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**[Presentation Material]**

**Sony Financial Group  
Corporate Strategy Meeting  
for Fiscal Year 2014**

**Sony Financial Holdings Inc.  
June 2, 2014**


Disclaimers:

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◆ Continue to steadily expand business volume in each of the Group's businesses

- Life Insurance Re-expand the Lifeplanner channel, achieve ongoing growth in the independent agent channel
- Non-Life Insurance Improve profitability and achieve ongoing growth in automobile insurance, focus on medical insurance and new types of policies
- Banking Further expand the foreign currency and loan businesses
- Nursing Care Having established a nursing care holding company in April 2014 and made steady progress in the startup stage  
—establish as fourth pillar of business from long-term perspective

◆ Mid-term management targets:

	<u>FY13</u>		<u>FY16</u>
Consolidated ordinary profit	¥76.1 billion		¥86.0 billion
Consolidated net income	¥40.5 billion		¥56.0 billion
Consolidated adjusted ROE	14.2%		Approx. 8%*

◆ Augment returns to shareholders:

For FY14, we expect to increase the dividend per share ¥10 year on year, to ¥40  
[up for the third consecutive fiscal year]

Our policy is to steadily increase dividends in line with earnings growth over the medium to long term, while taking the operating environment into ongoing consideration

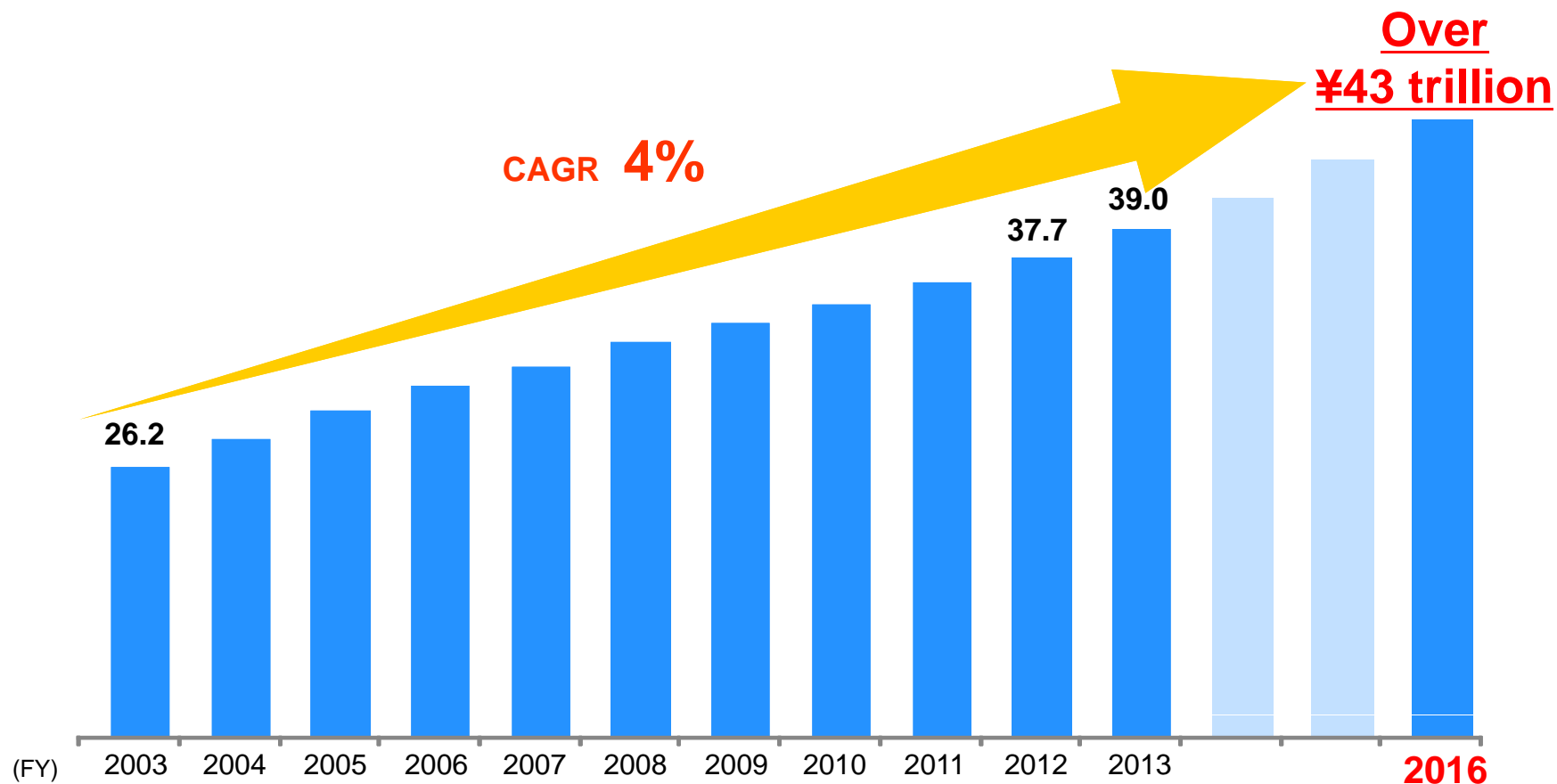
\* Consolidated adjusted ROE takes into account Sony Life's assumptions about the economic environment based on the market environment as of March 31, 2014.

# Sony Life

Sony Life steadily increases its policy amount in force at approx.  
4% per annum.

Trends of Sony Life's policy amount in force  
(Individual life insurance and annuities)

(Trillions of yen)



## Key Messages: Initiatives Toward Growth

### Strengthen Sales Capabilities in the Consulting Channel

- Reinitiate growth by expanding the scope of the Lifeplanner channel
- Develop the independent agent channel to uncover diverse customer needs

### Gain Further Competitive Advantage

- Strengthen operations further in the highly competitive death protection segment
- Make further progress on operational reforms

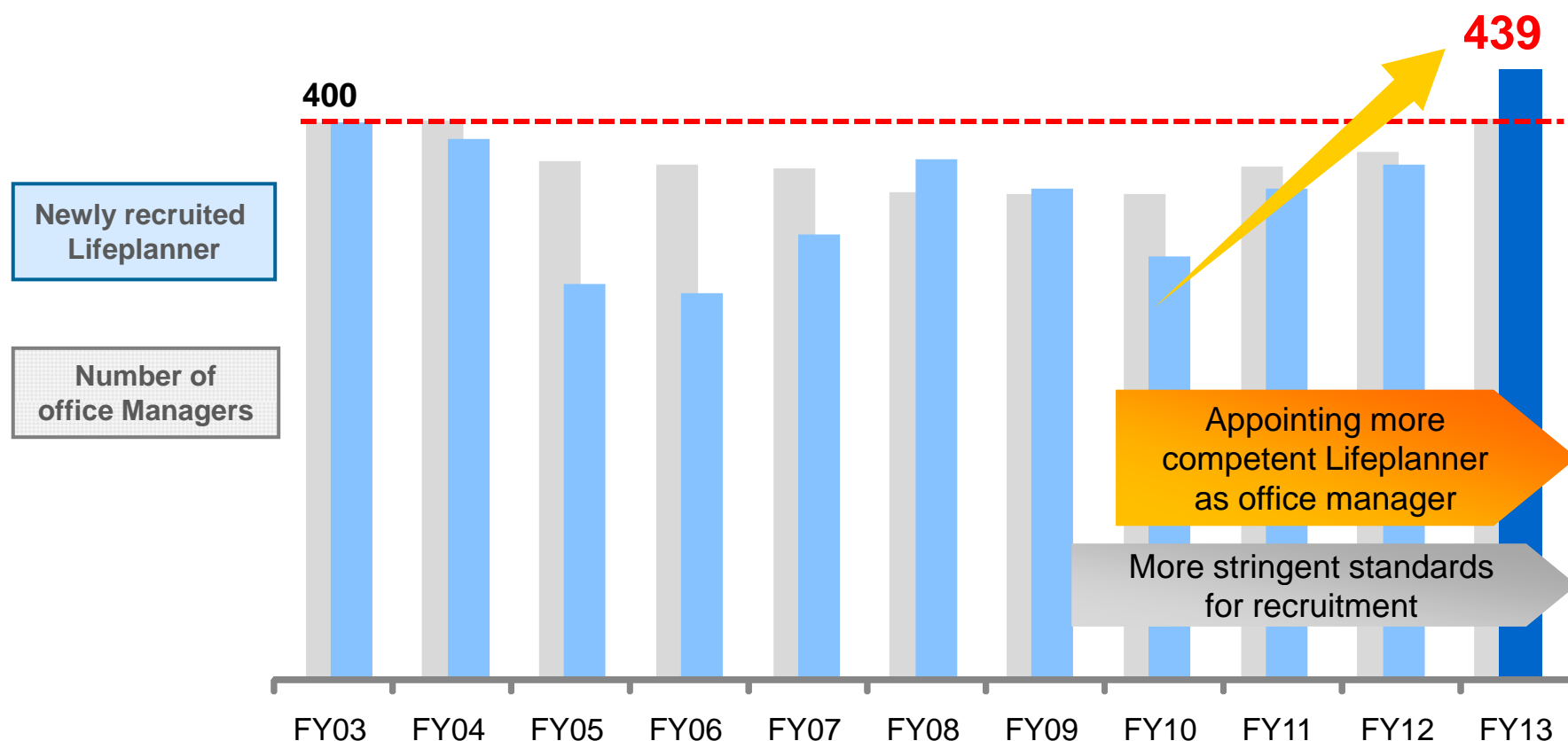
### Ensure Stable Growth in Corporate Value

- By acquiring new contracts, ensure increases in corporate value, as well as financial soundness
- Achieve steady growth in profit through steadily increases in its policy amount in force

Reached a 10-year high in recruiting Lifeplanner sales employees,  
a key driver of growth

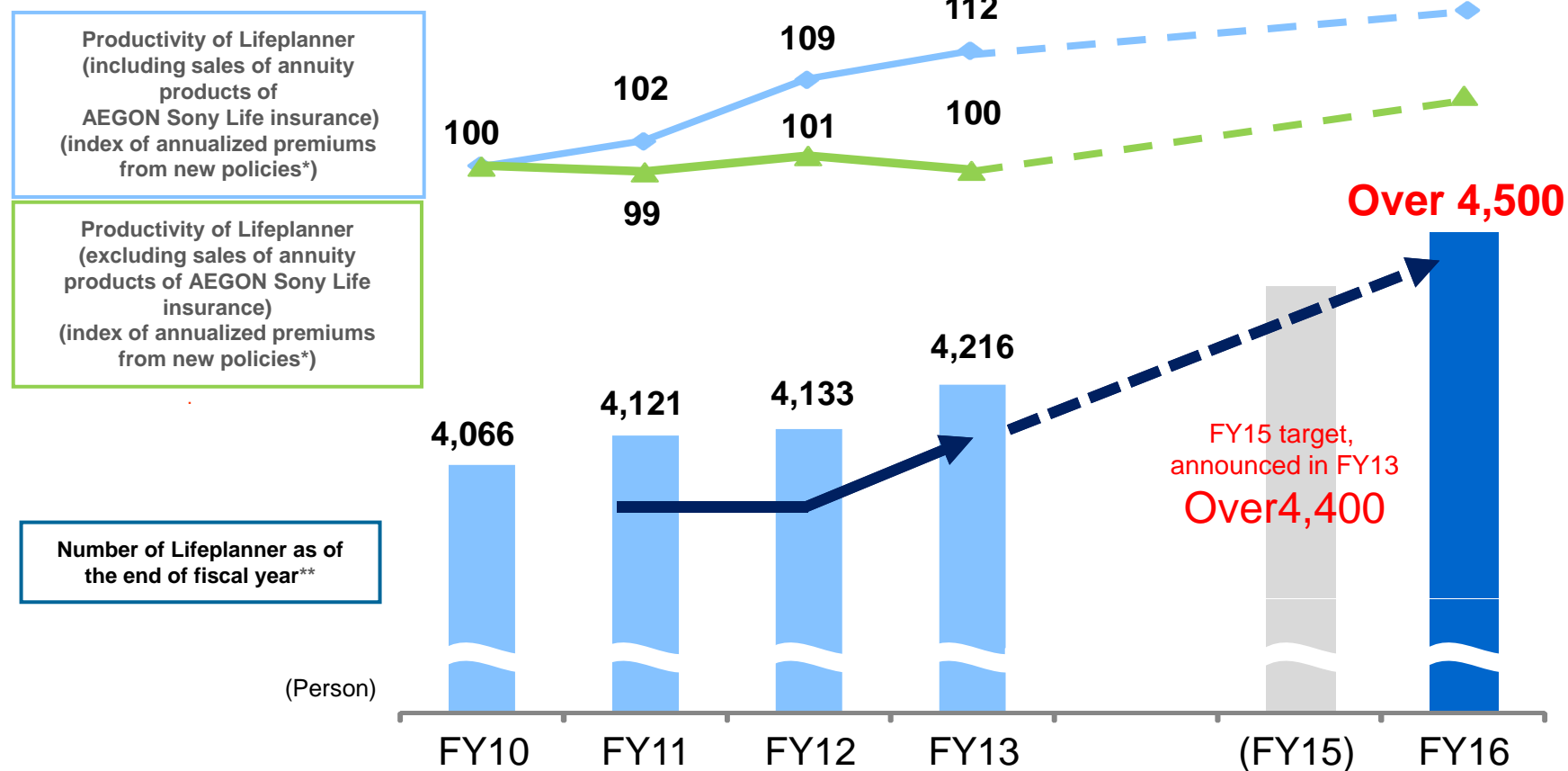
Number of office managers and newly recruited Lifeplanner

(Person)



**In addition to expanding the channel, profitability increased, putting us back on the track of growth**

### Number of Lifeplanner sales employees & productivity



\* Productivity is indexed to FY10 = 100, calculated on the basis of annualized premiums from new policies (managerial accounting basis)

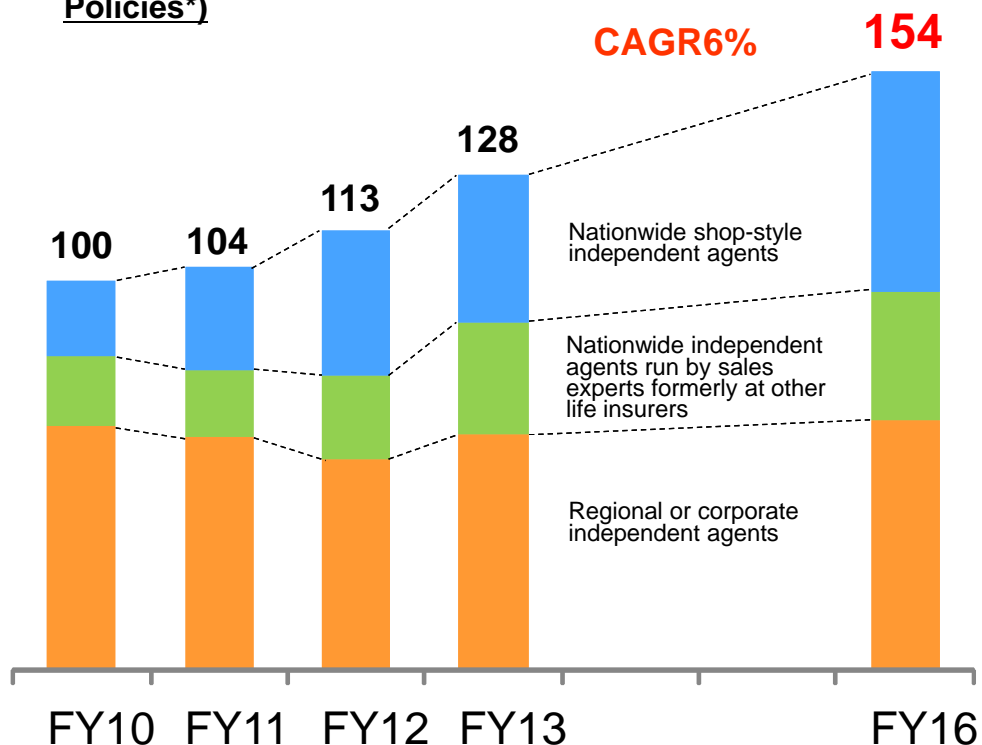
\*\* The figure as of the end of fiscal year includes the number of contracted Lifeplanner sales employees and those rehired on a fixed-term contract basis after retirement included in the overall numbers.



Ensure high and stable growth through diverse independent agent development

### Performance of the Independent Agent

**Channel** (Index of Annualized Premiums from New Policies\*)



\* Annualized premiums from new policies from the independent agent channel (managerial accounting basis) indexed to FY10 = 100

### Key Segment-Specific Measures

#### Nationwide Shop-Style Independent Agents

- Build training and support systems to handle increase in number of customers visiting shops

#### Nationwide independent agents run by sales experts formerly at other life insurers

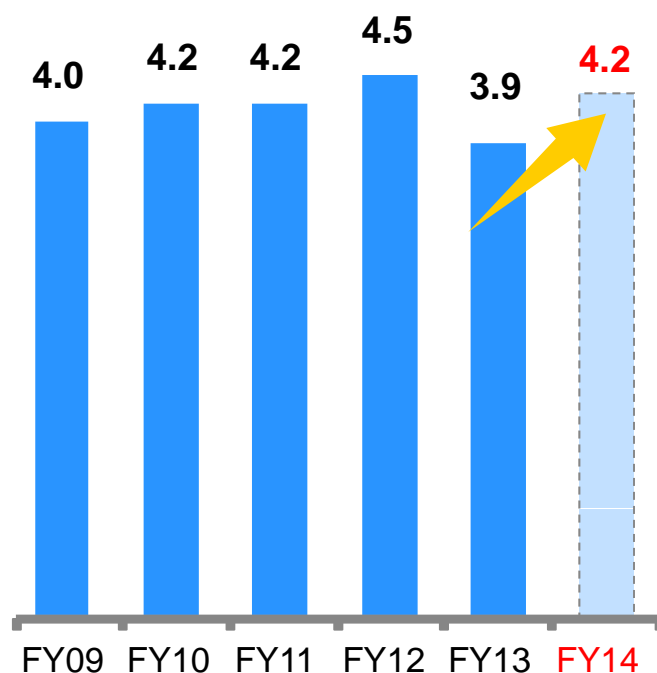
- Boost sales productivity for core agents and strengthen sales support for corporate customers

#### Regional or Corporate Independent Agents

- Increase collaboration with regional independent agents and alliance partners

Reinforce sales capabilities in the field of death protection, where we enjoy a strong competitive advantage, pushing the new policy amount back toward growth

**New Policy Amount** (Trillions of yen)



\*Line item amounts are rounded below ¥100 billion.

■ **Enhance education systems**

Revise our program for educating new Lifeplanner sales employees, and enhance manager training

■ **Revise qualification and evaluation systems**

Introduce a standard for death protection sales capabilities into our systems for qualifying and evaluating Lifeplanner sales employees and managers

■ **Reinforce product development**

Augment our product lineup to enhance our ability to make proposals for death protection, taking a consulting-based approach

## Use industry-leading IT to boost consulting channel sophistication

Up to FY2013

### C-SAAF Mobile: Smartphone-Based Sales Platform

- Give salespeople's smartphones the same level of customer management function as at customer center



FY2014 Onward

### Make New Policies Paperless (Prompt Generation)

- Present application assessment results (underwriting conditions) when facing customers, completing entry procedures on the spot

### Make Coverage Operations Paperless

- Greatly reduce processing time by eliminating maintenance ledgers

Time until coverage operations are complete

(Now)

Around  
1 week

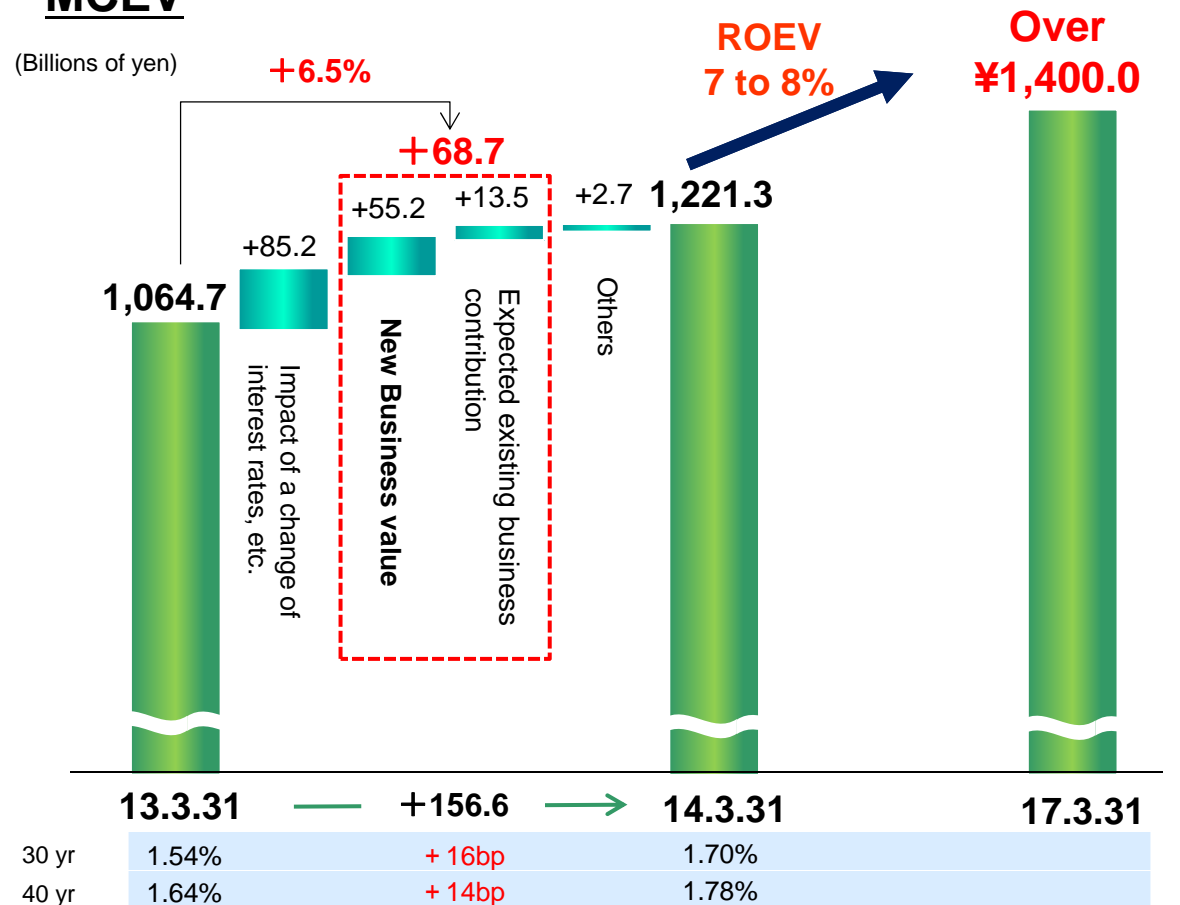


**As little as  
1 business day**

Achieve steady growth in corporate value through the steady acquisition of new policies as well as financial soundness

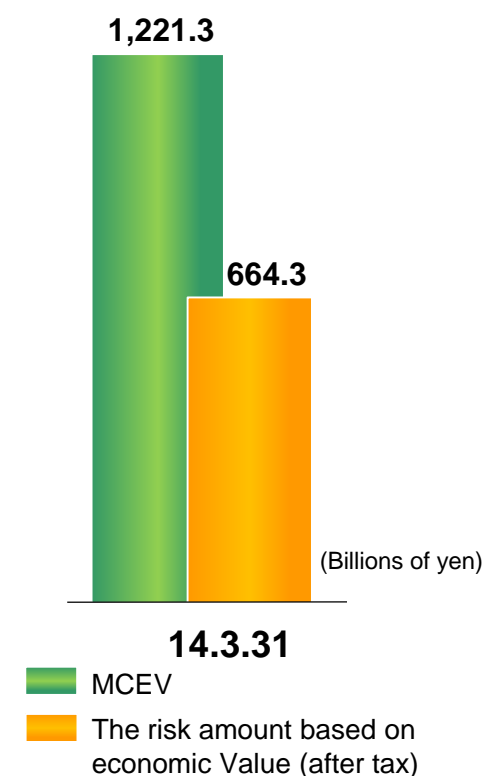
## MCEV

(Billions of yen)



## Financial soundness based on economic value

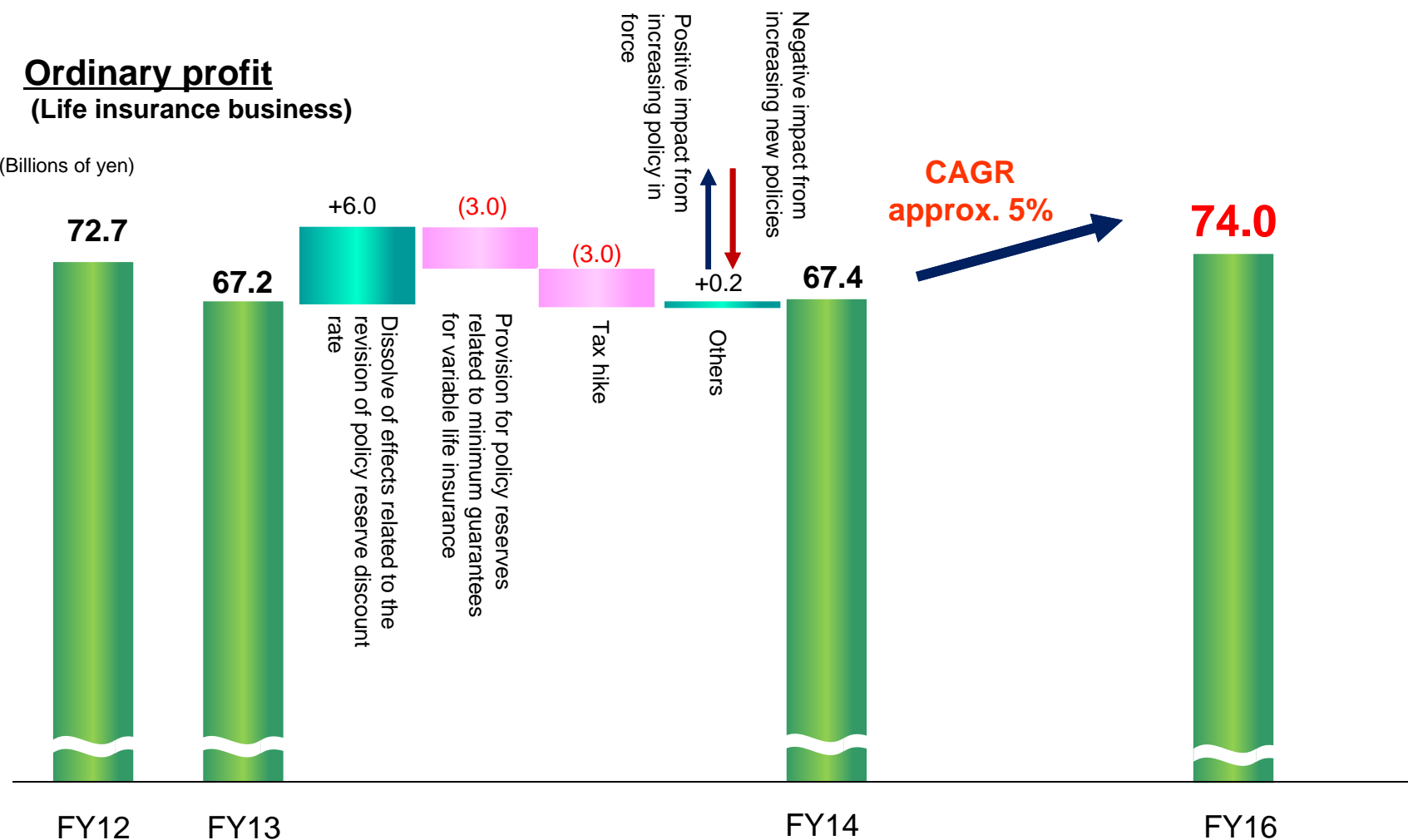
MCEV/risk amount: 184%



Ordinary profit for FY14 is expected to be nearly at the same level as in the previous year. Although, we anticipate steady profit expansion afterwards

### Ordinary profit (Life insurance business)

(Billions of yen)



Strive to ensure continuous growth in corporate value while increasing the number of Lifeplanner sales employees and business volume

	FY13		FY16
Number of Lifeplanner (note 1)	4,216	Approx. 300 increase	Over 4,500
Policy amount in force (Individual insurance and annuities)	¥3.9 trillion	CAGR approx. 4%	Over ¥43 trillion
MCEV (note 2)	¥1.2 trillion	ROEV 7 to 8%	Over ¥1.4 trillion
Ordinary profit (Life insurance business)	¥67.2 billion	(From FY2014) CAGR approx. 5%	¥74.0 billion

(Note1) The figure includes the number of contracted Lifeplanner sales employees and those rehired on a fixed-term contract basis after retirement included in the overall numbers.

(Note 2) Sony Life's assumptions about the economic environment based on the market environment as of March 31, 2014 for FY16 target.

# Sony Assurance

**Recover profitability  
and ensure sound  
profitability**

- Substantial improvement in the loss ratio in FY13
- Address the cause of increases in the loss ratio as and when appropriate, thereby ensuring stable and increasing levels of profitability

**Maintain growth  
and achieve stable  
profits over the  
long term**

- Firmly maintain its leading position in the direct insurance market in our mainstay automobile insurance
- Accelerate expansion into areas other than automobile insurance—shift away from a structure with a unipolar focus on automobile insurance

**Maximize customer  
satisfaction, the  
engine of growth**

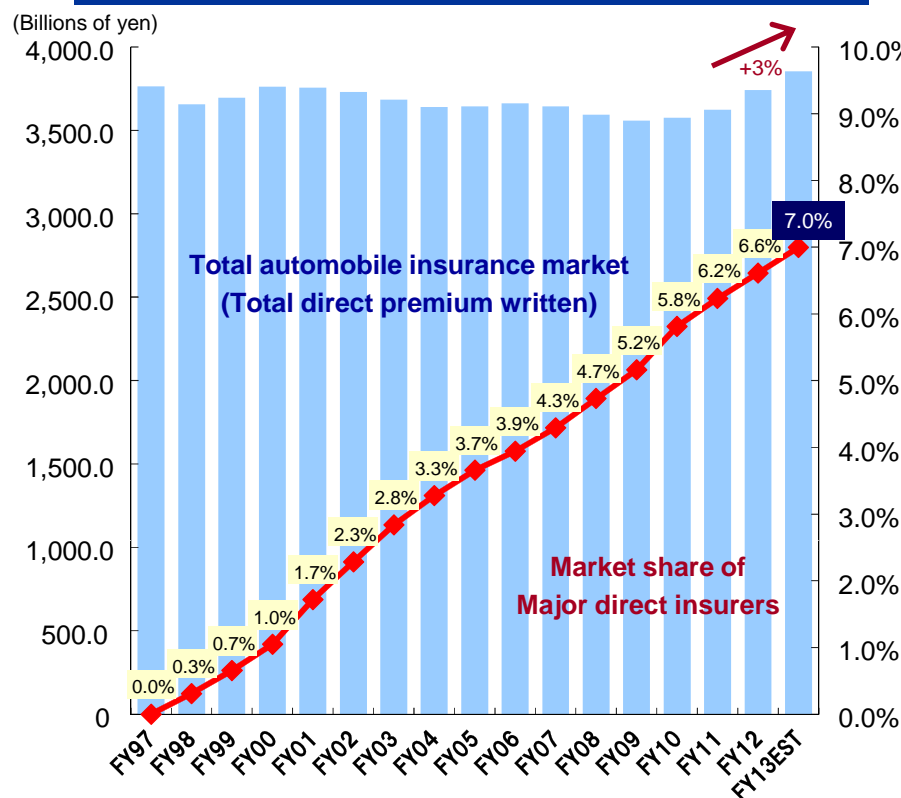
- By making further improvements in service quality, earn customer trust and maintain their support of the brand.



# Direct Automobile Insurance Market

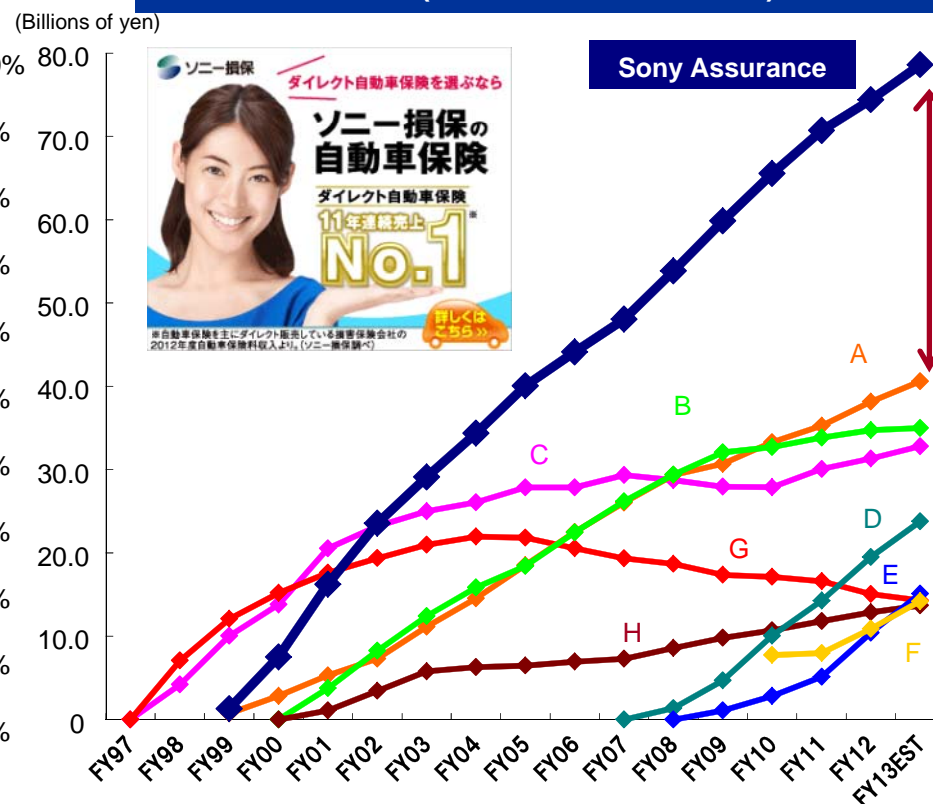
- The automobile insurance market is generally flat; the market is seeing only gradual expansion as individual companies raise their premium rates to improve profitability
- Our rate of growth outpaces that of the direct insurance market as a whole, so our share of the direct market is increasing year on year
- Against this backdrop, the company has remained No. 1 in sales of direct automobile insurance over the past 11 years, and the gap between us and the No. 2 insurer has widened

**Automobile Insurance market and market share of major direct non-life insurers**



Source: Statistics of Life Insurance Business in Japan.

**Direct premiums written by major direct insurers(Automobile insurance)**

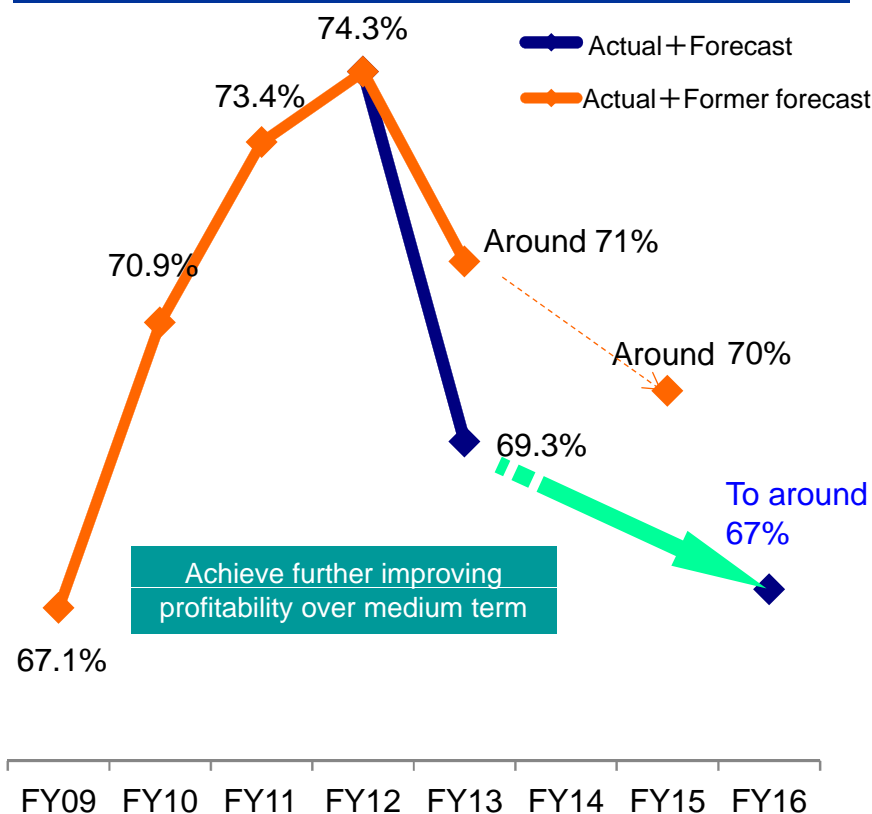


Source: Materials officially disclosed by individual insurers.

# Improve Profitability and Maintain Financial Soundness

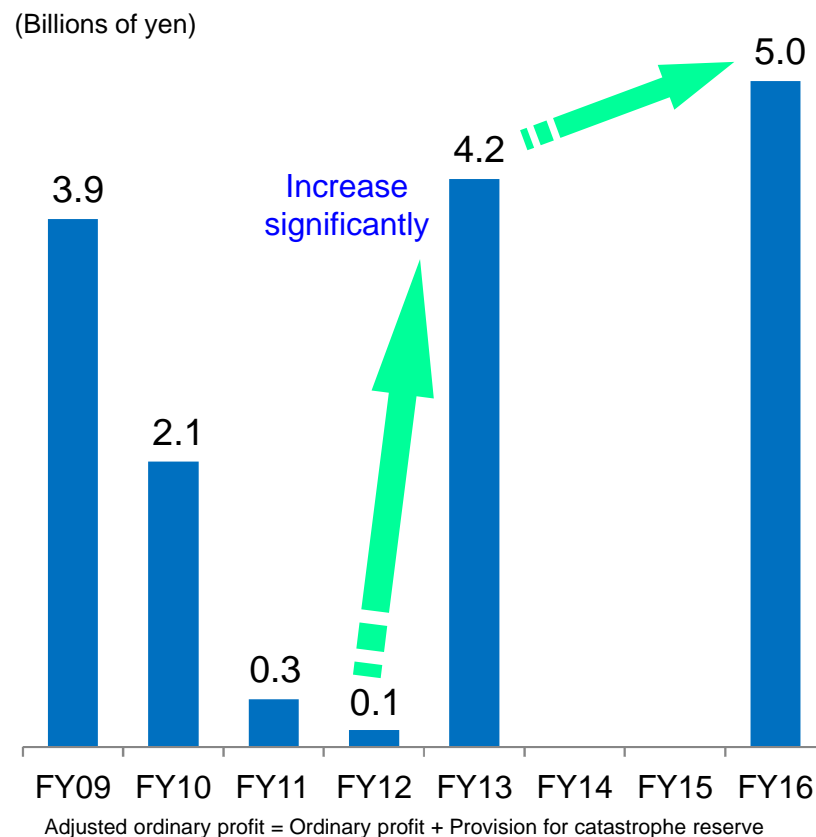
In FY13, the loss ratio on automobile insurance fell, substantially improving profitability. Going forward, we will maintain sound profitability through initiatives to improve the loss ratio

Earned/Incurred Loss ratio(Automobile Insurance)



Earned/Incurred loss ratio = (Net losses paid + Provision for reserve for outstanding losses + Loss adjustment expenses) / Earned premiums

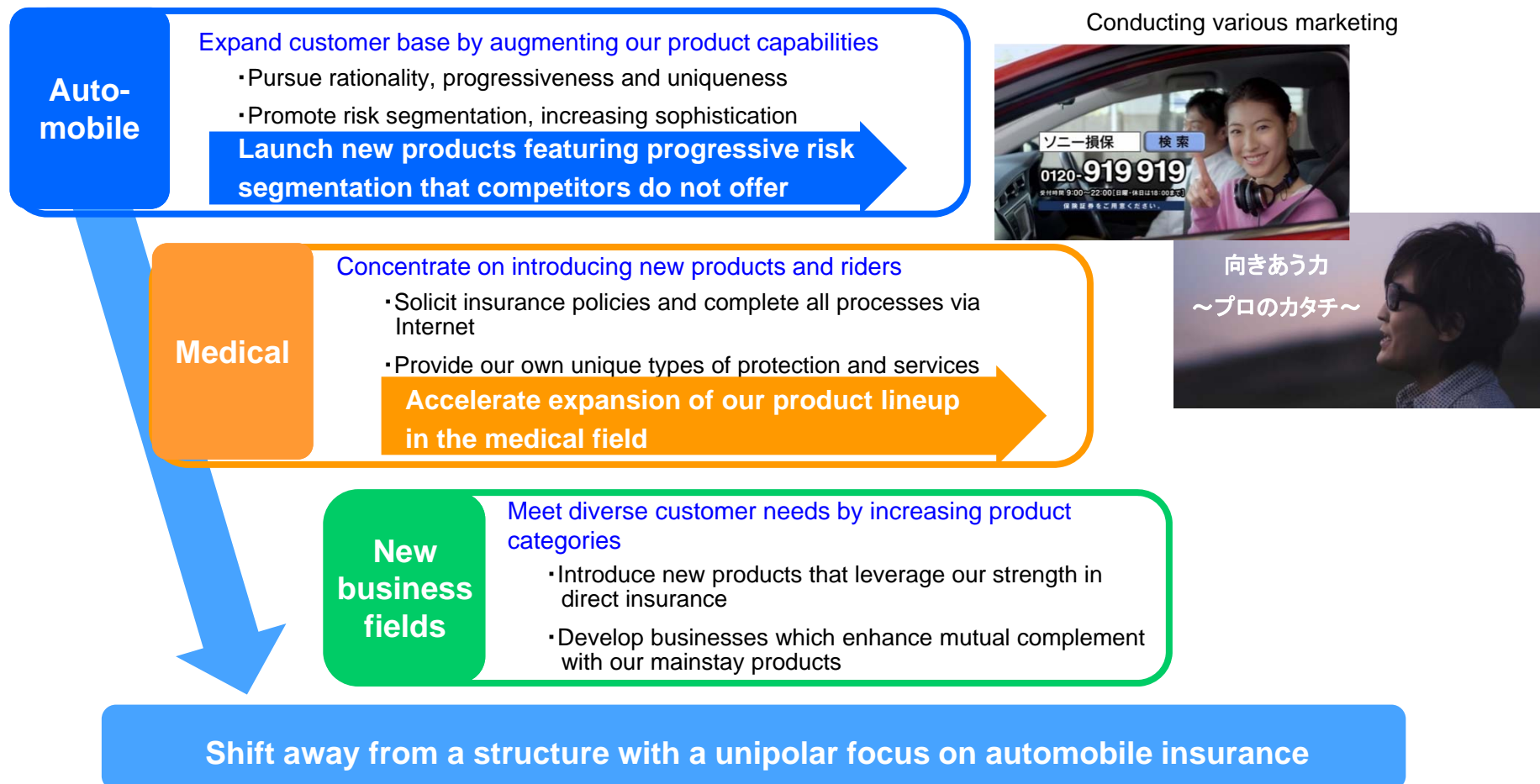
Adjusted Ordinary Profit



Adjusted ordinary profit = Ordinary profit + Provision for catastrophe reserve

## Medium-to Long-term Product and Growth Strategies

In addition to maintaining our growth in mainstay automobile insurance and remaining firmly No. 1 in direct insurance, accelerate expansion into areas other than automobile insurance to ensure stable, long-term profits



**Making further service quality enhancements foremost, we are providing Web/smartphone services that are unique and leverage advantages of a direct insurer**

### Customer satisfaction surveys in 2013

#### Consistently high appraisal from the third-party assessments of customer satisfaction



Nikkei Business, August 5, 2013, edition  
2013 After-Sales Service Customer Satisfaction  
Ranking, Automobile Insurance Division  
**No. 1 (third straight year)**



Oricon Fiscal 2013 Automobile Insurance with High  
Level of Customer Satisfaction, Overall Automobile  
Insurance **No. 1**



Association of Service Industry Productivity,  
Fiscal 2013 Customer Satisfaction\* for  
Non-Life Insurance **No. 1**



HDI-Japan Fiscal 2013 Help Desk Rating Survey  
"Total Support Rating" **Three stars (fourth straight year)**  
"Help Desk Rating" **Three stars (second straight year)**  
[Three stars is a top-level evaluation.]



J.D. Power, 2013 Call Center Satisfaction Survey,  
Non-Life Insurance Companies  
**Top three (second straight year)**

\* Source: Fiscal 2013 Japanese Customer Satisfaction Index, results of fourth survey

### Service quality enhancement initiatives

#### Accident response service Pursue speed and satisfaction

- Reinforce Web/smartphone communication for accident response
- Adjust system and respondent training according to case characteristics and customer needs

#### Customer center Enhance Web support

- Enhance call support system for Web/smartphone users
- Provide consulting and customer care services by specialists.

#### Web/smartphone service Become the overwhelming favorite as a Web/smartphone non-life insurer

- Augment Web site functionality, further enhancing usability
- Enhance services by providing unique smartphone applications



**Maintain increases in revenue and profits through topline expansion and profitability improvements**

	FY13		FY16
Direct premiums written	¥87.3 billion	CAGR approx. 5%	¥ 100.0 billion
Net Expense ratio	25.6%	Sum of two ratio improve	Sum of two ratios Approx. 93%
E. I. loss ratio (*1)	68.2%		
Sum of two ratios	93.8%		
Ordinary profit	¥ 3.0 billion	CAGR approx. 12%	¥ 4.2 billion
Adjusted ordinary profit (*2)	¥ 4.2 billion	CAGR approx. 5%	¥ 5.0 billion

\* 1 Including all type of policy and loss adjustment expenses.

\* 2 Adjusted ordinary profit = Ordinary profit + Provision for catastrophe reserve

# Sony Bank

**Increase Business Volume  
based on High Customer  
Satisfaction**

- Make additional efforts to sophisticate customer support, product capabilities and website usability
- Bolster recognition and steadily increase business volume

**Strengthen Strategic  
Products**

- Enhance loans centering on mortgage loans to individual customers
- Further expand foreign currency business

**Ensure Steady Profit-  
generating Capacity**

- Secure growth in revenues and profits through appropriate ALM operations
- Maintain a stable interest spread

Continue to enhance recognition and steadily expand business operations with high levels of customer satisfaction as the driving force

### Nikkei's financial institution customer satisfaction rankings

Announced in January 2014



Ranked 1st for the seventh consecutive year

### Oricon's customer satisfaction rankings, mortgage loans division

Announced in July 2013



Ranked 1st for the third consecutive year (FY2011–FY2013)

### HDI-Japan sponsored ratings for support portals and inquiry desks

Announced in October 2013



Five-star rating – highest in the banking industry

### FY2013 after-sales service customer satisfaction rankings, banking division (Excluding regional banks)

Announced in August 2013



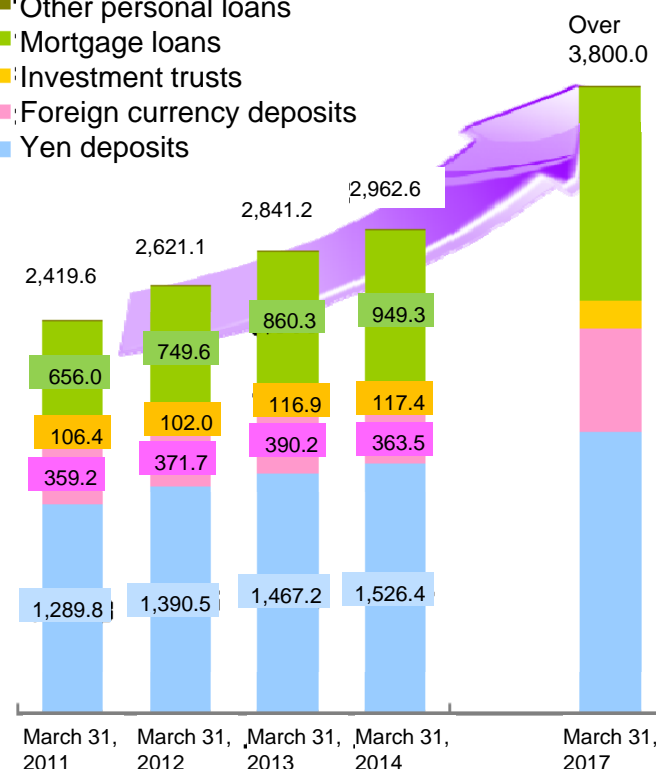
Ranked 1st for the second consecutive year (FY2012–FY2013)

### Retail balance

[Sum of deposits, investment trusts, personal loan balance]

(Billions of yen)

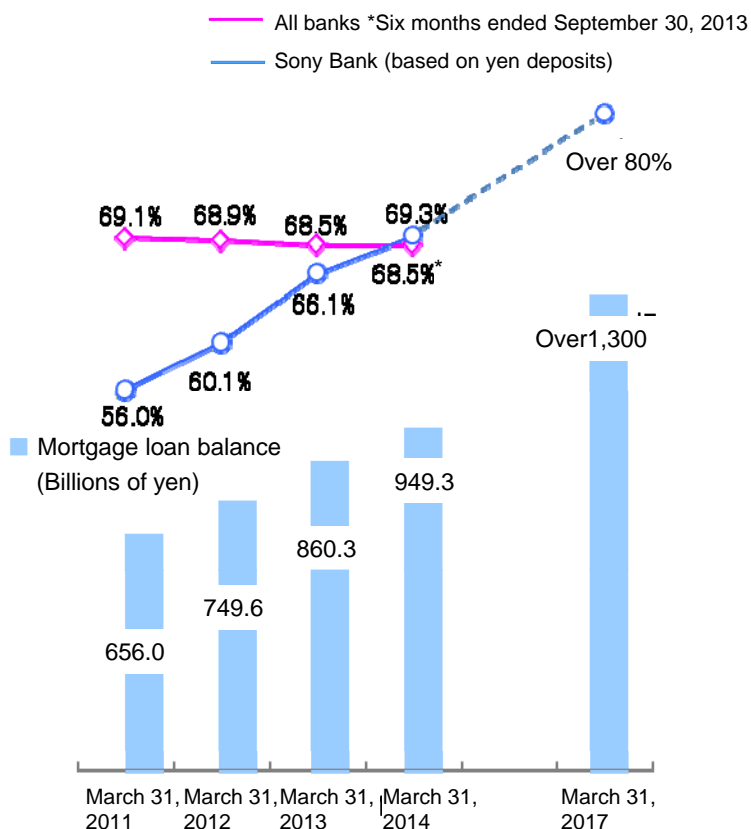
- Other personal loans
- Mortgage loans
- Investment trusts
- Foreign currency deposits
- Yen deposits





**Increase loan balances by strengthening product value and face-to-face sales channels to meet customers' needs for funding throughout their lives**

### Mortgage loan balance and loan-deposit rate



### Strengthen and diversify product value

- (1) Set interest rates in line with creditworthiness
- (2) Enhance content and information tools for group credit life insurance
- (3) Respond to customers' needs for funding throughout their lives
  - Card loans (FY14)
  - Loan products for seniors

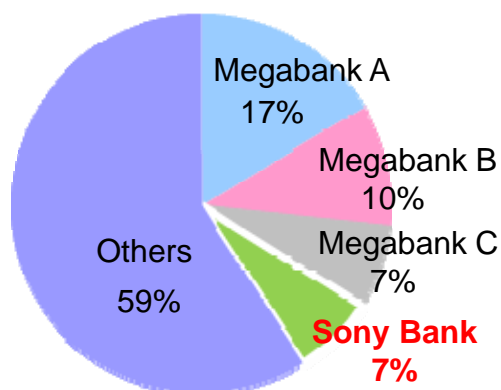


### Invigorate face-to-face sales channels

- (1) Enhance collaboration with Sony Life's Lifeplanner sales employees
- (2) Strengthen collaboration and expand relations with the allied real estate agents

Push our share of individual foreign currency deposit balances to a leadership position among Japanese banks by reinforcing the “usage” services as well as enhancing the “savings and investment” services of Sony Bank’s “Foreign Currency World®”

### Market share of foreign currency deposits



Notes: As of March 31, 2014; source for share information: Bank of Japan statistics (individual deposit balances)

### [Key measures for enhancing competitiveness (introduced in FY13)]

- (1) Launched automatic savings plans for foreign currency deposits October 2013
- (2) Provide tool to show the profitability of foreign currency deposits March 2014

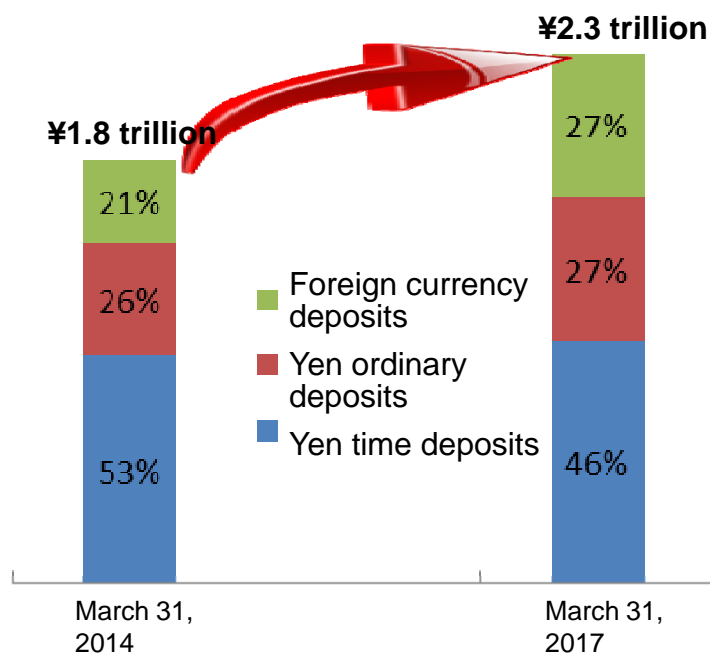
### Introduce and promote products and services that meet customers' needs

- ◆ Enhance the “usage” services
  - Settlement service with multiple-currency functionality
  - Web-based service for transferring foreign currency overseas
- ◆ Expand lineup of investment products
  - Provide new-type structural deposits
- ◆ Appeal to people who are foreign currency novices
  - Appeal foreign currency accumulation and other existing products in an easier-to-understand manner

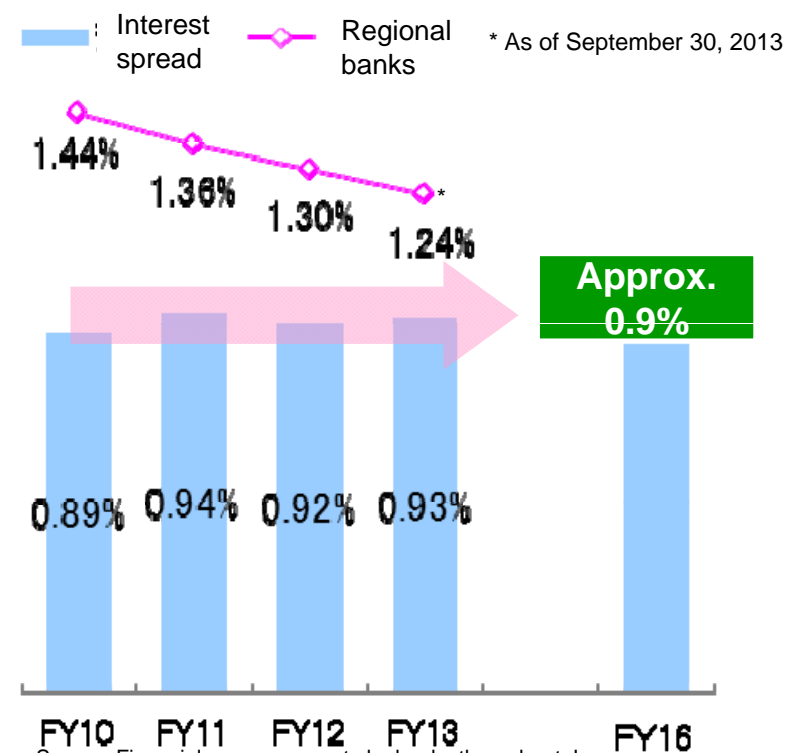
**Boost profitability by strategically changing the deposit structure, ensuring a stable interest spread even in a low-interest-rate environment**

**Boost profitability through changes in the deposit structure**

**Increase the relative weight of foreign currency deposits among total deposits**


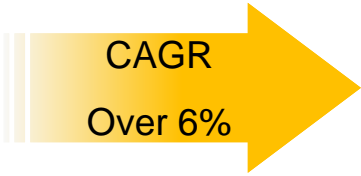
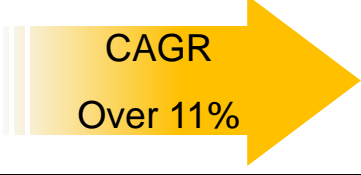


**Maintain a stable interest spread**



Source: Financial announcements by banks throughout Japan, Japanese Bankers Association

By increasing added value to customers and conducting enhanced ALM operations, Sony Bank aims to achieve sustained business expansion and a robust financial footing that is impervious to changes in the operating environment

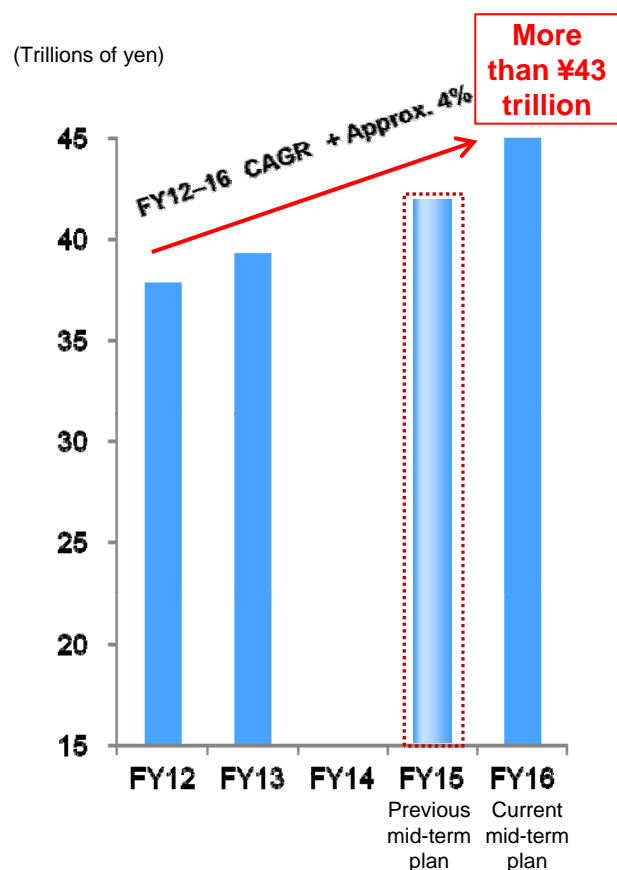
	FY13		FY16
<b>Retail balance</b> [Sum of deposits, investment trusts and personal loan balance]	¥2.9 trillion		Over ¥3.8 trillion
<b>Gross Operating Profit</b> (Sony Bank consolidated)	¥22.9 billion		¥27.7 billion
<b>Operating Profit</b> (Sony Bank consolidated)	¥5.6 billion		Over ¥7.0 billion

# Sony Financial Group

Maintain top-line growth through the steady expansion of our three core businesses

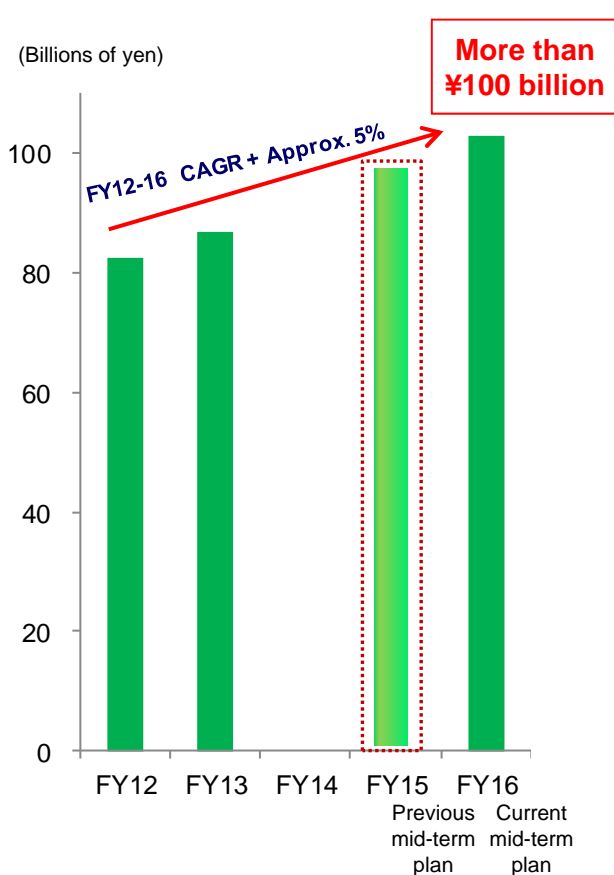
## Sony Life

Policy amount in force



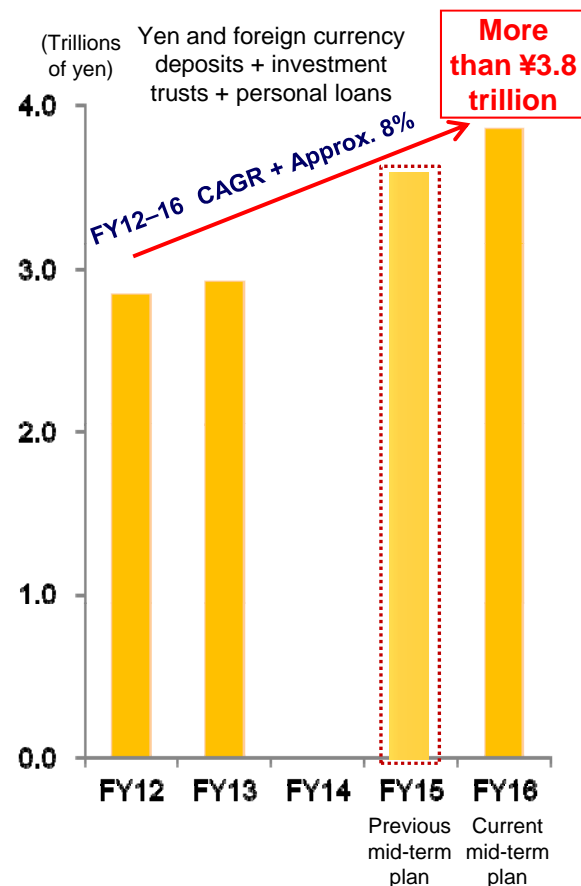
## Sony Assurance

Direct premiums written



## Sony Bank

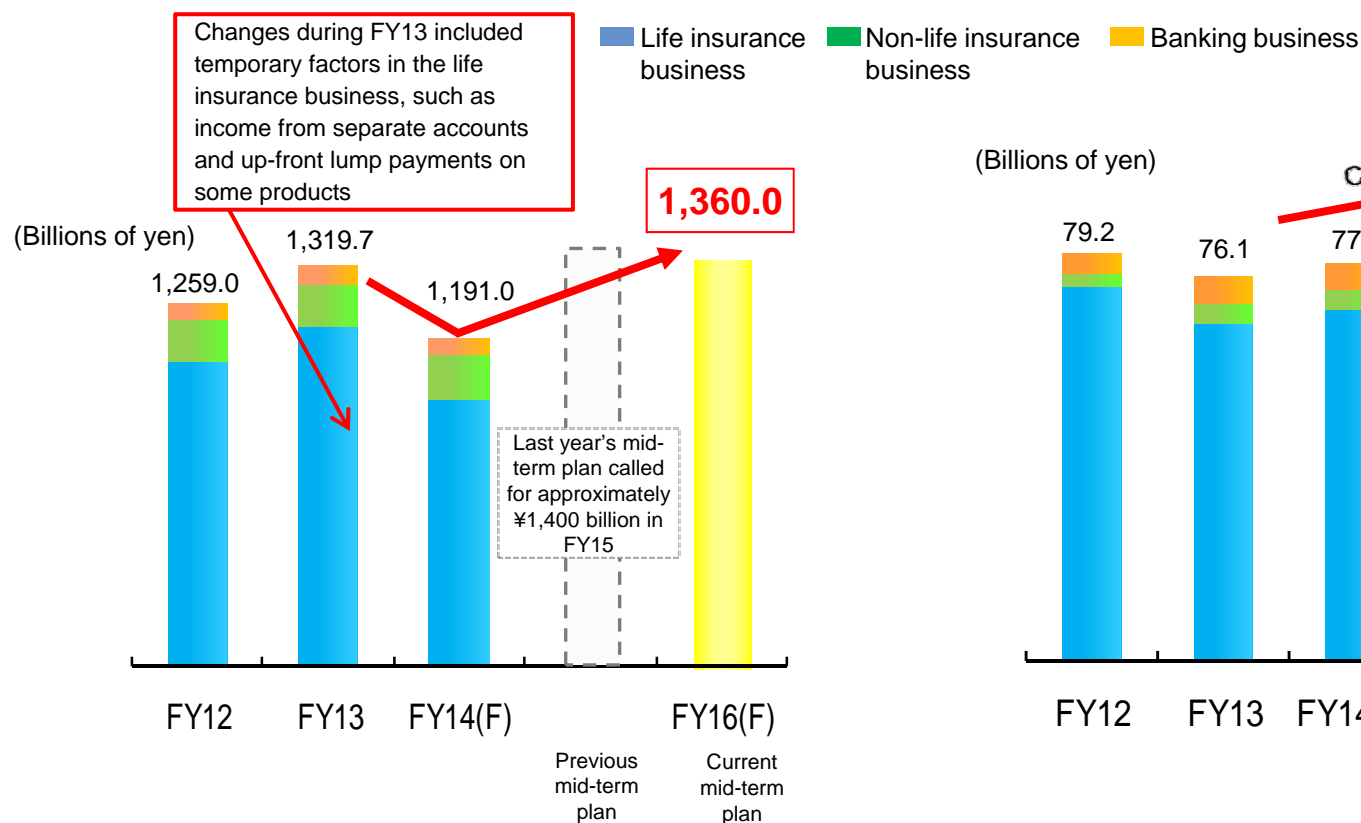
Retail balance



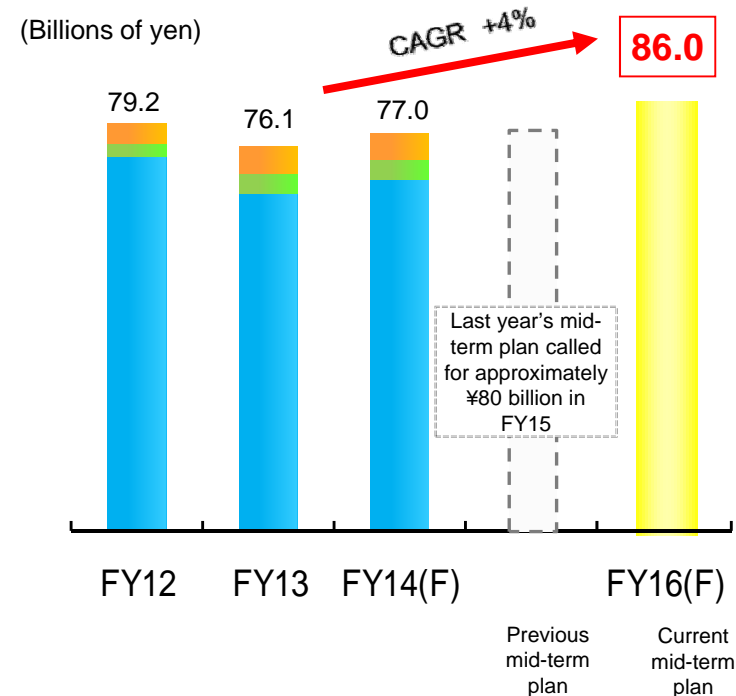
# Consolidated Ordinary Revenues and Profit

- We expect consolidated ordinary revenues to reach approximately ¥1,360.0 billion by FY16
- By FY16, we are targeting consolidated ordinary profit of ¥86 billion, exceeding the pace of our previous medium-term plan

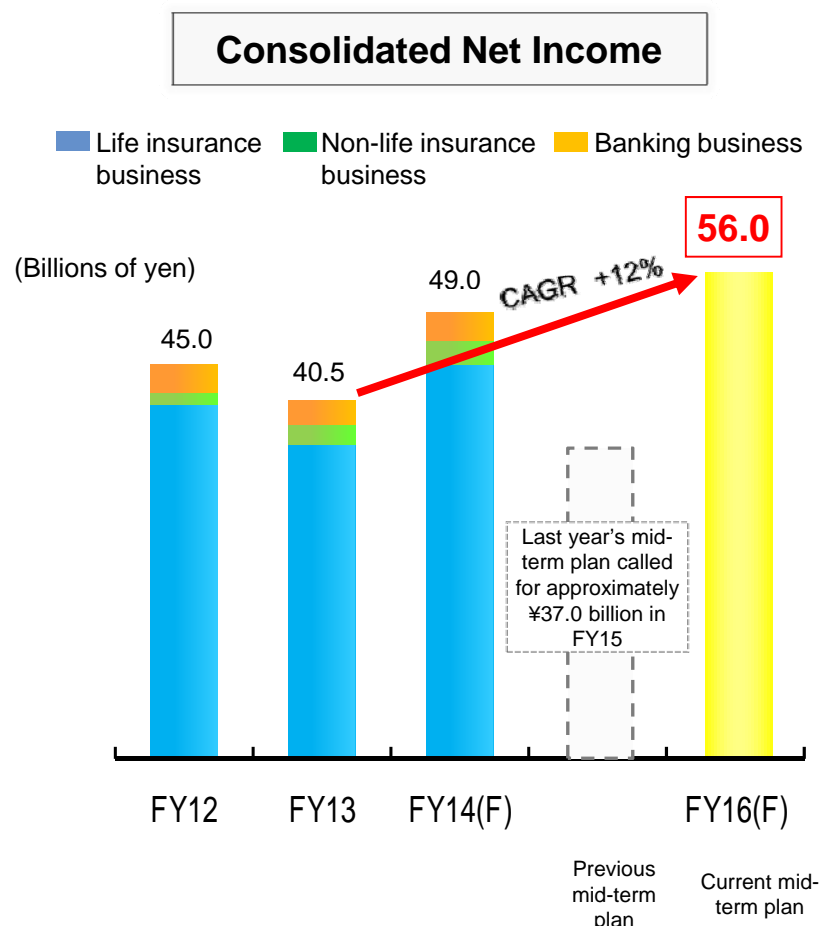
## Consolidated Ordinary Revenues



## Consolidated Ordinary Profit

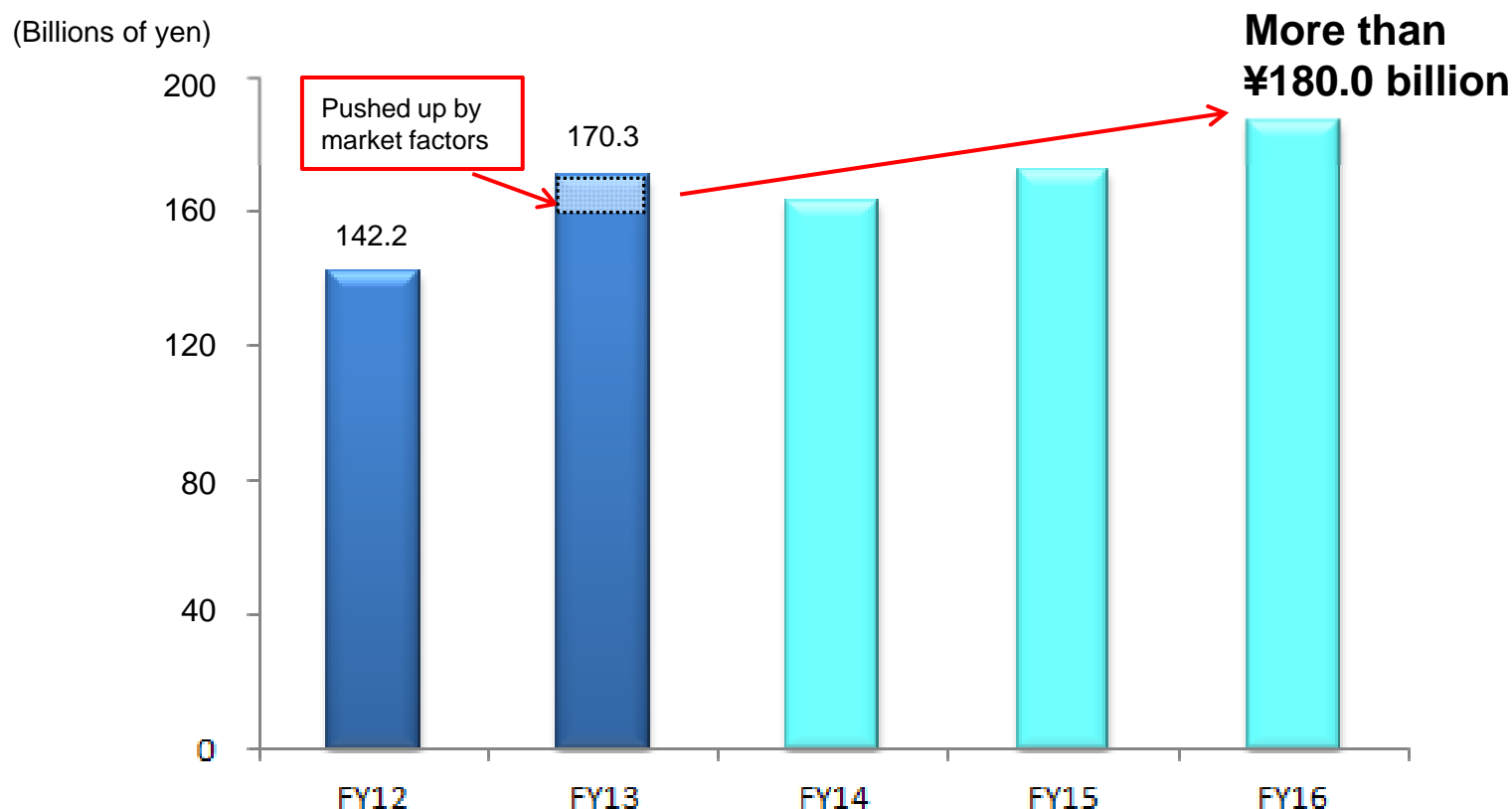


- By FY16, we revise upward growth in consolidated net income from our previous medium-term plan, due to Sony Life's change in its calculation policy of reserve for price fluctuations and the business expansion of individual companies.





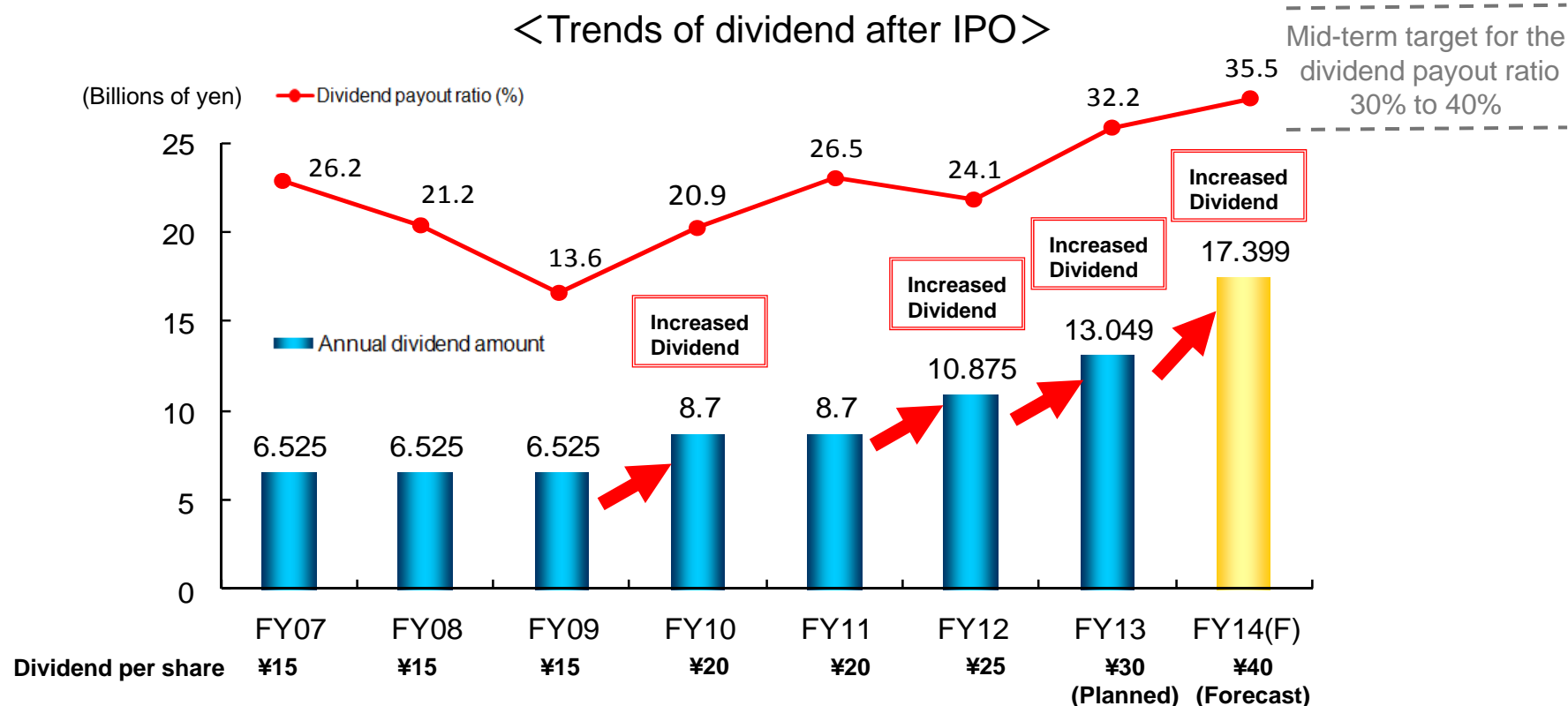
The Sony Financial Group's operating income under generally accepted accounting principles and practices in the United States continues to grow steadily. We aim for this figure to surpass ¥180.0 billion in FY16.



◆ SFH's parent company, Sony Corporation, presents its consolidated financial statements in accordance with U.S. GAAP. The financial information for the Sony Group's Financial Services segment, which includes the Sony Financial Group, is presented in accordance with U.S. GAAP. Although the Sony Financial Group constitutes the majority of the Sony Group's Financial Services segment, our Group presents its consolidated financial statements in accordance with Japanese GAAP.

◆ Please see slide 40 for an explanation of the primary discrepancies and differences in scope between U.S. and Japanese accounting practices.

- We plan to expand the dividend range in FY2014, raising dividends to ¥10 per share.
- This increase amounts to the third consecutive year of increases, from FY12 through FY14. We aim to augment shareholder returns, based on our policy of steadily increasing dividends in line with earnings growth over the medium to long term.



## Basic Mid-Term Management Policies

- ◆ Achieve sustained growth for the Group by further enhancing customer satisfaction
- ◆ Maintain a robust revenue base that is impervious to changes in the operating environment
- ◆ Augment shareholder returns on the basis of a stable revenue platform and high degree of soundness

We are positioning the current and following two fiscal years as a transitional phase during which to shore up our foundation to prepare for a new stage of growth that will deliver dramatic advances for each our Group companies over the next decade

**End**

# Appendix

## Consolidated Financial Forecast for FY2014

**Consolidated ordinary revenues are expected to decrease, ordinary profit is expected to remain at the same levels, and net income is expected to grow significantly.**

(Billions of yen)	FY2013 (Actual)	FY2014 (Forecast)	Change
<b>Consolidated ordinary revenues</b>	1,319.7	<b>1,191.0</b>	(9.8%)
<u>Life insurance business</u>	1,196.6	<b>1,061.9</b>	(11.3%)
<u>Non-life insurance business</u>	89.8	<b>92.4</b>	+2.8%
<u>Banking business</u>	35.7	<b>36.6</b>	+2.2%
<b>Consolidated ordinary profit</b>	76.1	<b>77.0</b>	+1.1%
<u>Life insurance business</u>	67.2	<b>67.4</b>	+0.2%
<u>Non-life insurance business</u>	3.0	<b>3.9</b>	+29.8%
<u>Banking business</u>	5.6	<b>5.3</b>	(6.0%)
<b>Consolidated net income</b>	40.5	<b>49.0</b>	+21.0%

<Segment information for ordinary revenues and ordinary profit>

■ **Life Insurance Business**

Ordinary revenues are expected to decrease because we do not expect such an increase in lump-sum payment insurance premiums and investment income on separate account due to market recovery as recorded in the previous fiscal year. However, we expect steady growth in policy amount in force. Ordinary profit is expected to be nearly at the same level as in the previous fiscal year. This is because we expect a higher provision for policy reserves related to minimum guarantees for variable life insurance policies, as well as an increase in operating expenses due to the consumption tax rate rise. We do not expect any negative impact from a rise in provision of policy reserves resulting from the revision of the discount rate used for calculating policy reserves in the previous fiscal year.

■ **Non-life Insurance Business**

Ordinary revenues are expected to increase in line with growth in net premiums written, primarily for mainstay automobile insurance. Ordinary profit is expected to rise stemming from the rise in ordinary revenues and a decline in the loss ratio.

■ **Banking Business**





Ordinary revenues are expected to rise year on year, because we regard to stable and sustainable business growth even in an environment characterized by persistently low interest rates. Ordinary profit is expected to decrease because we do not believe that foreign exchange transactions will be as vigorous as in the previous fiscal year, and we expect higher operating expenses as we pursue initiatives designed to strengthen our settlement function with an eye to future growth, while we expect higher ordinary revenues to lead to an increase in gross operating profit.

<**Consolidated net income**>

Net income is expected to grow significantly year on year. This is because Sony Life has changed its calculation policy of the reserve for price fluctuations to accumulate reserves up to required levels from this fiscal year while it had accumulated reserves in excess of the required levels until the previous fiscal year.

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

- In FY13, the substantial improvement in Sony Life's adjusted ROE (rate of increase in MCEV) contributed to this rise
- Based on interest rate assumptions as of March 31, 2014, we expect to maintain consolidated adjusted ROE of approximately 8%

	FY13		FY16
<b>Consolidated adjusted ROE</b>	14.2%		<b>Approx. 8%</b>
<b>Of which</b>			
Sony Life (non-consolidated)	14.9%		7 to 8%
Sony Assurance	9.8%		Approx. 10%
Sony Bank (consolidated)	4.8%		Approx. 6%

Note: Calculation of consolidated adjusted ROE is as follows.

\*Sony Life's assumptions about the economic environment based on the market environment as of March 31, 2014 for FY16 target.

	Numerator	Denominator
Sony Life (non-consolidated)	Net increase in MCEV plus dividends	The average of (MCEV at previous fiscal year-end minus dividends plus MCEV at current fiscal year-end)
Sony Assurance	Net income+ increase in provision for catastrophe reserve (after tax)+ increase in reserve for price fluctuations (after tax)	The average of (net assets + 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 (consolidated)	Net income	The average of net assets as of the previous fiscal year-end and the current fiscal year-end

## Sony Life (Reference 3) U.S. GAAP-based Operating Income



➤ As for profit of an insurer with growing policies in force, the following two reasons increase profit for U.S. GAAP-based operating income of the Sony Group's financial services segment compared with Japanese GAAP-based ordinary profit of the Sony Financial Group:

- Different accounting treatment for policy reserves (future insurance policy benefits)
- Accounting treatment of deferred insurance acquisition costs (recorded in U.S. GAAP only)

SFH's consolidated results\* are prepared in accordance with Japanese GAAP. As such, these figures differ in significant respects from the financial information reported by Sony, the SFH's parent company, which prepares its financial statements in accordance with U.S. GAAP.

Sony Financial Group's scope of consolidation and that of Sony Group's Financial Services segment are described below.

< Sony Financial Group's scope of consolidation under Japanese GAAP >

\*SFH's scope of consolidation includes Sony Financial Holdings Inc., Sony Life Insurance Co. Ltd., Sony Assurance Inc., Sony Bank Inc., Sony Life Insurance (Philippines) Corporation, Sony Bank Securities Inc., SmartLink Network, Inc. and SmartLink Network Hong Kong Limited. It also includes AEGON Sony Life Insurance Co., Ltd. and SA Reinsurance Ltd., as affiliated companies accounted for under the equity method. Smart Link Network, Inc. and SmartLink Network Hong Kong Limited were included in the scope of consolidation from the second quarter ended March 31, 2012 and the fourth quarter ended March 31, 2014, respectively. Sony Bank Securities Inc. and Sony Life Insurance (Philippines) Corporation were out of the scope of consolidation from the second quarter of the year ended March 31, 2013 and the third quarter of the year ended March 31, 2013, respectively and thereafter.

<Scope of consolidation of the Sony Group's Financial Services segment under U.S. GAAP >

Sony Group's Financial Services segment includes Sony Financial Holdings Inc., Sony Life Insurance Co. Ltd., Sony Assurance Inc., Sony Bank Inc., Sony Bank Securities Inc., SmartLink Network, Inc., and SmartLink Network Hong Kong Limited. and Sony Finance International, Inc. It also includes AEGON Sony Life Insurance Co., Ltd., SA Reinsurance Ltd., and SFI Leasing Company, Limited as affiliated companies accounted for under the equity method. However, from the fiscal year ended March 31, 2013, Sony Finance International, Inc., and the equity results of SFI Leasing Company, Limited, are not included in the Sony Group's Financial Services segment. Sony Bank Securities Inc. was out of the scope of consolidation from the second quarter of the year ended March 31, 2013 and thereafter.

SFH announced [Reference Disclosure] Key Performance Figures Based on U.S. GAAP on May 14, 2014. Please refer the announcement.  
[http://www.sonyfh.co.jp/en/financial\\_info\\_results/sfh\\_fy2013\\_4q\\_02.pdf](http://www.sonyfh.co.jp/en/financial_info_results/sfh_fy2013_4q_02.pdf)

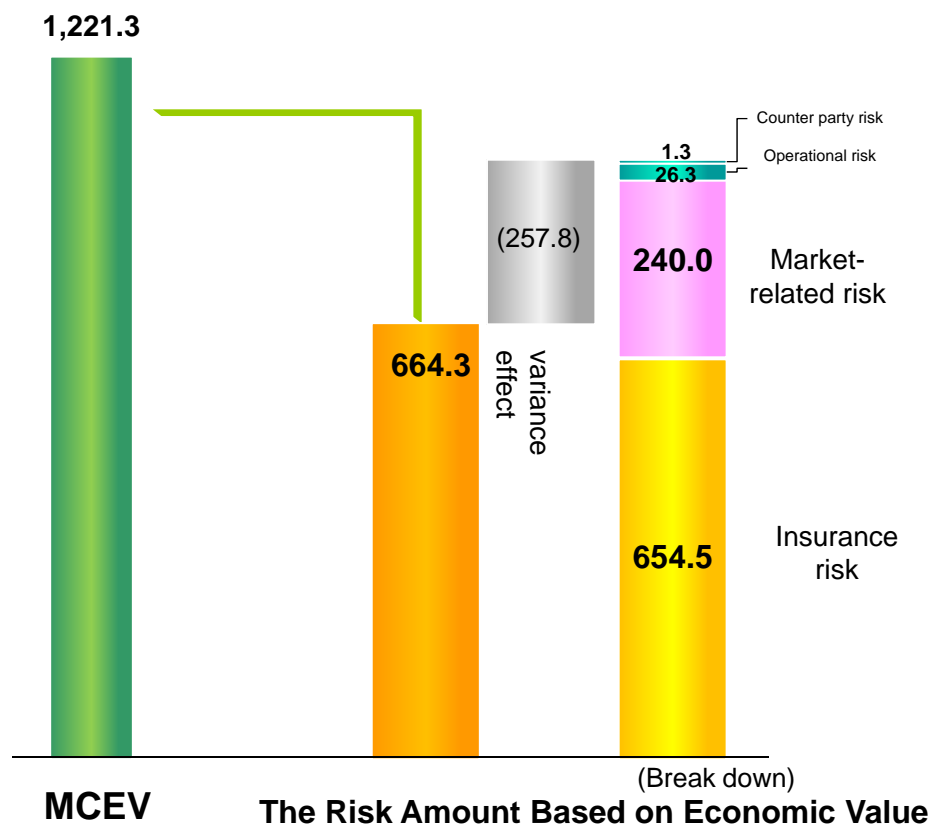


	<b>2014.3.31 (Actual)</b>		<b>Mid-term Policy</b>
<b>Sony Life</b> (non-consolidated)	Solvency margin ratio	2,358.7%	<ul style="list-style-type: none"> <li>Conduct ongoing risk management which has been incorporating possible tightening of capital requirements based on economic value in future.</li> <li>Sony Life ensures financial soundness by keeping its risks within a proper level of MCEV, which is capital based on economic value.</li> </ul>
	Risk amount based on economic value	184%	
<b>Sony Assurance</b>	Solvency margin ratio	527.6%	<ul style="list-style-type: none"> <li>In preparation for future growth of business volume and risk assets, ensure soundness which is consistent with levels ultimately required by Basel III.</li> </ul>
<b>Sony Bank</b> (non-consolidated)	Capital adequacy ratio	11.72%	

## The Risk Amount Based on Economic Value (after tax)

**2014.3.31**

(Billions of yen)

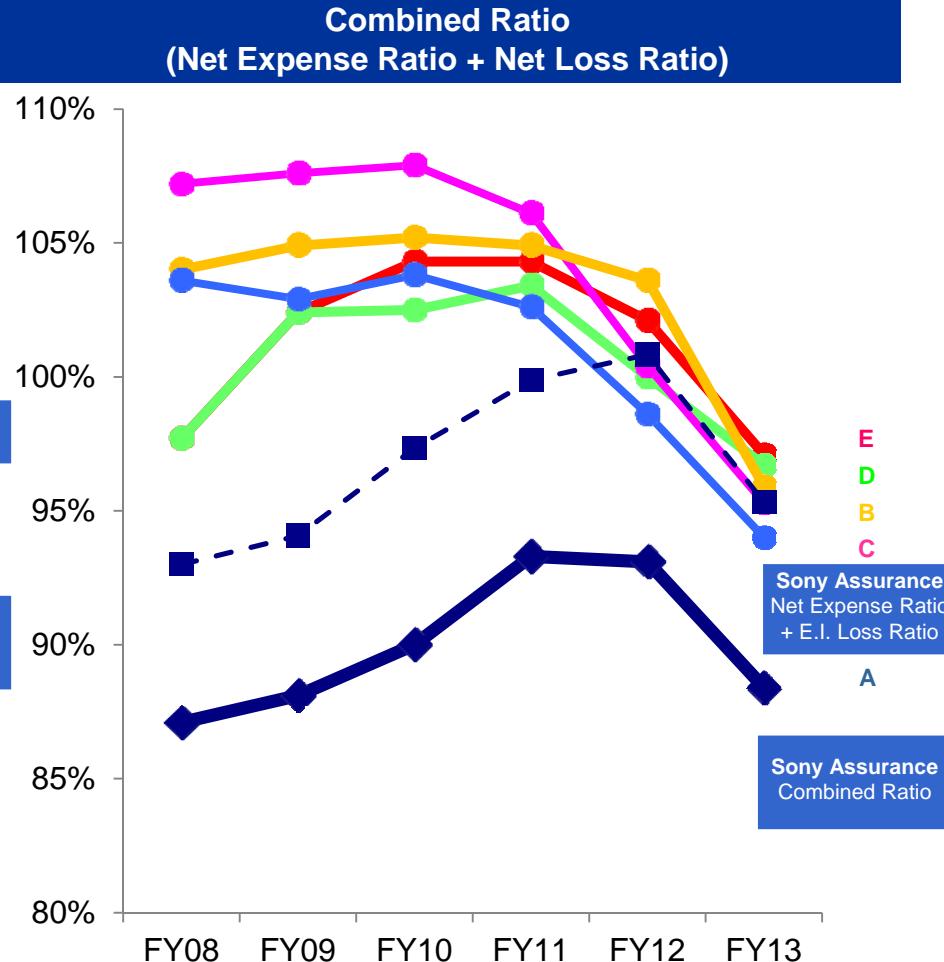
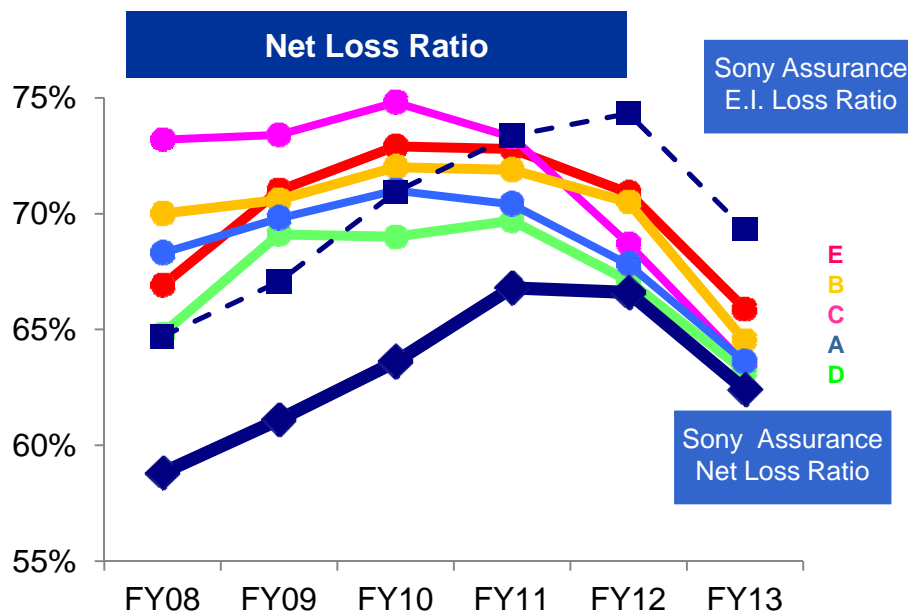
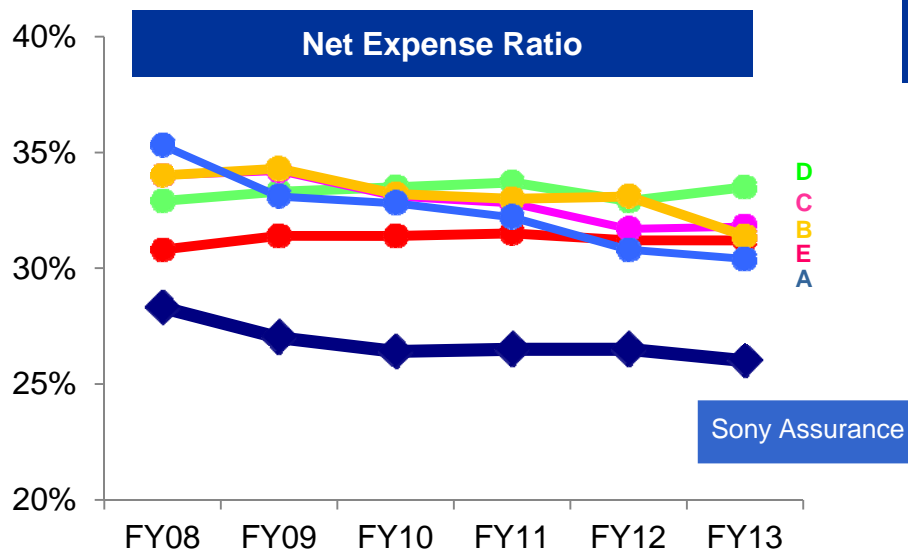


### Sony Life's Basic Policy on Risk Preferences

- 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 stably growing corporate value of life insurance business.

\*Interest rate risk amounted to ¥180.9 billion, excluding the variance effect within market-related risk.

# Sony Assurance (Reference 6) Automobile Insurance



Notes: Sony Assurance  
 Earned/Incurred loss ratio = (Net losses paid + Provision for reserve for outstanding losses + Loss adjustment expenses) / Earned premiums.  
 [Earthquake insurance and compulsory automobile liability insurance are excluded from the above calculation.]  
 Net loss ratio= (Net losses paid + Loss adjustment expenses) / Net premiums written  
 Net expense ratio= Expenses related to underwriting / Net premiums written

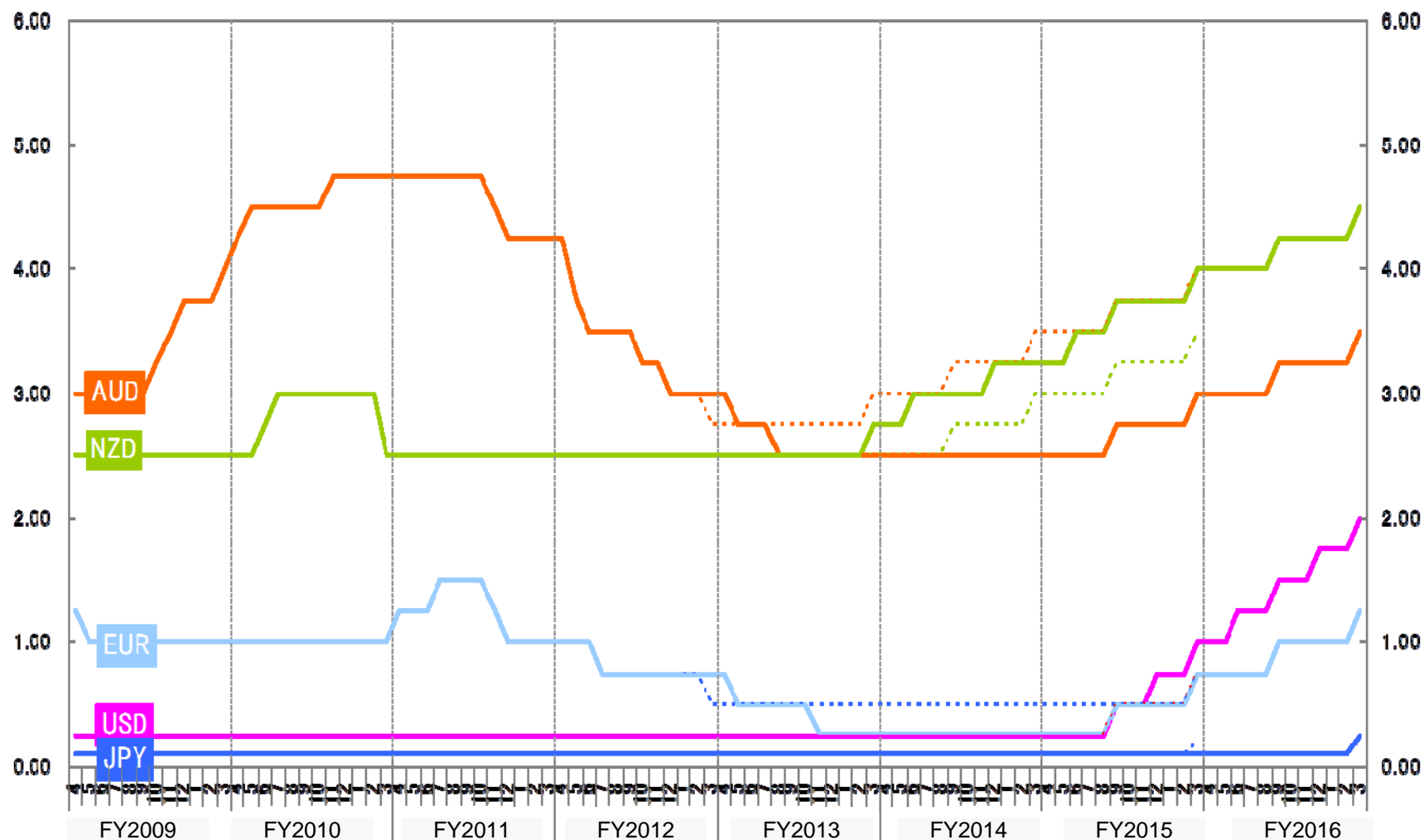
Source: Disclosure from each insurer

## Interest Rate Assumptions by Currency

\* Solid lines show the assumption as of end of Jan. 2014, while dotted lines show those set as of the end of Jan. 2013

\* Implied forward rates are used for the future assumption.

Sony Bank: Assumption on interest rates of each currency as of Feb. 2014.





**Contact:**

Corporate Communications & Investor Relations Department  
Sony Financial Holdings Inc.

TEL: +81-3-5785-1074