【 Presentation Materials 】

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

Sony Financial Holdings Inc.
May 27, 2011

Contents

■Opinion of outside specialist

Sony Life requested Milliman, Inc., an external actuarial consulting firm with expert knowledge in the area of MCEV valuations, to review the methodology, assumptions and calculations and obtained an opinion from Milliman, Inc. Please refer to the press release ("Disclosure of Market Consistent Embedded Value as of March 31, 2011") for details.

Highlight of MCEV

- Sony Life's MCEV as of March 31, 2011 was ¥853.6 billion, down ¥40.4 billion from March 31, 2010.

- Adjusted net worth as of March 31, 2011, was ¥230.3 billion, up ¥24.1 billion from a year earlier due to higher profit, primarily resulting from an increase in capital gains from sales of securities under the process of shifting our bond holdings to ultralong-term bonds.

- Value of existing business as of March 31, 2011, was ¥623.3 billion, down ¥64.5 billion from a year earlier, due to a change in the market environment including a lower swap yield.

- Value of new business as of March 31, 2011, was ¥56.8 billion, up ¥1.2 billion from March 31, 2010, reflecting higher sales of insurance policies during the FY2010, which offset the negative effects of a decline in ultralong-term interest rates.

- If we calculated the sum of the present value of certainty-equivalent profit and the time value of options and guarantees which consists of components of value of existing business by using the JGB yields, instead of interest swap rates, as of the March 31, 2011, this calculation would have shown an increase in the value of existing business and new business value by ¥47.6 billion and ¥4.8 billion, respectively.

- Sony Life will continuously work on controlling interest rate risk. We will also achieve a continuous growth in corporate value by increasing our new business value.

Trends Surrounding MCEV and Sony Life's Approaches

Sony Financial Holdings

Trends surrounding MCEV

■ Actions of the CFO Forum

- June 2008:

  Scheduled mandatory EV disclosures in compliance with European Insurance CFO Forum Market Consistent Embedded Value Principles© from the fiscal year ending Dec. 31, 2011.

- December 2008:

  Reviewed the impact of turbulent market conditions after Lehman's fall.

- October 2009:

  Revised the MCEV Principles

  ● Announced a change to the MCEV Principles to reflect the inclusion of a liquidity premium to non-liquid liabilities.

- April 2011:

  Reversed the abovementioned mandatory deadline of MCEV disclosures.

■ Shifting to the compliance with QIS5 for the calculation of embedded value which are market consistent. QIS5 technical specification was published in July, 2010.

Sony Life's approaches

■ Approaches in the past

- March 31, 2005: Commenced EV disclosures, starting from Traditional Embedded Value (TEV) as of
- March 31, 2008: Shift EV disclosures from TEV to Market Consistent Embedded Value (MCEV), starting from MCEV as of
- 2009-: Reduced the duration mismatch risk between assets and liabilities

  -Ratio of holding Japanese government and corporate bonds (excluding CBs) in general account assets

  2008.3.31: 62.9% ⇒ 2011.3.31: 87.3%

  -Assets duration

  2008.3.31: 8.7 years ⇒ 2011.3.31: 18.5 years

  →Mitigated interest rate sensitivity
- March 2010: Changed Sony Life's asset management policy and dividend policy in certain products
- Constructed a product control system and a product development system in reviewing the impact on MCEV

■ Approaches in the future

- Taking measures to tasks obtained from MCEV valuation, with an aim to achieve continuous growth of corporate value
- Properly controlling interest rate risk through risk management on an economic value basis
- Managing product profitability on an economic value basis

Compliance with MCEV Principles

- We have calculated our MCEV in accordance with the calculation methodologies and assumptions in the MCEV Principles. Points of notice regarding MCEV Principles compliance are as follows.
  - The calculated value of MCEV is the value for Sony Life only, and not the consolidated value of SFH.
  - Group MCEV, as prescribed in the MCEV Principles, is not considered in this report, as the report is for Sony Life on a standalone basis.
  - With respect to Sony Life's subsidiary and its equity method affiliates, we have not evaluated their life insurance business but reflected the following values to the calculation of adjusted net worth.
    - AEGON Sony Life Insurance is valued as net asset value minus intangible fixed assets and Insurance Business Law Article 113 deferred assets, multiplied by the participation rate
    - Sony Life Insurance (Philippines) is valued as book value under Japanese GAAP adjusted for unrealized gains / losses due to foreign exchange rate movement (after-tax)
    - Other companies are valued as book value under Japanese GAAP
  - Any calculated values of MCEV are not presented separately by segment of subsidiary and affiliated company.
  - We have calculated adjusted net worth based on Japanese GAAP, not on International Financial Reporting Standards (IFRS).
  - While Japanese solvency regime will be revised at the end of March 2012, the calculation is based on the current solvency margin regime, because it is expected that MCEV would not be materially different even if required capital were set to the revised regulatory minimum solvency capital from the end of March 2012. Accordingly, sensitivity to use the current regulatory minimum solvency capital is not presented.

MCEV Results

(Billions of yen)

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

MCEV Results
(Breakdown of Adjusted Net Worth 1)

Sony Financial Holdings

(Billions of yen)

	10.3.31	11.3.31	Change
Adjusted net worth	**206.2**	**230.3**	+24.1
Total net assets	**191.3**	**215.4**	+24.1
Reserve for price fluctuations	**9.6**	**16.8**	+7.1
Contingency reserve	**48.5**	**51.6**	+3.1
Reserve for possible loan losses	**0.0**	**0.0**	+0.0
Unrealized gains or losses on held-to-maturity securities	**(20.5)**	**(22.2)**	(1.7)
Unrealized gains or losses on land and buildings	**12.5**	**11.2**	(1.3)
Unfunded pension liabilities	**(6.6)**	**(6.4)**	+0.2
Intangible fixed assets	**(13.9)**	**(18.4)**	(4.5)
Tax effect equivalent of above seven items	**(10.7)**	**(11.8)**	(1.0)
Valuation gain or loss on subsidiaries and affiliated companies *	**(4.0)**	**(5.8)**	(1.8)

*Valuation gain or loss on subsidiaries and affiliated companies included mainly values of AEGON Sony Life Insurance and Sony Life insurance (Philippines) in the calculation of adjusted net worth.

MCEV Results (Breakdown of Adjusted Net Worth 2)

(Billions of yen)

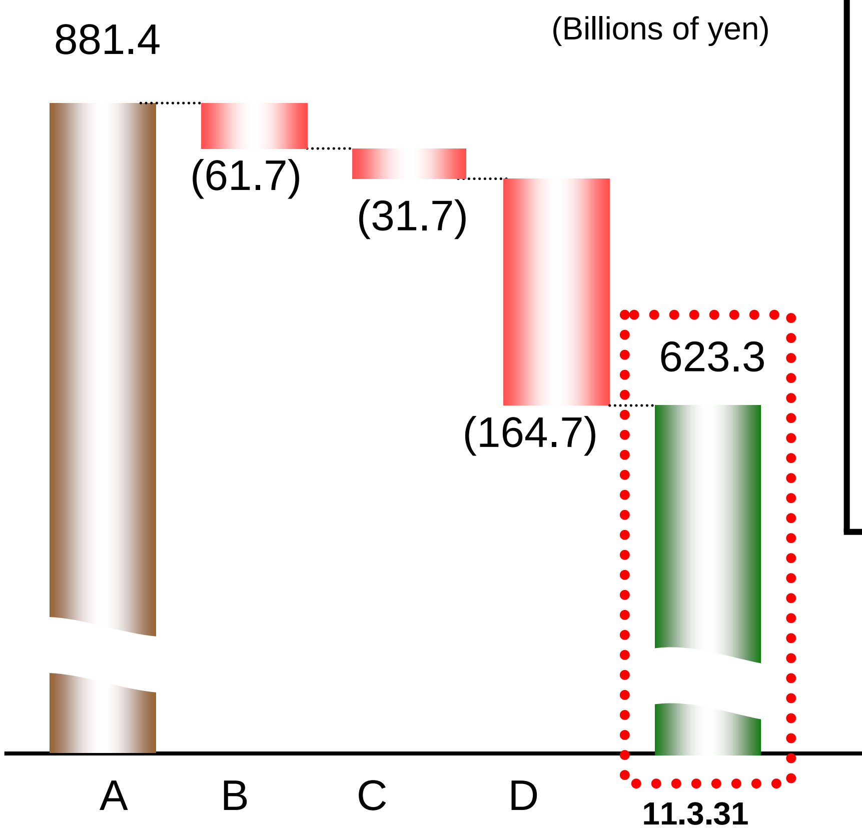
	10.3.31	11.3.31	Change
Adjusted net worth	**206.2**	**230.3**	+24.1
Free surplus	**206.2**	**230.3**	+24.1
Required capital	—	—	—

- As of March 31, 2011, all amount of adjusted net worth was regarded as free surplus, which showed Sony Life's financial soundness.

- Japanese solvency regime are to be revised at the end of March 2012. However, the calculation is based on the current solvency margin regime, because it is expected that MCEV would not be materially different even if required capital were set to the revised regulatory minimum solvency capital from the end of March 2012.

MCEV Results (Value of Existing Business)

Value of existing business

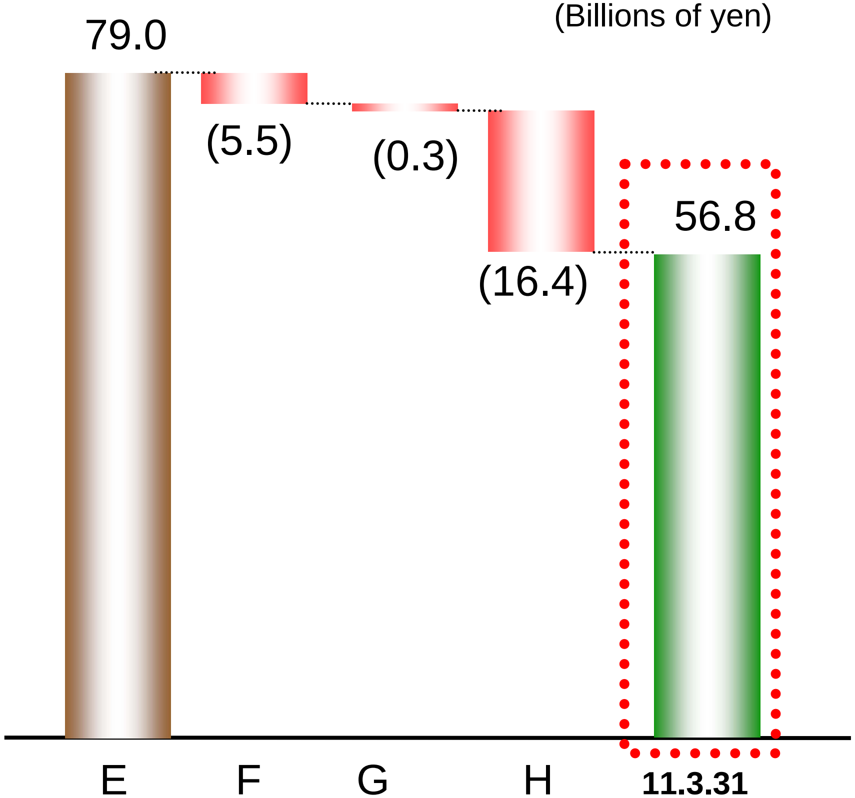


(Billion of yen)	10.3.31	11.3.31	Change
Value of existing business	687.8	**623.3**	(64.5)
A) Present value of certainty-equivalent profit	887.2	**881.4**	(5.8)
B) Time value of options and guarantees	(37.7)	**(61.7)**	(24.1)
C) Frictional costs	(11.5)	**(31.7)**	(20.2)
D) Cost of non-hedgeable risks	(150.2)	**(164.7)**	(14.5)

MCEV Results (New Business Value)

Sony Financial Holdings

Breakdown of new business value



(Billions of yen)	10.3.31	11.3.31	Change
Value of new business	55.6	**56.8**	+1.2
E) Present value of certainty-equivalent profit	76.9	**79.0**	+2.2
F) Time value of options and guarantees	(4.1)	**(5.5)**	(1.4)
G) Frictional costs	(0.3)	**(0.3)**	(0.0)
H) Cost of non-hedgeable risks	(16.8)	**(16.4)**	+0.4

New business margin

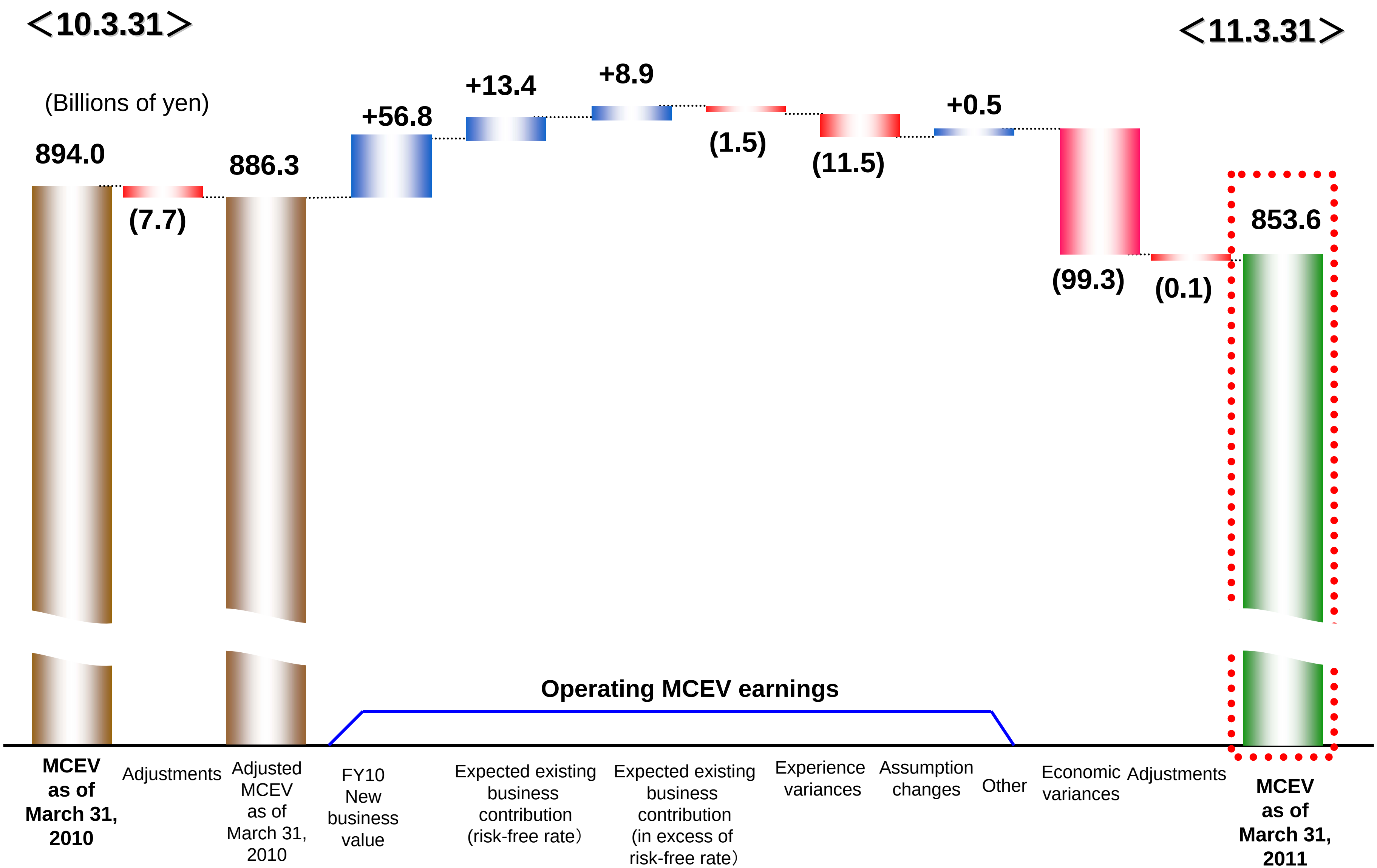
(Billions of yen)	10.3.31	11.3.31	Change
Value of new business	55.6	**56.8**	+1.2
Present value of premium income	875.4	**953.1**	+77.7
New business margin	6.4%	**6.0%**	(0.4pt)

*The present value of premium income is calculated applying the same assumptions as those for the calculation of new business value.

Reconciliation Analysis from MCEV at the End of the Previous Fiscal Year (1)

(Billions of yen)	Free surplus (a)	Required capital (b)	Value of existing business (c)	MCEV (a)-(c) Total
MCEV as of March 31, 2010	206.2	−	687.8	894.0
(1) Adjustments to MCEV as of March 31, 2010	(7.7)	−	−	(7.7)
Adjusted MCEV as of March 31, 2010	198.5	−	687.8	886.3
(2) New business value	−	−	56.8	56.8
(3) Expected existing business contribution (risk-free rate)	0.9	−	12.5	13.4
(4) Expected existing business contribution (in excess of risk-free rate)	0.7	−	8.2	8.9
(5) Transfers from value of existing business and required capital to free surplus	3.1	−	(3.1)	−
Of which, transfer from new business value	*(33.9)*	−	*33.9*	−
(6) Experience variances	(9.5)	−	8.0	(1.5)
(7) Assumption changes	−	−	(11.5)	(11.5)
(8) Other operating variance	−	−	0.5	0.5
(9) Operating MCEV earnings (2)～(8) total	(4.8)	−	71.4	66.6
(10) Economic variances	36.7	−	(135.9)	(99.3)
(11) Other non operating variance	−	−	−	−
Total MCEV earnings	31.9	−	(64.5)	(32.7)
Closing adjustments	(0.1)	−	−	(0.1)
MCEV as of March 31, 2011	230.3	−	623.3	853.6

Reconciliation Analysis from MCEV at the End of the Previous Fiscal Year (2)



Reconciliation Analysis from MCEV at the End of the Previous Fiscal Year (3)

(Billions of yen)	Free surplus (a)	Required capital (b)	Value of existing business (c)	MCEV (a)-(c) Total
MCEV as of March 31, 2010	206.2	—	687.8	894.0
(1) Adjustments to MCEV as of March 31, 2010	(7.7)	—	—	(7.7)
Adjusted MCEV as of March 31, 2010	198.5	—	687.8	886.3
(2) New business value	—	—	56.8	56.8

(1) Adjustment to MCEV as of March 31, 2010

These adjustments reflect changes in dividends paid to shareholders.

(2) New business value

This figure reflects increases resulting from the acquisition of new business during the year ended March 31, 2011.

Reconciliation Analysis from MCEV at the End of the Previous Fiscal Year (4)

Sony Financial Holdings

(Continue)

(Billions of yen)	Free surplus (a)	Required capital (b)	Value of existing business (c)	MCEV (a)-(c) Total
(3)Expected existing business contribution (risk-free rate)	0.9	—	12.5	13.4
(4) Expected existing business contribution (in excess of risk-free rate)	0.7	—	8.2	8.9
(5)Transfers from value of existing business and required capital to free surplus	3.1 (33.9)	— —	(3.1) 33.9	— —

(3) Expected existing business contribution (risk-free rate)

This figure includes the release of the portion for the year ended March 31, 2011 of the time value of options and guarantees and the cost of non-hedgeable risks, in addition to the release of the expected existing business contributions at a risk-free rate from the opening MCEV (as of March 31, 2010).

(4) Expected existing business contribution (in excess of risk-free rate)

This figure reflects the profit expected in excess of the risk-free rate generated by holding assets such as ordinary corporate bonds, convertible bonds, loans, stocks and real estate. The expected yield used to calculate the expected existing business contribution in excess of the risk-free rate for the year ended March 31, 2011 was 0.808%, which was developed by reflecting our view of the market environment and annual investment plans for the year against the asset balance at the end of the previous fiscal year.

(5) Transfer from value of existing business and required capital to free surplus

This figure indicates changes in the free surplus by transferring the profit for the year ended March 31, 2011 from the existing business value to the free surplus and from changes in the required capital. The transfer of profit, the former item, includes the transfer of expected profit that it was assumed would be realized during the year ended March 31, 2011 under the MCEV calculation as of March 31, 2010, and the transfer of profit for the year ended March 31, 2011 calculated under the new business value for the year ended March 31, 2011, which is added in (2). The value of MCEV itself does not change as a result of this transfer as the transfer merely constitutes an internal shift among MCEV components.

Reconciliation Analysis from MCEV at the End of the Previous Fiscal Year (5)

Sony Financial Holdings

(Continue) (Billions of yen)

	(Billions of yen)	Free surplus (a)	Required capital (b)	Value of existing business (c)	MCEV (a)-(c) Total
	(6) Experience variances	(9.5)	—	8.0	(1.5)
	(7) Assumption changes	—	—	(11.5)	(11.5)
	(8) Other operating variance	—	—	0.5	0.5

(6) Experience variances

These variances show the impact on MCEV of the actual versus assumed differences in non-economic expected profit for the year ended March 31, 2011 under the MCEV calculation as of March 31, 2010, and of the differences between actual policies in force as of March 31, 2011, and those that were projected to be in force on March 31, 2010 using persistency assumptions. The primary causes of the former item are an increase in IBNR claim reserve to account for benefits due to the Great East Japan Earthquake and changes in intangible fixed assets and valuation gain or loss on subsidiaries and affiliated companies reflected in adjusted net worth.
These variances reflect the impact of one-time expenses incurred during the year ended March 31, 2011, if applicable.

(7) Assumption changes

This figure indicates the impact of changes in the assumptions, mainly on mortality and morbidity rates, lapse and surrender rates and operating expense rates. While maintenance expense rates and mortality changes increased the value of existing business, its decrease due to lapse and surrender rate changes was more significant.

(8) Other operating variance

This represents the impact of improvements and corrections of the model used in calculating MCEV, including the effect due to the change of the calculation method of required capital from being based on EU Solvency II QIS4 to the internal model approach which is similar to but modified based on QIS5.

Reconciliation Analysis from MCEV at the End of the Previous Fiscal Year (6)

Sony Financial Holdings

(Continue)

(Billions of yen)		Free surplus (a)	Required capital (b)	Value of existing business (c)	MCEV (a)-(c) total
	(9) Operating MCEV earnings **(2)～(8) total**	(4.8)	—	71.4	66.6
	(10) Economic variances	36.7	—	(135.9)	(99.3)
	(11) Other non operating variance	—	—	—	—
	Total MCEV earnings	31.9	—	(64.5)	(32.7)
	Closing adjustments	(0.1)	—	—	(0.1)
MCEV as of March 31, 2011		230.3	—	623.3	853.6

(9) Operating MCEV earnings

This figure shows the aggregate amount of items (2) through (8).

(10) Economic variances

These variances show the impact of actual to assumed differences in economic assumptions, such as market interest rates and implied volatilities, that were reflected in the market environment when calculating MCEV as of March 31, 2010 on future values and the impact of the actual to assumed difference in expected asset investment income that were assumed would be realized during the year ended March 31, 2011, under MCEV as of March 31, 2010.

Most of the difference is created by the former factor, of which major reasons for decreases in the value of existing business include an update of economic scenarios due to the change in the market environment such as a decrease in interest swap rates and a change of the implied volatilities, accounting for a decrease in the present value of certainty-equivalent profit by ¥118.6 billion, as well as increases in the time value of options and guarantees, in the cost of non-hedgeable risks, and in the frictional costs by ¥4.8 billion, ¥10.6 billion and ¥1.8 billion, respectively.

(11) Other non operating variance

There are no differences based on other factors.

(12) Closing adjustments

It reflects the impact of valuation gains or losses caused by the foreign exchange rate on Sony Life Insurance (Philippines) Corporation.

Sensitivity Analysis

(Billions of yen)

Assumption	Change in Assumption	<11. 3.31> MCEV	<11. 3.31> Amount Change	<11. 3.31> % Change	<10.3.31> MCEV	<10.3.31> Amount Change	<10.3.31> % Change
Base	No change	853.6	–	–	894.0	–	–
Interest rates	100bp decrease	739.2	(114.4)	(13%)	782.9	(111.1)	(12%)
	100bp increase	890.9	+ 37.3	+ 4%	918.5	+24.5	+3%
	If applied JGB interest rate	901.2	+ 47.6	+ 6%			
Stock / Real estate market value	10% decrease	837.1	(16.5)	(2%)	878.2	(15.8)	(2%)
Stock / Real estate implied volatility	25% increase	847.0	(6.6)	(1%)	890.0	(4.1)	(0%)
Interest swaption implied volatility	25% increase	845.5	(8.1)	(1%)	888.5	(5.5)	(1%)
Maintenance expenses	10% decrease	864.1	+ 10.5	+ 1%	904.8	+10.8	+1%
Lapse & surrender rates	x 0.9	875.6	+ 22.0	+ 3%	919.9	+25.8	+3%
Mortality rates	Death protection products: x 0.95	889.1	+ 35.5	+ 4%	925.4	+31.3	+4%
	Third-sector and annuity products X 0.95	849.9	(3.7)	(0%)	890.9	(3.1)	(0%)
Morbidity rates	x 0.95	880.1	+ 26.5	+ 3%	920.5	+26.5	+3%

■Changes in adjusted net worth within the amount of change in MCEV are shown in the table below. Of items not specified in this table, only the value of existing business has been changed while adjusted net worth remains the same.

Assumption	Change in Assumption	<11. 3.31> Amount Change	<10.3.31> Amount Change
Interest rates	100bp decrease	534.2	391.0
	100bp increase	(415.5)	(326.3)
Stock / Real estate market value	10% decrease	(13.1)	(13.3)
Stock / Real estate implied volatility	25% increase	0.1	(0.1)

Sensitivity of New Business Value

(Billions of yen)		＜11. 3.31＞			＜10.3.31＞		
Assumption	**Change in Assumption**	**New Business Value**	**Amount Change**	**% Change**	**New Business Value**	**Amount Change**	**% Change**
Base	**No change**	56.8	—	—	55.6	—	—
Interest rates	**100bp decrease**	13.1	(43.7)	(77%)	25.8	(29.8)	(54%)
	100bp increase	82.9	+26.1	+46%	70.1	+14.5	+26%
	If applied JGB interest rate	61.6	+ 4.8	+ 8%			
Stock / Real estate market value	**10% decrease**	56.8	(0.0)	(0%)	55.6	(0.0)	(0%)
Stock / Real estate implied volatility	**25% increase**	56.5	(0.3)	(0%)	55.4	(0.2)	(0%)
Interest swaption implied volatility	**25% increase**	55.8	(1.0)	(2%)	54.3	(1.3)	(2%)
Maintenance expenses	**10% decrease**	58.0	+1.2	+ 2%	56.8	+1.2	+2%
Lapse & surrender rates	**x 0.9**	61.6	+4.8	+ 8%	60.4	+4.8	+9%
Mortality rates	**Death protection products: x 0.95**	59.4	+2.6	+5%	57.9	+2.3	+4%
	Third-sector and annuity products X 0.95	56.5	(0.3)	(1%)	55.4	(0.2)	(0%)
Morbidity rates	**x 0.95**	59.0	+2.2	+ 4%	58.4	+2.8	+5%

Interest Rates Sensibility and Others

<Interest rates sensibility>

- This sensitivity represents the impact of an immediate parallel shift of the domestic and foreign swap curve as of March 31, 2011, and the impact if the government bond yield were used instead of a swap yield. Adjusted net worth would change as the market value of bonds and other assets held were to change, while this is not applicable to the case if the government bond yield were used.
- From this fiscal year the sensitivity result if the government bond yield were used has been additionally presented, because the government bond yield can be considered more appropriate to discount liability cash flows for the internal risk management purpose, as asset and liability interest rate risk management is pursued by investing funds held for future insurance claim costs mainly in ultra-long term government bonds. As of March 31, 2011, the value of existing business under the calculation based on the government bond yield surpassed that based on a swap yield because interest swap rates were lower than Japanese government bond yields for the ultralong-term interest rates.

<Others>

- Frictional costs and the cost of non-hedgeable risks do not change in the sensitivity tests.
- Values of subsidiaries and affiliated companies are not changed except for stock market value sensitivity where the stock value of subsidiaries and affiliated companies are altered.
- The impact of changing more than one assumption at a time is not congruent with the sum of impacts for each assumption.

Appendix

Assumptions

Assumptions are described in the press release on and after P14. Of the assumptions, some of economic assumptions are shown below.

<Risk-free rate*>

Swap rate		
Term	10.3.31	11.3.31
1 year	0.45%	0.36%
5 year	0.76%	0.62%
10 year	1.46%	1.29%
20 year	2.19%	2.02%
30 year	2.32%	2.16%
40 year	2.37%	2.24%
50 year	2.42%	–

JGB interest rates		
Term	10.3.31	11.3.31
1 year	0.12%	0.15%
5 year	0.56%	0.50%
10 year	1.40%	1.26%
20 year	2.18%	2.07%
30 year	2.30%	2.19%
40 year	2.34%	2.34%
50 year	–	–

*The interest swap rate of Japanese yen is used as a risk-free rate.

<Implied volatilities of stocks>

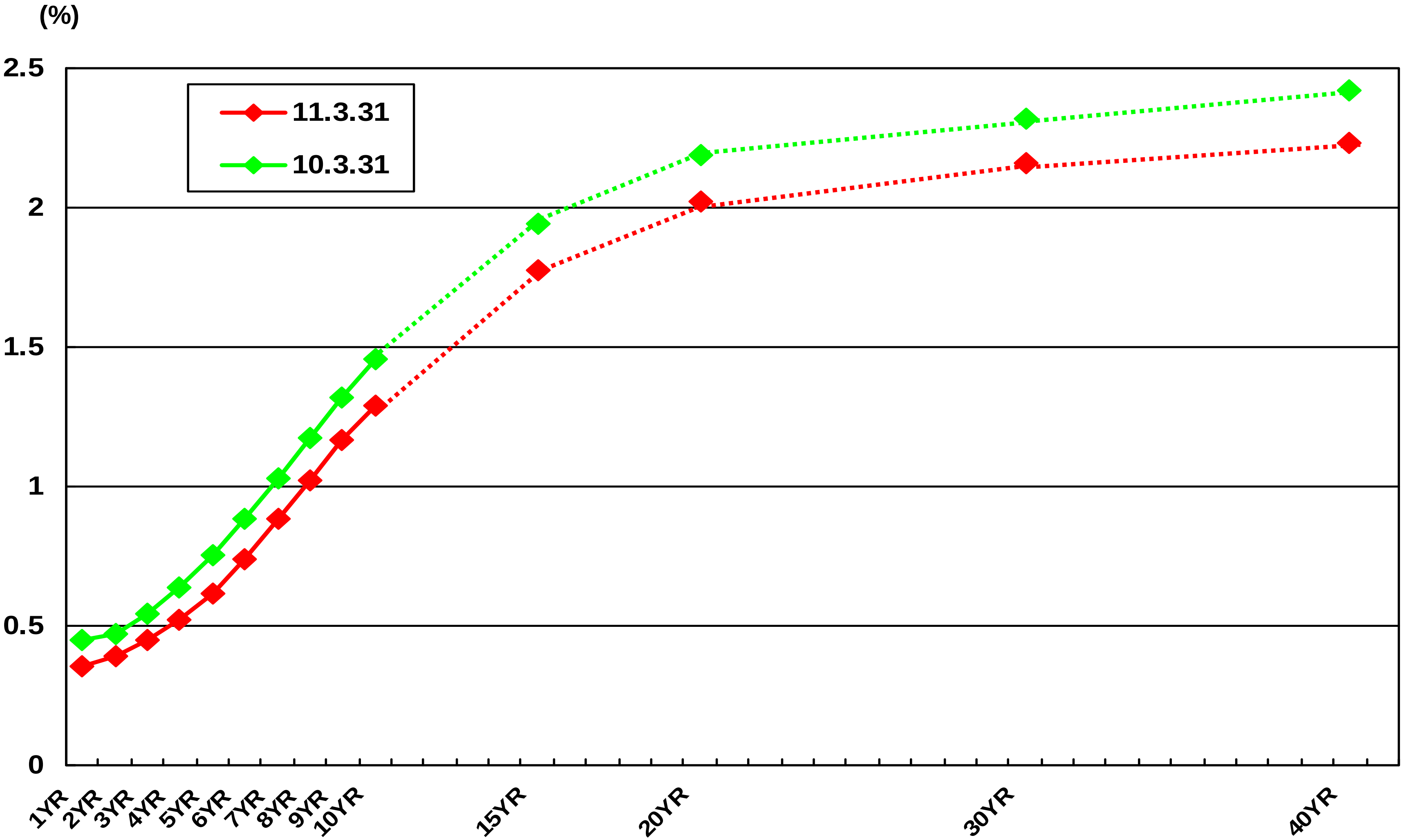
Term	09.3.31		10.3.31	
	Japan TOPIX	U.S. S&P	Japan TOPIX	U.S. S&P
1 year	18.5%	19.4%	20.3%	19.9%
5 year	20.5%	22.1%	19.9%	21.6%
10 year	22.2%	28.4%	22.1%	25.7%

<Implied volatilities of interest swaptions>

Term of swap	Term of option	10.3.31 (JPY)	11.3.31 (JPY)
1 year	1 year	40.3%	53.8%
5 year	1 year	41.8%	60.1%
5 year	5 year	27.1%	32.5%
5 year	7 year	23.4%	26.7%
5 year	10 year	20.9%	23.6%
10 year	1 year	30.3%	40.6%
10 year	5 year	23.6%	28.2%
10 year	7 year	21.4%	25.3%
10 year	10 year	20.4%	24.0%
15 year	1 year	25.2%	32.6%
15 year	5 year	22.2%	26.7%
15 year	7 year	21.4%	25.3%
15 year	10 year	21.0%	24.8%

Comparison of Interest Swap Rates

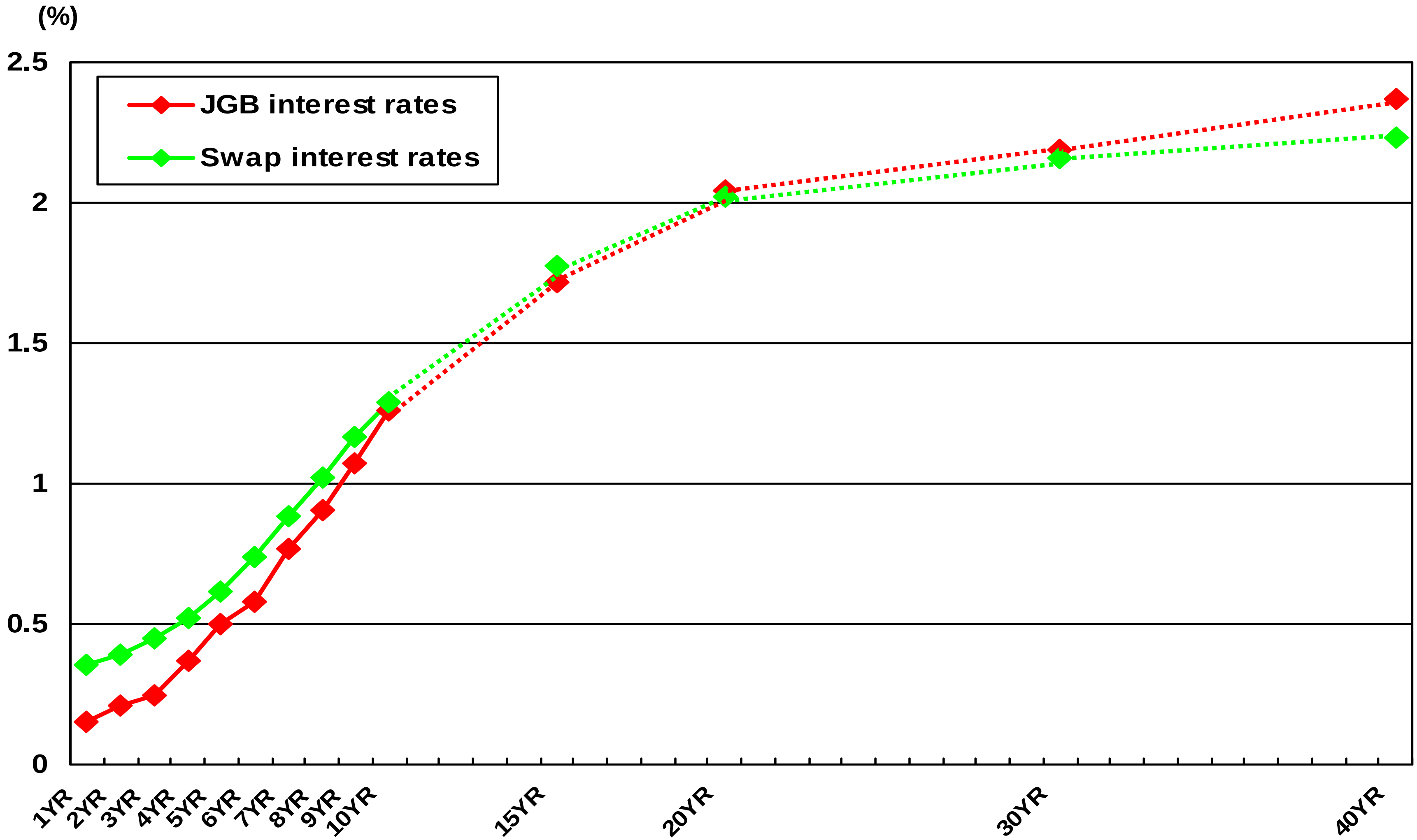
Sony Financial Holdings



(Data Source: Bloomberg)

Comparison of Interest Rates Between Swap and JGB (As of March 31, 2011)

Sony Financial Holdings



(Data Source: Bloomberg)

Comparison Between Standard Methodologies Described in QIS5 of EU Solvency II (Excerpt) and Sony Life's Internal Model (1)

Sony Financial Holdings

We set our required capital as the larger of the amount of capital required for the current solvency margin ratio of 600% or the amount of capital to cover risks based on the internal model.

For the previous fiscal year we defined the amount of capital to cover risks based on the internal model as the total amount of technical provision and solvency risk capital stipulated by QIS4 of the EU Solvency II held in excess of statutory policy reserves (excluding contingency reserve).

From this fiscal year we have changed to the internal model, a similar but modified model based on the QIS5 standard method.

- Market Risk

  QIS5

  - For equity risk, using a shock of 30% (for global) or 40% (for others) (Note1) fall in the value
  - For currency risk, using a downward shock of 25%
  - For interest rate risk, using the interest rate movements pre-defined by each maturity
    - Interest rate up (from 1.25 times to 1.70 times),
    - Interest rate down (Note2) (from -0.25 times to -0.73 times)

  Sony Life

  - For equity risk, using a shock of 45% (for listed stocks) and 100% (for stocks of subsidiaries and affiliated companies) fall in the value
  - For currency risk, using a downward shock of 30%
  - For interest rate risk, using the interest rate movements pre-defined by each maturity
    - Interest rate up (from 1.52 times to 4.19 times),
    - Interest rate down (Note2) (from -0.23 times to -0.66 times)

Note 1: QIS5 risk multipliers are global:39%/other:49%, but 30%/40% are used, as a symmetric adjustment (an adjustment within ±10%, based on the average of the stock price index over a specified period in the past) is applied.

Note 2: Regarding interest rate risk, a minimum 1% decrease must be applied, and the floor for all standards is set to 0%.

Comparison Between Standard Methodologies Described in QIS5 of EU Solvency II (Excerpt) and Sony Life's Internal Model (2)

Sony Financial Holdings

Life Underwriting Risk

QIS5

- For mortality risk, using a shock of a (permanent) 15% increase in mortality rates for each age.
- For longevity risk, using a shock of a (permanent) 20% decrease in mortality rates for each age.
- For lapse risk

  Maximum amount of these;
  - Increase by 50% in the assumed rates of lapsation for Life module, 20% for Health module*
  - Decrease by 50% in the assumed rates of lapsation for Life module, 20% for Health module*
  - 30% or 70% of the sum of surrender as a mass lapse event
- For expense risk, using a shock of a 10% increase in future expenses compared to best estimate anticipations, and increasing 1% per annum of the expense inflation rate compared to anticipations
- For disability risk, using a shock of a 35% increase in disability rates for the next year, together with a (permanent) 25% increase (over best estimate) in disability rates at each age in following years.

Sony Life

- For mortality risk, using a shock of a (permanent) 15% increase in mortality rates for each age.
- For longevity risk, using a shock of a (permanent) 20% decrease in mortality rates for each age.
- For lapse risk

  Maximum amount of these;
  - Increase by 50% in the assumed rates of lapsation for Life module, 50% for Health module*
  - Decrease by 50% in the assumed rates of lapsation for Life module, 50% for Health module*
  - 30% of the sum of surrender as a mass lapse event
- For expense risk, using a shock of a 10% increase in future expenses compared to best estimate anticipations, and increasing 1% per annum of the expense inflation rate compared to anticipations
- For disability risk, using a shock of a 35% increase in disability rates for the next year, together with a (permanent) 25% increase (over best estimate) in disability rates at each age in following years.

*Referring to the QIS5 approach, it is classified that accidental and health (A&H) products belong to the Health module and the other products belong to the Life module. Because diversification effect is considered between the Life and Health modules, this change decreases the total insurance underwriting risk.

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