

**Consolidated Financial Summary (Japanese GAAP)
for the Year Ended March 31, 2016**

May 16, 2016

Company name: Sony Financial Holdings Inc.
(URL: http://www.sonyfh.co.jp/web/index_en.html)
Stock exchange listing: Tokyo Stock Exchange (code number: 8729)
Representative: Katsumi Ihara, President and Representative Director
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(Fractional amounts of less than ¥1 million are discarded.)

1. Consolidated financial results for the year ended March 31, 2016

(1) Operating results

	Ordinary Revenues		Ordinary Profit		Profit Attributable to Owners of the Parent	
	Millions of yen	% change	Millions of yen	% change	Millions of yen	% change
For the year ended March 31, 2016	1,362,044	0.7	71,103	(21.1)	43,355	(20.3)
For the year ended March 31, 2015	1,352,325	2.4	90,062	18.3	54,419	34.4

Note: Comprehensive Income: For the year ended March 31, 2016: ¥71,105 million: (21.6)%
For the year ended March 31, 2015: ¥90,707 million: 102.5 %

	Net Income per Share	Net Income per Share (Fully Diluted)	Net Income on Shareholders' Equity	Ordinary Profit on Total Assets	Ordinary Profit on Ordinary Revenues
	Yen	Yen	%	%	%
For the year ended March 31, 2016	99.67	—	7.5	0.7	5.2
For the year ended March 31, 2015	125.10	—	10.7	1.0	6.7

Notes: Equity in earnings (losses) of affiliates: For the year ended March 31, 2016: ¥(718) million
For the year ended March 31, 2015: ¥(1,506) million

(2) Financial conditions

	Total Assets	Total Net Assets	Net Asset Ratio	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2016	10,352,114	604,377	5.8	1,386.32
As of March 31, 2015	9,545,868	550,672	5.8	1,262.94

Notes: Shareholders' equity: As of March 31, 2016: ¥603,048 million
As of March 31, 2015: ¥549,380 million

(3) Cash flows

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at end of fiscal year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
For the year ended March 31, 2016	602,475	(558,825)	(17,437)	233,620
For the year ended March 31, 2015	425,656	(445,431)	(13,087)	207,422

2. Dividends

	Dividend per Share					Annual Dividend Amount	Dividend Payout Ratio	Dividend on Net Assets
Record date	1st quarter	2nd quarter	3rd quarter	Year-end	Annual Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
For the year ended March 31, 2015	—	0.00	—	40.00	40.00	17,399	32.0	3.4
For the year ended March 31, 2016	—	0.00	—	55.00	55.00	23,924	55.2	4.2
For the year ending March 31, 2017 (forecast)	—	0.00	—	55.00	55.00		52.0	

3. Forecast of consolidated financial results for the year ending March 31, 2017

(Percentage figures represent changes from the results of the previous fiscal year.)

	Ordinary Revenues		Ordinary Profit		Profit Attributable to Owners of the Parent		Net Income per Share
	Millions of yen	% change	Millions of yen	% change	Millions of yen	% change	Yen
For the year ending March 31, 2017	1,450,000	6.5	71,000	(0.1)	46,000	6.1	105.75

4. Notes

(1) Changes in scope of consolidation during the period under review (changes in specified subsidiaries accompanying changes in scope of consolidation): None

(2) Changes in accounting policies, accounting estimates and restatements of the consolidated financial statements

(a) Changes in accounting policies resulting from the revision of the accounting standards and other regulations: Yes

(b) Changes in accounting policies due to other reasons: None

(c) Changes in accounting estimates: None

(d) Restatements of the consolidated financial statements: None

Notes: For details, please refer to the section entitled “V. Consolidated Financial Statements” under “5. Notes to the Consolidated Financial Statements” under “1) Changes in accounting policies” on page on 21.

(3) Number of shares outstanding (common stock)

(a) Number of shares outstanding (including treasury shares)

As of March 31, 2016: 435,000,000 shares

As of March 31, 2015: 435,000,000 shares

(b) Number of treasury shares

As of March 31, 2016: 75 shares

As of March 31, 2015: 55 shares

(c) Weighted-average number of shares

For the year ended March 31, 2016: 434,999,933 shares

For the year ended March 31, 2015: 434,999,945 shares

Audit of Financial Statements

This earnings report is exempt from audit procedure based upon the Financial Instruments and Exchange Act. Audit procedures are underway as of the date of this report.

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* The Conference Call for explaining the Sony Financial Group financial results for the fiscal year ended March 31, 2016, will be held at 16:30 (Tokyo), May 16, 2016.

We are sorry for any inconvenience that our Conference Call will be held only in Japanese.

We will upload the Presentation Materials with speech text on May 16, 2016 after 15:00, and its Q&A summary at a later date on Earnings Releases and Presentation Materials page on our website:

http://www.sonyfh.co.jp/en/financial_info/results/index.html

* We will upload the press releases on Sony Life's Market Consistent Embedded Value as of March 31, 2016, scheduled as below.

·Full report: Scheduled to be uploaded on May 23, 2016 at 15:00 (Tokyo)

Please see further details at our website: http://www.sonyfh.co.jp/index_en.html

* On May 16, 2016, Sony Financial Holdings Inc.'s (SFH's) significant subsidiaries: Sony Life Insurance Co., Ltd. (Sony Life), Sony Assurance Inc. (Sony Assurance) and Sony Bank Inc. (Sony Bank) will announce its financial results for the fiscal year ended March 31, 2016. SFH prepared English-language summaries of those Japanese announcements made by the above subsidiaries, solely for convenience of non-Japanese readers.

I. Qualitative Information and Financial Statements

1. Qualitative Information on Consolidated Operating Performance

1) Analysis of Operating Performance

During the fiscal year ended March 31, 2016 (from April 1, 2015 to March 31, 2016), the Japanese economy was in a state of modest economic recovery, buttressed by higher corporate earnings and improvements in the employment and income situation. However, the year was also characterized by concerns about the economic downturn stemming from overseas economic issues, such as decelerating growth in Chinese and other emerging market economies and falling crude oil prices, as well as volatile movements in the financial markets. As a result, the outlook was uncertain.

Looking at financial conditions, the Japanese stock market performed solidly in the first half of the fiscal year, but then turned downward due to a drop in the Chinese stock market. Thereafter, the Japanese stock market remained largely volatile, reflecting emerging and U.S. market fluctuations. In the bond markets, long-term interest rates that were already low due to the Bank of Japan (BOJ)'s monetary easing fell further when the BOJ decided in January 2016 on the introduction of a policy of qualitative and quantitative monetary easing incorporating negative interest rates. Even in foreign currency markets which had generally demonstrated a trend toward yen depreciation, investors' behavior to shed risk and purchase yen as a safe-haven currency led to sharp yen appreciation.

Amid these circumstances, the Sony Financial Group sought to become the financial services group most highly trusted by customers. To this end, we undertook a variety of measures to maintain a sound financial base, reinforce and expand our product and service offerings in order to deliver high-value-added products and high-quality services to each of our customers, and enhance our internal control system.

Consequently, as for its operating results, **consolidated ordinary revenues** rose 0.7% compared with the previous fiscal year, to ¥1,362.0 billion, owing to increases in ordinary revenues from the life insurance and the non-life insurance businesses, whereas ordinary revenues from the banking business decreased. **Consolidated ordinary profit** decreased 21.1% year on year, to ¥71.1 billion, owing to decreases in ordinary profit from the life insurance and the banking businesses, whereas ordinary profit from the non-life insurance business increased. **Profit attributable to owners of the parent**, after accounting for extraordinary losses, provision for reserve for policyholders' dividends and income taxes, was down 20.3% year on year, to ¥43.3 billion due to the decrease in ordinary profit.

Operating results by business segment are as described below.

Ordinary Revenues

(Billions of yen)

	Year ended March 31, 2015 (Apr. 1, 2014, to Mar. 31, 2015)	Year ended March 31, 2016 (Apr. 1, 2015, to Mar. 31, 2016)	Change (%)
Life insurance business	1,223.9	1,230.2	0.5
Non-life insurance business	93.0	96.9	4.2
Banking business	38.4	37.9	(1.3)
Subtotal	1,355.4	1,365.1	0.7
Intersegment adjustments	(3.1)	(3.0)	-
Consolidated	1,352.3	1,362.0	0.7

Ordinary Profit

(Billions of yen)

	Year ended March 31, 2015 (Apr. 1, 2014, to Mar. 31, 2015)	Year ended March 31, 2016 (Apr. 1, 2015, to Mar. 31, 2016)	Change (%)
Life insurance business	78.3	60.2	(23.1)
Non-life insurance business	4.2	4.6	11.2
Banking business	7.3	5.9	(18.3)
Subtotal	89.8	70.8	(21.1)
Intersegment adjustments*	0.2	0.2	3.7
Consolidated	90.0	71.1	(21.1)

*Amounts in the “Intersegment adjustments” of the Ordinary profit are mainly from SFH.

2) Forecast of Consolidated Financial Results for the Fiscal Year Ending March 31, 2017

For the fiscal year ending March 31, 2017 (April 1, 2016, to March 31, 2017), stable and sustainable business growth is expected in all the businesses: life insurance, non-life insurance and banking.

Consolidated ordinary revenues are expected to increase because we anticipate higher revenues in the life insurance business. Consolidated ordinary profit is expected to be almost flat because we anticipate an increase in profit in the life insurance business, offset by a decrease in profit in the banking business.

Profit attributable to owners of the parent is expected to increase due to the impact of a reduction in the effective corporate income tax rate for FY2016, compared with FY2015’s negative impact of the reversal of deferred tax assets, accompanied by the cut in corporate income tax.

*We do not consider the effects of market fluctuations after April 2016 within our forecast.

The forecast of consolidated financial results for the fiscal year ending March 31, 2017 below remains unchanged from the forecast announced on April 28, 2016.

(Billions of yen)

	(Reference) Actual results for the year ended March 31, 2016	Forecast for the year ending March 31, 2017	Change (%)
Ordinary revenues	1,362.0	1,450.0	6.5
Ordinary profit	71.1	71.0	(0.1)
Profit attributable to owners of the parent	43.3	46.0	6.1
Net income per share (Yen)	99.67	105.75	—

Forecast by business segment is as follows.

Forecast figures from each business reflect corporate and eliminations.

<Life insurance business>

Ordinary revenues are expected to increase year on year because we anticipate stable increases in insurance premium revenues and investment income. Ordinary profit is expected to increase year on year because we expect a positive impact of a decline in provision of policy reserves for minimum guarantees for variable life insurance to be offset by lower gains on sale of securities.

(Billions of yen)

	(Reference) Actual results for the year ended March 31, 2016	Forecast for the year ending March 31, 2017	Change (%)
Ordinary revenues	1,230.2	1,309.8	6.5
Ordinary profit	60.2	62.5	3.8

<Non-life insurance business>

Ordinary revenues are expected to increase year on year in line with growth in net premiums written primarily for automobile insurance. Ordinary profit is expected to decrease year on year because we expect the loss ratio to be higher than the ratio in FY2015.

(Billions of yen)

	(Reference) Actual results for the year ended March 31, 2016	Forecast for the year ending March 31, 2017	Change (%)
Ordinary revenues	96.9	101.6	4.8
Ordinary profit	4.6	4.4	(6.0)

<Banking business>

Although we anticipate stable growth in business scale, ordinary revenues are expected to be flat year on year due to lower interest rates associated with the BOJ's introduction of negative interest rates. Ordinary profit is expected to decrease due to an increase in up-front expenses incurred by investment on measures to expand the customer base over the medium term, in addition to an expected lower interest spread.

(Billions of yen)

	(Reference) Actual results for the year ended March 31, 2016	Forecast for the year ending March 31, 2017	Change (%)
Ordinary revenues	37.9	37.9	(0.1)
Ordinary profit	5.9	4.5	(24.9)

2. Qualitative Information on Consolidated Financial Position

1) Assets, Liabilities and Net Assets

As of March 31, 2016, **total assets** amounted to ¥10,352.1 billion, up 8.4% from March 31, 2015. Among major components of assets, securities, mostly Japanese government bonds, amounted to ¥8,021.4 billion, up 8.7% from March 31, 2015. Loans came to ¥1,515.8 billion, up 12.3%, and monetary trusts amounted to ¥303.9 billion, down 9.8%.

Total liabilities were ¥9,747.7 billion, up 8.4% from March 31, 2015. Major components of liabilities included policy reserves and others of ¥7,504.4 billion, up 9.1%, and deposits totaled ¥1,912.5 billion, up 2.1%.

Total net assets were ¥604.3 billion, up 9.8% from March 31, 2015. This included net unrealized gains on other securities, net of taxes, which increased ¥30.1 billion, to ¥157.3 billion.

2) Cash Flows

Net cash provided by operating activities for the fiscal year ended March 31, 2016, was ¥602.4 billion, up ¥176.8 billion from the previous fiscal year. The primary reason for this increase was an increase in revenue from insurance premiums in the life insurance business

Net cash used in investing activities was ¥558.8 billion, down ¥113.3 billion, from the previous fiscal year. This was due mainly to expenditures for payments to acquire securities in the life insurance business, which exceeded proceeds from sale and redemption of securities in the life insurance and banking businesses.

Net cash used in financing activities came to ¥17.4 billion due primarily to dividend payments, up ¥4.3 billion from the previous fiscal year.

As a result of the above factors, cash and cash equivalents at March 31, 2016, were ¥233.6 billion, up ¥26.1 billion from March 31, 2015.

3. Basic Policy on Returns to Shareholders and Dividends for the Fiscal Year Ended March 31, 2016, and the Fiscal Year Ending March 31, 2017

For the fiscal year ended March 31, 2016, taking this period's overall operating performance into consideration, we plan to pay a year-end dividend of ¥55 per share (total amount of dividend: ¥23.924 billion), which means the 4th consecutive year of dividend increases from the fiscal year ended March 31, 2013.

SFH aims for steady increases in dividends in line with earnings growth over the medium and long terms while securing sufficient internal reserves to ensure the financial soundness of the Group companies and invest in growing fields.

Our target for the dividend payout ratio is the range of 40% to 50%. Management will determine specific dividend amounts for each fiscal year by taking into account a comprehensive range of factors, including the capital adequacy of each Group company relative to risk, investment opportunities, business forecasts and legal and regulatory developments worldwide.

For the fiscal year ending March 31, 2017, we plan to pay a year-end dividend of ¥55 per share, unchanged from FY2015, after taking into account our business environment and our forecast of consolidated financial results. We will continue to make dividend payments once a year, following the resolution of the general meeting of shareholders, with the dividend record date at the end of each fiscal year.

Please refer to the attached presentation materials for non-consolidated operating results of SFH's principal subsidiaries, Sony Life, Sony Assurance and Sony Bank for the fiscal year ended March 31, 2016.

II. Status of the Corporate Group

On April 1, 2004, SFH was established as a financial holding company (an insurance holding company and a bank holding company) through a corporate separation from Sony Corporation. On October 11, 2007, SFH listed its common stock on the First Section of the Tokyo Stock Exchange, by publicly offering its shares to Japanese and overseas investors, resulting in Sony Corporation's ownerships to account for 60% of the total outstanding shares of SFH.

As of March 31, 2016, Sony Financial Group included as direct subsidiaries Sony Life, Sony Assurance and Sony

Bank, and Sony Payment Services Inc. and SmartLink Network Hong Kong Limited, subsidiaries of Sony Bank. It also includes AEGON Sony Life Insurance Co., Ltd. and SA Reinsurance Ltd., as affiliated companies accounted for under the equity method.

- **Sony Financial Holdings Inc.** (Management control of its subsidiaries and all duties incidental to that role)
[Directly held, indirectly held subsidiaries and affiliated companies accounted for under the equity method]

<Life insurance business>

- Sony Life Insurance Co., Ltd. (Wholly-owned by SFH)
- AEGON Sony Life Insurance Co., Ltd. (50%-owned by Sony Life)
- SA Reinsurance Ltd. (50%-owned by Sony Life)

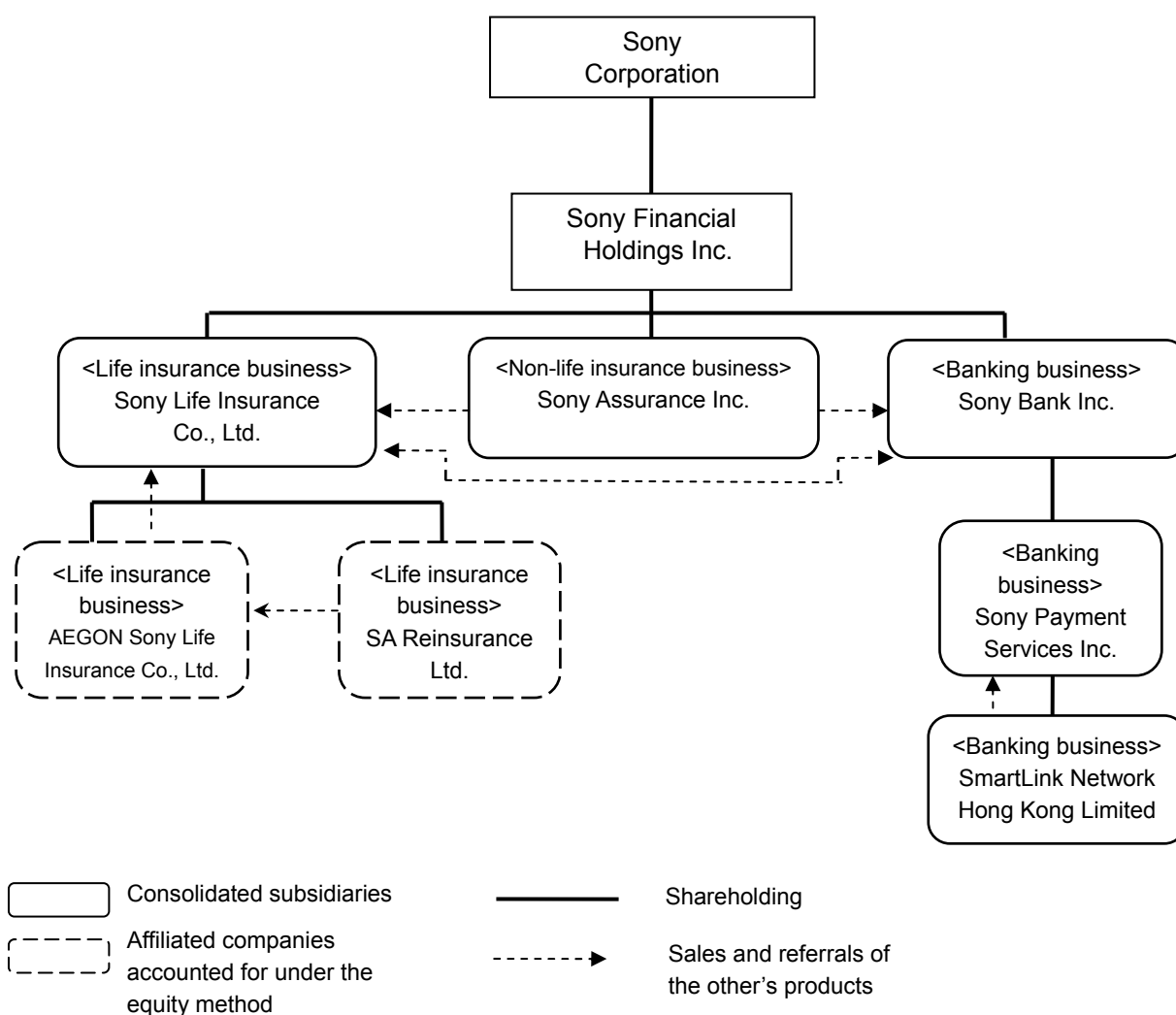
<Non-life insurance business>

- Sony Assurance Inc. (Wholly-owned by SFH)

<Banking business>

- Sony Bank Inc. (Wholly-owned by SFH)
- Sony Payment Services Inc. (57% -owned by Sony Bank)
- SmartLink Network Hong Kong Limited (Wholly-owned by Sony Payment Services Inc.)

[Organizational chart] (As of March 31, 2016)



III. Management Policies

1. Company's Basic Management Policies

The Sony Financial Group positions its corporate vision and philosophy as the basic policy for setting management strategy and expediting management decision-making. The Group's corporate vision and philosophies are described below.

a. Corporate Vision

The Sony Financial Group seeks to become the most highly trusted financial services group by customers. To this end, the Sony Financial Group will combine many different financial functions (savings, investment, borrowing, and protection) to provide high-value-added financial products and high-quality services that meet every customer's financial needs.

b. Corporate Philosophy

Put the Customer First

We will provide financial products and services that satisfy customers by embracing their individual views, to ensure that we help them lead prosperous lives with financial security.

Give Back to Society

We believe that a special commitment to the public good is demanded of a financial services enterprise. Conscious of this, we will realize our vision by upholding the highest ethics and a strong sense of purpose, and thereby give back to society. In addition, we will fulfill our responsibilities as a good corporate citizen and member of society.

Strive for Originality

We will constantly strive to come up with fresh ideas from basic principles as we pursue creativity and innovation, instead of merely following custom and convention.

Foster an Open Corporate Culture

We believe that every employee's contribution is important to develop our ideal of a financial services enterprise. We will thus foster an open corporate culture where employees can freely express their individuality and demonstrate their abilities to the fullest.

2. Key Management Benchmarks

SFH closely follows the following management benchmarks.

- Consolidated ordinary revenues
- Consolidated ordinary profit
- Profit attributable to owners of the parent

Since Sony Financial Group's company differs by industry such as insurance and banking, each group company calculates its "Adjusted ROE" based on adjusted profit and adjusted capital to realize its corporate value and capital efficiency.

Adjusted ROE is calculated as following:

- 1) Sony Life: (Numerator) The amount of increase in Embedded Value (EV) during the fiscal year plus dividends paid
(Denominator) EV as of the beginning of the fiscal year less dividends paid plus EV as of the end of the fiscal year, divided by two
*Sony Life uses Market Consistent Embedded Value for the EV calculation.
- 2) Sony Assurance: (Numerator) Net income plus provision amount for catastrophe reserve and its provision amount for reserve for price fluctuations, in each case after taxes
(Denominator) The average amount of net assets plus the sum of catastrophe reserve and its reserve for price fluctuations during the fiscal year, in each case after taxes
- 3) Sony Bank: (Numerator) Profit attributable to owners of the parent

(Denominator) The average amount of net assets during the fiscal year

We calculated Consolidated adjusted ROE as follows.

Consolidated adjusted ROE = consolidated adjusted profit divided by consolidated adjusted capital.

Consolidate adjusted profit is calculated as the sum of the following:

- 1) Sony Life: The amount of increase in EV during the fiscal year plus dividends paid
- 2) Sony Assurance: Net income plus provision amount for catastrophe reserve and its provision amount for reserve for price fluctuations during the fiscal year, in each case after taxes
- 3) Sony Bank: Profit attributable to owners of the parent

Consolidate adjusted capital is calculated as the sum of the following:

- 1) Sony Life: EV as of the beginning of the fiscal year less dividends paid plus EV as of the end of the fiscal year, divided by two
- 2) Sony Assurance: The average amount of net assets plus the sum of catastrophe reserve and its reserve for price fluctuations, in each case after taxes
- 3) Sony Bank: The average amount of net assets during the fiscal year

3. Mid- to Long-Term Management Strategies

The Sony Financial Group aims to maximize the corporate value of the Group over the medium to long term by implementing the management strategies outlined below.

(a) Sustainable and Stable Growth of Group Companies

Sony Life: Sony Life provides detailed tailored consulting and follow-up services through life insurance professionals—Lifeplanner sales employees and Partners (independent agencies)—who have broad-ranging expertise and extensive experience in such areas as economics, finance and taxation. Sony Life strives to strengthen its capabilities and hone its competitive edge in the individual life insurance market by providing value in a way that only Sony Life can.

Sony Assurance: Capitalizing on the strengths of its position as a direct insurance provider that communicates with each of its customers directly via the Internet and the telephone, Sony Assurance precisely understands customer opinions and needs, and provides products and services from a customer viewpoint. Sony Assurance aims to increase its revenue from insurance premiums by offering reasonably priced insurance premiums realized by risk-segmented products and operational efficiency.

Sony Bank: Sony Bank is an Internet bank focused on the needs of individual customers. By maximizing information technologies, the bank works to provide fair and highly convenient financial products and services. By ensuring its trustworthiness in such ways, the bank is working to expand its operations further.

(b) Fostering Synergy among Group Companies

In addition to the growth of each company within the Group, we seek to enhance synergies among the companies of the Sony Financial Group. Such efforts include the joint offering of products and services, the sharing of distribution channels and infrastructure and other forms of collaboration. By increasing intra-group synergies, SFH aims to offer customers attractive and high-value-added products and services that are unmatched by conventional financial institutions.

(c) Expanding into New Business Fields, Outside the Existing Framework

Sony Financial Group entered nursing care business in November 2013, and Sony Lifecare Inc. was established in April 2014 as a holding company to oversee the Group's operations in the nursing care business, aiming to contributing to the realization of a society that help elderly people live fulfilled and securely throughout their lives through nursing care services. In May 2015, Sony Lifecare Inc. entered capital participation in Yuuai Holdings Co.,

Ltd. (YHD), which is involved in the operation of nursing care homes and other businesses under its umbrella, by acquiring a portion of YHD's common stock. (14.5% of total shares issued) In April 2016, Lifecare Design Inc., wholly-owned by Sony Lifecare Inc. opened its first newly built nursing care home "SONARE Soshigaya-Okura" in Tokyo.

Through the growth of Group companies and increased synergies within the Group, we aim to move beyond the existing framework of the Sony Financial Group. We are examining active advancements into new business fields that will raise our corporate value even further.

4. Tasks Ahead for the Company

In the fiscal year ending March 31, 2017, we believe the Japanese economy will remain generally in a moderate recovery phase, buoyed by a gradual increase in domestic demand and a gradual uptick in exports as emerging market economies shake off their deceleration. At the same time, we anticipate a decline in interest rates due to the BOJ's introduction of a negative interest rate policy, and we will need to remain vigilant with respect to potential downside risks from overseas economies. From the corporate management perspective, we expect the outlook to remain opaque. Regardless, the insurance and banking industries must serve their role in providing proper and stable financial services, while consistently executing growth strategies.

The Sony Financial Group seeks to become the financial services group that is most highly trusted by customers. To this end, the Group has redoubled its internal control efforts focused on compliance, risk management, eradicating anti-social influences and ensuring the protection of personal information. The Sony Financial Group has also explored its ideal of providing financial services for individual customers from various perspectives. We are working to realize our vision and achieve ongoing increases in corporate value by executing the above management strategies. At the same time, we identify our social role and mission as a financial institution as contributing to the realization of a sustainable society. We will fulfill our responsibilities to our stakeholders accordingly.

IV. Basic Views on Selection of Accounting Standards

SFH's consolidated financial statements are prepared in accordance with accounting principles generally accepted in Japan. SFH is considering whether to adopt International Financial Reporting Standards ("IFRS") while closely monitoring the development of new accounting standards and the stance of regulatory bodies at home and abroad.

V. Consolidated Financial Statements

1. Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2015	As of March 31, 2016
Assets		
Cash and due from banks	¥134,803	¥144,364
Call loans and bills bought	77,234	88,200
Monetary claims purchased	—	884
Monetary trusts	336,842	303,973
Securities	7,377,545	8,021,493
Loans	1,349,586	1,515,833
Tangible fixed assets	123,083	121,376
Land	83,007	83,007
Buildings	35,323	33,215
Leased assets	74	40
Construction in progress	1,666	213
Other tangible fixed assets	3,010	4,900
Intangible fixed assets	33,366	29,887
Software	33,245	29,836
Goodwill	99	19
Other intangible fixed assets	21	31
Due from reinsurers	297	399
Foreign exchanges	2,224	1,139
Other assets	102,756	115,474
Net defined benefit asset	3,005	2,216
Deferred tax assets	6,545	8,181
Reserve for possible loan losses	(1,422)	(1,308)
Total Assets	¥9,545,868	¥10,352,114

(Millions of yen)

	As of March 31, 2015	As of March 31, 2016
Liabilities		
Policy reserves and others	¥6,879,055	¥7,504,420
Reserve for outstanding claims	61,114	67,177
Policy reserves	6,813,749	7,432,237
Reserve for policyholders' dividends	4,191	5,006
Due to agencies	2,450	2,455
Due to reinsurers	675	626
Deposits	1,872,860	1,912,592
Call money and bills sold	6,000	—
Borrowed money	20,000	40,000
Foreign exchanges	46	87
Bonds payable	20,000	20,000
Other liabilities	122,340	183,835
Reserve for employees' bonuses	3,395	3,557
Net defined benefit liability	24,558	29,263
Reserve for directors' retirement benefits	338	351
Special reserves	42,969	44,410
Reserve for price fluctuations	42,969	44,410
Deferred tax liabilities	—	5,647
Deferred tax liabilities on land revaluation	503	488
Total Liabilities	8,995,195	9,747,736
Net Assets		
Common stock	19,900	19,900
Capital surplus	195,277	195,277
Retained earnings	212,124	238,079
Treasury Stock	(0)	(0)
Total shareholders' equity	427,301	453,256
Net unrealized gains (losses) on other securities, net of taxes	127,166	157,364
Net deferred gains (losses) on hedging instruments, net of taxes	(2,086)	(2,347)
Land revaluation, net of taxes	(1,480)	(1,465)
Foreign currency translation adjustments	0	—
Remeasurements of defined benefit plans, net of taxes	(1,522)	(3,760)
Total accumulated other comprehensive income	122,078	149,791
Non-controlling interests	1,292	1,329
Total Net Assets	550,672	604,377
Total Liabilities and Net Assets	¥9,545,868	¥10,352,114

2. Consolidated Statements of Income and Consolidated Statements of Comprehensive Income
(Consolidated Statements of Income)

(Millions of yen)

	For the year ended March 31, 2015	For the year ended March 31, 2016
Ordinary Revenues	¥1,352,325	¥1,362,044
Ordinary Revenues from the Life Insurance Business	1,221,077	1,227,409
Income from insurance premiums	912,605	1,026,615
Insurance premiums	911,068	1,024,974
Ceded reinsurance commissions	1,537	1,640
Investment income	279,691	170,048
Interest income and dividends	133,135	140,981
Income from monetary trusts, net	5,283	11,973
Gains on trading securities, net	507	98
Gains on sale of securities	8,899	12,204
Gains on redemption of securities	1	—
Gains on derivatives, net	—	4,768
Foreign exchange gains, net	5,068	—
Other investment income	7	21
Gains on separate accounts, net	126,789	—
Other ordinary income	28,780	30,745
Ordinary Revenues from the Non-life Insurance Business	93,022	96,904
Underwriting income	91,761	95,612
Net premiums written	91,712	95,549
Interest and dividends on deposits of premiums	48	62
Other underwriting income	0	0
Investment income	1,235	1,264
Interest income and dividends	1,268	1,313
Gains on sale of securities	15	12
Transfer to interest and dividends on deposits of premiums	(48)	(62)
Other ordinary income	25	27
Ordinary Revenues from the Banking Business	38,224	37,731
Interest income	26,132	25,481
Interest income on loans	14,070	14,739
Interest income and dividends on securities	11,960	10,671
Interest income on call loans and bills bought	7	7
Interest income on deposits with banks	93	61
Other interest income	0	2
Fees and commissions	5,880	6,679
Other operating income	5,997	5,189
Gains on foreign exchange transactions, net	3,906	4,263
Others	2,090	926
Other ordinary income	213	379

(Continued)

(Millions of yen)

	For the year ended March 31, 2015	For the year ended March 31, 2016
Ordinary Expenses	¥1,262,262	¥1,290,941
Ordinary Expenses from the Life Insurance Business	1,145,087	1,169,419
Insurance claims and other payments	382,902	363,370
Insurance claims	79,622	84,283
Annuity payments	11,280	11,496
Insurance benefits	63,166	74,842
Surrender payments	223,130	184,936
Other payments	3,675	5,711
Reinsurance premiums	2,027	2,099
Provision for policy reserves and others	604,357	613,480
Provision for reserve for outstanding claims	746	4,185
Provision for policy reserves	603,607	609,291
Interest portion of reserve for policyholders' dividends	3	2
Investment expenses	9,439	23,095
Interest expenses	31	53
Losses on sale of securities	0	—
Losses on redemption of securities	0	1
Losses on derivatives, net	2,099	—
Foreign exchange losses, net	—	2,798
Provision for reserve for possible loan losses	32	5
Depreciation of real estate for rent and others	1,833	1,825
Other investment expenses	5,441	3,675
Losses on separate accounts, net	—	14,735
Operating expenses	115,237	132,896
Other ordinary expenses	33,149	36,578
Ordinary Expenses from the Non-life Insurance Business	88,115	91,522
Underwriting expenses	65,206	67,326
Net losses paid	45,985	48,111
Loss adjustment expenses	6,857	7,098
Net commission and brokerage fees	929	1,043
Provision for reserve for outstanding losses	2,966	1,877
Provision for underwriting reserves	8,465	9,195
Other underwriting expenses	0	0
Investment expenses	1	4
Losses on sale of securities	1	4
Operating, general and administrative expenses	22,900	24,188
Other ordinary expenses	7	3

(Continued)

(Millions of yen)

	For the year ended March 31, 2015	For the year ended March 31, 2016
Ordinary Expenses from the Banking Business	¥29,060	¥29,999
Interest expenses	9,407	8,884
Interest expenses on deposits	5,012	4,827
Interest expenses on call money and bills sold	6	5
Interest on borrowed money	22	32
Interest expenses on bonds	97	98
Interest expenses on interest rate swaps	4,268	3,921
Other interest expenses	0	0
Fees and commissions	1,948	2,437
Other operating expenses	135	181
General and administrative expenses	17,517	18,347
Other ordinary expenses	50	147
Ordinary Profit	90,062	71,103
Extraordinary Losses	1,927	2,793
Losses on disposal of fixed assets	511	882
Impairment losses	71	470
Provision for special reserves	1,311	1,440
Provision for reserve for price fluctuations	1,311	1,440
Losses on transfer of business	32	—
Provision for Reserve for Policyholders' Dividends	2,153	3,564
Income Before Income Taxes	85,981	64,744
Income Taxes – Current	32,207	26,191
Income Taxes – Deferred	(668)	(4,856)
Total Income Taxes	31,538	21,335
Profit	54,442	43,409
Profit Attributable to Non-controlling Interests	23	54
Profit Attributable to Owners of the Parent	¥54,419	¥43,355

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

	For the year ended March 31, 2015	For the year ended March 31, 2016
Profit	¥54,442	¥43,409
Other comprehensive income		
Net unrealized gains (losses) on other securities, net of taxes	35,164	30,198
Net deferred gains (losses) on hedging instruments, net of taxes	302	(261)
Land revaluation, net of taxes	33	14
Foreign currency translation adjustments	1	(1)
Remeasurements of defined benefit plans, net of taxes	762	(2,254)
Share of other comprehensive income of affiliates accounted for using equity method	0	–
Total other comprehensive income	36,264	27,695
Comprehensive income	¥90,707	¥71,105
(Details)		
Comprehensive income attributable to owners of the parent	90,690	71,068
Comprehensive income attributable to non-controlling interests	16	37

3. Consolidated Statements of Changes in Net Assets

For the year ended March 31, 2015

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the fiscal year	¥19,900	¥195,277	¥164,790	¥ (0)	¥379,967
Cumulative effects of changes in accounting policies	—	—	5,965	—	5,965
Restated balance at the beginning of the fiscal year	19,900	195,277	170,755	(0)	385,932
Changes during the period					
Dividends from surplus	—	—	(13,049)	—	(13,049)
Profit attributable to owners of the parent	—	—	54,419	—	54,419
Purchase of treasury stock	—	—	—	(0)	(0)
Net changes of items other than shareholders' equity	—	—	—	—	—
Total changes during the period	—	—	41,369	(0)	41,369
Balance at the end of the current period	¥19,900	¥195,277	¥212,124	¥ (0)	¥427,301

	Total accumulated other comprehensive income						Non-controlling interests	Total net assets
	Net unrealized gains (losses) on other securities, net of taxes	Net deferred gains (losses) on hedging instruments, net of taxes	Land revaluation, net of taxes	Foreign currency translation adjustments	Remeasurements of defined benefit plans, net of taxes	Total accumulated other comprehensive income		
Balance at the beginning of the fiscal year	¥92,002	¥ (2,388)	¥ (1,513)	¥0	¥ (2,292)	¥85,807	¥1,275	¥467,050
Cumulative effects of changes in accounting policies	—	—	—	—	—	—	—	5,965
Restated balance at the beginning of the fiscal year	92,002	(2,388)	(1,513)	0	(2,292)	85,807	1,275	473,015
Changes during the period								
Dividends from surplus	—	—	—	—	—	—	—	(13,049)
Profit attributable to owners of the parent	—	—	—	—	—	—	—	54,419
Purchase of treasury stock	—	—	—	—	—	—	—	(0)
Net changes of items other than shareholders' equity	35,164	302	33	0	769	36,270	16	36,287
Total changes during the period	35,164	302	33	0	769	36,270	16	77,657
Balance at the end of the current period	¥127,166	¥ (2,086)	¥ (1,480)	¥0	¥ (1,522)	¥122,078	¥1,292	¥550,672

For the year ended March 31, 2016

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the fiscal year	¥19,900	¥195,277	¥212,124	¥ (0)	¥427,301
Changes during the period					
Dividends from surplus	—	—	(17,399)	—	(17,399)
Profit attributable to owners of the parent	—	—	43,355	—	43,355
Purchase of treasury stock	—	—	—	(0)	(0)
Net changes of items other than shareholders' equity	—	—	—	—	—
Total changes during the period	—	—	25,955	(0)	25,954
Balance at the end of the current period	¥19,900	¥195,277	¥238,079	¥ (0)	¥453,256

	Total accumulated other comprehensive income						Non-controlling interests	Total net assets
	Net unrealized gains (losses) on other securities, net of taxes	Net deferred gains (losses) on hedging instruments, net of taxes	Land revaluation, net of taxes	Foreign currency translation adjustments	Remeasurements of defined benefit plans, net of taxes	Total accumulated other comprehensive income		
Balance at the beginning of the fiscal year	¥127,166	¥(2,086)	¥(1,480)	¥0	¥(1,522)	¥122,078	¥1,292	¥550,672
Changes during the period								
Dividends from surplus	—	—	—	—	—	—	—	(17,399)
Profit attributable to owners of the parent	—	—	—	—	—	—	—	43,355
Purchase of treasury stock	—	—	—	—	—	—	—	(0)
Net changes of items other than shareholders' equity	30,198	(261)	14	(0)	(2,237)	27,713	37	27,750
Total changes during the period	30,198	(261)	14	(0)	(2,237)	27,713	37	53,705
Balance at the end of the current period	¥157,364	¥ (2,347)	¥ (1,465)	—	¥ (3,760)	¥149,791	¥1,329	¥604,377

4. Consolidated Statements of Cash Flows

(Millions of yen)

	For the year ended March 31, 2015	For the year ended March 31, 2016
Cash flows from operating activities		
Income before income taxes	¥85,981	¥64,744
Depreciation of real estate for rent and others	1,833	1,825
Depreciation and amortization	9,686	10,067
Impairment losses	71	470
Amortization of goodwill	79	79
Increase (decrease) in reserve for outstanding claims	3,713	6,063
Increase in policy reserve	612,072	618,487
Increase in interest portion of reserve for policyholders' dividends	3	2
Increase (decrease) in reserve for policyholders' dividends	2,153	3,564
Increase (decrease) in reserve for possible loan losses	(116)	(113)
Increase (decrease) in net defined benefit liability	2,954	2,469
Increase (decrease) in reserve for directors' retirement benefits	88	69
Increase (decrease) in reserve for price fluctuations	1,311	1,440
Interest income and dividends	(160,536)	(167,777)
(Gains) losses on securities	(134,394)	7,620
Interest expenses	9,438	8,938
Exchange (gains) losses	(32,341)	22,924
Losses on disposal of tangible fixed assets	42	18
Equity in losses of affiliates	1,506	718
Net (increase) decrease in loans	(129,767)	(156,996)
Net increase in deposits	(16,093)	39,935
Net increase (decrease) in borrowed money (excluding subordinated borrowings)	—	20,000
Net (increase) decrease in call loans and bills bought	—	5,115
Net increase (decrease) in call money and bills sold	—	(6,000)
Net (increase) decrease in foreign exchange (assets)	5,528	1,085
Net increase (decrease) in foreign exchange (liabilities)	6	40
Others, net	27,714	(16,020)
Subtotal	290,938	468,773
Interest and dividends received	172,736	180,527
Interest paid	(9,117)	(9,196)
Policyholders' dividends paid	(2,202)	(2,752)
Income taxes paid	(26,698)	(34,875)
Net cash provided by operating activities	425,656	602,475

(Continued)

(Millions of yen)

	For the year ended March 31, 2015	For the year ended March 31, 2016
Cash flows from investing activities		
Investments in monetary trusts	¥(3,081)	–
Proceeds from sale of monetary trusts	5,300	¥48,465
Purchases of securities	(943,359)	(1,327,890)
Proceeds from sale and redemption of securities	588,936	698,310
Investments in loans	(54,199)	(56,782)
Collections of loans	24,618	28,761
Net increase (decrease) in collateral for securities lending transactions	–	62,804
Others	(1,626)	(567)
Total of net cash used in investment transactions	(383,413)	(546,898)
Total of net cash provided by (used in) operating activities and investment transactions	42,243	55,576
Purchases of tangible fixed assets	(54,563)	(2,049)
Purchases of intangible fixed assets	(4,712)	(6,927)
Purchase of securities of a non-consolidated subsidiary	(1,000)	(1,500)
Purchase of securities of affiliates	(2,500)	(1,450)
Others	758	–
Net cash used in investing activities	(445,431)	(558,825)
Cash flows from financing activities		
Cash dividends paid	(13,050)	(17,401)
Purchase of treasury stock	(0)	(0)
Others	(36)	(36)
Net cash provided by (used in) financing activities	(13,087)	(17,437)
Effect of exchange rate changes on cash and cash equivalents	4	(13)
Net increase (decrease) in cash and cash equivalents	(32,857)	26,197
Cash and cash equivalents at beginning of the fiscal year	240,279	207,422
Cash and cash equivalents at end of the fiscal year	¥207,422	¥233,620

5. Notes to the Consolidated Financial Statements

1) Changes in accounting policies

(Application of Accounting Standards for Business Combinations)

The Sony Financial Group has applied the “Revised Accounting Standards for Business Combinations” (ASBJ Statement No. 21, September 13, 2013), the “Revised Accounting Standards for Consolidated Financial Statements” (ASBJ Statement No. 22, September 13, 2013), the “Revised Accounting Standards for Business Divestitures” (ASBJ Statement No. 7, September 13, 2013) and related standards from the beginning of the fiscal year ending March 31, 2016. Accordingly, the method of presenting net income and other items was amended, and “minority interests” was changed to “non-controlling interests.” These reclassifications of the consolidated financial statements for the fiscal year ended March 31, 2015 have been made to conform to the presentation for the year ended March 31, 2016.

2) Segment Information

(1) Outline of reporting segments

The Sony Financial Group’s reporting segments are components of the Group whose operating results are regularly reviewed by the Board of Directors to make decisions about resources to be allocated to the segments and assess their performance, for which discrete financial information is available.

SFH is the financial holding company of Sony Life Insurance Co., Ltd., Sony Assurance Inc., and Sony Bank Inc., and pursues financial group strategies. The subsidiaries make their own business plans and engage in business activities from which they may earn revenues and incur expenses, under the Insurance Business Law of Japan, the Banking Law of Japan, and other regulations.

The Sony Financial Group consists of three reporting segments: the life insurance business, the non-life insurance business and the banking business.

- The life insurance business consists of Sony Life Insurance Co., Ltd., AEGON Sony Life Insurance Co., Ltd. and SA Reinsurance Ltd.
- The non-life insurance business consists of Sony Assurance Inc.
- The banking business consists of Sony Bank Inc., Sony Payment Services Inc. and SmartLink Network Hong Kong Limited.

(2) Segment Information by reporting segment

For the year ended March 31, 2015

	Millions of yen			
	Life insurance business	Non-life insurance business	Banking business	Total
Ordinary revenues				
External customers	¥1,221,077	¥93,022	¥38,224	¥1,352,325
Intersegment	2,910	1	201	3,113
Total	1,223,988	93,023	38,426	1,355,438
Segment profit	78,320	4,210	7,329	89,860
Segment assets	7,301,055	157,946	2,074,623	9,533,625
Others				
Depreciation	7,199	2,480	2,250	11,929
Interest income and dividends	133,610	1,268	26,132	161,011
Interest expenses	31	—	9,543	9,574
Equity in earnings (losses) of affiliates	(1,506)	—	—	(1,506)
Investments in affiliates	10,510	—	—	10,510
Increase in tangible fixed assets and intangible fixed assets	¥56,098	¥2,195	¥2,416	¥60,711

For the year ended March 31, 2016

	Millions of yen			
	Life insurance business	Non-life insurance business	Banking business	Total
Ordinary revenues				
External customers	¥1,227,409	¥96,904	¥37,731	¥1,362,044
Intersegment	2,882	1	206	3,090
Total	1,230,292	96,905	37,937	1,365,135
Segment profit	60,224	4,680	5,988	70,893
Segment assets	8,033,369	172,370	2,140,286	10,346,027
Others				
Depreciation	7,279	2,645	2,449	12,373
Interest income and dividends	141,468	1,313	25,482	168,264
Interest expenses	53	—	9,022	9,076
Equity in earnings (losses) of affiliates	(718)	—	—	(718)
Investments in affiliates	11,389	—	—	11,389
Increase in tangible fixed assets and intangible fixed assets	¥3,214	¥2,898	¥2,706	¥8,818

(3) Reconciliations of the totals of each segment item to corresponding enterprise amounts

	Millions of yen	
	For the year ended March 31, 2015	For the year ended March 31, 2016
Totals of reporting segments	¥1,355,438	¥1,365,135
Adjustments for intersegment transactions	(3,113)	(3,090)
Ordinary revenues in statement of income	¥1,352,325	¥1,362,044

	Millions of yen	
	For the year ended March 31, 2015	For the year ended March 31, 2016
Totals of reporting segments	¥89,860	¥70,893
Adjustments for intersegment transactions	7	8
Amount not allocated to reporting segments	194	200
Ordinary profit in statement of income	¥90,062	¥71,103

	Millions of yen	
	For the year ended March 31, 2015	For the year ended March 31, 2016
Totals of reporting segments	¥9,533,625	¥10,346,027
Adjustments for intersegment transactions	(26,345)	(35,143)
Amount not allocated to reporting segments	38,588	41,230
Assets in balance sheets	¥9,545,868	¥10,352,114

	Millions of yen					
	For the year ended March 31, 2015			For the year ended March 31, 2016		
	Total	Adjustments	Consolidated financial statements	Total	Adjustments	Consolidated financial statements
Depreciation	¥11,929	¥18	¥11,948	¥12,373	¥16	¥12,390
Interest income and dividends	161,011	(475)	160,536	168,264	(486)	167,777
Interest expenses	9,574	(135)	9,438	9,076	(137)	8,938
Equity in earnings (losses) of affiliates	(1,506)	—	(1,506)	(718)	—	(718)
Investments in affiliates	10,510	—	10,510	11,389	—	11,389
Increase in tangible fixed assets and intangible fixed assets	¥60,711	¥4	¥60,716	¥8,818	¥0	¥8,819

Relative information

For the year ended March 31, 2015

1. Information by business segment

	Millions of yen			
	Life insurance business	Non-life insurance business	Banking business	Total
Ordinary revenues from external customers	¥1,221,077	¥93,022	¥38,224	¥1,352,325

2. Geographic segment information

(1) Ordinary revenues

Ordinary revenues information by geographic segment is not shown, as ordinary revenues from external customers in Japan accounted for more than 90% of ordinary revenues in the consolidated statements of income.

(2) Tangible fixed assets

Information on tangible fixed assets by geographic segment is not shown, as tangible fixed assets in Japan accounted for more than 90% of tangible fixed assets in the consolidated balance sheets.

3. Information by major client

Information by major client is not shown, as ordinary revenues from external customers who are major clients accounted for less than 10% of ordinary revenues in the consolidated statements of income.

For the year ended March 31, 2016

1. Information by business segment

	Millions of yen			
	Life insurance business	Non-life insurance business	Banking business	Total
Ordinary revenues from external customers	¥1,227,409	¥96,904	¥37,731	¥1,362,044

2. Geographic segment information

(1) Ordinary revenues

Ordinary revenues information by geographic segment is not shown, as ordinary revenues from external customers in Japan accounted for more than 90% of ordinary revenues in the consolidated statements of income.

(2) Tangible fixed assets

Information on tangible fixed assets by geographic segment is not shown, as tangible fixed assets in Japan accounted for more than 90% of tangible fixed assets in the consolidated balance sheets.

3. Information by major client

Information by major client is not shown, as ordinary revenues from external customers who are major clients accounted for less than 10% of ordinary revenues in the consolidated statements of income.

Information on impairment losses on fixed assets by business segment

For the year ended March 31, 2015

	Millions of yen				
	Reporting segments				Others
	Life insurance business	Non-life insurance business	Banking business	Total	
Impairment losses	¥10	—	¥60	¥71	—
					Consolidated
					¥71

For the year ended March 31, 2016

	Millions of yen				
	Reporting segments				Others
	Life insurance business	Non-life insurance business	Banking business	Total	
Impairment losses	¥362	—	—	¥362	¥107
					Consolidated
					¥470

Information on amortization of goodwill and unamortized balance by business segment

For the year ended March 31, 2015

	Millions of yen				
	Reporting segments				Others
	Life insurance business	Non-life insurance business	Banking business	Total	
Amortization of goodwill	—	—	¥79	¥79	—
Balance at end of period	—	—	¥99	¥99	—
					Consolidated
					¥79
					¥99

For the year ended March 31, 2016

	Millions of yen				
	Reporting segments				Others
	Life insurance business	Non-life insurance business	Banking business	Total	
Amortization of goodwill	—	—	¥79	¥79	—
Balance at end of period	—	—	¥19	¥19	—
					Consolidated
					¥79
					¥19

Information on negative goodwill by business segment

No applicable items to be reported.

3) Financial Instruments

Fair value information on financial instruments

Below is fair value information on financial instruments as of March 31, 2016, excluding securities whose fair values are not readily determinable.

Financial assets

	Millions of yen		
	As of March 31, 2016		
	Consolidated balance sheet amount	Fair value	Difference
Cash and due from banks	¥144,364	¥144,364	—
Call loans and bills bought	88,200	88,200	—
Monetary trusts			
Other monetary trusts	303,973	303,973	—
Securities			
Trading securities	796,241	796,241	—
Held-to-maturity securities	5,463,440	7,511,682	¥2,048,241
Policy-reserve-matching securities	251,260	292,566	41,305
Available-for-sale securities	1,477,548	1,477,548	—
Loans	1,515,833		
Reserve for possible loan losses*	(1,035)		
	1,514,797	1,664,235	149,437
Total Financial Assets	¥10,039,827	¥12,278,812	¥2,238,984

* Excludes general and specific reserves for possible loan losses.

Financial liabilities

	Millions of yen		
	As of March 31, 2016		
	Consolidated balance sheet amount	Fair value	Difference
Deposits	¥1,912,592	¥1,915,960	¥3,368
Bonds payable	20,000	20,081	81
Collateral for securities lending transactions	62,804	62,804	—
Total Financial Liabilities	¥1,995,397	¥1,998,847	¥3,449

Derivative financial instruments

	Millions of yen		
	As of March 31, 2016		
	Consolidated balance sheet amount	Fair value	Difference
Hedge accounting not applied*	¥4,541	¥4,541	—
Hedge accounting applied	(29,289)	(29,289)	—
Total Derivative Financial Instruments	¥(24,748)	¥(24,748)	—

* Figures are totals resulting from derivatives transactions, which are accounted for as other assets and liabilities on the consolidated balance sheets. If the total is a debt amount, the above figure is negative.

Calculation of the fair value of financial instruments

Financial Assets

Cash and due from banks, call loans and bills bought

The fair value is regarded as the carrying amount, as they are approximately equal.

Monetary trusts

In individual monetary trusts mainly for investment purposes, the fair value of bonds is the market price on financial instrument exchanges or the price indicated by a financial institution. Please see “investment in monetary trust,” which indicates fair values by purpose.

Securities

The fair value of stocks is the market price on stock market or financial instrument exchanges. The fair value of bonds and investment funds is the market price or the price indicated by a financial institution. Please see “investment in securities,” which indicates fair values by purpose.

Loans

(i) Loans in the banking business

The value of these loans is calculated by type, by estimating their future cash flows and then applying a prescribed discount rate. The discount rate is determined by adding to the LIBOR-based yield curve a premium corresponding to the allowance rate of general provision for loan losses.

(ii) Policy loans in the life insurance business

The fair value of policyholder loans is valued by discounting future cash flows to their current value.

Financial Liabilities

Deposits

The value of deposits is calculated by type, by estimating their future cash flows and then applying a prescribed discount rate. The discount rate is determined by adding to the LIBOR-based yield curve a premium corresponding to the banking subsidiary's cumulative default rate by rating.

Bonds payable

The fair value of bonds payable is the market price or the price indicated by a financial institution.

Collateral for securities lending transactions

The fair value is regarded as the carrying amount, as they are approximately equal.

Derivative Transactions

Please see “derivative financial instruments”, which indicates calculations of fair value.

Securities whose fair values are not readily determinable

	Millions of yen
	As of March 31, 2016
Non-consolidated subsidiaries and affiliates that are unlisted ^{*1}	¥14,949
Investment in partnership ^{*2}	18,052
Total	¥33,001

*1. Unlisted stocks have no market prices and fair values are not readily determinable.

*2. Assets included in “investment in partnership” are stocks in unlisted companies.

Note: Impairment losses on investment in partnership was recognized as ¥153 million for the year ended March 31, 2016.

Impairment losses are principally recorded when their actual value as of the end of the fiscal year has declined by 50% or more from the acquisition cost.

The future redemption schedule of monetary claims and securities with maturities

	Millions of yen			
	As of March 31, 2016			
	1 year or less	More than 1 year to 5 years	More than 5 years to 10 years	Over 10 years
Cash and due from banks	¥144,364	—	—	—
Call loans and bills bought	88,200	—	—	—
Securities				
Held-to-maturity securities	2,835	¥22,551	¥236,260	¥5,239,435
Bonds	2,835	22,451	236,160	5,125,853
Japanese government and municipal bonds	2,565	19,464	234,110	5,069,780
Japanese corporate bonds	270	2,987	2,050	56,073
Others	—	100	100	113,581
Policy-reserve-matching securities	20,086	3,659	—	218,130
Bonds	20,086	3,659	—	218,130
Japanese government and municipal bonds	—	3,100	—	177,830
Japanese corporate bonds	20,086	559	—	40,300
Others	—	—	—	—
Available-for-sale securities	143,665	361,150	198,405	566,501
Bonds	17,224	117,747	136,687	555,600
Japanese government and municipal bonds	11,530	82,757	108,383	555,550
Japanese corporate bonds	5,694	34,990	28,304	50
Others	126,440	243,403	61,717	10,901
Loans*	29,591	61,525	74,535	1,177,256
Total	¥428,743	¥448,886	¥509,200	¥7,201,323

* This figure excludes loans of ¥171,649 million that have no fixed redemption period such as policyholder loans.

The future return schedule of deposits and other liabilities with interest

	Millions of yen					
	As of March 31, 2016					
	1 year or less	More than 1 year to 2 years	More than 2 years to 3 years	More than 3 years to 4 years	More than 4 years to 5 years	More than 5 years
Deposits*	¥1,796,872	¥18,290	¥13,244	¥9,981	¥13,750	¥60,452
Bonds payable	10,000	10,000	—	—	—	—
Total	¥1,806,872	¥28,290	¥13,244	¥9,981	¥13,750	¥60,452

* Demand deposits are included in “1 year or less.”

4) Investments in Securities

Trading securities

Millions of yen
For the year ended March 31, 2016
Valuation gains charged to income
¥(75,945)

Held-to-maturity securities

Millions of yen						
As of March 31, 2016						
Fair values exceeding the consolidated balance sheet amount			Total			
Consolidated balance sheet amount	Gross unrealized gains	Fair value	Consolidated balance sheet amount	Net unrealized gains	Fair value	
Bonds	¥5,418,387	¥2,039,507	¥7,457,895			
Japanese government and municipal bonds	5,356,583	2,022,119	7,378,702	—	—	—
Japanese corporate bonds	61,804	17,388	79,192	—	—	—
Others	45,053	8,733	53,786	—	—	—
Total	¥5,463,440	¥2,048,241	¥7,511,682	¥5,463,440	¥2,048,241	¥7,511,682

Note: There were no fair values that did not exceed their consolidated balance sheet amount.

Policy-reserve-matching securities

Millions of yen									
As of March 31, 2016									
Fair values exceeding the consolidated balance sheet amount			Fair values not exceeding the consolidated balance sheet amount			Total			
Consolidated balance sheet amount	Gross unrealized gains	Fair value	Consolidated balance sheet amount	Gross unrealized losses	Fair value	Consolidated balance sheet amount	Net unrealized gains	Fair value	
Bonds	¥245,519	¥41,306	¥286,826	¥5,741	¥(0)	¥5,740	—	—	—
Japanese government and municipal bonds	190,111	30,131	220,242	—	—	—	—	—	—
Japanese corporate bonds	55,408	11,175	66,583	5,741	(0)	5,740	—	—	—
Others	—	—	—	—	—	—	—	—	—
Total	¥245,519	¥41,306	¥286,826	¥5,741	¥(0)	¥5,740	¥251,260	¥41,305	¥292,566

Available-for-sale securities

Millions of yen									
As of March 31, 2016									
Fair values exceeding the acquisition cost			Fair values not exceeding the acquisition cost			Total			
Consolidated balance sheet amount	Gross unrealized gains	Acquisition cost	Consolidated balance sheet amount	Gross unrealized losses	Acquisition cost	Consolidated balance sheet amount	Net unrealized gains	Acquisition cost	
Bonds	¥979,725	¥148,449	¥831,276	¥6,790	¥(11)	¥6,801	—	—	—
Japanese government and municipal bonds	909,832	146,494	763,337	5,026	(7)	5,034	—	—	—
Japanese corporate bonds	69,893	1,955	67,938	1,763	(3)	1,766	—	—	—
Equity securities	29,209	15,027	14,181	163	(10)	173	—	—	—
Others	310,742	11,992	298,750	151,801	(809)	152,610	—	—	—
Total	¥1,319,678	¥175,469	¥1,144,208	¥158,754	¥(830)	¥159,585	¥1,478,433	¥174,639	¥1,303,793

Note: This chart as of March 31, 2016, excludes an investment in partnership of ¥18,052 million (consolidated balance sheet amounts).

Monetary claims purchased (trust beneficial interests) is included in the table above (consolidated balance sheet amounts and acquisition cost).

Available-for-sale securities sold during the period

	Millions of yen		
	For the year ended March 31, 2016		
	Sales	Gains on sales	Losses on sales
Bonds	¥161,541	¥11,422	¥26
Japanese government and municipal bonds	127,256	11,392	4
Japanese corporate bonds	34,285	30	21
Equity securities	1,292	702	—
Others	35,120	551	160
Total	¥197,954	¥12,676	¥186

Impairment of available-for-sale securities:

Available-for-sale securities with market value are considered impaired if the market value decreases materially below the acquisition cost and such decline is considered non-recoverable. The market value is recognized as the consolidated balance sheet amount and the write-down is accounted for as a devaluation loss for the fiscal year.

No impairment loss was recognized for the year ended March 31, 2016.

“Material decline” is indicated when the market value is 30% or less than the acquisition cost.

5) Investments in Monetary Trusts

Other monetary trusts

	Millions of yen			
	As of March 31, 2016			
	Consolidated balance sheet amount	Gross unrealized gains	Gross unrealized losses	Acquisition cost
Other monetary trusts	¥303,973	¥48,431	—	¥255,542

Note: Jointly invested monetary trusts included in the table above amount to ¥50 million for the year ended March 31, 2016.

Impairment of other monetary trusts

Securities with market values that are included in monetary trusts for purposes other than trading, holding to maturity or policy reserve matching are considered impaired if their market value decreases materially below the acquisition cost and such decline is considered non-recoverable. Their market value is recognized as the consolidated balance sheet amount and the write-down is accounted for as a devaluation loss for the fiscal year.

No impairment loss was recognized for the year ended March 31, 2016.

“Material decline” is indicated when the market value is 30% or less than the acquisition cost.

6) Derivative Financial Instruments

(1) Hedge accounting not applied

Below is a summary of contractual or notional amounts, current market or fair values, valuation gains or losses, and the method of calculating the fair values of derivatives, classified by transaction, to which hedge accounting is not applied. Notional amounts do not indicate exposure to credit loss.

(i) Interest rate derivatives

	Millions of yen			
	As of March 31, 2016			
	Notional amount		Fair value	Valuation gains (losses)
	Total	Over 1 year		
Over-the-counter transactions:				
Interest rate swaps:				
fixed-rate receivable	¥26,921	¥26,921	¥448	¥448
/floating-rate payable				
floating-rate receivable	25,921	25,921	(25)	(25)
/fixed-rate payable				
Total	—	—	¥422	¥422

Notes:

1. The above transactions are valued at market, and valuation gains and losses are recorded in the consolidated statements of income.
2. Market values are calculated using discounted present value and the price indicated by a financial institution.

(ii) Currency derivatives

Millions of yen				
As of March 31, 2016				
Notional amount		Fair value	Valuation gains (losses)	
Total	Over 1 year			
Over-the-counter transactions:				
Forward foreign exchanges:				
Sold	¥130,658	—	¥714	¥714
Bought	146,481	—	239	239
Foreign exchange margin transactions				
Sold	54,688	—	1,920	1,920
Bought	20,508	—	794	794
Currency options				
Sold	210	—	(2)	0
Bought	211	—	2	0
Currency forward contracts				
Bought	12,735	—	680	680
Total	—	—	¥4,349	¥4,350

Notes:

1. The above transactions are valued at market, and valuation gains and losses are recorded in the consolidated statements of income.
2. Market values are calculated using discounted present value, option pricing models and other methods.

(iii) Stock derivatives

Millions of yen				
As of March 31, 2016				
Notional amount		Fair value	Valuation gains (losses)	
Total	Over 1 year			
Financial Instruments Exchange				
Stock index futures				
Sold	¥72,793	—	¥(230)	¥(230)
Total	—	—	¥(230)	¥(230)

Notes:

1. The above transactions are valued at market, and valuation gains and losses are recorded in the consolidated statements of income.
2. The fair value is the closing price of the exchange at the end of the fiscal year.

(2) Hedge accounting applied

The following provides a summary of contractual or notional amounts, current market or fair values, valuation gains or losses, and the method of calculating the fair values of derivatives, classified by transactions, to which hedge accounting is applied. Notional amounts do not indicate exposure to credit loss.

(i) Interest rate derivatives

Millions of yen				
As of March 31, 2016				
	Notional amount		Fair value	Hedged item
	Total	Over 1 year		
Deferred hedge accounting				
Interest rate swaps				
floating-rate receivable	¥50,111	¥49,942	¥(2,048)	Loans, deposits
/fixed-rate-payable				
Fair value hedge accounting				
Interest rate swaps				
floating-rate receivable	333,785	286,112	(26,945)	Available-for-sale securities (bonds)
/fixed-rate-payable				
Total	—	—	¥(28,993)	

Notes:

1. SFH applies deferred hedge accounting and fair value hedge accounting in accordance with “Accounting and Auditing Treatments on Application of Accounting Standard for Financial Instruments in the Banking Industry” (Industry Audit Committee of Japanese Institute of Certified Public Accountants No. 24).
2. Market value is calculated using discounted present value and other methods.

(ii) Currency derivatives

Millions of yen				
As of March 31, 2016				
	Notional amount		Fair value	Hedged item
	Total	Over 1 year		
Fair value hedge accounting				
Currency swaps	¥15,206	—	¥(296)	Available-for-sale securities (bonds)
Total	—	—	¥(296)	

Notes:

1. SFH applies mainly fair value hedge accounting.
2. Market value is calculated using discounted present value and other methods.

7) Subsequent Events

There were no applicable subsequent events.

SFH's consolidated results* are prepared in accordance with Japanese GAAP. As such, these figures differ in significant respects from the financial information reported by Sony Corporation, the SFH's parent company, which prepares its financial statements in accordance with U.S. GAAP.

* SFH's scope of consolidation includes following companies

Consolidated subsidiaries:

Sony Financial Holdings Inc.

Sony Life Insurance Co. Ltd.

Sony Assurance Inc.

Sony Bank Inc.

Sony Payment Services Inc.

SmartLink Network Hong Kong Limited.

Affiliated companies accounted for under the equity method:

AEGON Sony Life Insurance Co., Ltd.

SA Reinsurance Ltd.

Sony Lifecare Inc. and Lifecare Design Inc. are included in the scope of consolidation from the forecast of consolidated financial results for the year ending March 31, 2017.

Statements made in this press release concerning the current plans, expectations, strategies and beliefs of the Sony Financial Group. Any statements contained herein that are not historical facts are forward-looking statements or pro forma information. Forward-looking statements may include—but are not limited to—words such as “believe,” “anticipate,” “plan,” “strategy,” “expect,” “assume,” “forecast,” “predict,” “propose,” “intend” and “possibility” that describe future operating activities, business performance, events or conditions. Forward-looking statements, whether spoken or written, may also be included in other materials released to the public. These forward-looking statements and pro forma information are based on assumptions, decisions and judgments made by the management of Sony Financial Group companies, and are based on information that is currently available to them. As such, they are subject to various risks and uncertainties, and actual business results may vary substantially from the forecasts expressed or implied in forward-looking statements. Consequently, investors are cautioned not to place undue reliance on forward-looking statements. Sony Financial Group companies are under no obligation to revise forward-looking statements or pro forma information in light of new information, future events or other findings. The information contained in this presentation does not constitute or form part of any offer for sale or subscription of or solicitation or invitation of any offer to buy or subscribe to any securities, nor shall it or any part of it form the basis of or be relied on in connection with any contract or commitment whatsoever in Japan or abroad.

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http://www.sonyfh.co.jp/index_en.html

VI. Attachment

Content of Presentation Material

**Consolidated Financial Results for the Year Ended March 31, 2016 and
Sony Life’s Preliminary Market Consistent Embedded Value as of March 31, 2016**

- Consolidated Operating Results for the Year Ended March 31, 2016 3
- Consolidated Financial Forecast for the Year Ending March 31, 2017 29
- Dividend Forecast 31
- Sony Life’s Preliminary MCEV and Risk Amount Based on Economic Value as of
March 31, 2016 33
- Appendix 37

Presentation Material

Consolidated Financial Results for the Year Ended March 31, 2016 and Sony Life's Preliminary Market Consistent Embedded Value as of March 31, 2016

Sony Financial Holdings Inc.
May 16, 2016

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Content

■ Consolidated Operating Results for the Year Ended March 31, 2016	P.3
■ Forecast of Consolidated Financial Results for the Year Ending March 31, 2017	P.29
■ Dividend Forecast	P.31
■ Sony Life's Preliminary MCEV and Risk Amount Based on Economic Value as of March 31, 2016	P.33
■ Appendix	P.37

Disclaimers:

This presentation material contains statements concerning the current plans, expectations, strategies and beliefs of the Sony Financial Group. Any statements contained herein that are not historical facts are forward-looking statements or pro forma information. Forward-looking statements may include—but are not limited to—words such as “believe,” “anticipate,” “plan,” “strategy,” “expect,” “assume,” “forecast,” “predict,” “propose,” “intend” and “possibility” that describe future operating activities, business performance, events or conditions. Forward-looking statements, whether spoken or written, may also be included in other materials released to the public. These forward-looking statements and pro forma information are based on assumptions, decisions and judgments made by the management of Sony Financial Group companies, and are based on information that is currently available to them. As such, they are subject to various risks and uncertainties, and actual business results may vary substantially from the forecasts expressed or implied in forward-looking statements. Consequently, investors are cautioned not to place undue reliance on forward-looking statements. Sony Financial Group companies are under no obligation to revise forward-looking statements or pro forma information in light of new information, future events or other findings. The information contained in this presentation does not constitute or form part of any offer for sale or subscription of or solicitation or invitation of any offer to buy or subscribe to any securities, nor shall it or any part of it form the basis of or be relied on in connection with any contract or commitment whatsoever in Japan or abroad.

*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 Year Ended March 31, 2016

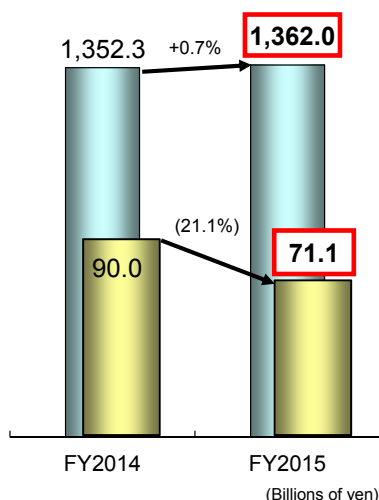
Management Message

- ◆ In FY2015, Sony Life's new policy amount surpassed ¥5 trillion, reaching the highest level to date. Sony Bank also performed favorably, thanks to the introduction of Sony Bank WALLET and other new products. As a result, the Group's business volume continued to expand steadily. However, consolidated ordinary profit declined year on year, owing to a rise in provision of policy reserves for minimum guarantees for variable life insurance stemming from an increase in new policies and the worsened financial market conditions at Sony Life.
- ◆ In FY2016, we expect the business environment to worsen somewhat with negative interest rates continuing, but we anticipate that each Group company will continue to steadily expand its field of business. Consequently, we forecast a 6.5% increase in consolidated ordinary revenues year on year, essentially flat consolidated ordinary profit and a rise in profit attributable to owners of the parent owing to a reduction in the corporate tax rate.
- ◆ As of March 31, 2016, Sony Life's MCEV was down from a year earlier due to a significant decline in yen interest rates. By responding promptly with measures including premium revisions, Sony Life is working to improve profitability to ensure steady growth in MCEV even under low interest rates environment.
- ◆ For FY2015, we plan to pay a year-end dividend of ¥55 per share, up ¥15 year on year (for the 4th consecutive year of dividend increases). For FY2016, we expect to maintain this level of dividends (¥55 per share) from FY2015, after taking into account our business environment surrounding the Group and our forecast of consolidated financial results.

Highlights of Consolidated Operating Performance (1)



■ Consolidated ordinary revenues
■ Consolidated ordinary profit



(Billions of yen)		FY2014	FY2015	Change	
Life Insurance business	Ordinary revenues	1,223.9	1,230.2	+6.3	+0.5%
	Ordinary profit	78.3	60.2	(18.0)	(23.1%)
Non-life Insurance business	Ordinary revenues	93.0	96.9	+3.8	+4.2%
	Ordinary profit	4.2	4.6	+0.4	+11.2%
Banking business	Ordinary revenues	38.4	37.9	(0.4)	(1.3%)
	Ordinary profit	7.3	5.9	(1.3)	(18.3%)
Intersegment adjustments*	Ordinary revenues	(3.1)	(3.0)	+0.0	—
	Ordinary profit	0.2	0.2	+0.0	+3.7%
Consolidated	Ordinary revenues	1,352.3	1,362.0	+9.7	+0.7%
	Ordinary profit	90.0	71.1	(18.9)	(21.1%)
	Profit attributable to owners of the parent	54.4	43.3	(11.0)	(20.3%)

*Ordinary profit in "Intersegment adjustments" is mainly from SFH.

*Comprehensive income: FY2014: ¥90.7billion, FY2015: ¥71.1 billion

(Billions of yen)		15.3.31	16.3.31	Change from 15.3.31	
Consolidated	Net assets	550.6	604.3	+53.7	+9.8%
	Total assets	9,545.8	10,352.1	+806.2	+8.4%

Highlights of Consolidated Operating Performance (2)

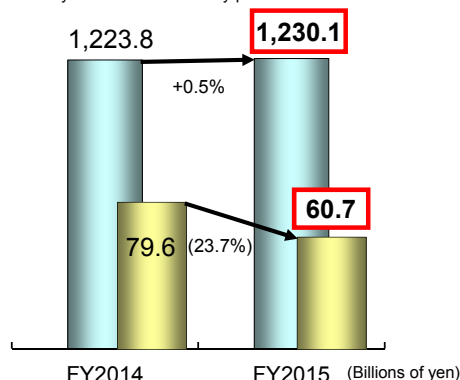


- **Life Insurance Business:** Ordinary revenues were almost flat year on year. This was due to an increase in insurance premium revenues reflecting a favorable acquisition of new policies and an increase in gains on sale of securities in the general account, substantially offset by a deterioration in investment performance in the separate account, driven by the worsened financial market conditions. Ordinary profit decreased year on year. This was due to a significant increase in provision of policy reserves for minimum guarantees for variable life insurance as a result of an increase in new policies and the worsened financial market conditions. Moreover, increased expenses incurred by strong sales of new policies also contributed to the decrease in profit.
- **Non-life Insurance Business:** Ordinary revenues rose year on year, owing to an increase in net premiums written primarily for mainstay automobile insurance. Ordinary profit increased year on year. This was due to a decline in provision for reserve for outstanding losses led by a lower car accident ratio, as well as the rise in ordinary revenues.
- **Banking Business:** Ordinary revenues decreased year on year, mainly due to a decline in gains on sale of bonds despite higher revenues related to mortgage loans. Ordinary profit decreased year on year due to an increase in operating expenses, as well as the decline in ordinary revenues.
- **Consolidated:** Consolidated ordinary revenues increased 0.7% year on year, to ¥1,362.0 billion, owing to increases in ordinary revenues from the life insurance and the non-life insurance businesses, whereas ordinary revenues from the banking business decreased. Consolidated ordinary profit decreased 21.1% year on year, to ¥71.1 billion, owing to decreases in ordinary profit from the life insurance and the banking businesses, whereas ordinary profit from the non-life insurance business increased. Profit attributable to owners of the parent was down 20.3% year on year, to ¥43.3 billion due to the decrease in ordinary profit.

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



■ Ordinary revenues ■ Ordinary profit



- ◆ Ordinary revenues were almost flat but ordinary profit decreased year on year.
- ◆ Income from insurance premiums increased year on year, reflecting a steady increase in policy amount in force.
- ◆ Investment income decreased due to a deterioration in investment performance in the separate account, driven by the worsened financial market conditions.
- ◆ Ordinary profit decreased year on year. This was due to a significant increase in provision of policy reserves for minimum guarantees for variable life insurance as a result of an increase in new policies and the worsened financial market conditions, partially offset by an increase on gains on sale of securities in the general account. Moreover, increased expenses incurred by strong sales of new policies also contributed to the decrease in profit.

(Billions of yen)	FY2014	FY2015	Change	
Ordinary revenues	1,223.8	1,230.1	+6.3	+0.5%
Income from insurance premiums	914.0	1,028.0	+114.0	+12.5%
Investment income	280.1	170.5	(109.6)	(39.1%)
Interest income and dividends	133.5	141.4	+7.8	+5.9%
Income from monetary trusts, net	5.2	11.9	+6.6	+126.6%
Gains on sale of securities	8.8	12.2	+3.3	+37.1%
Gains on separate accounts, net	126.7	—	(126.7)	(100.0%)
Ordinary expenses	1,144.1	1,169.3	+25.1	+2.2%
Insurance claims and other payments	382.9	363.3	(19.5)	(5.1%)
Provision for policy reserves and others	604.3	613.4	+9.1	+1.5%
Investment expenses	9.7	23.3	+13.6	+140.6%
Losses on separate accounts, net	—	14.7	+14.7	—
Operating expenses	115.6	133.3	+17.7	+15.3%
Ordinary profit	79.6	60.7	(18.8)	(23.7%)
Net income	42.5	37.0	(5.4)	(12.8%)

(Billions of yen)	15.3.31	16.3.31	Change from 15.3.31	
Securities	6,543.7	7,273.3	+729.6	+11.2%
Policy reserves	6,727.2	7,336.5	+609.2	+9.1%
Net assets	432.5	482.1	+49.6	+11.5%
Net unrealized gains on other securities	118.1	150.6	+32.5	+27.5%
Total assets	7,301.3	8,035.4	+734.0	+10.1%
Separate account assets	793.3	850.3	+56.9	+7.2%

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



(Billions of yen)	FY2014	FY2015	Change
New policy amount	4,771.6	5,151.3	+8.0%
Lapse and surrender amount	2,088.4	1,931.4	(7.5%)
Lapse and surrender rate	5.35%	4.72%	(0.63pt)
Policy amount in force	40,988.7	43,149.8	+5.3%
Annualized premiums from new policies	76.6	85.0	+11.0%
Of which, third-sector products	15.2	15.7	+2.8%
Annualized premiums from insurance in force	735.7	781.3	+6.2%
Of which, third-sector products	172.8	179.7	+4.0%

<Reasons for changes>

- ◆ Increased due to higher sales of variable life insurance and variable annuities.

- ◆ Increased due to higher sales of variable life insurance, lump-sum payment whole life insurance and variable annuities.

(Billions of yen)	FY2014	FY2015	Change
Gains from investment, net (General account)	143.6	161.8	+12.7%
Core profit	76.5	43.0	(43.8%)
Positive spread	13.0	15.3	+17.7%

- ◆ Decreased year on year due to a significant increase in provision of policy reserves for minimum guarantees for variable life insurance as a result of an increase in new policies and the worsened financial market conditions, despite higher positive spread. Moreover, increased expenses incurred by strong sales of new policies also contributed to the decrease in profit.

Notes:

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

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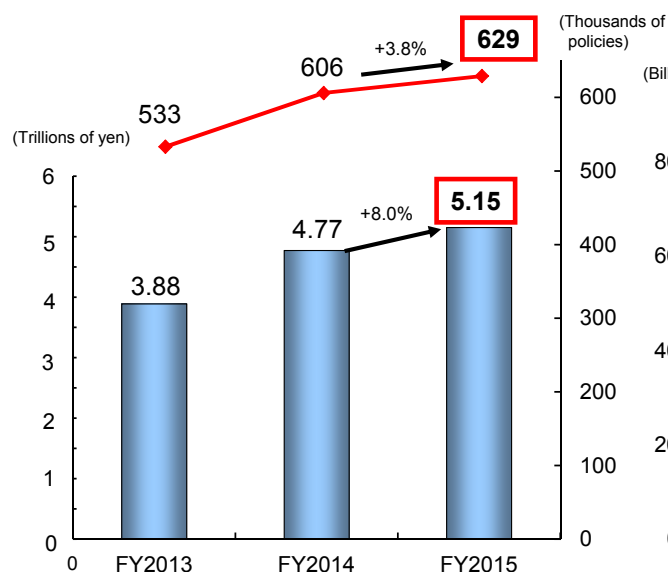
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Operating Performance : Sony Life (Non-consolidated) (1)



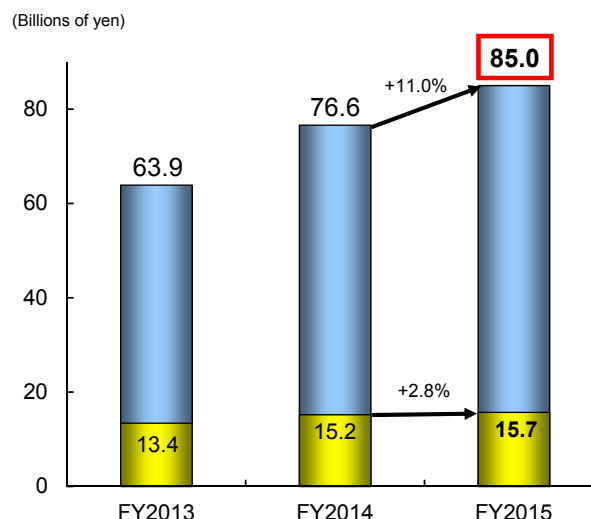
Number and Amount of New Policies (Individual Life Insurance + Individual Annuities)

■ 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

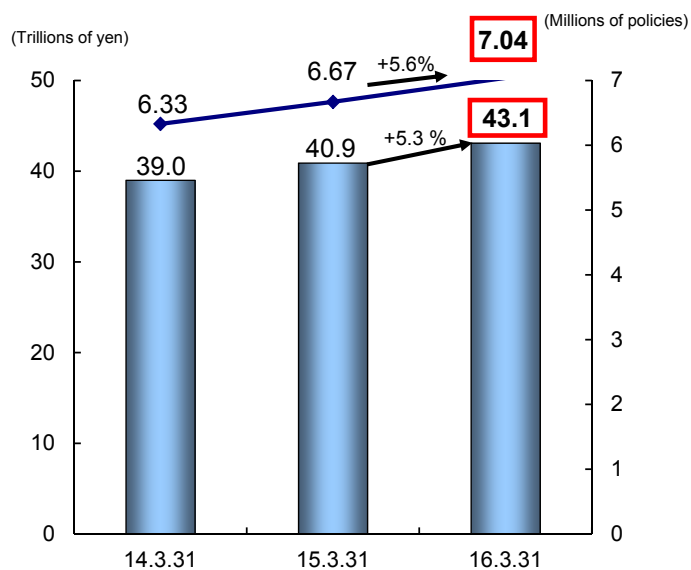


Operating Performance : Sony Life (Non-consolidated) (2)



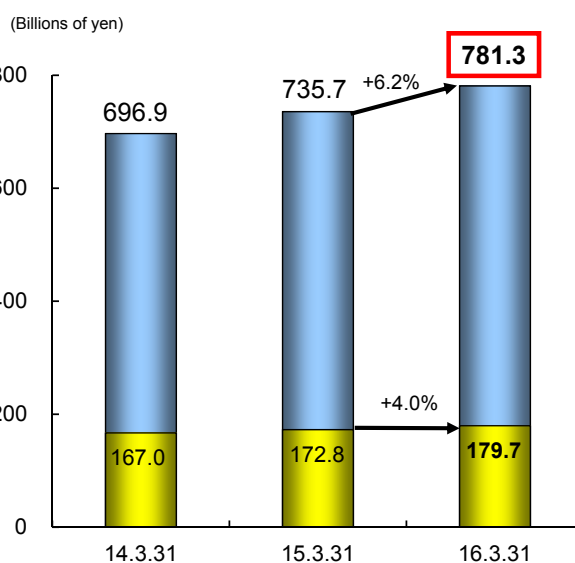
Number and Amount of Policies in Force (Individual Life Insurance + Individual Annuities)

■ Policy amount in force — Number of policies in force



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

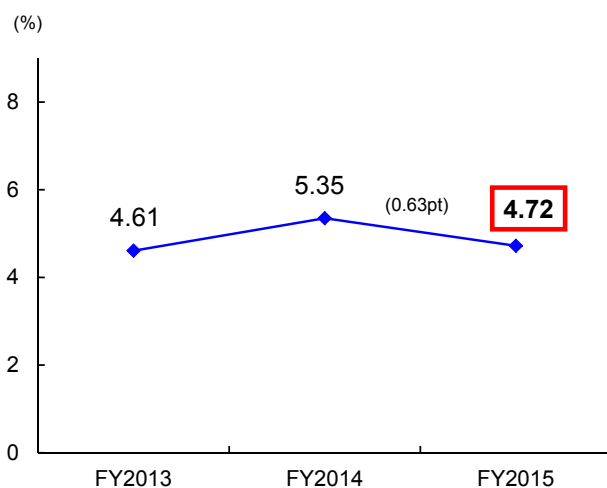
■ Annualized premiums from insurance in force ■ Of which, third-sector



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



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

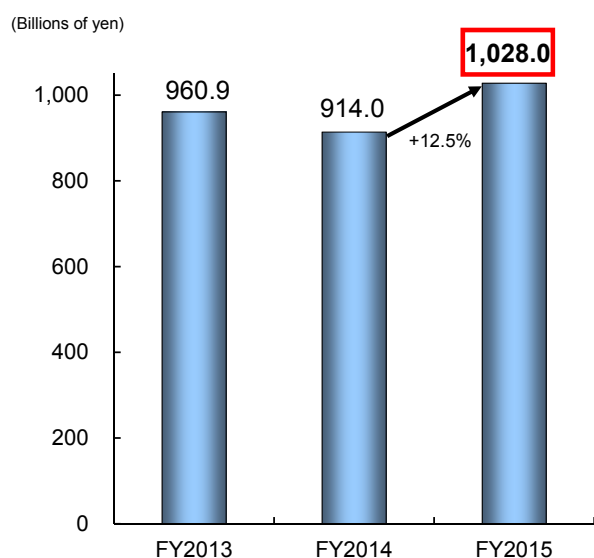


*The lapse and surrender rate shows the ratio derived by dividing the amount of lapses and surrenders, not adjusted for policy amount decreases, increases, and reinstatements, by the policy amount in force at the beginning of the fiscal year.

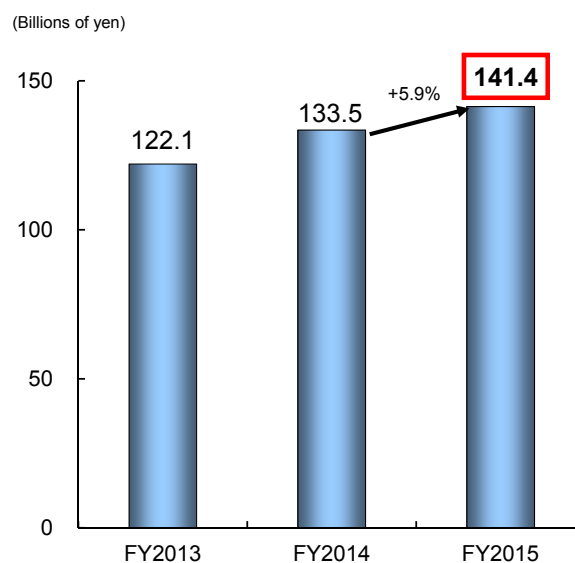
Operating Performance : Sony Life (Non-consolidated) (4)



Income from Insurance Premiums

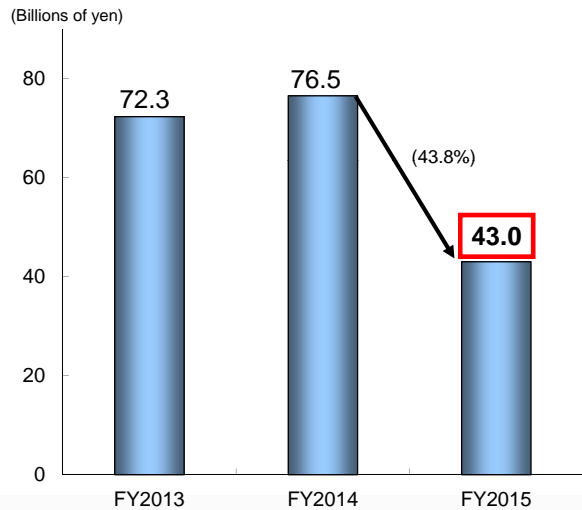


Interest Income and Dividends



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

Core Profit

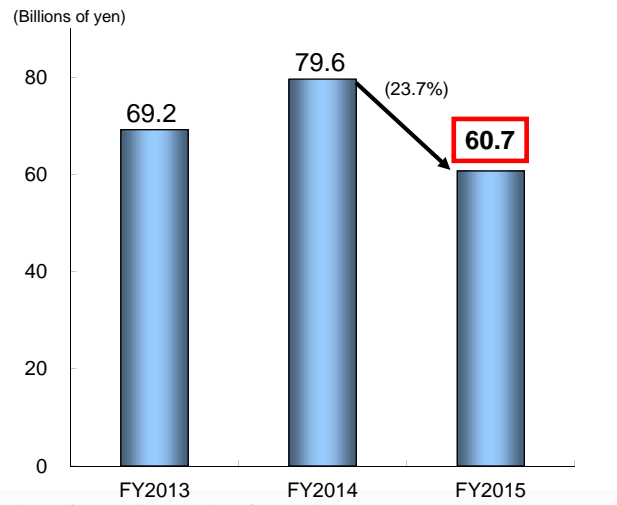


	FY2013	FY2014	FY2015
Positive spread	8.4	13.0	15.3
Provision of policy reserves for minimum guarantees for variable life insurance (*1)	(4.2)	(10.6)	(34.7)
Effects by the revision of policy reserve discount rate (Interest rate-sensitive whole life insurance) (*2)	(5.7)	—	—

*1: "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.

*2: The effected amount of a surge of sales of interest rate-sensitive whole life insurance due to a delay in rising insurance premiums (May 2013) against the revision of policy reserve discount rate.

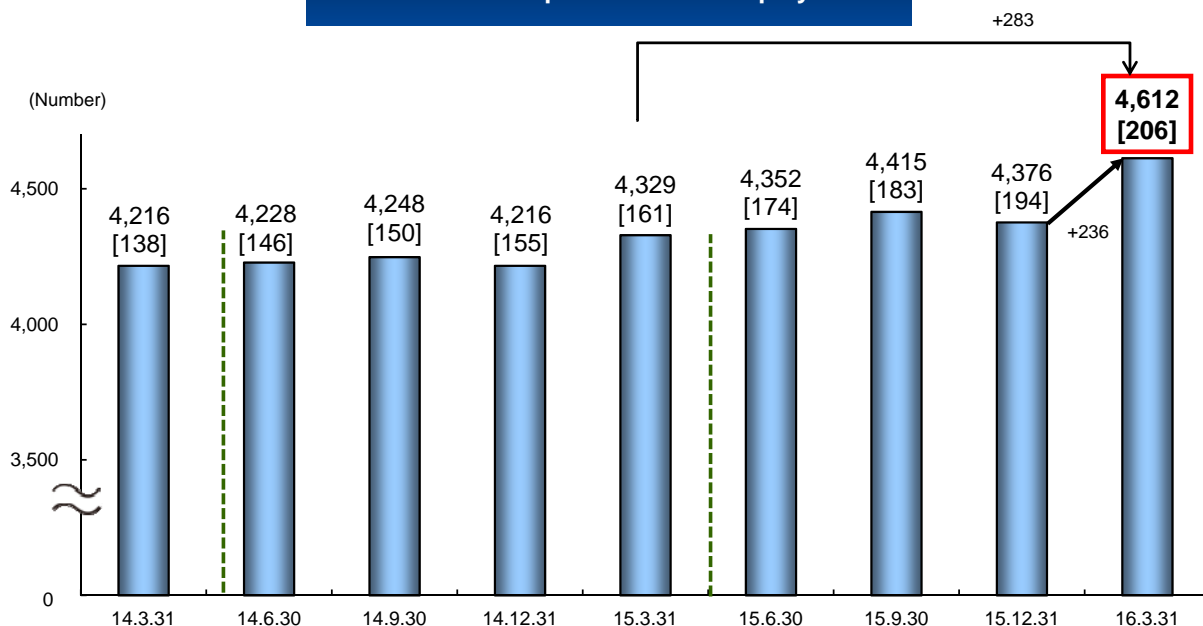
Ordinary Profit



	FY2013	FY2014	FY2015
Capital gains (losses) excluding gains or losses on hedges (*1)	1.1	10.7	20.4
Gains (losses) on hedges of variable life insurance	—	(2.3)	3.9
Provision of contingency reserve (*1)	(4.1)	(5.0)	(6.4)

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

Number of Lifeplanner Sales Employees



Note: Figures in [] show the numbers of Lifeplanner sales employees (rehired on a fixed-term contract basis after retirement) included in the overall numbers, those who have reached retirement age but who continue to work as Lifeplanner sales employees that meet certain sales conditions and other requirement.

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



Breakdown of General Account Assets

(Billions of yen)	15.3.31		16.3.31	
	Amount	%	Amount	%
Japanese government and corporate bonds	5,606.8	86.2%	6,351.1	88.4%
Japanese stocks	42.4	0.7%	33.3	0.5%
Foreign bonds	105.5	1.6%	70.1	1.0%
Foreign stocks	26.0	0.4%	23.0	0.3%
Monetary trusts	313.2	4.8%	280.9	3.9%
Policy loans	162.3	2.5%	171.6	2.4%
Real estate*	117.7	1.8%	115.8	1.6%
Cash and call loans	56.8	0.9%	52.5	0.7%
Others	76.7	1.2%	86.4	1.2%
Total	6,508.0	100.0%	7,185.0	100.0%

<Asset management review>

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



<Bond duration>

Mar. 31, 2014: 19.7 years

Mar. 31, 2015: 20.3 years

Mar. 31, 2016: 21.8 years

■ Investment in the monetary trusts is mainly into Japanese government and corporate bonds.

■ The holding ratio on the real status of Japanese government and corporate bonds including those invested in monetary trusts in the general account: **As of Mar. 31, 2016: 92.3%**
(As of Mar. 31, 2015: 91.0%)

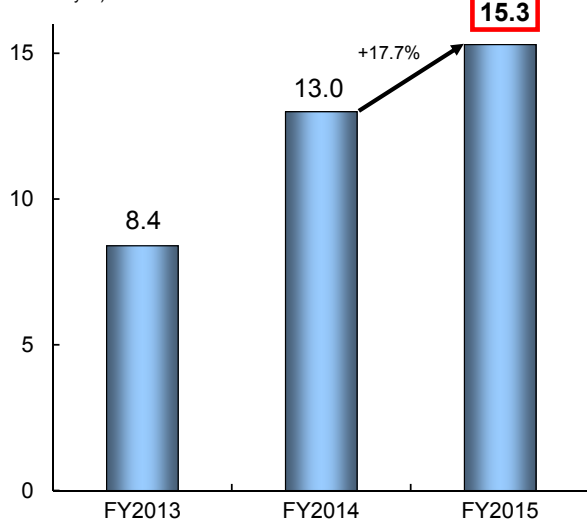
*Real estate is the total of land, buildings, and construction in progress

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



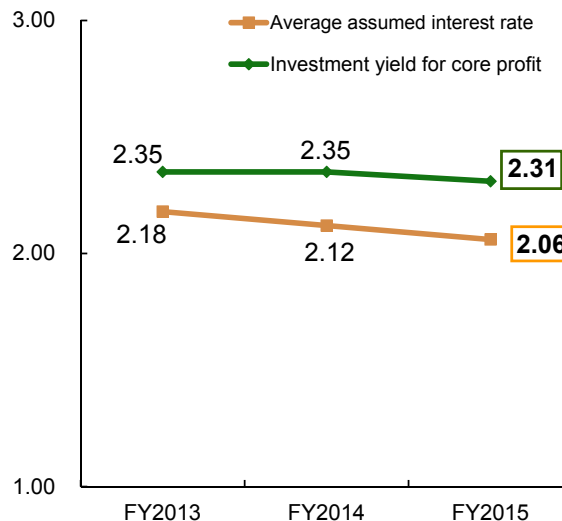
Positive Spread

(Billions of yen)



Average Assumed Interest Rate and Investment Yield for Core Profit

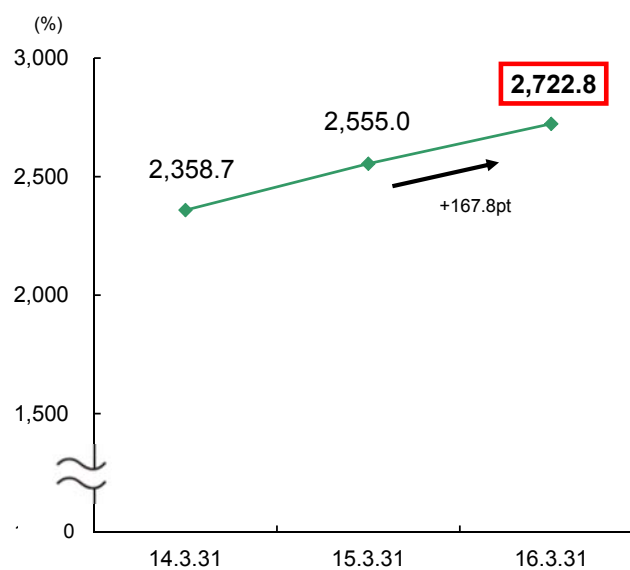
(%)



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



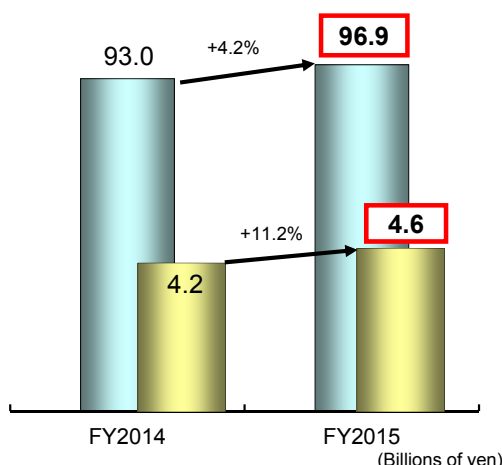
Non-consolidated Solvency Margin Ratio



Highlights of Operating Performance: Sony Assurance



■ Ordinary revenues ■ Ordinary profit



- ◆ Ordinary revenues and ordinary profit increased year on year.
- ◆ Ordinary revenues rose year on year, owing to an increase in net premiums written primarily for mainstay automobile insurance.
- ◆ Ordinary profit increased year on year, due to a decline in provision for reserve for outstanding losses led by a lower car accident ratio, as well as the rise in ordinary revenues.

(Billions of yen)	FY2014	FY2015	Change	
Ordinary revenues	93.0	96.9	+3.8	+4.2%
Underwriting income	91.7	95.6	+3.8	+4.2%
Investment income	1.2	1.2	+0.0	+2.3%
Ordinary expenses	88.8	92.2	+3.4	+3.8%
Underwriting expenses	65.6	67.7	+2.1	+3.2%
Investment expenses	0.0	0.0	+0.0	+372.7%
Operating general and administrative expenses	23.1	24.4	+1.2	+5.5%
Ordinary profit	4.2	4.6	+0.4	+11.2%
Net income	2.2	2.5	+0.3	+15.8%

(Billions of yen)	15.3.31	16.3.31	Change from 15.3.31	
Underwriting reserves	86.5	95.7	+9.1	+10.6%
Net assets	24.7	28.3	+3.5	+14.4%
Total assets	157.9	172.3	+14.4	+9.1%

Overview of Operating Performance: Sony Assurance



(Billions of yen)	FY2014	FY2015	Change
Direct premiums written	90.4	94.3	+4.2%
Net premiums written	91.7	95.5	+4.2%
Net losses paid	45.9	48.1	+4.6%
Underwriting profit	3.0	3.4	+14.0%
Net loss ratio	57.6%	57.8%	+0.2pt
Net expense ratio	26.7%	27.1%	+0.4pt
Combined ratio	84.3%	84.8%	+0.5pt

<Reasons for changes>

- ◆ Increased mainly in its mainstay automobile insurance.

- ◆ Increased mainly due to higher advertising expenses.

Notes:

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

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

	FY2014	FY2015	Change
E.I. loss ratio	64.3%	63.3%	(1.0pt)
E.I. loss ratio + Net expense ratio	91.0%	90.4%	(0.6pt)

- ◆ Declined reflecting lower car accident ratio.

Notes:

Earned/Incurred (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.]

	15.3.31	16.3.31	Change from 15.3.31	
Number of policies in force	1.70 million	1.79 million	+0.09 million	+5.8%
Non-consolidated solvency margin ratio	629.6%	693.5%	+63.9pt	

Note: The number of policies in force is the total of automobile insurance and medical and cancer insurance, which accounts for 99% of net premiums written.

Sony Assurance's Underwriting Performance by Type of Policy



Direct Premiums Written

(Millions of yen)	FY2014	FY2015	Change
Fire	332	348	+4.6%
Marine	—	—	—
Personal accident	8,576	8,679	+1.2%
Voluntary automobile	81,585	85,308	+4.6%
Compulsory automobile liability	—	—	—
Total	90,495	94,336	+4.2%

Net Premiums Written

(Millions of yen)	FY2014	FY2015	Change
Fire	45	44	(2.8%)
Marine	110	44	(59.7%)
Personal accident	8,845	8,953	+1.2%
Voluntary automobile	81,375	85,123	+4.6%
Compulsory automobile liability	1,335	1,384	+3.6%
Total	91,712	95,549	+4.2%

*Medical and cancer insurance is included in personal accident.

Net losses paid

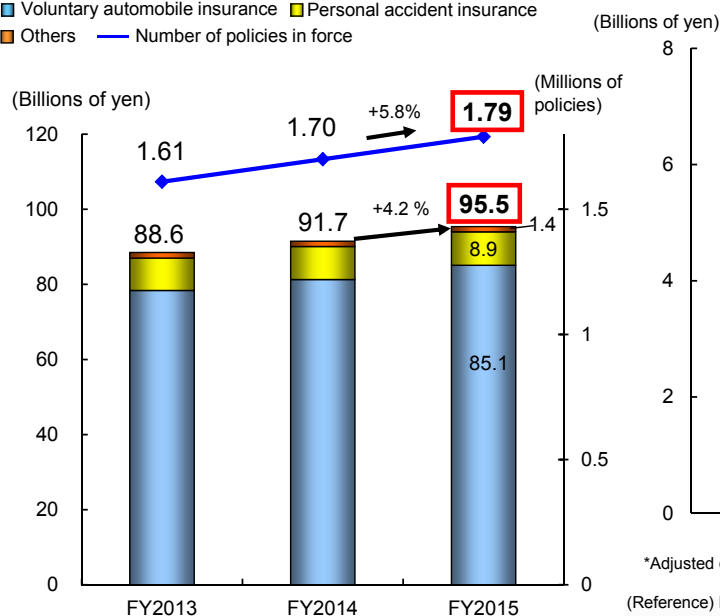
(Millions of yen)	FY2014	FY2015	Change
Fire	3	1	(46.1%)
Marine	90	46	(48.9%)
Personal accident	2,265	2,472	+9.1%
Voluntary automobile	42,414	44,320	+4.5%
Compulsory automobile liability	1,212	1,270	+4.8%
Total	45,985	48,111	+4.6%

Operating Performance: Sony Assurance (1)



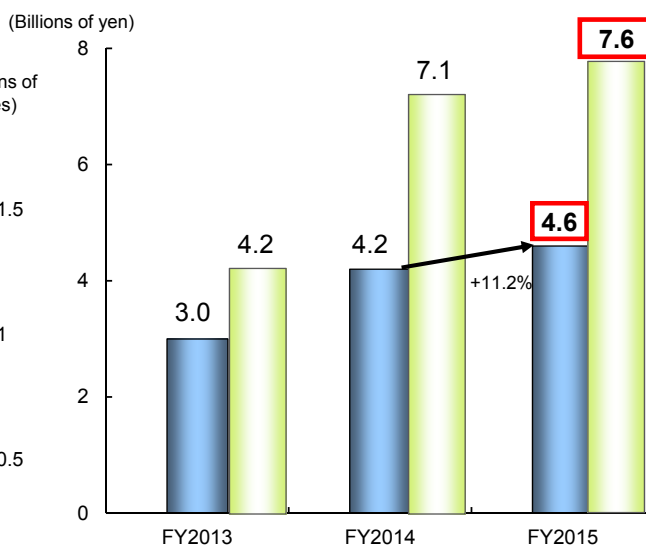
Net Premiums Written and Number of Policies in Force

■ 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 and cancer insurance policies, which account for 99% of net premiums written. More than 90% of personal accident insurance is medical and cancer insurance.

Ordinary Profit and Adjusted Ordinary Profit



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

(Reference) Provision for catastrophe reserve	FY2013	FY2014	FY2015
Provision for catastrophe reserve	1.2	2.8	3.0

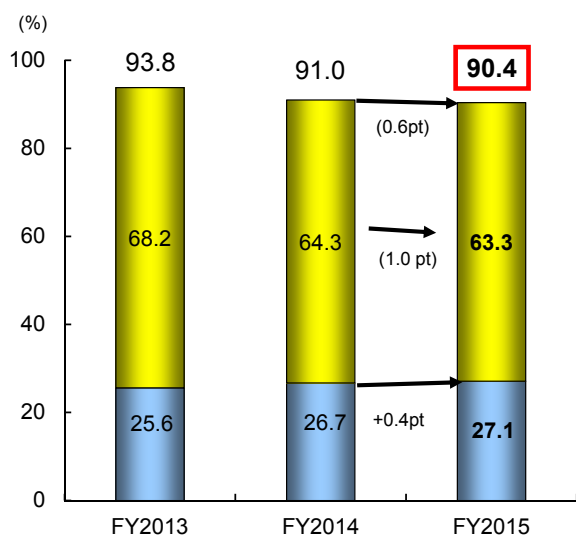
*Provision for catastrophe reserve is described as positive amount.

Operating Performance: Sony Assurance (2)



Earned/Incurred Loss Ratio + Net Expense Ratio

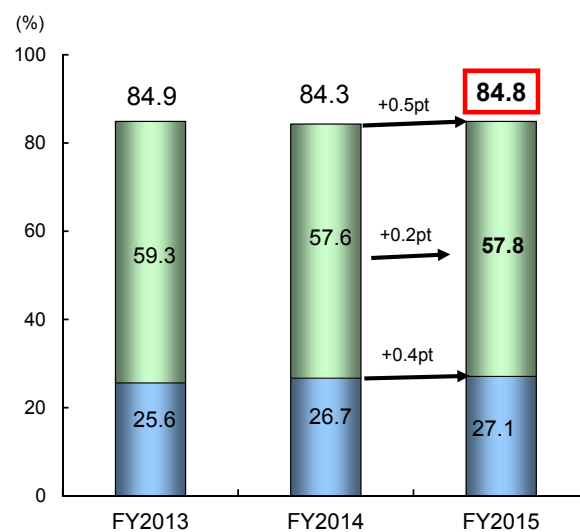
■ Earned/Incurred loss ratio ■ Net expense ratio



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

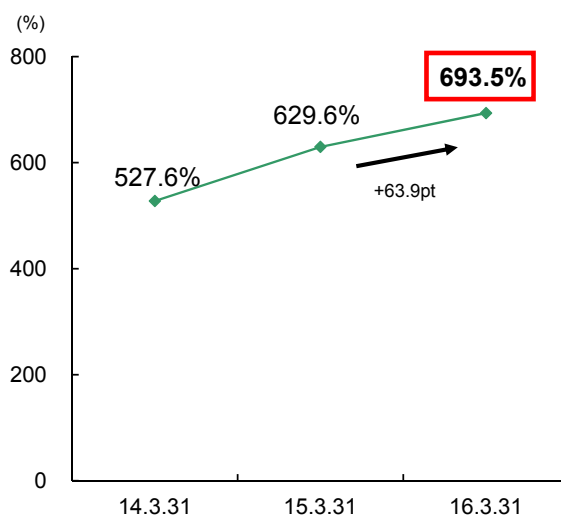


Notes:
 Net loss ratio = (Net losses paid + Loss adjustment expenses) / Net premiums written
 Net expense ratio = Expenses related to underwriting / Net premiums written

Operating Performance: Sony Assurance (3)



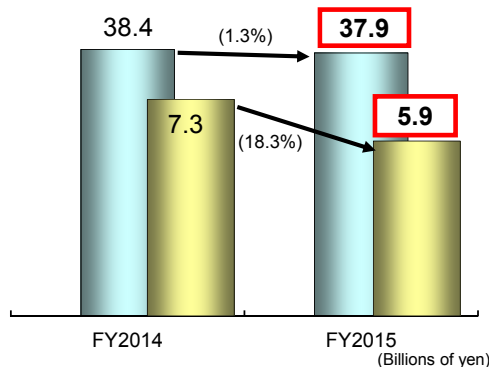
Non-consolidated Solvency Margin Ratio



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



■ Consolidated ordinary revenues
■ Consolidated ordinary profit



<Consolidated>

- ◆ Ordinary revenues decreased year on year, mainly due to a decline in gains on sale of bonds despite higher revenues related to mortgage loans. Ordinary profit decreased year on year due to an increase in operating expenses, as well as the decline in ordinary revenues.

<Non-consolidated>

- ◆ Both gross operating profit and net operating profit decreased year on year.
- Net interest income decreased due to lower interest income and dividends on securities.
- Net fees and commissions improved due to higher fees on mortgage loans.
- Net other operating income decreased due to a decline in gains on sale of bonds.

<Consolidated>

(Billions of yen)	FY2014	FY2015	Change	
Consolidated ordinary revenues	38.4	37.9	(0.4)	(1.3%)
Consolidated ordinary profit	7.3	5.9	(1.3)	(18.3%)
Profit attributable to owners of the parent	4.5	3.9	(0.6)	(14.8%)

<Non-consolidated>

(Billions of yen)	FY2014	FY2015	Change	
Ordinary revenues	35.7	34.8	(0.8)	(2.3%)
Gross operating profit	22.5	21.6	(0.8)	(3.9%)
Net interest income	16.6	16.5	(0.1)	(0.8%)
Net fees and commissions	0.0	0.1	+0.1	+448.7%
Net other operating income	5.8	5.0	(0.8)	(14.6%)
General and administrative expenses	15.3	15.9	+0.6	+4.2%
Net operating profit	7.2	5.7	(1.4)	(19.6%)
Ordinary profit	7.2	5.8	(1.4)	(19.8%)
Net income	4.6	3.9	(0.7)	(15.6%)

(Billions of yen)	15.3.31	16.3.31	Change from 15.3.31	
Net assets	77.0	77.4	+0.3	+0.5%
Net unrealized gains on other securities, net of taxes	6.6	3.3	(3.2)	(49.7%)
Total assets	2,062.5	2,126.5	+64.0	+3.1%

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



<Reasons for changes>

(Billions of yen)	15.3.31	16.3.31	Change	
Customer assets	2,007.9	2,034.4	+26.5	+1.3%
Deposits	1,878.2	1,923.5	+45.2	+2.4%
Yen	1,551.0	1,587.9	+36.9	+2.4%
Foreign currency	327.2	335.5	+8.3	+2.5%
Investment trusts	129.6	110.9	(18.7)	(14.4%)
Loans outstanding	1,187.1	1,344.1	+156.9	+13.2%
Mortgage loans	1,074.3	1,237.1	+162.7	+15.1%
Others	112.8	107.0 ^{*1}	(5.7)	(5.1%)
Number of accounts	1.05 million	1.13 million	+0.07 million	+7.3%
Non-performing assets ratio^{*2} (Based on Financial Reconstruction Law)	0.28%	0.23%	(0.05pt)	
Capital adequacy ratio^{*3} (domestic criteria)	10.66%	9.90%	(0.76pt)	

◆ Yen deposit balance increased reflecting special interest rates offerings for yen time deposits in the second half.

◆ The yen-denominated balance of foreign currency deposits increased due to higher foreign currency purchases, driven by rising market sentiment that yen depreciation had nearly stopped.

◆ Loan balance expanded reflecting a growing balance of mortgage loans.

◆ Number of accounts increased due to a launch of Sony Bank WALLET service in Jan. 2016.

◆ Sony Bank maintained an extremely low non-performing assets ratio.

*1 Loans in others include corporate loans of ¥96.4billion

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

*3 Please refer to the graph of the non-consolidated capital adequacy ratio (domestic criteria) on P28.

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



<Reference> On Managerial Accounting Basis

(Billions of yen)	FY2014	FY2015	Change	
Gross operating profit	22.4	21.6	(0.8)	(3.8%)
Net interest income ^{*1} ①	18.2	18.8	+0.5	+3.0%
Net fees and commissions ^{*2} ②	0.9	0.9	(0.0)	(1.6%)
Net other operating income ^{*3}	3.2	1.8	(1.3)	(43.0%)
Gross operating profit (core profit) (A) = ① + ②	19.2	19.7	+0.5	+2.7%
Operating expenses and other expenses ③	15.2	15.9	+0.6	+4.5%
Net operating profit (core profit) = (A) - ③	4.0	3.8	(0.1)	(3.8%)

■ 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.

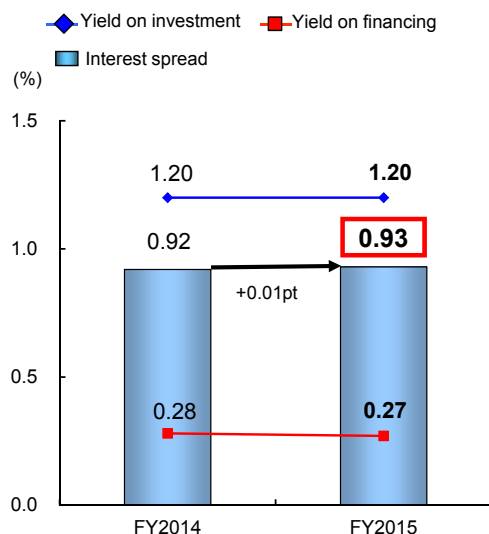
*2: Net fees and commissions: Includes profits and losses for customer dealings in foreign currency transactions recorded in net other operating income.

*3: Net other operating income: After the above adjustments (*1 and *2), 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)

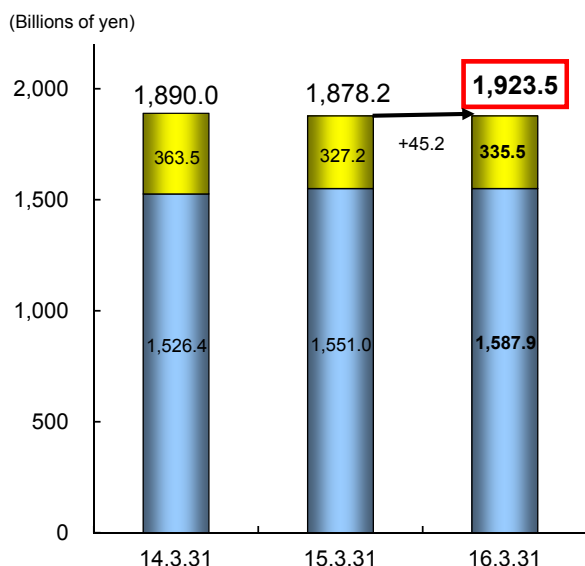


Operating Performance: Sony Bank (Non-consolidated) (1)



Deposits

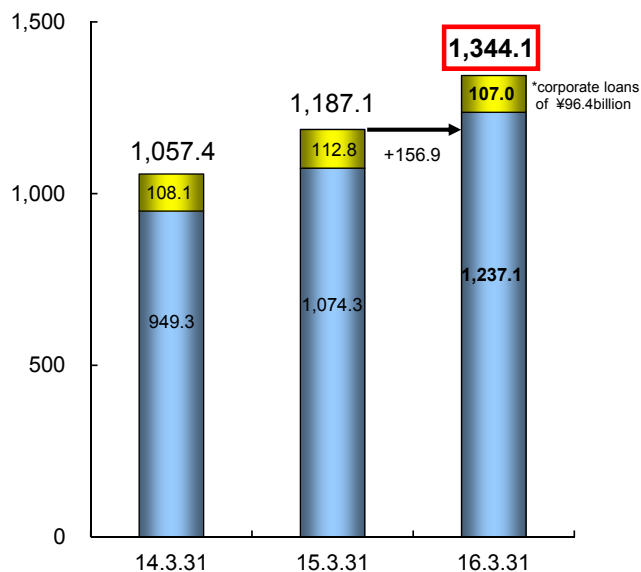
■ Yen deposits ■ Foreign currency deposits



Loans

■ Mortgage loans ■ Others

(Billions of yen)



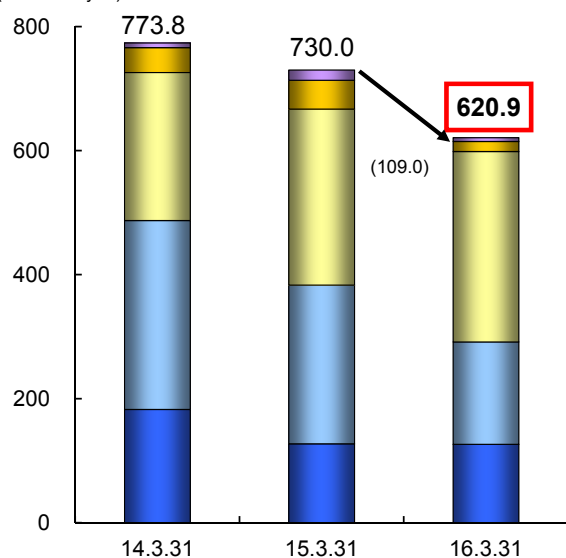
Operating Performance: Sony Bank (Non-consolidated) (2)



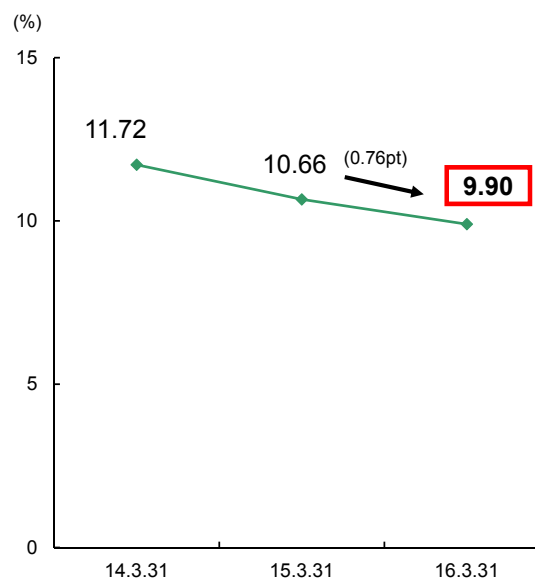
Balance of Securities by Credit Rating

■ AAA ■ AA ■ A
■ BBB ■ Others

(Billions of yen)



Non-Consolidated Capital Adequacy Ratio (Domestic Criteria)



*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 the Year Ending March 31, 2017

Forecast of Consolidated Financial Results for FY2016

Consolidated ordinary revenues are expected to increase, consolidated ordinary profit is expected to be almost flat, and profit attributable to owners of the parent is expected to increase.

(Billions of yen)	FY2015 (Actual)	FY2016 (Forecast)	Change
Consolidated ordinary revenues	1,362.0	1,450.0	+6.5%
Life insurance business	1,230.2	1,309.8	+6.5%
Non-life insurance business	96.9	101.6	+4.8%
Banking business	37.9	37.9	(0.1%)
Consolidated ordinary profit	71.1	71.0	(0.1%)
Life insurance business	60.2	62.5	+3.8%
Non-life insurance business	4.6	4.4	(6.0%)
Banking business	5.9	4.5	(24.9%)
Profit attributable to owners of the parent	43.3	46.0	+6.1%

For FY2016, stable and sustainable business growth is expected in all the businesses.

Consolidated ordinary revenues are expected to increase because we anticipate higher revenues in the life insurance business. Consolidated ordinary profit is expected to be almost flat because we anticipate an increase in profit in the life insurance business, offset by a decrease in profit in the banking business. Profit attributable to owners of the parent is expected to increase due to the impact of a reduction in the effective corporate income tax rate for FY2016, compared with FY2015's negative impact of the reversal of deferred tax assets, accompanied by the cut in corporate income tax.

<Segment information for ordinary revenues and ordinary profit>

■ **Life insurance business**

Ordinary revenues are expected to increase year on year because we anticipate stable increases in insurance premium revenues and investment income. Ordinary profit is expected to increase year on year because we expect a positive impact of a decline in provision of policy reserves for minimum guarantees for variable life insurance to be offset by lower gains on sale of securities.

■ **Non-life insurance business**

Ordinary revenues are expected to increase year on year in line with growth in net premiums written primarily for automobile insurance. Ordinary profit is expected to decrease year on year because we expect the loss ratio to be higher than the ratio in FY2015.

■ **Banking business**

Although we anticipate stable growth in business scale, ordinary revenues are expected to be flat year on year due to lower interest rates associated with the BOJ's introduction of negative interest rates.

Ordinary profit is expected to decrease year on year due to an increase in up-front expenses incurred by investment on measures to expand the customer base over the medium term, in addition to an expected lower interest spread.

*Please see page 40 for the detail of Life insurance business forecast.

Dividend Forecast

Dividend Forecast for FY2016

The dividend forecast for FY2016 is ¥55 per share, unchanged from FY2015, after taking into account our business environment and our forecast of consolidated financial results.

<Medium-term Dividend Policy>

- Our basic dividend policy is to steadily increase dividends in line with earnings growth over the medium and long terms.
- Our target for the dividend payout ratio is 40% to 50% of profit attributable to owners of the parent.

Note: We will determine specific dividend amounts for each fiscal year by taking into account a comprehensive range of factors, including capital adequacy, investment opportunities, business forecasts and legal and regulatory developments.

■ Profit attributable to owners of the parent and dividend results/forecast

	FY2012	FY2013	FY2014	FY2015	FY2016 (Forecast)
Profit attributable to owners of the parent	¥45.0 billion	¥40.5 billion	¥54.4 billion	¥43.3 billion	¥46.0 billion
Net income per share	¥103.60	¥93.11	¥125.10	¥99.67	¥105.75
Dividend per share	¥25	¥30	¥40	¥55_(Expected)	¥55
Dividend payout ratio (consolidated)	24.1%	32.2%	32.0%	55.2%	52.0%

Sony Life's Preliminary MCEV and Risk Amount Based on Economic Value as of March 31, 2016

Please keep in mind that the validity of the calculation of MCEV as of March 31, 2016 has not been verified by outside specialists.
The calculation of MCEV as of March 31, 2016, in accordance with the MCEV principles and verified by outside specialists, is scheduled to be announced on May 23, 2016.
A part of the calculation of MCEV as of December 31, 2015 adopted simplified method and has not been verified by outside specialists.

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

Sony Life's MCEV

(Billions of yen)	15.3.31	15.12.31	16.3.31	Change from 15.3.31	Change from 15.12.31
MCEV	1,322.9	1,386.9	1,063.7	(259.2)	(323.3)
Adjusted net worth	1,119.2	1,229.5	2,074.4	955.2	844.9
Value of existing business	203.7	157.4	(1,010.7)	(1,214.4)	(1,168.2)

(Billions of yen)	Previous method FY14 (12M)	New method FY15.3Q (9M)	New method FY15 (12M)
New business value	48.6	37.0	35.2
New business margin	3.8%	3.2%	2.4%

Notes:

1. Calculated MCEV as of December 31, 2015 by using updated economic assumptions and lapse and surrender rate from March 31, 2015.
2. The method of calculating new business value and new business margin for FY15.3Q (9M) and FY15 (12M) has been changed from the previous method based on economic assumptions as of the valuation date to a method of accumulating new business value for each quarter.

◆ **Reasons for changes in MCEV**

- MCEV as of March 31, 2016 decreased ¥323.3 billion from December 31, 2015 and decreased ¥259.2 billion from March 31, 2015 due to a significant decline in interest rates in Japanese yen. While the value of existing business decreased significantly, most of the decrease was offset by an increase in the adjusted net worth with the benefit of ALM.

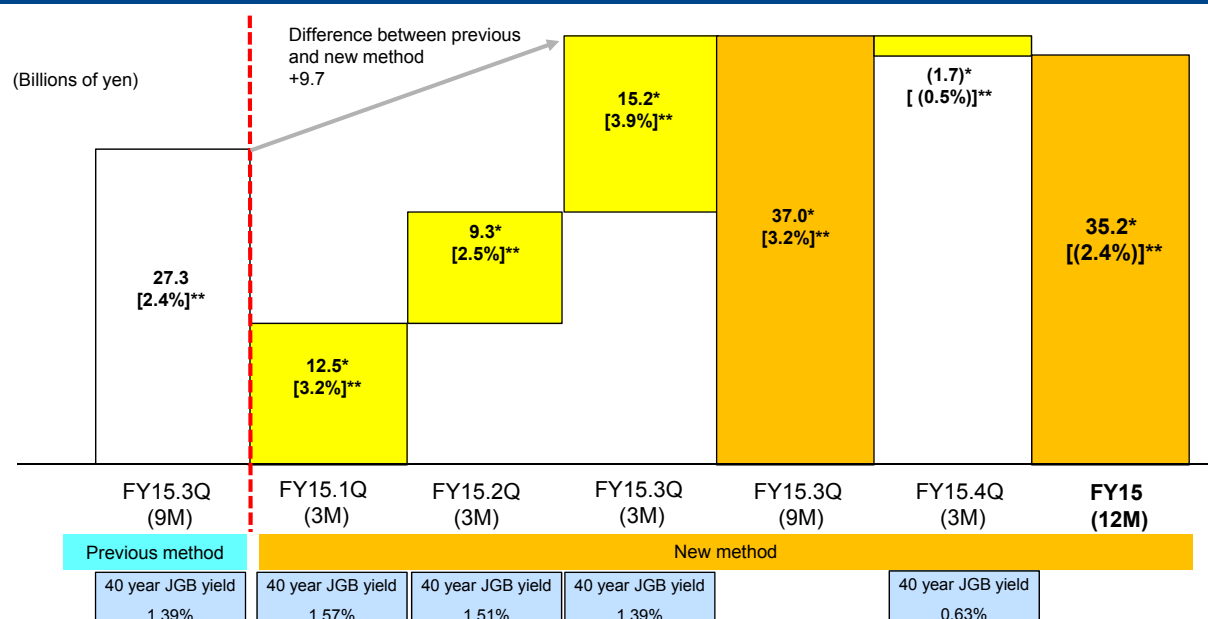
◆ **New business value / new business margin**

- For new business value, the method was changed to one of accumulating new business value for each quarter (3M).
- For FY15.4Q (3M), the new business value was negative ¥1.7 billion, and the new business margin was negative 0.5%.
- For FY15 (12M), the new business value was ¥35.2 billion, including ¥37.0 billion for FY15.3Q (9M) and negative ¥1.7 billion for FY15.4Q (3M).

◆ **By responding promptly with measures including premium revisions, Sony Life is working to improve profitability to ensure steady growth in MCEV even under low interest rates environment.**

*Please see page 48 for trend on JGB yield.

Changes on Sony Life's Calculation Method for New Business Value



* New business value for each of the quarter is calculated using economic assumptions at the end of that quarter.

** Figures in [] shows new business margin.

【Reference】Product revisions and sales suspensions in FY2015

May 2015: Discontinued sales of Educational Endowment Insurance (Non-participating)

Aug. 2015: Funding limits on Variable life insurance (Whole life type)

Jan. 2016: Premium revision on Variable life insurance (Whole life type) and premium revision and recommenced sales of Educational Endowment Insurance (Non-participating)

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Sony Life's Risk Amount Based on Economic Value



	(after tax)		
(Billions of yen)	15.3.31	15.12.31	16.3.31
Insurance risk*	724.2	782.6	1,097.6
Market-related risk	287.0	301.1	256.3
Of which, interest rate risk**	218.5	232.0	183.6
Operational risk	25.9	26.7	31.4
Counter party risk	1.8	2.8	2.0
Variance effect	(293.4)	(313.3)	(368.1)
The risk amount based on economic value	745.5	799.9	1,019.2

(*) Insurance risk excluding the variance effect within Life module and Health module.

(**) Interest rate risk excluding the variance effect within market-related risk.

(Billions of yen)	15.3.31	15.12.31	16.3.31
MCEV	1,322.9	1,386.9	1,063.7
ESR	177%	173%	104%

Notes:

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

◆ ESR fell sharply, but going forward Sony Life will monitor interest rate fluctuations and consider response measures aimed at improving soundness.

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Appendix

Recent Topics 1

AEGON Sony Life Insurance

Launch of sales: December 1, 2009

Common stock: ¥14 billion

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

Marketing products: Individual Variable Annuities

Sales Channels: Lifeplanner sales employees and partner Banks (26*) *As of May 16, 2016



SA Reinsurance Ltd

Established: October 29, 2009

Common stock: ¥13.4 billion

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

Business: Reinsurance business

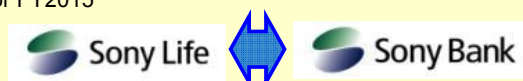
Note) AEGON Sony Life Insurance and SA Reinsurance are equity method companies, 50-50 joint ventures established by Sony Life and AEGON Group.

Sony Bank's Mortgage Loans through Sony Life

■ Sony Life accounts for 21% of the balance of mortgage loans as of March 31, 2016

Sony Life accounts for 14% of the amount of new mortgage loans for FY2015

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



Sony Assurance's Auto Insurance Sold by Sony Life

■ Sony Life accounts for 4% of new automobile policies for FY2015

*Sony Life started handling automobile insurance in May 2001.

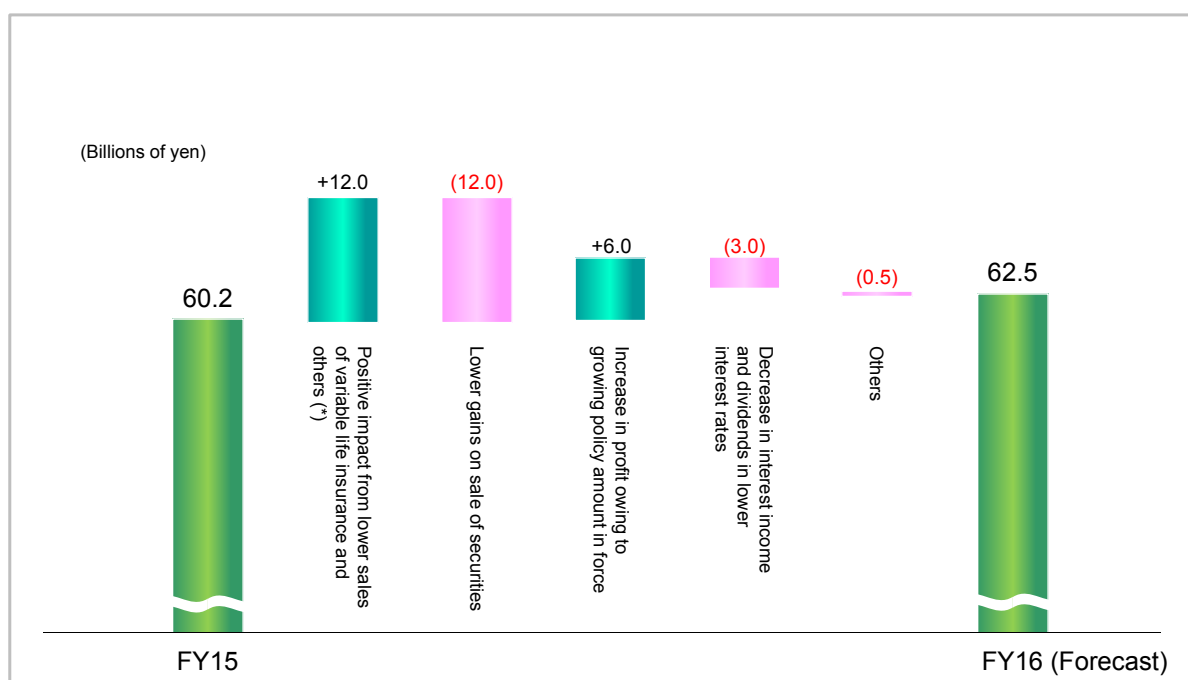


Recent Topics 2 <Highlights for FY2015>



2015-04-01	Sony Life changed its President, Representative Director.
2015-04-01	Sony Life opened its new sales office in Fukui prefecture.
2015-04-01	SmartLink Network, Sony Bank's subsidiary, changed its corporate name to Sony Payment Services Inc.
2015-04-30	Sony Lifecare entered into an agreement to enter capital participation in Yuuai Holdings Co., Ltd.
2015-05-02	Sony Life commenced sale of a new product: "Lump-sum Payment Whole Life Insurance (No-notification Type)" *Discontinued sales from March 2016
2015-06-01	Sony Bank began offering "Yen Time Deposits plus+ "
2015-06-24	Sony Bank changed its President, Representative Director.
2015-07-01	Sony Assurance commenced operations at "Kumamoto Contact Center"
2015-07-13	Sony Bank began handling a new type of card loans.
2015-10-01	Sony Assurance introduced a system for the direct payment to medical institutions of advance medical insurance claims.
2015-11-02	Sony Life commenced sale of a new product: "Living Benefit Term Life Insurance (living Standard Type)"
2016-01-04	Sony Bank commenced service of "Sony Bank WALLET," a cash card with a Visa debit function.
2016-03-16	Sony Life began immediate underwriting of new policies, the first in the Japan's Life insurance industry.
2016-04-01	Sony Life opened its new sales office in Akita and Yamaguchi prefecture.
2016-04-01	Sony Lifecare Group opened its first newly built nursing care home "SONARE Soshigaya-Okura" in Tokyo
2016-04-28	Sony Life announced an opening of a Representative Office in Singapore in July 1, 2016
2016-05-02	Sony Life commenced sale of a new product: "Level Premium Plan Term Life Insurance with Reduced Surrender Value (Disability/Nursing Care Type)" and "Level Premium Plan Term Life Insurance with No Surrender Value (Disability/Nursing Care Type)"
2016-05-12	Sony Lifecare Group announced an opening of the second SONARE newly built nursing care home in Saitama prefecture in Spring 2017.

Analysis on Ordinary Profit for Life Insurance Business



*Including changes in provision of policy reserves for minimum guarantees for valuable life insurance and gains (losses) on hedges of variable life insurance, and changes in product mix for new policies and others.

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) (Billions of yen)

	14.3.31			15.3.31			16.3.31		
	Carrying amount	Fair value	Net unrealized gains (losses)	Carrying amount	Fair value	Net unrealized gains (losses)	Carrying amount	Fair value	Net unrealized gains (losses)
Held-to-maturity securities	4,409.6	4,839.9	430.3	4,878.7	5,718.2	839.4	5,383.9	7,410.1	2,026.2
Policy reserve matching bonds	-	-	-	-	-	-	251.2	292.5	41.3
Available-for-sale securities	1,065.5	1,189.8	124.3	1,007.8	1,176.6	168.8	887.9	1,091.6	203.6
Japanese government and corporate bonds	1,035.9	1,146.7	110.8	974.6	1,120.1	145.5	854.3	1,040.3	186.0
Japanese stocks	12.2	21.2	8.9	13.4	29.4	16.0	13.6	25.6	12.0
Foreign securities	15.8	19.4	3.5	19.4	26.4	6.9	19.8	25.2	5.4
Other securities	1.4	2.5	1.0	0.3	0.6	0.3	0.1	0.3	0.1
Total	5,475.1	6,029.8	554.7	5,886.6	6,894.9	1,008.3	6,523.1	8,794.3	2,271.1

Notes:

- The above table includes monetary trusts other than trading-purpose securities.
- Derivative financial products such as principal protected 30 year notes with Nikkei 225 index-linked coupons are included in the "Held-to-maturity-securities" above.
Principal protected 30 year notes with Nikkei 225 index-linked coupons
As of Mar. 31, 2014; Carrying amount: ¥43.8 billion, Fair market value: ¥56.0 billion, Net unrealized gain (losses): ¥12.2 billion
As of Mar. 31, 2015; Carrying amount: ¥44.2 billion, Fair market value: ¥57.5 billion, Net unrealized gain (losses): ¥13.2 billion
As of Mar. 31, 2016; Carrying amount: None

Valuation gains (losses) on trading-purpose securities (Billions of yen)

14.3.31		15.3.31		16.3.31	
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
-	-	1.0	0.0	2.2	0.1

Note: The above chart includes trading-purpose securities included in "monetary trusts," etc

Sony Life's Interest Income and Dividends (Details)



(Millions of yen)

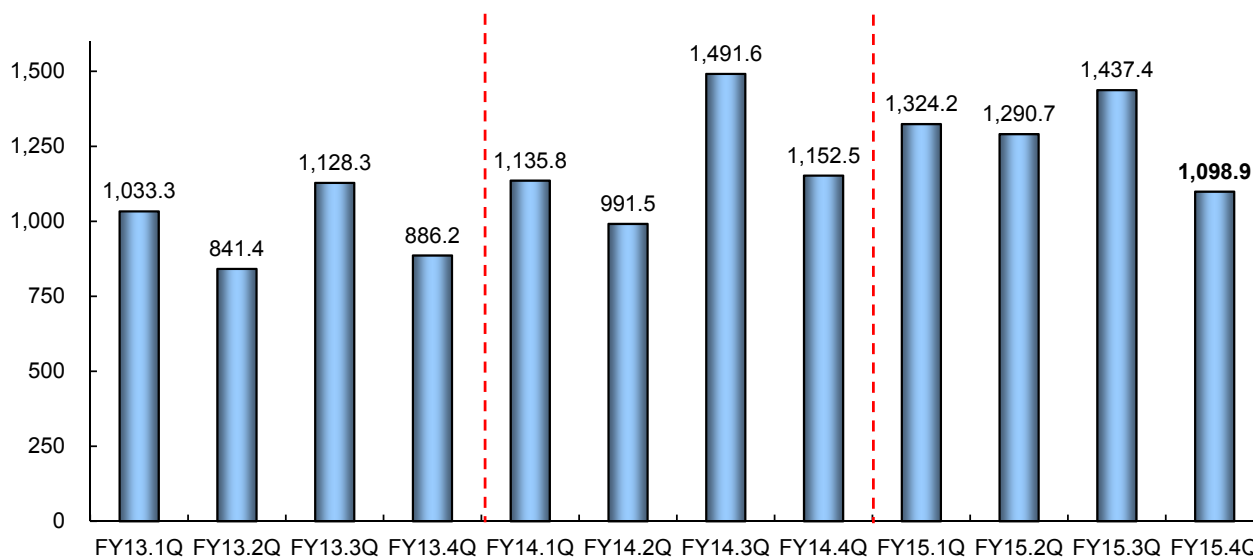
	FY2014	FY2015	Change
Cash and deposits	0	0	+219.0%
Japanese government and corporate bonds	107,383	115,655	+7.7%
Japanese stocks	464	522	+12.5%
Foreign securities	8,998	7,246	(19.5%)
Other securities	430	1,519	+253.1%
Loans	5,921	6,174	+4.3%
Real estate	10,327	10,261	(0.6%)
Others	66	71	+7.5%
Total	133,592	141,450	+5.9%

Sony Life's Quarterly Trend on New Policy Amount



Quarterly Trend on New Policy Amount

(Billions of yen)



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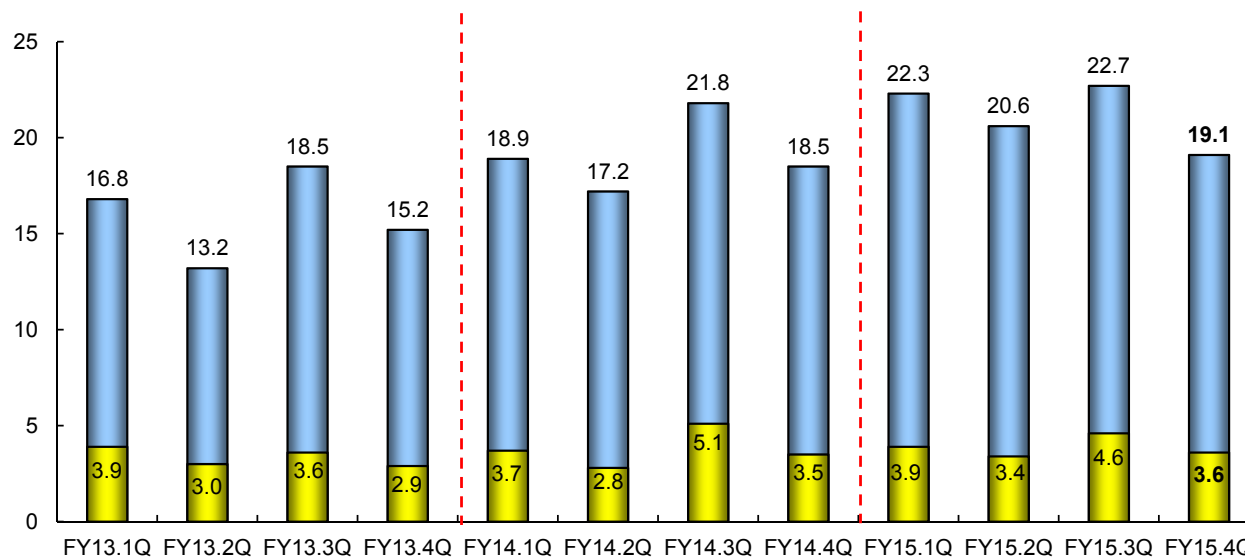
Sony Life's Quarterly Trend on Annualized Premiums from New Policies



Quarterly Trend on Annualized Premiums from New Policies

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

(Billions of yen)



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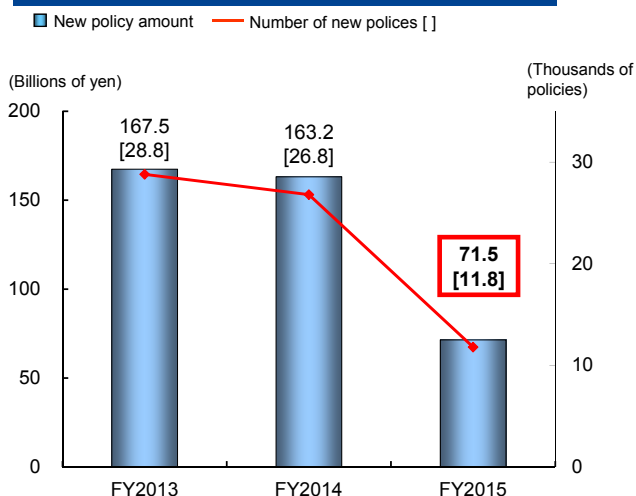
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Operating Performance : AEGON Sony Life Insurance

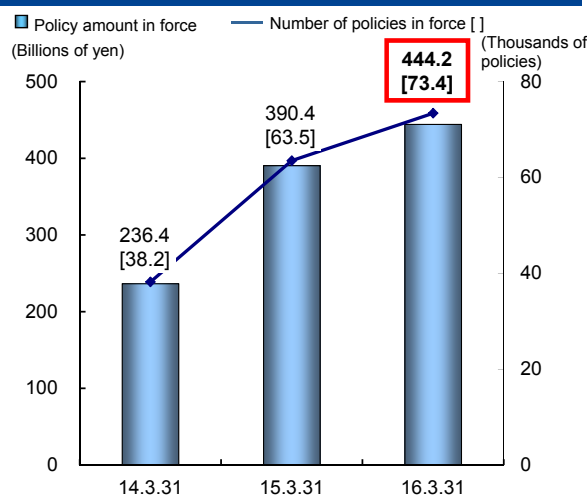


*AEGON Sony Life Insurance sells individual variable annuities.

Number and Amount of New Policies



Number and Amount of Policies in Force



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

(Billions of yen)	FY2014	FY2015	Change
AEGON Sony Life Insurance	(5.4)	(3.2)	+2.2
SA Reinsurance	2.4	1.8	(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.

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



■ Market-related Risk¹

	Sony Life	(Reference) EU Solvency II Implementing Measures (Delegated Regulation)
Interest rate risk Fluctuations in net asset value based on economic value in response to the shocks in the right columns. The same applies below.	Percentage increases or decreases differ for each currency and term. As for measuring interest rate risk in Japanese yen, introduced principal component analysis, where yield curve changes are disaggregated into three components, parallel shift, twist and butterfly, and the yield curve is shocked by each component. (Example) For Yen 30-year, 33% decrease (parallel shift), 28% decrease (twist), 8% decrease (butterfly)	Different percentage changes in interest rates are set for each term, from one year to 20 years. For terms longer than 20 years and through 90 years, percentage changes are set using linear interpolation, with negative 29% as the percentage change for 20 years and negative 20% as the percentage change for 90 years.
Equity risk	Listed equities 45%, Other securities 70%	Global 39%, Others 49% ^{*2}
Real estate risk	Actual real estate 25%	Same as on the left
Credit risk	Credit risk = (market value) x (risk coefficient for each credit rating) x duration Note that durations have caps and floors, depending on credit ratings. (Example) Rating A: Risk coefficient (1.4%), cap (23), floor (1)	Credit risk = (market value) x (risk coefficient for each credit rating and duration) (Example) Rating A: Duration (Dur): 5-10 years Risk coefficient = 7.0% + 0.7% x (Dur - 5)
Currency risk	35% downside fluctuation	25% downside fluctuation

Notes

1. Principal items as of Mar. 31, 2016.

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

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



■ Insurance Risk¹

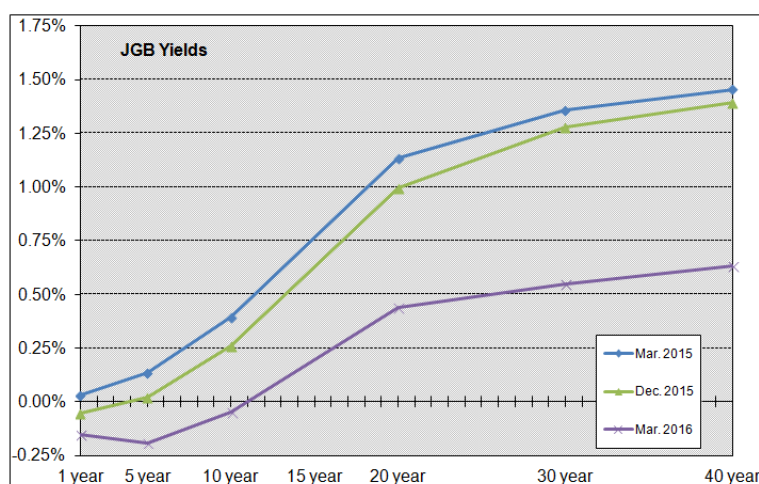
	Sony Life	(Reference) EU Solvency II Implementing Measures (Delegated Regulation)
Mortality risk	Mortality rate increases by 15% for each year elapsed	Same as on the left
Longevity risk	Mortality rate decreases by 20% for each year elapsed	Same as on the left
Lapse risk	The largest amount of these; ²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

Notes

1. Principal Items as of Mar. 31, 2016.

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

JGB Yields



As of the end of each month

JGB yields	Mar. 2015	Dec. 2015	Mar. 2016	Mar. 2015 → Mar. 2016	Dec. 2015 → Mar. 2016
1 year	0.03%	(0.05%)	(0.15%)	(0.19%)	(0.10%)
5 year	0.13%	0.02%	(0.19%)	(0.32%)	(0.21%)
10 year	0.40%	0.26%	(0.05%)	(0.44%)	(0.31%)
20 year	1.14%	1.00%	0.44%	(0.69%)	(0.55%)
30 year	1.36%	1.28%	0.55%	(0.81%)	(0.73%)
40 year	1.46%	1.39%	0.63%	(0.82%)	(0.76%)



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