

Summary Information on Sony Assurance's Financial Results
for the Nine Months Ended December 31, 2016

<Contents>

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

1. Balance Sheets

(Millions of yen)

	As of March 31, 2016	As of December 31, 2016
Assets:		
Cash and deposits	8,381	6,610
Securities	127,256	135,042
Tangible fixed assets	4,024	3,616
Intangible fixed assets	5,988	7,272
Other assets	20,363	19,743
Deferred tax assets	6,308	7,136
Total Assets	172,323	179,422
Liabilities:		
Underwriting reserves	133,246	142,129
Reserve for outstanding losses and claims	37,542	39,046
Underwriting reserves	95,704	103,083
Other liabilities	8,339	5,567
Income taxes payable	1,442	720
Others	6,897	4,846
Reserve for employees' retirement benefits	1,281	1,407
Reserve for directors' retirement benefits	44	34
Reserve for employees' bonuses	956	496
Reserve under the special laws	149	170
Reserve for price fluctuations	149	170
Total Liabilities	144,018	149,805
Net Assets:		
Shareholders' equity		
Common stock	20,000	20,000
Capital surplus	3,389	3,389
Retained earnings	2,586	4,918
Total shareholders' equity	25,976	28,308
Valuation and translation adjustments		
Net unrealized gains (losses) on other securities, net of taxes	2,328	1,309
Total valuation and translation adjustments	2,328	1,309
Total Net Assets	28,305	29,617
Total Liabilities and Net Assets	172,323	179,422

2. Statements of Income

(Millions of yen)

	For the nine months ended December 31, 2015	For the nine months ended December 31, 2016
Ordinary Revenues	72,776	75,944
Underwriting income	71,803	74,323
(Net premiums written)	71,762	74,273
(Interest and dividends on deposits of premiums)	41	50
Investment income	952	1,595
(Interest income and dividends)	981	994
(Gains on sale of securities)	12	650
(Transfer to interest and dividends on deposits of premiums)	(41)	(50)
Other ordinary income	21	25
Ordinary Expenses	68,952	70,948
Underwriting expenses	50,924	52,556
(Net losses paid)	35,513	36,941
(Loss adjustment expenses)	5,267	5,519
(Net commissions and brokerage fees)	1,123	1,212
(Provision for reserve for outstanding losses and claims)	1,651	1,503
(Provision for underwriting reserves)	7,368	7,378
Investment expenses	4	-
(Losses on sale of securities)	4	-
Operating, general and administrative expenses	18,021	18,388
Other ordinary expenses	2	4
Ordinary Profit	3,823	4,995
Extraordinary Gains	-	-
Extraordinary Losses	883	20
Losses on sale or disposal of fixed assets	864	0
Provision for reserve under the special laws	19	20
Provision for reserve for price fluctuations	19	20
Income Before Income Taxes	2,940	4,975
Income Taxes –Current	1,489	1,780
Income Taxes –Deferred	(675)	(431)
Total Income Taxes	814	1,348
Net Income	2,126	3,626

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

(Millions of yen)

		For the nine months ended December 31, 2015	For the nine months ended December 31, 2016	Change (Amount)	Change (%)
Gross direct premiums written		70,810	73,317	2,507	3.5 %
(Direct premiums written)		70,810	73,317	2,507	3.5
Ordinary Income (expenses)	Underwriting income	71,803	74,323	2,520	3.5
	(Net premiums written)	71,762	74,273	2,511	3.5
	Underwriting expenses	50,924	52,556	1,631	3.2
	(Net losses paid)	35,513	36,941	1,428	4.0
	(Loss adjustment expenses)	5,267	5,519	251	4.8
	(Net commissions and brokerage fees)	1,123	1,212	89	8.0
	Investment income	952	1,595	642	67.5
	(Interest income and dividends)	981	994	13	1.4
	(Gains on sale of securities)	12	650	638	5,233.0
	Investment expenses	4	-	(4)	(100.0)
(Losses on sale of securities)	4	-	(4)	(100.0)	
Operating, general and administrative expenses		18,021	18,388	366	2.0
(Operating, general and administrative expenses related to underwriting)		17,966	18,346	380	2.1
Other ordinary income, net		18	20	1	10.7
Ordinary profit		3,823	4,995	1,171	30.6
(Underwriting profit)		2,911	3,420	508	17.5
Extraordinary Gains (losses)	Extraordinary Gains	-	-	-	-
	Extraordinary Losses	883	20	(862)	(97.7)
	Extraordinary gains (losses), net	(883)	(20)	862	-
Income Before Income Taxes		2,940	4,975	2,034	69.2
Income Taxes —Current		1,489	1,780	290	19.5
Income Taxes —Deferred		(675)	(431)	243	-
Total Income Taxes		814	1,348	534	65.7
Net Income		2,126	3,626	1,499	70.5
Ratios	Net loss ratio	56.8%	57.2%		
	Net expense ratio	26.6%	26.3%		

Notes: 1. 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.

2. Ratios are calculated as follows:

Net loss ratio=(Net losses paid + Loss adjustment expenses) / Net premiums written x 100

Net expense ratio=(Net commissions and brokerage fees + Operating, general and administrative expenses related to underwriting) / Net premium written x 100

4. Premiums and Losses Paid by Type of Policy

Direct Premiums Written

(Millions of yen)

	For the nine months ended December 31, 2015			For the nine months ended December 31, 2016		
	Amount	Composition	YoY Change	Amount	Composition	YoY Change
Fire	259	0.4	26.1	170	0.2	(34.4)
Marine	-	-	-	-	-	-
Personal accident	6,496	9.2	1.1	6,583	9.0	1.3
Voluntary automobile	64,053	90.5	4.5	66,563	90.8	3.9
Compulsory automobile liability	-	-	-	-	-	-
Total	70,810	100.0	4.2	73,317	100.0	3.5

Net Premiums Written

(Millions of yen)

	For the nine months ended December 31, 2015			For the nine months ended December 31, 2016		
	Amount	Composition	YoY Change	Amount	Composition	YoY Change
Fire	35	0.0	25.0	18	0.0	(48.9)
Marine	36	0.1	(64.3)	(2)	(0.0)	(106.8)
Personal accident	6,721	9.4	1.2	6,811	9.2	1.3
Voluntary automobile	63,913	89.1	4.5	66,371	89.4	3.8
Compulsory automobile liability	1,055	1.5	6.1	1,074	1.4	1.9
Total	71,762	100.0	4.1	74,273	100.0	3.5

Net Losses Paid

(Millions of yen)

	For the nine months ended December 31, 2015			For the nine months ended December 31, 2016		
	Amount	YoY Change	Net loss ratio	Amount	YoY Change	Net loss ratio
Fire	1	(46.5)	60.0	5	335.4	127.6
Marine	122	48.3	337.3	(9)	(107.6)	-
Personal accident	1,838	7.2	30.5	1,919	4.4	31.2
Voluntary automobile	32,587	5.3	58.9	34,034	4.4	59.3
Compulsory automobile liability	963	4.9	91.3	991	2.9	92.2
Total	35,513	5.5	56.8	36,941	4.0	57.2

5. Non-consolidated Solvency Margin Ratio

(Millions of yen)

	As of March 31, 2016	As of December 31, 2016
(A) Total non-consolidated solvency margin	42,701	48,746
Capital or treasury, etc.	24,682	28,308
Reserve for price fluctuations	149	170
Contingency reserve	91	98
Catastrophe reserve	14,363	16,720
General reserve for possible loan losses	-	-
Net unrealized gains on other securities and net deferred gains (losses) on hedging instruments (before tax deductions)	2,910	1,636
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	1,812
(B) Total non-consolidated risk $\sqrt{(R_1+R_2)^2+(R_3+R_4)^2+R_5+R_6}$	12,313	12,641
Ordinary insurance risk (R ₁)	10,906	11,239
Third-sector insurance risk (R ₂)	-	-
Assumed interest rate risk (R ₃)	96	103
Asset management risk (R ₄)	1,416	1,361
Business management risk (R ₅)	269	274
Major catastrophe risk (R ₆)	1,033	1,032
(C) Non-consolidated solvency margin ratio [(A) / {(B) × 1/2}] × 100	693.5 %	771.1 %

Note: The above figures are calculated based on the provisions in Articles 86 and 87 of the Ordinance for Enforcement of the Insurance Business Act of Japan and 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 cover against risk events which exceed its normal estimates, i.e. occurrence of a major catastrophe or a dramatic drop in the value of the assets they hold.

Total risk (item (B) in the table) indicates risk events which exceed the normal estimates.

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 which exceed the normal estimates" refers to the total of the amounts represented by the following risks :

(1) Insurance underwriting risk : Risk which exceeds the normal estimates for the rate of accident occurrence
(Ordinary insurance risk) (excluding major catastrophe risk)
(Third-sector insurance 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.

When this ratio is 200% or higher, an insurer is judged to have sufficient ability to satisfy claims and other payments.