

**Summary Information on Sony Life's Financial Results**  
**for the Fiscal Year Ended March 31, 2019**

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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, 2018				As of March 31, 2019			
	Number	Comparison to Mar. 31, 2017	Amount	Comparison to Mar. 31, 2017	Number	Comparison to Mar. 31, 2018	Amount	Comparison to Mar. 31, 2018
Individual life insurance	7,316	102.9	458,924	103.6	7,513	102.7	476,762	103.9
Individual annuities	252	128.5	13,609	133.3	334	132.4	18,946	139.2
Subtotal	7,569	103.6	472,534	104.2	7,847	103.7	495,708	104.9
Group life insurance	—	—	19,201	103.7	—	—	19,033	99.1
Group annuities	—	—	100	86.8	—	—	86	86.3

Notes:

1. The policy amount in force for individual 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.
2. The policy amount in force for group annuities is equal to the amount of policy reserves.

### New policy amount

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

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	—
Subtotal	540	105.2	52,879	106.7	52,879	—
Group life insurance	—	—	582	122.9	582	—
Group annuities	—	—	—	—	—	—

Category	For the year ended March 31, 2019					
	Number	Comparison to FY2017	Amount	Comparison to FY2017	Amount, of which, new policies	Amount, of which, increase from conversion
Individual life insurance	520	108.7	55,735	113.5	55,735	—
Individual annuities	88	144.3	5,769	153.5	5,769	—
Subtotal	609	112.7	61,504	116.3	61,504	—
Group life insurance	—	—	270	46.4	270	—
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 March 31, 2018		Comparison to Mar. 31, 2017	As of March 31, 2019		Comparison to Mar. 31, 2018
Individual life insurance	807,437		102.6	836,267		103.6
Individual annuities	41,386		122.3	53,079		128.3
Total	848,823		103.4	889,347		104.8
Medical protection, living benefit protection and other products	191,895		102.4	197,520		102.9

### New policies

(Millions of yen, %)

Category	For the year ended March 31, 2018		Comparison to FY2016	For the year ended March 31, 2019		Comparison to FY2017
Individual life insurance	63,875		87.8	74,702		116.9
Individual annuities	9,197		172.2	13,216		143.7
Total	73,073		93.5	87,918		120.3
Medical protection, living benefit protection and other products	12,984		82.6	15,251		117.5

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. Annualized premiums for “medical protection, living benefit protection and other products” include those for medical protection benefits (hospitalization benefits, surgical procedure benefits, etc.) and living benefit protection (benefits for specific diseases, nursing care benefits, etc.)

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

(Millions of yen, %)

Category	For the year ended March 31, 2018		For the year ended March 31, 2019	
		Comparison to FY2016		Comparison to FY2017
Income from insurance premiums	1,059,269	110.7	1,136,104	107.3
Investment income	243,293	99.2	278,935	114.6
Insurance claims and other payments	436,538	117.2	457,252	104.7
Investment expenses	33,121	91.5	24,638	74.4
Ordinary profit	56,338	93.6	79,812	141.7

**(4) Total Assets**

(Millions of yen, %)

Category	As of March 31, 2018		As of March 31, 2019	
		Comparison to Mar. 31, 2017		Comparison to Mar. 31, 2018
Total assets	9,567,689	107.8	10,380,148	108.5

## 2. Policy Amount in Force by Insurance Function as of March 31, 2019

(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	6,311	458,561	—	—	1,598	19,033	7,910	477,595
Accidental death	662	61,574	—	—	12	3	674	61,577
Death protection with other conditions	317	10,487	—	—	—	—	317	10,487
Living protection	1,202	18,200	334	18,946	0	0	1,536	37,146
Hospitalization protection								
Accidental hospitalization	2,713	179	—	—	15	0	2,729	179
Disease hospitalization	2,713	179	—	—	—	—	2,713	179
Hospitalization with other conditions	828	68	—	—	—	—	828	68
Disability protection	839	—	—	—	15	—	854	—
Surgery protection	1,710	—	—	—	—	—	1,710	—

Category	Group annuities		Asset-formation insurance, asset-formation annuities		Total	
	Number	Amount	Number	Amount	Number	Amount
Living protection	46	86	—	—	46	86

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 policy reserves.
3. Figures for hospitalization protection show the daily benefits for hospitalization.

### 3. Example of Policyholder Dividend, based on Figures for the Fiscal Year Ended March 31, 2019

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

	For the year ended March 31, 2018	For the year ended March 31, 2019
Level-premium		
Assumed interest rates of 1.00% or less	0.70%	0.65%
Assumed interest rates of more than 1.00%, 2.00% or less	1.55%	1.50%
Assumed interest rates of more than 2.00%	1.40%	1.35%
Single premium and others		
Assumed interest rates of 0.85% or less	0.35%	0.30%
Assumed interest rates of more than 0.85%, 2.00% or less	1.20%	1.15%
Assumed interest rates of more than 2.00%	1.05%	1.00%

#### (2) The following 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, 2019.

Example: Semi-participating whole life nursing care insurance (before nursing care annuity payments commence)

Entered at 30, male, single premium, 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%	4 years	—	28,602
November 2, 2014	1.00%	5 years	36,459	36,459
November 2, 2013	1.00%	6 years	—	5,873
November 2, 2012	1.50%	7 years	—	0
November 2, 2011	1.50%	8 years	—	0
November 2, 2010	1.50%	9 years	—	0
November 2, 2009	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, 2019.
- The amount of policyholders' dividends above is the sum of the pro-rated dividend amount (policy reserve x dividend participation ratio) and interest through November 2, 2019 (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 0.60%, using figures for the fiscal year ended March 31, 2019.

Note: Dividend participation is calculated as follows:

Dividend amount = Policy reserve x 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, 2019**

### **(1) Status of Investment Assets for the Year Ended March 31, 2019**

#### **i) Investment Environment**

During the fiscal year ended March 31, 2019, the Japanese economy grew moderately. While capital spending by Japanese companies to address the worker shortage and to improve productivity was strong, exports slowed in the second half of the fiscal year against the backdrop of the US-China trade friction. Overall, however, the Japanese economy remained on the growth course. Prices rose in 27 consecutive months with the core consumer price index in March increasing 0.5% year on year. The October-December real GDP\* grew 0.5% quarter on quarter (annualized growth rate of 1.9%). Looking at respective components, the sustained economic growth was confirmed with private consumption growing 0.4% quarter on quarter and private-sector capital expenditure increasing 2.7% from the previous quarter.

The bond market saw the declining yields on Japanese government bonds (JGBs). Although the yield on 10-year JGBs rose in the first half of the fiscal year on the back of the Bank of Japan's revised monetary easing measures in July, it turned to a downward trajectory from October 2018 to March 2019 due to the growing investment appetite of domestic and overseas investors for JGBs as a result of the rising concern over the deterioration of the global economy caused by the US-China trade friction and the ensuing shift in European and US central banks' stance to a dovish position. The long-term interest rate as of March 31, 2019 was negative 0.082% (down 0.125 percentage point from a year earlier).

Stock markets fell year on year. After limited price movements in the first half of the fiscal year against the background of the US-China trade friction and uncertainties concerning emerging country currencies, the markets rose toward the end of September as these concerns abated. Thereafter, however, the rekindled trade friction and the US-Japan trade talks weighed on the markets, which trended downward until December 2018. From thereon until the end of the fiscal year, the Nikkei Stock Average rose as excessive anxiety receded with economic indicators starting to hit bottom and the expectation grew that Japan, the US, and Europe would continue their monetary easing policies. The Nikkei Stock Average stood at ¥21,205.81 as of March 31, 2019 (down ¥248.49 from a year earlier).

The Japanese yen overall depreciated against the US dollar, albeit with some fluctuations. In the first half of the fiscal year, the yen weakened against the US dollar due to factors such as the interest rate differentials between the two countries. Between October and December 2018, USD/JPY moved within a small range between ¥112 and ¥114. As concerns grew over the US-China trade friction and over corporate performance, the yen appreciated to around ¥108 in January 2019. Thereafter, a sense of security grew in the market due to factors such as the US and European monetary authorities' decision to keep the anticipated interest rate hike on hold. As a result, the yen depreciated between January and March 2019. USD/JPY as of March 31, 2019 was ¥110.99, with the yen slightly weakening from the ¥106.24 recorded as of March 31, 2018.

## ii) 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.

## iii) Results of Investment

As of March 31, 2019, general account assets totaled ¥9,079.4 billion, up 7.6%, or ¥640.5 billion, from a year earlier. Within general account assets, Japanese bonds (including JGBs) totaled ¥7,745.3 billion (accounting for 85.3% of total general account assets), foreign bonds ¥542.1 billion (6.0%), Japanese stocks ¥28.6 billion (0.3%), money held in trust ¥269.3 billion (3.0%), policy loans ¥198.3billion (2.2%), real estate ¥90.8 billion (1.0%), and cash and cash deposits and call loans ¥61.9 billion (0.7%).

## (2) Portfolio of General Account Assets

(Millions of yen)

Category	As of March 31, 2018		As of March 31, 2019	
	Amount	%	Amount	%
Cash and deposits, call loans	40,862	0.5	61,997	0.7
Securities repurchased under resale agreements	—	—	—	—
Pledged money for bond borrowing transaction	—	—	—	—
Monetary claims purchased	—	—	—	—
Securities under proprietary accounts	—	—	—	—
Money held in trust	270,582	3.2	269,387	3.0
Securities	7,717,905	91.5	8,339,691	91.9
Japanese bonds	7,281,144	86.3	7,745,342	85.3
Japanese stocks	38,464	0.5	28,611	0.3
Foreign securities	396,910	4.7	564,666	6.2
Bonds	366,571	4.3	542,126	6.0
Stocks, etc.	30,339	0.4	22,539	0.2
Other securities	1,385	0.0	1,071	0.0
Loans	189,486	2.2	198,410	2.2
Real estate	92,346	1.1	90,804	1.0
Deferred tax assets	10,787	0.1	14,248	0.2
Other assets	117,195	1.4	105,530	1.2
Reserve for possible loan losses	(295)	(0.0)	(623)	(0.0)
Total	8,438,872	100.0	9,079,446	100.0
Foreign currency-denominated assets	409,863	4.9	562,095	6.2

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 Category

(Millions of yen)

Category	For the year ended March 31, 2018	For the year ended March 31, 2019
Cash and deposits, call loans	(33)	21,135
Securities repurchased under resale agreements	—	—
Pledged money for bond borrowing transaction	—	—
Monetary claims purchased	—	—
Securities under proprietary accounts	—	—
Money held in trust	(3,295)	(1,194)
Securities	543,978	621,785
Japanese bonds	452,401	464,197
Japanese stocks	805	(9,852)
Foreign securities	91,064	167,755
Bonds	92,264	175,555
Stocks, etc.	(1,199)	(7,799)
Other securities	(292)	(314)
Loans	9,112	8,924
Real estate	(25,178)	(1,542)
Deferred tax assets	5,437	3,461
Other assets	24,867	(11,665)
Reserve for possible loan losses	(23)	(328)
Total	554,864	640,574
Foreign currency-denominated assets	100,817	152,232

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, 2018	For the year ended March 31, 2019
Interest income and dividends	157,727	166,937
Interest income from deposits	0	0
Interest income and dividends on securities	140,435	150,733
Interest income from loans	6,610	6,828
Income from real estate for rent	10,285	8,831
Other interest income and dividends	395	543
Gains on securities under proprietary accounts	—	—
Income from money held in trust, net	4,490	4,490
Income from trading securities, net	2	—
Gains on sale of securities	0	6,107
Gains on sale of Japanese bonds	0	—
Gains on sale of Japanese stocks, etc.	—	6,107
Gains on sale of foreign securities	—	—
Others	—	—
Gains on redemption of securities	1	—
Gains on derivatives, net	—	—
Foreign exchange gains, net	—	13,455
Reversal of reserve for possible loan losses	—	—
Other investment income	138	—
Total	162,361	190,990

**(5) Investment Expenses**

(Millions of yen)

Category	For the year ended March 31, 2018	For the year ended March 31, 2019
Interest expenses	151	1,604
Losses on securities under proprietary accounts	—	—
Losses on money held in trust, net	—	—
Losses on trading securities, net	—	126
Losses on sale of securities	0	34
Losses on sale of Japanese bond	—	—
Losses on sale of Japanese stocks, etc.	—	34
Losses on sale of foreign securities	0	0
Others	—	—
Devaluation losses on securities	—	4,026
Devaluation losses on Japanese bonds	—	—
Devaluation losses on Japanese stocks, etc.	—	—
Devaluation losses on foreign securities	—	4,026
Others	—	—
Losses on redemption of securities	2	—
Losses on derivatives, net	11,403	13,925
Foreign exchange losses	15,280	—
Provision for reserve for possible loan losses	23	329
Write-off of loans	—	—
Depreciation of real estate for rent and others	1,770	1,599
Other investment expenses	4,487	2,992
Total	33,121	24,638

## (6) Investment Efficiency

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

(%)

Category	For the year ended March 31, 2018	For the year ended March 31, 2019
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	1.93	1.93
Securities	1.68	2.11
Japanese bonds	1.81	1.76
Japanese stocks	3.22	32.26
Foreign securities	(1.21)	6.39
Loans	3.60	3.55
Real estate	5.86	5.81
Total	1.63	1.94
Overseas investment	(1.19)	6.30

Notes:

1. The denominator for the investment yield calculation is a daily averaged carrying amount, while the numerator is investment income minus investment expenses under ordinary profit (loss).
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, 2018		As of March 31, 2019	
	Balance sheet amount	Net valuation gains (losses) recorded in income	Balance sheet amount	Net valuation gains (losses) recorded in income
Trading-purpose securities	—	(31)	1,321	(160)

(iii) Fair Value Information on Securities

a. Securities with fair value (except trading-purpose securities)

(Millions of yen)

Category	As of March 31, 2018					As of March 31, 2019				
	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	6,467,997	8,050,644	1,582,646	1,640,383	57,736	6,770,008	8,800,847	2,030,838	2,051,389	20,551
Policy-reserve-matching bonds	401,958	436,842	34,884	35,939	1,055	680,757	764,282	83,525	83,733	208
Stocks of subsidiaries and affiliated companies	—	—	—	—	—	—	—	—	—	—
Available-for-sale securities	921,995	1,091,187	169,192	172,541	3,349	964,854	1,132,524	167,670	169,810	2,140
Japanese bonds	847,062	1,002,106	155,044	155,044	—	867,645	1,024,732	157,086	157,086	—
Japanese stocks	13,685	30,668	16,982	17,008	25	9,685	19,143	9,458	9,555	96
Foreign securities	61,081	58,125	(2,955)	368	3,323	87,357	88,341	984	3,027	2,043
Bonds	49,398	46,689	(2,709)	368	3,077	79,568	81,811	2,243	3,027	784
Stocks, etc.	11,682	11,436	(245)	—	245	7,788	6,529	(1,259)	—	1,259
Other securities	165	286	120	120	—	165	307	141	141	—
Monetary claims purchased	—	—	—	—	—	—	—	—	—	—
Certificates of deposit	—	—	—	—	—	—	—	—	—	—
Others	—	—	—	—	—	—	—	—	—	—
Total	7,791,950	9,578,673	1,786,723	1,848,865	62,142	8,415,620	10,697,654	2,282,034	2,304,933	22,899
Japanese bonds	7,397,136	9,185,284	1,788,148	1,827,186	39,037	7,858,097	10,129,659	2,271,562	2,277,594	6,032
Japanese stocks	13,685	30,668	16,982	17,008	25	9,685	19,143	9,458	9,555	96
Foreign securities	380,962	362,434	(18,528)	4,550	23,078	547,671	548,543	872	17,642	16,770
Bonds	369,280	350,998	(18,282)	4,550	22,832	539,883	542,014	2,131	17,642	15,511
Stocks, etc.	11,682	11,436	(245)	—	245	7,788	6,529	(1,259)	—	1,259
Other securities	165	286	120	120	—	165	307	141	141	—
Monetary claims purchased	—	—	—	—	—	—	—	—	—	—
Certificates of deposit	—	—	—	—	—	—	—	—	—	—
Others	—	—	—	—	—	—	—	—	—	—

Notes:

- The above table includes assets that 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 ¥232,484 million and ¥38,552 million as of March 31, 2018, respectively, and amounted to ¥232,566 million and ¥37,275 million as of March 31, 2019, respectively.

b. Carrying amounts of securities for which fair value cannot be measured reliably

(Millions of yen)

Category	As of March 31, 2018	As of March 31, 2019
Held-to-maturity securities	—	—
Unlisted foreign bonds	—	—
Others	—	—
Policy-reserve-matching bonds	—	—
Stocks of subsidiaries and affiliated companies	15,926	16,276
Available-for-sale securities	7,719	5,445
Unlisted domestic stocks (except OTC stocks)	159	159
Unlisted foreign stocks (except OTC stocks)	590	355
Unlisted foreign bonds	—	—
Others	6,968	4,929
Total	23,645	21,721

c. Fair Value information consisting of those stated in the previous Table a. and Table b. after evaluating foreign exchange and other gains (losses)

(Millions of yen)

Category	As of March 31, 2018					As of March 31, 2019				
	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	6,467,997	8,050,644	1,582,646	1,640,383	57,736	6,770,008	8,800,847	2,030,838	2,051,389	20,551
Policy-reserve-matching bonds	401,958	436,842	34,884	35,939	1,055	680,757	764,282	83,525	83,733	208
Stocks of subsidiaries and affiliated companies	15,926	15,926	—	—	—	16,276	16,280	4	4	—
Available-for-sale securities	929,714	1,103,060	173,345	176,918	3,572	970,299	1,141,169	170,869	173,361	2,491
Japanese bonds	847,062	1,002,106	155,044	155,044	—	867,645	1,024,732	157,086	157,086	—
Japanese stocks	13,845	30,828	16,982	17,008	25	9,845	19,303	9,458	9,555	96
Foreign securities	61,671	59,702	(1,968)	1,354	3,323	87,712	89,867	2,154	4,198	2,043
Bonds	49,398	46,689	(2,709)	368	3,077	79,568	81,811	2,243	3,027	784
Stocks, etc.	12,273	13,013	740	986	245	8,144	8,055	(88)	1,170	1,259
Other securities	7,134	10,422	3,287	3,510	222	5,095	7,265	2,170	2,521	351
Monetary claims purchased	—	—	—	—	—	—	—	—	—	—
Certificates of deposit	—	—	—	—	—	—	—	—	—	—
Others	—	—	—	—	—	—	—	—	—	—
Total	7,815,596	9,606,473	1,790,876	1,853,241	62,365	8,437,341	10,722,579	2,285,238	2,308,489	23,251
Japanese bonds	7,397,136	9,185,284	1,788,148	1,827,186	39,037	7,858,097	10,129,659	2,271,562	2,277,594	6,032
Japanese stocks	21,482	38,464	16,982	17,008	25	17,832	27,290	9,458	9,555	96
Foreign securities	389,842	372,301	(17,541)	5,536	23,078	556,316	558,364	2,047	18,817	16,770
Bonds	369,280	350,998	(18,282)	4,550	22,832	539,883	542,014	2,131	17,642	15,511
Stocks, etc.	20,562	21,302	740	986	245	16,433	16,349	(84)	1,175	1,259
Other securities	7,134	10,422	3,287	3,510	222	5,095	7,265	2,170	2,521	351
Monetary claims purchased	—	—	—	—	—	—	—	—	—	—
Certificates of deposit	—	—	—	—	—	—	—	—	—	—
Others	—	—	—	—	—	—	—	—	—	—

(8) Fair Value Information on Money Held in Trust

(Millions of yen)

Category	As of March 31, 2018					As of March 31, 2019				
	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	270,582	270,582	—	—	—	269,387	269,387	—	—	—

Note: The above table includes jointly invested money held in trust, which amounted to ¥40 million as of March 31, 2018 and March 31, 2019, respectively.

Money held in trust for investment

Not applicable

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

(Millions of yen)

Category	As of March 31, 2018					As of March 31, 2019				
	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	231,989	270,541	38,552	38,552	—	232,071	269,346	37,275	37,275	—

## 5. Non-consolidated Balance Sheets

			(Millions of yen)		
	As of March 31, 2018	As of March 31, 2019		As of March 31, 2018	As of March 31, 2019
	Amount	Amount		Amount	Amount
<b>Assets:</b>			<b>Liabilities:</b>		
<b>Cash and deposits</b>	<b>53,683</b>	<b>82,046</b>	<b>Policy reserves and others</b>	<b>8,606,736</b>	<b>9,310,577</b>
Deposits	53,683	82,046	Reserve for outstanding claims	35,176	37,610
<b>Call loans</b>	<b>65,500</b>	<b>93,700</b>	Policy reserves	8,566,075	9,268,422
<b>Money held in trust</b>	<b>270,582</b>	<b>269,387</b>	Reserve for policyholders' dividends	5,484	4,544
<b>Securities</b>	<b>8,765,967</b>	<b>9,523,877</b>	<b>Due to agencies</b>	<b>1,873</b>	<b>2,073</b>
Japanese government bonds	6,966,434	7,356,090	<b>Due to reinsurers</b>	<b>5,497</b>	<b>5,528</b>
Japanese local government bonds	1,543	448	<b>Other liabilities</b>	<b>386,099</b>	<b>469,820</b>
Japanese corporate bonds	461,015	536,373	Payables under repurchase agreements	31,696	81,474
Japanese stocks	88,376	49,381	Collateral for securities lending transactions	303,889	331,055
Foreign securities	959,188	1,262,611	Accrued income tax	13,478	13,914
Other securities	289,408	318,971	Other payables	3,249	2,975
<b>Loans</b>	<b>189,486</b>	<b>198,410</b>	Accrued expenses	20,325	21,071
Policy loans	189,460	198,369	Unearned revenue	764	798
Commercial loans	25	41	Deposits received	1,237	1,321
<b>Tangible fixed assets</b>	<b>93,169</b>	<b>91,577</b>	Deposits received for guarantee	4,202	4,204
Land	62,259	62,259	Variation margins of futures markets	2,194	753
Buildings	30,087	28,544	Derivative liabilities	1,410	8,189
Leased assets	5	20	Lease obligations	6	22
Other tangible fixed assets	816	752	Asset retirement obligations	1,856	1,898
<b>Intangible fixed assets</b>	<b>23,210</b>	<b>26,352</b>	Suspense receipt	1,787	2,140
Software	23,201	26,352	<b>Reserve for employees' retirement benefits</b>	<b>26,656</b>	<b>28,002</b>
Other intangible fixed assets	8	—	<b>Reserve under the special laws</b>	<b>47,929</b>	<b>50,105</b>
<b>Due from reinsurers</b>	<b>929</b>	<b>1,036</b>	Reserve for price fluctuations	47,929	50,105
<b>Other assets</b>	<b>92,184</b>	<b>81,154</b>	<b>Deferred tax liabilities on land revaluation</b>	<b>109</b>	<b>109</b>
Other receivable	37,411	39,287			
Prepaid expenses	1,983	2,345	<b>Total Liabilities</b>	<b>9,074,902</b>	<b>9,866,217</b>
Accrued income	19,627	21,941			
Money on deposits	5,428	5,580	<b>Net Assets:</b>		
Initial margins of futures markets	18,324	3,279	<b>Common stock</b>	<b>70,000</b>	<b>70,000</b>
Variation margins of futures markets	892	72	<b>Capital surplus</b>	<b>5,865</b>	<b>5,865</b>
Derivatives	7,969	448	Capital reserve	5,865	5,865
Cash collateral paid for financial instruments	—	7,410	<b>Retained earnings</b>	<b>294,424</b>	<b>317,777</b>
Advance payments	470	718	Legal retained earnings	34,938	40,188
Others	75	71	Other retained earnings	259,486	277,588
<b>Prepaid pension costs</b>	<b>2,483</b>	<b>2,629</b>	Unappropriated retained earnings	259,486	277,588
<b>Deferred tax assets</b>	<b>10,787</b>	<b>14,248</b>	<b>Total shareholders' equity</b>	<b>370,289</b>	<b>393,642</b>
<b>Reserve for possible loan losses</b>	<b>(295)</b>	<b>(623)</b>	<b>Net unrealized gains (losses) on available-for-sale securities, net of taxes</b>	<b>124,936</b>	<b>122,727</b>
<b>Reserve for investment losses</b>	<b>—</b>	<b>(3,650)</b>	<b>Land revaluation, net of taxes</b>	<b>(2,439)</b>	<b>(2,439)</b>
			<b>Total valuation and translation adjustments</b>	<b>122,497</b>	<b>120,288</b>
			<b>Total Net Assets</b>	<b>492,787</b>	<b>513,930</b>
			<b>Total Liabilities and Net Assets</b>	<b>9,567,689</b>	<b>10,380,148</b>
<b>Total Assets</b>	<b>9,567,689</b>	<b>10,380,148</b>			

## 6. Non-consolidated Statements of Income

(Millions of yen)

	For the year ended March 31, 2018	For the year ended March 31, 2019
	Amount	Amount
<b>Ordinary Revenues</b>	<b>1,351,076</b>	<b>1,464,218</b>
<b>Income from insurance premiums</b>	<b>1,059,269</b>	<b>1,136,104</b>
Insurance premiums	1,056,725	1,132,732
Ceded reinsurance commissions	2,544	3,372
<b>Investment income</b>	<b>243,293</b>	<b>278,935</b>
Interest income and dividends	157,727	166,937
Interest income from deposits	0	0
Interest income and dividends on securities	140,435	150,733
Interest income from loans	6,610	6,828
Income from real estate for rent	10,285	8,831
Other interest income and dividends	395	543
Income from money held in trust, net	4,490	4,490
Gains on trading securities, net	2	—
Gains on sale of securities	0	6,107
Gains on redemption of securities	1	—
Foreign exchange gains, net	—	13,455
Other investment income	138	—
Gains on separate accounts, net	80,932	87,944
<b>Other ordinary income</b>	<b>48,513</b>	<b>49,178</b>
Income for annuity riders	5,065	4,027
Proceeds from deferred insurance	39,537	43,046
Other ordinary income	3,910	2,104
<b>Ordinary Expenses</b>	<b>1,294,738</b>	<b>1,384,406</b>
<b>Insurance claims and other payments</b>	<b>436,538</b>	<b>457,252</b>
Insurance claims	92,342	92,997
Annuity payments	12,566	13,489
Insurance benefits	119,294	131,824
Surrender payments	199,263	204,351
Refund to policyholders	3,314	3,659
Reinsurance premiums	9,756	10,929
<b>Provision for policy reserves and others</b>	<b>638,343</b>	<b>704,780</b>
Provision for reserve for outstanding claims	2,211	2,433
Provision for policy reserves	636,131	702,346
Interest portion of reserve on policyholders' dividends	0	0
<b>Investment expenses</b>	<b>33,121</b>	<b>24,638</b>
Interest expenses	151	1,604
Losses on on trading securities, net	—	126
Losses on sale of securities	0	34
Devaluation losses on securities	—	4,026
Losses on redemption of securities	2	—
Losses on derivatives, net	11,403	13,925
Foreign exchange losses, net	15,280	—
Provision for reserve for possible loan losses	23	329
Depreciation of real estate for rent and others	1,770	1,599
Other investment expenses	4,487	2,992
<b>Operating expenses</b>	<b>139,937</b>	<b>146,984</b>
<b>Other ordinary expenses</b>	<b>46,796</b>	<b>50,750</b>
Deferred insurance payments	25,487	28,655
Taxes	12,647	13,419
Depreciation and amortization	5,376	6,248
Provision for reserve for employees' retirement benefits	2,981	2,402
Others	304	25
<b>Ordinary Profit</b>	<b>56,338</b>	<b>79,812</b>
<b>Extraordinary Gains</b>	<b>16,898</b>	<b>—</b>
Gains on disposal of fixed assets	13,258	—
Reversal of reserve for investment loss	3,640	—
<b>Extraordinary Losses</b>	<b>6,190</b>	<b>5,929</b>
Losses on disposal of fixed assets	89	63
Impairment losses	0	39
Provision for reserve under the special laws	1,924	2,175
Provision for reserve for price fluctuations	1,924	2,175
Valuation losses on stocks of affiliated companies	4,176	—
Provision for reserve for investment losses	—	3,650
<b>Provision for Reserve for Policyholders' Dividends</b>	<b>3,271</b>	<b>2,146</b>
<b>Income Before Income Taxes</b>	<b>63,774</b>	<b>71,737</b>
<b>Income Taxes—Current</b>	<b>23,224</b>	<b>25,328</b>
<b>Income Taxes—Deferred</b>	<b>(4,583)</b>	<b>(3,194)</b>
<b>Total Income Taxes</b>	<b>18,640</b>	<b>22,134</b>
<b>Net Income</b>	<b>45,134</b>	<b>49,602</b>

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

(Millions of yen)

	For the year ended March 31, 2018	For the year ended March 31, 2019
Core profit A	81,384	97,242
Capital gains	9,894	19,562
Income from money held in trust, net	—	—
Income from trading securities, net	—	—
Gains on sale of securities	0	6,107
Gains on derivatives, net	—	—
Foreign exchange gains, net	—	13,455
Other capital gains	9,894	—
Capital losses	27,357	27,847
Losses on money held in trust, net	—	—
Losses on trading securities, net	8	144
Losses on sale of securities	0	34
Devaluation losses on securities	—	4,026
Losses on derivatives, net	11,403	13,925
Foreign exchange losses, net	15,280	—
Other capital losses	664	9,716
Net capital gains (losses) B	(17,463)	(8,284)
Core profit plus net capital gains (losses) A+B	63,920	88,957
Other one-time gains	—	—
Gains from reinsurance	—	—
Reversal of contingency reserve	—	—
Reversal of specific reserve for possible loan losses	—	—
Others	—	—
Other one-time losses	7,582	9,145
Losses from reinsurance	—	—
Provision for contingency reserve	7,451	8,698
Provision for specific reserve for possible loan losses	23	326
Provision for reserve for possible loan losses for specific foreign countries	—	—
Write-off of loans	—	—
Others	107	119
Net other one-time gains (losses) C	(7,582)	(9,145)
Ordinary profit A+B+C	56,338	79,812

(Reference) The breakdown of Others

	For the year ended March 31, 2018	For the year ended March 31, 2019
Core profit	4,502	14,224
Income gains in income from money held in trust	4,490	4,490
Interest income and dividends in income from trading securities	11	17
Effects of currency market fluctuations of products dominated in foreign currencies (note)	—	9,716
Other capital gains	9,894	—
Effect of change in the exchange rates related to foreign currency-denominated insurance contracts	9,894	—
Other capital losses	664	9,716
Impairment losses from investment partnership	664	—
Effect of change in the exchange rates related to foreign currency-denominated insurance contracts	—	9,716
"Others" of other one-time gains	—	—
"Others" of other one-time losses	107	119
Provision of additional policy reserve	107	119

Note: Beginning from disclosures for the fiscal year ending March 31, 2019, the disclosure method of the breakdown of core profit relating to the effect of change in the exchange rates related to foreign currency-denominated insurance contracts have been modified. Although, this change has no impact on core profit.

## 8. Loans by Borrower Category

(Millions of yen, %)

Category		As of March 31, 2018	As of March 31, 2019
	Bankrupt and quasi-bankrupt loans	—	0
	Doubtful loans	—	—
	Sub-standard loans	—	—
Sub-total		—	0
[% to total]		[—]	[0.0]
Normal loans		428,359	461,094
Total		428,359	461,094

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 loans that do not fall under the classifications for 1. to 3. above and where the borrowers have no financial or business performance problems.

## 9. Risk-monitored Loans

(Millions of yen, %)

Category		As of March 31, 2018	As of March 31, 2019
Bankrupt loans		—	—
Non-accrual delinquent loans		—	0
Past due loans (3 months or more)		—	—
Restructured loans		—	—
Total		—	0
[% to the loan balance]		[—]	[0.0]



## 10. Solvency Margin Ratio

(Millions of yen)

Category		As of March 31, 2018	As of March 31, 2019
Total solvency margin (A)		1,233,854	1,313,033
Common stock, etc.		344,039	361,442
Reserve for price fluctuations		47,929	50,105
Contingency reserve		89,915	98,613
General reserve for possible loan losses		0	2
Net unrealized gains on available-for-sale securities (before tax deductions) and net deferred gains or losses on hedging instruments (before tax deductions) x 90% (100% if losses)		156,011	153,782
Net unrealized gains on real estate x 85% (100% if losses)		29,830	50,980
Amount excluded from deferred tax assets		—	—
Unallocated portion of reserve for policyholders' dividends		377	245
Deferred tax assets		88,661	92,924
Excess amount of policy reserves based on Zillmer method		525,389	544,688
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		(43,128)	(34,281)
Deductible items		(5,171)	(5,471)
Total risk $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$ (B)		94,030	101,371
Insurance risk	R <sub>1</sub>	24,337	24,574
Third-sector insurance risk	R <sub>8</sub>	8,587	8,526
Assumed interest rate risk	R <sub>2</sub>	32,452	34,062
Minimum guarantee risk	R <sub>7</sub>	20,137	22,141
Asset management risk	R <sub>3</sub>	32,953	36,935
Business management risk	R <sub>4</sub>	2,369	2,524
Solvency margin ratio (A) / $\left\{ \frac{1}{2} \times (B) \right\} \times 100$		2,624.3%	2,590.5%

Notes: 1. The above figures are calculated based on provisions in Articles 86 and 87 of the Ordinance for Enforcement of the Insurance Business Act of Japan and the Ministry of Finance Public Notice No. 50 (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, 2018	As of March 31, 2019
Total solvency margin (A)		1,217,876	1,302,890
Common stock, etc.		340,820	360,050
Reserve for price fluctuations		47,929	50,105
Contingency reserve		89,915	98,613
Catastrophe loss reserve		—	—
General reserve for possible loan losses		0	2
Net unrealized gains on available-for-sale securities (before tax deductions) and net deferred gains or losses on hedging instruments (before tax deductions) x 90% (100% if losses)		156,011	153,782
Net unrealized gains on real estate x 85% (100% if losses)		29,830	50,980
Total amount of unrecognized net actuarial gains (losses) and unrecognized past service cost		(2,419)	(1,791)
Amount excluded from deferred tax assets		—	—
Unallocated portion of reserve for policyholders' dividends		377	245
Deferred tax assets		88,661	92,924
Excess amount of policy reserves based on Zillmer method		525,389	544,688
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		(46,347)	(35,672)
Deductible items		(12,290)	(11,040)
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)		91,362	98,666
Insurance risk $R_1$		24,337	24,574
Ordinary insurance risk $R_5$		—	—
Major catastrophe risk $R_6$		—	—
Third-sector insurance risk $R_8$		8,587	8,526
Insurance risk of small-amount short-term insurance providers $R_9$		—	—
Assumed interest rate risk $R_2$		32,452	34,062
Minimum guarantee risk $R_7$		20,137	22,141
Asset management risk $R_3$		30,149	34,119
Business management risk $R_4$		2,313	2,468
Solvency margin ratio $(A)/\{\frac{1}{2} \times (B)\} \times 100$		2,666.0%	2,641.0%

Notes: 1. The above 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 (2011).

2. Minimum guarantee risk is calculated based on the standardized approach.

## 11. Status of Separate Account Assets

### (1) Balance of Separate Account Assets

(Millions of yen)

Category	As of March 31, 2018	As of March 31, 2019
Individual variable life insurance and individual variable annuities	1,128,817	1,300,701
Group annuities	—	—
Total separate account	1,128,817	1,300,701

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 variable annuities

#### (i) Policy amount in force

##### a.) Individual variable life insurance

(Number: Thousand, Amount: Millions of yen)

Category	As of March 31, 2018		As of March 31, 2019	
	Number	Amount	Number	Amount
Variable life insurance (whole life type)	843	8,384,508	836	7,980,475
Variable life insurance (limited term type)	122	628,240	152	922,336
Variable life insurance (term type)	6	301,218	12	685,553
Total	972	9,313,967	1,001	9,588,365

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, 2018		As of March 31, 2019	
	Number	Amount	Number	Amount
Individual variable annuities	162	945,144	244	1,483,080

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, 2018		As of March 31, 2019	
	Amount	Composition	Amount	Composition
Cash and deposits, call loans	78,321	6.9	113,749	8.7
Securities	1,048,062	92.8	1,184,185	91.0
Japanese bonds	147,849	13.1	147,570	11.3
Japanese stocks	49,911	4.4	20,770	1.6
Foreign securities	562,277	49.8	697,945	53.7
Foreign bonds	77,350	6.9	86,546	6.7
Foreign stocks, etc.	484,927	43.0	611,398	47.0
Other securities	288,022	25.5	317,900	24.4
Loans	—	—	—	—
Other	2,434	0.2	2,766	0.2
Reserve for possible loan losses	—	—	—	—
<b>Total</b>	<b>1,128,817</b>	<b>100.0</b>	<b>1,300,701</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, 2018	For the year ended March 31, 2019
Interest income and dividends	16,526	18,913
Gains on sale of securities	30,392	49,662
Gains on redemption of securities	32	50
Valuation gains on securities	258,562	298,688
Foreign exchange gains, net	—	—
Gains on derivatives, net	—	—
Other investment income	0	4,453
Losses on sale of securities	1,937	10,171
Losses on redemption of securities	83	76
Devaluation losses on securities	221,586	268,458
Foreign exchange losses, net	719	1,983
Losses on derivatives, net	—	—
Other investment expenses	253	3,134
<b>Net investment gains (losses)</b>	<b>80,932</b>	<b>87,944</b>

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

**12. Consolidated Summary**

Not applicable