

Summary Information on Sony Assurance's Financial Results
for the Nine Months Ended December 31, 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. Non-consolidated Solvency Margin Ratio	P.6

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 December 31, 2019
Assets:		
Cash and deposits	20,043	26,501
Call loans	—	5,000
Securities	157,959	151,331
Tangible fixed assets	1,689	1,594
Intangible fixed assets	10,012	12,174
Other assets	18,609	16,577
Deferred tax assets	11,328	11,710
Total Assets	219,643	224,889
Liabilities:		
Underwriting reserves	168,494	177,148
Reserve for outstanding losses and claims	40,674	41,178
Underwriting reserves	127,819	135,970
Other liabilities	13,018	7,506
Income taxes payable	1,938	939
Others	11,080	6,567
Reserve for employees' retirement benefits	1,857	1,933
Reserve for employees' bonuses	1,236	547
Reserve under the special laws	238	261
Reserve for price fluctuations	238	261
Total Liabilities	184,844	187,397
Net Assets:		
Shareholders' equity		
Common stock	20,000	20,000
Capital surplus	3,389	3,389
Retained earnings	10,460	13,379
Total shareholders' equity	33,849	36,769
Valuation and translation adjustments		
Net unrealized gains (losses) on available-for-sale securities, net of taxes	949	722
Total valuation and translation adjustments	949	722
Total Net Assets	34,798	37,492
Total Liabilities and Net Assets	219,643	224,889

2. Statements of Income

(Millions of yen)

	For the nine months ended December 31, 2018	For the nine months ended December 31, 2019
Ordinary Revenues	86,296	90,524
Underwriting income	84,748	88,877
Net premiums written	84,699	88,818
Interest and dividends on deposits of premiums	48	58
Investment income	1,503	1,619
Interest income and dividends	1,025	1,005
Gains on sale of securities	526	672
Transfer to interest and dividends on deposits of premiums	(48)	(58)
Other ordinary income	44	26
Ordinary Expenses	78,902	82,917
Underwriting expenses	58,410	61,366
Net losses paid	42,031	44,968
Loss adjustment expenses	6,025	6,476
Net commissions and brokerage fees	1,295	1,266
Provision for reserve for outstanding losses and claims	1,380	504
Provision for underwriting reserves	7,677	8,150
Investment expenses	0	—
Losses on sale of securities	0	—
Operating, general and administrative expenses	20,490	21,547
Other ordinary expenses	1	3
Ordinary Profit	7,394	7,606
Extraordinary Gains	—	—
Extraordinary Losses	28	41
Losses on disposal of fixed assets	4	18
Provision for reserve under the special laws	23	22
Provision for reserve for price fluctuations	23	22
Income Before Income Taxes	7,365	7,565
Income Taxes—Current	2,417	2,440
Income Taxes—Deferred	(332)	(294)
Total Income Taxes	2,085	2,146
Net Income	5,279	5,419

3. Financial Summary (Comparison to previous year)

(Millions of yen)

	Nine months ended December 31, 2018	Nine months ended December 31, 2019	YoY change (Amount)	YoY change (%)
Gross direct premiums written	83,924	88,551	+4,627	+5.5
Direct premiums written	83,924	88,551	+4,627	+5.5
Underwriting income	84,748	88,877	+4,129	+4.9
Net premiums written	84,699	88,818	+4,119	+4.9
Underwriting expenses	58,410	61,366	+2,956	+5.1
Net losses paid	42,031	44,968	+2,937	+7.0
Loss adjustment expenses	6,025	6,476	+451	+7.5
Net commissions and brokerage fees	1,295	1,266	(28)	(2.2)
Investment income	1,503	1,619	+116	+7.7
Interest income and dividends	1,025	1,005	(20)	(2.0)
Gains on sale of securities	526	672	+146	+27.8
Investment expenses	0	—	(0)	(100.0)
Losses on sale of securities	0	—	(0)	(100.0)
Operating, general and administrative expenses	20,490	21,547	+1,057	+5.2
Operating, general and administrative expenses related to underwriting	20,435	21,494	+1,059	+5.2
Other ordinary income (losses), net	42	23	(19)	(44.5)
Ordinary profit	7,394	7,606	+212	+2.9
Underwriting profit	5,902	6,015	+113	+1.9
Extraordinary Gains	—	—	—	—
Extraordinary Losses	28	41	+12	+41.9
Extraordinary gains (losses), net	(28)	(41)	(12)	—
Income Before Income Taxes	7,365	7,565	+200	+2.7
Income Taxes—Current	2,417	2,440	+22	+0.9
Income Taxes—Deferred	(332)	(294)	+38	—
Total Income Taxes	2,085	2,146	+61	+2.9
Net Income	5,279	5,419	+139	+2.6
Net loss ratio	56.7%	57.9%		
Net expense ratio	25.7%	25.6%		
Adjusted ordinary profit	10,079	9,939	(140)	(1.4)
E.I. loss ratio	61.5%	62.2%		

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 nine months ended December 31, 2018			For the nine months ended December 31, 2019		
	Amount	Composition	YoY change	Amount	Composition	YoY change
		%	%		%	%
Fire	244	0.3	+64.5	1,408	1.6	+475.4
Marine	—	—	—	—	—	—
Personal accident	6,576	7.8	+0.9	6,958	7.9	+5.8
Voluntary automobile	77,103	91.9	+5.1	80,184	90.6	+4.0
Compulsory automobile liability	—	—	—	—	—	—
Total	83,924	100.0	+4.8	88,551	100.0	+5.5

Net premiums written

(Millions of yen)

	For the nine months ended December 31, 2018			For the nine months ended December 31, 2019		
	Amount	Composition	YoY change	Amount	Composition	YoY change
		%	%		%	%
Fire	68	0.1	+502.5	793	0.9	+1,053.9
Marine	(0)	(0.0)	(100.0)	0	0.0	—
Personal accident	6,653	7.9	(0.3)	6,769	7.6	+1.7
Voluntary automobile	76,865	90.8	+5.0	79,964	90.0	+4.0
Compulsory automobile liability	1,110	1.3	(1.9)	1,292	1.5	+16.3
Total	84,699	100.0	+4.5	88,818	100.0	+4.9

Net losses paid, net loss ratio

(Millions of yen)

	For the nine months ended December 31, 2018			For the nine months ended December 31, 2019		
	Amount	YoY change	Net loss ratio	Amount	YoY change	Net loss ratio
		%	%		%	%
Fire	11	+102.0	59.5	101	813.2	17.6
Marine	10	+273.5	—	(3)	(136.5)	—
Personal accident	2,218	+9.3	37.1	2,389	7.7	38.4
Voluntary automobile	38,760	+9.2	57.9	41,465	7.0	59.6
Compulsory automobile liability	1,030	+3.5	92.8	1,015	(1.5)	78.6
Total	42,031	+9.1	56.7	44,968	7.0	57.9

5. Non-consolidated Solvency Margin Ratio

(Millions of yen)

	As of March 31, 2019	As of December 31, 2019
(A) Total non-consolidated solvency margin	60,010	69,615
Capital or treasury, etc.	31,349	36,769
Reserve for price fluctuations	238	261
Contingency reserve	122	129
Catastrophe reserve	24,636	26,968
General reserve for possible loan losses	—	—
Net unrealized gains (losses) on available-for-sale securities and net deferred gains (losses) on hedging instruments (before tax deductions)	1,186	903
Net unrealized gains (losses) 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	4,583
(B) Total non-consolidated risk	14,760	15,139
Ordinary insurance risk (R_1)	13,181	13,565
Third-sector insurance risk (R_2)	0	0
Assumed interest rate risk (R_3)	123	130
Asset management risk (R_4)	1,861	1,827
Business management risk (R_5)	325	332
Major catastrophe risk (R_6)	1,105	1,100
(C) Non-consolidated solvency margin ratio	813.0 %	919.6 %
$[(A) / \{(B) \times 1/2\}] \times 100$		

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.

A part of calculations for non-consolidated solvency margin ratio as of December 31, 2019 is calculated according to simplified methods in major catastrophe risk. The figure is assumed to be equivalent to the amount as of September 30, 2019.