

**Preliminary Consolidated Financial Results for
the Nine Months Ended December 31, 2019 and
Revision of Consolidated Financial Results and Dividend Forecasts
for the Fiscal Year Ending March 31, 2020
(Prepared in Accordance with Japanese GAAP)**

1. Preliminary Consolidated Financial Results for the Nine Months Ended December 31, 2019

Tokyo, February 4, 2020—Today, Sony Corporation, the parent company of Sony Financial Holdings Inc. (“SFH”), is expected to announce its consolidated financial results for the third quarter ended December 31, 2019 (October 1 to December 31, 2019), prepared in accordance with generally accepted accounting principles in the United States (“U.S. GAAP”). Sony Corporation’s U.S. GAAP results are expected to include financial results for the Sony Group’s Financial Services segment, which comprises the Sony Financial Group.

Although our preparation of financial results for the Sony Financial Group, in accordance with generally accepted accounting principles in Japan (“Japanese GAAP”), is not yet complete, preliminary consolidated financial results for the nine months ended December 31, 2019 (April 1 to December 31, 2019) are provided below as part of our efforts to disclose information to our shareholders and investors in a timely and appropriate manner.

We plan to announce our final consolidated financial results for the nine months ended December 31, 2019, on February 13, 2020.

**(1) Preliminary Consolidated Financial Results for the Nine Months Ended December 31, 2019
(April 1 to December 31, 2019)**

(Billions of yen)

	(Actual) For the nine months ended December 31, 2018 (April 1 to December 31, 2018)	(Preliminary) For the nine months ended December 31, 2019 (April 1 to December 31, 2019)
Ordinary revenues	1,129.3	1,426.0
Ordinary profit	74.0	81.2
Profit attributable to owners of the parent	50.4	54.8
Net income per share (Yen)	116.06	126.17

(Reference) Net assets attributable to shareholders, which equals total net assets minus subscription rights to shares and non-controlling interests, and total assets as of December 31, 2019, were ¥675.9 billion and ¥14,538.3 billion, respectively.

Note: Fractional amounts of less than ¥0.1 billion are discarded for ordinary revenues, ordinary profit and profit attributable to owners of the parent.

(2) Principal Reasons for Changes in Preliminary Consolidated Financial Results

During the nine months ended December 31, 2019 (April 1 to December 31, 2019), ordinary revenues increased 26.3% compared with the same period of the previous fiscal year (“year on year”), to ¥1,426.0 billion, owing to increases in ordinary revenues from all the businesses: life insurance, non-life insurance and banking businesses. Ordinary profit increased 9.7% year on year, to ¥81.2 billion, owing to increases in ordinary profit from all the businesses mentioned above. Profit attributable to owners of the parent was up 8.7% year on year, to ¥54.8 billion, owing to the increase in ordinary profit.

Preliminary Operating Performance by Business Segment

(Billions of yen)

	(Actual) For the nine months ended December 31, 2018 (April 1 to December 31, 2018)	(Preliminary) For the nine months ended December 31, 2019 (April 1 to December 31, 2019)
Ordinary revenues	1,129.3	1,426.0
Life insurance business	1,006.6	1,295.1
Non-life insurance business	86.2	90.5
Banking business	33.7	36.7
Ordinary profit	74.0	81.2
Life insurance business	60.1	66.2
Non-life insurance business	7.3	7.6
Banking business	7.0	8.1

Life Insurance Business

Ordinary revenues increased 28.7% year on year, to ¥1,295.1 billion, due to an improvement in investment performance in the separate account and higher insurance premium revenue, mainly from single premium insurance. Ordinary profit increased 10.2% year on year, to ¥66.2 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, which more than offset the effect of a deterioration in net gains (losses) on derivative transactions to hedge market risks for available-for-sale securities in the general account, a rise in operating expenses and net gains (losses) related to market fluctuations and others for variable life insurance*.

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

Non-life Insurance Business

Ordinary revenues expanded 4.9% year on year, to ¥90.5 billion, due mainly to an increase in net premiums written for mainstay automobile insurance. Ordinary profit increased 2.9% year on year, to ¥7.6 billion, mainly due to a reversal of the catastrophe reserve despite the negative impact of a higher loss ratio.

Banking Business

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

2. Revision of Consolidated Financial Results and Dividend Forecasts for the Fiscal Year Ending March 31, 2020

SFH revised its forecast of consolidated financial results and dividend for the fiscal year ending March 31, 2020, as indicated below. The previous forecast was announced on April 26, 2019.

(1) Revision of Consolidated Financial Results and Dividend Forecasts for the Fiscal Year Ending March 31, 2020

(Billions of yen, %)

	Formerly announced forecast (A)	Updated forecast (B)	Amount of change (B-A)	Percentage change (%)	(Reference) Results for the year ended March 31, 2019
Ordinary revenues	1,690.0	1,860.0	170.0	10.1%	1,629.1
Ordinary profit	98.0	103.0	5.0	5.1%	93.8
Profit attributable to owners of the parent	65.0	68.0	3.0	4.6%	62.0
Net income per share (Yen)	149.42	156.31			142.69
Dividend per share (Yen)	65.0	70.0	5.0		62.5

Note: Fractional amounts of less than ¥ 0.1 billion are discarded for ordinary revenues, ordinary profit and profit attributable to owners of the parent.

(2) Principal Reasons for Changes in the Forecast of Consolidated Financial Results

Ordinary revenues have been revised upward, due to investment performance in the separate account and insurance premium revenue, mainly from single premium insurance during the nine months ended December 31, 2019 in the life insurance business exceeded from the expectations at the beginning of the fiscal year.

Ordinary profit and profit attributable to owners of the parent have been revised upward, due mainly to better-than-expected results during the nine months ended December 31, 2019 from all the businesses: life insurance, non-life insurance and banking businesses. As for the life insurance business, costs related to the acquisition of new policies fell, which more than offset the effect of an impairment loss relating to available-for-sale securities in the general account and a deterioration in net gains (losses) related to market fluctuations and others for variable life insurance.

(3) Principal Reasons for Changes in the Dividend Forecast

SFH aims for steady increases in dividends in line with earnings growth over the medium to long term, while securing sufficient internal reserves to ensure the financial soundness of Group companies and to invest in growth fields. Management will examine earnings growth over the medium to long term not only by taking into account statutory profit; we will also place more importance on profit indicators on the basis of economic value, that more closely track growth in the life insurance business. Furthermore, management will determine specific dividend amounts by taking into account a comprehensive range of factors surrounding the Sony Financial Group.

Considering the business environment and growth of our group, in light of the above medium-term dividend policy, SFH decided to revise the year-end dividend forecast from ¥65 per share to ¥70 for the year ending March 31, 2020. The previous forecast was announced on April 26, 2019.

Furthermore, for future dividends, we will aim at approximately 30% of the consolidated adjusted profit, which is the numerator of consolidated adjusted ROE.

Today, SFH also announced [Reference Disclosure] Key Performance Figures Based on U.S. GAAP. Please refer to the following URL:

https://www.sonyfh.co.jp/en/financial_info/results/sfh_fy2019_3q_02.pdf

These preliminary results are based on information available to SFH's management as of this date, and may differ substantially from actual results expected to be announced on February 13, 2020 for a variety of reasons.

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, 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.*², Sony Lifecare Inc., Lifecare Design Inc., Proud Life Inc., Sony Financial Ventures Inc.*², and SFV • GB L.P.*²

Affiliated companies accounted for under the equity method:

AEGON Sony Life Insurance Co., Ltd.*³, and SA Reinsurance Ltd.*³

*² 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 and SmartLink Network Europe B.V. is included in the scope of consolidation from the second quarter ended September 30, 2019 respectively.

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

On February 4, 2020, Sony Corporation is scheduled to announce its consolidated financial results for three months ended December 31, 2019 (October 1 to December 31, 2019).

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

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