

Financial Results
for the Second Quarter of Fiscal 2014



November 2014

Highlights	2	Financial Position (Non-Consolidated)	8
Income Statements (Non-Consolidated / Consolidated)	3	Account Services	9
Income Statement (Non-Consolidated)	4	Subsidiary in North America (FCTI)	10
ATM Usage and Related Fee Income per Transaction	5	Subsidiary in Indonesia (ATMi)	11
Number of ATM Installations and Daily Average Transactions per ATM	6	Subsidiary in Japan (BBF)	12
Expansion of the ATM Business	7	Dividend Policy	13

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

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 subsidiary companies. 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, but are not limited to, system failures, disasters, crimes and other various risks surrounding the ATM and financial services businesses. Any information in these materials, which is other than that of Seven Bank and its subsidiary companies, is based on publicly available information. We have not validated the accuracy or appropriateness of such information and do not guarantee its accuracy. All rights reserved.

FY14 Interim Results

Non-Consolidated

- Ordinary income was ¥52.6 billion and ordinary profit was ¥20.2 billion, both of which were increases
 - Ordinary income (5.4% increase), ordinary profit (2.7% increase)

Consolidated

- Ordinary income was ¥56.7 billion and ordinary profit was ¥19.7 billion

FY14 Outlook

- In consideration of interim results, both non-consolidated and consolidated ordinary income and ordinary profit have been revised upward

Non-Consolidated

(Unit: Billion yen)

	FY13 H1	FY14 H1	Changes from FY13 H1	FY14 Full-year target (as of Nov. 7)
Ordinary income	49.9	52.6	2.7	105.8
Ordinary expenses	30.2	32.4	2.2	67.7
Ordinary profit	19.7	20.2	0.5	38.0
Net income	12.1	12.9	0.8	24.3

Notes:

1. Amounts less than one unit have been truncated.
2. Changes from FY13 H1 are comparisons in units of one hundred million yen.

Consolidated

(Unit: Billion yen)

	FY14 H1	FY14 Full-year target (as of Nov. 7)
Ordinary income	56.7	114.0
Ordinary expenses	37.0	77.1
Ordinary profit	19.7	36.9
Net income	12.4	23.4

Notes:

1. Amounts less than one unit have been truncated.
2. Foreign currency exchange rate for FY14 H1 account settlement: US\$1 = ¥102.46
Target exchange rate for FY14: US\$1 = ¥102.00

Reference: Period of consolidation of each company

Seven Bank	April 1, 2014 to September 30, 2014
FCTI	January 1, 2014 to June 30, 2014
ATMi	June 10, 2014 to June 30, 2014
BBF	July 1, 2014 to September 30, 2014

Income Statement (Non-Consolidated)

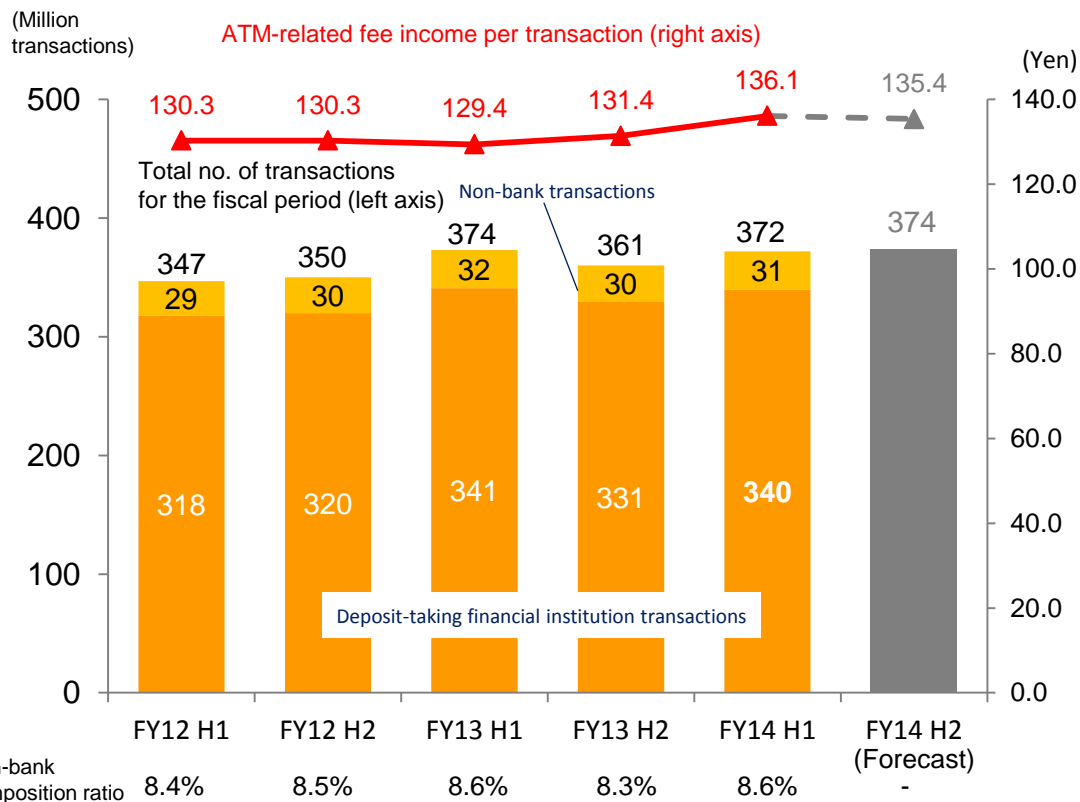
(Unit: Billion yen)

	FY13 Actual results	H1 results	FY14 Initial plan	H1 plan	FY14 H1 results	Changes from FY13 H1 results	Revised FY14 Plan (as of Nov. 7)
Ordinary income	99.8	49.9	104.9	52.1	52.6	2.7	105.8
ATM-related fee income	94.3	47.3	98.8	49.2	49.5	2.2	99.1
Ordinary expenses	62.6	30.2	67.4	33.1	32.4	2.2	67.7
Interest expenses	1.8	0.9	1.3	0.6	0.6	(0.3)	1.2
ATM placement fee expenses	11.3	5.7	11.6	5.8	5.9	0.2	11.7
Outsourcing expenses	16.3	8.2	16.7	8.2	8.3	0.1	16.9
Maintenance fees	3.7	1.8	3.6	1.7	1.8	0.0	3.7
Rent for premises and equipment	0.6	0.3	0.9	0.4	0.4	0.1	0.8
Depreciation and amortization	11.6	5.4	15.6	7.3	7.1	1.7	15.3
Ordinary profit	37.1	19.7	37.5	19.0	20.2	0.5	38.0
Extraordinary gain (loss)	(1.0)	(0.1)	(0.1)	(0.0)	(0.1)	0.0	(0.1)
Income taxes	13.8	7.4	13.3	6.7	7.1	(0.3)	13.5
Net income	22.3	12.1	24.1	12.2	12.9	0.8	24.3
No. of ATMs installed at end of term (units)	19,514	18,844	21,000	20,300	20,307	1,463	21,000
ATM-related fee income per transaction (yen)	131.2	129.4	136.3	136.4	136.1	6.7	135.8
Daily average transactions per ATM (transactions/ ATM /day)	107.8	111.3	100.5	101.7	102.5	(8.8)	101.2
Total no. of transactions (millions)	736	374	741	369	372	(2.0)	746

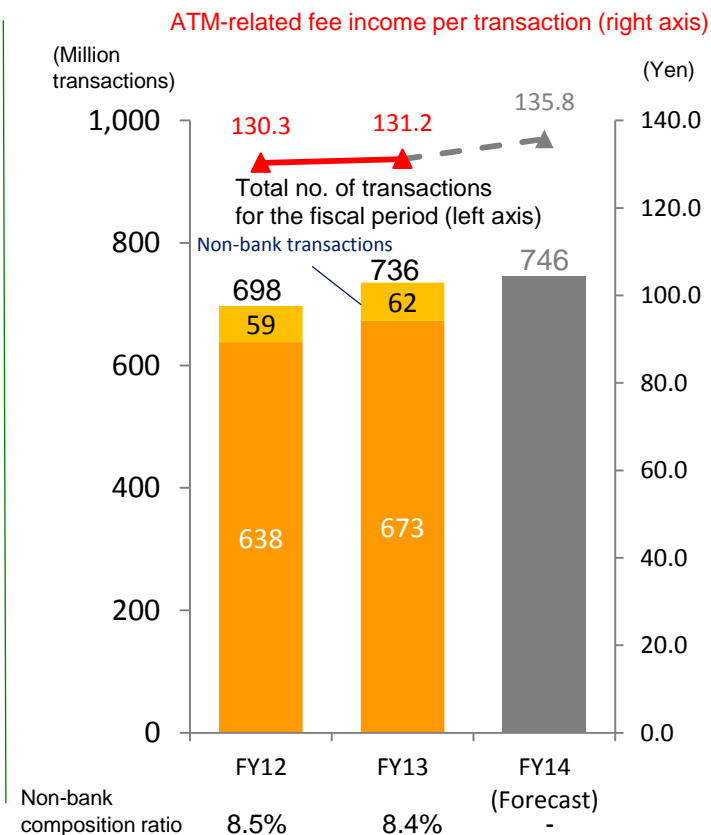
Notes:

1. Amounts less than one unit have been truncated.
2. Year-on-year comparative data in units of 100 million yen (comparative data for the total number of transactions in units of one million).

Half-year results



Full-year results



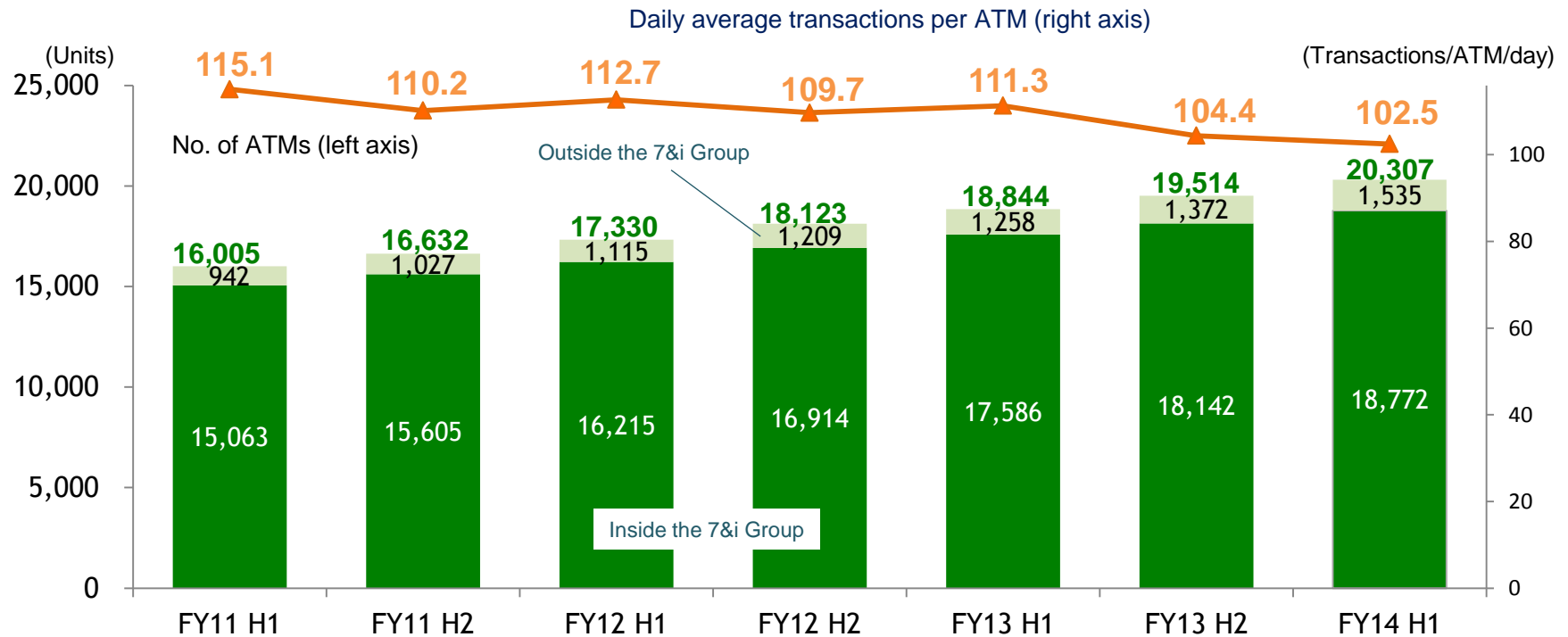
Notes: 1. Total of transactions for the period exclude balance inquiries, e-money charges, PIN changes and daily withdrawal limit changes.

2. Amounts less than one unit have been truncated.

3. 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))

4. In this report, securities, life insurance, credit card, consumer credit and consumer financing companies are all referred to as “non-banks.”

Half-year results



Net increase (Year-on-year)	+1,269 (full year)	+1,491 (full year)	+1,391 (full year)	+793 (half year)
Number of 3G ATMs (FY-end)	2,897	7,797	13,080	16,044

Notes: 1. Daily average transactions per ATM for the period excludes balance inquiries, e-money charges, PIN changes and daily withdrawal limit changes.

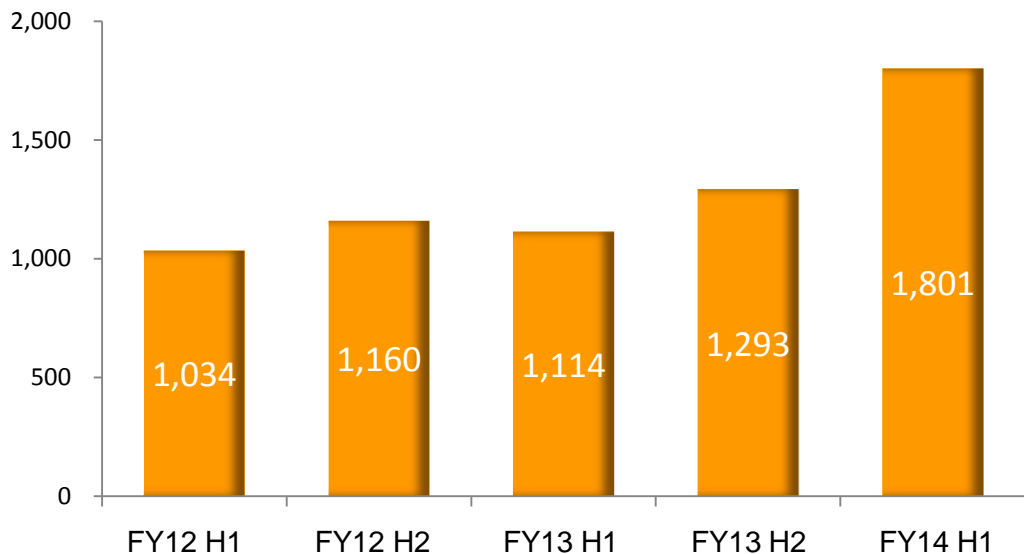
2. Amounts less than one unit have been truncated.

- Number of transactions using overseas cards increased approximately 60% compared with the same period of the previous year
- Increase in close-by, convenient ATMs that meet installation needs of transportation, sightseeing and retail areas

Number of transactions using overseas cards



(Thousand transactions)



Examples of ATMs installed

Keisei Ueno Station



Ibaraki Airport



Interim-period installations at transportation-related locations

Railway stations 53 ATMs in 40 stations
Airports 4 ATMs in 4 airports

Cumulative Total

128 ATMs in 106 stations
39 ATMs in 22 airports

Transportation/tourism organizations and retail companies have started their response to inbound tourism in preparation for 2020. With growing needs for Seven Bank ATMs, installations outside the 7&i Group reached a record high of 163 in interim FY2014.

Balance sheet as of September 30, 2014

(Billion yen)

Cash and due from banks: 501.3 (1)	Deposits: 453.1 (4)
Securities: 120.7 (2)	Bonds and borrowings: 113.0
ATM-related temporary payments: 80.5 (3)	ATM-related temporary advances: 36.4 (5)
Other: 86.8	Other: 27.5
	Net assets: 159.3

Assets: 789.3

Liabilities + Net assets:
789.3

- (1) Cash placed in our ATMs
- (2) Used mostly for exchange settlements and as collateral for overdrafts on Bank of Japan accounts
- (3) Occurs when a withdrawal is made from an ATM
- (4) Deposits held by individuals: ¥327.1 billion
- (5) Occurs when a deposit is made at an ATM

Note: Figures are truncated

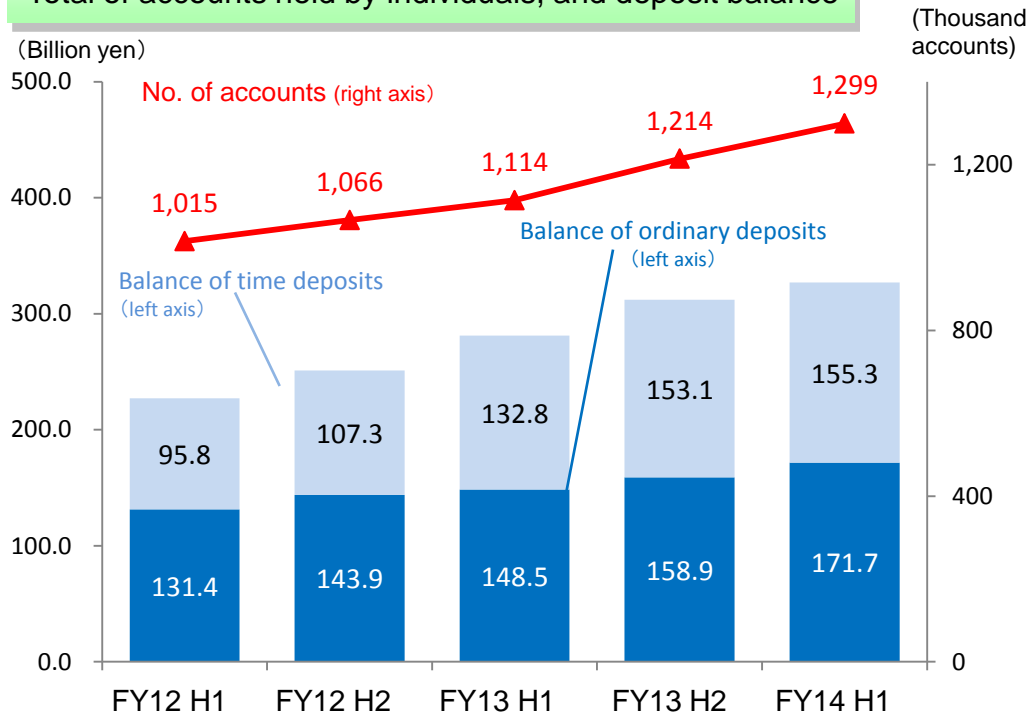
Financial soundness and creditworthiness

Non-consolidated capital ratio (Domestic standard): 53.44% (Preliminary figure)

Credit rating (as of September 30, 2014): S&P AA- (Long-term counter party rating)

R&I AA (Issuer rating)

Total of accounts held by individuals, and deposit balance



International money transfer services

- Number of money transfer transactions increased approx. 70% compared with the same period of the previous year
- Developed a smartphone app for international money transfer support to offer greater convenience

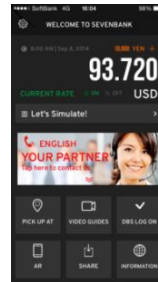
Exchange rate notification settings

Video guides for procedures

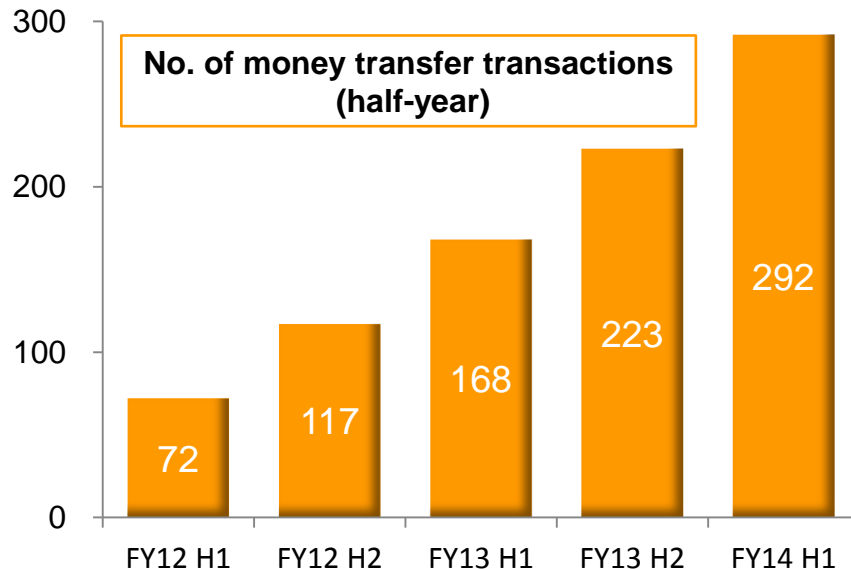
Worldwide pick-up location search

Screen and video tutorial support in 9 languages

- FY14 target for number of transactions: 600,000



(Thousand transactions)



Personal loan services

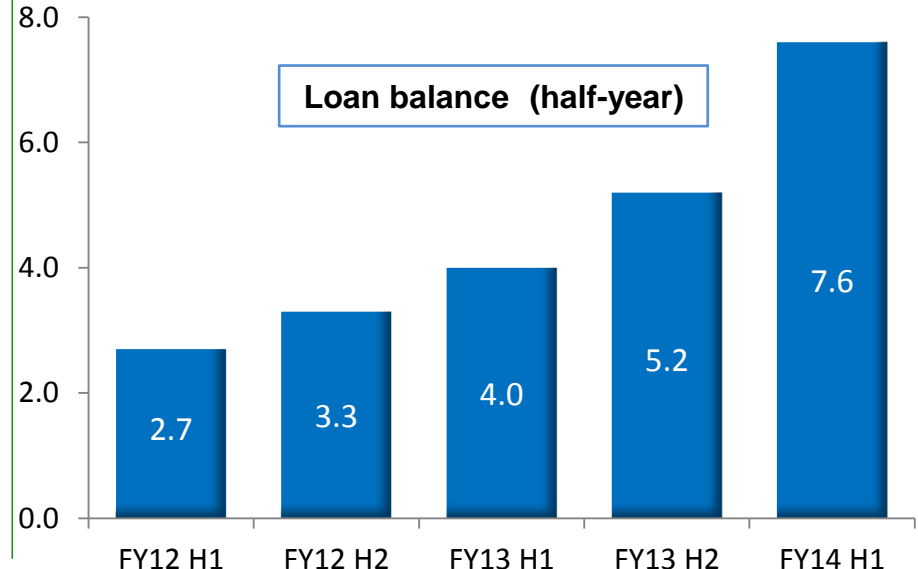
- Steady growth in the loan balance from raising application convenience and effective approach to customers; approximately 80% increase compared with the same period of the previous year

- Increase balance with more effective advertising and publicity

- FY14 loan balance target: ¥9.0 billion (initial balance target: ¥7.5 billion)



(Billion yen)



- Targeting ordinary income of US\$81.0 million and ordinary profit of US\$2.1 million in FY2014

FCTI income statements

(Unit: Million US\$)

	FY13 Full-year results (consolidation period)	FY14		
		H1 (Jan. – Jun.)		Full-year target
		Target	Result	
Ordinary income	58.9	38.8	39.7	81.0
Ordinary expenses	58.6	38.1	38.3	78.8
Ordinary profit	0.3	0.6	1.3	2.1
Net income	0.1	0.4	0.6	1.3
No. of ATMs installed (units)	7,176	—	6,635	7,493

Note: Amounts less than one unit have been truncated.

- Joint venture company established in Indonesia on June 10, 2014 with preparations to start operations in January 2015
- Rollout centered on the outskirts of Jakarta, aiming to install more than 3,000 ATMs over 5 years

Joint Venture Company

- Name **ATMi (PT. ABADI TAMBAH MULIA INTERNASIONAL)**



PT. ALTO NETWORK
Independent local ATM network
company
(20 participating banks,
8,500 ATMs)

- Capital 10.0 billion Indonesian rupiah (approx. ¥87.0 million)
- Shareholding ratio Seven Bank: 70%; PT. ALTO NETWORK: 30%
- Officers 6 officers (including 4 designated by Seven Bank)

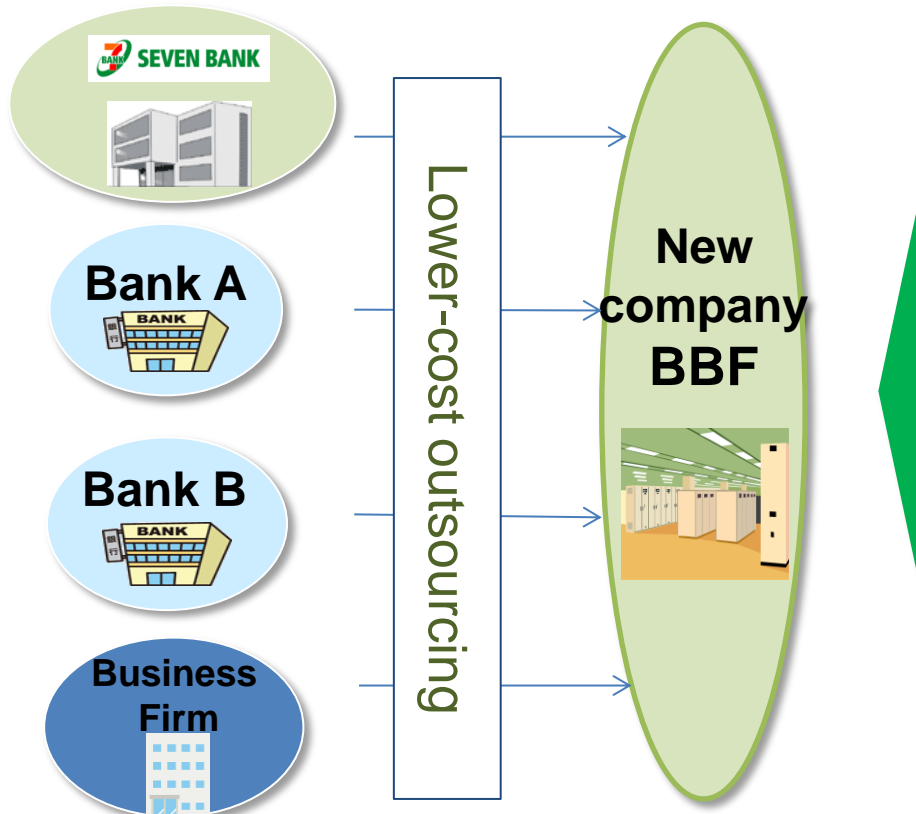
■[Reference] ATMs per Million People

United States	1,300
Japan	1,400
Thailand	700
South Korea	2,500
Indonesia	200

Note: Seven Bank survey

- Seven Bank's Operations Center spun off as a subsidiary (established July 1, 2014; ¥30 million capital)
- Mainly conducts back-office support outsourcing for partner financial institutions

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



Backing for Competitiveness and Differentiation

- Neutrality/network with partner financial institutions
- Reputation as a bank subsidiary
- Low-cost operation
 - (1) Benefits of scale from cooperation/standardization (improvement of productivity)
 - (2) Unit price reduction through use of offshore (Dalian) facilities

Policy

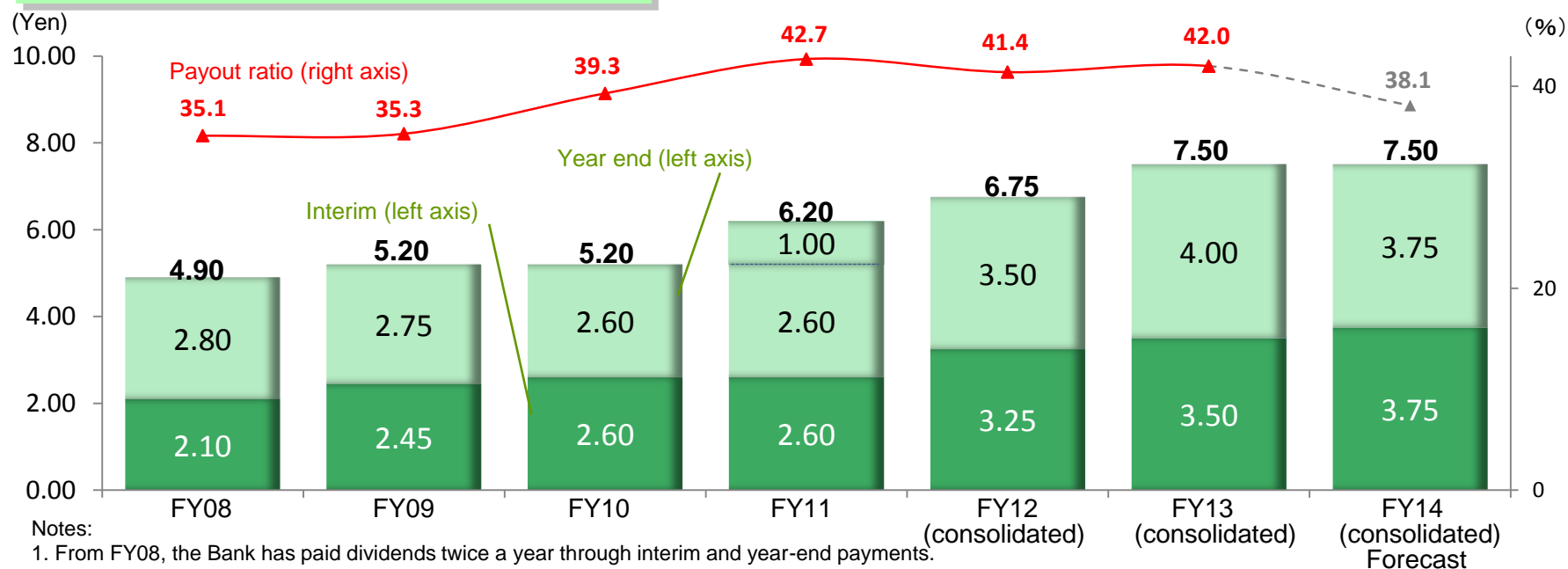
Seven Bank aims to maintain a stable dividend payout, targeting a minimum consolidated payout ratio of 35% through twice-yearly payments

Interim dividend

Dividend amount: ¥3.75 per share (total dividends paid ¥4.4 billion); in line with initial target

Dividend payment start: December 1, 2014

Dividends and dividend payout ratio



Notes:

1. From FY08, the Bank has paid dividends twice a year through interim and year-end payments.
2. On December 1, 2011, the Bank carried out a 1,000-for-1 stock split (common shares). The graph shows previous-year dividend payments assuming that the stock split had already taken place.
3. The period-end dividend for FY11 includes an extra commemorative payment of ¥1.00 per share following the Bank's listing on the Tokyo Stock Exchange.