

**Summary Information on Sony Assurance's Financial Results**

**For the Six Months Ended September 30, 2009**

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## **1. Balance Sheets**

(Millions of yen)

	As of September 30, 2009	As of March 31, 2009
<b>Assets:</b>		
Cash and deposits	4,129	2,819
Securities	70,319	64,309
Accounts receivable	6,690	—
Tangible fixed assets	283	270
Intangible fixed assets	2,148	1,898
Other assets	3,853	12,139
Deferred tax assets	5,880	5,260
Total assets	93,305	86,698
<b>Liabilities:</b>		
Policy reserves	72,305	66,520
Reserves for outstanding losses	16,816	15,729
Underwriting reserves	55,489	50,791
Other liabilities	4,933	5,411
Income taxes payable	1,290	556
Lease obligations	0	1
Others	3,643	4,853
Reserve for employees' retirement benefits	508	462
Reserve for directors' retirement benefits	24	37
Reserve for employees' bonuses	613	575
Reserve for price fluctuations and others	19	12
Reserve for price fluctuations	19	12
Total Liabilities	78,405	73,020

(Millions of yen)

	As of September 30, 2009	As of March 31, 2009
<b>Net Assets:</b>		
Stockholder's equity		
Common stock	20,000	20,000
Capital surplus		
Capital reserve	20,000	20,000
Total capital surplus	20,000	20,000
Retained deficits		
Other retained deficits	(25,113)	(26,147)
Unappropriated retained deficits	(25,113)	(26,147)
Total retained deficits	(25,113)	(26,147)
Total stockholder's equity	14,886	13,852
Valuation and translation adjustments		
Net unrealized gains(losses) on other securities, net of taxes	13	(173)
Total valuation and translation adjustments	13	(173)
Total Net Assets	14,899	13,678
Total Liabilities and Net Assets	93,305	86,698

## 2. Statements of Income

(Millions of yen)

	For the six months ended September 30, 2008	For the six months ended September 30, 2009
Ordinary revenues	30,713	33,993
Underwriting income	30,371	33,636
<i>Net premiums written</i>	30,351	33,620
<i>Interest and dividends on deposits of premiums</i>	19	15
Investment income	321	341
<i>Interest income and dividends</i>	335	342
<i>Gains on sale of securities</i>	5	7
<i>Transfer to interest and dividends on deposits of premiums</i>	(19)	(15)
Other ordinary income	20	15
Ordinary expenses	29,533	32,455
Underwriting expenses	22,086	24,566
<i>Net losses paid</i>	14,124	16,181
<i>Loss adjustment expenses</i>	1,771	1,972
<i>Net commissions and brokerage fees</i>	539	627
<i>Provision for reserve for outstanding losses</i>	1,084	1,086
<i>Provision for underwriting reserves</i>	4,565	4,698
Investment expenses	14	13
<i>Losses on sale of securities</i>	—	12
<i>Devaluation losses on securities</i>	14	—
Operating, general and administrative expenses	7,429	7,869
Other ordinary expenses	4	6
Ordinary profit	1,179	1,537
Extraordinary gains	2	—
Reversal of reserve for price fluctuations and others	2	—
<i>Reversal of reserve for price fluctuations</i>	2	—
Extraordinary losses	63	28
Losses on sale or disposal of fixed assets	63	21
Provision for reserve for price fluctuations and others	—	7
<i>Provision for reserve for price fluctuations</i>	—	7
Others	1,118	1,508
Income before income taxes	811	1,102
Income taxes –Current	(391)	(627)
Income taxes –Deferred	—	474
Net income	698	1,034

### 3. Financial Summary (Year-on-Year Comparison)

(Millions of yen)

	For the six months ended September 30, 2008	For the six months ended September 30, 2009	Change (Amount)	Change (%)
Gross direct premiums written ( Direct premiums written )	<b>30,181</b> 30,181	<b>33,448</b> 33,448	<b>3,267</b> 3,267	<b>10.8</b> % 10.8
Underwriting income ( Net premiums written )	<b>30,371</b> 30,351	<b>33,636</b> 33,620	<b>3,265</b> 3,269	<b>10.8</b> 10.8
Underwriting expenses ( Net losses paid )	<b>22,086</b> 14,124	<b>24,566</b> 16,181	<b>2,480</b> 2,057	<b>11.2</b> 14.6
( Loss adjustment expenses )	1,771	1,972	200	11.3
( Net commissions and brokerage fees )	539	627	87	16.2
Investment income ( Interest and dividends )	<b>321</b> 335	<b>341</b> 342	<b>19</b> 7	<b>6.0</b> 2.1
( Gains on sale of securities )	5	7	2	36.6
Investment expenses ( Losses on sale of securities )	<b>14</b> —	<b>13</b> 12	(0) 12	<b>(6.8)</b> —
( Devaluation losses on securities )	14	—	(14)	(100.0)
Operating, general and administrative expenses (Operating, general and administrative expenses for underwriting)	<b>7,429</b> 7,408	<b>7,869</b> 7,831	<b>440</b> 423	<b>5.9</b> 5.7
Other ordinary income (expenses), net	<b>16</b>	<b>9</b>	<b>(6)</b>	<b>(42.6)</b>
Ordinary profit (Underwriting profit)	<b>1,179</b> 876	<b>1,537</b> 1,238	<b>357</b> 361	<b>30.3</b> 41.3
Extraordinary gains	2	—	(2)	(100.0)
Extraordinary losses	63	28	(35)	(55.5)
Extraordinary gains (losses), net	<b>(61)</b>	<b>(28)</b>	<b>33</b>	<b>—</b>
Income before income taxes	<b>1,118</b>	<b>1,508</b>	<b>390</b>	<b>34.9</b>
Income taxes -Current	<b>811</b>	<b>1,102</b>	<b>290</b>	<b>35.8</b>
Income taxes -Deferred	<b>(391)</b>	<b>(627)</b>	<b>(235)</b>	<b>—</b>
Total income taxes	<b>—</b>	<b>474</b>	<b>—</b>	<b>—</b>
Net income	<b>698</b>	<b>1,034</b>	<b>335</b>	<b>48.0</b>
Ratios	Net loss ratio	52.4%	54.0%	
	Net expense ratio	26.2%	25.2%	

- Notes:
- Underwriting profit = Underwriting income – (Underwriting expenses + Operating, general and administrative expenses for underwriting) ± Other income and expenses. Other income and expenses are such as corporate taxes associated with compulsory automobile liability insurance.
  - Ratios are calculated as follows.  
 Net loss ratio = (Net losses paid + Loss adjustment expenses) / Net premiums written x 100  
 Net expense ratio = (Net commissions and brokerage fees + Operating, general and administrative expenses for underwriting) / Net premiums written x 100

#### **4. Premiums and Losses Paid by Type of Policy**

##### **Direct Premiums Written**

(Millions of yen)

	For the six months ended September 30, 2008			For the six months ended September 30, 2009		
	Amount	Composition	YoY Change	Amount	Composition	YoY Change
		%	%		%	%
Fire	165	0.5	24.7	137	0.4	(16.9)
Marine	—	—	—	—	—	—
Personal accident	3,284	10.9	5.4	3,442	10.3	4.8
Voluntary automobile	26,731	88.6	11.1	29,868	89.3	11.7
Compulsory automobile liability	—	—	—	—	—	—
Total	30,181	100.0	10.5	33,448	100.0	10.8

##### **Net Premiums Written**

(Millions of yen)

	For the six months ended September 30, 2008			For the six months ended September 30, 2009		
	Amount	Composition	YoY Change	Amount	Composition	YoY Change
		%	%		%	%
Fire	8	0.0	4.4	6	0.0	(23.0)
Marine	19	0.1	(11.1)	7	0.0	(62.3)
Personal accident	3,430	11.3	7.8	3,563	10.6	3.9
Voluntary automobile	26,628	87.7	11.1	29,752	88.5	11.7
Compulsory automobile liability	265	0.9	(6.6)	291	0.9	9.5
Total	30,351	100.0	10.5	33,620	100.0	10.8

##### **Net Losses Paid**

(Millions of yen)

	For the six months ended September 30, 2008			For the six months ended September 30, 2009		
	Amount	YoY Change	Net loss ratio	Amount	YoY Change	Net loss ratio
		%	%		%	%
Fire	0	(50.3)	77.4	0	1.5	76.0
Marine	8	(18.0)	44.4	1	(82.3)	20.8
Personal accident	619	9.0	20.7	705	13.9	22.0
Voluntary automobile	13,256	13.5	56.1	15,216	14.8	57.5
Compulsory automobile liability	239	10.2	90.2	258	7.6	88.7
Total	14,124	13.2	52.4	16,181	14.6	54.0

## **5. Securities**

### **1. Held-to-maturity securities with fair value**

(Millions of yen)

	As of September 30, 2009			As of March 31, 2009		
	Balance sheet amount	Fair value	Difference	Balance sheet amount	Fair value	Difference
Japanese government and corporate bonds	48,696	49,380	683	43,678	44,188	510
Foreign securities	997	1,004	6	1,097	1,109	11
Total	49,694	50,384	690	44,776	45,298	522

### **2. Stock of subsidiaries and affiliated companies**

As of September 30, 2009, and As of March 31, 2009 - None

### **3. Available-for-sale securities with fair value**

(Millions of yen)

	As of September 30, 2009			As of March 31, 2009		
	Acquisition cost	Balance sheet amount	Difference	Acquisition cost	Balance sheet amount	Difference
Japanese government and corporate bonds	17,061	17,082	20	16,666	16,492	(173)
Total	17,061	17,082	20	16,666	16,492	(173)

### **4. Balance sheet amount of major securities that are not marked to market**

As of September 30, 2009	As of March 31, 2009
(1)Held-to-maturity securities None	(1)Held-to-maturity securities None
(2)Stock of subsidiaries and affiliated companies None	(2)Stock of subsidiaries and affiliated companies None
(3)Available-for-sale securities Other 3,542 million yen	(3)Available-for-sale securities Other 3,040 million yen

## **6. Risk-Monitored Loans**

None

## 7. Solvency Margin Ratio

(Millions of yen)

	As of September 30, 2009	As of March 31, 2009
(A) Total solvency margin	26,502	24,195
Net assets, excluding the amount of expected outflow from the company and the amount of valuation and exchange differences and deferred assets	14,886	13,852
Reserve for price fluctuations	19	12
Contingency reserve	4	3
Special catastrophe reserves	11,572	10,500
Reserve for possible loan losses	—	—
Net unrealized gains on other securities	18	(173)
Net unrealized gains on real estate	—	—
Refund reserve premium	—	—
Subordinated debt	—	—
Deductible items	—	—
Other	—	—
(B) Total risk $\sqrt{\{(R_1+R_2)^2+(R_3+R_4)^2\} + R_5+R_6}$	5,127	4,872
Ordinary insurance risks ( $R_1$ )	4,342	4,097
Third-sector insurance risks ( $R_2$ )	0	0
Assumed interest rate risks ( $R_3$ )	9	8
Asset management risks ( $R_4$ )	308	294
Business management risks ( $R_5$ )	158	150
Major catastrophe risk ( $R_6$ )	615	614
(C) Solvency margin ratio $[(A) / \{(B) \times 1/2\}] \times 100$	1,033.6%	993.0%

Note: Calculations and figures included in the chart above apply the methods provided for under Articles 86 and 87 of the Insurance Business Law of Japan enforcement regulations, as stipulated in 1996 Ministry of Finance Official Notification No. 50.

### <Solvency Margin Ratio>

Non-life insurance companies maintain reserves to ensure their ability to pay claims when accidents occur and return contracted amounts at maturity on savings-type insurance. Non-life insurance companies must also maintain sufficient ability to pay in the event of a major catastrophe or a dramatic drop in the value of the assets they hold—risk events outside the normal scope of expectations.

Total risk (item (B) in the table above) indicates dangers outside the general scope of expectations. The solvency margin ratio (item (C) in the table above) is an indicator of an insurer's ability to pay, calculated as prescribed by the Insurance Business Law of Japan, based on its percentage holdings of capital and other reserves (in other words, the total solvency margin: as indicated by (A) above).

“Risk events outside the normal scope of expectations” refers to the total of the amounts represented by the following risks.

Insurance underwriting risks (Ordinary insurance risks) (Third-sector insurance risks)	Risks outside the scope of risk incorporated into the rate of accident occurrence (excluding major catastrophe risks)
Assumed interest rate risks	Risks that actual investment yields will fall below the investment yield assumed when calculating premiums
Asset management risks	Risks arising from such factors as unexpectedly large fluctuations in prices on owned securities and other assets
Business management risks	Unexpected risks to business management other than 1) through 3) and 5) above
Major catastrophe risks	Risks arising from major catastrophes (such as the Great Kanto Earthquake and the Ise Bay Typhoon)

A non-life insurer's ability to pay (total solvency margin), as indicated by such factors as its capital and reserves is the total of the insurer's net assets (excluding the amount of expected outflow from the company), reserves (such as the reserve for price fluctuations and special catastrophe reserves) and a portion of its net unrealized gain on real estate.

The solvency margin ratio is one of the objective indicators used by the insurance regulatory authorities to supervise insurers. If this ratio is 200% or higher, an insurer is judged to have sufficient ability to satisfy claims and other payments.