

Consolidated Financial Summary (Japanese GAAP)
for the Fiscal Year Ended March 31, 2019

May 15, 2019

Company name: Sony Financial Holdings Inc.
(URL: https://www.sonyfh.co.jp/index_en.html)
Stock exchange listing: Tokyo Stock Exchange (code number: 8729)
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(Fractional amounts of less than ¥1 million are discarded.)

1. Consolidated financial results for the fiscal year ended March 31, 2019

(1) Operating results

	Ordinary Revenues		Ordinary Profit		Profit Attributable to Owners of the Parent	
	Millions of yen	% change	Millions of yen	% change	Millions of yen	% change
For the year ended March 31, 2019	1,629,182	8.3	93,856	40.4	62,074	19.6
For the year ended March 31, 2018	1,503,630	8.8	66,843	0.8	51,895	24.7

Note: Comprehensive income: For the year ended March 31, 2019: ¥ 57,415 million: 10.0%
For the year ended March 31, 2018: ¥ 52,207 million: 143.6%

	Net Income per Share	Net Income per Share (Fully Diluted)	Net Income on Shareholders' Equity	Ordinary Profit on Total Assets	Ordinary Profit on Ordinary Revenues
	Yen	Yen	%	%	%
For the year ended March 31, 2019	142.69	142.67	9.7	0.7	5.8
For the year ended March 31, 2018	119.30	119.29	8.5	0.6	4.4

Notes: Equity in earnings (losses) of affiliates: For the year ended March 31, 2019: ¥ (1,748) million
For the year ended March 31, 2018: ¥ (2,338) million

(2) Financial conditions

	Total Assets	Total Net Assets	Net Asset Ratio	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2019	13,468,215	656,846	4.9	1,505.20
As of March 31, 2018	12,401,446	625,406	5.0	1,433.73

Note: Net assets attributable to shareholders: As of March 31, 2019: ¥ 654,800 million
As of March 31, 2018: ¥ 623,661 million

(3) Cash flows

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at end of the period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
For the year ended March 31, 2019	802,921	(659,815)	(26,645)	509,594
For the year ended March 31, 2018	819,721	(680,845)	(14,496)	393,133

2. Dividends

	Dividend per Share					Annual Dividend Amount	Dividend Payout Ratio	Dividend on Net Assets
Record date	1st quarter	2nd quarter	3rd quarter	Year-end	Annual Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
For the year ended March 31, 2018	—	0.00	—	60.00	60.00	26,099	50.3	4.3
For the year ended March 31, 2019	—	0.00	—	62.50	62.50	27,189	43.8	4.3
For the year ending March 31, 2020 (forecast)	—	0.00	—	65.00	65.00		43.5	

3. Forecast of consolidated financial results for the fiscal year ending March 31, 2020

(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, 2020	1,690,000	3.7	98,000	4.4	65,000	4.7	149.42

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: 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

(3) Number of shares outstanding (common stock)

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

As of March 31, 2019: 435,062,983 shares

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

(b) Number of treasury shares

As of March 31, 2019: 37,425 shares

As of March 31, 2018: 35,775 shares

(c) Weighted-average number of shares

For the year ended March 31, 2019: 435,016,259 shares

For the year ended March 31, 2018: 434,979,667 shares

Audit of Financial Statements

This earnings report is exempt from audit procedure of certified public accountants or audit firm.

Content of Supplemental Materials

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* The conference call for explaining the Sony Financial Group's financial results will be held at 16:45 (Tokyo), May 15, 2019. Please note that our conference call will be held only in Japanese.

We will upload the presentation materials with speech text on May 15, 2019 after 15:00 (Tokyo), the translation of the conference call (audio) on May 17 and the Q&A summary (text) at a later date on the Earnings Releases and Presentation Materials page of our website:

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

* We will upload the press releases on Sony Life's Market Consistent Embedded Value as of March 31, 2019, scheduled as below.

• Full report: Scheduled to be uploaded on May 20, 2019 at 15:00 (Tokyo)

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

* On May 15, 2019, 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 year ended March 31, 2019. SFH has prepared an English-language summary of those Japanese announcements made by the above subsidiaries, solely for convenience of non-Japanese readers.

I. Qualitative Information and Financial Statements

1. Qualitative Information on Consolidated Operating Performance

1) Analysis of Operating Performance

During the year ended March 31, 2019 (from April 1, 2018 to March 31, 2019), the Japanese economy saw slower growth. Weakening global demand for IT products that began in early spring, coupled with trade tensions between the United States and China, caused global trade to contract. In Japan, as exports and industrial production fell, business sentiment, especially in the manufacturing sector, deteriorated significantly. In the nation's labor market, on the other hand, employment and wages continued to improve driven by labor shortages. Domestic demand and nonmanufacturing business conditions also remained solid. As domestic demand contrasted starkly with foreign demand, Japan's GDP growth rate was unstable, fluctuating between positive and negative territories.

In bond markets, yields on 10-year Japanese government bonds (JGBs) ranged between negative 0.10% and positive 0.15%. In July 2018, the Bank of Japan announced a change to its monetary policy, deciding to reduce its purchases of JGBs and allow 10-year JGB yields, which had been fixed at 0%, to move upward and downward. Upon this announcement, 10-year JGB yields rose to nearly 0.15% at one point. From October 2018, however, US interest rates started declining amid uncertainty over the outlook for the global economy, leading JGB yields to fall in tandem. Furthermore, in March 2019, when the US Federal Open Market Committee indicated that it would pause policy rate increases until the end of the year, 10-year JGB yields declined to almost negative 0.1%.

In foreign exchange markets, whereas the yen was traded at nearly ¥106 to the US dollar in April 2018, it weakened to above ¥114 in October 2018 owing to the stronger economy and higher interest rates in the United States. Subsequently, an increasingly uncertain economic outlook led to lower US interest rates, which caused the yen to strengthen to the ¥104 range at one point in early 2019. However, once US monetary policy turned dovish thereafter, Japanese and US stock prices started to rise again, resulting in market participants' risk appetite gradually returning. As markets sold the low-interest-rate yen in that environment, the currency weakened to around ¥111 against the US dollar at the end of March 2019.

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

Consolidated ordinary revenues increased 8.3% year on year, to ¥1,629.1 billion, owing to increases in ordinary revenues from all the businesses: life insurance, non-life insurance and banking businesses. **Consolidated ordinary profit** increased 40.4% year on year, to ¥93.8 billion, owing to increases in ordinary profit from all the above businesses. **Profit attributable to owners of the parent** was up 19.6% year on year, to ¥62.0 billion. Note that a ¥13.2 billion gain on disposal of fixed assets from a sale of the real estate held for investment in the life insurance business, which was recorded in extraordinary gains in the fiscal year ended March 31, 2018.

Operating results by business segment are as described below.

Ordinary Revenues

(Billions of yen)

	Year ended March 31, 2018 (Apr. 1, 2017, to Mar. 31, 2018)	Year ended March 31, 2019 (Apr. 1, 2018, to Mar. 31, 2019)	Change (%)
Life insurance business	1,351.2	1,464.3	8.4
Non-life insurance business	110.0	115.1	4.6
Banking business	39.9	46.0	15.2
Subtotal	1,501.2	1,625.4	8.3
Other* ¹	6.0	6.6	10.2
Intersegment adjustments	(3.6)	(2.9)	—
Consolidated	1,503.6	1,629.1	8.3

Ordinary Profit

(Billions of yen)

	Year ended March 31, 2018 (Apr. 1, 2017, to Mar. 31, 2018)	Year ended March 31, 2019 (Apr. 1, 2018, to Mar. 31, 2019)	Change (%)
Life insurance business	54.1	78.2	44.4
Non-life insurance business	6.5	6.8	4.9
Banking business	7.1	9.5	34.3
Subtotal	67.8	94.7	39.5
Other* ¹	(1.0)	(1.0)	—
Intersegment adjustments* ²	0.0	0.1	227.9
Consolidated	66.8	93.8	40.4

*1: "Other" consists of nursing care business and venture capital operations.

*2: "Intersegment adjustments" of the ordinary profit are mainly due to SFH and eliminations of intersegment transactions.

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

For the year ending March 31, 2020 (from April 1, 2019 to March 31, 2020), we expect growth to continue, with ongoing expansion in all businesses.

We forecast increases in ordinary revenues and ordinary profit, owing mainly to the impact of the life insurance business. Although we expect extraordinary gains to decline, we anticipate that profit attributable to owners of the parent will grow in tandem with ordinary profit.

Note: The effects of market fluctuations after April 1, 2019 have not been incorporated in the forecast.

The forecast of consolidated financial results for the year ending March 31, 2020 below remains unchanged from the forecast announced on April 26, 2019.

(Billions of yen)

	(Reference) Actual results for the year ended March 31, 2019	Forecast for the year ending March 31, 2020	Change (%)
Ordinary revenues	1,629.1	1,690.0	3.7
Ordinary profit	93.8	98.0	4.4
Profit attributable to owners of the parent	62.0	65.0	4.7
Net income per share (Yen)	142.69	149.42	—

Forecast by business segment is as follows.

<Life insurance business>

We expect ordinary revenues to increase from FY2018, due mainly to a steady rise in insurance premium revenues.

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

(Billions of yen)

	(Reference) Actual results for the year ended March 31, 2019	Forecast for the year ending March 31, 2020	Change (%)
Ordinary revenues	1,464.3	1,520.5	3.8
Ordinary profit	78.2	84.2	7.7

<Non-life insurance business>

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

(Billions of yen)

	(Reference) Actual results for the year ended March 31, 2019	Forecast for the year ending March 31, 2020	Change (%)
Ordinary revenues	115.1	121.2	5.3
Ordinary profit	6.8	7.0	1.5

<Banking business>

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

(Billions of yen)

	(Reference) Actual results for the year ended March 31, 2019	Forecast for the year ending March 31, 2020	Change (%)
Ordinary revenues	46.0	49.3	7.1
Ordinary profit	9.5	8.6	(10.4)

2. Qualitative Information on Consolidated Financial Position

1) Assets, Liabilities and Net Assets

As of March 31, 2019, **total assets** amounted to ¥13,468.2 billion, up 8.6% from March 31, 2018. Among major components of assets, securities, mostly Japanese government bonds, amounted to ¥10,373.1 billion, up 8.3% from March 31, 2018. Loans came to ¥1,942.5 billion, up 8.8%.

Total liabilities were ¥12,811.3 billion, up 8.8% from March 31, 2018. Major components of liabilities included policy reserves and others of ¥9,479.0 billion, up 8.2%, and deposits totaled ¥2,302.3 billion, up 6.6%.

Total net assets were ¥656.8 billion, up 5.0% from March 31, 2018. This included net unrealized gains on available-for-sale securities, net of taxes, which decreased ¥5.1 billion, to ¥128.8 billion.

2) Cash Flows

Net cash provided by operating activities for the year ended March 31, 2019, was ¥802.9 billion, primarily due to income from insurance premiums in the life insurance business. The amount of net cash provided was down 16.8 billion (2.0%) year on year, mainly because of an increase in mortgage loans and other lending in the banking business.

Net cash used in investing activities was ¥659.8 billion, mainly because payments to acquire marketable securities exceeded proceeds from sale and redemption of securities in the life insurance and banking businesses. The amount of net cash used decreased ¥21.0 billion (3.1%), year on year because of an increase in proceeds from net increase in collateral for securities lending transactions in the life insurance business during the year under review compared with an increase in the previous fiscal year.

Net cash used in financing activities came to ¥26.6 billion because of payments for cash dividends. Net cash used in these activities was up ¥12.1 billion (83.8%) year on year, due to proceeds from issuance of bonds in the previous year.

As a result of the above factors and others, cash and cash equivalents at March 31, 2019, amounted to ¥509.5 billion, up ¥116.4 billion (29.6%) from March 31, 2018.

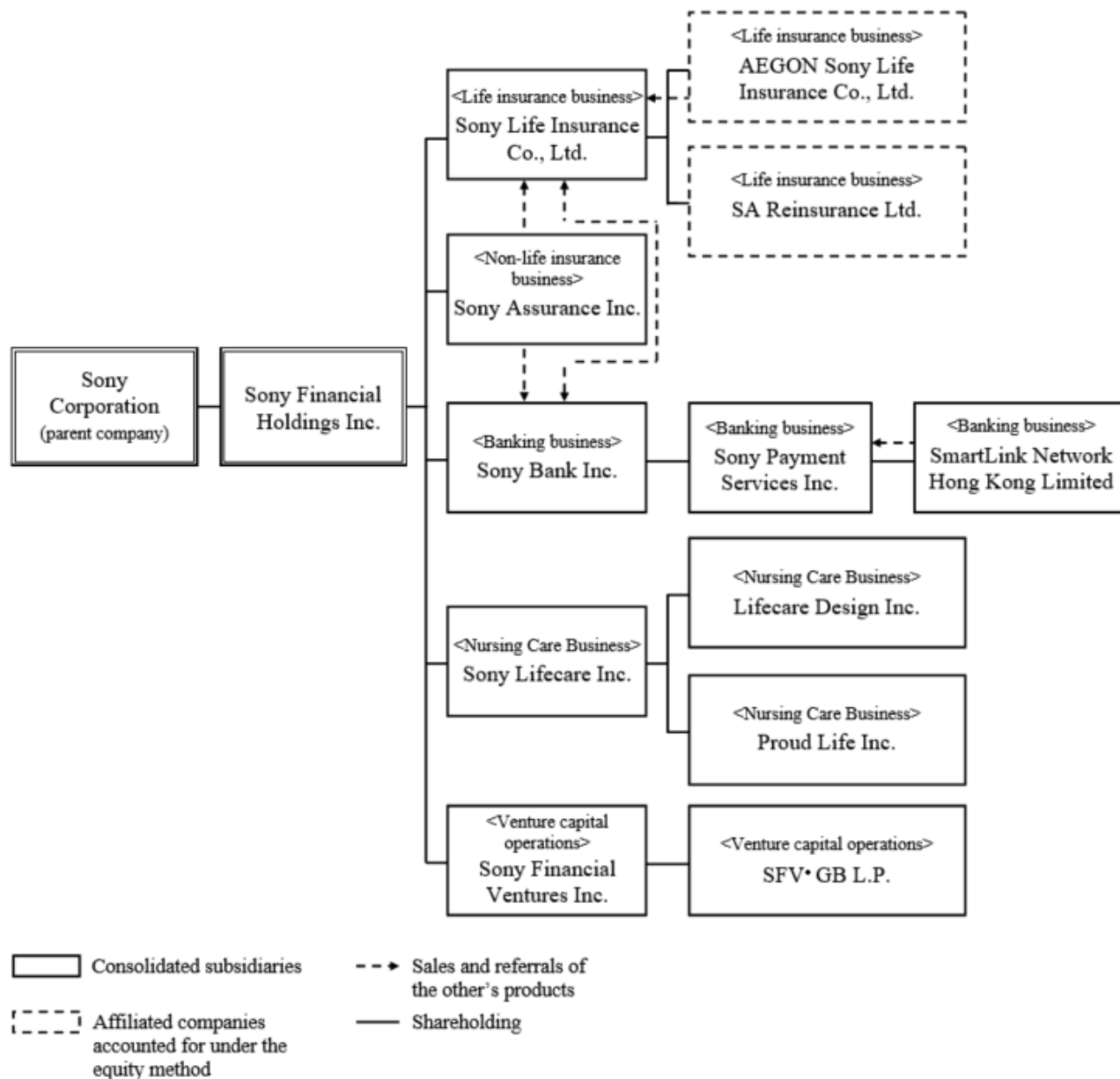
Please refer to the attached presentation materials for non-consolidated operating results of SFH's principal subsidiaries, Sony Life, Sony Assurance and Sony Bank for the year ended March 31, 2019.

II. Status of the Corporate Group

The Sony Financial Group is composed chiefly of Sony Life, Sony Assurance and Sony Bank. These companies are direct subsidiaries of SFH, the financial holding company.

The Sony financial Group are positioned as shown in the following organizational chart.

[Organizational chart] (As of March 31, 2019)



III. Basic Views on Selection of Accounting Standards

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

IV. Consolidated Financial Statements

1. Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2018	As of March 31, 2019
Assets		
Cash and due from banks	¥ 327,633	¥ 415,894
Call loans and bills bought	65,500	93,700
Monetary claims purchased	5,378	4,916
Money held in trust	291,582	291,324
Securities	9,581,206	10,373,188
Loans	1,785,877	1,942,546
Tangible fixed assets	106,051	104,128
Land	63,106	63,106
Buildings	32,468	30,899
Leased assets	6,074	6,536
Construction in progress	5	77
Other tangible fixed assets	4,397	3,508
Intangible fixed assets	35,684	43,909
Software	35,059	43,327
Goodwill	583	551
Leased assets	0	—
Other intangible fixed assets	40	30
Due from reinsurers	934	1,341
Foreign exchanges	9,346	8,471
Other assets	168,736	159,361
Net defined benefit asset	3,426	3,476
Deferred tax assets	21,242	27,556
Reserve for possible loan losses	(1,152)	(1,602)
Total Assets	¥ 12,401,446	¥ 13,468,215

(Millions of yen)

	As of March 31, 2018	As of March 31, 2019
Liabilities		
Policy reserves and others	¥ 8,763,349	¥ 9,479,071
Reserve for outstanding claims	74,712	78,285
Policy reserves	8,683,153	9,396,241
Reserve for policyholders' dividends	5,484	4,544
Due to agencies	1,873	2,073
Due to reinsurers	5,563	5,769
Deposits	2,159,246	2,302,313
Call money and bills sold	96,000	130,611
Borrowed money	173,944	203,871
Foreign exchanges	228	244
Bonds payable	20,000	20,000
Other liabilities	470,501	578,477
Reserve for employees' bonuses	3,906	4,377
Net defined benefit liability	33,179	34,081
Reserve under the special laws	48,135	50,343
Reserve for price fluctuations	48,135	50,343
Deferred tax liabilities	0	24
Deferred tax liabilities on land revaluation	109	109
Total Liabilities	11,776,039	12,811,368
Net Assets		
Common stock	19,927	19,963
Capital surplus	191,157	191,193
Retained earnings	283,911	319,886
Treasury Stock	(55)	(55)
Total shareholders' equity	494,941	530,987
Net unrealized gains (losses) on available-for-sale securities, net of taxes	133,991	128,800
Net deferred gains (losses) on hedging instruments, net of taxes	(902)	(1,077)
Land revaluation, net of taxes	(2,439)	(2,439)
Remeasurements of defined benefit plans, net of taxes	(1,929)	(1,470)
Total accumulated other comprehensive income	128,719	123,812
Subscription rights to shares	97	149
Non-controlling interests	1,648	1,896
Total Net Assets	625,406	656,846
Total Liabilities and Net Assets	¥ 12,401,446	¥ 13,468,215

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

(Millions of yen)

	For the year ended March 31, 2018	For the year ended March 31, 2019
Ordinary Revenues	¥ 1,503,630	¥ 1,629,182
Ordinary Revenues from the Life Insurance Business	1,347,762	1,461,632
Income from insurance premiums	1,057,411	1,134,048
Insurance premiums	1,054,867	1,130,676
Ceded reinsurance commissions	2,544	3,372
Investment income	242,703	278,950
Interest income and dividends	157,276	166,953
Income from money held in trusts, net	4,490	4,490
Gains on trading securities, net	2	—
Gains on sale of securities	0	6,107
Gains on redemption of securities	1	—
Foreign exchange gains, net	—	13,455
Other investment income	1	—
Gains on separate accounts, net	80,931	87,943
Other ordinary income	47,646	48,633
Ordinary Revenues from the Non-life Insurance Business	110,091	115,101
Underwriting income	108,316	113,173
Net premiums written	108,253	113,101
Interest and dividends on deposits of premiums	62	72
Investment income	1,731	1,857
Interest income and dividends	1,324	1,372
Gains on sale of securities	470	557
Transfer to interest and dividends on deposits of premiums	(62)	(72)
Other ordinary income	43	69
Ordinary Revenues from the Banking Business	39,712	45,766
Interest income	28,344	31,926
Interest income on loans	17,064	17,473
Interest income and dividends on securities	11,204	14,382
Interest income on call loans and bills bought	2	1
Interest income on deposits with banks	63	62
Other interest income	9	7
Fees and commissions	6,751	9,398
Other operating income	3,823	3,926
Gains on foreign exchange transactions, net	3,456	3,599
Others	366	326
Other ordinary income	794	515
Other	6,064	6,681
Other ordinary income	6,064	6,681

(Continued)

(Millions of yen)

	For the year ended March 31, 2018	For the year ended March 31, 2019
Ordinary Expenses	¥ 1,436,787	¥ 1,535,325
Ordinary Expenses from the Life Insurance Business	1,296,417	1,386,074
Insurance claims and other payments	436,538	457,252
Insurance claims	92,342	92,997
Annuity payments	12,566	13,489
Insurance benefits	119,294	131,824
Surrender payments	199,263	204,351
Other payments	3,314	3,659
Reinsurance premiums	9,756	10,929
Provision for policy reserves and others	638,343	704,780
Provision for reserve for outstanding claims	2,211	2,433
Provision for policy reserves	636,131	702,346
Interest portion of reserve for policyholders' dividends	0	0
Investment expenses	32,889	24,650
Interest expenses	151	1,604
Losses on trading securities, net	—	126
Losses on sale of securities	0	34
Losses on valuation of securities	—	4,026
Losses on redemption of securities	2	—
Losses on derivatives, net	11,403	13,925
Foreign exchange losses, net	15,280	—
Provision for reserve for possible loan losses	23	329
Depreciation of real estate for rent and others	1,680	1,599
Other investment expenses	4,346	3,003
Operating expenses	139,420	146,776
Other ordinary expenses	49,226	52,614
Ordinary Expenses from the Non-life Insurance Business	102,798	107,413
Underwriting expenses	73,943	77,925
Net losses paid	52,482	56,608
Loss adjustment expenses	8,067	8,220
Net commission and brokerage fees	1,295	1,214
Provision for reserve for outstanding losses and claims	1,194	1,139
Provision for underwriting reserves	10,903	10,741
Investment expenses	2	1
Losses on sale of securities	—	0
Other investment expenses	2	1
Operating, general and administrative expenses	28,848	29,482
Other ordinary expenses	4	4

(Continued)

(Millions of yen)

	For the year ended March 31, 2018	For the year ended March 31, 2019
Ordinary Expenses from the Banking Business	¥ 30,428	¥ 34,135
Interest expenses	7,656	8,566
Interest expenses on deposits	5,320	6,744
Interest expenses on call money and bills sold	(73)	88
Interest on payables under repurchase agreements	—	312
Interest on borrowed money	0	0
Interest expenses on bonds	40	12
Interest expenses on interest rate swaps	2,360	1,400
Other interest expenses	8	7
Fees and commissions	4,676	5,883
Other operating expenses	105	485
General and administrative expenses	17,733	18,786
Other ordinary expenses	257	414
Other	7,141	7,702
Other ordinary expenses	7,141	7,702
Ordinary Profit	66,843	93,856
Extraordinary Gains	13,258	0
Gains on disposal of fixed assets	13,258	0
Extraordinary Losses	2,180	2,367
Losses on disposal of fixed assets	187	92
Impairment losses	2	67
Provision for reserve under the special laws	1,953	2,207
Provision for reserve for price fluctuations	1,953	2,207
Others	36	—
Provision for Reserve for Policyholders' Dividends	3,271	2,146
Income Before Income Taxes	74,650	89,343
Income Taxes - Current	29,008	31,871
Income Taxes - Deferred	(6,344)	(4,853)
Total Income Taxes	22,664	27,018
Profit	51,985	62,325
Profit Attributable to Non-controlling Interests	90	250
Profit Attributable to Owners of the Parent	¥ 51,895	¥ 62,074

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

	For the year ended March 31, 2018	For the year ended March 31, 2019
Profit	¥ 51,985	¥ 62,325
Other comprehensive income		
Net unrealized gains (losses) on available-for-sale securities, net of taxes	(857)	(5,215)
Net deferred gains (losses) on hedging instruments, net of taxes	251	(174)
Remeasurements of defined benefit plans, net of taxes	827	456
Share of other comprehensive income of affiliates accounted for using equity method	—	23
Total other comprehensive income	221	(4,909)
Comprehensive income	¥ 52,207	¥ 57,415
(Details)		
Comprehensive income attributable to owners of the parent	52,116	57,167
Comprehensive income attributable to non-controlling interests	91	248

3. Consolidated Statements of Changes in Net Assets

For the year ended March 31, 2018

(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	¥ 255,062	¥ (81)	¥ 470,157
Changes during the period					
Issuance of new shares	27	27	—	—	55
Dividends from surplus	—	—	(23,922)	—	(23,922)
Profit attributable to owners of the parent	—	—	51,895	—	51,895
Disposal of treasury shares	—	(5)	—	26	21
Transfer of loss on disposal of treasury shares	—	5	(5)	—	—
Reversal of land revaluation	—	—	973	—	973
Adjustments due to change of scope of consolidation	—	—	(92)	—	(92)
Change in ownership interest of parent due to transactions with non-controlling interests	—	(4,147)	—	—	(4,147)
Net changes of items other than shareholders' equity	—	—	—	—	—
Total changes during the period	27	(4,119)	28,849	26	24,784
Balance at the end of the period	¥ 19,927	¥ 191,157	¥ 283,911	¥ (55)	¥ 494,941

(Continued)

	Total accumulated other comprehensive income					Subscription rights to shares	Non-controlling interests	Total net assets
	Net unrealized gains (losses) on available-for-sale 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	¥ 134,849	¥ (1,154)	¥ (1,465)	¥ (2,756)	¥ 129,472	¥ 49	¥ 1,460	¥ 601,139
Changes during the period								
Issuance of new shares	—	—	—	—	—	—	—	55
Dividends from surplus	—	—	—	—	—	—	—	(23,922)
Profit attributable to owners of the parent	—	—	—	—	—	—	—	51,895
Disposal of treasury shares	—	—	—	—	—	—	—	21
Transfer of loss on disposal of treasury shares	—	—	—	—	—	—	—	—
Reversal of land revaluation	—	—	—	—	—	—	—	973
Adjustments due to change of scope of consolidation	—	—	—	—	—	—	—	(92)
Change in ownership interest of parent due to transactions with non-controlling interests	—	—	—	—	—	—	—	(4,147)
Net changes of items other than shareholders' equity	(857)	251	(973)	827	(752)	48	187	(516)
Total changes during the period	(857)	251	(973)	827	(752)	48	187	24,267
Balance at the end of the period	¥ 133,991	¥ (902)	¥ (2,439)	¥ (1,929)	¥ 128,719	¥ 97	¥ 1,648	¥ 625,406

For the year ended March 31, 2019

(Millions of yen)

	Shareholders' Equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the period	¥ 19,927	¥ 191,157	¥ 283,911	¥ (55)	¥ 494,941
Changes during the period					
Issuance of new shares	35	35	—	—	71
Dividends from surplus	—	—	(26,099)	—	(26,099)
Profit attributable to owners of the parent	—	—	62,074	—	62,074
Net changes of items other than shareholders' equity	—	—	—	—	—
Total changes during the period	35	35	35,975	—	36,046
Balance at the end of the period	¥ 19,963	¥ 191,193	¥ 319,886	¥ (55)	¥ 530,987

	Total accumulated other comprehensive income					Subscription rights to shares	Non-controlling interests	Total net assets
	Net unrealized gains (losses) on available-for-sale 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	¥ 133,991	¥ (902)	¥ (2,439)	¥ (1,929)	¥ 128,719	¥ 97	¥ 1,648	¥ 625,406
Changes during the period								
Issuance of new shares	—	—	—	—	—	—	—	71
Dividends from surplus	—	—	—	—	—	—	—	(26,099)
Profit attributable to owners of the parent	—	—	—	—	—	—	—	62,074
Net changes of items other than shareholders' equity	(5,191)	(174)	—	458	(4,907)	52	248	(4,606)
Total changes during the period	(5,191)	(174)	—	458	(4,907)	52	248	31,439
Balance at the end of the period	¥ 128,800	¥ (1,077)	¥ (2,439)	¥ (1,470)	¥ 123,812	¥ 149	¥ 1,896	¥ 656,846

4. Consolidated Statements of Cash Flows

(Millions of yen)

	For the year ended March 31, 2018	For the year ended March 31, 2019
Cash flows from operating activities		
Income before income taxes	¥ 74,650	¥ 89,343
Depreciation of real estate for rent and others	1,680	1,599
Depreciation and amortization	11,828	11,297
Impairment losses	2	67
Amortization of goodwill	32	32
Increase (decrease) in reserve for outstanding claims	3,405	3,573
Increase (decrease) in policy reserve	647,035	713,088
interest portion of reserve for policyholders' dividends	0	0
Provision for (reversal of) reserve for policyholders' dividends	3,271	2,146
Increase (decrease) in reserve for possible loan losses	(140)	449
Increase (decrease) in net defined benefit liability	2,363	1,630
Increase (decrease) in reserve for directors' retirement benefits	(176)	—
Increase (decrease) in reserve for price fluctuations	1,953	2,207
Interest income and dividends	(186,943)	(200,253)
(Gains) losses on securities	(80,057)	(94,790)
Interest expenses	8,327	10,698
Losses (gains) on derivatives	11,403	13,925
Exchange (gains) losses	23,489	(17,258)
(Gains) losses on disposal of tangible fixed assets	(13,283)	78
Equity in (gains) losses of affiliates	2,338	1,748
Net (increase) decrease in loans	(56,745)	(147,727)
Net increase (decrease) in deposits	87,987	143,031
Net increase (decrease) in borrowed money (excluding subordinated borrowings)	80,000	30,000
Net increase (decrease) in call money and bills sold	26,000	54,902
Net (increase) decrease in call loans and bills bought	(4,805)	461
Net (increase) decrease in foreign exchange (assets)	(2,077)	874
Net increase (decrease) in foreign exchange (liabilities)	119	16
Others, net	15,506	21,467
Subtotal	657,168	642,611
Interest and dividends received	197,007	205,869
Interest paid	(8,484)	(10,221)
Policyholders' dividends paid	(3,517)	(3,086)
Income taxes paid	(22,451)	(32,251)
Net cash provided by (used in) operating activities	819,721	802,921

(Continued)

(Millions of yen)

	For the year ended March 31, 2018	For the year ended March 31, 2019
Cash flows from investing activities		
Net (increase) decrease in deposits	¥ 5	¥ —
Investments in money held in trust	(101)	(1,044)
Proceeds from money held in trust	6,532	4,522
Purchases of securities	(1,104,737)	(1,219,208)
Proceeds from sale and redemption of securities	427,925	526,015
Investments in loans	(60,315)	(63,716)
Collections of loans	28,761	30,341
Net gains (losses) from the settlement of derivative financial instruments	(22,997)	7,389
Net increase (decrease) in collateral for securities lending transactions	(6,719)	27,166
Others, net	32,553	48,264
Total of net cash provided by (used in) investment transactions	(699,092)	(640,270)
Total of net cash provided by (used in) operating activities and investment transactions	120,629	162,651
Purchases of tangible fixed assets	(2,049)	(1,255)
Proceeds from sales of tangible fixed assets	36,700	1
Purchases of intangible fixed assets	(12,481)	(17,794)
Purchase of securities of a non-consolidated subsidiary	(339)	(50)
Purchase of securities of affiliates	(3,450)	(300)
Others, net	(132)	(147)
Net cash provided by (used in) investing activities	(680,845)	(659,815)
Cash flows from financing activities		
Proceeds from debt borrowing	5,266	4,640
Repayments of debt	(5,133)	(4,712)
Cash dividends paid	(23,921)	(26,095)
Proceeds from issuance of bonds	19,938	—
Payments for redemption of bonds	(10,000)	—
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(171)	—
Others, net	(474)	(476)
Net cash provided by (used in) financing activities	(14,496)	(26,645)
Effect of exchange rate changes on cash and cash equivalents	(2)	0
Net increase (decrease) in cash and cash equivalents	124,377	116,461
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	373	—
Cash and cash equivalents at beginning of the period	268,381	393,133
Cash and cash equivalents at end of the period	¥ 393,133	¥ 509,594

5. Notes to the Consolidated Financial Statements

1) Note on Going Concern

Not applicable.

2) Segment Information

(1) Outline of reportable segments

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

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

The Sony Financial Group consists of three reportable 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 reportable segment
For the year ended March 31, 2018

Millions of yen						
	Life insurance business	Non-life insurance business	Banking business	Total	Other	Total
Ordinary revenues						
External customers	¥ 1,347,762	¥ 110,091	¥ 39,712	¥ 1,497,566	¥ 6,064	¥ 1,503,630
Intersegment	3,462	1	221	3,685	—	3,685
Total	1,351,225	110,092	39,934	1,501,251	6,064	1,507,316
Segment profit	¥ 54,148	¥ 6,574	¥ 7,146	¥ 67,869	¥ (1,077)	¥ 66,792
Segment assets	9,566,063	204,395	2,651,162	12,421,622	13,532	12,435,155
Others						
Depreciation	7,147	3,927	2,458	13,532	616	14,148
Interest income and dividends	157,743	1,324	28,344	187,411	0	187,411
Interest expenses	151	—	7,731	7,883	516	8,400
Equity in earnings (losses) of affiliates	(2,338)	—	—	(2,338)	—	(2,338)
Investments in affiliates	12,245	—	—	12,245	—	12,245
Increase in tangible fixed assets and intangible fixed assets	¥ 9,511	¥ 2,660	¥ 4,709	¥ 16,882	¥ 930	¥ 17,812

For the year ended March 31, 2019

Millions of yen						
	Life insurance business	Non-life insurance business	Banking business	Total	Other	Total
Ordinary revenues						
External customers	¥ 1,461,632	¥ 115,101	¥ 45,766	¥ 1,622,500	¥ 6,681	¥ 1,629,182
Intersegment	2,735	1	252	2,988	—	2,988
Total	1,464,367	115,102	46,018	1,625,488	6,681	1,632,170
Segment profit	¥ 78,213	¥ 6,897	¥ 9,597	¥ 94,708	¥ (1,021)	¥ 93,687
Segment assets	10,380,274	219,672	2,878,879	13,478,825	22,636	13,501,462
Others						
Depreciation	7,847	2,457	2,489	12,794	631	13,425
Interest income and dividends	166,953	1,372	31,926	200,252	2	200,255
Interest expenses	1,604	—	8,643	10,248	507	10,755
Equity in earnings (losses) of affiliates	(1,748)	—	—	(1,748)	—	(1,748)
Investments in affiliates	10,969	—	—	10,969	—	10,969
Increase in tangible fixed assets and intangible fixed assets	¥ 9,496	¥ 5,790	¥ 3,977	¥ 19,264	¥ 1,141	¥ 20,406

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

Millions of yen			
	For the year ended March 31, 2018		For the year ended March 31, 2019
Totals of reportable segments	¥	1,501,251	¥ 1,625,488
Other		6,064	6,681
Adjustments for intersegment transactions		(3,685)	(2,988)
Ordinary revenues in statement of income	¥	1,503,630	¥ 1,629,182

Millions of yen			
	For the year ended March 31, 2018		For the year ended March 31, 2019
Totals of reportable segments	¥	67,869	¥ 94,708
Other		(1,077)	(1,021)
Adjustments for intersegment transactions		(133)	—
Amount not allocated to reportable segments		185	169
Ordinary profit in statement of income	¥	66,843	¥ 93,856

Millions of yen			
	For the year ended March 31, 2018		For the year ended March 31, 2019
Totals of reportable segments	¥	12,421,622	¥ 13,478,825
Other		13,532	22,636
Adjustments for intersegment transactions		(70,927)	(66,653)
Amount not allocated to reportable segments		37,218	33,406
Assets in balance sheets	¥	12,401,446	¥ 13,468,215

Millions of yen									
For the year ended March 31, 2018				For the year ended March 31, 2019					
Total	Other	Adjustments	Consolidated financial statements	Total	Other	Adjustments	Consolidated financial statements		
Depreciation	¥ 13,532	¥ 616	¥ 38	¥ 14,187	¥ 12,794	¥ 631	¥ 40	¥ 13,466	
Interest income and dividends	187,411	0	(467)	186,944	200,252	2	(0)	200,255	
Interest expenses	7,883	516	(74)	8,325	10,248	507	(77)	10,678	
Equity in earnings (losses) of affiliates	(2,338)	—	—	(2,338)	(1,748)	—	—	(1,748)	
Investments in affiliates	12,245	—	—	12,245	10,969	—	—	10,969	
Increase in tangible fixed assets and intangible fixed assets	¥ 16,882	¥ 930	¥ 10	¥ 17,822	¥ 19,264	¥ 1,141	¥ 69	¥ 20,475	

3) Per share data

	Yen	
	For the year ended March 31, 2018	For the year ended March 31, 2019
Net assets per share	1,433.73	1,505.20
Earnings per share	119.30	142.69
Earnings per share (diluted)	119.29	142.67

(Notes)

1. Net assets per share is calculated based on the followings:

	Millions of yen, except number of shares	
	For the year ended March 31, 2018	For the year ended March 31, 2019
Net assets	625,406	656,846
Amount excluded from Net assets	1,745	2,045
Stock acquisition rights	1,648	1,896
Non-controlling interests	97	149
Net assets attributable to common stock at the fiscal year-end	623,661	654,800
Number of common stock at the fiscal year-end used for the calculation of Net assets per share (in thousands)	434,991	435,025

2. Earnings per share and earnings per share (diluted) are calculated based on the followings:

	Millions of yen, except number of shares	
	For the year ended March 31, 2018	For the year ended March 31, 2019
Earnings per share		
Profit attributable to owners of parents	51,895	62,074
Amount not attributable to common stockholders	—	—
Profit attributable to owners of parents attributable to common stock	51,895	62,074
Average number of common stock during the fiscal year (in thousands)	434,979	435,016
Earnings per share(diluted)		
Adjustment for profit attributable to owners of parents	—	—
Increase in number of common stock (in thousands)	60	87
Stock acquisition rights (in thousands)	60	87
Outline of dilutive shares which were not included in the calculation of“Earnings per share (diluted)” because they do not have dilutive effect:	—	

4) Subsequent Events

Not applicable.

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.
Proud Life Inc.**
Sony Financial Ventures Inc.**
SFV•GB L.P**

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.

Sony Financial Ventures Inc. is included in the scope of consolidation from the second quarter ended September 30, 2018.

SFV•GB L.P is included in the scope of consolidation from the fourth quarter ended March 31, 2019.

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.

V. Attachment

Content of Presentation Material

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

▪ Consolidated Operating Results for the Fiscal Year Ended March 31, 2019 (FY2018)	3
▪ Forecast of Consolidated Financial Results for the Fiscal Year Ending March 31, 2020 (FY2019)	18
▪ Dividend Forecast for FY2019.....	21
▪ Sony Life's Preliminary MCEV as of March 31, 2019.....	23
▪ Appendix	26

【Presentation Material】



**Sony Financial
Holdings**

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

Sony Financial Holdings Inc.
May 15, 2019

AGENDA

Consolidated Operating Results for the Fiscal Year Ended March 31, 2019 (FY2018)	P. 3
Forecast of Consolidated Financial Results for the Fiscal Year Ending March 31, 2020 (FY2019)	P. 18
Dividend Forecast for FY2019	P. 21
Sony Life's Preliminary MCEV as of March 31, 2019	P. 23
Appendix	P. 26

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 Fiscal Year Ended March 31, 2019 (FY2018)

Highlights of Consolidated Financial Results



Financial Results for FY2018

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

Forecast of Financial Results for FY2019

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

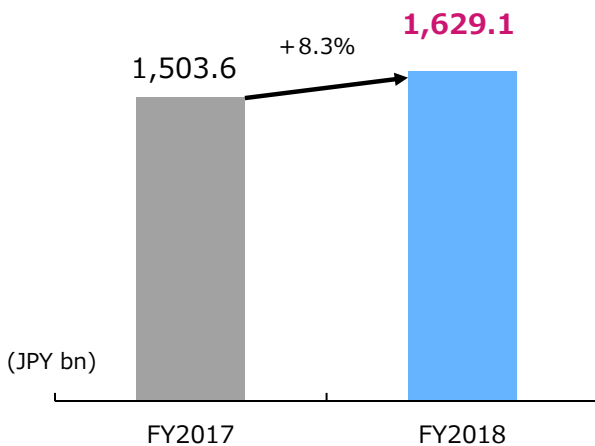
Shareholder Returns

- ◆ In line with our medium-term dividend policy, for FY2019 we expect to raise the dividend amount by ¥2.5 per share compared with FY2018, to ¥65.0, taking into overall account such factors as the operating environment, growth in business scale, and higher profit based on economic value. We aim to continue steadily increasing dividends going forward.

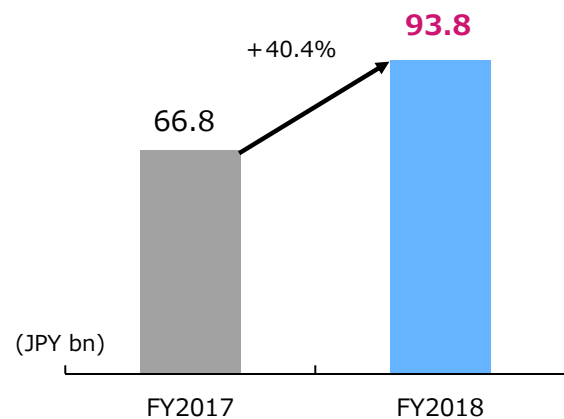
Highlights of Consolidated Financial Results

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

Ordinary Revenues



Ordinary Profit



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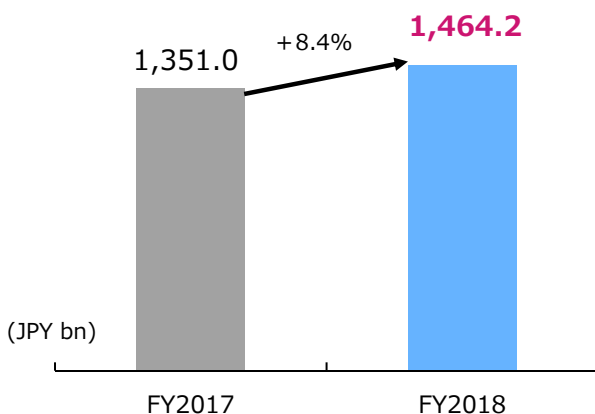
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Highlights of Operating Performance : Sony Life (Non-consolidated)

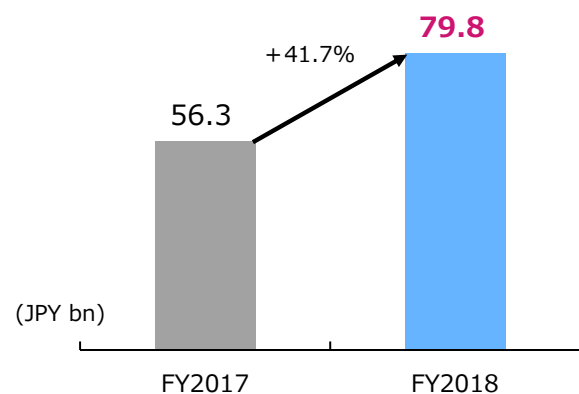


- ◆ Ordinary Revenues : Grew due to higher insurance premiums owing mainly to a steady rise in the policy amount in force.
- ◆ Ordinary Profit : increased year on year due to an increase in profit on higher policies in force, a recording of gains on sale of securities in the general account, a decline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

Ordinary Revenues



Ordinary Profit



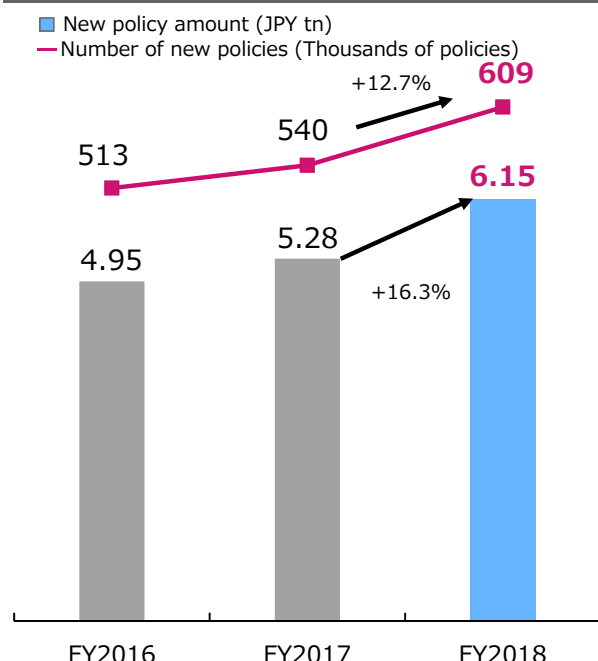
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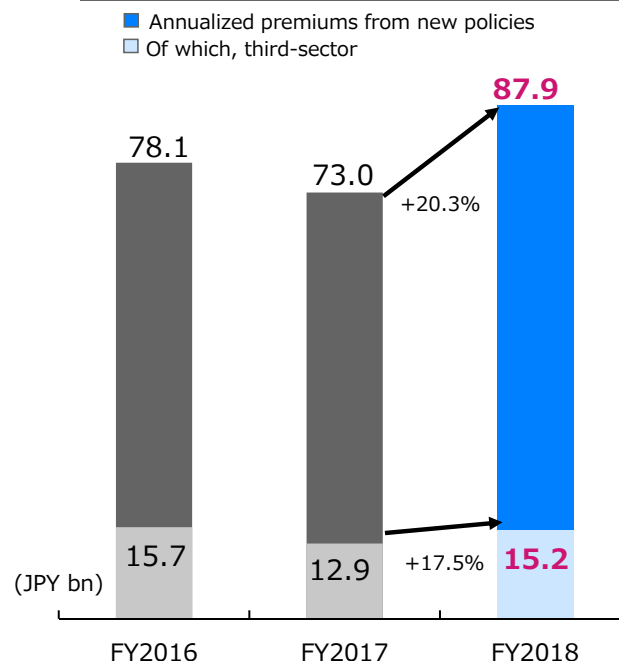
Operating Performance : Sony Life (Non-consolidated) (1)

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

Number and Amount of New Policies
(Individual life insurance + Individual annuities)



Annualized Premiums from New Policies
(Individual life insurance + Individual annuities)



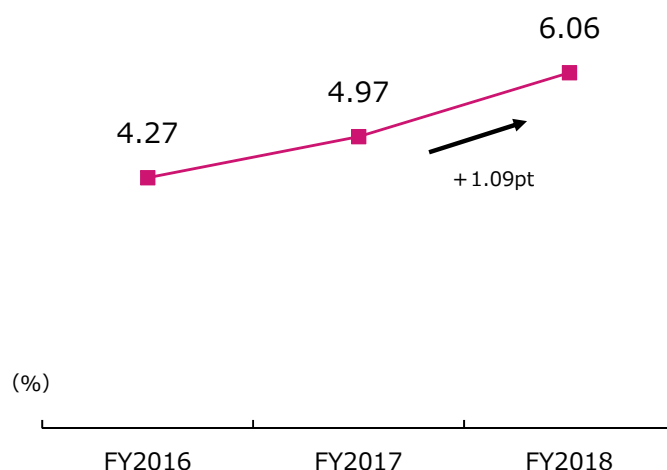
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Operating Performance : Sony Life (Non-consolidated) (2)

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

Lapse and Surrender Rate*
(Individual life insurance + Individual annuities)



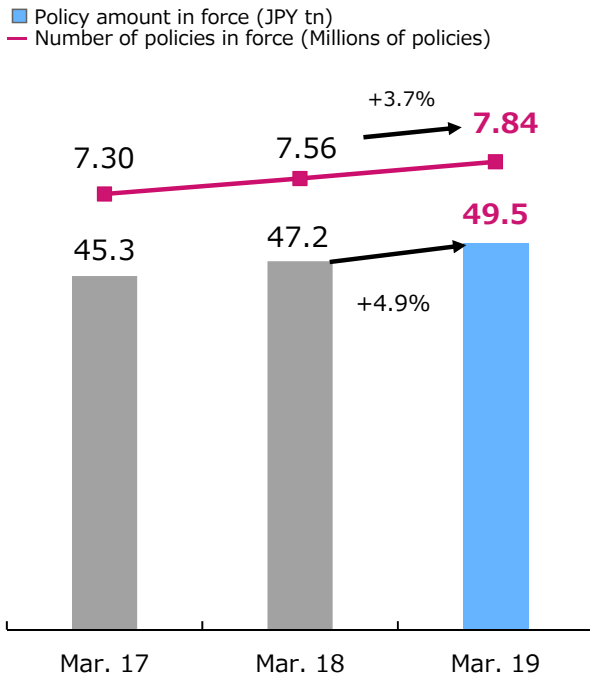
*The lapse and surrender rate shows the ratio derived by dividing the amount of lapses and surrenders, not adjusted for policy amount decreases, increases, and reinstatements, by the policy amount in force at the beginning of the fiscal year.

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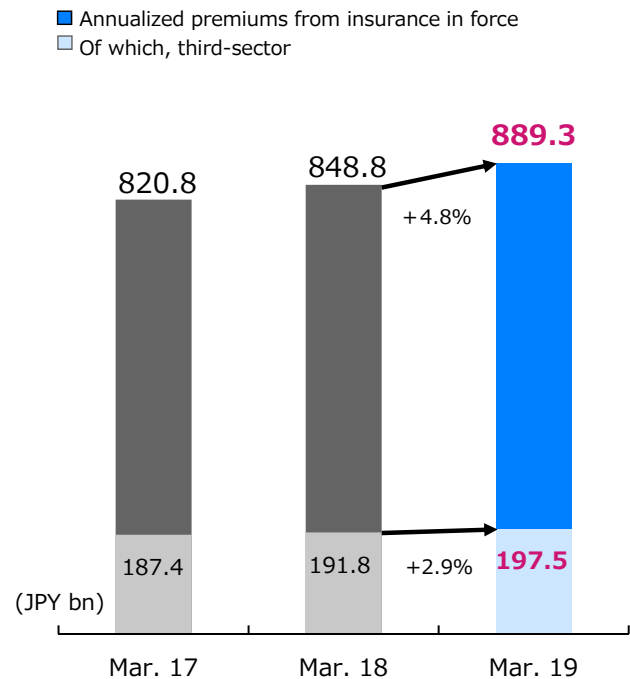
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Operating Performance : Sony Life (Non-consolidated) (3)

Number and Amount of Policies in Force (Individual life insurance + Individual annuities)



Annualized Premiums from Insurance in Force (Individual life insurance + Individual annuities)



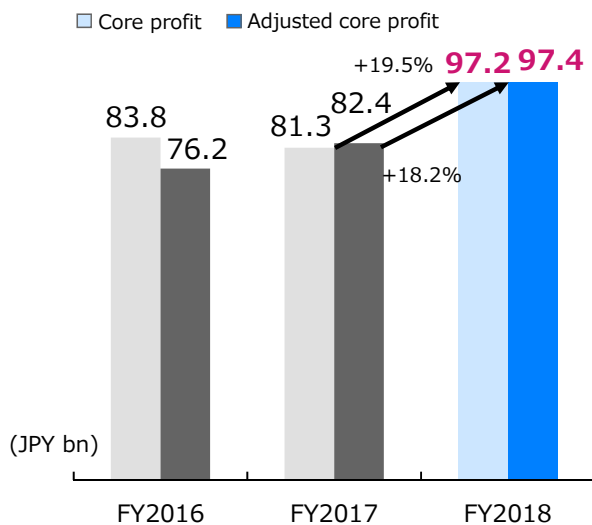
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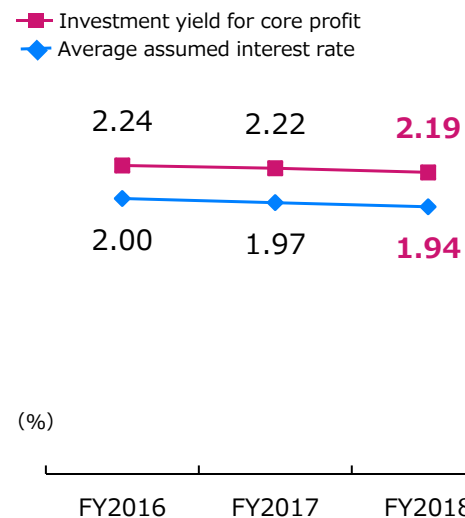
Operating Performance : Sony Life (Non-consolidated) (4)

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

Core Profit and Adjusted Core Profit



Reference Average Assumed Interest Rate and Investment Yield for Core Profit



◆ Details of core profit

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

*Provision of policy reserves for minimum guarantees for variable life insurance is described as negative amount.

**Adjusted core profit = (Core profit) – (Positive spread) – (Provision of policy reserves for minimum guarantees for variable life insurance)

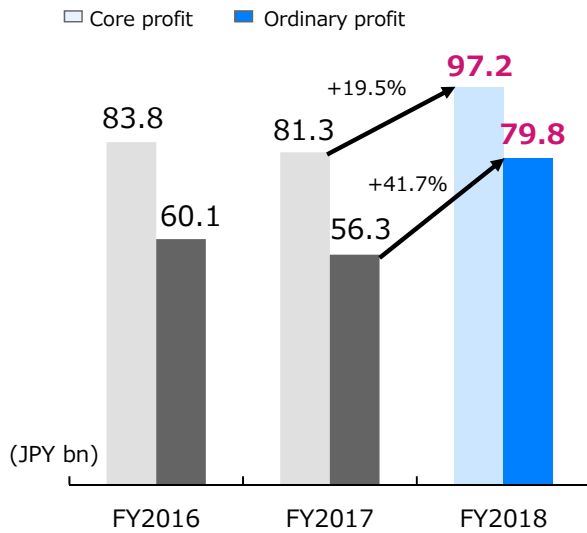
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Operating Performance : Sony Life (Non-consolidated) (5)

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

Core Profit and Ordinary Profit



◆ Difference from core profit

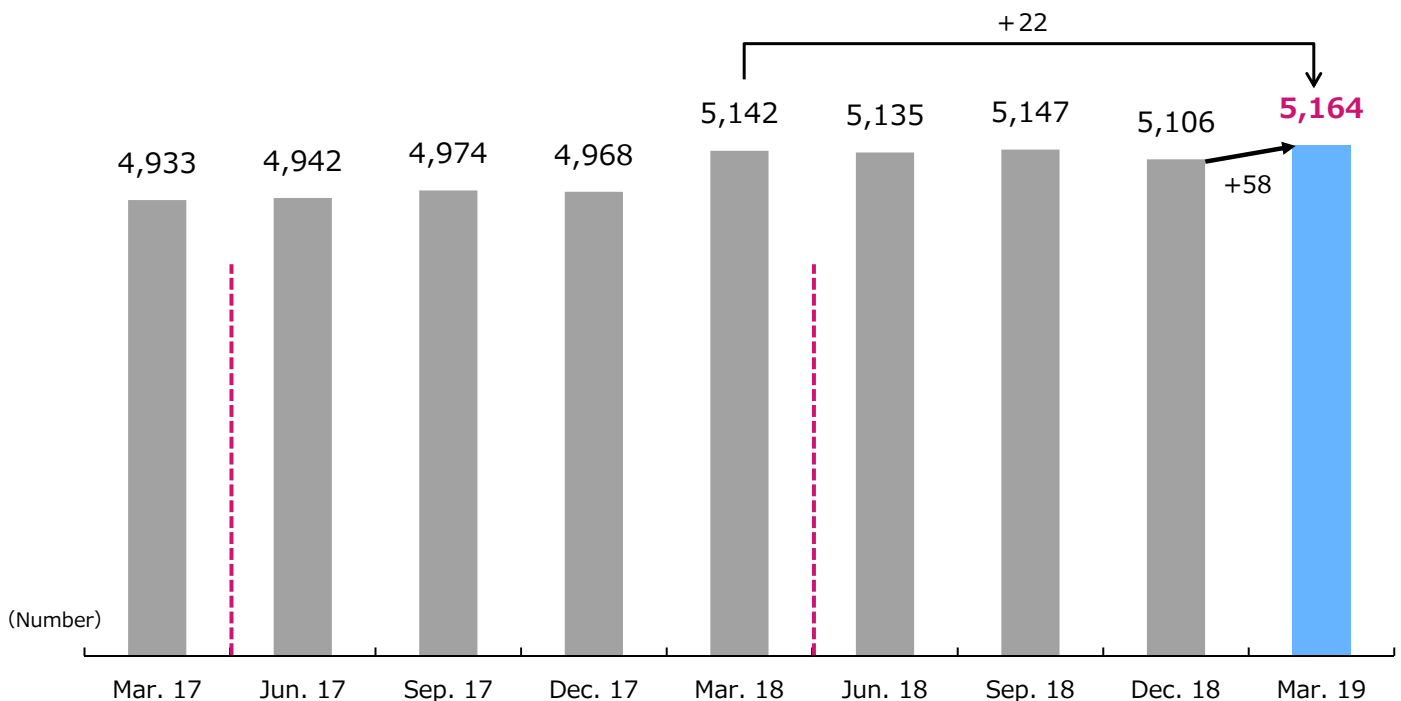
(JPY bn)	FY2016	FY2017	FY2018
Core profit	83.8	81.3	97.2
Capital gains (losses) excluding gains or losses on hedges (*)	(0.4)	(9.0)	1.6
Gains (losses) on hedges of variable life insurance	(15.6)	(8.4)	(9.9)
Provision of contingency reserve (**)	(7.2)	(7.4)	(8.6)
Others	(0.1)	(0.1)	(0.4)
Ordinary profit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

*Capital gains (losses) exclude gains or losses on hedges of variable life insurance.

** Provision of contingency reserve is described as negative amount.

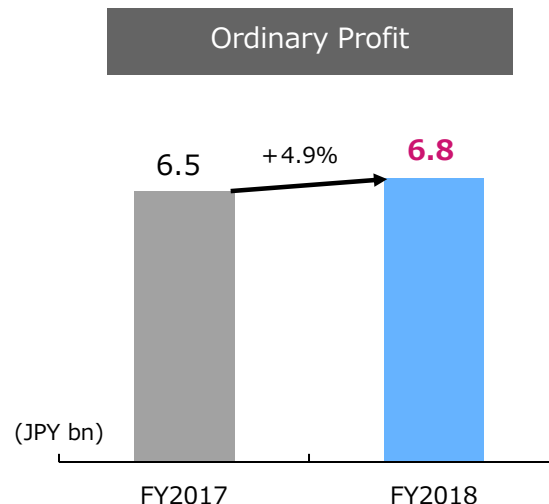
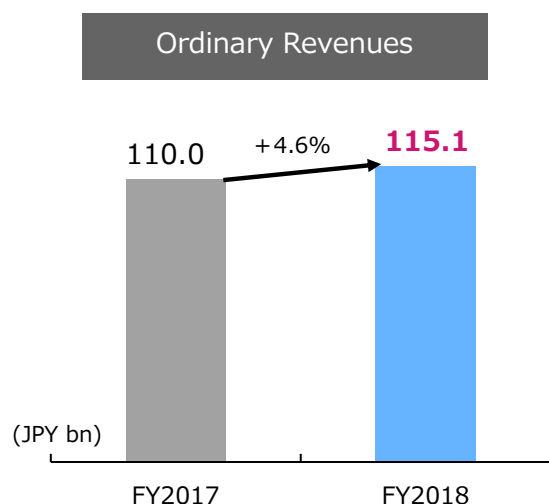
Operating Performance : Sony Life (Non-consolidated) (6)

Number of Lifeplanner Sales Employees



Highlights of Operating Performance : Sony Assurance

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

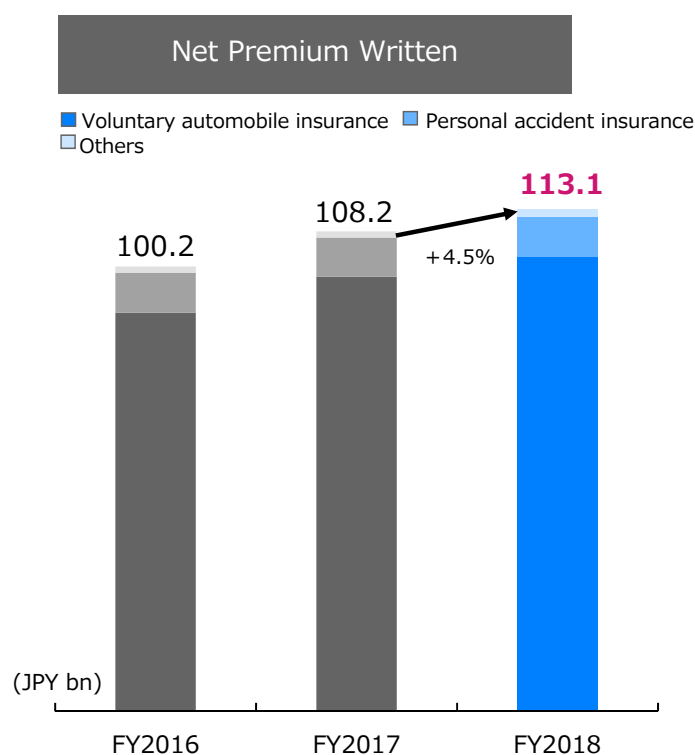


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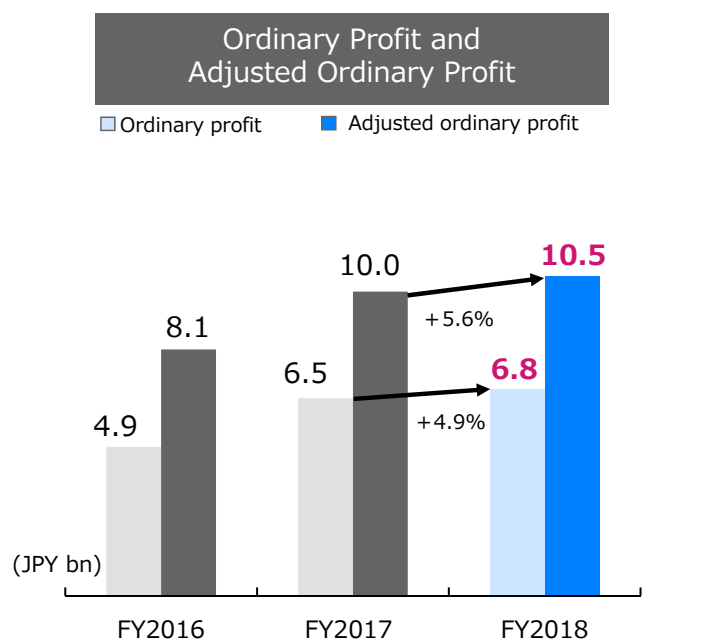
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Operating Performance : Sony Assurance (1)

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



Note: Most of personal accident insurance is medical insurance.



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

(Reference) Provision for catastrophe reserve

	(JPY bn)	FY2016	FY2017	FY2018
Provision for catastrophe reserve		3.1	3.4	3.6

*Provision for catastrophe reserve is described as positive amount.

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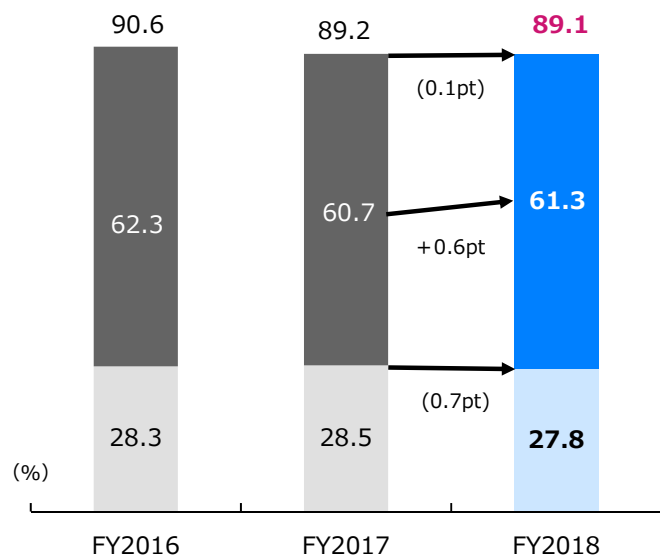
14

Operating Performance : Sony Assurance (2)

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

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

■ E.I. loss ratio ■ Net expense ratio

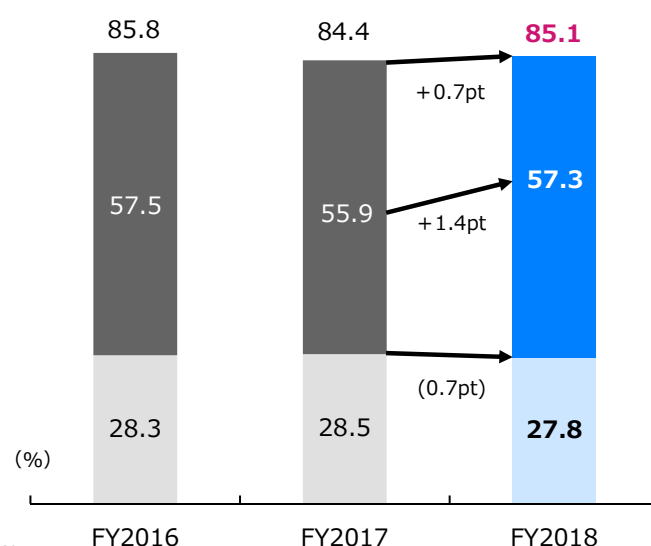


Notes:

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

Reference Combines Ratio (Net Loss ratio + Net Expense Ratio)

■ 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

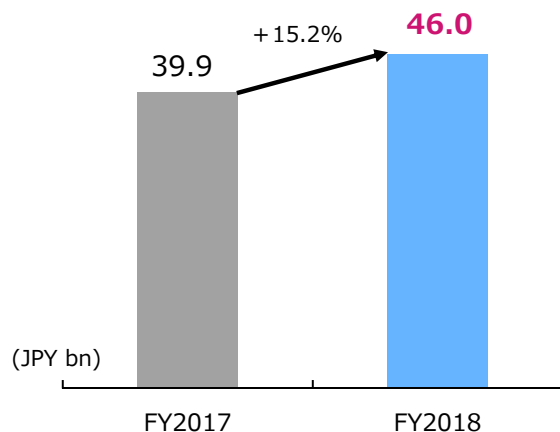
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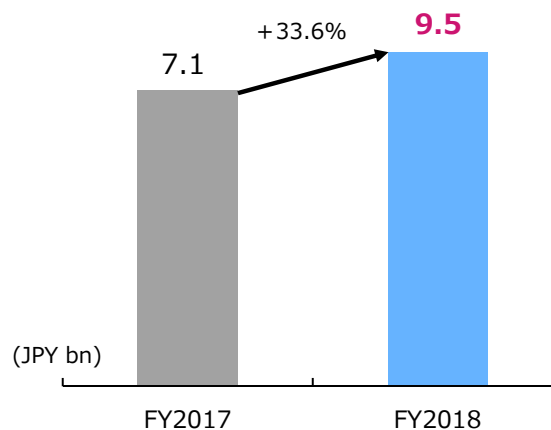
Highlights of Operating Performance : Sony Bank (Consolidated)

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

Ordinary Revenues



Ordinary Profit



Operating Performance : Sony Bank (Non-consolidated)

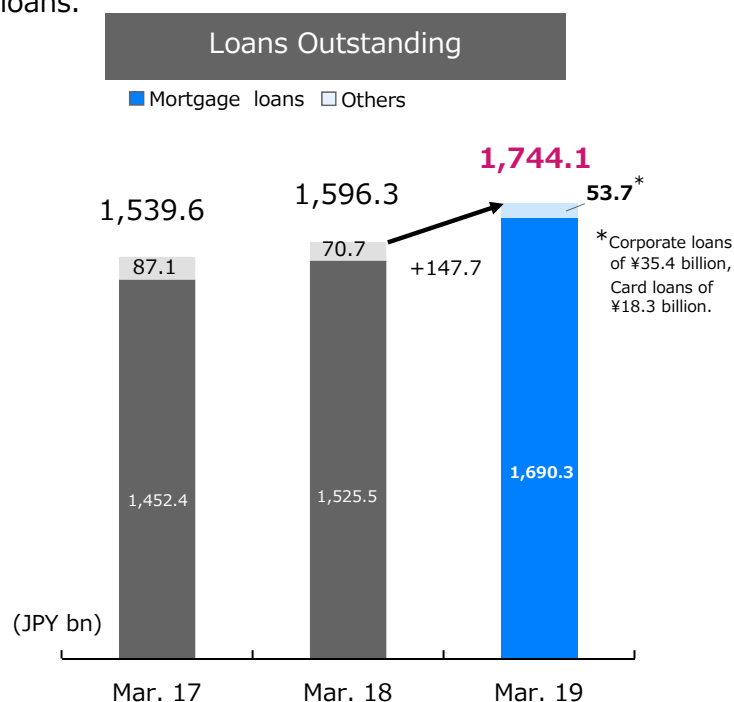
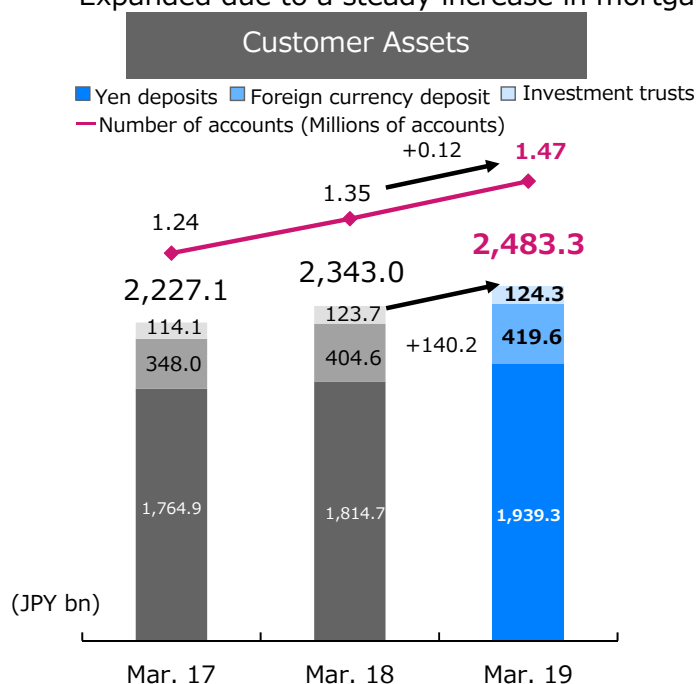


◆ Customer Assets

- Yen Deposits : Increased due mainly to an increase in newly accumulated funds via the increased number of accounts.
- Foreign Currency Deposits : Increased due mainly to the launch of the "Set Time Deposits Program," which simultaneously employs yen and foreign currency time deposits.

◆ Loans Outstanding

- Expanded due to a steady increase in mortgage loans.



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

Forecast of Consolidated Financial Results for FY2019

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

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

◆Life insurance business

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

◆Non-life insurance business

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

◆Banking business

We expect ordinary revenues to rise year on year due to stable business growth stemming from the steady ongoing accumulation of mortgage loans and the strengthening of the foreign currency business.

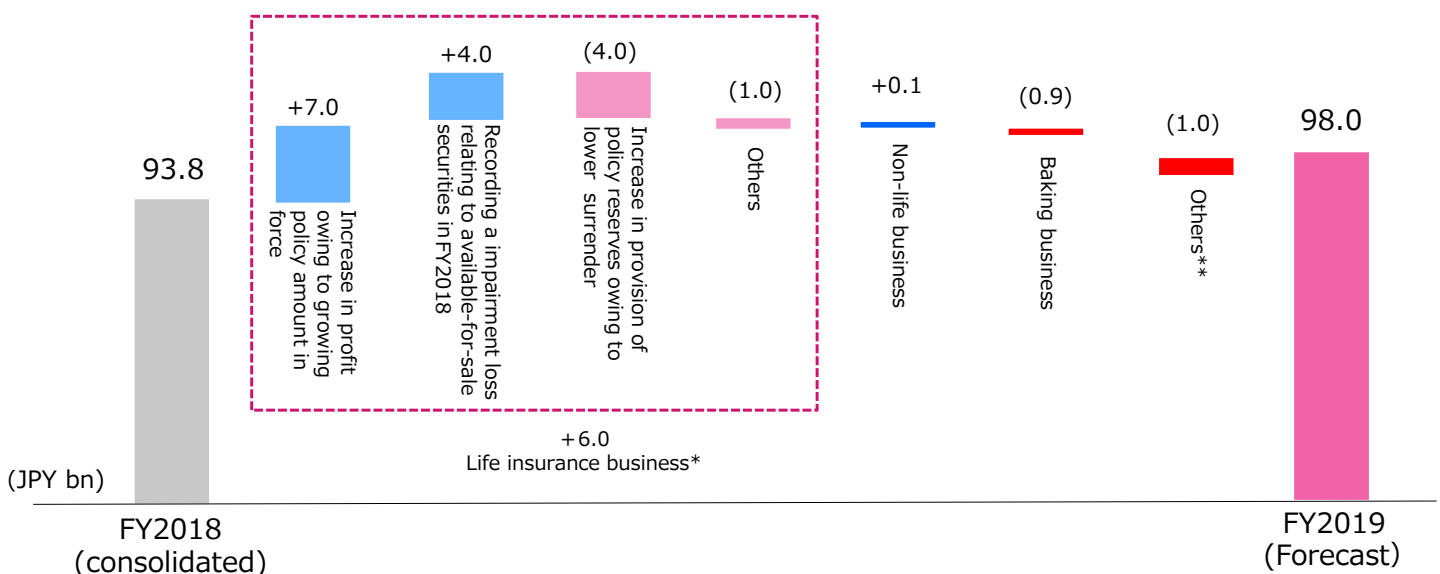
Although we anticipate a rise in gross operating profit in line with revenue growth, we expect ordinary profit to decrease year on year due to a rise in operating expenses rise.

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

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Analysis on Ordinary Profit



*Assumption

• Market environment : At the level as of Mar. 19

• Gains on sale of securities : Approx. ¥4.0 billion

**Others include total of profit and loss of SFH, the nursing care business, and the venture capital business as well as intersegment adjustment



Dividend Forecast for FY2019

Dividend Forecast for FY2019



◆ Medium-term Dividend Policy : Unchanged

We aim for steady increases in dividends in line with earnings growth over the medium to long term, while securing sufficient internal reserves to ensure the financial soundness of Group companies and to invest in growth fields. Management will examine earnings growth over the medium to long term by placing more importance on economic value-based profit indicators that are more suitable for evaluating the growth of the life insurance business, in addition to statutory profit. Furthermore, management will determine specific dividend amounts for each year by taking into account a comprehensive range of factors surrounding the Group.

◆ Dividend Results/Forecast

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

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

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

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



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

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

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

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

Sony Life's MCEV



◆ Reasons for Changes in MCEV

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

◆ New Business Value / New Business Margin

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

(JPY bn)	Mar. 18	Dec. 18	Mar. 19	Change from Mar. 18	Change from Dec. 18
MCEV	1,633.1	1,664.6	1,720.2	+87.1	+55.6
Adjusted net worth	1,786.1	1,824.0	2,195.7	+409.6	+371.7
Value of existing business	(152.9)	(159.4)	(475.5)	(322.5)	(316.0)

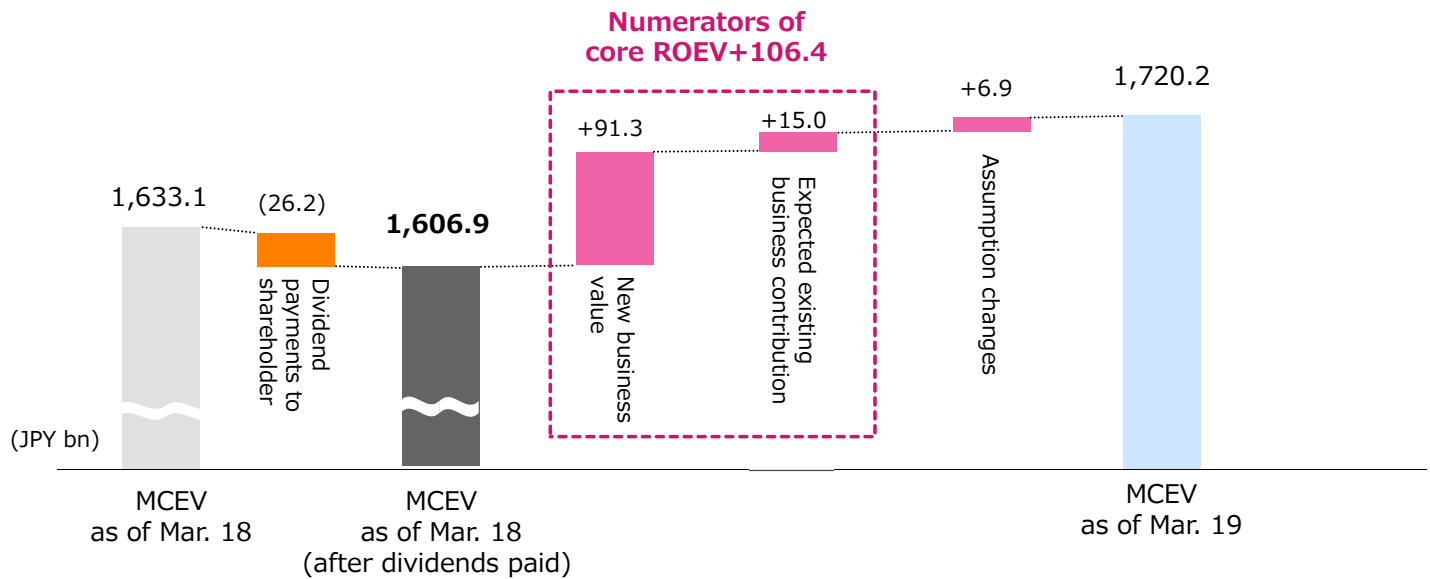
(JPY bn)	FY17.4Q (3M)	FY18.1Q (3M)	FY18.2Q (3M)	FY18.3Q (3M)	FY18.4Q (3M)	FY18.4Q (12M)
New business value	21.1	21.9	22.6	23.6	23.1	91.3
New business margin	6.1%	7.1%	6.9%	7.3%	5.0%	6.4%

Notes:

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

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

Reconciliation Analysis of Sony Life's MCEV



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

Appendix |

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

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

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

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Detail of Consolidated Adjusted Profit and Consolidated Adjusted Capital

Adjusted profit (Numerator)

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

Adjusted capital (Denominator)

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

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

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

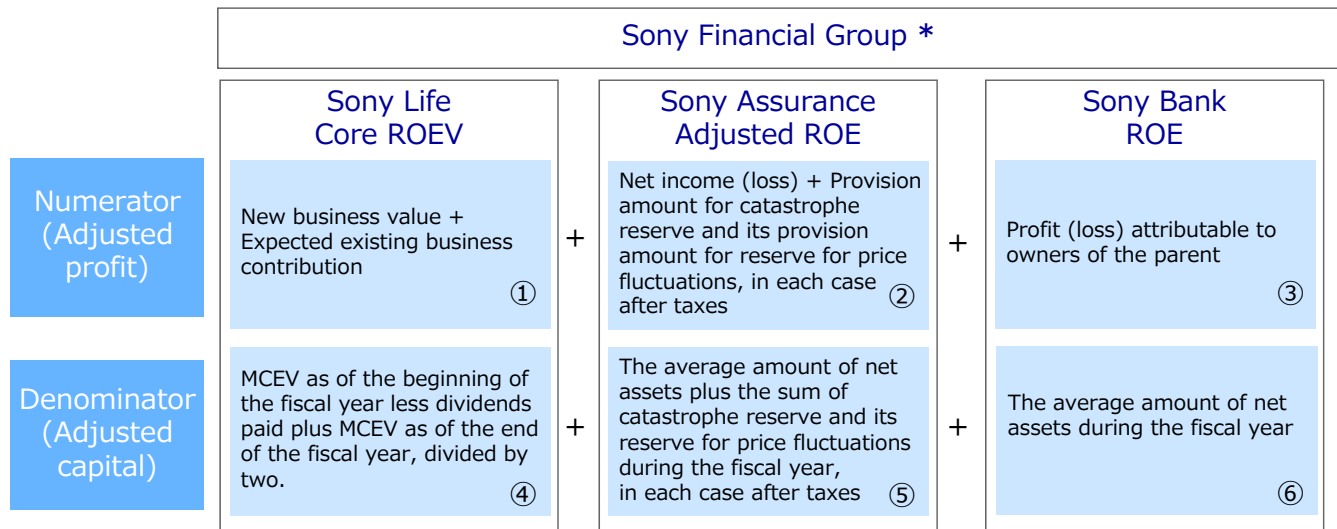
Note: The figures for FY2017 excluded the impact of the revision in the insurance risk measurement method and others for Sony Life.

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Calculation of Consolidated Adjusted ROE

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



* Consolidated Adjusted ROE = Consolidated Adjusted Profit divided by Consolidated Adjusted Capital

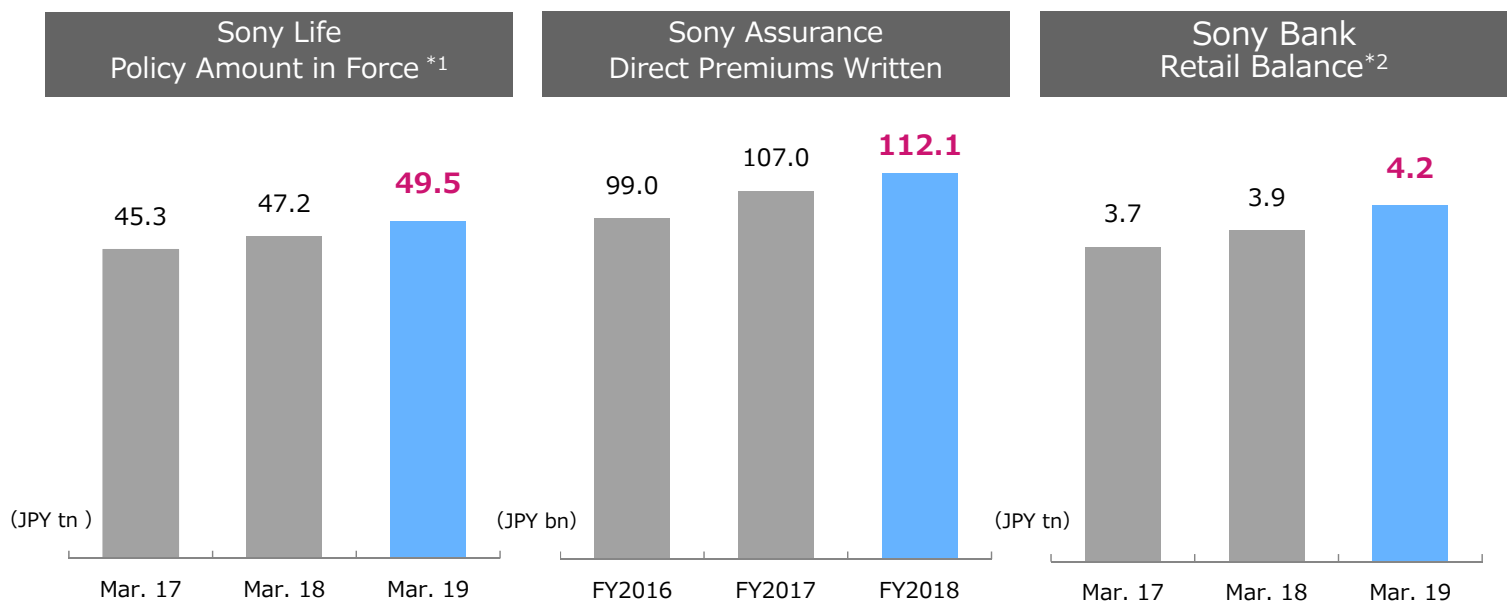
Consolidated Adjusted Profit = ① + ② + ③

Consolidated Adjusted Capital = ④ + ⑤ + ⑥

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Update of Major KPIs



*¹ Individual Life Insurance + Individual Annuities

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

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

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

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

Results of Cross-selling

◆ Sony Bank's Mortgage Loans through Sony Life

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

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

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



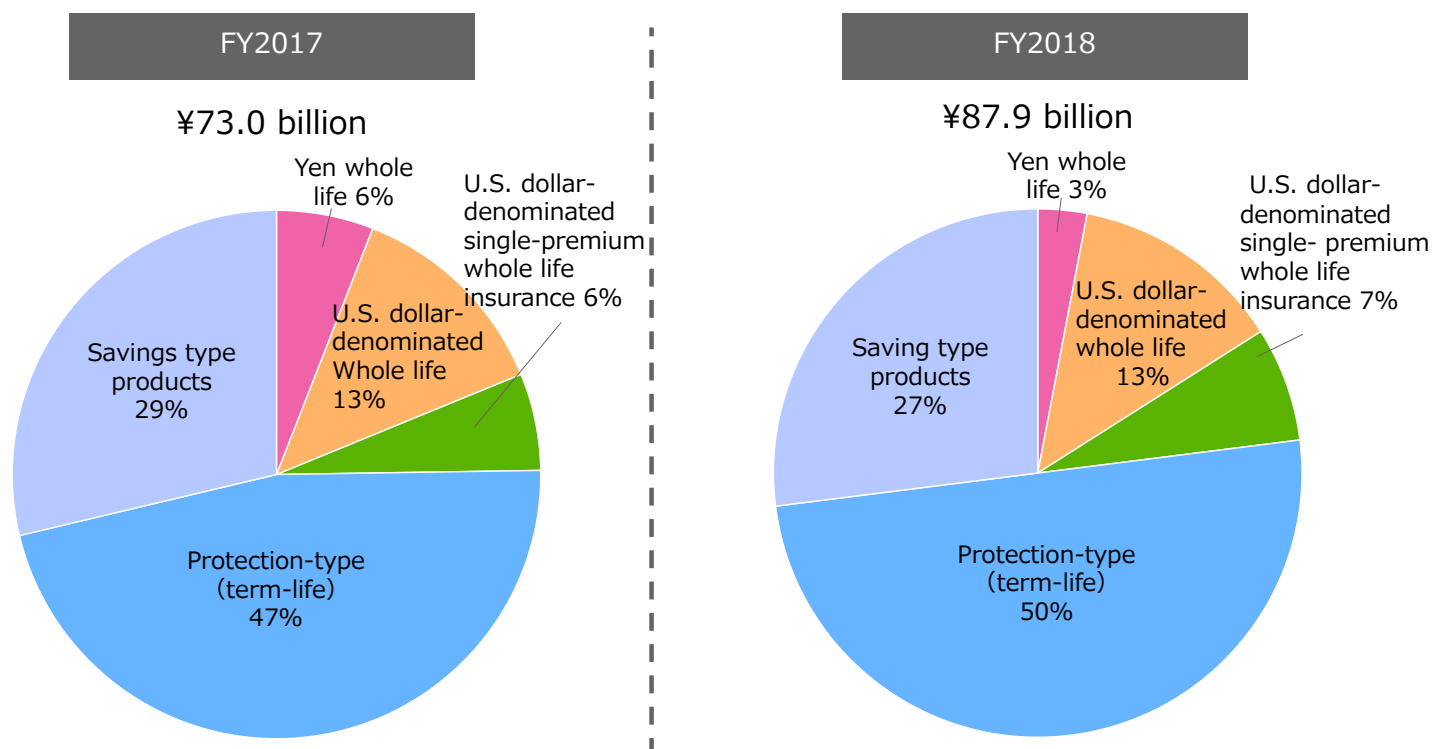
◆ Sony Assurance's Automobile Insurance Sold by Sony Life

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

※Sony Life started handling automobile insurance in May 2001.



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

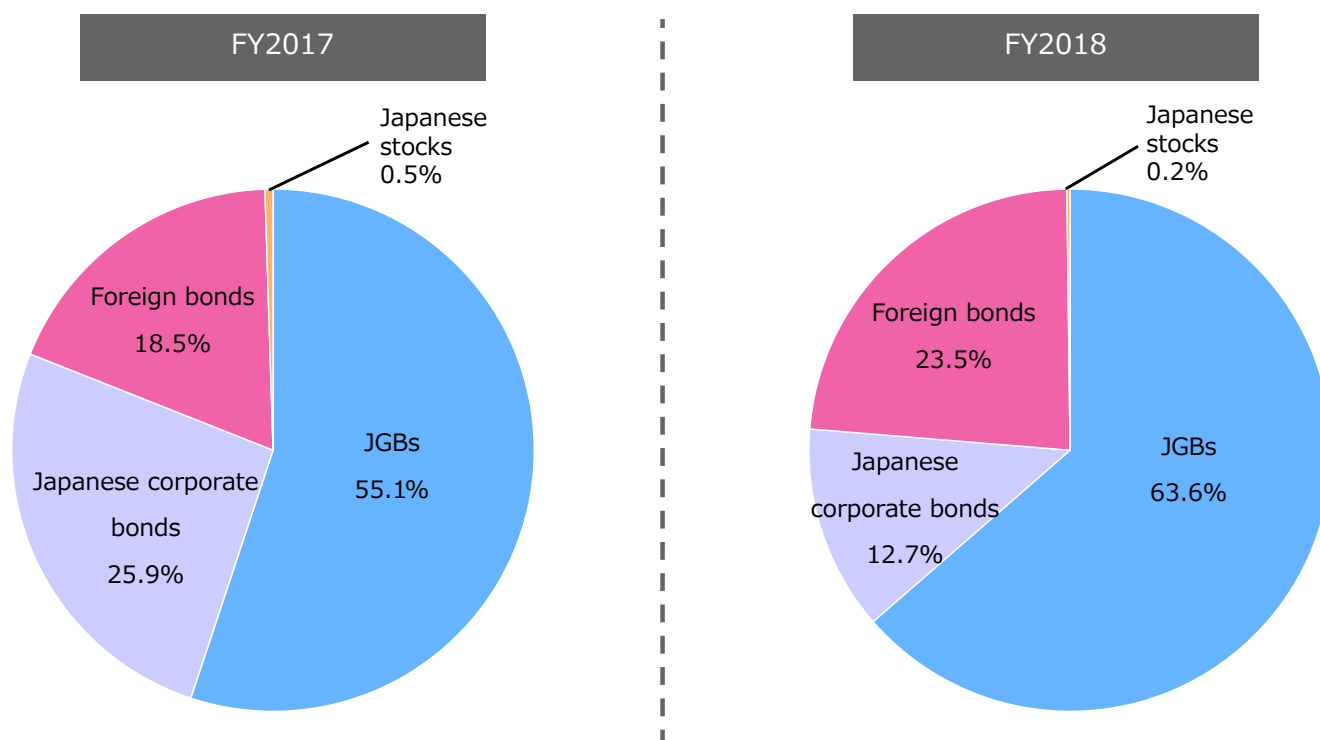


Note: Savings type products = Endowment • Annuities • Educational endowment insurance

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



- 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)

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◆ Asset management review

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

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

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

◆ Bond duration

Mar. 17 : 21.3 years

Mar. 18 : 21.4 years

Mar. 19 : 21.8 years

◆ Investment in the money held in trust is mainly into Japanese bonds.

◆ The holding ratio on the real status of Japanese bonds including those invested in money held in trust in the general account :

Mar. 17 : 90.1%

Mar. 18 : 89.5%

Mar. 19 : 88.3%

Sony Life's Interest Income and Dividends (Details)

(JPY mn)

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

Sony Life's Capital Gains (Losses)

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

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

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

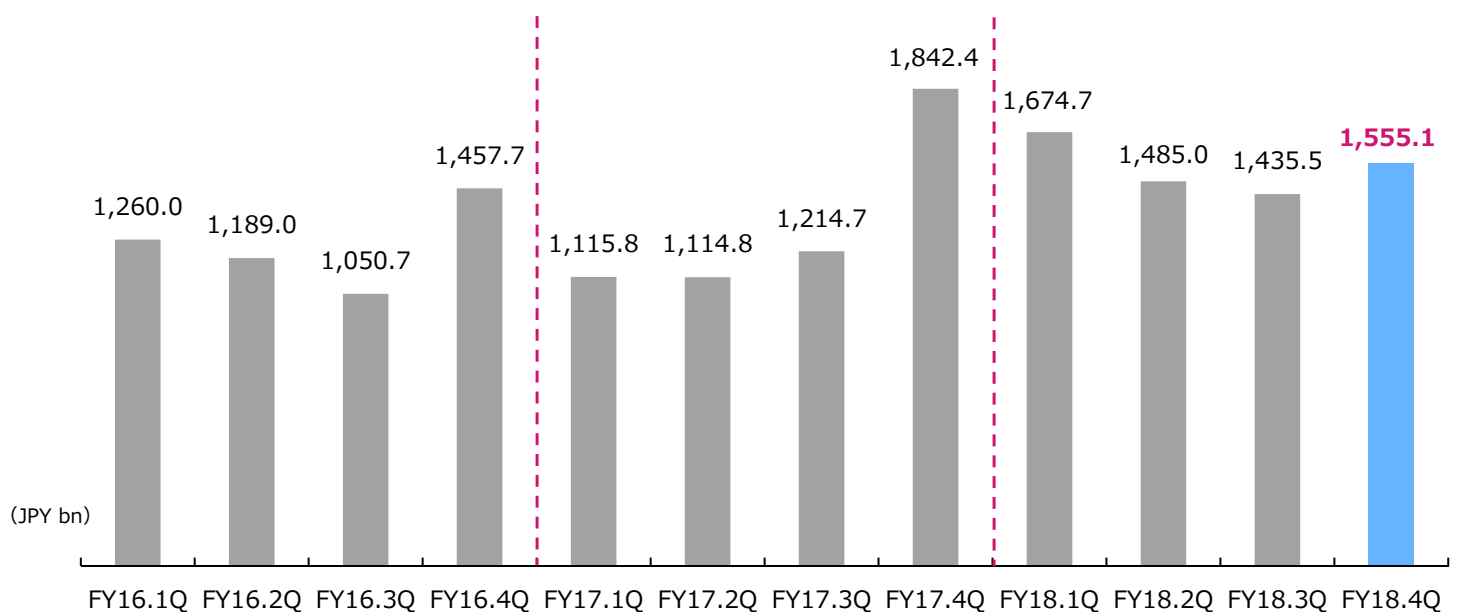
(JPY mn)	FY2017	FY2018
Capital gains	9,894	19,562
Gains on sale of securities...(3)	0	6,107
Foreign exchange gains, net	–	13,455
Gains on U.S. dollar-denominated insurance (foreign exchange gains in separate account) ...(5)	–	13,331
Other capital gains	9,894	–
Gains on U.S. dollar-denominated insurance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

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

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Sony Life's Quarterly Trend on New Policy Amount



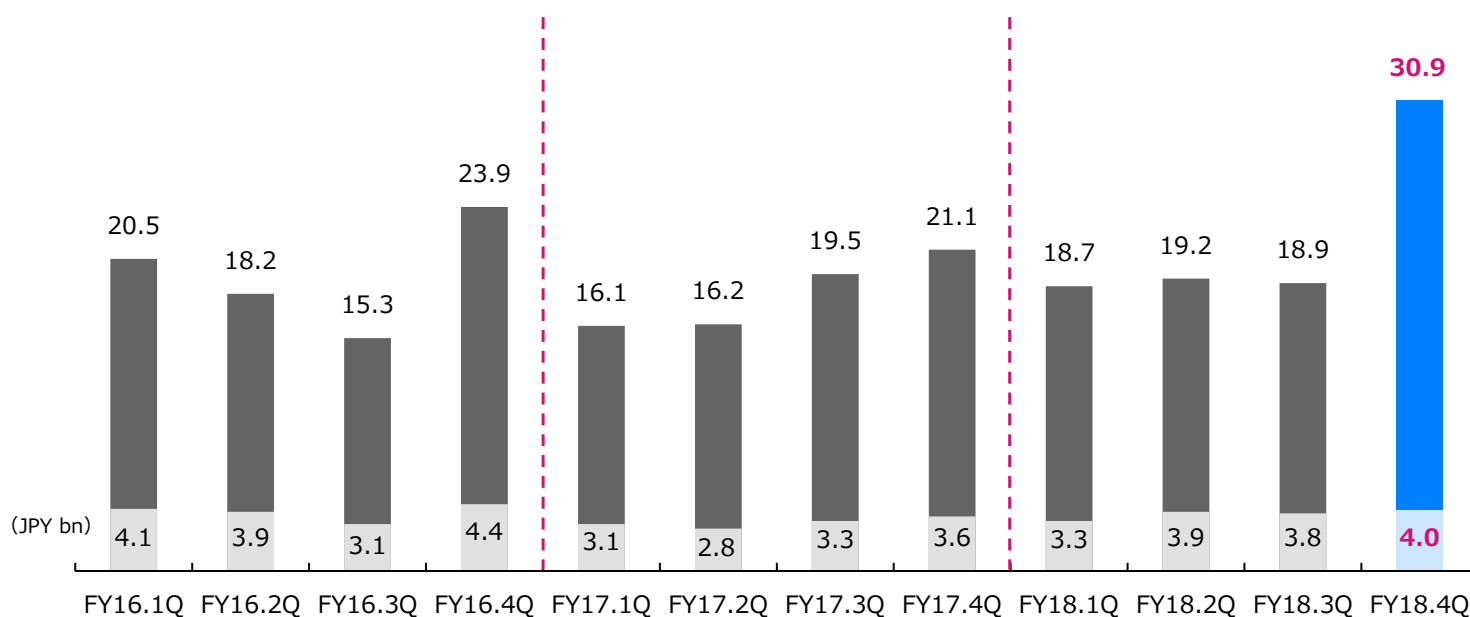
Note : Individual Life Insurance + Individual Annuities

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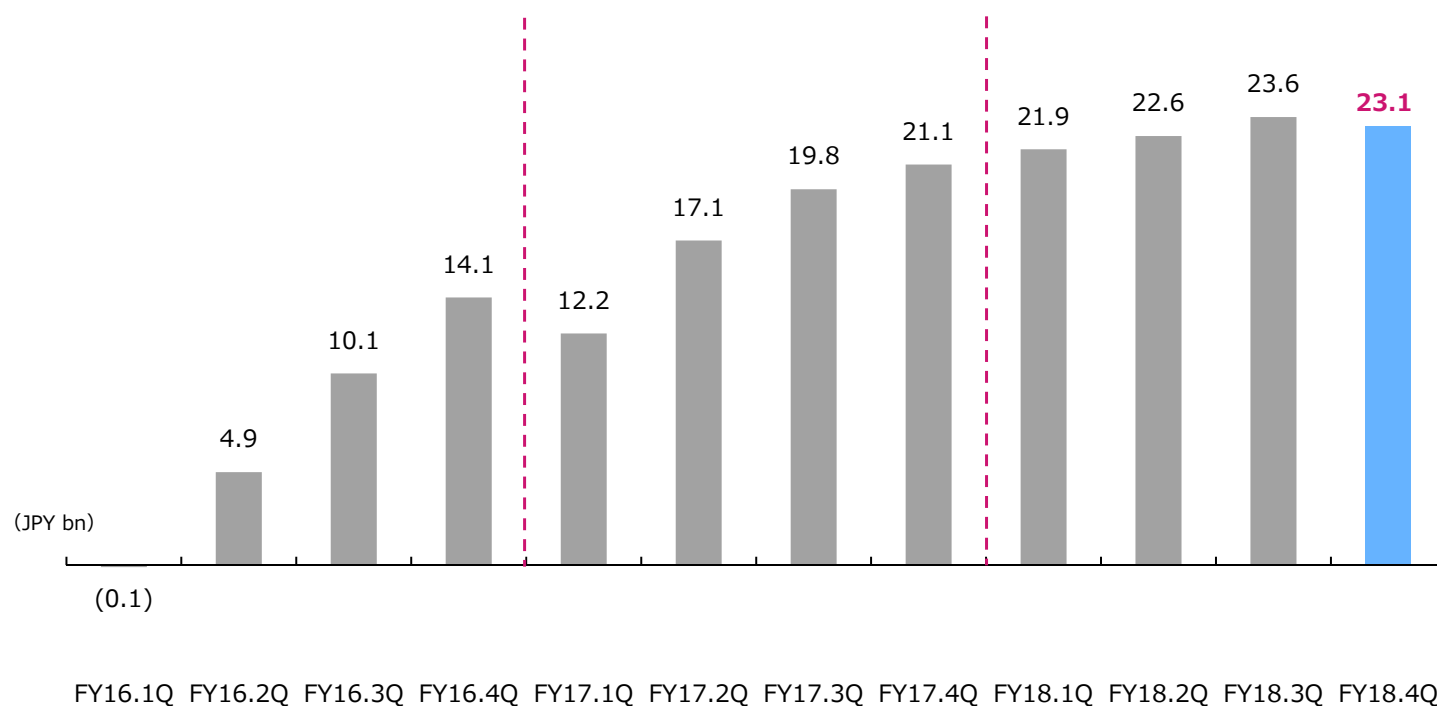
Sony Life's Quarterly Trend on Annualized Premiums from New Policies

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



Note : Individual Life Insurance + Individual Annuities

Sony Life's Quarterly Trend on New Business Value



Note: New business value is calculated accumulating new business value for each month based on economic assumptions at the end of each month. The figures for FY2018 onward reflect the revision in the insurance risk measurement method and others which revised on March 31, 2018.

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

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

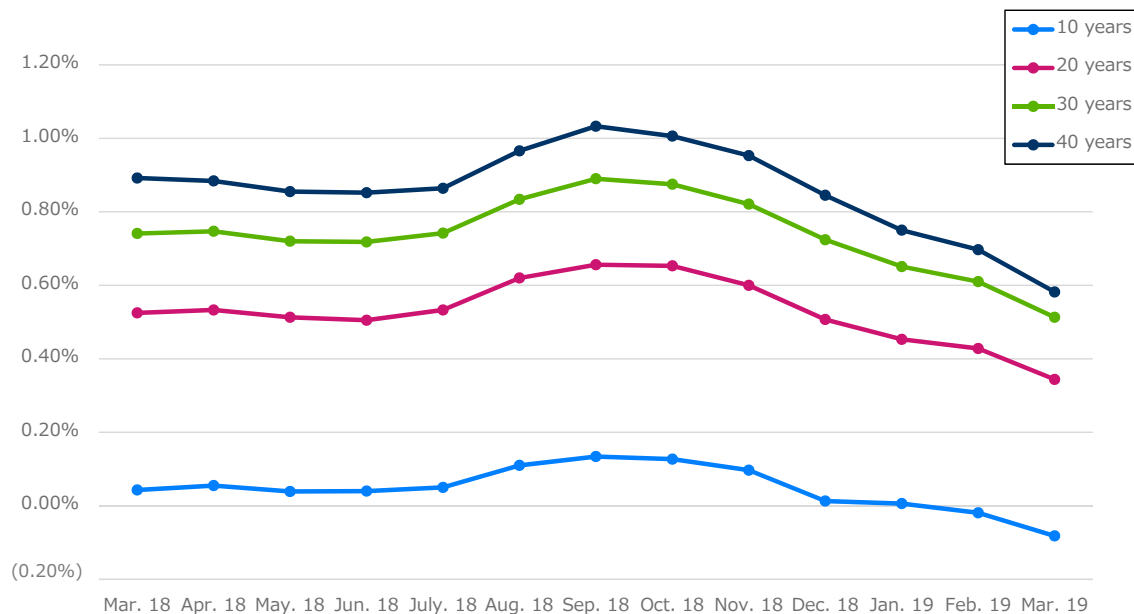
Notes:

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

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Trend on JGB Yields (Par rate)

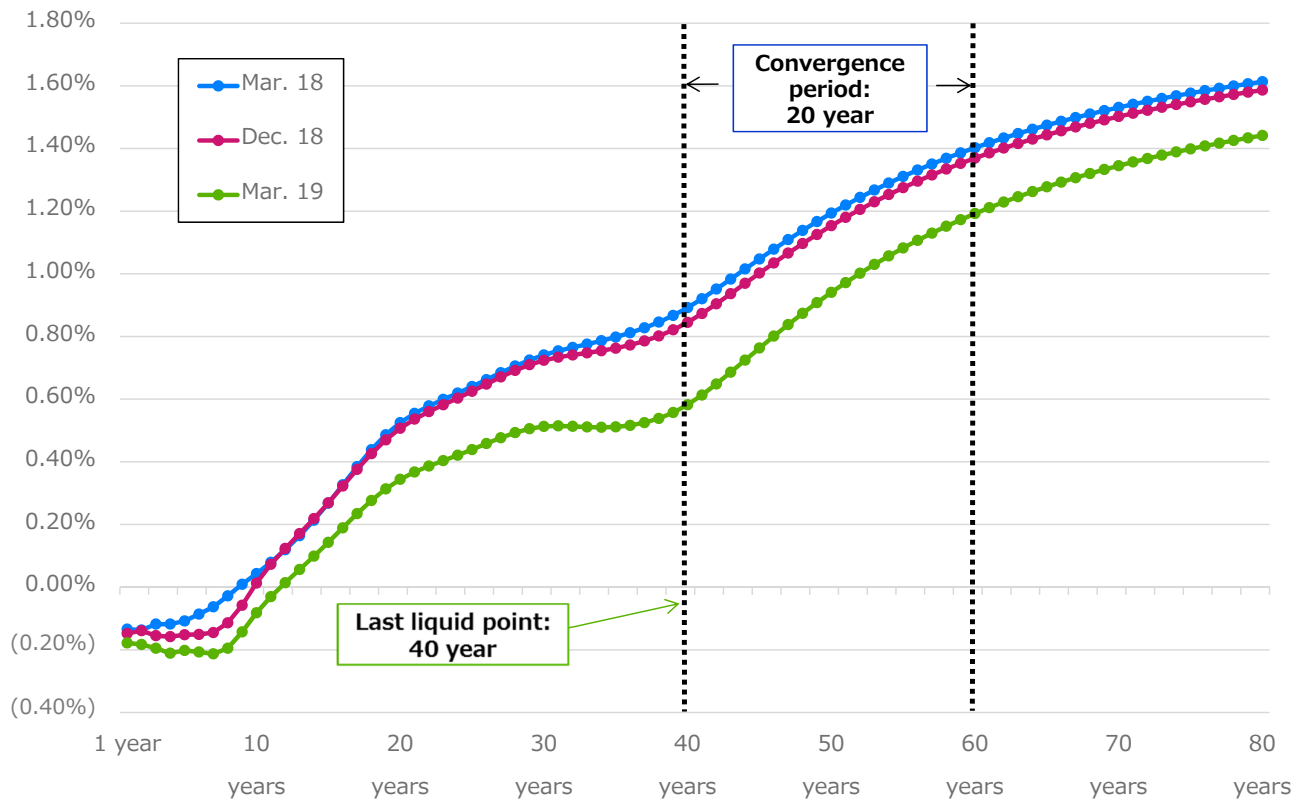


	Mar. 18	Apr. 18	May. 18	Jun. 18	July. 18	Aug. 18	Sep. 18	Oct. 18	Nov. 18	Dec. 18	Jan. 19	Feb. 19	Mar. 19
10 years	0.04%	0.06%	0.04%	0.04%	0.05%	0.11%	0.13%	0.13%	0.10%	0.01%	0.01%	(0.02%)	(0.08%)
20 years	0.53%	0.53%	0.51%	0.51%	0.53%	0.62%	0.66%	0.65%	0.60%	0.51%	0.45%	0.43%	0.34%
30 years	0.74%	0.75%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

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

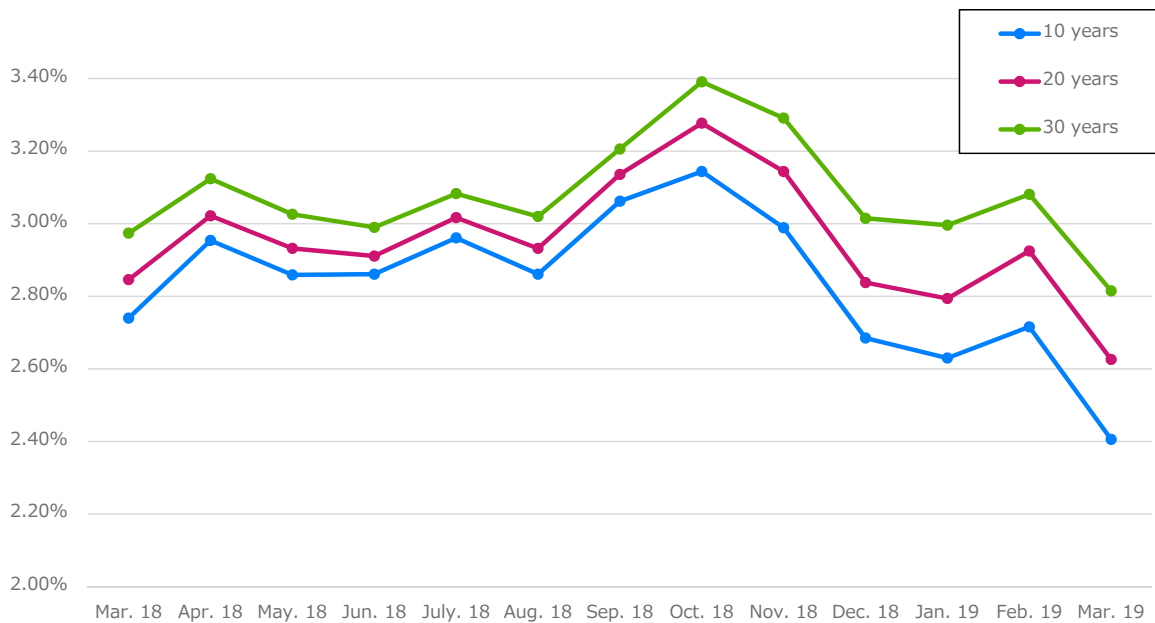


*For above risk-free rate, we employ the Smith-Wilson method for extrapolation so that the 60-year forward rate will coverage on the UFR (3.5%).

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

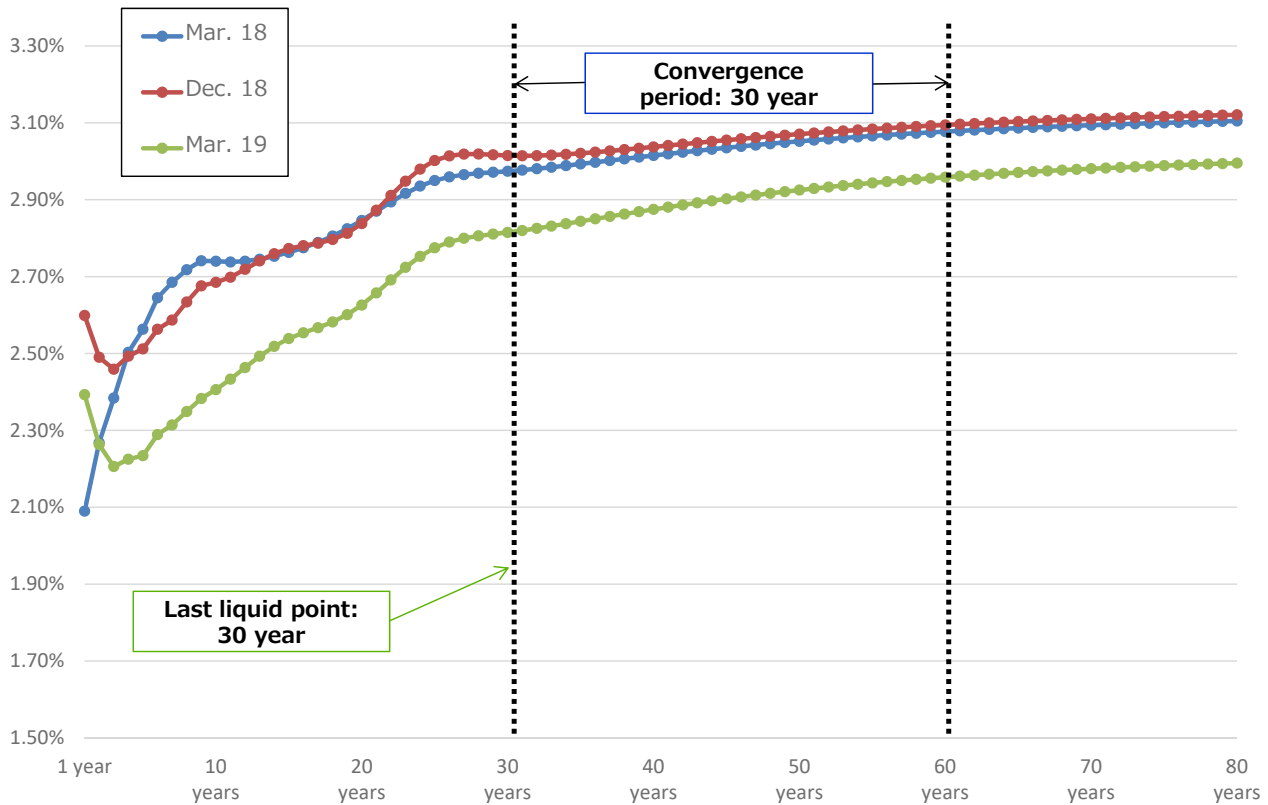


	Mar. 18	Apr. 18	May. 18	Jun. 18	July. 18	Aug. 18	Sep. 18	Oct. 18	Nov. 18	Dec. 18	Jan. 19	Feb. 19	Mar. 19
10 years	2.74%	2.95%	2.86%	2.86%	2.96%	2.86%	3.06%	3.14%	2.99%	2.69%	2.63%	2.72%	2.41%
20 years	2.85%	3.02%	2.93%	2.91%	3.02%	2.93%	3.14%	3.28%	3.14%	2.84%	2.79%	2.93%	2.63%
30 years	2.97%	3.12%	3.03%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

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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%).

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Consolidated : Summary Financial Statements

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

*"Intersegment adjustments" is from SFH, the nursing care business, and the venture capital business.

Proud Life Inc., Sony Financial Ventures Inc. and SFV · GB L.P. are included in the scope of consolidation from FY17.2Q, FY18.2Q, and FY18.4Q, respectively.

(Note) Comprehensive income : FY2017: ¥52.2 billion, FY2018: ¥57.4 billion

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

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Sony Life : Summary Financial Statements (Non-consolidated)

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

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

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

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

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

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

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

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

Net Premiums Written

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

Net losses paid

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

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

◆ Consolidated

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

◆ Non-consolidated

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

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

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

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

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Sony Bank : Operating Performance (On Managerial Accounting Basis)

◆ On Managerial Accounting Basis

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

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

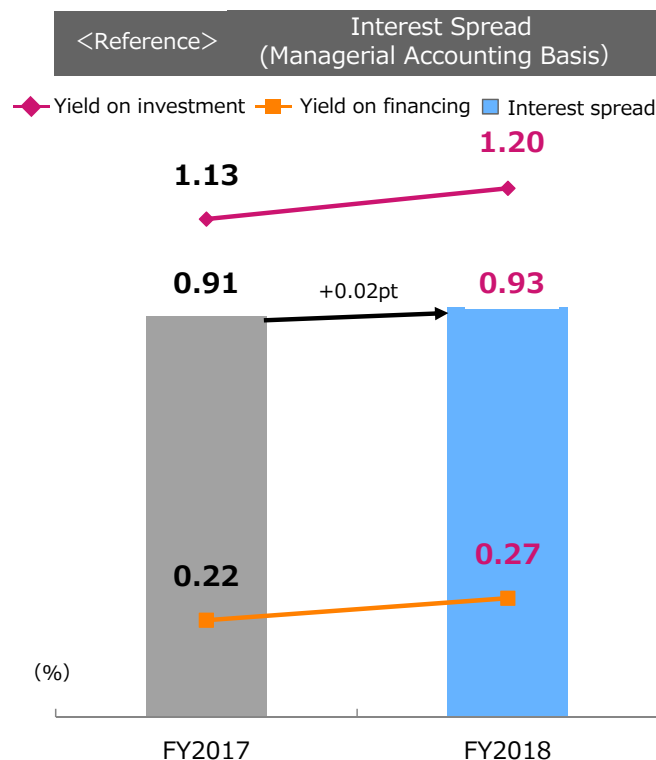
■ Managerial accounting basis

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

- *1: Net interest income: Includes profits and losses associated with fund investment recorded in net other operating income, including gains or losses from currency swap transactions.
- *2: Net fees and commissions: Includes profits and losses for customer dealings in foreign currency transactions recorded in net other operating income.
- *3: Net other operating income: After the above adjustments (*1 and *2), mainly consists of profits and losses for bond and derivative dealing transactions.

■ Core profit

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



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

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