

**Summary Information on Sony Bank's Financial Results**  
**for the Year Ended March 31, 2018**

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Disclaimer:

This English translation is prepared for the readers' convenience. When there are any discrepancies between original Japanese version and English translation version, the original Japanese version always prevails.

# 1. Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2017	As of March 31, 2018
<b>Assets:</b>		
Cash and due from banks	180,581	287,752
Monetary claims purchased	573	5,378
Money held in trust	23,000	21,000
Securities	629,254	672,244
Loans	1,539,630	1,596,376
Foreign exchanges	7,268	9,346
Other assets	53,223	52,372
Tangible fixed assets	710	1,709
Buildings	106	658
Leased assets	0	0
Other tangible fixed assets	602	1,051
Intangible fixed assets	4,803	5,652
Software	4,789	5,637
Other intangible fixed assets	13	14
Deferred tax assets	762	138
Reserve for possible loan losses	(971)	(806)
<b>Total Assets</b>	<b>2,438,836</b>	<b>2,651,162</b>
<b>Liabilities:</b>		
Deposits	2,109,583	2,219,324
Call money and bills sold	70,000	96,000
Borrowed money	103,000	180,000
Foreign exchanges	108	228
Other liabilities	71,520	66,071
Reserve for employees' bonuses	782	769
Net defined benefit liability	1,117	1,243
Reserve for directors' retirement benefits	56	—
Provision for reimbursement of deposits	62	81
<b>Total Liabilities</b>	<b>2,356,231</b>	<b>2,563,718</b>
<b>Net Assets:</b>		
Common stock	31,000	31,000
Capital surplus	21,000	21,000
Retained earnings	25,815	28,948
Total shareholders' equity	77,815	80,948
Net unrealized gains (losses) on other securities, net of taxes	4,776	6,037
Net deferred gains (losses) on hedging instruments, net of taxes	(1,338)	(1,086)
Remeasurements of defined benefit plans, net of taxes	(109)	(103)
Total accumulated other comprehensive income	3,328	4,847
Non-controlling interests	1,460	1,648
<b>Total Net Assets</b>	<b>82,604</b>	<b>87,444</b>
<b>Total Liabilities and Net Assets</b>	<b>2,438,836</b>	<b>2,651,162</b>

## 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, 2017	For the year ended March 31, 2018
<b>Ordinary Revenues</b>	<b>38,510</b>	<b>39,933</b>
Interest income	26,533	28,344
(Interest income on loans)	16,065	17,064
(Interest income and dividends on securities)	10,394	11,204
(Interest income on call loans and bills bought)	—	2
(Interest income on deposits with banks)	63	63
(Other interest income)	9	9
Fees and commissions	6,870	6,961
Other operating income	4,871	3,823
Other ordinary income	234	804
(Reversal of reserve for possible loan losses)	22	96
(Others)	212	708
<b>Ordinary Expenses</b>	<b>33,460</b>	<b>32,752</b>
Interest expenses	8,672	7,731
(Interest expenses on deposits)	5,105	5,322
(Interest expenses on call money and bills sold)	(17)	(73)
(Interest expenses on borrowed money)	211	113
(Interest expenses on short-term corporate bonds)	0	—
(Other interest expenses)	3,372	2,368
Fees and commissions	5,480	6,685
Other operating expenses	86	109
General and administrative expenses	19,079	18,084
Other ordinary expenses	142	141
(Other ordinary expenses)	142	141
<b>Ordinary Profit</b>	<b>5,049</b>	<b>7,180</b>
<b>Extraordinary Losses</b>	<b>214</b>	<b>92</b>
Losses on disposal of fixed assets	57	92
Impairment losses	150	—
Other extraordinary losses	7	—
<b>Income Before Income Taxes</b>	<b>4,834</b>	<b>7,088</b>
Income Taxes - Current	1,429	2,225
Income Taxes - Deferred	(14)	(46)
<b>Total Income Taxes</b>	<b>1,414</b>	<b>2,179</b>
<b>Profit</b>	<b>3,420</b>	<b>4,909</b>
<b>Profit Attributable to Non-controlling Interests</b>	<b>113</b>	<b>186</b>
<b>Profit Attributable to Owners of the Parent</b>	<b>3,306</b>	<b>4,722</b>

**(2) Consolidated Statements of Comprehensive Income**

	For the year ended March 31, 2017	For the year ended March 31, 2018
Profit	3,420	4,909
Other Comprehensive Income		
Net unrealized gains (losses) on other securities, net of taxes	1,444	1,260
Net deferred gains (losses) on hedging instruments, net of taxes	1,192	251
Remeasurements of defined benefit plans, net of taxes	65	7
Total other comprehensive income	2,703	1,519
Comprehensive Income	6,123	6,429
(Details)		
Comprehensive income attributable to the owners of the parent	5,992	6,242
Comprehensive income attributable to non-controlling interests	131	187

### 3. Fair Value Information (Consolidated)

#### (1) Fair value information on securities

##### i) Held-to-maturity bonds (As of March 31, 2018)

	(Millions of yen)		
	Balance sheet amount	Fair value	Difference
Held-to-maturity bonds of which fair value exceeds balance sheet amount			
Japanese corporate bonds	200	201	1
<b>Subtotal</b>	<b>200</b>	<b>201</b>	<b>1</b>
Held-to-maturity bonds of which fair value does not exceed balance sheet amount			
Japanese corporate bonds	—	—	—
<b>Subtotal</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Total</b>	<b>200</b>	<b>201</b>	<b>1</b>

##### ii) Available-for-sale securities (As of March 31, 2018)

	(Millions of yen)		
	Balance sheet amount	Acquisition cost	Difference
Available-for-sale securities of which balance sheet amount exceeds acquisition cost			
Bonds	159,116	151,369	7,747
Japanese government bonds	62,248	56,567	5,681
Japanese local government bonds	34,500	33,624	876
Japanese corporate bonds	62,367	61,178	1,188
Others	287,657	282,442	5,215
Foreign bonds	279,376	276,933	2,442
Others	8,281	5,508	2,772
<b>Subtotal</b>	<b>446,774</b>	<b>433,812</b>	<b>12,962</b>
Available-for-sale securities of which balance sheet amount dose not exceed acquisition cost			
Bonds	38,924	39,202	(278)
Japanese government bonds	34,623	34,901	(277)
Japanese local government bonds	1,501	1,501	(0)
Japanese corporate bonds	2,798	2,800	(1)
Others	191,714	192,956	(1,242)
Foreign bonds	189,559	190,801	(1,241)
Others	2,154	2,155	(0)
<b>Subtotal</b>	<b>230,638</b>	<b>232,159</b>	<b>(1,520)</b>
<b>Total</b>	<b>677,412</b>	<b>665,971</b>	<b>11,441</b>

**iii) Available-for-sale securities sold during the year (For the year ended March 31, 2018)**

	(Millions of yen)		
	Sales	Gains on sales	Losses on sales
Bonds	11,171	74	—
Japanese government bonds	9,093	48	—
Japanese corporate bonds	2,077	25	—
Others	37,763	241	(12)
Foreign bonds	37,763	241	(12)
Others	—	—	—
<b>Total</b>	<b>48,934</b>	<b>315</b>	<b>(12)</b>

**(2) Fair value information on money held in trust****Money held in trust for other than trading or held-to-maturity (As of March 31, 2018)**

(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
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 March 31, 2017 (A)	As of March 31, 2018 (B)	Change (B-A)
<b>Assets:</b>			
<b>Cash and due from banks</b>	<b>177,468</b>	<b>287,332</b>	<b>109,864</b>
Due from banks	177,468	287,332	109,864
<b>Monetary claims purchased</b>	<b>573</b>	<b>5,378</b>	<b>4,805</b>
<b>Money held in trust</b>	<b>23,000</b>	<b>21,000</b>	<b>(2,000)</b>
<b>Securities</b>	<b>631,296</b>	<b>674,285</b>	<b>42,989</b>
Japanese government bonds	103,083	96,872	(6,210)
Japanese local government bonds	34,866	36,001	1,135
Japanese corporate bonds	63,611	65,366	1,755
Japanese stocks	2,050	2,050	—
Other securities	427,684	473,993	46,309
<b>Loans</b>	<b>1,539,630</b>	<b>1,596,376</b>	<b>56,745</b>
Loans on deed	1,521,546	1,577,480	55,934
Overdrafts	18,084	18,895	811
<b>Foreign exchanges</b>	<b>7,268</b>	<b>9,346</b>	<b>2,077</b>
Due from foreign banks	7,268	9,346	2,077
<b>Other assets</b>	<b>41,770</b>	<b>37,103</b>	<b>(4,666)</b>
Domestic exchange settlement account debit	258	438	180
Prepaid expenses	149	149	0
Accrued income	3,859	3,687	(171)
Derivatives	5,153	7,320	2,167
Cash collateral paid for financial instruments	21,650	18,559	(3,090)
Accounts receivable	7,879	4,599	(3,280)
Others	2,821	2,349	(471)
<b>Tangible fixed assets</b>	<b>398</b>	<b>1,204</b>	<b>806</b>
Buildings	65	620	554
Other tangible fixed assets	332	584	251
<b>Intangible fixed assets</b>	<b>3,170</b>	<b>3,808</b>	<b>638</b>
Software	3,165	3,803	638
Other intangible fixed assets	4	5	0
<b>Deferred tax assets</b>	<b>632</b>	<b>—</b>	<b>(632)</b>
<b>Reserve for possible loan losses</b>	<b>(971)</b>	<b>(806)</b>	<b>164</b>
<b>Total Assets</b>	<b>2,424,236</b>	<b>2,635,028</b>	<b>210,792</b>

(Millions of yen)

	As of March 31, 2017 (A)	As of March 31, 2018 (B)	Change (B-A)
<b>Liabilities:</b>			
<b>Deposits</b>	<b>2,112,985</b>	<b>2,219,325</b>	<b>106,339</b>
Ordinary deposits	630,964	672,877	41,913
Time deposits	1,129,004	1,134,731	5,726
Other deposits	353,017	411,716	58,699
<b>Call money</b>	<b>70,000</b>	<b>96,000</b>	<b>26,000</b>
<b>Borrowed money</b>	<b>103,000</b>	<b>180,000</b>	<b>77,000</b>
Borrowed money	103,000	180,000	77,000
<b>Foreign exchanges</b>	<b>108</b>	<b>228</b>	<b>119</b>
Foreign bills sold	31	147	115
Foreign bills payable	77	81	3
<b>Other liabilities</b>	<b>55,199</b>	<b>52,033</b>	<b>(3,166)</b>
Income taxes payables	582	1,588	1,005
Accrued expenses	4,646	5,255	609
Initial margins of future markets	20,661	20,205	(455)
Derivatives	20,582	16,349	(4,232)
Cash collateral received for financial instruments	757	590	(166)
Asset retirement obligations	144	226	81
Others	7,825	7,817	(8)
<b>Reserve for employees' bonuses</b>	<b>705</b>	<b>687</b>	<b>(18)</b>
<b>Reserve for employees' retirement benefits</b>	<b>815</b>	<b>933</b>	<b>118</b>
<b>Reserve for directors' retirement benefits</b>	<b>27</b>	<b>—</b>	<b>(27)</b>
<b>Provision for reimbursement of deposits</b>	<b>62</b>	<b>81</b>	<b>19</b>
<b>Deferred tax liabilities</b>	<b>—</b>	<b>9</b>	<b>9</b>
<b>Total Liabilities</b>	<b>2,342,904</b>	<b>2,549,299</b>	<b>206,395</b>
<b>Net Assets:</b>			
<b>Common stock</b>	<b>31,000</b>	<b>31,000</b>	<b>—</b>
<b>Capital surplus</b>	<b>21,000</b>	<b>21,000</b>	<b>—</b>
Capital reserves	21,000	21,000	—
<b>Retained earnings</b>	<b>25,893</b>	<b>28,778</b>	<b>2,884</b>
Earned reserve	391	709	318
Other retained earnings	25,501	28,068	2,566
Unappropriated retained earnings	25,501	28,068	2,566
<b>Total shareholders' equity</b>	<b>77,893</b>	<b>80,778</b>	<b>2,884</b>
<b>Net unrealized gains (losses) on other securities, net of taxes</b>	<b>4,776</b>	<b>6,037</b>	<b>1,260</b>
<b>Net deferred gains (losses) on hedging instruments, net of taxes</b>	<b>(1,338)</b>	<b>(1,086)</b>	<b>251</b>
<b>Total valuation and translation adjustments</b>	<b>3,438</b>	<b>4,950</b>	<b>1,512</b>
<b>Total Net Assets</b>	<b>81,332</b>	<b>85,729</b>	<b>4,397</b>
<b>Total Liabilities and Net Assets</b>	<b>2,424,236</b>	<b>2,635,028</b>	<b>210,792</b>

## 5. Non-consolidated Statements of Income

(Millions of yen)

	For the year ended March 31, 2017 (A)	For the year ended March 31, 2018 (B)	Change (B-A)
<b>Ordinary Revenues</b>	<b>35,105</b>	<b>36,270</b>	<b>1,165</b>
<b>Interest income</b>	<b>26,534</b>	<b>28,344</b>	<b>1,810</b>
(Interest income on loans)	16,066	17,064	998
(Interest income and dividends on securities)	10,394	11,204	809
(Interest income on call loans)	—	2	2
(Interest income on deposits with banks)	63	63	(0)
(Interest income on interest rate swaps)	8	—	(8)
(Other interest income)	0	9	9
<b>Fees and commissions</b>	<b>3,465</b>	<b>3,298</b>	<b>(167)</b>
(Fees and commissions on domestic and foreign exchanges)	207	267	59
(Other fees and commissions)	3,257	3,030	(226)
<b>Other operating income</b>	<b>4,871</b>	<b>3,823</b>	<b>(1,048)</b>
(Gains on foreign exchange transactions)	4,431	3,456	(975)
(Gains on sale of bonds)	438	334	(104)
(Gains on redemption of bonds)	0	0	(0)
(Gains on derivatives)	—	32	32
(Other operating income)	0	—	(0)
<b>Other ordinary income</b>	<b>234</b>	<b>804</b>	<b>570</b>
(Reversal of reserve for possible loan losses)	22	96	73
(Income from money held in trust, net)	8	1	(6)
(Others)	203	706	502
<b>Ordinary Expenses</b>	<b>30,470</b>	<b>29,712</b>	<b>(757)</b>
<b>Interest expenses</b>	<b>8,671</b>	<b>7,730</b>	<b>(940)</b>
(Interest expenses on deposits)	5,105	5,322	217
(Interest expenses on call money)	(17)	(73)	(55)
(Interest expenses on borrowed money)	211	113	(97)
(Interest expenses on short-term corporate bonds)	0	—	(0)
(Interest expenses on interest rate swaps)	3,372	2,360	(1,012)
(Other interest expenses)	0	8	8
<b>Fees and commissions</b>	<b>5,046</b>	<b>6,238</b>	<b>1,192</b>
(Fees and commissions on domestic and foreign exchanges)	188	265	76
(Other fees and commissions)	4,857	5,972	1,115
<b>Other operating expenses</b>	<b>86</b>	<b>109</b>	<b>23</b>
(Losses on sale of bonds)	41	68	27
(Expenses from derivatives other than for trading or hedging)	44	—	(44)
(Others)	0	40	40
<b>General and administrative expenses</b>	<b>16,524</b>	<b>15,515</b>	<b>(1,009)</b>
<b>Other ordinary expenses</b>	<b>141</b>	<b>118</b>	<b>(22)</b>
(Write-off of loans)	0	0	(0)
(Others)	141	118	(22)
<b>Ordinary Profit</b>	<b>4,634</b>	<b>6,557</b>	<b>1,922</b>
<b>Extraordinary Losses</b>	<b>150</b>	<b>74</b>	<b>(75)</b>
(Losses on disposal of fixed assets)	—	74	74
(Impairment loss)	150	—	(150)
<b>Income Before Income Taxes</b>	<b>4,484</b>	<b>6,482</b>	<b>1,997</b>
Income Taxes - Current	1,307	2,033	726
Income Taxes - Deferred	1	(25)	(26)
<b>Total Income Taxes</b>	<b>1,308</b>	<b>2,007</b>	<b>699</b>
<b>Net Income</b>	<b>3,176</b>	<b>4,474</b>	<b>1,298</b>

## 6. Supplementary Information

### (1) Interest spread (Non-consolidated)

		For the year ended March 31, 2017	For the year ended March 31, 2018
			(%)
<b>Yield on investment</b>	①	1.21	1.11
Yield on loans		1.10	1.09
Yield on securities		1.72	1.68
<b>Financing cost</b>	②	1.20	0.95
Yield on financing	③	0.41	0.31
Yield on deposits		0.25	0.24
Yield on external liabilities *		0.20	0.01
Expense ratio		0.82	0.71
<b>Interest spread</b>	①-③	0.80	0.80
<b>Overall profit margin</b>	①-②	0.00	0.16

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

### (2) Deposits and Loans (Non-consolidated)

	For the year ended March 31, 2017			For the year ended March 31, 2018		
	Balance at the end	Average balance	Yield	Balance at the end	Average balance	Yield
Deposits	2,112,985	2,008,190	0.25	2,219,325	2,166,743	0.24
Yen deposits	1,764,956	1,669,377	0.13	1,814,711	1,801,853	0.11
Ordinary deposits	632,946	565,489	0.00	675,854	667,160	0.00
Time deposits	1,131,660	1,103,587	0.21	1,138,135	1,134,084	0.17
Foreign currency deposits	348,029	338,812	0.81	404,614	364,889	0.91
Ordinary deposits	176,615	175,745	0.17	187,714	174,483	0.28
Time deposits	171,367	163,039	1.51	216,842	190,356	1.48
Loans	1,539,630	1,448,319	1.10	1,596,376	1,560,979	1.09
Housing loans	1,452,491	1,347,172	1.06	1,525,582	1,478,964	1.02
Others	87,138	101,147	1.70	70,793	82,015	2.36

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 March 31, 2017			As of March 31, 2018		
	Yen	Foreign currency	Total	Yen	Foreign currency	Total
Less than 3 months	174,552	110,023	284,575	199,082	130,243	329,325
3 months or more, less than 6 months	374,413	36,707	411,120	384,468	49,950	434,419
6 months or more, less than 1 year	384,249	19,670	403,920	373,708	28,026	401,735
1 year or more, less than 2 years	57,764	2,729	60,494	33,291	6,272	39,563
2 years or more, less than 3 years	13,154	2,226	15,381	17,015	2,349	19,365
3 years or more	52,265	9	52,275	49,453	0	49,454
<b>Total</b>	<b>1,056,399</b>	<b>171,367</b>	<b>1,227,766</b>	<b>1,057,020</b>	<b>216,842</b>	<b>1,273,863</b>

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, 2017		As of March 31, 2018	
	Balance	Composition	Balance	Composition
AAA	160,236	25.4	232,404	34.4
AA	135,320	21.4	109,807	16.3
A	303,065	48.0	306,813	45.5
BBB	26,148	4.2	18,150	2.7
Unrated	6,525	1.0	7,109	1.1
<b>Total</b>	<b>631,296</b>	<b>100.0</b>	<b>674,285</b>	<b>100.0</b>

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 &amp; Poor's, Rating and Investment Information, Japan Credit Rating Agency and Fitch Ratings.

2. The unrated items on the above table include ¥5,058 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 March 31, 2017	As of March 31, 2018
	Amount	Amount
Bankrupt and quasi-bankrupt loans	743	472
Doubtful loans	1,021	685
Sub-standard loans	1,227	842
Normal loans	1,544,587	1,604,392
<b>Total</b>	<b>1,547,579</b>	<b>1,606,393</b>

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

	(Millions of yen, %)			
	For the year ended March 31, 2017		For the year ended March 31, 2018	
	Amount	%	Amount	%
Personnel expenses	4,430	26.8	4,492	28.9
Non-personnel expenses	11,027	66.7	9,924	64.0
Depreciation and amortization	1,280	7.7	1,254	8.1
Taxes	1,066	6.5	1,098	7.1
<b>Total</b>	<b>16,524</b>	<b>100.0</b>	<b>15,515</b>	<b>100.0</b>

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

	As of March 31, 2017		As of March 31, 2018	
	Persons	Persons	Persons	Persons
Executive management	10	9	10	9
Directors	6	5	6	5
Statutory auditors	4	4	4	4
Employees	480	487	480	487

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 Standard)**

	(Millions of yen, %)	
	As of March 31, 2017	As of March 31, 2018
Capital Adequacy Ratio	9.75	10.45
Total Capital	86,479	85,095
Total Required Capital	35,471	32,547

**(9) Consolidated Capital Adequacy Ratio (Domestic Standard)**

	(Millions of yen, %)	
	As of March 31, 2017	As of March 31, 2018
Capital Adequacy Ratio	9.69	10.39
Total Capital	86,680	85,148
Total Required Capital	35,747	32,778