

**Presentation Material**

**Consolidated Financial Results  
for the Three Months Ended June 30, 2018  
and  
Sony Life's MCEV as of June 30, 2018**

**Sony Financial Holdings Inc.  
August 9, 2018**

- **Consolidated Operating Results for the Three Months Ended June 30, 2018 (FY18.1Q)** **P.3**
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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.

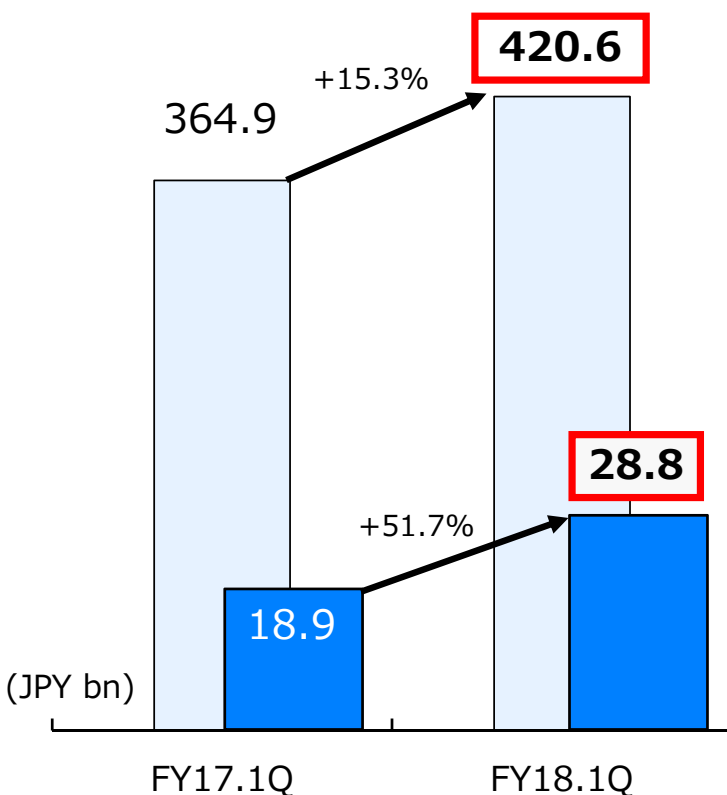
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# **Consolidated Operating Results for the Three Months Ended June 30, 2018 (FY18.1Q)**

# Highlights of Consolidated Operating Performance (1)

## <Consolidated>

- Ordinary revenues
- Ordinary profit



|                             |   | (JPY bn) | FY17.1Q | FY18.1Q | Change |        |
|-----------------------------|---|----------|---------|---------|--------|--------|
| Life insurance business     | Ordinary revenues                           |          | 327.9   | 379.4   | +51.4  | +15.7% |
|                             | Ordinary profit                             |          | 15.1    | 22.9    | +7.7   | +51.4% |
| Non-life insurance business | Ordinary revenues                           |          | 28.0    | 29.7    | +1.6   | +5.9%  |
|                             | Ordinary profit                             |          | 2.3     | 3.8     | +1.4   | +60.0% |
| Banking business            | Ordinary revenues                           |          | 9.7     | 10.7    | +1.0   | +10.8% |
|                             | Ordinary profit                             |          | 1.7     | 2.2     | +0.5   | +31.0% |
| Intersegment adjustments*   | Ordinary revenues                           |          | (0.7)   | 0.7     | +1.5   | –      |
|                             | Ordinary profit                             |          | (0.2)   | (0.1)   | +0.0   | –      |
| Consolidated                | Ordinary revenues                           |          | 364.9   | 420.6   | +55.6  | +15.3% |
|                             | Ordinary profit                             |          | 18.9    | 28.8    | +9.8   | +51.7% |
|                             | Profit attributable to owners of the parent |          | 12.5    | 20.0    | +7.5   | +59.8% |

\* “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.

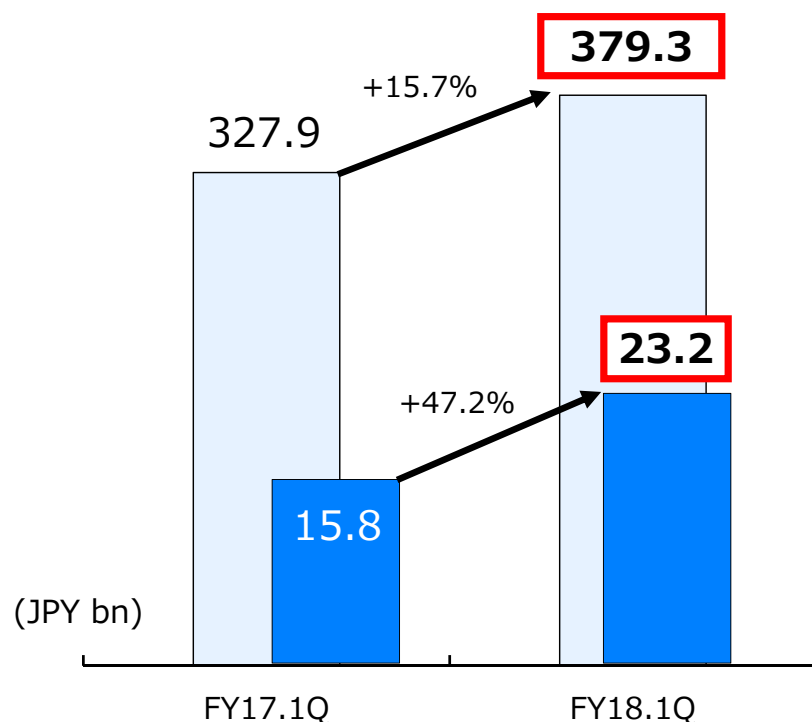
(Note) Comprehensive income : FY17.1Q: ¥13.9 billion, FY18.1Q: ¥15.7 billion

|              |              | (JPY bn) | Mar. 18  | Jun. 18  | Change from Mar. 18 |        |
|--------------|--------------|----------|----------|----------|---------------------|--------|
| Consolidated | Net assets   |          | 625.4    | 615.0    | (10.3)              | (1.7%) |
|              | Total assets |          | 12,401.4 | 12,772.0 | +370.5              | +3.0%  |

- Life Insurance Business : Ordinary revenues grew year-on-year due to higher income from insurance premiums due mainly to a steady rise in the policy amount in force. Ordinary profit increased year on year due to a recording of gains on sale of securities in the general account and to an increase in profit on higher policies in force.
- 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 mainly to declines in the expense ratio and loss ratio.
- Banking Business : Both ordinary revenues and ordinary profit rose year on year due to increases in interest income on investment securities and on loans in line with a growing balance of mortgage loans.
- Ordinary revenues increased 15.3% year on year, to ¥420.6 billion, owing to increases in ordinary revenues from all the businesses: life insurance, non-life insurance and banking businesses. Ordinary profit increased 51.7% year on year, to ¥28.8 billion, owing to increases in ordinary profit from all the businesses mentioned above. Profit attributable to owners of the parent was up 59.8% year on year, to ¥20.0 billion, owing to the increase in ordinary profit.

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

□ Ordinary revenues    ■ Ordinary profit



- ◆ Both ordinary revenues and ordinary profit increased year on year.
- ◆ Income from insurance premiums increased owing to a steady rise in the policy amount in force.
- ◆ Investment income increased due mainly to an increase in gains on foreign exchange in the general account.
- ◆ Ordinary profit increased year on year due to a recording of gains on sale of securities in the general account and to an increase in profit on higher policies in force.

| (JPY bn)                                 | FY17.1Q | FY18.1Q      | Change |        |
|--|---------|--------------|--------|--------|
| <b>Ordinary revenues</b>                 | 327.9   | <b>379.3</b> | +51.4  | +15.7% |
| Income from insurance premiums           | 241.1   | <b>269.5</b> | +28.3  | +11.8% |
| Investment income                        | 83.1    | <b>106.9</b> | +23.8  | +28.7% |
| Interest income and dividends            | 38.8    | <b>40.4</b>  | +1.6   | +4.1%  |
| Gains on sale of securities              | 0.0     | <b>3.2</b>   | +3.2   | —      |
| Foreign exchange gains, net              | 0.0     | <b>12.2</b>  | +12.2  | —      |
| Gains on separate accounts, net          | 43.0    | <b>49.8</b>  | +6.8   | +15.8% |
| <b>Ordinary expenses</b>                 | 312.1   | <b>356.0</b> | +43.9  | +14.1% |
| Insurance claims and other payments      | 96.7    | <b>100.8</b> | +4.0   | +4.2%  |
| Provision for policy reserves and others | 165.5   | <b>202.0</b> | +36.4  | +22.0% |
| Investment expenses                      | 8.9     | <b>9.3</b>   | +0.3   | +4.5%  |
| Losses on derivatives, net               | 7.0     | <b>7.8</b>   | +0.8   | +12.0% |
| Operating expenses                       | 33.2    | <b>35.4</b>  | +2.2   | +6.7%  |
| <b>Ordinary profit</b>                   | 15.8    | <b>23.2</b>  | +7.4   | +47.2% |
| <b>Net income</b>                        | 10.1    | <b>16.3</b>  | +6.2   | +61.7% |

| (JPY bn)                                 | Mar. 18 | Jun. 18        | Change from Mar. 18 |        |
|--|---------|----------------|---------------------|--------|
| <b>Securities</b>                        | 8,765.9 | <b>8,982.9</b> | +216.9              | +2.5%  |
| <b>Policy reserves</b>                   | 8,566.0 | <b>8,767.1</b> | +201.0              | +2.3%  |
| <b>Net assets</b>                        | 492.7   | <b>479.3</b>   | (13.4)              | (2.7%) |
| Net unrealized gains on other securities | 124.9   | <b>121.3</b>   | (3.5)               | (2.8%) |
| <b>Total assets</b>                      | 9,567.6 | <b>9,802.6</b> | +234.9              | +2.5%  |
| Separate account assets                  | 1,128.8 | <b>1,195.7</b> | +66.9               | +5.9%  |

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

| (JPY bn)                                     | FY17.1Q | FY18.1Q        | Change  |
|--|---------|----------------|---------|
| <b>New policy amount</b>                     | 1,115.8 | <b>1,674.7</b> | +50.1%  |
| <b>Lapse and surrender amount</b>            | 451.5   | <b>896.4</b>   | +98.5%  |
| <b>Lapse and surrender rate</b>              | 1.00%   | <b>1.90%</b>   | +0.90pt |
| <b>Annualized premiums from new policies</b> | 16.1    | <b>18.7</b>    | +15.7%  |
| Of which, third-sector products              | 3.1     | <b>3.3</b>     | +8.4%   |

| (JPY bn)  | FY17.1Q | FY18.1Q     | Change |
|---|---------|-------------|--------|
| <b>Gains from investment, net (General account)</b> | 31.1    | <b>47.7</b> | +53.7% |
| <b>Core profit</b>                                  | 24.9    | <b>26.7</b> | +7.4%  |
| <b>Positive spread</b>                              | 4.5     | <b>4.2</b>  | (6.7%) |

| (JPY bn)   | Mar. 18  | Jun. 18         | Change From Mar. 18 |
|--|----------|-----------------|---------------------|
| <b>Policy amount in force</b>                      | 47,253.4 | <b>47,870.8</b> | +1.3%               |
| <b>Annualized premiums from insurance in force</b> | 848.8    | <b>856.3</b>    | +0.9%               |
| Of which, third-sector products                    | 191.8    | <b>193.5</b>    | +0.9%               |
| <b>Non-consolidated solvency margin ratio</b>      | 2,624.3% | <b>2,648.6%</b> | +24.3pt             |

## <Reasons for changes>

◆ Increased due to favorable sales of family income insurance.

◆ Increased due to cancellations of existing policies from certain customers taking out new policies such as family income insurance. This shift resulted from premium revisions, owing to the revision of the standard mortality tables.

◆ Increased due to favorable sales of U.S. dollar-denominated insurance and individual annuities.

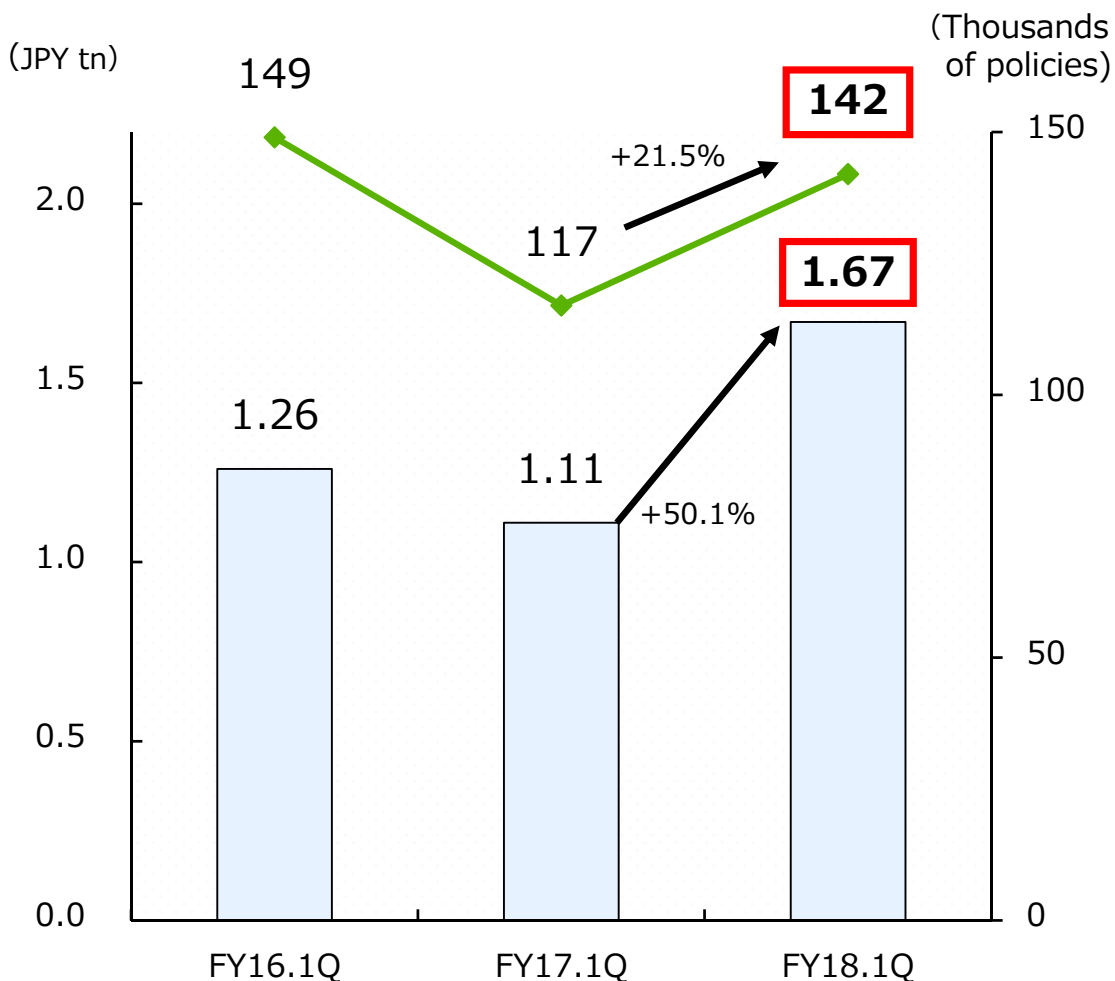
◆ Increased due to an increase of policy amount in force.

Note: Figures for new policy amount, lapse and surrender amount, lapse and surrender rate, annualized premiums from new policies, policy amount in force, 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.

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

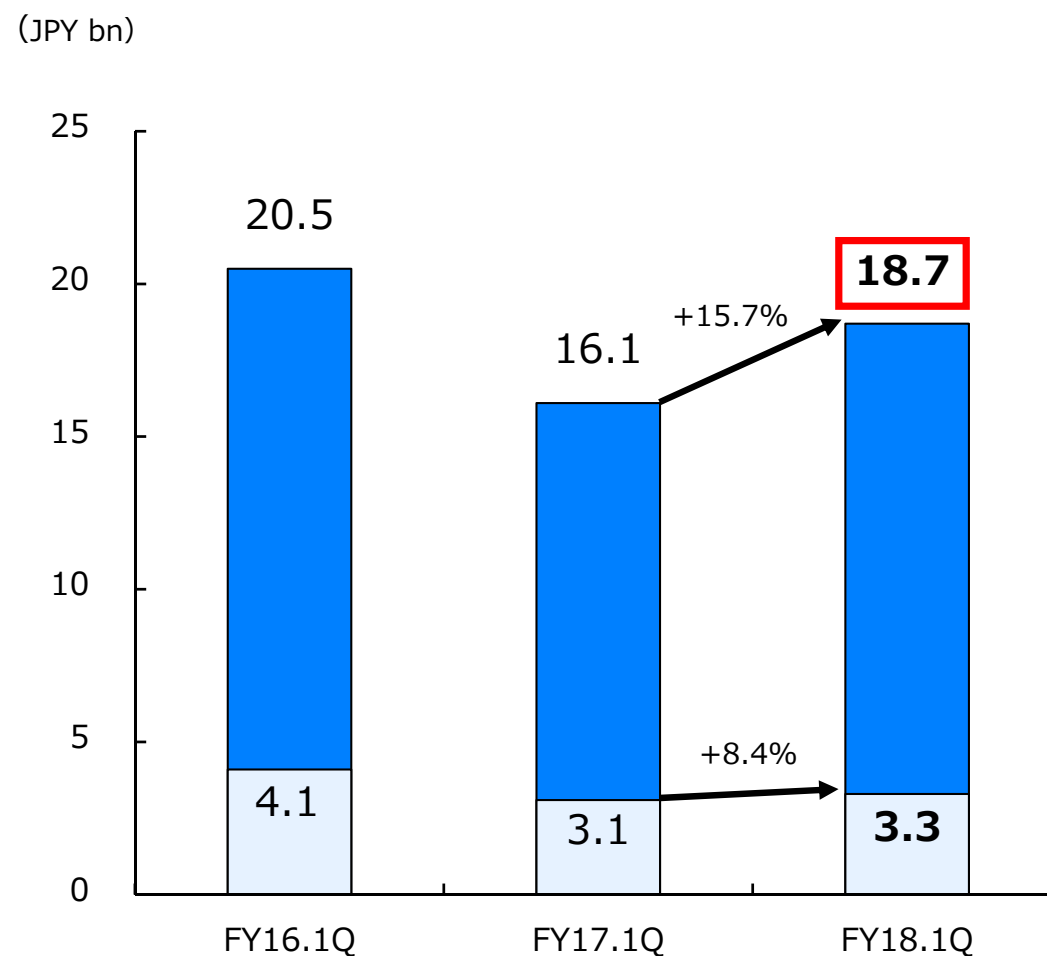
## Number and Amount of New Policies (Individual Life Insurance + Individual Annuities)

□ 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





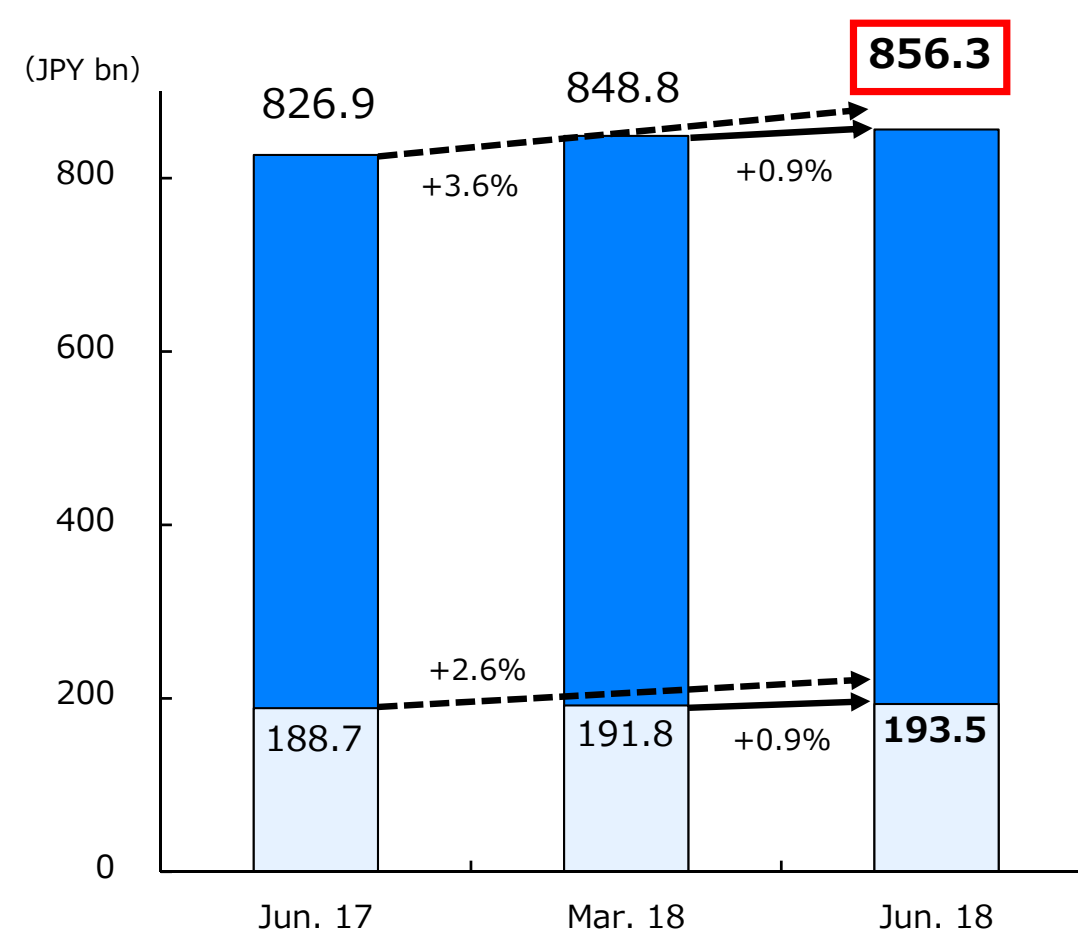
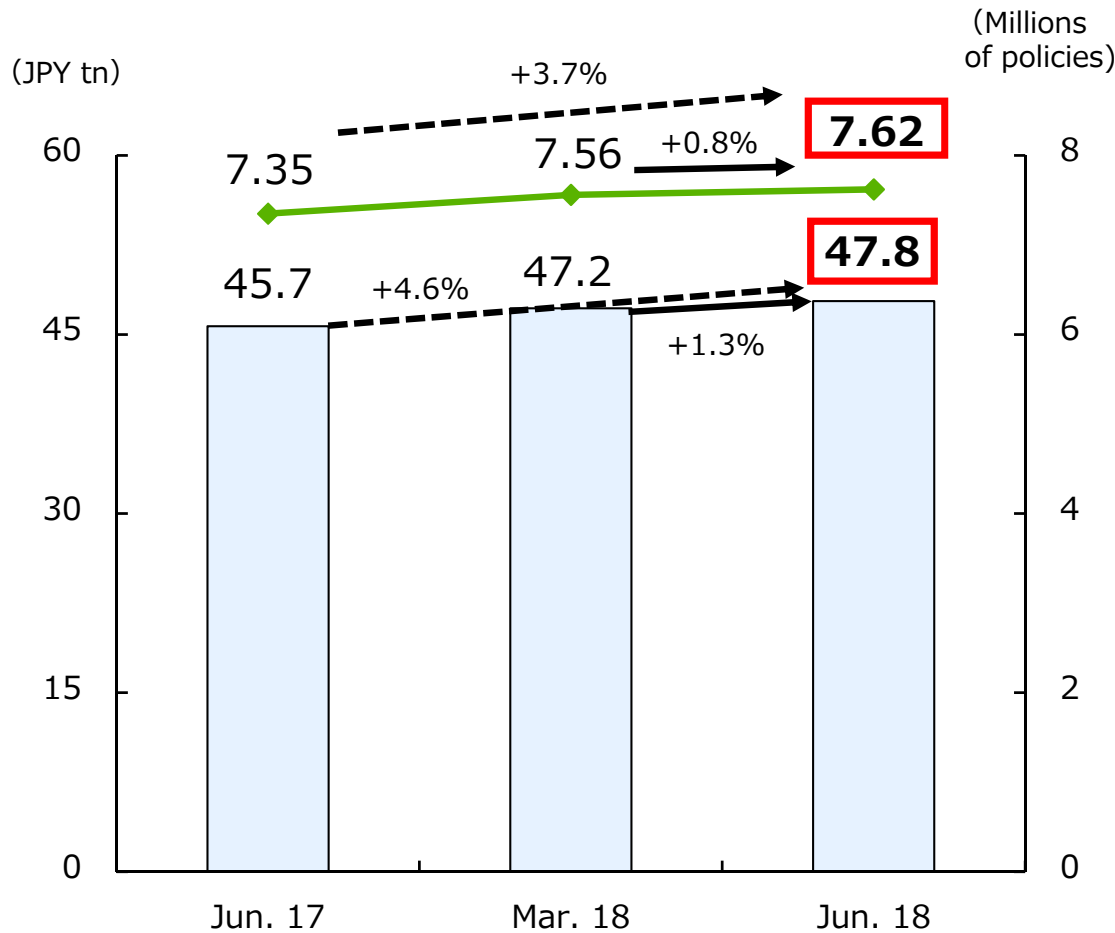
# Operating Performance : Sony Life (Non-consolidated) (2)

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

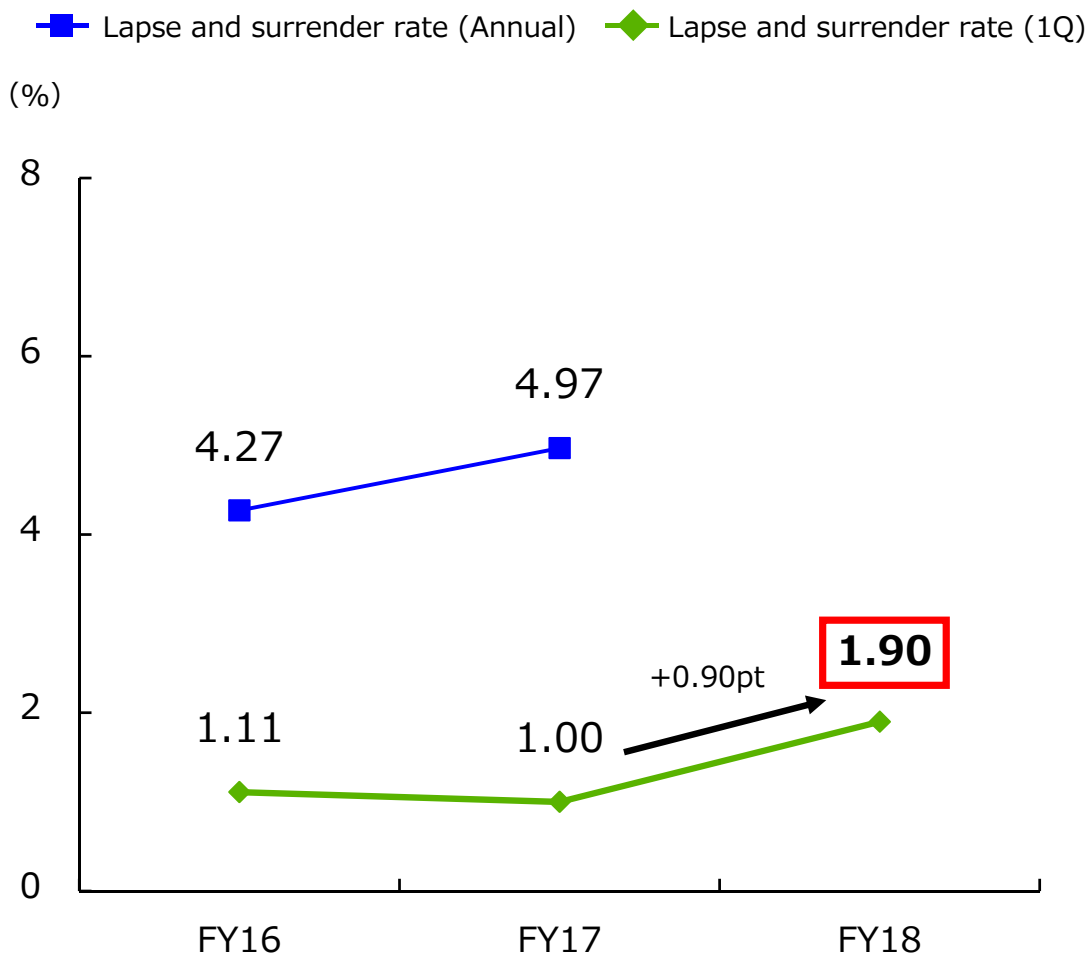
□ Policy amount in force    — Number of policies in force

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

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



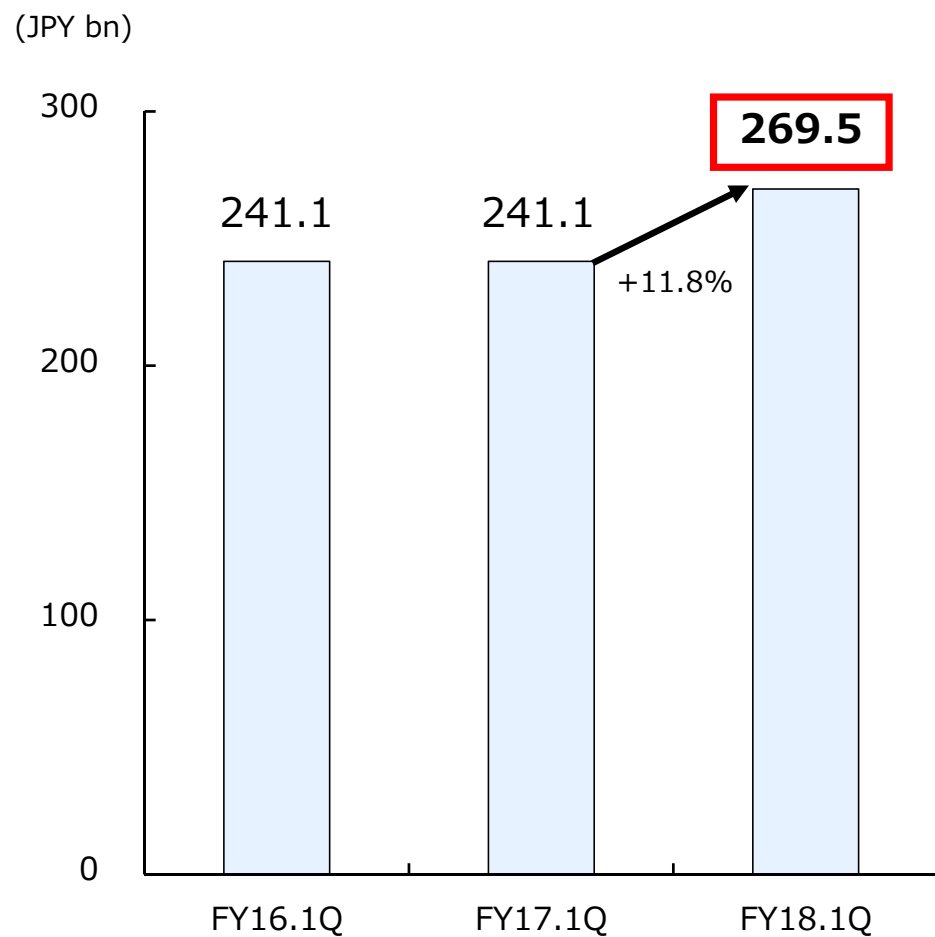
## Lapse and Surrender Rate\* (Individual Life Insurance + Individual Annuities)



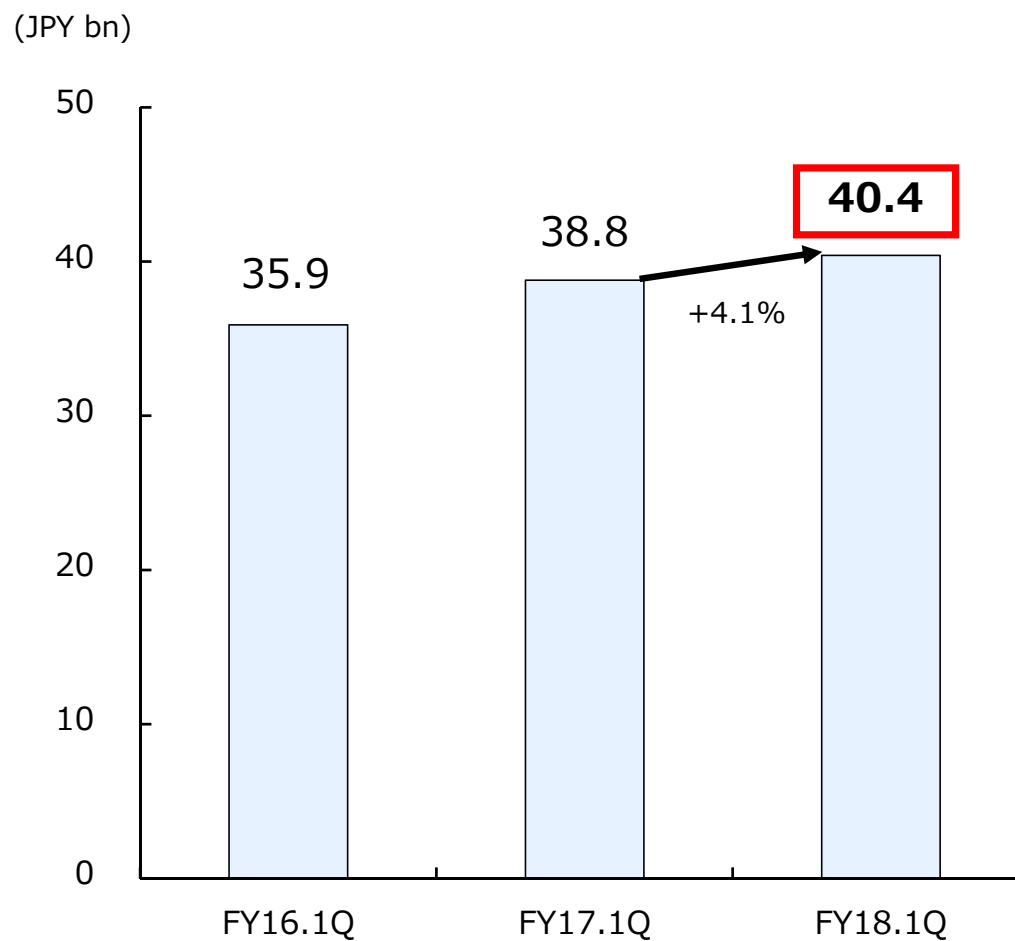
\*The lapse and surrender rate shows the ratio derived by dividing the amount of lapses and surrenders, not adjusted for policy amount decreases, increases, and reinstatements, by the policy amount in force at the beginning of the fiscal year.

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

## Income from Insurance Premiums



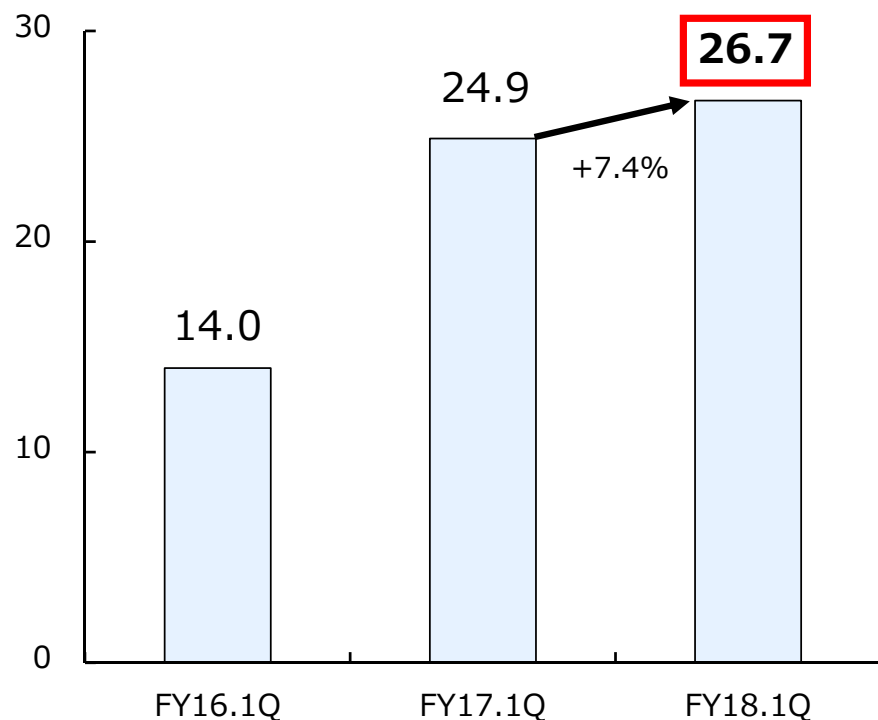
## Interest Income and Dividends



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

## Core Profit

(JPY bn)

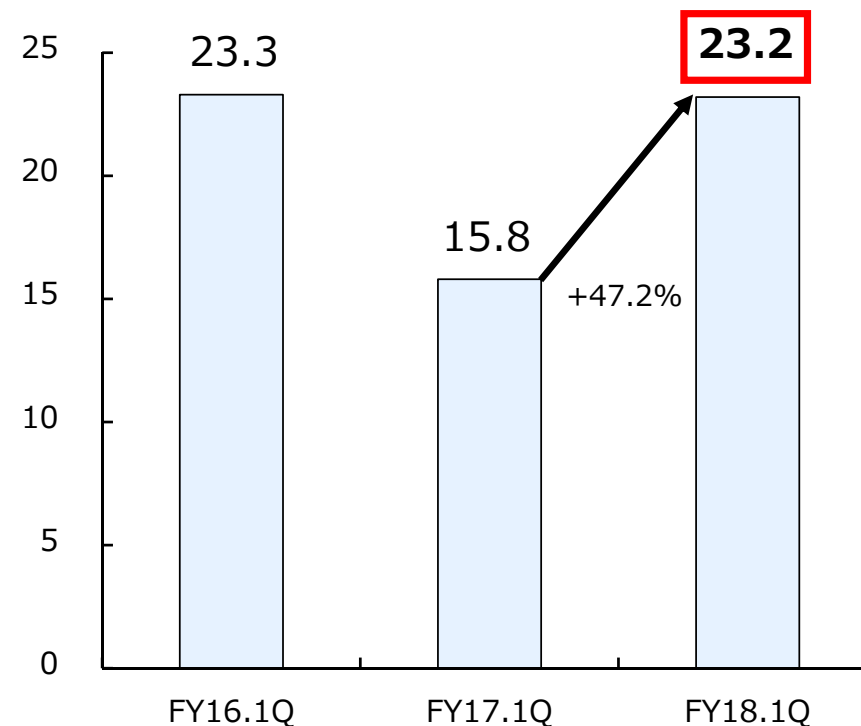


(Reference) Impact on core profit

| (JPY bn)  | FY16.1Q | FY17.1Q | FY18.1Q      |
|---|---------|---------|--------------|
| Positive spread   | 3.2     | 4.5     | <b>4.2</b>   |
| Provision of policy reserves for minimum guarantees for variable life insurance (*) | (8.9)   | (0.1)   | <b>(0.8)</b> |
| Others  | 19.7    | 20.6    | <b>23.3</b>  |

## Ordinary Profit

(JPY bn)



(Reference) Main differences from core profit

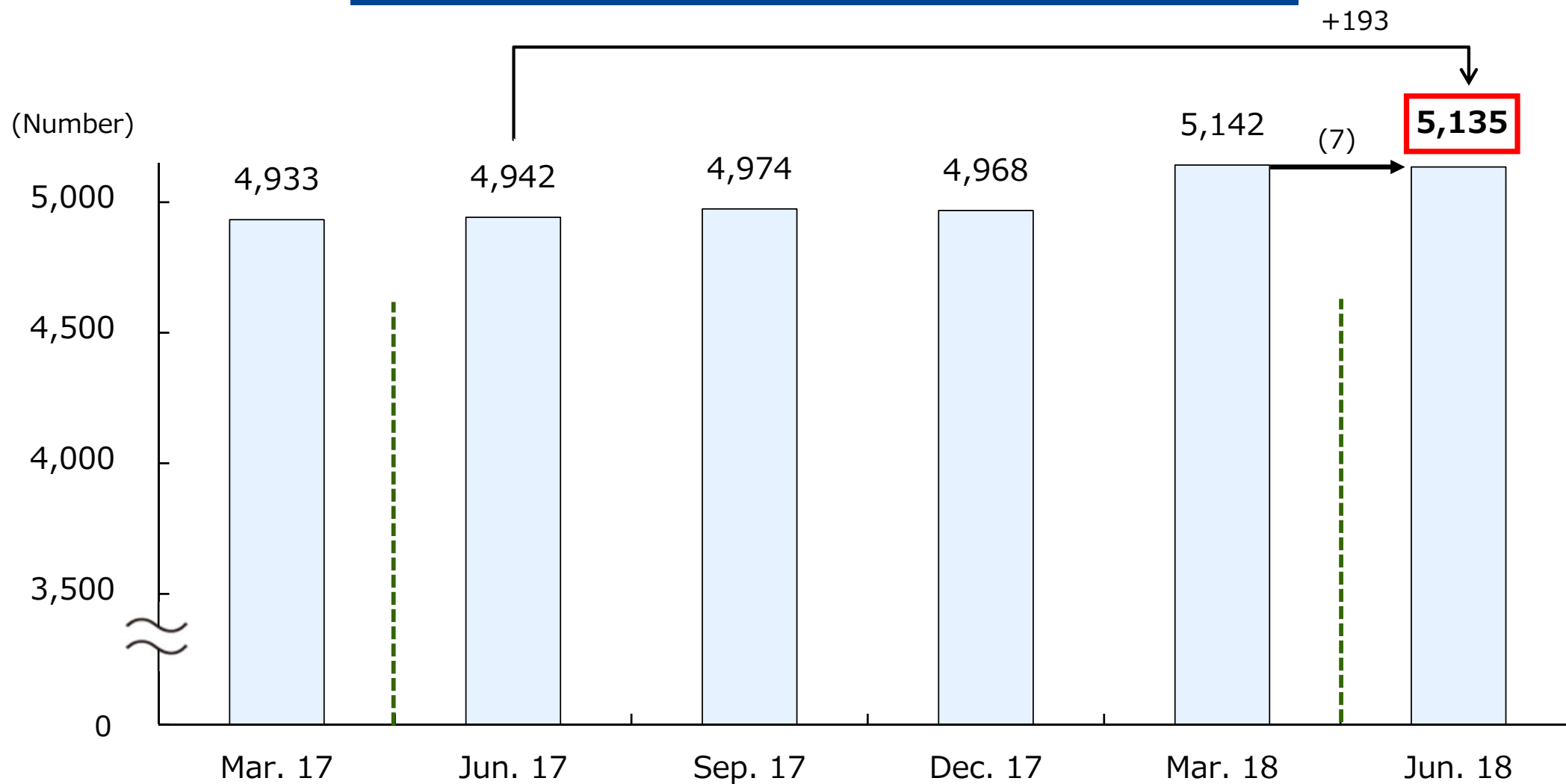
| (JPY bn)   | FY16.1Q | FY17.1Q | FY18.1Q      |
|--|---------|---------|--------------|
| Capital gains (losses) excluding gains or losses on hedges (*) | 6.1     | (3.0)   | <b>2.6</b>   |
| Gains (losses) on hedges of variable life insurance            | 4.9     | (4.2)   | <b>(3.9)</b> |
| Provision of contingency reserve (*)                           | (1.7)   | (1.7)   | <b>(2.1)</b> |

\*"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. 18 |        | Jun. 18        |               |
|--|---------|--------|----------------|---------------|
|  | Amount  | %      | Amount         | %             |
| <b>Japanese bonds (including JGBs)</b> | 7,281.1 | 86.3%  | <b>7,383.9</b> | <b>85.8%</b>  |
| <b>Japanese stocks</b>                 | 38.4    | 0.5%   | <b>34.6</b>    | <b>0.4%</b>   |
| <b>Foreign bonds</b>                   | 366.5   | 4.3%   | <b>423.1</b>   | <b>4.9%</b>   |
| <b>Foreign stocks</b>                  | 30.3    | 0.4%   | <b>28.1</b>    | <b>0.3%</b>   |
| <b>Money held in trust</b>             | 270.5   | 3.2%   | <b>268.4</b>   | <b>3.1%</b>   |
| <b>Policy loans</b>                    | 189.4   | 2.2%   | <b>190.8</b>   | <b>2.2%</b>   |
| <b>Real estate*</b>                    | 92.3    | 1.1%   | <b>91.9</b>    | <b>1.1%</b>   |
| <b>Cash and call loans</b>             | 40.8    | 0.5%   | <b>49.8</b>    | <b>0.6%</b>   |
| <b>Others</b>                          | 129.1   | 1.5%   | <b>135.8</b>   | <b>1.6%</b>   |
| <b>Total</b>                           | 8,438.8 | 100.0% | <b>8,606.9</b> | <b>100.0%</b> |

\*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. 17 21.3 years**

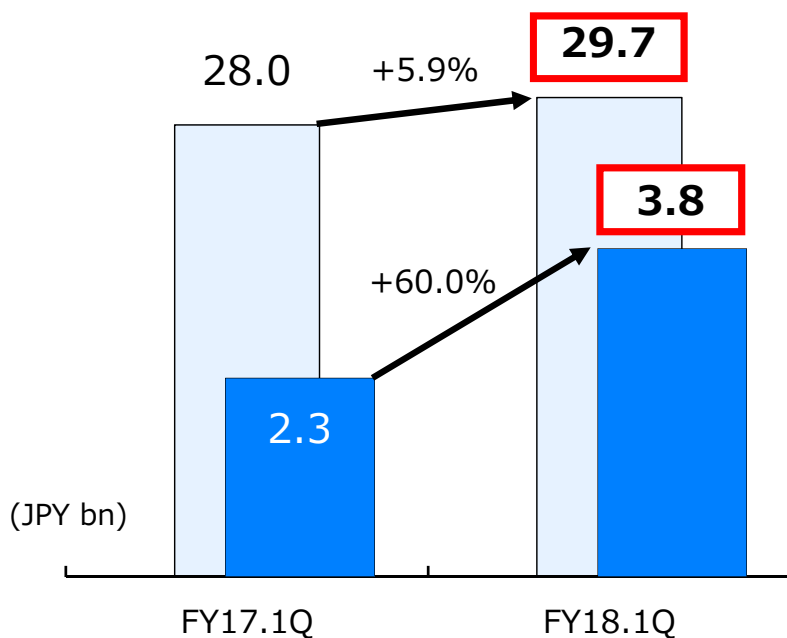
**Mar. 18 21.4 years**

**Jun. 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 money held in trust in the general account : Jun. 18 . . . 88.9%  
(Mar. 18 . . . 89.5%)

# Highlights of Operating Performance: Sony Assurance

□ Ordinary revenues ■ Ordinary profit



- ◆ Both ordinary revenues and ordinary profit increased year on year.
- ◆ Ordinary revenues expanded owing to an increase in net premium written for mainstay automobile insurance.
- ◆ Ordinary profit increased due mainly to a decline in the expense ratio and loss ratio.

| (JPY bn)                                      | FY17.1Q | FY18.1Q     | Change |        |
|---|---------|-------------|--------|--------|
| <b>Ordinary revenues</b>                      | 28.0    | <b>29.7</b> | +1.6   | +5.9%  |
| Underwriting income                           | 27.5    | <b>29.0</b> | +1.4   | +5.4%  |
| Investment income                             | 0.4     | <b>0.6</b>  | +0.1   | +37.2% |
| <b>Ordinary expenses</b>                      | 25.6    | <b>25.9</b> | +0.2   | +0.9%  |
| Underwriting expenses                         | 19.0    | <b>19.3</b> | +0.3   | +1.6%  |
| Operating general and administrative expenses | 6.6     | <b>6.5</b>  | (0.0)  | (1.1%) |
| <b>Ordinary profit</b>                        | 2.3     | <b>3.8</b>  | +1.4   | +60.0% |
| <b>Net income</b>                             | 1.6     | <b>2.7</b>  | +1.0   | +61.4% |

| (JPY bn)                     | Mar. 18 | Jun. 18      | Change from Mar. 18 |        |
|------------------------------|---------|--------------|---------------------|--------|
| <b>Underwriting reserves</b> | 117.0   | <b>120.8</b> | +3.7                | +3.2%  |
| <b>Net assets</b>            | 33.1    | <b>33.1</b>  | (0.0)               | (0.1%) |
| <b>Total assets</b>          | 204.3   | <b>205.5</b> | +1.1                | +0.6%  |

# Overview of Operating Performance: Sony Assurance

| (JPY bn)                       | FY17.1Q | <b>FY18.1Q</b> | Change  |
|--------------------------------|---------|----------------|---------|
| <b>Direct premiums written</b> | 27.2    | <b>28.8</b>    | +5.7%   |
| <b>Net premiums written</b>    | 27.5    | <b>29.0</b>    | +5.4%   |
| <b>Net losses paid</b>         | 12.1    | <b>13.0</b>    | +7.4%   |
| <b>Underwriting profit</b>     | 1.9     | <b>3.1</b>     | +65.9%  |
| <b>Net loss ratio</b>          | 50.8%   | <b>51.8%</b>   | +1.0pt  |
| <b>Net expense ratio</b>       | 25.9%   | <b>24.3%</b>   | (1.6pt) |
| <b>Combined ratio</b>          | 76.7%   | <b>76.1%</b>   | (0.6pt) |

## <Reasons for changes>

◆ Increased in its mainstay automobile insurance.

◆ Declined due mainly to a decrease in system-related expenses.

Notes:

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

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

|   | FY17.1Q | <b>FY18.1Q</b> | Change  |
|---|---------|----------------|---------|
| <b>E. I. loss ratio</b>                     | 58.6%   | <b>56.9%</b>   | (1.7pt) |
| <b>E. I. loss ratio + Net expense ratio</b> | 84.5%   | <b>81.2%</b>   | (3.3pt) |

◆ Declined due to lower insurance payments per claim which include provisions for reserve for outstanding losses and claims.

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. 18 | <b>Jun. 18</b> | Change from Mar. 18 |       |
|---|---------|----------------|---------------------|-------|
| <b>Number of policies in force</b>            | 2.07mn  | <b>2.10mn</b>  | +0.03mn             | +1.5% |
| <b>Non-consolidated solvency margin ratio</b> | 782.1%  | <b>828.4%</b>  | +46.3pt             |       |

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



# Sony Assurance's Underwriting Performance by Type of Policy

## Direct Premiums Written

| (JPY mn)                               | FY17.1Q | <b>FY18.1Q</b> | Change |
|--|---------|----------------|--------|
| <b>Fire</b>                            | 52      | <b>54</b>      | +4.2%  |
| <b>Marine</b>                          | –       | –              | –      |
| <b>Personal accident</b>               | 2,178   | <b>2,163</b>   | (0.7%) |
| <b>Voluntary automobile</b>            | 25,029  | <b>26,583</b>  | +6.2%  |
| <b>Compulsory automobile liability</b> | –       | –              | –      |
| <b>Total</b>                           | 27,260  | <b>28,802</b>  | +5.7%  |

## Net Premiums Written

| (JPY mn)                               | FY17.1Q | <b>FY18.1Q</b> | Change  |
|--|---------|----------------|---------|
| <b>Fire</b>                            | 4       | <b>4</b>       | +16.5%  |
| <b>Marine</b>                          | (0)     | –              | –       |
| <b>Personal accident</b>               | 2,229   | <b>2,221</b>   | (0.4%)  |
| <b>Voluntary automobile</b>            | 24,969  | <b>26,524</b>  | +6.2%   |
| <b>Compulsory automobile liability</b> | 352     | <b>300</b>     | (14.8%) |
| <b>Total</b>                           | 27,556  | <b>29,051</b>  | +5.4%   |

## Net losses paid

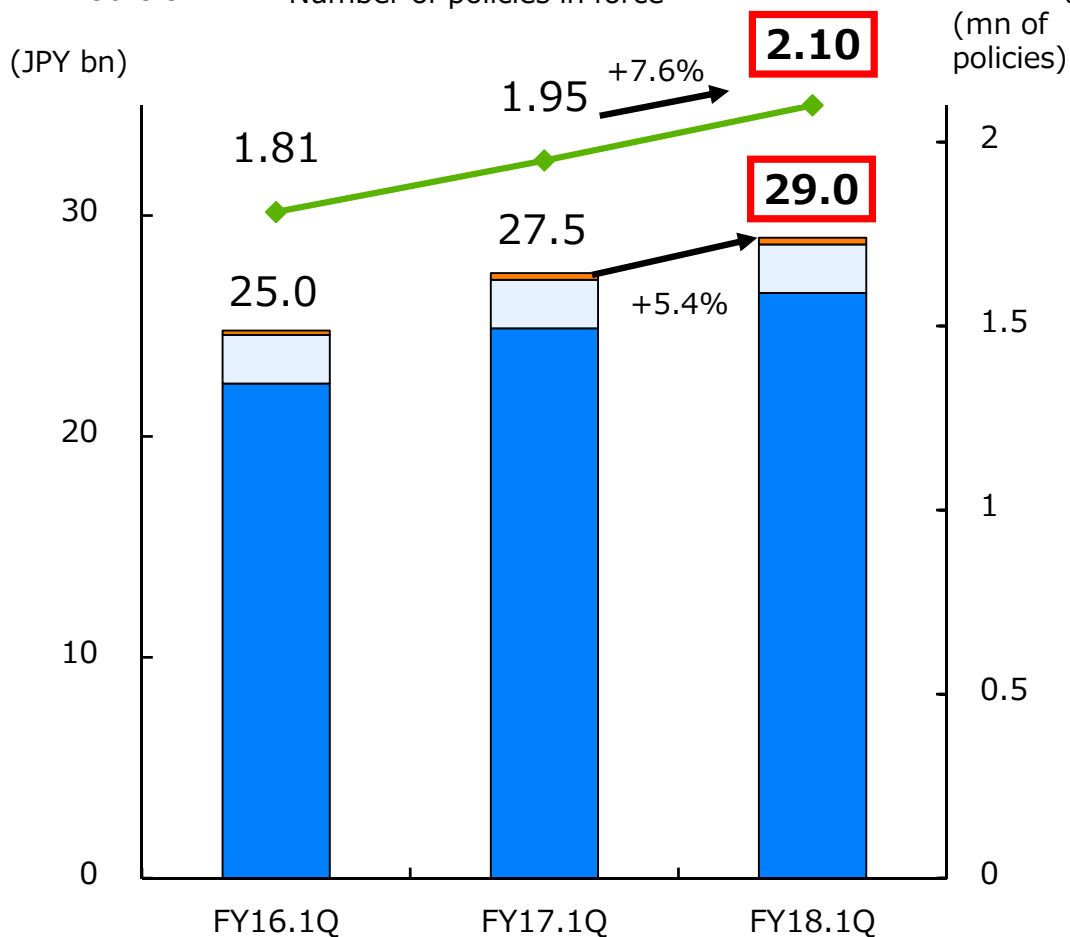
| (JPY mn)                               | FY17.1Q | <b>FY18.1Q</b> | Change  |
|--|---------|----------------|---------|
| <b>Fire</b>                            | 0       | <b>1</b>       | +62.7%  |
| <b>Marine</b>                          | 2       | <b>1</b>       | (26.8%) |
| <b>Personal accident</b>               | 645     | <b>691</b>     | +7.1%   |
| <b>Voluntary automobile</b>            | 11,219  | <b>12,052</b>  | +7.4%   |
| <b>Compulsory automobile liability</b> | 311     | <b>329</b>     | +5.5%   |
| <b>Total</b>                           | 12,180  | <b>13,076</b>  | +7.4%   |

\*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

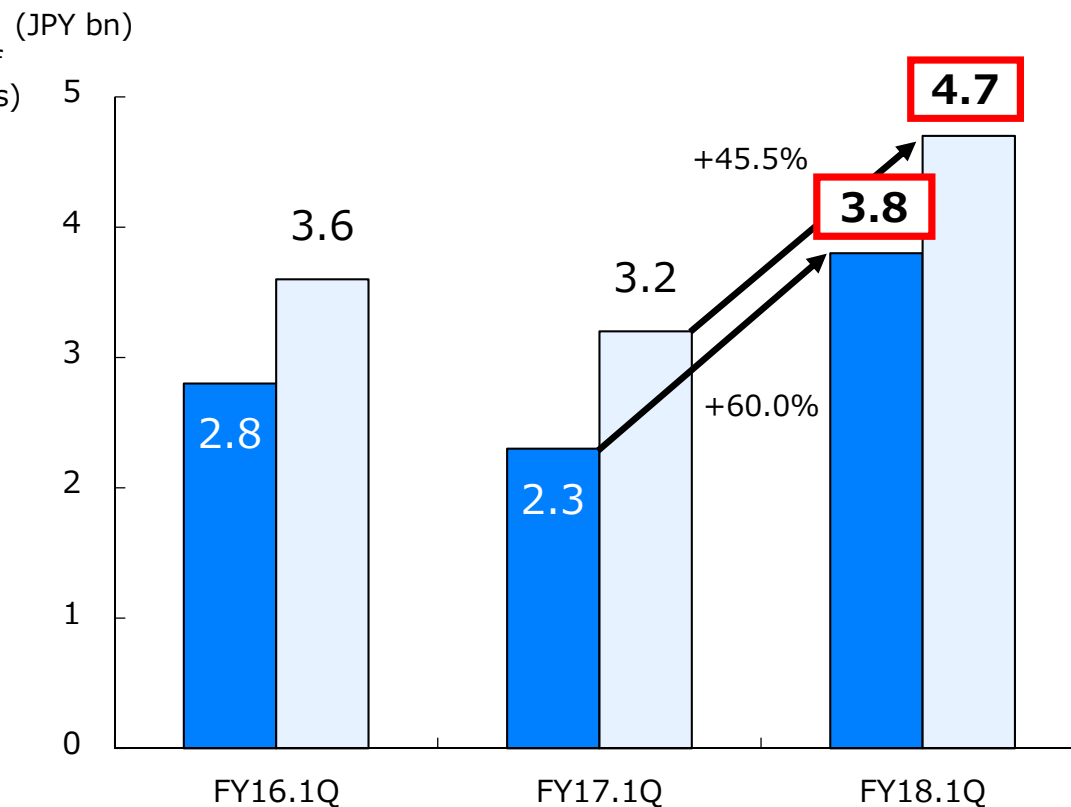


The number of policies in force is the total of automobile insurance and medical insurance policies.

Most of personal accident insurance is medical insurance.

## Ordinary Profit and Adjusted Ordinary Profit

■ Ordinary profit     Adjusted ordinary profit



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

(Reference) Provision for catastrophe reserve

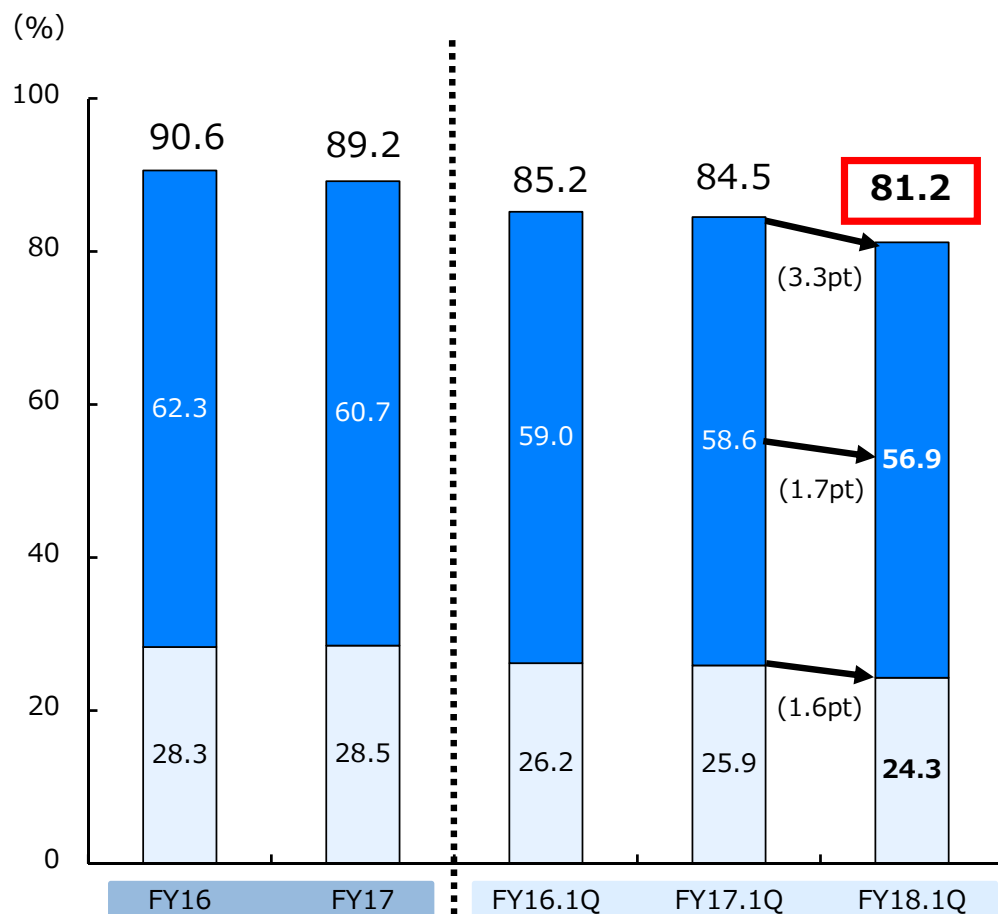
|                                   | (JPY bn) | FY16.1Q | FY17.1Q | FY18.1Q |
|-----------------------------------|----------|---------|---------|---------|
| Provision for catastrophe reserve |          | 0.7     | 0.8     | 0.9     |

\*Provision for catastrophe reserve is described as positive amount.

# Operating Performance: Sony Assurance (2)

## Earned/Incurred Loss Ratio + Net Expense Ratio

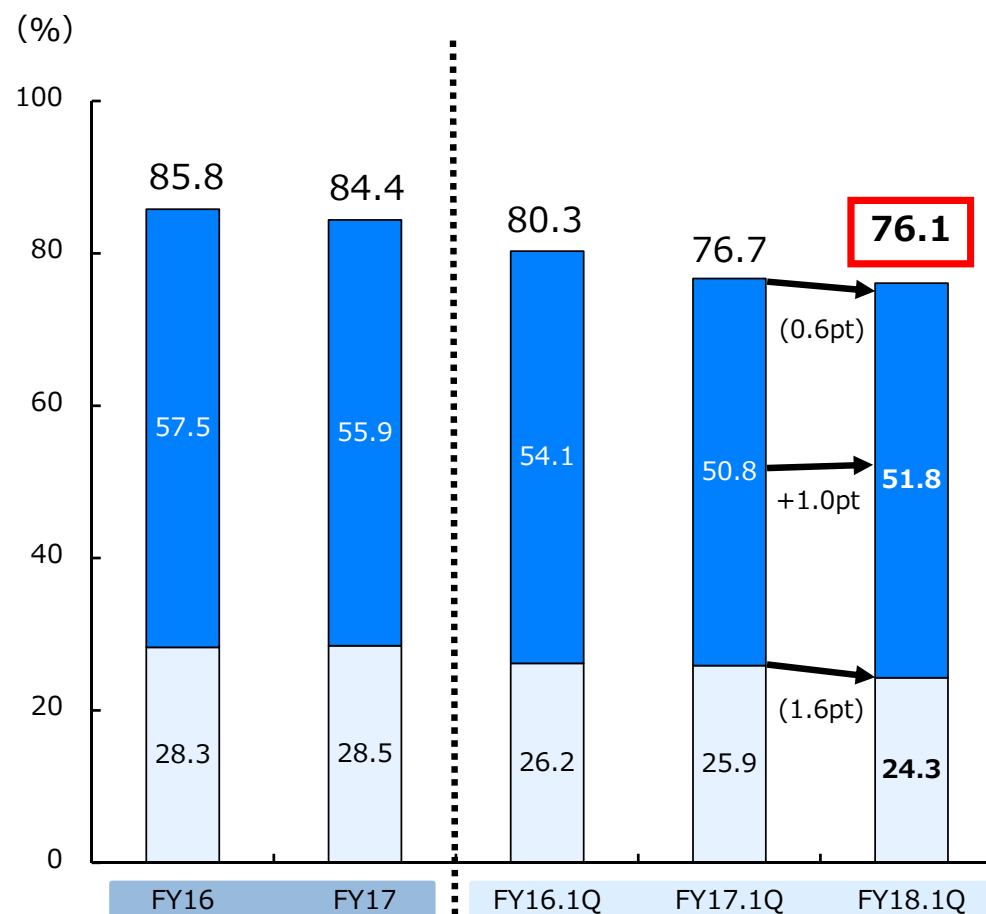
■ Earned/Incurred loss ratio □ Net expense ratio



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

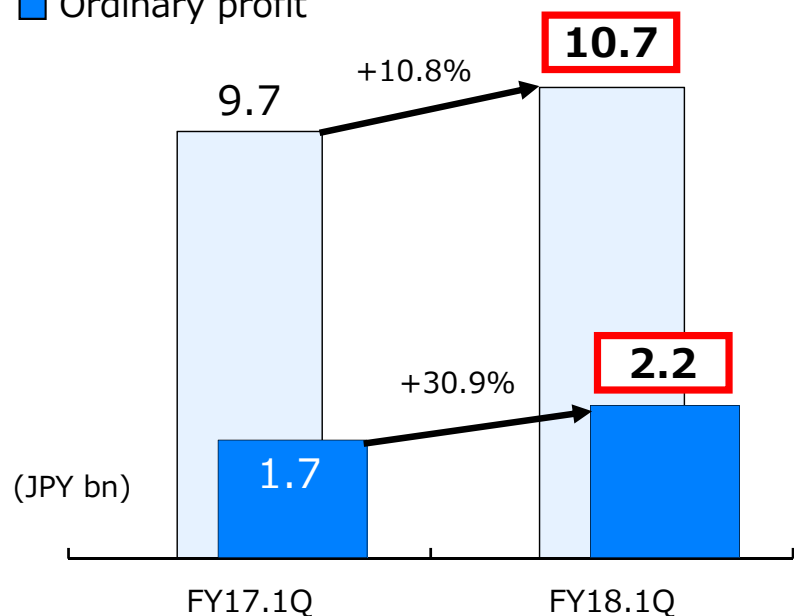


Notes:  
 Net loss ratio = (Net losses paid + Loss adjustment expenses) / Net premiums written  
 Net expense ratio = Expenses related to underwriting / Net premiums written

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

## <Consolidated>

- Ordinary revenues
- Ordinary profit



## <Consolidated>

- ◆ Both ordinary revenues and ordinary profit rose year on year due to increases in interest income on investment securities and on loans in line with a growing balance of mortgage loans.

## <Non-consolidated>

- ◆ Both gross operating profit and net operating profit increased.
- Net interest income increased due to increases in interest income on investment securities and loans.
- Net fees and commissions decreased due mainly to higher fees associated with mortgage loans.
- Net other operating income decreased due mainly to a decrease in gains on sales of bonds.

## <Consolidated>

| (JPY bn)                                    | FY17.1Q | FY18.1Q | Change |        |
|---|---------|---------|--------|--------|
| Ordinary revenues                           | 9.7     | 10.7    | +1.0   | +10.8% |
| Ordinary profit                             | 1.7     | 2.2     | +0.5   | +30.9% |
| Profit attributable to owners of the parent | 1.1     | 1.4     | +0.3   | +30.7% |

## <Non-consolidated>

| (JPY bn)                            | FY17.1Q | FY18.1Q | Change |         |
|-------------------------------------|---------|---------|--------|---------|
| Ordinary revenues                   | 8.8     | 9.7     | +0.8   | +9.9%   |
| Gross operating profit              | 5.3     | 5.7     | +0.4   | +7.6%   |
| Net interest income                 | 4.9     | 5.5     | +0.6   | +13.6%  |
| Net fees and commissions            | (0.7)   | (0.8)   | (0.1)  | –       |
| Net other operating income          | 1.1     | 1.0     | (0.1)  | (12.2%) |
| General and administrative expenses | 3.8     | 3.7     | (0.0)  | (2.0%)  |
| Net operating profit                | 1.5     | 1.9     | +0.4   | +27.5%  |
| Ordinary profit                     | 1.5     | 2.0     | +0.4   | +30.9%  |
| Net income                          | 1.0     | 1.4     | +0.3   | +31.2%  |

| (JPY bn)   | Mar. 18 | Jun. 18 | Change from Mar. 18 |         |
|--|---------|---------|---------------------|---------|
| Net assets   | 85.7    | 84.2    | (1.4)               | (1.7%)  |
| Net unrealized gains on other securities, net of taxes | 6.0     | 5.4     | (0.6)               | (10.1%) |
| Total assets   | 2,635.0 | 2,761.8 | +126.8              | +4.8%   |

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

| (JPY bn)   | Jun. 17 | Mar. 18 | Jun. 18                  | Change from Mar. 18 |        |
|--|---------|---------|--------------------------|---------------------|--------|
| <b>Customer assets</b>   | 2,263.0 | 2,343.0 | <b>2,389.5</b>           | +46.4               | +2.0%  |
| Deposits   | 2,147.8 | 2,219.3 | <b>2,265.0</b>           | +45.7               | +2.1%  |
| Yen  | 1,794.3 | 1,814.7 | <b>1,863.6</b>           | +48.8               | +2.7%  |
| Foreign currencies   | 353.5   | 404.6   | <b>401.4</b>             | (3.1)               | (0.8%) |
| Investment trusts  | 115.1   | 123.7   | <b>124.4</b>             | +0.6                | +0.6%  |
| <b>Loans outstanding</b>   | 1,552.0 | 1,596.3 | <b>1,620.1</b>           | +23.7               | +1.5%  |
| Mortgage loans   | 1,467.0 | 1,525.5 | <b>1,551.7</b>           | +26.1               | +1.7%  |
| Card loans   | 18.5    | 18.8    | <b>18.5</b>              | (0.3)               | (1.8%) |
| Others   | 66.4    | 51.8    | <b>49.8<sup>*1</sup></b> | (2.0)               | (4.0%) |
| <b>Non-consolidated Capital adequacy ratio<sup>*2</sup></b><br>(domestic criteria) | 9.37%   | 10.45%  | <b>10.42%</b>            | (0.03pt)            |        |

## <Reasons for changes>

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

◆ Decreased due to a conversion and a transfer from foreign ordinary deposits into yen deposits led by yen depreciation.

◆ Rose due to a steady increase in mortgage loans.

\*1 Loans in others include corporate loans of ¥49.8 billion

\*2 Please refer to the graph of the non-consolidated capital adequacy ratio (domestic criteria) on page 24.

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

## <Reference> On Managerial Accounting Basis

| (JPY bn)  | FY17.1Q | FY18.1Q      | Change |         |
|---|---------|--------------|--------|---------|
| <b>Gross operating profit</b>                           | 5.3     | <b>5.7</b>   | +0.4   | +7.6%   |
| Net interest income <sup>*1</sup> ①                     | 5.5     | <b>6.2</b>   | +0.6   | +11.8%  |
| Net fees and commissions <sup>*2</sup> ②                | (0.6)   | <b>(0.7)</b> | (0.1)  | —       |
| Net other operating income <sup>*3</sup>                | 0.4     | <b>0.2</b>   | (0.1)  | (28.9%) |
| <b>Gross operating profit (core profit) (A) = ① + ②</b> | 4.9     | <b>5.4</b>   | +0.5   | +10.7%  |
| <b>Operating expenses and other Expenses</b> ③          | 3.8     | <b>3.8</b>   | (0.0)  | (0.3%)  |
| <b>Net operating profit (core profit) = (A) - ③</b>     | 1.0     | <b>1.6</b>   | +0.5   | +49.3%  |

### ■ Managerial accounting basis

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

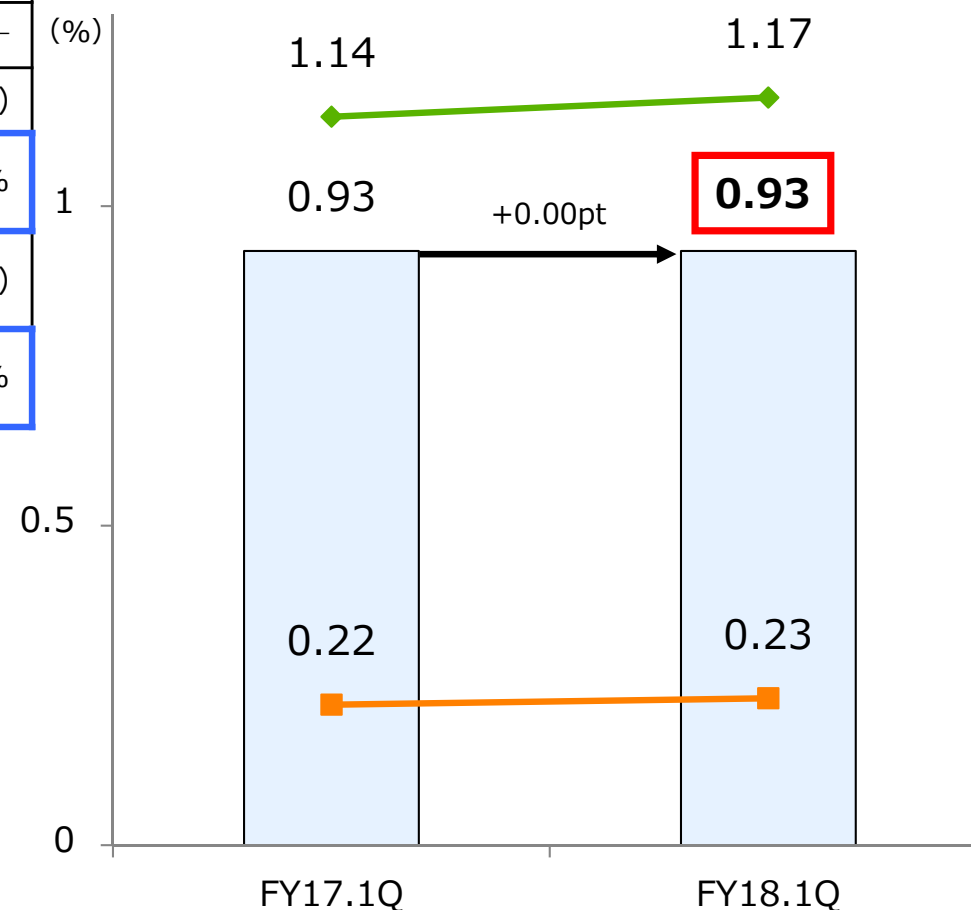
- \*1: Net interest income: Includes profits and losses associated with fund investment recorded in net other operating income, including gains or losses from currency swap transactions.
- \*2: Net fees and commissions: Includes profits and losses for customer dealings in foreign currency transactions 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

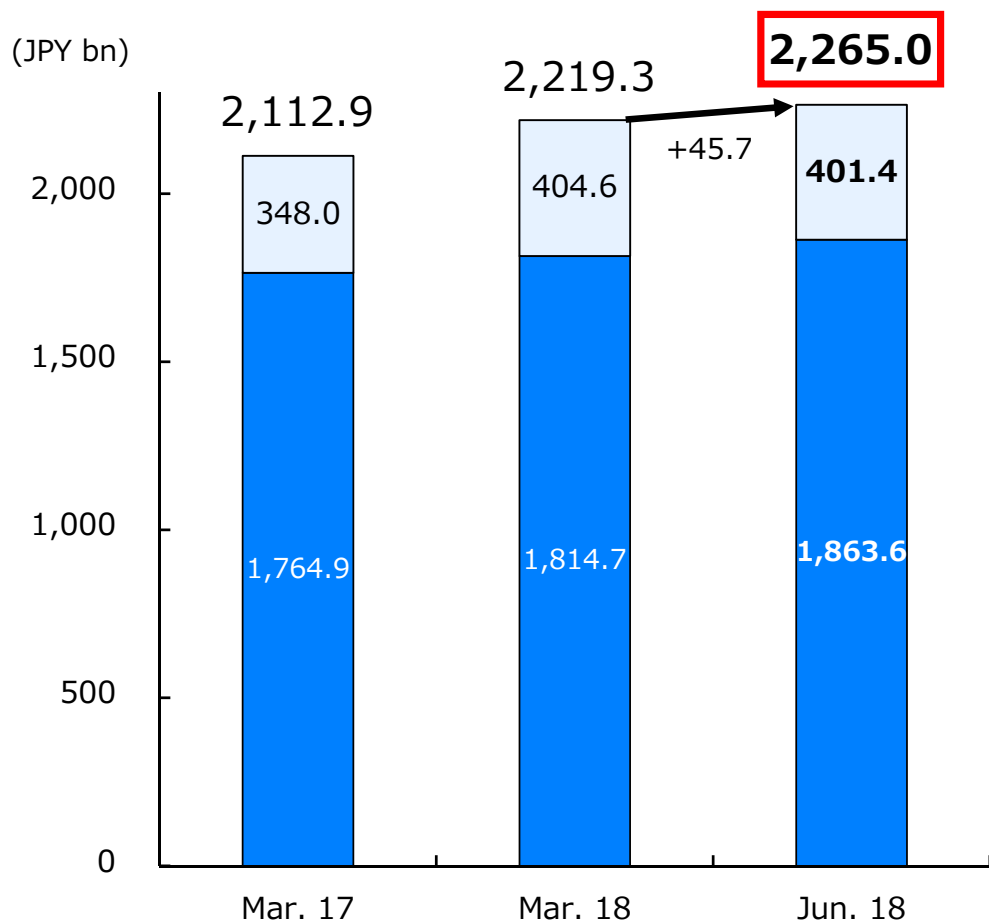


Note: Interest spread=(Yield on investment)-(Yield on financing)

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

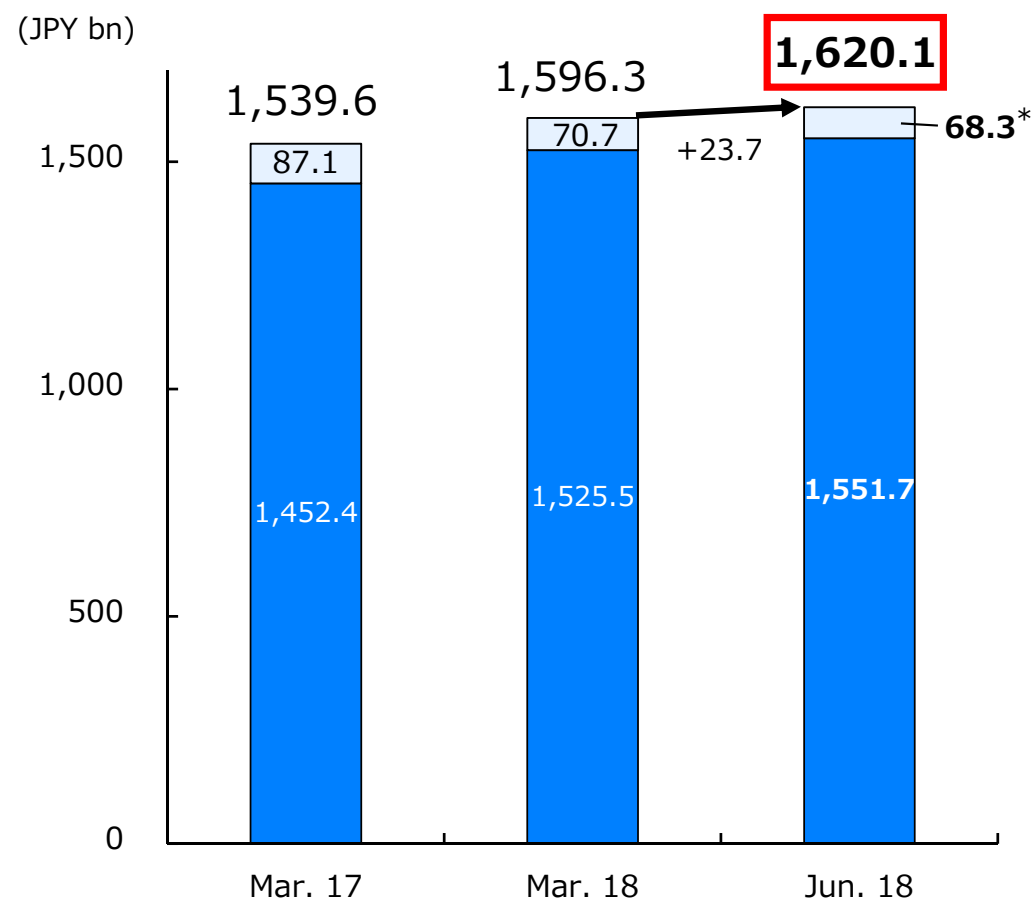
## Deposits

■ Yen Deposits □ Foreign currency deposits



## Loans

■ Mortgage loans □ Others

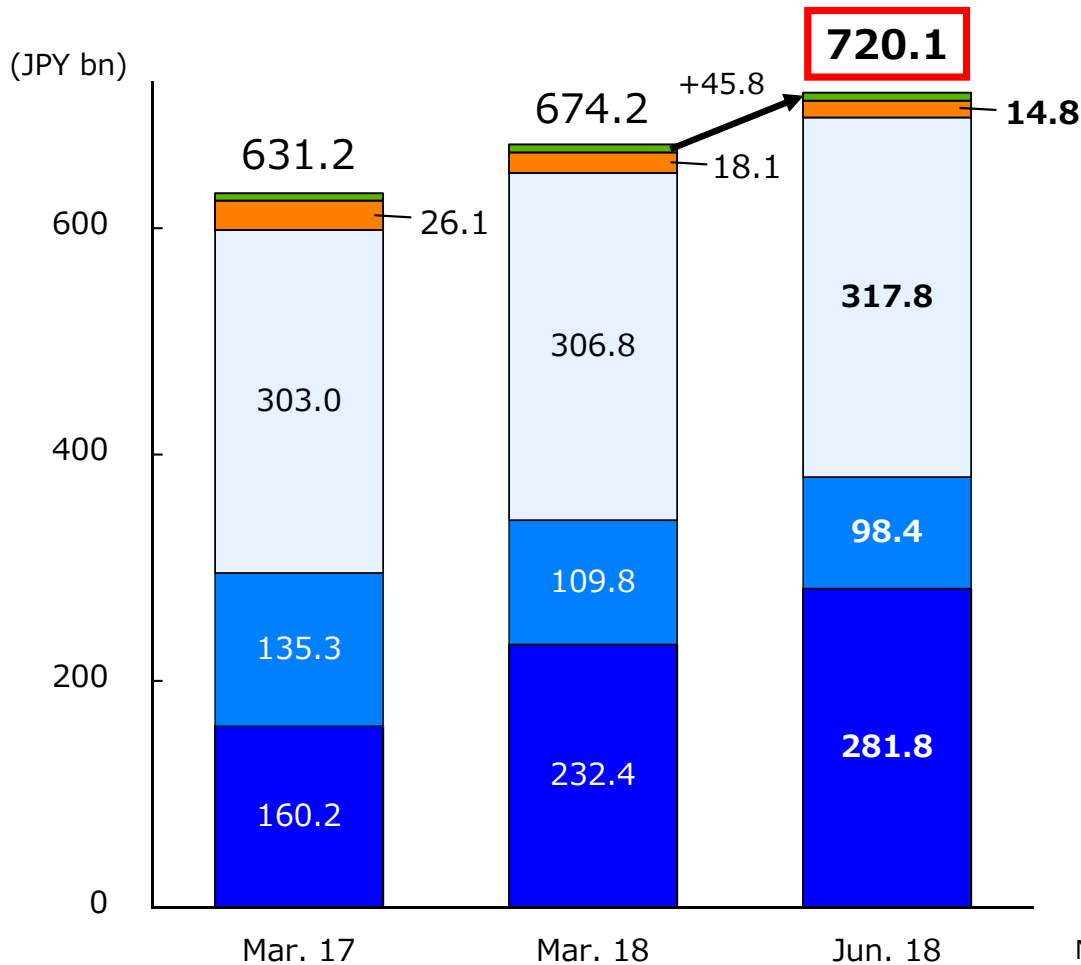


\*Corporate loans of ¥49.8 billion. Card loans of ¥18.5 billion.

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

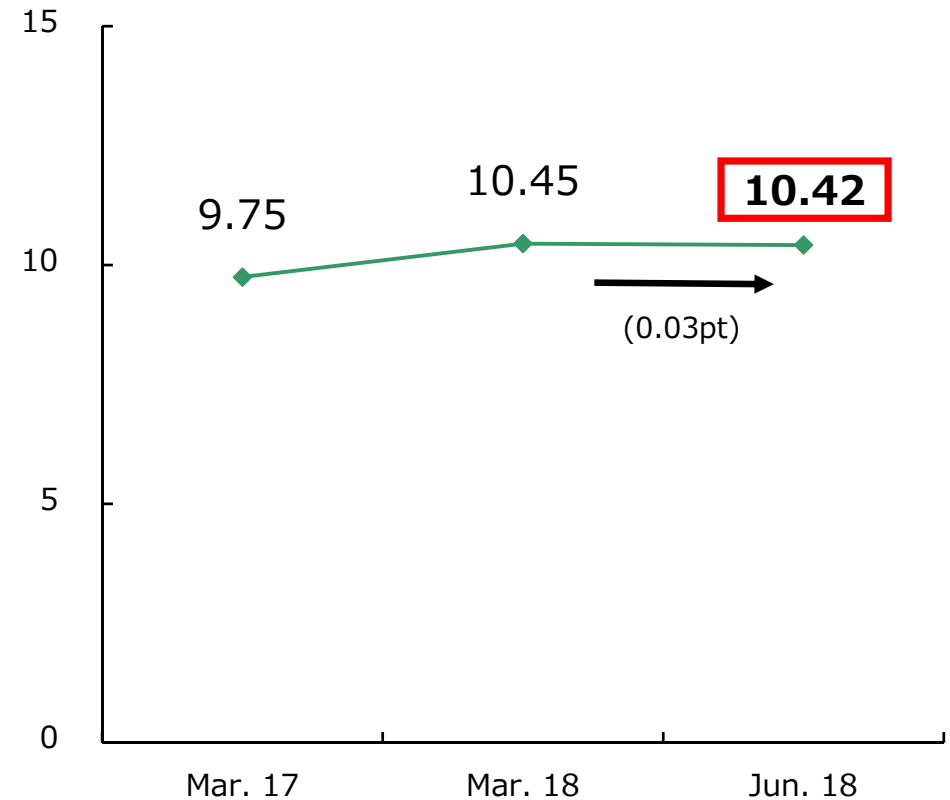
## Balance of Securities by Credit Rating

■ AAA    ■ AA    □ A  
■ BBB    ■ Others



## Non-Consolidated Capital Adequacy Ratio (Domestic Criteria)

(%)



Note: 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.



# Forecast of Consolidated Financial Results for FY18

# Forecast of Consolidated Financial Results for FY18

Forecast of consolidated financial results for FY18 is unchanged from the forecast announced on April 27, 2018

| (JPY bn)   | FY17<br>(Actual) | FY18<br>(Forecast) | Changes | FY18.1Q<br>(3M Actual) | Progress rate |
|--|------------------|--------------------|---------|------------------------|---------------|
| <b>Ordinary revenues</b>                           | 1,503.6          | <b>1,578.0</b>     | +4.9%   | 420.6                  | 26.7%         |
| <u>Life insurance business</u>                     | 1,351.2          | <b>1,416.1</b>     | +4.8%   | 379.4                  | 26.8%         |
| <u>Non-life insurance business</u>                 | 110.0            | <b>112.3</b>       | +2.0%   | 29.7                   | 26.4%         |
| <u>Banking business</u>                            | 39.9             | <b>42.8</b>        | +7.2%   | 10.7                   | 25.2%         |
| <b>Ordinary profit</b>                             | 66.8             | <b>83.0</b>        | +24.2%  | 28.8                   | 34.7%         |
| <u>Life insurance business</u>                     | 54.1             | <b>70.9</b>        | +30.9%  | 22.9                   | 32.3%         |
| <u>Non-life insurance business</u>                 | 6.5              | <b>6.5</b>         | (1.1%)  | 3.8                    | 58.5%         |
| <u>Banking business</u>                            | 7.1              | <b>7.0</b>         | (2.0%)  | 2.2                    | 31.9%         |
| <b>Profit attributable to owners of the parent</b> | 51.8             | <b>55.0</b>        | +6.0%   | 20.0                   | 36.5%         |

## <Segment information for ordinary revenues and ordinary profit>

### ■ Life insurance business

In FY18.1Q (3M), both ordinary revenues and ordinary profit exceeded our initial expectations. We maintain our full-year forecasts, taking into consideration the business environment from FY18.2Q onward.

### ■ Non-life insurance business

In FY18.1Q (3M), both ordinary revenues and ordinary profit exceeded our initial expectations. We maintain our full-year forecasts, taking into consideration the trend on overall operating performance including natural disaster from FY18.2Q onward.

### ■ Banking business

In FY18.1Q (3M), both ordinary revenues and ordinary profit exceeded our initial expectations. We maintain our full-year forecasts, taking into consideration the business environment from FY18.2Q onward.

# Sony Life's MCEV and ESR as of June 30, 2018

Some parts of the calculations of MCEV adopted simplified method for that as of June 30, 2018.  
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. 18 | <b>Jun. 18</b> | Change from Mar. 18 |
|----------------------------|---------|----------------|---------------------|
| <b>MCEV</b>                | 1,633.2 | <b>1,593.5</b> | (39.7)              |
| Adjusted net worth         | 1,786.1 | <b>1,804.3</b> | +18.2               |
| Value of existing business | (152.9) | <b>(210.8)</b> | (57.9)              |

| (JPY bn)                   | FY17.4Q<br>(3M) | <b>FY18.1Q<br/>(3M)</b> |
|----------------------------|-----------------|-------------------------|
| <b>New business value</b>  | 21.2            | <b>21.9</b>             |
| <b>New business margin</b> | 6.1%            | <b>7.1%</b>             |

### ◆ Reasons for changes in MCEV

- MCEV as of June 30, 2018 decreased ¥39.7 billion from March 31, 2018, due mainly to a decline in interest rates in Japanese yen.

### ◆ New business value / New business margin

- New business value for FY18.1Q (3M) was ¥21.9 billion, due to a favorable acquisition of new policies.
- New business margin for FY18.1Q (3M) was up 1.0pt from FY17.4Q (3M), due mainly to the revision of insurance risk measurement method and others.

#### Notes:

1. Calculated MCEV as of June 30, 2018 by using updated economic assumptions and lapse and surrender rate from March 31, 2018.
2. New business value and new business margin are calculated accumulating new business value for each month based on economic assumptions at the end of each month. The figures for FY18 onward reflect the revision in the insurance risk measurement method and others which revised in March 31, 2018. For details of the revision in the insurance risk measurement method and others, please refer to the Presentation Materials "Consolidated Financial Results for the Fiscal Year Ended March 31, 2018 and Sony Life's Preliminary MCEV as of March 31, 2018."

\*Please refer to the appendix page 41-44 for trend on bond yields and yield curves.

| (JPY bn)                                       | Mar. 18 | <b>Jun. 18</b> | Change from Mar. 18 |
|--|---------|----------------|---------------------|
| Insurance risk                                 | 497.5   | <b>506.8</b>   | +9.3                |
| Market-related risk                            | 380.6   | <b>379.6</b>   | (1.0)               |
| <i>Of which, interest rate risk</i>            | 275.3   | <b>270.4</b>   | (5.0)               |
| Operational risk                               | 31.0    | <b>32.1</b>    | +1.1                |
| Counter party risk                             | 2.6     | <b>2.6</b>     | +0.0                |
| Variance effect                                | (182.0) | <b>(183.1)</b> | (1.1)               |
| <b>The risk amount based on economic value</b> | 729.7   | <b>738.0</b>   | +8.3                |

| (JPY bn)                       | Mar. 18 | <b>Jun. 18</b> | Change from Mar. 18 |
|--------------------------------|---------|----------------|---------------------|
| <b>MCEV + Frictional costs</b> | 1,655.8 | <b>1,619.2</b> | (36.6)              |
| <b>ESR</b>                     | 227%    | <b>219%</b>    | (8pt)               |

- ◆ **The risk amount based on economic value as of June 30, 2018 amounted to ¥738.0 billion, up ¥8.3 billion from March 31, 2018, due mainly to an increase in insurance risk associated with accumulated policies in force.**
- ◆ **ESR as of June 30, 2018 was 219%, down 8pt from March 31, 2018, due to an increase in risk amount based on economic value and a decrease in MCEV.**

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. Risk amount excluding the variance effect within market-related risk.
4.  $ESR = (MCEV + \text{Frictional costs}) / \text{Risk amount based on economic value}$ .

# Appendix

## ◆ Sony Bank's Mortgage Loans through Sony Life

Sony Life accounts for 13% of the amount of new mortgage loans for FY18.1Q (3M)  
 Sony Life accounts for 18% of the balance of mortgage loans as of June 30, 2018

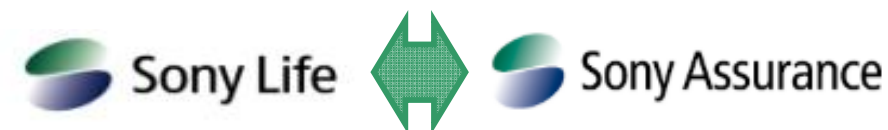
\*Sony Life started handling banking agency business in January 2008.



## ◆ Sony Assurance's Automobile Insurance sold by Sony Life

Sony Life accounts for 5% of new automobile policies for FY18.1Q (3M)

\*Sony Life started handling automobile insurance in May 2001.



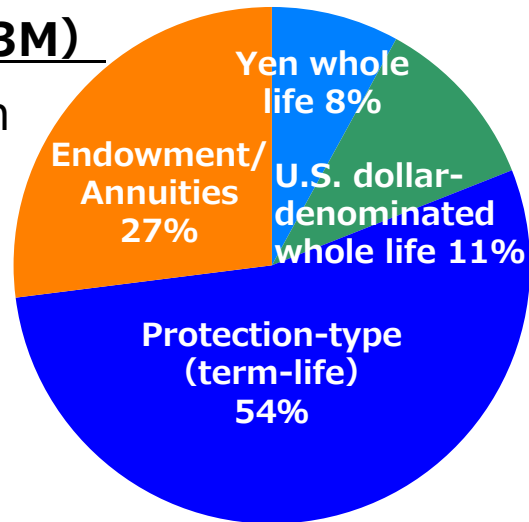
## ◆ Highlights on and after FY18.1Q

|            |   |
|------------|---|
| 2018-05-10 | Sony Bank began using artificial intelligence (AI) to automate the preliminary screening for mortgage loans   |
| 2018-05-31 | Sony Payment Services, together with seven taxi companies and Sony Corporation, established a joint venture "Minnano Taxi Corporation" (preparatory company)  |
| 2018-06-21 | Sony Assurance began selling internet-only oversea travel insurance   |
| 2018-07-02 | Sony Life commenced sale of new products: "Medical Benefit (comprehensive medical insurance (no surrender value) 18, non-participating)" and "Medical Benefit Return (comprehensive medical insurance with special provision for health refund benefit (no surrender value) 18, non-participating)" |
| 2018-07-10 | SFH established an investment subsidiary, Sony Financial Ventures Inc.  |

## Annualized Premiums from New Policies by Product

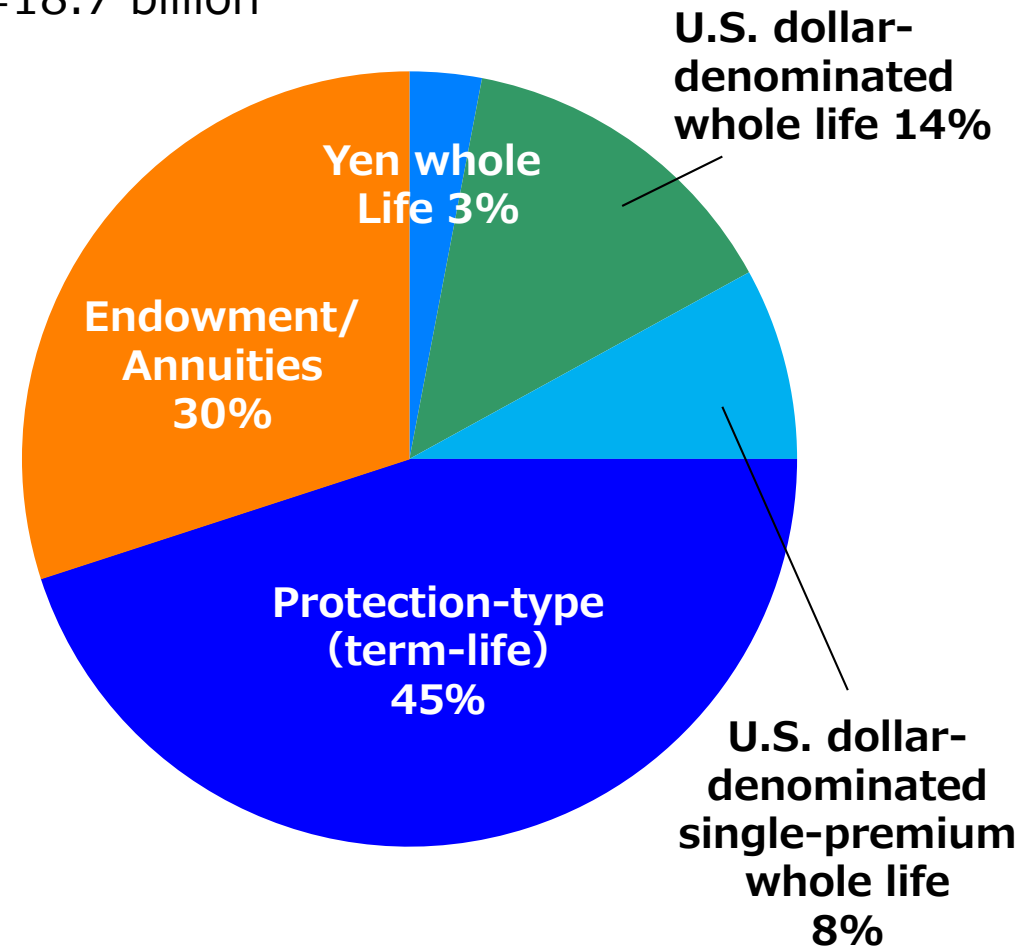
### FY17.1Q (3M)

¥16.1billion



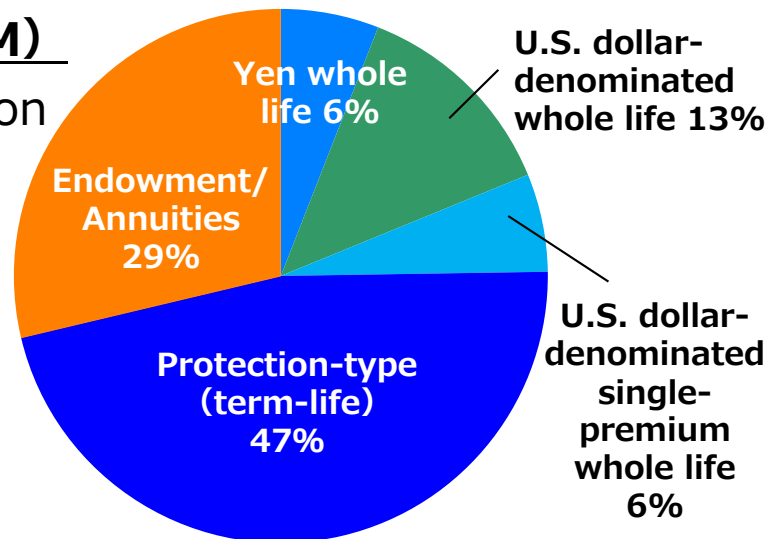
### FY18.1Q (3M)

¥18.7 billion



### FY17 (12M)

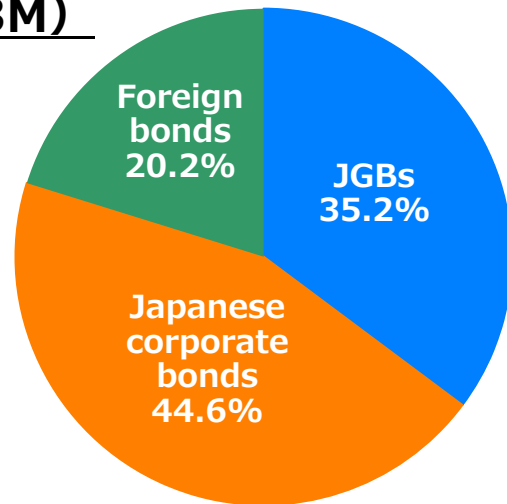
¥73.0 billion



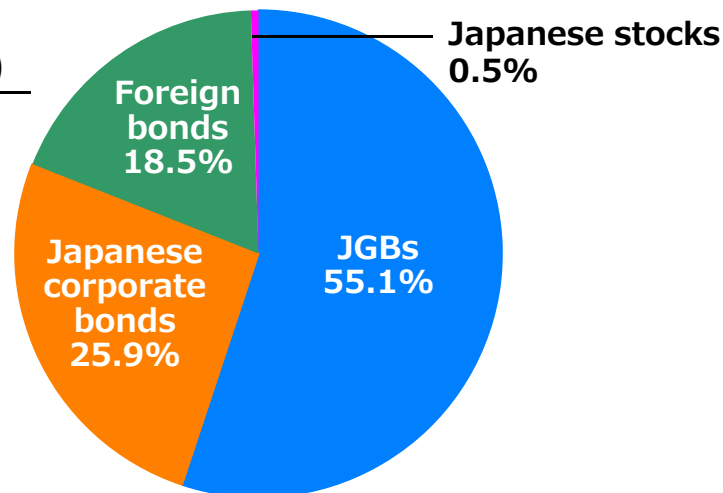


## Purchase Securities in the General Account

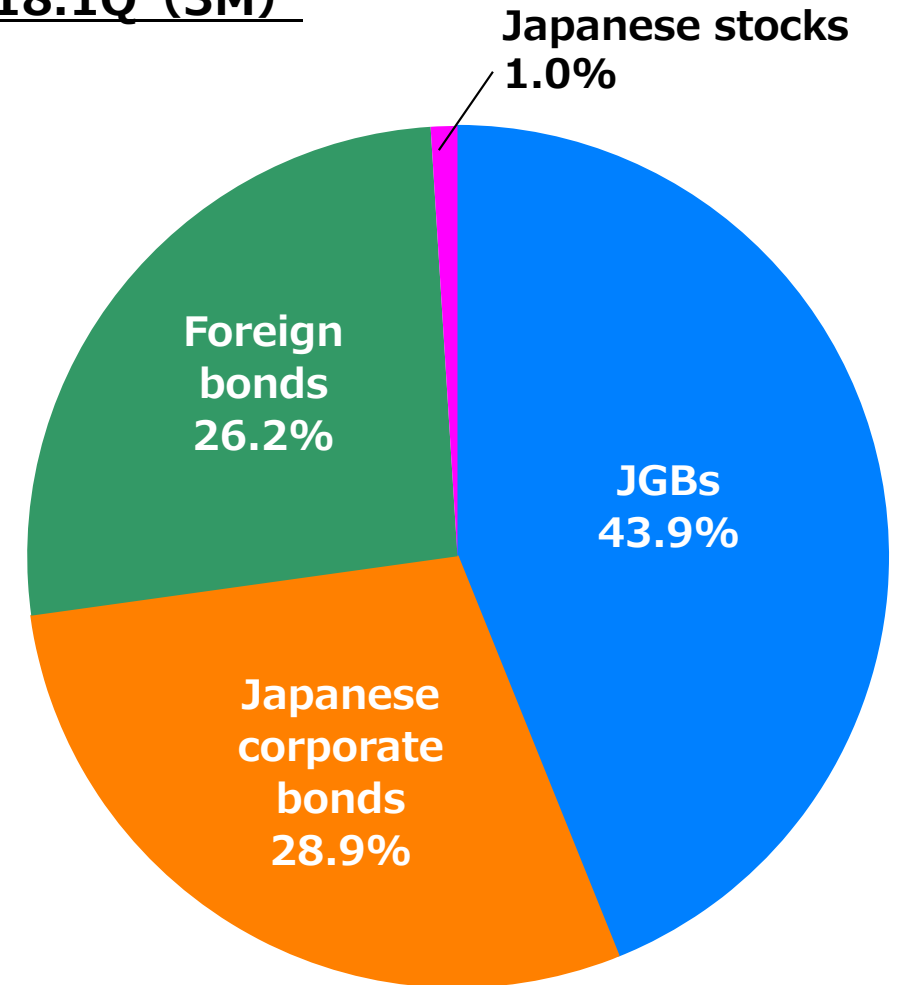
**FY17.1Q (3M)**



**FY17 (12M)**



**FY18.1Q (3M)**



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. 17         |            |                | Mar. 18         |            |                | Jun. 18         |                |                |
|---|-----------------|------------|----------------|-----------------|------------|----------------|-----------------|----------------|----------------|
|   | Carrying amount | Fair value | Net unrealized | Carrying amount | Fair value | Net unrealized | Carrying amount | Fair value     | Net unrealized |
| Held-to-maturity securities             | 6,068.6         | 7,514.2    | 1,445.5        | 6,467.9         | 8,050.6    | 1,582.6        | <b>6,565.5</b>  | <b>8,186.2</b> | <b>1,620.6</b> |
| Policy reserve matching bonds           | 277.3           | 303.3      | 25.9           | 401.9           | 436.8      | 34.8           | <b>446.0</b>    | <b>483.9</b>   | <b>37.9</b>    |
| Available-for-sale securities           | 896.5           | 1,069.9    | 173.3          | 921.9           | 1,091.1    | 169.1          | <b>936.7</b>    | <b>1,100.8</b> | <b>164.1</b>   |
| Japanese government and corporate bonds | 852.6           | 1,013.3    | 160.7          | 847.0           | 1,002.1    | 155.0          | <b>852.5</b>    | <b>1,005.3</b> | <b>152.8</b>   |
| Japanese stocks                         | 13.6            | 27.0       | 13.3           | 13.6            | 30.6       | 16.9           | <b>11.4</b>     | <b>25.4</b>    | <b>14.0</b>    |
| Foreign securities                      | 30.0            | 29.1       | (0.8)          | 61.0            | 58.1       | (2.9)          | <b>72.5</b>     | <b>69.7</b>    | <b>(2.8)</b>   |
| Other securities                        | 0.1             | 0.3        | 0.1            | 0.1             | 0.2        | 0.1            | <b>(0.1)</b>    | <b>0.2</b>     | <b>0.1</b>     |
| Total                                   | 7,242.5         | 8,887.5    | 1,644.9        | 7,791.9         | 9,578.6    | 1,786.7        | <b>7,948.2</b>  | <b>9,771.0</b> | <b>1,822.7</b> |

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

### Valuation gains (losses) on trading-purpose securities

(JPY bn)

| Mar. 17              |   | Mar. 18              |   | Jun. 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 |
| 2.0                  | (0.1)   | -                    | (0.0)   | <b>1.4</b>           | <b>(0.0)</b>                                    |

## Sony Life's Interest Income and Dividends (Details)

| (JPY mn)                           | FY17.1Q | <b>FY18.1Q</b> | Change  |
|------------------------------------|---------|----------------|---------|
| Japanese bonds<br>(including JGBs) | 30,865  | <b>32,010</b>  | +3.7%   |
| Japanese stocks                    | 66      | <b>100</b>     | +51.4%  |
| Foreign securities                 | 3,434   | <b>4,053</b>   | +18.0%  |
| Other securities                   | 7       | <b>277</b>     | —       |
| Loans                              | 1,627   | <b>1,685</b>   | +3.5%   |
| Real estate                        | 2,719   | <b>2,151</b>   | (20.9%) |
| Others                             | 96      | <b>139</b>     | +44.4%  |
| Total                              | 38,817  | <b>40,419</b>  | +4.1%   |

# Sony Life's Capital Gains/Losses

|  | (JPY mn) | FY17.1Q | FY18.1Q       |
|--|----------|---------|---------------|
| Capital losses   |          | 7,441   | <b>16,850</b> |
| Losses on trading securities, net  |          | –       | <b>42</b>     |
| Losses on sale of securities…(3)   |          | –       | <b>34</b>     |
| Losses on derivatives, net   |          | 7,015   | <b>7,855</b>  |
| Losses on hedges of variable life insurance…(1)  |          | 4,247   | <b>3,901</b>  |
| Losses on hedges of available-for-sale securities…(2)  |          | 1,713   | <b>874</b>    |
| Losses on dollar-denominated insurance…(4)   |          | 515     | <b>2,974</b>  |
| Foreign exchange losses, net   |          | –       | –             |
| Other capital losses   |          | 426     | <b>8,917</b>  |
| Losses on dollar-denominated insurance<br>(the provision of policy reserves for foreign exchange<br>fluctuations) …(4) |          | –       | <b>8,917</b>  |

|   | (JPY mn) | FY17.1Q        | FY18.1Q        |
|---|----------|----------------|----------------|
| Capital gains   |          | 124            | <b>15,552</b>  |
| Income from trading securities, net   |          | 11             | –              |
| Gains on sale of securities…(3)   |          | 0              | <b>3,265</b>   |
| Gains on derivatives, net   |          | –              | –              |
| Foreign exchange gains, net   |          | 49             | <b>12,287</b>  |
| Gains on dollar-denominated insurance<br>(foreign exchange gains in separate<br>accounting) …(4)                |          | (242)          | <b>12,203</b>  |
| Other capital gains   |          | 63             | –              |
| Gains on dollar-denominated insurance<br>(the reversal of policy reserves for<br>foreign exchange fluctuations) |          | 63             | –              |
| <b>Net capital gains (losses)</b>   |          | <b>(7,316)</b> | <b>(1,297)</b> |

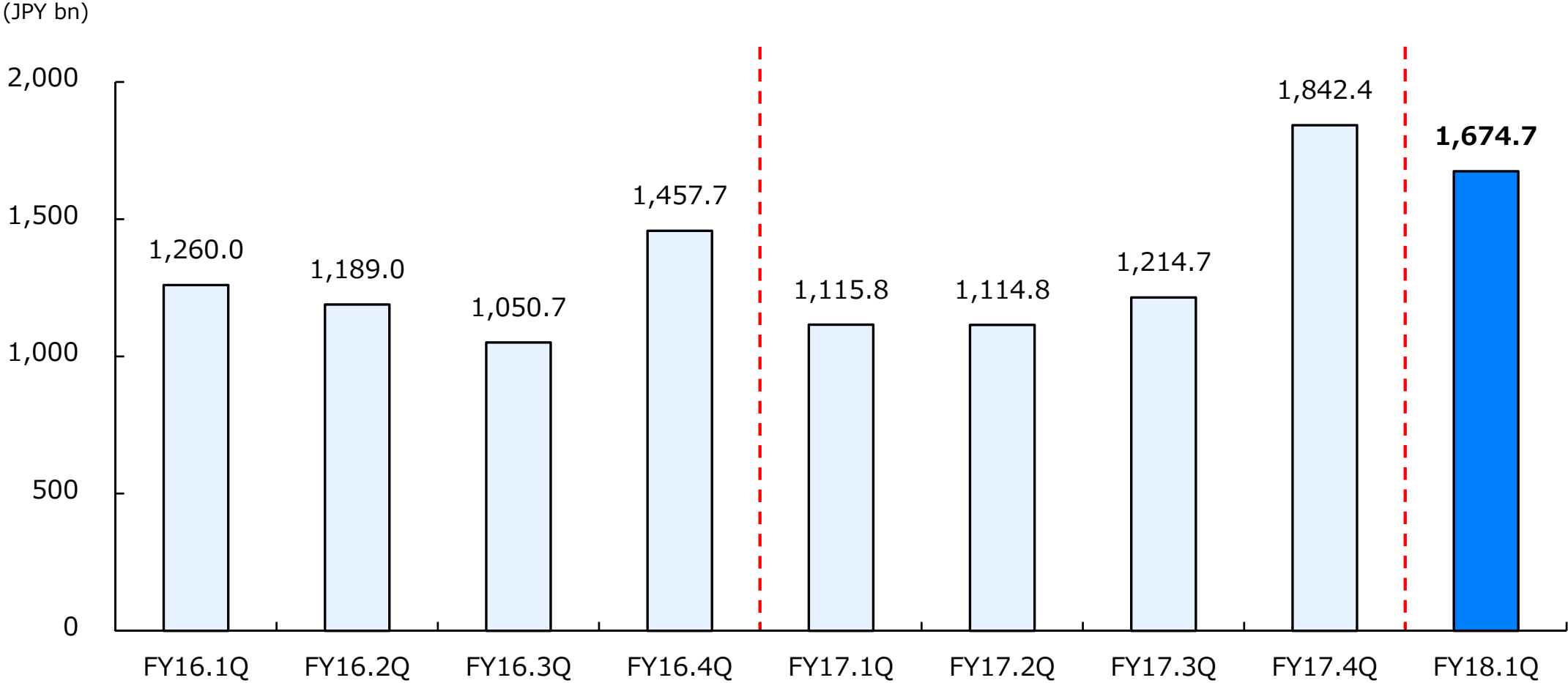
Note: The figures of income (losses) from trading securities, net, gains (losses) on derivatives and foreign exchange gains (losses), net were recorded after offsetting gains and losses of each item.

|   | (JPY mn) | FY17.1Q | FY18.1Q        |
|---|----------|---------|----------------|
| (1) Gains (Losses) on hedges of variable life insurance       |          | (4,247) | <b>(3,901)</b> |
| (2) Gains (losses) on hedges of available-for-sale securities |          | (1,713) | <b>(874)</b>   |
| (3) Gains (losses) on sale of securities                      |          | 0       | <b>3,230</b>   |
| (4) Gains (losses) on dollar-denominated insurance            |          | (694)   | <b>311</b>     |

# Sony Life's Quarterly Trend on New Policy Amount



## Quarterly Trend on New Policy Amount

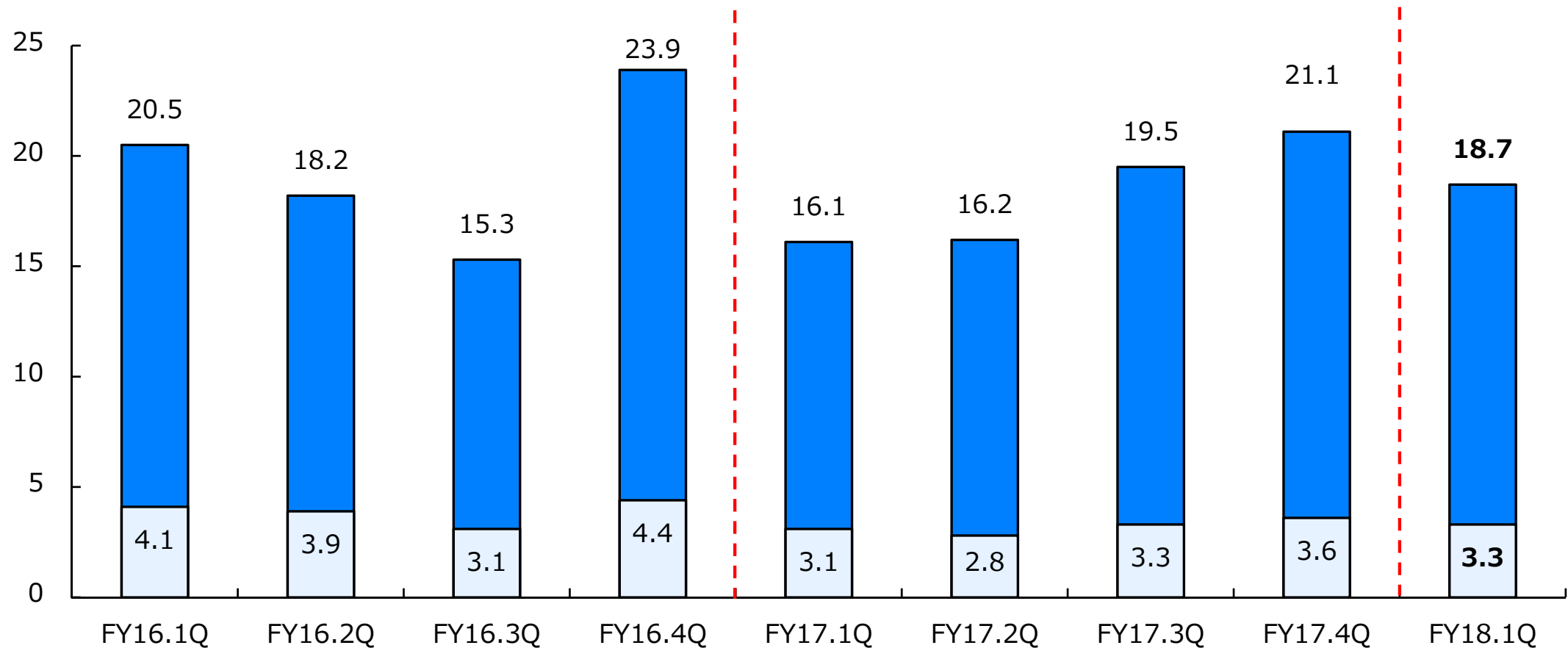


# Sony Life's Quarterly Trend on Annualized Premiums from New Policies

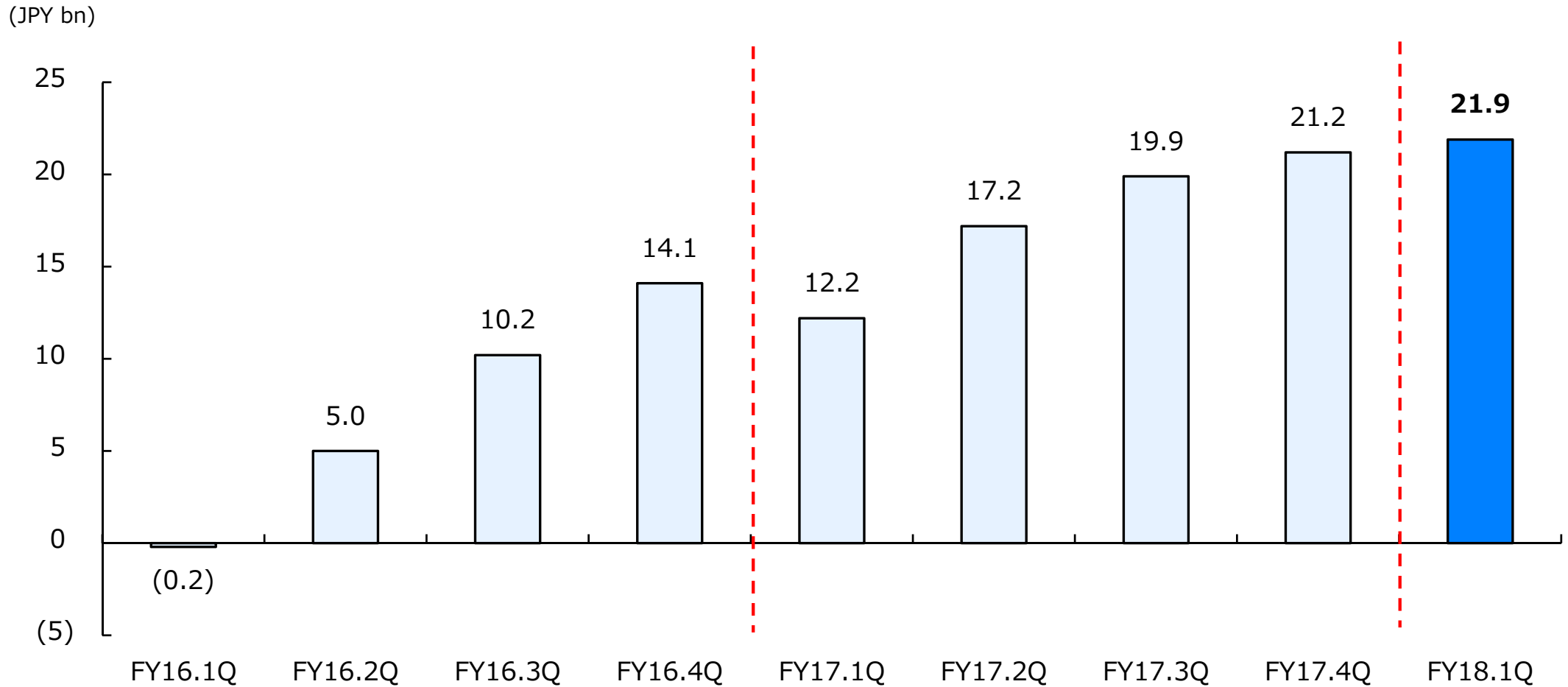
## Quarterly Trend on Annualized Premiums from New Policies

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

(JPY bn)



## Quarterly Trend on New Business Value

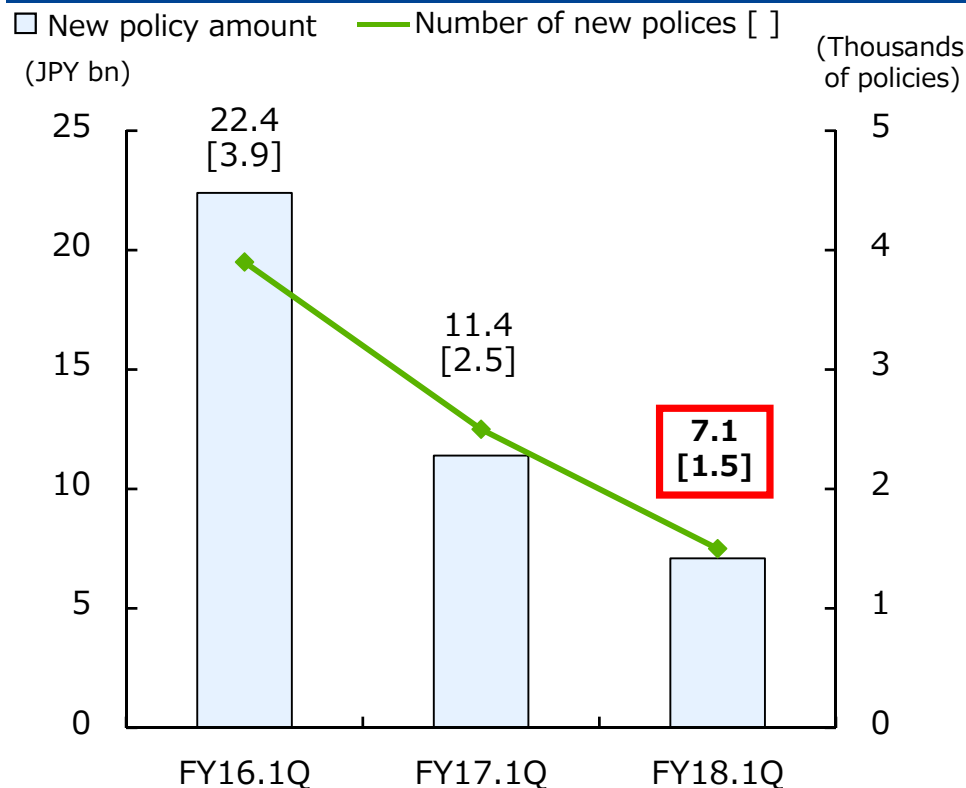


Note: New business value is calculated accumulating new business value for each month based on economic assumptions at the end of each month. The figures for FY18 onward reflect the revision in the insurance risk measurement method and others which revised on March 31, 2018.

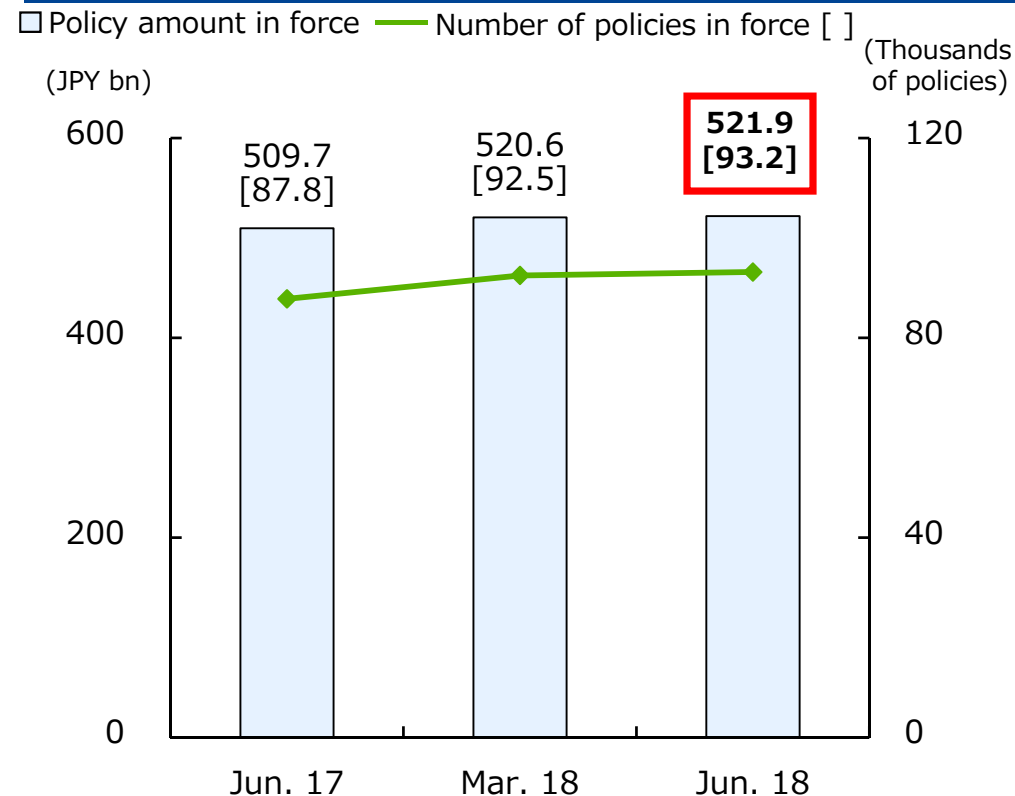
# Operating Performance : AEGON Sony Life Insurance

◆ AEGON Sony Life Insurance sells individual variable annuities.

## Number and Amount of New Policies



## Number and Amount of Policies in Force



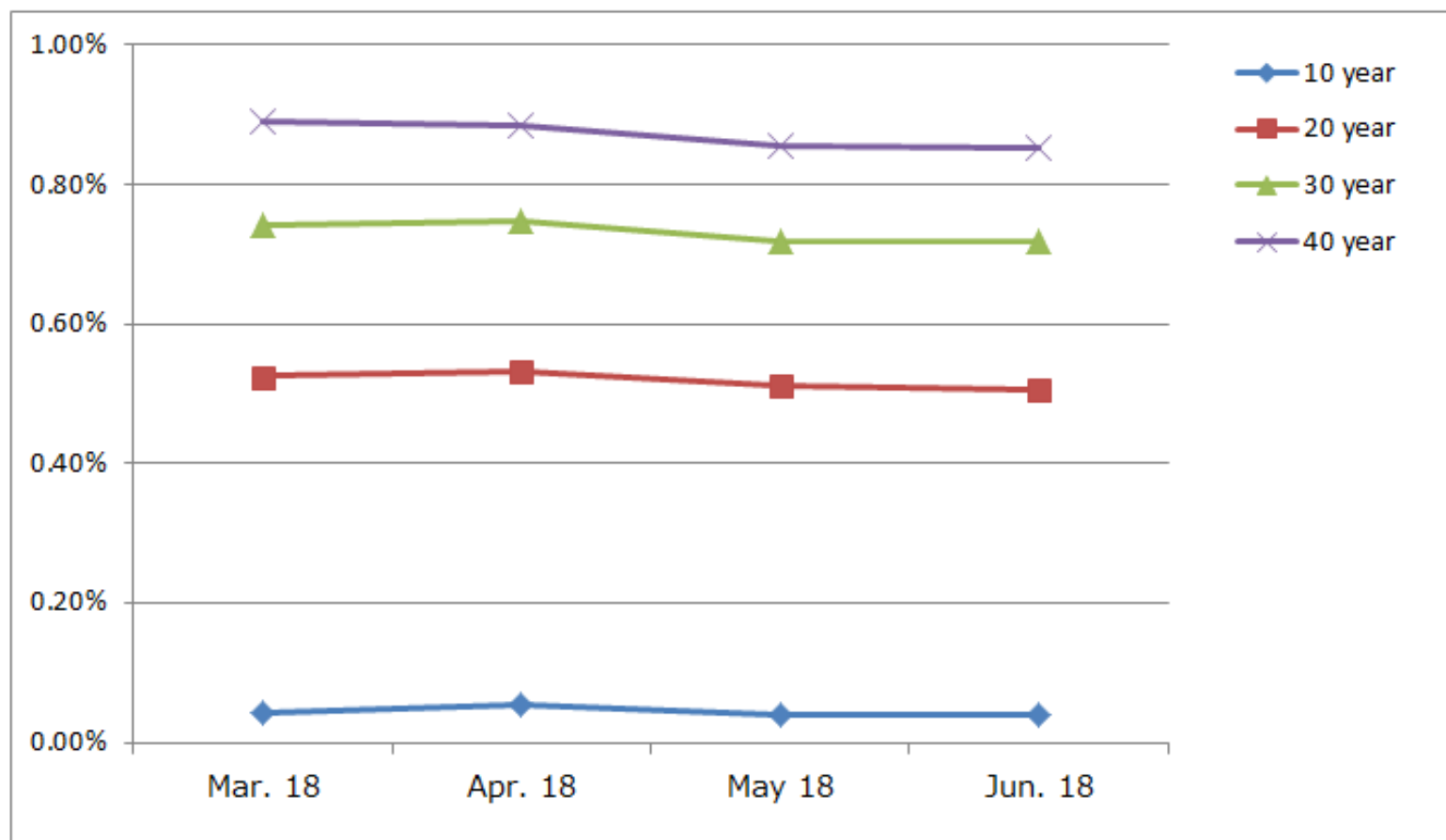
## Net income (losses) for AEGON Sony Life Insurance and SA Reinsurance

| (JPY bn)                         | FY17.1Q | FY18.1Q      | Change |
|----------------------------------|---------|--------------|--------|
| <b>AEGON Sony Life Insurance</b> | (1.0)   | <b>(0.8)</b> | +0.1   |
| <b>SA Reinsurance</b>            | (0.3)   | <b>0.3</b>   | +0.6   |

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.



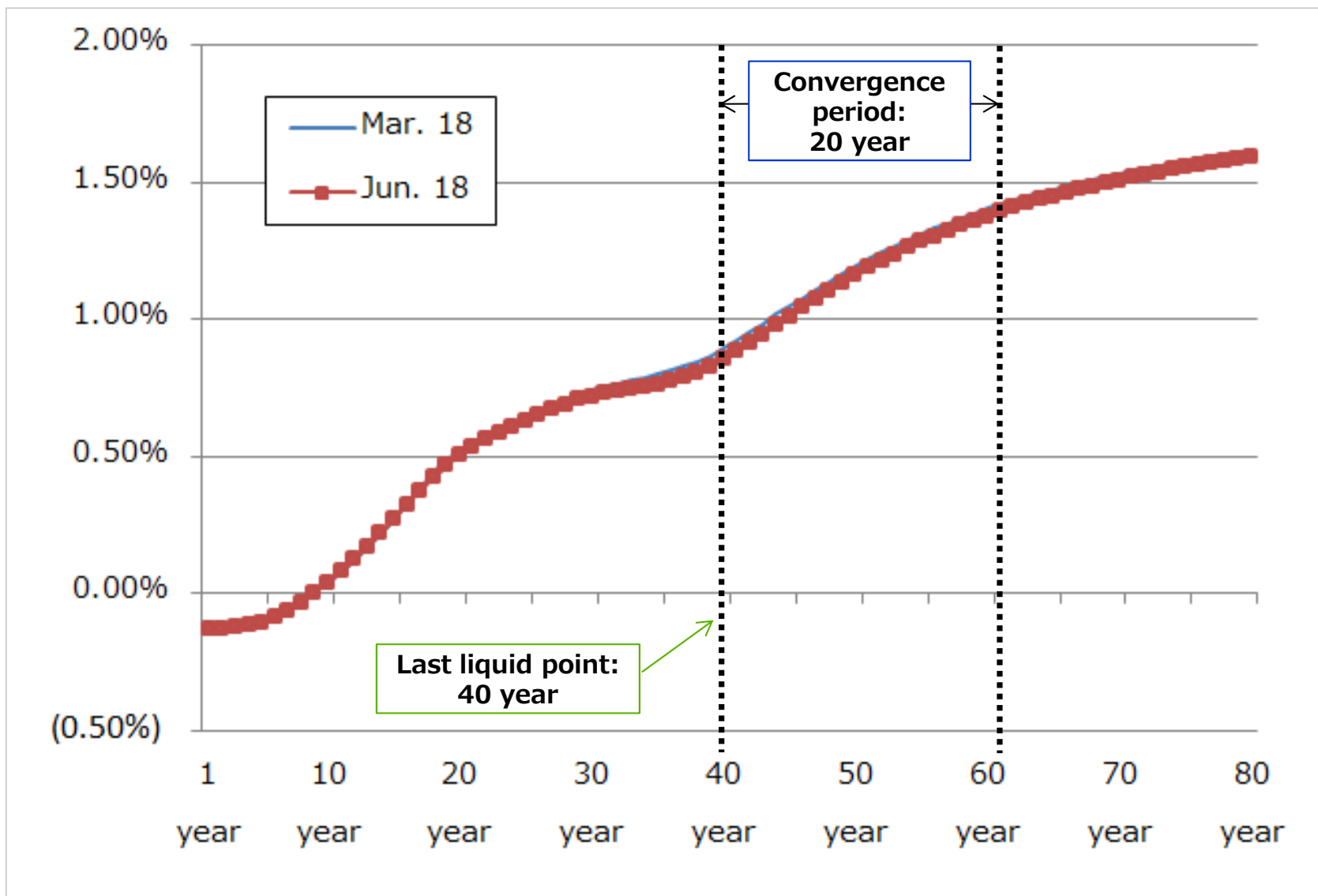
# Trend on JGB Yields (Par rate)



As of the end of each month

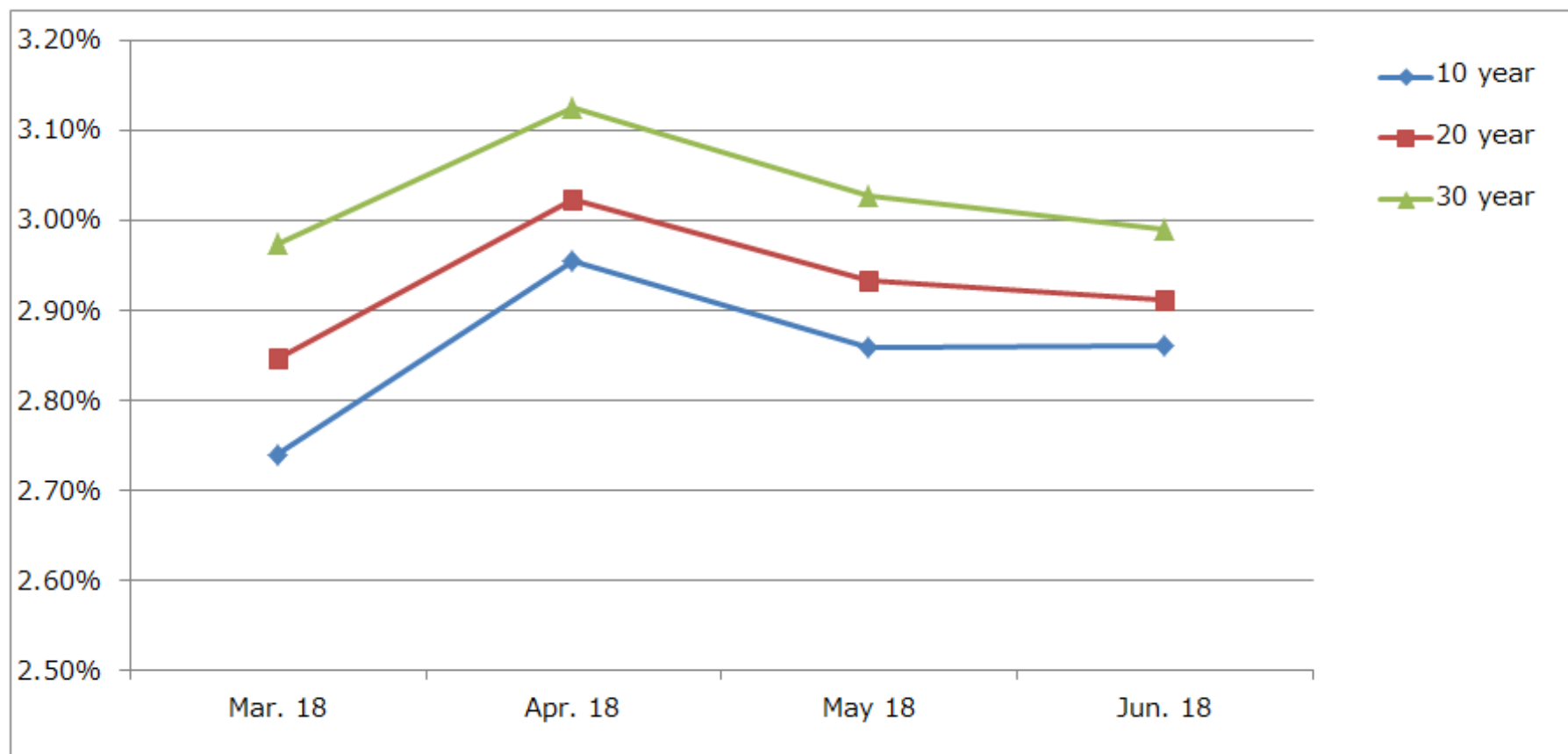
|         | Mar. 18 | Apr. 18 | May 18 | Jun. 18 |
|---------|---------|---------|--------|---------|
| 10 year | 0.04%   | 0.06%   | 0.04%  | 0.04%   |
| 20 year | 0.53%   | 0.53%   | 0.51%  | 0.51%   |
| 30 year | 0.74%   | 0.75%   | 0.72%  | 0.72%   |
| 40 year | 0.89%   | 0.88%   | 0.86%  | 0.85%   |

# 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%).

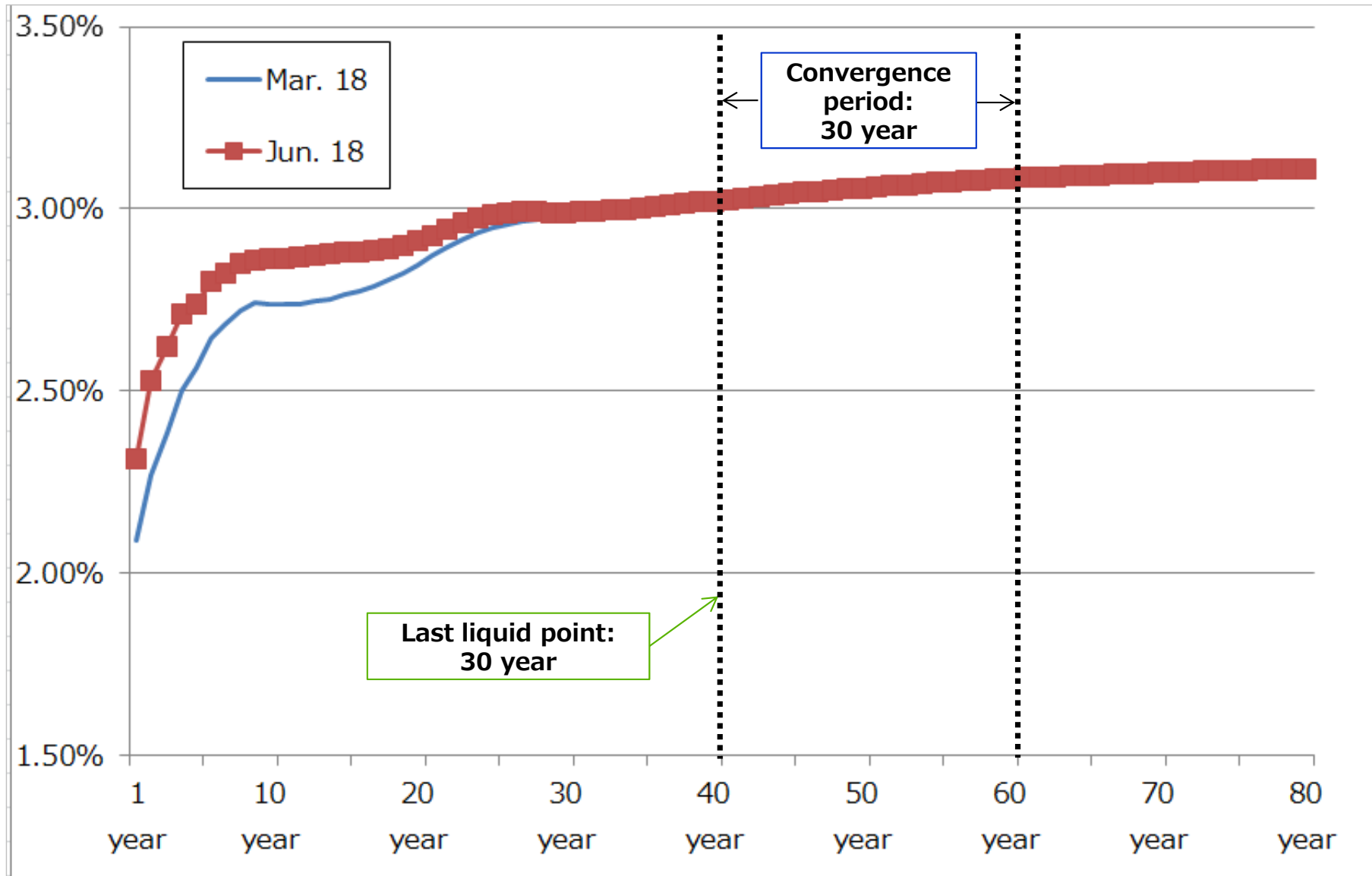
# Trend on U.S. Dollar Bonds Yields (Par rate)



As of the end of each month

|         | Mar. 18 | Apr. 18 | May 18 | Jun. 18 |
|---------|---------|---------|--------|---------|
| 10 year | 2.74%   | 2.95%   | 2.86%  | 2.86%   |
| 20 year | 2.85%   | 3.02%   | 2.93%  | 2.91%   |
| 30 year | 2.97%   | 3.12%   | 3.03%  | 2.99%   |

# Trend on Risk-free Rate (U.S. Dollar /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%).

# Detail of Consolidated Adjusted ROE

|                               | FY17<br>(12M) | FY17.1Q<br>(3M) | <b>FY18.1Q<br/>(3M)</b> |
|-------------------------------|---------------|-----------------|-------------------------|
| Consolidated Adjusted ROE     | 6.1%          | 1.3%            | <b>1.7%</b>             |
| (Sony Life) Core ROEV *       | 5.9%          | 1.1%            | <b>1.6%</b>             |
| (Sony Assurance) Adjusted ROE | 16.1%         | 5.5%            | <b>7.0%</b>             |
| (Sony Bank) ROE               | 5.5%          | 1.4%            | <b>1.7%</b>             |

\*The figures for FY17 and FY17.1Q excluded the impact of the revision in the insurance risk measurement method and others for Sony Life.

# Detail of Consolidated Adjusted Profit and Consolidated Adjusted Capital

## Adjusted profit (Numerator)

| Sony Financial Group (consolidated) (JPY bn) | FY17 | FY17.1Q | FY18.1Q     |
|--|------|---------|-------------|
| <b>Adjusted profit (consolidated)</b>        | 98.8 | 19.9    | <b>30.3</b> |

| Sony Life (non-consolidated) (JPY bn)                  | FY17 | FY17.1Q | FY18.1Q     |
|--|------|---------|-------------|
| New business value * <sub>1</sub>                      | 70.4 | 12.2    | <b>21.9</b> |
| Expected existing business contribution * <sub>1</sub> | 16.3 | 4.2     | <b>3.5</b>  |
| <b>Adjusted profit</b>                                 | 86.7 | 16.4    | <b>25.5</b> |

| Sony Assurance (JPY bn)   | FY17 | FY17.1Q | FY18.1Q    |
|---|------|---------|------------|
| Net income (loss)   | 4.8  | 1.6     | <b>2.7</b> |
| Provision amount for catastrophe reserve (after tax)            | 2.4  | 0.6     | <b>0.6</b> |
| Provision amount for reserve for price fluctuations (after tax) | 0.0  | 0.0     | <b>0.0</b> |
| <b>Adjusted profit</b>  | 7.3  | 2.3     | <b>3.3</b> |

| Sony Bank (consolidated) (JPY bn)                  | FY17 | FY17.1Q | FY18.1Q    |
|--|------|---------|------------|
| <b>Profit attributable to owners of the parent</b> | 4.7  | 1.1     | <b>1.4</b> |

## Adjusted capital (Denominator)

| Sony Financial Group (consolidated) (JPY bn) | FY17    | FY17.1Q | FY18.1Q        |
|--|---------|---------|----------------|
| <b>Adjusted capital (consolidated)</b>       | 1,607.6 | 1,573.0 | <b>1,735.8</b> |

| Sony Life (non-consolidated) (JPY bn)                  | FY17    | FY17.1Q | FY18.1Q        |
|--|---------|---------|----------------|
| ①MCEV as of the beginning of the fiscal year           | 1,441.0 | 1,441.0 | <b>1,633.1</b> |
| ②Dividends paid  | 23.1    | 23.1    | <b>26.2</b>    |
| ③MCEV as of the end of the fiscal year* <sub>2*3</sub> | 1,536.5 | 1,478.2 | <b>1,593.4</b> |
| <b>Adjusted capital (① - ② + ③) / 2</b>                | 1,477.2 | 1,448.0 | <b>1,600.2</b> |

| Sony Assurance (JPY bn)  | FY17 | FY17.1Q | FY18.1Q     |
|--|------|---------|-------------|
| ①The average amount of net assets during the fiscal year                                 | 33.1 | 29.2    | <b>33.1</b> |
| ②The average amount of catastrophe reserve (after tax) during the fiscal year            | 15.0 | 13.2    | <b>15.7</b> |
| ③The average amount of reserve for price fluctuations (after tax) during the fiscal year | 0.1  | 0.1     | <b>0.1</b>  |
| <b>Adjusted capital (① + ② + ③)</b>  | 45.2 | 42.3    | <b>48.7</b> |

| Sony Bank (consolidated) (JPY bn)   | FY17 | FY17.1Q | FY18.1Q     |
|---|------|---------|-------------|
| <b>Adjusted capital (The average amount of net assets during the fiscal year)</b> | 85.1 | 82.6    | <b>86.9</b> |

\*1. Please keep in mind that the validity of these calculations has not been verified by outside specialists for the figures for FY17.1Q and FY18.1Q.

\*2. Please keep in mind that the validity of these calculations has not been verified by outside specialists.

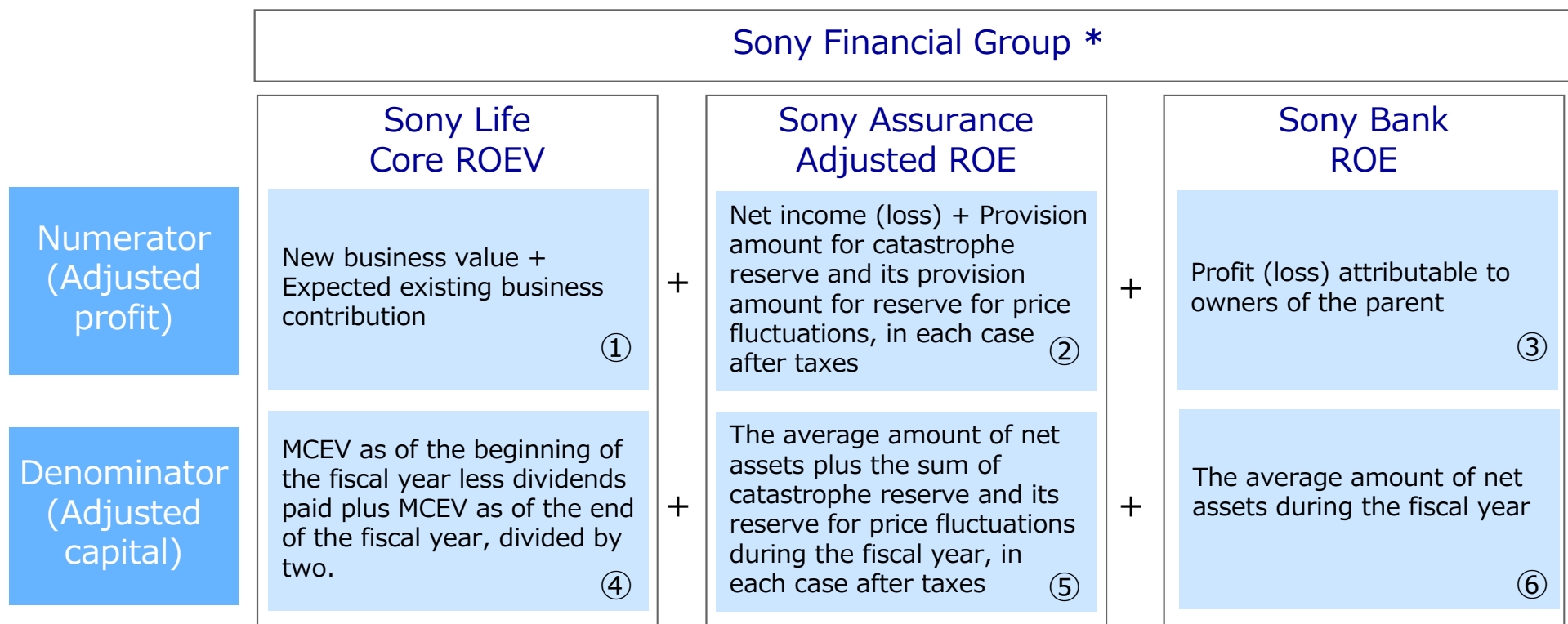
\*3. The figures for FY17 and FY17.1Q excluded the impact of the revision in the insurance risk measurement method and others.

Note: The figures on this page unit have been truncated. Therefore, some figures may differ from other pages.

# 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.



\* Consolidated Adjusted ROE = Consolidated Adjusted Profit divided by Consolidated Adjusted Capital

Consolidated Adjusted Profit = ① + ② + ③

Consolidated Adjusted Capital = ④ + ⑤ + ⑥



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