

**Consolidated Financial Summary (Japanese GAAP)
for the Three Months Ended June 30, 2019**

August 8, 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)
 Representative: Shigeru Ishii, President and Representative Director
 Inquiries: Yasuo Hasegawa, General Manager-Investor Relations Dept.
 (Telephone: +81-3-5290-6500)

(Fractional amounts of less than ¥1 million are discarded.)

1. Consolidated financial results for the three months ended June 30, 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 three months ended June 30, 2019	413,654	(1.7)	34,396	19.3	24,014	19.6
For the three months ended June 30, 2018	420,658	15.3	28,825	51.7	20,077	59.8

Note: Comprehensive income: For the three months ended June 30, 2019: ¥ 25,539 million: 62.2%
 For the three months ended June 30, 2018: ¥ 15,750 million: 12.8%

	Net Income per Share	Net Income per Share (Fully Diluted)
	Yen	Yen
For the three months ended June 30, 2019	55.20	55.19
For the three months ended June 30, 2018	46.15	46.15

(2) Financial condition

	Total Assets	Total Net Assets	Net Asset Ratio
	Millions of yen	Millions of yen	%
As of June 30, 2019	13,989,361	655,213	4.7
As of March 31, 2019	13,468,215	656,846	4.9

Note: Net assets attributable to shareholders: As of June 30, 2019: ¥ 653,072 million
 As of March 31, 2019: ¥ 654,800 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, 2019	—	0.00	—	62.50	62.50
For the year ending March 31, 2020	—				
For the year ending March 31, 2020 (forecast)		0.00	—	65.00	65.00

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

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

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, 2019: 435,062,983 shares

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

(b) Number of treasury shares

As of June 30, 2019: 37,425 shares

As of March 31, 2019: 37,425 shares

(c) Weighted-average number of shares

For the three months ended June 30, 2019: 435,025,558 shares

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

Status of interim audit procedures

This document is exempt from interim audit 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's financial results will be held at 15:30 (Tokyo), August 8, 2019. Please note that our conference call will be held only in Japanese.

We will upload the presentation materials with speech text on August 8, 2019 after 15:00, the translation of the conference call (audio) on August 9 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

* On August 8, 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 three months ended June 30, 2019. 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, 2019	As of June 30, 2019
Assets		
Cash and due from banks	¥ 415,894	¥ 516,419
Call loans and bills bought	93,700	90,100
Monetary claims purchased	4,916	4,465
Money held in trust	291,324	289,853
Securities	10,373,188	10,740,010
Loans	1,942,546	1,983,471
Tangible fixed assets	104,128	103,613
Intangible fixed assets	43,909	42,660
Due from reinsurers	1,341	615
Foreign exchanges	8,471	9,756
Other assets	159,361	179,240
Net defined benefit asset	3,476	3,563
Deferred tax assets	27,556	27,193
Reserve for possible loan losses	(1,602)	(1,603)
Total Assets	¥ 13,468,215	¥ 13,989,361

(Millions of yen)

	As of March 31, 2019	As of June 30, 2019
Liabilities		
Policy reserves and others	¥ 9,479,071	¥ 9,651,365
Reserve for outstanding claims	78,285	77,934
Policy reserves	9,396,241	9,568,963
Reserve for policyholders' dividends	4,544	4,467
Due to agencies	2,073	1,683
Due to reinsurers	5,769	4,545
Deposits	2,302,313	2,339,871
Call money and bills sold	130,611	204,283
Borrowed money	203,871	204,015
Foreign exchanges	244	206
Bonds payable	20,000	20,000
Other liabilities	578,477	820,766
Reserve for employees' bonuses	4,377	2,039
Net defined benefit liability	34,081	34,270
Reserve under the special laws	50,343	50,957
Reserve for price fluctuations	50,343	50,957
Deferred tax liabilities	24	33
Deferred tax liabilities on land revaluation	109	109
Total Liabilities	12,811,368	13,334,148
Net Assets		
Common stock	19,963	19,963
Capital surplus	191,193	191,193
Retained earnings	319,886	316,711
Treasury stock	(55)	(55)
Total shareholders' equity	530,987	527,813
Net unrealized gains (losses) on available-for-sale securities, net of taxes	128,800	130,165
Net deferred gains (losses) on hedging instruments, net of taxes	(1,077)	(1,134)
Land revaluation, net of taxes	(2,439)	(2,439)
Remeasurements of defined benefit plans, net of taxes	(1,470)	(1,332)
Total accumulated other comprehensive income	123,812	125,259
Subscription rights to shares	149	165
Non-controlling interests	1,896	1,975
Total Net Assets	656,846	655,213
Total Liabilities and Net Assets	¥ 13,468,215	¥ 13,989,361

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, 2018	For the three months ended June 30, 2019
Ordinary Revenues	¥ 420,658	¥ 413,654
Ordinary Revenues from the Life Insurance Business	378,636	368,150
Income from insurance premiums	268,909	300,901
(Insurance premiums)	268,418	300,348
Investment income	106,995	64,357
(Interest income and dividends)	40,423	43,501
(Income from money held in trusts, net)	1,127	1,127
(Gains on trading securities, net)	—	7
(Gains on sale of securities)	3,265	1,238
(Foreign exchange gains, net)	12,287	—
(Gains on separate accounts, net)	49,892	18,480
Other ordinary income	2,731	2,891
Ordinary Revenues from the Non-life Insurance Business	29,701	31,865
Underwriting income	29,067	31,232
(Net premiums written)	29,051	30,418
(Interest and dividends on deposits of premiums)	16	19
(Reversal for reserve for outstanding losses and claims)	—	795
Investment income	622	628
(Interest income and dividends)	340	336
(Gains on sale of securities)	297	311
(Transfer to interest and dividends on deposits of premiums)	(16)	(19)
Other ordinary income	12	4
Ordinary Revenues from the Banking Business	10,711	11,856
Interest income	7,495	8,399
(Interest income on loans)	4,308	4,519
(Interest income and dividends on securities)	3,169	3,861
Fees and commissions	1,965	2,525
Other operating income	1,052	879
Other ordinary income	198	51
Other	1,607	1,782
Other ordinary income	1,607	1,782

(Continued)

(Millions of yen)

	For the three months ended June 30, 2018	For the three months ended June 30, 2019
Ordinary Expenses	¥ 391,832	¥ 379,258
Ordinary Expenses from the Life Insurance Business	356,460	340,500
Insurance claims and other payments	100,823	109,439
(Insurance claims)	22,755	23,320
(Annuity payments)	3,168	3,318
(Insurance benefits)	21,952	26,639
(Surrender payments)	49,629	52,978
(Other payments)	1,017	950
Provision for policy reserves and others	202,035	168,995
Provision for reserve for outstanding claims	1,001	444
Provision for policy reserves	201,033	168,550
Interest portion of reserve for policyholders' dividends	0	0
Investment expenses	9,307	14,417
(Interest expenses)	247	748
(Losses on trading securities, net)	40	—
(Losses on sale of securities)	34	—
(Losses on derivatives, net)	7,855	1,579
(Foreign exchange losses, net)	—	11,039
Operating expenses	35,425	37,346
Other ordinary expenses	8,868	10,302
Ordinary Expenses from the Non-life Insurance Business	25,703	27,757
Underwriting expenses	19,187	20,785
(Net losses paid)	13,076	14,183
(Loss adjustment expenses)	1,963	2,088
(Net commission and brokerage fees)	360	342
(Provision for reserve for outstanding losses and claims)	15	—
(Provision for underwriting reserves)	3,771	4,170
Operating, general and administrative expenses	6,515	6,971
Other ordinary expenses	0	0
Ordinary Expenses from the Banking Business	7,875	8,919
Interest expenses	1,897	2,413
(Interest expenses on deposits)	1,511	1,965
Fees and commissions	1,332	1,630
Other operating expenses	1	0
General and administrative expenses	4,498	4,871
Other ordinary expenses	146	3
Other	1,793	2,080
Other ordinary expenses	1,793	2,080
Ordinary Profit	28,825	34,396

(Continued)

(Millions of yen)

	For the three months ended June 30, 2018	For the three months ended June 30, 2019
Extraordinary Gains	¥ 0	¥ —
Gains on disposal of fixed assets	0	—
Extraordinary Losses	550	658
Losses on disposal of fixed assets	35	42
Impairment losses	7	1
Provision for reserve under the special laws	506	614
Provision for reserve for price fluctuations	506	614
Provision for Reserve for Policyholders' Dividends	23	102
Income Before Income Taxes	28,252	33,634
Income Taxes - Current	7,199	10,311
Income Taxes - Deferred	921	(769)
Total Income Taxes	8,121	9,542
Profit	20,131	24,092
Profit Attributable to Non-controlling Interests	54	78
Profit Attributable to Owners of the Parent	20,077	24,014

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

	For the three months ended June 30, 2018	For the three months ended June 30, 2019
Profit	¥ 20,131	¥ 24,092
Other comprehensive income		
Net unrealized gains (losses) on available-for-sale securities, net of taxes	(4,515)	1,244
Net deferred gains (losses) on hedging instruments, net of taxes	0	(57)
Remeasurements of defined benefit plans, net of taxes	134	139
Share of other comprehensive income of affiliates accounted for using equity method	—	120
Total other comprehensive income	(4,380)	1,446
Comprehensive income	¥ 15,750	¥ 25,539
(Details)		
Comprehensive income attributable to owners of the parent	15,695	25,460
Comprehensive income attributable to non-controlling interests	54	79

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, 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.

For the three months ended June 30, 2019

	Millions of yen					
	Life insurance business	Non-life insurance business	Banking business	Total	Other	Total
Ordinary revenues						
External customers	¥ 368,150	¥ 31,865	¥ 11,856	¥ 411,872	¥ 1,782	¥ 413,654
Intersegment	692	0	75	768	—	768
Total	368,842	31,865	11,931	412,640	1,782	414,422
Segment profit	¥ 28,320	¥ 3,892	¥ 2,438	¥ 34,651	¥ (298)	¥ 34,352

(Note) "Other" consists of the nursing care business and venture capital operations, 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, 2018		For the three months ended June 30, 2019	
Totals of reportable segments	¥	28,959	¥	34,651
Other		(185)		(298)
Amount not allocated to reportable segments		51		43
Ordinary profit in quarterly consolidated statement of income	¥	28,825	¥	34,396

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

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:

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.

** 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.

II. Attachment

Content of Presentation Material

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

▪ Consolidated Operating Results for the Three Months Ended June 30, 2019	3
▪ Forecast of Consolidated Financial Results for the Fiscal Year Ending March 31, 2020	18
▪ Sony Life's MCEV as of June 30, 2019	20
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【Presentation Material】



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

Sony Financial Holdings Inc.
August 8, 2019

AGENDA

Consolidated Operating Results for the Three Months Ended June 30, 2019 (FY19.1Q)	P. 3
Forecast of Consolidated Financial Results for the Fiscal Year Ending March 31, 2020 (FY2019)	P. 18
Sony Life's MCEV as of June 30, 2019	P. 20
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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, 2019 (FY19.1Q)

Highlights of Consolidated Financial Results



Consolidated Financial Results for FY19.1Q

- ◆ YoY comparison: Decreased in revenues by 1.7%, increased in profit by 19.3%.
- ◆ Ordinary revenues decreased due mainly to lower net gains on investments in the separate accounts despite higher income from insurance premiums in the life insurance business. Ordinary revenues for the non-life insurance and the banking businesses increased.
- ◆ Ordinary profit increased as the life insurance and the banking businesses delivered higher profit while the non-life insurance business was essentially flat.

Operating Performance

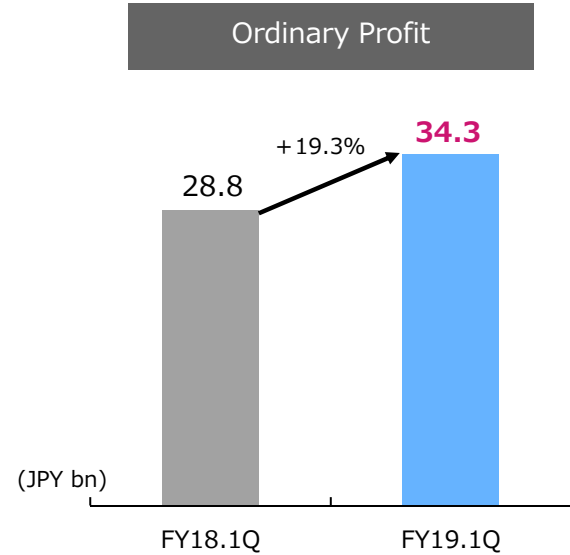
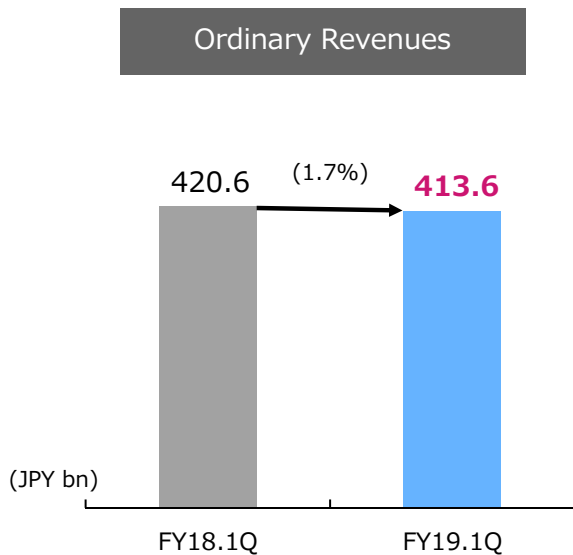
- ◆ All three businesses steadily expanded their business scale.
- ◆ Sony Life's new policy amount was down in comparison with corresponding period of the previous fiscal year, when the new policy amount was high as premiums were changed in line with revisions to the standard mortality tables. The policy amount in force was up only slightly from March 31, 2019, due in part to the impact of yen appreciation.

Economic Value-based Profit Indicator

- ◆ MCEV as of June 30, 2019 was ¥1,651.2 billion, decreased from March 31, 2019, due mainly to a decrease in interest rates in Japanese yen.
- ◆ New business value as of FY19.1Q(3M) was ¥17.0 billion, decreased from FY18.4Q (3M), due mainly to a lower sales of insurance products for corporate customers.

Highlights of Consolidated Financial Results

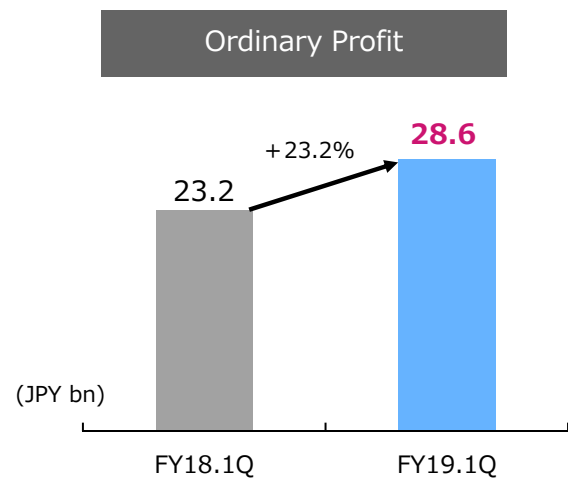
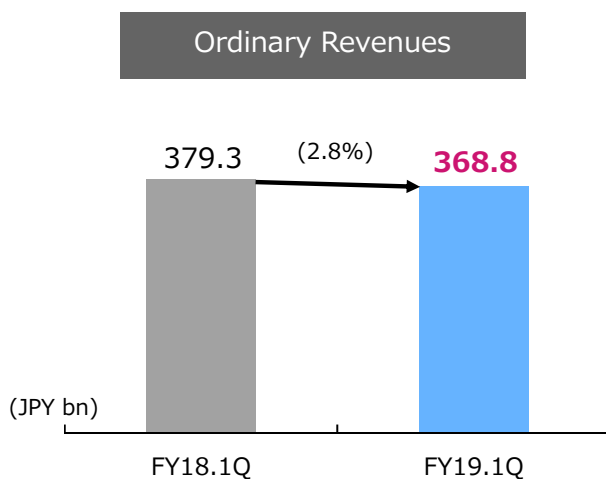
- ◆ Ordinary Revenues : Decreased owing to a decrease in ordinary revenues from the life insurance business, whereas ordinary revenues from the non-life insurance and the banking businesses increased.
- ◆ Ordinary Profit : Increased as the life insurance and the banking businesses delivered higher ordinary profit, while ordinary profit from the non-life insurance business was essentially flat.



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



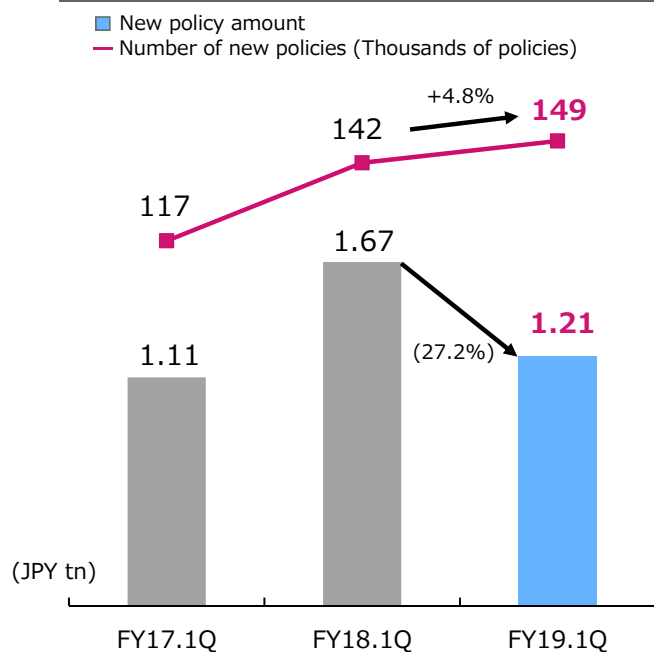
- ◆ Ordinary Revenues : Decreased year on year due to a decrease in net gains on investments in the separate account, despite higher income from insurance premiums due mainly to a steady rise in the policy amount in force.
- ◆ Ordinary Profit : Rose year on year despite lower gains on sale of securities in the general account, a decrease in acquisition cost in line with lower acquisition of new policies, a decline in lower insurance claims and other payments, and an increase in profit owing to growing policy amount in force.



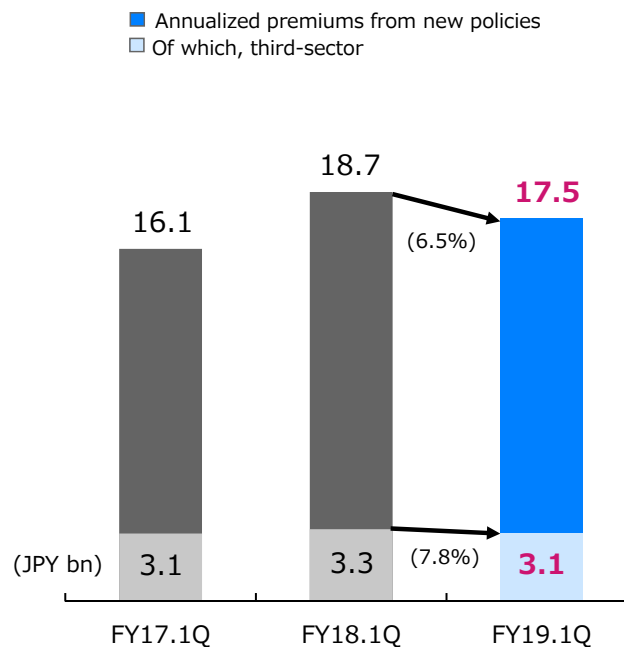
Operating Performance : Sony Life (Non-consolidated) (1)

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

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



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

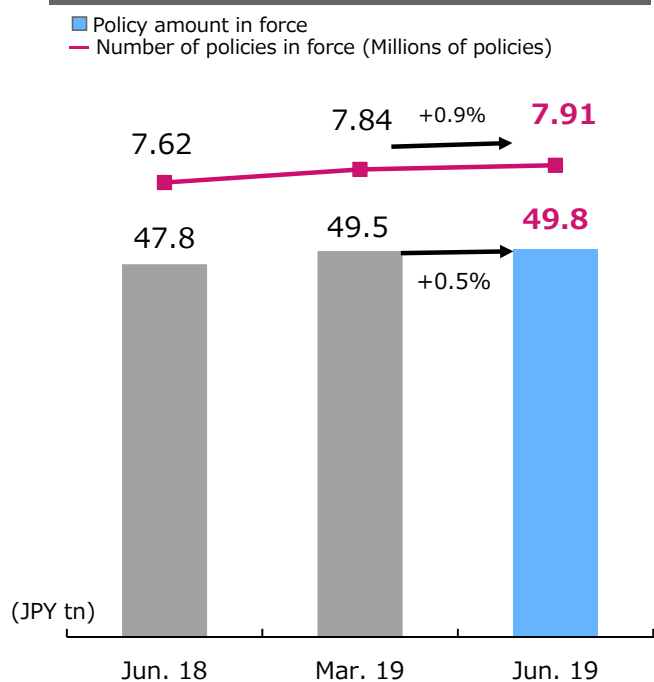


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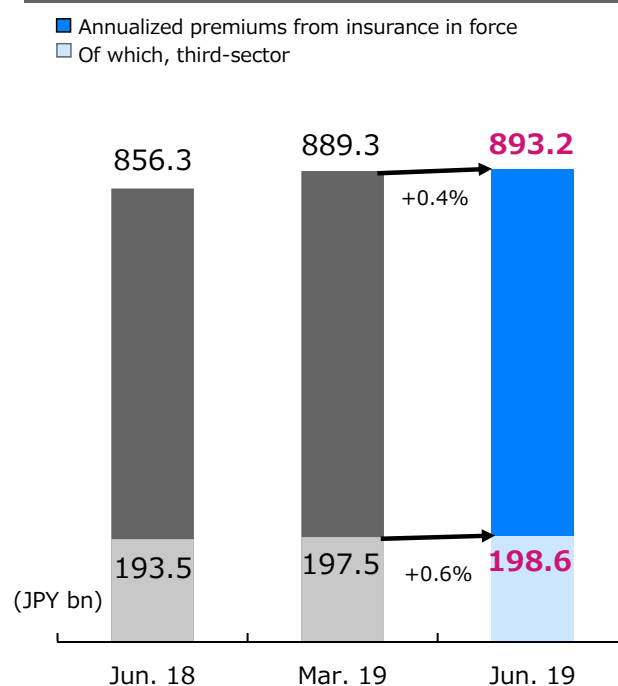
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Operating Performance : Sony Life (Non-consolidated) (2)

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



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

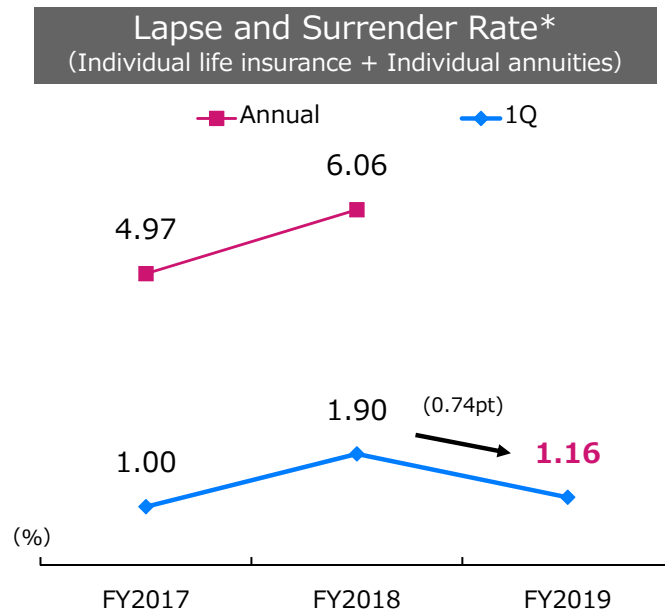


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Operating Performance : Sony Life (Non-consolidated) (3)

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



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

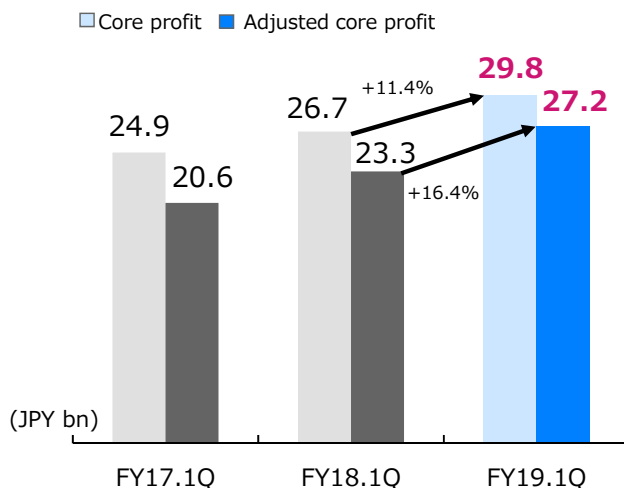
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Operating Performance : Sony Life (Non-consolidated) (4)

- ◆ Core Profit : Increased due to a decrease in acquisition cost in line with lower acquisition of new policies, lower insurance payments and an increase in profit owing to growing policy amount in force.

Core Profit and Adjusted Core Profit



◆ Details of core profit

(JPY bn)	FY17.1Q	FY18.1Q	FY19.1Q
Positive spread	4.5	4.2	4.7
Provision of policy reserve for minimum guarantees for variable life insurance (*)	(0.1)	(0.8)	(2.0)
Adjusted core profit (**)	20.6	23.3	27.2

*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)

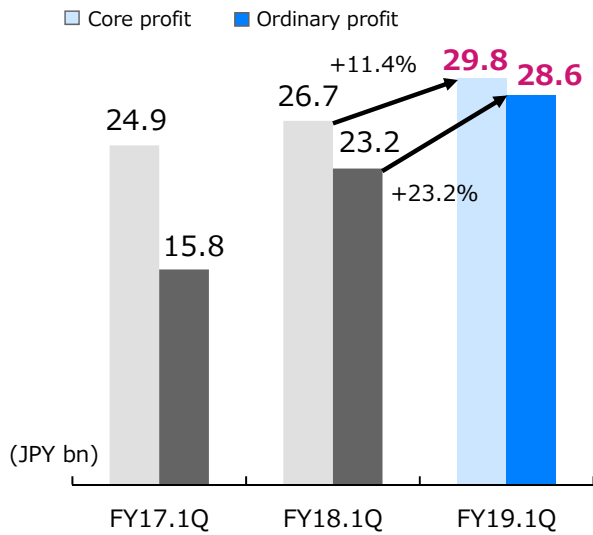
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Operating Performance : Sony Life (Non-consolidated) (5)

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

Core Profit and Ordinary Profit



◆ Difference from core profit

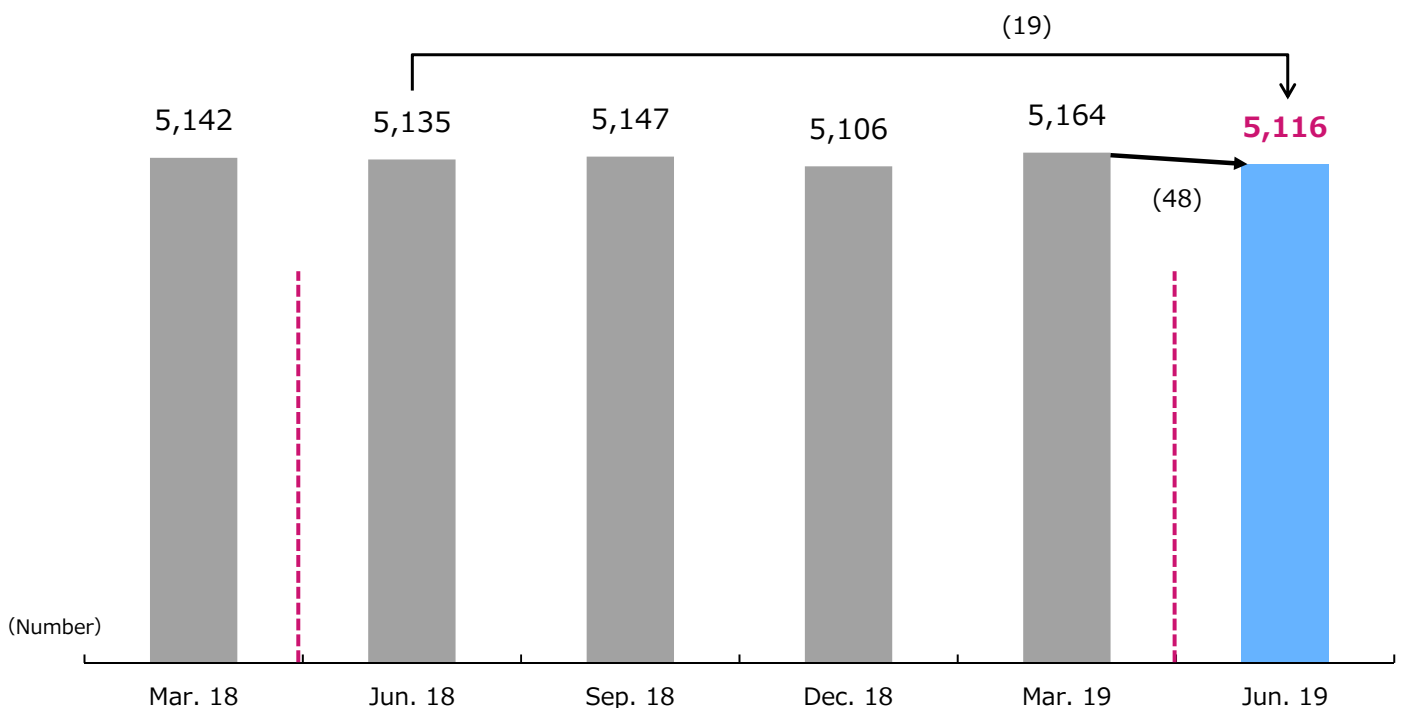
(JPY bn)	FY17.1Q	FY18.1Q	FY19.1Q
Core profit	24.9	26.7	29.8
Capital gains (losses) excluding gains or losses on hedges (*)	(3.0)	2.6	2.5
Gains (losses) on hedges of variable life insurance	(4.2)	(3.9)	(1.4)
Provision of contingency reserve (**)	(1.7)	(2.1)	(2.2)
Others	(0.0)	(0.0)	(0.0)
Ordinary profit	15.8	23.2	28.6

*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)

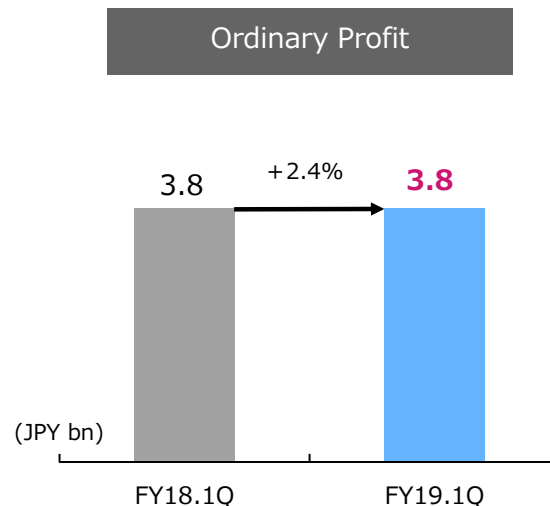
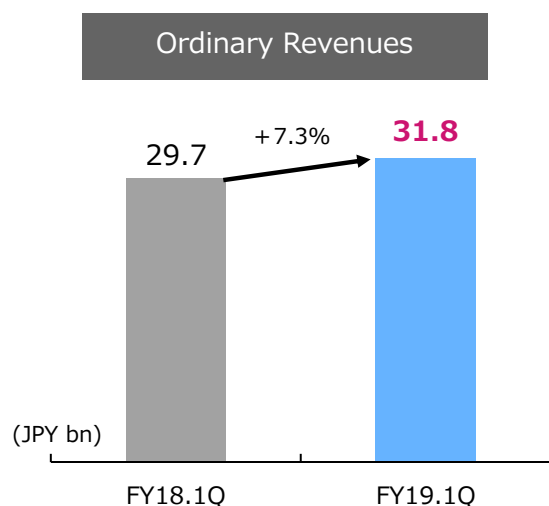
Number of Lifepanner Sales Employees



Highlights of Operating Performance : Sony Assurance



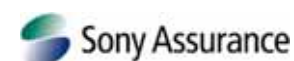
- ◆ Ordinary Revenues and Ordinary Profit : Ordinary revenues rose due mainly to an increase in net premiums written for mainstay automobile insurance. Ordinary profit was essentially flat.



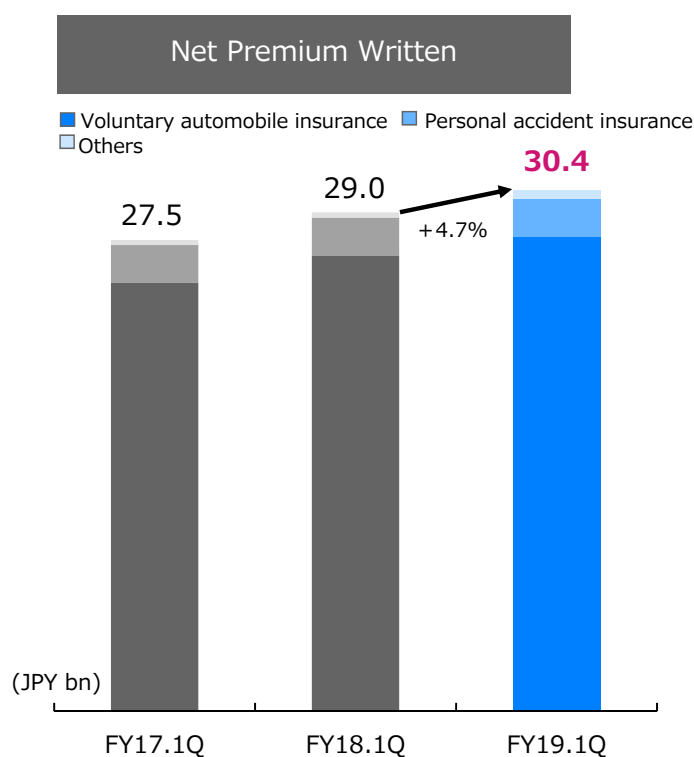
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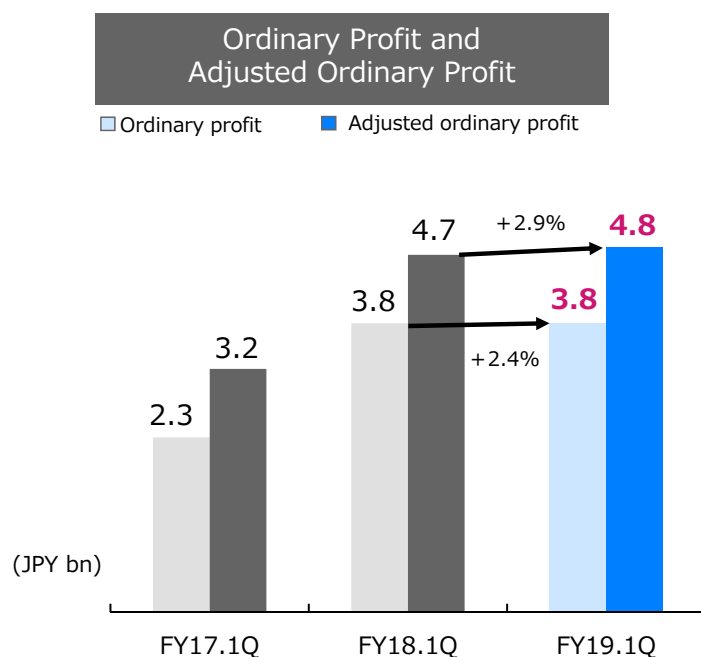
Operating Performance : Sony Assurance (1)



- ◆ 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)	FY17.1Q	FY18.1Q	FY19.1Q
Provision for catastrophe reserve	0.8	0.9	0.9

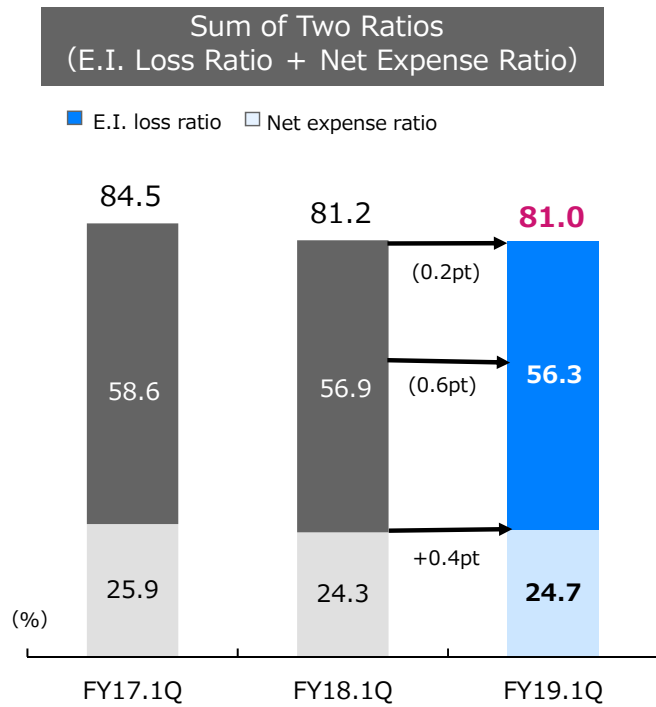
*Provision for catastrophe reserve is described as positive amount.

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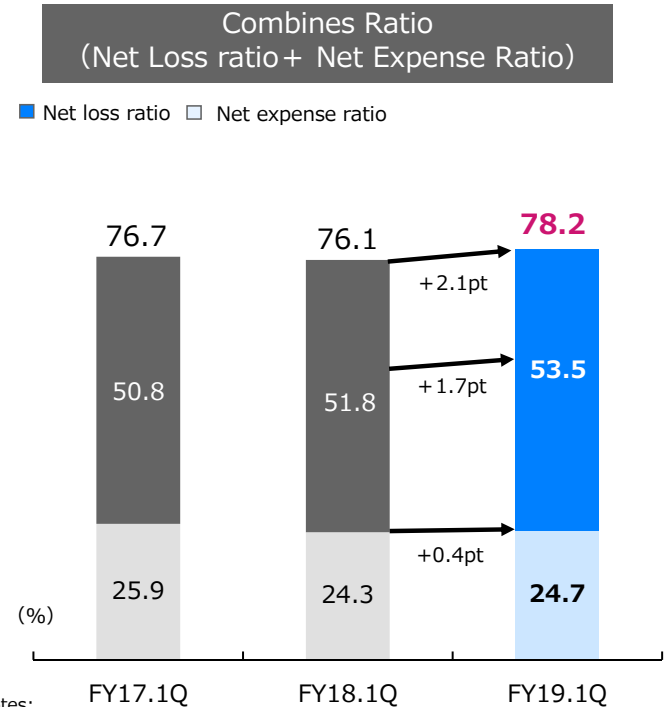
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Operating Performance : Sony Assurance (2)

- ◆ Sum of Two Ratios : Remained essentially flat due mainly to lower E.I. loss ratio reflecting lower accident ratio despite an increase in expense ratio.



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

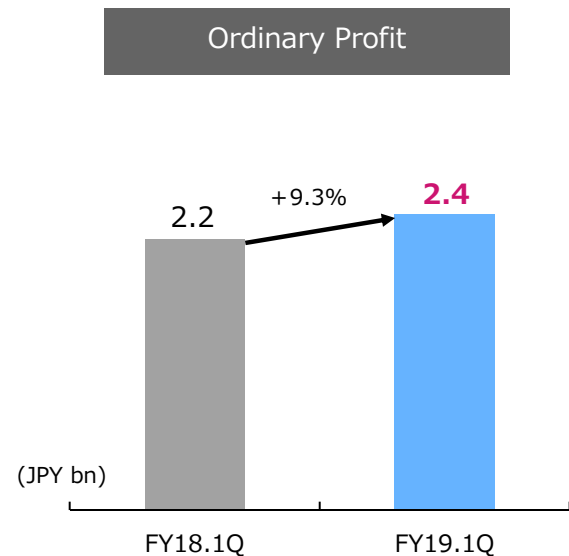
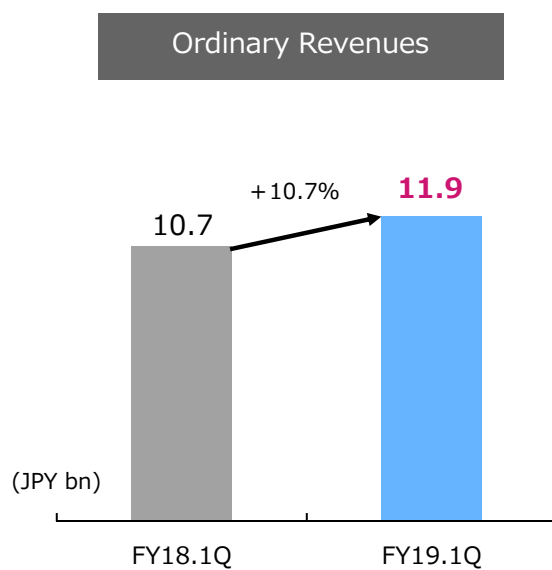


Notes:
 Net loss ratio = (Net losses paid + Loss adjustment expenses) / Net premiums written x100
 Net expense ratio = Expenses related to underwriting / Net premiums written x100

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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.



Operating Performance : Sony Bank (Non-consolidated)

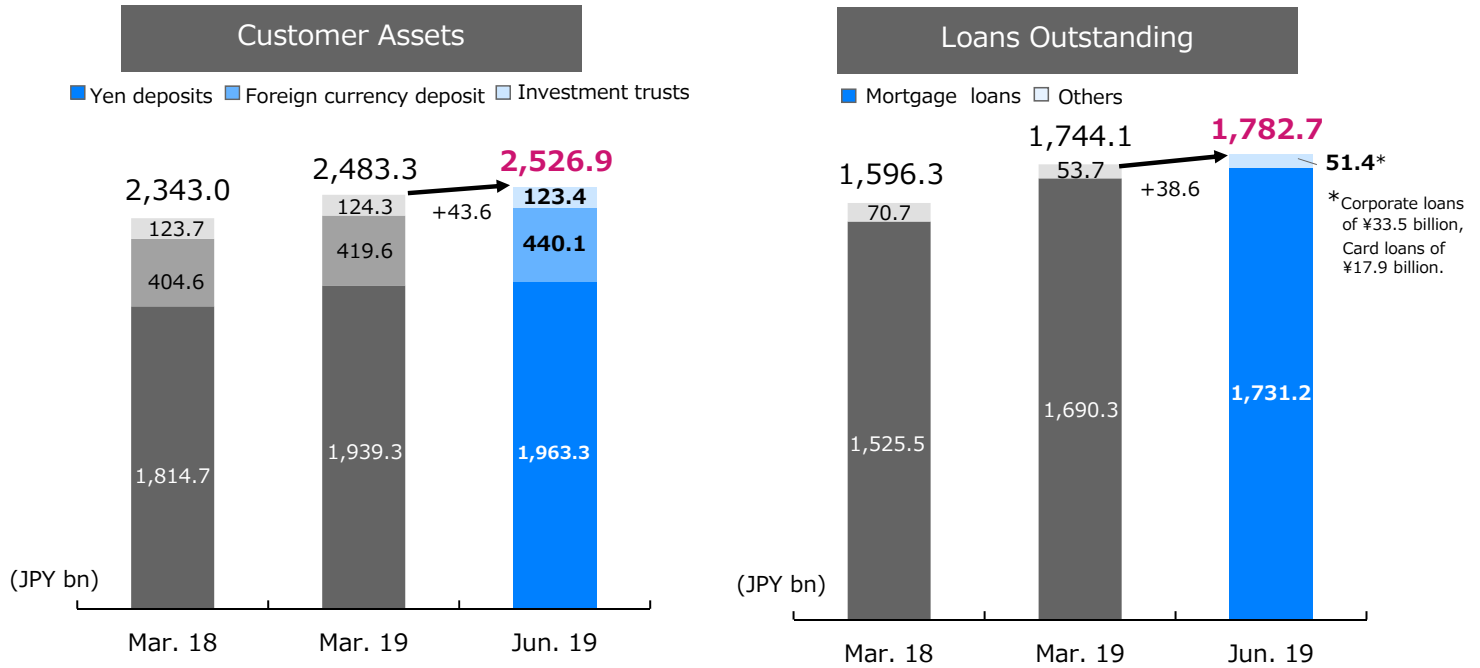


◆ Customer Assets

- Yen Deposits : Increased due to an increase in newly accumulated funds via the increased number of accounts.
- Foreign Currency Deposits : Increased due mainly to an increase in U.S. dollar deposits in line with appreciation of Japanese yen.

◆ Loans Outstanding

- Expanded due to a steady increase in mortgage loans.



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

Forecast of Consolidated Financial Results for FY2019

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

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

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

Note: The above forecast is not included the impact of conversion AEGON Sony Life Insurance and SA Reinsurance into wholly-owned subsidiaries of Sony Life. The impact on forecast of consolidated financial results is currently under careful evaluation.

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Sony Life's MCEV as of June 30, 2019

A part of the calculations of MCEV adopted simplified method for that as of June 30, 2019.
Please keep in mind that the validity of these calculations has not been verified by outside specialists.

Sony Life's MCEV

◆ Reasons for Changes in MCEV

- MCEV as of June 30, 2019 decreased ¥69.0 billion from March 31, 2019, due mainly to a decrease in interest rates in Japanese yen.

◆ New Business Value / New Business Margin

- New business value for FY19.1Q (3M) was ¥17.0 billion, due mainly to a lower sales of insurance products for corporate customers.
- New business margin for FY19.1Q (3M) was up 0.4pt from FY18.4Q (3M), due to an assumption changes and changes in product mix despite a decrease in interest rates.

(JPY bn)	Mar. 19	Jun. 19	Change from Mar. 19
MCEV	1,720.2	1,651.2	(69.0)
Adjusted net worth	2,195.7	2,432.0	+236.2
Value of existing business	(475.5)	(780.7)	(305.2)

(JPY bn)	FY18.4Q (3M)	FY19.1Q (3M)
New business value	23.1	17.0
New business margin	5.0%	5.4%

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

*Please refer to page 39-42 for trend on bond yields and yield curves.

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Appendix |

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

Detail of Consolidated Adjusted ROE

	FY2018 (12M)	FY18.1Q (3M)	FY19.1Q (3M)
Consolidated Adjusted ROE	6.7%	1.7%	1.4%
(Sony Life) Core ROEV	6.4%	1.6%	1.2%
(Sony Assurance) Adjusted ROE	15.2%	7.0%	6.5%
(Sony Bank) ROE	7.3%	1.7%	1.8%

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Detail of Consolidated Adjusted Profit and Consolidated Adjusted Capital

◆ Adjusted profit (Numerator)

Sony Financial Group (consolidated)	FY2018	FY18.1Q	FY19.1Q
Adjusted profit (consolidated)	120.4	30.3	25.9
Sony Life (non-consolidated)	FY2018	FY18.1Q	FY19.1Q
New business value *	91.3	21.9	17.0
Expected existing business contribution *	15.0	3.5	3.7
Adjusted profit	106.4	25.5	20.8
Sony Assurance	FY2018	FY18.1Q	FY19.1Q
Net income	4.9	2.7	2.7
Provision amount for catastrophe reserve (after tax)	2.6	0.6	0.7
Provision amount for reserve for price fluctuations (after tax)	0.0	0.0	0.0
Adjusted profit	7.6	3.3	3.4
Sony Bank (consolidated)	FY2018	FY18.1Q	FY19.1Q
Profit attributable to owners of the parent	6.3	1.4	1.6

◆ Adjusted capital (Denominator)

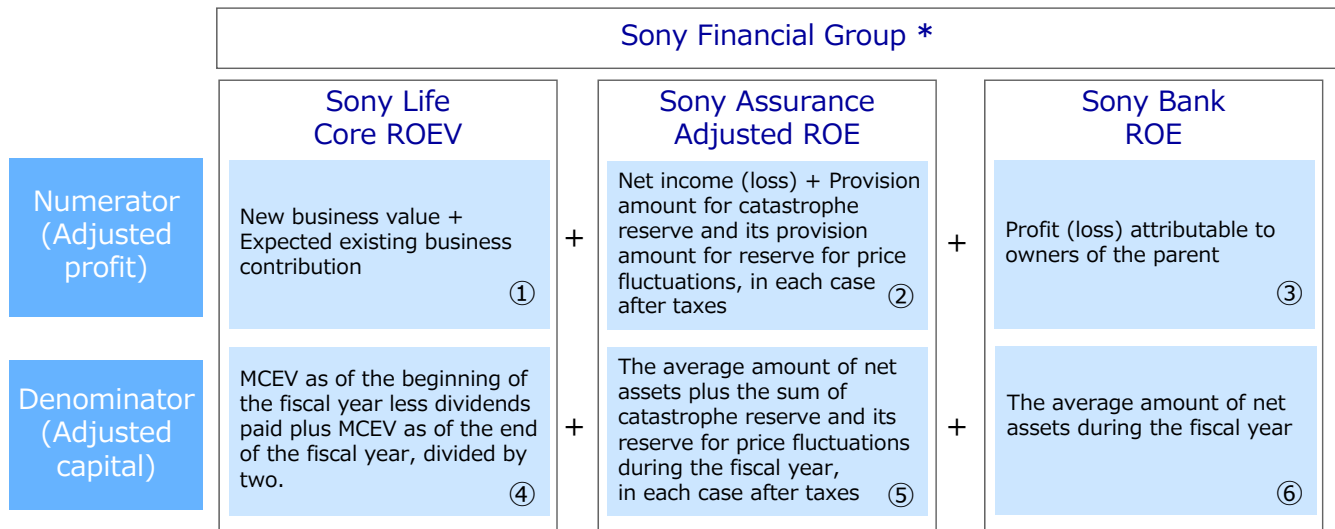
Sony Financial Group (consolidated)	FY2018	FY18.1Q	FY19.1Q
Adjusted capital (consolidated)	1,801.8	1,735.8	1,811.8
Sony Life (non-consolidated)	FY2018	FY18.1Q	FY19.1Q
①MCEV as of the beginning of the fiscal year	1,633.1	1,633.1	1,720.2
②Dividends paid	26.2	26.2	32.2
③MCEV as of the end of the period *	1,720.2	1,593.4	1,651.2
Adjusted capital (①-②+③) / 2	1,663.5	1,600.2	1,669.6
Sony Assurance	FY2018	FY18.1Q	FY19.1Q
①Net assets	34.7	33.1	35.1
②Catastrophe reserve	17.7	15.7	18.4
③Reserve for price fluctuations	0.1	0.1	0.1
Adjusted capital (①+②+③)	50.5	48.7	53.2
Sony Bank (consolidated)	FY2018	FY18.1Q	FY19.1Q
Adjusted capital (The average amount of net assets during the period)	87.6	86.9	88.9

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

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Calculation of Consolidated Adjusted ROE

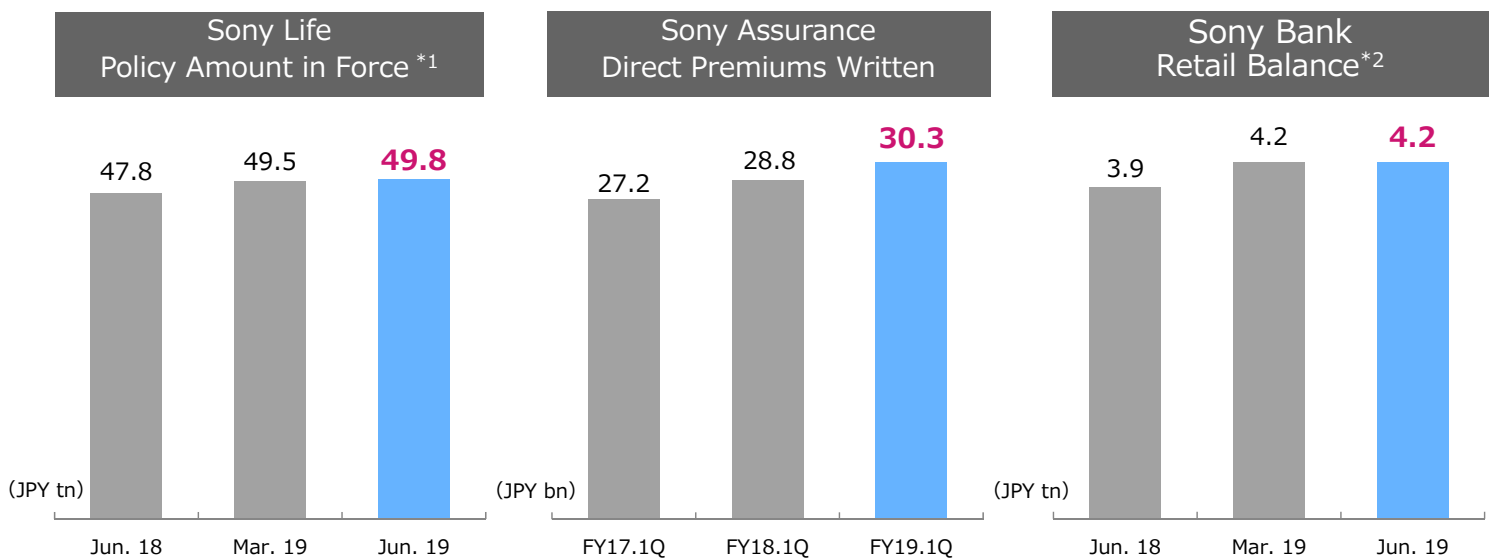
Since each company of Sony Financial Group differs by industry such as insurance and banking, each group company calculate its "Adjusted ROE" based on adjusted profit and adjusted capital to realize its corporate value and capital efficiency.



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

$$\begin{aligned} \text{Consolidated Adjusted Profit} &= \text{①} + \text{②} \\ \text{Consolidated Adjusted Capital} &= \text{④} + \text{⑤} + \text{⑥} \end{aligned}$$

Update of Major KPIs



*1 Individual Life Insurance + Individual Annuities

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

(%)	Jun. 18	Mar. 19	Jun. 19	Change from Mar. 19
Sony Life (non-consolidated) Solvency margin ratio	2,648.6%	2,590.5%	2,612.5%	+22.0pt
Sony Assurance Solvency margin ratio	828.4%	813.0%	872.9%	+59.9pt
Sony Bank (non-consolidated) Capital adequacy ratio (domestic standard)	10.42%	9.58%	9.54%	(0.04pt)

Results of Cross-selling

◆ Sony Bank's Mortgage Loans through Sony Life

Sony Life accounts for 11% of the amount of new mortgage loans for FY19.1Q (3M)

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

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



◆ Sony Assurance's Automobile Insurance Sold by Sony Life

Sony Life accounts for 6% of new automobile policies for FY19.1Q (3M)

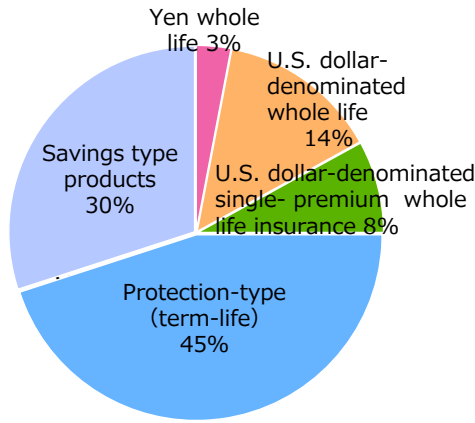
※Sony Life started handling automobile insurance in May 2001.



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

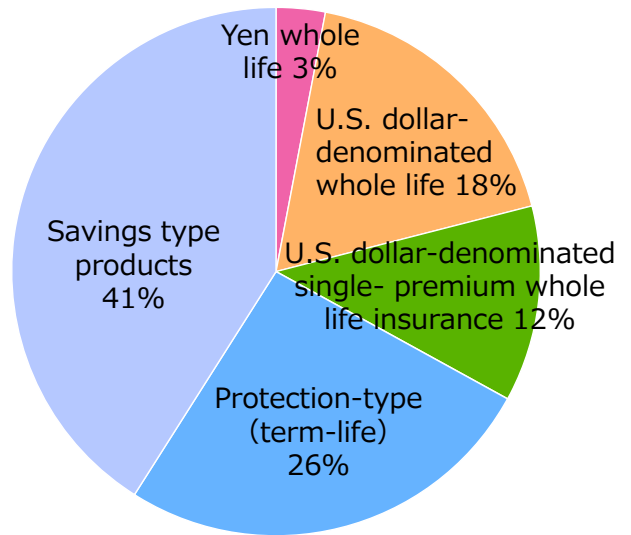
FY18.1Q (3M)

¥18.7 billion



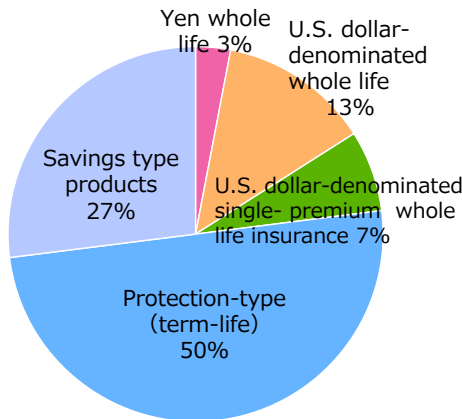
FY19.1Q (3M)

¥17.5 billion



FY18 (12M)

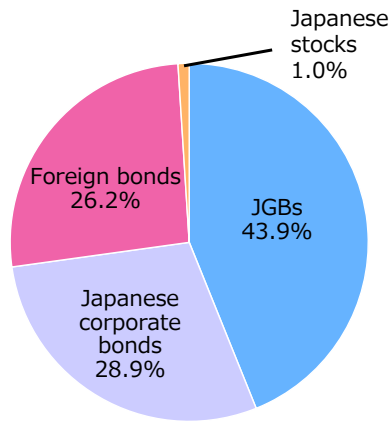
¥87.9 billion



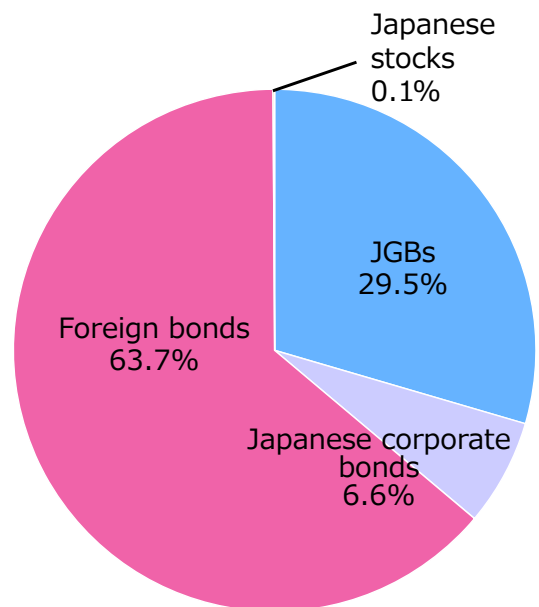
Note: Savings type products = Endowment • Annuities • Educational endowment insurance

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

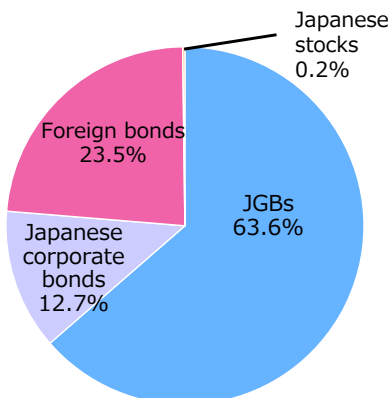
FY18.1Q (3M)



FY19.1Q (3M)



FY18 (12M)



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

◆ Asset management review

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

(JPY bn)	Mar. 19		Jun. 19	
	Amount	%	Amount	%
Japanese bonds (including JGBs)	7,745.3	85.3%	7,848.4	83.2%
Japanese stocks	28.6	0.3%	28.6	0.3%
Foreign bonds	542.1	6.0%	710.5	7.5%
Foreign stocks	22.5	0.2%	20.5	0.2%
Money held in trust	269.3	3.0%	267.9	2.8%
Policy loans	198.3	2.2%	200.6	2.1%
Real estate*	90.8	1.0%	90.5	1.0%
Cash and call loans	61.9	0.7%	126.4	1.3%
Others	120.2	1.3%	134.9	1.4%
Total	9,079.4	100.0%	9,428.6	100.0%

◆ Bond duration

Mar. 18 : 21.4 years
Mar. 19 : 21.8 years
Jun. 19 : 21.9 years

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

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

Mar. 18 : 89.5%
Mar. 19 : 88.3%
Jun. 19 : 86.1%

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

Sony Life's Interest Income and Dividends (Details)

(JPY mn)	FY18.1Q	FY19.1Q	Change
Cash and deposits	32,010	33,011	+3.1%
Japanese bonds (including JGBs)	100	81	(19.0%)
Japanese stocks	4,053	6,141	+51.5%
Foreign securities	277	—	(100.0%)
Other securities	1,685	1,736	+3.0%
Loans	2,151	2,422	+12.6%
Real estate	139	109	(21.8%)
Others	40,419	43,501	+7.6%

Sony Life's Capital Gains (Losses)

(JPY mn)	FY18.1Q	FY19.1Q
Capital losses	16,850	12,643
Losses on trading securities, net	42	-
Losses on sale of securities...(3)	34	-
Losses on derivatives, net	7,855	1,579
Losses on hedges of variable life insurance...(1)	3,901	1,781
Losses on hedges of available-for-sale securities...(2)	874	(222)
Losses on U.S. dollar-denominated insurance...(4)	2,974	7
Foreign exchange losses, net	-	11,039
Losses on U.S. dollar-denominated insurance...(4)	-	11,365
Losses on hedges of variable life insurance...(1)	-	(333)
Other capital losses	8,917	25
Losses on U.S. dollar-denominated insurance (the provision of policy reserves for foreign exchange fluctuations)...(4)	8,917	-

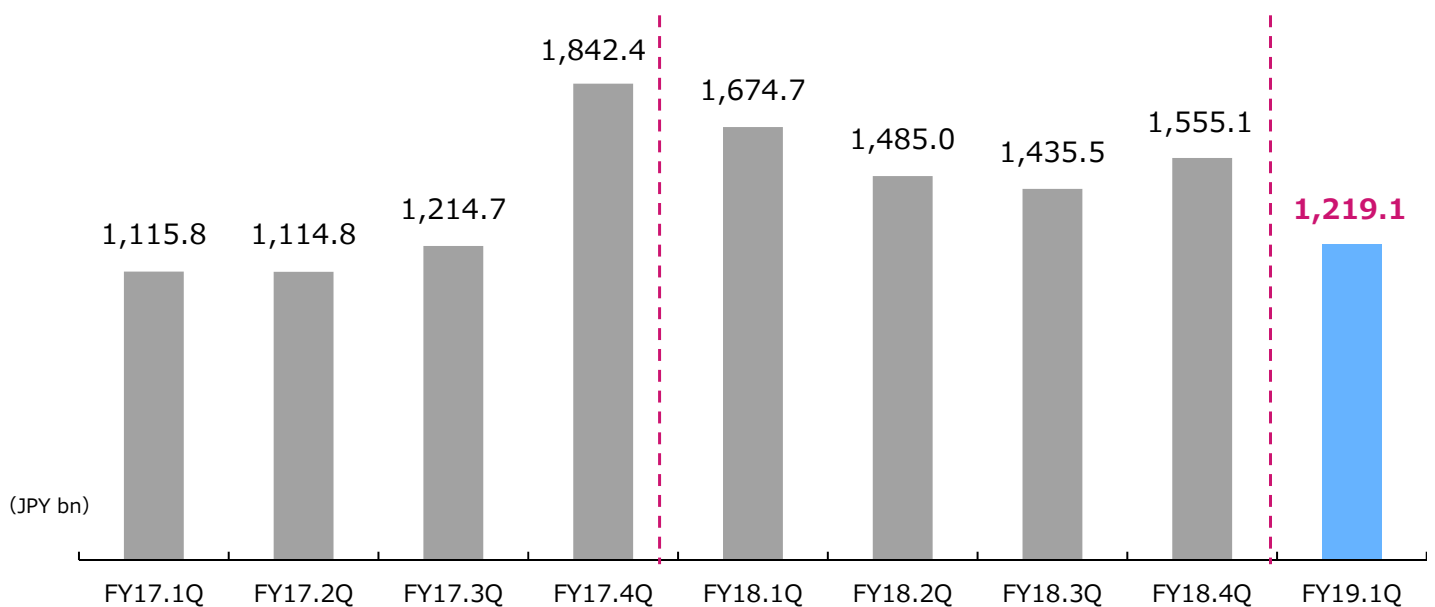
● Capital Gains (Losses) on Main Items, Net Amounts

(JPY mn)	FY18.1Q	FY19.1Q
(1) Gains (Losses) on hedges of variable life insurance	(3,901)	(1,447)
(2) Gains (losses) on hedges of available-for-sale securities	(874)	222
(3) Gains (losses) on sale of securities	3,230	1,238
(4) Gains (losses) on U.S. dollar-denominated insurance	311	1,124

(JPY mn)	FY18.1Q	FY19.1Q
Capital gains	15,552	13,741
Gains on sale of securities...(3)	3,265	1,238
Foreign exchange gains, net	12,287	-
Gains on U.S. dollar-denominated insurance (foreign exchange gains in separate account) ...(4)	12,203	-
Other capital gains	-	12,497
Gains on U.S. dollar-denominated insurance (the reversal of policy reserves for foreign exchange fluctuations)...(4)	-	12,249
Net capital gains (losses)	(1,297)	1,097

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.

Sony Life's Quarterly Trend on New Policy Amount

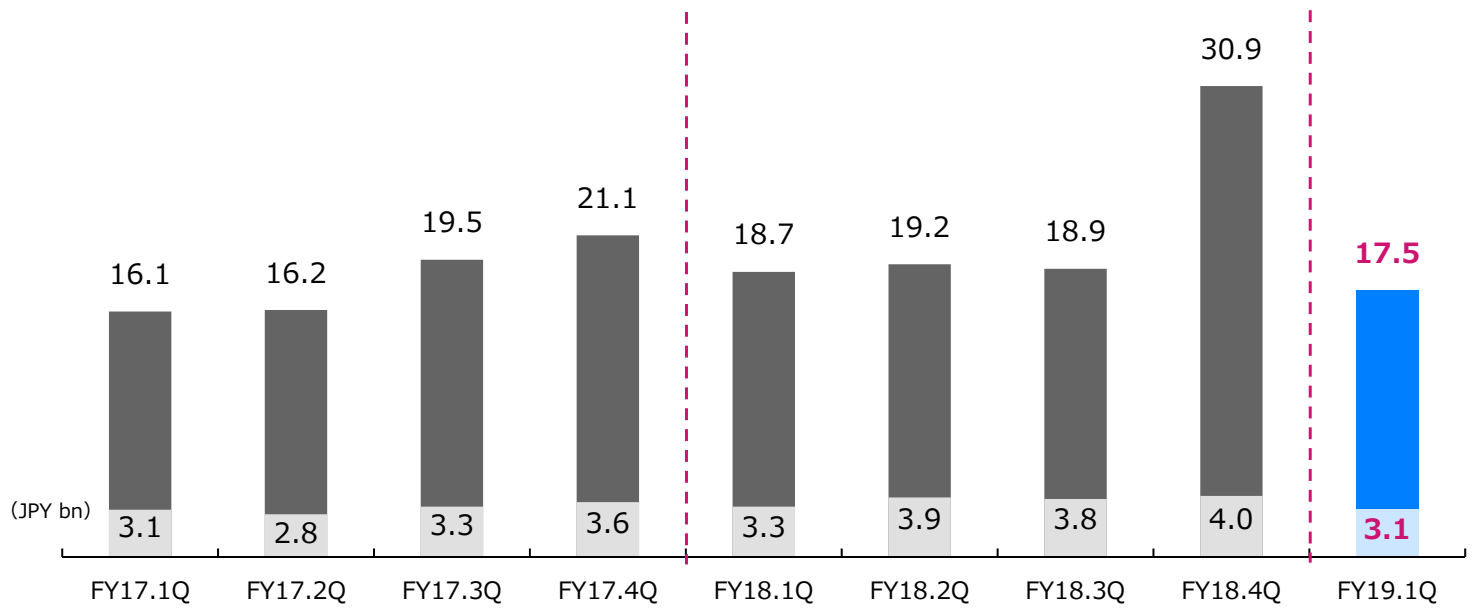


Note : Individual Life Insurance + Individual Annuities

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



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

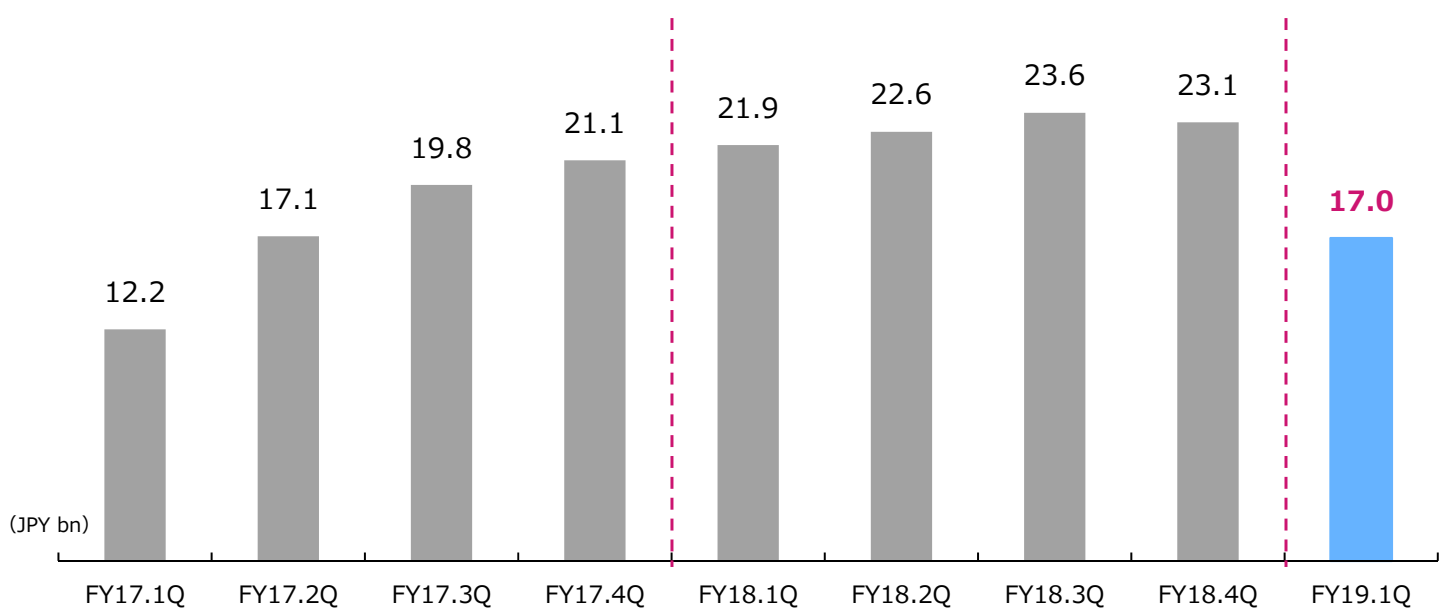


Note : Individual Life Insurance + Individual Annuities

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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.

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Sony Life's ESR

- ◆ The risk amount based on economic value as of June 30, 2019 was ¥758.5 billion, up ¥16.1 billion from March 31, 2019, resulting from a decrease in interest rate risk, offsets by an increase in insurance risk due to a drop in interest rates.
- ◆ ESR as of June 30, 2019 was 220%, down 14pt from March 31, 2019 due mainly to a decrease in MCEV.

(JPY bn)	Mar. 19	Jun. 19	Change
Insurance risk	547.3	586.2	+38.8
Market-related risk	332.5	299.9	(32.6)
Of which, interest rate risk	202.1	159.2	(42.8)
Operational risk	33.4	35.0	+1.6
Counter party risk	3.0	4.1	+1.0
Variance effect	(174.0)	(166.8)	+7.2
The risk amount based on economic value	742.3	758.5	+16.1

(JPY bn)	Mar. 19	Jun. 19	Change
MCEV + Frictional costs	1,743.7	1,672.2	(71.5)
ESR	235%	220%	(14pt)

Notes:

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

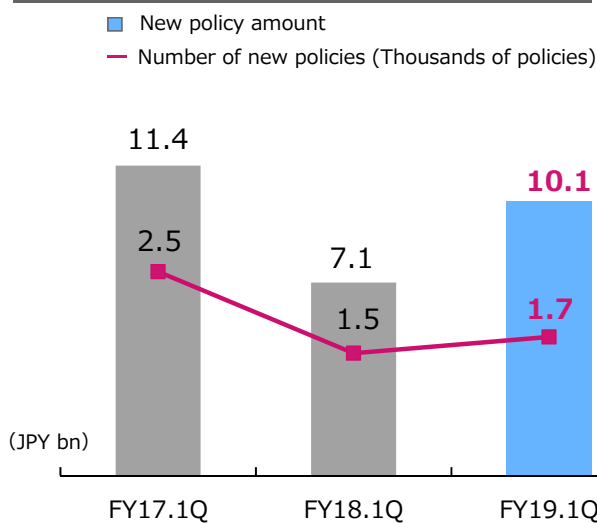
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Operating Performance : AEGON Sony Life Insurance

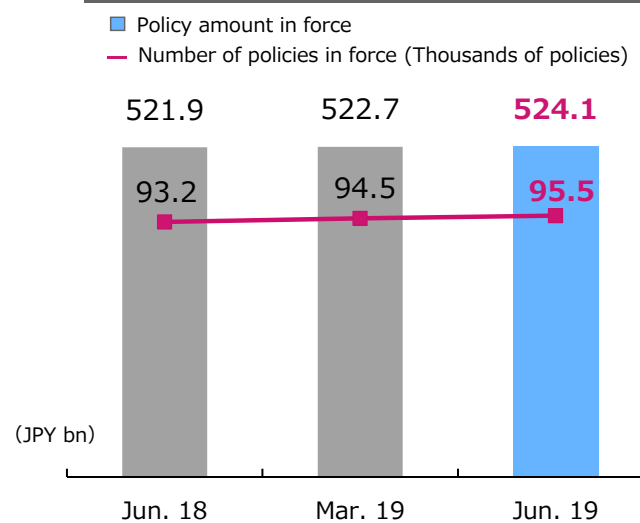
- ◆ AEGON Sony Life Insurance's new policy amount and policy amount in force

Number and Amount of New Policies*



*Amounts for FY17.1Q and FY18.1Q are individual annuities while amounts for FY19.1Q are total of individual insurance and individual annuities

Number and Amount of Policies in Force**



** Amounts for as of Jun. 2018 are individual annuities while amounts for Mar. 2019 and Jun. 2019 are total of individual insurance and individual annuities

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

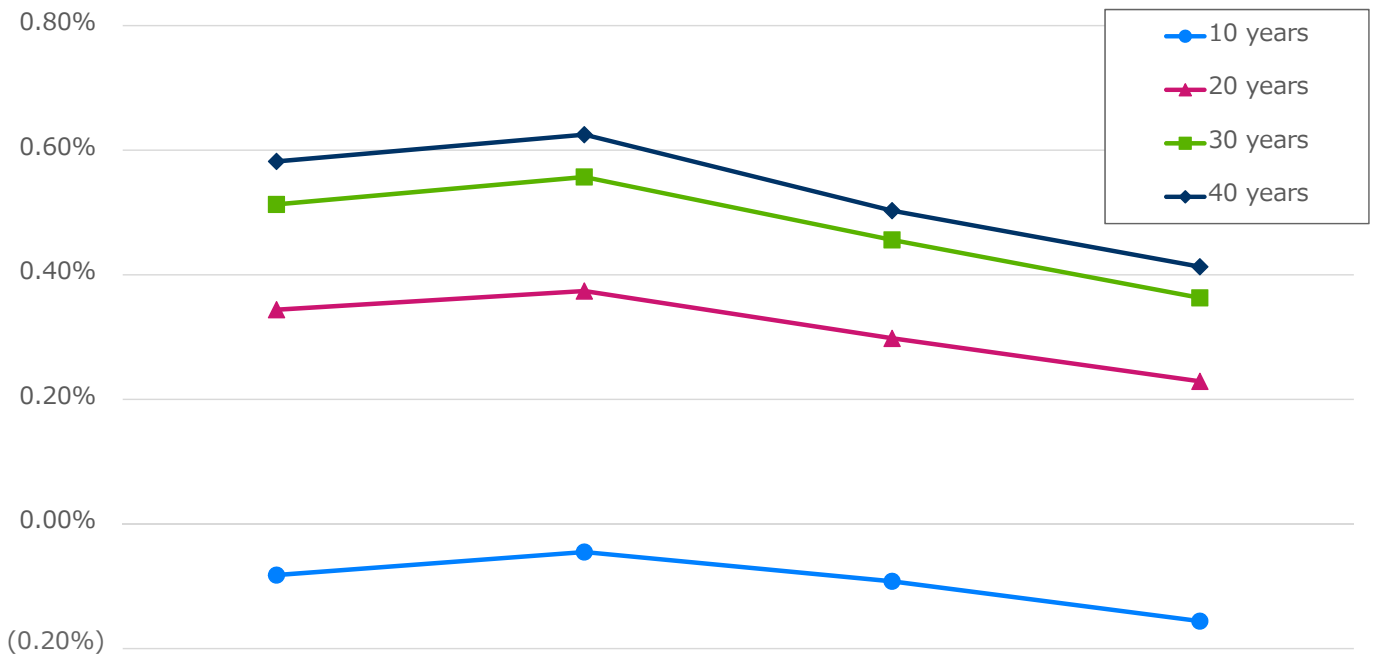
(JPY bn)	FY18.1Q	FY19.1Q	Change
AEGON Sony Life	(0.8)	(0.4)	+0.4
SA Reinsurance	0.3	0.0	(0.2)

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

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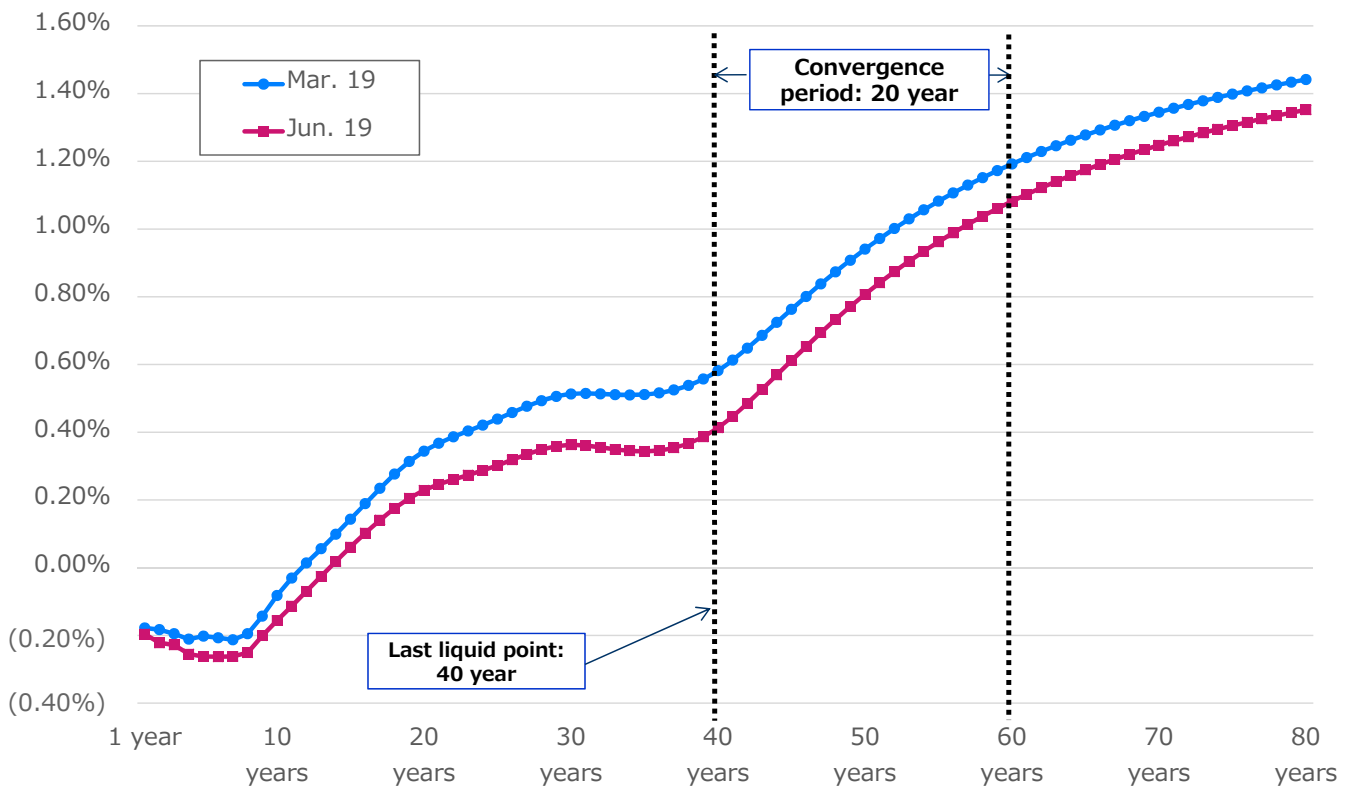
Trend on JGB Yields (Par rate)



	Mar. 19	Apr. 19	May. 19	Jun. 19
10 years	(0.08%)	(0.05%)	(0.09%)	(0.16%)
20 years	0.34%	0.37%	0.30%	0.23%
30 years	0.51%	0.56%	0.46%	0.36%
40 years	0.58%	0.63%	0.50%	0.41%

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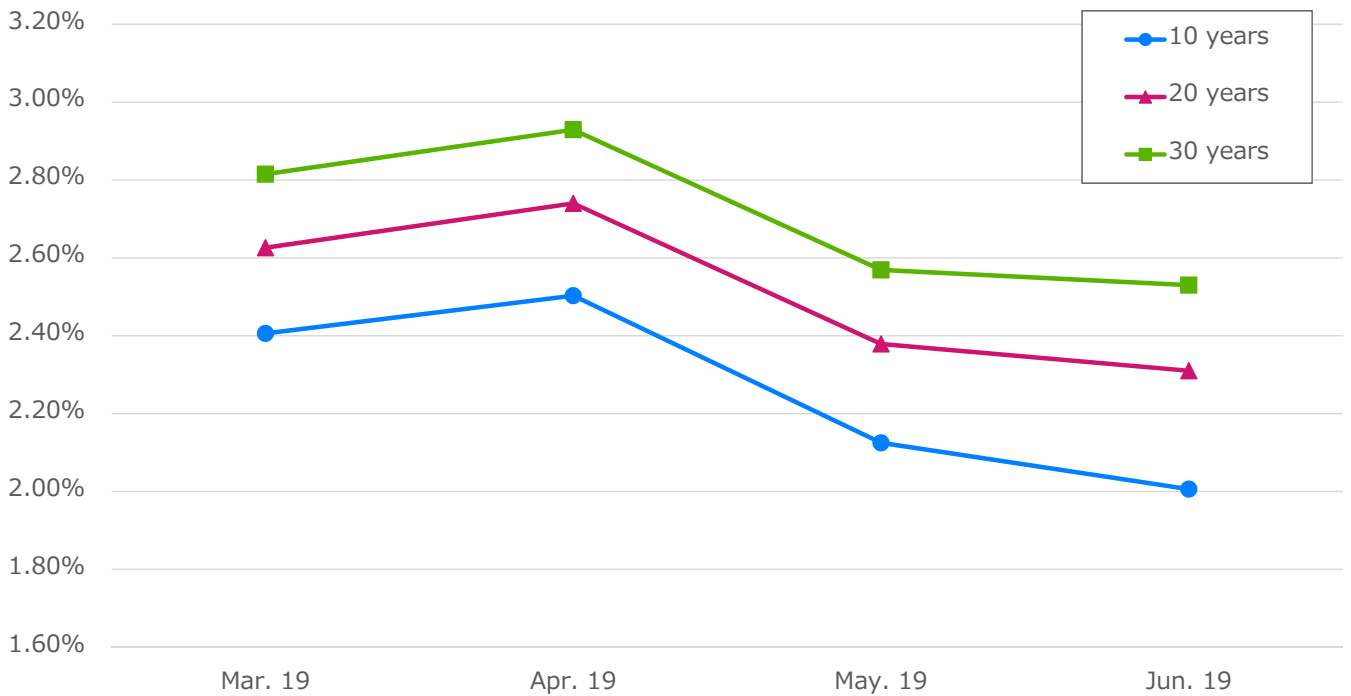
Trend on Risk-free Rate (Japanese yen/Par rate)



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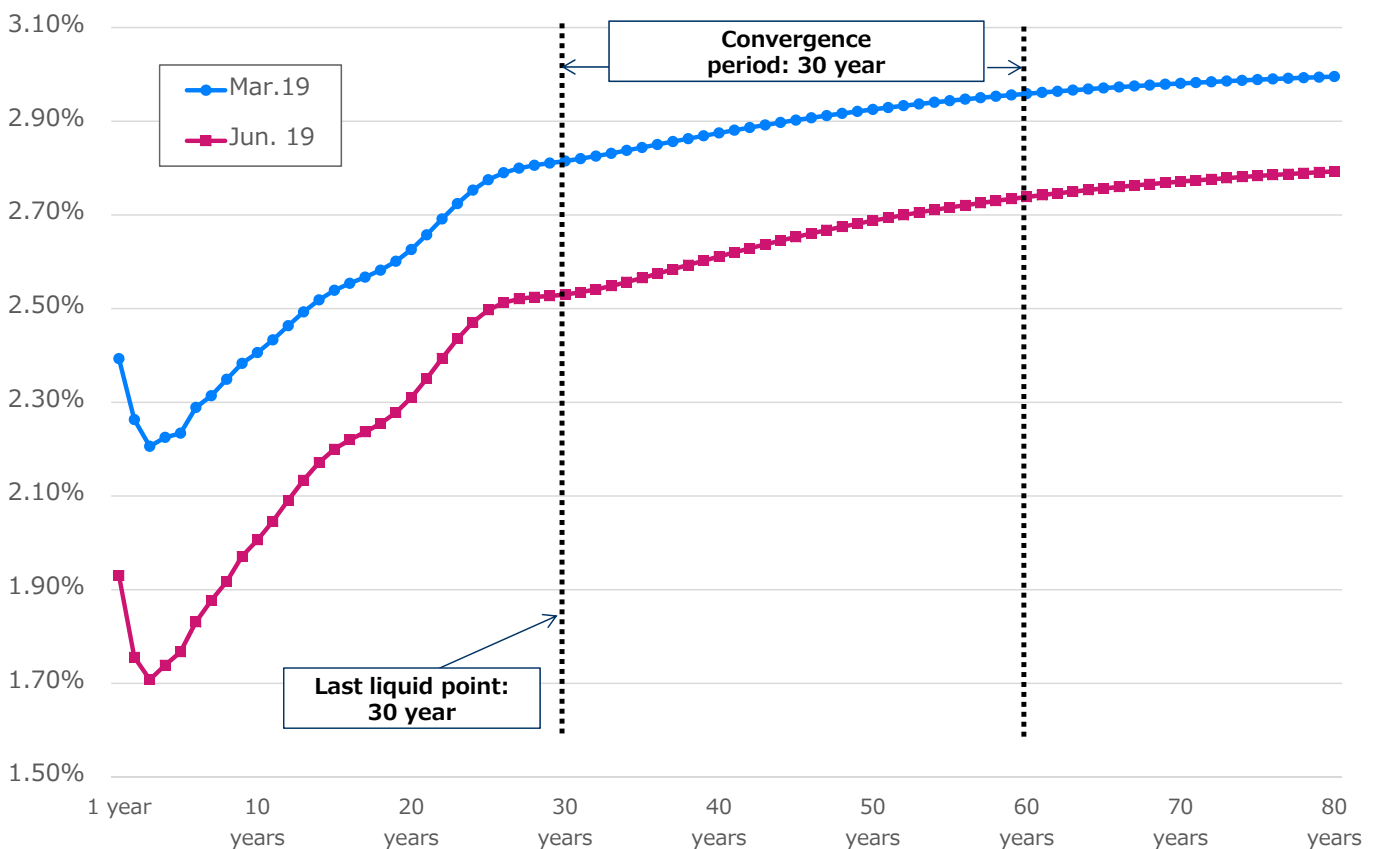
Trend on U.S. Dollar Bonds Yields (Par rate)



	Mar. 19	Apr. 19	May 19	Jun. 19
10 years	2.41%	2.50%	2.13%	2.01%
20 years	2.63%	2.74%	2.38%	2.31%
30 years	2.82%	2.93%	2.57%	2.53%

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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)	FY18.1Q	FY19.1Q	Change	
Life insurance business	Ordinary revenues		379.4	368.8	(10.5)	(2.8%)
	Ordinary profit		22.9	28.3	+5.3	+23.5%
Non-life insurance business	Ordinary revenues		29.7	31.8	+2.1	+7.3%
	Ordinary profit		3.8	3.8	+0.0	+2.4%
Banking business	Ordinary revenues		10.7	11.9	+1.1	+10.7%
	Ordinary profit		2.2	2.4	+0.2	+9.2%
Intersegment adjustments*	Ordinary revenues		0.7	1.0	+0.2	+32.7%
	Ordinary profit		(0.1)	(0.2)	(0.1)	—
Consolidated	Ordinary revenues		420.6	413.6	(7.0)	(1.7%)
	Ordinary profit		28.8	34.3	+5.5	+19.3%
	Profit attributable to owners of the parent		20.0	24.0	+3.9	+19.6%

*"Intersegment adjustments" is from SFH, the nursing care business, and the venture capital business. Sony Financial Ventures Inc. and SFV · GB L.P. are included in the scope of consolidation from FY18.2Q and FY18.4Q, respectively.

(Note) Comprehensive income : FY18.1Q: ¥15.7 billion, FY19.1Q: ¥25.5 billion

		(JPY bn)	Mar. 19	Jun. 19	Change from Mar. 19	
Consolidated	Net assets		656.8	655.2	(1.6)	(0.2%)
	Total assets		13,468.2	13,989.3	+521.1	+3.9%

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Sony Life : Summary Financial Statements (Non-consolidated)



(JPY bn)	FY18.1Q	FY19.1Q	Change	
Ordinary revenues	379.3	368.8	(10.5)	(2.8%)
Income from insurance premiums	269.5	301.4	+31.8	+11.8%
Investment income	106.9	64.3	(42.6)	(39.8%)
Interest income and dividends	40.4	43.5	+3.0	+7.6%
Gains on sale of securities	3.2	1.2	(2.0)	(62.1%)
Foreign exchange gains, net	12.2	—	(12.2)	(100.0%)
Gains on separate accounts, net	49.8	18.4	(31.4)	(63.0%)
Ordinary expenses	356.0	340.1	(15.9)	(4.5%)
Insurance claims and other payments	100.8	109.4	+8.6	+8.5%
Provision for policy reserves and others	202.0	168.9	(33.0)	(16.4%)
Investment expenses	9.3	14.4	+5.1	+54.9%
Losses on derivatives, net	7.8	1.5	(6.2)	(79.9%)
Foreign exchange losses, net	—	11.0	+11.0	—
Operating expenses	35.4	37.3	+1.9	+5.4%
Ordinary profit	23.2	28.6	+5.3	+23.2%
Net income	16.3	20.0	+3.6	+22.2%

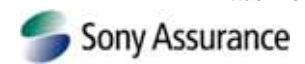
(JPY bn)	Mar. 19	Jun. 19	Change from Mar. 19	
Securities	9,523.8	9,862.6	+338.8	+3.6%
Policy reserves	9,268.4	9,436.9	+168.5	+1.8%
Net assets	513.9	502.7	(11.1)	(2.2%)
Net unrealized gains on other securities	122.7	123.7	+1.0	+0.8%
Total assets	10,380.1	10,767.6	+387.5	+3.7%
Separate account assets	1,300.7	1,338.9	+38.2	+2.9%

(JPY bn)	FY18.1Q	FY19.1Q	Change from Mar. 19	
Gains from investment, net (General account)	47.7	31.4	(16.3)	(34.2%)

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



(JPY bn)	FY18.1Q	FY19.1Q	Change	
Ordinary revenues	29.7	31.8	+2.1	+7.3%
Underwriting income	29.0	31.2	+2.1	+7.5%
Investment income	0.6	0.6	+0.0	+0.9%
Ordinary expenses	25.9	27.9	+2.0	+8.0%
Underwriting expenses	19.3	20.9	+1.6	+8.3%
Operating general and administrative expenses	6.5	7.0	+0.4	+7.0%
Ordinary profit	3.8	3.8	+0.0	+2.4%
Underwriting income	3.1	3.2	+0.0	+3.0%
Net income	2.7	2.7	+0.0	+1.8%

(JPY bn)	Mar. 19	Jun. 19	Change from Mar. 19	
Underwriting reserves	127.8	131.9	+4.1	+3.3%
Net assets	34.7	35.1	+0.3	+1.1%
Total assets	219.6	220.0	+0.4	+0.2%

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

(JPY mn)	FY18.1Q	FY19.1Q	Change	
Fire	54	374	+582.7%	
Marine	—	—	—	
Personal accident	2,163	2,277	+5.3%	
Voluntary automobile	26,583	27,695	+4.2%	
Compulsory automobile liability	—	—	—	
Total	28,802	30,347	+5.4%	

Net Premiums Written

(JPY mn)	FY18.1Q	FY19.1Q	Change	
Fire	4	197	—	
Marine	—	—	—	
Personal accident	2,221	2,244	+1.0%	
Voluntary automobile	26,524	27,621	+4.1%	
Compulsory automobile liability	300	354	+18.1%	
Total	29,051	30,418	+4.7%	

Net losses paid

(JPY mn)	FY18.1Q	FY19.1Q	Change	
Fire	1	3	+96.6%	
Marine	1	(3)	—	
Personal accident	691	763	+10.5%	
Voluntary automobile	12,052	13,097	+8.7%	
Compulsory automobile liability	329	323	(1.6%)	
Total	13,076	14,183	+8.5%	

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



◆ Consolidated

(JPY bn)	FY18.1Q	FY19.1Q	Change	
Ordinary revenues	10.7	11.9	+1.1	+10.7%
Ordinary profit	2.2	2.4	+0.2	+9.3%
Profit attributable to owners of the parent	1.4	1.6	+0.1	+8.9%

◆ Non-consolidated

(JPY bn)	FY18.1Q	FY19.1Q	Change	
Ordinary revenues	9.7	10.7	+1.0	+10.8%
Gross operating profit	5.7	6.2	+0.4	+8.4%
Net interest income	5.5	5.9	+0.3	+6.9%
Net fees and Commissions	(0.8)	(0.6)	+0.2	—
Net other operating income	1.0	0.8	(0.1)	(16.4%)
General and administrative expenses	3.7	4.1	+0.3	+9.0%
Net operating profit	1.9	2.1	+0.2	+10.6%
Ordinary profit	2.0	2.1	+0.1	+6.9%
Net income	1.4	1.5	+0.0	+7.1%

(JPY bn)	Mar. 19	Jun. 19	Change from Mar. 19	
Net assets	87.2	85.8	(1.4)	(1.7%)
Net unrealized gains on other securities, net of taxes	3.9	4.0	+0.1	+2.7%
Total assets	2,860.9	2,987.7	+126.8	+4.4%

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

(JPY bn)	Mar. 19	Jun. 19	Change from Mar. 19	
AAA	296.6	321.3	+24.6	+8.3%
AA	77.3	74.4	(2.8)	(3.7%)
A	288.0	298.8	+10.7	+3.7%
BBB	24.4	23.6	(0.7)	(3.1%)
Others	10.0	9.8	(0.1)	(1.3%)
Total	696.4	728.1	+31.7	+4.6%

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

(JPY bn)	FY18.1Q	FY19.1Q	Change	
Gross operating profit	5.7	6.2	+0.4	+8.4%
Net interest income* ¹ ①	6.2	6.4	+0.2	+3.4%
Net fees and commissions* ² ②	(0.7)	(0.4)	+0.2	—
Net other operating income* ³	0.2	0.2	(0.0)	(0.5%)
Gross operating profit (core profit)(A) = ① + ②	5.4	5.9	+0.4	+8.9%
Operating expenses and other Expenses ③	3.8	4.1	+0.2	+7.3%
Net operating profit (core profit) = (A) - ③	1.6	1.8	+0.2	+12.8%

■ Managerial accounting basis

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

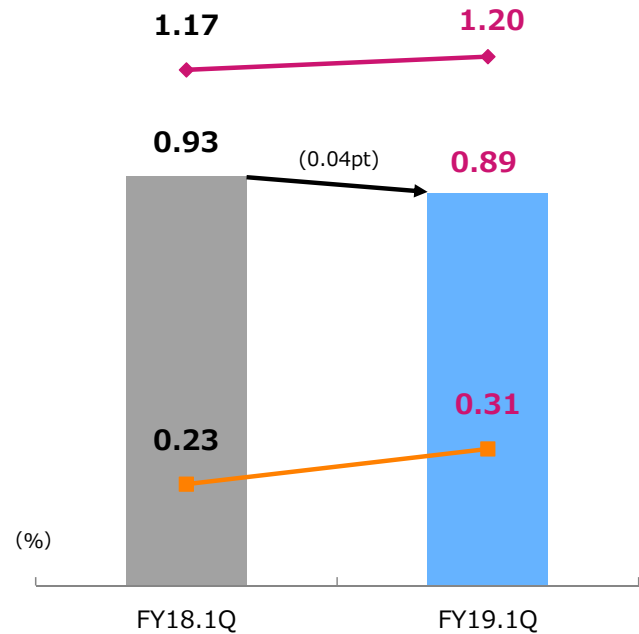
- *1: Net interest income: Includes profits and losses associated with fund investment recorded in net other operating income, including gains or losses from currency swap transactions.
- *2: Net fees and commissions: Includes profits and losses for customer dealings in foreign currency transactions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

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