

# 2015

Financial Data Book

Sony Financial Holdings Inc.

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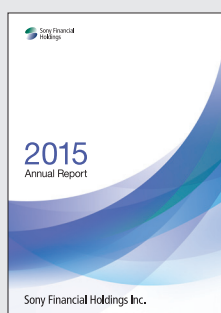
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The Financial Data Book is only disclosed on the website of SFH.

The Annual Report is also available on the website of SFH.



Annual Report

[http://www.sonyfh.co.jp/en/financial\\_info/annualreport](http://www.sonyfh.co.jp/en/financial_info/annualreport)

# Financial Data (Consolidated)

## Principal Indicators of Operating Performance

Sony Financial Holdings Inc.  
For the years ended March 31,

(Millions of yen)

	2011	2012	2013	2014	2015
Ordinary revenues	¥1,002,201	¥1,078,070	¥1,259,041	¥1,320,456	<b>¥1,352,325</b>
Ordinary profit	76,860	74,625	79,252	76,136	<b>90,062</b>
Net income	41,716	32,812	45,064	40,504	<b>54,419</b>
Comprehensive income	31,963	60,376	96,225	44,794	<b>90,707</b>
Total net assets	294,877	347,800	435,444	467,050	<b>550,672</b>
Total assets	6,597,140	7,241,414	8,096,164	8,841,382	<b>9,545,868</b>
Net assets per share (yen)	677.88	796.64	997.94	1,070.75	<b>1,262.94</b>
Net income per share (yen)	95.90	75.43	103.60	93.11	<b>125.10</b>
Diluted net income per share (yen)	—	—	—	—	—
Cash flows from operating activities	527,582	524,264	580,882	601,738	<b>425,656</b>
Cash flows from investing activities	(559,771)	(512,198)	(550,159)	(549,346)	<b>(445,431)</b>
Cash flows from financing activities	(6,560)	1,782	(5,017)	(13,522)	<b>(13,087)</b>
Cash and cash equivalents at the end of the period	161,803	175,651	201,404	240,279	<b>207,422</b>
Number of employees	7,181	7,485	7,841	8,150	<b>8,448</b>

Notes: 1. Diluted net income per share is not shown because there are no latent shares.

2. SFH conducted a 200-for-1 stock split of its common shares, with an effective date of April 1, 2011. Net assets per share and net income per share were calculated assuming that this stock split was conducted on April 1, 2010.

3. The banking business revised its method of recording ordinary revenues and ordinary expenses on hedge transactions in the year ended March 31, 2015. Ordinary revenues for the year ended March 31, 2014 (actual), have been retroactively adjusted to reflect the change. Consequently, consolidated ordinary revenues have been revised from ¥1,319,766 million to ¥1,320,456 million. This adjustment to ordinary revenues was accompanied by an adjustment to ordinary expenses in the same amount, on a consolidated basis for Sony Financial Holdings, and therefore, ordinary profit and net income were unaffected.

(%)

For the years ended March 31,	2011	2012	2013	2014	2015
Sony Life's adjusted ROE	(3.8%)	14.1%	3.3%	14.9%	<b>9.6%</b>
Sony Assurance's adjusted ROE	5.5	(1.2)	(0.1)	9.8	<b>14.2</b>
Sony Bank's ROE	2.7	2.9	4.3	4.8	<b>6.0</b>

Consolidated adjusted ROE	(3.1%)	13.1%	3.3%	14.2%	<b>9.5%</b>
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Each ROE is calculated as follows:

Sony Life's adjusted ROE

$$\frac{\text{The amount of increase in market consistent embedded value (MCEV)* during the fiscal year plus dividends paid}}{\text{MCEV* as of the beginning of the fiscal year less dividends paid plus MCEV* as of the end of the fiscal year, divided by two}}$$

Sony Assurance's adjusted ROE

$$\frac{\text{Net income (loss) plus provision amount for catastrophe reserve and its provision amount for reserve for price fluctuations, in each case after taxes}}{\text{The average amount of net assets plus the sum of catastrophe reserve and its reserve for price fluctuations during the fiscal year, in each case after taxes}}$$

Sony Bank's ROE

$$\frac{\text{Net income (loss)}}{\text{The average amount of net assets during the fiscal year}}$$

Consolidated adjusted ROE for fiscal 2014

Consolidated adjusted ROE = Consolidated adjusted profit divided by consolidated adjusted capital

$$\frac{\begin{aligned} &\text{Sony Life: The amount of increase in MCEV* during the fiscal year plus dividends paid} \\ &+ \text{Sony Assurance: Net income (loss) plus provision amount for catastrophe reserve and its provision} \\ &\text{amount for reserve for price fluctuations, in each case after taxes} + \text{Sony Bank: Net income (loss)} \end{aligned}}{\begin{aligned} &\text{Sony Life: MCEV* as of the beginning of the fiscal year less dividends paid plus MCEV* as of the end of the fiscal year, divided by two} \\ &+ \text{Sony Assurance: The average amount of net assets plus the sum of catastrophe reserve} \\ &\text{and its reserve for price fluctuations during the fiscal year, in each case after taxes} \\ &+ \text{Sony Bank: The average amount of net assets during the fiscal year} \end{aligned}}$$

\*Sony Life discloses Market Consistent Embedded Value ("MCEV"). Sony Life's MCEV is calculated in compliance with the European Insurance CFO Forum Market Consistent Embedded Value Principles©\*\* ("MCEV Principles"), the international standard in disclosing MCEV published by the CFO Forum comprising CFOs from major insurance companies in Europe.

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## Consolidated Balance Sheets

Sony Financial Holdings Inc.  
As of March 31, 2014 and 2015

(Millions of yen)

	2014	2015
<b>Assets</b>		
Cash and due from banks	¥ 204,546	¥ 134,803
Call loans and bills bought	40,628	77,234
Monetary trusts	325,831	336,842
Securities	6,822,151	7,377,545
Loans	1,211,638	1,349,586
Tangible fixed assets	71,565	123,083
Land	30,103	83,007
Buildings	37,030	35,323
Leased assets	106	74
Construction in progress	947	1,666
Other tangible fixed assets	3,376	3,010
Intangible fixed assets	36,774	33,366
Software	36,571	33,245
Goodwill	179	99
Other intangible fixed assets	24	21
Due from reinsurers	158	297
Foreign exchanges	7,752	2,224
Other assets	100,503	102,756
Net defined benefit asset	1,730	3,005
Deferred tax assets	19,872	6,545
Reserve for possible loan losses	(1,769)	(1,422)
<b>Total Assets</b>	<b>¥8,841,382</b>	<b>¥9,545,868</b>

(Millions of yen)

	2014	2015
<b>Liabilities</b>		
Policy reserves and others	¥6,263,315	¥6,879,055
Reserve for outstanding claims	57,400	61,114
Policy reserves	6,201,676	6,813,749
Reserve for policyholders' dividends	4,237	4,191
Due to agencies	2,169	2,450
Due to reinsurers	650	675
Deposits	1,889,970	1,872,860
Call money and bills sold	6,000	6,000
Borrowed money	20,000	20,000
Foreign exchanges	40	46
Bonds payable	20,000	20,000
Other liabilities	95,725	122,340
Reserve for employees' bonuses	3,204	3,395
Net defined benefit liability	30,272	24,558
Reserve for directors' retirement benefits	250	338
Special reserves	41,657	42,969
Reserve for price fluctuations	41,657	42,969
Deferred tax liabilities	539	—
Deferred tax liabilities on land revaluation	536	503
Total Liabilities	8,374,332	8,995,195
<b>Net Assets</b>		
Shareholders' equity		
Common stock	19,900	19,900
Capital surplus	195,277	195,277
Retained earnings	164,790	212,124
Treasury stock	(0)	(0)
Total shareholders' equity	379,967	427,301
Accumulated other comprehensive income		
Net unrealized gains (losses) on other securities, net of taxes	92,002	127,166
Net deferred gains (losses) on hedging instruments, net of taxes	(2,388)	(2,086)
Land revaluation, net of taxes	(1,513)	(1,480)
Foreign currency translation adjustments	0	0
Remeasurements of defined benefit plans, net of taxes	(2,292)	(1,522)
Total accumulated other comprehensive income	85,807	122,078
Minority interests	1,275	1,292
Total Net Assets	467,050	550,672
Total Liabilities and Net Assets	¥8,841,382	¥9,545,868

# Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

Sony Financial Holdings Inc.

For the years ended March 31, 2014 and 2015

(Millions of yen)

## (1) Consolidated Statements of Income

	2014	2015
Ordinary Revenues	¥1,320,456	¥1,352,325
Ordinary Revenues from the Life Insurance Business	1,194,315	1,221,077
Income from insurance premiums	959,911	912,605
Insurance premiums	958,585	911,068
Ceded reinsurance commissions	1,325	1,537
Investment income	211,829	279,691
Interest income and dividends	121,666	133,135
Income from monetary trusts, net	5,311	5,283
Gains on trading securities	—	507
Gains on sale of securities	773	8,899
Gains on redemption of securities	2	1
Gains on derivatives, net	172	—
Foreign exchange gains, net	1,183	5,068
Other investment income	47	7
Gains on separate accounts, net	82,670	126,789
Other ordinary income	22,575	28,780
Ordinary Revenues from the Non-life Insurance Business	89,863	93,022
Underwriting income	88,639	91,761
Net premiums written	88,600	91,712
Interest and dividends on deposits of premiums	39	48
Other underwriting income	—	0
Investment income	1,199	1,235
Interest income and dividends	1,209	1,268
Gains on sale of securities	25	15
Gains on redemption of securities	3	—
Transfer to interest and dividends on deposits of premiums	(39)	(48)
Other ordinary income	24	25
Ordinary Revenues from the Banking Business	36,277	38,224
Interest income	26,328	26,132
Interest income on loans	14,134	14,070
Interest income and dividends on securities	12,077	11,960
Interest income on call loans and bills bought	8	7
Interest income on deposits with banks	107	93
Other interest income	0	0
Fees and commissions	4,928	5,880
Other operating income	4,864	5,997
Gains on foreign exchange transactions, net	2,782	3,906
Others	2,082	2,090
Other ordinary income	155	213

(Continued on next page)

(Millions of yen)

	2014	2015
Ordinary Expenses	¥1,244,319	¥1,262,262
Ordinary Expenses from the Life Insurance Business	1,128,787	1,145,087
Insurance claims and other payments	327,257	382,902
Insurance claims	77,413	79,622
Annuity payments	10,768	11,280
Insurance benefits	55,510	63,166
Surrender payments	178,402	223,130
Other payments	3,203	3,675
Reinsurance premiums	1,959	2,027
Provision for policy reserves and others	650,764	604,357
Provision for reserve for outstanding claims	55	746
Provision for policy reserves	650,703	603,607
Interest portion of reserve for policyholders' dividends	5	3
Investment expenses	8,182	9,439
Interest expenses	48	31
Losses on sale of securities	528	0
Losses on redemption of securities	—	0
Losses on derivatives, net	—	2,099
Provision for reserve for possible loan losses	6	32
Depreciation of real estate for rent and others	1,952	1,833
Other investment expenses	5,646	5,441
Operating expenses	113,442	115,237
Other ordinary expenses	29,140	33,149
Ordinary Expenses from the Non-life Insurance Business	86,189	88,115
Underwriting expenses	65,030	65,206
Net losses paid	46,183	45,985
Loss adjustment expenses	6,367	6,857
Net commission and brokerage fees	948	929
Provision for reserve for outstanding losses	4,098	2,966
Provision for underwriting reserves	7,433	8,465
Other underwriting expenses	0	0
Investment expenses	7	1
Losses on sale of securities	5	1
Losses on redemption of securities	2	—
Operating, general and administrative expenses	21,150	22,900
Other ordinary expenses	0	7

(Continued on next page)

**Consolidated Statements of Income (Continued)**

(Millions of yen)

	2014	2015
Ordinary Expenses from the Banking Business	¥ 29,343	¥ 29,060
Interest expenses	8,964	9,407
Interest expenses on deposits	4,905	5,012
Interest expenses on call money and bills sold	6	6
Interest on borrowed money	26	22
Interest expenses on bonds	119	97
Interest expenses on interest rate swaps	3,905	4,268
Other interest expenses	0	0
Fees and commissions	1,735	1,948
Other operating expenses	1,424	135
General and administrative expenses	16,920	17,517
Other ordinary expenses	298	50
Ordinary Profit	76,136	90,062
Extraordinary Losses	9,508	1,927
Losses on disposal of fixed assets	137	511
Impairment losses	36	71
Provision for special reserves	9,312	1,311
Provision for reserve for price fluctuations	9,312	1,311
Losses on transfer of business	—	32
Others	20	—
Provision for Reserve for Policyholders' Dividends	2,232	2,153
Income Before Income Taxes	64,396	85,981
Income Taxes—Current	26,451	32,207
Income Taxes—Deferred	(2,517)	(668)
Total Income Taxes	23,933	31,538
Income Before Minority Interests	40,462	54,442
Minority Interests in Income (Loss)	(42)	23
Net Income	¥ 40,504	¥ 54,419

Note: Please refer to Note 3 on page 1 for ordinary revenues for the year ended March 31, 2014.

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

(Millions of yen)

	2014	2015
Income Before Minority Interests	¥40,462	¥54,442
Other Comprehensive Income		
Net unrealized gains (losses) on other securities, net of taxes	3,672	35,164
Net deferred gains (losses) on hedging instruments, net of taxes	659	302
Land revaluation, net of taxes	—	33
Foreign currency translation adjustments	0	1
Remeasurements of defined benefit plans, net of taxes	—	762
Share of other comprehensive income of affiliates accounted for using equity method	0	0
Total other comprehensive income	4,332	36,264
Comprehensive Income	¥44,794	¥90,707
Details:		
Comprehensive income attributable to parent company	¥44,837	¥90,690
Comprehensive income attributable to minority interests	¥ (42)	¥ 16

## Consolidated Statements of Changes in Net Assets

Sony Financial Holdings Inc.

For the years ended March 31, 2014 and 2015

(Millions of yen)

	2014				
	Shareholders' Equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the period	¥19,900	¥195,277	¥135,160	¥—	¥350,337
Changes during the period					
Dividends from surplus	—	—	(10,875)	—	(10,875)
Net income	—	—	40,504	—	40,504
Purchase of treasury stock	—	—	—	(0)	(0)
Net changes of items other than shareholders' equity	—	—	—	—	—
Total changes during the period	—	—	29,629	(0)	29,629
Balance at the end of the period	¥19,900	¥195,277	¥164,790	¥(0)	¥379,967

(Millions of yen)

	2014						
	Accumulated Other Comprehensive Income						Total Net Assets
	Net unrealized gains (losses) on other securities, net of taxes	Net deferred gains (losses) on hedging instruments, net of taxes	Land revaluation, net of taxes	Foreign currency translation adjustments	Remeasurements of defined benefit plans, net of taxes	Total accumulated other comprehensive income	
Balance at the beginning of the period	¥88,329	¥(3,047)	¥(1,513)	¥—	¥ —	¥83,767	¥1,339
Changes during the period							
Dividends from surplus	—	—	—	—	—	—	(10,875)
Net income	—	—	—	—	—	—	40,504
Purchase of treasury stock	—	—	—	—	—	—	(0)
Net changes of items other than shareholders' equity	3,672	659	—	0	(2,292)	2,039	(64)
Total changes during the period	3,672	659	—	0	(2,292)	2,039	(64)
Balance at the end of the period	¥92,002	¥(2,388)	¥(1,513)	¥ 0	¥(2,292)	¥85,807	¥1,275

(Continued on next page)

**Consolidated Statements of Changes in Net Assets (Continued)**

(Millions of yen)

	2015				
	Shareholders' Equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the period	¥19,900	¥195,277	¥164,790	¥(0)	¥379,967
Cumulative effects of changes in accounting policies	—	—	5,965	—	5,965
Restated balance at the beginning of the period	19,900	195,277	170,755	(0)	385,932
Changes during the period					
Dividends from surplus	—	—	(13,049)	—	(13,049)
Net income	—	—	54,419	—	54,419
Purchase of treasury stock	—	—	—	(0)	(0)
Net changes of items other than shareholders' equity	—	—	—	—	—
Total changes during the period	—	—	41,369	(0)	41,369
Balance at the end of the period	¥19,900	¥195,277	¥212,124	¥(0)	¥427,301

(Millions of yen)

	2015							Total Net Assets
	Accumulated Other Comprehensive Income						Minority Interests	
	Net unrealized gains (losses) on other securities, net of taxes	Net deferred gains (losses) on hedging instruments, net of taxes	Land revaluation, net of taxes	Foreign currency translation adjustments	Remeasurements of defined benefit plans, net of taxes	Total accumulated other comprehensive income		
Balance at the beginning of the period	¥ 92,002	¥(2,388)	¥(1,513)	¥ 0	¥(2,292)	¥ 85,807	¥1,275	¥467,050
Cumulative effects of changes in accounting policies	—	—	—	—	—	—	—	5,965
Restated balance at the beginning of the period	92,002	(2,388)	(1,513)	0	(2,292)	85,807	1,275	473,015
Changes during the period								
Dividends from surplus	—	—	—	—	—	—	—	(13,049)
Net income	—	—	—	—	—	—	—	54,419
Purchase of treasury stock	—	—	—	—	—	—	—	(0)
Net changes of items other than shareholders' equity	35,164	302	33	0	769	36,270	16	36,287
Total changes during the period	35,164	302	33	0	769	36,270	16	77,657
Balance at the end of the period	¥127,166	¥(2,086)	¥(1,480)	¥ 0	¥(1,522)	¥122,078	¥1,292	¥550,672

## Consolidated Statements of Cash Flows

Sony Financial Holdings Inc.

For the years ended March 31, 2014 and 2015

(Millions of yen)

	2014	2015
Cash flows from operating activities		
Income before income taxes	¥ 64,396	¥ 85,981
Depreciation of real estate for rent and others	1,952	1,833
Depreciation and amortization	9,147	9,686
Impairment losses	36	71
Amortization of goodwill	79	79
Increase (decrease) in reserve for outstanding claims	4,153	3,713
Increase (decrease) in policy reserve	658,136	612,072
Increase in interest portion of reserve for policyholders' dividends	5	3
Increase (decrease) in reserve for policyholders' dividends	2,232	2,153
Increase (decrease) in reserve for possible loan losses	(108)	(116)
Increase (decrease) in net defined benefit liability	2,865	2,954
Increase (decrease) in reserve for directors' retirement benefits	(161)	88
Increase (decrease) in reserve for price fluctuations	9,312	1,311
Interest income and dividends	(149,204)	(160,536)
Gains (losses) on securities	(74,996)	(134,394)
Interest expenses	9,012	9,438
Exchange (gains) losses	(30,559)	(32,341)
(Gains) losses on disposal of tangible fixed assets	146	42
Equity in (gains) losses of affiliates	1,538	1,506
Net (increase) decrease in loans	(87,193)	(129,767)
Net increase (decrease) in deposits	33,559	(16,093)
Net increase (decrease) in borrowed money (excluding subordinated borrowings)	20,000	—
Net (increase) decrease in call loans and bills bought	4,000	—
Net increase (decrease) in call money and bills sold	(4,000)	—
Net (increase) decrease in foreign exchange (assets)	202	5,528
Net increase (decrease) in foreign exchange (liabilities)	(47)	6
Others, net	7,078	27,714
Subtotal	481,587	290,938
Interest and dividends received	160,737	172,736
Interest paid	(9,178)	(9,117)
Policyholders' dividends paid	(2,273)	(2,202)
Income taxes paid	(29,134)	(26,698)
Net cash provided by (used in) operating activities	601,738	425,656
Cash flows from investing activities		
Investments in monetary trusts	(2,301)	(3,081)
Proceeds from sale of monetary trusts	5,100	5,300
Purchases of securities	(990,899)	(943,359)
Proceeds from sale and redemption of securities	480,946	588,936
Investments in loans	(54,102)	(54,199)
Collections of loans	25,405	24,618
Others	—	(1,626)
Total of net cash provided by (used in) investment transactions	(535,850)	(383,413)
Total of net cash provided by (used in) operating activities and investment transactions	65,887	42,243
Purchases of tangible fixed assets	(3,326)	(54,563)
Proceeds from sale of tangible fixed assets	2,021	—
Purchases of intangible fixed assets	(7,707)	(4,712)
Purchase of securities of a subsidiary	(1,058)	(1,000)
Purchase of securities of affiliates	(3,500)	(2,500)
Others	75	758
Net cash provided by (used in) investing activities	(549,346)	(445,431)
Cash flows from financing activities		
Cash dividends paid	(10,878)	(13,050)
Net decrease in subordinated borrowings	(2,000)	—
Purchase of treasury stock	(0)	(0)
Balance from securitization of lease receivables	(600)	—
Others	(43)	(36)
Net cash provided by (used in) financing activities	(13,522)	(13,087)
Effect of exchange rate changes on cash and cash equivalents	5	4
Net increase (decrease) in cash and cash equivalents	38,875	(32,857)
Cash and cash equivalents at the beginning of the period	201,404	240,279
Cash and cash equivalents at the end of the period	¥ 240,279	¥ 207,422

Notes: 1. The above Consolidated Statements of Cash Flows have been prepared based on Article 210-10 of Ordinance for Enforcement of the Insurance Business Act of Japan.

2. Following a change in accounting procedures in the year ended March 31, 2015, with respect to hedging transactions in the banking business, SFH reclassified ¥2,678 million of interest expenses, negative ¥2,713 million of interest paid, and ¥34 million of others, net in the cash flows from operating activities section for the year ended March 31, 2014.

## Financial Data (Non-consolidated)

## Balance Sheets

Sony Life Insurance Co., Ltd.  
As of March 31, 2014 and 2015

(Millions of yen, %)

	2014		2015	
	Amount	Composition	Amount	Composition
<b>Assets:</b>				
Cash and deposits	¥ 15,827	0.2%	¥ 16,535	0.2%
Cash	4		1	
Deposits	15,823		16,534	
Call loans	34,628	0.5	71,234	1.0
Monetary trusts	305,346	4.6	313,276	4.3
Securities	5,954,716	89.9	6,543,703	89.6
Japanese government bonds	5,316,110		5,742,140	
Japanese municipal bonds	3,869		2,060	
Japanese corporate bonds	38,746		28,664	
Japanese stocks	70,442		92,564	
Foreign securities	342,187		451,613	
Other securities	183,359		226,659	
Loans	154,219	2.3	162,399	2.2
Policy loans	154,180		162,397	
Commercial loans	38		2	
Tangible fixed assets	67,100	1.0	118,232	1.6
Land	30,103		83,007	
Buildings	36,429		34,757	
Leased assets	19		15	
Other tangible fixed assets	548		452	
Intangible fixed assets	23,869	0.4	21,590	0.3
Software	23,859		21,580	
Other intangible fixed assets	9		9	
Due from reinsurers	138	0.0	181	0.0
Other assets	53,787	0.8	58,521	0.8
Other receivables	30,954		33,791	
Prepaid expenses	1,532		1,220	
Accrued income	16,600		17,059	
Money on deposits	4,182		4,061	
Initial margins of futures markets	—		813	
Variation margins of futures markets	—		867	
Derivatives	—		248	
Advance payments	400		373	
Others	117		85	
Prepaid pension costs	1,867	0.0	2,295	0.0
Deferred tax assets	13,643	0.2	—	—
Reserve for possible loan losses	(242)	(0.0)	(268)	(0.0)
Reserve for investment losses	—	—	(6,352)	(0.1)
<b>Total Assets</b>	<b>¥6,624,903</b>	<b>100.0%</b>	<b>¥7,301,350</b>	<b>100.0%</b>

## Sony Life Financial Data (Non-consolidated)

(Millions of yen, %)

	2014		2015	
	Amount	Composition	Amount	Composition
<b>Liabilities:</b>				
Policy reserves and others	¥6,152,574	92.9%	¥6,756,882	92.5%
Reserve for outstanding claims	24,702		25,449	
Policy reserves	6,123,633		6,727,241	
Reserve for policyholders' dividends	4,237		4,191	
Due to agencies	2,169	0.0	2,450	0.0
Due to reinsurers	567	0.0	585	0.0
Other liabilities	32,812	0.5	45,619	0.6
Accrued income tax	8,702		16,742	
Other payables	1,213		1,412	
Accrued expenses	13,566		15,399	
Unearned income	939		953	
Deposits received	823		1,783	
Deposits received for guarantee	5,058		5,076	
Derivative liabilities	—		728	
Lease obligations	21		16	
Asset retirement obligations	654		665	
Policy suspense and other suspense	1,832		2,842	
Reserve for employees' retirement benefits	25,389	0.4	19,725	0.3
Reserve for directors' retirement benefits	66	0.0	91	0.0
Reserve for price fluctuations	41,556	0.6	42,845	0.6
Reserve for price fluctuations	41,556		42,845	
Deferred tax liabilities	—	—	120	0.0
Deferred tax liabilities on land revaluation	536	0.0	503	0.0
Total Liabilities	6,255,673	94.4	6,868,824	94.1
<b>Net Assets:</b>				
Common stock	70,000	1.1	70,000	1.0
Capital surplus	5,865	0.1	5,865	0.1
Capital reserve	5,865		5,865	
Retained earnings	211,461	3.2	240,028	3.3
Earned reserve	18,138		22,128	
Other retained earnings	193,323		217,900	
Unappropriated retained earnings	193,323		217,900	
Total shareholders' equity	287,327	4.3	315,893	4.3
Net unrealized gains (losses) on other securities, net of taxes	83,416	1.3	118,113	1.6
Land revaluation, net of taxes	(1,513)	(0.0)	(1,480)	(0.0)
Total valuation and translation adjustments	81,903	1.2	116,632	1.6
Total Net Assets	369,230	5.6	432,526	5.9
Total Liabilities and Net Assets	¥6,624,903	100.0%	¥7,301,350	100.0%

## Statements of Income

Sony Life Insurance Co., Ltd.

For the years ended March 31, 2014 and 2015

(Millions of yen)

	2014	2015
Ordinary Revenues	¥1,197,109	¥1,223,827
Income from insurance premiums	960,986	914,034
Insurance premiums	959,660	912,497
Ceded reinsurance commissions	1,325	1,537
Investment income	212,323	280,148
Interest income and dividends	122,160	133,592
Interest income from deposits	0	0
Interest income and dividends from securities	106,187	117,276
Interest income from loans	5,691	5,921
Rent revenue from real estate	10,250	10,327
Other interest income and dividends	31	66
Income from monetary trusts, net	5,311	5,283
Gains on trading securities	—	507
Gains on sale of securities	773	8,899
Gains on redemption of securities	2	1
Gains on derivatives, net	172	—
Foreign exchange gains, net	1,183	5,068
Other investment income	47	7
Gains on separate accounts, net	82,670	126,789
Other ordinary income	23,799	29,644
Income for annuity riders	2,151	3,617
Income for deferred payment of claims	17,197	22,154
Other ordinary income	4,451	3,872

(Continued on next page)

## Sony Life Financial Data (Non-consolidated)

(Millions of yen)

	2014	2015
Ordinary Expenses	¥1,127,904	¥1,144,162
Insurance claims and other payments	327,257	382,902
Insurance claims	77,413	79,622
Annuity payments	10,768	11,280
Insurance benefits	55,510	63,166
Surrender payments	178,402	223,130
Refund to policyholders	3,203	3,675
Reinsurance premiums	1,959	2,027
Provision for policy reserves and others	650,764	604,357
Provision for reserve for outstanding claims	55	746
Provision for policy reserves	650,703	603,607
Interest on policyholders' dividend reserve	5	3
Investment expenses	8,506	9,727
Interest expenses	48	31
Losses on sale of securities	528	0
Losses on redemption of securities	—	0
Losses on derivatives, net	—	2,099
Provision for reserve for possible loan losses	6	32
Depreciation of real estate for rent and others	2,077	1,931
Other investment expenses	5,845	5,630
Operating expenses	113,868	115,603
Other ordinary expenses	27,507	31,571
Payments of deferred claims	10,884	12,184
Taxes	7,981	10,571
Depreciation and amortization	5,064	5,267
Provision for reserve for employees' retirement benefits	3,532	3,523
Provision for reserve for directors' retirement benefits	—	24
Others	44	0
Ordinary Profit	69,205	79,665

(Continued on next page)

**Statements of Income (Continued)**

(Millions of yen)

	2014	2015
Extraordinary Losses	¥ 9,389	¥ 7,683
Losses on disposal of fixed assets	41	31
Impairment losses	36	10
Provision for reserve for price fluctuations	9,291	1,288
Provision for reserve for price fluctuations	9,291	1,288
Provision for reserve for investment losses	—	6,352
Others	19	—
Provision for Reserve for Policyholders' Dividends	2,232	2,153
Income Before Income Taxes	57,583	69,828
Income Taxes—Current	21,953	27,055
Income Taxes—Deferred	(1,433)	247
Total Income Taxes	20,519	27,303
Net Income	¥37,063	¥42,524

## Statements of Changes in Net Assets

Sony Life Insurance Co., Ltd.

For the years ended March 31, 2014 and 2015

(Millions of yen)

	2014						
	Shareholders' Equity						
	Common stock	Capital surplus		Earned reserve	Retained earnings		Total shareholders' equity
		Capital reserve	Total capital surplus		Other retained earnings Unappropriated retained earnings	Total retained earnings	
Balance at the beginning of the period	¥70,000	¥5,865	¥5,865	¥15,478	¥172,219	¥187,698	¥263,563
Changes during the period							
Dividends from surplus	—	—	—	2,660	(15,960)	(13,300)	(13,300)
Net income	—	—	—	—	37,063	37,063	37,063
Net changes of items other than shareholders' equity	—	—	—	—	—	—	—
Total changes during the period	—	—	—	2,660	21,103	23,763	23,763
Balance at the end of the period	¥70,000	¥5,865	¥5,865	¥18,138	¥193,323	¥211,461	¥287,327

(Millions of yen)

	2014			
	Valuation and Translation Adjustments			Total Net Assets
	Net unrealized gains (losses) on other securities, net of taxes	Land revaluation, net of taxes	Total valuation and translation adjustments	
Balance at the beginning of the period	¥80,283	¥(1,513)	¥78,769	¥342,333
Changes during the period				
Dividends from surplus	—	—	—	(13,300)
Net income	—	—	—	37,063
Net changes of items other than shareholders' equity	3,133	—	3,133	3,133
Total changes during the period	3,133	—	3,133	26,897
Balance at the end of the period	¥83,416	¥(1,513)	¥81,903	¥369,230

(Continued on next page)

**Statements of Changes in Net Assets (Continued)**

(Millions of yen)

	2015						
	Shareholders' Equity						
	Common stock	Capital surplus		Earned reserve	Retained earnings		Total shareholders' equity
		Capital reserve	Total capital surplus		Other retained earnings Unappropriated retained earnings	Total retained earnings	
Balance at the beginning of the period	¥70,000	¥5,865	¥5,865	¥18,138	¥193,323	¥211,461	¥287,327
Cumulative effects of changes in accounting policies	—	—	—	—	5,991	5,991	5,991
Restated balance at the beginning of the period	70,000	5,865	5,865	18,138	199,315	217,453	293,318
Changes during the period							
Dividends from surplus	—	—	—	3,990	(23,940)	(19,950)	(19,950)
Net income	—	—	—	—	42,524	42,524	42,524
Net changes of items other than shareholders' equity	—	—	—	—	—	—	—
Total changes during the period	—	—	—	3,990	18,584	22,574	22,574
Balance at the end of the period	¥70,000	¥5,865	¥5,865	¥22,128	¥217,900	¥240,028	¥315,893

(Millions of yen)

	2015			
	Valuation and Translation Adjustments			Total Net Assets
	Net unrealized gains (losses) on other securities, net of taxes	Land revaluation, net of taxes	Total valuation and translation adjustments	
Balance at the beginning of the period	¥ 83,416	¥(1,513)	¥ 81,903	¥369,230
Cumulative effects of changes in accounting policies	—	—	—	5,991
Restated balance at the beginning of the period	83,416	(1,513)	81,903	375,221
Changes during the period				
Dividends from surplus	—	—	—	(19,950)
Net income	—	—	—	42,524
Net changes of items other than shareholders' equity	34,696	33	34,729	34,729
Total changes during the period	34,696	33	34,729	57,304
Balance at the end of the period	¥118,113	¥(1,480)	¥116,632	¥432,526

## Statements of Cash Flows

Sony Life Insurance Co., Ltd.

For the years ended March 31, 2014 and 2015

(Millions of yen)

	2014	2015
Cash flows from operating activities		
Income before income taxes	¥ 57,583	¥ 69,828
Depreciation of real estate for rent and others	2,077	1,931
Depreciation and amortization	5,064	5,267
Impairment losses	36	10
Increase (decrease) in reserve for outstanding claims	55	746
Increase (decrease) in policy reserves	650,703	603,607
Increase in interest of reserve for policyholders' dividends	5	3
Increase (decrease) in reserve for policyholders' dividends	2,232	2,153
Increase (decrease) in reserve for possible loan losses	6	26
Increase (decrease) in reserve for investment losses	—	6,352
Increase (decrease) in reserve for employees' retirement benefits	2,645	2,716
Increase (decrease) in reserve for directors' retirement benefits	(104)	24
Increase (decrease) in reserve for price fluctuations	9,291	1,288
Interest income and dividends	(122,160)	(133,592)
(Gains) losses on securities	(77,861)	(127,440)
Interest expenses	48	31
Foreign exchange (gains) losses	(1,183)	(5,068)
(Gains) losses on disposal of tangible fixed assets	40	31
(Increase) decrease in due from reinsurers	(37)	(42)
(Increase) decrease in other assets (excluding those related to investing and financing activities)	18,143	17,717
Increase (decrease) in due to agencies	(262)	281
Increase (decrease) in due to reinsurers	20	18
Increase (decrease) in other liabilities (excluding those related to investing and financing activities)	(9,774)	3,802
Others, net	(4,722)	(6,276)
Subtotal	531,845	443,418
Interest and dividends received	129,633	142,216
Interest paid	(48)	(31)
Policyholders' dividends paid	(2,273)	(2,202)
Others, net	(5,392)	(5,103)
Income taxes paid	(28,837)	(19,015)
Net cash provided by (used in) operating activities	624,926	559,281
Cash flows from investing activities		
Proceeds from sale of monetary trusts	5,100	5,300
Purchases of securities	(770,519)	(671,343)
Proceeds from sale and redemption of securities	113,909	253,267
Investments in loans	(54,102)	(54,199)
Proceeds from collections of loans	25,405	24,618
Others, net	—	(1,626)
Total of net cash provided by (used in) investment transactions	(680,205)	(443,983)
[Total of net cash provided by (used in) operating activities and investment transactions]	[(55,279)]	[115,297]
Purchases of tangible fixed assets	(682)	(53,227)
Proceeds from sale of tangible fixed assets	2,021	—
Purchase of securities of affiliates	(3,500)	(2,500)
Others, net	(3,255)	(2,301)
Net cash provided by (used in) investing activities	(685,622)	(502,013)
Cash flows from financing activities		
Cash dividends paid	(13,300)	(19,950)
Others, net	(12)	(4)
Net cash provided by (used in) financing activities	(13,312)	(19,954)
Effect of exchange rate changes on cash and cash equivalents	2	0
Net increase (decrease) in cash and cash equivalents	(74,006)	37,314
Cash and cash equivalents at the beginning of the period	124,461	50,455
Cash and cash equivalents at the end of the period	¥ 50,455	¥ 87,769

## 1 Loans by Borrower Category

As of March 31,	(Millions of yen)	
	2014	2015
Bankrupt and quasi-bankrupt loans	¥ —	¥ —
Doubtful loans	—	—
Sub-standard loans	—	—
Subtotal	—	—
[% to total]	[—]	[—]
Normal loans	156,815	165,075
Total	¥156,815	¥165,075

Notes: 1. Bankrupt and quasi-bankrupt loans are loans to borrowers who are subject to bankruptcy, corporate reorganization, rehabilitation or other similar proceedings and other borrowers in serious financial difficulties.  
2. Doubtful loans are loans to borrowers (other than bankrupt and quasi-bankrupt borrowers) with deteriorated financial condition and results of operations from which it is unlikely that the principal and interest on the loans will be recovered.  
3. Sub-standard loans are loans on which principal and/or interest are past due for three months or more (excluding loans described in notes 1. and 2. above) and loans on which terms and conditions have been amended in favor of the borrowers (e.g. reduction of the original interest rate, deferral of interest payments, extension of principal repayments or debt waiver) in order to support the borrowers' recovery from financial difficulties (excluding loans described in notes 1. and 2. above and loans on which principal and/or interest are past due for three months or more).  
4. Normal loans are all other loans.

## 2 Risk-monitored Loans

Not applicable

## 3 Accounting Indicators

### 3-01 Reserve for outstanding claims

As of March 31,	(Millions of yen)	
	2014	2015
Insurance claims		
Death benefits	¥ 6,702	¥ 6,702
Accidental benefits	595	220
Disability payments	1,405	1,729
Maturity benefits	1,272	971
Others	1,556	1,672
Subtotal	11,532	11,296
Annuity payments	163	229
Insurance benefits	5,323	5,698
Surrender payments	7,437	7,975
Deferred insurance benefits	134	107
Total, including others	¥24,702	¥25,449

## 3-02 Policy reserves

(Millions of yen)

As of March 31,	2014	2015
Policy reserves (excluding contingency reserve)		
Individual life insurance	¥5,840,272	¥6,438,959
General accounts	5,257,428	5,728,223
Separate accounts	582,844	710,735
Individual annuities	164,451	202,337
General accounts	115,818	131,816
Separate accounts	48,632	70,521
Group life insurance	41	26
General accounts	41	26
Separate accounts	—	—
Group annuities	55,196	17,210
General accounts	55,196	17,210
Separate accounts	—	—
Others	—	—
General accounts	—	—
Separate accounts	—	—
Subtotal	6,059,962	6,658,533
General accounts	5,428,484	5,877,276
Separate accounts	631,477	781,256
Contingency reserve	63,671	68,707
Total	¥6,123,633	¥6,727,241
General accounts	¥5,492,156	¥5,945,984
Separate accounts	631,477	781,256

## 3-03 Breakdown of policy reserves

(Millions of yen)

As of March 31,	2014	2015
Premium reserve	¥5,859,446	¥6,454,413
Unearned premiums	200,515	204,119
Refund reserve	—	—
Contingency reserve	63,671	68,707
Total	¥6,123,633	¥6,727,241

## 3-04 Policy reserve calculation methods, ratios, and balance involving individual life insurance and individual annuities by contract year

### Policy reserve calculation methods and ratios

As of March 31,	2014	2015
Calculation method		
Policies subject to standard policy reserve method		
Pure death-protection insurance	Net level premium reserve method	Net level premium reserve method
Mixed insurance	Net level premium reserve method	Net level premium reserve method
Pure endowment insurance	Net level premium reserve method	Net level premium reserve method
Annuities	Net level premium reserve method	Net level premium reserve method
Policies not subject to standard policy reserve method		
Pure death-protection insurance	Net level premium reserve method	Net level premium reserve method
Mixed insurance	Net level premium reserve method	Net level premium reserve method
Pure endowment insurance	Net level premium reserve method	Net level premium reserve method
Annuities	Net level premium reserve method	Net level premium reserve method
Ratio of "amount of the company's policy reserves (excluding contingency reserve)" to "policy reserves required by regulatory standards"	100.1%	100.1%

Notes: 1. The calculating methods and ratios are set for individual life insurance and individual annuities. The concept of accumulation method is not targeted at policy reserves for group life insurance and group annuities, so these insurance policies are not included.

2. The above ratios indicate the amounts of the company's policy reserves (excluding contingency reserve) to the required premium reserves and unearned premiums calculated by (a) the method laid down in the Ministry of Finance Public Notice No. 48 of 1996 for policies to which the standard policy reserve method is applied, and (b) the net level premium reserve method for policies to which the standard policy reserve method is not applied. The amounts of the company's policy reserves include policy reserves additionally reserved to maintain the future soundness of certain policies.

## Balance of policy reserves by contract year

(Millions of yen, %)

Fiscal year issued	Balance of policy reserves	Assumed interest rate
Up to FY1980	¥ —	—%
FY1981 to FY1985	32,454	6.00–6.25
FY1986 to FY1990	52,531	6.00–6.25
FY1991 to FY1995	553,252	2.75–6.25
FY1996 to FY2000	1,180,300	1.90–4.00
FY2001 to FY2005	1,376,541	1.50
FY2006 to FY2010	1,517,284	1.50
FY2011	317,060	1.50
FY2012	341,829	1.50
FY2013	315,932	1.00
FY2014	172,851	1.00

Notes: 1. The balance of policy reserves shows the total of those for individual life insurance and individual annuities, excluding those of separate account assets and contingency reserves.

2. The assumed interest rate shows the assumed interest rate of the majority of policy reserves for each contract fiscal year.

## 3-05 Balance, calculating method, and coefficient of policy reserves of general accounts related to policies with minimum guarantees which insurance policies are invested in separate accounts

### Balance of policy reserves (general account)

(Millions of yen)

As of March 31,	2014	2015
Balance of policy reserves (general account)	¥35,270	¥45,902

Notes: 1. Calculations employed in the table above apply to the insurance policies subject to the standard policy reserve method provided for under Article 68 of the Ordinance for Enforcement of the Insurance Business Act of Japan.

2. Each of the balances of policy reserves of the general accounts show the total of premium reserve related to minimum guarantees and unearned premiums.

### Calculating method and coefficient

- Policy reserves related to minimum guarantees are calculated using the standard policy reserve method based on the Ministry of Finance Public Notice No. 48 of 1996 "Comprehensive Supervisory Guidelines for Insurance Companies (II-2-1-3-1)."
- Coefficients used in the calculations are stipulated in Article 9, Paragraph 1-2 of the above Public Notice. The assumed surrender rates consist of an annual rate of 5.0% during the payment of premiums, and an annual rate of 3.0% after the payment of premiums.

## 3-06 Reserve for policyholders' dividends

(Millions of yen)

For the year ended March 31,	2014						Total
	Individual life insurance	Individual annuities	Group life insurance	Group annuities	Asset-formation insurance, asset-formation annuities	Others	
At the beginning of the period	¥ 1,938	¥ 241	¥2,064	¥28	¥ —	¥ —	¥ 4,273
Increase due to interest	5	0	0	—	—	—	5
Decrease due to dividend payment	132	29	2,083	28	—	—	2,273
Provision for the period	(27)	14	2,178	67	—	—	2,232
At the end of the period	1,783	226	2,160	67	—	—	4,237
	[1,412]	[131]	[0]	[—]	[—]	[—]	[1,544]

(Millions of yen)

For the year ended March 31,	2015						Total
	Individual life insurance	Individual annuities	Group life insurance	Group annuities	Asset-formation insurance, asset-formation annuities	Others	
At the beginning of the period	¥ 1,783	¥ 226	¥2,160	¥ 67	¥ —	¥ —	¥ 4,237
Increase due to interest	2	0	—	—	—	—	3
Decrease due to dividend payment	103	32	2,043	23	—	—	2,202
Provision for the period	110	36	2,015	(10)	—	—	2,153
At the end of the period	1,794	230	2,133	33	—	—	4,191
	[1,545]	[157]	[0]	[—]	[—]	[—]	[1,703]

Note: Figures in [ ] are accumulated dividends.

## Sony Life Financial Data (Non-consolidated)

### 3-07 Other reserves

(Millions of yen)

	2014			2015		
	Balance at the beginning of the period	Balance at the end of the period	Increase (decrease)	Balance at the beginning of the period	Balance at the end of the period	Increase (decrease)
For the years ended March 31,						
Reserve for possible loan losses						
General reserve for possible loan losses	¥ 0	¥ 0	¥ 0	¥ 0	¥ 0	¥ 0
Specific reserve for possible loan losses	235	242	6	242	267	25
Reserve for loan losses from borrowers in specific foreign countries	—	—	—	—	—	—
Reserve for investment losses	—	—	—	—	6,352	6,352
Reserve for employees' retirement benefits	22,770	25,389	2,619	17,008*	19,725	2,716
Reserve for directors' retirement benefits	171	66	(104)	66	91	24
Reserve for price fluctuations	32,264	41,556	9,291	41,556	42,845	1,288

\*The "Accounting Standards for Retirement Benefits" (ASBJ Statement No. 26, May 17, 2012) and the "Guidance on Accounting Standards for Retirement Benefits" (ASBJ Guidance No. 25, March 26, 2015) have been applied from the fiscal year under review. Accordingly, the calculation method for retirement benefit obligations and service costs has been revised. As a result, the balance at the beginning of the period decreased ¥8,381 million.

### 3-08 Insurance premiums

(Millions of yen)

For the years ended March 31,	2014	2015
Individual life insurance	¥936,009	¥873,718
Lump-sum payment	162,027	57,458
Annual payment	220,465	240,743
Semi-annual payment	9,986	10,343
Monthly payment	543,530	565,171
Individual annuities	16,469	32,642
Lump-sum payment	3,504	16,495
Annual payment	3,990	5,409
Semi-annual payment	216	238
Monthly payment	8,757	10,498
Group life insurance	4,523	4,855
Group annuities	2,658	1,280
Total, including others	¥959,660	¥912,497

### 3-09 Insurance claims

(Millions of yen)

	2014	2015						
	Total	Individual life insurance	Individual annuities	Group life insurance	Group annuities	Asset-formation insurance, asset-formation annuities	Others	Total
For the years ended March 31,								
Death benefits	¥45,108	¥44,056	¥—	¥1,772	¥—	¥—	¥—	¥45,828
Accidental benefits	674	707	—	0	—	—	—	707
Disability payments	2,666	2,195	—	101	—	—	—	2,296
Maturity benefits	21,930	22,513	—	—	—	—	—	22,513
Others	7,034	8,206	—	69	—	—	—	8,275
Total	¥77,413	¥77,679	¥—	¥1,942	¥—	¥—	¥—	¥79,622

### 3-10 Annuity payments

(Millions of yen)

	2014	2015						
	Total	Individual life insurance	Individual annuities	Group life insurance	Group annuities	Asset-formation insurance, asset-formation annuities	Others	Total
For the years ended March 31,								
Annuity payments	¥10,768	¥—	¥9,249	¥8	¥2,022	¥—	¥—	¥11,280

## 3-11 Insurance benefits

(Millions of yen)

	2014	2015					
	Total	Individual life insurance	Individual annuities	Group life insurance	Group annuities	Asset-formation insurance, asset-formation annuities	Total
For the years ended March 31,							
Death benefits	¥ 2,210	¥ 2,467	¥ 42	¥—	¥ —	¥—	¥ 2,509
Hospitalization benefits	8,992	9,128	—	0	—	—	9,128
Surgery benefits	8,604	8,957	—	—	—	—	8,957
Disability benefits	169	128	—	0	—	—	128
Living benefits	23,070	30,835	—	—	—	—	30,835
Others	12,462	9,957	575	—	1,073	—	11,607
Total	¥55,510	¥61,474	¥618	¥ 0	¥1,073	¥—	¥63,166

## 3-12 Surrender payments

(Millions of yen)

	2014	2015					
	Total	Individual life insurance	Individual annuities	Group life insurance	Group annuities	Asset-formation insurance, asset-formation annuities	Total
For the years ended March 31,							
Surrender payments	¥178,402	¥181,503	¥5,676	¥—	¥35,950	¥—	¥223,130

## 3-13 Depreciation and amortization

(Millions of yen, %)

	2014					2015				
	Acquisition cost	Depreciation expenses	Accumulated depreciation	Balance at the end of the period	Ratio of depreciation	Acquisition cost	Depreciation expenses	Accumulated depreciation	Balance at the end of the period	Ratio of depreciation
For the years ended March 31,										
Tangible fixed assets	¥ 4,807	¥ 262	¥ 2,446	¥ 2,361	50.9%	¥ 4,857	¥ 266	¥ 2,582	¥ 2,274	53.2%
Buildings	3,528	176	1,490	2,037	42.3	3,567	178	1,574	1,993	44.1
Leased assets	20	0	0	19	1.7	20	4	4	15	21.7
Other tangible fixed assets	1,259	86	955	304	75.8	1,269	84	1,003	266	79.0
Intangible fixed assets	38,095	4,799	14,235	23,859	37.4	39,825	4,997	18,244	21,580	45.8
Others	11	2	6	5	52.6	22	3	8	13	39.0
Total	¥42,915	¥5,064	¥16,688	¥26,226	38.9%	¥44,705	¥5,267	¥20,836	¥23,869	46.6%

## 3-14 Operating expenses

(Millions of yen)

For the years ended March 31,	2014	2015
Sales and marketing expenses	¥ 56,713	¥ 56,354
Sales administrative expenses	14,887	15,904
General administrative expenses	42,267	43,344
Total	¥113,868	¥115,603

Note: Contribution to the Life Insurance Policyholders Protection Corporation of Japan prescribed by Article 259 of the Insurance Business Act of Japan is as follows:

(Millions of yen)

For the years ended March 31,	2014	2015
Life Insurance Policyholders Protection Corporation of Japan	¥846	¥708

#### 4 Reconciliation to Core Profit and Non-consolidated Ordinary Profit

(Millions of yen)

For the years ended March 31,

		2014	2015
Core profit	(A)	¥72,365	¥76,505
Capital gains		2,130	14,447
Income from monetary trusts, net		—	—
Income from trading securities, net		—	479
Gains on sale of securities		773	8,899
Gains on derivatives, net		172	—
Foreign exchange gains, net		1,183	5,068
Other capital gains		—	—
Capital losses		949	6,011
Losses on monetary trusts, net		—	—
Losses on trading securities, net		—	—
Losses on sale of securities		528	0
Devaluation losses on securities		—	—
Losses on derivatives, net		—	2,099
Foreign exchange losses, net		—	—
Other capital losses		420	3,910
Net capital gains (losses)	(B)	1,180	8,435
Core profit plus net capital gains (losses)	(A) + (B)	73,545	84,940
Other one-time gains		—	—
Gains from reinsurance		—	—
Reversal of contingency reserve		—	—
Reversal of specific reserve for possible loan losses		—	—
Others		—	—
Other one-time losses		4,340	5,275
Losses from reinsurance		—	—
Provision for contingency reserve		4,110	5,035
Provision for specific reserve for possible loan losses		6	31
Provision for reserve for loan losses from borrowers in specific foreign countries		—	—
Write-off of loans		—	—
Others		223	207
Net other one-time gains (losses)	(C)	(4,340)	(5,275)
Ordinary profit	(A) + (B) + (C)	¥69,205	¥79,665

Notes: 1. Core profit for the fiscal year ended March 31, 2015 (A) includes income gains of ¥5,283 million in income from monetary trusts along with interest income and dividends of ¥28 million in income from trading securities, net. Other capital losses include the provision of policy reserves of ¥3,693 million for currency market fluctuations of products denominated in foreign currencies and impairment losses of ¥217 million from investment partnerships. "Others" of other one-time losses include the provision of additional policy reserve of ¥207 million.

2. Core profit for the fiscal year ended March 31, 2014 (A) includes income gains of ¥5,311 million in income from monetary trusts. Other capital losses include the provision of policy reserves of ¥227 million for currency market fluctuations of products denominated in foreign currencies and impairment losses of ¥193 million from investment partnerships. "Others" of other one-time losses include the provision of additional policy reserve of ¥223 million.

## Reference: Reconciliation to core profit

(Millions of yen)

For the years ended March 31,	2014	2015
Core Revenues	¥1,194,979	¥1,209,380
Income from insurance premiums	960,986	914,034
Insurance premiums	959,660	912,497
Ceded reinsurance commissions	1,325	1,537
Investment income	204,881	260,390
Interest income and dividends	122,160	133,592
Gain on redemption of securities	2	1
Reversal of general reserve for possible loan losses	—	—
Other investment income	47	7
Gains on separate accounts, net	82,670	126,789
Other ordinary income	23,799	29,644
Income for annuity riders	2,151	3,617
Income for deferred payment of claims	17,197	22,154
Reversal of reserves for outstanding claims	—	—
Other ordinary income	4,451	3,872
Other core revenues	5,311	5,311
Core Expenses	1,122,613	1,132,874
Insurance claims and other payments	327,257	382,902
Insurance claims	77,413	79,622
Annuity payments	10,768	11,280
Insurance benefits	55,510	63,166
Surrender payments	178,402	223,130
Refund to policyholders	3,203	3,675
Reinsurance premiums	1,959	2,027
Provision for policy reserves and others	646,203	595,420
Investment expenses	7,777	7,377
Interest expenses	48	31
Losses on redemption of securities	—	0
Provision for general reserve for possible loan losses	0	0
Depreciation of real estate for rent and others	2,077	1,931
Other investment expenses	5,652	5,413
Losses on separate accounts, net	—	—
Operating expenses	113,868	115,603
Other ordinary expenses	27,507	31,571
Payments of deferred claims	10,884	12,184
Taxes	7,981	10,571
Depreciation and amortization	5,064	5,267
Provision for reserve for employees' retirement benefits	3,532	3,523
Provision for reserve for directors' retirement benefits	—	24
Others	44	0
Other core expenses	—	—
Core Profit	¥ 72,365	¥ 76,505

## Reference: Positive spread and yields

(Billions of yen, %)

For the years ended March 31,	2014	2015
Positive spread	¥8.4	¥13.0
Investment yield for core profit	2.35%	2.35%
Investment yield (general account)	2.20%	2.36%
Average assumed interest rate	2.18%	2.12%

## 5 Fair Value Information on Securities (General Account)

### 5-01 Fair value information on securities

#### Valuation gains (losses) on trading-purpose securities

(Millions of yen)

As of March 31,	2014		2015	
	Balance sheet amount	Net valuation gains (losses) recorded in income	Balance sheet amount	Net valuation gains (losses) recorded in income
Trading-purpose securities	¥—	¥—	¥1,062	¥40

Note: The above table includes trading-purpose securities included in "monetary trusts," etc.

#### Fair value information on securities

##### a. Fair value information on securities with market value (except trading-purpose securities)

(Millions of yen)

As of March 31,	2014				
	Carrying amount	Fair value	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Held-to-maturity securities	¥4,409,662	¥4,839,983	¥430,320	¥430,394	¥ 73
Policy reserve matching bonds	—	—	—	—	—
Stocks of subsidiaries and affiliated companies	—	—	—	—	—
Available-for-sale securities	1,065,514	1,189,899	124,384	124,420	35
Japanese government and corporate bonds	1,035,912	1,146,757	110,844	110,866	22
Japanese stocks	12,236	21,205	8,968	8,972	3
Foreign securities	15,891	19,403	3,511	3,521	10
Bonds	15,891	19,403	3,511	3,521	10
Stocks, etc.	—	—	—	—	—
Other securities	1,474	2,533	1,059	1,059	—
Monetary claims purchased	—	—	—	—	—
Certificates of deposit	—	—	—	—	—
Others	—	—	—	—	—
Total	¥5,475,177	¥6,029,882	¥554,705	¥554,814	¥109
Japanese government and corporate bonds	¥5,385,143	¥5,913,448	¥528,305	¥528,327	¥ 22
Japanese stocks	12,236	21,205	8,968	8,972	3
Foreign securities	76,323	92,695	16,371	16,455	84
Bonds	76,323	92,695	16,371	16,455	84
Stocks, etc.	—	—	—	—	—
Other securities	1,474	2,533	1,059	1,059	—
Monetary claims purchased	—	—	—	—	—
Certificates of deposit	—	—	—	—	—
Others	—	—	—	—	—

## Sony Life Financial Data (Non-consolidated)

(Millions of yen)

As of March 31,	2015				
	Carrying amount	Fair value	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Held-to-maturity securities	¥4,878,792	¥5,718,258	¥ 839,466	¥ 839,567	¥101
Policy reserve matching bonds	—	—	—	—	—
Stocks of subsidiaries and affiliated companies	—	—	—	—	—
Available-for-sale securities	1,007,822	1,176,698	168,875	168,984	108
Japanese government and corporate bonds	974,613	1,120,126	145,512	145,512	—
Japanese stocks	13,421	29,496	16,075	16,075	—
Foreign securities	19,451	26,412	6,961	7,069	108
Bonds	19,451	26,412	6,961	7,069	108
Stocks, etc.	—	—	—	—	—
Other securities	336	663	326	326	—
Monetary claims purchased	—	—	—	—	—
Certificates of deposit	—	—	—	—	—
Others	—	—	—	—	—
Total	¥5,886,614	¥6,894,956	¥1,008,341	¥1,008,551	¥210
Japanese government and corporate bonds	¥5,775,323	¥6,736,583	¥ 961,259	¥ 961,361	¥101
Japanese stocks	13,421	29,496	16,075	16,075	—
Foreign securities	97,533	128,214	30,680	30,788	108
Bonds	97,533	128,214	30,680	30,788	108
Stocks, etc.	—	—	—	—	—
Other securities	336	663	326	326	—
Monetary claims purchased	—	—	—	—	—
Certificates of deposit	—	—	—	—	—
Others	—	—	—	—	—

Notes: 1. The above table includes assets which are permitted to be treated as equivalent to securities defined in the Financial Instruments and Exchange Act of Japan.

2. Carrying amount and net unrealized gains (losses) on monetary trusts, including items other than trading-purpose securities, as of March 31, 2015 amounted to ¥268,742 million and ¥45,208 million, respectively.

3. Carrying amount represents the amount after deductions for depreciable costs and impairment losses, before mark-to-market.

### b. Carrying amounts of securities without market value

(Millions of yen)

As of March 31,	2014	2015
Held-to-maturity securities	¥ —	¥ —
Unlisted foreign bonds	—	—
Others	—	—
Policy reserve matching bonds	—	—
Stocks of subsidiaries and affiliated companies	16,000	18,500
Available-for-sale securities	17,289	14,492
Unlisted domestic stocks (except OTC stocks)	—	—
Unlisted foreign stocks (except OTC stocks)	823	663
Unlisted foreign bonds	—	—
Others	16,466	13,828
Total	¥33,289	¥32,992

## Sony Life Financial Data (Non-consolidated)

c. Fair value information consisting of that stated in the previous table-a and foreign exchange and other gains (losses) for table-b

(Millions of yen)

As of March 31,	2014				
	Carrying amount	Fair value	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Held-to-maturity securities	¥4,409,662	¥4,839,983	¥430,320	¥430,394	¥ 73
Policy reserve matching bonds	—	—	—	—	—
Stocks of subsidiaries and affiliated companies	16,000	16,000	—	—	—
Available-for-sale securities	1,082,804	1,214,309	131,504	131,986	481
Japanese government and corporate bonds	1,035,912	1,146,757	110,844	110,866	22
Japanese stocks	12,236	21,205	8,968	8,972	3
Foreign securities	16,714	21,129	4,414	4,424	10
Bonds	15,891	19,403	3,511	3,521	10
Stocks, etc.	823	1,725	902	902	—
Other securities	17,940	25,217	7,277	7,723	446
Monetary claims purchased	—	—	—	—	—
Certificates of deposit	—	—	—	—	—
Others	—	—	—	—	—
<b>Total</b>	<b>¥5,508,467</b>	<b>¥6,070,292</b>	<b>¥561,825</b>	<b>¥562,381</b>	<b>¥555</b>
Japanese government and corporate bonds	¥5,385,143	¥5,913,448	¥528,305	¥528,327	¥ 22
Japanese stocks	24,236	33,205	8,968	8,972	3
Foreign securities	81,146	98,420	17,273	17,357	84
Bonds	76,323	92,695	16,371	16,455	84
Stocks, etc.	4,823	5,725	902	902	—
Other securities	17,940	25,217	7,277	7,723	446
Monetary claims purchased	—	—	—	—	—
Certificates of deposit	—	—	—	—	—
Others	—	—	—	—	—

(Millions of yen)

As of March 31,	2015				
	Carrying amount	Fair value	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Held-to-maturity securities	¥4,878,792	¥5,718,258	¥ 839,466	¥ 839,567	¥101
Policy reserve matching bonds	—	—	—	—	—
Stocks of subsidiaries and affiliated companies	18,500	18,500	—	—	—
Available-for-sale securities	1,022,315	1,198,889	176,574	177,188	614
Japanese government and corporate bonds	974,613	1,120,126	145,512	145,512	—
Japanese stocks	13,421	29,496	16,075	16,075	—
Foreign securities	20,115	28,488	8,373	8,482	108
Bonds	19,451	26,412	6,961	7,069	108
Stocks, etc.	663	2,076	1,412	1,412	—
Other securities	14,165	20,778	6,613	7,118	505
Monetary claims purchased	—	—	—	—	—
Certificates of deposit	—	—	—	—	—
Others	—	—	—	—	—
<b>Total</b>	<b>¥5,919,607</b>	<b>¥6,935,647</b>	<b>¥1,016,040</b>	<b>¥1,016,756</b>	<b>¥715</b>
Japanese government and corporate bonds	¥5,775,323	¥6,736,583	¥ 961,259	¥ 961,361	¥101
Japanese stocks	26,421	42,496	16,075	16,075	—
Foreign securities	103,697	135,790	32,092	32,201	108
Bonds	97,533	128,214	30,680	30,788	108
Stocks, etc.	6,163	7,576	1,412	1,412	—
Other securities	14,165	20,778	6,613	7,118	505
Monetary claims purchased	—	—	—	—	—
Certificates of deposit	—	—	—	—	—
Others	—	—	—	—	—

## 5-02 Fair value information on monetary trusts (general account)

(Millions of yen)

As of March 31,	2014				
	Balance sheet amount	Fair value	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Monetary trusts	¥305,346	¥305,346	¥—	¥—	¥—

(Millions of yen)

As of March 31,	2015				
	Balance sheet amount	Fair value	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Monetary trusts	¥313,276	¥313,276	¥—	¥—	¥—

Note: The above table includes ¥50 million of jointly invested monetary trusts.

### Monetary trusts for investment

Not applicable

### Monetary trusts for held-to-maturity and policy reserve matching and other monetary trusts

(Millions of yen)

As of March 31,	2014				
	Carrying amount	Fair value	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Monetary trusts for held-to-maturity	¥ —	¥ —	¥ —	¥ —	¥—
Monetary trusts for policy reserve matching	—	—	—	—	—
Other monetary trusts	268,042	305,296	37,253	37,253	—

(Millions of yen)

As of March 31,	2015				
	Carrying amount	Fair value	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Monetary trusts for held-to-maturity	¥ —	¥ —	¥ —	¥ —	¥—
Monetary trusts for policy reserve matching	—	—	—	—	—
Other monetary trusts	268,017	313,225	45,208	45,208	—

Note: Monetary trusts include cash and call loans, etc., held in monetary trusts.

## 5-03 Fair value information on derivative transactions (general account) (total of derivatives to which hedge accounting is applied and derivatives to which hedge accounting is not applied)

1. Breakdown of valuation gains and losses (Derivatives to which hedge accounting is applied and derivatives to which hedge accounting is not applied)

(Millions of yen)

As of March 31,	2014						2015					
	Interest rate-related	Currency-related	Stock-related	Bond-related	Others	Total	Interest rate-related	Currency-related	Stock-related	Bond-related	Others	Total
Hedge accounting is applied	¥—	¥—	¥—	¥—	¥—	¥—	¥ —	¥—	¥ —	¥—	¥—	¥ —
Hedge accounting is not applied	—	—	—	—	—	—	139	(7)	(612)	—	—	(479)
Total	¥—	¥—	¥—	¥—	¥—	¥—	¥139	¥(7)	¥(612)	¥—	¥—	¥(479)

Note: Valuation gains and losses on derivatives to which hedge accounting is not applied are recorded in the statements of income.

# Sony Life Financial Data (Non-consolidated)

## 2. Interest rate derivatives

(Millions of yen)

	2014				2015			
	Notional amount total	Over 1 year	Fair value	Valuation gains (losses)	Notional amount total	Over 1 year	Fair value	Valuation gains (losses)
As of March 31,								
Over-the-counter transactions								
Interest rate swaps								
Fixed interest rate received/ Variable interest payment	¥—	¥—	¥—	¥—	¥1,000	¥1,000	¥139	¥139
Total				¥—				¥139

Note: Fair value is also shown in the column under "Valuation gains (losses)."

## Reference: Balance of interest rate swaps by remaining period

(Millions of yen, %)

	2014						
	Due in 1 year or less	Due after 1 year through 3 years	Due after 3 years through 5 years	Due after 5 years through 7 years	Due after 7 years through 10 years	Due after 10 years	Total
As of March 31,							
Fixed interest rate received/ variable interest payment for notional principal of interest rate swap	¥—	¥—	¥—	¥—	¥—	¥—	¥—
Average fixed interest rate received	—	—	—	—	—	—	—
Average variable interest payment	—	—	—	—	—	—	—
Total	¥—	¥—	¥—	¥—	¥—	¥—	¥—

(Millions of yen, %)

	2015						
	Due in 1 year or less	Due after 1 year through 3 years	Due after 3 years through 5 years	Due after 5 years through 7 years	Due after 7 years through 10 years	Due after 10 years	Total
As of March 31,							
Fixed interest rate received/ variable interest payment for notional principal of interest rate swap	¥—	¥—	¥—	¥—	¥—	¥1,000	¥1,000
Average fixed interest rate received	—	—	—	—	—	1.89%	1.89%
Average variable interest payment	—	—	—	—	—	0.15%	0.15%
Total	¥—	¥—	¥—	¥—	¥—	¥1,000	¥1,000

## 3. Currency derivatives

(Millions of yen)

	2014				2015			
	Notional amount total	Over 1 year	Fair value	Valuation gains (losses)	Notional amount total	Over 1 year	Fair value	Valuation gains (losses)
As of March 31,								
Over-the-counter transactions								
Forward foreign-exchange contracts								
Sold	¥—	¥—	¥—	¥—	¥21,282	¥—	¥ (7)	¥ (7)
U.S. dollars	—	—	—	—	10,364	—	93	93
Euro	—	—	—	—	9,968	—	(115)	(115)
Australian dollars	—	—	—	—	949	—	15	15
Total				¥—				¥ (7)

Notes: 1. The forward rate of exchange is used to value forward foreign-exchange transactions at the end of the fiscal year.

2. Fair value is also shown in the column under "Valuation gains (losses)."

## 4. Stock derivatives

(Millions of yen)

As of March 31,	2014				2015			
	Notional amount total	Over 1 year	Fair value	Valuation gains (losses)	Notional amount total	Over 1 year	Fair value	Valuation gains (losses)
Listed								
Yen-denominated stock index futures								
Sold	¥—	¥—	¥—	¥—	¥21,903	¥—	¥(612)	¥(612)
Total				¥—				¥(612)

Note: Fair value is also shown in the column under "Valuation gains (losses)."

## 5. Bond derivatives

Not applicable

## 6. Others

Not applicable

# 6 Fair Value Information on Securities (Company Total)

## 6-01 Fair value information on securities

### Valuation gains (losses) on trading-purpose securities

(Millions of yen)

As of March 31,	2014		2015	
	Balance sheet amount	Net valuation gains (losses) recorded in income	Balance sheet amount	Net valuation gains (losses) recorded in income
Trading-purpose securities	¥620,666	¥50,776	¥761,473	¥89,147

Note: The above table includes trading-purpose securities included in "monetary trusts," etc.

### Fair value information on securities

#### a. Fair value information on securities with market value (except trading-purpose securities)

(Millions of yen)

As of March 31,	2014				
	Carrying amount	Fair value	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Held-to-maturity securities	¥4,409,662	¥4,839,983	¥430,320	¥430,394	¥ 73
Policy reserve matching bonds	—	—	—	—	—
Stocks of subsidiaries and affiliated companies	—	—	—	—	—
Available-for-sale securities	1,065,514	1,189,899	124,384	124,420	35
Japanese government and corporate bonds	1,035,912	1,146,757	110,844	110,866	22
Japanese stocks	12,236	21,205	8,968	8,972	3
Foreign securities	15,891	19,403	3,511	3,521	10
Bonds	15,891	19,403	3,511	3,521	10
Stocks, etc.	—	—	—	—	—
Other securities	1,474	2,533	1,059	1,059	—
Monetary claims purchased	—	—	—	—	—
Certificates of deposit	—	—	—	—	—
Others	—	—	—	—	—
Total	¥5,475,177	¥6,029,882	¥554,705	¥554,814	¥109
Japanese government and corporate bonds	¥5,385,143	¥5,913,448	¥528,305	¥528,327	¥ 22
Japanese stocks	12,236	21,205	8,968	8,972	3
Foreign securities	76,323	92,695	16,371	16,455	84
Bonds	76,323	92,695	16,371	16,455	84
Stocks, etc.	—	—	—	—	—
Other securities	1,474	2,533	1,059	1,059	—
Monetary claims purchased	—	—	—	—	—
Certificates of deposit	—	—	—	—	—
Others	—	—	—	—	—

# Sony Life Financial Data (Non-consolidated)

(Millions of yen)

As of March 31,	2015				
	Carrying amount	Fair value	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Held-to-maturity securities	¥4,878,792	¥5,718,258	¥ 839,466	¥ 839,567	¥101
Policy reserve matching bonds	—	—	—	—	—
Stocks of subsidiaries and affiliated companies	—	—	—	—	—
Available-for-sale securities	1,007,822	1,176,698	168,875	168,984	108
Japanese government and corporate bonds	974,613	1,120,126	145,512	145,512	—
Japanese stocks	13,421	29,496	16,075	16,075	—
Foreign securities	19,451	26,412	6,961	7,069	108
Bonds	19,451	26,412	6,961	7,069	108
Stocks, etc.	—	—	—	—	—
Other securities	336	663	326	326	—
Monetary claims purchased	—	—	—	—	—
Certificates of deposit	—	—	—	—	—
Others	—	—	—	—	—
Total	¥5,886,614	¥6,894,956	¥1,008,341	¥1,008,551	¥210
Japanese government and corporate bonds	¥5,775,323	¥6,736,583	¥ 961,259	¥ 961,361	¥101
Japanese stocks	13,421	29,496	16,075	16,075	—
Foreign securities	97,533	128,214	30,680	30,788	108
Bonds	97,533	128,214	30,680	30,788	108
Stocks, etc.	—	—	—	—	—
Other securities	336	663	326	326	—
Monetary claims purchased	—	—	—	—	—
Certificates of deposit	—	—	—	—	—
Others	—	—	—	—	—

Notes: 1. The above table includes assets that are permitted to be treated as equivalent to securities defined in the Financial Instruments and Exchange Act of Japan.

2. Carrying amount and net unrealized gains (losses) on monetary trusts, including items other than trading-purpose securities, as of March 31, 2015 amounted to ¥268,742 million and ¥45,208 million, respectively.

3. Carrying amount represents the amount after deductions for depreciable costs and impairment losses, before mark-to-market.

○ Held-to-maturity securities

(Millions of yen)

As of March 31,	2014			2015		
	Balance sheet amount	Fair value	Difference	Balance sheet amount	Fair value	Difference
Held-to-maturity securities whose fair value exceeds balance sheet amount	¥4,404,321	¥4,834,716	¥430,394	¥4,858,704	¥5,698,272	¥839,567
Japanese government and corporate bonds	4,349,230	4,766,691	417,460	4,780,622	5,596,470	815,848
Foreign securities	55,090	68,024	12,933	78,082	101,801	23,719
Other securities	—	—	—	—	—	—
Held-to-maturity securities whose fair value does not exceed balance sheet amount	5,341	5,267	(73)	20,087	19,985	(101)
Japanese government and corporate bonds	—	—	—	20,087	19,985	(101)
Foreign securities	5,341	5,267	(73)	—	—	—
Other securities	—	—	—	—	—	—

○ Policy reserve matching bonds

Not applicable

# Sony Life Financial Data (Non-consolidated)

○ Available-for-sale securities

(Millions of yen)

As of March 31,	2014			2015		
	Carrying amount	Balance sheet amount	Difference	Carrying amount	Balance sheet amount	Difference
Available-for-sale securities whose balance sheet amount exceeds carrying amount	¥1,017,996	¥1,142,416	¥124,420	¥1,004,852	¥1,173,837	¥168,984
Japanese government and corporate bonds	989,552	1,100,419	110,866	974,613	1,120,126	145,512
Japanese stocks	12,041	21,013	8,972	13,421	29,496	16,075
Foreign securities	14,928	18,450	3,521	16,481	23,551	7,069
Other securities	1,474	2,533	1,059	336	663	326
Monetary claims purchased	—	—	—	—	—	—
Certificates of deposit	—	—	—	—	—	—
Others	—	—	—	—	—	—
Available-for-sale securities whose balance sheet amount does not exceed carrying amount	47,518	47,482	(35)	2,969	2,861	(108)
Japanese government and corporate bonds	46,360	46,338	(22)	—	—	—
Japanese stocks	195	191	(3)	—	—	—
Foreign securities	962	952	(10)	2,969	2,861	(108)
Other securities	—	—	—	—	—	—
Monetary claims purchased	—	—	—	—	—	—
Certificates of deposit	—	—	—	—	—	—
Others	—	—	—	—	—	—

b. Carrying amounts of securities without market value

(Millions of yen)

As of March 31,	2014	2015
Held-to-maturity securities	¥ —	¥ —
Unlisted foreign bonds	—	—
Others	—	—
Policy reserve matching bonds	—	—
Stocks of subsidiaries and affiliated companies	16,000	18,500
Available-for-sale securities	17,289	14,492
Unlisted domestic stocks (except OTC stocks)	—	—
Unlisted foreign stocks (except OTC stocks)	823	663
Unlisted foreign bonds	—	—
Others	16,466	13,828
Total	¥33,289	¥32,992

## Sony Life Financial Data (Non-consolidated)

c. Fair value information consisting of that stated in the previous table-a and foreign exchange and other gains (losses) for table-b is as follows:

(Millions of yen)

As of March 31,	2014				
	Carrying amount	Fair value	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Held-to-maturity securities	¥4,409,662	¥4,839,983	¥430,320	¥430,394	¥ 73
Policy reserve matching bonds	—	—	—	—	—
Stocks of subsidiaries and affiliated companies	16,000	16,000	—	—	—
Available-for-sale securities	1,082,804	1,214,309	131,504	131,986	481
Japanese government and corporate bonds	1,035,912	1,146,757	110,844	110,866	22
Japanese stocks	12,236	21,205	8,968	8,972	3
Foreign securities	16,714	21,129	4,414	4,424	10
Bonds	15,891	19,403	3,511	3,521	10
Stocks, etc.	823	1,725	902	902	—
Other securities	17,940	25,217	7,277	7,723	446
Monetary claims purchased	—	—	—	—	—
Certificates of deposit	—	—	—	—	—
Others	—	—	—	—	—
<b>Total</b>	<b>¥5,508,467</b>	<b>¥6,070,292</b>	<b>¥561,825</b>	<b>¥562,381</b>	<b>¥555</b>
Japanese government and corporate bonds	¥5,385,143	¥5,913,448	¥528,305	¥528,327	¥ 22
Japanese stocks	24,236	33,205	8,968	8,972	3
Foreign securities	81,146	98,420	17,273	17,357	84
Bonds	76,323	92,695	16,371	16,455	84
Stocks, etc.	4,823	5,725	902	902	—
Other securities	17,940	25,217	7,277	7,723	446
Monetary claims purchased	—	—	—	—	—
Certificates of deposit	—	—	—	—	—
Others	—	—	—	—	—

(Millions of yen)

As of March 31,	2015				
	Carrying amount	Fair value	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Held-to-maturity securities	¥4,878,792	¥5,718,258	¥ 839,466	¥ 839,567	¥101
Policy reserve matching bonds	—	—	—	—	—
Stocks of subsidiaries and affiliated companies	18,500	18,500	—	—	—
Available-for-sale securities	1,022,315	1,198,889	176,574	177,188	614
Japanese government and corporate bonds	974,613	1,120,126	145,512	145,512	—
Japanese stocks	13,421	29,496	16,075	16,075	—
Foreign securities	20,115	28,488	8,373	8,482	108
Bonds	19,451	26,412	6,961	7,069	108
Stocks, etc.	663	2,076	1,412	1,412	—
Other securities	14,165	20,778	6,613	7,118	505
Monetary claims purchased	—	—	—	—	—
Certificates of deposit	—	—	—	—	—
Others	—	—	—	—	—
<b>Total</b>	<b>¥5,919,607</b>	<b>¥6,935,647</b>	<b>¥1,016,040</b>	<b>¥1,016,756</b>	<b>¥715</b>
Japanese government and corporate bonds	¥5,775,323	¥6,736,583	¥ 961,259	¥ 961,361	¥101
Japanese stocks	26,421	42,496	16,075	16,075	—
Foreign securities	103,697	135,790	32,092	32,201	108
Bonds	97,533	128,214	30,680	30,788	108
Stocks, etc.	6,163	7,576	1,412	1,412	—
Other securities	14,165	20,778	6,613	7,118	505
Monetary claims purchased	—	—	—	—	—
Certificates of deposit	—	—	—	—	—
Others	—	—	—	—	—

## 6-02 Fair value information on monetary trusts (company total)

(Millions of yen)

As of March 31,	2014					2015				
	Balance sheet amount	Fair value	Net unrealized gains (losses)	Unrealized gains	Unrealized losses	Balance sheet amount	Fair value	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Monetary trusts	¥305,346	¥305,346	¥—	¥—	¥—	¥313,276	¥313,276	¥—	¥—	¥—

Note: The above table includes ¥50 million of jointly invested monetary trusts.

### Monetary trusts for investment

Not applicable

### Monetary trusts for held-to-maturity and policy reserve matching and other monetary trusts

(Millions of yen)

As of March 31,	2014					2015				
	Carrying amount	Fair value	Net unrealized gains (losses)	Unrealized gains	Unrealized losses	Carrying amount	Fair value	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Monetary trusts for held-to-maturity	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —
Monetary trusts for policy reserve matching	—	—	—	—	—	—	—	—	—	—
Other monetary trusts	268,042	305,296	37,253	37,253	—	268,017	313,225	45,208	45,208	—

Note: Monetary trusts include cash and call loans, etc., held in monetary trusts.

## 6-03 Fair value information on derivative transactions (company total)

### Qualitative Information

#### 1. Transaction details

The main derivative transactions used by Sony Life are as follows:

- Interest rate-related: Interest rate swap transactions
- Currency-related: Forward foreign exchange transactions
- Stock-related: Stock index futures trading

#### 2. Purpose of use and policy on derivative transactions

Sony Life's policy is to conduct derivative transactions to reduce risks related to its holdings of assets and liabilities, and does not engage in speculative derivative transactions.

- Interest rate-related: The purpose is to hedge interest rate-related risk on its holdings of assets and liabilities.
- Currency-related: The purpose is to hedge foreign currency risk related to its holdings of foreign currency-dominated assets and foreign currency risk related to the minimum guaranteed for individual variable life insurance.
- Stock-related: The purpose is to hedge equity-related risk corresponding to the minimum guaranteed for individual variable life insurance.

#### 3. Risk details

The risk of fluctuations in market value (interest rate-related risk, currency-related risk and stock-related risk) is inherent to derivative transactions employed by Sony Life. However, as these transactions are conducted primarily to reduce risk related to its holdings of assets and liabilities, the total risk related to derivative transactions and their underlying assets and liabilities is limited. Credit risk is inherent to derivative instruments, but when conducting transactions, Sony Life selects parties that it believes pose little risk of default.

#### 4. Risk management systems

Sony Life's balance of derivative transactions is within the limits that Sony Life has set in-house. On transactions conducted by the division in charge of investment, the administrative division receives reports directly from the transaction counterparty. This system enables the administrative division and the investment division to independently determine derivative positions and transaction profits and losses. In addition, the management of risks related to derivative transactions is conducted strictly by the department in charge of supervision. Also, the risk management division regularly reports the overall risk status to the Company's Board of Directors and Executive Committee.

#### 5. Supplemental information regarding quantitative information

Sony Life does not employ hedge accounting for derivative transactions.

# Sony Life Financial Data (Non-consolidated)

## Quantitative Information

1. Breakdown of valuation gains and losses (Derivatives to which hedge accounting is applied and derivatives to which hedge accounting is not applied)

(Millions of yen)

As of March 31,	2014						2015					
	Interest rate-related	Currency-related	Stock-related	Bond-related	Others	Total	Interest rate-related	Currency-related	Stock-related	Bond-related	Others	Total
Hedge accounting is applied	¥—	¥—	¥—	¥—	¥—	¥—	¥—	¥—	¥—	¥—	¥—	¥—
Hedge accounting is not applied	—	—	—	—	—	—	139	(7)	(612)	—	—	(479)
Total	¥—	¥—	¥—	¥—	¥—	¥—	¥139	¥(7)	¥(612)	¥—	¥—	¥(479)

Note: Valuation gains and losses on derivatives to which hedge accounting is not applied are recorded in the statements of income.

2. Derivatives to which hedge accounting is not applied

① Interest rate derivatives

(Millions of yen)

As of March 31,	2014				2015			
	Notional amount total	Over 1 year	Fair value	Valuation gains (losses)	Notional amount total	Over 1 year	Fair value	Valuation gains (losses)
Over-the-counter transactions								
Interest rate swaps								
Fixed interest rate received/ Variable interest payment	¥—	¥—	¥—	¥—	¥1,000	¥1,000	¥139	¥139
Total	¥—	¥—	¥—	¥—	¥1,000	¥1,000	¥139	¥139

Note: Fair value is also shown in the column under "Valuation gains (losses)."

## Reference: Balance of interest rate swaps by remaining period

(Millions of yen, %)

As of March 31,	2014						
	Due in 1 year or less	Due after 1 year through 3 years	Due after 3 years through 5 years	Due after 5 years through 7 years	Due after 7 years through 10 years	Due after 10 years	Total
Fixed interest rate received/ variable interest payment for notional principal of interest rate swap	¥—	¥—	¥—	¥—	¥—	¥—	¥—
Average fixed interest rate received	—	—	—	—	—	—	—
Average variable interest payment	—	—	—	—	—	—	—
Total	¥—	¥—	¥—	¥—	¥—	¥—	¥—

(Millions of yen, %)

As of March 31,	2015						
	Due in 1 year or less	Due after 1 year through 3 years	Due after 3 years through 5 years	Due after 5 years through 7 years	Due after 7 years through 10 years	Due after 10 years	Total
Fixed interest rate received/ variable interest payment for notional principal of interest rate swap	¥—	¥—	¥—	¥—	¥—	¥1,000	¥1,000
Average fixed interest rate received	—	—	—	—	—	1.89%	1.89%
Average variable interest payment	—	—	—	—	—	0.15%	0.15%
Total	¥—	¥—	¥—	¥—	¥—	¥1,000	¥1,000

## Sony Life Financial Data (Non-consolidated)

### ② Currency derivatives

(Millions of yen)

As of March 31,	2014				2015			
	Notional amount total	Over 1 year	Fair value	Valuation gains (losses)	Notional amount total	Over 1 year	Fair value	Valuation gains (losses)
Over-the-counter transactions								
Forward foreign-exchange contracts								
Sold	¥—	¥—	¥—	¥—	¥21,282	¥—	¥ (7)	¥ (7)
U.S. dollars	—	—	—	—	10,364	—	93	93
Euro	—	—	—	—	9,968	—	(115)	(115)
Australian dollars	—	—	—	—	949	—	15	15
Total				¥—				¥ (7)

Notes: 1. The forward rate of exchange is used to value forward foreign-exchange transactions at the end of the fiscal year.  
2. Fair value is also shown in the column under "Valuation gains (losses)."

### ③ Stock derivatives

(Millions of yen)

As of March 31,	2014				2015			
	Notional amount total	Over 1 year	Fair value	Valuation gains (losses)	Notional amount total	Over 1 year	Fair value	Valuation gains (losses)
Listed								
Yen-denominated stock index futures								
Sold	¥—	¥—	¥—	¥—	¥21,903	¥—	¥(612)	¥(612)
Total				¥—				¥(612)

Note: Fair value is also shown in the column under "Valuation gains (losses)."

### ④ Bond derivatives

Not applicable

### ⑤ Others

Not applicable

### 3. Derivatives to which hedge accounting is applied

#### ① Interest rate derivatives

Not applicable

#### ② Currency derivatives

Not applicable

#### ③ Equity derivatives

Not applicable

#### ④ Bond derivatives

Not applicable

#### ⑤ Others

Not applicable

## Performance Indicators (Non-consolidated)

## 1 Key Performance Indicators for Past Five Years

(Millions of yen)

For the years ended March 31,	2011	2012	2013	2014	2015
Policy amount in force	¥35,947,326	¥37,345,780	¥39,124,675	¥40,500,241	<b>¥42,430,898</b>
Individual life insurance	34,421,831	35,707,301	37,366,333	38,628,089	<b>40,391,018</b>
Individual annuities	326,699	369,759	412,709	466,915	<b>597,682</b>
Group life insurance	1,198,794	1,268,718	1,345,632	1,405,237	<b>1,442,198</b>
Policy amount in force for group annuities	58,937	57,811	56,503	55,196	<b>17,210</b>
Annualized premiums from insurance in force	604,793	635,401	669,937	696,986	<b>735,728</b>
Of which, medical protection, living benefit protection and other products	140,776	148,954	158,686	167,075	<b>172,800</b>
New policy amount	4,213,996	4,207,045	4,460,210	3,894,484	<b>4,776,917</b>
Individual life insurance	4,166,278	4,145,663	4,396,676	3,814,291	<b>4,625,700</b>
Individual annuities	32,746	57,664	57,931	75,088	<b>145,926</b>
Group life insurance	14,971	3,717	5,602	5,104	<b>5,291</b>
Annualized premiums from new policies	71,230	70,854	73,263	63,992	<b>76,612</b>
Of which, medical protection, living benefit protection and other products	16,679	17,101	18,397	13,486	<b>15,285</b>
Ordinary revenues	900,091	967,400	1,142,274	1,197,109	<b>1,223,827</b>
Of which, income from insurance premiums	770,330	816,106	925,874	960,986	<b>914,034</b>
Of which, investment income	119,500	133,945	199,833	212,323	<b>280,148</b>
Ordinary expenses	826,914	897,964	1,067,614	1,127,904	<b>1,144,162</b>
Of which, insurance claims and other payments	297,966	287,431	293,929	327,257	<b>382,902</b>
Of which, investment expenses	19,303	14,370	11,686	8,506	<b>9,727</b>
Of which, operating expenses	99,374	105,492	109,060	113,868	<b>115,603</b>
Ordinary profit	73,176	69,436	74,659	69,205	<b>79,665</b>
Net income	40,220	31,426	42,444	37,063	<b>42,524</b>
Core profit	56,295	71,685	80,045	72,365	<b>76,505</b>
Common stock	70,000	70,000	70,000	70,000	<b>70,000</b>
Number of shares issued and outstanding (thousands of shares)	70,000	70,000	70,000	70,000	<b>70,000</b>
Total assets	4,723,332	5,222,846	5,952,750	6,624,903	<b>7,301,350</b>
Of which, separate account assets	398,124	444,289	550,624	640,562	<b>793,344</b>
Policy reserves	4,371,484	4,843,020	5,472,930	6,123,633	<b>6,727,241</b>
Loans	134,419	138,909	145,104	154,219	<b>162,399</b>
Securities	4,017,583	4,545,019	5,211,535	5,954,716	<b>6,543,703</b>
Solvency margin ratio	2,900.1% [1,720.0%]	1,980.4%	2,281.8%	2,358.7%	<b>2,555.0%</b>
Number of employees	5,921	6,060	6,323	6,553	<b>6,781</b>

Notes: 1. Policy amount in force is the total of individual life insurance, individual annuities and group life insurance. Policy amount for individual annuities is equal to the sum of (a) the funds to be held at the time annuity payments are to commence for policies for which annuity payments have not yet commenced and (b) the amount of policy reserves for policies for which payments have commenced.

2. The policy amount in force for group annuities is equal to the amount of outstanding policy reserves.

3. New policy amount is the total of individual life insurance, individual annuities and group life insurance. New policy amount for individual annuities is equal to the funds to be held at the time annuity payments commence.

4. Annualized premiums, which include individual life insurance and individual annuities, are converted to a per-year premium amount by multiplying individual premiums by a coefficient corresponding to the premium payment method. (For lump-sum payment policies, premiums are divided by the number of coverage years.)

5. "Medical protection, living benefit protection and other products" is the portion of the annualized premium for medical protection benefits (hospitalization benefits, surgical benefits, etc.) and living benefit protection (benefits for specific diseases, nursing care benefits, etc.).

6. Cabinet Office Ordinance No. 23 of 2010 and Public Notice of Financial Services Agency No. 48 of 2010 prescribe a revision in the methods of calculating total solvency margin and total risk (increasing the strictness of margin inclusion, and making risk measurement stricter and more sensitive). Therefore, the figure for the year ended March 31, 2011 and the figures for the years ended March 31, 2012 to 2015 are calculated based on different methods. The above-stated figure in [1,720.0%] as of March 31, 2011 is calculated on the assumption that these changes were applied as of March 31, 2011. The figure is also included in disclosures for the fiscal year ended March 31, 2011.

## 2 Key Performance Indicators

### 2-01 Policy amount in force and new policy amount

#### Policy amount in force

(Millions of yen, %)

As of March 31,	2014				2015			
	Number	Change from March 31, 2013	Amount	Change from March 31, 2013	Number	Change from March 31, 2014	Amount	Change from March 31, 2014
Individual life insurance	6,236,000	104.6%	¥38,628,089	103.4%	6,552,685	105.1%	¥40,391,018	104.6%
Individual annuities	94,413	114.8	466,915	113.1	119,419	126.5	597,682	128.0
Group life insurance	—	—	1,405,237	104.4	—	—	1,442,198	102.6
Group annuities	—	—	55,196	97.7	—	—	17,210	31.2

Notes: 1. The policy amount in force for individual annuities are equal to the sum of (a) the funds to be held at the time annuity payments are to commence for policies for which annuity payments have not yet commenced and (b) the amount of policy reserves for policies for which payments have commenced.  
2. The policy amount in force for group annuities is equal to the amount of outstanding policy reserves.

#### New policy amount

(Millions of yen, %)

For the year ended March 31,	2014					
	Number	YoY change	Amount	YoY change	Amount, of which, new policies	Amount, of which, increase from conversion
Individual life insurance	517,946	85.3%	¥3,814,291	86.8%	¥3,814,291	¥—
Individual annuities	15,719	117.8	75,088	129.6	75,088	—
Group life insurance	—	—	5,104	91.1	5,104	—
Group annuities	—	—	—	—	—	—

(Millions of yen, %)

For the year ended March 31,	2015					
	Number	YoY change	Amount	YoY change	Amount, of which, new policies	Amount, of which, increase from conversion
Individual life insurance	578,831	111.8%	¥4,625,700	121.3%	¥4,625,700	¥—
Individual annuities	27,823	177.0	145,926	194.3	145,926	—
Group life insurance	—	—	5,291	103.7	5,291	—
Group annuities	—	—	—	—	—	—

Notes: 1. The new policy amount including increase from conversion for individual annuities is equal to the funds held at the time annuity payments commence.  
2. The new policy amount for group annuities is equal to the initial premium payment.

### 2-02 Annualized premiums

#### Policy amount in force

(Millions of yen, %)

As of March 31,	2014		2015	
	Amount	Change from March 31, 2013	Amount	Change from March 31, 2014
Individual life insurance	¥680,005	103.9%	¥714,620	105.1%
Individual annuities	16,980	111.6	21,107	124.3
Total	¥696,986	104.0%	¥735,728	105.6%
Of which, medical protection, living benefit protection and other products	167,075	105.3	172,800	103.4

#### New policies

(Millions of yen, %)

For the years ended March 31,	2014		2015	
	Amount	YoY change	Amount	YoY change
Individual life insurance	¥61,269	86.2%	¥71,795	117.2%
Individual annuities	2,723	124.1	4,816	176.9
Total	¥63,992	87.3%	¥76,612	119.7%
Of which, medical protection, living benefit protection and other products	13,486	73.3	15,285	113.3

Notes: 1. Annualized premiums refer to an amount that is calculated by multiplying individual premium amounts by a coefficient that differs depending on the premium payment methods, thereby converting the figure to a per-year premium. (For lump-sum payment policies, premiums are divided by the number of coverage years.)  
2. "Medical protection, living benefit protection and other products" indicates the portion of annualized premiums for medical protection benefits (hospitalization benefits, surgical procedure benefits, etc.) and products with living benefit protection (benefits for specific illness, nursing care benefits, etc.).

## 2-03 Policy amount in force and new policy amount by product

### Policies and policy amount in force by product

(Millions of yen)

As of March 31,	2014		2015	
	Number	Amount	Number	Amount
Individual life insurance products				
Pure death-protection insurance	4,743,523	¥35,556,338	4,958,598	¥37,129,771
Variable life insurance (whole life type)	610,296	3,188,877	685,767	3,602,970
U.S. dollar-denominated whole life insurance	18,494	165,529	46,680	476,044
Modified payment whole life insurance	15,090	140,607	14,621	133,183
Limited payment whole life insurance	332,430	2,711,866	338,058	2,710,522
Family insurance	1,245	11,522	1,217	11,128
Interest rate-sensitive whole life insurance	564,387	3,179,370	552,782	3,085,149
Whole life insurance (no selection type)	4,317	7,738	4,092	7,255
Living benefit insurance (whole life type)	511,682	1,763,371	532,627	1,831,852
Living benefit whole life insurance (living standard type)	—	—	41,301	164,163
Variable life insurance (term type)	1,352	44,305	1,288	43,018
Family income insurance	221,528	5,764,089	245,845	6,340,146
Living standard insurance	3,293	49,569	2,898	40,801
Level premium plan term life insurance	86,423	1,783,849	83,600	1,709,811
Decreasing term life insurance	68,650	1,297,123	69,811	1,321,041
Living benefit insurance (term type)	58,577	534,460	70,823	658,024
Level premium plan term life insurance (non-smoker preferred risk)	18,558	755,669	18,101	743,221
Decreasing term life insurance (non-smoker preferred risk)	26,182	578,534	24,289	502,884
Family income insurance (non-smoker preferred risk)	51,431	1,477,624	48,267	1,316,593
Increasing term life insurance	71	6,110	47	5,395
Long-term level premium plan term life insurance (with disability benefit)	35,922	1,619,192	43,121	1,985,996
Increasing term life insurance (reduced surrender value)	3,349	116,349	3,102	108,573
Level premium plan term life insurance (no surrender value)	42,747	789,873	46,548	862,868
Income protection insurance to cover three major diseases	17,294	13,261	19,819	15,888
Semi-participating whole life nursing-care insurance	130,595	492,393	133,832	502,877
Whole life nursing-care insurance (reduced surrender value)	12,528	2,441	15,910	3,210
Cancer insurance	214,595	29,251	210,300	28,487
Whole-life cancer insurance (08)	61,918	5,713	67,395	6,084
Cancer hospitalization insurance	31,867	—	30,821	—
Comprehensive medical insurance	1,586,695	675,752	1,594,273	656,479
Long-term comprehensive medical insurance	11,946	5,025	11,308	4,787
Semi-participating living standard insurance (joint type)	61	1,221	55	1,089
Term riders and others	[522,914]	8,345,638	[527,854]	8,250,219
Mixed insurance	378,275	1,315,664	407,795	1,422,354
Variable life insurance (limited term type)	47,944	137,093	61,492	184,187
U.S. dollar-denominated endowment insurance	1,842	8,058	2,918	13,703
U.S. dollar-denominated specialty endowment insurance	2,242	9,485	3,411	18,183
Endowment insurance	258,380	983,264	267,362	1,006,238
Semi-participating endowment insurance	67,867	177,764	66,251	173,342
Specialty endowment insurance	—	—	6,361	26,699
Pure endowment insurance	1,114,202	1,756,085	1,186,292	1,838,892
Educational endowment insurance	13,317	15,680	73,793	79,087
Semi-participating educational endowment insurance	1,100,885	1,740,405	1,112,499	1,759,805
Living benefit rider	—	—	—	—
Total individual life insurance products	6,236,000	38,628,089	6,552,685	40,391,018
Individual annuity products				
Semi-participating individual annuities	55,941	247,101	64,138	282,646
Individual variable annuities	30,281	160,834	46,192	250,875
Others	8,191	58,979	9,089	64,160
Total individual annuity products	94,413	466,915	119,419	597,682
Group life insurance products				
Group term life insurance	95,087	233,526	93,235	178,128
Group welfare term life insurance	134,103	75,088	126,811	69,746
Group credit life insurance	1,729,468	1,096,603	1,599,340	1,194,312
Annuity payment rider	45	18	35	10
Total group life insurance products	1,958,703	1,405,237	1,819,421	1,442,198
Group annuity products				
New-type corporate annuities	25,437	3,872	21,525	2,505
Defined contribution corporate annuities	159,268	51,324	59,871	14,704
Total group annuity products	184,705	55,196	81,396	17,210
Medical protection insurance (group-type)	—	—	—	—
Reinsurance recipients	—	—	—	—

Notes: 1. "Term riders and others" includes, in addition to "term riders," "living benefit whole life policy riders" and "semi-participating lump sum nursing-care riders every five years."  
2. The total number of policies in force for "term riders and others" and "living benefit rider" is excluded from total individual life insurance products.  
3. "Semi-participating individual annuities" and "Individual variable annuities" under individual annuity products refer to the policies for which annuity payments have not yet commenced.  
The amounts of policies for which annuity payments have not yet commenced are the funds to be held at the time annuity payments commence.  
4. "Others" under individual annuity products include "semi-participating nursing-care riders," "semi-participating fixed individual annuity riders," and the policies for which annuity payments have commenced.  
The policy amounts of the policies for which annuity payments have commenced are those of outstanding policy reserves.  
5. The numbers of policies for group life insurance products, group annuity products, medical protection insurance (group-type) and "reinsurance recipients" reflect the total numbers of insured parties.  
6. The amount of "Annuity payment rider" under group life insurance products is equal to the sum of (a) the funds to be held at the time annuity payments are to commence for policies for which annuity payments have not yet commenced and (b) the amount of policy reserves for policies for which payments have commenced.  
7. The policy amount in force for group annuity products is equal to the amount of outstanding policy reserves.  
8. The amount of medical protection insurance (group-type) is equal to the daily benefits for hospitalization.

# Sony Life Performance Indicators (Non-consolidated)

## New policies and new policy amount by product

(Millions of yen)

For the years ended March 31,	2014		2015	
	Number	Amount	Number	Amount
Individual life insurance products				
Pure death-protection insurance	369,707	¥3,424,239	434,256	¥4,321,409
Variable life insurance (whole life type)	48,549	213,026	91,162	444,259
U.S. dollar-denominated whole life insurance	18,725	164,923	29,162	265,734
Modified payment whole life insurance	1	10	—	—
Limited payment whole life insurance	13,610	70,372	12,795	69,174
Family insurance	—	—	—	—
Interest rate-sensitive whole life insurance	21,388	121,846	6,714	38,968
Whole life insurance (no selection type)	314	463	267	408
Living benefit insurance (whole life type)	71,722	273,274	44,824	172,252
Living benefit whole life insurance (living standard type)	—	—	41,636	165,826
Variable life insurance (term type)	28	1,547	—	—
Family income insurance	28,617	868,575	41,925	1,254,219
Living standard insurance	—	—	—	—
Level premium plan term life insurance	4,107	89,827	5,196	106,237
Decreasing term life insurance	7,430	190,682	6,394	171,229
Living benefit insurance (term type)	13,035	129,636	19,938	191,091
Level premium plan term life insurance (non-smoker preferred risk)	919	46,356	1,147	61,399
Decreasing term life insurance (non-smoker preferred risk)	—	—	—	—
Family income insurance (non-smoker preferred risk)	—	—	—	—
Increasing term life insurance	—	—	—	—
Long-term level premium plan term life insurance (with disability benefit)	7,982	373,702	9,431	460,524
Increasing term life insurance (reduced surrender value)	231	6,658	180	6,330
Level premium plan term life insurance (no surrender value)	7,520	147,705	7,242	141,832
Income protection insurance to cover three major diseases	3,786	3,067	4,285	4,191
Semi-participating whole life nursing-care insurance	12,916	48,199	8,532	33,144
Whole life nursing-care insurance (reduced surrender value)	4,369	928	4,214	925
Cancer insurance	3,775	365	4,541	482
Whole-life cancer insurance (08)	8,729	761	8,839	769
Cancer hospitalization insurance	2,071	—	2,454	—
Comprehensive medical insurance	89,883	19,756	83,378	16,708
Long-term comprehensive medical insurance	—	—	—	—
Semi-participating living standard insurance (joint type)	—	—	—	—
Term riders and others	[36,234]	652,550	[37,807]	715,699
Mixed insurance	91,693	304,877	54,786	194,725
Variable life insurance (limited term type)	8,095	23,461	16,235	50,354
U.S. dollar-denominated endowment insurance	1,870	7,954	1,134	4,224
U.S. dollar-denominated specialty endowment insurance	2,272	9,417	1,242	6,933
Endowment insurance	76,511	254,597	27,792	99,207
Semi-participating endowment insurance	2,945	9,446	1,916	6,970
Specialty endowment insurance	—	—	6,467	27,034
Pure endowment insurance	56,546	85,174	89,789	109,565
Educational endowment insurance	13,326	15,693	60,953	64,004
Semi-participating educational endowment insurance	43,220	69,481	28,836	45,560
Living benefit rider	[—]	—	—	—
Total individual life insurance products	517,946	3,814,291	578,831	4,625,700
Individual annuity products				
Semi-participating individual annuities	10,486	45,780	10,252	46,040
Individual variable annuities	5,233	29,308	17,571	99,885
Others	—	—	—	—
Total individual annuity products	15,719	75,088	27,823	145,926
Group life insurance products				
Group term life insurance	828	6	2,162	4,248
Group welfare term life insurance	14,997	5,098	764	1,043
Group credit life insurance	—	—	—	—
Annuity payment rider	—	—	—	—
Total group life insurance products	15,825	5,104	2,926	5,291
Group annuity products				
New-type corporate annuities	—	—	—	—
Defined contribution corporate annuities	—	—	—	—
Total group annuity products	—	—	—	—
Medical protection insurance (group-type)	—	—	—	—
Reinsurance recipients	—	—	—	—

Notes: 1. "Term riders and others" includes, in addition to "term riders," "living benefit whole life policy riders" and "semi-participating lump sum nursing-care riders every five years."

2. The total number of policies in force for "term riders and others" and "living benefit rider" is excluded from total individual life insurance products.

3. Figures for individual annuity products show the funds to be held at the time annuity payments are to commence for policies.

4. The number of new policies for group life insurance products, group annuity products, medical protection insurance (group-type) and "reinsurance recipients" reflect the total number of insured parties.

5. The new policy amount for group annuity products is equal to the sum of the initial premium payments.

6. The amount of medical protection insurance (group-type) is equal to the daily benefits for hospitalization.

## Sony Life Performance Indicators (Non-consolidated)

### 2-04 Policy amount in force by insurance function

(Millions of yen)

As of March 31,	2014	2015
Death protection		
Ordinary death		
Individual life insurance	¥36,872,003	¥38,552,125
Individual annuities	[108,424]	[144,044]
Group life insurance	1,405,218	1,442,187
Group annuities	—	—
Total	38,277,222	39,994,313
Accidental death		
Individual life insurance	[6,815,689]	[6,590,527]
Individual annuities	—	—
Group life insurance	[730]	[345]
Group annuities	—	—
Total	[6,816,420]	[6,590,873]
Death protection with other conditions		
Individual life insurance	[1,345,860]	[1,279,418]
Individual annuities	—	—
Group life insurance	—	—
Group annuities	—	—
Total	[1,345,860]	[1,279,418]
Living protection		
Maturity and living benefits		
Individual life insurance	1,756,085	1,838,892
Individual annuities	408,466	534,163
Group life insurance	—	—
Group annuities	—	—
Total	2,164,552	2,373,056
Annuities		
Individual life insurance	—	—
Individual annuities	[55,275]	[70,474]
Group life insurance	[7]	[5]
Group annuities	—	—
Total	[55,282]	[70,479]
Others		
Individual life insurance	—	—
Individual annuities	58,448	63,518
Group life insurance	18	10
Group annuities	55,196	17,210
Total	113,664	80,740
Hospitalization protection		
Accidental hospitalization		
Individual life insurance	[18,095]	[18,120]
Individual annuities	—	—
Group life insurance	[12]	[9]
Group annuities	—	—
Total	[18,108]	[18,130]
Sickness hospitalization		
Individual life insurance	[18,095]	[18,120]
Individual annuities	—	—
Group life insurance	—	—
Group annuities	—	—
Total	[18,095]	[18,120]
Hospitalization with other conditions		
Individual life insurance	[7,419]	[7,251]
Individual annuities	—	—
Group life insurance	—	—
Group annuities	—	—
Total	[7,419]	[7,251]

Notes: 1. Figures in [ ] show additional coverage and rider coverage attached to primary policies.

However, ordinary death protection including "term riders and others" is recorded under primary coverage.

2. Figures for maturity and living benefits of living protection show the funds to be held at the time annuity payments are to commence for policies for individual annuities and group life insurance (annuity payment rider) for which annuity payments have not yet commenced.

3. Figures for annuities within living protection show annual annuity amounts.

4. Figures for "Others" within living protection show policy reserves for individual annuities (after commencement of annuity payments), group life insurance (after commencement of annuity payments of annuities payment rider) and group annuities.

5. Figures for hospitalization protection show the daily benefits for hospitalization.

6. Figures for total in sickness hospitalization within hospitalization protection show the total including primary coverage and rider coverage.

\*Figures for primary coverage, if any, are shown without [ ]. If there is no primary coverage, figures for additional coverage are shown in [ ].

## 2-05 Number of policies in force by insurance function

As of March 31,	2014	2015
Disability protection		
Individual life insurance	496,356	535,195
Individual annuities	—	—
Group life insurance	49,321	48,142
Group annuities	—	—
Total	545,677	583,337
Surgery protection		
Individual life insurance	1,677,071	1,680,530
Individual annuities	—	—
Group life insurance	—	—
Group annuities	—	—
Total	1,677,071	1,680,530

## 2-06 Policy amount in force by type of individual life insurance and individual annuities

As of March 31,	2014	2015
	(Millions of yen)	
Pure death-protection insurance		
Whole life insurance	¥ 7,980,007	¥ 8,419,299
Whole life insurance with term rider	—	—
Term life insurance	14,722,876	15,554,558
Total	35,556,338	37,129,771
Mixed insurance		
Endowment insurance	1,169,086	1,193,284
Endowment insurance with term rider	—	—
Term life insurance with living benefits	—	—
Total	1,315,664	1,422,354
Pure endowment insurance	1,756,085	1,838,892
Annuity products		
Individual annuities	466,915	597,682
Riders for disaster and disease		
Rider to cover accidental death	3,484,766	3,347,551
Injury rider	3,330,923	3,242,975
Comprehensive protection riders covering hospitalization	489	467
Comprehensive protection riders covering hospitalization for family	21	19
Comprehensive protection riders covering lifestyle-related disease	52	50
Medical treatment rider for adults	1,295	1,252
Medical treatment rider for women	1,281	1,259
Lifestyle diseases medical treatment rider	16	15
New medical treatment rider for women	4	4
Cancer rider	241	243
Rider to cover initial period of hospitalization	6,514	6,628

Notes: 1. The amount of individual annuities is equal to the sum of (a) the funds to be held at the time annuity payments are to commence for policies for which annuity payments have not yet commenced and (b) the amount of policy reserves for policies for which payments have commenced.  
2. Figures for hospitalization protection show the daily benefits for hospitalization.

## Sony Life Performance Indicators (Non-consolidated)

### 2-07 Change in policy amount in force

#### Individual life insurance

(Millions of yen, %)

For the years ended March 31,	2014		2015	
	Number	Amount	Number	Amount
Balance at the beginning of the period	5,958,963	¥37,366,333	6,236,000	¥38,628,089
New policy amount	517,946	3,814,291	578,831	4,625,700
Increase from renewal	15,013	55,283	13,859	49,869
Increase from reinstatement	19,558	111,830	17,796	105,965
Increase in policy amount	[248]	2,523	[309]	2,241
Increase from conversion	—	—	—	—
Increase for other reasons	13,612	191,967	12,015	242,220
Decrease from death	9,719	60,056	10,379	62,727
Decrease for maturity	30,587	114,426	30,525	113,452
Decrease in policy amount	[37,478]	171,793	[42,765]	190,478
Decrease from conversion	—	—	—	—
Surrender amount	193,104	1,495,343	214,052	1,857,459
Lapse amount	37,362	224,789	34,294	215,454
Decrease for other reasons	18,320	847,729	16,566	823,495
Balance at the end of the period	6,236,000	38,628,089	6,552,685	40,391,018
[Increase ratio]	[4.6%]	[3.4%]	[5.1%]	[4.6%]
Net increase	277,037	1,261,755	316,685	1,762,928
[Increase ratio]	[(22.3%)]	[(23.9%)]	[14.3%]	[39.7%]

Note: Each amount above is the total of pure death-protection insurance, mixed insurance and pure endowment insurance.

#### Individual annuities

(Millions of yen, %)

For the years ended March 31,	2014		2015	
	Number	Amount	Number	Amount
Balance at the beginning of the period	82,261	¥412,709	94,413	¥466,915
New policy amount	15,719	75,088	27,823	145,926
Increase from reinstatement	141	632	189	932
Increase from conversion	—	—	—	—
Increase for other reasons	1,311	4,019	1,718	5,933
Decrease from death	61	317	65	354
Decrease for maturity	528	325	799	641
Decrease in annuity amount	[401]	1,858	[415]	1,615
Decrease from conversion	—	—	—	—
Surrender amount	3,416	18,231	2,752	14,060
Lapse amount	245	1,122	308	1,487
Decrease for other reasons	769	3,679	800	3,864
Balance at the end of the period	94,413	466,915	119,419	597,682
[Increase ratio]	[14.8%]	[13.1%]	[26.5%]	[28.0%]
Net increase	12,152	54,205	25,006	130,767
[Increase ratio]	[13.6%]	[26.2%]	[105.8%]	[141.2%]

Note: The above amounts are equal to the sum of (a) the funds to be held at the time annuity payments are to commence for policies for which annuity payments have not yet commenced and (b) the amount of policy reserves for policies for which payments have commenced.

## Sony Life Performance Indicators (Non-consolidated)

### Group life insurance

(Millions of yen, %)

For the years ended March 31,	2014		2015	
	Number	Amount	Number	Amount
Balance at the beginning of the period	2,128,076	¥1,345,632	1,958,703	¥1,405,237
New policy amount	15,825	5,104	2,926	5,291
Increase from renewal	216,254	305,056	216,872	242,642
Increase from reinstatement	—	—	—	—
Increase in policy amount (increase by additional purchase of riders)	77,269	181,637	70,166	215,697
Increase in policy amount	[1,392]	508	[2,218]	559
Increase for other reasons	86	673	113	5,179
Decrease from death	10,246	1,661	9,525	1,825
Decrease for maturity	242,685	308,324	229,804	302,788
Withdrawals	224,734	56,785	189,095	55,309
Decrease in policy amount	[489,465]	65,559	[549,031]	67,802
Surrender amount	970	790	549	2,289
Lapse amount	29	107	151	2,210
Decrease for other reasons	143	149	235	182
Balance at the end of the period	1,958,703	1,405,237	1,819,421	1,442,198
[Increase ratio]	[(8.0%)]	[4.4%]	[(7.1%)]	[2.6%]
Net increase	(169,373)	59,604	(139,282)	36,961
[Increase ratio]	[—]	[(22.5%)]	[—]	[(38.0%)]

Notes: 1. Each amount above is the total of pure death-protection insurance, mixed insurance and pure endowment insurance.

2. The number of policies reflects the total number of insured parties.

### Group annuities

(Millions of yen, %)

For the years ended March 31,	2014		2015	
	Number	Amount	Number	Amount
Balance at the beginning of the period	191,934	¥56,503	184,705	¥55,196
New policy amount	—	—	—	—
Annuity payment	244,140	2,097	234,801	2,022
Lump-sum payment	8,398	2,201	4,579	1,073
Surrender amount	—	—	91,023	35,950
Balance at the end of the period	184,705	55,196	81,396	17,210
[Increase ratio]	[(3.8%)]	[(2.3%)]	[(55.9%)]	[(68.8%)]
Net increase	(7,229)	(1,306)	(103,309)	(37,986)
[Increase ratio]	[—]	[—]	[—]	[—]

Notes: 1. The amounts at the beginning and end of the period are equal to policy reserves at those times.

2. New policy amounts are equal to the sum of initial premium payments.

3. The number of policies reflects the total number of insured parties.

## 2-08 Dividends to policyholders

1. Standard dividend yields for semi-participating individual life Insurance and individual annuities with policyholder dividends every five years

For the years ended March 31,	2014	2015
Assumed interest rates of 2.00% or less		
Level-premium	1.55%	1.55%
Lump-sum premium and others	1.20%	1.20%
Assumed interest rates of more than 2.00%		
Level-premium	1.40%	1.40%
Lump-sum premium and others	1.05%	1.05%

2. Below is an example of policyholder dividends for semi-participating whole life nursing-care insurance (before annuity payments commence) using figures for the fiscal year ended March 31, 2015.

<Example> Semi-participating whole life nursing-care insurance (before nursing care annuity payments commence)

Entered at 30, male, lump-sum payment, 10x death benefit, basic care annuity amount of ¥0.5 million

## Sony Life Performance Indicators (Non-consolidated)

(Yen)

Contract Date	Assumed interest rate	Years elapsed	Ongoing policy	Policies to which nursing care applies, ending at death of policyholder
Nov. 2, 2014	1.00%	1 year	¥—	¥ 7,533
Nov. 2, 2013	1.00	2	—	15,185
Nov. 2, 2012	1.50	3	—	0
Nov. 2, 2011	1.50	4	—	0
Nov. 2, 2010	1.50	5	0	0
Nov. 2, 2009	1.50	6	—	0
Nov. 2, 2008	1.50	7	—	0
Nov. 2, 2007	1.50	8	—	0
Nov. 2, 2006	1.50	9	—	0

Notes: 1. The "Policies to which nursing care applies, ending at death of policyholder" column shows the amount receivable for nursing care or upon death. The number of years elapsed is the number through November 2, 2015.

2. The above-stated dividend amount is the sum of the pro-rated dividend amount (policy reserve × dividend participation ratio) and interest through November 2, 2015 (excluding dividends already paid).

Dividend participation ratio = Standard dividend yield – Assumed interest rate

### 3. Standard dividend yield on group annuities

The standard dividend yield on group annuities is 1.30%, using figures for the fiscal year ended March 31, 2015.

Note: Dividend participation is calculated as follows:

Dividend amount = Policy reserves × Dividend participation ratio

Dividend participation ratio = Standard dividend yield – Assumed interest rate

4. For group term life insurance and other products, a reserve for policyholders' dividends is accumulated in accordance with each product's characteristics.

## 3 Indicators for Insurance Policies

### 3-01 Increase ratio of policy amount in force

(%)

For the years ended March 31,

	2014	2015
Individual life insurance	3.4%	4.6%
Individual annuities	13.1	28.0
Group life insurance	4.4	2.6
Group annuities	(2.3)	(68.8)

### 3-02 Average policy amount for new policies and policies in force (individual life insurance)

(Thousands of yen)

For the years ended March 31,

	2014	2015
Average policy amount for new policies	¥7,364	¥7,991
Average policy amount for policies in force	6,194	6,164

Note: The above figures do not include the increase from the conversion for average policy amount for new policies.

### 3-03 Ratio of new policy amount (to policy amount in force at the beginning of the fiscal year)

(%)

For the years ended March 31,

	2014	2015
Individual life insurance	10.2%	12.0%
Individual annuities	21.0	35.7
Group life insurance	0.4	0.4

Note: The above figures do not include the increase from the conversion.

### 3-04 Lapse and surrender rate (to policy amount in force at the beginning of the fiscal year)

The lapse and surrender rate is expressed as a ratio calculated by dividing the amounts of cancellations and lapses modified for decreases, increases or reinstatements by the total policy amount in force at the beginning of the fiscal year.

(%)

For the years ended March 31,

	2014	2015
Individual life insurance	4.76%	5.58%
Individual annuities	5.75	3.97
Subtotal	4.77	5.56
Group life insurance	4.90	5.11

The lapse and surrender rate is expressed as a ratio calculated by dividing the amounts of cancellations and lapses not modified for decreases, increases or reinstatements by the total policy amount in force at the beginning of the fiscal year.

(%)

For the years ended March 31,

	2014	2015
Individual life insurance + Individual annuities	4.61%	5.35%

## Sony Life Performance Indicators (Non-consolidated)

### 3-05 Average premium for new policies of individual life insurance (monthly payment contracts)

(Yen)

For the years ended March 31,	2014	2015
Average premiums for new policies	¥11,311	¥12,200

Note: The above figures do not include increase from conversion.

### 3-06 Mortality rate (individual life insurance: primary coverage)

(%)

For the years ended March 31,	2014	2015
Based on number of policies	1.59‰	1.62‰
Based on policy amount	1.58	1.59

### 3-07 Incidence rates of riders (individual life insurance)

(%)

For the years ended March 31,	2014		2015	
	Number of policies	Policy amount	Number of policies	Policy amount
Accidental death protection	0.095‰	0.101‰	0.063‰	0.106‰
Disability protection	0.126	0.041	0.095	0.027
Accidental hospitalization protection	3.543	86.717	3.608	88.526
Sickness hospitalization protection	36.157	588.196	36.673	596.877
Lifestyle-related disease hospitalization protection	14.166	399.877	15.567	423.462
Sickness and accidental surgery protection	40.357		43.526	
Lifestyle-related disease surgery protection	9.465		10.695	

### 3-08 Operating expense ratio (to insurance premiums)

(%)

For the years ended March 31,	2014	2015
Operating expense ratio	11.9%	12.7%

## 4 Indicators Related to Asset Management (General Account)

### 4-01 Overview of asset management (general account)

#### Overview of the asset management for the fiscal year ended March 31, 2015

##### (1) Investment Environment

During the fiscal year ended March 31, 2015, the Japanese economy experienced a modest recovery. Economic growth was negative in the first half, as the consumption tax increase prompted a demand backlash, particularly in durable goods, while unseasonable summer weather held down personal consumption. In the second half, an expanded quantitative easing program introduced by the Bank of Japan (BOJ) in October 2014 prompted yen depreciation and a recovery in exports. In addition, falling crude oil prices led to an improved balance of trade, turning economic growth positive.

Real GDP growth, year on year, was a negative 6.8% for the April–June quarter, followed by negative 2.0% in the July–September quarter. Economic growth turned positive thereafter, at 1.2% for the October–December quarter, and resulted in a positive 3.9%\* for the January–March quarter.

The Japanese bond market was affected significantly by the BOJ's expansion of quantitative easing in October 2014. The BOJ announced plans to expand the monetary base and increase holdings of long-term Japanese government bonds (JGBs) and exchange-traded funds (ETFs) and to extend its average holding period for long-term JGBs to around 7–10 years. The market responded to the introduction of these policies with growing concern about liquidity, which prompted greater fluctuation in bond yields. Yields on 10-year JGBs, an indicator of long-term interest rates, fell to 0.201% at one point at the end of October 2014 following increased quantitative easing. Yields turned back upward after that point, heading to 0.405% as of March 31, 2015 (down 0.237 percentage point year on year).

Stock market performance was up substantially. Stock prices remained firm throughout the year on rising corporate performance and expectations of growing shareholder returns. The BOJ's increased quantitative easing measures at the end of October 2014, combined with investment asset reallocations by the Government Pension Investment Fund and other public pension funds buoyed expectations of share purchases, driving up stock prices. As of March 31, 2015, the Nikkei Stock Average was ¥19,206.99, up ¥4,379.16 from its level on March 31, 2014.

On foreign exchange markets, the yen continued to depreciate. In the first half of the year, movement against the U.S. dollar centered in a tight range around ¥103 against the dollar. Yen depreciation picked up pace, however, following the BOJ's increased quantitative easing in October 2014, pushing the exchange rate down to ¥121.46 to the U.S. dollar at one point in December. Thereafter, observations of a rise in U.S. interest rates, falling commodity prices and the introduction of quantitative easing in Europe caused the yen–dollar exchange rate to seesaw. As of March 31, 2015, the yen was trading at ¥120.13 to the U.S. dollar, depreciating ¥16.9 from ¥103.23, its level one year earlier.

\*Second preliminary estimates

## Sony Life Performance Indicators (Non-consolidated)

### (2) Investment Policy

Sony Life's investment policy is to understand the characteristics of insurance liabilities, and prioritize investment in the assets that meet such characteristics based on ALM (asset liability management, the comprehensive management of assets and liabilities). Specifically, Sony Life is investing primarily in ultra long-term JGBs with longer remaining maturity, to meet the long-term liabilities of life insurance policies, in an effort to maintain adequate control over the risks associated with interest rate fluctuations involved in such insurance liabilities. Meanwhile, it is Sony Life's policy to limit its investment in risky assets including stocks.

### (3) Results of Investment

As of March 31, 2015, general account assets totaled ¥6,508.0 billion, up 8.8%, or ¥523.6 billion, from a year earlier. Within general account assets, Japanese government and corporate bonds totaled ¥5,606.8 billion (accounting for 86.2% of total general account assets), foreign bonds ¥105.5 billion (1.6%), Japanese stocks ¥42.4 billion (0.7%), monetary trusts ¥313.2 billion (4.8%), policy loans ¥162.3 billion (2.5%), real estate ¥117.7 billion (1.8%) and cash and deposits and call loans ¥56.8 billion (0.9%).

### Portfolio of general account assets

#### General account assets

As of March 31,	2014		2015	
	Amount	% of total	Amount	% of total
Cash and deposits, call loans	¥ 32,617	0.5%	¥ 56,818	0.9%
Securities repurchased under resale agreements	—	—	—	—
Pledged money for bond borrowing transaction	—	—	—	—
Monetary claims purchased	—	—	—	—
Securities under proprietary accounts	—	—	—	—
Monetary trusts	305,346	5.1	313,276	4.8
Securities	5,334,049	89.1	5,783,292	88.9
Japanese government and corporate bonds	5,190,065	86.7	5,606,885	86.2
Japanese stocks	33,205	0.6	42,496	0.7
Foreign securities	106,752	1.8	131,627	2.0
Bonds	79,835	1.3	105,556	1.6
Stocks, etc.	26,916	0.4	26,070	0.4
Other securities	4,026	0.1	2,283	0.0
Loans	154,219	2.6	162,399	2.5
Policy loans	154,180	2.6	162,397	2.5
Commercial loans	38	0.0	2	0.0
Real estate	66,532	1.1	117,764	1.8
Deferred tax assets	13,643	0.2	—	—
Other assets	78,173	1.3	74,722	1.1
Reserve for possible loan losses	(242)	(0.0)	(268)	(0.0)
Total	¥5,984,341	100.0%	¥6,508,006	100.0%
Of which, foreign-currency-denominated assets	58,195	1.0	82,158	1.3

Note: The amount for real estate is equivalent to the total amount of land, buildings and construction in progress.

### Changes in general account assets by categories

For the years ended March 31,	2014	2015
	(Millions of yen)	(Millions of yen)
Cash and deposits, call loans	¥ (70,704)	¥ 24,201
Securities repurchased under resale agreements	—	—
Pledged money for bond borrowing transaction	—	—
Monetary claims purchased	—	—
Securities under proprietary accounts	—	—
Monetary trusts	(775)	7,929
Securities	650,301	449,242
Japanese government and corporate bonds	629,017	416,819
Japanese stocks	2,099	9,290
Foreign securities	19,323	24,875
Bonds	17,812	25,721
Stocks, etc.	1,510	(845)
Other securities	(138)	(1,743)
Loans	9,114	8,180
Policy loans	9,161	8,216
Commercial loans	(47)	(35)
Real estate	(3,769)	51,231
Deferred tax assets	(80)	(13,643)
Other assets	(1,864)	(3,451)
Reserve for possible loan losses	(6)	(26)
Total	¥582,215	¥523,665
Of which, foreign-currency-denominated assets	16,438	23,963

Note: The amount for real estate is equivalent to the total amount of land, buildings and construction in progress.

## 4-02 Investment yield by type of asset (general account)

(%)

For the years ended March 31,	2014	2015
Cash and deposits, call loans	0.05%	0.06%
Securities repurchased under resale agreements	—	—
Pledged money for bond borrowing transaction	—	—
Monetary claims purchased	—	—
Securities under proprietary accounts	—	—
Monetary trusts	1.98	1.97
Securities	2.18	2.40
Japanese government and corporate bonds	2.06	2.17
Japanese stocks	2.22	3.35
Foreign securities	8.30	12.69
Loans	3.80	3.74
Commercial loans	0.64	0.59
Real estate	5.65	4.39
Total	2.20%	2.36%

Notes: 1. The denominator for the investment yield calculation is a daily averaged carrying amount, while the numerator is investment income minus investment expenses under ordinary profit (loss).

2. Valuation gains for Article 112 of the Insurance Business Act of Japan are not accounted for.

## 4-03 Average balance by type of asset (general account)

(Millions of yen)

For the years ended March 31,	2014	2015
Cash and deposits, call loans	¥ 54,814	¥ 63,624
Securities repurchased under resale agreements	—	—
Pledged money for bond borrowing transaction	—	—
Monetary claims purchased	—	—
Securities under proprietary accounts	—	—
Monetary trusts	268,611	268,749
Securities	4,900,002	5,433,180
Japanese government and corporate bonds	4,784,298	5,300,313
Japanese stocks	26,297	25,043
Foreign securities	86,600	105,299
Loans	149,675	158,224
Commercial loans	314	54
Real estate	64,367	93,211
Total	¥5,512,218	¥6,093,806
Of which, overseas investment	87,825	106,324

## 4-04 Investment income (general account)

(Millions of yen)

For the years ended March 31,	2014	2015
Interest income and dividends	¥122,160	¥133,592
Gains on securities under proprietary accounts	—	—
Income from monetary trusts, net	5,311	5,283
Income from trading securities, net	—	507
Gains on sale of securities	773	8,899
Gains on redemption of securities	2	1
Gains on derivatives, net	172	—
Foreign exchange gains, net	1,183	5,068
Reversal of reserve for possible loan losses	—	—
Other investment income	47	7
Total	¥129,652	¥153,359

## 4-05 Investment expenses (general account)

(Millions of yen)

For the years ended March 31,	2014	2015
Interest expense	¥ 48	¥ 31
Losses on securities under proprietary accounts	—	—
Losses on monetary trusts, net	—	—
Losses on trading securities, net	—	—
Losses on sale of securities	528	0
Devaluation losses on securities	—	—
Losses on redemption of securities	—	0
Losses on derivatives, net	—	2,099
Foreign exchange losses	—	—
Provision for reserve for possible loan losses	6	32
Write-off of loans	—	—
Depreciation of real estate for rent and others	2,077	1,931
Other investment expenses	5,845	5,630
Total	¥8,506	¥9,727

## 4-06 Interest income and dividends (general account)

(Millions of yen)

For the years ended March 31,	2014	2015
Interest income from deposits	¥ 0	¥ 0
Interest income and dividends from securities	106,187	117,276
Interest income from Japanese bonds	98,588	107,383
Dividends from Japanese stocks	397	464
Interest income and dividends from foreign securities	6,740	8,998
Interest income from loans	5,691	5,921
Income from real estate for rent	10,250	10,327
Total, including others	¥122,160	¥133,592

## 4-07 Gains on sale of securities (general account)

(Millions of yen)

For the years ended March 31,	2014	2015
Gains on sale of Japanese bonds (including JGBs)	¥ 1	¥7,601
Gains on sale of Japanese stocks, etc.	673	1,298
Gains on sale of foreign securities	98	—
Total	¥773	¥8,899

## 4-08 Losses on sale of securities (general account)

(Millions of yen)

For the years ended March 31,	2014	2015
Losses on sale of Japanese bonds (including JGBs)	¥ —	¥ 0
Losses on sale of Japanese stocks, etc.	487	—
Losses on sale of foreign securities	41	—
Total	¥528	¥ 0

## 4-09 Devaluation losses on securities (general account)

(Millions of yen)

For the years ended March 31,	2014	2015
Devaluation losses on Japanese bonds (including JGBs)	¥—	¥—
Devaluation losses on Japanese stocks, etc.	—	—
Devaluation losses on foreign securities	—	—
Total	¥—	¥—

# Sony Life Performance Indicators (Non-consolidated)

## 4-10 Securities (general account)

(Millions of yen, %)

As of March 31,	2014		2015	
	Amount	% of total	Amount	% of total
Japanese government bonds	¥5,158,972	96.7%	¥5,585,685	96.6%
Japanese municipal bonds	1,003	0.0	—	—
Japanese corporate bonds	30,089	0.6	21,200	0.4
Of which, public corporation bonds	27,016	0.5	21,200	0.4
Japanese stocks	33,205	0.6	42,496	0.7
Foreign securities	106,752	2.0	131,627	2.3
Bonds	79,835	1.5	105,556	1.8
Stocks, etc.	26,916	0.5	26,070	0.5
Other securities	4,026	0.1	2,283	0.0
Total	¥5,334,049	100.0%	¥5,783,292	100.0%

## 4-11 Balance of securities by remaining period (general account)

(Millions of yen)

As of March 31,	2014						
	Due in 1 year or less	Due after 1 year through 3 years	Due after 3 years through 5 years	Due after 5 years through 7 years	Due after 7 years through 10 years	Due after 10 years (including no fixed maturity)	Total
Securities	¥20,374	¥21,985	¥29,574	¥16,389	¥70,532	¥5,175,193	¥5,334,049
Japanese government bonds	10,586	12,297	15,285	—	65,346	5,055,455	5,158,972
Japanese municipal bonds	1,003	—	—	—	—	—	1,003
Japanese corporate bonds	6,718	2,058	105	—	1,639	19,566	30,089
Japanese stocks	—	—	—	—	—	33,205	33,205
Foreign securities	2,007	7,629	13,045	16,389	3,248	64,432	106,752
Bonds	—	—	5,099	12,371	1,931	60,432	79,835
Stocks, etc.	2,007	7,629	7,945	4,017	1,316	4,000	26,916
Other securities	58	—	1,136	—	297	2,533	4,026
Monetary claims purchased	—	—	—	—	—	—	—
Certificates of deposit	—	—	—	—	—	—	—
Others	—	—	—	—	—	—	—
Total	¥20,374	¥21,985	¥29,574	¥16,389	¥70,532	¥5,175,193	¥5,334,049

(Millions of yen)

As of March 31,	2015						
	Due in 1 year or less	Due after 1 year through 3 years	Due after 3 years through 5 years	Due after 5 years through 7 years	Due after 7 years through 10 years	Due after 10 years (including no fixed maturity)	Total
Securities	¥4,028	¥24,052	¥11,155	¥22,101	¥233,584	¥5,488,369	¥5,783,292
Japanese government bonds	—	14,960	—	5,447	228,796	5,336,480	5,585,685
Japanese municipal bonds	—	—	—	—	—	—	—
Japanese corporate bonds	—	—	—	—	1,635	19,564	21,200
Japanese stocks	—	—	—	—	—	42,496	42,496
Foreign securities	4,028	9,091	9,982	16,207	3,152	89,165	131,627
Bonds	—	2,022	4,044	13,413	2,410	83,665	105,556
Stocks, etc.	4,028	7,069	5,937	2,793	741	5,500	26,070
Other securities	—	—	1,173	446	—	663	2,283
Monetary claims purchased	—	—	—	—	—	—	—
Certificates of deposit	—	—	—	—	—	—	—
Others	—	—	—	—	—	—	—
Total	¥4,028	¥24,052	¥11,155	¥22,101	¥233,584	¥5,488,369	¥5,783,292

Note: Items treated as securities based on "financial product accounting standards" (Corporate Accounting Standards, No. 10) are included.

## 4-12 Fiscal year-end yields on bonds (general account)

(%)

As of March 31,	2014	2015
Japanese government and corporate bonds	2.08%	2.04%
Foreign bonds	3.70	3.09

## 4-13 Japanese stock holdings by industry (general account)

(Millions of yen, %)

As of March 31,	2014		2015	
	Amount	Composition	Amount	Composition
Fisheries, agriculture and forestry	¥ —	—%	¥ —	—%
Mining	—	—	—	—
Construction	1,838	5.5	2,089	4.9
Manufacturing industries				
Food products	554	1.7	1,153	2.7
Textiles and clothing	—	—	—	—
Pulp and paper	—	—	—	—
Chemicals	750	2.3	1,284	3.0
Medical products	736	2.2	1,276	3.0
Oil and coal products	—	—	—	—
Rubber products	—	—	—	—
Glass and stone products	—	—	108	0.3
Steel	—	—	—	—
Non-steel metals	357	1.1	—	—
Metal products	—	—	316	0.7
Machinery	1,153	3.5	1,654	3.9
Electric appliances	4,150	12.5	5,207	12.3
Transportation vehicles	2,304	6.9	3,256	7.7
Precision machinery	241	0.7	362	0.9
Others	88	0.3	313	0.7
Electric and gas utilities	631	1.9	687	1.6
Transportation/information telecommunications				
Ground transportation	1,062	3.2	1,760	4.1
Water transportation	—	—	—	—
Air transportation	—	—	—	—
Warehouses/transportation	—	—	—	—
Information/telecommunications	3,041	9.2	3,314	7.8
Commerce				
Wholesalers	277	0.8	—	—
Retailers	1,482	4.5	2,666	6.3
Financial services/insurance				
Banking	—	—	—	—
Securities and commodity futures trading	—	—	—	—
Insurance	12,000	36.1	13,000	30.6
Other financial services	846	2.6	984	2.3
Real estate	—	—	—	—
Service companies	1,685	5.1	3,058	7.2
Total	¥33,205	100.0%	¥42,496	100.0%

Note: Categories of stock holdings by industry are based on the classification by the Securities Identification Code Committee of Japan.

## 4-14 Loans (general account)

(Millions of yen)

As of March 31,	2014	2015
Policy loans	¥154,180	¥162,397
Policyholder loans	138,236	146,442
Automatic premium loans	15,944	15,954
Commercial loans	38	2
[Of which, loans to borrowers located outside of Japan]	[—]	[—]
Corporate loans	—	—
[Of which, corporate loans—domestic]	[—]	[—]
Loans to national, international and government-affiliated organizations	—	—
Loans to public entities	—	—
Mortgage loans	—	—
Consumer loans	—	—
Other loans	38	2
Total	¥154,219	¥162,399

# Sony Life Performance Indicators (Non-consolidated)

## 4-15 Tangible fixed assets (general account)

### Tangible fixed assets

(Millions of yen, %)

For the year ended March 31,	2014						
	Balance at the beginning of the period	Increase in the period	Decrease in the period	Amount of depreciation in the period	Balance at the end of the period	Amount of accumulated depreciation	% of accumulated depreciation
Land	¥31,089	¥ —	¥ 986	¥ —	¥30,103	¥ —	—%
Buildings	39,212	464	1,118	2,129	36,429	21,972	37.6
			[31]				
Leased assets	185	20	171	14	19	0	1.7
Construction in progress	—	—	—	—	—	—	—
Other tangible assets	482	216	10	140	548	1,524	73.6
			[5]				
Total	¥70,969	¥700	¥2,285	¥2,284	¥67,100	¥23,497	38.8%
			[36]				
Of which, investment and rental properties	67,231	346	2,223	2,021	63,334	21,050	37.8

(Millions of yen, %)

For the year ended March 31,	2015						
	Balance at the beginning of the period	Increase in the period	Decrease in the period	Amount of depreciation in the period	Balance at the end of the period	Amount of accumulated depreciation	% of accumulated depreciation
Land	¥30,103	¥52,903	¥—	¥ —	¥ 83,007	¥ —	—%
Buildings	36,429	374	40	2,005	34,757	23,849	40.7
			[10]				
Leased assets	19	—	—	4	15	4	21.7
Construction in progress	—	—	—	—	—	—	—
Other tangible assets	548	49	1	144	452	1,631	78.3
			[0]				
Total	¥67,100	¥53,327	¥42	¥2,154	¥118,232	¥25,485	42.0%
			[10]				
Of which, investment and rental properties	63,334	53,119	13	1,887	114,552	22,902	41.0

Note: Figures in [ ] in the "Decrease in the period" describe the amount of impairment losses.

### Balance of real estate and number of buildings for rent

(Millions of yen)

As of March 31,	2014	2015
Real estate balance	¥66,532	¥117,764
For corporate use	3,442	3,397
For rent	63,090	114,366
Number of buildings for rent	3	3

## 4-16 Overseas investment (general account)

### Details by assets

(Millions of yen, %)

As of March 31,	2014		2015	
	Amount	% of total	Amount	% of total
Assets denominated in foreign currency (yen amount not fixed)				
Foreign bonds	¥ 36,015	33.6%	¥ 61,258	46.0%
Foreign stocks	1,725	1.6	2,076	1.6
Cash, deposits and others	20,453	19.1	18,824	14.1
Subtotal	58,195	54.3	82,158	61.7
Assets denominated in foreign currency (yen amount fixed)				
Foreign bonds	—	—	—	—
Cash, deposits and others	—	—	—	—
Subtotal	—	—	—	—
Assets denominated in yen				
Loans to borrowers located outside of Japan	—	—	—	—
Foreign bonds and others	49,059	45.7	51,094	38.3
Subtotal	49,059	45.7	51,094	38.3
Total				
Overseas investment	¥107,254	100.0%	¥133,253	100.0%

Note: "Assets denominated in foreign currency (yen amount fixed)" are recorded under assets on the balance sheets at the fixed yen value that was determined at settlement with foreign exchange forward contracts.

# Sony Life Performance Indicators (Non-consolidated)

## Overseas investment by region

(Millions of yen, %)

As of March 31,	2014							
	Foreign securities		Of which, foreign bonds		Of which, foreign stocks, etc.		Loans to borrowers located outside of Japan	
	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total
North America	¥ 37,125	34.8%	¥29,742	37.3%	¥ 7,383	27.4%	¥—	—%
Europe	53,980	50.6	46,847	58.7	7,132	26.5	—	—
Oceania	3,246	3.0	3,246	4.1	—	—	—	—
Asia	—	—	—	—	—	—	—	—
Latin America	12,400	11.6	—	—	12,400	46.1	—	—
Middle East	—	—	—	—	—	—	—	—
Africa	—	—	—	—	—	—	—	—
International organizations	—	—	—	—	—	—	—	—
Total	¥106,752	100.0%	¥79,835	100.0%	¥26,916	100.0%	¥—	—%

(Millions of yen, %)

As of March 31,	2015							
	Foreign securities		Of which, foreign bonds		Of which, foreign stocks, etc.		Loans to borrowers located outside of Japan	
	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total
North America	¥ 61,032	46.4%	¥ 54,129	51.3%	¥ 6,902	26.5%	¥—	—%
Europe	52,492	39.9	47,160	44.7	5,332	20.5	—	—
Oceania	4,267	3.2	4,267	4.0	—	—	—	—
Asia	—	—	—	—	—	—	—	—
Latin America	13,835	10.5	—	—	13,835	53.1	—	—
Middle East	—	—	—	—	—	—	—	—
Africa	—	—	—	—	—	—	—	—
International organizations	—	—	—	—	—	—	—	—
Total	¥131,627	100.0%	¥105,556	100.0%	¥26,070	100.0%	¥—	—%

## Foreign-currency-denominated assets by currency

(Millions of yen, %)

As of March 31,	2014		2015	
	Amount	% of total	Amount	% of total
U.S. dollar	¥45,301	77.8%	¥70,505	85.8%
Euro	9,148	15.7	7,020	8.5
Australian dollar	3,270	5.6	4,306	5.2
British pound	469	0.8	324	0.4
Offshore renminbi	3	0.0	—	—
New Taiwanese dollar	1	0.0	2	0.0
Total	¥58,195	100.0%	¥82,158	100.0%

## 4-17 Yield on overseas investments (general account)

(%)

For the years ended March 31,	2014	2015
Yield on overseas investments	8.19%	12.57%

Note: Yield on overseas investments is a total of foreign-currency-denominated assets and yen-denominated assets.

## 5 Status of Insurance Claims Paying Ability

### 5-01 Solvency margin ratio

(Millions of yen)

As of March 31,	2014	2015
(A) Total solvency margin	¥ 954,157	¥1,078,363
Common stock, etc.	274,027	301,193
Reserve for price fluctuations	41,556	42,845
Contingency reserve	63,671	68,707
General reserve for possible loan losses	0	0
Net unrealized gains on other securities multiplied by 90% (100% if losses)	118,354	158,917
Net unrealized gains on real estate multiplied by 85% (100% if losses)	75	15,325
Amount excluded from deferred tax assets	—	—
Unallotted portion of reserve for policyholders' dividends	174	212
Deferred tax assets	78,868	81,201
Excess amount of policy reserves based on Zillmer method	400,056	429,392
Subordinated debt	—	—
The portion of the excess amount of policy reserves based on Zillmer method and subordinated debt that is not included in the margin	(20,626)	(16,433)
Deductible items	(2,000)	(3,000)
(B) Total risk		
$\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$	80,904	84,411
Insurance risk $R_1$	22,512	23,045
Third-sector insurance risk $R_8$	8,368	8,422
Assumed interest rate risk $R_2$	29,616	30,138
Minimum guarantee risk $R_7$	12,896	14,373
Asset management risk $R_3$	30,023	31,493
Business management risk $R_4$	2,068	2,149
Solvency margin ratio		
$[(A)/((1/2) \times (B))] \times 100$	2,358.7%	2,555.0%

Notes: 1. The figures were calculated based on provisions in Articles 86 and 87 of the Ordinance for Enforcement of the Insurance Business Act of Japan and the Ministry of Finance Public Notice No. 50 of 1996.

2. Minimum guarantee risk is calculated based on the standardized approach.

### <Reference> Real net assets

(Billions of yen)

As of March 31,	2014	2015
(1) Total amount to be recorded as assets (=①+②+③+④-⑤)	¥7,056.2	¥8,159.8
① Total assets on the balance sheet	6,624.9	7,301.3
② Difference between fair value and balance sheet amount of securities	430.3	839.4
③ Unrealized gain or loss on tangible fixed assets	1.0	19.0
④ Unrealized gain or loss other than tangible fixed assets	—	—
⑤ Deferred tax assets for available-for-sale securities	—	—
(2) An amount calculated based on total amount to be recorded as liabilities (=①-②-③-④-⑤)	5,709.8	6,276.8
① Total liabilities on the balance sheet	6,255.6	6,868.8
② Reserve for price fluctuations	41.5	42.8
③ Contingency reserve	63.6	68.7
④ Part of reserves for future insurance claim payment	400.2	429.6
Excess of amount equivalent to surrender values (④(a))	400.0	429.3
Unallocated amount in reserve for policyholders' dividends (④(b))	0.1	0.2
⑤ Deferred tax liabilities for available-for-sale securities	40.3	50.8
Real net assets (A) (1)-(2) (including unrealized gains and losses on held-to-maturity securities)	1,346.4	1,883.0
(3) Unrealized gains and losses on held-to-maturity securities	430.3	839.4
Real net assets (B) (1)-(2)-(3) (excluding unrealized gains and losses on held-to-maturity securities)	916.1	1,043.5

Note: According to the "Comprehensive Guideline for Insurance Companies" defined by the regulatory authority, when the amount (actual difference between assets and liabilities (B)) obtained by deducting unrealized gains and losses on held-to-maturity bonds and on policy reserve matching bonds which are not accounted for in the balance sheets as mark-to-market from the actual difference between assets and liabilities (A) is positive, and liquid assets are held, the regulatory authority will not, in principle, take early corrective actions even if the actual difference between assets and liabilities (A) becomes negative.

## 6 Balance of Separate Account Assets

(Millions of yen)

As of March 31,	2014	2015
Individual variable life insurance and individual variable annuities	¥640,562	¥793,344
Group annuities	—	—
Total separate account	¥640,562	¥793,344

Note: Assets relating to individual variable life insurance and individual variable annuities are jointly invested at Sony Life.

## 7 Status of Individual Variable Life Insurance and Individual Variable Annuities

### 7-01 Policy amount in force

#### Individual variable life insurance

(Millions of yen)

As of March 31,	2014		2015	
	Number	Amount	Number	Amount
Variable life insurance (whole life type)	610,296	¥7,302,062	685,767	¥7,826,857
Variable life insurance (limited term type)	47,944	164,508	61,492	222,443
Variable life insurance (term type)	1,352	45,807	1,288	44,356
Total	659,592	¥7,512,377	748,547	¥8,093,657

Note: Amounts include the rider portion of variable life insurance.

#### Individual variable annuities

(Millions of yen)

As of March 31,	2014		2015	
	Number	Amount	Number	Amount
Individual variable annuities	30,502	¥161,758	46,508	¥252,266

Note: The amount of individual variable annuities is equal to the sum of (a) the funds to be held at the time annuity payments are to commence for policies for which annuity payments have not yet commenced and (b) the amount of policy reserves for policies for which payments have commenced.

### 7-02 Portfolio of separate account assets in individual variable life insurance and individual variable annuities

(Millions of yen, %)

As of March 31,	2014		2015	
	Amount	% of total	Amount	% of total
Cash and deposits, call loans	¥ 17,838	2.8%	¥ 30,950	3.9%
Securities	620,666	96.9	760,411	95.8
Japanese government and corporate bonds	168,661	26.3	165,980	20.9
Japanese stocks	37,237	5.8	50,068	6.3
Foreign securities	235,435	36.8	319,985	40.3
Bonds	51,863	8.1	59,918	7.6
Stocks, etc.	183,571	28.7	260,067	32.8
Other securities	179,332	28.0	224,376	28.3
Loans	—	—	—	—
Others	2,057	0.3	1,982	0.2
Reserve for possible loan losses	—	—	—	—
Total	¥640,562	100.0%	¥793,344	100.0%

Note: Assets relating to individual variable life insurance and individual variable annuities are jointly invested at Sony Life.

## 7-03 Net investment gains (losses) of separate account assets in individual variable life insurance and individual variable annuities

(Millions of yen)

For the years ended March 31,	2014	2015
Interest income and dividends	¥ 11,773	¥ 13,175
Gains on sale of securities	16,052	17,275
Gains on redemption of securities	74	16
Valuation gains on securities	143,031	232,096
Foreign exchange gains, net	5,036	8,458
Gains on derivatives, net	—	—
Other investment income	0	—
Losses on sale of securities	680	993
Losses on redemption of securities	141	103
Devaluation losses on securities	92,255	142,989
Foreign exchange losses, net	—	—
Losses on derivatives, net	—	—
Other investment expenses	221	146
Net investment gains (losses)	¥ 82,670	¥126,789

Note: Assets relating to individual variable life insurance and individual variable annuities are jointly invested at Sony Life.

## 7-04 Fair values of securities relating to separate account assets in individual variable life insurance and individual variable annuities

### Valuation gains (losses) on trading-purpose securities

(Millions of yen)

As of March 31,	2014		2015	
	Balance sheet amount	Net valuation gains (losses) recorded in income	Balance sheet amount	Net valuation gains (losses) recorded in income
Trading-purpose securities	¥620,666	¥50,776	¥760,411	¥89,106

Note: Assets relating to individual variable life insurance and individual variable annuities are jointly invested at Sony Life.

### Fair value information on monetary trusts

Not applicable

### Fair value information on derivative transactions

Not applicable

## 8 Number of Agencies

As of March 31,	2014	2015
Number of agencies	1,974	1,912

## 9 Number of Employees and Recruits

### 9-01 Number of employees

As of March 31,	2014	2015
Office employees	1,816	1,924
[Male]	[902]	[925]
[Female]	[914]	[999]
Sales employees	4,737	4,857*
[Male]	[4,678]	[4,782]
[Female]	[59]	[75]

\*Number of Lifeplanner sales employees (including those rehired on a fixed-term contract basis after retirement and contracted Lifeplanner sales employees) is 4,329 as of March 31, 2015.

## 9-02 Number of recruits

For the years ended March 31,	2014	2015
Office employees	245	254
[Male]	[48]	[55]
[Female]	[197]	[199]
Sales employees	444	419
[Male]	[422]	[388]
[Female]	[22]	[31]

## 9-03 Average age and years of service

As of March 31,	2014		2015	
	Average age	Average years of service	Average age	Average years of service
Office employees	39.9	8.9	39.7	8.4
[Male]	[41.9]	[11.4]	[41.6]	[11.2]
[Female]	[37.9]	[6.4]	[38.1]	[5.9]
Sales employees	45.5	10.2	45.6	10.4
[Male]	[45.6]	[10.3]	[45.7]	[10.5]
[Female]	[40.3]	[2.4]	[40.4]	[2.2]

## 10 Average Salary

### 10-01 Average salary (office employees)

	(Thousands of yen)	
For the years ended March 31,	2014	2015
Office employees	¥399	¥395

Note: The average monthly salary is the tax-inclusive standard salary in March for each fiscal year, excluding bonuses and overtime pay.

### 10-02 Average compensation (sales employees)

	(Thousands of yen)	
For the years ended March 31,	2014	2015
Sales employees	¥594	¥656

Note: The average monthly compensation is the tax-inclusive compensation in March for each fiscal year, excluding bonuses and commuting allowances.

## Financial Data

## Balance Sheets

Sony Assurance Inc.  
As of March 31, 2014 and 2015

(Millions of yen, %)

	2014		2015		Change
	Amount	Composition	Amount	Composition	
<b>Assets:</b>					
Cash and deposits	¥ 6,912	4.84%	¥ 10,738	6.80%	¥ 3,826
Cash	0		0		
Deposits	6,911		10,738		
Securities	101,245	70.94	111,809	70.80	10,563
Japanese government bonds	79,685		85,698		
Japanese municipal bonds	11,579		15,218		
Japanese corporate bonds	7,661		6,760		
Japanese stocks	1,016		2,548		
Foreign securities	197		197		
Other securities	1,105		1,385		
Tangible fixed assets	3,105	2.18	3,539	2.24	434
Buildings	243		228		
Construction in progress	947		1,666		
Other tangible fixed assets	1,914		1,644		
Intangible fixed assets	8,283	5.80	7,084	4.49	(1,198)
Software	5,318		3,949		
Software in progress	2,963		3,134		
Other intangible fixed assets	1		0		
Other assets	18,450	12.93	19,294	12.22	843
Accrued premiums	1,250		1,265		
Due from reinsurers	10		93		
Due from foreign reinsurers	9		22		
Accounts receivable	12,304		12,931		
Accrued income	132		135		
Deposits	448		446		
Suspense payments	4,294		4,399		
Deferred tax assets	4,716	3.31	5,452	3.45	735
<b>Total Assets</b>	<b>¥142,714</b>	<b>100.00%</b>	<b>¥157,919</b>	<b>100.00%</b>	<b>¥15,204</b>

(Millions of yen, %)

	2014		2015		Change
	Amount	Composition	Amount	Composition	
<b>Liabilities:</b>					
Underwriting reserves	¥110,741	77.60%	¥122,173	77.36%	¥11,432
Reserve for outstanding losses	32,698		35,665		
Underwriting reserves	78,043		86,508		
Other liabilities	8,543	5.99	8,787	5.56	244
Due to reinsurers	67		78		
Due to foreign reinsurers	16		11		
Income taxes payable	2,159		2,005		
Deposits received	12		15		
Accounts payable	2,364		2,678		
Suspense receipt	3,923		3,997		
Reserve for employees' retirement benefits	969	0.68	1,130	0.72	160
Reserve for directors' retirement benefits	22	0.02	33	0.02	11
Reserve for employees' bonuses	918	0.64	927	0.59	9
Reserve for price fluctuations and others	101	0.07	124	0.08	22
Reserve for price fluctuations	101		124		
Total Liabilities	121,295	84.99	133,178	84.33	11,882
<b>Net Assets:</b>					
Common stock	20,000	14.01	20,000	12.66	
Capital surplus	20,000	14.01	20,000	12.66	
Capital reserve	20,000		20,000		
Retained deficits	(18,828)	(13.19)	(16,610)	(10.52)	2,217
Other retained deficits	(18,828)		(16,610)		
Unappropriated retained deficits	(18,828)		(16,610)		
Total shareholders' equity	21,171	14.84	23,389	14.81	2,217
Net unrealized gains (losses) on other securities, net of taxes	246	0.17	1,351	0.86	1,105
Total valuation and translation adjustments	246	0.17	1,351	0.86	1,105
Total Net Assets	21,418	15.01	24,741	15.67	3,322
Total Liabilities and Net Assets	¥142,714	100.00%	¥157,919	100.00%	¥15,204

## Statements of Income

Sony Assurance Inc.

For the years ended March 31, 2014 and 2015

(Millions of yen)

	2014	2015	Change
Ordinary Revenues	¥89,864	¥93,022	¥3,157
Underwriting income	88,639	91,761	3,121
Net premiums written	88,600	91,712	3,111
Interest and dividends on deposits of premiums	39	48	9
Other underwriting income	—	0	0
Investment income	1,198	1,235	36
Interest income and dividends	1,209	1,268	58
Gains on sale of securities	25	15	(9)
Gains on redemption of securities	3	—	(3)
Transfer to interest and dividends on deposits of premiums	(39)	(48)	(9)
Other ordinary income	25	25	(0)
Ordinary Expenses	86,860	88,812	1,952
Underwriting expenses	65,469	65,668	198
Net losses paid	46,183	45,985	(197)
Loss adjustment expenses	6,367	6,857	489
Net commissions and brokerage fees	1,387	1,392	4
Provision for reserve for outstanding losses	4,098	2,966	(1,131)
Provision for underwriting reserves	7,433	8,465	1,032
Other underwriting expenses	0	0	0
Investment expenses	7	1	(6)
Losses on sale of securities	5	1	(4)
Losses on redemption of securities	2	—	(2)
Operating, general and administrative expenses	21,378	23,135	1,756
Other ordinary expenses	4	7	3
Ordinary Profit	3,003	4,209	1,205
Extraordinary Gains	—	—	—
Extraordinary Losses	106	503	396
Losses on sale or disposal of fixed assets	85	480	394
Provision for reserve for price fluctuations and others	21	22	1
Provision for reserve for price fluctuations	21	22	1
Income Before Income Taxes	2,897	3,706	808
Income Taxes—Current	1,916	2,639	722
Income Taxes—Deferred	(683)	(1,166)	(483)
Total Income Taxes	1,232	1,472	239
Net Income	¥ 1,664	¥ 2,233	¥ 569

## Statements of Changes in Net Assets

Sony Assurance Inc.

For the years ended March 31, 2014 and 2015

(Millions of yen)

	2014								
	Shareholders' Equity						Valuation and Translation Adjustments		Total Net Assets
	Common stock	Capital surplus		Retained deficits		Total shareholders' equity	Net unrealized gains (losses) on other securities, net of taxes	Total valuation and translation adjustments	
		Capital reserve	Total capital surplus	Other retained deficits	Total retained deficits				
Unappropriated retained deficits									
Balance at the beginning of the period	¥20,000	¥20,000	¥20,000	¥(20,492)	¥(20,492)	¥19,507	¥ 426	¥ 426	¥19,934
Changes during the period									
Net income	—	—	—	1,664	1,664	1,664	—	—	1,664
Net changes of items other than shareholders' equity	—	—	—	—	—	—	(179)	(179)	(179)
Total changes during the period	—	—	—	1,664	1,664	1,664	(179)	(179)	1,484
Balance at the end of the period	¥20,000	¥20,000	¥20,000	¥(18,828)	¥(18,828)	¥21,171	¥ 246	¥ 246	¥21,418

(Millions of yen)

	2015								
	Shareholders' Equity						Valuation and Translation Adjustments		Total Net Assets
	Common stock	Capital surplus		Retained deficits		Total shareholders' equity	Net unrealized gains (losses) on other securities, net of taxes	Total valuation and translation adjustments	
		Capital reserve	Total capital surplus	Other retained deficits	Total retained deficits				
				Unappropriated retained deficits					
Balance at the beginning of the period	¥20,000	¥20,000	¥20,000	¥(18,828)	¥(18,828)	¥21,171	¥ 246	¥ 246	¥21,418
Cumulative effects of changes in accounting policies	—	—	—	(16)	(16)	(16)	—	—	(16)
Restated balance at the beginning of the period	20,000	20,000	20,000	(18,844)	(18,844)	21,155	246	246	21,402
Changes during the period									
Net income	—	—	—	2,233	2,233	2,233	—	—	2,233
Net changes of items other than shareholders' equity	—	—	—	—	—	—	1,105	1,105	1,105
Total changes during the period	—	—	—	2,233	2,233	2,233	1,105	1,105	3,338
Balance at the end of the period	¥20,000	¥20,000	¥20,000	¥(16,610)	¥(16,610)	¥23,389	¥1,351	¥1,351	¥24,741

## Statements of Cash Flows

Sony Assurance Inc.

For the years ended March 31, 2014 and 2015

(Millions of yen)

	2014	2015	Change
Cash flows from operating activities			
Income before income taxes	¥ 2,897	¥ 3,706	¥ 808
Depreciation and amortization	2,137	2,480	342
Increase (decrease) in reserve for outstanding losses	4,098	2,966	(1,131)
Increase (decrease) in underwriting reserves	7,433	8,465	1,032
Increase (decrease) in reserve for employees' retirement benefits	119	137	17
Increase (decrease) in reserve for directors' retirement benefits	(31)	11	42
Increase (decrease) in reserve for employees' bonuses	161	9	(151)
Increase (decrease) in reserve for price fluctuations	21	22	1
Interest income and dividends	(1,209)	(1,268)	(58)
(Gains) losses on securities	(21)	(14)	6
(Gains) losses on tangible fixed assets	85	10	(74)
(Gains) losses on intangible fixed assets	—	469	469
(Increase) decrease in other assets (excluding those related to investing and financing activities)	(970)	(840)	130
Increase (decrease) in other liabilities (excluding those related to investing and financing activities)	(3)	435	438
Subtotal	14,718	16,592	1,874
Interest and dividends received	1,396	1,471	74
Income taxes (paid) refund	201	(2,795)	(2,997)
Net cash provided by (used in) operating activities	16,315	15,268	(1,047)
Cash flows from investing activities			
Purchases of securities	(30,964)	(36,277)	(5,312)
Proceeds from sale and redemption of securities	18,891	27,346	8,454
Total of net cash provided by (used in) investment transactions	(12,072)	(8,930)	3,141
[Total of net cash provided by (used in) operating activities and investment transactions]	[4,243]	[6,337]	[2,094]
Purchases of tangible fixed assets	(2,169)	(953)	1,216
Others, net	(2,674)	(1,277)	1,397
Net cash provided by (used in) investing activities	(16,916)	(11,161)	5,755
Cash flows from financing activities			
Net cash provided by (used in) financing activities	—	—	—
Effect of exchange rate changes on cash and cash equivalents	—	—	—
Net increase (decrease) in cash and cash equivalents	(600)	4,106	4,707
Cash and cash equivalents at the beginning of the period	8,617	8,017	(600)
Cash and cash equivalents at the end of the period	¥ 8,017	¥ 12,124	¥ 4,106

## 1 Loans by Borrower Category

(Millions of yen)

As of March 31,	2014	2015
Bankrupt and quasi-bankrupt loans	¥—	¥—
Doubtful loans	—	—
Sub-standard loans	—	—
Normal loans	—	—
Total	¥—	¥—

- Notes: 1. **Bankrupt and quasi-bankrupt loans** Bankrupt and quasi-bankrupt loans are loans to borrowers who are subject to bankruptcy, corporate reorganization or rehabilitation or other similar proceedings and other borrowers in serious financial difficulties.
2. **Doubtful loans** Doubtful loans are loans to borrowers (other than bankrupt and quasi-bankrupt borrowers) with deteriorated financial condition and results of operations from which it is unlikely that the principal and interest on the loans will be recovered.
3. **Sub-standard loans** Sub-standard loans are loans on which principal and/or interest are past due for three months or more and loans with a concessionary interest rate, as well as loans with renegotiated conditions in favor of the borrower, including renegotiated schedule and/or waivers, in each case, other than the loans described in notes 1. and 2. above.
4. **Normal loans** Normal loans are all other loans.

## 2 Risk-monitored Loans

(Millions of yen)

As of March 31,	2014	2015
Bankrupt loans	¥—	¥—
Non-accrual delinquent loans	—	—
Past due loans (3 months or more)	—	—
Restructured loans	—	—
Total	¥—	¥—

- Notes: 1. **Bankrupt loans** There are loans that have been in arrears on principal or interest payments for a considerably long period of time, or loans (before deductions for reserve for possible loan losses) on which principal or interest payments are considered unlikely to occur in the future for other reasons and on which accrued interest income is not recorded. Of these, bankrupt loans are loans with reasons defined under Article 96-1-3, i through v (allowed limits for uncollectible accounts) of the Order for Enforcement of the Corporation Tax Act (Enforcement Order 97 of 1965), or 96-1-4 of the same order.
2. **Non-accrual delinquent loans** Non-accrual delinquent loans are loans on which accrued interest income is not recorded, excluding bankrupt loans and loans on which interest payments are deferred in order to support the borrowers' recovery from financial difficulties.
3. **Past due loans (3 months or more)** Past due loans are loans to which the repayments of principles of interests are past due date over three months or more and which are not classified to bankrupt loans or non-accrual delinquent loans.
4. **Restructured loans** Restructured loans are loans on which terms and conditions have been amended in favor of the borrowers (e.g. reduction of the original interest rate, deferral of interest payments, extension of principal repayments or debt waiver) in order to support the borrowers' recovery from financial difficulties, excluding loans described in notes 1. to 3. above.

## 3 Assets and Liabilities

### 3-01 Securities

(Millions of yen, %)

As of March 31,	2014		2015	
	Amount	Composition	Amount	Composition
Japanese government bonds	¥ 79,685	78.7%	¥ 85,698	76.6%
Japanese municipal bonds	11,579	11.4	15,218	13.6
Japanese corporate bonds	7,661	7.6	6,760	6.0
Japanese stocks	1,016	1.0	2,548	2.3
Foreign securities	197	0.2	197	0.2
Other securities	1,105	1.1	1,385	1.2
Total	¥101,245	100.0%	¥111,809	100.0%

### 3-02 Yield on securities (yield on investments)

(%)

For the years ended March 31,	2014	2015
Japanese government and corporate bonds	1.25%	1.19%
Japanese stocks	—	—
Foreign securities	2.41	3.04
Other securities	0.06	0.04
Total	1.24%	1.17%
Yield on investments	1.26	1.19
Reference: Yield on investments (market value basis)	0.99	2.61

## 3-03 Balance of securities by remaining period

(Millions of yen)

As of March 31,	2014						Total
	Less than 1 year	Over 1 year, not exceeding 3 years	Over 3 years, not exceeding 5 years	Over 5 years, not exceeding 7 years	Over 7 years, not exceeding 10 years	Over 10 years (including no fixed maturity)	
Japanese government bonds	¥11,242	¥ 6,837	¥ 9,001	¥ 9,972	¥ 96	¥42,535	¥ 79,685
Japanese municipal bonds	2,203	3,057	2,334	2,276	91	1,617	11,579
Japanese corporate bonds	1,668	923	1,399	1,760	452	1,457	7,661
Japanese stocks	—	—	—	—	—	1,016	1,016
Foreign securities	—	—	—	102	94	—	197
Other securities	—	—	—	—	—	1,105	1,105
Total	¥15,113	¥10,817	¥12,735	¥14,111	¥735	¥47,731	¥101,245

(Millions of yen)

As of March 31,	2015						Total
	Less than 1 year	Over 1 year, not exceeding 3 years	Over 3 years, not exceeding 5 years	Over 5 years, not exceeding 7 years	Over 7 years, not exceeding 10 years	Over 10 years (including no fixed maturity)	
Japanese government bonds	¥3,425	¥ 9,761	¥20,688	¥4,930	¥ 97	¥46,795	¥ 85,698
Japanese municipal bonds	1,975	3,894	5,261	1,522	1,147	1,417	15,218
Japanese corporate bonds	504	1,106	2,311	1,078	302	1,457	6,760
Japanese stocks	—	—	—	—	—	2,548	2,548
Foreign securities	—	—	102	—	95	—	197
Other securities	—	—	—	—	—	1,385	1,385
Total	¥5,905	¥14,762	¥28,363	¥7,531	¥1,642	¥53,603	¥111,809

## 3-04 Policy reserves and others

### Reserve for outstanding losses

(Millions of yen)

As of March 31,	2014	2015
Fire	¥ 3	¥ 0
Marine	108	135
Personal accident	575	690
Voluntary automobile	31,575	34,369
Compulsory automobile liability	435	469
Others	—	—
Total	¥32,698	¥35,665

### Underwriting reserves

(Millions of yen)

As of March 31,	2014	2015
Fire	¥ 352	¥ 388
Marine	91	14
Personal accident	34,358	38,784
Voluntary automobile	41,754	45,690
Compulsory automobile liability	1,486	1,630
Others	—	—
Total	¥78,043	¥86,508

## Breakdown of the balance of underwriting reserves

(Millions of yen)

As of March 31,	2014					Total
	Unearned premium reserve	Catastrophe reserve	Contingency reserve	Refund reserve	Reserve for policyholders' dividends	
Fire	¥ 320	¥ 31	¥ 0	¥—	¥—	¥ 352
Marine	81	9	—	—	—	91
Personal accident	32,096	2,185	72	4	—	34,358
Voluntary automobile	35,528	6,225	—	—	—	41,754
Compulsory automobile liability	1,486	—	—	—	—	1,486
Others	—	—	—	—	—	—
Total	¥69,514	¥8,451	¥73	¥ 4	¥—	¥78,043

(Millions of yen)

As of March 31,	2015					Total
	Unearned premium reserve	Catastrophe reserve	Contingency reserve	Refund reserve	Reserve for policyholders' dividends	
Fire	¥ 353	¥ 34	¥ 0	¥—	¥—	¥ 388
Marine	8	5	—	—	—	14
Personal accident	36,231	2,469	81	2	—	38,784
Voluntary automobile	36,853	8,836	—	0	—	45,690
Compulsory automobile liability	1,630	—	—	—	—	1,630
Others	—	—	—	—	—	—
Total	¥75,077	¥11,344	¥82	¥ 3	¥—	¥86,508

Note: The underwriting reserves for earthquake insurance and compulsory automobile liability insurance are included in the unearned premium reserve.

## 3-05 Calculation method for underwriting reserves

For the years ended March 31,	2014	2015
Calculation method		
Policies subject to the standard underwriting reserves	Standard underwriting reserves	Standard underwriting reserves
Policies not subject to the standard underwriting reserves	—	—
Rate of reserve funding	100.0%	100.0%

- Notes: 1. The calculation method and the rate of reserve funding are not applied for policies as pertaining to the classes of insurance listed in Article 3 Paragraph 5 Item 1 of the Insurance Business Act of Japan and those whose principal insurance is pertaining to such classes of insurance.  
2. The calculation method is described for refund reserve for insurance due reserves and deposits of premiums because the concept of a calculation method does not exist for other items.  
3. Rate of reserve funding = (Unearned premium reserves actually accumulated + Refund reserves) / (Sum of (1) – (3) below)  
(1) Insurance due reserves and refund reserves calculated by the method stipulated in the Ministry of Finance Public Notice No. 48 of 1996 for policies subject to the standard underwriting reserves (limited to policies as defined in Article 68 Paragraph 2 of the Order for Enforcement of the Insurance Business Act of Japan).  
(2) Insurance due reserves for policies of which terms started after July 1, 2001 are calculated by the net level premium reserve method for policies not subject to the standard underwriting reserves, refund reserves for policies of which terms started after July 1, 2001 and for policies other than policies as defined in Article 68 Paragraph 2 of the Order for Enforcement of the Insurance Business Act of Japan, and underwriting reserves and refund reserves for policies of which terms started before July 1, 2001.  
(3) Unearned premiums for policies of which terms started after July 1, 2001.

## 3-06 Other reserves

(Millions of yen)

(millions of yen)

	2013	2014			As of March 31,
	As of March 31,	For the year ended March 31,			
		Increase	Decrease		
			Specific	Other	
Reserve for possible loan losses					
General reserve for possible loan losses	¥ —	¥ —	¥ —	¥ —	¥ —
Specific reserve for possible loan losses	—	—	—	—	—
Reserve for loan losses from borrowers in specific foreign countries	—	—	—	—	—
Total	—	—	—	—	—
Reserve for directors' retirement benefits	53	10	41	—	22
Reserve for employees' bonuses	756	918	756	—	918
Reserve for price fluctuations	80	21	—	—	101

(Millions of yen)

(Millions of yen)

	2014	2015			As of March 31,	
	As of March 31,	For the year ended March 31,		As of March 31,		
		Increase	Decrease			
			Specific			Other
Reserve for possible loan losses						
General reserve for possible loan losses	¥ —	¥ —	¥ —	¥ —	¥ —	
Specific reserve for possible loan losses	—	—	—	—	—	
Reserve for loan losses from borrowers in specific foreign countries	—	—	—	—	—	
Total	—	—	—	—	—	
Reserve for directors' retirement benefits	22	11	—	—	33	
Reserve for employees' bonuses	918	927	918	—	927	
Reserve for price fluctuations	101	22	—	—	124	

## 4 Profit and Loss

### 4-01 Gains (losses) on sale of securities and devaluation losses on securities

(Millions of yen)

For the years ended March 31,	2014			2015		
	Gains on sales	Losses on sales	Devaluation losses	Gains on sales	Losses on sales	Devaluation losses
Japanese government bonds, etc.	¥25	¥5	¥—	¥15	¥1	¥—
Japanese stocks	—	—	—	—	—	—
Foreign securities	—	—	—	—	—	—
Total	¥25	¥5	¥—	¥15	¥1	¥—

### 4-02 Gains (losses) on trading securities

Not applicable

### 4-03 Operating expenses (including loss adjustment expenses)

(Millions of yen)

For the years ended March 31,	2014	2015
Personnel expenses	¥ 8,511	¥ 8,867
Non-personnel expenses	18,571	20,453
Taxes	662	672
Contribution to fire prevention and traffic accident prevention	0	0
Contribution to Non-life Insurance Policyholders Protection Corporation of Japan	—	—
Net commissions and brokerage fees	1,387	1,392
Total	¥29,133	¥31,384

Note: The total of operating expenses above includes loss adjustment expenses, operating, general and administrative expenses, and net commissions and brokerage fees for the statements of income of Sony Assurance.

### 4-04 Losses on sale or disposal of fixed assets

(Millions of yen)

For the years ended March 31,	2014		2015	
	Gains	Losses	Gains	Losses
Land and buildings	¥—	¥—	¥—	¥ 8
Other tangible fixed assets	—	85	—	1
Intangible fixed assets	—	—	—	469
Total	¥—	¥85	¥—	¥480

## 5 Fair Value Information, etc.

### 5-01 Securities

#### Trading-purpose securities

Not applicable

#### Held-to-maturity securities

(Millions of yen)

As of March 31,	2014			2015		
	Balance sheet amount	Fair value	Difference	Balance sheet amount	Fair value	Difference
Fair value is higher than balance sheet amount						
Japanese government and corporate bonds	¥73,217	¥77,844	¥4,626	¥68,986	¥77,952	¥8,965
Foreign securities	197	216	18	197	222	24
Subtotal	73,414	78,060	4,645	69,183	78,174	8,990
Fair value is lower than balance sheet amount						
Japanese government and corporate bonds	873	869	(3)	—	—	—
Foreign securities	—	—	—	—	—	—
Subtotal	873	869	(3)	—	—	—
Total	¥74,288	¥78,930	¥4,642	¥69,183	¥78,174	¥8,990

#### Stock of subsidiaries and affiliated companies

Not applicable

#### Available-for-sale securities

(Millions of yen)

As of March 31,	2014			2015		
	Balance sheet amount	Acquisition cost	Difference	Balance sheet amount	Acquisition cost	Difference
Balance sheet amount is higher than acquisition cost						
Japanese government and corporate bonds	¥19,414	¥19,341	¥ 73	¥30,042	¥29,951	¥ 91
Japanese stocks	1,016	729	286	2,548	729	1,819
Others	—	—	—	—	—	—
Subtotal	20,430	20,071	359	32,591	30,681	1,910
Balance sheet amount is lower than acquisition cost						
Japanese government and corporate bonds	5,421	5,425	(3)	8,648	8,658	(10)
Japanese stocks	—	—	—	—	—	—
Others	1,105	1,105	—	1,385	1,385	—
Subtotal	6,526	6,530	(3)	10,033	10,044	(10)
Total	¥26,957	¥26,601	¥356	¥42,625	¥40,725	¥1,899

#### Available-for-sale securities sold during the year

(Millions of yen)

For the year ended March 31,	2014			2015		
	Amount of sales	Total gains on sales	Total losses on sales	Amount of sales	Total gains on sales	Total losses on sales
Japanese government and corporate bonds	¥4,121	¥25	¥5	¥6,952	¥15	¥1

# Performance Indicators of Sony Assurance

## 1 Principal Indicators of Operating Performance

(Millions of yen)

For the years ended March 31,	2011	2012	2013	2014	2015
Net premiums written	¥73,343	¥79,141	¥83,582	¥88,600	¥91,712
Year-on-year change	8.8%	7.9%	5.6%	6.0%	3.5%
Underwriting profit	1,469	2,109	1,398	1,874	3,044
Year-on-year change	(25.8%)	43.5%	(33.7%)	34.0%	62.4%
Ordinary revenues	74,166	80,096	84,711	89,864	93,022
Year-on-year change	8.8%	8.0%	5.8%	6.1%	3.5%
Ordinary profit	2,144	2,859	2,371	3,003	4,209
Year-on-year change	(16.4%)	33.3%	(17.1%)	26.7%	40.1%
Net income	1,297	1,299	1,454	1,664	2,233
Year-on-year change	(19.2%)	0.2%	11.9%	14.4%	34.2%
Net loss ratio	60.0%	63.3%	63.2%	59.3%	57.6%
Net expense ratio	25.5%	25.7%	26.0%	25.6%	26.7%
Interest income and dividends	784	873	1,027	1,209	1,268
Year-on-year change	13.9%	11.4%	17.6%	17.7%	4.9%
Yield on investments (income basis)	0.95%	0.98%	1.09%	1.17%	1.10%
Yield on investments (realized basis)	0.97%	1.01%	1.11%	1.19%	1.11%
Securities	80,608	84,474	88,670	101,245	111,809
Loans	—	—	—	—	—
Underwriting reserves	64,073	67,371	70,609	78,043	86,508
Common stock	20,000	20,000	20,000	20,000	20,000
Number of shares issued and outstanding (shares)	400,000	400,000	400,000	400,000	400,000
Total net assets	16,772	18,009	19,934	21,418	24,741
Total assets	109,382	118,612	127,421	142,714	157,919
Assets accounted for as deposit premium accounts	—	—	—	—	—
Capital adequacy ratio	15.3%	15.2%	15.6%	15.0%	15.7%
Dividend payout ratio	—	—	—	—	—
Non-consolidated solvency margin ratio	981.4%	557.8%	504.2%	527.6%	629.6%
Number of employees	922	979	1,079	1,090	1,119

Note: The laws and regulations concerning the calculation of the non-consolidated solvency margin ratio have been revised, and a new calculation method has been applied from the year ended March 31, 2012. Accordingly, figures for the non-consolidated solvency margin ratio cannot be compared simply on a year-on-year basis.

## 2 Underwriting Performance

### 2-01 Direct premiums written

(Millions of yen, %)

For the years ended March 31,	2014			2015		
	Amount	Composition	YoY change	Amount	Composition	YoY change
Fire	¥ 275	0.3%	16.4%	¥ 332	0.4%	21.0%
Marine	—	—	—	—	—	—
Personal accident	8,360	9.6	5.8	8,576	9.5	2.6
Voluntary automobile	78,735	90.1	5.8	81,585	90.2	3.6
Compulsory automobile liability	—	—	—	—	—	—
Others	—	—	—	—	—	—
Total	¥87,370	100.0%	5.9%	¥90,495	100.0%	3.6%
Direct net premiums written per employee	¥ 80		4.8%	¥ 80		0.9%

Notes: 1. Direct premiums written = Direct premiums written – (Returned premiums based on cancellations + Other returned premiums)

2. Direct net premiums written per employee = Direct net premiums written / Number of employees

3. Sony Assurance has no deposits of premiums.

## Performance Indicators of Sony Assurance

### 2-02 Net premiums written

(Millions of yen, %)

For the years ended March 31,	2014			2015		
	Amount	Composition	YoY change	Amount	Composition	YoY change
Fire	¥ 104	0.1%	19.9%	¥ 45	0.0%	(56.4%)
Marine	153	0.2	8.0	110	0.1	(27.9)
Personal accident	8,613	9.7	5.8	8,845	9.6	2.7
Voluntary automobile	78,473	88.6	5.8	81,375	88.7	3.7
Compulsory automobile liability	1,255	1.4	16.8	1,335	1.5	6.4
Others	—	—	—	—	—	—
Total	¥88,600	100.0%	6.0%	¥91,712	100.0%	3.5%

Note: Net premiums written = Direct net premiums written + Assumed net premiums written – Ceded net premiums written

### 2-03 Net losses paid, net loss ratio

(Millions of yen, %)

For the years ended March 31,	2014			2015		
	Amount	Composition	Net loss ratio	Amount	Composition	Net loss ratio
Fire	¥ 3	0.0%	12.1%	¥ 3	0.0%	45.3%
Marine	129	0.3	84.3	90	0.2	81.7
Personal accident	2,066	4.5	27.2	2,265	4.9	28.7
Voluntary automobile	42,860	92.8	62.4	42,414	92.2	60.2
Compulsory automobile liability	1,123	2.4	89.5	1,212	2.6	90.8
Others	—	—	—	—	—	—
Total	¥46,183	100.0%	59.3%	¥45,985	100.0%	57.6%

Notes: 1. Net losses paid = Direct net losses paid + Assumed net losses paid – Reinsurance losses recovered

2. Net loss ratio = (Net losses paid + Loss adjustment expenses) / Net premiums written

### 2-04 Expenses and net expense ratio related to underwriting

(Millions of yen)

For the years ended March 31,	2014	2015
Expenses related to underwriting	¥22,681	¥24,446
Operating, general and administrative expenses related to underwriting	21,293	23,053
Net commissions and brokerage fees	1,387	1,392
Net expense ratio	25.6%	26.7%

Note: Net expense ratio = Expenses related to underwriting / Net premiums written

### 2-05 Underwriting profit

(Millions of yen)

For the years ended March 31,	2014	2015
Underwriting income	¥88,639	¥91,761
Underwriting expenses	65,469	65,668
Operating, general and administrative expenses	21,293	23,053
Other income (expenses)	(1)	5
Underwriting profit	¥ 1,874	¥ 3,044

Notes: 1. Operating, general and administrative expenses is the amount related to underwriting in "Operating, general and administrative expenses" in the statements of income of Sony Assurance.

2. Other income (expenses) is the amount equivalent to the corporate income taxes for compulsory automobile liability insurance, etc.

## Performance Indicators of Sony Assurance

### Underwriting profit by type of policy

(Millions of yen)

For the years ended March 31,	2014	2015
Fire	¥ (51)	¥ (18)
Marine	14	64
Personal accident	(204)	(298)
Voluntary automobile	2,116	3,296
Compulsory automobile liability	—	—
Others	—	—
Total	¥1,874	¥3,044

### 2-06 Net loss ratio, net expense ratio and combined ratio

(%)

For the years ended March 31,	2014			2015		
	Net loss ratio	Net expense ratio	Combined ratio	Net loss ratio	Net expense ratio	Combined ratio
Fire	12.1%	40.9%	53.0%	45.3%	23.0%	68.4%
Marine	84.3	3.7	88.0	81.7	4.1	85.8
Personal accident	27.2	26.1	53.3	28.7	23.4	52.0
Voluntary automobile	62.4	26.0	88.3	60.2	27.5	87.7
Compulsory automobile liability	89.5	—	89.5	90.8	—	90.8
Others	—	—	—	—	—	—
Total	59.3%	25.6%	84.9%	57.6%	26.7%	84.3%

Note: Combined ratio = Net loss ratio + Net expense ratio

## 3 Asset Management

### 3-01 Asset management policy

The goal is to assure stable mid- to long-term returns taking into consideration the market environment and asset management risk, as well as current level and future fluctuations of interest rates.

Investments are primarily made with Japanese yen-denominated bonds. Investments are also made based upon the consideration of diversification of timing of investments as well as the timing of re-investments. Thus, the investment portfolio is built in such a way that stable returns are assured.

### 3-02 Overview of asset management

(Millions of yen, %)

As of March 31,	2014		2015	
	Amount	Composition	Amount	Composition
Cash and deposits	¥ 6,911	4.8%	¥ 10,738	6.8%
Call loans	—	—	—	—
Bond trading with repurchase agreement	—	—	—	—
Bonds paid for transactions in debentures	—	—	—	—
Monetary claims purchased	—	—	—	—
Securities under proprietary accounts	—	—	—	—
Monetary trusts	—	—	—	—
Securities	101,245	70.9	111,809	70.8
Loans	—	—	—	—
Land and buildings	243	0.2	228	0.1
Total	108,400	76.0	122,775	77.7
Total assets	¥142,714	100.0%	¥157,919	100.0%

## Performance Indicators of Sony Assurance

### 3-03 Interest income and dividends, yield on investments (income basis)

(Millions of yen, %)

For the years ended March 31,	2014		2015	
	Amount	Yield	Amount	Yield
Cash and deposits	¥ 1	0.02%	¥ 1	0.02%
Call loans	—	—	—	—
Bond trading with repurchase agreement	—	—	—	—
Bonds paid for transactions in debentures	—	—	—	—
Monetary claims purchased	—	—	—	—
Securities under proprietary accounts	—	—	—	—
Monetary trusts	—	—	—	—
Securities	1,208	1.24	1,266	1.17
Loans	—	—	—	—
Land and buildings	—	—	—	—
Subtotal	1,209	1.17	1,268	1.10
Others	0	—	0	—
Total	¥1,209	—	¥1,268	—
Yield on investments (realized basis)	1.19%		1.11%	
Reference: Yield on investments (market value basis)	0.93		2.44	

Notes: 1. Total revenues are equal to interest income and dividends of the statements of income of Sony Assurance.

2. In principle, the average balance of investments is calculated by adding either acquisition cost or amortized cost at the end of each month, then divided by 12.

3. Calculation method for yield on investments

(1) Yield on investments (income basis)

The results of investment in assets are indicated as income revenues (interest income and dividends). Interest income and dividends on investment assets is the numerator, and acquisition cost is the denominator.

- Numerator: Interest income and dividends
- Denominator: Average balance of either acquisition cost or amortized cost

(2) Yield on investments (realized basis)

The results of investment in assets are indicated as the contribution to net income (loss) for the period (statements of income).

Realized profit and loss is the numerator, and acquisition cost is the denominator.

- Numerator: Investment income + Interest and dividends on deposits of premiums – Investment expenses
- Denominator: Average balance of either acquisition cost or amortized cost

(3) (Reference) Yield on investments (market value basis)

An indicator of investment efficiency based on market value. Realized profit and loss plus net unrealized gains is the numerator, and market value is the denominator.

- Numerator = (Investment income + Interest and dividends on deposits of premiums – Investment expenses) + (Net unrealized gains at end of period\* – Net unrealized gains at end of previous period\*)
- Denominator = Average balance according to the acquisition cost or amortized cost + Net unrealized gains on other securities at end of previous period\*

\*Amounts before tax deductions

### 3-04 Overseas investment

(Millions of yen, %)

As of March 31,	2014		2015	
	Amount	Composition	Amount	Composition
Foreign currency denominated				
Foreign bonds	¥ —	—%	¥ —	—%
Foreign stocks	—	—	—	—
Others	—	—	—	—
Subtotal	—	—	—	—
Yen denominated				
Loans to borrowers outside Japan	—	—	—	—
Foreign bonds	197	100.0	197	100.0
Others	—	—	—	—
Subtotal	197	100.0	197	100.0
Total	¥197	100.0%	¥197	100.0%
Yield on overseas investments				
Yield on investments (income basis)	2.41%		3.04%	
Yield on investments (realized basis)	2.41%		3.04%	
Reference: Yield on investments (market value basis)	2.41%		3.04%	

Notes: 1. Yield on investments (income basis) within "Yield on overseas investments" is calculated by dividing interest income and dividends by the average balance of either the acquisition cost or amortized cost for assets relating to overseas investments.

2. Yield on investments (realized basis) within "Yield on overseas investments" is calculated by dividing (investment income + interest and dividends on deposits of premiums – investment expenses) by the average balance of either the acquisition cost or amortized cost for assets relating to overseas investments.

## 4 Non-consolidated Solvency Margin Ratio

(Millions of yen)

As of March 31,	2014	2015
(A) Total non-consolidated solvency margin	¥30,118	¥36,650
Capital or treasury	21,171	23,389
Reserve for price fluctuations	101	124
Contingency reserve	73	82
Catastrophe reserve	8,451	11,344
General reserve for possible loan losses	—	—
Net unrealized gains on other securities (before subtracting tax effects)	320	1,709
Net unrealized gains on real estate	—	—
Excess refund reserve	—	—
Subordinated debt	—	—
The portion of the excess refund reserve and subordinated debt that is not included in the margin	—	—
Deductible items	—	—
Others	—	—
(B) Total non-consolidated risk		
$\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2 + R_5 + R_6}$	11,416	11,641
Ordinary insurance risk $R_1$	10,386	10,465
Third-sector insurance risk $R_2$	—	—
Assumed interest rate risk $R_3$	77	86
Asset management risk $R_4$	662	1,101
Business management risk $R_5$	353	371
Major catastrophe risk $R_6$	649	737
(C) Non-consolidated solvency margin ratio		
$[(A)/\{(B) \times (1/2)\}] \times 100$	527.6%	629.6%

Note: The figures were calculated based on the provisions in Articles 86 and 87 of the Ordinance for Enforcement of the Insurance Business Act of Japan and the Ministry of Finance Public Notice No. 50 of 1996.

### • Breakdown of non-consolidated solvency margin

- Capital or treasury  
Net assets of the balance sheet, excluding the amount of expected outflow from the company, such as dividends to shareholders and directors' bonuses, deferred tax assets, and the amount of valuation and translation adjustments.
- Reserve for price fluctuations  
The reserve for price fluctuations shown on the balance sheet.
- Contingency reserve  
The contingency reserve included in underwriting reserves shown on the balance sheet.
- Catastrophe reserve  
The total amount of both the catastrophe reserve and the catastrophe reserve concerning residential earthquake insurance that are included in underwriting reserves shown on the balance sheet.
- Reserve for possible loan losses  
The general reserve for possible loan losses included in the reserve for possible loan losses shown on the balance sheet. This does not apply to Sony Assurance.
- Net unrealized gains on other securities  
Net unrealized gains on other securities (marketable securities other than securities held for trading purposes, held-to-maturity securities, stock of subsidiaries and affiliated companies).
- Net unrealized gains on real estate  
Net unrealized gains on real estate, representing the difference between the fair value of land, leaseholds and other properties and their respective balance sheet amount (amounts shown on the balance sheet). This does not apply to Sony Assurance.
- Excess refund reserve  
Excess refund reserve refers to the surplus refund reserve included in underwriting reserves shown on the balance sheet. This does not apply to Sony Assurance.
- Subordinated debt  
Subordinated debt refers to those funds raised by taking out subordinated loans, issuing subordinated bonds or through other means that meet a certain set of conditions. This does not apply to Sony Assurance.
- Deductible items  
If an insurance company owns the stock of other insurance companies, financial institutions or possesses other such means of raising funds, and that ownership qualifies as "intentional possession" as governed by the overall supervisory guidelines for insurance companies, then those funds must be deducted from the non-consolidated solvency margin. This does not apply to Sony Assurance.
- Others  
Others refers to deferred tax assets related to other retained deficits included in the net assets section of the balance sheet. This does not apply to Sony Assurance.

### Non-consolidated Solvency Margin Ratio

Non-life insurance companies maintain reserves to ensure their ability to pay claims when accidents occur and return contracted amounts at maturity on savings-type insurance. Non-life insurance companies must also maintain sufficient ability to pay in the event of a major catastrophe or a dramatic drop in the value of the assets they hold—risk events outside the normal scope of expectations.

Total risk (item (B) in the table) indicates dangers outside the general scope of expectations. The non-consolidated solvency margin ratio (item (C) in the table) is an indicator of an insurer's ability to pay, calculated as prescribed by the Insurance Business Act of Japan, based on its percentage holdings of capital and other reserves (in other words, the total non-consolidated solvency margin, as indicated by (A)).

$$\text{Non-consolidated Solvency Margin Ratio (\%)} = \frac{\text{Ability to pay, indicated by such factors as capital and reserves}}{\text{Risk events outside the normal scope of expectations} \times 1/2} \times 100$$

- “Risk events outside the normal scope of expectations” refers to the total of the amounts represented by the following risks:
  - ① Insurance underwriting risk (ordinary insurance risk, third-sector insurance risk)  
Risk outside the scope of risk incorporated into the rate of accident occurrence (excluding major catastrophe risk)
  - ② Assumed interest rate risk  
Risk that actual investment yield will fall below the investment yield assumed when calculating premiums
  - ③ Asset management risk  
Risk arising from such factors as unexpectedly large fluctuations in prices on held securities and other assets
  - ④ Business management risk  
Unexpected risk to business management other than ① through ③ above and ⑤
  - ⑤ Major catastrophe risk  
Risk arising from major catastrophes (such as the Great Kanto Earthquake and the Ise Bay Typhoon)
- A non-life insurer's ability to pay (total non-consolidated solvency margin), as indicated by such factors as its capital and reserves, is the total of the insurer's net assets (excluding the amount of expected outflow from the company), reserves (such as the reserve for price fluctuations and catastrophe reserve) and a portion of its net unrealized gains on real estate.
- The non-consolidated solvency margin ratio is one of the objective indicators used by the insurance regulatory authorities to supervise insurers. If this ratio is 200% or higher, an insurer is judged to have sufficient ability to satisfy claims and other payments.

## Financial Data (Consolidated)

## Consolidated Balance Sheets

Sony Bank Inc. and consolidated subsidiaries  
As of March 31, 2014 and 2015

(Millions of yen)

	2014	2015
<b>Assets:</b>		
Cash and due from banks	¥ 174,865	¥ 101,248
Call loans and bills bought	6,000	6,000
Monetary trusts	20,484	23,565
Securities	771,760	727,962
Loans	1,057,419	1,187,187
Foreign exchanges	7,752	2,224
Other assets	26,012	21,442
Tangible fixed assets	1,186	1,151
Buildings	263	246
Leased assets	87	58
Other tangible fixed assets	836	846
Intangible fixed assets	4,594	4,670
Software	4,412	4,567
Goodwill	179	99
Other intangible fixed assets	3	3
Deferred tax assets	165	324
Allowance for loan losses	(1,527)	(1,154)
Total Assets	¥2,068,713	¥2,074,623

## Sony Bank Financial Data (Consolidated)

(Millions of yen)

	2014	2015
<b>Liabilities:</b>		
Deposits	¥1,890,022	¥1,878,256
Call money and bills sold	6,000	6,000
Borrowed money	40,000	40,000
Foreign exchanges	40	46
Other liabilities	56,731	70,507
Reserve for employees' bonuses	658	753
Net defined benefit liability	727	904
Reserve for directors' retirement benefits	51	67
Provision for reimbursement of deposit	—	23
Provision for point card certificates	87	—
Deferred tax liabilities	553	—
Total Liabilities	1,994,872	1,996,559
<b>Net Assets:</b>		
Common stock	31,000	31,000
Capital surplus	21,000	21,000
Retained earnings	15,939	20,514
Total shareholders' equity	67,939	72,514
Net unrealized gains (losses) on other securities, net of taxes	7,255	6,618
Net deferred gains (losses) on hedging instruments, net of taxes	(2,571)	(2,269)
Foreign currency translation adjustment	0	0
Remeasurements of defined benefit plans, net of taxes	(57)	(91)
Total accumulated other comprehensive income	4,626	4,258
Minority interests	1,275	1,292
Total Net Assets	73,840	78,064
Total Liabilities and Net Assets	¥2,068,713	¥2,074,623

## Consolidated Statements of Income

Sony Bank Inc. and consolidated subsidiaries  
For the years ended March 31, 2014 and 2015

(Millions of yen)

	2014	2015
Ordinary Revenues	¥36,486	¥38,424
Interest income	26,328	26,131
Interest income on loans	14,134	14,070
Interest income and dividends on securities	12,077	11,960
Interest income on call loans and bills bought	8	7
Interest income on deposits with banks	107	93
Other interest income	0	0
Fees and commissions	5,137	6,082
Other operating income	4,864	5,997
Other ordinary income	155	212
Reversal of allowance for loan losses	—	0
Income from monetary trusts, net	21	22
Others	134	189
Ordinary Expenses	30,849	31,096
Interest expenses	9,078	9,543
Interest expenses on deposits	4,905	5,012
Interest expenses on call money and bills sold	6	6
Interest expenses on borrowed money	260	255
Other interest expenses	3,905	4,268
Fees and commissions	2,957	3,648
Other operating expenses	1,424	135
General and administrative expenses	17,090	17,718
Other ordinary expenses	298	50
Provision of allowance for loan losses	246	—
Other ordinary expenses	52	50
Ordinary Profit	5,636	7,327
Extraordinary Losses	12	93
Losses on disposal of fixed assets	10	—
Impairment losses	—	60
Losses on sale of shares of subsidiaries and affiliates	—	32
Other extraordinary losses	1	—
Income Before Income Taxes	5,624	7,234
Income Taxes—Current	2,462	2,430
Income Taxes—Deferred	(244)	195
Total Income Taxes	2,217	2,626
Income Before Minority Interests	3,407	4,608
Minority Interests in Income (Loss)	(42)	23
Net Income	¥ 3,449	¥ 4,585

Note: Sony Bank revised its method of recording ordinary revenues and ordinary expenses on hedge transactions in the year ended March 31, 2015. Ordinary revenues for the year ended March 31, 2014 (actual), have been retroactively adjusted to reflect the change. Consequently, ordinary revenues, on a consolidated basis, were revised from ¥35,795 million to ¥36,486 million. This adjustment to ordinary revenues was accompanied by an adjustment to ordinary expenses in the same amount, on a consolidated basis, and therefore, ordinary profit and net income were unaffected.

## Consolidated Statements of Comprehensive Income

Sony Bank Inc. and consolidated subsidiaries  
For the years ended March 31, 2014 and 2015

(Millions of yen)

	2014	2015
Income Before Minority Interests	¥3,407	¥4,608
Other Comprehensive Income	1,299	(374)
Net unrealized gains (losses) on other securities, net of taxes	719	(636)
Net deferred gains (losses) on hedging instruments, net of taxes	659	302
Foreign currency translation adjustment	0	1
Remeasurements of defined benefit plans, net of taxes	(79)	(41)
Comprehensive Income	4,706	4,234
Comprehensive income attributable to parent company	4,770	4,217
Comprehensive income attributable to minority interests	(64)	16

## Consolidated Statements of Changes in Net Assets

Sony Bank Inc. and consolidated subsidiaries  
For the years ended March 31, 2014 and 2015

(Millions of yen)

	2014			
	Shareholders' Equity			
	Common stock	Capital surplus	Retained earnings	Total shareholders' equity
Balance at the beginning of the period	¥31,000	¥21,000	¥12,489	¥64,489
Changes during the period				
Net income	—	—	3,449	3,449
Net changes of items other than shareholders' equity	—	—	—	—
Total changes during the period	—	—	3,449	3,449
Balance at the end of the period	¥31,000	¥21,000	¥15,939	¥67,939

(Millions of yen)

(millions of yen)

	2014						Total Net Assets
	Accumulated Other Comprehensive Income					Minority Interests	
	Net unrealized gains (losses) on other securities, net of taxes	Net deferred gains (losses) on hedging instruments, net of taxes	Foreign currency translation adjustments	Remeasurements of defined benefit plans, net of taxes	Total accumulated other comprehensive income		
Balance at the beginning of the period	¥6,536	¥(3,231)	¥—	¥ —	¥3,304	¥1,339	¥69,134
Changes during the period							
Net income	—	—	—	—	—	—	3,449
Net changes of items other than shareholders' equity	719	659	0	(57)	1,321	(64)	1,256
Total changes during the period	719	659	0	(57)	1,321	(64)	4,706
Balance at the end of the period	¥7,255	¥(2,571)	¥ 0	¥(57)	¥4,626	¥1,275	¥73,840

(Continued on next page)

**Consolidated Statements of Changes in Net Assets (Continued)**

(Millions of yen)

	2015			
	Shareholders' Equity			
	Common stock	Capital surplus	Retained earnings	Total shareholders' equity
Balance at the beginning of the period	¥31,000	¥21,000	¥15,939	¥67,939
Cumulative effects of changes in accounting policies	—	—	(10)	(10)
Restated balance at the beginning of the period	31,000	21,000	15,928	67,928
Changes during the period				
Net income	—	—	4,585	4,585
Net changes of items other than shareholders' equity	—	—	—	—
Total changes during the period	—	—	4,585	4,585
Balance at the end of the period	¥31,000	¥21,000	¥20,514	¥72,514

(Millions of yen)

	2015						
	Accumulated Other Comprehensive Income					Minority Interests	Total Net Assets
	Net unrealized gains (losses) on other securities, net of taxes	Net deferred gains (losses) on hedging instruments, net of taxes	Foreign currency translation adjustments	Remeasurements of defined benefit plans, net of taxes	Total accumulated other comprehensive income		
Balance at the beginning of the period	¥7,255	¥(2,571)	¥ 0	¥(57)	¥4,626	¥1,275	¥73,840
Cumulative effects of changes in accounting policies	—	—	—	—	—	—	(10)
Restated balance at the beginning of the period	7,255	(2,571)	0	(57)	4,626	1,275	73,830
Changes during the period							
Net income	—	—	—	—	—	—	4,585
Net changes of items other than shareholders' equity	(636)	302	0	(34)	(368)	16	(351)
Total changes during the period	(636)	302	0	(34)	(368)	16	4,234
Balance at the end of the period	¥6,618	¥(2,269)	¥ 0	¥(91)	¥4,258	¥1,292	¥78,064

## Consolidated Statements of Cash Flows

Sony Bank Inc. and consolidated subsidiaries  
For the years ended March 31, 2014 and 2015

(Millions of yen)

	2014	2015
Cash flows from operating activities		
Income before income taxes	¥ 5,624	¥ 7,234
Depreciation and amortization	1,808	1,821
Impairment losses	—	60
Amortization of goodwill	79	79
Increase (decrease) in allowance for loan losses	(114)	(142)
Increase (decrease) in reserve for employees' bonuses	39	94
Increase (decrease) in net defined benefit liability	86	105
Increase (decrease) in reserve for directors' retirement benefits	(56)	16
Increase (decrease) in provision for reimbursement of deposit	—	23
Increase (decrease) in provision for point card certificates	(10)	(22)
Interest income—accrual basis	(26,328)	(26,131)
Interest expenses—accrual basis	9,078	9,543
(Gains) losses on securities	2,908	(6,917)
(Gains) losses on monetary trusts	(21)	(22)
Exchange (gains) losses	(29,375)	(27,272)
(Gains) losses on disposal of fixed assets	13	2
(Gains) losses on transfer of business	—	32
Net (increase) decrease in loans	(87,193)	(129,767)
Net increase (decrease) in deposits	33,466	(10,749)
Net increase (decrease) in borrowed money (excluding subordinated borrowings)	20,000	—
Net (increase) decrease in foreign exchange (assets)	202	5,528
Net increase (decrease) in foreign exchange (liabilities)	(47)	6
Interest income—cash basis	30,180	29,521
Interest expenses—cash basis	(9,264)	(9,221)
Others, net	9,577	17,231
Subtotal	(39,345)	(138,945)
Income taxes paid	46	(3,390)
Net cash provided by (used in) operating activities	(39,299)	(142,336)
Cash flows from investing activities		
Purchases of securities	(189,416)	(235,739)
Proceeds from sale of securities	183,378	107,295
Proceeds from redemption of securities	164,766	201,026
Investments in monetary trusts	(2,301)	(3,081)
Purchases of tangible fixed assets	(262)	(382)
Purchases of intangible fixed assets	(1,682)	(1,129)
Proceeds from transfer of business	—	698
Others	(11)	58
Net cash provided by (used in) investing activities	154,470	68,747
Cash flows from financing activities		
Net decrease in subordinated borrowings	(2,000)	—
Payments for leased obligations	(31)	(31)
Proceeds from securitization of receivables	(600)	—
Net cash provided by (used in) financing activities	(2,631)	(31)
Effect of exchange rate changes on cash and cash equivalents	3	3
Net increase (decrease) in cash and cash equivalents	112,543	(73,616)
Cash and cash equivalents at the beginning of the period	62,322	174,865
Cash and cash equivalents at the end of the period	¥ 174,865	¥ 101,248

Note: Following a change in accounting procedures in the year ended March 31, 2015, with respect to hedging transactions, Sony Bank reclassified ¥2,678 million of interest expenses—accrual basis, negative ¥2,713 million of interest expenses—cash basis, and ¥34 million of others, net in the cash flows from operating activities section for the year ended March 31, 2014.

## Financial Data (Non-consolidated)

## Balance Sheets

Sony Bank Inc.

As of March 31, 2014 and 2015

(Millions of yen)

	2014	2015
<b>Assets:</b>		
Cash and due from banks	¥ 171,227	¥ 96,978
Cash	28	20
Due from banks	171,198	96,957
Call loans	6,000	6,000
Monetary trusts	20,484	23,565
Securities	773,811	730,013
Japanese government bonds	96,823	82,878
Japanese municipal bonds	56,770	56,668
Japanese corporate bonds	159,524	107,750
Japanese stocks	2,050	2,050
Other securities	458,641	480,665
Loans	1,057,419	1,187,187
Loans on deed	1,051,697	1,180,420
Overdrafts	5,722	6,766
Foreign exchanges	7,752	2,224
Due from foreign banks	7,752	2,224
Other assets	17,995	13,794
Domestic exchange settlement account debit	719	325
Prepaid expenses	123	99
Accrued income	4,195	4,292
Initial margins of futures markets	100	—
Derivatives	5,608	4,389
Accounts receivable	3,358	2,640
Others	3,890	2,047
Tangible fixed assets	795	774
Buildings	221	201
Leased assets	0	0
Other tangible fixed assets	573	573
Intangible fixed assets	2,746	2,967
Software	2,743	2,964
Other intangible fixed assets	2	2
Deferred tax assets	—	174
Allowance for loan losses	(1,527)	(1,154)
<b>Total Assets</b>	<b>¥2,056,704</b>	<b>¥2,062,525</b>

## Sony Bank Financial Data (Non-consolidated)

(Millions of yen)

	2014	2015
<b>Liabilities:</b>		
Deposits	¥1,890,022	¥1,878,256
Ordinary deposits	509,503	494,003
Time deposits	1,014,426	1,053,960
Other deposits	366,092	330,293
Call money	6,000	6,000
Borrowed money	40,000	40,000
Borrowed money	40,000	40,000
Foreign exchanges	40	46
Foreign bills sold	9	12
Foreign bills payable	30	34
Other liabilities	46,021	59,735
Income taxes payable	2,284	1,304
Accrued expenses	4,239	4,690
Unearned revenue	—	5
Initial margins of futures markets	19,846	22,315
Derivatives	18,624	30,112
Leased obligation	0	0
Asset retirement obligations	120	122
Others	906	1,185
Reserve for employees' bonuses	598	686
Reserve for employees' retirement benefits	544	658
Reserve for directors' retirement benefits	44	53
Provision for reimbursement of deposit	—	23
Provision for point card certificates	87	—
Deferred tax liabilities	568	—
Total Liabilities	1,983,929	1,985,461
<b>Net Assets:</b>		
Common stock	31,000	31,000
Capital surplus	21,000	21,000
Capital reserves	21,000	21,000
Retained earnings	16,091	20,715
Other retained earnings	16,091	20,715
Unappropriated retained earnings	16,091	20,715
Total shareholders' equity	68,091	72,715
Net unrealized gains (losses) on other securities, net of taxes	7,255	6,618
Net deferred gains (losses) on hedging instruments, net of taxes	(2,571)	(2,269)
Total valuation and translation adjustments	4,683	4,348
Total Net Assets	72,774	77,064
Total Liabilities and Net Assets	¥2,056,704	¥2,062,525

## Statements of Income

Sony Bank Inc.

For the years ended March 31, 2014 and 2015

(Millions of yen)

	2014	2015
Ordinary Revenues	¥33,994	¥35,714
Interest income	26,328	26,132
Interest income on loans	14,134	14,070
Interest income and dividends on securities	12,077	11,960
Interest income on call loans	8	7
Interest income on deposits with banks	107	93
Other interest income	0	0
Fees and commissions	2,645	3,372
Fees and commissions on domestic and foreign exchanges	149	157
Other fees and commissions	2,496	3,215
Other operating income	4,864	5,997
Gains on foreign exchange transactions	2,782	3,906
Gains on sale of bonds	2,045	2,090
Gains on redemption of bonds	0	0
Gains on derivatives	36	—
Other ordinary income	155	212
Reversal of allowance for loan losses	—	0
Income from monetary trusts, net	21	22
Others	134	189
Ordinary Expenses	28,149	28,416
Interest expenses	9,074	9,540
Interest expenses on deposits	4,905	5,012
Interest expenses on call money	6	6
Interest expenses on borrowed money	256	253
Interest expenses on interest rate swaps	3,905	4,268
Other interest expenses	0	0
Fees and commissions	2,668	3,345
Fees and commissions on domestic and foreign exchanges	107	117
Other fees and commissions	2,560	3,227
Other operating expenses	1,424	134
Losses on sale of bonds	370	30
Losses on redemption of bonds	1,053	—
Expenses from derivatives other than for trading or hedging	—	103
General and administrative expenses	14,684	15,346
Other ordinary expenses	297	49
Provision of allowance for loan losses	246	—
Write-off of loans	3	0
Others	47	48
Ordinary Profit	5,845	7,298
Extraordinary Losses	—	93
Impairment losses	—	60
Losses on transfer of business	—	32
Income Before Income Taxes	5,845	7,205
Income Taxes—Current	2,460	2,418
Income Taxes—Deferred	(200)	152
Total Income Taxes	2,260	2,571
Net Income	¥ 3,585	¥ 4,634

Note: Sony Bank revised its method of recording ordinary revenues and ordinary expenses on hedge transactions in the year ended March 31, 2015. Ordinary revenues for the year ended March 31, 2014 (actual), have been retroactively adjusted to reflect the change. Consequently, ordinary revenues, on a non-consolidated basis, was revised from ¥33,303 million to ¥33,994 million. This adjustment to ordinary revenues was accompanied by an adjustment to ordinary expenses in the same amount, on a non-consolidated basis, and therefore, ordinary profit and net income were unaffected.

## Statements of Changes in Net Assets

Sony Bank Inc.

For the years ended March 31, 2014 and 2015

(Millions of yen)

	2014					
	Shareholders' Equity					
	Common stock	Capital surplus		Other retained earnings	Total retained earnings	Total shareholders' equity
		Capital reserve	Total capital surplus	Unappropriated retained earnings		
Balance at the beginning of the period	¥31,000	¥21,000	¥21,000	¥12,506	¥12,506	¥64,506
Changes during the period						
Net income	—	—	—	3,585	3,585	3,585
Net changes of items other than shareholders' equity	—	—	—	—	—	—
Total changes during the period	—	—	—	3,585	3,585	3,585
Balance at the end of the period	¥31,000	¥21,000	¥21,000	¥16,091	¥16,091	¥68,091

(Millions of yen)

	2014			
	Valuation and Translation Adjustments			Total Net Assets
	Net unrealized gains (losses) on other securities, net of taxes	Net deferred gains (losses) on hedging instruments, net of taxes	Total valuation and translation adjustments	
Balance at the beginning of the period	¥6,536	¥(3,231)	¥3,304	¥67,811
Changes during the period				
Net income	—	—	—	3,585
Net changes of items other than shareholders' equity	719	659	1,378	1,378
Total changes during the period	719	659	1,378	4,963
Balance at the end of the period	¥7,255	¥(2,571)	¥4,683	¥72,774

(Continued on next page)

## Statements of Changes in Net Assets (Continued)

(Millions of yen)

	2015					
	Shareholders' Equity					
	Common stock	Capital surplus		Retained earnings		Total shareholders' equity
		Capital reserve	Total capital surplus	Other retained earnings Unappropriated retained earnings	Total retained earnings	
Balance at the beginning of the period	¥31,000	¥21,000	¥21,000	¥16,091	¥16,091	¥68,091
Cumulative effects of changes in accounting policies	—	—	—	(10)	(10)	(10)
Restated balance at the beginning of the period	31,000	21,000	21,000	16,080	16,080	68,080
Changes during the period						
Net income	—	—	—	4,634	4,634	4,634
Net changes of items other than shareholders' equity	—	—	—	—	—	—
Total changes during the period	—	—	—	4,634	4,634	4,634
Balance at the end of the period	¥31,000	¥21,000	¥21,000	¥20,715	¥20,715	¥72,715

(Millions of yen)

	2015			
	Valuation and Translation Adjustments			
	Net unrealized gains (losses) on other securities, net of taxes	Net deferred gains (losses) on hedging instruments, net of taxes	Total valuation and translation adjustments	Total Net Assets
Balance at the beginning of the period	¥7,255	¥(2,571)	¥4,683	¥72,774
Cumulative effects of changes in accounting policies	—	—	—	(10)
Restated balance at the beginning of the period	7,255	(2,571)	4,683	72,764
Changes during the period				
Net income	—	—	—	4,634
Net changes of items other than shareholders' equity	(636)	302	(334)	(334)
Total changes during the period	(636)	302	(334)	4,299
Balance at the end of the period	¥6,618	¥(2,269)	¥4,348	¥77,064

## 1 Loans by Borrower Category

(Millions of yen)

As of March 31,	2014	2015
Category		
Bankrupt and quasi-bankrupt loans	¥ 847	¥ 744
Doubtful loans	980	899
Sub-standard loans	1,882	1,716
Normal loans	1,064,528	1,186,701
Total	¥1,068,238	¥1,190,062

Note: The above table is based on "Act on Emergency Measures for the Revitalization of Financial Functions."

## 2 Risk-monitored Loans

(Millions of yen)

As of March 31,	2014	2015
Bankrupt loans	¥ 308	¥ 207
Non-accrual delinquent loans	1,403	1,430
Past due loans (3 months or more)	—	—
Restructured loans	1,880	1,715
Total	¥3,592	¥3,353

## 3 Profit and Loss

### 3-01 Gross operating profit

(Millions of yen)

For the years ended March 31,	2014			2015		
	Domestic division	International division	Total	Domestic division	International division	Total
Net interest income	¥11,372	¥5,938	¥17,310	¥11,640	¥5,024	¥16,665
			[13]			[113]
Interest income	16,755	9,585	26,328	16,468	9,777	26,132
			[13]			[113]
Interest expenses	5,383	3,647	9,017	4,827	4,752	9,466
Net fees and commissions	(99)	76	(22)	(39)	67	27
Fees and commissions received	2,534	110	2,645	3,281	90	3,372
Fees and commissions paid	2,634	34	2,668	3,321	23	3,345
Net trading income	—	—	—	—	—	—
Trading income	—	—	—	—	—	—
Trading expenses	—	—	—	—	—	—
Net other operating income	(667)	4,108	3,440	835	5,027	5,863
Other operating income	735	4,129	4,864	939	5,057	5,997
Other operating expenses	1,402	21	1,424	103	30	134
Gross operating profit	10,605	10,123	20,729	12,436	10,119	22,555
Gross operating profit ratio	0.71%	2.22%	1.06%	0.81%	2.01%	1.14%

Notes: 1. The Domestic division deals with transactions denominated in Japanese yen, whereas the International division deals with transactions denominated in foreign currencies (foreign currency deposits, foreign securities, etc.). Non-resident transactions denominated in Japanese yen are included in the International division.

2. Interest expenses exclude estimated interest expenses on monetary trusts (¥57 million—FY2013, ¥73 million—FY2014).

3. [ ] indicates interest on borrowed funds between the Domestic division and the International division.

4. Gross operating profit ratio =  $\frac{\text{Gross operating profit for the period}}{\text{Average balance of investment accounts}} \times 100$

5. As a result of a change in the presentation method in the year ended March 31, 2015, figures for the year ended March 31, 2014 have been reclassified to reflect such change.

## 3-02 Average balances, interests, yields and interest spreads of major investment and financing accounts

### Domestic division

(Millions of yen, %)

For the years ended March 31,	2014			2015		
	Average balance	Interest	Yield	Average balance	Interest	Yield
	[7,021]	[13]		[68,339]	[113]	
Investment accounts	¥1,493,116	¥16,755	1.12%	¥1,528,827	¥16,468	1.07%
Of which, loans	1,002,013	14,087	1.40	1,090,738	14,008	1.28
Securities	361,440	2,538	0.70	269,283	2,244	0.83
Call loans	6,690	8	0.13	6,000	7	0.12
Due from banks	115,951	107	0.09	94,463	93	0.09
	[—]	[—]		[—]	[—]	
Financing accounts	1,482,812	5,383	0.36	1,515,616	4,827	0.31
Of which, deposits	1,464,357	2,744	0.18	1,490,904	2,478	0.16
Call money	6,690	6	0.10	6,000	6	0.10
Borrowed money	31,183	256	0.82	40,000	253	0.63

- Notes: 1. [ ] indicates the average balance and interest of borrowed funds between the Domestic division and the International division, and the total is presented in net.
2. In the investment accounts, the average balance of non-interest-bearing "due from banks" (¥2,975 million—FY2013, ¥2,005 million—FY2014) is excluded. In the financing accounts, the average balance of funds for investing monetary trusts (¥19,419 million—FY2013, ¥21,347 million—FY2014) and the interest expenses on monetary trusts (¥54 million—FY2013, ¥67 million—FY2014) are excluded, respectively.
3. As a result of a change in the presentation method in the year ended March 31, 2015, figures for the year ended March 31, 2014 have been reclassified to reflect such change.

### International division

(Millions of yen, %)

For the years ended March 31,	2014			2015		
	Average balance	Interest	Yield	Average balance	Interest	Yield
	[—]	[—]		[—]	[—]	
Investment accounts	¥454,623	¥9,585	2.10%	¥502,476	¥9,777	1.94%
Of which, loans	3,780	46	1.22	5,712	61	1.07
Securities	443,006	9,538	2.15	489,164	9,715	1.98
Call loans	—	—	—	—	—	—
Due from banks	—	—	—	—	—	—
	[7,021]	[13]		[68,339]	[113]	
Financing accounts	382,622	3,647	0.95	417,281	4,752	1.13
Of which, deposits	376,026	2,161	0.57	349,408	2,534	0.72
Call money	—	—	—	—	—	—
Borrowed money	1	0	0.57	—	—	—

- Notes: 1. [ ] indicates the average balance and interest of borrowed funds between the Domestic division and the International division, and the total is presented in net.
2. In the financing accounts, the average balance of funds for investing monetary trusts (¥472 million—FY2013, ¥517 million—FY2014) and the interest expenses on monetary trusts (¥2 million—FY2013, ¥5 million—FY2014) are excluded, respectively.
3. As a result of a change in the presentation method in the year ended March 31, 2015, figures for the year ended March 31, 2014 have been reclassified to reflect such change.

### Total

(Millions of yen, %)

For the years ended March 31,	2014			2015		
	Average balance	Interest	Yield	Average balance	Interest	Yield
Investment accounts	¥1,940,719	¥26,328	1.35%	¥1,962,964	¥26,132	1.33%
Of which, loans	1,005,793	14,134	1.40	1,096,450	14,070	1.28
Securities	804,446	12,077	1.50	758,447	11,960	1.57
Call loans	6,690	8	0.13	6,000	7	0.12
Due from banks	115,951	107	0.09	94,463	93	0.09
Financing accounts	1,858,413	9,017	0.48	1,864,559	9,466	0.50
Of which, deposits	1,840,383	4,905	0.26	1,840,312	5,012	0.27
Call money	6,690	6	0.10	6,000	6	0.10
Borrowed money	31,185	256	0.82	40,000	253	0.63

- Notes: 1. In the investment accounts, the average balance of non-interest-bearing "due from banks" (¥2,975 million—FY2013, ¥2,005 million—FY2014) is excluded. In the financing accounts, the average balance of funds for investing monetary trusts (¥19,891 million—FY2013, ¥21,865 million—FY2014) and the interest expenses on monetary trusts (¥57 million—FY2013, ¥73 million—FY2014) are excluded, respectively.
2. As a result of a change in the presentation method in the year ended March 31, 2015, figures for the year ended March 31, 2014 have been reclassified to reflect such change.

# Sony Bank Financial Data (Non-consolidated)

## Interest spread

(%)

	2014			2015		
	Domestic division	International division	Total	Domestic division	International division	Total
For the years ended March 31,						
Yield on investment	1.12%	2.10%	1.35%	1.07%	1.94%	1.33%
Yield on financing	0.36	0.95	0.48	0.31	1.13	0.50
Interest spread	0.75	1.15	0.87	0.75	0.80	0.82

Note: As a result of a change in the presentation method in the year ended March 31, 2015, figures for the year ended March 31, 2014 have been reclassified to reflect such change.

## 3-03 Interest income and interest expenses

### Domestic division

(Millions of yen)

	2014			2015		
	Increase (decrease) due to balance	Increase (decrease) due to yield	Net increase (decrease)	Increase (decrease) due to balance	Increase (decrease) due to yield	Net increase (decrease)
For the years ended March 31,						
Interest income	¥ 20	¥ (314)	¥(294)	¥ 400	¥ (688)	¥(287)
Of which, loans	1,679	(1,427)	252	1,247	(1,326)	(79)
Securities	(999)	392	(606)	(647)	353	(293)
Call loans	(4)	(0)	(4)	(0)	(0)	(0)
Due from banks	55	(2)	52	(19)	5	(13)
Interest expenses	26	201	228	119	(674)	(555)
Of which, deposits	60	(903)	(843)	49	(316)	(266)
Call money	(3)	(0)	(3)	(0)	(0)	(0)
Borrowed money	241	(171)	69	72	(75)	(2)

Notes: 1. Where the reason for an increase or decrease is overlapping between "due to balance" and "due to yield," the amount of the increase or decrease is included in "due to yield."

2. As a result of a change in the presentation method in the year ended March 31, 2015, figures for the year ended March 31, 2014 have been reclassified to reflect such change.

### International division

(Millions of yen)

	2014			2015		
	Increase (decrease) due to balance	Increase (decrease) due to yield	Net increase (decrease)	Increase (decrease) due to balance	Increase (decrease) due to yield	Net increase (decrease)
For the years ended March 31,						
Interest income	¥367	¥ 255	¥ 623	¥1,008	¥(817)	¥ 191
Of which, loans	26	(16)	10	23	(8)	15
Securities	952	(276)	676	993	(816)	176
Call loans	—	—	—	—	—	—
Due from banks	—	—	—	—	—	—
Interest expenses	66	872	939	330	774	1,105
Of which, deposits	17	(565)	(547)	(152)	526	373
Call money	—	—	—	—	—	—
Borrowed money	—	0	0	(0)	(0)	(0)

Notes: 1. Where the reason for an increase or decrease is overlapping between "due to balance" and "due to yield," the amount of the increase or decrease is included in "due to yield."

2. As a result of a change in the presentation method in the year ended March 31, 2015, figures for the year ended March 31, 2014 have been reclassified to reflect such change.

### Total

(Millions of yen)

	2014			2015		
	Increase (decrease) due to balance	Increase (decrease) due to yield	Net increase (decrease)	Increase (decrease) due to balance	Increase (decrease) due to yield	Net increase (decrease)
For the years ended March 31,						
Interest income	¥ 523	¥ (143)	¥ 379	¥ 301	¥ (497)	¥(196)
Of which, loans	1,705	(1,442)	262	1,273	(1,337)	(63)
Securities	(1,617)	1,687	69	(690)	573	(116)
Call loans	(4)	(0)	(4)	(0)	(0)	(0)
Due from banks	55	(2)	52	(19)	5	(13)
Interest expenses	151	1,066	1,218	29	419	449
Of which, deposits	92	(1,483)	(1,391)	(0)	107	106
Call money	(3)	(0)	(3)	(0)	(0)	(0)
Borrowed money	241	(171)	69	72	(75)	(2)

Notes: 1. Where the reason for an increase or decrease is overlapping between "due to balance" and "due to yield," the amount of the increase or decrease is included in "due to yield."

2. As a result of a change in the presentation method in the year ended March 31, 2015, figures for the year ended March 31, 2014 have been reclassified to reflect such change.

## 3-04 General and administrative expenses

(Millions of yen)

For the years ended March 31,	2014	2015
Salaries	¥ 3,323	¥ 3,700
Employee retirement benefits	103	117
Fringe benefit expenses	454	496
Depreciation and amortization	1,217	1,192
Leases on land, buildings and machinery	1,004	1,087
Maintenance fees	2,475	2,300
Repairs and utilities	7	8
Supplies expenses	171	141
Heat, light and water	33	34
Travel expenses	13	8
Communication expenses	685	719
Advertising expenses	990	979
Membership fees, donations and social expenses	13	15
Outsourcing	1,503	1,731
Taxes and public dues	560	745
Deposit insurance	980	997
Others	1,145	1,069
Total	¥14,684	¥15,346

## 4 Fair Value Information

### 4-01 Fair value information on securities

#### Trading-purpose securities

Not applicable

#### Held-to-maturity bonds

(Millions of yen)

As of March 31,	2014			2015		
	Balance sheet amount	Fair value	Difference	Balance sheet amount	Fair value	Difference
Held-to-maturity bonds of which fair value exceeds balance sheet amount						
Japanese government bonds	¥7,961	¥8,403	¥441	¥7,971	¥8,305	¥333
Japanese corporate bonds	360	379	18	313	327	14
Subtotal	8,322	8,782	459	8,284	8,632	347
Held-to-maturity bonds of which fair value does not exceed balance sheet amount						
Japanese government bonds	—	—	—	—	—	—
Japanese corporate bonds	—	—	—	—	—	—
Subtotal	—	—	—	—	—	—
Total	¥8,322	¥8,782	¥459	¥8,284	¥8,632	¥347

Note: Fair value is based upon the value measured at the year-end.

## Sony Bank Financial Data (Non-consolidated)

### Available-for-sale securities

(Millions of yen)

As of March 31,	2014			2015		
	Balance sheet amount	Acquisition cost	Unrealized gains (losses)	Balance sheet amount	Acquisition cost	Unrealized gains (losses)
Available-for-sale securities of which balance sheet amount exceeds acquisition cost						
Bonds	¥299,596	¥292,815	¥ 6,780	¥218,017	¥210,175	¥ 7,841
Japanese government bonds	86,361	82,951	3,410	58,910	55,466	3,443
Japanese municipal bonds	56,770	55,212	1,558	56,668	54,585	2,082
Japanese corporate bonds	156,463	154,652	1,811	102,438	100,123	2,315
Others	346,162	340,123	6,038	352,552	344,168	8,384
Foreign bonds	342,601	337,837	4,763	347,998	341,882	6,115
Others	3,561	2,286	1,275	4,554	2,286	2,268
Subtotal	645,758	632,939	12,819	570,569	554,344	16,225
Available-for-sale securities of which balance sheet amount does not exceed acquisition cost						
Bonds	5,200	5,200	(0)	20,995	21,262	(266)
Japanese government bonds	2,500	2,500	(0)	15,997	16,261	(264)
Japanese municipal bonds	—	—	—	—	—	—
Japanese corporate bonds	2,700	2,700	—	4,998	5,000	(2)
Others	112,478	113,017	(538)	128,112	128,291	(179)
Foreign bonds	112,478	113,017	(538)	128,112	128,291	(179)
Others	—	—	—	—	—	—
Subtotal	117,678	118,217	(538)	149,107	149,553	(445)
Total	¥763,437	¥751,157	¥12,280	¥719,677	¥703,898	¥15,779

Note: Fair value is based upon the value measured at the year-end.

### Securities without fair market value

(Millions of yen)

As of March 31,	2014	2015
	Balance sheet amount	Balance sheet amount
Stocks of subsidiaries and affiliated companies		
Stocks of subsidiaries	¥2,050	¥2,050

## 4-02 Fair value information on monetary trusts

### Monetary trusts for investment

(Millions of yen)

As of March 31,	2014		2015	
	Balance sheet amount	Net valuation gains (losses) recorded in income for fiscal year	Balance sheet amount	Net valuation gains (losses) recorded in income for fiscal year
Monetary trusts for investment	¥484	¥—	¥565	¥—

### Monetary trusts for held-to-maturity

Not applicable

## Other monetary trusts

(Millions of yen)

	2014				
	Balance sheet amount	Acquisition cost	Difference	Of which, balance sheet amount exceeds acquisition cost	Of which, balance sheet amount does not exceed acquisition cost
As of March 31,					
Other monetary trusts	¥20,000	¥20,000	¥—	¥—	¥—

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

(Millions of yen)

	2015				
	Balance sheet amount	Acquisition cost	Difference	Of which, balance sheet amount exceeds acquisition cost	Of which, balance sheet amount does not exceed acquisition cost
As of March 31,					
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."

## 4-03 Fair value information on derivatives

### Interest rate derivatives

[For the year ended March 31, 2014]

Derivatives for which hedge accounting is not applied

Not applicable

Derivatives for which hedge accounting is applied

(Millions of yen)

As of March 31,			2014		
Method	Type	Hedged item	Notional amount	Notional amount over 1 year	Fair value
Deferred hedge accounting	Interest rate swaps Floating rate receive/Fixed rate pay	Loans	¥ 46,974	¥ 45,292	¥ (1,446)
Fair value hedge accounting	Interest rate swaps Floating rate receive/Fixed rate pay	Available-for-sale securities (bonds)	366,597	313,539	(14,149)
Total			¥ —	¥ —	¥(15,595)

Notes: 1. The above table includes derivatives for which deferred hedge accounting is applied in accordance with "Accounting and Auditing Treatments on Application of Accounting Standard for Financial Instruments in the Banking Industry" (Industry Audit Committee of Japanese Institute of Certified Public Accountants No. 24) and derivatives for which fair value hedge accounting is applied.  
2. Fair market value is calculated using the discounted present value.

[For the year ended March 31, 2015]

Derivatives for which hedge accounting is not applied

Not applicable

Derivatives for which hedge accounting is applied

(Millions of yen)

As of March 31,			2015		
Method	Type	Hedged item	Notional amount	Notional amount over 1 year	Fair value
Deferred hedge accounting	Interest rate swaps Floating rate receive/Fixed rate pay	Loans, deposits	¥ 39,000	¥ 39,000	¥ (1,095)
Fair value hedge accounting	Interest rate swaps Floating rate receive/Fixed rate pay	Available-for-sale securities (bonds)	362,048	321,092	(24,635)
Total			¥ —	¥ —	¥(25,731)

Notes: 1. The above table includes derivatives for which deferred hedge accounting is applied in accordance with "Accounting and Auditing Treatments on Application of Accounting Standard for Financial Instruments in the Banking Industry" (Industry Audit Committee of Japanese Institute of Certified Public Accountants No. 24) and derivatives for which fair value hedge accounting is applied.  
2. Fair market value is calculated using the discounted present value.

## Currency derivatives

[For the year ended March 31, 2014]

Derivatives for which hedge accounting is not applied

(Millions of yen)

As of March 31,		2014			
Category	Type	Notional amount	Notional amount over 1 year	Fair value	Valuation gains (losses)
OTC:	Forward foreign exchanges				
	Sold	¥ 75,611	¥—	¥ (14)	¥ (14)
	Bought	126,400	—	585	585
	Foreign exchange margin transactions				
	Sold	41,601	—	(1,266)	(1,266)
	Bought	25,375	—	1,585	1,585
	Currency options				
	Sold	1,682	—	(6)	2
	Bought	2,570	—	18	(2)
	Currency forwards				
	Sold	45	—	(0)	(0)
	Bought	9,560	—	337	337
Total		¥ —	¥—	¥ 1,239	¥ 1,226

Notes: 1. The above transactions are evaluated at fair market value, and valuation gains (losses) are recorded in the statements of income.

2. Fair market value is calculated using the discounted present value or the option pricing model.

Derivatives for which hedge accounting is applied

(Millions of yen)

As of March 31,			2014		
Method	Type	Hedged item	Notional amount	Notional amount over 1 year	Fair value
Fair value hedge accounting	Currency swaps	Available-for-sale securities (bonds)	¥12,209	¥522	¥1,340
Total			¥ —	¥ —	¥1,340

Notes: 1. Fair value hedge accounting is mainly applied.

2. Fair market value is calculated using the discounted present value.

## Sony Bank Financial Data (Non-consolidated)

[For the year ended March 31, 2015]

Derivatives for which hedge accounting is not applied

(Millions of yen)

As of March 31,

Category	Type	2015			
		Notional amount	Notional amount over 1 year	Fair value	Valuation gains (losses)
OTC:	Forward foreign exchanges				
	Sold	¥123,229	¥—	¥ 49	¥ 49
	Bought	188,611	—	121	121
	Foreign exchange margin transactions				
	Sold	63,105	—	(1,319)	(1,319)
	Bought	20,875	—	1,624	1,624
	Currency options				
	Sold	503	—	(3)	0
	Bought	514	—	3	0
	Currency forwards				
	Sold	—	—	—	—
	Bought	12,917	—	(903)	(903)
Total		¥ —	¥—	¥ (427)	¥ (426)

Notes: 1. The above transactions are evaluated at fair market value, and valuation gains (losses) are recorded in the statements of income.

2. Fair market value is calculated using the discounted present value or the option pricing model.

Derivatives for which hedge accounting is applied

(Millions of yen)

As of March 31,

Method	Type	Hedged item	2015		
			Notional amount	Notional amount over 1 year	Fair value
Fair value hedge accounting	Currency swaps	Available-for-sale securities (bonds)	¥8,998	¥2,168	¥435
Total			¥ —	¥ —	¥435

Notes: 1. Fair value hedge accounting is mainly applied.

2. Fair market value is calculated using the discounted present value.

## Performance Indicators of Sony Bank (Non-consolidated)

## 1 Key Performance Indicators

(Millions of yen)

For the years ended March 31,	2011	2012	2013	2014	2015
Ordinary revenues	¥ 29,521	¥ 30,075	¥ 31,351	¥ 33,994	¥ 35,714
Ordinary profit	3,377	4,033	4,282	5,845	7,298
Net income	2,054	2,340	879	3,585	4,634
Common stock	31,000	31,000	31,000	31,000	31,000
Number of shares issued and outstanding (shares)	620,000	620,000	620,000	620,000	620,000
Total net assets	59,971	62,796	67,811	72,774	77,064
Total assets	1,761,830	1,890,503	2,005,081	2,056,704	2,062,525
Deposits	1,649,106	1,762,282	1,857,447	1,890,022	1,878,256
Loans	722,452	835,582	970,226	1,057,419	1,187,187
Securities	940,121	912,933	908,847	773,811	730,013
Non-consolidated capital adequacy ratio	10.84%	11.58%	11.98%	11.72%	10.65%
Dividend payout ratio	—	—	—	—	—
Number of employees	288	321	371	430	455

Notes: 1. As a result of a change in the presentation method in the year ended March 31, 2015, figures for the year ended March 31, 2014 have been reclassified to reflect such change. For ordinary revenues for the year ended March 31, 2014, please refer to the note on page 82.

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

## 2 Status of Operations (Deposits)

## 2-01 Average and year-end balance of deposits by category

## Average balance

(Millions of yen)

For the years ended March 31,	2014			2015		
	Domestic division	International division	Total	Domestic division	International division	Total
Floating deposits	¥ 433,586	¥190,219	¥ 623,805	¥ 479,918	¥176,848	¥ 656,767
Time and saving deposits	1,030,733	185,793	1,216,527	1,010,935	172,557	1,183,492
Other deposits	37	13	50	50	2	52
Total	¥1,464,357	¥376,026	¥1,840,383	¥1,490,904	¥349,408	¥1,840,312

## Year-end balance

(Millions of yen)

As of March 31,	2014			2015		
	Domestic division	International division	Total	Domestic division	International division	Total
Floating deposits	¥ 509,503	¥184,136	¥ 693,640	¥ 494,003	¥169,085	¥ 663,088
Time and saving deposits	1,014,426	181,938	1,196,364	1,053,960	161,192	1,215,153
Other deposits	17	—	17	14	—	14
Total	¥1,523,947	¥366,074	¥1,890,022	¥1,547,978	¥330,278	¥1,878,256

Note: Floating deposits of the Domestic division include deposits from the parent company and its subsidiaries in the amount of ¥52 million and ¥5,395 million as of March 31, 2014 and 2015, respectively.

## 2-02 Balance of time deposit by remaining period

(Millions of yen)

As of March 31,	2014			2015		
	Fixed rate time deposits	Floating rate time deposits	Total	Fixed rate time deposits	Floating rate time deposits	Total
Less than 3 months	¥ 150,438	¥—	¥ 150,438	¥ 135,469	¥—	¥ 135,469
3 months or more, less than 6 months	496,488	—	496,488	529,308	—	529,308
6 months or more, less than 1 year	381,417	—	381,417	384,084	—	384,084
1 year or more, less than 2 years	35,243	—	35,243	29,534	—	29,534
2 years or more, less than 3 years	10,830	—	10,830	11,118	—	11,118
3 years or more	61,490	—	61,490	60,871	—	60,871
Total	¥1,135,909	¥—	¥1,135,909	¥1,150,387	¥—	¥1,150,387

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

## 3 Status of Operations (Loans)

### 3-01 Average and year-end balance of loans by category

#### Average balance

(Millions of yen)

For the years ended March 31,	2014			2015		
	Domestic division	International division	Total	Domestic division	International division	Total
Loans on bills	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —
Loans on deeds	995,555	3,779	999,335	1,085,184	5,712	1,090,896
Overdrafts	6,457	0	6,457	5,553	—	5,553
Bills discounted	—	—	—	—	—	—
Total	¥1,002,013	¥3,780	¥1,005,793	¥1,090,738	¥5,712	¥1,096,450

#### Year-end balance

(Millions of yen)

As of March 31,	2014			2015		
	Domestic division	International division	Total	Domestic division	International division	Total
Loans on bills	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —
Loans on deeds	1,047,572	4,124	1,051,697	1,172,605	7,814	1,180,420
Overdrafts	5,722	—	5,722	6,766	—	6,766
Bills discounted	—	—	—	—	—	—
Total	¥1,053,295	¥4,124	¥1,057,419	¥1,179,372	¥7,814	¥1,187,187

### 3-02 Balance of loans by remaining period

(Millions of yen)

As of March 31,	2014			2015		
	Fixed interest rates	Floating interest rates	Total	Fixed interest rates	Floating interest rates	Total
Less than 1 year	¥ 149	¥ 18,761	¥ 18,911	¥ 103	¥ 34,140	¥ 34,243
Over 1 year, not exceeding 3 years	1,566	45,349	46,915	2,507	36,829	39,337
Over 3 years, not exceeding 5 years	3,841	25,126	28,967	3,474	22,022	25,496
Over 5 years, not exceeding 7 years	7,430	10,397	17,827	8,658	16,807	25,466
Over 7 years, not exceeding 10 years	21,259	20,899	42,159	22,830	17,860	40,691
Over 10 years	550,360	352,277	902,637	537,722	484,229	1,021,951
Total	¥584,607	¥472,812	¥1,057,419	¥575,297	¥611,890	¥1,187,187

### 3-03 Balance of loans by collateral

(Millions of yen)

As of March 31,	2014	2015
Pledged securities	¥ —	¥ —
Pledged receivables	—	—
Pledged merchandise	—	—
Pledged real estate	715,013	797,292
Others	—	—
Subtotal	715,013	797,292
Guaranteed	67,239	94,738
Credit	275,165	295,156
Total	¥1,057,419	¥1,187,187

#### Balance of acceptances and guarantees at the end of the period

Not applicable

#### Customers' liabilities for acceptances and guarantees classified by type of collateral

Not applicable

## Performance Indicators of Sony Bank (Non-consolidated)

### 3-04 Balance of loans by industry

(Millions of yen, %)

As of March 31,	2014		2015	
	Balance	Composition	Balance	Composition
Individual	¥ 955,161	90.33%	¥1,079,643	90.94%
Corporation	102,257	9.67	107,543	9.06
Manufacturing industries	39,872	3.77	40,813	3.44
Construction	1,970	0.19	1,753	0.15
Electricity, gas, heat and water supplies	1,000	0.09	1,000	0.08
Information and telecommunications	620	0.06	620	0.05
Transportation/Mail services	9,921	0.94	7,995	0.67
Wholesalers/Retailers	12,156	1.15	12,537	1.06
Financial services/Insurance	10,933	1.03	13,780	1.16
Real estate/Goods leasing services	20,814	1.97	23,555	1.98
Various service	1,931	0.18	2,456	0.21
Local government	3,035	0.29	3,030	0.26
Total	¥1,057,419	100.00%	¥1,187,187	100.00%

### 3-05 Loan-deposit ratio: year-end and annual average

(%)

For the years ended March 31,	2014			2015		
	Domestic division	International division	Total	Domestic division	International division	Total
At the year-end	69.11%	1.12%	55.94%	76.18%	2.36%	63.20%
Annual average	68.42	1.00	54.65	73.15	1.63	59.57

Note: Loan-deposit ratio =  $\frac{\text{Loan balance at year-end (annual average)}}{\text{Deposit balance at year-end (annual average)}} \times 100$

### 3-06 Allowance for loan losses: balance at the year-end and increase (decrease) during the year

(Millions of yen)

For the years ended March 31,	2014	Increase (decrease)	2015	Increase (decrease)
General allowance for loan losses	¥ 790	¥ (44)	¥ 595	¥(195)
Specific allowance for loan losses	737	(70)	559	(177)
Allowance for loan losses from borrowers in specific foreign countries	—	—	—	—
Total	¥1,527	¥(114)	¥1,154	¥(373)

### 3-07 Write-off loans

(Millions of yen)

For the years ended March 31,	2014	2015
Total	¥3	¥0

## 4 Status of Operations (Securities)

### 4-01 Average balance of securities under proprietary accounts by category

Not applicable

### 4-02 Balance of securities by category and remaining period

(Millions of yen)

As of March 31,	2014							
	Less than 1 year	Over 1 year, not exceeding 3 years	Over 3 years, not exceeding 5 years	Over 5 years, not exceeding 7 years	Over 7 years, not exceeding 10 years	Over 10 years	Unspecified term	Total
Japanese government bonds	¥ 20,547	¥ 4,013	¥ 30,242	¥ 3,147	¥ 19,290	¥19,581	¥ —	¥ 96,823
Japanese municipal bonds	500	2,719	—	18,318	35,231	—	—	56,770
Japanese corporate bonds	58,101	31,676	8,264	19,407	41,713	360	—	159,524
Japanese stocks	—	—	—	—	—	—	2,050	2,050
Other securities	114,013	193,807	115,637	15,127	16,494	—	3,561	458,641
Of which, foreign bonds	114,013	193,807	115,637	15,127	16,494	—	—	455,080
Others	—	—	—	—	—	—	3,561	3,561
Total	¥193,163	¥232,217	¥154,144	¥56,001	¥112,730	¥19,942	¥5,612	¥773,811

(Millions of yen)

As of March 31,	2015							
	Less than 1 year	Over 1 year, not exceeding 3 years	Over 3 years, not exceeding 5 years	Over 5 years, not exceeding 7 years	Over 7 years, not exceeding 10 years	Over 10 years	Unspecified term	Total
Japanese government bonds	¥ —	¥ 23,489	¥ 11,579	¥ 2,130	¥ —	¥45,679	¥ —	¥ 82,878
Japanese municipal bonds	—	2,675	526	51,063	2,402	—	—	56,668
Japanese corporate bonds	26,675	10,007	12,303	39,323	19,127	313	—	107,750
Japanese stocks	—	—	—	—	—	—	2,050	2,050
Other securities	139,369	168,507	109,667	21,838	36,727	—	4,554	480,665
Of which, foreign bonds	139,369	168,507	109,667	21,838	36,727	—	—	476,110
Others	—	—	—	—	—	—	4,554	4,554
Total	¥166,044	¥204,679	¥134,078	¥114,355	¥58,256	¥45,992	¥6,605	¥730,013

### 4-03 Average and year-end balance of securities by category

Average balance

(Millions of yen)

For the years ended March 31,	2014			2015		
	Domestic division	International division	Total	Domestic division	International division	Total
Japanese government bonds	¥117,504	¥ —	¥117,504	¥ 73,978	¥ —	¥ 73,978
Japanese municipal bonds	55,749	—	55,749	54,926	—	54,926
Japanese corporate bonds	179,579	—	179,579	135,985	—	135,985
Japanese stocks	2,050	—	2,050	2,050	—	2,050
Other securities	6,555	443,006	449,562	2,342	489,164	491,506
Of which, foreign bonds	—	443,006	443,006	—	489,164	489,164
Others	6,555	—	6,555	2,342	—	2,342
Total	¥361,440	¥443,006	¥804,446	¥269,283	¥489,164	¥758,447

## Performance Indicators of Sony Bank (Non-consolidated)

### Year-end balance

(Millions of yen)

	2014			2015		
	Domestic division	International division	Total	Domestic division	International division	Total
As of March 31,						
Japanese government bonds	¥ 96,823	¥ —	¥ 96,823	¥ 82,878	¥ —	¥ 82,878
Japanese municipal bonds	56,770	—	56,770	56,668	—	56,668
Japanese corporate bonds	159,524	—	159,524	107,750	—	107,750
Japanese stocks	2,050	—	2,050	2,050	—	2,050
Other securities	3,561	455,080	458,641	4,554	476,110	480,665
Of which, foreign bonds	—	455,080	455,080	—	476,110	476,110
Others	3,561	—	3,561	4,554	—	4,554
Total	¥318,731	¥455,080	¥773,811	¥253,902	¥476,110	¥730,013

### 4-04 Securities-deposit ratio: year-end and annual average

(%)

	2014			2015		
	Domestic division	International division	Total	Domestic division	International division	Total
For the years ended March 31,						
At the year-end	20.91%	124.31%	40.94%	16.40%	144.15%	38.86%
Annual average	24.68	117.81	43.71	18.06	139.99	41.21

Note: Securities-deposit ratio =  $\frac{\text{Securities balance at the year-end (annual average)}}{\text{Deposit balance at the year-end (annual average)}} \times 100$

# MCEV Results for Sony Life

## 1 MCEV Results

### 1-01 MCEV results

Sony Life discloses market consistent embedded value ("MCEV") as of March 31, 2015, compliant with the European Insurance CFO Forum Market Consistent Embedded Value Principles® ("MCEV Principles").

Sony Life's MCEV as of March 31, 2015 increased ¥101.6 billion due to the contribution of new business, the decrease in inflation rates, the effect of the reduction in the corporate tax rate and other factors. While the value of existing business decreased significantly due to a decline in interest rates, most of the decrease was offset with the benefit of ALM (by the increase in the adjusted net worth). The breakdown is shown in the table below.

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(Billions of yen)			
As of March 31,	2014	2015	Change
MCEV	¥1,221.3	¥1,322.9	¥ 101.6
Adjusted net worth	722.1	1,119.2	397.1
Value of existing business	499.1	203.7	(295.5)
New business value	55.2	48.6	(6.6)

### 1-02 Adjusted net worth

Adjusted net worth is calculated as the market value of assets allocated for the covered business in excess of statutory policy reserves and other liabilities as of the valuation date. It is the total amount of the net assets line item on the balance sheets, adding reserve for price fluctuations, contingency reserve, reserve for possible loan losses, along with unrealized gains or losses on held-to-maturity securities and unrealized gains or losses on land and buildings, less unfunded pension liabilities and intangible fixed assets, and adjusting for the amount of tax effect equivalent to these seven items, on which valuation gains or losses on subsidiaries and affiliated companies are added. The adjusted net worth at the end of the current fiscal year increased by ¥397.1 billion, primarily because of the increase in unrealized gain on held-to-maturity securities caused by the decrease in interest rates. The breakdown is shown in the table below.

(Billions of yen)			
As of March 31,	2014	2015	Change
Adjusted net worth	¥ 722.1	¥1,119.2	¥ 397.1
Total net assets	369.2	432.5	63.3
Reserve for price fluctuations	41.6	42.8	1.3
Contingency reserve	63.7	68.7	5.0
Reserve for possible loan losses	0.0	0.0	0.0
Unrealized gains or losses on held-to-maturity securities	430.3	839.5	409.1
Unrealized gains or losses on land and buildings	19.4	49.8	30.4
Unfunded pension liabilities	(3.2)	(1.9)	1.3
Intangible fixed assets	(23.9)	(21.6)	2.3
Tax effect equivalent of above seven items	(162.5)	(282.0)	(119.5)
Valuation gain or loss on subsidiaries and affiliated companies	(12.5)	(8.7)	3.8

(Billions of yen)			
As of March 31,	2014	2015	Change
Adjusted net worth	¥722.1	¥1,119.2	¥397.1
Free surplus	566.2	597.6	31.4
Required capital	156.0	521.6	365.6

Sony Life sets its required capital as the larger of the amount of Japanese regulatory minimum capital requirement at the solvency margin ratio of 200% or the amount of capital to cover risks based on an internal model based on economic value. The increase in required capital at the end of the current fiscal year is due to an increase in the economic value of technical provisions that mainly resulted from the decrease in interest rates. Please refer to Section 3-07 for the method used to calculate required capital.

### 1-03 Value of existing business

The value of existing business is the present value of certainty-equivalent profit less the time value of options and guarantees, and frictional costs and the cost of non-hedgeable risks. The value of existing business decreased by ¥295.5 billion primarily due to the decrease in interest rates. The breakdown is shown in the table below.

(Billions of yen)			
As of March 31,	2014	2015	Change
Value of existing business	¥ 499.1	¥ 203.7	¥(295.5)
Present value of certainty-equivalent profit	869.4	652.9	(216.5)
Time value of options and guarantees	(123.1)	(154.9)	(31.8)
Frictional costs	(9.2)	(20.2)	(11.0)
Cost of non-hedgeable risks	(237.9)	(274.1)	(36.2)

### 1-04 New business value

Business included in the calculation of new business value covers only business acquired during the fiscal year ended March 31, 2015, which is consistent with the financial information Sony Life has disclosed, and does not include the value of new business expected to be acquired in the future. The value of new business is the value as of March 31, 2015 and is calculated based on the same assumptions used for the value of existing business on the same date. As the value of new business includes profits and losses from the point of sale to the end of March 2015, actual investment gains and losses during the fiscal year ended March 31, 2015 are reflected. Despite the strong sales, new business value decreased by ¥6.6 billion primarily because of the decrease in interest rates. A breakdown of the value of new business is as follows:

(Billions of yen)			
As of March 31,	2014	2015	Change
Value of new business	¥ 55.2	¥ 48.6	¥(6.6)
Present value of certainty-equivalent profit	84.9	92.5	7.7
Time value of options and guarantees	(9.4)	(17.2)	(7.8)
Frictional costs	(0.3)	(0.4)	(0.1)
Cost of non-hedgeable risks	(20.0)	(26.3)	(6.3)

### 1-05 New business margin

The new business margin described below is the ratio of the value of new business to the present value of premium income. The present value of premium income is calculated applying the same assumptions as those for the calculation of new business value, and is based on premiums before the deduction of reinsurance premiums.

(Billions of yen)			
As of March 31,	2014	2015	Change
Value of new business	¥ 55.2	¥ 48.6	¥ (6.6)
Present value of premium income	1,069.7	1,289.0	219.3
Value of new business / Present value of premium income	5.2%	3.8%	(1.4) points

Relationships between the annualized premiums from new policies and the present value of premium income from new business were as follows:

(Billions of yen)			
As of March 31,	2014	2015	Change
New business single premium	¥165.5	¥ 73.9	¥(91.6)
Annualized premiums from level premium new business <sup>1</sup>	84.8	100.5	15.7
Average annualization multiplier <sup>2</sup>	10.66	12.09	1.43

<sup>1</sup> Annualized premiums from level premium new business is calculated by multiplying the number of payments in a year by the amount of premiums received at a time. It should be noted that the definition of annualized premiums here is different from that used in disclosures such as financial results and annual reports.

<sup>2</sup> The average annualization multiplier is calculated as (Present value of premium income – New business single premium) / Annualized premiums from level premium new business.

**1-06 Reconciliation analysis from MCEV at the end of the previous fiscal year**

The table below shows the reconciliation analysis of MCEV as of March 31, 2015, from MCEV as of March 31, 2014. The format of the table is in line with the format prescribed by the MCEV Principles.

(Billions of yen)

	Free surplus	Required capital	Value of existing business	MCEV
Opening MCEV (MCEV as of March 31, 2014)	¥566.2	¥156.0	¥499.1	¥1,221.3
Opening adjustments	(20.0)	—	—	(20.0)
Adjusted opening MCEV	546.2	156.0	499.1	1,201.3
New business value	—	—	48.6	48.6
Expected existing business contribution (risk-free rate)	0.4	0.1	14.1	14.7
Expected existing business contribution (in excess of risk-free rate)	0.9	0.3	6.2	7.3
Transfers from value of existing business and required capital to free surplus	(4.7)	(35.0)	39.8	—
<i>Of which, on new business</i>	<i>(53.7)</i>	<i>—</i>	<i>53.7</i>	<i>—</i>
Experience variances	10.0	(2.2)	(14.1)	(6.3)
Assumption changes	(23.8)	23.8	1.7	1.7
Other operating variance	(0.1)	0.1	(0.4)	(0.4)
Operating MCEV earnings	(17.3)	(12.9)	95.9	65.7
Economic variances	58.7	363.7	(394.5)	27.9
Other non-operating variance	9.9	14.9	3.1	27.9
Total MCEV earnings	51.4	365.6	(295.5)	121.5
Closing adjustments	—	—	—	—
Closing MCEV (MCEV as of March 31, 2015)	¥597.6	¥521.6	¥203.7	¥1,322.9

**(1) Opening adjustments**

These adjustments reflect changes in dividends paid to shareholders.

**(2) New business value**

This figure reflects increases resulting from the acquisition of new business during the fiscal year ended March 31, 2015. Please refer to Section 1-04 for information concerning the calculation method.

**(3) Expected existing business contribution (risk-free rate)**

This figure includes the release of the portion for the fiscal year ended March 31, 2015 of the time value of options and guarantees and the cost of non-hedgeable risks, in addition to the unwinding of the opening MCEV at a risk-free rate.

**(4) Expected existing business contribution (in excess of risk-free rate)**

This figure reflects the profit expected in excess of the risk-free rate generated by holding assets such as ordinary corporate bonds, loans, stocks, and real estate. The expected yield used for the fiscal year ended March 31, 2015 was 0.242%, which was developed by reflecting Sony Life's view of the market environment and annual investment plans for the year against the asset balance at the end of the previous fiscal year.

**(5) Transfer from value of existing business and required capital to free surplus**

This figure tracks changes in free surplus that emerge over the course of a fiscal year due to transferring profit earned during the fiscal year from existing business value to free surplus and to changes in required capital. The transfer of profit includes both the transfer of profit that was anticipated during the current fiscal year under the MCEV calculation performed at the previous fiscal year-end and the transfer of profit that was calculated as a component of new business value for the current fiscal year.

The value of MCEV itself does not change as a result of this transfer as the transfer merely constitutes an internal shift among MCEV components.

**(6) Experience variances**

These variances show the impact on MCEV of the actual versus assumed differences in non-economic expected profit for the fiscal year ended March 31, 2015 under the MCEV calculation as of March 31, 2014, and of the differences between actual policies in force as of March 31, 2015, and those that were projected to be in force on March 31, 2014 using persistency assumptions.

**(7) Assumption changes**

This figure primarily indicates the impact of changes in assumptions based on experience data in mortality and morbidity rates, lapse and surrender rates, and operating expense rates.

The value of existing business increased due to the improvements in mortality and morbidity rates and other factors.

**(8) Other operating variance**

This represents the impact of improvements and corrections of the model used in calculating MCEV.

**(9) Operating MCEV earnings**

This figure shows the aggregate amount of items (2) through (8).

**(10) Economic variances**

These variances show the impact of actual to assumed differences in economic assumptions, such as market interest rates and implied volatilities that were reflected in the market environment when calculating MCEV as of March 31, 2014 on future values, and the impact of the actual to assumed difference in expected asset investment income that were assumed to be realized during the year ended March 31, 2015 under MCEV as of March 31, 2014.

The major reasons for decreases in the value of existing business include an update of economic scenarios due to the change in the market environment such as the decrease in interest rates, the increase in stock prices and changes in implied volatilities, accounting for a decrease in the present value of certainty-equivalent profit of ¥405.4 billion, a decrease in the time value of options and guarantees of ¥4.3 billion, an increase in frictional costs of ¥14.8 billion and an increase in the cost of non-hedgeable risks of ¥18.0 billion. Another factor is a decrease in expenses tied to the decrease in inflation rates, accounting for an increase in the value of existing business of ¥39.4 billion. The major reason for the increase in the adjusted net worth was the increase in prices of government bonds caused by the decrease in interest rates. While the value of existing business decreased significantly, most of the decrease was offset with the benefit of ALM (by the increase in the adjusted net worth). Overall MCEV changes are disaggregated into a decrease of ¥11.5 billion as a result of the change in the market environment such as the decrease in interest rates and the increase in stock prices, and an increase of ¥39.4 billion as a result of the decrease in inflation rates.

**(11) Other non-operating variance**

This figure shows the effect of the change in the accounting standard for retirement benefits, the reduction of the corporate tax rate and the change in the timing of the increase in the consumption tax rate. Please refer to Section 2-03 (6) and Section 2-03 (7) for details on the reduction of the corporate tax rate and the change in the timing of the increase in the consumption tax rate.

**(12) Closing adjustments**

No items were included in closing adjustments.

**1-07 Sensitivity analysis**

The impact of changing the underlying assumptions of MCEV is as follows:

**Sensitivities**

(Billions of yen)				
Assumption	Change in assumption	MCEV	Change in amount	Rate of change
Base	No change	¥1,322.9	¥ —	—%
Interest rates	50bp decrease	1,191.1	(131.8)	(10%)
	50bp increase	1,390.5	67.6	5%
	Swap rates	1,294.7	(28.2)	(2%)
Stock / Real estate market value	10% decrease	1,302.1	(20.8)	(2%)
Stock / Real estate implied volatility	25% increase	1,302.2	(20.6)	(2%)
Interest swaption implied volatility	25% increase	1,303.4	(19.5)	(1%)
Maintenance expenses	10% decrease	1,343.8	20.9	2%
Lapse and surrender rates	× 0.9	1,321.0	(1.9)	(0%)
Mortality rates	Death protection products × 0.95	1,371.2	48.3	4%
	Third-sector and annuity products × 0.95	1,316.1	(6.8)	(1%)
Morbidity rates	× 0.95	1,367.9	45.0	3%
Required capital	Regulatory minimum	1,338.5	15.6	1%

Changes in adjusted net worth within the amount of change in MCEV are shown in the table below. Of items not specified in this table, only the value of existing business has been changed while adjusted net worth remains the same.

(Billions of yen)		
Interest rates	50bp decrease	¥ 545.2
	50bp increase	(484.0)
Stock / Real estate market value	10% decrease	(13.7)
Stock / Real estate implied volatility	25% increase	(0.4)

**Sensitivity of new business value**

		(Billions of yen)		
Assumption	Change in assumption	New Business Value	Change in amount	Rate of change
Base	No change	¥48.6	¥ —	—%
Interest rates	50bp decrease	0.4	(48.2)	(99%)
	50bp increase	82.4	33.8	70%
	Swap rates	39.6	(9.0)	(19%)
Stock / Real estate market value	10% decrease	48.5	(0.1)	(0%)
Stock / Real estate implied volatility	25% increase	46.3	(2.3)	(5%)
Interest swaption implied volatility	25% increase	46.6	(2.0)	(4%)
Maintenance expenses	10% decrease	50.5	1.9	4%
Lapse and surrender rates	× 0.9	52.1	3.5	7%
Mortality rates	Death protection products × 0.95	53.1	4.5	9%
	Third sector and annuity products × 0.95	48.3	(0.3)	(1%)
Morbidity rates	× 0.95	50.4	1.8	4%
Required capital	Regulatory minimum	48.6	(0.0)	0%

**(1) Interest rates**

This sensitivity represents the impact of an immediate parallel shift of the Japanese and foreign government bond yield curves as of the end of March 2015, and the impact if swap rates were used instead of government bond yields. In each parallel shift sensitivity, adjusted net worth changes as the market value of bonds and other assets changes; this is not applicable to the case where swap rates are used. In each of the interest rate sensitivities, the value of existing business changes as interest rates, the discount rate, yields of new bonds to be purchased in the future as existing bonds mature, and the investment returns on stocks, real estate, and other assets change. The sensitivities are calculated for a 50bp increase and decrease rather than a 100bp increase and decrease as required in the MCEV Principles, considering the level of interest rates in Japan. Here, the sensitivity scenarios were made so that the parameters related to interest rate volatility were equal to those derived for the base case. Only the parameters related to the interest rate term structure were altered when scenarios were developed using the interest rate model. The floor for downward changes in interest rates was set at 0%.

**(2) Stock and real estate market value**

This sensitivity represents the impact of an immediate drop in market values of stock and real estate as of the end of March 2015. Adjusted net worth is directly affected by the change in market value of stock and real estate. The value of existing business would also be affected by the change in the value of assets.

**(3) Implied volatility of stock and real estate**

This sensitivity represents the impact of an increase in the implied volatilities of stock used in calculating the time value of options and guarantees. Changes in stock implied volatilities affect the adjusted net worth and the time value of options and guarantees.

**(4) Interest swaption implied volatility**

This sensitivity represents the impact of an increase in the implied volatility of interest swaption used in calculating the time value of options and guarantees. The value of existing business would change as the time value of options and guarantees change.

**(5) Maintenance expenses**

This sensitivity represents the impact of a decrease in maintenance expenses. It should be noted that maintenance expenses do not include sales commissions from the in-force policies payable to Sony Life's Lifeplanner sales employees and other sales force in future periods.

**(6) Lapse and surrender rates**

This sensitivity represents the impact of a decrease in lapse and surrender rates.

**(7) Mortality rates**

This sensitivity represents the impact of a decrease in mortality rates. Sony Life has shown the impact on death protection products and the impact on third-sector insurance and annuity products separately, as they would have different impacts. Sony Life has covered base policies and riders of which the principal benefits are accidental death, disability, cancer, medical and nursing care benefits, and individual annuities with respect to third-sector insurance and the annuity product segment. No management actions were reflected.

**(8) Morbidity rates**

This sensitivity represents the impact of a decrease in the morbidity rates of sickness and others in third-sector products.

**(9) Required capital**

This sensitivity represents the impact in the event that required capital is changed to the regulatory minimum level, which is a solvency margin ratio of 200%.

**(10) Other**

The following points should be noted regarding the sensitivities:

- Frictional costs and the cost of non-hedgeable risks do not change in the sensitivity tests, with the exception of frictional costs, which are changed in terms of (9) required capital.
- Values of subsidiaries and affiliated companies are not changed except in the case of the stock market value sensitivity, where the stock value of subsidiaries and affiliated companies are altered.
- The impact of changing more than one assumption at a time is not equal to the sum of the impacts for each assumption.

## 2 Assumptions

### 2-01 Economic assumptions

Sony Life has made economic assumptions in its calculation of MCEV as of the end of March 2015.

**(1) Risk-free rate**

Sony Life has used the JGB yields and the U.S. Treasury yields as of the end of March 2015 as risk-free rates for the certainty-equivalent projections. It is assumed that forward rates in the 41st year and beyond were equal to those in the 40th year for JGB yields and forward rates in the 31st year and beyond were equal to those in the 30th year for U.S. Treasury yields. Sony Life has used Bloomberg's government bond yields as its data source.

The government bond yields for key terms are as follows:

(%)

As of the end of March,	Japanese yen		U.S. dollar	
	2014	2015	2014	2015
Term (in years)				
1	0.08%	0.03%	0.11%	0.23%
5	0.20	0.13	1.72	1.37
10	0.64	0.40	2.72	1.92
20	1.50	1.14	3.37	2.30
30	1.70	1.36	3.56	2.54
40	1.78	1.46	—	—

The swap rates for key terms which are used for the sensitivity result with swap rates in Section 1-07 (1) are as follows. It is assumed that forward rates in the 41st year and beyond were equal to those in the 40th year for swap rates in Japanese yen and forward rates in the 51st year and beyond were equal to those in the 50th year for swap rates in U.S. dollars.

(%)

As of the end of March,	Japanese yen	U.S. dollar
	2015	2015
Term (in years)		
1	0.15%	0.46%
5	0.28	1.53
10	0.58	2.02
20	1.15	2.32
30	1.36	2.39
40	1.44	2.41
50	—	2.39

Sony Life has not added a liquidity premium on the risk-free rate as there are no products which are considered to have reasonably predictable and illiquid cash flows and would therefore be appropriate to apply a liquidity premium.

**(2) Interest-rate model**

Sony Life has calibrated the interest rate model to the market as of the end of March 2015. Sony Life has estimated parameters for the interest rate model from the yield curve and the implied volatilities of interest swaptions with different terms. Sony Life has used 1,000 scenarios generated by Milliman, Inc. in calculating the time value of options and guarantees under the stochastic method.

The implied volatilities of the interest swaption used in Sony Life's estimation are presented below. Please note that the implied volatility for the Euro with a 1-year term of swap and a 1-year term of option was not used in the calibration because reliable data was not available.

(%)

As of the end of March,		2014			
Term of swap (in years)	Term of option (in years)	Japanese yen	U.S. dollar	Euro	UK pound
1	1	78.4%	72.6%	88.6%	54.1%
5	1	57.2	35.4	48.2	34.4
5	5	36.8	23.5	30.9	23.2
5	7	29.1	21.4	26.1	20.5
5	10	23.9	19.2	23.4	18.6
5	15	22.1	16.6	23.4	17.1
5	20	24.2	15.2	23.8	16.8
10	1	37.2	24.5	31.8	24.7
10	5	27.8	21.0	26.8	20.4
10	7	24.6	19.7	24.7	19.1
10	10	22.5	18.3	23.7	17.8
10	15	21.2	16.3	23.8	16.6
10	20	22.7	15.0	23.6	15.9
15	1	28.0	20.6	25.6	21.4
15	5	23.9	19.1	24.8	19.2
15	7	22.6	18.2	23.4	18.2
15	10	21.6	17.0	22.7	17.2
15	15	22.1	14.9	22.1	15.7
15	20	21.9	13.5	21.0	14.9
20	1	25.1	19.3	23.2	19.3
20	5	22.9	18.3	24.2	18.3
20	7	22.4	17.4	22.8	17.5
20	10	21.6	16.3	22.2	16.6
20	15	22.0	14.5	20.7	15.0
20	20	22.2	13.5	19.0	14.1

(%)

As of the end of March,		2015			
Term of swap (in years)	Term of option (in years)	Japanese yen	U.S. dollar	Euro	UK pound
1	1	95.3%	60.5%	—%	76.6%
5	1	62.3	46.7	107.4	57.3
5	5	47.2	37.3	84.6	42.8
5	7	38.5	34.7	83.5	39.4
5	10	32.7	32.0	95.0	34.7
5	15	26.5	27.9	109.6	30.4
5	20	27.4	24.9	68.3	29.1
10	1	54.3	39.4	89.8	48.7
10	5	38.6	34.7	83.6	39.2
10	7	33.7	32.8	84.3	36.5
10	10	29.7	30.2	101.0	32.7
10	15	27.5	27.1	128.4	29.6
10	20	29.4	24.1	65.6	27.9
15	1	42.8	37.2	84.1	45.5
15	5	33.5	32.3	78.9	37.2
15	7	31.1	30.4	80.9	34.9
15	10	29.4	28.2	93.7	31.5
15	15	27.4	25.2	123.6	28.4
15	20	28.9	22.6	289.7	26.8
20	1	39.7	35.9	84.9	44.3
20	5	33.1	31.3	81.5	36.7
20	7	31.4	29.3	82.4	34.3
20	10	30.0	27.1	91.1	30.6
20	15	27.8	24.3	155.0	27.5
20	20	29.3	22.4	129.2	25.8

### (3) Implied volatilities of foreign exchange rates and stocks

Sony Life has obtained spot implied volatilities from options with different terms. Implied volatilities are all those for at-the-money options. Bloomberg is the source of data for foreign exchange rates and the stock price index is the average of the implied volatilities provided by securities firms.

Sony Life has assumed that forward implied volatilities in the 11th year and beyond are equal to those in the 10th year for both foreign exchange rates and the stock price index as these derivatives have low liquidities for the period over 10 years.

Implied volatilities used for the estimation are as follows:

(%)

As of the end of March, Term (in years)	2014						
	Foreign exchange			Stocks			
	U.S. dollar / Japanese yen	Euro / Japanese yen	UK pound / Japanese yen	Japan TOPIX	U.S. S&P	Euro SX5E	UK FTSE
1	9.9%	11.1%	10.7%	19.7%	15.1%	17.3%	13.6%
5	13.2	15.0	14.5	18.6	18.8	18.7	17.2
10	16.6	17.3	16.2	19.9	23.4	19.6	20.1

(%)

As of the end of March, Term (in years)	2015						
	Foreign exchange			Stocks			
	U.S. dollar / Japanese yen	Euro / Japanese yen	UK pound / Japanese yen	Japan TOPIX	U.S. S&P	Euro SX5E	UK FTSE
1	9.9%	11.2%	11.7%	18.5%	16.6%	19.4%	15.6%
5	11.4	13.0	13.8	18.6	22.0	21.4	19.4
10	14.1	15.0	15.9	20.1	27.3	21.7	22.0

### (4) Correlation factors

Sony Life has calculated correlation factors from the monthly return of each index for a period of five years from April 2010 to the end of March 2015 as there is no market-consistent data for correlation factors.

As of the end of March,	2014										
	Japanese yen Interest rate 1Y	U.S. dollar Interest rate 1Y	Euro Interest rate 1Y	UK pound Interest rate 1Y	U.S. dollar / Japanese yen	Euro / Japanese yen	UK pound / Japanese yen	TOPIX	S&P	SX5E	FTSE
Japanese yen Interest rate 1Y	1.00	(0.05)	0.02	0.23	0.11	0.03	0.04	(0.01)	(0.09)	(0.15)	(0.22)
U.S. dollar Interest rate 1Y	(0.05)	1.00	0.10	(0.02)	0.54	0.25	0.24	0.35	0.11	0.12	0.11
Euro Interest rate 1Y	0.02	0.10	1.00	0.27	0.08	0.48	0.33	0.22	0.39	0.47	0.30
UK pound Interest rate 1Y	0.23	(0.02)	0.27	1.00	0.06	0.24	0.18	0.10	0.02	(0.00)	(0.11)
U.S. dollar / Japanese yen	0.11	0.54	0.08	0.06	1.00	0.65	0.67	0.61	0.18	0.19	0.16
Euro / Japanese yen	0.03	0.25	0.48	0.24	0.65	1.00	0.82	0.62	0.59	0.52	0.50
UK pound / Japanese yen	0.04	0.24	0.33	0.18	0.67	0.82	1.00	0.66	0.40	0.37	0.23
TOPIX	(0.01)	0.35	0.22	0.10	0.61	0.62	0.66	1.00	0.54	0.53	0.47
S&P	(0.09)	0.11	0.39	0.02	0.18	0.59	0.40	0.54	1.00	0.81	0.89
SX5E	(0.15)	0.12	0.47	(0.00)	0.19	0.52	0.37	0.53	0.81	1.00	0.85
FTSE	(0.22)	0.11	0.30	(0.11)	0.16	0.50	0.23	0.47	0.89	0.85	1.00

As of the end of March,	2015										
	Japanese yen Interest rate 1Y	U.S. dollar Interest rate 1Y	Euro Interest rate 1Y	UK pound Interest rate 1Y	U.S. dollar / Japanese yen	Euro / Japanese yen	UK pound / Japanese yen	TOPIX	S&P	SX5E	FTSE
Japanese yen Interest rate 1Y	1.00	(0.18)	0.02	0.30	0.08	(0.04)	0.09	0.22	0.01	0.23	0.00
U.S. dollar Interest rate 1Y	(0.18)	1.00	0.15	0.09	0.40	0.22	0.25	0.32	0.18	0.05	0.03
Euro Interest rate 1Y	0.02	0.15	1.00	0.27	0.10	0.47	0.37	0.25	0.41	0.51	0.34
UK pound Interest rate 1Y	0.30	0.09	0.27	1.00	0.14	0.30	0.20	0.28	0.20	0.30	0.15
U.S. dollar / Japanese yen	0.08	0.40	0.10	0.14	1.00	0.66	0.71	0.59	0.24	0.21	0.18
Euro / Japanese yen	(0.04)	0.22	0.47	0.30	0.66	1.00	0.86	0.58	0.65	0.49	0.53
UK pound / Japanese yen	0.09	0.25	0.37	0.20	0.71	0.86	1.00	0.65	0.55	0.42	0.37
TOPIX	0.22	0.32	0.25	0.28	0.59	0.58	0.65	1.00	0.56	0.52	0.45
S&P	0.01	0.18	0.41	0.20	0.24	0.65	0.55	0.56	1.00	0.72	0.84
SX5E	0.23	0.05	0.51	0.30	0.21	0.49	0.42	0.52	0.72	1.00	0.80
FTSE	0.00	0.03	0.34	0.15	0.18	0.53	0.37	0.45	0.84	0.80	1.00

## (5) Foreign exchange

Assets denominated in foreign currencies and the value of U.S. dollar-denominated products are converted to Japanese yen using the TTM (telegraphic transfer middle exchange rate) as of the end of March 2015.

The table below shows foreign exchange rates of major currencies.

		(Yen)	
As of the end of March,		2014	2015
U.S. dollar / Yen		¥102.92	¥120.17
Euro / Yen		141.65	130.32
UK pound / Yen		171.31	178.07

## 2-02 Future asset allocation

### (1) Asset allocation in the general account

Segment accounting is conducted for individual life insurance and individual annuity based on the classifications of the non-participating product segment, the semi-participating product segment, the interest rate-sensitive whole life insurance segment, and the foreign-currency-denominated product segment. Asset allocation in the general account under the stochastic method was determined based on the actual asset allocation in each segment as of the end of March 2015 with an assumption of no changes in asset allocation thereafter.

### (2) Asset allocation in the separate account

There are eight funds established in the separate account. The asset allocation for each fund at the beginning of the projection is determined based on the actual fund allocation as of the end of March 2015 and no rebalancing adjustments are applied to maintain the initial fund allocation thereafter.

## 2-03 Other assumptions

Assumptions including mortality and morbidity rates, lapse and surrender rates, and operating expense rates, were developed based on best estimates by product as of the end of March 2015. Best-estimate assumptions are developed to reflect past and current experiences as well as expected experiences in the future. Expected future changes in assumptions should be reflected only when they are supported by sufficient reasons. Except for a deteriorating trend in morbidity rates, no other expected future changes are assumed in the best-estimate assumptions applied. Assumptions were developed as follows:

### (1) Mortality and morbidity rates

Developed based on experiences over the past three years. Deteriorating trends in morbidity rates are taken into account for those A&H products for which deteriorating trends were observed when the experience data were analyzed in conducting the statutory stress test.

### (2) Lapse and surrender rates

Lapse and surrender rates for the base case were developed based on experience over the past three years. Sony Life has also developed dynamic assumptions in accordance with the level of interest rate or investment performance. The dynamic assumptions are made for the following products:

- Variable life insurance
- Interest rate sensitive whole life insurance
- Semi-participating products
- Non-participating whole life insurance
- Non-participating endowment insurance
- Non-participating educational endowment insurance
- U.S. dollar-denominated insurance

Since Sony Life has not identified explicit correlations that relate interest rates or the level of account value against minimum guarantee amount to lapse and surrender rates for policies other than variable insurance, Sony Life has developed dynamic surrender rates by examining experience on similar products, and taking into account current domestic and overseas practice. Going forward, Sony Life will strive to improve its approach to dynamic surrender assumptions for the relevant products by carefully monitoring experience data and referring to experience with similar products and trends of practice in Japan and other countries.

### (3) Flexible premiums

There are no flexible premium products and thus no assumptions were developed.

### (4) Renewal rates

Because there is very little renewable business and it does not have a significant impact on results, some policy renewals were reflected in a simplified manner.

## (5) Operating expense rates

Sony Life has developed unit costs of the expenses incurred for maintenance and administration of policies and payments of claims based on the actual operating expenses in the past fiscal year and the depreciation costs over the past three years. For expected system-related expenses in the future, the unit costs reflect the average of depreciation costs over the past three years excluding one-off expenses that are not expected to recur in the future. The one-off expenses excluded from the depreciation costs are ¥1.5 billion (fiscal 2014 base), which are for system revisions.

MCEV Principles require that, where costs of managing the covered business are incurred within group companies, profit or losses to those companies are to be valued on a "look through" basis. In relation to the parent company, Sony Financial Holdings Inc., unit cost includes management administration charges payable to the parent company. In relation to subsidiaries and affiliated companies, unit cost includes the cost incurred at Sony Life to manage those companies. Other look-through effects are not considered.

## (6) Effective tax rate

With "The Law to Revise the Income Tax, etc.," promulgated on March 31, 2015, the corporate tax rate was reduced. Reflecting this change, the effective tax rate is set at 30.78% in the fiscal year 2014 and 28.85% in and after the fiscal year 2015.

## (7) Consumption tax rate

With "The Law to Revise the Income Tax, etc.," promulgated on March 31, 2015, the increase in the consumption tax rate to 10% was postponed to April 1, 2017. Future expenses were increased by reflecting the increase in the consumption tax rate to 10% on and after April 1, 2017.

## (8) Inflation rate

Inflation rates in the future were set at 0.719% by referring to a 10-year inflation swap rate and removing the effect of the increase in the consumption tax rate. A single inflation rate is applied for all years considering the current market for inflation swaps.

# 3 Calculation Method of MCEV

## 3-01 Covered business

The covered business is the business operated by Sony Life, its subsidiaries, and its affiliated companies.

## 3-02 Treatment of subsidiaries and affiliated companies

Sony Life's calculations include the following values regarding its subsidiaries and affiliated companies in the calculation of adjusted net worth:

- AEGON Sony Life Insurance Co., Ltd. is valued at ¥(2.1) billion, which is equal to net asset value minus intangible fixed assets, reinsurance credits on modified coinsurance (to be amortized in the future) and Insurance Business Law Article 113 deferred assets, multiplied by the participation rate.
- Other companies are valued at book value under Japanese GAAP, which is ¥5.5 billion.

There are no other values reflected in the values of Sony Life's subsidiaries and affiliated companies except for the above, and all other results solely reflect Sony Life (on a non-consolidated basis).

## 3-03 Treatment of reinsurance

Sony Life has designated reinsurance premiums as expenses and reinsurance benefits as income in its projections, as Sony Life has ceded as reinsurance the mortality risks of certain death protection insurance products.

## 3-04 Treatment of semi-participating policies

Sony Life has calculated dividends in accordance with the level of future investment returns, based on the same method used to determine the dividend rate for the accounting closure of March 31, 2015, reflecting the present value of certainty-equivalent profit and the time value of options and guarantees.

## 3-05 MCEV

MCEV is defined as the expected present value of distributable earnings to shareholders generated from assets allocated to the covered business after making appropriate allowance for aggregate risks in the covered business. MCEV is presented as the sum of adjusted net worth and value of existing business.

## 3-06 Adjusted net worth

Adjusted net worth is calculated as the market value of assets allocated for the covered business in excess of statutory policy reserves and other liabilities as of the valuation date. Specifically, it is equal to the total amount of the net assets section on the balance sheets, adding reserve for price fluctuations, contingency reserve, reserve for possible loan losses, unrealized gains or losses on held-to-maturity securities, and unrealized gains or losses on land and buildings, less unfunded pension liabilities and intangible fixed assets, and adjusting for the amount of tax effect equivalent of these seven items, on which valuation gains or losses on subsidiaries and affiliated companies are added. Adjusted net worth can be split into required capital and free surplus.

## 3-07 Required capital

The MCEV Principles define required capital as the amount of assets that should be held in addition to the assets corresponding to the statutory liability to fulfill in-force policy obligations, which by nature is restricted from distribution to shareholders. The level of required capital should be the larger of the solvency capital to meet the regulatory minimum level or the capital required to meet the internal objectives in terms of marketing or risk management purposes, or to achieve the company's targeted credit rating.

Sony Life sets its required capital as the larger of the amount of capital required for the Japanese regulatory minimum at the solvency margin ratio of 200% or the amount of capital to cover risks based on the internal model on an economic value basis. The latter is larger as of the end of March 2015.

Sony Life defines the amount of capital to cover risks based on the internal model as the total amount of technical provision and solvency risk capital on an economic value basis in excess of statutory policy reserves (excluding contingency reserves). The solvency risk capital on an economic value basis is calibrated at VaR (99.5%) over one year and based on the internal model, which is a similar but modified model based on the EU Solvency II (QIS5) standard method.

The solvency risk capital on an economic value basis as of the end of March 2015 was ¥745.5 billion (after tax). The effective tax rate used to adjust to the after-tax basis is 28.85%. The required capital is ¥521.6 billion, which is 1,692.4% of the regulatory minimum capital requirement.

Sony Life will also revise the internal model itself as appropriate, taking into account domestic and overseas conditions, including developments in international accounting standards, valuation methods of insurance liability on an economic value basis and solvency margin standard trends, as well as the analysis of Sony Life's internal mortality and morbidity rates data.

Major differences between the internal model approach and the QIS5 approach are as follows:

### (1) Market risk

Market risk quantification follows the QIS5 approach in principle. However, Sony Life modified risk factors specified in QIS5 standard methodology to make them more suitable in light of the market risk attribute to which Sony Life is exposed, where risk factors specified in QIS5 or its previous risk measure is considered unable to reflect enough of the risk amount at a 99.5% confidence level.

For interest rate risk in Japanese yen, principal component analysis is employed, where yield curve changes are disaggregated into three components—parallel shift, twist, and butterfly—and the yield curve is shocked by each component, to capture the risk of yield curve changes more precisely. For other risks, major stress parameters different from QIS5 include 45% for listed stocks, 100% for subsidiaries and affiliated companies' stocks, and 30% for currency risk.

### (2) Insurance underwriting risk

Quantification of mortality and longevity risks follows the QIS5 approach.

Quantification of morbidity, lapse, expense, and catastrophe risks follows the QIS4 approach. In particular, for the lapse up/down stress in the Health module, because QIS5 sets the parameters at 20%, which is significantly lower than for other products, Sony Life has chosen to keep the parameters at 50%.

### (3) Operational risk

QIS5 is followed.

### (4) Correlation parameters

Correlation parameters follow QIS5 except that the correlation parameter between Global and Other equities is set to one to exclude any diversification effect while it is set to 0.75 under QIS5.

## 3-08 Free surplus

Free surplus is the amount of adjusted net worth other than that for required capital.

## 3-09 Value of existing business

The value of existing business is calculated as the present value of certainty-equivalent profit less the time value of options and guarantees, the frictional costs and the cost of non-hedgeable risks. New business value is calculated using the same method.

## 3-10 Present value of certainty-equivalent profit

The present value of certainty-equivalent profit is the present value of profit based on the future cash flows generated from the covered business. The risk-free rate is used as the assumed investment return on all assets and the discount rate.

The present value of certainty-equivalent profit reflects the intrinsic value of options and guarantees.

## 3-11 Time value of options and guarantees

Sony Life has calculated the time value of options and guarantees using the stochastic method with risk-neutral scenarios. The time value of options and guarantees is calculated as the difference between the present value of certainty-equivalent profit and the present value of stochastic future profits.

The time value of options and guarantees considers the following items:

- Minimum guarantees of variable life insurance  
The excess of account value over the scheduled policy reserves is attributed to policyholders. However, when the account value is less than the scheduled policy reserves, the cost incurred from executing guaranteed minimum death benefits for variable life insurance is attributed to shareholders.
- Minimum interest rate guarantee for interest rate sensitive whole life insurance  
When the investment return exceeds the assumed interest rate, the outperforming portion is credited to policyholder account value. However, when the investment return underperforms the assumed interest rate, the cost for the difference is attributed to shareholders, as the assumed interest rate is guaranteed.
- Interest dividend for semi-participating products  
When the investment return exceeds the assumed interest rate, the outperforming portion is credited to the fund for policyholder dividends and paid to policyholders every five years as interest dividends. Accordingly, none of such interest gains would be attributed to shareholders, while interest losses would be attributed to shareholders.
- Surrender options  
Policyholders have various options in insurance contracts. Reflected among them are the costs of policyholders' exercising the right of surrender in the event of increased interest rates. Since Sony Life has not identified explicit correlations that relate interest rates or the level of account value against the minimum guarantee amount to lapse and surrender rates for policies other than variable insurance, Sony Life has developed dynamic surrender rates by examining experience on similar products, and taking into account current domestic and overseas practices. Going forward, Sony Life will strive to improve its approach to dynamic surrender assumptions for the relevant products by carefully monitoring experience data and referring to experience with similar products and trends of practice in Japan and other countries.

## 3-12 Frictional costs

Sony Life has calculated frictional costs as the present value of investment costs and taxes on assets backing the required capital at each point of time in the future.

## 3-13 Cost of non-hedgeable risks

As risks regarding the asymmetric nature of cash flows not reflected in the present value of certainty-equivalent profit are fully reflected in the time value of options and guarantees, Sony Life has reflected an allowance for the uncertainty of non-economic assumptions and the portion of economic assumptions considered non-hedgeable with respect to the cost of non-hedgeable risks.

Specifically, Sony Life has assumed a risk margin based on the method prescribed in QIS5 of the EU Solvency II framework as the cost of non-hedgeable risks and calculated it using the cost of capital approach. It should be noted that the following points are different from the method prescribed in QIS5:

- Unavoidable market risk which is not clearly defined in QIS5 specifications is set to the uncertainty of the risk-free rates beyond the 40th year for Japanese yen and the 30th year for U.S. dollars.
- Catastrophe risk and lapse risk in the Health module follows the QIS4 approach as described in Section 3-07 (2).
- Counterparty default risk has not been reflected in the non-hedgeable risks as its impact is limited.
- Sony Life has used risk amounts quantified after taking into consideration the risk mitigation effect through policyholder dividends without any adjustments.
- Sony Life has used the cost of capital rate described in Section 3-14.

## 3-14 Cost of capital rate

QIS5 of the EU Solvency II has set a cost of capital rate at 6%, which is used for the cost of capital calculation. On the other hand, the CRO (Chief Risk Officer) Forum comprising CROs from leading insurance companies in Europe proposed that 2.5% to 4.5% would be the appropriate level based on several trial calculations. Following the philosophy of the CRO Forum's approach, Sony Life has decided to use 2.5% for the cost of capital rate consistent with the MCEV framework considering Japanese long-term stock risk premiums, the beta of Sony Financial Holdings Inc. and the anticipated impact of the equity risk exposure of Sony Life on the beta of Sony Financial Holdings Inc., which is a hedgeable risk. However, Sony Life may revise the method of setting the cost of capital rate in the future as an industry standard has not yet been established.

Sony Life requested Milliman, Inc., an external actuarial consulting firm with expert knowledge in the area of MCEV valuations, to review the methodology, assumptions, and calculations. Sony Life has received an opinion from Milliman, Inc. For further details, please refer to Sony Life's press release of "Disclosure of Market Consistent Embedded Value as of March 31, 2015" ([http://www.sonyfh.co.jp/index\\_en.html](http://www.sonyfh.co.jp/index_en.html))

## 4 Overview of MCEV

### 4-01 What is EV?

Embedded value (EV) is an indicator used to evaluate the corporate value of a life insurance business. Many insurance companies in Europe disclose EV as part of their financial reports and use EV as an internal management tool. Under Japanese GAAP for life insurance companies, the balance sheets do not indicate the present value of future profits from existing business, while EV indicates, the present value of future profits from existing business along with total net assets of an insurance company.

The CFO Forum, formed by the Chief Financial Officers (CFOs) of major European insurance companies published the European Embedded Value Principles (EEV Principles) in May 2004. This led to the disclosure by many leading European insurers of EEV based on market consistent methods.

However, as the EEV Principles allow various calculation methodologies, the CFO Forum published the MCEV Principles in June 2008 in order to make EV information more effective and appropriate for investors by streamlining MCEV disclosure standards for international use.

MCEV represents the present value of the current and future distributable profits to shareholders generated from assets allocated to the covered business after sufficient allowance for the aggregate risks in the covered business. MCEV is calculated as the sum of adjusted net worth and the value of existing business. However, MCEV is calculated based on the policies in force on the calculation date, and does not include the value of new business it may write in the future. (It is generally believed that the value of new business must be taken into consideration when evaluating the corporate value of an insurance company.)

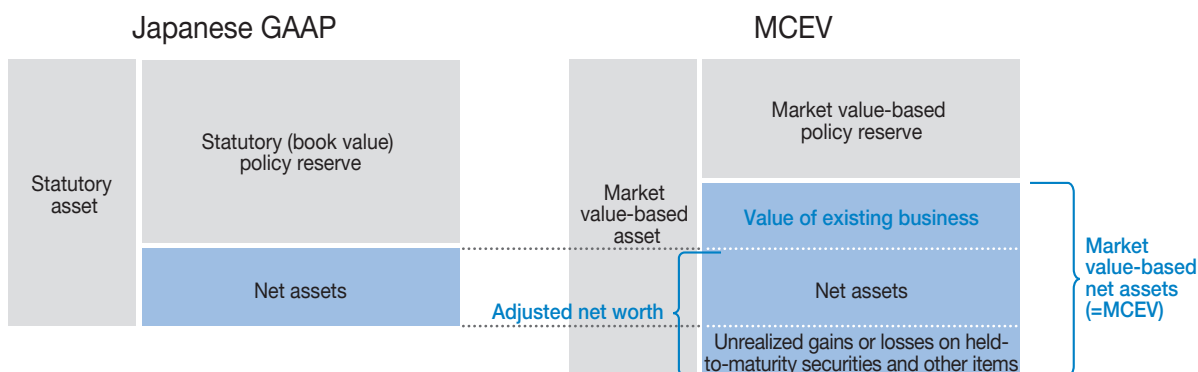
#### MCEV structure

$$\text{MCEV} = \begin{array}{c} \text{Adjusted net worth calculated} \\ \text{from balance sheets, etc.} \\ \text{(Results of business activities to date)} \end{array} + \begin{array}{c} \text{Future value of existing business} \\ \text{(Value of existing business)} \\ \text{(Expected future profits from existing business)} \end{array}$$

Sony Life concludes policies with new customers each year, but MCEV represents the future value of net assets and existing business on a certain balance sheet date, and does not include the value of new business it may write in the future.

The correlation between MCEV and balance sheets (under Japanese GAAP) is as follows. Adjusted net worth is the total amount of the net assets line item on the balance sheets, adding items such as reserve for price fluctuations, contingency reserve and unrealized gains or losses on held-to-maturity securities and other items, minus intangible fixed assets and other items, and adjusting for the amount of tax effect. The value of existing business is the present value of certainty-equivalent profit, namely the present value of profit based on future cash flows generated from the covered business, minus the time value of options and guarantees, the cost of non-hedgeable risks and other items, which approximately equates to the value of statutory policy reserves minus policy reserve based on market value (after tax).

#### Correlation between balance sheets (under Japanese GAAP) and MCEV



#### 4-02 Sony Life's Initiatives

Recognizing EV as a useful indicator of corporate value, and a supplementary to the financial information based on Japanese GAAP from an early stage, Sony Life has been disclosing traditional embedded value (Traditional EV) from March 31, 2005, and then MCEV based on MCEV Principles from March 31, 2008.

Meanwhile, Sony Life engages in profit and risk management on the basis of economic value, and has been disclosing risk amount based on economic value since March 31, 2012, to promote better understanding of its financial soundness based on economic value. The risk amount based on economic value\* refers to the total amount of Sony Life's risks, comprehensively examined and including insurance risk and market-related risk. Sony Life's risk amount based on economic value (after tax) amounted to ¥745.5 billion as of March 31, 2015.

The breakdown of the risk amount is as follows:

		(Billions of yen)	
As of March 31,		2014	2015
Insurance risk		¥ 654.5	¥ 724.2
Market-related risk		240.0	287.0
Of which interest rate risk <sup>1</sup>		180.9	218.5
Operational risk		26.3	25.9
Counter party risk		1.3	1.8
Variance effect		(257.8)	(293.4)
Risk amount based on economic value		664.3	745.5

<sup>1</sup> Interest rate risk is calculated as the amount before excluding the variance effect within market-related risk.

As of March 31,		2014	2015
MCEV		¥1,221.3	¥1,322.9

Sony Life is making every effort to ensure its financial soundness by maintaining the risk amount based on economic value at an appropriate level relative to MCEV, which is capital based on economic value.

Note: The solvency risk capital on an economic value basis is calibrated at VaR (99.5%) over one year and based on the internal model, which is a similar but modified model based on the EU Solvency II (QIS5) standard method.

## 5 Glossary of MCEV-related Terminology

### A

#### Appraisal value

- Corporate value based on projected cash flows receivable for shareholders from existing business and future new business. It is defined as the current MCEV plus new business value acquired in the future.

#### Asymmetric risk

- The risk where symmetric upward and downward changes on assumptions do not result in symmetric changes in cash flow. Such risk includes minimum guarantee of variable life insurance and policyholder dividend payment. These risks are evaluated with a stochastic method and presented as a time value of options and guarantees.

### B

#### Best estimate assumption

- The assumption that is most likely to occur in the future.

### C

#### Calibration

- To set various stochastic model parameters in a market-consistent manner.

#### Cost of capital approach

- One of the approaches to calculate the risk margin. The cost of risk is determined by taking the present value of the cost to hold capital required in future periods.

#### Cost of non-hedgeable risk

- The present value of the cost to hold required capital to cover future non-hedgeable risks. As risks regarding the asymmetric nature of cash flows not reflected in the present value of certainty-equivalent profit are fully reflected in the time value of options and guarantees, Sony Life has reflected the following in this cost: allowance for uncertainty of non-economic assumptions and the portion of economic assumptions considered non-hedgeable with respect to the cost of non-hedgeable risks.

### E

#### EU Solvency II

- A new solvency regulation based on economic value to be applied uniformly within the EU that the European Commission is preparing to implement.

### F

#### Free surplus

- The portion of adjusted net worth other than the required capital.

#### Frictional costs

- The present value of investment costs and taxes on assets backing the required capital at each point of time in the future.

### I

#### Implied volatility

- The expected rate of future variability embedded in current option prices, and represents the expected value of the market against the price fluctuation.

### L

#### Look through

- To measure the impact of an action on an entire business group rather than only on a particular part of the group.

### N

#### Non-financial risk

- Examples are mortality risk, longevity risk, disability risk, operating expense risk, surrender risk, and operational risk.

#### Non-hedgeable non-financial risk

- A non-financial risk such that deep and liquid capital markets do not exist to hedge such risk.

#### Non-hedgeable risk

- Non-hedgeable risk is composed of non-hedgeable financial risk and non-hedgeable non-financial risk.

### O

#### Options and guarantees

- The following are some features of options and guarantees:
  - Policy cash flow would be changed by exercising options granted to the policyholder. An example of such features is the exercise of the surrender option.
  - It includes guarantee of benefits or policyholder values. An example is a minimum death benefit guarantee for variable life insurance.

### P

#### Present value of certainty-equivalent profit

- Present value of certainty-equivalent profit is the present value of profit based on the future cash flows generated from the covered business.

### Q

#### QIS4

- Quantitative Impact Study. Conducted prior to implementation of the EU Solvency II. The 4th study was conducted in May 2008 and is referred to as QIS4.

#### QIS5

- Quantitative Impact Study following the QIS4. It was executed between August and November 2010.

### R

#### Required capital

- The MCEV Principles define required capital as the capital necessary to hold in excess of statutory policy reserves (excluding contingency reserve), and it is considered to be the larger of the solvency capital to meet the statutory required minimum level or the capital necessary to meet internal objectives or to achieve the company's targeted credit rating.

The required capital of Sony Life is set as the larger of the amount of capital corresponding to the solvency margin ratio of 200% or the amount of capital to cover risks based on the internal model on an economic value basis.

#### Risk-free rate

- The reference rate defined in the MCEV Principles. The MCEV Principles state that it should be the swap rate of the currency of cash flows.

#### Risk margin

- The cost to hold capital to cover non-hedgeable risks reflected in evaluating the insurance liability on an economic value basis.

#### Risk neutral probability

- A pseudo probability derived so that the present value of future expected values under multiple scenarios discounted with current risk-free rates is equal to the current value.

#### Risk neutral scenario

- An interest rate scenario generated under risk-neutral probabilities.

### T

#### Technical provision

- The value of liability on an economic value basis, which equals the present value of best estimate cash flows plus the risk margin.

#### Time value and intrinsic value

- An option value that has two elements: time value and intrinsic value. Intrinsic value is the option value under certainty-equivalent conditions. Time value is the value of options other than intrinsic value, which is calculated as the difference between the present value of certainty-equivalent profit and the present value of stochastic future profit.



