

## **Presentation Material**

# **Consolidated Financial Results for the Six Months Ended September 30, 2010**

**Sony Financial Holdings Inc.  
November 15, 2010**

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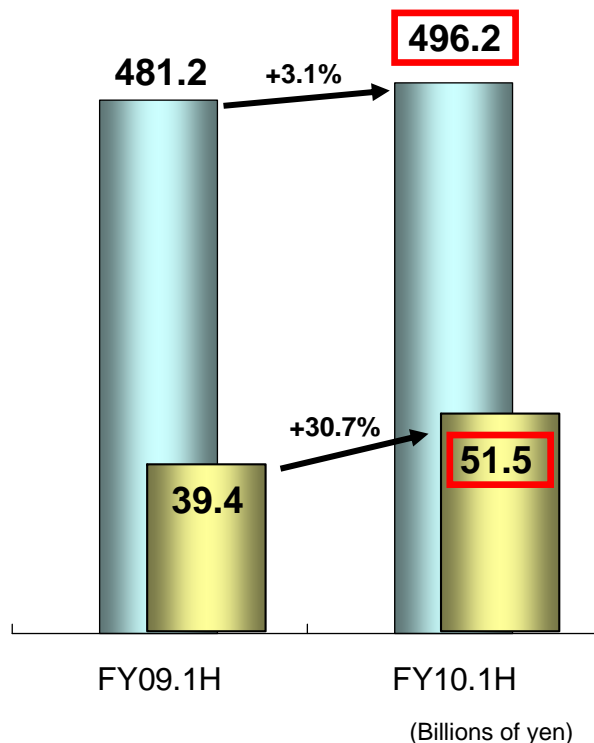
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# Highlights of Consolidated Operating Performance for the Six Months Ended September 30, 2010 (1)



□ Ordinary revenues □ Ordinary profit



		(Billions of yen)	FY09.1H	FY10.1H	Change	
Life insurance business	Ordinary revenues		432.6	<b>444.5</b>	+11.8	+2.7%
	Ordinary profit		36.3	<b>49.5</b>	+13.1	+36.3%
Non-life insurance business	Ordinary revenues		33.9	<b>37.1</b>	+3.1	+9.2%
	Ordinary profit		1.5	<b>0.6</b>	(0.8)	(56.0%)
Banking business	Ordinary revenues		15.3	<b>15.4</b>	+0.1	+1.0%
	Ordinary profit		1.4	<b>1.2</b>	(0.2)	(17.6%)
Corporate and elimination	Ordinary revenues		(0.7)	<b>(0.9)</b>	(0.1)	—
	Ordinary profit		0.0	<b>0.0</b>	+0.0	+42.1%
Consolidated	Ordinary revenues		481.2	<b>496.2</b>	+14.9	+3.1%
	Ordinary profit		39.4	<b>51.5</b>	+12.0	+30.7%
	Net income		23.3	<b>29.4</b>	+6.0	+25.8%
		(Billions of yen)	09.9.30	10.3.31	<b>10.9.30</b>	Change from 10.3.31
Consolidated	Total assets		5,584.7	6,001.0	<b>6,295.4</b>	+294.3 +4.9%
	Net assets		249.9	269.4	<b>299.8</b>	+30.3 +11.3%

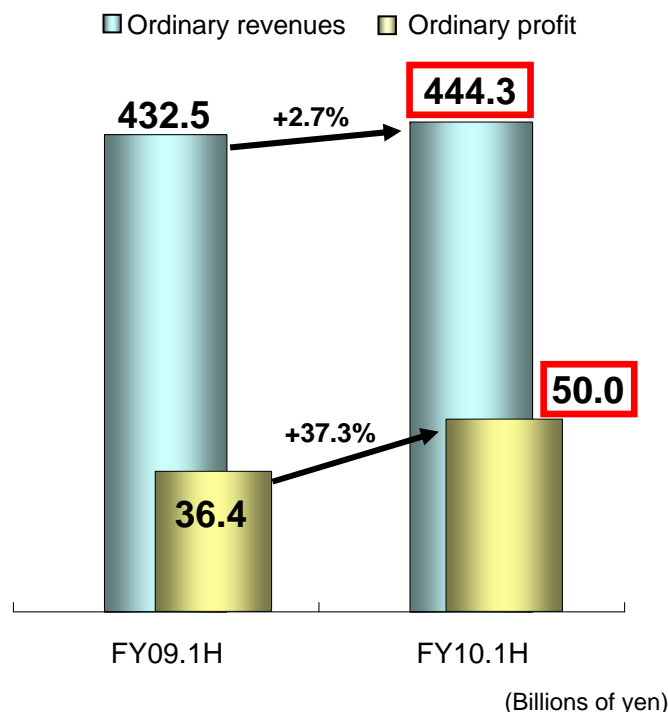
Line item amounts are truncated below ¥100 million; percentage change figures are rounded.

# Highlights of Consolidated Operating Performance for the Six Months Ended September 30, 2010 (2)



- Life Insurance: Ordinary revenues increased year on year, due to higher income from insurance premiums associated with steady increases in the new policy amount and the policy amount in force, as well as higher gains on sale of securities and interest income and dividends on general account assets. Ordinary profit increased year on year, due primarily to higher gains on sale of securities in the general account assets.
- Non-Life Insurance: Ordinary revenues increased year on year, owing to an increase in net premiums written, reflecting a growing number of in-force policies, primarily for automobile insurance. However, ordinary profit decreased, due mainly to higher insurance claim payments for automobile insurance.
- Banking: Ordinary revenues remained at the same level as during the same period of the previous fiscal year. Gross operating profit increased due to an increase in interest income on loans led by the growing balance of mortgage loans and improved investment performance. Ordinary profit decreased, due mainly to an increase in general and administrative expenses, particularly system-related expenses.
- Consolidated ordinary revenues increased 3.1% year on year, to ¥496.2 billion. Consolidated ordinary profit and consolidated net income increased 30.7%, to ¥51.5 billion and 25.8%, to ¥29.4 billion, respectively.

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



- ◆ Ordinary revenues and ordinary profit increased year on year.
- ◆ Income from insurance premiums increased due to increases in the new policy amount and the policy amount in force.
- ◆ Investment income decreased year on year due to deteriorated performance on separate account assets which offset increases in gains on sale of securities and interest income and dividends.
- ◆ Ordinary profit increased, due primarily to higher gains from investment, net, on general account assets.

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

(Billions of yen)	FY09.1H	FY10.1H	Change	
<b>Ordinary revenues</b>	432.5	<b>444.3</b>	+11.8	+2.7%
Income from insurance premiums	339.3	<b>371.0</b>	+31.6	+9.3%
Investment income	91.5	<b>71.1</b>	(20.4)	(22.3%)
Interest income and dividends	32.9	<b>42.3</b>	+9.4	+28.7%
Income from monetary trusts, net	9.5	<b>4.3</b>	(5.2)	(54.7%)
Gains on sale of securities	9.7	<b>24.4</b>	+14.7	+150.6%
Gains on separate accounts, net	38.1	—	(38.1)	(100.0%)
<b>Ordinary expenses</b>	396.0	<b>394.3</b>	(1.7)	(0.4%)
Insurance claims and other payments	134.4	<b>132.0</b>	(2.3)	(1.8%)
Provision for policy reserve and others	197.3	<b>179.3</b>	(17.9)	(9.1%)
Investment expenses	10.7	<b>27.1</b>	+16.4	+153.2%
Losses on sale of securities	5.3	<b>0.7</b>	(4.6)	(86.8%)
Losses on separate accounts, net	—	<b>21.4</b>	+21.4	—
Operating expenses	47.5	<b>49.0</b>	+1.5	+3.2%
<b>Ordinary profit</b>	36.4	<b>50.0</b>	+13.5	+37.3%
<b>Net income</b>	21.7	<b>28.9</b>	+7.2	+33.4%

(Billions of yen)	09.9.30	10.3.31	<b>10.9.30</b>	Change from 10.3.31	
<b>Securities</b>	3,087.2	3,539.1	<b>3,824.7</b>	+285.6	+8.1%
<b>Policy reserves</b>	3,787.2	3,985.6	<b>4,163.5</b>	+177.9	+4.5%
<b>Total net assets</b>	173.2	191.3	<b>222.4</b>	+31.1	+16.3%
Net unrealized gains/losses on other securities	21.7	15.4	<b>24.6</b>	+9.1	+59.1%
<b>Total assets</b>	4,042.0	4,286.5	<b>4,487.8</b>	+201.3	+4.7%
Separate account assets	331.8	373.6	<b>367.2</b>	(6.3)	(1.7%)

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



(Billions of yen)	FY09.1H	FY10.1H	Change
<b>New policy amount</b>	1,818.4	<b>2,068.4</b>	+13.7%
<b>Lapse and surrender amount</b>	1,060.5	<b>1,039.2</b>	(2.0%)
<b>Lapse and surrender rate</b>	3.27%	<b>3.11%</b>	(0.16pt)
<b>Policy amount in force</b>	32,897.5	<b>34,118.5</b>	+3.7%
<b>Annualized premiums from new policies</b>	32.0	<b>34.9</b>	+9.1%
Of which, third-sector products	7.7	<b>7.9</b>	+3.3%
<b>Annualized premiums from insurance in force</b>	558.4	<b>589.6</b>	+5.6%
Of which, third-sector products	129.6	<b>136.6</b>	+5.4%

(Billions of yen)	FY09.1H	FY10.1H	Change
<b>Gains from investment, net (General account)</b>	42.6	<b>65.4</b>	+53.3%
<b>Core profit</b>	28.5	<b>26.8</b>	(6.1%)
<b>Negative spread</b>	8.8	<b>4.1</b>	(53.4%)

	09.9.30	10.3.31	10.9.30	Change from 10.3.31
<b>Solvency Margin Ratio</b>	2,433.8%	2,637.3%	<b>2,992.8%</b>	+355.5pt

## (Reasons for changes)

- ◆ Increased, due mainly to favorable sales of family income insurance, which is life insurance with disability benefit, which trend has continued since the 2H FY09.
- ◆ Decreased due to the lowering lapse and surrender rates in most products, mainly in term life insurance
- ◆ Increased, owing mainly to favorable sales of endowment insurance and living benefit insurance.
- ◆ Increased due primarily to higher gains on sale of securities in line with the shift from investing in bonds with short terms to maturity to those with ultralong-terms, as well as an increase in interest income and dividends
- ◆ Declined owing primarily to a change from the previous year's reversal of policy reserve for minimum guarantee for variable life insurance to a provision in the current period, despite increases in income from insurance premiums and interest income and dividends.

### 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 is calculated without offsetting policies that are reinstated.

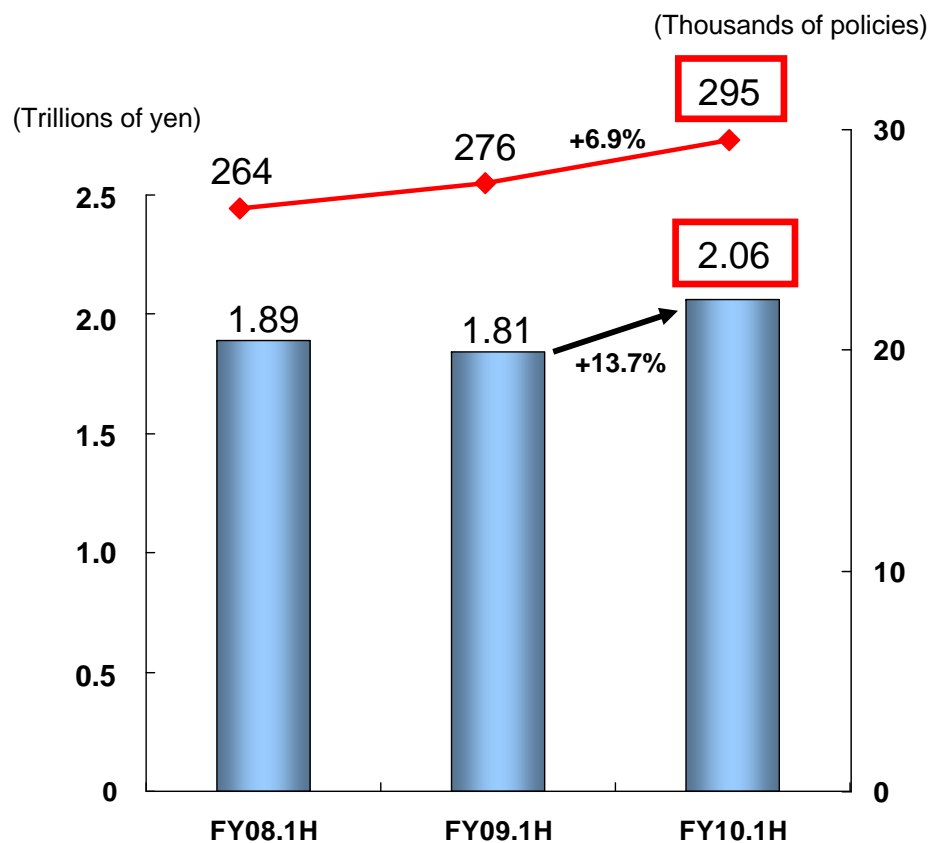
Line item amounts are truncated below ¥100 million; percentage change figures are rounded.

# Sony Life Operating Performance (1)



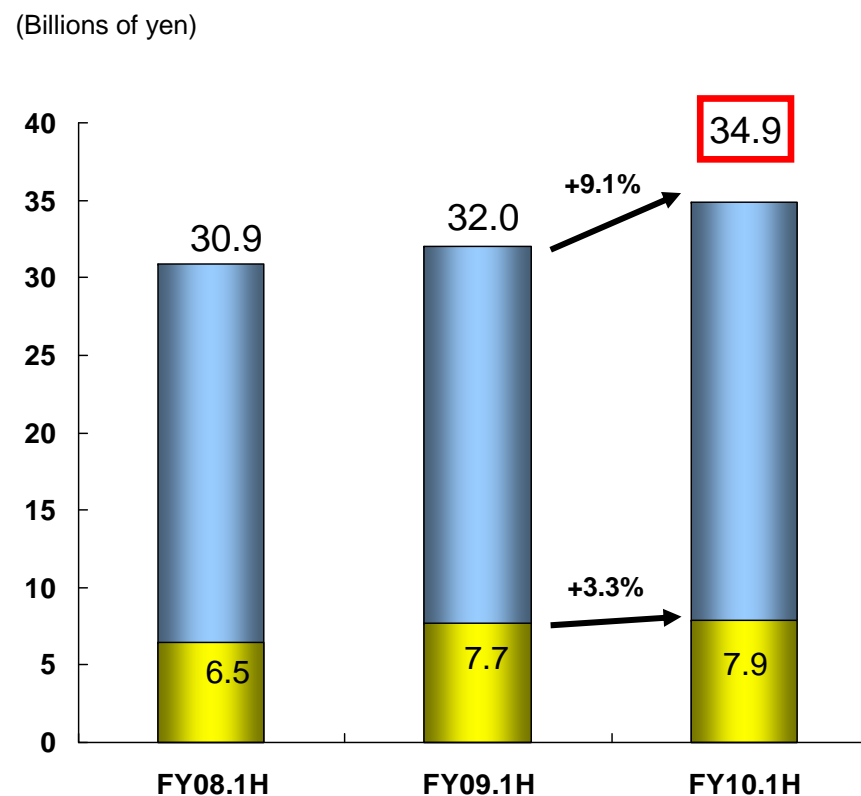
## New Policy Amount (Individual Life Insurance + Individual Annuities)

■ New policy amount    ◆ Number of new policies



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

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



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

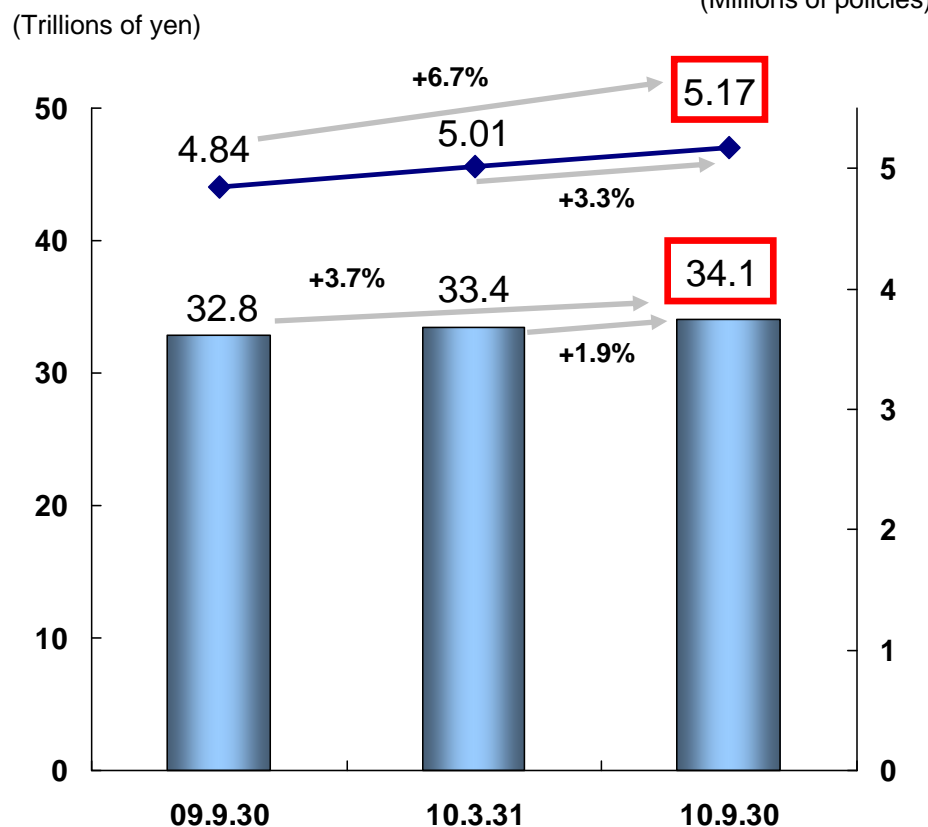
Line item amounts are truncated below ¥100 million; percentage figures are rounded.

# Sony Life Operating Performance (2)



## Policy Amount in Force (Individual Life Insurance + Individual Annuities)

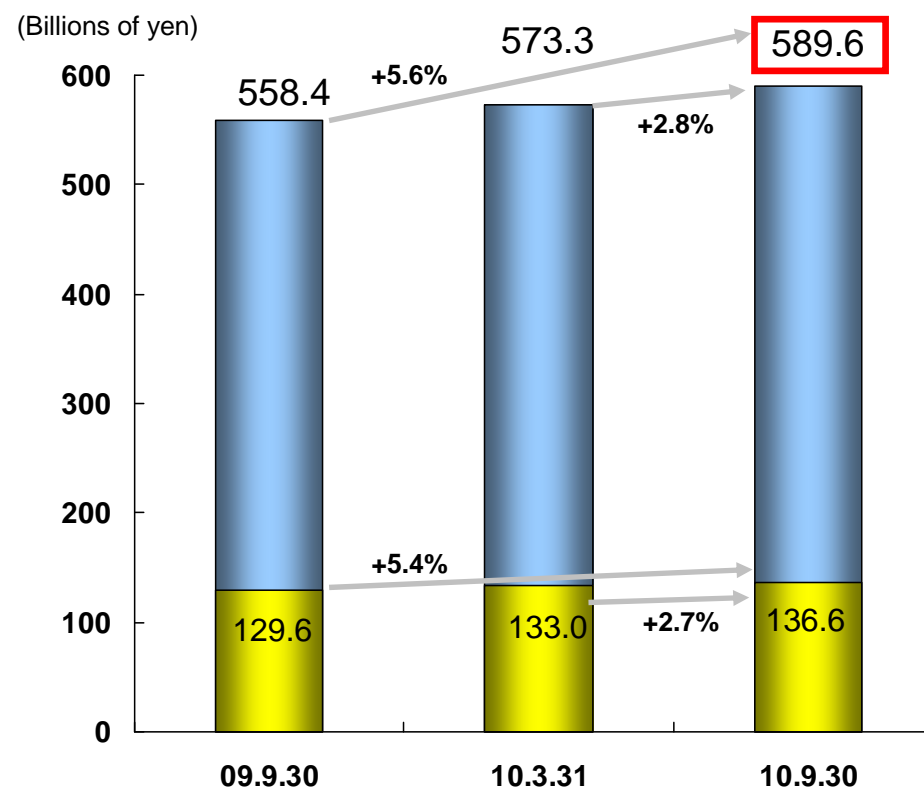
■ Policy amount in force (Trillions of yen)  
◆ Number of policies in force (Millions of policies)



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)

■ Annualized premiums from insurance in force (Billions of yen)  
■ Of which, third sector



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

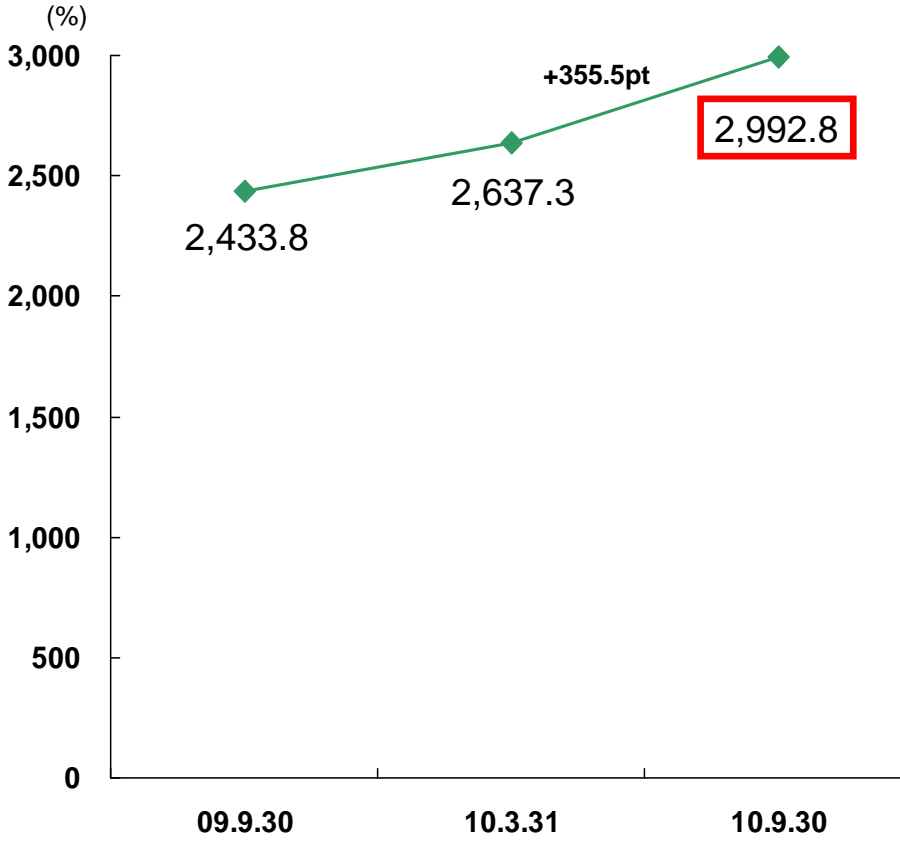
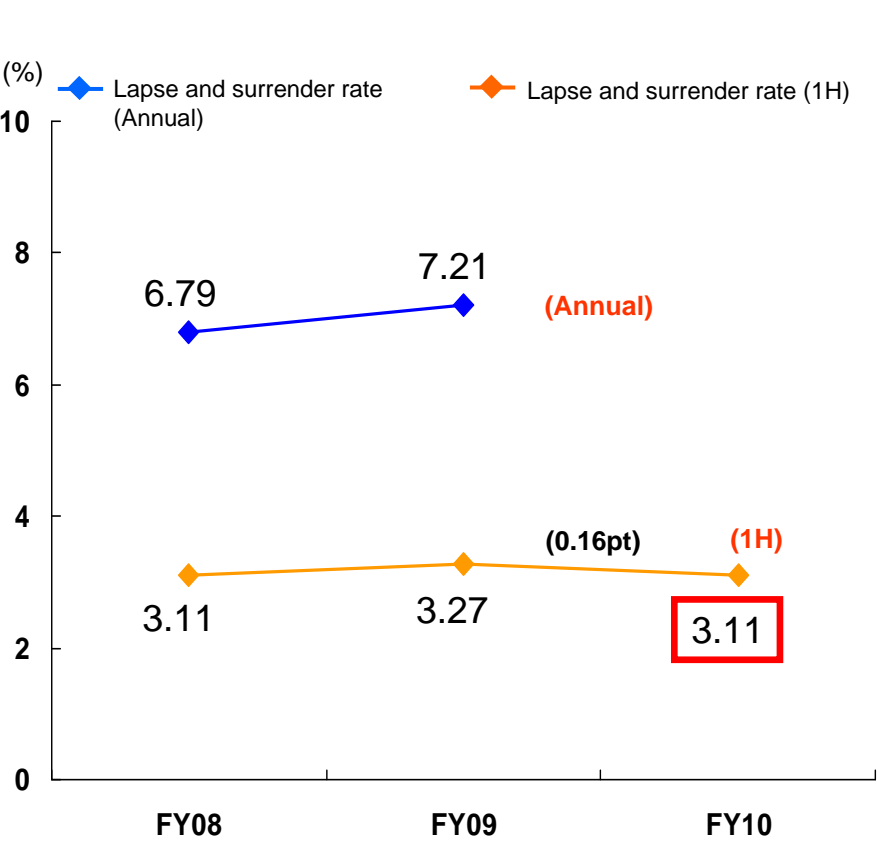


# Sony Life Operating Performance (3)



## Lapse and Surrender Rate\* (Individual Life Insurance + Individual Annuities) <Annual·1H>

## Solvency Margin Ratio



\*Figures for lapse and surrender rates are calculated without offsetting policies that are reinstated.

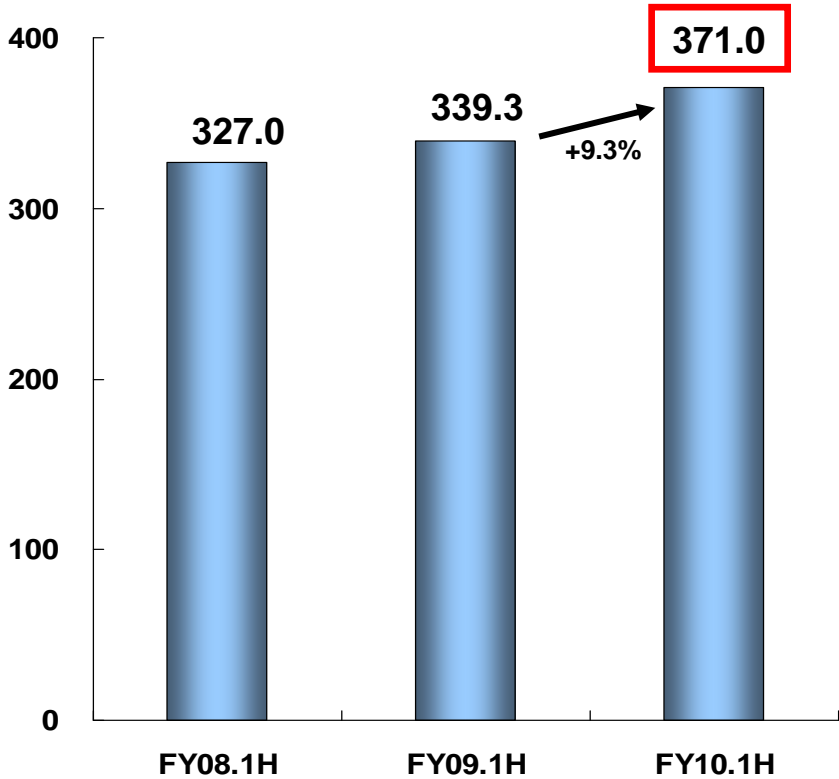
# Sony Life Operating Performance (4)



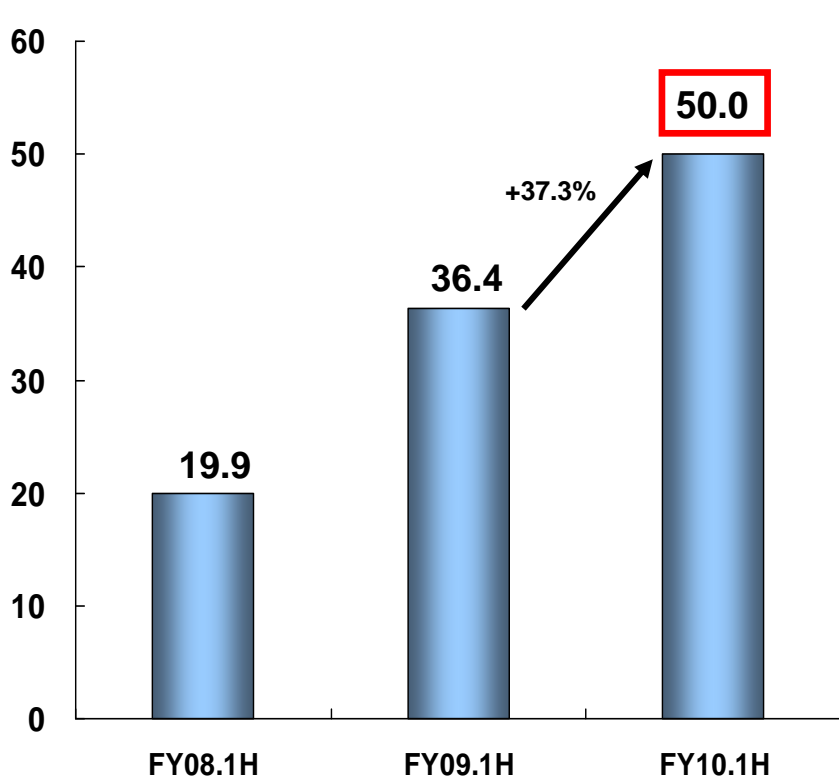
## Income from Insurance Premiums

## Ordinary Profit

(Billions of yen)



(Billions of yen)



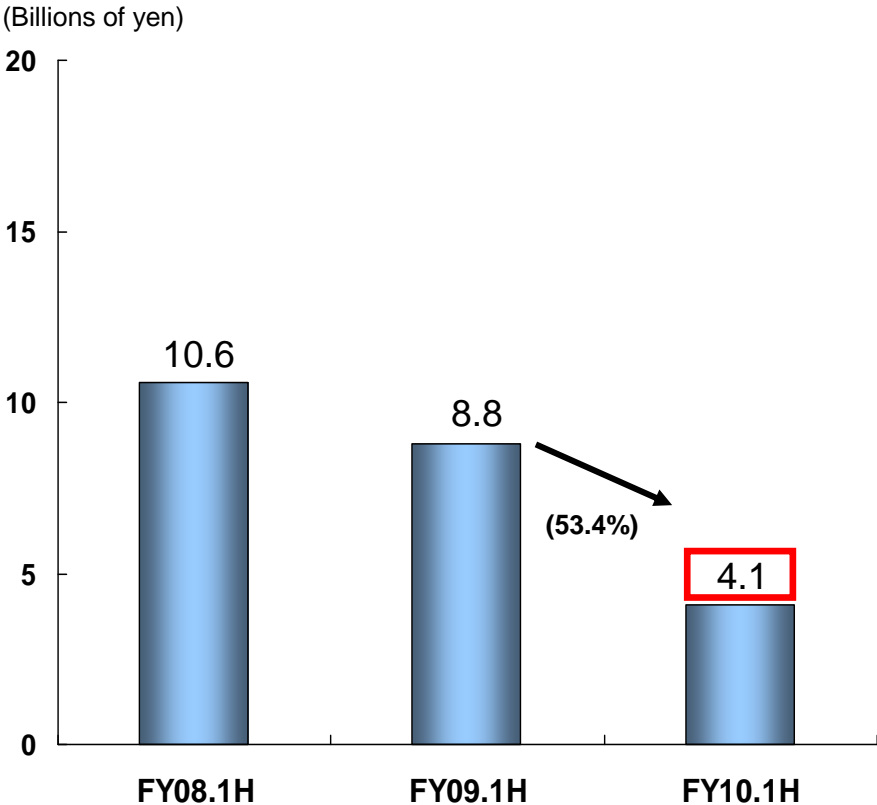
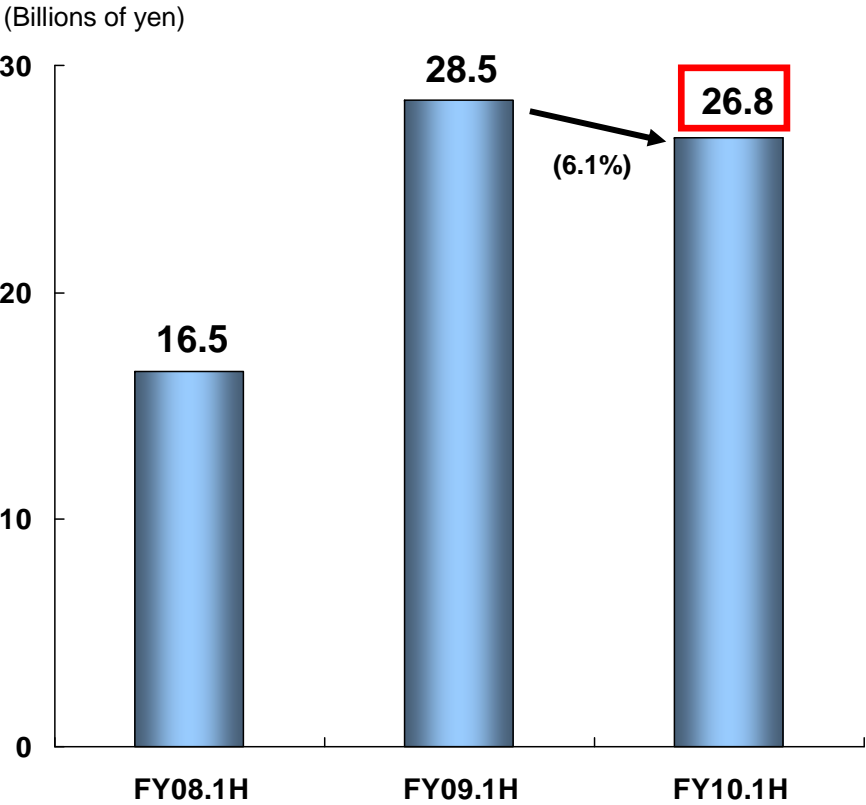
Line item amounts are truncated below ¥100 million; percentage figures are rounded.

# Sony Life Operating Performance (5)



## Core Profit

## Negative Spread



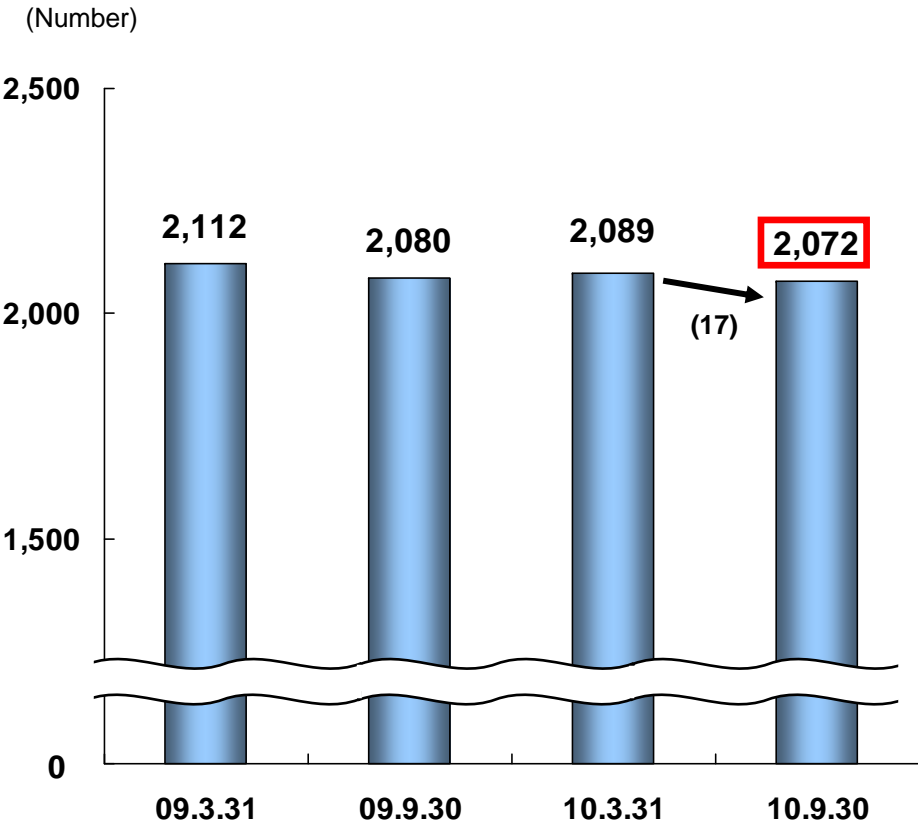
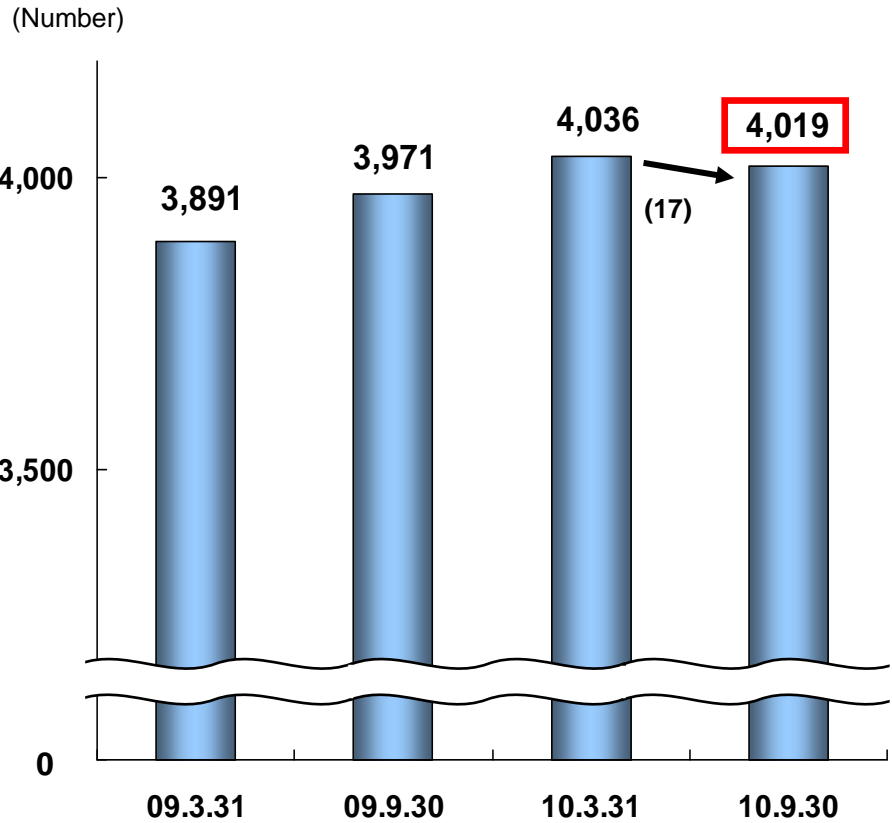
Line item amounts are truncated below ¥100 million; percentage figures are rounded.

# Sony Life Operating Performance (6)



## Number of Lifeplanner Sales Employees

## Number of Independent Agents



# Sony Life Operating Performance (7)

## Breakdown of General Account Assets (Based on Real Status)

(Billions of yen)	10.3.31		10.9.30	
	Amount	%	Amount	%
Japanese government and corporate bonds (excl. CBs)	3,310.4	84.6%	3,625.0	88.0%
CBs	13.2	0.3%	-	-
Japanese stocks	72.5	1.9%	63.2	1.5%
Foreign securities	75.2	1.9%	68.5	1.7%
Policyholder loans	127.5	3.3%	131.9	3.2%
Real estate	79.9	2.0%	79.1	1.9%
Cash and call loans	116.4	3.0%	54.9	1.3%
Other	117.4	3.0%	97.6	2.4%
<b>Total</b>	<b>3,912.9</b>	<b>100.0 %</b>	<b>4,120.6</b>	<b>100.0%</b>

### <Asset management review>

■ Japanese government and corporate bonds:  
Continued to accumulate ultralong-term bonds during 2Q FY10.



#### <Lengthened asset duration>

09.3.31 13.6 years

10.3.31 17.6 years

10.9.30 19.3 years

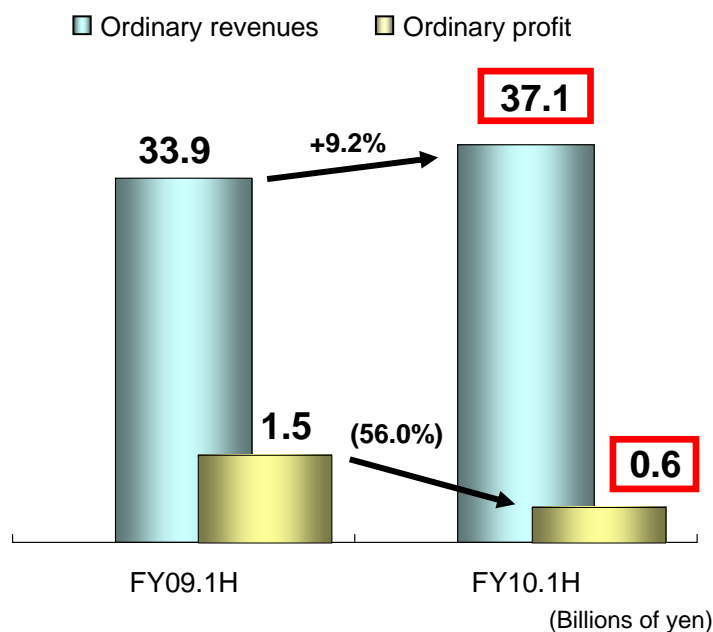
■ CBs: No balance (as of September 30, 2010)

■ Japanese stocks: Maintained the ratio of stock holding at the end of March 2009.

Amounts for individual items included in monetary trusts (Japanese government and corporate bonds, CBs, Japanese stocks and other) have been broken down into their original investment categories.

\* The breakdowns shown at left are different from those shown in Chapter 3, "(1) Portfolio of General Account Assets" on page 5 of the "Summary Information on Sony Life's Financial Results for the Six Months Ended September 30, 2010," announced by Sony Life.

# Highlights of Operating Performance: Sony Assurance



- ◆ Ordinary revenues increased, but ordinary profit decreased, 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 decreased, due mainly to an increase in net losses paid for automobile insurance, resulting from a rising number of car accidents, which offset the positive impact of increased ordinary revenues.

(Billions of yen)	FY09.1H	FY10.1H	Change	
<b>Ordinary revenues</b>	33.9	<b>37.1</b>	+3.1	+9.2%
Underwriting income	33.6	<b>36.7</b>	+3.0	+9.2%
Investment income	0.3	<b>0.3</b>	+0.0	+8.9%
<b>Ordinary expenses</b>	32.4	<b>36.4</b>	+3.9	+12.2%
Underwriting expenses	24.5	<b>27.9</b>	+3.3	+13.8%
Investment expenses	0.0	—	(0.0)	(100.0%)
Operating, general and administrative expenses	7.8	<b>8.4</b>	+0.5	+7.5%
<b>Ordinary profit</b>	1.5	<b>0.6</b>	(0.8)	(56.0%)
<b>Net income</b>	1.0	<b>0.3</b>	(0.6)	(62.2%)

(Billions of yen)	09.9.30	10.3.31	10.9.30	Change from 10.3.31	
<b>Underwriting reserves</b>	55.4	58.1	<b>62.3</b>	+4.2	+7.3%
<b>Total net assets</b>	14.8	15.4	<b>15.8</b>	+0.4	+2.6%
Net unrealized gains/losses on other securities (net of taxes)	0.0	0.0	<b>0.0</b>	+0.0	+49.3%
<b>Total assets</b>	93.3	98.3	<b>103.9</b>	+5.6	+5.7%

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

# Overview of Performance: Sony Assurance



## (Reasons for changes)

(Billions of yen)	FY09.1H	FY10.1H	Change
Direct premiums written	33.4	36.4	+8.8%
Net premiums written	33.6	36.7	+9.2%
Net losses paid	16.1	19.0	+17.6%
Underwriting profit	1.2	0.3	(70.9%)
Net loss ratio	54.0%	58.2%	+4.2pt
Net expense ratio	25.2%	24.7%	(0.5pt)
Combined ratio	79.2%	83.0%	+3.8pt

◆ Increased, owing to an increase in the number of policies in force for automobile insurance.

◆ Increased, owing to a rising number of car accidents.

◆ Decreased, due to increased net premiums written which offset the negative impact of an increase in underwriting costs

◆ Increased, due to an increase in the number of policies in force for automobile insurance.

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.

	09.9.30	10.3.31	10.9.30	Change from 10.3.31	
Number of policies in force	1.22 million	1.27 million	1.33 million	+0.05 million	+4.5%
Solvency margin ratio	1,033.6%	1,018.5%	1,010.3%	(8.2pt)	

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)	FY09.1H	FY10.1H	Change
Fire	137	71	(47.6%)
Marine	—	—	—
Personal accident*	3,442	3,551	+3.1%
Voluntary automobile	29,868	32,783	+9.8%
Compulsory automobile liability	—	—	—
Total	33,448	36,406	+8.8%

## Net Premiums Written

(Millions of yen)	FY09.1H	FY10.1H	Change
Fire	6	3	(44.0%)
Marine	7	6	(6.0%)
Personal accident*	3,563	3,679	+3.3%
Voluntary automobile	29,752	32,648	+9.7%
Compulsory automobile liability	291	369	+26.8%
Total	33,620	36,707	+9.2%

## Net losses paid

(Millions of yen)	FY09.1H	FY10.1H	Change
Fire	0	0	(26.4%)
Marine	1	7	+393.5%
Personal accident*	705	776	+10.1%
Voluntary automobile	15,216	17,927	+17.8%
Compulsory automobile liability	258	319	+23.9%
Total	16,181	19,031	+17.6%

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

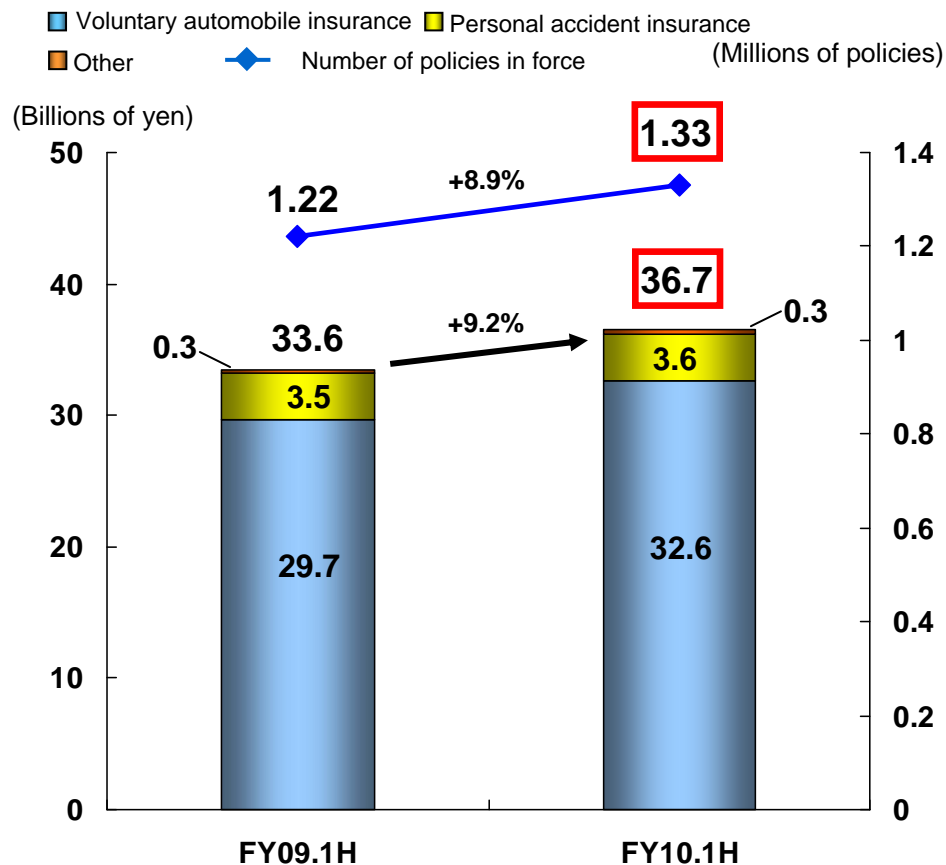
Line item amounts are truncated below ¥ 1 million;  
Percentage change figures are rounded.



# Sony Assurance Operating Performance (1)

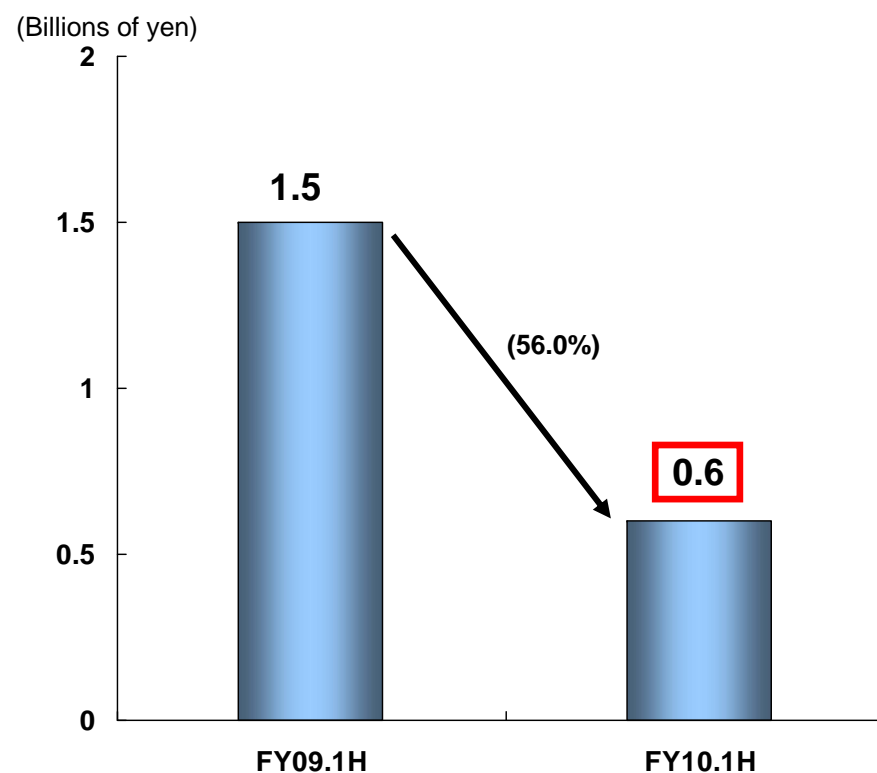


## Net Premiums Written and Number of Policies in Force



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

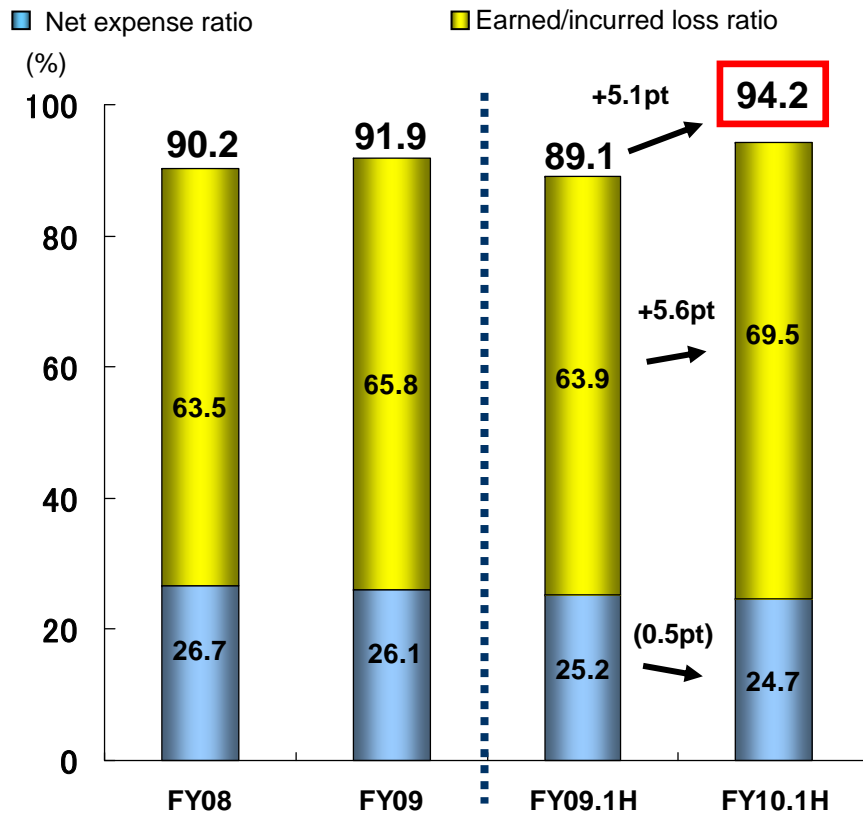


Line item amounts are truncated below ¥100 million; numbers of policies are truncated below 10,000 policies; percentage change figures are rounded.

# Sony Assurance Operating Performance (2)



## Net Expense Ratio + Earned/Incurred Loss Ratio

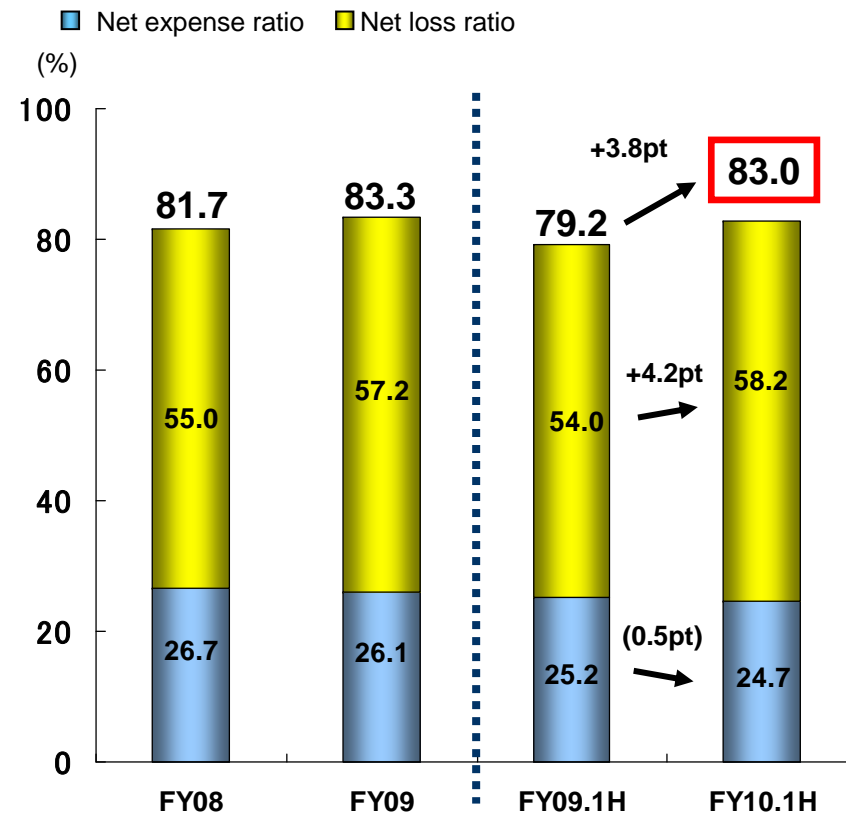


Earned/incurred loss ratio is equal to the ratio of the sum of net losses paid, loss adjustment expenses and accumulation in provision for reserve for outstanding losses to earned premiums.

\*Note that earthquake insurance and compulsory automobile liability insurance are excluded from the above calculation.

## Reference

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

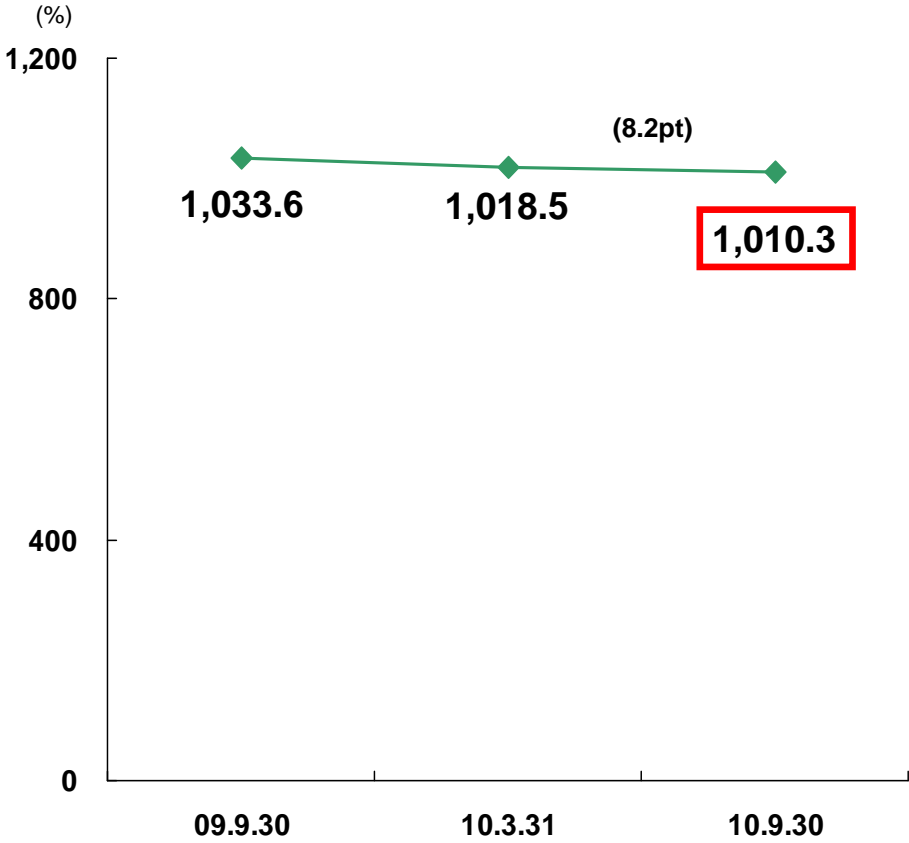


Net expense ratio is equal to the ratio of total underwriting costs to net premiums written.  
 Net loss ratio is equal to the ratio of net losses paid and loss adjustment expenses to net premiums written.

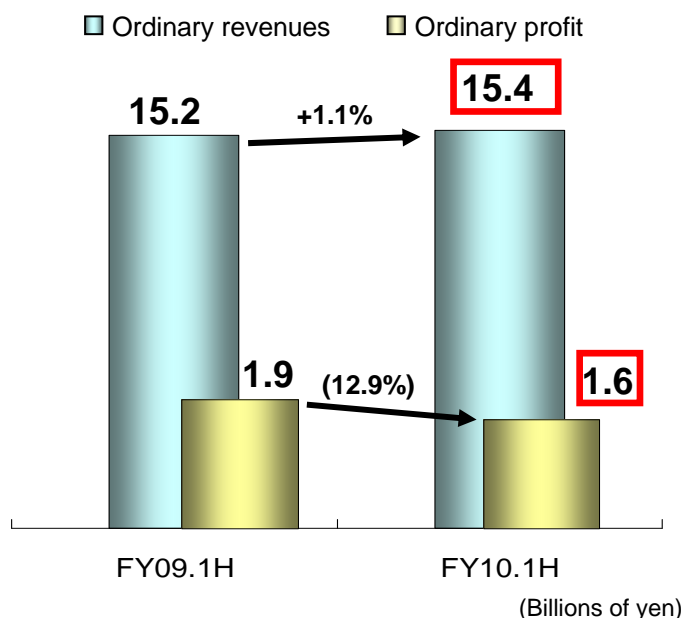
# Sony Assurance Operating Performance (3)



## Solvency Margin Ratio



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



(Billions of yen)	FY09.1H	FY10.1H	Change	
Ordinary revenues	15.2	15.4	+0.1	+1.1%
Gross operating profit	7.7	8.3	+0.6	+7.8%
Net interest income	6.5	6.3	(0.2)	(3.6%)
Net fees and commissions	0.01	(0.07)	(0.08)	—
Net other operating income	1.1	2.0	+0.9	+81.6%
General and administrative expenses	5.6	6.3	+0.6	+12.2%
Ordinary profit	1.9	1.6	(0.2)	(12.9%)
Net income	1.1	0.8	(0.2)	(19.5%)
Net operating profit	2.1	1.8	(0.2)	(11.9%)

- ◆ Ordinary revenues remained roughly flat and ordinary profit decreased year on year.
- ◆ Gross operating profit increased ¥0.6 billion year on year due to an increase in net other operating income.
  - Net interest income decreased reflecting lowering of interest rate which offset an increase in interest income on loans led by the growing balance of mortgage loans.
  - Net other operating income increased ¥0.9 billion, mainly reflecting improved investment performance.
- ◆ Net operating profit decreased ¥0.2 billion year on year due to an increase in general and administrative expenses of ¥0.6 billion.
- ◆ Customer assets increased ¥73.5 billion from March 31, 2010, of which deposit balance increased ¥74.7 billion.

(Billions of yen)	09.9.30	10.3.31	10.9.30	Change from 10.3.31	
Securities	804.5	880.1	958.3	+78.1	+8.9%
Loans	534.3	586.6	636.4	+49.7	+8.5%
Deposits	1,334.8	1,510.0	1,584.8	+74.7	+5.0%
Customer assets	1,431.3	1,610.0	1,683.6	+73.5	+4.6%
Total net assets	57.4	58.9	58.3	(0.6)	(1.1%)
Net unrealized gains/losses on other securities (net of taxes)	(0.0)	0.9	1.1	+0.2	+32.6%
Total assets	1,445.1	1,612.1	1,700.7	+88.5	+5.5%

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)



## (Reasons for changes)

(Billions of yen)	09.9.30	10.3.31	10.9.30	Change from 10.3.31	
<b>Customer assets</b>	1,431.3	1,610.0	<b>1,683.6</b>	+73.5	+4.6%
<b>Deposits</b>	1,334.8	1,510.0	<b>1,584.8</b>	+74.7	+5.0%
<b>Yen</b>	1,020.8	1,184.9	<b>1,241.7</b>	+56.7	+4.8%
<b>Foreign currency</b>	314.0	325.0	<b>343.0</b>	+18.0	+5.5%
<b>Investment trusts</b>	96.5	100.0	<b>98.8</b>	(1.1)	(1.2%)
<b>Loans</b>	534.3	586.6	<b>636.4</b>	+49.7	+8.5%
<b>Mortgage loans</b>	525.9	555.1	<b>581.3</b>	+26.2	+4.7%
<b>Others</b>	8.4	31.5	<b>55.0 (*1)</b>	+23.5	+74.6%
<b>Number of accounts (thousands)</b>	750	796	<b>828</b>	+31	+4.0%
<b>Capital adequacy ratio(*2) (domestic criteria)</b>	13.41%	12.09%	<b>11.76%</b>	(0.33pt)	

◆ Customer assets increased ¥73.5 billion from March 31, 2010, of which total of deposit increased ¥74.7 billion. Foreign currency deposit increased ¥18.0 billion under the circumstance where sharp hike in the yen might have the negative impact on the foreign exchange conversion.

◆ Investment trusts decreased reflecting a decline in reference price

◆ 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 ¥46.8 billion.

\*2 Please refer to the graph of the non-consolidated capital adequacy ratio (domestic criteria) on P24.

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	Change	
<b>Gross operating profit</b>	7.7	<b>8.2</b>	+0.5	+7.3%
Net interest income *1①	6.6	<b>7.2</b>	+0.5	+9.0%
Net fees and commissions *2②	0.6	<b>0.5</b>	(0.1)	(22.4%)
Net other operating income *3	0.4	<b>0.5</b>	+0.1	+26.8%
<b>Gross operating profit (core profit) (A) = ①+②</b>	7.2	<b>7.7</b>	+0.4	+6.2%
<b>Operating expenses and other expenses ③</b>	5.6	<b>6.4</b>	+0.8	+15.1%
<b>Net operating profit (core profit) = (A)−③</b>	1.6	<b>1.2</b>	(0.3)	(23.8%)

### ● Managerial accounting basis

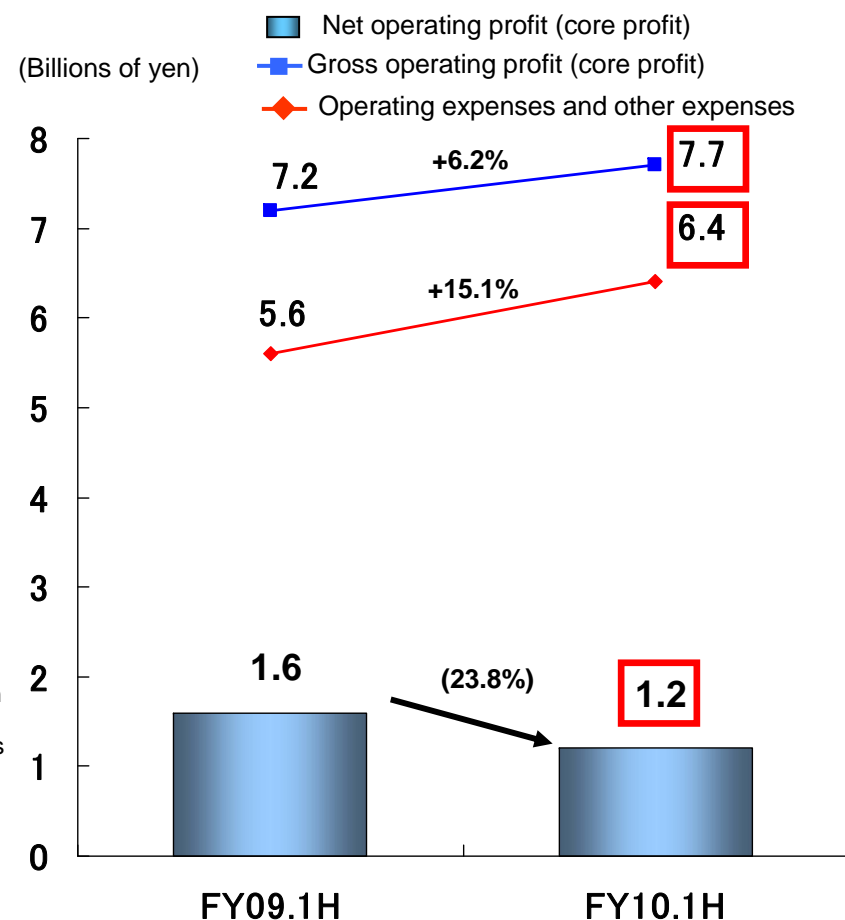
The following adjustments are made to the figures on a financial accounting basis to account for profits and losses more appropriately.

- \*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)

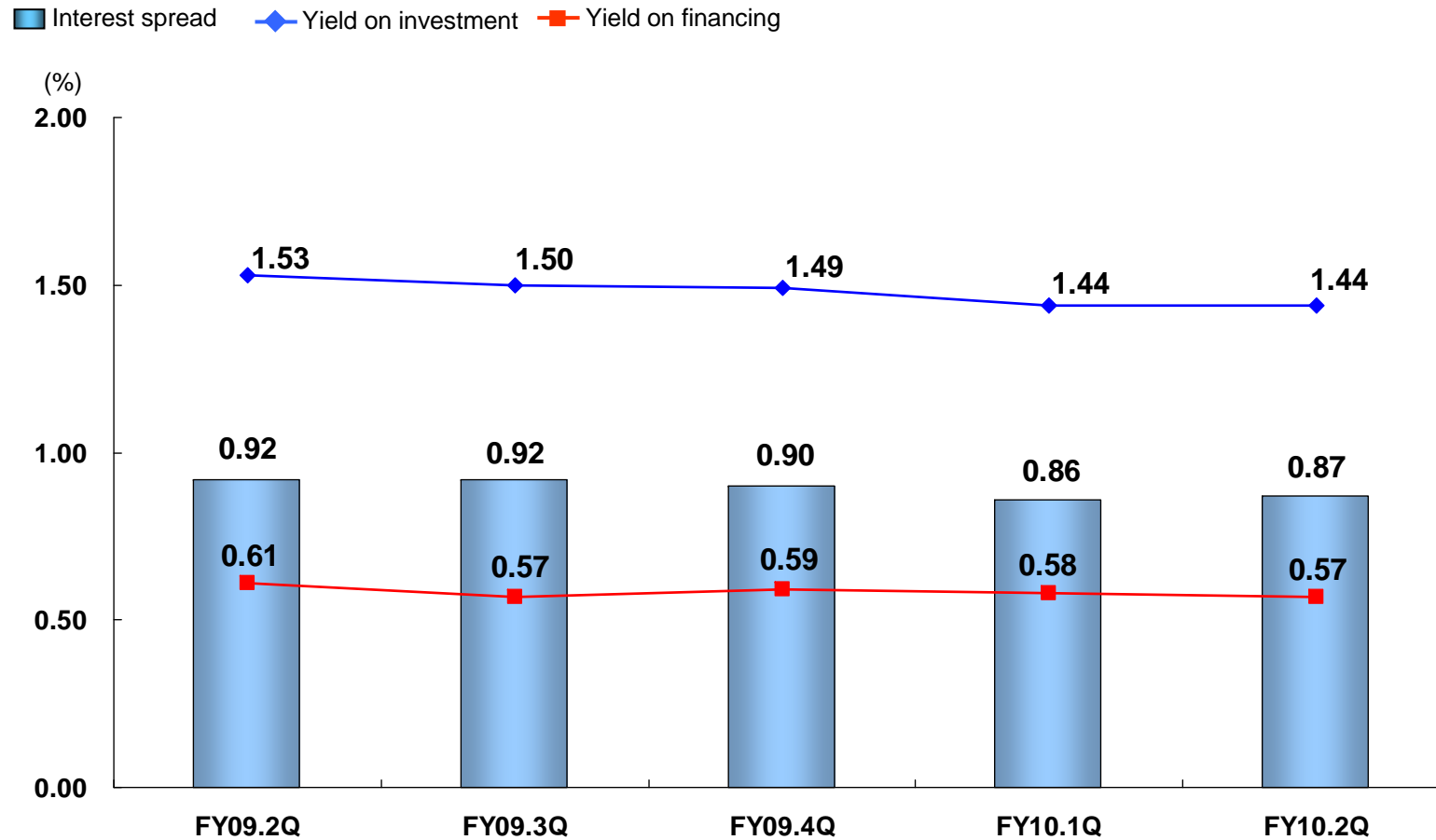


Line item amounts are truncated below ¥100 million; percentage change figures are rounded.

# Sony Bank Operating Performance (1)



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



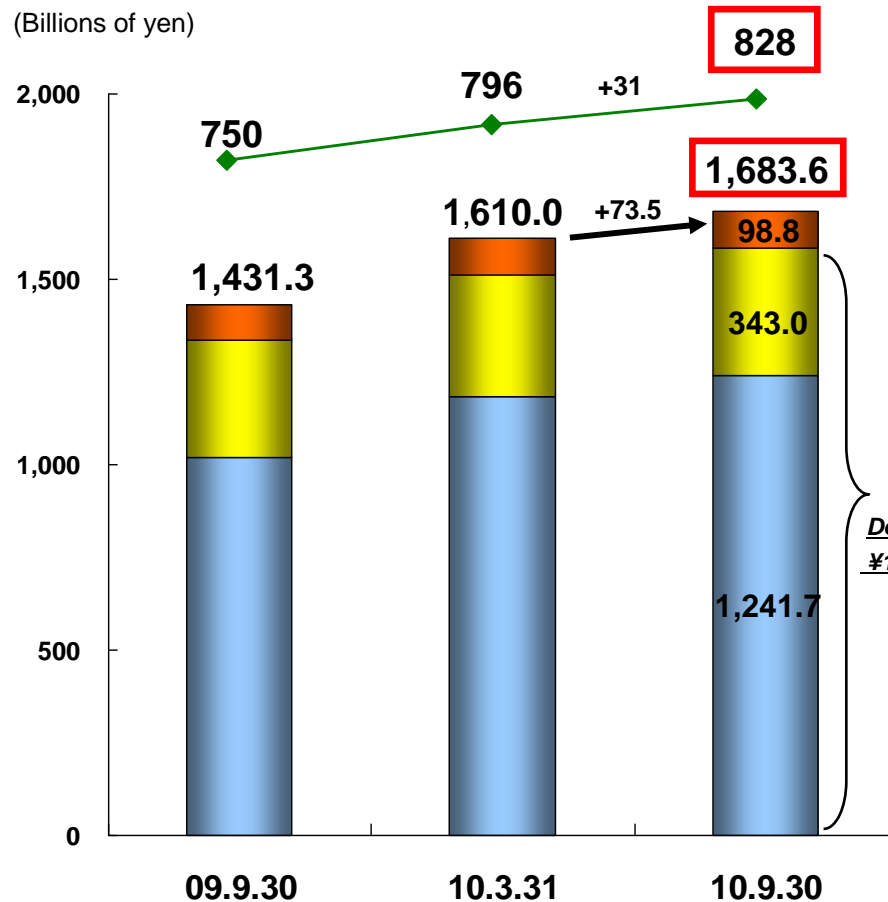
Notes: Interest spread = Yield on investment – Yield on financing  
 Yield on investment includes primarily gains or losses from currency swap transactions in net other operating income.

# Sony Bank Operating Performance (2)



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

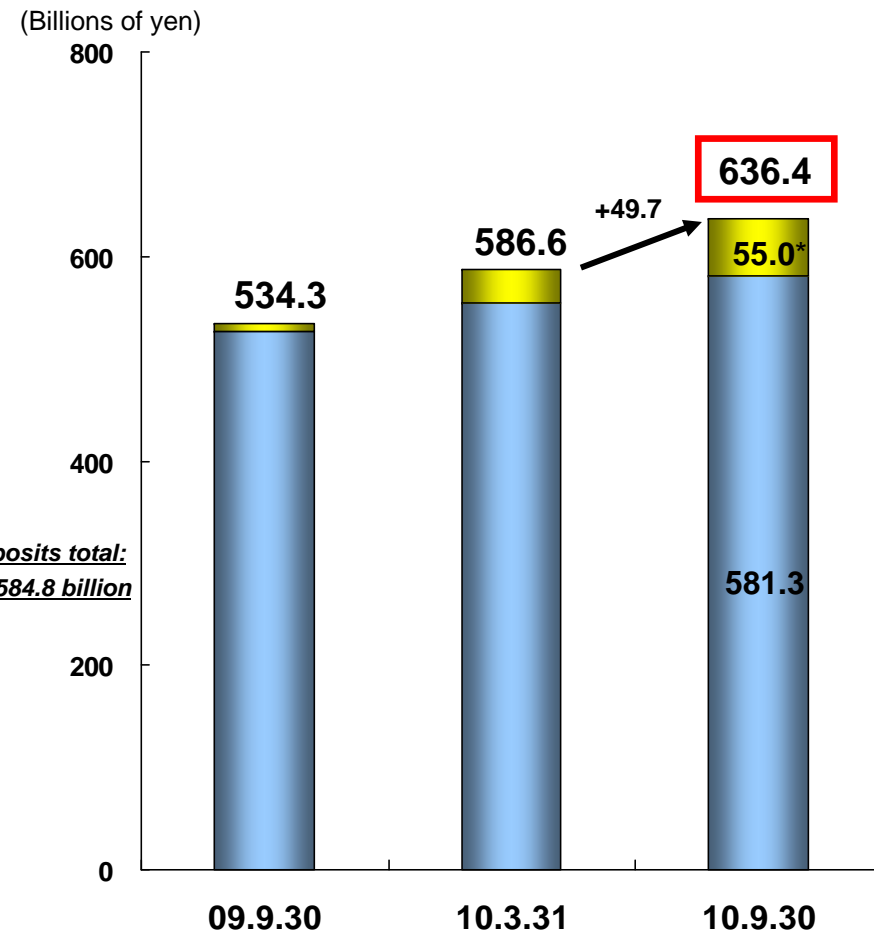
- Yen deposits ■ Foreign currency deposits ■ Investment trusts
- ◆ Number of accounts (thousands)



## Loans

- Mortgage loans ■ Others

\*Including corporate loans of ¥46.8billion.



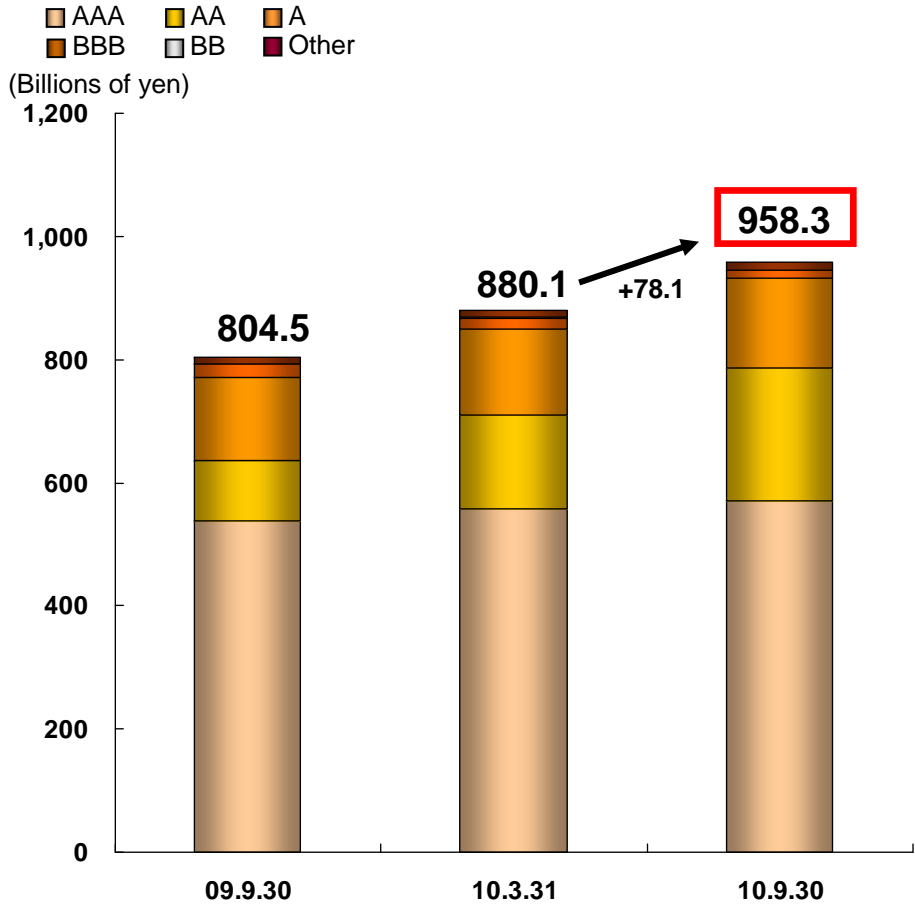
Line item amounts are truncated below ¥100 million; number of accounts are truncated below 1,000 accounts.



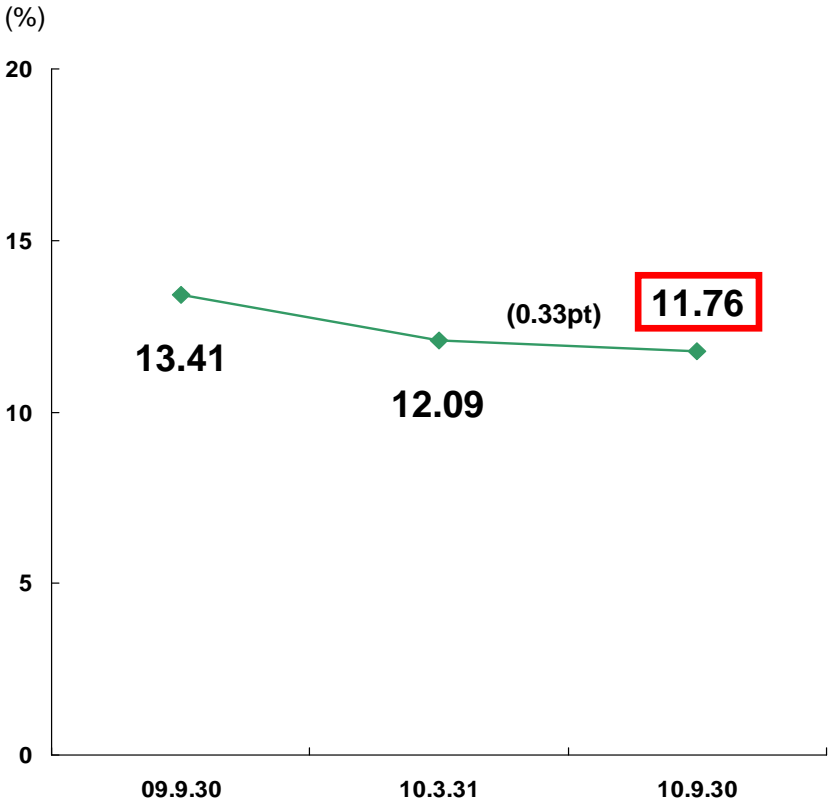
# Sony Bank Operating Performance (3)



## Balance of Securities by Credit Ratings



## 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 as of and after December 31, 2008, 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, 2011



(Billions of yen; amounts are truncated below ¥100 million; percentage changes are rounded.)

	FY09	FY10 (Forecast)	Change FY10 forecast vs. FY09 actual
<b>Consolidated ordinary revenues</b>	<b>978.9</b>	<b>974.0</b>	<b>(0.5%)</b>
<u>Life insurance business</u>	882.0	871.3	(1.2%)
<u>Non-life insurance business</u>	68.1	72.7	+ 6.6 %
<u>Banking business</u>	30.5	30.6	+ 0.3%
<b>Consolidated ordinary profit</b>	<b>84.3</b>	<b>74.0</b>	<b>(12.3%)</b>
<u>Life insurance business</u>	79.7	69.6	(12.8%)
<u>Non-life insurance business</u>	2.5	2.2	(14.2%)
<u>Banking business</u>	1.9	2.8	+ 45.2%
<b>Consolidated net income</b>	<b>48.1</b>	<b>40.0</b>	<b>(16.9%)</b>

※SFH's consolidated financial forecast for the fiscal year ending March 31, 2011, is unchanged from those announced on May 13, 2010.

## ■ Life insurance business

Operating results exceed the amounts in our forecast for 1H FY10. However, our forecast for FY10 remains unchanged from the previous announcement, due mainly to an expected increase in operating expenses and uncertainty about the financial market environment for 2H FY10.

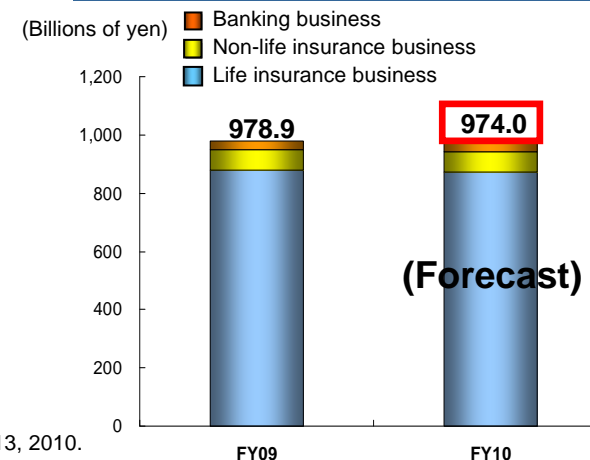
## ■ Non-life insurance business

Ordinary revenues for FY10 are expected to rise year on year, as we expect steady business expansion mainly in its mainstay automobile insurance. Ordinary profit is expected to decrease year on year, due mainly to expected increases in the loss ratio and the expense ratio in line with the planned reinforcement of the corporate system and infrastructure based on the expected expansion of its business operations. These forecasts for FY10 remains unchanged from the previous announcement.

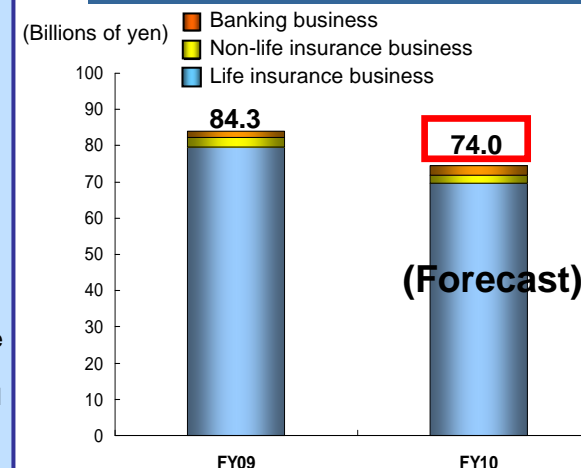
## ■ Banking Business

Ordinary revenues for FY10 are expected to slightly increase year on year, as interest income is expected to rise due to expanding business operations, although an influence of the worldwide reductions in interest rates still remains. Ordinary profit is expected to grow year on year, as gross operating profit, especially net interest income, is expected to increase. These forecasts for FY10 remains unchanged from the previous announcement.

## Consolidated Ordinary Revenues



## Consolidated Ordinary Profit



# Appendix

# Recent Topics

## 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:

- 1) Winning Road (Variable Individual Annuity - Guaranteed Lifetime Withdrawal Benefit (GLWB) type)
- 2) My History (Variable Individual Annuity - Guaranteed Lifetime Withdrawal Benefit (GLWB) type)
- 3) Victory Run (Variable Individual Annuity - Guaranteed Minimum Accumulation Benefit (GMAB) type)

Sales Channels: Lifepanner sales employees and affiliated Banks

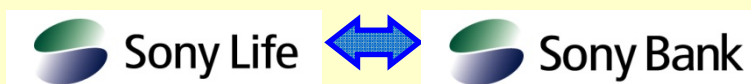
(The Tokyo star bank, SMBC, Minato bank, Fukushima bank, Chiba Kogyo Bank) \*As of November. 15, 2010

Sales results: Number of new policies: 352 new policies, New policy amount: ¥3,401 million,  
(FY10.1H) Number of policies in force: 802 policies, Policy amount in force: ¥9,999 million,

## Sony Bank's Mortgage Loans through Sony Life

Sony Life accounts for 38% of the amount of new mortgage loans for FY10.1H.

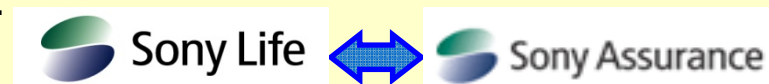
\* Sony Life started handling banking agency business in Jan. 2008.



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

Sony Life accounts for approx. 5% of new automobile policies for FY10.1H.

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



# Highlights

## <Highlights Since FY10.2Q>

- 2010-7-12 AEGON Sony Life Insurance's variable individual annuity product to be offered at Chiba Kogyo Bank
- 2010-7-26 Sony Bank launched foreign currency delivery service
- 2010-9-13 Sony Bank began offering mortgage loans for used condominiums
- 2010-9-16 Sony Life opened the second one-stop insurance Shop, "LIPLA"
- 2010-10-4 Sony Bank entered tie-up with Ohkuraya Juutaku in mortgage loans
- 2010-11-2 Sony Life began offering new products: Whole life nursing-care insurance (reduced surrender value), lump-sum payment nursing-care rider, and discount rider for nonsmokers and others in excellent health for decreasing term life insurance
- 2010-11-8 Sony Bank began providing a service to accept dividends on investment trusts

# 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)

	09.9.30			09.12.31			10.3.31			10.6.30			10.9.30		
	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	1,777.8	1,782.4	4.6	2,007.4	1,999.5	(7.9)	2,275.6	2,255.1	(20.4)	2,477.9	2,628.6	150.7	2,818.6	3,040.2	221.6
Available-for-sale securities	1,418.4	1,470.6	52.1	1,305.9	1,358.2	52.3	1,126.5	1,166.9	40.4	1,039.8	1,097.8	58.0	858.8	913.9	55.0
Domestic bonds	1,325.0	1,369.9	44.8	1,216.8	1,262.0	45.2	1,061.5	1,090.0	28.4	973.8	1,030.3	56.5	794.8	848.5	53.6
(CBs )	159.6	156.8	(2.7)	77.5	78.4	0.9	13.6	13.2	(0.3)	-	-	-	-	-	-
Domestic stocks	40.7	48.4	7.7	51.6	58.1	6.5	51.7	62.1	10.4	51.9	53.2	1.2	51.8	52.9	1.1
Foreign securities	47.4	46.0	(1.4)	32.3	31.6	(0.7)	8.0	8.0	(0.0)	2.0	2.0	0.0	-	-	-
Other securities	5.1	6.1	0.9	5.1	6.3	1.2	5.1	6.7	1.5	11.9	12.1	0.2	12.1	12.3	0.1
Total	3,196.2	3,253.0	56.8	3,313.4	3,357.8	44.3	3,402.1	3,422.1	19.9	3,517.8	3,726.5	208.7	3,677.5	3,954.1	276.6

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

(Billions of yen)

09.9.30		09.12.31		10.3.31		10.6.30		10.9.30	
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
0.7	5.6	0.3	5.6	-	5.7	-	-	-	-

Notes:

1) Line item amounts are truncated below ¥100 million.

2) Amounts above include those categorized as "monetary trusts."

# Sony Life's Breakdown of Net Assets



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

(Billions of yen)

	①Net Assets (B/S)		②Real Net Assets		③Solvency Margin		Notes
	10.3.31	10.9.30	10.3.31	10.9.30	10.3.31	10.9.30	
Total shareholders' equity	177.3	199.3	177.3	199.3	170.3	197.9	③After estimated distributed income deducted
Net unrealized gains on other securities, net of taxes	15.4	24.6	15.4	24.6	–	–	
Net unrealized gains (losses) on available-for-sale securities	–	–	–	–	33.0	46.0	③Before tax x 90%
Land revaluation, net of taxes	(1.4)	(1.4)	(1.4)	(1.4)	–	–	
Reserve for price fluctuations	–	–	9.6	13.0	9.6	13.0	
Contingency reserve	–	–	48.4	50.1	48.4	50.1	
Reserve for possible loan losses	–	–	–	–	0.0	0.0	
Net unrealized gains on real estate	–	–	2.6	2.6	1.6	1.6	②Before tax (after revaluation) ③Before tax (Before revaluation) X85%
Excess amount of policy reserves based on Zillmer method	–	–	316.5	322.8	316.5	322.8	
Unallotted portion of reserve for policyholders' dividends	–	–	2.3	3.1	2.3	3.1	
Future profits	–	–	–	–	1.0	1.0	
Deferred tax assets	–	–	–	–	47.2	63.6	
Unrealized gains (losses) on held-to-maturity bonds	–	–	(20.4)	221.6	–	–	②Before tax
Deferred tax liabilities for available-for-sale securities	–	–	12.8	18.3	–	–	
Total	191.3	222.4	563.4	854.4	630.2	699.5	

※Real net assets excluding net unrealized gains/losses on held-to-maturity securities and on policy reserve matching bonds, are ¥583.8 billion as of March 31, 2010, and ¥632.7 billion as of September 30, 2010.

Amounts are truncated below ¥100 million.

# Sony Life's Changes in Solvency Margin Ratio



(Billions of yen)

Category	09.9.30	09.12.31	10.3.31	10.6.30	10.9.30
Total solvency margin (A)	600.7	625.6	630.2	666.6	699.5
Common stocks, etc	152.9	163.3	170.3	179.9	197.9
Reserve for price fluctuations	6.3	7.9	9.6	11.2	13.0
Contingency reserve	46.9	47.8	48.4	49.2	50.1
Reserve for possible loan losses	0.0	0.0	0.0	0.0	0.0
Net unrealized gains on other securities multiplied by 90% if gains or 100% if losses	41.6	43.0	33.0	48.4	46.0
Net unrealized gains on real estate multiplied by 85% if gains or 100% if losses	4.8	4.8	1.6	1.6	1.6
Excess amount of policy reserves based on Zillmer method	309.4	312.8	316.5	319.3	322.8
Unallotted portion of reserve for policyholders' dividends	0.3	1.7	2.3	2.7	3.1
Future profits	—	—	1.0	1.0	1.0
Deferred tax assets	38.1	44.0	47.2	52.9	63.6
Subordinated debt	—	—	—	—	—
Deductible items	—	—	—	—	—
Total risk $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_4)^2} + R_7$ (B)	49.3	48.6	47.7	47.4	46.7
Insurance risk R1	18.8	19.0	19.1	19.4	19.6
Third-sector insurance risk R8	7.1	7.1	7.0	7.1	7.2
Assumed interest rate risk R2	11.2	11.3	11.3	11.4	11.4
Asset management risk R3	21.4	20.2	18.9	17.9	16.6
Business management risk R4	1.3	1.3	1.2	1.2	1.2
Minimum guarantee risk R7	7.6	7.8	8.0	8.3	8.6
Solvency margin ratio $[(A)/\{(B)\times 1/2\}]\times 100$	2,433.8%	2,570.9%	2,637.3%	2,810.0%	2,992.8%

Amounts are truncated below ¥100 million.





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