Sony Financial Holdings

【 Presentation Materials 】

Sony Life's
Market Consistent Embedded Value
as of March 31, 2012

Sony Financial Holdings Inc.
May 25, 2012

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, 2012”) for details.

Highlight of MCEV

Sony Financial Holdings

MCEV results

(Billions of yen)

	11.3.31 (Swap rates)	11.3.31 (JGB yields)	**12.3.31 (JGB yields)**	Change 11.3.31(JGB yields) vs. 12.3.31(JGB yields)
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: The solvency risk capital on an economic value basis is calibrated at VaR (99.5) over one year and based on the internal model, which is a similar but modified model based on the EU Solvency II (QIS5) standard method.

Compliance with MCEV Principles

- Sony Life has calculated its MCEV in accordance with the calculation methodologies and assumptions in the MCEV Principles. Notable points regarding compliance with the MCEV Principles are as follows.

  - The reference rate used in the calculations has been defined as **the JGB nominal spot rate curve** rather than the swap rate curve as stipulated in the MCEV principles.
  - The calculated value of MCEV is the value for Sony Life only, and not the consolidated value of Sony financial Holdings.
  - Group MCEV, as prescribed in the MCEV Principles, is not considered, as the calculation is for Sony Life on a standalone basis.
  - With respect to Sony Life's subsidiaries and its equity-method affiliates, Sony Life has not evaluated their life insurance business but reflected the following values in the calculation of adjusted net worth:
    - AEGON Sony Life Insurance Co., Ltd. is valued at net asset value minus intangible fixed assets and Insurance Business Law Article 113 deferred assets, multiplied by the participation rate.
    - Sony Life Insurance (Philippines) Corporation is valued at book value under Japanese GAAP, adjusted for unrealized gains/losses due to foreign exchange rate movements (after-tax).
    - Other companies are valued at book value under Japanese GAAP.
  - None of the calculated values of MCEV are presented separately by segment of subsidiary or by affiliated company.
  - Sony Life has calculated adjusted net worth based on Japanese GAAP, not on International Financial Reporting Standards (IFRS).

MCEV Results
(Breakdown of Adjusted Net Worth 1)

Sony Financial Holdings

(Billions of yen)

	11.3.31	12.3.31	Change
Adjusted net worth	230.3	409.2	+178.9
Total net assets	215.4	264.8	+49.4
Reserve for price fluctuations	16.8	25.3	+8.6
Contingency reserve	51.6	55.3	+3.8
Reserve for possible loan losses	0.0	0.0	(0.0)
Unrealized gains or losses on held-to-maturity securities	(22.2)	155.9	+178.1
Unrealized gains or losses on land and buildings	11.2	11.5	+0.3
Unfunded pension liabilities	(6.4)	(4.9)	+1.6
Intangible fixed assets	(18.4)	(24.3)	(5.9)
Tax effect equivalent of above seven items	(11.8)	(66.8)	(55.0)
Valuation gain or loss on subsidiaries and affiliated companies *	(5.8)	(7.8)	(2.0)

*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)

Sony Financial Holdings

(Billions of yen)

		11.3.31	12.3.31	Change
Adjusted net worth		230.3	**409.2**	+178.9
	Free surplus	230.3	**382.9**	+152.6
	Required capital	-	**26.3**	+26.3

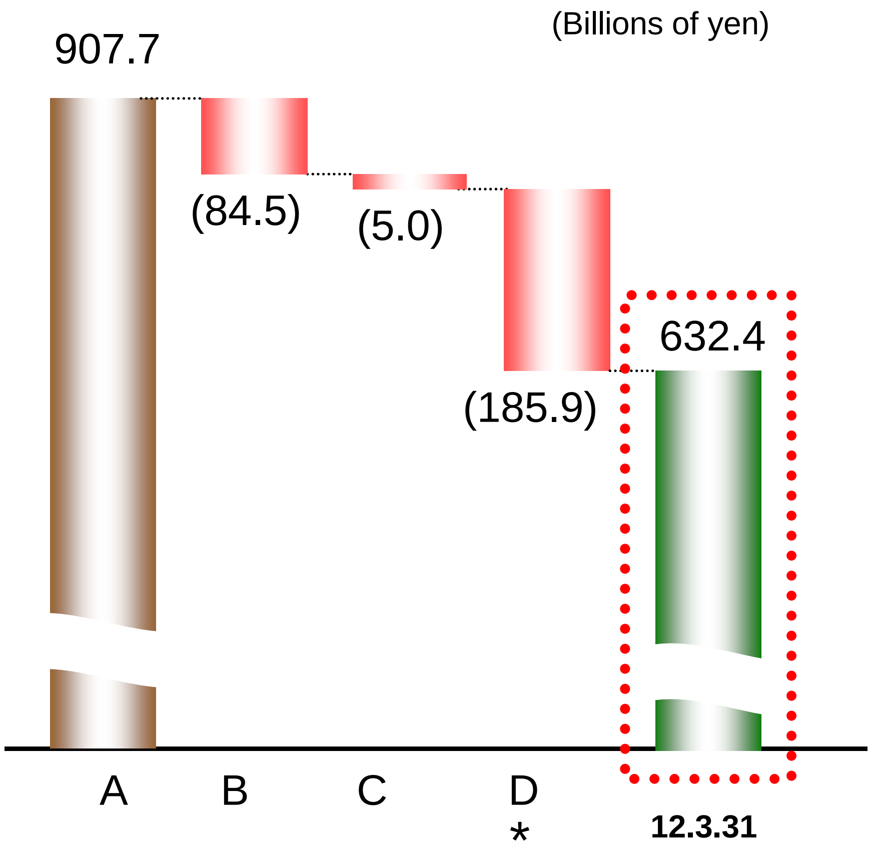
- Sony Life set its required capital as the larger of the amount of capital required for the current solvency margin ratio of 200% or the amount of capital to cover risks based on the internal model. Required capital due to the statutory solvency margin requirement is larger as of March 31, 2012.
  - Sony Life considered the revision to strengthen the solvency margin requirement from the end of March 2012, and changed the target solvency margin ratio from 600% to 200%.
  - Sony Life defines the amount of capital to cover risks based on the internal model as the total amount of technical provision and solvency risk capital on an economic value basis in excess of statutory policy reserves (excluding contingency reserves).
- The solvency risk capital on an economic value basis as of March 31, 2012 was ¥551.5 billion yen (after tax). The tax rate used to adjust to the after-tax basis is 30.78%. Sony Life maintain a sound financial basis even on an economic value basis.

Note: The solvency risk capital on an economic value basis is calibrated at VaR (99.5) over one year and based on the internal model, which is a similar but modified model based on the EU Solvency II (QIS5) standard method.

MCEV Results
(Value of Existing Business)

Sony Financial Holdings

Value of existing business



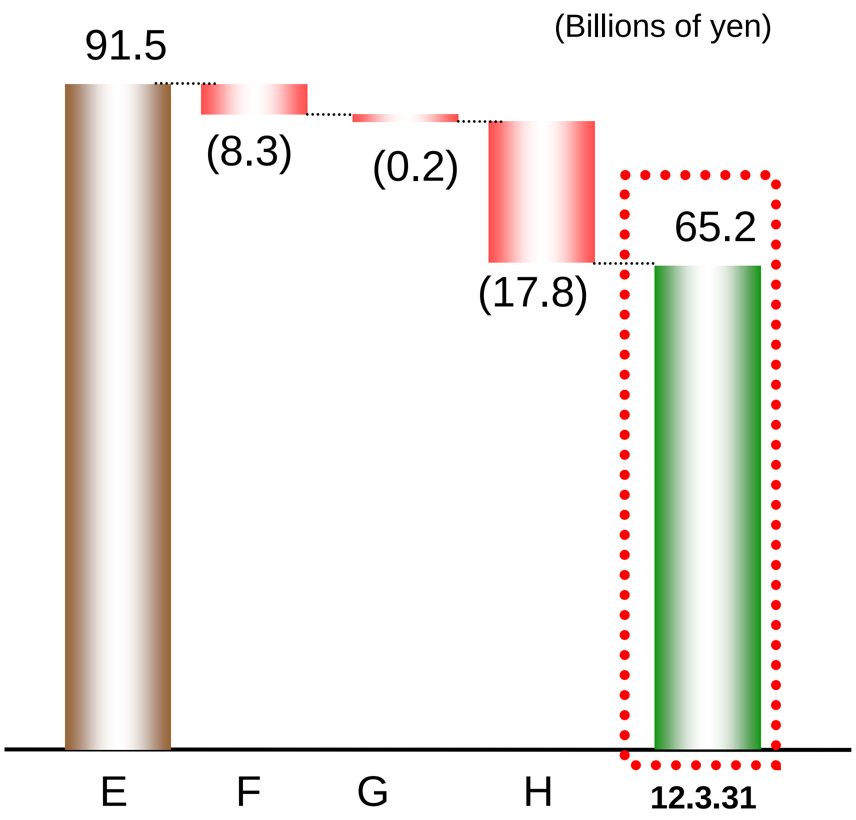
(Billions of yen)	11.3.31	12.3.31	Change
Value of existing business	683.2	**632.4**	(50.8)
A) Present value of certainty-equivalent profit	929.1	**907.7**	(21.4)
B) Time value of options and guarantees	(61.9)	**(84.5)**	(22.6)
C) Frictional costs	(22.7)	**(5.0)**	+17.7
D) Cost of non-hedgeable risks	(161.4)	**(185.9)**	(24.5)

*Note
QIS5 of the EU Solvency II has set a cost of capital rate at 6%, which is used for the cost of capital calculation. On the other hand, the CRO (Chief Risk Officer) Forum comprised of CROs from leading insurance companies in Europe proposed that 2.5% to 4.5% would be the appropriate level based on several trial calculations.
Following the philosophy of the CRO Forum's approach, Sony Life has decided to use 2.5% for the cost of capital rate consistent with the MCEV framework considering Japanese long-term stock risk premiums, the beta of Sony Financial Holdings Inc. and the anticipated impact of the equity risk exposure of Sony Life on the beta of Sony Financial Holdings Inc., which is a hedgeable risk.

MCEV Results (New Business Value)

Sony Financial Holdings

Breakdown of new business value



(Billions of yen)	11.3.31	12.3.31	Change
Value of new business	61.7	**65.2**	+3.5
E) Present value of certainty-equivalent profit	83.5	**91.5**	+8.1
F) Time value of options and guarantees	(5.2)	**(8.3)**	(3.1)
G) Frictional costs	(0.3)	**(0.2)**	+0.0
H) Cost of non-hedgeable risks	(16.3)	**(17.8)**	(1.6)

New business margin

(Billions of yen)	11.3.31	12.3.31	Change
Value of new business	61.7	**65.2**	+3.5
Present value of premium income	954.4	**1,013.7**	+59.3
New business margin	6.5%	**6.4%**	(0.0)pt

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

Sony Financial Holdings

(1) Change of reference rates

Reflecting the impact due to the change of risk free rates from swap rates to JGB yields.

(Billions of yen)

	Free surplus	Required capital	Value of existing business	MCEV
MCEV based on swap rates (As of March 31, 2011)	230.3	—	623.3	853.6
(1) Change of reference rates	—	—	59.9	59.9
MCEV based on JGB yields (As of March 31, 2011)	230.3	—	683.2	913.5

EU Solvency II suggests the criteria the relevant risk free rates should meet. Sony Life considered some of the criteria described below and have decided to use JGB yields instead of swap rates beginning with the disclosure as of March 31, 2012.

●No credit risk

As Japanese yen is the currency of which the right to issue is held by Japanese government under a floating exchange rate system, Japanese government bonds denominated in Japanese yen can be considered to be financial assets with the lowest credit risk. On the other hand, swap rates are reflected by credit risk with regard to LIBOR.

●Realism

Realism refers to whether it should be possible to earn the rates in practice without credit risk. Sony Life has been conducting risk management based on economic values. For the purpose of interest rate risk management (ALM), given the difficulties in utilizing swap rate transactions due to limitations under the current accounting framework and solvency regulations as well as the credit risk issue as mentioned above, Sony Life is primarily utilizing government bonds in practice.

●High liquidity

JGBs have high liquidity even for long maturities such as 30 or 40 years.

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

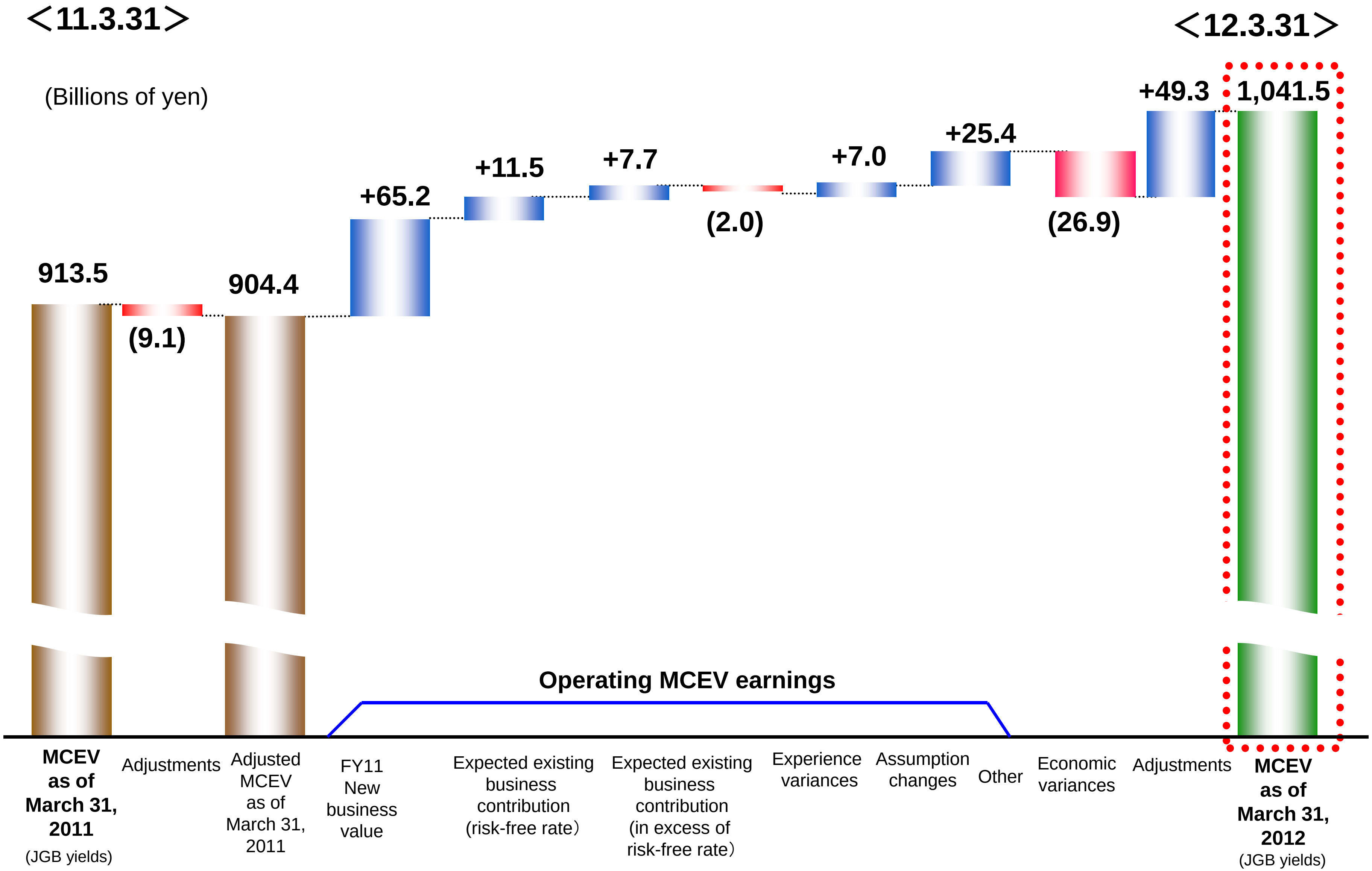
Sony Financial Holdings

(Billions of yen)

		Free surplus	Required capital	Value of existing business	MCEV
	Opening MCEV based on JGB yields (MCEV as of March 31, 2011)	230.3	—	683.2	913.5
(2)	Opening adjustments	(9.1)	—	—	(9.1)
	Adjusted opening MCEV	221.2	—	683.2	904.4
(3)	New business value	—	—	65.2	65.2
(4)	Expected existing business contribution (risk-free rate)	0.3	0.0	11.1	11.5
(5)	Expected existing business contribution (in excess of risk free rate)	0.5	0.1	7.1	7.7
(6)	Transfers from value of existing business and required capital to free surplus	(8.4)	1.4	6.9	—
	Of which, on new business	*(34.5)*	—	*34.5*	—
(7)	Experience variances	(0.2)	(1.5)	(0.3)	(2.0)
(8)	Assumption changes	(0.1)	0.1	7.0	7.0
(9)	Other operating variance	(24.7)	24.7	25.4	25.4
(10)	Operating MCEV earnings (3)～(9) total	(32.6)	24.8	122.5	114.7
(11)	Economic variances	187.0	0.2	(214.2)	(26.9)
(12)	Other non-operating variance	7.2	1.3	40.8	49.3
	Total MCEV earnings	161.7	26.3	(50.8)	137.2
(13)	Closing adjustments	—	—	—	—
	Closing MCEV (MCEV as of March 31, 2012)	382.9	26.3	632.4	1,041.5

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

Sony Financial Holdings



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

Sony Financial Holdings

(Billions of yen)

		Free surplus	Required capital	Value of existing business	MCEV
	Opening MCEV based on JGB yields (MCEV as of March 31, 2011)	230.3	–	683.2	913.5
(2)	Opening adjustments	(9.1)	–	–	(9.1)
	Adjusted opening MCEV	221.2	–	683.2	904.4
(3)	New business value	–	–	65.2	65.2

(2) Opening adjustments

- These adjustments reflect changes in dividends paid to shareholders.

(3) New business value

- This figure reflects increases resulting from the acquisition of new business during the fiscal year ended March 31, 2012

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

Sony Financial Holdings

(Continue)

(Billions of yen)

		Free surplus	Required capital	Value of existing business	MCEV
(4)	Expected existing business contribution (risk-free rate)	0.3	0.0	11.1	11.5
(5)	Expected existing business contribution (in excess of risk-free rate)	0.5	0.1	7.1	7.7
(6)	Transfers from value of existing business and required capital to free surplus	(8.4)	1.4	6.9	—
	Of which, on new business	*(34.5)*	—	*34.5*	—

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

- This figure includes the release of the portion for the fiscal year ended March 31, 2012 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, 2011).

(5) 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, 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 fiscal year ended March 31, 2012 was 0.429%, which was developed by reflecting Sony Life's view of the market environment and annual investment plans for the year against the asset balance at the end of the previous fiscal year.

(6) 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 fiscal year ended March 31, 2012 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 fiscal year ended March 31, 2012 under the MCEV calculation as of March 31, 2011, and the transfer of profit for the fiscal year ended March 31, 2012 calculated under the new business value for the fiscal year ended March 31, 2012, which is added in (3) above.
- 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 Prior Fiscal Year (6)

Sony Financial Holdings

(Continue)

(Billions of yen)

		Free surplus	Required capital	Value of existing business	MCEV
(7)	Experience variances	(0.2)	(1.5)	(0.3)	(2.0)
(8)	Assumption changes	(0.1)	0.1	7.0	7.0
(9)	Other operating variance	(24.7)	24.7	25.4	25.4

(7) Experience variances

- These variances show the impact on MCEV of the actual versus assumed differences in non-economic expected profit for the fiscal year ended March 31, 2012 under the MCEV calculation as of March 31, 2011, and of the differences between actual policies in force as of March 31, 2012, and those that were projected to be in force on March 31, 2011 using persistency assumptions.
- These variances reflect the impact of one-time expenses incurred during the fiscal year ended March 31, 2012, if applicable.

(8) 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 changes in morbidity and lapse rates decreased the value of existing business, its increase due to the change in mortality rate was more significant.

(9) Other operating variance

- This represents the impact of improvements and corrections of the model used in calculating MCEV, including the change of the required capital calculation described in section 4.7 due to the revision of the statutory minimum required capital level to 200% under the new solvency margin regime as well as the improvement of the internal economic capital model to calculate the capital required to meet the internal objective.

Reconciliation Analysis from MCEV at the End of the Prior Fiscal Year (7)

Sony Financial Holdings

(Continue) (Billions of yen)

		Free surplus	Required capital	Value of existing business	MCEV
(10)	Operating MCEV earnings (3)～(9) total	(32.6)	24.8	122.5	114.7
(11)	Economic variances	187.0	0.2	(214.2)	(26.9)
(12)	Other non-operating variance	7.2	1.3	40.8	49.3
	Total MCEV earnings	161.7	26.3	(50.8)	137.2
(13)	Closing adjustments	—	—	—	—
	Closing MCEV (MCEV as of March 31, 2012)	382.9	26.3	632.4	1,041.5

(10) Operating MCEV earnings ････ (3)～(9) total

(11) 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, 2011 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, 2012, under MCEV as of March 31, 2011.
- 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 JGB yields and a change in the implied volatilities, accounting for a decrease in the present value of certainty-equivalent profit by ¥195.2 billion, as well as increases in the time value of options and guarantees, the frictional cost and the cost of non-hedgeable risks by ¥0.3 billion, ¥ (0.5) billion and ¥10.5 billion, respectively.

(12) Other non operating variance

- This figure shows the effect of changes in tax rate assumptions accompanying corporate tax rate reduction and reconstruction special corporate tax imposition.

(13) 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

Sony Financial Holdings

＜12. 3.31＞ (Billions of yen) ＜11. 3.31＞ (Billions of yen)

Assumption	Change in Assumption	MCEV (12.3.31)	Change in Amount (12.3.31)	Rate of Change (12.3.31)	MCEV (11.3.31)	Change in Amount (11.3.31)	Rate of Change (11.3.31)
Base	No change	1,041.5	–	–	853.6	–	–
Interest rates	100bp decrease	912.7	(128.8)	(12%)	739.2	(114.4)	(13%)
	100bp increase	1,073.4	31.8	3%	890.9	37.3	4%
	Swap rates (used JGB yields as of 11.3.31)	972.2	(69.3)	(7%)	901.2	47.6	6%
Stock / Real estate market value	10% decrease	1,024.7	(16.8)	(2%)	837.1	(16.5)	(2%)
Stock / Real estate implied volatility	25% increase	1,033.7	(7.8)	(1%)	847.0	(6.6)	(1%)
Interest swaption Implied volatility	25% increase	1,030.3	(11.3)	(1%)	845.5	(8.1)	(1%)
Maintenance expenses	10% decrease	1,056.0	14.5	1%	864.1	10.5	1%
Lapse and surrender rates	x 0.9	1,065.6	24.1	2%	875.6	22.0	3%
Mortality rates	Death protection products x 0.95	1,084.1	42.6	4%	889.1	35.5	4%
	Third-sector and annuity products x 0.95	1,038.1	(3.5)	(0%)	849.9	(3.7)	(0%)
Morbidity rates	x 0.95	1,074.3	32.8	3%	880.1	26.5	3%
Required capital	Regulatory minimum	1,041.6	0.1	0%	–	–	–

■**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.**

(Billions of yen)

Assumption	Change in Assumption	Change in Amount (adjusted net worth)	Change in Amount (value of existing business)
Interest rates	100bp decrease	710.8	(839.6)
	100bp increase	(550.7)	582.5
Stock / Real estate market value	10% decrease	(12.2)	(4.5)
Stock / Real estate implied volatility	25% increase	0.3	(8.1)

Sensitivity of New Business Value

Sony Financial Holdings

＜12.3.31＞ (Billions of yen) ＜11.3.31＞ (Billions of yen)

Assumption	Change in Assumption	New Business Value (12.3.31)	Change in Amount (12.3.31)	Rate of Change (12.3.31)	New Business Value (11.3.31)	Change in Amount (11.3.31)	Rate of Change (11.3.31)
Base	No change	65.2	—	—	56.8	—	—
Interest rates	100bp decrease	5.9	(59.3)	(91%)	13.1	(43.7)	(77%)
	100bp increase	99.1	34.0	52%	82.9	26.1	46%
	Swap rates (used JGB yields as of 11.3.31)	58.2	(6.9)	(11%)	61.6	4.8	8%
Stock / Real estate market value	10% decrease	65.2	(0.0)	(0%)	56.8	(0.0)	(0%)
Stock / Real estate implied volatility	25% increase	64.8	(0.3)	(1%)	56.5	(0.3)	(0%)
Interest swaption Implied volatility	25% increase	63.6	(1.6)	(2%)	55.8	(1.0)	(2%)
Maintenance expenses	10% decrease	66.6	1.4	2%	58.0	1.2	2%
Lapse and surrender rates	x 0.9	70.9	5.7	9%	61.6	4.8	8%
Mortality rates	Death protection products x 0.95	68.3	3.1	5%	59.4	2.6	5%
	Third sector and annuity products x 0.95	64.9	(0.2)	(0%)	56.5	(0.3)	(1%)
Morbidity rates	x 0.95	67.6	2.4	4%	59.0	2.2	4%
Required capital	Regulatory minimum	65.2	0.0	0%	—	—	—

Interest Rates Sensibility and Others

<Interest rates sensibility>

- This sensitivity represents the impact of an immediate parallel shift of the Japanese
- and foreign government bond yield curves as of March 31, 2012, and the impact if the swap rates were used instead of government bond yields.
- 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 swap rates were used. At the same time, the value of existing business would also change as interest rates, the discount rate, yields of new bonds to be purchased in the future as the existing bonds mature, and the investment return on stocks, real estate, and other assets were to change.
- Here, the sensitivity scenarios were made so that the parameters related to interest rate volatility were equal to those derived for the base case. Only the parameters related to the interest rate term structure were altered when scenarios were developed using the interest rate model. The floor in for downward changes in interest rates was set at 0%.

＜Other＞

- <u>Frictional costs and the cost of non-hedgeable risks do not change in the sensitivity tests, with the exception of frictional costs, which are changed in required capital.</u>
- 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 P16. Of the assumptions, some of economic assumptions are shown below.

<Risk-free rate*>

JGB yields		
Term	11.3.31	12.3.31
1 year	0.15%	0.11%
5 year	0.50%	0.32%
10 year	1.26%	0.99%
20 year	2.07%	1.76%
30 year	2.19%	1.95%
40 year	2.34%	2.11%

Swap rate		
Term	11.3.31	12.3.31
1 year	0.36%	0.34%
5 year	0.62%	0.49%
10 year	1.29%	1.04%
20 year	2.02%	1.75%
30 year	2.16%	1.91%
40 year	2.24%	2.00%

*The JGB yields are used as a risk-free rate.

<Implied volatilities of stocks>

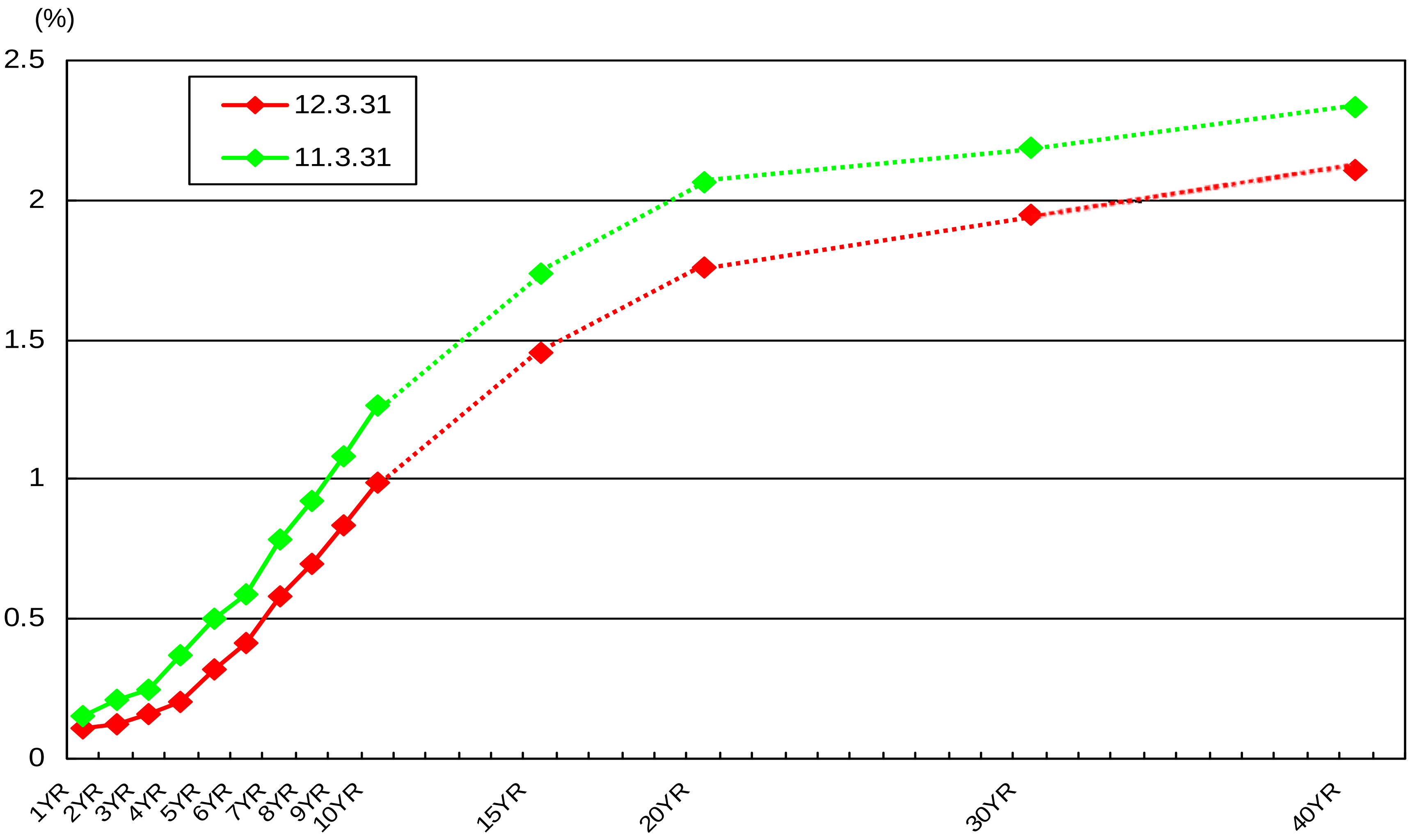
	11.3.31		12.3.31	
	Japan TOPIX	U.S. S&P	Japan TOPIX	U.S. S&P
1 year	20.3%	19.9%	18.0%	18.6%
5 year	19.9%	21.6%	20.5%	23.4%
10 year	22.1%	25.7%	23.2%	28.0%

<Implied volatilities of interest swaption>

Term of swap	Term of option	11.3.31 (JPY)	12.3.31 (JPY)
1 year	1 year	53.8%	40.8%
5 year	1 year	60.1%	48.7%
5 year	5 year	32.5%	34.8%
5 year	7 year	26.7%	30.1%
5 year	10 year	23.6%	26.8%
10 year	1 year	40.6%	37.3%
10 year	5 year	28.2%	29.4%
10 year	7 year	25.3%	27.1%
10 year	10 year	24.0%	26.2%
15 year	1 year	32.6%	29.9%
15 year	5 year	26.7%	27.5%
15 year	7 year	25.3%	27.2%
15 year	10 year	24.8%	27.7%

Year on Year Comparison of JGB Yields

Sony Financial Holdings



(Data Source: Bloomberg)

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

Sony Financial Holdings

Required capital of Sony Life is set as the larger of the amount of capital corresponding to the solvency margin ratio of 200% or the amount of capital to cover risks based on the internal model, which is a similar but modified model based on the QIS5 standard method.

■ Market Risk

	QIS5	Sony Life
Equity risk	Global stocks 30% ／ Other stocks 40% (Note1) fall in the value	Listed stocks 45% ／ Stocks of subsidiaries and affiliated companies 100% fall in the value
Currency risk	Using a downward shock of 25%	Using a downward shock of 30%
Interest rate risk ***For interest rate risk (up, down) , using the interest rate movements pre-defined by each maturity	Interest rate up 1.25x～1.70x Interest rate down (Note2) 0.25x～0.73x	Interest rate up 1.52x～4.19x Interest rate down (Note2) 0.23x～0.66x

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

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

■ Insurance underwriting risk

	QIS5	Sony Life
Mortality risk	using a shock of a (permanent) 15% increase in mortality rates for each age.	using a shock of a (permanent) 15% increase in mortality rates for each age.
Longevity risk,	using a shock of a (permanent) 20% decrease in mortality rates for each age.	using a shock of a (permanent) 20% decrease in mortality rates for each age.
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	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
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.	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.
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 and a 20% decrease in recovery rate.	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 Financial Holdings

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