
Presentation Materials

Management Vision of the Sony Financial Holdings Group for Fiscal Year 2010

Sony Financial Holdings Inc.
June 4, 2010

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■ Opening

Teruhisa Tokunaka President, Representative Director of Sony Financial Holdings Inc.

■ Our Vision of Group Management for FY2010

Katsumi Ihara Executive Vice President, Representative Director of
Sony Financial Holdings Inc.

Taro Okuda President, Representative Director of Sony Life Insurance Co., Ltd.

Shinichi Yamamoto President, Representative Director of Sony Assurance Inc.

Shigeru Ishii President, Representative Director of Sony Bank Inc.

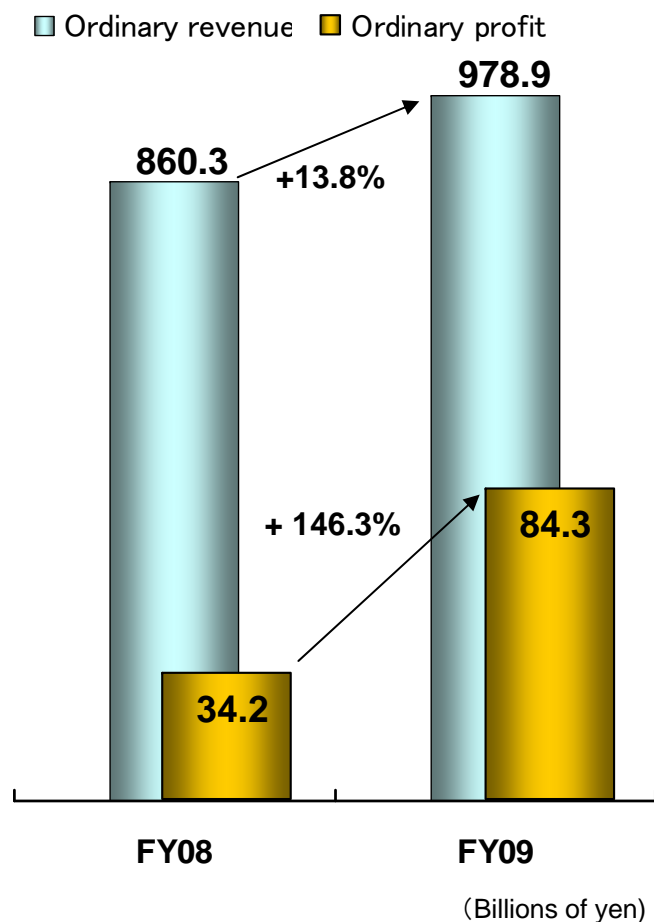
■ Question and Answer Session

Sony Financial Holdings

FY2009 Review

FY2009 Review

Consolidated Operating Performance



		FY08	FY09	change	
(Billions of yen)					
Life insurance business	Ordinary revenues	766.2	882.0	+115.8	+15.1%
	Ordinary profit	32.5	79.7	+47.2	+145.2%
Non-life insurance business	Ordinary revenues	61.8	68.1	+6.2	+10.2%
	Ordinary profit	2.1	2.5	+0.3	+17.8%
Banking business	Ordinary revenues	33.3	30.5	(2.8)	(8.6%)
	Ordinary profit	(0.5)	1.9	+2.5	—
Corporate and elimination	Ordinary revenues	(1.1)	(1.7)	(0.5)	—
	Ordinary profit	0.1	0.0	(0.0)	(7.8%)
Consolidated	Ordinary revenues	860.3	978.9	+118.6	+13.8%
	Ordinary profit	34.2	84.3	+50.1	+146.3%
	Net income	30.7	48.1	+17.4	+56.7%

		09.3.31	10.3.31	Change from 09.3.31	
(Billions of yen)					
Consolidated	Total assets	5,313.6	6,001.0	+687.4	+12.9%
	Net assets	204.8	269.4	+64.5	+31.5%

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

FY2009 Review

Sony Life's MCEV

(Billions of yen)	08.3.31	09.3.31	10.3.31	Change from 09.3.31
MCEV	816.5	400.9	894.0	+493.1
Adjusted net worth	248.5	195.4	206.2	+10.8
Value of existing business	568.0	205.4	687.8	+482.4
Of which, New business value	48.2	15.4	55.6	+40.2

Sony Life's MCEV as of March 31, 2010 increased ¥493.1 billion from March 31, 2009.

✓ Operating MCEV earnings +¥273.3 billion

✓ Economic variances +¥227.0 billion

Sony Life has worked with tasks recognized from the MCEV results as of Mar. 31, 2009, focusing on tasks such as reducing the duration mismatch risk between assets and liabilities.

Progress Review for Business Challenges

Theme	Strategic focuses announced in the past	Progress Review (FY09)
<p>Steady growth in MCEV</p>	<p>① Reduce interest rate risks (Lengthening asset duration, etc.) ② Review product details, etc.</p> <p>[Management Vision of SFH Group for FY09]</p>	<p>① • Ratio of Japanese government and corporate bonds in general account assets (excl. CBs) 08.3.31: 62.9% ⇒ 10.3.31: 84.6%</p> <p>• Asset duration 08.3.31: 8.7 years ⇒ 10.3.31: 17.6 years</p> <p>② • Constructed a product development system in reviewing the impact on MCEV • Changed asset management policy in certain products</p>
<p>Expansion of sales channels</p>	<p>○ Target the number of Lifeplanner sales employees of 4,000 by the end of FY10</p> <p>[Management Vision of SFH Group for FY08]</p>	<p>○ • Number of Lifeplanner sales employees 08.3.31: 3,779 ⇒ 10.3.31: 4,036 (Reached the target one year earlier)</p>
<p>Expansion of business domains</p>	<p>① Develop annuity business ② Enter into the life insurance market in Greater China</p> <p>[Management Vision of SFH Group for FY09]</p>	<p>① • AEGON Sony Life Insurance started business operations (Dec. 2009) • Established a reinsurance company as a joint venture with AEGON (Oct. 2009)</p> <p>② • Opened a representative office in Taipei (Jul. 2009) Started to research business opportunities following opening an office in Beijing</p>

<u>Theme</u>	<u>Strategic focuses announced in the past</u>	<u>Progress Review (FY09)</u>
<p>Expansion of business scale</p>	<p>○FY10 Direct premiums written: ¥70 billion</p> <p>[Management Vision of SFH Group for FY08]</p>	<p>○ • Direct premiums written FY07: ¥54.6 billion ⇒ FY09: ¥67.1 billion (Steadily growing to the target of ¥70.0 for FY10)</p>
<p>Improvement of business efficiency</p>	<p>○Expand new policies contracted via Internet</p> <p>[Management Vision of SFH Group for FY09]</p>	<p>○ • Increasing ratio of contracting new policies via Internet reached record high</p> <p>• Acquisition cost of new policies decreased due to a declined personnel expense ratio, etc.</p>
<p>Enhancement of marketing capabilities</p>	<p>○Enhance sales channels</p> <p>[Management Vision of SFH Group for FY09]</p>	<p>○ • Sales over the bank counter: Increasing number of tie-up banks</p> <p>• Number of new policies via non-life insurance comparison website: +22% (YoY)</p>

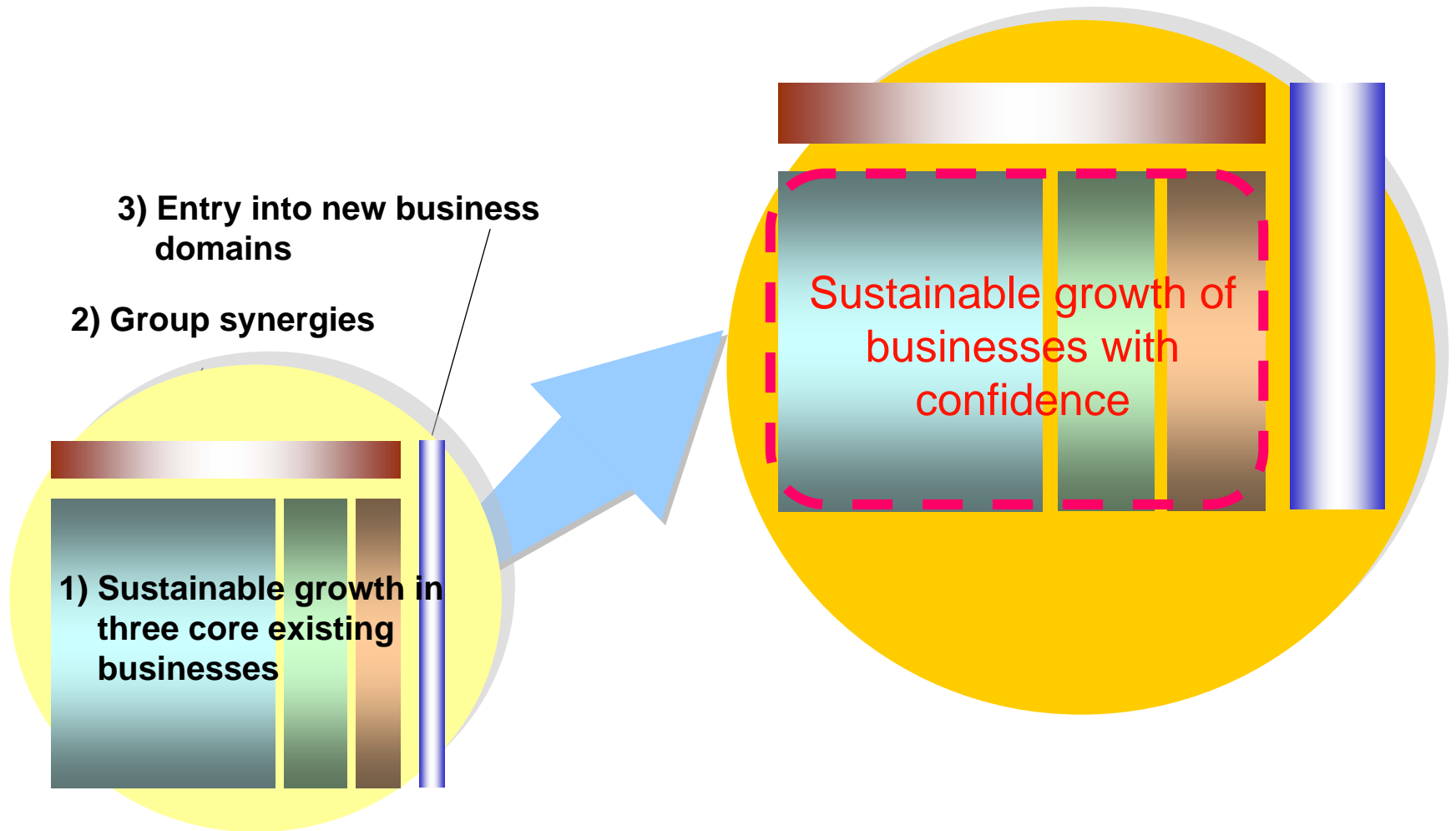
<u>Theme</u>	<u>Strategic focuses announced in the past</u>	<u>Progress Review (FY09)</u>
<p>Pursuit of customer satisfaction</p>	<p>○ Establish the leading position in customer satisfaction</p> <p>[Management Vision of SFH Group for FY09]</p>	<p>○ • Nikkei financial institution ranking (in customer satisfaction) Top for the three consecutive years Highly appreciated in “High capabilities to offer fund investment and mortgage loan products”</p>
<p>Service offering from the customer viewpoint</p>	<p>○ Develop securities products and services, preparing for the market upturn</p> <p>[Management Vision of SFH Group for FY09]</p>	<p>○ • Aug 2009: Started “Margin trading” • Dec 2009: Started “Contract for Difference” • Jan 2010: Started “Stock trading through mobile phone”</p>
<p>Raise profitability</p>	<p>○ Secure stable profit source by diversifying fund investment methods</p> <p>[Management Vision of SFH Group for FY09]</p>	<p>○ • Sep 2009: Established a new business department to start “Syndicated loan business”</p> <p>• Loan-deposit rate (based on Japanese yen deposit) 08.3.31: 39% ⇒ 10.3.31: 50%</p>

Enhancing Corporate Value

Stance on Enhancing Corporate Value

Present

Future



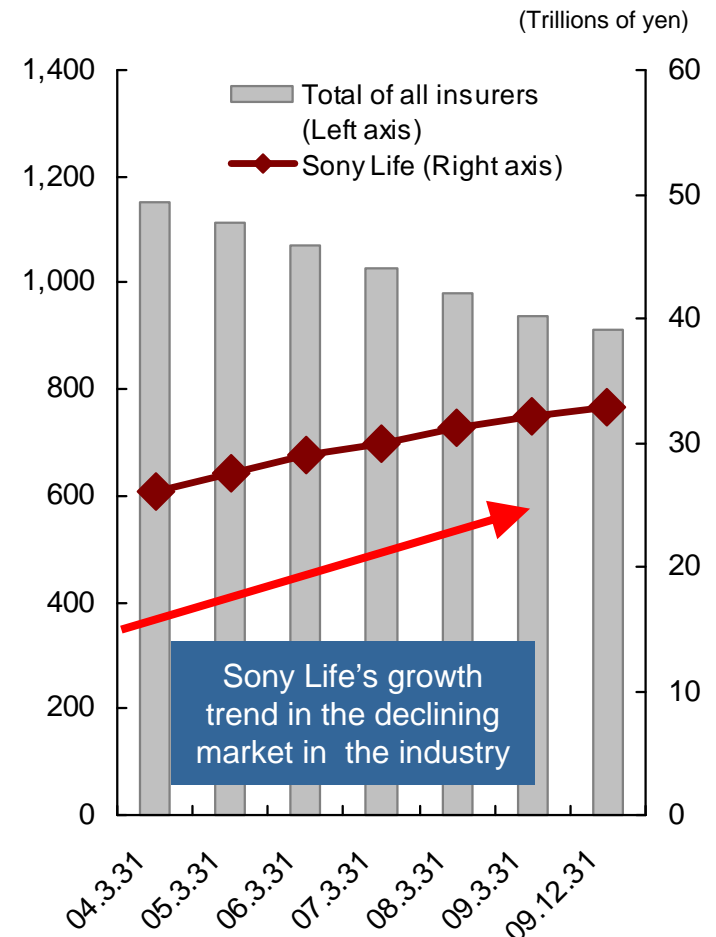
Strength

- Sales force with high consulting capabilities centering on Lifeplanner sales channels
- Customized product designing to meet customer needs
- Sustainable growth through the original business model against the industry's declining sales of death protection insurance products

Growth Potential

- Focus on death protection insurance with which consulting-based sales methods are the most effective, while strengthening the field of living benefit protection insurance
- See high growth potential considering from the current market share in the domestic life insurance market of 3.6% (based on policy amount in force) as of Dec. 31, 2009

Changes in Policy Amount in Force (Individual life insurance)



Note: Prepared by Sony Life based on materials officially disclosed by individual insurers

Strength

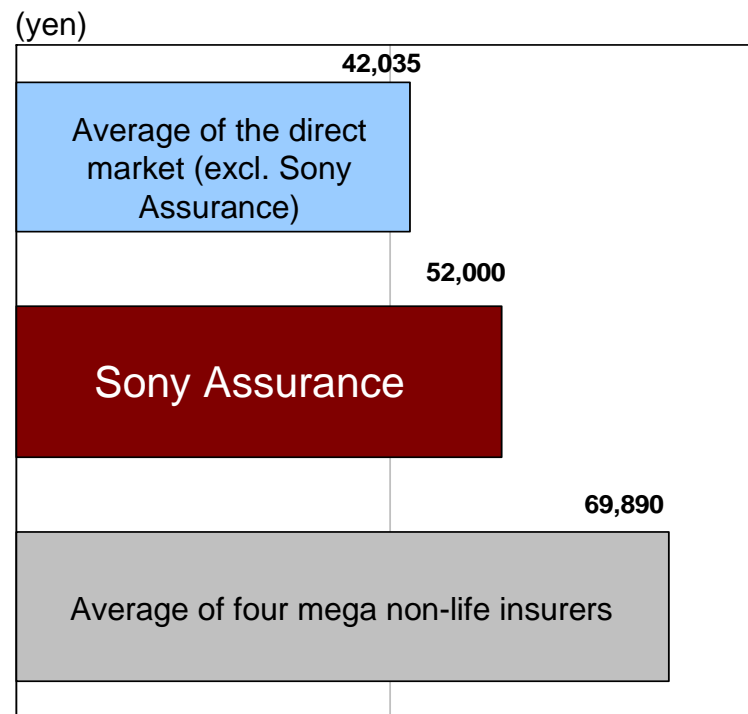
- Recognized as the front runner of the direct automobile insurance market
- Secure appropriate profit margin while selling reasonably priced premiums and supported by customers
- Offer high quality services Sony Assurance developed (Always high-ranked in the customer satisfaction with accident response)

Growth Potential

- High appraisal and support from customers, considering from a double-digit growth rate for direct premiums written
- Acquired a certain level of market share in the expected further expansion in the direct automobile insurance market in Japan
 - Percentage of the direct market to the overall auto market
 - U.S.A. (FY07) approx. 15%
 - U.K. (FY08) approx. 44%
 - Japan (FY08) less than 5%

<Sources> U.S.A. : *Independent Insurance Agents & Brokers of America "2007 Property-Casualty Insurance Market"*
 U.K. : *"The source of premium income 2008"*

Average Premiums of Auto Insurance (FY08)



Note: Prepared by SFH based on the *Statistics of Non-life Insurance Business in Japan (FY2008)*

Strength

- Top ranked in Nikkei financial institution ranking for the three consecutive years, showing Sony Bank's high appreciation from customers
- Develop a reasonably priced and convenient product lineups, including securities and foreign exchange-related products, as well as mortgage loans
- Low cost business operations as an Internet bank with a lot of flexibility

Growth Potential

- Maintain disciplined growth while responding to the changes in the financial market environment
- Expand customer base through the promotion with new sales methods and channels for the customers who Sony Bank has not reached ~into the larger market~
- Percentage of the balance of individual customers' deposits at Internet banks to the total as of Sep. 30, 2009 was still 0.6%.

Highly appreciated in customer satisfaction

	Financial institutions	Scores		
			In which, product & service	In which, reliability
1	Sony Bank	89.8	33.1	20.9
2	Internet bank A	86.7	32.5	19.3
3	Newly established bank B	85.4	29.2	19.0
9	Megabank C	82.2	26.9	20.1
10	Megabank D	82.1	26.8	20.2
25	Internet bank E	76.1	26.5	17.3

Note: Prepared by SFH based on the 6th Nikkei financial institution ranking Customer satisfaction (Nihon Keizai Shimbun)

Mid-term Strategic Focuses

Sony Life

- Further strengthening consulting-based sales capabilities
- Steadily growing the annuity business and other new businesses
- Consistently increasing MCEV

Sony Assurance

- Accelerating the growth by reinforcing operations
(through strategic marketing and Web promotion)
- Controlling both the loss ratio and the expense ratio at appropriate levels
- Continuously strengthening the business infrastructure,
including system development

Sony Bank

- Continuing disciplined growth in consideration of macroeconomic
environment of financial markets
- Pursuing a profit model against the negative market conditions of low
interest rates
- Raising cost competitiveness through the operational efficiency

Sony Life Insurance

FY2009 Review

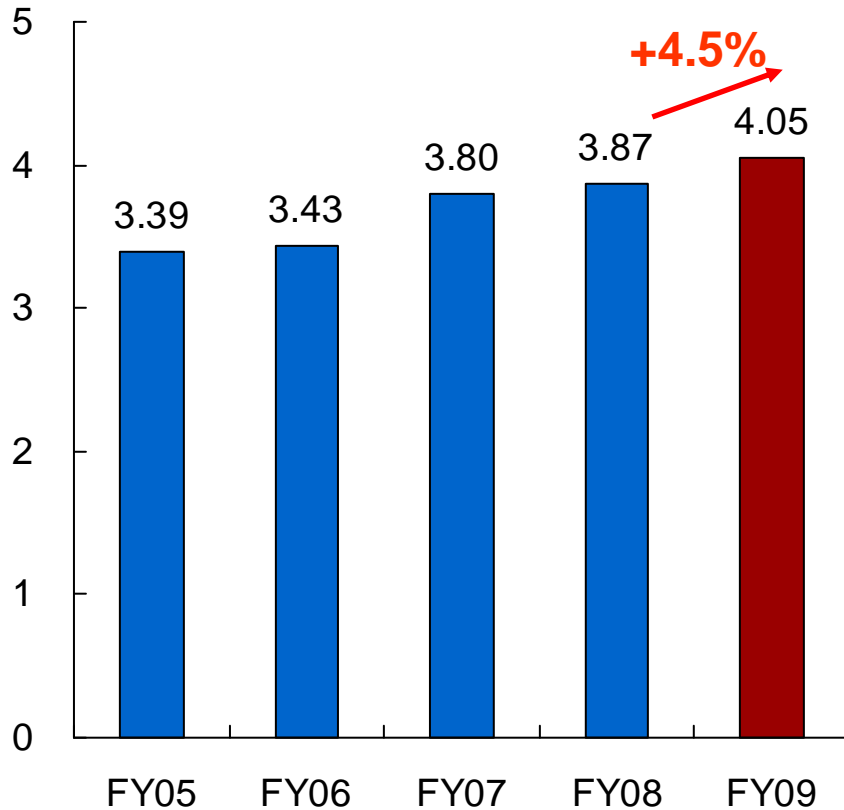
(1) Operating Performance



New Policy Amount

(Individual life insurance and Individual annuities)

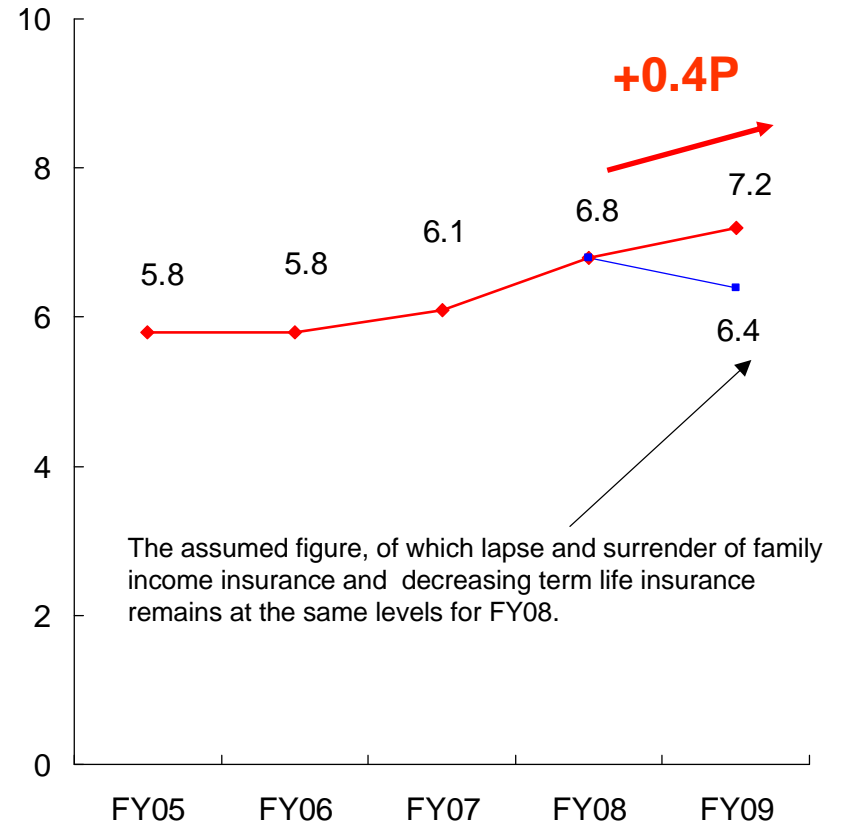
(Trillions of yen)



Lapse and Surrender Rate

(Individual life insurance and Individual annuities)

(%)



FY2009 Review

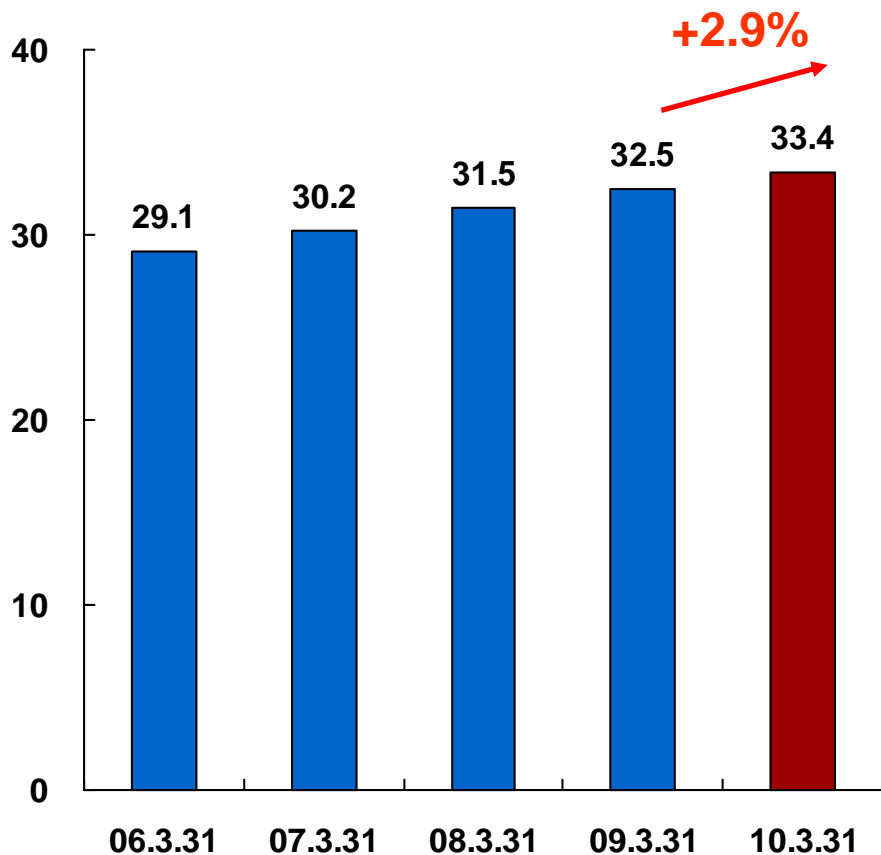
(1) Operating Performance



Policy Amount in Force

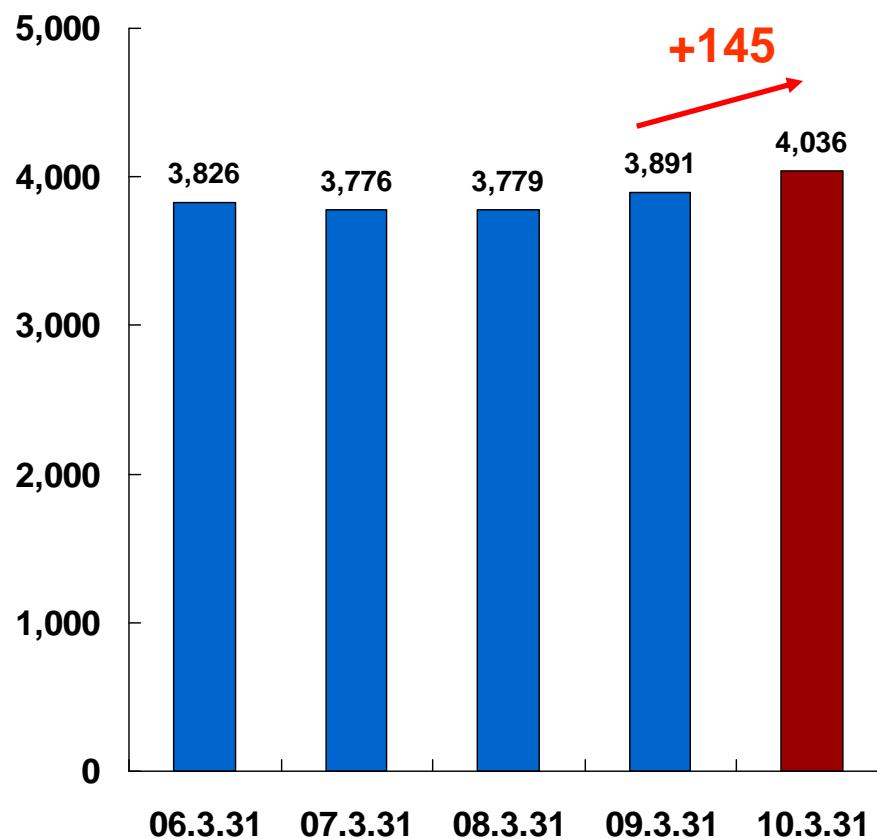
(Individual Life Insurance + Individual Annuities)

(Trillions of yen)



Number of Lifeplanner Sales Employees

(Person)

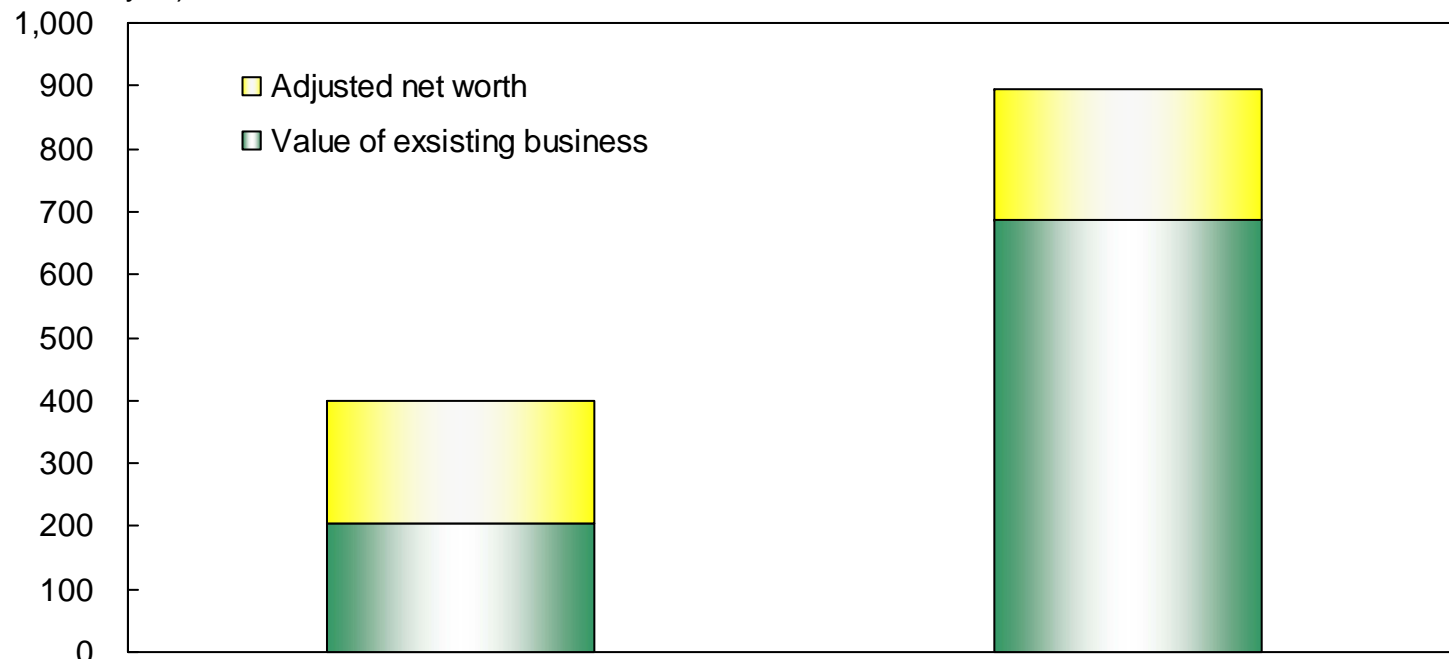


FY2009 Review

(2) Sony Life's MCEV as of March 31, 2010



(Billions of yen)



(Billions of yen)

	09.3.31	Change	10.3.31
MCEV	400.9	+493.1	894.0
Adjusted net worth	195.4	+10.8	206.2
Value of existing business	205.4	+482.4	687.8
Of which, New business value	15.4	+40.2	55.6

FY2009 Review (2) Sony Life's MCEV

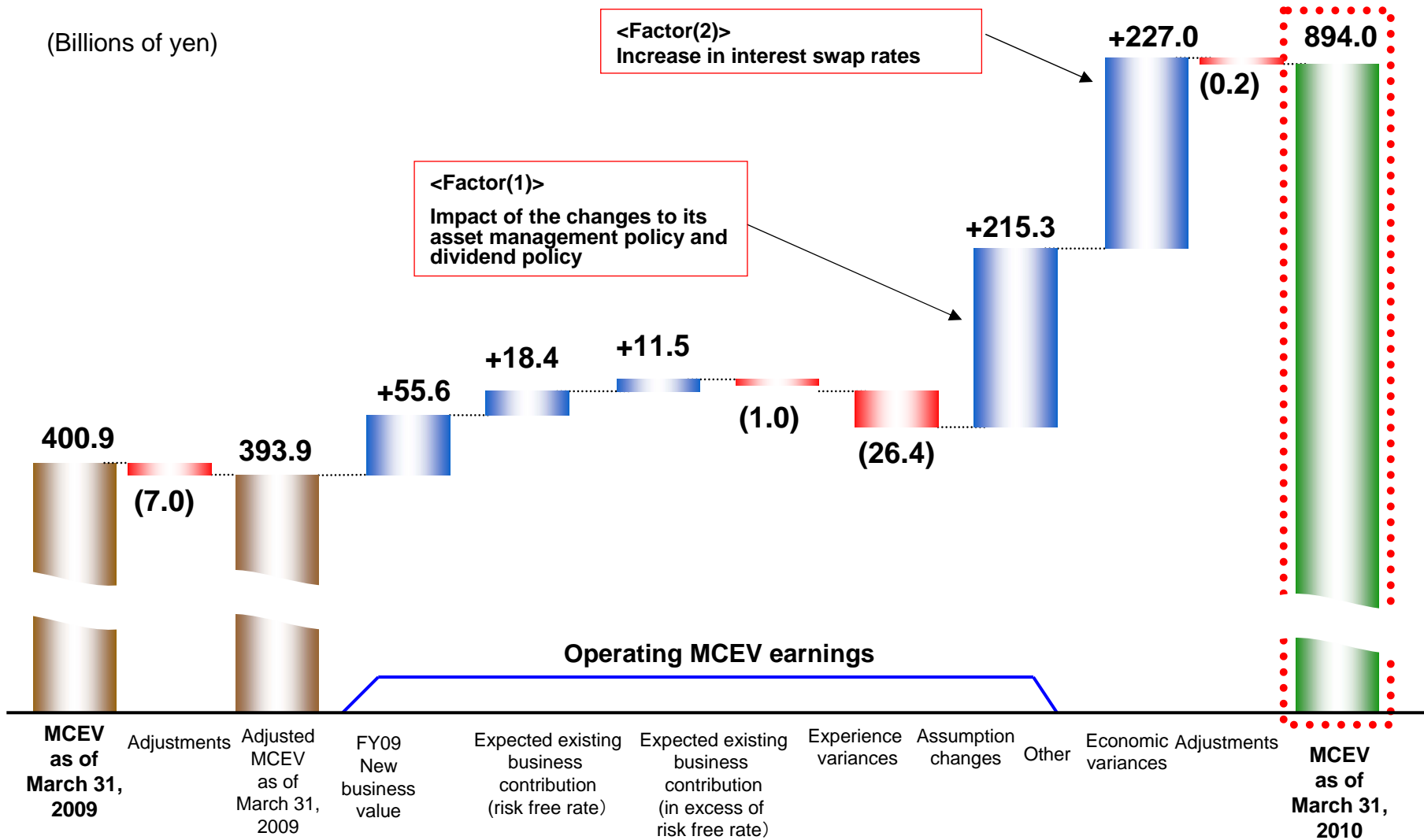
Reconciliation analysis from MCEV at the end of the previous fiscal year



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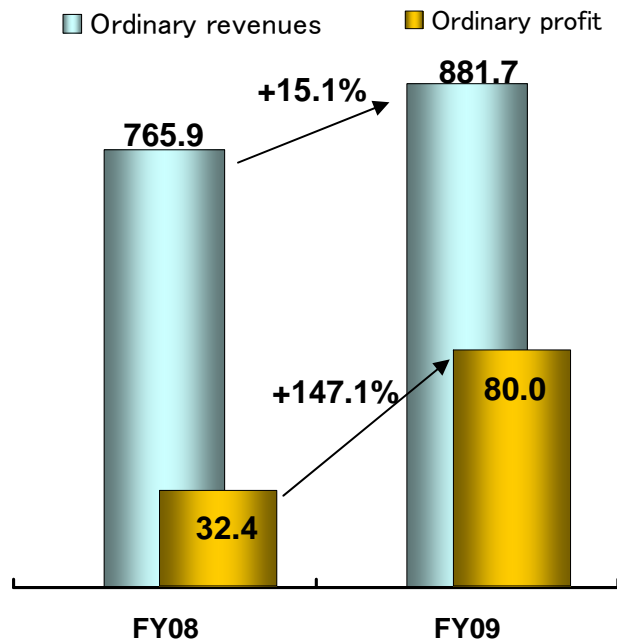
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(Billions of yen)



FY2009 Review

(3) Profitability (Non-consolidated)



Sony Life

- ◆ Ordinary revenues and ordinary profit increased year on year.
- ◆ Income from insurance premiums increased due to an increased policy amount in force.
- ◆ Investment income rose.
- ◆ Ordinary profit rose due to increased in ordinary revenues and a substantial decrease in impairment losses.

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

(Billions of yen)	FY08	FY09	Change	
Ordinary revenues	765.9	881.7	+115.8	+15.1%
Income from insurance premiums	662.0	700.1	+38.0	+5.8%
Investment income	98.7	175.3	+76.6	+77.6%
Interest income and dividends	55.8	70.6	+14.8	+26.6%
Income from monetary trusts, net	—	22.8	+22.8	—
Gains on sale of securities	32.1	15.1	(17.0)	(53.0%)
Gains on separate accounts, net	—	62.7	+62.7	—
Ordinary expenses	733.5	801.6	+68.1	+9.3%
Insurance claims and other payments	274.7	274.2	(0.5)	(0.2%)
Provision for policy reserve and others	219.0	395.5	+176.5	+80.6%
Investment expenses	133.7	20.5	(113.1)	(84.6%)
Losses on sale of securities	16.1	10.0	(6.0)	(37.7%)
Devaluation losses on securities	31.8	—	(31.8)	(100.0%)
Losses on separate accounts, net	72.2	—	(72.2)	(100.0%)
Operating expenses	93.9	96.8	+2.9	+3.1%
Ordinary profit	32.4	80.0	+47.6	+147.1%
Net income	33.7	46.1	+12.3	+36.6%
(Billions of yen)	09.3.31	10.3.31	Change from 09.3.31	
Securities	2,819.6	3,539.1	+719.4	+25.5%
Policy reserve	3,592.3	3,985.6	+393.2	+10.9%
Total net assets	140.7	191.3	+50.5	+35.9%
Net unrealized gains/losses on other securities	4.0	15.4	+11.4	+285.0%
Total assets	3,810.9	4,286.5	+475.6	+12.5%
Separate account assets	275.1	373.6	+98.4	+35.8%

Social Environment

- ▶ Japan's low birthrate, later marriages/non-marriages, and aging society, as well as rising concern over the public security system
- ▶ Stagnant household income and consumer consumption, resulting in unforeseeable future
- ▶ Diversification in people's lifestyle, sense of value, and needs

Market Environment

- ▶ Continuous shift from death protection insurance to the third-sector and annuity products
- ▶ Diversification of sales channels
- ▶ Rapidly growing insurance market in Asia

Regulatory Environment

- ▶ Valuation on an economic value basis and introduction of IFRS
- ▶ Revision on Solvency regulations
- ▶ Requirement of maintaining comprehensive risk management systems

■ Response to a changing market

- ▲ **Extending protection areas and launch of appealing products**
- ▲ **Reinforcing sales channels to secure competitive superiority**
- ▲ **Reforming the sales and back-office systems to improve quality of services and operational efficiency**
- ▲ **Expanding business domains**

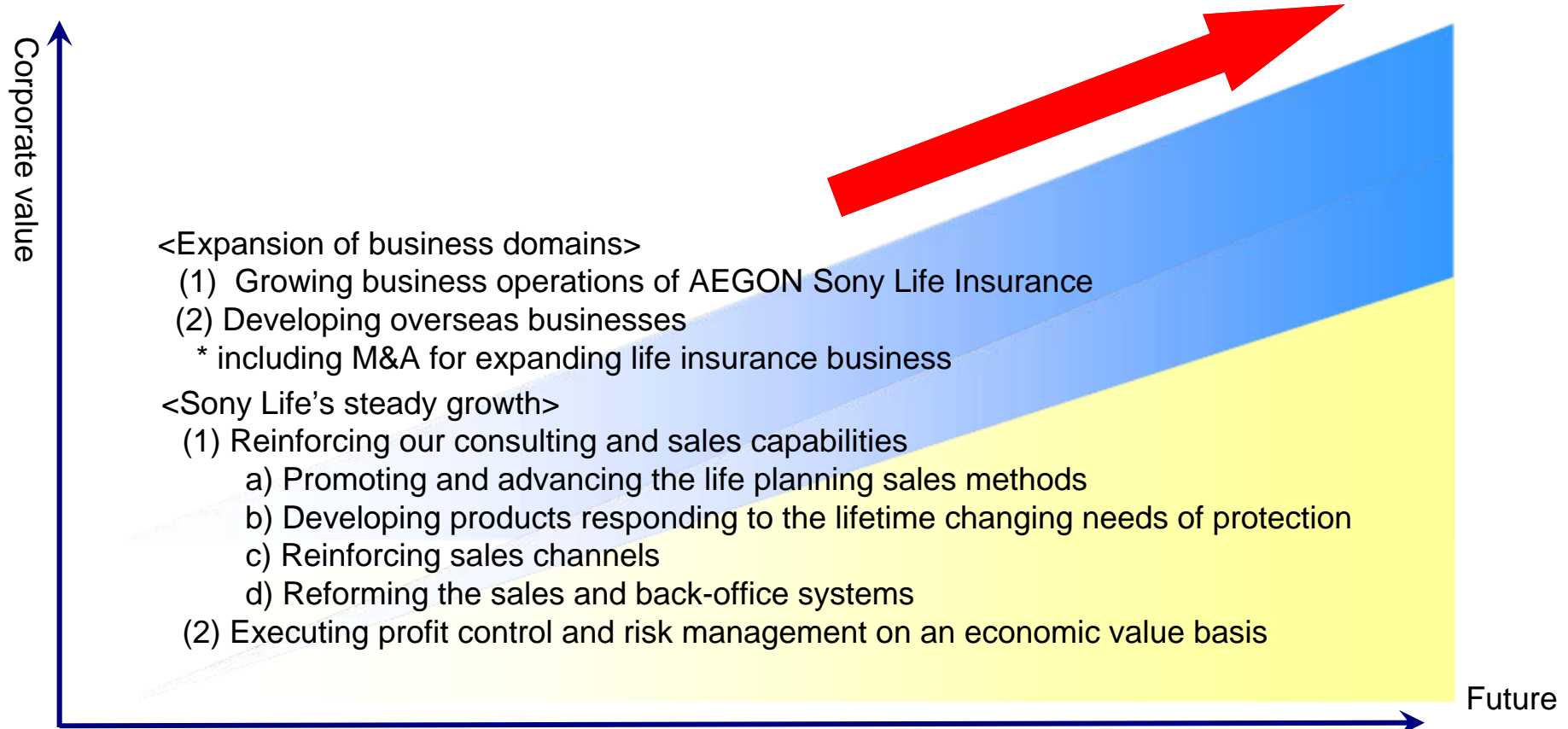
■ Response to an introduction of valuation on an economic value basis

- ▲ **Reinforcing risk management including a reduction in the duration mismatch risk between assets and liabilities**
- ▲ **Establishing and utilizing the valuation method using MCEV**

Mid-term Strategic Focuses

Mid-term Strategy

- Further entrenching our position in the Japanese life insurance market by reinforcing our competitiveness of consulting-based sales forces mainly through life planning and after-sales follow-up activities
- Maintaining or promoting sustainable growth by expanding our business domains
- Consistently increasing corporate value by using MCEV as the criterion



(1) Reinforcing our Consulting and Sales Capabilities

a) Promoting and Advancing the Life planning Sales Methods

Advancing life planning sales methods for families with small children, our primarily targeted customer base, and reinforcing our sales approach to the senior generation

Families with small children
(Funding needs in case of the breadwinner's death, educational expenses, mortgage loans, and saving for life after retirement, etc.)

Death or inheritance

After retirement

60's

Retirement

◆ **AEGON Sony Life Insurance**
Individual annuities

Senior generation
(Nursing care, pension and inheritance, etc.)

Adult child

Nursing care

50's

Child education

40's

Home purchase

◆ **Sony Assurance auto insurance**

Childbirth

◆ **Sony Bank Mortgage loans**

30's

Marriage

◆ OJT of life planning consultation for new employees

Job change

20's

Job hunting

◆ Life planning course

School

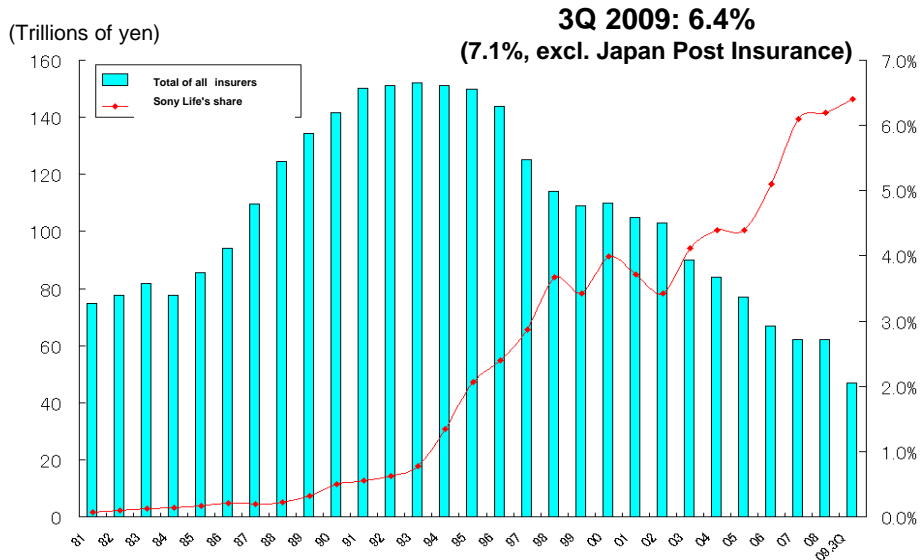
- Tie-up with Watami (Sep. 2006)
 - Introducing Watami's nursing care facilities
- Tie-up with Specified Nonprofit Organization Yuigon Sozoku Legal Network (July 2009)
 - expanded services to include inheritance-related services through "Legal Consultation with Lawyers", etc.

(1) Reinforcing our Consulting and Sales Capabilities

b) Developing Products Responding to the Lifetime Changing Needs of Protection



New policy Amount in the Industry and Sony Life's Market Share



(Source: Materials officially disclosed by individual insurers)

- Notes: 1. The figures after FY07 includes those of Japan Post Insurance.
- 2. New policy amount is calculated without adjusting for the impact of conversion.

Operating Performance of Living Benefit Protection and Nursing Care Insurance

	AP from new policies for FY09	Composition	YoY
Living benefit protection	¥4.5 billion	6.6%	+57%
Nursing care	¥1.8 billion	2.6%	+22%

New Product Strategy

- Consistent launch of new products with which consulting-based sales approach is the most effective, and enhancement of competitiveness
- New products launched in FY09
 - Cancer hospitalization insurance (Apr. 2009)
 - Discount rider for nonsmokers and other people in excellent health for family income insurance (Nov. 2009)
- New products planned to be launched in FY10
 - Nursing care product (Second half of FY10)
 - New discount rider for decreasing term life insurance (Second half of FY10)
- Future focusing business areas
 - Maintaining competitive superiority in the area of death protection insurance
 - Enhancing product lineups in the area of living benefit protection insurance
 - Enhancing product lineups in the area of medical insurance
 - Enhancing product lineups for the aging society, etc.

(1) Reinforcing our Consulting and Sales Capabilities

c) Reinforcing Sales Channels



- Aiming at a consistent growth by strengthening sales channels which enables Sony Life to offer an higher level of life planning consultation and follow-up services, and by raising customer satisfaction

■ Strengthening Lifeplanner sales channels

- Recruiting more well-skilled sales persons
- Advancing life planning sales approach
- Upgrading follow-up services

■ Strengthening Partner channels

- Expanding Sony Life's share in product lineups at each existing independent agency.
- Developing sales channels through corporate agencies and banking agencies
- Collecting knowhow to operate an one-stop insurance shop, a wholly-owned subsidiary of Sony Life, and apply it to improve sales method at independent agencies

(1) Reinforcing our consulting and sales capabilities

d) Reforming the Sales and Back-Office Systems

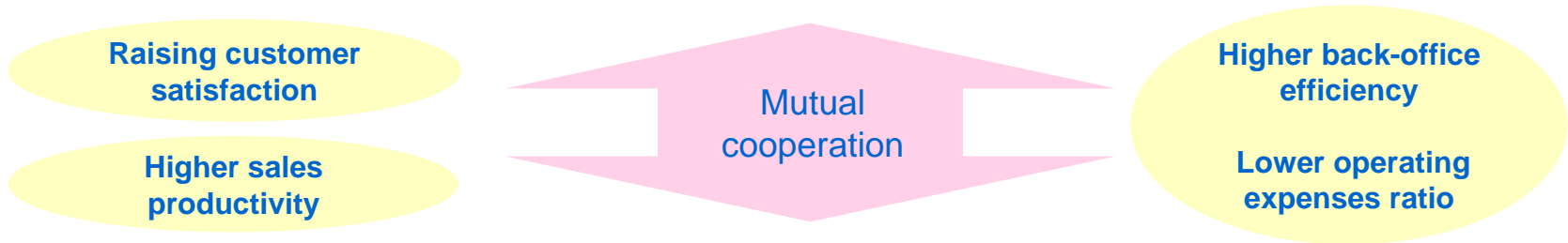


Project of Reforming Sales Systems

- Offering such high-quality follow-up services as customers select our products
- Providing quick follow-up services and streamlining the process from sales activities to back-office work

【Major tasks】

- Establishing a comprehensive system of follow-up services, including life planning consultation at contract signing, information services on its website and Lifeplanner sales employees' contact with customers.
- Promoting paperless application procedures and enhancing maintenance services via Internet



Project of Reforming Back-Office Systems

- Streamlining contract procedures and improving customer services in cooperation with the above project

【Major tasks】

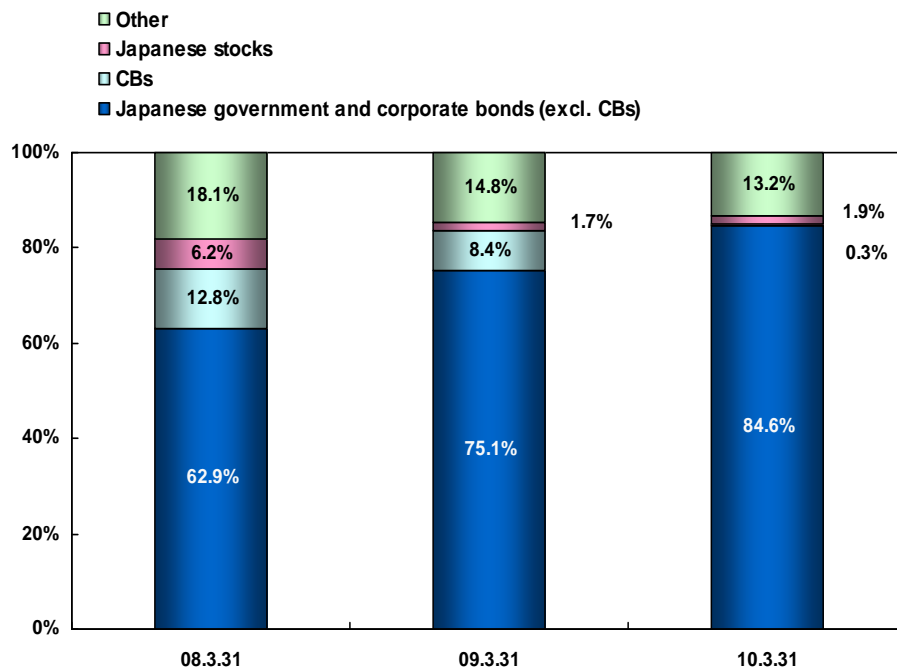
- Utilizing outsourcing (ex. Business center to which customers send their contract document)
- Set up Helpdesk for contract procedures

(2) Executing Profit Control and Risk Management on an Economic Value Basis

【Reduction in the Duration Mismatch Risk Between Assets and Liabilities】

Continuously invested in ultralong-term bonds to reduce the duration mismatch risk between assets and liabilities.
(shift from investing in bonds and CBs with short terms to maturity, to ultralong-term bonds)

【Breakdown of General Account Assets】



**Assets
duration**

8.7 years

13.6 years

17.6 years

【Other Tasks】

■ Changes to asset management policy for interest rate sensitive whole life insurance and semi-participating products (Reflected in MCEV calculation as of Mar. 31, 2010)

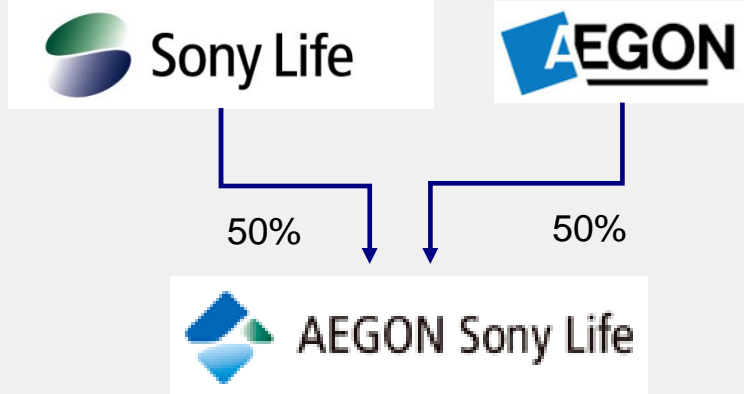
■ Constructed a product development system and a product control system in reviewing the impact on MCEV

■ Continuously improving operating expense ratio and other operating efficiency ratios

Growth of AEGON Sony Life Insurance / Overseas Business Expansion

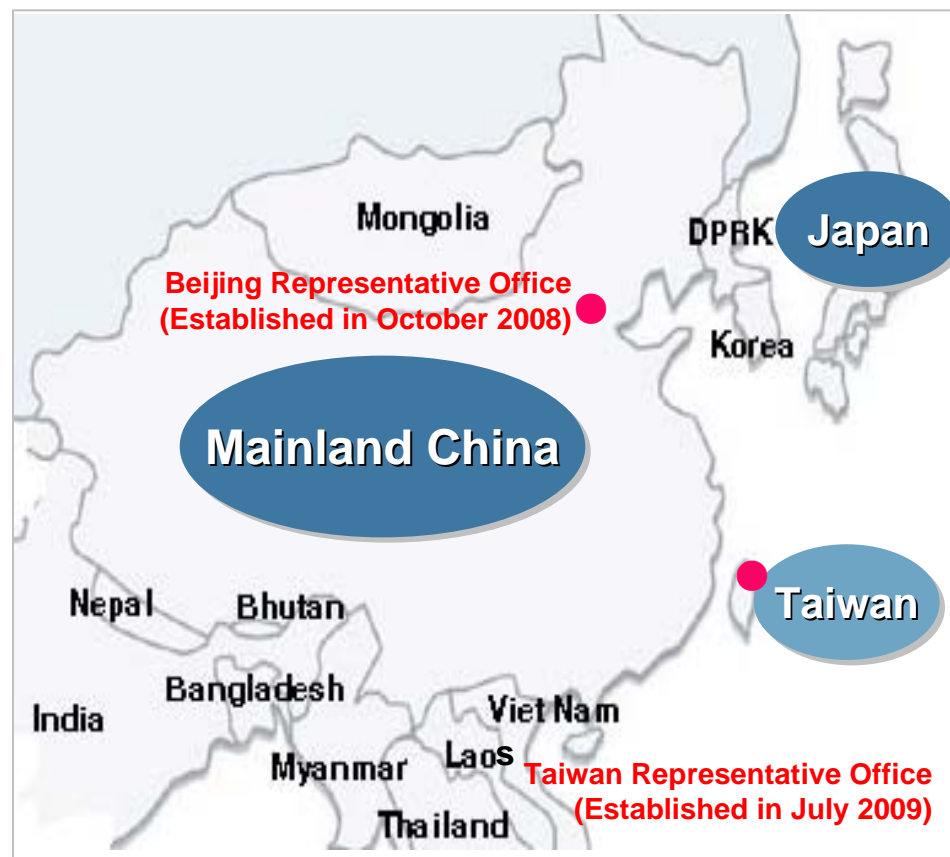
Growth of AEGON Sony Life Insurance

- Commenced business operations on December 1, 2009
- Characteristic of risk control of minimum guarantee for annuities
 - (1) Review product profitability quarterly and revise its pricing if necessary, based on a product design of which various kinds of ratios are easy to change in a pricing model
 - (2) Utilize the joint venture reinsurance company with the AEGON Group



Expansion of Overseas Business (Mainland China)

- Continued marketing research aiming at expanding business operations in Taiwan and Mainland China

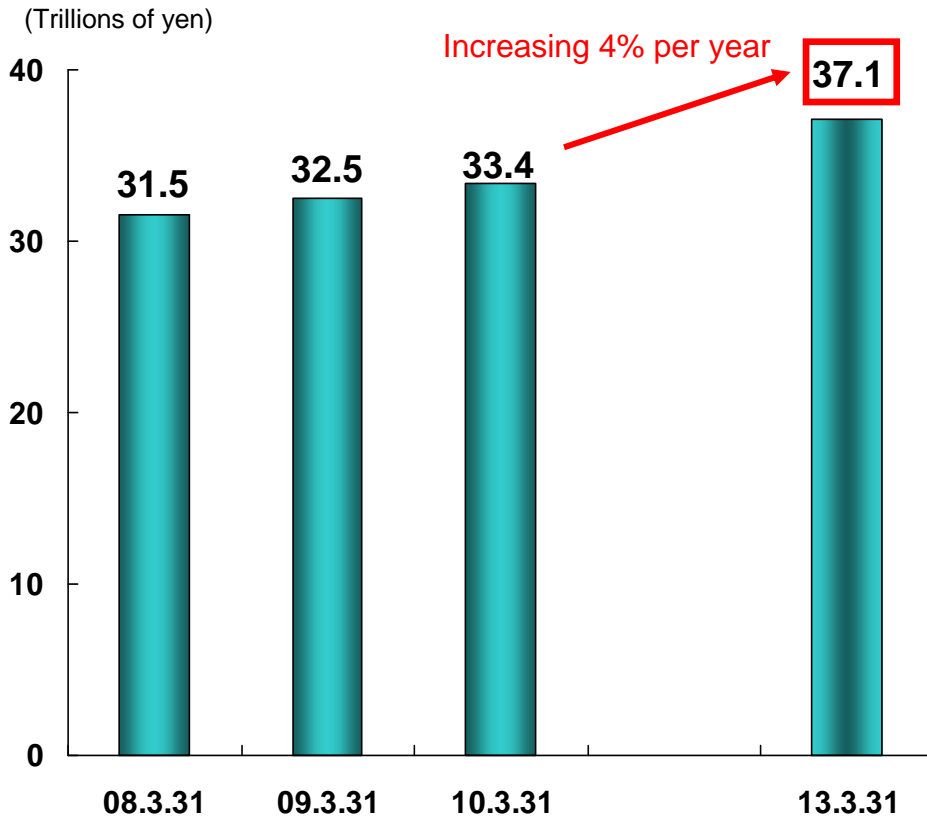


Mid-term Targets

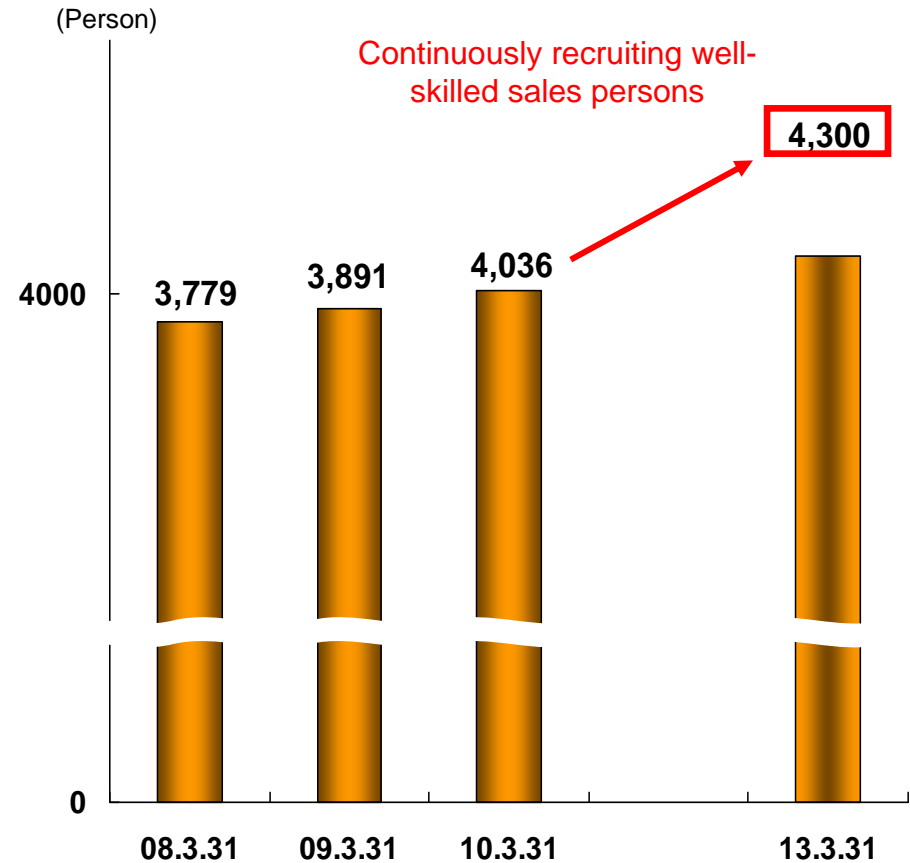
(1) Operating Performance Index



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



Number of Lifeplanner Sales Employees



Line item amounts are truncated below ¥100 billion and non-consolidated based.

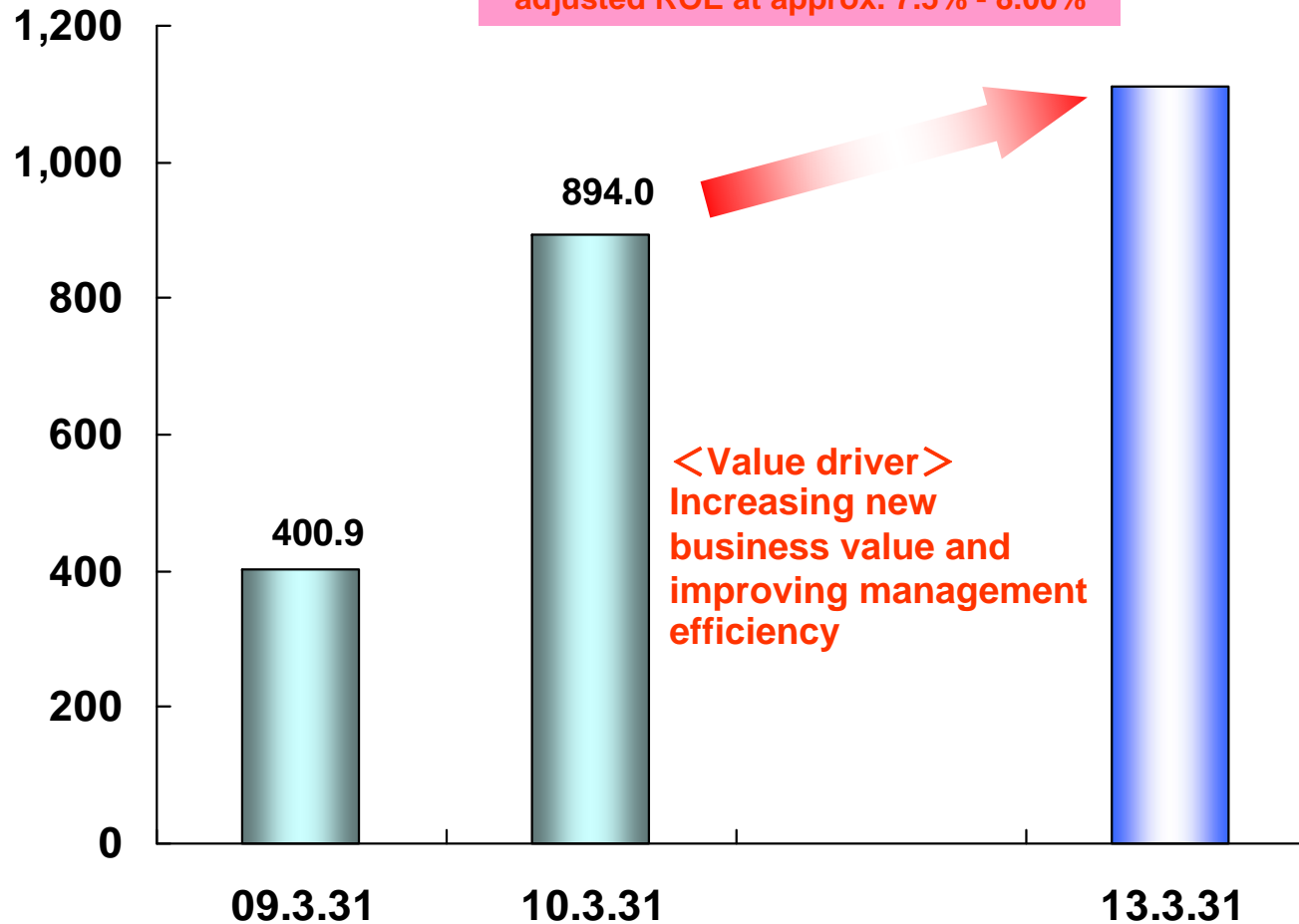
Mid-term Targets

(2) Sony Life's MCEV



MCEV

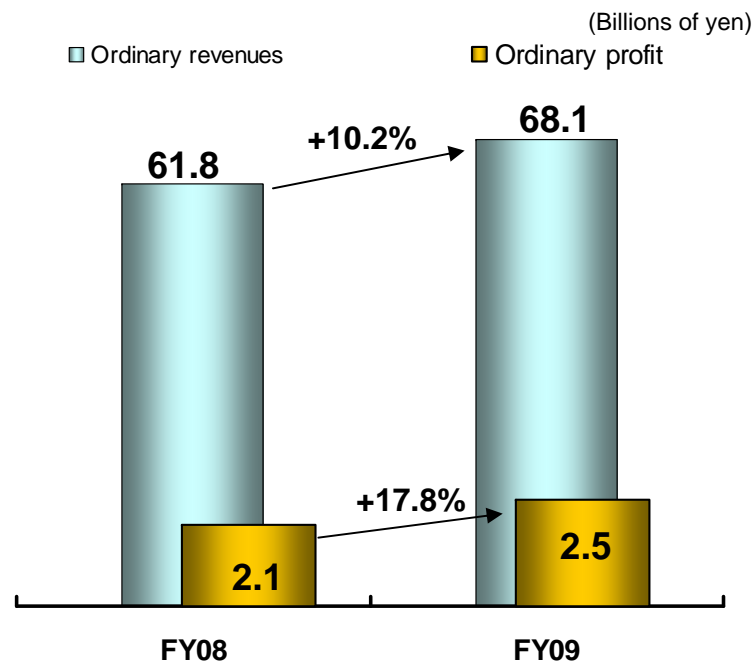
(Billions of yen)



Sony Assurance

FY2009 Review

(1) Profitability



Sony Assurance

- ◆ Ordinary revenues and ordinary profit increased, year on year.
- ◆ Ordinary revenues amounted to ¥68.1 billion, up 10.2% year on year. Net premiums written increased, owing to an increase in the number of policies in force for mainstay automobile insurance.
- ◆ Ordinary profit amounted to ¥2.5 billion, up 17.8% year on year, due mainly to the increase in ordinary revenues and a decline in the net expense ratio.

(Billions of yen)	FY08	FY09	Change	
			Change	% Change
Ordinary revenues	61.8	68.1	+6.2	+10.2%
Underwriting income	61.1	67.4	+6.3	+10.4%
Investment income	0.7	0.6	(0.0)	(5.0%)
Ordinary expenses	59.7	65.6	+5.9	+9.9%
Underwriting expenses	44.2	49.1	+4.9	+11.3%
Investment expenses	0.1	0.0	(0.1)	(92.6%)
Operating, general and administrative expenses	15.3	16.3	+1.0	+7.1%
Ordinary profit	2.1	2.5	+0.3	+17.8%
Net income (loss)	(1.5)	1.6	+3.1	—

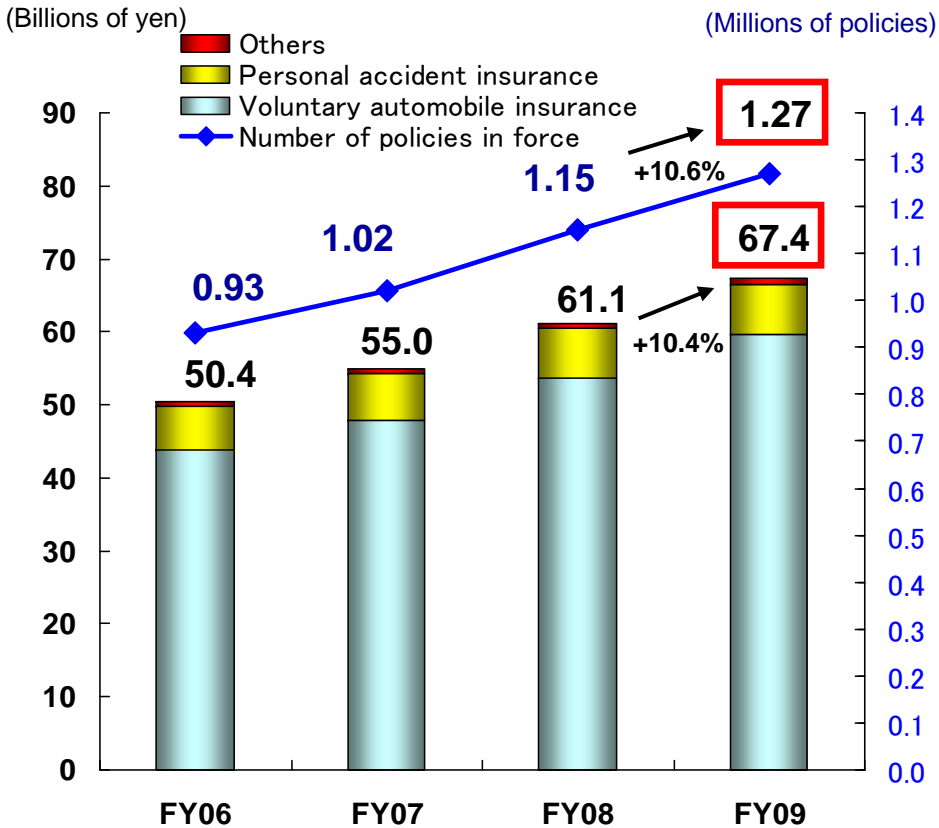
(Billions of yen)	09.3.31	10.3.31	Change from 09.3.31	
Underwriting reserves	50.7	58.1	+7.3	+14.4%
Total net assets	13.6	15.4	+1.8	+13.2%
Net unrealized gains/losses on other securities (net of taxes)	(0.1)	0.0	+0.1	—
Total assets	86.6	98.3	+11.6	+13.4%

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

FY2009 Review

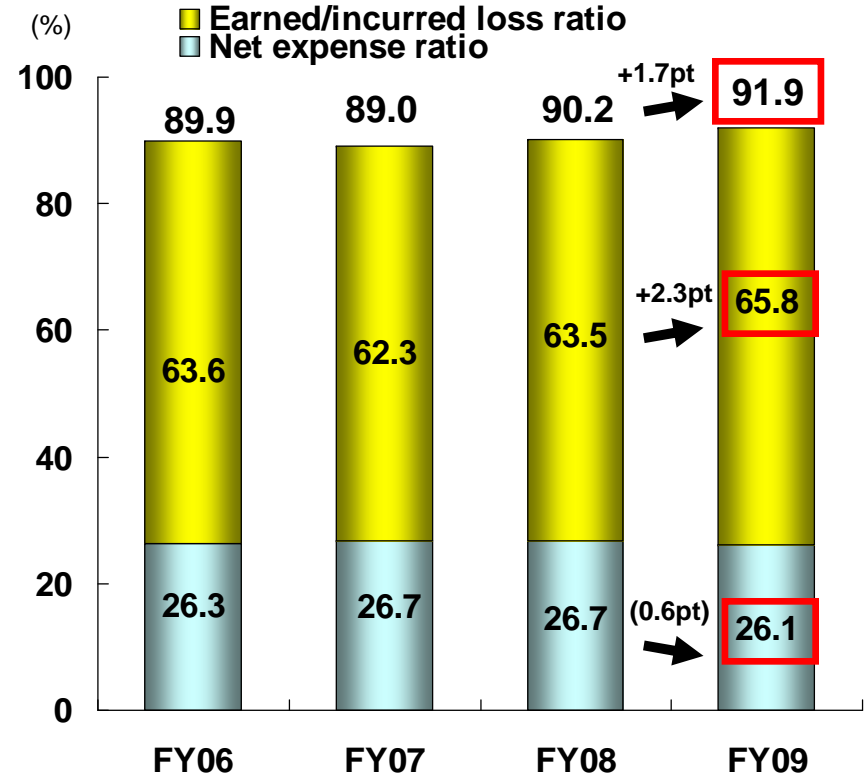
(2) Operating Performance

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.

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.

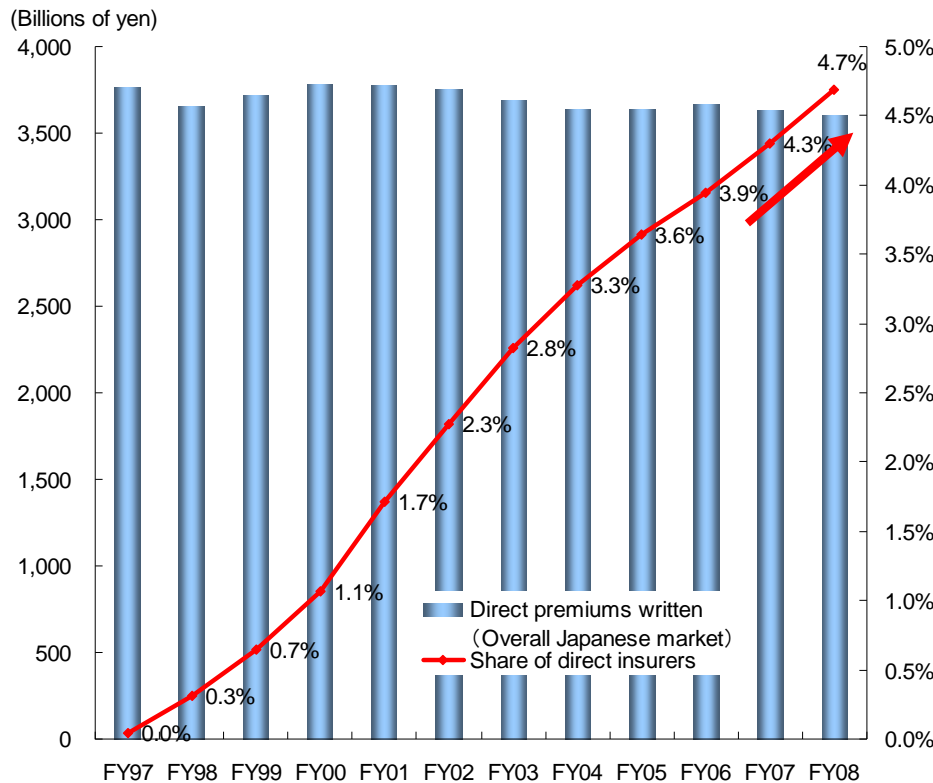
*Note that earthquake insurance and compulsory automobile liability insurance are excluded from the above calculation.

Market Overview

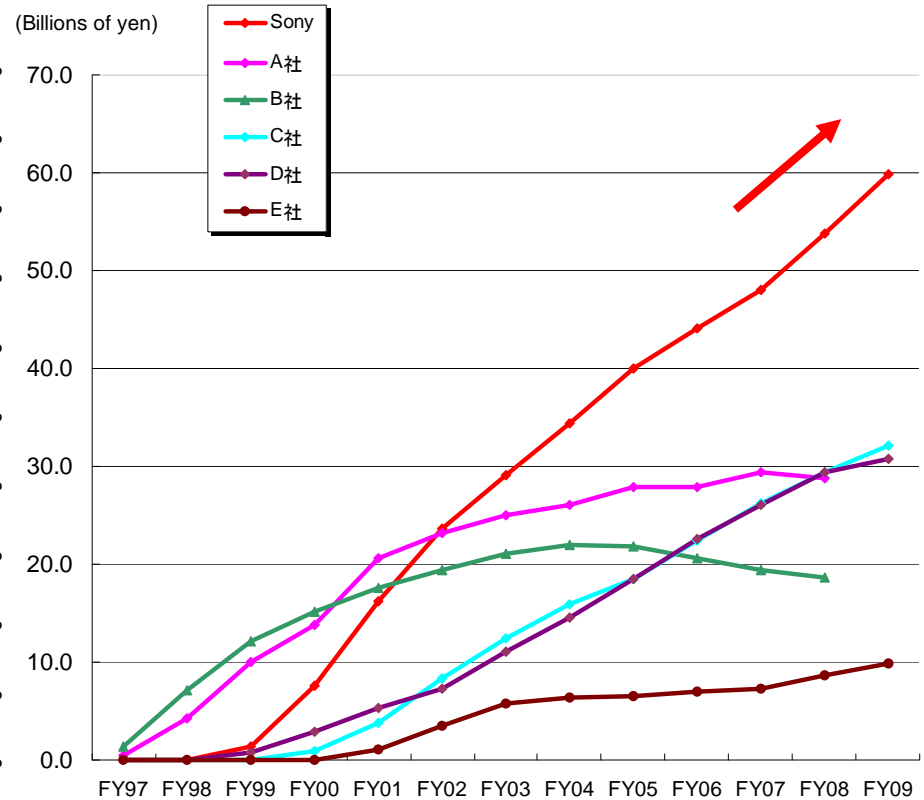
(1) Automobile Insurance Market

Auto Insurance Market & Share of Direct Insurers

Direct Premiums Written by Direct Insurer



Source: Statistics of Non-life Insurance Business in Japan

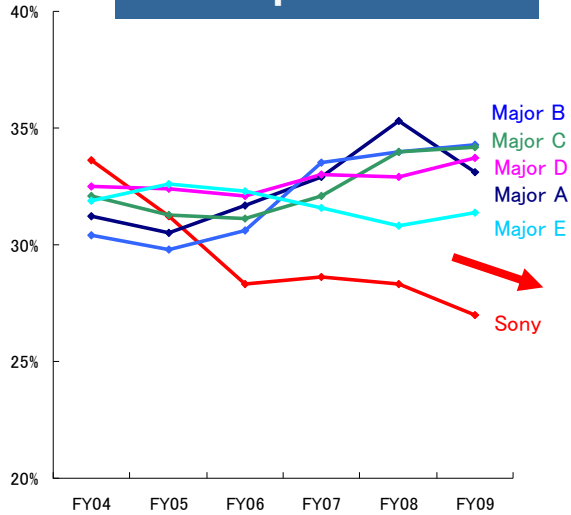


Source: Statistics of Non-life Insurance Business in Japan and the data disclosed by each company

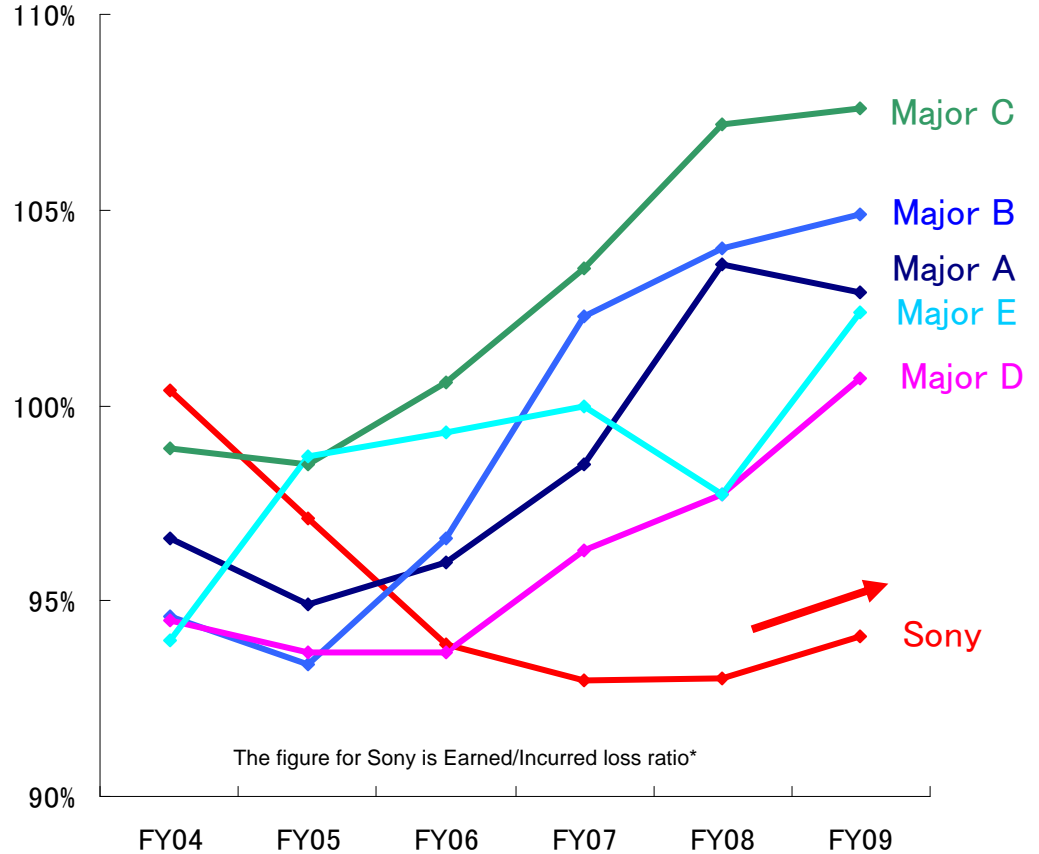
Market Overview

(2) Profitability (Automobile insurance)

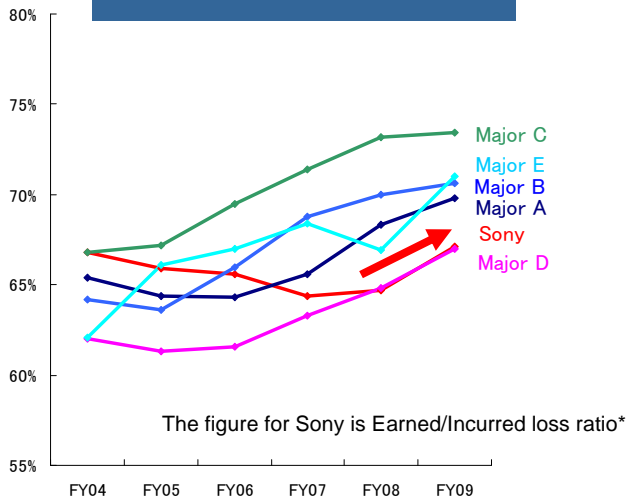
Net Expense Ratio



Net Expense Ratio + Net Loss Ratio



Net Loss Ratio



The figure for Sony is Earned/Incurred loss ratio*

*Sony Assurance uses Earned/Incurred loss ratio for accurate comparison purpose.

Source: Prepared by Sony Assurance, using the data disclosed by each company

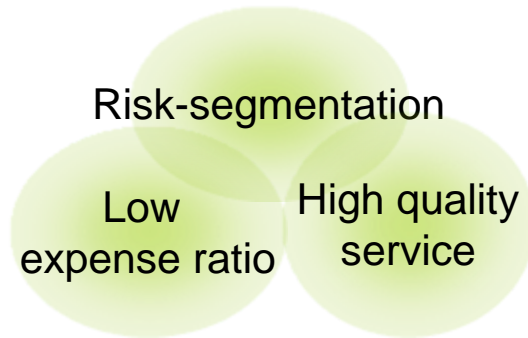
Mid-term Targets

Promote marketing activities and enhance service levels aiming at achieving a new target direct premiums written of ¥100.0 billion

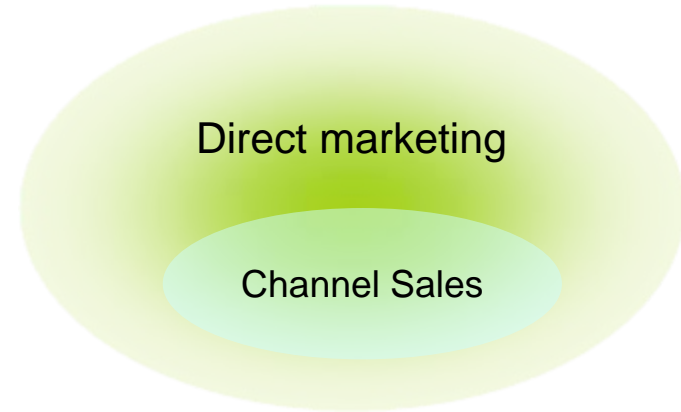
Secure profitability for a target adjusted ROE of 10% by growing business operations and properly controlling the loss ratio and the expense ratio

Promote the online business model by strengthening the website system including the system for mobile phone website

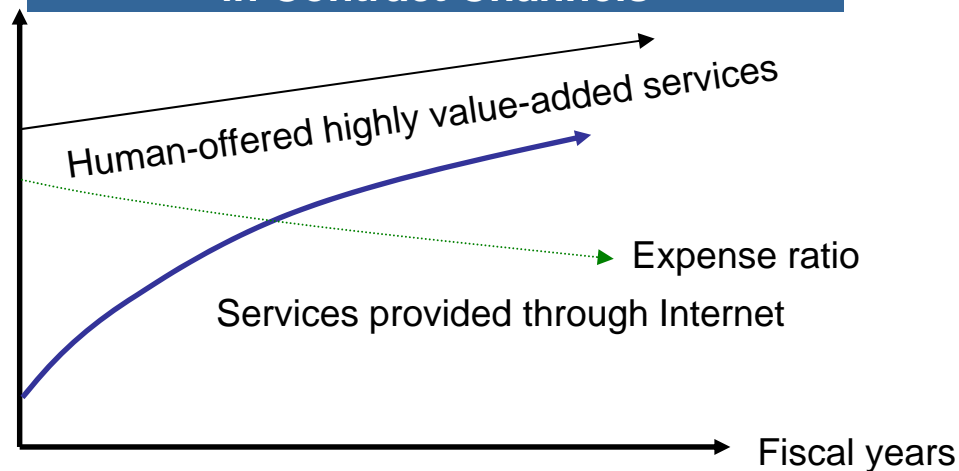
Growth of Automobile Insurance



Marketing Channel



Shift to Internet in Contract Channels

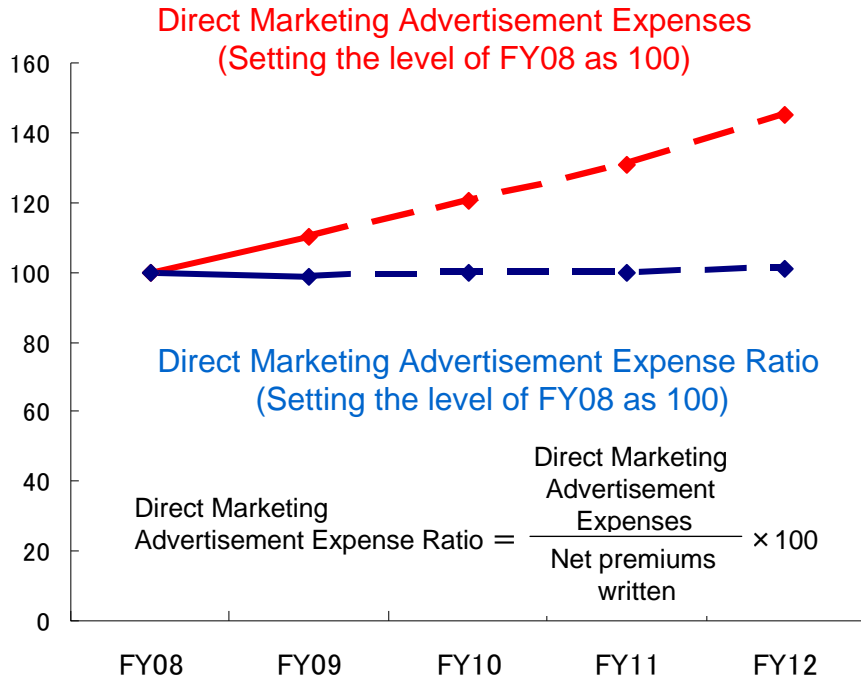


Major Initiatives

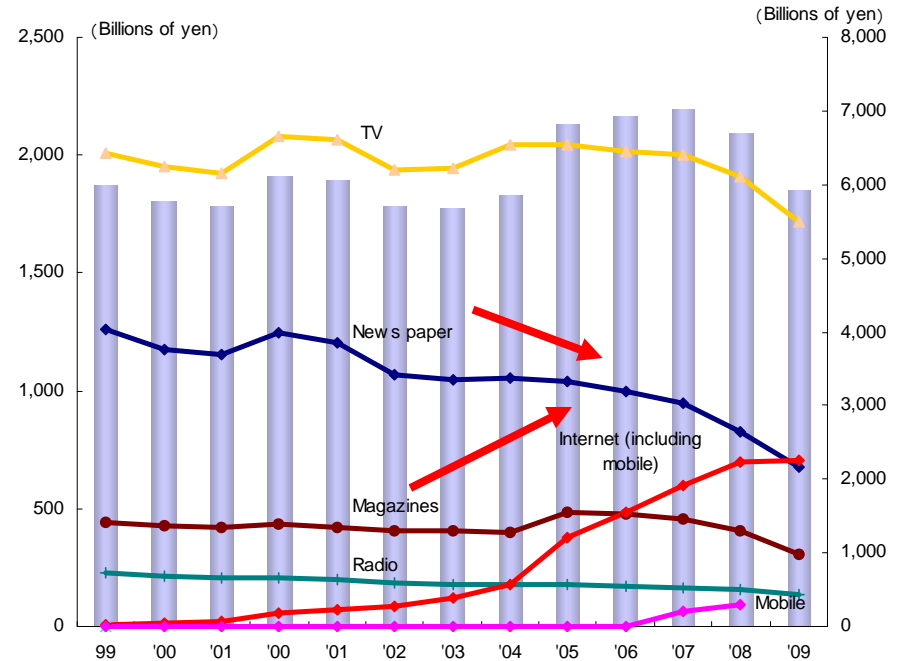
(1) Sales Strategy (Automobile Insurance) : Marketing

Strategic investment in marketing

Investment in Direct Channels Advertisement



Advertising Expenditures in Japan by Type of Media



Source: "Advertising Expenditures in Japan" by Dentsu

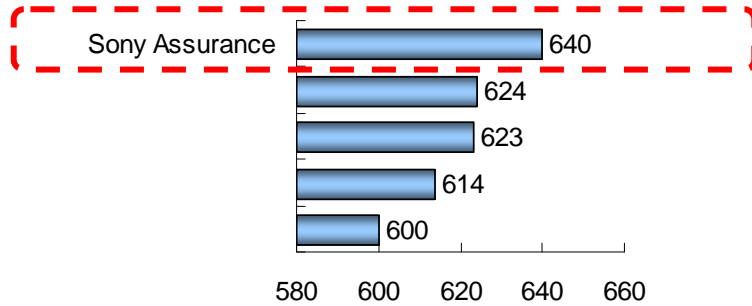
Major Initiatives

(2) Service Strategy (Automobile insurance)

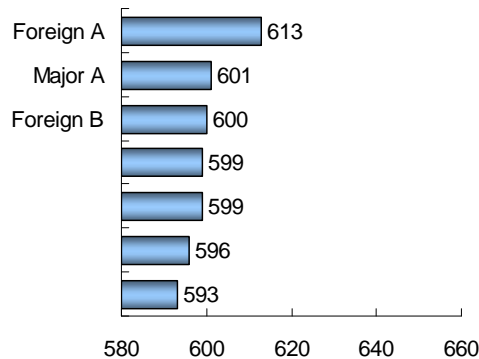
High Evaluations From Outside Institutions

**Ranking in Customer Satisfaction
with contract, products and services: No. 1**

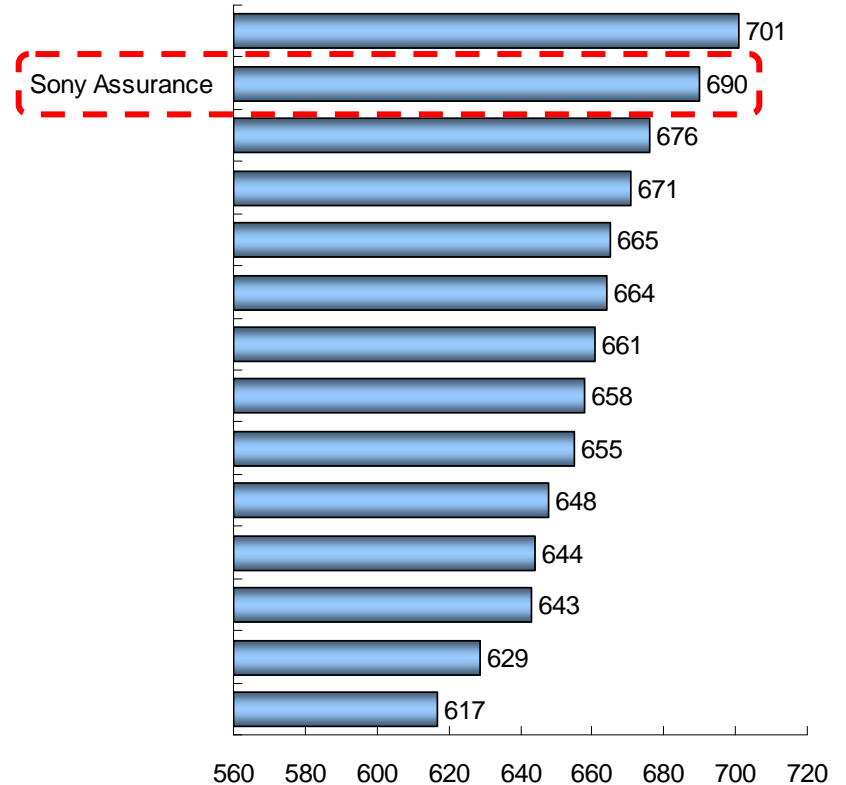
<For Direct insurers>



<For Agent type insurers>



**Ranking in Customer Satisfaction
with Accident Response: No.2**



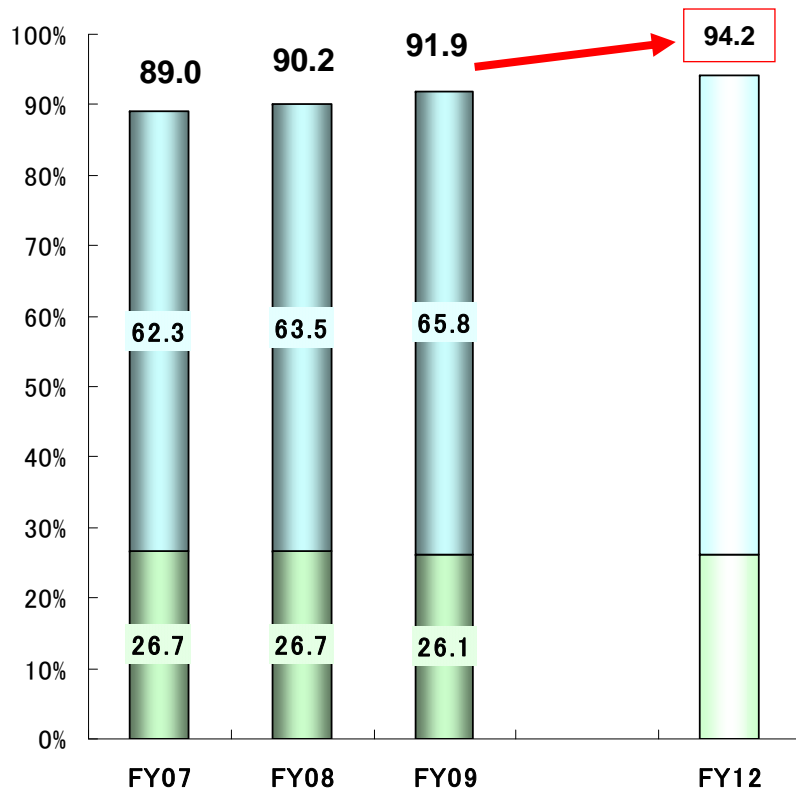
Source: J.D. Power Asia Pacific

Major Initiatives

(3) Strategy to Enhance Profitability

<Total of all types of insurance>

Net Expense Ratio + E.I. Loss Ratio



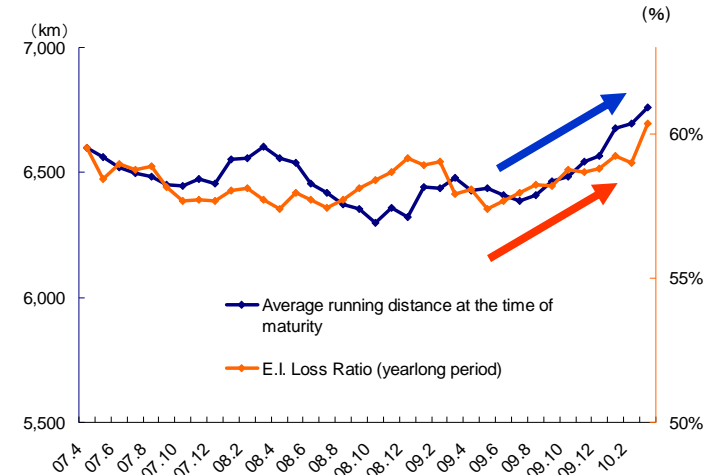
Net losses paid + Loss adjustment expenses + accumulation in provision for reserve for outstanding losses

E.I. loss ratio =

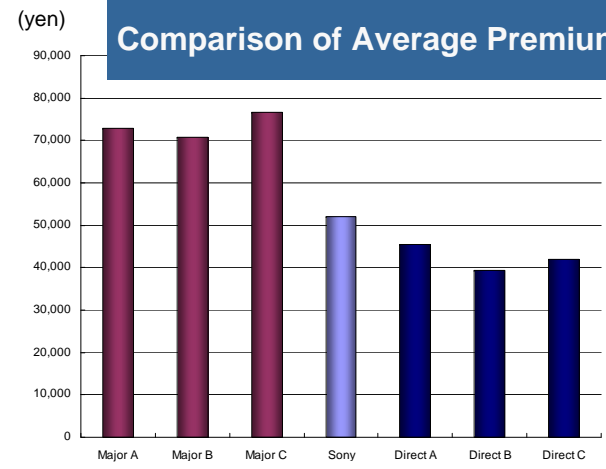
Earned premiums

Excluding earthquake insurance and compulsory automobile liability insurance

Average Running Distance at the Time of Maturity+ E.I. Loss Ratio (Yearlong period)



Comparison of Average Premium



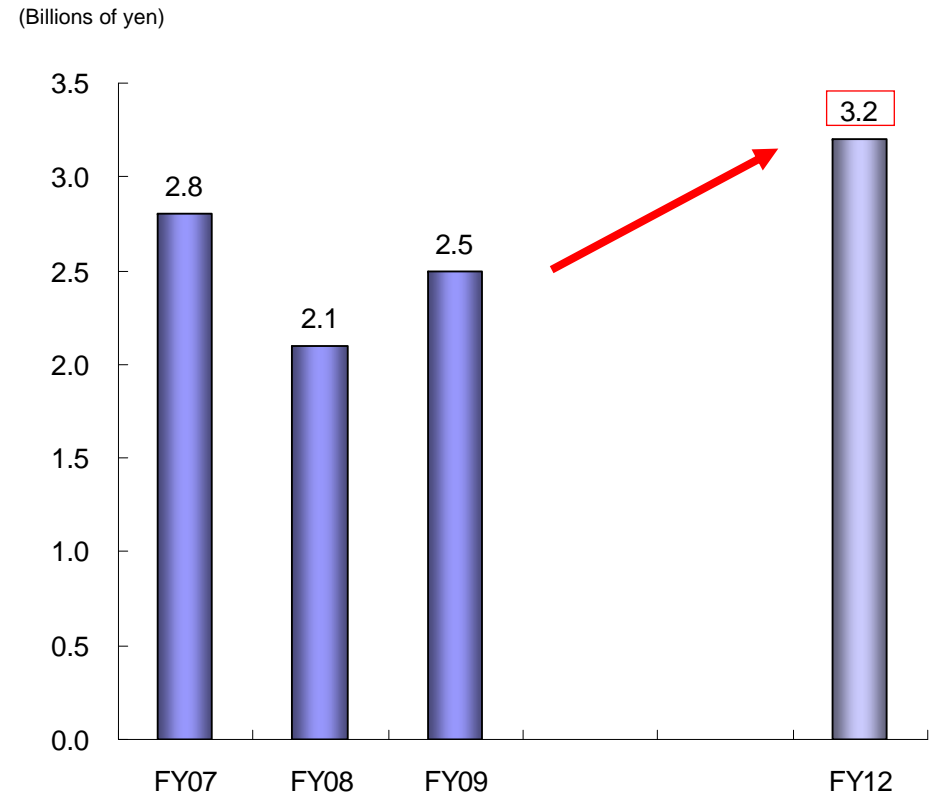
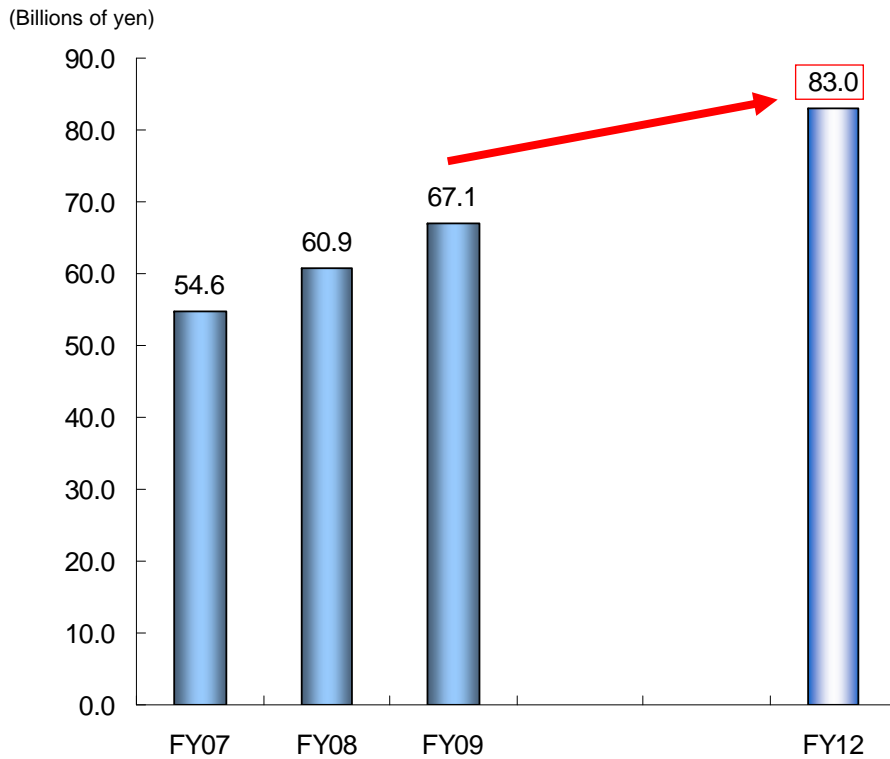
Source: Statistics of Non-life Insurance Business in Japan

Mid-term targets

(1) Operating Performance Index

Direct Premiums Written

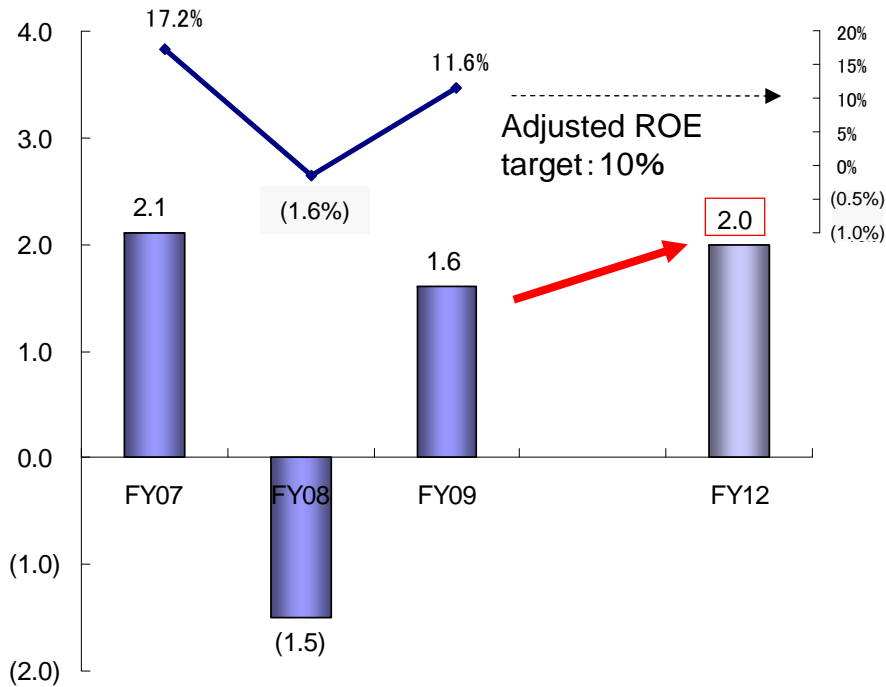
Ordinary Profit



Mid-term Targets

(2) Profitability Index and Soundness Index

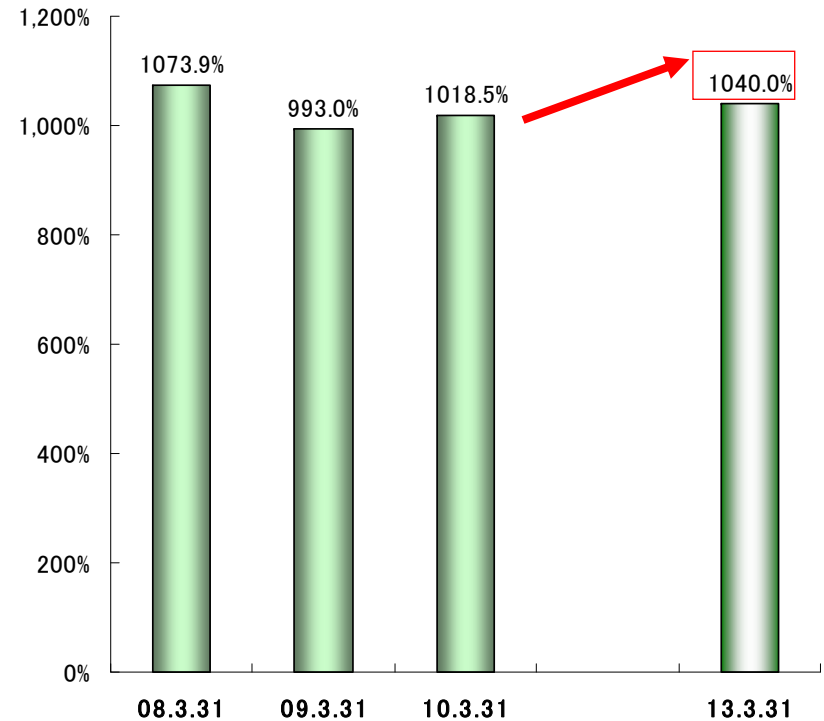
Net Profit and Adjusted ROE



Adjusted ROE = Adjusted profit / Adjusted capital
 Adjusted profit = The net income plus provision for special catastrophe reserve and its provision for reserve for price fluctuations, in each case after taxes.
 Adjusted capital = The average amount of net assets plus the sum of special catastrophe reserve and its reserve for price fluctuations, in each case after taxes.

Solvency Margin Ratio

(current domestic criteria)



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

Sony Bank (Non-consolidated)

FY2009 Review

(1) Operating Performance



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

Loans

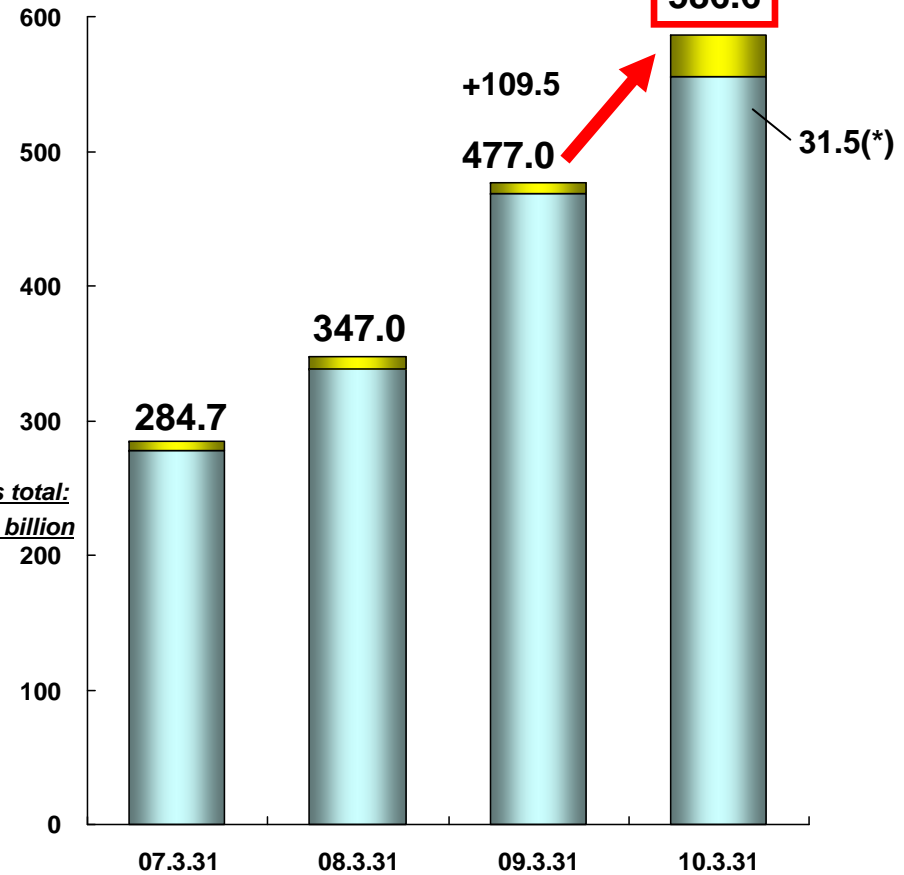
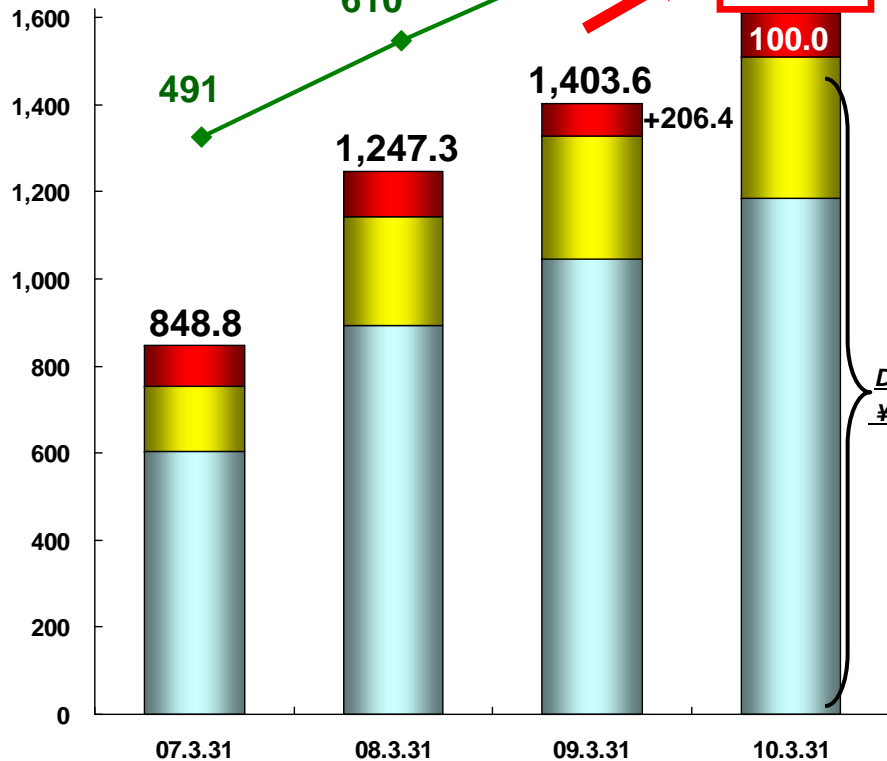
*including syndicated loans of ¥23.3billion.

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

- Mortgage loans
- Other

(Billions of yen)

(Billions of yen)



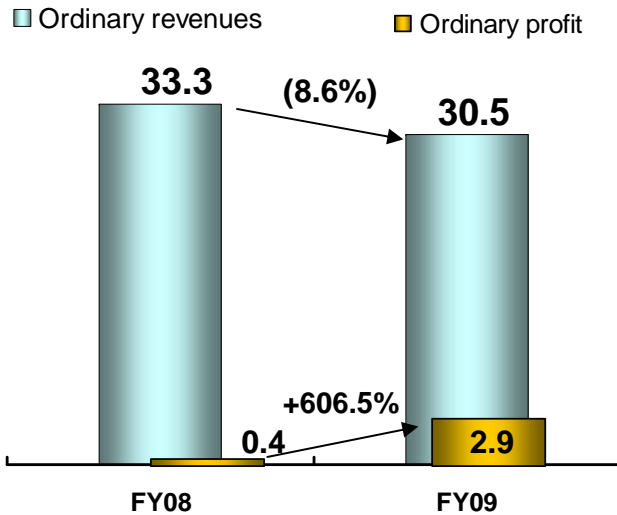
Line item amounts are truncated below ¥100 million; number of accounts are truncated below 1,000 accounts.

FY2009 Review

(2) Profitability



(Billions of yen)



(Billions of yen)	FY08	FY09	Change	
Ordinary revenues	33.3	30.5	(2.8)	(8.6%)
Gross operating profit	10.8	14.9	+4.0	+37.6%
Net interest income	6.6	13.0	+6.3	+96.1%
Net fees and commissions	0.3	(0.1)	(0.5)	—
Net other operating income	3.9	2.1	(1.7)	(45.6%)
General and administrative expenses	10.3	11.6	+1.3	+13.3%
Ordinary profit	0.4	2.9	+2.5	+606.5%
Net income	(0.7)	1.6	+2.3	—
Net operating profit	0.5	3.2	+2.6	+506.1%

Sony Bank

- ◆ Despite a decrease in ordinary revenues, ordinary profit increased year on year.
- ◆ Gross operating profit increased ¥4.0 billion year on year due to an increase in net interest income.
 - Net interest income increased ¥6.3 billion due mainly to a decline in interest on deposits in the lowering of interest rates and higher interest on loans.
 - Net other operating income decreased ¥1.7 billion, mainly because foreign exchange gains on investment in foreign currency deposits decreased owing to the lowering interest rates, and gains from derivatives, net, which were held for hedging purposes, turned into losses.
- ◆ Net income amounted to ¥1.6 billion, from a net loss of ¥0.7 billion in the previous fiscal year.
- ◆ Customer assets increased ¥206.4 billion from March 31, 2009.

	09.3.31	10.3.31	Change from 09.3.31	
Securities	823.1	880.1	+56.9	+6.9%
Loans	477.0	586.6	+109.5	+23.0%
Deposits	1,326.3	1,510.0	+183.6	+13.8%
Customer assets	1,403.6	1,610.0	+206.4	+14.7%
Total net assets	46.2	58.9	+12.7	+27.5%
Net unrealized gains/losses on other securities (net of taxes)	(9.6)	0.9	+10.5	—
Total assets	1,411.9	1,612.1	+200.2	+14.2%

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

FY2009 Review

(3) Profitability (Based on Internal Control Basis)

■ <Reference> On an Internal Control Basis (Billions of yen)

	FY08	FY09	Change	
Gross operating profit	10.8	14.9	+4.0	+37.6%
Net interest income *1 ①	12.1	13.7	+1.5	+12.7%
Net fees and commissions *2 ②	1.8	0.9	(0.9)	(48.9%)
Net other operating income *3	(3.1)	0.2	+3.4	—
Gross operating profit (core profit) (A) = ①+②	14.0	14.6	+0.6	+4.4%
Operating expenses and other expenses ③	10.3	11.7	+1.4	+13.8%
Net operating profit (core profit) = (A)−③	3.7	2.9	(0.8)	(21.7%)

● On an Internal Control 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.

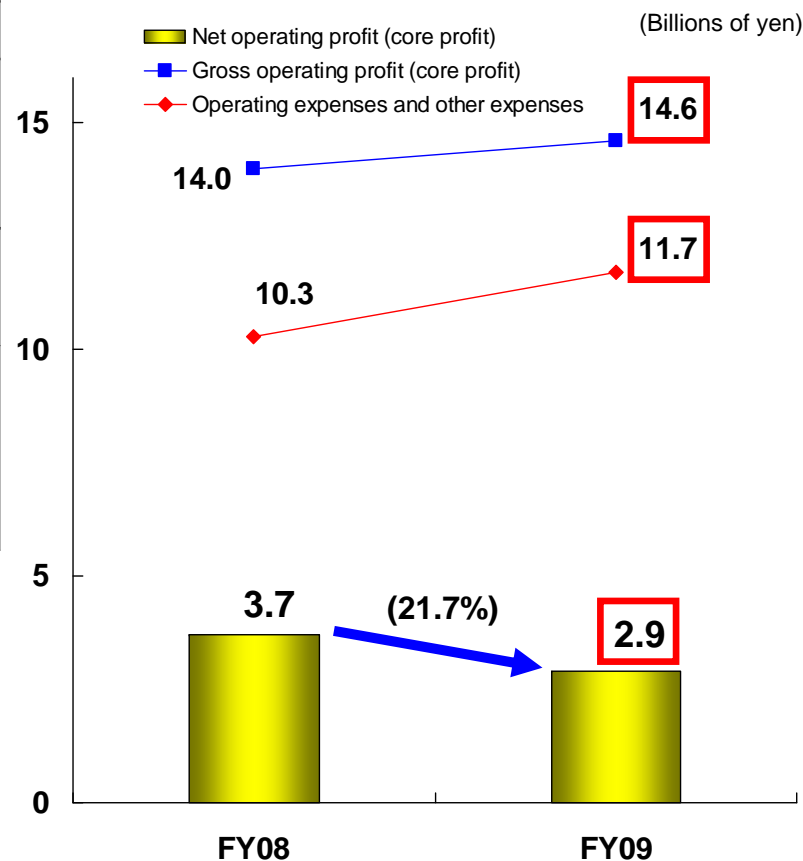
*2: Net fees and commissions: Includes profits and losses for customer dealings in foreign currency transactions recorded in net other operating income.

*3: Net other operating income: After the above adjustment (*1 and *2), consists of profits and losses for bond and derivative dealing transactions.

● Core profit

Profits and losses exclude net other operating income, including those for bond and derivative dealing transactions, and stands for Sony Bank's basic profits.

<Reference> Net Operating Profit (Core Profit), Operating Expenses and Other Expenses & Gross Operating Profit (Core Profit)



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

Establish a firm presence as an asset management bank

Forge stronger win-win relationships with customers by raising operational efficiencies

1 Continuously grow business operations (retail balance)

- Sony Bank has gained a certain level of customer satisfaction with its products and services. However, its presence in the financial market for individual customers is still small and its growth potential remains enormous.
- Continuously Expand retail balance through the promotion with new sales methods and channels for the customers who Sony Bank has not reached

2 Raise profitability

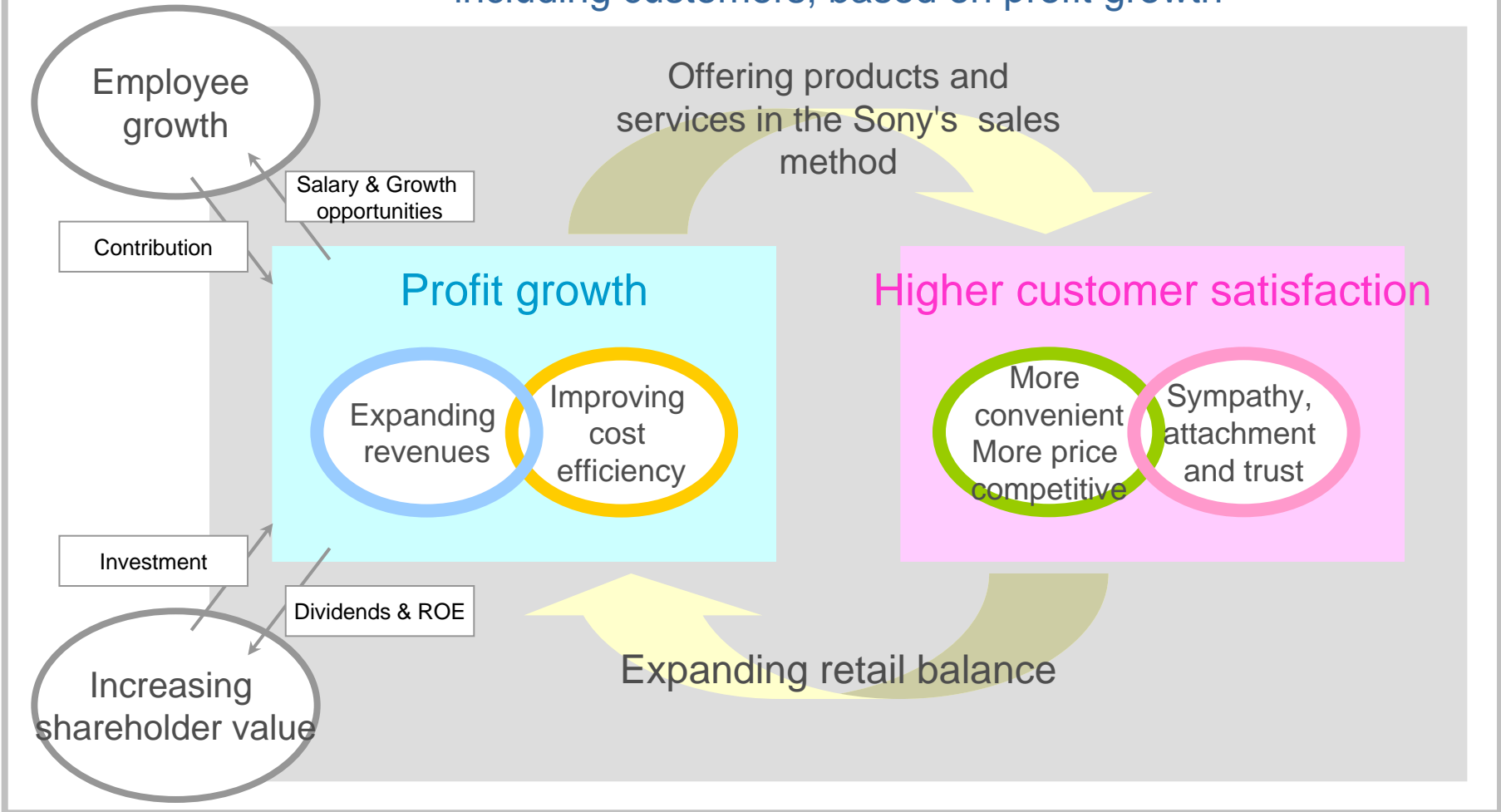
- Raise efficiency and profitability of ALM to respond to expanding asset scale, to promote risk dispersion and operational efficiency, and to maximize risk return.
- Upgrade business operations, especially service quality and productivity, for further pursuing a low cost business model and seek for higher customer satisfaction and improvement of cost efficiency.

3 Maintain financial soundness

- Keep Sony Bank's capital adequacy ratio at a level of around 10%

Sony Bank's business growth

Forge stronger win-win relationships with stakeholders, including customers, based on profit growth



Consistent Growth of Business Operations

High Customer Satisfaction

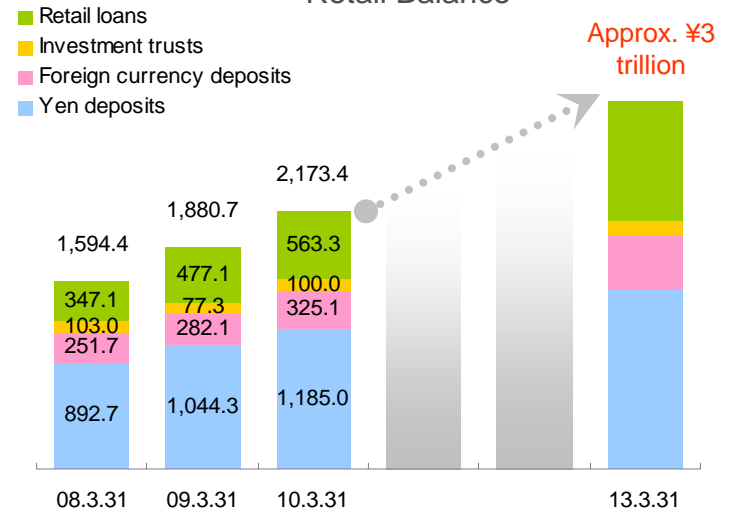
Nikkei financial institution ranking Consumer satisfaction

	FY06 (No.3)	FY07 (No.4)	FY08 (No.5)	FY09 (No.6)
1	Bank G	Sony Bank	Sony Bank	Sony Bank
2	Sony Bank	Bank G	Bank F	Bank A
3	Bank H	Bank F	Bank G	Bank B
4	Bank K	Bank H	Bank H	Bank F
5	Bank F	Bank J	Bank I	Bank G

Source: Prepared by Sony Bank based on the 6th Nikkei financial institution ranking Consumer satisfaction (Nihon Keizai Shimbun)

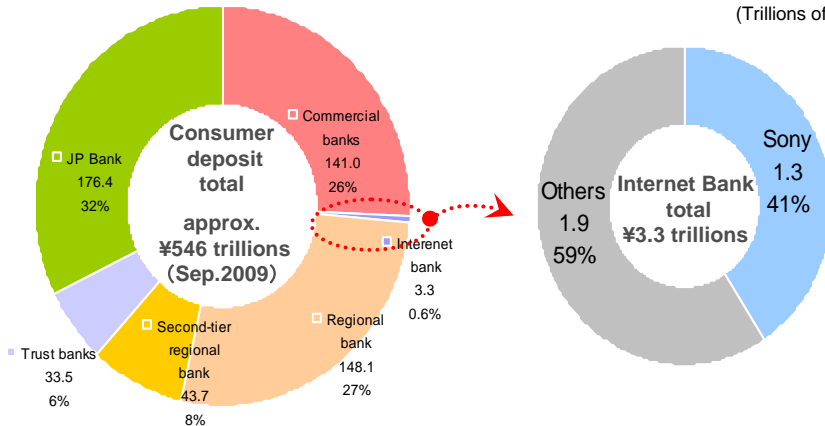
Consistent growth of Business Operations

Retail Balance



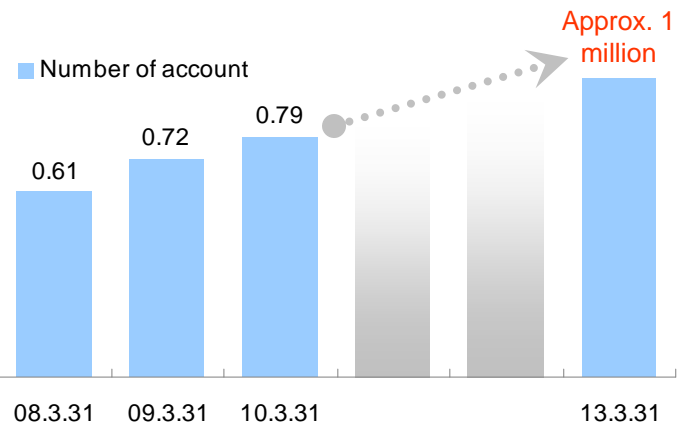
Growth Potential in the Financial Market for Individual Customers

(Trillions of yen)



Source: Prepared by Sony Bank based on the Nikkin Report and Materials officially disclosed by individual banks.

Note: The above figures exclude those of Shinkin banks, credit union banks, labor credit association, and agricultural cooperatives, etc.

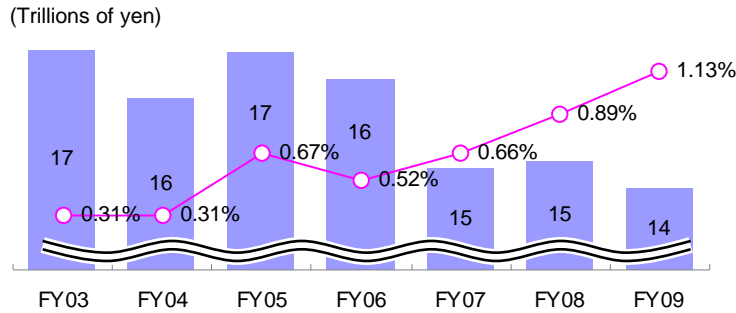


Accelerating Growth of Mortgage Loans

Mortgage Loan Market Share

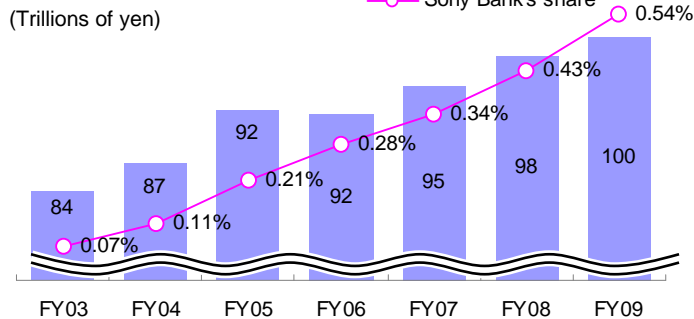
Increased amount of mortgage loans

- Total of domestic banks
- Sony Bank's share



Balance of mortgage loans

- Total of domestic banks
- Sony Bank's share



Note1: Source: Statistics of Bank of Japan (Mortgage loans and other loans)

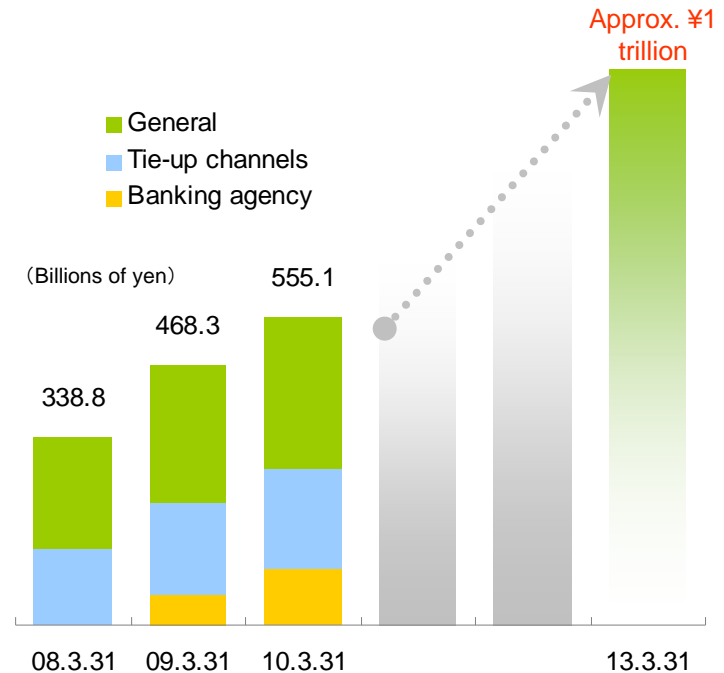
Note2: Fiscal year ended on Dec. 31 for each year

Note3: This figure is the total for banking accounts, trust accounts and overseas branch accounts (domestic portion) of Japanese banks. However, the figure excludes the Resolution and Collection Corporation, Kii Deposit Management Bank (dissolved on March 31, 2002), the Bridge Bank of Japan (dissolved on March 8, 2004), the Second Bridge Bank of Japan and the Japan Post Bank.

Note4: The maximum market scale of mortgage loans, including the figures of Shinkin banks, credit union banks, JA Group and Japan housing finance agency, etc. was approx. 170 trillion yen at the end of 2009.

Accelerating Growth of Mortgage Loans

Balance of Mortgage Loans



Banking Agencies

- Sony Life
 - Seven Bank
 - F & M
 - LIPLA (subsidiary of Sony Life)
- ※LIPLA started business operations in May 2010.

Sony Bank “Housing Loan Plaza”

is to open in front of Tokyo Station Yaesu Central Entrance on **June 24, 2010.**

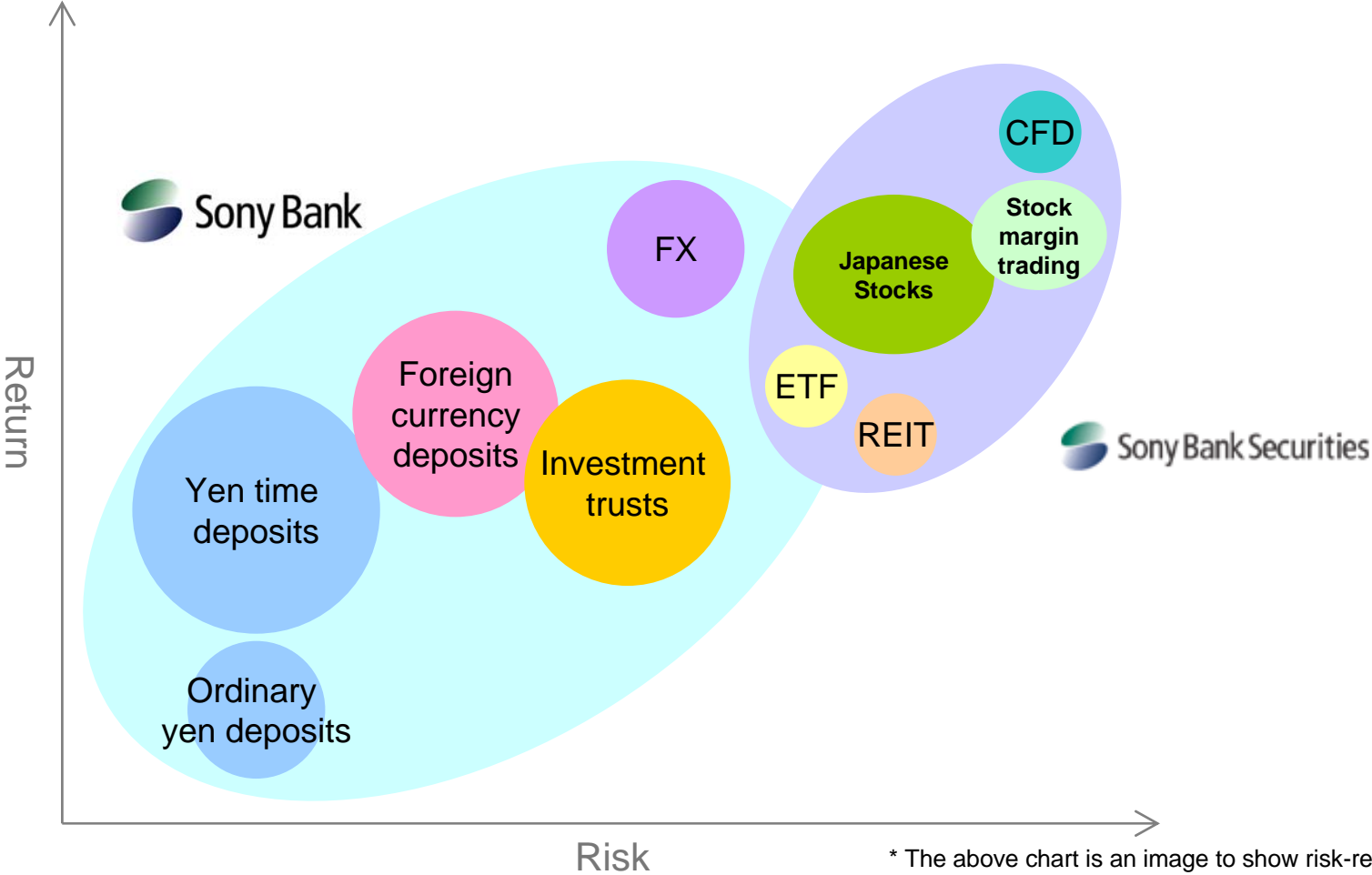


* Please see the press release for details.

Supporting Asset Management of Financial Portfolio for Individual Customers



MONEYKit offers one-stop individual asset management services

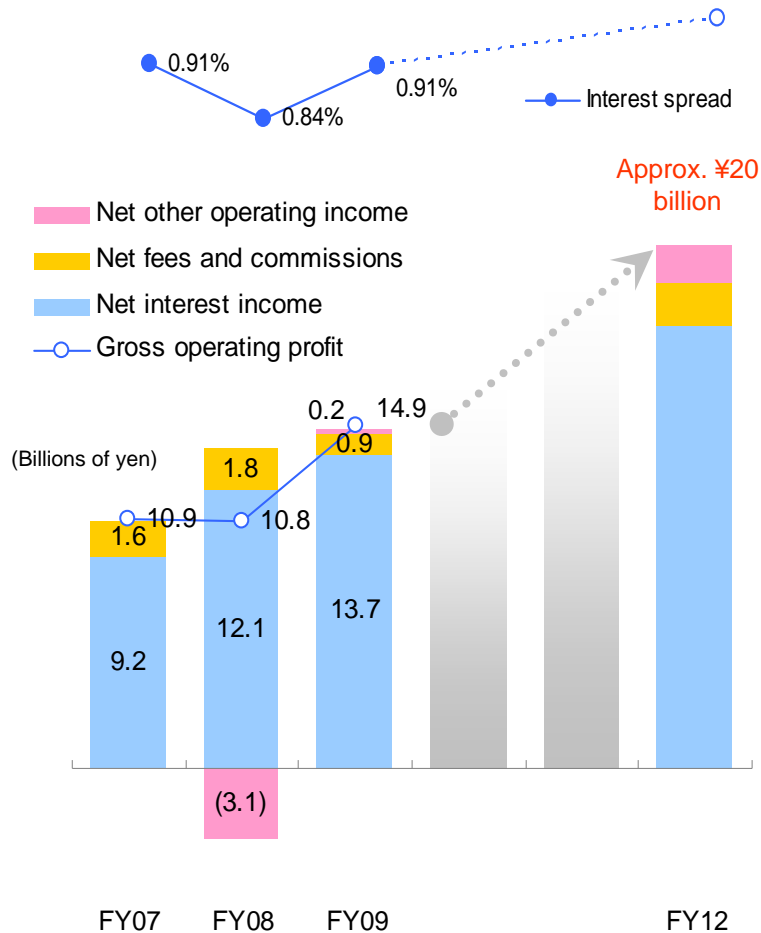


Mid-term Targets

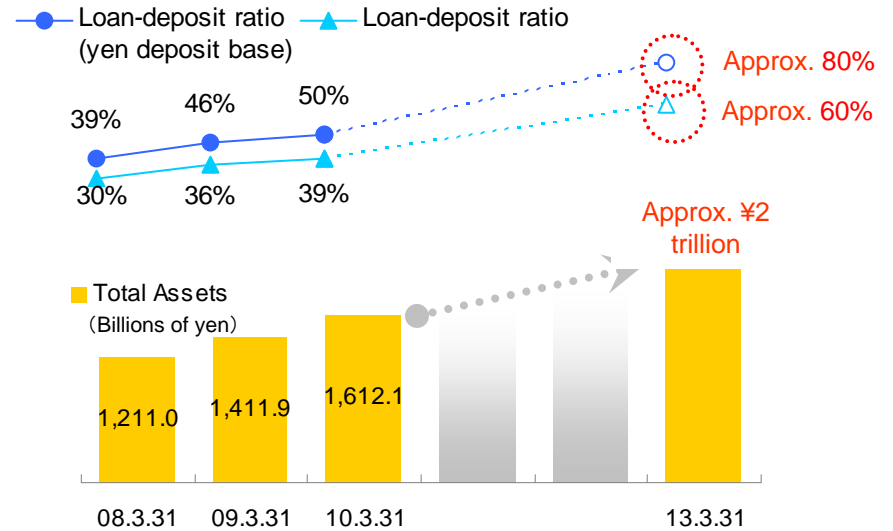
(1) Higher Profitability



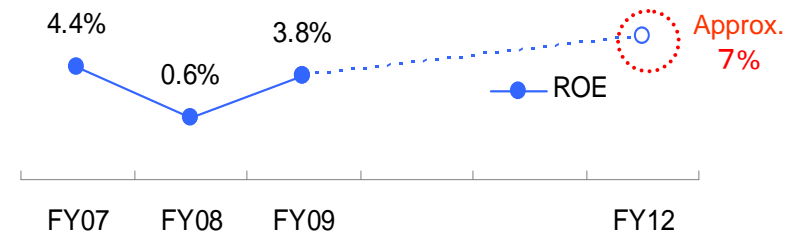
Gross Operating Profit (Internal control basis)



Asset Scale and Loan-Deposit Ratio



Profitability



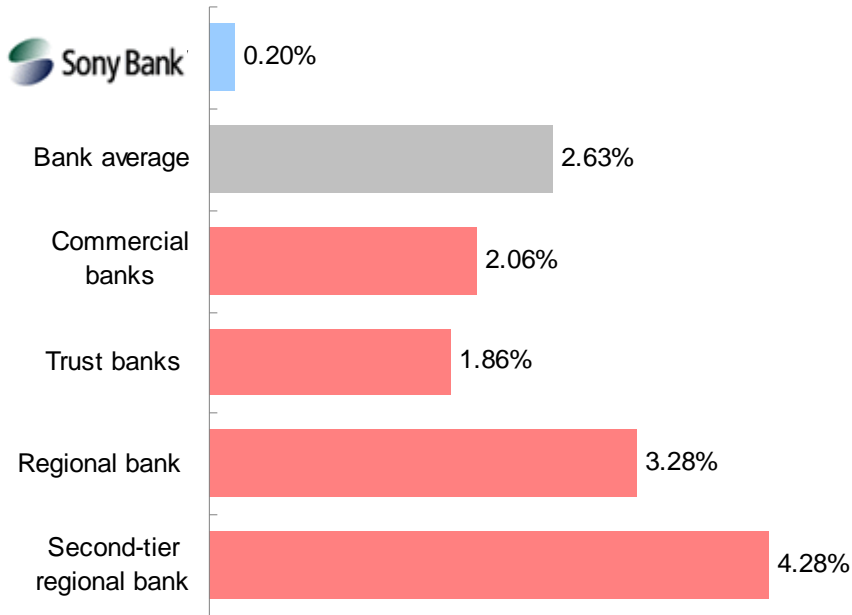
※ ROE after adjusting tax effect (tax percentage: 40%)

Mid-term Targets

(2) Maintaining Financial Soundness

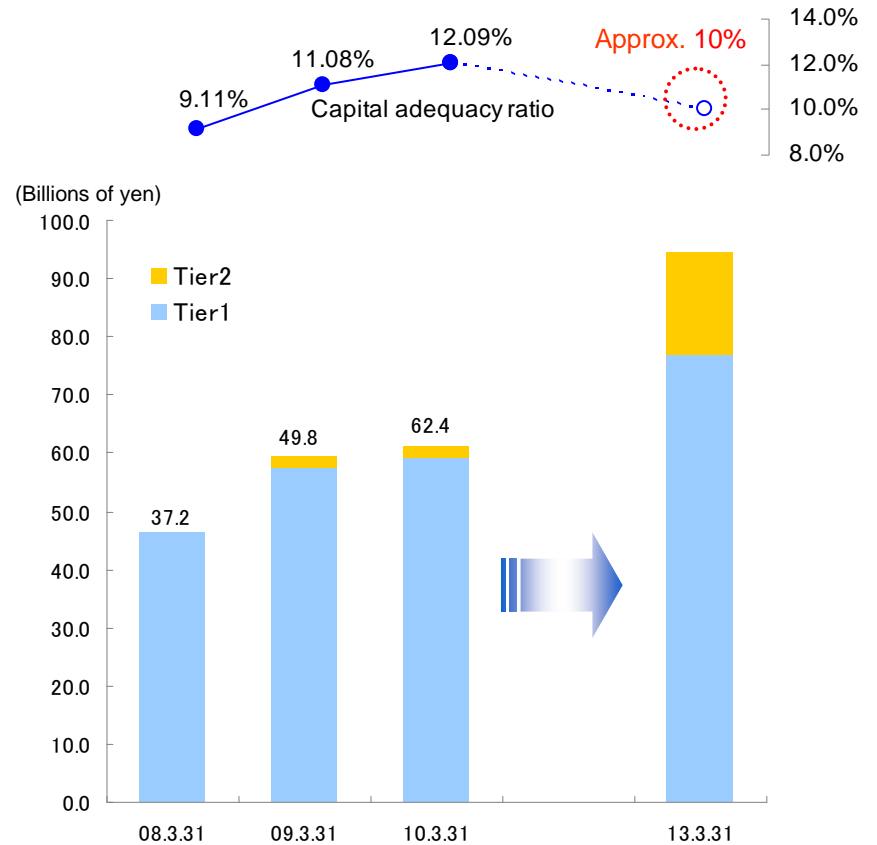
Ratio of Nonperforming Loans

Risk-monitored loan (As of September 30, 2009)



Note: Prepared by Sony Bank based on the *Financial Business Winter 2010 (Toyo Keizai Shinpo)*

Capital Adequacy Ratio



※Capital adequacy ratio of 11.08% as of March 31, 2009 was calculated without applying the special exception of the standard stipulated by Article 14-2 of the Banking Law of Japan, in accordance with the FSA public ministerial announcement No. 79 of 2008.

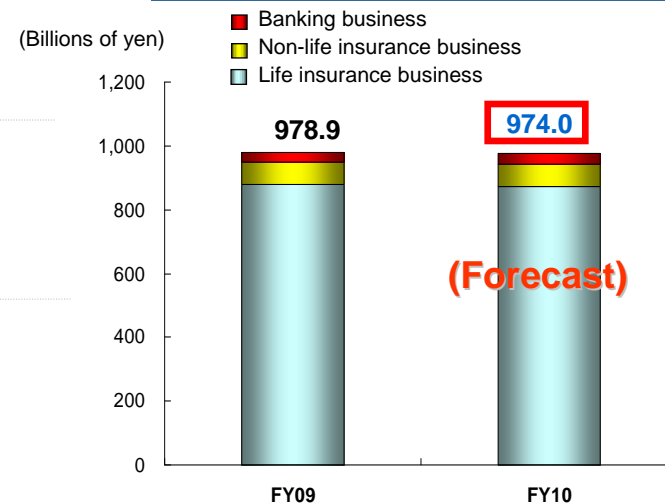
Sony Financial Holdings

Consolidated Financial Forecast for the Year Ending March 31, 2011

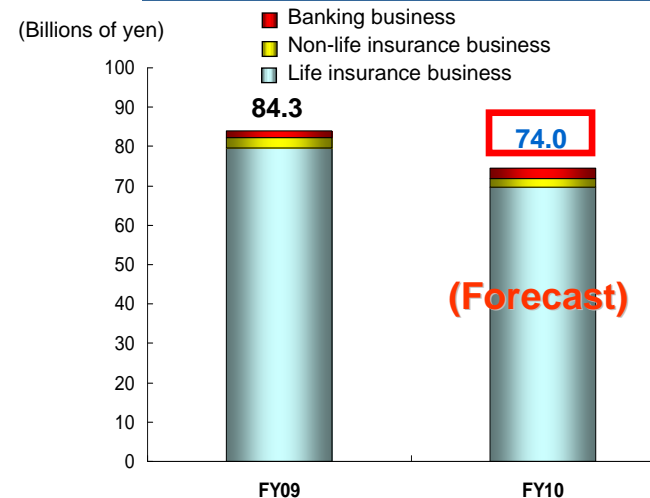
	FY09	FY10 (Forecast)	Change FY10 forecast vs FY09 actual
Consolidated ordinary revenues	978.9	974.0	(0.5%)
<u>Life insurance business</u>	882.0	871.3	(1.2%)
<u>Non-life insurance business</u>	68.1	72.7	+ 6.6 %
<u>Banking business</u>	30.5	30.6	+ 0.3%
Consolidated ordinary profit	84.3	74.0	(12.3%)
<u>Life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

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

Consolidated Ordinary Revenues



Consolidated Ordinary Profit






Capital and Dividend Policies

■ Basic Idea of Capital and Dividend Policies

Maintain balance between the following policies (A) & (B)

(A) Keeping financial soundness as a financial institution

(B) Paying stable dividends and securing an adequate level of internal reserve for future business development

<p>Financial Soundness Indicator (As of Mar31, 2010)</p>	 Solvency Margin Ratio 2,637.3%	 Solvency Margin Ratio 1,018.5%	 Capital Adequacy Ratio (Domestic Criteria) 12.09%
<p>Estimated changes in business environment</p>	<ul style="list-style-type: none"> ■ Introducing International accounting standards <ul style="list-style-type: none"> ◆ Marked-to-market valuation of insurance liabilities ◆ Comprehensive income statements ■ (Insurance) Introducing Solvency II and other indices based on economic value ■ (Bank) Attracting more attention on the core capital adequacy ratio 		
<p>Dividend policies</p>	<p>Ensuring stable ongoing dividends to shareholders for a long term period, considering the Group's operating performance and estimated changes in the regulations in each industry</p> <p>FY08 (results): ¥3,000 per share FY09 (planned): ¥3,000 per share</p>		

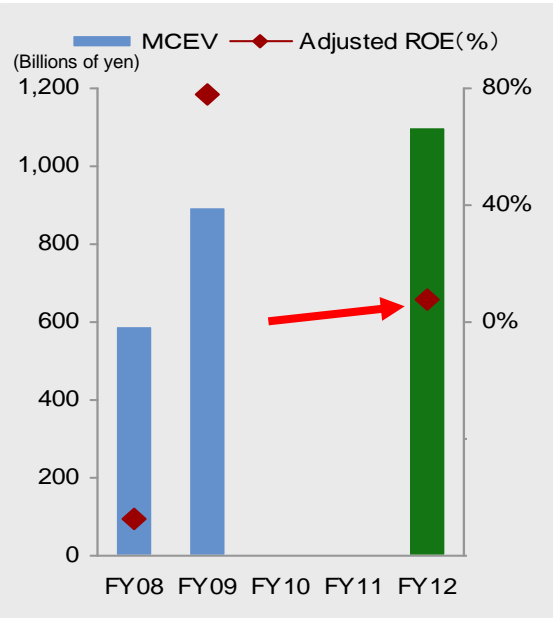
Mid-term Management Targets (FY2012)

Key Management Benchmarks

- Consolidated ordinary revenues, consolidated ordinary profit and consolidated net income
- Consolidated adjusted ROE

Sony Life: MCEV and Adjusted ROE

Steadily growing with target adjusted ROE of 7.5%-8.0%



Source: Sony Life

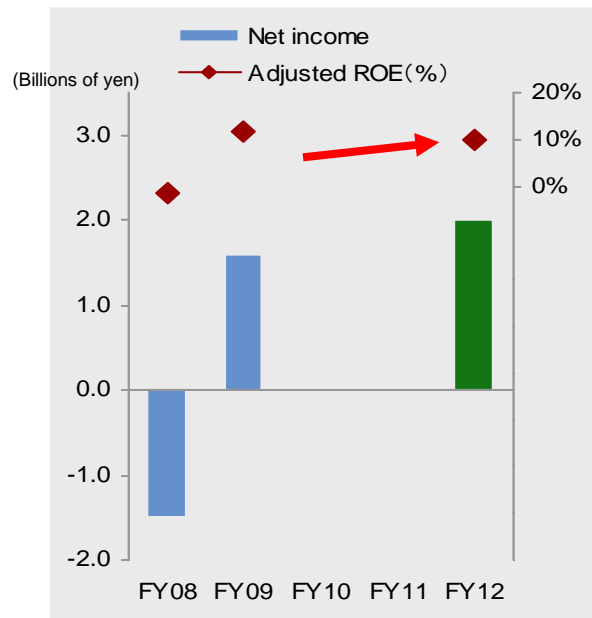
Notes: Calculation of Adjusted ROE

Numerator: Net increase in MCEV plus dividend

Denominator: The average of (MCEV at previous fiscal year-end — dividend + MCEV at current fiscal year-end)

Sony Assurance: Net Income and Adjusted ROE

Maintaining Adjusted ROE of 10%+



Source: Sony Assurance

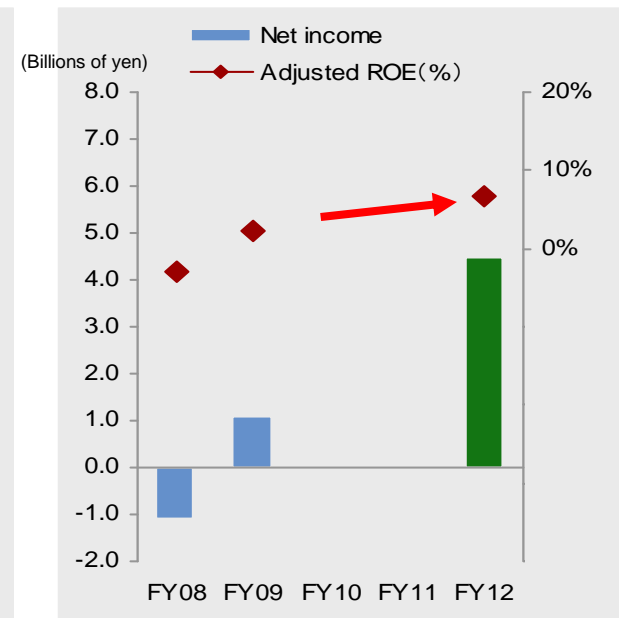
Notes: Calculation of Adjusted ROE

Numerator: Net income plus an increase in provision for special catastrophe reserves (after-tax) and an increase in reserve for price fluctuations (after-tax)

Denominator: The average of (net assets + special catastrophe reserve (after-tax) and reserve for price fluctuations (after-tax)) as of the previous fiscal year-end and the current fiscal year-end

Sony Bank: Net Income and ROE

Targeting ROE of 7%+



Source: Sony Bank

Notes: Calculation of ROE:

Numerator: Net income

Denominator: The average of net assets as of the previous fiscal year-end and the current fiscal year-end

ROE after adjusting tax effect (tax percentage: 40%)

1. Achieve sustainable growth based on the effective business model
2. Manage asset portfolio to earn stable profits
3. Maintain an adequate level of capital to secure financial soundness
4. Invest to maintain the mid- to long-term growth
5. Enhance SFH Group's value by total growth strategies

APPENDIX

Key Management Benchmarks

- Consolidated ordinary revenues, consolidated ordinary profit and consolidated net income
- Consolidated adjusted ROE

Perspective on Consolidated Adjusted ROE

Sony Financial Holdings Group					
	Sony Life		Sony Assurance		Sony Bank
Numerator	Net increase in MCEV plus dividends	+	Net income + Increase in provision for special catastrophe reserves (after tax) + Increase in reserve for price fluctuations (after tax)	+	Net income
Denominator	The average of (MCEV at previous fiscal year-end minus dividend plus MCEV at current fiscal year-end)	+	The average of (net assets + special catastrophe reserve and reserve (after-tax) for price fluctuations (after-tax)) as of the previous fiscal year-end and the current fiscal year-end	+	The average of net assets as of the previous fiscal year-end and the current fiscal year-end

Note: Calculations take dividends and other specific factors into consideration.



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