Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2023 [JGAAP]
(Consolidated Data)

August 5, 2022

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) Masaaki Matsuhashi
For inquiries: (title) Executive Officer, General Manager of Planning Division
(name) Ken Shimizu
Telephone: +81-3-3211-3041
Scheduled date for filing of quarterly financial report: August 9, 2022 Scheduled date for cash dividends: —
Trading accounts: None
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 First Quarter of the Fiscal Year Ending March 31, 2023 (April 1, 2022–June 30, 2022)

(1) Consolidated Operating Results (Accumulated)

(% represents the year-on-year change from the same period of the previous fiscal year.)

	Ordinary income		Ordinary profit		Net income attributable to owners of the parent	
	Million yen	%	Million yen	%	Million yen	%
Three months ended June 30, 2022	35,895	7.3	7,300	(4.2)	4,990	(8.4)
Three months ended June 30, 2021	33,437	1.1	7,626	(9.1)	5,448	(19.5)

Note: Comprehensive income: Three months ended June 30, 2022 6,361 million yen (4.9%)
Three months ended June 30, 2021 6,060 million yen (-7.7%)

	Net income per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2022	4.24	—
Three months ended June, 2021	4.63	—

Note: “Diluted earnings per share” is not described because there were no dilutive shares.

(2) Consolidated Financial Position

	Total assets	Total net assets	Net assets to total assets ratio
	Million yen	Million yen	%
As of June 30, 2022	1,267,196	244,003	19.1
As of March 31, 2022	1,221,623	244,113	19.8

(Reference) Capital: As of June 30, 2022 242,381 million yen
As of March 31, 2022 242,506 million yen

Note: “Net assets to total assets ratio” is calculated as: (Total net assets 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, 2022	—	5.50	—	5.50	11.00
Fiscal year ending March 31, 2023	—				
Fiscal year ending March 31, 2023 (Forecasts)		5.50	—	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, 2023 (April 1, 2022–March 31, 2023)

(% represents the year-on-year change from each respective corresponding period [full fiscal year and semi-annual] of 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
Semi-annual (Accumulated)	72,500	7.5	13,500	(10.4)	9,500	(12.8)	8.08
Full year	149,000	9.0	28,000	(0.9)	19,500	(6.3)	16.59

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

Notes

(1) Changes in important subsidiaries during the first quarter of the fiscal year ending March 31, 2022: None

(Changes in specific subsidiaries involving changes in the scope of consolidation)

Added — (company name) — Excluded — (company name) —

(2) Application of accounting methods specific to the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policy, changes in accounting estimates, and retrospective restatements

(a) Changes in accounting policy arising from revision of accounting standards, etc. : Yes

(b) Changes in accounting policy other than those noted in (a) above : None

(c) Changes in accounting estimates : None

(d) Retrospective restatements : None

(4) Number of shares (common stock)

(a) Number of shares in issue (including treasury stock)	As of June 30, 2022	1,179,308,000 shares	As of March 31, 2022	1,179,308,000 shares
(b) Number of treasury shares	As of June 30, 2022	3,930,156 shares	As of March 31, 2022	3,982,063 shares
(c) Average number of shares for the period under review (Three-month period)	Three months ended June 30, 2022	1,175,367,011 shares	Three months ended June 30, 2021	1,175,720,207 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."

* This quarterly earnings report is exempt from quarterly review procedures by a certified public accountant or audit corporation.

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

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. Quarterly Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
Assets		
Cash and due from banks	931,404	942,447
Securities	89,945	93,797
Loans	28,056	29,637
Foreign currency	0	0
ATM-related temporary payments	84,461	110,536
Other assets	24,062	25,965
Tangible fixed assets	26,571	28,231
Intangible fixed assets	33,593	33,145
Asset for retirement benefits	1,051	1,073
Deferred tax assets	2,979	3,150
Allowance for credit losses	(504)	(789)
Total assets	1,221,623	1,267,196
Liabilities		
Deposits	789,937	824,489
Negotiable certificates of deposits	750	300
Borrowed money	1,936	4,150
Bonds	105,000	105,000
ATM-related temporary advances	49,233	60,538
Other liabilities	29,071	26,857
Reserve for bonuses	789	1,050
Liability for retirement benefits	13	13
Reserve for directors' benefit trust	774	790
Deferred tax liabilities	3	3
Total liabilities	977,509	1,023,193
Net assets		
Common stock	30,724	30,724
Capital surplus	30,764	30,764
Retained earnings	176,549	175,053
Treasury stock	(1,173)	(1,158)
Total shareholders' equity	236,864	235,383
Net unrealized gains on available-for-sale securities	606	716
Foreign currency translation adjustments	4,714	5,973
Accumulated adjustments for retirement benefit	320	307
Total accumulated other comprehensive income	5,641	6,997
Non-controlling interests	1,606	1,621
Total net assets	244,113	244,003
Total liabilities and net assets	1,221,623	1,267,196

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

Consolidated Statement of Income

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Ordinary income	33,437	35,895
Interest income	965	1,116
(Interest on loans)	928	1,078
(Interest and dividends on securities)	10	11
Fees and commissions income	32,141	34,578
(ATM-related fee income)	30,057	31,795
Other operating income	79	100
Other ordinary income	251	100
Ordinary expenses	25,810	28,594
Interest expenses	137	157
(Interest on deposits)	13	8
Fees and commissions expenses	8,740	9,208
(ATM placement fee expenses)	7,010	7,130
(ATM-related fee expenses)	530	619
General and administrative expenses	16,616	18,762
Other ordinary expenses	316	466
Ordinary profit	7,626	7,300
Extraordinary income	174	5
Gain on disposal of fixed assets	5	5
Gain on change in equity	168	—
Extraordinary losses	131	68
Loss on disposal of fixed assets	131	68
Income before income taxes	7,669	7,237
Income taxes-current	2,165	2,344
Income taxes-deferred	104	(70)
Total income taxes	2,269	2,274
Net income	5,399	4,963
Net loss attributable to non-controlling interests	(49)	(27)
Net income attributable to owners of the parent	5,448	4,990

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Net income	5,399	4,963
Other comprehensive income	661	1,398
Net unrealized gains on available-for-sale securities	(19)	110
Foreign currency translation adjustments	691	1,300
Adjustments for retirement benefit	(10)	(12)
Comprehensive income	6,060	6,361
Comprehensive income attributable to:		
Owners of the parent	6,092	6,347
Non-controlling interests	(31)	14

2. Quarterly Non-Consolidated Financial Statements

(1) Non-Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
Assets		
Cash and due from banks	910,849	920,433
Securities	111,167	115,134
Loans	28,203	30,160
Foreign currency	0	0
ATM-related temporary payments	83,547	109,523
Other assets	20,708	22,538
Tangible fixed assets	21,060	22,459
Intangible fixed assets	31,698	31,178
Prepaid pension cost	559	597
Deferred tax assets	839	795
Customers' liabilities for acceptances and guarantees	901	3,142
Allowance for credit losses	(495)	(806)
Total assets	1,209,040	1,255,157
Liabilities		
Deposits	792,751	827,789
Negotiable certificates of deposits	750	300
Bonds	105,000	105,000
ATM-related temporary advances	49,233	60,538
Other liabilities	22,174	20,957
Reserve for bonuses	529	794
Reserve for directors' benefit trust	774	790
Acceptances and guarantees	901	3,142
Total liabilities	972,115	1,019,313
Net assets		
Common stock	30,724	30,724
Capital surplus	30,724	30,724
Retained earnings	176,042	174,837
Treasury stock	(1,173)	(1,158)
Total shareholders' equity	236,318	235,127
Net unrealized gains on available-for-sale securities	606	716
Total valuation and translation adjustments	606	716
Total net assets	236,925	235,844
Total liabilities and net assets	1,209,040	1,255,157

(2) Non-Consolidated Statements of Income

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Ordinary income	27,307	29,074
Interest income	959	1,108
(Interest on loans)	926	1,075
(Interest and dividends on securities)	10	11
Fees and commissions income	26,067	27,857
(ATM-related fee income)	24,167	25,489
Other operating income	74	59
Other ordinary income	205	49
Ordinary expenses	19,845	21,421
Interest expenses	128	122
(Interest on deposits)	13	8
Fees and commissions expenses	5,242	5,435
(ATM placement fee expenses)	4,102	4,253
(ATM-related fee expenses)	181	205
General and administrative expenses	14,394	15,529
Other ordinary expenses	80	333
Ordinary profit	7,461	7,652
Extraordinary losses	129	58
Loss on disposal of fixed assets	129	58
Income before income taxes	7,332	7,594
Income taxes-current	2,149	2,318
Income taxes-deferred	92	(4)
Total income taxes	2,242	2,313
Net income	5,089	5,280

3. Capital Adequacy Ratio (Domestic Standard)

(1) Consolidated Capital Adequacy Ratio (Domestic Standard)

	As of June 30, 2022	(Reference) As of March 31, 2022
Consolidated capital adequacy ratio (domestic standard)	47.50%	47.31%

(2) Non-consolidated Capital Adequacy Ratio (Domestic Standard)

	As of June 30, 2022	(Reference) As of March 31, 2022
Non-consolidated capital adequacy ratio (domestic standard)	52.77%	53.20%