

## Consolidated Financial Summary (Japanese GAAP) for the Six Months Ended September 30, 2011

November 14, 2011

Company name: Sony Financial Holdings Inc.  
(URL: [http://www.sonyfh.co.jp/index\\_en.html](http://www.sonyfh.co.jp/index_en.html))  
Stock exchange listings: Tokyo Stock Exchange (code number: 8729)  
Representative: Katsumi Ihara, President and Representative Director  
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(Fractional amounts of less than ¥1 million are discarded.)

### 1. Consolidated financial results for the six months ended September 30, 2011

#### (1) Operating results

	Ordinary Revenues		Ordinary Profit		Net Income	
	Millions of yen	% change	Millions of yen	% change	Millions of yen	% change
For the six months ended September 30, 2011	509,919	2.8	30,854	(40.2)	16,364	(44.4)
For the six months ended September 30, 2010	496,209	3.1	51,554	30.7	29,420	25.8

Note: Comprehensive Income: For the six months ended September 30, 2011: ¥35,102 million; (4.9) %  
For the six months ended September 30, 2010: ¥36,911 million; — %

	Net Income per Share	Net Income per Share (Fully Diluted)
	Yen	Yen
For the six months ended September 30, 2011	37.62	—
For the six months ended September 30, 2010	67.63	—

Note: Although a stock split was conducted during the six months ended September 30, 2011, net income per share for the six months ended September 30, 2010, was calculated assuming that the stock split was conducted at the beginning of the previous fiscal year.

#### (2) Financial conditions

	Total Assets	Total Net Assets	Net Asset Ratio
	Millions of yen	Millions of yen	%
As of September 30, 2011	6,816,885	322,527	4.7
As of March 31, 2011	6,597,140	294,877	4.5

Notes: 1. Shareholders' equity: As of September 30, 2011: ¥321,241 million  
As of March 31, 2011: ¥294,877 million

2. The net asset ratio is computed by dividing the amount of total net assets by total assets at the end of the fiscal period.

### 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, 2011	—	—	—	20.00	20.00
For the year ending March 31, 2012	—	—	—	—	—
For the year ending March 31, 2012 (forecast)	—	—	—	20.00	20.00

Note: Although a stock split was conducted during the six months ended September 30, 2011, the dividend per share for the year ended March 31, 2011, was calculated assuming that the stock split was conducted at the beginning of the previous fiscal year.

3. Forecast of consolidated financial results for the year ending March 31, 2012

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

	Ordinary Revenues		Ordinary Profit		Net Income		Net Income per Share
	Millions of yen	% change	Millions of yen	% change	Millions of yen	% change	Yen
For the year ending March 31, 2012	1,022,000	2.0	59,000	(23.2)	29,000	(30.5)	66.67

4. Other Information

- (1) Changes in scope of consolidation during the period under review (changes in specified subsidiaries accompanying changes in scope of consolidation): None
- (2) 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: Yes
- (b) Changes in accounting policies due to other reasons: None
- (c) Changes in accounting estimates: None
- (d) Restatements of the consolidated financial statements: None
- (3) Number of shares outstanding (common stock)
- (a) Number of shares outstanding (including treasury shares)
- As of September 30, 2011: 435,000,000 shares
- As of March 31, 2011: 435,000,000 shares
- (b) Number of treasury shares
- As of September 30, 2011: — shares
- As of March 31, 2011: — shares
- (c) Weighted-average number of shares
- For the six months ended September 30, 2011: 435,000,000 shares
- For the six months ended September 30, 2010: 435,000,000 shares

Although a stock split was conducted during the six months ended September 30, 2011, the total number of shares outstanding as of March 31, 2011, the number of shares of treasury stock as of March 31, 2011, and the average number of shares during the six months ended September 30, 2010 were calculated assuming that the stock split was conducted at the beginning of the previous fiscal year.

Status of quarterly review procedures

- Interim financial statements in this document are exempt from audit procedure based upon the Financial Instruments and Exchange Act. Audit procedures are underway as of the date of this report.

Explanation for Appropriate Use of Forecasts and Other Notes

- Sony Financial Holdings conducted a 200-for-1 stock split on April 1, 2011.

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(Attachment)

Consolidated Financial Results for the Six Months Ended September 30, 2011

\* We will upload Guidance on the Value of Existing Business, a Component of Sony Life's Market Consistent Embedded Value (EV), as of September 30, 2011, on November 14, 2011 at 13:30 (Tokyo).

Please see further details at our website: [http://www.sonyfh.co.jp/index\\_en.html](http://www.sonyfh.co.jp/index_en.html)

\* The Conference Call for explaining the SFH Group financial results will be held at 17:30, November 14, 2011. We are sorry for any inconvenience that our Conference Call will be held only in Japanese.

We will upload the Presentation Materials with speech text on November 14, 2011, and its Q&A summary later on Presentation Materials page on our website.

\* On November 14, 2011, SFH's significant subsidiaries: Sony Life Insurance Co., Ltd. (Sony Life), Sony Assurance Inc. (Sony Assurance) and Sony Bank Inc. (Sony Bank) will announce its financial results for the six months ended September 30, 2011. SFH prepared an English-language summary of those Japanese announcements made by above subsidiaries, solely for convenience of non-Japanese readers.

Please see further details at our website: [http://www.sonyfh.co.jp/en/financial\\_info\\_e/results.html](http://www.sonyfh.co.jp/en/financial_info_e/results.html)

## I. Qualitative Information and Financial Statements

### 1. Qualitative Information on Consolidated Operating Performance

During the six months ended September 30, 2011 (April 1, 2011 through September 30, 2011), **consolidated ordinary revenues** grew 2.8% compared with the same period of the previous fiscal year, to ¥509.9 billion, owing to increases in ordinary revenues from the all businesses: life insurance, non-life insurance and banking.

**Consolidated ordinary profit** decreased 40.2% year on year, to ¥30.8 billion. By business segment, ordinary profit from the life insurance business decreased, whereas ordinary profit from the non-life insurance and the banking businesses increased year on year.

After accounting for extraordinary gains and losses, reversal of reserve for policyholders' dividends and income taxes, **net income** for the six months ended September 30, 2011, was down 44.4% year on year, to ¥16.3 billion.

#### Segment Information by Business

##### < Life insurance business >

In the life insurance business, ordinary revenues increased 2.4% year on year, to ¥454.9 billion, due to higher income from insurance premiums associated with steady growth in the policy amount in force. Ordinary profit decreased 43.3% year on year, to ¥28.1 billion due to lower gains on sale of securities, reflecting the process of shifting bond holdings to ultralong-term bonds to reduce interest rate risk, whereas insurance claims and other payments relating to the Great East Japan Earthquake were lower than our estimates as of the end of the previous fiscal year.

##### < Non-life insurance business >

In the non-life insurance business, ordinary revenues increased 7.6% compared with the same period of the previous fiscal year, to ¥39.9 billion, due to higher net premiums written, as the number of insurance policies in force grew, primarily for automobile insurance. Ordinary profit expanded 9.3% year on year, to ¥0.7 billion, due mainly to a rise in ordinary revenues and a reversal of catastrophe reserve, which offset the negative impact of a rise in the loss ratio, driven by higher insurance claim payments for automobile insurance.

##### < Banking business >

In the banking business, ordinary revenues increased 3.3% compared with the same period of the previous fiscal year, to ¥15.9 billion, owing to the acquisition of a 57% equity interest in SmartLink Network, Inc. by Sony Bank; ordinary revenues of the newly acquired company are included in the scope of consolidation. Ordinary profit rose 56.7% year on year, to ¥1.9 billion due to a rise in gross operating profit, reflecting a decrease in interest expenses on yen deposits and higher interest income on loans, led by the growing balance of mortgage loans.

#### Ordinary Revenues

(Millions of yen)

	For the six months ended September 30, 2010	For the six months ended September 30, 2011	Change (%)
Life insurance business	444,530	454,987	2.4
Non-life insurance business	37,107	39,930	7.6
Banking business	15,478	15,994	3.3
Subtotal	497,116	510,912	2.8
Intersegment adjustments	(907)	(992)	-
Consolidated	496,209	509,919	2.8

## Ordinary Profit

(Millions of yen)

	For the six months ended September 30, 2010	For the six months ended September 30, 2011	Change (%)
Life insurance business	49,594	28,141	(43.3)
Non-life insurance business	675	739	9.3
Banking business	1,215	1,904	56.7
Subtotal	51,485	30,785	(40.2)
Intersegment adjustments*	69	68	(0.7)
Consolidated	51,554	30,854	(40.2)

\*Amounts in the Ordinary profit in the “Intersegment adjustments” are mainly from SFH.

## 2. Qualitative Information on Consolidated Financial Position

As of September 30, 2011, **total assets** amounted to ¥6,816.8 billion, up 3.3% from March 31, 2011. Among major components of assets, securities, mostly Japanese government bonds, amounted to ¥5,207.6 billion, up 3.5% from March 31, 2011. Loans came to ¥913.7 billion, up 6.6%, and monetary trusts amounted to ¥300.9 billion, up 3.5%.

**Total liabilities** were ¥6,494.3 billion, up 3.0% from March 31, 2011. Major components of liabilities included policy reserves and others of ¥4,690.8 billion, up 4.5%, and deposits totaled ¥1,644.1 billion, down 0.2%.

**Total net assets** were ¥322.5 billion, up 9.4% from March 31, 2011. This included net unrealized gains on other securities, net of taxes, which increased ¥19.5 billion, to ¥28.1 billion.

## 3. Consolidated Financial Forecast for the Year Ending March 31, 2012

SFH’s forecast of consolidated financial results for the fiscal year ending March 31, 2012, is unchanged from the forecast announced on May 20, 2011.

## **II. Notes Regarding Summary Information (Others)**

### **1. Changes in scope of consolidation during the period**

Owing to the acquisition of shares in SmartLink Network, Inc., by our banking subsidiary (Sony Bank Inc.), the newly acquired company is included in the scope of consolidation for the six months under review.

### **2. Changes in accounting policies, accounting estimates and restatements of the consolidated financial statements**

(Change in accounting policies resulting from the Revision of the Accounting Standards and Other Regulations)

From the six months of the year ending March 31, 2012, we have applied the “Accounting Standard for Earning Per Share”(Accounting Standards Board of Japan [ASBJ] Statement No.2 of June 30, 2010), the “Guidance on Accounting Standard for Earnings Per Share”(ASBJ Guidance No.4 of June 30, 2010), and the “Practical Solution on Accounting for Earnings Per Share”(ASBJ PITF No.9 of June 30, 2010).

### III. Consolidated Financial Statements

#### 1. Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2011	As of September 30, 2011
<b>Assets</b>		
Cash and due from banks	¥ 90,455	¥ 86,232
Call loans and bills bought	78,500	65,600
Monetary trusts	290,736	300,964
Securities	5,031,024	5,207,687
Loans	857,436	913,722
Tangible fixed assets	77,171	76,750
Intangible fixed assets	26,246	30,660
Goodwill	1,002	1,129
Others	25,243	29,530
Due from reinsurers	108	263
Foreign exchanges	8,432	7,109
Other assets	88,320	89,438
Deferred tax assets	49,057	39,354
Customers' liabilities for acceptances and guarantees	1,000	1,000
Reserve for possible loan losses	(1,349)	(1,899)
<b>Total Assets</b>	<b>¥6,597,140</b>	<b>¥6,816,885</b>

(Millions of yen)

	As of March 31, 2011	As of September 30, 2011
<b>Liabilities</b>		
Policy reserves and others	¥ 4,489,809	¥ 4,690,804
Reserve for outstanding claims	49,164	45,842
Policy reserves	4,435,804	4,640,290
Reserve for policyholders' dividends	4,839	4,670
Due to agencies	1,502	1,415
Due to reinsurers	799	595
Deposits	1,647,657	1,644,149
Call money and bills sold	10,000	10,000
Borrowed money	2,000	2,000
Foreign exchanges	17	10
Other liabilities	110,119	99,995
Reserve for employees' bonuses	2,707	2,539
Reserve for employees' retirement benefits	18,698	20,132
Reserve for directors' retirement benefits	441	318
Special reserves	16,817	20,701
Reserve for price fluctuations	16,812	20,696
Reserve for financial products transaction liabilities	4	5
Deferred tax liabilities on land revaluation	693	693
Acceptances and guarantees	1,000	1,000
<b>Total Liabilities</b>	<b>6,302,263</b>	<b>6,494,357</b>
<b>Net Assets</b>		
Common stock	19,900	19,900
Capital surplus	195,277	195,277
Retained earnings	74,565	82,229
Total shareholders' equity	289,742	297,406
Net unrealized gains on other securities, net of taxes	8,525	28,111
Net deferred losses on hedging instruments, net of taxes	(1,558)	(2,431)
Land revaluation, net of taxes	(1,499)	(1,499)
Foreign currency translation adjustments	(331)	(345)
Total accumulated other comprehensive income	5,135	23,834
Minority interests	—	1,285
<b>Total Net Assets</b>	<b>294,877</b>	<b>322,527</b>
<b>Total Liabilities and Net Assets</b>	<b>¥6,597,140</b>	<b>¥6,816,885</b>



## 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, 2010	For the six months ended September 30, 2011
Ordinary Revenues	¥496,209	¥509,919
Ordinary Revenues from the Life Insurance Business	443,638	454,021
Income from insurance premiums	370,748	395,399
Insurance premiums	369,726	395,138
Ceded reinsurance commissions	1,021	261
Investment income	71,056	51,911
Interest income and dividends	42,215	47,322
Income from monetary trusts, net	4,346	2,646
Gains on sale of securities	24,492	1,930
Other investment income	1	11
Other ordinary income	1,834	6,711
Ordinary Revenues from the Non-life Insurance Business	37,106	39,929
Underwriting income	36,722	39,459
Net premiums written	36,707	39,443
Interest and dividends on deposits of premiums	14	15
Investment income	371	430
Interest income and dividends	383	423
Gains on sale of securities	—	20
Gains on redemption of securities	2	2
Transfer to interest and dividends on deposits of premiums	(14)	(15)
Other ordinary income	12	39
Ordinary Revenues from the Banking Business	15,464	15,968
Interest income	11,785	12,257
Interest income on loans	6,090	6,537
Interest income and dividends on securities	5,615	5,696
Interest income on call loans and bills bought	18	6
Interest income on deposits with banks	30	16
Other interest income	31	0
Fees and commissions	963	1,947
Other operating income	2,694	1,725
Gains on foreign exchange transactions, net	1,790	908
Others	904	816
Other ordinary income	20	37

(Continued)

(Millions of yen)

	For the six months ended September 30, 2010	For the six months ended September 30, 2011
Ordinary Expenses	¥444,654	¥479,065
Ordinary Expenses from the Life Insurance Business	394,719	426,613
Insurance claims and other payments	132,056	137,299
Insurance claims	35,577	36,365
Annuity payments	3,602	3,913
Insurance benefits	15,953	16,264
Surrender payments	75,041	78,644
Other payments	824	1,106
Reinsurance premiums	1,056	1,004
Provision for policy reserves and others	179,383	200,882
Provision for reserve for outstanding claims	1,406	—
Provision for policy reserves	177,969	200,874
Interest portion of reserve for policyholders' dividends	8	7
Investment expenses	27,057	29,301
Interest expenses	27	30
Losses on sale of securities	703	1,528
Devaluation losses on securities	348	866
Losses on redemption of securities	23	—
Foreign exchange losses, net	163	706
Provision for reserve for possible loan losses	17	6
Depreciation of real estate for rent and others	1,236	1,125
Other investment expenses	3,117	3,198
Losses on separate accounts, net	21,420	21,838
Operating expenses	49,011	51,472
Other ordinary expenses	7,210	7,656
Ordinary Expenses from the Non-life Insurance Business	36,217	38,952
Underwriting expenses	27,764	29,565
Net losses paid	19,031	21,196
Loss adjustment expenses	2,343	2,511
Net commission and brokerage fees	485	529
Provision for reserve for outstanding losses	1,666	1,715
Provision for underwriting reserves	4,236	3,611
Other underwriting expenses	0	0
Investment expenses	—	1
Losses on redemption of securities	—	1
Operating, general and administrative expenses	8,422	9,363
Other ordinary expenses	29	22

(Continued)

(Millions of yen)

	For the six months ended September 30, 2010	For the six months ended September 30, 2011
Ordinary Expenses from the Banking Business	13,717	13,499
Interest expenses	5,475	4,424
Interest expenses on deposits	4,427	3,463
Interest expenses on call money and bills sold	5	5
Interest on borrowed money	25	39
Interest expenses on interest rate swaps	1,016	914
Other interest expenses	0	1
Fees and commissions	614	685
Other operating expenses	639	302
General and administrative expenses	6,662	7,705
Other ordinary expenses	324	381
Ordinary Profit	51,554	30,854
Extraordinary Gains	0	0
Gains on disposal of fixed assets	0	0
Extraordinary Losses	3,780	4,150
Losses on disposal of fixed assets	50	17
Impairment losses	0	248
Cumulative effect on application of accounting standard for asset retirement obligations	290	—
Provision for special reserves	3,438	3,884
Provision for reserve for price fluctuations	3,438	3,884
Provision(Reversal) for Reserve for Policyholders' dividends	345	(37)
Income Before Income Taxes	47,428	26,741
Income Taxes	18,007	10,338
- Current	20,870	11,156
- Deferred	(2,862)	(818)
Income Before Minority Interests	29,420	16,403
Minority interests in income	—	38
Net Income	29,420	16,364

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

(Millions of yen)

	For the six months ended September 30, 2010	For the six months ended September 30, 2011
Income Before Minority Interests	¥29,420	¥16,403
Other comprehensive income		
Net unrealized gains on other securities, net of taxes	9,460	19,588
Net deferred losses on hedging instruments, net of taxes	(1,856)	(872)
Foreign currency translation adjustments	(110)	(13)
Share of other comprehensive income of affiliates accounted for using equity method	(2)	(2)
Total other comprehensive income	7,491	18,699
Comprehensive income	36,911	35,102
(Details)		
Comprehensive income attributable to parent company	36,911	35,064
Comprehensive income attributable to minority interests	—	38

### 3. Consolidated Statements of Changes in Net Assets

(Millions of yen)

	For the six months ended September 30, 2010	For the six months ended September 30, 2011
Shareholders' Equity		
Common stock		
Balance at the beginning of the fiscal year	19,900	19,900
Changes during the period		
Total changes during the period	—	—
Balance at the end of the current period	19,900	19,900
Capital surplus		
Balance at the beginning of the fiscal year	195,277	195,277
Changes during the period		
Total changes during the period	—	—
Balance at the end of the current period	195,277	195,277
Retained earnings		
Balance at the beginning of the fiscal year	39,350	74,565
Changes during the period		
Dividends from surplus	(6,525)	(8,700)
Net income	29,420	16,364
Total changes during the period	22,895	7,664
Balance at the end of the current period	62,245	82,229
Total shareholders' equity		
Balance at the beginning of the fiscal year	254,527	289,742
Changes during the period		
Dividends from surplus	(6,525)	(8,700)
Net income	29,420	16,364
Total changes during the period	22,895	7,664
Balance at the end of the current period	277,422	297,406
Accumulated Other Comprehensive Income		
Net unrealized gains on other securities, net of taxes		
Balance at the beginning of the fiscal year	17,511	8,525
Changes during the period		
Net changes of items other than shareholders' equity	9,457	19,585
Total changes during the period	9,457	19,585
Balance at the end of the current period	26,969	28,111

(Continued)

(Millions of yen)

	For the six months ended September 30, 2010	For the six months ended September 30, 2011
Net deferred losses on hedging instruments, net of taxes		
Balance at the beginning of the fiscal year	(960)	(1,558)
Changes during the period		
Net changes of items other than shareholders' equity	(1,856)	(872)
Total changes during the period	(1,856)	(872)
Balance at the end of the current period	(2,816)	(2,431)
Land revaluation, net of taxes		
Balance at the beginning of the fiscal year	(1,475)	(1,499)
Changes during the period		
Total changes during the period	—	—
Balance at the end of the current period	(1,475)	(1,499)
Foreign currency transaction adjustments		
Balance at the beginning of the fiscal year	(163)	(331)
Changes during the period		
Net changes of items other than shareholders' equity	(110)	(13)
Total changes during the period	(110)	(13)
Balance at the end of the current period	(273)	(345)
Total accumulated other comprehensive income		
Balance at the beginning of the fiscal year	14,912	5,135
Changes during the period		
Net changes of items other than shareholders' equity	7,491	18,699
Total changes during the period	7,491	18,699
Balance at the end of the current period	22,403	23,834
Minority interests		
Balance at the beginning of the fiscal year	—	—
Changes during the period		
Net changes of items other than shareholders' equity	—	1,285
Total changes during the period	—	1,285
Balance at the end of the current period	—	1,285
Total Net Assets		
Balance at the beginning of the fiscal year	269,439	294,877
Changes during the period		
Dividends from surplus	(6,525)	(8,700)
Net income	29,420	16,364
Net changes of items other than shareholders' equity	7,491	19,985
Total changes during the period	30,386	27,649
Balance at the end of the current period	299,825	322,527

## 4. Segment Information

For the six months ended September 30, 2010

### (1) Outline of reportable segments

The SFH 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., Sony Life Insurance (Philippines) Corporation, 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. and Sony Bank Securities Inc.

### (2) Segment Information by reportable segment

	Millions of yen			
	Life insurance business	Non-life insurance business	Banking business	Total
Ordinary Revenues				
External customers	¥443,638	¥37,106	¥15,464	¥496,209
Intersegment	891	1	14	907
Total	444,530	37,107	15,478	497,116
Segment profit	49,594	675	1,215	51,485
Segment assets	4,486,836	103,967	1,700,705	6,291,510
Others				
Depreciation	2,602	283	717	3,602
Interest income and dividends	42,427	383	11,785	54,596
Interest expenses	27	-	5,475	5,502
Equity in earnings of affiliates (losses)	(469)	-	-	(469)
Investments in affiliates	11,464	-	-	11,464
Increase in Tangible fixed assets and Intangible fixed assets	¥ 2,011	¥ 1,070	¥ 569	¥ 3,651

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

	Millions of yen
Totals of each reportable segment	¥497,116
Adjustments of intersegment transaction	(907)
Ordinary revenues in income statement	¥496,209

	Millions of yen
Totals of each reportable segment	¥51,485
Adjustments of intersegment transaction	6
Unallocated amount to reportable segment	62
Ordinary profit in income statement	¥51,554

	Millions of yen
Totals of each reportable segment	¥6,291,510
Adjustments of intersegment transaction	(1,158)
Unallocated amount to reportable segment	5,130
Assets in balance sheets	¥6,295,482

	Millions of yen		
	Total	Adjustments	Consolidated Financial Statements
Depreciation	¥ 3,602	¥ (0)	¥ 3,602
Interest income and dividends	54,596	(211)	54,384
Interest expenses	5,502	(0)	5,502
Equity in earnings of affiliates (losses)	(469)	-	(469)
Investments in affiliates	11,464	-	11,464
Increase in Tangible fixed assets and Intangible fixed assets	¥ 3,651	¥ 0	¥ 3,652



For the six months ended September 30, 2011

(1) Outline of reportable segments

The SFH 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., Sony Life Insurance (Philippines) Corporation, 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 Bank Securities Inc. and SmartLink Network, Inc.

(2) Segment Information by reportable segment

	Millions of yen			
	Life insurance business	Non-life insurance business	Banking business	Total
Ordinary Revenues				
External customers	¥454,021	¥39,929	¥15,968	¥509,919
Intersegment	965	0	26	992
Total	454,987	39,930	15,994	510,912
Segment profit	28,141	739	1,904	30,785
Segment assets	4,920,360	114,684	1,776,657	6,811,701
Others				
Depreciation	2,692	493	824	4,010
Interest income and dividends	47,535	423	12,257	60,216
Interest expenses	30	-	4,424	4,455
Equity in earnings of affiliates (losses)	(431)	-	-	(431)
Investments in affiliates	10,523	-	-	10,523
Increase in Tangible fixed assets and Intangible fixed assets	¥ 3,336	¥ 1,578	¥ 1,401	¥ 6,315

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

	Millions of yen
Totals of each reportable segment	¥510,912
Adjustments of intersegment transaction	(992)
Ordinary revenues in income statement	¥509,919

	Millions of yen
Totals of each reportable segment	¥30,785
Adjustments of intersegment transaction	5
Unallocated amount to reportable segment	63
Ordinary profit in income statement	¥30,854

	Millions of yen
Totals of each reportable segment	¥6,811,701
Adjustments of intersegment transaction	(999)
Unallocated amount to reportable segment	6,182
Assets in balance sheets	¥6,816,885

	Millions of yen		
	Total	Adjustments	Consolidated Financial Statements
Depreciation	¥ 4,010	¥ 3	¥ 4,013
Interest income and dividends	60,216	(212)	60,004
Interest expenses	4,455	(0)	4,455
Equity in earnings of affiliates (losses)	(431)	-	(431)
Investments in affiliates	10,523	-	10,523
Increase in Tangible fixed assets and Intangible fixed assets	¥ 6,315	¥ 21	¥ 6,337

## 5. Significant Subsequent Event

### Issuance of Straight Bonds

September 22, 2011-At a Board of Directors' Meeting resolved to issue straight bonds.

Name	Sony Financial Holdings Inc. No. 1 Unsecured Corporate Bonds
Total amount	¥10 billion
Subscription date	October 25, 2011
Subscription amount	¥100 per each ¥100 of face value
Interest rate	0.545% per annum
Redemption date and method	October 28, 2016, lump-sum payment at maturity
Use of funds	Sony Financial Holdings used the funds raised through this issue as investment funds loaned to its wholly owned subsidiary, Sony Bank Inc.

## 6. Per Share Information

Net income per share is based on the weighted-average number of shares of common stock outstanding during the period. For the six months ended September 30, 2010 and 2011, net income per share was ¥67.63 and ¥37.62. There were no potentially dilutive securities.

The basis for this calculation for the six months ended September 30, 2010 and 2011 is net income of ¥29,420 million and ¥16,364 million, the entire amounts of which are applicable to common stock. The weighted-average number of shares outstanding for the six months ended September 30, 2010 and 2011, was 435 million.

Note: Although a stock split was conducted during the six months ended September 30, 2011, net income per share for the six months ended September 30, 2010, was calculated assuming that the stock split was conducted at the beginning of the previous fiscal year.

SFH's consolidated results\* are prepared in accordance with accounting principles and practices generally accepted in Japan. As such, these figures differ in significant respects from financial information reported by SFH's parent company, Sony Corporation, which prepares its financial statements in accordance with accounting principles and practices generally accepted in the United States.

\*SFH's scope of consolidation for the six months ended September 30, 2011 and the year ending March 31, 2012, includes Sony Financial Holdings Inc., Sony Life Insurance Co. Ltd., Sony Assurance Inc., Sony Bank Inc., Sony Life Insurance (Philippines) Corporation, Sony Bank Securities Inc., and SmartLink Network, Inc. It also includes AEGON Sony Life Insurance Co., Ltd. and SA Reinsurance Ltd., as affiliated companies accounted for under the equity method. SmartLink Network, Inc. was not included in the scope of consolidation for the six months ended September 30, 2010 and for the year ended March 31, 2011.

On November 2, 2011, Sony Corporation announced its consolidated financial results for the second quarter ended September 30, 2011 (July 1, 2011, to September 30, 2011). SFH Group companies constitute the majority of Sony Group's Financial Services segment. However, the scope of Sony Group's Financial Services segment differs from the scope of SFH's consolidated results. For the scope of Sony Group's Financial Services segment, please refer to the November 2, 2011, news release by Sony Corporation.

This Consolidated Financial Summary contains statements concerning the current plans, expectations, strategies and beliefs of the Sony Financial Holdings Group ("SFH Group"). Any statements contained herein that pertain to future operating performance and that are not historic facts are forward-looking statements. Forward-looking statements may include—but are not limited to—statements using words such as "believe," "anticipate," "plan," "strategy," "expect," "forecast," "predict," and "possibility" that describe future operating activities, financial performance, events or conditions. Forward-looking statements, whether spoken or written, are based on judgments made by the management of SFH Group based on information that is currently available to it. As such, forward-looking statements are subject to various risks and uncertainties, and actual results may vary substantially from those expressed or implied in forward-looking statements. Consequently, investors are cautioned not to place undue reliance on forward-looking statements. SFH Group disclaims any obligation to revise forward-looking statements in light of new information, future events or other findings.

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Website of Sony Financial Holdings Inc.

[http://www.sonyfh.co.jp/index\\_en.html](http://www.sonyfh.co.jp/index_en.html)

**(Attachment)**

**Presentation Material Content**

- 1. Consolidated Operating Results for the Six Months Ended September 30, 2011..... P.3
- 2. Consolidated Financial Forecast for the Year Ending March 31, 2012..... P.28
- 3. Appendix..... P.29

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## Presentation Material

# Consolidated Financial Results for the Six Months Ended September 30, 2011

Sony Financial Holdings Inc.  
November 14, 2011

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## Content

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■ Consolidated Operating Results for the Six Months Ended September 30, 2011	P.3
■ Consolidated Financial Forecast for the Year Ending March 31, 2012	P.27
■ Appendix	P.29

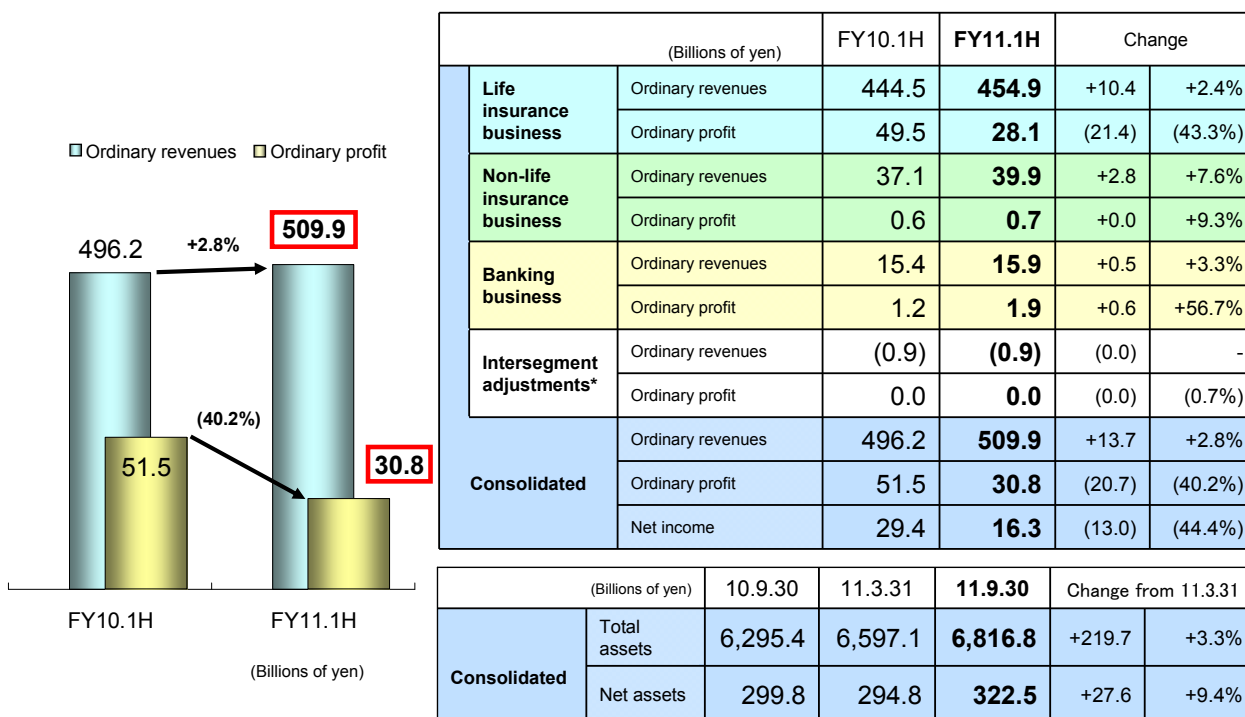
### Disclaimers:

This presentation material contains statements concerning the current plans, expectations, strategies and beliefs of the Sony Financial Holdings Group (the "SFH Group"). Any statements contained herein that pertain to future operating performance and that are not historic facts are forward-looking statements. Forward-looking statements may include—but are not limited to—words such as "believe," "anticipate," "plan," "strategy," "expect," "forecast," "predict," and "possibility" that describe future operating activities, business performance, events or conditions. Forward-looking statements, whether spoken or written, are based on judgments made by the management of the SFH Group, based on information that is currently available to it. As such, these forward-looking statements 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. The SFH Group disclaims any obligation to revise forward-looking statements 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 for 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.

## Consolidated Operating Results for the Six Months Ended September 30, 2011

3

### Highlights of Consolidated Operating Performance for the Six Months Ended September 30, 2011 (1)



\*Amounts in the Ordinary profit in the "Intersegment adjustments" are mainly from SFH.

\*Comprehensive income: FY10.1H: ¥36.9 billion, FY11.1H: ¥35.1 billion.

Line item amounts are truncated below ¥100 million; percentage change figures are rounded.

4

# Highlights of Consolidated Operating Performance for the Six Months Ended September 30, 2011 (2)

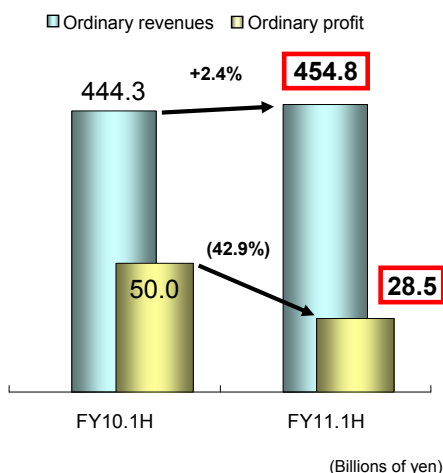
- Life Insurance: Ordinary revenues increased year on year, due to higher income from insurance premiums associated with steady growth in the policy amount in force. Ordinary profit decreased, due to lower gains on sale of securities, reflecting the process of shifting bond holdings to ultralong-term bonds to reduce interest rate risk, whereas insurance claims and other payments relating to the Great East Japan Earthquake were lower than our estimates as of the end of the previous fiscal year.
- Non-life Insurance: Ordinary revenues increased year on year, due to higher net premiums written, as the number of insurance policies in force grew, primarily for automobile insurance. Ordinary profit expanded, due mainly to a rise in ordinary revenues and a reversal of catastrophe reserve, which offset the negative impact of a rise in the loss ratio, driven by higher insurance claim payments for automobile insurance.
- Banking: Ordinary revenues increased year on year, owing to the acquisition of shares in SmartLink Network, Inc. by Sony Bank; ordinary revenues of the newly acquired company are included in the scope of consolidation. Ordinary profit rose, due to a rise in gross operating profit, reflecting a decrease in interest expenses on yen deposits and higher interest income on loans, led by the growing balance of mortgage loans.
- Consolidated ordinary revenues increased 2.8% year on year, to ¥509.9 billion, however, consolidated ordinary profit decreased 40.2%, to ¥30.8 billion. Net income decreased 44.4%, to ¥16.3 billion.
- SFH Group has no GIIPS\* sovereign bonds.

\*As of September 30, 2011

\*GIIPS stands for Greece, Ireland, Italy, Portugal and Spain.

\*Exposure of Sony Life is for general account assets.

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



- ◆ Ordinary revenues increased but ordinary profit decreased year on year.
- ◆ Income from insurance premiums increased due to a steady increase in the policy amount in force.
- ◆ Investment income decreased due to lower gains on sale of securities, reflecting the process of shifting its bond holdings to ultralong-term bonds to reduce interest rate risk, although interest income and dividends increased in the general account assets.
- ◆ Ordinary profit decreased due to lower gains on sale of securities, whereas insurance claims and other payments relating to the Great East Japan Earthquake were lower than our estimates as of the end of the previous fiscal year.

(Billions of yen)	FY10.1H	FY11.1H	Change	
<b>Ordinary revenues</b>	444.3	<b>454.8</b>	+10.4	+2.4%
Income from insurance premiums	371.0	<b>395.7</b>	+24.6	+6.7%
Investment income	71.1	<b>52.0</b>	(19.1)	(26.9%)
Interest income and dividends	42.3	<b>47.4</b>	+5.1	+12.1%
Income from monetary trusts, net	4.3	<b>2.6</b>	(1.7)	(39.1%)
Gains on sale of securities	24.4	<b>1.9</b>	(22.5)	(92.2%)
<b>Ordinary expenses</b>	394.3	<b>426.2</b>	+31.9	+8.1%
Insurance claims and other payments	132.0	<b>137.2</b>	+5.2	+4.0%
Provision for policy reserves and others	179.3	<b>200.8</b>	+21.5	+12.0%
Investment expenses	27.1	<b>29.3</b>	+2.2	+8.2%
Losses on sale of securities	0.7	<b>1.5</b>	+0.8	+117.2%
Losses on separate accounts, net	21.4	<b>21.8</b>	+0.4	+2.0%
Operating expenses	49.0	<b>51.5</b>	+2.5	+5.1%
<b>Ordinary profit</b>	50.0	<b>28.5</b>	(21.4)	(42.9%)
<b>Net income</b>	28.9	<b>15.6</b>	(13.3)	(46.0%)

(Billions of yen)	10.9.30	11.3.31	<b>11.9.30</b>	Change from 11.3.31	
<b>Securities</b>	3,824.7	4,017.5	<b>4,237.7</b>	+220.1	+5.5%
<b>Policy reserves</b>	4,163.5	4,371.4	<b>4,572.3</b>	+200.8	+4.6%
<b>Total net assets</b>	222.4	215.3	<b>242.4</b>	+27.0	+12.5%
Net unrealized gains on other securities	24.6	7.0	<b>27.4</b>	+20.4	+291.8%
<b>Total assets</b>	4,487.8	4,723.3	<b>4,922.5</b>	+199.2	+4.2%
Separate account assets	367.2	398.1	<b>392.6</b>	(5.5)	(1.4%)



# Overview of Performance: Sony Life (Non-consolidated)

(Billions of yen)	FY10.1H	FY11.1H	Change
<b>New policy amount</b>	2,068.4	<b>2,051.7</b>	(0.8%)
<b>Lapse and surrender amount</b>	1,039.2	<b>1,022.4</b>	(1.6%)
<b>Lapse and surrender rate</b>	3.11%	<b>2.95%</b>	(0.16pt)
<b>Policy amount in force</b>	34,118.5	<b>35,371.1</b>	+3.7%
<b>Annualized premiums from new policies</b>	34.9	<b>33.2</b>	(4.8%)
Of which, third-sector products	7.9	<b>8.1</b>	+2.0%
<b>Annualized premiums from insurance in force</b>	589.6	<b>618.0</b>	+4.8%
Of which, third-sector products	136.6	<b>144.7</b>	+5.9%

(Billions of yen)	FY10.1H	FY11.1H	Change
<b>Gains from investment, net (General account)</b>	65.4	<b>44.5</b>	(32.0%)
<b>Core profit</b>	26.8	<b>31.6</b>	+18.0%
<b>Negative spread</b>	4.1	<b>1.9</b>	(53.7%)

	10.9.30	11.3.31	11.9.30	Change from 11.3.31
<b>Solvency Margin Ratio</b>	2,992.8%	2,900.1%	<b>3,148.0%</b>	+247.9pt

## (Reasons for changes)

- ◆ Decreased slightly, due mainly to lower sales of family income insurance, which is life insurance with disability benefit, despite favorable sales of term-life insurance, living benefit insurance and nursing-care insurance.
- ◆ Decreased due to the lowering lapse and surrender rates mainly in family income insurance, which is life insurance with disability benefit, though those in term life insurance increased.
- ◆ Decreased, due mainly to lower sales of cancer hospitalization insurance and educational endowment insurance.
- ◆ Decreased due to lower gains on sale of securities despite an increase in interest income and dividends.
- ◆ Increased reflecting lower insurance payments for the Great East Japan Earthquake of March 2011 than formerly expected, and a decline in negative spread.

### Notes:

- \*1 Figures for new policy amount, lapse and surrender amount, lapse and surrender rate, policy amount in force, annualized premiums from new policies and annualized premiums from insurance in force are calculated as the total of individual life insurance and individual annuities.
- \*2 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.

Line item amounts are truncated below ¥100 million; percentage change figures are rounded.

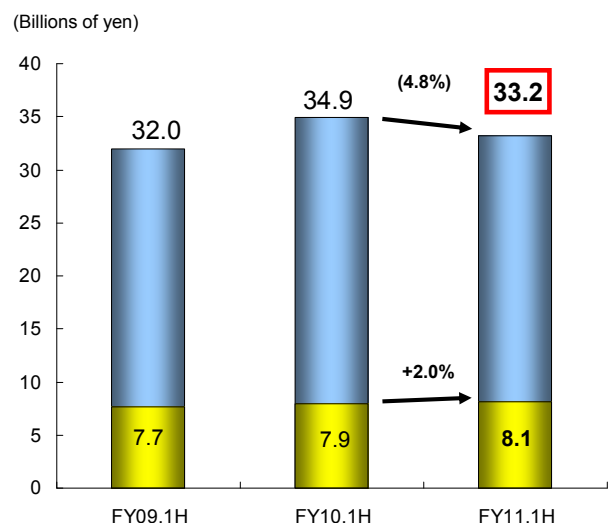
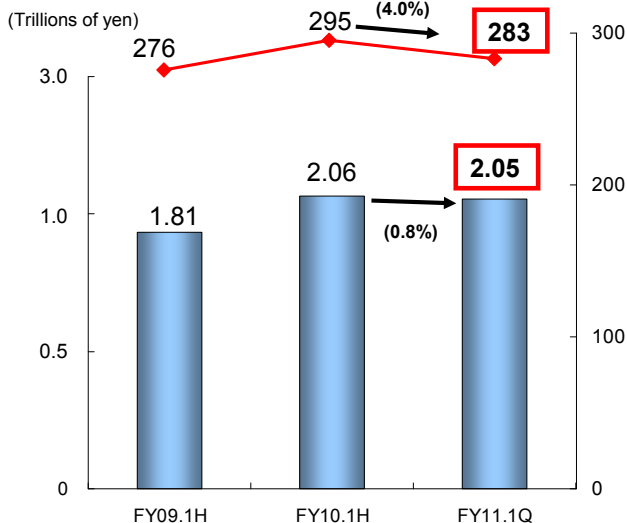
# Sony Life Operating Performance (1)

## Number and Amount of New Policies (Individual Life Insurance + Individual Annuities)

## Annualized Premiums from New Policies (Individual Life Insurance + Individual Annuities)

■ New policy amount ◆ Number of new policies  
(Thousands of policies)

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

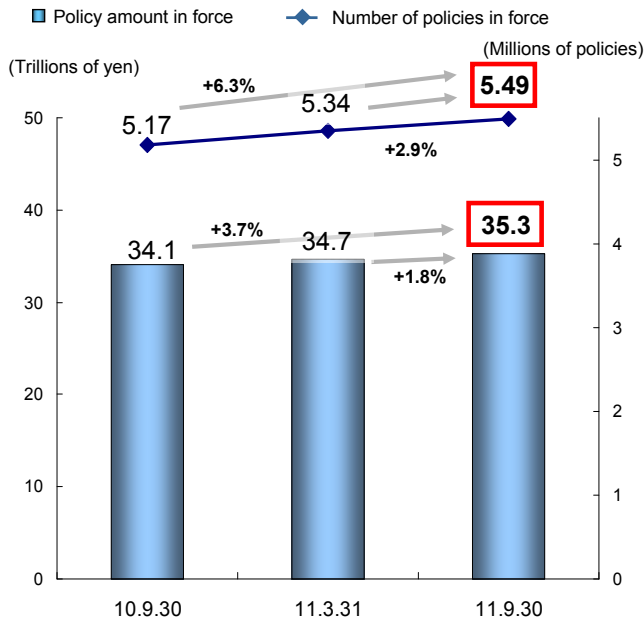


Line item amounts are truncated below ¥10 billion; numbers of policies are truncated below 1,000 policies; percentage change figures are rounded.

Line item amounts are truncated below ¥100 million; percentage figures are rounded.

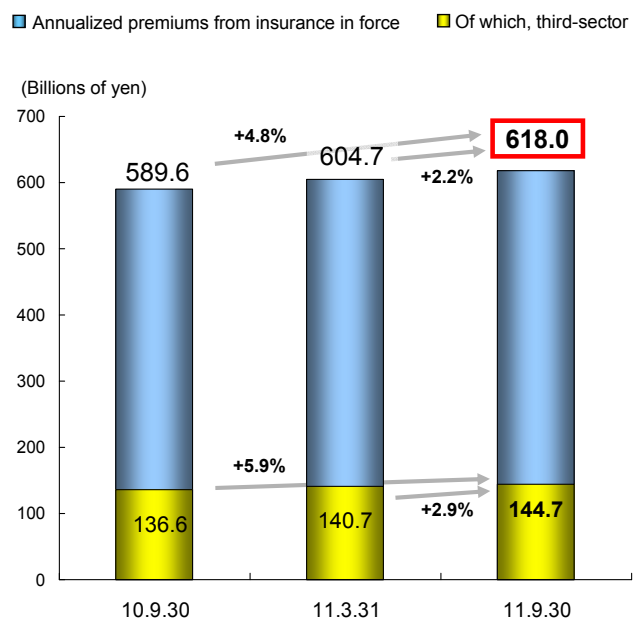
# Sony Life Operating Performance (2)

## Number and Amount of Policies in Force (Individual Life Insurance + Individual Annuities)



Line item amounts are truncated below ¥100 billion; numbers of policies are truncated below 10,000 policies; percentage change figures are rounded.

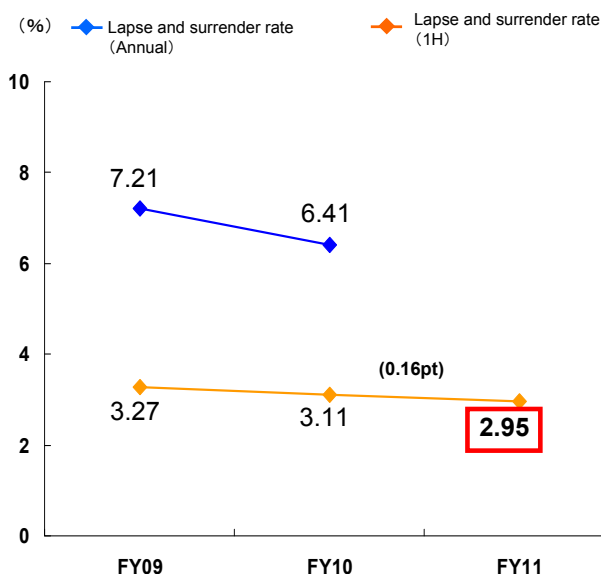
## Annualized Premiums from Insurance in Force (Individual Life Insurance + Individual Annuities)



Line item amounts are truncated below ¥100 million; percentage change figures are rounded

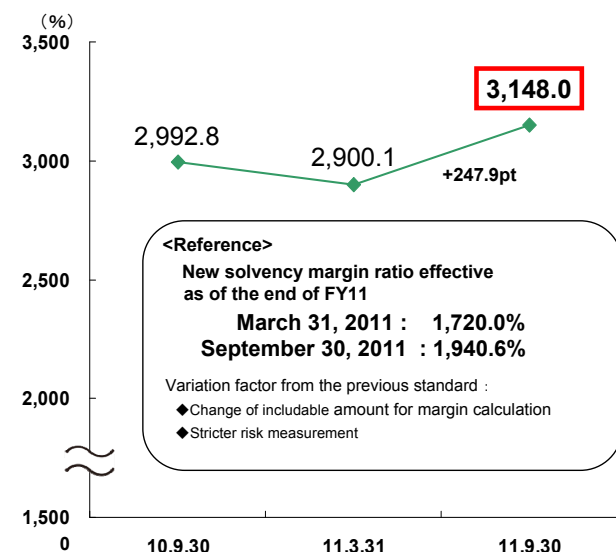
# Sony Life Operating Performance (3)

## Lapse and Surrender Rate\* (Individual Life Insurance + Individual Annuities)



\*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.

## Solvency Margin Ratio



<Reference>

New solvency margin ratio effective as of the end of FY11  
**March 31, 2011 : 1,720.0%**  
**September 30, 2011 : 1,940.6%**

Variation factor from the previous standard :

- ◆ Change of includable amount for margin calculation
- ◆ Stricter risk measurement

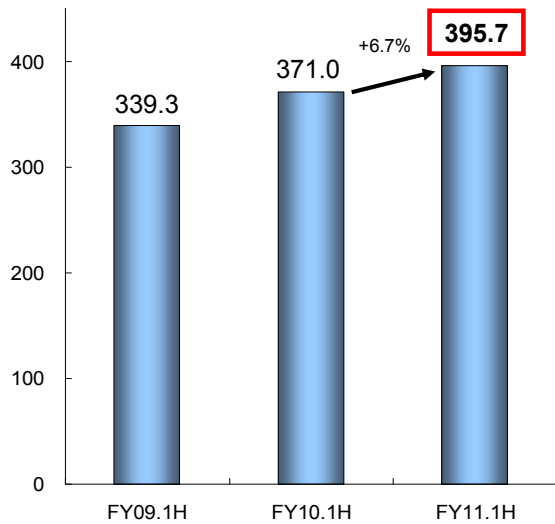
Note: Legislation concerning the calculation of the solvency margin ratio has been revised from the standpoint of raising its credibility, and these new standards are to become effective as of the end of fiscal 2011 (March 31, 2012). The above-stated figures are calculated on the assumption that these changes are applied at March 31 and September 30, 2011.

\* New solvency margin ratio for Sony Life is also on P 34.

## Sony Life Operating Performance (4)

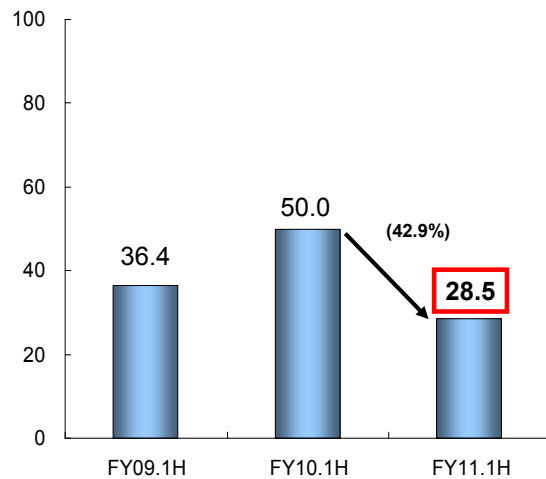
### Income from Insurance Premiums

(Billions of yen)



### Ordinary Profit

(Billions of yen)

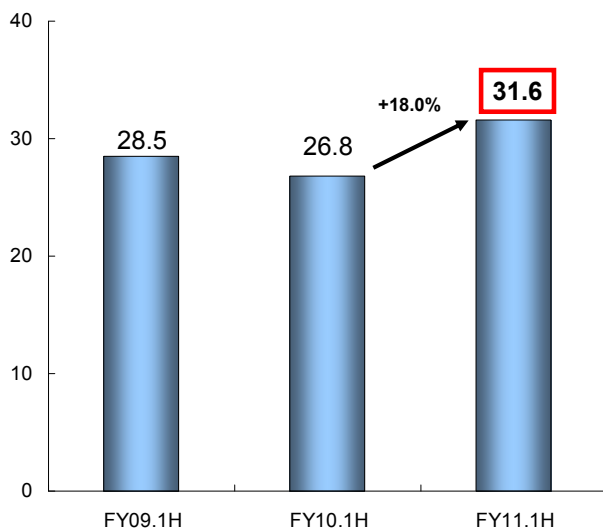


Line item amounts are truncated below ¥100 million; percentage figures are rounded.

## Sony Life Operating Performance (5)

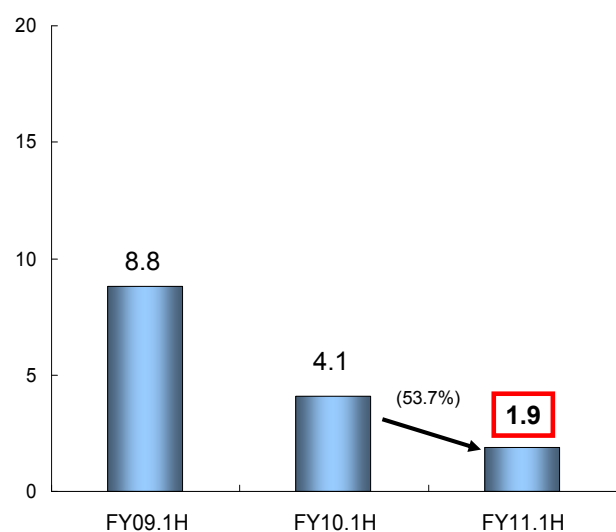
### Core Profit

(Billions of yen)



### Negative Spread

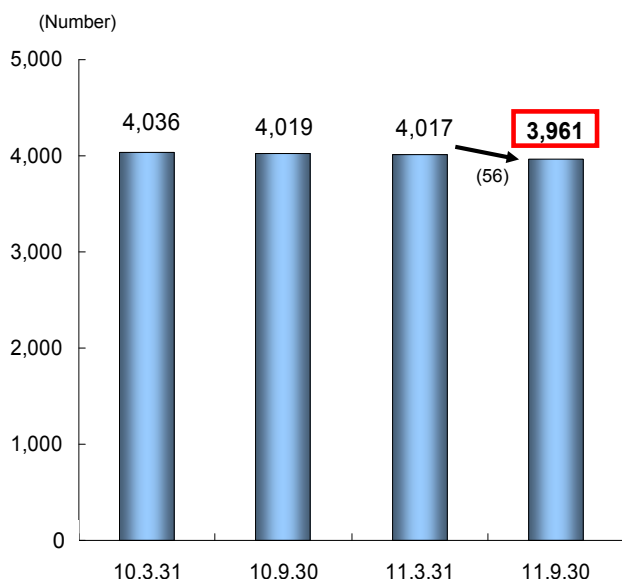
(Billions of yen)



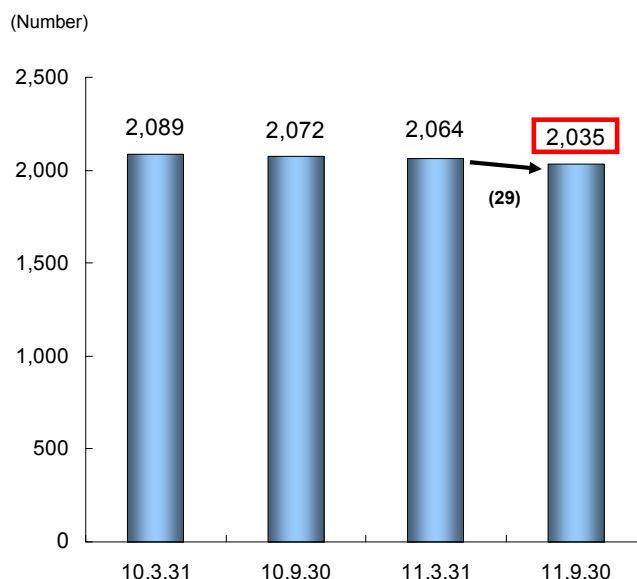
Line item amounts are truncated below ¥100 million; percentage figures are rounded.

## Sony Life Operating Performance (6)

### Number of Lifeplanner Sales Employees



### Number of Independent Agents



\* "Lifeplanner" is a registered trademark of Sony Life Insurance Co., Ltd.

## Sony Life Operating Performance (7)

### Breakdown of General Account Assets

(Billions of yen)	11.3.31		11.9.30	
	Amount	%	Amount	%
Japanese government and corporate bonds	3,499.9	80.9%	3,734.7	82.4%
Japanese stocks	64.0	1.5%	48.1	1.1%
Foreign securities	44.2	1.0%	59.4	1.3%
Foreign stocks	30.0	0.7%	29.7	0.7%
Monetary trusts	276.4	6.4%	286.7	6.3%
Policy loans	134.4	3.1%	137.0	3.0%
Real estate	75.1	1.7%	74.1	1.6%
Cash and call loans	80.0	1.9%	60.9	1.3%
Others	120.9	2.8%	98.9	2.2%
<b>Total</b>	<b>4,325.2</b>	<b>100.0%</b>	<b>4,529.9</b>	<b>100.0%</b>

#### <Asset management review>

■ Japanese government and corporate bonds:  
Continue to accumulate ultralong-term bonds in FY11.



#### <Lengthened asset duration>

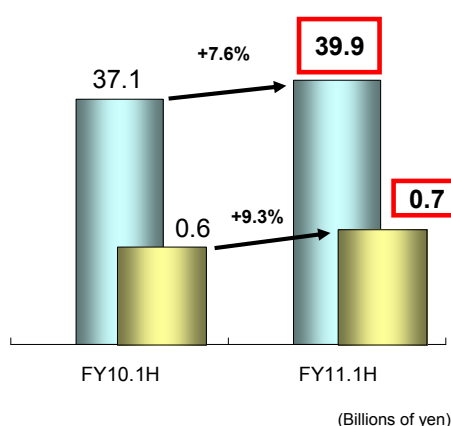
10.3.31 17.6 years  
11.3.31 18.5 years  
11.9.30 18.8 years

■ Investment in the monetary trusts are mainly into Japanese government and corporate bonds  
■ The holding ratio on the real status, of Japanese government and corporate bonds including those invested in monetary trusts in the general account assets:

As of September 30, 2011: 88.8%, (As of March 31, 2011: 87.3%)

# Highlights of Operating Performance: Sony Assurance

□ Ordinary revenues □ Ordinary profit



- ◆ Ordinary revenues and ordinary profit increased year on year.
- ◆ Ordinary revenues increased, due to an increase in net premiums written led by a growing number of in-force policies primarily for automobile insurance.
- ◆ Ordinary profit increased due to an increase in ordinary profit and a reversal of catastrophe reserve which offset the negative impact of the rising loss ratio.

(Billions of yen)	FY10.1H	FY11.1H	Change	
<b>Ordinary revenues</b>	37.1	<b>39.9</b>	+2.8	+7.6%
Underwriting income	36.7	<b>39.4</b>	+2.7	+7.5%
Investment income	0.3	<b>0.4</b>	+0.0	+15.8%
<b>Ordinary expenses</b>	36.4	<b>39.1</b>	+2.7	+7.6%
Underwriting expenses	27.9	<b>29.7</b>	+1.8	+6.5%
Investment expenses	—	<b>0.0</b>	+0.0	—
Operating, general and administrative expenses	8.4	<b>9.4</b>	+0.9	+11.3%
<b>Ordinary profit</b>	0.6	<b>0.7</b>	+0.0	+9.3%
<b>Net income</b>	0.3	<b>0.4</b>	+0.0	+16.1%

(Billions of yen)	10.9.30	11.3.31	<b>11.9.30</b>	Change from 11.3.31	
<b>Underwriting reserves</b>	62.3	64.0	<b>67.6</b>	+3.6	+5.6%
<b>Total net assets</b>	15.8	16.7	<b>17.2</b>	+0.4	+2.8%
<b>Total assets</b>	103.9	109.3	<b>114.6</b>	+5.3	+4.8%

Line item amounts are truncated below ¥100 million; percentage change figures are rounded.

# Overview of Performance: Sony Assurance

(Billions of yen)	FY10.1H	FY11.1H	Change
<b>Direct premiums written</b>	36.4	<b>39.0</b>	+7.3%
<b>Net premiums written</b>	36.7	<b>39.4</b>	+7.5%
<b>Net losses paid</b>	19.0	<b>21.1</b>	+11.4%
<b>Underwriting profit</b>	0.3	<b>0.3</b>	(4.0%)
<b>Net loss ratio</b>	58.2%	<b>60.1%</b>	+1.9pt
<b>Net expense ratio</b>	24.7%	<b>25.5%</b>	+0.8pt
<b>Combined ratio</b>	83.0%	<b>85.7%</b>	+2.7pt

Net expense ratio is equal to the ratio of total underwriting costs to net premiums written.

Net loss ratio is equal to the ratio of net losses paid and loss adjustment expenses to net premiums written.

## (Reasons for changes)

- ◆ Increased owing to an increase in the number of policies in force for automobile insurance.
- ◆ Increased owing mainly to an increase in the number of policies in force for automobile insurance, as well as rising unit cost of insurance claims and the effect of natural disaster.
- ◆ Increased due primarily to the reinforcement of corporate systems and infrastructure based on the expansion of business operations.
- ◆ Increased due to an increase in the number of policies in force for automobile insurance.

	10.9.30	11.3.31	<b>11.9.30</b>	Change from 11.3.31	
<b>Number of policies in force</b>	1.33 million	1.38 million	<b>1.44 million</b>	+0.05 million	+4.1%
<b>Solvency margin ratio</b>	1,010.3%	981.4%	<b>960.9%</b>	(20.5pt)	

The number of policies in force is the total of automobile insurance and medical and cancer insurance, which accounts for 99% of net premiums written.

Line item amounts are truncated below ¥ 100 million; numbers of policies are truncated below 10,000 policies; percentage change figures are rounded.

# Sony Assurance's Underwriting Performance by Type of Policy

## Direct Premiums Written

(Millions of yen)	FY10.1H	FY11.1H	Change
Fire	71	66	(7.7%)
Marine	—	—	—
Personal accident*	3,551	3,645	+2.6%
Voluntary automobile	32,783	35,338	+7.8%
Compulsory automobile liability	—	—	—
Total	36,406	39,049	+7.3%

## Net Premiums Written

(Millions of yen)	FY10.1H	FY11.1H	Change
Fire	3	64	—
Marine	6	18	+169.7%
Personal accident*	3,679	3,745	+1.8%
Voluntary automobile	32,648	35,206	+7.8%
Compulsory automobile liability	369	408	+10.6%
Total	36,707	39,443	+7.5%

\*SURE, medical and cancer insurance is included in personal accident.

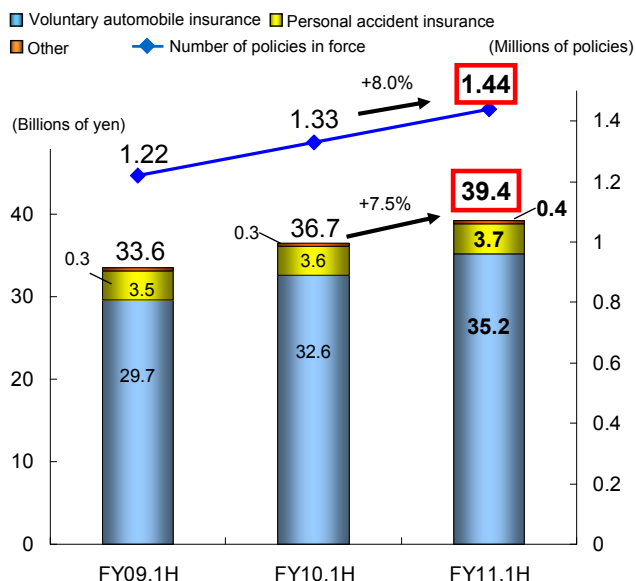
## Net losses paid

(Millions of yen)	FY10.1H	FY11.1H	Change
Fire	0	40	—
Marine	7	11	+56.1%
Personal accident*	776	867	+11.7%
Voluntary automobile	17,927	19,866	+10.8%
Compulsory automobile liability	319	410	+28.3%
Total	19,031	21,196	+11.4%

Line item amounts are truncated below ¥ 1 million; Percentage change figures are rounded.

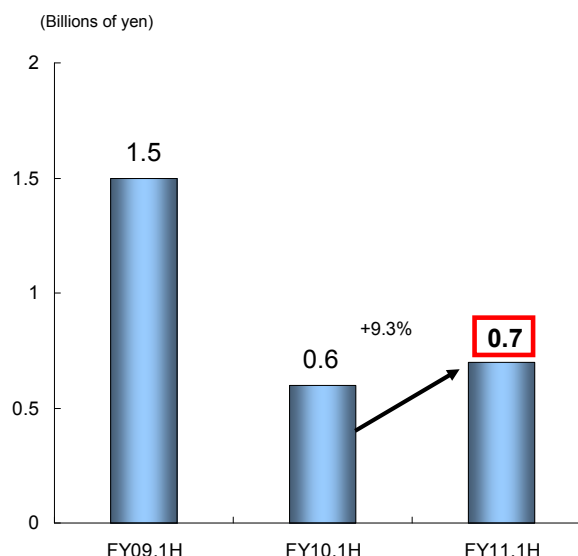
# Sony Assurance Operating Performance (1)

## Net Premiums Written and Number of Policies in Force



The number of policies in force is the total of automobile insurance and medical and cancer insurance policies, which account for 99% of net premiums written. More than 90% of personal accident insurance is medical and cancer insurance.

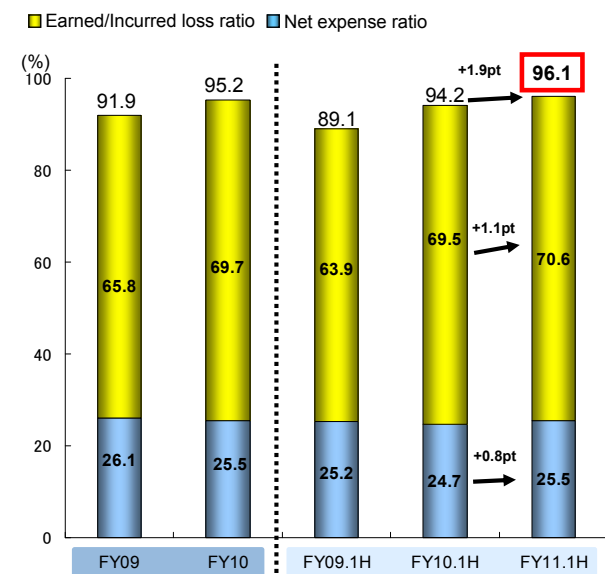
## Ordinary Profit



Line item amounts are truncated below ¥100 million; numbers of policies are truncated below 10,000 policies; percentage change figures are rounded.

# Sony Assurance Operating Performance (2)

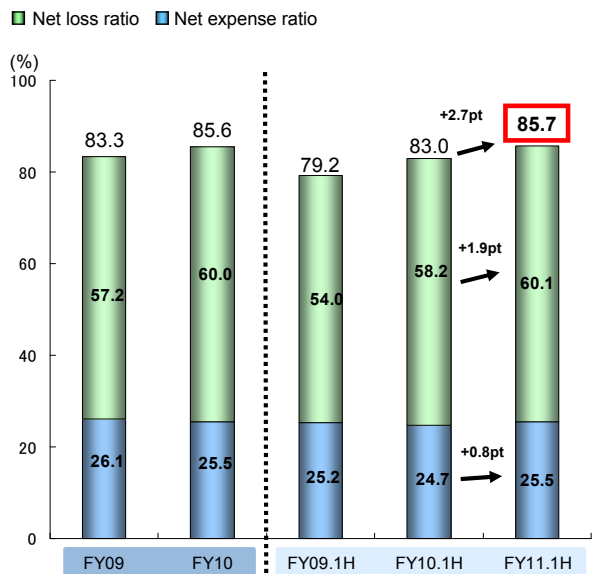
## Net Expense Ratio + Earned/Incurred Loss Ratio



Earned/Incurred loss ratio is equal to the ratio of the sum of net losses paid, loss adjustment expenses and accumulation in provision for reserve for outstanding losses to earned premiums. \*Note that earthquake insurance and compulsory automobile liability insurance are excluded from the above calculation.

## Reference

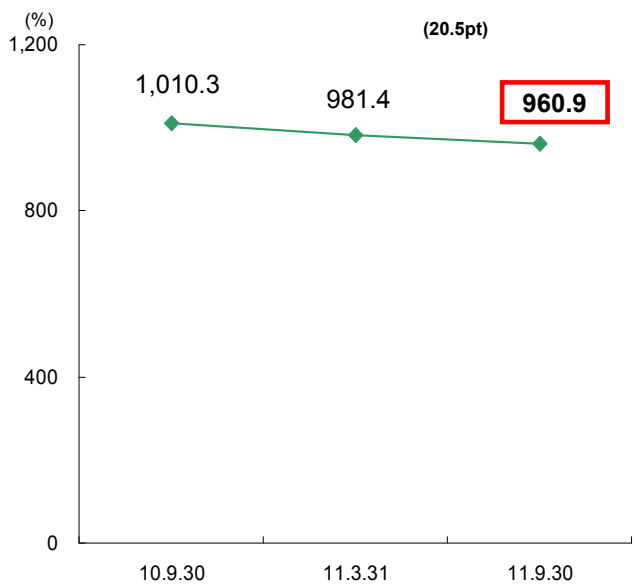
## Combined Ratio (Net Expense Ratio + Net Loss Ratio)



Net expense ratio is equal to the ratio of total underwriting costs to net premiums written. Net loss ratio is equal to the ratio of net losses paid and loss adjustment expenses to net premiums written.

# Sony Assurance Operating Performance (3)

## Solvency Margin Ratio

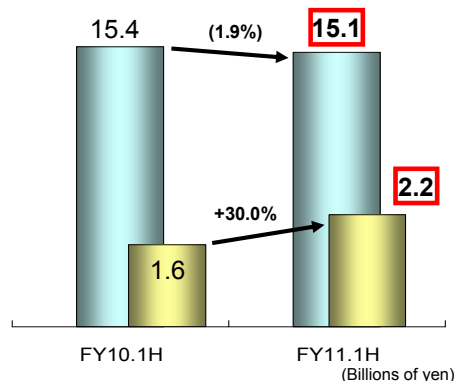


**<Reference>**  
 New solvency margin ratio effective as of the end of FY11  
**March 31, 2011 : 631.0%**  
**September 30, 2011 : 617.0%**  
 Variation factor from the previous standard  
 ◆ Stricter risk measurement

Note:  
 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). The above-stated figures are calculated on the assumption that these changes are applied at March 31, and September 30, 2011.

# Highlights of Operating Performance: Sony Bank (Non-consolidated)

□ Ordinary revenues □ Ordinary profit



- ◆ Ordinary revenues decreased but ordinary profit increased year on year.
- ◆ Gross operating profit increased ¥1.0 billion year on year due mainly to an increase in net interest income.
  - Net interest income increased ¥1.5 billion owing primarily to an increase in interest income on loans led by the growing balance of mortgage loans and a decrease in interest expenses on yen deposits.
  - Net other operating income decreased ¥0.6 billion reflecting lower gains on bond dealing transactions.
- ◆ Net operating profit increased, owing to an increase in gross operating profit.
- ◆ Customer assets decreased ¥11.8 billion from March 31, 2011 reflecting a decreasing balance of investment trust under the bear market and the negative impact of yen appreciation on the foreign exchange conversion of foreign currency deposits.

(Billions of yen)	FY10.1H	FY11.1H	Change	
Ordinary revenues	15.4	15.1	(0.2)	(1.9%)
Gross operating profit	8.3	9.3	+1.0	+12.6%
Net interest income	6.3	7.8	+1.5	+24.2%
Net fees and commissions	(0.07)	0.08	+0.15	—
Net other operating income	2.0	1.4	(0.6)	(30.8%)
General and administrative expenses	6.3	6.8	+0.5	+8.0%
Ordinary profit	1.6	2.2	+0.5	+30.0%
Net income	0.8	1.2	+0.4	+45.5%
Net operating profit	1.8	2.3	+0.5	+28.7%

(Billions of yen)	10.9.30	11.3.31	11.9.30	Change from 11.3.31	
Securities	958.3	940.1	894.8	(45.2)	(4.8%)
Loans	636.4	722.4	776.1	+53.7	+7.4%
Deposits	1,584.8	1,649.1	1,645.2	(3.8)	(0.2%)
Customer assets	1,683.6	1,755.5	1,743.7	(11.8)	(0.7%)
Total net assets	58.3	59.9	59.5	(0.4)	(0.7%)
Net unrealized gains (losses) on other securities (net of taxes)	1.1	0.4	(0.4)	(0.8)	—
Total assets	1,700.7	1,761.8	1,769.2	+7.4	+0.4%

Line item amounts are truncated below ¥100 million (excluding net fees and commissions); percentage change figures are rounded.

# Overview of Performance: Sony Bank (Non-consolidated) (1)

(Billions of yen)	10.9.30	11.3.31	11.9.30	Change	
Customer assets	1,683.6	1,755.5	1,743.7	(11.8)	(0.7%)
Deposits	1,584.8	1,649.1	1,645.2	(3.8)	(0.2%)
Yen	1,241.7	1,289.8	1,284.3	(5.5)	(0.4%)
Foreign currency	343.0	359.2	360.8	+1.6	+0.5%
Investment trusts	98.8	106.4	98.5	(7.9)	(7.5%)
Loans outstanding	636.4	722.4	776.1	+53.7	+7.4%
Mortgage loans	581.3	656.0	697.8	+41.8	+6.4%
Others	55.0	66.4	78.2	+11.8	+17.9%
Number of accounts (thousands)	828	859	881	+22	+2.6%
Capital adequacy ratio (*2) (domestic criteria)	11.76%	10.84%	10.52%	(0.32pt)	

### (Reasons for changes)

- ◆ Yen deposits decreased due to a shift to foreign currency deposit driven by yen appreciation and a difficulty in acquiring new yen deposit in the low interest rate conditions.
- ◆ Foreign currency deposit slightly increased reflecting growing demand for saving foreign currency under the market fluctuation while the sharp hike in the yen might have the negative impact on the foreign exchange conversion. (Approx. ¥3.4 billion)
- ◆ Investment trusts decreased reflecting a decline in reference price though sales volume rose steadily.
- ◆ Loan balance steadily increased due to increases in mortgage loans and corporate lending centering on syndicated loans.

\*1 Loans in others include corporate loans of ¥70.4 billion.

\*2 Please refer to the graph of the non-consolidated capital adequacy ratio (domestic criteria) on P26.

Line item amounts are truncated below ¥100 million; numbers of accounts are truncated below 1,000 accounts; percentage change figures are rounded.



# Overview of Performance: Sony Bank (Non-consolidated) (2)

## <Reference> On Managerial Accounting Basis

(Billions of yen)	FY09.1H	FY10.1H	FY11.1H	Change	
Gross operating profit	7.7	8.2	9.3	+1.0	+12.8%
Net interest income <sup>*1</sup> ①	6.6	7.2	8.7	+1.5	+21.5%
Net fees and commissions <sup>*2</sup> ②	0.6	0.5	0.6	+0.0	+19.2%
Net other operating income <sup>*3</sup> ③	0.4	0.5	(0.0)	(0.5)	—
Gross operating profit (core profit) (A) = ①+②	7.2	7.7	9.3	+1.6	+21.3%
Operating expenses and other expenses <sup>③</sup>	5.6	6.4	6.9	+0.5	+8.0%
Net operating profit (core profit) = (A)–③	1.6	1.2	2.4	+1.1	+88.7%

### ● Managerial accounting basis

The following adjustments are made to the figures on a financial accounting basis to 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), consists of profits and losses for bond and derivative dealing transactions.

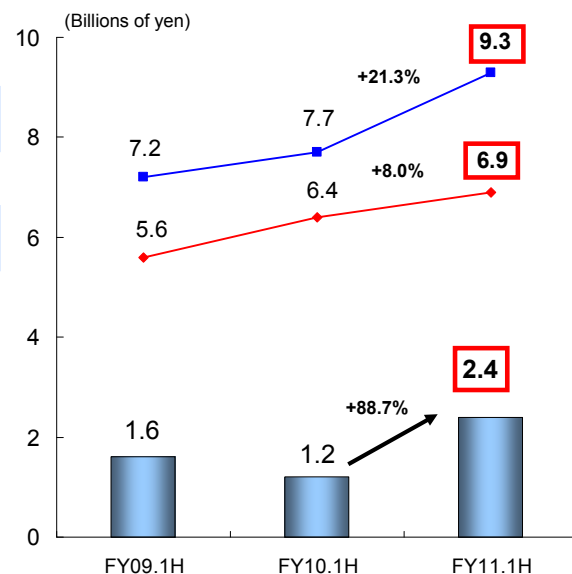
### ● Core profit

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.

## <Reference>

### Net Operating Profit (Core Profit), Operating Expenses and Other Expenses & Gross Operating Profit (Core Profit)

— Gross operating profit (core profit) — Net operating profit (core profit)  
◆ Operating expenses and other expenses

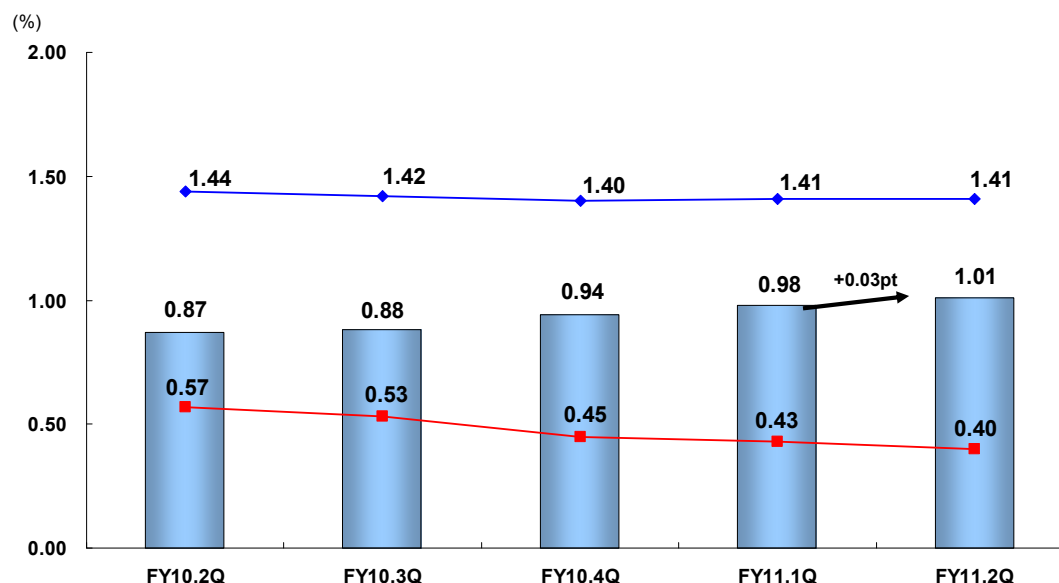


Line item amounts are truncated below ¥100 million; percentage change figures are rounded.

# Sony Bank Operating Performance (1)

## <Reference> Interest Spread (Managerial Accounting Basis)

■ Interest spread ◆ Yield on investment ◆ Yield on financing



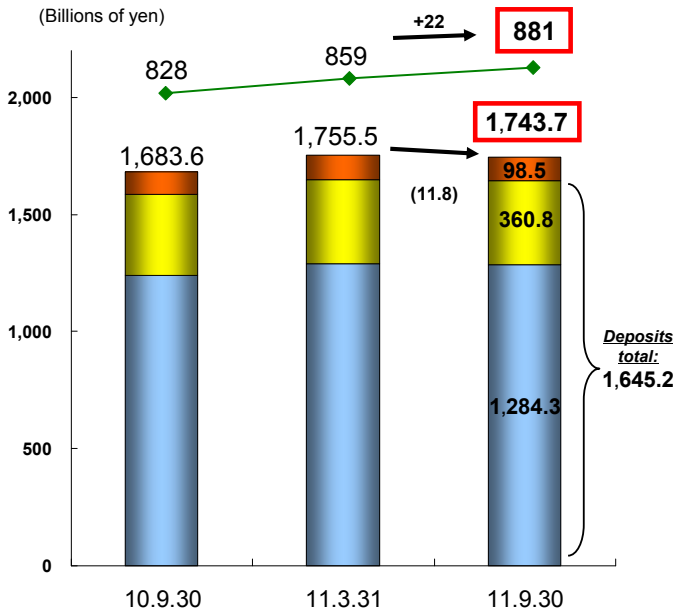
Notes: Interest spread = Yield on investment – Yield on financing

Yield on investment includes primarily gains or losses from currency swap transactions in net other operating income.

# Sony Bank Operating Performance (2)

## Customer Assets (Deposits + Investment Trusts) and Number of Accounts

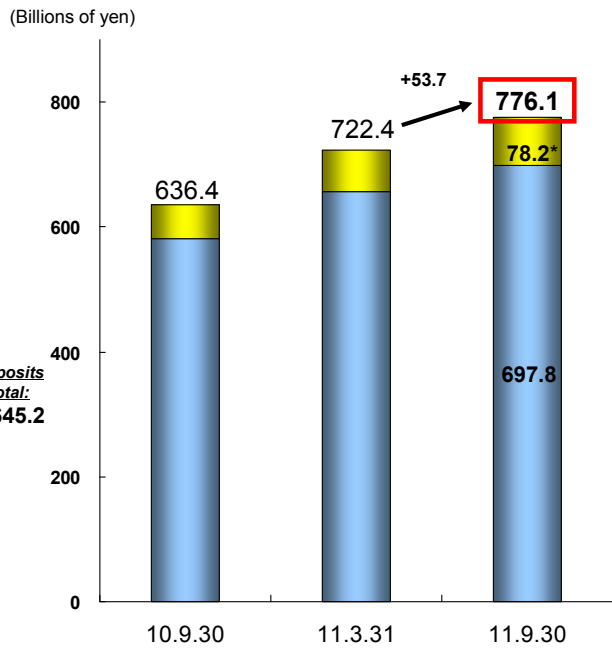
■ Yen deposits 
 ■ Foreign currency deposits 
 ■ Investment trusts  
◆ Number of accounts (thousands)



## Loans

■ Mortgage loans 
 ■ Others

\*Including corporate loans of ¥70.4 billion.

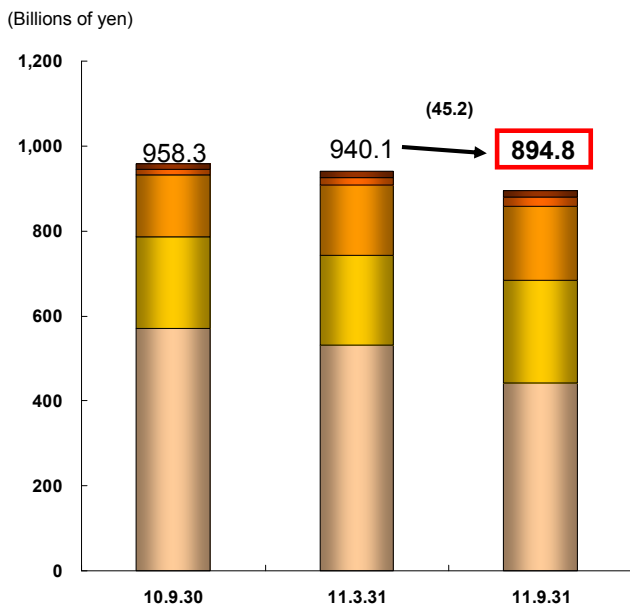


Line item amounts are truncated below ¥100 million; number of accounts are truncated below 1,000 accounts.

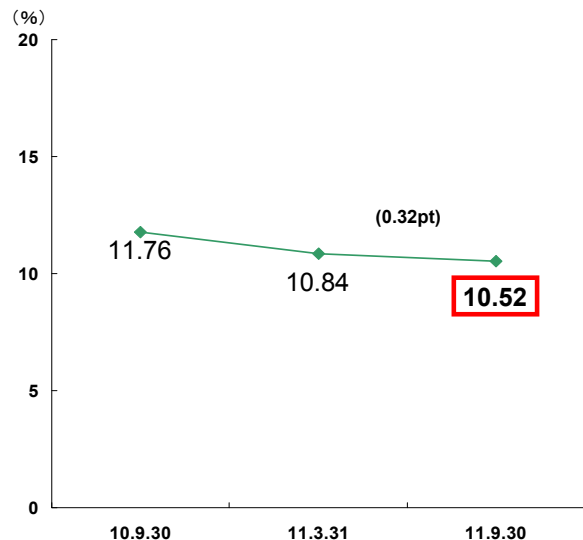
# Sony Bank Operating Performance (3)

## Balance of Securities by Credit Ratings

■ AAA 
 ■ AA 
 ■ A  
■ BBB 
 ■ BB 
 ■ Other



## Non-Consolidated Capital Adequacy Ratio (Domestic Criteria)



\* Sony Bank's non-consolidated capital adequacy ratio was calculated based on the standard stipulated by Article 14-2 of the Banking Law of Japan, in accordance with Financial Services Agency of Japan ("FSA") public ministerial announcement No. 19 of 2006. The capital adequacy ratio newly adopted the special exception of the standard mentioned above, in accordance with the FSA public ministerial announcement No. 79 of 2008.

Amounts are truncated below ¥100 million.

# Consolidated Financial Forecast for the Year Ending March 31, 2012

27

## Consolidated Financial Forecast for the Year Ending March 31, 2012

	FY10 Actual	FY11 Forecast	Change FY10 actual vs. FY11 forecast
<b>Consolidated ordinary revenues</b>	<b>1,002.2</b>	<b>1,022.0</b>	<b>+ 2.0%</b>
Life insurance business	900.3	909.3	+ 1.0%
Non-life insurance business	74.1	80.4	+ 8.4%
Banking business	29.5	32.8	+ 11.0%
<b>Consolidated ordinary profit</b>	<b>76.8</b>	<b>59.0</b>	<b>(23.2%)</b>
Life insurance business	72.1	53.0	(26.6%)
Non-life insurance business	2.1	2.6	+ 21.2%
Banking business	2.4	4.1	+ 70.3%
<b>Consolidated net income</b>	<b>41.7</b>	<b>29.0</b>	<b>(30.5%)</b>

SFH's forecast of consolidated financial results for the fiscal year ending March 31, 2012, is unchanged from the forecast announced on May 20, 2011.

### Life insurance business

Ordinary revenues for FY11 are expected to increase 1.0% year on year, to ¥909.3 billion. We anticipate that income from insurance premiums will increase in line with steady growth of the policy amount in force. We expect ordinary profit to decrease 26.6% year on year, to ¥53.0 billion due to lower gains on sale of securities. During FY10, the business generated more net capital gains through sale of securities than this fiscal year, reflecting the process of shifting bond holdings to ultralong-term bonds to reduce interest rate risk. (Operating results for the first half of this fiscal year exceeded our forecast announced on May 20, 2011, as insurance claims and other payments relating to the Great East Japan Earthquake were lower than our estimates as of the end of the previous fiscal year. However, our financial forecast for this fiscal year remains unchanged from the previous announcement, of May 20, 2011, due mainly to uncertainty about the financial market environment for the second half of this fiscal year.)

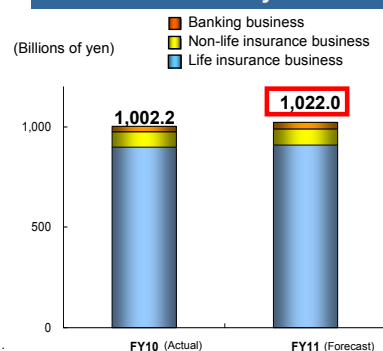
### Non-life insurance business

Ordinary revenues for FY11 are expected to rise 8.4% year on year, to ¥80.4 billion, due to an increase in net premiums written, mainly for mainstay automobile insurance. Ordinary profit is expected to increase 21.2% year on year, to ¥2.6 billion, due primarily to a rise in ordinary revenues and a reversal of catastrophe reserve which offset the negative impact of the rising loss ratio, though the loss ratio for FY11 is expected to be higher than FY10.

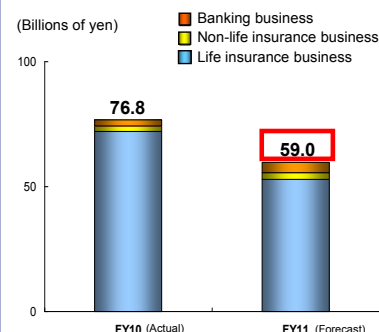
### Banking Business

Ordinary revenues for FY11, are expected to increase 11.0% year on year, to ¥32.8 billion, owing to an increase in net interest income, bolstered mainly by a growing balance of loans, especially mortgages. Ordinary profit is expected to grow 70.3%, to ¥4.1 billion, from the previous fiscal year, as we anticipate a steady increase in gross operating profit, driven by business expansion.

### Consolidated Ordinary Revenues



### Consolidated Ordinary Profit



# Appendix

## Recent Topics 1

### AEGON SONY LIFE INSURANCE Sales Update

Launch of sales: December 1, 2009

Common stock: ¥20 billion (including capital surplus of ¥10 billion)

Equity ownership: Sony Life Insurance Co., Ltd. 50%, AEGON International B.V. 50%

Marketing products: Individual Variable Annuities (4 types, 5 products)

Sales Channels: Lifepanner sales employees and partner Banks (7\*) As of November 14, 2011

Financial Highlights for FY11.1H:

Number of new policies: 494, New policy amount: ¥3.7 billion

Number of policies in force: 1,694 policies, Policy amount in force: ¥16.6 billion



### Sony Bank's Mortgage Loans through Sony Life

Sony Life accounts for 24% of the balance of mortgage loans as of September 30, 2011

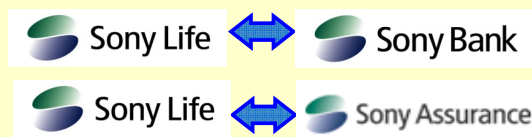
Sony Life accounts for 27% of the amount of new mortgage loans for FY11.1H

\*Sony Life started handling banking agency business in January 2008.

### Sony Assurance's Auto Insurance Sold by Sony Life

Sony Life accounts for approx. 5% of new automobile policies for FY11.1H

\* Sony Life started handling automobile insurance in May 2001.



## &lt;Highlights from the FY11.2Q onward&gt;

- 2011-7-01 Sony Bank acquired a 57% equity interest in SmartLink Network, Inc., an industry-leading provider of credit card settlement services
- 2011-8-03 Sony Assurance began offering a free application, "Drivers' Navigation" to smart phone users
- 2011-8-08 Sony Bank began offering new mortgage loan, named "Variable Select Mortgage Loan"
- 2011-8-22 Sony Bank opened representative office in Sydney
- 2011-8-31 Sony Assurance declared conformity with the ISO 10002 International Standard for Complaints Management Systems
- 2011-9-05 AEGON Sony Life Insurance began offering "Catch Point II," a new individual variable annuity product (GMAB Type 2011), through SMBC
- 2011-9-05 AEGON Sony Life Insurance began offering "Winning Road II," an individual variable annuity product (GLWB Type 2011), through Juroku Bank
- 2011-10-03 AEGON Sony Life Insurance began offering "W Account II," a new individual variable annuity product (GMAB Type 2011), through Kansai Urban Banking
- 2011-10-05 Sony Assurance opened its official page in "Facebook"(\*) and its PR official account in "Twitter."
- 2011-10-25 Sony Financial Holdings issued No. 1 unsecured corporate bonds
- 2011-11-02 Sony Life began offering new product: Cancer Drug Therapy Rider

(\*) Facebook is a registered trademark of Facebook, Inc.

## Sony Life: Fair Value Information on Securities (General Account Assets)

### Fair Value Information on Securities

#### ●Fair value information on securities with market value (except trading-purpose securities)

(Billions of yen)

	10.9.30			10.12.31			11.3.31			11.6.30			11.9.30		
	Carrying amount	Fair value	Net unrealized gains (losses)	Carrying amount	Fair value	Net unrealized gains (losses)	Carrying amount	Fair value	Net unrealized gains (losses)	Carrying amount	Fair value	Net unrealized gains (losses)	Carrying amount	Fair value	Net unrealized gains (losses)
Held-to-maturity securities	2,818.6	3,040.2	221.6	2,868.2	2,984.7	116.5	2,914.3	2,892.1	(22.1)	2,963.6	3,026.9	63.2	3,100.0	3,248.8	148.8
Available-for-sale securities	858.8	913.9	55.0	890.9	933.0	42.0	940.1	964.3	24.2	969.1	1,011.4	42.3	964.7	1,020.8	56.0
Japanese government and corporate bonds	794.8	848.5	53.6	824.9	859.9	35.0	884.4	904.1	19.7	909.9	947.5	37.6	909.8	964.6	54.7
Japanese stocks	51.8	52.9	1.1	51.7	57.4	5.6	49.8	53.7	3.8	47.4	51.9	4.4	36.5	37.8	1.2
Foreign securities	-	-	-	1.9	1.8	(0.0)	1.9	1.8	(0.0)	10.3	10.2	(0.1)	16.9	16.8	(0.1)
Other securities	12.1	12.3	0.1	12.3	13.8	1.4	3.8	4.6	0.7	1.3	1.7	0.3	1.3	1.5	0.1
Total	3,677.5	3,954.1	276.6	3,759.2	3,917.8	158.6	3,854.4	3,856.5	2.0	3,932.7	4,038.4	105.6	4,064.8	4,269.7	204.8

#### ●Valuation gains (losses) on trading-purpose securities

(Billions of yen)

10.9.30		10.12.31		11.3.31		11.6.30		11.9.30	
Balance sheet amount	Net valuation gains (losses) recorded in income	Balance sheet amount	Net valuation gains (losses) recorded in income	Balance sheet amount	Net valuation gains (losses) recorded in income	Balance sheet amount	Net valuation gains (losses) recorded in income	Balance sheet amount	Net valuation gains (losses) recorded in income
-	-	-	-	-	-	-	-	-	-

Notes:

- 1) Line item amounts are truncated below ¥100 million.
- 2) Amounts above include those categorized as "monetary trusts."

## Net Assets on BS, Real Net Assets and Solvency Margin

(Billions of yen)

	① Net Assets (B/S)		② Real Net Assets		③ Solvency Margin		Notes
	11.3.31	11.9.30	11.3.31	11.9.30	11.3.31	11.9.30	
Total shareholders' equity	209.8	216.4	209.8	216.4	200.7	216.4	③ After estimated distributed income deducted
Net unrealized gains on other securities, net of taxes	7.0	27.4	7.0	27.4	—	—	
Net unrealized gains (losses) on available-for-sale securities	—	—	—	—	20.8	49.5	③ Before tax x 90%
Land revaluation, net of taxes	(1.4)	(1.4)	(1.4)	(1.4)	—	—	
Reserve for price fluctuations	—	—	16.7	20.6	16.7	20.6	
Contingency reserve	—	—	51.5	53.3	51.5	53.3	
General reserve for possible loan losses	—	—	—	—	0.0	0.0	
Net unrealized gains on real estate	—	—	1.9	1.9	1.0	1.0	② Before tax (after revaluation) ③ Before tax (Before revaluation) X85%
Excess amount of policy reserves based on Zillmer method	—	—	334.2	342.1	334.2	342.1	
Unallotted portion of reserve for policyholders' dividends	—	—	1.1	0.9	1.1	0.9	
Future profits	—	—	—	—	0.6	0.6	
Deferred tax assets	—	—	—	—	63.3	72.2	
Unrealized gains (losses) on held-to-maturity bonds	—	—	(22.1)	148.8	—	—	② Before tax
Deferred tax liabilities for available-for-sale securities	—	—	8.0	19.6	—	—	
<b>Total</b>	<b>215.3</b>	<b>242.4</b>	<b>606.9</b>	<b>829.9</b>	<b>690.3</b>	<b>756.9</b>	

Note: Real net assets excluding net unrealized gains (losses) on held-to-maturity securities and on policy reserve matching bonds, are ¥629.1 billion as of March 31, 2011, and ¥681.1 billion as of September 30, 2011.

Amounts are truncated below ¥100 million.

## Sony Life's Solvency Margin Ratio

(Billions of yen)

Category	11.9.30 (Current)	11.9.30 (New)
Total solvency margin (A)	756.9	705.5
Common stock, etc	216.4	216.4
Reserve for price fluctuations	20.6	20.6
Contingency reserve	53.3	53.3
General reserve for possible loan losses	0.0	0.0
Net unrealized gains on other securities multiplied by 90% if gains or 100% if losses	49.5	49.5
Net unrealized gains on real estate multiplied by 85% if gains or 100% if losses	1.0	1.0
Excess amount of policy reserves based on Zillmer method	342.1	342.1
Unallotted portion of reserve for policyholders' dividends	0.9	0.9
Future profits	0.6	0.6
Deferred tax assets	72.2	72.2
Subordinated debt	-	-
That portion of the excess amount of policy reserves based on Zillmer method and subordinated debt that is not included in the margin	-	(50.7)
Deductible items	-	-
Total risk $\sqrt{(R_1 + R_2)^2 + (R_3 + R_4 + R_5)^2} + R_6$ (B)	48.0	72.7
Insurance risk R1	20.4	20.4
Third-sector insurance risk R8	7.4	7.4
Assumed interest rate risk R2	11.7	28.2
Asset management risk R3	16.3	28.0
Business management risk R4	1.3	1.8
Minimum guarantee risk R7	9.4	8.8
Solvency margin ratio $[(A)/(B) \times 1/2] \times 100$	3,148.0%	1,940.6%

Note: Cabinet Office Ordinance No. 23 of 2010 and FSA public ministerial announcement No. 48 of 2010 prescribe a revision in the methods of calculating total solvency margin and total risk (increasing the strictness of margin inclusion, and making risk measurement stricter and more sensitive). These changes are to be applied from the end of FY11. The above-stated figures are calculated on the assumption that these changes are applied as of September 30, 2011.

Amounts are truncated below ¥100 million.

- ✓ SFH Group's Exposure in the five European countries (Greece, Ireland, Italy, Portugal, Spain)

	Sovereign bond	Others
Sony Life	—	—
Sony Assurance	—	—
Sony Bank	—	¥1.6 Billion (Corporate bonds of Spanish company)

(Note) As of September 30, 2011. Exposure of Sony Life is for general account assets.



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