

**Consolidated Financial Summary (Japanese GAAP)  
for the Three Months Ended June 30, 2018**

August 9, 2018

Company name: Sony Financial Holdings Inc.  
 (URL: [https://www.sonyfh.co.jp/index\\_en.html](https://www.sonyfh.co.jp/index_en.html))  
 Stock exchange listing: Tokyo Stock Exchange (code number: 8729)  
 Representative: Shigeru Ishii, President and Representative Director  
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(Fractional amounts of less than ¥1 million are discarded.)

1. Consolidated financial results for the three months ended June 30, 2018

(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 three months ended June 30, 2018	420,658	15.3	28,825	51.7	20,077	59.8
For the three months ended June 30, 2017	364,984	11.7	18,995	(25.5)	12,566	(28.9)

Note: Comprehensive Income: For the three months ended June 30, 2018: ¥ 15,750 million: 12.8%  
 For the three months ended June 30, 2017: ¥ 13,968 million: (54.1)%

	Net Income per Share	Net Income per Share (Fully Diluted)
	Yen	Yen
For the three months ended June 30, 2018	46.15	46.15
For the three months ended June 30, 2017	28.89	28.89

(2) Financial conditions

	Total Assets	Total Net Assets	Net Asset Ratio
	Millions of yen	Millions of yen	%
As of June 30, 2018	12,772,026	615,075	4.8
As of March 31, 2018	12,401,446	625,406	5.0

Note: Net Assets Attributable to Shareholders: As of June 30, 2018: ¥ 613,271 million  
 As of March 31, 2018: ¥ 623,661 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, 2018	—	0.00	—	60.00	60.00
For the year ending March 31, 2019	—				
For the year ending March 31, 2019 (forecast)		0.00	—	62.50	62.50

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

3. Forecast of consolidated financial results for the year ending March 31, 2019

(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, 2019	1,578,000	4.9	83,000	24.2	55,000	6.0	126.44

Note: Changes in forecast of financial results since the most recent public announcement: None

4. Notes

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

(2) Application of special accounting methods for preparing quarterly Consolidated Financial Statements: None

(3) 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: None

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

(c) Changes in accounting estimates: None

(d) Restatements of the Consolidated Financial Statements: None

(4) Number of shares outstanding (common stock)

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

As of June 30, 2018: 435,035,213 shares

As of March 31, 2018: 435,027,513 shares

(b) Number of treasury shares

As of June 30, 2018: 35,775 shares

As of March 31, 2018: 35,775 shares

(c) Weighted-average number of shares

For the three months ended June 30, 2018: 434,994,276 shares

For the three months ended June 30, 2017: 434,952,695 shares

Status of quarterly review procedures

This document is exempt from quarterly review procedures by certified public accountants or audit firm.

## Content of Supplemental Materials

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\* The conference call for explaining the Sony Financial Group financial results will be held at 15:30 (Tokyo), August 9, 2018. Please note that our conference call will be held only in Japanese.

We will upload the presentation materials with speech text on August 9, 2018 after 15:00, the translation of the conference call (audio) on August 10 and the Q&A summary (text) at a later date on Earnings Releases and Presentation Materials page on our website:

[https://www.sonyfh.co.jp/en/financial\\_info/results/index.html](https://www.sonyfh.co.jp/en/financial_info/results/index.html)

\* On August 9, 2018, 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 their financial results for the three months ended June 30, 2018. SFH has prepared an English-language summary of those Japanese announcements made by the above subsidiaries, solely for the convenience of non-Japanese readers.

## I. Consolidated Financial Statements

### 1. Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2018	As of June 30, 2018
<b>Assets</b>		
Cash and due from banks	¥ 327,633	¥ 395,115
Call loans and bills bought	65,500	70,800
Monetary claims purchased	5,378	4,370
Money held in trust	291,582	289,477
Securities	9,581,206	9,848,404
Loans	1,785,877	1,811,096
Tangible fixed assets	106,051	105,219
Intangible fixed assets	35,684	35,570
Due from reinsurers	934	808
Foreign exchanges	9,346	10,596
Other assets	168,736	176,270
Net defined benefit asset	3,426	3,484
Deferred tax assets	21,242	22,034
Reserve for possible loan losses	(1,152)	(1,222)
<b>Total Assets</b>	<b>¥ 12,401,446</b>	<b>¥ 12,772,026</b>

(Millions of yen)

	As of March 31, 2018	As of June 30, 2018
<b>Liabilities</b>		
Policy reserves and others	¥ 8,763,349	¥ 8,969,061
Reserve for outstanding claims	74,712	75,729
Policy reserves	8,683,153	8,887,958
Reserve for policyholders' dividends	5,484	5,373
Due to agencies	1,873	1,447
Due to reinsurers	5,563	4,931
Deposits	2,159,246	2,206,087
Call money and bills sold	96,000	173,411
Borrowed money	173,944	174,013
Foreign exchanges	228	131
Bonds payable	20,000	20,000
Other liabilities	470,501	523,659
Reserve for employees' bonuses	3,906	1,923
Net defined benefit liability	33,179	33,530
Special reserves	48,135	48,642
Reserve for price fluctuations	48,135	48,642
Deferred tax liabilities	0	0
Deferred tax liabilities on land revaluation	109	109
<b>Total Liabilities</b>	<b>11,776,039</b>	<b>12,156,950</b>
<b>Net Assets</b>		
Common stock	19,927	19,934
Capital surplus	191,157	191,164
Retained earnings	283,911	277,889
Treasury stock	(55)	(55)
Total shareholders' equity	494,941	488,932
Net unrealized gains (losses) on other securities, net of taxes	133,991	129,475
Net deferred gains (losses) on hedging instruments, net of taxes	(902)	(902)
Land revaluation, net of taxes	(2,439)	(2,439)
Remeasurements of defined benefit plans, net of taxes	(1,929)	(1,795)
Total accumulated other comprehensive income	128,719	124,338
Subscription rights to shares	97	101
Non-controlling interests	1,648	1,702
<b>Total Net Assets</b>	<b>625,406</b>	<b>615,075</b>
<b>Total Liabilities and Net Assets</b>	<b>¥ 12,401,446</b>	<b>¥ 12,772,026</b>

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

(Millions of yen)

	For the three months ended June 30, 2017	For the three months ended June 30, 2018
Ordinary Revenues	¥ 364,984	¥ 420,658
Ordinary Revenues from the Life Insurance Business	327,165	378,636
Income from insurance premiums	240,705	268,909
(Insurance premiums)	240,138	268,418
Investment income	82,979	106,995
(Interest income and dividends)	38,694	40,423
(Income from monetary trusts, net)	1,127	1,127
(Gains on trading securities, net)	12	—
(Gains on sale of securities)	0	3,265
(Foreign exchange gains, net)	49	12,287
(Gains on separate accounts, net)	43,092	49,892
Other ordinary income	3,479	2,731
Ordinary Revenues from the Non-life Insurance Business	28,043	29,701
Underwriting income	27,571	29,067
(Net premiums written)	27,556	29,051
(Interest and dividends on deposits of premiums)	15	16
Investment income	453	622
(Interest income and dividends)	334	340
(Gains on sale of securities)	134	297
(Transfer to interest and dividends on deposits of premiums)	(15)	(16)
Other ordinary income	18	12
Ordinary Revenues from the Banking Business	9,671	10,711
Interest income	6,871	7,495
(Interest income on loans)	4,193	4,308
(Interest income and dividends on securities)	2,658	3,169
Fees and commissions	1,493	1,965
Other operating income	1,212	1,052
Other ordinary income	94	198
Other	105	1,607
Other ordinary income	105	1,607

(Continued)

(Millions of yen)

	For the three months ended June 30, 2017	For the three months ended June 30, 2018
Ordinary Expenses	¥ 345,989	¥ 391,832
Ordinary Expenses from the Life Insurance Business	312,671	356,460
Insurance claims and other payments	96,772	100,823
(Insurance claims)	23,486	22,755
(Annuity payments)	2,970	3,168
(Insurance benefits)	21,717	21,952
(Surrender payments)	45,733	49,629
(Other payments)	872	1,017
Provision for policy reserves and others	165,599	202,035
Provision for reserve for outstanding claims	—	1,001
Provision for policy reserves	165,599	201,033
Interest portion of reserve for policyholders' dividends	0	0
Investment expenses	8,839	9,307
(Interest expenses)	15	247
(Losses on trading securities, net)	—	40
(Losses on sale of securities)	—	34
(Losses on derivatives, net)	7,015	7,855
Operating expenses	33,134	35,425
Other ordinary expenses	8,326	8,868
Ordinary Expenses from the Non-life Insurance Business	25,478	25,703
Underwriting expenses	18,885	19,187
(Net losses paid)	12,180	13,076
(Loss adjustment expenses)	1,824	1,963
(Net commission and brokerage fees)	377	360
(Provision for reserve for outstanding losses)	366	15
(Provision for underwriting reserves)	4,137	3,771
Operating, general and administrative expenses	6,592	6,515
Other ordinary expenses	0	0
Ordinary Expenses from the Banking Business	¥ 7,462	¥ 7,875
Interest expenses	1,946	1,897
(Interest expenses on deposits)	1,266	1,511
Fees and commissions	1,050	1,332
Other operating expenses	15	1
General and administrative expenses	4,412	4,498
Other ordinary expenses	37	146
Other	376	1,793
Other ordinary expenses	376	1,793
Ordinary Profit	18,995	28,825

(Continued)

(Millions of yen)

	For the three months ended June 30, 2017	For the three months ended June 30, 2018
Extraordinary Gains	—	0
Gains on disposal of fixed assets	—	0
Extraordinary Losses	452	550
Losses on disposal of fixed assets	0	35
Impairment losses	0	7
Provision for special reserves	452	506
Provision for reserve for price fluctuations	452	506
Provision for Reserve for Policyholders' Dividends	222	23
Income Before Income Taxes	18,320	28,252
Income Taxes - Current	5,169	7,199
Income Taxes - Deferred	540	921
Total Income Taxes	5,710	8,121
Profit	12,610	20,131
Profit Attributable to Non-controlling Interests	44	54
Profit Attributable to Owners of the Parent	¥ 12,566	¥ 20,077



**(Consolidated Statements of Comprehensive Income)**

(Millions of yen)

	For the three months ended June 30, 2017	For the three months ended June 30, 2018
Profit	¥ 12,610	¥ 20,131
Other comprehensive income		
Net unrealized gains (losses) on other securities, net of taxes	1,128	(4,515)
Net deferred gains (losses) on hedging instruments, net of taxes	66	0
Remeasurements of defined benefit plans, net of taxes	163	134
Total other comprehensive income	1,357	(4,380)
Comprehensive income	¥ 13,968	¥ 15,750
(Details)		
Comprehensive income attributable to owners of the parent	13,923	15,695
Comprehensive income attributable to non-controlling interests	44	54

### 3. Note on going concern

Not applicable.

### 4. Material changes in stockholders' equity

Not applicable.

### 5. Segment Information

#### (1) Segment Information by reportable segment

For the three months ended June 30, 2017

	Millions of yen					
	Life insurance business	Non-life insurance business	Banking business	Total	Other	Total
Ordinary revenues						
External customers	¥ 327,165	¥ 28,043	¥ 9,671	¥ 364,879	¥ 105	¥ 364,984
Intersegment	829	0	54	884	—	884
Total	327,994	28,043	9,725	365,764	105	365,869
Segment profit	¥ 15,144	¥ 2,375	¥ 1,703	¥ 19,223	¥ (272)	¥ 18,951

(Note) "Other" consists of the nursing care business, which is not a reportable segment.

For the three months ended June 30, 2018

	Millions of yen					
	Life insurance business	Non-life insurance business	Banking business	Total	Other	Total
Ordinary revenues						
External customers	¥ 378,636	¥ 29,701	¥ 10,711	¥ 419,050	¥ 1,607	¥ 420,658
Intersegment	775	0	67	843	—	843
Total	379,412	29,702	10,778	419,893	1,607	421,501
Segment profit	¥ 22,924	¥ 3,801	¥ 2,232	¥ 28,959	¥ (185)	¥ 28,773

(Note) "Other" consists of the nursing care business, which is not a reportable segment.

#### (2) Reconciliations of the totals of reportable segments' profit to quarterly consolidated statement of income

	Millions of yen			
	For the three months ended June 30, 2017		For the three months ended June 30, 2018	
Totals of reportable segments	¥	19,223	¥	28,959
Other		(272)		(185)
Adjustments for intersegment transactions		0		—
Amount not allocated to reportable segments		43		51
Ordinary profit in quarterly consolidated statement of income	¥	18,995	¥	28,825

#### (3) Information on impairment loss on fixed assets and goodwill by reportable segment

Not applicable.

## 6. Subsequent Events

(Establishment of a subsidiary)

SFH established a subsidiary through a company split (simple incorporation-type company split).

### 1.Objective

SFH established an investment subsidiary to invest in venture companies with strengths in Fintech and other fields in the interest of obtaining a financial return and promoting collaboration and cooperation between venture companies and individual companies in the Sony Financial Group. As a result, SFH aims to enhance the Sony Financial Group's existing businesses and create new businesses.

### 2.Overview of the subsidiary

Name	Sony Financial Ventures Inc.
Head office	Chiyoda-ku, Tokyo
Business	Venture capital operations and any other operations ancillary to or related to venture capital operations
Common stock	¥10 million
Issued shares	10,000 shares
Established	July 10, 2018
Shareholder composition	Sony Financial Holdings Inc. 100%

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:

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.  
Proud Life Inc.\*\*

Affiliated companies accounted for under the equity method:

AEGON Sony Life Insurance Co., Ltd.  
SA Reinsurance Ltd.

\*\* Proud Life Inc. is included in the scope of consolidation from the second quarter ended September 30, 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 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.*

## **II. Attachment**

Content of Presentation Material

### **Consolidated Financial Results for the Three Months Ended June 30, 2018 and Sony Life's Market Consistent Embedded Value as of June 30, 2018**

▪ Consolidated Operating Results for the Three Months Ended June 30, 2018 .....	3
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# Presentation Material

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

Sony Financial Holdings Inc.  
August 9, 2018

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### Content



■ Consolidated Operating Results for the Three Months Ended June 30, 2018 (FY18.1Q)	P.3
■ Forecast of Consolidated Financial Results for the Fiscal Year Ending March 31, 2019 (FY18)	P.25
■ Sony Life's MCEV and ESR as of June 30, 2018	P.27
■ Appendix	P.30

#### 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 Three Months Ended June 30, 2018 (FY18.1Q)

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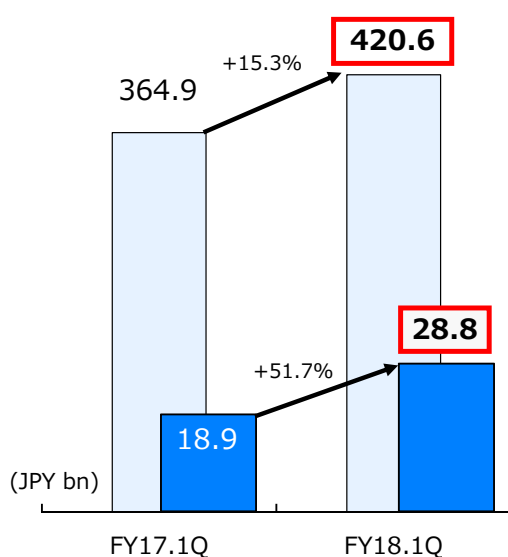
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### Highlights of Consolidated Operating Performance (1)



<Consolidated>

- Ordinary revenues
- Ordinary profit



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

\* "Intersegment adjustments" is mainly from SFH and the nursing care business. Proud Life Inc., a company of nursing care business, has been included in the scope of consolidation from FY17.2Q.

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

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

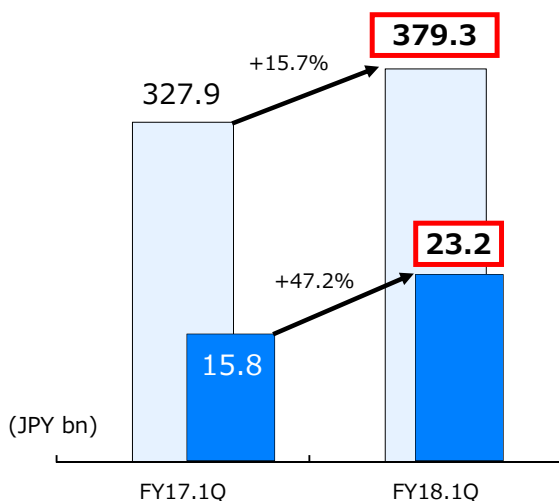
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- **Life Insurance Business** : Ordinary revenues grew year-on-year due to higher income from insurance premiums due mainly to a steady rise in the policy amount in force. Ordinary profit increased year on year due to a recording of gains on sale of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

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

□ Ordinary revenues    ■ Ordinary profit



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

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

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



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

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

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

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

## <Reasons for changes>

◆ Increased due to favorable sales of family income insurance.

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

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

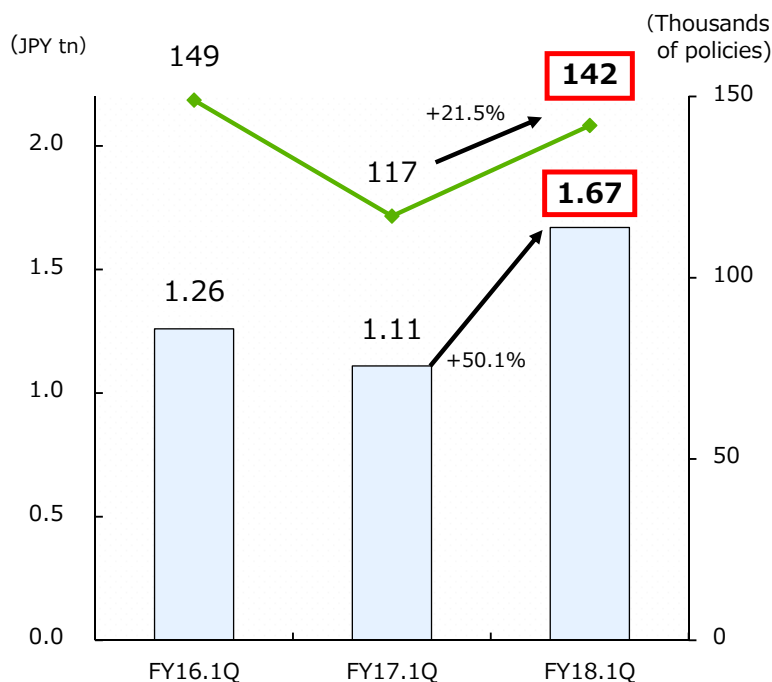
◆ Increased due to an increase of policy amount in force.

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

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

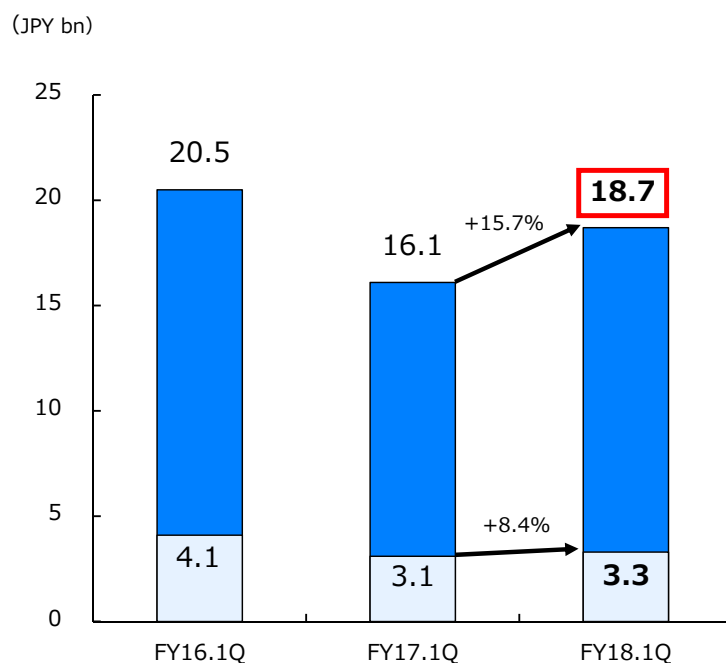
### Number and Amount of New Policies (Individual Life Insurance + Individual Annuities)

□ New policy amount — Number of new policies



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

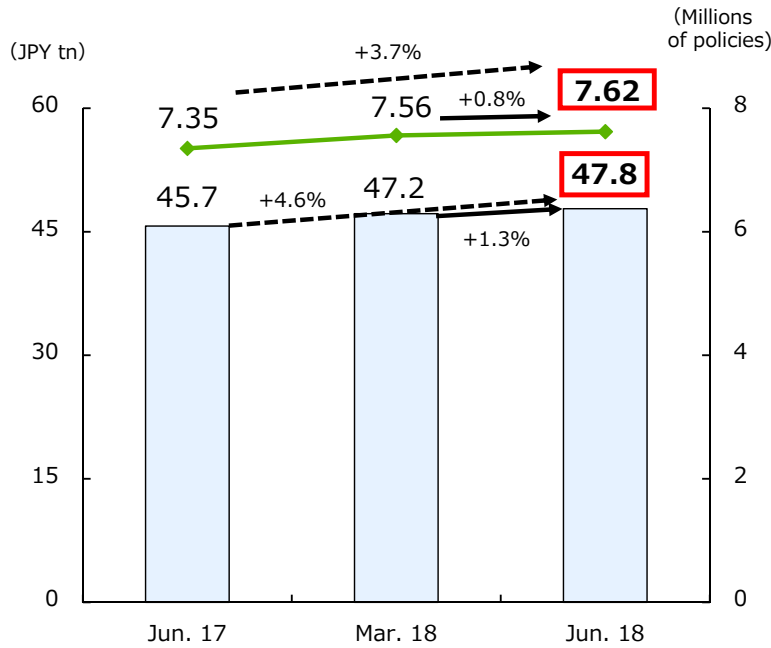
■ Annualized premiums from new policies □ Of which, third-sector



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

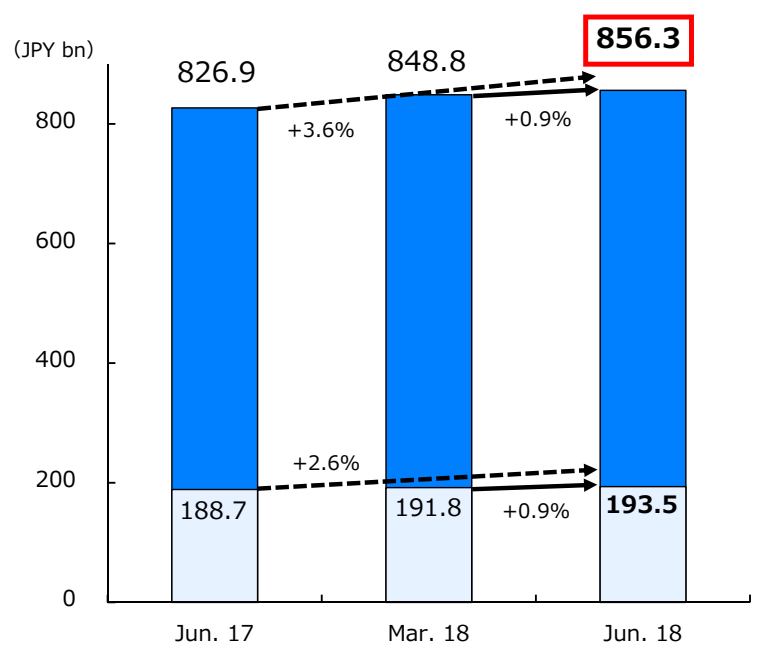
## Number and Amount of Policies in Force (Individual Life Insurance + Individual Annuities)

□ Policy amount in force    ◆ Number of policies in force



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

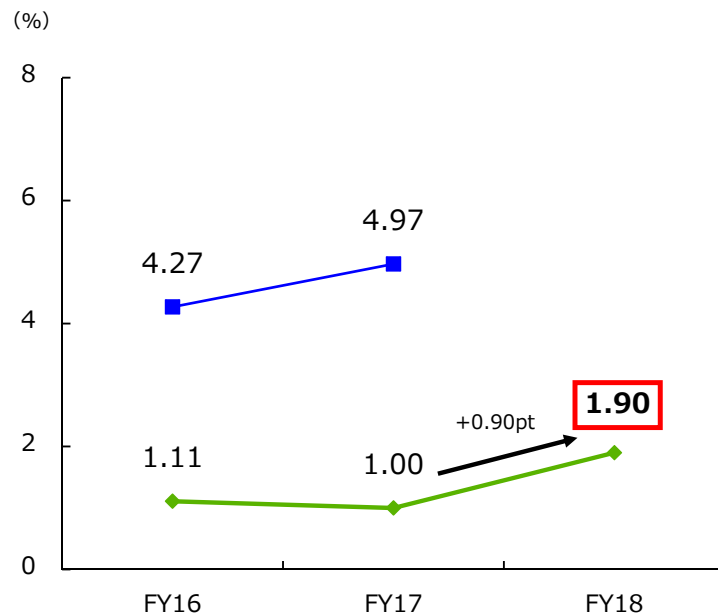
■ Annualized premiums from insurance in force    □ Of which, third-sector



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

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

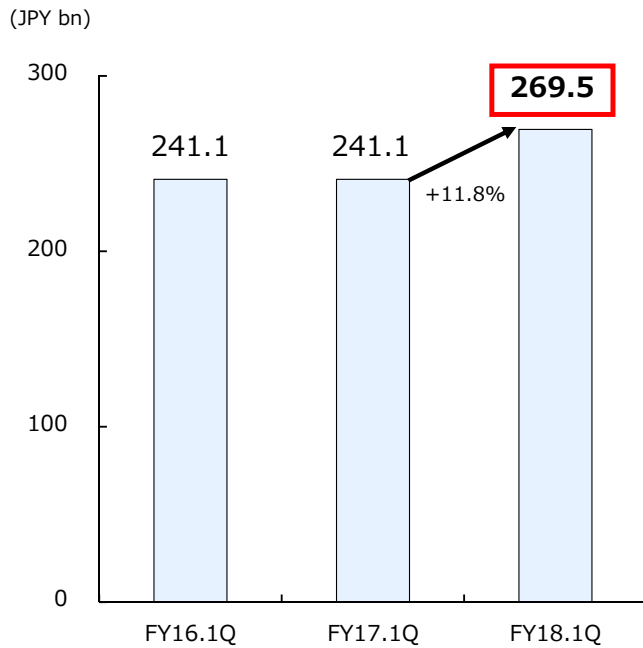
■ Lapse and surrender rate (Annual)    ◆ Lapse and surrender rate (1Q)



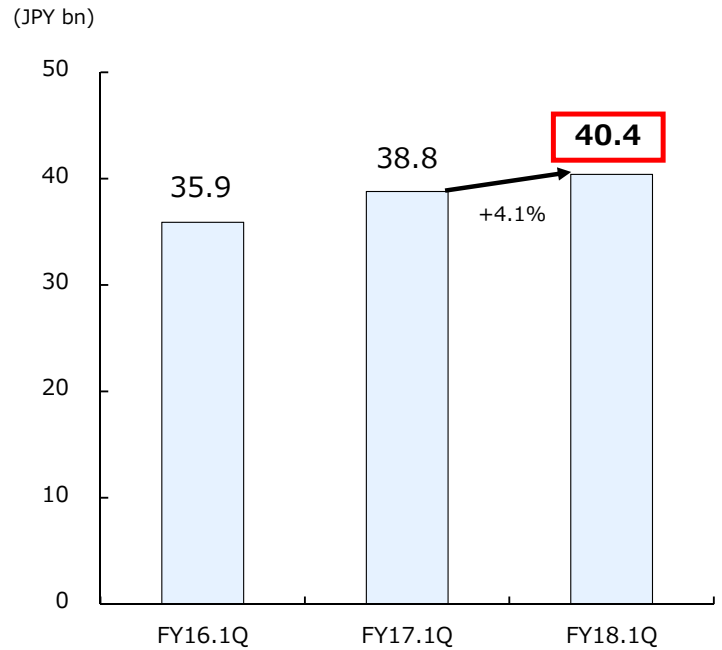
\*The lapse and surrender rate shows the ratio derived by dividing the amount of lapses and surrenders, not adjusted for policy amount decreases, increases, and reinstatements, by the policy amount in force at the beginning of the fiscal year.

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

## Income from Insurance Premiums

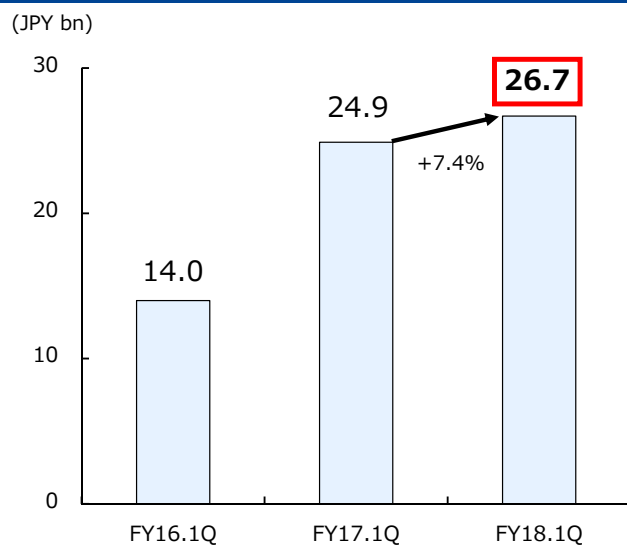


## Interest Income and Dividends



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

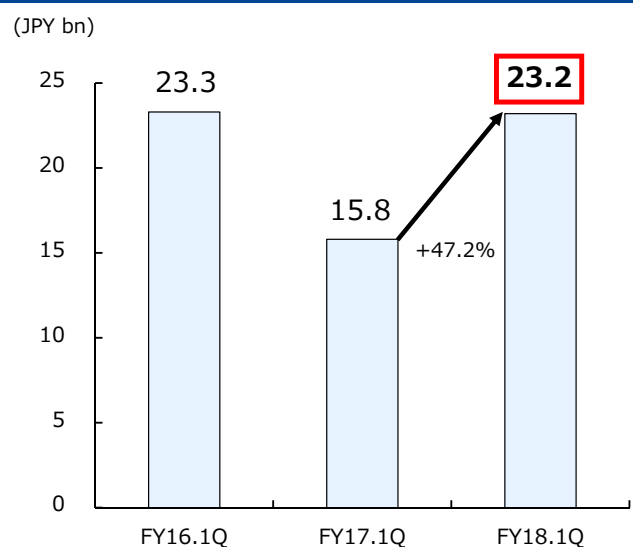
## Core Profit



(Reference) Impact on core profit

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

## Ordinary Profit

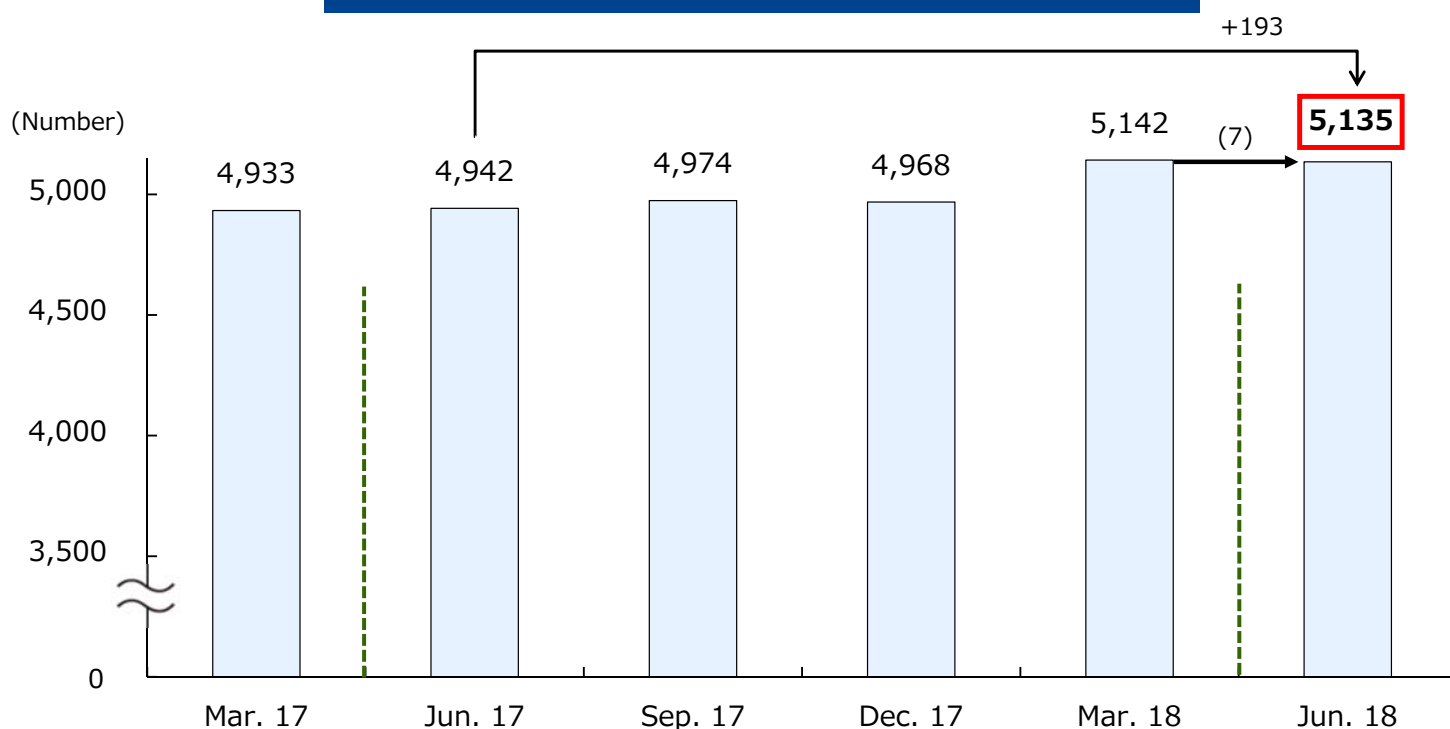


(Reference) Main differences from core profit

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

\*"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.

Number of Lifepanner Sales Employees



Breakdown of General Account Assets

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

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

<Asset management review>

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



<Bond duration>

Mar. 17 21.3 years

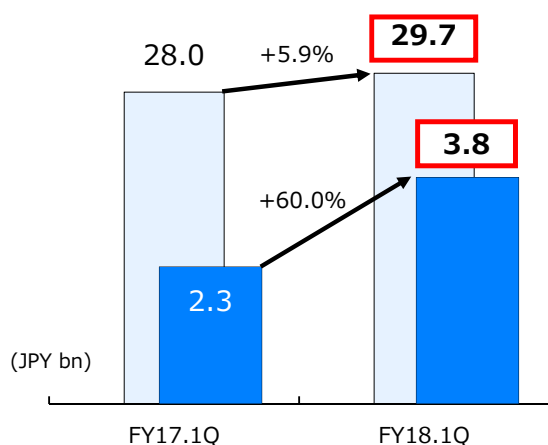
Mar. 18 21.4 years

Jun. 18 21.4 years

- Investment in the money held in trust is mainly into Japanese bonds.
- The holding ratio on the real status of Japanese bonds including those invested in money held in trust in the general account : Jun. 18 ··· 88.9% (Mar. 18 ··· 89.5%)

# Highlights of Operating Performance: Sony Assurance

□ Ordinary revenues ■ Ordinary profit



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

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

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

# Overview of Operating Performance: Sony Assurance

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

### <Reasons for changes>

- ◆ Increased in its mainstay automobile insurance.

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

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

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

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

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

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

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

# Sony Assurance's Underwriting Performance by Type of Policy

## Direct Premiums Written

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

## Net Premiums Written

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

## Net losses paid

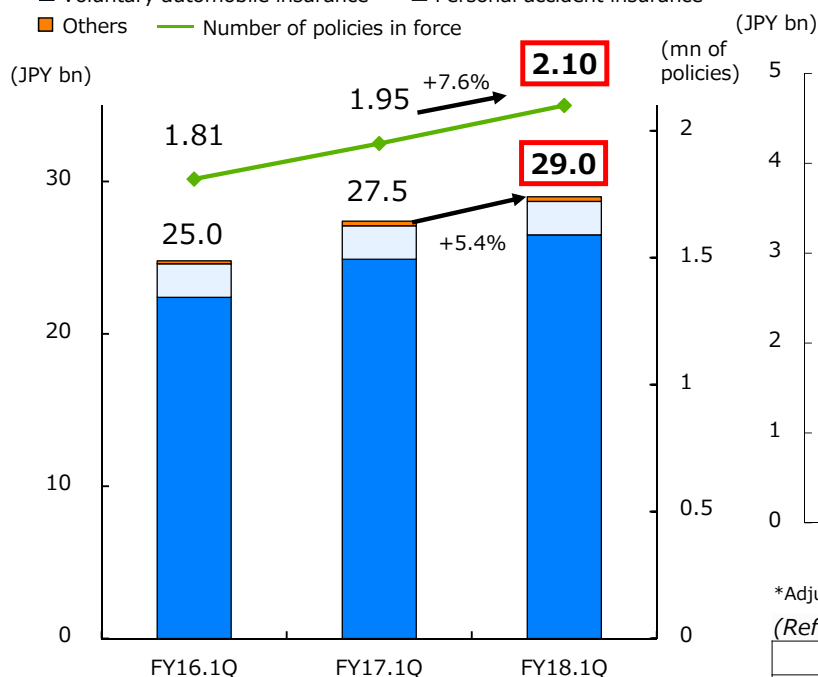
(JPY mn)	FY17.1Q	FY18.1Q	Change
Fire	0	1	+62.7%
Marine	2	1	(26.8%)
Personal accident	645	691	+7.1%
Voluntary automobile	11,219	12,052	+7.4%
Compulsory automobile liability	311	329	+5.5%
<b>Total</b>	<b>12,180</b>	<b>13,076</b>	<b>+7.4%</b>

\*Medical insurance is included in personal accident.

## Operating Performance: Sony Assurance (1)

### Net Premiums Written and Number of Policies in Force

■ Voluntary automobile insurance 
 ■ Personal accident insurance 
 ■ Others 
 — Number of policies in force

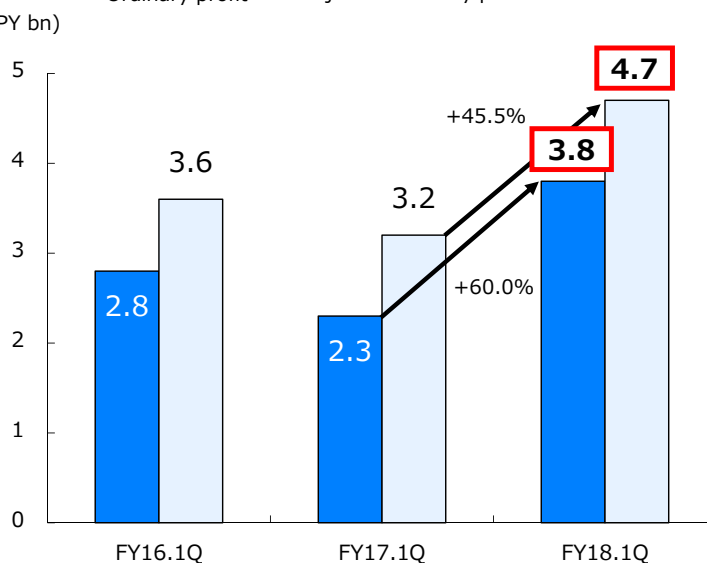


The number of policies in force is the total of automobile insurance and medical insurance policies.

Most of personal accident insurance is medical insurance.

### Ordinary Profit and Adjusted Ordinary Profit

■ Ordinary profit 
 ■ Adjusted ordinary profit



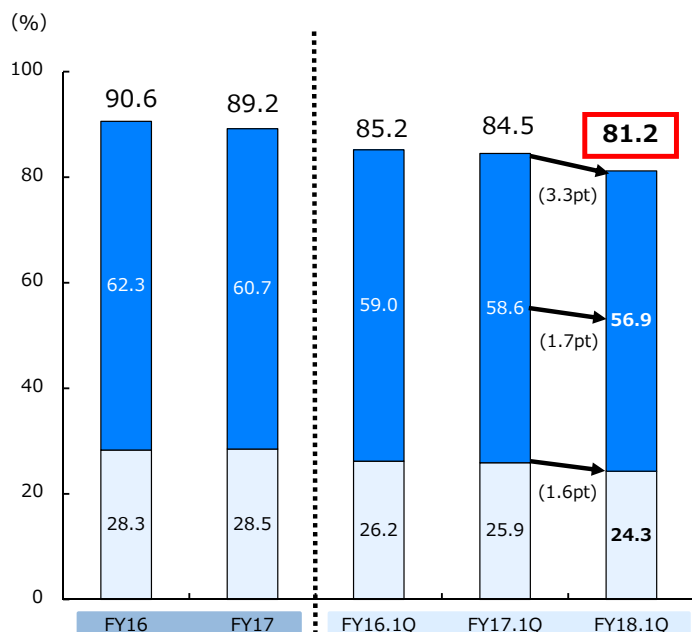
\*Adjusted ordinary profit = Ordinary profit + Provision for catastrophe reserve (Reference) Provision for catastrophe reserve

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

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

## Earned/Incurred Loss Ratio + Net Expense Ratio

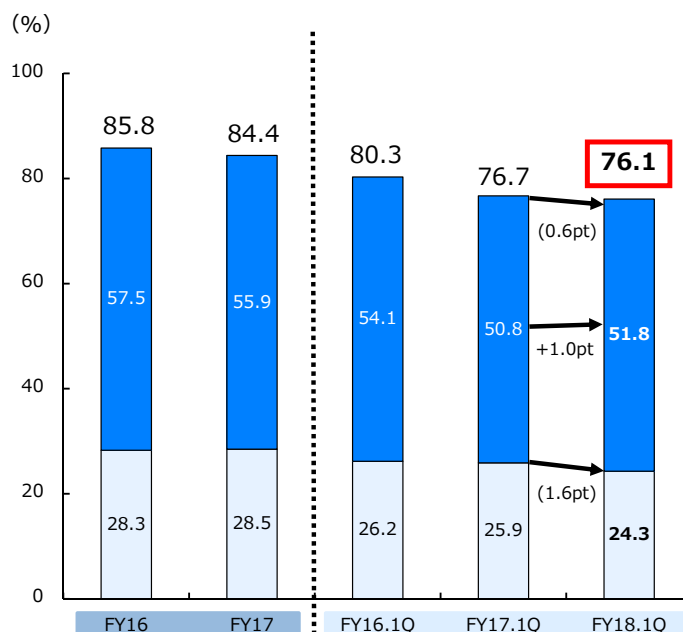
■ Earned/Incurred loss ratio □ Net expense ratio



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

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

■ Net loss ratio □ Net expense ratio

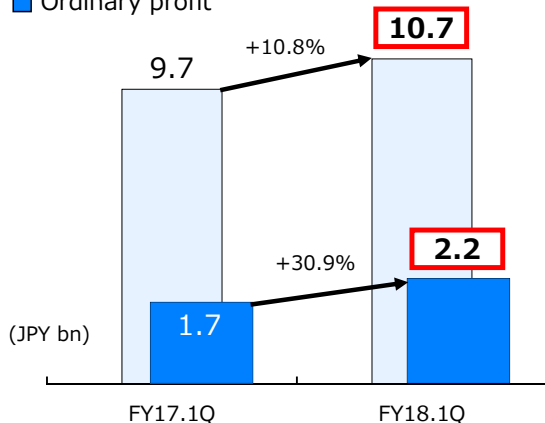


Notes:  
 Net loss ratio = (Net losses paid + Loss adjustment expenses) / Net premiums written  
 Net expense ratio = Expenses related to underwriting / Net premiums written

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

### <Consolidated>

□ Ordinary revenues  
 ■ Ordinary profit



### <Consolidated>

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

### <Non-consolidated>

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

### <Consolidated>

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

### <Non-consolidated>

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

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

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

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

## <Reasons for changes>

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

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

◆ Rose due to a steady increase in mortgage loans.

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

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

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

## <Reference> On Managerial Accounting Basis

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

### ■ Managerial accounting basis

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

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

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

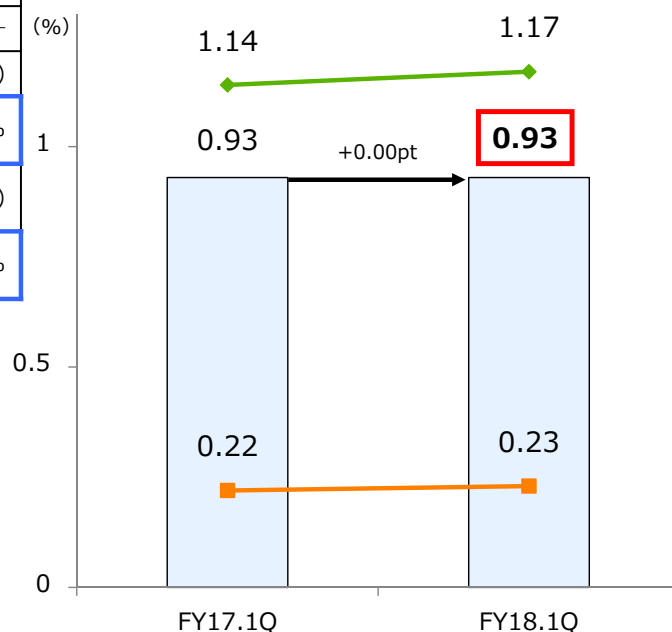
\*3: Net other operating income: After the above adjustments (\*1 and \*2), mainly consists of profits and losses for bond and derivative dealing transactions.

### ■ Core profit

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

## <Reference> Interest Spread (Managerial Accounting Basis)

◆ Yield on investment — Yield on financing  
□ Interest spread



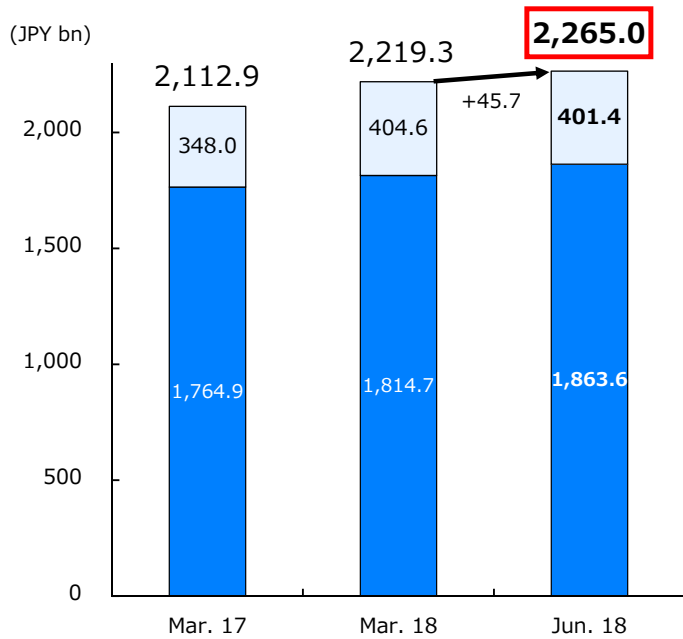
Note: Interest spread=(Yield on investment)-(Yield on financing)



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

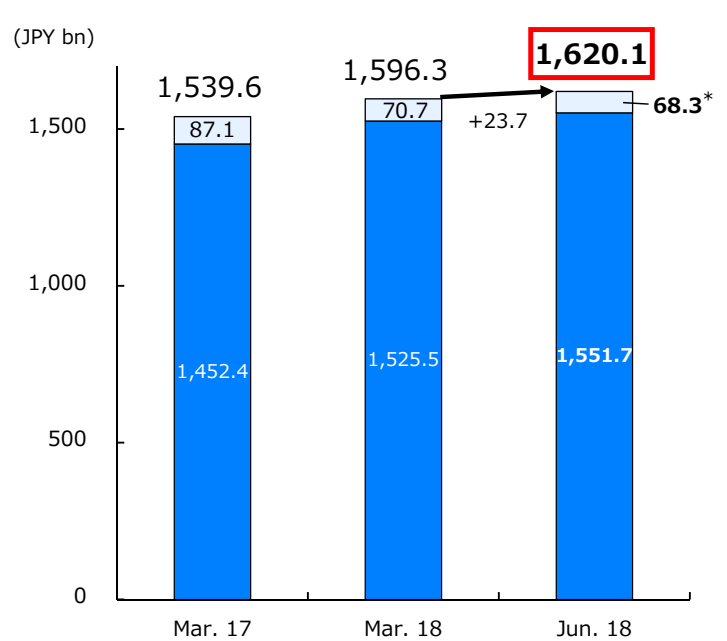
## Deposits

■ Yen Deposits □ Foreign currency deposits



## Loans

■ Mortgage loans □ Others

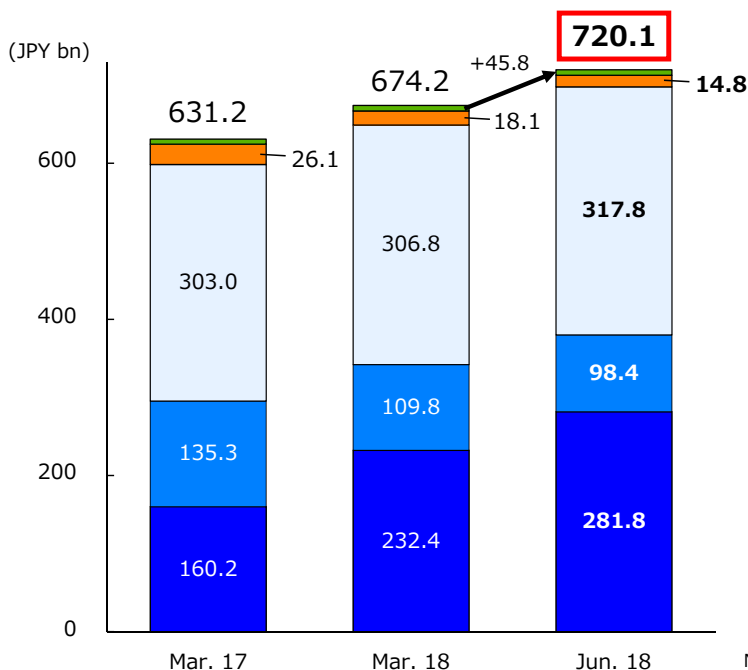


\*Corporate loans of ¥49.8 billion. Card loans of ¥18.5 billion.

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

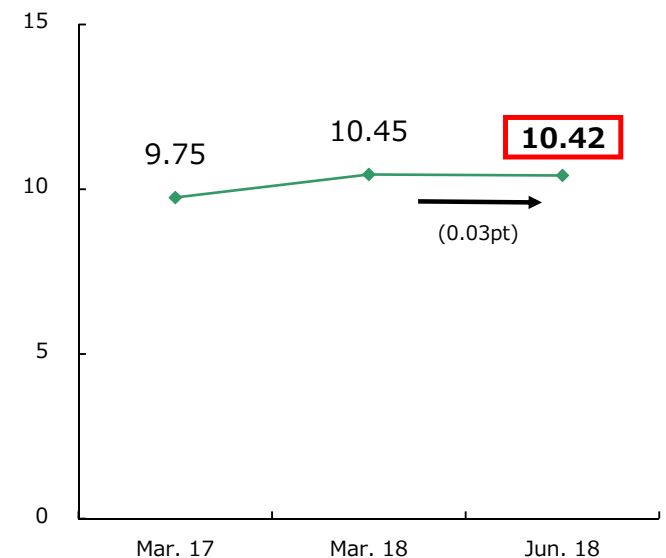
## Balance of Securities by Credit Rating

■ AAA □ AA □ A  
■ BBB ■ Others



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

(%)



Note: Calculated based on the standard FSA Notification No. 19 (2006), which establishes standards based on Article 14-2 of the Banking Act of Japan for determining the capital adequacy of a bank in light of the assets held by the bank.

## Forecast of Consolidated Financial Results for FY18

### Forecast of Consolidated Financial Results for FY18

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

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

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

##### ■ Life insurance business

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

##### ■ Non-life insurance business

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

##### ■ Banking business

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

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

Some parts of the calculations of MCEV adopted simplified method for that as of June 30, 2018.  
Please keep in mind that the validity of these calculations has not been verified by outside specialists.

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

### Sony Life's MCEV

(JPY bn)	Mar. 18	Jun. 18	Change from Mar. 18
<b>MCEV</b>	1,633.2	<b>1,593.5</b>	(39.7)
Adjusted net worth	1,786.1	<b>1,804.3</b>	+18.2
Value of existing business	(152.9)	<b>(210.8)</b>	(57.9)

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

#### ◆ Reasons for changes in MCEV

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

#### ◆ New business value / New business margin

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

#### Notes:

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

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

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

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

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

## Notes:

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

## Appendix

## Recent Topics

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

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

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



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

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

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



### ◆ Highlights on and after FY18.1Q

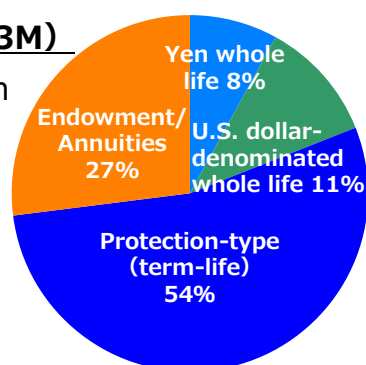
2018-05-10	Sony Bank began using artificial intelligence (AI) to automate the preliminary screening for mortgage loans
2018-05-31	Sony Payment Services, together with seven taxi companies and Sony Corporation, established a joint venture "Minnano Taxi Corporation" (preparatory company)
2018-06-21	Sony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

## Sony Life's Product Portfolio

### Annualized Premiums from New Policies by Product

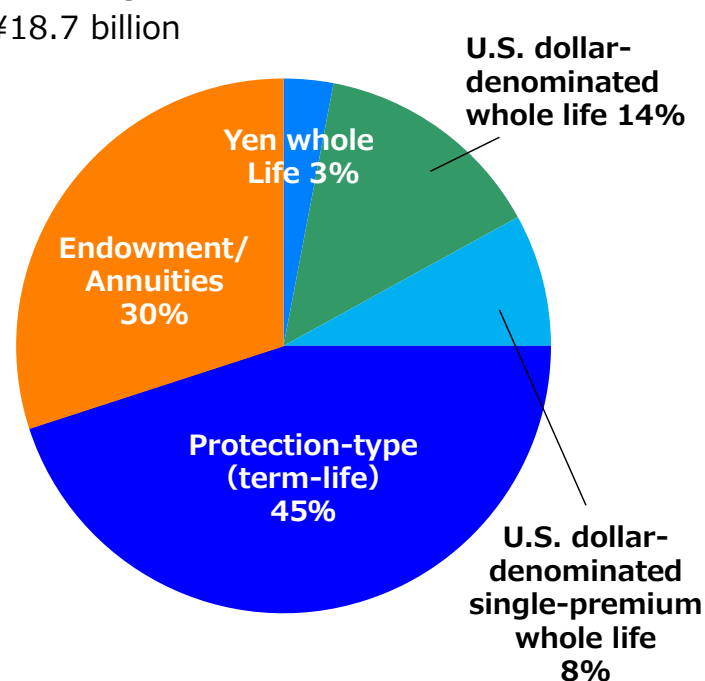
#### FY17.1Q (3M)

¥16.1billion



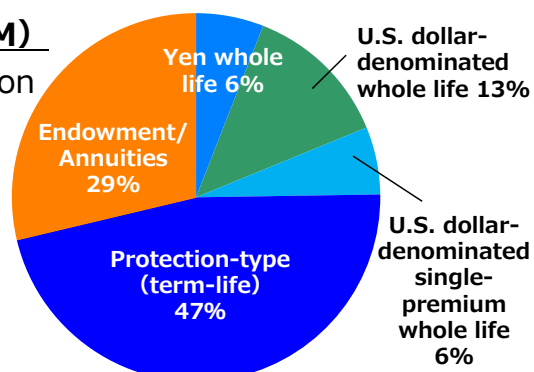
#### FY18.1Q (3M)

¥18.7 billion



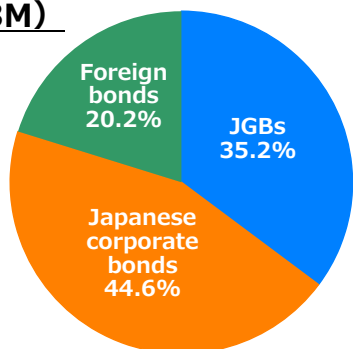
#### FY17 (12M)

¥73.0 billion

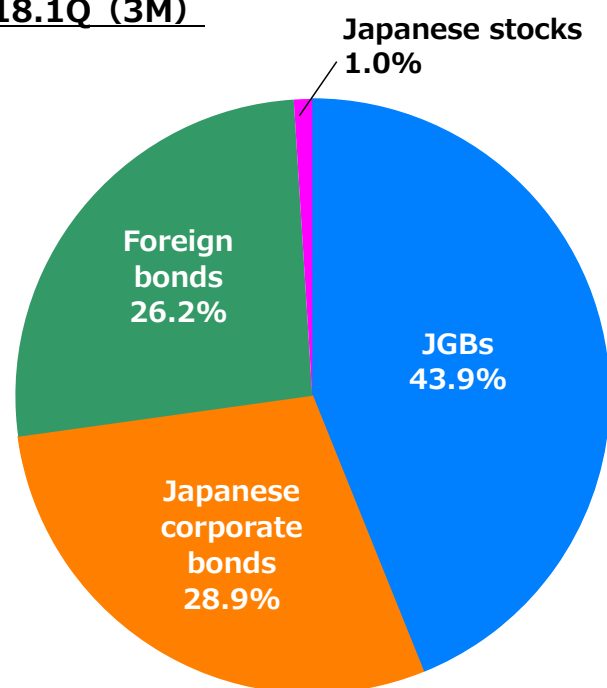


Purchase Securities in the General Account

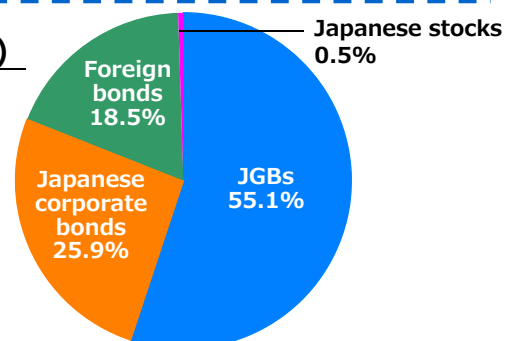
FY17.1Q (3M)



FY18.1Q (3M)



FY17 (12M)



Notes:  
1. Japanese corporate bonds include FILP agency bonds and Government-guaranteed bonds.  
2. The graphs above are asset allocation for the relevant period. Total invested amount for the relevant period as 100% (excluding, investment in subsidiaries and affiliates, and strategic investments)

Sony Life: Fair Value Information on Securities (General Account Assets)

Fair Value Information on Securities

Fair value information on securities with market value (except trading-purpose securities)

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

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

Valuation gains (losses) on trading-purpose securities

(JPY bn)

Mar. 17		Mar. 18		Jun. 18	
Balance sheet amount	Net valuation gains (losses) recorded in income	Balance sheet amount	Net valuation gains (losses) recorded in income	Balance sheet amount	Net valuation gains (losses) recorded in income
2.0	(0.1)	-	(0.0)	1.4	(0.0)

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

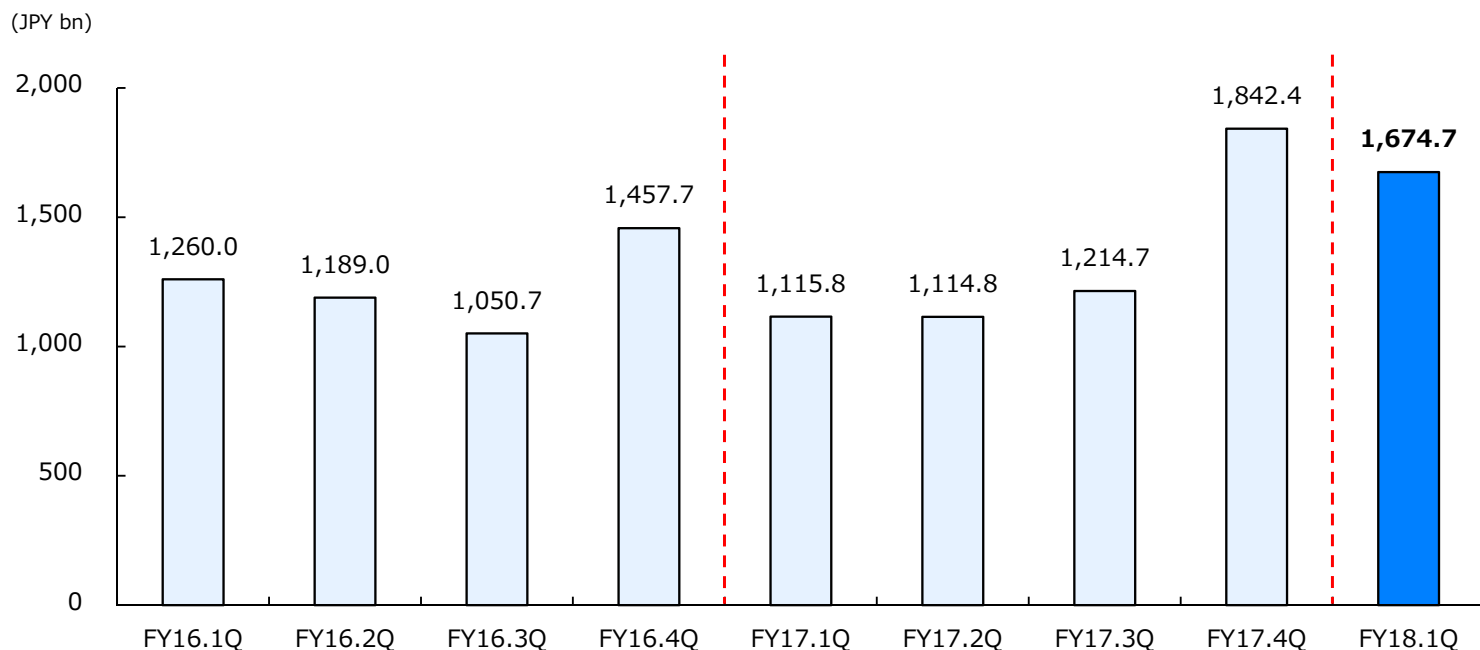
## Sony Life's Capital Gains/Losses

(JPY mn)	FY17.1Q	FY18.1Q	(JPY mn)	FY17.1Q	FY18.1Q
Capital losses	7,441	<b>16,850</b>	Capital gains	124	<b>15,552</b>
Losses on trading securities, net	—	<b>42</b>	Income from trading securities, net	11	—
Losses on sale of securities...(3)	—	<b>34</b>	Gains on sale of securities...(3)	0	<b>3,265</b>
Losses on derivatives, net	7,015	<b>7,855</b>	Gains on derivatives, net	—	—
Losses on hedges of variable life insurance...(1)	4,247	<b>3,901</b>	Foreign exchange gains, net	49	<b>12,287</b>
Losses on hedges of available-for-sale securities...(2)	1,713	<b>874</b>	Gains on dollar-denominated insurance (foreign exchange gains in separate accounting) ...(4)	(242)	<b>12,203</b>
Losses on dollar-denominated insurance...(4)	515	<b>2,974</b>	Other capital gains	63	—
Foreign exchange losses, net	—	—	Gains on dollar-denominated insurance (the reversal of policy reserves for foreign exchange fluctuations)	63	—
Other capital losses	426	<b>8,917</b>			
Losses on dollar-denominated insurance (the provision of policy reserves for foreign exchange fluctuations) ...(4)	—	<b>8,917</b>	Net capital gains (losses)	(7,316)	<b>(1,297)</b>

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

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

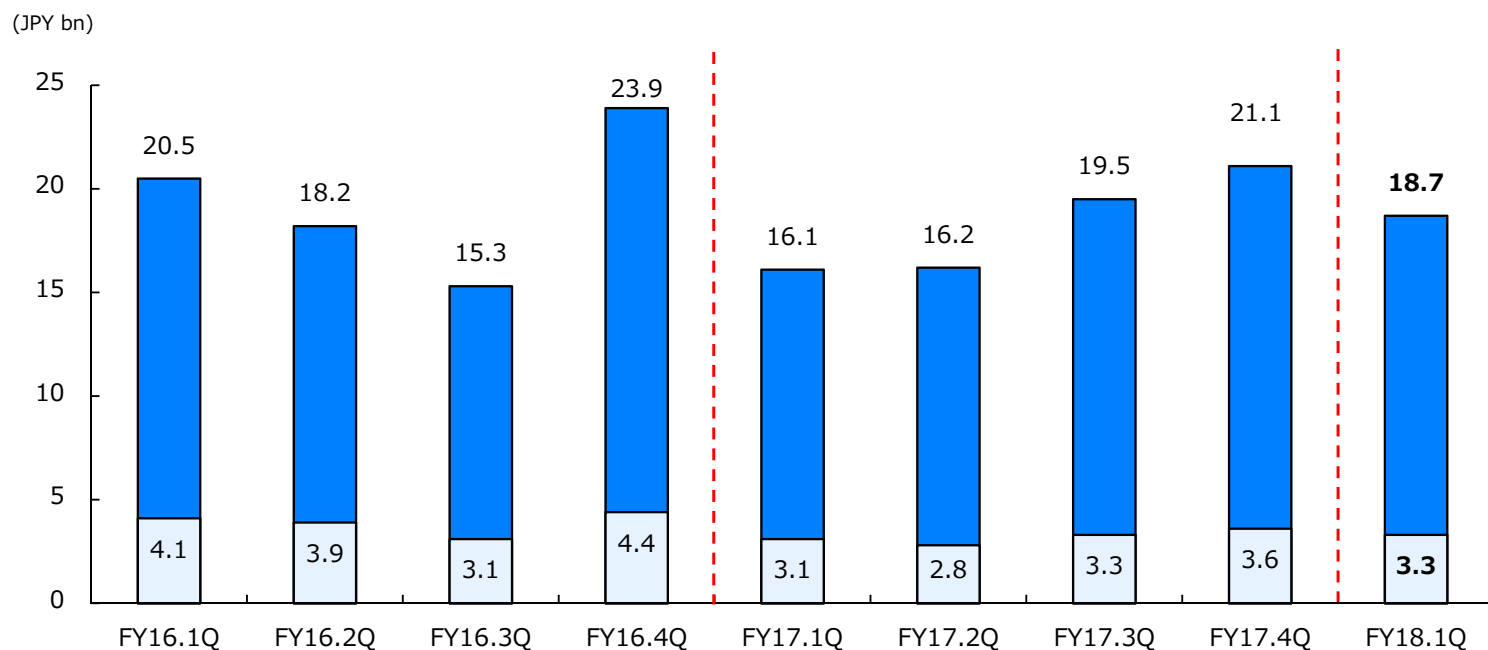
## Quarterly Trend on New Policy Amount



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

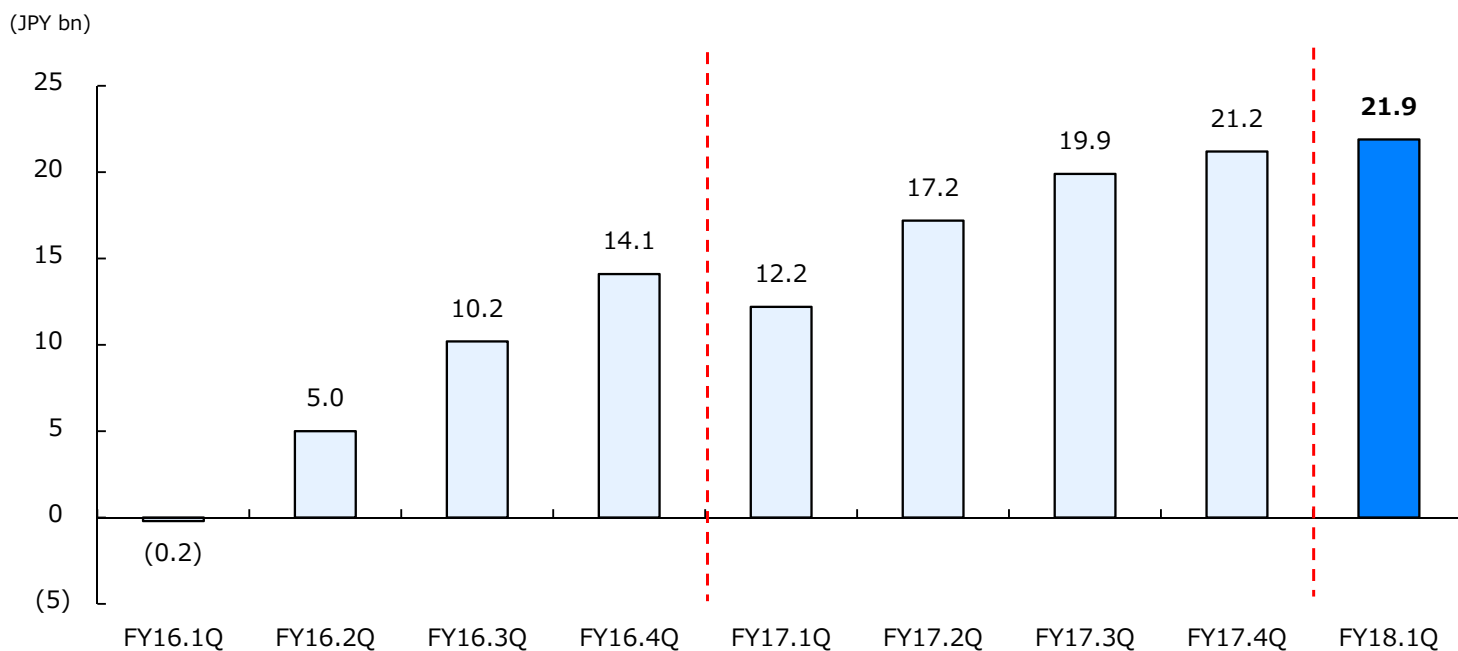
## Quarterly Trend on Annualized Premiums from New Policies

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





## Quarterly Trend on New Business Value

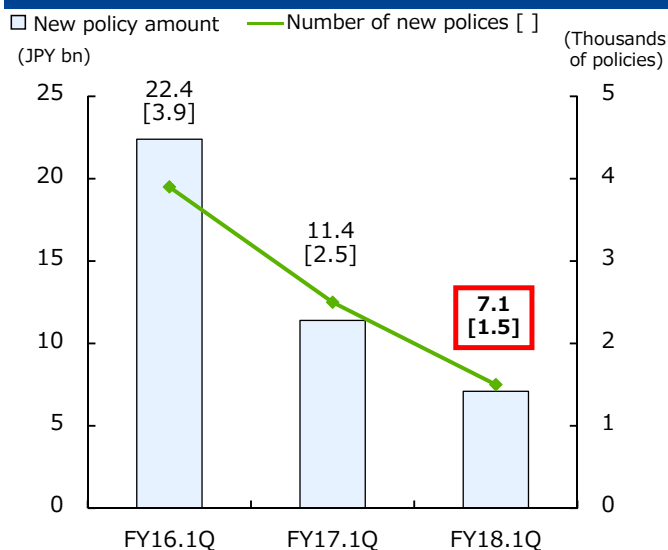


Note: New business value is calculated accumulating new business value for each month based on economic assumptions at the end of each month. The figures for FY18 onward reflect the revision in the insurance risk measurement method and others which revised on March 31, 2018.

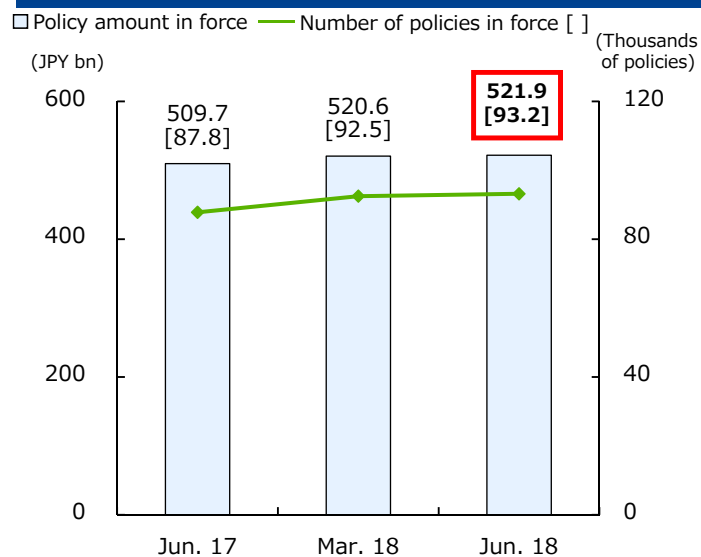
## Operating Performance : AEGON Sony Life Insurance

◆ AEGON Sony Life Insurance sells individual variable annuities.

### Number and Amount of New Policies



### Number and Amount of Policies in Force

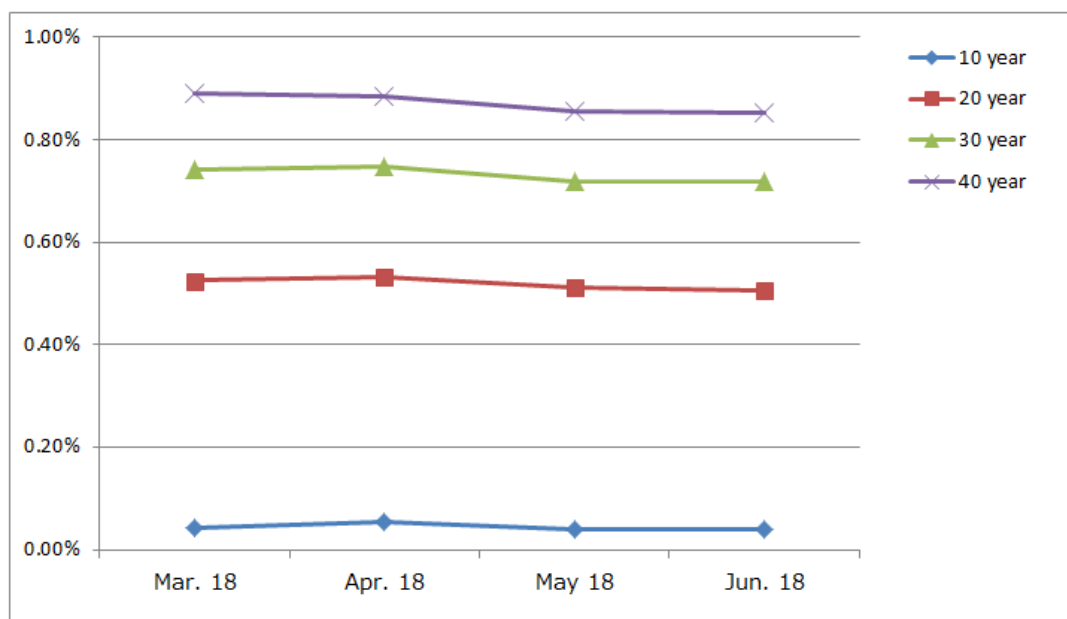


### Net income (losses) for AEGON Sony Life Insurance and SA Reinsurance

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

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

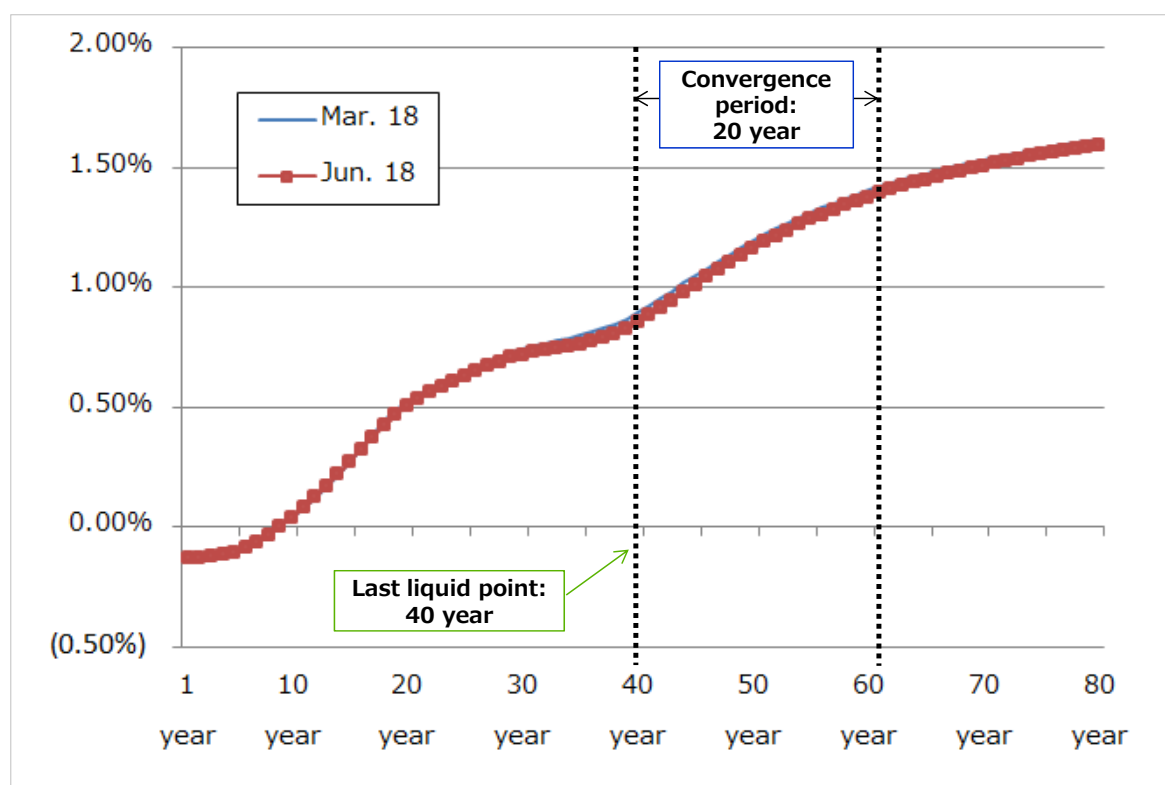
## Trend on JGB Yields (Par rate)



As of the end of each month

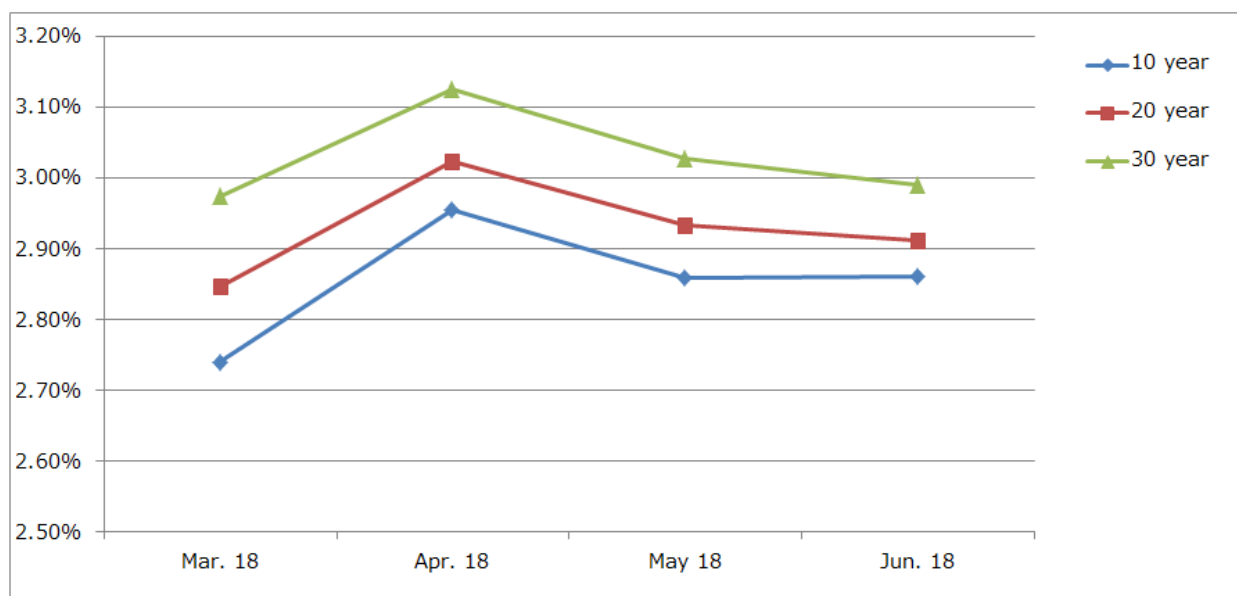
	Mar. 18	Apr. 18	May 18	Jun. 18
10 year	0.04%	0.06%	0.04%	0.04%
20 year	0.53%	0.53%	0.51%	0.51%
30 year	0.74%	0.75%	0.72%	0.72%
40 year	0.89%	0.88%	0.86%	0.85%

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



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

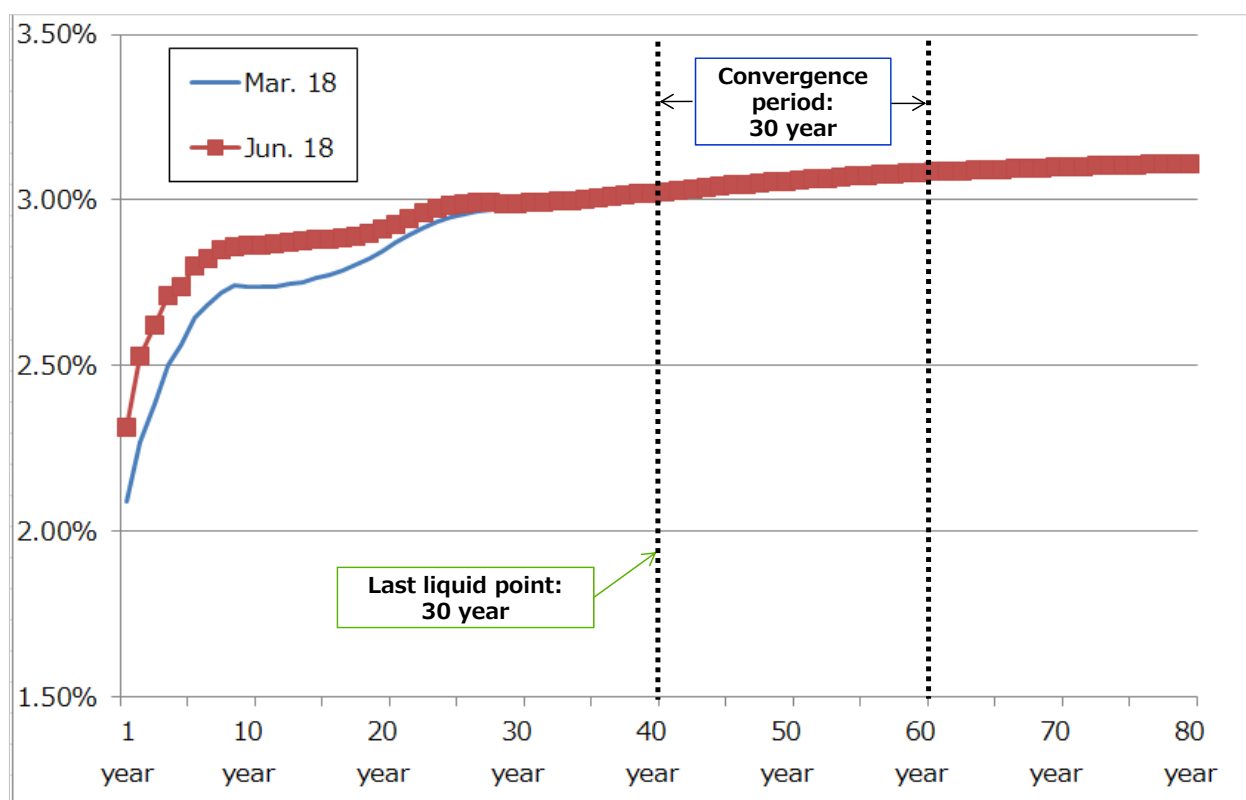
## Trend on U.S. Dollar Bonds Yields (Par rate)



As of the end of each month

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

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



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

## Detail of Consolidated Adjusted ROE

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

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

## Detail of Consolidated Adjusted Profit and Consolidated Adjusted Capital

### Adjusted profit (Numerator)

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

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

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

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

### Adjusted capital (Denominator)

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

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

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

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

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

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

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

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

## Definition of Consolidated Adjusted ROE

### Calculation of Consolidated Adjusted ROE

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

		Sony Financial Group *		
		<b>Sony Life Core ROEV</b>	<b>Sony Assurance Adjusted ROE</b>	<b>Sony Bank ROE</b>
<b>Numerator (Adjusted profit)</b>		New business value + Expected existing business contribution ①	+	Net income (loss) + Provision amount for catastrophe reserve and its provision amount for reserve for price fluctuations, in each case after taxes ②
			+	Profit (loss) attributable to owners of the parent ③
<b>Denominator (Adjusted capital)</b>		MCEV as of the beginning of the fiscal year less dividends paid plus MCEV as of the end of the fiscal year, divided by two. ④	+	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 ⑤
			+	The average amount of net assets during the fiscal year ⑥

\* Consolidated Adjusted ROE = Consolidated Adjusted Profit divided by Consolidated Adjusted Capital  
 Consolidated Adjusted Profit = ①+②+③  
 Consolidated Adjusted Capital = ④+⑤+⑥



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