Sony Financial Holdings

Presentation Material

Consolidated Financial Results
for the Nine Months Ended December 31, 2011

Sony Financial Holdings Inc.
February 14, 2012

Content

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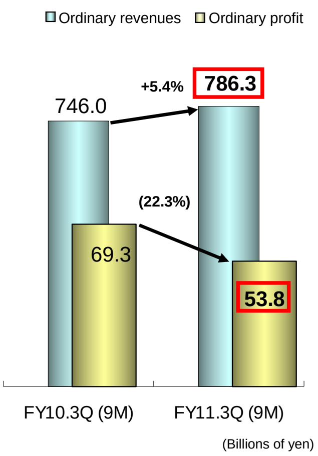
Content

Sony Financial Holdings

Consolidated Operating Results for the Nine Months Ended December 31, 2011

Highlights of Consolidated Operating Performance for the Nine Months Ended December 31, 2011 (1)



(Billions of yen)		FY10.3Q (9M)	FY11.3Q (9M)	Change	
Life insurance business	Ordinary revenues	669.4	**703.9**	+34.5	+5.2%
	Ordinary profit	65.3	**49.5**	(15.7)	(24.2%)
Non-life insurance business	Ordinary revenues	55.6	**60.1**	+4.5	+8.2%
	Ordinary profit	2.3	**1.6**	(0.6)	(26.9%)
Banking business	Ordinary revenues	22.4	**23.8**	+1.4	+6.4%
	Ordinary profit	1.5	**2.5**	+0.9	+63.1%
Intersegment adjustments*	Ordinary revenues	(1.4)	**(1.5)**	(0.1)	-
	Ordinary profit	0.1	**0.0**	(0.0)	(32.0%)
Consolidated	Ordinary revenues	746.0	**786.3**	+40.3	+5.4%
	Ordinary profit	69.3	**53.8**	(15.4)	(22.3%)
	Net income	38.3	**22.6**	(15.6)	(40.9%)

(Billions of yen)		10.12.31	11.3.31	11.12.31	Change from 11.3.31	
Consolidated	Total assets	6,435.9	6,597.1	**6,980.7**	+383.6	+5.8%
	Net assets	301.1	294.8	**328.4**	+33.5	+11.4%

*Amounts in the Ordinary profit in the "Intersegment adjustments" are mainly from SFH.
*Comprehensive income: FY10.3Q (9M): ¥38.2 billion, FY11.3Q (9M): ¥40.9 billion.

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

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During the nine months ended December 31, 2011, consolidated ordinary revenues grew 5.4% compared with the same period of the previous fiscal year, to ¥786.3 billion, owing to increases in ordinary revenues from the all businesses: life insurance, non-life insurance and banking.

Consolidated ordinary profit decreased 22.3% year on year, to ¥53.8 billion. By business segment, ordinary profit from the life insurance and the non-life insurance businesses decreased, whereas ordinary profit from the banking business increased year on year.

Consolidated net income was down 40.9% year on year, to ¥22.6 billion due to a decline in consolidated ordinary profit and an increase in deferred income taxes of ¥6.6 billion stemming from a reversal of deferred tax assets owing to the newly promulgated laws associated with the reduction in the corporate tax rate.

Highlights of Consolidated Operating Performance for the Nine Months Ended December 31, 2011 (2)

Sony Financial Holdings

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

- Non-life Insurance: Ordinary revenues increased year on year, owing to an increase in net premiums written, as the number of insurance policies in force grew primarily for automobile insurance. Ordinary profit decreased due primarily to a rise in the loss ratio for automobile insurance as well as a higher expense ratio resulting from an increase in system-related expenses.

- Banking: Ordinary revenues increased year on year due to an increase in net fees and commissions resulting from Sony Bank's acquisition of a 57% equity interest in SmartLink Network, Inc. on July 1, 2011 as consolidated subsidiary. Ordinary profit increased due to a rise in gross operating profit, resulting from an increase in net interest income. The net interest income increased because of higher interest income on loans led primarily by the growing balance of mortgage loans and a decrease in interest expenses on yen deposits.

- Consolidated ordinary revenues increased 5.4% year on year, to ¥786.3 billion, however, consolidated ordinary profit decreased 22.3%, to ¥53.8 billion. Net income decreased 40.9%, to ¥22.6 billion. The deferred income taxes increased ¥6.6 billion, resulting from the reversal of deferred tax assets owing to the newly promulgated laws associated with the reduction in the corporate tax rate.

  In October 2011, SFH issued ¥10 billion in bonds and transferred the funds raised through this issue to Sony Bank as a loan aimed at reinforcing that company's financial base.

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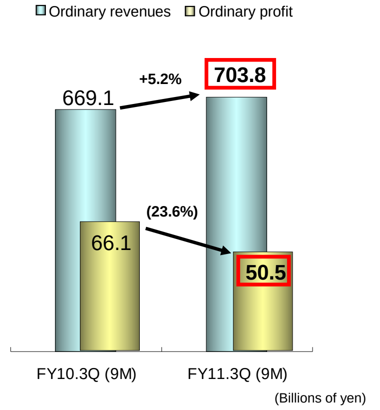
Here is highlights of consolidated operating performance.

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

Sony Financial Holdings



(Billions of yen)	FY10.3Q (9M)	FY11.3Q (9M)	Change	
Ordinary revenues	669.1	**703.8**	+34.6	+5.2%
Income from insurance premiums	565.5	**602.0**	+36.5	+6.5%
Investment income	94.7	**83.5**	(11.1)	(11.8%)
Interest income and dividends	64.4	**72.5**	+8.0	+12.5%
Income from monetary trusts, net	5.6	**3.9**	(1.7)	(30.0%)
Gains on sale of securities	24.5	**7.0**	(17.5)	(71.3%)
Ordinary expenses	603.0	**653.3**	+50.2	+8.3%
Insurance claims and other payments	209.7	**216.4**	+6.6	+3.2%
Provision for policy reserves and others	285.4	**314.9**	+29.4	+10.3%
Investment expenses	21.3	**29.8**	+8.4	+39.6%
Losses on sale of securities	0.8	**1.8**	+1.0	+123.0%
Losses on separate accounts, net	13.1	**18.7**	+5.6	+42.9%
Operating expenses	73.2	**77.6**	+4.4	+6.1%
Ordinary profit	66.1	**50.5**	(15.6)	(23.6%)
Net income	37.1	**22.2**	(14.8)	(40.1%)

- ◆Ordinary revenues increased but ordinary profit decreased year on year.
- ◆Income from insurance premiums increased due to a steady increase in the policy amount in force.
- ◆Investment income decreased due to lower gains on sale of securities, although interest income and dividends increased.
- ◆Ordinary profit decreased due to lower gains on sale of securities, whereas insurance claims and other payments relating to the Great East Japan Earthquake were lower than our estimates as of the end of the previous fiscal year.

(Billions of yen)	10.12.31	11.3.31	11.12.31	Change from 11.3.31	
Securities	3,921.2	4,017.5	**4,349.4**	+331.8	+8.3%
Policy reserves	4,256.7	4,371.4	**4,686.4**	+314.9	+7.2%
Total net assets	222.6	215.3	**249.0**	+33.6	+15.6%
Net unrealized gains on other securities	16.6	7.0	**27.4**	+20.4	+291.5%
Total assets	4,593.0	4,723.3	**5,038.0**	+314.6	+6.7%
Separate account assets	381.7	398.1	**397.4**	(0.6)	(0.2%)

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

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

Sony Life's ordinary revenues increased 5.2% year on year, to ¥703.8 billion. Income from insurance premiums increased owing to a steady increase in the policy amount in force.

Income from insurance premiums grew 6.5% from the same period of the previous fiscal year, to ¥602.0billion.

Investment income decreased 11.8% year on year, to ¥83.5billion, mainly due to lower gains on sale of securities on the process of shifting its bond holdings, which offset the positive impact of higher interest income and dividends in the general account assets.

Investment expenses increased 39.6% year on year to ¥29.8 billion, owing to an increase in losses on separate accounts, net.

Ordinary profit decreased 23.6% year on year to ¥50.5 billion, owing to lower gains on sale of securities, whereas insurance claims and other payments relating to the Great East Japan Earthquake were lower than our estimates as of the end of the previous fiscal year.

Consequently, net income was down 40.1% year on year, to ¥22.2billion, due to a reversal of deferred tax assets associated with the reduction in the corporate tax rate.

Overview of Performance: Sony Life (Non-consolidated)

Sony Financial Holdings

(Billions of yen)	FY10.3Q (9M)	**FY11.3Q (9M)**	Change
New policy amount	3,229.3	**3,227.1**	(0.1%)
Lapse and surrender amount	1,601.6	**1,561.9**	(2.5%)
Lapse and surrender rate	4.79%	**4.50%**	(0.29pt)
Policy amount in force	34,519.9	**35,807.9**	+3.7%
Annualized premiums from new policies	53.9	**53.1**	(1.5%)
Of which, third-sector products	12.6	**13.0**	+2.8%
Annualized premiums from insurance in force	598.0	**627.6**	+5.0%
Of which, third-sector products	139.0	**147.3**	+6.0%

(Billions of yen)	FY10.3Q (9M)	**FY11.3Q (9M)**	Change
Gains from investment, net (General account)	86.4	**72.5**	(16.2%)
Core profit	43.9	**50.9**	+15.9%
Negative spread	5.5	**1.7**	(69.1%)

	10.12.31	11.3.31	**11.12.31**	Change from 11.3.31
Solvency Margin Ratio	2,971.9%	2,900.1%	**3,147.8%**	+247.7pt

(Reasons for changes)

- Remained at the same level, due mainly to lower sales of family income insurance, which is life insurance with disability benefit, despite favorable sales of term-life insurance.
- Decreased due to the lowering lapse and surrender rates mainly in family income insurance, which is life insurance with disability benefit.
- Decreased, due mainly to lower sales of educational endowment insurance, despite favorable sales of term-life insurance and living benefit insurance.
- Decreased due to lower gains on sale of securities on the process of shifting its bonds holdings despite an increase in interest income and dividends.
- Increased reflecting lower insurance payments for the Great East Japan Earthquake of March 2011 than formerly expected, and a decline in negative spread.

Notes:
*1 Figures for new policy amount, lapse and surrender amount, lapse and surrender rate, policy amount in force, annualized premiums from new policies and annualized premiums from insurance in force are calculated as the total of individual life insurance and individual annuities.
*2 The lapse and surrender rate shows the ratio derived by dividing the amount of lapses and surrenders, not adjusted for policy amount decreases, increases, and reinstatements, by the policy amount in force at the beginning of the fiscal year.

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

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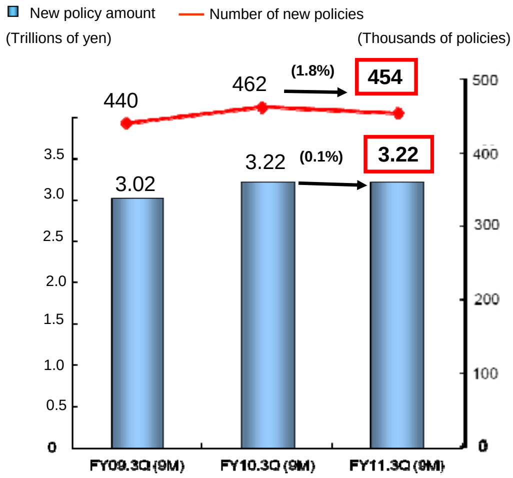
Here is an overview of Sony Life's performance.

Sony Life Operating Performance (1)

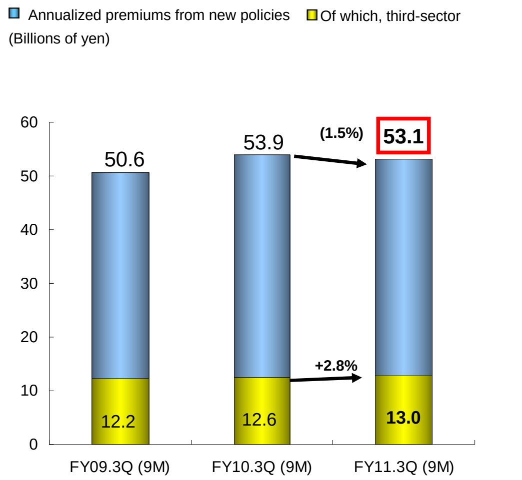
Sony Financial Holdings

Number and Amount of New Policies
(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.

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(Left-hand graph)

New policy amount for the total of individual life insurance and individual annuities remained at the same level from a year earlier, amounting to ¥3.22 trillion, due mainly to lower sales of family income insurance, which is life insurance with disability benefit, whereas sales of term life insurance increased.

The number of new policies decreased 1.8% year on year, to 454 thousand policies.

(Right-hand graph)

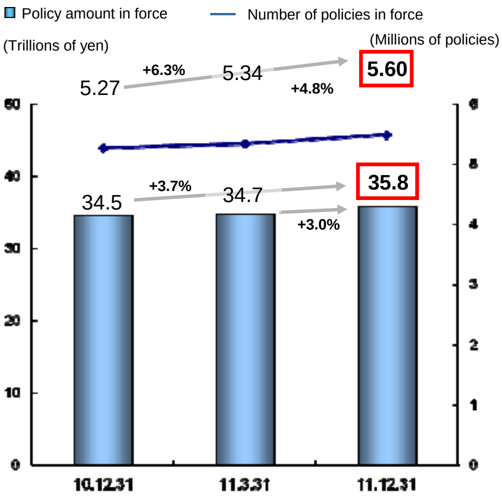
Annualized premiums from new policies decreased 1.5%, to ¥53.1 billion, due mainly to lower sales of educational endowment insurance, whereas sales of term life insurance and living benefit insurance increased.

Of which, third-sector insurance products increased 2.8% year on year, to ¥13.0 billion, reflecting favorable sales of nursing-care and living benefit insurance.

Sony Life Operating Performance (2)

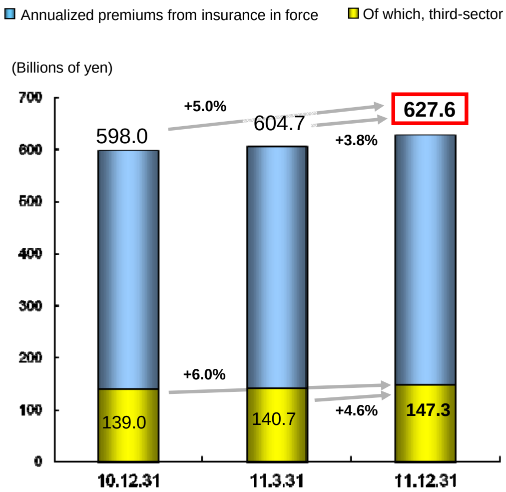
Sony Financial Holdings

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



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

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



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

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(Left-hand graph)

Policy amount in force for the total of individual life insurance and individual annuities grew steadily, to ¥35.8 trillion as of December 31, 2011, up 3.7% from December 31, 2010.

The number of policies in force increased 6.3% from December 31, 2010, to 5.60 million policies.

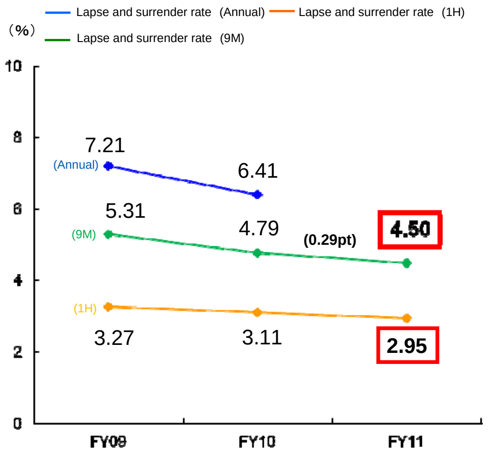
(Right-hand graph)

Annualized premiums from total policies as of December 31, 2011, were up 5.0% from December 31, 2010 totaling ¥627.6 billion. Of this amount, the figure for third-sector products was up 6.0% from December 31, 2010, to ¥147.3 billion.

Sony Life Operating Performance (3)

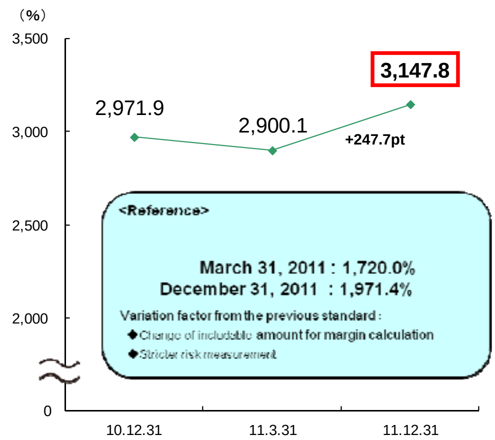
Sony Financial Holdings

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.

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 March 31and December 31, 2011.

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

Percentage change figures are rounded

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(Left-hand graph)

The lapse and surrender rate for the nine months ended December 31, 2011 decreased 0.29 percentage point year on year, to 4.50%, due to the lowering lapse and surrender rates primarily for family income insurance, which is life insurance with disability benefit.

(Right-hand graph)

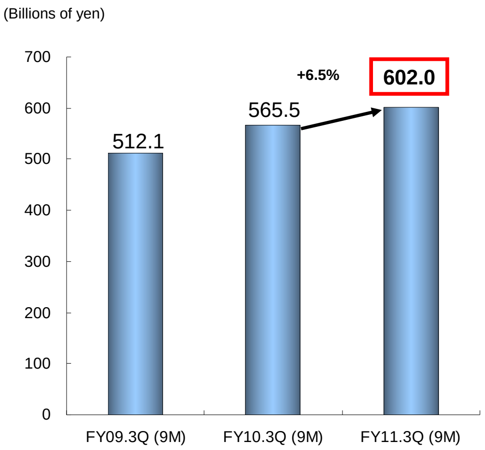
As of December 31, 2011, Sony Life’s solvency margin ratio was 3,147.8%, up 247.7 percentage points from March 31, 2011.

The new solvency margin ratio is indicated for reference. The reasons for the decrease from the current standard are a change of includable amount for margin calculation and stricter risk measurement.

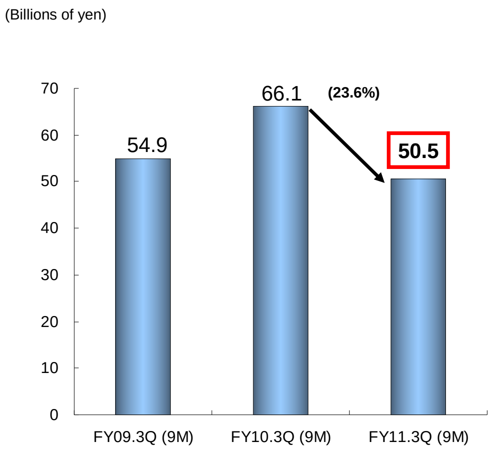
Sony Life Operating Performance (4)

Sony Financial Holdings

Income from Insurance Premiums



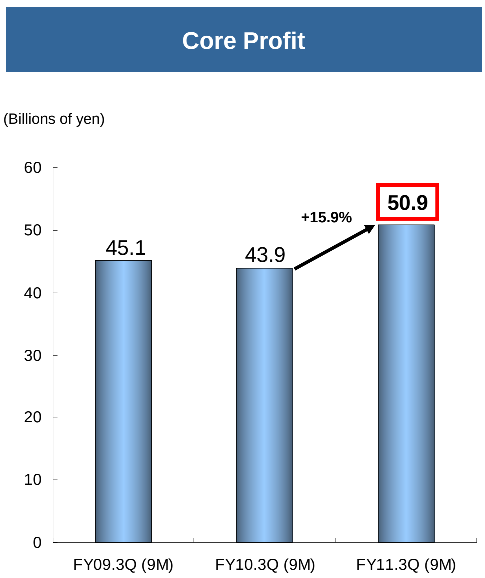
Ordinary Profit

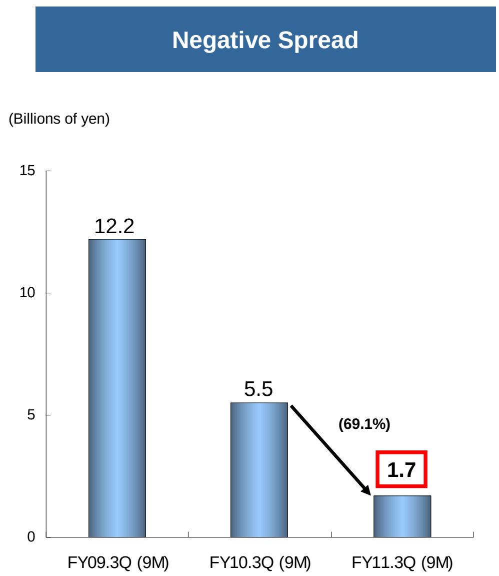


Line item amounts are truncated below ¥100 million; percentage figures are rounded.

Sony Life Operating Performance (5)

Sony Financial Holdings





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

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(Left-hand graph)

Core profit increased 15.9% to ¥50.9 billion year on year, reflecting lower insurance payments for the Great East Japan Earthquake of March 2011 than formerly expected, and a decease in negative spread.

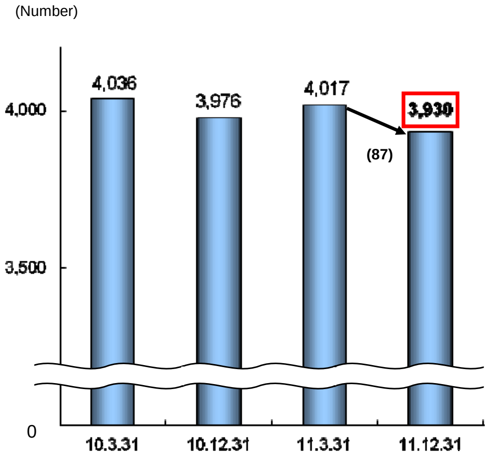
(Right-hand graph)

In line with the increase in interest income and dividends, the negative spread declined 69.1% year on year, to ¥1.7 billion.

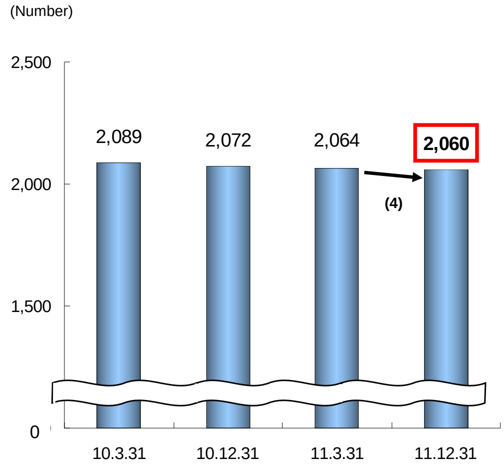
Sony Life Operating Performance (6)

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 December 31, 2011, was 3,930, down 87 from March 31, 2011.

The growth in the number of new recruits was relatively flat for the first half of this fiscal year, affected by the Great East Japan Earthquake. However, the number of new recruits recovered during the third quarter, reaching a higher number than during the third quarter of the previous fiscal year.

(Right-hand graph)

The number of independent agents decreased 4 from March 31, 2011, to 2,060.

Sony Life Operating Performance (7)

Sony Financial Holdings

Breakdown of General Account Assets

(Billions of yen)	11.3.31		11.12.31	
	Amount	%	Amount	%
Japanese government and corporate bonds	3,499.9	80.9%	3,833.8	82.6%
Japanese stocks	64.0	1.5%	45.6	1.0%
Foreign securities	44.2	1.0%	60.2	1.3%
Foreign stocks	30.0	0.7%	28.0	0.6%
Monetary trusts	276.4	6.4%	286.8	6.2%
Policy loans	134.4	3.1%	137.6	3.0%
Real estate	75.1	1.7%	73.5	1.6%
Cash and call loans	80.0	1.9%	64.4	1.4%
Others	120.9	2.8%	110.3	2.4%
Total	4,325.2	100.0%	4,640.5	100.0%

<Asset management review>

On the asset side, we lengthened the duration of securities held to match the liability characteristics of insurance policies with long-term maturities with the aim of reducing interest rate risk.

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

<Lengthened asset duration>

10.3.31 17.6 years
11.3.31 18.5 years
11.12.31 19.1 years

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

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

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

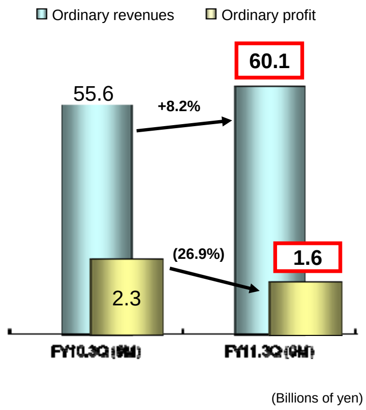
As Sony Life continued its investment in ultralong-term bonds, mainly Japanese government and corporate bonds, their ratio rose to 88.8% as of December 31, 2011.

As a result of these efforts, Sony Life's asset duration become 19.1 years as of December 31, 2011.

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

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 due mainly to a rise in the loss ratio for automobile insurance as well as a higher expense ratio resulting from an increase in system-related expenses.

(Billions of yen)	FY10.3Q (9M)	FY11.3Q (9M)	Change	
Ordinary revenues	55.6	**60.1**	+4.5	+8.2%
Underwriting income	55.0	**59.4**	+4.4	+8.1%
Investment income	0.5	**0.6**	+0.0	+14.0%
Ordinary expenses	53.2	**58.4**	+5.1	+9.7%
Underwriting expenses	40.4	**44.1**	+3.7	+9.2%
Investment expenses	–	**0.0**	+0.0	–
Operating, general and administrative expenses	12.7	**14.2**	+1.4	+11.2%
Ordinary profit	2.3	**1.6**	(0.6)	(26.9%)
Net income	1.4	**0.5**	(0.8)	(62.9%)

(Billions of yen)	10.12.31	11.3.31	11.12.31	Change from 11.3.31	
Underwriting reserves	63.2	64.0	**68.1**	+4.0	+6.3%
Total net assets	16.9	16.7	**17.3**	+0.5	+3.2%
Total assets	104.3	109.3	**114.1**	+4.8	+4.4%

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

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Sony Assurance posted a 8.2% increase in ordinary revenues year on year, to ¥60.1 billion, due to increased net premiums written, as the number of insurance policies in force grew in its mainstay automobile insurance.

Ordinary profit decreased 26.9% year on year, to ¥1.6 billion due mainly to a rise in the loss ratio for automobile insurance as well as a higher expense ratio resulting from an increase in system-related expenses.

Net income decreased 62.9% year on year, to ¥0.5 billion due to a reversal of deferred tax assets associated with the reduction in the corporate tax rate.

Overview of Performance: Sony Assurance

Sony Financial Holdings

(Billions of yen)	FY10.3Q (9M)	**FY11.3Q (9M)**	Change
Direct premiums written	54.5	**58.8**	+7.7%
Net premiums written	54.9	**59.4**	+8.1%
Net losses paid	29.3	**32.9**	+12.4%
Underwriting profit	1.8	**1.1**	(38.9%)
Net loss ratio	59.8%	**61.8%**	+2.0pt
Net expense ratio	25.0%	**25.5%**	+0.5pt
Combined ratio	84.7%	**87.4%**	+2.7pt

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

(Reasons for changes)

- Increased owing to an increase in the number of policies in force for automobile insurance.
- Increased owing mainly to an increase in the number of policies in force for automobile insurance, as well as rising unit cost of insurance claims and the effect of natural disaster.
- Increased due primarily to an increase in system-related expenses.
- Increased due to an increase in the number of policies in force for automobile insurance.

	10.12.31	11.3.31	**11.12.31**	Change from 11.3.31	
Number of policies in force	1.36 million	1.38 million	**1.47 million**	+0.08 million	+6.2%
Solvency margin ratio	1,010.8%	981.4%	**912.8%**	(68.6pt)	

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.

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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)	FY10.3Q (9M)	FY11.3Q (9M)	Change
Fire	120	118	(1.5%)
Marine	-	-	-
Personal accident*	5,339	5,517	+3.3%
Voluntary automobile	49,136	53,177	+8.2%
Compulsory automobile liability	-	-	-
Total	54,596	58,812	+7.7%

Net Premiums Written

(Millions of yen)	FY10.3Q (9M)	FY11.3Q (9M)	Change
Fire	5	68	-
Marine	2	50	-
Personal accident*	5,507	5,681	+3.2%
Voluntary automobile	48,934	52,978	+8.3%
Compulsory automobile liability	543	647	+19.1%
Total	54,993	59,426	+8.1%

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

Net losses paid

(Millions of yen)	FY10.3Q (9M)	FY11.3Q (9M)	Change
Fire	0	40	-
Marine	10	104	+856.3%
Personal accident*	1,179	1,352	+14.7%
Voluntary automobile	27,633	30,806	+11.5%
Compulsory automobile liability	502	647	+28.8%
Total	29,326	32,951	+12.4%

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

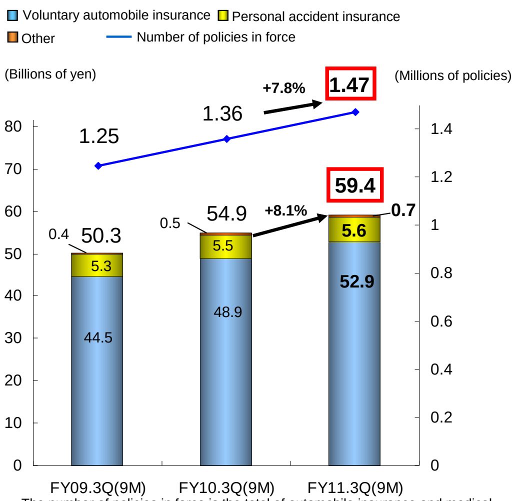
17

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

Sony Assurance Operating Performance (1)

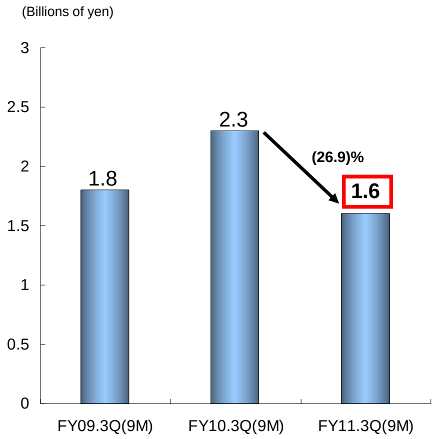
Sony Financial Holdings

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.

18

(Left-hand graph)

The number of policies in force for the total of automobile insurance and medical and cancer insurance increased steadily, rising 7.8% year on year, to 1.47 million policies.

Net premiums written posted a 8.1% year-on-year increase, to ¥59.4 billion.

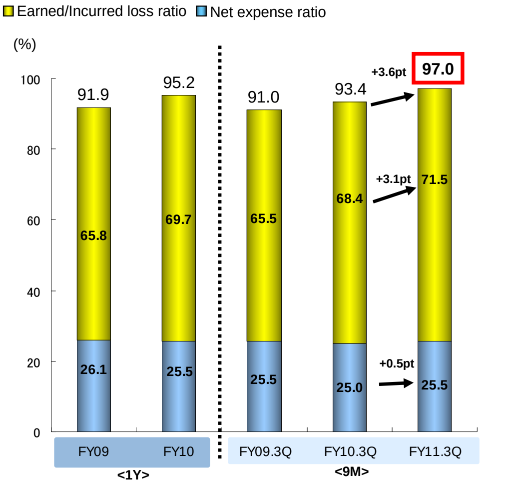
(Right-hand graph)

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

Sony Assurance Operating Performance (2)

Sony Financial Holdings

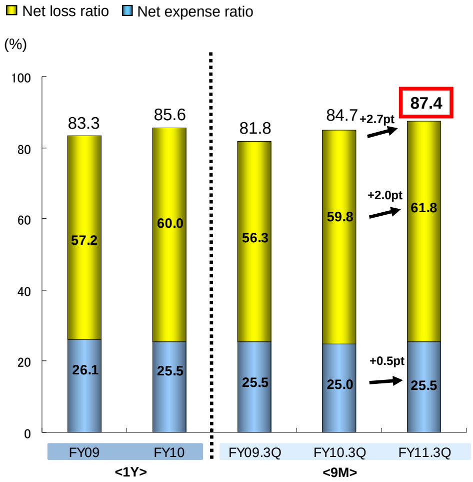
Net Expense Ratio + Earned/Incurred Loss Ratio



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.

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(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 nine months ended December 31, 2011, the E.I. loss ratio increased 3.1 percentage points year on year, to 71.5%, owing mainly to rising unit cost of insurance claims and the effect of natural disaster.

The net expense ratio increased 0.5 percentage point, to 25.5%, due primarily to an increase in system-related expenses.

(Right-hand graph)

The net loss ratio rose 2.0 percentage points compared with the same period of the previous fiscal year, to 61.8%, due mainly to rising unit cost of insurance claims and the effect of natural disaster.

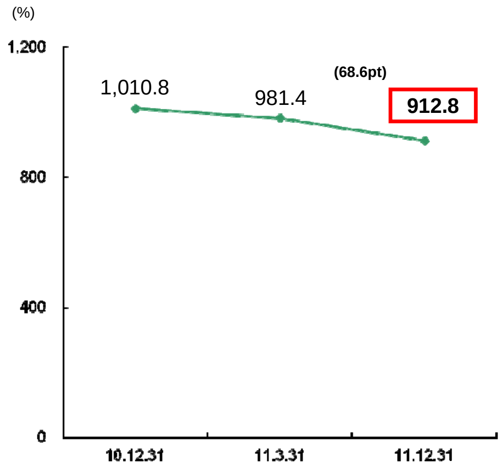
This is different from the E.I. loss ratio, which reflects an increase or a decrease in provision for reserve for outstanding losses.

As a result, the combined ratio (the sum of the net loss ratio and the net expense ratio) rose 2.7 percentage points year on year, to 87.4%.

Sony Assurance Operating Performance (3)

Sony Financial Holdings

Solvency Margin Ratio



<Reference>

New solvency margin ratio effective as of the end of FY11

March 31, 2011 : 631.0%
December 31, 2011 : 585.7%

Variation factor from the previous standard :
◆Stricter risk measurement

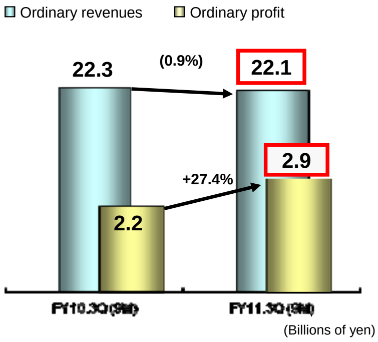
Note:
Legislation concerning the calculation of the solvency margin ratio has been revised from the standpoint of raising its credibility, and these new standards are to become effective as of the end of fiscal 2011 (March 31, 2012). The above-stated figures are calculated on the assumption that these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

As of December 31, 2011, Sony Assurance's solvency margin ratio was 912.8%, down 68.6 percentage points from March 31, 2011.

The new solvency margin ratio is indicated for reference. The reason for the decrease from the current standard is the stricter risk measurement.

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 ¥1.4 billion year on year due mainly to an increase in net interest income.
  - Net interest income increased ¥2.4 billion owing primarily to an increase in interest income on loans and a decrease in interest expenses on yen deposits.
  - Net other operating income decreased ¥1.2 billion reflecting a decrease in gains on foreign exchange transactions.
- ◆Net operating profit increased ¥0.7 billion owing to the above-mentioned increase in gross operating profit . The increase in gross operating profit offset the negative impact of higher general and administrative expenses led primarily by personnel reinforcement of the full-scale entry into credit card business.
- ◆Customer assets increased ¥27.8 billion from March 31, 2011. Among them, deposit balance increased ¥39.2 billion.

(Billions of yen)	FY10.3Q (9M)	FY11.3Q (9M)	Change	
Ordinary revenues	22.3	**22.1**	(0.1)	(0.9%)
Gross operating profit	12.1	**13.6**	+1.4	+11.6%
Net interest income	9.5	**12.0**	+2.4	+25.7%
Net fees and commissions	(0.15)	**0.07**	+0.23	-
Net other operating income	2.7	**1.4**	(1.2)	(46.2%)
General and administrative expenses	9.4	**10.2**	+0.7	+7.9%
Ordinary profit	2.2	**2.9**	+0.6	+27.4%
Net income	1.2	**1.6**	+0.4	+34.3%
Net operating profit	2.4	**3.1**	+0.7	+30.2%

(Billions of yen)	10.12.31	11.3.31	11.12.31	Change from 11.3.31	
Securities	952.3	940.1	**878.3**	(61.7)	(6.6%)
Loans	681.0	722.4	**805.9**	+83.4	+11.6%
Deposits	1,609.9	1,649.1	**1,688.3**	+39.2	+2.4%
Customer assets	1,711.6	1,755.5	**1,783.4**	+27.8	+1.6%
Total net assets	58.9	59.9	**59.3**	(0.5)	(1.0%)
Net unrealized gains (losses) on other securities (net of taxes)	0.7	0.4	(0.6)	(1.0)	–
Total assets	1,736.3	1,761.8	**1,818.7**	+56.9	+3.2%

Line item amounts are truncated below ¥100 million (excluding net fees and commissions); 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 0.9% year on year, to ¥22.1 billion, owing primarily to a decrease in gains on foreign exchange transactions, whereas interest income on loans increased led by the growing balance of mortgage loans.

Gross operating profit increased 11.6% from a year earlier, to ¥13.6 billion, due mainly to an increase in net interest.

General and administrative expenses expanded 7.9% year on year, to ¥10.2 billion, due to the personnel reinforcement associated with the full scale entry into credit card business.

As a result, ordinary profit increased 27.4%, to ¥2.9 billion.

Net income amounted to ¥1.6 billion, up 34.3% from the same period of the previous fiscal year, due to higher ordinary profit.

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

Sony Financial Holdings

(Billions of yen)	10.12.31	11.3.31	11.12.31	Change from 11.3.31	
Customer assets	1,711.6	1,755.5	**1,783.4**	+27.8	+1.6%
Deposits	1,609.9	1,649.1	**1,688.3**	+39.2	+2.4%
Yen	1,265.1	1,289.8	**1,334.0**	+44.1	+3.4%
Foreign currency	344.8	359.2	**354.3**	(4.8)	(1.4%)
Investment trusts	101.6	106.4	**95.0**	(11.3)	(10.7%)
Loans outstanding	681.0	722.4	**805.9**	+83.4	+11.6%
Mortgage loans	621.4	656.0	**722.7**	+66.6	+10.2%
Others	59.6	66.4	**83.2***1	+16.8	+25.3%
Number of accounts (thousands)	840	859	**884**	+25	+2.9%
Capital adequacy ratio (*2) (domestic criteria)	11.25%	10.84%	**11.86%**	+1.02pt	
Tier 1 ratio	10.79%	10.41%	**9.85%**	(0.56pt)	

*1 Loans in others include corporate loans of ¥75.8 billion.

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

(Reasons for changes)

- Yen deposits increased due to an effect of special offer for winter 2011 bonus season.
- Foreign currency deposit decreased as the hike in the yen had the negative impact on the foreign exchange conversion (approx. ¥28 billion), though the foreign-currency denominated balance increased.
- Investment trusts decreased reflecting a decline in reference price.
- Loan balance steadily increased due to increases in mortgage loans and corporate loans centering on syndicated loans.
- In October 2011, SFH issued ¥10 billion in bonds and transferred the funds raised through this issue to Sony Bank as a loan aimed at reinforcing that company's financial base. The Tier 1 ratio was also kept at a high level.

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

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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)	FY09.3Q (9M)	FY10.3Q (9M)	FY11.3Q (9M)	Change	
Gross operating profit	11.0	12.1	13.5	+1.4	+11.7%
Net interest income *1 ①	10.0	11.0	13.0	+2.0	+18.2%
Net fees and commissions *2 ②	0.9	0.5	0.7	+0.2	+34.8%
Net other operating income *3	0.0	0.5	(0.2)	(0.7)	-
Gross operating profit (core profit) (A) =①+②	11.0	11.6	13.8	+2.2	+19.0%
Operating expenses and other expenses ③	8.6	9.7	10.4	+0.6	+6.9%
Net operating profit (core profit) =(A)−③	2.4	1.8	3.4	+1.5	+81.6%

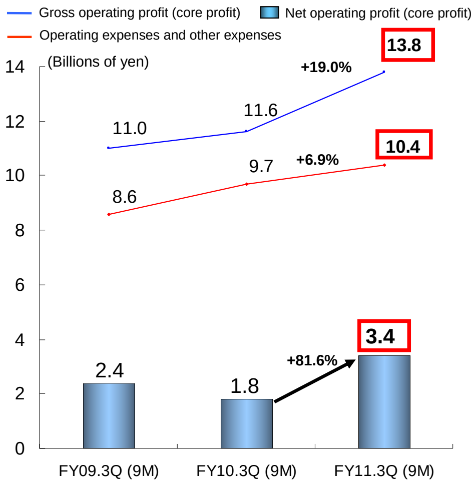
●**Managerial accounting basis**
The following adjustments are made to the figures on a financial accounting basis to account for profits and losses more appropriately.

*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>

Gross Operating Profit (Core Profit), Operating Expenses and Other Expenses & Net 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 ¥2.0 billion year on year, to ¥13.0 billion, due to a growing balance of assets, especially mortgage loans, and a decrease in interest expenses.

Net fees and commissions amounted to ¥0.7 billion, ¥0.2 billion up year on year, owing to an increase in commissions from credit card business despite a decrease in profits on customer dealings in foreign currency transactions stemming from adverse foreign exchange market conditions.

Net other operating income decreased ¥0.7 billion reflecting lower gains on bond dealing transactions.

Consequently, gross operating profit on a core profit basis increased ¥2.2 billion year on year, to ¥13.8 billion.

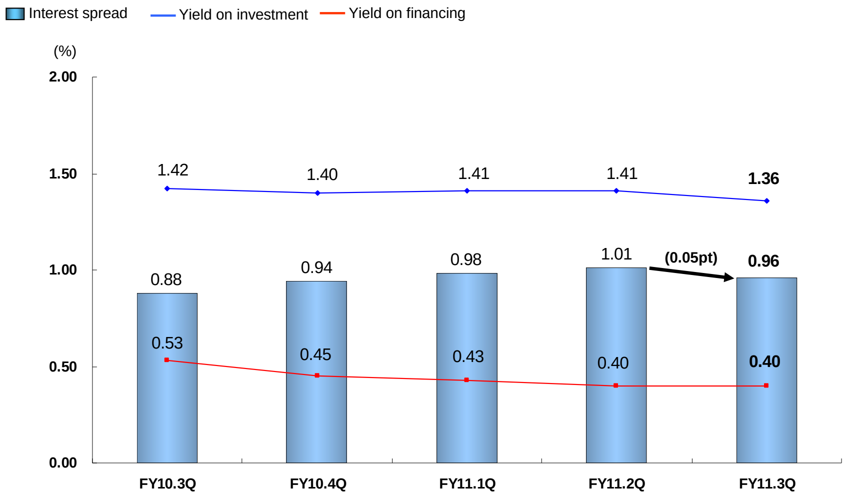
(Right-hand graph)

Net operating profit on a core profit basis increased ¥1.5 billion year on year, to ¥3.4 billion.

Sony Bank Operating Performance (1)

Sony Financial Holdings

<Reference> Interest Spread (Managerial Accounting Basis)

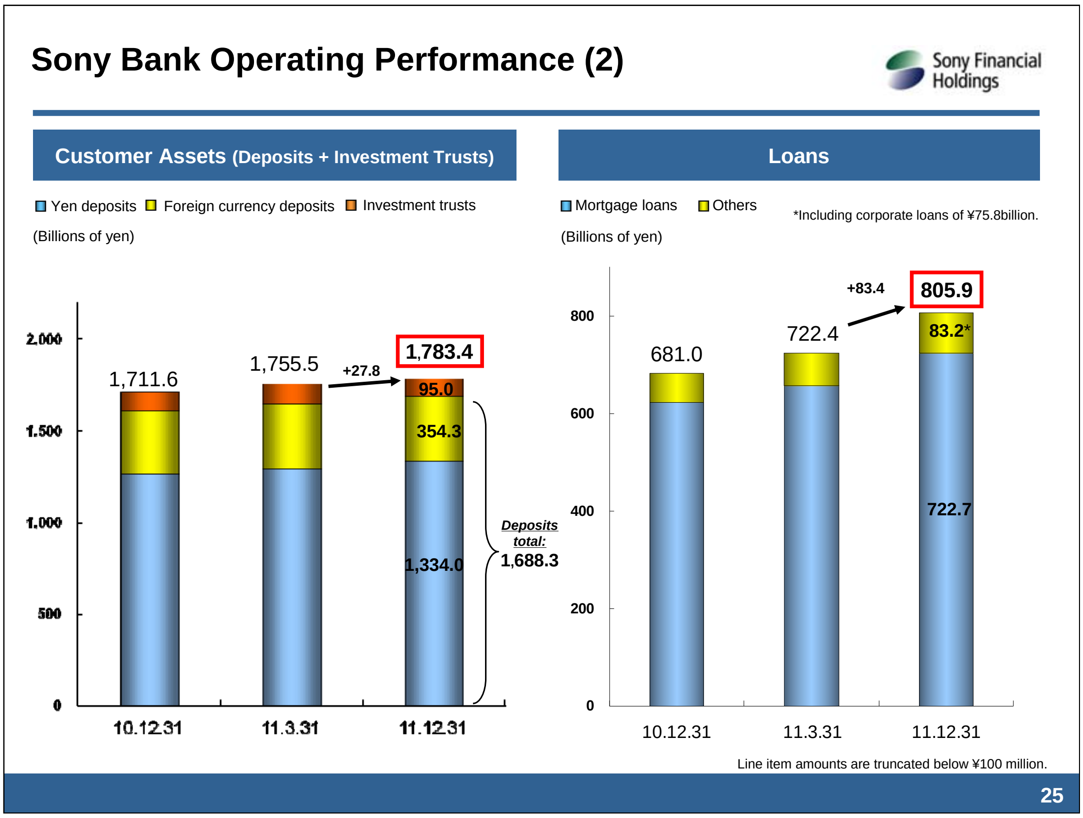


Notes: Interest spread = Yield on investment – Yield on financing
Yield on investment includes primarily gains or losses from currency swap transactions in net other operating income.

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

The yield on investment for FY11. 3Q, was at 1.36%. The yield on financing was kept at 0.40%.

Interest spread was 0.96%, almost at the same level as FY11.2Q.



(Left-hand graph)

As of December 31, 2011, customer assets (the sum of deposits and investment trusts) were up ¥27.8 billion from March 31, 2011, to ¥1,783.4 billion.

As for the breakdown of customer assets as of December 31, 2011, deposits (the sum of Japanese yen and foreign currency deposits) amounted to ¥1,688.3 billion, up ¥39.2 billion from March 31, 2011.

Of which yen deposit increased ¥44.1 billion due to an effect of special offer for winter 2011 bonus season.

On the other hand, foreign currency deposit decreased ¥4.8 billion as the hike in the yen had the negative impact on the foreign exchange conversion (approx. ¥28 billion), though the foreign-currency denominated balance increased.

Investment trusts were ¥95.0 billion, down ¥11.3 billion from March 31, 2011, reflecting a decline in reference price.

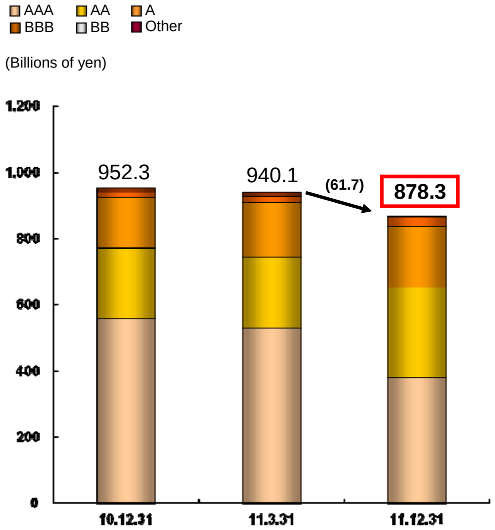
(Right-hand graph)

Loans expanded to ¥805.9 billion, up ¥83.4 billion, from March 31, 2011, owing to a growing balance of mortgage loans, as well as an increase in corporate loans centering on syndicated loans.

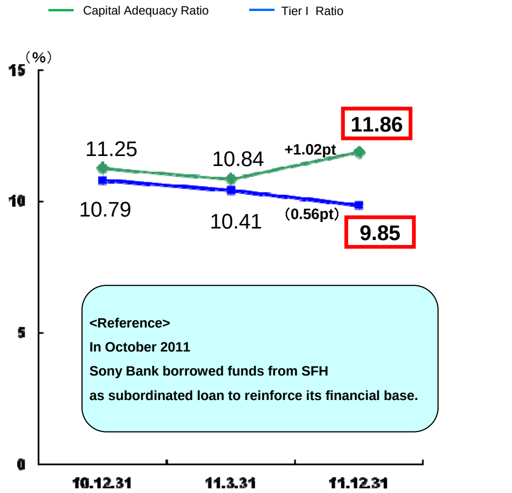
Sony Bank Operating Performance (3)

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. The capital adequacy ratio newly adopted the special exception of the standard mentioned above, in accordance with the FSA public ministerial announcement No. 79 of 2008.

Amounts are truncated below ¥100 million.

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(Left-hand graph)

As of December 31, 2011, the balance of securities decreased ¥61.7 billion, to ¥878.3 billion from March 31, 2011 as a results of accumulating loan balance to improve deposit-loan ratio and interest spread.

Sony Bank continuously invests in highly rated bonds.

(Right-hand graph)

As of December 31, 2011, Sony Bank's non-consolidated capital adequacy ratio (domestic criteria) was 11.86%, up 1.02 percentage point from March 31, 2011, owing to the funds transferred in October 2011 from SFH to Sony bank as subordinated loan. This figure indicates that Sony Bank has reinforced the quality and quantity of its financial base. The Tier 1 ratio was 9.85%, maintained at a high level.

Sony Financial Holdings

Consolidated Financial Forecast for the Year Ending March 31, 2012

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Consolidated Financial Forecast for the Year Ending March 31, 2012

Sony Financial Holdings

Ordinary revenues and ordinary profit were revised upward, whereas net income remained unchanged.

(Billions of yen)	FY10 Actual	FY11 Revised Forecast	FY11 Previous Forecast	Change FY11 revised forecast vs. FY11 previous forecast
Consolidated ordinary revenues	1,002.2	**1,047.0**	**1,022.0**	**+25.0**
Life insurance business	900.3	**935.0**	**909.3**	**+25.7**
Non-life insurance business	74.1	**80.4**	**80.4**	**-**
Banking business	29.5	**32.2**	**32.8**	**(0.6)**
Consolidated ordinary profit	76.8	**67.0**	**59.0**	**+8.0**
Life insurance business	72.1	**61.0**	**53.0**	**+8.0**
Non-life insurance business	2.1	**2.6**	**2.6**	**-**
Banking business	2.4	**3.3**	**4.1**	**(0.8)**
Consolidated net income	41.7	**29.0**	**29.0**	**-**

■**Life insurance business**

At the end of the first half of this fiscal year, although the first-half operating results exceeded our previous forecast, the financial results forecast for this fiscal year remained unchanged due mainly to the uncertainty about the financial market environment. However, we revise the full-year financial results forecast as income from insurance premiums and investment income on general account assets during the nine months ended December 31, 2011, exceeded our previous forecast.

■**Non-life insurance business**

The financial results forecast for this fiscal year remains unchanged from the previous forecast. This is due to an anticipated steady increase in premium income and a reversal of catastrophe reserve, which is expected to offset the negative impact of a rising loss ratio.

■**Banking Business**

The financial results forecast for this fiscal year has been revised mainly because revenues from foreign-currency transactions during the nine months ended December 31, 2011, were lower than our previous forecast, affected by foreign exchange rate fluctuations.

1. Amounts are truncated below ¥100 million.
2. On Feb 2, 2012, SFH revised its consolidated financial forecast for this fiscal year. The previous forecast was announced on May 20, 2011.

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

At the end of the first half of this fiscal year, although the first-half consolidated results exceeded our previous forecast, the financial results forecast for this fiscal year remained unchanged due mainly to the uncertainty about the financial market environment. However, we revised upward the full-year financial results forecast of ordinary revenues and ordinary profit as income from insurance premiums and investment income on general account assets during the nine months ended December 31, 2011, exceeded our previous forecast mainly in the life insurance business.

Our financial forecast of consolidated net income remained unchanged. This is because a rise in profit is expected to be offset by the negative impact of a reversal of deferred tax assets owing to the newly promulgated laws associated with the reduction in the corporate tax rate.

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: Individual Variable Annuities (3 types, 4 products)

Sales Channels: Lifeplanner sales employees and partner banks (7*) As of February 14, 2012

Financial Highlights for FY11.3Q (9M):

Number of new policies: 1,467, New policy amount: ¥10.6 billion

Number of policies in force: 2,659 policies, Policy amount in force: ¥23.2 billion

Sony Bank's Mortgage Loans through Sony Life

Sony Life ⇔ Sony Bank

Sony Life ⇔ Sony Assurance

Sony Life accounts for 25% of the balance of mortgage loans as of December 31, 2011

Sony Life accounts for 28% of the amount of new mortgage loans for FY11.3Q (9M)

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

Sony Assurance's Auto Insurance Sold by Sony Life

Sony Life accounts for approx. 5% of new automobile policies for FY11.3Q (9M)

* Sony Life started handling automobile insurance in May 2001.

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

Recent Topics 2

<Highlights from the FY11.3Q onward>

2011-10-03	AEGON Sony Life Insurance began offering "W Account II," a new individual variable annuity product (GMAB Type 2011), through Kansai Urban Banking
2011-10-25	Sony Financial Holdings issued No. 1 unsecured corporate bonds
2011-11-02	Sony Life began offering new product: Cancer Drug Therapy Rider
2011-11-28	Sony Bank added four funds including Chinese RMB fund to investment trust lineups

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)

	10.12.31			11.3.31			11.6.30			11.9.30			11.12.31		
	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	2,868.2	2,984.7	116.5	2,914.3	2,892.1	(22.1)	2,963.6	3,026.9	63.2	3,100.0	3,248.8	148.8	3,263.7	3,416.1	152.4
Available-for-sale securities	890.9	933.0	42.0	940.1	964.3	24.2	969.1	1,011.4	42.3	964.7	1,020.8	56.0	901.7	955.6	53.8
Japanese government and corporate bonds	824.9	859.9	35.0	884.4	904.1	19.7	909.9	947.5	37.6	909.8	964.6	54.7	848.9	901.2	52.3
Japanese stocks	51.7	57.4	5.6	49.8	53.7	3.8	47.4	51.9	4.4	36.5	37.8	1.2	34.5	35.3	0.7
Foreign securities	1.9	1.8	(0.0)	1.9	1.8	(0.0)	10.3	10.2	(0.1)	16.9	16.8	(0.1)	16.9	17.5	0.6
Other securities	12.3	13.8	1.4	3.8	4.6	0.7	1.3	1.7	0.3	1.3	1.5	0.1	1.3	1.4	0.1
Total	3,759.2	3,917.8	158.6	3,854.4	3,856.5	2.0	3,932.7	4,038.4	105.6	4,064.8	4,269.7	204.8	4,165.4	4,371.7	206.3

●Valuation gains (losses) on trading-purpose securities

(Billions of yen)

10.12.31		11.3.31		11.6.30		11.9.30		11.12.31	
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
–	–	–	–	–	–	–	–	–	–

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

Sony Financial Holdings

Net Assets on BS, Real Net Assets and Solvency Margin

(Billions of yen)

	①Net Assets (B/S)		②Real Net Assets		③Solvency Margin		Notes
	11.3.31	11.12.31	11.3.31	11.12.31	11.3.31	11.12.31	
Total shareholders' equity	209.8	222.9	209.8	222.9	200.7	222.9	③After estimated distributed income deducted
Net unrealized gains on other securities, net of taxes	7.0	27.4	7.0	27.4	-	-	
Net unrealized gains (losses) on available-for-sale securities	-	-	-	-	20.8	46.4	③Before tax x 90%
Land revaluation, net of taxes	(1.4)	(1.3)	(1.4)	(1.3)	-	-	
Reserve for price fluctuations	-	-	16.7	22.8	16.7	22.8	
Contingency reserve	-	-	51.5	54.2	51.5	54.2	
General reserve for possible loan losses	-	-	-	-	0.0	0.0	
Net unrealized gains on real estate	-	-	1.9	1.9	1.0	1.0	②Before tax (After revaluation) ③Before tax (Before revaluation) X85%
Excess amount of policy reserves based on Zillmer method	-	-	334.2	346.1	334.2	346.1	
Unallotted portion of reserve for policyholders' dividends	-	-	1.1	0.8	1.1	0.8	
Future profits	-	-	-	-	0.6	0.6	
Deferred tax assets	-	-	-	-	63.3	59.5	
Unrealized gains (losses) on held-to-maturity bonds	-	-	(22.1)	152.4	-	-	②Before tax
Deferred tax liabilities for available-for-sale securities	-	-	8.0	15.6	-	-	
Total	215.3	249.0	606.9	843.3	690.3	754.7	

Note: Real net assets excluding net unrealized gains (losses) on held-to-maturity securities and on policy reserve matching bonds, are ¥629.1 billion as of March 31, 2011, and ¥690.8 billion as of December 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	11.12.31 (Currennt)	11.12.31 (New)
Total solvency margin (A)	754.7	708.9
Common stock, etc	222.9	222.9
Reserve for price fluctuations	22.8	22.8
Contingency reserve	54.2	54.2
General reserve for possible loan losses	0.0	0.0
Net unrealized gains on other securities multiplied by 90% if gains or 100% if losses	46.4	46.4
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	346.1	346.1
Unallotted portion of reserve for policyholders' dividends	0.8	0.8
Future profits	0.6	
Deferred tax assets	59.5	59.5
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		(45.1)
Deductible items	–	–
Total risk $\sqrt{(R_1+R_8)^2+(R_2+R_3+R_7)^2}+R_4$ (B)	47.9	71.9
Insurance risk R1	20.7	20.7
Third-sector insurance risk R8	7.5	7.5
Assumed interest rate risk R2	11.7	28.3
Asset management risk R3	15.6	26.7
Business management risk R4	1.3	1.8
Minimum guarantee risk R7	9.6	9.0
Solvency margin ratio [(A)/[(B)×1/2]]×100	3,147.8%	1,971.4%

Note: Cabinet Office Ordinance No. 23 of 2010 and FSA public ministerial announcement No. 48 of 2010 prescribe a revision in the methods of calculating total solvency margin and total risk (increasing the strictness of margin inclusion, and making risk measurement stricter and more sensitive).
These changes are to be applied from the end of FY11. The above-stated figures are calculated on the assumption that these changes are applied as of December 31, 2011.

Amounts are truncated below ¥100 million.

(Sony Life's Solvency Margin Ratio)

Status of Exposure in the five European countries

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

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

(Note) As of December 31, 2011. Exposure of Sony Life is for general account assets.

Sony Financial Holdings

Sony Financial Holdings

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