

**Consolidated Financial Summary (Japanese GAAP)  
for the Nine Months Ended December 31, 2019**

February 13, 2020

Company name: Sony Financial Holdings Inc.  
(URL: [https://www.sonyfh.co.jp/index\\_en.html](https://www.sonyfh.co.jp/index_en.html))  
Stock exchange listing: Tokyo Stock Exchange (code number: 8729)  
Representative: Shigeru Ishii, President and Representative Director  
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(Telephone: +81-3-5290-6500)

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

1. Consolidated financial results for the nine months ended December 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 nine months ended December 31, 2019	1,426,011	26.3	81,224	9.7	54,888	8.7
For the nine months ended December 31, 2018	1,129,323	(4.0)	74,026	49.5	50,489	18.8

Note: Comprehensive income: For the nine months ended December 31, 2019: ¥ 48,578 million: 25.9%  
For the nine months ended December 31, 2018: ¥ 38,572 million: (20.8)%

	Net Income per Share	Net Income per Share (Fully Diluted)
	Yen	Yen
For the nine months ended December 31, 2019	126.17	126.14
For the nine months ended December 31, 2018	116.06	116.04

(2) Financial condition

	Total Assets	Total Net Assets	Net Asset Ratio
	Millions of yen	Millions of yen	%
As of December 31, 2019	14,538,385	678,347	4.6
As of March 31, 2019	13,468,215	656,846	4.9

Note: Net assets attributable to shareholders: As of December 31, 2019: ¥ 675,992 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	—	0.00	—		
For the year ending March 31, 2020 (forecast)				70.00	70.00

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	1,860,000	14.2	103,000	9.7	68,000	9.5	156.31

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) Total number of shares issued (including treasury stocks)

As of December 31, 2019: 435,087,405 shares

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

(b) Number of treasury stocks

As of December 31, 2019: 37,469 shares

As of March 31, 2019: 37,425 shares

(c) Weighted-average number of shares

For the nine months ended December 31, 2019: 435,039,137 shares

For the nine months ended December 31, 2018: 435,013,160 shares

Status of interim audit procedures

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

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\* The conference call for explaining the Sony Financial Group financial results will be held at 15:30 (Tokyo), February 13, 2020. Please note that our conference call will be held only in Japanese.

We will upload the presentation materials with speech text on February 13, 2020 after 15:00, the translation of the conference call (audio) on February 14 and the Q&A summary (text) at a later date on Earnings Releases and Presentation Materials page on our website:

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

\* On February 13, 2020, 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 nine months ended December 31, 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 December 31, 2019
<b>Assets</b>		
Cash and due from banks	¥ 415,894	¥ 456,029
Call loans and bills bought	93,700	91,400
Monetary claims purchased	4,916	6,461
Money held in trust	291,324	285,457
Securities	10,373,188	11,241,225
Loans	1,942,546	2,079,134
Tangible fixed assets	104,128	105,518
Intangible fixed assets	43,909	45,876
Due from reinsurers	1,341	829
Foreign exchanges	8,471	9,346
Other assets	159,361	181,399
Net defined benefit asset	3,476	3,879
Deferred tax assets	27,556	33,470
Reserve for possible loan losses	(1,602)	(1,642)
<b>Total Assets</b>	<b>¥ 13,468,215</b>	<b>¥ 14,538,385</b>

(Millions of yen)

	As of March 31, 2019	As of December 31, 2019
<b>Liabilities</b>		
Policy reserves and others	¥ 9,479,071	¥ 10,143,169
Reserve for outstanding claims	78,285	79,696
Policy reserves	9,396,241	10,059,004
Reserve for policyholders' dividends	4,544	4,468
Due to agencies	2,073	1,783
Due to reinsurers	5,769	4,611
Deposits	2,302,313	2,432,043
Call money and bills sold	130,611	170,612
Borrowed money	203,871	203,929
Foreign exchanges	244	580
Bonds payable	20,000	20,000
Other liabilities	578,477	793,876
Reserve for employees' bonuses	4,377	2,176
Net defined benefit liability	34,081	34,830
Reserve under the special laws	50,343	52,313
Reserve for price fluctuations	50,343	52,313
Deferred tax liabilities	24	2
Deferred tax liabilities on land revaluation	109	109
<b>Total Liabilities</b>	<b>12,811,368</b>	<b>13,860,037</b>
<b>Net Assets</b>		
Common stock	19,963	19,994
Capital surplus	191,193	191,224
Retained earnings	319,886	347,586
Treasury stock	(55)	(55)
Total shareholders' equity	530,987	558,750
Net unrealized gains (losses) on available-for-sale securities, net of taxes	128,800	121,164
Net deferred gains (losses) on hedging instruments, net of taxes	(1,077)	(426)
Land revaluation, net of taxes	(2,439)	(2,439)
Remeasurements of defined benefit plans, net of taxes	(1,470)	(1,056)
Total accumulated other comprehensive income	123,812	117,241
Subscription rights to shares	149	198
Non-controlling interests	1,896	2,157
<b>Total Net Assets</b>	<b>656,846</b>	<b>678,347</b>
<b>Total Liabilities and Net Assets</b>	<b>¥ 13,468,215</b>	<b>¥ 14,538,385</b>

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

(Millions of yen)

	For the nine months ended December 31, 2018	For the nine months ended December 31, 2019
Ordinary Revenues	¥ 1,129,323	¥ 1,426,011
Ordinary Revenues from the Life Insurance Business	1,004,462	1,293,408
Income from insurance premiums	814,153	954,802
(Insurance premiums)	812,196	952,835
Investment income	145,506	288,077
(Interest income and dividends)	124,415	134,526
(Income from money held in trusts, net)	3,364	3,400
(Gains on trading securities, net)	—	156
(Gains on sale of securities)	4,581	2,979
(Foreign exchange gains, net)	13,145	—
(Gains on separate accounts, net)	—	147,012
Other ordinary income	44,803	50,528
Ordinary Revenues from the Non-life Insurance Business	86,296	90,523
Underwriting income	84,748	88,877
(Net premiums written)	84,699	88,818
(Interest and dividends on deposits of premiums)	48	58
Investment income	1,503	1,619
(Interest income and dividends)	1,025	1,005
(Gains on sale of securities)	526	672
(Transfer to interest and dividends on deposits of premiums)	(48)	(58)
Other ordinary income	44	26
Ordinary Revenues from the Banking Business	33,580	36,529
Interest income	23,598	25,520
(Interest income on loans)	13,036	13,941
(Interest income and dividends on securities)	10,509	11,524
Fees and commissions	6,406	8,249
Other operating income	3,171	2,514
Other ordinary income	404	244
Other	4,984	5,550
Other ordinary income	4,984	5,550

(Continued)

(Millions of yen)

	For the nine months ended December 31, 2018	For the nine months ended December 31, 2019
Ordinary Expenses	¥ 1,055,297	¥ 1,344,787
Ordinary Expenses from the Life Insurance Business	946,398	1,228,852
Insurance claims and other payments	344,334	379,875
(Insurance claims)	69,873	72,765
(Annuity payments)	9,693	10,113
(Insurance benefits)	105,853	124,746
(Surrender payments)	148,589	162,222
(Other payments)	2,811	2,657
Provision for policy reserves and others	423,685	655,518
Provision for reserve for outstanding claims	431	907
Provision for policy reserves	423,253	654,611
Interest portion of reserve for policyholders' dividends	0	0
Investment expenses	32,425	32,739
(Interest expenses)	1,050	3,761
(Losses on trading securities, net)	286	—
(Losses on sale of securities)	34	50
(Losses on valuation of securities)	4,026	2,991
(Losses on derivatives, net)	784	19,557
(Foreign exchange losses, net)	—	3,117
(Losses on separate accounts, net)	22,800	—
Operating expenses	107,039	114,689
Other ordinary expenses	38,913	46,029
Ordinary Expenses from the Non-life Insurance Business	78,332	82,303
Underwriting expenses	58,049	60,975
(Net losses paid)	42,031	44,968
(Loss adjustment expenses)	6,025	6,476
(Net commission and brokerage fees)	934	876
(Provision for reserve for outstanding losses and claims)	1,380	504
(Provision for underwriting reserves)	7,677	8,150
Investment expenses	1	0
Operating, general and administrative expenses	20,279	21,323
Other ordinary expenses	3	4
Ordinary Expenses from the Banking Business	24,884	27,143
Interest expenses	6,300	7,093
(Interest expenses on deposits)	4,865	5,697
Fees and commissions	4,338	5,156
Other operating expenses	106	1
General and administrative expenses	13,849	14,806
Other ordinary expenses	288	85
Other	5,681	6,487
Other ordinary expenses	5,681	6,487
Ordinary Profit	74,026	81,224

(Continued)

(Millions of yen)

	For the nine months ended December 31, 2018	For the nine months ended December 31, 2019
Extraordinary Gains	¥ 0	¥ 16
Gains on disposal of fixed assets	0	0
Others	—	16
Extraordinary Losses	1,694	2,285
Losses on disposal of fixed assets	69	51
Impairment losses	10	15
Provision for reserve under the special laws	1,614	1,969
Provision for reserve for price fluctuations	1,614	1,969
Others	—	249
Provision(Reversal) for Reserve for Policyholders' Dividends	(63)	234
Income Before Income Taxes	72,395	78,720
Income Taxes - Current	23,153	26,912
Income Taxes - Deferred	(1,437)	(3,340)
Total Income Taxes	21,716	23,572
Profit	50,679	55,148
Profit Attributable to Non-controlling Interests	190	259
Profit Attributable to Owners of the Parent	¥ 50,489	¥ 54,888



**(Consolidated Statements of Comprehensive Income)**

(Millions of yen)

	For the nine months ended December 31, 2018	For the nine months ended December 31, 2019
Profit	¥ 50,679	¥ 55,148
Other comprehensive income		
Net unrealized gains (losses) on available-for-sale securities, net of taxes	(12,451)	(7,855)
Net deferred gains (losses) on hedging instruments, net of taxes	(61)	650
Remeasurements of defined benefit plans, net of taxes	404	415
Share of other comprehensive income of affiliates accounted for using equity method	—	220
Total other comprehensive income	(12,107)	(6,569)
Comprehensive income	¥ 38,572	¥ 48,578
(Details)		
Comprehensive income attributable to owners of the parent	38,380	48,317
Comprehensive income attributable to non-controlling interests	191	260

### **3. Note on Going Concern**

Not applicable.

### **4. Material Changes in Stockholders' Equity**

Not applicable.

### **5. Changes in Significant Subsidiaries during the Period**

Not applicable.

Although specified subsidiaries have not changed, SmartLink Network Europe B.V., a subsidiary that is a credit card settlement service company, was established and entered the scope of consolidation in the first half of the fiscal year ending March 31, 2020. The company's results are included in the "banking business" category in the consolidated statements of income.

## 6. Segment Information

### (1) Segment information by reportable segment

For the nine months ended December 31, 2018

	Millions of yen					
	Life insurance business	Non-life insurance business	Banking business	Total	Other	Total
Ordinary revenues						
External customers	¥ 1,004,462	¥ 86,296	¥ 33,580	¥ 1,124,339	¥ 4,984	¥ 1,129,323
Intersegment	2,152	0	186	2,340	—	2,340
Total	1,006,615	86,296	33,767	1,126,679	4,984	1,131,663
Segment profit	¥ 60,160	¥ 7,394	¥ 7,043	¥ 74,597	¥ (697)	¥ 73,899

(Note) “Other” consists of the nursing care business and venture capital operations, which is not a reportable segment.

For the nine months ended December 31, 2019

	Millions of yen					
	Life insurance business	Non-life insurance business	Banking business	Total	Other	Total
Ordinary revenues						
External customers	¥ 1,293,408	¥ 90,523	¥ 36,529	¥ 1,420,461	¥ 5,550	¥ 1,426,011
Intersegment	1,783	0	201	1,985	—	1,985
Total	1,295,192	90,524	36,731	1,422,447	5,550	1,427,997
Segment profit	¥ 66,276	¥ 7,607	¥ 8,148	¥ 82,031	¥ (937)	¥ 81,093

(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 nine months ended December 31, 2018		For the nine months ended December 31, 2019	
Totals of reportable segments	¥	74,597	¥	82,031
Other		(697)		(937)
Amount not allocated to reportable segments		126		130
Ordinary profit in quarterly consolidated statement of income	¥	74,026	¥	81,224

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

Not applicable.

## 7. Subsequent Events

Sony Life Insurance Co., Ltd. (“Sony Life”), a wholly owned consolidated subsidiary of SFH, has completed an acquisition of the remaining 50% shares of AEGON Sony Life Insurance Co., Ltd. and SA Reinsurance Ltd. (hereinafter collectively referred to as “JVs”), respectively. As of the closing of the transaction, the JVs have become wholly owned consolidated subsidiaries of SFH and Sony Life.

### 1. Outline of the business combination

#### (1) Name of acquired companies and their businesses

1) Name: AEGON Sony Life Insurance Co., Ltd. (“AEGON Sony Life”)  
Business: Life insurance business

2) Name: SA Reinsurance Ltd. (“SA Re”)  
Business: Reinsurance business

#### (2) Purpose of the acquisitions

Through the wholly owned subsidiaries of the JVs, Sony Life aims to speed up management decision-making and improve operational efficiency.

#### (3) Date of business combination

January 29, 2020

#### (4) Legal form of business combination

Purchase of shares for cash consideration.

#### (5) Company names after the business combination

No changes.

#### (6) Percentages of voting rights acquired

1) AEGON Sony Life  
Voting rights ratio before the acquisition date: 50.0%  
Voting rights ratio additionally acquired on the acquisition date: 50.0%  
Voting rights ratio after acquisition: 100.0%

2) SA Re  
Voting rights ratio before the acquisition date: 50.0%  
Voting rights ratio additionally acquired on the acquisition date: 50.0%  
Voting rights ratio after acquisition: 100.0%

#### (7) Primary reason for determination of the controlling company

Sony Life acquired 100% of the voting rights for JVs for cash consideration.

### 2. Acquisition cost and breakdown of class of consideration

Consideration for shares acquired	Cash	¥18,750 million yen
Acquisition cost		¥18,750 million yen

### 3. Description and amount of major acquisition-related costs

Not determined.

### 4. Amount, reason for recognition, method of amortization and period of goodwill

Not determined.

### 5. Amount of assets acquired and liabilities assumed on the date of the business combination

Not determined.

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.  
SmartLink Network Europe B.V.\*<sup>2</sup>  
Sony Lifecare Inc.  
Lifecare Design Inc.  
Proud Life Inc.  
Sony Financial Ventures Inc.\*<sup>2</sup>  
SFV•GB L.P.\*<sup>2</sup>

Affiliated companies accounted for under the equity method:

AEGON Sony Life Insurance Co., Ltd.\*<sup>3</sup>  
SA Reinsurance Ltd.\*<sup>3</sup>

\*<sup>2</sup> Sony Financial Ventures Inc. was included in the scope of consolidation from the second quarter ended September 30, 2018.

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

SmartLink Network Europe B.V. was included in the scope of consolidation from the second quarter ended September 30, 2019.

\*<sup>3</sup> Sony Life Insurance Co., Ltd. acquired shares of AEGON Sony Life Insurance Co., Ltd. and SA Reinsurance Ltd., making the two companies into wholly owned subsidiaries of SFH and Sony Life Insurance Co., Ltd. on January 29, 2020.

*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 Nine Months Ended December 31, 2019 and Sony Life's MCEV as of December 31, 2019**

▪ Consolidated Operating Results for the Nine Months Ended December 31, 2019 .....	3
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# Consolidated Financial Results for the Nine Months Ended December 31, 2019 and Sony Life's MCEV as of December 31, 2019

Sony Financial Holdings Inc.  
February 13, 2020

## AGENDA

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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.

(Note 1) 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.

(Note 2) “Lifeplanner” is a registered trademark of Sony Life.



## Consolidated Operating Results for the Nine Months Ended December 31, 2019 <FY19.3Q (9M)>

### Highlights of Consolidated Financial Results

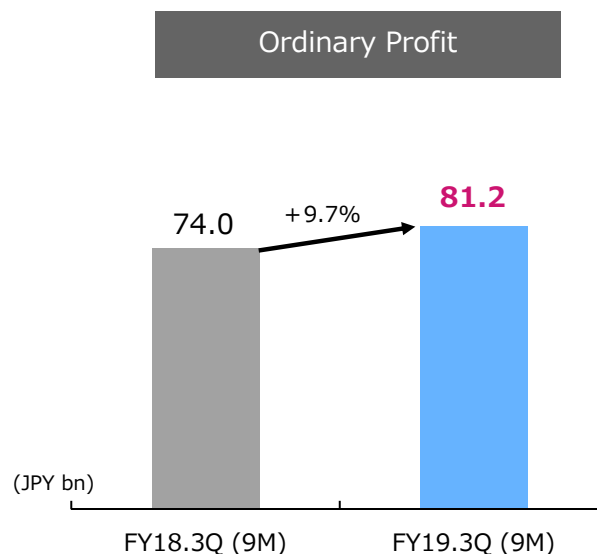
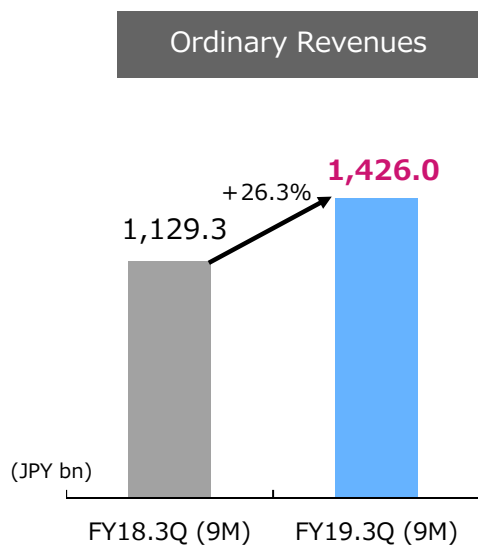


- ◆ The forecast of consolidated financial results for FY2019 has been revised upward because ordinary revenues, ordinary profit and profit attributable to owners of the parent in FY19.3Q (9M) exceeded projections made at the beginning of the fiscal year.
- ◆ The dividend forecast for FY2019 has been revised upward. SFH will determine the future dividends, while aiming for an amount equivalent to approximately 30% of consolidated adjusted profit.
- ◆ Sony Life's new policy amount decreased year on year in FY19.3Q (9M) due to a drop in the sales of family income insurance. Ordinary profit increased mainly as costs related to the acquisition of new policies fell and profit rose in accordance with expansion in the policy amount in force.

New business value for FY19.3Q (3M) increased quarter on quarter to a revision to premium rates of single-premium U.S. dollar-denominated whole life insurance and relaunched sales of corporate products. The new business margin was up from the previous quarter, due mainly to a change in product mix.



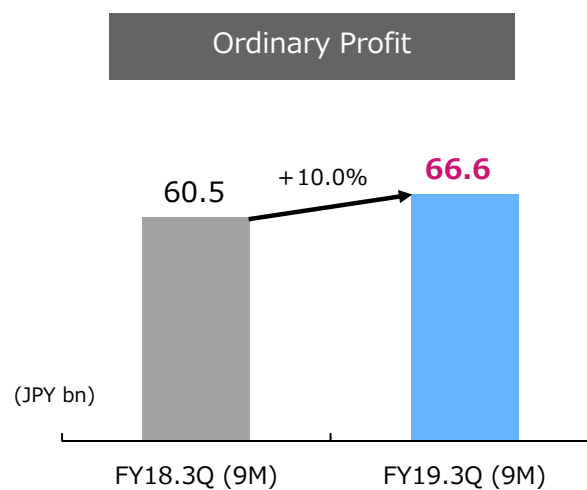
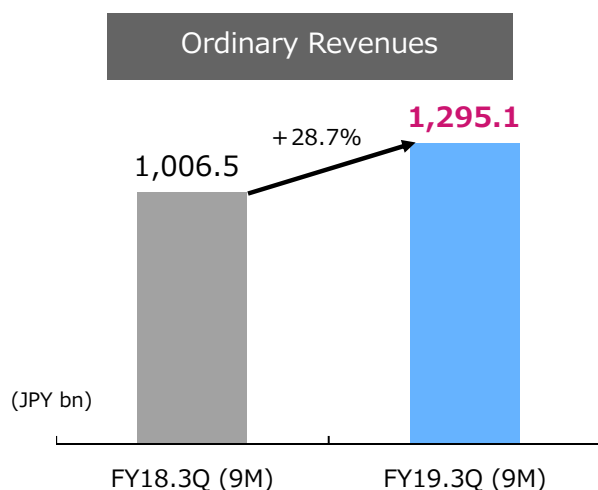
- ◆ **Ordinary Revenues :**  
Increased 26.3% year on year, to ¥1,426.0 billion, owing to increases in ordinary revenues from all the businesses: life insurance, non-life insurance and banking businesses.
- ◆ **Ordinary Profit :**  
Increased 9.7% year on year, to ¥81.2 billion, owing to increases in ordinary profit from all the businesses mentioned above.



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

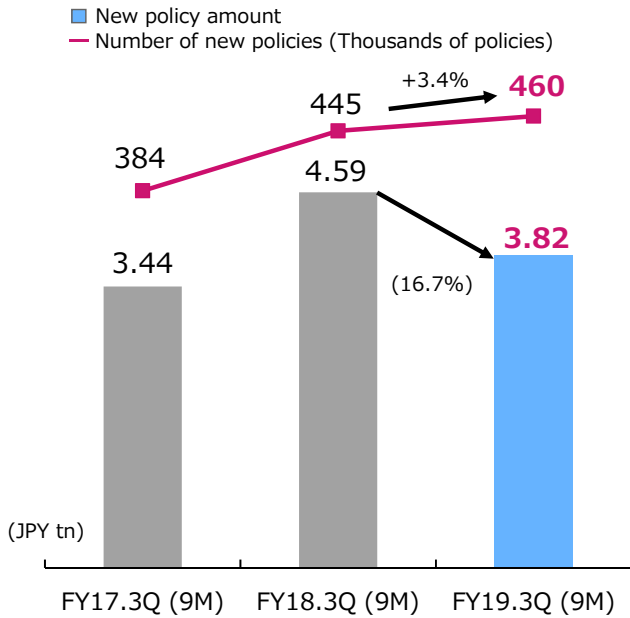
- ◆ **Ordinary Revenues :**  
Increased 28.7% year on year, to ¥1,295.1 billion, due to an improvement in investment performance in the separate account and higher insurance premium revenue, mainly from single premium insurance.
- ◆ **Ordinary Profit :**  
Rose 10.0% year on year, to ¥66.6 billion, as costs related to the acquisition of new policies fell due to a decline in the new policy amount and profit rose in accordance with expansion of the policy amount in force, which more than offset the effect of a deterioration in net gains (losses) on derivative transactions to hedge market risks for available-for-sale securities in the general account, a rise in operating expenses and net gains (losses) associated with market fluctuations and others in the variable life insurance\*.

\* The total of (a) the provision of policy reserves for minimum guarantees for variable life insurance according to market fluctuations and others and (b) net gains (losses) on derivative transactions to hedge market risks for the products.

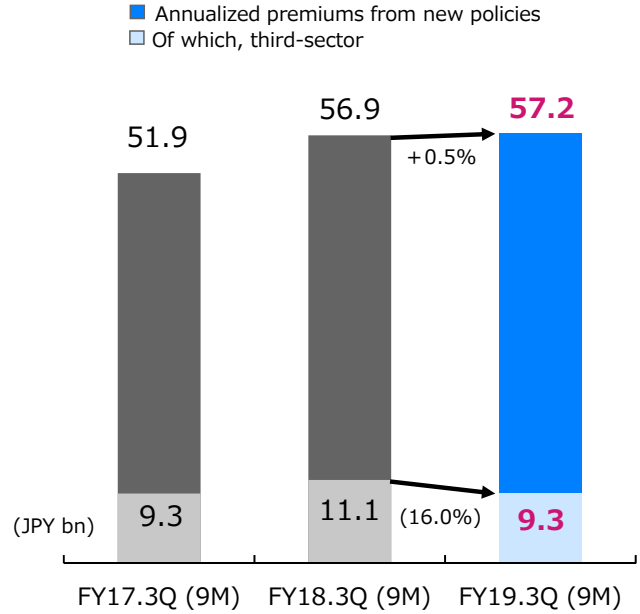


- ◆ **New Policy Amount :**  
Decreased due to lower sales of family income insurance.
- ◆ **Annualized Premiums from New Policies :**  
Remained flat due to lower sales of term life insurance and variable life insurance for corporate customers despite a favorable sales of U.S. dollar-denominated insurance.

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

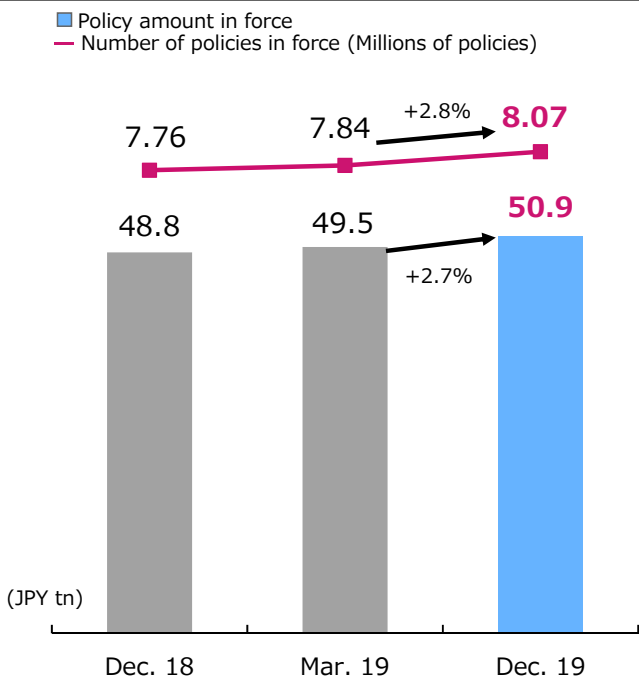


**Annualized Premiums from New Policies**  
(Individual life insurance + Individual annuities)

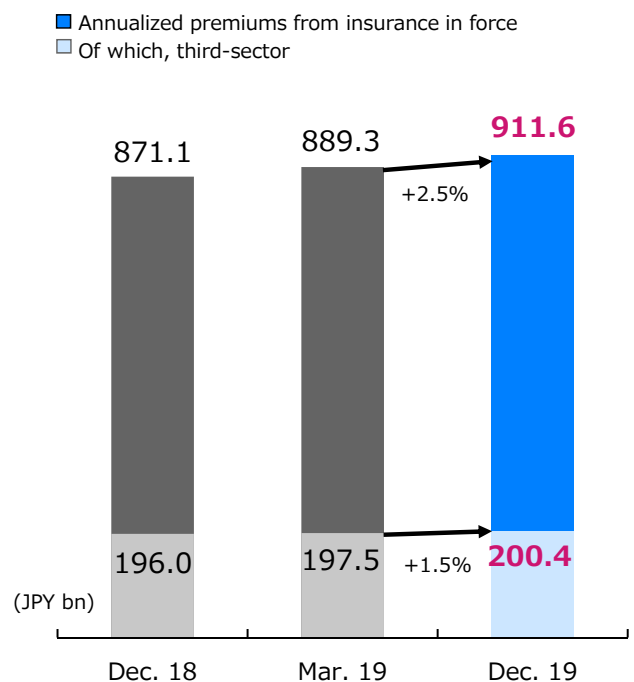


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**Number and Amount of Policies in Force**  
(Individual life insurance + Individual annuities)



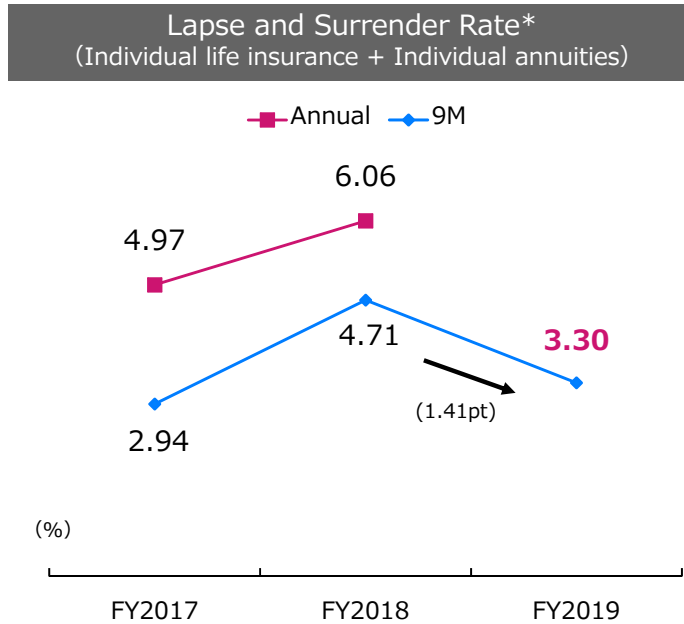
**Annualized Premiums from Insurance in Force**  
(Individual life insurance + Individual annuities)



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◆ 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.

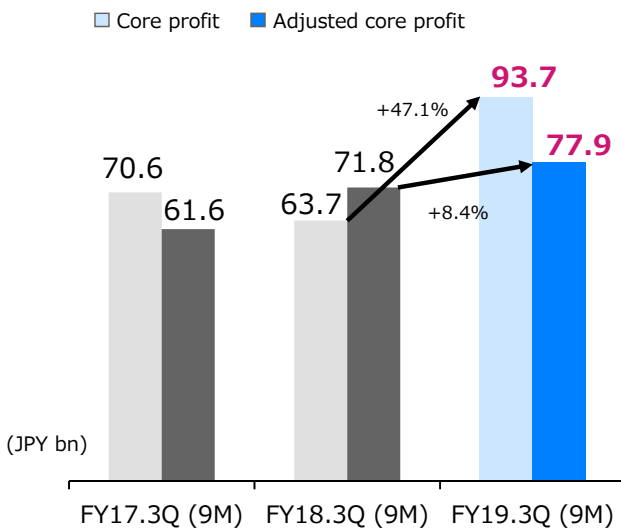


\*The lapse and surrender rate shows the ratio derived by dividing the amount of lapses and surrenders, not adjusted for policy amount decreases, increases, and reinstatements, by the policy amount in force at the beginning of the fiscal year.

◆ Core Profit :

Increased year on year due to a decrease in the provision of policy reserves for minimum guarantees for variable life insurance and profit rose in tandem with expansion of the policy amount in force.

**Core Profit and Adjusted Core Profit**



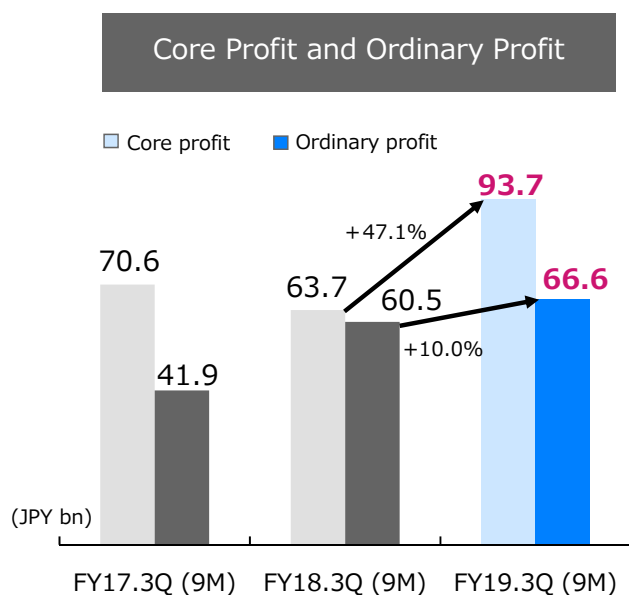
◆ Details of core profit

(JPY bn)	FY17.3Q (9M)	FY18.3Q (9M)	FY19.3Q (9M)
Positive spread	13.9	14.0	14.5
Provision of policy reserve for minimum guarantees for variable life insurance*1	(4.8)	(22.1)	1.3
Adjusted core profit*2	61.6	71.8	77.9

\*1 Provision of policy reserves for minimum guarantees for variable life insurance is described as negative amount.

\*2 Adjusted core profit = (Core profit) - (Positive spread) - (Provision of policy reserves for minimum guarantees for variable life insurance)

- ◆ Ordinary Profit :  
Increased due to an increase in core profit despite a deterioration in net gains (losses) on hedges of variable life insurance.



◆ Difference from core profit

(JPY bn)	FY17.3Q (9M)	FY18.3Q (9M)	FY19.3Q (9M)
Core profit	70.6	63.7	<b>93.7</b>
Capital gains (losses)* <sup>1</sup>	(9.4)	1.6	<b>(2.2)</b>
Gains (losses) on hedges of variable life insurance* <sup>2</sup>	(13.5)	1.6	<b>(17.9)</b>
Provision of contingency reserve* <sup>3</sup>	(5.6)	(6.3)	<b>(6.8)</b>
Others	(0.0)	(0.1)	<b>(0.1)</b>
Ordinary profit	41.9	60.5	<b>66.6</b>

\*1 Capital gains (losses) exclude gains or losses on hedges of variable life insurance.

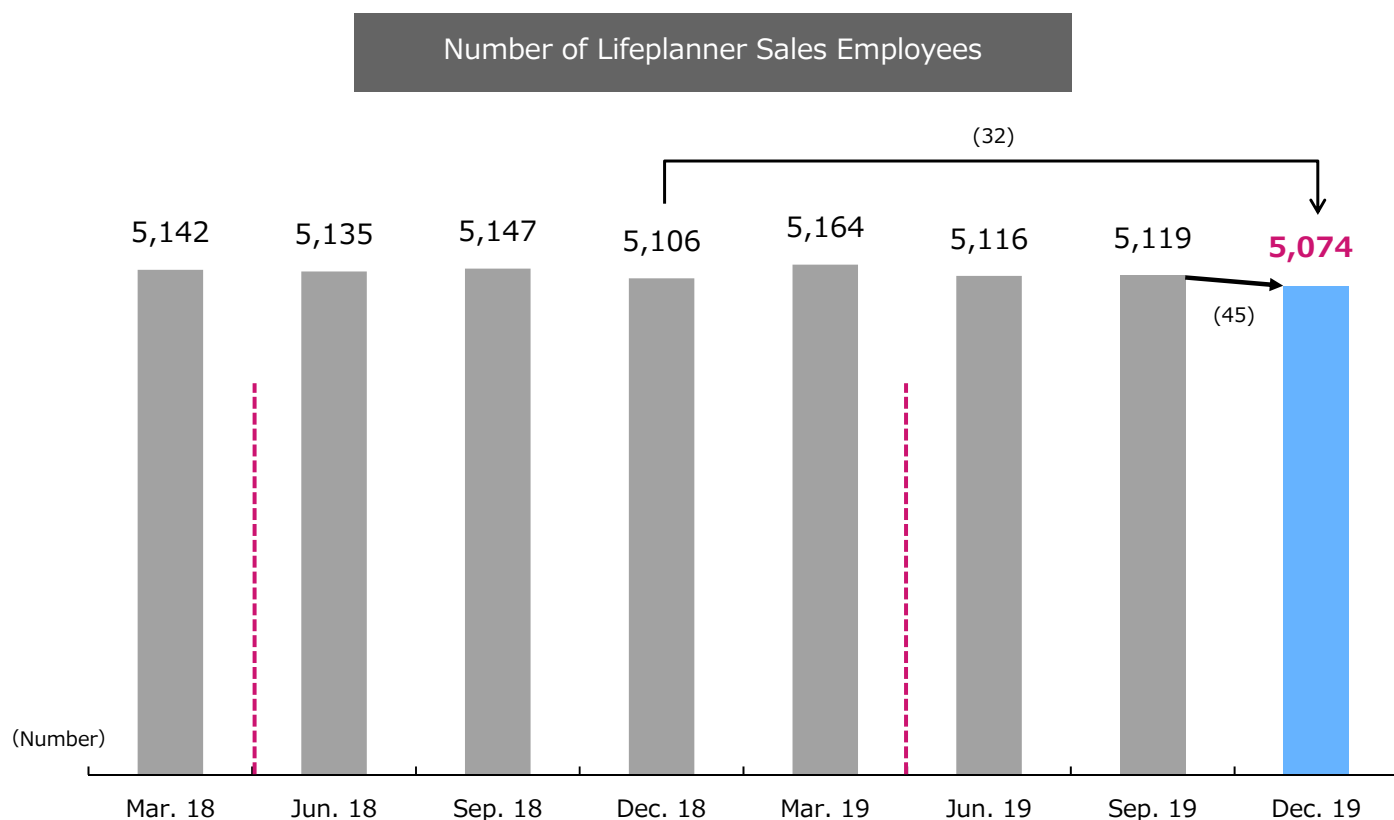
\*2 Gains (losses) on hedges of variable life insurance offset the impact of market fluctuations on provision of policy reserves for minimum guarantees for variable life insurance on page 10.

\*3 Provision of contingency reserve is described as negative amount.

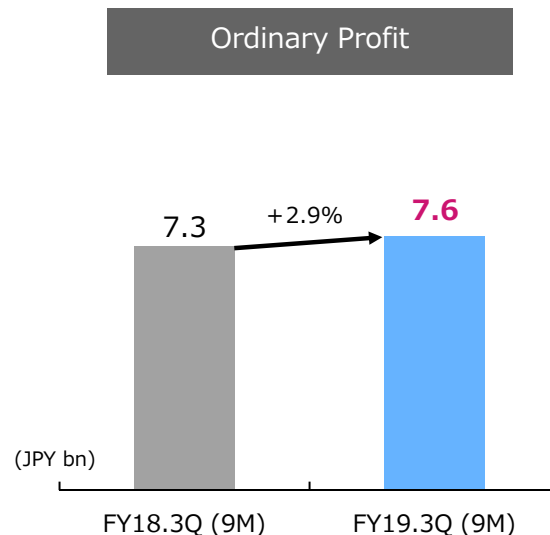
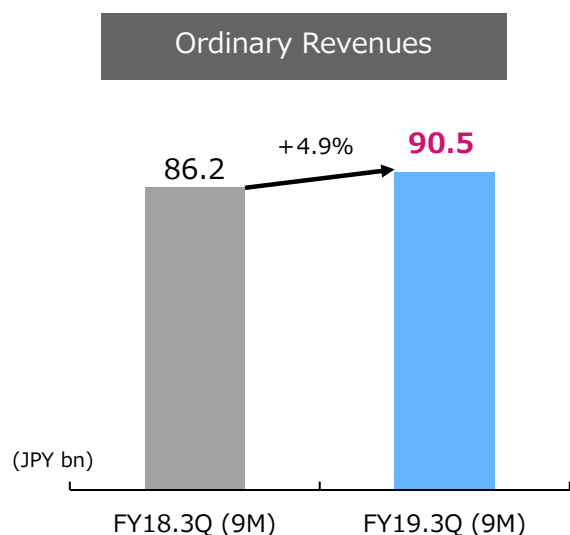
◆ Regarding hedges of variable life insurance

Market fluctuations resulted in the following accounting gains (losses), due to differences between Japanese GAAP and economic value-based valuation. Please refer to page 36 for details.

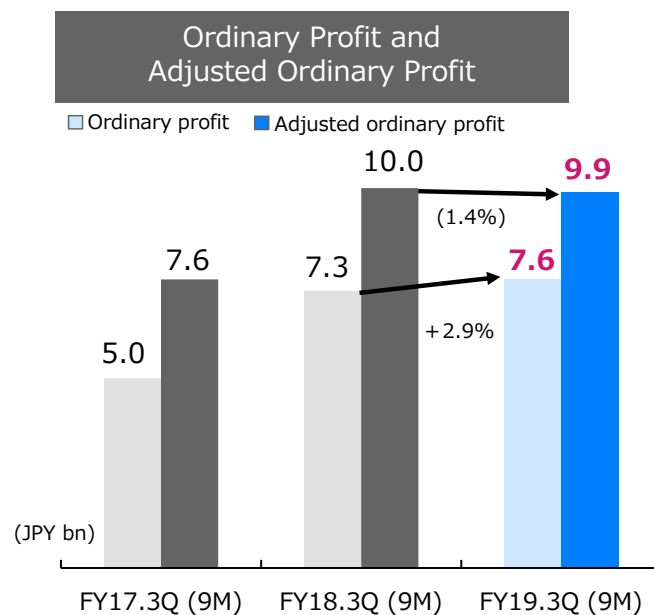
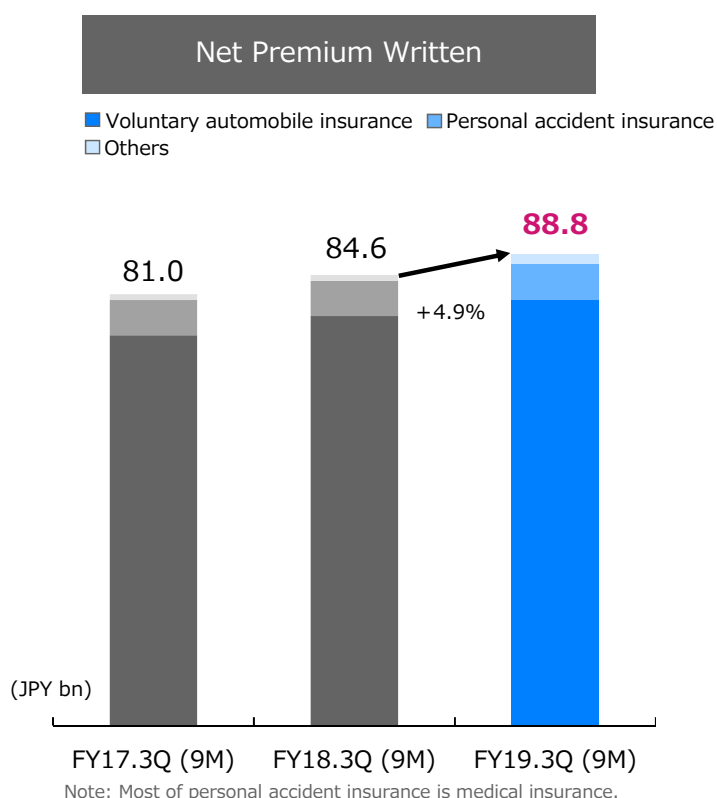
(JPY bn)	FY17.3Q (9M)	FY18.3Q (9M)	FY19.3Q (9M)
Gains (losses) of variable life insurance related to market fluctuations	(0.3)	(1.2)	<b>(2.9)</b>



- ◆ Ordinary Revenues :  
Increased 4.9% year on year, to ¥90.5 billion, due mainly to an increase in net premiums written for mainstay automobile insurance.
- ◆ Ordinary Profit :  
Increased 2.9% year on year, to ¥7.6 billion, mainly due to a reversal of the catastrophe reserve despite the negative impact of a higher loss ratio.



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



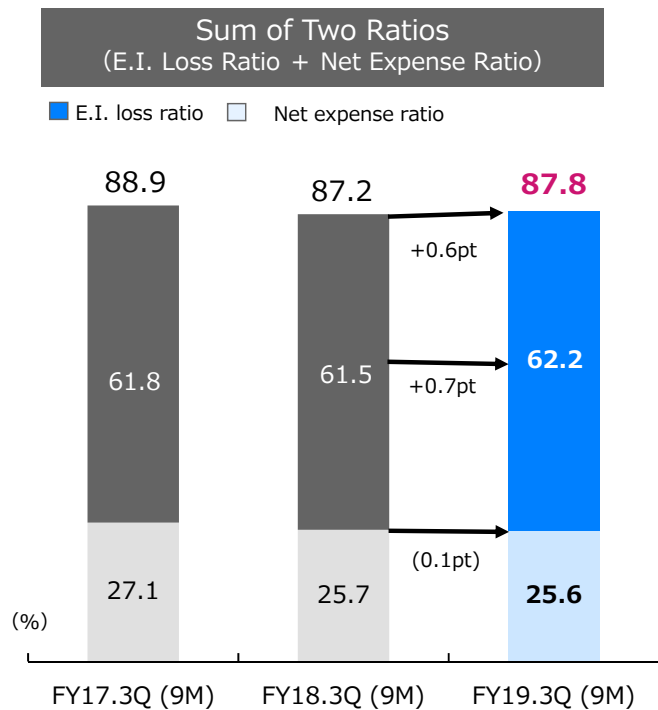
\*Adjusted ordinary profit = Ordinary profit + Provision for catastrophe reserve

(Reference) Provision for catastrophe reserve

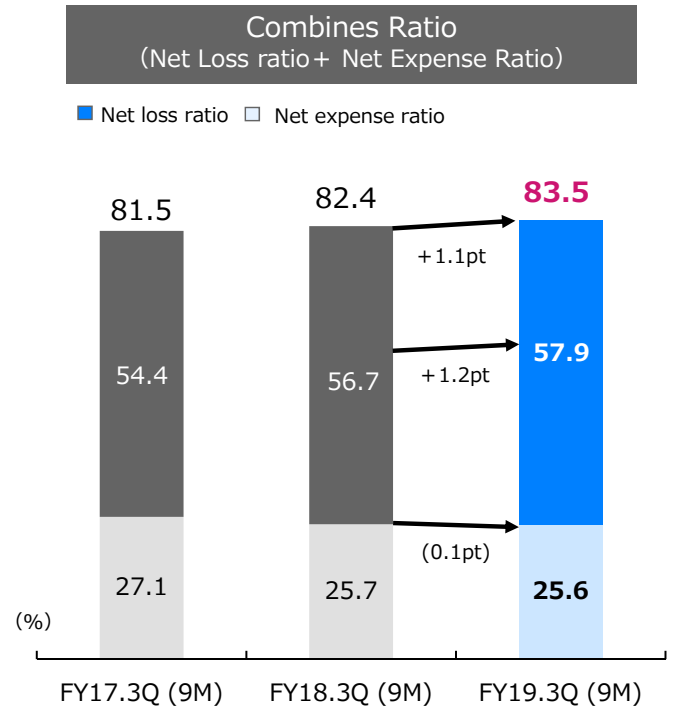
(JPY bn)	FY17.3Q (9M)	FY18.3Q (9M)	FY19.3Q (9M)
Provision for catastrophe reserve	2.5	2.6	2.3

Note: Provision for catastrophe reserve is described as positive amount.

◆ Sum of Two Ratios :  
Increased due to an increase in E.I. loss ratio.



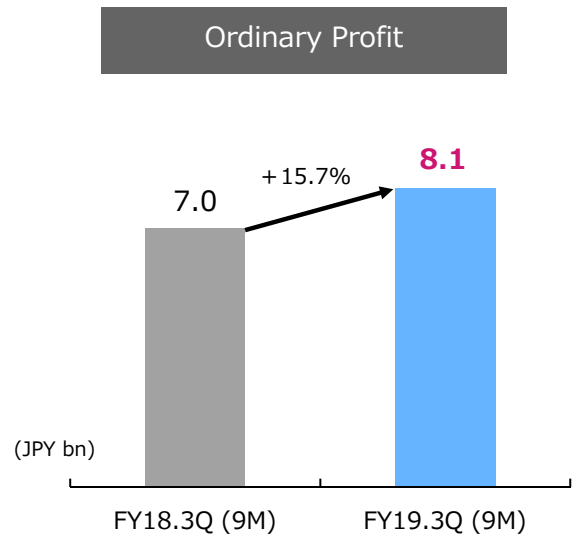
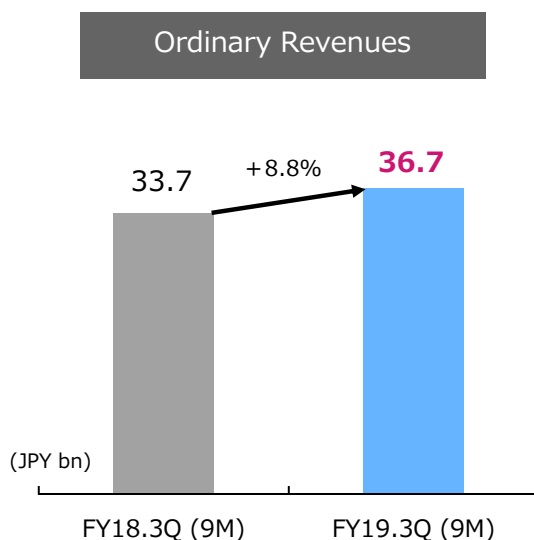
Note:  
E.I. loss ratio = (Net losses paid + Provision for reserve for outstanding losses and claims + Loss adjustment expenses) / Earned premiums x100  
[Earthquake insurance and compulsory automobile liability insurance are excluded.]



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

Highlights of Operating Performance : Sony Bank (Consolidated)

◆ Ordinary Revenues and Ordinary Profit :  
Ordinary revenues expanded 8.8% year on year, to ¥36.7 billion, and ordinary profit was up 15.7% year on year, to ¥8.1 billion, due to increases in such income as interest on loans in line with a growing balance of mortgage loans and higher interest income on investment securities.

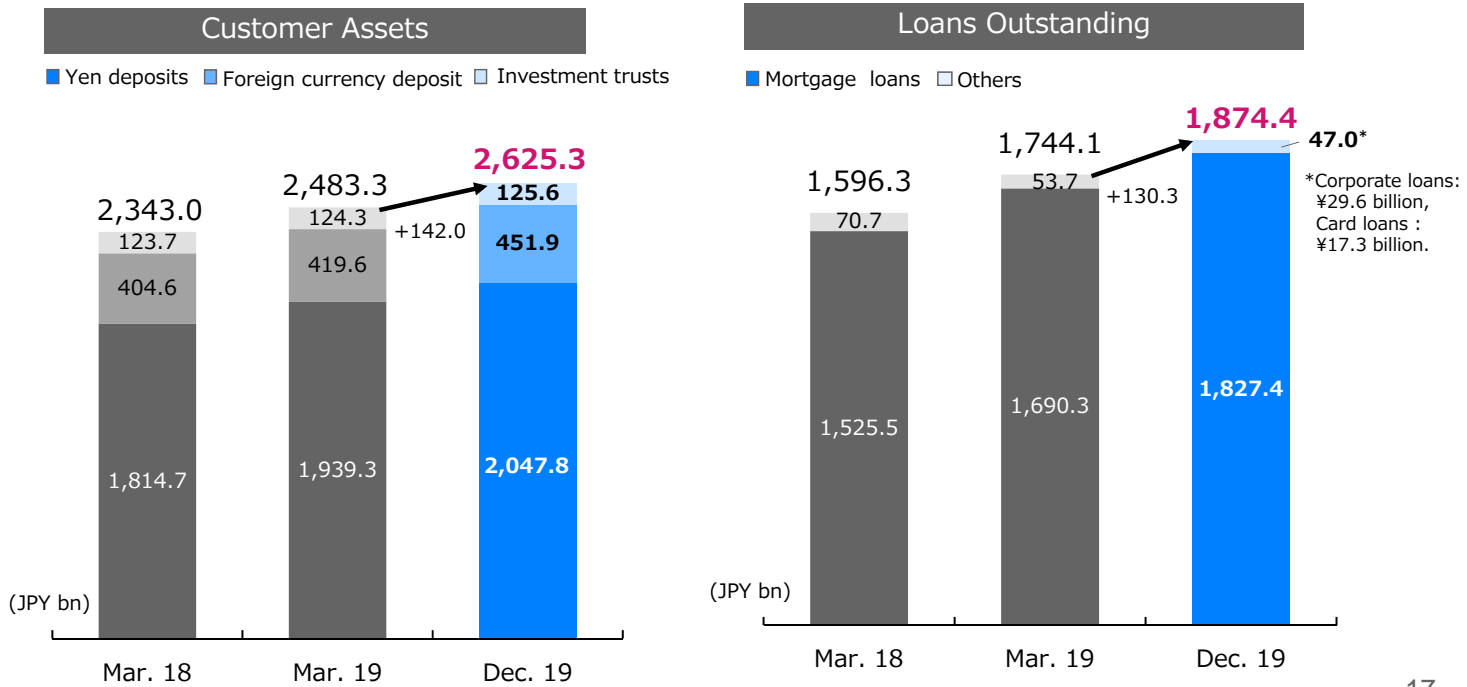


◆ Customer Assets

- 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 an increase in time deposit.

◆ 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 has been revised upward from the figures announced on April 26, 2019.

(JPY bn)	FY2019 (Formerly announced forecast)	FY2019 (Updated forecast)	Amount of change	FY2018 (Actual)	Percentage change (Updated forecast)
Ordinary revenues	1,690.0	<b>1,860.0</b>	+170.0	1,629.1	+14.2%
Life insurance business	1,520.5	<b>1,691.3</b>	+170.8	1,464.3	+15.5%
Non-life insurance business	121.2	<b>121.2</b>	-	115.1	+5.3%
Banking business	49.3	<b>49.3</b>	-	46.0	+7.1%
Ordinary profit	98.0	<b>103.0</b>	+5.0	93.8	+9.7%
Life insurance business	84.2	<b>86.5</b>	+2.3	78.2	+10.6%
Non-life insurance business	7.0	<b>7.9</b>	+0.9	6.8	+14.5%
Banking business	8.6	<b>10.0</b>	+1.4	9.5	+4.2%
Profit attributable to owners of the parents	65.0	<b>68.0</b>	+3.0	62.0	+9.5%

<Ordinary revenues>

The full-year forecasts for ordinary revenues has been revised upward because results in the life insurance business in FY19.3Q (9M) exceeded projections made at the beginning of the fiscal year, due to the following factors:

(+) Higher gains on investments in the separate account, (+) Higher insurance premium revenue, mainly from single-premium insurance

<Ordinary profit >

The full-year forecasts for ordinary profit has been revised upward because FY19.3Q (9M) results in all businesses (life insurance, non-life insurance and banking) exceeded projections made at the beginning of the fiscal year. The main reasons for the life insurance business are as follows:

(+) Decrease in costs related to the acquisition of new policies, (-) Impairment loss on available-for-sale securities in the general account, (-) Deterioration in terms of net gains (losses) associated with market fluctuations and others in the variable life insurance

(Note) Sony Life acquired shares of AEGON Sony Life Insurance and SA Reinsurance, converting the two companies into wholly owned subsidiaries of SFH and Sony Life on January 29, 2020. The above forecast of financial results includes the impact of this conversion, which is expected to be slight.



### Dividend Forecast for FY2019

#### ◆ Changes in the dividend forecast and future dividend amount

Considering the business environment and growth of our group, SFH decided to revise the year-end dividend forecast from ¥65 per share to ¥70 for FY2019.

The previous forecast was announced on April 26, 2019.

SFH will determine future dividends, while aiming for an amount equivalent to approximately 30% of the consolidated adjusted profit, which is the numerator of consolidated adjusted ROE.

#### **【Dividend Results／Forecast】**

(Yen)	FY2015	FY2016	FY2017	FY2018	FY2019 (Forecast)
Dividend per share	55.0	55.0	60.0	62.5	<b>65.0⇒70.0</b>

#### (Reference) Medium-term Dividend Policy

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 Sony Financial Group.

\*Please refer to page 26-27 for details of consolidated adjusted profit and consolidated adjusted ROE.



## Sony Life's MCEV as of December 31, 2019

Some parts of the calculations of MCEV adopted simplified method expect for those as of March 31, 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 December 31, 2019 remained at the same levels from September 30, 2019, due mainly to an acquisition of new policies, despite a negative factor of interest rate fluctuations.

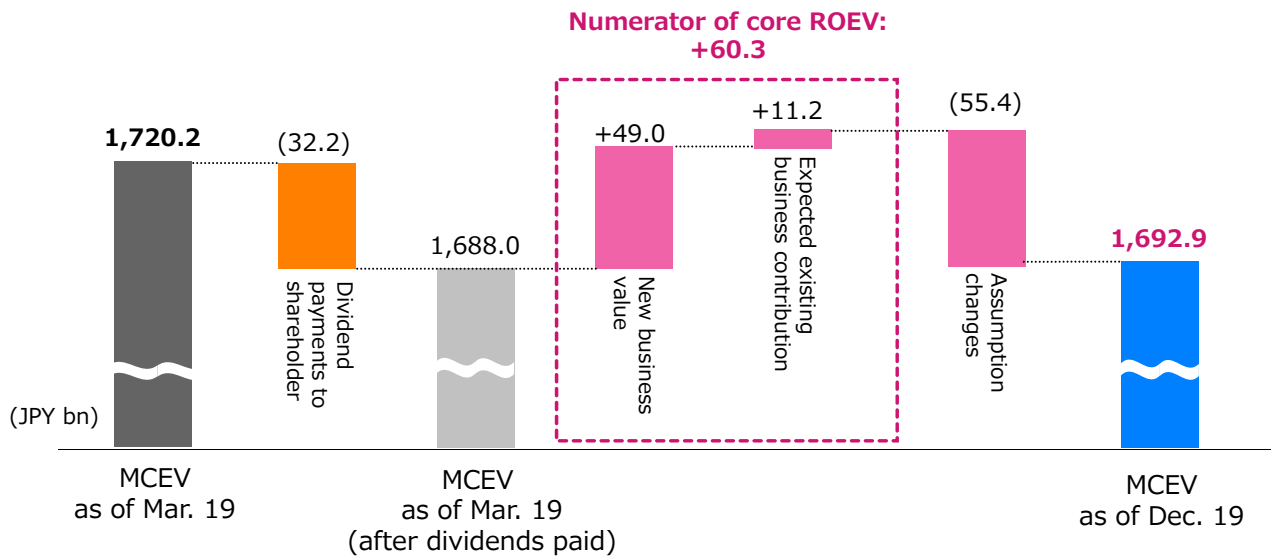
#### ◆ New Business Value / New Business Margin

- New business value for FY19.3Q (3M) increased quarter to quarter to ¥17.1 billions, due to a revision to premium rates of single-premium U.S. dollar-denominated whole life insurance and relaunched sales of corporate products.
- New business margin for FY19.3Q (3M) was up 1.3pt from FY19.2Q (3M), due mainly to a change in product mix.

(JPY bn)	Mar. 19	Sep. 19	Dec. 19	Change from Mar. 19	Change from Sep. 19
<b>MCEV</b>	1,720.2	1,691.9	<b>1,692.9</b>	(27.3)	+1.0
Adjusted net worth	2,195.7	2,498.9	<b>2,372.2</b>	+176.4	(126.7)
Value of existing business	(475.5)	(807.0)	<b>(679.3)</b>	(203.8)	+127.7

(JPY bn)	FY18.4Q (3M)	FY19.1Q (3M)	FY19.2Q (3M)	FY19.3Q (3M)	FY19.3Q (9M)
<b>New business value</b>	23.1	17.0	14.8	<b>17.1</b>	<b>49.0</b>
<b>New business margin</b>	5.0%	5.4%	3.8%	<b>5.1%</b>	<b>4.7%</b>

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



Note: Details on assumption changes : Insurance-related assumption changes: +¥16.0 billion, economic variances changes (included interest rate fluctuation): ¥(71.4) 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
  - 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

	FY2018 (12M)	FY18.3Q (9M)	FY19.3Q (9M)
Consolidated Adjusted ROE	6.7%	5.1%	<b>4.0%</b>
(Sony Life) Core ROEV	6.4%	4.8%	<b>3.6%</b>
(Sony Assurance) Adjusted ROE	15.2%	14.3%	<b>13.0%</b>
(Sony Bank) ROE	7.3%	5.3%	<b>6.0%</b>

## Detail of Consolidated Adjusted Profit and Consolidated Adjusted Capital

## ◆ Adjusted profit (Numerator)

Sony Financial Group (consolidated) (JPY bn)	FY2018	FY18.3Q (9M)	FY19.3Q (9M)
Adjusted profit (consolidated)	120.4	90.8	<b>72.8</b>

Sony Life (non-consolidated) (JPY bn)	FY2018	FY18.3Q (9M)	FY19.3Q (9M)
New business value *	91.3	68.2	<b>49.0</b>
Expected existing business contribution *	15.0	10.7	<b>11.2</b>
Adjusted profit	106.4	78.9	<b>60.3</b>

Sony Assurance (JPY bn)	FY2018	FY18.3Q (9M)	FY19.3Q (9M)
Net income	4.9	5.2	<b>5.4</b>
Provision amount for catastrophe reserve (after tax)	2.6	1.9	<b>1.6</b>
Provision amount for reserve for price fluctuations (after tax)	0.0	0.0	<b>0.0</b>
Adjusted profit	7.6	7.2	<b>7.1</b>

Sony Bank (consolidated) (JPY bn)	FY2018	FY18.3Q (9M)	FY19.3Q (9M)
Profit attributable to owners of the parent	6.3	4.6	<b>5.4</b>

## ◆ Adjusted capital (Denominator)

Sony Financial Group (consolidated) (JPY bn)	FY2018	FY18.3Q (9M)	FY19.3Q (9M)
Adjusted capital (consolidated)	1,801.8	1,773.5	<b>1,836.0</b>

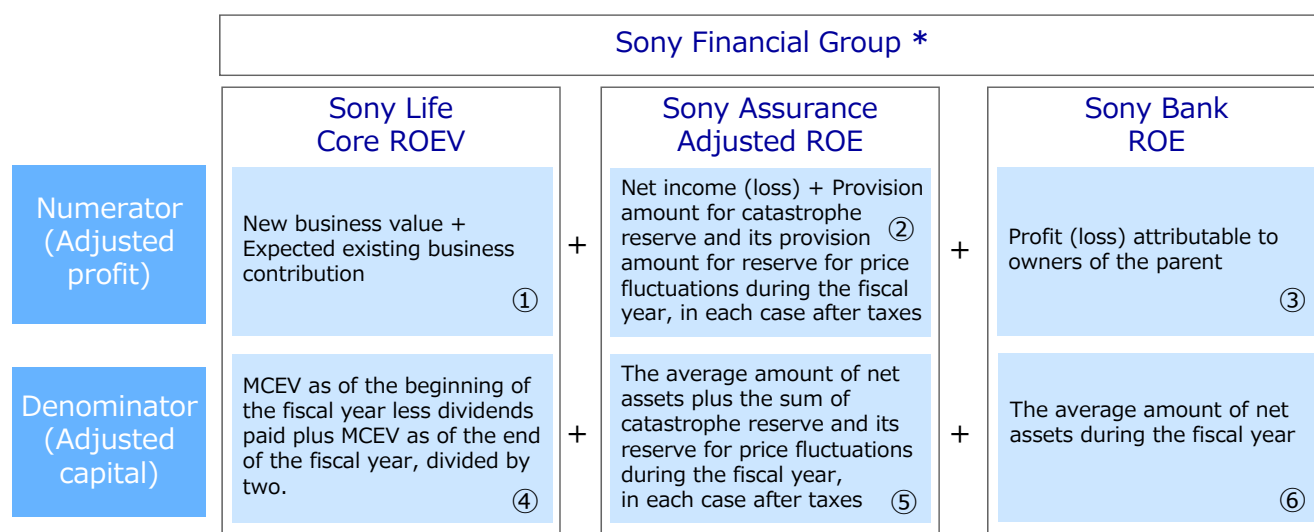
Sony Life (non-consolidated) (JPY bn)	FY2018	FY18.3Q (9M)	FY19.3Q (9M)
①MCEV as of the beginning of the fiscal year	1,633.1	1,633.1	<b>1,720.2</b>
②Dividends paid	26.2	26.2	<b>32.2</b>
③MCEV as of the end of the period *	1,720.2	1,664.6	<b>1,692.9</b>
Adjusted capital (① - ② + ③) / 2	1,663.5	1,635.7	<b>1,690.5</b>

Sony Assurance (JPY bn)	FY2018	FY18.3Q (9M)	FY19.3Q (9M)
①Net assets	34.7	35.3	<b>37.4</b>
②Catastrophe reserve	17.7	17.0	<b>19.4</b>
③Reserve for price fluctuations	0.1	0.1	<b>0.1</b>
Adjusted capital (The average amount of ① + ② + ③)	50.5	50.4	<b>54.9</b>

Sony Bank (consolidated) (JPY bn)	FY2018	FY18.3Q (9M)	FY19.3Q (9M)
Adjusted capital (The average amount of net assets during the period)	87.6	87.3	<b>90.5</b>

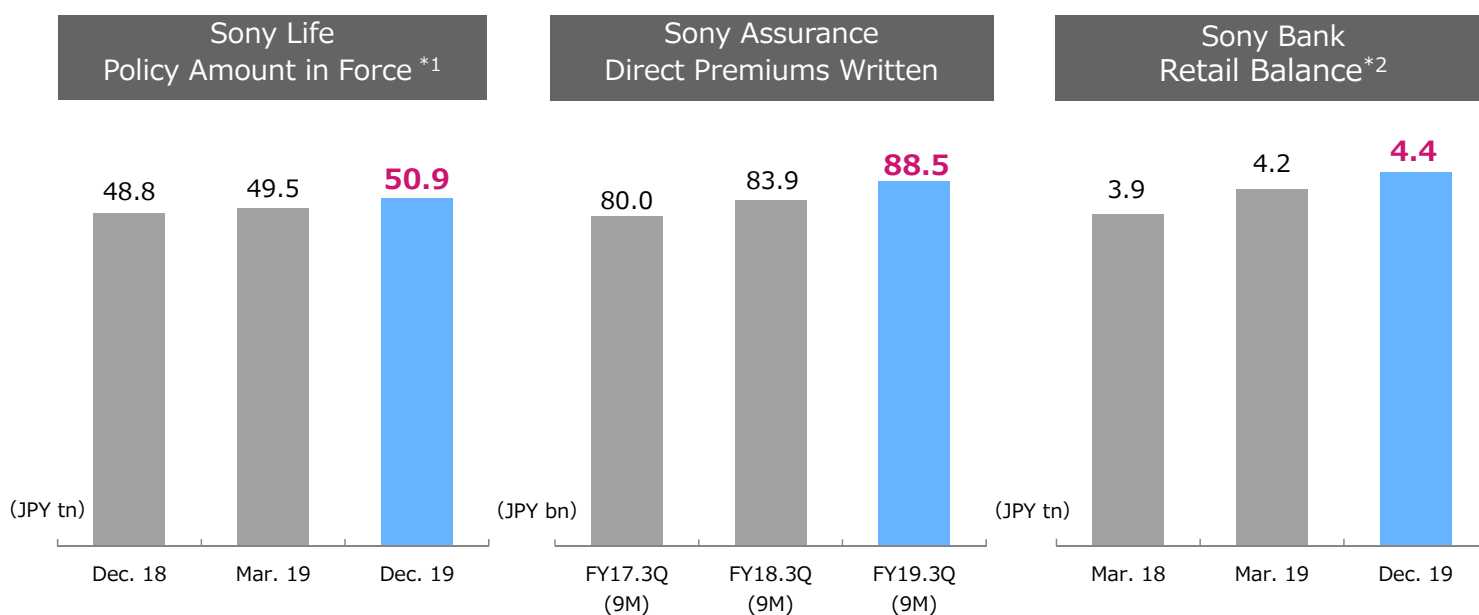
\* Please keep in mind that the validity of these calculations has not been verified by outside specialists for the figures for FY18.3Q (9M) and FY19.3Q (9M).

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 = + +  
 Consolidated Adjusted Capital = + +

## 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

	Mar. 18	Mar. 19	Dec. 19	Change from Mar. 19
Sony Life (non-consolidated) Solvency margin ratio	2,624.3%	2,590.5%	<b>2,591.7%</b>	+1.2pt
Sony Assurance Solvency margin ratio	782.1%	813.0%	<b>919.6%</b>	+106.6pt
Sony Bank (non-consolidated) Capital adequacy ratio (domestic standard)	10.45%	9.58%	<b>9.39%</b>	(0.19pt)

(Note) Ratios less than the indicated unit have been truncated.

## Results of Cross-selling

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

Sony Life accounts for 12% of the amount of new mortgage loans for FY19.3Q (9M)

Sony Life accounts for 18% of the balance of mortgage loans as of December 31, 2019

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



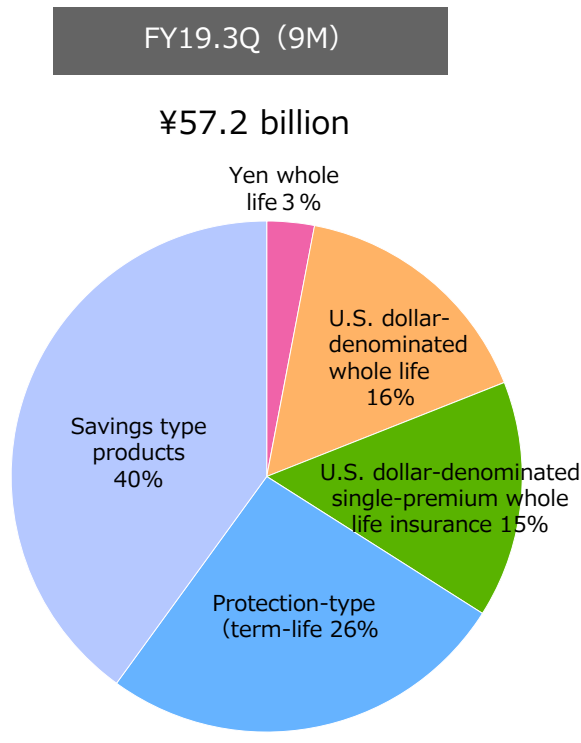
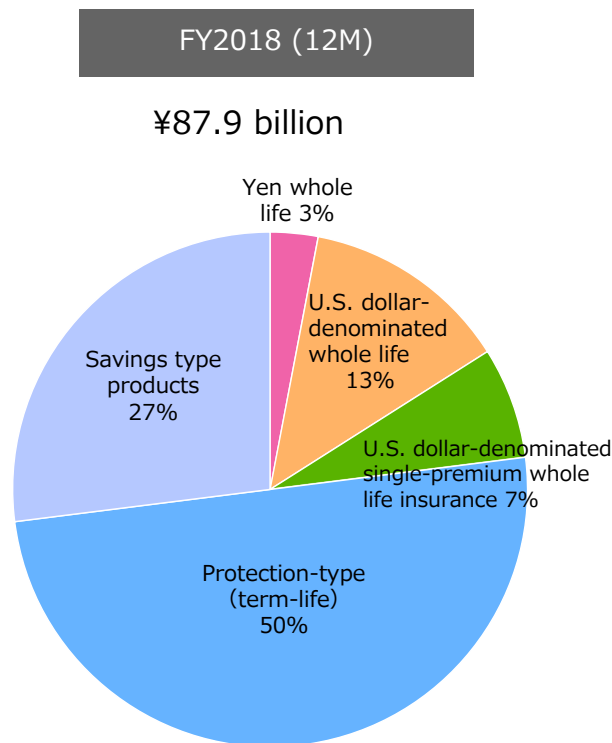
### ◆ Sony Assurance's Automobile Insurance Sold by Sony Life

Sony Life accounts for 6% of new automobile policies for FY19.3Q (9M)

※Sony Life started handling automobile insurance in May 2001.



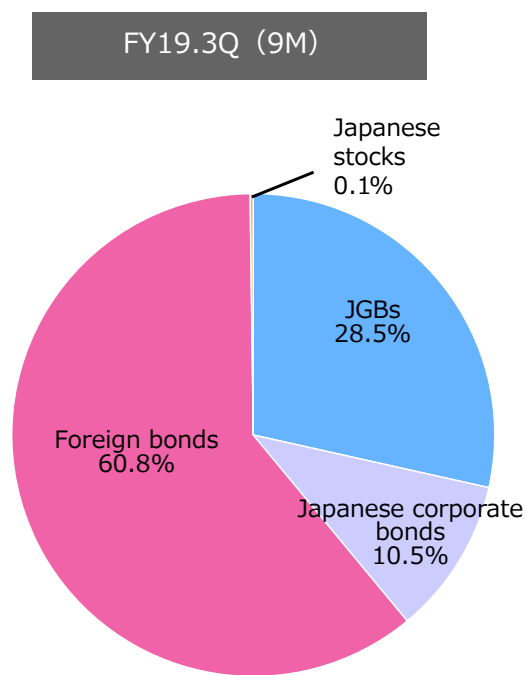
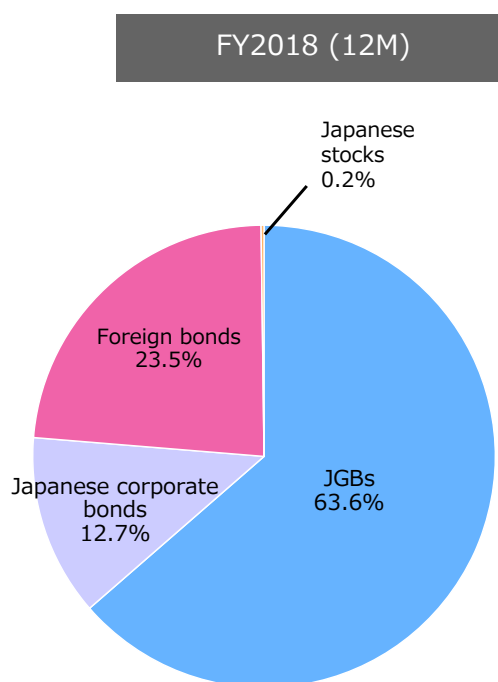
# Sony Life's Product Portfolio (Annualized Premiums from New Policies by Product)



Note: Savings type products : Endowment, annuities, and educational endowment insurances

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



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

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

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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. 19		Dec. 19	
	Amount	%	Amount	%
Japanese bonds (including JGBs)	7,745.3	85.3%	<b>7,968.2</b>	<b>81.7%</b>
Japanese stocks	28.6	0.3%	<b>25.4</b>	<b>0.3%</b>
Foreign bonds	542.1	6.0%	<b>926.9</b>	<b>9.5%</b>
Foreign stocks	22.5	0.2%	<b>17.9</b>	<b>0.2%</b>
Money held in trust	269.3	3.0%	<b>263.2</b>	<b>2.7%</b>
Policy loans	198.3	2.2%	<b>204.2</b>	<b>2.1%</b>
Real estate*	90.8	1.0%	<b>89.6</b>	<b>0.9%</b>
Cash and call loans	61.9	0.7%	<b>105.0</b>	<b>1.1%</b>
Others	120.2	1.3%	<b>150.1</b>	<b>1.5%</b>
Total	9,079.4	100.0%	<b>9,750.9</b>	<b>100.0%</b>

(Note) Real estate is the total of land, buildings, and construction in progress.

◆ Yen Bond duration  
 Mar. 18 : 21.4 years  
 Mar. 19 : 21.8 years  
 Dec. 19 : 21.7 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%  
 Dec. 19 : 84.4%

## Sony Life's Interest Income and Dividends (Details)

(JPY mn)	FY18.3Q (9M)	FY19.3Q (9M)	Change
Cash and deposits	0	<b>0</b>	+22.2%
Japanese bonds (including JGBs)	97,082	<b>99,518</b>	+2.5%
Japanese stocks	377	<b>248</b>	(34.0%)
Foreign securities	14,538	<b>21,841</b>	+50.2%
Other securities	293	<b>80</b>	(72.6%)
Loans	5,124	<b>5,278</b>	+3.0%
Real estate	6,578	<b>7,283</b>	+10.7%
Others	409	<b>274</b>	(32.9%)
Total	124,403	<b>134,526</b>	+8.1%



(JPY mn)	FY18.3Q (9M)	FY19.3Q (9M)
<b>Capital losses</b>	<b>14,420</b>	<b>25,750</b>
Losses on trading securities, net	293	-
Losses on sale of securities...(3)	34	<b>50</b>
Losses on valuation of securities...(4)	4,026	<b>2,991</b>
Losses on derivatives, net	784	<b>19,557</b>
Losses on hedges of variable life insurance...(1)	(1,696)	<b>18,037</b>
Losses on hedges of available-for-sale securities...(2)	(1,692)	<b>1,363</b>
Losses on U.S. dollar-denominated insurance (foreign exchange losses)...(5)	4,141	<b>39</b>
Foreign exchange losses, net	-	<b>3,117</b>
Losses on U.S. dollar-denominated insurance...(5)	-	<b>3,253</b>
Losses on hedges of variable life insurance...(1)	-	<b>(124)</b>
Other capital losses	9,280	<b>32</b>
Losses on U.S. dollar-denominated insurance (the provision of policy reserves for foreign exchange fluctuations)...(5)	9,280	-

(JPY mn)	FY18.3Q (9M)	FY19.3Q (9M)
<b>Capital gains</b>	<b>17,726</b>	<b>5,571</b>
Gains on trading securities, net	-	<b>149</b>
Gains on sale of securities...(3)	4,581	<b>2,979</b>
Foreign exchange gains, net	13,145	-
Gains on U.S. dollar-denominated insurance (foreign exchange gains)...(5)	13,036	-
Other capital gains	-	<b>2,442</b>
Gains on U.S. dollar-denominated insurance (the reversal of policy reserves for foreign exchange fluctuations)...(5)	-	<b>2,442</b>
<b>Net capital gains (losses)</b>	<b>3,306</b>	<b>(20,178)</b>

(Note 1) The figures of gains (losses) on trading securities, net, gains (losses) on derivatives and foreign exchange gains (losses), net were recorded after offsetting gains and losses of each item.

(Note 2) Sony Life increased its hedge ratio for variable life insurance and exchange fluctuation risk related to U.S. dollar-denominated insurance from FY2019 with a greater emphasis on suppressing capital fluctuations based on economic value, which are more suitable for valuing the growth of the life insurance business. However, assessment of the policy reserve and others differs between Japanese GAAP and economic value-based valuation, which makes Japanese GAAP accounting profits more susceptible to market conditions.

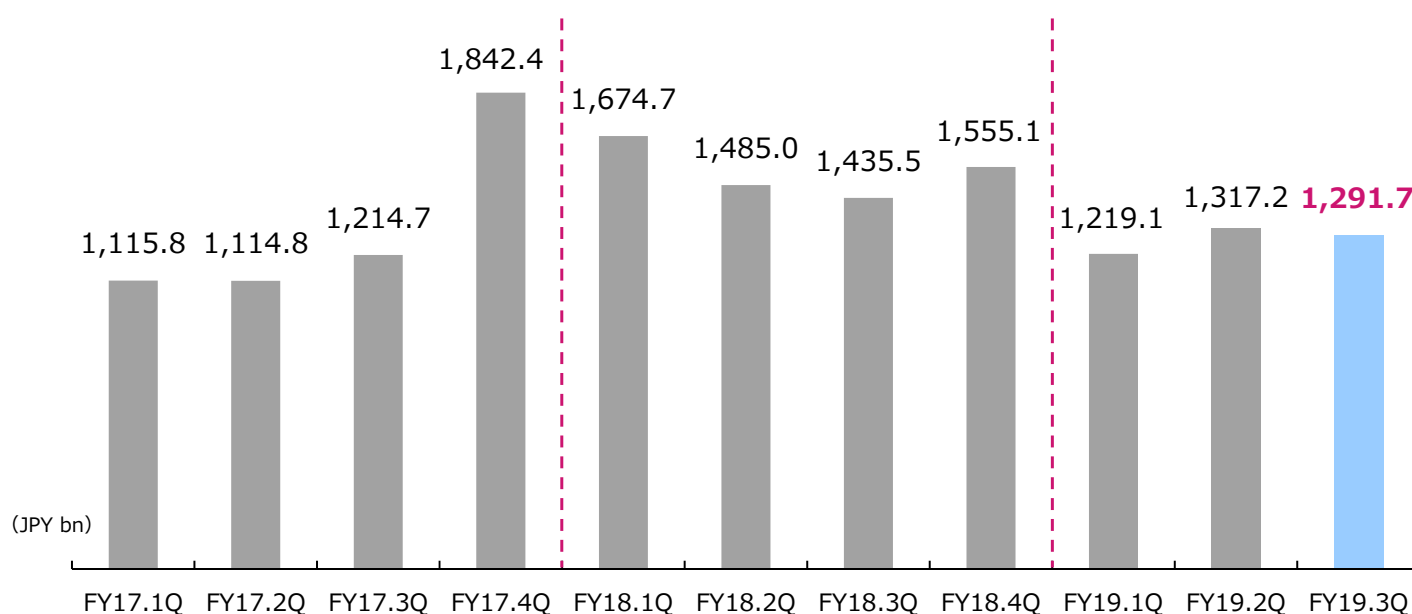
### Capital Gains (Losses) on Main Items, Net Amounts

(JPY mn)	FY18.3Q (9M)	FY19.3Q (9M)
(1) Gains (Losses) on hedges of variable life insurance	1,696	<b>(17,912)</b>
(2) Gains (losses) on hedges of available-for-sale securities	1,692	<b>(1,363)</b>
(3) Gains (losses) on sale of securities	4,547	<b>2,928</b>
(4) Losses on valuation of securities	(4,026)	<b>(2,991)</b>
(5) Gains (losses) on U.S. dollar-denominated insurance	(384)	<b>(850)</b>

• Please refer page 11 for the relationship between the (1) Gains (Losses) on hedges of variable life insurance and fluctuation of liabilities, which are the hedged items.

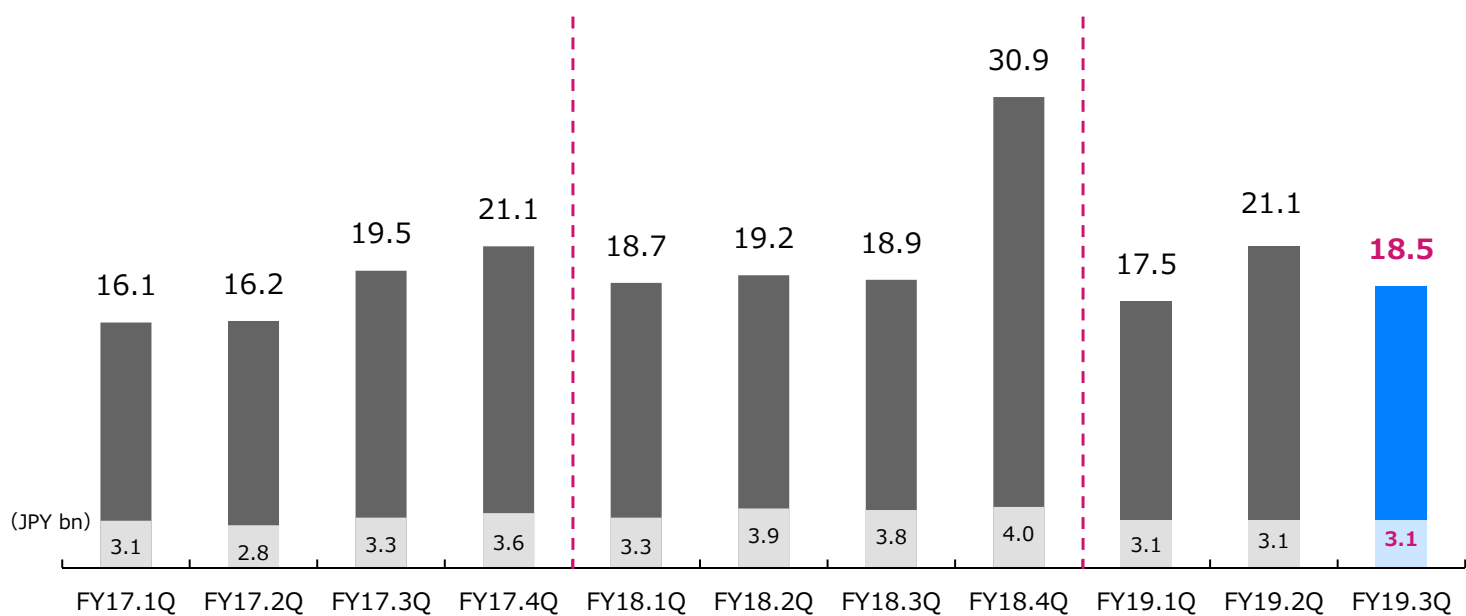
• (5) Gains (losses) on U.S. dollar-denominated insurance under "Capital Gains (Losses) on Main Items, Net Amounts" are the net amount after offsetting net gains (losses) on hedges exchange fluctuation risk related to U.S. dollar-denominated insurance and fluctuation of liabilities which are the hedged items.

# Sony Life's Quarterly Trend on New Policy Amount

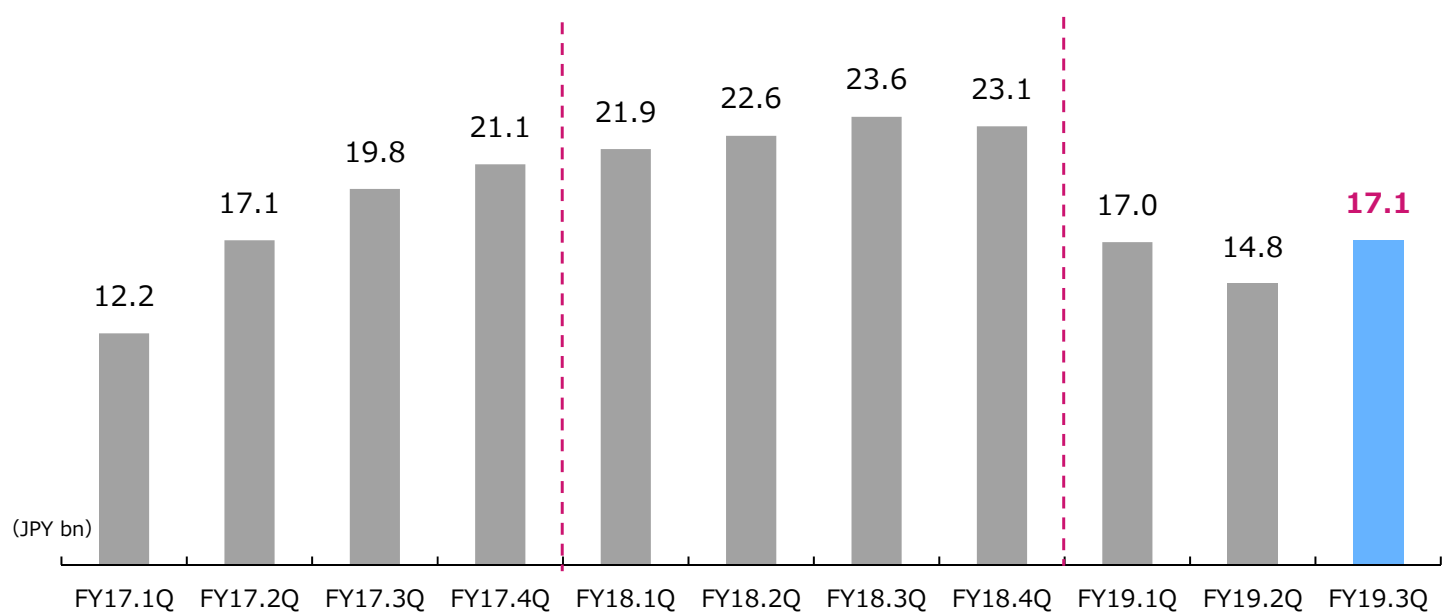


(Note) Individual Life Insurance + Individual Annuities

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



(Note) Individual Life Insurance + Individual Annuities



(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 December 31, 2019 was ¥760.1 billion, down ¥8.7 billion from September 30, 2019, resulting from a decrease in interest rate risk, due to a change in shape of yen interest rates.
- ◆ ESR as of December 31, 2019 was 226%, up 4pt from September 30, 2019 due mainly to a decrease in risk amount based on economic value.

(JPY bn)	Mar. 19	Sep. 19	Dec. 19	Change from Mar. 19	Change from Sep. 19
Insurance risk	547.3	588.5	<b>587.6</b>	+40.2	(0.9)
Market-related risk	332.5	303.1	<b>292.1</b>	(40.4)	(11.0)
Of which, interest rate risk	202.1	166.7	<b>155.1</b>	(47.0)	(11.6)
Operational risk	33.4	41.4	<b>40.2</b>	+6.8	(1.1)
Counter party risk	3.0	3.7	<b>4.0</b>	+0.9	+0.3
Variance effect	(174.0)	(167.9)	<b>(163.8)</b>	+10.2	+4.0
<b>The risk amount based on economic value</b>	742.3	768.8	<b>760.1</b>	+17.7	(8.7)

(JPY bn)	Mar. 19	Sep. 19	Dec. 19	Change from Mar. 19	Change from Sep. 19
<b>MCEV + Frictional costs</b>	1,743.7	1,709.4	<b>1,717.4</b>	(26.3)	+8.0
<b>ESR</b>	235%	222%	<b>226%</b>	(9pt)	+4pt

(Note 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.

(Note 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.

(Note 3) Risk amount excluding the variance effect within market-related risk.

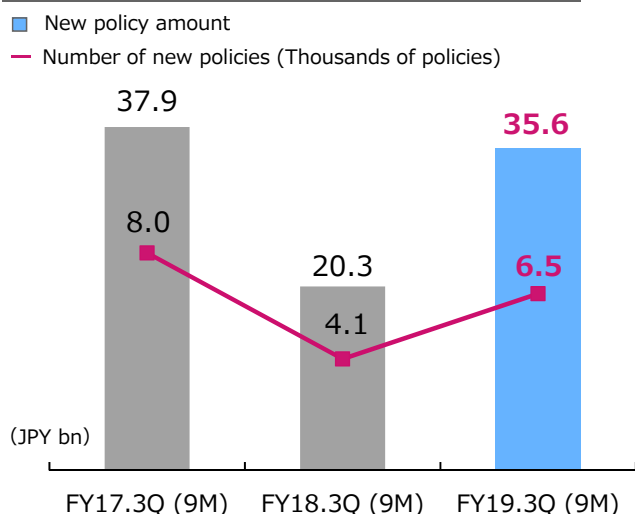
(Note 4) ESR=(MCEV + Frictional costs) / Risk amount based on economic value.

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## Operating Performance : AEGON Sony Life Insurance

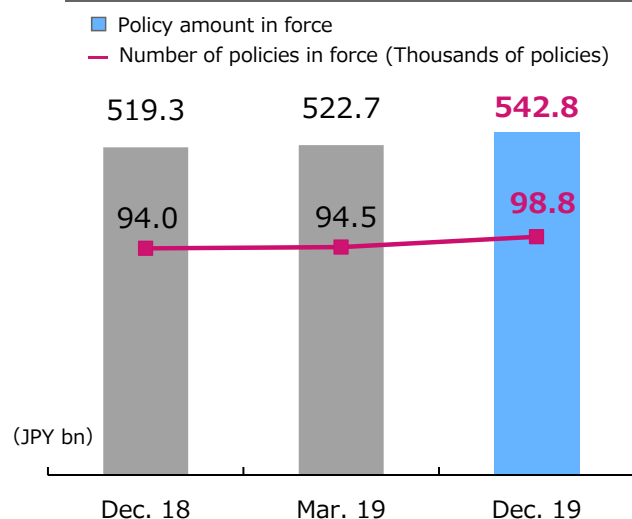
- ◆ AEGON Sony Life Insurance's new policy amount and policy amount in force

### Number and Amount of New Policies\*1



\*1 Amounts for FY17.3Q (9M) and FY18.3Q (9M) are individual annuities while amounts for FY19.3Q (9M) are total of individual insurance and individual annuities

### Number and Amount of Policies in Force\*2



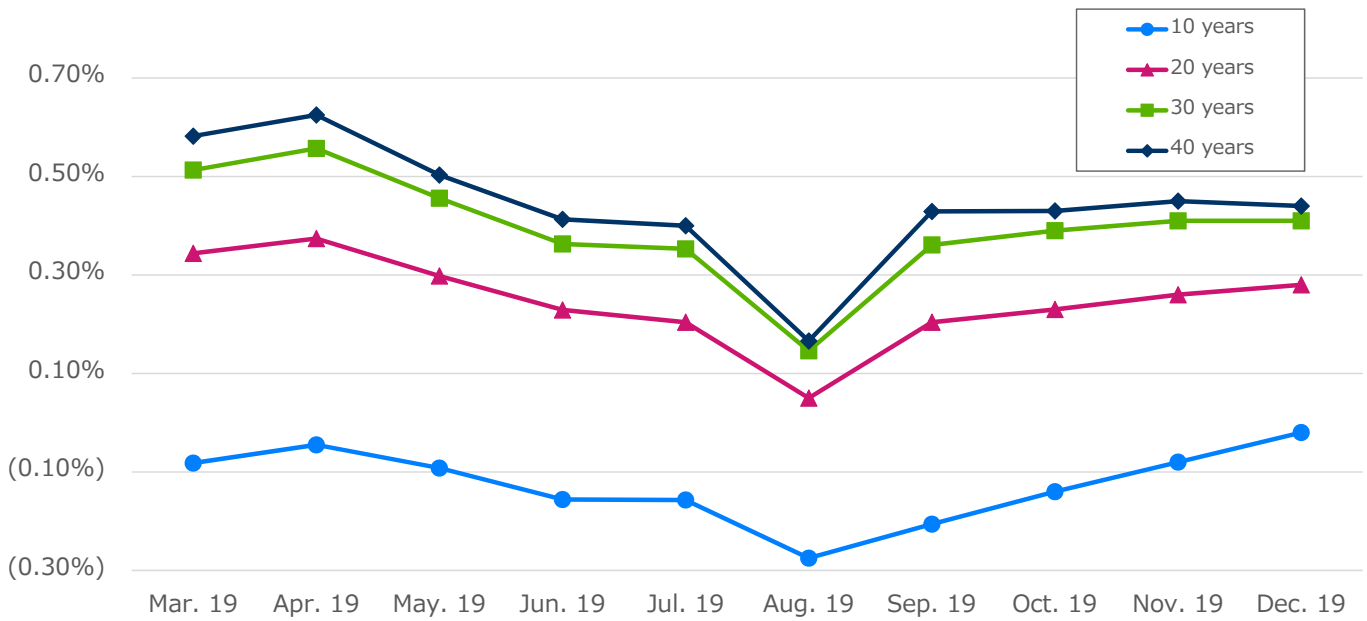
\*2 Amounts for as of Dec. 18 are individual annuities while amounts for Mar. 19 and Dec. 19 are total of individual insurance and individual annuities

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

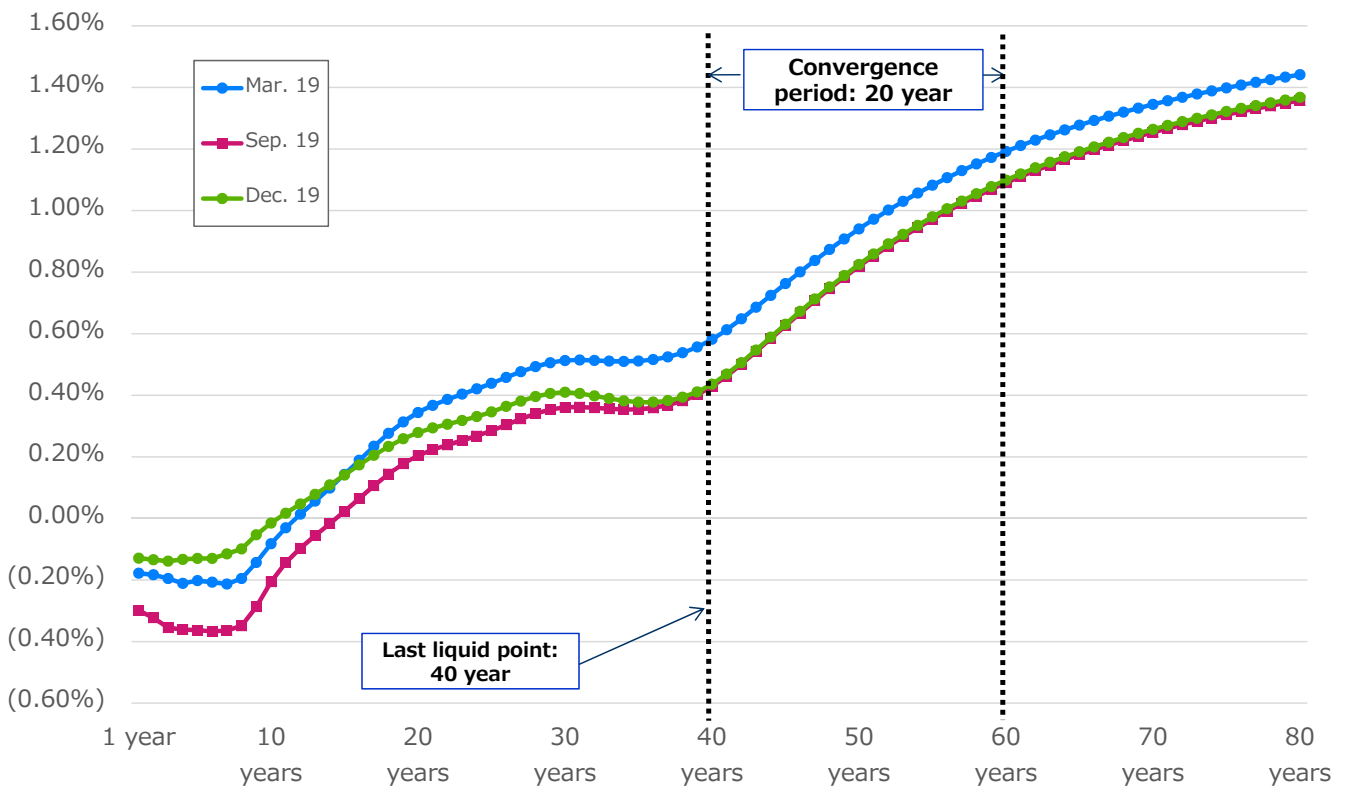
(JPY bn)	FY18.3Q (9M)	FY19.3Q (9M)	Change
AEGON Sony Life	(2.6)	<b>(0.7)</b>	+1.9
SA Reinsurance	1.7	<b>0.2</b>	(1.5)

(Note) 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.

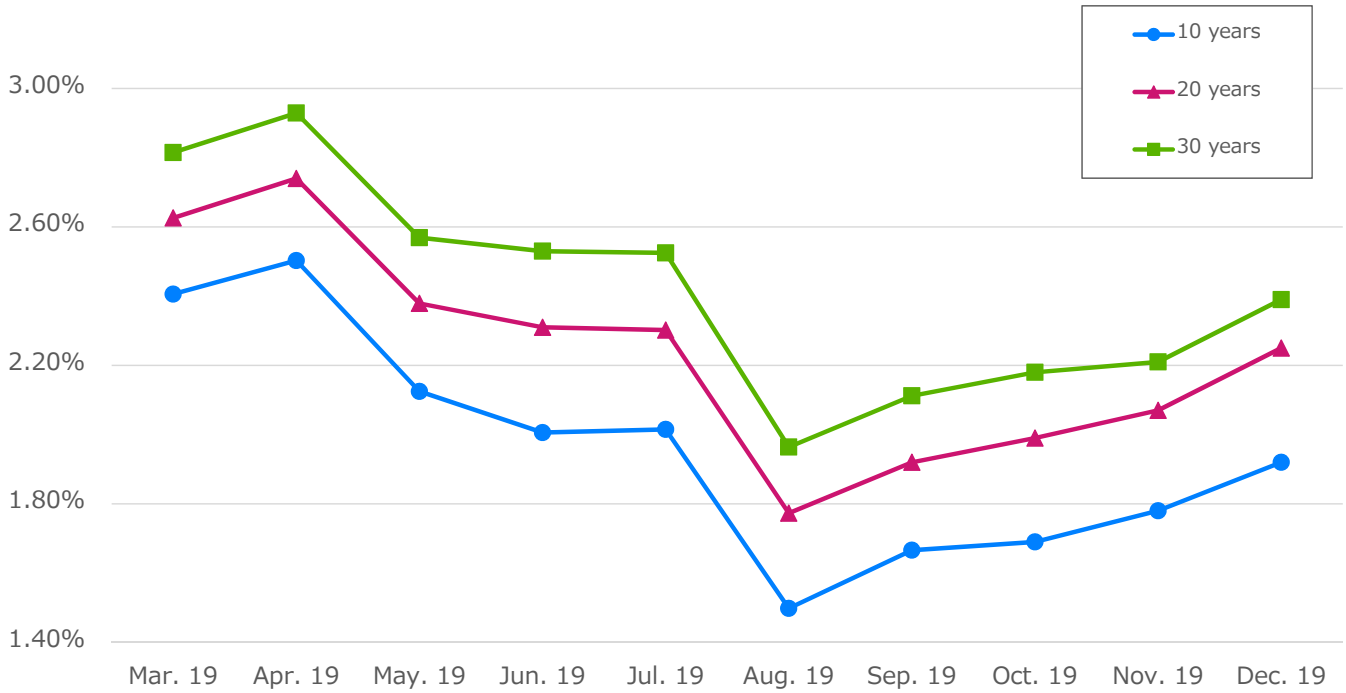
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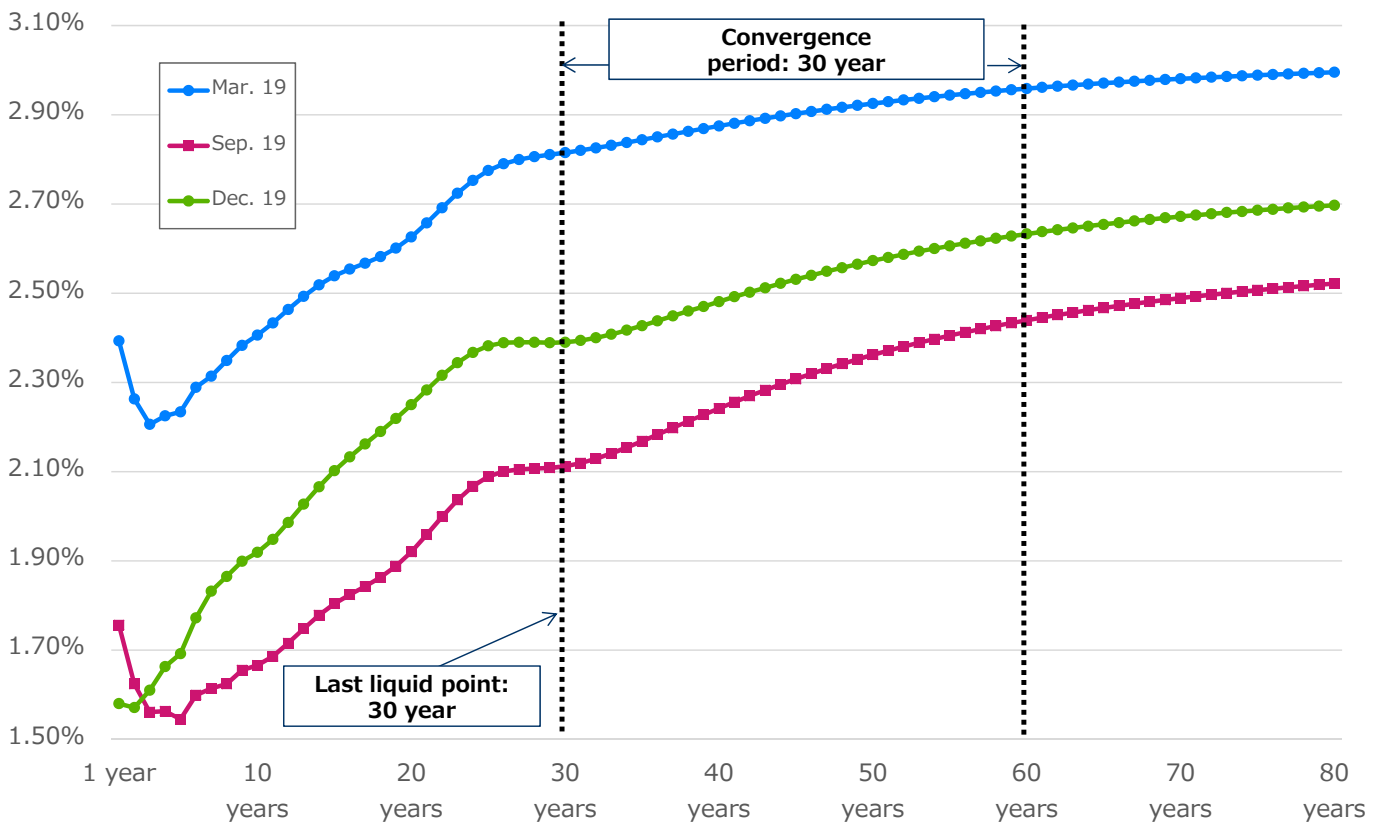
	Mar. 19	Apr. 19	May 19	Jun. 19	Jul. 19	Aug. 19	Sep. 19	Oct. 19	Nov. 19	Dec. 19
10 years	(0.08%)	(0.05%)	(0.09%)	(0.16%)	(0.16%)	(0.28%)	(0.21%)	(0.14%)	(0.08%)	(0.02%)
20 years	0.34%	0.37%	0.30%	0.23%	0.20%	0.05%	0.20%	0.23%	0.26%	0.28%
30 years	0.51%	0.56%	0.46%	0.36%	0.35%	0.15%	0.36%	0.39%	0.41%	0.41%
40 years	0.58%	0.63%	0.50%	0.41%	0.40%	0.17%	0.43%	0.43%	0.45%	0.44%



\*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%).



	Mar. 19	Apr. 19	May 19	Jun. 19	Jul. 19	Aug. 19	Sep. 19	Oct. 19	Nov. 19	Dec. 19
10 years	2.41%	2.50%	2.13%	2.01%	2.02%	1.50%	1.67%	1.69%	1.78%	1.92%
20 years	2.63%	2.74%	2.38%	2.31%	2.30%	1.77%	1.92%	1.99%	2.07%	2.25%
30 years	2.82%	2.93%	2.57%	2.53%	2.53%	1.96%	2.11%	2.18%	2.21%	2.39%



\*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%).

		(JPY bn)	FY18.3Q (9M)	FY19.3Q (9M)	Change	
Life insurance business	Ordinary revenues		1,006.6	<b>1,295.1</b>	+288.5	+28.7%
	Ordinary profit		60.1	<b>66.2</b>	+6.1	+10.2%
Non-life insurance business	Ordinary revenues		86.2	<b>90.5</b>	+4.2	+4.9%
	Ordinary profit		7.3	<b>7.6</b>	+0.2	+2.9%
Banking business	Ordinary revenues		33.7	<b>36.7</b>	+2.9	+8.8%
	Ordinary profit		7.0	<b>8.1</b>	+1.1	+15.7%
Intersegment adjustments*	Ordinary revenues		2.6	<b>3.5</b>	+0.9	+34.8%
	Ordinary profit		(0.5)	<b>(0.8)</b>	(0.2)	—
Consolidated	Ordinary revenues		1,129.3	<b>1,426.0</b>	+296.6	+26.3%
	Ordinary profit		74.0	<b>81.2</b>	+7.1	+9.7%
	Profit attributable to owners of the parent		50.4	<b>54.8</b>	+4.3	+8.7%

\*"Intersegment adjustments" is from SFH, the nursing care business, and the venture capital business. Sony Financial Ventures Inc. is included in the scope of consolidation from FY18.2Q, SFV · GB L.P. is included in the scope of consolidation from the FY18.4Q and SmartLink Network Europe B.V. is included in the scope of consolidation from FY19.2Q, respectively.  
(Note) Comprehensive income : FY18.3Q (9M): ¥38.5 billion, FY19.3Q (9M): ¥48.5 billion

		(JPY bn)	Mar. 19	Dec. 19	Change from Mar. 19	
Consolidated	Net assets		656.8	<b>678.3</b>	+21.5	+3.3%
	Total assets		13,468.2	<b>14,538.3</b>	+1,070.1	+7.9%

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## Sony Life : Summary Financial Statements (Non-consolidated)

		(JPY bn)	FY18.3Q (9M)	FY19.3Q (9M)	Change	
Ordinary revenues		1,006.5		<b>1,295.1</b>	+288.6	+28.7%
Income from insurance premiums		815.8		<b>956.0</b>	+140.2	+17.2%
Investment income		145.4		<b>288.0</b>	+142.5	+98.0%
Interest income and dividends		124.4		<b>134.5</b>	+10.1	+8.1%
Gains on sale of securities		4.5		<b>2.9</b>	(1.6)	(35.0%)
Foreign exchange gains, net		13.1		<b>—</b>	(13.1)	(100.0%)
Gains on separate accounts, net		—		<b>147.0</b>	+147.0	—
Ordinary expenses		945.9		<b>1,228.5</b>	+282.6	+29.9%
Insurance claims and other payments		344.3		<b>379.8</b>	+35.5	+10.3%
Provision for policy reserves and others		423.6		<b>655.5</b>	+231.8	+54.7%
Investment expenses		32.4		<b>32.7</b>	+0.3	+1.0%
Losses on derivatives, net		7.0		<b>19.5</b>	+18.7	—
Foreign exchange losses, net		—		<b>3.1</b>	+3.1	—
Losses on separate accounts, net		22.7		<b>—</b>	(22.7)	(100.0%)
Operating expenses		107.1		<b>114.8</b>	+7.6	+7.1%
Ordinary profit		60.5		<b>66.6</b>	+6.0	+10.0%
Net income		41.5		<b>45.0</b>	+3.4	+8.3%

		(JPY bn)	Mar. 19	Dec. 19	Change from Mar. 19	
Securities		9,523.8		<b>10,356.5</b>	+832.6	+8.7%
Policy reserves		9,268.4		<b>9,923.0</b>	+654.6	+7.1%
Net assets		513.9		<b>518.6</b>	+4.6	+0.9%
Net unrealized gains on other securities		122.7		<b>114.5</b>	(8.1)	(6.7%)
Total assets		10,380.1		<b>11,246.6</b>	+866.5	+8.3%
Separate account assets		1,300.7		<b>1,495.7</b>	+195.0	+15.0%

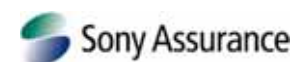
  

		(JPY bn)	FY18.3Q (9M)	FY19.3Q (9M)	Change	
Gains from investment, net (General account)		135.8		<b>108.3</b>	(27.5)	(20.3%)

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



(JPY bn)	FY18.3Q (9M)	FY19.3Q (9M)	Change	
Ordinary revenues	86.2	<b>90.5</b>	+4.2	+4.9%
Underwriting income	84.7	<b>88.8</b>	+4.1	+4.9%
Investment income	1.5	<b>1.6</b>	+0.1	+7.7%
Ordinary expenses	78.9	<b>82.9</b>	+4.0	+5.1%
Underwriting expenses	58.4	<b>61.3</b>	+2.9	+5.1%
Operating, general and administrative expenses	20.4	<b>21.5</b>	+1.0	+5.2%
Ordinary profit	7.3	<b>7.6</b>	+0.2	+2.9%
Underwriting income	5.9	<b>6.0</b>	+0.1	+1.9%
Net income	5.2	<b>5.4</b>	+0.1	+2.6%

(JPY bn)	Mar. 19	Dec. 19	Change from Mar. 19	
Underwriting reserves	127.8	<b>135.9</b>	+8.1	+6.4%
Net assets	34.7	<b>37.4</b>	+2.6	+7.7%
Total assets	219.6	<b>224.8</b>	+5.2	+2.4%

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

(JPY mn)	FY18.3Q (9M)	FY19.3Q (9M)	Change
Fire	244	<b>1,408</b>	+475.4%
Marine	—	—	—
Personal accident	6,576	<b>6,958</b>	+5.8%
Voluntary automobile	77,103	<b>80,184</b>	+4.0%
Compulsory automobile liability	—	—	—
Total	83,924	<b>88,551</b>	+5.5%

## Net Premiums Written

(JPY mn)	FY18.3Q (9M)	FY19.3Q (9M)	Change
Fire	68	<b>793</b>	—
Marine	(0)	<b>0</b>	—
Personal accident	6,653	<b>6,769</b>	+1.7%
Voluntary automobile	76,865	<b>79,964</b>	+4.0%
Compulsory automobile liability	1,110	<b>1,292</b>	+16.3%
Total	84,699	<b>88,818</b>	+4.9%

## Net losses paid

(JPY mn)	FY18.3Q (9M)	FY19.3Q (9M)	Change
Fire	11	<b>101</b>	+813.2%
Marine	10	<b>(3)</b>	—
Personal accident	2,218	<b>2,389</b>	+7.7%
Voluntary automobile	38,760	<b>41,465</b>	+7.0%
Compulsory automobile liability	1,030	<b>1,015</b>	(1.5%)
Total	42,031	<b>44,968</b>	+7.0%

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



## ◆ Consolidated

(JPY bn)	FY18.3Q (9M)	FY19.3Q (9M)	Change	
Ordinary revenues	33.7	<b>36.7</b>	+2.9	+8.8%
Ordinary profit	7.0	<b>8.1</b>	+1.1	+15.7%
Profit attributable to owners of the parent	4.6	<b>5.4</b>	+0.7	+15.7%

## ◆ Non-consolidated

(JPY bn)	FY18.3Q (9M)	FY19.3Q (9M)	Change	
Ordinary revenues	30.5	<b>33.1</b>	+2.5	+8.5%
Gross operating profit	17.9	<b>19.6</b>	+1.6	+9.4%
Net interest income	17.2	<b>18.3</b>	+1.1	+6.5%
Net fees and Commissions	(2.3)	<b>(1.2)</b>	+1.1	—
Net other operating income	3.0	<b>2.5</b>	(0.5)	(18.0%)
General and administrative expenses	11.7	<b>12.5</b>	+0.8	+7.1%
Net operating profit	6.2	<b>7.1</b>	+0.9	+14.7%
Ordinary profit	6.3	<b>7.3</b>	+0.9	+14.5%
Net income	4.4	<b>5.0</b>	+0.6	+14.5%

(JPY bn)	Mar. 19	Dec. 19	Change from Mar. 19	
Net assets	87.2	<b>90.5</b>	+3.2	+3.7%
Net unrealized gains on other securities, net of taxes	3.9	<b>4.5</b>	+0.5	+14.4%
Total assets	2,860.9	<b>3,060.0</b>	+199.1	+7.0%

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

(JPY bn)	Mar. 19	Dec. 19	Change from Mar. 19	
AAA	296.6	<b>329.3</b>	+32.6	+11.0%
AA	77.3	<b>62.4</b>	(14.8)	(19.2%)
A	288.0	<b>306.4</b>	+18.4	+6.4%
BBB	24.4	<b>30.6</b>	+6.2	+25.4%
Others	10.0	<b>7.1</b>	(2.8)	(28.2%)
Total	696.4	<b>736.1</b>	+39.7	+5.7%

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## ◆ 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)	FY18.3Q (9M)	FY19.3Q (9M)	Change	
Gross operating profit	17.9	<b>19.6</b>	+1.6	+9.5%
Net interest income <sup>*1</sup> ①	18.9	<b>19.7</b>	+0.7	+4.1%
Net fees and commissions <sup>*2</sup> ②	(1.9)	<b>(0.9)</b>	+1.0	-
Net other operating income <sup>*3</sup>	0.9	<b>0.8</b>	(0.1)	(14.2%)
Gross operating profit (core profit)(A) = ① + ②	16.9	<b>18.8</b>	+1.8	+10.8%
Operating expenses and other Expenses ③	11.7	<b>12.5</b>	+0.7	+6.6%
Net operating profit (core profit) = (A) - ③	5.2	<b>6.2</b>	+1.0	+20.2%

### ■ Managerial accounting basis

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

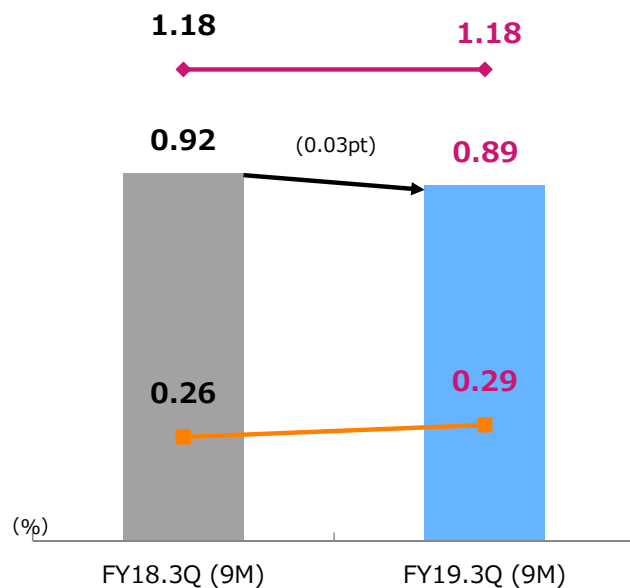
- \*1: Net interest income: Includes profits and losses associated with fund investment recorded in net other operating income, including gains or losses from currency swap transactions.
- \*2: Net fees and commissions: Includes profits and losses for customer dealings in foreign currency transactions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