

【Presentation Material】



Consolidated Financial Results
for the Fiscal Year Ended March 31, 2019
and
Sony Life's Preliminary MCEV
as of March 31, 2019

Sony Financial Holdings Inc.
May 15, 2019

I am Kiyomiya from Sony Financial Holdings.

I would like to explain about consolidated financial results for FY2018 and Sony Life's preliminary MCEV as of March 31, 2019 followed by this presentation material.

AGENDA

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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.



Sony Financial
Holdings

Consolidated Operating Results
for the Fiscal Year Ended March 31, 2019
(FY2018)

Highlights of Consolidated Financial Results

Financial Results for FY2018

- ◆ All three businesses steadily expanded their business scale.
- ◆ On a consolidated basis, both ordinary revenues and ordinary profit reached record high.
- ◆ At Sony Life, both ordinary revenues and ordinary profit grew year-on-year due mainly to a steady rise in the policy amount in force.
- ◆ Consolidated adjusted ROE, an economic value-based profit indicator, reached 6.7%.

Forecast of Financial Results for FY2019

- ◆ We expect that all three businesses will continue to expand their business scale, sustaining the growth trend. On a consolidated basis, we anticipate increases in both ordinary revenue and ordinary profit.
- ◆ At Sony Life, we expect income from insurance premiums to grow, due to solid growth in the policy amount in force.
- ◆ Consolidated adjusted ROE is expected to be Approx. 6%.

Shareholder Returns

- ◆ In line with our medium-term dividend policy, for FY2019 we expect to raise the dividend amount by ¥2.5 per share compared with FY2018, to ¥65.0, 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.

I would like to explain highlights of consolidated financial results for FY2018.

All three businesses steadily expanded their business scale, leading to reached record high in both ordinary revenues and ordinary profit on a consolidated basis.

At Sony Life, both ordinary revenues and ordinary profit grew year-on-year due mainly to a steady rise in the policy amount in force even at the low interest environment.

Consolidated adjusted ROE, an economic value-based profit indicator, reached 6.7%.

For FY2019, we expect that all three businesses will continue to expand their business scale. On a consolidated basis, we anticipate increases in ordinary revenue and ordinary profit.

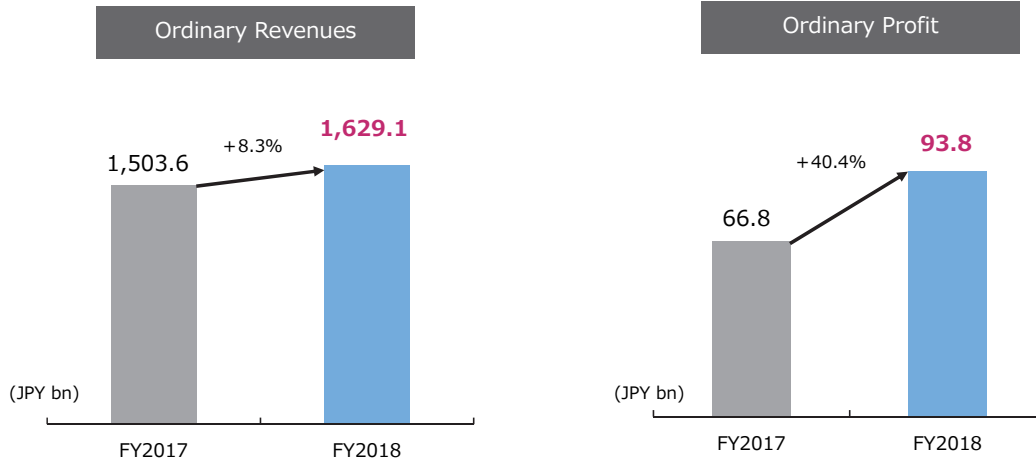
At Sony Life, we expect income from insurance premiums to grow, due to solid growth in the policy amount in force.

Consolidated adjusted ROE is expected to be Approx. 6%.

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

As previously announced, for FY2019, we forecast dividends of ¥65.0 per share, an increase of ¥2.5 from the planed dividends for FY2018.

- ◆ Ordinary Revenues : Increased owing to increases in ordinary revenues from all the businesses: life insurance, non-life insurance, and banking businesses.
- ◆ Ordinary Profit : Increased owing to increases in ordinary profit from all the above businesses.

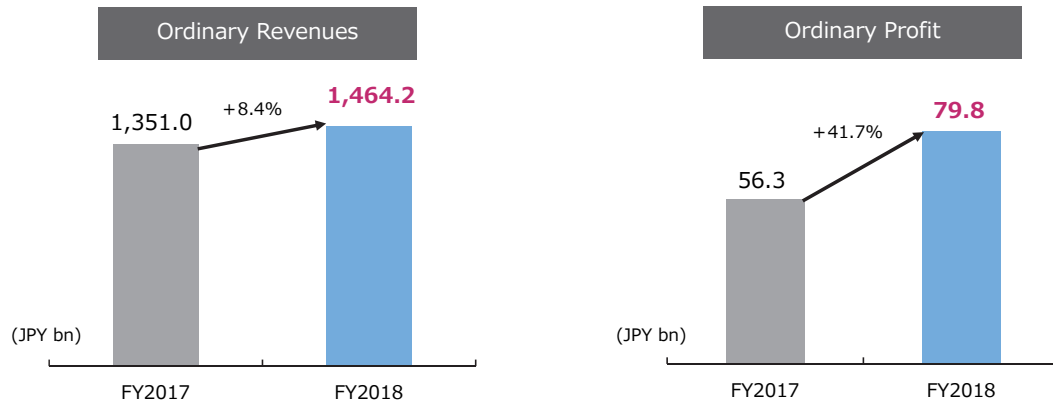


Next, I would like to explain about consolidated financial results.

Ordinary revenues increased 8.3% year on year, to ¥1,629.1 billion.
 Ordinary profit increased 40.4% year on year, to ¥93.8 billion.

Next, I would like to explain about operating performance of Sony Life.

- ◆ Ordinary Revenues : Grew due to higher insurance premiums owing mainly to a steady rise in the policy amount in force.
- ◆ Ordinary Profit : increased year on year due to an increase in profit on higher policies in force, a recording of gains on sale of securities in the general account, a decline in provision of policy reserves for products with higher surrenders, and an improvement in net gains (losses) on derivative transactions to hedge market risks for available-for-sale securities in the general account, which more than offset the effect of an impairment loss relating to available-for-sale securities in the general account.

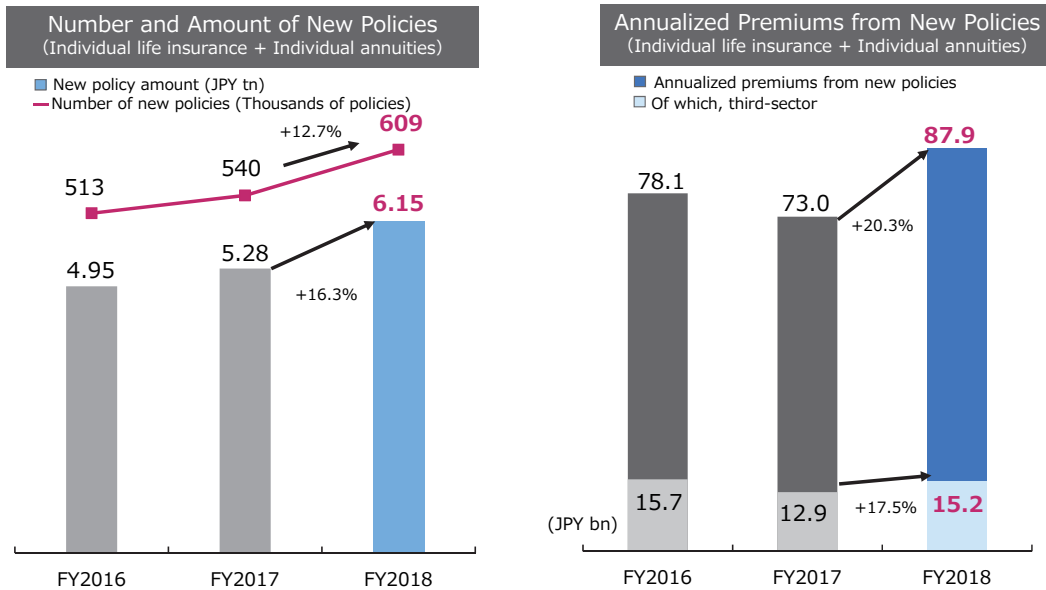


This is highlights of operating performance of Sony Life.

Ordinary revenues grew 8.4% year on year, to ¥1,464.2 billion, due to higher insurance premiums due mainly to a steady rise in the policy amount in force.

Ordinary profit increased 41.7% year on year, to ¥79.8 billion, due to an increase in profit on higher policies in force, a recording of gains on sale of securities in the general account, a decline in provision of policy reserves for products with higher surrenders, and an improvement in net gains (losses) on derivative transactions to hedge market risks for available-for-sale securities in the general account, which more than offset the effect of an impairment loss relating to available-for-sale securities in the general account.

- ◆ New Policy Amount : Increased due to higher sales of family income insurance.
- ◆ Annualized Premiums from New Policies : Increased due to higher sales of term life insurance and variable annuities.



(Left-hand graph)

New policy amount for the total of individual life insurance and individual annuities increased 16.3% year on year, to ¥6,150.4 billion, due to favorable sales of family income insurance.

In FY2018, new policy amount reached record high for the fiscal-year period (12M).

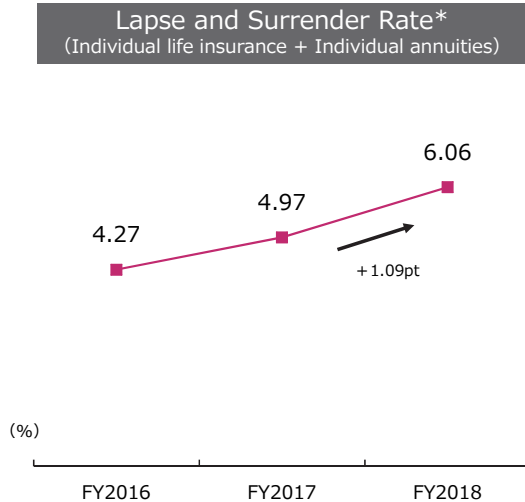
The number of new policies increased 12.7% year on year, to 609 thousand policies.

(Right-hand graph)

Annualized premiums from new policies increased 20.3% year on year, to ¥87.9 billion, due to favorable sales of term life insurance and variable annuities.

Of which, the figure for third-sector products increased 17.5% year on year, to ¥15.2 billion.

- ◆ Lapse and Surrender Rate : Increased due to certain customers cancelling existing policies, taking out new policies such as family income insurance since premiums were revised in line with revisions of the standard mortality tables.

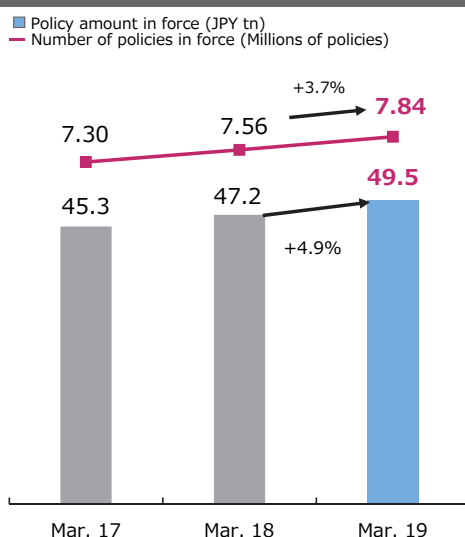


*The lapse and surrender rate shows the ratio derived by dividing the amount of lapses and surrenders, not adjusted for policy amount decreases, increases, and reinstatements, by the policy amount in force at the beginning of the fiscal year.

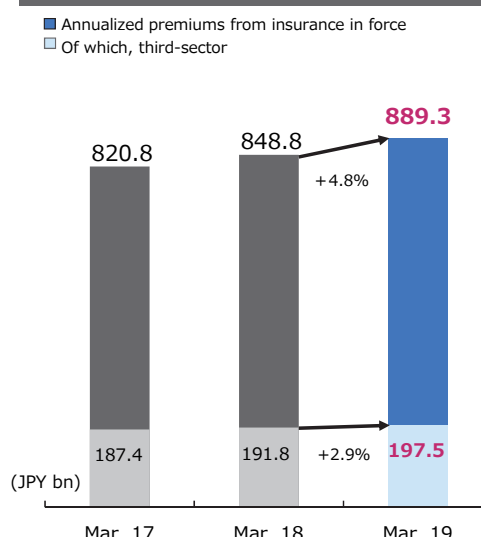
Lapse and surrender rate was up 1.09 percentage points year on year, to 6.06%.

The increase in the lapse and surrender rate was mainly due to certain customers cancelling existing policies, taking out new policies such as family income insurance since premiums were revised in line with revisions of the standard mortality tables.

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 4.9% from March 31, 2018, to ¥49.5 trillion.

The number of policies in force increased 3.7% from March 31, 2018, to ¥7.84 million polices.

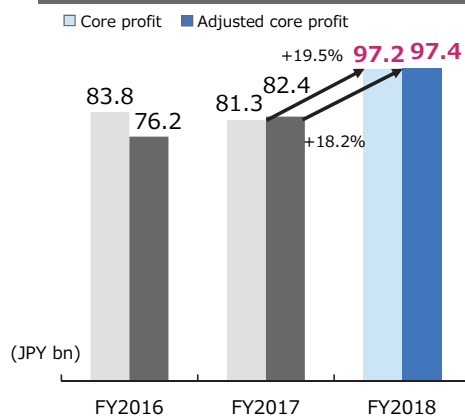
(Right-hand graph)

Annualized premiums from insurance in force increased 4.8% from March 31, 2018, to ¥889.3 billion.

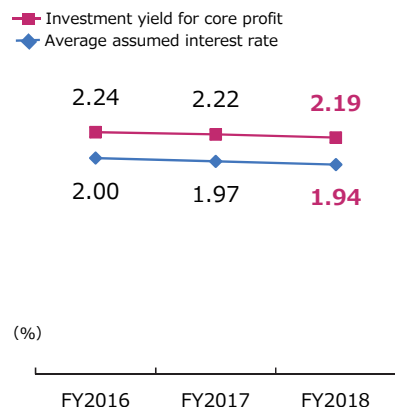
Of which, the figure for third-sector products was up 2.9% from March 31, 2018, to ¥197.5 billion.

- ◆ Core Profit : Increased due to an increase in profit on higher policies in force and a decline in provision of policy reserve for products with higher surrenders.

Core Profit and Adjusted Core Profit



Reference Average Assumed Interest Rate and Investment Yield for Core Profit



- ◆ Details of core profit

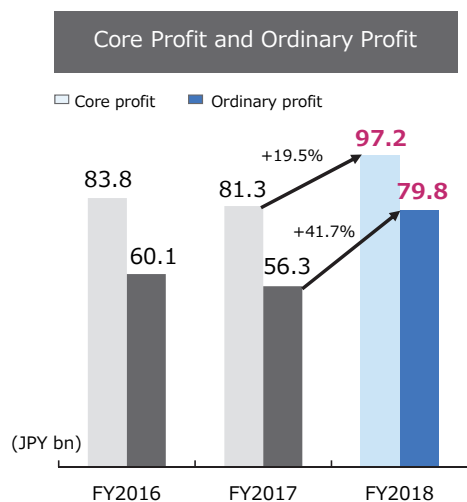
(JPY bn)	FY2016	FY2017	FY2018
Positive spread	15.4	17.7	18.2
Provision of policy reserve for minimum guarantees for variable life insurance (*)	(7.8)	(18.7)	(18.3)
Adjusted core profit (**)	76.2	82.4	97.4

*Provision of policy reserves for minimum guarantees for variable life insurance is described as negative amount.
 **Adjusted core profit = (Core profit) - (Positive spread) - (Provision of policy reserves for minimum guarantees for variable life insurance)

Core profit increased 19.5% year on year, to ¥97.2 billion, due to an increase in profit on higher policies in force and a decline in provision of policy reserves for products with higher surrenders.

Adjusted core profit, which subtracting positive spread and provision of policy reserves for minimum guarantees for variable life insurance from core profit, increased 18.2% year on year, to ¥97.4 billion.

- ◆ Ordinary Profit : Increased due to an increase in core profit and a recording of gains on sale of securities in the general account.

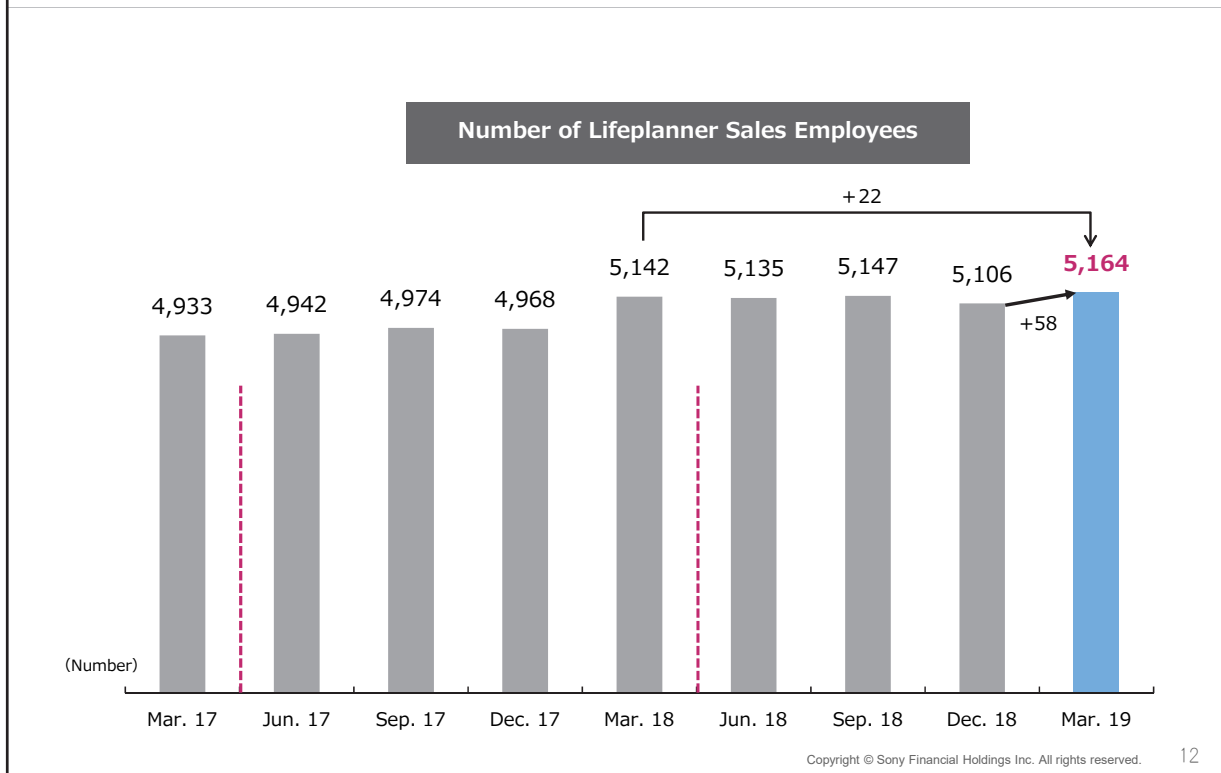


◆ Difference from core profit

(JPY bn)	FY2016	FY2017	FY2018
Core profit	83.8	81.3	97.2
Capital gains (losses) excluding gains or losses on hedges (*)	(0.4)	(9.0)	1.6
Gains (losses) on hedges of variable life insurance	(15.6)	(8.4)	(9.9)
Provision of contingency reserve (**)	(7.2)	(7.4)	(8.6)
Others	(0.1)	(0.1)	(0.4)
Ordinary profit	60.1	56.3	79.8

*Capital gains (losses) exclude gains or losses on hedges of variable life insurance.
 ** Provision of contingency reserve is described as negative amount.

Ordinary profit increased 41.7% year on year, to ¥79.8 billion, due to an increase in core profit and a recording of gains on sale of securities in the general account.

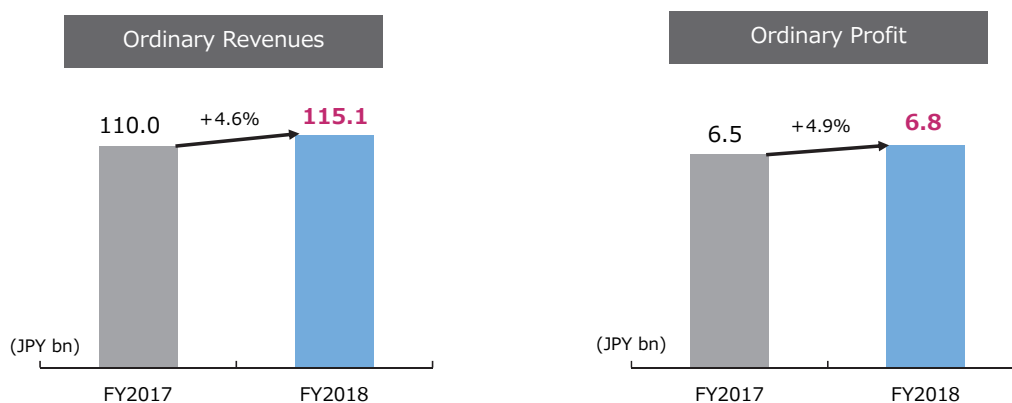


The number of Lifeplanner sales employees as of March 31, 2019, was 5,164, up 58 from December 31, 2018 and up 22 from March 31, 2018.

Sony Life will work to expand its business scale through stringent recruiting of Lifeplanner sales employees and further enhancing their productivity.

Next, I would like to explain about operating performance of Sony Assurance.

- ◆ Ordinary Revenues : Rose due to an increase in net premiums written for mainstay automobile insurance.
- ◆ Ordinary Profit : Up due to a lower expense ratio and higher revenues, despite a rise in the loss ratio stemming from natural disaster damage and the recording of additional policy reserves for a certain product.

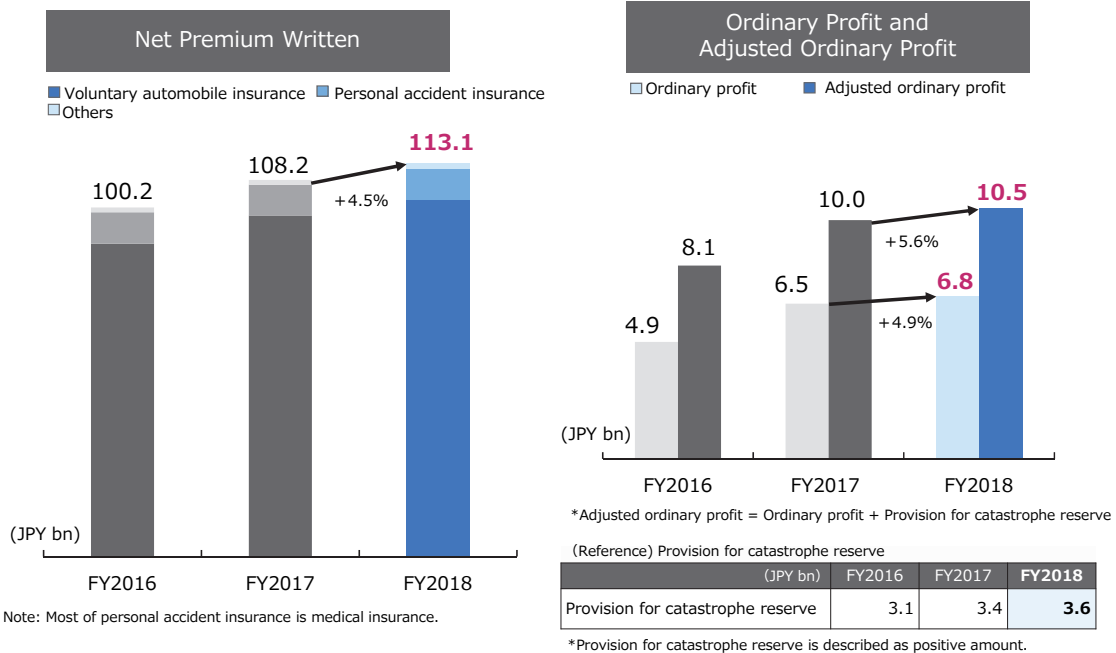


Sony Assurance reached record high in both ordinary revenues and ordinary profit.

Ordinary revenues rose 4.6% year on year, to ¥115.1 billion, due to an increase in net premiums written for mainstay automobile insurance.

Ordinary profit up 4.9% year on year, to ¥6.8 billion, due to a lower expense ratio and higher revenues, despite a rise in the loss ratio stemming from natural disaster damage and the recording of additional policy reserves for a certain product.

◆ Net Premium Written : Increased due to stable sales of automobile insurance.



(Left-hand graph)

Net premiums written increased 4.5% year on year, to ¥113.1 billion due to stable sales of automobile insurance.

(Right-hand graph)

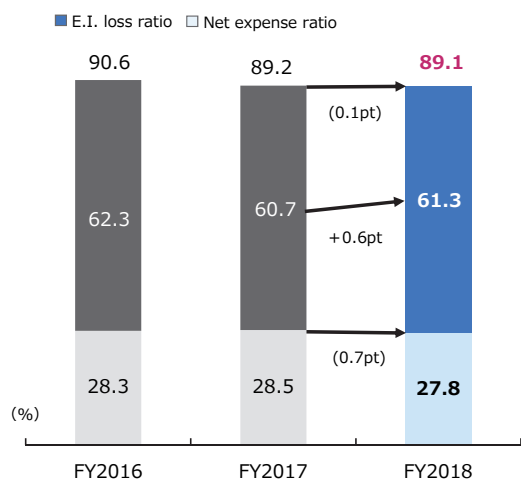
Ordinary profit increased year on year as described before.

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 ¥10.5 billion.

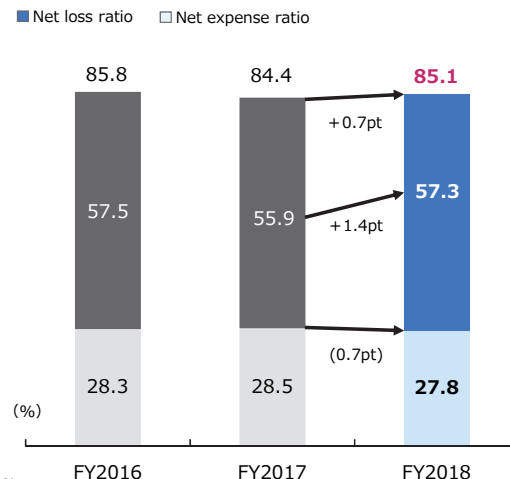
- ◆ Earned/Incurred (E.I.) Loss Ratio : Up due to natural disasters.
- ◆ Net Expense Ratio : Down due mainly to a decrease in system-related expenses.

Sum of Two Ratios
(E.I. Loss Ratio + Net Expense Ratio)



Notes:
 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.]

Reference
Combines 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 up 0.6 percentage points year on year, to 61.3%, due mainly to natural disasters.

The net expense ratio was down 0.7 percentage points year on year, to 27.8%, due mainly to a decrease in system-related expenses.

Consequently, the sum of the E.I. loss ratio and the net expense ratio was down 0.1 percentage points year on year, to 89.1%.

(Right-hand graph)

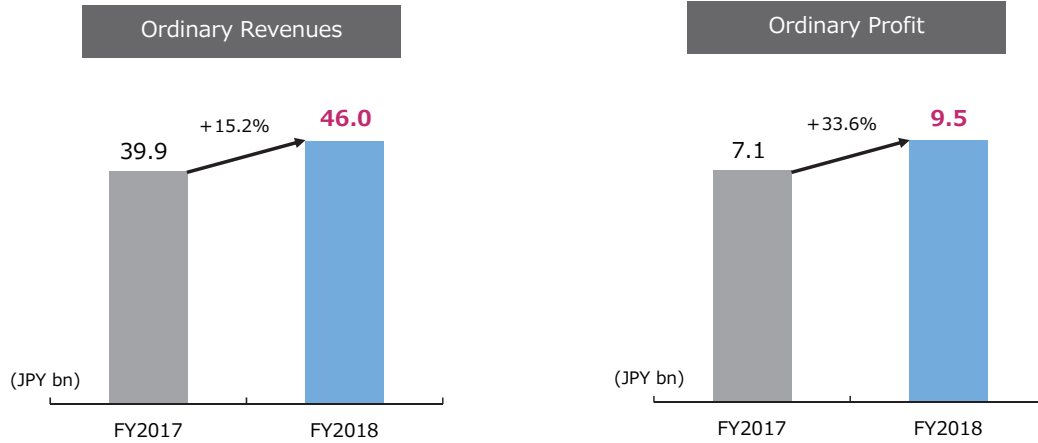
The net loss ratio was up 1.4 percentage points year on year, to 57.3%.

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

The combined ratio (the sum of the net loss ratio and the net expense ratio) was up 0.7 percentage points year on year, to 85.1%.

Next, I would like to explain about operating performance of Sony Bank.

- ◆ Ordinary Revenues and Ordinary Profit : Rose due mainly to increases in interest income on investment securities and on loans in line with a growing balance of mortgage loans.

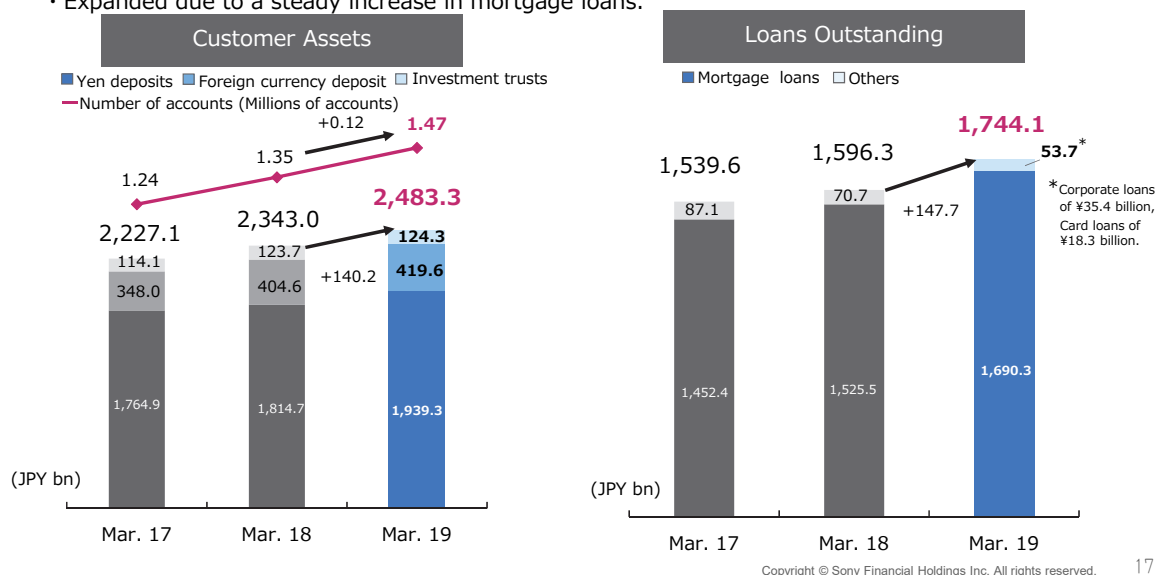


Sony Bank’s consolidated financial results reached record high in both ordinary revenues and ordinary profit.

Ordinary revenues increased 15.2% year on year, to ¥46.0 billion, due to increases in interest income on investment securities and on loans in line with a growing balance of mortgage loans.

Ordinary profit increased 33.6% year on year, to ¥9.5 billion, for the same reasons as ordinary revenues.

- ◆ Customer Assets
 - Yen Deposits : Increased due mainly to an increase in newly accumulated funds via the increased number of accounts.
 - Foreign Currency Deposits : Increased due mainly to the launch of the “Set Time Deposits Program,” which simultaneously employs yen and foreign currency time deposits.
- ◆ Loans Outstanding
 - Expanded due to a steady increase in mortgage loans.



(Left-hand graph)

As of March 31, 2019, customer assets amounted to ¥2,483.3 billion, up ¥140.2 billion from March 31, 2018.

Of this amount, the yen deposit balance amounted to ¥1,939.3 billion, up ¥124.6 billion from March 31, 2018, due mainly to an increase in newly accumulated funds via the increased number of accounts.

The yen-denominated balance of foreign currency deposits amounted to ¥419.6 billion, up ¥15.0 billion from March 31, 2018, due mainly to the launch of the “Set Time Deposits Program,” which simultaneously employs yen and foreign currency time deposits.

(Right-hand graph)

The loan balance as of March 31, 2019 expanded ¥147.7 billion from March 31, 2018, to ¥1,744.1 billion, due to a steady increase in mortgage loans.

This concludes the explanation of the results of three companies.



Forecast of Consolidated Financial
Results for the Fiscal Year Ending
March 31, 2020
(FY2019)

Forecast of Consolidated Financial Results for FY2019

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

For FY2019, we expect stable business growth to continue in all the businesses

◆Life insurance business

We expect ordinary revenues to increase from FY2018, due mainly to a steady rise in insurance premium revenues. We also expect ordinary profit to rise in line with growth in the policy amount in force, despite the increased provision of policy reserves stemming from a decrease in surrenders. Also, although we booked an impairment loss relating to available-for-sale securities in the general account in FY2018, no equivalent loss is included in our forecast for FY2019.

◆Non-life insurance business

We expect ordinary revenues to increase from FY2018, in line with growth in net premiums written, primarily for automobile insurance. We expect ordinary profit will remain flat. We anticipate higher revenues from automobile insurance, and anticipate the impact of a temporary accumulation of policy reserves for a certain product in FY2018 will disappear. At the same time, however, we expect the provision for underwriting reserves to rise in line with an increase in the acquisition of fire insurance policies.

◆Banking business

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

	(JPY bn)	FY2018 (Actual)	FY2019 (Forecast)	Change
Ordinary revenues		1,629.1	1,690.0	+3.7%
Life insurance business		1,464.3	1,520.5	+3.8%
Non-life insurance business		115.1	121.2	+5.3%
Banking business		46.0	49.3	+7.1%
Ordinary profit		93.8	98.0	+4.4%
Life insurance business		78.2	84.2	+7.7%
Non-life insurance business		6.8	7.0	+1.5%
Banking business		9.5	8.6	(10.4%)
Profit attributable to owners of the parents		62.0	65.0	+4.7%

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Next, I will explain our forecast of consolidated financial results for FY2019.

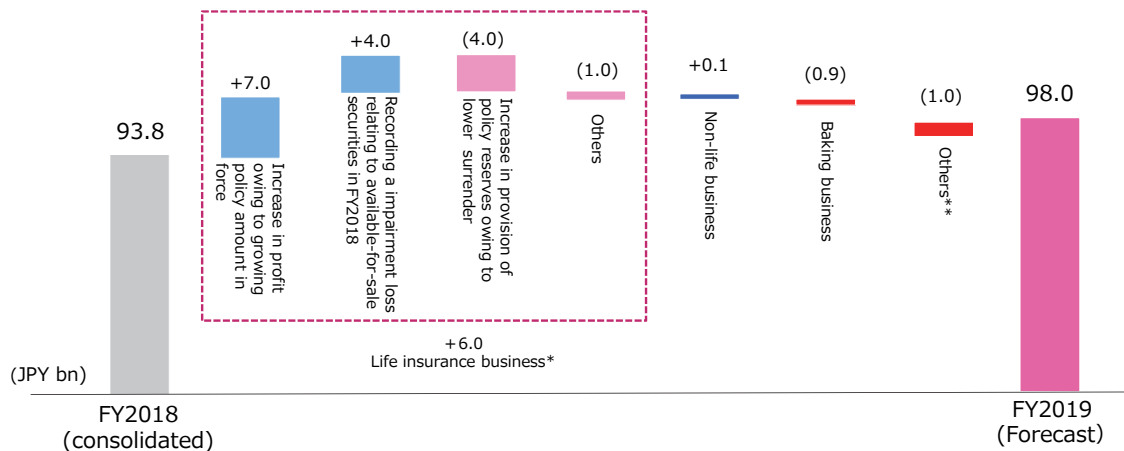
For FY2019, stable business growth is expected to continue in all the businesses: life insurance, nonlife insurance and banking businesses.

Ordinary revenues are expected to increase in all the businesses.

Although ordinary profit for the banking business is expected to decrease and the non-life insurance business is 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 similarly to the ordinary profit.

Analysis on Ordinary Profit



*Assumption
 • Market environment : At the level as of Mar. 19
 • Gains on sale of securities : Approx. ¥4.0 billion
 **Others include total of profit and loss of SFH, the nursing care business, and the venture capital business as well as intersegment adjustment.

I would like to explain analysis on ordinary profit for the forecast of consolidated financial results for FY2019.

In the life insurance business, we expect ordinary profit to increase in line with growth in the policy amount in force, despite the increased provision of policy reserves stemming from a decrease in surrenders.

Also, although we booked an impairment loss relating to available-for-sale securities in the general account in FY2018, no equivalent loss is included in our forecast for FY2019.

Therefore, we expect ordinary profit to increase in FY2019 consolidated financial forecast.



Sony Financial
Holdings

Dividend Forecast for FY2019

◆ **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 evaluating 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 Group.

◆ **Dividend Results/Forecast**

Dividends for FY2018 are expected to be ¥62.5 per share.

For FY2019, after considering the business environment, the expansion of the Group's business volume and the level of economic value-based profit growth, we forecast dividends of ¥65.0 per share, an increase of ¥2.5 from the planned dividends of FY2018. Consolidated adjusted ROE, an economic value-based profit indicator, is expected to be Approx. 6% for FY2019.

	FY2015	FY2016	FY2017	FY2018 (Plan)	FY2019 (Forecast)
Dividend per share	¥55.0	¥55.0	¥60.0	¥62.5	¥65.0

*Please refer to page 27-29 for details of consolidated adjusted ROE.

As previously announced, for FY2019, we forecast dividends of ¥65.0 per share, an increase of ¥2.5 from the planned dividends for FY2018.

Consolidated adjusted ROE, an economic value-based profit indicator, was 6.7% for FY2018, and expected to be Approx. 6% for FY2019.



Sony Life's Preliminary MCEV as of March 31, 2019

Please keep in mind that the validity of these calculations has not been verified by outside specialists as of March 31, 2019. The calculation of MCEV as of March 31, 2019, in accordance with the MCEV principles and verified by outside specialists, is scheduled to be announced on May 20, 2019.

A part of the calculations of MCEV adopted simplified method for that as of December 31, 2018.

*Also in this part, figures less than the indicated unit have been truncated from March 31, 2019.

◆ **Reasons for Changes in MCEV**

- MCEV as of March 31, 2019 increased ¥55.6 billion from December 31, 2018, due mainly to an assumption changes and an acquisition of new policies, despite a decrease in interest rates in Japanese yen.

◆ **New Business Value / New Business Margin**

- New business margin for FY18.4Q(3M) was down 2.2pt from FY18.3Q(3M), due to changes in product mix(including premium revisions in January 2019) and a decrease in interest rates.
- New business value for FY18.4Q(3M) was ¥23.1 billion, due to a steady acquisition of new policies.

(JPY bn)	Mar. 18	Dec. 18	Mar. 19	Change from Mar. 18	Change from Dec. 18	
MCEV	1,633.1	1,664.6	1,720.2	+87.1	+55.6	
Adjusted net worth	1,786.1	1,824.0	2,195.7	+409.6	+371.7	
Value of existing business	(152.9)	(159.4)	(475.5)	(322.5)	(316.0)	
(JPY bn)	FY17.4Q (3M)	FY18.1Q (3M)	FY18.2Q (3M)	FY18.3Q (3M)	FY18.4Q (3M)	FY18.4Q (12M)
New business value	21.1	21.9	22.6	23.6	23.1	91.3
New business margin	6.1%	7.1%	6.9%	7.3%	5.0%	6.4%

Notes:

1. Calculated MCEV as of December 31, 2018 by using updated mainly economic assumptions and lapse and surrender rates 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."

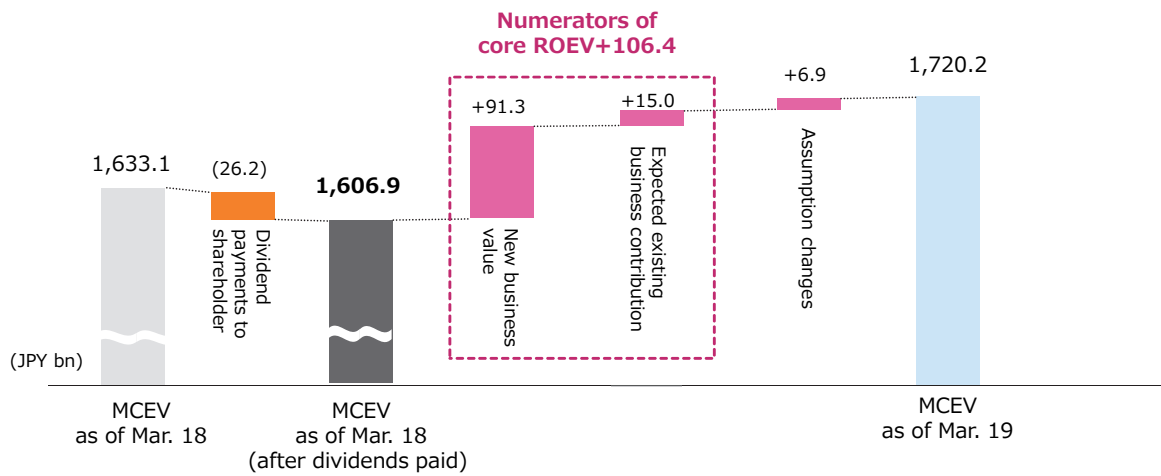
*Please refer to page 42-45 for trend on bond yields and yield curves.

Sony Life's MCEV as of March 31, 2019 was ¥1,720.2 billion, up ¥55.6 billion from December 31, 2018, due mainly to an assumption changes and an acquisition of new policies, despite a decrease in interest rates in Japanese yen.

New business margin for FY18.4Q(3M) was 5.0%, down 2.2 percentage points from FY18.3Q(3M), due to changes in product mix (including premium revisions in January 2019) and a decrease in interest rates.

However, new business value for FY18.4Q (3M) was almost at the same levels as for FY18.3Q (3M), amounted to ¥23.1 billion, due to a steady acquisition of new policies.

Reconciliation Analysis of Sony Life's MCEV



Note: Details on assumption changes : Insurance-related assumption changes: +¥69.6 billion, economic variances changes : (62.6) billion.

Sony Life's MCEV as of March 31, 2019 was ¥1,720.2 billion, up ¥87.1 billion from March 31, 2018, reflecting contribution of ¥106.4 billion numerators of core ROEV, consisted of new business value and expected existing business contribution.

This conclude the explanation.
Thank you.

Appendix |

- ◆ Sony Financial Group
 - Detail of Consolidated Adjusted ROE
 - Detail of Consolidated Adjusted Profit and Consolidated Adjusted Capital
 - Calculation of Consolidated Adjusted ROE
 - Update of Major KPIs
 - Financial Soundness
 - Results of Cross-selling
- ◆ Sony Life
 - Product Portfolio
 - Asset Management
 - General Account Assets
 - Interest Income and Dividends (Details)
 - Capital Gains (Losses)
 - Quarterly Trend on New Policy Amount
 - Quarterly Trend on Annualized Premiums from New Policies
 - Quarterly Trend on New Business Value
 - ESR
 - Trend on JGB Yields (Par rate)
 - Trend on Risk-free Rate (Japanese yen/Par rate)
 - Trend on U.S. Dollar Bonds Yields (Par rate)
 - Trend on Risk-free Rate (U.S. Dollar /Par rate)
- ◆ Financial Results of Each Group Company (Summary Financial Statements, etc.)
 - Consolidated/Sony Life/Sony Assurance/Sony Bank

Detail of Consolidated Adjusted ROE

	FY2017	FY2018
Consolidated Adjusted ROE	6.1%	6.7%
(Sony Life) Core ROEV	5.9%	6.4%
(Sony Assurance) Adjusted ROE	16.1%	15.2%
(Sony Bank) ROE	5.5%	7.3%

Note: The figures for FY2017 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)	FY2017	FY2018
Adjusted profit (consolidated)	98.8	120.4
Sony Life (non-consolidated) (JPY bn)		
	FY2017	FY2018
New business value *1	70.4	91.3
Expected existing business contribution *1	16.3	15.0
Adjusted profit	86.7	106.4
Sony Assurance (JPY bn)		
	FY2017	FY2018
Net income	4.8	4.9
Provision amount for catastrophe reserve (after tax)	2.4	2.6
Provision amount for reserve for price fluctuations (after tax)	0.0	0.0
Adjusted profit	7.3	7.6
Sony Bank (consolidated) (JPY bn)		
	FY2017	FY2018
Profit attributable to owners of the parent	4.7	6.3

Adjusted capital (Denominator)

Sony Financial Group (consolidated) (JPY bn)	FY2017	FY2018
Adjusted capital (consolidated)	1,607.6	1,801.8
Sony Life (non-consolidated) (JPY bn)		
	FY2017	FY2018
① MCEV as of the beginning of the fiscal year	1,441.0	1,633.1
② Dividends paid	23.1	26.2
③ MCEV as of the end of the period *2	1,536.5	1,720.2
Adjusted capital (① - ② + ③) / 2	1,477.2	1,663.5
Sony Assurance (JPY bn)		
	FY2017	FY2018
① The average amount of net assets during the period	33.1	34.7
② The average amount of catastrophe reserve (after tax) during the period	15.0	17.7
③ The average amount of reserve for price fluctuations (after tax) during the period	0.1	0.1
Adjusted capital (① + ② + ③)	45.2	50.5
Sony Bank (consolidated) (JPY bn)		
	FY2017	FY2018
Adjusted capital (The average amount of net assets during the period)	85.1	87.6

*1. Please keep in mind that the validity of these calculations has not been verified by outside specialists for the figures for FY2018.

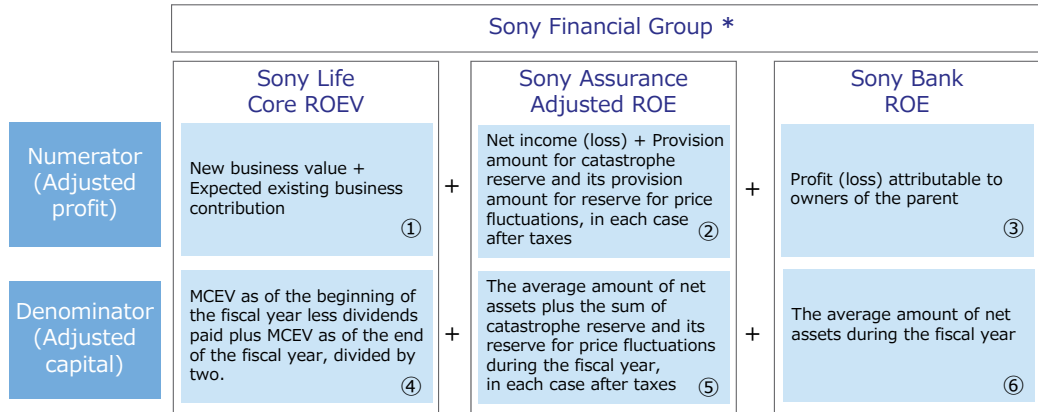
*2. Please keep in mind that the validity of these calculations has not been verified by outside specialists.

Note: The figures for FY2017 excluded the impact of the revision in the insurance risk measurement method and others for Sony Life.

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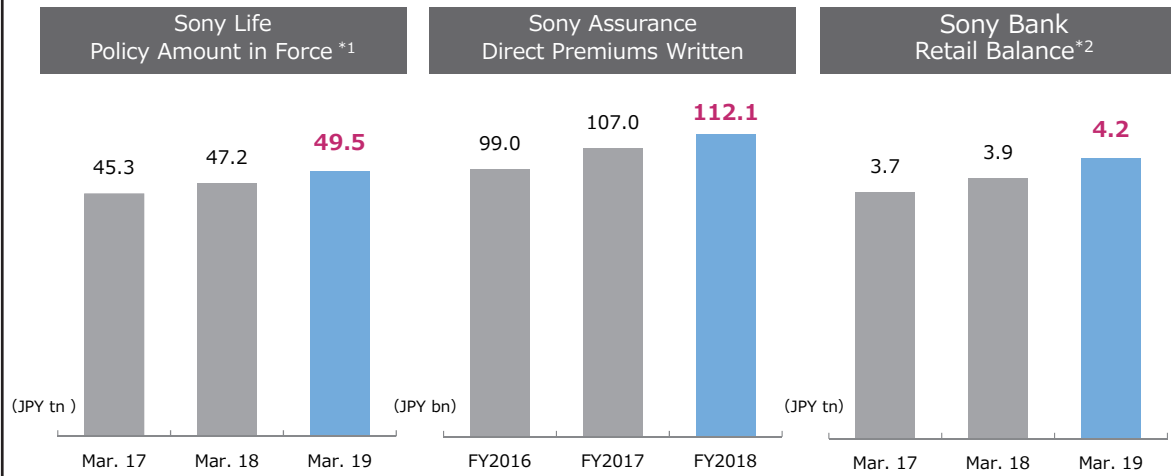
Calculation of Consolidated Adjusted ROE

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

Update of Major KPIs



*1 Individual Life Insurance + Individual Annuities

*2 Sum of yen deposits, foreign currency deposits, investment trusts, securities brokerage, mediated discretionary investment contracts and personal loans

(%)	Mar. 18	Mar. 19	Change from Mar. 18
Sony Life (non-consolidated) Solvency margin ratio	2,624.3%	2,590.5%	(33.8pt)
Sony Assurance Solvency margin ratio	782.1%	813.0%	+30.9pt
Sony Bank (non-consolidated) Capital adequacy ratio (domestic standard)	10.45%	9.58%	(0.87pt)

(%)	Mar. 18	Mar. 19	Change from Mar. 18
Sony Bank (non-consolidated) Non-performing assets ratio (based on Financial Reconstruction Law)	0.12%	0.12%	+0.00pt

Note: Non-performing loans (loans based on the Financial Reconstruction Act) /Total loan exposure

◆ Sony Bank's Mortgage Loans through Sony Life

Sony Life accounts for 10% of the amount of new mortgage loans for FY2018

Sony Life accounts for 17% of the balance of mortgage loans as of March 31, 2019

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



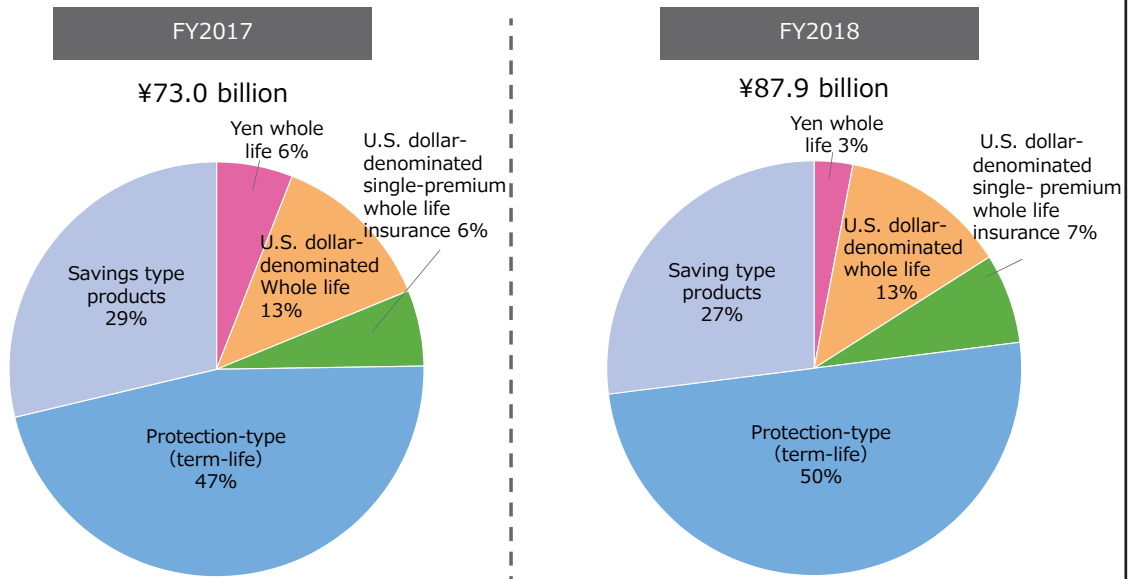
◆ Sony Assurance's Automobile Insurance Sold by Sony Life

Sony Life accounts for 5% of new automobile policies for FY2018

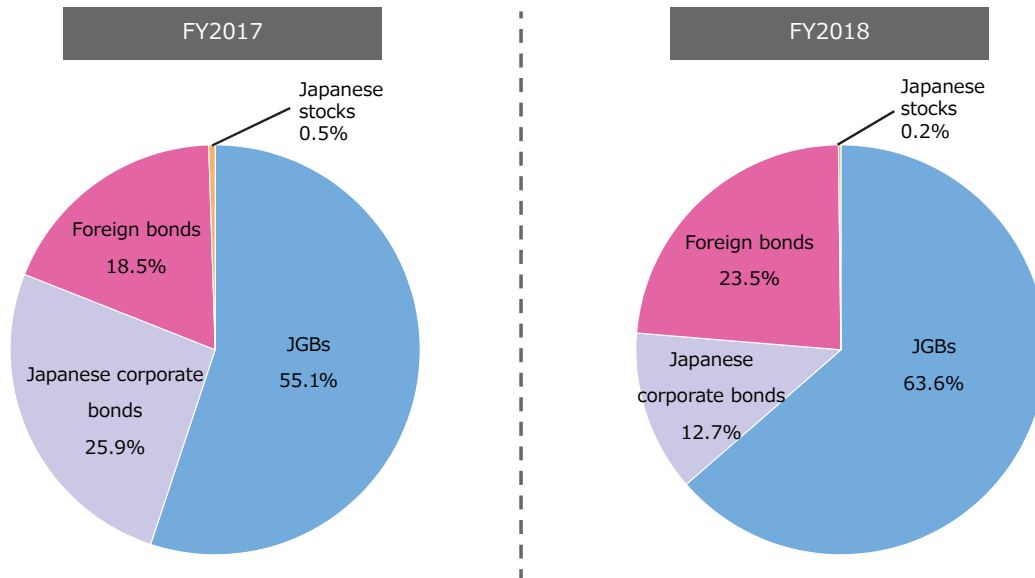
※Sony Life started handling automobile insurance in May 2001.



Sony Life's Product Portfolio
(Annualized Premiums from New Policies by Product)



Note: Savings type products = Endowment · Annuities · Educational endowment insurance



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's General Account Assets
(Detail of General Account Assets)



◆ 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.

(JPY bn)	Mar. 18		Mar. 19	
	Amount	%	Amount	%
Japanese bonds (including JGBs)	7,281.1	86.3%	7,745.3	85.3%
Japanese stocks	38.4	0.5%	28.6	0.3%
Foreign bonds	366.5	4.3%	542.1	6.0%
Foreign stocks	30.3	0.4%	22.5	0.2%
Money held in trust	270.5	3.2%	269.3	3.0%
Policy loans	189.4	2.2%	198.3	2.2%
Real estate*	92.3	1.1%	90.8	1.0%
Cash and call loans	40.8	0.5%	61.9	0.7%
Others	129.1	1.5%	120.2	1.3%
Total	8,438.8	100.0%	9,079.4	100.0%

◆ Bond duration

Mar. 17 : 21.3 years
Mar. 18 : 21.4 years
Mar. 19 : 21.8 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 :

Mar. 17 : 90.1%
Mar. 18 : 89.5%
Mar. 19 : 88.3%

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

Sony Life's Interest Income and Dividends (Details)



(JPY mn)

	FY2017	FY2018	Change
Cash and deposits	0	0	(49.3%)
Japanese bonds (including JGBs)	125,271	129,930	+ 3.7%
Japanese stocks	566	556	(1.7%)
Foreign securities	13,975	19,906	+ 42.4%
Other securities	621	340	(45.3%)
Loans	6,610	6,828	+ 3.3%
Real estate	10,285	8,831	(14.1%)
Others	395	543	+ 37.4%
Total	157,727	166,937	+ 5.8%

Sony Life's Capital Gains (Losses)



(JPY mn)	FY2017	FY2018
Capital losses	27,357	27,847
Losses on trading securities, net	8	144
Losses on sale of securities...(3)	0	34
Devaluation losses on securities...(4)	-	4,026
Losses on derivatives, net	11,403	13,925
Losses on hedges of variable life insurance...(1)	8,424	9,983
Losses on hedges of available-for-sale securities...(2)	4,350	(246)
Losses on U.S. dollar-denominated insurance...(5)	(2,004)	4,072
Foreign exchange losses, net	15,280	-
Losses on U.S. dollar-denominated insurance...(5)	15,465	-
Other capital losses	664	9,716
Losses on U.S. dollar-denominated insurance (the provision of policy reserves for foreign exchange fluctuations)...(5)	-	9,716

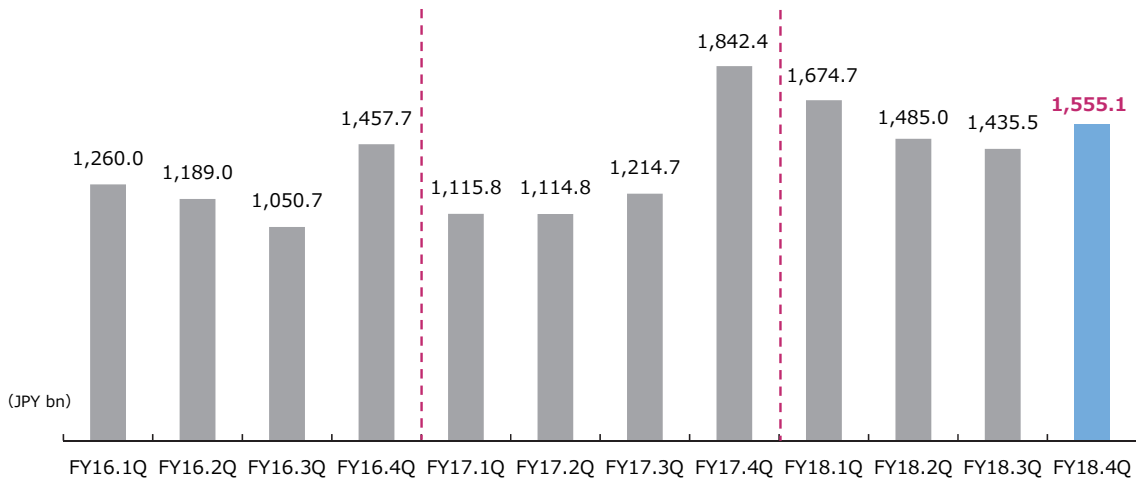
● Capital Gains (Losses) on Main Items, Net Amounts

(JPY mn)	FY2017	FY2018
(1) Gains (Losses) on hedges of variable life insurance	(8,424)	(9,983)
(2) Gains (losses) on hedges of available-for-sale securities	(4,350)	246
(3) Gains (losses) on sale of securities	0	6,072
(4) Devaluation losses on securities	-	(4,026)
(5) Gains (losses) on U.S. dollar-denominated insurance	(3,566)	(457)

(JPY mn)	FY2017	FY2018
Capital gains	9,894	19,562
Gains on sale of securities...(3)	0	6,107
Foreign exchange gains, net	-	13,455
Gains on U.S. dollar-denominated insurance (foreign exchange gains in separate account) ...(5)	-	13,331
Other capital gains	9,894	-
Gains on U.S. dollar-denominated insurance (the reversal of policy reserves for foreign exchange fluctuations)...(5)	9,894	-
Net capital gains (losses)	(17,463)	(8,284)

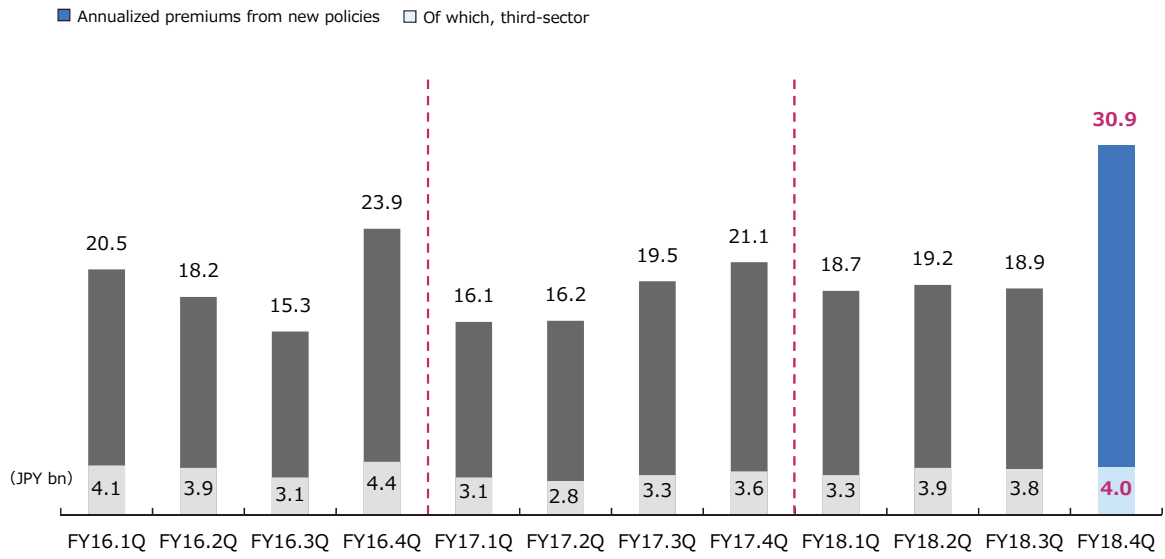
Note: The figures of income (losses) from trading securities, net, gains (losses) on derivatives and foreign exchange gains (losses), net were recorded after offsetting gains and losses of each item.

Sony Life's Quarterly Trend on New Policy Amount



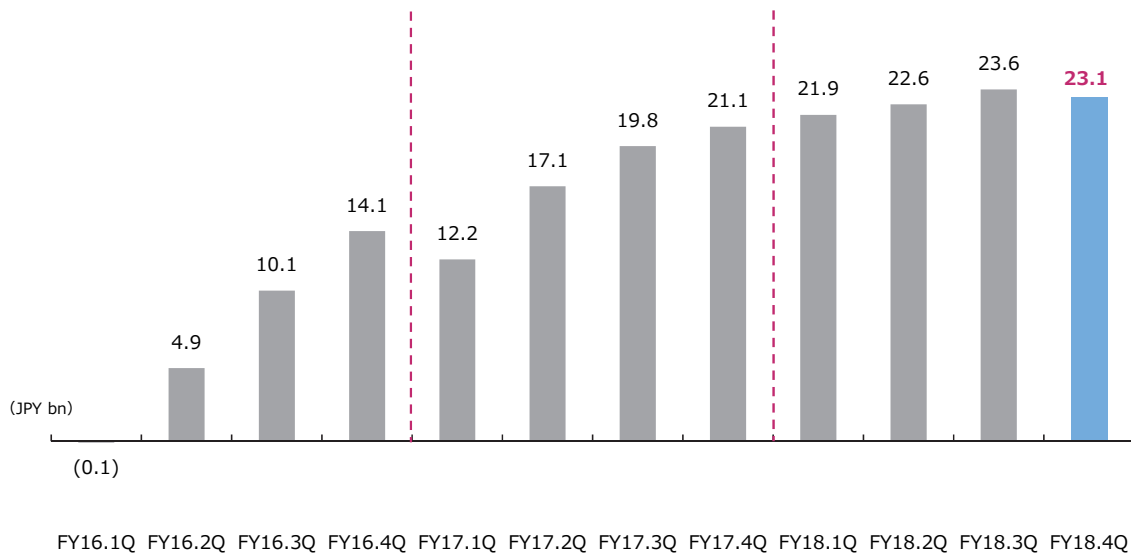
Note : Individual Life Insurance + Individual Annuities

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



Note : Individual Life Insurance + Individual Annuities

Sony Life's 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 FY2018 onward reflect the revision in the insurance risk measurement method and others which revised on March 31, 2018.

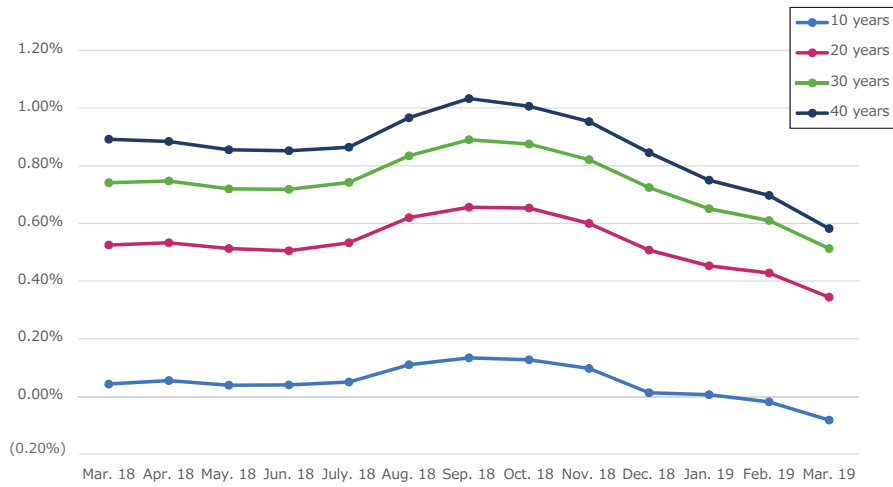
- ◆ The risk amount based on economic value as of March 31, 2019 was ¥742.3 billion, remained flat compared to the as of December 31, 2018, due to an increase in insurance risk offsets the decrease in interest rate risk resulting drop in interest rates.
- ◆ ESR as of March 31, 2019 was 235%, up 10pt from December 31, 2018 due to an increase in MCEV.

(JPY bn)	Mar. 18	Dec. 18	Mar. 19
Insurance risk	497.5	513.9	547.3
Market-related risk	380.6	385.2	332.5
Of which, interest rate risk	275.3	264.1	202.1
Operational risk	31.0	31.8	33.4
Counter party risk	2.5	2.8	3.0
Variance effect	(181.9)	(185.9)	(174.0)
The risk amount based on economic value	729.7	748.0	742.3
(JPY bn)	Mar. 18	Dec. 18	Mar. 19
MCEV + Frictional costs	1,655.8	1,685.7	1,743.7
ESR	227%	225%	235%

Notes:

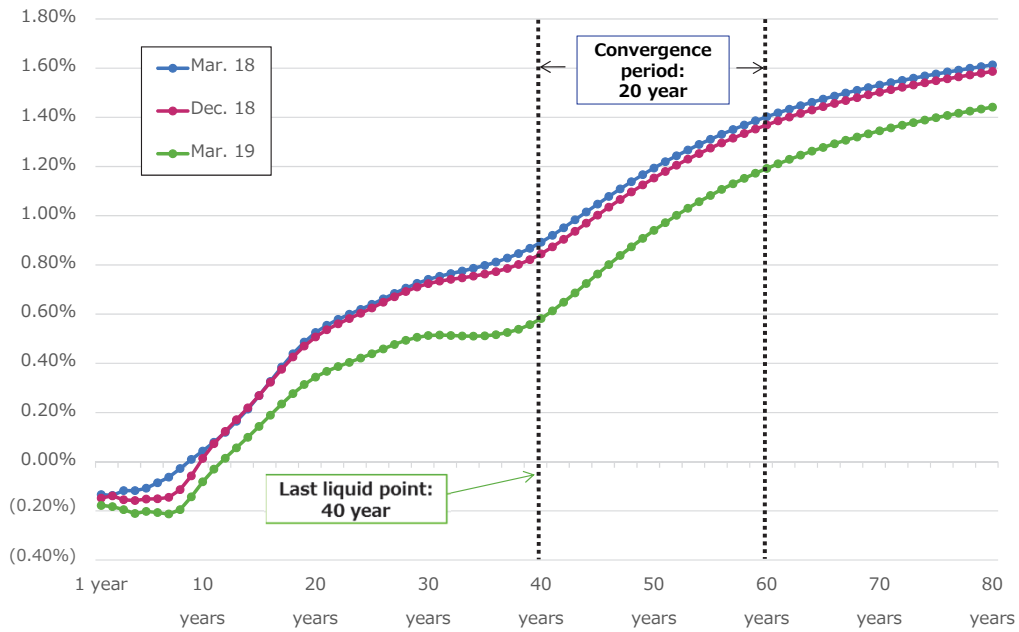
1. The risk amount based on economic value refers to the total amount of Sony Life's risks comprehensively examined by a market consistent approach, including insurance risk and market-related risk and others.
2. The solvency risk capital on an economic value basis is calibrated at VaR (99.5) over one year and based on the internal model.
3. Risk amount excluding the variance effect within market-related risk.
4. ESR=(MCEV + Frictional costs) / Risk amount based on economic value.

Trend on JGB Yields (Par rate)



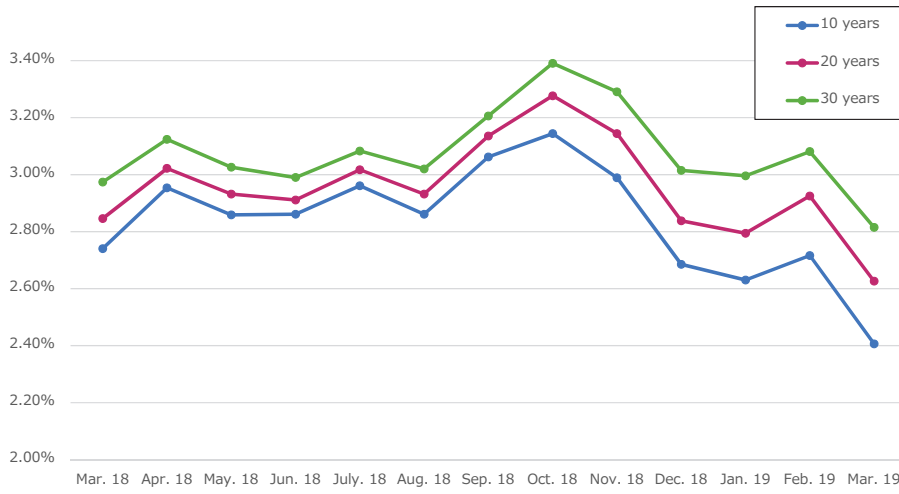
	Mar. 18	Apr. 18	May. 18	Jun. 18	July. 18	Aug. 18	Sep. 18	Oct. 18	Nov. 18	Dec. 18	Jan. 19	Feb. 19	Mar. 19
10 years	0.04%	0.06%	0.04%	0.04%	0.05%	0.11%	0.13%	0.13%	0.10%	0.01%	0.01%	(0.02%)	(0.08%)
20 years	0.53%	0.53%	0.51%	0.51%	0.53%	0.62%	0.66%	0.65%	0.60%	0.51%	0.45%	0.43%	0.34%
30 years	0.74%	0.75%	0.72%	0.72%	0.74%	0.83%	0.89%	0.88%	0.82%	0.72%	0.65%	0.61%	0.51%
40 years	0.89%	0.88%	0.86%	0.85%	0.86%	0.97%	1.03%	1.01%	0.95%	0.85%	0.75%	0.70%	0.58%

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



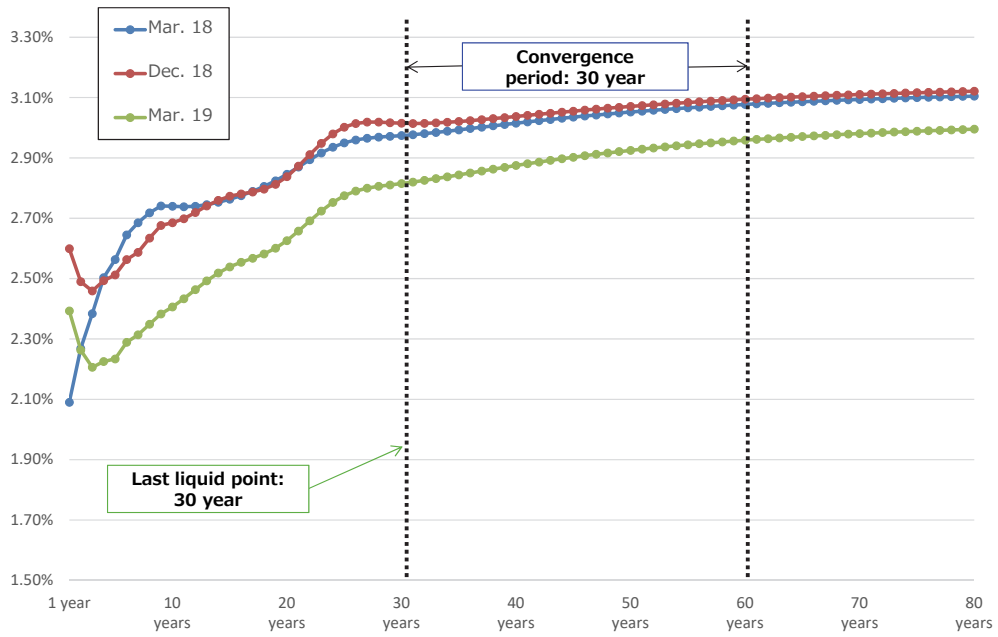
*For above risk-free rate, we employ the Smith-Wilson method for extrapolation so that the 60-year forward rate will coverage on the UFR (3.5%).

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



	Mar. 18	Apr. 18	May. 18	Jun. 18	July. 18	Aug. 18	Sep. 18	Oct. 18	Nov. 18	Dec. 18	Jan. 19	Feb. 19	Mar. 19
10 years	2.74%	2.95%	2.86%	2.86%	2.96%	2.86%	3.06%	3.14%	2.99%	2.69%	2.63%	2.72%	2.41%
20 years	2.85%	3.02%	2.93%	2.91%	3.02%	2.93%	3.14%	3.28%	3.14%	2.84%	2.79%	2.93%	2.63%
30 years	2.97%	3.12%	3.03%	2.99%	3.08%	3.02%	3.21%	3.39%	3.29%	3.02%	3.00%	3.08%	2.82%

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%).

Consolidated : Summary Financial Statements

		(JPY bn)	FY2017	FY2018	Change	
Life insurance business	Ordinary revenues		1,351.2	1,464.3	+113.1	+8.4%
	Ordinary profit		54.1	78.2	+24.0	+44.4%
Non-life insurance business	Ordinary revenues		110.0	115.1	+5.0	+4.6%
	Ordinary profit		6.5	6.8	+0.3	+4.9%
Banking business	Ordinary revenues		39.9	46.0	+6.0	+15.2%
	Ordinary profit		7.1	9.5	+2.4	+34.3%
Intersegment adjustments*	Ordinary revenues		2.3	3.6	+1.3	+55.2%
	Ordinary profit		(1.0)	(0.8)	+0.1	—
Consolidated	Ordinary revenues		1,503.6	1,629.1	+125.5	+8.3%
	Ordinary profit		66.8	93.8	+27.0	+40.4%
	Profit attributable to owners of the parent		51.8	62.0	+10.1	+19.6%

*"Intersegment adjustments" is from SFH, the nursing care business, and the venture capital business. Proud Life Inc., Sony Financial Ventures Inc. and SFV · GB L.P. are included in the scope of consolidation from FY17.2Q, FY18.2Q, and FY18.4Q, respectively.
(Note) Comprehensive income : FY2017: ¥52.2 billion, FY2018: ¥57.4 billion

		(JPY bn)	Mar. 18	Mar. 19	Change from Mar. 18	
Consolidated	Net assets		625.4	656.8	+31.4	+5.0%
	Total assets		12,401.4	13,468.2	+1,066.7	+8.6%

Sony Life : Summary Financial Statements (Non-consolidated)



(JPY bn)	FY2017	FY2018	Change	
Ordinary revenues	1,351.0	1,464.2	+113.1	+8.4%
Income from insurance premiums	1,059.2	1,136.1	+76.8	+7.3%
Investment income	243.2	278.9	+35.6	+14.6%
Interest income and dividends	157.7	166.9	+9.2	+5.8%
Gains on sale of securities	0.0	6.1	+6.1	—
Foreign exchange gains, net	—	13.4	+13.4	—
Gains on separate accounts, net	80.9	87.9	+7.0	+8.7%
Ordinary expenses	1,294.7	1,384.4	+89.6	+6.9%
Insurance claims and other payments	436.5	457.2	+20.7	+4.7%
Provision for policy reserves and others	638.3	704.7	+66.4	+10.4%
Investment expenses	33.1	24.6	(8.4)	(25.6%)
Devaluation losses on securities	—	4.0	+4.0	—
Losses on derivatives, net	11.4	13.9	+2.5	+22.1%
Foreign exchange losses, net	15.2	—	(15.2)	(100.0%)
Operating expenses	139.9	146.9	+7.0	+5.0%
Ordinary profit	56.3	79.8	+23.4	+41.7%
Gains on disposal of fixed assets	13.2	—	(13.2)	(100.0%)
Net income	45.1	49.6	+4.4	+9.9%

(JPY bn)	Mar. 18	Mar. 19	Change from Mar. 18	
Securities	8,765.9	9,523.8	+757.9	+8.6%
Policy reserves	8,566.0	9,268.4	+702.3	+8.2%
Net assets	492.7	513.9	+21.1	+4.3%
Net unrealized gains on other securities	124.9	122.7	(2.2)	(1.8%)
Total assets	9,567.6	10,380.1	+812.4	+8.5%
Separate account assets	1,128.8	1,300.7	+171.8	+15.2%

(JPY bn)	FY2017	FY2018	Change	
Gains from investment, net (General account)	129.2	166.3	+37.1	+28.7%

Sony Assurance : Summary Financial Statements
(Underwriting Performance by Type of Policy)



(JPY bn)	FY2017	FY2018	Change	
Ordinary revenues	110.0	115.1	+5.0	+4.6%
Underwriting income	108.3	113.1	+4.8	+4.5%
Investment income	1.7	1.8	+0.1	+7.3%
Ordinary expenses	103.5	108.2	+4.6	+4.5%
Underwriting expenses	74.4	78.4	+4.0	+5.4%
Operating general and administrative expenses	29.0	29.7	+0.6	+2.3%
Ordinary profit	6.5	6.8	+0.3	+4.9%
Underwriting income	4.8	5.0	+0.1	+3.8%
Net income	4.8	4.9	+0.1	+3.7%

(JPY bn)	Mar. 18	Mar. 19	Change from Mar. 18	
Underwriting reserves	117.0	127.8	+10.7	+9.2%
Net assets	33.1	34.7	+1.6	+4.9%
Total assets	204.3	219.6	+15.2	+7.5%

Direct Premiums Written *Medical insurance is included in personal accident.

(JPY mn)	FY2017	FY2018	Change
Fire	206	616	+198.8%
Marine	—	—	—
Personal accident	8,679	8,823	+1.7%
Voluntary automobile	98,123	102,758	+4.7%
Compulsory automobile liability	—	—	—
Total	107,008	112,198	+4.8%

Net Premiums Written

(JPY mn)	FY2017	FY2018	Change
Fire	16	265	—
Marine	0	(0)	—
Personal accident	8,887	8,872	(0.2%)
Voluntary automobile	97,880	102,458	+4.7%
Compulsory automobile liability	1,469	1,505	+2.4%
Total	108,254	113,101	+4.5%

Net losses paid

(JPY mn)	FY2017	FY2018	Change
Fire	6	15	+126.8%
Marine	2	10	+291.0%
Personal accident	2,692	3,009	+11.7%
Voluntary automobile	48,464	52,223	+7.8%
Compulsory automobile liability	1,316	1,350	+2.6%
Total	52,482	56,608	+7.9%

Sony Bank : Summary Financial Statements
(Balance of Securities by Credit Rating)



◆ Consolidated

(JPY bn)	FY2017	FY2018	Change	
Ordinary revenues	39.9	46.0	+6.0	+15.2%
Ordinary profit	7.1	9.5	+2.4	+33.6%
Profit attributable to owners of the parent	4.7	6.3	+1.6	+34.6%

◆ Non-consolidated

(JPY bn)	FY2017	FY2018	Change	
Ordinary revenues	36.2	41.7	+5.4	+15.0%
Gross operating profit	21.4	24.5	+3.0	+14.4%
Net interest income	20.6	23.3	+2.6	+12.9%
Net fees and Commissions	(2.9)	(2.2)	+0.7	–
Net other operating income	3.7	3.4	(0.2)	(7.3%)
General and administrative expenses	15.5	15.9	+0.3	+2.5%
Net operating profit	5.9	8.5	+2.6	+44.6%
Ordinary profit	6.5	8.6	+2.1	+32.6%
Net income	4.4	6.0	+1.5	+34.6%

(JPY bn)	Mar. 18	Mar. 19	Change from Mar. 18	
Net assets	85.7	87.2	+1.5	+1.8%
Net unrealized gains on other securities, net of taxes	6.0	3.9	(2.0)	(34.2%)
Total assets	2,635.0	2,860.9	+225.8	+8.6%

◆ Balance of Securities by Credit Rating
(Non-consolidated)

(JPY bn)	FY2017	FY2018	Change	
AAA	232.4	296.6	+64.2	+27.7%
AA	109.8	77.3	(32.4)	(29.6%)
A	306.8	288.0	(18.7)	(6.1%)
BBB	18.1	24.4	+6.2	+34.4%
Others	7.1	10.0	+2.9	+41.0%
Total	674.2	696.4	+22.1	+3.3%

Sony Bank : Operating Performance (On Managerial Accounting Basis)



◆ On Managerial Accounting Basis

- Net interest income : Increased due to an increase of interest income on investment securities and on loans in line with a growing balance of mortgage loans.
- Net fees and commissions : Improved due to an increase of mortgage loans' fees and commissions

(JPY bn)	FY2017	FY2018	Change	
Gross operating profit	21.3	24.4	+3.1	+14.5%
Net interest income* ¹ ①	23.0	25.5	+2.5	+11.1%
Net fees and commissions* ² ②	(2.5)	(1.7)	+0.7	—
Net other operating income* ³	0.9	0.7	(0.2)	(23.6%)
Gross operating profit (core profit)(A) = ① + ②	20.4	23.7	+3.3	+16.2%
Operating expenses and other Expenses ③	15.5	15.9	+0.4	+2.9%
Net operating profit (core profit) = (A) - ③	4.9	7.8	+2.8	+58.0%

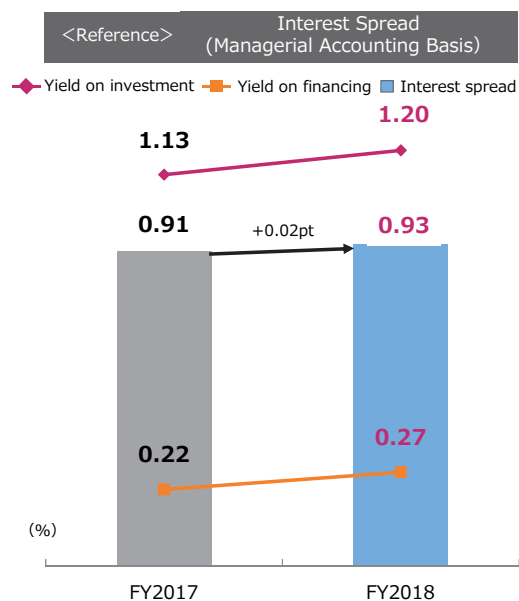
■ Managerial accounting basis

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.



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