

Summary Information on Sony Bank's Financial Results
for the Six Months Ended September 30, 2014

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1. Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2014	As of September 30, 2014
Assets:		
Cash and due from banks	174,865	90,339
Call loans and bills bought	6,000	6,000
Monetary trusts	20,484	21,514
Securities	771,760	762,745
Loans	1,057,419	1,092,110
Foreign exchanges	7,752	6,499
Other assets	26,012	23,380
Tangible fixed assets	1,186	1,077
Intangible fixed assets	4,594	4,461
Deferred tax assets	165	145
Allowance for loan losses	(1,527)	(1,424)
Total Assets	2,068,713	2,006,850
Liabilities:		
Deposits	1,890,022	1,824,664
Call money and bills sold	6,000	6,000
Borrowed money	40,000	40,000
Foreign exchanges	40	88
Other liabilities	56,731	59,618
Reserve for employees' bonuses	658	387
Reserve for employees' retirement benefits	727	790
Reserve for directors' retirement benefits	51	59
Provision for point card certificates	87	75
Deferred tax liabilities	553	79
Total Liabilities	1,994,872	1,931,765
Net Assets:		
Common stock	31,000	31,000
Capital surplus	21,000	21,000
Retained earnings	15,939	17,985
Total shareholders' equity	67,939	69,985
Net unrealized gains on other securities, net of taxes	7,255	6,368
Net deferred losses on hedging instruments, net of taxes	(2,571)	(2,506)
Foreign currency translation adjustments	0	0
Remeasurements of defined benefit plans, net of taxes	(57)	(54)
Total accumulated other comprehensive income	4,626	3,806
Minority interests	1,275	1,292
Total Net Assets	73,840	75,085
Total Liabilities and Net Assets	2,068,713	2,006,850

2. Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

(1) Consolidated Statements of Income

(Millions of yen)

	For the six months ended September 30, 2013	For the six months ended September 30, 2014
Ordinary Revenues	18,315	18,655
Interest income	13,105	13,121
(Interest income on loans)	7,059	6,994
(Interest income and dividends on securities)	5,993	6,075
Fees and commissions	2,413	2,591
Other operating income	2,719	2,776
Other ordinary income	76	166
Ordinary Expenses	14,721	15,386
Interest expenses	4,313	4,884
(Interest expenses on deposits)	2,412	2,548
Fees and commissions	1,517	1,736
Other operating expenses	349	83
General and administrative expenses	8,441	8,671
Other ordinary expenses	99	10
Ordinary Profit	3,594	3,268
Income Before Income Taxes	3,594	3,268
Income Taxes —current	1,357	973
Income Taxes —deferred	(4)	221
Total Income Taxes	1,353	1,195
Income Before Minority Interests	2,241	2,073
Minority Interests (loss)	(14)	16
Net Income	2,255	2,057

(2) Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the six months ended September 30, 2013	For the six months ended September 30, 2014
Income Before Minority Interests	2,241	2,073
Other Comprehensive Income		
Net unrealized losses on other securities, net of taxes	(264)	(887)
Net deferred gains on hedging instruments, net of taxes	514	64
Foreign currency translation adjustments	—	0
Remeasurements of defined benefit plans, net of taxes	—	3
Total other comprehensive income	249	(818)
Comprehensive Income	2,490	1,255
(Details)		
Comprehensive income attributable to parent company	2,505	1,237
Comprehensive income attributable to minority interests	(14)	17

3. Fair Value Information (Consolidated)

(1) Fair value information on securities

i) Held-to-maturity bonds (As of September 30, 2014)

(Millions of yen)

	Balance sheet amount	Fair value	Difference
Held-to-maturity bonds of which fair value exceeds balance sheet amount			
Japanese government bonds	7,966	8,355	388
Japanese corporate bonds	339	355	16
Subtotal	8,305	8,711	405
Held-to-maturity bonds of which fair value does not exceed balance sheet amount			
Japanese government bonds	—	—	—
Japanese corporate bonds	—	—	—
Subtotal	—	—	—
Total	8,305	8,711	405

ii) Available-for-sale securities (As of September 30, 2014)

(Millions of yen)

	Balance sheet amount	Acquisition cost	Unrealized gains (losses)
Available-for-sale securities of which balance sheet amount exceeds acquisition cost			
Bonds	249,278	242,228	7,049
Japanese government bonds	58,689	55,826	2,863
Japanese municipal bonds	56,628	54,648	1,979
Japanese corporate bonds	133,960	131,753	2,206
Others	357,613	350,974	6,639
Foreign bonds	353,659	348,688	4,971
Others	3,954	2,286	1,668
Subtotal	606,892	593,202	13,689
Available-for-sale securities of which balance sheet amount does not exceed acquisition cost			
Bonds	3,000	3,000	(0)
Japanese government bonds	—	—	—
Japanese municipal bonds	—	—	—
Japanese corporate bonds	3,000	3,000	(0)
Others	144,547	144,907	(359)
Foreign bonds	144,547	144,907	(359)
Others	—	—	—
Subtotal	147,547	147,908	(360)
Total	754,439	741,111	13,328

(2) Fair value information on monetary trusts

i) Monetary trusts for investment (As of September 30, 2014)

(Millions of yen)

	Balance sheet amount	Net valuation gains (losses) recorded in income for fiscal year
Monetary trusts for investment	514	—

ii) Other monetary trusts (As of September 30, 2014)

(Millions of yen)

	Balance sheet amount	Acquisition cost	Difference	Of which, balance sheet amount exceeds acquisition cost	Of which, balance sheet amount does not exceed acquisition cost
Other monetary trusts	21,000	21,000	—	—	—

Note: "Difference" consists of "Of which, balance sheet amount exceeds acquisition cost" and "Of which, balance sheet amount does not exceed acquisition cost."

4. Non-consolidated Balance Sheets

(Millions of yen)

	As of September 30, 2013 (A)	As of September 30, 2014 (B)	Change (B-A)	As of March 31, 2014 (C)	Change (B-C)
Assets:					
Cash and due from banks	115,900	87,160	(28,740)	171,227	(84,066)
Call loans	6,000	6,000	—	6,000	—
Monetary trusts	20,461	21,514	1,053	20,484	1,030
Securities	784,962	764,796	(20,166)	773,811	(9,014)
Loans	1,009,563	1,092,110	82,547	1,057,419	34,691
Foreign exchanges	7,546	6,499	(1,047)	7,752	(1,253)
Other assets	19,977	16,243	(3,733)	17,995	(1,751)
Tangible fixed assets	767	694	(73)	795	(101)
Intangible fixed assets	2,620	2,658	38	2,746	(88)
Allowance for loan losses	(1,567)	(1,424)	142	(1,527)	102
Total Assets	1,966,232	1,996,253	30,020	2,056,704	(60,450)
Liabilities:					
Deposits	1,813,054	1,824,664	11,610	1,890,022	(65,358)
Call money	6,000	6,000	—	6,000	—
Borrowed money	30,000	40,000	10,000	40,000	—
Foreign exchanges	6	88	81	40	47
Other liabilities	45,705	50,322	4,617	46,021	4,300
Reserve for employees' bonuses	299	331	31	598	(267)
Reserve for employees' retirement benefits	493	609	116	544	64
Reserve for directors' retirement benefits	39	49	9	44	4
Provision for point card certificates	94	75	(18)	87	(11)
Deferred tax liabilities	163	94	(68)	568	(474)
Total Liabilities	1,895,857	1,922,236	26,379	1,983,929	(61,693)
Net Assets:					
Common stock	31,000	31,000	—	31,000	—
Capital surplus	21,000	21,000	—	21,000	—
Retained earnings	14,821	18,156	3,335	16,091	2,064
Total shareholders' equity	66,821	70,156	3,335	68,091	2,064
Net unrealized gains on other securities, net of taxes	6,271	6,368	96	7,255	(887)
Net deferred losses on hedging instruments, net of taxes	(2,716)	(2,506)	209	(2,571)	64
Total valuation and translation adjustments	3,554	3,861	306	4,683	(822)
Total Net Assets	70,375	74,017	3,641	72,774	1,242
Total Liabilities and Net Assets	1,966,232	1,996,253	30,020	2,056,704	(60,450)

5. Non-consolidated Statements of Income

(Millions of yen)

	For the six months ended September 30, 2013 (A)	For the six months ended September 30, 2014 (B)	Change (B-A)	(Reference) For the year ended March 31, 2014
Ordinary Revenues	17,089	17,336	247	33,994
Interest income	13,105	13,121	15	26,328
(Interest income on loans)	7,059	6,994	(64)	14,134
(Interest income and dividends on securities)	5,993	6,075	82	12,077
Fees and commissions	1,187	1,272	85	2,645
Other operating income	2,719	2,776	56	4,864
(Gains on foreign exchange transactions)	1,501	1,393	(108)	2,782
Other ordinary income	76	166	90	155
Ordinary Expenses	13,403	14,090	687	28,149
Interest expenses	4,311	4,883	572	9,074
(Interest expenses on deposits)	2,412	2,548	136	4,905
Fees and commissions	1,373	1,584	211	2,668
Other operating expenses	349	82	(267)	1,424
General and administrative expenses	7,270	7,530	259	14,684
Other ordinary expenses	98	10	(87)	297
Ordinary Profit	3,686	3,245	(440)	5,845
Income Before Income Taxes	3,686	3,245	(440)	5,845
Income Taxes —current	1,356	967	(388)	2,460
Income Taxes —deferred	15	203	187	(200)
Total Income Taxes	1,371	1,170	(200)	2,260
Net Income	2,314	2,075	(239)	3,585

(Reference) Non-consolidated Statements of Income for the three months ended September 30, 2014

(Millions of yen)

	For the three months ended September 30, 2013 (A)	For the three months ended September 30, 2014 (B)	Change (B-A)
Ordinary Revenues	8,097	8,690	592
Interest income	6,516	6,585	69
(Interest income on loans)	3,544	3,516	(27)
(Interest income and dividends on securities)	2,938	3,046	108
Fees and commissions	559	705	145
Other operating income	983	1,382	398
(Gains on foreign exchange transactions)	722	827	105
Other ordinary income	37	17	(20)
Ordinary Expenses	6,706	7,155	449
Interest expenses	2,207	2,482	275
(Interest expenses on deposits)	1,153	1,322	169
Fees and commissions	733	795	61
Other operating expenses	44	54	10
General and administrative expenses	3,647	3,817	170
Other ordinary expenses	73	4	(68)
Ordinary Profit	1,391	1,534	143
Income Before Income Taxes	1,391	1,534	143
Income Taxes —current	588	714	125
Income Taxes —deferred	(61)	(150)	(89)
Total Income Taxes	527	563	35
Net Income	863	971	107

6. Supplementary Information

(1) Interest Spread (Non-consolidated)

	For the six months ended September 30, 2013	For the six months ended September 30, 2014
Yield on investment (1)	1.34	1.34
Yield on loans	1.42	1.30
Yield on securities	1.44	1.56
Financing cost (2)	1.23	1.32
Yield on financing (3)	0.45	0.52
Yield on deposits	0.26	0.27
Yield on external liabilities *	0.79	0.56
Expense ratio	0.78	0.81
Interest spread (1)–(3)	0.89	0.81
Overall profit margin (1)–(2)	0.11	0.01

Note: External liabilities = Call money + Borrowed money.

(2) Deposits and Loans (Non-consolidated)

(Millions of yen, %)

	For the six months ended September 30, 2013			For the six months ended September 30, 2014		
	Balance at the end	Average balance	Yield	Balance at the end	Average balance	Yield
Deposits	1,813,054	1,844,869	0.26	1,824,664	1,831,603	0.27
Yen deposits	1,435,100	1,463,269	0.19	1,483,841	1,471,215	0.17
Ordinary deposits	430,021	419,308	0.01	478,954	460,674	0.01
Time deposits	1,005,060	1,043,927	0.26	1,004,859	1,010,496	0.24
Foreign currency deposits	377,953	381,599	0.50	340,823	360,387	0.69
Ordinary deposits	197,443	193,800	0.08	165,909	183,633	0.11
Time deposits	180,509	187,785	0.93	174,913	176,749	1.30
Loans	1,009,563	988,864	1.42	1,092,110	1,071,058	1.30
Mortgage loans	899,600	878,003	1.48	983,287	962,160	1.35
Others	109,962	110,860	0.93	108,822	108,898	0.82

Note: The average balance of foreign currency deposits during the term is calculated as the average during the period of the yen equivalent value of each day's foreign currency deposit balance.

(3) Balance of Time Deposits by Remaining Period (Non-consolidated)

(Millions of yen)

Remaining period	As of September 30, 2013			As of September 30, 2014		
	Yen	Foreign currency	Total	Yen	Foreign currency	Total
Less than 3 months	47,146	96,857	144,004	54,311	97,425	151,736
3 months or more, less than 6 months	523,977	45,054	569,031	523,011	39,868	562,880
6 months or more, less than 1 year	279,477	29,586	309,063	265,001	26,265	291,266
1 year or more, less than 2 years	24,514	6,414	30,928	31,350	6,111	37,462
2 years or more, less than 3 years	13,249	2,189	15,438	6,585	4,619	11,204
3 years or more	57,930	408	58,339	61,439	623	62,063
Total	946,296	180,509	1,126,806	941,700	174,913	1,116,614

Note: The table above does not include thrift saving deposits.

(4) Balance of Securities by Rating (Non-consolidated)

(Millions of yen, %)

Ratings	As of September 30, 2013		As of September 30, 2014	
	Balance	Composition	Balance	Composition
AAA	204,408	26.0	134,534	17.6
AA	297,393	37.9	287,065	37.5
A	239,108	30.5	295,067	38.6
BBB	33,163	4.2	32,132	4.2
BB or below	1,290	0.2	—	—
P-1	—	—	9,991	1.3
Unrated	9,598	1.2	6,004	0.8
Total	784,962	100.0	764,796	100.0

- Notes:
1. Credit rating classifications are based on the standardized approach for risk weighting applicable under the bank capital requirements, commonly referred to as Basel III. The external credit ratings used in applying the standardized approach to risk weighting for these purposes are the ratings assigned by the following rating agencies: Moody's Investors Service, Inc., Standard & Poor's, Rating and Investment Information, Inc., Japan Credit Rating Agency, Ltd. and Fitch Ratings Ltd.
 2. The unrated items on the above table include ¥3,954 million of investments in unrated investment trusts and ¥2,050 million of investments in shares of a subsidiary.

(5) Loans by Borrower Category (Non-consolidated)

(Millions of yen)

Category	As of September 30, 2013	As of September 30, 2014
	Amount	Amount
Bankrupt and quasi-bankrupt loans	943	824
Doubtful loans	858	914
Sub-standard loans	2,212	1,733
Normal loans	1,016,631	1,096,963
Total	1,020,645	1,100,436

(6) General and Administrative Expenses (Non-consolidated)

(Millions of yen, %)

	For the six months ended September 30, 2013		For the six months ended September 30, 2014	
	Amount	%	Amount	%
Personnel expenses	1,913	26.3	2,091	27.8
Non-personnel expenses	5,072	69.8	5,078	67.4
Depreciation and amortization	601	8.3	601	8.0
Taxes	284	3.9	360	4.8
Total	7,270	100.0	7,530	100.0

(7) Number of Executives and Employees (Non-consolidated)

(Persons)

	As of September 30, 2013	As of September 30, 2014
Executive management	9	9
Directors	6	6
Statutory auditors	3	3
Employees	393	438

Notes: 1. The number of directors include one outside director and the number of statutory auditors include two non-executive statutory auditors.

2. The number of employees exclude temporary employees and subcontracted employees seconded to Sony Bank.

(8) Non-consolidated Capital Adequacy Ratio (Domestic Criteria)

(Millions of yen, %)

	As of September 30, 2013	As of March 31, 2014	As of September 30, 2014
Capital Adequacy Ratio	11.99	—	—
Tier I Capital Ratio	9.14	—	—
Total Capital	87,605	—	—
Total Tier I Capital	66,821	—	—
Total Required Capital	29,223	—	—

Note: The non-consolidated capital adequacy ratio (domestic criteria) was calculated based on the standard stipulated by Article 14-2 of the Banking Act, in accordance with FSA Notification No. 19 (2006).

(Millions of yen, %)

	As of September 30, 2013	As of March 31, 2014	As of September 30, 2014
Capital Adequacy Ratio	—	11.72	11.80
Total Capital	—	88,881	90,820
Total Required Capital	—	30,317	30,782

Note: The non-consolidated capital adequacy ratio (domestic criteria) was calculated based on the standard stipulated by Article 14-2 of the Banking Act, in accordance with FSA Notification No. 19 (2006).

(9) Consolidated Capital Adequacy Ratio (Domestic Criteria)

(Millions of yen, %)

	As of September 30, 2013	As of March 31, 2014	As of September 30, 2014
Capital Adequacy Ratio	12.02	—	—
Tier I Capital Ratio	9.20	—	—
Total Capital	88,633	—	—
Total Tier I Capital	67,849	—	—
Total Required Capital	29,486	—	—

Note: The consolidated capital adequacy ratio (domestic criteria) was calculated based on the standard stipulated by Article 14-2 of the Banking Act, in accordance with FSA Notification No. 19 (2006).

(Millions of yen, %)

	As of September 30, 2013	As of March 31, 2014	As of September 30, 2014
Capital Adequacy Ratio	—	11.71	11.79
Total Capital	—	89,825	91,803
Total Required Capital	—	30,675	31,129

Note: The consolidated capital adequacy ratio (domestic criteria) was calculated based on the standard stipulated by Article 14-2 of the Banking Act, in accordance with FSA Notification No. 19 (2006).