

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

<Contents>

1. Balance Sheets	P.2
2. Statements of Income	P.4
3. Financial Summary (Year-on-Year Comparison)	P.5
4. Premiums and Losses Paid by Type of Policy	P.7
5. Risk-Monitored Loans	P.7
6. Securities	P.8
7. Non-consolidated Solvency Margin Ratio	P.9

1. Balance Sheets

(Millions of yen)

	As of March 31, 2015	As of March 31, 2016
Assets:		
Cash and deposits	10,738	8,381
Cash	0	0
Deposits	10,738	8,381
Securities	111,809	127,256
Japanese government bonds	85,698	82,427
Japanese municipal bonds	15,218	27,207
Japanese corporate bonds	6,760	12,660
Japanese stock	2,548	3,708
Foreign securities	197	197
Other securities	1,385	1,055
Tangible fixed assets	3,539	4,024
Buildings	228	201
Construction in progress	1,666	181
Other tangible fixed assets	1,644	3,641
Intangible fixed assets	7,084	5,988
Software	3,949	3,347
Software in progress	3,134	2,640
Other intangible fixed assets	0	0
Other assets	19,294	20,363
Accrued premiums	1,265	1,273
Due from reinsurers	93	96
Due from foreign reinsurers	22	4
Accounts receivable	12,931	13,493
Accrued income	135	152
Deposits	446	443
Suspense payments	4,399	4,900
Deferred tax assets	5,452	6,308
Total Assets	157,919	172,323

(Millions of yen)

	As of March 31, 2015	As of March 31, 2016
Liabilities:		
Underwriting reserves	122,173	133,246
Reserve for outstanding losses	35,665	37,542
Underwriting reserves	86,508	95,704
Other liabilities	8,787	8,339
Due to reinsurers	78	-
Due to foreign reinsurers	11	5
Income taxes payable	2,005	1,442
Deposits received	15	15
Accounts payable	2,678	2,724
Suspense receipt	3,997	4,152
Reserve for employees' retirement benefits	1,130	1,281
Reserve for directors' retirement benefits	33	44
Reserve for employees' bonuses	927	956
Reserve for price fluctuations and others	124	149
Reserve for price fluctuations	124	149
Total Liabilities	133,178	144,018
Net Assets:		
Shareholders' equity		
Common stock	20,000	20,000
Capital surplus		
Capital reserve	20,000	3,389
Total capital surplus	20,000	3,389
Retained deficits		
Other retained deficits	(16,610)	2,586
Unappropriated retained deficits	(16,610)	2,586
Total retained deficits	(16,610)	2,586
Total shareholders' equity	23,389	25,976
Valuation and translation adjustments		
Net unrealized gains on other securities, net of taxes	1,351	2,328
Total valuation and translation adjustments	1,351	2,328
Total Net Assets	24,741	28,305
Total Liabilities and Net Assets	157,919	172,323

2. Statements of Income

(Millions of yen)

	For the year ended March 31, 2015	For the year ended March 31, 2016
Ordinary Revenues	93,022	96,905
Underwriting income	91,761	95,612
(Net premiums written)	91,712	95,549
(Interest and dividends on deposits of premiums)	48	62
(Other underwriting income)	0	0
Investment income	1,235	1,263
(Interest income and dividends)	1,268	1,313
(Gains on sale of securities)	15	12
(Transfer to interest and dividends on deposits of premiums)	(48)	(62)
Other ordinary income	25	29
Ordinary Expenses	88,812	92,225
Underwriting expenses	65,668	67,798
(Net losses paid)	45,985	48,111
(Loss adjustment expenses)	6,857	7,098
(Net commissions and brokerage fees)	1,392	1,515
(Provision for reserve for outstanding losses)	2,966	1,877
(Provision for underwriting reserves)	8,465	9,195
(Other underwriting expenses)	0	0
Investment expenses	1	4
(Losses on sale of securities)	1	4
Operating, general and administrative expenses	23,135	24,418
Other ordinary expenses	7	3
Ordinary Profit	4,209	4,680
Extraordinary Gains	-	-
Extraordinary Losses	503	890
Losses on sale or disposal of fixed assets	480	864
Provision for reserve for price fluctuations and others	22	25
Provision for reserve for price fluctuations	22	25
Income Before Income Taxes	3,706	3,790
Income Taxes –current	2,639	2,417
Income Taxes –deferred	(1,166)	(1,213)
Total Income Taxes	1,472	1,203
Net Income	2,233	2,586

3. Financial Summary (Year-on-Year Comparison)

(Millions of yen)

		For the year ended March 31, 2015	For the year ended March 31, 2016	Change (Amount)	Change (%)
Gross direct premiums written (Direct premiums written)		90,495 90,495	94,336 94,336	3,841 3,841	4.2 % 4.2
Ordinary Income (expenses)	Underwriting income (Net premiums written)	91,761 91,712	95,612 95,549	3,850 3,837	4.2 4.2
	Underwriting expenses (Net losses paid)	65,668 45,985	67,798 48,111	2,129 2,125	3.2 4.6
	(Loss adjustment expenses)	6,857	7,098	241	3.5
	(Net commissions and brokerage fees)	1,392	1,515	123	8.9
	Investment income (Interest income and dividends)	1,235 1,268	1,263 1,313	28 45	2.3 3.6
	(Gains on sale of securities)	15	12	(3)	(20.8)
	Investment expenses (Losses on sale of securities)	1 1	4 4	3 3	372.7 372.7
	Operating, general and administrative expenses (Operating, general and administrative expenses related to underwriting)	23,135 23,053	24,418 24,347	1,283 1,293	5.5 5.6
	Other ordinary income, net	17	25	8	46.1
	Ordinary profit (Underwriting profit)	4,209 3,044	4,680 3,470	470 426	11.2 14.0
Extraordinary gains (losses)	Extraordinary Gains	—	—	—	—
	Extraordinary Losses	503	890	386	76.9
	Extraordinary gains (losses), net	(503)	(890)	(386)	—
Income before income taxes		3,706	3,790	84	2.3
Income taxes - current		2,639	2,417	(221)	(8.4)
Income taxes - deferred		(1,166)	(1,213)	(47)	—
Total income taxes		1,472	1,203	(269)	(18.3)
Net Income		2,233	2,586	353	15.8
Ratios	Net loss ratio	57.6%	57.8%		
	Net expense ratio	26.7%	27.1%		
	Yield on investments (income basis)	1.10%	1.03%		
	Yield on investments (realized basis)	1.11%	1.03%		

(Reference)

Yield on investments (market value basis) : 2.44% for the year ended March 31, 2015 and 2.05% for the year ended March 31, 2016.

Notes:

- Underwriting profit = Underwriting income – (Underwriting expenses + Operating, general and administrative expenses related to underwriting) ± Other income (expenses). Other income (expenses) is the amount equivalent to the corporate income taxes for compulsory automobile liability insurance, etc.
- Calculation methods for yield on investments is described in separate attachments.

Calculation methods 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

- 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

- 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

4. Premiums and Losses Paid by Type of Policy

Direct Premiums Written

(Millions of yen)

	For the year ended March 31, 2015			For the year ended March 31, 2016		
	Amount	Composition %	YoY Change %	Amount	Composition %	YoY Change %
Fire	332	0.4	21.0	348	0.4	4.6
Marine	-	-	-	-	-	-
Personal accident	8,576	9.5	2.6	8,679	9.2	1.2
Voluntary automobile	81,585	90.2	3.6	85,308	90.4	4.6
Compulsory automobile liability	-	-	-	-	-	-
Total	90,495	100.0	3.6	94,336	100.0	4.2

Net Premiums Written

(Millions of yen)

	For the year ended March 31, 2015			For the year ended March 31, 2016		
	Amount	Composition %	YoY Change %	Amount	Composition %	YoY Change %
Fire	45	0.0	(56.4)	44	0.0	(2.8)
Marine	110	0.1	(27.9)	44	0.0	(59.7)
Personal accident	8,845	9.6	2.7	8,953	9.4	1.2
Voluntary automobile	81,375	88.7	3.7	85,123	89.1	4.6
Compulsory automobile liability	1,335	1.5	6.4	1,384	1.4	3.6
Total	91,712	100.0	3.5	95,549	100.0	4.2

Net Losses Paid

(Millions of yen)

	For the year ended March 31, 2015			For the year ended March 31, 2016		
	Amount	YoY Change %	Net loss ratio %	Amount	YoY Change %	Net loss ratio %
Fire	3	(6.3)	45.3	1	(46.1)	65.7
Marine	90	(30.1)	81.7	46	(48.9)	103.7
Personal accident	2,265	9.7	28.7	2,472	9.1	30.5
Voluntary automobile	42,414	(1.0)	60.2	44,320	4.5	60.1
Compulsory automobile liability	1,212	7.9	90.8	1,270	4.8	91.8
Total	45,985	(0.4)	57.6	48,111	4.6	57.8

5. Risk-Monitored Loans

Not applicable

6. Securities

(1) Trading-purpose securities

Not applicable

(2) Held-to-maturity securities

(Millions of yen)

		As of March 31, 2015			As of March 31, 2016		
		Balance sheet amount	Fair value	Difference	Balance sheet amount	Fair value	Difference
Fair value is higher than balance sheet amount	JGBs, other bonds	68,986	77,952	8,965	71,050	92,796	21,745
	Foreign securities	197	222	24	197	221	23
	Subtotal	69,183	78,174	8,990	71,248	93,017	21,769
Total		69,183	78,174	8,990	71,248	93,017	21,769

(3) Available-for-sale securities

(Millions of yen)

		As of March 31, 2015			As of March 31, 2016		
		Balance sheet amount	Acquisition cost	Difference	Balance sheet amount	Acquisition cost	Difference
Balance sheet amount is higher than acquisition cost	JGBs, other bonds	30,042	29,951	91	45,054	44,787	266
	Japanese stocks	2,548	729	1,819	3,708	729	2,978
	Subtotal	32,591	30,681	1,910	48,762	45,517	3,245
Balance sheet amount is lower than acquisition cost	JGBs, other bonds	8,648	8,658	(10)	6,190	6,201	(10)
	Others	1,385	1,385	-	1,055	1,055	-
	Subtotal	10,033	10,044	(10)	7,245	7,256	(10)
Total		42,625	40,725	1,899	56,008	52,774	3,234

(4) Available-for-sale securities sold during the fiscal year

(Millions of yen)

	For the year ended March 31, 2015			For the year ended March 31, 2016		
	Amount of sales	Total gains on sales	Total losses on sales	Amount of sales	Total gains on sales	Total losses on sales
JGBs, other bonds	6,952	15	1	9,480	12	4

7. Non-consolidated Solvency Margin Ratio

(Millions of yen)

	As of March 31, 2015	As of March 31, 2016
(A) Total non-consolidated solvency margin	36,650	42,701
Capital or treasury	23,389	24,682
Reserve for price fluctuations	124	149
Contingency reserve	82	91
Catastrophe reserve	11,344	14,363
General reserve for possible loan losses	-	-
Net unrealized gains on other securities	1,709	2,910
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	-	502
(B) Total non-consolidated risk $\sqrt{(R_1+R_2)^2+(R_3+R_4)^2+R_5+R_6}$	11,641	12,313
Ordinary insurance risk (R1)	10,465	10,906
Third-sector insurance risk (R2)	-	-
Assumed interest rate risk (R3)	86	96
Asset management risk (R4)	1,101	1,416
Business management risk (R5)	371	269
Major catastrophe risk (R6)	737	1,033
(C) Non-consolidated solvency margin ratio $[(A)/\{(B)\times 1/2\}]\times 100$	629.6 %	693.5 %

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.

<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)).

“Risk events outside the normal scope of expectations” refers to the total of the amounts represented by the following risk

- (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 yields 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.