

Summary Information on Sony Life's Financial Results
for the Six Months Ended September 30, 2011

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1. Key Performance Results

(1) Policy Amount in Force and New Policy Amount

Policy amount in force

(Millions of yen, %)

Category	As of September 30, 2010		As of March 31, 2011		As of September 30, 2011					
	Number	Amount	Number	Amount	Number	% YoY change	% change from March 31, 2011	Amount	% YoY change	% change from March 31, 2011
Individual life insurance	5,116	338,020	5,283	344,218	5,435	106.2	102.9	350,317	103.6	101.8
Individual annuities	57	3,164	60	3,266	63	109.7	104.8	3,394	107.3	103.9
Subtotal	5,174	341,185	5,344	347,485	5,498	106.3	102.9	353,711	103.7	101.8
Group life insurance	—	11,333	—	11,987	—	—	—	12,346	108.9	103.0
Group annuities	—	722	—	589	—	—	—	584	80.9	99.2

Notes:

1. The policy amount in force 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, 2010				For the six months ended September 30, 2011					
	Number	Amount	New policies	Increase from conversion	Number	% YoY change	Amount	% YoY change	New policies	Increase from conversion
Individual life insurance	292	20,527	20,527	—	280	95.7	20,335	99.1	20,335	—
Individual annuities	3	157	157	—	3	121.5	181	115.5	181	—
Subtotal	295	20,684	20,684	—	283	96.0	20,517	99.2	20,517	—
Group life insurance	—	90	90	—	—	—	20	22.6	20	—
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, 2010	As of March 31, 2011	As of September 30, 2011	% YoY change	% change from March 31, 2011
	Individual life insurance	577,899	592,438	605,293	104.7
Individual annuities	11,754	12,354	12,710	108.1	102.9
Total	589,653	604,793	618,004	104.8	102.2
Of which, medical protection living benefit protection, etc	136,668	140,776	144,793	105.9	102.9

New policies

(Millions of yen, %)

Category	For the six months ended September 30, 2010	For the six months ended September 30, 2011	% YoY change
	Individual life insurance	34,095	32,593
Individual annuities	863	688	79.8
Total	34,958	33,281	95.2
Of which, medical protection living benefit protection, etc	7,970	8,130	102.0

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, 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, 2010	For the six months ended September 30, 2011	% YoY Change
Income from insurance premiums	371,040	395,732	106.7
Investment income	71,154	52,047	73.1
Insurance claims and other payments	132,052	137,285	104.0
Investment expenses	27,160	29,384	108.2

(4) Total assets

(Millions of yen, %)

Category	As of March 31, 2010	As of September 30, 2011	% Change from March 31, 2011
Total assets	4,723,332	4,922,545	104.2

2. Status of Investment Assets (General Account)

(1) Investment Environment

During the six months ended September 30, 2011, the Japanese economy experienced significant changes. Real GDP (2nd preliminary figures¹) grew at a rate of negative 0.5% (annualized rate of negative 2.1%) during the April–June quarter, owing mainly to substantial declines in exports of goods and services and in private-sector capital expenditure, stemming from supply problems brought about by the Great East Japan Earthquake. Growth in nominal GDP, a better indicator of conditions in the real economy, plunged by a negative 1.5% (annualized rate of minus 6.0%), and the GDP deflator, which reflects changes in the price of goods, was negative 1.0% year on year. However, real GDP in the July–September quarter² is estimated to have recovered substantially in comparison with the disaster-related drop, triggered mainly by recoveries in exports of goods and services and an upturn in personal consumption.

The Japanese bond market performed steadily. The Japanese economy is seen to have returned to positive growth in the July–September quarter, but factors pointing to the potential weakness of this recovery abound. Such factors as sovereign debt crises in Greece and other European countries, concerns of a slowdown in U.S. economic growth and expectations of further easing by the Federal Reserve Bank have substantially lowered long-term interest rates in overseas bond markets, such as in Germany and the United States. These factors have pulled down interest rates in the Japanese bond markets. As an indicator of these trends, yields on 10-year Japanese government bonds (JGBs) fell from 1.240% on March 31, 2011, to 1.000% on September 30, 2011. At one point after July, yields even dropped below 1%.

Stock market performance was soft. The impact of the Great East Japan Earthquake, concerns about slowing economic growth overseas, and ongoing yen appreciation in the foreign exchange markets caused growing concern that recovery would be delayed, particularly among manufacturers. The Nikkei Stock Average, at ¥9,755.10 on March 31, 2011, rose to ¥10,207.91 at one point in July before falling back to close at ¥8,700.29 on September 30, 2011. Facing potential losses owing to the European debt problem, overseas investors grew more risk-averse. Accordingly, foreign investors were net sellers of Japanese shares, offloading a net ¥1,062.8 billion in August 2011 and ¥754.4 billion in September.

On foreign exchange markets, yen appreciation against the U.S. dollar became more pronounced, rising from ¥83.13 on March 31, 2011, to ¥77.06 on September 30, 2011. Rapid appreciation of the yen against the U.S. dollar in August prompted the Bank of Japan to intervene in the foreign exchange markets, selling yen and buying dollars, but the effect of this intervention was short-lived. Against U.S. monetary easing and the impact of sovereign debt crises in Europe, among the three major currencies—the yen, the dollar and the euro—the yen alone continued to appreciate.

(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 their debt characteristics. We secure 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. Regarding, investment of equity assets, we invest them by controlling the allocation and ensuring a balance between profitability and market risks.

(3) Results of Investment

As of September 30, 2011, general account assets totaled ¥4,529.9 billion, up 4.7%, or ¥204.7 billion, from March 31, 2011. Within the general account assets, domestic bond investment totaled ¥3,734.7 billion (accounting for 82.4% of total general account assets), foreign bonds ¥59.4 billion (1.3%), Japanese stocks ¥48.1 billion (1.1%), monetary trusts ¥286.7 billion (6.3%), policy loans ¥137.0 billion (3.0%), real estate ¥74.1 billion (1.6%), and cash and deposits and call loans ¥60.9 billion (1.9%).

¹ Announced on September 9, 2011

² Initial preliminary report announcement expected on November 14, 2011

3. Status of Investment Assets (General Account)

(1) Portfolio of General Account Assets

(Millions of yen, %)

Category	As of March 31, 2011		As of September 30, 2011	
	Amount	%	Amount	%
Cash and deposits, call loans	80,059	1.9	60,976	1.3
Securities repurchased under resale agreements	—	—	—	—
Pledged money for bond borrowing transaction	—	—	—	—
Monetary claims purchased	—	—	—	—
Securities under proprietary accounts	—	—	—	—
Monetary trusts	276,475	6.4	286,702	6.3
Securities	3,644,781	84.3	3,875,458	85.6
JGBs, other bonds	3,499,914	80.9	3,734,732	82.4
Japanese stocks	64,011	1.5	48,129	1.1
Foreign securities	74,240	1.7	89,242	2.0
Bonds	44,212	1.0	59,446	1.3
Stocks, etc.	30,027	0.7	29,796	0.7
Other securities	6,615	0.2	3,354	0.1
Loans	134,419	3.1	137,171	3.0
Real estate	75,162	1.7	74,126	1.6
Deferred tax assets	40,738	0.9	29,602	0.7
Other assets	73,799	1.7	66,115	1.5
Reserve for possible loan losses	(228)	(0.0)	(218)	(0.0)
Total	4,325,208	100.0	4,529,934	100.0
Of which, foreign-currency-denominated assets	27,537	0.6	42,502	0.9

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, 2010	For the six months ended September 30, 2011
Cash and deposits, call loans	(61,511)	(19,082)
Securities repurchased under resale agreements	—	—
Pledged money for bond borrowing transaction	—	—
Monetary claims purchased	—	—
Securities under proprietary accounts	—	—
Monetary trusts	(1,126)	10,226
Securities	293,632	230,677
JGBs, other bonds	304,114	234,817
Japanese stocks	(9,251)	(15,881)
Foreign securities	(6,734)	15,002
Bonds	(7,771)	15,233
Stocks, etc.	1,036	(231)
Other securities	5,503	(3,260)
Loans	4,301	2,752
Real estate	(721)	(1,036)
Deferred tax assets	(2,975)	(11,136)
Other assets	(23,916)	(7,684)
Reserve for possible loan losses	(13)	9
Total	207,667	204,726
Of which, foreign-currency-denominated assets	870	14,964

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, 2010	For the six months ended September 30, 2011
Interest income and dividends	42,338	47,478
Interest income from deposits	0	0
Interest income and dividends from securities	34,048	39,100
Interest income from loans	2,587	2,670
Income from real estate for rent	5,665	5,647
Other	36	60
Gains on securities under proprietary accounts	—	—
Income from monetary trusts, net	4,346	2,646
Income from trading securities, net	—	—
Gains on sale of securities	24,468	1,911
Gains on sale of Japanese bonds	23,726	39
Gains on sale of Japanese stocks	680	1,676
Gains on sale of foreign securities	62	194
Other	—	—
Gains on redemption of securities	—	—
Gains on derivatives, net	—	—
Foreign exchange gains, net	—	—
Reversal of reserve for possible loan losses	—	—
Other investment income	0	10
Total	71,154	52,047

(4) Investment Expenses

(Millions of yen)

Category	For the six months ended September 30, 2010	For the six months ended September 30, 2011
Interest expenses	27	30
Losses on securities under proprietary accounts	—	—
Losses on monetary trusts, net	—	—
Losses on trading securities, net	—	—
Losses on sale of securities	703	1,528
Losses on sale of Japanese bonds	—	—
Losses on sale of Japanese stocks	626	1,528
Losses on sale of foreign securities	77	—
Other	—	—
Devaluation losses on securities	348	866
Devaluation losses on Japanese bonds	—	—
Devaluation losses on Japanese stocks	348	866
Devaluation losses on foreign securities	—	—
Other	—	—
Losses on redemption of securities	23	—
Losses on derivatives, net	—	—
Foreign exchange losses	163	693
Provision for reserve for possible loan losses	17	6
Write-off loans	—	—
Depreciation of real estate for rent and others	1,276	1,162
Other investment expenses	3,179	3,257
Total	5,739	7,545

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

(Millions of yen)

Category	As of March 31, 2011		As of September 30, 2011	
	Balance sheet amount	Net valuation gains (losses) recorded in income	Balance sheet amount	Net valuation gains (losses) recorded in income
Trading-purpose securities	—	—	—	—

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 March 31, 2011					As of September 30, 2011				
	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	2,914,365	2,892,180	(22,184)	25,518	47,703	3,100,080	3,248,881	148,801	156,386	7,584
Policy reserve matching bonds	—	—	—	—	—	—	—	—	—	—
Stocks of subsidiaries and affiliated companies	—	—	—	—	—	—	—	—	—	—
Available-for-sale securities	940,112	964,374	24,261	30,903	6,642	964,739	1,020,835	56,096	59,440	3,344
JGBs, other bonds	884,466	904,194	19,727	22,921	3,194	909,874	964,661	54,787	54,897	110
Japanese stocks	49,856	53,706	3,849	7,207	3,357	36,546	37,824	1,278	3,965	2,687
Foreign securities	1,919	1,828	(90)	—	90	16,958	16,823	(135)	411	546
Bonds	1,919	1,828	(90)	—	90	16,958	16,823	(135)	411	546
Stocks, etc.	—	—	—	—	—	—	—	—	—	—
Other securities	3,869	4,644	774	774	—	1,360	1,526	166	166	—
Monetary claims purchased	—	—	—	—	—	—	—	—	—	—
Certificates of deposit	—	—	—	—	—	—	—	—	—	—
Others	—	—	—	—	—	—	—	—	—	—
Total	3,854,478	3,856,555	2,077	56,422	54,345	4,064,820	4,269,717	204,897	215,826	10,928
JGBs, other bonds	3,756,448	3,749,943	(6,505)	44,392	50,897	3,967,331	4,174,889	207,558	211,283	3,725
Japanese stocks	49,856	53,706	3,849	7,207	3,357	36,546	37,824	1,278	3,965	2,687
Foreign securities	44,303	48,260	3,957	4,048	90	59,581	55,476	(4,104)	411	4,516
Bonds	44,303	48,260	3,957	4,048	90	59,581	55,476	(4,104)	411	4,516
Stocks, etc.	—	—	—	—	—	—	—	—	—	—
Other securities	3,869	4,644	774	774	—	1,360	1,526	166	166	—
Monetary claims purchased	—	—	—	—	—	—	—	—	—	—
Certificates of deposit	—	—	—	—	—	—	—	—	—	—
Others	—	—	—	—	—	—	—	—	—	—

Notes:

1. The above table includes assets which are permitted to be treated as equivalent to securities defined in the Financial Instruments and Exchange Law of Japa
2. Carrying amount and net unrealized gains (losses) on monetary trusts, including items other than trading-purpose securities, amounted to ¥268,483 million and ¥18,902 millio
3. Carrying amount represents the amount after deductions for depreciable costs and impairment losses, before mark-to-marke

b. Carrying amounts of securities without market value

(Millions of yen)

Category	As of March 31, 2011	As of September 30, 2011
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	27,582	27,168
Unlisted domestic stocks (except OTC stocks)	4	4
Unlisted foreign stocks (except OTC stocks)	1,049	1,072
Unlisted foreign bonds	—	—
Others	26,528	26,091
Total	43,430	43,016

C. Fair Value information consisting of that stated in the previous table-a and foreign exchange and other gains (losses) for table-1

(Millions of yen)

Category	As of March 31, 2011					As of September 30, 2011				
	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	2,914,365	2,892,180	(22,184)	25,518	47,703	3,100,080	3,248,881	148,801	156,386	7,584
Policy reserve matching bonds	—	—	—	—	—	—	—	—	—	—
Stocks of subsidiaries and affiliated companies	15,847	15,847	—	—	—	15,847	15,847	—	—	—
Available-for-sale securities	967,695	990,829	23,133	32,820	9,686	991,908	1,046,916	55,008	61,741	6,732
JGBs, other bonds	884,466	904,194	19,727	22,921	3,194	909,874	964,661	54,787	54,897	110
Japanese stocks	49,861	53,711	3,849	7,207	3,357	36,551	37,829	1,278	3,965	2,687
Foreign securities	2,969	2,807	(162)	—	162	18,031	17,946	(84)	468	553
Bonds	1,919	1,828	(90)	—	90	16,958	16,823	(135)	411	546
Stocks, etc.	1,049	978	(71)	—	71	1,072	1,123	50	57	7
Other securities	30,397	30,116	(281)	2,691	2,972	27,452	26,479	(972)	2,409	3,381
Monetary claims purchased	—	—	—	—	—	—	—	—	—	—
Certificates of deposit	—	—	—	—	—	—	—	—	—	—
Others	—	—	—	—	—	—	—	—	—	—
Total	3,897,908	3,898,857	949	58,339	57,389	4,107,836	4,311,646	203,809	218,127	14,317
JGBs, other bonds	3,756,448	3,749,943	(6,505)	44,392	50,897	3,967,331	4,174,889	207,558	211,283	3,725
Japanese stocks	60,161	64,011	3,849	7,207	3,357	46,851	48,129	1,278	3,965	2,687
Foreign securities	50,900	54,786	3,886	4,048	162	66,201	62,147	(4,054)	468	4,523
Bonds	44,303	48,260	3,957	4,048	90	59,581	55,476	(4,104)	411	4,516
Stocks, etc	6,597	6,526	(71)	—	71	6,620	6,671	50	57	7
Other securities	30,397	30,116	(281)	2,691	2,972	27,452	26,479	(972)	2,409	3,381
Monetary claims purchased	—	—	—	—	—	—	—	—	—	—
Certificates of deposit	—	—	—	—	—	—	—	—	—	—
Others	—	—	—	—	—	—	—	—	—	—

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

(Millions of yen)

Category	As of March 31, 2011					As of September 30, 2011				
	Balance sheet amount	Fair value	Net unrealized gains (losses)			Balance sheet amount	Fair value	Net unrealized gains (losses)		
			Unrealized gains	Unrealized losses				Unrealized gains	Unrealized losses	
Monetary trusts	276,475	276,475	—	—	—	286,702	286,702	—	—	—

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

Monetary trusts for investment

(Millions of yen)

Category	As of March 31, 2011		As of September 30, 2011	
	Balance sheet amount	Net valuation gains (losses) recorded in income	Balance sheet amount	Net valuation gains (losses) recorded in income
Monetary trusts for investment	—	—	—	—

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

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

(Millions of yen)

Category	As of March 31, 2011					As of September 30, 2011				
	Carrying amount	Fair value	Net unrealized gains (losses)			Carrying amount	Fair value	Net unrealized gains (losses)		
			Unrealized gains	Unrealized losses				Unrealized gains	Unrealized losses	
Monetary trusts for held-to-maturity	—	—	—	—	—	—	—	—	—	—
Monetary trusts for policy reserve matching	—	—	—	—	—	—	—	—	—	—
Other monetary trusts	268,610	276,425	7,814	7,814	—	267,749	286,652	18,902	18,902	—

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

4. Non-consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2011	As of September 30, 2011
	Amount	Amount
Assets:		
Cash and deposits	35,103	29,757
Call loans	68,500	55,600
Monetary trusts	276,475	286,702
Securities	4,017,583	4,237,735
(Japanese government bonds)	3,548,082	3,805,104
(Japanese municipal bonds)	11,328	11,354
(Japanese corporate bonds)	70,610	56,715
(Japanese stocks)	92,691	67,436
(Foreign securities)	192,328	202,973
Loans	134,419	137,171
Policy loans	134,419	137,091
Commercial loans	-	79
Tangible fixed assets	76,014	74,911
Intangible fixed assets	18,390	20,152
Due from reinsurers	84	211
Other assets	56,250	50,919
Deferred tax assets	40,738	29,602
Reserve for possible loan losses	(228)	(218)
Total Assets	4,723,332	4,922,545
Liabilities:		
Policy reserves and others	4,404,576	4,600,233
Reserve for outstanding claims	28,252	23,220
Policy reserves	4,371,484	4,572,342
Reserve for policyholders' dividends	4,839	4,670
Due to agencies	1,502	1,415
Due to reinsurers	684	552
Other liabilities	65,980	37,472
Accrued income tax	19,482	9,618
Lease obligations	284	273
Asset retirement obligations	633	635
Others	45,580	26,945
Reserve for employees' retirement benefits	17,596	18,962
Reserve for directors' retirement benefits	143	155
Reserve for price fluctuations	16,768	20,644
Reserve for price fluctuations	16,768	20,644
Deferred tax liabilities on land revaluation	693	693
Total Liabilities	4,507,945	4,680,130
Net Assets:		
Common stock	70,000	70,000
Capital surplus	5,865	5,865
Capital reserve	5,865	5,865
Retained earnings	134,008	140,572
Earned reserve	11,418	13,238
Other retained earnings	122,590	127,333
Unappropriated retained earnings for the period	122,590	127,333
Total shareholders' equity	209,873	216,437
Net unrealized gains on other securities, net of taxes	7,013	27,477
Land revaluation, net of taxes	(1,499)	(1,499)
Total valuation and translation adjustments	5,513	25,977
Total Net Assets	215,387	242,414
Total Liabilities and Net Assets	4,723,332	4,922,545

5. Non-consolidated Statements of Income

(Millions of yen)

	For the six months ended September 30, 2010	For the six months ended September 30, 2011
	Amount	Amount
Ordinary Revenues	444,383	454,871
Income from insurance premiums	371,040	395,732
(Insurance premiums)	370,019	395,471
Investment income	71,154	52,047
(Interest income and dividends)	42,338	47,478
(Income from monetary trusts, net)	4,346	2,646
(Gains on sale of securities)	24,468	1,911
Other ordinary income	2,188	7,092
Ordinary Expenses	394,344	426,277
Insurance claims and other payments	132,052	137,285
(Insurance claims)	35,576	36,360
(Annuity payments)	3,602	3,913
(Insurance benefits)	15,953	16,264
(Surrender payments)	75,039	78,637
(Refund to policyholders)	824	1,106
Provision for policy reserves and others	179,363	200,866
Provision for reserve for outstanding claims	1,404	-
Provision for policy reserves	177,949	200,858
Interest on policyholders' dividend reserve	8	7
Investment expenses	27,160	29,384
(Interest expenses)	27	30
(Losses on sale of securities)	703	1,528
(Devaluation losses on securities)	348	866
(Losses on separate accounts, net)	21,420	21,838
Operating expenses	49,070	51,576
Other ordinary expenses	6,698	7,165
Ordinary Profit	50,039	28,593
Extraordinary Losses	3,736	3,892
Losses on disposal of fixed assets	15	16
Impairment losses	0	0
Provision for reserve for price fluctuations	3,430	3,875
Provision for reserve for price fluctuations	3,430	3,875
Cumulative effect on application of accounting standard for asset retirement obligations	290	-
Provision (Reversal) for reserve for policyholders' dividends	345	(37)
Income Before Income Taxes	45,956	24,738
Income Taxes -current	19,501	9,588
Income Taxes -deferred	(2,529)	(513)
Total Income Taxes	16,972	9,075
Net Income	28,983	15,663

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

(Millions of yen)

	For the six months ended September 30, 2010	For the six months ended September 30, 2011
Core profit A	26,846	31,685
Capital gains	26,090	1,911
Income from monetary trusts, net	1,622	—
Income from trading securities, net	—	—
Gains on sale of securities	24,468	1,911
Gains on derivatives, net	—	—
Foreign exchange gains, net	—	—
Other capital gains	—	—
Capital losses	1,215	3,088
Losses on monetary trusts, net	—	—
Losses on trading securities, net	—	—
Losses on sale of securities	703	1,528
Devaluation losses on securities	348	866
Losses on derivatives, net	—	—
Foreign exchange losses, net	163	693
Other capital losses	—	—
Net capital gains (losses) B	24,875	(1,176)
Core profit plus net capital gains (losses) A+B	51,722	30,509
Other one-time gains	—	—
Gains from reinsurance	—	—
Reversal of contingency reserve	—	—
Reversal of specific reserve for possible loan losses	—	—
Others	—	—
Other one-time losses	1,683	1,915
Losses from reinsurance	—	—
Provision for contingency reserve	1,665	1,769
Provision for specific reserve for possible loan losses	17	6
Provision for reserve for loan losses from borrowers in specific foreign countries	—	—
Write-off of loans	—	—
Others	—	139
Net other one-time losses C	(1,683)	(1,915)
Ordinary profit A+B+C	50,039	28,593

Notes:

1. Core profit for the six months ended September 30, 2010 (A) includes income gains of ¥2,724 million in income from monetary trusts.

2. Core profit for the six months ended September 30, 2011 (A) includes income gains of ¥2,646 million in income from monetary trusts;

"Others" of other one-time losses includes additional provision of policy reserves of ¥139 million.

7. Loans by Borrower Category

(Millions of yen, %)

Category	As of March 31, 2011	As of September 30, 2011
Bankrupt and quasi-bankrupt loans	—	—
Doubtful loans	—	—
Sub-standard loans	—	—
Sub-total	—	—
[% to total]	[—]	[—]
Normal loans	136,809	139,578
Total	136,809	139,578

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 March 31, 2011	As of September 30, 2011
Total solvency margin (A)	690,331	756,948
Common stock, etc.	200,773	216,437
Reserve for price fluctuations	16,768	20,644
Contingency reserve	51,559	53,328
General reserve for possible loan losses	0	0
Net unrealized gains on other securities multiplied by 90% if gains or 100% if losses	20,820	49,507
Net unrealized gains on real estate multiplied by 85% if gains or 100% if losses	1,002	1,002
Excess amount of policy reserves based on Zillmer method	334,201	342,141
Unallocated portion of reserve for policyholders' dividends	1,186	977
Future profits	628	628
Deferred tax assets	63,388	72,280
Subordinated debt	—	—
Deductible items	—	—
Total risk $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$ (B)	47,606	48,090
Insurance risk R1	20,014	20,417
Third-sector insurance risk R8	7,269	7,411
Assumed interest rate risk R2	11,573	11,723
Asset management risk R3	16,822	16,381
Business management risk R4	1,294	1,308
Minimum guarantee risk R7	9,025	9,499
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	2,900.1%	3,148.0%

Notes: 1. The foregoing figures were calculated based on provisions in Articles 86 and 87 of the Ordinance for Enforcement of the Insurance Business Law and the Ministry of Finance Public Notice No. 50 of 1996.

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

(Reference) Solvency Margin Ratio Based on New Standard

(Millions of yen)

Category	As of March 31, 2011	As of September 30, 2011
Total solvency margin (A)	625,790	705,564
Common stock, etc.	200,773	216,437
Reserve for price fluctuations	16,768	20,644
Contingency reserve	51,559	53,328
General reserve for possible loan losses	0	0
Net unrealized gains on other securities multiplied by 90% if gains or 100% if losses	20,820	49,507
Net unrealized gains on real estate multiplied by 85% if gains or 100% if losses	1,002	1,002
Excess amount of policy reserves based on Zillmer method	334,201	342,141
Unallocated portion of reserve for policyholders' dividends	1,186	977
Deferred tax assets	63,388	72,280
Subordinated debt	—	—
The portion of the excess amount of policy reserves based on Zillmer method and subordinated debt that is not included in the margin	(63,912)	(50,754)
Deductible items	—	—
Total risk $\sqrt{(R_1 + R_6)^2 + (R_2 + R_3 + R_7)^2} + R_4$ (B)	72,763	72,715
Insurance risk R1	20,014	20,417
Third-sector insurance risk R8	7,269	7,411
Assumed interest rate risk R2	27,902	28,217
Asset management risk R3	28,726	28,099
Business management risk R4	1,854	1,859
Minimum guarantee risk R7	8,820	8,845
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	1,720.0%	1,940.6%

Note: Cabinet Office Ordinance No. 23 (2010) and FSA Notification No.48 (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 fiscal 2011. The above-stated figures are calculated on the assumption that these changes are applied at the end of March 31 and September 30, 2011.

10. Status of Separate Account Assets

(1) Balance of Separate Account Assets

(Millions of yen)

Category	As of March 31, 2011	As of September 30, 2011
Individual variable life insurance and individual variable annuities	398,124	392,611
Group annuities	—	—
Total separate account	398,124	392,611

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 March 31, 2011		As of September 30, 2011	
	Number	Amount	Number	Amount
Variable life insurance (whole life type)	534	6,826,136	544	6,905,629
Variable life insurance (limited term type)	43	143,893	43	144,212
Variable life insurance (term type)	1	52,867	1	50,726
Total	579	7,022,897	588	7,100,567

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

Individual variable annuities

(Number: Thousand, Amount: Millions of yen)

Category	As of March 31, 2011		As of September 30, 2011	
	Number	Amount	Number	Amount
Individual variable annuities	28	154,322	28	152,740

Note: The amount of individual variable annuities is 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.

11. Consolidated Summary

(1) Key Performance Indicators

(Millions of yen)

Category	For the six months ended September 30, 2010	For the six months ended September 30, 2011
Ordinary Revenues	444,530	454,987
Ordinary Profit	49,594	28,141
Net Income	28,538	15,219
Comprehensive Income	37,580	35,627

Category	As of March 31, 2011	As of September 30, 2011
Total assets	4,721,641	4,920,360

(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 March 31, 2011	As of September 30, 2011
	Amount	Amount
Assets:		
Cash and deposits	35,578	30,394
Call loans	68,500	55,600
Monetary trusts	276,475	286,702
Securities	4,015,294	4,234,784
Loans	134,439	137,192
Tangible fixed assets	76,029	74,924
Intangible fixed assets	18,391	20,153
Due from reinsurers	84	211
Other assets	56,314	50,981
Deferred tax assets	40,761	29,633
Reserve for possible loan losses	(228)	(218)
Total Assets	4,721,641	4,920,360
Liabilities:		
Policy reserves and others	4,404,830	4,600,498
Reserve for outstanding claims	28,260	23,223
Policy reserves	4,371,731	4,572,605
Reserve for policyholders' dividends	4,839	4,670
Due to agencies	1,502	1,415
Due to reinsurers	684	553
Other liabilities	66,018	37,503
Reserve for employees' retirement benefits	17,599	18,967
Reserve for directors' retirement benefits	143	155
Reserve for price fluctuations	16,768	20,644
Reserve for price fluctuations	16,768	20,644
Deferred tax liabilities on land revaluation	693	693
Total Liabilities	4,508,240	4,680,432
Net Assets:		
Common stock	70,000	70,000
Capital surplus	5,865	5,865
Retained earnings	132,370	138,490
Total shareholder's equity	208,235	214,355
Net unrealized gains on other securities, net of taxes	6,996	27,417
Land revaluation, net of taxes	(1,499)	(1,499)
Foreign currency translation adjustments	(331)	(345)
Total accumulated other comprehensive income	5,165	25,573
Total Net Assets	213,401	239,928
Total Liabilities and Net Assets	4,721,641	4,920,360

(4) 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
	Amount	Amount
Ordinary Revenues	444,530	454,987
Income from insurance premiums	371,073	395,771
Investment income	71,268	52,123
(Interest income and dividends)	42,427	47,535
(Income from monetary trusts, net)	4,346	2,646
(Gains on sale of securities)	24,492	1,930
Other ordinary income	2,188	7,092
Ordinary Expenses	394,936	426,845
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
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 on policyholders' dividend reserve	8	7
Investment expenses	27,160	29,403
(Interest expenses)	27	30
(Losses on sale of securities)	703	1,528
(Devaluation losses on securities)	348	866
(Losses on separate accounts, net)	21,420	21,838
Operating expenses	49,152	51,657
Other ordinary expenses	7,183	7,602
Ordinary Profit	49,594	28,141
Extraordinary Gains	0	0
Gains on disposal of fixed assets	0	0
Extraordinary Losses	3,736	3,892
Losses on disposal of fixed assets	15	16
Impairment losses	0	0
Provision for reserve for price fluctuations	3,430	3,875
Provision for reserve for price fluctuations	3,430	3,875
Cumulative effect on application of accounting standard for asset retirement obligations	290	-
Provision (reversal) for reserve for policyholders' dividends	345	(37)
Income Before Income Taxes	45,511	24,286
Income Taxes -current	19,501	9,588
Income Taxes -deferred	(2,529)	(521)
Total Income Taxes	16,972	9,066
Income Before Minority Interests	28,538	15,219
Net Income	28,538	15,219

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

	For the six months ended September 30, 2010	For the six months ended September 30, 2011
	Amount	Amount
Income Before Minority Interests	28,538	15,219
Other Comprehensive Income	9,041	20,407
Net unrealized gains on other securities, net of taxes	9,154	20,423
Foreign currency translation adjustments	(110)	(13)
Share of other comprehensive income of affiliates accounted for using equity method	(2)	(2)
Comprehensive Income	37,580	35,627
Comprehensive income attributable to parent company	37,580	35,627
Comprehensive income attributable to minority interests	-	-

(Reference)

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, 2011, 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, 2011		
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, 2011		
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 ¥38.6 billion and unrealized losses of ¥3.9 billion as of September 30, 2011). These amounts are included in “Net unrealized gains (losses) on other securities, (before taxes)” of Sony Life as of September 30, 2011.