

【Presentation Material】



Consolidated Financial Results
for the Six Months
Ended September 30, 2019
and
Sony Life's MCEV
as of September 30, 2019

Sony Financial Holdings Inc.
November 12, 2019

I am Kiyomiya from Sony Financial Holdings.
I would like to explain about consolidated financial results for FY19.1H
followed by this presentation material.

AGENDA

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Disclaimers:

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

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



Consolidated Operating Results
for the Six Months Ended
September 30, 2019
(FY19.1H)

- ◆ In each of the three main businesses, ordinary revenues and ordinary profit for FY19.1H outpaced our expectations, and consolidated operating performance is progressing ahead of our forecasts.
- ◆ At Sony Life, lower sales of family income insurance in FY19.1H caused the new policy amount to decrease year on year. Insurance acquisition costs fell mainly due to the lower new policy amount, leading to a year-on-year increase in ordinary profit.

In FY19.2Q (3M), new business value and the new business margin were down from FY19.1Q (3M), mainly owing to a decline in U.S. dollar interest rates and changes in the product mix.

In FY19.2H, we expect new business value to be higher than in FY19.1H, thanks in part to contributions from corporate products, on which we recommenced sales in August.

- ◆ At Sony Assurance, sales of automobile insurance were robust.
- ◆ At Sony Bank, mortgage loans drove performance.

I would like to explain some points about the Sony Financial Group's financial results for FY19.1H.

In each of the three main businesses, ordinary revenues and ordinary profit for FY19.1H outpaced our expectations, and consolidated operating performance is progressing ahead of our forecasts.

At Sony Life, lower sales of family income insurance in FY19.1H caused the new policy amount to decrease year on year. Insurance acquisition costs fell as a result, leading to a year-on-year increase in ordinary profit.

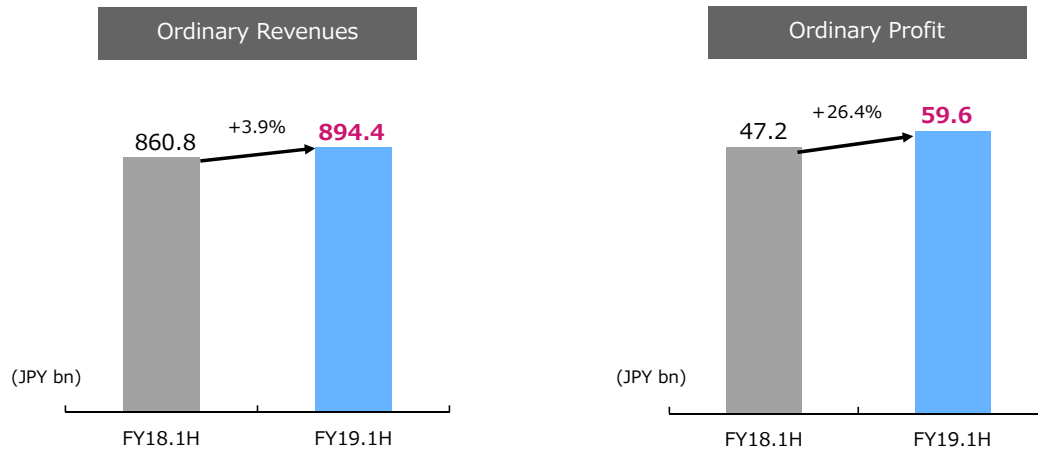
In FY19.2Q (3M), new business value and the new business margin were down from FY19.1Q (3M), mainly owing to a decline in U.S. dollar interest rates and changes in the product mix.

In FY19.2H, we expect new business value to be higher than in FY19.1H, thanks in part to contributions from corporate products, on which we recommenced sales in August.

At Sony Assurance, sales of automobile insurance were robust, and mortgage loans drove performance at Sony Bank.

Highlights of Consolidated Operating Performance

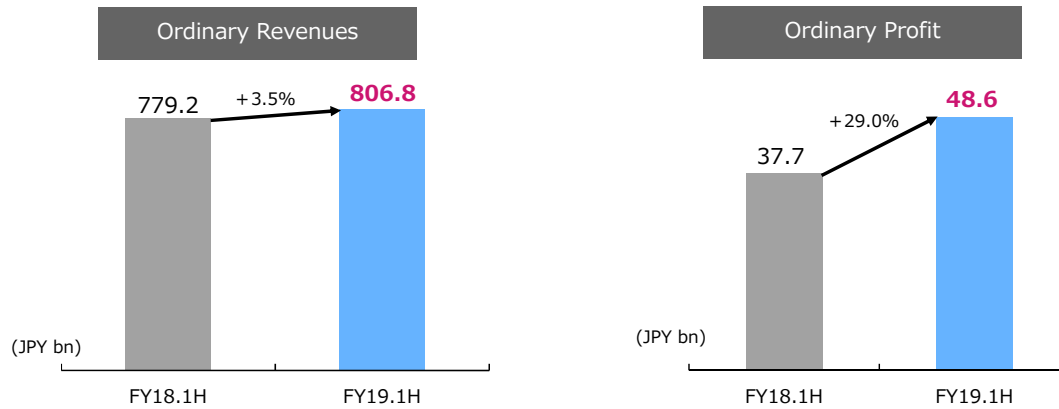
- ◆ Ordinary Revenues :
Increased 3.9% year on year, to ¥894.4 billion, owing to increases in ordinary revenues from all the businesses: life insurance, non-life insurance and banking businesses.
- ◆ Ordinary Profit :
Increased 26.4% year on year, to ¥59.6 billion, owing to increases in ordinary profit from all the businesses mentioned above.



Next, I would like to explain about consolidated operating performance. Ordinary revenues increased 3.9% year on year, to ¥894.4 billion. Ordinary profit increased 26.4% year on year, to ¥59.6 billion.

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

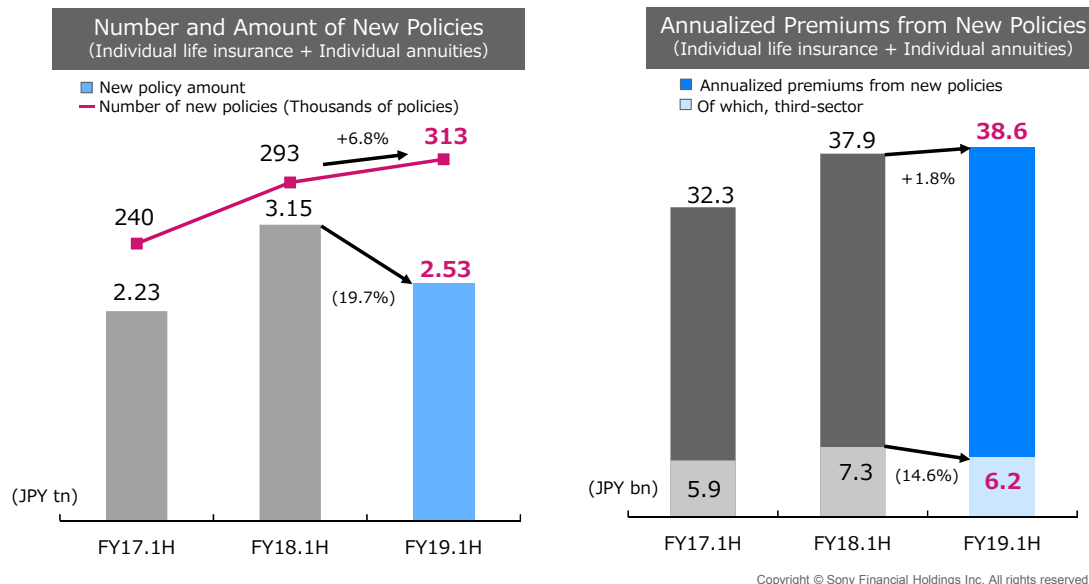
- ◆ Ordinary Revenues :
Increased 3.5% year on year, to ¥806.8 billion, due to higher insurance premium revenue, mainly from single premiums insurance, despite a decrease in net gains on investments in the separate account.
- ◆ Ordinary Profit :
Rose 29.0% year on year, to ¥48.6 billion, as costs related to the acquisition of new policies fell due to a decline in the new policy amount and profit rose in tandem with expansion of the policy amount in force.



Sony Life’s ordinary revenues increased 3.5% year on year, to ¥806.8 billion, due to higher insurance premium revenue, mainly from single premium insurance, despite a decrease in net gains on investments in the separate account.

Ordinary profit rose 29.0% year on year, to ¥48.6 billion, as costs related to the acquisition of new policies fell due to a decline in the new policy amount and profit rose in tandem with expansion of the policy amount in force.

- ◆ New Policy Amount :
Decreased due to lower sales of family income insurance.
- ◆ Annualized Premiums from New Policies :
Increased due to a favorable sales of U.S. dollar-denominated insurance despite a lower sales of term life insurance and variable life insurance for corporate customers.



(Left-hand graph)

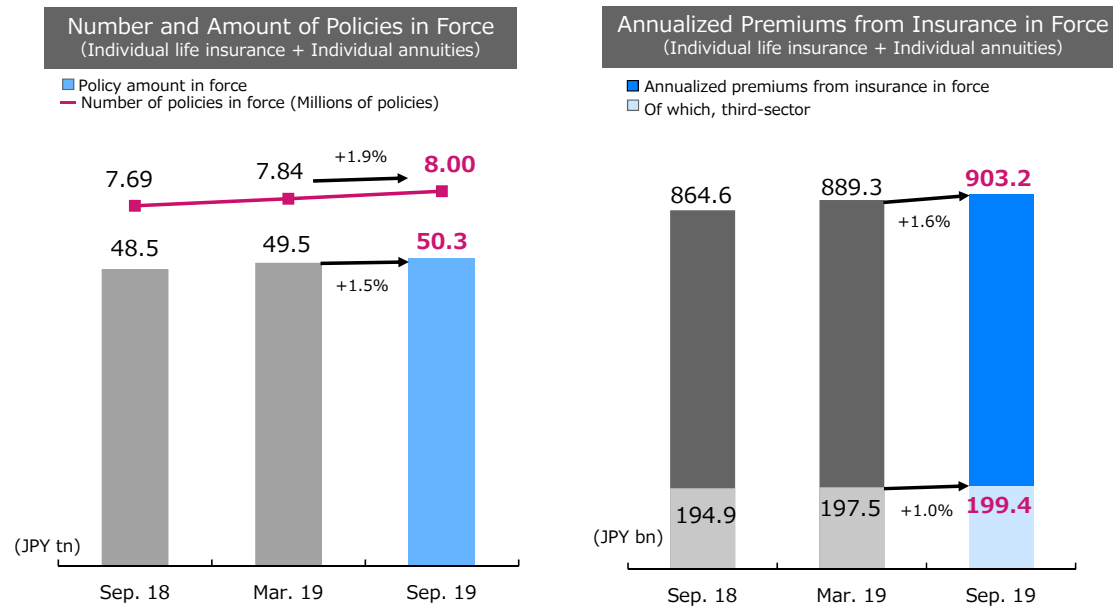
New policy amount for the total of individual life insurance and individual annuities decreased 19.7% year on year, to ¥2,536.4 billion, due to lower sales of family income insurance.

The number of new policies increased 6.8% year on year, to 313 thousand policies.

(Right-hand graph)

Annualized premiums from new policies increased 1.8% year on year, to ¥38.6 billion, due to a favorable sales of U.S. dollar-denominated insurance despite lower sales of term life insurance and variable life insurance for corporate customers .

Of which, the figure for third-sector products decreased 14.6% year on year, to ¥6.2 billion.



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

(Left-hand graph)

Policy amount in force for the total of individual life insurance and individual annuities increased 1.5% from March 31, 2019, to ¥50.3 trillion.

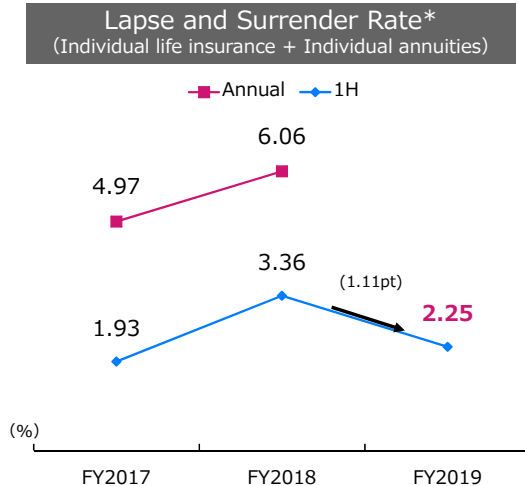
The number of policies in force increased 1.9% from March 31, 2019, to ¥8 million polices.

(Right-hand graph)

Annualized premiums from insurance in force increased 1.6% from March 31, 2019, to ¥903.2 billion.

Of which, the figure for third-sector products was up 1.0% from March 31, 2019, to ¥199.4 billion.

- ◆ Lapse and Surrender Rate :
Down due to a decrease in cancellation of policies, with certain customers cancelling existing policies and, taking out new family income insurance and other policies, as premiums were revised in line with revision to the standard mortality tables in February 2018.



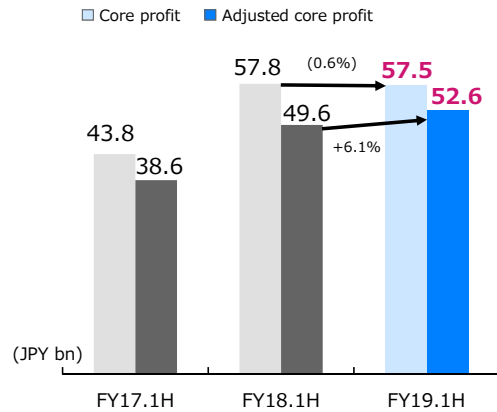
*The lapse and surrender rate shows the ratio derived by dividing the amount of lapses and surrenders, not adjusted for policy amount decreases, increases, and reinstatements, by the policy amount in force at the beginning of the fiscal year.

The lapse and surrender rate was down 1.11 percentage points year on year, to 2.25%.

The fall in the lapse and surrender rate was due to a decrease in cancellation of policies, with certain customers cancelling existing policies and, taking out new family income insurance and other policies, as premiums were revised in line with revisions to the standard mortality tables in February 2018.

- ◆ Core Profit :
Remained essentially flat year on year due to an increase in the provision of policy reserves for minimum guarantees for variable life insurance despite an increase in profit owing to growing policy amount in force.

Core Profit and Adjusted Core Profit



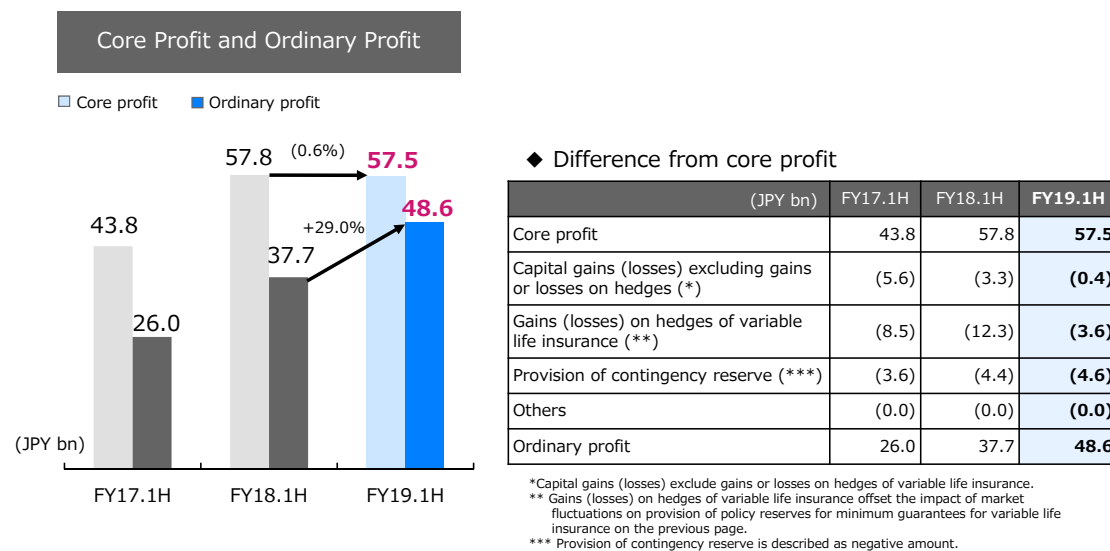
◆ Details of core profit

(JPY bn)	FY17.1H	FY18.1H	FY19.1H
Positive spread	9.3	8.7	9.0
Provision of policy reserve for minimum guarantees for variable life insurance (*)	(4.0)	(0.4)	(4.1)
Adjusted core profit (**)	38.6	49.6	52.6

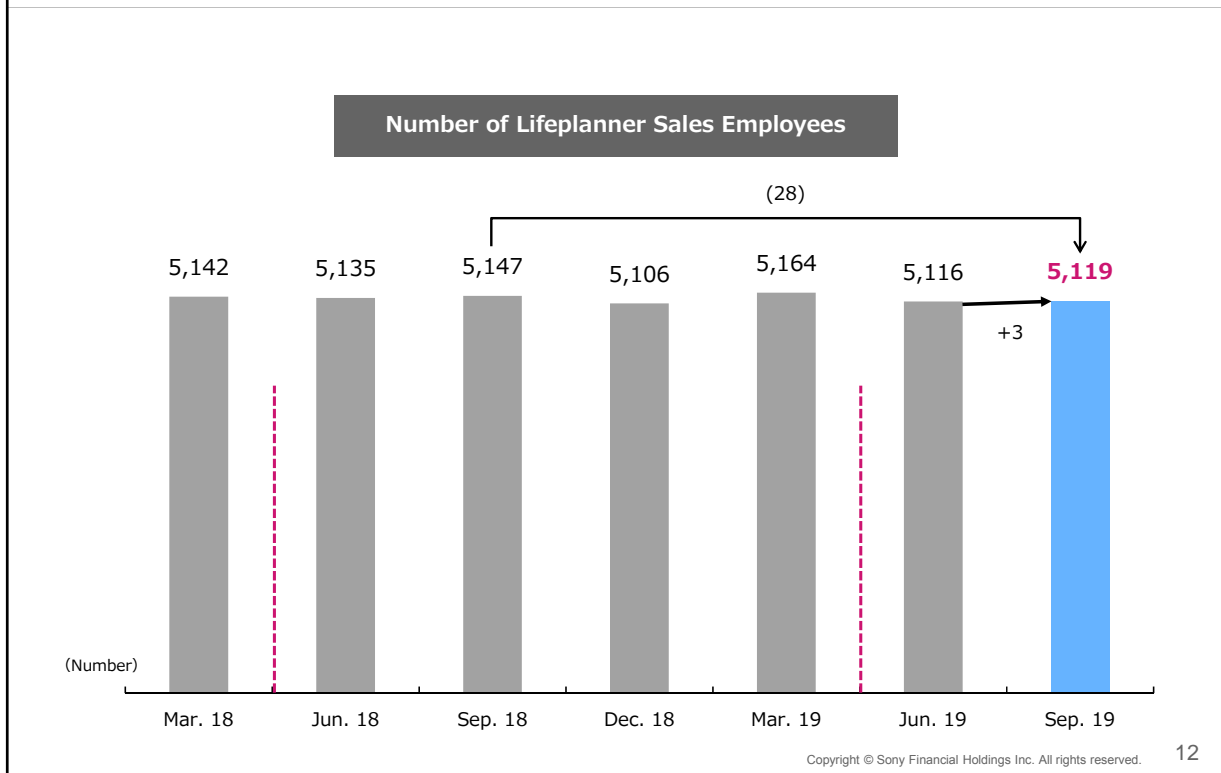
*Provision of policy reserves for minimum guarantees for variable life insurance is described as negative amount.
 **Adjusted core profit = (Core profit) - (Positive spread) - (Provision of policy reserves for minimum guarantees for variable life insurance)

Core profit remained essentially flat year on year, to ¥57.5 billion, due to an increase in the provision of policy reserves for minimum guarantees for variable life insurance despite an increase in profit owing to growing policy amount in force.

- ◆ Ordinary Profit :
Increased due to an increase in gains on hedges of variable life insurance in addition to a factor in core profit.



Ordinary profit increased 29.0% year on year, to ¥48.6 billion, due to an increase in gains on hedges of variable life insurance, in addition to a factor in core profit.

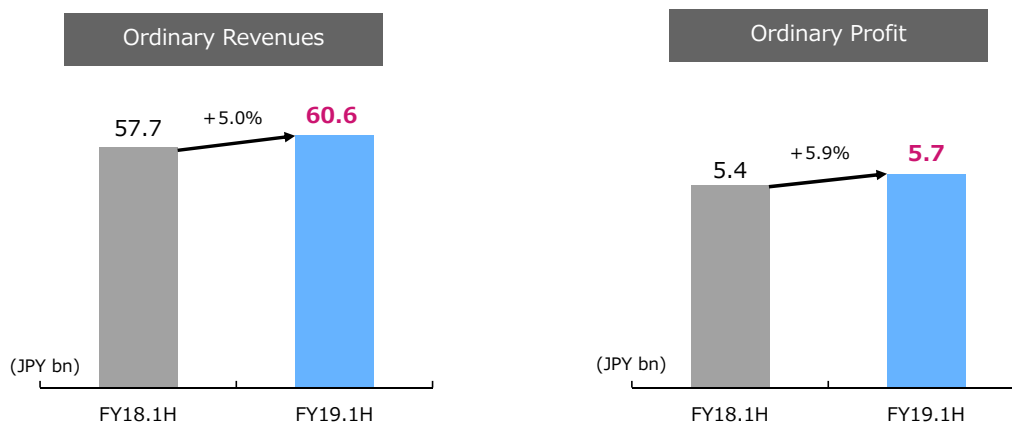


The number of Lifeplanner sales employees as of September 30, 2019, was 5,119, up 3 from June 30, 2019 and down 28 from September 30, 2018.

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.

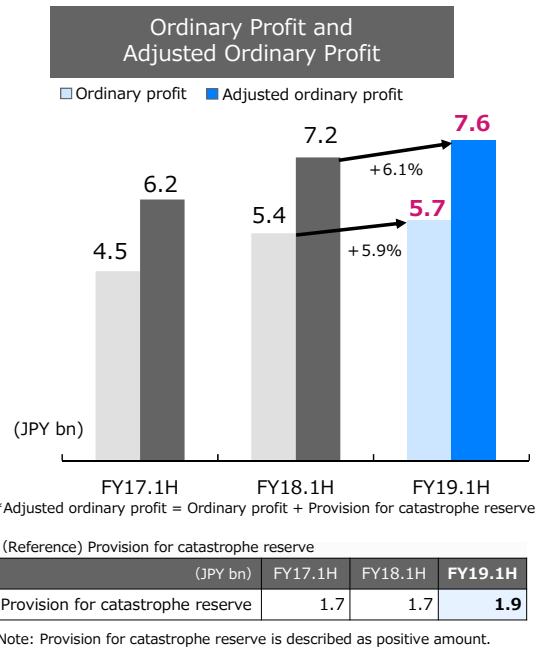
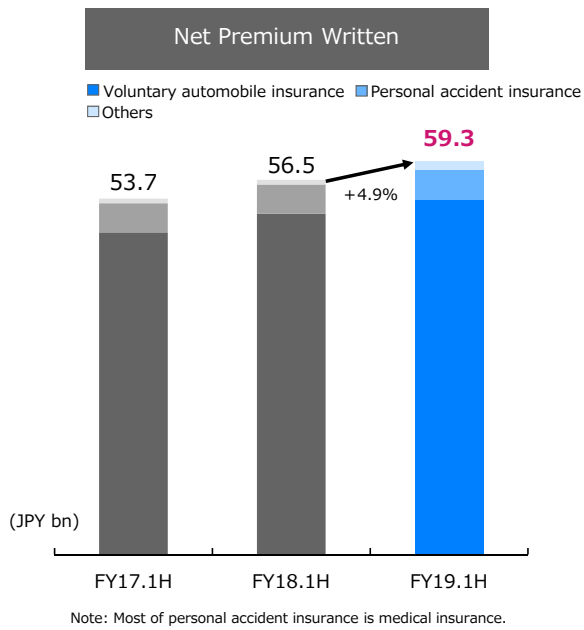
- ◆ Ordinary Revenues and Ordinary Profit :
 Ordinary revenues expanded 5.0% year on year, to ¥60.6 billion, and ordinary profit increased 5.9% year on year, to ¥5.7 billion, due mainly to an increase in net premiums written for mainstay automobile insurance.



Ordinary revenues expanded 5.0% year on year, to ¥ 60.6 billion, due mainly to an increase in net premiums written for mainstay automobile insurance.

Ordinary profit increased 5.9% year on year, to ¥5.7 billion.

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



(Left-hand graph)

Net premiums written increased 4.9% year on year, to ¥59.3 billion due to stable sales of mainstay automobile insurance.

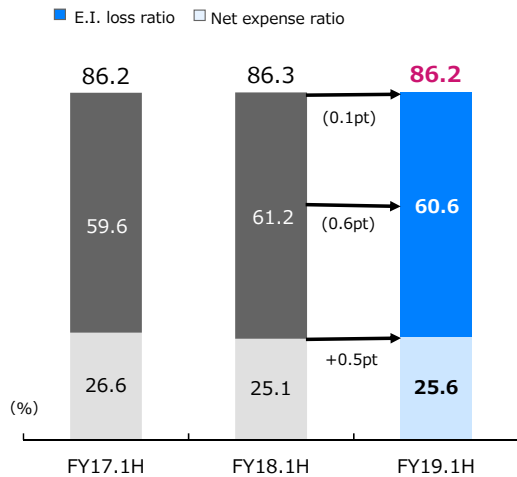
(Right-hand graph)

Ordinary profit increased year on year as described before.

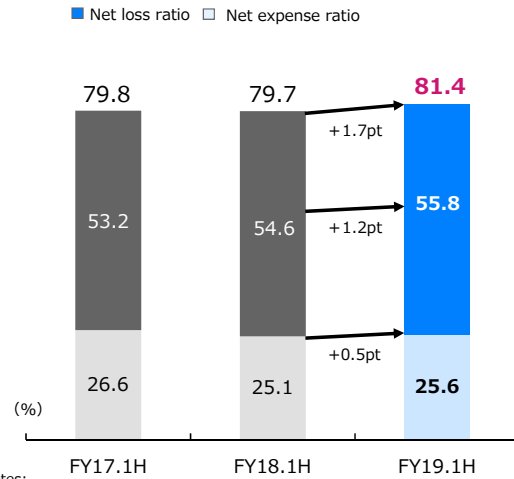
Adjusted ordinary profit is an profit indicator on a managerial accounting basis. The figure is calculated by adjusting the amount of provision (reversal) for catastrophe reserve to ordinary profit. Adjusted ordinary profit was ¥7.6 billion.

- ◆ Sum of Two Ratios :
Remained essentially flat due to a decline in E.I. loss ratio, driven mainly by a car accident ratio despite an increase in expense ratio.

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



Combines Ratio
(Net Loss ratio + Net Expense Ratio)



Notes:

E.I. loss ratio = (Net losses paid + Provision for reserve for outstanding losses and claims + Loss adjustment expenses) / Earned premiums x100
 [Earthquake insurance and compulsory automobile liability insurance are excluded.]

Notes:

Net loss ratio = (Net losses paid + Loss adjustment expenses) / Net premiums written x100

Net expense ratio = Expenses related to underwriting / Net premiums written x100

(Left-hand graph)

The sum of two ratios (E.I. loss ratio + net expense ratio) remained essentially flat year on year, to 86.2%, due to a decline in E.I. loss ratio, driven mainly by a lower car accident ratio despite an increase in expense ratio.

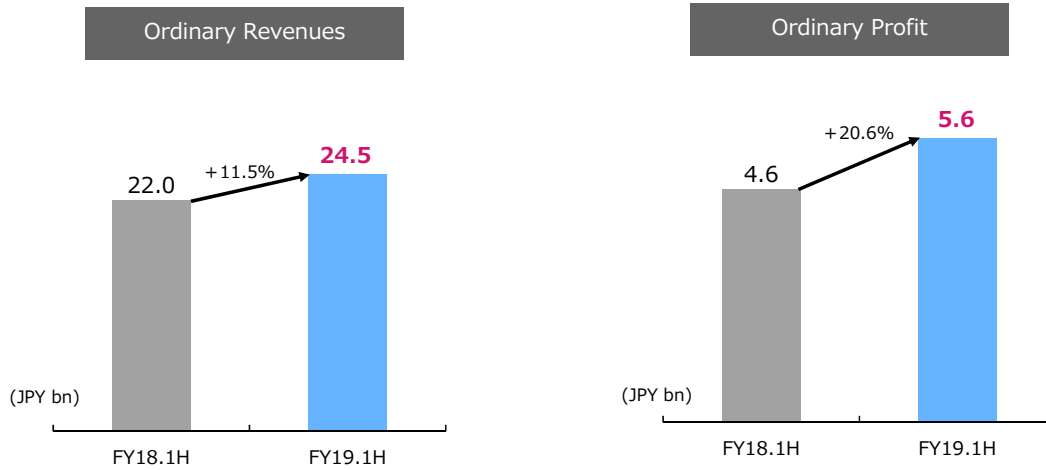
(Right-hand graph)

The net loss ratio was up 1.2 percentage points year on year, to 55.8%. This is different from the E.I. loss ratio, which reflects an increase or a decrease in provision for reserve for outstanding losses and claims.

The combined ratio (the sum of the net loss ratio and the net expense ratio) was up 1.7 percentage points year on year, to 81.4%.

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

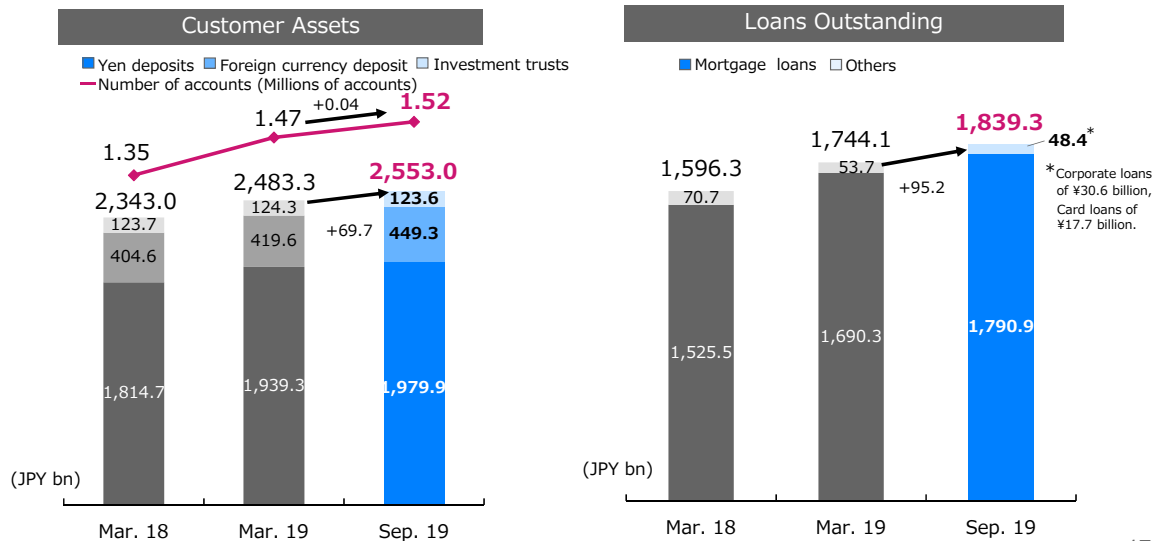
- ◆ Ordinary Revenues and Ordinary Profit :
 Ordinary revenues expanded 11.5% year on year, to ¥24.5 billion, and ordinary profit was up 20.6% year on year, to ¥5.6 billion, due to increases in such income as interest on loans in line with a growing balance of mortgage loans and higher interest income on investment securities.



In consolidated basis, ordinary revenues increased 11.5% year on year, to ¥24.5 billion, due to increases in such income as interest on loans in line with a growing balance of mortgage loans and higher interest income on investment securities.

Ordinary profit increased 20.6% year on year, to ¥ 5.6 billion, for the same reasons as ordinary revenues.

- ◆ Customer Assets
 - Yen Deposits :
Increased due to an increase in newly accumulated funds via the increased number of accounts.
 - Foreign Currency Deposits :
Increased due mainly to an increase in U.S. dollar deposits in line with appreciation of Japanese yen.
- ◆ Loans Outstanding
 - Expanded due to a steady increase in mortgage loans.



(Left-hand graph)

As of September 30, 2019, customer assets amounted to ¥2,553.0 billion, up ¥69.7 billion from March 31, 2019.

Of this amount, the yen deposit balance amounted to ¥1,979.9 billion, up ¥40.6 billion from March 31, 2019, 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 ¥449.3 billion, up ¥29.7 billion from March 31, 2019, due mainly to an increase in U.S. dollar deposits in line with appreciation of Japanese yen.

(Right-hand graph)

The loan balance as of September 30, 2019 expanded ¥95.2 billion from March 31, 2019, to ¥1,839.3 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



Forecast of consolidated financial results for FY2019 is unchanged from the forecast announced on April 26, 2019.

We maintain our full-year forecasts, taking into consideration the business environment from FY19.2H onward, although ordinary revenues and ordinary profit exceeded our expectation in FY19.1H for all three core businesses.

(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%

※ As we announced on June 28, 2019, Sony Life is expected to acquire shares in two joint ventures, AEGON Sony Life Insurance and SA Reinsurance. As a result, they will be converted to wholly owned subsidiaries of SFH and Sony Life. The above forecast of financial results includes the impact of this conversion, which is expected to be slight.

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Forecast of consolidated financial results for FY2019 is unchanged from the forecast announced on April 26, 2019.

Next, I would like to explain about Sony Life's MCEV as of September 30, 2019.



Sony Life's MCEV as of September 30, 2019

Some parts of the calculations of MCEV adopted simplified method expect for those as of March 31, 2019.
Please keep in mind that the validity of these calculations has not been verified by outside specialists.

◆ **Reasons for Changes in MCEV**

- MCEV as of September 30, 2019 increased ¥40.6 billion from June 30, 2019, due mainly to a change in interest rates and acquisition of new policies.

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

- New business margin for FY19.2Q (3M) was down 1.6pt from FY19.1Q (3M), mainly owing to a decline in U.S. dollar interest rates and changes in the product mix.
- New business value for FY19.2Q (3M) was ¥14.8 billion, due mainly to a decline in new business margin.

(JPY bn)	Mar. 19	Jun. 19	Sep. 19	Change from Mar. 19	Change from Jun. 19
MCEV	1,720.2	1,651.2	1,691.9	(28.3)	+40.6
Adjusted net worth	2,195.7	2,432.0	2,498.9	+303.1	+66.9
Value of existing business	(475.5)	(780.7)	(807.0)	(331.5)	(26.3)

(JPY bn)	FY18.4Q (3M)	FY19.1Q (3M)	FY19.2Q (3M)	FY19.1H (6M)
New business value	23.1	17.0	14.8	31.8
New business margin	5.0%	5.4%	3.8%	4.5%

Note: Calculated MCEV as of June 30, 2019 onward by using mainly updated economic assumptions and lapse and surrender rate from March 31, 2019.

*Please refer to page 40-43 for trend on bond yields and yield curves.

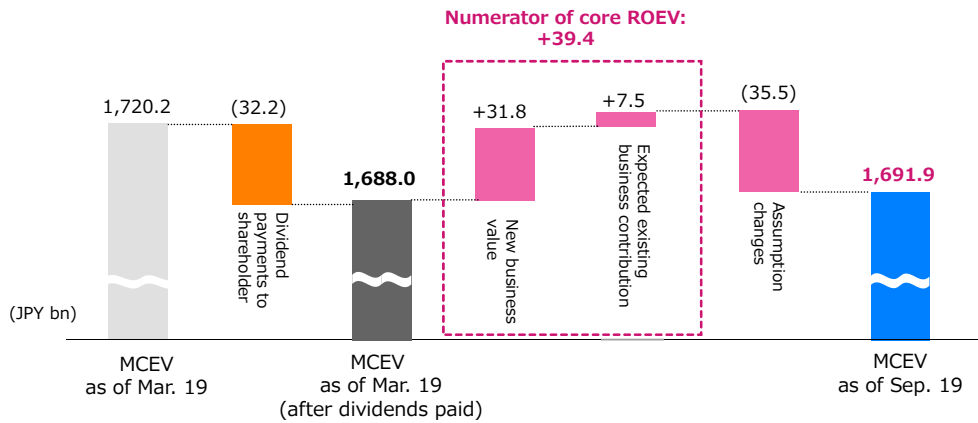
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Sony Life's MCEV as of September 30, 2019 was ¥1,691.9 billion, up ¥40.6 billion from June 30, 2019, due mainly to a change in interest rates and acquisition of new policies.

New business margin for FY19.2Q (3M) was 3.8%, down 1.6 percentage points from FY19.1Q (3M), mainly owing to a decline in U.S. dollar interest rates and changes in the product mix.

New business value for FY19.2Q (3M) was ¥14.8 billion, due to a decline in new business margin.



Note: Details on assumption changes : Insurance-related assumption changes: +¥13.9 billion, economic variances changes (included interest rate fluctuation): (49.5) billion.

Sony Life's MCEV as of September 30, 2019 was ¥1,691.9 billion, due to a decrease in yen interest rates and dividend payments to shareholders, despite an increased contribution from numerators of the core ROEV formula: new business value and expected existing business contribution.

Consolidated adjusted ROE for FY19.1H (6M) was 2.7%.

We currently expect consolidated adjusted ROE for FY19 (12M) to be below our initial forecast of 6% but above 5%.

The dividend forecast for FY2019 is unchanged at ¥65 per share.

For detail of consolidated adjusted ROE, please refer page 24 and 25 on appendix.

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
 - Operating Performance : AEGON Sony Life Insurance
 - 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

	FY2018 (12M)	FY18.1H (6M)	FY19.1H (6M)
Consolidated Adjusted ROE	6.7%	3.3%	2.7%
(Sony Life) Core ROEV	6.4%	3.1%	2.3%
(Sony Assurance) Adjusted ROE	15.2%	10.5%	10.2%
(Sony Bank) ROE	7.3%	3.6%	4.2%

Detail of Consolidated Adjusted Profit and Consolidated Adjusted Capital

◆ Adjusted profit (Numerator)

Sony Financial Group (consolidated) (JPY bn)	FY2018	FY18.1H	FY19.1H
Adjusted profit (consolidated)	120.4	60.0	48.6

Sony Life (non-consolidated) (JPY bn)	FY2018	FY18.1H	FY19.1H
New business value *	91.3	44.5	31.8
Expected existing business contribution *	15.0	7.1	7.5
Adjusted profit	106.4	51.7	39.4

Sony Assurance (JPY bn)	FY2018	FY18.1H	FY19.1H
Net income	4.9	3.8	4.1
Provision amount for catastrophe reserve (after tax)	2.6	1.2	1.3
Provision amount for reserve for price fluctuations (after tax)	0.0	0.0	0.0
Adjusted profit	7.6	5.1	5.4

Sony Bank (consolidated) (JPY bn)	FY2018	FY18.1H	FY19.1H
Profit attributable to owners of the parent	6.3	3.0	3.7

◆ Adjusted capital (Denominator)

Sony Financial Group (consolidated) (JPY bn)	FY2018	FY18.1H	FY19.1H
Adjusted capital (consolidated)	1,801.8	1,797.7	1,833.7

Sony Life (non-consolidated) (JPY bn)	FY2018	FY18.1H	FY19.1H
①MCEV as of the beginning of the fiscal year	1,633.1	1,633.1	1,720.2
②Dividends paid	26.2	26.2	32.2
③MCEV as of the end of the period *	1,720.2	1,715.2	1,691.9
Adjusted capital ((①-②+③) / 2)	1,663.5	1,661.0	1,689.9

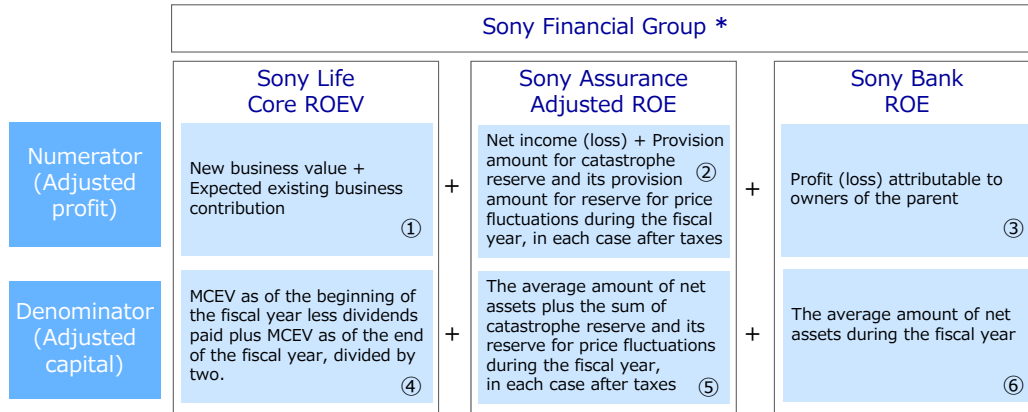
Sony Assurance (JPY bn)	FY2018	FY18.1H	FY19.1H
①Net assets	34.7	33.9	36.3
②Catastrophe reserve	17.7	16.3	19.1
③Reserve for price fluctuations	0.1	0.1	0.1
Adjusted capital (The average amount of ①+②+③)	50.5	49.4	54.1

Sony Bank (consolidated) (JPY bn)	FY2018	FY18.1H	FY19.1H
Adjusted capital (The average amount of net assets during the period)	87.6	87.2	89.6

* Please keep in mind that the validity of these calculations has not been verified by outside specialists for the figures for FY18.1H and FY19.1H.

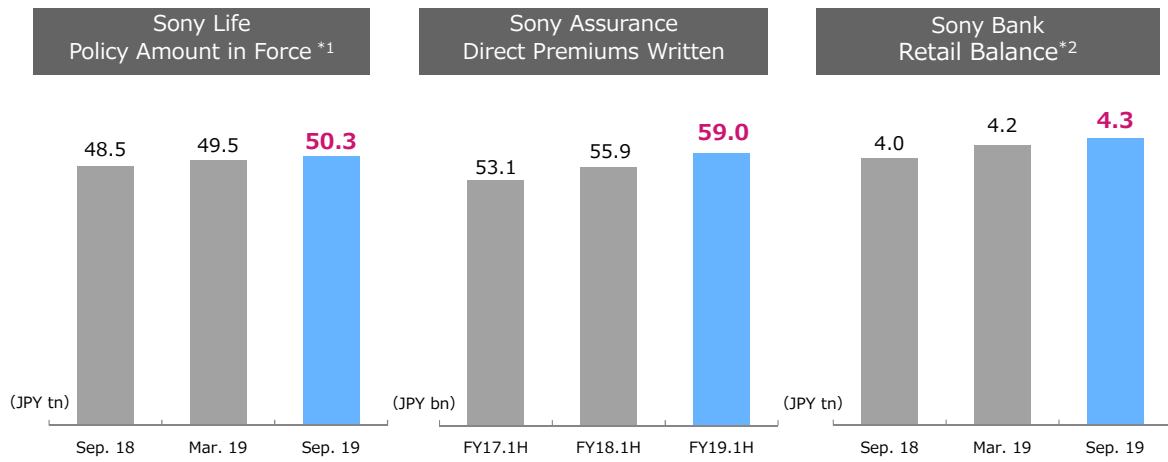
Calculation of Consolidated Adjusted ROE

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 = + +
 Consolidated Adjusted Capital = + +

Update of Major KPIs



*1 Individual Life Insurance + Individual Annuities

*2 Sum of yen deposits, foreign currency deposits, investment trusts, financial products intermediary services, mediated discretionary investment contracts and personal loans

	Sep. 18	Mar. 19	Sep. 19	Change from Mar. 19
Sony Life (non-consolidated) Solvency margin ratio	2,618.9%	2,590.5%	2,654.9%	+64.4pt
Sony Assurance Solvency margin ratio	821.0%	813.0%	876.2%	+63.2pt
Sony Bank (non-consolidated) Capital adequacy ratio (domestic standard)	10.43%	9.58%	9.42%	(0.16pt)

	Sep. 18	Mar. 19	Sep. 19	Change from Mar. 19
Sony Bank (non-consolidated) Non-performing assets ratio (based on Financial Reconstruction Law) *	0.11%	0.12%	0.12%	+0.00pt

*Non-performing loans (loans based on the Financial Reconstruction Act) / Total loan exposure
(Note) Ratios less than the indicated unit have been truncated.

- ◆ Sony Bank's Mortgage Loans through Sony Life

Sony Life accounts for 11% of the amount of new mortgage loans for FY19.1H (6M)

Sony Life accounts for 18% of the balance of mortgage loans as of September 30, 2019

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



- ◆ Sony Assurance's Automobile Insurance Sold by Sony Life

Sony Life accounts for 6% of new automobile policies for FY19.1H (6M)

※Sony Life started handling automobile insurance in May 2001.

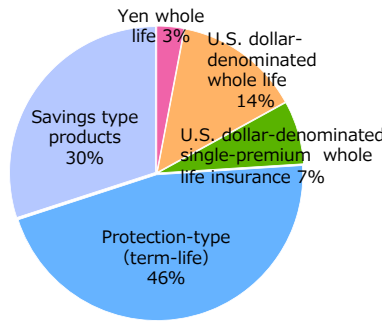


Sony Life's Product Portfolio (Annualized Premiums from New Policies by Product)



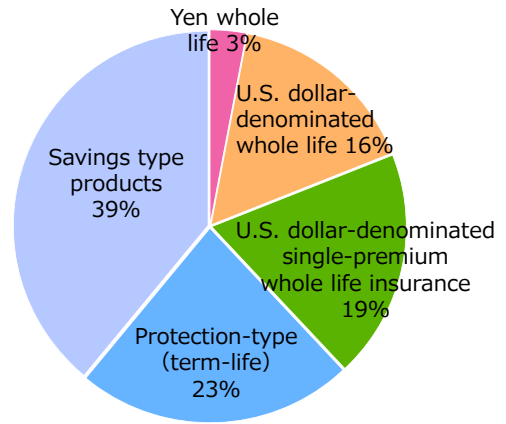
FY18.1H (6M)

¥37.9 billion



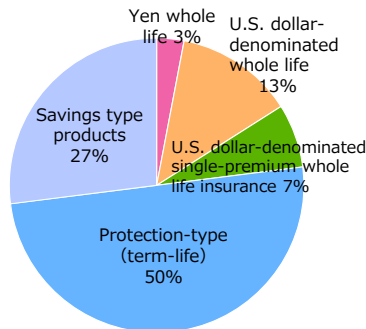
FY19.1H (6M)

¥38.6 billion



FY18 (12M)

¥87.9 billion



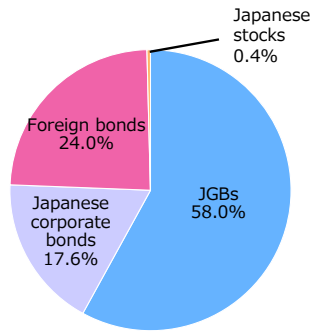
Note: Savings type products : Endowment, annuities, and educational endowment insurances

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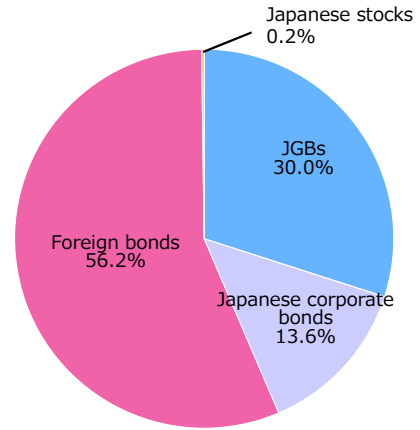
Sony Life's Asset Management
(Purchase Securities in the General Account)



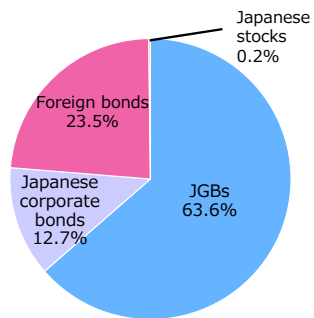
FY18.1H (6M)



FY19.1H (6M)



FY18 (12M)



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. 19		Sep. 19	
	Amount	%	Amount	%
Japanese bonds (including JGBs)	7,745.3	85.3%	7,918.9	83.3%
Japanese stocks	28.6	0.3%	27.6	0.3%
Foreign bonds	542.1	6.0%	766.8	8.1%
Foreign stocks	22.5	0.2%	19.4	0.2%
Money held in trust	269.3	3.0%	269.8	2.8%
Policy loans	198.3	2.2%	203.6	2.1%
Real estate*	90.8	1.0%	90.1	0.9%
Cash and call loans	61.9	0.7%	93.3	1.0%
Others	120.2	1.3%	114.3	1.2%
Total	9,079.4	100.0%	9,504.1	100.0%

◆ Bond duration

Mar. 18 : 21.4 years
Mar. 19 : 21.8 years
Sep. 19 : 21.9 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. 18 : 89.5%
Mar. 19 : 88.3%
Sep. 19 : 86.2%

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

Sony Life's Interest Income and Dividends (Details)



(JPY mn)	FY18.1H	FY19.1H	Change
Cash and deposits	0	0	+22.2%
Japanese bonds (including JGBs)	64,207	66,031	+2.8%
Japanese stocks	295	216	(26.8%)
Foreign securities	8,988	13,279	+47.7%
Other securities	293	11	(96.2%)
Loans	3,396	3,500	+3.1%
Real estate	4,347	4,860	+11.8%
Others	269	206	(23.4%)
Total	81,798	88,105	+7.7%

Sony Life's Capital Gains (Losses)



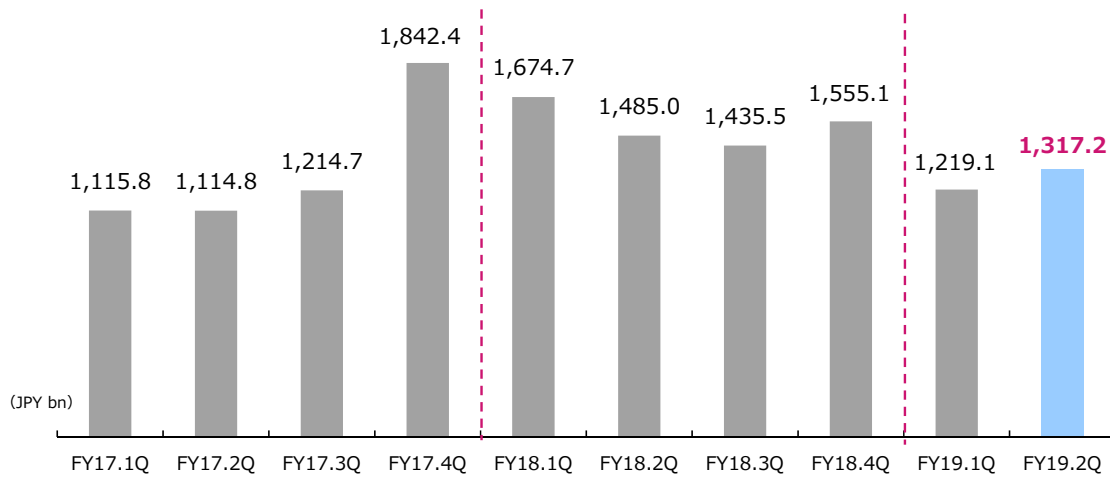
	(JPY mn)	FY18.1H	FY19.1H
Capital losses		40,355	17,821
Losses on trading securities, net		19	—
Losses on sale of securities…(3)		34	—
Losses on valuation of securities…(4)		4,026	2,991
Losses on derivatives, net		19,704	4,251
Losses on hedges of variable life insurance…(1)		12,304	3,974
Losses on hedges of available-for-sale securities…(2)		2,628	242
Losses on U.S. dollar-denominated insurance (foreign exchange losses)…(5)		4,461	7
Foreign exchange losses, net		—	10,552
Losses on U.S. dollar-denominated insurance…(5)		—	10,859
Losses on hedges of variable life insurance…(1)		—	(323)
Other capital losses		16,570	25
Losses on U.S. dollar-denominated insurance (the provision of policy reserves for foreign exchange fluctuations)…(5)		16,570	—
Capital gains		24,715	13,738
Income from trading securities, net		—	63
Gains on sale of securities…(3)		3,316	2,317
Foreign exchange gains, net		21,398	—
Gains on U.S. dollar-denominated insurance (foreign exchange gains)…(5)		21,280	—
Other capital gains		—	11,356
Gains on U.S. dollar-denominated insurance (the reversal of policy reserves for foreign exchange fluctuations)…(5)		—	11,356
Net capital gains (losses)		(15,639)	(4,083)

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.

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

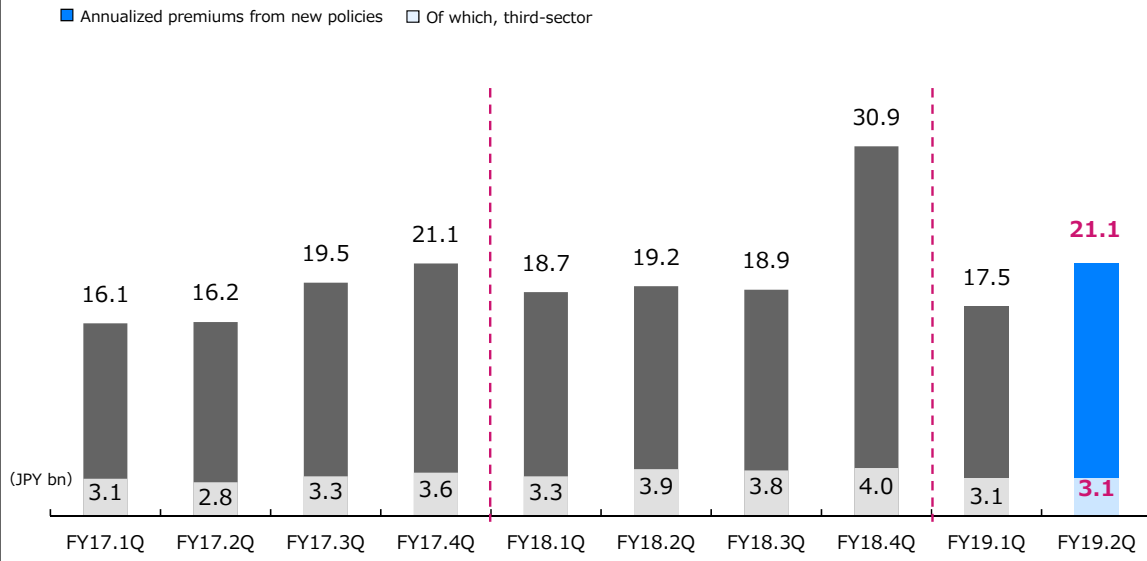
	(JPY mn)	FY18.1H	FY19.1H
(1) Gains (Losses) on hedges of variable life insurance		(12,304)	(3,650)
(2) Gains (losses) on hedges of available-for-sale securities		(2,628)	(242)
(3) Gains (losses) on sale of securities		3,282	2,317
(4) Losses on valuation of securities		(4,026)	(2,991)
(5) Gains (losses) on U.S. dollar-denominated insurance		249	489

Sony Life's Quarterly Trend on New Policy Amount



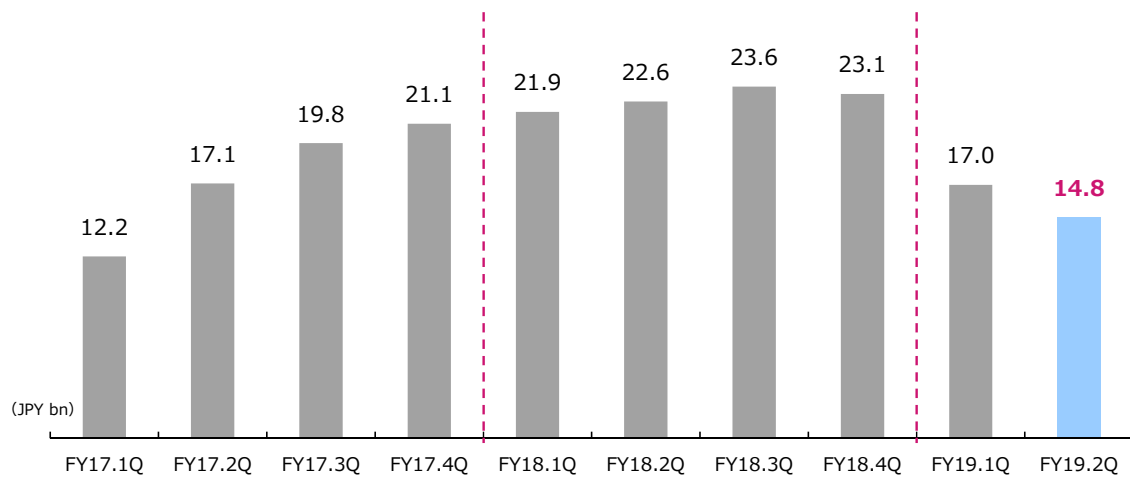
Note : Individual Life Insurance + Individual Annuities

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 September 30, 2019 was ¥768.8 billion, up ¥10.3 billion from June 30, 2019, resulting from an increase in interest rate risk, due to an increase in yen interest rates.
- ◆ ESR as of September 30, 2019 was 222%, up 2pt from June 30, 2019 due mainly to an increase in MCEV.

(JPY bn)	Mar. 19	Jun. 19	Sep. 19	Change from Mar. 19	Change from Jun. 19
Insurance risk	547.3	586.2	588.5	+41.1	+2.3
Market-related risk	332.5	299.9	303.1	(29.3)	+3.2
Of which, interest rate risk	202.1	159.2	166.7	(35.3)	+7.4
Operational risk	33.4	35.0	41.4	+8.0	+6.3
Counter party risk	3.0	4.1	3.7	+0.6	(0.4)
Variance effect	(174.0)	(166.8)	(167.9)	+6.1	(1.1)
The risk amount based on economic value	742.3	758.5	768.8	+26.5	+10.3

(JPY bn)	Mar. 19	Jun. 19	Sep. 19	Change from Mar. 19	Change from Jun. 19
MCEV + Frictional costs	1,743.7	1,672.2	1,709.4	(34.3)	+37.1
ESR	235%	220%	222%	(13pt)	+2pt

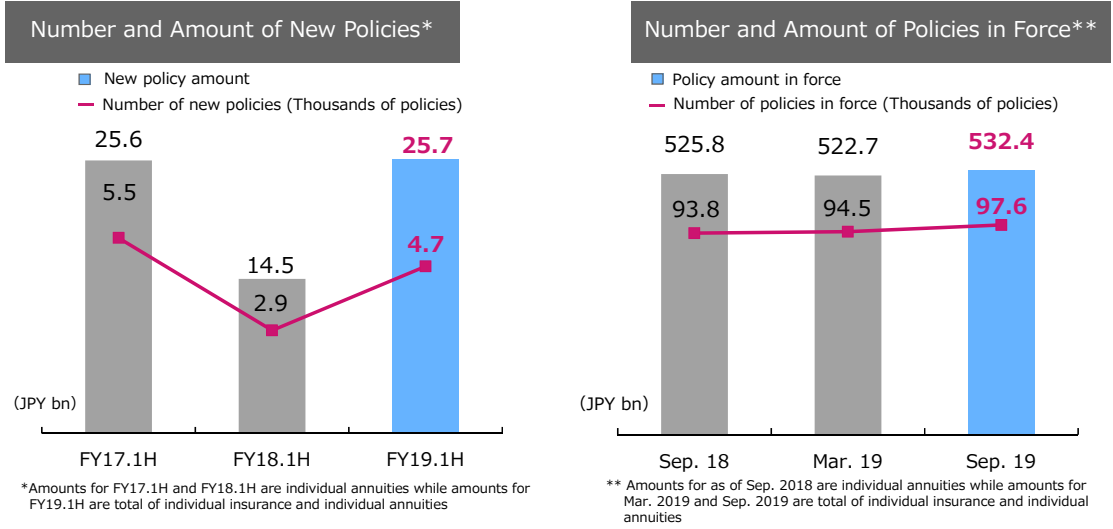
Notes:

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.

Operating Performance : AEGON Sony Life Insurance



◆ AEGON Sony Life Insurance's new policy amount and policy amount in force

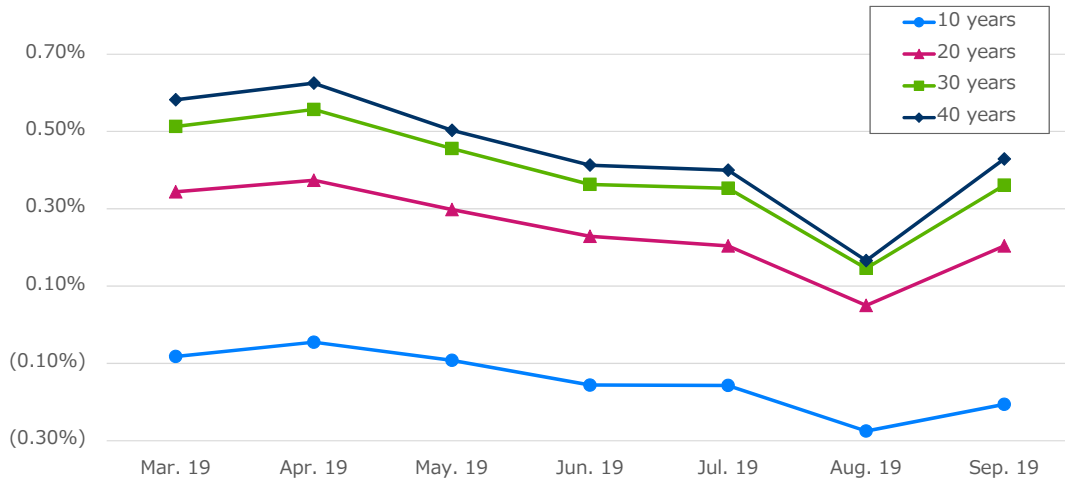


◆ Net income (losses) for AEGON Sony Life and SA Reinsurance

	(JPY bn)	FY18.1H	FY19.1H	Change
AEGON Sony Life		(1.7)	(0.7)	+1.0
SA Reinsurance		1.1	1.0	(0.1)

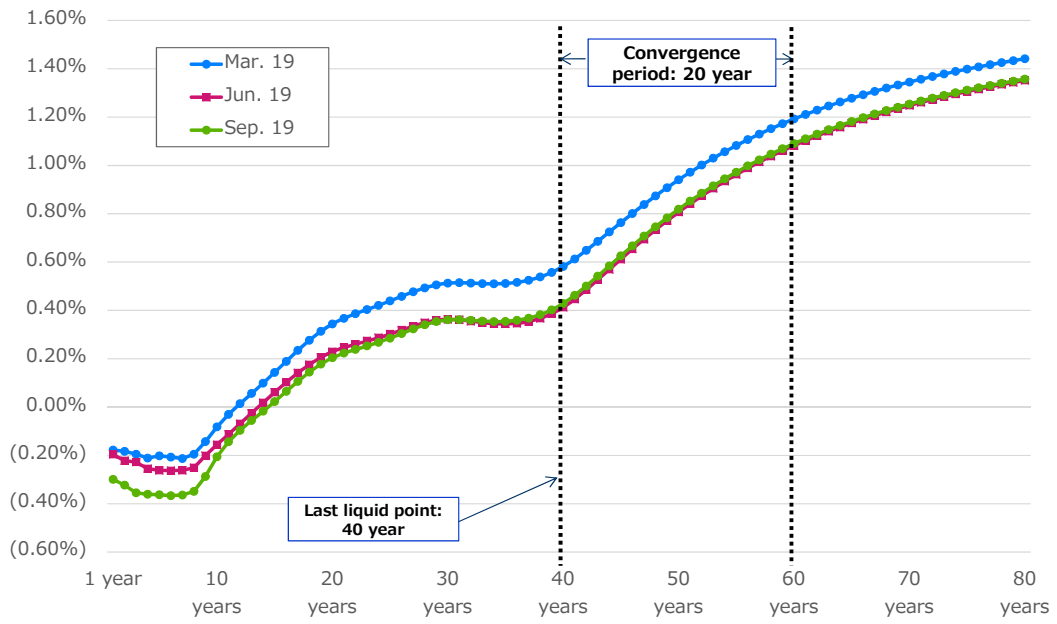
AEGON Sony Life Insurance and SA Reinsurance are equity method companies, 50-50 joint venture established by Sony Life and AEGON Group. SA Reinsurance prepares its financial statements in accordance with U.S. GAAP. 50% of the net income (losses) for AEGON Sony Life Insurance and SA Reinsurance are recognized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

Trend on JGB Yields (Par rate)



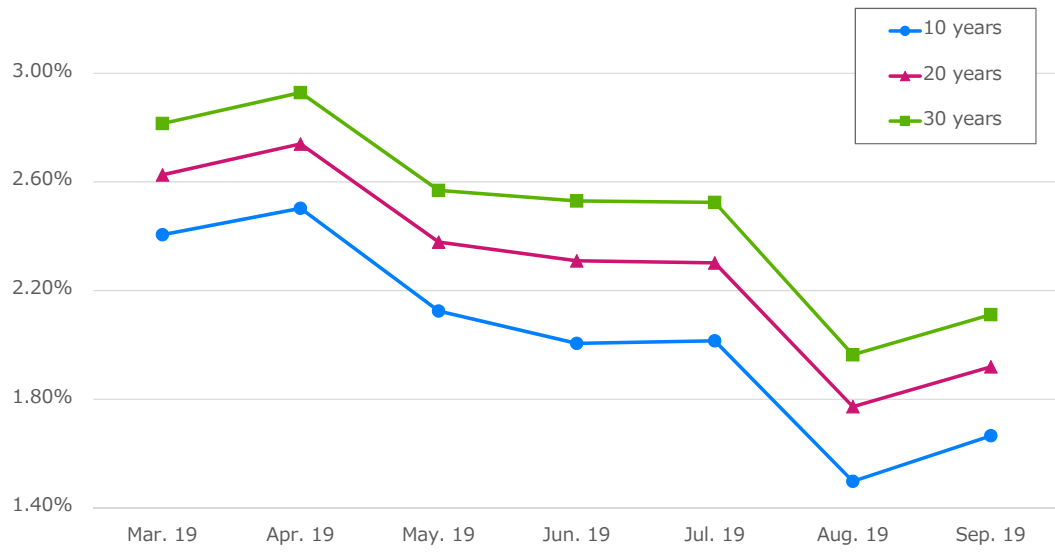
	Mar. 19	Apr. 19	May 19	Jun. 19	Jul. 19	Aug. 19	Sep. 19
10 years	(0.08%)	(0.05%)	(0.09%)	(0.16%)	(0.16%)	(0.28%)	(0.21%)
20 years	0.34%	0.37%	0.30%	0.23%	0.20%	0.05%	0.20%
30 years	0.51%	0.56%	0.46%	0.36%	0.35%	0.15%	0.36%
40 years	0.58%	0.63%	0.50%	0.41%	0.40%	0.17%	0.43%

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



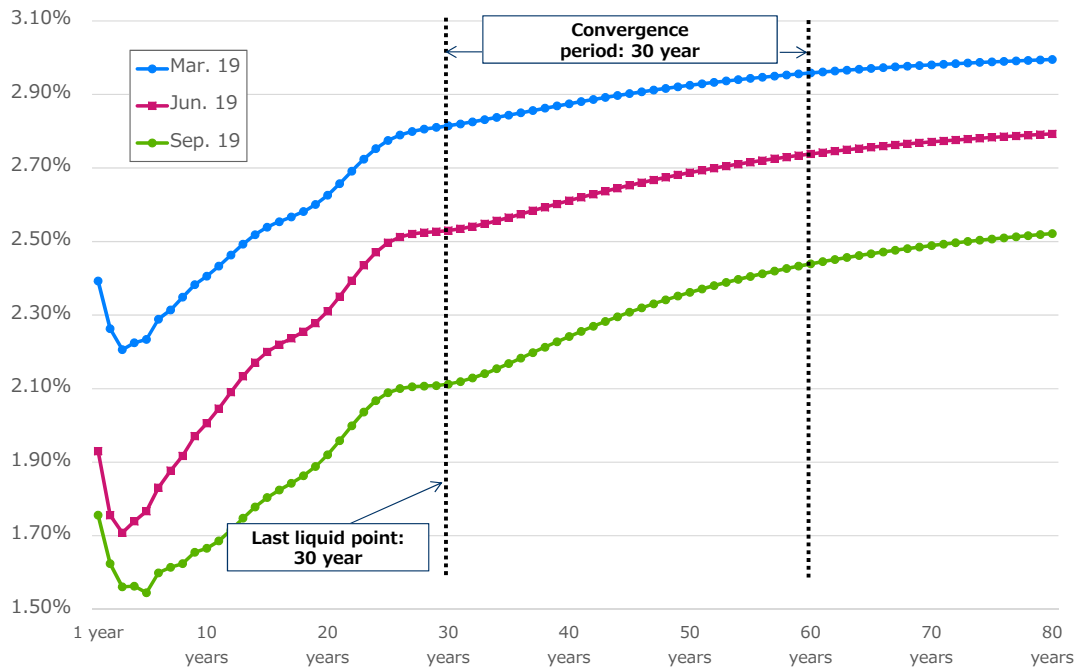
*For above risk-free rate, we employ the Smith-Wilson method for extrapolation so that the 60-year forward rate will coverage on the UFR (3.5%).

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



	Mar. 19	Apr. 19	May 19	Jun. 19	Jul. 19	Aug. 19	Sep. 19
10 years	2.41%	2.50%	2.13%	2.01%	2.02%	1.50%	1.67%
20 years	2.63%	2.74%	2.38%	2.31%	2.30%	1.77%	1.92%
30 years	2.82%	2.93%	2.57%	2.53%	2.53%	1.96%	2.11%

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)	FY18.1H	FY19.1H	Change	
Life insurance business	Ordinary revenues		779.3	806.9	+27.5	+3.5%
	Ordinary profit		37.4	48.7	+11.3	+30.3%
Non-life insurance business	Ordinary revenues		57.7	60.6	+2.9	+5.0%
	Ordinary profit		5.4	5.7	+0.3	+5.9%
Banking business	Ordinary revenues		22.0	24.5	+2.5	+11.5%
	Ordinary profit		4.6	5.6	+0.9	+20.5%
Intersegment adjustments*	Ordinary revenues		1.7	2.2	+0.5	+33.2%
	Ordinary profit		(0.3)	(0.4)	(0.1)	—
Consolidated	Ordinary revenues		860.8	894.4	+33.6	+3.9%
	Ordinary profit		47.2	59.6	+12.4	+26.4%
	Profit attributable to owners of the parent		31.7	40.4	+8.6	+27.3%

*"Intersegment adjustments" is from SFH, the nursing care business, and the venture capital business.
 Sony Financial Ventures Inc. is included in the scope of consolidation from FY18.2Q, SFV · GB L.P. is included in the scope of consolidation from the FY18.4Q and SmartLink Network Europe B.V. is included in the scope of consolidation from FY19.2Q, respectively.
 (Note) Comprehensive income : FY18.1H: ¥19.2 billion, FY19.1H: ¥51.8 billion

		(JPY bn)	Mar. 19	Sep. 19	Change from Mar. 19	
Consolidated	Net assets		656.8	681.6	+24.7	+3.8%
	Total assets		13,468.2	14,143.3	+675.1	+5.0%

Sony Life : Summary Financial Statements (Non-consolidated)

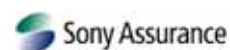


(JPY bn)	FY18.1H	FY19.1H	Change	
Ordinary revenues	779.2	806.8	+27.5	+3.5%
Income from insurance premiums	542.0	665.4	+123.4	+22.8%
Investment income	231.4	134.1	(97.2)	(42.0%)
Interest income and dividends	81.7	88.1	+6.3	+7.7%
Gains on sale of securities	3.3	2.3	(0.9)	(30.1%)
Foreign exchange gains, net	21.3	—	(21.3)	(100.0%)
Gains on separate accounts, net	122.6	41.3	(81.2)	(66.3%)
Ordinary expenses	741.5	758.2	+16.6	+2.2%
Insurance claims and other payments	200.4	222.6	+22.1	+11.0%
Provision for policy reserves and others	426.8	415.1	(11.7)	(2.8%)
Investment expenses	26.6	22.0	(4.6)	(17.3%)
Losses on derivatives, net	19.7	4.2	(15.4)	(78.4%)
Foreign exchange losses, net	—	10.5	+10.5	—
Operating expenses	71.4	78.5	+7.0	+9.9%
Ordinary profit	37.7	48.6	+10.9	+29.0%
Net income	25.4	32.7	+7.3	+28.9%

(JPY bn)	Mar. 19	Sep. 19	Change from Mar. 19	
Securities	9,523.8	10,039.4	+515.5	+5.4%
Policy reserves	9,268.4	9,681.7	+413.2	+4.5%
Net assets	513.9	525.2	+11.3	+2.2%
Net unrealized gains on other securities	122.7	133.4	+10.7	+8.7%
Total assets	10,380.1	10,897.4	+517.2	+5.0%
Separate account assets	1,300.7	1,393.2	+92.5	+7.1%

(JPY bn)	FY18.1H	FY19.1H	Change	
Gains from investment, net (General account)	82.1	70.7	(11.3)	(13.8%)

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



(JPY bn)	FY18.1H	FY19.1H	Change	
Ordinary revenues	57.7	60.6	+2.9	+5.0%
Underwriting income	56.5	59.3	+2.7	+4.9%
Investment income	1.1	1.3	+0.1	+11.1%
Ordinary expenses	52.3	54.9	+2.5	+4.9%
Underwriting expenses	38.9	40.5	+1.5	+4.0%
Operating, general and administrative expenses	13.3	14.3	+1.0	+7.7%
Ordinary profit	5.4	5.7	+0.3	+5.9%
Underwriting income	4.2	4.4	+0.2	+5.0%
Net income	3.8	4.1	+0.2	+5.6%

(JPY bn)	Mar. 19	Sep. 19	Change from Mar. 19	
Underwriting reserves	127.8	133.9	+6.1	+4.8%
Net assets	34.7	36.3	+1.5	+4.4%
Total assets	219.6	225.2	+5.6	+2.6%

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

(JPY mn)	FY18.1H	FY19.1H	Change
Fire	110	819	+645.0%
Marine	—	—	—
Personal accident	4,361	4,637	+6.3%
Voluntary automobile	51,478	53,638	+4.2%
Compulsory automobile liability	—	—	—
Total	55,950	59,096	+5.6%

Net Premiums Written

(JPY mn)	FY18.1H	FY19.1H	Change
Fire	8	449	—
Marine	—	0	—
Personal accident	4,441	4,502	+1.4%
Voluntary automobile	51,336	53,491	+4.2%
Compulsory automobile liability	733	863	+17.7%
Total	56,520	59,307	+4.9%

Net losses paid

(JPY mn)	FY18.1H	FY19.1H	Change
Fire	3	9	+131.2%
Marine	2	(3)	—
Personal accident	1,402	1,559	+11.2%
Voluntary automobile	24,749	26,595	+7.5%
Compulsory automobile liability	671	660	(1.6%)
Total	26,830	28,821	+7.4%

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



◆ Consolidated

(JPY bn)	FY18.1H	FY19.1H	Change	
Ordinary revenues	22.0	24.5	+2.5	+11.5%
Ordinary profit	4.6	5.6	+0.9	+20.6%
Profit attributable to owners of the parent	3.0	3.7	+0.6	+20.7%

◆ Non-consolidated

(JPY bn)	FY18.1H	FY19.1H	Change	
Ordinary revenues	19.9	22.2	+2.3	+11.6%
Gross operating profit	11.8	13.2	+1.4	+11.9%
Net interest income	11.4	12.0	+0.6	+5.9%
Net fees and Commissions	(1.6)	(0.7)	+0.8	–
Net other operating income	2.0	1.8	(0.1)	(7.1%)
General and administrative expenses	7.6	8.1	+0.5	+7.0%
Net operating profit	4.1	5.0	+0.9	+22.4%
Ordinary profit	4.2	5.0	+0.8	+19.8%
Net income	2.9	3.5	+0.5	+19.8%

(JPY bn)	Mar. 19	Sep. 19	Change from Mar. 19	
Net assets	87.2	87.9	+0.6	+0.8%
Net unrealized gains on other securities, net of taxes	3.9	4.2	+0.2	+6.1%
Total assets	2,860.9	3,003.9	+143.0	+5.0%

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

(JPY bn)	Mar. 19	Sep. 19	Change from Mar. 19	
AAA	296.6	327.8	+31.1	+10.5%
AA	77.3	63.3	(13.9)	(18.1%)
A	288.0	307.5	+19.4	+6.8%
BBB	24.4	29.6	+5.2	+21.4%
Others	10.0	8.7	(1.2)	(12.4%)
Total	696.4	737.1	+40.6	+5.8%

Sony Bank : Operating Performance (On Managerial Accounting Basis)



◆ On Managerial Accounting Basis

- Net interest income : Increased due to an increase of interest income in 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)	FY18.1H	FY19.1H	Change	
Gross operating profit	11.8	13.2	+1.4	+11.9%
Net interest income* ¹ ①	12.5	13.0	+0.5	+4.0%
Net fees and commissions* ² ②	(1.3)	(0.5)	+0.8	—
Net other operating income* ³ ③	0.6	0.6	+0.0	+9.2%
Gross operating profit (core profit)(A) = ① + ②	11.2	12.5	+1.3	+12.1%
Operating expenses and other Expenses ③	7.7	8.2	+0.4	+6.3%
Net operating profit (core profit) = (A) - ③	3.4	4.3	+0.8	+24.9%

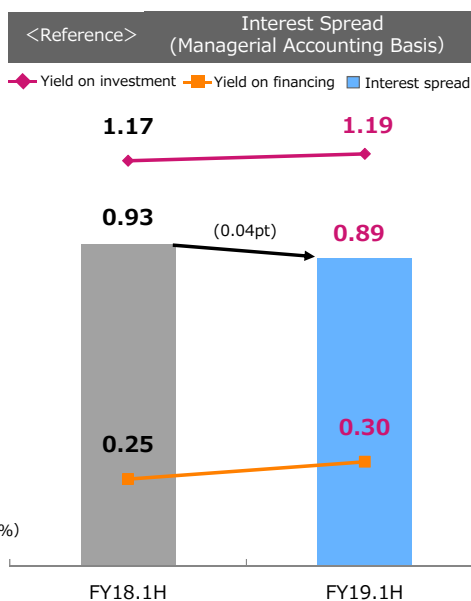
■ Managerial accounting basis

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.



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



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