

Summary Information on Sony Life's Financial Results
for the Six Months Ended September 30, 2010

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1. Key Performance Results

(1) Policy Amount in Force and New Policy Amount

Policy amount in force

(Number: Thousand, Amount: 100 millions of yen, %)

Category	As of September 30, 2009		As of September 30, 2010						As of March 31, 2010	
	Number	Amount	Number	% YoY Change	% Change from March 31, 2010	Amount	% YoY Change	% Change from March 31, 2010	Number	Amount
Individual life insurance	4,795	326,001	5,116	106.7	103.3	338,020	103.7	101.9	4,954	331,641
Individual annuities	53	2,974	57	108.3	103.7	3,164	106.4	103.2	55	3,066
Subtotal	4,848	328,975	5,174	106.7	103.3	341,185	103.7	101.9	5,010	334,707
Group life insurance	—	11,107	—	—	—	11,333	102.0	100.5	—	11,274
Group annuities	—	727	—	—	—	722	99.4	99.9	—	723

Notes: 1. Policy amounts for individual annuities are equal to the sum of (a) the funds to be held at the time annuity payments are to commence for policies for which annuity payments have not yet commenced and (b) the amount of policy reserves for policies for which payments have commenced.
2. The policy amount in force for group annuities is equal to the amount of outstanding policy reserves.

New policy amount

(Number: Thousand, Amount: 100 millions of yen, %)

Category	For the six months ended September 30, 2009				For the six months ended September 30, 2010					
	Number	Amount	New policies	Increase from Conversion	Number	% YoY Change	Amount	% YoY Change	New Policies	Increase from Conversion
Individual life insurance	273	18,036	18,036	—	292	106.9	20,527	113.8	20,527	—
Individual annuities	3	148	148	—	3	104.4	157	106.0	157	—
Subtotal	276	18,184	18,184	—	295	106.9	20,684	113.7	20,684	—
Group life insurance	—	39	39	—	—	—	90	229.6	90	—
Group annuities	—	—	—	—	—	—	—	—	—	—

Notes: 1. The new policy amount including increase from conversion for individual annuities is equal to the funds held at the time annuity payments commence.
2. The new policy amount for group annuities is equal to the initial premium payment.

(2) Annualized Premiums

Policy amount in force

(Millions of yen, %)

Category	As of September 30, 2009	As of September 30, 2010			As of March 31, 2010	
			% YoY Change	% Change from March 31, 2010		
Individual life insurance	548,533	577,899	105.4	102.6	563,002	
Individual annuities	9,936	11,754	118.3	113.8	10,329	
Total	558,470	589,653	105.6	102.8	573,331	
Of which, medical protection, living benefit protection, etc.	129,658	136,668	105.4	102.7	133,023	

New policies

(Millions of yen, %)

Category	For the six months ended September 30, 2009	For the six months ended September 30, 2010	% YoY Change
	Individual Life Insurance	31,370	34,095
Individual annuities	658	863	131.0
Total	32,029	34,958	109.1
Of which, medical protection, living benefit protection, etc.	7,715	7,970	103.3

Notes: 1. Annualized premiums refer to an amount that is calculated by multiplying individual premium amounts by a coefficient that differs depending on the premium payment methods, thereby converting the figure to a per-year premium. (For lump-sum payment policies, premiums are divided by the number of coverage years.)
2. "Medical protection and living benefit protection, etc." indicates the portion of annualized premiums for medical protection benefits (hospitalization benefits, surgical procedure benefits, etc.) and products with living benefit protection (benefits for specific illness, nursing care benefits, etc.).

(3) Major P/L Items

(Millions of yen, %)

Category	For the six months ended September 30, 2009	For the six months ended September 30, 2010	% YoY Change
Income from insurance premiums	339,359	371,040	109.3%
Investment income	91,588	71,154	77.7%
Insurance claims and other payments	134,418	132,052	98.2%
Investment expenses	10,726	27,160	253.2%

(4) Total assets

(Millions of yen, %)

Category	As of September 30, 2010		As of March 31, 2010
		% Change from March 31, 2010	
Total assets	4,487,870	104.7%	4,286,540

2. Investment of General Account Assets during the Six Months Ended September 30, 2010

(1) Investment Environment

During the six months ended September 30, 2010, the Japanese economy entered a gradual recovery phase. Real GDP (2nd preliminary figures¹) grew at a rate of 0.4% (annualized rate of 1.5%) during the April–June quarter, with contributions from growth in private-sector capital expenditure and in exports of goods and services.² However, nominal GDP, a better indicator of conditions in the real economy, was negative 0.6% (annualized rate of minus 2.5%) in the July–September quarter. This figure marked the first negative growth since the July–September quarter of the previous fiscal year, resulting from a decline in the rate of growth in domestic demand. Real GDP during the July–September quarter is estimated to have grown at a positive rate due to temporary factors, such as a surge in consumer spending on automobiles, stemming from a rush in purchases of hybrid cars and other eco-friendly cars prior to the end of the government subsidy scheme.

The Japanese bond market performed steadily. Although moderate recovery continues, Japanese economic recovery is expected to decelerate, a situation that prompted a gradual falloff in expectations of a rise in Japanese interest rates. Additionally, such factors as financial problems in Europe, yen appreciation and weak stock markets led to the lowering of interest rates. Yields on 10-year Japanese government bonds (JGBs) fell steadily, dropping to 0.940% as of September 30, 2010, compared with 1.400% on March 31, 2010. This marked the first time in seven years—since August 2003—that yields on 10-year JGBs had fallen below 1.000%.

The Nikkei Stock Average closed at ¥9,369.35 on September 30, 2010, down from ¥11,089.94 on March 31, 2010. Although company earnings continued to recover, ongoing yen strength and apprehension over a stalled economy were factors weighing on share prices; compared to European and American markets, the Japanese stock market was conspicuous in its weakness. In terms of supply and demand, foreign investors, who were major buyers in the previous fiscal year, offloaded Japanese shares to the tune of ¥488.8 billion in the first half of this fiscal year, which appears to be curbing share-price appreciation.

On foreign exchange markets, the yen continued to appreciate against the U.S. dollar, rising from ¥93.47 on March 31, 2010, to ¥83.58 on September 30, 2010. Behind this significant appreciation of the yen regardless of the gradual recovery in the domestic economy, we point to the interest rate differential between Japan and the United States narrowing due to the lower yields of U.S. government bonds. Long-term U.S. interest rates fell from 3.8257% on March 31, 2010, to 2.5098% on September 30, 2010, reflecting heightened concerns over the deflationary impact of balance-sheet adjustments. Consequently, the long-term interest rate gap between Japan and the United States rapidly narrowed to around 1.5% on September 30, 2010, compared with around 2.4% on March 31, 2010, which is considered a factor behind accelerated purchases of the yen versus the dollar. Additionally, financial woes in Europe, particularly Greece, helped to trigger yen appreciation. Under the circumstances, among major currencies buying yen was seen as a safe move.

(2) Investment Policy

Our basic investment policy on general account assets is to create an investment portfolio that generates stable profits over the medium to long term while considering the soundness of invested assets and the debt characteristics. The Company secures stable interest income by investing primarily in Japanese government and corporate bonds. From the perspective of ALM, we strive to increase the allocation of ultralong-term bonds. Furthermore, we will continue investing in equity assets, including Japanese stocks, by controlling the allocation and ensuring a balance between profitability and market risks.

(3) Results of Investment

As of September 30, 2010, general account assets totaled ¥4,120.6 billion, up 5.3%, or ¥207.6 billion, from March 31, 2010. Within the general account assets, domestic bond investment totaled ¥3,337.0 billion (accounting for 81.0% of total general account assets), domestic stocks ¥63.2 billion (1.5%), foreign bonds ¥42.1 billion (1.0%), monetary trusts ¥287.6 billion (7.0%), policyholder loans ¥131.9 billion (3.2%), real estate ¥79.1 billion (1.9%), and cash and deposits and call loans ¥54.9 billion (1.3%).

1. Announced on September 11, 2010

2. The estimated growth rate of real GDP in the 2nd quarter of 2010 was 2.11%, announced by the Economic Planning Association (ESP Forecasts) on October 12, 2010.

3. Status of Investment Assets (General Account Assets)

(1) Portfolio of General Account Assets

(Millions of yen, %)

Category	As of September 30, 2010		As of March 31, 2010	
	Amount	%	Amount	%
Cash and deposits, call loans	54,930	1.3	116,442	3.0
Securities repurchased under resale agreements	—	—	—	—
Pledged money for bond borrowing transaction	—	—	—	—
Monetary claims purchased	—	—	—	—
Securities under proprietary accounts	—	—	—	—
Monetary trusts	287,646	7.0	288,772	7.4
Securities	3,482,444	84.5	3,188,812	81.5
Domestic bonds	3,337,048	81.0	3,032,933	77.5
Domestic stocks	63,274	1.5	72,525	1.9
Foreign securities	68,550	1.7	75,285	1.9
Foreign bonds	42,144	1.0	49,915	1.3
Foreign stocks and other securities	26,406	0.6	25,370	0.6
Other securities	13,571	0.3	8,067	0.2
Loans	131,900	3.2	127,599	3.3
Real estate	79,193	1.9	79,915	2.0
Deferred tax assets	24,710	0.6	27,686	0.7
Other assets	60,002	1.5	83,918	2.1
Reserve for possible loan losses	(225)	(0.0)	(212)	(0.0)
Total	4,120,602	100.0	3,912,935	100.0
Of which, foreign-currency-denominated assets	22,594	0.5	21,724	0.6

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

(2) Changes in General Account Assets by Categories

(Millions of yen)

Category	For the six months ended September 30, 2009	For the six months ended September 30, 2010
Cash and deposits, call loans	42,276	(61,511)
Securities repurchased under resale agreements	—	—
Pledged money for bond borrowing transaction	—	—
Monetary claims purchased	—	—
Securities under proprietary accounts	—	—
Monetary trusts	(73,979)	(1,126)
Securities	215,930	293,632
Domestic bonds	221,959	304,114
Domestic stocks	5,616	(9,251)
Foreign securities	(10,656)	(6,734)
Foreign bonds	(9,167)	(7,771)
Foreign stocks and other securities	(1,488)	1,036
Other securities	(988)	5,503
Loans	3,336	4,301
Real estate	(563)	(721)
Deferred tax assets	(14,789)	(2,975)
Other assets	2,199	(23,916)
Reserve for possible loan losses	0	(13)
Total	174,410	207,667
Of which, foreign-currency-denominated assets	(11,416)	870

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

(3) Investment Income

(Millions of yen)

Category	For the six months ended September 30, 2009	For the six months ended September 30, 2010
Interest income and dividends	32,909	42,338
Interest income from deposits	0	0
Interest income and dividends from securities	24,988	34,048
Interest income from loans	2,473	2,587
Income from real estate for rent	5,415	5,665
Other	31	36
Gains on securities under proprietary accounts	—	—
Income from monetary trusts, net	9,599	4,346
Income from trading securities, net	—	—
Gains on sale of securities	9,762	24,468
Gains on sale of domestic bonds	2,172	23,726
Gains on sale of domestic stocks	7,336	680
Gains on sale of foreign securities	252	62
Other	—	—
Gains on redemption of securities	1,096	—
Gains on derivatives, net	—	—
Foreign exchange gains, net	—	—
Other investment income	37	0
Total	53,405	71,154

(4) Investment Expenses

(Millions of yen)

Category	For the six months ended September 30, 2009	For the six months ended September 30, 2010
Interest expense	15	27
Losses on securities under proprietary accounts	—	—
Losses from monetary trusts, net	—	—
Losses on trading securities, net	—	—
Losses on sale of securities	5,328	703
Losses on sale of domestic bonds	—	—
Losses on sale of domestic stocks	4,510	626
Losses on sale of foreign securities	818	77
Other	—	—
Devaluation losses on securities	—	348
Devaluation losses on domestic bonds	—	—
Devaluation losses on domestic stocks	—	348
Devaluation losses on foreign securities	—	—
Other	—	—
Losses on redemption of securities	315	23
Losses on derivatives, net	—	—
Foreign exchange losses	169	163
Provision for reserve for possible loan losses	0	17
Write-off loans	—	—
Depreciation of real estate for rent and others	1,377	1,276
Other investment expenses	3,519	3,179
Total	10,726	5,739

(5) Valuation Gains (Losses) on Trading-purpose Securities

(Millions of yen)

Category	As of September 30, 2010		As of March 31, 2010	
	Balance sheet amount	Net valuation gains (losses) recorded in income	Balance sheet amount	Net valuation gains (losses) recorded in income
Trading-purpose securities	-	-	-	5,711

Note: The chart above includes trading-purpose securities in "monetary trusts" etc.

(6) Fair Value Information on Securities

a. Fair value information on securities with market value (except trading-purpose securities)

(Millions of yen)

Category	As of September 30, 2010					As of March 31, 2010				
	Carrying amount	Fair value	Net unrealized gains (losses)			Carrying amount	Fair value	Net unrealized gains (losses)		
			Unrealized gains	Unrealized losses				Unrealized gains	Unrealized losses	
Held-to-maturity securities	2,818,624	3,040,276	221,651	221,941	289	2,275,629	2,255,176	(20,453)	10,572	31,026
Policy reserve matching bonds	-	-	-	-	-	-	-	-	-	-
Stocks of subsidiaries and affiliated companies	-	-	-	-	-	-	-	-	-	-
Available-for-sale securities	858,892	913,905	55,013	59,204	4,191	1,126,543	1,166,944	40,401	42,252	1,850
Domestic bonds	794,884	848,583	53,698	53,699	1	1,061,593	1,090,012	28,418	29,677	1,259
Domestic stocks	51,827	52,969	1,142	4,851	3,708	51,723	62,183	10,459	10,956	497
Foreign securities	-	-	-	-	-	8,084	8,010	(74)	19	93
Bonds	-	-	-	-	-	8,084	8,010	(74)	19	93
Stocks, etc.	-	-	-	-	-	-	-	-	-	-
Other securities	12,180	12,352	172	654	481	5,140	6,738	1,597	1,598	0
Monetary claims purchased	-	-	-	-	-	-	-	-	-	-
Certificates of deposit	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-
Total	3,677,516	3,954,181	276,665	281,146	4,480	3,402,172	3,422,120	19,947	52,824	32,877
Domestic bonds	3,571,365	3,840,632	269,266	269,557	290	3,295,318	3,295,356	37	32,323	32,285
Domestic stocks	51,827	52,969	1,142	4,851	3,708	51,723	62,183	10,459	10,956	497
Foreign securities	42,144	48,227	6,083	6,083	-	49,989	57,843	7,853	7,947	93
Bonds	42,144	48,227	6,083	6,083	-	49,989	57,843	7,853	7,947	93
Stocks, etc.	-	-	-	-	-	-	-	-	-	-
Other securities	12,180	12,352	172	654	481	5,140	6,738	1,597	1,598	0
Monetary claims purchased	-	-	-	-	-	-	-	-	-	-
Certificates of deposit	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-

- Notes
1. The above table includes assets such as certificates of deposit which are permitted to be treated as equivalent to securities defined in the Financial Instruments and Exchange Law of Japan.
 2. Carrying amount and net unrealized gains (losses) on monetary trusts, including items other than trading-purpose securities, amounted to ¥268,409 million and ¥19,605 million.
 3. Carrying amount represents the amount after deductions for depreciable costs and impairment losses, before mark-to-market.

b. Carrying amounts of securities without market value

(Millions of yen)

Category	As of September 30, 2010	As of March 31, 2010
Held-to-maturity securities	—	—
Unlisted foreign bonds	—	—
Others	—	—
Policy reserve matching bonds	—	—
Stocks of subsidiaries and affiliated companies	15,847	15,847
Available-for-sale securities	25,974	24,833
Unlisted domestic stocks (except OTC stocks)	4	42
Unlisted foreign stocks (except OTC stocks)	962	885
Unlisted foreign bonds	—	—
Others	25,008	23,955
Total	41,822	40,731

C. Fair Value Information consisting of that stated in the previous table-a and foreign exchange and other gains (losses) for table-t

(Millions of yen)

Category	As of September 30, 2010					As of March 31, 2010				
	Carrying amount	Fair value	Net unrealized gains (losses)			Carrying amount	Fair value	Net unrealized gains (losses)		
			Unrealized gains	Unrealized losses				Unrealized gains	Unrealized losses	
Held-to-maturity securities	2,818,624	3,040,276	221,651	221,941	289	2,275,629	2,255,176	(20,453)	10,572	31,026
Policy reserve matching bonds	—	—	—	—	—	—	—	—	—	—
Stocks of subsidiaries and affiliated companies	15,847	15,847	—	—	—	15,847	15,847	—	—	—
Available-for-sale securities	884,867	935,987	51,120	59,948	8,828	1,151,426	1,188,138	36,711	42,946	6,234
Domestic bonds	794,884	848,583	53,698	53,699	1	1,061,593	1,090,012	28,418	29,677	1,259
Domestic stocks	51,831	52,974	1,142	4,851	3,708	51,766	62,225	10,459	10,956	497
Foreign securities	962	817	(144)	—	144	8,970	8,809	(160)	19	180
Bonds	—	—	—	—	—	8,084	8,010	(74)	19	93
Stocks, etc.	962	817	(144)	—	144	885	798	(86)	—	86
Other securities	37,188	33,612	(3,575)	1,397	4,973	29,095	27,090	(2,005)	2,292	4,298
Monetary claims purchased	—	—	—	—	—	—	—	—	—	—
Certificates of deposit	—	—	—	—	—	—	—	—	—	—
Others	—	—	—	—	—	—	—	—	—	—
Total	3,719,339	3,992,111	272,772	281,889	9,117	3,442,904	3,459,162	16,258	53,519	37,261
Domestic bonds	3,571,365	3,840,632	269,266	269,557	290	3,295,318	3,295,356	37	32,323	32,285
Domestic stocks	62,131	63,274	1,142	4,851	3,708	62,066	72,525	10,459	10,956	497
Foreign securities	48,654	54,592	5,938	6,083	144	56,422	64,189	7,766	7,947	180
Bonds	42,144	48,227	6,083	6,083	—	49,989	57,843	7,853	7,947	93
Stocks, etc.	6,509	6,365	(144)	—	144	6,433	6,346	(86)	—	86
Other securities	37,188	33,612	(3,575)	1,397	4,973	29,095	27,090	(2,005)	2,292	4,298
Monetary claims purchased	—	—	—	—	—	—	—	—	—	—
Certificates of deposit	—	—	—	—	—	—	—	—	—	—
Others	—	—	—	—	—	—	—	—	—	—

(7) Fair Value Information on Monetary Trusts (General Account)

(Millions of yen)

Category	As of September 30, 2010				
	Balance sheet amount	Fair value	Net unrealized gains (losses)		
			Unrealized gains	Unrealized losses	
Monetary trusts	287,646	287,646	—	—	—

As of March 31, 2010				
Balance sheet amount	Fair value	Net unrealized gains (losses)		
		Unrealized gains	Unrealized losses	
288,772	288,772	—	—	—

Note: The table above includes ¥50 million of jointly invested monetary trusts.

Monetary Trusts for Investment

(Millions of yen)

Category	As of September 30, 2010	
	Balance sheet amount	Net valuation gains (losses)
Monetary trusts for investment	—	—

As of March 31, 2010	
Balance sheet amount	Net valuation gains (losses)
681	5,711

Note: Monetary trusts includes cash and call loans held in monetary trusts.

Monetary trusts for held-to-maturity and policy reserve matching and other monetary trusts

(Millions of yen)

Category	As of September 30, 2010				
	Carrying amount	Fair value	Net unrealized gains (losses)		
			Unrealized gains	Unrealized losses	
Monetary trusts for held-to-maturity	—	—	—	—	—
Monetary trusts for policy reserve matching	—	—	—	—	—
Other monetary trusts	267,989	287,595	19,605	19,605	—

As of March 31, 2010				
Carrying amount	Fair value	Net unrealized gains (losses)		
		Unrealized gains	Unrealized losses	
—	—	—	—	—
—	—	—	—	—
285,525	288,039	2,514	2,968	453

Note: Monetary trusts includes cash and call loans held in monetary trusts.

4. Balance Sheets (Non-consolidated)

(Millions of yen)

	As of September 30, 2010	As of March 31, 2010
	Amount	Amount
Assets:		
Cash and deposits	30,129	45,707
Call loans	48,100	91,800
Monetary trusts	287,646	288,772
Securities	3,824,756	3,539,114
(Japanese government bonds)	3,368,862	3,023,972
(Japanese municipal bonds)	12,364	28,433
(Japanese corporate bonds)	78,780	99,351
(Japanese stocks)	90,333	103,098
(Foreign securities)	177,184	186,043
Loans	131,900	127,599
Policy loans	131,900	127,599
Tangible fixed assets	80,105	80,923
Intangible fixed assets	14,472	13,862
Due from reinsurers	739	120
Other assets	45,535	71,165
Deferred tax assets	24,710	27,686
Reserve for possible loan losses	(225)	(212)
Total Assets	4,487,870	4,286,540
Liabilities:		
Policy reserves and others	4,191,582	4,012,112
Reserve for outstanding claims	22,829	21,424
Policy reserves	4,163,560	3,985,610
Reserve for policyholders' dividends	5,192	5,076
Due to agencies	1,334	1,445
Due to reinsurers	561	716
Other liabilities	41,736	55,501
Accrued income tax	19,313	16,943
Lease obligations	300	325
Asset retirement obligation	661	—
Others	21,460	38,232
Reserve for employees' retirement benefits	16,311	14,989
Reserve for directors' retirement benefits	130	118
Reserve for price fluctuations	13,068	9,637
Reserve for price fluctuations	13,068	9,637
Deferred tax liabilities on land revaluation	706	706
Total Liabilities	4,265,431	4,095,228
Net Assets:		
Common stock	70,000	70,000
Capital surplus	5,865	5,865
Capital reserve	5,865	5,865
Retained earnings	123,448	101,464
Earned reserve	11,278	9,878
Other retained earnings	112,169	91,585
Unappropriated retained earnings for the period	112,169	91,585
Total shareholders' equity	199,313	177,329
Net unrealized gains on other securities, net of taxes	24,601	15,458
Land revaluation, net of taxes	(1,475)	(1,475)
Total valuation and translation adjustments	23,125	13,982
Total Net Assets	222,439	191,312
Total Liabilities and Net Assets	4,487,870	4,286,540

5. Statements of Income (Non-consolidated)

(Millions of yen)

	For the six months ended September 30, 2009	For the six months ended September 30, 2010
	Amount	Amount
Ordinary Revenues	432,500	444,383
Income from insurance premiums	339,359	371,040
(Insurance premiums)	338,479	370,019
Investment income	91,588	71,154
(Interest income and dividends)	32,909	42,338
(Income from monetary trusts, net)	9,599	4,346
(Gains on sale of securities)	9,762	24,468
(Gains on separate accounts, net)	38,183	—
Other ordinary income	1,552	2,188
Ordinary Expenses	396,060	394,344
Insurance claims and other payments	134,418	132,052
(Insurance claims)	32,727	35,576
(Annuity payments)	3,205	3,602
(Insurance benefits)	15,833	15,953
(Surrender payments)	80,723	75,039
(Other payments)	852	824
Provision for policy reserves and others	197,354	179,363
Provision for reserve for outstanding claims	2,432	1,404
Provision for policy reserves	194,920	177,949
Interest on policyholders' dividend reserve	2	8
Investment expenses	10,726	27,160
(Interest expenses)	15	27
(Losses on sale of securities)	5,328	703
(Devaluation losses on securities)	—	348
(Losses on separate accounts, net)	—	21,420
Operating expenses	47,538	49,070
Other ordinary expenses	6,022	6,698
Ordinary Profit	36,440	50,039
Extraordinary Losses	2,819	3,736
Losses on disposal of fixed assets	89	15
Impairment losses	4	0
Provision for reserve for price fluctuations	2,725	3,430
Provision for reserve for price fluctuations	2,725	3,430
Other extraordinary losses	—	290
Provision for reserve for policyholders' dividends	224	345
Income before income taxes	33,396	45,956
Income taxes -current	5,932	19,501
Income taxes -deferred	5,730	(2,529)
Total Income Taxes	11,662	16,972
Net Income	21,733	28,983

6. Reconciliation to Core Profit and Non-consolidated Ordinary Profit

(Millions of yen)

		For the six months ended September 30, 2009	For the six months ended September 30, 2010
Core profit	A	28,597	26,846
Capital gains		15,182	26,090
Income from monetary trusts, net		5,420	1,622
Income from trading securities, net		—	—
Gains on sale of securities		9,762	24,468
Gains on derivatives, net		—	—
Foreign exchange gains, net		—	—
Other capital gains		—	—
Capital losses		5,879	1,215
Losses on monetary trusts, net		—	—
Losses on trading securities, net		—	—
Losses on sale of securities		5,328	703
Devaluation losses on securities		—	348
Losses on derivatives, net		—	—
Foreign exchange losses, net		169	163
Other capital losses		381	—
Net capital gains	B	9,303	24,875
Core profit plus net capital gains	A+B	37,900	51,722
Other one-time gains		—	—
Gains from reinsurance		—	—
Reversal of contingency reserve		—	—
Other		—	—
Other one-time losses		1,460	1,683
Losses from reinsurance		—	—
Provision for contingency reserve		1,460	1,665
Provision for specific reserve for possible loan losses		0	17
Provision for reserve for loan losses from borrowers in specific foreign countries		—	—
Write-off of loans		—	—
Other		—	—
Net other one-time gains (losses)	C	(1,460)	(1,683)
Ordinary profit	A+B+C	36,440	50,039

Notes:

1. Core profit for the six months ended September 30, 2009 (A) includes income gains of ¥4,179 million in income from monetary trusts; other capital losses include impairment losses of ¥381 million from investment partnership.
2. Core profit for the six months ended September 30, 2010 (A) includes income gains of ¥2,724 million in income from monetary trusts.

7. Loans by Borrower Category

(Millions of yen, %)

Category	As of September 30, 2010	As of March 31, 2010
Bankrupt and quasi-bankrupt loans	—	—
Doubtful loans	—	—
Sub-standard loans	—	—
Sub-total	—	—
[% to total]	[—]	[—]
Normal loans	134,215	129,867
Total	134,215	129,867

Notes:

1. Bankrupt and quasi-bankrupt loans are loans to borrowers who are subject to bankruptcy, corporate reorganization or rehabilitation or other similar proceedings and other borrowers in serious financial difficulties.
2. Doubtful loans are loans to obligors (other than bankrupt and quasi-bankrupt obligors) with deteriorated financial condition and results of operations from which it is unlikely that the principal and interest on the loans will be recovered.
3. Sub-standard loans are loans on which principal and/or interests are past due for three months or more and loans with a concessionary interest rate, as well as loans with renegotiated conditions in favor of the borrower, including renegotiated schedule and/or waivers, in each case, other than the loans described in notes 1. and 2. above.
4. Normal loans are all other loans.

8. Risk-Monitored Loans

Not applicable

9. Solvency Margin Ratio

(Millions of yen)

Category	As of September 30, 2010	As of March 31, 2010
Total solvency margin (A)	699,554	630,237
Common stock, etc.	197,900	170,329
Reserve for price fluctuations	13,068	9,637
Contingency reserve	50,162	48,497
Reserve for possible loan losses	0	0
Net unrealized gains on other securities multiplied by 90% if gains or 100% if losses	46,008	33,040
Net unrealized gains on real estate multiplied by 85% if gains or 100% if losses	1,633	1,633
Excess amount of policy reserves based on Zillmer method	322,892	316,510
Unallocated portion of reserve for policyholders' dividends	3,195	2,346
Future profits	1,022	1,022
Deferred tax assets	63,672	47,219
Subordinated debt	—	—
Deductible items	—	—
Total risk $\sqrt{(R_1+R_2)^2+(R_3+R_4+R_5)^2+R_6}$ (B)	46,748	47,792
Insurance risk R1	19,605	19,199
Third-sector insurance risk R8	7,213	7,094
Assumed interest rate risk R2	11,492	11,395
Asset management risk R3	16,617	18,932
Business management risk R4	1,270	1,292
Minimum guarantee risk R7	8,618	8,023
Solvency margin ratio (A) _____ x 100 (1/2) x (B)	2992.8%	2637.3%

Notes: 1. The foregoing figures were calculated based on provisions in Articles 86 and 87 of the Insurance Business Law Enforcement Regulations and the Ministry of Finance Announcement No. 50 (1996). (Excess amount of policy reserves based on Zillmer method were calculated based on Article 1-3-1 of the Ministry of Finance Announcement No. 50.)

2. Minimum guarantee risk was calculated based on the standardized approach.

10. Status of Separate Account Assets

(1) Balance of Separate Account Assets

(Millions of yen)

Category	As of September 30, 2010		As of March 31, 2010	
	Number	Amount	Number	Amount
Individual variable life insurance and individual variable annuities		367,267		373,604
Group annuities		—		—
Total separate account		367,267		373,604

Note: Assets relating to individual variable life insurance and individual variable annuities are jointly invested at Sony Life.

(2) Policy Amount in Force (Separate Account)

Individual variable life insurance

(Number: Thousand, Amount: Millions of yen)

Category	As of September 30, 2010		As of March 31, 2010	
	Number	Amount	Number	Amount
Variable life insurance (limited term type)	524	6,740,275	511	6,622,140
Variable life insurance (whole life type)	43	143,187	42	141,951
Variable life insurance (term type)	1	55,946	1	58,800
Total	569	6,939,409	556	6,822,892

Note: Amounts include the rider portion of variable life insurance.

Individual variable annuities

(Number: Thousand, Amount: Millions of yen)

Category	As of September 30, 2010		As of March 31, 2010	
	Number	Amount	Number	Amount
Individual variable annuities	28	155,396	28	154,718

Note: The figure indicated in the amount column is for annuity resources.

11. Consolidated Summary

(1) Key Performance Results

(Millions of yen)

Category	For the six months ended September 30, 2009	For the six months ended September 30, 2010
Ordinary Revenues	432,643	444,530
Ordinary Profit	36,396	49,594
Net Income	21,691	28,538

Category	As of September 30, 2010	As of March 31, 2010
Total assets	4,486,836	4,286,045

(2) Scope of Consolidation and Companies Accounted for under Equity Method

Number of consolidated subsidiaries	1
Number of non-consolidated subsidiaries accounted for under equity method	0
Number of affiliated companies accounted for under equity method	2

(3) Consolidated Balance Sheets

(Millions of yen)

	As of September 30, 2010	As of March 31, 2010
	Amount	Amount
Assets:		
Cash and deposits	31,125	46,112
Call loans	48,100	91,800
Monetary trusts	287,646	288,772
Securities	3,822,612	3,538,090
Loans	131,919	127,615
Tangible fixed assets	80,119	80,937
Intangible fixed assets	14,473	13,863
Due from reinsurers	739	120
Other assets	45,596	71,239
Deferred tax assets	24,729	27,705
Reserve for possible loan losses	(225)	(212)
Total Assets	4,486,836	4,286,045
Liabilities:		
Policy reserves and others	4,191,817	4,012,335
Reserve for outstanding claims	22,831	21,425
Policy reserves	4,163,793	3,985,833
Reserve for policyholders' dividends	5,192	5,076
Due to agencies	1,334	1,445
Due to reinsurers	561	716
Other liabilities	41,769	55,539
Reserve for employees' retirement benefits	16,314	14,991
Reserve for directors' retirement benefits	130	118
Reserve for price fluctuations	13,068	9,637
Reserve for price fluctuations	13,068	9,637
Deferred tax liabilities	0	0
Deferred tax liabilities on land revaluation	706	706
Total Liabilities	4,265,702	4,095,492
Net Assets:		
Common stock	70,000	70,000
Capital surplus	5,865	5,865
Retained earnings	122,364	100,825
Total shareholder's equity	198,229	176,690
Net unrealized gains on other securities, net of taxes	24,653	15,501
Land revaluation, net of taxes	(1,475)	(1,475)
Foreign currency translation adjustments	(273)	(163)
Total valuation and translation adjustments	22,904	13,862
Total Net Assets	221,133	190,553
Total Liabilities and Net Assets	4,486,836	4,286,045

(4) Consolidated Statements of Income

(Millions of yen)

	For the six months ended September 30, 2009	For the six months ended September 30, 2010
	Amount	Amount
Ordinary Revenues	432,643	444,530
Income from insurance premiums	339,389	371,073
Investment income	91,701	71,268
(Interest income and dividends)	33,013	42,427
(Income from monetary trusts, net)	9,599	4,346
(Gains on sale of securities)	9,771	24,492
(Gains on separate accounts, net)	38,183	—
Other ordinary income	1,552	2,188
Ordinary Expenses	396,246	394,936
Insurance claims and other payments	134,424	132,056
(Insurance claims)	32,731	35,577
(Annuity payments)	3,205	3,602
(Insurance benefits)	15,833	15,953
(Surrender payments)	80,725	75,041
Provision for policy reserves and others	197,370	179,383
Provision for reserves for outstanding claims	2,430	1,406
Provision for policy reserves	194,938	177,969
Interest on policyholders' dividend reserve	2	8
Investment expenses	10,705	27,160
(Interest expenses)	15	27
(Losses on sale of securities)	5,334	703
(Devaluation losses on securities)	—	348
(Losses on separate accounts, net)	—	21,420
Operating expenses	47,608	49,152
Other ordinary expenses	6,138	7,183
Ordinary Profit	36,396	49,594
Extraordinary Gains	—	0
Gains on sale of fixed assets	—	0
Extraordinary Losses	2,819	3,736
Losses on sale or disposal of fixed assets	89	15
Impairment losses	4	0
Provision for reserve for price fluctuations	2,725	3,430
Provision for reserve for price fluctuations	2,725	3,430
Other extraordinary losses	—	290
Provision for reserve for policyholders' dividends	224	345
Income before income taxes	33,352	45,511
Income taxes -current	5,932	19,501
Income taxes -deferred	5,729	(2,529)
Total Income Taxes	11,661	16,972
Income before Minority Interests	—	28,538
Net Income	21,691	28,538

12. (Reference 1) Results for the Three Months Ended September 30, 2010

(1) New Policy Amount

(Number: Thousand, Amount: 100 millions of yen, %)

Category	For the three months ended September 30, 2009				For the three months ended September 30, 2010					
	Number	Amount	New policies	Increase from conversion	Number	% YoY Change	Amount	% YoY Change	New policies	Increase from conversion
Individual life insurance	131	8,791	8,791	—	138	105.7	9,964	113.3	9,964	—
Individual annuities	1	70	70	—	1	95.6	66	94.5	66	—
Sub total	132	8,861	8,861	—	140	105.6	10,030	113.2	10,030	—
Group life insurance	—	8	8		—	—	87	1,033.8	87	
Group annuities	—	—	—		—	—	—	—	—	

(2) Annualized Premiums for New Policies

(Millions of yen, %)

Category	For the three months ended September 30, 2009	For the three months ended September 30, 2010	
		Amount	% YoY Change
Individual life insurance	15,703	16,487	105.0
Individual annuities	318	360	113.2
Total	16,022	16,848	105.2
Of which, medical protection, living benefit protection, etc	3,749	3,805	101.5

- Notes:
1. Annualized premiums refer to an amount that is calculated by multiplying individual premium amounts by a coefficient that differs depending on the premium payment methods, thereby converting the figure to a per-year premium. (For lump-sum payment policies, premiums are divided by the number of coverage years.)
 2. "Medical protection and living benefit protection, etc." indicates the portion of annualized premiums for medical protection benefits (hospitalization benefits, surgical procedure benefits, etc.) and products with living benefit protection (benefits for specific illness, nursing care benefits, etc.).

(3) Statements of Income

(Millions of yen)

	For the three months ended September 30, 2009	For the three months ended September 30, 2010
	Amount	Amount
Ordinary Revenues	209,296	238,944
Income from insurance premiums	173,413	188,355
(Insurance premiums)	172,905	187,601
Investment income	35,062	49,491
(Interest income and dividends)	17,193	21,779
(Income from monetary trusts, net)	5,411	2,003
(Gains on sale of securities)	3,141	17,045
(Gains on separate accounts, net)	9,315	8,662
Other ordinary income	820	1,097
Ordinary Expenses	193,600	207,739
Insurance claims and other payments	67,553	64,253
(Insurance claims)	17,537	17,645
(Annuity payments)	1,650	1,835
(Insurance benefits)	7,883	7,695
(Surrender payments)	39,505	36,376
(Other payments)	411	143
Provision for policy reserves and others	94,129	112,079
Provision for reserves for outstanding claims	1,675	631
Provision for policy reserves	92,452	111,443
Interest on policyholders' dividend reserve	1	4
Investment expenses	4,480	2,866
(Interest expenses)	6	11
(Losses on sale of securities)	1,704	223
(Devaluation losses on securities)	—	348
Operating expenses	24,420	25,199
Other ordinary expenses	3,016	3,340
Ordinary Profit	15,695	31,204
Extraordinary Gains	1	—
Reversal of reserve for possible loan losses	1	—
Extraordinary Losses	1,360	1,834
Losses on disposal of fixed assets	14	13
Impairment losses	3	0
Provision for reserve for price fluctuations	1,342	1,820
Provision for reserve for price fluctuations	1,342	1,820
Provision (Reversal) for reserve for policyholders' dividends	(55)	46
Income before income taxes	14,391	29,323
Income taxes -Current	6,358	12,602
Income taxes -Deferred	(1,880)	(2,080)
Total Income Taxes	4,478	10,522
Net Income	9,913	18,801

(4) Reconciliation to Core Profit and Non-consolidated Ordinary Profit

(Millions of yen)

		For the three months ended September 30, 2009	For the three months ended September 30, 2010
Core profit	A	12,027	15,055
Capital gains		6,498	17,701
Income from monetary trusts, net		3,357	656
Income from trading securities, net		—	—
Gains on sale of securities		3,141	17,045
Gains on derivatives, net		—	—
Foreign exchange gains, net		—	—
Other capital gains		—	—
Capital losses		2,119	640
Losses on monetary trusts, net		—	—
Losses on trading securities, net		—	—
Losses on sale of securities		1,704	223
Devaluation losses on securities		—	348
Losses on derivatives, net		—	—
Foreign exchange losses, net		33	68
Other capital losses		381	—
Net capital gains	B	4,378	17,061
Core profit plus net capital gains	A + B	16,406	32,116
Other one-time gains		—	—
Gains from reinsurance		—	—
Reversal of contingency reserve		—	—
Other		—	—
Other one-time losses		711	912
Losses from reinsurance		—	—
Provision for contingency reserve		711	899
Provision for specific reserve for possible loan losses		—	12
Provision for reserve for loan losses from borrowers in specific foreign countries		—	—
Write-off of loans		—	—
Other		—	—
Net other one-time gains (losses)	C	(711)	(912)
Ordinary profit	A + B + C	15,695	31,204

Notes:

1. Core profit for the three months ended September 30, 2009 (A) includes income gains of ¥2,054 million in income from monetary trusts; other capital losses include impairment losses of ¥381 million from investment partnership.
2. Core profit for the three months ended September 30, 2010 (A) includes income gains of ¥1,347 million in income from monetary trusts.

(5) Consolidated Statements of Income

	For the three months ended September 30, 2009	For the three months ended September 30, 2010
	Amount	Amount
Ordinary Revenues	209,370	239,022
Income from insurance premiums	173,429	188,373
Investment income	35,120	49,546
(Interest income and dividends)	17,244	21,817
(Income from monetary trusts, net)	5,411	2,003
(Gains on sale of securities)	3,148	17,061
(Gains on separate accounts, net)	9,315	8,662
Other ordinary income	820	1,102
Ordinary Expenses	193,730	207,977
Insurance claims and other payments	67,555	64,254
(Insurance claims)	17,537	17,645
(Annuity payments)	1,650	1,835
(Insurance benefits)	7,883	7,695
(Surrender payments)	39,506	36,377
Provision for policy reserves and others	94,138	112,091
Provision for reserve for outstanding claims	1,675	633
Provision for policy reserves	92,461	111,454
Interest on policyholders' dividend reserve	1	4
Investment expenses	4,486	2,827
(Interest expenses)	6	11
(Losses on sale of securities)	1,707	223
(Devaluation losses on securities)	—	348
Operating expenses	24,460	25,244
Other ordinary expenses	3,090	3,558
Ordinary Profit	15,640	31,045
Extraordinary Gains	1	0
Gains on sale of fixed assets	—	0
Reversal of reserve for possible loan losses	1	—
Extraordinary Losses	1,360	1,834
Losses on disposal of fixed assets	14	13
Impairment losses	3	0
Provision for reserve for price fluctuations	1,342	1,820
Provision for reserve for price fluctuations	1,342	1,820
Provision (reversal) for reserve for policyholders' dividends	(55)	46
Income before income taxes	14,336	29,164
Income taxes -Current	6,358	12,602
Income taxes -Deferred	(1,881)	(2,078)
Total Income Taxes	4,477	10,524
Income before Minority Interests	—	18,639
Net Income	9,858	18,639

(Reference 2)

Holdings of Securitized Papers and Other Sub-prime Related Investments

Sony Life's holdings of securitized papers and other sub-prime related investments as of September 30, 2010, are as follows.
Sony Life holds no sub-prime related investments.

(1) Special-purpose entities (SPEs)

(100 millions of yen)

	Fair value	Unrealized gains (losses)	Gains (losses) recorded in income
Special purpose entities (SPEs)	—	—	—
ABCP	—	—	—
facilitated by Sony Life	—	—	—
SIV	—	—	—
facilitated by Sony Life	—	—	—
Other	—	—	—
facilitated by Sony Life	—	—	—

(2) Collateralized debt obligations (CDO)

(100 millions of yen)

	Fair value	Unrealized gains (losses)	Gains (losses) recorded in income
Collateralized debt obligations (CDO)	—	—	—
ABS	—	—	—
CDO	—	—	—
Senior	—	—	—
sub-prime (Alt-A exposure)	—	—	—
Mezzanine	—	—	—
sub-prime (Alt-A exposure)	—	—	—
Equity	—	—	—
sub-prime (Alt-A exposure)	—	—	—
CLO	—	—	—
Senior	—	—	—
Mezzanine	—	—	—
Equity	—	—	—
CBO	—	—	—
Senior	—	—	—
Mezzanine	—	—	—
Equity	—	—	—
Other	—	—	—
Senior	—	—	—
Mezzanine	—	—	—
Equity	—	—	—

(3) Other sub-prime (Alt-A exposure)

(100 millions of yen)

	Fair value	Unrealized gains (losses)	Gains (losses) recorded in income
Other sub-prime (Alt-A exposure)	—	—	—
Non-securitized loans	—	—	—
RMBS	—	—	—
Derivatives	—	—	—
Commitment line	—	—	—
Other	—	—	—

(4) Commercial mortgage-backed securities (CMBS)

(100 millions of yen)

	Fair value		Unrealized gains (losses)	Gains (losses) recorded in income
		As of March 31, 2010		
Commercial mortgage-backed securities (CMBS)	—	—	—	—
Japan	—	—	—	—
USA	—	—	—	—
EU	—	—	—	—
UK	—	—	—	—
Other	—	—	—	—

(5) Leveraged finance

(100 millions of yen)

	Fair value		Unrealized gains (losses)	Gains (losses) recorded in income
		As of March 31, 2010		
Leveraged finance	—	—	—	—
Communications	—	—	—	—
Electronics	—	—	—	—
Entertainment	—	—	—	—
Services	—	—	—	—
Other	—	—	—	—

(6) Other notes

Sony Life holds principal protected 30 year notes with Nikkei 225 index linked coupon (fair market value of ¥48.2 billion and unrealized gains of 6.0 billion as of September 30, 2010). These amounts are included in “Net unrealized gains (losses) on other securities, (before taxes)” of Sony Life as of September 30, 2010.