463
Income taxes-deferred	(13)	121
Total income taxes	7,102	4,585
Net income	13,049	14,169
Net income (loss) attributable to non-controlling interests	1	(68)
Net income attributable to owners of the parent	13,047	14,237

Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the six months ended September 30, 2019	For the six months ended September 30, 2020
Net income	13,049	14,169
Other comprehensive income	1	(389)
Net unrealized gains on available-for-sale securities	173	(274)
Foreign currency translation adjustments	(160)	(108)
Adjustments for retirement benefit	(11)	(6)
Comprehensive income	13,050	13,779
Comprehensive income attributable to:		
Owners of the parent	13,076	13,863
Non-controlling interests	(25)	(83)

(3) Consolidated Statements of Changes in Net Assets

For the six months ended 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 attributable to owners of the parent			13,047		13,047
Acquisition 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					
Total 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 attributable to owners of the parent							13,047
Acquisition 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
Total 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

For the six months ended September 30, 2020

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the year	30,702	30,757	155,760	(338)	216,882
Changes in items during the period					
Issuance of new shares	21	21			43
Cash dividends			(6,485)		(6,485)
Net income attributable to owners of the parent			14,237		14,237
Acquisition of treasury stock				(770)	(770)
Disposal of treasury stock				27	27
Cancellation of treasury stock					—
Change in capital surplus due to change in equity of consolidated subsidiaries		(54)			(54)
Net changes in items other than shareholders' equity					
Total changes in items during the period	21	(33)	7,752	(742)	6,998
Balance at end of period	30,724	30,724	163,512	(1,081)	223,880

	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	499	3,767	62	4,329	274	1,346	222,833
Changes in items during the period							
Issuance of new shares							43
Cash dividends							(6,485)
Net income attributable to owners of the parent							14,237
Acquisition of treasury stock							(770)
Disposal of treasury stock							27
Cancellation of treasury stock							—
Change in capital surplus due to change in equity of consolidated subsidiaries							(54)
Net changes in items other than shareholders' equity	(274)	(93)	(6)	(374)	(274)	154	(494)
Total changes in items during the period	(274)	(93)	(6)	(374)	(274)	154	6,503
Balance at end of period	225	3,674	55	3,955	—	1,501	229,337

2. Interim Non-Consolidated Financial Statements

(1) Non-Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2020	As of September 30, 2020
Assets		
Cash and due from banks	842,606	883,378
Securities	80,826	89,789
Loans	23,528	23,558
Foreign currency	0	0
Accrued income	9,191	8,391
ATM-related temporary payments	81,885	84,100
Other assets	4,540	5,105
Other assets	4,540	5,105
Tangible fixed assets	11,667	13,531
Intangible fixed assets	27,768	30,289
Prepaid pension cost	269	310
Deferred tax assets	9,053	8,144
Allowance for credit losses	(50)	(45)
Total assets	1,091,287	1,146,555
Liabilities		
Deposits	686,633	741,061
Negotiable certificates of deposits	800	800
Bonds	105,000	105,000
ATM-related temporary advances	45,052	43,958
Other liabilities	23,336	20,354
Income taxes payable	7,813	4,860
Asset retirement obligations	366	359
Other liabilities	15,156	15,134
Reserve for bonuses	361	358
Reserve for directors' benefit trust	236	567
Total liabilities	861,421	912,100
Net assets		
Common stock	30,702	30,724
Capital surplus	30,702	30,724
Capital reserve	30,702	30,724
Retained earnings	168,025	173,861
Legal reserve in retained earnings	0	0
Other retained earnings	168,025	173,861
Retained earnings brought forward	168,025	173,861
Treasury stock	(338)	(1,081)
Total shareholders' equity	229,091	234,229
Net unrealized gains on available-for-sale securities	499	225
Total valuation and translation adjustments	499	225
Subscription rights to shares	274	—
Total net assets	229,866	234,454
Total liabilities and net assets	1,091,287	1,146,555

(2) Non-Consolidated Statement of Income

(Millions of yen)

	For the six months ended September 30, 2019	For the six months ended September 30, 2020
Ordinary income	60,204	55,178
Interest income	1,778	1,789
(Interest on loans)	1,723	1,732
(Interest and dividends on securities)	12	14
Fees and commissions income	58,173	52,650
(ATM-related fee income)	54,553	49,050
Other operating income	142	129
Other ordinary income	110	608
Ordinary expenses	36,986	37,366
Interest expenses	351	263
(Interest on deposits)	54	36
Fees and commissions expenses	10,147	9,900
(ATM placement fee expenses)	7,940	7,842
(ATM-related fee expenses)	514	271
General and administrative expenses	26,431	27,137
Other ordinary expenses	55	64
Ordinary profit	23,218	17,811
Extraordinary losses	2,619	39
Loss on disposal of fixed assets	29	39
Loss on valuation of stocks of subsidiaries and affiliates	2,590	—
Income before income taxes	20,599	17,772
Income taxes-current	7,083	4,420
Income taxes-deferred	(775)	1,030
Total income taxes	6,307	5,450
Net income	14,291	12,322

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

For the six months ended September 30, 2019

(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	30,679	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
Acquisition 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								
Total 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
Acquisition 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
Total changes in items during the period	173	173	(43)	3,466
Balance at end of period	666	666	276	223,134

For the six months ended September 30, 2020

(Millions of yen)

	Shareholders' equity							
	Common stock	Capital surplus		Retained earnings			Treasury stock	Total shareholders' equity
		Capital reserve	Capital surplus Total	Legal reserve in retained earnings	Other retained earnings Retained earnings brought forward	Total retained earnings		
Balance at the beginning of the year	30,702	30,702	30,702	0	168,025	168,025	(338)	229,091
Changes in items during the period								
Issuance of new shares	21	21	21					43
Cash dividends					(6,485)	(6,485)		(6,485)
Net income					12,322	12,322		12,322
Acquisition of treasury stock							(770)	(770)
Disposal of treasury stock							27	27
Cancellation of treasury stock								-
Net changes in items other than shareholders' equity								
Total changes in items during the period	21	21	21	—	5,836	5,836	(742)	5,137
Balance at end of period	30,724	30,724	30,724	0	173,861	173,861	(1,081)	234,229

	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	499	499	274	229,866
Changes in items during the period				
Issuance of new shares				43
Cash dividends				(6,485)
Net income				12,322
Acquisition of treasury stock				(770)
Disposal of treasury stock				27
Cancellation of treasury stock				—
Net changes in items other than shareholders' equity	(274)	(274)	(274)	(549)
Total changes in items during the period	(274)	(274)	(274)	4,588
Balance at end of period	225	225	—	234,454