

Summary Information on Sony Life's Financial Results
for the Six Months Ended September 30, 2014

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1. Key Performance Results

(1) Policy Amount in Force and New Policy Amount

Policy amount in force

(Number: Thousand, Amount: 100 millions of yen, %)

Category	As of September 30, 2013		As of March 31, 2014		As of September 30, 2014					
	Number	Amount	Number	Amount	Number	% YoY change	% change from March 31, 2014	Amount	% YoY change	% change from March 31, 2014
Individual life insurance	6,078	379,243	6,236	386,280	6,393	105.2	102.5	394,388	104.0	102.1
Individual annuities	86	4,327	94	4,669	103	119.3	109.9	5,138	118.7	110.0
Subtotal	6,165	383,571	6,330	390,950	6,497	105.4	102.6	399,527	104.2	102.2
Group life insurance	-	13,853	-	14,052	-	-	-	14,528	104.9	103.4
Group annuities	-	557	-	551	-	-	-	287	51.5	52.0

Notes: 1. The policy amount in force for individual annuities are equal to the sum of (a) the funds to be held at the time annuity payments are to commence for policies for which annuity payments have not yet commenced and (b) the amount of policy reserves for policies for which payments have commenced.
2. The policy amount in force for group annuities is equal to the amount of outstanding policy reserves.

New policy amount

(Number: Thousand, Amount: 100 millions of yen, %)

Category	For the six months ended September 30, 2013				For the six months ended September 30, 2014					
	Number	Amount	New policies	Increase from conversion	Number	% YoY change	Amount	% YoY change	New policies	Increase from conversion
Individual life insurance	240	18,446	18,446	-	275	114.6	20,738	112.4	20,738	-
Individual annuities	6	302	302	-	10	162.4	535	177.2	535	-
Subtotal	246	18,748	18,748	-	286	115.9	21,273	113.5	21,273	-
Group life insurance	-	45	45	-	-	-	51	113.2	51	-
Group annuities	-	-	-	-	-	-	-	-	-	-

Notes: 1. The new policy amount including increase from conversion for individual annuities is equal to the funds held at the time annuity payments commence.
2. The new policy amount for group annuities is equal to the initial premium payment.

(2) Annualized Premiums

Policy amount in force

(Millions of yen, %)

Category	As of September 30, 2013	As of March 31, 2014	As of September 30, 2014	% YoY change	% change from March 31, 2014
	Individual life insurance	665,643	680,005	696,978	104.7
Individual annuities	15,855	16,980	18,448	116.4	108.6
Total	681,498	696,986	715,427	105.0	102.6
Of which, medical protection, living benefit protection, etc.	165,048	167,075	169,757	102.9	101.6

New policies

(Millions of yen, %)

Category	For the six months ended September 30, 2013	For the six months ended September 30, 2014	% YoY change
	Individual life insurance	29,041	34,415
Individual annuities	1,126	1,800	159.8
Total	30,168	36,216	120.0
Of which, medical protection, living benefit protection, etc.	6,941	6,590	94.9

Notes: 1. Annualized premiums refer to an amount that is calculated by multiplying individual premium amounts by a coefficient that differs depending on the premium payment methods, thereby converting the figure to a per-year premium. (For lump-sum payment policies, premiums are divided by the number of coverage years.)
2. "Medical protection, living benefit protection, etc" indicates the portion of annualized premiums for medical protection benefits (hospitalization benefits, surgical procedure benefits, etc.) and products with living benefit protection (benefits for specific illness, nursing care benefits, etc.).

(3) Major P/L Items

(Millions of yen. %)

Category	For the six months ended September 30, 2013	For the six months ended September 30, 2014	% YoY Change
Income from insurance premiums	437,980	454,032	103.7
Investment income	107,686	120,864	112.2
Insurance claims and other payments	155,054	173,004	111.6
Investment expenses	4,085	4,566	111.8

(4) Total Assets

(Millions of yen. %)

Category	As of March 31, 2014	As of September 30, 2014	% Change from March 31, 2014
Total assets	6,624,903	6,959,132	105.0

2. Status of Investment Assets (General Account)

(1) Investment Environment

During the six months ended September 30, 2014, the Japanese economy experienced a demand backlash following the spike prior to the consumption tax hike, prompting a decline in certain economic indicators, but the economy turned back onto a recovery trajectory. Real GDP growth (2nd preliminary figures¹) was down sharply, at a rate of negative 1.8% (annualized rate of minus 7.1%) during the April–June quarter. No significant market panic was evident, however, as a decline in economic growth following the tax hike had been anticipated. Looking at individual demand factors, the drop in private-sector housing was particularly pronounced, at minus 10.4%, reflecting the backlash from a demand rush ahead of the tax increase. Nominal GDP growth for the quarter was a negative 0.2% (annualized rate of minus 0.7%). Real GDP growth for the July–September quarter² is expected to turn positive year on year, reflecting anticipated economic growth as capital investment and personal consumption recovers.

The Japanese bond market performed steadily. The Bank of Japan (BOJ) followed a policy of qualitative and quantitative easing, providing cash to the economy through purchases of Japanese government bonds (JGBs). Accordingly, long-term interest rates continued to decline. As an indicator on this trend, yields on 10-year JGBs dropped from 0.642% on March 31 to 0.493% in August. Moving into September, emerging observations of an early rise in the U.S. interest rates combined with selling to lock in profits caused yields on 10-year JGBs to rise to 0.582% at one point. Thereafter, the BOJ pumped funds into the economy, forcing down interest rates and driving long-term yields back down. As of September 30, 2014, yields on 10-year JGBs were 0.531%, down slightly from their level on March 31.

Stock market performance was firm. An April dip in the U.S. stock market and temporary yen appreciation caused the Nikkei Stock Average to fall at one point to ¥13,910.16, from ¥14,827.83 on March 31. After that point, however, the Government Pension Investment Fund reallocated its investment assets, and expectations that the fund would increase its percentage of investments in equities prompted a gradual increase in stock prices. Also, moving into September, emerging observations of an early rise in the U.S. interest rates led to rapid yen depreciation against the U.S. dollar and gave the stock market a boost. Consequently, on September 25 the Nikkei hit a high for the year, of ¥16,374.14. As of September 30, 2014, the Nikkei average was ¥16,173.52, up from its March 31 level.

On foreign exchange markets, the yen moved from the lower ¥100s against the U.S. dollar up into the region of ¥109 to the dollar. Between April and August, the yen traded in a tight range of ¥101–103 against the dollar with little amplitude. From August onward, emerging observations of an early rise in U.S. interest rates led to rapid yen depreciation against the U.S. dollar, with the yen falling from ¥103.23 as of March 31 to ¥109.65 on September 30. In yen/euro trading, uncertainty about the Eurozone economy caused the yen to remain firm against the euro. As of September 30, the yen was trading at ¥138.49 against the euro, compared with ¥142.13 on March 31.

(2) Investment Policy

Our investment policy is to understand the characteristics of insurance liabilities, and prioritize investment in the assets that meet such characteristics based on the concept of ALM (asset liability management, the comprehensive management of assets and liabilities). Specifically, Sony Life is investing primarily in ultra long-term JGBs with longer remaining maturity, to meet the long-term liabilities of life insurance policies, in an effort to maintain adequate control over the risks associated with interest rate fluctuations involved in such insurance liabilities. On the

¹ Announced on September 8, 2014

² Initial preliminary report expected on November 17, 2014

other hand, it is our policy to invest within certain limits in riskier assets including stocks.

(3) Results of Investment

As of September 30, 2014, general account assets totaled ¥6,257.0billion, up 4.6%, or ¥272.7 billion, from a year earlier. Within general account assets, domestic bond investment totaled ¥5,390.7 billion (accounting for 86.2% of total general account assets), foreign bonds ¥93.5 billion (1.5%), Japanese stocks ¥36.1 billion (0.6%), monetary trusts ¥308.8 billion (4.9%), policy loans ¥158.5 billion (2.5%), real estate ¥118.5 billion (1.9%), and cash and deposits and call loans ¥35.9 billion (0.6%).

3. Status of Investment Assets (General Account)

(1) Portfolio of General Account Assets

(Millions of yen)

Category	As of March 31, 2014		As of September 30, 2014	
	Amount	%	Amount	%
Cash and deposits, call loans	32,617	0.5	35,961	0.6
Securities repurchased under resale agreements	—	—	—	—
Pledged money for bond borrowing transaction	—	—	—	—
Monetary claims purchased	—	—	—	—
Securities under proprietary accounts	—	—	—	—
Monetary trusts	305,346	5.1	308,802	4.9
Securities	5,334,049	89.1	5,549,851	88.7
JGBs, other bonds	5,190,065	86.7	5,390,794	86.2
Japanese stocks	33,205	0.6	36,139	0.6
Foreign securities	106,752	1.8	120,191	1.9
Bonds	79,835	1.3	93,500	1.5
Stocks, etc.	26,916	0.4	26,691	0.4
Other securities	4,026	0.1	2,726	0.0
Loans	154,219	2.6	158,530	2.5
Real estate	66,532	1.1	118,526	1.9
Deferred tax assets	13,643	0.2	5,578	0.1
Other assets	78,173	1.3	80,084	1.3
Reserve for possible loan losses	(242)	(0.0)	(264)	(0.0)
Total	5,984,341	100.0	6,257,071	100.0
Of which, foreign-currency-denominated assets	58,195	1.0	71,458	1.1

Note: Real estate is the total of land, buildings and construction in progress.

(2) Changes in General Account Assets by Category

(Millions of yen)

Category	For the six months ended September 30, 2013	For the six months ended September 30, 2014
Cash and deposits, call loans	(57,847)	3,344
Securities repurchased under resale agreements	—	—
Pledged money for bond borrowing transaction	—	—
Monetary claims purchased	—	—
Securities under proprietary accounts	—	—
Monetary trusts	(3,589)	3,456
Securities	300,863	215,801
JGBs, other bonds	287,325	200,729
Japanese stocks	4,895	2,933
Foreign securities	8,503	13,439
Bonds	7,603	13,665
Stocks, etc.	899	(225)
Other securities	138	(1,300)
Loans	4,709	4,310
Real estate	(2,909)	51,993
Deferred tax assets	2,037	(8,065)
Other assets	526	1,910
Reserve for possible loan losses	(6)	(21)
Total	243,783	272,730
Of which, foreign-currency-denominated assets	5,625	13,263

Note: Real estate is the total of land, buildings and construction in progress.

(3) Investment Income

(Millions of yen)

Category	For the six months ended September 30, 2013	For the six months ended September 30, 2014
Interest income and dividends	58,971	65,879
Interest income from deposits	0	0
Interest income and dividends from securities	50,988	57,739
Interest income from loans	2,820	2,937
Income from real estate for rent	5,145	5,170
Other	17	32
Gains on securities under proprietary accounts	—	—
Income from monetary trusts, net	2,674	2,646
Income from trading securities, net	—	91
Gains on sale of securities	1	3,889
Gains on sale of Japanese bonds	1	3,080
Gains on sale of Japanese stocks	—	808
Gains on sale of foreign securities	—	—
Other	—	—
Gains on redemption of securities	0	1
Gains on derivatives, net	172	33
Foreign exchange gains, net	—	1,832
Reversal of reserve for possible loan losses	—	—
Other investment income	3	7
Total	61,824	74,381

(4) Investment Expenses

(Millions of yen)

Category	For the six months ended September 30, 2013	For the six months ended September 30, 2014
Interest expenses	24	15
Losses on securities under proprietary accounts	—	—
Losses on monetary trusts, net	—	—
Losses on trading securities, net	—	—
Insurance claims and other payments	—	—
Losses on sale of Japanese bonds	—	—
Losses on sale of Japanese stocks	—	—
Losses on sale of foreign securities	—	—
Other	—	—
Devaluation losses on securities	—	—
Devaluation losses on Japanese bonds	—	—
Devaluation losses on Japanese stocks	—	—
Devaluation losses on foreign securities	—	—
Other	—	—
Losses on redemption of securities	—	0
Losses on derivatives, net	—	—
Foreign exchange losses	91	—
Provision for reserve for possible loan losses	6	22
Write-off of loans	—	—
Depreciation of real estate for rent and others	1,039	969
Other investment expenses	2,923	3,559
Total	4,085	4,566

(5) Valuation Gains (Losses) on Trading-purpose Securities

(Millions of yen)

Category	As of March 31, 2014		As of September 30, 2014	
	Balance sheet amount	Net valuation gains (losses) recorded in income	Balance sheet amount	Net valuation gains (losses) recorded in income
Trading-purpose securities	-	-	2,092	64

Note: The chart above includes trading-purpose securities in "monetary trusts" etc.

(6) Fair Value Information on Securities

a. Fair value information on securities with market value (except trading-purpose securities)

(Millions of yen)

Category	As of March 31, 2014					As of September 30, 2014				
	Carrying amount	Fair value	Net unrealized gains (losses)			Carrying amount	Fair value	Net unrealized gains (losses)		
			Unrealized gains	Unrealized losses				Unrealized gains	Unrealized losses	
Held-to-maturity securities	4,409,662	4,839,983	430,320	430,394	73	4,629,771	5,152,937	523,166	523,166	-
Policy reserve matching bonds	-	-	-	-	-	-	-	-	-	-
Stocks of subsidiaries and affiliated companies	-	-	-	-	-	-	-	-	-	-
Available-for-sale securities	1,065,514	1,189,899	124,384	124,420	35	1,044,124	1,187,248	143,124	143,124	0
JGBs, other bonds	1,035,912	1,146,757	110,844	110,866	22	1,012,825	1,139,139	126,314	126,314	-
Japanese stocks	12,236	21,205	8,968	8,972	3	12,584	24,139	11,554	11,555	0
Foreign securities	15,891	19,403	3,511	3,521	10	18,023	22,669	4,645	4,645	-
Bonds	15,891	19,403	3,511	3,521	10	18,023	22,669	4,645	4,645	-
Stocks, etc.	-	-	-	-	-	-	-	-	-	-
Other securities	1,474	2,533	1,059	1,059	-	691	1,300	609	609	-
Monetary claims purchased	-	-	-	-	-	-	-	-	-	-
Certificates of deposit	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-
Total	5,475,177	6,029,882	554,705	554,814	109	5,673,896	6,340,186	666,290	666,290	0
JGBs, other bonds	5,385,143	5,913,448	528,305	528,327	22	5,572,859	6,205,956	633,096	633,096	-
Japanese stocks	12,236	21,205	8,968	8,972	3	12,584	24,139	11,554	11,555	0
Foreign securities	76,323	92,695	16,371	16,455	84	87,760	108,790	21,029	21,029	-
Bonds	76,323	92,695	16,371	16,455	84	87,760	108,790	21,029	21,029	-
Stocks, etc.	-	-	-	-	-	-	-	-	-	-
Other securities	1,474	2,533	1,059	1,059	-	691	1,300	609	609	-
Monetary claims purchased	-	-	-	-	-	-	-	-	-	-
Certificates of deposit	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-

Notes:

- The above table includes assets which are permitted to be treated as equivalent to securities defined in the Financial Instruments and Exchange Act of Japan.
- The above table included monetary trusts other than trading-purpose securities, and their carrying amount and net unrealized gains (losses) as of September 30, 2014 amounted to ¥268,705 million and ¥40,671 million respectively.
- Carrying amount represents the amount after deductions for depreciable costs and impairment losses, before mark-to-market.

b. Carrying amounts of securities without market value

(Millions of yen)

Category	As of March 31, 2014	As of September 30, 2014
Held-to-maturity securities	-	-
Unlisted foreign bonds	-	-
Others	-	-
Policy reserve matching bonds	-	-
Stocks of subsidiaries and affiliated companies	16,000	16,000
Available-for-sale securities	17,289	16,369
Unlisted domestic stocks (except OTC stocks)	-	-
Unlisted foreign stocks (except OTC stocks)	823	757
Unlisted foreign bonds	-	-
Others	16,466	15,611
Total	33,289	32,369

c. Fair Value information consisting of that stated in the previous table-a and foreign exchange and other gains (losses) for table-b

(Millions of yen)

Category	As of March 31, 2014					As of September 30, 2014				
	Carrying amount	Fair value	Net unrealized gains (losses)			Carrying amount	Fair value	Net unrealized gains (losses)		
			Unrealized gains	Unrealized losses				Unrealized gains	Unrealized losses	
Held-to-maturity securities	4,409,662	4,839,983	430,320	430,394	73	4,629,771	5,152,937	523,166	523,166	-
Policy reserve matching bonds	-	-	-	-	-	-	-	-	-	-
Stocks of subsidiaries and affiliated companies	16,000	16,000	-	-	-	16,000	16,000	-	-	-
Available-for-sale securities	1,082,804	1,214,309	131,504	131,986	481	1,060,493	1,211,365	150,871	151,368	497
JGBs, other bonds	1,035,912	1,146,757	110,844	110,866	22	1,012,825	1,139,139	126,314	126,314	-
Japanese stocks	12,236	21,205	8,968	8,972	3	12,584	24,139	11,554	11,555	0
Foreign securities	16,714	21,129	4,414	4,424	10	18,781	24,620	5,839	5,839	-
Bonds	15,891	19,403	3,511	3,521	10	18,023	22,669	4,645	4,645	-
Stocks, etc.	823	1,725	902	902	-	757	1,951	1,193	1,193	-
Other securities	17,940	25,217	7,277	7,723	446	16,303	23,466	7,162	7,659	496
Monetary claims purchased	-	-	-	-	-	-	-	-	-	-
Certificates of deposit	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-
Total	5,508,467	6,070,292	561,825	562,381	555	5,706,265	6,380,302	674,037	674,534	497
JGBs, other bonds	5,385,143	5,913,448	528,305	528,327	22	5,572,859	6,205,956	633,096	633,096	-
Japanese stocks	24,236	33,205	8,968	8,972	3	24,584	36,139	11,554	11,555	0
Foreign securities	81,146	98,420	17,273	17,357	84	92,518	114,741	22,223	22,223	-
Bonds	76,323	92,695	16,371	16,455	84	87,760	108,790	21,029	21,029	-
Stocks, etc.	4,823	5,725	902	902	-	4,757	5,951	1,193	1,193	-
Other securities	17,940	25,217	7,277	7,723	446	16,303	23,466	7,162	7,659	496
Monetary claims purchased	-	-	-	-	-	-	-	-	-	-
Certificates of deposit	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-

(7) Fair Value Information on Monetary Trusts (General Account)

(Millions of yen)

Category	As of March 31, 2014					As of September 30, 2014				
	Balance sheet amount	Fair value	Net unrealized gains (losses)			Balance sheet amount	Fair value	Net unrealized gains (losses)		
			Unrealized gains	Unrealized losses				Unrealized gains	Unrealized losses	
Monetary trusts	305,346	305,346	-	-	-	308,802	308,802	-	-	-

Note: The table above includes ¥50 million of jointly invested monetary trusts.

Monetary trusts for investment

(Millions of yen)

Category	As of March 31, 2014		As of September 30, 2014	
	Balance sheet amount	Net valuation gains (losses) recorded in income	Balance sheet amount	Net valuation gains (losses) recorded in income
Monetary trusts for investment	-	-	-	-

Monetary trusts for held-to-maturity and policy reserve matching and other monetary trusts

(Millions of yen)

Category	As of March 31, 2014					As of September 30, 2014				
	Carrying amount	Fair value	Net unrealized gains (losses)			Carrying amount	Fair value	Net unrealized gains (losses)		
			Unrealized gains	Unrealized losses				Unrealized gains	Unrealized losses	
Monetary trusts for held-to-maturity	-	-	-	-	-	-	-	-	-	-
Monetary trusts for policy reserve matching	-	-	-	-	-	-	-	-	-	-
Other monetary trusts	268,042	305,296	37,253	37,253	-	268,080	308,752	40,671	40,671	-

Note: Monetary trusts includes cash and call loans, etc. held in monetary trusts.

4. Non-consolidated Balance Sheets

(Millions of yen)

	As of	As of		As of	As of
	Mar. 31, 2014	Sep. 30, 2014		Mar. 31, 2014	Sep. 30, 2014
	Amount	Amount		Amount	Amount
Assets:			Liabilities:		
Cash and deposits	15,827	13,682	Policy reserves and others	6,152,574	6,446,288
Cash	4	2	Reserve for outstanding claims	24,702	28,584
Deposits	15,823	13,680	Policy reserves	6,123,633	6,413,422
Call loans	34,628	36,915	Reserve for policyholders' dividends	4,237	4,280
Monetary trusts	305,346	308,802	Due to agencies	2,169	2,067
Securities	5,954,716	6,235,631	Due to reinsurers	567	490
Japanese government bonds	5,316,110	5,526,571	Other liabilities	32,812	46,638
Japanese municipal bonds	3,869	2,073	Cash received as collateral under		10,290
Japanese corporate bonds	38,746	29,861	securitie lending taransactions		
Japanese stocks	70,442	79,058	Accrued income tax	8,702	13,041
Foreign securities	342,187	389,738	Other payables	1,213	98
Other securities	183,359	208,329	Accrued expenses	13,566	13,745
Loans	154,219	158,530	Unearned income	939	927
Policy loans	154,180	158,512	Deposits received	823	437
Commercial loans	38	17	Deposits received for guarantee	5,058	5,098
Tangible fixed assets	67,100	119,052	Lease obligations	21	18
Land	30,103	83,007	Asset retirement obligations	654	661
Buildings	36,429	35,519	Policy suspense and other suspense	1,832	2,319
Leased assets	19	17	Reserve for employees' retirement benefits	25,389	18,397
Other tangible fixed assets	548	508	Reserve for directors' retirement benefits	66	78
Intangible fixed assets	23,869	22,104	Reserve for price fluctuations	41,556	42,175
Software	23,859	22,094	Reserve for price fluctuations	41,556	42,175
Other intangible fixed assets	9	9	Deferred tax liabilities on land revaluation	536	536
Due from reinsurers	138	653	Total Liabilities	6,255,673	6,556,673
Other assets	53,787	56,212	Net Assets:		
Other receivable	30,954	34,016	Common stock	70,000	70,000
Prepaid expenses	1,532	1,493	Capital surplus	5,865	5,865
Accrued income	16,600	16,142	Capital reserve	5,865	5,865
Money on deposits	4,182	4,025	Retained earnings	211,461	231,105
Derivative financial instuments	-	27	Earned reserve	18,138	20,798
Advance payments	400	402	Other retained earnings	193,323	210,307
Others	117	105	Unappropriated retained earnings	193,323	210,307
Prepaid pension costs	1,867	2,233	Total shareholders' equity	287,327	306,970
Deferred tax assets	13,643	5,578	Net unrealized gains on other securities, net of taxes	83,416	97,002
Reserve for possible loan losses	(242)	(264)	Land revaluation, net of taxes	(1,513)	(1,513)
			Total valuation and translation adjustments	81,903	95,488
			Total Net Assets	369,230	402,459
Total Assets	6,624,903	6,959,132	Total Liabilities and Net Assets	6,624,903	6,959,132

5. Non-consolidated Statements of Income

(Millions of yen)

	For the six months ended September 30, 2013	For the six months ended September 30, 2014
	Amount	Amount
Ordinary Revenues	549,531	579,390
Income from insurance premiums	437,980	454,032
Insurance premiums	437,632	453,263
Ceded reinsurance commissions	348	768
Investment income	107,686	120,864
Interest income and dividends	58,971	65,879
Interest income from deposits	0	0
Interest income and dividends from securities	50,988	57,739
Interest income from loans	2,820	2,937
Rent revenue from real estate	5,145	5,170
Other interest income and dividends	17	32
Income from monetary trusts, net	2,674	2,646
Income from trading securities, net	-	91
Gains on sale of securities	1	3,889
Gains on redemption of securities	0	1
Gains on derivatives, net	172	33
Foreign exchange gains, net	-	1,832
Other investment income	3	7
Gains on separate accounts, net	45,862	46,483
Other ordinary income	3,863	4,493
Income for annuity riders	741	2,077
Income from deferred payment of claims	577	802
Other ordinary income	2,543	1,612
Ordinary Expenses	518,229	538,963
Insurance claims and other payments	155,054	173,004
Insurance claims	37,609	40,082
Annuity payments	5,106	5,215
Insurance benefits	19,378	20,664
Surrender payments	90,410	104,652
Refund to policyholders	1,616	1,430
Reinsurance premiums	933	958
Provision for policy reserves and others	294,006	293,672
Provision for reserves for outstanding claims	55	3,882
Provision for policy reserves	293,946	289,788
Interest on policyholders' dividend reserve	4	1
Investment expenses	4,085	4,566
Interest expenses	24	15
Losses on redemption of securities	-	0
Foreign exchange losses, net	91	-
Provision for reserve for possible loan losses	6	22
Depreciation of real estate for rent and others	1,039	969
Other investment expenses	2,923	3,559
Operating expenses	55,872	56,834
Other ordinary expenses	9,210	10,885
Payments of deferred claims	1,092	1,240
Taxes	3,784	5,226
Depreciation and amortization	2,482	2,632
Provision for reserve for employees' retirement	1,746	1,774
Provision for reserve for directors' retirement	-	11
Others	105	0
Ordinary Profit	31,302	40,427
Extraordinary Losses	4,118	633
Losses on disposal of fixed assets	19	15
Impairment losses	0	0
Provision for reserve for price fluctuations	4,078	618
Provision for reserve for price fluctuations	4,078	618
Others	19	-
Provision for Reserve for Policyholders' Dividends	62	219
Income Before Income Taxes	27,120	39,573
Income Taxes -current	8,053	13,240
Income Taxes -deferred	1,367	(619)
Total Income Taxes	9,421	12,621
Net Income	17,699	26,952

6. Reconciliation to Core Profit and Non-consolidated Ordinary Profit

(Millions of yen)

		For the six months ended September 30, 2013	For the six months ended September 30, 2014
Core profit	A	33,586	38,598
Capital gains		215	5,845
Income from monetary trusts, net		-	-
Income from trading securities, net		-	90
Gains on sale of securities		1	3,889
Gains on derivatives, net		172	33
Foreign exchange gains, net		-	1,832
Other capital gains		41	-
Capital losses		285	1,428
Losses on monetary trusts, net		-	-
Losses on trading securities, net		-	-
Losses on sale of securities		-	-
Devaluation losses on securities		-	-
Losses on derivatives, net		-	-
Foreign exchange losses, net		91	-
Other capital losses		193	1,428
Net capital gains (losses)	B	(69)	4,417
Core profit plus net capital gains (losses)	A+B	33,516	43,015
Other one-time gains		-	-
Gains from reinsurance		-	-
Reversal of contingency reserve		-	0
Reversal of specific reserve for possible loan losses		-	-
Others		-	-
Other one-time losses		2,214	2,588
Losses from reinsurance		-	-
Provision for contingency reserve		2,103	2,455
Provision for specific reserve for possible loan losses		6	21
Provision for reserve for loan losses from borrowers in specific foreign countries		-	-
Write-off of loans		-	-
Others		104	111
Net other one-time gains (losses)	C	(2,214)	(2,588)
Ordinary profit	A+B+C	31,302	40,427

Notes:

1. Core profit for the six months ended September 30, 2013 (A) includes income gains of ¥2,674 million in income from monetary trusts; other capital gains include reversal for policy reserves and others of ¥41 million for currency market fluctuations of products dominated in foreign currencies; other capital losses include impairment losses of ¥193 million from investment partnership; "Others" of other one-time losses included provision of additional policy reserve of ¥104 million.
2. Core profit for the six months ended September 30, 2014 (A) includes income gains of ¥2,646 million in income from monetary trusts and interest income and dividends of ¥0 million in income from trading securities, net; other capital gains include reversal for policy reserves and others of ¥1,288 million for currency market fluctuations of products dominated in foreign currencies and impairment losses of ¥139 million from investment partnership; "Others" of other one-time losses included provision of additional policy reserve of ¥111 million.

7. Loans by Borrower Category

(Millions of yen, %)

Category	As of March 31, 2014	As of September 30, 2014
Bankrupt and quasi-bankrupt loans	-	-
Doubtful loans	-	-
Sub-standard loans	-	-
Subtotal	-	-
[% to total]	[-]	[-]
Normal loans	156,815	170,178
Total	156,815	170,178

Notes:

1. Bankrupt and quasi-bankrupt loans are loans to borrowers who are subject to bankruptcy, corporate reorganization or rehabilitation or other similar proceedings and other borrowers in serious financial difficulties.
2. Doubtful loans are loans to obligors (other than bankrupt and quasi-bankrupt obligors) with deteriorated financial condition and results of operations from which it is unlikely that the principal and interest on the loans will be recovered.
3. Sub-standard loans are loans on which principal and/or interest are past due for three months or more (excluding loans described in notes 1. and 2. above) and loans on which terms and conditions have been amended in favor of the borrowers (e.g. reduction of the original interest rate, deferral of interest payments, extension of principal repayments or debt waiver) in order to support the borrowers' recovery from financial difficulties (excluding loans described in notes 1. and 2. above and loans on which principal and/or interest are past due for three months or more).
4. Normal loans are all other loans.

8. Risk-monitored Loans

Not applicable

9. Solvency Margin Ratio

(Millions of yen)

Category	As of March 31, 2014	As of September 30, 2014
Total solvency margin (A)	954,157	1,059,548
Common stock, etc.	274,027	306,074
Reserve for price fluctuations	41,556	42,175
Contingency reserve	63,671	66,127
General reserve for possible loan losses	0	0
Net unrealized gains on other securities multiplied by 90% (100% if losses)	118,354	135,784
Net unrealized gains on real estate multiplied by 85% (100% if losses)	75	3,897
Amount excluded from deferred tax assets	-	-
Unallocated portion of reserve for policyholders' dividends	174	1,088
Deferred tax assets	78,868	93,118
Excess amount of policy reserves based on Zillmer method	400,056	413,281
Subordinated debt	-	-
The portion of the excess amount if policy reserves based on Zillmer method and subordinated debt that is not included in the margin	(20,626)	-
Deductible items	(2,000)	(2,000)
Total risk $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$ (B)	80,904	84,409
Insurance risk R1	22,512	22,957
Third-sector insurance risk R8	8,368	8,423
Assumed interest rate risk R2	29,616	29,839
Minimum guarantee risk R7	12,896	13,843
Asset management risk R3	30,023	32,357
Business management risk R4	2,068	2,148
Solvency margin ratio		
$\frac{(A)}{(1/2) \times (B)} \times 100$	2,358.7%	2,510.4%

No1. The figures were calculated based on provisions in Articles 86 and 87 of the Ordinance for Enforcement of the Insurance Business Act of Japan and the Ministry of Finance Public Notice No. 50 of 1996.

2. Minimum guarantee risk was calculated based on the standardized approach.

(Reference) Consolidated Solvency Margin Ratio

Although Sony Life is not required to prepare consolidated financial statements since it does not have consolidated subsidiaries, Sony Life discloses consolidated solvency margin ratio consolidated with its affiliated companies quarterly.

(Millions of yen)

Category	As of March 31, 2014	As of September 30, 2014
Total solvency margin (A)	931,256	1,038,948
Common stock, etc.	267,645	299,387
Reserve for price fluctuations	41,556	42,175
Contingency reserve	63,671	66,127
Catastrophe reserve	—	—
General reserve for possible loan losses	0	0
Net unrealized gains on other securities multiplied by 90% (100% if losses)	118,354	135,784
Net unrealized gains on real estate multiplied by 85% (100% if losses)	75	3,897
Total amount of unrecognized actuarial differences, and unrecognized past service cost	(2,768)	(2,319)
Amount excluded from deferred tax assets	—	—
Unallocated portion of reserve for policyholders' dividends	174	1,088
Deferred tax assets	78,868	93,118
Excess amount of policy reserves based on Zillmer method	400,056	413,281
Subordinated debt	—	—
The portion of the excess amount if policy reserves based on Zillmer method and subordinated debt that is not included in the margin	(27,008)	(4,503)
Deductible items	(9,369)	(9,088)
Total risk $\sqrt{(\sqrt{R_1^2 + R_2^2 + R_3^2 + R_4^2 + R_5^2} + (R_6 + R_7 + R_8)^2 + R_9^2 + R_{10}^2 + R_{11}^2)} \quad (B)$	77,160	80,647
Insurance risk R1	22,512	22,957
Ordinary insurance risk R5	—	—
Major Catastrophe risk R6	—	—
Third-sector insurance risk R8	8,368	8,423
Insurance risk of small-amount short-term insurance providers R9	—	—
Assumed interest rate risk R2	29,616	29,839
Minimum guarantee risk R7	12,896	13,843
Asset management risk R3	26,023	28,357
Business management risk R4	1,988	2,068
Insurance claims and other payments		
(A)		
$\frac{\text{(A)}}{\text{(1/2) x (B)}} \times 100$	2,413.8%	2,576.5%

- Notes: 1. The figures were calculated based on provisions in Articles 86-2 and 88 of the Ordinance for Enforcement of the Insurance Business Act of Japan and Public Notice of Financial Services Agency No. 23 of 2011.
2. Minimum guarantee risk was calculated based on the standardized approach.
3. "Total amount of unrecognized actuarial differences, and unrecognized past service cost" is included in calculation from March 31, 2014.

10. Status of Separate Account Assets

(1) Balance of Separate Account Assets

(Millions of yen)

Category	As of March 31, 2014		As of September 30, 2014	
	Number	Amount	Number	Amount
Individual variable life insurance and individual variable annuities		640,562		702,061
Group annuities		-		-
Total separate account		640,562		702,061

Note: Assets relating to individual variable life insurance and individual variable annuities are jointly invested at Sony Life.

(2) Policy Amount in Force (Separate Account)

Individual variable life insurance

(Number: Thousand, Amount: Millions of yen)

Category	As of March 31, 2014		As of September 30, 2014	
	Number	Amount	Number	Amount
Variable life insurance (whole life type)	610	7,302,062	639	7,502,024
Variable life insurance (limited term type)	47	164,508	52	184,539
Variable life insurance (term type)	1	45,807	1	44,802
Total	659	7,512,377	693	7,731,366

Note: Amounts include the rider portion of variable life insurance.

Individual variable annuities

(Number: Thousand, Amount: Millions of yen)

Category	As of March 31, 2014		As of September 30, 2014	
	Number	Amount	Number	Amount
Individual variable annuities	30	161,758	35	190,178

Note: The amount of individual variable annuities is equal to the sum of (a) the funds to be held at the time annuity payments are to commence for policies for which annuity payments have not yet commenced and (b) the amount of policy reserves for policies for which payments have commenced.