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

February 3, 2023

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
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Scheduled date for filing of quarterly financial report: February 7, 2023
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 Third Quarter of the Fiscal Year Ending March 31, 2023 (April 1, 2022–December 31, 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	%
Nine months ended December 31, 2022	114,208	10.6	22,868	(2.6)	15,328	(4.0)
Nine months ended December 31, 2021	103,199	(0.7)	23,502	(18.1)	15,968	(25.3)

Note:Comprehensive income: Nine months ended December 31, 2022 19,737 million yen (17.1%)
Nine months ended December 31, 2021 16,848 million yen (-18.9%)

	Net income per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2022	13.03	–
Nine months ended December 31, 2021	13.58	–

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 December 31, 2022	1,410,003	253,520	17.6
As of March 31, 2022	1,221,623	244,113	19.8

(Reference) Capital: As of December 31, 2022 249,277 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	–	5.50	–		
Fiscal year ending March 31, 2023 (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, 2023 (April 1, 2022 – March 31, 2023)

(% 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	149,000	9.0	28,000	(0.9)	19,500	(6.3)	16.58

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

Notes

(1) Changes in important subsidiaries during the third quarter of the fiscal year ending March 31, 2023: None

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

Added – (Company name) – Excluded – (Company name) –

Note: VIVA VIDA MEDICAL LIFE Co., Ltd. is included as consolidated subsidiaries from the third quarter of the fiscal year ending March 31, 2023, although it does not fall under changes in specific subsidiaries.

(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 December 31, 2022	1,179,308,000 shares	As of March 31, 2022	1,179,308,000 shares
(b) Number of treasury shares	As of December 31, 2022	3,099,614 shares	As of March 31, 2022	3,982,063 shares
(c) Average number of shares for the period under review (Three-month period)	Nine months ended December 31, 2022	1,175,870,901 shares	Nine months ended December 31, 2021	1,175,685,519 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 December 31, 2022
Assets		
Cash and due from banks	931,404	985,366
Call loans	-	50,000
Securities	89,945	100,904
Loans	28,056	32,637
Foreign currency	0	0
ATM-related temporary payments	84,461	141,374
Other assets	24,062	31,303
Tangible fixed assets	26,571	29,930
Intangible fixed assets	33,593	34,801
Asset for retirement benefits	1,051	1,129
Deferred tax assets	2,979	3,789
Allowance for credit losses	(504)	(1,234)
Total assets	1,221,623	1,410,003
Liabilities		
Deposits	789,937	907,400
Negotiable certificates of deposits	750	750
Call money	-	30,000
Borrowed money	1,936	10,080
Bonds	105,000	105,000
ATM-related temporary advances	49,233	69,289
Other liabilities	29,071	32,915
Reserve for bonuses	789	436
Liability for retirement benefits	13	14
Reserve for directors' benefit trust	774	590
Deferred tax liabilities	3	3
Total liabilities	977,509	1,156,482
Net assets		
Common stock	30,724	30,724
Capital surplus	30,764	30,864
Retained earnings	176,549	178,904
Treasury stock	(1,173)	(900)
Total shareholders' equity	236,864	239,592
Net unrealized gains on available-for-sale securities	606	441
Foreign currency translation adjustments	4,714	8,960
Accumulated adjustments for retirement benefit	320	282
Total accumulated other comprehensive income	5,641	9,684
Non-controlling interests	1,606	4,243
Total net assets	244,113	253,520
Total liabilities and net assets	1,221,623	1,410,003

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

Consolidated Statement of Income

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Ordinary income	103,199	114,208
Interest income	2,989	3,594
(Interest on loans)	2,883	3,425
(Interest and dividends on securities)	26	52
Fees and commissions income	99,019	109,860
(ATM-related fee income)	92,093	100,686
Other operating income	323	567
Other ordinary income	867	183
Ordinary expenses	79,697	91,339
Interest expenses	445	568
(Interest on deposits)	37	25
Fees and commissions expenses	26,862	30,589
(ATM placement fee expenses)	21,396	23,242
(ATM-related fee expenses)	1,792	3,385
General and administrative expenses	51,470	58,321
Other ordinary expenses	918	1,860
Ordinary profit	23,502	22,868
Extraordinary income	424	6
Gain on disposal of fixed assets	8	6
Gain on change in equity	415	-
Extraordinary losses	1,131	206
Loss on disposal of fixed assets	418	206
Impairment loss	712	-
Income before income taxes	22,795	22,667
Income taxes-current	6,830	7,544
Income taxes-deferred	111	(142)
Total income taxes	6,942	7,402
Net income	15,852	15,265
Net loss attributable to non-controlling interests	(115)	(62)
Net income attributable to owners of the parent	15,968	15,328

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Net income	15,852	15,265
Other comprehensive income	995	4,472
Net unrealized gains on available-for-sale securities	317	(165)
Foreign currency translation adjustments	710	4,676
Adjustments for retirement benefit	(32)	(38)
Comprehensive income	16,848	19,737
Comprehensive income attributable to:		
Owners of the parent	16,946	19,370
Non-controlling interests	(98)	367

2. Quarterly Non-Consolidated Financial Statements

(1) Non-Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
Assets		
Cash and due from banks	910,849	956,296
Call loans	–	50,000
Securities	111,167	123,616
Loans	28,203	33,315
Foreign currency	0	0
ATM-related temporary payments	83,547	139,662
Other assets	20,708	24,707
Tangible fixed assets	21,060	21,834
Intangible fixed assets	31,698	32,158
Prepaid pension cost	559	682
Deferred tax assets	839	903
Customers' liabilities for acceptances and guarantees	901	6,814
Allowance for credit losses	(495)	(1,309)
Total assets	1,209,040	1,388,681
Liabilities		
Deposits	792,751	910,303
Negotiable certificates of deposits	750	750
Call money	–	30,000
Bonds	105,000	105,000
ATM-related temporary advances	49,233	69,289
Other liabilities	22,174	25,364
Reserve for bonuses	529	261
Reserve for directors' benefit trust	774	590
Acceptances and guarantees	901	6,814
Total liabilities	972,115	1,148,374
Net assets		
Common stock	30,724	30,724
Capital surplus	30,724	30,724
Retained earnings	176,042	179,317
Treasury stock	(1,173)	(900)
Total shareholders' equity	236,318	239,865
Net unrealized gains on available-for-sale securities	606	441
Total valuation and translation adjustments	606	441
Total net assets	236,925	240,306
Total liabilities and net assets	1,209,040	1,388,681

(2) Non-Consolidated Statements of Income

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Ordinary income	83,636	89,681
Interest income	2,970	3,554
(Interest on loans)	2,876	3,412
(Interest and dividends on securities)	26	52
Fees and commissions income	79,632	85,835
(ATM-related fee income)	73,660	78,317
Other operating income	246	151
Other ordinary income	786	140
Ordinary expenses	60,560	65,406
Interest expenses	384	355
(Interest on deposits)	37	25
Fees and commissions expenses	15,894	16,964
(ATM placement fee expenses)	12,448	12,933
(ATM-related fee expenses)	513	903
General and administrative expenses	44,136	46,633
Other ordinary expenses	145	1,453
Ordinary profit	23,075	24,275
Extraordinary losses	1,399	512
Loss on disposal of fixed assets	411	175
Loss on valuation of stocks of subsidiaries and affiliates	987	337
Income before income taxes	21,676	23,762
Income taxes-current	6,778	7,507
Income taxes-deferred	167	8
Total income taxes	6,946	7,515
Net income	14,730	16,247

3. Capital Adequacy Ratio (Domestic Standard)

(1) Consolidated Capital Adequacy Ratio (Domestic Standard)

	As of December 31, 2022	(Reference) As of March 31, 2022
Consolidated capital adequacy ratio (domestic standard)	46.84%	47.31%

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

	As of December 31, 2022	(Reference) As of March 31, 2022
Non-consolidated capital adequacy ratio (domestic standard)	50.51%	53.20%