August 12, 2011
Sony Financial Holdings Inc.

Summary Information on Sony Assurance's Financial Results for the Three Months Ended June 30, 2011

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1. Balance Sheets

(Millions of yen)

	As of March 31, 2011	As of June 30, 2011
Assets:		
Cash and deposits	3,859	3,323
Securities	80,608	84,227
Tangible fixed assets	384	366
Intangible fixed assets	3,632	4,037
Other assets	14,947	14,185
Deferred tax assets	5,949	6,085
Total Assets	109,382	112,225
Liabilities:		
Underwriting reserves	84,978	88,176
Reserve for outstanding losses	20,904	21,069
Underwriting reserves	64,073	67,106
Other liabilities	6,212	5,702
Income taxes payable	789	533
Others	5,423	5,168
Reserve for employees’ retirement benefits	644	631
Reserve for directors’ retirement benefits	34	32
Reserve for employees’ bonuses	695	363
Reserve for price fluctuations and others	43	47
Reserve for price fluctuations	43	47
Total Liabilities	92,609	94,953
Net Assets:		
Shareholders’ equity		
Common stock	20,000	20,000
Capital surplus	20,000	20,000
Retained deficits	(23,246)	(22,750)
Total shareholders’ equity	16,753	17,249
Valuation and translation adjustments		
Net unrealized gains on other securities, net of taxes	19	22
Total valuation and translation adjustments	19	22
Total Net Assets	16,772	17,272
Total Liabilities and Net Assets	109,382	112,225

2. Statements of Income

(Millions of yen)

	For the three months ended June 30, 2010	For the three months ended June 30, 2011
Ordinary Revenues	19,052	20,469
Underwriting income	18,868	20,215
(Net premiums written)	18,860	20,208
(Interest and dividends on deposits of premiums)	7	7
Investment income	179	217
(Interest income and dividends)	186	206
(Gains on sale of securities)	-	19
(Transfer to interest and dividends on deposits of premiums)	(7)	(7)
Other ordinary income	4	35
Ordinary Expenses	18,581	19,680
Underwriting expenses	14,396	15,100
(Net losses paid)	9,266	10,267
(Loss adjustment expenses)	1,143	1,221
(Net commissions and brokerage fees)	360	413
(Provision for reserve for outstanding losses)	433	164
(Provision for underwriting reserves)	3,192	3,033
Investment expenses	-	1
(Losses on redemption of securities)	-	1
Operating, general and administrative expenses	4,173	4,573
Other ordinary expenses	11	4
Ordinary Profit	470	789
Extraordinary Gains	-	-
Extraordinary Losses	12	4
Losses on sale or disposal of fixed assets	8	-
Provision for reserve for price fluctuations and others	3	4
Provision for reserve for price fluctuations	3	4
Income Before Income Taxes	458	785
Income Taxes –current	639	427
Income Taxes –deferred	(467)	(138)
Total Income Taxes	172	289
Net Income	286	495

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

(Millions of yen)

	For the three months ended June 30, 2010	For the three months ended June 30, 2011	Change (Amount)	Change (%)
Gross direct premiums written	18,737	20,022	1,284	6.9 %
(Direct premiums written)	18,737	20,022	1,284	6.9
Underwriting income	18,868	20,215	1,347	7.1
(Net premiums written)	18,860	20,208	1,347	7.1
Underwriting expenses	14,396	15,100	703	4.9
(Net losses paid)	9,266	10,267	1,001	10.8
(Loss adjustment expenses)	1,143	1,221	77	6.8
(Net commissions and brokerage fees)	360	413	52	14.5
Investment income	179	217	38	21.2
(Interest income and dividends)	186	206	19	10.3
(Gains on sale of securities)	–	19	19	–
Investment expenses	–	1	1	–
(Losses on redemption of securities)	–	1	1	–
Operating, general and administrative expenses	4,173	4,573	400	9.6
(Operating, general and administrative expenses related to underwriting)	4,154	4,549	394	9.5
Other ordinary income (expenses), net	(6)	31	37	–
Ordinary Profit	470	789	318	67.7
(Underwriting profit)	316	565	248	78.6
Extraordinary Gains	–	–	–	–
Extraordinary Losses	12	4	(8)	(66.2)
Extraordinary Gains (Losses), net	(12)	(4)	8	–
Income Before Income Taxes	458	785	326	71.3
Income Taxes–current	639	427	(211)	(33.1)
Income Taxes–deferred	(467)	(138)	329	–
Total Income Taxes	172	289	117	68.3
Net Income	286	495	209	73.1
Ratios: Net loss ratio	55.2%	56.9%		
Ratios: Net expense ratio	23.9%	24.6%		

Notes 1. Underwriting profit = Underwriting income – (Underwriting expenses + Operating, general and administrative expenses related to underwriting) ± Other income (expenses).
Other income (expenses) is the amount equivalent to the corporate income taxes for compulsory automobile liability insurance, etc.

2. 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 related to underwriting) / Net premiums written x 100

4. Premiums and Losses Paid by Type of Policy

Direct premiums written

(Millions of yen)

	For the three months ended June 30, 2010			For the three months ended June 30, 2011		
	Amount	Composition	YoY Change	Amount	Composition	YoY Change
		%	%		%	%
Fire	31	0.2	(56.4)	32	0.2	3.1
Marine	—	—	—	—	—	—
Personal accident	1,767	9.4	3.4	1,805	9.0	2.2
Voluntary automobile	16,938	90.4	9.5	18,184	90.8	7.4
Compulsory automobile liability	—	—	—	—	—	—
Total	18,737	100.0	8.6	20,022	100.0	6.9

Net premiums written

(Millions of yen)

	For the three months ended June 30, 2010			For the three months ended June 30, 2011		
	Amount	Composition	YoY Change	Amount	Composition	YoY Change
		%	%		%	%
Fire	1	0.0	(45.3)	61	0.3	3,516.4
Marine	3	0.0	40.7	2	0.0	(27.3)
Personal accident	1,824	9.7	2.5	1,875	9.3	2.8
Voluntary automobile	16,871	89.5	9.4	18,117	89.7	7.4
Compulsory automobile liability	158	0.8	59.9	150	0.7	(5.6)
Total	18,860	100.0	9.0	20,208	100.0	7.1

Net losses paid

(Millions of yen)

	For the three months ended June 30, 2010			For the three months ended June 30, 2011		
	Amount	YoY Change	Net loss ratio	Amount	YoY Change	Net loss ratio
		%	%		%	%
Fire	0	49.7	119.0	7	65,393.4	12.7
Marine	3	260.8	82.2	8	159.1	293.1
Personal accident	378	8.5	23.4	426	12.8	25.1
Voluntary automobile	8,732	15.8	58.2	9,627	10.3	59.6
Compulsory automobile liability	153	21.5	96.3	197	28.8	131.4
Total	9,266	15.6	55.2	10,267	10.8	56.9

5. Solvency Margin Ratio

(Millions of yen)

		As of March 31, 2011	As of June 30, 2011
(A)	Total solvency margin	28,758	29,789
	Capital or treasury	16,753	17,249
	Reserve for price fluctuations	43	47
	Contingency reserve	8	8
	Catastrophe reserve	11,926	12,451
	General reserve for possible loan losses	-	-
	Net unrealized gains on other securities (before subtracting tax effects)	26	32
	Net unrealized gains on real estate	-	-
	Excess refund reserve	-	-
	Subordinated debt	-	-
	Deductible items	-	-
	Others	-	-
(B)	Total risk $\sqrt{(R_1+R_2)^2+(R_3+R_4)^2}+R_5+R_6$	5,860	5,978
	Ordinary insurance risk (R_1)	5,060	5,170
	Third-sector insurance risk (R_2)	0	0
	Assumed interest rate risk (R_3)	12	13
	Asset management risk (R_4)	235	223
	Business management risk (R_5)	177	180
	Major catastrophe risk (R_6)	615	622
(C)	Solvency margin ratio [(A)／{(B)×1/2}]×100	981.4 ％	996.5 ％

Note: The foregoing figures were calculated based on provisions in Articles 86 and 87 of the Insurance Business Law Enforcement Regulations and Ministry of Finance Announcement No. 50 (1996). A part of calculations for major catastrophe risk as of June 30, 2011, is calculated according to simplified methods judged rational by Sony Assurance.

<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.

(1) Insurance underwriting risk (Ordinary insurance risk) (Third-sector insurance risk) :Risk outside the scope of risk incorporated into the rate of accident occurrence (excluding major catastrophe risks)

(2) Assumed interest rate risk :Risk that actual investment yields will fall below the investment yield assumed when calculating premiums

(3) Asset management risk :Risk arising from such factors as unexpectedly large fluctuations in prices on held securities and other assets

(4) Business management risk :Unexpected risk to business management other than (1) through (3) above and (5)

(5) Major catastrophe risk :Risk 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 catastrophe reserve) and a portion of its net unrealized gains 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.

6. (Reference) Solvency Margin Ratio Based on New Standard

(Millions of yen)

		As of March 31, 2011	As of June 30, 2011
(A)	Total solvency margin	28,758	29,789
	Capital or treasury	16,753	17,249
	Reserve for price fluctuations	43	47
	Contingency reserve	8	8
	Catastrophe reserve	11,926	12,451
	General reserve for possible loan losses	-	-
	Net unrealized gains on other securities (before subtracting tax effects)	26	32
	Net unrealized gains on real estate	-	-
	Excess refund reserve	-	-
	Subordinated debt	-	-
	Deductible items	-	-
	Others	-	-
(B)	Total risk $\sqrt{(R_1+R_2)^2+(R_3+R_4)^2}+R_5+R_6$	9,114	9,303
	Ordinary insurance risk (R_1)	8,207	8,386
	Third-sector insurance risk (R_2)	0	0
	Assumed interest rate risk (R_3)	49	52
	Asset management risk (R_4)	400	380
	Business management risk (R_5)	278	283
	Major catastrophe risk (R_6)	615	622
(C)	Solvency margin ratio [(A)／{(B)×1/2}]×100	631.0 %	640.3 %

Legislation concerning the calculation of the solvency margin ratio has been revised from the standpoint of raising its credibility, and these new standards are to become effective as of the end of fiscal 2011 (March 31, 2012). In the period until these new standards go into effective, the solvency margin ratio calculated on this basis is indicated for reference. Owing to the stricter risk measurement under the new solvency margin ratio standard, in some cases the ratio may be lower than under the current calculation.

However, as is the case under the current method, if this ratio is 200% or higher, an insurer is judged to have sufficient ability to satisfy claims and other payments.

Note: The “new standard” reflects the content of the revisions prescribed in Cabinet Office Ordinance No. 23 of 2010 and FSA Public Notice No. 48 of 2010 (effective from March 31, 2012). A part of calculations for major catastrophe risk as of June 30, 2011, is calculated according to simplified methods judged rational by Sony Assurance.