

Summary Information on Sony Bank's Financial Results
for the Six Months Ended September 30, 2017

<Contents>

1. Consolidated Balance Sheets	P.2
2. Consolidated Statements of Income and Consolidated Statements of Comprehensive Income	P.3
(1) Consolidated Statements of Income	P.3
(2) Consolidated Statements of Comprehensive Income	P.3
3. Fair Value Information (Consolidated)	P.4
4. Non-consolidated Balance Sheets	P.5
5. Non-consolidated Statements of Income	P.6
6. Supplementary Information	P.7
(1) Interest spread (Non-consolidated)	P.7
(2) Deposits and loans (Non-consolidated)	P.7
(3) Balance of time deposits by remaining period (Non-consolidated)	P.8
(4) Balance of securities by ratings (Non-consolidated)	P.8
(5) Loans by Borrower Category (Non-consolidated)	P.8
(6) General and Administrative Expenses (Non-consolidated)	P.9
(7) Number of Executives and Employees (Non-consolidated)	P.9
(8) Consolidated Capital Adequacy Ratio (Domestic Standard)	P.10
(9) Non-consolidated Capital Adequacy Ratio (Domestic Standard)	P.11

1. Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2017	As of September 30, 2017
Assets:		
Cash and due from banks	180,581	244,293
Monetary claims purchased	573	7,506
Money held in trust	23,000	21,000
Securities	629,254	688,076
Loans	1,539,630	1,559,325
Foreign exchanges	7,268	10,446
Other assets	53,223	56,858
Tangible fixed assets	710	918
Intangible fixed assets	4,803	4,885
Deferred tax assets	762	129
Reserve for possible loan losses	(971)	(887)
Total Assets	2,438,836	2,592,552
Liabilities:		
Deposits	2,109,583	2,161,509
Call money and bills sold	70,000	117,000
Borrowed money	103,000	160,000
Foreign exchanges	108	336
Other liabilities	71,520	67,288
Reserve for employees' bonuses	782	431
Net defined benefit liability	1,117	1,178
Reserve for directors' retirement benefits	56	—
Provision for reimbursement of deposits	62	65
Deferred tax liabilities	—	16
Total Liabilities	2,356,231	2,507,826
Net Assets:		
Common stock	31,000	31,000
Capital surplus	21,000	21,000
Retained earnings	25,815	26,650
Total shareholders' equity	77,815	78,650
Net unrealized gains (losses) on other securities, net of taxes	4,776	5,847
Net deferred gains (losses) on hedging instruments, net of taxes	(1,338)	(1,210)
Remeasurements of defined benefit plans, net of taxes	(109)	(103)
Total accumulated other comprehensive income	3,328	4,533
Non-controlling interests	1,460	1,541
Total Net Assets	82,604	84,725
Total Liabilities and Net Assets	2,438,836	2,592,552

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, 2016	For the six months ended September 30, 2017
Ordinary Revenues	18,610	19,819
Interest income	12,756	14,005
(Interest income on loans)	7,785	8,457
(Interest income and dividends on securities)	4,937	5,510
Fees and commissions	3,502	3,138
Other operating income	2,225	2,104
Other ordinary income	125	570
Ordinary Expenses	16,825	16,107
Interest expenses	4,345	3,923
(Interest expenses on deposits)	2,518	2,583
Fees and commissions	2,544	3,143
Other operating expenses	78	49
General and administrative expenses	9,712	8,944
Other ordinary expenses	143	46
Ordinary Profit	1,784	3,712
Extraordinary Losses	63	81
Losses on disposal of fixed assets	56	81
Other extraordinary losses	7	—
Income Before Income Taxes	1,721	3,630
Income Taxes —Current	412	1,007
Income Taxes —Deferred	129	118
Total Income Taxes	542	1,125
Profit	1,178	2,504
Profit Attributable to Non-controlling Interests	33	79
Profit Attributable to Owners of the Parent	1,144	2,425

(2) Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the six months ended September 30, 2016	For the six months ended September 30, 2017
Profit	1,178	2,504
Other Comprehensive Income		
Net unrealized gains (losses) on other securities, net of taxes	494	1,071
Net deferred gains (losses) on hedging instruments, net of taxes	33	127
Remeasurements of defined benefit plans, net of taxes	9	7
Total other comprehensive income	536	1,205
Comprehensive Income	1,715	3,710
(Details)		
Comprehensive income attributable to parent company	1,680	3,630
Comprehensive income attributable to non-controlling interests	35	80

3. Fair Value Information (Consolidated)

(1) Fair value information on securities

i) Held-to-maturity bonds (As of September 30, 2017)

(Millions of yen)			
	Balance sheet amount	Fair value	Difference
Held-to-maturity bonds of which fair value exceeds balance sheet amount			
Japanese government bonds	3,995	4,028	33
Japanese corporate bonds	211	213	1
Subtotal	4,206	4,241	35
Held-to-maturity bonds of which fair value does not exceed balance sheet amount			
Japanese government bonds	—	—	—
Japanese corporate bonds	—	—	—
Subtotal	—	—	—
Total	4,206	4,241	35

ii) Available-for-sale securities (As of September 30, 2017)

(Millions of yen)			
	Balance sheet amount	Acquisition cost	Difference
Available-for-sale securities of which balance sheet amount exceeds acquisition cost			
Bonds	165,074	157,130	7,944
Japanese government bonds	63,789	58,216	5,572
Japanese local government bonds	34,652	33,660	991
Japanese corporate bonds	66,633	65,253	1,380
Others	358,150	351,621	6,529
Foreign bonds	349,044	345,223	3,820
Others	9,106	6,397	2,708
Subtotal	523,225	508,751	14,473
Available-for-sale securities of which balance sheet amount dose not exceed acquisition cost			
Bonds	32,478	32,938	(459)
Japanese government bonds	30,075	30,534	(458)
Japanese local government bonds	1,503	1,504	(0)
Japanese corporate bonds	899	900	(0)
Others	135,643	136,148	(505)
Foreign bonds	132,249	132,754	(504)
Others	3,394	3,394	(0)
Subtotal	168,122	169,087	(964)
Total	691,347	677,838	13,509

(2) Fair value information on monetary trusts

i) Other monetary trusts (As of September 30, 2017)

(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, 2016 (A)	As of September 30, 2017 (B)	Change (B-A)	As of March 31, 2017 (C)	Change (B-C)
Assets:					
Cash and due from banks	80,697	243,555	162,857	177,468	66,086
Monetary claims purchased	720	7,506	6,785	573	6,933
Money held in trust	23,000	21,000	(2,000)	23,000	(2,000)
Securities	591,024	690,098	99,074	631,296	58,802
Loans	1,460,692	1,559,324	98,632	1,539,630	19,693
Foreign exchanges	5,458	10,446	4,988	7,268	3,177
Other assets	24,611	44,124	19,513	41,770	2,353
Tangible fixed assets	596	491	(105)	398	93
Intangible fixed assets	3,089	3,156	66	3,170	(13)
Deferred tax assets	1,208	—	(1,208)	632	(632)
Reserve for possible loan losses	(1,091)	(887)	204	(971)	84
Total Assets	2,190,007	2,578,815	388,808	2,424,236	154,579
Liabilities:					
Deposits	1,989,611	2,165,212	175,600	2,112,985	52,226
Call money	—	117,000	117,000	70,000	47,000
Borrowed money	60,000	160,000	100,000	103,000	57,000
Foreign exchanges	140	336	195	108	227
Other liabilities	61,884	51,693	10,190	55,199	(3,505)
Reserve for employees' bonuses	350	352	1	705	(353)
Reserve for employees' retirement benefits	771	878	106	815	63
Reserve for directors' retirement benefits	23	—	(23)	27	(27)
Provision for reimbursement of deposit	59	65	6	62	3
Deferred tax liabilities	—	16	16	—	16
Total Liabilities	2,112,841	2,495,555	382,713	2,342,904	152,651
Net Assets:					
Common stock	31,000	31,000	—	31,000	—
Capital surplus	21,000	21,000	—	21,000	—
Retained earnings	23,837	26,623	2,785	25,893	729
Total shareholders' equity	75,837	78,623	2,785	77,893	729
Net unrealized gains (losses) on other securities, net of taxes	3,825	5,847	2,021	4,776	1,071
Net deferred gains (losses) on hedging instruments, net of taxes	(2,497)	(1,210)	1,287	(1,338)	127
Total valuation and translation adjustments	1,327	4,636	3,308	3,438	1,198
Total Net Assets	77,165	83,259	6,094	81,332	1,927
Total Liabilities and Net Assets	2,190,007	2,578,815	388,808	2,424,236	154,579

5. Non-consolidated Statements of Income

(Millions of yen)

	Six months ended September 30, 2016 (A)	Six months ended September 30, 2017 (B)	Change (B-A)	(Reference) For the year ended March 31, 2017
Ordinary Revenues	16,924	18,044	1,120	35,105
Interest income	12,756	14,005	1,248	26,534
(Interest income on loans)	7,785	8,457	671	16,066
(Interest income and dividends on securities)	4,937	5,510	572	10,394
Fees and commissions	1,816	1,363	(452)	3,465
Other operating income	2,225	2,104	(120)	4,871
(Gains on foreign exchange transactions)	2,053	1,846	(206)	4,431
Other ordinary income	125	570	444	234
Ordinary Expenses	15,300	14,620	(679)	30,470
Interest expenses	4,345	3,922	(422)	8,671
(Interest expenses on deposits)	2,518	2,583	64	5,105
Fees and commissions	2,320	2,925	605	5,046
Other operating expenses	78	48	(29)	86
General and administrative expenses	8,412	7,676	(736)	16,524
Other ordinary expenses	142	46	(96)	141
Ordinary Profit	1,623	3,423	1,800	4,634
Extraordinary Losses	—	66	66	150
Losses on disposal of fixed assets	—	66	66	—
Impairment losses	—	—	—	150
Income Before Income Taxes	1,623	3,357	1,733	4,484
Income Taxes -Current	368	918	549	1,307
Income Taxes -Deferred	135	119	(15)	1
Total Income Taxes	503	1,037	534	1,308
Net Income	1,120	2,319	1,199	3,176

(Reference) Non-consolidated Statements of Income for the three months ended September 30, 2017

(Millions of yen)

	Three months ended September 30, 2016 (A)	Three months ended September 30, 2017 (B)	Change (B-A)
Ordinary Revenues	8,513	9,199	685
Interest income	6,435	7,134	698
(Interest income on loans)	3,941	4,264	323
(Interest income and dividends on securities)	2,477	2,851	373
Fees and commissions	919	696	(222)
Other operating income	1,088	892	(196)
(Gains on foreign exchange transactions)	1,064	860	(203)
Other ordinary income	69	476	406
Ordinary Expenses	7,607	7,328	(278)
Interest expenses	2,168	1,956	(211)
(Interest expenses on deposits)	1,279	1,316	36
Fees and commissions	1,236	1,504	268
Other operating expenses	2	33	31
General and administrative expenses	4,139	3,824	(314)
Other ordinary expenses	61	8	(52)
Ordinary Profit	906	1,870	964
Extraordinary Losses	—	66	66
Losses on disposal of fixed assets	—	66	66
Income Before Income Taxes	906	1,804	898
Income Taxes —Current	356	625	269
Income Taxes —Deferred	(77)	(70)	6
Total Income Taxes	278	554	275
Net Income	627	1,249	622

6. Supplementary Information

(1) Interest spread (Non-consolidated)

		(%)	
		For the six months ended September 30, 2016	For the six months ended September 30, 2017
Yield on investment	①	1.22	1.12
Yield on loans		1.11	1.08
Yield on securities		1.69	1.66
Financing cost	②	1.28	0.97
Yield on financing	③	0.43	0.32
Yield on deposits		0.25	0.24
Yield on external liabilities*		0.44	0.01
Expense ratio		0.86	0.71
Interest spread	①－③	0.78	0.79
Overall profit margin	①－②	(0.05)	0.15

Note: External liabilities are equal to a total of call money and borrowed money.

(2) Deposits and Loans (Non-consolidated)

		(Millions of yen, %)					
		For the six months ended September 30, 2016			For the six months ended September 30, 2017		
		Balance at the end	Average balance	Yield	Balance at the end	Average balance	Yield
Deposits		1,989,611	1,941,266	0.25	2,165,212	2,136,685	0.24
Yen deposits		1,649,703	1,607,936	0.14	1,800,542	1,782,722	0.11
Ordinary deposits		529,949	526,182	0.00	666,432	649,642	0.00
Time deposits		1,119,538	1,081,507	0.21	1,133,665	1,132,600	0.18
Foreign currency deposits		339,908	333,330	0.79	364,669	353,962	0.86
Ordinary deposits		180,422	176,628	0.16	172,280	174,276	0.25
Time deposits		159,455	156,677	1.51	192,334	179,637	1.46
Loans		1,460,692	1,397,321	1.11	1,559,324	151,008	1.08
Mortgage loans		1,362,923	1,291,158	1.08	1,477,932	1,465,413	1.01
Others		97,768	106,163	1.48	81,392	85,595	2.27

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, 2016			As of September 30, 2017		
	Yen	Foreign currency	Total	Yen	Foreign currency	Total
Less than 3 months	265,852	104,475	370,328	281,278	115,813	397,092
3 months or more, less than 6 months	439,372	33,847	473,219	424,506	39,501	464,007
6 months or more, less than 1 year	232,146	16,884	249,031	245,817	29,894	275,711
1 year or more, less than 2 years	40,763	2,602	43,366	36,608	4,268	40,876
2 years or more, less than 3 years	7,606	1,642	9,248	14,188	2,853	17,041
3 years or more	62,097	2	62,100	52,488	3	52,491
Total	1,047,839	159,455	1,207,295	1,054,888	192,334	1,247,222

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

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

(Millions of yen, %)

Ratings	As of September 30, 2016		As of September 30, 2017	
	Balance	Composition	Balance	Composition
AAA	122,766	20.8	226,243	32.8
AA	171,785	29.1	116,121	16.8
A	275,118	46.5	314,101	45.5
BBB	15,348	2.6	26,587	3.9
Unrated	6,005	1.0	7,044	1.0
Total	591,024	100.0	690,098	100.0

Notes: 1. Sony bank uses the Basel III standardized approach and classifies its securities, based on rating by five (5) rating agencies: Moody's Investors Service, Standard & Poor's, Rating and Investment Information, Japan Credit Rating Agency and Fitch Ratings.

2. The unrated items on the above table include ¥4,993 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, 2016		As of September 30, 2017	
	Amount		Amount	
Bankrupt and quasi-bankrupt loans	688		580	
Doubtful loans	1,057		774	
Sub-standard loans	1,321		997	
Normal loans	1,463,705		1,568,055	
Total	1,466,772		1,570,407	

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

(Millions of yen, %)

	For the six months ended September 30, 2016		For the six months ended September 30, 2017	
	Amount	%	Amount	%
Personnel expenses	2,196	26.1	2,252	29.3
Non-personnel expenses	5,677	67.5	4,898	63.8
Depreciation and amortization	637	7.5	626	8.2
Taxes	538	6.4	525	6.9
Total	8,412	100.0	7,676	100.0

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

(Persons)

	As of September 30, 2016	As of September 30, 2017
Executive management	10	9
Directors	6	5
Statutory auditors	4	4
Employees	470	496

Notes: 1. The number of directors include one (1) outside director and the number of statutory auditors include two (2) outside

statutory auditors.

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

(8) Consolidated Capital Adequacy Ratio (Domestic Standard)

(Millions of yen, %)

	As of September 30, 2017	Amounts excluded under transitional arrangements
Core capital: instruments and reserves		
Directly issued qualifying common share capital or preferred share capital with a compulsory conversion clause plus related capital surplus and retained earnings	78,650	
Of which, Capital and capital surplus	52,000	
Of which, Retained earnings	26,650	
Accumulated other comprehensive income included in core capital	(62)	
of which: remeasurements of defined benefit plans	(62)	
Eligible capital instrument subject to transitional arrangement included in Core Capital: instruments and reserves	10,000	
Non-controlling interests included in Core Capital subject to transitional arrangements	1,079	
Core capital: instruments and reserves (A)	89,667	
Core capital: regulatory adjustments		
Total amount of intangible assets (excluding those relating to mortgage servicing rights)	2,026	1,351
Of which, Other intangible assets other than goodwill and mortgage servicing rights	2,026	1,351
Shortfall of eligible reserves to expected losses	1,070	—
Core capital: regulatory adjustments (B)	3,097	
Capital		
Capital ((A) - (B)) (C)	86,570	
Risk-weighted assets		
Total amount of credit risk-weighted assets	515,040	
Of which, Total amount included in risk-weighted assets subject to transitional arrangements	(9,548)	
Of which, Intangible assets other than goodwill and mortgage servicing rights	1,351	
Of which, Exposures to other financial institutions	(10,899)	
Total amount of operational risk equivalent / 8%	44,798	
Adjustment to credit risk-weighted assets	361,768	
Total amount of risk-weighted assets (D)	921,608	
Capital adequacy ratio		
Capital adequacy ratio ((C) / (D))	9.39%	

(Millions of yen)

	Amount
Consolidated total capital requirements (Domestic standard) (Total Risk-Weighted Assets by 8%)	36,864

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

(Millions of yen, %)

	As of September 30, 2017	Amounts excluded under transitional arrangements
Core capital: instruments and reserves		
Directly issued qualifying common share capital or preferred share capital with a compulsory conversion clause plus related capital surplus and retained earnings	78,623	
Of which, Capital and capital surplus	52,000	
Of which, Retained earnings	26,623	
Eligible capital instrument subject to transitional arrangement included in Core Capital: instruments and reserves	10,000	
Core capital: instruments and reserves (A)	88,623	
Core capital: regulatory adjustments		
Total amount of intangible assets (excluding those relating to mortgage servicing rights)	1,309	872
Of which, Other intangible assets other than goodwill and mortgage servicing rights	1,309	872
Shortfall of eligible reserves to expected losses	1,070	—
Core capital: regulatory adjustments (B)	2,379	
Capital		
Capital ((A) - (B)) (C)	86,243	
Risk-weighted assets		
Total amount of credit risk-weighted assets	516,875	
Of which, Total amount included in risk-weighted assets subject to transitional arrangements	(10,026)	
Of which, Intangible assets other than goodwill and mortgage servicing rights	872	
Of which, Exposures to other financial institutions	(10,899)	
Total amount of operational risk equivalent / 8%	39,521	
Adjustment to credit risk-weighted assets	357,672	
Total amount of risk-weighted assets (D)	914,069	
Capital adequacy ratio		
Capital adequacy ratio ((C) / (D))	9.43%	

(Millions of yen)

	Amount
Consolidated total capital requirements (Domestic standard)(Total Risk-Weighted Assets by 4%)	36,562