

**Consolidated Financial Summary (Japanese GAAP)
for the Six Months Ended September 30, 2016**

November 14, 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: Shigeru Ishii, President and Representative Director
Inquiries: Yasuo Hasegawa, General Manager—Corporate Communications & Investor Relations Dept.
(Fractional amounts of less than ¥1 million are discarded.)

1. Consolidated financial results for the six months ended September 30, 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 six months ended September 30, 2016	631,923	(4.6)	37,116	28.7	25,119	31.2
For the six months ended September 30, 2015	662,271	3.0	28,833	(38.6)	19,149	(38.6)

Note: Comprehensive Income: For the six months ended September 30, 2016: ¥18,910million: 14.7%
For the six months ended September 30, 2015: ¥16,481 million: (63.2%)

	Net Income per Share	Net Income per Share (Fully Diluted)
	Yen	Yen
For the six months ended September 30, 2016	57.75	57.75
For the six months ended September 30, 2015	44.02	—

(2) Financial conditions

	Total Assets	Total Net Assets	Net Asset Ratio
	Millions of yen	Millions of yen	%
As of September 30, 2016	10,744,665	598,665	5.6
As of March 31, 2016	10,352,114	604,377	5.8

Note: Net Assets Attributable to Shareholders: As of September 30, 2016: ¥597,284 million
As of March 31, 2016: ¥603,048 million

2. Dividends

Record date	Dividend per Share				
	1st quarter	2nd quarter	3rd quarter	Year-end	Annual Total
	Yen	Yen	Yen	Yen	Yen
For the year ended March 31, 2016	—	0.00	—	55.00	55.00
For the year ending March 31, 2017	—	0.00			
For the year ending March 31, 2017 (forecast)			—	55.00	55.00

Note: Changes in dividend forecast since the most recent public announcement: None

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 significant subsidiaries during the period (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

Note: For details, please refer to the section entitled "2. Changes in accounting policies, accounting estimates and restatements of the Consolidated Financial Statements" under "I. Notes Regarding Summary Information" on page 2 of the attachment.

(3) Number of shares outstanding (common stock)

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

As of September 30, 2016: 435,000,000 shares

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

(b) Number of treasury shares

As of September 30, 2016: 75 shares

As of March 31, 2016: 75 shares

(c) Weighted-average number of shares

For the six months ended September 30, 2016: 434,999,925 shares

For the six months ended September 30, 2015: 434,999,942 shares

Status of quarterly review procedures

Interim financial statements in this document are exempt from audit procedure based upon the Financial Instruments and Exchange Act. Audit procedures are underway as of the date of this report.

Content of Supplemental Materials

I.	Notes Regarding Summary Information	
	1. Changes in significant subsidiaries during the period under review (changes in specified subsidiaries accompanying changes in scope of consolidation)	2
	2. Changes in accounting policies, accounting estimates and restatements of the Consolidated Financial Statements.....	2
II.	Consolidated Financial Statements	
	1. Consolidated Balance Sheets.....	3
	2. Consolidated Statements of Income and Consolidated Statements of Comprehensive Income (Consolidated Statements of Income).....	5
	(Consolidated Statements of Comprehensive Income).....	8
	3. Consolidated Statements of Changes in Net Assets.....	9
	4. Segment Information.....	11
	5. Subsequent Events.....	12
III.	Attachment	
	Consolidated Financial Results for the Six Months Ended September 30, 2016 and Sony Life's Market Consistent Embedded Value as of September 30, 2016.....	14

* The Conference Call for explaining the Sony Financial Group financial results will be held at 16:00 (Tokyo), November 14, 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 November 14, 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

* On November 14, 2016, SFH's significant subsidiaries: Sony Life Insurance Co., Ltd. (Sony Life), Sony Assurance Inc. (Sony Assurance) and Sony Bank Inc. (Sony Bank) will announce their financial results for the six months ended September 30, 2016. SFH prepared an English-language summary of those Japanese announcements made by the above subsidiaries, solely for convenience of non-Japanese readers.

I. Notes Regarding Summary Information

1.Changes in significant subsidiaries during the period under review (changes in specified subsidiaries accompanying changes in scope of consolidation)

None.

Although not specified subsidiaries, Sony Lifecare Inc., a holding company that oversees the Sony Financial Group's operations in the nursing care business, and nursing-care provider Lifecare Design Inc., which were non-consolidated subsidiaries in the previous consolidated fiscal year, have been included in the scope of consolidation, due to a rise in their importance from the first half of the fiscal year ending March 31, 2017. The results of both companies are included in the "other" category in the consolidated statements of income.

2.Changes in accounting policies, accounting estimates and restatements of the Consolidated Financial Statements

Changes in accounting policies

(Application of the "Revised Implementation Guidance on Recoverability of Deferred Tax Assets" (ASBJ Guidance No.26, March 28, 2016)(hereinafter, the "Recoverability Implementation Guidance"))

The Sony Financial Group has applied the Recoverability Implementation Guidance from the first half of the fiscal year ending March 31, 2017 and partially revised the accounting method of recoverability of deferred tax assets.

The Recoverability Implementation Guidance has been applied in accordance with the transitional treatment set forth in Article 49(4) of the Recoverability Implementation Guidance. The differences between (i) the amounts of deferred tax assets and deferred tax liabilities when provisions applicable from ① to ③ of Article 49(3) of the Recoverability Implementation Guidance were applied as of April 1, 2016, and (ii) the amounts of deferred tax assets and deferred tax liabilities at the end of the fiscal year ended March 31, 2016, were added to retained earnings as of April 1, 2016.

As a result, deferred tax assets increased ¥48 million and retained earnings rose ¥105 million, while deferred tax liabilities decreased ¥56 million as of April 1, 2016.

II. Consolidated Financial Statements

1. Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2016	As of September 30, 2016
Assets		
Cash and due from banks	¥144,364	¥106,993
Call loans and bills bought	88,200	88,500
Monetary claims purchased	884	720
Monetary trusts	303,973	302,527
Securities	8,021,493	8,321,753
Loans	1,515,833	1,636,656
Tangible fixed assets	121,376	124,964
Intangible fixed assets	29,887	30,082
Due from reinsurers	399	994
Foreign exchanges	1,139	5,458
Other assets	115,474	116,384
Net defined benefit asset	2,216	2,321
Deferred tax assets	8,181	8,673
Reserve for possible loan losses	(1,308)	(1,366)
Total Assets	¥10,352,114	¥10,744,665

(Millions of yen)

	As of March 31, 2016	As of September 30, 2016
Liabilities		
Policy reserves and others	¥7,504,420	¥7,754,850
Reserve for outstanding claims	67,177	68,543
Policy reserves	7,432,237	7,680,871
Reserve for policyholders' dividends	5,006	5,434
Due to agencies	2,455	1,972
Due to reinsurers	626	2,440
Deposits	1,912,592	1,980,934
Borrowed money	40,000	40,000
Foreign exchanges	87	140
Bonds payable	20,000	20,000
Other liabilities	183,835	264,068
Reserve for employees' bonuses	3,557	3,337
Net defined benefit liability	29,263	30,399
Reserve for directors' retirement benefits	351	345
Special reserves	44,410	45,204
Reserve for price fluctuations	44,410	45,204
Deferred tax liabilities	5,647	1,817
Deferred tax liabilities on land revaluation	488	488
Total Liabilities	9,747,736	10,145,999
Net Assets		
Common stock	19,900	19,900
Capital surplus	195,277	195,277
Retained earnings	238,079	238,561
Treasury stock	(0)	(0)
Total shareholders' equity	453,256	453,738
Net unrealized gains (losses) on other securities, net of taxes	157,364	150,706
Net deferred gains (losses) on hedging instruments, net of taxes	(2,347)	(2,314)
Land revaluation, net of taxes	(1,465)	(1,465)
Remeasurements of defined benefit plans, net of taxes	(3,760)	(3,380)
Total accumulated other comprehensive income	149,791	143,546
Subscription rights to shares	–	16
Non-controlling interests	1,329	1,364
Total Net Assets	604,377	598,665
Total Liabilities and Net Assets	¥10,352,114	¥10,744,665

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

(Millions of yen)

	For the six months ended September 30, 2015	For the six months ended September 30, 2016
Ordinary Revenues	¥662,271	¥631,923
Ordinary Revenues from the Life Insurance Business	595,111	563,030
Income from insurance premiums	508,188	476,763
Insurance premiums	507,734	475,923
Ceded reinsurance commissions	453	840
Investment income	84,230	80,226
Interest income and dividends	69,616	72,040
Income from monetary trusts, net	6,188	2,248
Gains on trading securities, net	–	56
Gains on sale of securities	6,591	1,301
Gains on derivatives, net	1,676	4,577
Foreign exchange gains, net	146	–
Other investment income	11	1
Other ordinary income	2,692	6,039
Ordinary Revenues from the Non-life Insurance Business	48,249	50,270
Underwriting income	47,601	48,967
Net premiums written	47,574	48,933
Interest and dividends on deposits of premiums	27	33
Other underwriting income	0	–
Investment income	631	1,277
Interest income and dividends	648	661
Gains on sale of securities	9	649
Gains on redemption of securities	–	0
Transfer to interest and dividends on deposits of premiums	(27)	(33)
Other ordinary income	16	25
Ordinary Revenues from the Banking Business	18,910	18,516
Interest income	12,613	12,757
Interest income on loans	7,192	7,785
Interest income and dividends on securities	5,386	4,937
Interest income on call loans and bills bought	3	–
Interest income on deposits with banks	29	32
Interest income on interest rate swaps	–	0
Others interest income	0	0
Fees and commissions	3,191	3,404
Other operating income	2,865	2,225
Other ordinary income	240	130
Other	–	105
Other ordinary income	–	105

(Continued)

(Millions of yen)

	For the six months ended September 30, 2015	For the six months ended September 30, 2016
Ordinary Expenses	¥633,438	¥594,807
Ordinary Expenses from the Life Insurance Business	573,554	531,994
Insurance claims and other payments	173,103	163,350
Insurance claims	41,583	42,443
Annuity payments	5,283	5,617
Insurance benefits	23,736	27,837
Surrender payments	97,433	83,139
Other payments	4,083	1,607
Reinsurance premiums	982	2,705
Provision for policy reserves and others	287,219	244,117
Provision for reserve for outstanding claims	930	–
Provision for policy reserves	286,287	244,117
Interest portion of reserve for policyholders' dividends	1	0
Investment expenses	35,521	40,478
Interest expenses	24	15
Losses on trading securities, net	384	–
Losses on redemption of securities	–	23
Foreign exchange losses, net	–	5,023
Provision for reserve for possible loan losses	13	2
Depreciation of real estate for rent and others	914	896
Other investment expenses	2,228	2,381
Losses on separate accounts, net	31,956	32,134
Operating expenses	65,388	69,838
Other ordinary expenses	12,321	14,209
Ordinary Expenses from the Non-life Insurance Business	45,143	46,565
Underwriting expenses	33,230	34,424
Net losses paid	23,033	24,046
Loss adjustment expenses	3,568	3,683
Net commission and brokerage fees	493	572
Provision for reserve for outstanding losses	1,256	1,603
Provision for underwriting reserves	4,877	4,517
Others underwriting expenses	0	–
Investment expenses	2	2
Losses on sale of securities	2	–
Other investment expenses	–	2
Operating, general and administrative expenses	11,908	12,136
Other ordinary expenses	2	2

(Continued)

(Millions of yen)

	For the six months ended September 30, 2015	For the six months ended September 30, 2016
Ordinary Expenses from the Banking Business	¥14,740	¥15,789
Interest expenses	4,532	4,277
Interest expenses on deposits	2,404	2,518
Interest expenses on call money and bills sold	3	–
Interest expenses on borrowed money	11	16
Interest expenses on bonds	49	48
Interest expenses on interest rate swaps	2,063	1,693
Others interest expenses	0	0
Fees and commissions	1,097	1,687
Other operating expenses	125	78
General and administrative expenses	8,822	9,602
Other ordinary expenses	162	142
Other	–	457
Other ordinary expenses	–	457
Ordinary Profit	28,833	37,116
Extraordinary Losses	696	911
Losses on disposal of fixed assets	5	110
Impairment losses	0	0
Provision for special reserves	691	793
Provision for reserve for price fluctuations	691	793
Others	–	7
Provision for Reserve for Policyholders' Dividends	647	682
Income Before Income Taxes	27,488	35,522
Income Taxes – Current	10,924	12,237
Income Taxes – Deferred	(2,601)	(1,869)
Total Income Taxes	8,322	10,368
Profit	19,166	25,153
Profit Attributable to Non-controlling Interests	16	33
Profit Attributable to Owners of the Parent	¥19,149	¥25,119

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

	For the six months ended September 30, 2015	For the six months ended September 30, 2016
Profit	¥19,166	¥25,153
Other comprehensive income		
Net unrealized gains (losses) on other securities, net of taxes	(3,148)	(6,658)
Net deferred gains (losses) on hedging instruments, net of taxes	132	33
Foreign currency translation adjustments	0	–
Remeasurements of defined benefit plans, net of taxes	331	381
Total other comprehensive income	(2,684)	(6,243)
Comprehensive income	¥16,481	¥18,910
(Details)		
Comprehensive income attributable to owners of the parent	16,463	18,874
Comprehensive income attributable to non-controlling interests	18	35

3. Consolidated Statements of Changes in Net Assets

For the six months ended September 30, 2015

(Millions of yen)

	Shareholders' Equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the period	¥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	–	–	19,149	–	19,149
Purchase of treasury stock	–	–	–	(0)	(0)
Net changes of items other than shareholders' equity	–	–	–	–	–
Total changes during the period	–	–	1,749	(0)	1,749
Balance at the end of the period	¥19,900	¥195,277	¥213,874	¥(0)	¥429,051

	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 period	¥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	–	–	–	–	–	–	–	19,149
Purchase of treasury stock	–	–	–	–	–	–	–	(0)
Net changes of items other than shareholders' equity	(3,148)	132	–	0	330	(2,685)	18	(2,667)
Total changes during the period	(3,148)	132	–	0	330	(2,685)	18	(918)
Balance at the end of the period	¥124,018	¥(1,954)	¥(1,480)	¥1	¥(1,192)	¥119,393	¥1,310	¥549,754

For the six months ended September 30, 2016

(Millions of yen)

	Shareholders' Equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the period	¥19,900	¥195,277	¥238,079	¥(0)	¥453,256
Cumulative effects of changes in accounting policies	–	–	105	–	105
Restated balance at the beginning of the period	19,900	195,277	238,185	¥(0)	453,362
Changes during the period					
Dividends from surplus	–	–	(23,924)	–	(23,924)
Profit attributable to owners of the parent	–	–	25,119	–	25,119
Adjustments due to change of scope of consolidation	–	–	(818)	–	(818)
Purchase of treasury stock	–	–	–	–	–
Net changes of items other than shareholders' equity	–	–	–	–	–
Total changes during the period	–	–	376	–	376
Balance at the end of the period	¥19,900	¥195,277	¥238,561	¥(0)	¥453,738

	Total accumulated other comprehensive income					Subscription rights to shares	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	Remeasurements of defined benefit plans, net of taxes	Total accumulated other comprehensive income			
Balance at the beginning of the period	¥157,364	¥(2,347)	¥(1,465)	¥(3,760)	¥149,791	–	¥1,329	¥604,377
Cumulative effects of changes in accounting policies	–	–	–	–	–	–	–	105
Restated balance at the beginning of the period	157,364	(2,347)	(1,465)	(3,760)	149,791	–	1,329	604,482
Changes during the period								
Dividends from surplus	–	–	–	–	–	–	–	(23,924)
Profit attributable to owners of the parent	–	–	–	–	–	–	–	25,119
Adjustments due to change of scope of consolidation	–	–	–	–	–	–	–	(818)
Purchase of treasury stock	–	–	–	–	–	–	–	–
Net changes of items other than shareholders' equity	(6,658)	33	–	379	(6,245)	16	35	(6,193)
Total changes during the period	(6,658)	33	–	379	(6,245)	16	35	(5,817)
Balance at the end of the period	¥150,706	¥(2,314)	¥(1,465)	¥(3,380)	¥143,546	16	¥1,364	¥598,665

4. Segment Information

(1) Outline of reporting segments

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 six months ended September 30, 2015

	Millions of yen			
	Life insurance business	Non-life insurance business	Banking business	Total
Ordinary revenues				
External customers	¥595,111	¥48,249	¥18,910	¥662,271
Intersegment	1,336	0	110	1,448
Total	596,448	48,250	19,020	663,719
Segment profit	22,566	2,751	3,410	28,728
Segment assets	7,758,583	164,931	2,010,520	9,934,035
Others				
Depreciation	3,594	1,244	1,177	6,016
Interest income and dividends	69,855	648	12,613	83,116
Interest expenses	24	–	4,600	4,625
Equity in earnings (losses) of affiliates	(396)	–	–	(396)
Investments in affiliates	10,188	–	–	10,188
Increase in tangible fixed assets and intangible fixed assets	¥1,302	¥1,753	¥1,085	¥4,141

For the six months ended September 30, 2016

	Millions of yen					
	Life insurance business	Non-life insurance business	Banking business	Total	other	Total
Ordinary revenues						
External customers	¥563,030	¥50,270	¥18,516	¥631,817	¥105	¥631,923
Intersegment	1,508	0	97	1,606	–	1,606
Total	564,538	50,270	18,614	633,424	105	633,530
Segment profit	32,235	3,372	1,788	37,396	(366)	37,030
Segment assets	8,362,193	177,920	2,202,085	10,742,199	3,768	10,745,967
Others						
Depreciation	3,617	1,539	1,292	6,449	20	6,469
Interest income and dividends	72,299	661	12,756	85,717	0	85,717
Interest expenses	15	–	4,345	4,361	18	4,380
Equity in earnings (losses) of affiliates	(1,099)	–	–	(1,099)	–	(1,099)
Investments in affiliates	11,114	–	–	11,114	–	11,114
Increase in tangible fixed assets and intangible fixed assets	¥5,351	¥2,707	¥1,383	¥9,442	¥10	¥9,453

(Note) “Other” consists of Sony Lifecare Inc., a holding company that oversees the Sony Financial Group’s operations in the nursing care business, and nursing-care provider Lifecare Design Inc., which have been included in the scope of consolidation from the first half of the fiscal year ending March 31, 2017.

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

	Millions of yen	
	For the six months ended	For the six months ended
	September 30, 2015	September 30, 2016
Totals of reporting segments	¥663,719	¥633,424
Other	–	105
Adjustments for intersegment transactions	(1,448)	(1,606)
Ordinary revenues in statement of income	¥662,271	¥631,923

	Millions of yen	
	For the six months ended	For the six months ended
	September 30, 2015	September 30, 2016
Totals of reporting segments	¥28,728	¥37,396
Other	–	(366)
Adjustments for intersegment transactions	4	4
Amount not allocated to reporting segments	100	81
Ordinary profit in statement of income	¥28,833	¥37,116

	Millions of yen	
	For the six months ended	For the six months ended
	September 30, 2015	September 30, 2016
Totals of reporting segments	¥9,934,035	¥10,742,199
Other	–	3,768
Adjustments for intersegment transactions	(24,630)	(31,284)
Amount not allocated to reporting segments	35,913	29,982
Assets in balance sheets	¥9,945,319	¥10,744,665

	Millions of yen							
	For the six months ended				For the six months ended			
	September 30, 2015				September 30, 2016			
	Total	Other	Adjustments	Consolidated financial statements	Total	Other	Adjustments	Consolidated financial statements
Depreciation	¥6,016	¥–	¥8	¥6,024	¥6,449	¥20	¥9	¥6,478
Interest income and dividends	83,116	–	(238)	82,878	85,717	0	(257)	85,459
Interest expenses	4,625	–	(68)	4,556	4,361	18	(68)	4,312
Equity in earnings (losses) of affiliates	(396)	–	–	(396)	(1,099)	–	–	(1,099)
Investments in affiliates	10,188	–	–	10,188	11,114	–	–	11,114
Increase in tangible fixed assets and intangible fixed assets	¥4,141	¥–	¥0	¥4,142	¥9,442	¥10	¥267	¥9,721

5. 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, 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.

Sony Lifecare Inc.*

Lifecare Design Inc.*

*Sony Lifecare Inc. and Lifecare Design Inc. are included in the scope of consolidation from the first quarter ended June 30, 2016.

Affiliated companies accounted for under the equity method:

AEGON Sony Life Insurance Co., Ltd.

SA Reinsurance Ltd.

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 press release 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.

For inquiries:

Corporate Communications & Investor Relations Dept.

Sony Financial Holdings Inc.

Telephone: +81-3-5290-6500

E-mail: press@sonyfh.co.jp

Website of Sony Financial Holdings Inc.

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

III. Attachment

Content of Presentation Material

Consolidated Financial Results for the Six Months Ended September 30, 2016 and Sony Life's Market Consistent Embedded Value as of September 30, 2016

• Consolidated Operating Results for the Six Months Ended September 30, 2016	3
• Consolidated Financial Forecast for the Year Ending March 31, 2017	29
• Sony Life's MCEV and ESR as of September 30, 2016.....	31
• Appendix	34

Presentation Material

Consolidated Financial Results for the Six Months Ended September 30, 2016 and Sony Life's MCEV as of September 30, 2016

Sony Financial Holdings Inc.
November 14, 2016

Sony Financial Holdings Inc. All Rights Reserved

Content

■ Consolidated Operating Results for the Six Months Ended September 30, 2016 (FY16.1H)	P.3
■ Forecast of Consolidated Financial Results for the Year Ending March 31, 2017 (FY16)	P.29
■ Sony Life's MCEV and ESR as of September 30, 2016	P.31
■ Appendix	P.34

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.

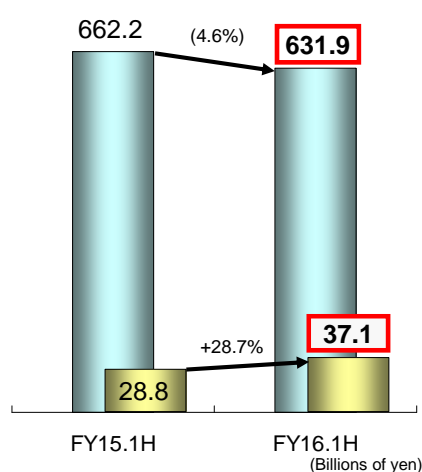
*Unless otherwise indicated, in these materials figures less than the indicated unit have been truncated, while ratios and percentage changes have been rounded. Also, a “-” is used where percentage changes exceed 1,000% and in cases where one or both comparisons are negative.

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

Consolidated Operating Results for the Six Months Ended September 30, 2016 (FY16.1H)

Highlights of Consolidated Operating Performance for FY16.1H (1)

- Consolidated ordinary revenues
- Consolidated ordinary profit



		(Billions of yen)		Change	
		FY15.1H	FY16.1H		
Life Insurance business	Ordinary revenues	596.4	564.5	(31.9)	(5.3%)
	Ordinary profit	22.5	32.2	+9.6	+42.8%
Non-life Insurance business	Ordinary revenues	48.2	50.2	+2.0	+4.2%
	Ordinary profit	2.7	3.3	+0.6	+22.6%
Banking business	Ordinary revenues	19.0	18.6	(0.4)	(2.1%)
	Ordinary profit	3.4	1.7	(1.6)	(47.5%)
Intersegment adjustments*	Ordinary revenues	(1.4)	(1.5)	(0.0)	—
	Ordinary profit	0.1	(0.2)	(0.3)	—
Consolidated	Ordinary revenues	662.2	631.9	(30.3)	(4.6%)
	Ordinary profit	28.8	37.1	+8.2	+28.7%
	Profit attributable to owners of the parent	19.1	25.1	+5.9	+31.2%

*Ordinary profit in "Intersegment adjustments" is mainly from SFH. Nursing care business has been included in the scope of consolidation from FY16.1Q.

*Comprehensive income : FY15.1H: ¥16.4 billion, FY16.1H: ¥18.9 billion

		(Billions of yen)		Change from 16.3.31	
		16.3.31	16.9.30		
Consolidated	Net assets	604.3	598.6	(5.7)	(0.9%)
	Total assets	10,352.1	10,744.6	+392.5	+3.8%

Highlights of Consolidated Operating Performance for FY16.1H (2)

■ **Life Insurance Business:** Policy amount in force increased steadily year on year. However, ordinary revenues decreased year on year due to a decrease in insurance premium revenues led by a decline in sales of single premium products. Ordinary profit increased significantly year on year due to a significant decline in provision of policy reserves for minimum guarantees for variable life insurance owing to a lower acquisition of new policies, despite lower gains on sale of securities in the general account.

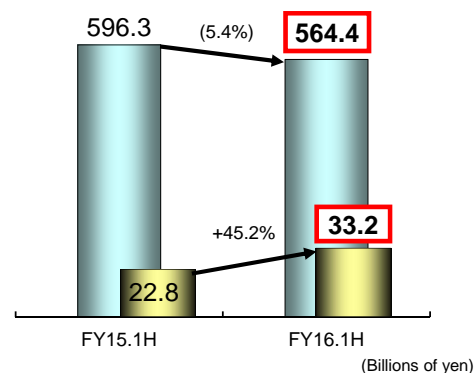
■ **Non-life Insurance Business:** Ordinary revenues expanded year on year, owing to an increase in net premiums written primarily for mainstay automobile insurance and an increase in gains on sale of securities. Ordinary profit increased year on year, due to the above-mentioned increase in gains on sale of securities.

■ **Banking Business:** Ordinary revenues decreased year on year due to a decrease in interest and dividend income on securities, partially offset by an increase in interest income on loans in line with a favorably growing balance of mortgage loans. Ordinary profit decreased significantly year on year, due to lower interest rates, an increase in operating expenses, mainly in advertising expenses for card loan business, as well as decreased volumes of foreign currency and investment trust transactions.

■ Consolidated ordinary revenues decreased 4.6% year on year, to ¥631.9 billion. Ordinary revenues from the life insurance and the banking businesses decreased, while ordinary revenues from the non-life insurance business increased. Consolidated ordinary profit increased 28.7% year on year, to ¥37.1 billion. By business segment, ordinary profit from the life insurance and the non-life insurance businesses increased, whereas ordinary profit from the banking business decreased. Profit attributable to owners of the parent was up 31.2% year on year, to ¥25.1 billion due to the increase in consolidated ordinary profit.

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

■ Ordinary revenues ■ Ordinary profit



- ◆ Ordinary revenues decreased but ordinary profit increased year on year.
- ◆ Income from insurance premiums decreased due to a decline in sales of single premium products.
- ◆ Investment income decreased due to lower gains on sale of securities despite higher gains on interest income and dividends in the general account.
- ◆ Ordinary profit increased significantly due to a significant decline in provision of policy reserves for minimum guarantees for variable life insurance owing to a lower acquisition of new policies, despite lower gains on sale of securities in the general account.

(Billions of yen)	FY15.1H	FY16.1H	Change	
Ordinary revenues	596.3	564.4	(31.9)	(5.4%)
Income from insurance premiums	508.7	477.4	(31.1)	(6.2%)
Investment income	84.4	80.4	(3.9)	(4.7%)
Interest income and dividends	69.8	72.2	+2.4	+3.5%
Income from monetary trusts, net	6.1	2.2	(3.9)	(63.7%)
Gains on sale of securities	6.5	1.3	(5.2)	(80.3%)
Gains on derivatives, net	1.6	4.5	+2.9	+173.0%
Ordinary expenses	573.4	531.2	(42.2)	(7.4%)
Insurance claims and other payments	173.1	163.3	(9.7)	(5.6%)
Provision for policy reserves and others	287.2	244.1	(43.1)	(15.0%)
Investment expenses	35.6	40.6	+4.9	+13.8%
Losses on separate accounts, net	31.9	32.1	+0.1	+0.6%
Operating expenses	65.6	70.0	+4.4	+6.8%
Ordinary profit	22.8	33.2	+10.3	+45.2%
Net income	14.8	22.8	+7.9	+53.6%

(Billions of yen)	16.3.31	16.9.30	Change from 16.3.31	
Securities	7,273.3	7,601.0	+327.6	+4.5%
Policy reserves	7,336.5	7,580.6	+244.1	+3.3%
Net assets	482.1	485.5	+3.3	+0.7%
Net unrealized gains on other securities	150.6	144.3	(6.2)	(4.1%)
Total assets	8,035.4	8,365.2	+329.7	+4.1%
Separate account assets	850.3	856.6	+6.3	+0.7%

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

(Billions of yen)	FY15.1H	FY16.1H	Change
New policy amount	2,615.0	2,449.0	(6.3%)
Lapse and surrender amount	951.5	922.5	(3.0%)
Lapse and surrender rate	2.33%	2.14%	(0.19pt)
Policy amount in force	42,143.0	44,114.4	+4.7%
Annualized premiums from new policies	43.0	38.7	(10.0%)
Of which, third-sector products	7.3	8.1	+9.7%
Annualized premiums from insurance in force	759.1	799.6	+5.3%
Of which, third-sector products	176.1	184.0	+4.5%

<Reasons for changes>

◆ Decreased due to lower sales of variable life insurance despite favorable sales of U.S. dollar-denominated insurance, term life insurance and living benefit insurance.

◆ Decreased due to lower sales of variable life insurance and educational endowment insurance despite favorable sales of term life insurance, U.S. dollar-denominated insurance and living benefit insurance.

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.

(Billions of yen)	FY15.1H	FY16.1H	Change
Gains from investment, net (General account)	80.7	72.0	(10.8%)
Core profit	14.4	30.6	+112.2%
Positive spread	7.3	6.5	(11.0%)

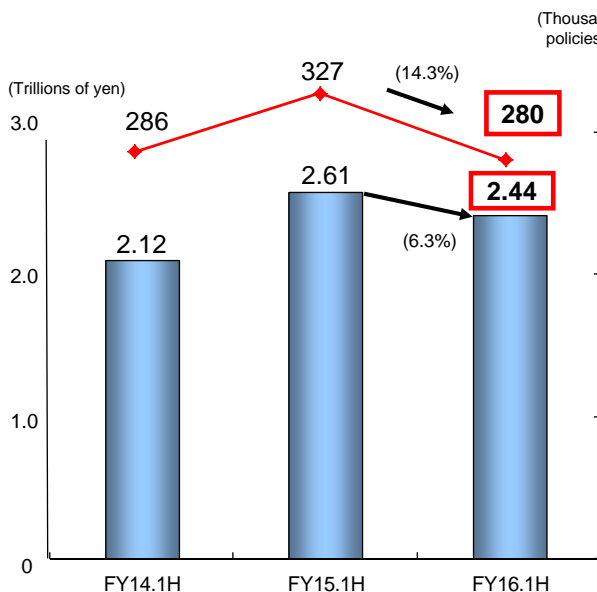
◆ Significantly increased due to a significant decline in provision of policy reserves for minimum guarantees for variable life insurance and an decrease in insurance claim payments, despite a fall in the positive spread.

	16.3.31	16.9.30	Change from 16.3.31
Non-consolidated solvency margin ratio	2,722.8%	2,774.4%	+51.6pt

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

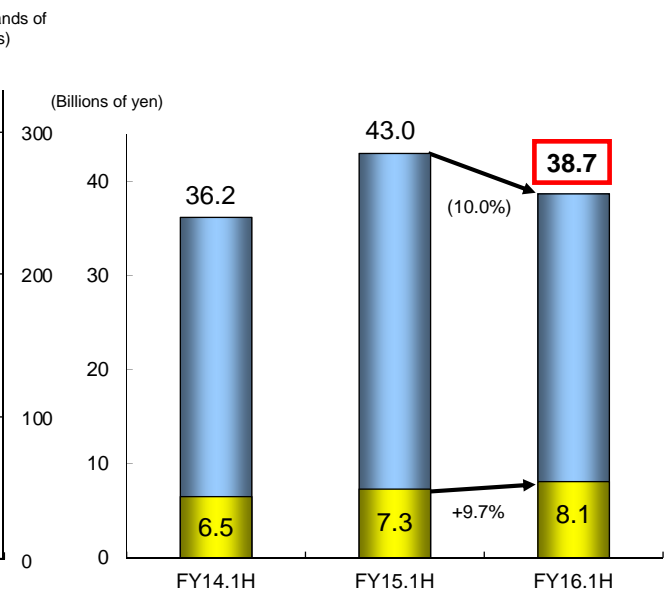
Number and Amount of New Policies (Individual Life Insurance + Individual Annuities)

■ New policy amount — Number of new policies

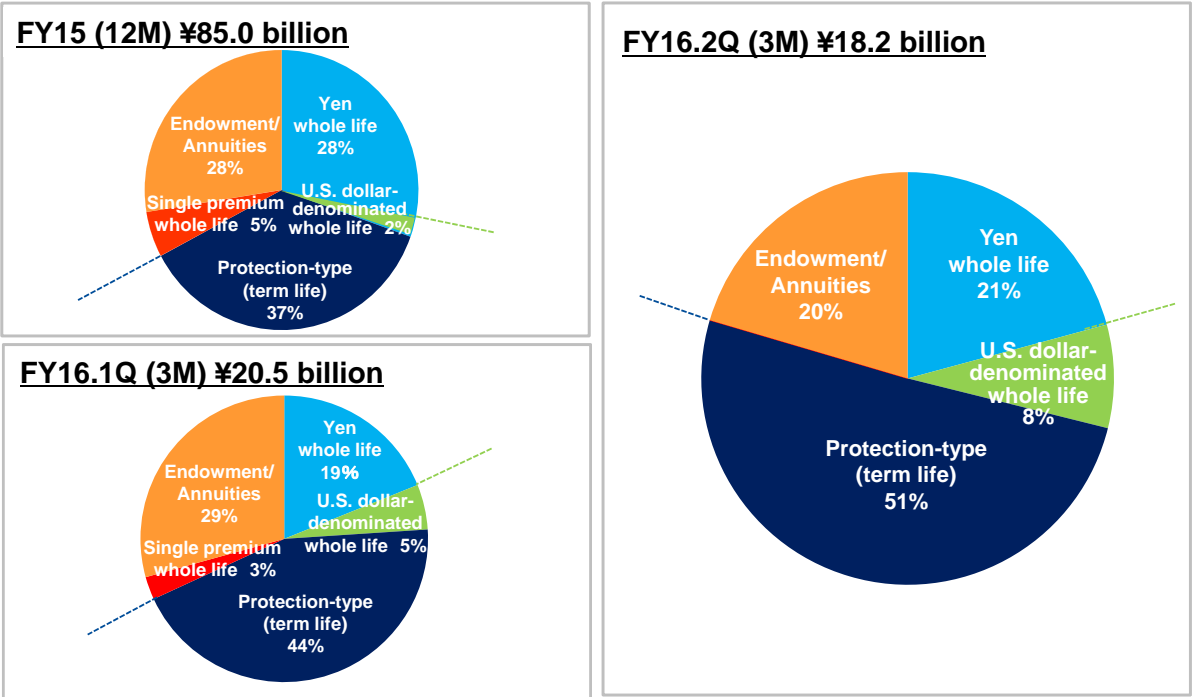


Annualized Premiums from New Policies (Individual Life Insurance + Individual Annuities)

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



Annualized Premiums from New Policies by Product



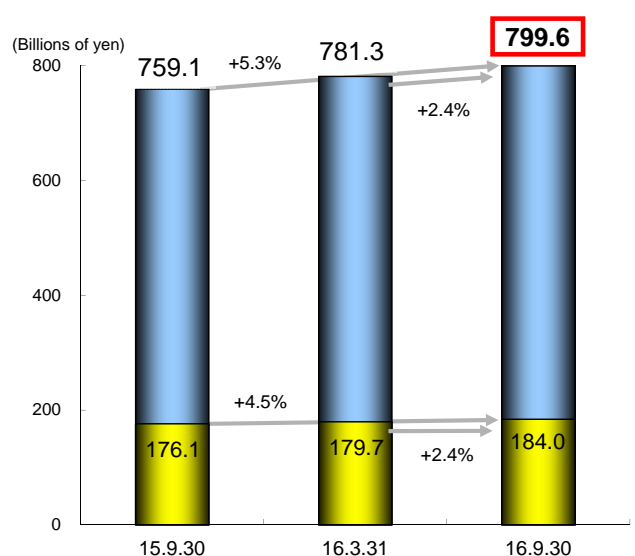
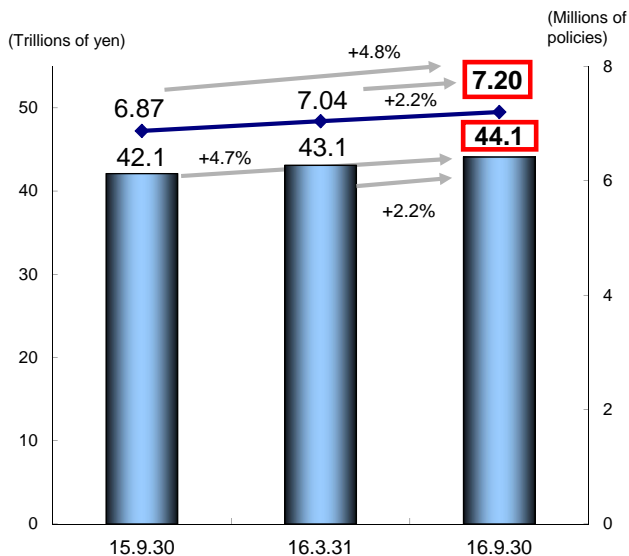
**Operating Performance :
Sony Life (Non-consolidated) (2)**

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

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

■ Policy amount in force — Number of policies in force

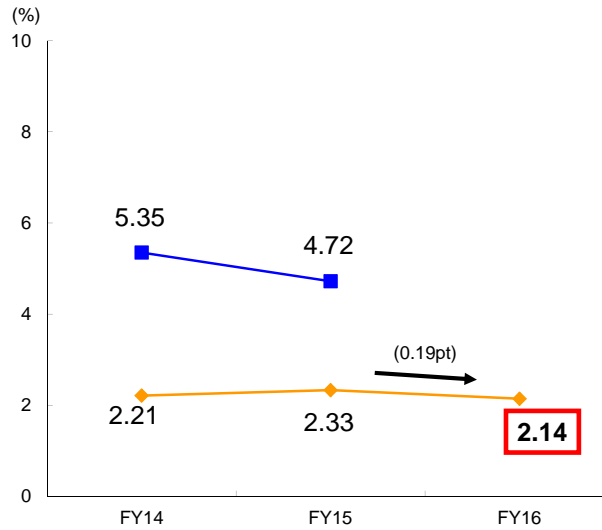
■ Annualized premiums from insurance in force ■ Of which, third-sector



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

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

■ Lapse and surrender rate (Annual) ◆ Lapse and surrender rate (1H)

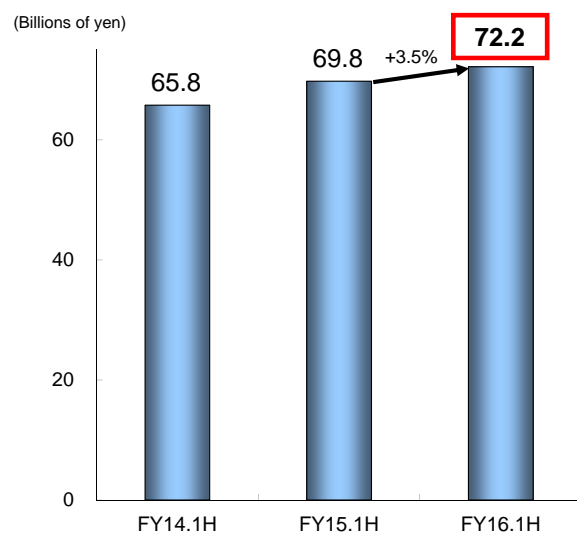
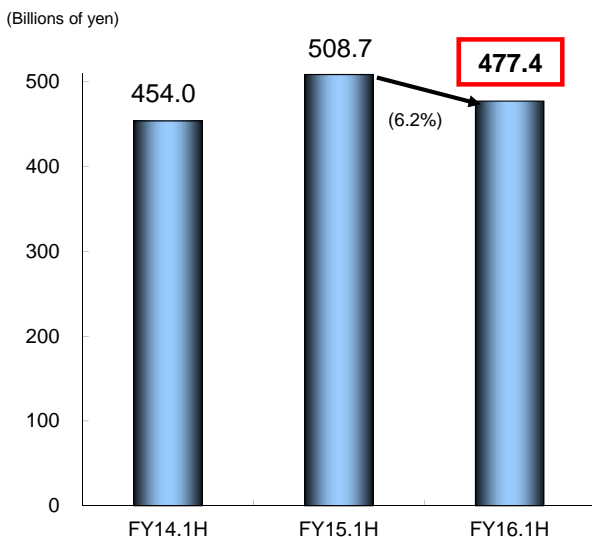


*The lapse and surrender rate shows the ratio derived by dividing the amount of lapses and surrenders, not adjusted for policy amount decreases, increases, and reinstatements, by the policy amount in force at the beginning of the fiscal year.

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

Income from Insurance Premiums

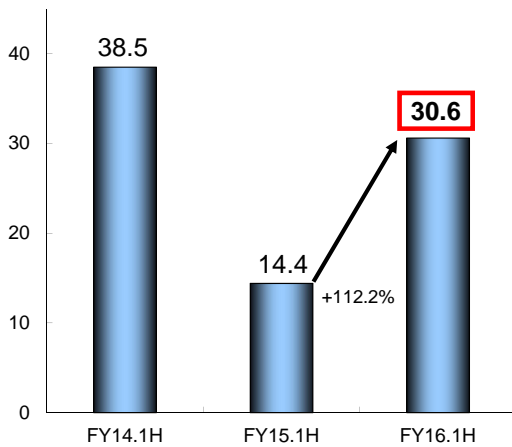
Interest Income and Dividends



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

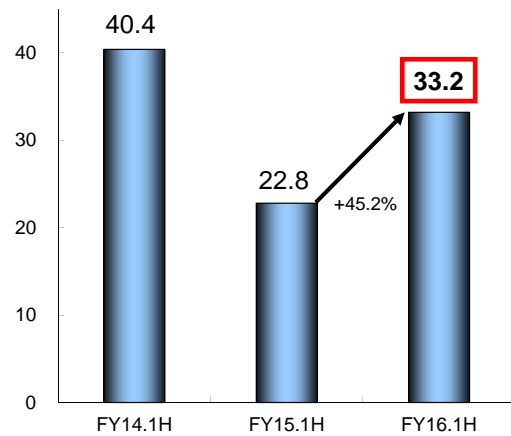
Core Profit

(Billions of yen)



Ordinary Profit

(Billions of yen)



(Reference) Impact on core profit

	(Billions of yen)		
	FY14.1H	FY15.1H	FY16.1H
Positive spread	5.5	7.3	6.5
Provision of policy reserves for minimum guarantees for variable life insurance (*)	(2.5)	(22.1)	(11.6)
Others	35.5	29.2	35.7

(Reference) Main differences from core profit

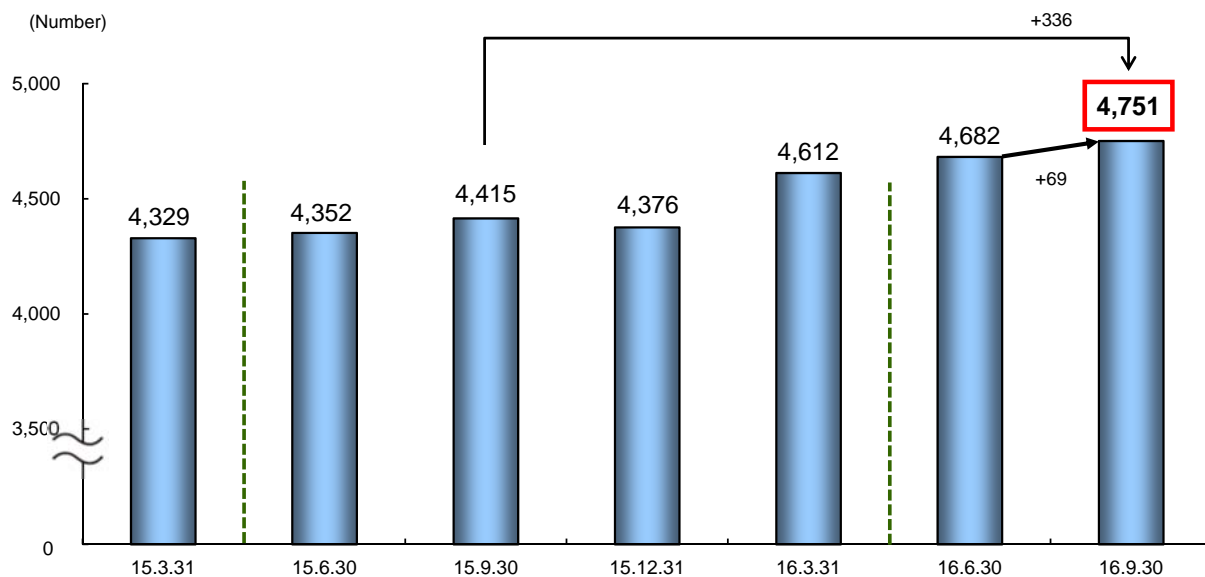
	(Billions of yen)		
	FY14.1H	FY15.1H	FY16.1H
Capital gains (losses) excluding gains or losses on hedges (*)	4.4	10.3	5.0
Gains (losses) on hedges of variable life insurance	-	1.4	1.0
Provision of contingency reserve (*)	(2.4)	(3.1)	(3.4)

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

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

Number of Lifepanner Sales Employees

(Number)



Breakdown of General Account Assets

(Billions of yen)	16.3.31		16.9.30	
	Amount	%	Amount	%
Japanese government and corporate bonds	6,351.1	88.4%	6,586.5	87.7%
Japanese stocks	33.3	0.5%	33.0	0.4%
Foreign bonds	70.1	1.0%	164.0	2.2%
Foreign stocks	23.0	0.3%	19.3	0.3%
Monetary trusts	280.9	3.9%	279.5	3.7%
Policy loans	171.6	2.4%	175.9	2.3%
Real estate*	115.8	1.6%	118.1	1.6%
Cash and call loans	52.5	0.7%	44.4	0.6%
Others	86.4	1.2%	87.3	1.2%
Total	7,185.0	100.0%	7,508.5	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, 2015: 20.3 years

Mar. 31, 2016: 21.8 years

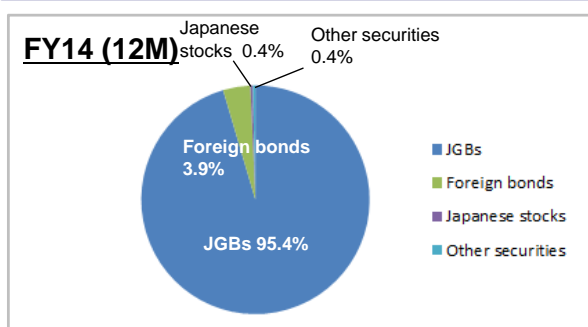
Sep. 30, 2016: 22.0 years

- 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 assets: As of Sep. 30, 2016: 91.4% (As of Mar. 31, 2016: 92.3%)

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

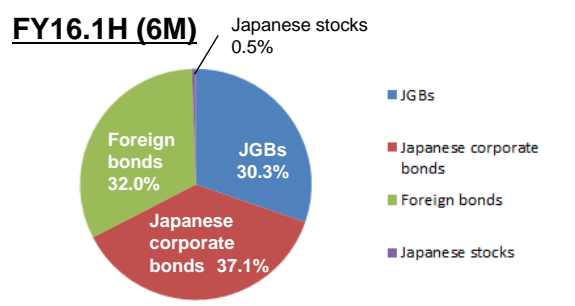
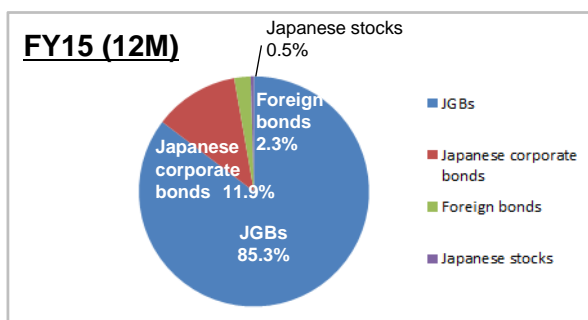
Review of Sony Life's Asset Management

Diversify asset management under the negative interest rate environment (purchase securities in the general account asset)



■ Promote diversification of investment assets while continue to invest in assets that match the liability characteristics.

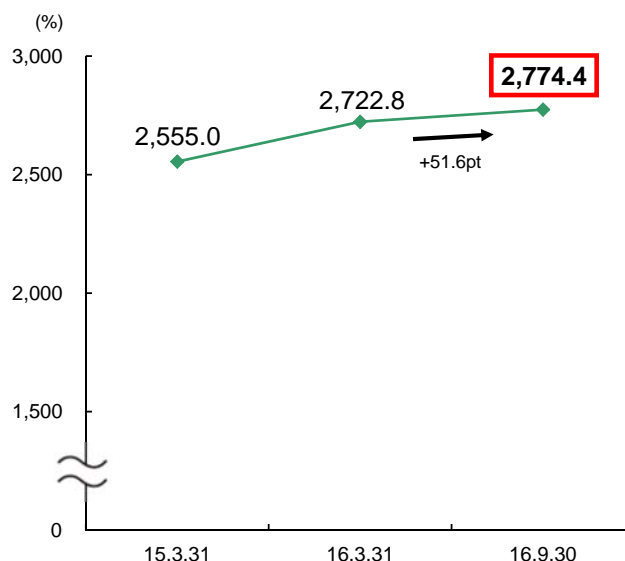
- Expand investments in ultralong-term Japanese corporate bonds (including FILP agency bonds)
- Significantly increase investments in U.S. dollar bonds, responding to higher sales of U.S. dollar-denominated insurance policies.



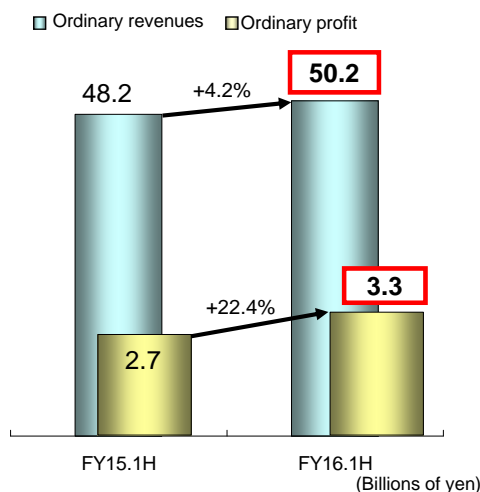
(Note 1) Japanese corporate bonds include FILP agency bonds and Government-guaranteed bonds.

(Note 2) The graphs above are asset allocation for the relevant period. Total invested amount for the relevant period as 100% (excluding, investment in subsidiaries and affiliates, and strategic investments)

Non-consolidated Solvency Margin Ratio



Highlights of Operating Performance: Sony Assurance



(Billions of yen)	FY15.1H	FY16.1H	Change	
Ordinary revenues	48.2	50.2	+2.0	+4.2%
Underwriting income	47.6	48.9	+1.3	+2.9%
Investment income	0.6	1.2	+0.6	+102.4%
Ordinary expenses	45.4	46.8	+1.3	+3.1%
Underwriting expenses	33.4	34.6	+1.1	+3.5%
Investment expenses	0.0	—	(0.0)	(100.0%)
Operating general and administrative expenses	12.0	12.2	+0.2	+1.9%
Ordinary profit	2.7	3.3	+0.6	+22.4%
Net income	1.9	2.4	+0.4	+24.4%

- ◆ Both ordinary revenues and ordinary profit increased year on year.
- ◆ Ordinary revenues expanded owing to an increase in net premiums written primarily for mainstay automobile insurance and an increase in gains on sale of securities.
- ◆ Ordinary profit increased due to the increase in gains on sale of securities.

(Billions of yen)	16.3.31	16.9.30	Change from 16.3.31	
Underwriting reserves	95.7	100.2	+4.5	+4.7%
Net assets	28.3	28.5	+0.2	+0.9%
Total assets	172.3	177.8	+5.5	+3.2%

Overview of Operating Performance: Sony Assurance

(Billions of yen)	FY15.1H	FY16.1H	Change	
Direct premiums written	46.9	48.3	+2.9%	◆ Increased mainly in its mainstay automobile insurance.
Net premiums written	47.5	48.9	+2.9%	
Net losses paid	23.0	24.0	+4.4%	
Underwriting profit	2.1	2.0	(2.1%)	
Net loss ratio	55.9%	56.7%	+0.8pt	
Net expense ratio	26.7%	26.6%	(0.1pt)	◆ Declined slightly due to a proper control on overall operating expenses.
Combined ratio	82.7%	83.3%	+0.6pt	

Notes:

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

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

	FY15.1H	FY16.1H	Change	
E. I. loss ratio	62.4%	63.3%	+0.9pt	◆ Rose slightly compared with FY15.1H results which recorded a reversal of reserve for outstanding losses.
E. I. loss ratio + Net expense ratio	89.1%	89.9%	+0.8pt	

Notes:

E. I. loss ratio = (Net losses paid + Provision for reserve for outstanding losses + Loss adjustment expenses) / Earned premiums

[Earthquake insurance and compulsory automobile liability insurance are excluded from the above calculation.]

	16.3.31	16.9.30	Change from 16.3.31	
Number of policies in force	1.79 million	1.82 million	+0.02 million	+1.2%
Non-consolidated solvency margin ratio	693.5%	726.8%	+33.3pt	

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)	FY15.1H	FY16.1H	Change
Fire	199	117	(41.2%)
Marine	—	—	—
Personal accident	4,321	4,388	+1.6%
Voluntary automobile	42,442	43,814	+3.2%
Compulsory automobile liability	—	—	—
Total	46,963	48,319	+2.9%

Net Premiums Written

(Millions of yen)	FY15.1H	FY16.1H	Change
Fire	28	12	(55.0%)
Marine	22	(2)	—
Personal accident	4,461	4,527	+1.5%
Voluntary automobile	42,349	43,686	+3.2%
Compulsory automobile liability	712	709	(0.5%)
Total	47,574	48,934	+2.9%

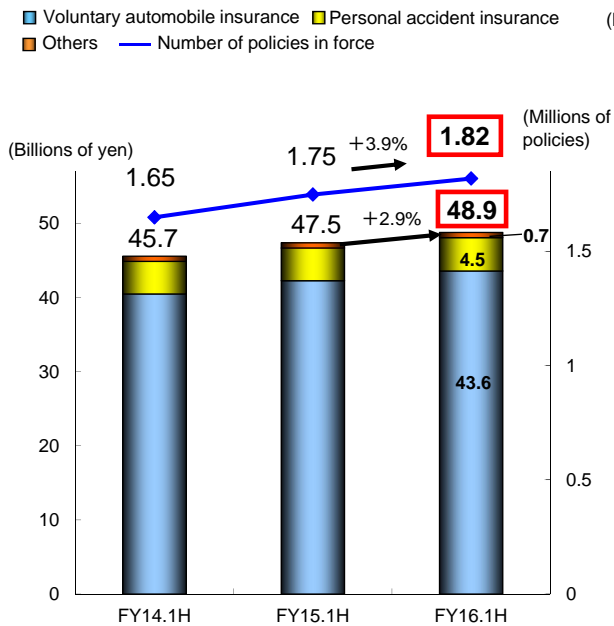
*Medical and cancer insurance is included in personal accident.

Net losses paid

(Millions of yen)	FY15.1H	FY16.1H	Change
Fire	0	4	+491.3%
Marine	100	(11)	—
Personal accident	1,207	1,228	+1.7%
Voluntary automobile	21,096	22,175	+5.1%
Compulsory automobile liability	628	649	+3.3%
Total	23,033	24,046	+4.4%

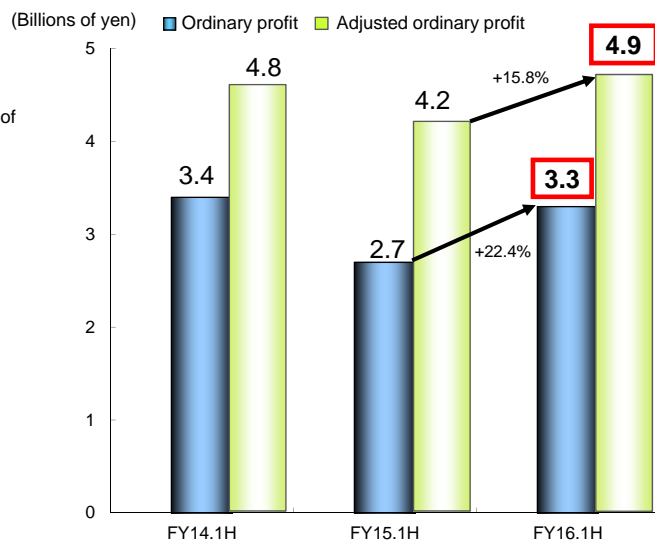
Operating Performance: Sony Assurance (1)

Net Premiums Written and 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



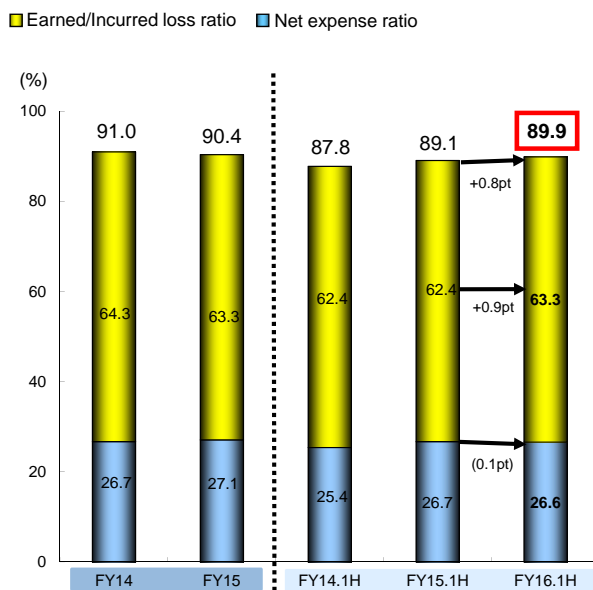
*Adjusted ordinary profit = Ordinary profit + Provision for catastrophe reserve

(Reference) Provision for catastrophe reserve	(Billions of yen)		
	FY14.1H	FY15.1H	FY16.1H
Provision for catastrophe reserve	1.4	1.5	1.5

*Provision for catastrophe reserve is described as positive amount.

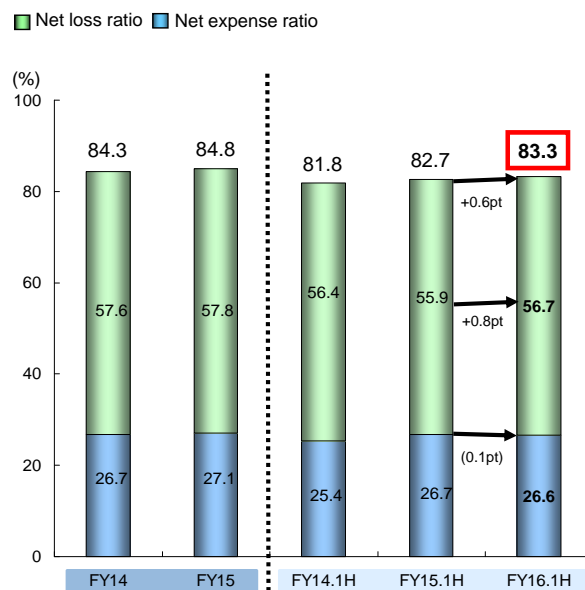
Operating Performance: Sony Assurance (2)

Earned/Incurred Loss Ratio + Net Expense Ratio



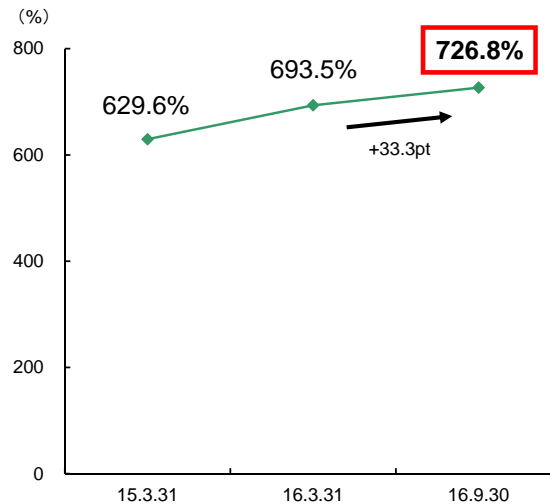
Notes:
Earned/Incurred loss ratio = (Net losses paid + Provision for reserve for outstanding losses + Loss adjustment expenses) / Earned premiums
[Earthquake insurance and compulsory automobile liability insurance are excluded from the above calculation.]

(Reference) Combined Ratio (Net Loss Ratio + Net Expense Ratio)



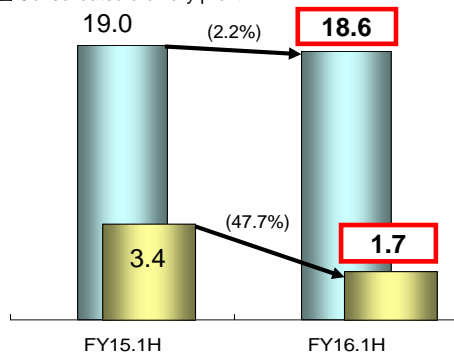
Notes:
Net loss ratio = (Net losses paid + Loss adjustment expenses) / Net premiums written
Net expense ratio = Expenses related to underwriting / Net premiums written

Non-consolidated Solvency Margin Ratio



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

- Consolidated ordinary revenues
- Consolidated ordinary profit



<Consolidated>

- ◆ Ordinary revenues decreased due to a decrease in interest and dividend income on securities, partially offset by an increase in interest income on loans in line with a favorably growing balance of mortgage loans. Ordinary profit decreased significantly due to lower interest rates, an increase in operating expenses, mainly in advertising expenses for card loan business, as well as decreased volumes of foreign currency and investment trust transactions.

<Non-consolidated>

- ◆ Both gross operating profit and net operating profit decreased year on year.
- Net interest income increased reflecting a growing balance of mortgage loans under the low interest rates environment.
- Net fees and commissions decreased due to lower sales of investment trusts and higher fees on guarantee commission.
- Net other operating income decreased due to lower gains on customer dealings in foreign currency transactions.

<Consolidated>

(Billions of yen)	FY15.1H	FY16.1H	Change	
Consolidated ordinary revenues	19.0	18.6	(0.4)	(2.2%)
Consolidated ordinary profit	3.4	1.7	(1.6)	(47.7%)
Profit attributable to owners of the parent	2.2	1.1	(1.0)	(48.9%)

<Non-consolidated>

(Billions of yen)	FY15.1H	FY16.1H	Change	
Ordinary revenues	17.5	16.9	(0.6)	(3.7%)
Gross operating profit	10.9	10.0	(0.9)	(8.2%)
Net interest income	8.0	8.4	+0.3	+4.9%
Net fees and commissions	0.2	(0.5)	(0.7)	—
Net other operating income	2.7	2.1	(0.5)	(21.7%)
General and administrative expenses	7.6	8.4	+0.7	+10.0%
Net operating profit	3.3	1.6	(1.6)	(50.0%)
Ordinary profit	3.3	1.6	(1.7)	(52.0%)
Net income	2.2	1.1	(1.1)	(50.4%)

(Billions of yen)	16.3.31	16.9.30	Change from 16.3.31	
Net assets	77.4	77.1	(0.2)	(0.3%)
Net unrealized gains on other securities, net of taxes	3.3	3.8	+0.4	+14.8%
Total assets	2,126.5	2,190.0	+63.4	+3.0%

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

(Billions of yen)	15.9.30	16.3.31	16.9.30	Change from 16.3.31	
Customer assets	1,915.7	2,034.4	2,095.7	+61.3	+3.0%
Deposits	1,795.2	1,923.5	1,989.6	+66.1	+3.4%
Yen	1,476.4	1,587.9	1,649.7	+61.7	+3.9%
Foreign currency	318.7	335.5	339.9	+4.3	+1.3%
Investment trusts	120.5	110.9	106.1	(4.7)	(4.3%)
Loans outstanding	1,266.7	1,344.1	1,460.6	+116.5	+8.7%
Mortgage loans	1,154.4	1,237.1	1,362.9	+125.7	+10.2%
Card loans	6.1	10.5	15.3	+4.8	+46.2%
Others	106.1	96.5	82.3^{*1}	(14.1)	(14.7%)
Number of accounts	1.08 million	1.13 million	1.19 million	+0.05 million	+4.9%
Non-performing assets ratio^{*2} (Based on Financial Reconstruction Law)	0.25%	0.23%	0.21%	(0.02pt)	
Capital adequacy ratio^{*3} (domestic criteria)	10.58%	9.89%	9.57%	(0.32pt)	

<Reasons for changes>

◆ Yen deposit balance increased due mainly to an increase in yen time deposit balance.

◆ Yen-denominated balance of foreign currency deposit increased even after the negative impact of exchange rates led by yen appreciation.

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

*1 Loans in others include corporate loans of ¥82.3 billion

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

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

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

<Reference> On Managerial Accounting Basis

(Billions of yen)	FY15.1H	FY16.1H	Change	
Gross operating profit	10.9	10.0	(0.9)	(8.2%)
Net interest income ^{*1} ①	9.1	9.7	+0.5	+5.8%
Net fees and commissions ^{*2} ②	0.7	(0.2)	(0.9)	—
Net other operating income ^{*3} ③	1.0	0.5	(0.4)	(45.9%)
Gross operating profit (core profit) (A)=①+②	9.9	9.4	(0.4)	(4.2%)
Operating expenses and other expenses^③	7.6	8.4	+0.7	+9.8%
Net operating profit (core profit) =(A)−③	2.2	1.0	(1.1)	(52.5%)

■ Managerial accounting basis

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

*1: Net interest income: Includes profits and losses associated with fund investment recorded in net other operating income, including gains or losses from currency swap transactions.

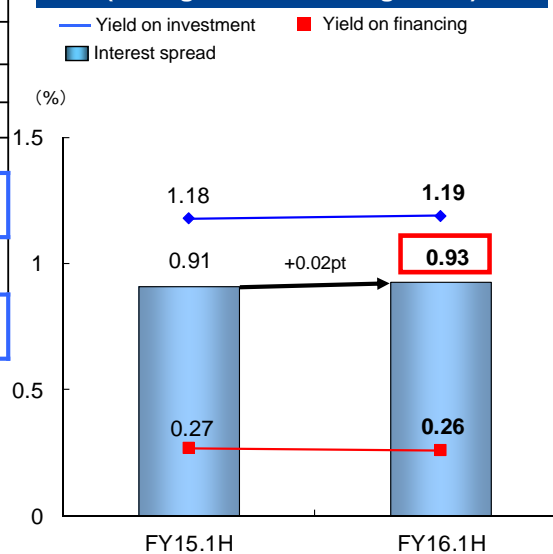
*2: Net fees and commissions: Includes profits and losses for customer dealings in foreign currency transactions recorded in net other operating income.

*3: Net other operating income: After the above adjustments (*1 and *2), mainly consists of profits and losses for bond and derivative dealing transactions.

■ Core profit

Profits and losses exclude net other operating income, which includes those on bond and derivative dealing transactions, and stands for Sony Bank's basic profits.

<Reference> Interest Spread (Managerial Accounting Basis)



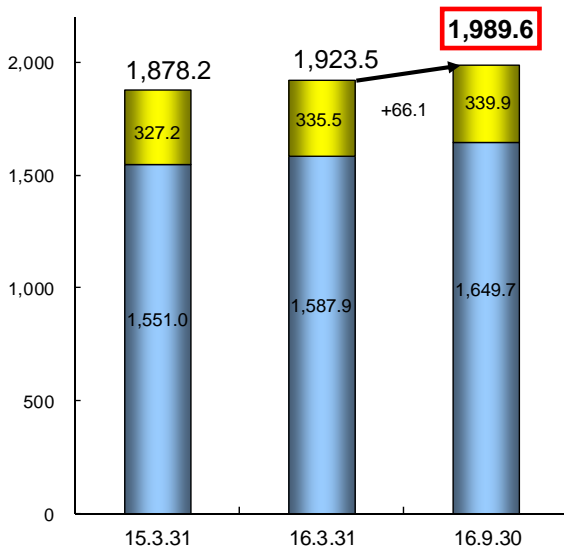
Note: Interest spread=(Yield on investment)-(Yield on financing)

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

Deposits

■ Yen deposits ■ Foreign currency deposits

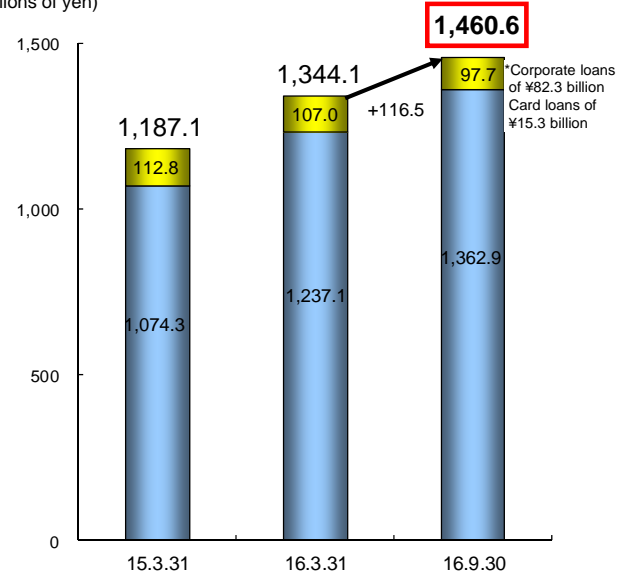
(Billions of yen)



Loans

■ Mortgage loans ■ Others

(Billions of yen)

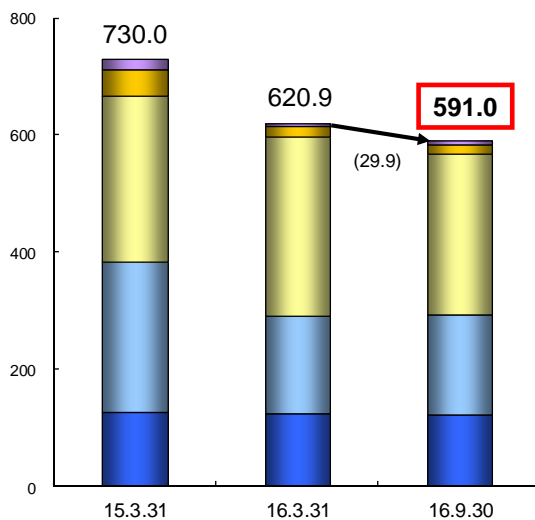


Operating Performance: Sony Bank (Non-consolidated) (2)

Balance of Securities by Credit Rating

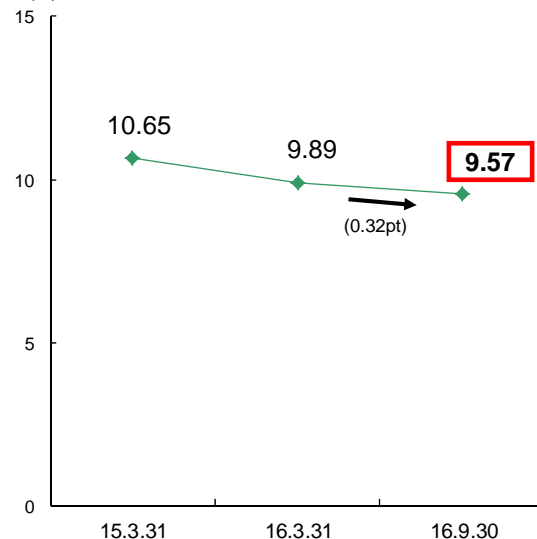
■ AAA ■ AA ■ A
■ BBB ■ Others

(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 (FY16)

Forecast of Consolidated Financial Results for FY16

Forecast of consolidated financial results for FY16 is unchanged from the forecast announced on April 28, 2016

(Billions of yen)	FY15 (Actual)	FY16 (Forecast)	Change	FY16.1H (Actual)	Progress rate
Consolidated ordinary revenues	1,362.0	1,450.0	+6.5%	631.9	43.6%
Life insurance business	1,230.2	1,309.8	+6.5%	564.5	43.1%
Non-life insurance business	96.9	101.6	+4.8%	50.2	49.5%
Banking business	37.9	37.9	(0.1%)	18.6	49.1%
Consolidated ordinary profit	71.1	71.0	(0.1%)	37.1	52.3%
Life insurance business	60.2	62.5	+3.8%	32.2	51.6%
Non-life insurance business	4.6	4.4	(6.0%)	3.3	76.7%
Banking business	5.9	4.5	(24.9%)	1.7	39.8%
Profit attributable to owners of the parent	43.3	46.0	+6.1%	25.1	54.6%

■ Life insurance business

In FY16.1H, ordinary revenues were below our initial expectations due mainly to a decline in insurance premium revenues, but ordinary profit exceeded our initial expectations due mainly to an decrease in insurance claim payments. We maintain our ordinary revenues and ordinary profit forecast for the full year, taking into consideration such factors as the trends in insurance claim payments and the financial market environment in the second half of the fiscal year.

■ Non-life insurance business

Although ordinary profit in the first half outpaced our initial expectations due mainly to higher gains on sale of securities, we maintain our ordinary revenues and ordinary profit forecast for the full year because we expect higher fees related to new policy acquisitions in the second half.

■ Banking business

We maintain our ordinary revenues and ordinary profit forecast for the full year because the operating results in the first half were nearly the same as our initial forecast, and we expect this trend to continue in the second half.

Sony Life's MCEV and ESR as of September 30, 2016

MCEV as of March 31, 2016 is restated by using ultimate forward rates (UFR).
Please keep in mind that the validity of these calculations of MCEV as of March 31, 2016, June 30, 2016 and September 30, 2016 has not been verified by outside specialists.
A part of the calculations of MCEV as of June 30, 2016 and September 30, 2016 adopted simplified method.

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

Sony Life's MCEV as of September 30, 2016

(Billions of yen)	16.3.31	16.6.30	16.9.30	Change from 16.3.31	Change from 16.6.30
MCEV	1,330.1	1,076.4	1,229.3	(100.8)	+152.9
Adjusted net worth	2,074.4	2,671.8	2,187.8	+113.3	(484.1)
Value of existing business	(744.4)	(1,595.5)	(958.5)	(214.1)	+637.0

(Billions of yen)	FY15.4Q (3M)	FY16.1Q (3M)	FY16.2Q (3M)	FY16.1H (6M)
New business value	3.9	(0.2)	5.0	4.8
New business margin	1.2%	(0.0%)	1.6%	0.7%

Notes:

1. Calculated MCEV as of June 30, 2016 and September 30, 2016 by using updated economic assumptions and lapse and surrender rate from March 31, 2016.
2. New business value for FY16.1Q and FY16.2Q are calculated accumulating new business value for each month based on economic assumptions at the end of each month. New business value for FY15.4Q is calculated accumulating new business value for each quarter based on economic assumptions at the end of each quarter.

◆ **Reasons for changes in MCEV**

- MCEV as of September 30, 2016 increased ¥152.9 billion from June 30, 2016 due mainly to a rise in interest rates.

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

- New business value for FY16.2Q (3M), was ¥5.0 billion. New business margin was up 1.6pt from FY16.1Q (3M), due mainly to a rise in interest rates and a change of product mix.

*Please refer to the appendix page 44 for trend on JGB yield.

	(after tax)		
(Billions of yen)	16.3.31	16.6.30	16.9.30
Insurance risk*	989.3	1,227.6	1,042.7
Market-related risk	324.2	295.0	341.6
<i>Of which, interest rate risk**</i>	<i>255.2</i>	<i>218.0</i>	<i>264.1</i>
Operational risk	31.4	31.5	31.3
Counter party risk	2.0	2.2	1.9
Variance effect	(374.4)	(414.5)	(394.5)
The risk amount based on economic value	972.4	1,141.8	1,023.0

(*) Risk amount excluding the variance effect within Life module and Health module.

(**) Risk amount excluding the variance effect within market-related risk.

(Billions of yen)	16.3.31	16.6.30	16.9.30
MCEV + Frictional costs	1,366.5	1,085.5	1,266.2
ESR	141%	95%	124%

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 + Frictional costs) / Risk amount based on economic value.

- ◆ ESR as of September 30, 2016 was up 29pt from June 30, 2016 due mainly to a rise in interest rates.
- ◆ Sony Life will continue to improve ESR levels by accumulating new business value through reinforcing its sales capabilities as well as ensuring profitability.

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 (29*) *As of Nov. 14, 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

*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 20% of the balance of mortgage loans as of September 30, 2016

Sony Life accounts for 19% of the amount of new mortgage loans for FY16.1H

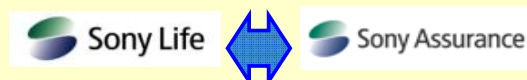
*Sony Life started handling banking agency business in January 2008.



Sony Assurance's Auto Insurance Sold by Sony Life

■ Sony Life accounts for approx. 4% of new automobile policies for FY16.1H

*Sony Life started handling automobile insurance in May 2001.



<Highlights on and after FY16.2Q>

2016-07-01	Sony Life opened a representative office in Singapore
2016-07-04	SFH and Sony Life relocated their headquarters to Chiyoda-ku, Tokyo
2016-08-08	SFH announced the determination of the final terms of the issuance of stock acquisition rights as stock-type compensation stock option
2016-10-01	Sony Life commenced sale of new product: "Non-participating Group Welfare Term Life Insurance"
2016-10-03	Sony Life adopted paperless insurance procedures for its policyholders
2016-10-25	Sony Life agreed to acquire an entity stake in ClearView Wealth Limited (Australia) and announced business alliance
2016-10-31	Sony Bank began offering U.S. dollar-denominated active funds on investment trusts
2016-11-07	Sony Bank began expanding foreign currency settlement services for Sony Bank WALLET users

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)

	15.3.31			16.3.31			16.9.30		
	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	4,878.7	5,718.2	839.4	5,383.9	7,410.1	2,026.2	5,709.3	7,877.7	2,168.3
Policy reserve matching bonds	-	-	-	251.2	292.5	41.3	270.3	316.7	46.3
Available-for-sale securities	1,007.8	1,176.6	168.8	887.9	1,091.6	203.6	878.1	1,075.7	197.5
Japanese government and corporate bonds	974.6	1,120.1	145.5	854.3	1,040.3	186.0	853.4	1,040.0	186.5
Japanese stocks	13.4	29.4	16.0	13.6	25.6	12.0	13.6	24.5	10.9
Foreign securities	19.4	26.4	6.9	19.8	25.2	5.4	10.8	10.8	(0.0)
Other securities	0.3	0.6	0.3	0.1	0.3	0.1	0.1	0.2	0.1
Total	5,886.6	6,894.9	1,008.3	6,523.1	8,794.3	2,271.1	6,857.9	9,270.1	2,412.2

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, 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
As of Sep. 30, 2016; Carrying amount: None

Valuation gains (losses) on trading-purpose securities

(Billions of yen)

Balance sheet amount	15.3.31		16.3.31		16.9.30	
	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	1.0	(0.1)

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

Sony Life's Interest Income and Dividends (Details)

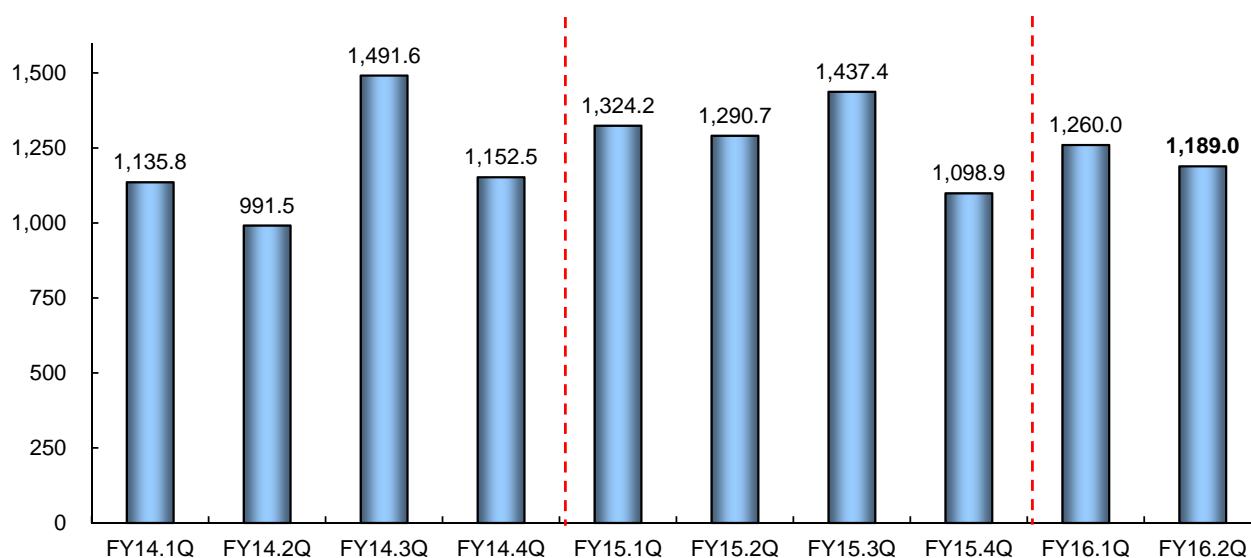
(Millions of yen)

	FY15.1H	FY16.1H	Change
Cash and deposits	0	0	+ 177.5%
Japanese government and corporate bonds	56,333	59,830	+ 6.2%
Japanese stocks	263	260	(1.3%)
Foreign securities	3,982	3,512	(11.8%)
Other securities	1,041	31	(97.0%)
Loans	3,056	3,171	+ 3.8%
Real estate	5,135	5,430	+ 5.8%
Others	33	53	+ 60.0%
Total	69,846	72,291	+ 3.5%

Sony Life's Quarterly Trend on New Policy Amount

Quarterly Trend on New Policy Amount

(Billions of yen)

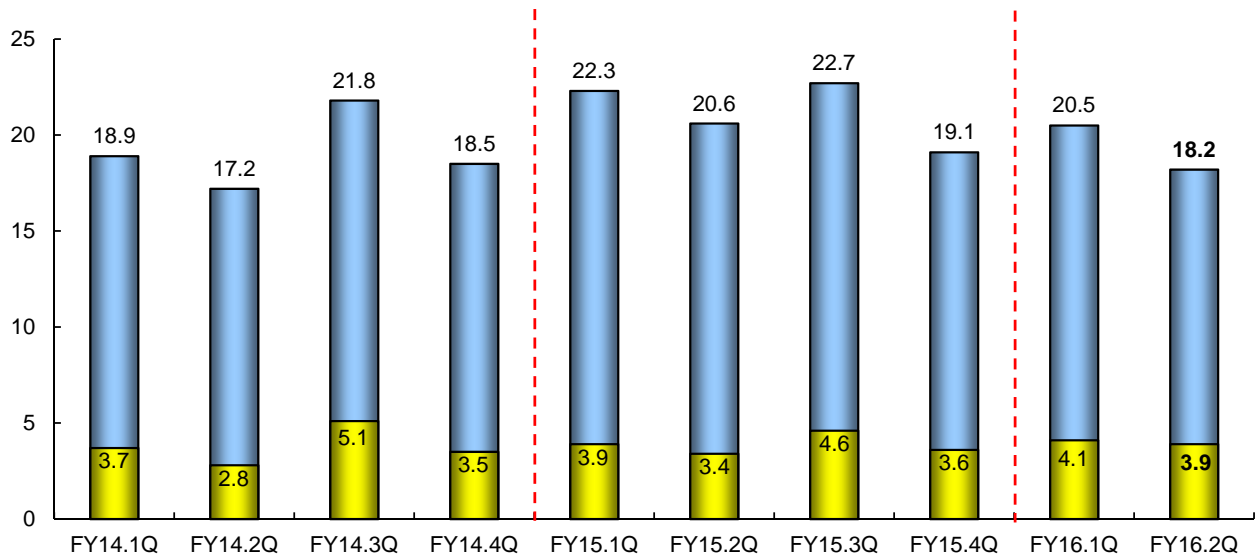


Sony Life's Quarterly Trend on Annualized Premiums from New Policies

Quarterly Trend on Annualized Premiums from New Policies

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

(Billions of yen)

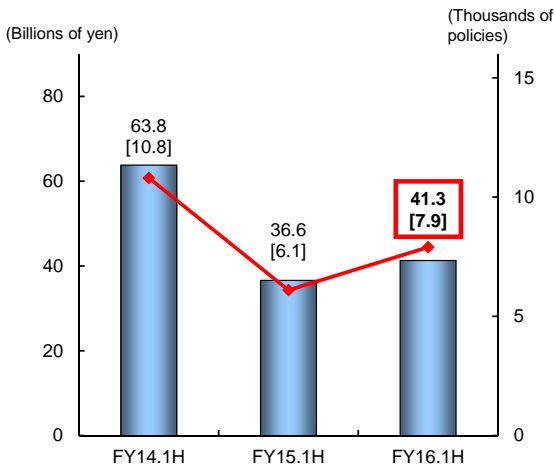


Operating Performance : AEGON Sony Life Insurance

*AEGON Sony Life Insurance sells individual variable annuities.

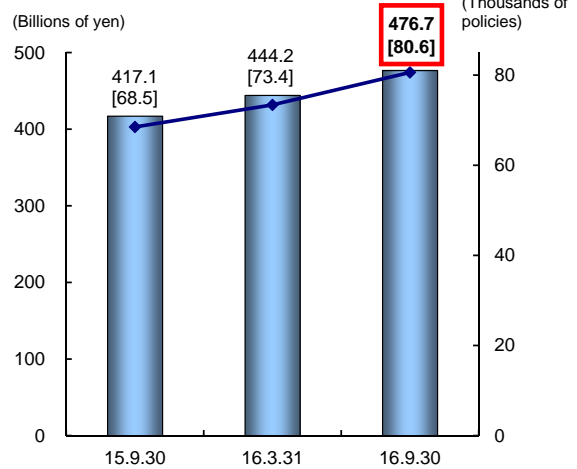
Number and Amount of New Policies

■ New policy amount — Number of new policies []



Number and Amount of Policies in Force

■ Policy amount in force — Number of policies in force []



(Billions of yen)	FY15.1H	FY16.1H	Change
AEGON Sony Life Insurance	(0.7)	(1.9)	(1.2)
SA Reinsurance	(0.0)	(0.3)	(0.2)

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 September 30, 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

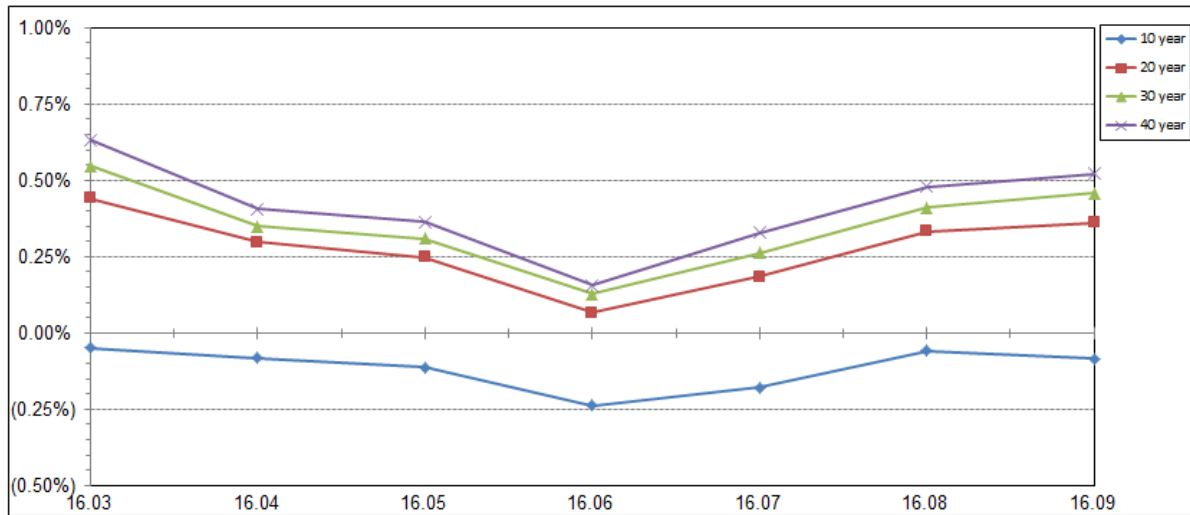
	Sony Life	(Reference) EU Solvency II Implementing Measures (Delegated Regulation)
Mortality risk	Mortality rate increases by 15% for each year elapsed	Same as on the left
Longevity risk	Mortality rate decreases by 20% for each year elapsed	Same as on the left
Lapse risk	The largest amount of these; ⁻² <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 September 30, 2016.

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

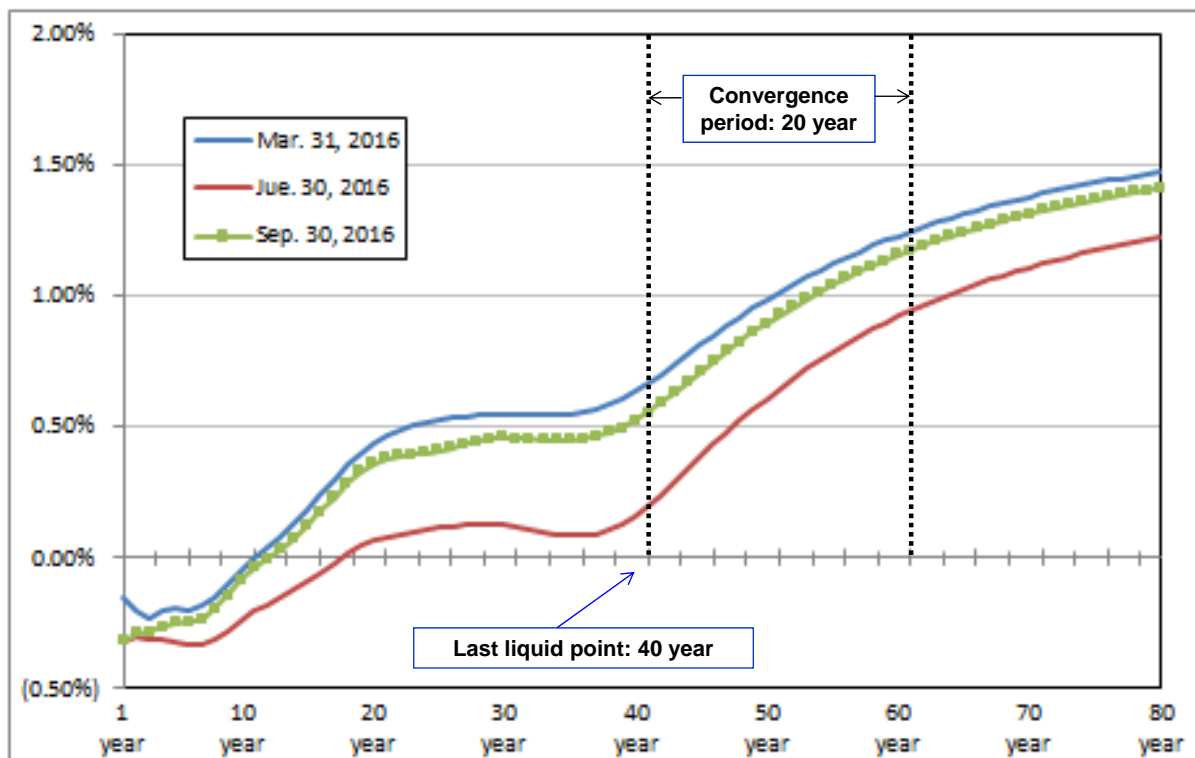
Trend on JGB Yields (Par rate)



As of the end of each month

	16.03	16.04	16.05	16.06	16.07	16.08	16.09
10 year	(0.05%)	(0.08%)	(0.11%)	(0.24%)	(0.18%)	(0.06%)	(0.08%)
20 year	0.44%	0.30%	0.25%	0.07%	0.18%	0.33%	0.36%
30 year	0.55%	0.35%	0.31%	0.13%	0.26%	0.41%	0.46%
40 year	0.63%	0.41%	0.36%	0.16%	0.33%	0.48%	0.52%

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



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



Contact:
Communications & Investor Relations Department
Sony Financial Holdings Inc.
TEL: +81-3-5290-6500