

**Summary Information on Sony Life's Financial Results**  
**for the Three Months Ended June 30, 2020**

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Note:

From the three months ended June 30, 2020, we have changed the method of handling gains (losses) on translation of foreign currency-denominated debt securities, within available-for-sale securities, to more appropriately reflect the effect of hedging exchange risks. Formerly, these gains (losses) were fully recognized into net assets as net unrealized gains (losses) on available-for-sale securities, net of taxes. Under the revised method, exchange rate differences related to changes in market value due to foreign currencies are recognized in net unrealized gains (losses) on available-for-sale securities, net of taxes, and other differences are recognized in foreign exchange gains (losses). This change in accounting method has been retroactively applied to the fiscal year ended March 31, 2020.

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 June 30, 2019 |         | As of March 31, 2020 |         | As of June 30, 2020 |                             |                             |         |                             |                             |
|---------------------------|---------------------|---------|----------------------|---------|---------------------|-----------------------------|-----------------------------|---------|-----------------------------|-----------------------------|
|                           | Number              | Amount  | Number               | Amount  | Number              | Comparison to Jun. 30, 2019 | Comparison to Mar. 31, 2020 | Amount  | Comparison to Jun. 30, 2019 | Comparison to Mar. 31, 2020 |
| Individual life insurance | 7,559               | 478,040 | 7,708                | 487,789 | 7,699               | 101.9                       | 99.9                        | 486,392 | 101.7                       | 99.7                        |
| Individual annuities      | 355                 | 20,369  | 452                  | 26,686  | 466                 | 131.0                       | 103.1                       | 27,639  | 135.7                       | 103.6                       |
| Subtotal                  | 7,914               | 498,410 | 8,160                | 514,476 | 8,165               | 103.2                       | 100.1                       | 514,032 | 103.1                       | 99.9                        |
| Group life insurance      | —                   | 18,830  | —                    | 18,016  | —                   | —                           | —                           | 17,211  | 91.4                        | 95.5                        |
| Group annuities           | —                   | 83      | —                    | 73      | —                   | —                           | —                           | 70      | 84.9                        | 96.1                        |

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 three months ended June 30, 2019 |        |              |                          | For the three months ended June 30, 2020 |                       |        |                       |              |                          |
|---------------------------|--|--------|--------------|--------------------------|--|-----------------------|--------|-----------------------|--------------|--------------------------|
|                           | Number                                   | Amount | New policies | Increase from conversion | Number                                   | Comparison to FY19.1Q | Amount | Comparison to FY19.1Q | New policies | Increase from conversion |
| Individual life insurance | 125                                      | 10,628 | 10,628       | —                        | 54                                       | 43.8                  | 5,498  | 51.7                  | 5,498        | —                        |
| Individual annuities      | 23                                       | 1,563  | 1,563        | —                        | 16                                       | 68.2                  | 1,102  | 70.5                  | 1,102        | —                        |
| Subtotal                  | 149                                      | 12,191 | 12,191       | —                        | 71                                       | 47.6                  | 6,600  | 54.1                  | 6,600        | —                        |
| Group life insurance      | —  | 43     | 43           | —                        | —  | —                     | 11     | 27.4                  | 11           | —                        |
| 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 June 30, 2019 | As of March 31, 2020 | As of June 30, 2020 |                             |                             |
|--|---------------------|----------------------|---------------------|-----------------------------|-----------------------------|
|  |                     |                      | Amount              | Comparison to Jun. 30, 2019 | Comparison to Mar. 31, 2020 |
| Individual life insurance  | 837,133             | 852,794              | 848,739             | 101.4                       | 99.5                        |
| Individual annuities   | 56,130              | 69,986               | 72,017              | 128.3                       | 102.9                       |
| Total  | 893,264             | 922,781              | 920,756             | 103.1                       | 99.8                        |
| Medical protection, living benefit protection and other products | 198,651             | 201,358              | 201,389             | 101.4                       | 100.0                       |

#### New policies

(Millions of yen, %)

| Category   | For the three months ended June 30, 2019 | For the three months ended June 30, 2020 | Comparison to |
|--|--|--|---------------|
|  |  |  | FY19.1Q       |
| Individual life insurance  | 14,012                                   | 7,408                                    | 52.9          |
| Individual annuities   | 3,495                                    | 2,472                                    | 70.7          |
| Total  | 17,508                                   | 9,881                                    | 56.4          |
| Medical protection, living benefit protection and other products | 3,105                                    | 1,605                                    | 51.7          |

Notes: 1. Annualized premiums refer to an amount that is calculated by multiplying individual premium amounts by a coefficient that differs depending on the premium payment methods, thereby converting the figure to a per-year premium. (For single premium policies, premiums are divided by the number of coverage years.)

2. 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.)

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

### (1) Portfolio of General Account Assets

(Millions of yen)

| Category                                       | As of March 31, 2020 |       | As of June 30, 2020 |       |
|--|----------------------|-------|---------------------|-------|
|  | Amount               | %     | Amount              | %     |
| Cash and deposits, call loans                  | 79,846               | 0.8   | 48,864              | 0.5   |
| Securities repurchased under resale agreements | —                    | —     | —                   | —     |
| Pledged money for bond borrowing transaction   | —                    | —     | —                   | —     |
| Monetary claims purchased                      | —                    | —     | —                   | —     |
| Securities under proprietary accounts          | —                    | —     | —                   | —     |
| Money held in trust                            | 40                   | 0.0   | 40                  | 0.0   |
| Securities                                     | 9,388,609            | 94.7  | 9,556,104           | 94.8  |
| Japanese bonds                                 | 8,364,513            | 84.4  | 8,514,731           | 84.5  |
| Japanese stocks                                | 28,064               | 0.3   | 29,434              | 0.3   |
| Foreign securities                             | 995,567              | 10.0  | 1,011,512           | 10.0  |
| Bonds  | 966,964              | 9.8   | 983,333             | 9.8   |
| Stocks, etc.                                   | 28,603               | 0.3   | 28,178              | 0.3   |
| Other securities                               | 464                  | 0.0   | 426                 | 0.0   |
| Loans  | 208,632              | 2.1   | 220,302             | 2.2   |
| Real estate                                    | 92,559               | 0.9   | 92,360              | 0.9   |
| Deferred tax assets                            | 19,308               | 0.2   | 22,100              | 0.2   |
| Other assets                                   | 126,573              | 1.3   | 141,944             | 1.4   |
| Reserve for possible loan losses               | (652)                | (0.0) | (656)               | (0.0) |
| Total  | 9,914,916            | 100.0 | 10,081,060          | 100.0 |
| Foreign currency-denominated assets            | 985,116              | 9.9   | 1,000,558           | 9.9   |

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

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

a. Securities with fair value (except trading securities)

(Millions of yen)

| Category  | As of March 31, 2020 |                   |                               |                   |                  | As of June 30, 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                     | 7,349,139            | 9,768,470         | 2,419,331                     | 2,425,393         | 6,061            | 7,385,148           | 9,465,965         | 2,080,816                     | 2,104,338        | 23,522        |
| Policy-reserve-matching bonds                   | 855,937              | 997,896           | 141,958                       | 142,397           | 438              | 979,734             | 1,080,875         | 101,141                       | 112,430          | 11,289        |
| Stocks of subsidiaries and affiliated companies | —                    | —                 | —                             | —                 | —                | —                   | —                 | —                             | —                | —             |
| Available-for-sale securities                   | 965,513              | 1,137,460         | 171,947                       | 172,013           | 66               | 978,730             | 1,146,159         | 167,428                       | 167,562          | 134           |
| Japanese bonds                                  | 873,327              | 1,007,815         | 134,487                       | 134,515           | 28               | 875,681             | 1,005,527         | 129,846                       | 129,980          | 134           |
| Japanese stocks                                 | 4,825                | 9,587             | 4,762                         | 4,800             | 37               | 4,825               | 10,957            | 6,132                         | 6,132            | —             |
| Foreign securities                              | 87,359               | 120,057           | 32,697                        | 32,697            | —                | 98,223              | 129,673           | 31,449                        | 31,449           | —             |
| Bonds   | 85,887               | 118,584           | 32,697                        | 32,697            | —                | 96,751              | 127,653           | 30,902                        | 30,902           | —             |
| Stocks, etc.                                    | 1,472                | 1,472             | —                             | —                 | —                | 1,472               | 2,019             | 547                           | 547              | —             |
| Other securities                                | —                    | —                 | —                             | —                 | —                | —                   | —                 | —                             | —                | —             |
| Monetary claims purchased                       | —                    | —                 | —                             | —                 | —                | —                   | —                 | —                             | —                | —             |
| Certificates of deposit                         | —                    | —                 | —                             | —                 | —                | —                   | —                 | —                             | —                | —             |
| Others  | —                    | —                 | —                             | —                 | —                | —                   | —                 | —                             | —                | —             |
| <b>Total</b>                                    | <b>9,170,589</b>     | <b>11,903,828</b> | <b>2,733,238</b>              | <b>2,739,804</b>  | <b>6,566</b>     | <b>9,343,614</b>    | <b>11,693,000</b> | <b>2,349,386</b>              | <b>2,384,332</b> | <b>34,945</b> |
| Japanese bonds                                  | 8,230,025            | 10,590,705        | 2,360,679                     | 2,367,208         | 6,528            | 8,384,885           | 10,387,834        | 2,002,949                     | 2,037,895        | 34,945        |
| Japanese stocks                                 | 4,825                | 9,587             | 4,762                         | 4,800             | 37               | 4,825               | 10,957            | 6,132                         | 6,132            | —             |
| Foreign securities                              | 935,739              | 1,303,535         | 367,795                       | 367,795           | —                | 953,903             | 1,294,208         | 340,304                       | 340,304          | —             |
| Bonds   | 934,266              | 1,302,062         | 367,795                       | 367,795           | —                | 952,431             | 1,292,188         | 339,756                       | 339,756          | —             |
| Stocks, etc.                                    | 1,472                | 1,472             | —                             | —                 | —                | 1,472               | 2,019             | 547                           | 547              | —             |
| Other securities                                | —                    | —                 | —                             | —                 | —                | —                   | —                 | —                             | —                | —             |
| 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.

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

(Millions of yen)

| Category  | As of March 31, 2020 | As of June 30, 2020 |
|---|----------------------|---------------------|
| Held-to-maturity securities                     | —                    | —                   |
| Unlisted foreign bonds                          | —                    | —                   |
| Others  | —                    | —                   |
| Policy-reserve-matching bonds                   | —                    | —                   |
| Stocks of subsidiaries and affiliated companies | 39,682               | 39,682              |
| Available-for-sale securities                   | 4,620                | 4,275               |
| Unlisted domestic stocks (except OTC stocks)    | 159                  | 159                 |
| Unlisted foreign stocks (except OTC stocks)     | 243                  | 188                 |
| Unlisted foreign bonds                          | —                    | —                   |
| Others  | 4,216                | 3,927               |
| <b>Total</b>                                    | <b>44,302</b>        | <b>43,958</b>       |

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, 2020 |                   |                               |                   |                  | As of June 30, 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                     | 7,349,139            | 9,768,470         | 2,419,331                     | 2,425,393         | 6,061            | 7,385,148           | 9,465,965         | 2,080,816                     | 2,104,338        | 23,522        |
| Policy-reserve-matching bonds                   | 855,937              | 997,896           | 141,958                       | 142,397           | 438              | 979,734             | 1,080,875         | 101,141                       | 112,430          | 11,289        |
| Stocks of subsidiaries and affiliated companies | 39,682               | 39,661            | (21)                          | —                 | 21               | 39,682              | 39,667            | (15)                          | —                | 15            |
| Available-for-sale securities                   | 970,133              | 1,143,849         | 173,716                       | 174,372           | 656              | 983,006             | 1,151,538         | 168,531                       | 169,202          | 671           |
| Japanese bonds                                  | 873,327              | 1,007,815         | 134,487                       | 134,515           | 28               | 875,681             | 1,005,527         | 129,846                       | 129,980          | 134           |
| Japanese stocks                                 | 4,985                | 9,747             | 4,762                         | 4,800             | 37               | 4,985               | 11,117            | 6,132                         | 6,132            | —             |
| Foreign securities                              | 87,603               | 121,356           | 33,753                        | 33,753            | —                | 98,412              | 130,812           | 32,399                        | 32,399           | —             |
| Bonds   | 85,887               | 118,584           | 32,697                        | 32,697            | —                | 96,751              | 127,653           | 30,902                        | 30,902           | —             |
| Stocks, etc.                                    | 1,715                | 2,771             | 1,056                         | 1,056             | —                | 1,660               | 3,158             | 1,497                         | 1,497            | —             |
| Other securities                                | 4,216                | 4,929             | 712                           | 1,303             | 590              | 3,927               | 4,080             | 152                           | 690              | 537           |
| Monetary claims purchased                       | —                    | —                 | —                             | —                 | —                | —                   | —                 | —                             | —                | —             |
| Certificates of deposit                         | —                    | —                 | —                             | —                 | —                | —                   | —                 | —                             | —                | —             |
| Others  | —                    | —                 | —                             | —                 | —                | —                   | —                 | —                             | —                | —             |
| <b>Total</b>                                    | <b>9,214,892</b>     | <b>11,949,878</b> | <b>2,734,986</b>              | <b>2,742,163</b>  | <b>7,177</b>     | <b>9,387,572</b>    | <b>11,738,046</b> | <b>2,350,473</b>              | <b>2,385,972</b> | <b>35,498</b> |
| Japanese bonds                                  | 8,230,025            | 10,590,705        | 2,360,679                     | 2,367,208         | 6,528            | 8,384,885           | 10,387,834        | 2,002,949                     | 2,037,895        | 34,945        |
| Japanese stocks                                 | 23,301               | 28,064            | 4,762                         | 4,800             | 37               | 23,301              | 29,434            | 6,132                         | 6,132            | —             |
| Foreign securities                              | 957,348              | 1,326,179         | 368,830                       | 368,851           | 21               | 975,458             | 1,316,697         | 341,239                       | 341,254          | 15            |
| Bonds   | 934,266              | 1,302,062         | 367,795                       | 367,795           | —                | 952,431             | 1,292,188         | 339,756                       | 339,756          | —             |
| Stocks, etc.                                    | 23,081               | 24,116            | 1,034                         | 1,056             | 21               | 23,026              | 24,509            | 1,482                         | 1,497            | 15            |
| Other securities                                | 4,216                | 4,929             | 712                           | 1,303             | 590              | 3,927               | 4,080             | 152                           | 690              | 537           |
| Monetary claims purchased                       | —                    | —                 | —                             | —                 | —                | —                   | —                 | —                             | —                | —             |
| Certificates of deposit                         | —                    | —                 | —                             | —                 | —                | —                   | —                 | —                             | —                | —             |
| Others  | —                    | —                 | —                             | —                 | —                | —                   | —                 | —                             | —                | —             |

(3) Fair Value Information on Money Held in Trust

(Millions of yen)

| Category            | As of March 31, 2020 |            |                               |                   |                  | As of June 30, 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 | 40                   | 40         | —                             | —                 | —                | 40                   | 40         | —                             | — | — |

Note: The above table includes jointly invested money held in trust, which amounted to ¥40 million as of March 31, 2020 and June 30, 2020, respectively.

**Money held in trust for investment**

Not applicable

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

Not applicable

### 3. Non-consolidated Balance Sheets

(Millions of yen)

|   | As of March 31, 2020 | As of June 30, 2020 |
|---|----------------------|---------------------|
|   | Amount               | Amount              |
| Assets:   |                      |                     |
| <b>Cash and deposits</b>  | <b>157,709</b>       | <b>125,852</b>      |
| <b>Money held in trust</b>  | <b>40</b>            | <b>40</b>           |
| <b>Securities</b>   | <b>10,629,972</b>    | <b>10,985,557</b>   |
| Japanese government bonds   | 7,915,466            | 8,015,615           |
| Japanese local government bonds   | 1,045                | 1,044               |
| Japanese corporate bonds  | 616,199              | 665,523             |
| Japanese stocks   | 50,127               | 52,736              |
| Foreign securities  | 1,765,943            | 1,910,671           |
| <b>Loans</b>  | <b>208,632</b>       | <b>220,302</b>      |
| Policy loans  | 208,069              | 219,730             |
| Commercial loans  | 562                  | 571                 |
| <b>Tangible fixed assets</b>  | <b>93,619</b>        | <b>93,429</b>       |
| <b>Intangible fixed assets</b>  | <b>28,629</b>        | <b>27,693</b>       |
| <b>Due from reinsurers</b>  | <b>1,205</b>         | <b>1,140</b>        |
| <b>Other assets</b>   | <b>99,286</b>        | <b>119,055</b>      |
| <b>Prepaid pension costs</b>  | <b>3,271</b>         | <b>3,378</b>        |
| <b>Deferred tax assets</b>  | <b>19,308</b>        | <b>22,100</b>       |
| <b>Reserve for possible loan losses</b>   | <b>(652)</b>         | <b>(656)</b>        |
| <b>Reserve for investment losses</b>  | <b>(3,899)</b>       | <b>(3,899)</b>      |
| <b>Total Assets</b>   | <b>11,237,124</b>    | <b>11,593,994</b>   |
| Liabilities:  |                      |                     |
| <b>Policy reserves and others</b>   | <b>10,004,643</b>    | <b>10,267,065</b>   |
| Reserve for outstanding claims  | 40,403               | 39,947              |
| Policy reserves   | 9,959,832            | 10,222,798          |
| Reserve for policyholders' dividends  | 4,407                | 4,319               |
| <b>Due to agencies</b>  | <b>2,408</b>         | <b>1,660</b>        |
| <b>Due to reinsurers</b>  | <b>5,344</b>         | <b>4,308</b>        |
| <b>Other liabilities</b>  | <b>602,739</b>       | <b>720,583</b>      |
| Accrued income tax  | 17,194               | 4,731               |
| Lease obligations   | 456                  | 437                 |
| Asset retirement obligations  | 1,968                | 1,954               |
| Others  | 583,119              | 713,460             |
| <b>Reserve for employees' retirement benefits</b>                                   | <b>29,528</b>        | <b>29,649</b>       |
| <b>Reserve under the special laws</b>   | <b>52,768</b>        | <b>53,445</b>       |
| Reserve for price fluctuations  | 52,768               | 53,445              |
| <b>Deferred tax liabilities on land revaluation</b>                                 | <b>109</b>           | <b>109</b>          |
| <b>Total Liabilities</b>  | <b>10,697,541</b>    | <b>11,076,823</b>   |
| Net Assets:   |                      |                     |
| <b>Common stock</b>   | <b>70,000</b>        | <b>70,000</b>       |
| <b>Capital surplus</b>  | <b>5,865</b>         | <b>5,865</b>        |
| Capital reserve   | 5,865                | 5,865               |
| <b>Retained earnings</b>  | <b>341,063</b>       | <b>322,232</b>      |
| Legal retained earnings   | 46,628               | 52,228              |
| Other retained earnings   | 294,434              | 270,004             |
| Unappropriated retained earnings  | 294,434              | 270,004             |
| <b>Total shareholders' equity</b>   | <b>416,928</b>       | <b>398,097</b>      |
| <b>Net unrealized gains (losses) on available-for-sale securities, net of taxes</b> | <b>125,093</b>       | <b>121,512</b>      |
| <b>Land revaluation, net of taxes</b>   | <b>(2,439)</b>       | <b>(2,439)</b>      |
| <b>Total valuation and translation adjustments</b>                                  | <b>122,653</b>       | <b>119,073</b>      |
| <b>Total Net Assets</b>   | <b>539,582</b>       | <b>517,171</b>      |
| <b>Total Liabilities and Net Assets</b>   | <b>11,237,124</b>    | <b>11,593,994</b>   |

#### 4. Non-consolidated Statements of Income

(Millions of yen)

|   | For the three months<br>ended June 30, 2019 | For the three months<br>ended June 30, 2020 |
|---|---|---|
|   | Amount                                      | Amount                                      |
| <b>Ordinary Revenues</b>                                  | <b>368,841</b>                              | <b>471,321</b>                              |
| <b>Income from insurance premiums</b>                     | <b>301,413</b>                              | <b>270,477</b>                              |
| Insurance premiums  | 300,860                                     | 269,281                                     |
| <b>Investment income</b>                                  | <b>64,357</b>                               | <b>194,637</b>                              |
| Interest income and dividends                             | 43,501                                      | 47,743                                      |
| Income from money held in trust, net                      | 1,127                                       | —   |
| Gains on trading securities, net                          | 7   | —   |
| Gains on sale of securities                               | 1,238                                       | —   |
| Gains on separate accounts, net                           | 18,481                                      | 146,893                                     |
| <b>Other ordinary income</b>                              | <b>3,070</b>                                | <b>6,206</b>                                |
| Reversal of reserve for outstanding claims                | —   | 455   |
| <b>Ordinary Expenses</b>                                  | <b>342,469</b>                              | <b>457,728</b>                              |
| <b>Insurance claims and other payments</b>                | <b>109,439</b>                              | <b>112,607</b>                              |
| Insurance claims  | 23,320                                      | 29,862                                      |
| Annuity payments  | 3,318                                       | 3,516                                       |
| Insurance benefits  | 26,639                                      | 30,436                                      |
| Surrender payments  | 52,978                                      | 45,566                                      |
| Refund to policyholders                                   | 950   | 956   |
| <b>Provision for policy reserves and others</b>           | <b>168,995</b>                              | <b>262,966</b>                              |
| Provision for reserve for outstanding claims              | 444   | —   |
| Provision for policy reserves                             | 168,550                                     | 262,966                                     |
| Interest portion of reserve on policyholders' dividends   | 0   | 0   |
| <b>Investment expenses</b>                                | <b>16,712</b>                               | <b>30,472</b>                               |
| Interest expenses   | 748   | 449   |
| Losses on derivatives, net                                | 1,579                                       | 21,981                                      |
| <b>Operating expenses</b>                                 | <b>37,390</b>                               | <b>40,704</b>                               |
| <b>Other ordinary expenses</b>                            | <b>9,931</b>                                | <b>10,978</b>                               |
| <b>Ordinary Profit</b>                                    | <b>26,372</b>                               | <b>13,593</b>                               |
| <b>Extraordinary Losses</b>                               | <b>851</b>                                  | <b>738</b>                                  |
| Losses on disposal of fixed assets                        | 24  | 26  |
| Impairment losses   | 1   | 33  |
| Provision for reserve under the special laws              | 606   | 677   |
| Provision for reserve for price fluctuations              | 606   | 677   |
| Provision for reserve for investment losses               | 219   | —   |
| <b>Provision for Reserve for Policyholders' Dividends</b> | <b>102</b>                                  | <b>100</b>                                  |
| <b>Income Before Income Taxes</b>                         | <b>25,417</b>                               | <b>12,754</b>                               |
| <b>Income Taxes—Current</b>                               | <b>8,816</b>                                | <b>4,771</b>                                |
| <b>Income Taxes—Deferred</b>                              | <b>(1,783)</b>                              | <b>(1,186)</b>                              |
| <b>Total Income Taxes</b>                                 | <b>7,033</b>                                | <b>3,585</b>                                |
| <b>Net Income</b>   | <b>18,384</b>                               | <b>9,169</b>                                |

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

(Millions of yen)

|   | For the three months ended<br>June 30, 2019 | For the three months ended<br>June 30, 2020 |
|---|---|---|
| Core profit   | 29,814                                      | 37,130                                      |
| Capital gains   | 13,741                                      | 7,137                                       |
| Income from money held in trust, net  | —   | —   |
| Income from trading securities, net   | 5   | —   |
| Gains on sale of securities   | 1,238                                       | —   |
| Gains on derivatives, net   | —   | —   |
| Foreign exchange gains, net   | —   | —   |
| Other capital gains   | 12,497                                      | 7,137                                       |
| Capital losses  | 14,939                                      | 28,891                                      |
| Losses on money held in trust, net  | —   | —   |
| Losses on trading securities, net   | —   | —   |
| Losses on sale of securities  | —   | —   |
| Losses on valuation of securities   | —   | —   |
| Losses on derivatives, net  | 1,579                                       | 21,981                                      |
| Foreign exchange losses, net  | 13,334                                      | 6,680                                       |
| Other capital losses  | 25  | 229   |
| Net capital gains (losses)  | (1,197)                                     | (21,753)                                    |
| Core profit plus net capital gains (losses)                                   | 28,617                                      | 15,377                                      |
| Other one-time gains  | —   | —   |
| Gains from reinsurance  | —   | —   |
| Reversal of contingency reserve   | —   | —   |
| Reversal of specific reserve for possible loan losses                         | —   | —   |
| Others  | —   | —   |
| Other one-time losses   | 2,244                                       | 1,784                                       |
| Losses from reinsurance   | —   | —   |
| Provision for contingency reserve   | 2,207                                       | 1,760                                       |
| Provision for specific reserve for possible loan losses                       | 12  | 4   |
| Provision for reserve for possible loan losses for specific foreign countries | —   | —   |
| Write-off of loans  | —   | —   |
| Others  | 25  | 19  |
| Net other one-time gains (losses)   | (2,244)                                     | (1,784)                                     |
| Ordinary profit   | 26,372                                      | 13,593                                      |

Note: As described in page 1, from the three months ended June 30, 2020, we have changed accounting method and the change has been retroactively applied to the result for the three months ended June 30, 2019. As a result, foreign exchange losses, net increased by ¥2,295 million and ordinary profit decreased by the same amount.

(Reference) The breakdown of Others

(Millions of yen)

|  | For the three months ended<br>June 30, 2019 | For the three months ended<br>June 30, 2020 |
|--|---|---|
| Core profit  | (11,368)                                    | (7,137)                                     |
| Income gains in income from money held in trust  | 1,127                                       | —   |
| Interest income and dividends in income from trading securities                                    | 1   | —   |
| Effect of change in the exchange rates related to foreign currency-denominated insurance contracts | (12,497)                                    | (7,137)                                     |
| Other capital gains  | 12,497                                      | 7,137                                       |
| Effect of change in the exchange rates related to foreign currency-denominated insurance contracts | 12,497                                      | 7,137                                       |
| Other capital losses   | 25  | 229   |
| Impairment losses from investment partnership  | 25  | 229   |
| Effect of change in the exchange rates related to foreign currency-denominated insurance contracts | —   | —   |
| Other one-time gains   | —   | —   |
| Other one-time losses  | 25  | 19  |
| Provision for additional policy reserve  | 25  | 19  |



## 6. Solvency Margin Ratio

(Millions of yen)

| Category   |  | As of March 31, 2020 | As of June 30, 2020 |
|--|--|----------------------|---------------------|
| Total solvency margin  | (A)  | 1,412,772            | 1,425,665           |
| Common stock, etc.   |  | 390,186              | 397,592             |
| Reserve for price fluctuations   |  | 52,768               | 53,445              |
| Contingency reserve  |  | 107,659              | 109,420             |
| General reserve for possible loan losses   |  | 0                    | 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) |  | 154,773              | 151,678             |
| Net unrealized gains (losses) on real estate x 85% (100% if losses)  |  | 65,514               | 65,514              |
| Amount excluded from deferred tax assets   |  | —                    | —                   |
| Unallocated portion of reserve for policyholders' dividends  |  | 152                  | 658                 |
| Deferred tax assets  |  | 101,924              | 104,805             |
| Excess amount of policy reserves based on Zillmer method   |  | 554,097              | 553,522             |
| 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   |  | (10,971)             | (10,971)            |
| Total risk   | $\sqrt{(R_1 + R_3)^2 + (R_2 + R_3 + R_7)^2} + R_4$         | (B)                  | 114,101             |
| Insurance risk   | R <sub>1</sub>   | 24,498               | 24,260              |
| Third-sector insurance risk  | R <sub>8</sub>   | 8,459                | 8,425               |
| Assumed interest rate risk   | R <sub>2</sub>   | 36,468               | 36,841              |
| Minimum guarantee risk   | R <sub>7</sub>   | 23,810               | 25,570              |
| Asset management risk  | R <sub>3</sub>   | 46,045               | 47,476              |
| Business management risk   | R <sub>4</sub>   | 2,785                | 2,851               |
| Solvency margin ratio  | $(A) / \left\{ \frac{1}{2} \times (B) \right\} \times 100$ | 2,476.3%             | 2,426.6%            |

- 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.

## 7. Status of Separate Account Assets

### (1) Balance of Separate Account Assets

(Millions of yen)

| Category   | As of March 31, 2020 |           | As of June 30, 2020 |           |
|--|----------------------|-----------|---------------------|-----------|
|  | Number               | Amount    | Number              | Amount    |
| Individual variable life insurance and individual variable annuities |                      | 1,323,948 |                     | 1,512,934 |
| Group annuities  |                      | —         |                     | —         |
| Total separate account   |                      | 1,323,948 |                     | 1,512,934 |

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

### (2) Policy Amount in Force

#### Individual variable life insurance

(Number: Thousand, Amount: Millions of yen)

| Category                                    | As of March 31, 2020 |           | As of June 30, 2020 |           |
|---|----------------------|-----------|---------------------|-----------|
|   | Number               | Amount    | Number              | Amount    |
| Variable life insurance (whole life type)   | 830                  | 7,601,102 | 829                 | 7,575,439 |
| Variable life insurance (limited term type) | 185                  | 1,183,138 | 190                 | 1,222,612 |
| Variable life insurance (term type)         | 15                   | 859,808   | 16                  | 908,242   |
| Total                                       | 1,032                | 9,644,050 | 1,035               | 9,706,293 |

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

#### Individual variable annuities

(Number: Thousand, Amount: Millions of yen)

| Category                      | As of March 31, 2020 |           | As of June 30, 2020 |           |
|-------------------------------|----------------------|-----------|---------------------|-----------|
|                               | Number               | Amount    | Number              | Amount    |
| Individual variable annuities | 361                  | 2,256,666 | 375                 | 2,351,752 |

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.

## 8. Consolidated Summary

### (1) Key Performance Indicators

(Millions of yen)

|   | For the three months ended<br>June 30, 2020 |
|---|---|
| Ordinary revenues                           | 491,754                                     |
| Ordinary profit                             | 11,349                                      |
| Profit attributable to owners of the parent | 6,837                                       |
| Comprehensive income                        | 4,027                                       |

(Millions of yen, %)

| Category              | As of March 31, 2020 | As of June 30, 2020 |
|-----------------------|----------------------|---------------------|
| Total assets          | 11,796,918           | 12,159,119          |
| Solvency margin ratio | 2,564.5%             | 2,478.8%            |

### (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 Sheets

|   | As of             | As of             |
|---|-------------------|-------------------|
|   | March 31, 2020    | June 30, 2020     |
|   | Amount            | Amount            |
| Assets:   |                   |                   |
| <b>Cash and deposits</b>  | <b>224,211</b>    | <b>179,526</b>    |
| <b>Money held in trust</b>  | <b>14,960</b>     | <b>16,013</b>     |
| <b>Securities</b>   | <b>11,055,749</b> | <b>11,444,701</b> |
| <b>Loans</b>  | <b>208,632</b>    | <b>220,302</b>    |
| <b>Tangible fixed assets</b>  | <b>93,619</b>     | <b>93,429</b>     |
| <b>Intangible fixed assets</b>  | <b>32,208</b>     | <b>31,227</b>     |
| <b>Due from reinsurers</b>  | <b>4,837</b>      | <b>4,661</b>      |
| <b>Other assets</b>   | <b>140,362</b>    | <b>144,264</b>    |
| <b>Net defined benefit asset</b>  | <b>3,391</b>      | <b>3,489</b>      |
| <b>Deferred tax assets</b>  | <b>19,598</b>     | <b>22,159</b>     |
| <b>Reserve for possible loan losses</b>   | <b>(652)</b>      | <b>(656)</b>      |
| <b>Total Assets</b>   | <b>11,796,918</b> | <b>12,159,119</b> |
| Liabilities:  |                   |                   |
| <b>Policy reserves and others</b>   | <b>10,551,976</b> | <b>10,823,142</b> |
| Reserve for outstanding claims  | 40,883            | 40,382            |
| Policy reserves   | 10,506,684        | 10,778,440        |
| Reserve for policyholders' dividends  | 4,407             | 4,319             |
| <b>Due to agencies</b>  | <b>2,471</b>      | <b>1,675</b>      |
| <b>Due to reinsurers</b>  | <b>5,356</b>      | <b>4,319</b>      |
| <b>Other liabilities</b>  | <b>610,032</b>    | <b>725,898</b>    |
| <b>Net defined benefit liability</b>  | <b>30,682</b>     | <b>30,667</b>     |
| <b>Reserve under the special laws</b>   | <b>52,792</b>     | <b>53,473</b>     |
| Reserve for price fluctuations  | 52,792            | 53,473            |
| <b>Deferred tax liabilities</b>   | <b>142</b>        | <b>450</b>        |
| <b>Deferred tax liabilities on land revaluation</b>                                 | <b>109</b>        | <b>109</b>        |
| <b>Total Liabilities</b>  | <b>11,253,564</b> | <b>11,639,737</b> |
| Net Assets:   |                   |                   |
| <b>Common stock</b>   | <b>70,000</b>     | <b>70,000</b>     |
| <b>Capital surplus</b>  | <b>5,865</b>      | <b>5,865</b>      |
| <b>Retained earnings</b>  | <b>345,972</b>    | <b>324,810</b>    |
| <b>Total shareholders' equity</b>   | <b>421,837</b>    | <b>400,675</b>    |
| <b>Net unrealized gains (losses) on available-for-sale securities, net of taxes</b> | <b>124,700</b>    | <b>121,799</b>    |
| <b>Land revaluation, net of taxes</b>   | <b>(2,439)</b>    | <b>(2,439)</b>    |
| <b>Remeasurements of defined benefit plans, net of taxes</b>                        | <b>(745)</b>      | <b>(653)</b>      |
| <b>Total accumulated other comprehensive income</b>                                 | <b>121,516</b>    | <b>118,706</b>    |
| <b>Total Net Assets</b>   | <b>543,354</b>    | <b>519,381</b>    |
| <b>Total Liabilities and Net Assets</b>   | <b>11,796,918</b> | <b>12,159,119</b> |

#### (4) Consolidated Statement of Income

(Millions of yen)

|   | For the three months<br>ended June 30, 2020 |
|---|---|
|   | Amount                                      |
| <b>Ordinary Revenues</b>                                  | <b>491,754</b>                              |
| <b>Income from insurance premiums</b>                     | <b>273,764</b>                              |
| <b>Investment income</b>                                  | <b>211,721</b>                              |
| Interest income and dividends                             | 47,744                                      |
| Income from money held in trust, net                      | 111   |
| Gains on trading securities, net                          | 41  |
| Gains on separate accounts, net                           | 163,823                                     |
| <b>Other ordinary income</b>                              | <b>6,268</b>                                |
| Reversal of reserve for outstanding claims                | 501   |
| <b>Ordinary Expenses</b>                                  | <b>480,404</b>                              |
| <b>Insurance claims and other payments</b>                | <b>117,362</b>                              |
| Insurance claims  | 29,858                                      |
| Annuity payments  | 3,947                                       |
| Insurance benefits  | 31,013                                      |
| Surrender payments  | 46,682                                      |
| <b>Provision for policy reserves and others</b>           | <b>271,755</b>                              |
| Provision for policy reserves                             | 271,755                                     |
| Interest portion of reserve for policyholders' dividends  | 0   |
| <b>Investment expenses</b>                                | <b>38,592</b>                               |
| Interest expenses   | 470   |
| Losses on derivatives, net                                | 30,419                                      |
| <b>Operating expenses</b>                                 | <b>41,628</b>                               |
| <b>Other ordinary expenses</b>                            | <b>11,065</b>                               |
| <b>Ordinary Profit</b>                                    | <b>11,349</b>                               |
| <b>Extraordinary Losses</b>                               | <b>742</b>                                  |
| Losses on disposal of fixed assets                        | 26  |
| Impairment losses   | 33  |
| Provision for reserve under the special laws              | 681   |
| Provision for reserve for price fluctuations              | 681   |
| <b>Provision for Reserve for Policyholders' Dividends</b> | <b>100</b>                                  |
| <b>Income Before Income Taxes</b>                         | <b>10,506</b>                               |
| <b>Income Taxes—Current</b>                               | <b>4,772</b>                                |
| <b>Income Taxes—Deferred</b>                              | <b>(1,103)</b>                              |
| <b>Total Income Taxes</b>                                 | <b>3,669</b>                                |
| <b>Net Income</b>   | <b>6,837</b>                                |
| <b>Profit Attributable to Owners of the Parent</b>        | <b>6,837</b>                                |

## (5) Consolidated Solvency Margin Ratio

(Millions of yen)

| Category   |   | As of March 31, 2020 | As of June 30, 2020 |
|--|---|----------------------|---------------------|
| Total solvency margin  | (A)   | 1,427,464            | 1,439,087           |
| Common stock, etc.   |   | 391,320              | 396,318             |
| Reserve for price fluctuations   |   | 52,792               | 53,473              |
| Contingency reserve  |   | 110,842              | 112,621             |
| Catastrophe reserve  |   | —                    | —                   |
| General reserve for possible loan losses   |   | 0                    | 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              | 153,125             |
| Net unrealized gains (losses) on real estate x 85% (100% if losses)  |   | 65,514               | 65,514              |
| Total amount of unrecognized net actuarial gains (losses) and unrecognized past service cost   |   | (1,034)              | (907)               |
| Amount excluded from deferred tax assets   |   | —                    | —                   |
| Unallocated portion of reserve for policyholders' dividends  |   | 152                  | 658                 |
| Deferred tax assets  |   | 101,924              | 104,805             |
| Excess amount of policy reserves based on Zillmer method   |   | 554,097              | 553,522             |
| 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)                 | (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              | 116,110             |
| Insurance risk   | R <sub>1</sub>  | 24,564               | 24,328              |
| Ordinary insurance risk  | R <sub>5</sub>  | —                    | —                   |
| Major catastrophe risk   | R <sub>6</sub>  | —                    | —                   |
| Third-sector insurance risk  | R <sub>8</sub>  | 8,459                | 8,425               |
| Insurance risk of small-amount short-term insurance providers  | R <sub>9</sub>  | —                    | —                   |
| Assumed interest rate risk   | R <sub>2</sub>  | 36,637               | 37,010              |
| Minimum guarantee risk   | R <sub>7</sub>  | 24,069               | 25,837              |
| Asset management risk  | R <sub>3</sub>  | 42,742               | 45,600              |
| Business management risk   | R <sub>4</sub>  | 2,729                | 2,824               |
| Solvency margin ratio  | $(A) / \left\{ \frac{1}{2} \times (B) \right\} \times 100$          | 2,564.5%             | 2,478.8%            |

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.