

Presentation Material

**Consolidated Financial Results
for the Nine Months Ended December 31, 2017
and
Sony Life's MCEV as of December 31, 2017**

**Sony Financial Holdings Inc.
February 14, 2018**

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*Unless otherwise indicated, in these materials figures less than the indicated unit have been truncated, while ratios and percentage changes have been rounded. Also, a “-” is used where percentage changes exceed 1,000% and in cases where one or both comparisons are negative.

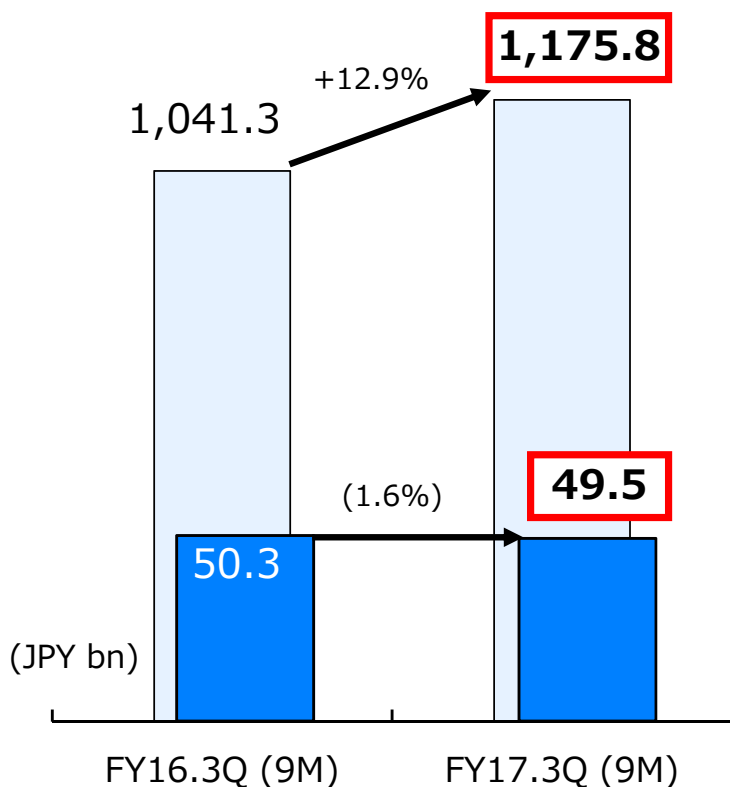
* “Lifeplanner” is a registered trademark of Sony Life.

**Consolidated Operating Results
for the Nine Months Ended December 31, 2017
<FY17.3Q (9M)>**

- ◆ Taking into account performance of the life insurance business in FY17.3Q (9M), we have revised upward our full-year forecast for consolidated ordinary revenues, downward for consolidated ordinary profit, and upward for profit attributable to owners of the parent. Business continues to grow steadily at Sony Life, Sony Assurance and Sony Bank.
- ◆ At Sony Life, thanks to positive performance in new products launched in October 2017, new policy amount and new business value in FY17.3Q (3M) grew solidly quarter on quarter.
- ◆ In line with our medium-term dividend policy, after taking into account such factors as the operating environment, business growth and the expansion of profit based on economic value, we have revised upward our FY17 year-end dividend forecast from ¥55 to ¥60 per share.

Highlights of Consolidated Operating Performance (1)

- Consolidated ordinary revenues
- Consolidated ordinary profit



		(JPY bn)	FY16.3Q (9M)	FY17.3Q (9M)	Change	
Life insurance business	Ordinary revenues		939.1	1,062.1	+123.0	+13.1%
	Ordinary profit		42.3	40.2	(2.1)	(5.1%)
Non-life insurance business	Ordinary revenues		75.9	82.4	+6.4	+8.5%
	Ordinary profit		4.9	5.0	+0.0	+0.8%
Banking business	Ordinary revenues		28.5	29.6	+1.1	+3.9%
	Ordinary profit		3.3	5.0	+1.7	+53.4%
Intersegment adjustments*	Ordinary revenues		(2.3)	1.5	+3.8	–
	Ordinary profit		(0.4)	(0.8)	(0.4)	–
Consolidated	Ordinary revenues		1,041.3	1,175.8	+134.5	+12.9%
	Ordinary profit		50.3	49.5	(0.7)	(1.6%)
	Profit attributable to owners of the parent		33.7	42.4	+8.7	+26.0%

*"Intersegment adjustments" is mainly from SFH and the nursing care business. Proud Life Inc., a company of nursing care business, has been included in the scope of consolidation from FY17.2Q.
 (Note) Comprehensive income : FY16.3Q (9M): ¥18.2 billion, FY17.3Q (9M) : ¥ 48.6 billion

		(JPY bn)	Mar. 17	Dec. 17	Change from Mar. 17	
Consolidated	Net assets		601.1	621.8	+20.7	+3.4%
	Total assets		11,471.8	12,271.6	+799.7	+7.0%

Highlights of Consolidated Operating Performance (2)

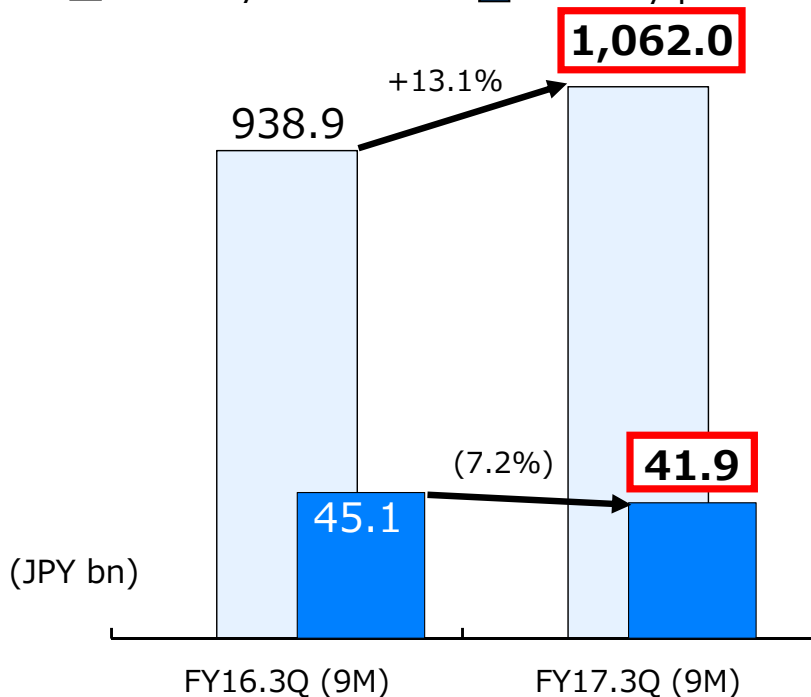
- Life Insurance Business : Ordinary revenues grew year-on-year due to steady investment performance in the separate account and higher income from insurance premiums, owing to a steady rise in the policy amount in force. Ordinary profit decreased year on year due to a higher provision of policy reserve relating to the acquisition of new policies reflecting a revision in the standard yields used for calculating policy reserves, lower gains on sale of securities in the general account and a deterioration in net gains/losses on derivative transactions to hedge market risks for available-for-sale securities. On the other hand, gains/losses related to market fluctuations for variable life insurance* improved year on year, which partially offset the negative impact of the above-mentioned decreases in ordinary profit.

*Total of (a) the provision of policy reserves for minimum guarantees for variable life insurance according to market fluctuations and (b) net gains/losses on derivative transactions to hedge market risks for the products

- Non-life Insurance Business: Ordinary revenues expanded year on year, owing to an increase in net premiums written for mainstay automobile insurance. Due to a lower car accident ratio, offset by a rise in advertising and other operating expenses, ordinary profit was flat year on year despite a decline in the loss ratio.
- Banking Business : Ordinary revenues rose year on year due to increases in interest income on loans in line with a favorably growing balance of mortgage loans and on investment securities. Ordinary profit grew year on year, due to a decrease in operating expenses, especially in advertising expenses for the card loan business.
- Consolidated ordinary revenues increased 12.9% year on year, to ¥1,175.8 billion, owing to increases in ordinary revenues from all the businesses: life insurance, non-life insurance and banking businesses. Consolidated ordinary profit decreased 1.6% year on year, to ¥49.5 billion. By business segment, ordinary profit from the life insurance business decreased, ordinary profit from the non-life insurance business was flat and ordinary profit from the banking business rose. Profit attributable to owners of the parent, however, was up 26.0% year on year, to ¥42.4 billion. This increase was due to a gain on disposal of fixed assets from a sale of the real estate held for investment of ¥13.2 billion in the life insurance business, which was recorded in extraordinary gains in FY17.3Q (3M).

Highlights of Operating Performance: Sony Life (Non-consolidated)

□ Ordinary revenues ■ Ordinary profit



- ◆ Ordinary revenues increased but ordinary profit decreased.
- ◆ Income from insurance premiums increased owing to a steady rise in the policy amount in force.
- ◆ Investment income increased due to an increase in gains on separate accounts, net.
- ◆ Ordinary profit decreased due to a higher provision of policy reserve relating to the acquisition of new policies reflecting a revision in the standard yields used for calculating policy reserves, lower gains on sale of securities in the general account and a deterioration in net gains/losses on derivative transactions to hedge market risks for available-for-sale securities. On the other hand, gains/losses related to market fluctuations for variable life insurance* improved year on year, which partially offset the negative impact of the above-mentioned decreases in ordinary profit.

*Total of (a) the provision of policy reserves for minimum guarantees for variable life insurance according to market fluctuations and (b) net gains/losses on derivative transactions to hedge market risks for the products

	(JPY bn)	FY16.3Q (9M)	FY17.3Q (9M)	Change	
Ordinary revenues		938.9	1,062.0	+123.0	+13.1%
Income from insurance premiums		705.4	762.8	+57.3	+8.1%
Investment income		195.0	254.3	+59.3	+30.4%
Interest income and dividends		110.0	117.7	+7.7	+7.0%
Income from money held in trust, net		3.3	3.3	(0.0)	(0.1%)
Gains on sale of securities		1.3	0.0	(1.3)	(100.0%)
Foreign exchange gains, net		24.2	2.8	(21.4)	(88.4%)
Gains on separate accounts, net		55.9	130.1	+74.2	+132.8%
Ordinary expenses		893.7	1,020.1	+126.3	+14.1%
Insurance claims and other payments		276.0	328.6	+52.6	+19.1%
Provision for policy reserves and others		447.0	524.3	+77.2	+17.3%
Investment expenses		38.9	28.6	(10.3)	(26.5%)
Losses on derivatives, net		34.2	23.9	(10.2)	(30.0%)
Operating expenses		101.6	102.9	+1.3	+1.3%
Ordinary profit		45.1	41.9	(3.2)	(7.2%)
Gains on disposal of fixed assets		–	13.2	+13.2	–
Net income		31.2	37.5	+6.3	+20.4%
	(JPY bn)	Mar. 17	Dec. 17	Change from Mar. 17	
Securities		8,093.1	8,628.5	+535.3	+6.6%
Policy reserves		7,929.9	8,454.2	+524.3	+6.6%
Net assets		473.5	491.5	+17.9	+3.8%
Net unrealized gains on other securities		127.7	131.2	+3.4	+2.7%
Total assets		8,873.6	9,450.5	+576.9	+6.5%
Separate account assets		989.6	1,161.7	+172.1	+17.4%

Overview of Operating Performance: Sony Life (Non-consolidated)

(JPY bn)	FY16.3Q (9M)	FY17.3Q (9M)	Change
New policy amount	3,499.7	3,445.4	(1.6%)
Lapse and surrender amount	1,371.1	1,330.3	(3.0%)
Lapse and surrender rate	3.18%	2.94%	(0.24pt)
Policy amount in force	44,633.9	46,763.4	+4.8%
Annualized premiums from new policies	54.1	51.9	(4.1%)
Of which, third-sector products	11.2	9.3	(16.8%)
Annualized premiums from insurance in force	807.3	842.4	+4.3%
Of which, third-sector products	185.1	190.7	+3.0%

<Reasons for changes>

◆ Decreased due mainly to lower sales of term life insurance despite favorable sales of U.S. dollar-denominated insurance.

◆ Decreased due mainly to lower sales of term life insurance and living benefit insurance despite favorable sales of U.S. dollar-denominated insurance, variable life insurance and individual annuities.

- Notes:
- Figures for new policy amount, lapse and surrender amount, lapse and surrender rate, policy amount in force, annualized premiums from new policies and annualized premiums from insurance in force are calculated as the total of individual life insurance and individual annuities.
 - The lapse and surrender rate shows the ratio derived by dividing the amount of lapses and surrenders, not adjusted for policy amount decreases, increases, and reinstatements, by the policy amount in force at the beginning of the fiscal year.

(JPY bn)	FY16.3Q (9M)	FY17.3Q (9M)	Change
Gains from investment, net (General account)	100.0	95.4	(4.6%)
Core profit	65.8	70.6	+7.3%
Positive spread	11.1	13.9	+25.2%

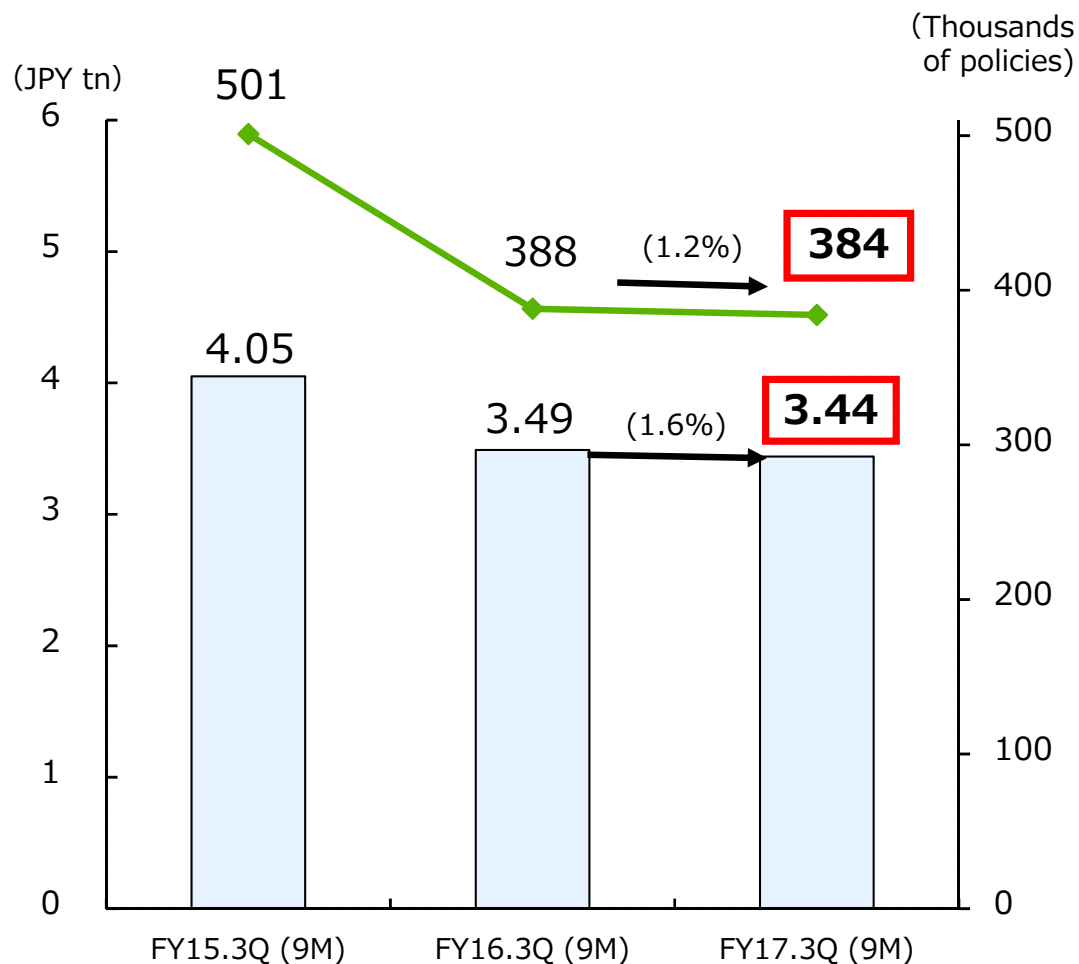
◆ Increased due mainly to an increase in profit from accumulated policies in force and a rise in positive spread despite a higher provision of policy reserve relating to the acquisition of new policies reflecting a revision in the standard yields used for calculating policy reserves.

	Mar. 17	Dec. 17	Change from Mar. 17
Non-consolidated solvency margin ratio	2,568.8%	2,711.1%	+142.3pt

Operating Performance : Sony Life (Non-consolidated) (1)

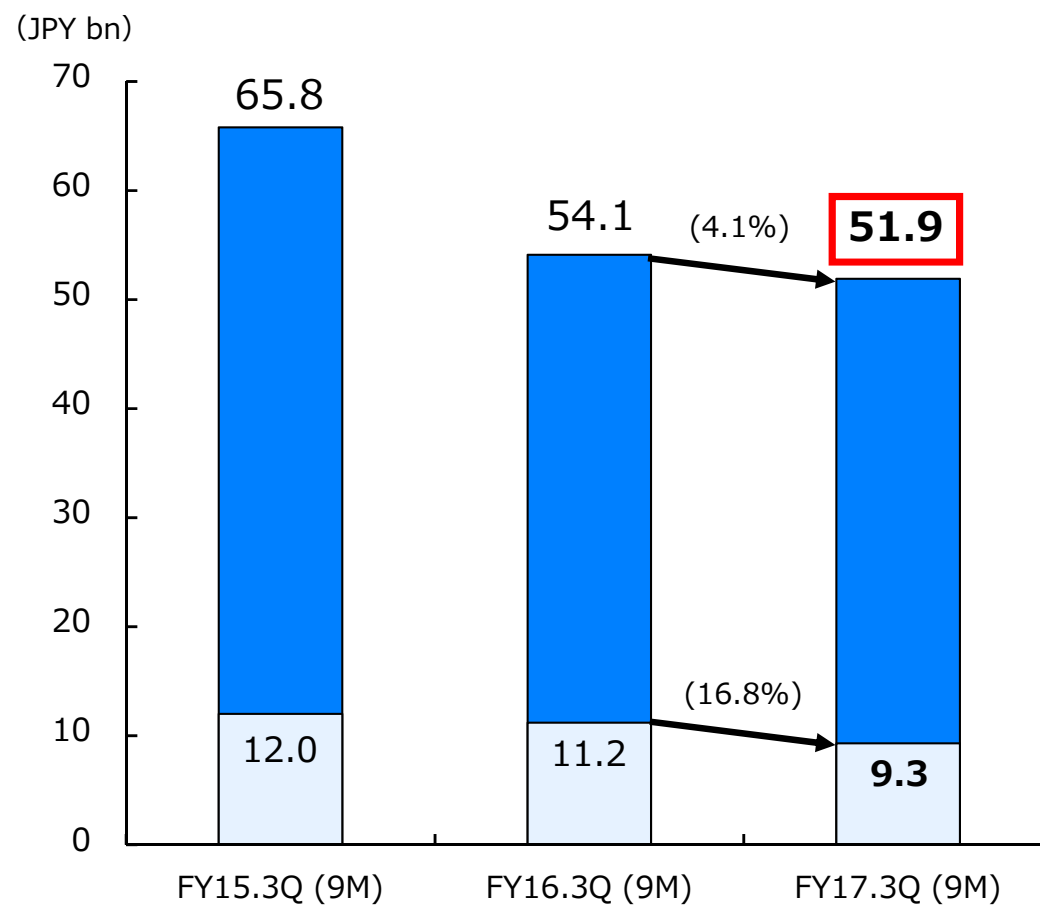
Number and Amount of New Policies (Individual Life Insurance + Individual Annuities)

□ New policy amount — Number of new policies



Annualized Premiums from New Policies (Individual Life Insurance + Individual Annuities)

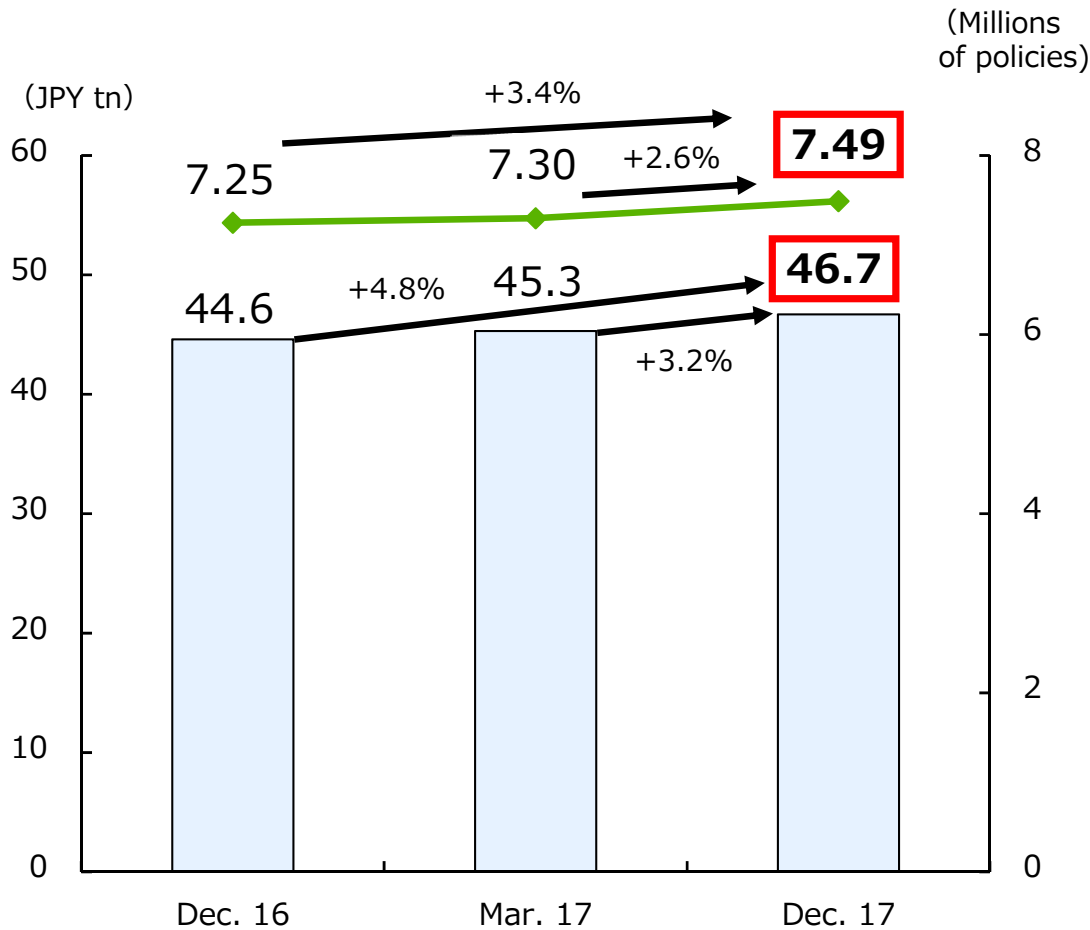
■ Annualized premiums from new policies □ Of which, third-sector



Operating Performance : Sony Life (Non-consolidated) (2)

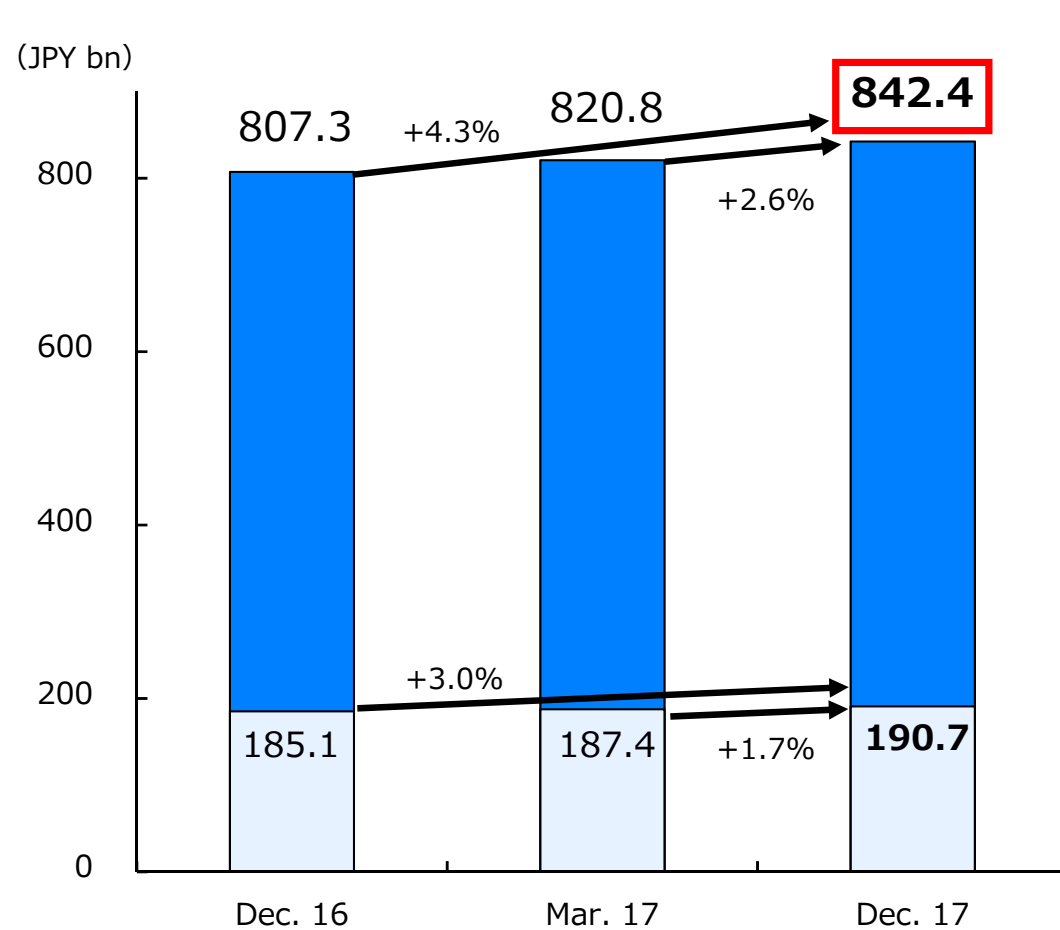
Number and Amount of Policies in Force (Individual Life Insurance + Individual Annuities)

□ Policy amount in force — Number of policies in force

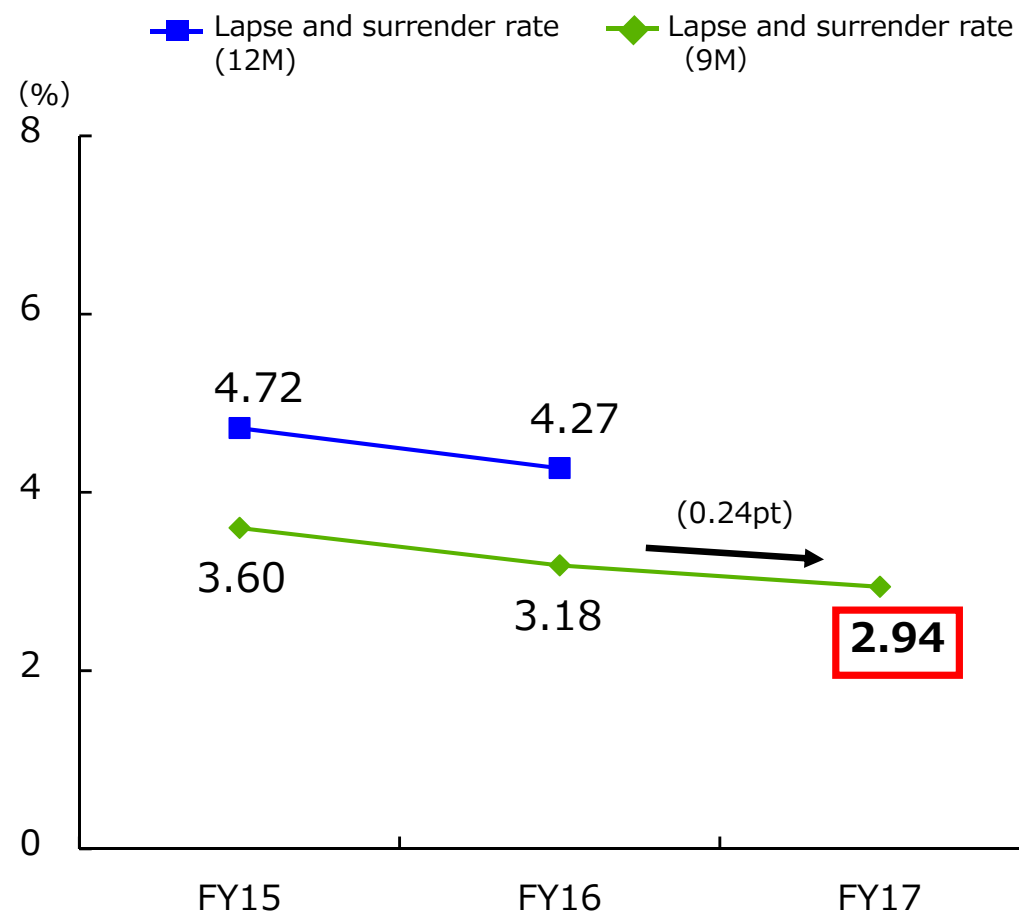


Annualized Premiums from Insurance in Force (Individual Life Insurance + Individual Annuities)

■ Annualized premiums from insurance in force □ Of which, third-sector



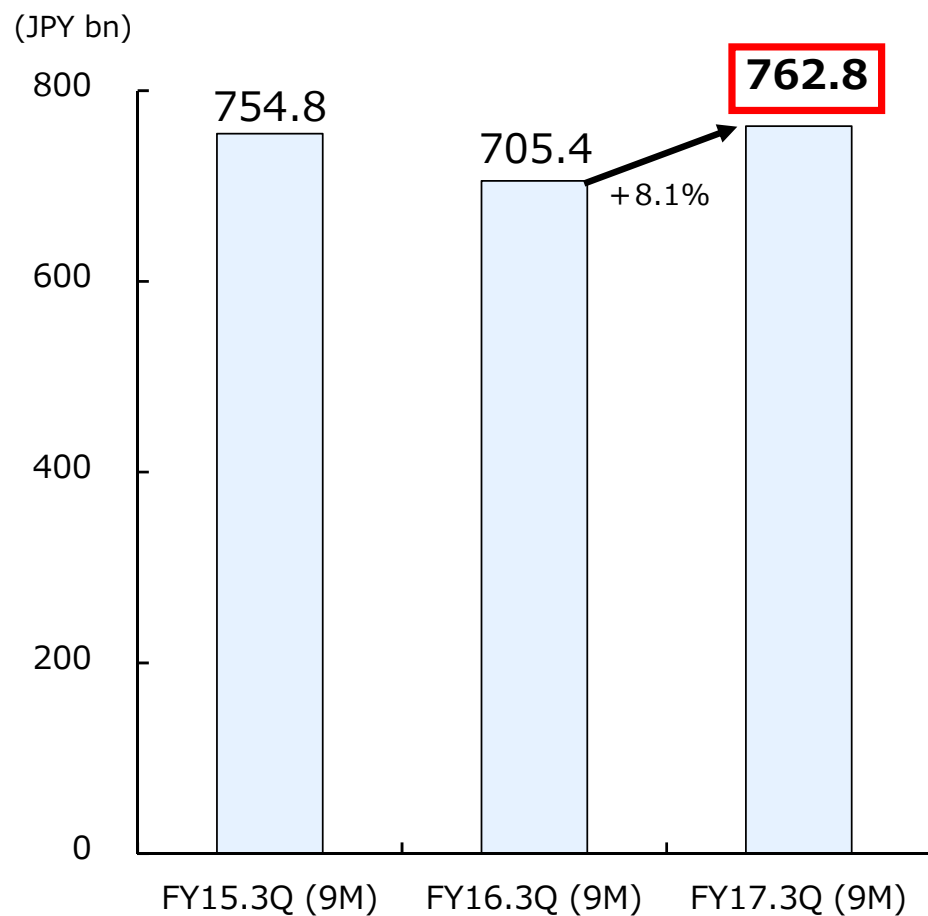
Lapse and Surrender Rate* (Individual Life Insurance + Individual Annuities)



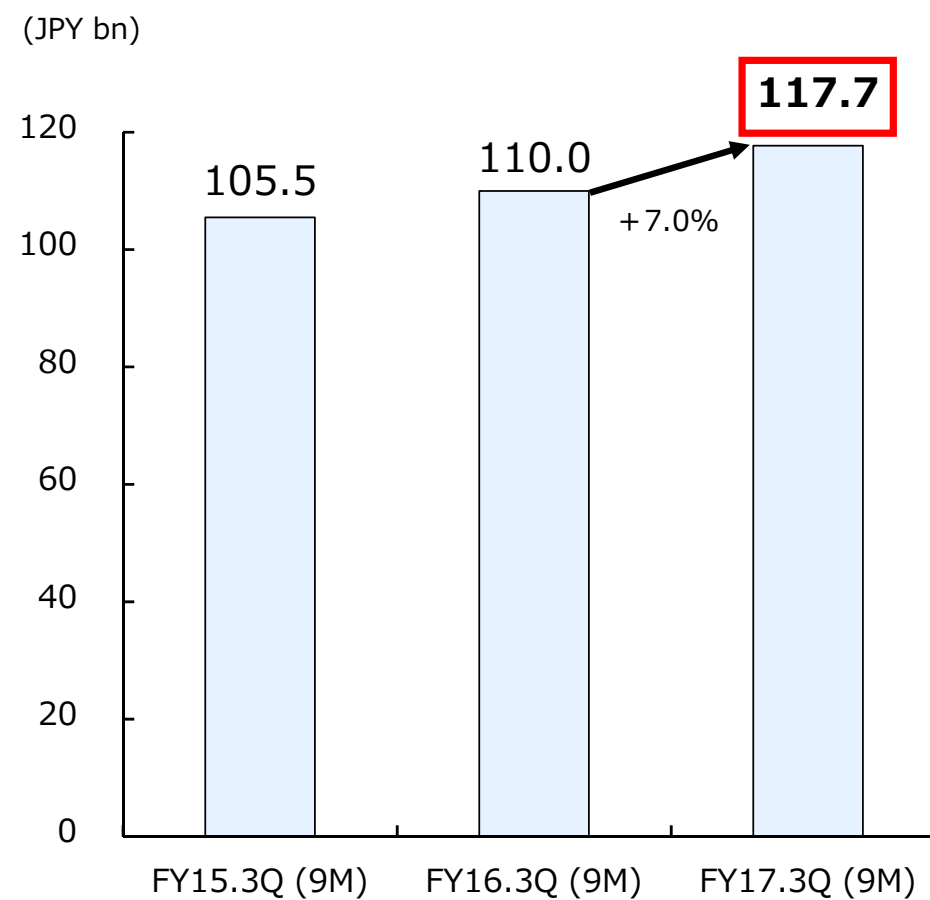
*The lapse and surrender rate shows the ratio derived by dividing the amount of lapses and surrenders, not adjusted for policy amount decreases, increases, and reinstatements, by the policy amount in force at the beginning of the fiscal year.

Operating Performance : Sony Life (Non-consolidated) (4)

Income from Insurance Premiums

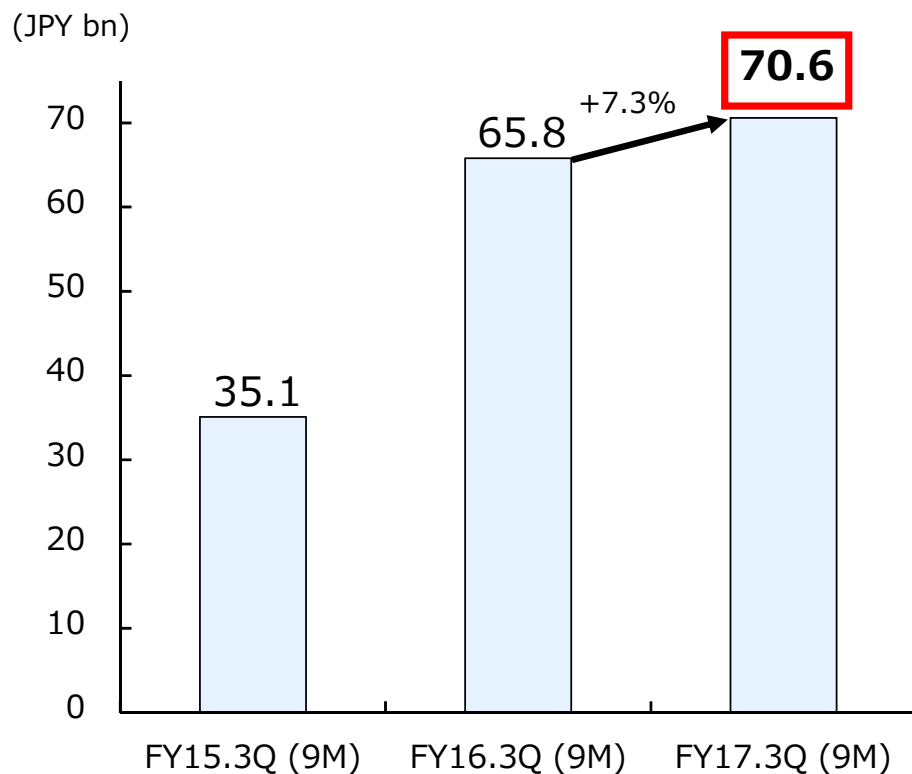


Interest Income and Dividends



Operating Performance : Sony Life (Non-consolidated) (5)

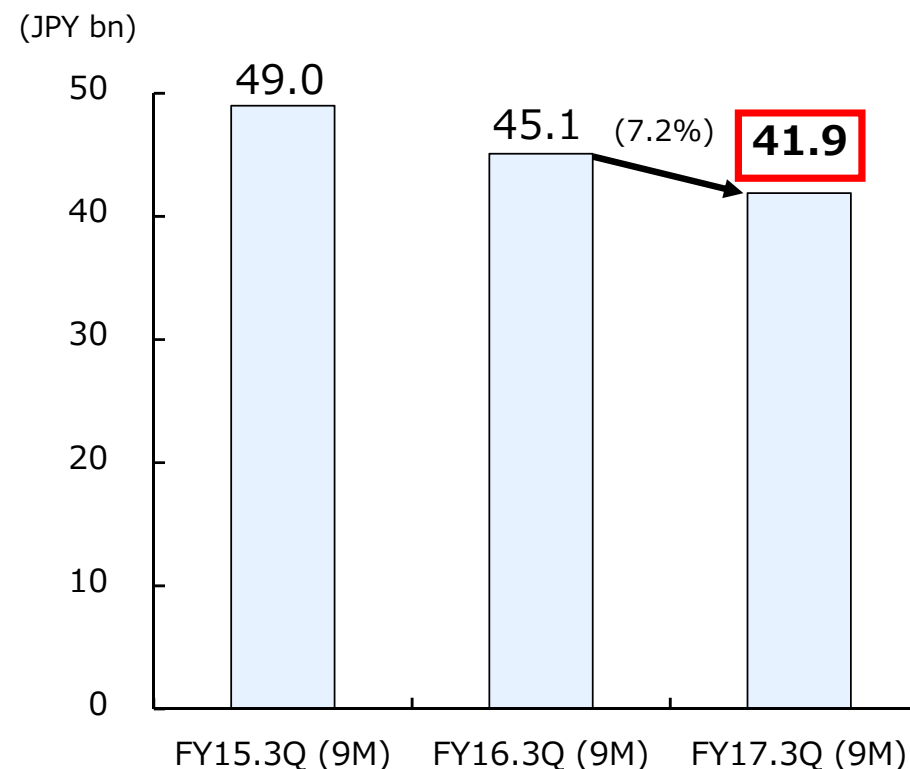
Core Profit



(Reference) Impact on core profit

	(JPY bn)	FY15.3Q (9M)	FY16.3Q (9M)	FY17.3Q (9M)
Positive spread		11.7	11.1	13.9
Provision of policy reserves for minimum guarantees for variable life insurance (*)		(24.2)	(4.5)	(4.8)
Others		47.6	59.2	61.6

Ordinary Profit



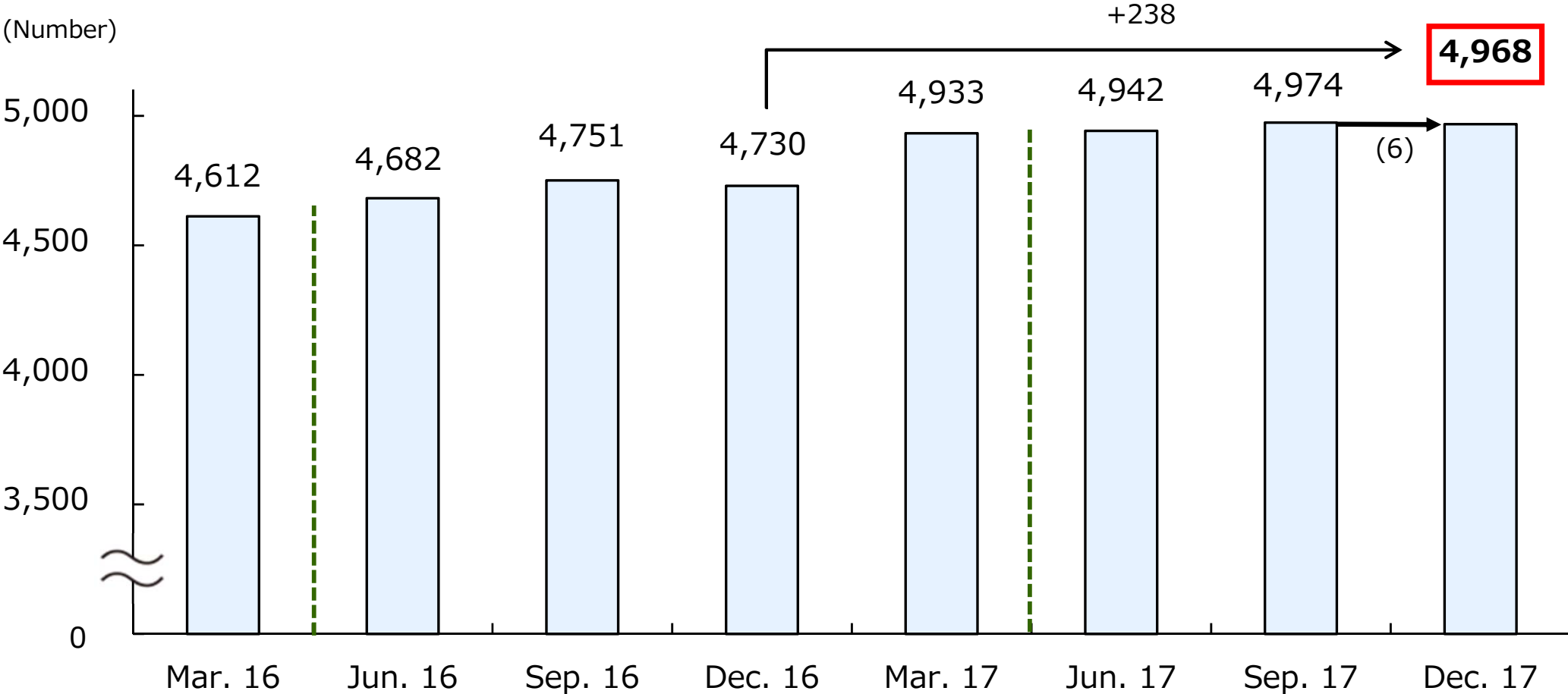
(Reference) Main differences from core profit

	(JPY bn)	FY15.3Q (9M)	FY16.3Q (9M)	FY17.3Q (9M)
Capital gains (losses) excluding gains or losses on hedges (*)		19.7	0.0	(9.4)
Gains (losses) on hedges of variable life insurance		(0.6)	(14.2)	(13.5)
Provision of contingency reserve (*)		(4.9)	(6.2)	(5.6)

*"Provision of policy reserves for minimum guarantees for variable life insurance" and "Provision of contingency reserve" are described as negative amount.
Capital gains (losses) exclude gains or losses on hedges of variable life insurance.

Operating Performance : Sony Life (Non-consolidated) (6)

Number of Lifeplanner Sales Employees



Operating Performance : Sony Life (Non-consolidated) (7)

Breakdown of General Account Assets

(JPY bn)	Mar. 17		Dec. 17	
	Amount	%	Amount	%
Japanese bonds (including JGBs)	6,828.7	86.6%	7,145.8	86.2%
Japanese stocks	37.6	0.5%	36.6	0.4%
Foreign bonds	274.3	3.5%	325.4	3.9%
Foreign stocks	31.5	0.4%	32.6	0.4%
Money held in trust	273.8	3.5%	270.1	3.3%
Policy loans	180.3	2.3%	186.5	2.3%
Real estate*	117.5	1.5%	92.6	1.1%
Cash and call loans	40.8	0.5%	75.2	0.9%
Others	99.1	1.3%	123.5	1.5%
Total	7,884.0	100.0%	8,288.7	100.0%

<Asset management review>

We have continued to accumulate ultralong-term bonds to match the liability characteristics of insurance policies with long-term maturities with the aim of reducing interest rate risk.



<Bond duration>

Mar. 16 21.8 years

Mar. 17 21.3 years

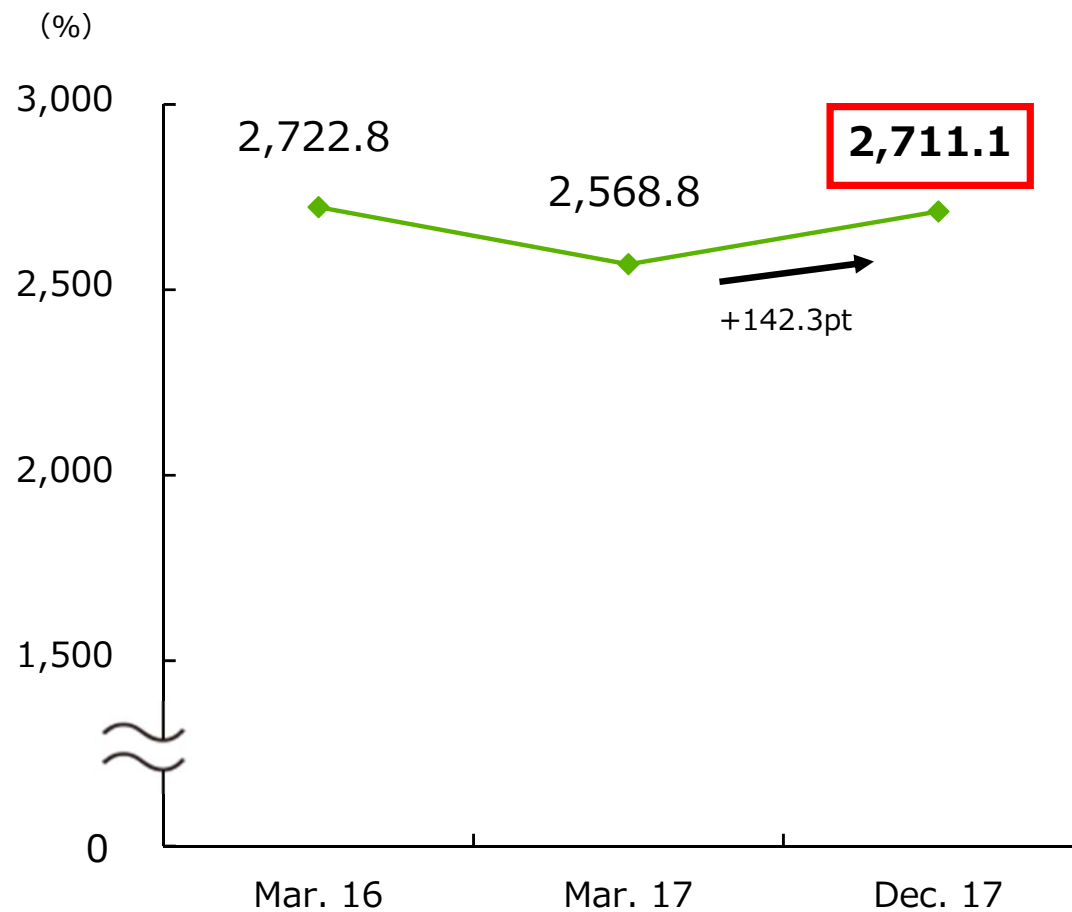
Dec. 17 21.2 years

- Investment in the money held in trust is mainly into Japanese bonds.
- The holding ratio on the real status of Japanese bonds including those invested in the money held in trust in the general account : Dec. 17 . . . 89.5%
(Mar. 17 . . . 90.1%)

*Real estate is the total of land, buildings, and construction in progress.

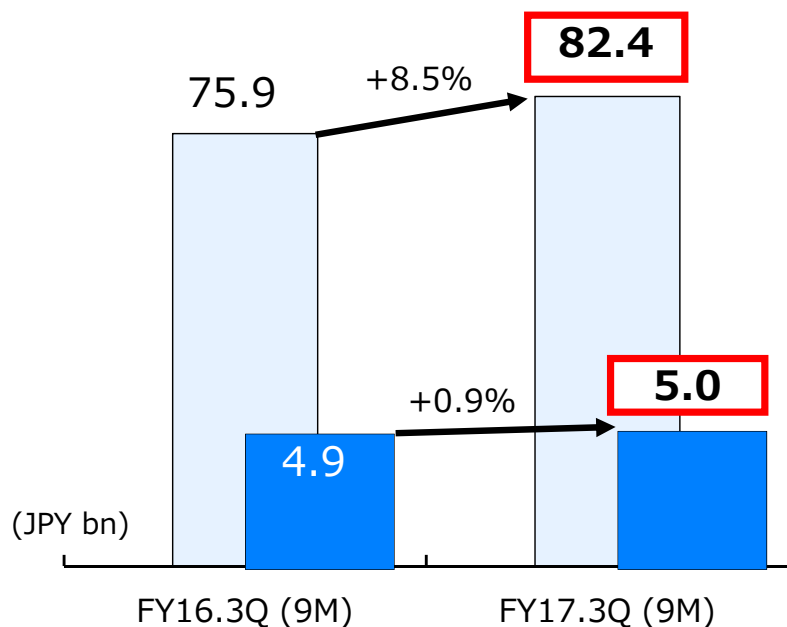
*The decrease in real estate was owing to a sale of the real estate held for investment in FY17.3Q.

Non-consolidated Solvency Margin Ratio



Highlights of Operating Performance: Sony Assurance

□ Ordinary revenues ■ Ordinary profit



- ◆ Ordinary revenues increased but ordinary profit was flat year on year.
- ◆ Ordinary revenues expanded owing to an increase in net premiums written for mainstay automobile insurance.
- ◆ Due to a decline in the loss ratio, driven by a lower car accident ratio, offset by a rise in advertising and other operating expenses, ordinary profit was flat year on year.

(JPY bn)	FY16.3Q (9M)	FY17.3Q (9M)	Change	
Ordinary revenues	75.9	82.4	+6.4	+8.5%
Underwriting income	74.3	81.0	+6.7	+9.1%
Investment income	1.5	1.3	(0.2)	(16.6%)
Ordinary expenses	70.9	77.3	+6.4	+9.1%
Underwriting expenses	52.5	56.7	+4.1	+8.0%
Operating general and administrative expenses	18.3	20.6	+2.2	+12.3%
Ordinary profit	4.9	5.0	+0.0	+0.9%
Net income	3.6	3.6	+0.0	+0.9%

(JPY bn)	Mar. 17	Dec. 17	Change from Mar. 17	
Underwriting reserves	106.1	114.9	+8.7	+8.3%
Net assets	29.4	31.6	+2.2	+7.7%
Total assets	186.5	196.1	+9.6	+5.2%

Overview of Operating Performance: Sony Assurance

(JPY bn)	FY16.3Q (9M)	FY17.3Q (9M)	Change	<Reasons for changes>
Direct premiums written	73.3	80.0	+9.2%	◆ Increased in its mainstay automobile insurance.
Net premiums written	74.2	81.0	+9.1%	
Net losses paid	36.9	38.5	+4.3%	
Underwriting profit	3.4	3.7	+9.0%	
Net loss ratio	57.2%	54.4%	(2.8pt)	
Net expense ratio	26.3%	27.1%	+0.8pt	◆ Increased due to a rise in advertising and other operating expenses.
Combined ratio	83.5%	81.5%	(2.0pt)	

Notes:

Net loss ratio = (Net losses paid + Loss adjustment expenses) / Net premiums written

Net expense ratio = Expenses related to underwriting / Net premiums written

	FY16.3Q (9M)	FY17.3Q (9M)	Change	
E. I. loss ratio	62.9%	61.8%	(1.1pt)	◆ Declined due to a lower car accident ratio in automobile insurance.
E. I. loss ratio + Net expense ratio	89.2%	88.9%	(0.3pt)	

Note: E.I. loss ratio = (Net losses paid + Provision for reserve for outstanding losses + Loss adjustment expenses) / Earned premiums [Earthquake insurance and compulsory automobile liability insurance are excluded from the above calculation.]

	Mar. 17	Dec. 17	Change from Mar. 17	
Number of policies in force	1.89 mn	2.06 mn	+0.16 mn	+8.8%
Non-consolidated solvency margin ratio	730.8%	809.9%	+79.1pt	

Sony Assurance's Underwriting Performance by Type of Policy

Direct Premiums Written

(JPY mn)	FY16.3Q (9M)	FY17.3Q (9M)	Change
Fire	170	148	(12.7%)
Marine	–	–	–
Personal accident	6,583	6,515	(1.0%)
Voluntary automobile	66,563	73,379	+10.2%
Compulsory automobile liability	–	–	–
Total	73,317	80,043	+9.2%

Net Premiums Written

(JPY mn)	FY16.3Q (9M)	FY17.3Q (9M)	Change
Fire	18	11	(36.6%)
Marine	(2)	0	–
Personal accident	6,811	6,671	(2.0%)
Voluntary automobile	66,371	73,200	+10.3%
Compulsory automobile liability	1,074	1,132	+5.3%
Total	74,273	81,016	+9.1%

Net losses paid

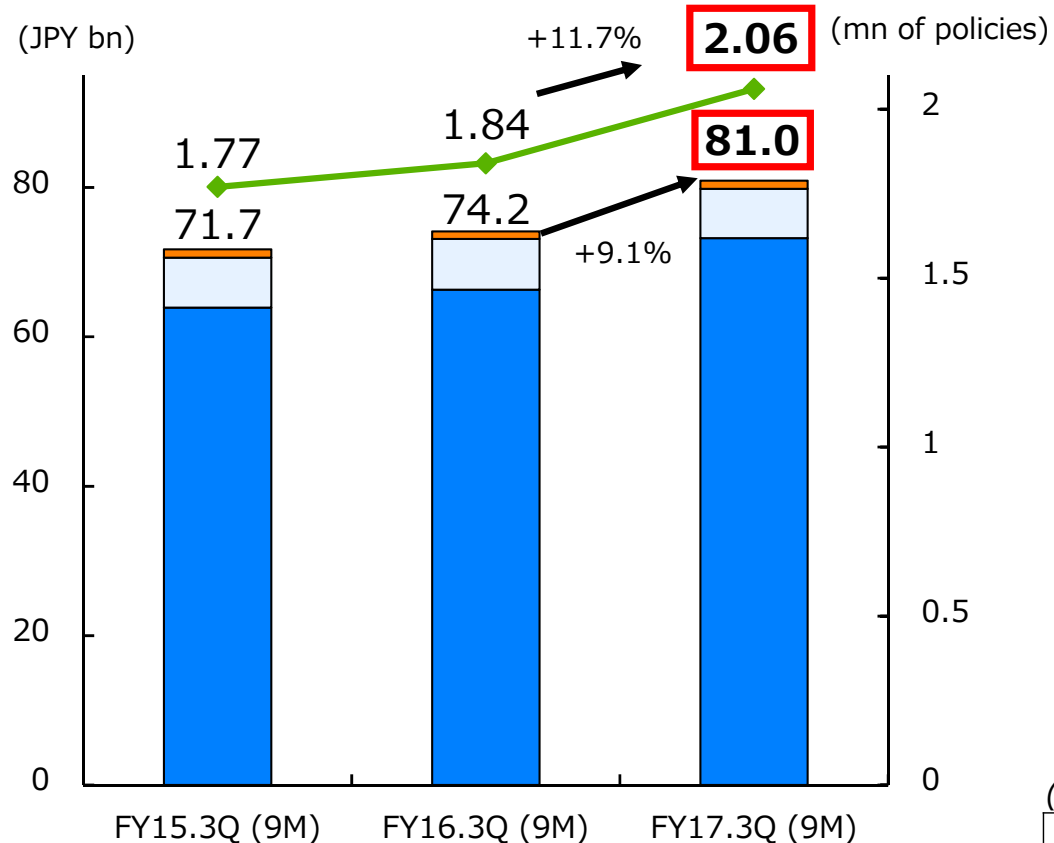
(JPY mn)	FY16.3Q (9M)	FY17.3Q (9M)	Change
Fire	5	5	(4.7%)
Marine	(9)	2	–
Personal accident	1,919	2,029	+5.7%
Voluntary automobile	34,034	35,501	+4.3%
Compulsory automobile liability	991	995	+0.4%
Total	36,941	38,534	+4.3%

*Medical insurance is included in personal accident.

Operating Performance: Sony Assurance (1)

Net Premiums Written and Number of Policies in Force

■ Voluntary automobile insurance Personal accident insurance
■ Others —◆— Number of policies in force

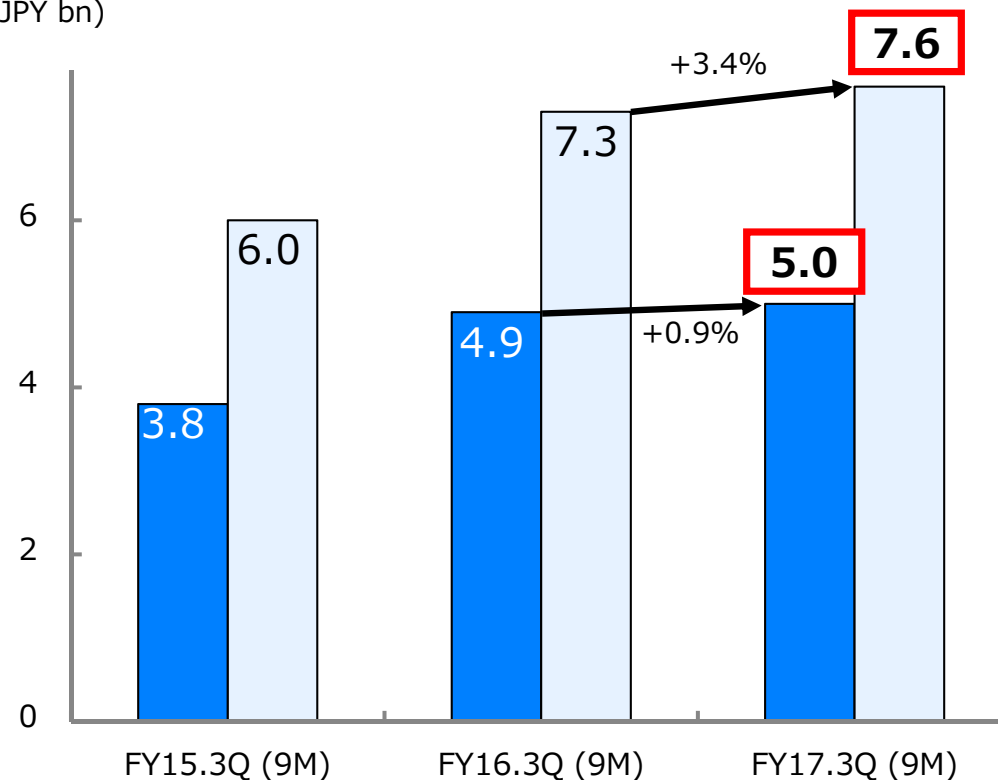


The number of policies in force is the total of automobile insurance and medical insurance policies.

Most of personal accident insurance is medical insurance.

Ordinary Profit and Adjusted Ordinary Profit

■ Ordinary profit Adjusted ordinary profit
 (JPY bn)



*Adjusted ordinary profit = Ordinary profit + Provision for catastrophe reserve
(Reference) Provision for catastrophe reserve

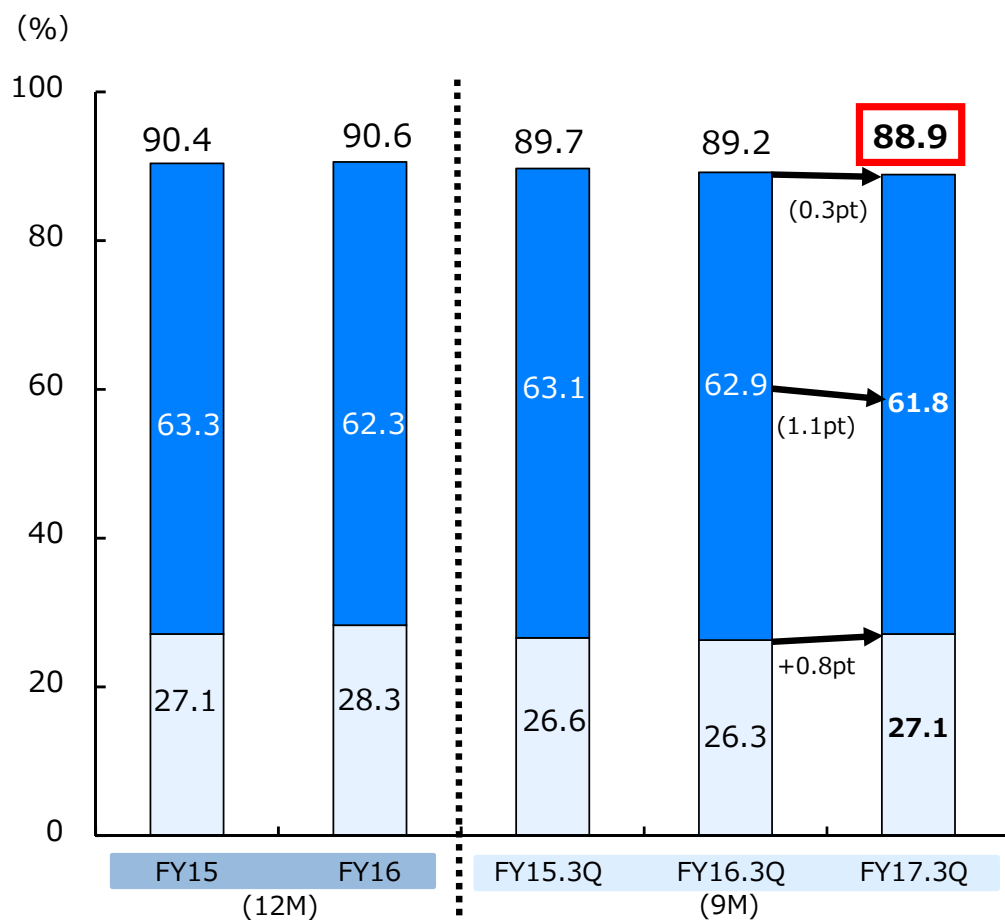
(JPY bn)	FY15.3Q (9M)	FY16.3Q (9M)	FY17.3Q (9M)
Provision for catastrophe reserve	2.2	2.3	2.5

*Provision for catastrophe reserve is described as positive amount.

Operating Performance: Sony Assurance (2)

Earned/Incurred Loss Ratio + Net Expense Ratio

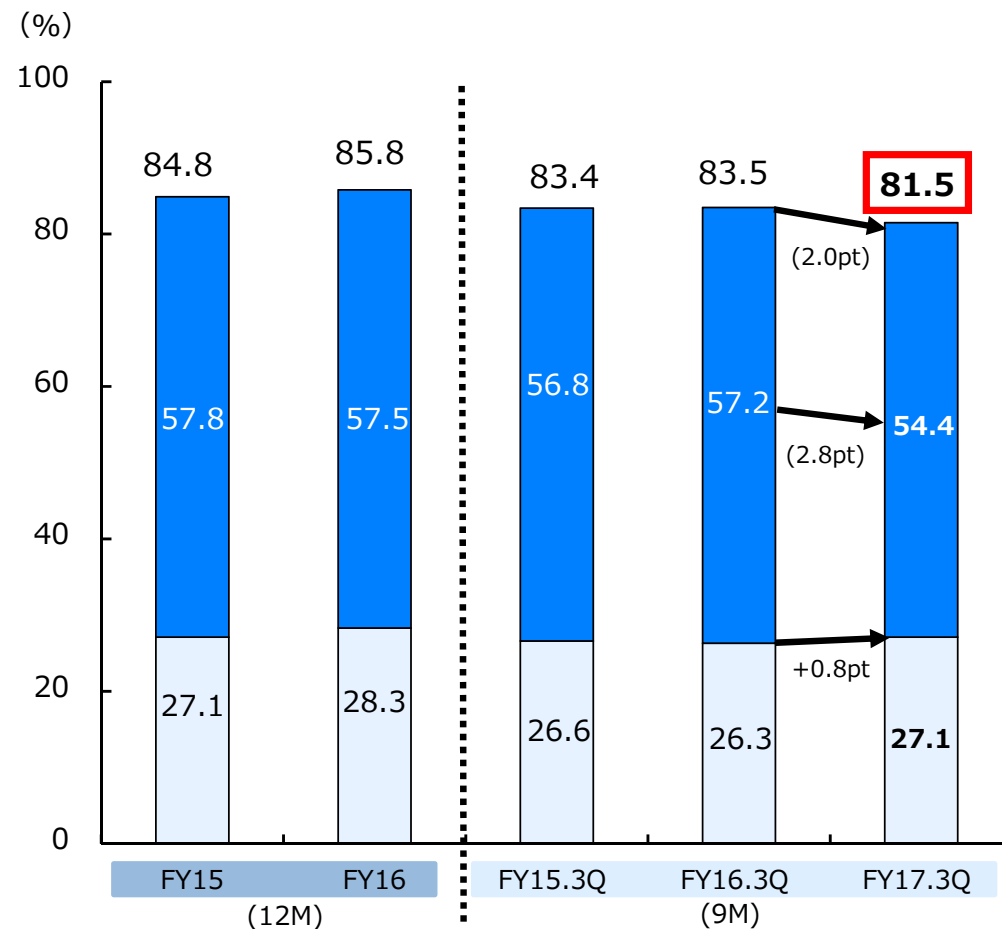
■ Earned/Incurred loss ratio □ Net expense ratio



Notes:
 Earned/Incurred loss ratio = (Net losses paid + Provision for reserve for outstanding losses + Loss adjustment expenses) / Earned premiums
 [Earthquake insurance and compulsory automobile liability insurance are excluded from the above calculation]

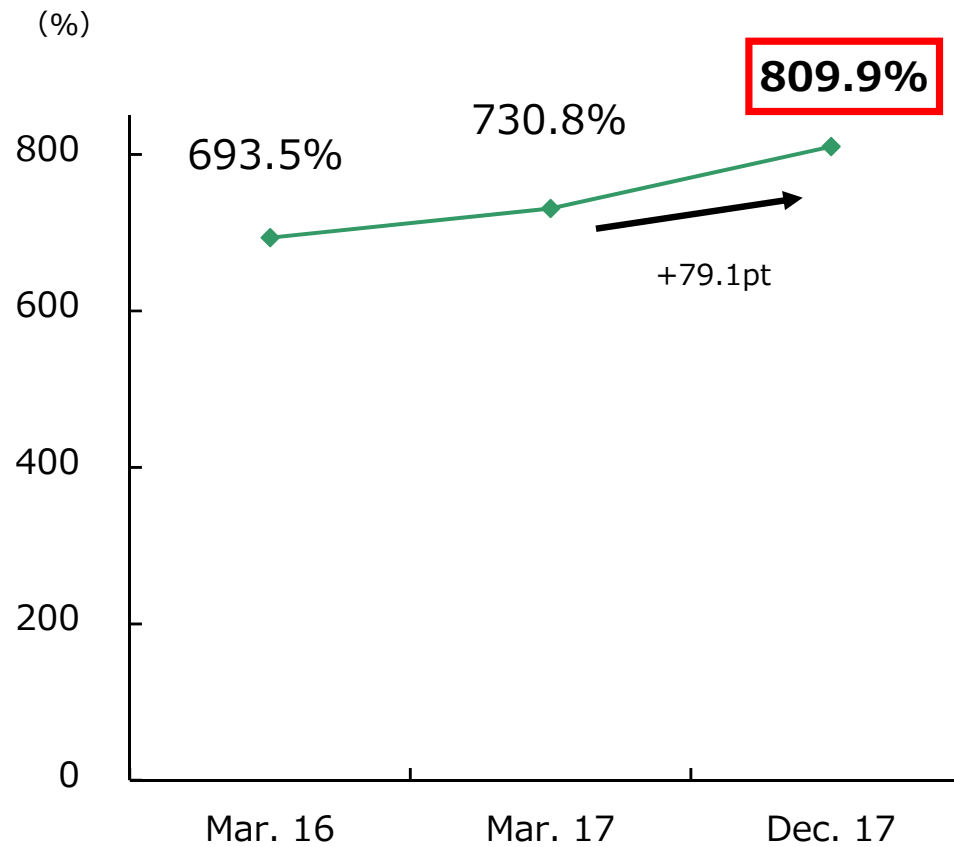
(Reference) Combined Ratio (Net Loss Ratio+ Net Expense Ratio)

■ Net loss ratio □ Net expense ratio



Notes:
 Net loss ratio = (Net losses paid + Loss adjustment expenses) / Net premiums written
 Net expense ratio = Expenses related to underwriting / Net premiums written

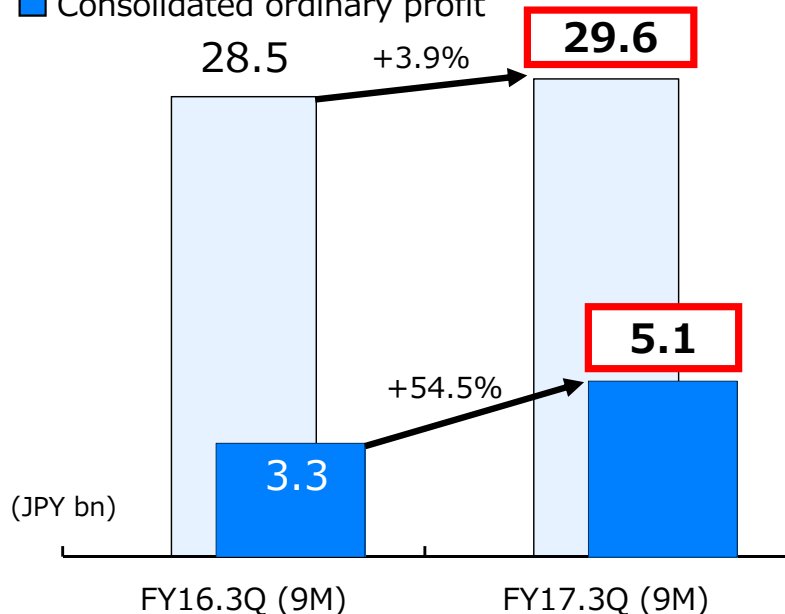
Non-consolidated Solvency Margin Ratio



Highlights of Operating Performance: Sony Bank (Consolidated/Non-consolidated)

□ Consolidated ordinary revenues

■ Consolidated ordinary profit



<Consolidated>

- ◆ Ordinary revenues rose year on year due to increases in interest income on loans in line with a favorably growing balance of mortgage loans and on investment securities.
- ◆ Ordinary profit grew year on year, due to a decrease in operating expenses, especially in advertising expenses for the card loan business.

<Non-consolidated>

- ◆ Gross operating profit was flat and net operating profit increased.
 - Net interest income increased due to increases in interest income on loans and on investment securities.
 - Net fees and commissions decreased due mainly to lower fees and commissions on mortgage loans, in addition to higher fees paid for loan guarantees reflecting the growing loan balance.
 - Net other operating income decreased due mainly to a decrease in gains on foreign exchange transactions.

<Consolidated>

(JPY bn)	FY16.3Q (9M)	FY17.3Q (9M)	Change	
Consolidated ordinary revenues	28.5	29.6	+1.1	+3.9%
Consolidated ordinary profit	3.3	5.1	+1.8	+54.5%
Profit attributable to owners of the parent	2.1	3.3	+1.1	+54.2%

<Non-consolidated>

(JPY bn)	FY16.3Q (9M)	FY17.3Q (9M)	Change	
Ordinary revenues	25.9	26.9	+0.9	+3.7%
Gross operating profit	15.5	15.6	+0.0	+0.6%
Net interest income	13.0	15.3	+2.2	+17.3%
Net fees and commissions	(1.1)	(2.4)	(1.3)	-
Net other operating income	3.5	2.7	(0.8)	(22.5%)
General and administrative expenses	12.4	11.6	(0.8)	(7.0%)
Net operating profit	3.0	4.0	+0.9	+31.8%
Ordinary profit	3.0	4.6	+1.5	+52.7%
Net income	2.0	3.1	+1.0	+50.6%

(JPY bn)	Mar. 17	Dec. 17	Change from Mar. 17	
Net assets	81.3	84.7	+3.4	+4.2%
Net unrealized gains on other securities, net of taxes	4.7	6.4	+1.7	+35.8%
Total assets	2,424.2	2,626.2	+201.9	+8.3%

Overview of Operating Performance: Sony Bank (Non-consolidated) (1)

(JPY bn)	Dec. 16	Mar. 17	Dec. 17	Change from Mar. 17	
Customer assets	2,227.3	2,227.1	2,338.2	+111.0	+5.0%
Deposits	2,117.3	2,112.9	2,213.4	+100.4	+4.8%
Yen	1,772.1	1,764.9	1,847.0	+82.0	+4.6%
Foreign currencies	345.1	348.0	366.4	+18.3	+5.3%
Investment trusts	110.0	114.1	124.7	+10.6	+9.3%
Loans	1,504.4	1,539.6	1,573.8	+34.2	+2.2%
Mortgage loans	1,409.0	1,452.4	1,495.2	+42.7	+2.9%
Card loans	17.0	18.0	18.6	+0.5	+3.2%
Others	78.3	69.0	59.9^{*1}	(9.1)	(13.3%)
Non-consolidated Capital adequacy ratio^{*2} (domestic criteria)	9.00%	9.75%	9.46%	(0.29pt)	

<Reasons for changes>

◆ Increased in yen ordinary deposit balance due mainly to an increase in newly accumulated funds via the increased number of accounts, as well as the conversion from foreign currencies backed by yen depreciation.

◆ Increased in the U.S. dollar-denominated time deposit balance due to the promotional effect from the rise in U.S. interest rates, despite a decrease in ordinary deposit balance led by yen depreciation.

◆ Rose due to a steady increase in mortgage loans, despite a decrease in demand for refinancing these loans.

*1 Loans in others include corporate loans of ¥59.8 billion

*2 Please refer to the graph of the non-consolidated capital adequacy ratio (domestic criteria) on page 27.

Capital adequacy ratios has been calculated by applying fundamental internal rating based approach (FIRB) from March 31, 2017.

Overview of Operating Performance: Sony Bank (Non-consolidated) (2)

<Reference> On Managerial Accounting Basis

(JPY bn)	FY16.3Q (9M)	FY17.3Q (9M)	Change	
Gross operating profit	15.5	15.6	+0.1	+0.7%
Net interest income* ¹ ①	15.0	17.0	+1.9	+13.1%
Net fees and commissions* ² ②	(0.6)	(2.1)	(1.4)	-
Net other operating income* ³	1.0	0.6	(0.3)	(37.0%)
Gross operating profit (core profit) (A) = ① + ②	14.4	14.9	+0.5	+3.5%
Operating expenses and other expenses ③	12.4	11.6	(0.8)	(7.1%)
Net operating profit (core profit) = (A) - ③	1.9	3.3	+1.3	+71.5%

■ Managerial accounting basis

The following adjustments are made to the figures on a financial account for profits and losses more appropriately.

*1: Net interest income: Includes profits and losses associated with fund investment recorded in net other operating income, including gains or losses from currency swap transactions.

*2: Net fees and commissions: Includes profits and losses for customer dealings in foreign currency transactions recorded in net other operating income.

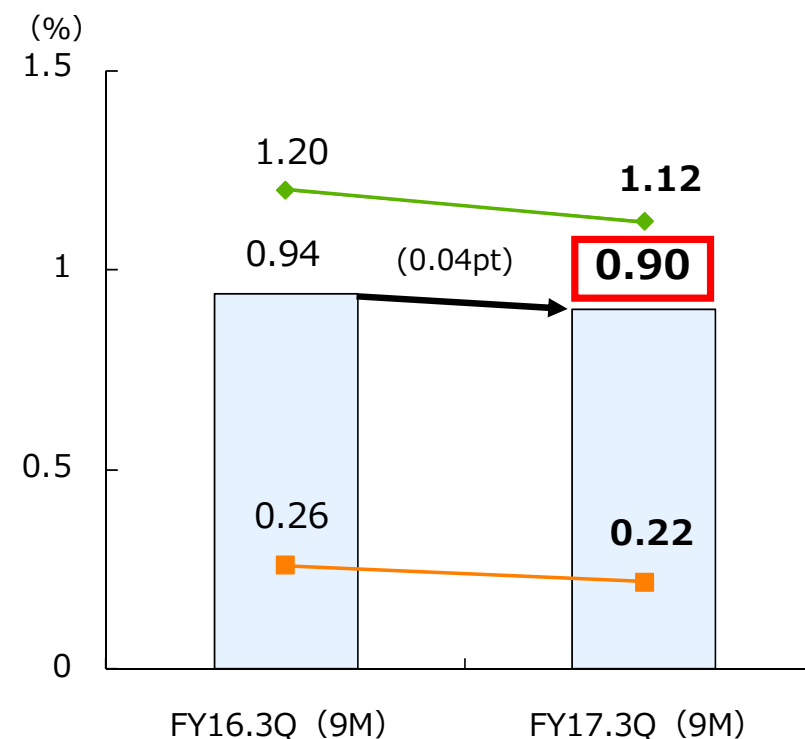
*3: Net other operating income: After the above adjustments (*1 and *2), mainly consists of profits and losses for bond and derivative dealing transactions.

■ Core profit

Profits and losses exclude net other operating income, which includes those on bond and derivative dealing transactions, and stands for Sony Bank's basic profits.

<Reference> Interest Spread (Managerial Accounting Basis)

◆ Yield on investment ■ Yield on financing
□ Interest spread

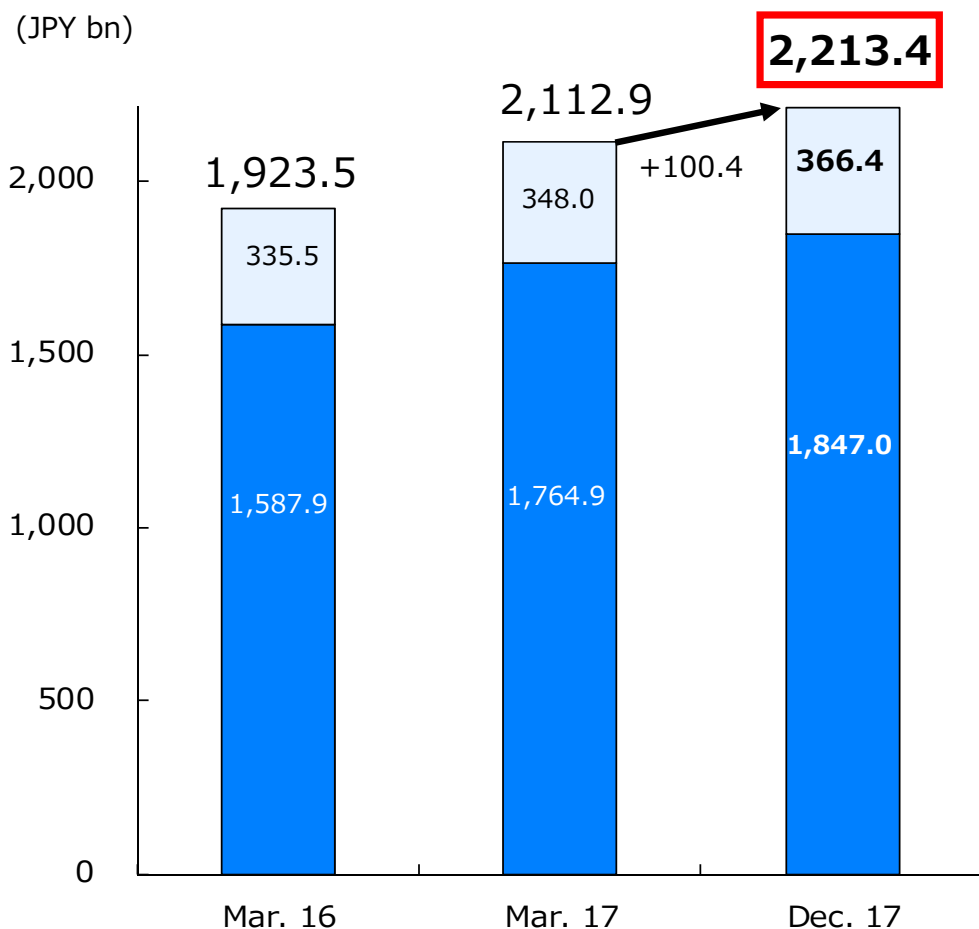


Note: Interest spread=(Yield on investment)-(Yield on financing)

Operating Performance: Sony Bank (Non-consolidated) (1)

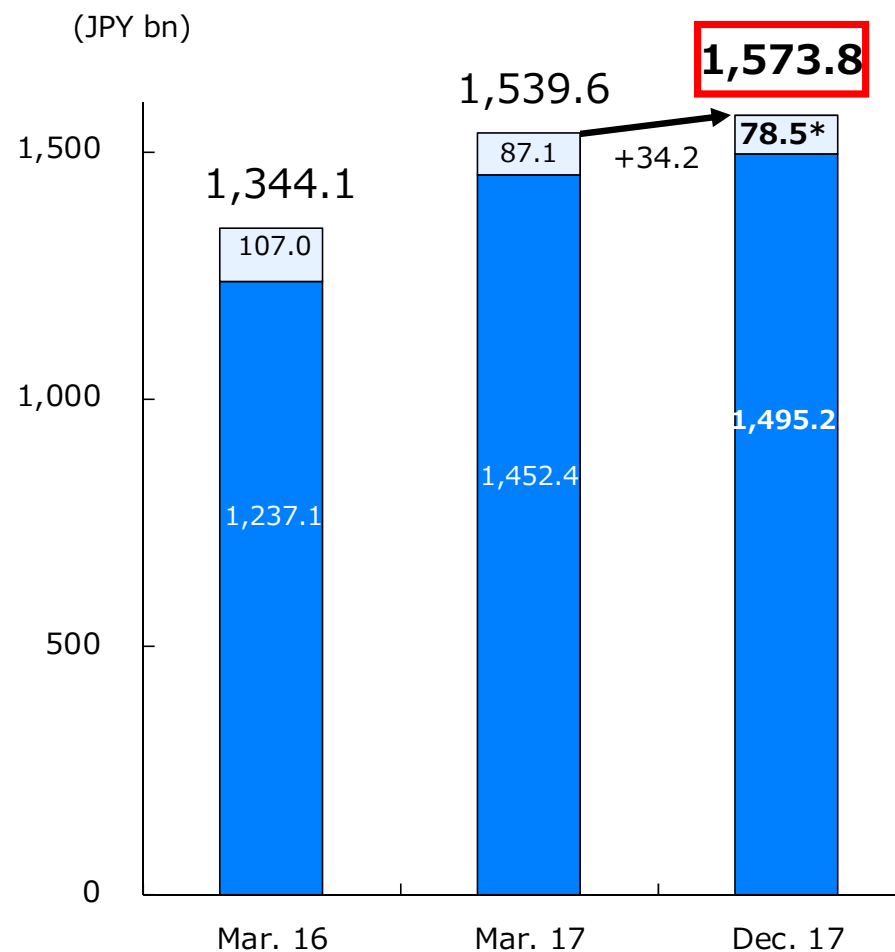
Deposits

■ Yen Deposits □ Foreign currency deposits



Loans

■ Mortgage loans □ Others

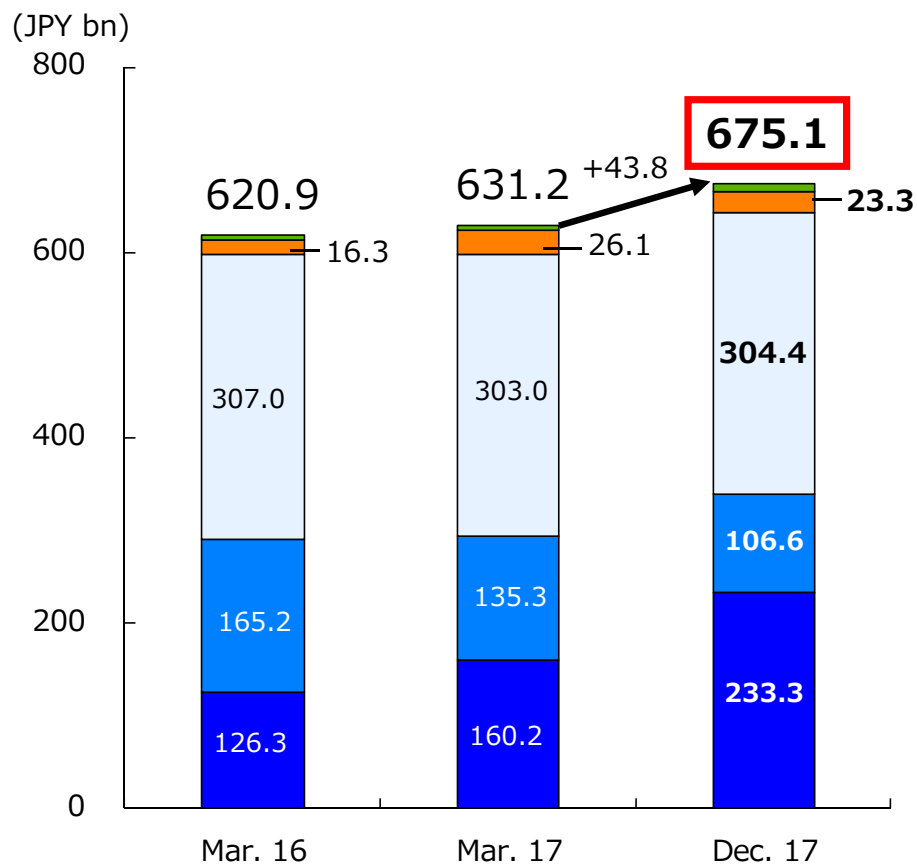


*Corporate loans of ¥59.8 billion. Card loans of ¥18.6 billion.

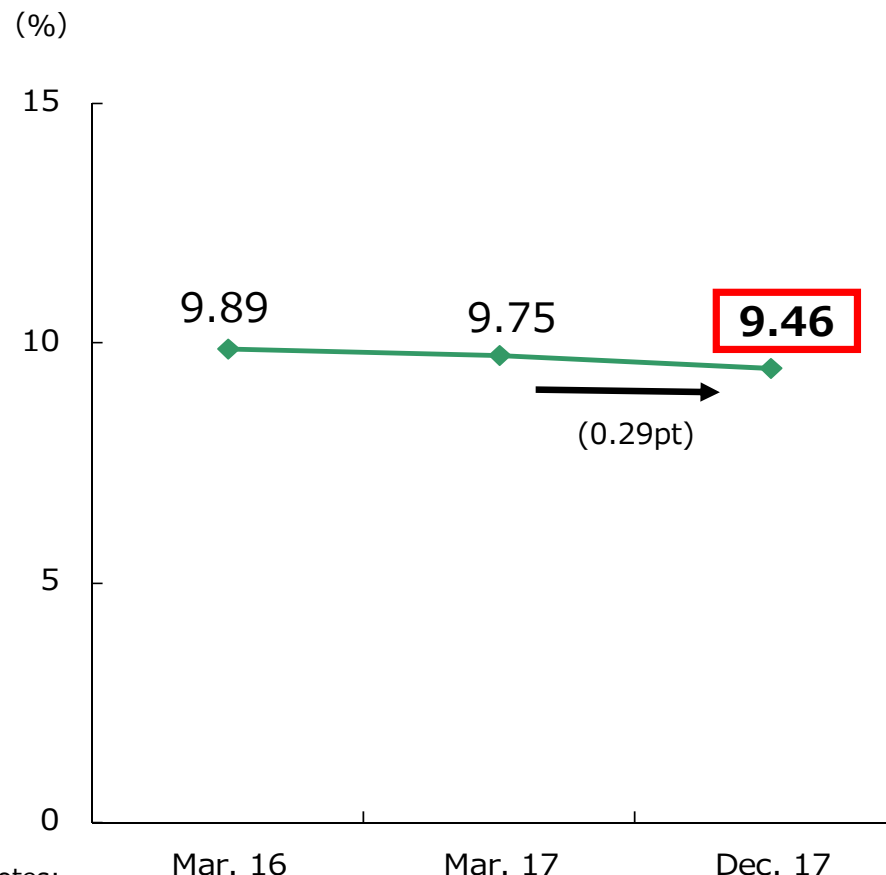
Operating Performance: Sony Bank (Non-consolidated) (2)

Balance of Securities by Credit Rating

■ AAA ■ AA □ A
■ BBB ■ Others



Non-Consolidated Capital Adequacy Ratio (Domestic Criteria)



Notes:

1. Calculated based on the standard FSA Notification No. 19 (2006), which establishes standards based on Article 14-2 of the Banking Act of Japan for determining the capital adequacy of a bank in light of the assets held by the bank.
2. Capital adequacy ratios has been calculated by applying fundamental internal rating based approach (FIRB) from March 31, 2017.

Forecast of Consolidated Financial Results for the Fiscal Year Ending March 31, 2018 (FY17)

Forecast of Consolidated Financial Results for FY17

We have revised upward our full-year forecast for consolidated ordinary revenues, downward consolidated ordinary profit and upward profit attributable for owners of the parent from the forecast announced on April 28, 2017.

(JPY bn)	FY16 (Actual)	FY17 (Forecast)	Changes	FY17.3Q (Actual)	Progress rates
Consolidated ordinary revenues	1,381.6	1,430.0⇒1,540.0	+3.5%⇒+11.5%	1,175.7	82.2%⇒76.4%
<u>Life insurance business</u>	1,243.9	1,276⇒1,388.9	+2.6%⇒+11.7%	1,062.1	83.2%⇒76.5%
<u>Non-life insurance business</u>	102.3	110.0	+7.5%	82.4	74.9%
<u>Banking business</u>	38.5	40.6	+5.4%	29.6	73.0%
Consolidated ordinary profit	66.3	67.0⇒64.0	+1.0%⇒(3.5%)	49.5	73.9%⇒77.4%
<u>Life insurance business</u>	56.8	56.4⇒52.4	(0.7%)⇒(7.8%)	40.2	71.3%⇒76.8%
<u>Non-life insurance business</u>	5.0	6.5	+30.0%	5.0	77.5%
<u>Banking business</u>	5.0	6.6	+30.6%	5.0	76.9%
Profit attributable to owners of the parent	41.6	42.0⇒50.0	+0.9%⇒+20.1%	42.4	101.2%⇒85.0%

<Ordinary Revenues and Ordinary Profit by Business>

■ Life insurance business

We have revised upward our full-year forecast for ordinary revenues because performance in FY17.3Q (9M) exceeded our initial expectations. We have revised downward our full-year forecast for ordinary profit because performance in FY17.3Q (9M) was lower than expected. In FY17.3Q (9M), the new policy amount fell below our initial expectations. As a result, expenses related to the acquisition of new policies were lower, which had a positive effect on profit. However, a deterioration in net gains/losses on derivative transactions to hedge market risks for available-for-sale securities and lower gains on sale of securities in the general account had a negative impact on profit. As the negative factors outweighed the positive factors, profit decreased. Meanwhile, taking into consideration our posting of a gain on disposal of sale of fixed assets in FY17.3Q (3M), we also expect the gain on sale of securities in the general account for the full year to fall below our initial expectations.

■ Non-life insurance business

In FY17.3Q (3M), ordinary revenues were firm, essentially in line with our forecast as of November. An increase in the loss ratio in FY17.3Q (3M) caused ordinary profit to be slightly lower than we had forecast in November, but fluctuated within our range of expectations. We maintain our full-year forecasts for ordinary revenues and ordinary profit.

■ Banking business

Ordinary revenues and ordinary profit during FY17.3Q (9M) were essentially in line with our expectations. As we anticipate no significant changes in FY17.4Q (3M), we maintain our full-year forecasts.

Sony Life's MCEV and ESR as of December 31, 2017

A part of the calculations of MCEV adopted simplified method except that as of March 31, 2017.
Please keep in mind that the validity of these calculations has not been verified by outside specialists.

*In this part, figures, ratios and percentages changes have been rounded.

(JPY bn)	Mar. 17	Sep. 17	Dec. 17	Change from Mar. 17	Change from Sep. 17
MCEV	1,441.1	1,523.1	1,509.6	+68.5	(13.5)
Adjusted net worth	1,657.7	1,611.8	1,717.1	+59.3	+105.3
Value of existing business	(216.7)	(88.7)	(207.5)	+9.1	(118.8)

(JPY bn)	FY16.4Q (3M)	FY17.1Q (3M)	FY17.2Q (3M)	FY17.3Q (3M)	FY17.3Q (9M)
New business value	14.1	12.2	17.2	19.9	49.2
New business margin	3.8%	4.6%	6.4%	6.0%	5.7%

Notes:

1. Calculated MCEV as of September 30, 2017 onward by using updated economic assumptions and lapse and surrender rate from March 31, 2017.
2. New business value is calculated accumulating new business value for each month based on economic assumptions at the end of each month.

◆ Reasons for changes in MCEV

- MCEV as of December 31, 2017 decreased ¥13.5 billion from September 30, 2017 due mainly to a decrease in interest rates in Japanese yen.

◆ New business value/ New business margin

- New business value for FY17.3Q (3M) was ¥19.9 billion, up ¥2.7 billion from FY17.2Q (3M), due to a favorable acquisition of new policies .
- New business margin for FY17.3Q (3M) was down 0.4 percentage points from FY17.2Q (3M), due mainly to a decrease in interest rates.

*Please refer to the appendix page 46 for trend on JGB yields.

(JPY bn)	Mar. 17	Sep. 17	Dec. 17
Insurance risk*	937.5	939.1	970.4
Market-related risk	405.1	366.5	352.5
<i>Of which, interest rate risk**</i>	308.9	273.7	257.2
Operational risk	28.1	28.1	29.5
Counter party risk	1.9	1.9	2.8
Variance effect	(392.0)	(379.4)	(383.1)
The risk amount based on economic value	980.6	956.3	972.2

(*) Risk amount excluding the variance effect within Life module and Health module.

(**) Risk amount excluding the variance effect within market-related risk.

(JPY bn)	Mar. 17	Sep. 17	Dec. 17
MCEV + Frictional costs	1,476.6	1,547.2	1,539.3
ESR	151%	162%	158%

Notes:

1. The risk amount based on economic value refers to the total amount of Sony Life's risks comprehensively examined by a market consistent approach, including insurance risk and market-related risk.
2. The solvency risk capital on an economic value basis is calibrated at VaR (99.5) over one year and based on the internal model, which is a similar but modified model based on the EU Solvency II standard method.
3. $ESR = (MCEV + Frictional costs) / Risk\ amount\ based\ on\ economic\ value$.

- ◆ **The risk amount based on economic value as of December 31, 2017 amounted to ¥972.2 billion, up ¥15.9 billion from September 30, 2017, due mainly to an increase in insurance risk associated with accumulated policies in force.**
- ◆ **ESR as of December 31, 2017 was 158%, down 3pt from September 30, 2017 due to an increase in risk amount based on economic value and a decrease in MCEV.**

Appendix

AEGON Sony Life Insurance

Launch of sales: December 1, 2009

Common stock: ¥31 billion (including capital reserves of ¥15.5 billion)

Equity ownership: Sony Life insurance Co Ltd 50%, AEGON international B.V. 50%

Marketing products: Individual Variable Annuities

Sales Channels: Lifeplanner sales employees and partner Banks (31*) *As of February 14, 2018



SA Reinsurance Ltd

Established: October 29, 2009

Common stock: ¥15.9 billion

Equity ownership: Sony Life insurance Co., Ltd. 50%, AEGON international B.V. 50%

Business: Reinsurance business

*AEGON Sony Life Insurance and SA Reinsurance are equity method companies, 50-50 joint ventures established by Sony Life and AEGON Group.

Sony Bank's Mortgage Loans through Sony Life

- Sony Life accounts for 18% of the amount of new mortgage loans for FY17.3Q (9M)
Sony Life accounts for 20% of the balance of mortgage loans as of December 31, 2017

*Sony Life started handling banking agency business in January 2008.



Sony Assurance's Auto Insurance Sold by Sony Life

- Sony Life accounts for approx. 3% of new automobile policies for FY17.3Q (9M)

*Sony Life started handling automobile insurance in May 2001.



<Highlights on and after FY17.3Q>

- 2017-10-02 Sony Life commenced sale of new product: “U.S. Dollar-Denominated Single Premium Whole Life Insurance (Non-Notification Type)” and “U.S. Dollar-Denominated Living Benefit Whole Life Insurance (Living Standard Type)”
- 2017-10-05 Sony Assurance began offering a web-based insurance claims service, allowing policyholders to make medical insurance claims via its website
- 2017-10-09 Sony Bank began issuing “Takashimaya Platinum Debit Card” through an alliance with Takashimaya Co., Ltd and Takashimaya Credit Co., Ltd.
- 2017-11-01 Sony Assurance expanded its “Secom accident on-site rush service” for automobile insurance policyholders
- 2017-11-29 Sony Financial Holdings issued ¥10 billion of No.3 unsecured corporate bonds
- 2017-12-01 Sony Assurance promote tie-up with auto repair shops which were certificated by TÜV Rheinland Japan Ltd.
- 2017-12-14 Sony Bank began offering “WealthNavi for Sony Bank” an automated asset investment service, in collaboration with WealthNavi Inc.
- 2017-12-18 Sony Bank relocated its headquarter in Chiyoda-ku, Tokyo.
- 2018-01-04 Sony Life started direct insurance claims payment service to medical facilities providing advanced medical care
- 2018-01-09 Sony Life announced to revise its insurance premium rates on certain tern life insurance products within individual life insurance, in line with April 2018 revisions to the Standard Mortality Table

Sony Life revised its insurance premium rates in line with April 2018 revisions to the Standard Mortality Table. Within individual life insurance, these rate revisions were applied to certain term life insurance products with policy dates on or after February 2, 2018, or April 2, 2018.

Effective dates and principal products on which rates were revised

(1) Principal products on which insurance premium rates were revised for policy dates on or after February 2, 2018 (applied to new policies and renewed policies)

- ◆ Non-participating Family Income Insurance
- ◆ Non-participating Decreasing Term Life Insurance
- ◆ Non-participating Level Premium Plan Term Life Insurance with No Surrender Value
- ◆ Non-participating Level Premium Plan Term Life Insurance with No Surrender Value (disability/nursing care type)

(2) Principal products on which insurance premium rates are to be revised for policy dates on or after April 2, 2018 (applied to new policies and renewed policies)

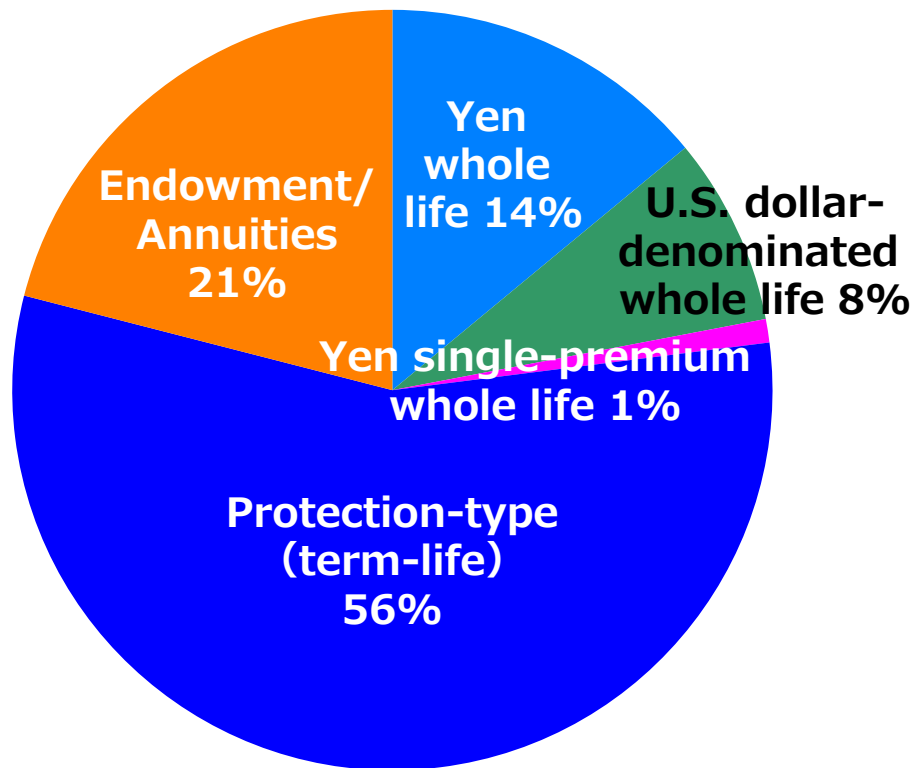
- ◆ Non-participating Level Premium Plan Term Life Insurance
- ◆ Non-participating Level Premium Plan Term Life Insurance (non-smoker preferred risk)
- ◆ Non-participating Level Premium Plan Term Life Insurance with Reduced Surrender Value (disability/nursing care type)

Note: Insurance premium rates will not be otherwise revised on whole life insurance, endowment insurance, medical insurance, and so on.

Annualized Premiums from New Policies by Product

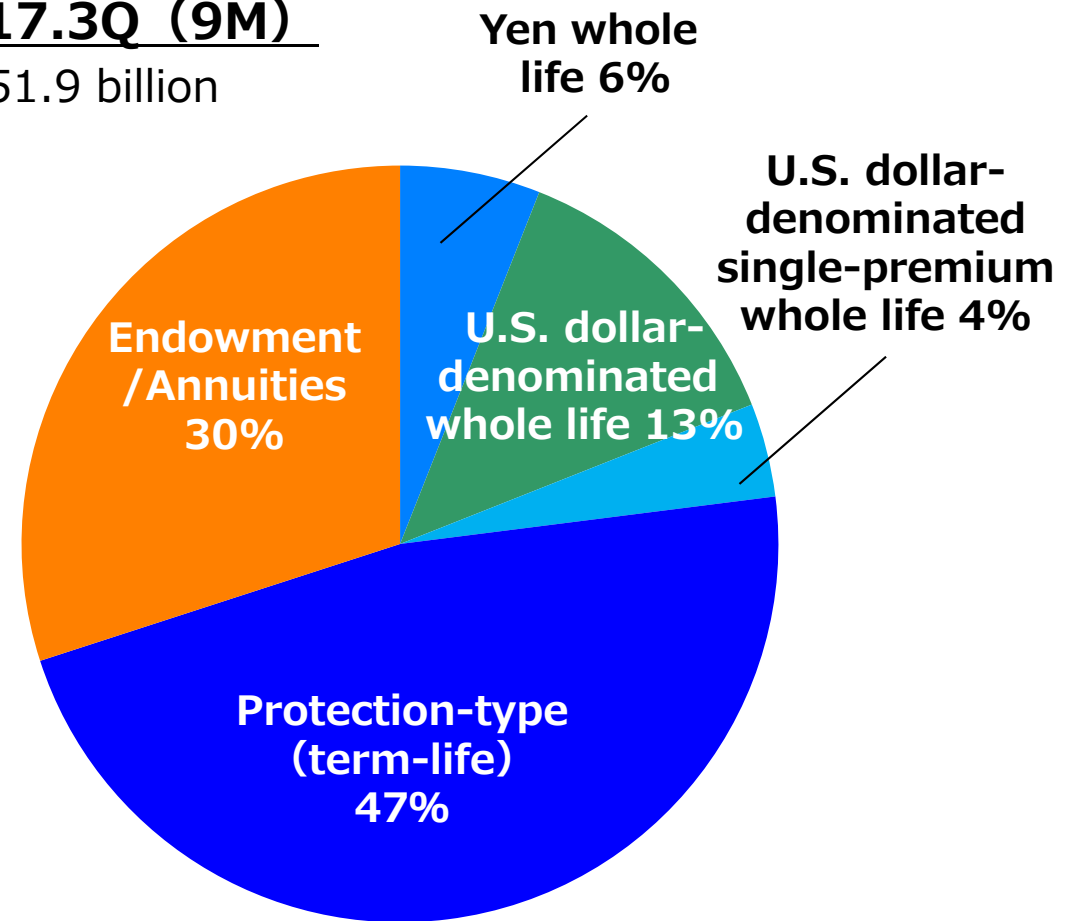
FY16 (12M)

¥78.1 billion



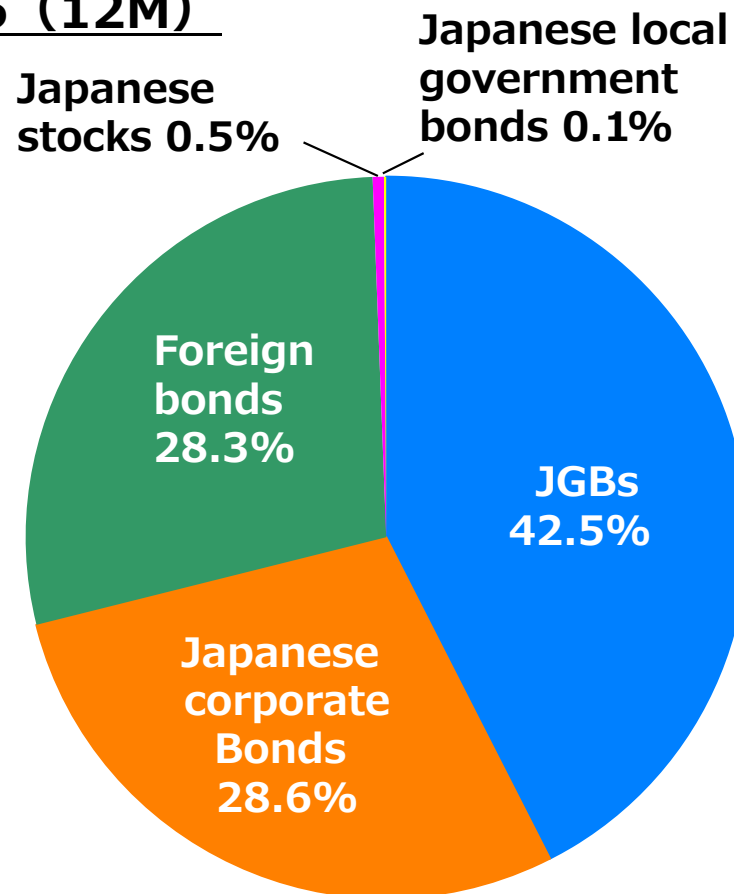
FY17.3Q (9M)

¥51.9 billion

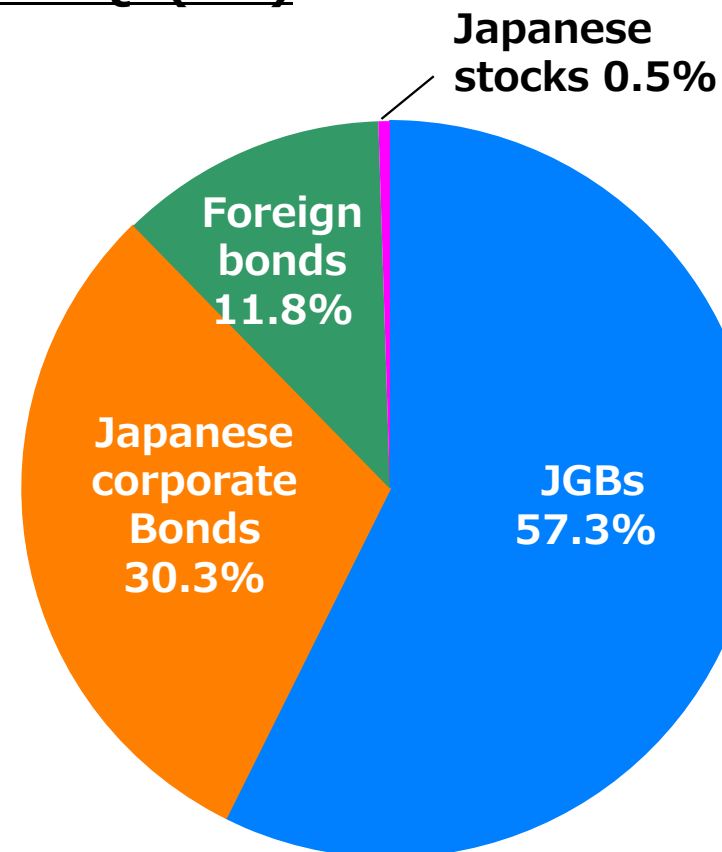


Purchase Securities in the General Account

FY16 (12M)



FY17.3Q (9M)



Notes:

1. Japanese corporate bonds include FILP agency bonds and Government-guaranteed bonds.
2. The graphs above are asset allocation for the relevant period. Total invested amount for the relevant period as 100%. (excluding, investment in subsidiaries and affiliates, and strategic investments)

Sony Life: Fair Value Information on Securities (General Account Assets)

Fair Value Information on Securities

Fair value information on securities with market value (except trading-purpose securities)

	Mar. 16			Mar. 17			Dec. 17			
	(JPY bn)	Carrying amount	Fair value	Net unrealized	Carrying amount	Fair value	Net unrealized	Carrying amount	Fair value	Net unrealized
Held-to-maturity securities		5,383.9	7,410.1	2,026.2	6,068.6	7,514.2	1,445.5	6,358.1	7,853.2	1,495.0
Policy reserve matching bonds		251.2	292.5	41.3	277.3	303.3	25.9	340.6	369.9	29.3
Available-for-sale securities		887.9	1,091.6	203.6	896.5	1,069.9	173.3	911.5	1,089.4	177.8
Japanese bonds (including JGBs)		854.3	1,040.3	186.0	852.6	1,013.3	160.7	847.1	1,003.7	156.5
Japanese stocks		13.6	25.6	12.0	13.6	27.0	13.3	13.6	31.8	18.1
Foreign securities		19.8	25.2	5.4	30.0	29.1	(0.8)	50.5	53.5	3.0
Other securities		0.1	0.3	0.1	0.1	0.3	0.1	0.1	0.2	0.1
Total		6,523.1	8,794.3	2,271.1	7,242.5	8,887.5	1,644.9	7,610.4	9,312.7	1,702.2

Note: The above table includes money held in trust other than trading-purpose securities.

Valuation gains (losses) on trading-purpose securities

(JPY bn)

Mar. 16		Mar. 17		Dec. 17	
Balance sheet amount	Net valuation gains (losses) recorded in income	Balance sheet amount	Net valuation gains (losses) recorded in income	Balance sheet amount	Net valuation gains (losses) recorded in income
2.2	0.1	2.0	(0.1)	-	(0.0)

Note: The above chart includes trading-purpose securities included in "money held in trust", etc

Sony Life's Interest Income and Dividends (Details)

(JPY mn)	FY16.3Q (9M)	FY17.3Q (9M)	Change
Cash and deposits	0	0	+62.5%
Japanese bonds (including JGBs)	90,445	93,504	+3.4%
Japanese stocks	345	380	+10.1%
Foreign securities	6,017	10,479	+74.2%
Other securities	177	127	(28.4%)
Loans	4,784	4,957	+3.6%
Real estate	8,148	8,048	(1.2%)
Others	144	290	+100.5%
Total	110,064	117,788	+7.0%

Sony Life's Capital Gains/Losses

(JPY mn)	FY16				FY17		
	1Q (3M)	2Q (6M)	3Q (9M)	4Q (12M)	1Q (3M)	2Q (6M)	3Q (9M)
Capital gains	14,501	11,796	25,628	16,114	124	2,098	2,851
Income from money held in trust, net	–	–	–	–	–	–	–
Income from trading securities, net	7	49	103	134	11	19	47
Gains on sale of securities	917	1,301	1,306	1,308	0	0	0
Gains on derivatives, net	8,821	4,577	–	–	–	–	–
Gains on hedges of variable life insurance	4,955	1,042	–	–	–	–	–
Gains on hedges of available-for-sale securities	3,021	1,386	–	–	–	–	–
Foreign exchange gains, net	–	–	24,218	14,670	49	2,078	2,804
Gains (losses) on sale of foreign bonds	–	–	2,375	2,375	–	–	–
Other capital gains	4,754	5,868	–	–	63	–	–
Capital losses	3,407	5,688	39,882	32,276	7,441	16,257	25,809
Losses on money held in trust, net	–	–	–	–	–	–	–
Losses on trading securities, net	–	–	–	–	–	–	–
Losses on sale of securities	–	–	–	–	–	0	0
Devaluation losses on securities	–	–	–	–	–	–	–
Losses on derivatives, net	–	–	34,275	30,050	7,015	14,739	23,990
Losses on hedges of variable life insurance	–	–	14,292	15,666	4,247	8,555	13,515
Losses on hedges of available-for-sale securities	–	–	2,265	2,460	1,713	2,767	5,877
Foreign exchange losses, net	3,139	5,023	–	–	–	–	–
Losses on sale of foreign bonds*	(1,681)	(2,375)	–	–	–	–	–
Other capital losses	267	665	5,606	2,226	426	1,518	1,819
Net capital gains (losses)	11,094	6,108	(14,253)	(16,162)	(7,316)	(14,159)	(22,958)

Total of gains on sale of securities and foreign exchange gains on sale of foreign bonds:
FY17.3Q : ¥0 million
FY16.3Q : ¥3,681 million

* (losses) represents positive figures.

Notes on Sony Life's Capital Gains/Losses are disclosed in page 42.

(Note1)

- Foreign exchange gains, net for FY17.1Q (3M) include foreign exchange losses of ¥242 million relating to U.S. dollar-denominated insurance. Losses on derivatives, net include foreign exchange losses relating to U.S. dollar-denominated insurance of ¥515 million. Moreover, other capital losses include the reversal of policy reserves for U.S. dollar-denominated insurance of ¥63 million relating to foreign exchange fluctuation.
- Foreign exchange gains, net for FY17.2Q (6M) include foreign exchange gains of ¥1,583 million relating to U.S. dollar-denominated insurance. Losses on derivatives, net include foreign exchange losses relating to U.S. dollar-denominated insurance of ¥2,489 million. Moreover, other capital losses include the provision of policy reserves for U.S. dollar-denominated insurance of ¥853 million relating to foreign exchange fluctuation.
- Foreign exchange gains, net for FY17.3Q (9M) include foreign exchange gains of ¥2,189 million relating to U.S. dollar-denominated insurance. Losses on derivatives, net include foreign exchange losses relating to U.S. dollar-denominated insurance of ¥3,445 million. Moreover, other capital losses include the provision of policy reserves for U.S. dollar-denominated insurance of ¥1,155 million relating to foreign exchange fluctuation.

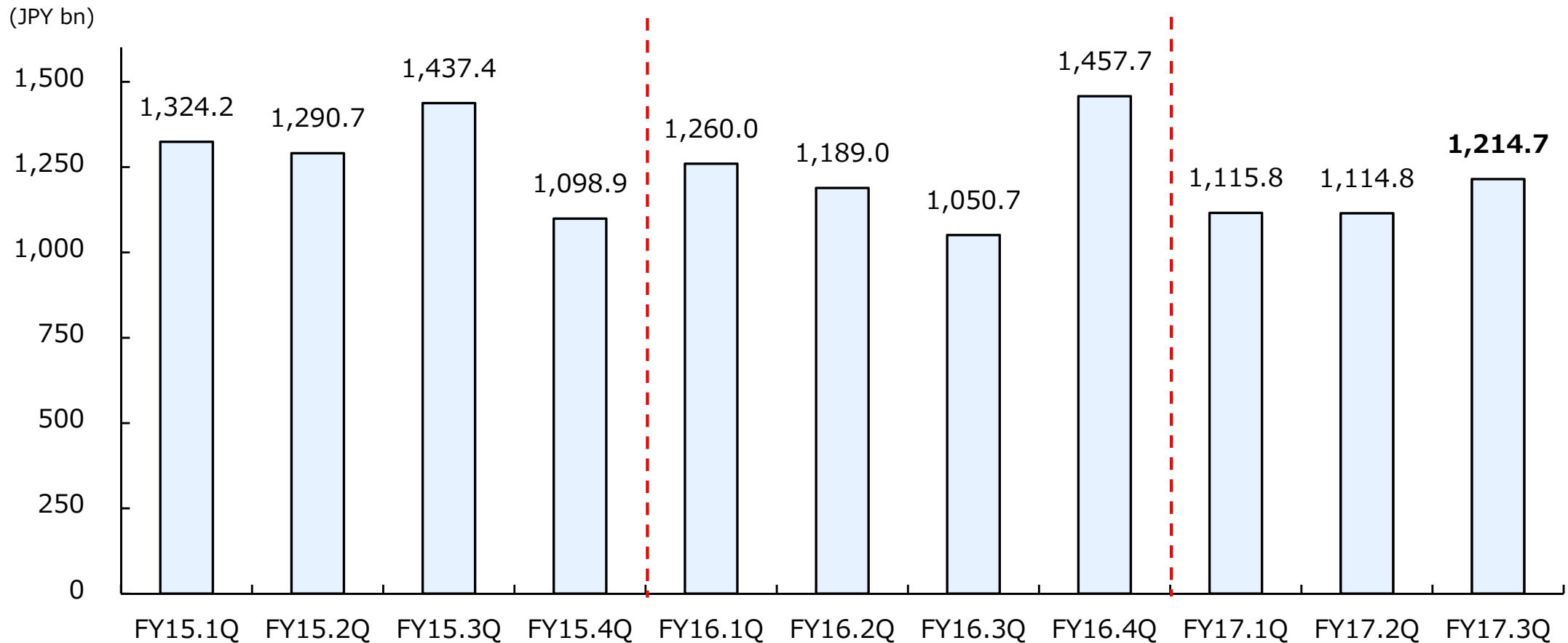
(Note 2)

- Foreign exchange losses, net for FY16.1Q (3M) include foreign exchange losses of ¥4,280 million relating to U.S. dollar-denominated insurance. Moreover, other capital gains include the reversal of policy reserves for U.S. dollar-denominated insurance of ¥4,754 million relating to foreign exchange fluctuation.
- Foreign exchange losses, net for FY16.2Q (6M) include foreign exchange losses of ¥6,720 million relating to U.S. dollar-denominated insurance. Gains on derivatives, net include foreign exchange gains relating to U.S. dollar-denominated insurance of ¥1,337 million. Moreover, other capital gains include the reversal of policy reserves for U.S. dollar-denominated insurance of ¥5,868 million relating to foreign exchange fluctuation.
- Foreign exchange gains, net for FY16.3Q (9M) include foreign exchange gains of ¥21,805 million relating to U.S. dollar-denominated insurance. Losses on derivatives, net include foreign exchange losses relating to U.S. dollar-denominated insurance of ¥17,445 million. Moreover, other capital losses include the provision of policy reserves for U.S. dollar-denominated insurance of ¥4,941 million relating to foreign exchange fluctuation.
- Foreign exchange gains, net for FY16.4Q (12M) include foreign exchange gains of ¥12,389 million relating to U.S. dollar-denominated insurance. Losses on derivatives, net include foreign exchange losses relating to U.S. dollar-denominated insurance of ¥12,010 million. Moreover, other capital losses include the provision of policy reserves for U.S. dollar-denominated insurance of ¥1,560 million relating to foreign exchange fluctuation.

(Note3)

- The figures of income (losses) from money held in trust, net, income (losses) from trading securities, net, gains (losses) on derivatives and foreign exchange gains (losses), net were recorded after offsetting gains and losses of each item.

Quarterly Trend on New Policy Amount

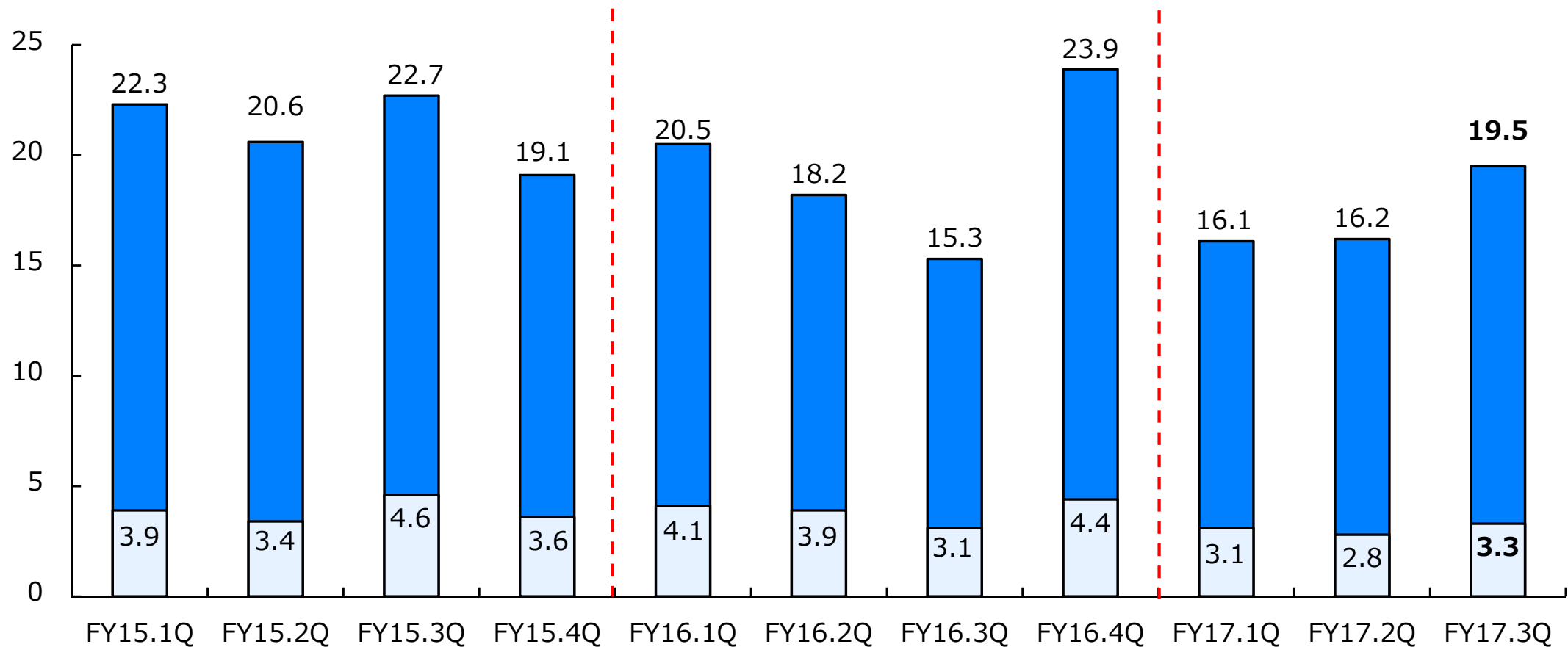


Sony Life's Quarterly Trend on Annualized Premiums from New Policies

Quarterly Trend on Annualized Premiums from New Policies

■ Annualized premiums from new policies □ Of which, third-sector

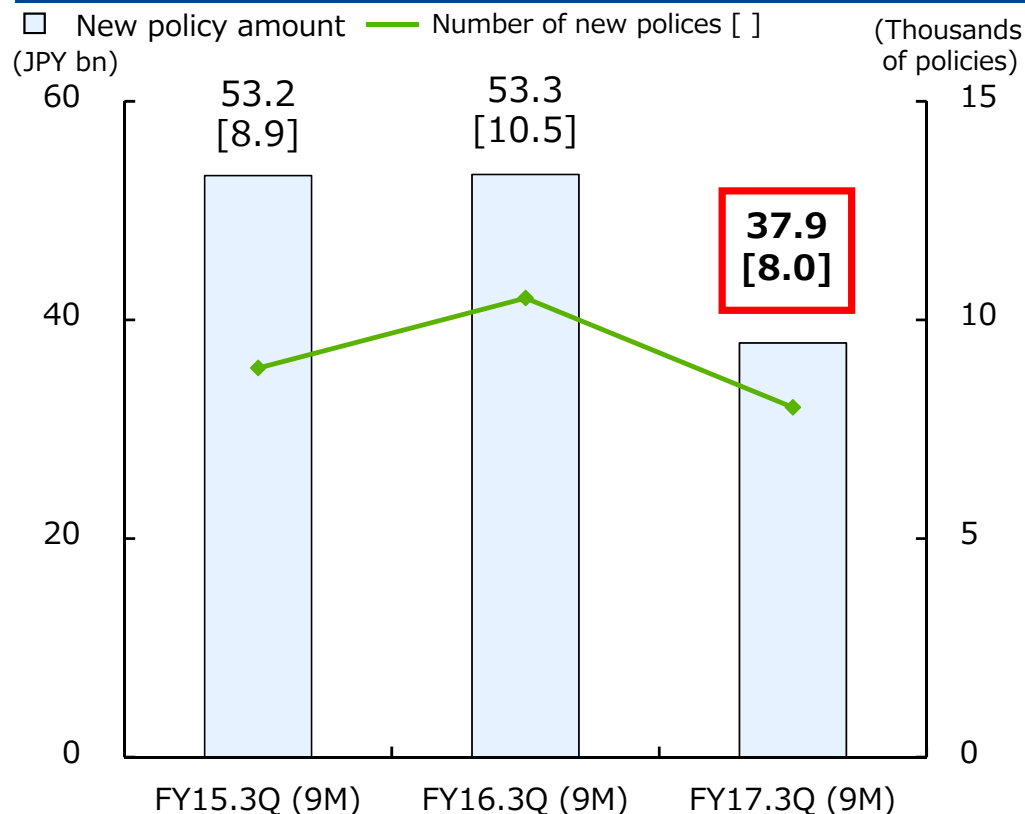
(JPY bn)



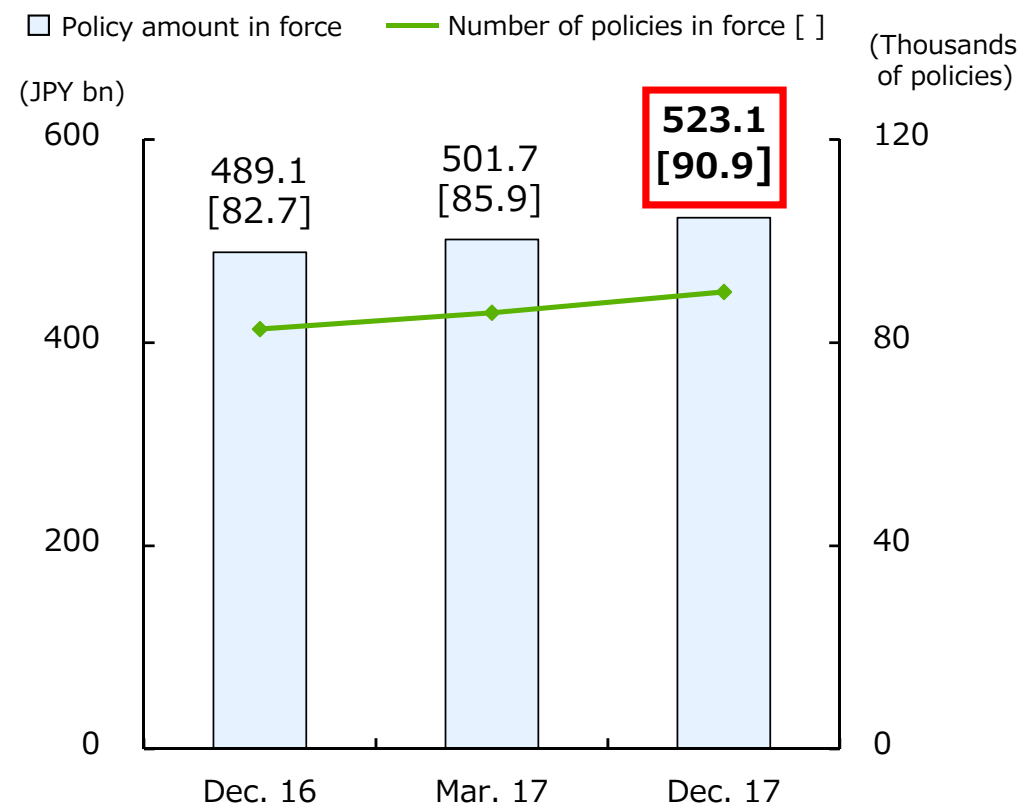
Operating Performance : AEGON Sony Life Insurance

◆ AEGON Sony Life Insurance sells individual variable annuities.

Number and Amount of New Policies



Number and Amount of Policies in Force



Net income (losses) for AEGON Sony Life Insurance and SA Reinsurance

	(JPY bn)	FY16.3Q (9M)	FY17.3Q (9M)	Change
AEGON Sony Life Insurance		(3.1)	(3.3)	(0.2)
SA Reinsurance		(2.7)	(0.2)	+2.5

AEGON Sony Life Insurance and SA Reinsurance are equity method companies, 50-50 joint venture established by Sony Life and AEGON Group. SA Reinsurance prepares its financial statements in accordance with U.S. GAAP. 50% of the net income (losses) for AEGON Sony Life Insurance and SA Reinsurance are recognized as investment profit (losses) on equity method in the SFH's consolidated net income.

Method of Measuring Risk Amount Based on Economic Value (1)

■ Market-related Risk*1

	Sony Life	(Reference) EU Solvency II Implementing Measures (Delegated Regulation)
<p>Interest rate risk</p> <p>Fluctuations in net asset value based on economic value in response to the shocks in the right columns.</p> <p>The same applies below.</p>	<p>Percentage increases or decreases differ for each currency and term. As for measuring interest rate risk in Japanese yen, introduced principal component analysis, where yield curve changes are disaggregated into three components, parallel shift, twist and butterfly, and the yield curve is shocked by each component.</p> <p>(Example)</p> <p>For Yen 30-year, 64% decrease (parallel shift), 19% decrease (twist), 4% decrease (butterfly)</p>	<p>Different percentage changes in interest rates are set for each term, from one year to 20 years.</p> <p>For terms longer than 20 years and through 90 years, percentage changes are set using linear interpolation, with negative 29% as the percentage change for 20 years and negative 20% as the percentage change for 90 years</p>
Equity risk	Listed equities 45%, Other securities 70%	Global 39%, Others 49%*2
Real estate risk	Actual real estate 25%	Same as on the left
Credit risk	<p>Credit risk = (market value) x (risk coefficient for each credit rating) x duration</p> <p>Note that durations have caps and floors, depending on credit ratings.</p> <p>(Example)</p> <p>Rating A: Risk coefficient (1.4%), cap (23), floor (1)</p>	<p>Credit risk = (market value) x (risk coefficient for each credit rating and duration)</p> <p>(Example)</p> <p>Rating A: Duration (Dur): 5-10 years</p> <p>Risk coefficient=7.0% + 0.7% x (Dur - 5)</p>
Currency risk	35% downside fluctuation	25% downside fluctuation

◆ Revision in the risk factors of market-related risk

- In FY17.1Q, Sony Life partially revised the risk factors of market-related risk.
- Regarding interest rate risk in Japanese yen, the rate of change in interest rates for 40 years or less was updated based on recent market data, and the rate of change in interest rates beyond 40 years was revised, taking into account such factors as ICS(*3) deliberations. The main result was a decrease in interest rate risk compared with March 31, 2017, due mainly to a decrease in the rate of change in Japanese yen beyond 40 years.

Notes

* 1. Principal items as of December 31, 2017.

* 2. Symmetric adjustment (an adjustment of ±10% of the average value of the stock price index during a defined period in the past) is applied.

* 3. Capital requirements for internationally active insurance groups (IAIGs) being formulated by the International Association of Insurance Supervisors (IAIS).

Method of Measuring Risk Amount Based on Economic Value (2)

■ Insurance Risk*1

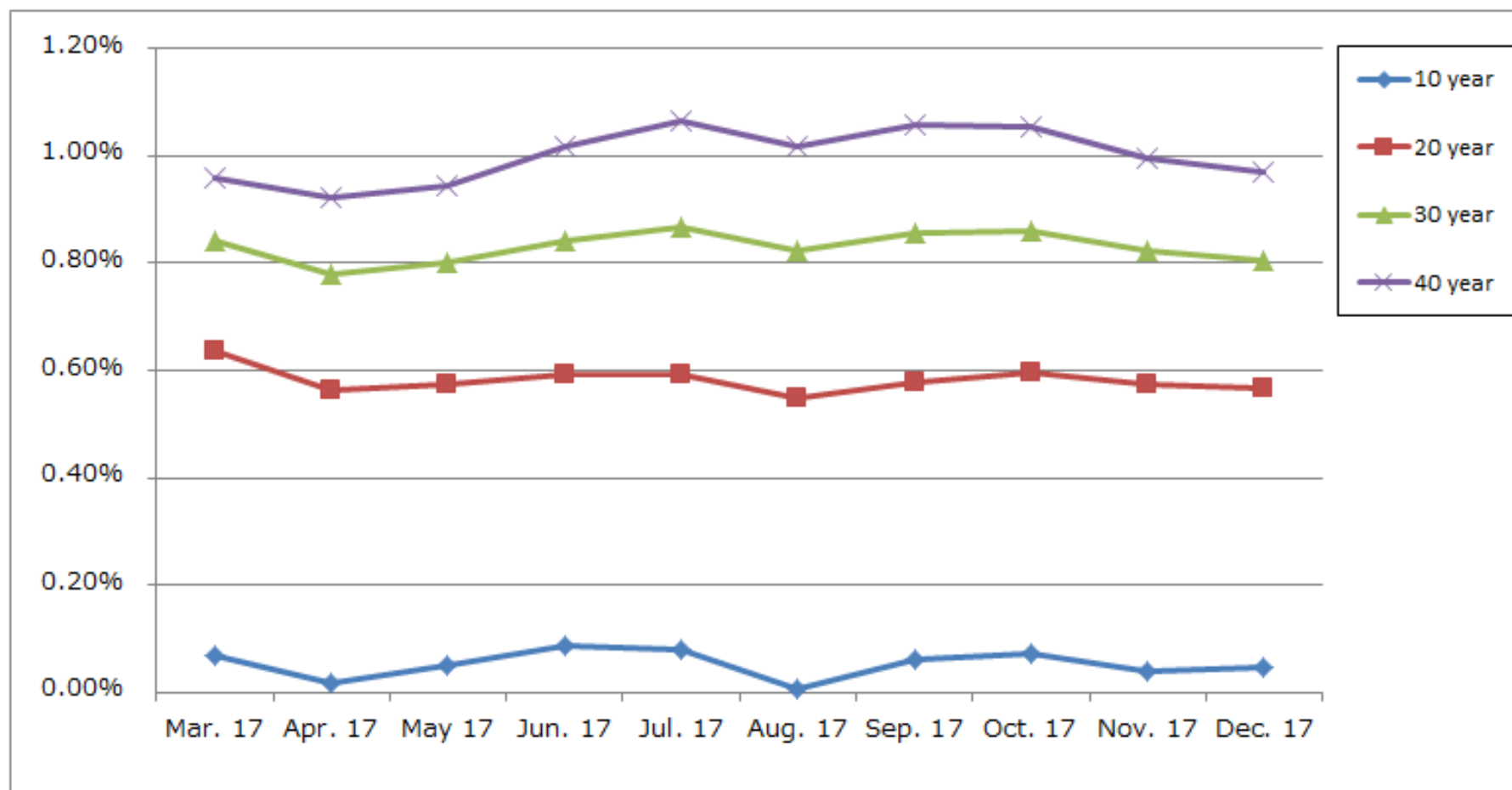
	Sony Life	(Reference) EU Solvency II Implementing Measures (Delegated Regulation)
Mortality risk	Mortality rate increases by 15% for each year elapsed	Same as on the left
Longevity risk	Mortality rate decreases by 20% for each year elapsed	Same as on the left
Lapse risk	The largest amount of these;*2 <ul style="list-style-type: none"> • Lapse rate increases by 50% for each year elapsed • Lapse rate decreases by 50% for each year elapsed • 30% of policies on which surrender value is in excess of best estimate liability are immediately surrendered 	The largest amount of these; <ul style="list-style-type: none"> • Increases by 50% in the assumed rates of lapsation for Life module, 50% for Health module • Decreases by 50% in the assumed rates of lapsation for Life module, 50% for Health module • 40% of policies (70% for group annuities, etc.) on which surrender value is in excess of best estimate liability are immediately surrendered
Expense risk	Operating expenses increase by 10% for each year elapsed Rate of inflation rises by 1%	Same as on the left
Disability risk	Rate of occurrence increases by 35% in the first fiscal year, rising by 25% for each year thereafter	Rate of occurrence increases by 35% in the first fiscal year, rising by 25% for each year thereafter. Recovery rate decreases by 20%.

Notes

* 1. Principal items as of December 31, 2017.

* 2. At Sony Life, lapse risk is calculated by computing and adding together the largest amount of three options for each insurance policy.

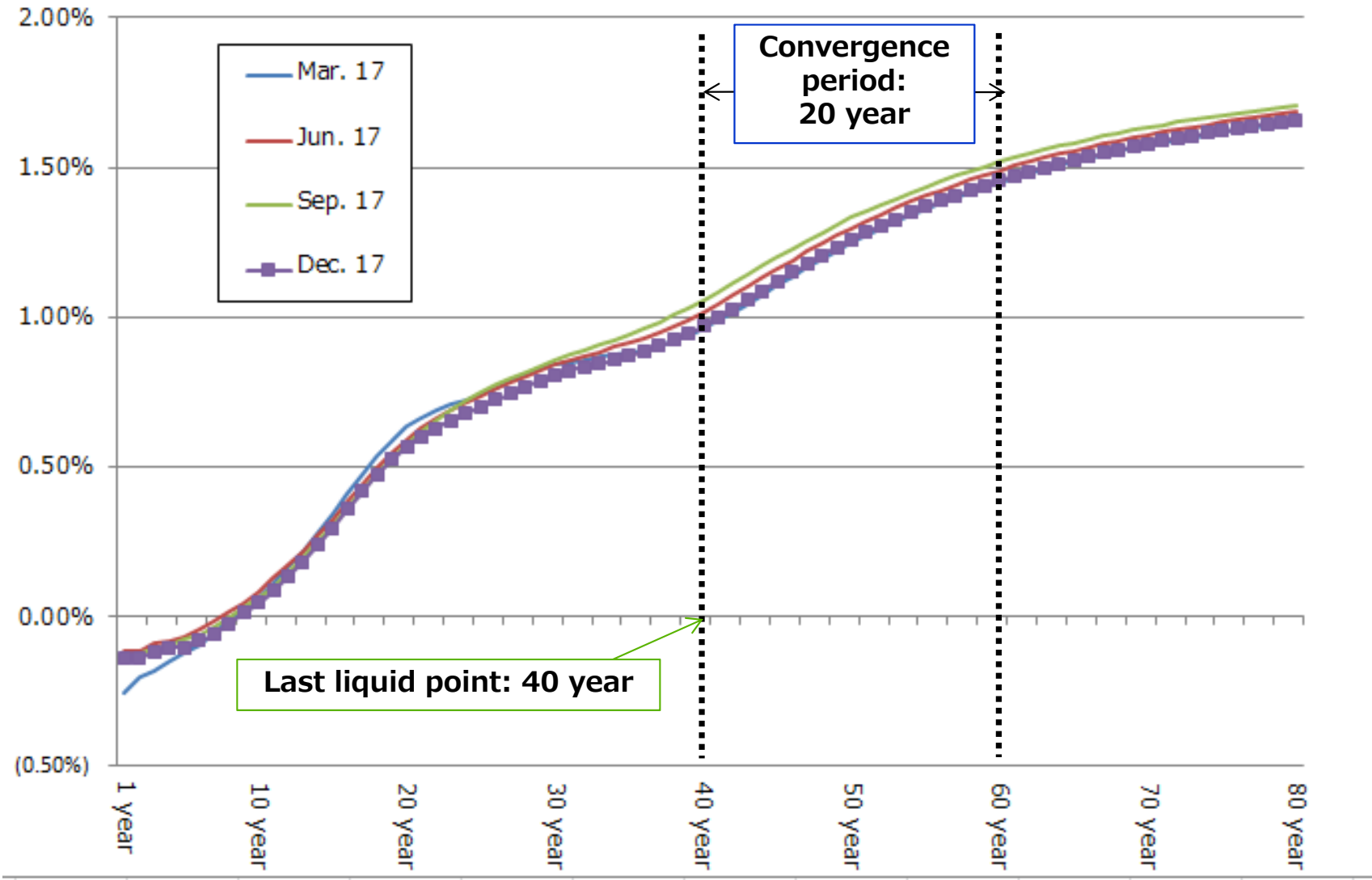
Trend on JGB Yields (Par rate)



As of the end of each month

	Mar. 17	Apr. 17	May 17	Jun. 17	Jul. 17	Aug. 17	Sep. 17	Oct. 17	Nov. 17	Dec. 17
10 year	0.07%	0.02%	0.05%	0.09%	0.08%	0.01%	0.06%	0.07%	0.04%	0.05%
20 year	0.64%	0.56%	0.58%	0.59%	0.59%	0.55%	0.58%	0.60%	0.58%	0.57%
30 year	0.84%	0.78%	0.80%	0.84%	0.87%	0.82%	0.86%	0.86%	0.82%	0.81%
40 year	0.96%	0.92%	0.95%	1.02%	1.07%	1.02%	1.06%	1.06%	1.00%	0.97%

Trend on Risk-free Rate (Japanese yen/ Par rate)



*For above risk-free rate, we employ the Smith-Wilson method for extrapolation so that the 60-year forward rate will coverage on the UFR (3.5%).



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