

**Consolidated Financial Summary (Japanese GAAP)
for the Six Months Ended September 30, 2019**

November 12, 2019

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

1. Consolidated financial results for the six months ended September 30, 2019

(1) Operating results

	Ordinary Revenues		Ordinary Profit		Profit Attributable to Owners of the Parent	
	Millions of yen	% change	Millions of yen	% change	Millions of yen	% change
For the six months ended September 30, 2019	894,498	3.9	59,696	26.4	40,450	27.3
For the six months ended September 30, 2018	860,895	21.5	47,228	44.6	31,770	47.1

Note: Comprehensive income: For the six months ended September 30, 2019: ¥ 51,859 million: 170.0%
For the six months ended September 30, 2018: ¥ 19,205 million: (22.4)%

	Net Income per Share	Net Income per Share (Fully Diluted)
	Yen	Yen
For the six months ended September 30, 2019	92.98	92.96
For the six months ended September 30, 2018	73.04	73.02

(2) Financial condition

	Total Assets	Total Net Assets	Net Asset Ratio
	Millions of yen	Millions of yen	%
As of September 30, 2019	14,143,342	681,612	4.8
As of March 31, 2019	13,468,215	656,846	4.9

Note: Net assets attributable to shareholders: As of September 30, 2019: ¥ 679,367 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)			—	65.00	65.00

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

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

(Percentage figures represent changes from the results of the previous fiscal year.)

	Ordinary Revenues		Ordinary Profit		Profit Attributable to Owners of the Parent		Net Income per Share
	Millions of yen	% change	Millions of yen	% change	Millions of yen	% change	Yen
For the year ending March 31, 2020	1,690,000	3.7	98,000	4.4	65,000	4.7	149.42

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

4. Notes

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

(2) Application of special accounting methods for preparing quarterly consolidated financial statements: None

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

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

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

(c) Changes in accounting estimates: None

(d) Restatements of the consolidated financial statements: None

(4) Number of shares outstanding (common stock)

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

As of September 30, 2019: 435,087,405 shares

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

(b) Number of treasury shares

As of September 30, 2019: 37,425 shares

As of March 31, 2019: 37,425 shares

(c) Weighted-average number of shares

For the six months ended September 30, 2019: 435,033,699 shares

For the six months ended September 30, 2018: 435,006,128 shares

Status of interim audit procedures

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

Content of Supplemental Materials

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* The conference call for explaining the Sony Financial Group financial results will be held at 16:30 (Tokyo), November 12, 2019. Please note that our conference call will be held only in Japanese. We will upload the presentation materials with speech text on November 12, 2019 after 15:00, the translation of the conference call (audio) on November 13 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

* On November 12, 2019, Sony Financial Holdings Inc.'s (SFH's) significant subsidiaries—Sony Life Insurance Co., Ltd. (Sony Life), Sony Assurance Inc. (Sony Assurance) and Sony Bank Inc. (Sony Bank)—will announce their financial results for the six months ended September 30, 2019. SFH has prepared an English-language summary of those Japanese announcements made by the above subsidiaries, solely for the convenience of non-Japanese readers.

I. Consolidated Financial Statements

1. Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2019	As of September 30, 2019
Assets		
Cash and due from banks	¥ 415,894	¥ 449,555
Call loans and bills bought	93,700	87,000
Monetary claims purchased	4,916	3,955
Money held in trust	291,324	291,872
Securities	10,373,188	10,926,860
Loans	1,942,546	2,043,079
Tangible fixed assets	104,128	104,905
Intangible fixed assets	43,909	45,723
Due from reinsurers	1,341	852
Foreign exchanges	8,471	9,377
Other assets	159,361	150,495
Net defined benefit asset	3,476	3,751
Deferred tax assets	27,556	27,555
Reserve for possible loan losses	(1,602)	(1,643)
Total Assets	¥ 13,468,215	¥ 14,143,342

(Millions of yen)

	As of March 31, 2019	As of September 30, 2019
Liabilities		
Policy reserves and others	¥ 9,479,071	¥ 9,900,691
Reserve for outstanding claims	78,285	80,603
Policy reserves	9,396,241	9,815,653
Reserve for policyholders' dividends	4,544	4,434
Due to agencies	2,073	2,110
Due to reinsurers	5,769	4,897
Deposits	2,302,313	2,365,410
Call money and bills sold	130,611	195,713
Borrowed money	203,871	203,964
Foreign exchanges	244	639
Bonds payable	20,000	20,000
Other liabilities	578,477	678,026
Reserve for employees' bonuses	4,377	3,992
Net defined benefit liability	34,081	34,589
Reserve under the special laws	50,343	51,572
Reserve for price fluctuations	50,343	51,572
Deferred tax liabilities	24	12
Deferred tax liabilities on land revaluation	109	109
Total Liabilities	12,811,368	13,461,730
Net Assets		
Common stock	19,963	19,994
Capital surplus	191,193	191,224
Retained earnings	319,886	333,148
Treasury stock	(55)	(55)
Total shareholders' equity	530,987	544,312
Net unrealized gains (losses) on available-for-sale securities, net of taxes	128,800	139,857
Net deferred gains (losses) on hedging instruments, net of taxes	(1,077)	(1,169)
Land revaluation, net of taxes	(2,439)	(2,439)
Remeasurements of defined benefit plans, net of taxes	(1,470)	(1,194)
Total accumulated other comprehensive income	123,812	135,054
Subscription rights to shares	149	181
Non-controlling interests	1,896	2,063
Total Net Assets	656,846	681,612
Total Liabilities and Net Assets	¥ 13,468,215	¥ 14,143,342

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

(Millions of yen)

	For the six months ended September 30, 2018	For the six months ended September 30, 2019
Ordinary Revenues	¥ 860,895	¥ 894,498
Ordinary Revenues from the Life Insurance Business	777,970	805,727
Income from insurance premiums	540,924	664,570
Insurance premiums	539,796	663,440
Ceded reinsurance commissions	1,128	1,129
Investment income	231,430	134,155
Interest income and dividends	81,806	88,105
Income from money held in trusts, net	2,246	2,282
Gains on trading securities, net	—	70
Gains on sale of securities	3,316	2,317
Foreign exchange gains, net	21,398	—
Other investment income	—	1
Gains on separate accounts, net	122,662	41,377
Other ordinary income	5,614	7,000
Ordinary Revenues from the Non-life Insurance Business	57,761	60,671
Underwriting income	56,552	59,345
Net premiums written	56,519	59,307
Interest and dividends on deposits of premiums	32	38
Investment income	1,172	1,302
Interest income and dividends	678	668
Gains on sale of securities	526	672
Transfer to interest and dividends on deposits of premiums	(32)	(38)
Other ordinary income	36	23
Ordinary Revenues from the Banking Business	21,911	24,443
Interest income	15,433	16,934
Interest income on loans	8,627	9,170
Interest income and dividends on securities	6,771	7,726
Interest income on call loans and bills bought	0	0
Interest income on deposits with banks	31	31
Other interest income	3	5
Fees and commissions	4,042	5,508
Other operating income	2,133	1,884
Other ordinary income	301	116
Other	3,251	3,656
Other ordinary income	3,251	3,656

(Continued)

(Millions of yen)

	For the six months ended September 30, 2018	For the six months ended September 30, 2019
Ordinary Expenses	¥ 813,666	¥ 834,802
Ordinary Expenses from the Life Insurance Business	741,913	758,168
Insurance claims and other payments	200,482	222,613
Insurance claims	45,222	47,081
Annuity payments	6,347	7,174
Insurance benefits	43,073	53,625
Surrender payments	98,856	108,017
Other payments	1,928	1,820
Reinsurance premiums	5,054	4,894
Provision for policy reserves and others	426,877	415,119
Provision for reserve for outstanding claims	3,726	1,834
Provision for policy reserves	423,150	413,284
Interest portion of reserve for policyholders' dividends	0	0
Investment expenses	26,654	22,024
Interest expenses	577	2,210
Losses on trading securities, net	11	—
Losses on sale of securities	34	—
Losses on valuation of securities	4,026	2,991
Losses on derivatives, net	19,704	4,251
Foreign exchange losses, net	—	10,552
Provision for reserve for possible loan losses	1	26
Depreciation of real estate for rent and others	800	811
Other investment expenses	1,497	1,180
Operating expenses	71,372	78,468
Other ordinary expenses	16,526	19,942
Ordinary Expenses from the Non-life Insurance Business	51,929	54,487
Underwriting expenses	38,733	40,274
Net losses paid	26,830	28,821
Loss adjustment expenses	4,031	4,269
Net commission and brokerage fees	625	573
Provision for reserve for outstanding losses and claims	1,782	483
Provision for underwriting reserves	5,463	6,127
Investment expenses	1	0
Losses on sale of securities	0	—
Other investment expenses	1	0
Operating, general and administrative expenses	13,193	14,209
Other ordinary expenses	1	3

(Continued)

(Millions of yen)

	For the six months ended September 30, 2018	For the six months ended September 30, 2019
Ordinary Expenses from the Banking Business	¥ 16,177	¥ 17,957
Interest expenses	3,993	4,813
Interest expenses on deposits	3,139	3,923
Interest expenses on call money and bills sold	3	181
Interest on payables under repurchase agreements	64	171
Interest on borrowed money	0	0
Interest expenses on bonds	6	6
Interest expenses on interest rate swaps	775	525
Other interest expenses	3	4
Fees and commissions	2,778	3,378
Other operating expenses	106	1
General and administrative expenses	9,091	9,706
Other ordinary expenses	207	57
Other	3,646	4,188
Other ordinary expenses	3,646	4,188
Ordinary Profit	47,228	59,696
Extraordinary Gains	0	0
Gains on disposal of fixed assets	0	0
Extraordinary Losses	1,115	1,544
Losses on disposal of fixed assets	51	51
Impairment losses	10	15
Provision for reserve under the special laws	1,053	1,228
Provision for reserve for price fluctuations	1,053	1,228
Others	—	249
Provision for Reserve for Policyholders' Dividends	62	128
Income Before Income Taxes	46,052	58,023
Income Taxes - Current	14,659	21,267
Income Taxes - Deferred	(498)	(3,860)
Total Income Taxes	14,160	17,406
Profit	31,891	40,616
Profit Attributable to Non-controlling Interests	120	165
Profit Attributable to Owners of the Parent	¥ 31,770	¥ 40,450

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

	For the six months ended September 30, 2018	For the six months ended September 30, 2019
Profit	¥ 31,891	¥ 40,616
Other comprehensive income		
Net unrealized gains (losses) on available-for-sale securities, net of taxes	(13,192)	10,846
Net deferred gains (losses) on hedging instruments, net of taxes	236	(92)
Remeasurements of defined benefit plans, net of taxes	269	278
Share of other comprehensive income of affiliates accounted for using equity method	—	210
Total other comprehensive income	(12,686)	11,243
Comprehensive income	¥ 19,205	¥ 51,859
(Details)		
Comprehensive income attributable to owners of the parent	19,083	51,692
Comprehensive income attributable to non-controlling interests	122	166

3. Consolidated Statements of Changes in Net Assets

For the six months ended September 30, 2018

(Millions of yen)

	Shareholders' Equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the period	¥ 19,927	¥ 191,157	¥ 283,911	¥ (55)	¥ 494,941
Changes during the period					
Issuance of new shares	35	35	—	—	71
Dividends from surplus	—	—	(26,099)	—	(26,099)
Profit attributable to owners of the parent	—	—	31,770	—	31,770
Net changes of items other than shareholders' equity	—	—	—	—	—
Total changes during the period	35	35	5,671	—	5,742
Balance at the end of the period	¥ 19,963	¥ 191,193	¥ 289,582	¥ (55)	¥ 500,684

	Total accumulated other comprehensive income					Subscription rights to shares	Non-controlling interests	Total net assets
	Net unrealized gains (losses) on available-for-sale securities, net of taxes	Net deferred gains (losses) on hedging instruments, net of taxes	Land revaluation, net of taxes	Remeasurements of defined benefit plans, net of taxes	Total accumulated other comprehensive income			
Balance at the beginning of the period	¥ 133,991	¥ (902)	¥ (2,439)	¥ (1,929)	¥ 128,719	¥ 97	¥ 1,648	¥ 625,406
Changes during the period								
Issuance of new shares	—	—	—	—	—	—	—	71
Dividends from surplus	—	—	—	—	—	—	—	(26,099)
Profit attributable to owners of the parent	—	—	—	—	—	—	—	31,770
Net changes of items other than shareholders' equity	(13,192)	236	—	268	(12,687)	20	122	(12,545)
Total changes during the period	(13,192)	236	—	268	(12,687)	20	122	(6,802)
Balance at the end of the period	¥ 120,798	¥ (666)	¥ (2,439)	¥ (1,660)	¥ 116,032	¥ 117	¥ 1,770	¥ 618,604

For the six months ended September 30, 2019

(Millions of yen)

	Shareholders' Equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the period	¥ 19,963	¥ 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)
Profit attributable to owners of the parent	—	—	40,450	—	40,450
Net changes of items other than shareholders' equity	—	—	—	—	—
Total changes during the period	31	31	13,261	—	13,324
Balance at the end of the period	¥ 19,994	¥ 191,224	¥ 333,148	¥ (55)	¥ 544,312

	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)
Profit attributable to owners of the parent	—	—	—	—	—	—	—	40,450
Net changes of items other than shareholders' equity	11,057	(92)	—	276	11,241	32	166	11,441
Total changes during the period	11,057	(92)	—	276	11,241	32	166	24,765
Balance at the end of the period	¥ 139,857	¥ (1,169)	¥ (2,439)	¥ (1,194)	¥ 135,054	¥ 181	¥ 2,063	¥ 681,612

4. Note on Going Concern

Not applicable.

5. Material Changes in Stockholders' Equity

Not applicable.

6. 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.

7. Segment Information

(1) Outline of reportable segments

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

- The life insurance business consists of Sony Life Insurance Co., Ltd., AEGON Sony Life Insurance Co., Ltd., and SA Reinsurance Ltd.
- The non-life insurance business consists of Sony Assurance Inc.
- The banking business consists of Sony Bank Inc., Sony Payment Services Inc., SmartLink Network Hong Kong Limited and SmartLink Network Europe B.V..

(2) Segment information by reportable segment

For the six months ended September 30, 2018

	Millions of yen					
	Life insurance business	Non-life insurance business	Banking business	Total	Other	Total
Ordinary revenues						
External customers	¥ 777,970	¥ 57,761	¥ 21,911	¥ 857,643	¥ 3,251	¥ 860,895
Intersegment	1,402	0	126	1,530	—	1,530
Total	779,373	57,762	22,038	859,173	3,251	862,425
Segment profit	¥ 37,421	¥ 5,449	¥ 4,669	¥ 47,540	¥ (394)	¥ 47,145
Segment assets	10,068,492	210,016	2,795,224	13,073,734	21,995	13,095,729
Others						
Depreciation	3,775	1,211	1,253	6,239	306	6,546
Interest income and dividends	81,806	679	15,433	97,919	1	97,920
Interest expenses	577	—	4,032	4,610	234	4,845
Equity in earnings (losses) of affiliates	(400)	—	—	(400)	—	(400)
Investments in affiliates	11,919	—	—	11,919	—	11,919
Increase in tangible fixed assets and intangible fixed assets	¥ 2,763	¥ 2,674	¥ 1,476	¥ 6,913	¥ 79	¥ 6,992

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

For the six months ended September 30, 2019

	Millions of yen					
	Life insurance business	Non-life insurance business	Banking business	Total	Other	Total
Ordinary revenues						
External customers	¥ 805,727	¥ 60,671	¥ 24,443	¥ 890,842	¥ 3,656	¥ 894,498
Intersegment	1,225	0	137	1,363	—	1,363
Total	806,953	60,672	24,580	892,206	3,656	895,862
Segment profit	¥ 48,742	¥ 5,770	¥ 5,627	¥ 60,140	¥ (532)	¥ 59,607
Segment assets	10,897,894	225,313	3,025,065	14,148,273	24,758	14,173,031
Others						
Depreciation	4,432	1,193	1,336	6,962	335	7,298
Interest income and dividends	88,105	668	16,934	105,707	1	105,709
Interest expenses	2,210	—	4,851	7,061	282	7,344
Equity in earnings (losses) of affiliates	64	—	—	64	—	64
Investments in affiliates	13,994	—	—	13,994	—	13,994
Increase in tangible fixed assets and intangible fixed assets	¥ 5,259	¥ 2,026	¥ 851	¥ 8,137	¥ 1,763	¥ 9,901

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

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

	Millions of yen			
	For the six months ended September 30, 2018		For the six months ended September 30, 2019	
	¥		¥	
Totals of reportable segments	¥	859,173	¥	892,206
Other		3,251		3,656
Adjustments for intersegment transactions		(1,530)		(1,363)
Ordinary revenues in statement of income	¥	860,895	¥	894,498

	Millions of yen			
	For the six months ended September 30, 2018		For the six months ended September 30, 2019	
	¥		¥	
Totals of reportable segments	¥	47,540	¥	60,140
Other		(394)		(532)
Amount not allocated to reportable segments		82		88
Ordinary profit in statement of income	¥	47,228	¥	59,696

	Millions of yen			
	For the six months ended September 30, 2018		For the six months ended September 30, 2019	
	¥		¥	
Totals of reportable segments	¥	13,073,734	¥	14,148,273
Other		21,995		24,758
Adjustments for intersegment transactions		(66,917)		(73,676)
Amount not allocated to reportable segments		33,205		43,987
Assets in balance sheets	¥	13,062,017	¥	14,143,342

	Millions of yen							
	For the six months ended September 30, 2018				For the six months ended September 30, 2019			
	Total	Other	Adjustments	Consolidated financial statements	Total	Other	Adjustments	Consolidated financial statements
Depreciation	¥ 6,239	¥ 306	¥ 20	¥ 6,567	¥ 6,962	¥ 335	¥ 24	¥ 7,323
Interest income and dividends	97,919	1	(0)	97,920	105,707	1	(0)	105,709
Interest expenses	4,610	234	(39)	4,806	7,061	282	(37)	7,306
Equity in earnings (losses) of affiliates	(400)	—	—	(400)	64	—	—	64
Investments in affiliates	11,919	—	—	11,919	13,994	—	—	13,994
Increase in tangible fixed assets and intangible fixed assets	¥ 6,913	¥ 79	¥ 24	¥ 7,017	¥ 8,137	¥ 1,763	¥ 8	¥ 9,910

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

Not applicable.

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

* SFH's scope of consolidation includes following companies:

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

Affiliated companies accounted for under the equity method:

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

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

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

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

Statements made in this press release concerning the current plans, expectations, strategies and beliefs of the Sony Financial Group. Any statements contained herein that are not historical facts are forward-looking statements or pro forma information. Forward-looking statements may include-but are not limited to-words such as "believe," "anticipate," "plan," "strategy," "expect," "assume," "forecast," "predict," "propose," "intend" and "possibility" that describe future operating activities, business performance, events or conditions. Forward-looking statements, whether spoken or written, may also be included in other materials released to the public. These forward-looking statements and pro forma information are based on assumptions, decisions and judgments made by the management of Sony Financial Group companies, and are based on information that is currently available to them. As such, they are subject to various risks and uncertainties, and actual business results may vary substantially from the forecasts expressed or implied in forward-looking statements. Consequently, investors are cautioned not to place undue reliance on forward-looking statements. Sony Financial Group companies are under no obligation to revise forward-looking statements or pro forma information in light of new information, future events or other findings. The information contained in this press release does not constitute or form part of any offer for sale or subscription of or solicitation or invitation of any offer to buy or subscribe to any securities, nor shall it or any part of it form the basis of or be relied on in connection with any contract or commitment whatsoever in Japan or abroad.

II. Attachment

Content of Presentation Material

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

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

Sony Financial Holdings Inc.
November 12, 2019

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.

*Unless otherwise indicated, in these materials figures less than the indicated unit have been truncated, while ratios and percentage changes have been rounded. Also, a “-” is used where percentage changes exceed 1,000% and in cases where one or both comparisons are negative.

* “Lifeplanner” is a registered trademark of Sony Life.



Consolidated Operating Results for the Six Months Ended September 30, 2019 (FY19.1H)

Highlights of Consolidated Financial Results



- ◆ In each of the three main businesses, ordinary revenues and ordinary profit for FY19.1H outpaced our expectations, and consolidated operating performance is progressing ahead of our forecasts.
- ◆ At Sony Life, lower sales of family income insurance in FY19.1H caused the new policy amount to decrease year on year. Insurance acquisition costs fell mainly due to the lower new policy amount, leading to a year-on-year increase in ordinary profit.

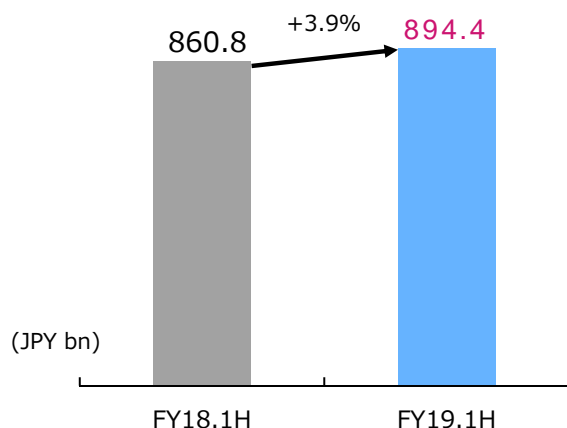
In FY19.2Q (3M), new business value and the new business margin were down from FY19.1Q (3M), mainly owing to a decline in U.S. dollar interest rates and changes in the product mix.

In FY19.2H, we expect new business value to be higher than in FY19.1H, thanks in part to contributions from corporate products, on which we recommenced sales in August.

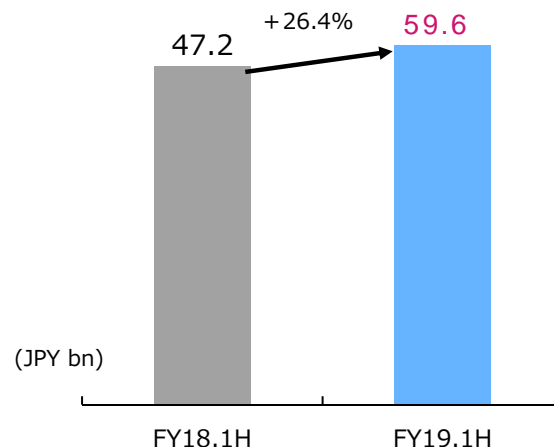
- ◆ At Sony Assurance, sales of automobile insurance were robust.
- ◆ At Sony Bank, mortgage loans drove performance.

- ◆ **Ordinary Revenues :**
Increased 3.9% year on year, to ¥894.4 billion, owing to increases in ordinary revenues from all the businesses: life insurance, non-life insurance and banking businesses.
- ◆ **Ordinary Profit :**
Increased 26.4% year on year, to ¥59.6 billion, owing to increases in ordinary profit from all the businesses mentioned above.

Ordinary Revenues



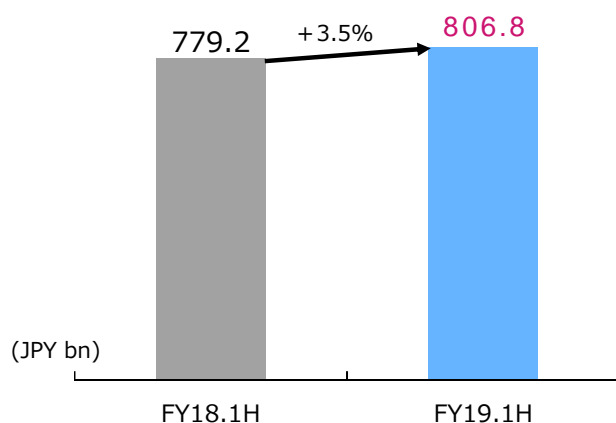
Ordinary Profit



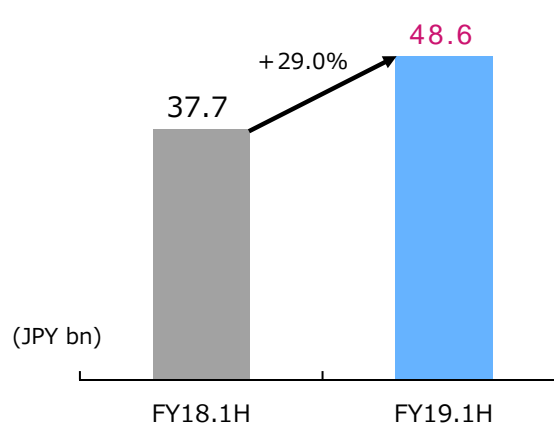
Highlights of Operating Performance : Sony Life (Non-consolidated)

- ◆ **Ordinary Revenues :**
Increased 3.5% year on year, to ¥806.8 billion, due to higher insurance premium revenue, mainly from single premiums insurance, despite a decrease in net gains on investments in the separate account.
- ◆ **Ordinary Profit :**
Rose 29.0% year on year, to ¥48.6 billion, as costs related to the acquisition of new policies fell due to a decline in the new policy amount and profit rose in tandem with expansion of the policy amount in force.

Ordinary Revenues

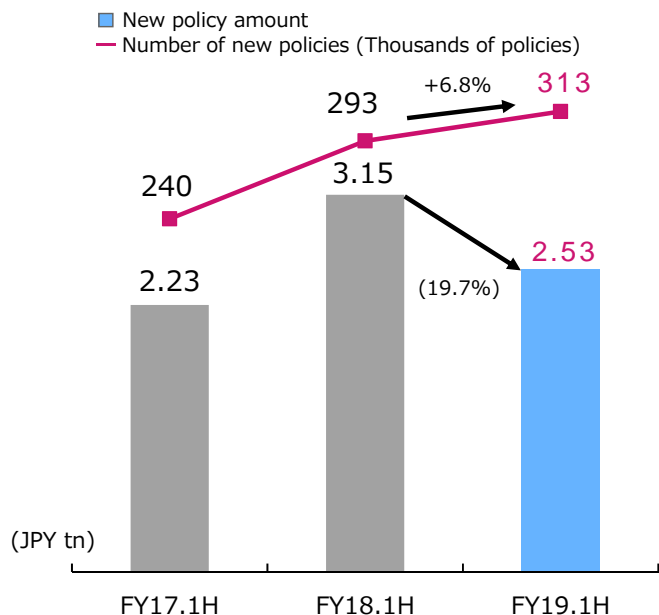


Ordinary Profit

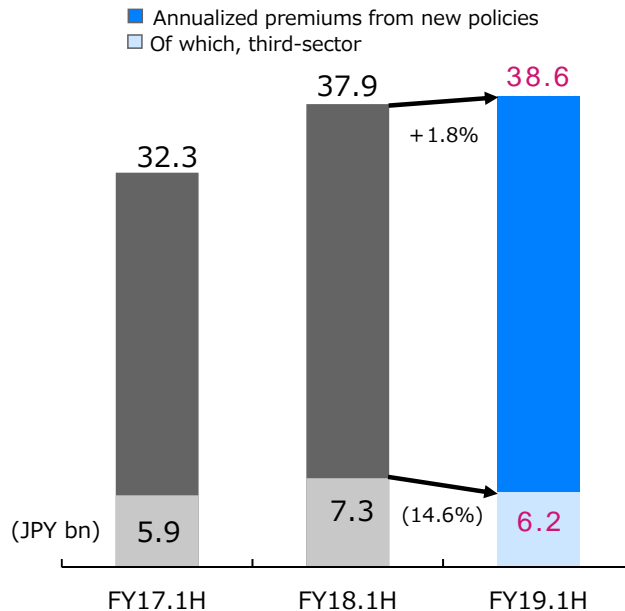


- ◆ **New Policy Amount :**
Decreased due to lower sales of family income insurance.
- ◆ **Annualized Premiums from New Policies :**
Increased due to a favorable sales of U.S. dollar-denominated insurance despite a lower sales of term life insurance and variable life insurance for corporate customers.

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



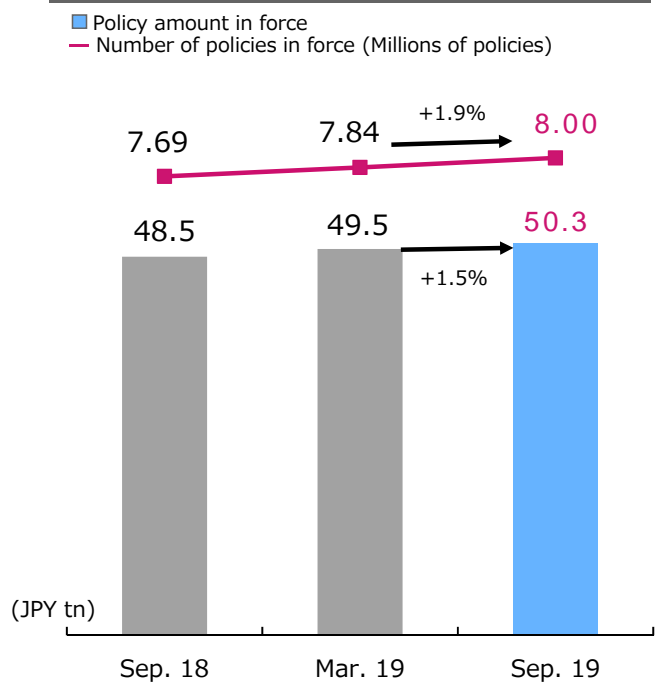
Annualized Premiums from New Policies
(Individual life insurance + Individual annuities)



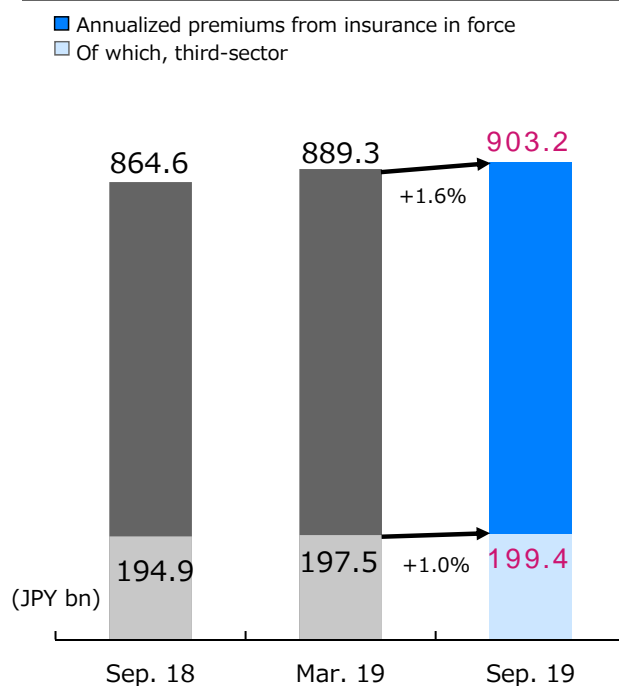
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Number and Amount of Policies in Force
(Individual life insurance + Individual annuities)



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

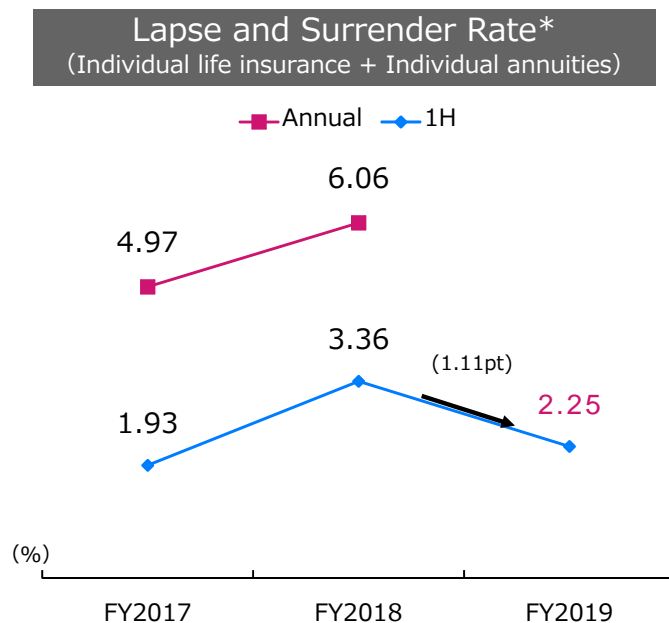


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◆ Lapse and Surrender Rate :

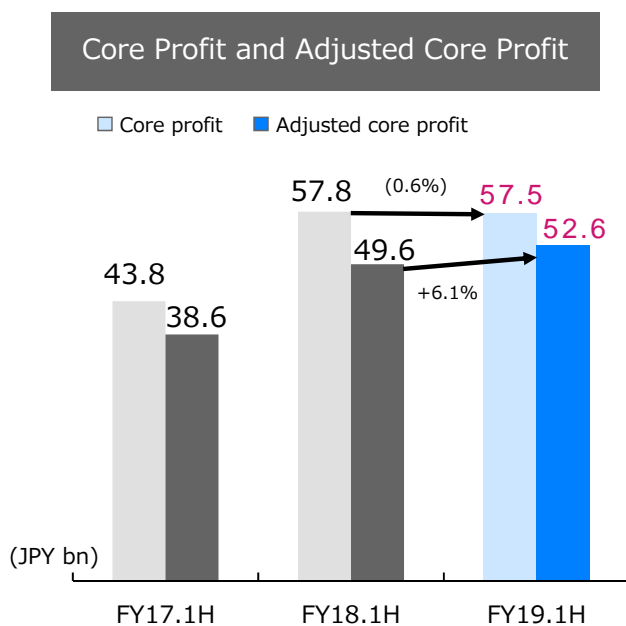
Down due to a decrease in cancellation of policies, with certain customers cancelling existing policies and, taking out new family income insurance and other policies, as premiums were revised in line with revision to the standard mortality tables in February 2018.



*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 :

Remained essentially flat year on year due to an increase in the provision of policy reserves for minimum guarantees for variable life insurance despite an increase in profit owing to growing policy amount in force.



◆ Details of core profit

(JPY bn)	FY17.1H	FY18.1H	FY19.1H
Positive spread	9.3	8.7	9.0
Provision of policy reserve for minimum guarantees for variable life insurance (*)	(4.0)	(0.4)	(4.1)
Adjusted core profit (**)	38.6	49.6	52.6

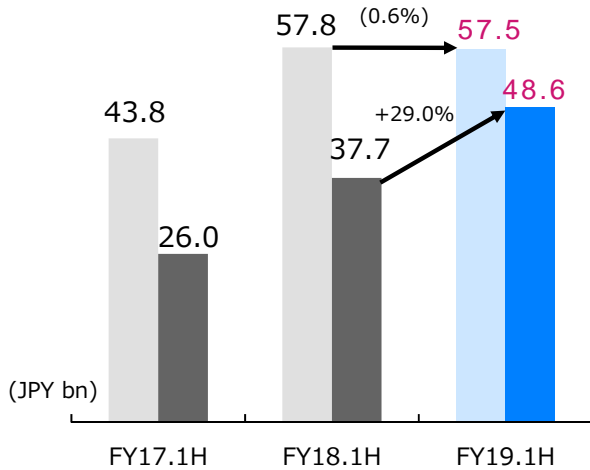
*Provision of policy reserves for minimum guarantees for variable life insurance is described as negative amount.

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

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

Core Profit and Ordinary Profit

Core profit Ordinary profit

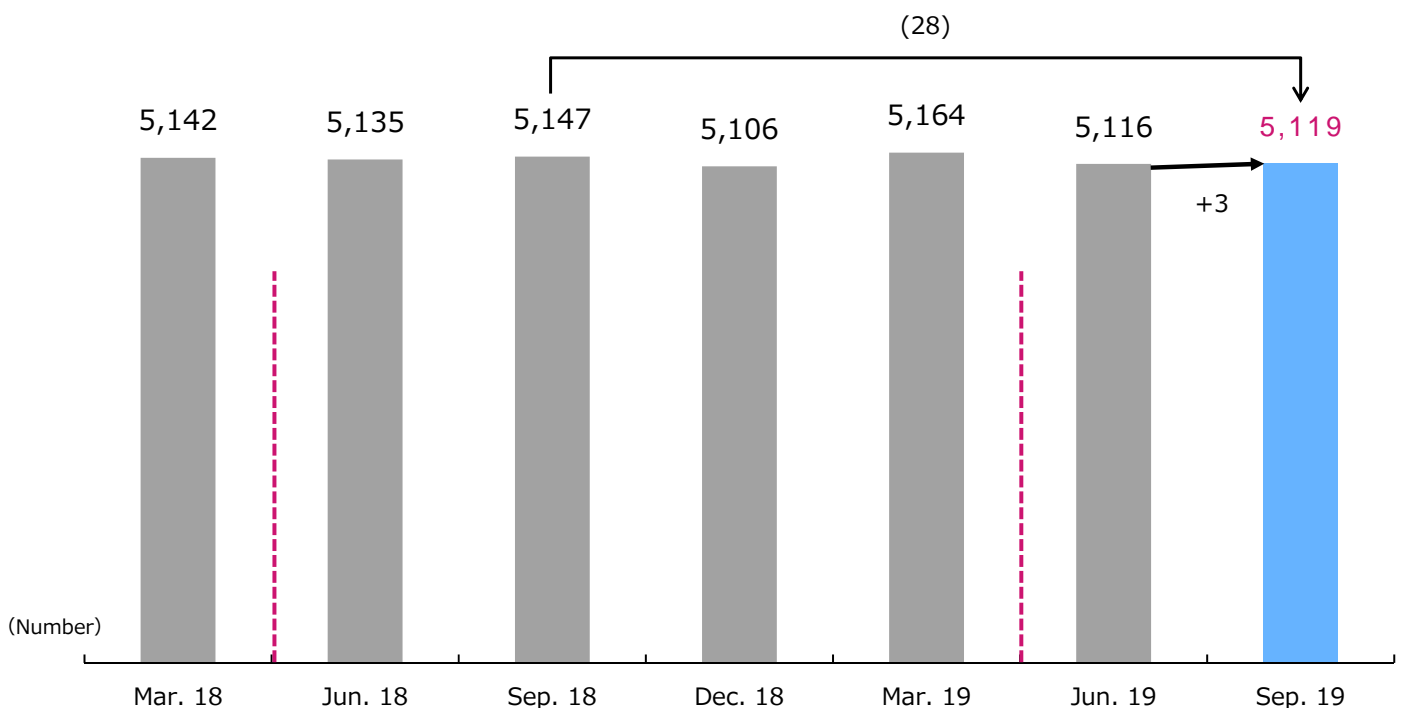


◆ Difference from core profit

(JPY bn)	FY17.1H	FY18.1H	FY19.1H
Core profit	43.8	57.8	57.5
Capital gains (losses) excluding gains or losses on hedges (*)	(5.6)	(3.3)	(0.4)
Gains (losses) on hedges of variable life insurance (**)	(8.5)	(12.3)	(3.6)
Provision of contingency reserve (***)	(3.6)	(4.4)	(4.6)
Others	(0.0)	(0.0)	(0.0)
Ordinary profit	26.0	37.7	48.6

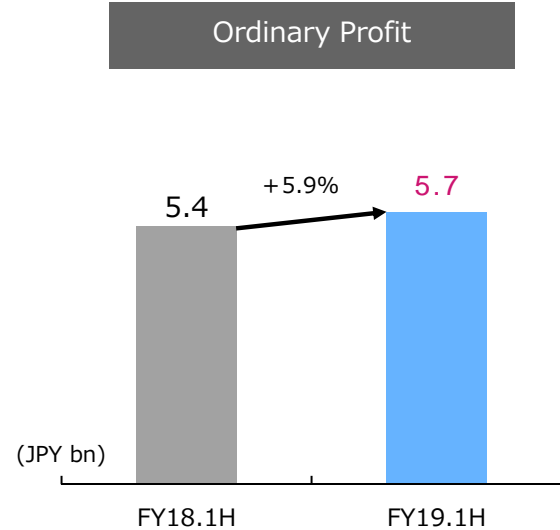
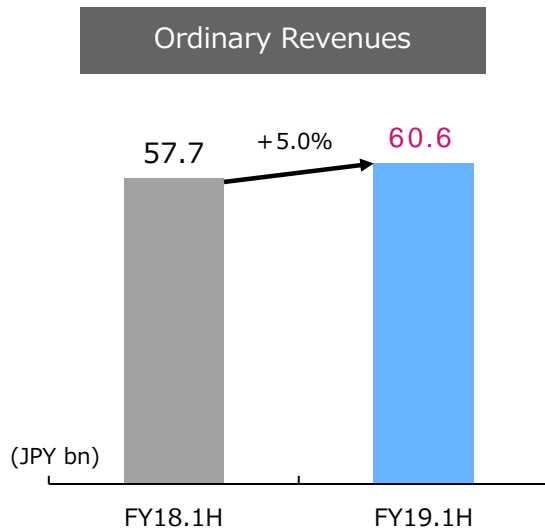
*Capital gains (losses) exclude gains or losses on hedges of variable life insurance.
 ** Gains (losses) on hedges of variable life insurance offset the impact of market fluctuations on provision of policy reserves for minimum guarantees for variable life insurance on the previous page.
 *** Provision of contingency reserve is described as negative amount.

Number of Lifepanner Sales Employees



◆ Ordinary Revenues and Ordinary Profit :

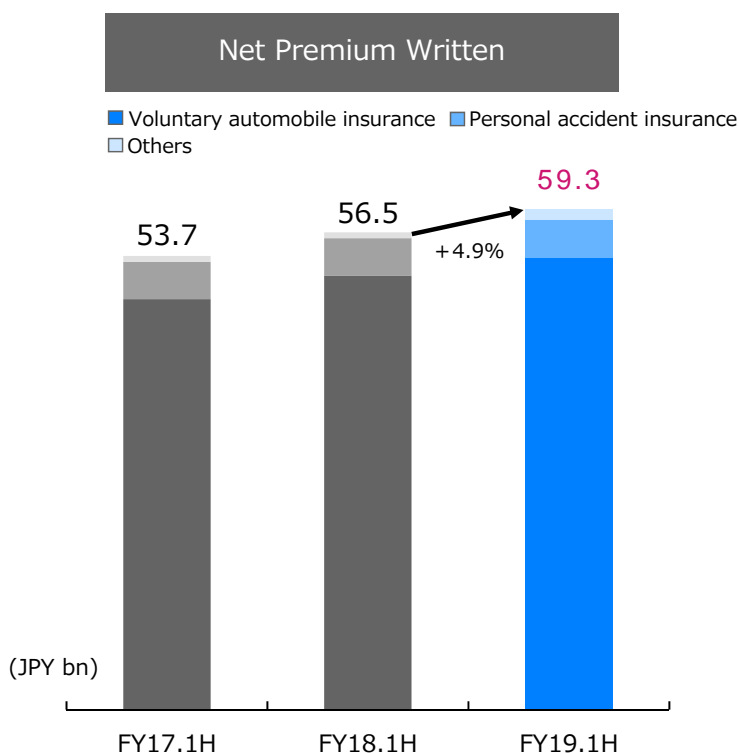
Ordinary revenues expanded 5.0% year on year, to ¥60.6 billion, and ordinary profit increased 5.9% year on year, to ¥5.7 billion, due mainly to an increase in net premiums written for mainstay automobile insurance.



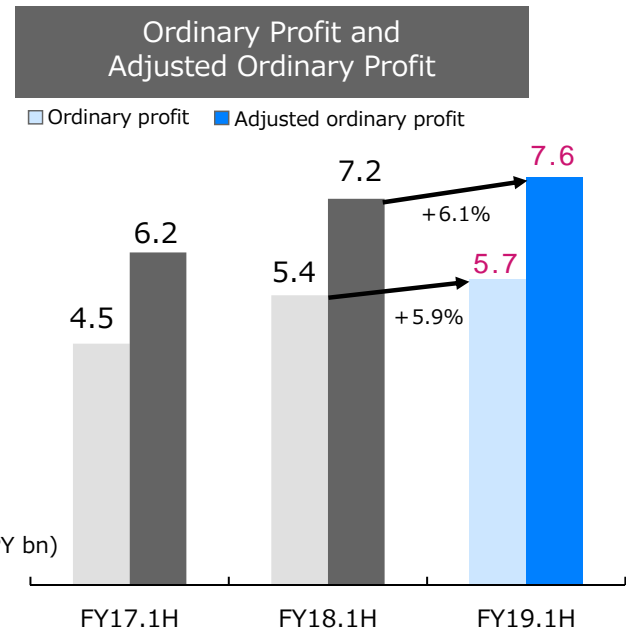
Operating Performance : Sony Assurance (1)

◆ Net Premium Written :

Increased due to stable sales of mainstay automobile insurance.



Note: Most of personal accident insurance is medical insurance.



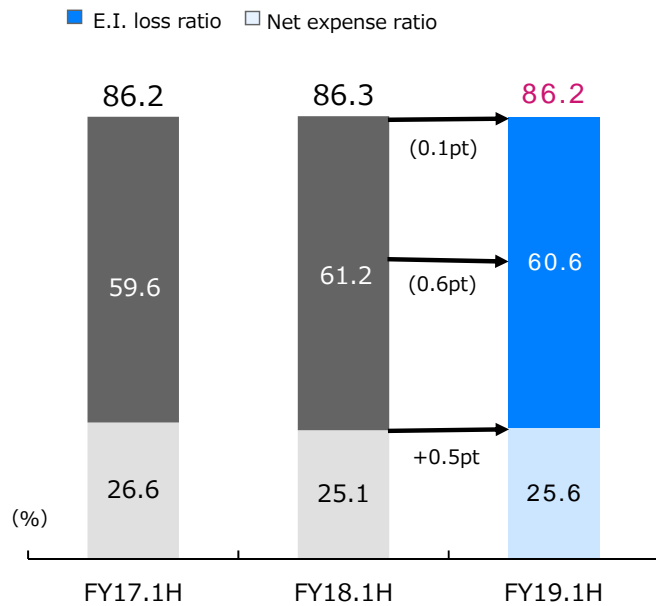
*Adjusted ordinary profit = Ordinary profit + Provision for catastrophe reserve

(Reference) Provision for catastrophe reserve	(JPY bn)	FY17.1H	FY18.1H	FY19.1H
Provision for catastrophe reserve		1.7	1.7	1.9

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

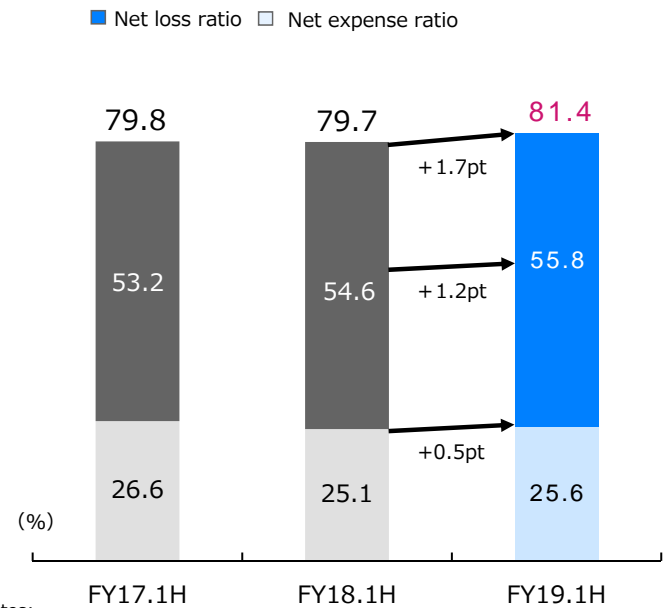
- ◆ Sum of Two Ratios : Remained essentially flat due to a decline in E.I. loss ratio, driven mainly by a car accident ratio despite an increase in expense ratio.

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



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

Combines Ratio
(Net Loss ratio + Net Expense Ratio)



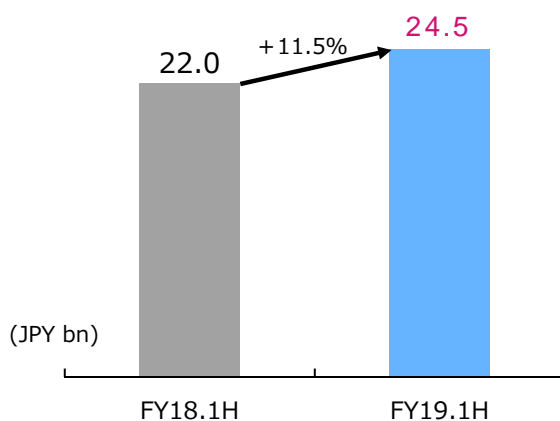
Notes:
 Net loss ratio = (Net losses paid + Loss adjustment expenses) / Net premiums written x100
 Net expense ratio = Expenses related to underwriting / Net premiums written x100

Highlights of Operating Performance : Sony Bank (Consolidated)

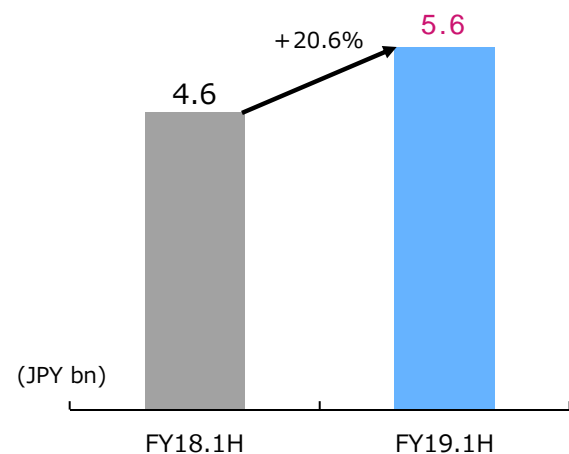


- ◆ Ordinary Revenues and Ordinary Profit : Ordinary revenues expanded 11.5% year on year, to ¥24.5 billion, and ordinary profit was up 20.6% year on year, to ¥5.6 billion, due to increases in such income as interest on loans in line with a growing balance of mortgage loans and higher interest income on investment securities.

Ordinary Revenues



Ordinary Profit



◆ Customer Assets

• Yen Deposits :

Increased due to an increase in newly accumulated funds via the increased number of accounts.

• Foreign Currency Deposits :

Increased due mainly to an increase in U.S. dollar deposits in line with appreciation of Japanese yen.

◆ Loans Outstanding

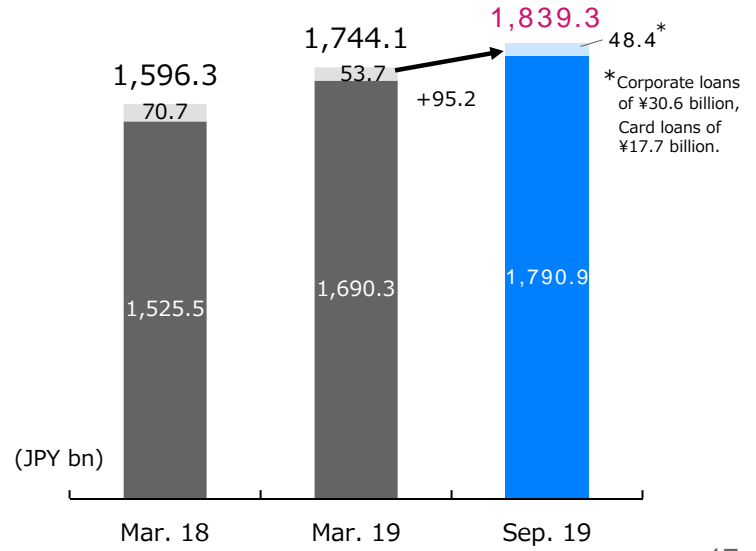
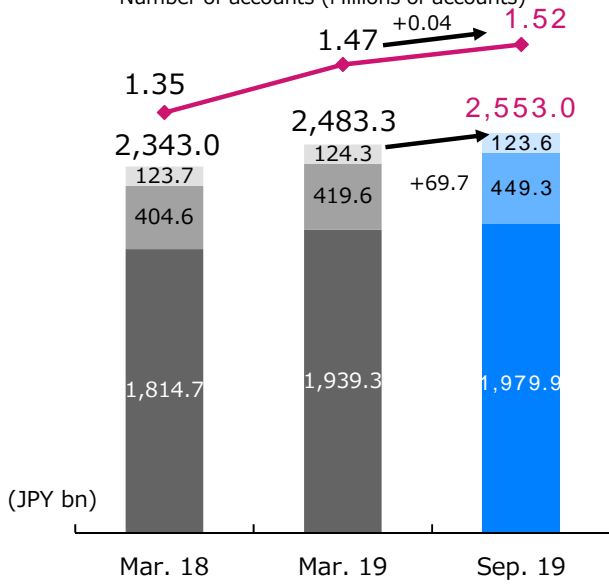
• Expanded due to a steady increase in mortgage loans.

Customer Assets

Loans Outstanding

■ Yen deposits ■ Foreign currency deposit ■ Investment trusts
 — Number of accounts (Millions of accounts)

■ Mortgage loans ■ Others





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

Forecast of Consolidated Financial Results for FY2019



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

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

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

※ As we announced on June 28, 2019, Sony Life is expected to acquire shares in two joint ventures, AEGON Sony Life Insurance and SA Reinsurance. As a result, they will be converted to wholly owned subsidiaries of SFH and Sony Life. The above forecast of financial results includes the impact of this conversion, which is expected to be slight.



Sony Life's MCEV as of September 30, 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 September 30, 2019 increased ¥40.6 billion from June 30, 2019, due mainly to a change in interest rates and acquisition of new policies.

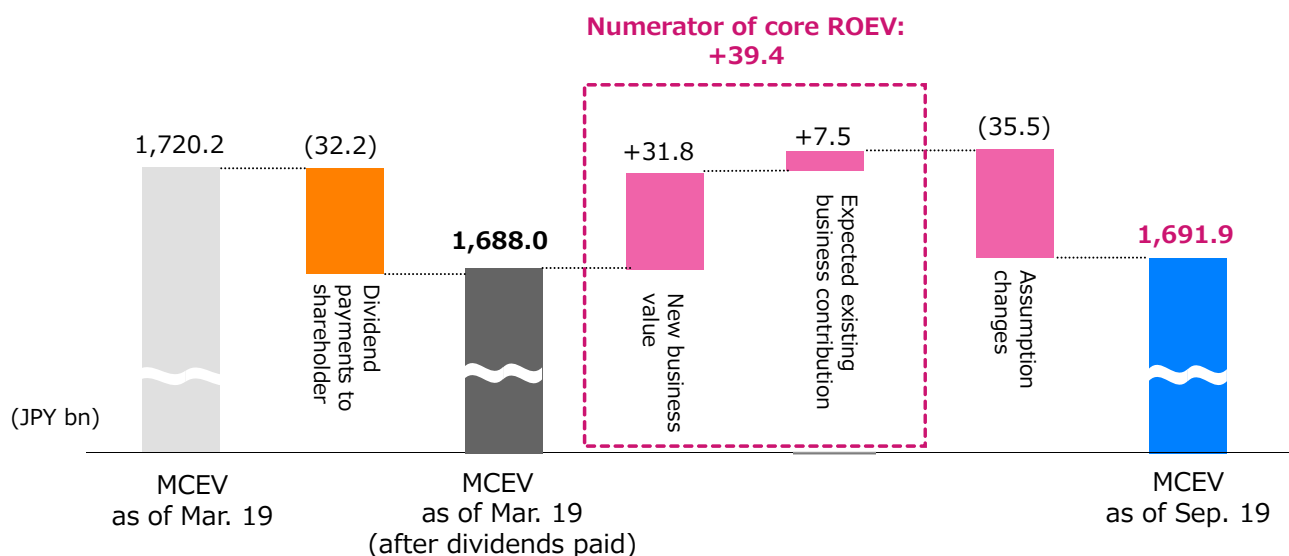
◆ New Business Value / New Business Margin

- New business margin for FY19.2Q (3M) was down 1.6pt from FY19.1Q (3M), mainly owing to a decline in U.S. dollar interest rates and changes in the product mix.
- New business value for FY19.2Q (3M) was ¥14.8 billion, due mainly to a decline in new business margin.

(JPY bn)	Mar. 19	Jun. 19	Sep. 19	Change from Mar. 19	Change from Jun. 19
MCEV	1,720.2	1,651.2	1,691.9	(28.3)	+40.6
Adjusted net worth	2,195.7	2,432.0	2,498.9	+303.1	+66.9
Value of existing business	(475.5)	(780.7)	(807.0)	(331.5)	(26.3)

(JPY bn)	FY18.4Q (3M)	FY19.1Q (3M)	FY19.2Q (3M)	FY19.1H (6M)
New business value	23.1	17.0	14.8	31.8
New business margin	5.0%	5.4%	3.8%	4.5%

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: +¥13.9 billion, economic variances changes (included interest rate fluctuation): (49.5) 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)	FY18.1H (6M)	FY19.1H (6M)
Consolidated Adjusted ROE	6.7%	3.3%	2.7%
(Sony Life) Core ROEV	6.4%	3.1%	2.3%
(Sony Assurance) Adjusted ROE	15.2%	10.5%	10.2%
(Sony Bank) ROE	7.3%	3.6%	4.2%

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Detail of Consolidated Adjusted Profit and Consolidated Adjusted Capital

◆ Adjusted profit (Numerator)

Sony Financial Group (consolidated) (JPY bn)	FY2018	FY18.1H	FY19.1H
Adjusted profit (consolidated)	120.4	60.0	48.6

Sony Life (non-consolidated) (JPY bn)	FY2018	FY18.1H	FY19.1H
New business value *	91.3	44.5	31.8
Expected existing business contribution *	15.0	7.1	7.5
Adjusted profit	106.4	51.7	39.4

Sony Assurance (JPY bn)	FY2018	FY18.1H	FY19.1H
Net income	4.9	3.8	4.1
Provision amount for catastrophe reserve (after tax)	2.6	1.2	1.3
Provision amount for reserve for price fluctuations (after tax)	0.0	0.0	0.0
Adjusted profit	7.6	5.1	5.4

Sony Bank (consolidated) (JPY bn)	FY2018	FY18.1H	FY19.1H
Profit attributable to owners of the parent	6.3	3.0	3.7

◆ Adjusted capital (Denominator)

Sony Financial Group (consolidated) (JPY bn)	FY2018	FY18.1H	FY19.1H
Adjusted capital (consolidated)	1,801.8	1,797.7	1,833.7

Sony Life (non-consolidated) (JPY bn)	FY2018	FY18.1H	FY19.1H
①MCEV as of the beginning of the fiscal year	1,633.1	1,633.1	1,720.2
②Dividends paid	26.2	26.2	32.2
③MCEV as of the end of the period *	1,720.2	1,715.2	1,691.9
Adjusted capital (① - ② + ③) / 2	1,663.5	1,661.0	1,689.9

Sony Assurance (JPY bn)	FY2018	FY18.1H	FY19.1H
①Net assets	34.7	33.9	36.3
②Catastrophe reserve	17.7	16.3	19.1
③Reserve for price fluctuations	0.1	0.1	0.1
Adjusted capital (The average amount of ① + ② + ③)	50.5	49.4	54.1

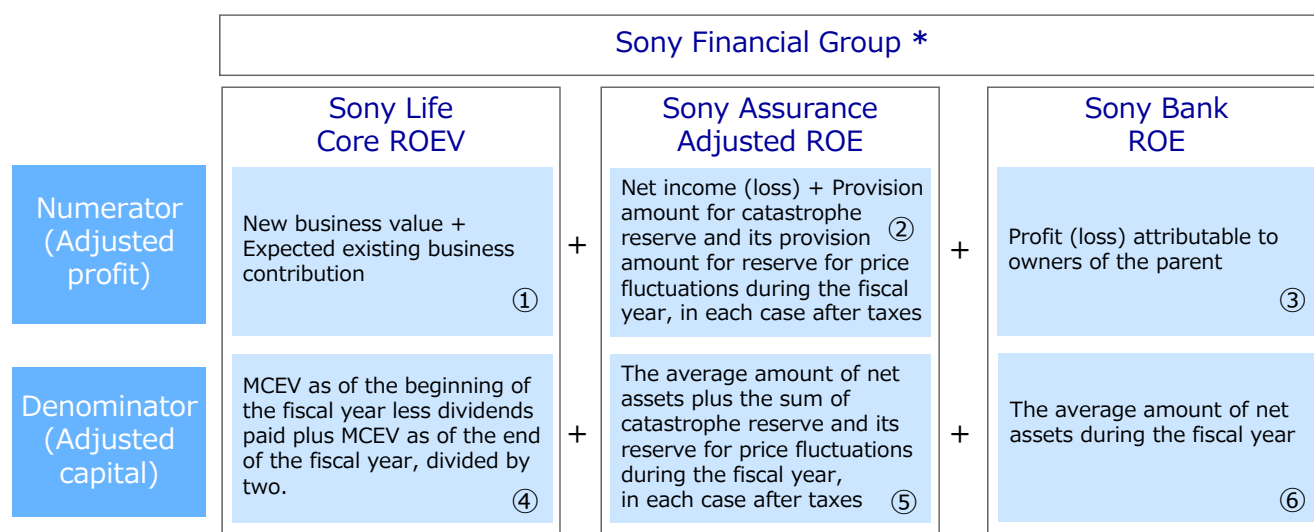
Sony Bank (consolidated) (JPY bn)	FY2018	FY18.1H	FY19.1H
Adjusted capital (The average amount of net assets during the period)	87.6	87.2	89.6

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

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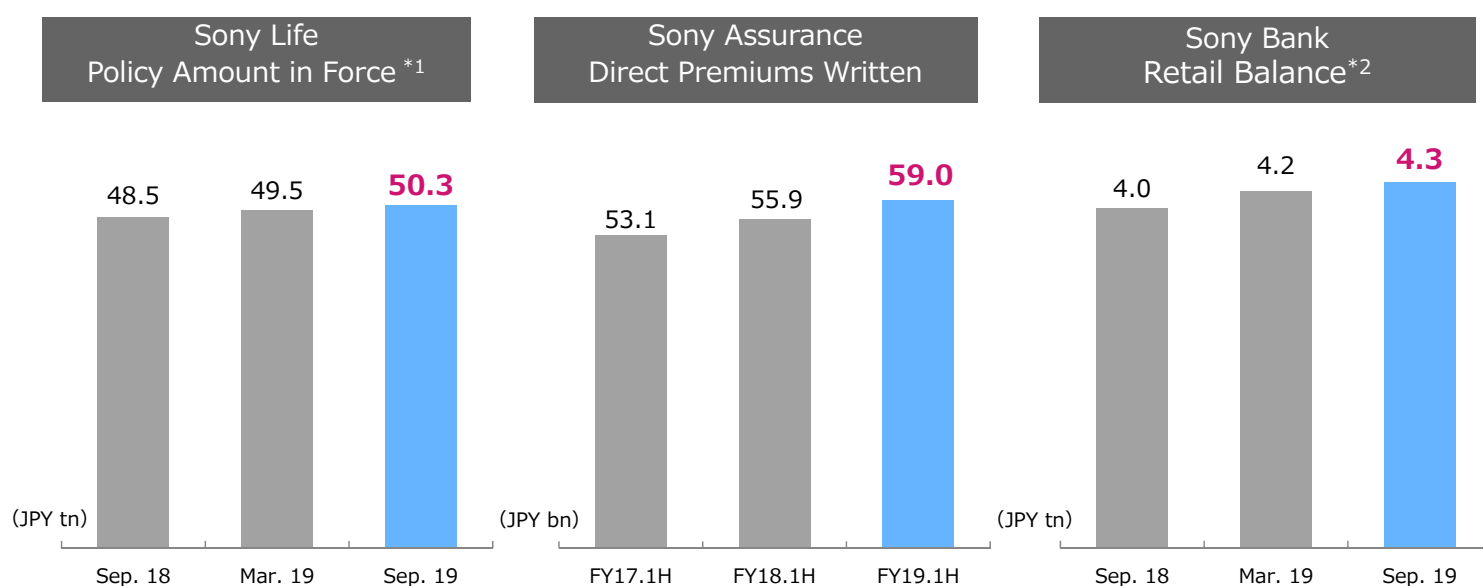
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Since each company of Sony Financial Group differs by industry such as insurance and banking, each group company calculate its "Adjusted ROE" based on adjusted profit and adjusted capital to realize its corporate value and capital efficiency.



* 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

	Sep. 18	Mar. 19	Sep. 19	Change from Mar. 19
Sony Life (non-consolidated) Solvency margin ratio	2,618.9%	2,590.5%	2,654.9%	+64.4pt
Sony Assurance Solvency margin ratio	821.0%	813.0%	876.2%	+63.2pt
Sony Bank (non-consolidated) Capital adequacy ratio (domestic standard)	10.43%	9.58%	9.42%	(0.16pt)

	Sep. 18	Mar. 19	Sep. 19	Change from Mar. 19
Sony Bank (non-consolidated) Non-performing assets ratio (based on Financial Reconstruction Law) *	0.11%	0.12%	0.12%	+0.00pt

*Non-performing loans (loans based on the Financial Reconstruction Act) / Total loan exposure
(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 11% of the amount of new mortgage loans for FY19.1H (6M)

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

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



◆ Sony Assurance's Automobile Insurance Sold by Sony Life

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

※Sony Life started handling automobile insurance in May 2001.

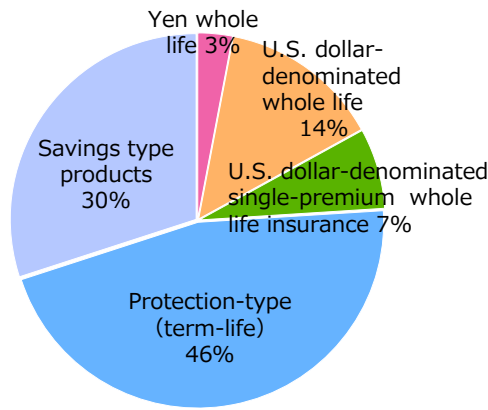


Sony Life's Product Portfolio (Annualized Premiums from New Policies by Product)



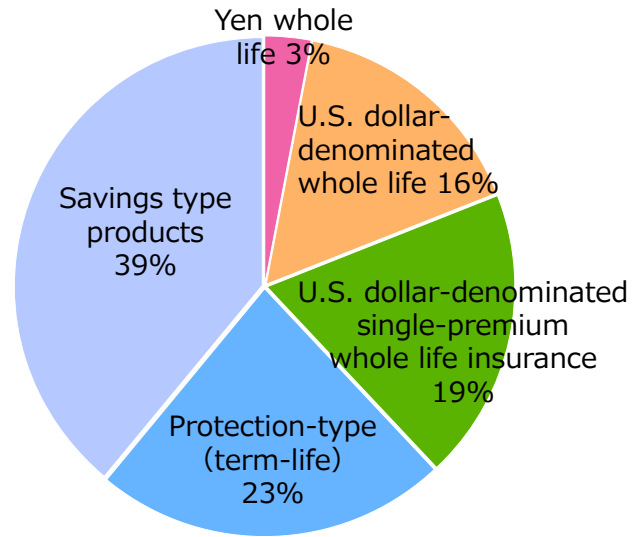
FY18.1H (6M)

¥37.9 billion



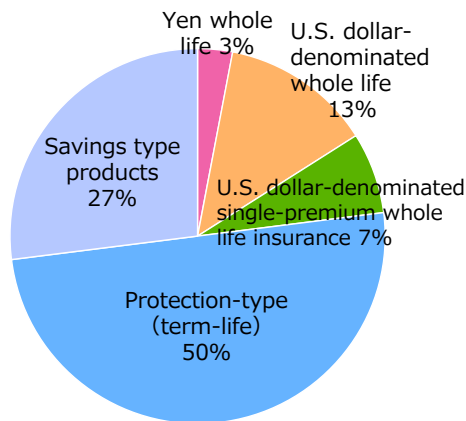
FY19.1H (6M)

¥38.6 billion



FY18 (12M)

¥87.9 billion



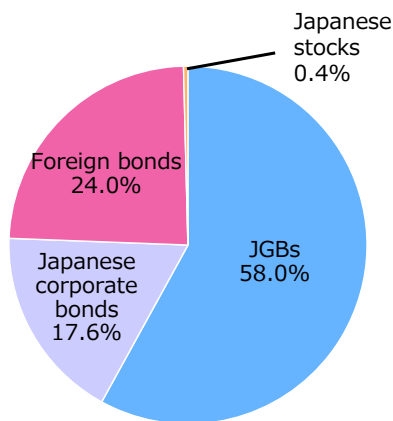
Note: Savings type products : Endowment, annuities, and educational endowment insurances

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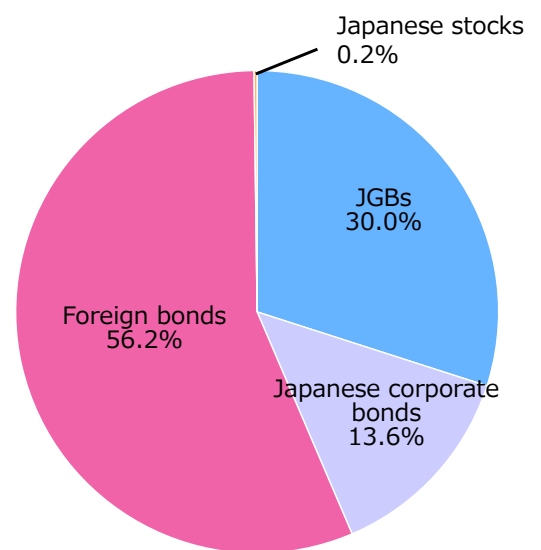
Sony Life's Asset Management (Purchase Securities in the General Account)



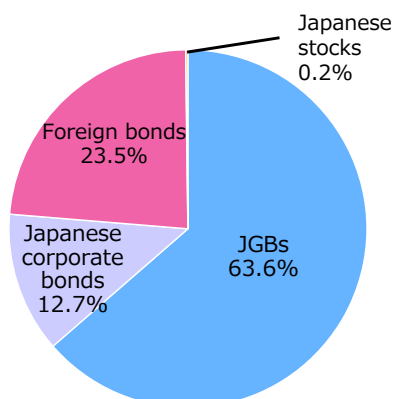
FY18.1H (6M)



FY19.1H (6M)



FY18 (12M)



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

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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		Sep. 19	
	Amount	%	Amount	%
Japanese bonds (including JGBs)	7,745.3	85.3%	7,918.9	83.3%
Japanese stocks	28.6	0.3%	27.6	0.3%
Foreign bonds	542.1	6.0%	766.8	8.1%
Foreign stocks	22.5	0.2%	19.4	0.2%
Money held in trust	269.3	3.0%	269.8	2.8%
Policy loans	198.3	2.2%	203.6	2.1%
Real estate*	90.8	1.0%	90.1	0.9%
Cash and call loans	61.9	0.7%	93.3	1.0%
Others	120.2	1.3%	114.3	1.2%
Total	9,079.4	100.0%	9,504.1	100.0%

◆ Bond duration

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

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

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

Mar. 18 : 89.5%
Mar. 19 : 88.3%
Sep. 19 : 86.2%

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

Sony Life's Interest Income and Dividends (Details)

(JPY mn)	FY18.1H	FY19.1H	Change
Cash and deposits	0	0	+22.2%
Japanese bonds (including JGBs)	64,207	66,031	+2.8%
Japanese stocks	295	216	(26.8%)
Foreign securities	8,988	13,279	+47.7%
Other securities	293	11	(96.2%)
Loans	3,396	3,500	+3.1%
Real estate	4,347	4,860	+11.8%
Others	269	206	(23.4%)
Total	81,798	88,105	+7.7%

(JPY mn)	FY18.1H	FY19.1H
Capital losses	40,355	17,821
Losses on trading securities, net	19	—
Losses on sale of securities...(3)	34	—
Losses on valuation of securities...(4)	4,026	2,991
Losses on derivatives, net	19,704	4,251
Losses on hedges of variable life insurance...(1)	12,304	3,974
Losses on hedges of available-for-sale securities...(2)	2,628	242
Losses on U.S. dollar-denominated insurance (foreign exchange losses)...(5)	4,461	7
Foreign exchange losses, net	—	10,552
Losses on U.S. dollar-denominated insurance...(5)	—	10,859
Losses on hedges of variable life insurance...(1)	—	(323)
Other capital losses	16,570	25
Losses on U.S. dollar-denominated insurance (the provision of policy reserves for foreign exchange fluctuations)...(5)	16,570	—

(JPY mn)	FY18.1H	FY19.1H
Capital gains	24,715	13,738
Income from trading securities, net	—	63
Gains on sale of securities...(3)	3,316	2,317
Foreign exchange gains, net	21,398	—
Gains on U.S. dollar- denominated insurance (foreign exchange gains)...(5)	21,280	—
Other capital gains	—	11,356
Gains on U.S. dollar-denominated insurance (the reversal of policy reserves for foreign exchange fluctuations)...(5)	—	11,356
Net capital gains (losses)	(15,639)	(4,083)

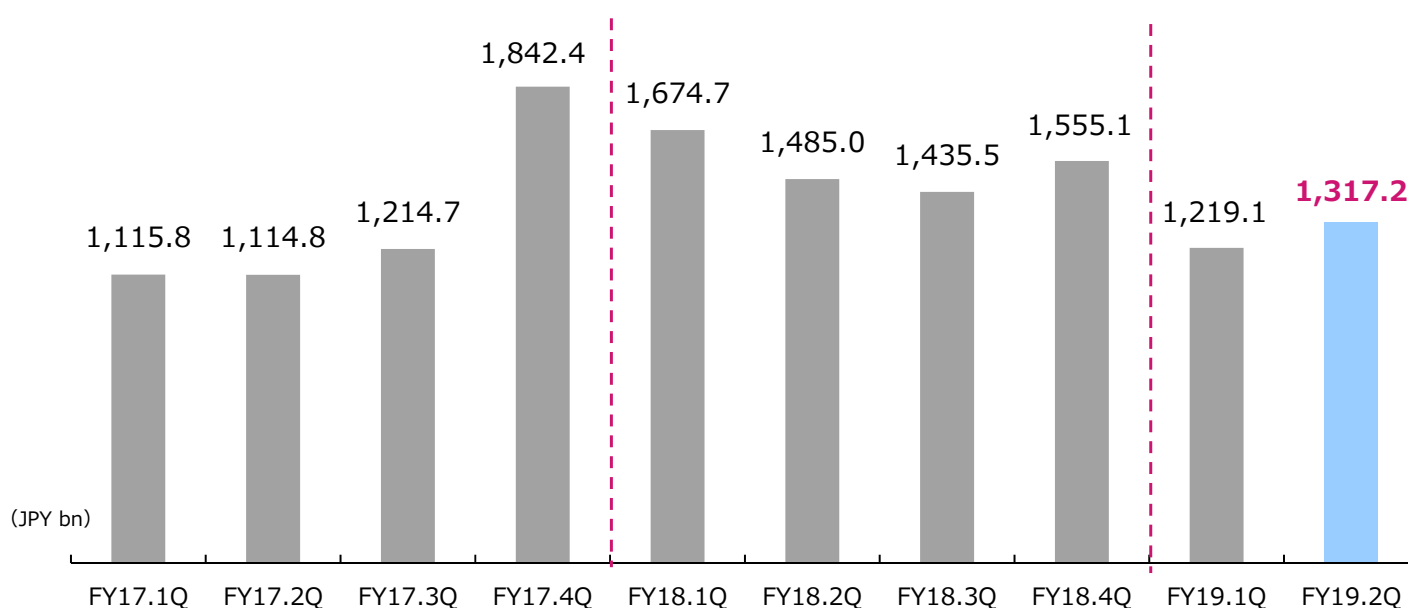
Note: The figures of income (losses) from trading securities, net, gains (losses) on derivatives and foreign exchange gains (losses), net were recorded after offsetting gains and losses of each item.

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

(JPY mn)	FY18.1H	FY19.1H
(1) Gains (Losses) on hedges of variable life insurance	(12,304)	(3,650)
(2) Gains (losses) on hedges of available-for-sale securities	(2,628)	(242)
(3) Gains (losses) on sale of securities	3,282	2,317
(4) Losses on valuation of securities	(4,026)	(2,991)
(5) Gains (losses) on U.S. dollar-denominated insurance	249	489

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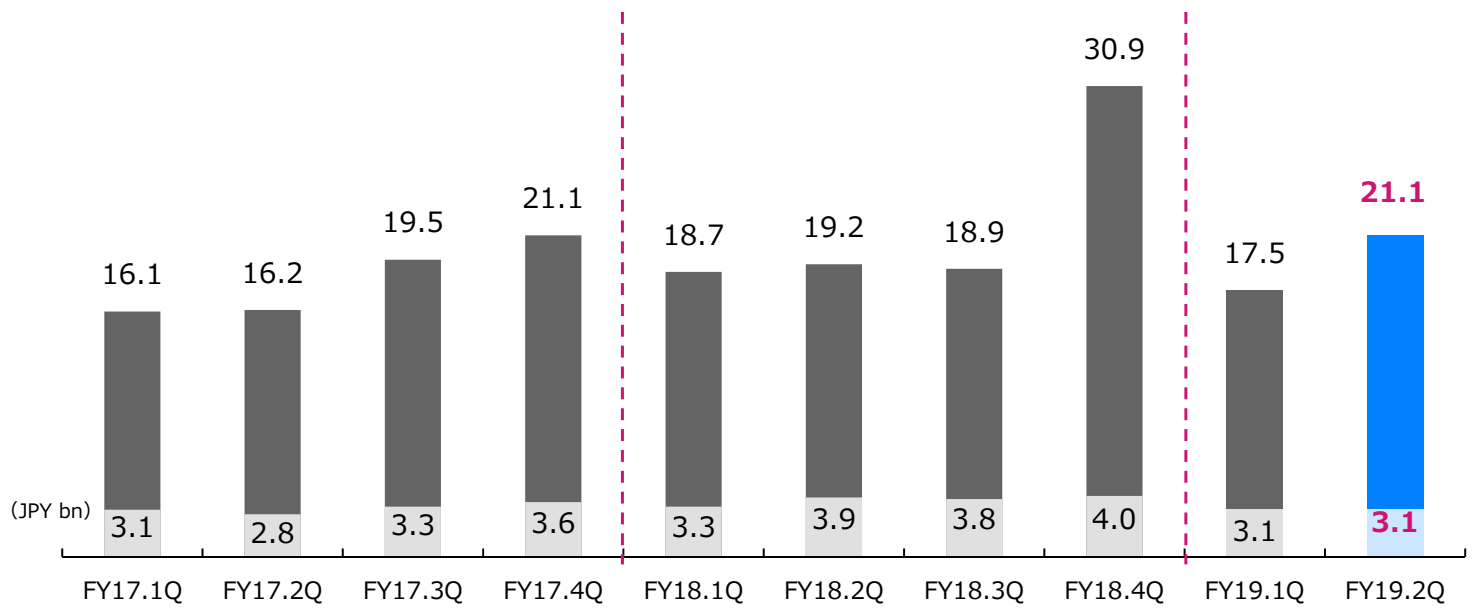
Sony Life's Quarterly Trend on New Policy Amount



Note : Individual Life Insurance + Individual Annuities

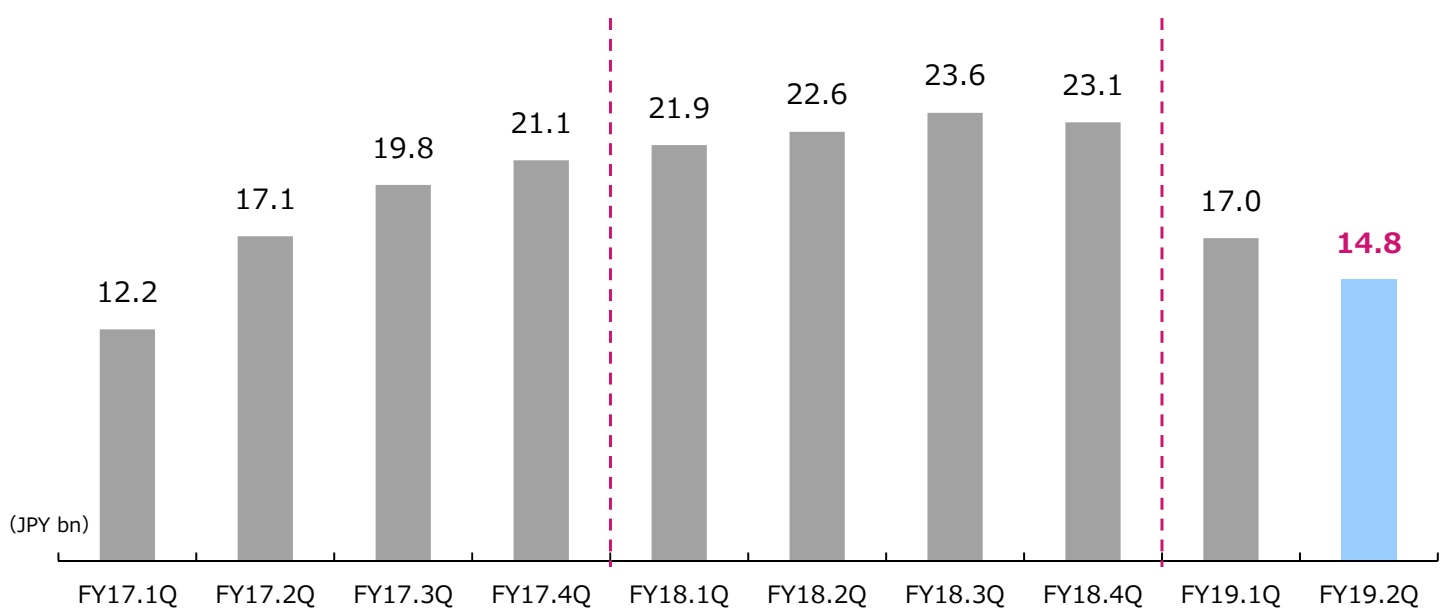
Sony Life's Quarterly Trend on Annualized Premiums from New Policies

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



Note : Individual Life Insurance + Individual Annuities

Sony Life's Quarterly Trend on New Business Value



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

- ◆ The risk amount based on economic value as of September 30, 2019 was ¥768.8 billion, up ¥10.3 billion from June 30, 2019, resulting from an increase in interest rate risk, due to an increase in yen interest rates.
- ◆ ESR as of September 30, 2019 was 222%, up 2pt from June 30, 2019 due mainly to an increase in MCEV.

(JPY bn)	Mar. 19	Jun. 19	Sep. 19	Change from Mar. 19	Change from Jun. 19
Insurance risk	547.3	586.2	588.5	+41.1	+2.3
Market-related risk	332.5	299.9	303.1	(29.3)	+3.2
Of which, interest rate risk	202.1	159.2	166.7	(35.3)	+7.4
Operational risk	33.4	35.0	41.4	+8.0	+6.3
Counter party risk	3.0	4.1	3.7	+0.6	(0.4)
Variance effect	(174.0)	(166.8)	(167.9)	+6.1	(1.1)
The risk amount based on economic value	742.3	758.5	768.8	+26.5	+10.3

(JPY bn)	Mar. 19	Jun. 19	Sep. 19	Change from Mar. 19	Change from Jun. 19
MCEV + Frictional costs	1,743.7	1,672.2	1,709.4	(34.3)	+37.1
ESR	235%	220%	222%	(13pt)	+2pt

Notes:

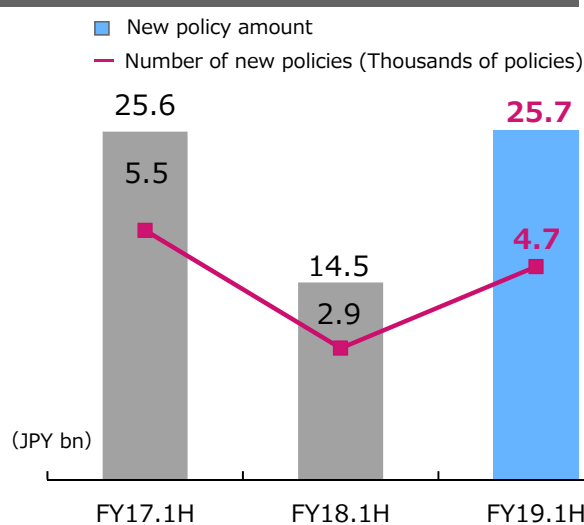
1. The risk amount based on economic value refers to the total amount of Sony Life's risks comprehensively examined by a market consistent approach, including insurance risk and market-related risk and others.
2. The solvency risk capital on an economic value basis is calibrated at VaR (99.5) over one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

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Operating Performance : AEGON Sony Life Insurance

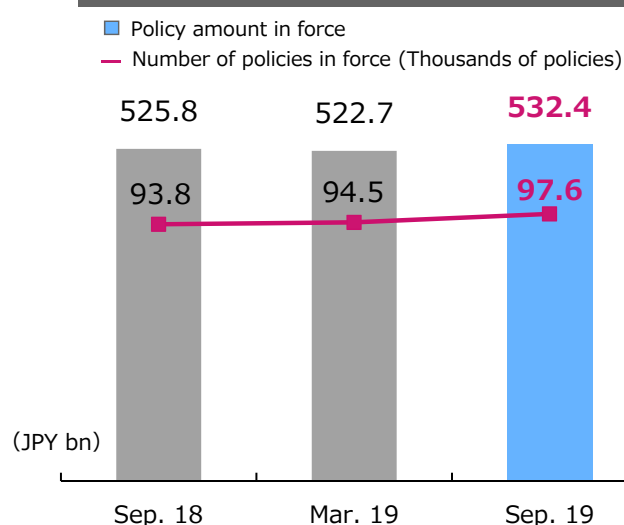
- ◆ AEGON Sony Life Insurance's new policy amount and policy amount in force

Number and Amount of New Policies*



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

Number and Amount of Policies in Force**



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

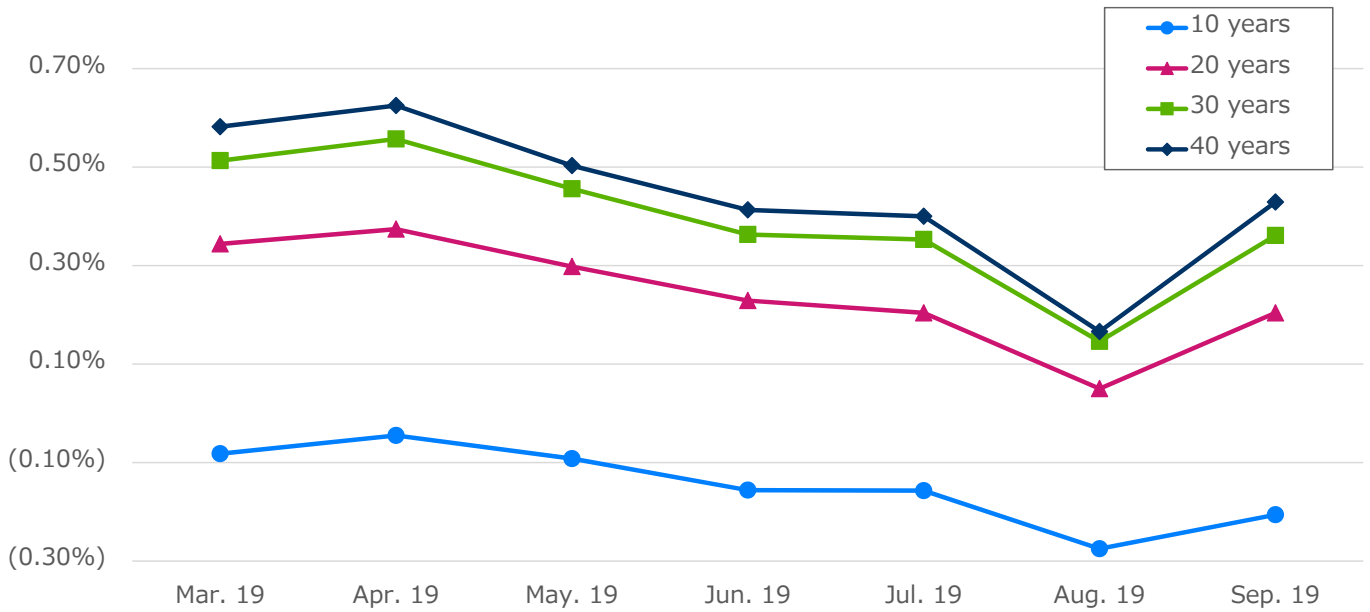
- ◆ Net income (losses) for AEGON Sony Life and SA Reinsurance

(JPY bn)	FY18.1H	FY19.1H	Change
AEGON Sony Life	(1.7)	(0.7)	+1.0
SA Reinsurance	1.1	1.0	(0.1)

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

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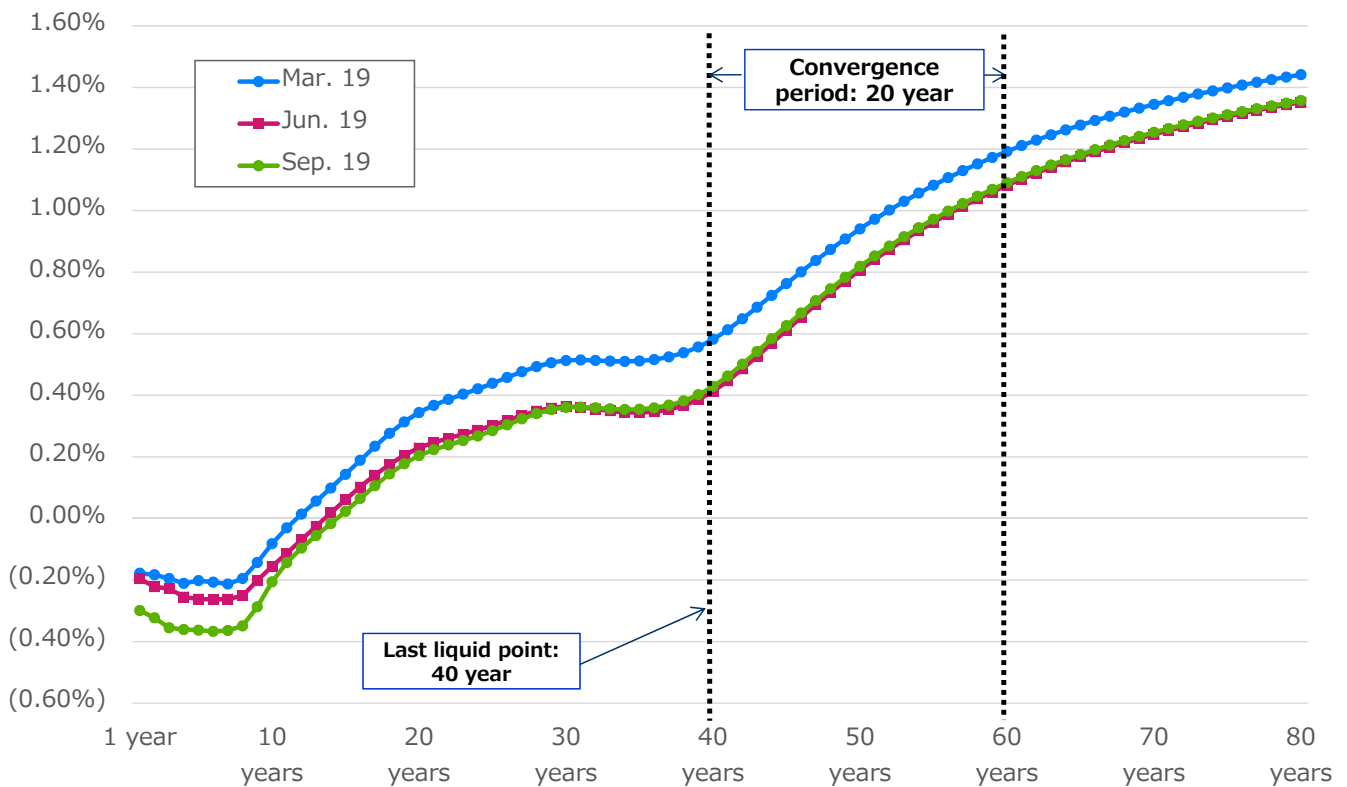
Trend on JGB Yields (Par rate)



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

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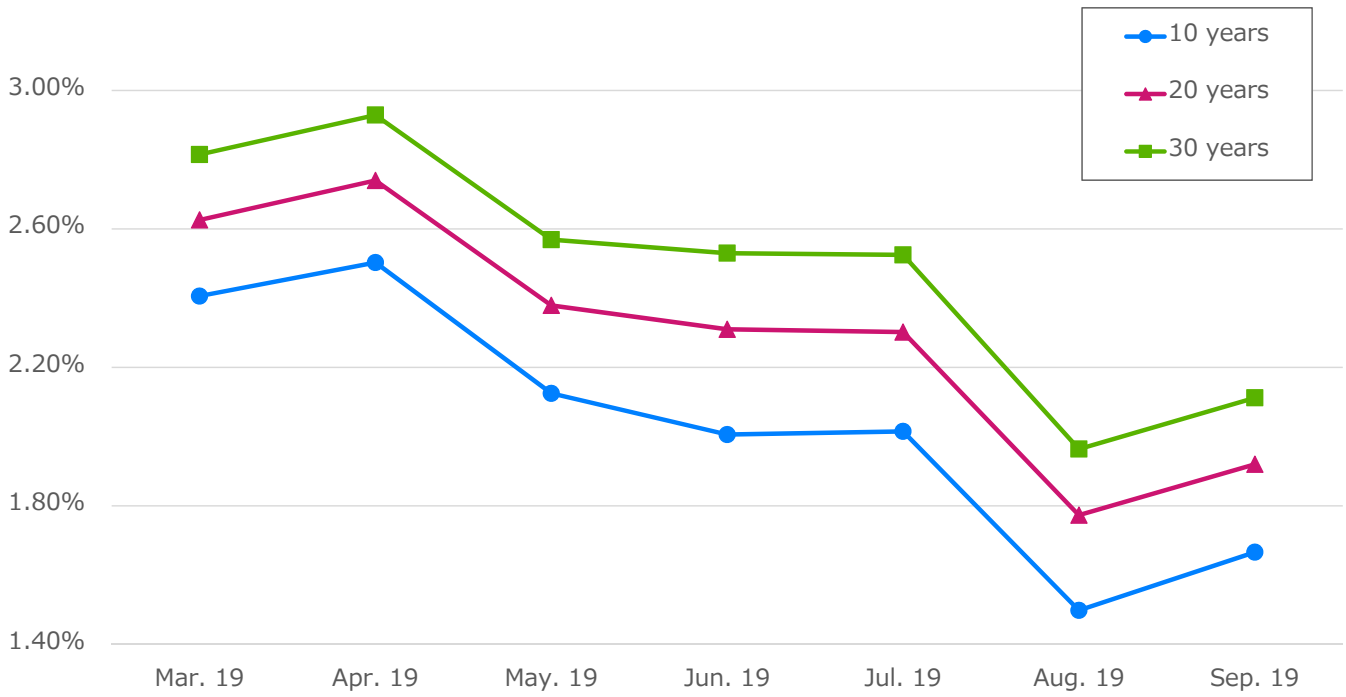
Trend on Risk-free Rate (Japanese yen/Par rate)



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

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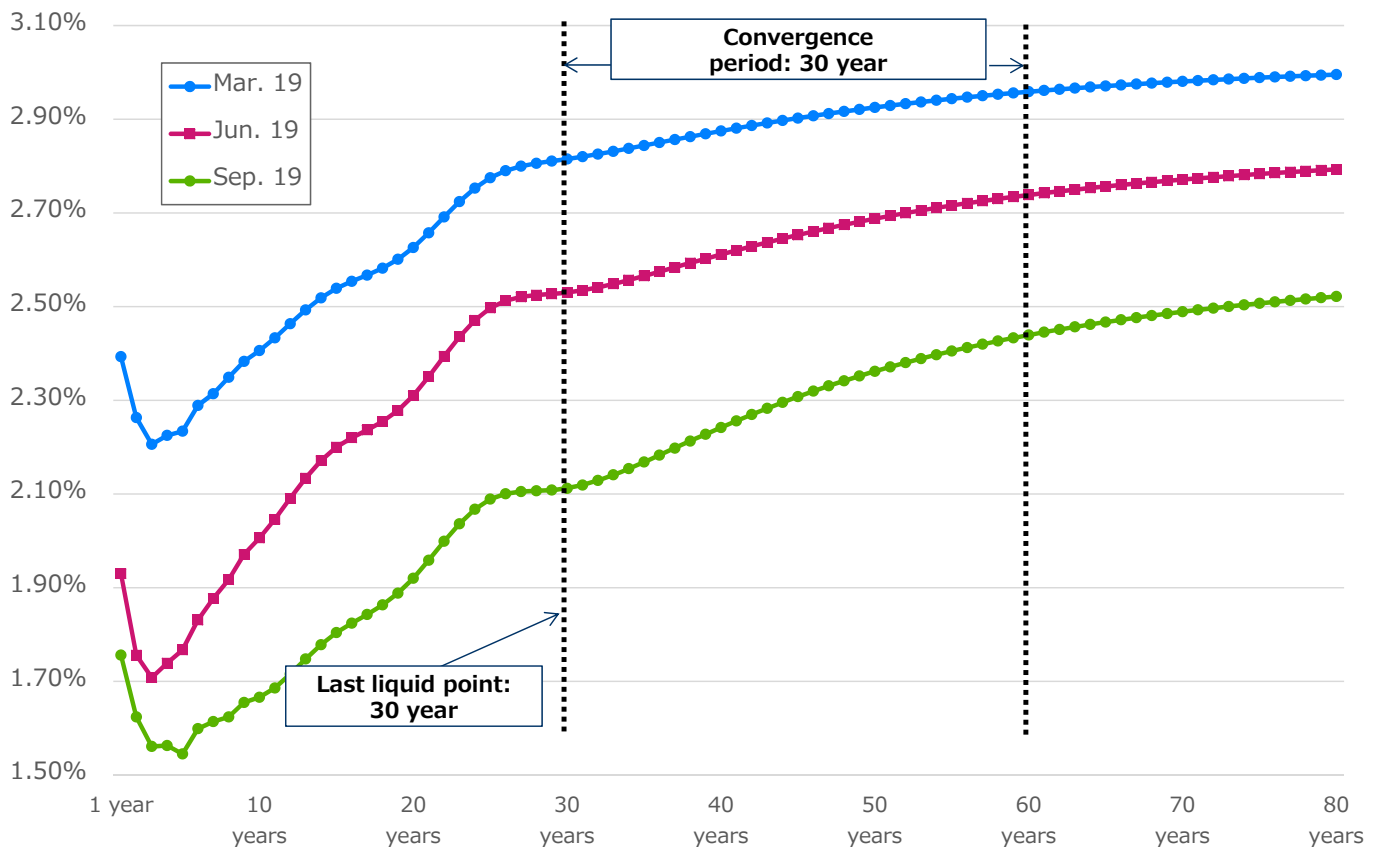
Trend on U.S. Dollar Bonds Yields (Par rate)



	Mar. 19	Apr. 19	May 19	Jun. 19	Jul. 19	Aug. 19	Sep. 19
10 years	2.41%	2.50%	2.13%	2.01%	2.02%	1.50%	1.67%
20 years	2.63%	2.74%	2.38%	2.31%	2.30%	1.77%	1.92%
30 years	2.82%	2.93%	2.57%	2.53%	2.53%	1.96%	2.11%

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



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

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		(JPY bn)	FY18.1H	FY19.1H	Change	
Life insurance business	Ordinary revenues		779.3	806.9	+27.5	+3.5%
	Ordinary profit		37.4	48.7	+11.3	+30.3%
Non-life insurance business	Ordinary revenues		57.7	60.6	+2.9	+5.0%
	Ordinary profit		5.4	5.7	+0.3	+5.9%
Banking business	Ordinary revenues		22.0	24.5	+2.5	+11.5%
	Ordinary profit		4.6	5.6	+0.9	+20.5%
Intersegment adjustments*	Ordinary revenues		1.7	2.2	+0.5	+33.2%
	Ordinary profit		(0.3)	(0.4)	(0.1)	—
Consolidated	Ordinary revenues		860.8	894.4	+33.6	+3.9%
	Ordinary profit		47.2	59.6	+12.4	+26.4%
	Profit attributable to owners of the parent		31.7	40.4	+8.6	+27.3%

*"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 : FY18.1H: ¥19.2 billion, FY19.1H: ¥51.8 billion

		(JPY bn)	Mar. 19	Sep. 19	Change from Mar. 19	
Consolidated	Net assets		656.8	681.6	+24.7	+3.8%
	Total assets		13,468.2	14,143.3	+675.1	+5.0%

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 Sony Life : Summary Financial Statements
 (Non-consolidated)


(JPY bn)	FY18.1H	FY19.1H	Change	
Ordinary revenues	779.2	806.8	+27.5	+3.5%
Income from insurance premiums	542.0	665.4	+123.4	+22.8%
Investment income	231.4	134.1	(97.2)	(42.0%)
Interest income and dividends	81.7	88.1	+6.3	+7.7%
Gains on sale of securities	3.3	2.3	(0.9)	(30.1%)
Foreign exchange gains, net	21.3	—	(21.3)	(100.0%)
Gains on separate accounts, net	122.6	41.3	(81.2)	(66.3%)
Ordinary expenses	741.5	758.2	+16.6	+2.2%
Insurance claims and other payments	200.4	222.6	+22.1	+11.0%
Provision for policy reserves and others	426.8	415.1	(11.7)	(2.8%)
Investment expenses	26.6	22.0	(4.6)	(17.3%)
Losses on derivatives, net	19.7	4.2	(15.4)	(78.4%)
Foreign exchange losses, net	—	10.5	+10.5	—
Operating expenses	71.4	78.5	+7.0	+9.9%
Ordinary profit	37.7	48.6	+10.9	+29.0%
Net income	25.4	32.7	+7.3	+28.9%

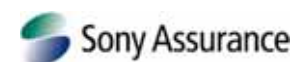
(JPY bn)	Mar. 19	Sep. 19	Change from Mar. 19	
Securities	9,523.8	10,039.4	+515.5	+5.4%
Policy reserves	9,268.4	9,681.7	+413.2	+4.5%
Net assets	513.9	525.2	+11.3	+2.2%
Net unrealized gains on other securities	122.7	133.4	+10.7	+8.7%
Total assets	10,380.1	10,897.4	+517.2	+5.0%
Separate account assets	1,300.7	1,393.2	+92.5	+7.1%

(JPY bn)	FY18.1H	FY19.1H	Change	
Gains from investment, net (General account)	82.1	70.7	(11.3)	(13.8%)

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



(JPY bn)	FY18.1H	FY19.1H	Change	
Ordinary revenues	57.7	60.6	+2.9	+5.0%
Underwriting income	56.5	59.3	+2.7	+4.9%
Investment income	1.1	1.3	+0.1	+11.1%
Ordinary expenses	52.3	54.9	+2.5	+4.9%
Underwriting expenses	38.9	40.5	+1.5	+4.0%
Operating, general and administrative expenses	13.3	14.3	+1.0	+7.7%
Ordinary profit	5.4	5.7	+0.3	+5.9%
Underwriting income	4.2	4.4	+0.2	+5.0%
Net income	3.8	4.1	+0.2	+5.6%

(JPY bn)	Mar. 19	Sep. 19	Change from Mar. 19	
Underwriting reserves	127.8	133.9	+6.1	+4.8%
Net assets	34.7	36.3	+1.5	+4.4%
Total assets	219.6	225.2	+5.6	+2.6%

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

(JPY mn)	FY18.1H	FY19.1H	Change
Fire	110	819	+645.0%
Marine	—	—	—
Personal accident	4,361	4,637	+6.3%
Voluntary automobile	51,478	53,638	+4.2%
Compulsory automobile liability	—	—	—
Total	55,950	59,096	+5.6%

Net Premiums Written

(JPY mn)	FY18.1H	FY19.1H	Change
Fire	8	449	—
Marine	—	0	—
Personal accident	4,441	4,502	+1.4%
Voluntary automobile	51,336	53,491	+4.2%
Compulsory automobile liability	733	863	+17.7%
Total	56,520	59,307	+4.9%

Net losses paid

(JPY mn)	FY18.1H	FY19.1H	Change
Fire	3	9	+131.2%
Marine	2	(3)	—
Personal accident	1,402	1,559	+11.2%
Voluntary automobile	24,749	26,595	+7.5%
Compulsory automobile liability	671	660	(1.6%)
Total	26,830	28,821	+7.4%

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



◆ Consolidated

(JPY bn)	FY18.1H	FY19.1H	Change	
Ordinary revenues	22.0	24.5	+2.5	+11.5%
Ordinary profit	4.6	5.6	+0.9	+20.6%
Profit attributable to owners of the parent	3.0	3.7	+0.6	+20.7%

◆ Non-consolidated

(JPY bn)	FY18.1H	FY19.1H	Change	
Ordinary revenues	19.9	22.2	+2.3	+11.6%
Gross operating profit	11.8	13.2	+1.4	+11.9%
Net interest income	11.4	12.0	+0.6	+5.9%
Net fees and Commissions	(1.6)	(0.7)	+0.8	—
Net other operating income	2.0	1.8	(0.1)	(7.1%)
General and administrative expenses	7.6	8.1	+0.5	+7.0%
Net operating profit	4.1	5.0	+0.9	+22.4%
Ordinary profit	4.2	5.0	+0.8	+19.8%
Net income	2.9	3.5	+0.5	+19.8%

(JPY bn)	Mar. 19	Sep. 19	Change from Mar. 19	
Net assets	87.2	87.9	+0.6	+0.8%
Net unrealized gains on other securities, net of taxes	3.9	4.2	+0.2	+6.1%
Total assets	2,860.9	3,003.9	+143.0	+5.0%

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

(JPY bn)	Mar. 19	Sep. 19	Change from Mar. 19	
AAA	296.6	327.8	+31.1	+10.5%
AA	77.3	63.3	(13.9)	(18.1%)
A	288.0	307.5	+19.4	+6.8%
BBB	24.4	29.6	+5.2	+21.4%
Others	10.0	8.7	(1.2)	(12.4%)
Total	696.4	737.1	+40.6	+5.8%

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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)	FY18.1H	FY19.1H	Change	
Gross operating profit	11.8	13.2	+1.4	+11.9%
Net interest income* ¹ ①	12.5	13.0	+0.5	+4.0%
Net fees and commissions* ² ②	(1.3)	(0.5)	+0.8	-
Net other operating income* ³	0.6	0.6	+0.0	+9.2%
Gross operating profit (core profit)(A) = ①+②	11.2	12.5	+1.3	+12.1%
Operating expenses and other Expenses ③	7.7	8.2	+0.4	+6.3%
Net operating profit (core profit) = (A) - ③	3.4	4.3	+0.8	+24.9%

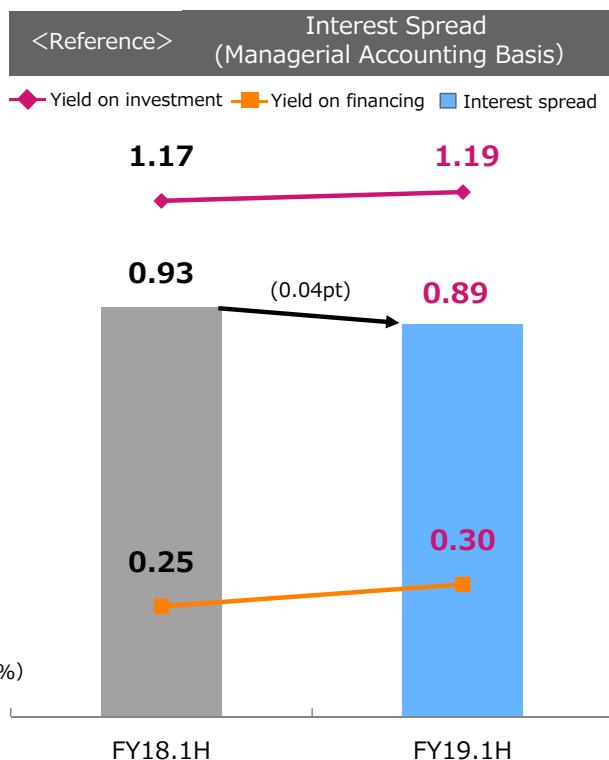
■ Managerial accounting basis

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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