

Summary Information on Sony Bank's Financial Results
for the Year Ended March 31, 2016

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1. Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2015	As of March 31, 2016
Assets:		
Cash and due from banks	101,248	114,213
Call loans and bills bought	6,000	-
Monetary claims bought	-	884
Monetary trusts	23,565	23,000
Securities	727,962	618,942
Loans	1,187,187	1,344,184
Foreign exchanges	2,224	1,139
Other assets	21,442	31,507
Tangible fixed assets	1,151	1,057
Buildings	246	254
Leased assets	58	28
Other tangible fixed assets	846	774
Intangible fixed assets	4,670	4,711
Software	4,567	4,677
Goodwill	99	19
Other intangible fixed assets	3	14
Deferred tax assets	324	1,681
Allowance for loan losses	(1,154)	(1,035)
Total Assets	2,074,623	2,140,286
Liabilities:		
Deposits	1,878,256	1,921,805
Call money and bills sold	6,000	-
Borrowed money	40,000	60,000
Foreign exchanges	46	87
Other liabilities	70,507	78,084
Reserve for employees' bonuses	753	714
Net defined benefit liability	904	1,103
Reserve for directors' retirement benefits	67	41
Provision for reimbursement of deposit	23	58
Total Liabilities	1,996,559	2,061,895
Net Assets:		
Common stock	31,000	31,000
Capital surplus	21,000	21,000
Retained earnings	20,514	24,419
Total shareholders' equity	72,514	76,419
Net unrealized gains (losses) on other securities, net of taxes	6,618	3,331
Net deferred gains (losses) on hedging instruments, net of taxes	(2,269)	(2,531)
Foreign currency translation adjustment	0	-
Remeasurements of defined benefit plans, net of taxes	(91)	(157)
Total accumulated other comprehensive income	4,258	643
Non-controlling interests	1,292	1,329
Total Net Assets	78,064	78,391
Total Liabilities and Net Assets	2,074,623	2,140,286

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

(1) Consolidated Statements of Income

(Millions of yen)

	For the year ended March 31, 2015	For the year ended March 31, 2016
Ordinary Revenues	38,424	37,937
Interest income	26,131	25,482
(Interest income on loans)	14,070	14,739
(Interest income and dividends on securities)	11,960	10,671
(Interest income on call loans and bills bought)	7	7
(Interest income on deposits with banks)	93	61
(Other interest income)	0	3
Fees and commissions	6,082	6,886
Other operating income	5,997	5,189
Other ordinary income	212	379
(Reversal of allowance for loan losses)	0	-
(Income from monetary trusts, net)	22	54
(Others)	189	325
Ordinary Expenses	31,096	31,949
Interest expenses	9,543	9,022
(Interest expenses on deposits)	5,012	4,829
(Interest expenses on call money and bills sold)	6	5
(Interest expenses on borrowed money)	255	266
(Other interest expenses)	4,268	3,921
Fees and commissions	3,648	4,054
Other operating expenses	135	181
General and administrative expenses	17,718	18,541
Other ordinary expenses	50	150
(Provision of allowance for loan losses)	-	36
(Other ordinary expenses)	50	113
Ordinary Profit	7,327	5,987
Extraordinary Losses	93	11
Losses on disposal of fixed assets	-	11
Impairment losses	60	-
Provision for reserve for losses on transfer of business	32	-
Income Before Income Taxes	7,234	5,976
Income Taxes - current	2,430	1,954
Income Taxes - deferred	195	62
Total Income Taxes	2,626	2,017
Profit	4,608	3,959
Profit Attributable to Non-controlling Interests	23	54
Profit Attributable to Owners of the Parent	4,585	3,905

(2) Consolidated Statements of Comprehensive Income

	For the year ended March 31, 2015	For the year ended March 31, 2016
Profit	4,608	3,959
Other Comprehensive Income		
Net unrealized gains (losses) on other securities, net of taxes	(636)	(3,286)
Net deferred gains (losses) on hedging instruments, net of taxes	302	(261)
Foreign currency translation adjustment	1	(1)
Remeasurements of defined benefit plans, net of taxes	(41)	(82)
Total other comprehensive income	(374)	(3,632)
Comprehensive Income	4,234	327
(Details)		
Comprehensive income attributable to owners of the parent	4,217	290
Comprehensive income attributable to Non-controlling Interests	16	37

3. Fair Value Information (Consolidated)

(1) Fair value information on securities

i) Held-to-maturity bonds (As of March 31, 2016)

(Millions of yen)

Held-to-maturity bonds of which fair value exceeds balance sheet amount	Balance sheet amount	Fair value	Difference
Japanese government bonds	7,980	8,212	231
Japanese corporate bonds	273	283	10
Subtotal	8,254	8,495	241
Held-to-maturity bonds of which fair value does not exceed balance sheet amount	Balance sheet amount	Fair value	Difference
Japanese government bonds	-	-	-
Japanese corporate bonds	-	-	-
Subtotal	-	-	-
Total	8,254	8,495	241

ii) Available-for-sale securities (As of March 31, 2016)

(Millions of yen)

Available-for-sale securities of which balance sheet amount exceeds acquisition cost	Balance sheet amount	Acquisition cost	Difference
Bonds	175,071	164,469	10,602
Japanese government bonds	73,506	66,273	7,233
Japanese municipal bonds	37,811	36,384	1,427
Japanese corporate bonds	63,753	61,812	1,941
Others	289,500	283,186	6,314
Foreign bonds	284,640	280,016	4,624
Others	4,860	3,170	1,689
Subtotal	464,572	447,655	16,916
Available-for-sale securities of which balance sheet amount does not exceed acquisition cost	Balance sheet amount	Acquisition cost	Difference
Bonds	599	600	(0)
Japanese government bonds	-	-	-
Japanese municipal bonds	-	-	-
Japanese corporate bonds	599	600	(0)
Others	146,400	147,110	(709)
Foreign bonds	146,400	147,110	(709)
Others	-	-	-
Subtotal	147,000	147,710	(709)
Total	611,572	595,366	16,206

iii) Available-for-sale securities sold during the year (For the year ended March 31, 2016)

(Millions of yen)

	Sales	Gains on sales	Losses on sales
Bonds	57,419	162	(21)
Japanese government bonds	5,531	16	-
Japanese municipal bonds	18,804	117	-
Japanese corporate bonds	33,083	28	(21)
Others	31,788	297	(160)
Foreign bonds	31,788	297	(160)
Others	-	-	-
Total	89,208	459	(181)

(2) Fair value information on monetary trusts

i) Other monetary trusts (As of March 31, 2016)

(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	23,000	23,000	-	-	-

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 March 31, 2015 (A)	As of March 31, 2016 (B)	Change (B-A)
Assets:			
Cash and due from banks	96,978	110,669	13,690
Cash	20	18	(1)
Due from banks	96,957	110,650	13,692
Call loans	6,000	-	(6,000)
Monetary claims bought	-	884	884
Monetary trusts	23,565	23,000	(565)
Securities	730,013	620,993	(109,019)
Japanese government bonds	82,878	81,487	(1,391)
Japanese municipal bonds	56,668	37,811	(18,856)
Japanese corporate bonds	107,750	64,626	(43,124)
Japanese stocks	2,050	2,050	-
Other securities	480,665	435,017	(45,647)
Loans	1,187,187	1,344,184	156,996
Loans on deed	1,180,420	1,332,050	151,630
Overdrafts	6,766	12,133	5,366
Foreign exchanges	2,224	1,139	(1,085)
Due from foreign banks	2,224	1,139	(1,085)
Other assets	13,794	21,272	7,478
Domestic exchange settlement account debit	325	207	(117)
Prepaid expenses	99	130	30
Accrued income	4,292	3,889	(402)
Derivatives	4,389	5,235	846
Cash collateral paid for financial instruments	-	7,701	7,701
Accounts receivable	2,640	1,740	(900)
Others	2,047	2,367	319
Tangible fixed assets	774	667	(107)
Buildings	201	210	9
Leased assets	0	0	(0)
Other tangible fixed assets	573	456	(116)
Intangible fixed assets	2,967	3,253	286
Software	2,964	3,248	283
Other intangible fixed assets	2	5	2
Deferred tax assets	174	1,536	1,362
Allowance for loan losses	(1,154)	(1,035)	118
Total Assets	2,062,525	2,126,564	64,039

(Millions of yen)

	As of March 31, 2015 (A)	As of March 31, 2016 (B)	Change (B-A)
Liabilities:			
Deposits	1,878,256	1,923,506	45,249
Ordinary deposits	494,003	503,957	9,954
Time deposits	1,053,960	1,080,159	26,199
Other deposits	330,293	339,388	9,095
Call money	6,000	-	(6,000)
Borrowed money	40,000	60,000	20,000
Borrowed money	40,000	60,000	20,000
Foreign exchanges	46	87	40
Foreign bills sold	12	12	0
Foreign bills payable	34	74	39
Other liabilities	59,735	64,088	4,352
Income taxes payables	1,304	950	(354)
Accrued expenses	4,690	4,845	155
Unearned revenue	5	-	(5)
Initial margins of future markets	22,315	22,041	(273)
Derivatives	30,112	30,913	801
Cash collateral received for financial instruments	-	312	312
Leased obligation	0	0	(0)
Asset retirement obligations	122	139	16
Others	1,185	4,886	3,700
Reserve for employees' bonuses	686	645	(40)
Reserve for employees' retirement benefits	658	731	73
Reserve for directors' retirement benefits	53	20	(33)
Provision for reimbursement of deposits	23	58	34
Total Liabilities	1,985,461	2,049,136	63,675
Net Assets:			
Common stock	31,000	31,000	-
Capital surplus	21,000	21,000	-
Capital reserves	21,000	21,000	-
Retained earnings	20,715	24,627	3,912
Other retained earnings	20,715	24,627	3,912
Unappropriated retained earnings	20,715	24,627	3,912
Total shareholders' equity	72,715	76,627	3,912
Net unrealized gains (losses) on other securities, net of taxes	6,618	3,331	(3,286)
Net deferred gains (losses) on hedging instruments, net of taxes	(2,269)	(2,531)	(261)
Total valuation and translation adjustments	4,348	800	(3,548)
Total Net Assets	77,064	77,428	363
Total Liabilities and Net Assets	2,062,525	2,126,564	64,039

5. Non-consolidated Statements of Income

(Millions of yen)

	For the year ended March 31, 2015 (A)	For theyear ended March 31, 2016 (B)	Change (B-A)
Ordinary Revenues	35,714	34,892	(822)
Interest income	26,132	25,482	(649)
(Interest income on loans)	14,070	14,739	668
(Interest income and dividends on securities)	11,960	10,671	(1,288)
(Interest income on call loans)	7	7	(0)
(Interest income on deposits with banks)	93	61	(32)
(Other interest income)	0	3	3
Fees and commissions	3,372	3,842	470
(Fees and commissions on domestic and foreign exchanges)	157	177	20
(Other fees and commissions)	3,215	3,664	449
Other operating income	5,997	5,189	(807)
(Gains on foreign exchange transactions)	3,906	4,263	356
(Gains on sale of bonds)	2,090	799	(1,290)
(Gains on redemption of bonds)	0	0	(0)
(Gains on derivatives)	-	126	126
(Other operating income)	-	0	0
Other ordinary income	212	377	165
Reversal of allowance for loan losses	0	-	(0)
(Income from monetary trusts, net)	22	54	31
(Others)	189	323	133
Ordinary Expenses	28,416	29,035	618
Interest expenses	9,540	9,021	(519)
(Interest expenses on deposits)	5,012	4,829	(183)
(Interest expenses on call money)	6	5	(0)
(Interest expenses on borrowed money)	253	264	11
(Interest expenses on interest rate swaps)	4,268	3,921	(346)
(Other interest expenses)	0	0	(0)
Fees and commissions	3,345	3,692	347
(Fees and commissions on domestic and foreign exchanges)	117	134	16
(Other fees and commissions)	3,227	3,558	330
Other operating expenses	134	181	47
(Losses on sale of bonds)	30	181	151
(Expenses from derivatives other than for trading or hedging)	103	-	(103)
General and administrative expenses	15,346	15,991	644
Other ordinary expenses	49	148	99
(Provision of allowance for loan losses)	-	36	36
(Write-off of loans)	0	0	(0)
(Others)	48	111	63
Ordinary Profit	7,298	5,857	(1,441)
Extraordinary Losses	93	-	(93)
Impairment loss	60	-	(60)
Losses on transfer of business	32	-	(32)
Income Before Income Taxes	7,205	5,857	(1,348)
Income Taxes —current	2,418	1,920	(497)
Income Taxes —deferred	152	24	(128)
Total Income Taxes	2,571	1,944	(626)
Net Income	4,634	3,912	(721)

6. Supplementary Information

(1) Interest spread (Non-consolidated)

		(%)	
		For the year ended March 31, 2015	For the year ended March 31, 2016
Yield on investmen	①	1.33	1.27
Yield on loans		1.28	1.17
Yield on securities		1.57	1.62
Financing cost	②	1.33	1.31
Yield on financing	③	0.50	0.47
Yield on deposits		0.27	0.26
Yield on external liabilities		0.56	0.47
Expense ratio		0.83	0.86
Interest spread	①-③	0.82	0.80
Overall profit margin	①-②	0.00	(0.04)

Note: External liabilities = call money + borrowed money

(2) Deposits and Loans (Non-consolidated)

(Millions of yen, %)

	For the year ended March 31, 2015			For the year ended March 31, 2016		
	Balance at the end	Average balance	Yield	Balance at the end	Average balance	Yield
Deposits	1,878,256	1,840,312	0.27	1,923,506	1,856,369	0.26
Yen deposits	1,551,033	1,493,638	0.16	1,587,943	1,534,943	0.14
Ordinary deposits	495,027	480,812	0.01	505,135	523,401	0.01
Time deposits	1,055,991	1,012,775	0.23	1,082,657	1,011,457	0.20
Foreign currency deposits	327,222	346,674	0.72	335,562	321,425	0.83
Ordinary deposits	168,061	175,954	0.12	177,296	166,405	0.14
Time deposits	159,161	170,717	1.35	158,251	155,018	1.57
Loans	1,187,187	1,096,450	1.28	1,344,184	1,258,425	1.17
Housing loans	1,074,386	987,020	1.33	1,237,127	1,146,085	1.19
Others	112,800	109,429	0.80	107,056	112,340	0.91

Note: The average balance of foreign currency deposits is calculated as the average of the yen equivalent value of each day's foreign currency deposit balance which is converted to Japanese yen using TTM.

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

Remaining period	As of March 31, 2015			As of March 31, 2016		
	Yen	Foreign currency	Total	Yen	Foreign currency	Total
Less than 3 months	51,369	84,099	135,469	187,427	102,819	290,247
3 months or more, less than 6 months	489,991	39,317	529,308	285,310	30,349	315,660
6 months or more, less than 1 year	359,804	24,279	384,084	440,426	19,247	459,673
1 year or more, less than 2 years	22,361	7,173	29,534	10,001	3,880	13,882
2 years or more, less than 3 years	7,089	4,029	11,118	7,146	1,954	9,101
3 years or more	60,609	261	60,871	84,184	-	84,184
Total	991,225	159,161	1,150,387	1,014,497	158,251	1,172,749

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

(4) Balance of Securities by Rating (Non-consolidated) (Millions of yen, %)

Ratings	As of March 31, 2015		As of March 31, 2016	
	Balance	Composition	Balance	Composition
AAA	127,223	17.4	126,336	20.4
AA	255,941	35.1	165,255	26.6
A	283,803	38.8	307,019	49.4
BBB	46,441	6.4	16,354	2.6
P-1	9,998	1.4	-	-
Not rated	6,605	0.9	6,026	1.0
Total	730,013	100.0	620,993	100.0

Notes:

1. Sony bank uses the Basel III standardized approach and classifies its securities, based on rating by five rating agencies: Moody's Investors Service, Standard & Poor's, Rating and Investment Information, Japan Credit Rating Agency and Fitch Ratings.
2. The non-rated items on the above table include ¥3,975 million in investment trusts and ¥2,050 million in shares of a subsidiary.

(5) Loans by Borrower Category (Non-consolidated) (Millions of yen)

Category	As of March 31, 2015	As of March 31, 2016
	Amount	Amount
Bankrupt and quasi-bankrupt loans	744	732
Doubtful loans	899	890
Sub-standard loans	1,716	1,443
Normal loans	1,186,701	1,342,916
Total	1,190,062	1,345,983

(6) General and Administrative Expenses (Non-consolidated) (Millions of yen, %)

	For the year ended March 31, 2015		For the year ended March 31, 2016	
	Amount	%	Amount	%
Personnel expenses	4,297	28.0	4,228	26.5
Non-personnel expenses	10,303	67.1	10,844	67.8
Depreciation and amortization	1,192	7.8	1,249	7.8
Taxes	745	4.9	918	5.7
Total	15,346	100.0	15,991	100.0

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

	As of March 31, 2015	As of March 31, 2016
Executive management	9	9
Directors	6	6
Statutory auditors	3	3
Employees	455	456

Notes:

1. The number of directors include one outside director and the number of statutory auditors include two part-time 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 March 31, 2015	As of March 31, 2016
Capital Adequacy Ratio	10.66 %	9.90 %
Total Capital	90,913	90,280
Total capital requirements	34,096	36,466

Note: The non-consolidated capital adequacy ratio (domestic criteria) is 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 March 31, 2015	As of March 31, 2016
Capital Adequacy Ratio	10.63 %	9.85 %
Total Capital	91,535	90,655
Total capital requirements	34,429	36,804

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