Presentation Material

Consolidated Financial Results for the Fiscal Year Ended March 31, 2018 and Sony Life's Preliminary MCEV as of March 31, 2018

Sony Financial Holdings Inc.
May 14, 2018

Content

*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 Fiscal Year Ended March 31, 2018 (FY2017)

Executive Summary

Financial Results for FY2017	◆ All three businesses steadily expanded their business scale. On a consolidated Group basis, ordinary revenues rose, while ordinary profit was flat. ◆ At Sony Life, sales of U.S. dollar-denominated insurance were favorable, leading to a substantial increase in income from insurance premiums year on year ◆ The steady acquisition of new policies prompted solid growth in new business value.
Forecast of Financial Results for FY2018	◆ We forecast that all three businesses will continue to expand their business scale, sustaining the growth trend. On a consolidated Group basis, we anticipate revenue and profit increases. ◆ At Sony Life, we expect income from insurance premiums to grow, due to solid growth in the policy amount in force, leading to higher revenues and profit. We forecast a rise in MCEV, owing to the acquisition of new policies.
Shareholder Returns	◆ In line with our medium-term dividend policy, for FY2018 we expect to raise the dividend amount by ¥2.5 per share compared with FY2017, to ¥62.5, taking into overall account such factors as the operating environment, growth in business scale, and higher profit based on economic value. We aim to continue steadily increasing dividends going forward.

All three businesses steadily expanded their business scale. On a consolidated Group basis, ordinary revenues rose, while ordinary profit was flat.

At Sony Life, sales of U.S. dollar-denominated insurance were favorable, leading to a substantial increase in income from insurance premiums year on year.

The steady acquisition of new policies prompted solid growth in new business value.

For FY2018, we forecast that all three businesses will continue to expand their business scale, sustaining the growth trend. On a consolidated Group basis, we anticipate revenue and profit increases.

At Sony Life, we expect income from insurance premiums to grow, due to solid growth in the policy amount in force. Moreover, we forecast a rise in MCEV, owing to the acquisition of new policies.

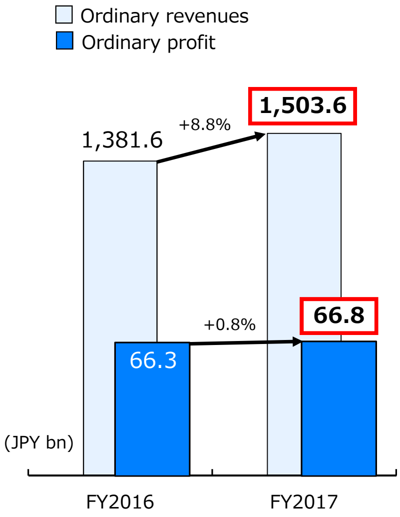
As previously announced, for FY2018, we forecast dividends of ¥62.5 per share, an increase of ¥2.5 from the planed dividends for FY2017.

In line with our medium-term dividend policy, we make an overall judgment when determining dividend amounts, emphasizing economic value-based profit indicators.

Highlights of Consolidated Operating Performance (1)

Sony Financial Holdings

<Consolidated>



	(JPY bn)	FY2016	FY2017	Change	
Life insurance business	Ordinary revenues	1,243.9	1,351.2	+107.2	+8.6%
	Ordinary profit	56.8	54.1	(2.6)	(4.7%)
Non-life insurance business	Ordinary revenues	102.3	110.0	+7.7	+7.6%
	Ordinary profit	5.0	6.5	+1.5	+31.5%
Banking business	Ordinary revenues	38.5	39.9	+1.4	+3.7%
	Ordinary profit	5.0	7.1	+2.0	+41.4%
Intersegment adjustments*	Ordinary revenues	(3.1)	2.3	+5.4	–
	Ordinary profit	(0.5)	(1.0)	(0.4)	–
Consolidated	Ordinary revenues	1,381.6	1,503.6	+121.9	+8.8%
	Ordinary profit	66.3	66.8	+0.5	+0.8%
	Profit attributable to owners of the parent	41.6	51.8	+10.2	+24.7%

*"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 FY2017.2Q.

(Note) Comprehensive income : FY2016: ¥21.4 billion, FY2017: ¥ 52.2 billion

	(JPY bn)	Mar. 17	Mar. 18	Change from Mar. 17	
Consolidated	Net assets	601.1	625.4	+24.2	+4.0%
	Total assets	11,471.8	12,401.4	+929.6	+8.1%

Ordinary revenues increased 8.8% year on year, to ¥1,503.6 billion, owing to increases in ordinary revenues from all the businesses: life insurance, non-life insurance and banking businesses.

Ordinary profit was flat year on year, to ¥66.8 billion. By business segment, ordinary profit from the life insurance business decreased, ordinary profit from the non-life insurance and the banking businesses rose.

Profit attributable to owners of the parent was up 24.7% year on year, to ¥51.8 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 as extraordinary gains.

Highlights of Consolidated Operating Performance (2)

- Life Insurance Business : Ordinary revenues grew year-on-year due to 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 and lower gains on sale of securities in the general account. 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.

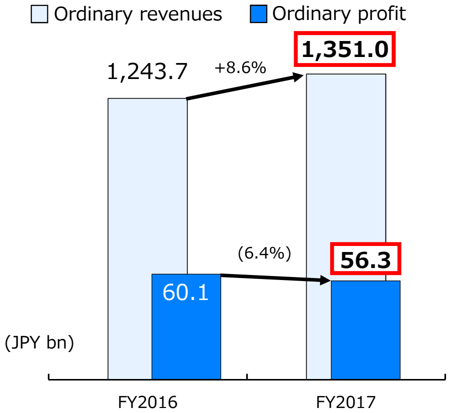
  *Total of (a) the provision of policy reserves for minimum guarantees for variable life insurance according to market fluctuations and (b) net gains/losses on derivative transactions to hedge market risks for the products

- Non-life Insurance Business: Ordinary revenues expanded year on year, owing to an increase in net premiums written for mainstay automobile insurance. Ordinary profit increased year on year due to a decline in the loss ratio, driven mainly by a lower car accident 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.

- Ordinary revenues increased 8.8% year on year, to ¥1,503.6 billion, owing to increases in ordinary revenues from all the businesses: life insurance, non-life insurance and banking businesses. Ordinary profit increased 0.8% year on year, to ¥66.8 billion. By business segment, ordinary profit from the life insurance business decreased, ordinary profit from the non-life insurance and banking businesses rose. Profit attributable to owners of the parent was up 24.7% year on year, to ¥51.8 billion. This increase was due mainly 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.

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



- 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 decreased due to a decrease in gains on foreign exchange which turned into losses.
- 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 and lower gains on sale of securities in the general account. 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)	FY2016	FY2017	Change	
Ordinary revenues	1,243.7	**1,351.0**	+107.3	+8.6%
Income from insurance premiums	956.7	**1,059.2**	+102.5	+10.7%
Investment income	245.3	**243.2**	(2.0)	(0.8%)
Interest income and dividends	148.2	**157.7**	+9.4	+6.4%
Gains on sale of securities	1.3	**0**	(1.3)	(100.0%)
Foreign exchange gains, net	14.6	**–**	(14.6)	(100.0%)
Gains on separate accounts, net	76.4	**80.9**	+4.5	+5.9%
Ordinary expenses	1,183.5	**1,294.7**	+111.1	+9.4%
Insurance claims and other payments	372.4	**436.5**	+64.1	+17.2%
Provision for policy reserves and others	596.7	**638.3**	+41.6	+7.0%
Investment expenses	36.1	**33.1**	(3.0)	(8.5%)
Losses on derivatives, net	30.0	**11.4**	(18.6)	(62.1%)
Foreign exchange losses, net	–	**15.2**	+15.2	–
Operating expenses	137.0	**139.9**	+2.8	+2.1%
Ordinary profit	60.1	**56.3**	(3.8)	(6.4%)
Gains on disposal of fixed assets	–	**13.2**	+13.2	–
Net income	35.1	**45.1**	+9.9	+28.3%

(JPY bn)	Mar. 17	Mar. 18	Change from Mar. 17	
Securities	8,093.1	**8,765.9**	+672.7	+8.3%
Policy reserves	7,929.9	**8,566.0**	+636.1	+8.0%
Net assets	473.5	**492.7**	+19.1	+4.1%
Net unrealized gains on other securities	127.7	**124.9**	(2.8)	(2.2%)
Total assets	8,873.6	**9,567.6**	+694.0	+7.8%
Separate account assets	989.6	**1,128.8**	+139.2	+14.1%

Sony Life's ordinary revenues increased 8.6% year on year, to ¥1,351.0 billion, due to higher income from insurance premiums, owing to a steady rise in the policy amount in force.

Ordinary profit decreased 6.4% year on year, to ¥56.3 billion.

This decrease was 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 and lower gains on sale of securities in the general account.

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.

*The 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

Net income increased 28.3% year on year, to ¥45.1 billion. This increase was due to a gain on disposal of fixed assets from a sale of the real estate held for investment recorded as extraordinary gains.

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

(JPY bn)	FY2016	FY2017	Change
New policy amount	4,957.5	**5,287.9**	+6.7%
Lapse and surrender amount	1,839.3	**2,250.8**	+22.4%
Lapse and surrender rate	4.27%	**4.97%**	+0.70pt
Policy amount in force	45,334.1	**47,253.4**	+4.2%
Annualized premiums from new policies	78.1	**73.0**	(6.5%)
Of which, third-sector products	15.7	**12.9**	(17.4%)
Annualized premiums from insurance in force	820.8	**848.8**	+3.4%
Of which, third-sector products	187.4	**191.8**	+2.4%

Notes:
1. 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.
2. 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)	FY2016	FY2017	Change
Gains from investment, net (General account)	132.7	**129.2**	(2.6%)
Core profit	83.8	**81.3**	(2.9%)
Positive spread	15.4	**17.7**	+14.9%

	Mar. 17	Mar. 18	Change from Mar. 17
Non-consolidated solvency margin ratio	2,568.8%	**2,624.3%**	+55.5pt

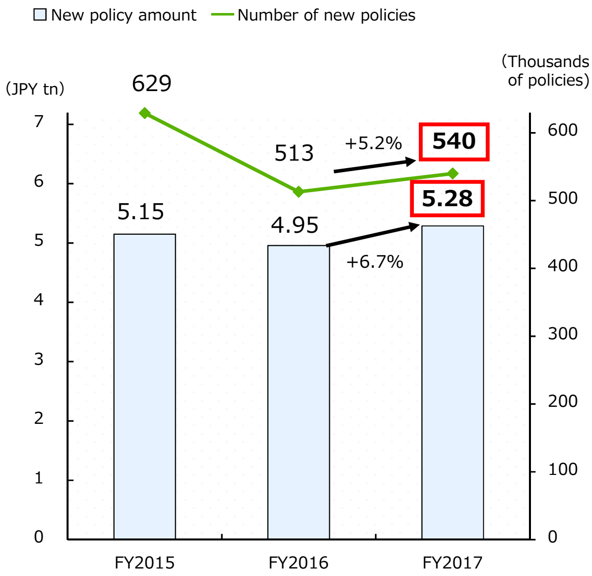
<Reasons for changes>

- Increased due to higher sales of family income insurance and 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.
- 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, despite an increase in profit from accumulated policies in force and a rise in positive spread.

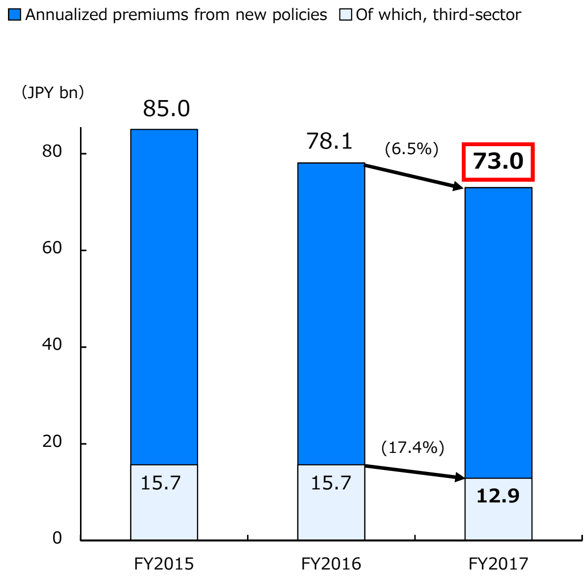
Operating Performance : Sony Life (Non-consolidated) (1)

Sony Financial Holdings

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



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



(Left-hand graph)
New policy amount for the total of individual life insurance and individual annuities increased 6.7% year on year, to ¥5,287.9 billion. This increase was due to higher sales of family income insurance and U.S. dollar-denominated insurance.

In FY2017, new policy amount reached record high as a single fiscal year.

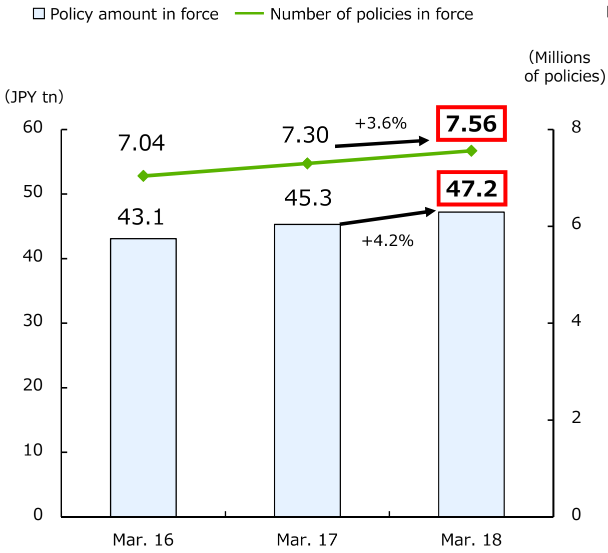
The number of new policies increased 5.2% year on year, to 540 thousand policies.

(Right-hand graph)
However, Annualized premiums from new policies decreased 6.5% year on year, to ¥73.0 billion, 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.

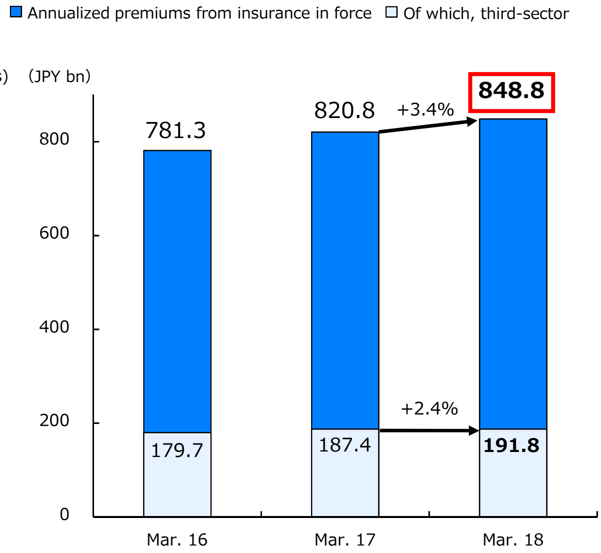
Of which, the figure for third-sector products decreased 17.4% year on year, to ¥12.9 billion.

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

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



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



Sony Life's policy amount in force which reflects new policy amount and lapse and surrender amount, is shown here.

(Left-hand graph)

Policy amount in force for the total of individual life insurance and individual annuities increased 4.2% year on year, to ¥47.2 trillion.

The number of policies in force increased 3.6% year on year, to 7.56 million policies.

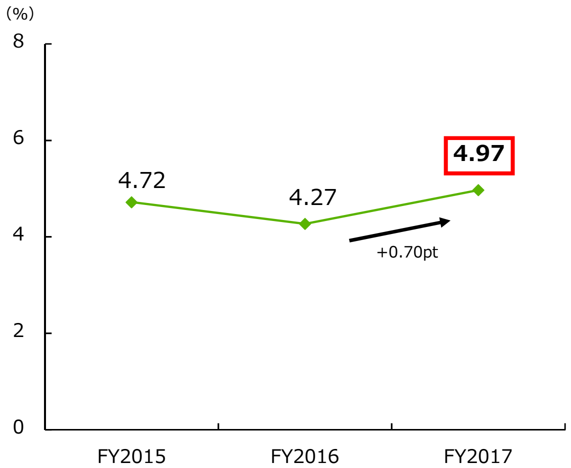
(Right-hand graph)

Annualized premiums from insurance in force increased 3.4% year on year, to ¥848.8 billion.

Of which, the figure for third-sector products was up 2.4% year on year, to ¥191.8 billion.

Operating Performance : Sony Life (Non-consolidated) (3)

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



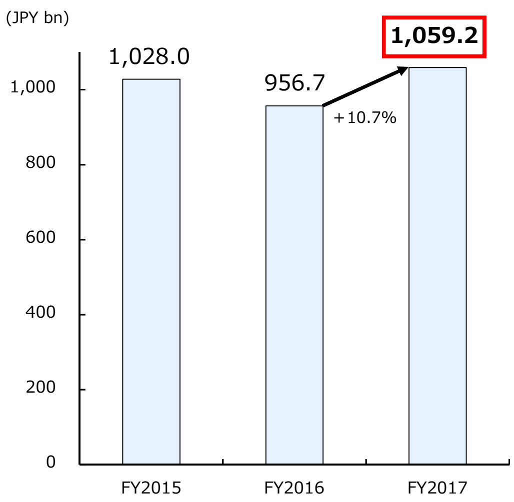
*The lapse and surrender rate shows the ratio derived by dividing the amount of lapses and surrenders, not adjusted for policy amount decreases, increases, and reinstatements, by the policy amount in force at the beginning of the fiscal year.

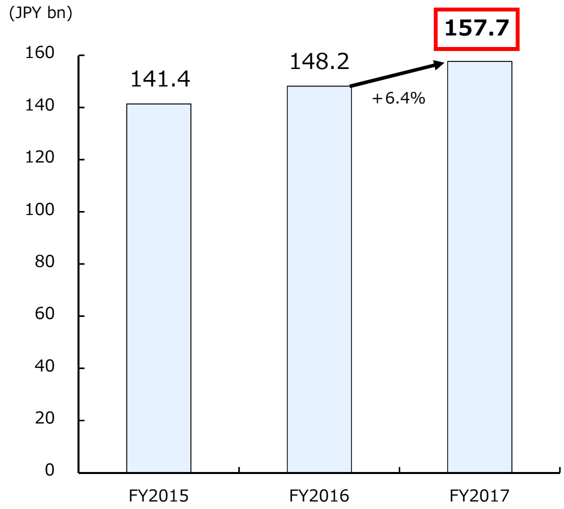
Lapse and surrender rate was up 0.70 percentage points year on year, to 4.97%.

The main reason for the increase in the lapse and surrender rate was premium revisions on family income insurance and other products introduced in February 2018 as some customers cancelled existing policies and took out new policies.

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

Income from Insurance Premiums	Interest Income and Dividends



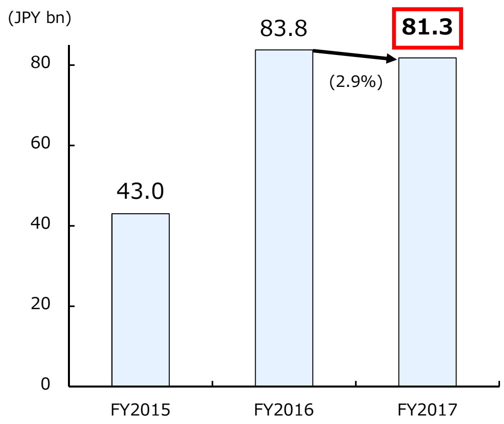


(Left-hand graph)
Income from insurance premiums increased 10.7% year on year, amounting to ¥1,059.2 billion, owing to a favorable sales of U.S. dollar-denominated single-premium whole life which launched sales from October, 2017.

(Right-hand graph)

Interest income and dividends increased 6.4% year on year, to ¥157.7 billion, reflecting an expansion in investment assets along with business expansion.

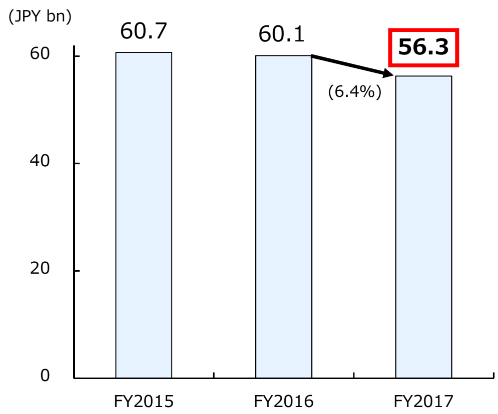
Core Profit



(Reference) Impact on core profit

(JPY bn)	FY2015	FY2016	**FY2017**
Positive spread	15.3	15.4	**17.7**
Provision of policy reserves for minimum guarantees for variable life insurance (*)	(34.7)	(7.8)	**(18.7)**
Others	62.5	76.2	**82.4**

Ordinary Profit



(Reference) Main differences from core profit

(JPY bn)	FY2015	FY2016	**FY2017**
Capital gains (losses) excluding gains or losses on hedges (*)	20.4	(0.4)	**(9.0)**
Gains (losses) on hedges of variable life insurance	3.9	(15.6)	**(8.4)**
Provision of contingency reserve (*)	(6.4)	(7.2)	**(7.4)**

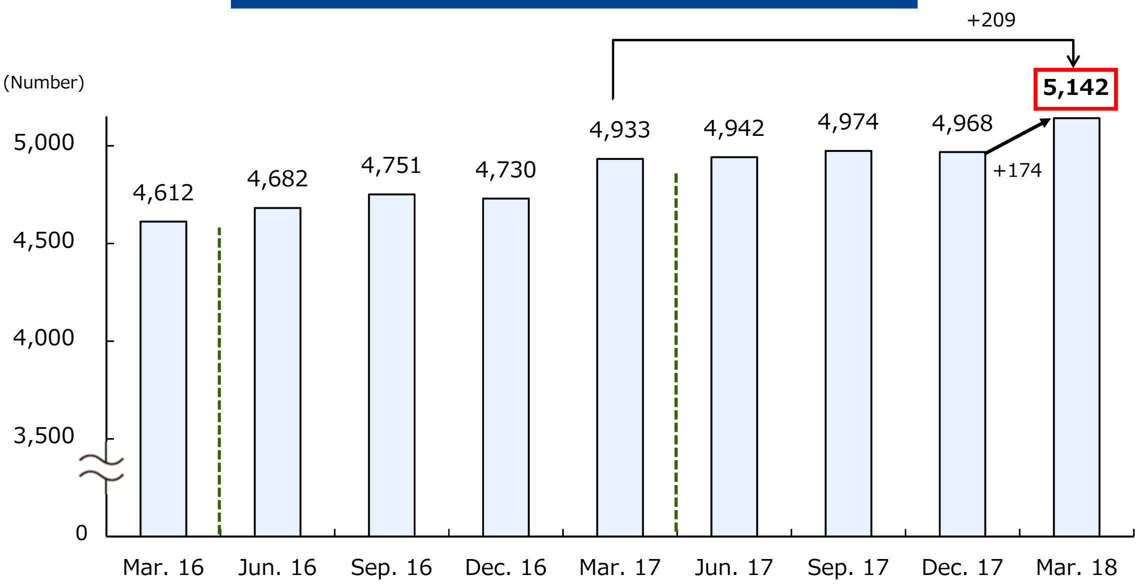
*"Provision of policy reserves for minimum guarantees for variable life insurance" and "Provision of contingency reserve" are described as negative amount.
Capital gains (losses) exclude gains or losses on hedges of variable life insurance.

(Left-hand graph)
Core profit was down 2.9% year on year, to ¥81.3 billion, due mainly 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, despite an increase in profit from accumulated policies in force and a rise in positive spread.

(Right-hand graph)
Ordinary profit decreased 6.4% year on year, to ¥56.3 billion, due mainly to a decrease in core profit and lower gains on sale of securities in the general account. 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.

Sony Financial Holdings

Number of Lifeplanner Sales Employees



The number of Lifeplanner sales employees as of March 31, 2018 was 5,142, up 174 from December 31, 2017 and up 209 from March 31, 2017.

The number of Lifeplanner sales employees exceeded 5,000 as of March 31,2018, showing a steady increase.

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

Sony Financial Holdings

Breakdown of General Account Assets

(JPY bn)	Mar. 17 Amount	Mar. 17 %	**Mar. 18 Amount**	**Mar. 18 %**
Japanese bonds (including JGBs)	6,828.7	86.6%	**7,281.1**	**86.3%**
Japanese stocks	37.6	0.5%	**38.4**	**0.5%**
Foreign bonds	274.3	3.5%	**366.5**	**4.3%**
Foreign stocks	31.5	0.4%	**30.3**	**0.4%**
Money held in trust	273.8	3.5%	**270.5**	**3.2%**
Policy loans	180.3	2.3%	**189.4**	**2.2%**
Real estate*	117.5	1.5%	**92.3**	**1.1%**
Cash and call loans	40.8	0.5%	**40.8**	**0.5%**
Others	99.1	1.3%	**129.1**	**1.5%**
Total	7,884.0	100.0%	**8,438.8**	**100.0%**

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

<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
Mar. 18 21.4 years

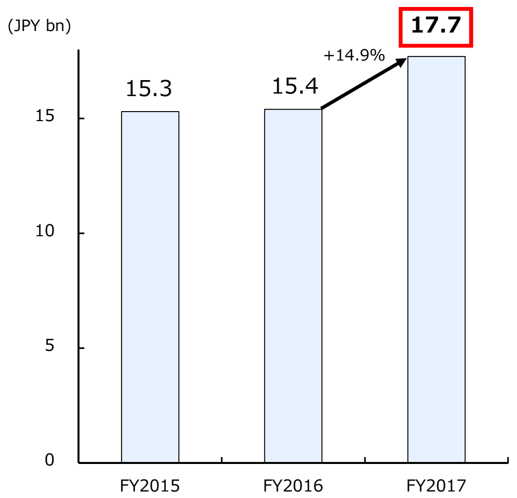
- Investment in the money held in trust is mainly into Japanese bonds.
- The holding ratio on the real status of Japanese bonds including those invested in the money held in trust in the general account : Mar. 18・・・89.5% (Mar. 17・・・90.1%)

*The decrease in real estate was owing to a sale of the real estate held for investment in FY2017.3Q.

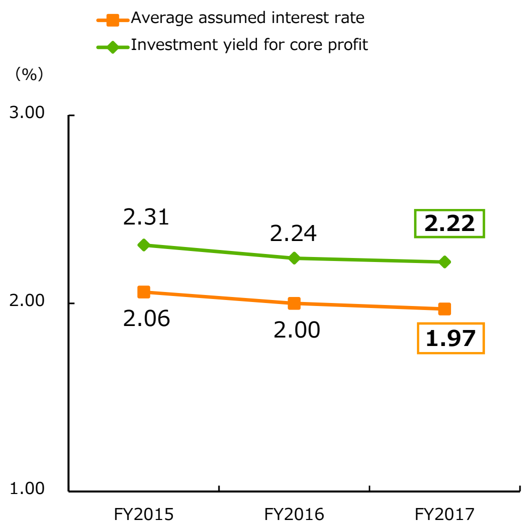
Here is a breakdown of Sony Life's general account assets as of March 31, 2018, compared with that as of March 31, 2017.

Operating Performance :
Sony Life (Non-consolidated) (8)

Positive Spread



Average Assumed Interest Rate and Investment Yield for Core Profit



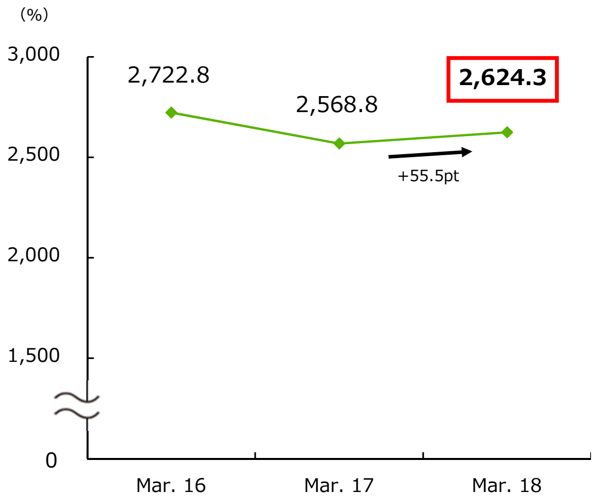
(Left-hand graph)

Positive spread for FY2017 rose 14.9% year on year, to ¥17.7 billion.

We expect to maintain secure positive spread, due to lower average assumed interest rate in line with new policy acquisition although an investment yield for core profit has been declined.

Operating Performance : Sony Life (Non-consolidated) (9)

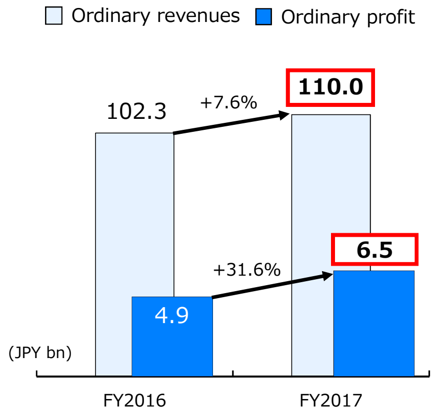
Non-consolidated Solvency Margin Ratio



As of March 31, 2018, Sony Life's non-consolidated solvency margin ratio was 2,624.3%, up 55.5 percentage points form
March 31, 2017, remaining at a high level.

Highlights of Operating Performance: Sony Assurance

Sony Financial Holdings



(JPY bn)	FY2016	**FY2017**	Change	
Ordinary revenues	102.3	**110.0**	+7.7	+7.6%
Underwriting income	100.3	**108.3**	+7.9	+8.0%
Investment income	1.9	**1.7**	(0.2)	(11.5%)
Ordinary expenses	97.3	**103.5**	+6.1	+6.4%
Underwriting expenses	70.5	**74.4**	+3.8	+5.5%
Operating general and administrative expenses	26.7	**29.0**	+2.3	+8.7%
Ordinary profit	4.9	**6.5**	+1.5	+31.6%
Net income	3.5	**4.8**	+1.3	+37.2%

- ◆Both ordinary revenues and ordinary profit increased 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, ordinary profit increased year on year.

(JPY bn)	Mar. 17	**Mar. 18**	Change from Mar. 17	
Underwriting reserves	106.1	**117.0**	+10.9	+10.3%
Net assets	29.4	**33.1**	+3.7	+12.9%
Total assets	186.5	**204.3**	+17.8	+9.6%

Sony Assurance reached record high in ordinary revenues, ordinary profit and net income.

Sony Assurance’s ordinary revenues expanded 7.6% year on year, to ¥110.0 billion, owing to an increase in net premiums written for mainstay automobile insurance.

Ordinary profit increased 31.6% year on year, to ¥6.5 billion, due to a decline in the loss ratio, driven by a lower car accident ratio.

Net income increased 37.2% year on year, to ¥4.8 billion, owing to the increase in ordinary profit.

Overview of Operating Performance: Sony Assurance

(JPY bn)	FY2016	FY2017	Change
Direct premiums written	99.0	**107.0**	+8.1%
Net premiums written	100.2	**108.2**	+8.0%
Net losses paid	50.1	**52.4**	+4.6%
Underwriting profit	3.0	**4.8**	+58.4%
Net loss ratio	57.5%	**55.9%**	(1.6pt)
Net expense ratio	28.3%	**28.5%**	+0.2pt
Combined ratio	85.8%	**84.4%**	(1.4pt)

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

<Reasons for changes>

◆ Increased in its mainstay automobile insurance.

	FY2016	FY2017	Change
E. I. loss ratio	62.3%	**60.7%**	(1.6pt)
E. I. loss ratio + Net expense ratio	90.6%	**89.2%**	(1.4pt)

◆ Declined due to a lower car accident ratio in automobile insurance.

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	Mar. 18	Change from Mar. 17	
Number of policies in force	1.89 mn	**2.07 mn**	+0.18 mn	+9.7%
Non-consolidated solvency margin ratio	730.8%	**782.1%**	+51.3pt	

Sony Assurance's Underwriting Performance by Type of Policy

Direct Premiums Written

(JPY mn)	FY2016	FY2017	Change
Fire	245	**206**	(15.9%)
Marine	–	**–**	–
Personal accident	8,767	**8,679**	(1.0%)
Voluntary automobile	90,001	**98,123**	+9.0%
Compulsory automobile liability	–	**–**	–
Total	99,014	**107,008**	+8.1%

Net Premiums Written

(JPY mn)	FY2016	FY2017	Change
Fire	24	**16**	(34.4%)
Marine	(2)	**0**	–
Personal accident	9,044	**8,887**	(1.7%)
Voluntary automobile	89,746	**97,880**	+9.1%
Compulsory automobile liability	1,460	**1,469**	+0.6%
Total	100,274	**108,254**	+8.0%

*Medical insurance is included in personal accident.

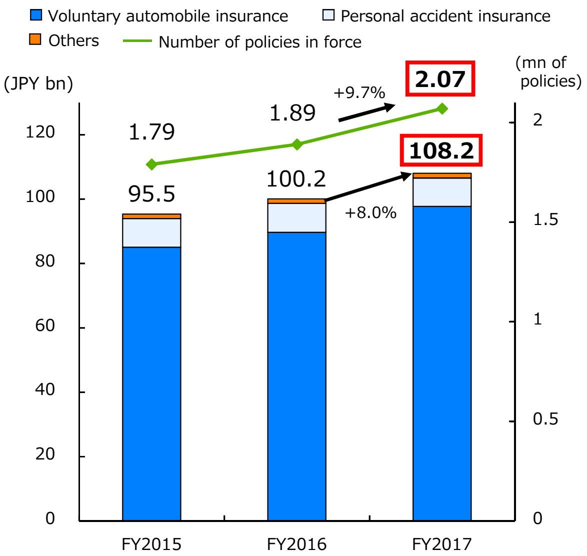
Net losses paid

(JPY mn)	FY2016	FY2017	Change
Fire	6	**6**	(1.4%)
Marine	(6)	**2**	–
Personal accident	2,615	**2,692**	+2.9%
Voluntary automobile	46,263	**48,464**	+4.8%
Compulsory automobile liability	1,301	**1,316**	+1.1%
Total	50,181	**52,482**	+4.6%

Operating Performance: Sony Assurance (1)

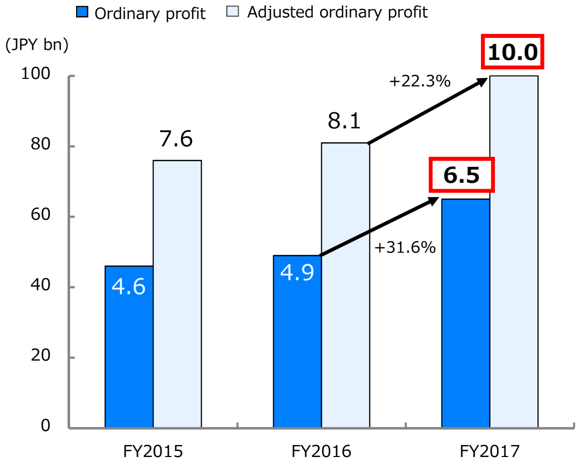
Sony Financial Holdings

Net Premiums Written and 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



*Adjusted ordinary profit = Ordinary profit + Provision for catastrophe reserve

(Reference) Provision for catastrophe reserve

(JPY bn)	FY2015	FY2016	**FY2017**
Provision for catastrophe reserve	3.0	3.1	**3.4**

*Provision for catastrophe reserve is described as positive amount.

(Left-hand graph)
The number of policies in force for the total of automobile insurance and medical insurance increased 9.7% year on year, to 2.07 million policies.

Net premium written increased 8.0% year on year, to ¥108.2 billion, due to stable sales of automobile insurance.

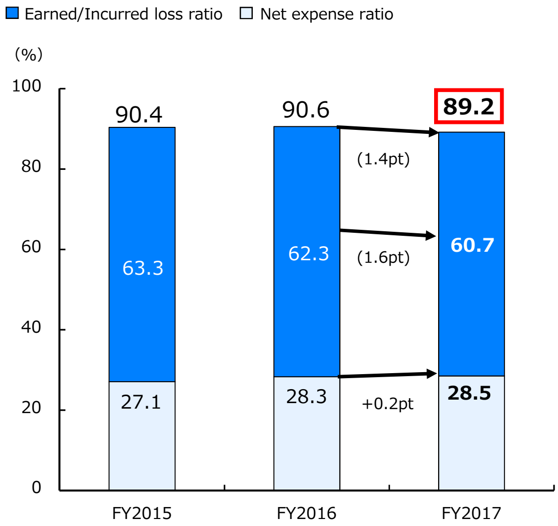
(Right-hand graph)
Ordinary profit increased year on year as previously mentioned.

Adjusted ordinary profit is an profit indicator on a managerial accounting basis. The figure is calculated by adjusting the amount of provision (reversal) for catastrophe reserve to ordinary profit.

Adjusted ordinary profit was ¥10.0 billion.

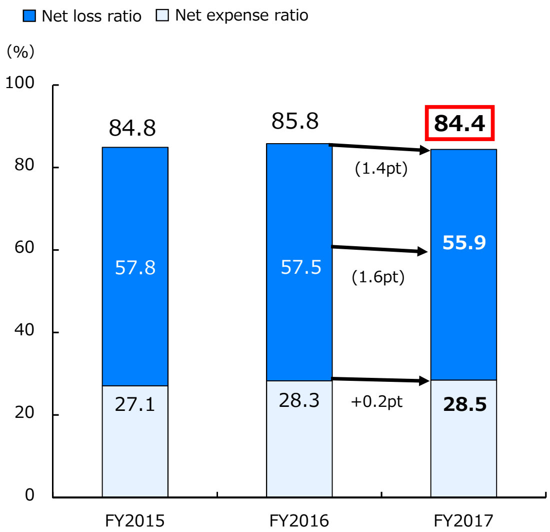
Operating Performance: Sony Assurance (2)

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)



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

(Left-hand graph)
The Earned/Incurred (E.I.) loss ratio was down 1.6 percentage points year on year, to 60.7%, due to a lower car accident ratio in automobile insurance.

The net expanse ratio rose 0.2 percentage points year on year, to 28.5%, due to a rise in operating expenses, such as advertising expenses.

Consequently, the sum of the E.I. loss ratio and the net expense ratio was down 1.4 percentage points year on year, to 89.2%.

(Right-hand graph)

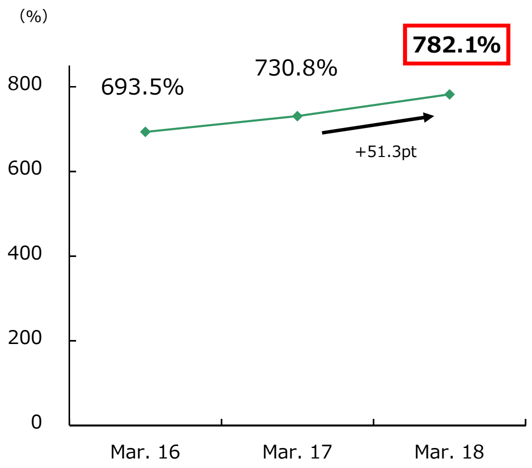
The net loss ratio was down 1.6 percentage points year on year, to 55.9%.

This is different from the E.I. loss ratio, which reflects an increase or decrease in provision for reserve for outstanding losses.

The combined ratio (the sum of the net loss ratio and the net expense ratio) was down 1.4 percentage points year on year, to 84.4%.

Sony Financial Holdings

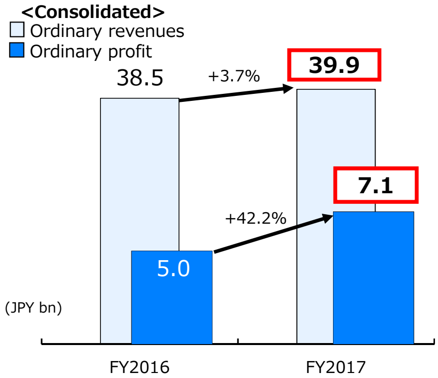
Non-consolidated Solvency Margin Ratio



As of March 31, 2018, Sony Assurance’s non-consolidated solvency margin ratio was 782.1%, up 51.3 percentage points from a year earlier, showing that Sony Assurance has maintained a financial soundness.

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

<Consolidated>



<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>

◆Both gross operating profit and net operating profit increased.

・Net interest income increased due to increases in interest income on loans and 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)	FY2016	FY2017	Change	
Ordinary revenues	38.5	39.9	+1.4	+3.7%
Ordinary profit	5.0	7.1	+2.1	+42.2%
Profit attributable to owners of the parent	3.3	4.7	+1.4	+42.8%

<Non-consolidated>

(JPY bn)	FY2016	FY2017	Change	
Ordinary revenues	35.1	36.2	+1.1	+3.3%
Gross operating profit	21.1	21.4	+0.3	+1.4%
Net interest income	17.9	20.6	+2.7	+15.2%
Net fees and commissions	(1.5)	(2.9)	(1.3)	–
Net other operating income	4.7	3.7	(1.0)	(22.4%)
General and administrative expenses	16.5	15.5	(1.0)	(6.1%)
Net operating profit	4.6	5.9	+1.3	+28.4%
Ordinary profit	4.6	6.5	+1.9	+41.5%
Net income	3.1	4.4	+1.2	+40.9%

(JPY bn)	Mar. 17	Mar. 18	Change from Mar. 17	
Net assets	81.3	85.7	+4.3	+5.4%
Net unrealized gains on other securities, net of taxes	4.7	6.0	+1.2	+26.4%
Total assets	2,424.2	2,635.0	+210.7	+8.7%

On a consolidated basis, Sony Bank's ordinary revenues rose 3.7% year on year, to ¥39.9 billion, due to increases in interest income on loans in line with a favorably growing balance of mortgage loans and on investment securities.

On a consolidated basis, ordinary profit grew 42.2% year on year, to ¥7.1 billion, due to a decrease in operating expenses, especially in advertising expenses for the card loan business.

On a non-consolidated basis, Sony Bank's ordinary revenues and ordinary profit increased year on year as the same reasons as in the consolidated results.

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

(JPY bn)	Mar. 17	Mar. 18	Change from Mar. 17	
Customer assets	2,227.1	**2,343.0**	+115.9	+5.2%
Deposits	2,112.9	**2,219.3**	+106.3	+5.0%
Yen	1,764.9	**1,814.7**	+49.7	+2.8%
Foreign currency	348.0	**404.6**	+56.5	+16.3%
Investment trusts	114.1	**123.7**	+9.6	+8.5%
Loans outstanding	1,539.6	**1,596.3**	+56.7	+3.7%
Mortgage loans	1,452.4	**1,525.5**	+73.0	+5.0%
Card loans	18.0	**18.8**	+0.8	+4.5%
Others	69.0	**51.8**[*1]	(17.1)	(24.8%)
Number of accounts	1.24 mn	**1.35 mn**	+0.10 mn	+8.8%
Non-performing assets ratio[*2] (Based on Financial Reconstruction Law)	0.19%	**0.12%**	(0.06)pt	
Capital adequacy ratio[*3] (domestic criteria)	9.75%	**10.45%**	+0.70pt	

<Reasons for changes>

- ◆ Increased in yen ordinary deposit balance due mainly to an increase in newly accumulated funds via the increased number of accounts.
- ◆ Increased in foreign currency deposits, due to an increase in time deposits, led by the impact of an exchange cost campaign and promotional effect from of a rise in U.S. interest rates on US dollar-denominated time deposits.
- ◆ 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 ¥51.8 billion
*2 Non-performing loans (loans based on the Financial Reconstruction Act) /Total loan exposure
*3 Please refer to the graph of the non-consolidated capital adequacy ratio (domestic criteria) on page 28.
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)

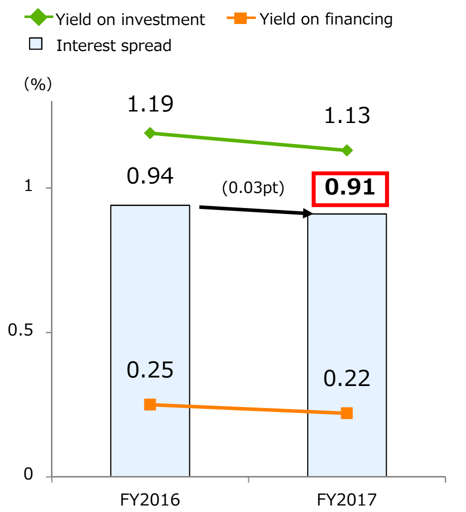
<*Reference*> On Managerial Accounting Basis

(JPY bn)	FY2016	FY2017	Change	
Gross operating profit	21.0	**21.3**	+0.3	+1.5%
Net interest income[*1] ①	20.6	**23.0**	+2.3	+11.6%
Net fees and commissions[*2] ②	(0.9)	**(2.5)**	(1.5)	—
Net other operating income[*3]	1.4	**0.9**	(0.4)	(34.9%)
Gross operating profit (core profit) (A)=①+②	19.6	**20.4**	+0.8	+4.2%
Operating expenses and other expenses ③	16.5	**15.5**	(1.0)	(6.1%)
Net operating profit (core profit) =(A)−③	3.1	**4.9**	+1.8	+58.4%

■ **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)



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

We break down gross operating profit on a managerial accounting basis to facilitate an understanding of operational sources of revenues and profits.

(Left-hand table)
Net interest income increased 11.6% year on year, to ¥23.0 billion, led by a growing balance of loans and securities.

Net fees and commissions were negative ¥2.5 billion, due mainly to lower fees and commissions on mortgage loans, in addition to higher fees paid for loan guarantees reflecting the growing loan balance.

Consequently, gross operating profit on a core profit basis increased 4.2% year on year, to ¥20.4 billion. Net operating profit on a core profit basis increased 58.4% year on year, to ¥4.9 billion, due to a decrease in general and administrative expenses.

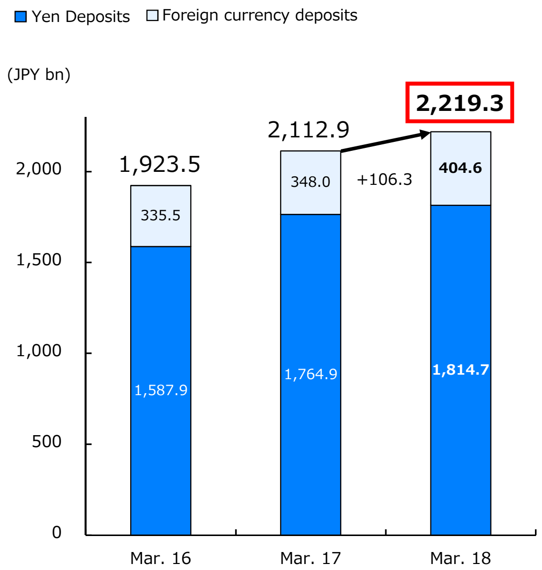
(Right-hand graph)
The yield on investment for FY2017 was 1.13%.

The yield on financing for FY2017 was 0.22%.

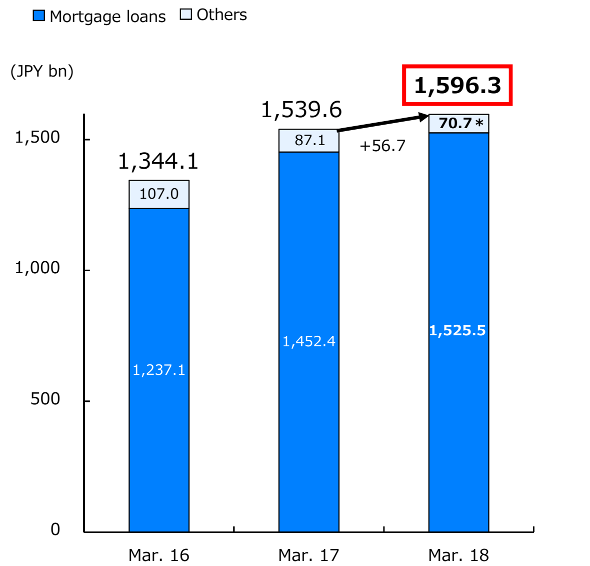
Consequently, interest spread for FY2017 was 0.91%.

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

Deposits



Loans



*Corporate loans of ¥51.8 billion. Card loans of ¥18.8 billion.

(Left-hand graph)
As of March 31, 2018, deposits (the sum of Japanese yen and foreign currency deposits) amounted to ¥ 2,219.3 billion, up ¥106.3 billion from March 31, 2017.

Of this amount, the yen deposit balance amounted to ¥1,814.7 billion, up ¥49.7 billion from March 31, 2017, as yen ordinary deposits increased due mainly to an increase in newly accumulated funds via the increased number of accounts.

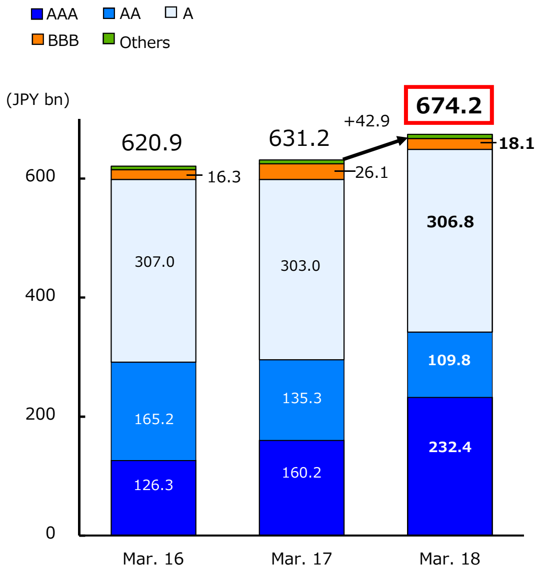
Foreign currency deposits amounted to ¥404.6 billion, up ¥56.5 billion from March 31, 2017, due to an increase in time deposits, led by the impact of an exchange cost campaign and promotional effect from of a rise in U.S. interest rates on U.S. dollar-denominated time deposits.

(Right-hand graph)
The loan balance of March 31, 2018 expanded ¥56.7 billion from March 31, 2017, to ¥1,596.3 billion, due to a steady increase in mortgage loans, despite a decrease in demand for refinancing these loans.

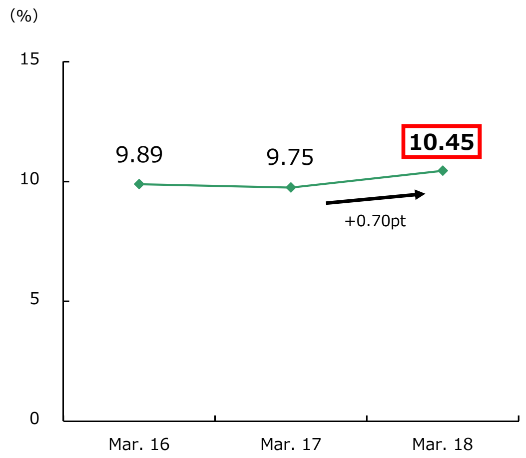
Operating Performance: Sony Bank (Non-consolidated) (2)

Sony Financial Holdings

Balance of Securities by Credit Rating



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.

(Left-hand graph)
As of March 31, 2018, the balance of securities amounted to ¥674.2 billion, up ¥42.9 billion from March 31, 2017. Sony Bank continuously invests in highly rated bonds.

(Right-hand graph)
As of March 31, 2018, Sony Bank's non-consolidated capital adequacy ratio (domestic criteria) was 10.45%, up 0.70 percentage points from March 31, 2017. Sony Bank maintains financial soundness.

Forecast of Consolidated Financial Results for FY2018

Forecast of Consolidated Financial Results for FY2018

Sony Financial Holdings

Ordinary revenues, ordinary profit and profit attributable to owners of the parent are expected to increase.

(JPY bn)	FY2017 (Actual)	FY2018 (Forecast)	Changes
Ordinary revenues	1,503.6	**1,578.0**	**+4.9%**
Life insurance business	1,351.2	**1,416.1**	**+4.8%**
Non-life insurance business	110.0	**112.3**	**+2.0%**
Banking business	39.9	**42.8**	**+7.2%**
Ordinary profit	66.8	**83.0**	**+24.2%**
Life insurance business	54.1	**70.9**	**+30.9%**
Non-life insurance business	6.5	**6.5**	**(1.1%)**
Banking business	7.1	**7.0**	**(2.0%)**
Profit attributable to owners of the parent	51.8	**55.0**	**+6.0%**

For FY2018, stable business growth is expected to continue in all the businesses.

<Segment information for ordinary revenues and ordinary profit>

■**Life insurance business**
We forecast ordinary revenues to increase from FY2017, owing to robust income from insurance premiums.
We also anticipate a year-on-year rise in ordinary profit, stemming from an increase in profit on higher policies in force, a rise in gains on sale of securities, and an improvement in net gains/losses on derivative transactions to hedge market risks for available-for-sale securities.

■**Non-life insurance business**
We expect ordinary revenues to increase from FY2017, in line with growth in net premiums written, primarily for automobile insurance. Despite the higher revenues, we believe ordinary profit will be flat year on year, with the loss ratio rising slightly from FY2017, when the ratio was lower than we had anticipated.

■**Banking business**
We expect ordinary revenues to rise year on year due to stable business growth stemming from the ongoing steady accumulation of mortgage loans and strengthening of foreign currency business. Although we anticipate a rise in gross operating profit in line with revenue growth, we expect ordinary profit to be flat year on year, as operating expenses rise.

With regard to SFH's financial forecast for FY2018, stable business growth is expected to continue in all the businesses: life insurance, non-life insurance and banking businesses.

Ordinary revenues are expected to increase in all the businesses.

Although ordinary profit for non-life insurance and banking businesses are expected to be flat year on year, overall ordinary profit is expected to increase, due to an increase in the life insurance business.

Profit attributable to owners of the parent is expected to increase likewise ordinary profit, despite a decrease of extraordinary gains is expected.

Dividend Forecast for FY2018

Dividend Forecast for FY2018

Sony Financial Holdings

■Medium-term Dividend Policy : Unchanged

We aim for steady increases in dividends in line with earnings growth over the medium to long term, while securing sufficient internal reserves to ensure the financial soundness of Group companies and to invest in growth fields. Management will examine earnings growth over the medium to long term by placing more importance on economic value-based profit indicators that are more suitable for valuing the growth of the life insurance business, in addition to statutory profit. Furthermore, management will determine specific dividend amounts for each year by taking into account a comprehensive range of factors surrounding the Sony Financial Group.

■Dividend results/forecast

Dividends for FY2017 are expected to be ¥60 per share.

For FY2018, considering the business environment, growth of our group and the level of economic value-based profit growth, we forecast dividends of ¥62.5 per share, an increase of ¥2.5 from the planed dividends of ¥60 per share for FY2017.

	FY2014	FY2015	FY2016	**FY2017 (Plan)**	**FY2018 (Forecast)**
Dividend per share	¥40.0	¥55.0	¥55.0	**¥60.0**	**¥62.5**

As previously announced, for FY2018, we forecast dividends of ¥62.5 per share, an increase of ¥2.5 from the planed dividends for FY2017.

In line with our medium-term dividend policy, we make an overall judgment when determining dividend amounts, emphasizing economic value-based profit indicators that are more suitable for valuing the growth of the life insurance business.

As specific evaluation criteria for the current dividend increase, we decided to raise the dividend in the event that profit based on economic value (in other words, the Group's consolidated adjusted ROE, of which Sony Life's core ROEV constitutes a major proportion) could be expected to be stably at a level of 5% or more over the medium term.

In FY2017, consolidated adjusted ROE was 6.1%, and we expect the figure to be 5% or more in FY2018, as well.

From FY2019, emphasizing the aforementioned evaluation criteria, we will make an overall decision regarding an increase of dividends.

Consolidated adjusted ROE, which differs from ROE according to statutory accounting standards, is an independently determined indicator we used to accurately determine the profitability and capital efficiency of the companies in the Group.

Please refer to slide 52 for the formula used in calculating consolidated adjusted ROE.

Sony Life's Preliminary MCEV and ESR as of March 31, 2018

Please keep in mind that the validity of these calculations has not been verified by outside specialists as of the end of March, 2018.
The calculation of MCEV as of March 31, 2018, in accordance with the MCEV principles and verified by outside specialists, is scheduled to be announced on May 21, 2018.
A part of the calculations of MCEV adopted simplified method for that as of December 31, 2017.

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

Sony Life's MCEV

Sony Financial Holdings

(JPY bn)	Mar. 17	Dec. 17	Mar. 18 *3	Change from Mar. 17	Change from Dec. 17
MCEV	1,441.1	1,509.6	**1,633.2**	+192.1	+123.6
Adjusted net worth	1,657.7	1,717.1	**1,786.1**	+128.4	+69.0
Value of existing business	(216.7)	(207.5)	**(152.9)**	+63.7	+54.6

(JPY bn)	FY16.4Q (3M)	FY17.1Q (3M)	FY17.2Q (3M)	FY17.3Q (3M)	**FY17.4Q (3M)**	**FY17.4Q (12M)**
New business value	14.1	12.2	17.2	19.9	**21.2**	**70.4**
New business margin	3.8%	4.6%	6.4%	6.0%	**6.1%**	**5.8%**

◆ **Reasons for changes in MCEV**

・MCEV as of March 31, 2018 increased ¥123.6 billion form December 31, 2017, due mainly to a revision in the insurance risk measurement method and favorable acquisition of new policies.

◆**New business value/ New business margin**

・New business value for FY17.4Q (3M) was ¥21.2 billion due to a favorable acquisition of new policies.

・New business margin for FY17.4Q (3M) increased 0.1pt from December 31, 2017, due mainly to the change of product portfolio, despite a decrease in interest rates in Japanese yen.

Notes:
1. Calculated MCEV as of December 31, 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. The insurance risk measurement method and others have not changed for new business value and new business margin.
3. The amount as of March 31, 2018 was after a revision in the insurance risk measurement method and others. Please refer to page 48,49 for the details

*Please refer to the appendix page 50 for trend on JGB yields.

Sony Life revised the insurance risk measurement method from March 31, 2018. Please refer to page 48, 49.

Sony Life's MCEV as of March 31, 2018 was ¥1,633.2 billion, up ¥123.6 billion from December 31, 2017, due mainly to a revision in the insurance risk measurement method and others and favorable acquisition of new policies and others.

New business value for FY17.4Q (3M) was ¥21.2 billion, due to a favorable acquisition of new policies.

New business margin for FY17.4Q (3M) was up 0.1 percentage points from December 31, 2017 to 6.1%, due mainly to the change of product portfolio, despite a decrease in interest rates in Japanese yen.

Sony Life's ESR

Sony Financial Holdings

(JPY bn)	Mar. 17	Dec. 17	**Mar. 18 [*3]**
Insurance risk[*1]	937.5	970.4	**497.5**
Market-related risk	405.1	352.5	**380.6**
Of which, interest rate risk[*2]	*308.9*	*257.2*	***275.3***
Operational risk	28.1	29.5	**31.0**
Counter party risk	1.9	2.8	**2.6**
Variance effect	(392.0)	(383.1)	**(182.0)**
The risk amount based on economic value	980.6	972.2	**729.7**

(JPY bn)	Mar. 17	Dec. 17	**Mar. 18 [*3]**
MCEV + Frictional costs	1,476.6	1,539.3	**1,655.8**
ESR	151%	158%	**227%**

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 and others.
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.
3. ESR=(MCEV + Frictional costs) / Risk amount based on economic value.

- **The risk amount based on economic value as of March 31, 2018 amounted to ¥729.7 billion, decreased ¥242.4 billion from December 31, 2017, due mainly to a revision in the insurance risk measurement method and others.**
- **ESR as of March 31, 2018 was 227%, up 69pt from December, 2017 due to a revision in the insurance risk measurement method and others.**

*1 Risk amount excluding the variance effect within Life module and Health module.
*2 Risk amount excluding the variance effect within market-related risk.
*3 The amount as of March 31, 2018 was after a revision in the insurance risk measurement method and others. Please refer to page 48,49 for the details.

The risk amount based on economic value as of March 31, 2018 amounted to ¥729.7 billion, decreased ¥242.4 billion form December 31, 2017, due mainly to a revision in the insurance risk measurement method and others.

ESR as of March 31, 2018 was 227%, up 69 percentage points from December 31, 2017, owing to a significant decrease in the risk amount based on economic value and an increase in MCEV, following a revision in the method of measuring insurance risk and others.

We intend to ensure our ability to maintain ESR at 100% in the future, even if interest rates drop to the same historically low level recorded in July 2016, and we recognize the current level of ESR satisfies the above criteria.

FY2018 marks the third year of the medium-term management plan we announced in 2016, but we formulated a new medium-term management plan that begins this fiscal year. Accordingly, at our corporate strategy meeting on May 31, 2018, we will explain our new medium-term management plan for the three years from FY2018 to FY2020.

Appendix

Recent Topics 1

AEGON Sony Life Insurance
Launch of sales: December 1, 2009
Common stock: ¥36.9 billion (including capital reserves of ¥18.45 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 (33*) *As of May 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 16% of the amount of new mortgage loans for FY2017
Sony Life accounts for 20% of the balance of mortgage loans as of March 31, 2018

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

Sony Assurance's Auto Insurance Sold by Sony Life

■ Sony Life accounts for 4% of new automobile policies for FY2017

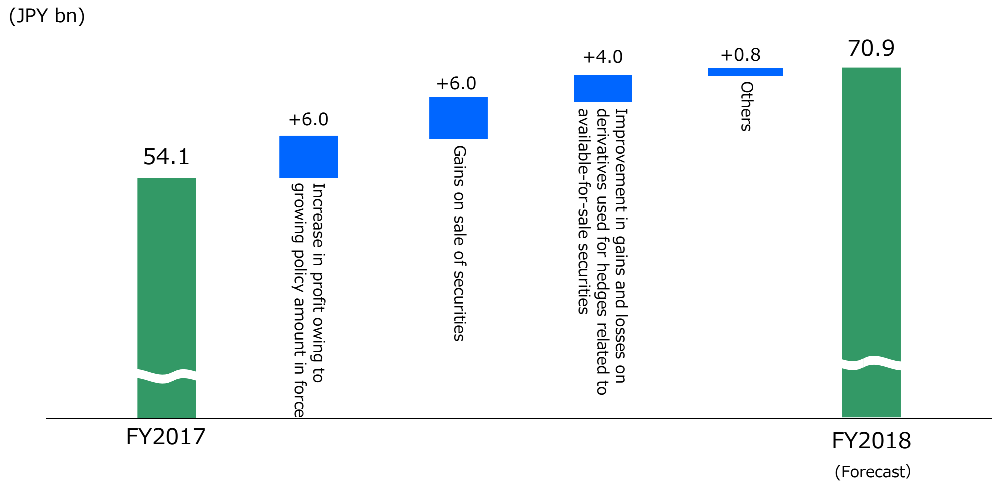
*Sony Life started handling automobile insurance in May 2001.

Recent Topics 2

<Highlights on and after FY17>

2017-04-02	Sony Life commenced sale of new product: "Living Benefit Decreasing Term Life Insurance (Living Standard Type / Non-Participating Type)"
2017-05-01	Sony Lifecare Group opened the nursing care home "SONARE Urawa" in Saitama Prefecture
2017-06-21	Sony Bank changed its President, Representative Director
2017-06-28	Sony Financial Holdings, Sony Life , Sony Assurance and Sony Bank has formulated and disclosed "Customer-First Business Operation Policy"
2017-07-10	Sony Lifecare converted Yuuai Holdigns Co., Ltd. to a wholly owned subsidiary (Yuuai Holding changed its corporate name to Proud Life Inc. on Aug. 1, 2017)
2017-08-08	Sony Bank began providing cloudfunding platform "Sony Bank GATE"
2017-08-10	Sony Life established a joint venture, Sony Life Financial Advisors Pte. Ltd., with Starts Securities Co., Ltd. in Singapore
2017-09-01	Sony Bank opened "CONCULTING PLAZA" in Ginza, Tokyo
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" and recruiting its members 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
2018-01-09	Sony Life announced revisions to 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
2018-04-01	Sony Assurance began offering ASV (Advanced Safety Vehicles) discounts for its automobile insurance commencing on or after Apr. 1, 2018
2018-05-02	Sony Life announced sale of new product "Medical Benefit" and "Medical Benefit Return" from July 2, 2018

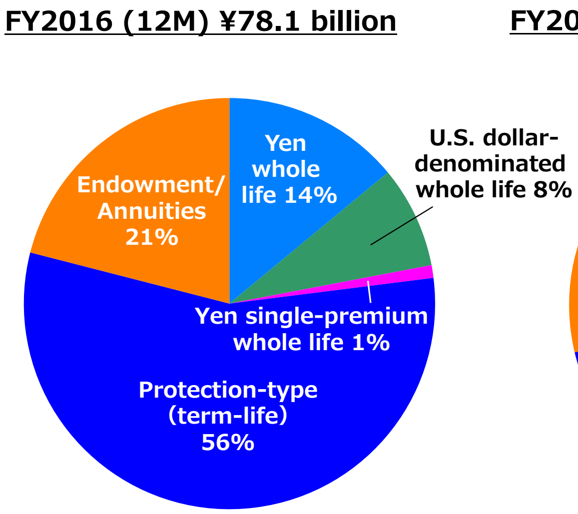
Analysis on Ordinary Profit for Life Insurance Business

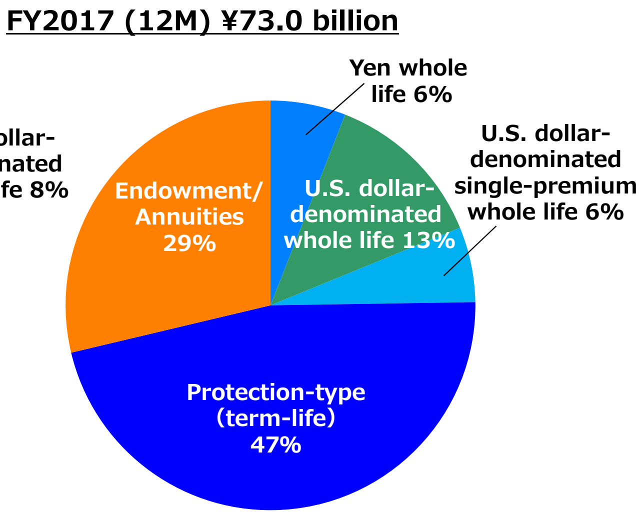


Sony Life's Product Portfolio

Sony Financial Holdings

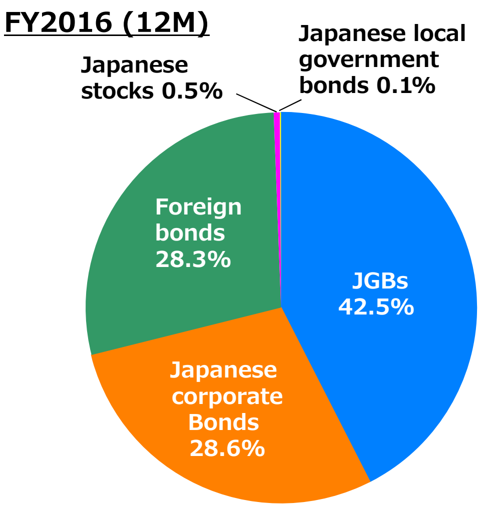
Annualized Premiums from New Policies by Product

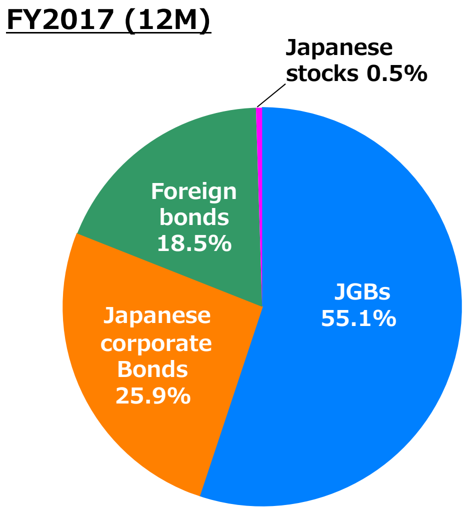




Sony Life's Asset Management

Purchase Securities in the General Account





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)

(JPY bn)	Mar. 16			Mar. 17			**Mar. 18**		
	Carrying amount	Fair value	Net unrealized gains (losses)	Carrying amount	Fair value	Net unrealized gains (losses)	**Carrying amount**	**Fair value**	**Net unrealized gains (losses)**
Held-to-maturity securities	5,383.9	7,410.1	2,026.2	6,068.6	7,514.2	1,445.5	**6,467.9**	**8,050.6**	**1,582.6**
Policy reserve matching bonds	251.2	292.5	41.3	277.3	303.3	25.9	**401.9**	**436.8**	**34.8**
Available-for-sale securities	887.9	1,091.6	203.6	896.5	1,069.9	173.3	**921.9**	**1,091.1**	**169.1**
Japanese bonds (including JGBs)	854.3	1,040.3	186.0	852.6	1,013.3	160.7	**847.0**	**1,002.1**	**155.0**
Japanese stocks	13.6	25.6	12.0	13.6	27.0	13.3	**13.6**	**30.6**	**16.9**
Foreign securities	19.8	25.2	5.4	30.0	29.1	(0.8)	**61.0**	**58.1**	**(2.9)**
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	**7,791.9**	**9,578.6**	**1,786.7**

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		**Mar. 18**	
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)**

Sony Life's Interest Income and Dividends (Details)

(JPY mn)	FY2016	**FY2017**	Change
Cash and deposits	0	**0**	+681.5%
Japanese bonds (including JGBs)	121,103	**125,271**	+3.4%
Japanese stocks	527	**566**	+7.4%
Foreign securities	8,886	**13,975**	+57.3%
Other securities	255	**621**	+143.6%
Loans	6,377	**6,610**	+3.7%
Real estate	10,869	**10,285**	(5.4%)
Others	265	**395**	+49.0%
Total	148,284	**157,727**	+6.4%

Sony Life's Capital Gains/Losses

(JPY mn)	FY2016	FY2017
Capital losses	32,276	**27,357**
Losses on trading securities, net	–	**8**
Losses on sale of securities… (3)	–	**0**
Losses on derivatives, net	30,050	**11,403**
Losses on hedges of variable life insurance…(1)	15,666	**8,424**
Losses on hedges of available-for-sale securities… (2)	2,460	**4,350**
Losses on dollar-denominated insurance…(4)	12,010	**(2,004)**
Foreign exchange losses, net	–	**15,280**
Losses on dollar-denominated insurance (foreign exchange losses in separate accounting) …(4)	–	**15,465**
Other capital losses	2,226	**664**
Losses on dollar-denominated insurance (the provision of policy reserves for foreign exchange fluctuations) …(4)	1,560	–

(JPY mn)	FY2016	FY2017
Capital gains	16,114	**9,894**
Income from trading securities, net	134	**–**
Gains on sale of securities…(3)	1,308	**0**
Gains on derivatives, net	–	**–**
Foreign exchange gains, net	14,670	**–**
Gains on dollar-denominated insurance (foreign exchange gains in separate accounting) …(4)	12,389	**–**
Gains (losses) on sale of foreign bonds	2,375	**–**
Other capital gains	–	**9,894**
Gains on dollar-denominated insurance (the reversal of policy reserves for foreign exchange fluctuations)	–	**9,894**
Net capital gains (losses)	(16,162)	**(17,463)**

Note: The figures of 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.

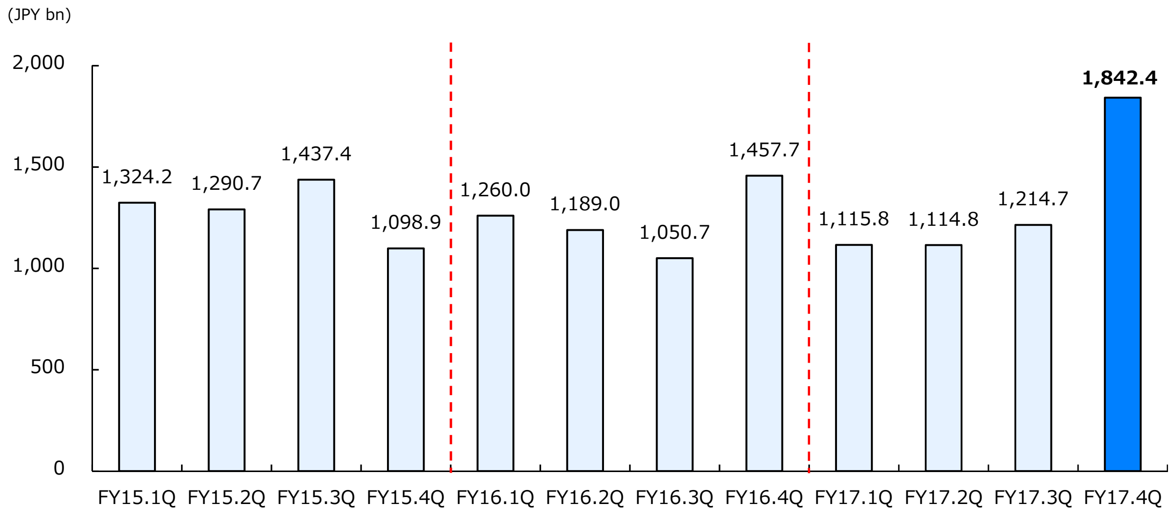
(JPY mn)	FY2016	FY2017
(1) Gains (Losses) on hedges of variable life insurance	(15,666)	**(8,424)**
(2) Gains (losses) on hedges of available-for-sale securities	(2,460)	**(4,350)**
(3) Gains (losses) on sale of securities	1,308	**0**
(4) Gains (losses) on dollar-denominated insurance	(1,181)	**(3,566)**

(JPY mn)	FY2016	FY2017
The total amount of gains (losses) on sale of securities and gains (losses) on sale of foreign bonds	3,683	**0**

Sony Life's Quarterly Trend on New Policy Amount

Sony Financial Holdings

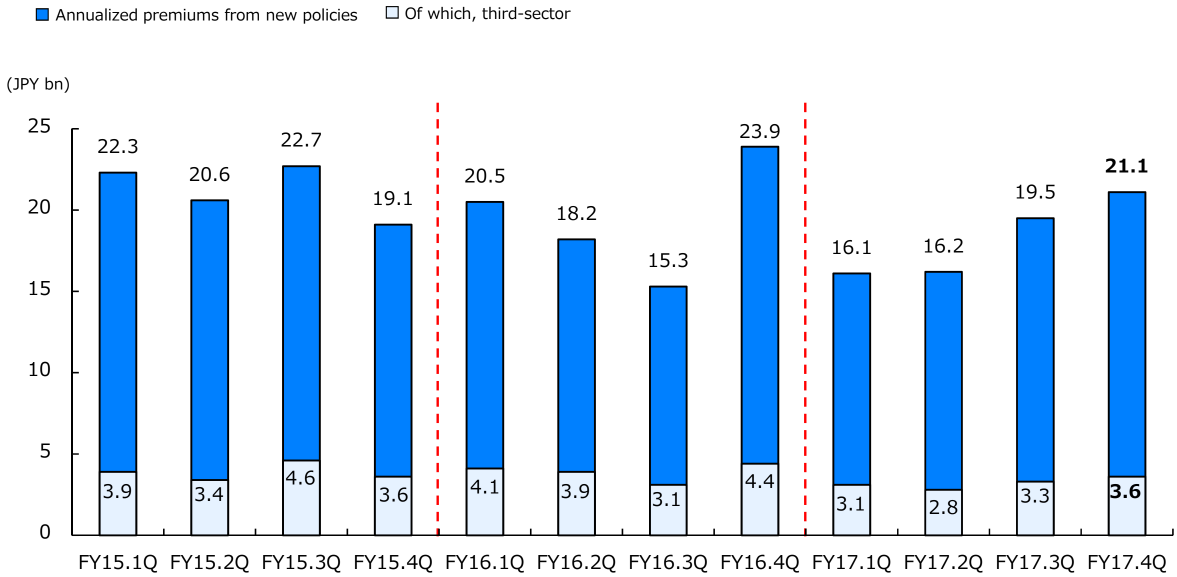
Quarterly Trend on New Policy Amount



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

Sony Financial Holdings

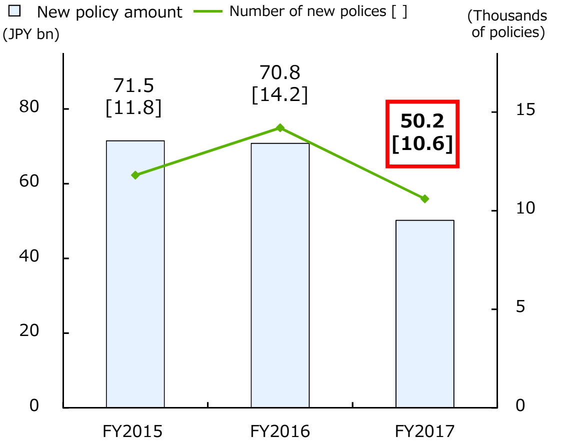
Quarterly Trend on Annualized Premiums from New Policies



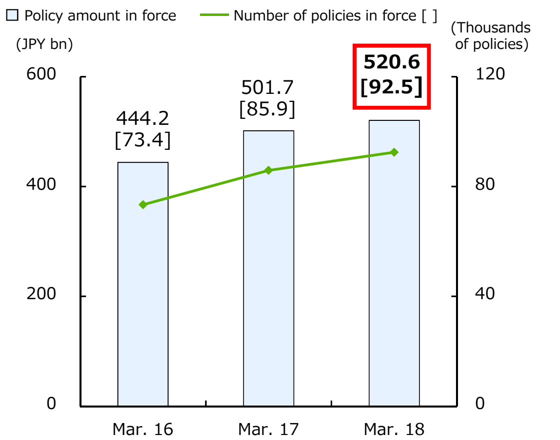
Operating Performance : AEGON Sony Life Insurance

◆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)	FY2016	**FY2017**	Change
AEGON Sony Life Insurance	(4.4)	**(4.3)**	+0.1
SA Reinsurance	(2.6)	**(0.5)**	+2.0

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.

Revision in Sony Life's Method of Measuring Insurance Risk and others

Sony Financial Holdings

◆About the method measuring insurance risk

- From the time it began disclosing MCEV up until the present, from the perspective of transparency and comparability Sony Life has employed a measurement method based on the EU Solvency II standard, which is a leader in capital requirements based on economic value.
- During this time, the industry has deliberated risk measurement methods and internal models. Also, Sony Life has accumulated its own experiential data related to insurance risk, as well as knowledge about this risk in relation to its internal model. As a result, the internal model has grown more sophisticated.
- For these reasons, as of March 31, 2018, Sony Life changed its method of measuring insurance risk to employ an internal model that reflects the company's own risk characteristics.

◆About the cost of capital rate

- We have set a cost of capital rate conforming to an MCEV framework that takes market data into consideration. Taking the status of recent market data and trends into consideration, as of March 31, 2018, we revised the cost of capital rate for measuring MCEV as of March 31, 2018 (increasing the rate from 2.5% to 3.0%).

The following page shows the impact of these changes on MCEV and ESR and others as of March 31, 2018.

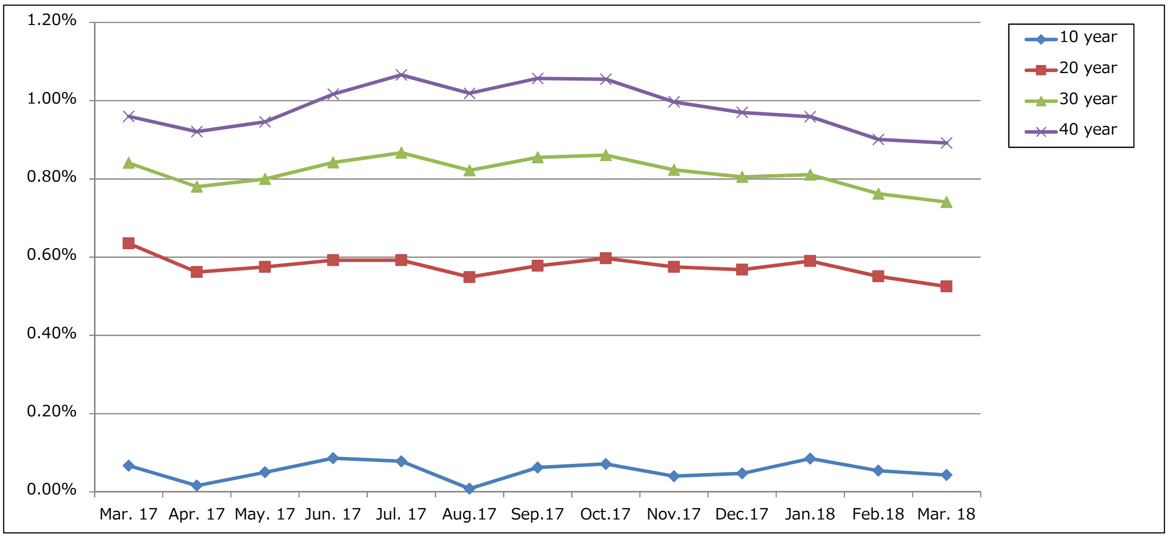
Amount of Impact led by Revision in Sony Life's Method of Measuring Insurance Risk and others

March 31, 2018 (JPY bn)	Before revision	After revision	The amount of impact
MCEV	1,536.5	1,633.2	+96.6
Insurance risk	987.9	497.5	(490.4)
Market-related risk	380.6	380.6	—
Operational risk	31.0	31.0	—
Counter party risk	2.6	2.6	—
Variance effect	(397.1)	(182.0)	+215.1
The risk amount based on economic value	1,005.0	729.7	(275.3)
MCEV + Frictional costs	1,569.3	1,655.8	+86.5
ESR	156%	227%	+71pt

◆ Of the MCEV impact of +¥96.6 billion, changes in capital cost rates had an impact on MCEV of negative ¥53.0 billion.

◆ New business value reflects such factors as a revision in the insurance risk measurement method and others from FY2018.The impact on the new business margin for new policies in FY2017 if the revised insurance risk measurement method were reflected would be +0.7 pt.

Trend on JGB Yields (Par rate)

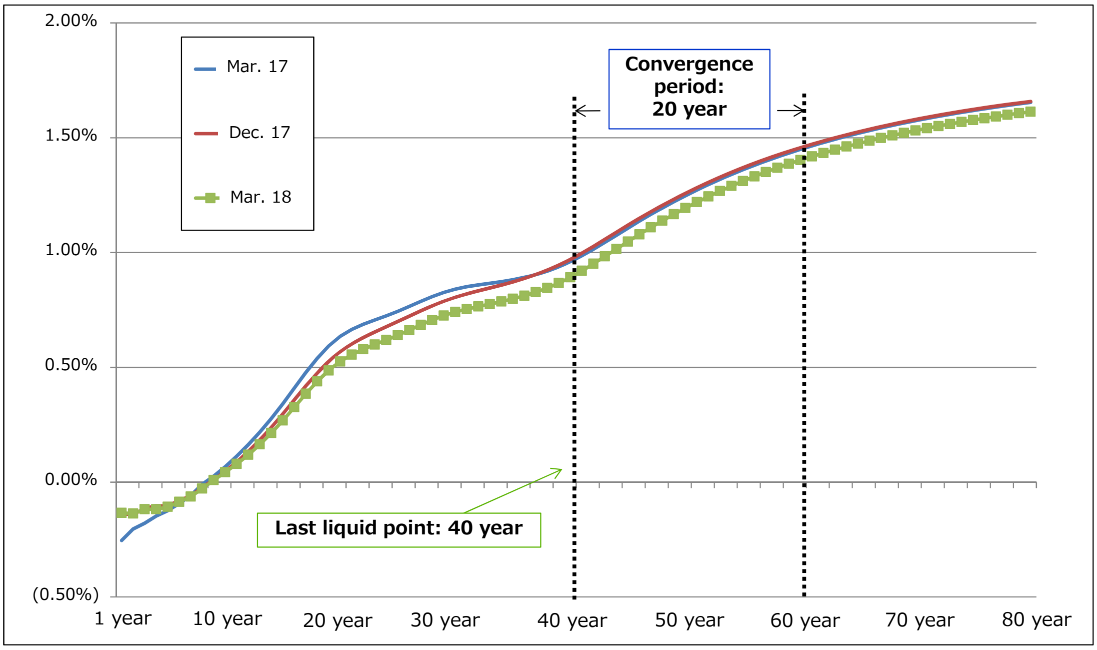


As of the end of each month

	Mar.17	Apr.17	May.17	Jun.17	Jul.17	Aug.17	Sep.17	Oct.17	Nov.17	Dec.17	Jan.18	Feb.18	Mar.18
10 year	0.07%	0.02%	0.05%	0.09%	0.08%	0.01%	0.06%	0.07%	0.04%	0.05%	0.09%	0.05%	0.04%
20 year	0.64%	0.56%	0.58%	0.59%	0.59%	0.55%	0.58%	0.60%	0.58%	0.57%	0.59%	0.55%	0.53%
30 year	0.84%	0.78%	0.80%	0.84%	0.87%	0.82%	0.86%	0.86%	0.82%	0.81%	0.81%	0.76%	0.74%
40 year	0.96%	0.92%	0.95%	1.02%	1.07%	1.02%	1.06%	1.06%	1.00%	0.97%	0.96%	0.90%	0.89%

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

Sony Financial Holdings



*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%).

Definition of Consolidated Adjusted ROE

Calculation of Consolidated Adjusted ROE

Since each company of Sony Financial Group differs by industry such as insurance and banking, each group company calculate its “Adjusted ROE” based on adjusted profit and adjusted capital to realize its corporate value and capital efficiency.

Sony Financial Group *

	Sony Life Core ROEV		Sony Assurance Adjusted ROE		Sony Bank ROE
Numerator (Adjusted profit)	New business value + Expected existing business contribution ①	+	Net income (loss) + Provision amount for catastrophe reserve and its provision amount for reserve for price fluctuations, in each case after taxes ②	+	Profit (loss) attributable to owners of the parent ③
Denominator (Adjusted capital)	MCEV as of the beginning of the fiscal year less dividends paid plus MCEV as of the end of the fiscal year, divided by two. ④	+	The average amount of net assets plus the sum of catastrophe reserve and its reserve for price fluctuations during the fiscal year, in each case after taxes ⑤	+	The average amount of net assets during the fiscal year ⑥

*Consolidated Adjusted ROE = Consolidated Adjusted Profit divided by Consolidated Adjusted Capital
Consolidated Adjusted Profit = ①+②+③
Consolidated Adjusted Capital = ④+⑤+⑥

Sony Financial Holdings

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