Sony Financial Holdings

Presentation Material

Consolidated Financial Results for the Year Ended March 31, 2011 and Preliminary Sony Life's Market Consistent Embedded Value

Sony Financial Holdings Inc.
May 20, 2011

Content

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Content

Consolidated Operating Results for the Year Ended March 31, 2011

Management Review

✓For the year ended March 31, 2011, consolidated ordinary revenues increased but consolidated ordinary profit decreased year on year.

✓The 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 number of car accidents for automobile insurance in the first half of FY10 showed signs of slowing during the second half.

✓The banking business increased profit owing to a growing balance of loans, especially mortgages, which offset the negative impact of lower interest rates.

✓The damage from the Great East Japan Earthquake on our FY10 operating results was limited.

During the year ended March 31, 2011, we reviewed consolidated operating results as follows.

Consolidated operating revenue increased but consolidated operating profit decreased compared with the previous fiscal year.

The life insurance business continues expanding stably due to favorable sales of its mainstay death-protection type and third-sector insurance products such as living benefit and nursing-care insurance.

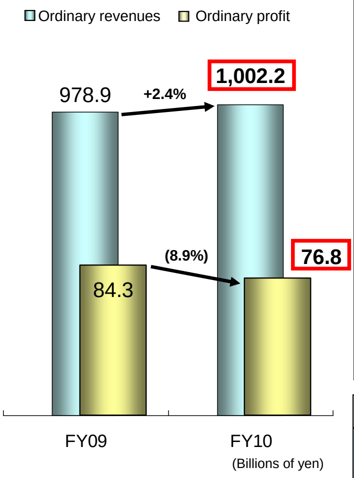
The non-life insurance business enjoyed brisk sales. An ongoing upward trend in the number of car accidents for automobile insurance in the first half of FY10 showed signs of slowing during the second half.

The banking business increased profit owing to a growing balance of loans, especially mortgages, which offset the negative impact of lower interest rates.

The damage from the Great East Japan Earthquake on our FY10 operating results was limited.

Highlights of Consolidated Operating Performance for the Year Ended March 31, 2011 (1)

Sony Financial Holdings



(Billions of yen)		FY09	FY10	Change	
Life insurance business	Ordinary revenues	882.0	**900.3**	+18.3	+2.1%
	Ordinary profit	79.7	**72.1**	(7.6)	(9.5%)
Non-life insurance business	Ordinary revenues	68.1	**74.1**	+5.9	+8.8%
	Ordinary profit	2.5	**2.1**	(0.4)	(16.4%)
Banking business	Ordinary revenues	30.5	**29.5**	(0.9)	(3.2%)
	Ordinary profit	1.9	**2.4**	+0.4	+24.9%
Corporate and elimination	Ordinary revenues	(1.7)	**(1.8)**	(0.1)	+7.7%
	Ordinary profit	0.0	**0.1**	+0.0	+37.8%
Consolidated	Ordinary revenues	978.9	**1,002.2**	+23.2	+2.4%
	Ordinary profit	84.3	**76.8**	(7.5)	(8.9%)
	Net income	48.1	**41.7**	(6.4)	(13.3%)

(Billions of yen)		10.3.31	11.3.31	Change from 10.3.31	
Consolidated	Total assets	6,001.0	**6,597.1**	+596.0	+9.9%
	Net assets	269.4	**294.8**	+25.4	+9.4%

(Note) Comprehensive income: FY09: ¥71.0 billion, FY10: ¥31,9 billion yen

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

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During the year ended March 31, 2011, consolidated ordinary revenues increased 2.4% year on year, to ¥1,002.2 billion. As for the breakdown by business segment, ordinary revenues increased for the life insurance and the non-life insurance businesses, but decreased for the banking business.

Consolidated ordinary profit decreased 8.9%, to ¥76.8 billion, reflecting decreases in ordinary profit from the life insurance and the non-life insurance businesses, whereas ordinary profit from the banking business increased year on year.

Consequently, net income decreased 13.3% year on year, to ¥41.7 billion.

Highlights of Consolidated Operating Performance for the Year Ended March 31, 2011 (2)

Sony Financial Holdings

- 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, which offset a negative impact of a decrease in investment income. Ordinary profit decreased, mainly reflecting an increase in provision for reserve for outstanding claims, affected by the Great East Japan Earthquake, and an increase in provision of policy reserve for minimum guarantee for variable life insurance, as well as an additional provision of policy reserve for some third-sector insurance products, due to a change in actuarial assumptions, which offset the positive impact of higher investment revenues in the general account assets.

- Non-life Insurance: Ordinary revenues increased year on year, due to increased net premiums written, as the number of insurance policies in force grew, primarily for our mainstay automobile insurance. Ordinary profit decreased, owing mainly to increases in net losses paid and the provision for reserve for outstanding losses due to an increased number of car accidents, which offset the positive impact of a lower expense ratio.

- Banking: Ordinary revenues decreased year on year, due mainly to a decrease in gains on foreign exchange transactions. Gross operating profit increased, led by a expanding business operations, especially mortgage loans, and improved investment performance. Ordinary profit increased, as the business offset the negative impact of higher general and administrative expenses, particularly system-related expenses.

- Consolidated ordinary revenues increased 2.4% compared with the previous fiscal year, to ¥1,002.2 billion, however, consolidated ordinary profit and net income decreased 8.9%, to ¥76.8 billion, and 13.3%, to ¥41.7 billion respectively.

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Consolidated Operating Performance for the Year Ended March 31, 2011 (Appendix)

Sony Financial Holdings

Negative impact on consolidated ordinary profit of the Great East Japan Earthquake: ¥5.5 billion

Principal Impact on Each Business

Life Insurance Business
・Insurance claims and other payments (including provision for reserve for outstanding claims) of ¥5.4 billion*, others

* The figure above is the amount which impact to the operating profit. The total insurance claims and other payments amounted to approx. ¥5.9 billion.

Non-Life Insurance Business
・Mainstay automobile insurance exempt from earthquakes and tsunamis

Banking Business
・Increased allowance for mortgage loans in stricken region

Reference: Principal Responses to Customers Affected by Disaster

Sony Life
・Paid full amount of claims on insurance for death due to disaster
・Extended period after which policyholder nonpayment results in lapse of coverage
・Simplified and expedited payment of claims, benefits and policyholder loans
・Applied special interest rate to new policyholder loans (concessionary interest rates)
・Introduced special handling for hospital treatment, others

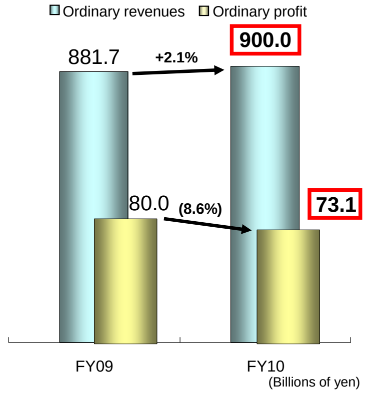
Sony Assurance
・Introduced special facilities for automobile insurance policy extension procedures and established period after which nonpayment results in lapse of coverage
・Introduced special facilities to handle cancellation procedures and issue certifications of suspension on automobile insurance
・Introduced special facilities for payment of hospitalization insurance claims and surgery insurance claims on medical and cancer insurance, others

Sony Bank
・Offered telephone consultation on extending repayment of mortgage loans
・Began handling mortgage loans with special interest rates, others
・Enabled transfers to other banks, upon telephone confirmation of identity
・Waived reissuance fee for customers who had lost cash cards

Looking at the effects of the earthquake on Group performance, consolidated operating profit was down approximately ¥5.5 billion. Of which, insurance claims and other payments including an increase in provision for reserve for outstanding claims amounted to ¥5.4 billion in the life insurance business. This figure is the amount which impact to the ordinary profit.

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

Sony Financial Holdings



- ◆Ordinary revenues increased but ordinary profit decreased 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 mainly due to the deterioration of investment performance on separate account assets, which offset the positive impact of higher interest income and dividends and gains on sale of securities among general account assets.
- ◆Ordinary profit decreased, mainly reflecting an increase in provision for reserve for outstanding claims, affected by the Great East Japan Earthquake, and an increase in provision of policy reserve for minimum guarantee for variable life insurance, as well as an additional provision of policy reserve for some third-sector insurance products, due to a change in actuarial assumptions, which offset the positive impact of higher investment revenues in the general account assets.

(Billions of yen)	FY09	FY10	Change	
Ordinary revenues	881.7	**900.0**	+18.2	+2.1%
Income from insurance premiums	700.1	**770.3**	+70.2	+10.0%
Investment income	175.3	**119.5**	(55.8)	(31.9%)
Interest income and dividends	70.6	**87.5**	+16.8	+23.9%
Income from monetary trusts, net	22.8	**6.9**	(15.9)	(69.5%)
Gains on sale of securities	15.1	**24.9**	+9.8	+65.4%
Gains on separate accounts, net	62.7	**–**	(62.7)	(100.0%)
Ordinary expenses	801.6	**826.9**	+25.2	+3.1%
Insurance claims and other payments	274.2	**297.9**	+23.6	+8.6%
Provision for policy reserve and others	395.5	**392.7**	(2.8)	(0.7%)
Investment expenses	20.5	**19.3**	(1.2)	(6.2%)
Losses on sale of securities	10.0	**1.8**	(8.2)	(81.5%)
Losses on separate accounts, net	–	**7.4**	+7.4	–
Operating expenses	96.8	**99.3**	+2.5	+2.6%
Ordinary profit	80.0	**73.1**	(6.9)	(8.6%)
Net income	46.1	**40.2**	(5.9)	(12.8%)

(Billions of yen)	10.3.31	11.3.31	Change from 10.3.31	
Securities	3,539.1	**4,017.5**	+478.4	+13.5%
Policy reserves	3,985.6	**4,371.4**	+385.8	+9.7%
Total net assets	191.3	**215.3**	+24.0	+12.6%
Net unrealized gains on other securities	15.4	**7.0**	(8.4)	(54.6%)
Total assets	4,286.5	**4,723.3**	+436.7	+10.2%
Separate account assets	373.6	**398.1**	+24.5	+6.6%

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

Highlights of Sony Life's operating performance (non-consolidated basis) are shown here.

Sony Life's ordinary revenues increased 2.1% year on year, to ¥900.0 billion. Income from insurance premiums increased owing to steady increases in the new policy amount and the policy amount in force.

Income from insurance premiums grew 10.0% from the same period of the previous fiscal year, to ¥770.3 billion.

Investment income decreased 31.9% year on year, to ¥119.5 billion, mainly due to the deterioration of investment performance on separate account assets, which offset the positive impact of higher interest income and dividends and gains on sale of securities among general account assets.

Investment expenses decreased 6.2% year on year to ¥19.3 billion due to a decrease in loss on sale of securities in the general accounts, though recording a loss on separate accounts, net.

Ordinary profit decreased 8.6% year on year to ¥73.1 billion, Ordinary profit decreased, mainly reflecting an increase in provision for reserve for outstanding claims, affected by the Great East Japan Earthquake, and an increase in provision of policy reserve for minimum guarantee for variable life insurance, as well as an additional provision of policy reserve for some third-sector insurance products, due to a change in actuarial assumptions, which offset the positive impact of higher investment revenues in the general account assets.

Consequently, net income decreased 12.8% year on year, to ¥40.2 billion.

Overview of Performance: Sony Life (Non-consolidated)

Sony Financial Holdings

(Billions of yen)	FY09	FY10	Change
New policy amount	4,049.2	**4,199.0**	+3.7%
Lapse and surrender amount	2,342.4	**2,143.6**	(8.5%)
Lapse and surrender rate	7.21%	**6.41%**	(0.80pt)
Policy amount in force	33,470.7	**34,748.5**	+3.8%
Annualized premiums from new policies	68.7	**71.2**	+3.6%
Of which, third-sector products	16.2	**16.6**	+2.6%
Annualized premiums from insurance in force	573.3	**604.7**	+5.5%
Of which, third-sector products	133.0	**140.7**	+5.8%

(Billions of yen)	FY09	FY10	Change
Gains from investment, net (General account)	92.0	**107.6**	+17.0%
Core profit	64.5	**56.2**	(12.7%)
Negative spread	11.5	**6.3**	(45.2%)

	10.3.31	11.3.31	Change from 10.3.31
Solvency Margin Ratio	2,637.3%	2,900.1%	＋262.8pt

(Reasons for changes)

- Increased, due mainly to favorable sales of living benefit insurance, nursing-care insurance and term life insurance.
- Decreased due to the lowering lapse and surrender rates in most products, mainly in family income insurance, which is life insurance with disability benefit.
- 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, mainly reflecting an increase in provision for reserve for outstanding claims, affected by the Great East Japan Earthquake, and an increase in provision of policy reserve for minimum guarantee for variable life insurance, 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.

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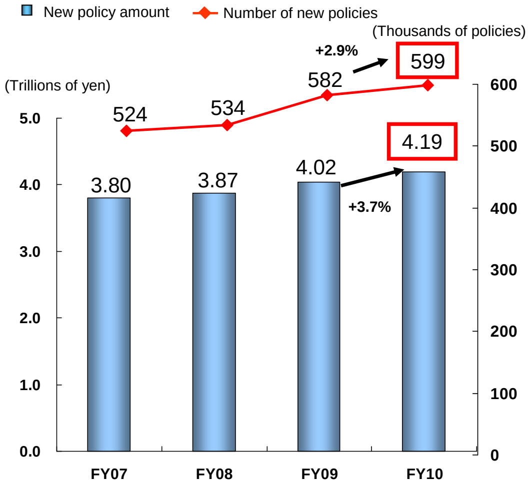
Here is an overview Sony Life's performance.

Sony Life Operating Performance (1)

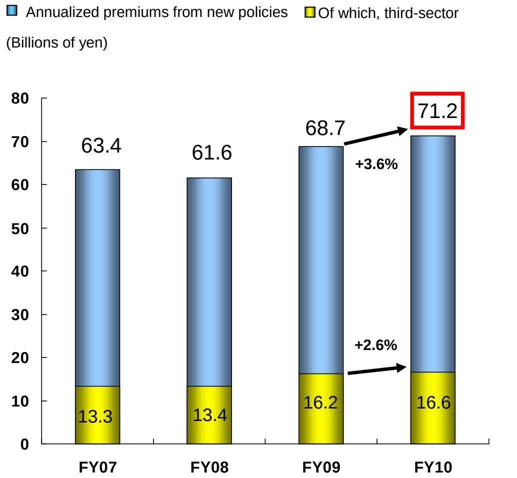
Sony Financial Holdings

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



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

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



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

(Left-hand graph)

New policy amount for the total of individual life insurance and individual annuities increased 3.7% year on year, to ¥4.19 trillion, owing mainly to favorable sales of living benefit insurance, nursing-care insurance and term life insurance. The number of new policies increased 2.9% year on year, to 599 thousand policies.

(Right-hand graph)

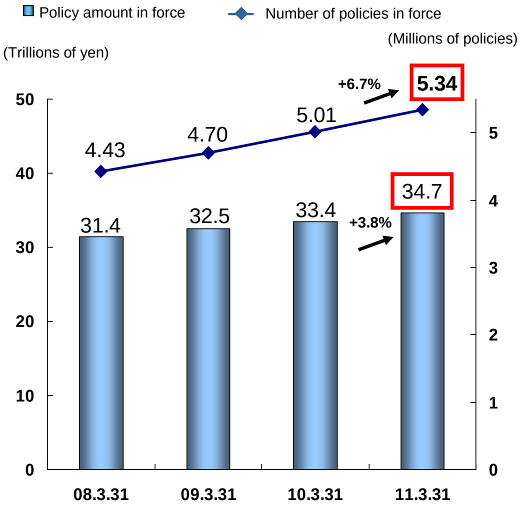
Annualized premiums from new policies increased 3.6%, to ¥71.2 billion, owing mainly to favorable sales of living benefit insurance, nursing-care insurance and term life insurance.

Of this amount, the figure for third-sector products was ¥16.6 billion, up 2.6% year on year.

Sony Life Operating Performance (2)

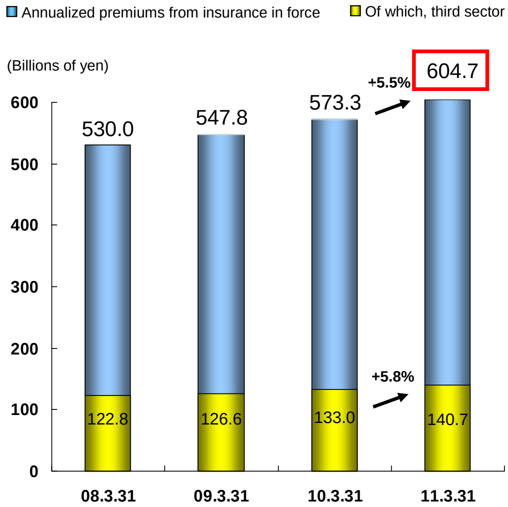
Sony Financial Holdings

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



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

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



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

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(Left-hand graph)

Policy amount in force for the total of individual life insurance and individual annuities grew steadily, to ¥34.7 trillion as of March 31, 2011, up 3.8% from March 31, 2010. The number of policies in force increased 6.7% from March 31, 2010, to 5.34 million policies.

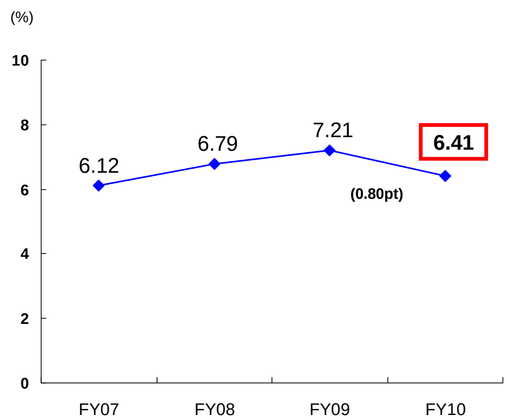
(Right-hand graph)

Annualized premiums from total policies as of March 31, 2011, were up 5.5% from March 31, 2010, totaling ¥604.7 billion. Of this amount, the figure for third-sector products was up 5.8% from March 31, 2010, to ¥140.7 billion.

Sony Life Operating Performance (3)

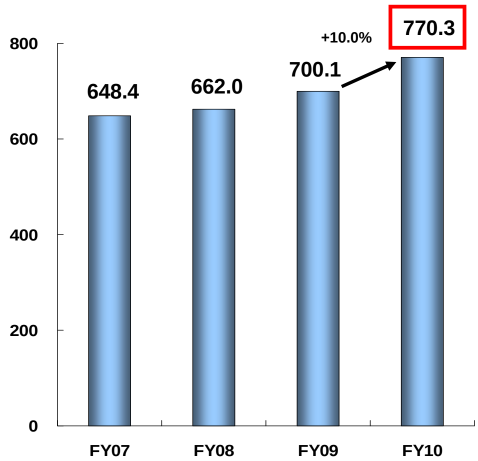
Sony Financial Holdings

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



*The lapse and surrender rate shows the ratio derived by dividing the amount of lapses and surrenders, not adjusted for policy amount decreases, increases, and reinstatements, by the policy amount in force at the beginning of the fiscal year.

Income from Insurance Premiums



(Left-hand graph)

The lapse and surrender rate for the year ended March 31, 2011 decreased 0.8 percentage point year on year, to 6.41%, due to the lowering lapse and surrender rates in most products, mainly in family income insurance, which is life insurance with disability benefit.

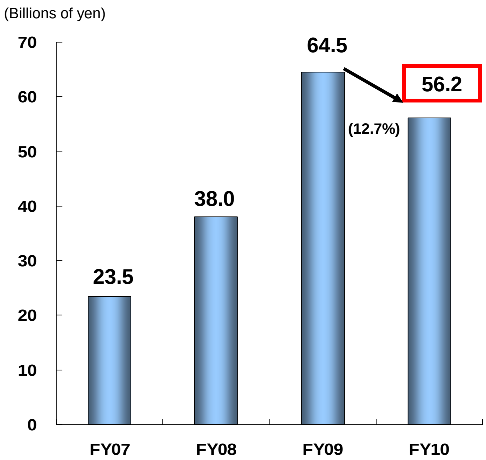
(Right-hand graph)

Income from insurance premiums for the year ended March 31, 2011, increased due to the aforementioned reasons.

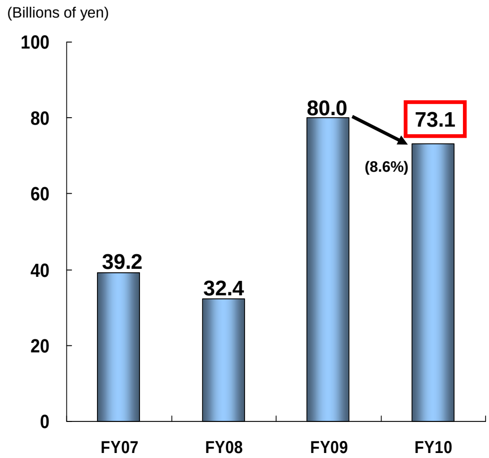
Sony Life Operating Performance (4)

Sony Financial Holdings

Core Profit



Ordinary Profit



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

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(Left-hand graph)

Core profit decreased 12.7% to ¥56.2 billion year on year, mainly reflecting an increase in provision for reserve for outstanding claims, affected by the Great East Japan Earthquake, and an increase in provision of policy reserve for minimum guarantee for variable life insurance, despite increases in income from insurance premiums and interest income and dividends.

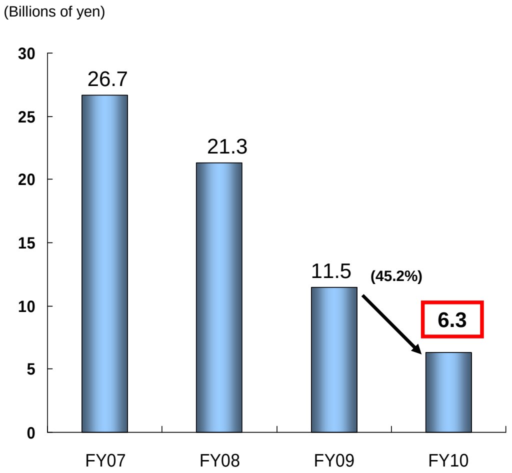
(Right-hand graph)

Ordinary income for the year ended March 31, 2011, decreased due to the aforementioned reasons.

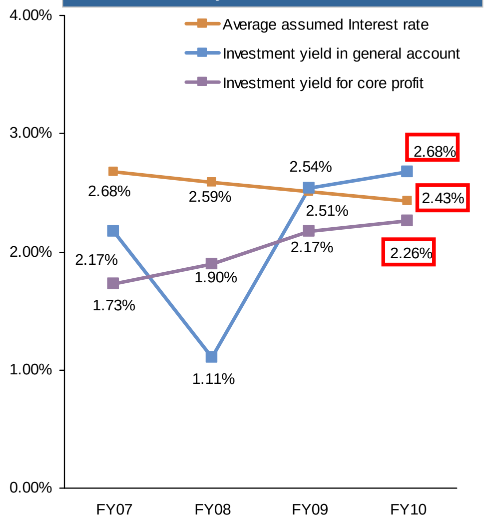
Sony Life Operating Performance (5)

Sony Financial Holdings

Negative Spread



Average Assumed Interest Rate, Investment Yield for Core Profit and Investment yield in General Account



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

(Left-hand graph)

In line with the increase in interest income and dividends, the negative spread declined 45.2% year on year, to ¥6.3 billion.

(Right-hand graph)

The average assumed interest rate was 2.43%

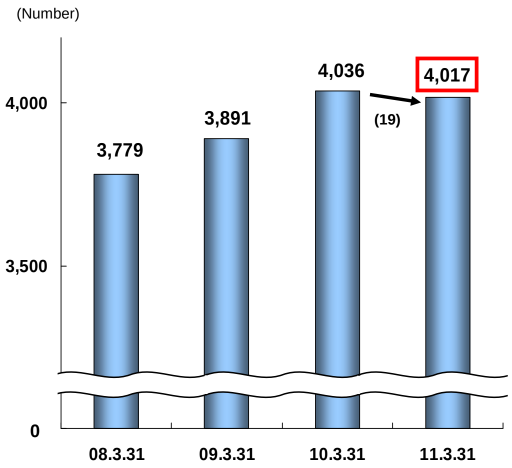
Investment yield in the general account was 2.68%, and

Investment yield for core profit was 2.26%.

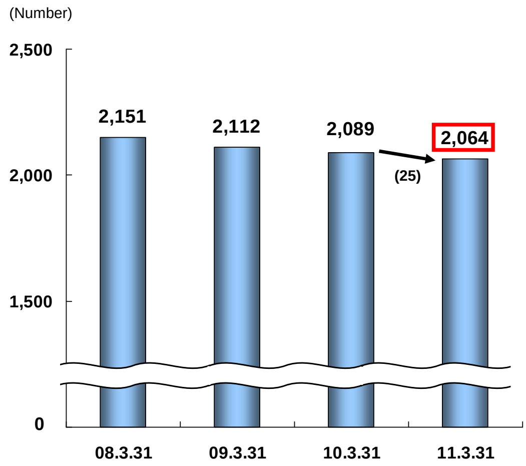
Sony Life Operating Performance (6)

Sony Financial Holdings

Number of Lifeplanner Sales Employees



Number of Independent Agents



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

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(Left-hand graph)

The number of Lifeplanner sales employees as of March 31, 2011, was 4,017, down 19 from March 31, 2010. This decrease was the result of a lower number of new recruits due to the revised recruitment standards, and a higher number of resignations.

(Right-hand graph)

The number of independent agents decreased 25 from March 31, 2010, to 2,064.

Sony Life Operating Performance (7)

Sony Financial Holdings

Breakdown of General Account Assets

(Billions of yen)	10.3.31		11.3.31	
	Amount	%	Amount	%
Japanese government and corporate bonds	3,032.9	77.5%	**3,499.9**	**80.9%**
Japanese stocks	72.5	1.9%	**64.0**	**1.5%**
Foreign securities	49.9	1.3%	**44.2**	**1.0%**
Foreign stocks	25.3	0.6%	**30.0**	**0.7%**
Monetary trusts	288.7	7.4%	**276.4**	**6.4%**
Policyholder loans	127.5	3.3%	**134.4**	**3.1%**
Real estate	79.9	2.0%	**75.1**	**1.7%**
Cash and call loans	116.4	3.0%	**80.0**	**1.9%**
Other	119.4	3.0%	**120.9**	**2.8%**
Total	3,912.9	100.0%	**4,325.2**	**100.0%**

<Asset management review>

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

<Lengthened asset duration>

09. 3.31 13.6 years
10. 3.31 17.6 years
11. 3.31 18.5 years

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

■CB and Japanese stock holding
As of March 31, 2010:
The balance of CBs was ¥13.2 billon included in Japanese government and corporate bonds. The balance of Japanese stocks included in the monetary trusts was zero.
As of March 31, 2011:
The balance of CBs were zero in all categories and Japanese stocks included in the monetary trusts was zero.

■Investment in the monetary trusts are mainly into Japanese government and corporate bonds

■The holding ratio on the real status, of Japanese government and corporate bonds including those invested in monetary trusts in the general account assets:
As of March 31, 2011: 87.3%, As of March 31, 2010: 84.6%

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Here is a breakdown of Sony Life's general account assets as of March 31, 2011, compared with March 31, 2010.

As Sony Life increased its investment in ultralong-term bonds, mainly Japanese government and corporate bonds, their ratio rose to 87.3% as of March 31, 2011.

As a result of these efforts, Sony Life's asset duration become 18.5 years as of March 31, 2011.

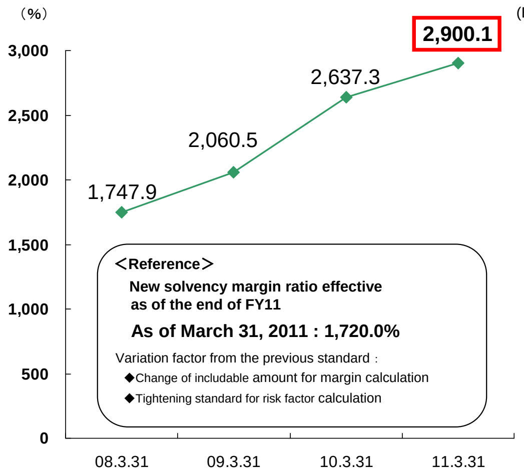
By the end of the first half of FY10, Sony Life had shifted its investments in bonds with short terms to maturity to those with ultralong terms with the aim of reducing interest rate risk. As a result, Sony Life has succeeded in limiting its exposure to interest rate fluctuations, and the process of shifting its bond holdings is largely complete.

Going forward, Sony Life plans to mitigate interest rate risk by investing most new money acquired in ultralong-term bonds.

Sony Life Operating Performance (8)

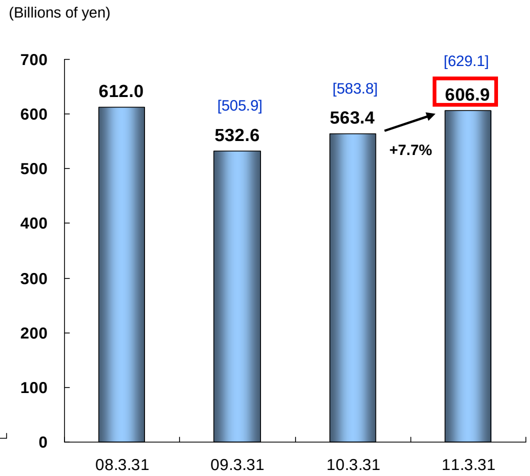
Sony Financial Holdings

Solvency Margin Ratio



Note:
Legislation concerning the calculation of the solvency margin ratio has been revised from the standpoint of raising its credibility, and these new standards are to become effective as of the end of fiscal 2011 (March 31, 2012). The above-stated figures are calculated on the assumption that these changes are applied at the end of FY10.
* New solvency margin ratio for Sony Life is on P 40.

Adjusted Net Assets



※Amount in [ ] excludes unrealized gains (losses) on held-to-maturity securities and on policy reserve matching bonds.

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

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(Lest-hand graph)

As of March 31, 2011 , Sony Life's solvency margin ratio was 2,900.1%, up 262.8 percentage points from March 31, 2010.

The new solvency margin ratio is indicated for reference, amounting to 1,720.0% as of March 31, 2011. The reasons for the decrease from the current standard are a change of includable amount for margin calculation and the tightening standard for risk factor calculation.

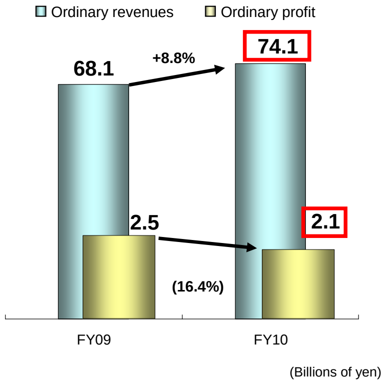
(Right-hand graph)

Adjusted net assets increased 7.7% from March 31, 2010.

Sony Life will continue to work on maintaining its financial soundness.

Highlights of Operating Performance: Sony Assurance

Sony Financial Holdings



◆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, owing mainly to increases in net losses paid and the provision for reserve for outstanding losses due to an increased number of car accidents, which offset the positive impact of a lower expense ratio.

(Billions of yen)	FY09	FY10	Change	
Ordinary revenues	68.1	74.1	+5.9	+8.8%
Underwriting income	67.4	73.3	+5.9	+8.8%
Investment income	0.6	0.7	+0.0	+12.5%
Ordinary expenses	65.6	72.0	+6.4	+9.8%
Underwriting expenses	49.1	54.4	+5.3	+10.8%
Investment expenses	0.0	0.0	(0.0)	(81.1%)
Operating, general and administrative expenses	16.3	17.4	+1.1	+6.7%
Ordinary profit	2.5	2.1	(0.4)	(16.4%)
Net income	1.6	1.2	(0.3)	(19.2%)

(Billions of yen)	10.3.31	11.3.31	Change from 10.3.31	
Underwriting reserves	58.1	64.0	+5.9	+10.2%
Total net assets	15.4	16.7	+1.2	+8.3%
Total assets	98.3	109.3	+11.0	+11.2%

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

Sony Assurance posted a 8.8% increase in ordinary revenues year on year, to ¥74.1 billion, due to increased net premiums written, as the number of insurance policies in force grew in its mainstay automobile insurance.

Ordinary profit decreased 16.4% year on year, to ¥2.1 billion, owing mainly to increases in net losses paid and the provision for reserve for outstanding losses due to an increased number of car accidents, which offset the positive impact of a lower expense ratio.

Net income decreased 19.2% year on year, to ¥1.2 billion.

Overview of Performance: Sony Assurance

Sony Financial Holdings

(Billions of yen)	FY09	FY10	Change
Direct premiums written	67.0	**72.8**	+8.6%
Net premiums written	67.4	**73.3**	+8.8%
Net losses paid	34.5	**39.2**	+13.5%
Underwriting profit	1.9	**1.4**	(25.8%)
Net loss ratio	57.2%	**60.0%**	+2.8pt
Net expense ratio	26.1%	**25.5%**	(0.6pt)
Combined ratio	83.3%	**85.6%**	+2.3pt

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

(Reasons for changes)

- Increased, owing to an increase in the number of policies in force for automobile insurance.
- Increased, owing to an increase in the number of policies in force and a rising number of loss ratio for automobile insurance.
- 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.

	10.3.31	11.3.31	Change from 10.3.31	
Number of policies in force	1.27 million	**1.38 million**	+0.10 million	+8.4%
Solvency margin ratio	1,018.5%	**981.4%**	(37.1pt)	

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.

Here is an overview of Sony Assurance’s performance.

Sony Assurance's Underwriting Performance by Type of Policy

Sony Financial Holdings

Direct Premiums Written

(Millions of yen)	FY09	FY10	Change
Fire	278	**185**	(33.6%)
Marine	–	–	–
Personal accident*	6,941	**7,135**	+2.8%
Voluntary automobile	59,849	**65,516**	+9.5%
Compulsory automobile liability	–	–	–
Total	67,069	**72,837**	+8.6%

Net Premiums Written

(Millions of yen)	FY09	FY10	Change
Fire	12	**8**	(34.6%)
Marine	2	**5**	+148.2%
Personal accident*	7,168	**7,369**	+2.8%
Voluntary automobile	59,604	**65,245**	+9.5%
Compulsory automobile liability	651	**714**	+9.7%
Total	67,440	**73,343**	+8.8%

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

Net losses paid

(Millions of yen)	FY09	FY10	Change
Fire	0	**0**	+292.5%
Marine	2	**11**	+271.1%
Personal accident*	1,479	**1,620**	+9.5%
Voluntary automobile	32,555	**36,941**	+13.5%
Compulsory automobile liability	535	**683**	+27.7%
Total	34,573	**39,256**	+13.5%

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

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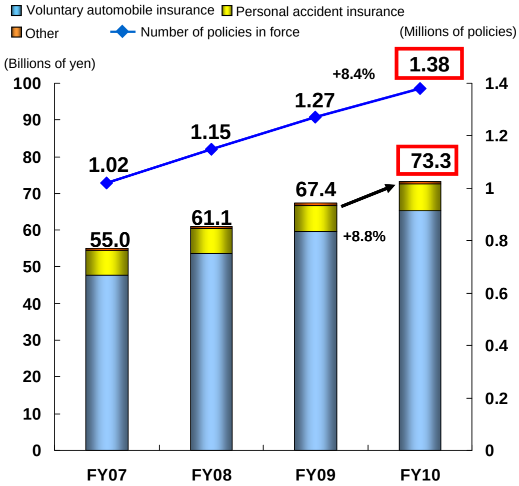
This slide shows direct premiums written, net premiums written and net losses paid by type.

Sony Assurance Operating Performance (1)

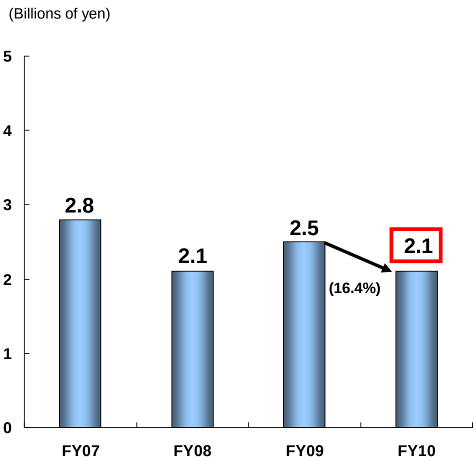
Sony Financial Holdings

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.

(Left-hand graph)

Number of policies in force for the total of automobile insurance and medical and cancer insurance increased steadily, rising 8.4% year on year, to 1.38 million policies.

Net premiums written posted a 8.8% year-on-year increase, to ¥73.3 billion.

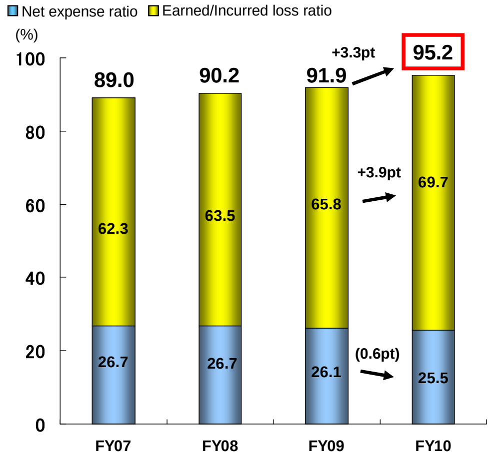
(Right-hand graph)

Ordinary profit decreased year on year, as described in the previous pages.

Sony Assurance Operating Performance (2)

Sony Financial Holdings

Net Expense Ratio + Earned/Incurred Loss Ratio

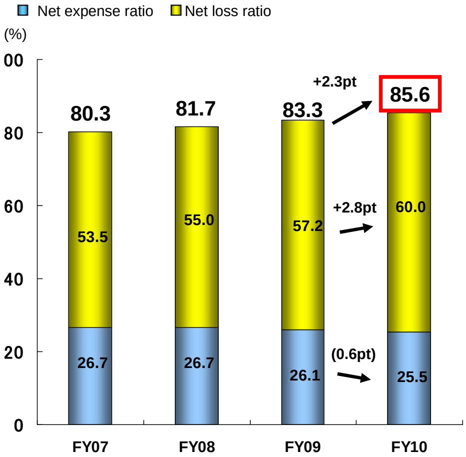


Earned/Incurred loss ratio is equal to the ratio of the sum of net losses paid, loss adjustment expenses and accumulation in provision for reserve for outstanding losses to earned premiums.

*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.

21

(Left-hand graph)

To help you understand the actual condition of Sony Assurance, which is in a growth phase, we show the earned/incurred loss ratio, which is the accrual-basis loss ratio.

For the year ended March 31, 2011, the E.I. loss ratio increased 3.9 percentage points year on year, to 69.7%, due to increases in the net losses paid and the provision for reserve for outstanding losses resulting mainly from a rising number of car accidents.

The net expense ratio dropped 0.6 percentage point, to 25.5%, due to an increase in net premiums, although the underwriting costs increased.

(Right-hand graph)

The net loss ratio rose 2.8 percentage points compared with the same period of the previous fiscal year, to 60.0%, due to a rising number of car accidents.

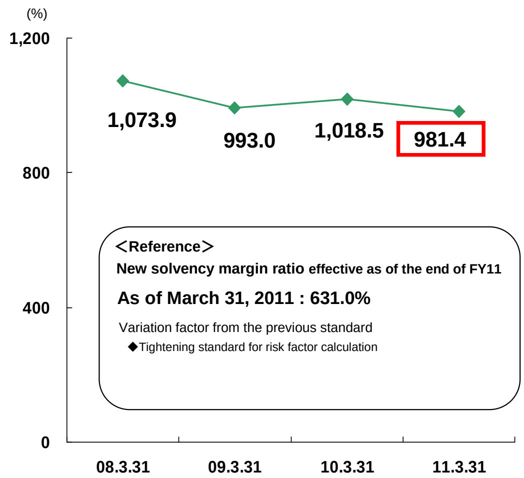
This is different from the E.I. loss ratio, which reflects an increase or a decrease in provision for reserve for outstanding losses.

As a result, the combined ratio (the sum of the net loss ratio and the net expense ratio) rose 2.3 percentage points year on year, to 85.6%.

Sony Assurance Operating Performance (3)

Sony Financial Holdings

Solvency Margin Ratio



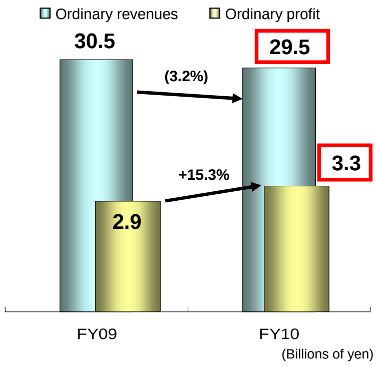
Note:
Legislation concerning the calculation of the solvency margin ratio has been revised from the standpoint of raising its credibility, and these new standards are to become effective as of the end of fiscal 2011 (March 31, 2012). The above-stated figures are calculated on the assumption that these changes are applied at the end of FY10.

As of March 31, 2011, Sony Assurance's solvency margin ratio was 981.4%, down 37.1 percentage points from March 31, 2010. Sony Assurance has maintained financial soundness.

The new solvency margin ratio is indicated for reference, amounting to 631.0% as of March 31, 2011. The reason for the decrease from the current standard is the tightening standard for risk factor calculation.

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

Sony Financial Holdings



- ◆Ordinary revenues decreased but ordinary profit increased year on year.
- ◆Gross operating profit increased ¥1.5 billion due to increases in net interest income and net other operating income.
  - Net interest income increased ¥0.2 billion owing to a growing balance of investment assets, especially mortgage loans, in its business expansion.
  - Net other operating income increased ¥1.2 billion reflecting improved investment performance.
- ◆Net operating profit increased, owing mainly to an increase in gross operating profit, which offset higher general and administrative expenses.
- ◆Customer assets increased ¥145.5 billion from March 31, 2010, of which deposit balance increased ¥139.0 billion.

(Billions of yen)	FY09	FY10	Change	
Ordinary revenues	30.5	**29.5**	(0.9)	(3.2%)
Gross operating profit	14.9	**16.4**	+1.5	+10.1%
Net interest income	13.0	**13.2**	+0.2	+1.8%
Net fees and commissions	(0.1)	**(0.1)**	+0.0	–
Net other operating income	2.1	**3.3**	+1.2	+58.7%
General and administrative expenses	11.6	**12.6**	+0.9	+7.9%
Ordinary profit	2.9	**3.3**	+0.4	+15.3%
Net income	1.6	**2.0**	+0.4	+24.8%
Net operating profit	3.2	**3.6**	+0.4	+13.4%

(Billions of yen)	10.3.31	11.3.31	Change from 10.3.31	
Securities	880.1	**940.1**	+59.9	+6.8%
Loans	586.6	**722.4**	+135.7	+23.1%
Deposits	1,510.0	**1,649.1**	+139.0	+9.2%
Customer assets	1,610.0	**1,755.5**	+145.5	+9.0%
Total net assets	58.9	**59.9**	+0.9	+1.7%
Net unrealized gains (losses) on other securities (net of taxes)	0.9	**0.4**	(0.4)	(52.7%)
Total assets	1,612.1	**1,761.8**	+149.6	+9.3%

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

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Highlights of Sony Bank's operating performance (non-consolidated basis) are shown here.

Sony Bank's ordinary revenues decreased 3.2% year on year, to ¥29.5 billion, owing primarily to a decrease in gains on foreign exchange transactions.

Gross operating profit increased 10.1% from a year earlier, to ¥16.4 billion, due mainly to an increase in net other operating income reflecting improved investment performance.

General and administrative expenses expanded 7.9% year on year, to ¥12.6 billion, due mainly to an increase in system-related expenses.

As a result, ordinary profit increased ¥15.3%, to ¥3.3 billion.

Net income amounted to ¥2.0 billion, up 24.8% from the same period of the previous fiscal year, due to increased ordinary profit .

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

Sony Financial Holdings

(Reasons for changes)

	FY09	FY10	Change	
Customer assets	1,610.0	1,755.5	+145.5	+9.0%
Deposits	1,510.0	1,649.1	+139.0	+9.2%
Yen	1,184.9	1,289.8	+104.8	+8.9%
Foreign currency	325.0	359.2	+34.1	+10.5%
Investment trusts	100.0	106.4	+6.4	+6.5%
Loans outstanding	586.6	722.4	+135.7	+23.1%
Mortgage loans	555.1	656.0	+100.9	+18.2%
Others	31.5	66.4(*1)	+34.8	+110.5%
Number of accounts (thousands)	796	859	+62	+7.8%
Capital adequacy ratio(*2) (domestic criteria)	12.09%	10.84%	(1.25pt)	

- Foreign currency deposit increased reflecting growing demand for saving foreign currency under the market fluctuation even though the 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 ¥58.4 billion.

*2 Please refer to the graph of the non-consolidated capital adequacy ratio (domestic criteria) on P28.

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

Here is an overview of Sony Bank's performance.

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

Sony Financial Holdings

<Reference> On Managerial Accounting Basis

(Billions of yen)	FY09	FY10	Change	
Gross operating profit	14.9	**16.4**	+1.5	+10.1%
Net interest income *1 ①	13.7	**15.1**	+1.3	+10.2%
Net fees and commissions *2 ②	0.9	**0.8**	(0.1)	(14.2%)
Net other operating income *3	0.2	**0.4**	+0.1	+69.4%
Gross operating profit (core profit) (A) = ①+②	14.6	**15.9**	+1.2	+8.6%
Operating expenses and other expenses ③	11.7	**12.8**	+1.0	+9.2%
Net operating profit (core profit) = (A)－③	2.9	**3.0**	+0.1	+6.3%

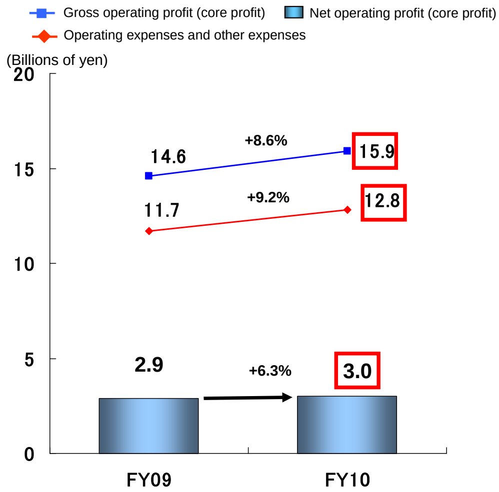
●**Managerial accounting basis**
The following adjustments are made to the figures on a financial accounting basis to account for profits and losses more appropriately.

*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.

We break down gross operating profit on a managerial accounting basis to facilitate an understanding of operational sources of revenue and profits.

(Left-hand table)

Net interest income on a managerial accounting basis increased ¥1.3 billion year on year, to ¥15.1 billion, due to higher interest on loan from a growing balance of mortgage loans and improved investment performance on foreign currency deposits.

Net fees and commissions amounted to ¥0.8 billion, down ¥0.1 billion, owing primarily to a decrease in profits on customer dealings in foreign currency transactions stemming from adverse foreign exchange market conditions.

Net other operating income rose ¥0.1 billion, to ¥ 0.4 billion. This was mainly because investment performance on bond dealing transactions improved year on year.

Consequently, gross operating profit on a core profit basis increased ¥1.2 billion year on year, to ¥15.9 billion.

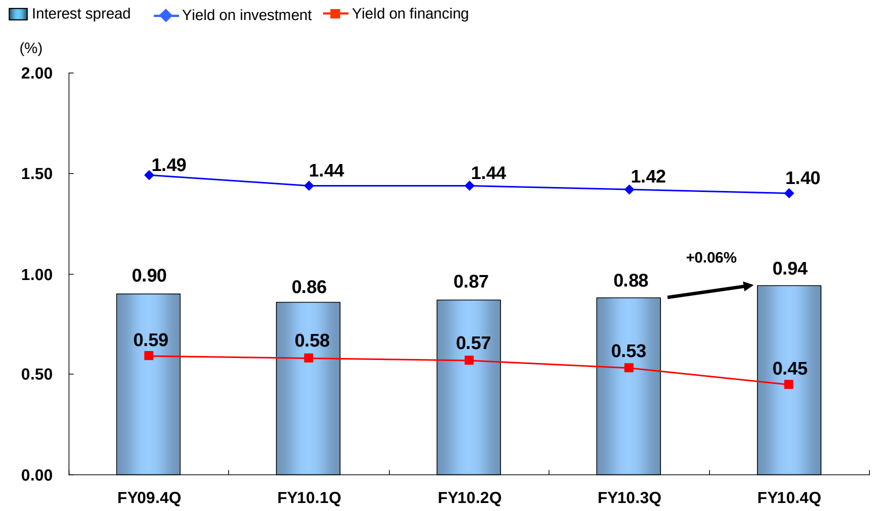
(Right-hand graph)

Net operating profit on a core profit basis increased ¥0.1 billion year on year, to ¥3.0 billion.

Sony Bank Operating Performance (1)

Sony Financial Holdings

<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.

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This chart shows the interest spread on a managerial accounting basis.

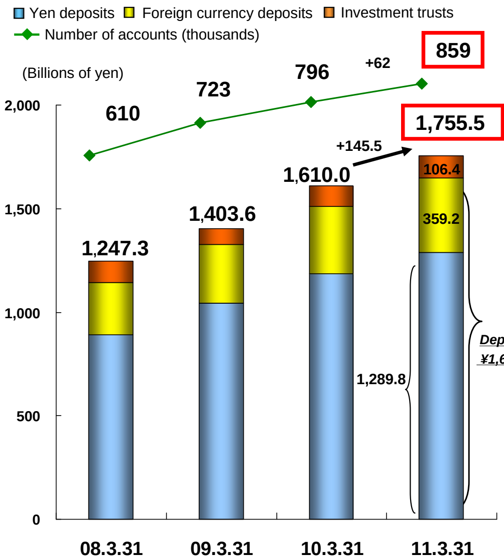
The yield on investment slightly decreased for FY10. 4Q, at 1.40%, due to the lowering of interest rates around the world. The yield on financing dropped to 0.45% .

Interest spread has been increasing since the beginning of this fiscal year, and reached 0.94% for this 4th quarter, up 0.06 percentage points from the 3rd quarter.

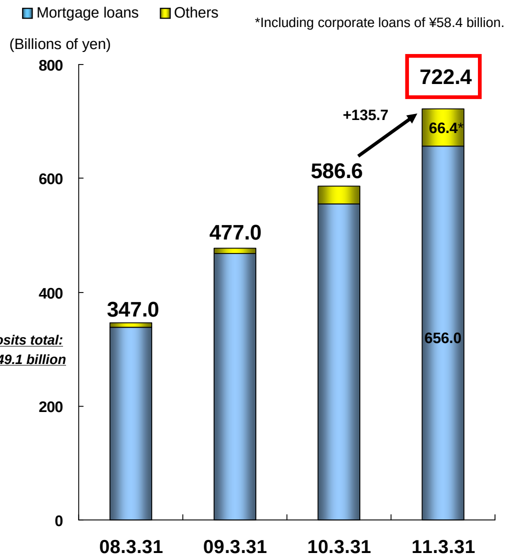
Sony Bank Operating Performance (2)

Sony Financial Holdings

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



Loans



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

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(Left-hand graph)

As of March 31, 2011, customer assets (the sum of deposits and investment trusts) were up ¥145.5 billion from March 31, 2010, to ¥1,755.5 billion.

As for the breakdown of customer assets as of March 31, 2011, deposits (the sum of Japanese yen and foreign currency deposits) amounted to ¥1,649.1 billion, up ¥139.0 billion from March 31, 2010.

Of which foreign currency deposit increased ¥34.1 billion reflecting growing demand for saving foreign currency under the market fluctuation even though the sharp hike in the yen might have the negative impact on the foreign exchange conversion.

Investment trusts were ¥106.4 billion, up ¥6.4 billion from March 31, 2010.

As of March 31, 2011, the number of accounts was 859 thousand, up 62 thousand accounts from March 31, 2010.

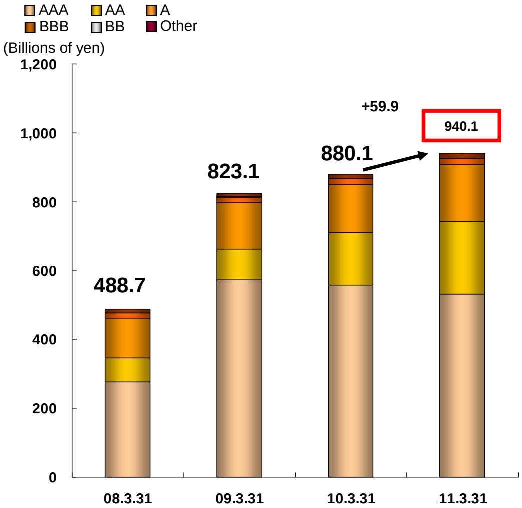
(Right-hand graph)

Loans expanded to ¥722.4 billion, up ¥135.7 billion, from March 31, 2010, owing to a growing balance of mortgage loans, as well as an increase in corporate loans.

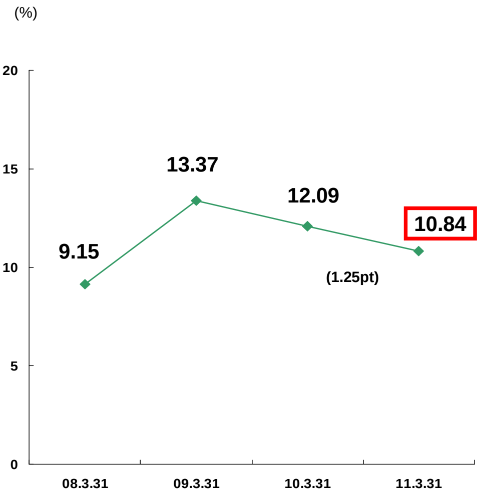
Sony Bank Operating Performance (3)

Sony Financial Holdings

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.

28

(Left-hand graph)

As of March 31, 2011, the balance of securities increased ¥59.9 billion, to ¥940.1 billion from March 31, 2010.

Sony Bank continuously invests in highly rated bonds.

(Right-hand graph)

As of March 31, 2011, Sony Bank's non-consolidated capital adequacy ratio (domestic criteria) was 10.84%, down 1.25 percentage point from March 31, 2010. These figures indicate that Sony Bank has maintained a sound financial basis.

Sony Financial Holdings

Consolidated Financial Forecast for the Year Ending March 31, 2012

Consolidated Financial Forecast for the Year Ending March 31, 2012

Sony Financial Holdings

	FY10 Actual	1H FY11 Forecast	FY11 Forecast	Change FY10 actual vs. FY11 forecast
Consolidated ordinary revenues	1,002.2	497.0	1,022.0	+ 2.0%
Life insurance business	900.3	442.0	909.3	+ 1.0%
Non-life insurance business	74.1	40.1	80.4	+ 8.4%
Banking business	29.5	15.8	32.8	+ 11.0%
Consolidated ordinary profit	76.8	27.0	59.0	(23.2%)
Life insurance business	72.1	25.0	53.0	(26.6%)
Non-life insurance business	2.1	0.3	2.6	+ 21.2%
Banking business	2.4	1.7	4.1	+ 70.3%
Consolidated net income	41.7	13.0	29.0	(30.5%)

■Life insurance business

Ordinary revenues for the year ending March 31, 2012, are expected to increase 1.0% year on year, to ¥909.3 billion. We anticipate that income from insurance premiums will increase in line with steady growth of the policy amount in force. We expect ordinary profit to decrease 26.6% year on year, to ¥53.0 billion. During the fiscal year ended March 31, 2011, the business generated net capital gains of ¥23.8 billion, reflecting the process of shifting bond holdings to ultralong-term bonds to reduce interest rate risk. However, we do not anticipate gains on the sale of securities for the year ending March 31, 2012, because the process of shifting our bond holdings was largely completed in the previous period.

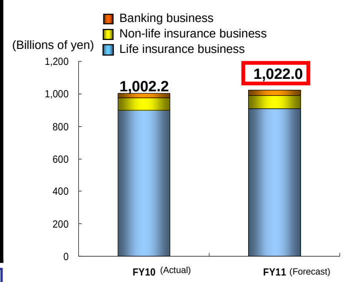
■Non-life insurance business

Ordinary revenues for the year ending March 31, 2012 are expected to rise 8.4% year on year, to ¥80.4 billion, due to an increase in net premiums written, mainly for mainstay automobile insurance. Ordinary profit is expected to increase 21.2% year on year, to ¥2.6 billion, due mainly to the aforementioned increase in ordinary revenues and an expected improvement in the loss ratio in line with the February 2011 revision of automobile insurance premiums. This should offset an expected increase in the expense ratio in line with the planned reinforcement of corporate systems and infrastructure based on the expected expansion of business operations.

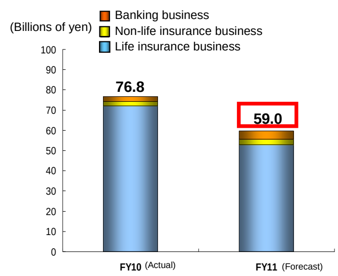
■Banking Business

Ordinary revenues for the year ending March 31, 2012, are expected to increase 11.0% year on year, to ¥32.8 billion, owing mainly to an increase in net interest income, bolstered by a growing balance of loans, especially mortgages. Ordinary profit is expected to grow 70.3%, to ¥4.1 billion, from the previous fiscal year, as we anticipate a steady increase in gross operating profit, driven by business expansion that should offset an increase in general and administrative expenses related to new product and service developments.

Consolidated Ordinary Revenues



Consolidated Ordinary Profit



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

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Here is our consolidated financial forecast for the fiscal year ending March 31, 2012.

SFH's consolidated financial results forecast for the fiscal year ending March 31, 2011 is as follows.

We expect consolidated ordinary revenues to increase 2.0%, to ¥1,022.0 billion, compared with the period ended March 31, 2011, owing to steady business expansion in all three business segments. Despite an anticipated increase in ordinary revenues, we expect consolidated ordinary profit and net income to decrease 23.2%, to ¥59.0 billion, and 30.5%, to ¥29.0 billion, respectively. During the fiscal year ended March 31, 2011, the Group recorded net capital gains of ¥23.8 billion in the life insurance business, reflecting the process of shifting bond holdings to ultralong-term bonds to reduce interest rate risk. However, we do not anticipate gains on the sale of securities for the year ending March 31, 2012, because the process of shifting our bond holdings was largely completed in the previous period.

Sony Financial Holdings

(3) Dividend Policies

Dividend Policies

■Basic Idea of Capital and Dividend Policies

We consider an increase in returns to our shareholders, as well as return on equity, among our most important management tasks. Our basic policy on returning profits to our shareholders is to provide stable dividends to shareholders while ensuring the high level of financial soundness that is necessary to maintain the trust of existing customers and attract new ones, as well as securing sufficient retained earnings for future business development.

Dividend Forecast	■FY10 : ¥4,000 per share (forecast) FY09 : ¥3,000 per share (actual) ■FY11 : ¥20 per share (forecast) * FY11 dividend forecast reflect the 200-for-1 stock split .

- We propose to pay an annual cash dividend of ¥4,000 per share for the year ended March 31, 2011, up ¥1,000 from the previous period of ¥3,000.

  Consolidated net income has risen steadily since October 2007, when we listed our shares on the First Section of the Tokyo Stock Exchange. In particular, Sony Life now expects to generate stable asset investment returns, primarily in the form of interest income, from its asset portfolio over the medium to long term, as a result of revising its asset portfolio. Furthermore, Sony Life currently maintains sufficient financial soundness from a regulatory perspective. Even if an indicator based on economic value were introduced in future in a way where we could anticipate, we would have sufficient surplus available for dividends.
- We plan to pay the annual cash dividend of ¥20 per share for the year ending March 31, 2012 if the total dividend amount is the same as for the year ended March 31, 2011 and reflects the 200-for-1 stock split.
- On April 1, 2011, SFH conducted a stock split at a ratio of 200 to one, to improve the environment for investing in its stock by lowering the unit investment amount and increasing the liquidity of the stock, with the aim of expanding its investor base. SFH also adopted a Share Unit system, which defines 100 shares as one unit.

We propose to pay an annual cash dividend of ¥4,000 per share for the year ended March 31, 2011, up ¥1,000 from the previous period of ¥3,000.

Sony Financial Holdings

Preliminary Sony Life's Market Consistent Embedded Value as of March 31, 2011

Preliminary Sony Life's Market Consistent Embedded Value

Preliminary Sony Life's Market Consistent Embedded Value as of March 31, 2011

Sony Financial Holdings

MCEV results【Preliminary】 (Billions of yen)

	10.3.31	11.3.31	Change
MCEV	894.0	853.6	(40.4)
Adjusted net worth	206.2	230.3	+24.1
Value of existing business	687.8	623.3	(64.5)
Of which, new business value	55.6	56.8	+1.2

- Sony Life's preliminary MCEV as of the end of March 31, 2011 decreased year on year, due to decreased value of existing business which offset the positive impact of an increase in adjusted net worth under the change of financial market conditions such as lowering of ultralong-term interest rates.
- Furthermore, to the extent of ultralong-term interest rates as of March 31, 2011, interest swap rates were lower than Japanese government bond (JGB) yields. Sony Life has been comprehensively managing interest rate risk residing in its assets and liabilities by investing mainly in ultralong-term JGB in asset side to prepare for the future insurance claims and other payments in liability side. Thus, it is considered reasonable and proper to use JGB yields as risk-free-rate for calculation of liability side for the purpose of internal risk management. As for the calculation of MCEV above, we use interest swap rates. Meanwhile, if we calculated the sum of the present value of certainty-equivalent profit and the time value of options and guarantees which consists of components of value of existing business by using the JGB yields, instead of interest swap rates, as of the March 31, 2011, this calculation would have shown an increase in the value of existing business and new business value by ¥47.6 billion and ¥4.8 billion, respectively.

* Please keep in mind that the validity of these calculations has not been verified by outside specialists. MCEV as of March 31, 2011, calculated in accordance with the MCEV principles and verified by outside specialists, is scheduled to be announced at May 27, 2011.

Here is our Preliminary Sony Life's Market Consistent Embedded Value.

Sony Life's preliminary MCEV as of the end of March 31, 2011 decreased ¥40.4 billion year on year, to

¥853.6 billion due to decreased value of existing business which offset the positive impact of an increase in adjusted net worth under the change of financial market conditions such as lowering of ultralong-term interest rates.

Furthermore, to the extent of ultralong-term interest rates as of March 31, 2011, interest swap rates were lower than Japanese government bond (JGB) yields. Sony Life has been comprehensively managing interest rate risk residing in its assets and liabilities by investing mainly in ultralong-term JGB in asset side to prepare for the future insurance claims and other payments in liability side. Thus, it is considered reasonable and proper to use JGB yields as risk-free-rate for calculation of liability side for the purpose of internal risk management. As for the calculation of MCEV above, we use interest swap rates. Meanwhile, if we calculated the sum of the present value of certainty-equivalent profit and the time value of options and guarantees which consists of components of value of existing business by using the JGB yields, instead of interest swap rates, as of the March 31, 2011, this calculation would have shown an increase in the value of existing business and new business value by ¥47.6 billion and ¥4.8 billion, respectively.

Please keep in mind that the validity of these calculations has not been verified by outside specialists. MCEV as of March 31, 2011, calculated in accordance with the European Insurance CFO Forum Market Consistent Embedded Value Principles and verified by outside specialists, is scheduled to be announced at May 27, 2011.

This is end of presentation. Thank you very mach.

Sony Financial Holdings

Appendix

Appendix

Recent Topics 1

Sony Financial Holdings

AEGON SONY LIFE INSURANCE Sales Update

AEGON Sony Life

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 (7*) As of May 20, 2011

Financial Highlights for FY10:

Number of new policies: 781, New policy amount: ¥7.6 billion

Number of policies in force: 1,218 policies, Policy amount in force: ¥13.8 billion

Sony Bank's Mortgage Loans through Sony Life

Sony Life ⟺ Sony Bank

Sony Life ⟺ Sony Assurance

Sony Life accounts for 24% of the balance of mortgage loans as of March 31, 2011

Sony Life accounts for 28% of the amount of new mortgage loans for FY10

*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

* Sony Life started handling automobile insurance in May 2001.

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

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(Recent Topics 1)

Recent Topics 2

<Highlights for FY10>

2010-4-1	AEGON Sony Life Insurance 's variable individual annuity product commenced to be offered at Minato Bank
	Sony Bank entered tie-up with Kintetsu Real Estate in mortgage loans
2010-4-12	Sony Assurance launched automobile insurance sales via Bank of Yokohama
2010-4-19	AEGON Sony Life Insurance 's variable individual annuity product commenced to be offered at Fukushima Bank
2010-5-1	Sony Life newly opened a branch in Yamagata prefecture to expand its service network through community-based approach
	Sony Assurance launched automobile insurance sales via Tama Shinkin Bank
	Sony Life commenced operations at LIPLA Co., Ltd., a wholly owned subsidiary of Sony Life, and opened the first one-stop shop “LIPLA”
2010-6-24	Sony Bank opened the first over-the-counter branch, called "Housing Loan Plaza
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
2010-11-08	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, W Account, through Sony Life's Lifeplanner sales employees and at Minato Bank
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, W Account, at Juroku Bank
2011-3-19	Sony Life opened the third one-stop insurance shop, "LIPLA"
2011-4-01	Sony Assurance declared conformity with the ISO 10002 International Standard for Complaints Management Systems
2011-4-01	Sony Bank began offering Wide Danshin group credit life insurance to mortgage loan borrowers
2011-4-11	AEGON Sony Life Insurance began offering new variable individual annuity product, W Account, at Kansai Urban Banking
2011-4-28	Sony Assurance began offering free application, “Trouble Navigation” to smart phone users
2011-5-01	Sony Bank to enter credit card business; began issuing the Sony Card.
2011-5-02	Sony Life began sales of new income protection insurance to cover three major diseases (type II)
2011-5-16	Sony Bank began offering Brazilian real for foreign currency deposits

(Recent Topics 2)

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

Sony Financial Holdings

Fair Value Information on Securities

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

(Billions of yen)

	10.3.31			10.6.30			10.9.30			10.12.31			11.3.31		
	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	2,275.6	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	2,914.3	2,892.1	(22.1)
Available-for-sale securities	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	940.1	964.3	24.2
Domestic bonds	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	884.4	904.1	19.7
(CBs)	13.6	13.2	(0.3)	–	–	–	–	–	–	–	–	–	–	–	–
Domestic stocks	51.7	62.1	10.4	51.9	53.2	1.2	51.8	52.9	1.1	51.7	57.4	5.6	49.8	53.7	3.8
Foreign securities	8.0	8.0	–	2.0	2.0	(0.0)	–	–	–	–	–	–	1.9	1.8	(0.0)
Other securities	5.1	6.7	1.5	11.9	12.1	0.2	12.1	12.3	0.1	12.3	13.8	1.4	3.8	4.6	0.7
Total	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	3,854.4	3,856.5	2.0

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

(Billions of yen)

10.3.31		10.6.30		10.9.30		10.12.31		11.3.31	
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
–	5.7	–	–	–	–	–	–	–	–

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

(Sony Life: Fair Value Information on Securities)

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	**11.3.31**	10.3.31	**11.3.31**	10.3.31	**11.3.31**	
Total shareholders' equity	177.3	**209.8**	177.3	**209.8**	170.3	**200.7**	③After estimated distributed income deducted
Net unrealized gains on other securities, net of taxes	15.4	**7.0**	15.4	**7.0**	–	**–**	
Net unrealized gains (losses) on available-for-sale securities	–	**–**	–	**–**	33.0	**20.8**	③Before tax x 90%
Land revaluation, net of taxes	(1.4)	**(1.4)**	(1.4)	**(1.4)**	–	**–**	
Reserve for price fluctuations	–	**–**	9.6	**16.7**	9.6	**16.7**	
Contingency reserve	–	**–**	48.4	**51.5**	48.4	**51.5**	
Reserve for possible loan losses	–	**–**	–	**–**	0.0	**0.0**	
Net unrealized gains on real estate	–	**–**	2.6	**1.9**	1.6	**1.0**	②Before tax (after revaluation) ③Before tax (Before revaluation) X85%
Excess amount of policy reserves based on Zillmer method	–	**–**	316.5	**334.2**	316.5	**334.2**	
Unallotted portion of reserve for policyholders' dividends	–	**–**	2.3	**1.1**	2.3	**1.1**	
Future profits	–	**–**	–	**–**	1.0	**0.6**	
Deferred tax assets	–	**–**	–	**–**	47.2	**63.3**	
Unrealized gains (losses) on held-to-maturity bonds	–	**–**	(20.4)	**(22.1)**	–	**–**	②Before tax
Deferred tax liabilities for available-for-sale securities	–	**–**	12.8	**8.0**	–	**–**	
Total	191.3	**215.3**	563.4	**606.9**	630.2	**690.3**	

Note: 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 ¥629.1 billion as of March 31, 2011.

Amounts are truncated below ¥100 million.

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(Sony Life's Breakdown of Net Assets)

Sony Life’s Solvency Margin Ratio

Sony Financial Holdings

(Billions of yen)

Category	11.3.31 (Currennt)	11.3.31 (New)
Total solvency margin (A)	690.3	625.7
Common stocks, etc	200.7	200.7
Reserve for price fluctuations	16.7	16.7
Contingency reserve	51.5	51.5
Reserve for possible loan losses	0.0	0.0
Net unrealized gains on other securities multiplied by 90% if gains or 100% if losses	20.8	20.8
Net unrealized gains on real estate multiplied by 85% if gains or 100% if losses	1.0	1.0
Excess amount of policy reserves based on Zillmer method	334.2	334.2
Unallotted portion of reserve for policyholders' dividends	1.1	1.1
Future profits	0.6	
Deferred tax assets	63.3	63.3
Subordinated debt	-	-
That portion of the excess amount of policy reserves based on Zillmer method and subordinated debt that is not included in the margin		(63.9)
Deductible items	-	-
Total risk $\sqrt{(R_1+R_8)^2+(R_2+R_3+R_7)^2}+R_4$ (B)	47.6	72.7
Insurance risk R1	20.0	20.0
Third-sector insurance risk R8	7.2	7.2
Assumed interest rate risk R2	11.5	27.9
Asset management risk R3	16.8	28.7
Business management risk R4	1.2	1.8
Minimum guarantee risk R7	9.0	8.8
Solvency margin ratio [(A)/{(B)×1/2}]×100	2,900.1%	1,720.0%

Note: Cabinet Office Ordinance No. 23 of 2010 and FSA public ministerial announcement 48 of 2010 prescribe a revision in the methods of calculating total solvency margin and total risk (increasing the strictness of margin inclusion, and making risk measurement stricter and more sensitive). These changes are to be applied from FY11. The above-stated figures are calculated on the assumption that these changes are applied at the end of FY10.

Amounts are truncated below ¥100 million.

(Sony Life’s Changes in Solvency Margin Ratio)

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