

## **Presentation Material**

# **Consolidated Financial Results for the Nine Months Ended December 31, 2010**

**Sony Financial Holdings Inc.  
February 14, 2011**

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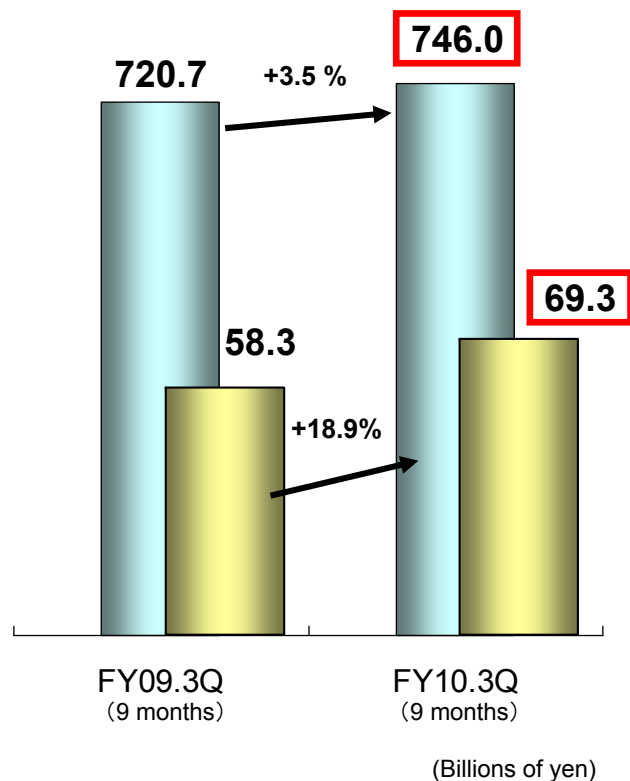
# Management Review

- ✓ Consolidated ordinary revenues and ordinary profit for the nine months ended December 31, 2010, increased year on year.
- ✓ The Group's life insurance business continued its stable growth, due to favorable sales of mainstay death-protection type and third-sector insurance products such as living benefit and nursing-care insurance.
- ✓ The non-life insurance business enjoyed brisk sales. An ongoing upward trend in the loss ratio for automobile insurance showed signs of slowing during the quarter.
- ✓ The banking business maintained some degree of interest spread owing to a growing balance of loans, especially mortgage loans, which offset the negative impact of lower interest rates.

# Highlights of Consolidated Operating Performance for the Nine Months Ended December 31, 2010 (1)



■ Ordinary revenues ■ Ordinary profit



		FY09.3Q (9 months)	FY10.3Q (9 months)	Change		
		(Billions of yen)				
Life insurance business	Ordinary revenues	647.9	<b>669.4</b>	+21.4	+3.3%	
	Ordinary profit	54.8	<b>65.3</b>	+10.5	+19.2%	
Non-life insurance business	Ordinary revenues	50.9	<b>55.6</b>	+4.6	+9.1%	
	Ordinary profit	1.8	<b>2.3</b>	+0.5	+28.0%	
Banking business	Ordinary revenues	22.9	<b>22.4</b>	(0.5)	(2.4%)	
	Ordinary profit	1.5	<b>1.5</b>	(0.0)	(1.9%)	
Corporate and elimination	Ordinary revenues	(1.1)	<b>(1.4)</b>	(0.2)	+23.6%	
	Ordinary profit	0.0	<b>0.1</b>	+0.0	+47.6%	
Consolidated	Ordinary revenues	720.7	<b>746.0</b>	+25.3	+3.5%	
	Ordinary profit	58.3	<b>69.3</b>	+11.0	+18.9%	
	Net income	33.8	<b>38.3</b>	+4.5	+13.4%	
		(Billions of yen)	09.12.31	10.3.31	<b>10.12.31</b>	Change from 10.3.31
Consolidated	Total assets	5,804.3	6,001.0	<b>6,435.9</b>	+434.8	+7.2%
	Net assets	261.0	269.4	<b>301.1</b>	+31.6	+11.8%

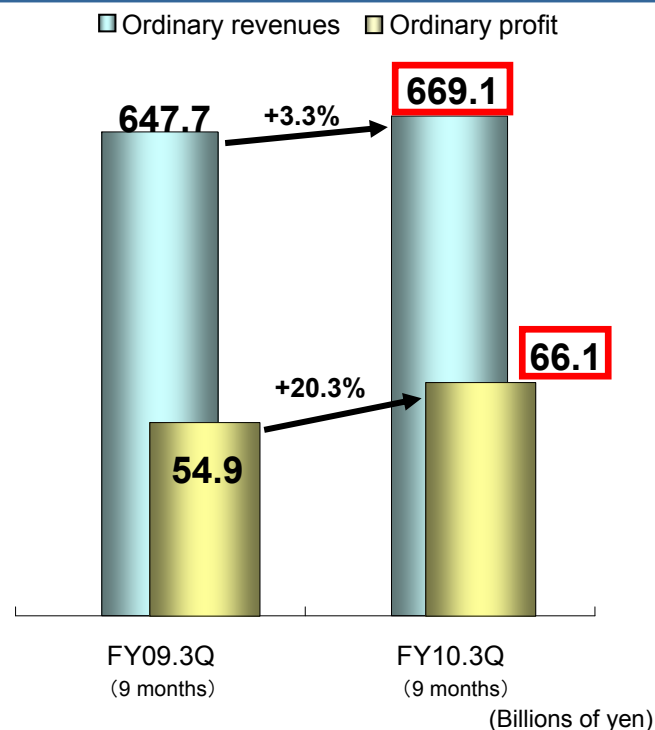
Line item amounts are truncated below ¥100 million; percentage change figures are rounded.

# Highlights of Consolidated Operating Performance for the Nine Months Ended December 31, 2010 (2)



- Life Insurance: Ordinary revenues and ordinary profit 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 interest income and dividends and gains on sale of securities on general account assets.
- Non-life Insurance: Ordinary revenues increased year on year, owing to an increase in net premiums written, primarily for automobile insurance. The effect of a rising loss ratio, driven by higher insurance claim payments for automobile insurance, was mitigated by a decrease in provision of catastrophe reserve. Consequently, ordinary profit increased due to a rise in ordinary revenues and a decline in the net expense ratio.
- Banking: Ordinary revenues decreased year on year, owing mainly to a decrease in gains on foreign exchange transactions. Ordinary profit decreased due primarily to an increase in general and administrative expenses, particularly system-related expenses, which offset the positive impact of an increase in gross operating profit driven by improved investment performance.
- Consolidated ordinary revenues, consolidated ordinary profit and consolidated net income increased 3.5% year on year, to ¥746.0 billion, 18.9%, to ¥69.3 billion and 13.4%, to ¥38.3 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 interest income and dividends and gains on sale of securities.
- ◆ 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)	FY09.3Q (9 months)	FY10.3Q (9 months)	Change	
<b>Ordinary revenues</b>	647.7	<b>669.1</b>	+21.4	+3.3%
Income from insurance premiums	512.1	<b>565.5</b>	+53.3	+10.4%
Investment income	130.2	<b>94.7</b>	(35.5)	(27.3%)
Interest income and dividends	50.9	<b>64.4</b>	+13.5	+26.6%
Income from monetary trusts, net	13.2	<b>5.6</b>	(7.5)	(57.2%)
Gains on sale of securities	14.5	<b>24.5</b>	+10.0	+68.8%
Gains on separate accounts, net	50.3	—	(50.3)	(100.0%)
<b>Ordinary expenses</b>	592.7	<b>603.0</b>	+10.3	+1.7%
Insurance claims and other payments	204.7	<b>209.7</b>	+4.9	+2.4%
Provision for policy reserve and others	290.0	<b>285.4</b>	(4.5)	(1.6%)
Investment expenses	16.3	<b>21.3</b>	+5.0	+30.7%
Losses on sale of securities	8.0	<b>0.8</b>	(7.2)	(89.7%)
Losses on separate accounts, net	—	<b>13.1</b>	+13.1	—
Operating expenses	70.9	<b>73.2</b>	+2.2	+3.1%
<b>Ordinary profit</b>	54.9	<b>66.1</b>	+11.1	+20.3%
<b>Net income</b>	32.1	<b>37.1</b>	+4.9	+15.5%

(Billions of yen)	09.12.31	10.3.31	<b>10.12.31</b>	Change from 10.3.31	
<b>Securities</b>	3,294.1	3,539.1	<b>3,921.2</b>	+382.1	+10.8%
<b>Policy reserves</b>	3,880.7	3,985.6	<b>4,256.7</b>	+271.1	+6.8%
<b>Total net assets</b>	184.2	191.3	<b>222.6</b>	+31.3	+16.4%
Net unrealized gains on other securities	22.3	15.4	<b>16.6</b>	+1.2	+7.8%
<b>Total assets</b>	4,143.4	4,286.5	<b>4,593.0</b>	+306.4	+7.1%
Separate account assets	351.8	373.6	<b>381.7</b>	+8.1	+2.2%

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



(Billions of yen)	FY09.3Q (9 months)	FY10.3Q (9 months)	Change
<b>New policy amount</b>	3,020.4	<b>3,229.3</b>	+6.9%
<b>Lapse and surrender amount</b>	1,725.4	<b>1,601.6</b>	(7.2%)
<b>Lapse and surrender rate</b>	5.31%	<b>4.79%</b>	(0.52pt)
<b>Policy amount in force</b>	33,249.4	<b>34,519.9</b>	+3.8%
<b>Annualized premiums from new policies</b>	50.6	<b>53.9</b>	+6.5%
Of which, third-sector products	12.2	<b>12.6</b>	+3.6%
<b>Annualized premiums from insurance in force</b>	566.2	<b>598.0</b>	+5.6%
Of which, third-sector products	131.5	<b>139.0</b>	+5.7%

(Billions of yen)	FY09.3Q (9 months)	FY10.3Q (9 months)	Change
<b>Gains from investment, net (General account)</b>	63.4	<b>86.4</b>	+36.2%
<b>Core profit</b>	45.1	<b>43.9</b>	(2.5%)
<b>Negative spread</b>	12.2	<b>5.5</b>	(54.9%)

	09.12.31	10.3.31	10.12.31	Change from 10.3.31
<b>Solvency Margin Ratio</b>	2,570.9%	2,637.3%	<b>2,971.9%</b>	+334.6pt

## (Reasons for changes)

- ◆ Increased, due mainly to favorable sales of family income insurance, which is life insurance with disability benefit.
- ◆ Decreased due to the lowering lapse and surrender rates in most products, mainly in term life insurance
- ◆ Increased, owing mainly to favorable sales of living benefit insurance, endowment insurance and nursing-care insurance.
- ◆ Increased due to an increase in interest income and dividends, as well as gains on sale of securities in line with the shift from investing in bonds with short terms to maturity to those with ultralong-terms.
- ◆ 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 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.

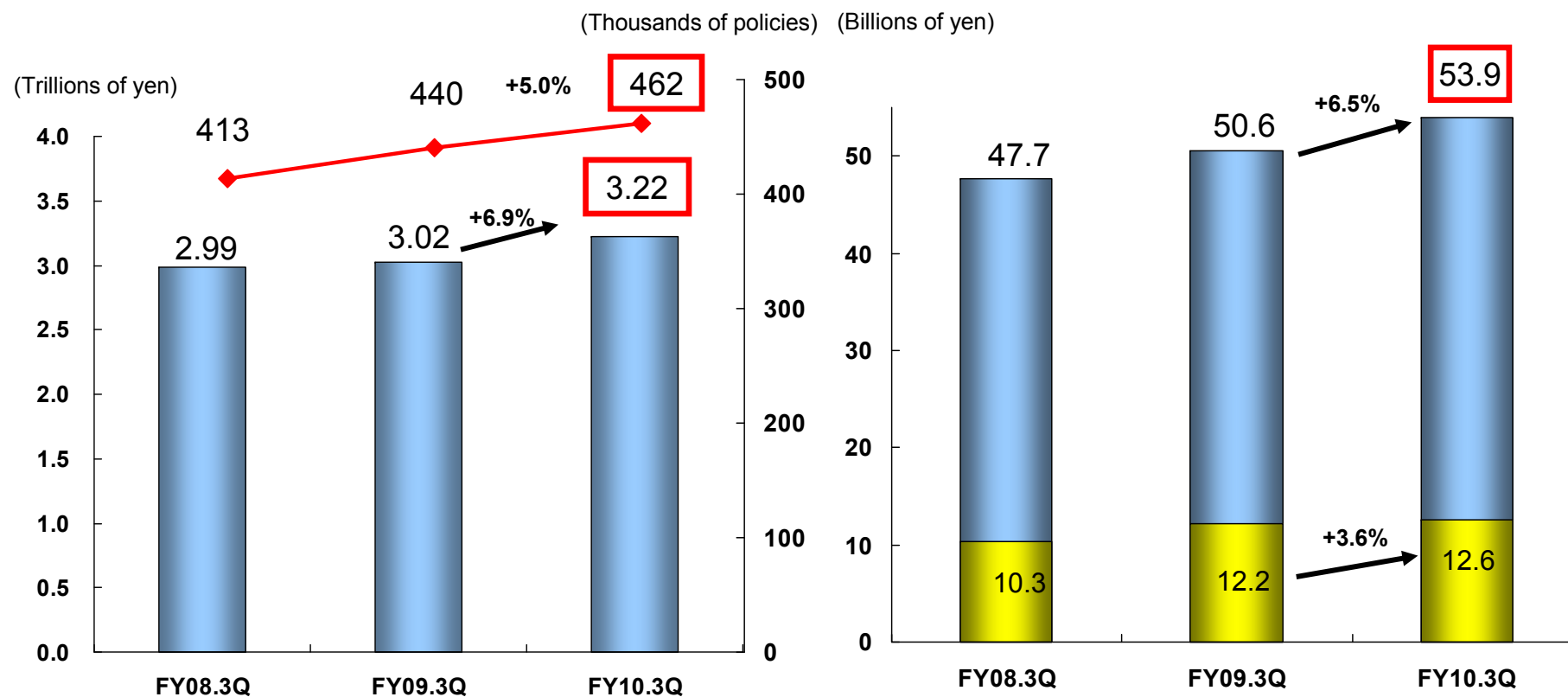
# Sony Life Operating Performance (1)

## Number of New Policy and Amount (Individual Life Insurance + Individual Annuities) <9 months>

## Annualized Premiums from New Policies (Individual Life Insurance + Individual Annuities) <9 months>

■ New policy amount    ◆ Number of new policies

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



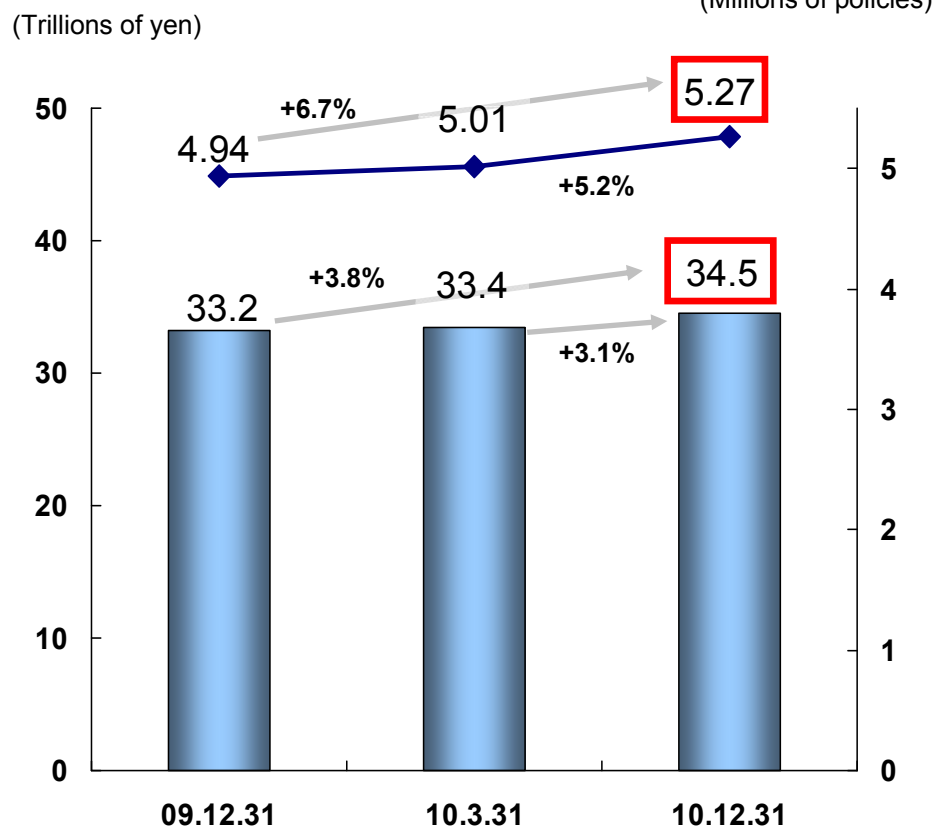
Line item amounts are truncated below ¥10 billion; numbers of policies are truncated below 1,000 policies; percentage change figures are rounded.

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

# Sony Life Operating Performance (2)

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

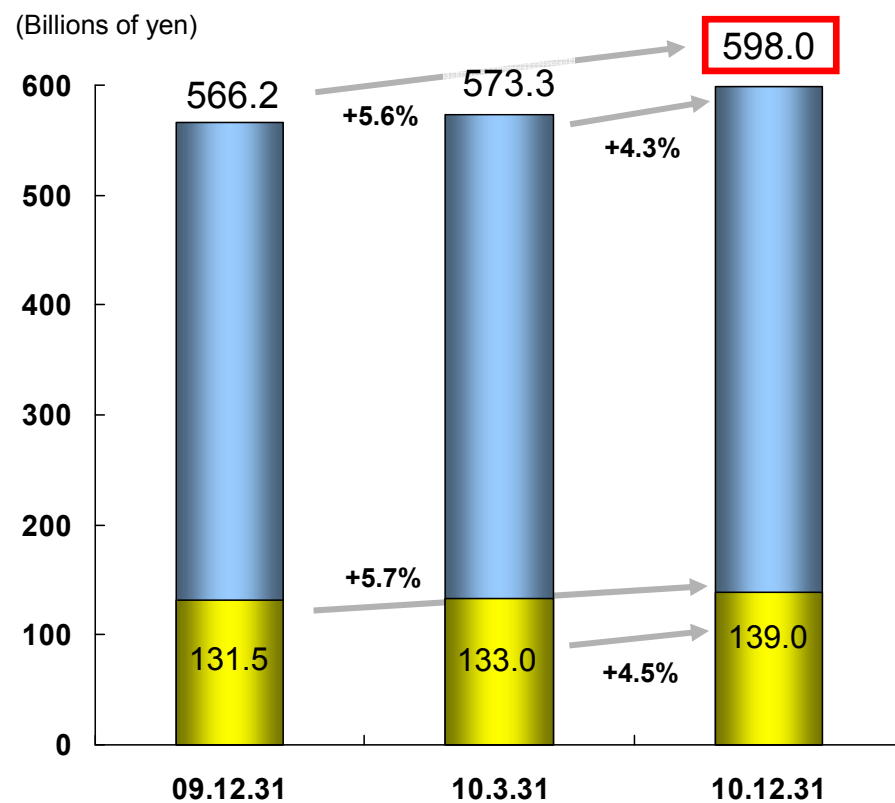
■ Policy amount in force (Trillions of yen)      ◆ Number of policies in force (Millions of policies)



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

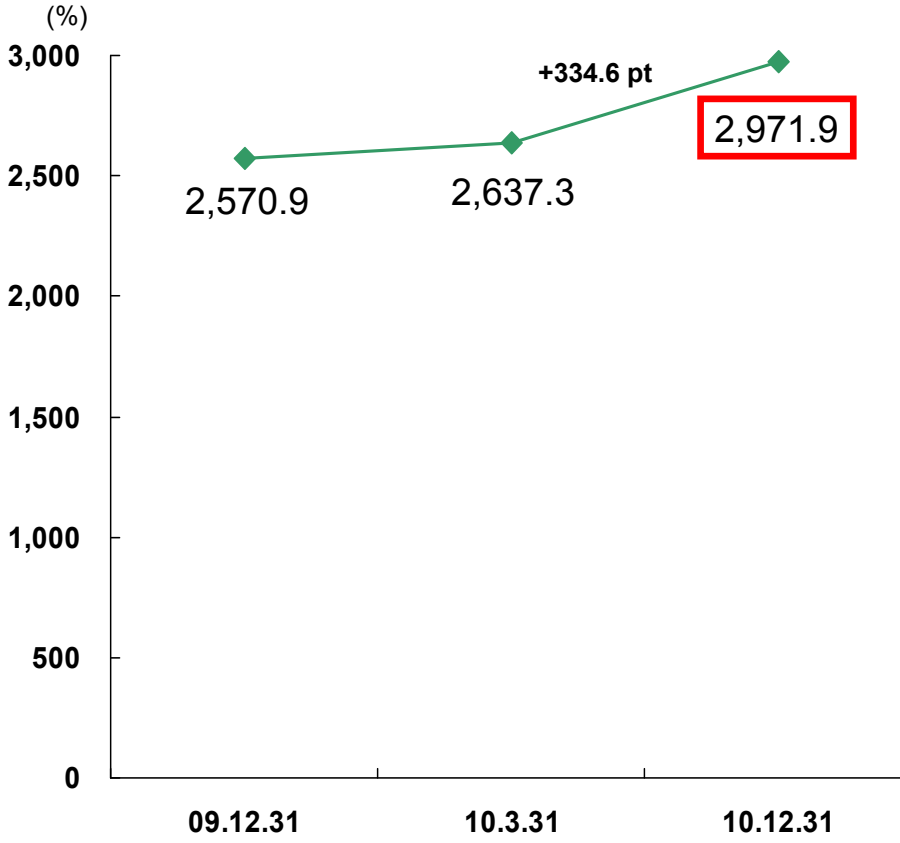
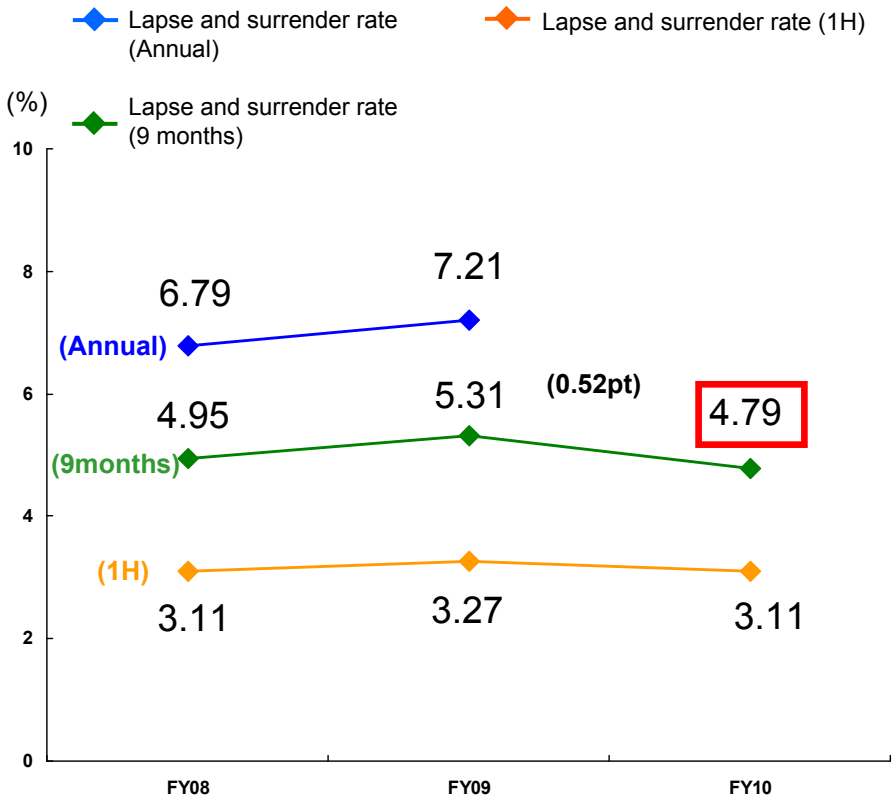


# Sony Life Operating Performance (3)



## Lapse and Surrender Rate\* (Individual Life Insurance + Individual Annuities) <Annual, 1H, 9 months>

## Solvency Margin Ratio



\*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.

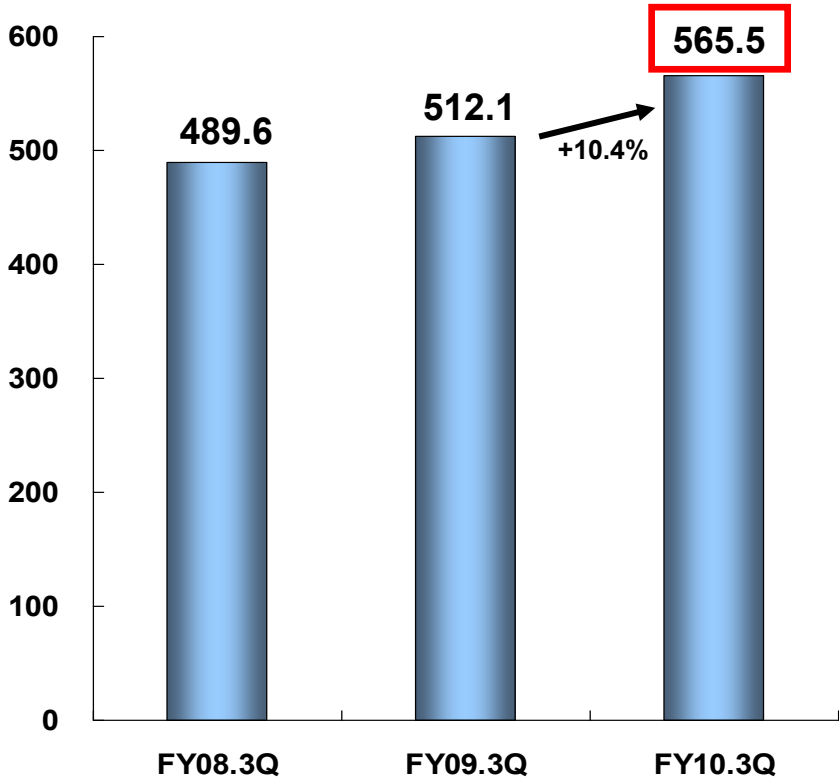
# Sony Life Operating Performance (4)



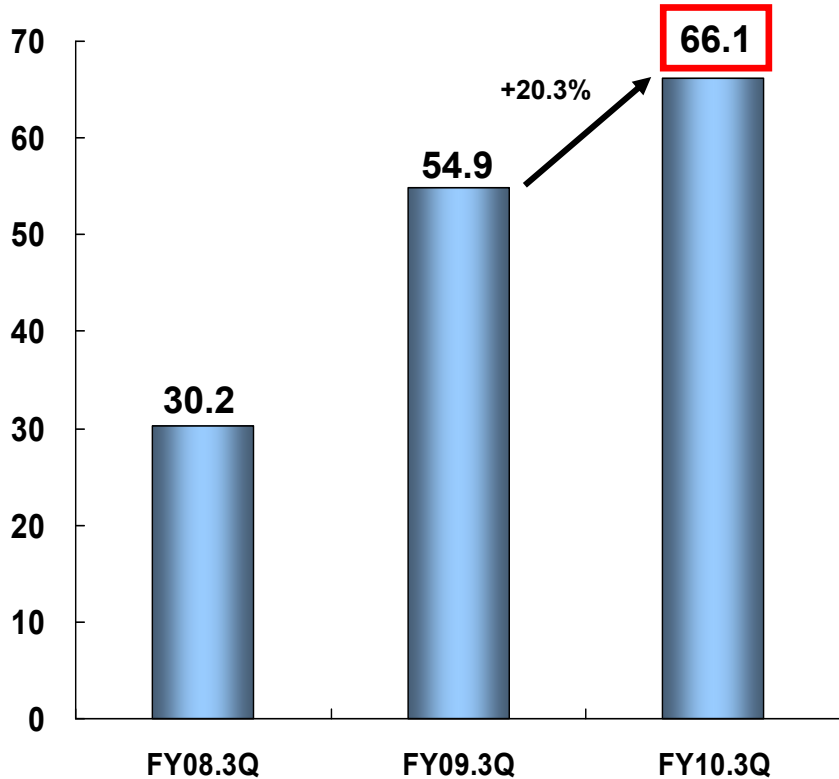
## Income from Insurance Premiums <9 months>

## Ordinary Profit <9 months>

(Billions of yen)



(Billions of yen)



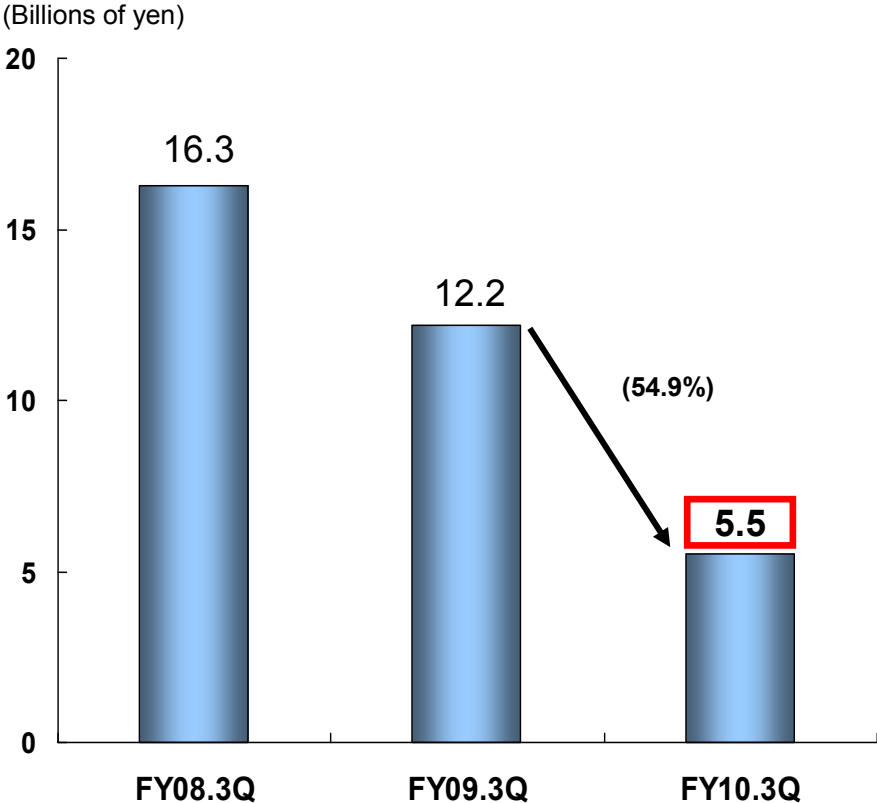
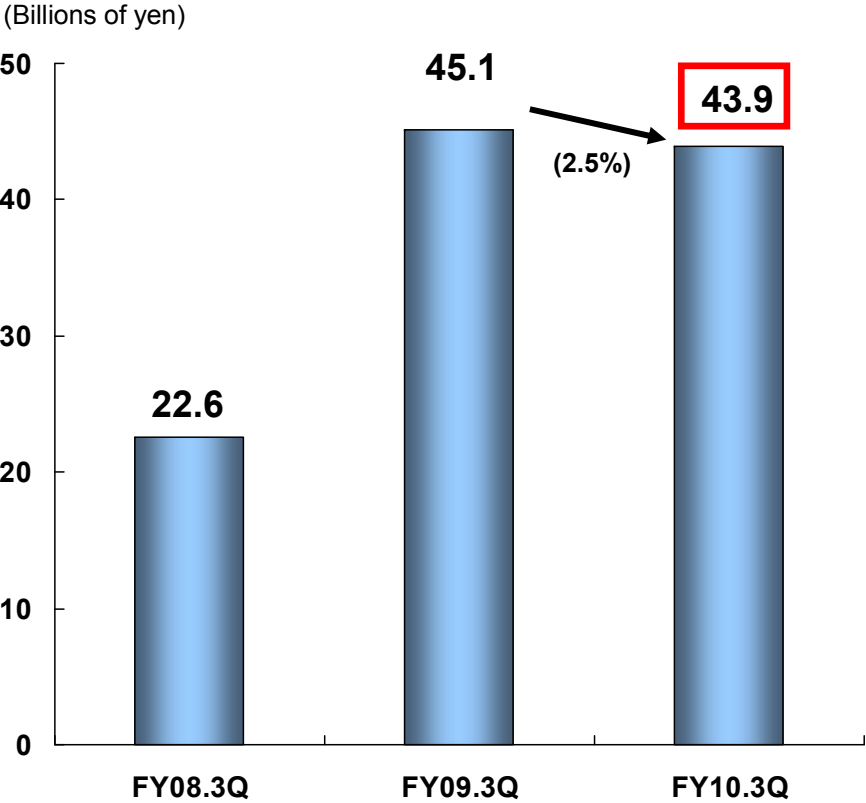
Line item amounts are truncated below ¥100 million; percentage figures are rounded.

# Sony Life Operating Performance (5)



## Core Profit (9 months)

## Negative Spread (9 months)



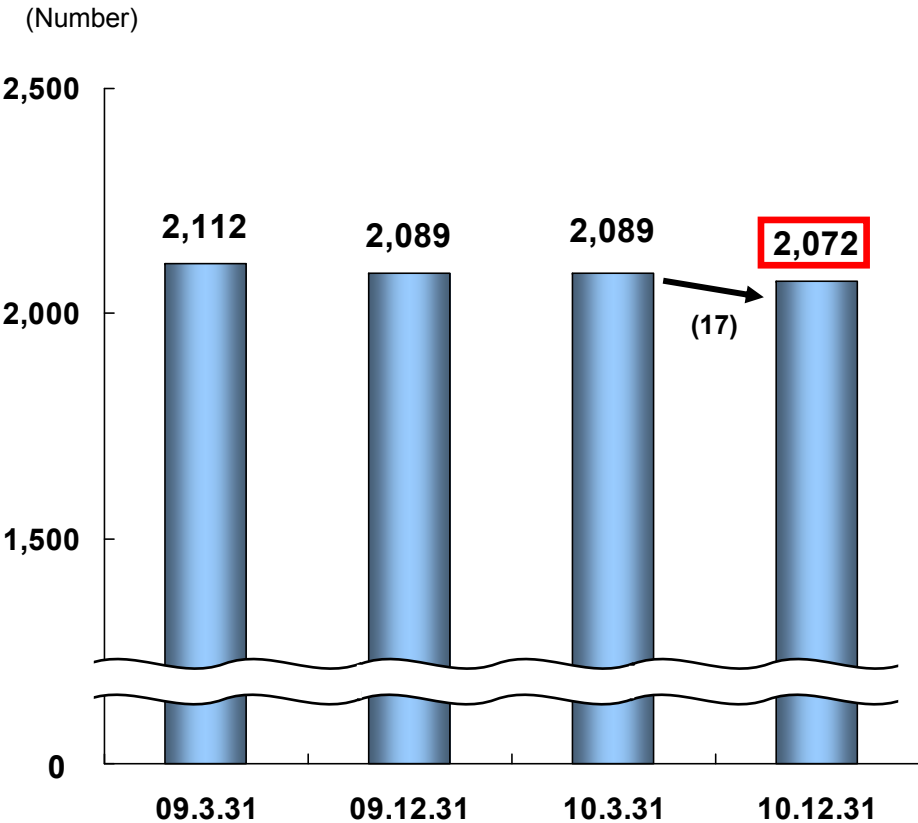
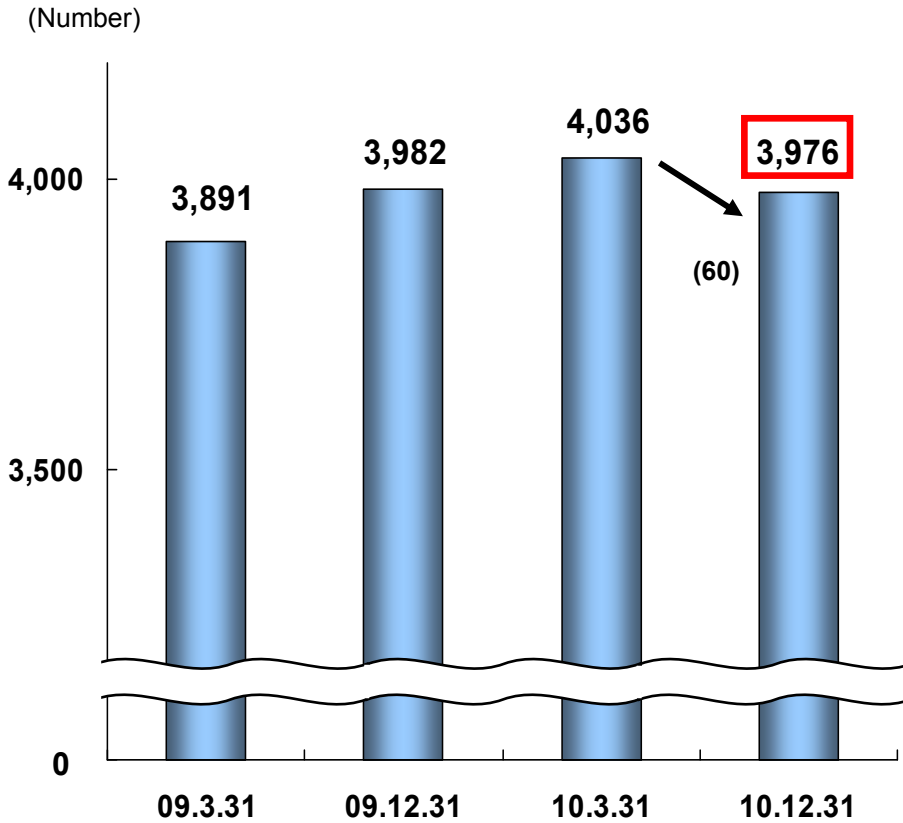
Line item amounts are truncated below ¥100 million; percentage figures are rounded.

# 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)	10.3.31		10.12.31	
	Amount	%	Amount	%
Japanese government and corporate bonds	3,032.9	77.5%	<b>3,404.3</b>	<b>80.8%</b>
Japanese stocks	72.5	1.9%	<b>67.7</b>	<b>1.6%</b>
Foreign securities	49.9	1.3%	<b>44.1</b>	<b>1.0%</b>
Foreign stocks	25.3	0.6%	<b>27.1</b>	<b>0.6%</b>
Monetary trusts	288.7	7.4%	<b>280.0</b>	<b>6.6%</b>
Policyholder loans	127.5	3.3%	<b>132.5</b>	<b>3.1%</b>
Real estate	79.9	2.0%	<b>77.2</b>	<b>1.8%</b>
Cash and call loans	116.4	3.0%	<b>56.8</b>	<b>1.4%</b>
Other	119.4	3.0%	<b>121.1</b>	<b>2.9%</b>
<b>Total</b>	<b>3,912.9</b>	<b>100.0%</b>	<b>4,211.2</b>	<b>100.0%</b>

From FY09-2Q to FY10-2Q, amounts for individual items included in monetary trusts (Japanese government and corporate bonds, CBs, Japanese stocks and other) had been broken down into their original investment categories. However, the balance of CBs and Japanese stocks included in the monetary trusts was zero as of December 31, 2010. Accordingly, we have reverted to the previous format, which is in accordance with disclosure guidelines stipulated by the Life Insurance Association of Japan.

Note: Fair Value Information on Securities for Sony Life is on P29.

### <Asset management review>

■Japanese government and corporate bonds: Continued to accumulate ultralong-term bonds during FY10.3Q.



#### <Lengthened asset duration>

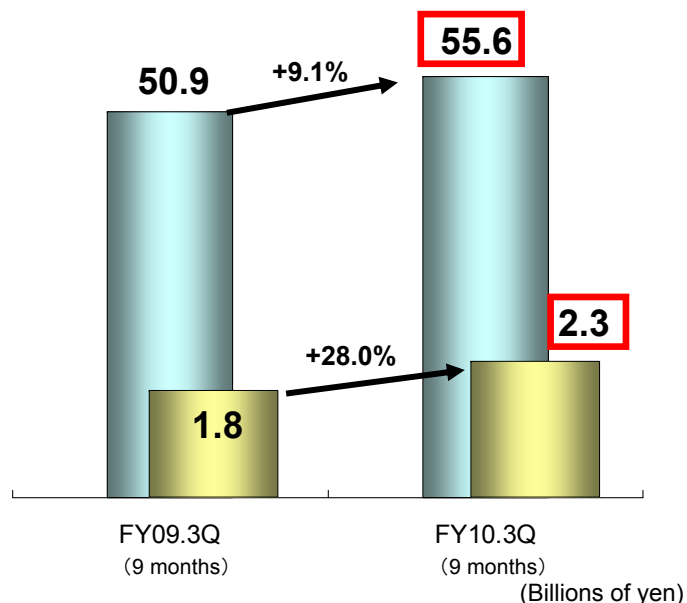
09. 3.31	13.6 years
10. 3.31	17.6 years
10.12.31	<u>19.0 years</u>

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

# 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.
- ◆ The effect of a rising loss ratio, driven by higher insurance claim payments for automobile insurance, was mitigated by a decrease in provision of catastrophe reserve. Ordinary profit increased due to a rise in ordinary revenues and a decline in the net expense ratio.

(Billions of yen)	FY09.3Q (9 months)	FY10.3Q (9 months)	Change	
<b>Ordinary revenues</b>	50.9	<b>55.6</b>	+4.6	+9.1%
Underwriting income	50.4	<b>55.0</b>	+4.5	+9.1%
Investment income	0.5	<b>0.5</b>	+0.0	+11.7%
<b>Ordinary expenses</b>	49.1	<b>53.2</b>	+4.1	+8.4%
Underwriting expenses	37.1	<b>40.4</b>	+3.2	+8.8%
Investment expenses	0.0	—	(0.0)	(100.0%)
Operating, general and administrative expenses	11.9	<b>12.7</b>	+0.8	+7.2%
<b>Ordinary profit</b>	1.8	<b>2.3</b>	+0.5	+28.0%
<b>Net income</b>	1.1	<b>1.4</b>	+0.2	+19.5%

(Billions of yen)	09.12.31	10.3.31	10.12.31	Change from 10.3.31	
<b>Underwriting reserves</b>	57.0	58.1	<b>63.2</b>	+5.1	+8.9%
<b>Total net assets</b>	15.0	15.4	<b>16.9</b>	+1.4	+9.3%
<b>Total assets</b>	94.7	98.3	<b>104.3</b>	+5.9	+6.1%

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

# Overview of Performance: Sony Assurance



## (Reasons for changes)

(Billions of yen)	FY09.3Q (9 months)	FY10.3Q (9 months)	Change
<b>Direct premiums written</b>	50.1	<b>54.5</b>	+8.9%
<b>Net premiums written</b>	50.3	<b>54.9</b>	+9.1%
<b>Net losses paid</b>	25.3	<b>29.3</b>	+15.5%
<b>Underwriting profit</b>	1.3	<b>1.8</b>	+33.4%
<b>Net loss ratio</b>	56.3%	<b>59.8%</b>	+3.5pt
<b>Net expense ratio</b>	25.5%	<b>25.0%</b>	(0.5pt)
<b>Combined ratio</b>	81.8%	<b>84.7%</b>	+2.9pt

◆ 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 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.

	09.12.31	10.3.31	<b>10.12.31</b>	Change from 10.3.31	
<b>Number of policies in force</b>	1.25 million	1.27 million	<b>1.36 million</b>	+0.08 million	+6.8%
<b>Solvency margin ratio</b>	1,031.7%	1,018.5%	<b>1,010.8%</b>	(7.7pt)	

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)	FY09.3Q (9 months)	<b>FY10.3Q (9 months)</b>	Change
Fire	215	<b>120</b>	(44.3%)
Marine	—	<b>—</b>	—
Personal accident*	5,187	<b>5,339</b>	+2.9%
Voluntary automobile	44,731	<b>49,136</b>	+9.8%
Compulsory automobile liability	—	<b>—</b>	—
Total	50,133	<b>54,596</b>	+8.9%

## Net Premiums Written

(Millions of yen)	FY09.3Q (9 months)	<b>FY10.3Q (9 months)</b>	Change
Fire	9	<b>5</b>	(43.0%)
Marine	(2)	<b>2</b>	—
Personal accident*	5,360	<b>5,507</b>	+2.7%
Voluntary automobile	44,557	<b>48,934</b>	+9.8%
Compulsory automobile liability	468	<b>543</b>	+16.0%
Total	50,393	<b>54,993</b>	+9.1%

## Net losses paid

(Millions of yen)	FY09.3Q (9 months)	<b>FY10.3Q (9 months)</b>	Change
Fire	0	<b>0</b>	+172.4%
Marine	2	<b>10</b>	+371.6%
Personal accident*	1,106	<b>1,179</b>	+6.5%
Voluntary automobile	23,891	<b>27,633</b>	+15.7%
Compulsory automobile liability	399	<b>502</b>	+25.9%
Total	25,399	<b>29,326</b>	+15.5%

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

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

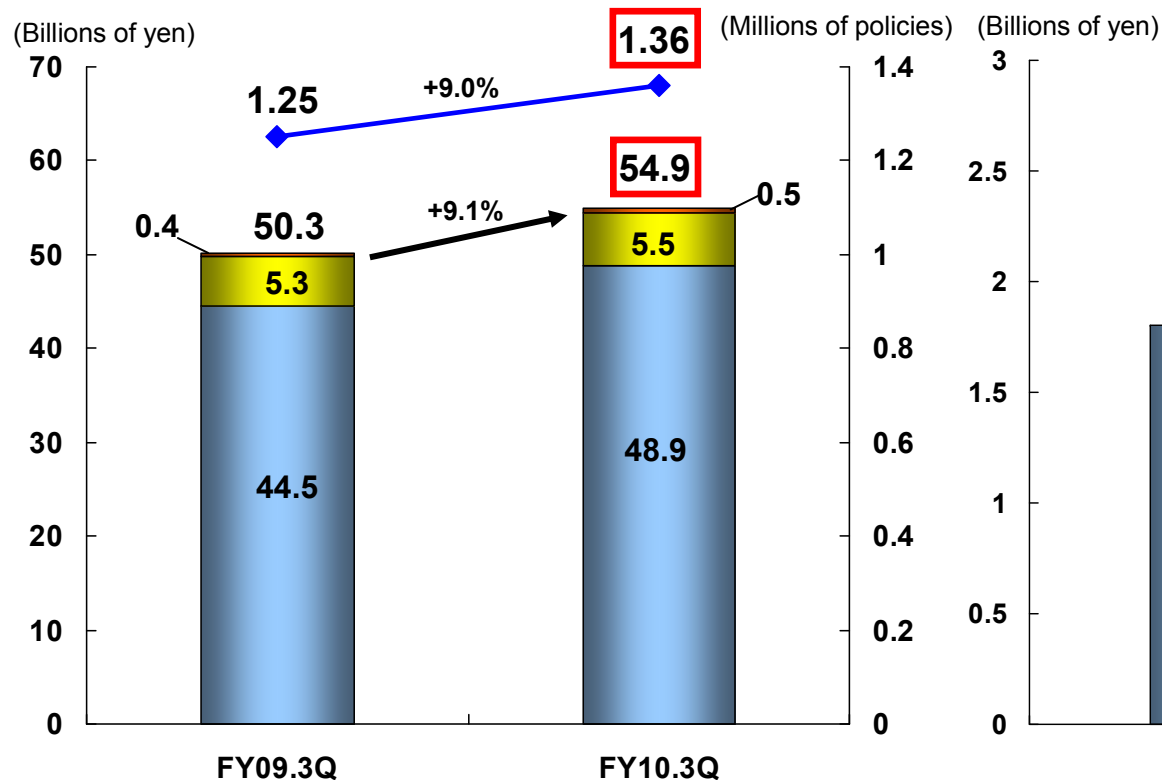


# Sony Assurance Operating Performance (1)



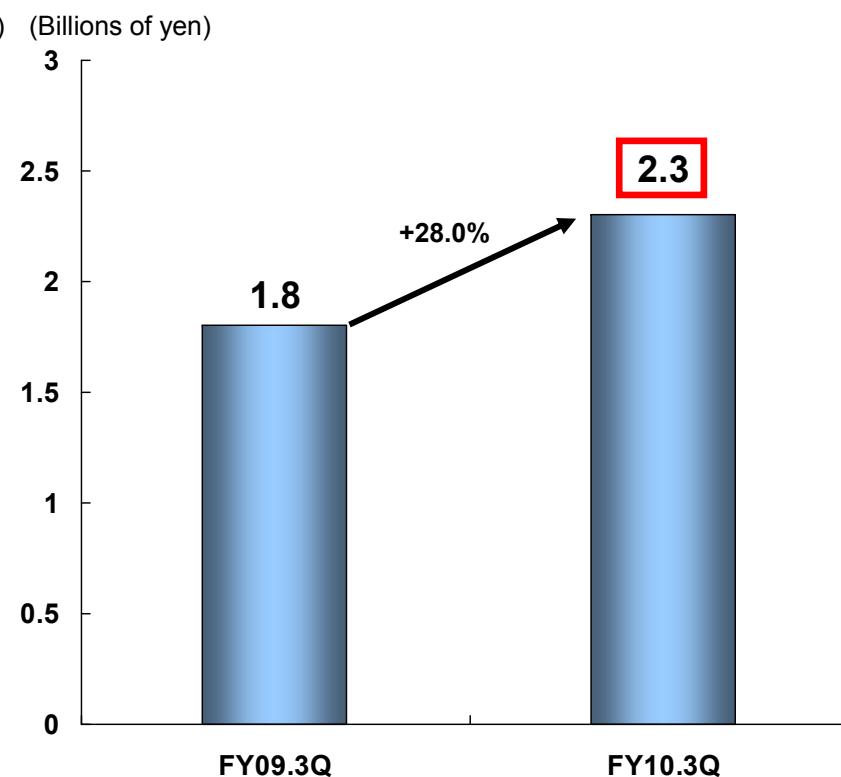
## Net Premiums Written and Number of Policies in Force

■ Voluntary automobile insurance 
 ■ Personal accident insurance  
■ Other 
 ◆ 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 (9 months)

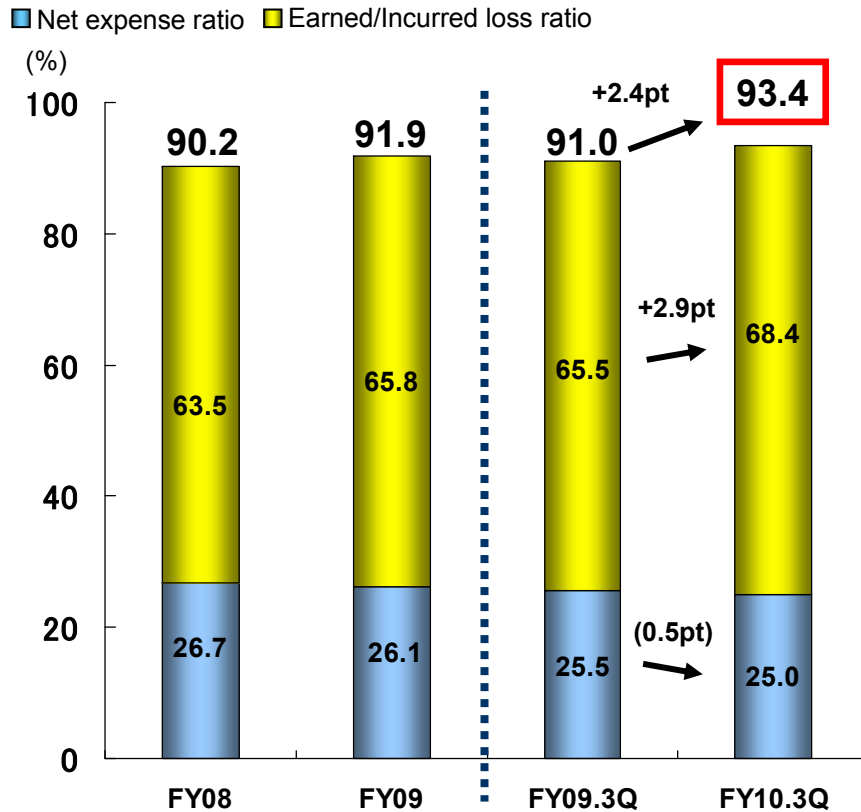


Line item amounts are truncated below ¥100 million; numbers of policies are truncated below 10,000 policies; percentage change figures are rounded.

# Sony Assurance Operating Performance (2)



## Net Expense Ratio + Earned/Incurred Loss Ratio

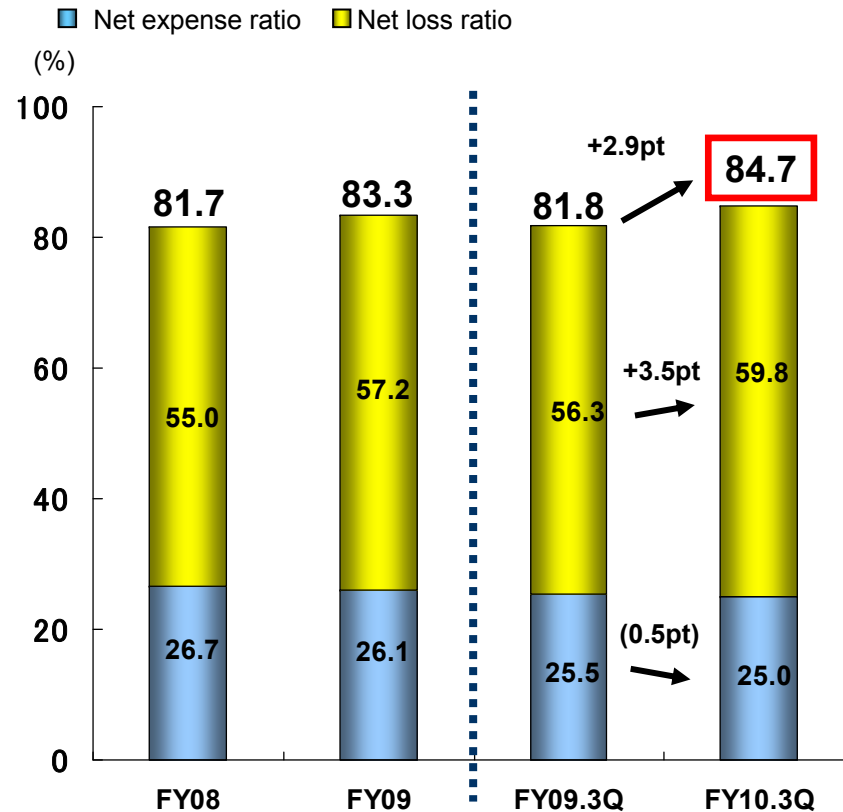


Earned/Incurred loss ratio is equal to the ratio of the sum of net losses paid, loss adjustment expenses and accumulation in provision for reserve for outstanding losses to earned premiums.

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

## Reference

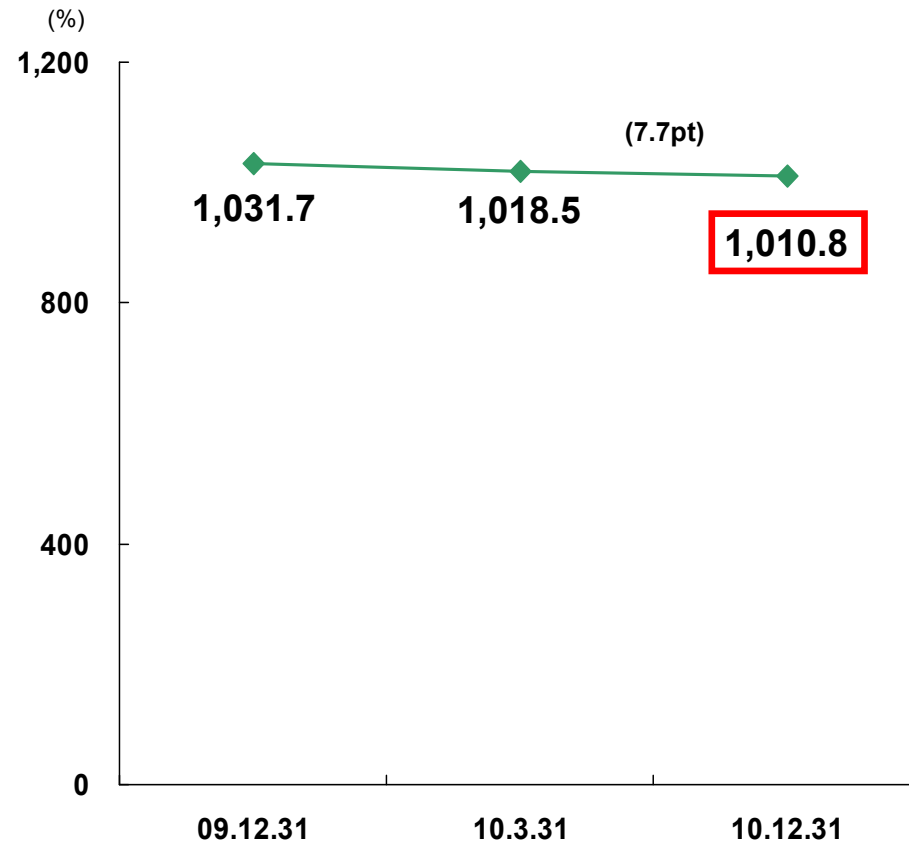
## Combined Ratio (Net Expense Ratio + Net Loss Ratio)



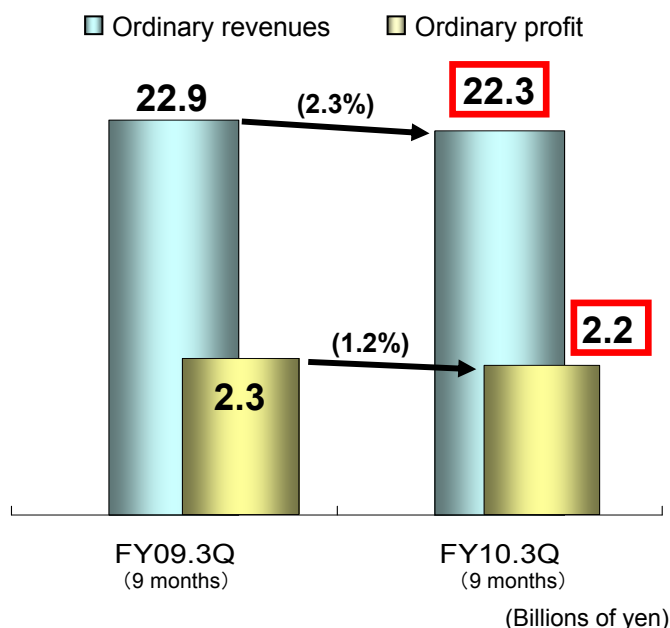
Net expense ratio is equal to the ratio of total underwriting costs to net premiums written.  
 Net loss ratio is equal to the ratio of net losses paid and loss adjustment expenses to net premiums written.

# Sony Assurance Operating Performance (3)

## Solvency Margin Ratio



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



- ◆ Ordinary revenues and ordinary profit slightly decreased year on year.
- ◆ Gross operating profit increased ¥1.1 billion year on year due to an increase in net other operating income.
  - Net interest income decreased ¥0.3 billion due to a decreased interest spread due to lower interest rates, which offset an increase in interest income on loans led by the growing balance of mortgages and other loans.
  - Net other operating income increased ¥1.6 billion reflecting improved investment performance.
- ◆ Net operating profit remained at the same level, due to an increase in general and administrative expenses of ¥0.9 billion which offset the positive impact of an increase in gross operating profit.
- ◆ Customer assets increased ¥101.5 billion from March 31, 2010, of which deposit balance increased ¥99.9 billion.

(Billions of yen)	FY09.3Q (9 months)	FY10. 3Q (9 months)	Change	
<b>Ordinary revenues</b>	22.9	<b>22.3</b>	(0.5)	(2.3%)
<b>Gross operating profit</b>	11.0	<b>12.1</b>	+1.1	+10.2%
Net interest income	99	<b>95</b>	(0.3)	(3.6%)
Net fees and commissions	0.0	<b>(0.1)</b>	(0.1)	—
Net other operating income	1.1	<b>2.7</b>	+1.6	+147.4%
<b>General and administrative expenses</b>	8.5	<b>9.4</b>	+0.9	+10.8%
<b>Ordinary profit</b>	2.3	<b>2.2</b>	(0.0)	(1.2%)
<b>Net income</b>	1.3	<b>1.2</b>	(0.1)	(8.2%)
<b>Net operating profit</b>	2.4	<b>2.4</b>	(0.0)	(0.5%)

(Billions of yen)	09.12.31	10.3.31	<b>10.12.31</b>	Change from 10.3.31	
<b>Securities</b>	783.2	880.1	<b>952.3</b>	+72.2	+8.2%
<b>Loans</b>	562.6	586.6	<b>681.0</b>	+94.3	+16.1%
<b>Deposits</b>	1,442.7	1,510.0	<b>1,609.9</b>	+99.9	+6.6%
<b>Customer assets</b>	1,543.8	1,610.0	<b>1,711.6</b>	+101.5	+6.3%
<b>Total net assets</b>	57.7	58.9	<b>58.9</b>	(0.0)	(0.1%)
Net unrealized gains (losses) on other securities (net of taxes)	0.1	0.9	<b>0.7</b>	(0.1)	(11.9%)
<b>Total assets</b>	1,562.2	1,612.1	<b>1,736.3</b>	+124.1	+7.7%

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

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



## (Reasons for changes)

(Billions of yen)	09.12.31	10.3.31	10.12.31	Change from 10.3.31	
<b>Customer assets</b>	1,543.8	1,610.0	<b>1,711.6</b>	+101.5	+6.3%
<b>Deposits</b>	1,442.7	1,510.0	<b>1,609.9</b>	+99.9	+6.6%
<b>Yen</b>	1,122.1	1,184.9	<b>1,265.1</b>	+80.1	+6.8%
<b>Foreign currency</b>	320.6	325.0	<b>344.8</b>	+19.8	+6.1%
<b>Investment trusts</b>	101.0	100.0	<b>101.6</b>	+1.6	+1.6%
<b>Loans</b>	562.6	586.6	<b>681.0</b>	+94.3	+16.1%
<b>Mortgage loans</b>	544.4	555.1	<b>621.4</b>	+66.3	+11.9%
<b>Others</b>	18.2	31.5	<b>59.6<sup>*1</sup></b>	+28.0	+89.1%
<b>Number of accounts (thousands)</b>	769	796	<b>840</b>	+44	+5.5%
<b>Capital adequacy ratio(*2) (domestic criteria)</b>	13.04%	12.09%	<b>11.25%</b>	(0.84Pt)	

◆ Customer assets increased ¥101.5 billion from March 31, 2010, Foreign currency deposit increased ¥19.8 billion under the circumstance where sharp hike in the yen might have the negative impact on the foreign exchange conversion.

◆ 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 ¥51.7 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)	FY09.3Q (9 months)	FY10.3Q (9 months)	Change	
<b>Gross operating profit</b>	11.0	<b>12.1</b>	+1.1	+10.2%
Net interest income *1 ①	10.0	<b>11.0</b>	+0.9	+9.5%
Net fees and commissions *2 ②	0.9	<b>0.5</b>	(0.3)	(36.8%)
Net other operating income *3	0.0	<b>0.5</b>	+0.4	+905.9%
<b>Gross operating profit (core profit) (A) = ①+②</b>	11.0	<b>11.6</b>	+0.6	+5.6%
<b>Operating expenses and other expenses ③</b>	8.6	<b>9.7</b>	+1.1	+13.2%
<b>Net operating profit (core profit) = (A)−③</b>	2.4	<b>1.8</b>	(0.5)	(21.6%)

### ● Managerial accounting basis

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

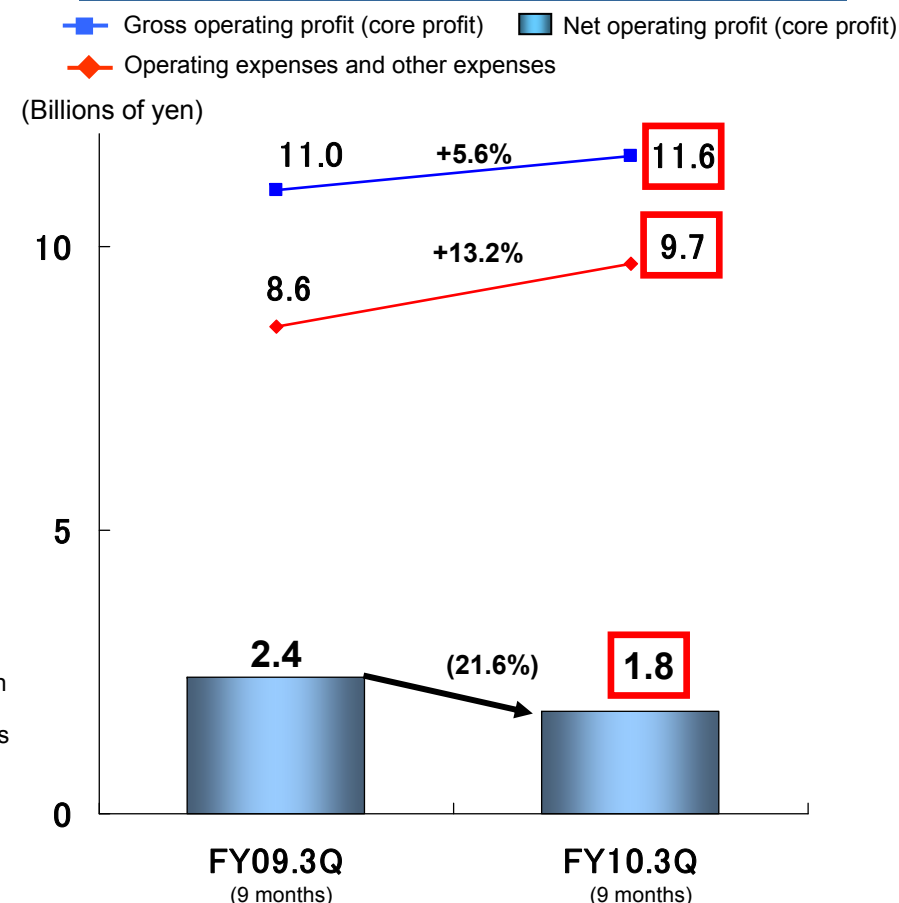
- \*1: Net interest income: Includes profits and losses associated with fund investment recorded in net other operating income, including gains or losses from currency swap transactions.
- \*2: Net fees and commissions: Includes profits and losses for customer dealings in foreign currency transactions 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) (9 months)

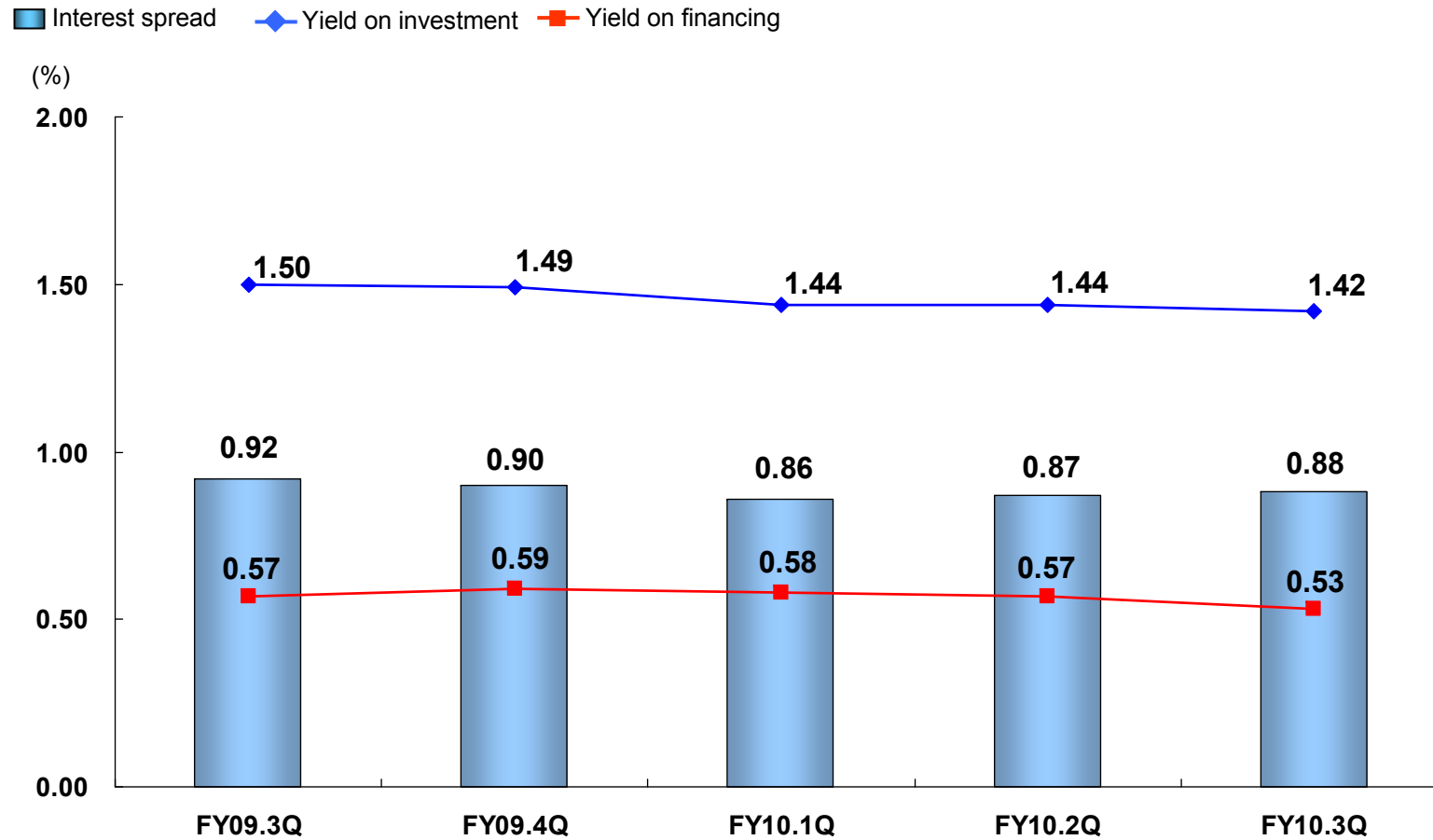


Line item amounts are truncated below ¥100 million; percentage change figures are rounded.

# Sony Bank Operating Performance (1)



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



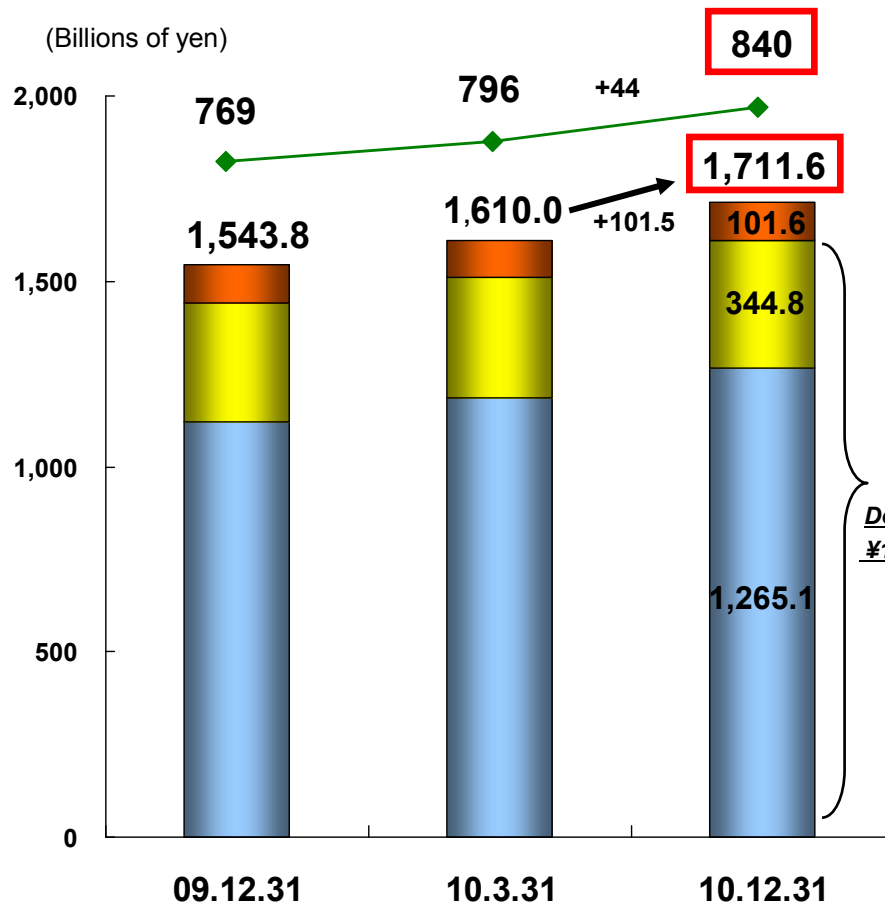
Notes: Interest spread = Yield on investment – Yield on financing  
 Yield on investment includes primarily gains or losses from currency swap transactions in net other operating income.

# Sony Bank Operating Performance (2)



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

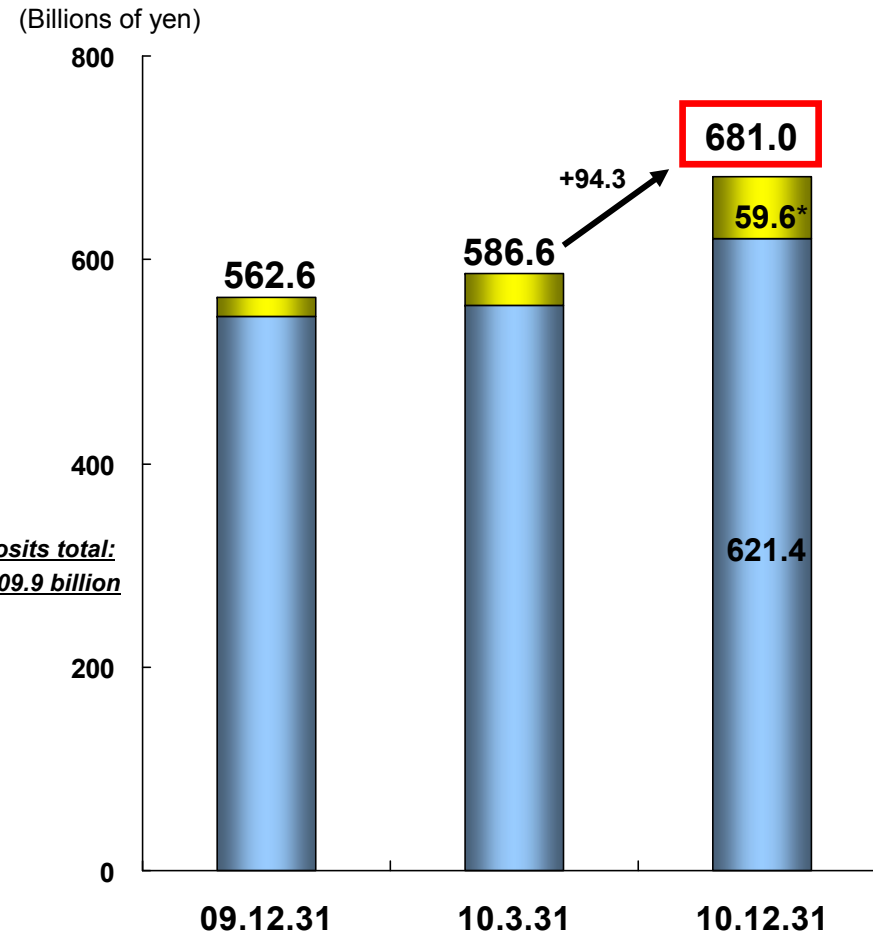
- Yen deposits ■ Foreign currency deposits ■ Investment trusts
- ◆ Number of accounts (thousands)



## Loans

- Mortgage loans ■ Others

\*Including corporate loans of ¥51.7 billion.



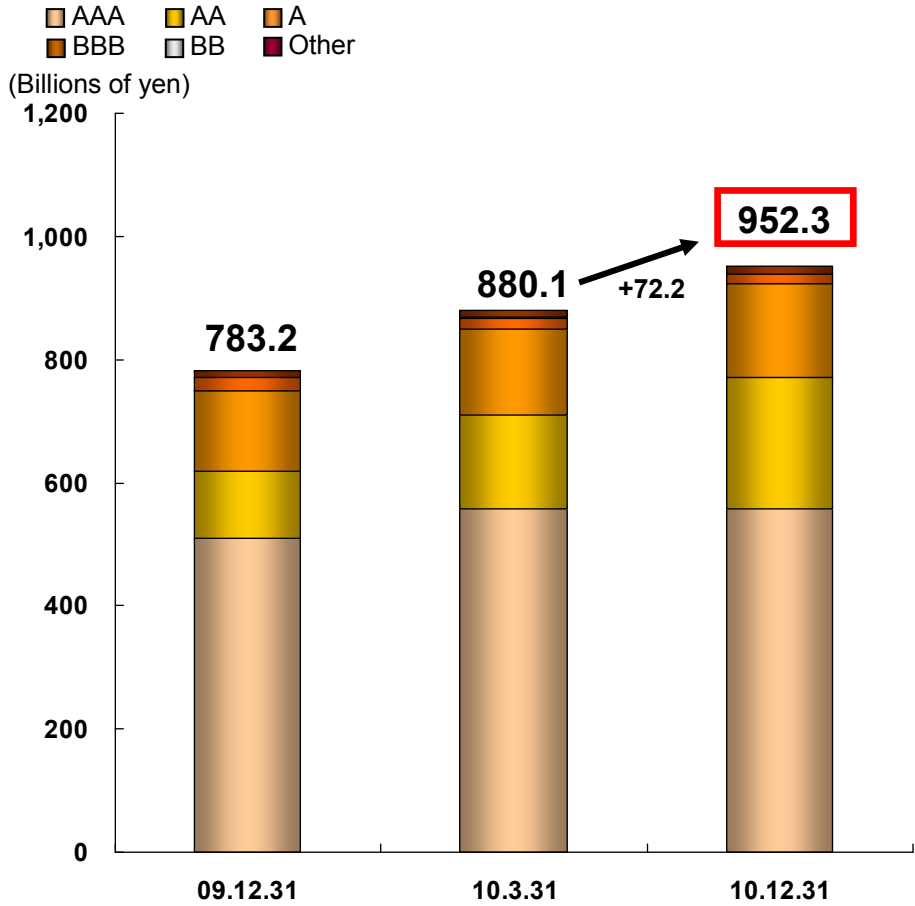
Line item amounts are truncated below ¥100 million; number of accounts are truncated below 1,000 accounts.



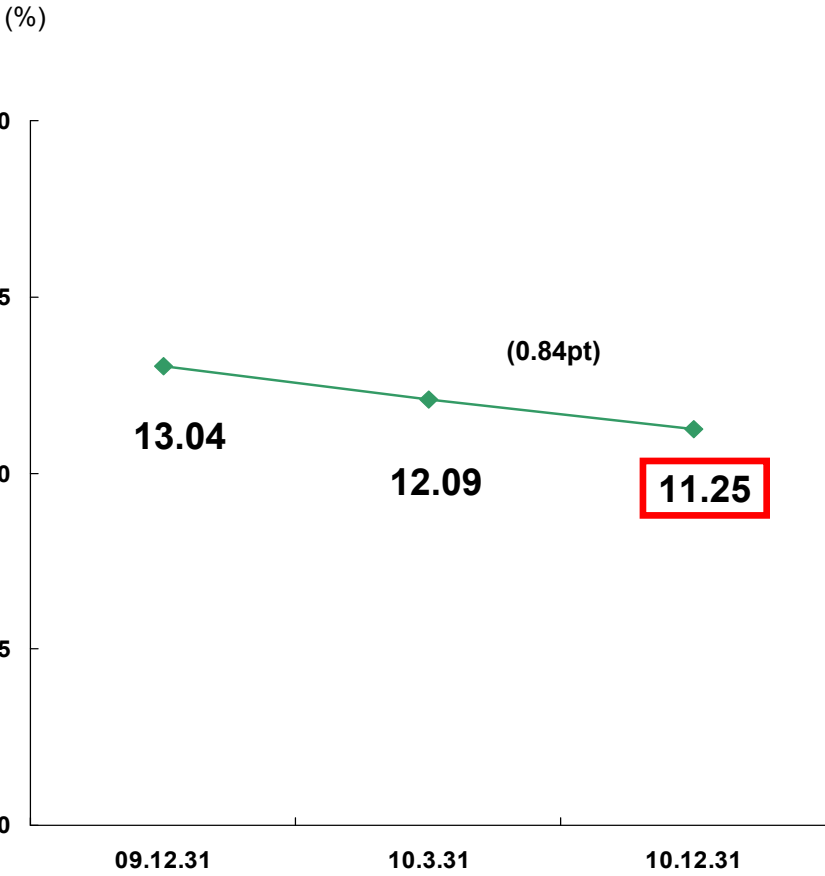
# Sony Bank Operating Performance (3)



## Balance of Securities by Credit Ratings



## 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.

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 Actual	FY10 Previous Forecast	FY10 Revised Forecast	Change FY10 revised forecast vs. FY09 actual
<b>Consolidated ordinary revenues</b>	<b>978.9</b>	<b>974.0</b>	<b>994.0</b>	<b>+ 1.5%</b>
<u>Life insurance business</u>	882.0	871.3	890.9	+ 1.0%
<u>Non-life insurance business</u>	68.1	72.7	73.8	+ 8.3%
<u>Banking business</u>	30.5	30.6	29.5	(3.3%)
<b>Consolidated ordinary profit</b>	<b>84.3</b>	<b>74.0</b>	<b>78.0</b>	<b>(7.6%)</b>
<u>Life insurance business</u>	79.7	69.6	74.1	(7.1%)
<u>Non-life insurance business</u>	2.5	2.2	2.5	(2.5%)
<u>Banking business</u>	1.9	2.8	2.2	+ 14.1%
<b>Consolidated net income</b>	<b>48.1</b>	<b>40.0</b>	<b>42.0</b>	<b>(12.7%)</b>

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

## ■ Life insurance business

During the nine months ended December 31, 2010, operating results exceed our previous forecast. Accordingly, we revise upward our forecasts for ordinary revenues and ordinary profit for the year ending March 31, 2011, although we expect increases in provision for policy reserves and operating expenses in FY10.4Q.

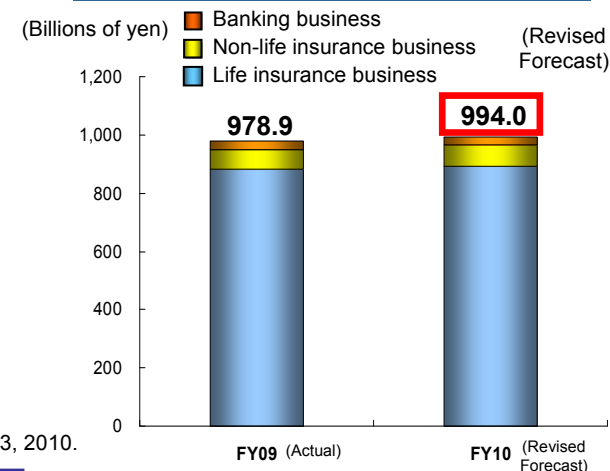
## ■ Non-life insurance business

We revise upward our forecast for ordinary revenues and ordinary profit for the year ending March 31, 2011. During the nine months ended December 31, 2010, ordinary revenues exceed our previous forecast, due to an increase in net premiums written for our mainstay automobile insurance. The effect of a rising loss ratio was mitigated by a decrease in provision of catastrophe reserve. Ordinary profit moved upward due to an increase in ordinary revenues and a decline in the net expense ratio.

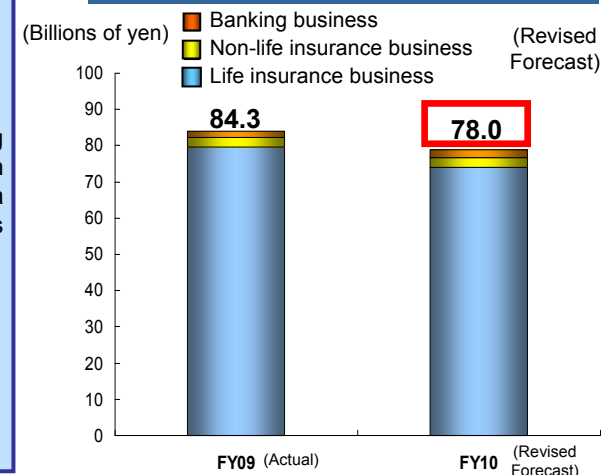
## ■ Banking Business

Ordinary revenues and ordinary profit for the year ending March 31, 2011 are expected to decrease from the previous announcement, of May 13, 2010, due mainly to a decrease in fees and commissions, reflecting the adverse financial market environment. This decrease offsets the positive impact of a growing balance of mortgage loans and deposits from customers.

## 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: Variable Individual Annuity (3 types, 5 products)

Sales Channels: Lifeplanner sales employees and affiliated Banks (6\*) As of February 14, 2011

Financial Highlights:

Number of new policies: 547, New policy amount: ¥5.4 billion (For the nine months ended December 31, 2010)

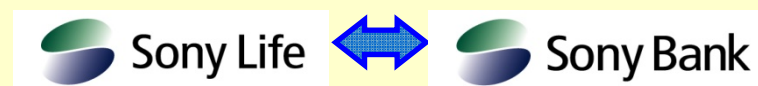
Number of policies in force: 991 policies, Policy amount in force: ¥11.6 billion (As of December 31, 2010)



## Sony Bank's Mortgage Loans through Sony Life

Sony Life accounts for 29% of the amount of new mortgage loans for FY10.3Q.

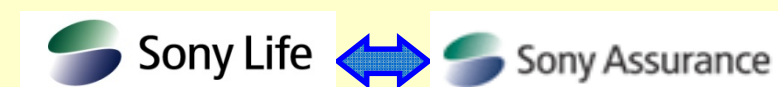
\* Sony Life started handling banking agency business in January 2008.



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

Sony Life accounts for approx. 5% of new automobile policies for FY10.3Q.

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



# Recent Topics 2

## <Highlights Since FY10.3Q>

- 2010-10-04** Sony Bank entered tie-up with Ohkuraya Juutaku in mortgage loans
- 2010-11-02** 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
- 2010-11-08** Sony Bank began providing a service to accept dividends on investment trusts
- 2010-11-29** Sony Bank added six funds (monthly dividend type) to investment trusts lineup
- 2011-01-17** AEGON Sony Life Insurance began offering new variable individual annuity product, Catch Point, at SMBC
- 2010-01-24** Sony Bank added two funds (monthly dividend type) to its lineup of investment trusts. The bank began offering the COMMONS 30 FUND, which previously was only sold directly by Commons Asset Management.
- 2010-02-01** AEGON Sony Life Insurance began offering new variable individual annuity product, Double Account, through Sony Life's Lifeplanner sales employees
- 2010-02-01** Sony Assurance introduced several revisions to its automobile insurance products, including to insurance premiums and subdivisions of driving distance criteria.
- 2011-02-07** AEGON Sony Life Insurance began offering new variable individual annuity product, Double Account, at Juroku Bank

# 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)

	09.12.31			10.3.31			10.6.30			10.9.30			10.12.31		
	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	2,007.4	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	2,868.2	2,984.7	116.5
Available-for-sale securities	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	890.9	933.0	42.0
Domestic bonds	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	824.9	859.9	35.0
(CBs)	77.5	78.4	0.9	13.6	13.2	(0.3)	—	—	—	—	—	—	—	—	—
Domestic stocks	51.6	58.1	6.5	51.7	62.1	10.4	51.9	53.2	1.2	51.8	52.9	1.1	51.7	57.4	5.6
Foreign securities	32.3	31.6	(0.7)	8.0	8.0	(0.0)	2.0	2.0	0.0	—	—	—	1.9	1.8	(0.0)
Other securities	5.1	6.3	1.2	5.1	6.7	1.5	11.9	12.1	0.2	12.1	12.3	0.1	12.3	13.8	1.4
Total	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	3,759.2	3,917.8	158.6

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

(Billions of yen)

09.12.31		10.3.31		10.6.30		10.9.30		10.12.31	
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
0.3	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)

	① Net Assets (B/S)		② Real Net Assets		③ Solvency Margin		Notes
	10.3.31	10.12.31	10.3.31	10.12.31	10.3.31	10.12.31	
Total shareholders' equity	177.3	207.4	177.3	207.4	170.3	205.2	③ After estimated distributed income deducted
Net unrealized gains on other securities, net of taxes	15.4	16.6	15.4	16.6	—	—	
Net unrealized gains (losses) on available-for-sale securities	—	—	—	—	33.0	34.5	③ Before tax x 90%
Land revaluation, net of taxes	(1.4)	(1.4)	(1.4)	(1.4)	—	—	
Reserve for price fluctuations	—	—	9.6	14.9	9.6	14.9	
Contingency reserve	—	—	48.4	51.0	48.4	51.0	
Reserve for possible loan losses	—	—	—	—	0.0	0.0	
Net unrealized gains on real estate	—	—	2.6	3.0	1.6	1.9	② Before tax (after revaluation) ③ Before tax (Before revaluation) X85%
Excess amount of policy reserves based on Zillmer method	—	—	316.5	326.2	316.5	326.2	
Unallotted portion of reserve for policyholders' dividends	—	—	2.3	3.6	2.3	3.6	
Future profits	—	—	—	—	1.0	1.0	
Deferred tax assets	—	—	—	—	47.2	68.3	
Unrealized gains (losses) on held-to-maturity bonds	—	—	(20.4)	116.5	—	—	② Before tax
Deferred tax liabilities for available-for-sale securities	—	—	12.8	13.6	—	—	
Total	191.3	222.6	563.4	751.7	630.2	706.9	

※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 ¥635.2 billion as of December 31, 2010.

Amounts are truncated below ¥100 million.

# Sony Life's Changes in Solvency Margin Ratio



(Billions of yen)

Category	09.12.31	10.3.31	10.6.30	10.9.31	10.12.31
Total solvency margin (A)	625.6	630.2	666.6	699.5	706.9
Common stocks, etc	163.3	170.3	179.9	197.9	205.2
Reserve for price fluctuations	7.9	9.6	11.2	13.0	14.9
Contingency reserve	47.8	48.4	49.2	50.1	51.0
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	43.0	33.0	48.4	46.0	34.5
Net unrealized gains on real estate multiplied by 85% if gains or 100% if losses	4.8	1.6	1.6	1.6	1.9
Excess amount of policy reserves based on Zillmer method	312.8	316.5	319.3	322.8	326.2
Unallotted portion of reserve for policyholders' dividends	1.7	2.3	2.7	3.1	3.6
Future profits	-	1.0	1.0	1.0	1.0
Deferred tax assets	44.0	47.2	52.9	63.6	68.3
Subordinated debt	-	-	-	-	-
Deductible items	-	-	-	-	-
Total risk $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$ (B)	48.6	47.7	47.4	46.7	47.5
Insurance risk R1	19.0	19.1	19.4	19.6	19.8
Third-sector insurance risk R8	7.1	7.0	7.1	7.2	7.3
Assumed interest rate risk R2	11.3	11.3	11.4	11.4	11.5
Asset management risk R3	20.2	18.9	17.9	16.6	17.1
Business management risk R4	1.3	1.2	1.2	1.2	1.2
Minimum guarantee risk R7	7.8	8.0	8.3	8.6	8.8
Solvency margin ratio $[(A)/\{(B) \times 1/2\}] \times 100$	2,570.9%	2,637.3%	2,810.0%	2,992.8%	2,971.9%

Amounts are truncated below ¥100 million.





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