Sony Financial Holdings

【 Presentation Materials 】

Results of Sony Life's Market Consistent Embedded Value (MCEV) as of March 31, 2013

Sony Financial Holdings Inc.
May 27, 2013

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■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, 2013”) for details.

Highlight of MCEV

Sony Financial Holdings

(Billions of yen)

	2012.3.31	**2013.3.31**	Change
MCEV	1,041.5	**1,064.7**	+23.2
Adjusted net worth	409.2	**770.8**	+361.7
Value of existing business	632.4	**293.9**	(338.5)
Of which, new business value	65.2	**41.6**	(23.6)

- **MCEV steadily increased through Sony Life's efforts to increase policy amount in force and reduce a negative impact of lower interest rates with its ALM initiatives. This is because an increase in adjusted net worth led by a rise in price of ultralong-term JGBs held for ALM purpose, was enough to offset a decrease in value of existing business resulting from lower interest rates in the ultralong term.**
- **New business value and new business margin* were ¥41.6 billion and 3.5% as of March 31, 2013, down compared with ¥65.2 billion and 6.4% as of March 31, 2012, due mainly to lower interest rates in the ultralong term.**

* New business margin equals new business value divided by present value of premium income.

(Billions of yen)

	2012.3.31	**2013.3.31**	Change
The risk amount based on economic value	551.5	**661.3**	+109.8

- **The risk amount based on economic value increased due to business expansion and lower interest rates in the ultralong term, however, it was fully controlled within a low level of MCEV in terms of solvency.**

Note1: The risk amount based on economic value refers to the total amount of Sony Life's risks, comprehensively examined and including insurance risk and market-related risk.

Note2: 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 Japanese Government Bond (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 Inc.
  - 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 subsidiary 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
    - 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)

	2012.3.31	**2013.3.31**	Change
Adjusted net worth	409.2	**770.8**	+361.7
Total net assets	264.8	**342.3**	+77.5
Reserve for price fluctuations	25.3	**32.3**	+6.9
Contingency reserve	55.3	**59.6**	+4.2
Reserve for possible loan losses	0.0	**0.0**	(0.0)
Unrealized gains or losses on held-to-maturity securities	155.9	**551.7**	+395.9
Unrealized gains or losses on land and buildings	11.5	**19.4**	+7.9
Unfunded pension liabilities	(4.9)	**(5.0)**	(0.1)
Intangible fixed assets	(24.3)	**(26.1)**	(1.8)
Tax effect equivalent of above seven items	(66.8)	**(193.8)**	(127.1)
Valuation gain or loss on subsidiaries and affiliated companies*	(7.8)	**(9.6)**	(1.8)

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

MCEV Results
(Breakdown of Adjusted Net Worth (2))

Sony Financial Holdings

(Billions of yen)

		2012.3.31	2013.3.31	Change
Adjusted net worth		409.2	**770.8**	+361.7
	Free surplus	382.9	**418.5**	+35.7
	Required capital	26.3	**352.3**	+326.0

- 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. The latter is larger as of the end of March 2013.
- The large increase in required capital at the end of the current fiscal year is due to an increase in the economic value of technical provisions that mainly resulted from the decline in interest rates.
- Free surplus as of the end of March 2013 was fully secured as a result of lengthening asset duration to mitigate interest rate risk.
- The solvency risk capital on an economic value basis as of the end of March 2013 was ¥661.3 billion (after tax). The effective tax rate used to adjust to the after-tax basis is 30.78%.

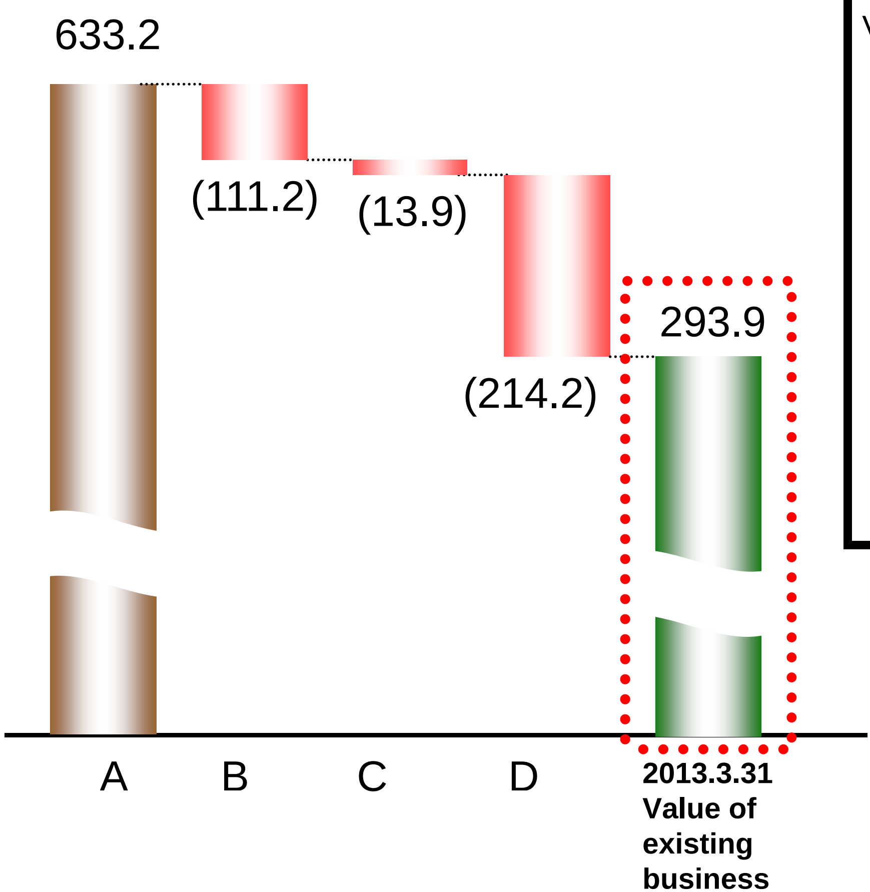
Note 1: The amount of capital to cover risks based on the internal model is defined as the total amount of technical provision and solvency risk capital on an economic value basis in excess of statutory policy reserves (excluding contingency reserves).

Note 2: 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)

Breakdown of value of existing business

(Billions of yen)



(Billions of yen)

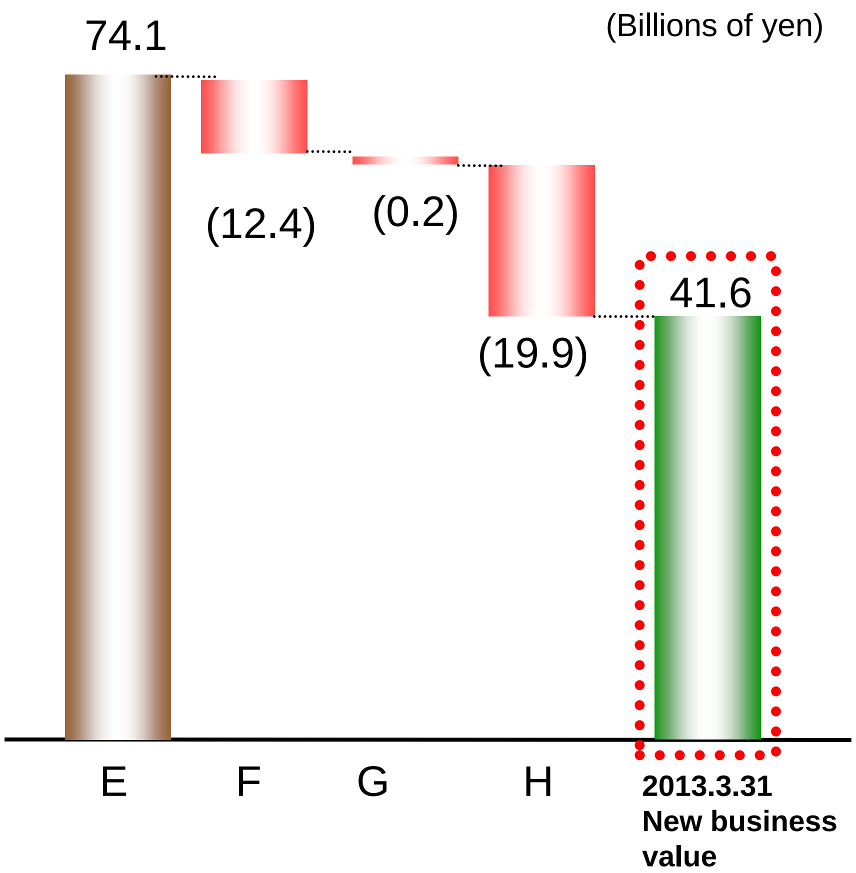
	2012.3.31	**2013.3.31**	Change
Value of existing business	632.4	**293.9**	(338.5)
A) Present value of certainty-equivalent profit	907.7	**633.2**	(274.6)
B) Time value of options and guarantees	(84.5)	**(111.2)**	(26.7)
C) Frictional costs	(5.0)	**(13.9)**	(8.9)
D) Cost of non-hedgeable risks	(185.9)	**(214.2)**	(28.3)

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)

	2012.3.31	2013.3.31	Change
New business value	65.2	**41.6**	(23.6)
E) Present value of certainty-equivalent profit	91.5	**74.1**	(17.5)
F) Time value of options and guarantees	(8.3)	**(12.4)**	(4.1)
G) Frictional costs	(0.2)	**(0.2)**	+0.0
H) Cost of non-hedgeable risks	(17.8)	**(19.9)**	(2.1)

New business margin

(Billions of yen)

	2012.3.31	2013.3.31	Change
New business value	65.2	**41.6**	(23.6)
Present value of premium income	1,013.7	**1,187.5**	+173.8
New business margin	6.4%	**3.5%**	(2.9pt)

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

Sony Financial Holdings

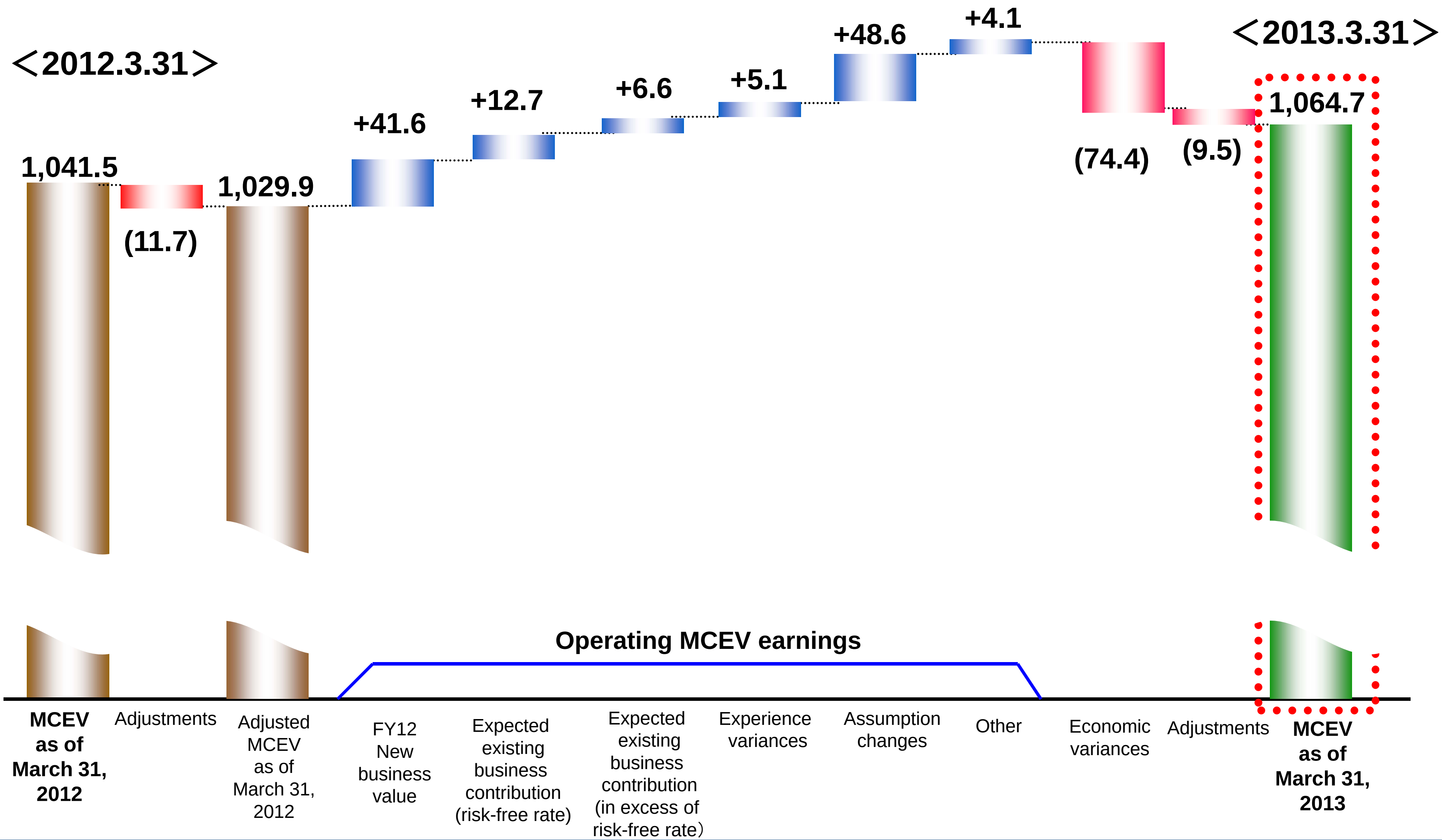
(Billions of yen)

		Adjusted net worth	Value of existing business	MCEV
	Opening MCEV (MCEV as of March 31, 2012)	409.2	632.4	1,041.5
(1)	Opening adjustments	(11.7)	—	(11.7)
	Adjusted opening MCEV	397.5	632.4	1,029.9
(2)	New business value	—	41.6	41.6
(3)	Expected existing business contribution (risk-free rate)	0.4	12.3	12.7
(4)	Expected existing business contribution (in excess of risk free rate)	0.8	5.8	6.6
(5)	Transfers from value of existing business and required capital to free surplus	(15.0)	15.0	—
	Of which, on new business	*(37.5)*	*37.5*	—
(6)	Experience variances	3.0	2.1	5.1
(7)	Assumption changes	—	48.6	48.6
(8)	Other operating variance	—	4.1	4.1
(9)	Operating MCEV earnings (2)～(8) total	(10.8)	129.5	118.8
(10)	Economic variances	384.1	(458.5)	(74.4)
(11)	Other non-operating variance	—	(9.5)	(9.5)
	Total MCEV earnings	373.3	(338.5)	34.8
(12)	Closing adjustments	—	—	—
	Closing MCEV (MCEV as of March 31, 2013)	770.8	293.9	1,064.7

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

Sony Financial Holdings

(Billions of yen)



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

Sony Financial Holdings

(Billions of yen)

		Adjusted net worth	Value of existing business	MCEV
	Opening MCEV (MCEV as of March 31, 2012)	409.2	632.4	1,041.5
(1)	Opening adjustments	(11.7)	—	(11.7)
	Adjusted opening MCEV	397.5	632.4	1,029.9
(2)	New business value	—	41.6	41.6

(1) Opening adjustments

- These adjustments reflect changes in dividends paid to shareholders and the effect of the transfer of Sony Life Insurance (Philippines) Corporation.

(2) New business value

- This figure reflects increases resulting from the acquisition of new business during the fiscal year ended March 31, 2013.

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

Sony Financial Holdings

(Continue)

(Billions of yen)

		Adjusted net worth	Value of existing business	MCEV
(3)	Expected existing business contribution (risk-free rate)	0.4	12.3	12.7
(4)	Expected existing business contribution (in excess of risk free rate)	0.8	5.8	6.6
(5)	Transfers from value of existing business and required capital to free surplus	(15.0)	15.0	—
	Of which, on new business	*(37.5)*	*37.5*	—

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

- This figure includes the release of the portion for the fiscal year ended March 31, 2013 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, 2012).

(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, loans, stocks and real estate.
- The expected yield used for the fiscal year ended March 31, 2013 was 0.310%, which was developed by reflecting its 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 tracks changes in free surplus that emerge over the course of a fiscal year due to transferring profit earned during the fiscal year from existing business value to free surplus and to changes in required capital.
- The transfer of profit includes both the transfer of profit that was anticipated during the current fiscal year under the MCEV calculation performed at the prior year-end and the transfer of profit that was calculated as a component of new business value for the current fiscal year.
- 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 Year (5)

(Continue)

(Billions of yen)

		Adjusted net worth	Value of existing business	MCEV
(6)	Experience variances	3.0	2.1	5.1
(7)	Assumption changes	—	48.6	48.6
(8)	Other operating variance	—	4.1	4.1

(6) 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, 2013 under the MCEV calculation as of March 31, 2012, and of the differences between actual policies in force as of March 31, 2013, and those that were projected to be in force on March 31, 2012 using persistency assumptions.
- These variances reflect the impact of one-time expenses incurred during the fiscal year ended March 31, 2013, 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.
- The changes in mortality and morbidity rates increased the value of existing business.

(8) Other operating variance

- This represents the impact of improvements and corrections of the model used in calculating MCEV, including the change in the reference of inflation rate from Consumer Price Index (CPI)-indexed Japanese government bonds to inflation swaps as well as the improvement of the model to calculate the value of existing business.

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

Sony Financial Holdings

(Continue)

(Billions of yen)

		Adjusted net worth	Value of existing business	MCEV
(9)	Operating MCEV earnings (2)～(8) total	(10.8)	129.5	118.8
(10)	Economic variances	384.1	(458.5)	(74.4)
(11)	Other non-operating variance	—	(9.5)	(9.5)
	Total MCEV earnings	373.3	(338.5)	34.8
(12)	Closing adjustments	—	—	—
	Closing MCEV (MCEV as of March 31, 2013)	770.8	293.9	1,064.7

(9) Operating MCEV earnings ････ (2)～(8) total

(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, 2012 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, 2013 under MCEV as of March 31, 2012.
- The 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, an increase in inflation swap rates and a change in the implied volatilities, accounting for a decrease in the present value of certainty-equivalent profit by ¥429.0 billion, as well as increases in the time value of options and guarantees, the frictional cost and the cost of non-hedgeable risks by ¥(7.9) billion, ¥13.6 billion and ¥23.7 billion, respectively.
- The major reason for the increase in the adjusted net worth was the increase in prices of Japanese government bonds caused by the decline in interest rates.
- Overall MCEV decreased by ¥47.9 billion mainly as a result of the decline in JGB yields and by ¥26.5 billion as a result of the increase in the expenses tied to the increase in inflation swap rates.

(11) Other non operating variance

- This figure shows the effect of the increase in the consumption tax rate

(12) Closing adjustments

- No items were included in closing adjustments.

Sensitivity Analysis

Sony Financial Holdings

<2013. 3.31> (Billions of yen) <2012. 3.31> (Billions of yen)

Assumption	Change in Assumption	<2013. 3.31> MCEV	<2013. 3.31> Change in Amount	<2013. 3.31> Rate of Change	<2012. 3.31> MCEV	<2012. 3.31> Change in Amount	<2012. 3.31> Rate of Change
Base	No change	1,064.7	—	—	1,041.5	—	—
Interest rates	100bp decrease	829.6	(235.1)	(22%)	912.7	(128.8)	(12%)
	100bp increase	1,121.4	56.7	5%	1,073.4	31.8	3%
	Swap rates	1,231.8	167.1	16%	972.2	(69.3)	(7%)
Stock / Real estate market value	10% decrease	1,047.7	(16.9)	(2%)	1,024.7	(16.8)	(2%)
Stock / Real estate implied volatility	25% increase	1,053.0	(11.6)	(1%)	1,033.7	(7.8)	(1%)
Interest swaption Implied volatility	25% increase	1,049.9	(14.8)	(1%)	1,030.3	(11.3)	(1%)
Maintenance expenses	10% decrease	1,082.3	17.6	2%	1,056.0	14.5	1%
Lapse and surrender rates	x 0.9	1,070.1	5.5	1%	1,065.6	24.1	2%
Mortality rates	Death protection products x 0.95	1,104.7	40.0	4%	1,084.1	42.6	4%
	Third-sector and annuity products x 0.95	1,059.8	(4.9)	(0%)	1,038.1	(3.5)	(0%)
Morbidity rates	x 0.95	1,100.2	35.5	3%	1,074.3	32.8	3%
Required capital	Regulatory minimum	1,074.2	9.5	1%	1,041.6	0.1	0%

■ **Changes in adjusted net worth and value of existing business within the amount of change in MCEV are shown in the table below.**

(Billions of yen)

Assumption	Change in Assumption	Change in Amount (adjusted net worth)	Change in Amount (value of existing business)
Interest rates	100bp decrease	+867.6	(1,102.7)
	100bp increase	(691.8)	+748.5
Stock / Real estate market value	10% decrease	(11.5)	(5.5)
Stock / Real estate implied volatility	25% increase	(0.4)	(11.3)

Sensitivity of New Business Value

Sony Financial Holdings

<2013.3.31> (Billions of yen)

Assumption	Change in Assumption	New Business Value	Change in Amount	Rate of Change
Base	No change	41.6	—	—
Interest rates	100bp decrease	(54.0)	(95.6)	(230%)
	100bp increase	94.9	53.3	128%
	Swap rates	54.7	13.1	32%
Stock / Real estate market value	10% decrease	41.5	(0.0)	(0%)
Stock / Real estate implied volatility	25% increase	41.0	(0.6)	(1%)
Interest swaption Implied volatility	25% increase	39.5	(2.0)	(5%)
Maintenance expenses	10% decrease	43.3	1.8	4%
Lapse and surrender rates	x 0.9	45.5	3.9	9%
Mortality rates	Death protection products x 0.95	45.1	3.6	9%
	Third sector and annuity products x 0.95	41.3	(0.3)	(1%)
Morbidity rates	x 0.95	43.9	2.4	6%
Required capital	Regulatory minimum	41.6	0.0	0%

<2012.3.31> (Billions of yen)

New Business Value	Change in Amount	Rate of Change
65.2	—	—
5.9	(59.3)	(91%)
99.1	34.0	52%
58.2	(6.9)	(11%)
65.2	(0.0)	(0%)
64.8	(0.3)	(1%)
63.6	(1.6)	(2%)
66.6	1.4	2%
70.9	5.7	9%
68.3	3.1	5%
64.9	(0.2)	(0%)
67.6	2.4	4%
65.2	0.0	0%

Interest Rates Sensitivity and Others

Sony Financial Holdings

<Interest rates sensibility>

- This sensitivity represents the impact of an immediate parallel shift of the Japanese and foreign government bond yield curves as of the end of March 2013, and the impact if the swap rates were used instead of Japanese 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.
- 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 for downward changes in interest rates was set at 0%.

<Other>

- 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 terms of required capital.
- 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 (1)

Assumptions are described in the press release on and after P15. Of the assumptions, a part of economic assumptions are shown below.

<Risk-free rate*>

JGB yields		
Term	2012.3.31	2013.3.31
1 year	0.11%	0.06%
5 year	0.32%	0.13%
10 year	0.99%	0.55%
20 year	1.76%	1.40%
30 year	1.95%	1.54%
40 year	2.11%	1.64%

Swap rates		
Term	2012.3.31	2013.3.31
1 year	0.34%	0.24%
5 year	0.49%	0.30%
10 year	1.04%	0.69%
20 year	1.75%	1.47%
30 year	1.91%	1.71%
40 year	2.00%	1.84%

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

Assumptions (2)

Assumptions are described in the press release on and after P15. Of the assumptions, consumption tax rate and inflation rate in “Other assumptions” are shown below.

< Consumption tax rate and Inflation rate >

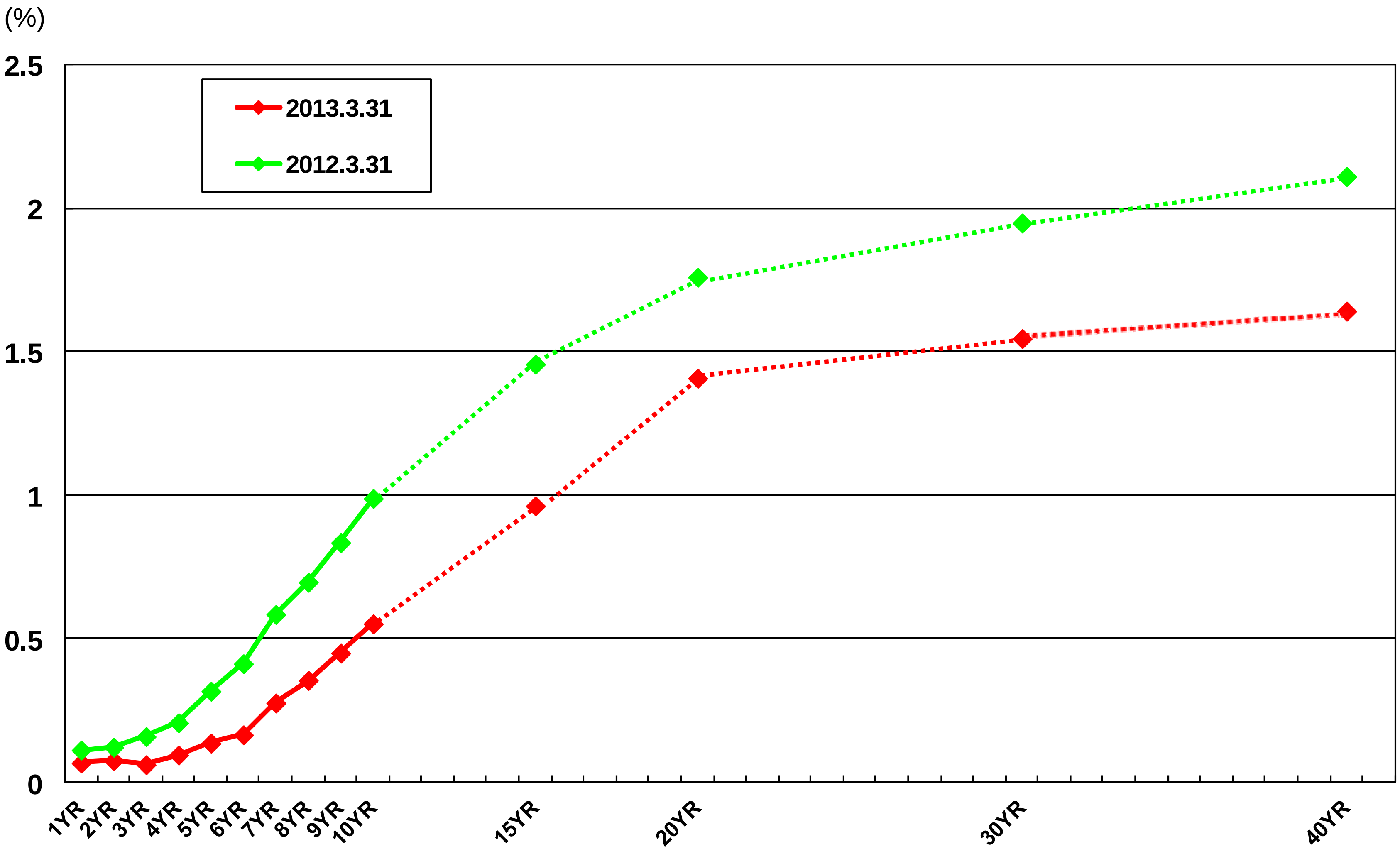
- “The Bill to Amend the Consumption Tax Law for Reforming Tax System to Secure Revenue to Fund the Cost of Social Security” was promulgated on August 22, 2012, which increases the consumption tax rate subject to the economic condition. To reflect this, the future expenses increased assuming the increase in consumption tax rate to 8.0% at April 1, 2014 and 10.0% at October 1, 2015.

- Inflation rates were set by referring to inflation swap rates and removing the effect of the increase in the consumption tax rate.

- MCEV as of March 31, 2013 decreased ¥9.5 billion due to the assumed increase in consumption tax rate and decreased ¥26.5 billion due to the assumed increase in inflation rate, which excludes the effect of the assumed increase in consumption tax rate. If the inflation rate, excluding the effect of the assumed increase in consumption tax rate, had been set at 0%, MCEV would have increased by ¥39.7 billion.

Year on Year Comparison of JGB Yields

Sony Financial Holdings



(Data Source: Bloomberg)

Method of Measuring Risk Amount Based on Economic Value (1)

Sony Financial Holdings

■ Market-related Risk

	Sony Life	(Reference) EU Solvency II (QIS5)
Interest rate risk Fluctuations in net asset value based on economic value in response to the shocks in the right columns. The same applies below.	Interest rate up 1.54x–18.26x (differs each year) Interest rate down 0.08x–0.65x but no lower than 1%	Interest rate up 1.25x–1.70x Interest rate down 0.25x–0.73x but no lower than 1%
Equity risk	Listed equities 45% decline Unlisted equities 55% Other securities 70%	Global 30% Others 40% (Note 2)
Real estate risk	Actual real estate 25% REIT 45%	Real estate 25%
Credit risk	Credit risk = (market value) x (risk coefficient for each credit rating) x duration Note that durations have caps and floors, depending on credit ratings. (Example) Rating A: Risk coefficient (1.4%), cap (23), floor (1)	Same as on the left
Currency risk	30% downside fluctuation	25% downside fluctuation

Note 1: Principal items as of March 31, 2013

Note 2: Standard risk coefficients are global: 39%/other: 49%. Symmetric adjustment (an adjustment of ±10% of the average value of the stock price index during a defined period in the past) is applied; as of the QIS5 trial introduction (December 31, 2009), these were 30%/40%.

Method of Measuring Risk Amount Based on Economic Value (2)

Sony Financial Holdings

Insurance Risk

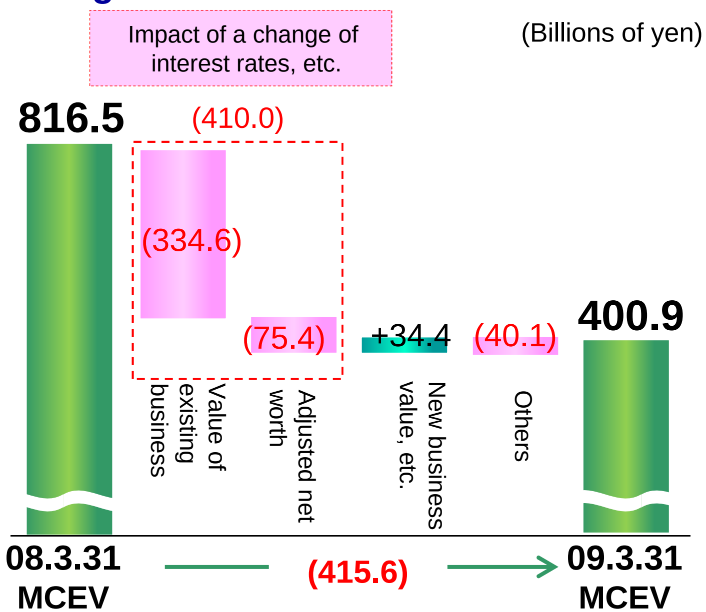
	Sony Life	(Reference) EU Solvency II (QIS5)
Mortality risk	Mortality rate increases by 15% for each year elapsed	Same as on the left
Longevity risk	Mortality rate decreases by 20% for each year elapsed	Same as on the left
Lapse risk	The largest amount of these*; ・Lapse rate increases by 50% for each year elapsed ・Lapse rate decreases by 50% for each year elapsed ・30% of policies on which surrender value is in excess of best estimate liability are immediately surrendered	The largest 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% of policies (70% for group annuities, etc.) on which surrender value is in excess of best estimate liability are immediately surrendered
Expense risk	Operating expenses increase by 10% for each year elapsed Rate of inflation rises by 1%	Same as on the left
Disability risk	Rate of occurrence increases by 35% in the first fiscal year, rising by 25% for each year thereafter	Rate of occurrence increases by 35% in the first fiscal year, rising by 25% for each year thereafter. Recovery rate decreases by 20%.

* At Sony Life, lapse risk is calculated by computing and adding together the largest amount of three options for each insurance policy.

Stable Growth in MCEV

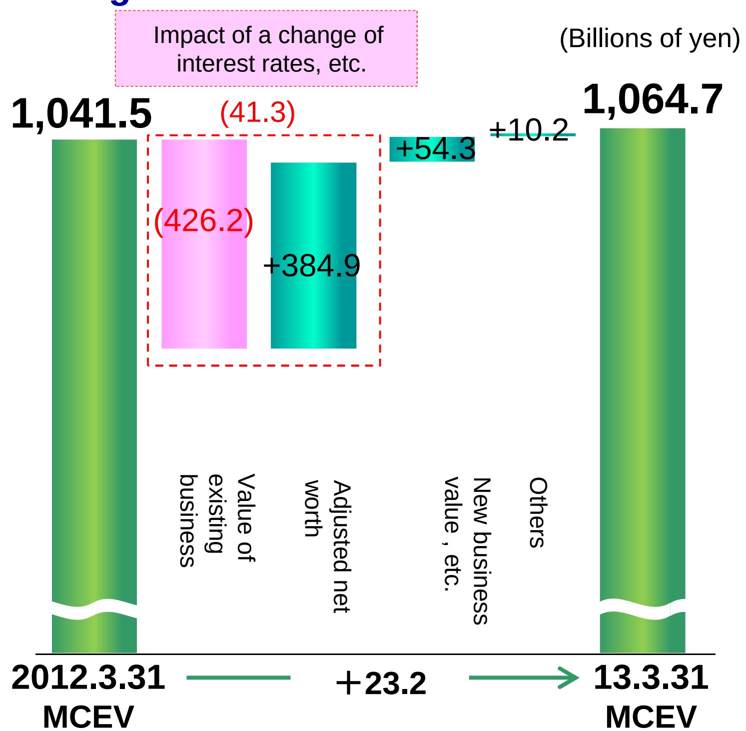
Build asset portfolio which tolerates the impact of lower interest rates via ALM initiatives, and achieve stable growth in MCEV through the steady acquisition of new policies

Change from 2008.3.31 to 2009.3.31



	08.3.31 MCEV	Change	09.3.31 MCEV
30YR	2.26%	(38bp)	1.88%
40YR	2.34%	(45bp)	1.89%

Change from 2012.3.31 to 2013.3.31



	2012.3.31 MCEV	Change	13.3.31 MCEV
30YR	1.95%	(41bp)	1.54%
40YR	2.11%	(47bp)	1.64%

Note 1: "Impact of a change of interest rates, etc." is calculated as the total amount of "Economic variances" and "Expected existing business contribution (in excess of risk free rate)" of the "Reconciliation Analysis from MCEV at the End of the Prior Year".
The future increase in the operating expenses tied to the increase in the inflation rate is excluded from the above calculations.
Note 2: "New business value, etc." is calculated as the total amount of "New business value" and "Expected existing business contribution (in excess of risk free rate)".

Sony Life’s Asset Management Policy

Sony Financial Holdings

No change in asset management policy, even after monetary easing

～Investing most of new money in ultralong-term JGBs～

Sony Life’s Basic Policy on Risk Preferences

- Aims for stable and sustainable business growth in corporate value by aggressively increasing policies in force and underwriting insurance risk, while maintaining sufficient solvency based on economic value.
- Prioritizes investment in assets that match insurance liability characteristics to reduce interest rate risk pertaining to liabilities of insurance policies with long-term maturities, with the aim of securing corporate value of life insurance business.

Impact of and Response to Monetary Easing

- Maintains a sufficient level of solvency based on economic value, though interest rate sensitivity has risen and the amount of interest rate risk has increased due to a decline in ultralong-term interest rates.
- Continues to invest in ultralong-term JGBs while monitoring market trends, with the aim of reducing interest rate risk along with an acquisition of new policies though interest rates are expected to be persistently low.

Sony Financial Holdings

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