

**Summary Information on Sony Life's Financial Results**  
**for the Year Ended March 31, 2018**

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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. 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, 2017				As of March 31, 2018			
	Number	Comparison to Mar. 31, 2016	Amount	Comparison to Mar. 31, 2016	Number	Comparison to Mar. 31, 2017	Amount	Comparison to Mar. 31, 2017
Individual life insurance	7,112	103.4	443,133	104.8	7,316	102.9	458,924	103.6
Individual annuities	196	118.2	10,208	119.2	252	128.5	13,609	133.3
Group life insurance	—	—	18,510	115.7	—	—	19,201	103.7
Group annuities	—	—	115	88.4	—	—	100	86.8

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, 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	—	—	—	—	—	—

Category	For the year ended March 31, 2018					
	Number	Comparison to FY2016	Amount	Comparison to FY2016	Amount, of which, new policies	Amount, of which, increase from conversion
Individual life insurance	478	100.0	49,121	103.1	49,121	—
Individual annuities	61	177.9	3,758	195.5	3,758	—
Group life insurance	—	—	582	122.9	582	—
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, 2017		As of March 31, 2018	
	Amount	Comparison to Mar. 31, 2016	Amount	Comparison to Mar. 31, 2017
Individual life insurance	787,005	104.7	807,437	102.6
Individual annuities	33,851	114.8	41,386	122.3
<b>Total</b>	<b>820,856</b>	<b>105.1</b>	<b>848,823</b>	<b>103.4</b>
Of which, medical protection, living benefit protection and other products	187,449	104.3	191,895	102.4

### New policies

(Millions of yen, %)

Category	For the year ended March 31, 2017		For the year ended March 31, 2018	
	Amount	Comparison to FY2015	Amount	Comparison to FY2016
Individual life insurance	72,786	95.4	63,875	87.8
Individual annuities	5,340	61.5	9,197	172.2
<b>Total</b>	<b>78,127</b>	<b>91.9</b>	<b>73,073</b>	<b>93.5</b>
Of which, medical protection, living benefit protection and other products	15,718	100.0	12,984	82.6

Notes:

- Annualized premiums refer to an amount that is calculated by multiplying individual premium amounts by a coefficient that differs depending on the payment methods, thereby converting the figure to a per-year premium. (For single payment policies, premiums are divided by the number of coverage)
- “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, 2017		For the year ended March 31, 2018	
		Comparison to FY2015		Comparison to FY2016
Income from insurance premiums	956,733	93.1	1,059,269	110.7
Investment income	245,339	143.9	243,293	99.2
Insurance claims and other payments	372,407	102.5	436,538	117.2
Investment expenses	36,196	154.7	33,121	91.5
Ordinary profit	60,180	99.0	56,338	93.6

**(4) Total Assets**

(Millions of yen, %)

Category	As of March 31, 2017		As of March 31, 2018	
		Comparison to Mar. 31, 2016		Comparison to Mar. 31, 2017
Total assets	8,873,613	110.4	9,567,689	107.8

## 2. Policy Amount in Force by Insurance Function as of March 31, 2018

(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	6,090	440,281	—	—	1,608	19,201	7,698	459,482
	Accidental death	680	59,407	—	—	12	3	692	59,411
	Death protection with other conditions	319	11,140	—	—	—	—	319	11,140
Living protection		1,226	18,643	252	13,609	0	0	1,479	32,253
Hospitalization protection	Accidental hospitalization	2,731	182	—	—	14	0	2,746	182
	Sickness hospitalization	2,731	182	—	—	—	—	2,731	182
	Hospitalization with other conditions	831	69	—	—	—	—	831	69
Disability protection		754	—	—	—	14	—	768	—
Surgery protection		1,694	—	—	—	—	—	1,694	—

Category	Group annuities		Asset-formation insurance, asset-formation annuities		Total	
	Number	Amount	Number	Amount	Number	Amount
Living protection	75	100	—	—	75	100

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, 2018

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

	For the year ended March 31, 2017	For the year ended March 31, 2018
Level-premium		
Assumed interest rates of 1.00% or less	0.70%	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%	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 year ended March 31, 2018.

Example: Semi-participating whole life nursing-care insurance (before nursing care annuity payments commences)  
Entered at 30, male, single premium payment, 10x death benefit, basic care annuity amount of 0.5 million yen  
(sales suspension in July 2016)

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%	3 years	—	¥22,818
November 2, 2014	1.00%	4 years	—	¥30,629
November 2, 2013	1.00%	5 years	¥38,563	¥38,563
November 2, 2012	1.50%	6 years	—	¥0
November 2, 2011	1.50%	7 years	—	¥0
November 2, 2010	1.50%	8 years	—	¥0
November 2, 2009	1.50%	9 years	—	¥0
November 2, 2008	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, 2018.
- The above-stated dividend amount is the sum of the pro-rated dividend amount (policy reserve × dividend participation ratio) and interest through November 2, 2018 (excluding dividends already paid).  
Dividend participation ratio = Standard dividend yield - Assumed interest rate

#### (3) Standard dividend yield on group annuities

The standard dividend yield on group annuities is 0.75%, using figures for the fiscal year ended March 31, 2018

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, 2018**

##### (1) Status of Investment Assets for the Year Ended March 31, 2018

###### 1) Investment Environment

During the fiscal year ended March 31, 2018, the Japanese economy grew gradually. Exports grew, spurred by the favorable overseas economy, sustaining an economic expansion has now surpassed the length of the Izanagi economic boom (1965–1970). Capital investment expanded on the back of improved corporate performance and business sentiment, and personal consumption was firm, driving by an improved employment environment and wage increases. Price rises remained near zero, with the core consumer price index increasing 0.5% year on year. Year on year, real GDP growth was positive 2.4% p.a. for the April–June 2017 quarter, positive 2.4% p.a. for the July–September quarter and positive 1.6% p.a. for the October–December quarter. The growth rate is forecast at positive 0.56% p.a. for the January–March 2018 quarter.<sup>1</sup>

The Japanese bond market was characterized by long-term interest rates remaining in a narrow range. Affected by the Bank of Japan's (BOJ's) buying operations as part of its policy of controlling the yield curve, yields on 10-year Japanese government bonds (JGBs) ranged near the BOJ's target of zero, with tight supply and demand resulting in an inactive market. As of March 31, 2018, the long-term interest rate was 0.043%, down 0.024 percentage point from a year earlier.

Stock market performance was up. In September 2017, Prime Minister Abe dissolved the House of Representatives and announced a general election, which the Liberal Democratic Party won. The stock market interpreted this result to mean political stability, which buoyed share prices. Thereafter, the Nikkei Stock Average rose further on a steady stream of positive financial results announcements in Japan and the United States, and in January 2018, the Nikkei rose to the ¥24,000 level for the first time in 26 years. Late that same month, however, share prices fell following US President Trump's State of the Union speech, and up to the end of the fiscal year, the Nikkei moved in a narrow range around ¥21,000. As of March 31, 2018, the Nikkei was ¥21,454.30, up ¥2,545.04 from a year earlier.

Foreign exchange markets moved within a range. Investors increasingly sought to hedge risk in response to geopolitical risk and political uncertainty in Japan and overseas, causing the yen to move to and fro in a range between ¥108 and ¥114 to the US dollar in the first half of the fiscal year. Thereafter, in January a statement by the US Secretary of the Treasury was read as permissive of a weaker dollar, as well as resignations by a number of senior government officials, caused the dollar to fall to around ¥104 at one point. This was followed by a market rebound, leading to a March 31, 2018 exchange rate of ¥106.24 to the US dollar, finishing with the yen slightly higher than the ¥112.19 to the US dollar as of March 31, 2017.

###### 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

<sup>1</sup> ESP Forecast Survey, Japan Center for Economic Research

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, 2018, general account assets totaled ¥8,438.8 billion, up 7.0%, or ¥554.8 billion, from a year earlier. Within general account assets, Japanese bonds (including JGBs) totaled ¥7,281.1 billion (accounting for 86.3% of total general account assets), foreign bonds ¥366.5 billion (4.3%), Japanese stocks ¥38.4 billion (0.5%), money held in trust ¥270.5 billion (3.2%), policy loans ¥189.4 billion (2.2%), real estate ¥92.3 billion (1.1%), and cash and cash deposits and call loans ¥40.8 billion (0.5%).

**(2) Portfolio of General Account Assets**

(Millions of yen, %)

Category	As of March 31, 2017		As of March 31, 2018	
	Amount	%	Amount	%
Cash and deposits, call loans	40,896	0.5	40,862	0.5
Securities repurchased under resale agreements	—	—	—	—
Pledged money for bond borrowing transaction	—	—	—	—
Monetary claims purchased	—	—	—	—
Securities under proprietary accounts	—	—	—	—
Money held in trust	273,877	3.5	270,582	3.2
Securities	7,173,927	91.0	7,717,905	91.5
Japanese bonds (including JGBs)	6,828,743	86.6	7,281,144	86.3
Japanese stocks	37,659	0.5	38,464	0.5
Foreign securities	305,846	3.9	396,910	4.7
Bonds	274,306	3.5	366,571	4.3
Stocks, etc.	31,539	0.4	30,339	0.4
Other securities	1,678	0.0	1,385	0.0
Loans	180,374	2.3	189,486	2.2
Real estate	117,525	1.5	92,346	1.1
Deferred tax assets	5,350	0.1	10,787	0.1
Other assets	92,328	1.2	117,195	1.4
Reserve for possible loan losses	(271)	(0.0)	(295)	(0.0)
<b>Total</b>	<b>7,884,008</b>	<b>100.0</b>	<b>8,438,872</b>	<b>100.0</b>
Of which, foreign-currency-denominated assets	309,046	3.9	409,863	4.9

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, 2017	For the year ended March 31, 2018
Cash and deposits, call loans	(11,655)	(33)
Securities repurchased under resale agreements	—	—
Pledged money for bond borrowing transaction	—	—
Monetary claims purchased	—	—
Securities under proprietary accounts	—	—
Money held in trust	(7,095)	(3,295)
Securities	694,591	543,978
Japanese bonds (including JGBs)	477,566	452,401
Japanese stocks	4,294	805
Foreign securities	212,705	91,064
Bonds	204,172	92,264
Stocks, etc.	8,533	(1,199)
Other securities	24	(292)
Loans	8,725	9,112
Real estate	1,708	(25,178)
Deferred tax assets	5,350	5,437
Other assets	7,297	24,867
Reserve for possible loan losses	1	(23)
<b>Total</b>	<b>698,923</b>	<b>554,864</b>
Of which, foreign-currency-denominated assets	217,228	100,817

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, 2017	For the year ended March 31, 2018
Interest income and dividends	148,284	157,727
Interest income from deposits	0	0
Interest income and dividends from securities	130,772	140,435
Interest income from loans	6,377	6,610
Income from real estate for rent	10,869	10,285
Other income from interests and dividends	265	395
Gains on securities under proprietary accounts	—	—
Income from money held in trust, net	4,493	4,490
Income from trading securities, net	152	2
Gains on sale of securities	1,308	0
Gains on sale of Japanese bonds (including JGBs)	20	0
Gains on sale of Japanese stocks, etc.	—	—
Gains on sale of foreign securities	1,287	—
Other	—	—
Gains on redemption of securities	—	1
Gains on derivatives, net	—	—
Foreign exchange gains, net	14,670	—
Reversal of reserve for possible loan losses	1	—
Other investment income	4	138
<b>Total</b>	<b>168,915</b>	<b>162,361</b>

**(5) Investment Expenses**

(Millions of yen)

Category	For the year ended March 31, 2017	For the year ended March 31, 2018
Interest expense	44	151
Losses on securities under proprietary accounts	—	—
Losses on money held in trust, net	—	—
Losses on trading securities, net	—	—
Losses on sale of securities	—	0
Losses on sale of Japanese bonds (including JGBs)	—	—
Losses on sale of Japanese stocks	—	—
Losses on sale of foreign securities	—	0
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	53	2
Losses on derivatives, net	30,050	11,403
Foreign exchange losses	—	15,280
Provision for reserve for possible loan losses	—	23
Write-off of loans	—	—
Depreciation of real estate for rent and others	1,879	1,770
Other investment expenses	4,167	4,487
<b>Total</b>	<b>36,196</b>	<b>33,121</b>

## (6) Investment Efficiency

### (i) Investment yield by type of asset

(%)

Category	For the year ended March 31, 2017	For the year ended March 31, 2018
Cash and deposits, call loans	0.00	0.00
Securities repurchased under resale agreements	–	–
Pledged money for bond borrowing transaction	–	–
Monetary claims purchased	–	–
Securities under proprietary accounts	–	–
Money held in trust	1.94	1.93
Securities	2.19	1.68
Japanese bonds (including JGBs)	1.88	1.81
Japanese stocks	2.80	3.22
Foreign securities	13.41	(1.21)
Loans	3.64	3.60
Real estate	5.52	5.86
Total	1.81	1.63
Of which, overseas investment	13.25	(1.19)

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, 2017		As of March 31, 2018	
	Balance sheet amount	Net valuation gains (losses) recorded in income	Balance sheet amount	Net valuation gains (losses) recorded in income
Trading-purpose securities	2,054	(162)	–	(31)

## (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, 2017					As of March 31, 2018				
	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	6,068,671	7,514,255	1,445,584	1,521,504	75,919	6,467,997	8,050,644	1,582,646	1,640,383	57,736
Policy-reserve-matching bonds	277,372	303,356	25,983	27,876	1,893	401,958	436,842	34,884	35,939	1,055
Stocks of subsidiaries and affiliated companies	—	—	—	—	—	—	—	—	—	—
Available-for-sale securities	896,527	1,069,920	173,392	174,667	1,274	921,995	1,091,187	169,192	172,541	3,349
Japanese bonds (including JGBs)	852,604	1,013,331	160,726	160,726	—	847,062	1,002,106	155,044	155,044	—
Japanese stocks	13,685	27,082	13,396	13,455	58	13,685	30,668	16,982	17,008	25
Foreign securities	30,071	29,193	(878)	337	1,215	61,081	58,125	(2,955)	368	3,323
Bonds	18,545	17,996	(548)	337	886	49,398	46,689	(2,709)	368	3,077
Stocks, etc.	11,525	11,196	(329)	—	329	11,682	11,436	(245)	—	245
Other securities	165	313	147	147	—	165	286	120	120	—
Monetary claims purchased	—	—	—	—	—	—	—	—	—	—
Certificates of deposit	—	—	—	—	—	—	—	—	—	—
Others	—	—	—	—	—	—	—	—	—	—
Total	7,242,571	8,887,532	1,644,961	1,724,048	79,087	7,791,950	9,578,673	1,786,723	1,848,865	62,142
Japanese bonds (including JGBs)	6,942,338	8,595,523	1,653,185	1,707,293	54,108	7,397,136	9,185,284	1,788,148	1,827,186	39,037
Japanese stocks	13,685	27,082	13,396	13,455	58	13,685	30,668	16,982	17,008	25
Foreign securities	286,381	264,612	(21,768)	3,151	24,920	380,962	362,434	(18,528)	4,550	23,078
Bonds	274,855	253,416	(21,439)	3,151	24,590	369,280	350,998	(18,282)	4,550	22,832
Stocks, etc.	11,525	11,196	(329)	—	329	11,682	11,436	(245)	—	245
Other securities	165	313	147	147	—	165	286	120	120	—
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 money held in trust, including items other than trading-purpose securities, amounted to ¥232,404 million and ¥41,919 million as of March 31, 2017, respectively, and amounted to ¥232,484 million and ¥38,552 million as of March 31, 2018, respectively.

## b. Carrying amounts of the securities without market value

(Millions of yen)

Category	As of March 31, 2017	As of March 31, 2018
Held-to-maturity securities	—	—
Unlisted foreign bonds	—	—
Others	—	—
Policy-reserve-matching bonds	—	—
Stocks of subsidiaries and affiliated companies	16,312	15,926
Available-for-sale securities	9,896	7,719
Unlisted domestic stocks (except OTC stocks)	159	159
Unlisted foreign stocks (except OTC stocks)	608	590
Unlisted foreign bonds	—	—
Others	9,127	6,968
Total	26,209	23,645

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, 2017					As of March 31, 2018				
	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	6,068,671	7,514,255	1,445,584	1,521,504	75,919	6,467,997	8,050,644	1,582,646	1,640,383	57,736
Policy-reserve-matching bonds	277,372	303,356	25,983	27,876	1,893	401,958	436,842	34,884	35,939	1,055
Stocks of subsidiaries and affiliated companies	16,312	16,312	—	—	—	15,926	15,926	—	—	—
Available-for-sale securities	906,423	1,083,838	177,414	179,270	1,856	929,714	1,103,060	173,345	176,918	3,572
Japanese bonds (including JGBs)	852,604	1,013,331	160,726	160,726	—	847,062	1,002,106	155,044	155,044	—
Japanese stocks	13,845	27,242	13,396	13,455	58	13,845	30,828	16,982	17,008	25
Foreign securities	30,680	30,947	266	1,482	1,215	61,671	59,702	(1,968)	1,354	3,323
Bonds	18,545	17,996	(548)	337	886	49,398	46,689	(2,709)	368	3,077
Stocks, etc.	12,134	12,950	815	1,145	329	12,273	13,013	740	986	245
Other securities	9,293	12,317	3,024	3,606	581	7,134	10,422	3,287	3,510	222
Monetary claims purchased	—	—	—	—	—	—	—	—	—	—
Certificates of deposit	—	—	—	—	—	—	—	—	—	—
Others	—	—	—	—	—	—	—	—	—	—
Total	7,268,780	8,917,763	1,648,982	1,728,652	79,669	7,815,596	9,606,473	1,790,876	1,853,241	62,365
Japanese bonds (including JGBs)	6,942,338	8,595,523	1,653,185	1,707,293	54,108	7,397,136	9,185,284	1,788,148	1,827,186	39,037
Japanese stocks	22,208	35,605	13,396	13,455	58	21,482	38,464	16,982	17,008	25
Foreign securities	294,940	274,316	(20,623)	4,296	24,920	389,842	372,301	(17,541)	5,536	23,078
Bonds	274,855	253,416	(21,439)	3,151	24,590	369,280	350,998	(18,282)	4,550	22,832
Stocks, etc.	20,084	20,900	815	1,145	329	20,562	21,302	740	986	245
Other securities	9,293	12,317	3,024	3,606	581	7,134	10,422	3,287	3,510	222
Monetary claims purchased	—	—	—	—	—	—	—	—	—	—
Certificates of deposit	—	—	—	—	—	—	—	—	—	—
Others	—	—	—	—	—	—	—	—	—	—

**(iv) Fair value information on money held in trust**

(Millions of yen)

Category	As of March 31, 2017					As of March 31, 2018				
	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		
Money held in trust	273,877	273,877	—	—	—	270,582	270,582	—	—	—

Note: The above table includes jointly invested money held in trust, amounted to ¥50 million as of March 31, 2017 and amounted to ¥40 million as of March 31, 2018, respectively

**Money held in trust for investment**

(Millions of yen)

Category	As of March 31, 2017		As of March 31, 2018	
	Balance sheet amount	Net valuation gains (losses) recorded in income	Balance sheet amount	Net valuation gains (losses) recorded in income
Money held in trust for investment	—	—	—	—

**Money held in trust for held-to-maturity and policy-reserve-matching and other**

(Millions of yen)

Category	As of March 31, 2017					As of March 31, 2018				
	Carrying amount	Fair value	Net unrealized gains (losses)		Carrying amount	Fair value	Net unrealized gains (losses)			
			Unrealized gains	Unrealized losses			Unrealized gains	Unrealized losses		
Money held in trust for held-to-maturity	—	—	—	—	—	—	—	—	—	—
Money held in trust for policy-reserve-matching	—	—	—	—	—	—	—	—	—	—
Other money held in trust	231,907	273,826	41,919	41,919	—	231,989	270,541	38,552	38,552	—

## 5. Non-consolidated Balance Sheets

(Millions of yen)

	As of	As of		As of	As of
	March 31, 2017	March 31, 2018		March 31, 2017	March 31, 2018
	Amount	Amount		Amount	Amount
<b>Assets:</b>			<b>Liabilities:</b>		
Cash and deposits	47,016	53,683	Policy reserves and others	7,968,639	8,606,736
Cash	2	—	Reserve for outstanding claims	32,965	35,176
Deposits	47,013	53,683	Policy reserves	7,929,944	8,566,075
Call loans	61,900	65,500	Reserve for policyholders' dividends	5,729	5,484
Money held in trust	273,877	270,582	Due to agencies	2,616	1,873
Securities	8,093,192	8,765,967	Due to reinsurers	3,663	5,497
Japanese government bonds	6,664,639	6,966,434	Other liabilities	353,812	386,099
Japanese local government bonds	1,767	1,543	Payable under repurchase agreements	—	31,696
Japanese corporate bonds	310,466	461,015	Collateral for securities lending transactions	310,608	303,889
Japanese stocks	86,954	88,376	Accrued income tax	8,095	13,478
Foreign securities	782,064	959,188	Other payables	2,137	3,249
Other securities	247,299	289,408	Accrued expenses	17,923	20,325
Loans	180,374	189,486	Unearned revenue	1,067	764
Policy loans	180,339	189,460	Deposits received	2,094	1,237
Commercial loans	34	25	Deposits received for guarantee	5,420	4,202
Tangible fixed assets	118,441	93,169	Variation margins of futures markets	446	2,194
Land	83,007	62,259	Derivative liabilities	614	1,410
Buildings	34,442	30,087	Lease obligations	10	6
Leased assets	10	5	Asset retirement obligations	2,156	1,856
Construction in progress	75	—	Suspense receipt	3,235	1,787
Other tangible fixed assets	906	816	Reserve for employees' retirement benefits	24,678	26,656
Intangible fixed assets	19,356	23,210	Reserve for directors' retirement benefits	119	—
Software	19,347	23,201	Reserve under the special laws	46,005	47,929
Other intangible fixed assets	9	8	Reserve for price fluctuations	46,005	47,929
Due from agencies	0	—	Deferred tax liabilities on land revaluation	488	109
Due from reinsurers	1,393	929			
Other assets	74,245	92,184	<b>Total Liabilities</b>	<b>8,400,024</b>	<b>9,074,902</b>
Other receivables	35,316	37,411			
Prepaid expenses	1,651	1,983	<b>Net Assets:</b>		
Accrued income	18,621	19,627	Common stock	70,000	70,000
Money on deposits	5,269	5,428	Capital surplus	5,865	5,865
Initial margins of futures markets	7,302	18,324	Capital reserve	5,865	5,865
Variation margins of futures markets	435	892	Retained earnings	271,416	294,424
Derivatives	5,212	7,969	Earned reserve	30,318	34,938
Advance payments	370	470	Other retained earnings	241,098	259,486
Others	65	75	Unappropriated retained earnings	241,098	259,486
Prepaid pension costs	2,376	2,483	<b>Total shareholders' equity</b>	<b>347,281</b>	<b>370,289</b>
Deferred tax assets	5,350	10,787	Net unrealized gains (losses) on other securities, net of taxes	127,772	124,936
Reserve for possible loan losses	(271)	(295)	Land revaluation, net of taxes	(1,465)	(2,439)
Reserve for investment losses	(3,640)	—	<b>Total valuation and translation adjustments</b>	<b>126,307</b>	<b>122,497</b>
			<b>Total Net Assets</b>	<b>473,589</b>	<b>492,787</b>
<b>Total Assets</b>	<b>8,873,613</b>	<b>9,567,689</b>	<b>Total Liabilities and Net Assets</b>	<b>8,873,613</b>	<b>9,567,689</b>

## 6. Non-consolidated Statements of Income

(Millions of yen)

	For the year ended March 31, 2017	For the year ended March 31, 2018
Ordinary Revenues	1,243,739	1,351,076
Income from insurance premiums	956,733	1,059,269
Insurance premiums	954,028	1,056,725
Ceded reinsurance commissions	2,704	2,544
Investment income	245,339	243,293
Interest income and dividends	148,284	157,727
Interest income from deposits	0	0
Interest income and dividends from securities	130,772	140,435
Interest income from loans	6,377	6,610
Rent revenue from real estate	10,869	10,285
Other interest income and dividends	265	395
Income from money held in trust, net	4,493	4,490
Gains on trading securities, net	152	2
Gains on sale of securities	1,308	0
Gains on redemption of securities	—	1
Foreign exchange gains, net	14,670	—
Reversal for reserve for possible loan losses	1	—
Other investment income	4	138
Gains on separate accounts, net	76,423	80,932
Other ordinary income	41,666	48,513
Income for annuity riders	3,001	5,065
Income for deferred payment of claims	33,879	39,537
Other ordinary income	4,785	3,910
Ordinary Expenses	1,183,558	1,294,738
Insurance claims and other payments	372,407	436,538
Insurance claims	84,178	92,342
Annuity payments	12,019	12,566
Insurance benefits	98,252	119,294
Surrender payments	168,409	199,263
Refund to policyholders	3,122	3,314
Reinsurance premiums	6,423	9,756
Provision for policy reserves and others	596,742	638,343
Provision for reserves for outstanding claims	3,330	2,211
Provision for policy reserves	593,411	636,131
Interest on policyholders' dividend reserve	0	0
Investment expenses	36,196	33,121
Interest expenses	44	151
Losses on sale of securities	—	0
Losses on redemption of securities	53	2
Losses on derivatives, net	30,050	11,403
Foreign exchange losses, net	—	15,280
Provision for reserve for possible loan losses	—	23
Depreciation of real estate for rent and others	1,879	1,770
Other investment expenses	4,167	4,487
Losses on separate accounts, net	—	—
Operating expenses	137,094	139,937
Other ordinary expenses	41,118	46,796
Payments of deferred claims	19,889	25,487
Taxes	12,171	12,647
Depreciation and amortization	5,299	5,376
Provision for reserve for employees' retirement benefits	3,745	2,981
Others	12	304
Ordinary Profit	60,180	56,338
Extraordinary Gains	—	16,898
Gains on disposal of fixed assets	—	13,258
Reversal of reserve for investment losses	—	3,640
Extraordinary Losses	5,445	6,190
Losses on disposal of fixed assets	52	89
Impairment losses	7	0
Provision for reserve under the special laws	1,744	1,924
Provision for reserve for price fluctuations	1,744	1,924
Valuation losses on stock of equity method affiliated companies	—	4,176
Provision for reserve for investment losses	3,640	—
Provision for Reserve for Policyholders' Dividends	4,153	3,271
Income Before Income Taxes	50,581	63,774
Income Taxes — Current	18,973	23,224
Income Taxes — Deferred	(3,577)	(4,583)
Total Income Taxes	15,395	18,640
Net Income	35,185	45,134

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

(Millions of yen)

		For the year ended March 31, 2017	For the year ended March 31, 2018
Core Profit	A	83,831	81,384
Capital gains		16,114	9,894
Income from money held in trust, net		—	—
Income from trading securities, net		134	—
Gains on sale of securities		1,308	0
Gains on derivatives, net		—	—
Foreign exchange gains, net		14,670	—
Other capital gains		—	9,894
Capital losses		32,276	27,357
Losses on money held in trust, net		—	—
Losses on trading securities, net		—	8
Losses on sale of securities		—	0
Devaluation losses on securities		—	—
Losses on derivatives, net		30,050	11,403
Foreign exchange losses, net		—	15,280
Other capital losses		2,226	664
Net capital gains (losses)	B	(16,162)	(17,463)
Core profit plus net capital gains (losses)	A+B	67,669	63,920
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		7,490	7,582
Losses from reinsurance		—	—
Provision for contingency reserve		7,296	7,451
Provision for specific reserve for possible loans losses		—	23
Provision for reserve for loan losses from borrowers in specific foreign countries		—	—
Write-off of loans		—	—
Others		193	107
Net other one-time gains (losses)	C	(7,488)	(7,582)
Ordinary Profit	A+B+C	60,180	56,338

Notes:

- Core profit for the fiscal year ended March 31, 2018 (A) includes income gains of ¥4,490 million in income from money held in trust and interest income and dividends of ¥11 million in income from trading securities, net; other capital gains include reversal of policy reserves and others of ¥9,894 million for currency fluctuations of foreign currency dominated products and impairment losses of ¥664 million from investment partnership; "Others" of other one-time losses included provision of additional policy reserve of ¥107 million.
- Core profit for the fiscal year ended March 31, 2017 (A) includes income gains of ¥4,493 million in income from money held in trust and interest income and dividends of ¥17 million in income from trading securities, net; other capital losses include total of 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.



## 8. Loans by Borrower Category

(Millions of yen, %)

Category	As of March 31, 2017	As of March 31, 2018
Bankrupt and quasi-bankrupt loans	—	—
Doubtful loans	—	—
Sub-standard loans	—	—
Sub-total	—	—
[% to total]	[—]	[—]
Normal loans	431,372	428,359
Total	431,372	428,359

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, 2017	As of March 31, 2018
Total solvency margin	(A)	1,176,229	1,233,854
Common stock, etc.		324,181	344,039
Reserve for price fluctuations		46,005	47,929
Contingency reserve		82,463	89,915
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)		159,672	156,011
Net unrealized gains on real estate x 85% (100% if losses)		30,847	29,830
Amount excluded from deferred tax assets		—	—
Unallotted portion of reserve for policyholders' dividends		442	377
Deferred tax assets		82,980	88,661
Excess amount of policy reserves based on Zillmer method		495,984	525,389
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		(42,891)	(43,128)
Deductible items		(3,457)	(5,171)
Total risk	$\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$ (B)	91,576	94,030
Insurance risk	$R_1$	24,169	24,337
Third-sector insurance risk	$R_8$	8,541	8,587
Assumed interest rate risk	$R_2$	31,356	32,452
Minimum guarantee risk	$R_7$	18,140	20,137
Asset management risk	$R_3$	33,554	32,953
Business management risk	$R_4$	2,315	2,369
Solvency margin ratio	$(A) / \left\{ \frac{1}{2} \times (B) \right\} \times 100$	2,568.8%	2,624.3%

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, 2017	As of March 31, 2018
Total solvency margin (A)	1,162,007	1,217,876
Common stock, etc.	322,640	340,820
Reserve for price fluctuations	46,005	47,929
Contingency reserve	82,463	89,915
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)	159,672	156,011
Net unrealized gains on real estate x 85% (100% if losses)	30,847	29,830
Total amount of unrecognized net actuarial gain and unrecognized prior service cost	(3,565)	(2,419)
Amount excluded from deferred tax assets	—	—
Unallocated portion of reserve for policyholders' dividends	442	377
Deferred tax assets	82,980	88,661
Excess amount of policy reserves based on Zillmer method	495,984	525,389
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	(44,432)	(46,347)
Deductible items	(11,031)	(12,290)
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)	88,302	91,362
Insurance risk R <sub>1</sub>	24,169	24,337
Ordinary insurance risk R <sub>5</sub>	—	—
Major Catastrophe risk R <sub>6</sub>	—	—
Third-sector insurance risk R <sub>8</sub>	8,541	8,587
Insurance risk of small-amount short-term insurance providers R <sub>9</sub>	—	—
Assumed interest rate risk R <sub>2</sub>	31,356	32,452
Minimum guarantee risk R <sub>7</sub>	18,140	20,137
Asset management risk R <sub>3</sub>	30,099	30,149
Business management risk R <sub>4</sub>	2,246	2,313
Solvency margin ratio $(A) / \left\{ \frac{1}{2} \times (B) \right\} \times 100$	2,631.8%	2,666.0%

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, 2018

### (1) Balance of Separate Account Assets

(Millions of yen)

Category	As of March 31, 2017	As of March 31, 2018
	Amount	Amount
Individual variable life insurance and individual variable annuities	989,605	1,128,817
Group annuities	—	—
Total separate account	989,605	1,128,817

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, 2017		As of March 31, 2018	
	Number	Amount	Number	Amount
Variable life insurance (whole life type)	845	8,680,668	843	8,384,508
Variable life insurance (limited term type)	97	421,300	122	628,240
Variable life insurance (term type)	1	38,716	6	301,218
Total	944	9,140,684	972	9,313,967

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, 2017		As of March 31, 2018	
	Number	Amount	Number	Amount
Individual variable annuities	106	600,331	162	945,144

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, 2017		As of March 31, 2018	
	Amount	%	Amount	%
Cash and deposits, call loans	68,020	6.9	78,321	6.9
Securities	919,265	92.9	1,048,062	92.8
Japanese bonds (including JGBs)	148,130	15.0	147,849	13.1
Japanese stocks	49,294	5.0	49,911	4.4
Foreign securities	476,218	48.1	562,277	49.8
Foreign bonds	68,315	6.9	77,350	6.9
Foreign stocks, etc.	407,902	41.2	484,927	43.0
Other securities	245,621	24.8	288,022	25.5
Loans	—	—	—	—
Other	2,320	0.2	2,434	0.2
Reserve for possible loan losses	—	—	—	—
<b>Total</b>	<b>989,605</b>	<b>100.0</b>	<b>1,128,817</b>	<b>100.0</b>

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, 2017	For the year ended March 31, 2018
Interest income and dividends	14,498	16,526
Gains on sale of securities	22,211	30,392
Gains on redemption of securities	21	32
Valuation gains on securities	215,402	258,562
Foreign exchange gains, net	—	—
Gains on derivatives, net	—	—
Other investment income	0	0
Losses on sale of securities	1,001	1,937
Losses on redemption of securities	37	83
Devaluation losses on securities	169,842	221,586
Foreign exchange losses, net	4,021	719
Losses on derivatives, net	—	—
Other investment expenses	806	253
<b>Net investment gains (losses)</b>	<b>76,423</b>	<b>80,932</b>

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

**12. Consolidated Summary**

Not applicable