

Summary Information on Sony Life's Financial Results
for the Year Ended March 31, 2017

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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 March 31, 2016				As of March 31, 2017			
	Number	Comparison to March 31, 2015	Amount	Comparison to March 31, 2015	Number	Comparison to March 31, 2016	Amount	Comparison to March 31, 2016
Individual life insurance	6,880	105.0	422,937	104.7	7,112	103.4	443,133	104.8
Individual annuities	166	139.3	8,560	143.2	196	118.2	10,208	119.2
Group life insurance	—	—	15,993	110.9	—	—	18,510	115.7
Group annuities	—	—	130	76.1	—	—	115	88.4

Notes:

- 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.
- 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 year ended March 31, 2016					
	Number	Comparison to FY2014	Amount	Comparison to FY2014	Amount, of which, new policies	Amount, of which, increase from conversion
Individual life insurance	579	100.1	48,710	105.3	48,710	—
Individual annuities	50	182.3	2,803	192.1	2,803	—
Group life insurance	—	—	10	20.1	10	—
Group annuities	—	—	—	—	—	—

Category	For the year ended March 31, 2017					
	Number	Comparison to FY2015	Amount	Comparison to FY2015	Amount, of which, new policies	Amount, of which, increase from conversion
Individual life insurance	479	82.7	47,652	97.8	47,652	—
Individual annuities	34	68.0	1,922	68.6	1,922	—
Group life insurance	—	—	474	4,468.6	474	—
Group annuities	—	—	—	—	—	—

Notes:

- The new policy amount including increase from conversion for individual annuities is equal to the funds held at the time annuity payments commence.
- 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 March 31, 2016		As of March 31, 2017	
	Amount	Comparison to March 31, 2015	Amount	Comparison to March 31, 2016
Individual life insurance	751,820	105.2	787,005	104.7
Individual annuities	29,495	139.7	33,851	114.8
Total	781,315	106.2	820,856	105.1
Of which, medical protection, living benefit protection and other products	179,707	104.0	187,449	104.3

New policies

(Millions of yen, %)

Category	For the year ended March 31, 2016		For the year ended March 31, 2017	
	Amount	Comparison to FY2014	Amount	Comparison to FY2015
Individual life insurance	76,334	106.3	72,786	95.4
Individual annuities	8,684	180.3	5,340	61.5
Total	85,018	111.0	78,127	91.9
Of which, medical protection, living benefit protection and other products	15,717	102.8	15,718	100.0

Notes:

- 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 payment policies, premiums are divided by the number of coverage years.)
- “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 year ended March 31, 2016		For the year ended March 31, 2017	
		Comparison to FY2014		Comparison to FY2015
Income from insurance premiums	1,028,048	112.5	956,733	93.1
Investment income	170,517	60.9	245,339	143.9
Insurance claims and other payments	363,370	94.9	372,407	102.5
Investment expenses	23,399	240.6	36,196	154.7
Ordinary profit	60,792	76.3	60,180	99.0

(4) Total Assets

(Millions of yen, %)

Category	As of March 31, 2016		As of March 31, 2017	
		Comparison to March 31, 2015		Comparison to March 31, 2016
Total assets	8,035,408	110.1	8,873,613	110.4

2. Policy Amount in Force by Insurance Function as of March 31, 2017

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

Category		Individual life insurance		Individual annuities		Group life insurance		Total	
		Number	Amount	Number	Amount	Number	Amount	Number	Amount
Death protection	Ordinary death	5,880	424,253	-	-	1,658	18,510	7,538	442,764
	Accidental death	700	61,569	-	-	12	3	712	61,572
	Death protection with other conditions	318	11,798	-	-	-	-	318	11,798
Living protection		1,231	18,880	196	10,208	0	0	1,428	29,088
Hospitalization protection	Accidental hospitalization	2,703	181	-	-	11	0	2,715	182
	Sickness hospitalization	2,703	181	-	-	-	-	2,703	181
	Hospitalization with other conditions	838	70	-	-	-	-	838	70
Disability protection		676	-	-	-	11	-	688	-
Surgery protection		1,690	-	-	-	-	-	1,690	-

Category	Group annuities		Asset-formation insurance, asset-formation annuities		Total	
	Number	Amount	Number	Amount	Number	Amount
Living protection	77	115	-	-	77	115

Category	Medical protection insurance	
	Number	Amount
Hospitalization protection	-	-

Category	Disability insurance	
	Number	Amount
Disability protection	-	-

Notes:

1. The numbers of policies for group life insurance products, and group annuity product reflects the total numbers of insured parties.
2. Of the policy amount in the living protection column, policy amount in force for individual annuities and group life insurance (annuity payment rider) 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.
The policy amount in force for group annuity products is the amount of outstanding policy reserves.
3. Figures for hospitalization protection show the daily benefits for hospitalization.

3. Example of Policyholder Dividend, based on Figures for the Year Ended March 31, 2017

(1) Standard dividend yields for semi-participating individual life insurance with policyholder dividends every five years

	For the year ended March 31, 2016	For the year ended March 31, 2017
Level-premium		
Assumed interest rates of 1.00% or less	-	0.70%
Assumed interest rates of more than 1.00%, 2.00% or less	1.55%	1.55%
Assumed interest rates of more than 2.00%	1.40%	1.40%
Single premium and others		
Assumed interest rates of 0.85% or less	-	0.35%
Assumed interest rates of more than 0.85%, 2.00% or less	1.20%	1.20%
Assumed interest rates of more than 2.00%	1.05%	1.05%

(2) Below is an example of policyholder dividends for semi-participating whole life nursing-care insurance (before annuity payments commence) using figures for the fiscal year ended March 31, 2017.

Example: Semi-participating whole life nursing-care insurance (before nursing care annuity payments commences)
Entered at 30, male, lump-sum payment, 10x death benefit, basic care annuity amount of 0.5 million yen

Contract Date	Assumed interest rate	Years elapsed	Ongoing policy (yen)	Policies to which nursing care applies, ending at death of policyholder (yen)
November 2, 2015	1.00%	2 years	-	15,165
November 2, 2014	1.00%	3 years	-	22,917
November 2, 2013	1.00%	4 years	-	30,790
November 2, 2012	1.50%	5 years	0	0
November 2, 2011	1.50%	6 years	-	0
November 2, 2010	1.50%	7 years	-	0
November 2, 2009	1.50%	8 years	-	0
November 2, 2008	1.50%	9 years	-	0
November 2, 2007	1.50%	10 years	0	0

Note:

- The "Policies to which nursing care applies, ending at death of policyholder" column shows the amount receivable for nursing care or upon death. The number of years elapsed is the number through November 2, 2017.
- The above-stated dividend amount is the sum of the pro-rated dividend amount (policy reserve × dividend participation ratio) and interest through November 2, 2017 (excluding dividends already paid).
Dividend participation ratio = Standard dividend yield - Assumed interest rate
- Sony Life has suspended selling this product from July, 2016.

(3) Standard dividend yield on group annuities

The standard dividend yield on group annuities is 1.80%, using figures for the fiscal year ended March 31, 2017

Note: Dividend participation is calculated as follows:

Dividend amount = Policy reserve × Dividend participation ratio

Dividend participation ratio = Standard dividend yield - Assumed interest rate

(4) For group term life insurance and other products, a reserve for policyholders' dividends is accumulated in accordance with each product's characteristics

4. Status of Investment Assets (General Account) for the Year Ended March 31, 2017

(1) Status of Investment Assets for the Fiscal Year Ended March 31, 2017

1) Investment Environment

During the fiscal year ended March 31, 2017, the Japanese economy continued to grow gradually. Year on year, real GDP growth was positive 2.2% p.a. for the April–June 2016 quarter, positive 1.2% p.a. for the July–September quarter, and positive 1.2% p.a. for the October–December quarter. The growth rate is forecast at positive 1.36% p.a. for the January– March 2017 quarter. ¹From the July–September quarter, exports increased, driven mainly by resurgence in emerging economies, and improved business sentiment prompted a rebound in capital expenditure, supporting the Japanese economy. However, the improved employment and income environment failed to sufficiently affect personal consumption, limiting the domestic economic recovery to a modest level. Moving into 2017, downward price pressure from falling energy prices eased, and the core consumer price index turned positive, although remaining at a low, near-zero level.

The Japanese bond market was characterized by rising interest rates up through the second half of the fiscal year. Looking at yields on 10-year Japanese government bonds (JGBs), the Bank of Japan (BOJ)'s introduction of a qualitative and quantitative monetary easing policy featuring negative interest rates and stepped-up buying operations prompted a tightening of the supply/demand situation in the market, causing interest rates to dip to the negative 0.3% level at one point during the summer. Thereafter, the BOJ conducted “comprehensive verification” of monetary easing and transitioned to a qualitative and quantitative monetary easing policy with long- and short-term interest rate controls. This move, combined with moves by major countries' central banks to curb monetary easing and shift interest rates in a positive direction led to a rise in interest rates. As of March 31, 2017, the long-term interest rate was 0.067%, up +0.116 percentage point from a year earlier.

Stock market performance was up through the second half of the fiscal year. The United Kingdom's June 2016 decision to exit the European Union prompted a global move to unwind risk, pulling the Nikkei Stock Average below the ¥15,000 level at one stage. Thereafter, however, the BOJ's policy of increasing purchases of exchange-traded funds provided stock price support. This factor, plus expectations of an expansionary fiscal policy by the new President Trump in the United States, prompted yen depreciation in foreign exchange markets. As a result, stock prices were up sharply by the year-end. As of March 31, 2017, the Nikkei was at ¥18,909.26, ¥2,150.59 higher than on March 31, 2016.

Foreign exchange markets moved within a wide range. In the first half of the fiscal year, a consensus emerged that the interest rate rise by the U.S. Federal Reserve Board (FRB) would be only gradual. This factor, plus the impact of the U.K. vote to leave the European Union caused yen appreciation/dollar depreciation to the level of US\$1.00=¥99 at one point. However, the victory of Republican Party candidate Donald Trump in the U.S. presidential elections in November prompted expectations of inflation stemming from the incoming administration's expansionary fiscal policy. This also caused a rise in U.S. interest rates. These (two) factors led to rapid yen depreciation/dollar appreciation. As of March 31, 2017, the yen was trading at ¥112.19 against the dollar, essentially unchanged from ¥112.68 one year earlier.

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 JGBs 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 investments such as equities.

3) Results of Investment

As of March 31, 2017, general account assets totaled ¥7,884.0 billion, up 9.7%, or ¥698.9 billion, from a year earlier. Within general account assets, domestic bond investment totaled ¥6,828.7 billion (accounting for 86.6% of total general account assets), foreign bonds ¥274.3 billion (3.5%), Japanese stocks ¥37.6 billion (0.5%), monetary trusts ¥273.8 billion (3.5%), policy loans ¥180.3 billion (2.3%), real estate ¥117.5 billion (1.5%), and cash and cash deposits and call loans ¥40.8 billion (0.5%).

¹ ESP Forecast Survey, Japan Center for Economic Research

(2) Portfolio of General Account Assets

(Millions of yen, %)

Category	As of March 31, 2016		As of March 31, 2017	
	Amount	%	Amount	%
Cash and deposits, call loans	52,551	0.7	40,896	0.5
Securities repurchased under resale agreements	—	—	—	—
Pledged money for bond borrowing transaction	—	—	—	—
Monetary claims purchased	—	—	—	—
Securities under proprietary accounts	—	—	—	—
Monetary trusts	280,973	3.9	273,877	3.5
Securities	6,479,336	90.2	7,173,927	91.0
Japanese bonds (including JGBs)	6,351,176	88.4	6,828,743	86.6
Japanese stocks	33,364	0.5	37,659	0.5
Foreign securities	93,140	1.3	305,846	3.9
Bonds	70,134	1.0	274,306	3.5
Stocks, etc.	23,005	0.3	31,539	0.4
Other securities	1,654	0.0	1,678	0.0
Loans	171,649	2.4	180,374	2.3
Real estate	115,816	1.6	117,525	1.5
Deferred tax assets	—	—	5,350	0.1
Other assets	85,031	1.2	92,328	1.2
Reserve for possible loan losses	(272)	(0.0)	(271)	(0.0)
Total	7,185,084	100.0	7,884,008	100.0
Of which, foreign-currency-denominated assets	91,817	1.3	309,046	3.9

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

(3) Changes in General Account Assets by Categories

(Millions of yen)

Category	For the year ended March 31, 2016	For the year ended March 31, 2017
Cash and deposits, call loans	(4,267)	(11,655)
Securities repurchased under resale agreements	—	—
Pledged money for bond borrowing transaction	—	—
Monetary claims purchased	—	—
Securities under proprietary accounts	—	—
Monetary trusts	(32,302)	(7,095)
Securities	696,043	694,591
Japanese bonds (including JGBs)	744,291	477,566
Japanese stocks	(9,131)	4,294
Foreign securities	(38,487)	212,705
Bonds	(35,422)	204,172
Stocks, etc.	(3,065)	8,533
Other securities	(629)	24
Loans	9,249	8,725
Real estate	(1,948)	1,708
Deferred tax assets	—	5,350
Other assets	10,309	7,297
Reserve for possible loan losses	(4)	1
Total	677,078	698,923
Of which, foreign-currency-denominated assets	9,658	217,228

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

(4) Investment Income

(Millions of yen)

Category	For the year ended March 31, 2016	For the year ended March 31, 2017
Interest income and dividends	141,450	148,284
Interest income from deposits	0	0
Interest income and dividends from securities	124,943	130,772
Interest income from loans	6,174	6,377
Income from real estate for rent	10,261	10,869
Other income from interests and dividends	71	265
Gains on securities under proprietary accounts	—	—
Income from monetary trusts, net	11,973	4,493
Income from trading securities, net	98	152
Gains on sale of securities	12,204	1,308
Gains on sale of Japanese bonds (including JGBs)	11,247	20
Gains on sale of Japanese stocks, etc.	882	—
Gains on sale of foreign securities	75	1,287
Other	—	—
Gains on redemption of securities	—	—
Gains on derivatives, net	4,768	—
Foreign exchange gains, net	—	14,670
Reversal of reserve for possible loan losses	—	1
Other investment income	21	4
Total	170,517	168,915

(5) Investment Expenses

(Millions of yen)

Category	For the year ended March 31, 2016	For the year ended March 31, 2017
Interest expense	53	44
Losses on securities under proprietary accounts	—	—
Losses on monetary trusts, net	—	—
Losses on trading securities, net	—	—
Losses on sale of securities	—	—
Losses on sale of Japanese bonds (including JGBs)	—	—
Losses on sale of Japanese stocks	—	—
Losses on sale of foreign securities	—	—
Other	—	—
Devaluation losses on securities	—	—
Devaluation losses on Japanese bonds (including JGBs)	—	—
Devaluation losses on Japanese stocks	—	—
Devaluation losses on foreign securities	—	—
Other	—	—
Losses on redemption of securities	1	53
Losses on derivatives, net	—	30,050
Foreign exchange losses	2,798	—
Provision for reserve for possible loan losses	5	—
Write-off of loans	—	—
Depreciation of real estate for rent and others	1,936	1,879
Other investment expenses	3,868	4,167
Total	8,664	36,196

(6) Investment Efficiency

(i) Investment yield by type of asset

(%)

Category	For the year ended March 31, 2016	For the year ended March 31, 2017
Cash and deposits, call loans	0.05	0.00
Securities repurchased under resale agreements	-	-
Pledged money for bond borrowing transaction	-	-
Monetary claims purchased	-	-
Securities under proprietary accounts	-	-
Monetary trusts	4.84	1.94
Securities	2.23	2.19
Japanese bonds (including JGBs)	2.16	1.88
Japanese stocks	4.90	2.80
Foreign securities	4.13	13.41
Loans	3.71	3.64
Real estate	4.90	5.52
Total	2.42	1.81
Of which, overseas investment	4.09	13.25

Notes:

1. The denominator for the investment yield calculation is a daily averaged carrying amount, while the numerator is investment income minus investment expenses.
2. Valuation gains for Article 112 of the Insurance Business Act of Japan are not accounted for.
3. Yield on overseas investment is a total of foreign-currency-denominated assets and yen-denominated assets.

(ii) Valuation gains (losses) on trading-purpose securities

(Millions of yen)

Category	As of March 31, 2016		As of March 31, 2017	
	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	2,054	(162)

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

(iii) 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 March 31, 2017				
	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	-	6,068,671	7,514,255	1,445,584	1,521,504	75,919
Policy-reserve-matching bonds	251,260	292,566	41,305	41,306	0	277,372	303,356	25,983	27,876	1,893
Stocks of subsidiaries and affiliated companies	-	-	-	-	-	-	-	-	-	-
Available-for-sale securities	887,973	1,091,602	203,629	203,739	109	896,527	1,069,920	173,392	174,667	1,274
Japanese bonds (including JGBs)	854,339	1,040,351	186,011	186,011	-	852,604	1,013,331	160,726	160,726	-
Japanese stocks	13,625	25,664	12,039	12,049	10	13,685	27,082	13,396	13,455	58
Foreign securities	19,842	25,279	5,436	5,536	99	30,071	29,193	(878)	337	1,215
Bonds	19,842	25,279	5,436	5,536	99	18,545	17,996	(548)	337	886
Stocks, etc.	-	-	-	-	-	11,525	11,196	(329)	-	329
Other securities	165	307	142	142	-	165	313	147	147	-
Monetary claims purchased	-	-	-	-	-	-	-	-	-	-
Certificates of deposit	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-
Total	6,523,172	8,794,337	2,271,165	2,271,276	110	7,242,571	8,887,532	1,644,961	1,724,048	79,087
Japanese bonds (including JGBs)	6,444,682	8,689,521	2,244,838	2,244,838	0	6,942,338	8,595,523	1,653,185	1,707,293	54,108
Japanese stocks	13,625	25,664	12,039	12,049	10	13,685	27,082	13,396	13,455	58
Foreign securities	64,698	78,844	14,146	14,245	99	286,381	264,612	(21,768)	3,151	24,920
Bonds	64,698	78,844	14,146	14,245	99	274,855	253,416	(21,439)	3,151	24,590
Stocks, etc.	-	-	-	-	-	11,525	11,196	(329)	-	329
Other securities	165	307	142	142	-	165	313	147	147	-
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 ¥232,402 million and ¥41,919 million, respectively.

b. Carrying amounts of the securities without market value

(Millions of yen)

Category	As of March 31, 2016	As of March 31, 2017
Held-to-maturity securities	-	-
Unlisted foreign bonds	-	-
Others	-	-
Policy-reserve-matching bonds	-	-
Stocks of subsidiaries and affiliated companies	13,267	16,312
Available-for-sale securities	12,301	9,896
Unlisted domestic stocks (except OTC stocks)	149	159
Unlisted foreign stocks (except OTC stocks)	439	608
Unlisted foreign bonds	-	-
Others	11,712	9,127
Total	25,569	26,209

c. Fair value information consisting of that stated in the previous table-a and foreign exchange and other gains (losses) for table-b as follows:

(Millions of yen)

Category	As of March 31, 2016					As of March 31, 2017				
	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	-	6,068,671	7,514,255	1,445,584	1,521,504	75,919
Policy-reserve-matching bonds	251,260	292,566	41,305	41,306	0	277,372	303,356	25,983	27,876	1,893
Stocks of subsidiaries and affiliated companies	13,267	13,267	-	-	-	16,312	16,312	-	-	-
Available-for-sale securities	900,274	1,109,405	209,130	209,792	661	906,423	1,083,838	177,414	179,270	1,856
Japanese bonds (including JGBs)	854,339	1,040,351	186,011	186,011	-	852,604	1,013,331	160,726	160,726	-
Japanese stocks	13,775	25,814	12,039	12,049	10	13,845	27,242	13,396	13,455	58
Foreign securities	20,281	27,271	6,989	7,089	99	30,680	30,947	266	1,482	1,215
Bonds	19,842	25,279	5,436	5,536	99	18,545	17,996	(548)	337	886
Stocks, etc.	439	1,992	1,552	1,552	-	12,134	12,950	815	1,145	329
Other securities	11,877	15,967	4,090	4,641	551	9,293	12,317	3,024	3,606	581
Monetary claims purchased	-	-	-	-	-	-	-	-	-	-
Certificates of deposit	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-
Total	6,548,741	8,825,407	2,276,666	2,277,328	662	7,268,780	8,917,763	1,648,982	1,728,652	79,669
Japanese bonds (including JGBs)	6,444,682	8,689,521	2,244,838	2,244,838	0	6,942,338	8,595,523	1,653,185	1,707,293	54,108
Japanese stocks	20,343	32,382	12,039	12,049	10	22,208	35,605	13,396	13,455	58
Foreign securities	71,837	87,536	15,699	15,798	99	294,940	274,316	(20,623)	4,296	24,920
Bonds	64,698	78,844	14,146	14,245	99	274,855	253,416	(21,439)	3,151	24,590
Stocks, etc.	7,139	8,692	1,552	1,552	-	20,084	20,900	815	1,145	329
Other securities	11,877	15,967	4,090	4,641	551	9,293	12,317	3,024	3,606	581
Monetary claims purchased	-	-	-	-	-	-	-	-	-	-
Certificates of deposit	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-

(iv) Fair value information on monetary trusts

(Millions of yen)

Category	As of March 31, 2016					As of March 31, 2017				
	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	-	-	-	273,877	273,877	-	-	-

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 March 31, 2017	
	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 March 31, 2017				
	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	-	231,907	273,826	41,919	41,919	-

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

5. Non-consolidated Balance Sheets

(Millions of yen)

	As of	As of		As of	As of
	March 31, 2016	March 31, 2017		March 31, 2016	March 31, 2017
	Amount	Amount		Amount	Amount
Assets:			Liabilities:		
Cash and deposits	18,394	47,016	Policy reserves and others	7,371,174	7,968,639
Cash	2	2	Reserve for outstanding claims	29,635	32,965
Deposits	18,392	47,013	Policy reserves	7,336,533	7,929,944
Call loans	88,200	61,900	Reserve for policyholders' dividends	5,006	5,729
Monetary trusts	280,973	273,877	Due to agencies	2,455	2,616
Securities	7,273,361	8,093,192	Due to reinsurers	621	3,663
Japanese government bonds	6,382,481	6,664,639	Other liabilities	104,996	353,812
Japanese local government bonds	1,836	1,767	Collateral for securities lending transactions	62,804	310,608
Japanese corporate bonds	125,101	310,466	Accrued income tax	8,998	8,095
Japanese stocks	83,411	86,954	Other payables	2,765	2,137
Foreign securities	471,973	782,064	Accrued expenses	18,920	17,923
Other securities	208,556	247,299	Unearned revenue	995	1,067
Loans	171,649	180,374	Deposits received	1,594	2,094
Policy loans	171,649	180,339	Deposits received for guarantee	5,186	5,420
Commercial loans	-	34	Variation margins of futures markets	168	446
Tangible fixed assets	116,256	118,441	Derivative liabilities	711	614
Land	83,007	83,007	Lease obligations	13	10
Buildings	32,777	34,442	Asset retirement obligations	679	2,156
Leased assets	12	10	Suspense receipt	2,157	3,235
Construction in progress	31	75	Reserve for employees' retirement benefits	21,944	24,678
Other tangible fixed assets	427	906	Reserve for directors' retirement benefits	121	119
Intangible fixed assets	19,171	19,356	Reserve under the special laws	44,260	46,005
Software	19,162	19,347	Reserve for price fluctuations	44,260	46,005
Other intangible fixed assets	9	9	Deferred tax liabilities	7,151	-
Due from agencies	-	0	Deferred tax liabilities on land revaluation	488	488
Due from reinsurers	298	1,393	Total Liabilities	7,553,212	8,400,024
Other assets	64,998	74,245	Net Assets:		
Other receivables	33,407	35,316	Common stock	70,000	70,000
Prepaid expenses	1,216	1,651	Capital surplus	5,865	5,865
Accrued income	17,205	18,621	Capital reserve	5,865	5,865
Money on deposits	5,313	5,269	Retained earnings	257,175	271,416
Initial margins of futures markets	4,797	7,302	Earned reserve	26,118	30,318
Variation margins of futures markets	979	435	Other retained earnings	231,056	241,098
Derivatives	1,640	5,212	Unappropriated retained earnings	231,056	241,098
Advance payments	359	370	Total shareholders' equity	333,040	347,281
Other	77	65	Net unrealized gains (losses) on other securities, net of taxes	150,621	127,772
Prepaid pension costs	2,377	2,376	Land revaluation, net of taxes	(1,465)	(1,465)
Deferred tax assets	-	5,350	Total valuation and translation adjustments	149,155	126,307
Reserve for possible loan losses	(272)	(271)	Total Net Assets	482,195	473,589
Reserve for possible investment losses	-	(3,640)	Total Liabilities and Net Assets	8,035,408	8,873,613
Total Assets	8,035,408	8,873,613			

6. Non-consolidated Statements of Income

(Millions of yen)

	For the year ended March 31, 2016	For the year ended March 31, 2017
Ordinary Revenues	1,230,141	1,243,739
Income from insurance premiums	1,028,048	956,733
Insurance premiums	1,026,407	954,028
Ceded reinsurance commissions	1,640	2,704
Investment income	170,517	245,339
Interest income and dividends	141,450	148,284
Interest income from deposits	0	0
Interest income and dividends from securities	124,943	130,772
Interest income from loans	6,174	6,377
Rent revenue from real estate	10,261	10,869
Other interest income and dividends	71	265
Income from monetary trusts, net	11,973	4,493
Gains on trading securities, net	98	152
Gains on sale of securities	12,204	1,308
Gains on derivatives, net	4,768	-
Foreign exchange gains, net	-	14,670
Reversal for reserve for possible loan losses	-	1
Other investment income	21	4
Gains on separate accounts, net	-	76,423
Other ordinary income	31,575	41,666
Income for annuity riders	2,352	3,001
Income for deferred payment of claims	26,828	33,879
Other ordinary income	2,394	4,785
Ordinary Expenses	1,169,348	1,183,558
Insurance claims and other payments	363,370	372,407
Insurance claims	84,283	84,178
Annuity payments	11,496	12,019
Insurance benefits	74,842	98,252
Surrender payments	184,936	168,409
Refund to policyholders	5,711	3,122
Reinsurance premiums	2,099	6,423
Provision for policy reserves and others	613,480	596,742
Provision for reserves for outstanding claims	4,185	3,330
Provision for policy reserves	609,291	593,411
Interest on policyholders' dividend reserve	2	0
Investment expenses	23,399	36,196
Interest expenses	53	44
Losses on redemption of securities	1	53
Losses on derivatives, net	-	30,050
Foreign exchange losses, net	2,798	-
Provision for reserve for possible loan losses	5	-
Depreciation of real estate for rent and others	1,936	1,879
Other investment expenses	3,868	4,167
Losses on separate accounts, net	14,735	-
Operating expenses	133,334	137,094
Other ordinary expenses	35,764	41,118
Payments of deferred claims	14,939	19,889
Taxes	12,373	12,171
Depreciation and amortization	5,342	5,299
Provision for reserve for employees' retirement benefits	3,077	3,745
Provision for reserve for directors' retirement benefits	30	-
Others	0	12
Ordinary Profit	60,792	60,180
Extraordinary Gains	6,352	-
Reversal of reserve for investment losses	6,352	-
Extraordinary Losses	8,466	5,445
Losses on disposal of fixed assets	7	52
Impairment losses	362	7
Provision for reserve under the special laws	1,415	1,744
Provision for reserve for price fluctuations	1,415	1,744
Valuation losses on stock of equity method affiliated companies	6,682	-
Provision for reserve for investment losses	-	3,640
Provision for Reserve for Policyholders' Dividends	3,564	4,153
Income Before Income Taxes	55,113	50,581
Income Taxes - Current	21,735	18,973
Income Taxes -Deferred	(3,718)	(3,577)
Total Income Taxes	18,016	15,395
Net Income	37,096	35,185

7. Reconciliation to Core Profit and Non-consolidated Ordinary Profit

(Millions of yen)

		For the year ended March 31, 2016	For the year ended March 31, 2017
Core Profit	A	43,019	83,831
Capital gains		27,387	16,114
Income from monetary trusts, net		7,119	-
Income from trading securities, net		41	134
Gains on sale of securities		12,204	1,308
Gains on derivatives, net		4,768	-
Foreign exchange gains, net		-	14,670
Other capital gains		3,253	-
Capital losses		2,951	32,276
Losses on monetary trusts, net		-	-
Losses on trading securities, net		-	-
Losses on sale of securities		-	-
Devaluation losses on securities		-	-
Losses on derivatives, net		-	30,050
Foreign exchange losses, net		2,798	-
Other capital losses		153	2,226
Net capital gains (losses)	B	24,435	(16,162)
Core profit plus net capital gains (losses)	A+B	67,455	67,669
Other one-time gains		-	1
Gains from reinsurance		-	-
Reversal of contingency reserve		-	-
Reversal of specific reserve for possible loans losses		-	1
Others		-	-
Other one-time losses		6,662	7,490
Losses from reinsurance		-	-
Provision for contingency reserve		6,458	7,296
Provision for specific reserve for possible loans losses		5	-
Provision for reserve for loan losses from borrowers in specific foreign countries		-	-
Write-off of loans		-	-
Others		197	193
Net other one-time gains (losses)	C	(6,662)	(7,488)
Ordinary Profit	A+B+C	60,792	60,180

Notes:

1. Core profit for the fiscal year ended March 31, 2017 (A) includes income gains of ¥4,493 million in income from monetary trusts and interest income and dividends of ¥17 million in income from trading securities, net; other capital losses include provision of policy reserves and others of ¥1,560 million for currency fluctuations of foreign currency dominated products and impairment losses of ¥665 million from investment partnership; "Others" of other one-time losses included provision of additional policy reserve of ¥193 million.
2. Core profit for the fiscal year ended March 31, 2016 (A) includes income gains of ¥4,853 million in income from monetary trusts and interest income and dividends of ¥57 million in income from trading securities, net; other capital gains include reversal of policy reserves and others of ¥3,253 million for currency fluctuations of foreign currency dominated products; other capital losses include impairment losses of ¥153 million from investment partnership; "Others" of other one-time losses included provision of additional policy reserve of ¥197 million.

8. Loans by Borrower Category

(Millions of yen, %)

Category	As of March 31, 2016	As of March 31, 2017
Bankrupt and quasi-bankrupt loans	-	-
Doubtful loans	-	-
Sub-standard loans	-	-
Sub-total	-	-
[% to total]	[-]	[-]
Normal loans	223,255	431,372
Total	223,255	431,372

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 interests 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.

9. Risk-monitored Loans

Not applicable

10. Solvency Margin Ratio

(Millions of yen)

Category		As of March 31, 2016	As of March 31, 2017
Total solvency margin	(A)	1,169,875	1,176,229
Common stock, etc.		319,740	324,181
Reserve for price fluctuations		44,260	46,005
Contingency reserve		75,166	82,463
General reserve for possible loan losses		0	0
Net unrealized gains on other securities (before tax deductions) and net deferred gains or losses on hedging instruments (before tax deductions) x 90% (100% if losses)		188,217	159,672
Net unrealized gains on real estate multiplied by 85% (100% if losses)		20,778	30,847
Amount excluded from deferred tax assets		-	-
Unallotted portion of reserve for policyholders' dividends		302	442
Deferred tax assets		83,648	82,980
Excess amount of policy reserves based on Zillmer method		470,777	495,984
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)	(42,891)
Deductible items		(1,707)	(3,457)
Total risk	$\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$ (B)	85,930	91,576
Insurance risk	R_1	23,576	24,169
Third-sector insurance risk	R_8	8,519	8,541
Assumed interest rate risk	R_2	30,613	31,356
Minimum guarantee risk	R_7	15,902	18,140
Asset management risk	R_3	30,831	33,554
Business management risk	R_4	2,188	2,315
Solvency margin ratio	$(A) / \left\{ \frac{1}{2} \times (B) \right\} \times 100$	2,722.8%	2,568.8%

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 March 31, 2017
Total solvency margin	(A)	1,151,900	1,162,007
Common stock, etc.		318,011	322,640
Reserve for price fluctuations		44,260	46,005
Contingency reserve		75,166	82,463
Catastrophe reserve		-	-
General reserve for possible loan losses		0	0
Net unrealized gains on other securities (before tax deductions) and net deferred gains or losses on hedging instruments (before tax deductions) x 90% (100% if losses)		188,217	159,672
Net unrealized gains on real estate multiplied by 85% (100% if losses)		20,778	30,847
Total amount of unrecognized net actuarial gain and unrecognized prior service cost		(4,836)	(3,565)
Amount excluded from deferred tax assets		-	-
Unallocated portion of reserve for policyholders' dividends		302	442
Deferred tax assets		83,648	82,980
Excess amount of policy reserves based on Zillmer method		470,777	495,984
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)	(44,432)
Deductible items		(11,389)	(11,031)
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	88,302
Insurance risk	R ₁	23,576	24,169
Ordinary insurance risk	R ₅	-	-
Major Catastrophe risk	R ₆	-	-
Third-sector insurance risk	R ₈	8,519	8,541
Insurance risk of small-amount short-term insurance providers	R ₉	-	-
Assumed interest rate risk	R ₂	30,613	31,356
Minimum guarantee risk	R ₇	15,902	18,140
Asset management risk	R ₃	27,698	30,099
Business management risk	R ₄	2,126	2,246
Solvency margin ratio	$(A) / \left\{ \frac{1}{2} \times (B) \right\} \times 100$	2,776.2%	2,631.8%

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 was calculated based on the standardized approach.

11. Status of Separate Account Assets for the Year Ended March 31, 2017

(1) Balance of Separate Account Assets

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

(Millions of yen)

Category	As of March 31, 2016	As of March 31, 2017
	Amount	Amount
Individual variable life insurance and individual variable annuities	850,323	989,605
Group annuities	-	-
Total separate account	850,323	989,605

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

(2) Status of Individual variable life insurance and individual variable annuities (Separate Account)

(i) Policy amount in force

a) Individual variable life insurance

(Number: Thousand, Amount: Millions of yen)

Category	As of March 31, 2016		As of March 31, 2017	
	Number	Amount	Number	Amount
Variable life insurance (whole life type)	823	8,690,797	845	8,680,668
Variable life insurance (limited term type)	84	323,349	97	421,300
Variable life insurance (term type)	1	40,538	1	38,716
Total	909	9,054,686	944	9,140,684

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

b) Individual variable annuities

(Number: Thousand, Amount: Millions of yen)

Category	As of March 31, 2016		As of March 31, 2017	
	Number	Amount	Number	Amount
Individual variable annuities	81	456,096	106	600,331

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.

(ii) Portfolio of separate account assets in individual variable life insurance and individual variable annuities

(Millions of yen, %)

Category	As of March 31, 2016		As of March 31, 2017	
	Amount	%	Amount	%
Cash and deposits, call loans	54,043	6.4	68,020	6.9
Securities	794,025	93.4	919,265	92.9
Japanese bonds (including JGBs)	158,244	18.6	148,130	15.0
Japanese stocks	50,046	5.9	49,294	5.0
Foreign securities	378,833	44.6	476,218	48.1
Foreign bonds	62,504	7.4	68,315	6.9
Foreign stocks, etc.	316,328	37.2	407,902	41.2
Other securities	206,902	24.3	245,621	24.8
Loans	-	-	-	-
Other	2,254	0.3	2,320	0.2
Reserve for possible loan losses	-	-	-	-
Total	850,323	100.0	989,605	100.0

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

(iii) Net investment gains (losses) of separate account assets in individual variable life insurance and individual variable annuities

(Millions of yen, %)

Category	For the year ended March 31, 2016	For the year ended March 31, 2017
Interest income and dividends	15,220	14,498
Gains on sale of securities	36,481	22,211
Gains on redemption of securities	4	21
Valuation gains on securities	163,414	215,402
Foreign exchange gains, net	12,643	-
Gains on derivatives, net	-	-
Other investment income	0	0
Losses on sale of securities	2,103	1,001
Losses on redemption of securities	33	37
Devaluation losses on securities	239,513	169,842
Foreign exchange losses, net	-	4,021
Losses on derivatives, net	-	-
Other investment expenses	850	806
Net investment gains (losses)	(14,735)	76,423

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

12. Consolidated Summary

Not applicable