

**Summary Information on Sony Life's Financial Results**  
**for the Six Months Ended September 30, 2016**

**<Contents>**

1. Key Performance Results	
(1) Policy Amount in Force and New Policy Amount	P. 2
(2) Annualized Premiums	P. 2
(3) Major P/L Items	P. 3
(4) Total Assets	P. 3
2. Status of Investment Assets (General Account)	
(1) Investment Environment	P. 4
(2) Investment Policy	P. 4
(3) Results of Investment	P. 4
3. Status of Investment Assets (General Account)	
(1) Portfolio of General Account Assets	P. 5
(2) Changes in General Account Assets by Category	P. 5
(3) Investment Income	P. 6
(4) Investment Expenses	P. 6
(5) Valuation Gains (Losses) on Trading-purpose Securities	P. 7
(6) Fair Value Information on Securities	P. 7
(7) Fair Value Information on Monetary Trusts (General Account)	P. 9
4. Non-consolidated Balance Sheets	P. 10
5. Non-consolidated Statements of Income	P. 11
6. Reconciliation to Core Profit and Non-consolidated Ordinary Profit	P. 12
7. Loans by Borrower Category	P. 13
8. Risk-monitored Loans	P. 13
9. Solvency Margin Ratio	P. 14
(Reference) Consolidated Solvency Margin Ratio	P. 15
10. Status of Separate Account Assets	
(1) Balance of Separate Account Assets	P. 16
(2) Policy Amount in Force (Separate Account)	P. 16

## 1. Key Performance Results

### (1) Policy Amount in Force and New Policy Amount

#### Policy amount in force

(Number: Thousand, Amount: 100 millions of yen, %)

Category	As of September 30, 2015		As of March 31, 2016		As of September 30, 2016					
	Number	Amount	Number	Amount	Number	% YoY change	% change from March 31, 2016	Amount	% YoY change	% change from March 31, 2016
Individual life insurance	6,732	414,215	6,880	422,937	7,019	104.3	102.0	431,645	104.2	102.1
Individual annuities	141	7,214	166	8,560	184	130.0	110.7	9,499	131.7	111.0
Subtotal	6,874	421,430	7,046	431,498	7,203	104.8	102.2	441,144	104.7	102.2
Group life insurance	-	15,397	-	15,993	-	-	-	17,268	112.1	108.0
Group annuities	-	139	-	130	-	-	-	122	87.9	93.9

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

(Number: Thousand, Amount: 100 millions of yen, %)

Category	For the six months ended September 30, 2015				For the six months ended September 30, 2016					
	Number	Amount	New policies	Increase from conversion	Number	% YoY change	Amount	% YoY change	New policies	Increase from conversion
Individual life insurance	303	24,802	24,802	-	260	86.0	23,440	94.5	23,440	-
Individual annuities	23	1,347	1,347	-	19	82.5	1,049	77.9	1,049	-
Subtotal	327	26,150	26,150	-	280	85.7	24,490	93.7	24,490	-
Group life insurance	-	8	8	-	-	-	16	193.6	16	-
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) Annualized Premiums

#### Policy amount in force

(Millions of yen, %)

Category	As of September 30, 2015	As of March 31, 2016	As of September 30, 2016	% YoY change	% change from March 31, 2016
	Individual life insurance	734,236	751,820	767,484	104.5
Individual annuities	24,900	29,495	32,197	129.3	109.2
Total	759,136	781,315	799,681	105.3	102.4
Of which, medical protection, living benefit protection and other products	176,122	179,707	184,055	104.5	102.4

#### New policies

(Millions of yen, %)

Category	For the six months ended September 30, 2015	For the six months ended September 30, 2016	% YoY change
	Individual life insurance	38,894	35,625
Individual annuities	4,159	3,133	75.4
Total	43,053	38,759	90.0
Of which, medical protection, living benefit protection and other products	7,383	8,101	109.7

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 single premium 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.).

**(3) Major P/L Items**

(Millions of yen, %)

Category	For the six months ended September 30, 2015	For the six months ended September 30, 2016	
			% YoY Change
Income from insurance premiums	508,798	477,426	93.8
Investment income	84,461	80,477	95.3
Insurance claims and other payments	173,103	163,350	94.4
Investment expenses	35,674	40,604	113.8

**(4) Total Assets**

(Millions of yen, %)

Category	As of March 31, 2016	As of September 30, 2016	
			% Change from March 31, 2016
Total assets	8,035,408	8,365,201	104.1

## 2. Status of Investment Assets (General Account)

### (1) Investment Environment

During the six months ended September 30, 2016, Japanese economic performance was weak, affected by such factors as yen appreciation and deceleration in emerging markets. Real GDP growth (2nd preliminary figures<sup>1</sup>) was up 0.2% (seasonally adjusted annualized rate of 0.7%) during the April–June quarter, exhibiting slight positive growth compared with the previous quarter. Looking at individual demand factors, housing investment was up 5.0% and public investment was up 2.6%, but growth in personal consumption was low, at +0.1%, affected by unfavorable weather. Against the backdrop of yen appreciation and other factors, a slowdown in exports was a negative contributor. Nominal GDP growth for the quarter was up 0.3% compared with the previous quarter (seasonally adjusted annualized rate of 1.3%). Real GDP growth for the July–September quarter<sup>2</sup> is expected to remain lackluster, due to an absence of factors supporting economic growth.

The Japanese bond market moved within a wide range. Buying operations by the Bank of Japan (BOJ) caused long-term interest rates to remain low and flat. However, reports in June that concentrated on the United Kingdom's decision to exit the European Union prompted an increasingly uncertain outlook. In response, yields on 10-year Japanese government bonds (JGBs), an indicator of long-term interest rates, fell from negative 0.029% (closing price) on March 31 to negative 0.287% (closing price) at one point in July. On the one hand at a policy meeting at the end of July, the BOJ countered market expectations with a decision to forego a further reduction in negative interest rates. This decision prompted a significant rebound in long-term interest rates, which remained flat thereafter. As of September 30, yields on 10-year JGBs were negative 0.089%, slightly below their level on March 31.

Stock market performance was generally flat, moving within a wide range. At the beginning of the period, such positive factors as rising crude oil prices and steady overseas stock markets pushed up stock prices in Japan. However, reports in June that concentrated on the United Kingdom's decision to exit the European Union plus risk hedging trends prompted a sharp decline in the Nikkei Stock Average, which fell below ¥15,000 at one point. In July, a resounding victory by the Liberal Democratic Party of Japan and the Komeito in the Upper House election and increased share purchases by the BOJ pushed stock prices back up. At the same time, favorable U.S. employment data had a positive impact on worldwide high stock prices. As of September 30, the Nikkei average was ¥16,449.84, down slightly from the March 31 figure of ¥16,758.67.

On foreign exchange markets, the yen appreciated against the U.S. dollar. Rising crude oil prices and mounting anticipation about a U.S. interest rate hike led temporarily to yen depreciation, but low commodity prices and the BOJ's decision to forego a further reduction in already negative interest rates prompted dollar depreciation/yen appreciation from ¥112.57 against the U.S. dollar on March 31 to ¥101.35 on September 30. In yen/euro trading, growing uncertainty about the Eurozone economy caused the euro to depreciate against the yen. As of September 30, the yen was trading at ¥113.92 against the euro, compared with ¥128.11 on March 31.

### (2) Investment Policy

Our investment policy is based on asset liability management (ALM), a strategy stemming from an understanding of the characteristics of insurance liabilities and prioritizing investments in assets that have corresponding characteristics. Specifically, as life insurance policies represent long-term liabilities, we invest primarily in ultralong-term Japanese government and corporate bonds that have a long term remaining until maturity. This approach allows us to appropriately control the risks associated with interest rate fluctuations on insurance liabilities. Meanwhile, we limit our investments in risky assets such as equities.

### (3) Results of Investment

As of September 30, 2016, general account assets totaled ¥7,508.5 billion, up 4.5%, or ¥323.4 billion, from previous fiscal year ended March 31, 2016. Within general account assets, Japanese government and corporate bond investment totaled ¥6,586.5 billion (accounting for 87.7% of total general account assets), foreign government and corporate bonds ¥164.0 billion (2.2%), Japanese stocks ¥33.0 billion (0.4%), monetary trusts ¥279.5 billion (3.7%), policy loans ¥175.9 billion (2.3%), real estate ¥118.1 billion (1.6%), and cash and cash deposits and call loans ¥44.4 billion (0.6%).

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<sup>1</sup> Announced on September 8, 2016

<sup>2</sup> Initial preliminary report expected on November 14, 2016

### 3. Status of Investment Assets (General Account)

#### (1) Portfolio of General Account Assets

(Millions of yen, %)

Category	As of March 31, 2016		As of September 30, 2016	
	Amount	% of total	Amount	% of total
Cash and deposits, call loans	52,551	0.7	44,487	0.6
Securities repurchased under resale agreements	-	-	-	-
Pledged money for bond borrowing transaction	-	-	-	-
Monetary claims purchased	-	-	-	-
Securities under proprietary accounts	-	-	-	-
Monetary trusts	280,973	3.9	279,527	3.7
Securities	6,479,336	90.2	6,804,589	90.6
Japanese government and corporate bonds	6,351,176	88.4	6,586,564	87.7
Japanese stocks	33,364	0.5	33,078	0.4
Foreign securities	93,140	1.3	183,373	2.4
Bonds	70,134	1.0	164,063	2.2
Stocks, etc.	23,005	0.3	19,310	0.3
Other securities	1,654	0.0	1,573	0.0
Loans	171,649	2.4	175,964	2.3
Real estate	115,816	1.6	118,198	1.6
Deferred tax assets	-	-	-	-
Other assets	85,031	1.2	86,069	1.1
Reserve for possible loan losses	(272)	(0.0)	(275)	(0.0)
Total	7,185,084	100.0	7,508,562	100.0
Of which, foreign-currency-denominated assets	91,817	1.3	184,002	2.5

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

#### (2) Changes in General Account Assets by Category

(Millions of yen)

Category	For the six months ended September 30, 2015	For the six months ended September 30, 2016
Cash and deposits, call loans	97,180	(8,064)
Securities repurchased under resale agreements	-	-
Pledged money for bond borrowing transaction	-	-
Monetary claims purchased	-	-
Securities under proprietary accounts	-	-
Monetary trusts	(24,093)	(1,445)
Securities	371,291	325,253
Japanese government and corporate bonds	420,547	235,388
Japanese stocks	(8,467)	(286)
Foreign securities	(40,065)	90,233
Bonds	(39,503)	93,928
Stocks, etc.	(561)	(3,695)
Other securities	(722)	(81)
Loans	5,462	4,315
Real estate	(890)	2,382
Deferred tax assets	2,420	-
Other assets	2,898	1,038
Reserve for possible loan losses	(13)	(2)
Total	454,255	323,477
Of which, foreign-currency-denominated assets	3,207	92,184

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

**(3) Investment Income**

(Millions of yen)

Category	For the six months ended September 30, 2015	For the six months ended September 30, 2016
Interest income and dividends	69,846	72,291
Interest income from deposits	0	0
Interest income and dividends from securities	61,621	63,635
Interest income from loans	3,056	3,171
Rent revenue from real estate	5,135	5,430
Other interest income and dividends	33	53
Gains on securities under proprietary accounts	-	-
Income from monetary trusts, net	6,188	2,248
Income from trading securities, net	-	56
Gains on sale of securities	6,591	1,301
Gains on sale of Japanese bonds (including JGBs)	5,936	14
Gains on sale of Japanese stocks, etc.	579	-
Gains on sale of foreign securities	75	1,287
Other	-	-
Gains on redemption of securities	-	-
Gains on derivatives, net	1,676	4,577
Foreign exchange gains, net	146	-
Reversal of reserve for possible loan losses	-	-
Other investment income	11	1
<b>Total</b>	<b>84,461</b>	<b>80,477</b>

**(4) Investment Expenses**

(Millions of yen)

Category	For the six months ended September 30, 2015	For the six months ended September 30, 2016
Interest expenses	24	15
Losses on securities under proprietary accounts	-	-
Losses on monetary trusts, net	-	-
Losses on trading securities, net	384	-
Losses on sale of securities	-	-
Losses on sale of Japanese bonds (including JGBs)	-	-
Losses on sale of Japanese stocks, etc.	-	-
Losses on sale of foreign securities	-	-
Other	-	-
Devaluation losses on securities	-	-
Devaluation losses on Japanese bonds (including JGBs)	-	-
Devaluation losses on Japanese stocks, etc.	-	-
Devaluation losses on foreign securities	-	-
Other	-	-
Losses on redemption of securities	-	23
Losses on derivatives, net	-	-
Foreign exchange losses	-	5,023
Provision for reserve for possible loan losses	13	2
Write-off of loans	-	-
Depreciation of real estate for rent and others	967	946
Other investment expenses	2,327	2,458
<b>Total</b>	<b>3,717</b>	<b>8,470</b>

**(5) Valuation Gains (Losses) on Trading-purpose Securities**

(Millions of yen)

Category	As of March 31, 2016		As of September 30, 2016	
	Balance sheet amount	Net valuation gains (losses) recorded in income	Balance sheet amount	Net valuation gains (losses) recorded in income
Trading-purpose securities	2,215	153	1,018	(170)

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

**(6) Fair Value Information on Securities**

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

(Millions of yen)

Category	As of March 31, 2016					As of September 30, 2016				
	Carrying amount	Fair value	Net unrealized gains (losses)			Carrying amount	Fair value	Net unrealized gains (losses)		
			Unrealized gains	Unrealized losses	Unrealized gains			Unrealized losses		
Held-to-maturity securities	5,383,938	7,410,168	2,026,230	2,026,230	-	5,709,389	7,877,713	2,168,323	2,177,719	9,395
Policy-reserve-matching bonds	251,260	292,566	41,305	41,306	0	270,359	316,701	46,342	46,977	634
Stocks of subsidiaries and affiliated companies	-	-	-	-	-	-	-	-	-	-
Available-for-sale securities	887,973	1,091,602	203,629	203,739	109	878,153	1,075,733	197,580	198,142	562
Japanese government and corporate bonds	854,339	1,040,351	186,011	186,011	-	853,472	1,040,029	186,557	186,557	-
Japanese stocks	13,625	25,664	12,039	12,049	10	13,625	24,582	10,956	11,020	63
Foreign securities	19,842	25,279	5,436	5,536	99	10,889	10,821	(68)	430	498
Bonds	19,842	25,279	5,436	5,536	99	10,889	10,821	(68)	430	498
Stocks, etc.	-	-	-	-	-	-	-	-	-	-
Other securities	165	307	142	142	-	165	299	134	134	-
Monetary claims purchased	-	-	-	-	-	-	-	-	-	-
Certificates of deposit	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-
Total	6,523,172	8,794,337	2,271,165	2,271,276	110	6,857,901	9,270,148	2,412,246	2,422,838	10,592
Japanese government and corporate bonds	6,444,682	8,689,521	2,244,838	2,244,838	0	6,679,978	9,068,698	2,388,719	2,397,778	9,058
Japanese stocks	13,625	25,664	12,039	12,049	10	13,625	24,582	10,956	11,020	63
Foreign securities	64,698	78,844	14,146	14,245	99	164,131	176,567	12,436	13,906	1,469
Bonds	64,698	78,844	14,146	14,245	99	164,131	176,567	12,436	13,906	1,469
Stocks, etc.	-	-	-	-	-	-	-	-	-	-
Other securities	165	307	142	142	-	165	299	134	134	-
Monetary claims purchased	-	-	-	-	-	-	-	-	-	-
Certificates of deposit	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-

Notes:

- 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.
- Carrying amount and net unrealized gains (losses) on monetary trusts, including items other than trading-purpose securities, amounted to ¥232,361 million and ¥47,610 million, respectively.

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

(Millions of yen)

Category	As of March 31, 2016	As of September 30, 2016
Held-to-maturity securities	-	-
Unlisted foreign bonds	-	-
Others	-	-
Policy-reserve-matching bonds	-	-
Stocks of subsidiaries and affiliated companies	13,267	14,017
Available-for-sale securities	12,301	11,090
Unlisted domestic stocks (except OTC stocks)	149	159
Unlisted foreign stocks (except OTC stocks)	439	694
Unlisted foreign bonds	-	-
Others	11,712	10,236
Total	25,569	25,108

**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)

Category	As of March 31, 2016					As of September 30, 2016				
	Carrying amount	Fair value	Net unrealized gains (losses)			Carrying amount	Fair value	Net unrealized gains (losses)		
			Unrealized gains	Unrealized losses				Unrealized gains	Unrealized losses	
Held-to-maturity securities	5,383,938	7,410,168	2,026,230	2,026,230	-	5,709,389	7,877,713	2,168,323	2,177,719	9,395
Policy-reserve-matching bonds	251,260	292,566	41,305	41,306	0	270,359	316,701	46,342	46,977	634
Stocks of subsidiaries and affiliated companies	13,267	13,267	-	-	-	14,017	14,017	-	-	-
Available-for-sale securities	900,274	1,109,405	209,130	209,792	661	889,243	1,089,777	200,533	201,688	1,153
Japanese government and corporate bonds	854,339	1,040,351	186,011	186,011	-	853,472	1,040,029	186,557	186,557	-
Japanese stocks	13,775	25,814	12,039	12,049	10	13,785	24,742	10,956	11,020	63
Foreign securities	20,281	27,271	6,989	7,089	99	11,584	12,440	856	1,354	498
Bonds	19,842	25,279	5,436	5,536	99	10,889	10,821	(68)	430	498
Stocks, etc.	439	1,992	1,552	1,552	-	694	1,618	924	924	-
Other securities	11,877	15,967	4,090	4,641	551	10,401	12,564	2,162	2,756	593
Monetary claims purchased	-	-	-	-	-	-	-	-	-	-
Certificates of deposit	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-
Total	6,548,741	8,825,407	2,276,666	2,277,328	662	6,883,009	9,298,209	2,415,199	2,426,385	11,185
Japanese government and corporate bonds	6,444,682	8,689,521	2,244,838	2,244,838	0	6,679,978	9,068,698	2,388,719	2,397,778	9,058
Japanese stocks	20,343	32,382	12,039	12,049	10	21,103	32,060	10,956	11,020	63
Foreign securities	71,837	87,536	15,699	15,798	99	171,525	184,886	13,360	14,830	1,469
Bonds	64,698	78,844	14,146	14,245	99	164,131	176,567	12,436	13,906	1,469
Stocks, etc.	7,139	8,692	1,552	1,552	-	7,394	8,318	924	924	-
Other securities	11,877	15,967	4,090	4,641	551	10,401	12,564	2,162	2,756	593
Monetary claims purchased	-	-	-	-	-	-	-	-	-	-
Certificates of deposit	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-



**(7) Fair Value Information on Monetary Trusts (General Account)**

(Millions of yen)

Category	As of March 31, 2016					As of September 30, 2016				
	Balance sheet amount	Fair value	Net unrealized gains (losses)		Balance sheet amount	Fair value	Net unrealized gains (losses)			
			Unrealized gains	Unrealized losses			Unrealized gains	Unrealized losses		
Monetary trusts	280,973	280,973	-	-	-	279,527	279,527	-	-	-

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

**Monetary trusts for investment**

(Millions of yen)

Category	As of March 31, 2016		As of September 30, 2016	
	Balance sheet amount	Net valuation gains (losses) recorded in income	Balance sheet amount	Net valuation gains (losses) recorded in income
Monetary trusts for investment	-	-	-	-

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

(Millions of yen)

Category	As of March 31, 2016					As of September 30, 2016				
	Carrying amount	Fair value	Net unrealized gains (losses)		Carrying amount	Fair value	Net unrealized gains (losses)			
			Unrealized gains	Unrealized losses			Unrealized gains	Unrealized losses		
Monetary trusts for held-to-maturity	-	-	-	-	-	-	-	-	-	-
Monetary trusts for policy-reserve-matching	-	-	-	-	-	-	-	-	-	-
Other monetary trusts	232,491	280,922	48,431	48,431	-	231,866	279,476	47,610	47,610	-

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

#### 4. Non-consolidated Balance Sheets

(Millions of yen)

	As of	As of		As of	As of
	Mar. 31, 2016	Sep. 30, 2016		Mar. 31, 2016	Sep. 30, 2016
	Amount	Amount		Amount	Amount
<b>Assets:</b>			<b>Liabilities:</b>		
Cash and deposits	18,394	14,657	Policy reserves and others	7,371,174	7,615,482
Cash	2	4	Reserve for outstanding claims	29,635	29,396
Deposits	18,392	14,652	Policy reserves	7,336,533	7,580,650
Call loans	88,200	88,500	Reserve for policyholders' dividends	5,006	5,434
Monetary trusts	280,973	279,527	Due to agencies	2,455	1,972
Securities	7,273,361	7,601,023	Due to reinsurers	621	2,394
Japanese government bonds	6,382,481	6,491,424	Other liabilities	104,996	187,611
Japanese local government bonds	1,836	1,824	Collateral for securities lending transactions	62,804	146,927
Japanese corporate bonds	125,101	249,293	Accrued income tax	8,998	10,365
Japanese stocks	83,411	82,147	Other payables	2,765	943
Foreign securities	471,973	564,378	Accrued expenses	18,920	17,414
Other securities	208,556	211,955	Unearned revenue	995	978
Loans	171,649	175,964	Deposits received	1,594	549
Policy loans	171,649	175,951	Deposits received for guarantee	5,186	5,414
Commercial loans	-	13	Variation margins of futures markets	168	377
Tangible fixed assets	116,256	119,160	Derivative liabilities	711	677
Land	83,007	83,007	Lease obligations	13	12
Buildings	32,777	35,191	Asset retirement obligations	679	2,133
Leased assets	12	11	Suspense receipt	2,157	1,816
Construction in progress	31	-	Reserve for employees' retirement benefits	21,944	23,395
Other tangible fixed assets	427	950	Reserve for directors' retirement benefits	121	110
Intangible fixed assets	19,171	17,953	Reserve under the special laws	44,260	45,040
Software	19,162	17,944	Reserve for price fluctuations	44,260	45,040
Other intangible fixed assets	9	9	Deferred tax liabilities	7,151	3,154
Due from reinsurers	298	989	Deferred tax liabilities on land revaluation	488	488
Other assets	64,998	65,273	<b>Total Liabilities</b>	<b>7,553,212</b>	<b>7,879,649</b>
Other receivable	33,407	31,026	<b>Net Assets:</b>		
Prepaid expenses	1,216	1,957	Common stock	70,000	70,000
Accrued income	17,205	16,724	Capital surplus	5,865	5,865
Money on deposits	5,313	5,332	Capital reserve	5,865	5,865
Initial margins of futures markets	4,797	6,186	Retained earnings	257,175	266,756
Variation margins of futures markets	979	26	Earned reserve	26,118	28,778
Derivative	1,640	3,310	Other retained earnings	231,056	237,978
Advance payments	359	635	Unappropriated retained earnings	231,056	237,978
Others	77	71	Total shareholders' equity	333,040	342,621
Prepaid pension costs	2,377	2,426	Net unrealized gains (losses) on other securities, net of taxes	150,621	144,395
Reserve for possible loan losses	(272)	(275)	Land revaluation, net of taxes	(1,465)	(1,465)
			Total valuation and translation adjustments	149,155	142,930
			<b>Total Net Assets</b>	<b>482,195</b>	<b>485,552</b>
<b>Total Assets</b>	<b>8,035,408</b>	<b>8,365,201</b>	<b>Total Liabilities and Net Assets</b>	<b>8,035,408</b>	<b>8,365,201</b>

## 5. Non-consolidated Statements of Income

(Millions of yen)

	For the six months ended	For the six months ended
	September 30, 2015	September 30, 2016
	Amount	Amount
Ordinary Revenues	596,372	564,426
Income from insurance premiums	508,798	477,426
Insurance premiums	508,344	476,586
Ceded reinsurance commissions	453	840
Investment income	84,461	80,477
Interest income and dividends	69,846	72,291
Interest income from deposits	0	0
Interest income and dividends from securities	61,621	63,635
Interest income from loans	3,056	3,171
Rent revenue from real estate	5,135	5,430
Other interest income and dividends	33	53
Income from monetary trusts, net	6,188	2,248
Gains on trading securities, net	-	56
Gains on sale of securities	6,591	1,301
Gains on derivatives, net	1,676	4,577
Foreign exchange gains, net	146	-
Other investment income	11	1
Other ordinary income	3,112	6,522
Income for annuity riders	725	1,523
Income for deferred payment of claims	1,202	1,974
Reversal of reserves for outstanding claims	-	238
Other ordinary income	1,184	2,785
Ordinary Expenses	573,485	531,204
Insurance claims and other payments	173,103	163,350
Insurance claims	41,583	42,443
Annuity payments	5,283	5,617
Insurance benefits	23,736	27,837
Surrender payments	97,433	83,139
Refund to policyholders	4,083	1,607
Reinsurance premiums	982	2,705
Provision for policy reserves and others	287,219	244,117
Provision for reserve for outstanding claims	930	-
Provision for policy reserves	286,287	244,117
Interest on policyholders' dividend reserve	1	0
Investment expenses	35,674	40,604
Interest expenses	24	15
Losses on trading securities, net	384	-
Losses on redemption of securities	-	23
Foreign exchange losses, net	-	5,023
Provision for reserve for possible loan losses	13	2
Depreciation of real estate for rent and others	967	946
Other investment expenses	2,327	2,458
Losses on separate accounts, net	31,956	32,134
Operating expenses	65,612	70,056
Other ordinary expenses	11,876	13,075
Payments of deferred claims	1,648	2,312
Taxes	6,079	6,137
Depreciation and amortization	2,626	2,670
Provision for reserve for employees' retirement benefits	1,506	1,904
Provision for reserve for directors' retirement benefits	15	-
Others	0	13
Ordinary Profit	22,886	33,221
Extraordinary Gains	6,352	-
Reversal of reserve for investment loss	6,352	-
Extraordinary Losses	7,363	830
Losses on disposal of fixed assets	2	49
Impairment losses	0	0
Provision for reserve under the special laws	678	780
Provision for reserve for price fluctuations	678	780
Valuation loss on stocks of affiliated companies	6,682	-
Provision for Reserve for Policyholders' Dividends	647	682
Income Before Income Taxes	21,228	31,709
Income Taxes -Current	8,789	10,452
Income Taxes -Deferred	(2,424)	(1,568)
Total Income Taxes	6,364	8,883
Net Income	14,863	22,825

## 6. Reconciliation to Core Profit and Non-consolidated Ordinary Profit

(Millions of yen)

		For the six months ended September 30, 2015	For the six months ended September 30, 2016
Core profit	A	14,460	30,687
Capital gains		12,246	11,796
Income from monetary trusts, net		3,631	-
Income from trading securities, net		-	49
Gains on sale of securities		6,591	1,301
Gains on derivatives, net		1,676	4,577
Foreign exchange gains, net		146	-
Other capital gains		199	5,868
Capital losses		518	5,688
Losses on monetary trusts, net		-	-
Losses on trading securities, net		419	-
Losses on sale of securities		-	-
Devaluation losses on securities		-	-
Losses on derivatives, net		-	-
Foreign exchange losses, net		-	5,023
Other capital losses		99	665
Net capital gains (losses)	B	11,728	6,108
Core profit plus net capital gains (losses)	A+B	26,188	36,795
Other one-time gains		-	-
Gains from reinsurance		-	-
Reversal of contingency reserve		-	-
Reversal of specific reserve for possible loan losses		-	-
Others		-	-
Other one-time losses		3,301	3,574
Losses from reinsurance		-	-
Provision for contingency reserve		3,178	3,471
Provision for specific reserve for possible loan losses		13	1
Provision for reserve for possible loan losses for specific foreign countries		-	-
Write-off of loans		-	-
Others		109	101
Net other one-time gains (losses)	C	(3,301)	(3,574)
Ordinary profit	A+B+C	22,886	33,221

### Notes:

- Core profit for the six months ended September 30, 2016 (A) includes income gains of ¥2,248 million in income from monetary trusts along with interest income and dividends of ¥6 million in income from trading securities, net. Other capital gains include the reversal of policy reserves and others of ¥5,868 million for currency market fluctuations of products dominated in foreign currencies; other capital losses include impairment losses of ¥665 million from investment partnership; "Others" of other one-time losses included provision of additional policy reserve of ¥101 million.
- Core profit for the six months ended September 30, 2015 (A) includes income gains of ¥2,556 million in income from monetary trusts along with interest income and dividends of ¥35 million in income from trading securities, net. Other capital gains include the reversal of policy reserves and others of ¥199 million for currency market fluctuations of products dominated in foreign currencies; other capital losses include impairment losses of ¥99 million from investment partnership; "Others" of other one-time losses included provision of additional policy reserve of ¥109 million.

## 7. Loans by Borrower Category

(Millions of yen, %)

Category	As of March 31, 2016	As of September 30, 2016
Bankrupt and quasi-bankrupt loans	-	-
Doubtful loans	-	-
Sub-standard loans	-	-
Subtotal	-	-
[% to total]	[-]	[-]
Normal loans	223,255	291,678
Total	223,255	291,678

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.

## 8. Risk-monitored Loans

Not applicable

## 9. Solvency Margin Ratio

(Millions of yen)

Category	As of March 31, 2016	As of September 30, 2016
Total solvency margin (A)	1,169,875	1,224,279
Common stock, etc.	319,740	341,521
Reserve for price fluctuations	44,260	45,040
Contingency reserve	75,166	78,637
General reserve for possible loan losses	0	1
Net unrealized gains on other securities (before tax deductions) and net deferred gains or losses on hedging instruments (before tax deductions) × 90% (100% if losses)	188,217	180,480
Net unrealized gains on real estate multiplied by 85% (100% if losses)	20,778	20,778
Amount excluded from deferred tax assets	-	-
Unallocated portion of reserve for policyholders' dividends	302	1,479
Deferred tax assets	83,648	92,119
Excess amount of policy reserves based on Zillmer method	470,777	483,497
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	(31,308)	(16,818)
Deductible items	(1,707)	(2,457)
Total risk $\sqrt{(R_1+R_8)^2+(R_2+R_3+R_7)^2}+R_4$ (B)	85,930	88,254
Insurance risk $R_1$	23,576	23,793
Third-sector insurance risk $R_8$	8,519	8,571
Assumed interest rate risk $R_2$	30,613	30,980
Minimum guarantee risk $R_7$	15,902	16,598
Asset management risk $R_3$	30,831	32,113
Business management risk $R_4$	2,188	2,241
Solvency margin ratio $(A)/\{(B) \times \frac{1}{2}\} \times 100$	2,722.8%	2,774.4%

Notes:

1. The figures are 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) Consolidated Solvency Margin Ratio

Although Sony Life is not required to prepare consolidated financial statements since it does not have consolidated subsidiaries, Sony Life discloses consolidated solvency margin ratio consolidated with its affiliated companies quarterly.

(Millions of yen)

Category	As of March 31, 2016	As of September 30, 2016
Total solvency margin (A)	1,151,900	1,205,735
Common stock, etc.	318,011	338,742
Reserve for price fluctuations	44,260	45,040
Contingency reserve	75,166	78,637
Catastrophe reserve	-	-
General reserve for possible loan losses	0	1
Net unrealized gains on other securities (before tax deductions) and net deferred gains or losses on hedging instruments (before tax deductions) × 90% (100% if losses)	188,217	180,480
Net unrealized gains on real estate multiplied by 85% (100% if losses)	20,778	20,778
Total amount of unrecognized net actuarial differences, and unrecognized prior service cost	(4,836)	(4,329)
Amount excluded from deferred tax assets	-	-
Unallocated portion of reserve for policyholders' dividends	302	1,479
Deferred tax assets	83,648	92,119
Excess amount of policy reserves based on Zillmer method	470,777	483,497
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	(33,036)	(19,597)
Deductible items	(11,389)	(11,114)
Total risk $\sqrt{(\sqrt{R_1^2+R_5^2+R_8+R_9})^2+(R_2+R_3+R_7)^2+R_4+R_6}$ (B)	82,983	85,297
Insurance risk $R_1$	23,576	23,793
Ordinary insurance risk $R_5$	-	-
Major Catastrophe risk $R_6$	-	-
Third-sector insurance risk $R_8$	8,519	8,571
Insurance risk of small-amount short-term insurance providers $R_9$	-	-
Assumed interest rate risk $R_2$	30,613	30,980
Minimum guarantee risk $R_7$	15,902	16,598
Asset management risk $R_3$	27,698	28,980
Business management risk $R_4$	2,126	2,178
Solvency margin ratio $(A) / \left\{ (B) \times \frac{1}{2} \right\} \times 100$	2,776.2%	2,827.1%

Notes:

- The figures are calculated based on provisions in Articles 86-2 and 88 of the Ordinance for Enforcement of the Insurance Business Act of Japan and Public Notice of Financial Services Agency No. 23 of 2011.
- Minimum guarantee risk is calculated based on the standardized approach.

## 10. Status of Separate Account Assets

### (1) Balance of Separate Account Assets

(Millions of yen)

Category	As of March 31, 2016	As of September 30, 2016
Individual variable life insurance and individual variable annuities	850,323	856,638
Group annuities	-	-
Total separate account	850,323	856,638

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

### (2) Policy Amount in Force (Separate Account)

#### Individual variable life insurance

(Number: Thousand, Amount: Millions of yen)

Category	As of March 31, 2016		As of September 30, 2016	
	Number	Amount	Number	Amount
Variable life insurance (whole life type)	823	8,690,797	846	8,769,305
Variable life insurance (limited term type)	84	323,349	91	362,933
Variable life insurance (term type)	1	40,538	1	39,066
Total	909	9,054,686	938	9,171,305

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

#### Individual variable annuities

(Number: Thousand, Amount: Millions of yen)

Category	As of March 31, 2016		As of September 30, 2016	
	Number	Amount	Number	Amount
Individual variable annuities	81	456,096	93	524,150

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.