
Presentation Material

**Consolidated Financial Results for the
Year Ended March 31, 2012
and
Sony Life's Preliminary
Market Consistent Embedded Value**

**Sony Financial Holdings Inc.
May 18, 2012**

Content



■ Consolidated Operating Results for the Year Ended March 31, 2012	P.3
■ Consolidated Financial Forecast for the Year Ending March 31, 2013	P.27
■ Dividend Policies	P.29
■ Sony Life's Preliminary MCEV as of March 31, 2012, and Risk Amount Based on Economic Value	P.31
■ Appendix	P.33

Disclaimers:

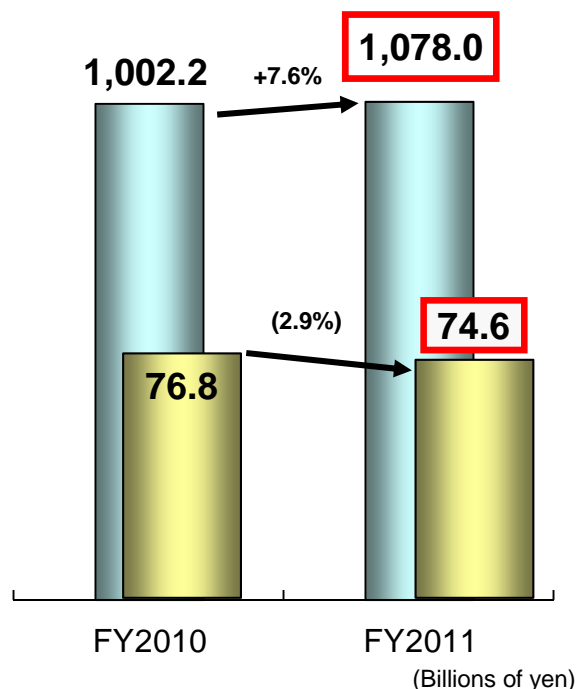
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Consolidated Operating Results for the Year Ended March 31, 2012

Highlights of Consolidated Operating Performance for the Year Ended March 31, 2012 (1)



■ Ordinary revenues ■ Ordinary profit



		(Billions of yen)	FY2010	FY2011	Change	
Life insurance business	Ordinary revenues		900.3	967.5	+67.2	+7.5%
	Ordinary profit		72.1	68.1	(3.9)	(5.5%)
Non-life insurance business	Ordinary revenues		74.1	80.0	+5.9	+8.0%
	Ordinary profit		2.1	2.8	+0.7	+33.3%
Banking business	Ordinary revenues		29.5	32.5	+2.9	+10.1%
	Ordinary profit		2.4	3.4	+1.0	+43.9%
Intersegment adjustments*	Ordinary revenues		(1.8)	(2.1)	(0.2)	—
	Ordinary profit		0.1	0.1	(0.0)	(14.0%)
Consolidated	Ordinary revenues		1,002.2	1,078.0	+75.8	+7.6%
	Ordinary profit		76.8	74.6	(2.2)	(2.9%)
	Net income		41.7	32.8	(8.9)	(21.3%)

*Amounts in the Ordinary profit in the "Intersegment adjustments" are mainly from SFH.

		(Billions of yen)	11.3.31	12.3.31	Change from 11.3.31	
Consolidated	Total assets		6,597.1	7,241.4	+644.2	+9.8%
	Net assets		294.8	347.8	+52.9	+17.9%

(Note) Comprehensive income: FY2010: ¥31.9 billion, FY2011: ¥60.3 billion

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

Highlights of Consolidated Operating Performance for the Year Ended March 31, 2012 (2)



<Comparison with the previous year>

- **Life Insurance:** Ordinary revenues increased, due mainly to higher income from insurance premiums associated with steady increases in the policy amount in force, as well as an increase in investment income accompanied with market recovery towards the end of the fiscal year. 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, due to an increase in net premiums written, as the number of insurance policies in force grew primarily for our automobile insurance. Ordinary profit increased, due mainly to the increase in ordinary revenues and a reversal of catastrophe reserve, although a rise in net losses paid for automobile insurance resulted in the higher loss ratio.
- **Banking:** Ordinary revenues increased, due to an increase in net fees and commissions resulting from Sony Bank's acquisition of SmartLink Network, Inc. on July 1, 2011 as its consolidated subsidiary. Ordinary profit rose due to a rise in gross operating profit resulting from an increase in net interest income. The net interest income increased due mainly to higher interest income on loans led by the growing balance of mortgage loans and a decrease in interest expenses on yen deposits.
- **Consolidated ordinary revenues** increased 7.6%, to ¥1,078.0 billion, however, **consolidated ordinary profit** decreased 2.9%, to ¥74.6 billion. **Consolidated net income** decreased 21.3%, to ¥32.8 billion due to the decline in consolidated ordinary profit and an increase in income taxes owing to a reversal of deferred tax assets associated with the reduction in the corporate tax rate.

<Comparison with Our Original Financial Forecast>

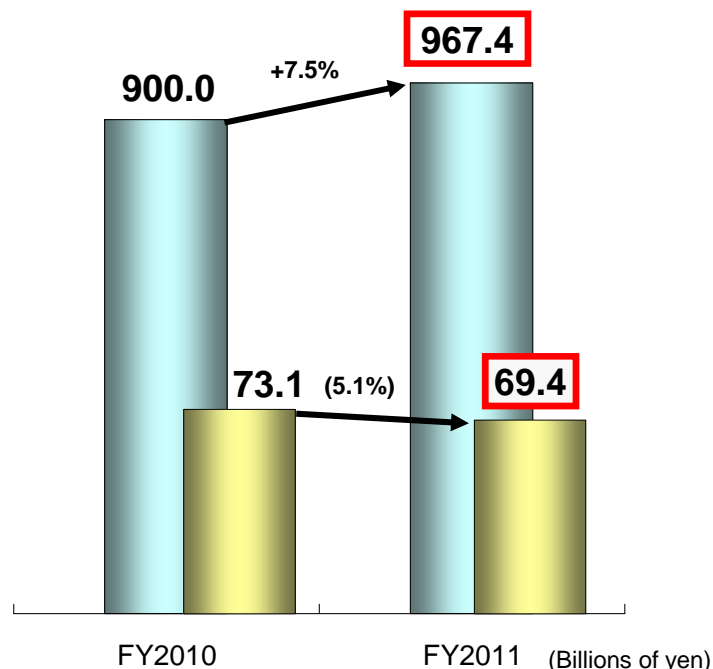
- In February, 2012, SFH revised upward consolidated ordinary revenues and consolidated ordinary profit on its FY11 forecast from the original announcement in May 2011. The major reasons for the revision were the lower insurance claims and other payments relating to the Great East Japan Earthquake than we had estimated at the end of March 2011, as well as gains on sale of securities during the third quarter.

The actual results of consolidated operating profit exceeded the revised forecast, due mainly to the market recovery during the fourth quarter.

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



■ Ordinary revenues ■ Ordinary profit



- ◆ Ordinary revenues increased but ordinary profit decreased year on year.
- ◆ Income from insurance premiums increased owing to steady growth in the policy amount in force.
- ◆ Investment income increased due mainly to higher interest income and dividends, and an improved investment performance on separate accounts, which offset the negative impact of lower gains on sale of securities.
- ◆ Ordinary profit decreased due to lower gains on sale of securities, and lower insurance claims and other payments relating to the Great East Japan Earthquake than we had estimated as of the end of the previous fiscal year.

(Billions of yen)	FY2010	FY2011	Change	
Ordinary revenues	900.0	967.4	+67.3	+7.5%
Income from insurance premiums	770.3	816.1	+45.7	+5.9%
Investment income	119.5	133.9	+14.4	+12.1%
Interest income and dividends	87.5	97.9	+10.4	+11.9%
Income from monetary trusts, net	6.9	5.2	(1.7)	(24.4%)
Gains on sale of securities	24.9	7.5	(17.4)	(69.8%)
Gains on separate accounts, net	—	23.1	+23.1	—
Ordinary expenses	826.9	897.9	+71.0	+8.6%
Insurance claims and other payments	297.9	287.4	(10.5)	(3.5%)
Provision for policy reserve and others	392.7	471.5	+78.8	+20.1%
Investment expenses	19.3	14.3	(4.9)	(25.6%)
Losses on sale of securities	1.8	2.6	+0.7	+39.7%
Losses on separate accounts, net	7.4	-	(7.4)	(100.0%)
Operating expenses	99.3	105.4	+6.1	+6.2%
Ordinary profit	73.1	69.4	(3.7)	(5.1%)
Net income	40.2	31.4	(8.7)	(21.9%)

(Billions of yen)	11.3.31	12.3.31	Change from 11.3.31	
Securities	4,017.5	4,545.0	+527.4	+13.1%
Policy reserves	4,371.4	4,843.0	+471.5	+10.8%
Total net assets	215.3	264.8	+49.4	+23.0%
Net unrealized gains on other securities	7.0	34.0	+27.0	+385.3%
Total assets	4,723.3	5,222.8	+499.5	+10.6%
Separate account assets	398.1	444.2	+46.1	+11.6%

Overview of Performance: Sony Life (Non-consolidated)

(Billions of yen)	FY2010	FY2011	Change
New policy amount	4,199.0	4,203.3	+0.1%
Lapse and surrender amount	2,143.6	2,056.2	(4.1%)
Lapse and surrender rate	6.41%	5.93%	(0.48pt)
Policy amount in force	34,748.5	36,077.0	+3.8%
Annualized premiums from new policies	71.2	70.8	(0.5%)
Of which, third-sector products	16.6	17.1	+2.5%
Annualized premiums from insurance in force	604.7	635.4	+5.1%
Of which, third-sector products	140.7	148.9	+5.8%

(Billions of yen)	FY2010	FY2011	Change
Gains from investment, net (General account)	107.6	96.4	(10.4%)
Core profit	56.2	71.6	+27.3%
Negative spread	6.3	1.5	(76.2%)

	FY2010	FY2011	Change from 11.3.31
	11.3.31	12.3.31	
Solvency Margin Ratio	1,720.0%	1,980.4%	+260.4pt

(Reasons for changes)

◆ Remained flat, due mainly to increased sales of term life insurance, which offset a decrease in family income insurance, which is life insurance with disability benefit.

◆ Decreased due to the lowering lapse and surrender rates in most products, mainly in family income insurance, which is life insurance with disability benefit.

◆ Decreased due mainly to decreased sales of educational endowment insurance and medical insurance which offset increased sales of living benefit insurance and term life insurance.

◆ Decreased due to lower gains in sale of securities in line with the shift from investing in bonds with short terms to maturity to those with ultralong-terms, though interest income and dividends increased.

◆ Increased, mainly reflecting lower insurance claims and other payments relating to the Great East Japan Earthquake than we had estimated as of the end of the previous fiscal year, and a decrease in negative spread as well as a decrease in provision of policy reserve for minimum guarantee for variable life insurance.

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.

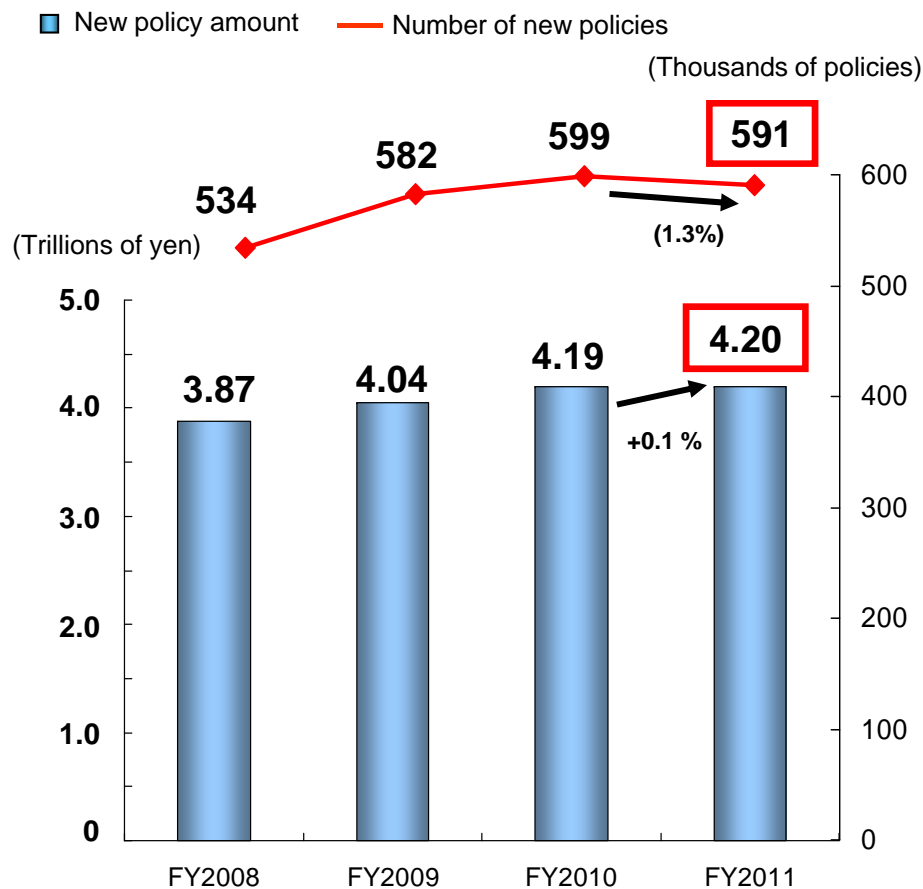
*3 The solvency margin ratio has been calculated according to the new standard, which became effective as of the end of fiscal 2011 (March 31, 2012).

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

Sony Life Operating Performance (1)

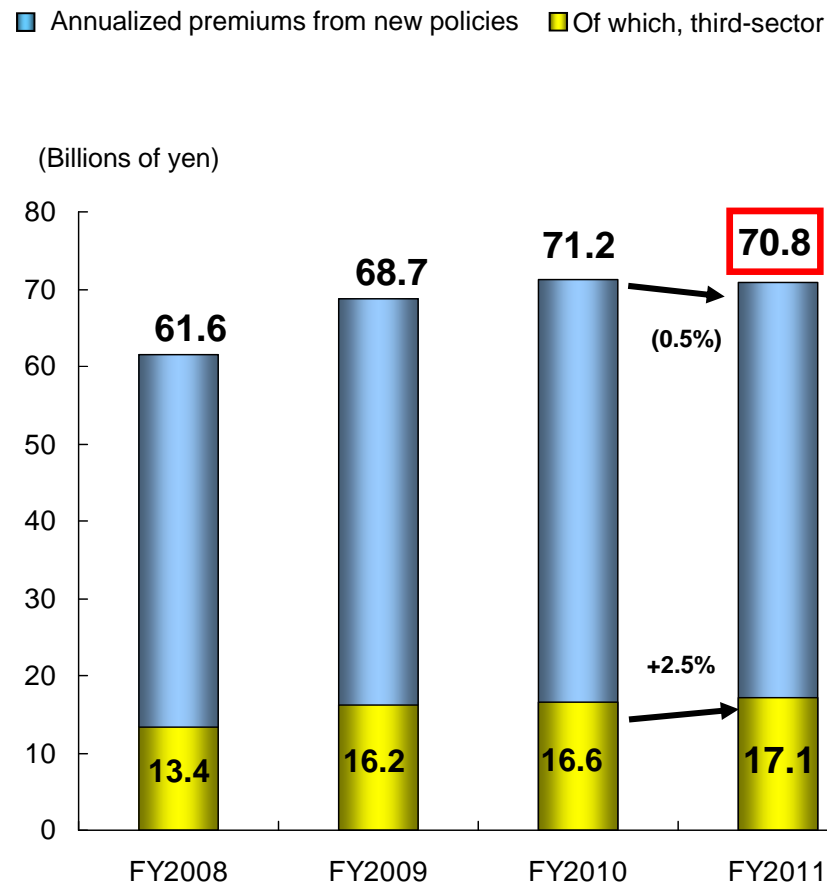


Number and Amount of New Policies (Individual Life Insurance + Individual Annuities)



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)



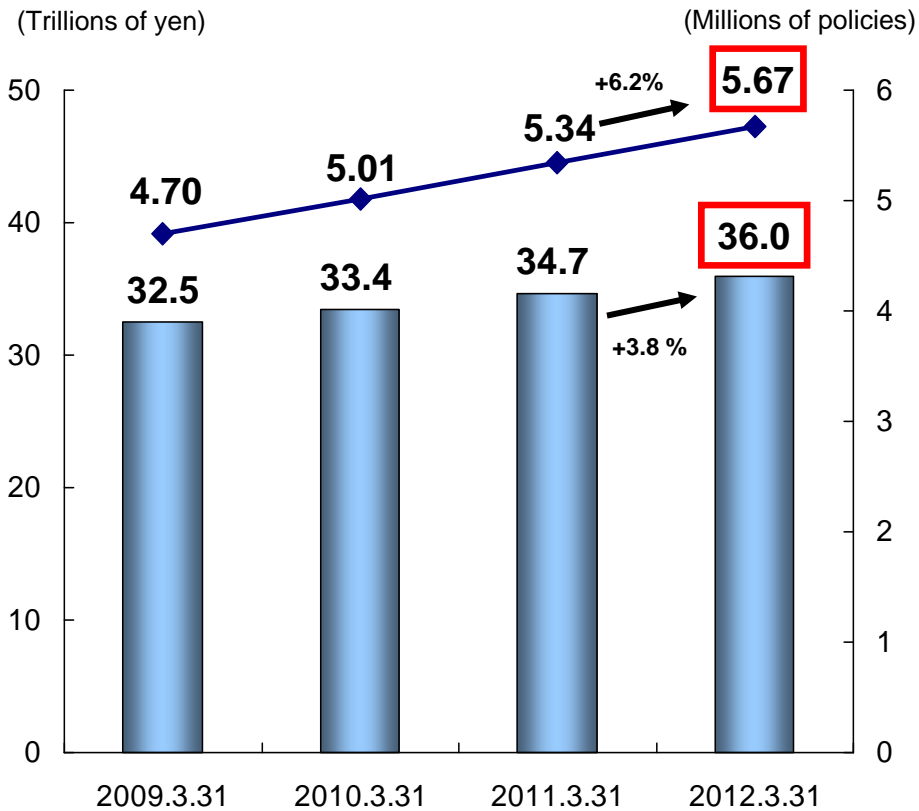
Line item amounts are truncated below ¥100 million; percentage figures are rounded.

Sony Life Operating Performance (2)



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

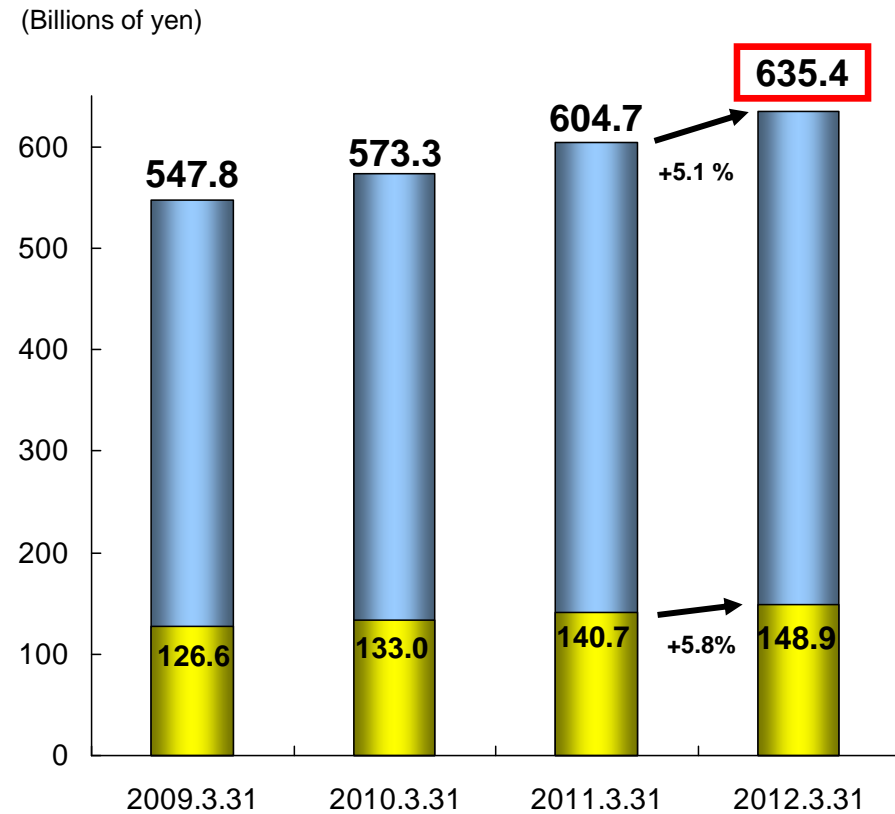
■ Policy amount in force — Number of policies in force



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

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

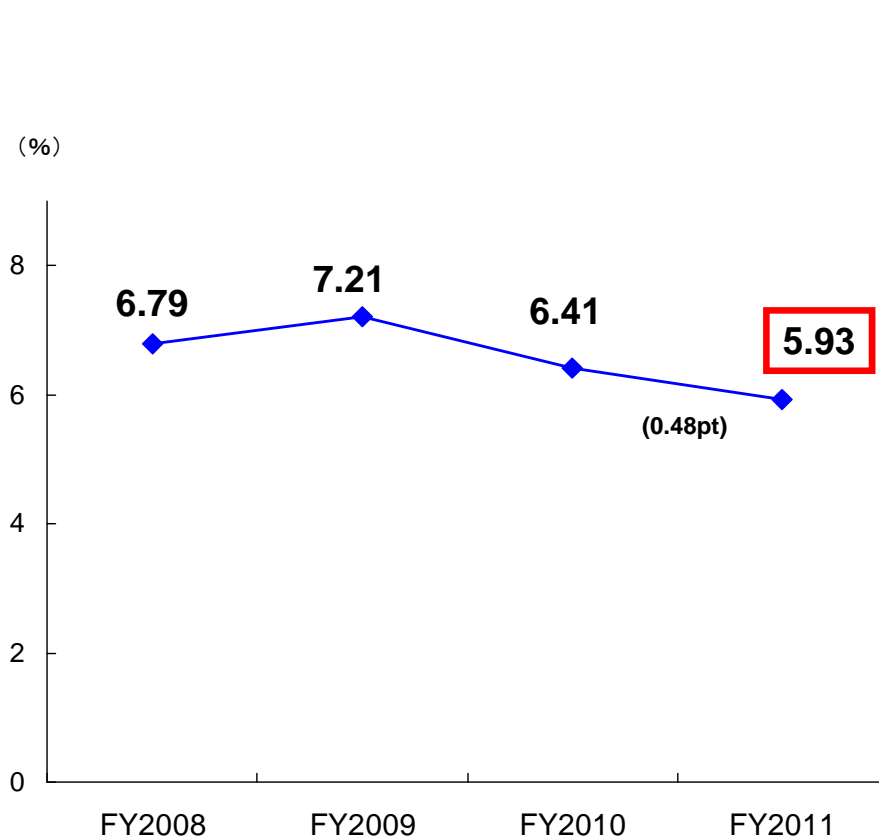
■ Annualized premiums from insurance in force ■ Of which, third-sector



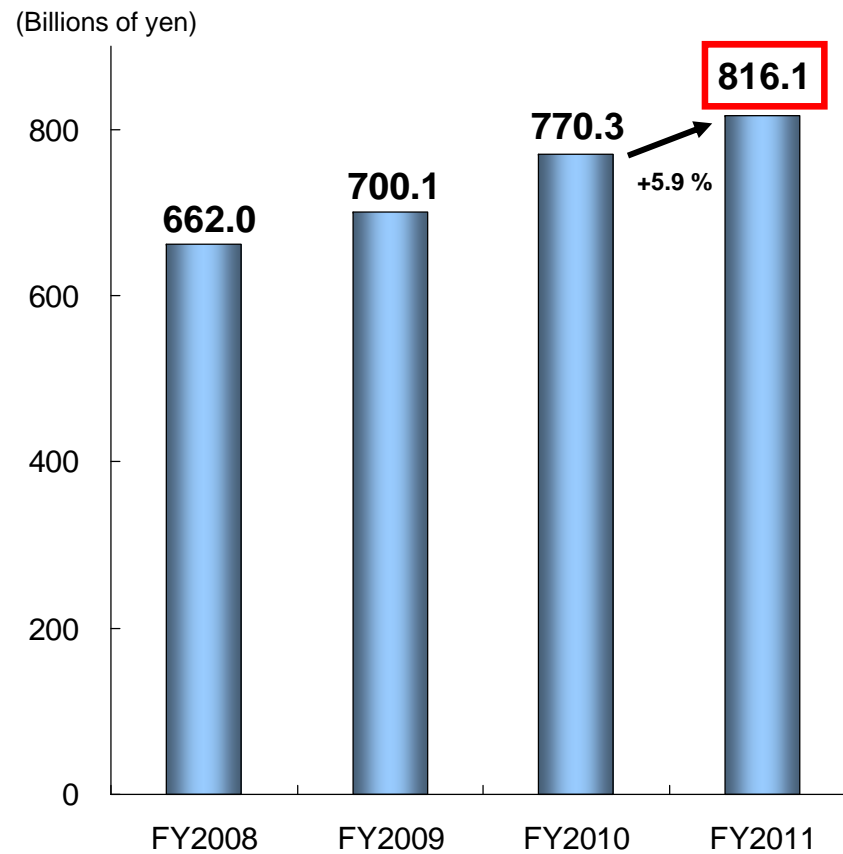
Line item amounts are truncated below ¥100 million; percentage figures are rounded.

Sony Life Operating Performance (3)

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



Income from Insurance Premiums



*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 figures are rounded.

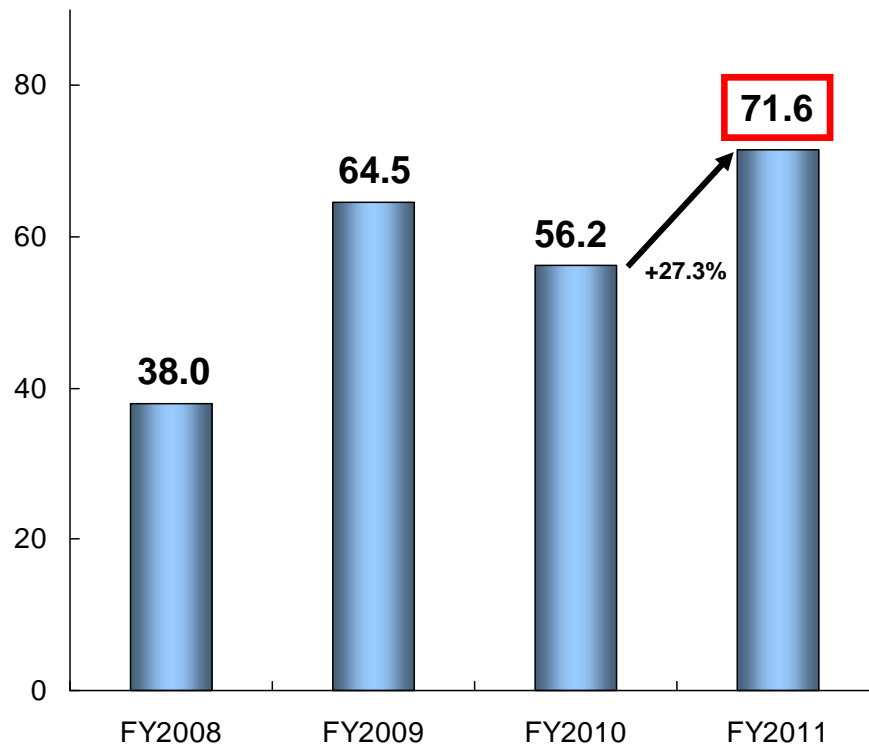
Sony Life Operating Performance (4)



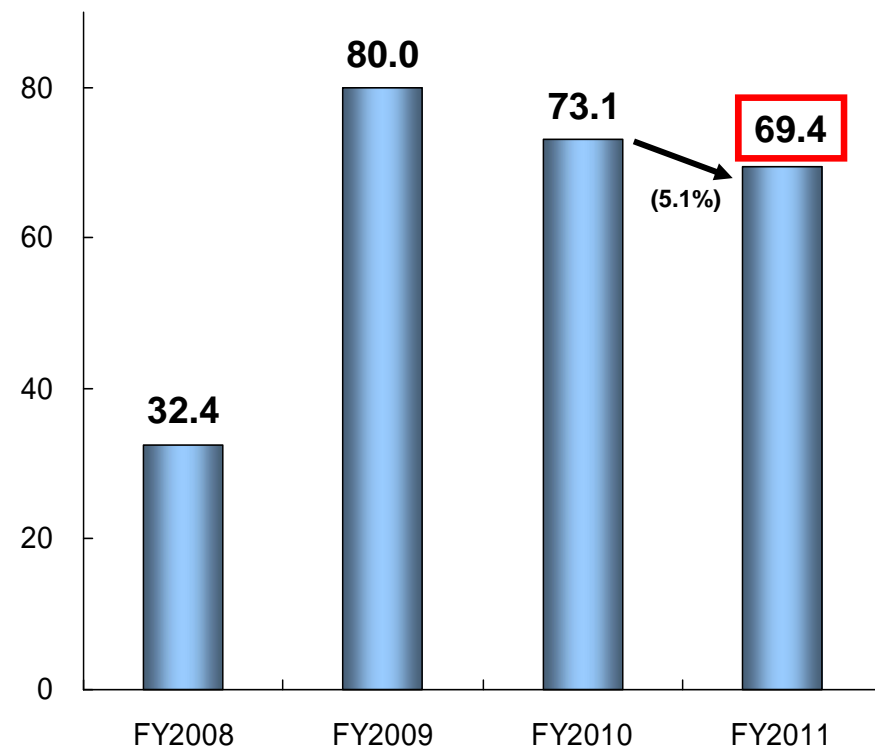
Core Profit

Ordinary Profit

(Billions of yen)



(Billions of yen)



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

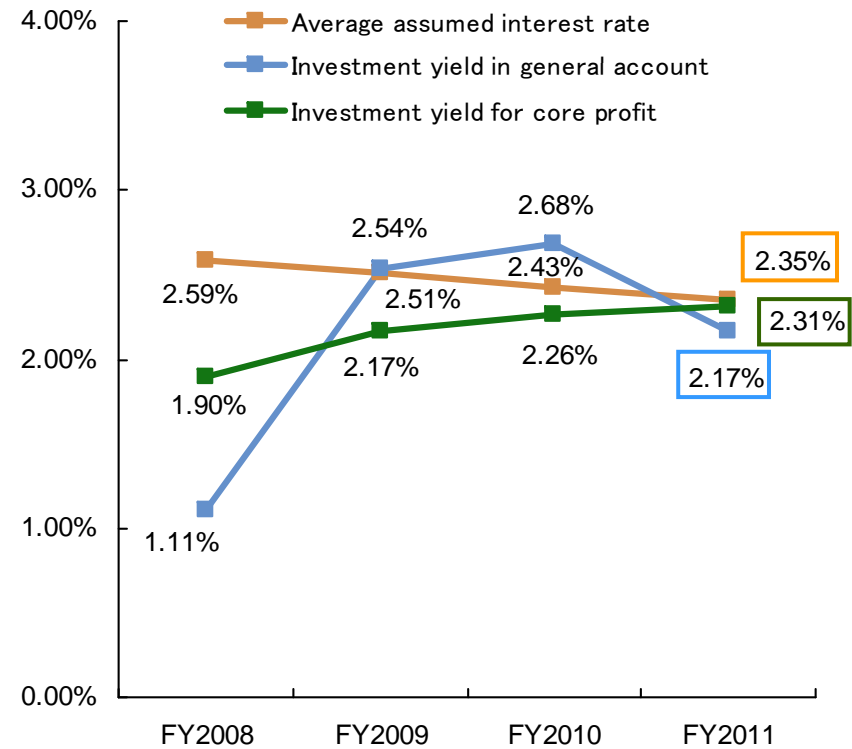
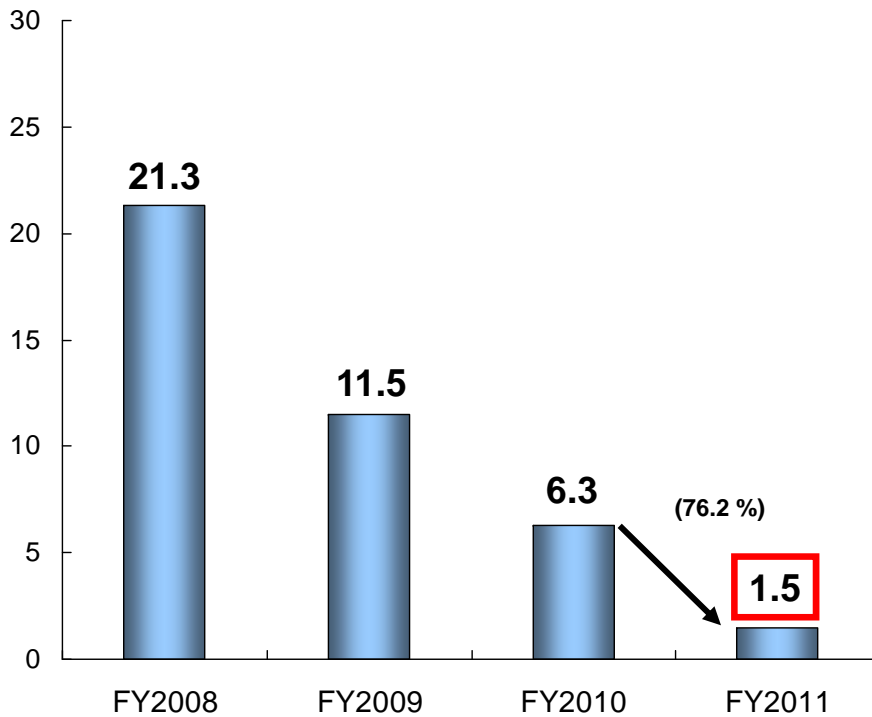
Sony Life Operating Performance (5)



Negative Spread

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

(Billions of yen)

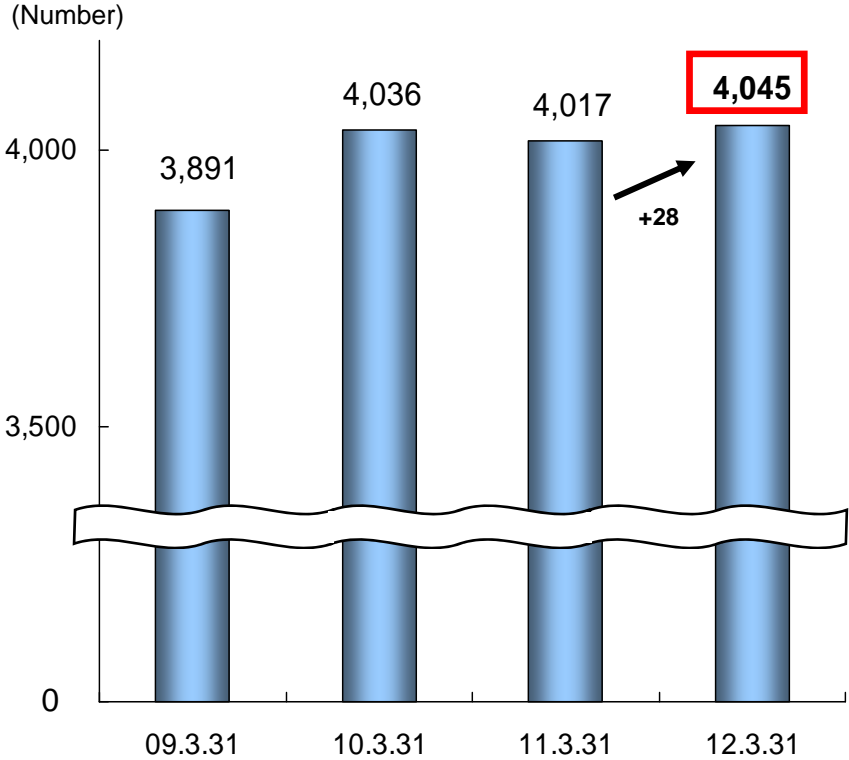


Line item amounts are truncated below ¥100 million; percentage change figures are rounded.

Sony Life Operating Performance (6)



Number of Lifeplanner Sales Employees



Reference: Lifeplanner sales employees (rehired on a fixed-term contract basis after retirement)

(Number)	09.3.31	10.3.31	11.3.31	12.3.31
Lifeplanner*	30	39	49	71

* The table above indicates the number of Lifeplanner sales employees (rehired on a fixed-term contract basis after retirement); **these are not included in the graph above.**

Sony Life Operating Performance (7)



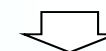
Breakdown of General Account Assets

(Billions of yen)	2011.3.31		2012.3.31	
	Amount	%	Amount	%
Japanese government and corporate bonds	3,499.9	80.9%	3,975.7	83.2%
Japanese stocks	64.0	1.5%	45.0	0.9%
Foreign securities	44.2	1.0%	59.6	1.2%
Foreign stocks	30.0	0.7%	30.5	0.6%
Monetary trusts	276.4	6.4%	288.2	6.0%
Policy loans	134.4	3.1%	138.7	2.9%
Real estate	75.1	1.7%	72.9	1.5%
Cash and call loans	80.0	1.9%	64.8	1.4%
Others	120.9	2.8%	102.6	2.1%
Total	4,325.2	100.0%	4,778.5	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
12.3.31 19.2 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:

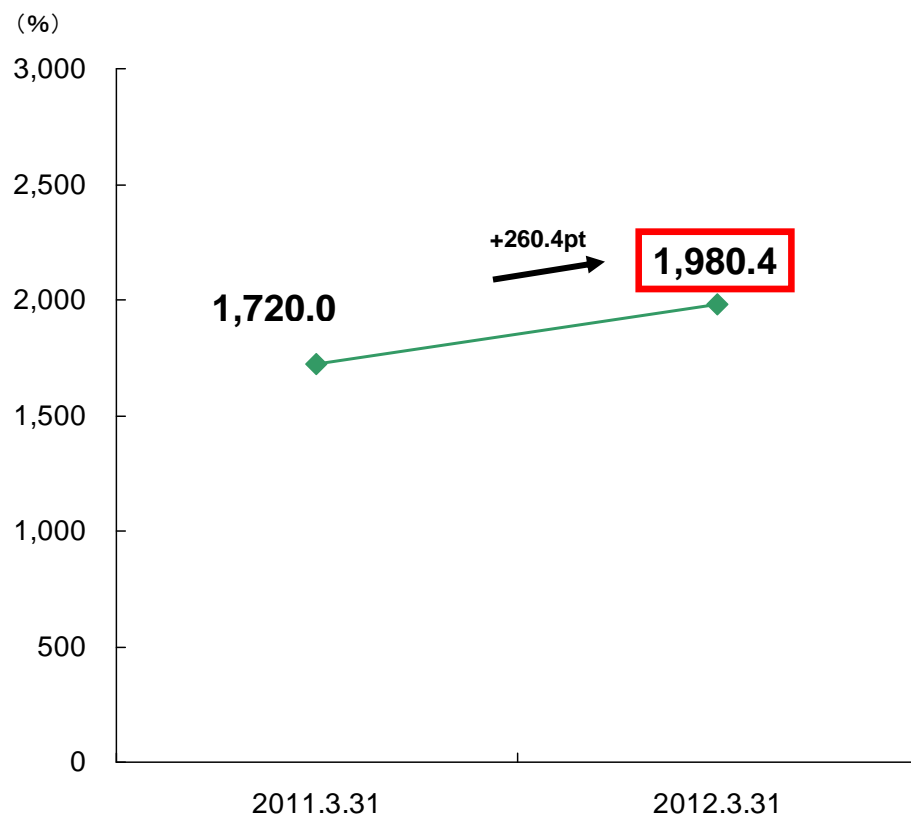
As of March 31, 2012: 89.2%, (As of March 31, 2011: 87.3%)

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

Sony Life Operating Performance (7)



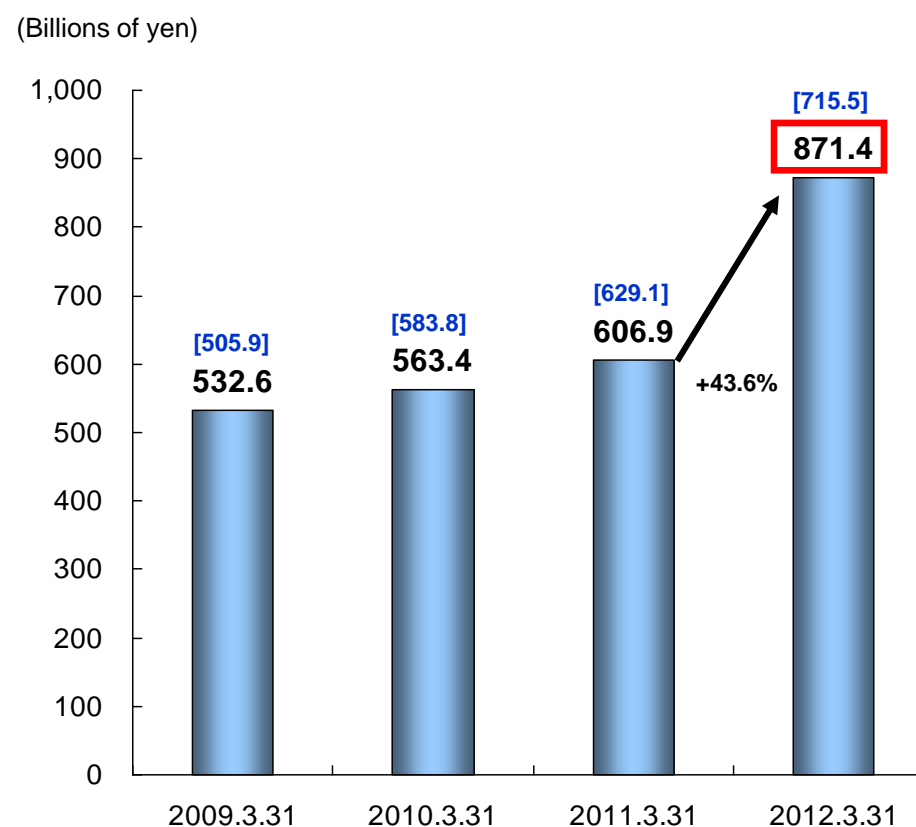
Solvency Margin Ratio



Note:

The solvency margin ratio has been calculated according to the new standard, which became effective as of the end of fiscal 2011 (March 31, 2012).

Adjusted Net Assets



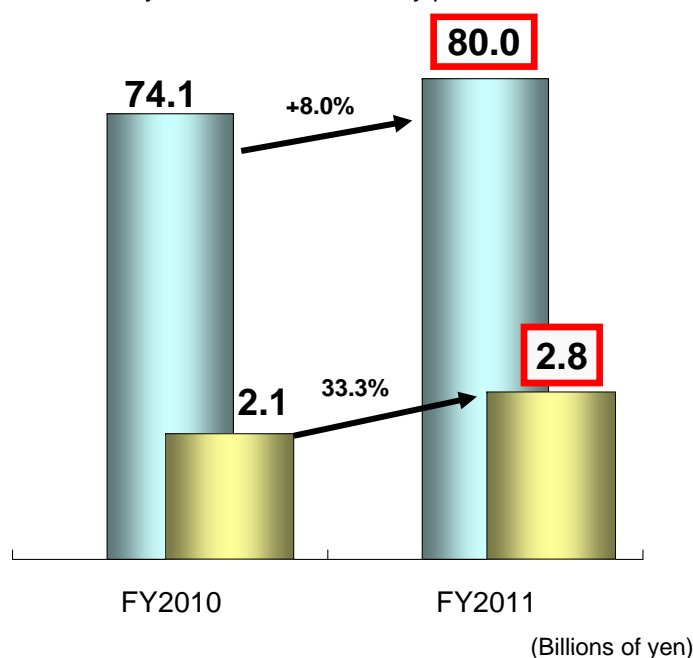
Note:

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.

Highlights of Operating Performance: Sony Assurance

■ Ordinary revenues ■ Ordinary profit



- ◆ Ordinary revenues and ordinary profit increased year on year.
- ◆ Ordinary revenues increased, due to an increase in net premiums written led by a growing number of in-force policies primarily in automobile insurance.
- ◆ Ordinary profit increased, due mainly to the increase in ordinary revenues as well as a reversal of catastrophe reserve, although a rise in net losses paid for automobile insurance resulted in the higher loss ratio.

(Billions of yen)	FY2010	FY2011	Change	
Ordinary revenues	74.1	80.0	+5.9	+8.0%
Underwriting income	73.3	79.1	+5.7	+7.9%
Investment income	0.7	0.8	+0.1	+13.8%
Ordinary expenses	72.0	77.2	+5.2	+7.2%
Underwriting expenses	54.4	58.0	+3.5	+6.6%
Investment expenses	0.0	0.0	+0.0	+77.6%
Operating, general and administrative expenses	17.4	19.0	+1.5	+9.1%
Ordinary profit	2.1	2.8	+0.7	+33.3%
Net income	1.2	1.2	+0.0	+0.2%

(Billions of yen)	2011.3.31	2012.3.31	Change from 11.3.31	
Underwriting reserves	64.0	67.3	+3.2	+5.1%
Total net assets	16.7	18.0	+1.2	+7.4%
Total assets	109.3	118.6	+9.2	+8.4%

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

Overview of Performance: Sony Assurance



(Billions of yen)	FY2010	FY2011	Change
Direct premiums written	72.8	78.3	+7.5%
Net premiums written	73.3	79.1	+7.9%
Net losses paid	39.2	45.0	+14.7%
Underwriting profit	1.4	2.1	+43.5%
Net loss ratio	60.0%	63.3%	+3.3pt
Net expense ratio	25.5%	25.7%	+0.2pt
Combined ratio	85.6%	89.0%	+3.4pt

(Reasons for changes)

- ◆ Increased owing to an increase in the number of policies in force primarily in automobile insurance.
- ◆ Increased owing mainly to an increase in the number of policies in force in automobile insurance, as well as rising unit cost of insurance claims.

- ◆ Increased due to an increase in the number of policies in force primarily in automobile insurance.

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

	2011.3.31	2012.3.31	Change from 11.3.31	
Number of policies in force	1.38 million	1.49 million	+0.10 million	+7.6%
Solvency margin ratio	631.0%	557.8%	(73.2pt)	

The number of policies in force is the total of automobile insurance and medical and cancer insurance, which accounts for 99% of net premiums written.
The solvency margin ratio has been calculated according to the new standard, which became effective as of the end of fiscal 2011 (March 31, 2012).

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

Sony Assurance's Underwriting Performance by Type of Policy



Direct Premiums Written

(Millions of yen)	FY2010	FY2011	Change
Fire	185	176	(4.8%)
Marine	—	—	—
Personal accident*	7,135	7,424	+4.0%
Voluntary automobile	65,516	70,712	+7.9%
Compulsory automobile liability	—	—	—
Total	72,837	78,313	+7.5%

Net Premiums Written

(Millions of yen)	FY2010	FY2011	Change
Fire	8	72	+780.1%
Marine	5	90	—
Personal accident*	7,369	7,626	+3.5%
Voluntary automobile	65,245	70,457	+8.0%
Compulsory automobile liability	714	893	+25.1%
Total	73,343	79,141	+7.9%

Net losses paid

(Millions of yen)	FY2010	FY2011	Change
Fire	0	40	—
Marine	11	138	—
Personal accident*	1,620	1,796	+10.9%
Voluntary automobile	36,941	42,193	+14.2%
Compulsory automobile liability	683	862	+26.3%
Total	39,256	45,032	+14.7%

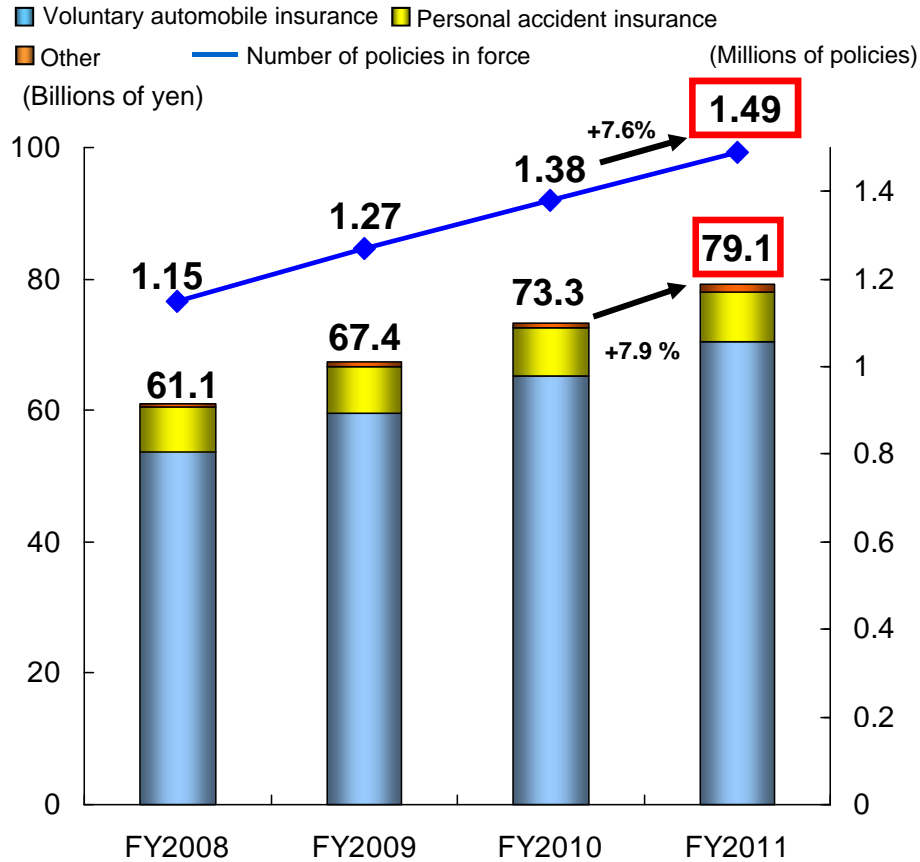
*SURE, medical and cancer insurance is included in personal accident.

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

Sony Assurance Operating Performance (1)

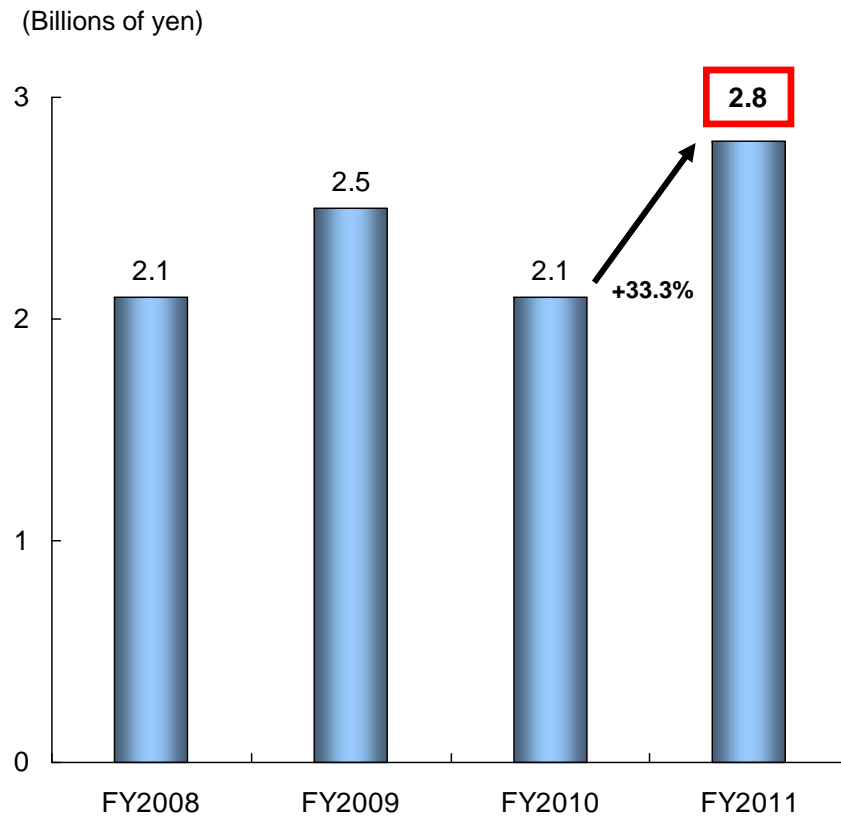


Net Premiums Written and Number of Policies in Force



The number of policies in force is the total of automobile insurance and medical and cancer insurance policies, which account for 99% of net premiums written. More than 90% of personal accident insurance is medical and cancer insurance.

Ordinary Profit



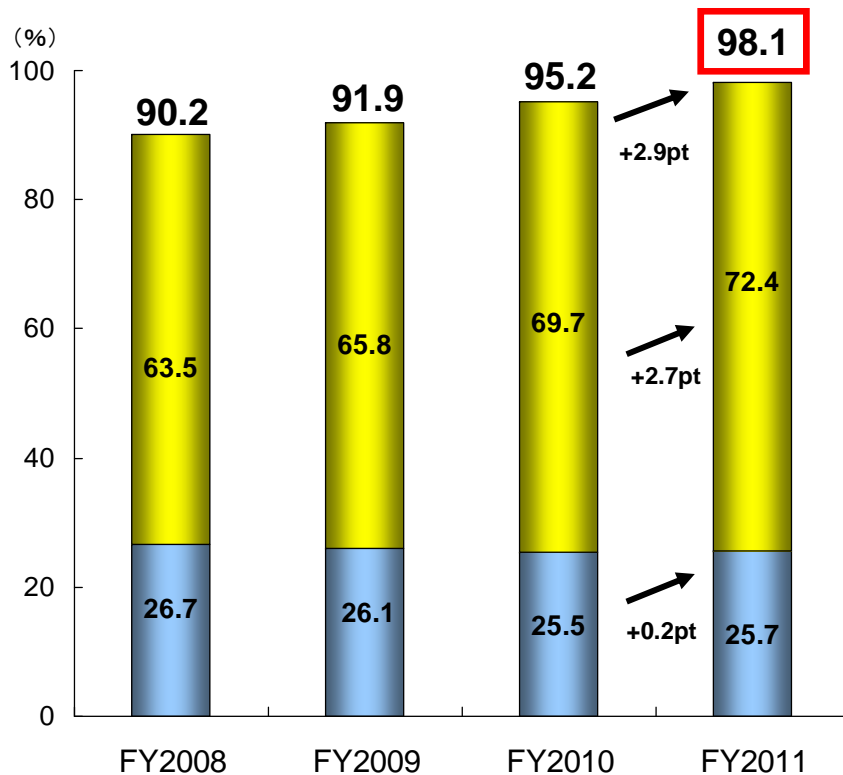
Line item amounts are truncated below ¥100 million; numbers of policies are truncated below 10,000 policies; percentage change figures are rounded.

Sony Assurance Operating Performance (2)



Net Expense Ratio + Earned/Incurred Loss Ratio

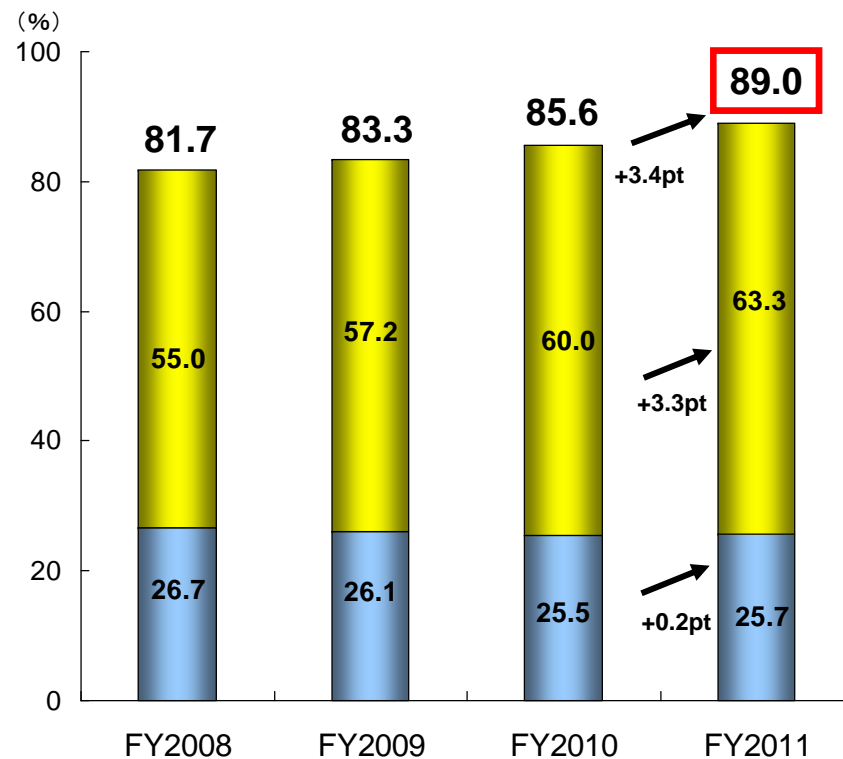
■ Net expense ratio ■ Earned/Incurred loss ratio



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.

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

■ Net expense ratio ■ Net loss ratio

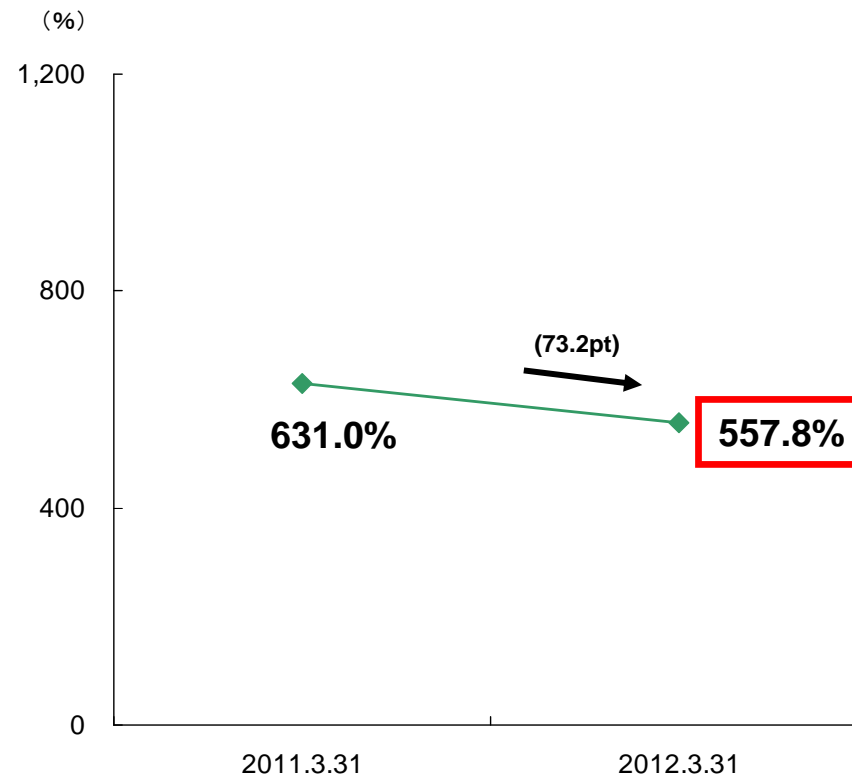


Net expense ratio is equal to the ratio of total underwriting costs to net premiums written. Net loss ratio is equal to the ratio of net losses paid and loss adjustment expenses to net premiums written.

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

Sony Assurance Operating Performance (3)

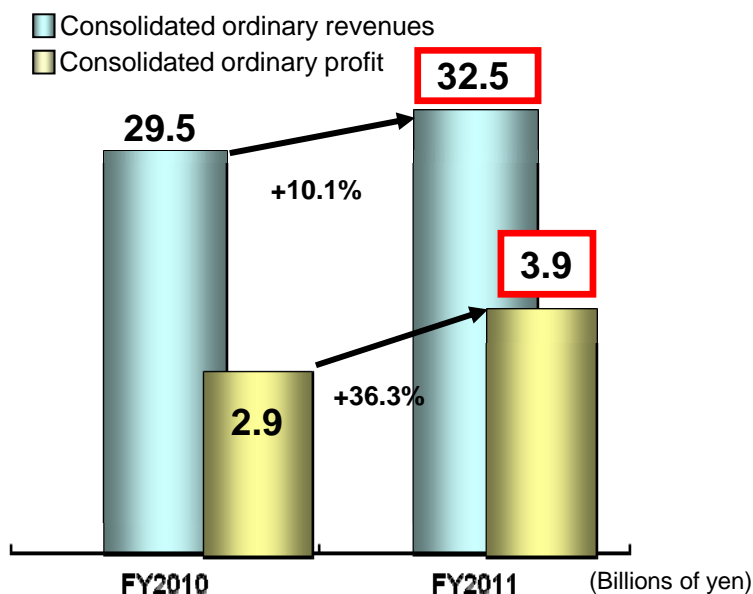
Solvency Margin Ratio



Note:

The solvency margin ratio has been calculated according to the new standard, which became effective as of the end of fiscal 2011 (March 31, 2012).

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



<Consolidated>

◆ Consolidated ordinary revenues and profit both increased year on year, due to Sony Bank's acquisition of SmartLink network, Inc. as consolidated subsidiary, in addition to Sony Bank's business expansion.

<Non-consolidated>

◆ Gross operating profit increased ¥1.8 billion year on year due mainly to an increase in net interest income.

【Net interest income】

Increased ¥2.8 billion owing to an increase in interest income on loans and a decrease in interest expenses on yen deposits.

【Net other operating income】

Decreased ¥1.3 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, which offset negative impact of higher general and administrative expenses led primarily by personal reinforcement of the full scale entry into credit card business.

<Consolidated>

(Billions of yen)	FY2010	FY2011	Change	
Consolidated ordinary revenues	29.5	32.5	+2.9	+10.1%
Consolidated ordinary profit	2.9	3.9	+1.0	+36.3%
Consolidated net income	1.5	1.7	+0.1	+10.4%

<Non-consolidated>

(Billions of yen)	FY2010	FY2011	Change	
Ordinary revenues	29.5	30.0	+0.5	+1.9%
Gross operating profit	16.4	18.3	+1.8	+11.4%
Net interest income	13.2	16.1	+2.8	+21.6%
Net fees and commissions	(0.1)	0.1	+0.3	—
Net other operating income	3.3	2.0	(1.3)	(39.8%)
General and administrative expenses	12.6	13.8	+1.2	+9.6%
Ordinary profit	3.3	4.0	+0.6	+19.4%
Net income	2.0	2.3	+0.2	+13.9%
Net operating profit	3.6	4.3	+0.7	+21.2%

(Billions of yen)	2011.3.31	2012.3.31	Change from 2011.3.31	
Total net assets	59.9	62.7	+2.8	+4.7%
Net unrealized gains on other securities (net of taxes)	0.4	1.7	+1.3	314.5%
Total assets	1,761.8	1,890.5	+128.6	+7.3%

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

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

(Reasons for changes)

(Billions of yen)	2011.3.31	2012.3.31	Change	
Customer assets	1,755.5	1,864.3	+108.7	+6.2%
Deposits	1,649.1	1,762.2	+113.1	+6.9%
Yen	1,289.8	1,390.5	+100.6	+7.8%
Foreign currency	359.2	371.7	+12.4	+3.5%
Investment trusts	106.4	102.0	(4.4)	(4.2%)
Loans outstanding	722.4	835.5	+113.1	+15.7%
Mortgage loans	656.0	749.6	+93.5	+14.3%
Others	66.4	85.9^(*)	+19.5	+29.4%
Number of accounts (10 thousands)	85	89	+4	+4.7%
Capital adequacy ratio^(*)2) (domestic criteria)	10.84%	11.58%	+0.74pt	
Tier 1 ratio	10.41%	9.63%	(0.78pt)	

◆ Yen deposit increased due to an effect of special offer for winter 2011 bonus season.

◆ Foreign currency deposit increased, owing to stable demand of foreign currency-based investment backed by the ongoing yen appreciation throughout the fiscal year.

◆ Investment trusts decreased reflecting a decline in reference price.

◆ Loan balance increased due to increases in mortgage loans and corporate lending centering on syndicated loans.

◆ In October 2011, Sony Bank borrowed funds(¥10 billion) from SFH as subordinated loan to reinforce its financial base. The Tier 1 ratio was also kept at a high level.

*1. Loans in others include corporate loans of ¥78.7billion.

*2. Excludes accounts that have been dormant for a long period of time.

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

Line item amounts are truncated below ¥100 million; numbers of accounts are truncated below 10 thousands accounts; percentage change figures are rounded.

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

<Reference> On Managerial Accounting Basis

(Billions of yen)	FY2010	FY2011	Change	
Gross operating profit	16.4	18.3	+1.8	+11.5%
Net interest income *1 ①	15.1	17.7	+2.6	+17.5%
Net fees and commissions *2 ②	0.8	1.1	+0.3	+40.8%
Net other operating income *3	0.4	(0.6)	(1.0)	-
Gross operating profit (core profit) (A) = ①+②	15.9	18.9	+2.9	+18.7%
Operating expenses and other expenses ③	12.8	13.9	+1.1	+8.6%
Net operating profit (core profit) = (A)-③	3.0	4.9	+1.8	+60.9%

● Managerial accounting basis

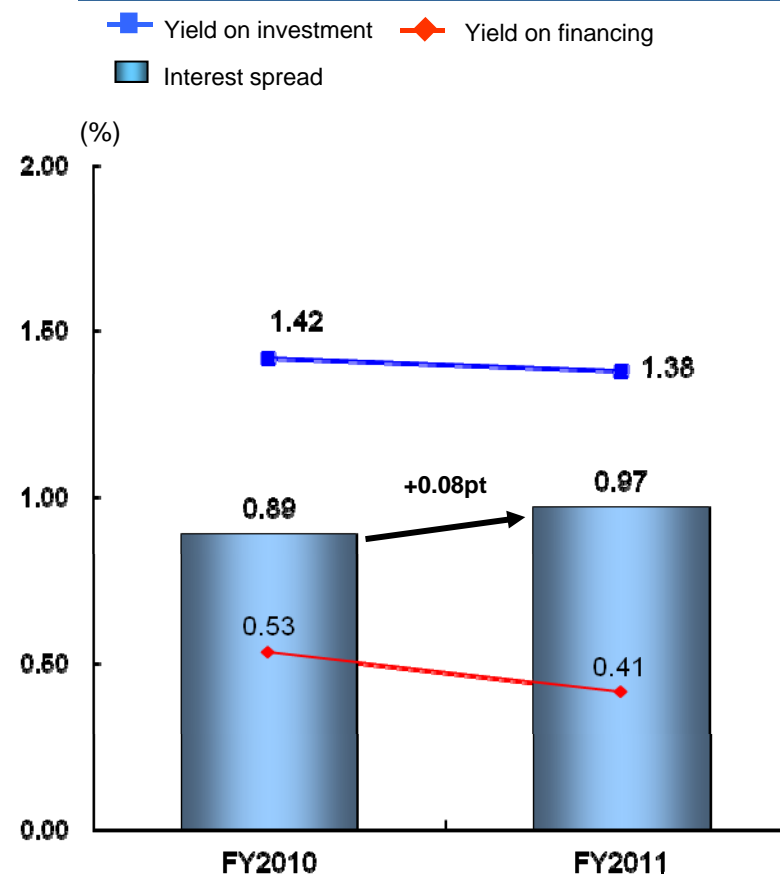
The following adjustments are made to the figures on a financial accounting basis to account for profits and losses more appropriately.

- *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> Interest Spread (Managerial Accounting Basis)



Note: 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.

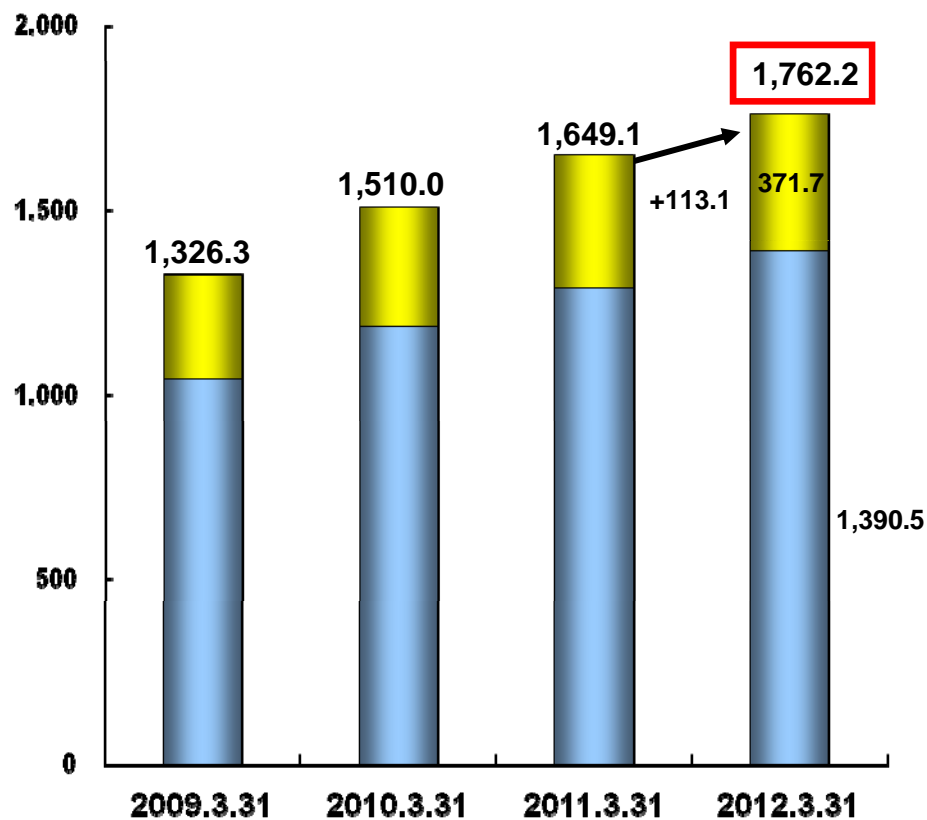
Operating Performance: Sony Bank (Non-consolidated) (1)



Deposits

■ Yen deposits ■ Foreign currency deposits

(Billions of yen)

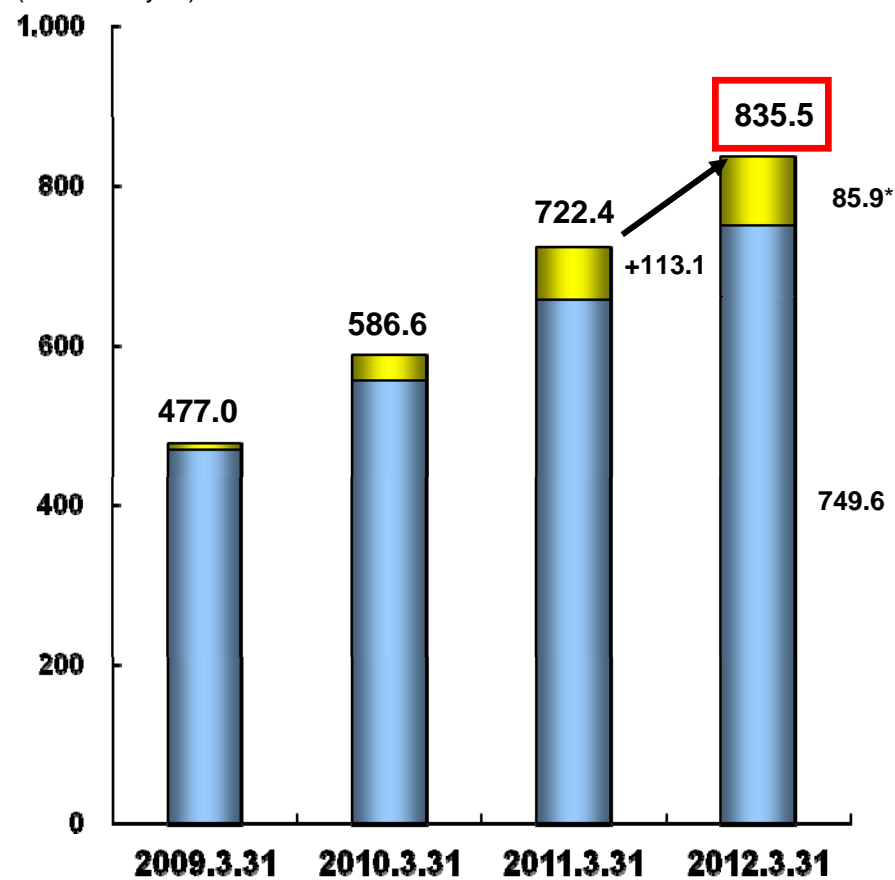


Loans

■ Mortgage loans ■ Others

*Including corporate loans of ¥78.7 billion.

(Billions of yen)



Line item amounts are truncated below ¥100 million

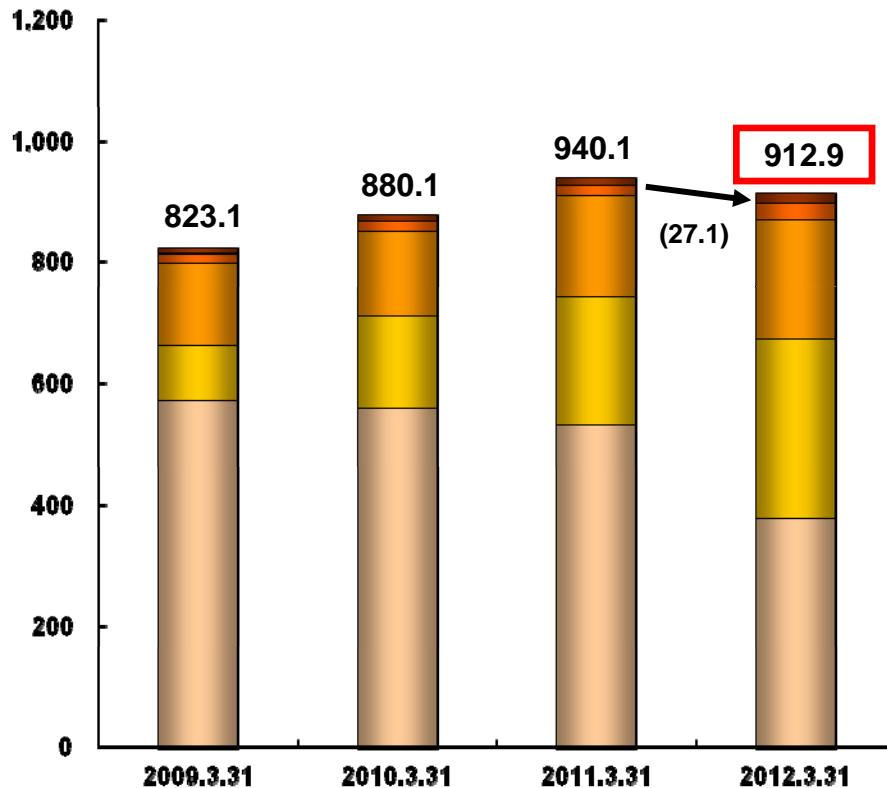
Operating Performance: Sony Bank (Non-consolidated) (2)



Balance of Securities by Credit Ratings

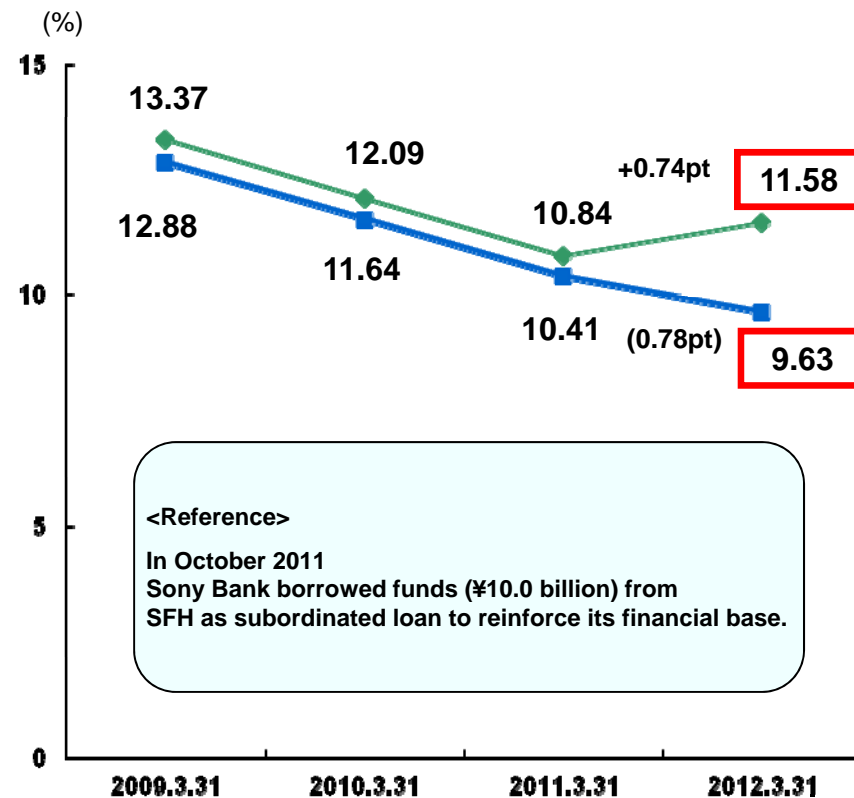
■ AAA ■ AA ■ A
■ BBB ■ Other

(Billions of yen)



Non-Consolidated Capital Adequacy Ratio (Domestic Criteria)

— Capital Adequacy Ratio — Tier1 Ratio



* Sony Bank's non-consolidated capital adequacy ratio was calculated based on the standard stipulated by Article 14-2 of the Banking Act, in accordance with FSA Notification No. 19 (2006). The capital adequacy ratio newly adopted the special exception of the standard mentioned above, in accordance with the FSA Notification No. 79 (2008).

Amounts are truncated below ¥100 million.

Consolidated Financial Forecast for the Year Ending March 31, 2013

Consolidated Financial Forecast for the Year Ending March 31, 2013



■ Consolidated financial forecast for the year ending March 31, 2013

(Billions of yen)	FY2011 Actual	FY2012 Forecast	Change
Consolidated ordinary revenues	1,078.0	1,115.0	+3.4%
<u>Life insurance business</u>	967.5	994.5	+2.8%
<u>Non-life insurance business</u>	80.0	86.8	+8.4%
<u>Banking business</u>	32.5	34.5	+6.0%
Consolidated ordinary profit	74.6	67.0	(10.2%)
<u>Life insurance business</u>	68.1	61.5	(9.8%)
<u>Non-life insurance business</u>	2.8	2.6	(9.1%)
<u>Banking business</u>	3.4	3.6	+3.9%
Consolidated net income	32.8	37.0	+12.8%

■ Life insurance business

Ordinary revenues for FY2012 are expected to increase year on year. In the current fiscal year, we do not expect to record an increase in investment income that we posted at the previous year-end due to the market, although we do anticipate that income from insurance premiums will increase in line with steady growth of the policy amount in force.

Ordinary profit is expected to decrease, since we do not anticipate the profit recorded in the previous fiscal year. In the previous fiscal year, Sony Life recorded a profit due to lower insurance claims and other payments relating to the Great East Japan Earthquake than we had estimated at the end of March 2011, as well as gains on sale of securities, reflecting the process of shifting bond holdings to ultralong-term bonds. However, we do not anticipate such gains for FY2012.

■ Non-life insurance business

Ordinary revenues for FY2012 are expected to increase year on year, owing to an increase in net premiums written, primarily for automobile insurance.

Ordinary profit is expected to slightly decrease, mainly because we expect the loss ratio to stay at a high level and the expense ratio to slightly increase resulting from an increase in system-related expenses.

■ Banking Business

Ordinary revenues for FY2012 are expected to rise year on year, owing mainly to a growing balance of loans, especially mortgages.

Ordinary profit is expected to rise, as we anticipate a steady increase in gross operating profit, driven by business expansion.

<Reference>

Consolidated financial results for the year ended March 31, 2012

	FY2011 Original Forecast (Announced on May 20, 2011)	FY2011 Revised Forecast (Announced on Feb. 2, 2012)	FY2011 Actual
Consolidated ordinary revenues (Billions of yen)	1,022.0	1,047.0	1,078.0
Consolidated ordinary profit	59.0	67.0	74.6
Consolidated net income	29.0	29.0	32.8

<Reasons for the revision of the forecast>

- In the life insurance business, insurance claims and other payments relating to the Great East Japan Earthquake were lower than we had estimated at the end of March 2011.
- Also in the life insurance business, gains on sale of securities, reflecting the process of shifting its bond holdings to ultralong-term bonds, were recorded.

<Reason for a change from the revised forecast>

- Due to the market recovery for the fourth quarter.

(Amounts are truncated below ¥100 million; percentage changes are rounded.)

Dividend Policies

■ Basic Policy on Returns to Shareholders and Dividends

SFH places priority on returning profits to shareholders and raising return on equity. Our basic policy is to pay a stable dividend to shareholders while ensuring the high financial soundness needed to gain and maintain the confidence of the customers of the group companies as well as the internal reserves needed for future business development.

■ Consolidated Net Income and Dividend Result/Forecast

	FY2010	FY2011
Consolidated net income	¥41.7 billion	¥32.8 billion
Annual dividend amount	¥8.7 billion	¥8.7 billion
Dividend per share	¥20	¥20

*Amounts are truncated below ¥100 million.

We have not decided the level of the annual cash dividend per share for FY2012. We will consider this level, taking future operating performance into account.

**Sony Life's Preliminary MCEV
as of March 31, 2012,
and
Risk Amount Based on Economic Value**

Sony Life's Preliminary MCEV as of March 31, 2012, and Risk Amount Based on Economic Value



MCEV results [Preliminary]

(Billions of yen)

	2011.3.31 (Interest swap rate)	2011.3.31 (JGB yield)	2012.3.31 (JGB yield)	Change 2011.3.31(JGB yield) vs. 2012.3.31(JGB yield)
MCEV	853.6	913.5	1,041.5	+128.1
Adjusted net worth	230.3	230.3	409.2	+178.9
Value of existing business	623.3	683.2	632.4	(50.8)
Of which, new business value	56.8	61.7	65.2	+3.5

- ◆ The value of existing business as of March 31, 2012, was down year on year, due mainly to a decline in ultralong-term interest rates, which offset the positive impact of the addition of new business and a reduction in the corporate tax rate. On the other hand, adjusted net worth as of March 31, 2012, was up, due primarily to an increase in prices of ultralong-term JGBs held from an ALM perspective. Consequently, MCEV as of March 31, 2012, was up from a year earlier.
- ◆ Sony Life **used JGB yields** as the risk-free rate when calculating MCEV as of March 31, 2012, rather than interest swap rates, which were used previously, as JGBs are considered securities with the lowest credit risk. JGBs are also regarded as superior yen-denominated liabilities in terms of investment availability in keeping with accounting and regulatory constraints and ultralong-term liquidity.
- ◆ **The risk amount based on economic value** (after tax) as of March 31, 2012, was **¥551.5 billion**. The risk amount based on economic value refers to the total amount of Sony Life's risks, comprehensively examined and including insurance underwriting risk and market risk. Sony Life ensures financial soundness by keeping these risks within a proper level of MCEV, which is capital based on economic value.

Note: Measurement of risk based on economic value takes one-year VaR to be 99.5% and is measured using an internal model that refers to the EU Solvency II (QIS5) standard model.

* Please keep in mind that the validity of these calculations has not been verified by outside specialists. The calculation of MCEV as of March 31, 2012, in accordance with the MCEV principles and verified by outside specialists, is scheduled to be announced on May 25, 2012.

*Amounts are truncated below ¥100 million.

Appendix

Negative impact from the Great East Japan Earthquake (Appendix)

■ Positive impact on FY11 consolidated ordinary profit of the Great East Japan Earthquake: ¥3.9 billion

(Principal Impact on Each Business)

Life Insurance Business

- Profit recorded as insurance claims and other payments relating to the Great East Japan Earthquake were lower than we had estimated as of the end of the previous fiscal year: ¥3.9 billion

Non-life Insurance Business

- Temporally slowdown in the sales of automobile insurance policies in April has recovered from May onward due to the brisk sales. The sales target of the new policies are back on track from the original projection

Banking Business

- Loan losses on mortgage loans in stricken region were limited to the operating results

■ Negative impact on FY10 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): ¥5.4 billion

Non-life Insurance Business

- Mainstay automobile insurance exempt from earthquakes and tsunamis

Banking Business

- Increased allowance for mortgage loans in stricken region

*Amounts are truncated below ¥100 million

Recent Topics 1

AEGON SONY LIFE INSURANCE Sales Update

Launch of sales: December 1, 2009

Common stock: ¥20 billion (including capital surplus of ¥10 billion)

Equity ownership: Sony Life insurance Co., Ltd. 50%, AEGON-international B.V. 50%

Marketing products: Variable Individual Annuity (2 types, 3 products)

Sales Channels: Lifeplanner sales employees and affiliated Banks (8*) As of May 18, 2012

Financial Highlights for FY2011:

Number of new policies: 2,498, New policy amount: ¥17.5 billion

(Number of policies in force: 3,669 policies, Policy amount in force: ¥30.4 billion As of March 31, 2012)



*Amounts are truncated below ¥100 million.

Sony Bank's Mortgage Loans through Sony Life

Sony Life accounts for 25% of the balance of mortgage loans as of March 31, 2012

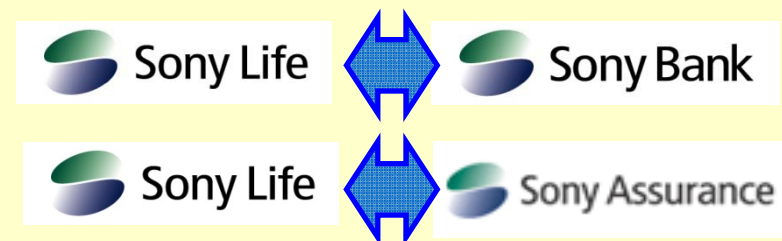
Sony Life accounts for 27% of the amount of new mortgage loans for FY2011

*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 FY2011

* Sony Life started handling automobile insurance in May 2001.



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

Recent Topics 2

<Highlights for FY2011>

- Apr.1, 2011 **Non-Life** Sony Assurance declared conformity with the ISO 10002 International Standard for Complaints Management Systems
- Apr. 28, 2011 **Non-Life** Sony Assurance began offering a free application, "Trouble Navigation" to smart phone users
- May 1, 2011 **Banking** Sony Bank entered credit card business; began issuing "Sony Card"
- May 2, 2011 **Life** Sony Life began sales of new income protection insurance to cover three major diseases (Type II)
- May 16, 2011 **Banking** Sony Bank began offering Brazilian real for foreign currency deposits
- July 1, 2011 **Banking** Sony Bank acquired a 57% equity interest in SmartLink Network, Inc., an industry-leading provider of credit card settlement services
- Aug. 3, 2011 **Non-Life** Sony Assurance began offering a free application, "Drivers' Navigation" to smart phone users
- Aug. 8, 2011 **Banking** Sony Bank began offering new mortgage loan, "*Variable Select Mortgage Loan*"
- Aug. 22, 2011 **Banking** Sony Bank opened representative office in Sydney
- Aug. 31, 2011 **Non-Life** Sony Assurance became the first company to receive Eco Mark Certification in automobile insurance
- Oct. 25, 2011 **Holdings** Sony Financial Holdings issued No. 1 unsecured corporate bonds
- Nov. 2, 2011 **Life** Sony Life began offering new product: Cancer Drug Therapy Rider
- Mar. 1, 2012 **Non-Life** Sony Assurance acquired a part of shares and share options in Anicom Holdings, Inc.

Sony Life: FY12 Basic Investment Policy



<Basic Policy>

- Continue to invest in ultralong-term bonds from the ALM perspective, with the aim of stable growth of MCEV
- Carefully Invest in risk assets

(Billions of yen)	Results for FY2011 / YoY change		Plans for FY2012
Japanese stocks	36.6	(21.6)	Flat
JGBs, other bonds	4,417.8	+667.8	Increase
Foreign stocks	26.8	+0.3	Flat
Foreign bonds	62.3	+14.0	Flat
Real estates	79.9	(1.4)	Flat

*Amounts are truncated below ¥100 million.

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



Fair Value Information on Securities

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

(Billions of yen)

	2011.3.31			2011.6.30			2011.9.30			2011.12.31			2012.3.31		
	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	2,914.3	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	3,404.8	3,560.6	155.8
Available-for-sale securities	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	895.1	956.1	40.9
Domestic bonds	884.4	904.1	19.7	909.9	947.5	37.6	909.8	964.6	54.7	848.9	901.2	52.3	849.1	902.6	53.4
Domestic stocks	49.8	53.7	3.8	47.4	51.9	4.4	36.50	37.8	1.2	34.5	35.3	0.7	29.1	34.9	5.8
Foreign securities	1.9	1.8	(0.0)	10.3	10.2	(0.1)	16.9	16.8	(0.1)	16.9	17.5	0.6	15.3	16.7	1.3
Other securities	3.8	4.6	0.7	1.3	1.7	0.3	1.3	1.5	0.1	1.3	1.4	0.1	1.4	1.7	0.2
Total	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	4,299.9	4,516.8	216.8

● Valuation gains (losses) on trading-purpose securities

(Billions of yen)

2011.3.31		2011.6.30		2011.9.30		2011.12.31		2012.3.31	
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
—	—	—	—	—	—	—	—	—	—

Note: Line item amounts are truncated below ¥100 million.

Sony Life's Breakdown of Net Assets



Net Assets on BS, Real Net Assets and Solvency Margin

(Billions of yen)	① Net Assets (B/S)		② Real Net Assets		③ Solvency Margin		Notes
	2011.3.31	2012.3.31	2011.3.31	2012.3.31	2011.3.31	2012.3.31	
Total shareholders' equity	209.8	232.2	209.8	232.2	200.7	223.1	③ After estimated distributed income deducted
Net unrealized gains on other securities, net of taxes	7.0	34.0	7.0	34.0	—	—	
Net unrealized gains (losses) on available-for-sale securities	—	—	—	—	20.8	54.6	③ Before tax x 90%
Land revaluation, net of taxes	(1.4)	(1.3)	(1.4)	(1.3)	—	—	
Reserve for price fluctuations	—	—	16.7	25.3	16.7	25.3	
Contingency reserve	—	—	51.5	55.3	51.5	55.3	
Reserve for possible loan losses	—	—	—	—	0.0	0.0	
Net unrealized gains on real estate	—	—	1.9	0.6	1.0	(0.1)	② Before tax (After revaluation) ③ Before tax (Before revaluation) X85% (X100% if losses)
Excess amount of policy reserves based on Zillmer method	—	—	334.2	350.4	270.2	304.4	After excluding non-includible amount
Unallotted portion of reserve for policyholders' dividends	—	—	1.1	0.7	1.1	0.7	
Future profits	—	—	—	—	—	—	
Deferred tax assets	—	—	—	—	63.3	58.7	
Unrealized gains (losses) on held-to-maturity bonds	—	—	(22.1)	155.8	—	—	② Before tax
Deferred tax liabilities for available-for-sale securities	—	—	8.0	18.3	—	—	
Total	215.3	264.8	606.9	871.4	625.7	722.1	

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 ¥715.5 billion as of March 31, 2012.

Amounts are truncated below ¥100 million.

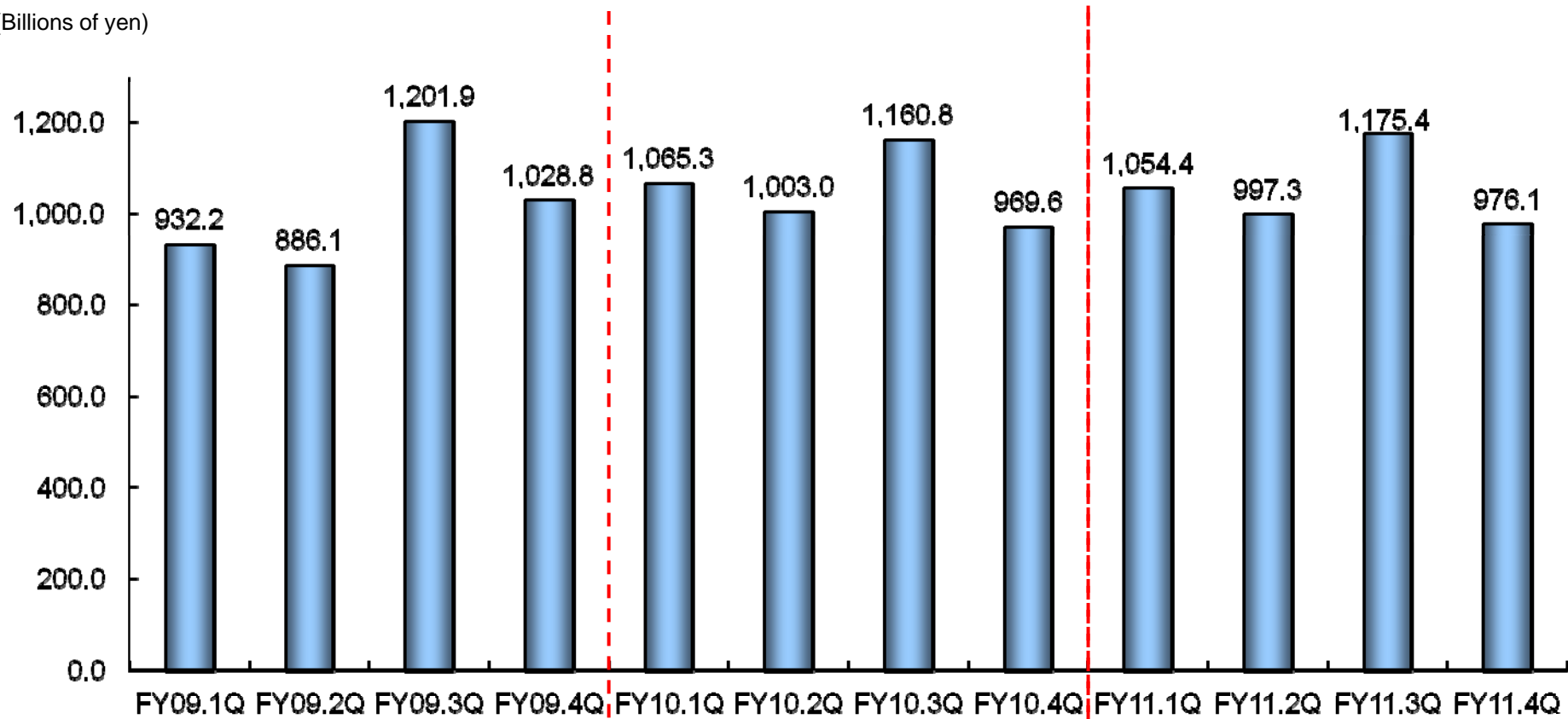
Sony Life: New Policy Amount (quarterly trend)



New Policy Amount (quarterly trend)

■ New Policy Amount

(Billions of yen)



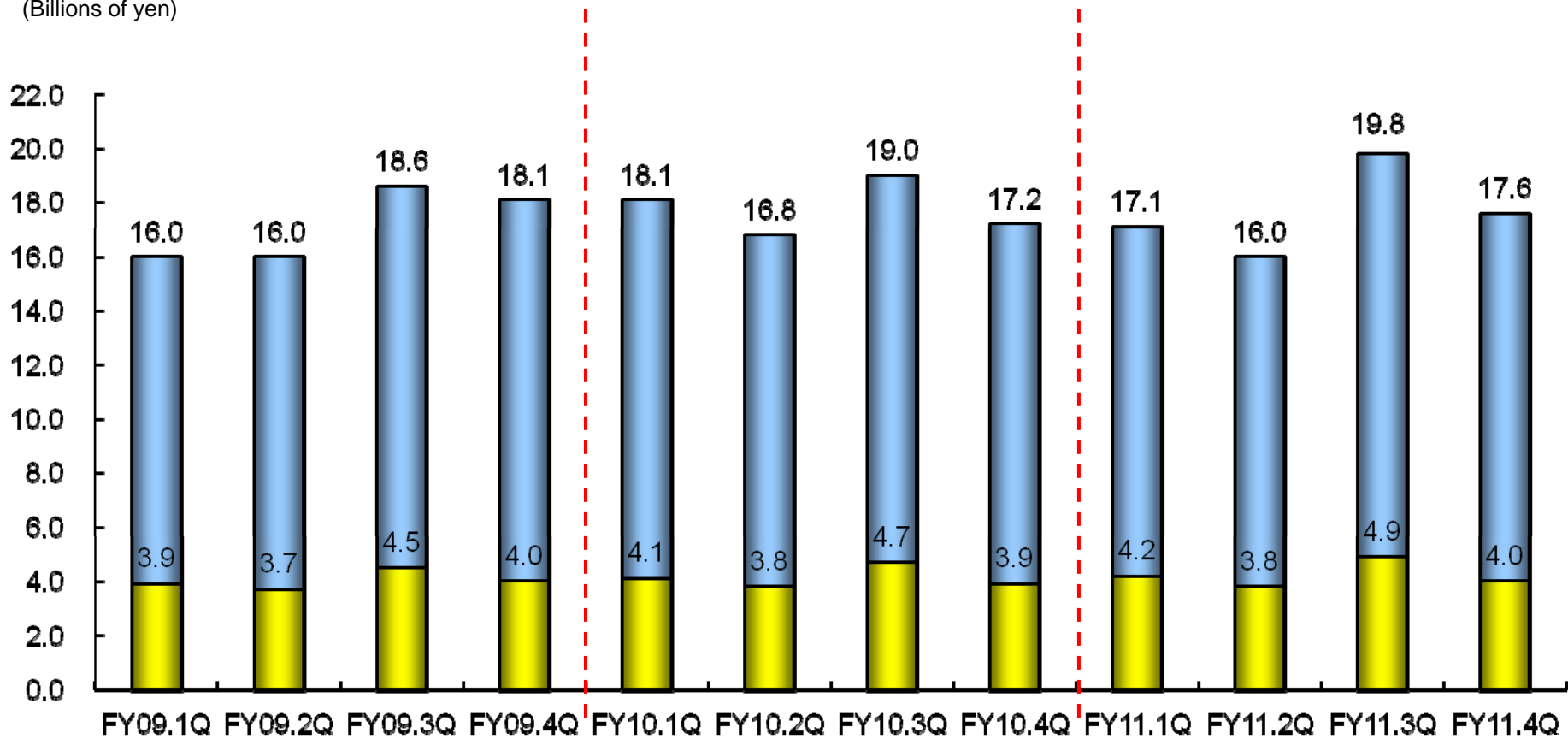
Amounts are truncated below ¥100 million.

Sony Life: Annualized Premiums from New Policies (quarterly trend)

Annualized Premiums from New Policies (quarterly trend)

■ Annualized Premiums from New Policies ■ Of which, Third-sector insurance

(Billions of yen)



Amounts are truncated below ¥100 million.



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