

Summary Information on Sony Life's Financial Results
for the Fiscal Year Ended March 31, 2020

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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 Operating Performance

(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, 2019				As of March 31, 2020			
	Number	Comparison to Mar. 31, 2018	Amount	Comparison to Mar. 31, 2018	Number	Comparison to Mar. 31, 2019	Amount	Comparison to Mar. 31, 2019
Individual life insurance	7,513	102.7	476,762	103.9	7,708	102.6	487,789	102.3
Individual annuities	334	132.4	18,946	139.2	452	135.2	26,686	140.8
Subtotal	7,847	103.7	495,708	104.9	8,160	104.0	514,476	103.8
Group life insurance	—	—	19,033	99.1	—	—	18,016	94.7
Group annuities	—	—	86	86.3	—	—	73	85.0

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 annuity 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, 2019					
	Number	Comparison to FY2017	Amount	Comparison to FY2017	New policies	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	—	—	—	—	—	—

Category	For the year ended March 31, 2020					
	Number	Comparison to FY2018	Amount	Comparison to FY2018	New policies	Increase from conversion
Individual life insurance	509	97.9	45,632	81.9	45,632	—
Individual annuities	126	143.1	8,357	144.9	8,357	—
Subtotal	636	104.5	53,989	87.8	53,989	—
Group life insurance	—	—	171	63.5	171	—
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 sum of the initial premium payments.

(2) Annualized Premiums

Policy amount in force

(Millions of yen, %)

Category	As of March 31, 2019		As of March 31, 2020	
	Amount	Comparison to Mar. 31, 2018	Amount	Comparison to Mar. 31, 2019
Individual life insurance	836,267	103.6	852,794	102.0
Individual annuities	53,079	128.3	69,986	131.9
Total	889,347	104.8	922,781	103.8
Medical protection, living benefit protection and other products	197,520	102.9	201,358	101.9

New policies

(Millions of yen, %)

Category	For the year ended March 31, 2019		For the year ended March 31, 2020	
	Amount	Comparison to FY2017	Amount	Comparison to FY2018
Individual life insurance	74,702	116.9	63,496	85.0
Individual annuities	13,216	143.7	18,650	141.1
Total	87,918	120.3	82,146	93.4
Medical protection, living benefit protection and other products	15,251	117.5	12,901	84.6

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, 2019		For the year ended March 31, 2020	
		Comparison to FY2017		Comparison to FY2018
Income from insurance premiums	1,136,104	107.3	1,330,860	117.1
Investment income	278,935	114.6	193,718	69.4
Insurance claims and other payments	457,252	104.7	511,945	112.0
Investment expenses	24,638	74.4	68,127	276.5
Ordinary profit	79,812	141.7	88,720	111.2

(4) Total Assets

(Millions of yen, %)

Category	As of March 31, 2019		As of March 31, 2020	
		Comparison to Mar. 31, 2018		Comparison to Mar. 31, 2019
Total assets	10,380,148	108.5	11,237,124	108.3

2. Policy Amount in Force by Insurance Function as of March 31, 2020

(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	6,545	470,253	—	—	1,563	18,016	8,108	488,269
Accidental death	642	59,523	—	—	11	2	654	59,526
Death protection with other conditions	313	9,849	—	—	—	—	313	9,849
Living protection	1,163	17,536	452	26,686	0	0	1,615	44,222
Hospitalization protection								
Accidental hospitalization	2,691	177	—	—	16	0	2,708	177
Disease hospitalization	2,691	177	—	—	—	—	2,691	177
Hospitalization with other conditions	825	67	—	—	—	—	825	67
Disability protection	910	—	—	—	16	—	927	—
Surgery protection	1,727	—	—	—	—	—	1,727	—

Category	Group annuities		Asset-formation insurance, asset-formation annuities		Total	
	Number	Amount	Number	Amount	Number	Amount
Living protection	41	73	—	—	41	73

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 annuity 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, 2020

(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, 2019	For the year ended March 31, 2020
Level-premium		
Assumed interest rates of 1.00% or less	0.65	0.65
Assumed interest rates of more than 1.00%, and 2.00% or less	1.50	1.50
Assumed interest rates of more than 2.00%	1.35	1.35
Single premium and others		
Assumed interest rates of 0.85% or less	0.30	0.30
Assumed interest rates of more than 0.85%, and 2.00% or less	1.15	1.15
Assumed interest rates of more than 2.00%	1.00	1.00

(2) The following is an example of policyholder dividends for semi-participating whole life nursing care insurance (before nursing care annuity payments commence) using figures for the fiscal year ended March 31, 2020.

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

Entered at age 30, male, single premium, 10x death benefit, basic care annuity amount of 0.5 million yen (sales suspension in July 2016)

(% , Years, Yen)

Contract Date	Assumed interest rate	Years elapsed	Ongoing policy	Policies to which nursing care applies, ending at death of policyholder
November 2, 2015	1.00%	5 years	¥34,432	¥34,432
November 2, 2014	1.00	6	—	5,873
November 2, 2013	1.00	7	—	11,793
November 2, 2012	1.50	8	—	0
November 2, 2011	1.50	9	—	0
November 2, 2010	1.50	10	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, 2020.
- The amount of policyholders' dividends above is the sum of the prorated dividend amount (policy reserve x dividend participation ratio) and interest through November 2, 2020 (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 0.70%, using figures for the fiscal year ended March 31, 2020.

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 Fiscal Year Ended March 31, 2020

(1) Status of Investment Assets for the Fiscal Year Ended March 31, 2020

(i) Investment Environment

The Japanese economy slowed down during the fiscal year ended March 31, 2020. Although the first half of the fiscal year saw a moderate economic growth, the growth decelerated during the October-December quarter due to the impact of natural disasters and the consumption tax hike. The global spread of novel coronavirus infections (COVID-19) in the January-March quarter led to the further weakening of the domestic economy. Meanwhile, prices rose for 39 consecutive months with March core CPI rising 0.4% year on year. The October-December real GDP shrank 1.8% (annualized contraction of 7.1%) as downward pressures were applied by a 2.8% year-on-year drop in private consumption and a 4.6% year-on-year decline in capital expenditure.

Yields on the bond market rose albeit with fluctuations. 10-year Japanese government bond (JGB) yields declined in the first half of the fiscal year as concerns grew over economic recessions caused by the U.S.-China trade friction. The subsequent progress in the U.S.-China trade talks ignited expectations for a global economic turnaround, leading to the higher yields. In February, though, JGB yields dipped as demands for JGBs, which were deemed safe assets, grew amid the spread of COVID-19. The yields, however, again trended upward as investors cashed out their JGB holdings to meet the increasing needs for cash on hand. The 10-year JGB yield as of March 31, 2020, was 0.031% (up 0.113 percentage point from a year earlier).

Stock markets contracted. In the first half of the fiscal year, the markets remained soft against the backdrop of the U.S.-China trade friction. With the progress in the U.S.-China trade negotiations, stock prices rallied from September and the Nikkei Stock Average reached ¥24,000 in December when an agreement was reached on a Phase One trade deal. A global increase in cases with COVID-19, however, triggered steep falls in share prices in February 2020 and the Nikkei subsequently plummeted below ¥17,000. In response, national governments worldwide announced significant monetary easing and large-scale fiscal policies, which led to the recovery of the share prices to the ¥19,000 mark. The Nikkei Stock Average closed at ¥18,917.01 on March 31, 2020, (down ¥2,288.8 from a year earlier).

The Japanese yen strengthened against the U.S. dollar, albeit with significant fluctuations. In the first half of the fiscal year, the yen gained ground versus the U.S. dollar against the backdrop of the shrinking interest rate differentials between the two countries and the U.S.-China trade friction. From September, the yen lost ground to the U.S. dollar falling to ¥112 at one stage, in response to the progress in the U.S.-China trade talks, strong economic indicators in the U.S., and the growing risk appetites among investors. The yen then appreciated to ¥101 in March due to the emergency rate cuts and other monetary easing measures implemented by the Federal Reserve Board in response to the falling crude oil prices and spread of COVID-19. Thereafter, the rising demand for the U.S. dollar, the key currency, put the brakes on the appreciation of the yen. As of March 31, 2020, USD/JPY stood at ¥108.83 (with the yen gaining ¥2.16 from a year earlier).

(ii) Investment Policy

Sony Life's investment policy is to understand the characteristics of insurance liabilities, and prioritize investment in the assets that meet such characteristics based on ALM (asset liability management, the comprehensive management of assets and liabilities). Specifically, Sony Life is investing primarily in ultralong-term Japanese bonds with longer remaining maturity, to meet the long-term liabilities of life insurance policies, in an effort to maintain adequate control over the risks associated with interest rate fluctuations involved in such insurance liabilities. Meanwhile, it is Sony Life's policy to limit its investment in risky assets including stocks.

(iii) Results of Investment

As of March 31, 2020, general account assets totaled ¥9,914.9 billion, up 9.2%, or ¥835.4 billion, from a year earlier. Within general account assets, Japanese bonds totaled ¥8,364.5 billion (accounting for 84.4% of total general account assets), foreign bonds ¥966.9 billion (9.8%), Japanese stocks ¥28.0 billion (0.3%), policy loans ¥208.0 billion (2.1%), real estate ¥92.5 billion (0.9%), and cash and cash deposits ¥79.8 billion (0.8%).

(2) Portfolio of General Account Assets

(Millions of yen)

Category	As of March 31, 2019		As of March 31, 2020	
	Amount	%	Amount	%
Cash and deposits, call loans	61,997	0.7	79,846	0.8
Securities repurchased under resale agreements	—	—	—	—
Pledged money for bond borrowing transaction	—	—	—	—
Monetary claims purchased	—	—	—	—
Securities under proprietary accounts	—	—	—	—
Money held in trust	269,387	3.0	40	0.0
Securities	8,339,691	91.9	9,388,609	94.7
Japanese bonds	7,745,342	85.3	8,364,513	84.4
Japanese stocks	28,611	0.3	28,064	0.3
Foreign securities	564,666	6.2	995,567	10.0
Bonds	542,126	6.0	966,964	9.8
Stocks, etc.	22,539	0.2	28,603	0.3
Other securities	1,071	0.0	464	0.0
Loans	198,410	2.2	208,632	2.1
Real estate	90,804	1.0	92,559	0.9
Deferred tax assets	14,248	0.2	19,308	0.2
Other assets	105,530	1.2	126,573	1.3
Reserve for possible loan losses	(623)	(0.0)	(652)	(0.0)
Total	9,079,446	100.0	9,914,916	100.0
Foreign currency-denominated assets	562,095	6.2	985,116	9.9

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 Category

(Millions of yen)

Category	For the year ended March 31, 2019	For the year ended March 31, 2020
Cash and deposits, call loans	21,135	17,848
Securities repurchased under resale agreements	—	—
Pledged money for bond borrowing transaction	—	—
Monetary claims purchased	—	—
Securities under proprietary accounts	—	—
Money held in trust	(1,194)	(269,346)
Securities	621,785	1,048,917
Japanese bonds	464,197	619,170
Japanese stocks	(9,852)	(547)
Foreign securities	167,755	430,901
Bonds	175,555	424,837
Stocks, etc.	(7,799)	6,063
Other securities	(314)	(606)
Loans	8,924	10,221
Real estate	(1,542)	1,755
Deferred tax assets	3,461	5,059
Other assets	(11,665)	21,043
Reserve for possible loan losses	(328)	(29)
Total	640,574	835,469
Foreign currency-denominated assets	152,232	423,021

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, 2019	For the year ended March 31, 2020
Interest income and dividends	166,937	181,811
Interest income from deposits	0	0
Interest income and dividends on securities	150,733	164,700
Interest income from loans	6,828	7,049
Income from real estate for rent	8,831	9,710
Other interest income and dividends	543	350
Gains on securities under proprietary accounts	—	—
Income from money held in trust, net	4,490	4,013
Income from trading securities, net	—	156
Gains on sale of securities	6,107	3,637
Gains on sale of Japanese bonds	—	—
Gains on sale of Japanese stocks, etc.	6,107	3,440
Gains on sale of foreign securities	—	—
Others	—	197
Gains on redemption of securities	—	—
Gains on derivatives, net	—	4,098
Foreign exchange gains, net	13,455	—
Reversal of reserve for possible loan losses	—	—
Other investment income	—	1
Total	190,990	193,718

(5) Investment Expenses

(Millions of yen)

Category	For the year ended March 31, 2019	For the year ended March 31, 2020
Interest expenses	1,604	5,059
Losses on securities under proprietary accounts	—	—
Losses on money held in trust, net	—	—
Losses on trading securities, net	126	—
Losses on sale of securities	34	50
Losses on sale of Japanese bond	—	—
Losses on sale of Japanese stocks, etc.	34	50
Losses on sale of foreign securities	0	—
Others	—	—
Losses on valuation of securities	4,026	6,316
Losses on valuation of Japanese bonds	—	—
Losses on valuation of Japanese stocks, etc.	—	—
Losses on valuation of foreign securities	4,026	6,316
Others	—	—
Losses on redemption of securities	—	—
Losses on derivatives, net	13,925	—
Foreign exchange losses, net	—	6,345
Provision for reserve for possible loan losses	329	43
Write-off of loans	—	—
Depreciation of real estate for rent and others	1,599	1,637
Other investment expenses	2,992	2,683
Total	24,638	22,136

(6) Investment Efficiency**(i) Investment yield by type of asset**

(%)

Category	For the year ended March 31, 2019	For the year ended March 31, 2020
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	1.90
Securities	2.11	1.79
Japanese bonds	1.76	1.71
Japanese stocks	32.26	19.34
Foreign securities	6.39	2.12
Loans	3.55	3.47
Real estate	5.81	6.95
Total	1.94	1.85
Overseas investment	6.30	2.09

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 securities

(Millions of yen)

Category	As of March 31, 2019		As of March 31, 2020	
	Balance sheet amount	Net valuation gains (losses) recorded in income	Balance sheet amount	Net valuation gains (losses) recorded in income
Trading securities	1,321	(160)	—	160

(iii) Fair Value Information on Securities

a. Securities with fair value (except trading securities)

(Millions of yen)

Category	As of March 31, 2019					As of March 31, 2020				
	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	6,770,008	8,800,847	2,030,838	2,051,389	20,551	7,349,139	9,768,470	2,419,331	2,425,393	6,061
Policy-reserve-matching bonds	680,757	764,282	83,525	83,733	208	855,937	997,896	141,958	142,397	438
Stocks of subsidiaries and affiliated companies	—	—	—	—	—	—	—	—	—	—
Available-for-sale securities	964,854	1,132,524	167,670	169,810	2,140	967,259	1,137,460	170,201	170,267	66
Japanese bonds	867,645	1,024,732	157,086	157,086	—	873,327	1,007,815	134,487	134,515	28
Japanese stocks	9,685	19,143	9,458	9,555	96	4,825	9,587	4,762	4,800	37
Foreign securities	87,357	88,341	984	3,027	2,043	89,106	120,057	30,950	30,950	—
Bonds	79,568	81,811	2,243	3,027	784	87,634	118,584	30,950	30,950	—
Stocks, etc.	7,788	6,529	(1,259)	—	1,259	1,472	1,472	—	—	—
Other securities	165	307	141	141	—	—	—	—	—	—
Monetary claims purchased	—	—	—	—	—	—	—	—	—	—
Certificates of deposit	—	—	—	—	—	—	—	—	—	—
Others	—	—	—	—	—	—	—	—	—	—
Total	8,415,620	10,697,654	2,282,034	2,304,933	22,899	9,172,336	11,903,828	2,731,491	2,738,058	6,566
Japanese bonds	7,858,097	10,129,659	2,271,562	2,277,594	6,032	8,230,025	10,590,705	2,360,679	2,367,208	6,528
Japanese stocks	9,685	19,143	9,458	9,555	96	4,825	9,587	4,762	4,800	37
Foreign securities	547,671	548,543	872	17,642	16,770	937,485	1,303,535	366,049	366,049	—
Bonds	539,883	542,014	2,131	17,642	15,511	936,013	1,302,062	366,049	366,049	—
Stocks, etc.	7,788	6,529	(1,259)	—	1,259	1,472	1,472	—	—	—
Other securities	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 securities, 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, 2019	As of March 31, 2020
Held-to-maturity securities	—	—
Unlisted foreign bonds	—	—
Others	—	—
Policy-reserve-matching bonds	—	—
Stocks of subsidiaries and affiliated companies	16,276	39,682
Available-for-sale securities	5,445	4,620
Unlisted Japanese stocks (except OTC stocks)	159	159
Unlisted foreign stocks (except OTC stocks)	355	243
Unlisted foreign bonds	—	—
Others	4,929	4,216
Total	21,721	44,302

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, 2019					As of March 31, 2020				
	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	6,770,008	8,800,847	2,030,838	2,051,389	20,551	7,349,139	9,768,470	2,419,331	2,425,393	6,061
Policy-reserve-matching bonds	680,757	764,282	83,525	83,733	208	855,937	997,896	141,958	142,397	438
Stocks of subsidiaries and affiliated companies	16,276	16,280	4	4	—	39,682	39,661	(21)	—	21
Available-for-sale securities	970,299	1,141,169	170,869	173,361	2,491	971,879	1,143,849	171,970	172,626	656
Japanese bonds	867,645	1,024,732	157,086	157,086	—	873,327	1,007,815	134,487	134,515	28
Japanese stocks	9,845	19,303	9,458	9,555	96	4,985	9,747	4,762	4,800	37
Foreign securities	87,712	89,867	2,154	4,198	2,043	89,349	121,356	32,006	32,006	—
Bonds	79,568	81,811	2,243	3,027	784	87,634	118,584	30,950	30,950	—
Stocks, etc.	8,144	8,055	(88)	1,170	1,259	1,715	2,771	1,056	1,056	—
Other securities	5,095	7,265	2,170	2,521	351	4,216	4,929	712	1,303	590
Monetary claims purchased	—	—	—	—	—	—	—	—	—	—
Certificates of deposit	—	—	—	—	—	—	—	—	—	—
Others	—	—	—	—	—	—	—	—	—	—
Total	8,437,341	10,722,579	2,285,238	2,308,489	23,251	9,216,639	11,949,878	2,733,239	2,740,417	7,177
Japanese bonds	7,858,097	10,129,659	2,271,562	2,277,594	6,032	8,230,025	10,590,705	2,360,679	2,367,208	6,528
Japanese stocks	17,832	27,290	9,458	9,555	96	23,301	28,064	4,762	4,800	37
Foreign securities	556,316	558,364	2,047	18,817	16,770	959,095	1,326,179	367,084	367,105	21
Bonds	539,883	542,014	2,131	17,642	15,511	936,013	1,302,062	366,049	366,049	—
Stocks, etc.	16,433	16,349	(84)	1,175	1,259	23,081	24,116	1,034	1,056	21
Other securities	5,095	7,265	2,170	2,521	351	4,216	4,929	712	1,303	590
Monetary claims purchased	—	—	—	—	—	—	—	—	—	—
Certificates of deposit	—	—	—	—	—	—	—	—	—	—
Others	—	—	—	—	—	—	—	—	—	—

(8) Fair Value Information on Money Held in Trust

(Millions of yen)

Category	As of March 31, 2019					As of March 31, 2020				
	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	269,387	269,387	—	—	—	40	40	—	—	—

Note: The above table includes jointly invested money held in trust, which amounted to ¥40 million as of March 31, 2019 and as of March 31, 2020, 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, 2019					As of March 31, 2020				
	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	232,071	269,346	37,275	37,275	—	—	—	—	—	—

5. Non-consolidated Balance Sheets

(Millions of yen)

	As of	As of		As of	As of
	March 31, 2019	March 31, 2020		March 31, 2019	March 31, 2020
	Amount	Amount		Amount	Amount
Assets:			Liabilities:		
Cash and deposits	82,046	157,709	Policy reserves and others	9,310,577	10,004,643
Cash	—	1	Reserve for outstanding claims	37,610	40,403
Deposits	82,046	157,708	Policy reserves	9,268,422	9,959,832
Call loans	93,700	—	Reserve for policyholders' dividends	4,544	4,407
Money held in trust	269,387	40	Due to agencies	2,073	2,408
Securities	9,523,877	10,629,972	Due to reinsurers	5,528	5,344
Japanese government bonds	7,356,090	7,915,466	Other liabilities	469,820	602,739
Japanese local government bonds	448	1,045	Payables under repurchase agreements	81,474	268,520
Japanese corporate bonds	536,373	616,199	Collateral for securities lending transactions	331,055	257,580
Japanese stocks	49,381	50,127	Accrued income tax	13,914	17,194
Foreign securities	1,262,611	1,765,943	Other payables	2,975	2,574
Other securities	318,971	281,191	Accrued expenses	21,071	24,338
Loans	198,410	208,632	Unearned revenue	798	881
Policy loans	198,369	208,069	Deposits received	1,321	620
Commercial loans	41	562	Deposits received for guarantee	4,204	4,539
Tangible fixed assets	91,577	93,619	Variation margins of futures markets	753	—
Land	62,259	64,715	Derivatives	8,189	1,215
Buildings	28,544	27,843	Cash collateral received for financial instruments	—	17,990
Leased assets	20	408	Lease obligations	22	456
Other tangible fixed assets	752	651	Asset retirement obligations	1,898	1,968
Intangible fixed assets	26,352	28,629	Suspense receipt	2,140	4,859
Software	26,352	28,629	Reserve for employees' retirement benefits	28,002	29,528
Due from reinsurers	1,036	1,205	Reserve under the special laws	50,105	52,768
Other assets	81,154	99,286	Reserve for price fluctuations	50,105	52,768
Other receivable	39,287	41,194	Deferred tax liabilities on land revaluation	109	109
Prepaid expenses	2,345	2,556	Total Liabilities	9,866,217	10,697,541
Accrued income	21,941	23,616			
Money on deposits	5,580	6,167	Net Assets:		
Initial margins of futures markets	3,279	5,097	Common stock	70,000	70,000
Variation margins of futures markets	72	1,032	Capital surplus	5,865	5,865
Derivatives	448	18,776	Capital reserve	5,865	5,865
Cash collateral paid for financial instruments	7,410	—	Retained earnings	317,777	342,321
Advance payments	718	767	Legal retained earnings	40,188	46,628
Others	71	77	Other retained earnings	277,588	295,692
Prepaid pension costs	2,629	3,271	Unappropriated retained earnings	277,588	295,692
Deferred tax assets	14,248	19,308	Total shareholders' equity	393,642	418,186
Reserve for possible loan losses	(623)	(652)	Net unrealized gains (losses) on available-for-sale securities, net of taxes	122,727	123,835
Reserve for investment losses	(3,650)	(3,899)	Land revaluation, net of taxes	(2,439)	(2,439)
			Total valuation and translation adjustments	120,288	121,396
			Total Net Assets	513,930	539,582
Total Assets	10,380,148	11,237,124	Total Liabilities and Net Assets	10,380,148	11,237,124

6. Non-consolidated Statements of Income

(Millions of yen)

	For the year ended March 31, 2019	For the year ended March 31, 2020
	Amount	Amount
Ordinary Revenues	1,464,218	1,580,117
Income from insurance premiums	1,136,104	1,330,860
Insurance premiums	1,132,732	1,327,857
Ceded reinsurance commissions	3,372	3,003
Investment income	278,935	193,718
Interest income and dividends	166,937	181,811
Interest income from deposits	0	0
Interest income and dividends on securities	150,733	164,700
Interest income from loans	6,828	7,049
Income from real estate for rent	8,831	9,710
Other interest income and dividends	543	350
Income from money held in trust, net	4,490	4,013
Gains on trading securities, net	—	156
Gains on sale of securities	6,107	3,637
Gains on redemption of securities	—	4,098
Foreign exchange gains, net	13,455	—
Other investment income	—	1
Gains on separate accounts, net	87,944	—
Other ordinary income	49,178	55,537
Income for annuity riders	4,027	4,893
Proceeds from deferred insurance	43,046	48,707
Other ordinary income	2,104	1,936
Ordinary Expenses	1,384,406	1,491,396
Insurance claims and other payments	457,252	511,945
Insurance claims	92,997	98,533
Annuity payments	13,489	14,644
Insurance benefits	131,824	155,883
Surrender payments	204,351	228,538
Refund to policyholders	3,659	3,722
Reinsurance premiums	10,929	10,622
Provision for policy reserves and others	704,780	694,202
Provision for reserve for outstanding claims	2,433	2,792
Provision for policy reserves	702,346	691,409
Interest portion of reserve on policyholders' dividends	0	0
Investment expenses	24,638	68,127
Interest expenses	1,604	5,059
Losses on trading securities, net	126	—
Losses on sale of securities	34	50
Losses on valuation of securities	4,026	6,316
Losses on derivatives, net	13,925	—
Foreign exchange losses, net	—	6,345
Provision for reserve for possible loan losses	329	43
Depreciation of real estate for rent and others	1,599	1,637
Other investment expenses	2,992	2,683
Losses on separate accounts, net	—	45,990
Operating expenses	146,984	156,454
Other ordinary expenses	50,750	60,666
Deferred insurance payments	28,655	34,795
Taxes	13,419	16,011
Depreciation and amortization	6,248	7,506
Provision for reserve for employees' retirement benefits	2,402	2,346
Others	25	7
Ordinary Profit	79,812	88,720
Extraordinary Losses	5,929	3,272
Losses on disposal of fixed assets	63	95
Impairment losses	39	21
Provision for reserve under the special laws	2,175	2,663
Provision for reserve for price fluctuations	2,175	2,663
Losses on valuation of shares of subsidiaries	—	244
Provision for reserve for investment losses	3,650	249
Provision for Reserve for Policyholders' Dividends	2,146	2,422
Income Before Income Taxes	71,737	83,025
Income Taxes—Current	25,328	31,333
Income Taxes—Deferred	(3,194)	(5,052)
Total Income Taxes	22,134	26,281
Net Income	49,602	56,743

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

(Millions of yen)

	For the year ended March 31, 2019	For the year ended March 31, 2020	
Core profit	A	97,242	96,168
Capital gains		19,562	14,507
Income from money held in trust, net		—	—
Income from trading securities, net		—	149
Gains on sale of securities		6,107	3,637
Gains on derivatives, net		—	4,098
Foreign exchange gains, net		13,455	—
Other capital gains		—	6,622
Capital losses		27,847	12,745
Losses on money held in trust, net		—	—
Losses on trading securities, net		144	—
Losses on sale of securities		34	50
Losses on valuation of securities		4,026	6,316
Losses on derivatives, net		13,925	—
Foreign exchange losses, net		—	6,345
Other capital losses		9,716	32
Net capital gains (losses)	B	(8,284)	1,762
Core profit plus net capital gains (losses)	A+B	88,957	97,930
Other one-time gains		—	—
Gains from reinsurance		—	—
Reversal of contingency reserve		—	—
Reversal of specific reserve for possible loan losses		—	—
Others		—	—
Other one-time losses		9,145	9,210
Losses from reinsurance		—	—
Provision for contingency reserve		8,698	9,045
Provision for specific reserve for possible loan losses		326	46
Provision for reserve for possible loan losses for specific foreign countries		—	—
Write-off of loans		—	—
Others		119	118
Net other one-time gains (losses)	C	(9,145)	(9,210)
Ordinary profit	A+B+C	79,812	88,720

(Reference) The breakdown of Others

	For the year ended March 31, 2019	For the year ended March 31, 2020
Core profit	14,224	(2,602)
Income gains in income from money held in trust	4,490	4,013
Interest income and dividends in income from trading securities	17	7
Effect of change in the exchange rates related to foreign currency-denominated insurance contracts	9,716	(6,622)
Other capital gains	—	6,622
Effect of change in the exchange rates related to foreign currency-denominated insurance contracts	—	6,622
Other capital losses	9,716	32
Impairment losses from investment partnership	—	32
Effect of change in the exchange rates related to foreign currency-denominated insurance contracts	9,716	—
Other one-time gains	—	—
Other one-time losses	119	118
Provision of additional policy reserve	119	118

8. Loans by Borrower Category

(Millions of yen, %)

Category	As of March 31, 2019	As of March 31, 2020
Bankrupt and quasi-bankrupt loans	0	2
Doubtful loans	—	—
Sub-standard loans	—	—
Sub-total	0	2
[% to total]	[0.0]	[0.0]
Normal loans	461,094	413,529
Total	461,094	413,531

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, 2019	As of March 31, 2020
Bankrupt loans	—	0
Non-accrual delinquent loans	0	2
Past due loans (3 months or more)	—	—
Restructured loans	—	—
Total	0	2
[% to the loan balance]	[0.0]	[0.0]

10. Solvency Margin Ratio

(Millions of yen)

Category		As of March 31, 2019	As of March 31, 2020
Total solvency margin	(A)	1,313,033	1,412,772
Common stock, etc.		361,442	390,186
Reserve for price fluctuations		50,105	52,768
Contingency reserve		98,613	107,659
General reserve for possible loan losses		2	0
Net unrealized gains (losses) on available-for-sale securities (before tax deductions) and net deferred gains (losses) on hedging instruments (before tax deductions) x 90% (100% if losses)		153,782	154,773
Net unrealized gains (losses) on real estate x 85% (100% if losses)		50,980	65,514
Amount excluded from deferred tax assets		—	—
Unallocated portion of reserve for policyholders' dividends		245	152
Deferred tax assets		92,924	101,924
Excess amount of policy reserves based on Zillmer method		544,688	554,097
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		(34,281)	(3,331)
Deductible items		(5,471)	(10,971)
Total risk	$\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$	(B)	101,371
Insurance risk	R ₁	24,574	24,498
Third-sector insurance risk	R ₈	8,526	8,459
Assumed interest rate risk	R ₂	34,062	36,468
Minimum guarantee risk	R ₇	22,141	23,810
Asset management risk	R ₃	36,935	46,045
Business management risk	R ₄	2,524	2,785
Solvency margin ratio	$(A) / \left\{ \frac{1}{2} \times (B) \right\} \times 100$	2,590.5%	2,476.3%

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.

11. Status of Separate Account Assets

(1) Balance of Separate Account Assets

(Millions of yen)

Category	As of March 31, 2019		As of March 31, 2020	
	Number	Amount	Number	Amount
Individual variable life insurance and individual variable annuities		1,300,701		1,323,948
Group annuities		—		—
Total separate account		1,300,701		1,323,948

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, 2019		As of March 31, 2020	
	Number	Amount	Number	Amount
Variable life insurance (whole life type)	836	7,980,475	830	7,601,102
Variable life insurance (limited term type)	152	922,336	185	1,183,138
Variable life insurance (term type)	12	685,553	15	859,808
Total	1,001	9,588,365	1,032	9,644,050

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, 2019		As of March 31, 2020	
	Number	Amount	Number	Amount
Individual variable annuities	244	1,483,080	361	2,256,666

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, 2019		As of March 31, 2020	
	Amount	Composition	Amount	Composition
Cash and deposits, call loans	113,749	8.7	77,863	5.9
Securities	1,184,185	91.0	1,241,363	93.8
Japanese bonds	147,570	11.3	168,197	12.7
Japanese stocks	20,770	1.6	22,063	1.7
Foreign securities	697,945	53.7	770,376	58.2
Bonds	86,546	6.7	97,351	7.4
Stocks, etc.	611,398	47.0	673,024	50.8
Other securities	317,900	24.4	280,727	21.2
Loans	—	—	—	—
Other	2,766	0.2	4,721	0.4
Reserve for possible loan losses	—	—	—	—
Total	1,300,701	100.0	1,323,948	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, 2019	For the year ended March 31, 2020
Interest income and dividends	18,913	23,102
Gains on sale of securities	49,662	47,630
Gains on redemption of securities	50	6
Valuation gains on securities	298,688	231,734
Foreign exchange gains, net	—	—
Gains on derivatives, net	—	—
Other investment income	4,453	2,776
Losses on sale of securities	10,171	4,922
Losses on redemption of securities	76	79
Losses on valuation of securities	268,458	339,913
Foreign exchange losses, net	1,983	5,499
Losses on derivatives, net	—	—
Other investment expenses	3,134	826
Net investment gains (losses)	87,944	(45,990)

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

12. Consolidated Summary

(1) Key Performance Indicators

(Millions of yen)

	For the year ended March 31, 2020
Ordinary revenues	1,604,755
Ordinary profit	94,381
Profit attributable to owners of the parent	62,899
Comprehensive income	64,135

(Millions of yen, %)

Category	As of March 31, 2020
Total assets	11,796,918
Solvency margin ratio	2,564.5%

(2) Scope of consolidation and application of the equity method

(Companies)

Consolidated subsidiaries	2
Affiliates not accounted for by the equity method	0
Affiliates accounted for by the equity method	0

(3) Consolidated Balance Sheet

(Millions of yen)

	As of		As of
	March 31, 2020		March 31, 2020
	Amount		Amount
Assets:		Liabilities:	
Cash and deposits	224,211	Policy reserves and others	10,551,976
Money held in trust	14,960	Reserve for outstanding claims	40,883
Securities	11,055,749	Policy reserves	10,506,684
Loans	208,632	Reserve for policyholders' dividends	4,407
Tangible fixed assets	93,619	Due to agencies	2,471
Land	64,715	Due to reinsurers	5,356
Buildings	27,843	Other liabilities	610,032
Leased assets	408	Net defined benefit liability	30,682
Other tangible fixed assets	651	Reserve under the special laws	52,792
Intangible fixed assets	32,208	Reserve for price fluctuations	52,792
Software	28,629	Deferred tax liabilities	142
Goodwill	3,579	Deferred tax liabilities on land revaluation	109
Due from reinsurers	4,837	Total Liabilities	11,253,564
Other assets	140,362		
Net defined benefit asset	3,391	Net Assets:	
Deferred tax assets	19,598	Common stock	70,000
Reserve for possible loan losses	(652)	Capital surplus	5,865
		Retained earnings	347,230
		Total shareholders' equity	423,095
		Net unrealized gains (losses) on available-for-sale securities, net of taxes	123,443
		Land revaluation, net of taxes	(2,439)
		Remeasurements of defined benefit plans, net of taxes	(745)
		Total accumulated other comprehensive income	120,259
		Total Net Assets	543,354
Total Assets	11,796,918	Total Liabilities and Net Assets	11,796,918

(4) Consolidated Statement of Income

(Millions of yen)

	For the year ended March 31, 2020
	Amount
Ordinary Revenues	1,604,755
Income from insurance premiums	1,340,661
Investment income	208,620
Interest income and dividends	181,812
Income from money held in trust, net	4,086
Gains on trading securities, net	317
Gains on sale of securities	3,637
Gains on derivatives, net	18,766
Other investment income	1
Other ordinary income	55,473
Ordinary Expenses	1,510,373
Insurance claims and other payments	521,198
Insurance claims	98,533
Annuity payments	15,036
Insurance benefits	157,074
Surrender payments	231,772
Refund to policyholders	18,781
Provision for policy reserves and others	678,724
Provision for reserve for outstanding claims	2,444
Provision for policy reserves	676,280
Interest portion of reserve for policyholders' dividends	0
Investment expenses	91,943
Interest expenses	5,064
Losses on sale of securities	50
Losses on valuation of securities	6,316
Foreign exchange losses, net	4,884
Provision for reserve for possible loan losses	43
Depreciation of real estate for rent and others	1,637
Other investment expenses	2,812
Losses on separate accounts, net	71,132
Operating expenses	157,726
Other ordinary expenses	60,780
Ordinary Profit	94,381
Extraordinary Gains	248
Gains on step acquisitions	248
Extraordinary Losses	3,026
Losses on disposal of fixed assets	95
Impairment losses	21
Provision for reserve under the special laws	2,665
Provision for reserve for price fluctuations	2,665
Losses on valuation of shares of subsidiaries	244
Provision for Reserve for Policyholders' Dividends	2,422
Income Before Income Taxes	89,181
Income Taxes—Current	31,334
Income Taxes—Deferred	(5,052)
Total Income Taxes	26,282
Net Income	62,899
Profit Attributable to Owners of the Parent	62,899

(5)Risk-monitored Loans

(Millions of yen, %)

Category	As of March 31, 2020
Bankrupt loans	0
Non-accrual delinquent loans	2
Past due loans (3 months or more)	—
Restructured loans	—
Total	2
[% to the loan balance]	[0.0]

(6) Consolidated Solvency Margin Ratio

(Millions of yen)

Category		As of March 31, 2020
Total solvency margin	(A)	1,427,464
Common stock, etc.		391,320
Reserve for price fluctuations		52,792
Contingency reserve		110,842
Catastrophe loss reserve		—
General reserve for possible loan losses		0
Net unrealized gains (losses) on available-for-sale securities (before tax deductions) and net deferred gains (losses) on hedging instruments (before tax deductions) x 90% (100% if losses)		155,232
Net unrealized gains (losses) on real estate x 85% (100% if losses)		65,514
Total amount of unrecognized net actuarial gains (losses) and unrecognized past service cost		(1,034)
Amount excluded from deferred tax assets		—
Unallocated portion of reserve for policyholders' dividends		152
Deferred tax assets		101,924
Excess amount of policy reserves based on Zillmer method		554,097
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		(3,331)
Deductible items		(45)
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)	111,321
Insurance risk	R ₁	24,564
Ordinary insurance risk	R ₅	—
Major catastrophe risk	R ₆	—
Third-sector insurance risk	R ₈	8,459
Insurance risk of small-amount short-term insurance providers	R ₉	—
Assumed interest rate risk	R ₂	36,637
Minimum guarantee risk	R ₇	24,069
Asset management risk	R ₃	42,742
Business management risk	R ₄	2,729
Solvency margin ratio	$(A) / \left\{ \frac{1}{2} \times (B) \right\} \times 100$	2,564.5%

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.