

**Consolidated Financial Summary (Japanese GAAP)
for the Fiscal Year Ended March 31, 2020**

May 19, 2020

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

1. Consolidated financial results for the fiscal year ended March 31, 2020

(1) Operating results

	Ordinary Revenues		Ordinary Profit		Profit Attributable to Owners of the Parent	
	Millions of yen	% change	Millions of yen	% change	Millions of yen	% change
For the year ended March 31, 2020	1,781,420	9.3	111,880	19.2	74,429	19.9
For the year ended March 31, 2019	1,629,182	8.3	93,856	40.4	62,074	19.6

Note: Comprehensive income: For the year ended March 31, 2020: ¥ 62,192 million: 8.3%
 For the year ended March 31, 2019: ¥ 57,415 million: 10.0%

	Net Income per Share	Net Income per Share (Fully Diluted)	Net Income on Shareholders' Equity	Ordinary Profit on Total Assets	Ordinary Profit on Ordinary Revenues
	Yen	Yen	%	%	%
For the year ended March 31, 2020	171.09	171.04	11.1	0.8	6.3
For the year ended March 31, 2019	142.69	142.67	9.7	0.7	5.8

Notes: Equity in earnings (losses) of affiliates: For the year ended March 31, 2020: ¥ (11) million
 For the year ended March 31, 2019: ¥ (1,748) million

(2) Financial conditions

	Total Assets	Total Net Assets	Net Asset Ratio	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2020	15,125,710	691,978	4.6	1,584.90
As of March 31, 2019	13,468,215	656,846	4.9	1,505.20

Note: Net assets attributable to shareholders: As of March 31, 2020: ¥ 689,512 million
 As of March 31, 2019: ¥ 654,800 million

(3) Cash flows

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at end of the period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
For the year ended March 31, 2020	878,726	(810,444)	(27,707)	549,964
For the year ended March 31, 2019	802,921	(659,815)	(26,645)	509,594

2. Dividends

Record date	Dividend per Share					Annual Dividend Amount	Dividend Payout Ratio	Dividend on Net Assets
	1st quarter	2nd quarter	3rd quarter	Year-end	Annual Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
For the year ended March 31, 2019	—	0.00	—	62.50	62.50	27,189	43.8	4.3
For the year ended March 31, 2020	—	0.00	—	70.00	70.00	30,453	40.9	4.5
For the year ending March 31, 2021 (forecast)	—	0.00	—	0.00	0.00		—	

Notes: As announced today in the “Announcement of Opinion in Support of Tender Offer for Shares, Etc. in Sony Financial Holdings Inc. by Sony Corporation, the Controlling Shareholder, and Recommendation to Tender Shares, Etc.”, Sony Financial Holdings Inc. (the “Company”) made a resolution at the meeting of its Board of Directors held on May 19, 2020 to express its opinion in support of the tender offer for the Company’s common shares (the “Company’s Common Shares”) and the Stock Acquisition Rights to be conducted by Sony Corporation (the “Tender Offeror”), and to recommend that the shareholders and the holders of the Stock Acquisition Rights of the Company accept the tender offer.

The resolution of the Board of Directors stated above was made on the assumption that the Tender Offeror intends to make the Company its wholly-owned subsidiary through the tender offer and a series of subsequent procedures and that the Company’s Common Shares will be delisted.

As announced on May 13, 2020, the Company has withdrawn the dividend forecast for the fiscal year ending March 31, 2021. However, for the above reason, the Company made a resolution at the meeting of its Board of Directors held on May 19, 2020 to revise the dividend forecast for the fiscal year ending March 31, 2021, and not to pay a dividend for the fiscal year ending March 31, 2021, subject to the successful completion of the tender offer.

3. Forecast of consolidated financial results for the fiscal year ending March 31, 2021

(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, 2021	—	—	—	—	—	—	—

Notes: Due to the numerous uncertainties about how the COVID-19 pandemic will affect our operating performance, calculating a financial forecast rationally is problematic at present, since it is currently difficult to predict when the COVID-19 pandemic to get settled and the pace of the recovery of business activities and others. Accordingly, our consolidated financial forecast for the fiscal year ending March 31, 2021 are undetermined. We will promptly disclose our financial forecast once rational calculation becomes possible.

4. Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries accompanying changes in scope of consolidation): Yes

(2) Changes in accounting policies, accounting estimates and restatements of the consolidated financial statements

(a) Changes in accounting policies resulting from the revision of the accounting standards and other regulations: None

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

(c) Changes in accounting estimates: None

(d) Restatements of the consolidated financial statements: None

(3) Number of shares outstanding (common stock)

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

As of March 31, 2020: 435,087,405 shares

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

(b) Number of treasury stocks

As of March 31, 2020: 37,469 shares

As of March 31, 2019: 37,425 shares

(c) Weighted-average number of shares

For the year ended March 31, 2020: 435,041,822 shares

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

Audit of Financial Statements

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

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* The conference call for explaining the Sony Financial Group’s financial results will be held at 17:30 (JST), May 19, 2020. Please note that our conference call will be held only in Japanese.

We will upload the presentation materials with speech text on May 19, 2020 after 15:00 (JST), the translation of the conference call (audio) on May 20 and the Q&A summary (text) at a later date on the Financial Results page of our website:

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

* We will upload the press releases on Sony Life’s Market Consistent Embedded Value as of March 31, 2020, scheduled as below.

• Full report: Scheduled to be uploaded on June 9, 2020 at 15:00 (JST)

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

* On May 19, 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 year ended March 31, 2020. SFH has prepared an English-language summary of those Japanese announcements made by the above subsidiaries, solely for convenience of non-Japanese readers.

I. Qualitative Information and Financial Statements

1. Qualitative Information on Consolidated Operating Performance

1) Analysis of Operating Performance

During the fiscal year ended March 31, 2020 (from April 1, 2019 to March 31, 2020), the Japanese economy remained solid in the first half but went into a tailspin in the second half. In the first half, whereas foreign demand weakened owing to sluggish global demand for IT products and U.S.-China trade tensions, domestic demand, in particular consumer spending, propped up the economy as the nation's employment conditions continued to improve on the back of labor shortages. In the second half, however, even domestic demand collapsed due to the consumption tax rate hike that dampened demand, along with damage sustained in major typhoons. On top of that, after the start of 2020, the global pandemic of coronavirus disease (COVID-19) made a recession inevitable not only in Japan but also worldwide, as lockdown measures to contain COVID-19 caused economic activity to stagnate.

Bond markets were strongly affected by U.S. monetary policy. In mid-2019, the U.S. Federal Reserve decided to cut its policy rate to prepare for a possible economic slowdown stemming from the country's trade tensions with China. The decision led to a decline in U.S. market interest rates, which pushed yields on 10-year Japanese government bonds (JGBs) down to around negative 0.3% in September, from about negative 0.1% in April. Nevertheless, once the Bank of Japan voiced concerns about the excessive interest rate decline, those yields turned upward, reaching around 0% in February 2020. Then, March saw sharp fluctuations in interest rates, induced by the COVID-19 pandemic. 10-year JGB yields dropped to negative 0.18% following the U.S. Federal Reserve's policy rate cut to 0%, but subsequently bounced back to near 0% after the U.S. government unveiled a massive stimulus package.

In foreign exchange markets, during the first half of the year ended March 31, 2020, the U.S. dollar weakened against the yen in parallel with the lowering of U.S. interest rates, from the ¥111 level in April 2019 to the ¥105 level in August. From September, though, as global stock markets performed strongly, the safe-haven currency yen sold off, the U.S. dollar reaching the ¥112 level in February 2020. In March, when it became increasingly apparent that the COVID-19 pandemic would send the entire world into a recession, risk-averse investors bought the yen, propelling the currency to the ¥101 level. Thereafter, mounting anxiety drove investors to secure U.S. dollar cash on hand, resulting in the U.S. dollar strengthening sharply to the ¥111 level.

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

Consolidated ordinary revenues increased 9.3% year on year, to ¥1,781.4 billion, owing to increases in ordinary revenues from all the businesses: life insurance, non-life insurance and banking businesses. **Consolidated ordinary profit** increased 19.2% year on year, to ¥111.8 billion, owing to increases in ordinary profit from all the above businesses. **Profit attributable to owners of the parent** was up 19.9% year on year, to ¥74.4 billion.

Operating results by business segment are as described below.

Ordinary Revenues

(Billions of yen)

	Year ended March 31, 2019 (Apr. 1, 2018, to Mar. 31, 2019)	Year ended March 31, 2020 (Apr. 1, 2019, to Mar. 31, 2020)	Change (%)
Life insurance business	1,464.3	1,604.7	9.6
Non-life insurance business	115.1	121.7	5.8
Banking business	46.0	50.2	9.2
Subtotal	1,625.4	1,776.7	9.3
Other*1	6.6	7.5	12.9
Intersegment adjustments	(2.9)	(2.8)	—
Consolidated	1,629.1	1,781.4	9.3

Ordinary Profit

(Billions of yen)

	Year ended March 31, 2019 (Apr. 1, 2018, to Mar. 31, 2019)	Year ended March 31, 2020 (Apr. 1, 2019, to Mar. 31, 2020)	Change (%)
Life insurance business	78.2	94.3	20.7
Non-life insurance business	6.8	8.0	17.0
Banking business	9.5	10.6	11.4
Subtotal	94.7	113.1	19.5
Other*1	(1.0)	(1.4)	—
Intersegment adjustments*2	0.1	0.1	4.5
Consolidated	93.8	111.8	19.2

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

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

2) Forecast of Consolidated Financial Results for the Fiscal Year Ending March 31, 2021

Due to the numerous uncertainties about how the COVID-19 pandemic will affect our operating performance, calculating a financial forecast rationally is problematic at present, since it is currently difficult to predict when the COVID-19 pandemic will get settled and the pace of the recovery of business activities and others. Accordingly, our consolidated financial forecast for the fiscal year ending March 31, 2021 are undetermined. We will promptly disclose our financial forecast once rational calculation becomes possible.

In response to the growing COVID-19 pandemic, SFH and its Group companies in principle refrain from conducting business face to face, out of consideration for the health and safety of our customers, business partners and employees. We have also introduced teleworking and other measures to help curtail infection.

At Sony Life, which accounts for the largest portion of the consolidated revenue and profit, Lifeplanner sales employees have suspended their face-to-face sales activities. If the situation continues for a long period, it may have a major impact on future performance, with the number of new policies falling and expenses rising in response to the situation.

Going forward, Sony Life plans to gradually resume face-to-face sales activities, by taking into consideration of the relaxation of restricted movement request and pace of the resumption of economic activities. In addition, Sony Life plans to enhance its response to the situation, by gradually increasing its use of telephone- and video-based consulting tools.

2. Qualitative Information on Consolidated Financial Position

1) Assets, Liabilities and Net Assets

As of March 31, 2020, **total assets** amounted to ¥15,125.7 billion, up 12.3% from March 31, 2019. Among major components of assets, securities, mostly Japanese government bonds, amounted to ¥11,909.1 billion, up 14.8% from March 31, 2019. Loans came to ¥2,187.7 billion, up 12.6%.

Total liabilities were ¥14,433.7 billion, up 12.7% from March 31, 2019. Major components of liabilities included policy reserves and others of ¥10,731.4 billion, up 13.2%, and deposits totaled ¥2,440.7 billion, up 6.0%.

Total net assets were ¥691.9 billion, up 5.3% from March 31, 2019. This included net unrealized gains (losses) on available-for-sale securities, net of taxes, which decreased ¥13.9 billion, to ¥114.8 billion.

2) Cash Flows

Net cash provided by operating activities for the year ended March 31, 2020, was ¥878.7 billion, primarily due to income from insurance premiums in the life insurance business. The amount of net cash provided was up 75.8 billion (9.4%) year on year.

Net cash used in investing activities was ¥810.4 billion, mainly because payments to acquire securities exceeded proceeds from sale and redemption of securities in the life insurance and banking businesses. The amount of net cash used increased ¥150.6 billion (22.8%), year on year, mainly because of an increase in payments to acquire securities in the life insurance business.

Net cash used in financing activities came to ¥27.7 billion because of payments for cash dividends. Net cash used in these activities was up ¥1.0 billion (4.0%) year on year.

As a result of the above factors and others, cash and cash equivalents at March 31, 2020, amounted to ¥549.9 billion, up ¥40.3 billion (7.9%) from March 31, 2019.

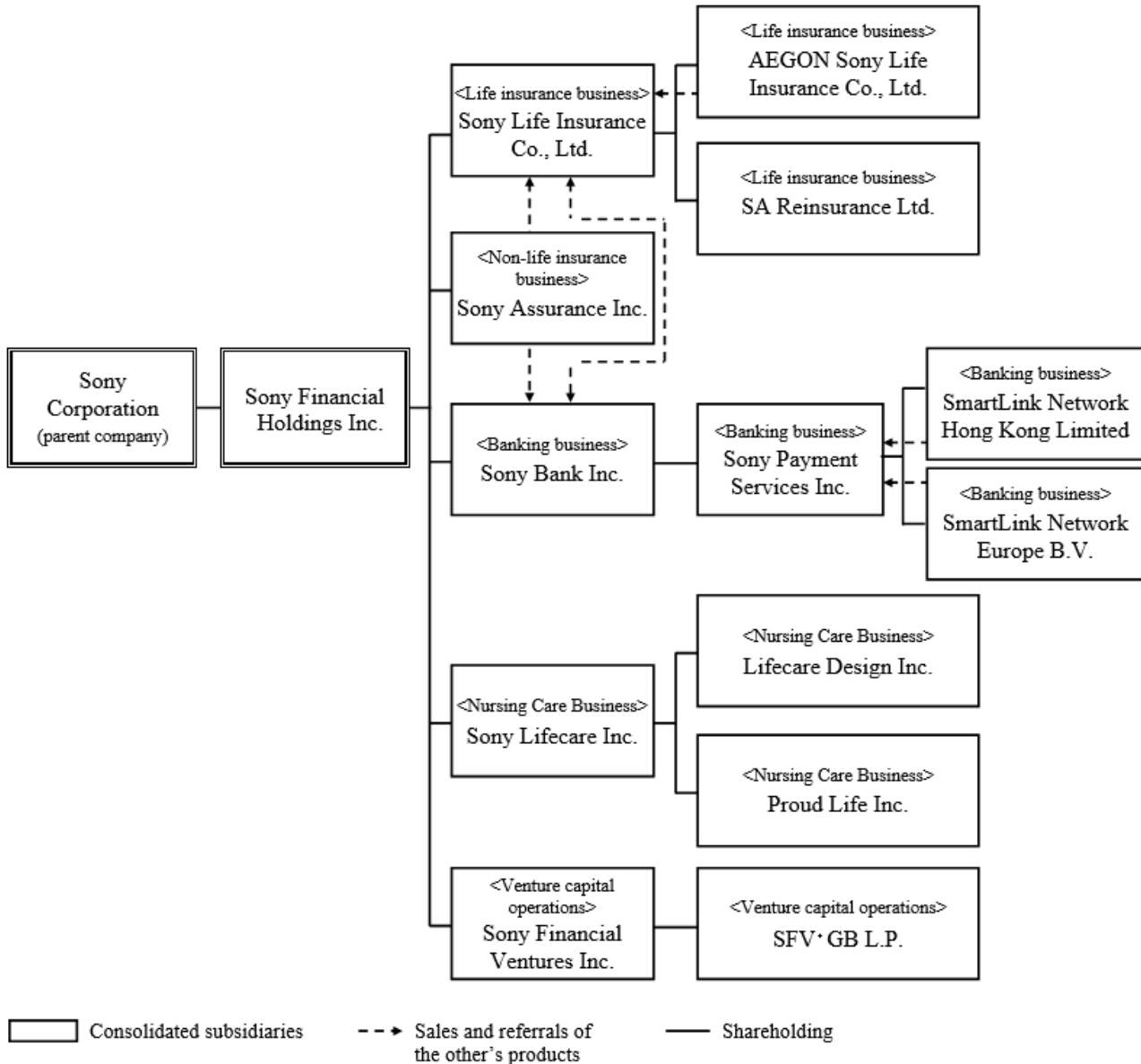
Please refer to the attached presentation materials for non-consolidated operating results of SFH's principal subsidiaries, Sony Life, Sony Assurance and Sony Bank for the year ended March 31, 2020.

II. Status of the Corporate Group

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

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

[Organizational chart] (As of March 31, 2020)



Note: AEGON Sony Life Insurance Co.,Ltd. changed its trade name to “Sony Life With Insurance Co.,Ltd.,” as of April 1, 2020.

III. Basic Views on Selection of Accounting Standards

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

IV. Consolidated Financial Statements

1. Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2019	As of March 31, 2020
Assets		
Cash and due from banks	¥ 415,894	¥ 549,964
Call loans and bills bought	93,700	—
Monetary claims purchased	4,916	6,006
Money held in trust	291,324	38,067
Securities	10,373,188	11,909,172
Loans	1,942,546	2,187,792
Tangible fixed assets	104,128	109,372
Land	63,106	65,562
Buildings	30,899	30,072
Leased assets	6,536	10,669
Construction in progress	77	66
Other tangible fixed assets	3,508	3,002
Intangible fixed assets	43,909	54,590
Software	43,327	50,461
Goodwill	551	4,097
Other intangible fixed assets	30	32
Due from reinsurers	1,341	4,936
Foreign exchanges	8,471	3,019
Other assets	159,361	221,762
Net defined benefit asset	3,476	3,391
Deferred tax assets	27,556	39,210
Reserve for possible loan losses	(1,602)	(1,575)
Total Assets	¥ 13,468,215	¥ 15,125,710

(Millions of yen)

	As of March 31, 2019	As of March 31, 2020
Liabilities		
Policy reserves and others	¥ 9,479,071	¥ 10,731,488
Reserve for outstanding claims	78,285	81,238
Policy reserves	9,396,241	10,645,842
Reserve for policyholders' dividends	4,544	4,407
Due to agencies	2,073	2,471
Due to reinsurers	5,769	5,745
Deposits	2,302,313	2,440,783
Call money and bills sold	130,611	151,256
Borrowed money	203,871	241,826
Foreign exchanges	244	684
Bonds payable	20,000	20,000
Other liabilities	578,477	747,676
Reserve for employees' bonuses	4,377	4,297
Net defined benefit liability	34,081	34,170
Reserve under the special laws	50,343	53,060
Reserve for price fluctuations	50,343	53,060
Deferred tax liabilities	24	160
Deferred tax liabilities on land revaluation	109	109
Total Liabilities	12,811,368	14,433,732
Net Assets		
Common stock	19,963	19,994
Capital surplus	191,193	191,224
Retained earnings	319,886	367,127
Treasury stock	(55)	(55)
Total shareholders' equity	530,987	578,291
Net unrealized gains (losses) on available-for-sale securities, net of taxes	128,800	114,868
Net deferred gains (losses) on hedging instruments, net of taxes	(1,077)	(373)
Land revaluation, net of taxes	(2,439)	(2,439)
Remeasurements of defined benefit plans, net of taxes	(1,470)	(835)
Total accumulated other comprehensive income	123,812	111,221
Subscription rights to shares	149	215
Non-controlling interests	1,896	2,250
Total Net Assets	656,846	691,978
Total Liabilities and Net Assets	¥ 13,468,215	¥ 15,125,710

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

(Millions of yen)

	For the year ended March 31, 2019	For the year ended March 31, 2020
Ordinary Revenues	¥ 1,629,182	¥ 1,781,420
Ordinary Revenues from the Life Insurance Business	1,461,632	1,602,154
Income from insurance premiums	1,134,048	1,338,848
Insurance premiums	1,130,676	1,331,441
Ceded reinsurance commissions	3,372	7,407
Investment income	278,950	208,620
Interest income and dividends	166,953	181,812
Income from money held in trusts, net	4,490	4,086
Gains on trading securities, net	—	317
Gains on sale of securities	6,107	3,637
Gains on derivatives, net	—	18,766
Foreign exchange gains, net	13,455	—
Other investment income	—	1
Gains on separate accounts, net	87,943	—
Other ordinary income	48,633	54,685
Ordinary Revenues from the Non-life Insurance Business	115,101	121,727
Underwriting income	113,173	119,746
Net premiums written	113,101	119,352
Interest and dividends on deposits of premiums	72	74
Reversal of reserve for outstanding losses and claims	—	320
Investment income	1,857	1,935
Interest income and dividends	1,372	1,337
Gains on sale of securities	557	672
Transfer to interest and dividends on deposits of premiums	(72)	(74)
Other ordinary income	69	44
Ordinary Revenues from the Banking Business	45,766	49,997
Interest income	31,926	33,950
Interest income on loans	17,473	18,729
Interest income and dividends on securities	14,382	15,148
Interest income on call loans and bills bought	1	0
Interest income on deposits with banks	62	61
Other interest income	7	10
Fees and commissions	9,398	12,101
Other operating income	3,926	3,515
Gains on foreign exchange transactions, net	3,599	3,258
Others	326	256
Other ordinary income	515	430
Other	6,681	7,541
Other ordinary income	6,681	7,541

(Continued)

(Millions of yen)

	For the year ended March 31, 2019	For the year ended March 31, 2020
Ordinary Expenses	¥ 1,535,325	¥ 1,669,540
Ordinary Expenses from the Life Insurance Business	1,386,074	1,510,288
Insurance claims and other payments	457,252	521,198
Insurance claims	92,997	98,533
Annuity payments	13,489	15,036
Insurance benefits	131,824	157,074
Surrender payments	204,351	231,772
Other payments	3,659	3,732
Reinsurance premiums	10,929	15,048
Provision for policy reserves and others	704,780	678,724
Provision for reserve for outstanding claims	2,433	2,444
Provision for policy reserves	702,346	676,280
Interest portion of reserve for policyholders' dividends	0	0
Investment expenses	24,650	91,944
Interest expenses	1,604	5,064
Losses on trading securities, net	126	—
Losses on sale of securities	34	50
Losses on valuation of securities	4,026	6,316
Losses on derivatives, net	13,925	—
Foreign exchange losses, net	—	4,884
Provision for reserve for possible loan losses	329	43
Depreciation of real estate for rent and others	1,599	1,637
Other investment expenses	3,003	2,812
Losses on separate accounts, net	—	71,133
Operating expenses	146,776	157,537
Other ordinary expenses	52,614	60,883
Ordinary Expenses from the Non-life Insurance Business	107,413	112,785
Underwriting expenses	77,925	81,797
Net losses paid	56,608	60,315
Loss adjustment expenses	8,220	9,001
Net commission and brokerage fees	1,214	1,141
Provision for reserve for outstanding losses and claims	1,139	—
Provision for underwriting reserves	10,741	11,338
Investment expenses	1	0
Losses on sale of securities	0	—
Other investment expenses	1	0
Operating, general and administrative expenses	29,482	30,983
Other ordinary expenses	4	5

(Continued)

(Millions of yen)

	For the year ended March 31, 2019	For the year ended March 31, 2020
Ordinary Expenses from the Banking Business	¥ 34,135	¥ 37,483
Interest expenses	8,566	9,194
Interest expenses on deposits	6,744	7,274
Interest expenses on call money and bills sold	88	268
Interest on payables under repurchase agreements	312	348
Interest on borrowed money	0	2
Interest expenses on bonds	12	13
Interest expenses on interest rate swaps	1,400	1,280
Other interest expenses	7	6
Fees and commissions	5,883	7,077
Other operating expenses	485	126
General and administrative expenses	18,786	20,902
Other ordinary expenses	414	181
Other	7,702	8,982
Other ordinary expenses	7,702	8,982
Ordinary Profit	93,856	111,880
Extraordinary Gains	0	264
Gains on disposal of fixed assets	0	0
Gains on step acquisitions	—	248
Others	—	16
Extraordinary Losses	2,367	3,139
Losses on disposal of fixed assets	92	120
Impairment losses	67	21
Provision for reserve under the special laws	2,207	2,695
Provision for reserve for price fluctuations	2,207	2,695
Others	—	301
Provision for Reserve for Policyholders' Dividends	2,146	2,422
Income Before Income Taxes	89,343	106,583
Income Taxes - Current	31,871	37,747
Income Taxes - Deferred	(4,853)	(5,925)
Total Income Taxes	27,018	31,822
Profit	62,325	74,761
Profit Attributable to Non-controlling Interests	250	331
Profit Attributable to Owners of the Parent	¥ 62,074	¥ 74,429

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

	For the year ended March 31, 2019	For the year ended March 31, 2020
Profit	¥ 62,325	¥ 74,761
Other comprehensive income		
Net unrealized gains (losses) on available-for-sale securities, net of taxes	(5,215)	(13,907)
Net deferred gains (losses) on hedging instruments, net of taxes	(174)	703
Remeasurements of defined benefit plans, net of taxes	456	658
Share of other comprehensive income of affiliates accounted for using equity method	23	(23)
Total other comprehensive income	(4,909)	(12,569)
Comprehensive income	¥ 57,415	¥ 62,192
(Details)		
Comprehensive income attributable to owners of the parent	57,167	61,838
Comprehensive income attributable to non-controlling interests	248	353

3. Consolidated Statements of Changes in Net Assets

For the year ended March 31, 2019

(Millions of yen)

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

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

For the year ended March 31, 2020

(Millions of yen)

	Shareholders' Equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the period	¥ 19,963	¥ 191,193	¥ 319,886	¥ (55)	¥ 530,987
Changes during the period					
Issuance of new shares	31	31	—	—	62
Dividends from surplus	—	—	(27,189)	—	(27,189)
Purchase of treasury stock	—	—	—	(0)	(0)
Profit attributable to owners of the parent	—	—	74,429	—	74,429
Net changes of items other than shareholders' equity	—	—	—	—	—
Total changes during the period	31	31	47,240	(0)	47,303
Balance at the end of the period	¥ 19,994	¥ 191,224	¥ 367,127	¥ (55)	¥ 578,291

	Total accumulated other comprehensive income					Subscription rights to shares	Non-controlling interests	Total net assets
	Net unrealized gains (losses) on available-for-sale securities, net of taxes	Net deferred gains (losses) on hedging instruments, net of taxes	Land revaluation, net of taxes	Remeasurements of defined benefit plans, net of taxes	Total accumulated other comprehensive income			
Balance at the beginning of the period	¥ 128,800	¥ (1,077)	¥ (2,439)	¥ (1,470)	¥ 123,812	¥ 149	¥ 1,896	¥ 656,846
Changes during the period								
Issuance of new shares	—	—	—	—	—	—	—	62
Dividends from surplus	—	—	—	—	—	—	—	(27,189)
Purchase of treasury stock	—	—	—	—	—	—	—	(0)
Profit attributable to owners of the parent	—	—	—	—	—	—	—	74,429
Net changes of items other than shareholders' equity	(13,931)	703	—	635	(12,591)	65	353	(12,171)
Total changes during the period	(13,931)	703	—	635	(12,591)	65	353	35,131
Balance at the end of the period	¥ 114,868	¥ (373)	¥ (2,439)	¥ (835)	¥ 111,221	¥ 215	¥ 2,250	¥ 691,978

4. Consolidated Statements of Cash Flows

(Millions of yen)

	For the year ended March 31, 2019	For the year ended March 31, 2020
Cash flows from operating activities		
Income before income taxes	¥ 89,343	¥ 106,583
Depreciation of real estate for rent and others	1,599	1,637
Depreciation and amortization	11,297	12,986
Impairment losses	67	21
Amortization of goodwill	32	62
Increase (decrease) in reserve for outstanding claims	3,573	2,105
Increase (decrease) in policy reserve	713,088	687,618
interest portion of reserve for policyholders' dividends	0	0
Provision for (reversal of) reserve for policyholders' dividends	2,146	2,422
Increase (decrease) in reserve for possible loan losses	449	(26)
Increase (decrease) in net defined benefit liability	1,630	1,735
Increase (decrease) in reserve for price fluctuations	2,207	2,695
Interest income and dividends	(200,253)	(217,102)
(Gains) losses on securities	(94,790)	54,681
Interest expenses	10,698	14,984
Losses (gains) on derivatives	13,925	(18,766)
Exchange (gains) losses	(17,258)	26,169
(Gains) losses on disposal of tangible fixed assets	78	124
Losses (gains) on step acquisitions	—	(248)
Equity in (gains) losses of affiliates	1,748	11
Net (increase) decrease in loans	(147,727)	(235,023)
Net increase (decrease) in deposits	143,031	140,591
Net increase (decrease) in borrowed money (excluding subordinated borrowings)	30,000	37,923
Net increase (decrease) in call money and bills sold	54,902	41,448
Net (increase) decrease in call loans and bills bought	461	(1,090)
Net (increase) decrease in foreign exchange (assets)	874	5,452
Net increase (decrease) in foreign exchange (liabilities)	16	440
Others, net	21,467	48,385
Subtotal	642,611	715,825
Interest and dividends received	205,869	217,591
Interest paid	(10,221)	(15,689)
Policyholders' dividends paid	(3,086)	(2,558)
Income taxes paid	(32,251)	(36,441)
Net cash provided by (used in) operating activities	802,921	878,726

(Continued)

(Millions of yen)

	For the year ended March 31, 2019	For the year ended March 31, 2020
Cash flows from investing activities		
Investments in money held in trust	¥ (1,044)	¥ (1,284)
Proceeds from money held in trust	4,522	4,047
Purchases of securities	(1,219,208)	(1,360,076)
Proceeds from sale and redemption of securities	526,015	489,737
Investments in loans	(63,716)	(71,794)
Collections of loans	30,341	35,463
Net increase(decrease) in payables under repurchase agreements	48,140	188,364
Net gains (losses) from the settlement of derivative financial instruments	7,389	(2,378)
Net increase (decrease) in collateral for securities lending transactions	27,166	(73,475)
Others, net	124	421
Total of net cash provided by (used in) investment transactions	(640,270)	(790,973)
Total of net cash provided by (used in) operating activities and investment transactions	162,651	87,752
Purchases of tangible fixed assets	(1,255)	(4,357)
Proceeds from sales of tangible fixed assets	1	0
Purchases of intangible fixed assets	(17,794)	(18,799)
Purchase of securities of a non-consolidated subsidiary	(50)	(1,900)
Proceeds from purchases of shares of subsidiaries resulting in change in scope of consolidation	—	8,537
Purchases of securities of affiliates	(300)	(2,750)
Others, net	(147)	(200)
Net cash provided by (used in) investing activities	(659,815)	(810,444)
Cash flows from financing activities		
Proceeds from debt borrowing	4,640	6,400
Repayments of debt	(4,712)	(6,367)
Cash dividends paid	(26,095)	(27,187)
Purchases of treasury stock	—	(0)
Others, net	(476)	(551)
Net cash provided by (used in) financing activities	(26,645)	(27,707)
Effect of exchange rate changes on cash and cash equivalents	0	(204)
Net increase (decrease) in cash and cash equivalents	116,461	40,370
Cash and cash equivalents at beginning of the period	393,133	509,594
Cash and cash equivalents at end of the period	¥ 509,594	¥ 549,964

5. Notes to the Consolidated Financial Statements

1) Note on Going Concern

Not applicable.

2) Segment Information

(1) Outline of reportable segments

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

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

The Sony Financial Group consists of three reportable segments: the life insurance business, the non-life insurance business and the banking business.

- The life insurance business consists of Sony Life Insurance Co., Ltd., AEGON Sony Life Insurance Co., Ltd.(changed its name to Sony Life With Insurance Co., Ltd. on April 1, 2020) and SA Reinsurance Ltd.
- The non-life insurance business consists of Sony Assurance Inc.
- The banking business consists of Sony Bank Inc., Sony Payment Services Inc., SmartLink Network Hong Kong Limited. and SmartLink Network Europe B.V..

(2) Segment Information by reportable segment
For the year ended March 31, 2019

Millions of yen

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

For the year ended March 31, 2020

Millions of yen

	Life insurance business	Non-life insurance business	Banking business	Total	Other	Total
Ordinary revenues						
External customers	¥ 1,602,154	¥ 121,727	¥ 49,997	¥ 1,773,879	¥ 7,541	¥ 1,781,420
Intersegment	2,601	1	275	2,877	—	2,877
Total	1,604,756	121,728	50,272	1,776,757	7,541	1,784,298
Segment profit	¥ 94,382	¥ 8,072	¥ 10,690	¥ 113,145	¥ (1,441)	¥ 111,704
Segment assets	11,796,918	234,884	3,096,574	15,128,377	25,188	15,153,565
Others						
Depreciation	9,174	2,476	2,765	14,416	726	15,142
Interest income and dividends	181,812	1,337	33,950	217,100	3	217,103
Interest expenses	5,064	—	9,270	14,334	705	15,040
Equity in earnings (losses) of affiliates	(11)	—	—	(11)	—	(11)
Increase in tangible fixed assets and intangible fixed assets	¥ 17,216	¥ 7,143	¥ 2,715	¥ 27,075	¥ 4,652	¥ 31,727

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

	Millions of yen			
	For the year ended March 31, 2019		For the year ended March 31, 2020	
Totals of reportable segments	¥	1,625,488	¥	1,776,757
Other		6,681		7,541
Adjustments for intersegment transactions		(2,988)		(2,877)
Ordinary revenues in statement of income	¥	1,629,182	¥	1,781,420

	Millions of yen			
	For the year ended March 31, 2019		For the year ended March 31, 2020	
Totals of reportable segments	¥	94,708	¥	113,145
Other		(1,021)		(1,441)
Amount not allocated to reportable segments		169		176
Ordinary profit in quarterly consolidated statement of income	¥	93,856	¥	111,880

	Millions of yen			
	For the year ended March 31, 2019		For the year ended March 31, 2020	
Totals of reportable segments	¥	13,478,825	¥	15,128,377
Other		22,636		25,188
Adjustments for intersegment transactions		(66,653)		(72,023)
Amount not allocated to reportable segments		33,406		44,168
Assets in balance sheets	¥	13,468,215	¥	15,125,710

	Millions of yen							
	For the year ended March 31, 2019				For the year ended March 31, 2020			
	Total	Other	Adjustments	Consolidated financial statements	Total	Other	Adjustments	Consolidated financial statements
Depreciation	¥ 12,794	¥ 631	¥ 40	¥ 13,466	¥ 14,416	¥ 726	¥ 49	¥ 15,191
Interest income and dividends	200,252	2	(0)	200,255	217,100	3	(0)	217,103
Interest expenses	10,248	507	(77)	10,678	14,334	705	(75)	14,964
Equity in earnings (losses) of affiliates	(1,748)	—	—	(1,748)	(11)	—	—	(11)
Investments in affiliates	10,969	—	—	10,969	—	—	—	—
Increase in tangible fixed assets and intangible fixed assets	¥ 19,264	¥ 1,141	¥ 69	¥ 20,475	¥ 27,075	¥ 4,652	¥ 94	¥ 31,822

3) Per share data

	Yen	
	For the year ended March 31, 2019	For the year ended March 31, 2020
Net assets per share	1,505.20	1,584.90
Earnings per share	142.69	171.09
Earnings per share (diluted)	142.67	171.04

(Notes)

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

	Millions of yen, except number of shares	
	For the year ended March 31, 2019	For the year ended March 31, 2020
Net assets	656,846	691,978
Amount excluded from Net assets	2,045	2,465
Stock acquisition rights	1,896	2,250
Non-controlling interests	149	215
Net assets attributable to common stock at the fiscal year-end	654,800	689,512
Number of common stock at the fiscal year-end used for the calculation of Net assets per share (in thousands)	435,025	435,049

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

	Millions of yen, except number of shares	
	For the year ended March 31, 2019	For the year ended March 31, 2020
Earnings per share		
Profit attributable to owners of parents	62,074	74,429
Amount not attributable to common stockholders	—	—
Profit attributable to owners of parents attributable to common stock	62,074	74,429
Average number of common stock during the fiscal year (in thousands)	435,016	435,041
Earnings per share(diluted)		
Adjustment for profit attributable to owners of parents	—	—
Increase in number of common stock (in thousands)	87	115
Stock acquisition rights (in thousands)	87	115
Outline of dilutive shares which were not included in the calculation of "Earnings per share (diluted)" because they do not have dilutive effect:	—	—

4) Subsequent Events

(Sony's tender offer for SFH's shares etc.)

Sony Financial Holdings Inc. (the "Company") made a resolution at the meeting of its Board of Directors held on May 19, 2020 to express its opinion in support of the tender offer for the Company's common shares (the "Company's Common Shares") and the Stock Acquisition Rights to be conducted by Sony Corporation (the "Tender Offeror"), the controlling shareholder (parent company) of the Company (the "Tender Offer"), and to recommend that the shareholders and the holders of the Stock Acquisition Rights of the Company accept the tender offer.

The resolution of the Board of Directors stated above was made on the assumption that the Tender Offeror intends to make the Company its wholly-owned subsidiary through the Tender Offer and a series of subsequent procedures and that the Company's Common Shares will be delisted.

For further details, please refer to "Announcement of Opinion in Support of Tender Offer for Shares, Etc. in Sony Financial Holdings Inc. by Sony Corporation, the Controlling Shareholder, and Recommendation to Tender Shares, Etc." announced on May 19, 2020.

SFH's consolidated results are prepared in accordance with Japanese GAAP. As such, these figures differ in significant respects from the financial information reported by Sony Corporation, SFH's parent company, which prepares its financial statements in accordance with U.S. GAAP.

SFH's scope of consolidation includes following companies

Consolidated subsidiaries:

Sony Financial Holdings Inc.
Sony Life Insurance Co. Ltd.
Sony Life With Insurance Co.,Ltd.*2
SA Reinsurance Ltd.*2
Sony Assurance Inc.
Sony Bank Inc.
Sony Payment Services Inc.
SmartLink Network Hong Kong Limited.
SmartLink Network Europe B.V.*1
Sony Lifecare Inc.
Lifecare Design Inc.
Proud Life Inc.
Sony Financial Ventures Inc.*1
SFV•GB L.P.*1

*1 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, and Sony Life With Insurance Co.,Ltd. and SA Reinsurance Ltd. are included in the scope of consolidation from the fourth quarter ended March 31, 2020, respectively.

*2 Sony Life 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 on January 29, 2020.

Furthermore, AEGON Sony Life Insurance Co., Ltd changed its trade name to "Sony Life With Insurance Co.,Ltd.," as of April 1, 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.

V. Attachment

Content of Presentation Material

**Consolidated Financial Results for the Fiscal Year Ended March 31, 2020 and
Sony Life’s Preliminary MCEV as of March 31, 2020**

▪ Consolidated Operating Results for the Fiscal Year Ended March 31, 2020 (FY2019)	3
▪ Forecast of Consolidated Financial Results and Dividend for the Fiscal Year Ending March 31, 2021 (FY2020).....	18
▪ Sony Life’s Preliminary MCEV as of March 31, 2020.....	20
▪ Our Perspective on Consolidated Group ESR.....	23
▪ Sony’s Tender Offer for SFH’s Shares Etc.	25
▪ Appendix	29



Consolidated Financial Results for the Fiscal Year Ended March 31, 2020 and Sony Life's Preliminary MCEV as of March 31, 2020

Sony Financial Holdings Inc.
May 19, 2020

AGENDA

Consolidated Operating Results for the Fiscal Year Ended March 31, 2020 <FY2019>	P. 3
Forecast of Consolidated Financial Results and Dividends for the Fiscal Year Ending March 31, 2021 <FY2020>	P. 18
Sony Life's Preliminary MCEV as of March 31, 2020	P. 20
Our Perspective on Consolidated Group ESR	P. 23
Sony's Tender Offer for SFH's Shares Etc.	P. 25
Appendix	P. 29

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.



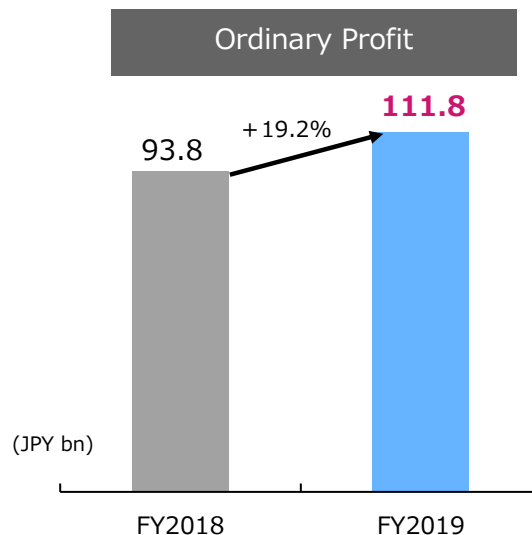
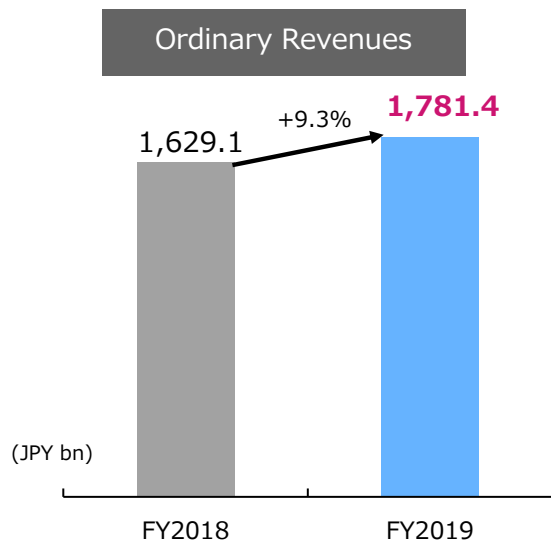
Consolidated Operating Results for the Fiscal Year Ended March 31, 2020 <FY2019>

Management Message



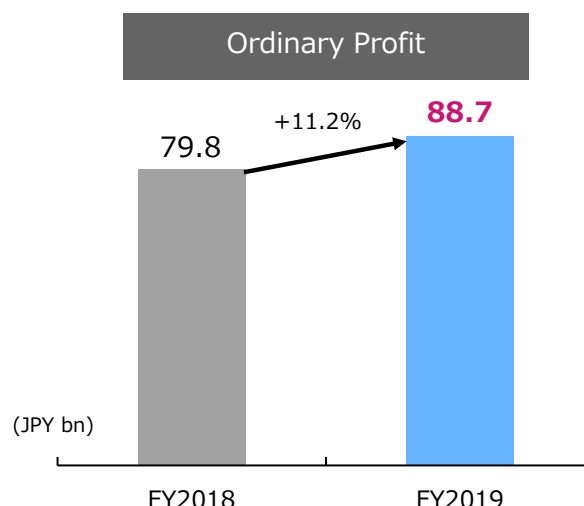
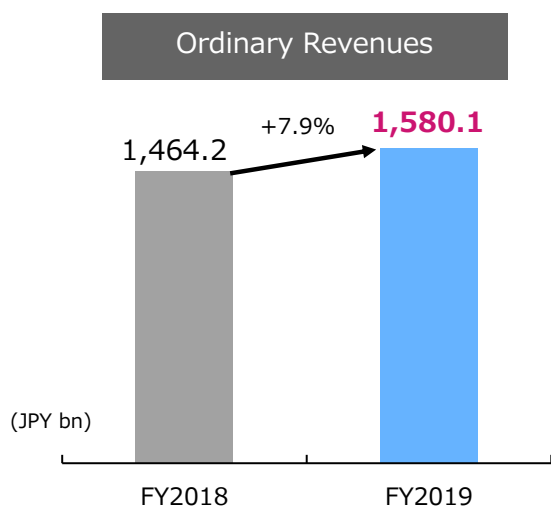
- ◆ On a consolidated Group basis, both ordinary revenues and ordinary profit increased year on year, owing to increases in ordinary revenues and ordinary profit from all the businesses: life insurance, non-life insurance and banking businesses.
- ◆ Sony Life's new policy amount for FY2019 decreased year on year due to lower sales of family income insurance, however new business value for FY19.4Q (3M) increased from FY19.3Q (3M), due mainly to favorable sales of insurance products for corporate customers.
- ◆ Our forecast for the consolidated financial results for FY2020 is undetermined since a rational calculation is problematic at present due to the numerous uncertainties regarding the COVID-19 pandemic. However, we will strive to enhance our corporate value through further expansion of our customer base by the enhanced utilization of technologies and the establishment of a cooperative structure with Sony Group.
- ◆ SFH decided to express its support to Sony's tender offer, and recommends that shareholders tender as SFH anticipates synergies will be created as a result of becoming a wholly-owned subsidiary of Sony, which will lead to growth in corporate value, as well as contribute to interests of shareholders.

- ◆ Ordinary Revenues : Increased 9.3% year on year, to ¥1,781.4 billion, owing to increases in ordinary revenues from all the businesses: life insurance, non-life insurance and banking businesses.
- ◆ Ordinary Profit : Increased 19.2% year on year, to ¥111.8 billion, owing to increases in ordinary profit from all the businesses mentioned above.



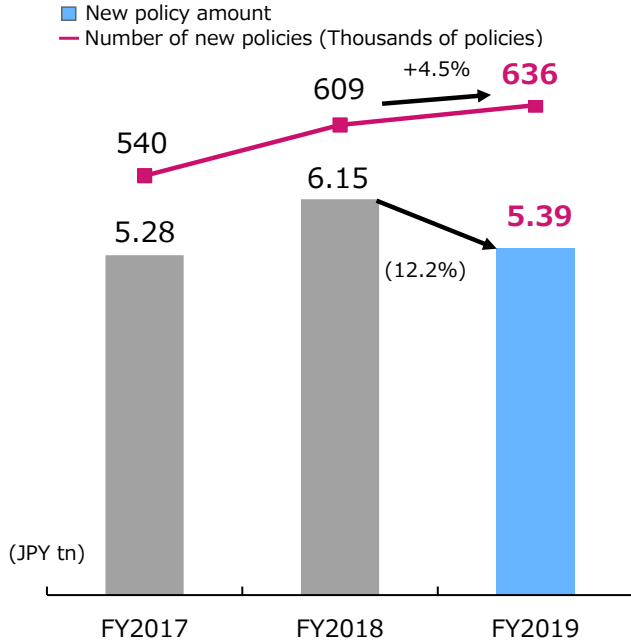
Highlights of Operating Performance : Sony Life (Non-consolidated)

- ◆ Ordinary Revenues : Increased 7.9% year on year, to ¥1,580.1 billion, due primarily to higher insurance premium revenue, mainly from single premium insurance.
- ◆ Ordinary Profit : Increased 11.2% year on year, to ¥88.7 billion, due chiefly to a decrease in costs related to the acquisition of new policies and a rise in profit in tandem with expansion of the policy amount in force, which more than offset higher operating expenses.

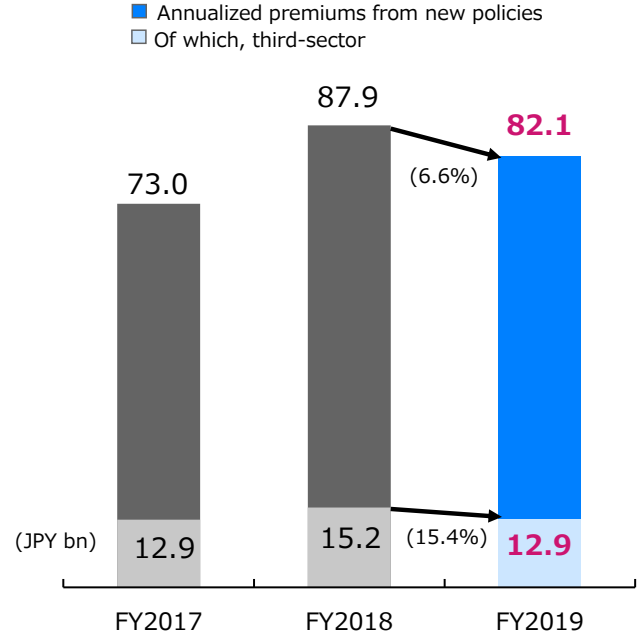


- ◆ New Policy Amount : Decreased due to lower sales of family income insurance.
- ◆ Annualized Premiums from New Policies : Decreased due to lower sales of term life insurance for corporate customers despite a favorable sales of U.S. dollar-denominated insurance.

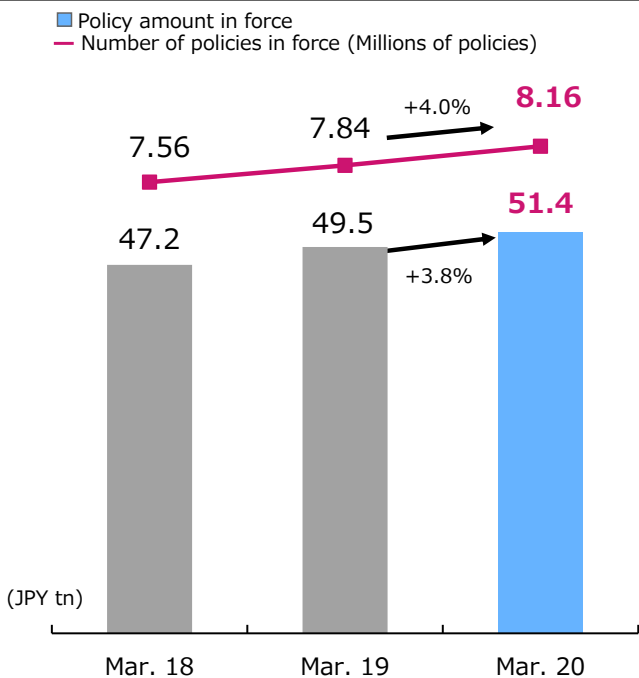
Number and Amount of New Policies
(Individual life insurance + Individual annuities)



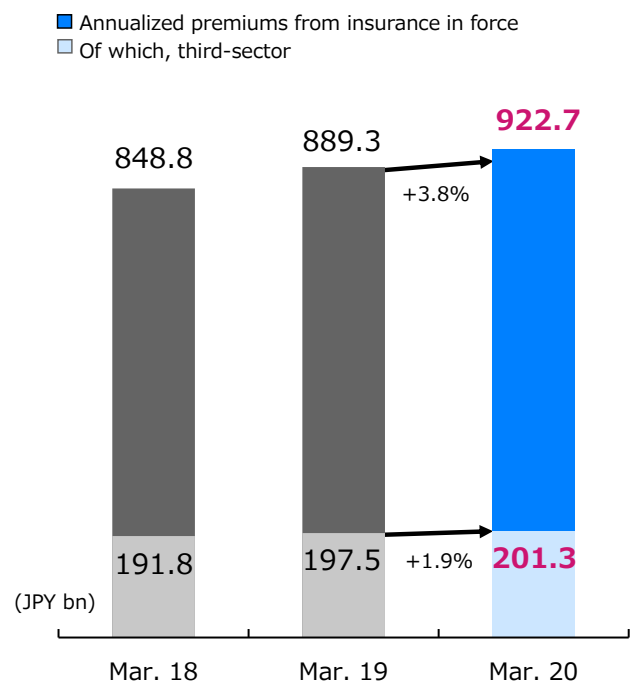
Annualized Premiums from New Policies
(Individual life insurance + Individual annuities)



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



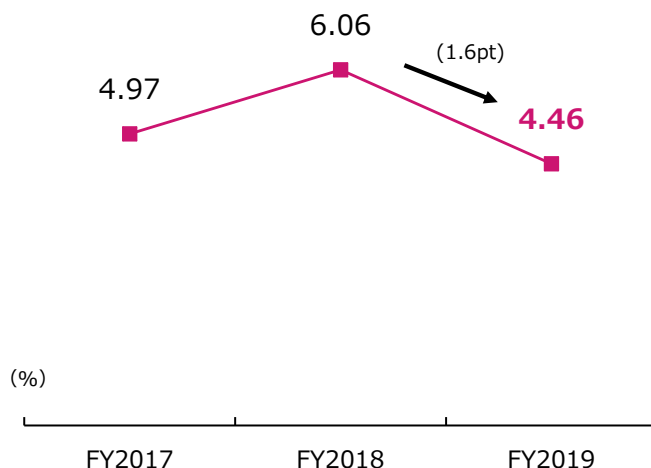
Annualized Premiums from Insurance in Force
(Individual life insurance + Individual annuities)



◆ 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.

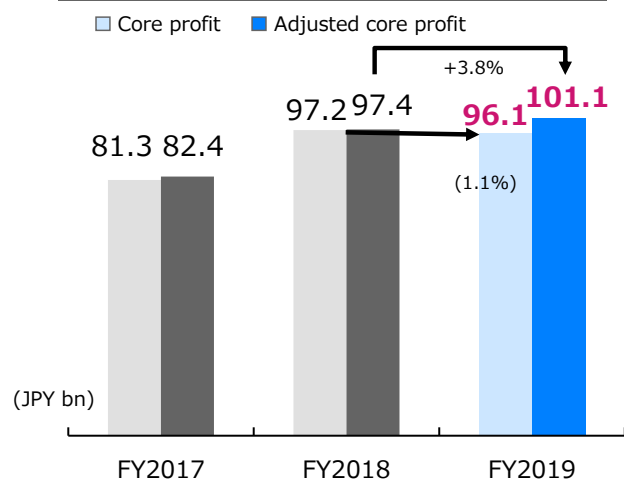
Lapse and Surrender Rate*
(Individual life insurance + Individual annuities)



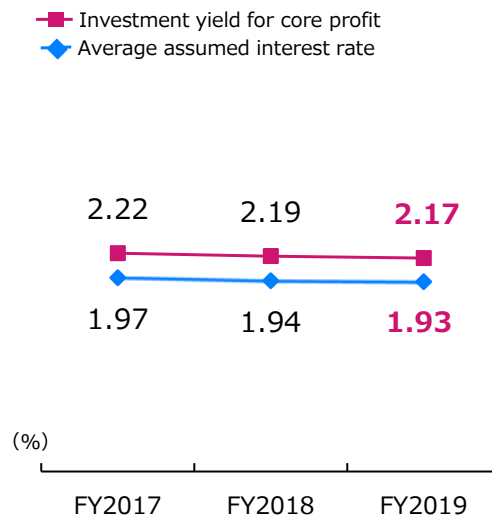
*The lapse and surrender rate shows the ratio derived by dividing the amount of lapses and surrenders, not adjusted for policy amount decreases, increases, and reinstatements, by the policy amount in force at the beginning of the fiscal year.

◆ Core Profit : Remained almost flat due to an increase in provision of policy reserve for minimum guarantees for variable life insurance despite a profit rose in tandem with expansion of the policy amount in force.

Core Profit and Adjusted Core Profit



Reference Average Assumed Interest Rate and Investment Yield for Core Profit

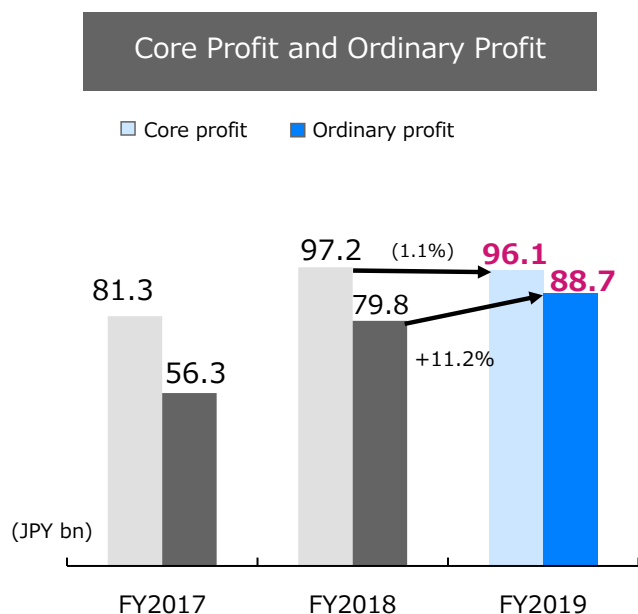


◆ Details of core profit

(JPY bn)	FY2017	FY2018	FY2019
Positive spread	17.7	18.2	19.3
Provision of policy reserve for minimum guarantees for variable life insurance *1	(18.7)	(18.3)	(24.2)
Adjusted core profit *2	82.4	97.4	101.1

*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 gains (losses) on hedges of variable life insurance in addition to a factor in core profit.



◆ Difference from core profit

(JPY bn)	FY2017	FY2018	FY2019
Core profit	81.3	97.2	96.1
Capital gains (losses)* ¹	(9.0)	1.6	(1.9)
Gains (losses) on hedges of variable life insurance* ²	(8.4)	(9.9)	3.6
Provision of contingency reserve* ³	(7.4)	(8.6)	(9.0)
Others	(0.1)	(0.4)	(0.1)
Ordinary profit	56.3	79.8	88.7

*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.

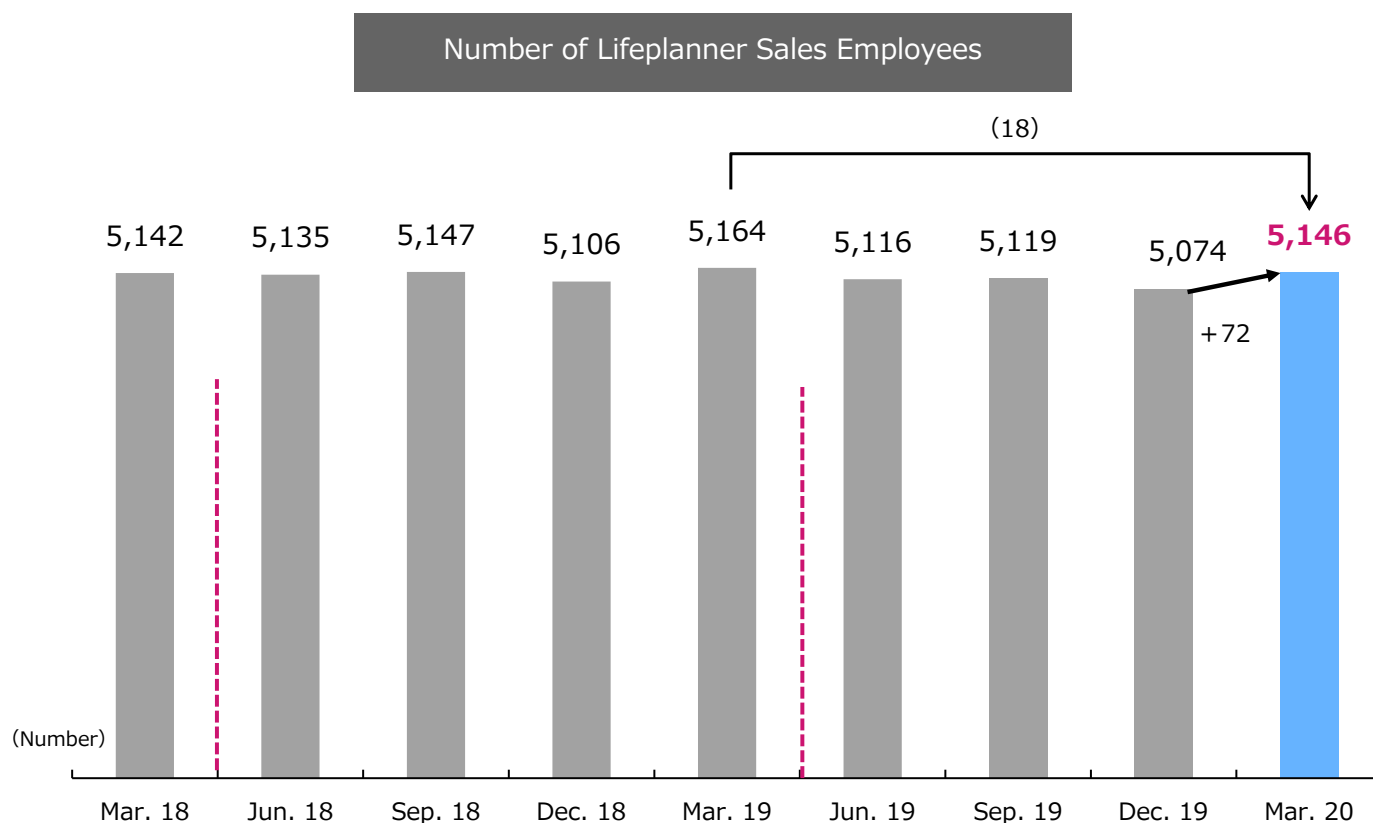
*3 Provision of contingency reserve is described as negative amount.

(Note) Regarding hedges of variable life insurance

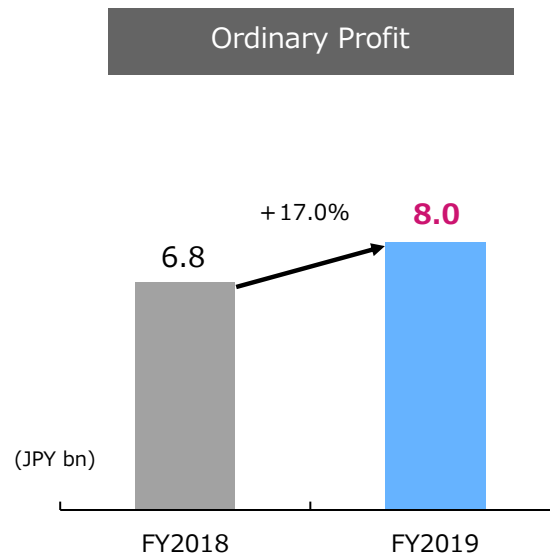
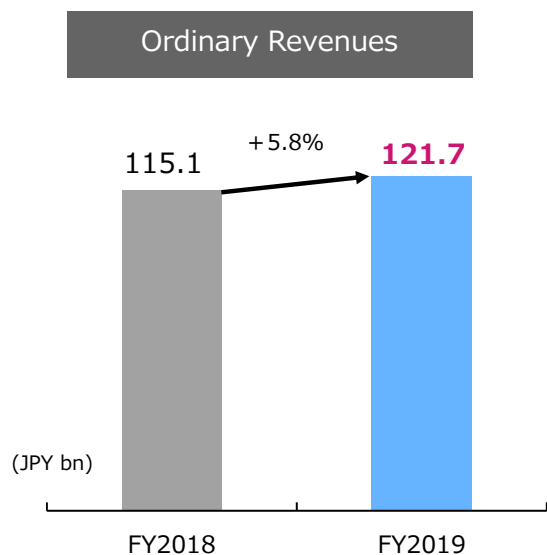
Market fluctuations resulted in the following accounting gains (losses), due to differences between Japanese GAAP and economic value-based valuation. Please refer to page 40 for details.

(JPY bn)	FY2017	FY2018	FY2019
Gains (losses) of variable life insurance related to market fluctuations	(0.2)	(0.5)	(2.0)

Sony Life : Number of Lifeplanner Sales Employees



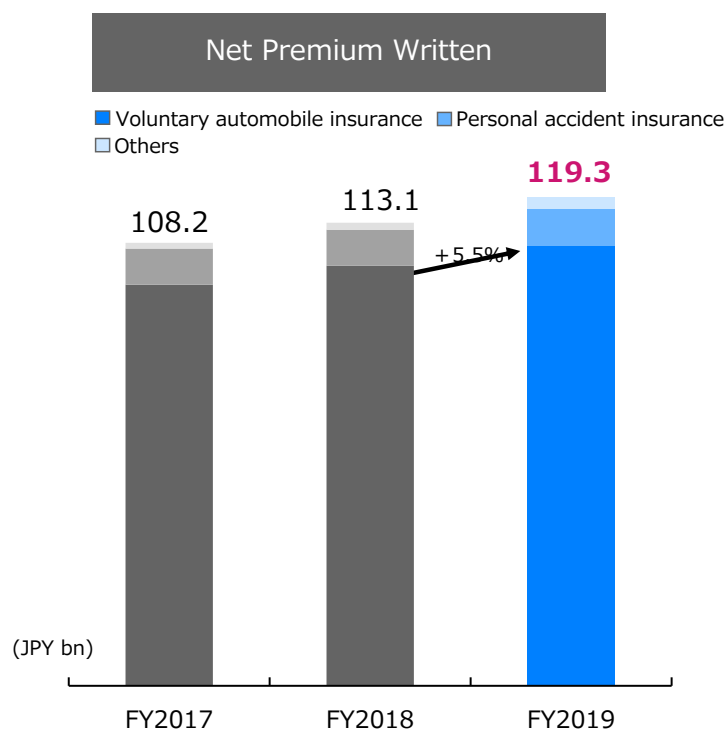
- ◆ Ordinary Revenues : Increased 5.8% year on year, to ¥121.7 billion, due mainly to an increase in net premiums written for mainstay automobile insurance.
- ◆ Ordinary Profit : Increased 17.0% year on year, to ¥8.0 billion, due mainly to a reversal of a portion of reserves for some products that made provisions in FY2018 and in addition that reversal of catastrophe reserves were recorded in FY2019.



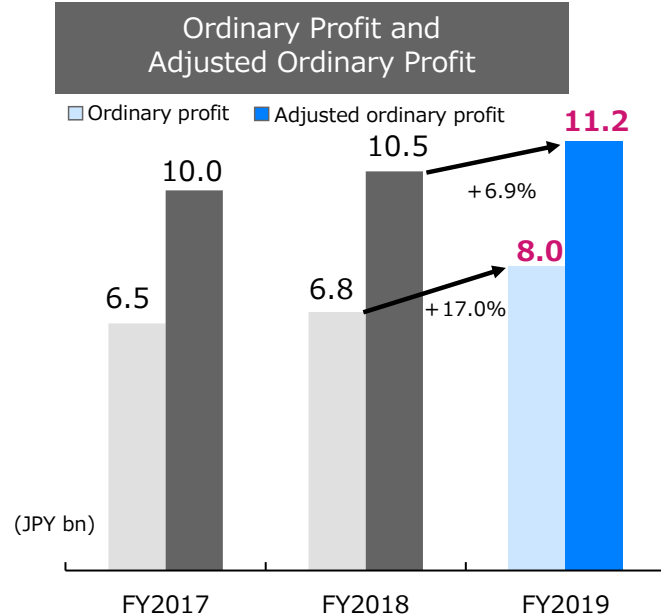
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Operating Performance : Sony Assurance (1)

- ◆ Net Premium Written : Increased due to stable sales of mainstay 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)	FY2017	FY2018	FY2019
Provision for catastrophe reserve	3.4	3.6	3.2

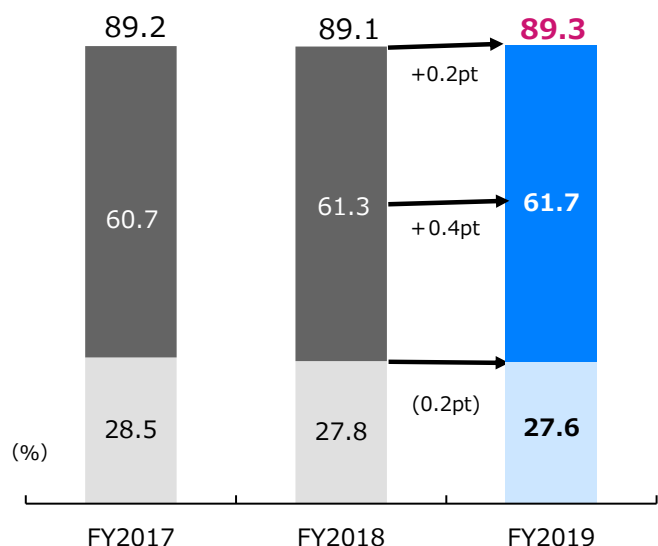
(Note) Provision for catastrophe reserve is described as positive amount.

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- ◆ Sum of Two Ratios :
Almost flat due to a rise in E.I. loss ratio despite a decrease in net expense ratio.

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

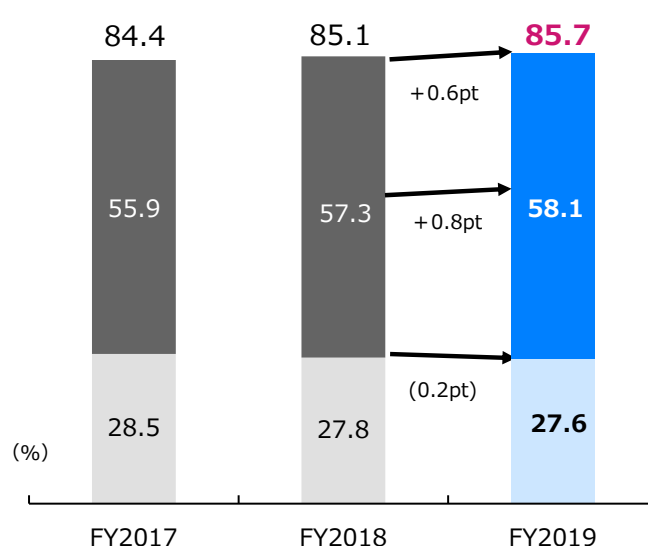
■ E.I. loss ratio □ Net expense ratio



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

Combines Ratio
(Net Loss ratio+ Net Expense Ratio)

■ Net loss ratio □ Net expense ratio



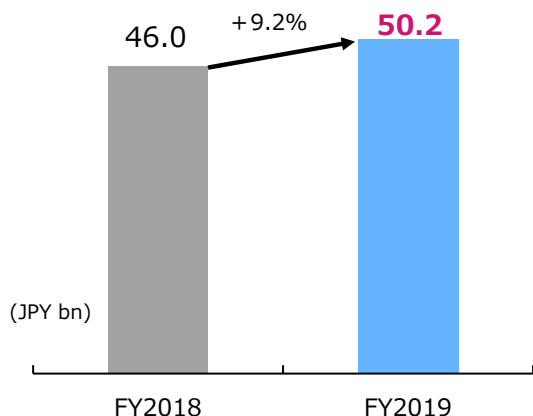
(Note)
 Net loss ratio = (Net losses paid + Loss adjustment expenses) / Net premiums written
 Net expense ratio = Expenses related to underwriting / Net premiums written

Highlights of Operating Performance : Sony Bank (Consolidated)

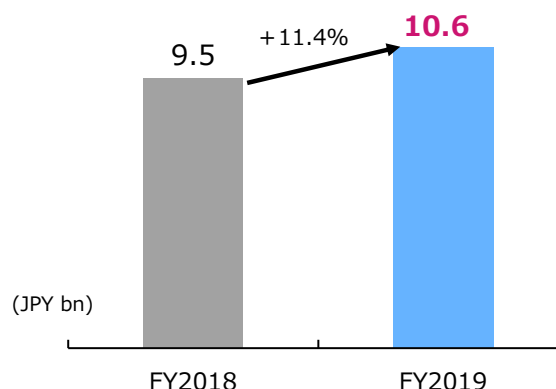


- ◆ Ordinary Revenues and Ordinary Profit :
Ordinary revenues expanded 9.2% year on year, to ¥50.2 billion, and ordinary profit was up 11.4% year on year, to ¥10.6 billion, due to increases in such income as interest on loans in line with a growing number of newly executed mortgage loans.

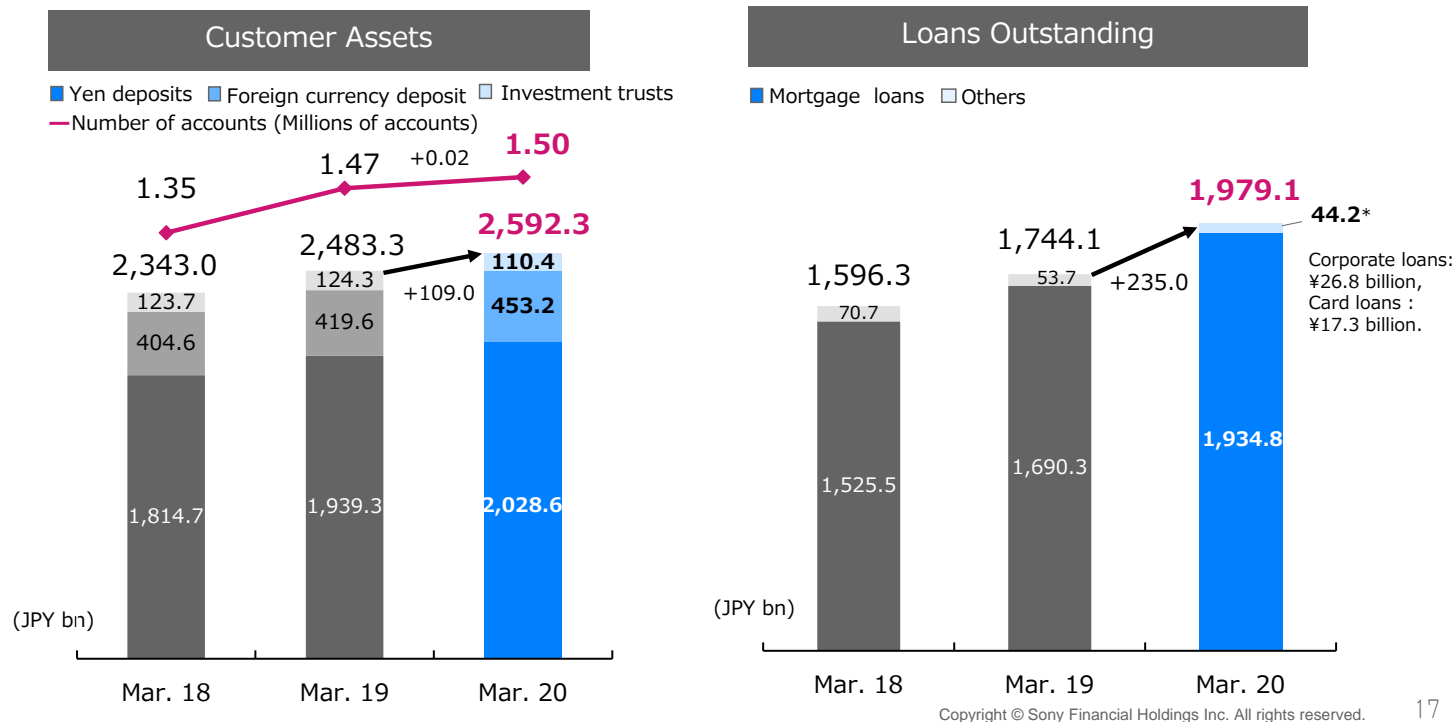
Ordinary Revenues



Ordinary Profit



- ◆ 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 and Dividends for the Fiscal Year Ending March 31, 2021 <FY2020>

◆ Dividends for FY2019

Dividends for FY2019 are expected to be ¥70.0 per share, an increase of ¥7.5 from the dividends of FY2018.

◆ Forecast of Consolidated Financial Results for the FY2020

Due to the numerous uncertainties about how the COVID-19 pandemic will affect our operating performance, calculating a financial forecast rationally is problematic at present, since it is currently difficult to predict when the COVID-19 pandemic to get settled and the pace of the recovery of business activities and others. Accordingly, our consolidated financial forecast and dividend forecast for FY2020 are undetermined.

◆ Forecast of Dividends for the FY2020

As described in the “Announcement of Opinion in Support of Tender Offer for Shares, Etc. in Sony Financial Holdings Inc. by Sony Corporation, the Controlling Shareholder, and Recommendation to Tender Shares, Etc.” announced on May 19, 2020, SFH made a resolution at the meeting of its board of directors held today, decided not to pay a dividend for the FY2020, subject to the successful completion of the Tender Offer.

◆ In response to the growing COVID-19 pandemic

SFH and its Group companies in principle refrain from conducting business face to face, out of consideration for the health and safety of our customers, business partners and employees. We have also introduced teleworking and other measures to help curtail infection.

<Initiative at Sony Life>

Going forward, Sony Life plans to gradually resume face-to-face sales activities, by taking into consideration of the relaxation of restricted movement request and pace of the resumption of economic activities. In addition, Sony Life plans to enhance its response to the situation, by gradually increasing its use of telephone- and video-based consulting tools.

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Sony Life's Preliminary MCEV as of March 31, 2020

Please keep in mind that the validity of these calculations has not been verified by outside specialists as of March 31, 2020. The calculation of MCEV as of March 31, 2020, in accordance with the MCEV principles and verified by outside specialists, is scheduled to be announced on June 9, 2020.

A part of the calculations of MCEV adopted simplified method for that as of December 31, 2019.

◆ **Reasons for Changes in MCEV**

- MCEV as of March 31, 2020 increased ¥20.5 billion from December 31, 2019, due mainly to an acquisition of new policies

◆ **New Business Value / New Business Margin**

- New business value for FY19.4Q (3M) increased ¥17.8 billion from FY19.3Q (3M), due mainly to favorable sales of insurance products for corporate customers.
- New business margin for FY19.4Q (3M) was down 1.2pt from FY19.3Q (3M), due mainly to a decline in U.S. dollar interest rates.

(JPY bn)	Mar. 19	Dec. 19	Mar. 20	Change from Mar. 19	Change from Dec. 19
MCEV	1,720.2	1,692.9	1,713.5	(6.7)	+20.5
Adjusted net worth	2,195.7	2,372.2	2,565.8	+370.0	+193.5
Value of existing business	(475.5)	(679.3)	(862.3)	(376.8)	(172.9)

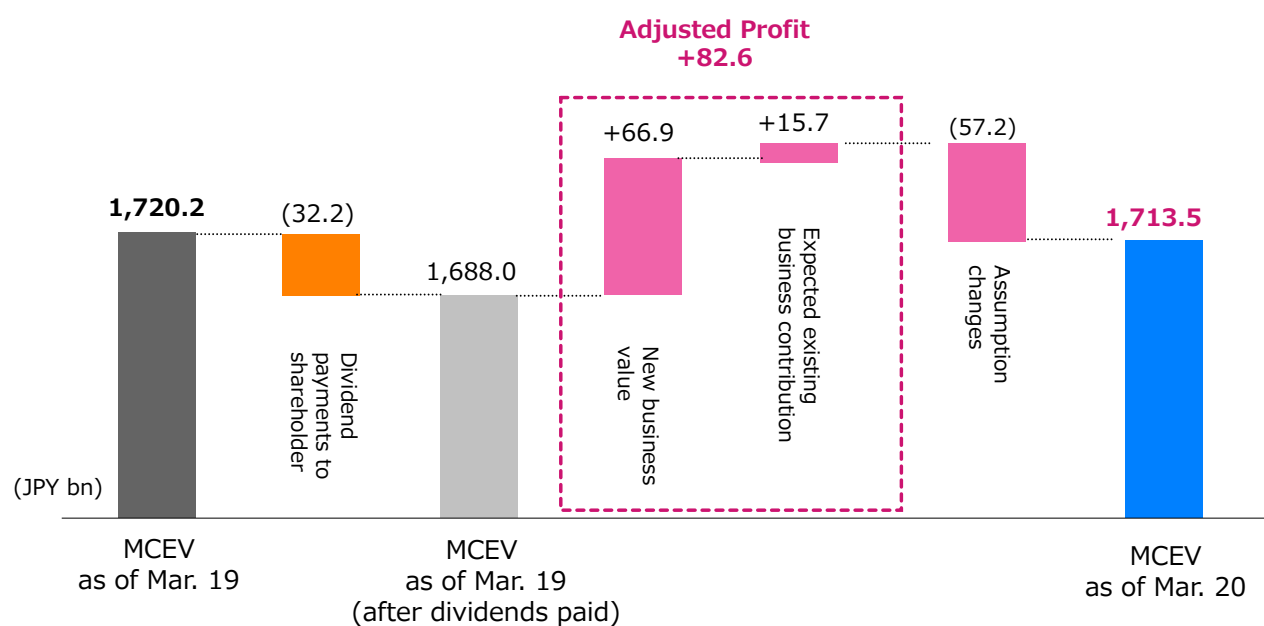
(JPY bn)	FY18.4Q (3M)	FY19.1Q (3M)	FY19.2Q (3M)	FY19.3Q (3M)	FY19.4Q (3M)	FY2019 (12M)
New business value	23.1	17.0	14.8	17.1	17.8	66.9
New business margin	5.0%	5.4%	3.8%	5.1%	3.9%	4.5%

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

*Please refer to page 46-49 for trend on bond yields and yield curves.

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Sony Life's MCEV: Breakdown of MCEV for FY2019 (12M)



Note: Details on assumption changes : Insurance-related assumption changes: +¥8.5 billion, economic variances changes (included interest rate fluctuation): ¥(65.8) billion.

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Our Perspective on Consolidated Group ESR

◆ Consolidated Group ESR :

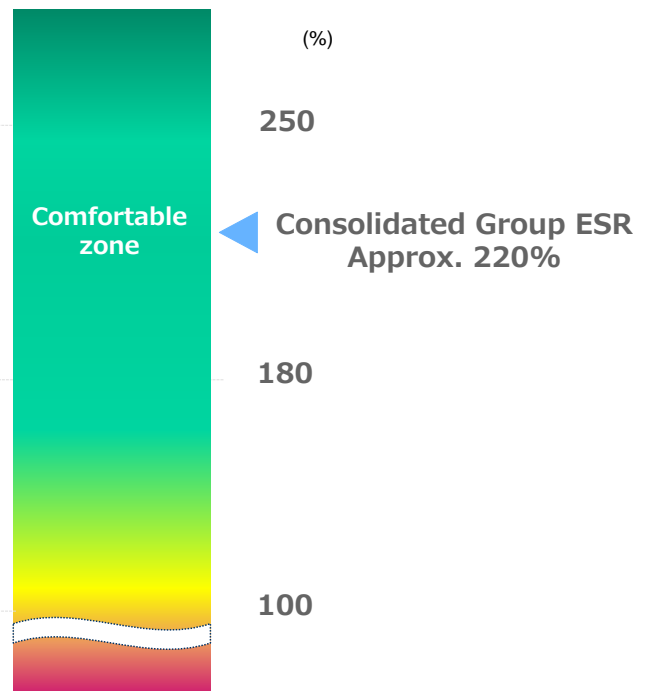
Consolidated Group ESR is an indicator of capital sufficiency with respect to the Group's risk amount. Currently the target level of consolidated Group ESR is between 180% and 250% from the viewpoint of ERM to ensure financial soundness and capital efficiency.

- Invest in growth, take on additional risk and expand shareholder returns

- Consider investing in growth, taking on additional risk and adopting a flexible response to shareholder returns

- Recover capital levels by reducing risk and retaining profit

- Consider shoring up capital, review shareholder returns



(Note 1) We use consolidated Group ESR (an internal management indicator) to assist in making comprehensive management decisions. The indicator refers to the calculation methods used for European Solvency II and ICS, with some simplification. No third-party verification is conducted with respect to the calculation process or the appropriateness of its results.

(Note 2) Please refer to page 44 for Sony Life's ESR.



Sony's Tender Offer for SFH's Shares Etc.

Sony's Tender Offer for SFH's Shares Etc.



Sony, the controlling shareholder of Sony Financial Holdings ("SFH"), announced on May 19 the tender offer for SFH shares etc.

- ◆ Tender offer price : 2,600 yen per common share, and 259,900 yen per stock acquisition right
 - Premium on the closing price of the SFH's share :

The immediately preceding business day :	25.97%
The simple average closing price for the one-month period :	31.58%
The simple average closing price for the three-month period :	34.09%
The simple average closing price for the six-month period :	14.94%
- ◆ Tender offer period : Wednesday, May 20, 2020 ~ Monday, July 13, 2020 39 business days
- ◆ Minimum threshold of purchase : 2/3 of total voting rights (following dilution) (7,070,000 shares)
Maximum threshold : N/A
- ◆ SFH anticipates synergies will be created as a result of becoming a wholly-owned subsidiary of Sony, which will lead to growth in corporate value, as well as contribute to interests of shareholders. For these reasons, SFH decided to express its support to the tender offer, and recommends that shareholders tender.

▶ Announcement of Opinion in Support of Tender Offer for Shares, Etc. in Sony Financial Holdings Inc. by Sony Corporation, the Controlling Shareholder, and Recommendation to Tender Shares, Etc.
https://www.sonyfh.co.jp/en/news/article/200519_01.pdf

The decision was made after discussing and examining the appropriateness of the terms and conditions (including the tender offer price) of the transaction, as well as strategic rationales of the transaction, anticipated synergies, etc. as described below:

- ◆ In order to achieve sustainable growth, it is necessary to achieve organic growth of the existing businesses and create new highly-value added financial services.
- ◆ Under the current conditions of the falling birthrate and aging population, changes in economic structure, and technologies symbolized by fintech, a deep involvement and contribution based on the experience of the Sony Group as a global technology company can be expected.
- ◆ By becoming a wholly-owned subsidiary of Sony, SFH will be able to implement bold management measures including further integration and reorganization of the service development system and corporate functions across both company groups in a prompt and flexible manner, as well as promptly develop financial services in response to changing business environment and diversified customer needs.
- ◆ Leverage Sony's R&D functions, artificial intelligence (AI) technologies and brand power more than ever, to promote and accelerate the development of new products and new services.
- ◆ By sharing part of the functions with Sony Group, SFH is expected to reduce marketing costs and corporate costs.

Regarding the Measures to Ensure the Fairness of the Tender Offer

- ◆ This decision was made following careful discussion and evaluation of the rationale of the transaction, the appropriateness of the transaction terms and conditions, as well as the fairness of the procedures, following the implementation of the below measures to ensure fairness, including the establishment of a special committee consisting of independent outside directors, from the viewpoint of securing the interests of the general shareholders of SFH, and based on the "Fair M&A Guidelines" by the Ministry of Economy, Trade and Industry (METI).
- ◆ The unanimous opinion that this transaction is not disadvantageous to the minority shareholders of SFH was obtained in the Special Committee held today.

Measures to ensure fairness

- 1 Establishment of an Independent Special Committee at SFH, and the substantial involvement of the Special Committee to the negotiations
- 2 Procurement by the Special Committee of advice from an Independent Legal Advisor
- 3 Procurement by the Special Committee of the Valuation Report (on the valuation of SFH's common shares) and the Fairness Opinion from an Independent Financial Advisor and Third-Party Valuation Institution
- 4 Procurement by SFH of an opinion from an independent legal advisor
- 5 Procurement by SFH of an Valuation Report (on the valuation of SFH's common shares) and Fairness Opinion from an independent financial advisor and a third-party valuation institution
- 6 Establishment of an Independent Evaluation Framework at SFH
- 7 Unanimous approval of all non-interested directors and opinion of all non-interested statutory auditors that they had no objection at SFH
- 8 No transaction protection clause
- 9 Measures to Ensure an opportunity for SFH's Shareholders and the holders of the Stock Acquisition Rights to appropriately decide whether to tender their Company's Common Shares and the Stock Acquisition Rights in the Tender Offer (such as setting a relatively long tender offer period of 39 business days, etc.)

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 Profit and Consolidated Adjusted Capital



◆ Adjusted profit

Sony Financial Group (consolidated) (JPY bn)	FY2018	FY2019
Consolidated adjusted profit	120.4	97.9

Sony Life (non-consolidated) (JPY bn)	FY2018	FY2019
New business value *	91.3	66.9
Expected existing business contribution *	15.0	15.7
Adjusted profit	106.4	82.6

Sony Assurance (JPY bn)	FY2018	FY2019
Net income	4.9	5.8
Provision amount for catastrophe reserve (after tax)	2.6	2.3
Provision amount for reserve for price fluctuations (after tax)	0.0	0.0
Adjusted profit	7.6	8.1

Sony Bank (consolidated) (JPY bn)	FY2018	FY2019
Profit attributable to owners of the parent	6.3	7.0

◆ Adjusted capital

Sony Financial Group (consolidated) (JPY bn)	FY2018	FY2019
Consolidated adjusted profit	1,801.8	1,846.4

Sony Life (non-consolidated) (JPY bn)	FY2018	FY2019
①MCEV as of the beginning of the fiscal year	1,633.1	1,720.2
②Dividends paid	26.2	32.2
③MCEV as of the end of the period *	1,720.2	1,713.5
Adjusted capital (① - ② + ③) / 2	1,663.5	1,700.8

Sony Assurance (JPY bn)	FY2018	FY2019
①Net assets	34.7	37.7
②Catastrophe reserve	17.7	20.0
③Reserve for price fluctuations	0.1	0.1
Adjusted capital (The average amount of ① + ② + ③)	50.5	55.3

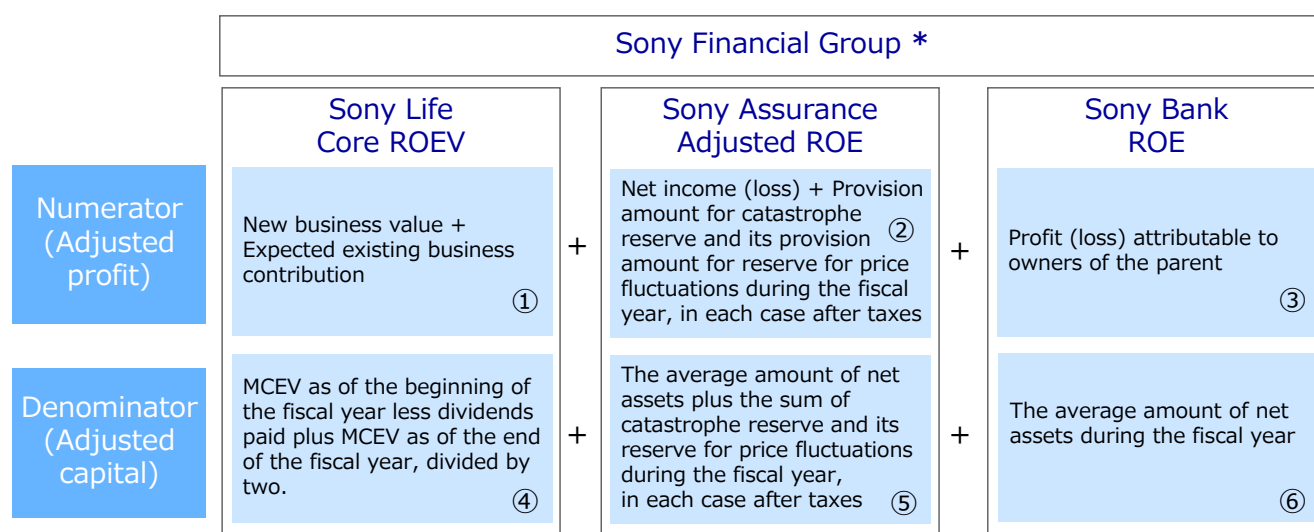
Sony Bank (consolidated) (JPY bn)	FY2018	FY2019
Adjusted capital (The average amount of net assets during the period)	87.6	90.2

* Please keep in mind that the validity of these calculations has not been verified by outside specialists for the figures for FY2019.

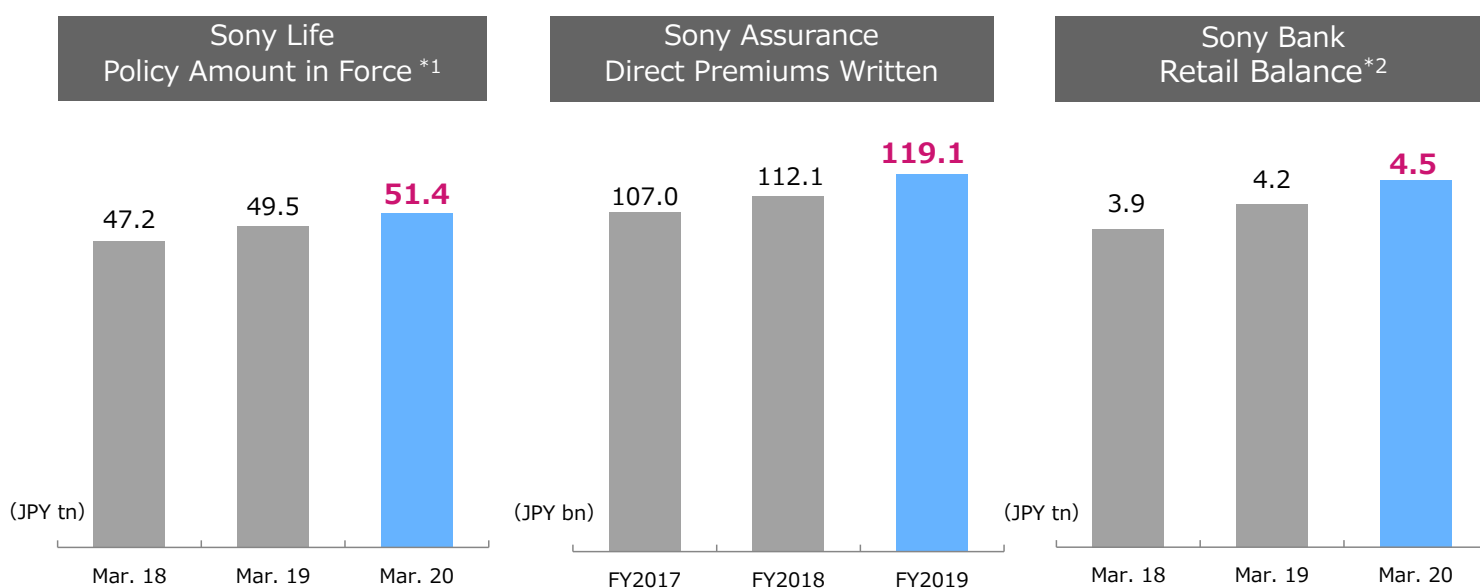
	FY2018 (12M)	FY2019 (12M)
Consolidated Adjusted ROE	6.7%	5.3%
(Sony Life) Core ROEV	6.4%	4.9%
(Sony Assurance) Adjusted ROE	15.2%	14.7%
(Sony Bank) ROE	7.3%	7.8%

Calculation of Consolidated Adjusted ROE

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



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



*1 Individual Life Insurance + Individual Annuities

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

Financial Soundness

	Mar. 19	Mar. 20	Change from Mar. 19
Sony Life (non-consolidated) Solvency margin ratio	2,590.5%	2,476.3%	(114.2pt)
Sony Assurance Solvency margin ratio	813.0%	872.3%	+59.3pt
Sony Bank (non-consolidated) Capital adequacy ratio (domestic standard)	9.58%	8.85%	(0.73pt)

(%)	Mar. 19	Mar. 20	Change from Mar. 19
Sony Bank (non-consolidated) Non-performing assets ratio (based on Financial Reconstruction Law) *	0.12%	0.10%	(0.02pt)

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

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

◆ Sony Bank’s Mortgage Loans through Sony Life

Sony Life accounts for 10% of the amount of new mortgage loans for FY2019

Sony Life accounts for 17% of the balance of mortgage loans as of March 31, 2020

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



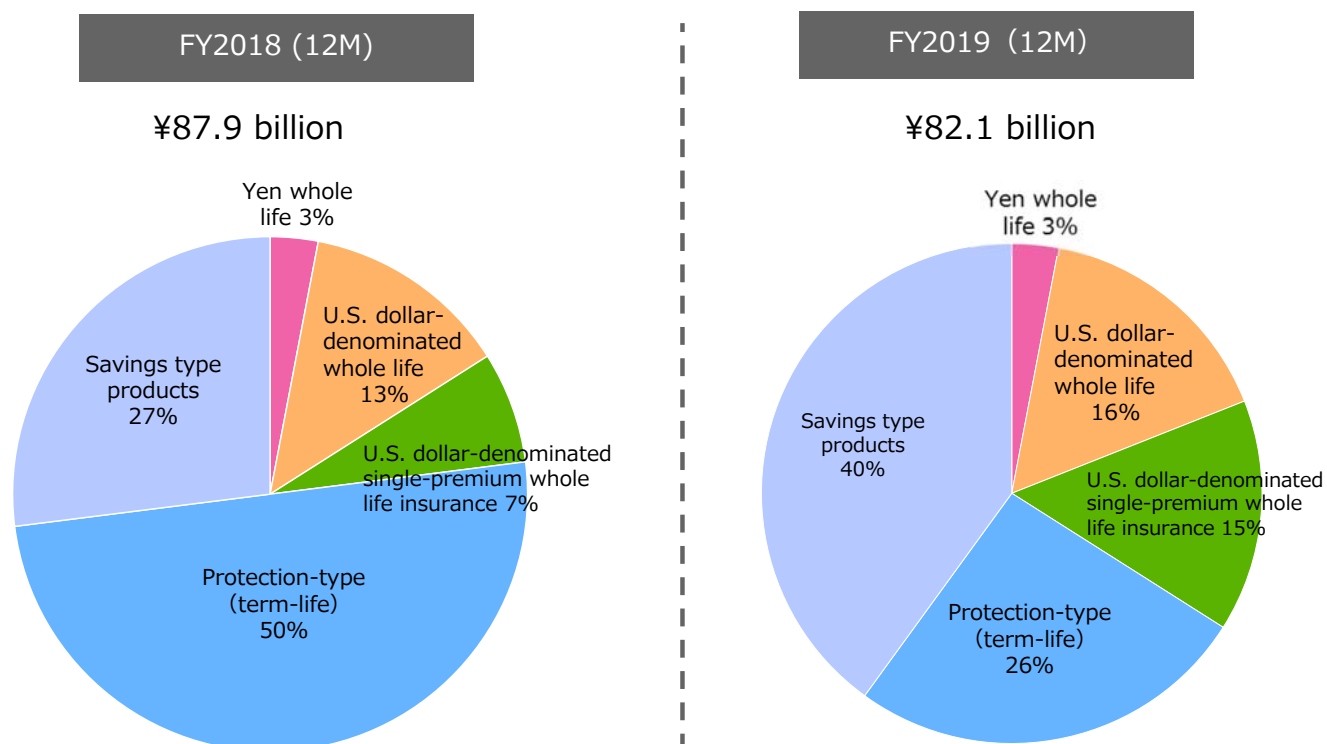
◆ Sony Assurance’s Automobile Insurance Sold by Sony Life

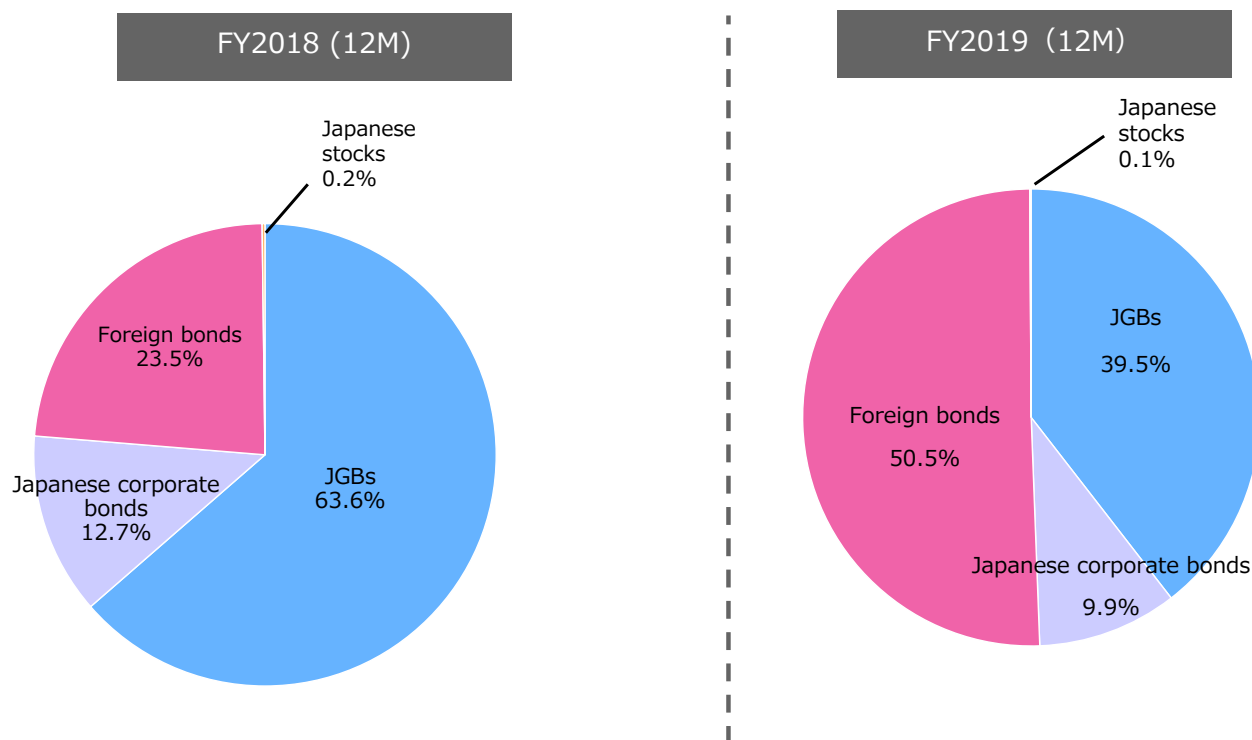
Sony Life accounts for 6% of new automobile policies for FY2019

※Sony Life started handling automobile insurance in May 2001.



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





(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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Sony Life's General Account Assets (Detail of General Account Assets)

◆ 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		Mar. 20	
	Amount	%	Amount	%
Japanese bonds (including JGBs)	7,745.3	85.3%	8,364.5	84.4%
Japanese stocks	28.6	0.3%	28.0	0.3%
Foreign bonds	542.1	6.0%	966.9	9.8%
Foreign stocks	22.5	0.2%	28.6	0.3%
Money held in trust	269.3	3.0%	0.0	0.0%
Policy loans	198.3	2.2%	208.0	2.1%
Real estate*	90.8	1.0%	92.5	0.9%
Cash and call loans	61.9	0.7%	79.8	0.8%
Others	120.2	1.3%	146.2	1.5%
Total	9,079.4	100.0%	9,914.9	100.0%

◆ Yen Bond duration

Mar. 18 : 21.4 years

Mar. 19 : 21.8 years

Mar. 20 : 21.8 years

◆ 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%

Mar. 20 : 84.4%

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

(JPY mn)	FY2018	FY2019	Change
Cash and deposits	0	0	+ 91.4%
Japanese bonds (including JGBs)	129,930	133,450	+ 2.7%
Japanese stocks	556	319	(42.6%)
Foreign securities	19,906	30,660	+ 54.0%
Other securities	340	270	(20.4%)
Loans	6,828	7,049	+ 3.2%
Real estate	8,831	9,710	+ 9.9%
Others	543	350	(35.4%)
Total	166,937	181,811	+ 8.9%

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Sony Life's Capital Gains (Losses)

(JPY mn)	FY2018	FY2019
Capital losses	2,784.7	1,274.5
Losses on trading securities, net	14.4	–
Losses on sale of securities…(3)	3.4	5.0
Losses on valuation of securities…(4)	402.6	631.6
Losses on derivatives, net	1,392.5	–
Losses on hedges of variable life insurance…(1)	998.3	–
Losses on hedges of available-for-sale securities…(2)	(24.6)	–
Losses on U.S. dollar-denominated insurance (foreign exchange losses)…(5)	407.2	–
Foreign exchange losses, net	–	634.5
Losses on U.S. dollar-denominated insurance…(5)	–	657.1
Losses on hedges of variable life insurance…(1)	–	(20.0)
Other capital losses	971.6	3.2
Losses on U.S. dollar-denominated insurance (the provision of policy reserves for foreign exchange fluctuations)…(5)	971.6	–

(JPY mn)	FY2018	FY2019
Capital gains	1,956.2	1,450.7
Gains on trading securities, net	–	14.9
Gains on sale of securities…(3)	610.7	363.7
Gains on derivatives, net	–	409.8
Gains on hedges of variable life insurance…(1)	–	347.4
Gains on hedges of available-for-sale securities…(2)	–	63.6
The figures of gains (losses) on trading securities, net	–	(11.8)
Gains on U.S. dollar-denominated insurance (foreign exchange losses)…(5)	–	9.3
Foreign exchange gains, net	1,345.5	–
Gains on U.S. dollar-denominated insurance (foreign exchange gains)…(5)	1,333.1	–
Other capital gains	–	662.2
Gains on U.S. dollar-denominated insurance (the reversal of policy reserves for foreign exchange fluctuations)…(5)	–	662.2
Net capital gains (losses)	(828.4)	176.2

(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.

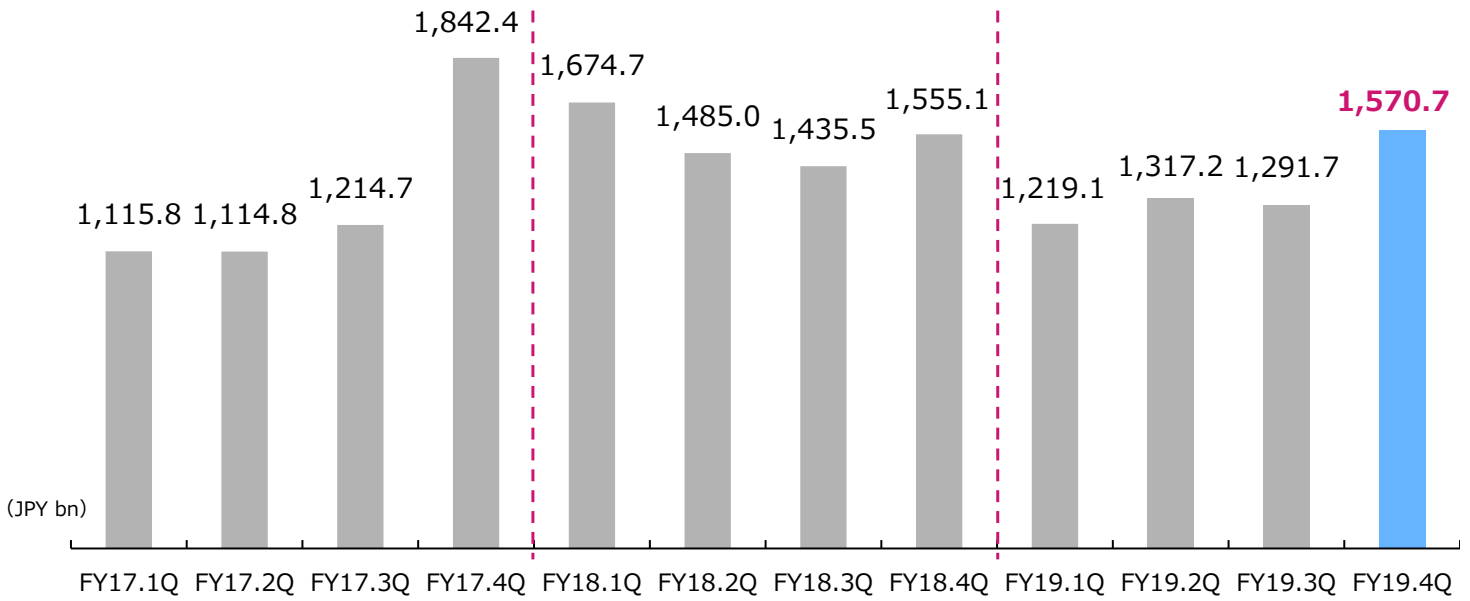
• Please refer page 11 for the relationship between the (1) Gains (Losses) on hedges of variable life insurance and fluctuation of liabilities, which are the hedged items.
 • (5) Gains (losses) on U.S. dollar-denominated insurance under "Capital Gains (Losses) on Main Items, Net Amounts" are the net 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.

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

(JPY mn)	FY2018	FY2019
(1) Gains (losses) on hedges of variable life insurance	(998.3)	367.4
(2) Gains (losses) on hedges of available-for-sale securities	24.6	63.6
(3) Gains (losses) on sale of securities	607.2	358.6
(4) Losses on valuation of securities	(402.6)	(631.6)
(5) Gains (losses) on U.S. dollar-denominated insurance	(45.7)	14.4

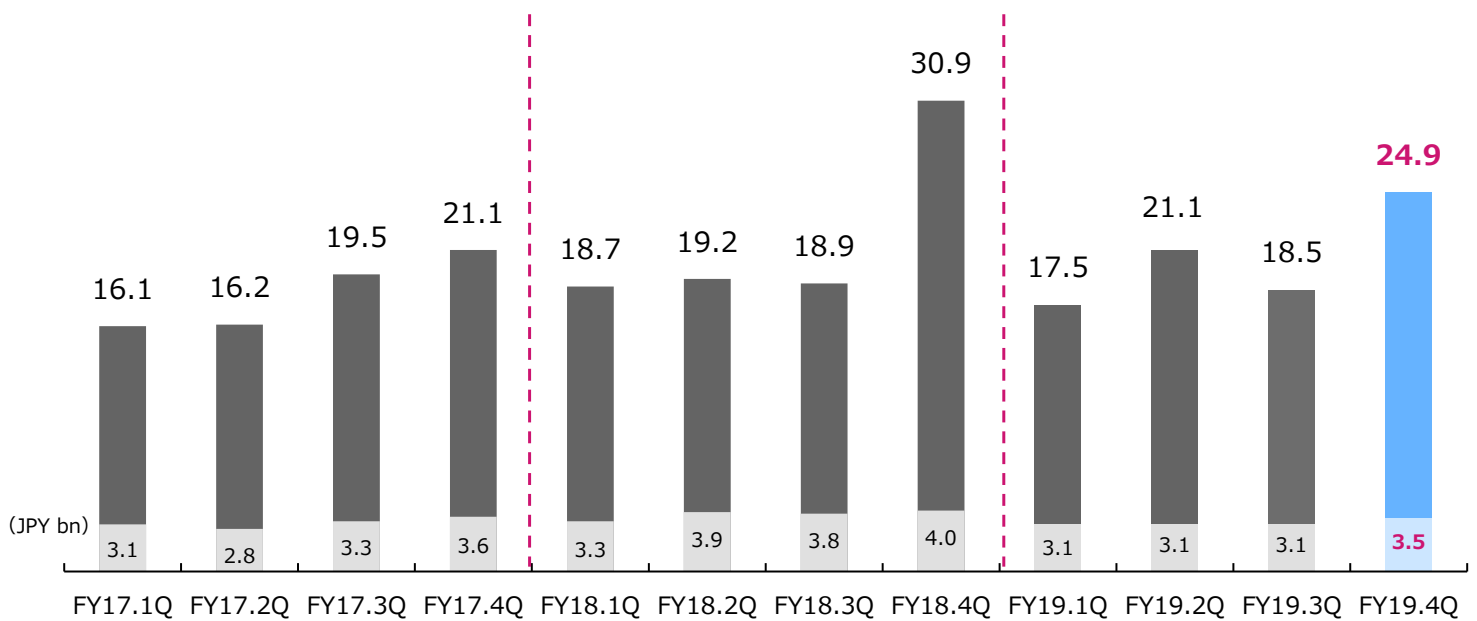
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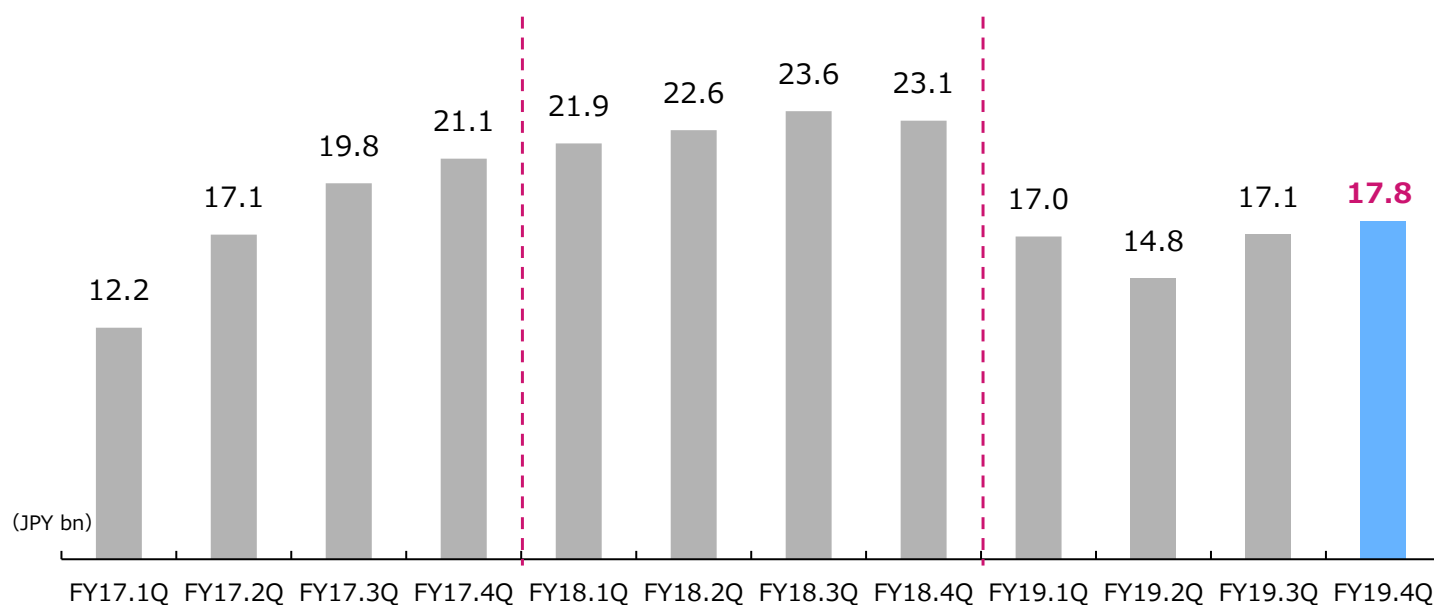


(Note) Individual Life Insurance + Individual Annuities

■ 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.

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Sony Life's ESR

- ◆ The risk amount based on economic value as of March 31, 2020 was ¥805.2 billion, up ¥45.1 billion from December 31, 2019, resulting mainly from updating interest rate risk coefficients.
- ◆ ESR as of March 31, 2020 was 216%, down 9pt from December 31, 2019 due mainly to an increase in risk amount based on economic value.

(JPY bn)	Mar. 19	Dec. 19	Mar. 20	Change from Mar. 19	Change from Dec. 19
Insurance risk	547.3	587.6	607.6	+60.2	+20.0
Market-related risk	332.5	292.1	334.9	+2.3	+42.7
Of which, interest rate risk	202.1	155.1	178.5	(23.5)	+23.4
Operational risk	33.4	40.2	40.3	+6.9	+0.1
Counter party risk	3.0	4.0	3.8	+0.7	(0.1)
Variance effect	(174.0)	(163.8)	(181.5)	(7.5)	(17.7)
The risk amount based on economic value	742.3	760.1	805.2	+62.8	+45.1
(JPY bn)	Mar. 19	Dec. 19	Mar. 20	Change from Mar. 19	Change from Dec. 19
MCEV + Frictional costs	1,743.7	1,717.4	1,743.3	(0.4)	+25.9
ESR	235%	226%	216%	(18pt)	(9pt)

(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) $ESR = (MCEV + \text{Frictional costs}) / \text{Risk amount based on economic value}$.

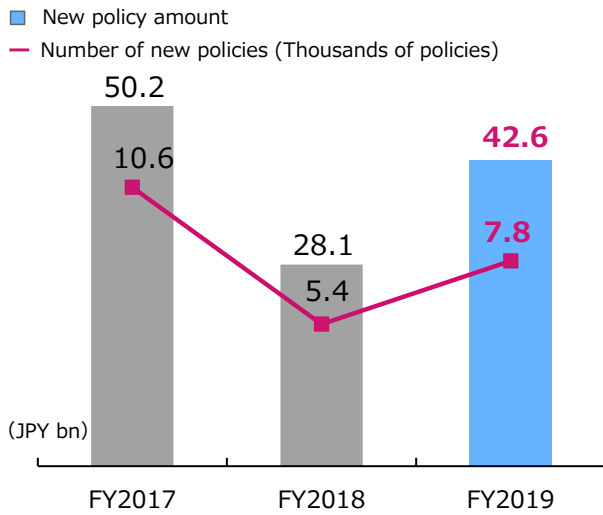
(Note 5) The interest rate risk coefficient has been updated by taking into account of the deepening of negative interest rates in major countries.

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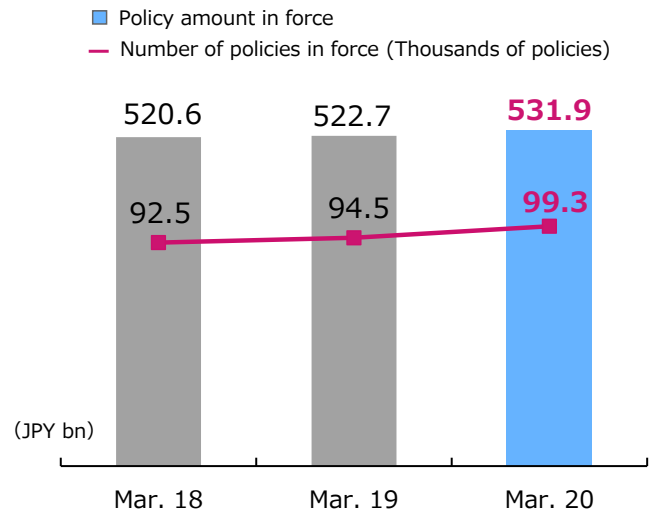
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◆ Sony Life With Insurance's new policy amount and policy amount in force

Number and Amount of New Policies*¹



Number and Amount of Policies in Force*²



*1 Amounts for FY2017 are individual annuities while amounts for FY2018 and FY2019 are total of individual insurance and individual annuities.

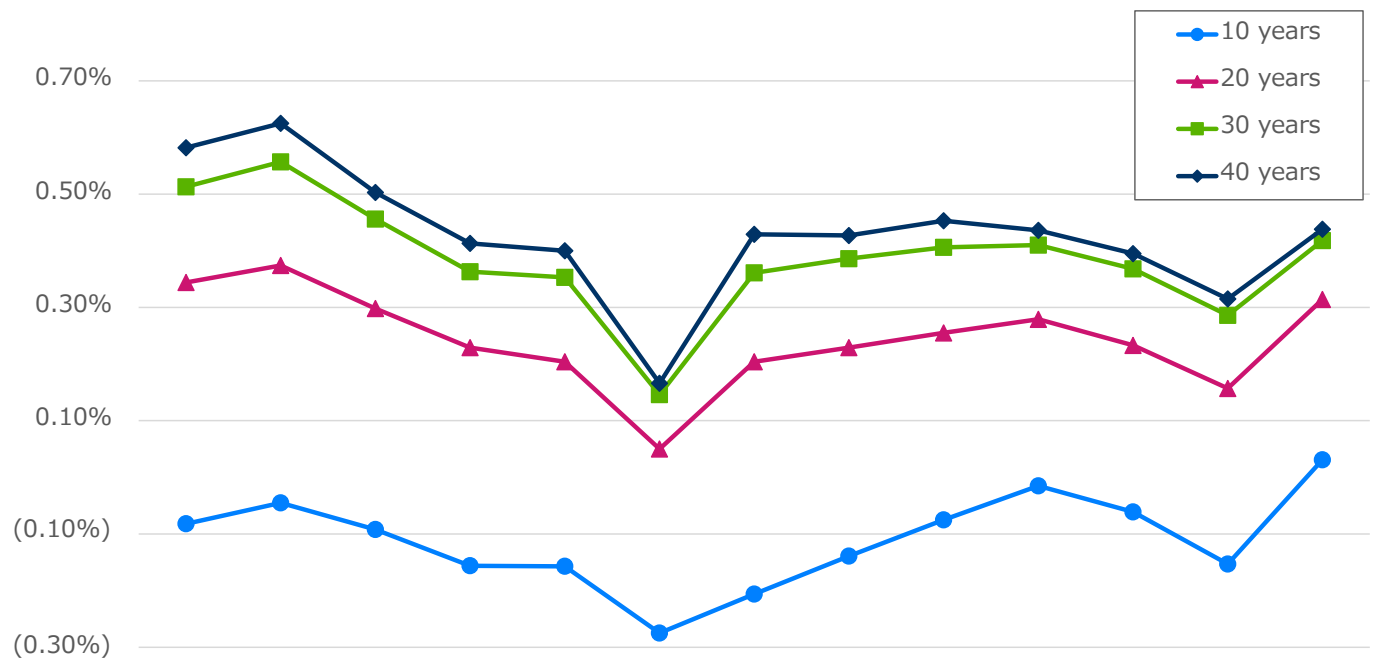
*2 Amounts for as of Mar. 18 are individual annuities while amounts for Mar. 19 and Mar. 20 are total of individual insurance and individual annuities

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

(JPY bn)	FY2018	FY2019	Change
Sony Life With Insurance	(3.9)	(1.2)	+ 2.7
SA Reinsurance	0.3	8.2	+ 7.8

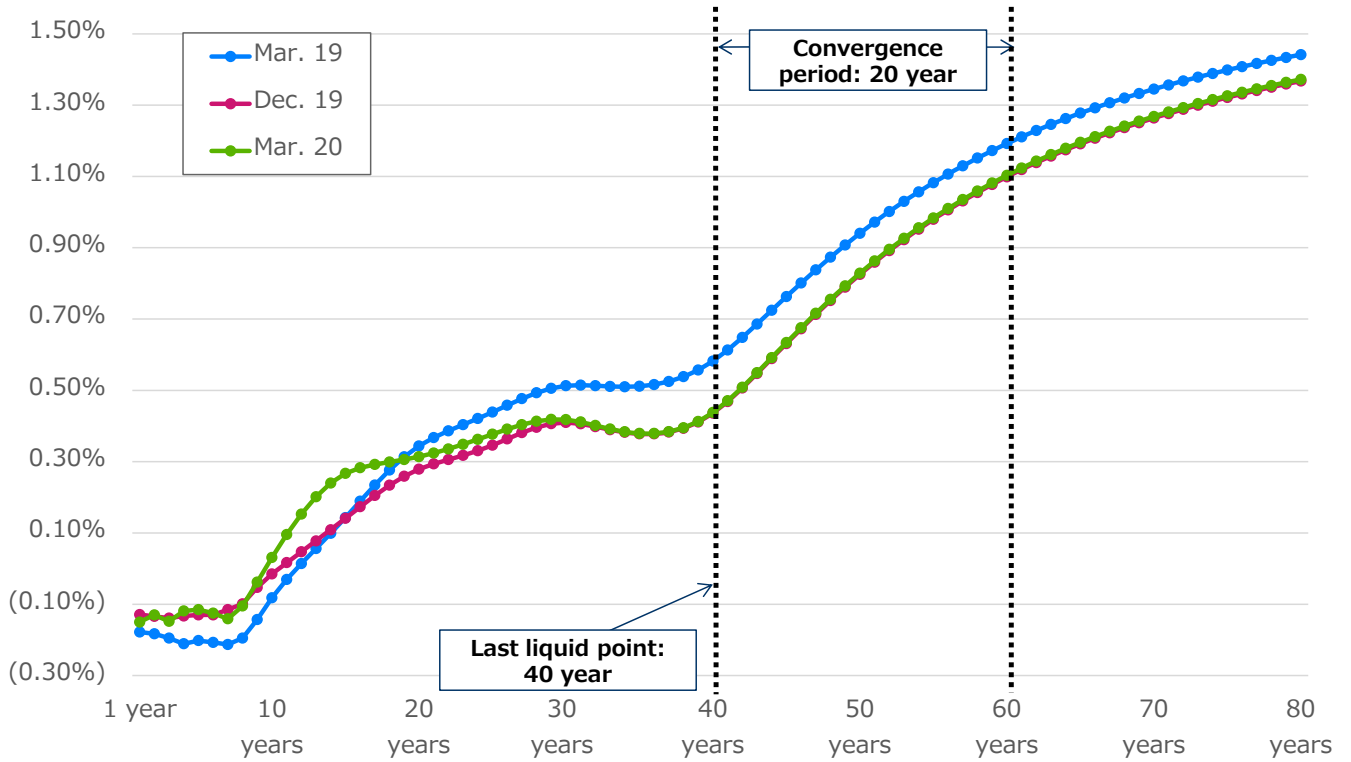
(Note) On Jan. 29, 2020, Sony Life With Insurance (former AEGON Sony Life Insurance) and SA Reinsurance converted into wholly owned subsidiary's of SFH and Sony Life. Furthermore, AEGON Sony Life Insurance changed its name to Sony Life With Insurance on Apr.1, 2020. For FY2018, 50% of the net income (losses) was recognized as investment profit (losses) on equity method in the SFH's consolidated net income. SA Reinsurance prepares its financial statements in accordance with U.S. GAAP.

Trend on JGB Yields (Par rate)



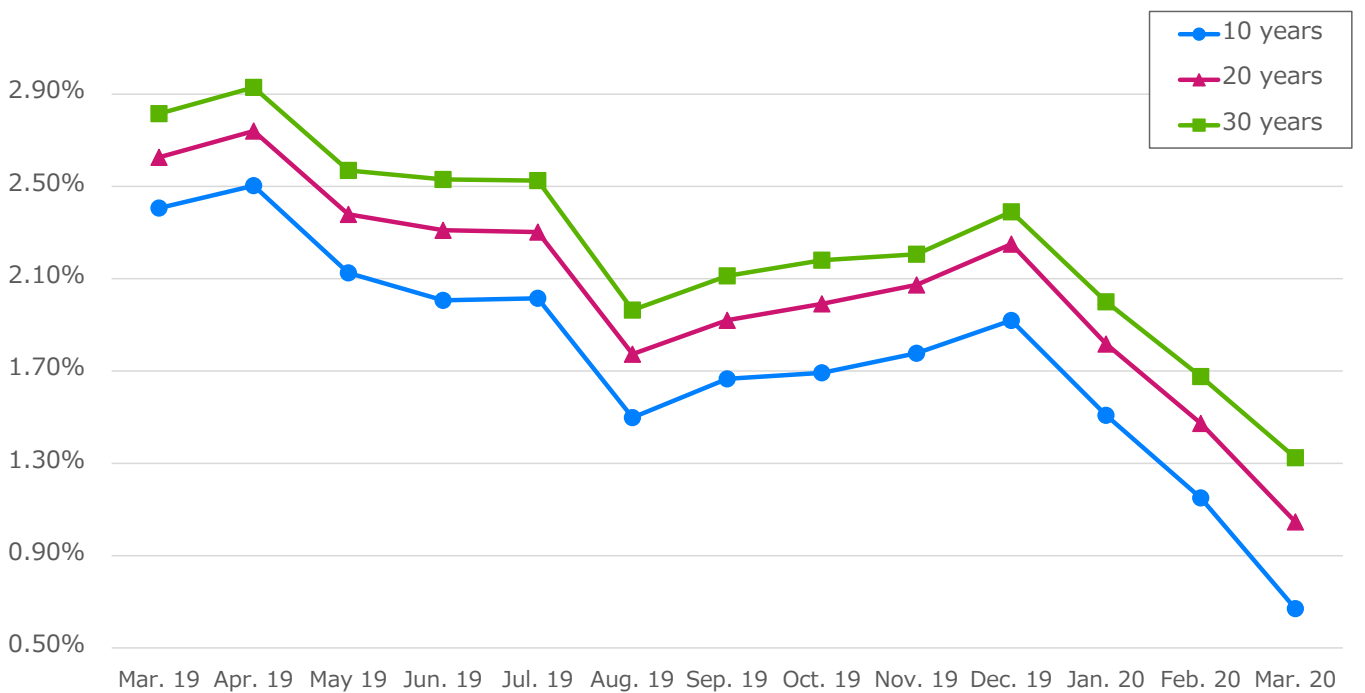
	Mar. 19	Apr. 19	May 19	Jun. 19	Jul. 19	Aug. 19	Sep. 19	Oct. 19	Nov. 19	Dec. 19	Jan. 20	Feb. 20	Mar. 20
10 years	(0.08%)	(0.05%)	(0.09%)	(0.16%)	(0.16%)	(0.28%)	(0.21%)	(0.14%)	(0.08%)	(0.02%)	(0.06%)	(0.15%)	0.03%
20 years	0.34%	0.37%	0.30%	0.23%	0.20%	0.05%	0.20%	0.23%	0.26%	0.28%	0.23%	0.16%	0.31%
30 years	0.51%	0.56%	0.46%	0.36%	0.35%	0.15%	0.36%	0.39%	0.41%	0.41%	0.37%	0.29%	0.42%
40 years	0.58%	0.63%	0.50%	0.41%	0.40%	0.17%	0.43%	0.43%	0.45%	0.44%	0.40%	0.32%	0.44%

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

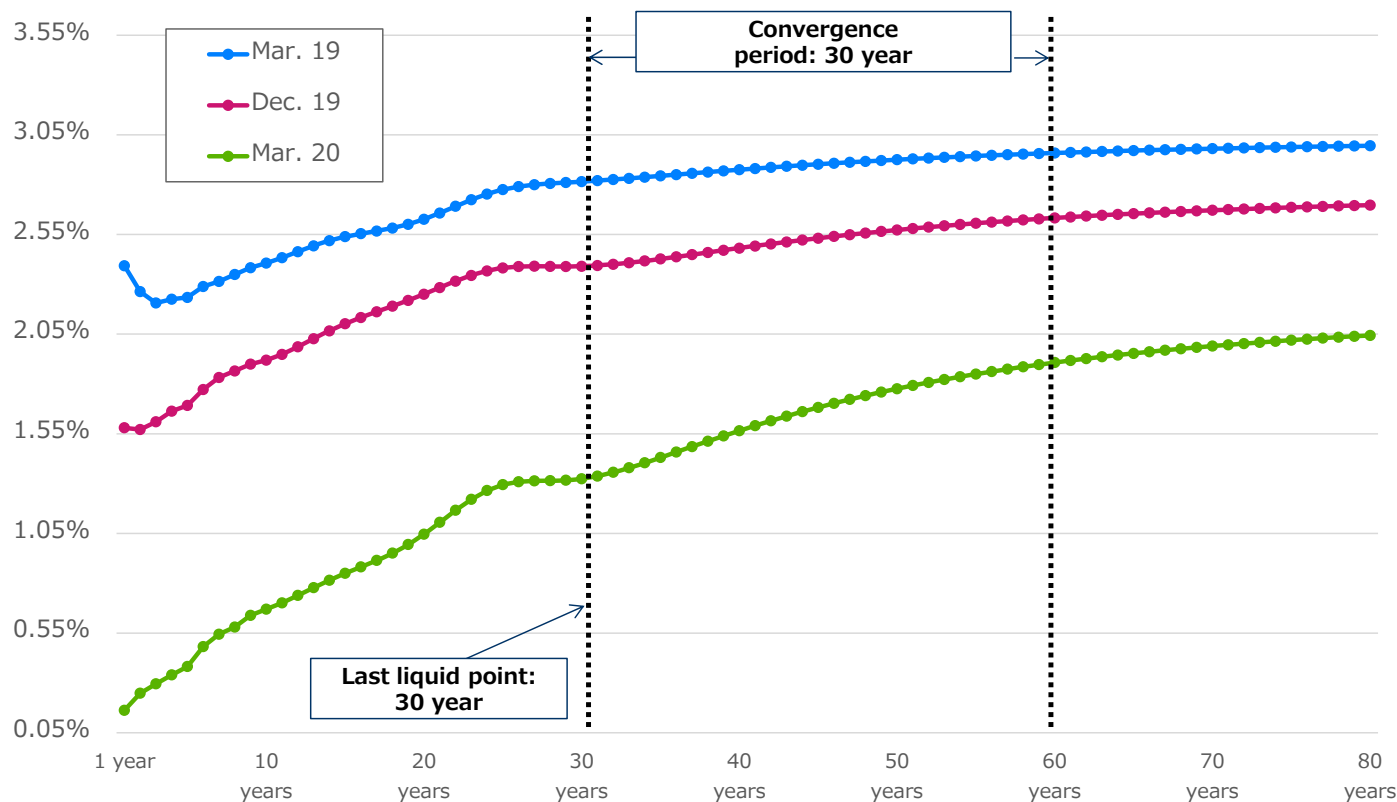


*For above risk-free rate, we employ the Smith-Wilson method for extrapolation so that the 60-year forward rate will coverage on the UFR (3.5%).

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



	Mar. 19	Apr. 19	May 19	Jun. 19	Jul. 19	Aug. 19	Sep. 19	Oct. 19	Nov. 19	Dec. 19	Jan. 20	Feb. 20	Mar. 20
10 years	2.41%	2.50%	2.13%	2.01%	2.02%	1.50%	1.67%	1.69%	1.78%	1.92%	1.51%	1.15%	0.67%
20 years	2.63%	2.74%	2.38%	2.31%	2.30%	1.77%	1.92%	1.99%	2.07%	2.25%	1.82%	1.47%	1.05%
30 years	2.82%	2.93%	2.57%	2.53%	2.53%	1.96%	2.11%	2.18%	2.21%	2.39%	2.00%	1.68%	1.32%



*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)	FY2018	FY2019	Change	
Life insurance business	Ordinary revenues		1,464.3	1,604.7	+140.3	+9.6%
	Ordinary profit		78.2	94.3	+16.1	+20.7%
Non-life insurance business	Ordinary revenues		115.1	121.7	+6.6	+5.8%
	Ordinary profit		6.8	8.0	+1.1	+17.0%
Banking business	Ordinary revenues		46.0	50.2	+4.2	+9.2%
	Ordinary profit		9.5	10.6	+1.0	+11.4%
Intersegment adjustments*	Ordinary revenues		3.6	4.6	+0.9	+26.3%
	Ordinary profit		(0.8)	(1.2)	(0.4)	—
Consolidated	Ordinary revenues		1,629.1	1,781.4	+152.2	+9.3%
	Ordinary profit		93.8	111.8	+18.0	+19.2%
	Profit attributable to owners of the parent		62.0	74.4	+12.3	+19.9%

*"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, SmartLink Network Europe B.V. is included in the scope of consolidation from FY19.2Q, and Sony Life With Insurance (former AEGON Sony Life Insurance) and SA Reinsurance are included in the scope of consolidation from FY19.4Q respectively.

(Note) Comprehensive income : FY2018: ¥ 57.4 billion, FY2019: ¥62.1 billion

		(JPY bn)	Mar. 19	Mar. 20	Change from Mar. 19	
Consolidated	Net assets		656.8	691.9	+35.1	+5.3%
	Total assets		13,468.2	15,125.7	+1,657.4	+12.3%

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(JPY bn)	FY2018	FY2019	Change	
Ordinary revenues	1,464.2	1,580.1	+115.8	+7.9%
Income from insurance premiums	1,136.1	1,330.8	+194.7	+17.1%
Investment income	278.9	193.7	(85.2)	(30.6%)
Interest income and dividends	166.9	181.8	+14.8	+8.9%
Foreign exchange gains, net	13.4	—	(13.4)	(100.0%)
Gains on separate accounts, net	87.9	—	(87.9)	(100.0%)
Ordinary expenses	1,384.4	1,491.3	+106.9	+7.7%
Insurance claims and other payments	457.2	511.9	+54.6	+12.0%
Provision for policy reserves and others	704.7	694.2	(10.5)	(1.5%)
Investment expenses	24.6	68.1	+43.4	+176.5%
Losses on valuation of securities	4.0	6.3	+2.2	+56.9%
Losses on derivatives, net	13.9	—	(13.9)	(100.0%)
Foreign exchange losses, net	—	6.3	+6.3	—
Losses on separate accounts, net	—	45.9	+45.9	—
Operating expenses	146.9	156.4	+9.4	+6.4%
Ordinary profit	79.8	88.7	+8.9	+11.2%
Net income	49.6	56.7	+7.1	+14.4%

(JPY bn)	Mar. 19	Dec. 19	Change from Mar. 19	
Securities	9,523.8	10,629.9	+1,106.0	+11.6%
Policy reserves	9,268.4	9,959.8	+691.4	+7.5%
Net assets	513.9	539.5	+25.6	+5.0%
Net unrealized gains on other securities	122.7	123.8	+1.1	+0.9%
Total assets	10,380.1	11,237.1	+856.9	+8.3%
Separate account Assets *	1,300.7	1,323.9	+23.2	+1.8%

(JPY bn)	FY2018	FY2019	Change	
Gains from investment, net (General account)	166.3	171.5	+5.2	+3.1%

*A portion of surplus investment funds are jointly invested, which amounted to ¥1.7 billion as of March 31, 2020.

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

(JPY bn)	FY2018	FY2019	Change	
Ordinary revenues	115.1	121.7	+6.6	+5.8%
Underwriting income	113.1	119.7	+6.5	+5.8%
Investment income	1.8	1.9	+0.0	+4.2%
Ordinary expenses	108.2	113.6	+5.4	+5.0%
Underwriting expenses	78.4	82.3	+3.9	+5.0%
Operating, general and administrative expenses	29.7	31.2	+1.5	+5.1%
Ordinary profit	6.8	8.0	+1.1	+17.0%
Underwriting income	5.0	6.1	+1.1	+22.1%
Net income	4.9	5.8	+0.8	+16.2%

(JPY bn)	Mar. 19	Mar. 20	Change from Mar. 19	
Underwriting reserves	127.8	139.1	+11.3	+8.9%
Net assets	34.7	37.7	+2.9	+8.6%
Total assets	219.6	234.8	+15.2	+6.9%

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

(JPY mn)	FY2018	FY2019	Change
Fire	616	2,275	+269.2%
Marine	—	—	—
Personal accident	8,823	9,253	+4.9%
Voluntary automobile	102,758	107,606	+4.7%
Compulsory automobile liability	—	—	—
Total	112,198	119,135	+6.2%

Net Premiums Written

(JPY mn)	FY2018	FY2019	Change
Fire	265	1,284	+384.6
Marine	(0)	0	—
Personal accident	8,872	9,044	+1.9%
Voluntary automobile	102,458	107,311	+4.7%
Compulsory automobile liability	1,505	1,712	+13.8%
Total	113,101	119,352	+5.5%

Net losses paid

(JPY mn)	FY2018	FY2019	Change
Fire	15	205	—
Marine	10	(3)	—
Personal accident	3,009	3,249	+8.0%
Voluntary automobile	52,223	55,518	+6.3%
Compulsory automobile liability	1,350	1,346	(0.3%)
Total	56,608	60,315	+6.5%

◆ Consolidated

(JPY bn)	FY2018	FY2019	Change	
Ordinary revenues	46.0	50.2	+4.2	+9.2%
Ordinary profit	9.5	10.6	+1.0	+11.4%
Profit attributable to owners of the parent	6.3	7.0	+0.7	+11.4%

◆ Non-consolidated

(JPY bn)	FY2018	FY2019	Change	
Ordinary revenues	41.7	45.3	+3.6	+8.8%
Gross operating profit	24.5	27.1	+2.5	+10.6%
Net interest income	23.3	24.7	+1.3	+6.0%
Net fees and Commissions	(2.2)	0.9	+1.2	-
Net other operating income	3.4	3.3	(0.0)	(1.5%)
General and administrative expenses	15.9	17.7	+1.8	+11.8%
Net operating profit	8.5	9.3	+0.7	+9.0%
Ordinary profit	8.6	9.5	+0.8	+10.2%
Net income	6.0	6.6	+0.6	+10.2%

(JPY bn)	Mar. 19	Mar. 20	Change from Mar. 19	
Net assets	87.2	77.3	(9.9)	(11.4%)
Net unrealized gains on other securities, net of taxes	3.9	(10.2)	(14.2)	-
Total assets	2,860.9	3,079.4	+218.5	+7.6%

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

(JPY bn)	Mar. 19	Mar 20	Change from Mar. 19	
AAA	296.6	308.1	+11.4	+3.9%
AA	77.3	67.4	(9.9)	(12.8%)
A	288.0	277.3	(10.6)	(3.7%)
BBB	24.4	28.9	+4.5	+18.8%
Others	10.0	21.4	+11.4	+113.9%
Total	696.4	703.3	+6.8	+1.0%

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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)	FY2018	FY2019	Change	
Gross operating profit	24.4	27.0	+2.5	+10.6%
Net interest income* ¹ ①	25.5	26.4	+0.8	+3.4%
Net fees and commissions* ² ②	(1.7)	(0.5)	+1.2	-
Net other operating income* ³	0.7	1.2	+0.5	+72.0%
Gross operating profit (core profit)(A) = ① + ②	23.7	25.8	+2.0	+8.8%
Operating expenses and other Expenses ③	15.9	17.8	+1.8	+11.5%
Net operating profit (core profit) = (A) - ③	7.8	8.0	+0.2	+3.1%

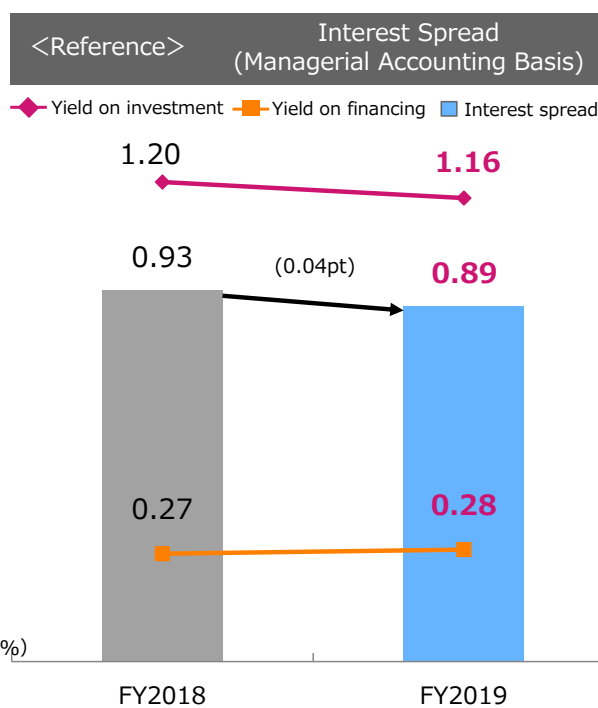
■ Managerial accounting basis

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

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

■ Core profit

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



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

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