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**[Presentation Material]**

**Sony Financial Group  
Corporate Strategy Meeting  
for Fiscal Year 2015**

**Sony Financial Holdings Inc.  
June 1, 2015**

Disclaimers:

This presentation material contains statements concerning the current plans, expectations, strategies and beliefs of the Sony Financial Group. Any statements contained herein that pertain to future operating performance and that are not historic facts are forward-looking statements. Forward-looking statements may include—but are not limited to—words such as “believe,” “anticipate,” “plan,” “strategy,” “expect,” “forecast,” “predict,” and “possibility” that describe future operating activities, business performance, events or conditions. Forward-looking statements, whether spoken or written, are based on judgments made by the management of the Sony Financial Group, based on information that is currently available to it. As such, these forward-looking statements are subject to various risks and uncertainties, and actual business results may vary substantially from the forecasts expressed or implied in forward-looking statements. Consequently, investors are cautioned not to place undue reliance on forward-looking statements. The Sony Financial Group disclaims any obligation to revise forward-looking statements in light of new information, future events or other findings. Sony Financial Holdings disclaims any such obligation. The information contained in this presentation does not constitute or form part of any offer for sale or subscription of or solicitation or invitation of any offer to buy or subscribe for any securities, nor shall it or any part of it form the basis of or be relied on in connection with any contract or commitment whatsoever.

\*Unless otherwise indicated, in these materials figures less than the indicated unit have been truncated, while ratios and percentage changes have been rounded.

\*The amount of net income for and after FY15 is equivalent to the amount of “Net income attributable to parent company” of Accounting Standard for Business Combinations (ASBJ Statement No. 21, on Sep. 13, 2013) and the related revision.

\* “Lifeplanner” is a registered trademark of Sony Life. “Foreign Currency World” is a registered trademark of Sony Bank.

## **Sony Financial Group Key Messages**

### **Medium-term business strategies of each group company**

**Sony Life**

**Sony Assurance**

**Sony Bank**

**Sony Lifecare**

## **Sony Financial Group Consolidated management targets Returns to shareholders**

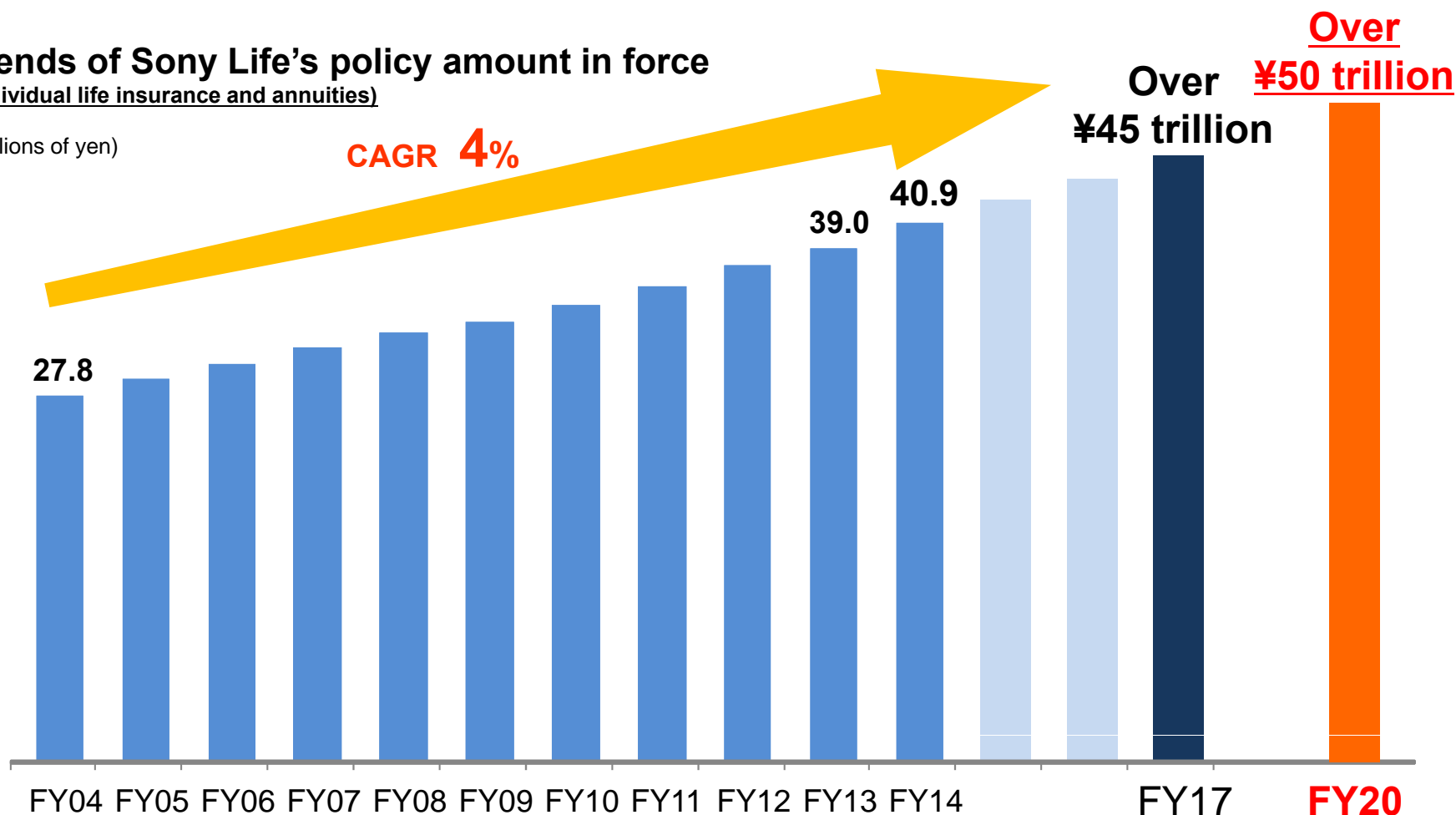
- **Operating performance reached record levels in FY14**
  - The life insurance, non-life insurance and banking businesses each posted increased revenues and profits, leading to consolidated ordinary profit of ¥90.0 billion
  - Sony Life's new policy amount made a V-shaped recovery to establish a new record
- **The new medium-term management plan to FY17 aims to further strengthen competitiveness of each group company and ensure sustained and steady growth amid an ultralow-interest-rate environment**
  - FY17 targets: Consolidated ordinary profit of ¥100.0 billion and operating income under US-GAAP of ¥200.0 billion
- **Further augment returns to shareholders**
  - Increased the medium-term target dividend payout ratio to 40–50%, enhancing returns to shareholders
  - Expect to raise dividends per share by ¥15 (from ¥40 per share to ¥55) in FY15, for the fourth consecutive year of increases, since FY12

# Sony Life

Steadily increase policy amount in force at approx. 4% per annum while establishing framework for providing lifelong insurance protection to each customer

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

(Trillions of yen)



## Key Messages: Initiatives toward Growth

### Promote sustainable growth of sales channels

- Expand the scope of the Lifeplanner channel and improve productivity
- Increase business in the independent agent channel in response to changes in the environment

### Entrench competitive advantages, take on growth domains

- Continue to concentrate on the death-protection business, an area of competitive advantage
- Undertake new initiatives targeting the corporate and senior markets

### Ensure stable growth in corporate value

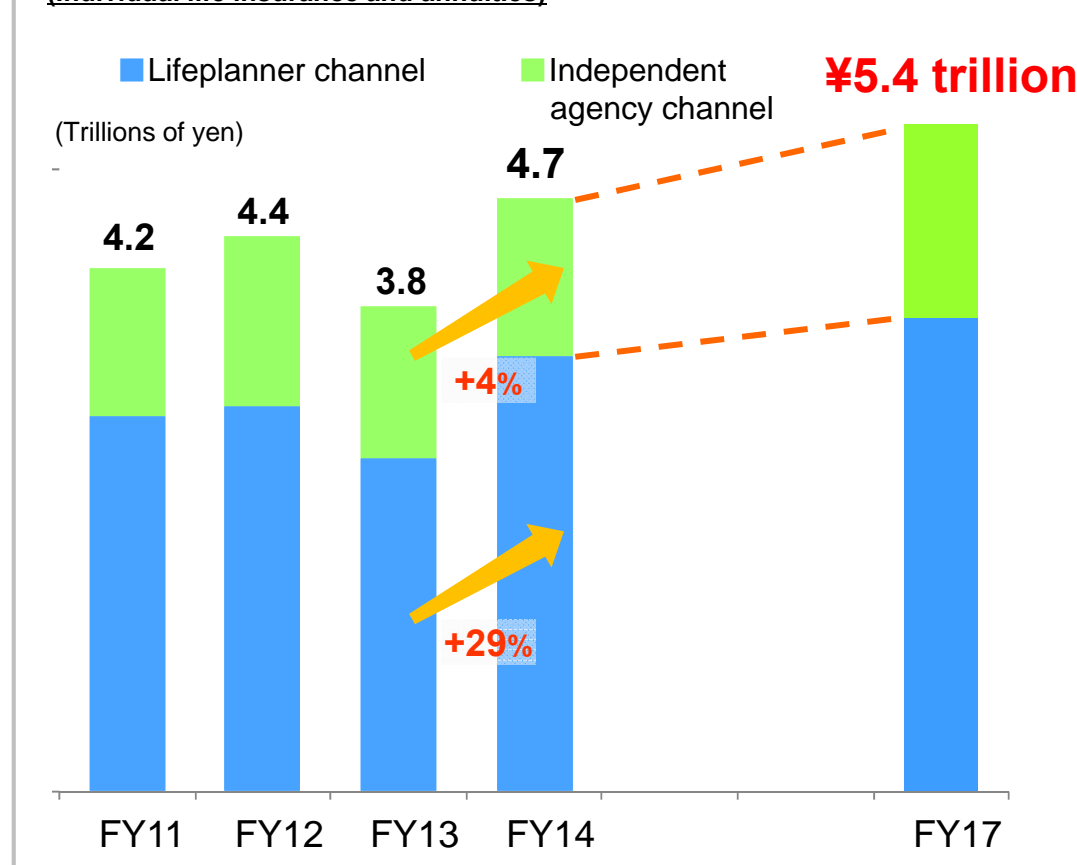
- Maintain a high level of soundness and enhance corporate value
- Steadily increase profits over the medium to long term

## Trends of New Policy Amount by Sales Channel

**Achieved record sales in new policy amount in FY14,  
and will maintain growth**

### Trends of Sony Life's new policy amount

(Individual life insurance and annuities)

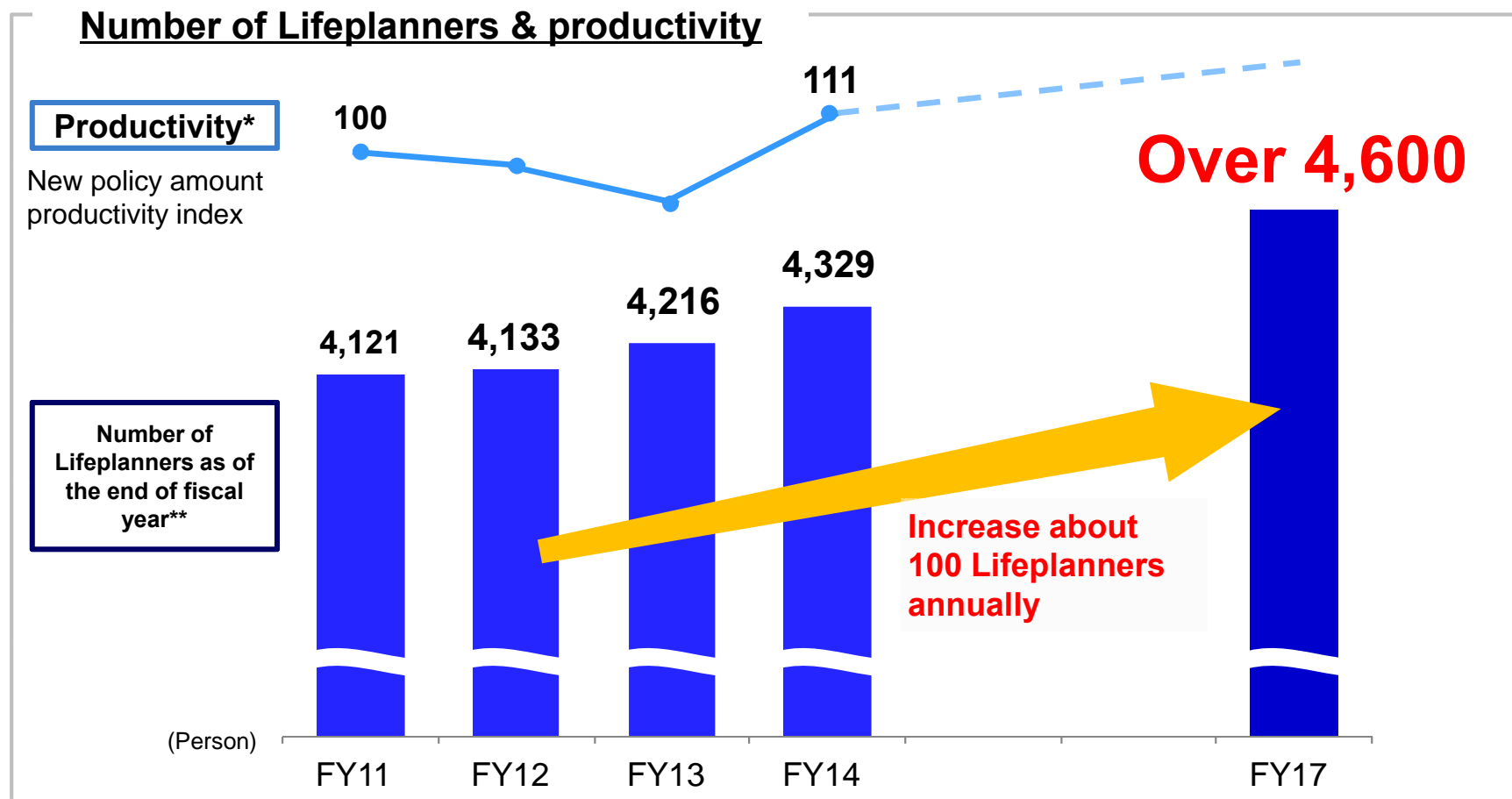


New policy amount increased substantially centering Lifeplanner channel while reinforcing sales capabilities in the field of death protection

Aiming to acquire further contracts by providing death-protection consulting thoroughly to customers and strengthening marketing capabilities through utilizing and mixing each channel sales advantage.



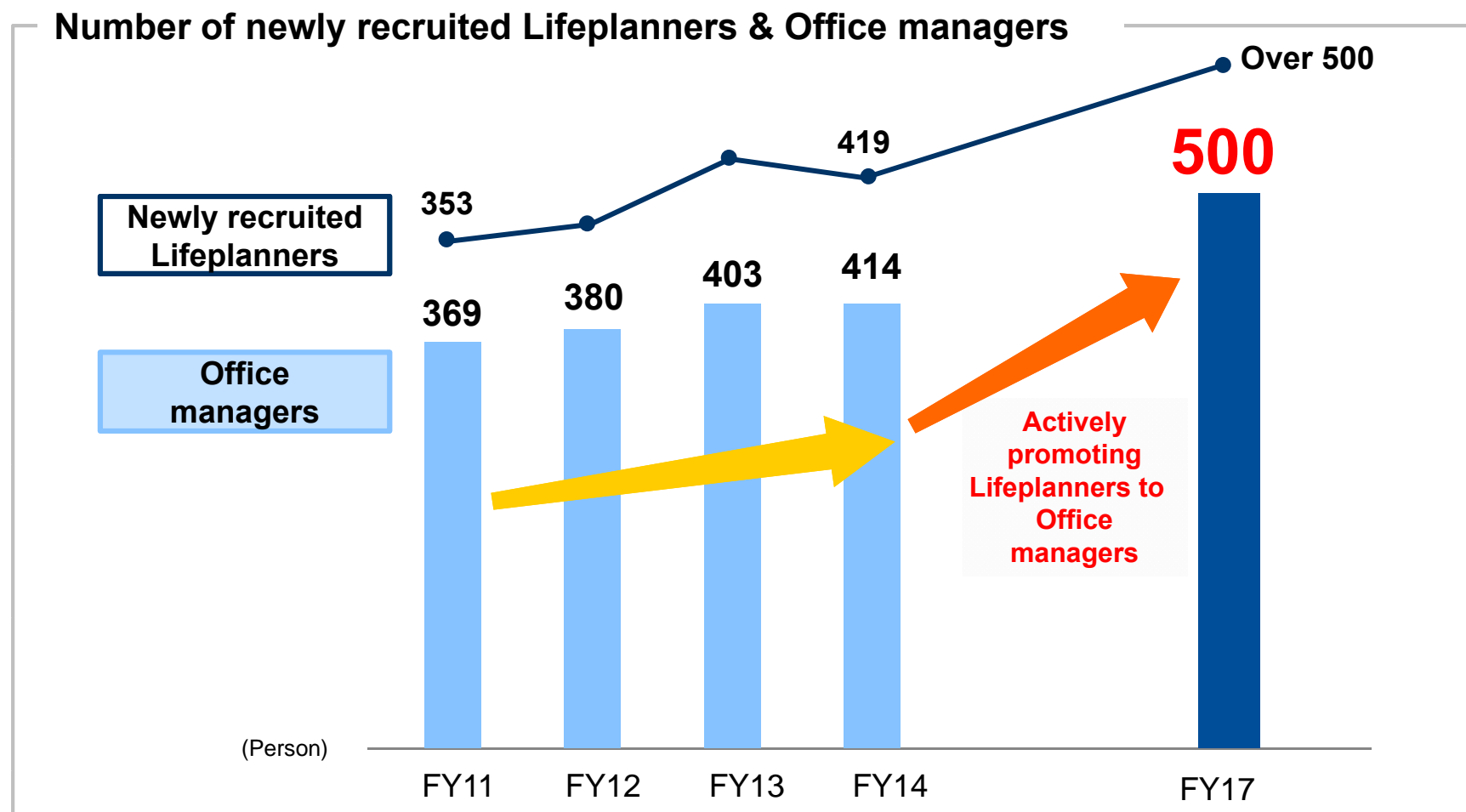
Steadily increase the number of Lifeplanners, while maintaining and improving their productivity



\* Productivity is indexed to FY11 = 100, calculated on the basis of new policy amount.

\*\* 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.

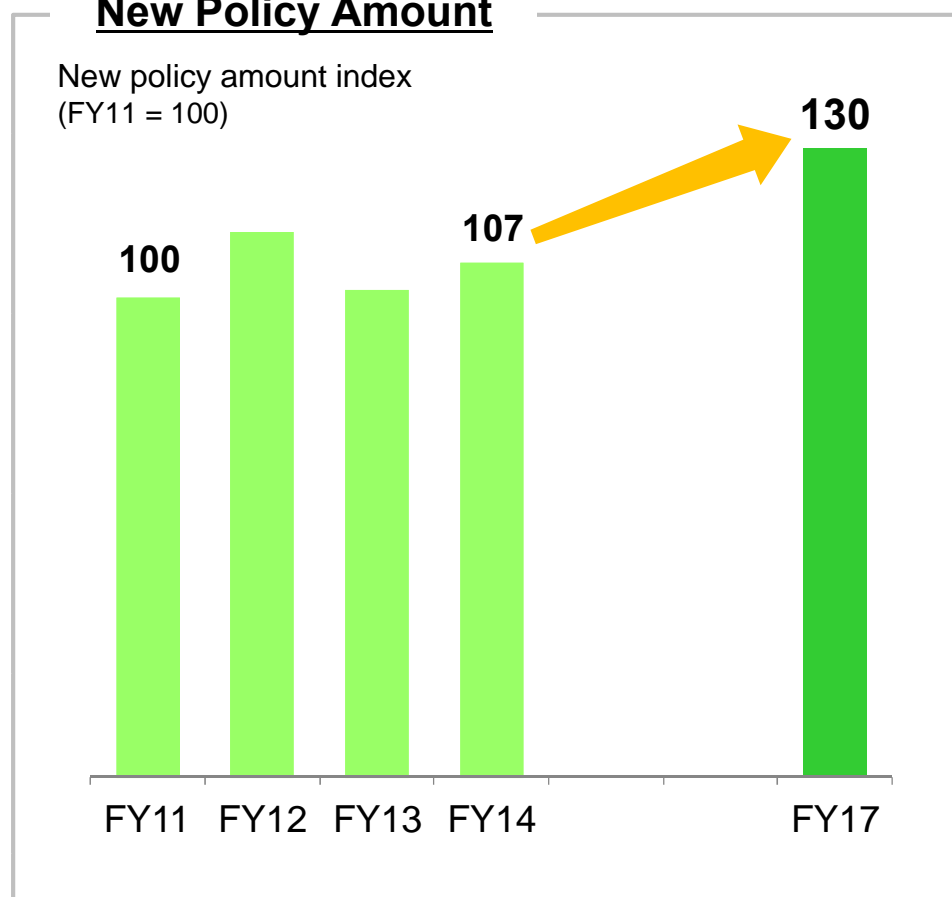
Aiming to hire 500 newly recruited Lifeplanners annually by actively promoting Lifeplanners to “Office managers”, responsible for recruiting



## Increase business volume in response to environmental changes

### New Policy Amount

New policy amount index  
(FY11 = 100)



### Changes in the regulatory environment

- Duty to prepare systems
- Duty to understand intent
- Duty to provide information

### ■ Independent agents with close regional ties

System preparation support  
Marketing support

### ■ Independent agents covering a broad area

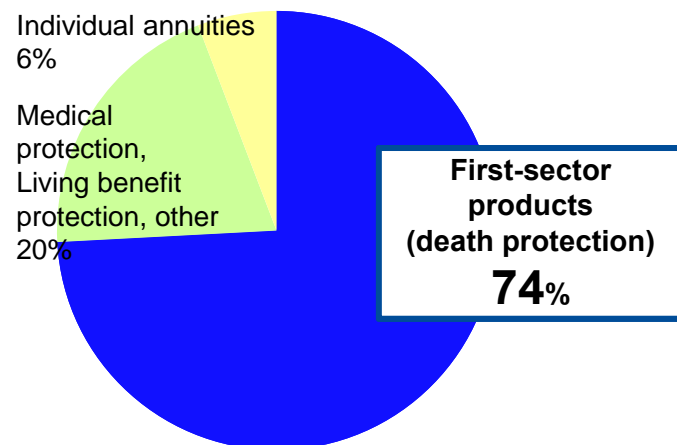
Support for establishment of new shops  
Support for agent education and cultivation

**Forge stronger trust-based relationships through management and sales support tailored to individual partners**

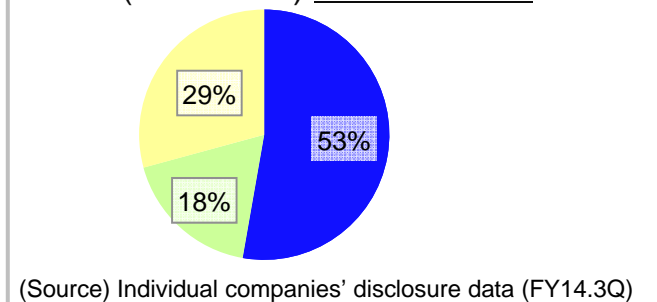
## Maintain and strengthen initiatives dedicated to providing death protection

### Share of business by product category

(Based on annualized premiums from new policies)



(Reference) overall market



### ■ Enhance education systems

Revise our program for educating new Lifeplanner sales employees

Increase sophistication of manager training which is conducted for all managers

### ■ Reinforce product capabilities

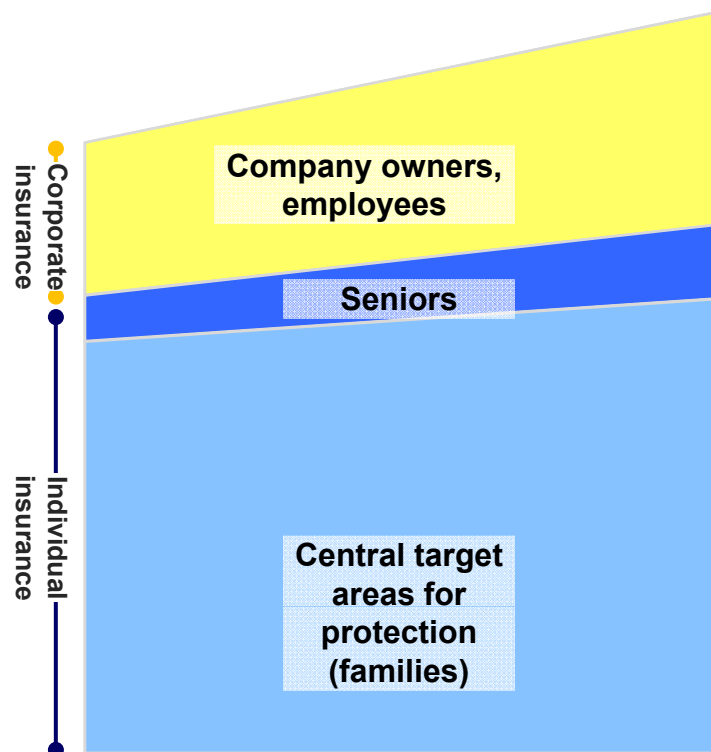
Release new products that expand the scope of coverage on family income insurance

### ■ 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

Strengthen and accelerate initiatives in domains offering room for growth

(Conceptual representation of Sony Life's growth)



### ◆ Companies

#### Enhance cross-channel support structures

- Develop and expand sales support tools
- Prepare back-office systems
- Consider developing new products for companies

### ◆ Seniors

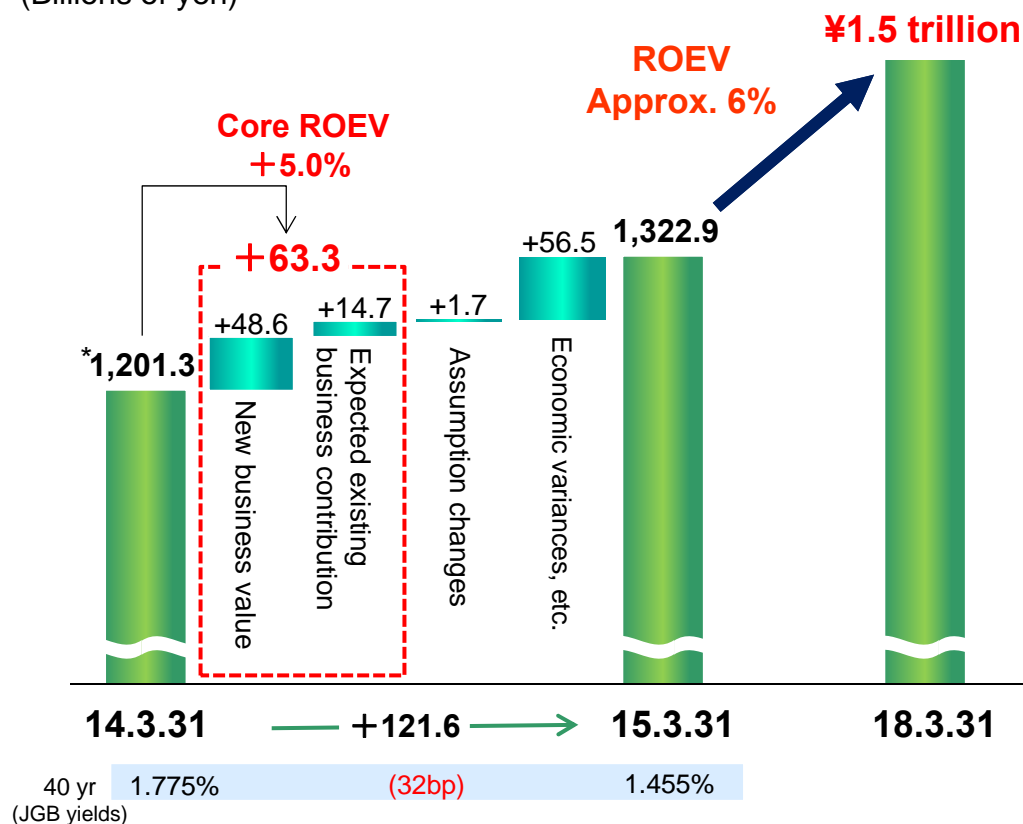
#### Launch lump-sum payment whole life insurance (May 2015)

- Cultivate the market from the angle of inheritance needs

**Achieve steady growth in corporate value through steadily acquiring new policies as well as keeping a high level of financial soundness**

### MCEV

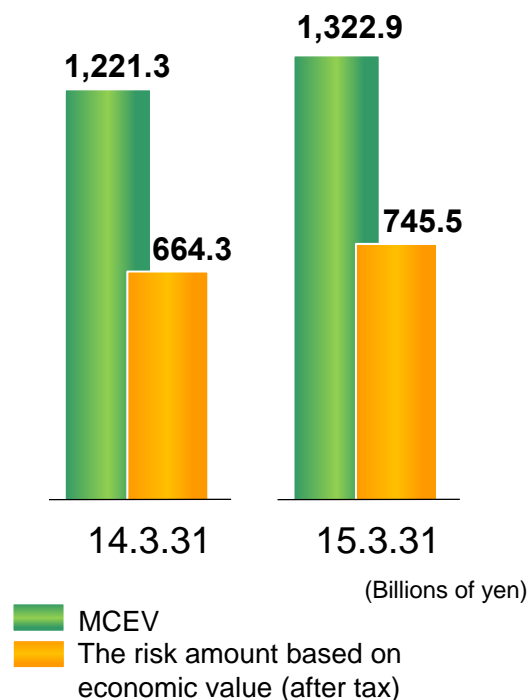
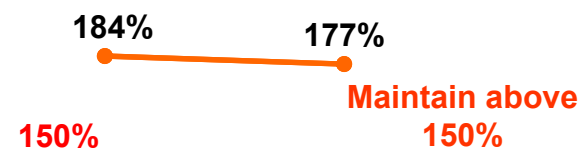
(Billions of yen)



\*Dividends paid to shareholders of ¥20.0 billion in FY14 are not included.

### Financial soundness based on economic value

ESR (MCEV/ Risk amount)

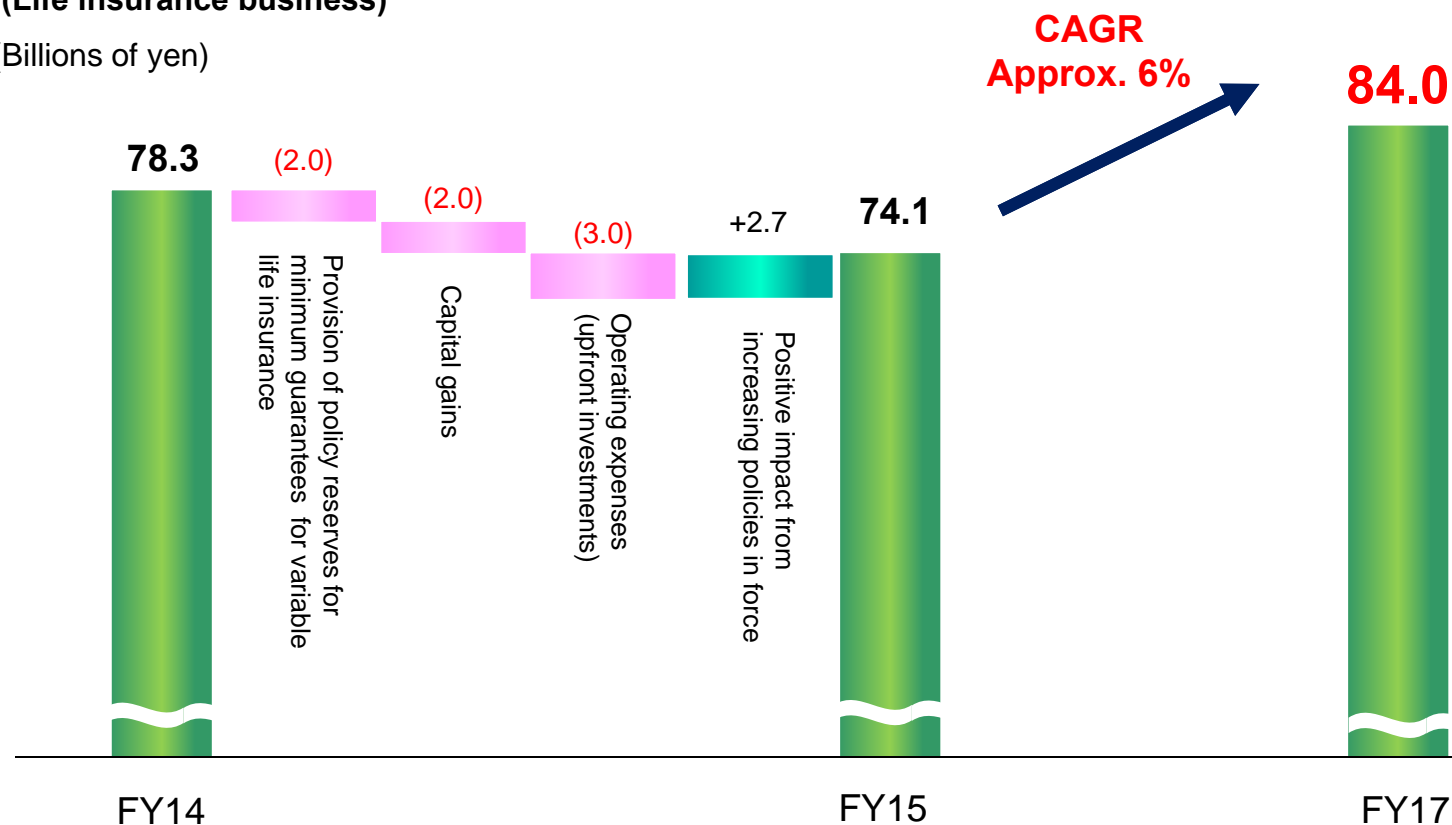


Pursuing its upfront investments in FY15,  
aiming for middle to long term profit growth

### Ordinary profit

(Life insurance business)

(Billions of yen)



Strive to ensure continuous growth while expanding business volume

	FY14		FY17
Policy amount in force	¥40.9 trillion	CAGR approx. 4%	Over ¥45.0 trillion
Number of Lifeplanners <small>(Note1)</small>	4,329	Approx. 300 increase	Over 4,600
MCEV <small>(Note2)</small>	¥1.3 trillion	ROEV approx. 6%	¥1.5 trillion
Ordinary profit <small>(Life insurance business)</small>	¥78.3 billion	<small>(From FY15)</small> CAGR approx. 6%	¥84.0 billion

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

(Note 2) Sony Life's assumptions about the market environment as of the middle of May, 2015 for FY17 target.



# Sony Assurance

**Ensure sound  
profitability**

- Substantial recovery in profitability, due to an improved loss ratio on automobile insurance
- Ensure sound profitability through detailed ongoing measures to improve the loss ratio

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

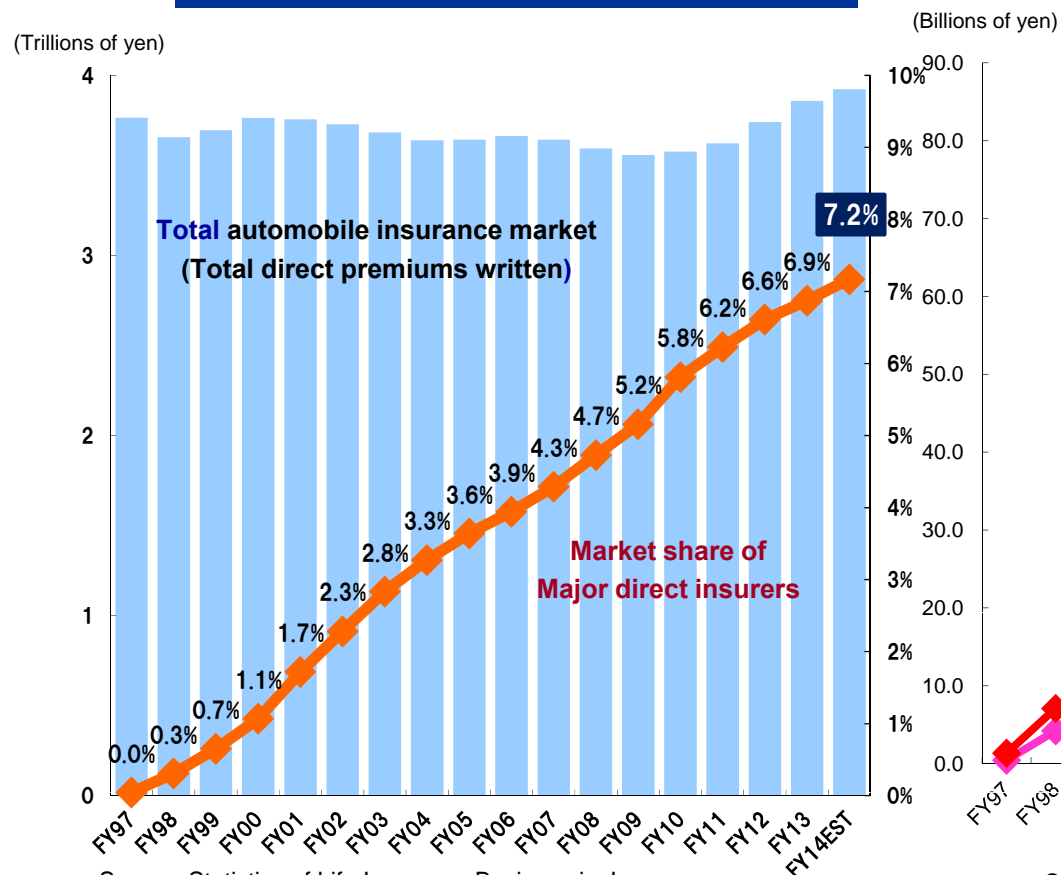
- Firmly maintain its leading position in the market for direct automobile insurance
- Reinforce the stable earnings base by expanding business in categories other than automobile insurance

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

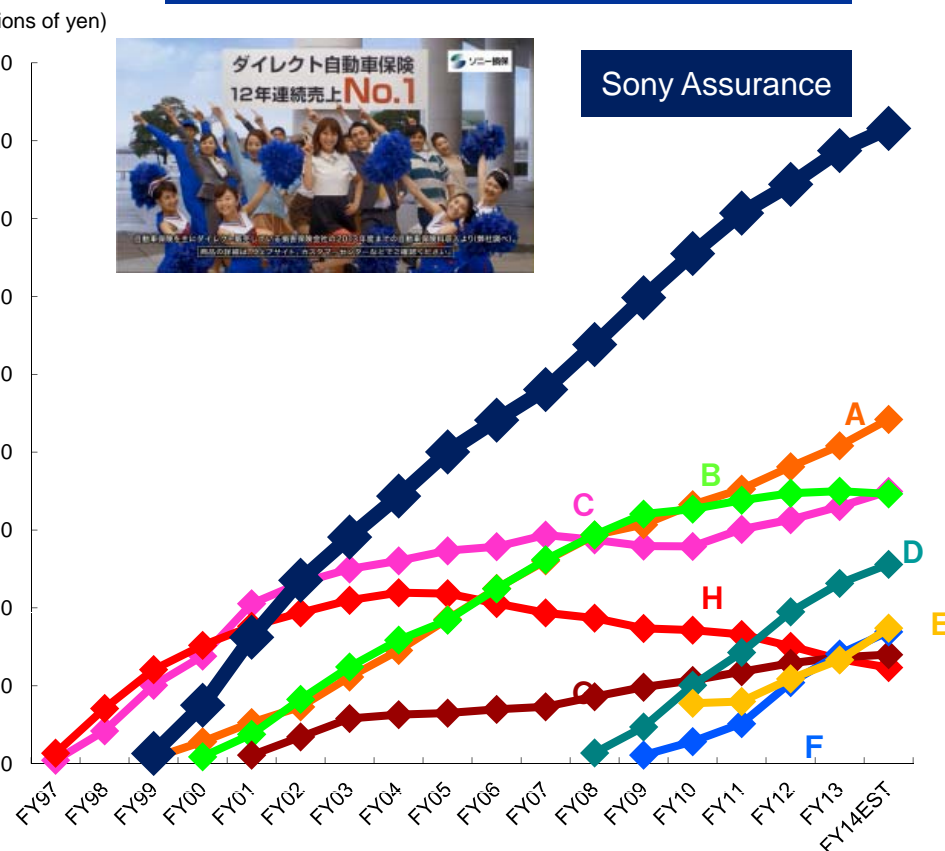
- Concentrate on further enhancing customer retention capabilities
- Augment customer satisfaction by optimizing service through individual customer contact points

**Sony Assurance has remained No. 1 in sales in the growing direct automobile insurance market over the past 13 years.**

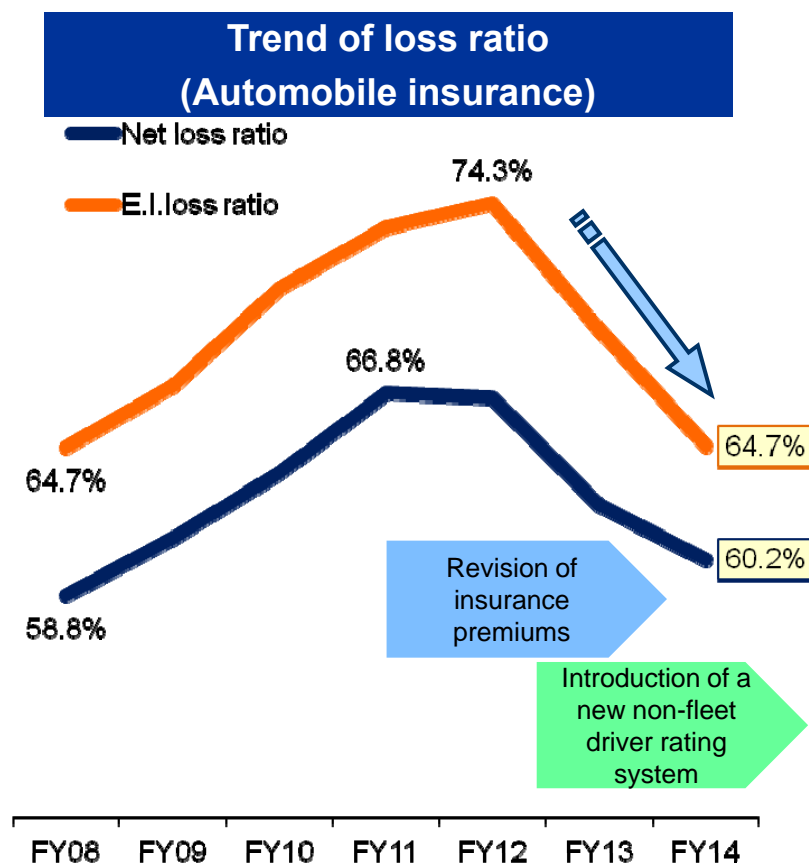
**Automobile Insurance market and market share of major direct non-life insurers**



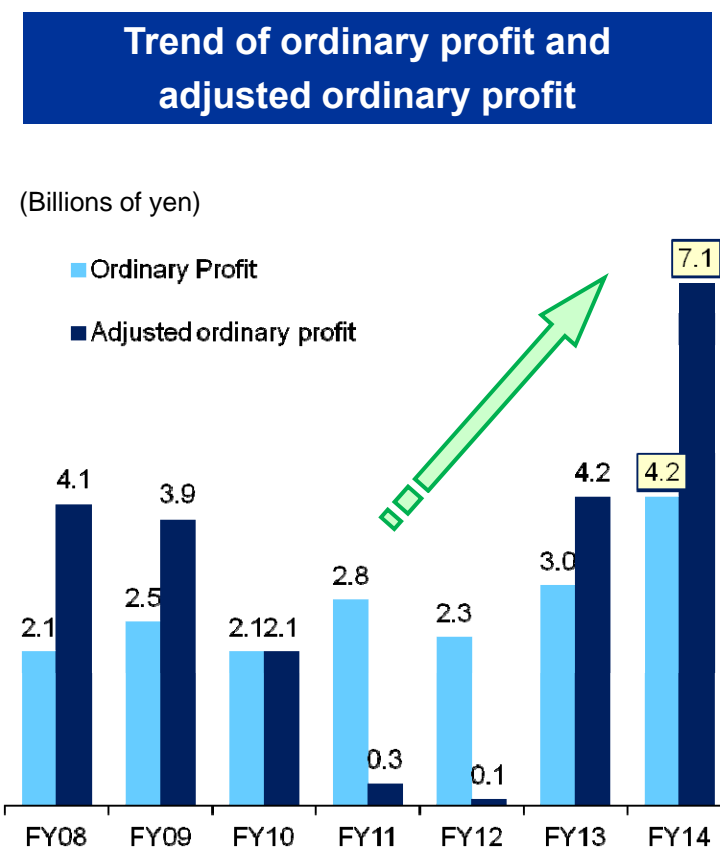
**Direct premiums written by major direct Insurers (Automobile insurance)**



Reached record high in profits in FY14 due mainly to a decline in the loss ratio for automobile insurance. Aiming to keep healthy profitability in line with continuous improvement on the loss ratio.



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



Adjusted ordinary profit = Ordinary profit + Provision for catastrophe reserve

# Maintain Growth

Maintain growth in automobile insurance + expand other categories

Maintain a leading position in mainstay automobile insurance and ensure stable long-term earnings by proactively developing domains of business other than automobile insurance

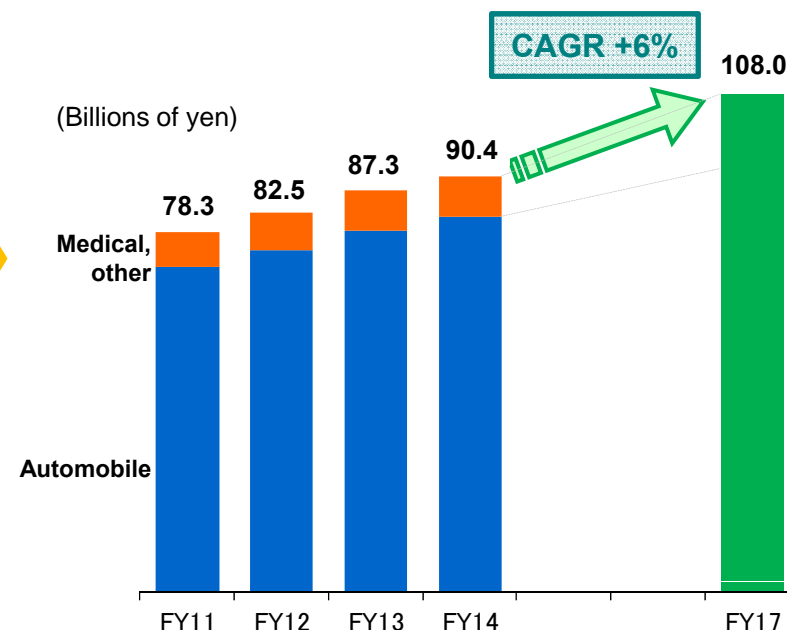
## Initiatives to achieve sustainable growth

Product development	<p><b>Automobile insurance</b></p> <ul style="list-style-type: none"> <li>• Increase sophistication of risk segmentation, pursue progressiveness and rationality</li> <li>• Develop products to meet more broad-ranging customer needs</li> </ul> <p><b>Medical insurance, others</b></p> <ul style="list-style-type: none"> <li>• Leverage Sony Assurance's strengths into new product development / Introduce and expand into new lines.</li> </ul> <p>Sony Assurance's strengths</p> <ul style="list-style-type: none"> <li>- Direct + Internet</li> <li>- Product uniqueness and outstanding coverage</li> <li>- Rational pricing</li> </ul>
Marketing	<ul style="list-style-type: none"> <li>• Continue proactive advertising investments, centering on television and the Internet</li> <li>• Apply accumulated expertise in direct marketing to raise advertising productivity</li> </ul>

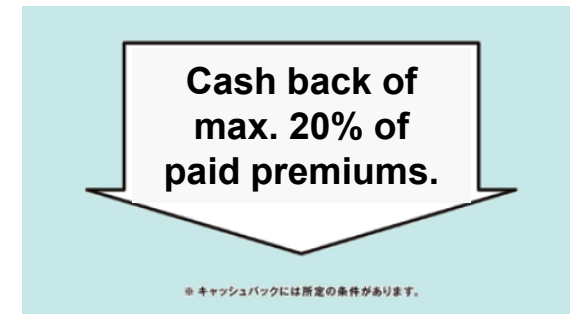
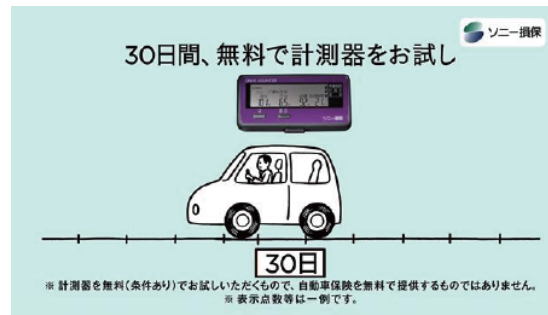
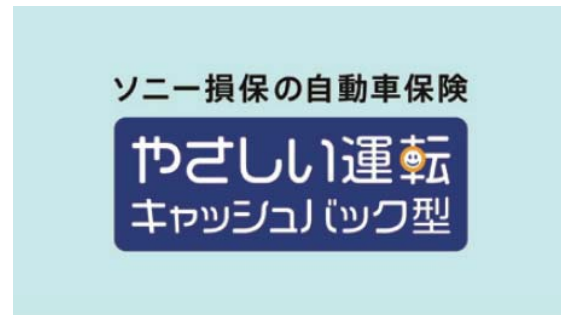


## Total direct premiums written

Maintain growth in automobile insurance and increase percentage of business in medical and others.



**Sales launch of Japan's first driving-characteristic risk-segmented  
“Gentle Driving Cash-Back Plan”  
Strengthen initiatives addressing a new customer base**



Based on previous experience, pursue further increases in customer convenience and cost reductions. Also, continue to promote product development initiatives.

Through initiatives to enhance customer value, concentrate on further augmenting customer retention capabilities

Employ NPS\* to enhance customer experience through individual customer contact points

### Further customer value enhancement initiatives

#### Accident response service

- Pursue rapid and satisfactory responses to provide a “guaranteed” level of accident response quality
- Expand accident response system and train respondents

#### Customer service

- Augment telephone reception system and service quality  
Establish third center in Kumamoto (July 2015)
- Provide optimal services tailored to individual customer needs and policy status



#### Web/smartphone service

- Pursue convenience in the aim of becoming the overwhelming leader in non-life insurance via the Web/smartphones
- Make policy procedures a stress-free experience for customers

### Customer satisfaction surveys in FY14

#### Nikkei Business, After-Sales Service

##### Customer Satisfaction Ranking

Automobile Insurance Division

**No.1**  
(fourth straight year)

#### Oricon High Level of Customer Satisfaction

Overall Automobile Insurance

**No. 1**  
(second straight year)

#### HDI-Japan Web Support Portal Rating

Non-life Insurance Division

**Three stars**  
(fifth straight year)

#### Help Desk Rating

**Three stars**  
(third straight year)

#### Japan Brand Strategy, Overall Customer Support

Automobile Insurance Division

**No. 1**



\* NPS stands for Net Promoter Score

**Maintaining its leading position in the direct automobile insurance market with the challenge of recording ¥100.0 billion in the direct premiums written by FY17.  
Raising revenues and profits, backed by its steady profitability.**

	<b>FY14</b>		<b>FY17</b>
Direct premiums written	<b>¥90.4 billion</b>	CAGR +6%	<b>¥108.0 billion</b>
Net Expense ratio	<b>26.7%</b>		
E. I. loss ratio (*1)	<b>64.3%</b>	Decrease	Sum of two ratios
Sum of two ratios	<b>91.0%</b>		<b>90% range</b>
Ordinary profit	<b>¥4.2 billion</b>	CAGR +7%	<b>¥5.0 billion</b>
Adjusted ordinary profit (*2)	<b>¥7.1 billion</b>	CAGR +6%	<b>¥8.5 billion</b>
Adjusted ROE	<b>14.2%</b>	Flat	<b>Approx. 14%</b>

\* 1 For all types of policies and including loss adjustment expenses.

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



# Sony Bank

**Increase business volume  
leveraged by customer  
evaluation**

- Maintain high third-party customer satisfaction ratings
- Strengthen product and service promotions

**Strengthen strategic  
products**

- Further enhance “Foreign Currency World”
- Expand the individual loan business, centering on mortgage loans

**Ensure stable profit-  
generating capacity**

- Maintain and improve profit-generating capacity through more sophisticated operation of ALM
- Secure a certain level of interest spread

Strengthening promotional activities in order to expand business while maintaining high levels of customer satisfaction.

Nikkei's financial institution  
customer satisfaction  
rankings

*Nihon keizai shimbun*

Announced in February 2015



Ranked 1st for the  
eighth consecutive  
year

FY14 after-sales service  
customer satisfaction  
rankings, banking division  
(Excluding regional banks)

*Nikkei Business*

Announced in November 2014



Ranked 1st for the  
third consecutive  
year

HDI-Japan sponsored  
ratings for support  
portals

*HDI Japan*



Five-star rating

HDI-Japan sponsored  
ratings for inquiry  
desks

*HDI Japan*

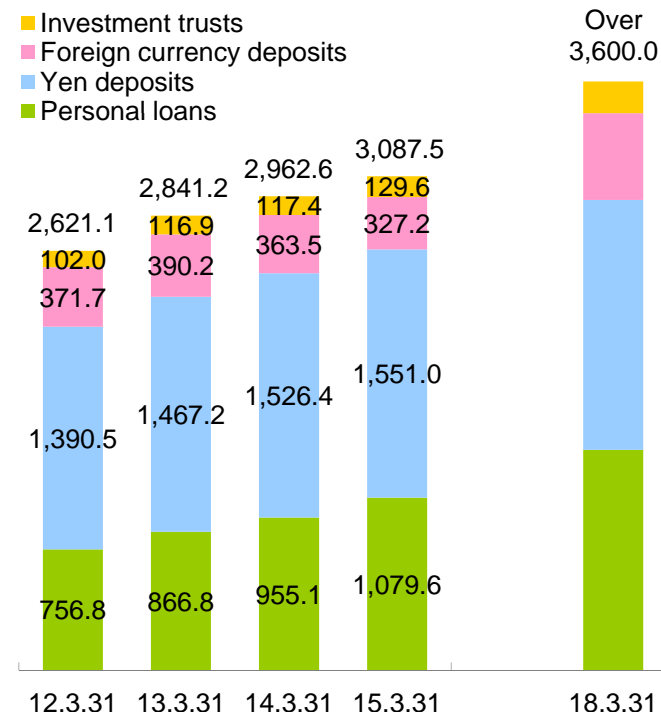


Five-star rating

## Retail balance

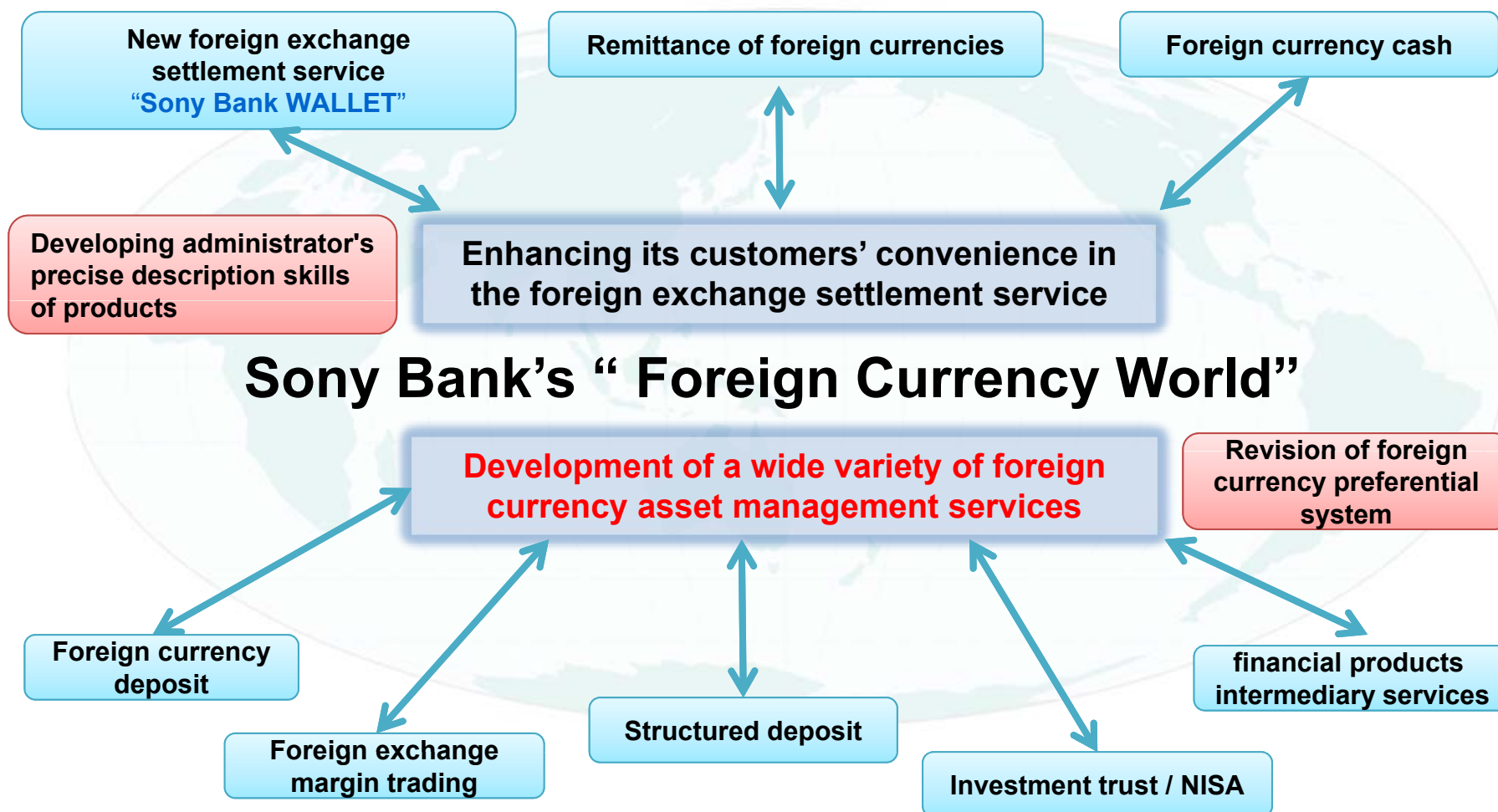
[Sum of deposits, investment trusts, personal loan balance]

(Billions of yen)

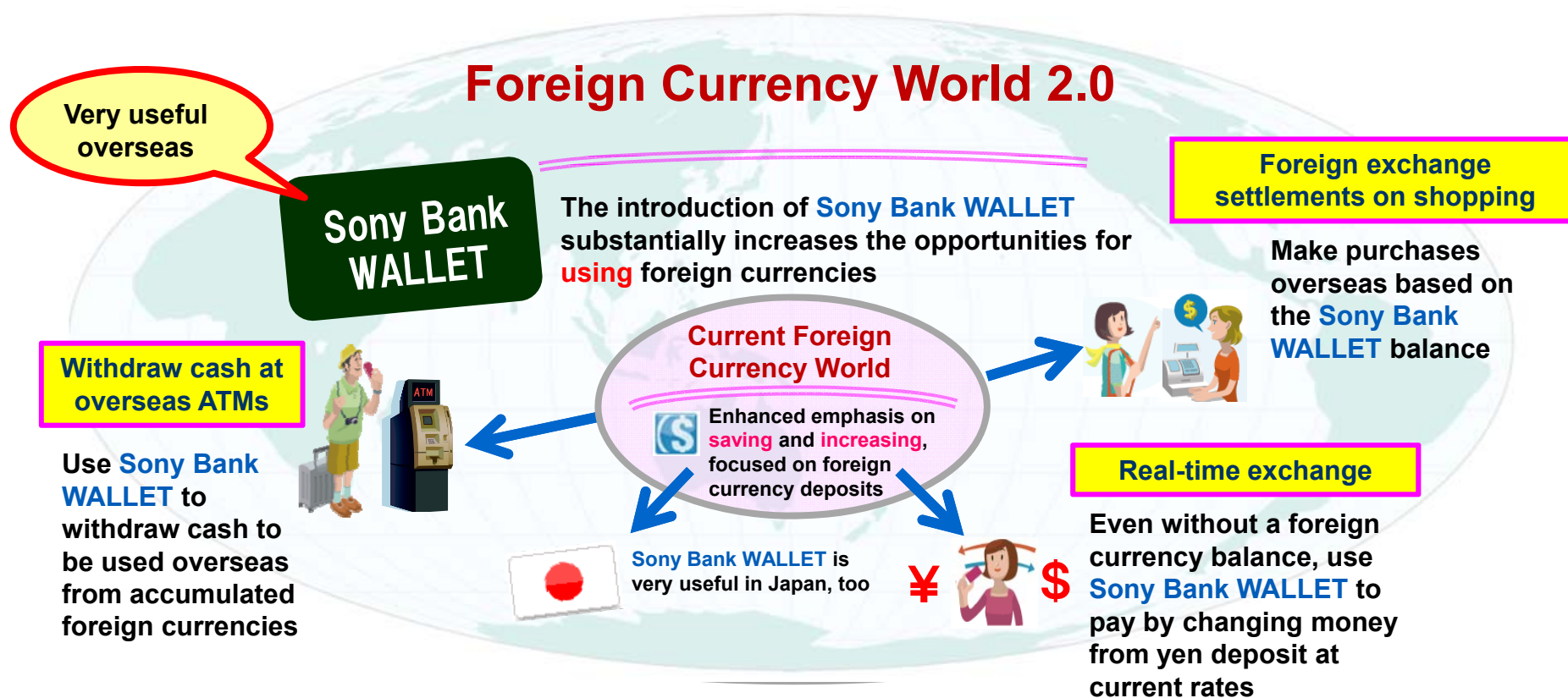


## Further Enhance “Foreign Currency World” (1)

Expand foreign currency services by providing a wide variety of foreign currency products and services by FY17



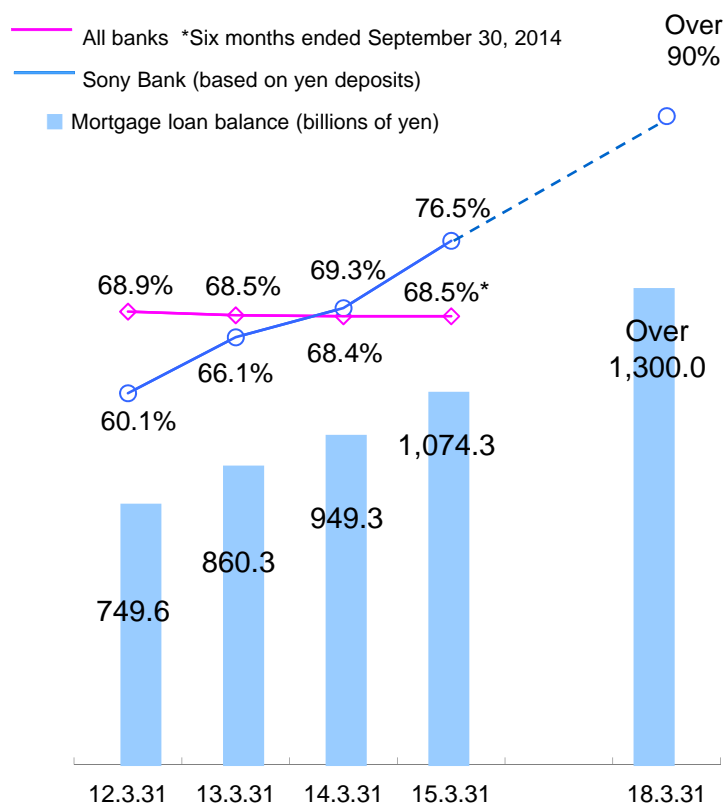
Enhance functions for using foreign currencies via Sony Bank WALLET, in the version 2.0 of “Foreign Currency World”



**Sony Bank, the foreign currency specialist, provides easy ways to accumulate, increase and use foreign currencies**

Continue to strengthen the mortgage loan business, and enhance product characteristics to meet customers' needs for funding throughout their lives

### Mortgage loan balance and loan-deposit rate



Source: Nationwide Bank Financial Statement Analysis, Japanese Bankers Association

### Strengthen channels

- Strengthen alliances with realtors and increase the number of alliance partners
- Invigorate the agent channel centered on Sony Life's Lifeplanner sales employees

### Strengthen and diversify product value

- Respond to customers' needs for funding throughout their lives
  - Reintroduce card loans (first half of FY15)
  - Consider planning loan products for seniors
- Expand mortgage loan ancillary services

### Promote increases in operating efficiency

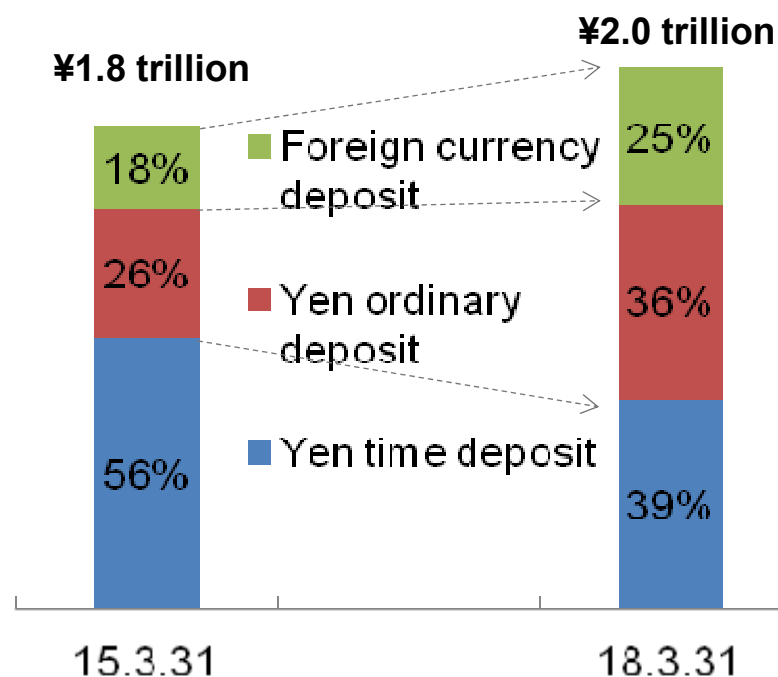
- Thoroughly promote efficiencies in loan business

## Maintain and Increase Profitability

Enhance profitability to secure a certain level of interest spared by controlling deposit structure under the low interest rate environment.

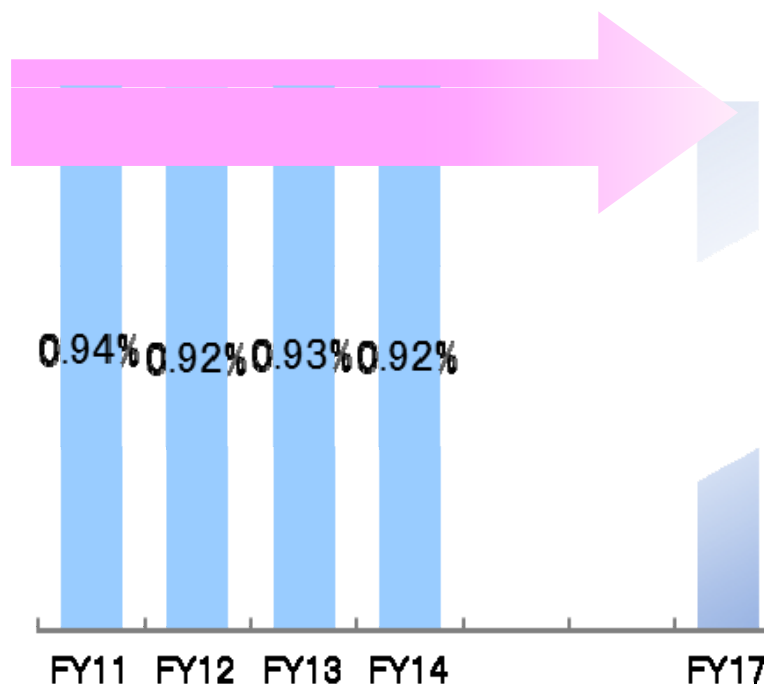
### Enhance profitability by controlling deposit structure

Increase liquid deposit and foreign  
currency deposit ratio


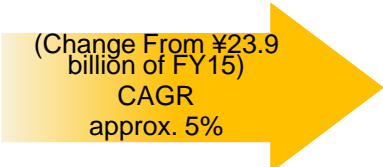
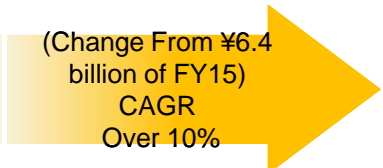
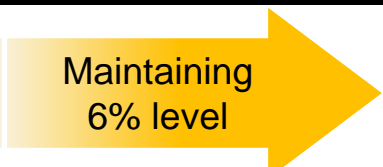


### Trend of interest spread

Aiming to maintain  
current level



**Achieving a more stable revenue stream that cannot be easily swayed by market conditions by offering high-value services to customers and enhancing ALM**

	FY14		FY17
<b>Retail balance</b> [Sum of deposits, investment trusts and personal loan balance]	¥3.0 trillion	 CAGR Over 6%	Over ¥3.6 trillion
<b>Gross Operating Profit</b> (Sony Bank consolidated)	¥24.9 billion	 (Change From ¥23.9 billion of FY15) CAGR approx. 5%	¥26.3 billion
<b>Operating Profit</b> (Sony Bank consolidated)	¥7.3 billion	 (Change From ¥6.4 billion of FY15) CAGR Over 10%	¥7.8 billion
<b>ROE</b> (Sony Bank consolidated)	6.0%	 Maintaining 6% level	Around 6%

\*As for the CAGR targets of gross operating profit and operating profit, forecast amounts from FY15 to FY17 are used for the calculation considering gains on the sale of bonds recorded in FY14.



# **Sony Lifecare**

## **(Nursing Care Business)**

**Aim to expand business through two pillars: opening newly constructed homes and forging strategic alliances**

**<Open new homes>**



**<Form strategic alliances>**

**Spring 2016 Sony Lifecare Group plans to open first newly built nursing care home (Soshigaya, Setagaya-ku, Tokyo)**

## "Life Focus"

We provide services to ensure that regardless of your age, you can live the sort of life that suits you best. Sony Lifecare makes residents' lives—up to the present and from here on out—the focus of their services.

- Focus on residents' lifestyles, propose individually tailored plans, by utilizing operating know-how at the nursing care home in Fujigaoka, Yokohama acquired in Autumn 2013.
- By opening homes centered on the Tokyo metropolitan area and three surrounding prefectures to establish a distinctive brand in the upper/middle layer of the market

**May 2015 Sony Lifecare to enter capital participation in Yuuai Holdings (Acquiring 14.5% of issued shares)**

## Hanakotoba series



**29 facilities  
Approx. 1,400 rooms**

**Hanakotoba Machida Tsurukawa, Tokyo**

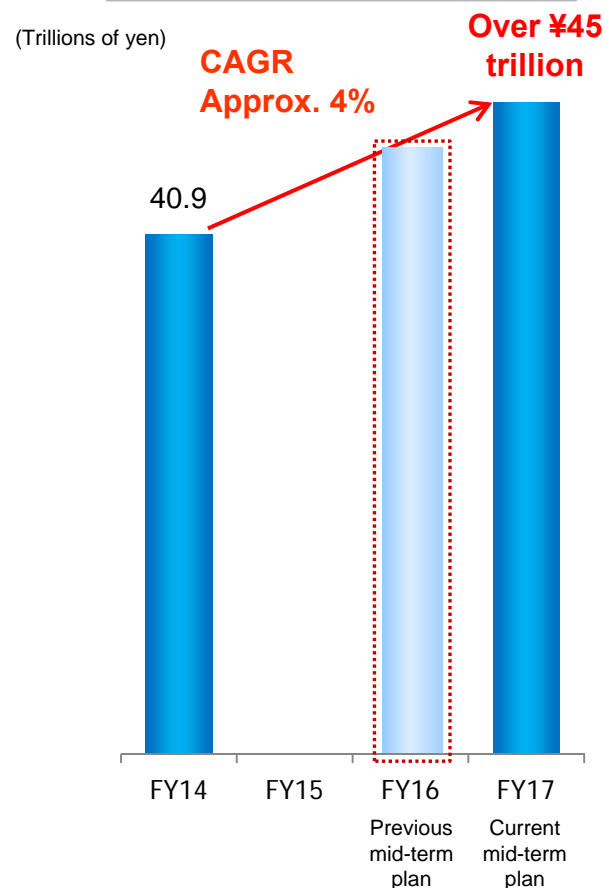
- Establish presence in the nursing care service market
- Enter the broad "volume zone" customer base
- Acquire full development expertise, human resources and other management resources

# Sony Financial Group

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

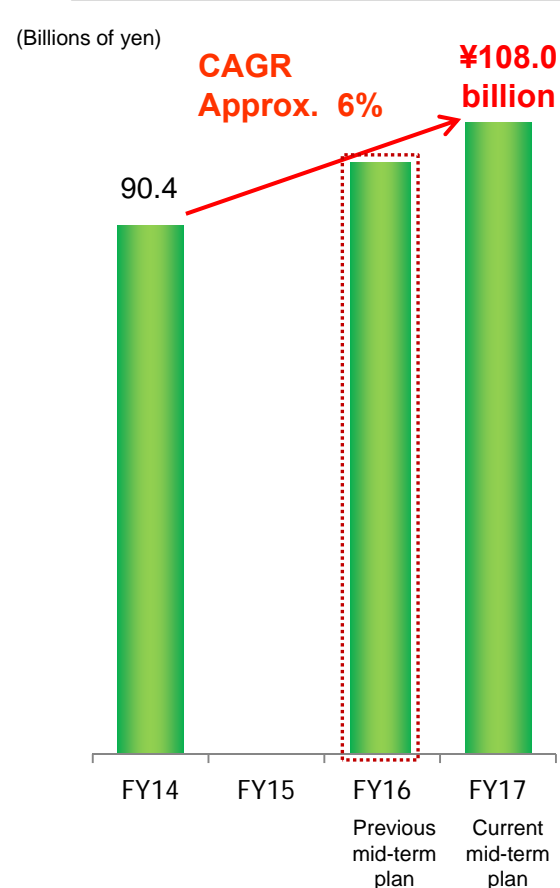
## Sony Life

Policy amount in force



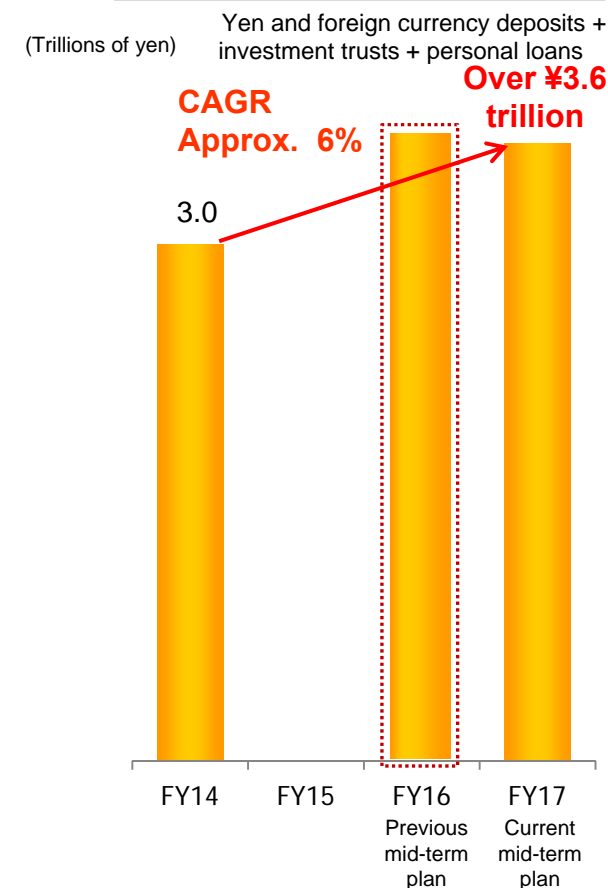
## Sony Assurance

Direct premiums written



## Sony Bank

Retail balance



Operating results are expected to be higher than previous medium-term forecast, targeting consolidated ordinary revenues of ¥1,500.0 billion, consolidated ordinary profit of ¥100.0 billion, and consolidated net profit of ¥65.0 billion in FY17

## Consolidated ordinary revenues

## Consolidated ordinary profit

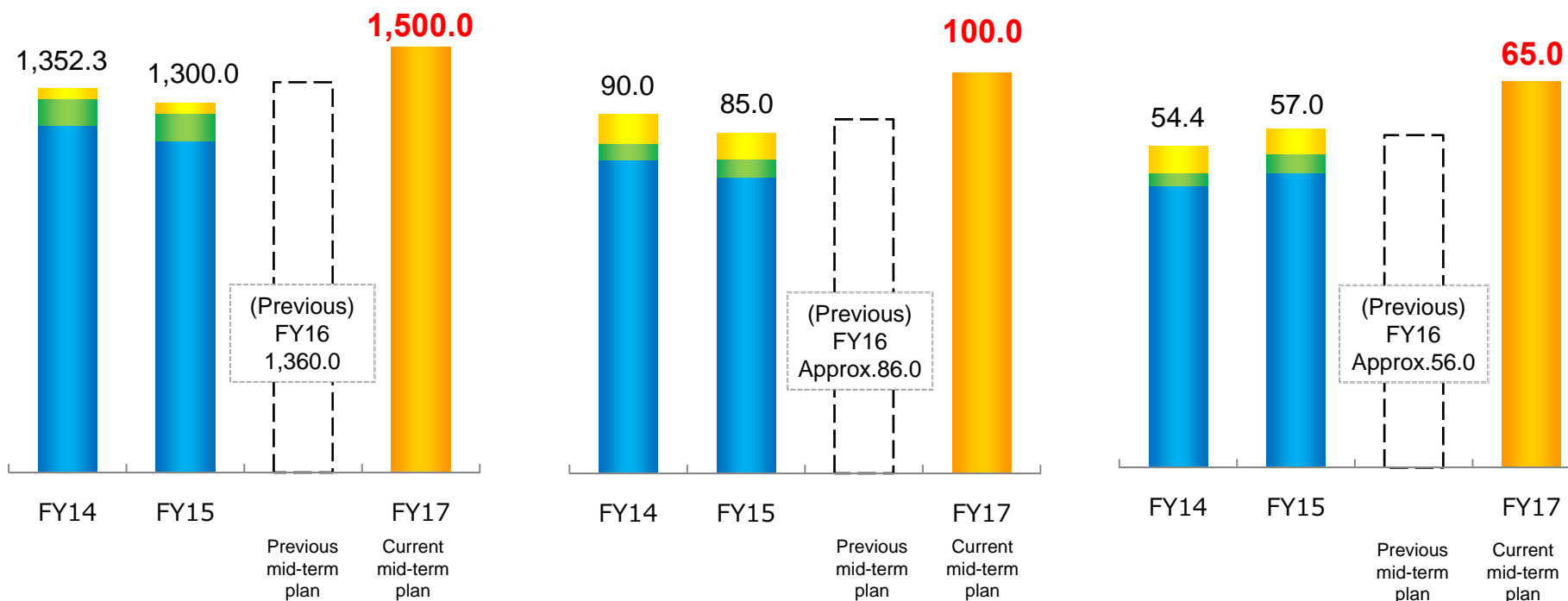
## Consolidated net profit

(Billions of yen)

Life Insurance business

Non-life insurance business

Banking business





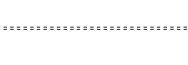


**SFH's consolidated ROE has been over 10% both in Japanese GAAP and US-GAAP**

	FY10	FY11	FY12	FY13	FY14
ROE (J-GAAP)	14.8%	10.2%	11.5%	9.0%	10.7%
ROE (US-GAAP)	10.0%	14.6%	11.1%	11.3%	13.0%

ROE (J-GAAP, US-GAAP) = Net income / Average of stockholders' equity ( Total net assets minus minority interests)

**Consolidated adjusted ROE is expected to be approx. 6% in FY17, reflecting Sony Life's ROEV, which is depressed by the current market assumptions, including low interest rates.**

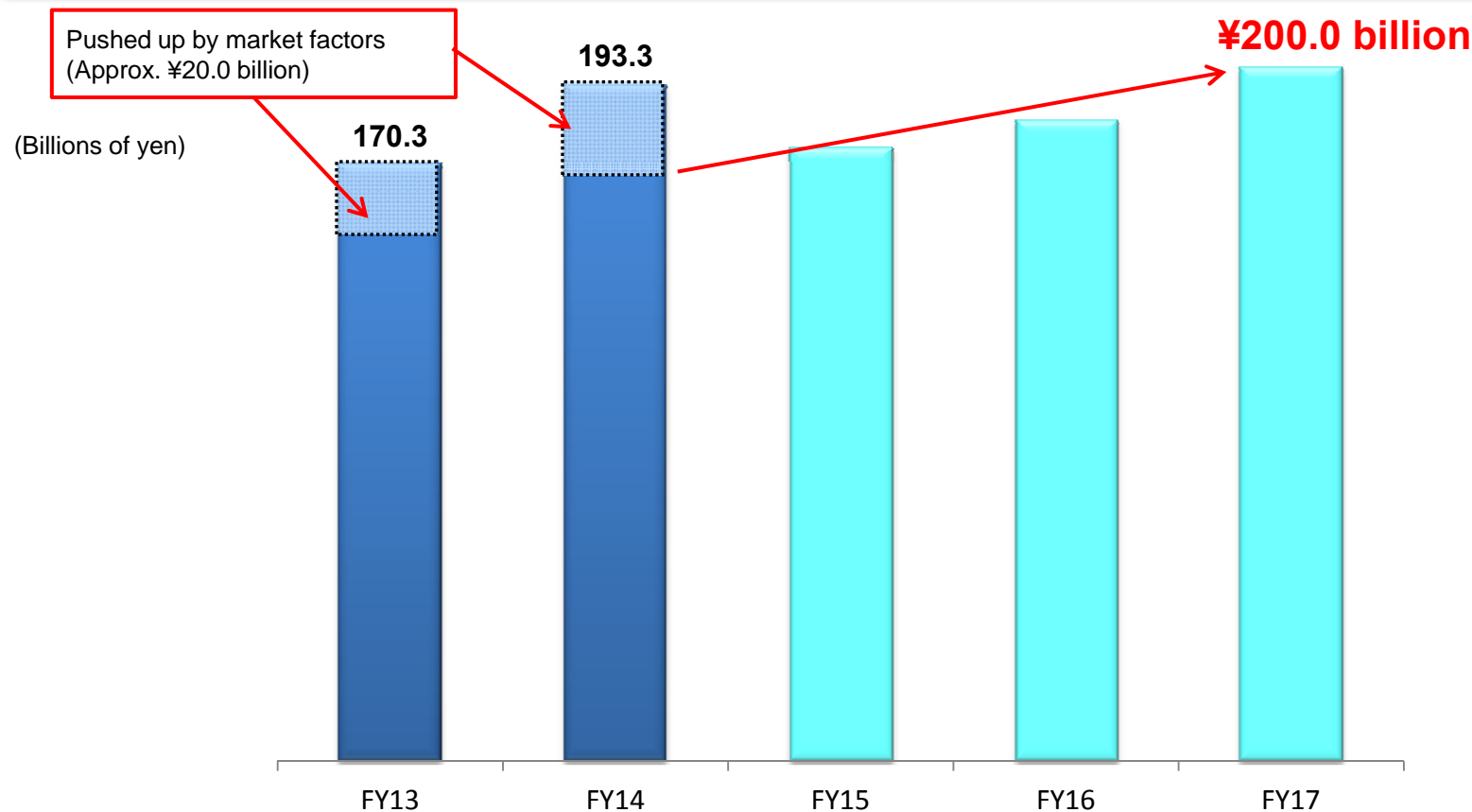
	FY12	FY13	FY14		FY17
Consolidated adjusted ROE	3.3%	14.2%	9.5%		<b>Approx. 6%</b>
Sony Life: ROEV	3.3%	14.9%	9.6%		<b>Approx. 6%*</b>
core ROEV	5.2%	6.0%	5.0%		
Sony Assurance: Adjusted ROE	(0.1%)	9.8%	14.2%		<b>Approx. 14%</b>
Sony Bank (Consolidated): ROE	4.3%	4.8%	6.0%		<b>Approx. 6%*</b>

Please see slide 46 for the formula of adjusted ROE calculation

\* Assumption for calculating adjusted ROE for FY17

Sony Life: Interest rate assumptions are projected in the middle of May 2015; Sony Bank: Please see slide 49 for Interest rate assumptions by currency.

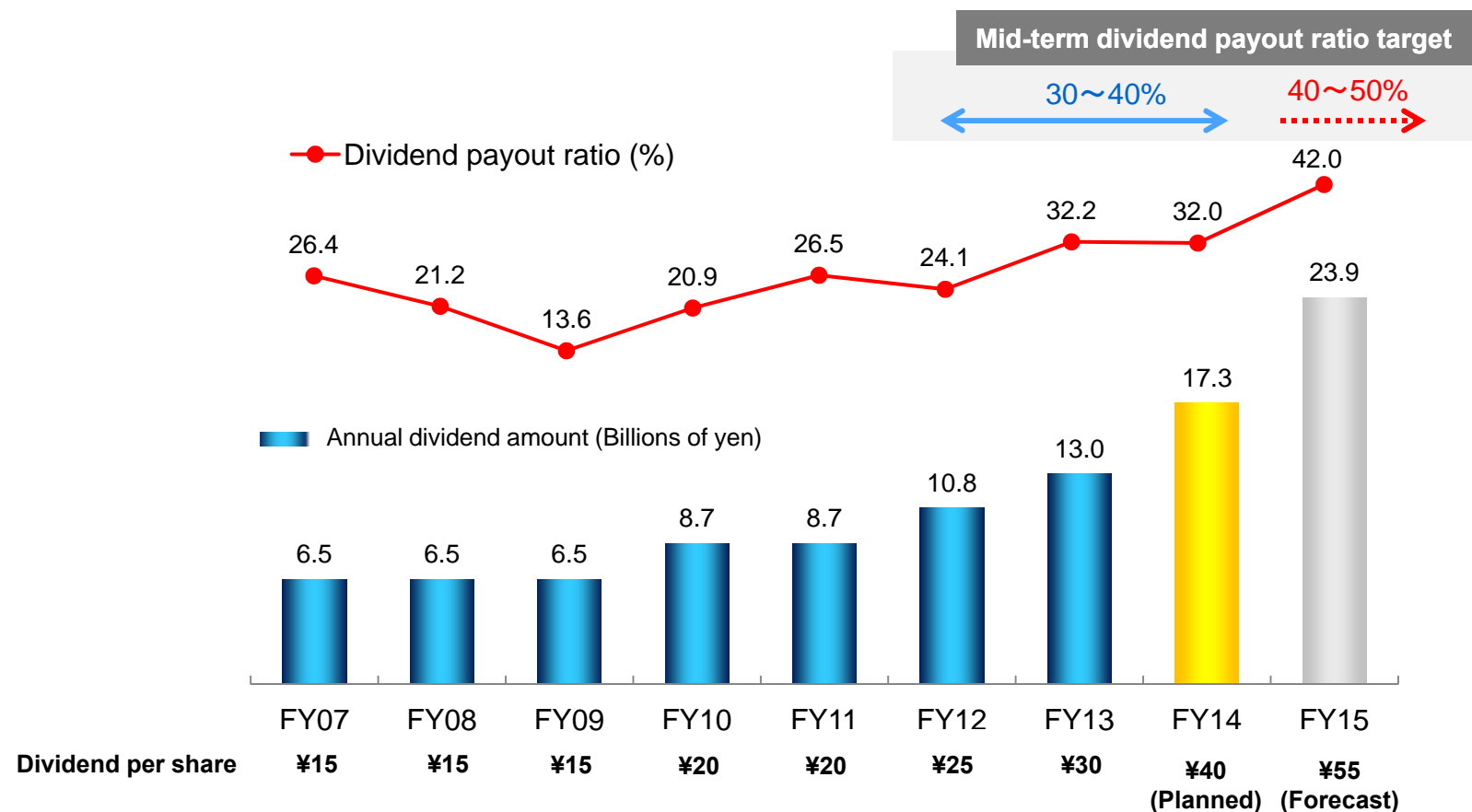
**Sony financial Group's operating income (US-GAAP) is expected to stably grow and reach ¥200.0 billion by FY17**



- ◆ 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 45 for an explanation of the primary discrepancies and differences in scope between U.S. and Japanese accounting practices.

## Enhance Shareholder Returns

- We will enhance shareholder returns by revising upward our medium-term target for the dividend payout ratio into **40% to 50%** of consolidated net income.
- The proposed dividend for FY15 is **¥55** per share, up ¥15 year on year, showing the fourth consecutive year of dividend increases since FY12.





**End**

# Appendix

# Sony Financial Group (Reference 1) Financial Review for FY14

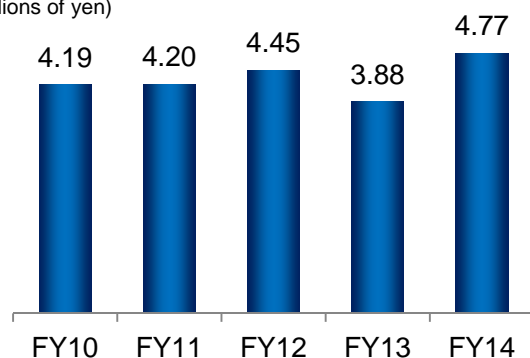


## Sony Life

Sony Life posted a record high new policy amount in line with the sales promotion of death protection products

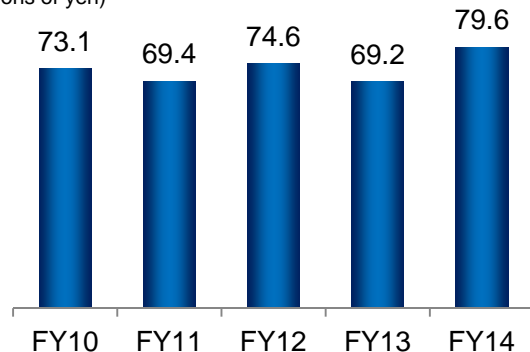
### New Policy amount

(Trillions of yen)



### Ordinary profit (Non-consolidated)

(Billions of yen)

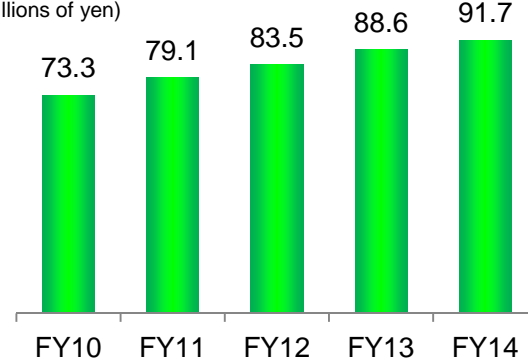


## Sony Assurance

Sony Assurance posted a record high ordinary profit, mainly because of a steady increase in new policies in automobile insurance and a decline in the loss ratio.

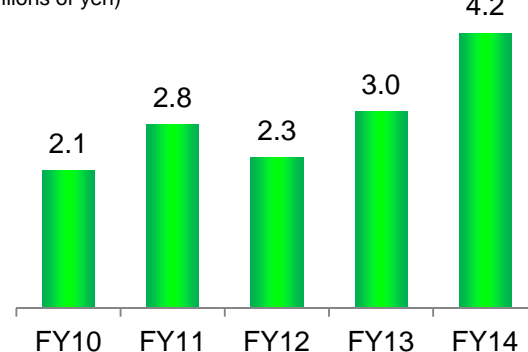
### Net premiums written

(Billions of yen)



### Ordinary profit

(Billions of yen)

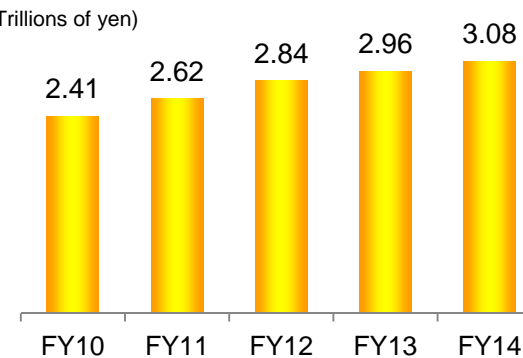


## Sony Bank (Consolidated)

Sony Bank's retail balance exceeded 3 trillion yen and renewed its record-high ordinary profit.

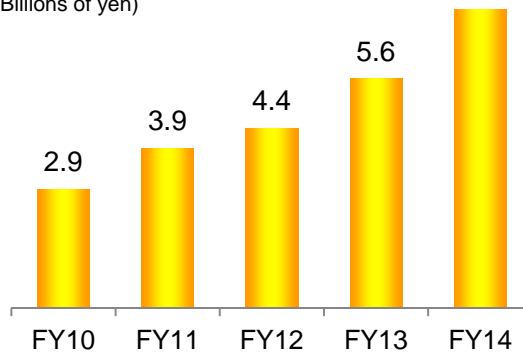
### Retail balance

(Trillions of yen)



### Ordinary profit (Consolidated)

(Billions of yen)



## Sony Financial Group (Reference 2)

# Consolidated Financial Forecast for FY15



**Consolidated ordinary revenues and ordinary profit are expected to decrease, while net income to increase**

(Billions of yen)	FY14 (Actual)	FY15 (Forecast)	Change
<b>Consolidated ordinary revenues</b>	1,352.3	<b>1,300.0</b>	(3.9%)
<u>Life insurance business</u>	1,223.9	<b>1,168.0</b>	(4.6%)
<u>Non-life insurance business</u>	93.0	<b>97.1</b>	+4.4%
<u>Banking business</u>	38.4	<b>36.8</b>	(4.2%)
<b>Consolidated ordinary profit</b>	90.0	<b>85.0</b>	(5.6%)
<u>Life insurance business</u>	78.3	<b>74.1</b>	(5.4%)
<u>Non-life insurance business</u>	4.2	<b>4.4</b>	+4.5%
<u>Banking business</u>	7.3	<b>6.4</b>	(12.7%)
<b>Consolidated net income</b>	54.4	<b>57.0</b>	+4.7%

For FY15, stable and sustainable business growth is expected in all the businesses.

Consolidated ordinary revenues are expected to decrease because we do not anticipate an improvement in investment income backed by favorable market conditions, as was present in FY14, mainly in the life insurance business. Consolidated ordinary profit is expected to decrease because we anticipate an increase in spending for medium-term business growth activities, an increase in provision of policy reserves for minimum guarantees for variable life insurance in the life insurance business, and lower gains on sale of securities in the life insurance and banking businesses. On the other hand, consolidated net income is expected to increase due to the reduction in the corporate tax rate.

### <Segment information for ordinary revenues and ordinary profit>

#### ■ Life insurance business

Ordinary revenues are expected to decrease because we do not anticipate an increase in investment income backed by favorable market conditions, as was present in FY14. Ordinary profit is expected to decrease because we anticipate an increase in spending for medium-term business growth activities and an increase in provision of policy reserves for minimum guarantees for variable life insurance.

#### ■ Non-life insurance business

Ordinary revenues and ordinary profit are expected to increase in line with growth in net premiums written primarily for mainstay automobile insurance.

#### ■ Banking business

Although we anticipate business expansion under such a low interest rate environment, ordinary revenues and ordinary profit are expected to decrease because we do not anticipate an increase in gains on bond-dealing transactions including sale of bonds as was present in FY14.

## Sony Financial Group (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 of the year ended March 31, 2012 and the fourth quarter of the year 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., SmartLink Network Hong Kong Limited and Sony Finance International, Inc. as consolidated subsidiaries. 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.

\*SmartLink Network, Inc. changed its corporate name to Sony Payment Services Inc. on April 1, 2015

SFH announced [Reference Disclosure] Key Performance Figures Based on U.S. GAAP on Apr. 30, 2015. Please refer the announcement.  
[http://www.sonyfh.co.jp/en/financial\\_info /results /sfh\\_fy2014\\_4q\\_02.pdf](http://www.sonyfh.co.jp/en/financial_info /results /sfh_fy2014_4q_02.pdf)

## Sony Financial Group (Reference 4)

# Definition of Adjusted ROE

### Calculation of Adjusted ROE

Since each company of Sony Financial Group differs by industry such as insurance and banking, each group company calculate its “Adjusted ROE” based on adjusted profit and adjusted capital to realize its corporate value and capital efficiency.

Sony Financial Group					
	Sony Life ROEV		Sony Assurance Adjusted ROE		Sony Bank ROE
<b>Numerator (Adjusted profit)</b>	The amount of increase in Embedded Value (EV) during the fiscal year plus dividends paid (1)	+	Net income plus provision amount for catastrophe reserve and its provision amount for reserve for price fluctuations, in each case after taxes (2)	+	Net income (3)
<b>Denominator (Adjusted capital)</b>	EV as of the beginning of the fiscal year less dividends paid plus EV as of the end of the fiscal year, divided by two. (4)	+	The average amount of net assets plus the sum of catastrophe reserve and its reserve for price fluctuations during the fiscal year, in each case after taxes (5)	+	The average amount of net assets during the fiscal year (6)

\* **Consolidated Adjusted ROE**= Consolidated Adjusted Profit divided by Consolidated Adjusted Capital

Consolidated Adjusted Profit = (1)+(2)+(3)

Consolidated Adjusted Capital = (4)+(5)+(6)

\* **Sony Life's Core ROEV**= Calculated by excluding impact of environmental changes such as interest rate fluctuations.

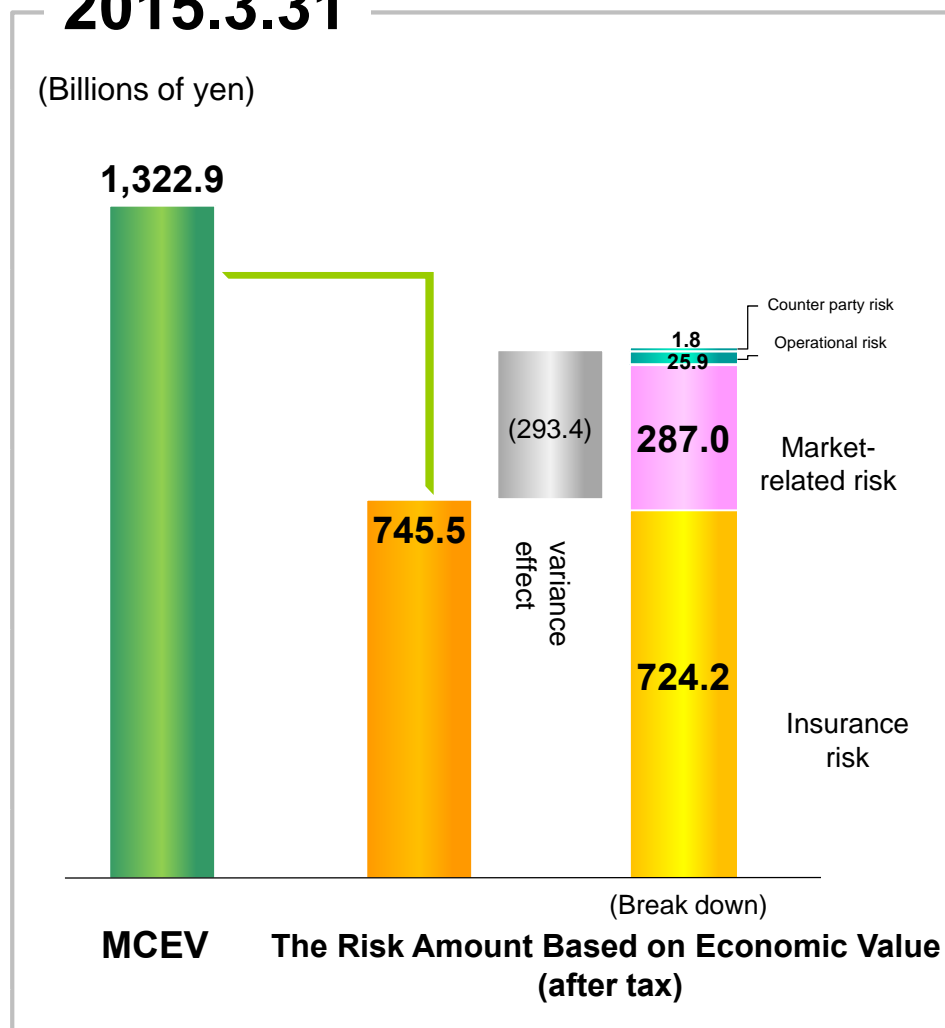
Numerator : New business value plus expected existing business contribution (risk-free-rate)

Denominator : EV as of the end of the fiscal year less dividends paid plus EV as of the end of the fiscal year, divided by two

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

2015.3.31

(Billions of yen)

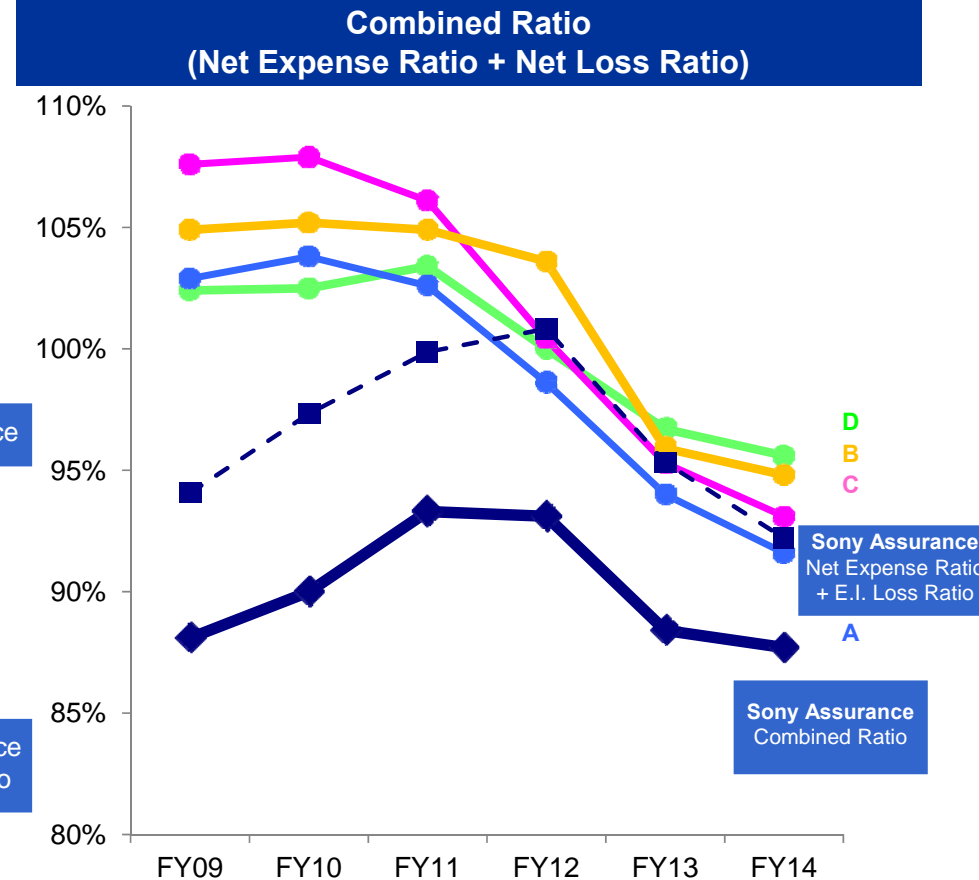
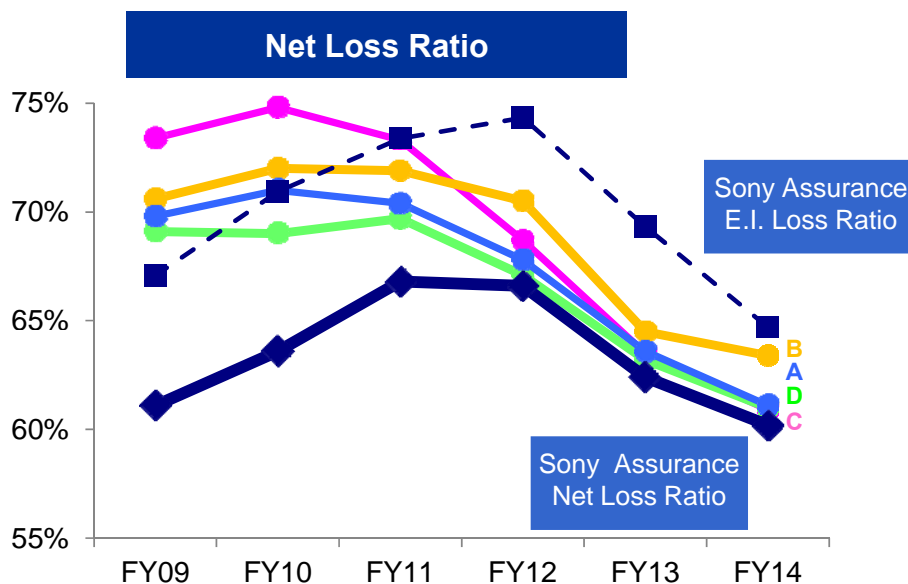
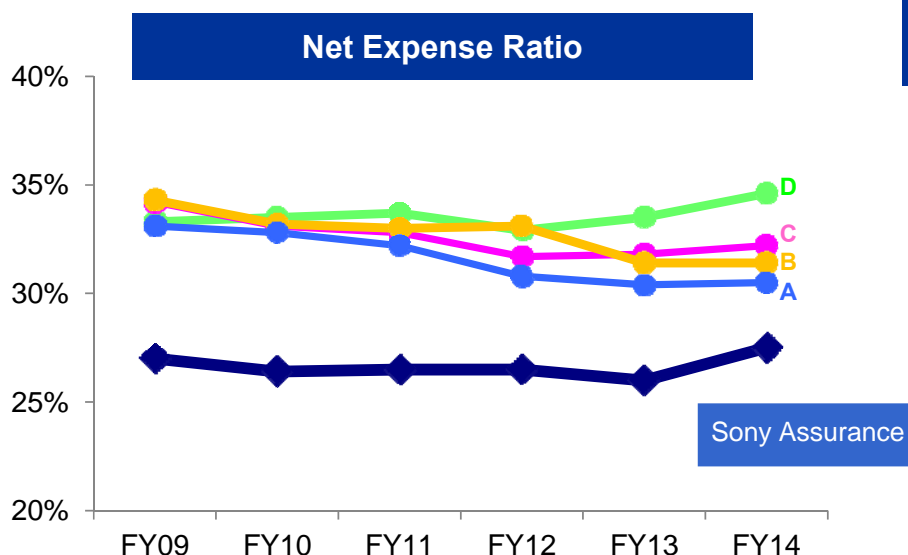


### Sony Life's Basic Policy on Risk Preferences

- 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 ¥218.5 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

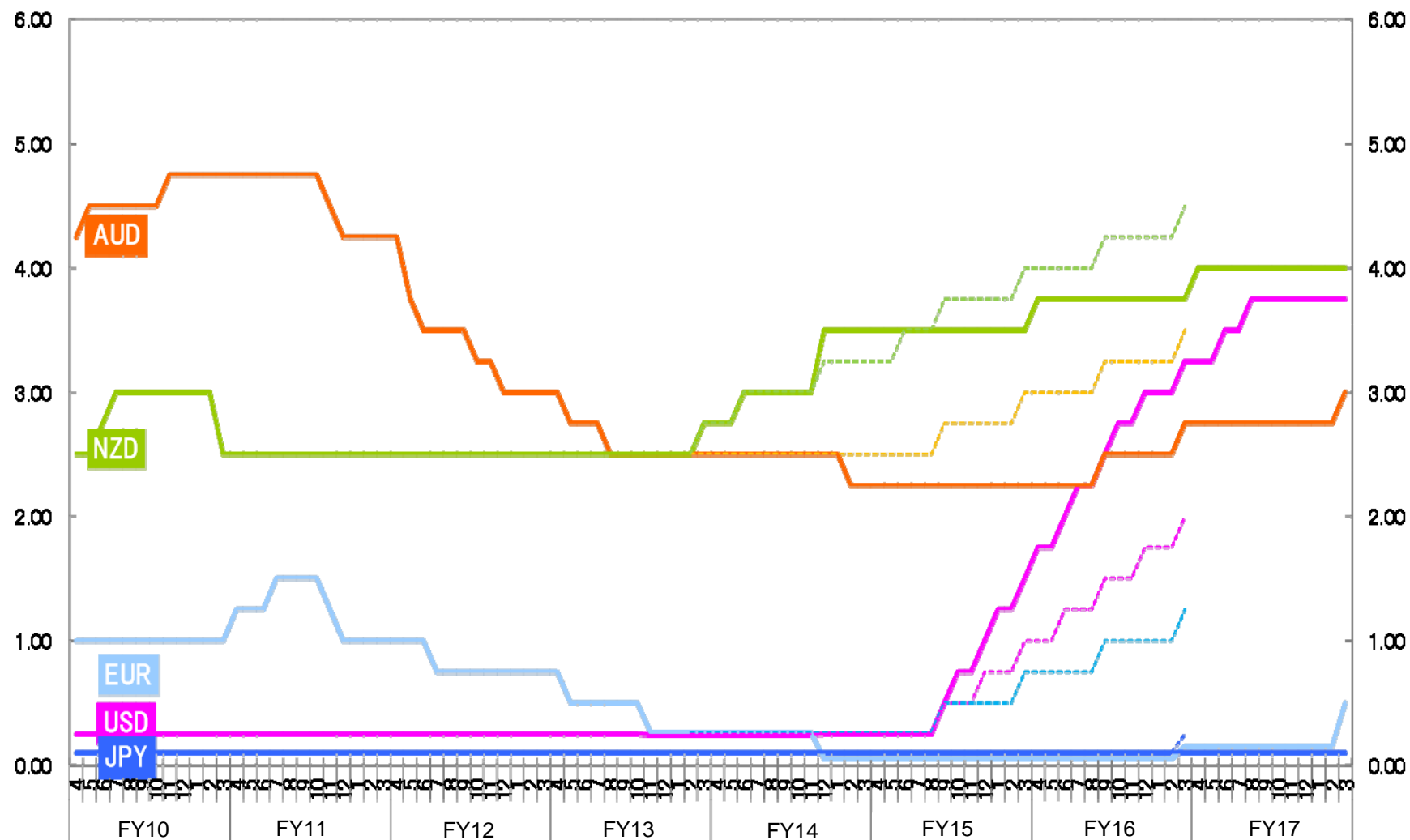


## Interest Rate Assumptions by Currency

\* Solid lines show the assumption as of the end of Jan. 2015, while dotted lines show those set as of the end of Jan. 2014

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

Sony Bank: Assumption on interest rates of each currency as of Feb. 2015.





**Contact:**

Corporate Communications & Investor Relations Department  
Sony Financial Holdings Inc.

TEL: +81-3-5785-1074