

**Summary Information on Sony Bank's Financial Results**  
**for the Three Months Ended June 30, 2020**

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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, 2020	As of June 30, 2020
<b>Assets:</b>		
Cash and due from banks	317,619	372,628
Monetary claims purchased	6,006	5,293
Money held in trust	23,107	23,180
Securities	701,332	774,690
Loans	1,979,126	2,051,156
Foreign exchanges	3,019	11,250
Other assets	51,733	50,613
Tangible fixed assets	1,493	1,455
Intangible fixed assets	6,930	6,639
Deferred tax assets	7,052	2,672
Reserve for possible loan losses	(846)	(869)
<b>Total Assets</b>	<b>3,096,574</b>	<b>3,298,713</b>
<b>Liabilities:</b>		
Deposits	2,476,986	2,602,875
Call money and bills sold	176,256	226,241
Payables under repurchase agreements	41,093	15,418
Borrowed money	247,923	292,487
Foreign exchanges	684	517
Other liabilities	71,283	71,147
Reserve for employees' bonuses	467	166
Net defined benefit liability	1,290	1,312
Provision for reimbursement of deposits	111	99
<b>Total Liabilities</b>	<b>3,016,096</b>	<b>3,210,266</b>
<b>Net Assets:</b>		
Common stock	31,000	31,000
Capital surplus	21,000	21,000
Retained earnings	37,136	35,326
Total shareholders' equity	89,136	87,326
Net unrealized gains (losses) on available-for-sale securities, net of taxes	(10,299)	(731)
Net deferred gains (losses) on hedging instruments, net of taxes	(556)	(424)
Remeasurements of defined benefit plans, net of taxes	(53)	(49)
Total accumulated other comprehensive income	(10,909)	(1,206)
Non-controlling interests	2,250	2,326
<b>Total Net Assets</b>	<b>80,477</b>	<b>88,446</b>
<b>Total Liabilities and Net Assets</b>	<b>3,096,574</b>	<b>3,298,713</b>

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

### (1) Consolidated Statements of Income

	(Millions of yen)	
	For the three months ended June 30, 2019	For the three months ended June 30, 2020
<b>Ordinary Revenues</b>	<b>11,931</b>	<b>12,194</b>
Interest income	8,399	7,925
Interest income on loans	4,519	4,920
Interest income and dividends on securities	3,861	2,986
Fees and commissions	2,601	3,370
Other operating income	879	768
Other ordinary income	51	129
<b>Ordinary Expenses</b>	<b>9,493</b>	<b>9,891</b>
Interest expenses	2,432	1,698
Interest expenses on deposits	1,965	1,207
Fees and commissions	2,182	2,577
Other operating expenses	0	107
General and administrative expenses	4,874	5,376
Other ordinary expenses	3	132
<b>Ordinary Profit</b>	<b>2,438</b>	<b>2,302</b>
<b>Income Before Income Taxes</b>	<b>2,438</b>	<b>2,302</b>
Income Taxes—Current	388	483
Income Taxes—Deferred	364	229
<b>Total Income Taxes</b>	<b>752</b>	<b>713</b>
<b>Profit</b>	<b>1,685</b>	<b>1,588</b>
<b>Profit Attributable to Non-controlling Interests</b>	<b>78</b>	<b>75</b>
<b>Profit Attributable to Owners of the Parent</b>	<b>1,607</b>	<b>1,513</b>

### (2) Consolidated Statements of Comprehensive Income

	(Millions of yen)	
	For the three months ended June 30, 2019	For the three months ended June 30, 2020
<b>Profit</b>	<b>1,685</b>	<b>1,588</b>
<b>Other Comprehensive Income</b>		
Net unrealized gains (losses) on available-for-sale securities, net of taxes	107	9,568
Net deferred gains (losses) on hedging instruments, net of taxes	(57)	131
Remeasurements of defined benefit plans, net of taxes	4	3
Total other comprehensive income	53	9,704
<b>Comprehensive Income</b>	<b>1,739</b>	<b>11,292</b>
(Details)		
Comprehensive income attributable to owners of the parent	1,659	11,216
Comprehensive income attributable to non-controlling interests	79	76

### 3. Non-consolidated Balance Sheets

(Millions of yen)

	As of June 30, 2019 (A)	As of June 30, 2020 (B)	Change (B-A)	(Reference) As of March 31, 2020 (C)	Change (B-C)
<b>Assets:</b>					
Cash and due from banks	395,437	366,544	(28,893)	310,724	+55,820
Monetary claims purchased	4,465	5,293	+828	6,006	(712)
Money held in trust	21,874	23,180	+1,306	23,107	+73
Securities	728,195	776,710	+48,515	703,352	+73,358
Loans	1,782,748	2,051,156	+268,407	1,979,126	+72,030
Foreign exchanges	9,756	11,250	+1,493	3,019	+8,230
Other assets	39,312	38,142	(1,169)	41,823	(3,680)
Tangible fixed assets	1,073	997	(76)	1,024	(27)
Intangible fixed assets	5,018	5,004	(14)	5,225	(220)
Deferred tax assets	762	2,549	+1,786	6,909	(4,359)
Reserve for possible loan losses	(893)	(869)	+24	(846)	(22)
<b>Total Assets</b>	<b>2,987,751</b>	<b>3,279,961</b>	<b>+292,209</b>	<b>3,079,472</b>	<b>+200,489</b>
<b>Liabilities:</b>					
Deposits	2,403,489	2,610,779	+207,290	2,481,890	+128,889
Call money	204,283	226,241	+21,957	176,256	+49,984
Payables under repurchase agreements	28,682	15,418	(13,263)	41,093	(25,674)
Borrowed money	210,000	292,487	+82,487	247,923	+44,564
Foreign exchanges	206	517	+311	684	(167)
Other liabilities	54,049	48,101	(5,947)	52,743	(4,641)
Reserve for employees' bonuses	113	97	(16)	361	(264)
Reserve for employees' retirement benefits	1,001	1,089	+88	1,068	+20
Provision for reimbursement of deposits	108	99	(8)	111	(11)
<b>Total Liabilities</b>	<b>2,901,933</b>	<b>3,194,832</b>	<b>+292,899</b>	<b>3,002,133</b>	<b>+192,699</b>
<b>Net Assets:</b>					
Common stock	31,000	31,000	—	31,000	—
Capital surplus	21,000	21,000	—	21,000	—
Retained earnings	31,055	34,284	+3,229	36,195	(1,910)
Total shareholders' equity	83,055	86,284	+3,229	88,195	(1,910)
Net unrealized gains (losses) on available-for-sale securities, net of taxes	4,081	(731)	(4,812)	(10,299)	+9,568
Net deferred gains (losses) on hedging instruments, net of taxes	(1,318)	(424)	+893	(556)	+131
Total valuation and translation adjustments	2,762	(1,156)	(3,919)	(10,856)	+9,700
<b>Total Net Assets</b>	<b>85,818</b>	<b>85,128</b>	<b>(689)</b>	<b>77,338</b>	<b>+7,789</b>
<b>Total Liabilities and Net Assets</b>	<b>2,987,751</b>	<b>3,279,961</b>	<b>+292,209</b>	<b>3,079,472</b>	<b>+200,489</b>

#### 4. Non-consolidated Statements of Income

(Millions of yen)

	For the three months ended June 30, 2019 (A)	For the three months ended June 30, 2020 (B)	Change (B-A)	(Reference) For the year ended March 31, 2020
<b>Ordinary Revenues</b>	<b>10,772</b>	<b>10,786</b>	<b>+13</b>	<b>45,383</b>
Interest income	8,399	7,925	(474)	33,950
Interest income on loans	4,519	4,920	+401	18,729
Interest income and dividends on securities	3,861	2,986	(874)	15,148
Fees and commissions	1,442	1,962	+520	7,487
Other operating income	879	768	(110)	3,515
Other ordinary income	51	129	+77	429
<b>Ordinary Expenses</b>	<b>8,599</b>	<b>8,741</b>	<b>+142</b>	<b>35,793</b>
Interest expenses	2,431	1,698	(733)	9,269
Interest expenses on deposits	1,965	1,207	(758)	7,276
Fees and commissions	2,046	2,255	+209	8,476
Other operating expenses	0	106	+106	126
General and administrative expenses	4,117	4,584	+467	17,782
Other ordinary expenses	3	95	+91	138
<b>Ordinary Profit</b>	<b>2,173</b>	<b>2,045</b>	<b>(128)</b>	<b>9,589</b>
<b>Extraordinary Losses</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>49</b>
Other extraordinary losses	—	—	—	49
<b>Income Before Income Taxes</b>	<b>2,173</b>	<b>2,045</b>	<b>(128)</b>	<b>9,540</b>
Income Taxes—Current	321	420	+98	2,817
Income Taxes—Deferred	348	212	(136)	79
<b>Total Income Taxes</b>	<b>670</b>	<b>632</b>	<b>(38)</b>	<b>2,897</b>
<b>Net Income</b>	<b>1,503</b>	<b>1,412</b>	<b>(90)</b>	<b>6,642</b>

## 5. Supplementary Information

### (1) Deposits and loans (Non-consolidated)

(Millions of yen, %)

	For the three months ended June 30, 2019			For the three months ended June 30, 2020		
	Balance at the end	Average balance	Yield	Balance at the end	Average balance	Yield
Deposits	2,403,489	2,375,619	0.33	2,610,779	2,524,009	0.19
Yen deposits	1,963,311	1,950,430	0.09	2,145,925	2,059,111	0.08
Ordinary deposits	802,134	793,830	0.00	930,094	892,887	0.00
Time deposits	1,159,908	1,155,191	0.16	1,213,813	1,164,607	0.15
Foreign currency deposits	440,177	425,188	1.40	464,854	464,898	0.66
Ordinary deposits	176,495	168,600	0.50	199,206	194,421	0.00
Time deposits	263,592	256,502	1.98	265,608	270,442	1.13
Loans	1,782,748	1,760,602	1.02	2,051,156	2,015,232	0.97
Mortgage loans	1,731,267	1,707,959	0.95	2,011,185	1,972,210	0.91
Others	51,481	52,643	3.33	39,971	43,022	3.73

### (2) Balance of time deposits by remaining period (Non-consolidated)

(Millions of yen)

Remaining period	As of June 30, 2019			As of June 30, 2020		
	Yen	Foreign currency	Total	Yen	Foreign currency	Total
Less than 3 months	397,920	153,883	551,804	390,196	167,263	557,460
3 months or more, less than 6 months	261,397	50,855	312,252	321,401	57,594	378,996
6 months or more, less than 1 year	296,053	45,138	341,191	335,291	33,663	368,955
1 year or more, less than 2 years	60,088	9,937	70,026	31,207	5,207	36,414
2 years or more, less than 3 years	10,143	3,758	13,902	14,094	1,874	15,969
3 years or more	46,762	18	46,781	28,761	3	28,765
<b>Total</b>	<b>1,072,365</b>	<b>263,592</b>	<b>1,335,958</b>	<b>1,120,953</b>	<b>265,608</b>	<b>1,386,561</b>

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

### (3) Balance of securities by ratings (Non-consolidated)

(Millions of yen, %)

Ratings	As of June 30, 2019		As of June 30, 2020	
	Balance	Composition	Balance	Composition
AAA	321,374	44.1	340,324	43.8
AA	74,463	10.2	67,029	8.6
A	298,814	41.0	311,938	40.2
BBB	23,646	3.2	34,470	4.4
Unrated	9,896	1.4	22,947	3.0
<b>Total</b>	<b>728,195</b>	<b>100.0</b>	<b>776,710</b>	<b>100.0</b>

Notes: 1. Sony bank uses the Basel III standardized method and classifies its securities based on rating by five rating agencies: Moody's Investors Service, S&P Global Ratings, Fitch Ratings, Ratings and Investment Information and Japan Credit Rating Agency.

2. The unrated items on the above table include ¥10,021 million of investments in foreign bonds, ¥6,259 million of investments in Japanese local government bonds, ¥4,615 million of investments in unrated investment trusts, and ¥2,050 million of investments in shares of a subsidiary.

### (4) Risk-monitored loans (Non-consolidated)

(Millions of yen)

Category	As of June 30, 2019	As of June 30, 2020
	Amount	Amount
Bankrupt loans	227	218
Non-accrual delinquent loans	1,195	964
Past due loans (3 months or more)	—	—
Restructured loans	817	1,739
<b>Total</b>	<b>2,240</b>	<b>2,922</b>

## (5) Consolidated capital adequacy ratio (Domestic standard)

(Millions of yen, %)

		As of June 30, 2020
<b>Core capital: instruments and reserves</b>		
Directly issued qualifying common share capital or preferred share capital with a compulsory conversion clause plus related capital surplus and retained earnings		87,326
Capital and capital surplus		52,000
Retained earnings		35,326
Accumulated other comprehensive income included in core capital		(49)
Remeasurements of defined benefit plans		(49)
Eligible capital instruments included in core capital: instruments and reserves		5,180
Non-controlling interests included in core capital subject to transitional arrangements		930
Core capital: instruments and reserves	(A)	93,387
<b>Core capital: regulatory adjustments</b>		
Total amount of intangible assets (excluding those relating to mortgage servicing rights)		4,606
Other intangible assets excluding goodwill and mortgage servicing rights		4,606
Shortfall of eligible reserves to expected losses		962
Core capital: regulatory adjustments	(B)	5,569
<b>Capital</b>		
Capital	((A) - (B)) (C)	87,818
<b>Risk-weighted assets</b>		
Total amount of credit risk-weighted assets		580,340
Total amount included in risk-weighted assets subject to transitional arrangements		(7,548)
Exposure to other financial institutions		(7,548)
Total amount of operational risk equivalent / 8%		52,569
Adjustment to credit risk-weighted assets		379,758
Total amount of risk-weighted assets	(D)	1,012,669
<b>Capital adequacy ratio</b>		
Capital adequacy ratio	((C) / (D))	8.67%
		(Millions of yen)
		<b>As of June 30, 2020</b>
Consolidated total capital requirements (Domestic standard) (Total risk-weighted assets by 4%)		40,506

**(6) Non-consolidated capital adequacy ratio (Domestic standard)**

(Millions of yen, %)

				<b>As of June 30, 2020</b>
<b>Core capital: instruments and reserves</b>				
Directly issued qualifying common share capital or preferred share capital with a compulsory conversion clause plus related capital surplus and retained earnings				86,284
Capital and capital surplus				52,000
Retained earnings				34,284
Eligible capital instruments included in core capital: instruments and reserves				5,180
Core capital: instruments and reserves		(A)		91,465
<b>Core capital: regulatory adjustments</b>				
Total amount of intangible assets (excluding those relating to mortgage servicing rights)				3,472
Other intangible assets excluding goodwill and mortgage servicing rights				3,472
Shortfall of eligible reserves to expected losses				962
Core capital: regulatory adjustments		(B)		4,434
<b>Capital</b>				
Capital		((A) - (B))	(C)	87,030
<b>Risk-weighted assets</b>				
Total amount of credit risk-weighted assets				581,886
Total amount included in risk-weighted assets subject to transitional arrangements				(7,548)
Exposure to other financial institutions				(7,548)
Total amount of operational risk equivalent / 8%				45,513
Adjustment to credit risk-weighted assets				378,463
Total amount of risk-weighted assets		(D)		1,005,863
<b>Capital adequacy ratio</b>				
Capital adequacy ratio		((C) / (D))		8.65%
				(Millions of yen)
				<b>As of June 30, 2020</b>
Non-consolidated total capital requirements (Domestic standard) (Total risk-weighted assets by 4%)				40,234