

Summary Information on Sony Assurance's Financial Results
for the Six Months Ended September 30, 2019

<Contents>

1. Balance Sheets	P.2
2. Statements of Income	P.3
3. Financial Summary	P.4
4. Premiums and Losses Paid by Type of Policy	P.5
5. Risk-monitored Loans	P.5
6. Securities	P.6
7. Non-consolidated Solvency Margin Ratio	P.7

Disclaimer:

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

1. Balance Sheets

(Millions of yen)

	As of March 31, 2019	As of September 30, 2019
Assets:		
Cash and deposits	20,043	31,290
Securities	157,959	153,297
Tangible fixed assets	1,689	1,491
Intangible fixed assets	10,012	10,961
Other assets	18,609	16,470
Accounts receivable	11,115	8,916
Others	7,493	7,554
Deferred tax assets	11,328	11,776
Total Assets	219,643	225,286
Liabilities:		
Underwriting reserves	168,494	175,104
Reserve for outstanding losses and claims	40,674	41,157
Underwriting reserves	127,819	133,946
Other liabilities	13,018	10,515
Income taxes payable	1,938	2,345
Others	11,080	8,170
Reserve for employees' retirement benefits	1,857	1,881
Reserve for employees' bonuses	1,236	1,210
Reserve under the special laws	238	253
Reserve for price fluctuations	238	253
Total Liabilities	184,844	188,966
Net Assets:		
Shareholders' equity		
Common stock	20,000	20,000
Capital surplus	3,389	3,389
Retained earnings	10,460	12,071
Total shareholders' equity	33,849	35,460
Valuation and translation adjustments		
Net unrealized gains (losses) on available-for-sale securities, net of taxes	949	859
Total valuation and translation adjustments	949	859
Total Net Assets	34,798	36,320
Total Liabilities and Net Assets	219,643	225,286

2. Statements of Income

(Millions of yen)

	For the six months ended September 30, 2018	For the six months ended September 30, 2019
Ordinary Revenues	57,762	60,672
Underwriting income	56,552	59,346
Net premiums written	56,520	59,307
Interest and dividends on deposits of premiums	32	38
Investment income	1,172	1,302
Interest income and dividends	679	668
Gains on sale of securities	526	672
Transfer to interest and dividends on deposits of premiums	(32)	(38)
Other ordinary income	36	23
Ordinary Expenses	52,312	54,901
Underwriting expenses	38,974	40,535
Net losses paid	26,830	28,821
Loss adjustment expenses	4,031	4,269
Net commissions and brokerage fees	867	834
Provision for reserve for outstanding losses and claims	1,782	483
Provision for underwriting reserves	5,463	6,127
Investment expenses	0	—
Losses on sale of securities	0	—
Operating, general and administrative expenses	13,336	14,363
Other ordinary expenses	0	2
Ordinary Profit	5,449	5,770
Extraordinary Gains	—	—
Extraordinary Losses	20	33
Losses on disposal of fixed assets	4	18
Provision for reserve under the special laws	15	15
Provision for reserve for price fluctuations	15	15
Income Before Income Taxes	5,429	5,736
Income Taxes—Current	1,802	2,039
Income Taxes—Deferred	(267)	(413)
Total Income Taxes	1,535	1,625
Net Income	3,894	4,111

3. Financial Summary (Comparison to previous year)

(Millions of yen)

	For the six months ended September 30, 2018	For the six months ended September 30, 2019	YoY change (Amount)	YoY change (%)
Gross direct premiums written	55,950	59,096	+3,145	+5.6
Direct premiums written	55,950	59,096	+3,145	+5.6
Underwriting income	56,552	59,346	+2,793	+4.9
Net premiums written	56,520	59,307	+2,787	+4.9
Underwriting expenses	38,974	40,535	+1,560	+4.0
Net losses paid	26,830	28,821	+1,990	+7.4
Loss adjustment expenses	4,031	4,269	+237	+5.9
Net commissions and brokerage fees	867	834	(33)	(3.8)
Investment income	1,172	1,302	+129	+11.1
Interest income and dividends	679	668	(10)	(1.6)
Gains on sale of securities	526	672	+146	+27.9
Investment expenses	0	—	(0)	(100)
Losses on sale of securities	0	—	(0)	(100)
Operating, general and administrative expenses	13,336	14,363	+1,026	+7.7
Operating, general and administrative expenses related to underwriting	13,304	14,325	+1,021	+7.7
Other ordinary income (losses), net	35	20	(15)	(42.7)
Ordinary profit	5,449	5,770	+320	+5.9
Underwriting profit	4,272	4,484	+212	+5.0
Extraordinary Gains	—	—	—	—
Extraordinary Losses	20	33	+13	+63.6
Extraordinary gains (losses), net	(20)	(33)	(13)	—
Income Before Income Taxes	5,429	5,736	+307	+5.7
Income Taxes—Current	1,802	2,039	+236	+13.1
Income Taxes—Deferred	(267)	(413)	(145)	—
Total Income Taxes	1,535	1,625	+90	+5.9
Net Income	3,894	4,111	+217	+5.6
Net loss ratio	54.6%	55.8%		
Net expense ratio	25.1%	25.6%		
Adjusted ordinary profit	7,244	7,683	+438	+6.1
E.I. loss ratio	61.2%	60.6%		

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

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

4. Adjusted ordinary profit = Ordinary profit + Provision for catastrophe reserve

* Provision for catastrophe reserve is described as positive amount.

5. E.I. loss ratio = (Net losses paid + Provision for reserve for outstanding losses and claims + Loss adjustment expenses) / Earned premiums x 100

* Earthquake insurance and compulsory automobile liability insurance are excluded from the above calculation.

4. Premiums and Losses Paid by Type of Policy

Direct premiums written

(Millions of yen)

	For the six months ended September 30, 2018			For the six months ended September 30, 2019		
	Amount	Composition	YoY change	Amount	Composition	YoY change
		%	%		%	%
Fire	110	0.2	+7.0	819	1.4	+645.0
Marine	—	—	—	—	—	—
Personal accident	4,361	7.8	+0.3	4,637	7.8	+6.3
Voluntary automobile	51,478	92.0	+5.8	53,638	90.8	+4.2
Compulsory automobile liability	—	—	—	—	—	—
Total	55,950	100.0	+5.3	59,096	100.0	+5.6

Net premiums written

(Millions of yen)

	For the six months ended September 30, 2018			For the six months ended September 30, 2019		
	Amount	Composition	YoY change	Amount	Composition	YoY change
		%	%		%	%
Fire	8	0.0	+8.5	449	0.8	+5,023.9
Marine	—	—	—	0	0.0	—
Personal accident	4,441	7.9	(0.3)	4,502	7.6	+1.4
Voluntary automobile	51,336	90.8	+5.7	53,491	90.2	+4.2
Compulsory automobile liability	733	1.3	(6.0)	863	1.5	+17.7
Total	56,520	100.0	+5.1	59,307	100.0	+4.9

Net losses paid, net loss ratio

(Millions of yen)

	For the six months ended September 30, 2018			For the six months ended September 30, 2019		
	Amount	YoY change	Net loss ratio	Amount	YoY change	Net loss ratio
		%	%		%	%
Fire	3	+63.8	269.9	9	+131.2	7.8
Marine	2	(36.4)	—	(3)	(266.5)	—
Personal accident	1,402	+3.0	35.2	1,559	+11.2	37.8
Voluntary automobile	24,749	+8.0	55.7	26,595	+7.5	57.4
Compulsory automobile liability	671	+2.6	91.6	660	(1.6)	76.6
Total	26,830	+7.6	54.6	28,821	+7.4	55.8

5. Risk-monitored Loans

Not applicable

6. Securities

(1) Held-to-maturity securities

(Millions of yen)

	As of March 31, 2019			As of September 30, 2019		
	Balance sheet amount	Fair value	Difference	Balance sheet amount	Fair value	Difference
Fair value exceeding balance sheet amount						
Japanese bonds	79,921	101,571	21,650	78,489	103,025	24,536
Foreign securities	198	208	10	198	206	8
Subtotal	80,119	101,779	21,660	78,687	103,232	24,545
Fair value not exceeding balance sheet amount						
Japanese bonds	—	—	—	1,550	1,477	(72)
Total	80,119	101,779	21,660	80,237	104,710	24,472

(2) Available-for-sale securities

(Millions of yen)

	As of March 31, 2019			As of September 30, 2019		
	Balance sheet amount	Acquisition cost	Difference	Balance sheet amount	Acquisition cost	Difference
Balance sheet amount exceeding acquisition cost						
Japanese bonds	49,970	49,899	70	48,912	48,854	57
Japanese stocks	1,599	324	1,274	1,364	202	1,161
Foreign securities	—	—	—	200	200	0
Subtotal	51,569	50,223	1,345	50,476	49,257	1,219
Balance sheet amount not exceeding acquisition cost						
Japanese bonds	26,271	26,298	(27)	21,282	21,301	(19)
Foreign securities	—	—	—	1,299	1,305	(5)
Subtotal	26,271	26,298	(27)	22,582	22,607	(25)
Total	77,840	76,521	1,318	73,059	71,865	1,194

7. Non-consolidated Solvency Margin Ratio

(Millions of yen)

	As of March 31, 2019	As of September 30, 2019
(A) Total non-consolidated solvency margin	60,010	65,803
Capital or treasury, etc.	31,349	34,210
Reserve for price fluctuations	238	253
Contingency reserve	122	126
Catastrophe reserve	24,636	26,548
General reserve for possible loan losses	—	—
Net unrealized gains on available-for-sale securities and net deferred gains (losses) on hedging instruments (before tax deductions)	1,186	1,074
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	2,476	3,588
(B) Total non-consolidated risk $\sqrt{(R_1+R_2)^2+(R_3+R_4)^2+R_5+R_6}$	14,760	15,019
Ordinary insurance risk (R ₁)	13,181	13,436
Third-sector insurance risk (R ₂)	0	0
Assumed interest rate risk (R ₃)	123	128
Asset management risk (R ₄)	1,861	1,895
Business management risk (R ₅)	325	331
Major catastrophe risk (R ₆)	1,105	1,100
(C) Non-consolidated solvency margin ratio	813.0 %	876.2 %
[(A) / {(B) × 1/2}] × 100		

Note: The above figures are calculated based on 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.