

Presentation Material

Consolidated Financial Results for the Three Months Ended June 30, 2012 and Sony Life's Market Consistent Embedded Value as of June 30, 2012

**Sony Financial Holdings Inc.
August 13, 2012**

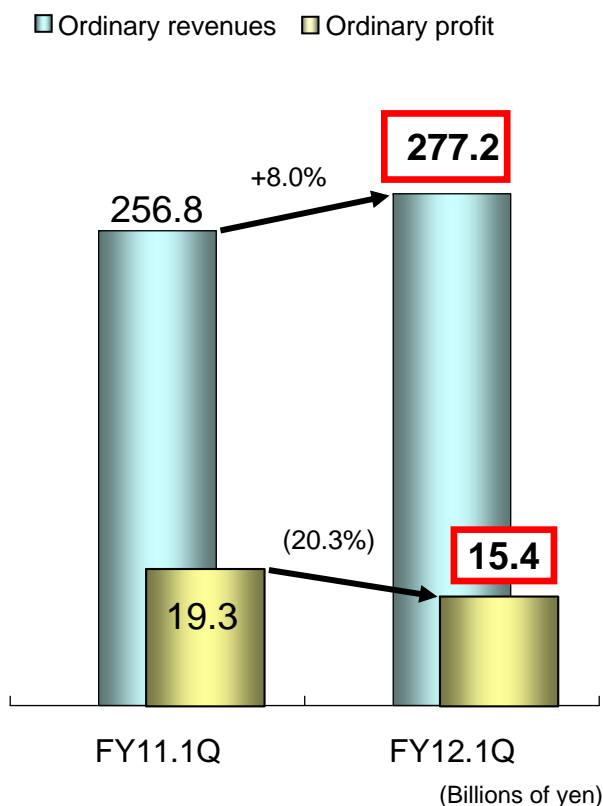
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Consolidated Operating Results for the Three Months Ended June 30, 2012

Highlights of Consolidated Operating Performance for the Three Months Ended June 30, 2012 (1)



		(Billions of yen)	FY11.1Q	FY12.1Q	Change	
Life insurance business	Ordinary revenues		229.3	247.6	+18.3	+8.0%
	Ordinary profit		17.6	13.7	(3.8)	(21.9%)
Non-life insurance business	Ordinary revenues		20.4	21.7	+1.2	+6.3%
	Ordinary profit		0.7	0.7	(0.0)	(8.0%)
Banking business	Ordinary revenues		7.4	8.3	+0.9	+12.4%
	Ordinary profit		0.8	0.8	(0.0)	(0.6%)
Intersegment adjustments*	Ordinary revenues		(0.4)	(0.5)	(0.0)	—
	Ordinary profit		0.0	0.0	0.0	+23.1%
Consolidated	Ordinary revenues		256.8	277.2	+20.4	+8.0%
	Ordinary profit		19.3	15.4	(3.9)	(20.3%)
	Net income		10.8	9.6	(1.2)	(11.7%)

		(Billions of yen)	12.3.31	12.6.30	Change from 12.3.31	
Consolidated	Total assets		7,241.4	7,365.0	+123.6	+1.7%
	Net assets		347.8	356.8	+9.0	+2.6%

*Amounts in the Ordinary profit in the "Intersegment adjustments" are mainly from SFH.

*Comprehensive income: FY11.1Q: ¥23.4 billion, FY12.1Q: ¥17.7 billion.

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

Highlights of Consolidated Operating Performance for the Three Months Ended June 30, 2012 (2)



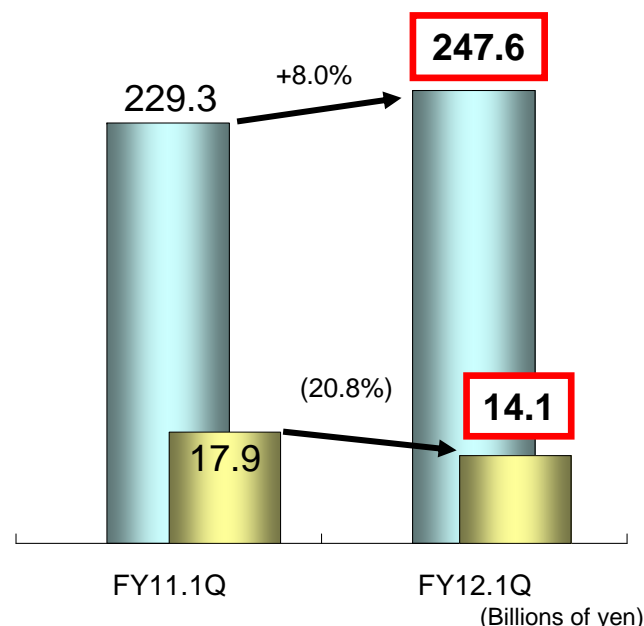
- Life Insurance Business: Ordinary revenues increased year on year due to higher income from insurance premiums associated with a steady increase in the policy amount in force. Ordinary profit decreased year on year, reflecting an increase in provision for policy reserves related to minimum guarantees for variable life insurance policies. The decrease was also due to recording profit for the previous period resulting from lower insurance claims and other payments related to the Great East Japan Earthquake than estimated in the reserve for outstanding claims as of March 31, 2011.
- Non-life Insurance Business: Ordinary revenues increased year on year, owing to an increase in net premiums written primarily for automobile insurance. Ordinary profit slightly decreased year on year owing to an increase in the loss ratio caused by higher net losses paid for automobile insurance.
- Banking Business: Ordinary revenues increased year on year due to an increase in net fees and commissions resulting from Sony Bank's acquisition of SmartLink Network, Inc. in July 2011 as its consolidated subsidiary. Ordinary profit remained at the same levels as during the same period of the previous fiscal year, because higher interest received on loans due to an increase in the balance of mortgage loans offset a decrease in profit related to foreign currency transactions.
- Consolidated ordinary revenues increased 8.0% year on year, to ¥277.2 billion, however, consolidated ordinary profit decreased 20.3%, to ¥15.4 billion. Net income decreased 11.7%, to ¥9.6 billion.

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

Highlights of Operating Performance: Sony Life (Non-consolidated)



□ Ordinary revenues □ Ordinary profit



- ◆ Ordinary revenues increased but ordinary profit decreased year on year.
- ◆ Income from insurance premiums increased due to a steady increase in the policy amount in force.
- ◆ Investment income decreased due to worse investment performance on separate account assets under the deteriorated financial market conditions. This offset the positive impact of higher investment income in the general account assets, driven mainly by an increase in interest income and dividends.
- ◆ Ordinary profit decreased year on year, reflecting an increase in provision for policy reserves related to minimum guarantees for variable life insurance policies. The decrease was also due to recording profit for the previous period resulting from lower insurance claims and other payments related to the Great East Japan Earthquake than estimated in the reserve for outstanding claims as of March 31, 2011.

(Billions of yen)	FY11.1Q	FY12.1Q	Change	
Ordinary revenues	229.3	247.6	+18.3	+8.0%
Income from insurance premiums	194.6	217.9	+23.3	+12.0%
Investment income	29.0	27.8	(1.1)	(4.0%)
Interest income and dividends	23.2	25.7	+2.5	+10.8%
Income from monetary trusts, net	1.3	1.3	(0.0)	(0.7%)
Gains on sale of securities	0.5	0.7	+0.2	+52.7%
Gains on separate accounts, net	3.9	—	(3.9)	(100.0%)
Ordinary expenses	211.3	233.4	+22.0	+10.4%
Insurance claims and other payments	71.3	69.9	(1.4)	(2.1%)
Provision for policy reserves and others	108.1	107.2	(0.9)	(0.8%)
Investment expenses	3.0	26.1	+23.0	+745.2%
Losses on sale of securities	0.4	0.0	(0.3)	(77.5%)
Losses on separate accounts, net	—	23.6	+23.6	—
Operating expenses	25.1	26.1	+1.0	+4.3%
Ordinary profit	17.9	14.1	(3.7)	(20.8%)
Net income	10.1	8.2	(1.9)	(19.4%)

(Billions of yen)	12.3.31	12.6.30	Change from 12.3.31	
Securities	4,545.0	4,657.1	+112.1	+2.5%
Policy reserves	4,843.0	4,950.2	+107.2	+2.2%
Total net assets	264.8	272.2	+7.3	+2.8%
Net unrealized gains on other securities	34.0	42.3	+8.2	+24.3%
Total assets	5,222.8	5,330.7	+107.9	+2.1%
Separate account assets	444.2	427.5	(16.7)	(3.8%)

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

Overview of Performance: Sony Life (Non-consolidated)



(Billions of yen)	FY11.1Q	FY12.1Q	Change
New policy amount	1,054.4	1,066.5	+1.1%
Lapse and surrender amount	530.3	497.5	(6.2%)
Lapse and surrender rate	1.53%	1.38%	(0.15pt)
Policy amount in force	35,073.4	36,432.0	+3.9%
Annualized premiums from new policies	17.1	17.4	+1.6%
Of which, third-sector products	4.2	4.4	+4.5%
Annualized premiums from insurance in force	611.5	643.0	+5.2%
Of which, third-sector products	143.1	151.5	+5.9%
(Billions of yen)	FY11.1Q	FY12.1Q	Change
Gains from investment, net (General account)	21.9	25.3	+15.3%
Core profit	19.2	14.7	(23.0%)
Negative spread	1.3	0.5	(61.5%)
	12.3.31	12.6.30	Change from 12.3.31
Solvency margin ratio	1,980.4%	2,081.8%	+101.4pt

(Reasons for changes)

◆ Increased due mainly to higher sales of living benefit insurance.

◆ Decreased due to the lowering lapse and surrender rates mainly in term-life insurance.

◆ Increased due mainly to higher sales of living benefit insurance.

◆ Increased due to an increase in interest income and dividends.

◆ Decreased reflecting an increase in provision for policy reserves related to minimum guarantees for variable life insurance policies. The decrease was also due to recording profit for the previous period resulting from lower-than-estimated insurance claims and other payments related to the Great East Japan Earthquake in the reserve for outstanding claims as of March 31, 2011. These decreases in profit offset the positive impact of a decline in negative spread.

Notes:

- *1 Figures for new policy amount, lapse and surrender amount, lapse and surrender rate, policy amount in force, annualized premiums from new policies and annualized premiums from insurance in force are calculated as the total of individual life insurance and individual annuities.
- *2 The lapse and surrender rate shows the ratio derived by dividing the amount of lapses and surrenders, not adjusted for policy amount decreases, increases, and reinstatements, by the policy amount in force at the beginning of the fiscal year.
- *3 The above-stated figures of solvency margin ratio are calculated according to the new standards which became effective as of the end of fiscal 2011 (March 31, 2012).

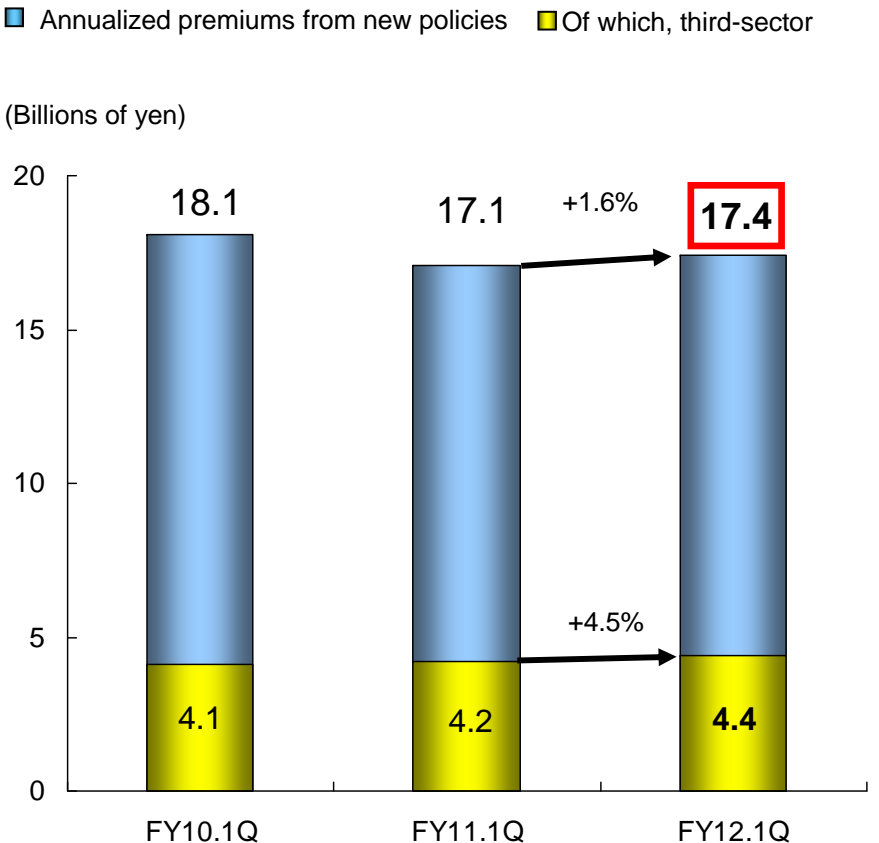
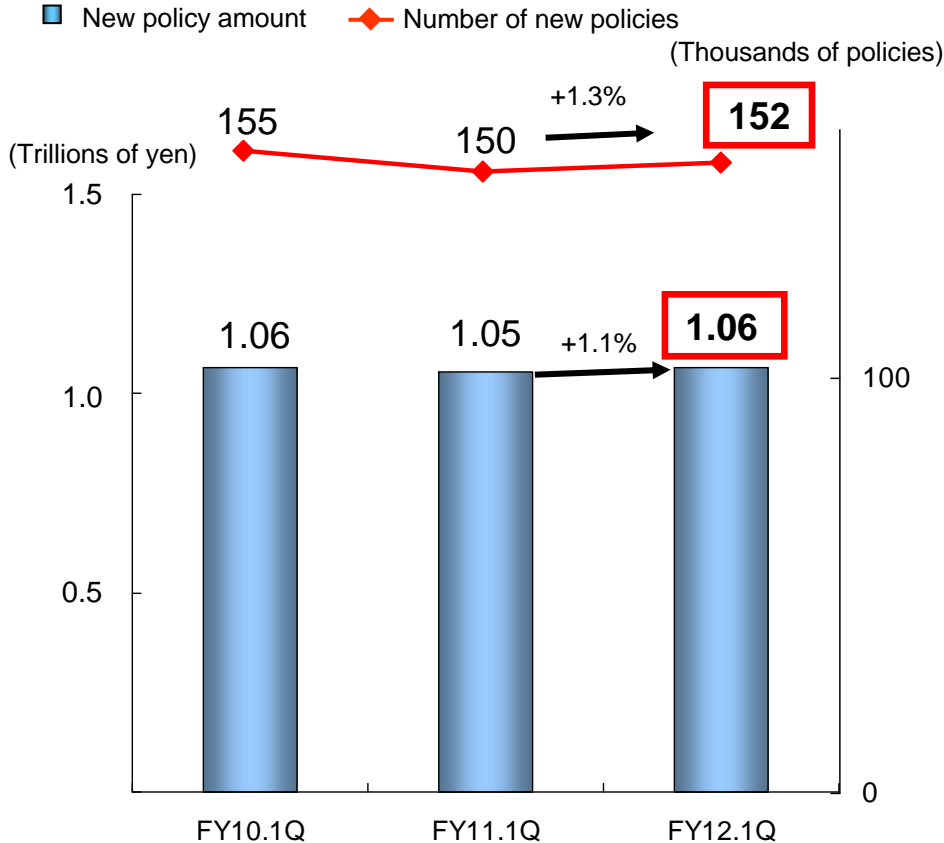
Line item amounts are truncated below ¥100 million; percentage change figures are rounded.

Sony Life Operating Performance (1)



Number and Amount of New Policies (Individual Life Insurance + Individual Annuities)

Annualized Premiums from New Policies (Individual Life Insurance + Individual Annuities)



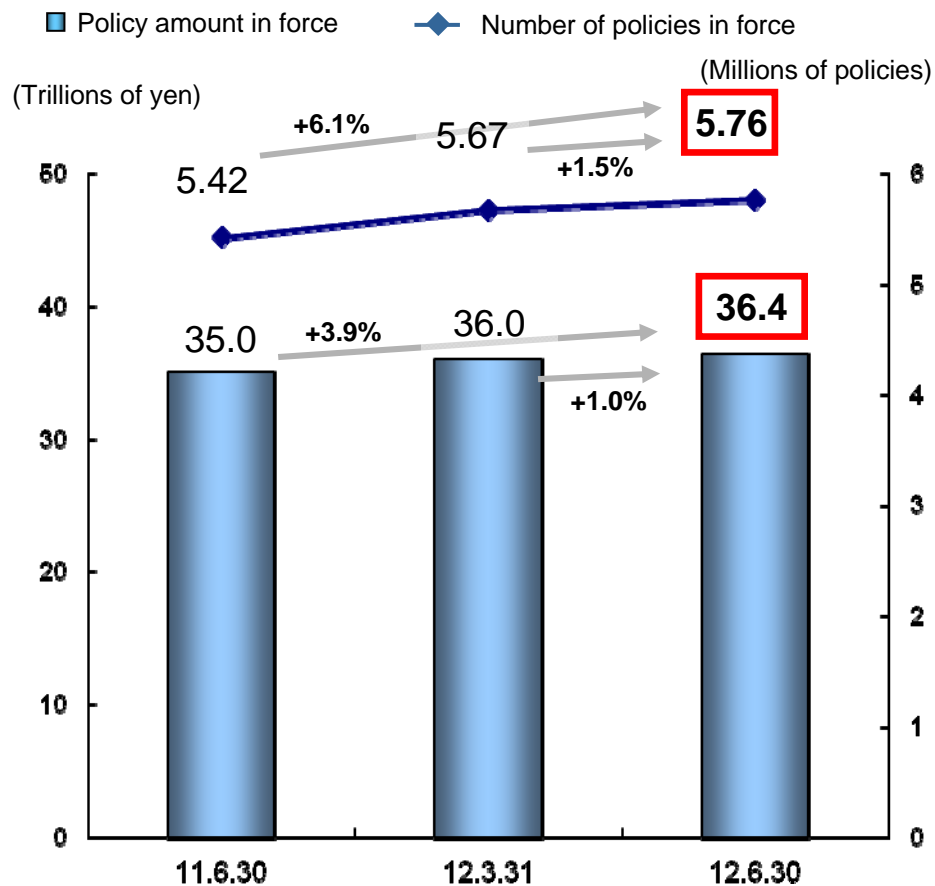
Line item amounts are truncated below ¥10 billion; numbers of policies are truncated below 1,000 policies; percentage change figures are rounded.

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

Sony Life Operating Performance (2)

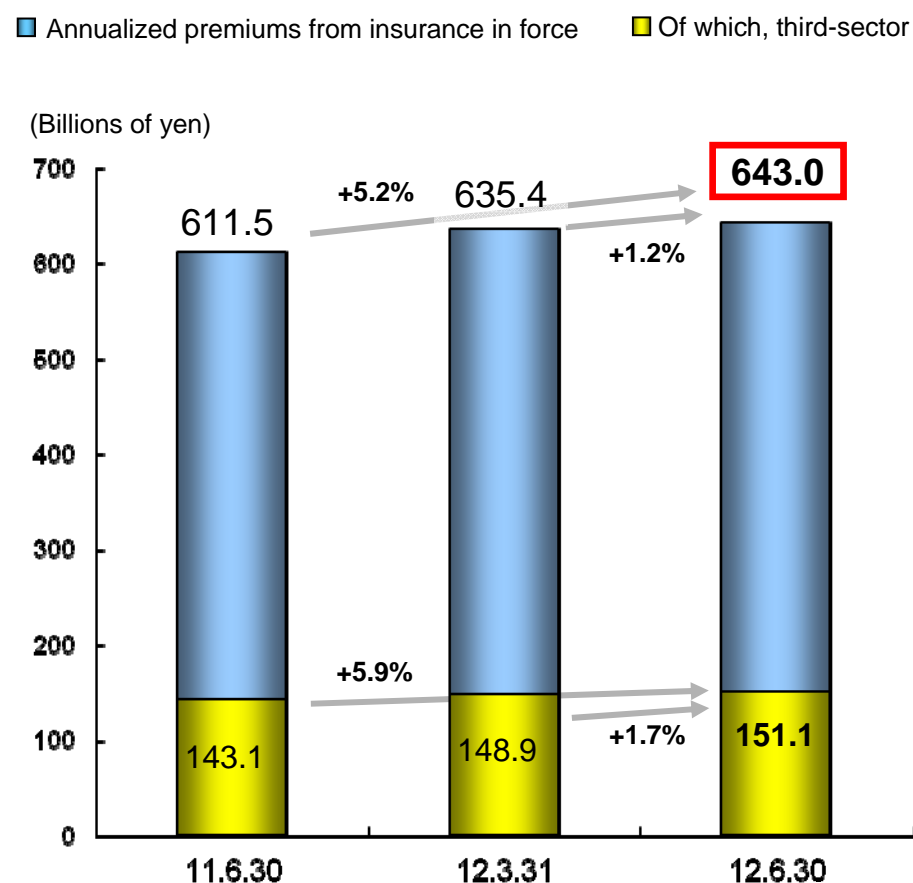


Number and Amount of Policies in Force (Individual Life Insurance + Individual Annuities)



Line item amounts are truncated below ¥100 billion; numbers of policies are truncated below 10,000 policies; percentage change figures are rounded.

Annualized Premiums from Insurance in Force (Individual Life Insurance + Individual Annuities)

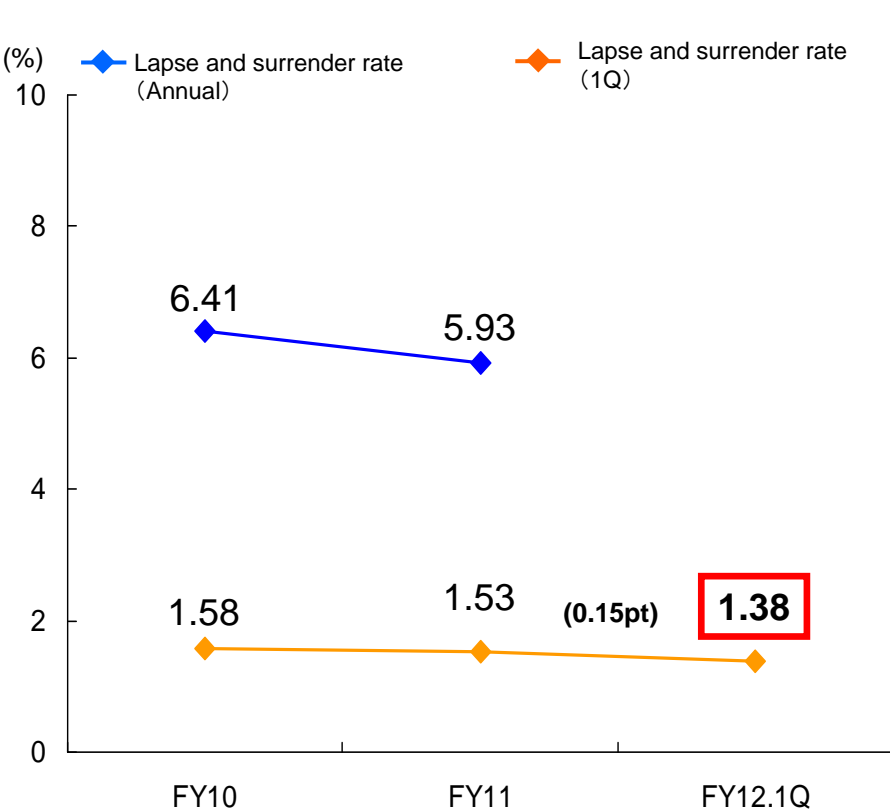


Line item amounts are truncated below ¥100 million; percentage change figures are rounded.

Sony Life Operating Performance (3)

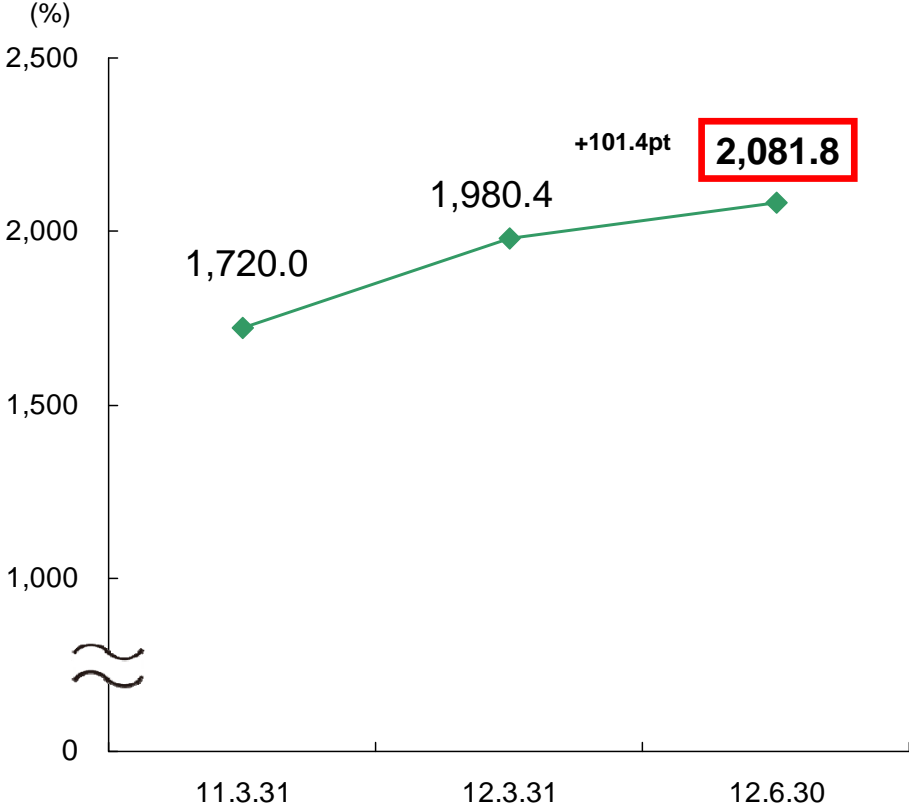


Lapse and Surrender Rate* (Individual Life Insurance + Individual Annuities)



*The lapse and surrender rate shows the ratio derived by dividing the amount of lapses and surrenders, not adjusted for policy amount decreases, increases, and reinstatements, by the policy amount in force at the beginning of the fiscal year.

Solvency Margin Ratio



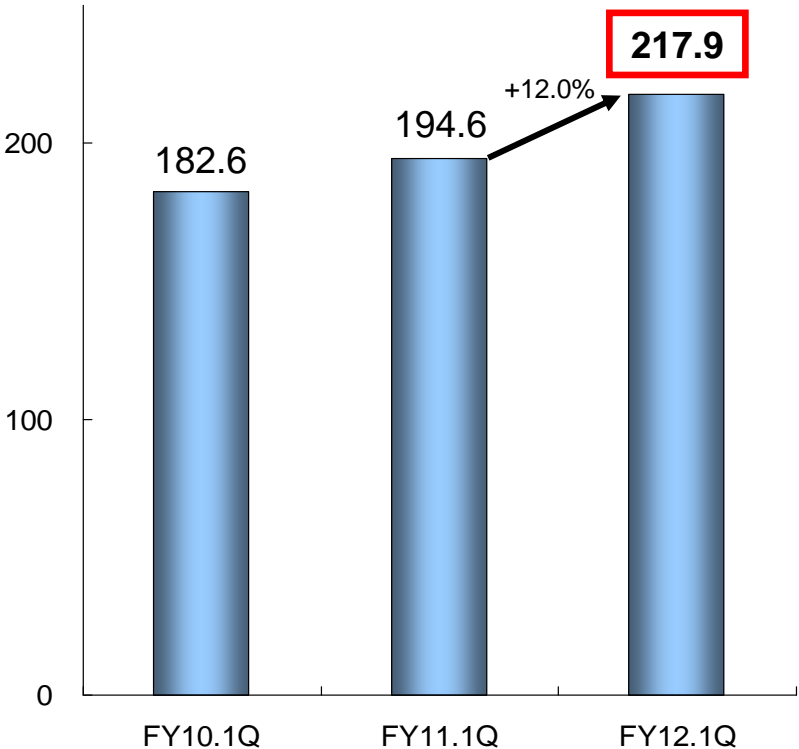
Note: The above-stated figures of solvency margin ratio are calculated according to the new standards which became effective as of the end of fiscal year 2011 (March 31, 2012).

Sony Life Operating Performance (4)



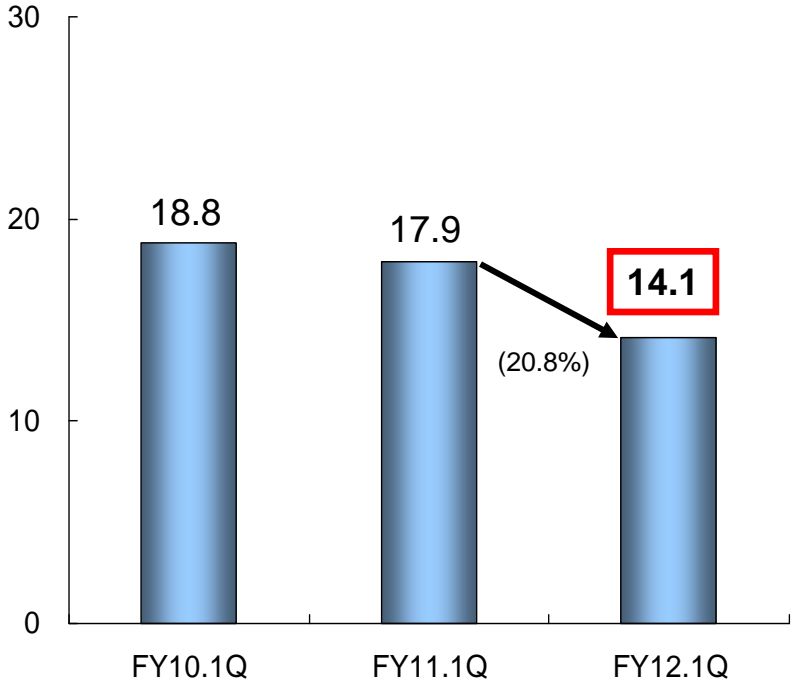
Income from Insurance Premiums

(Billions of yen)



Ordinary Profit

(Billions of yen)



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

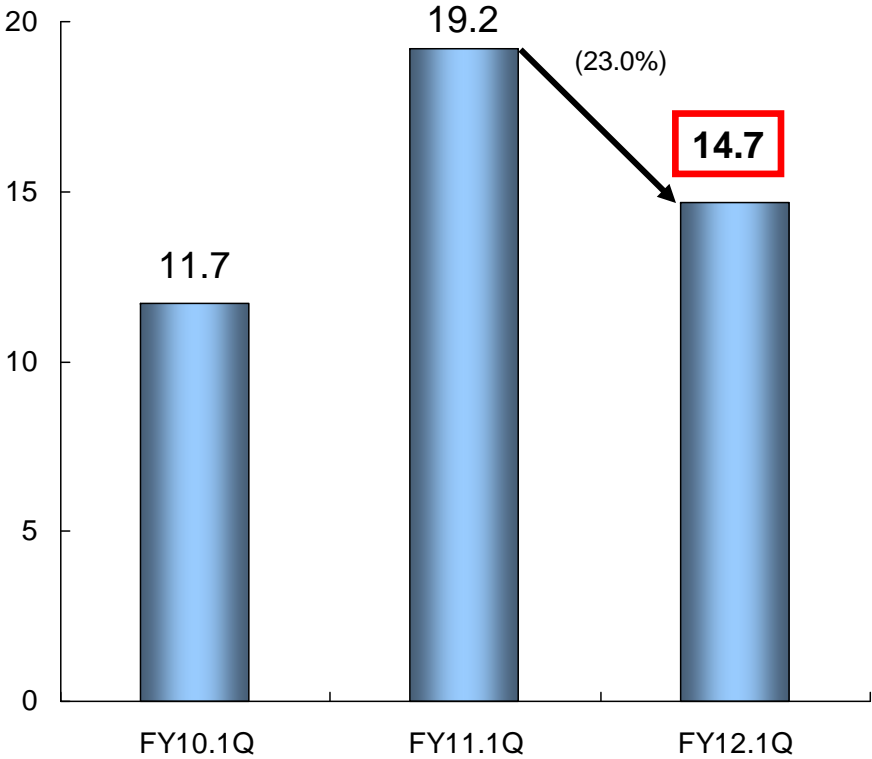
Sony Life Operating Performance (5)



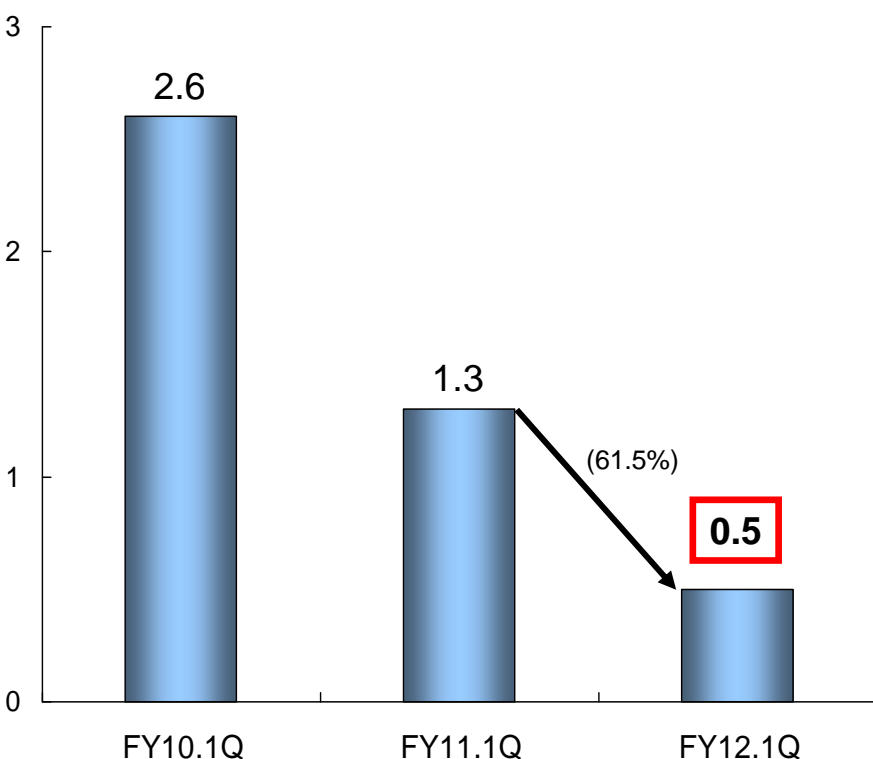
Core Profit

Negative Spread

(Billions of yen)



(Billions of yen)

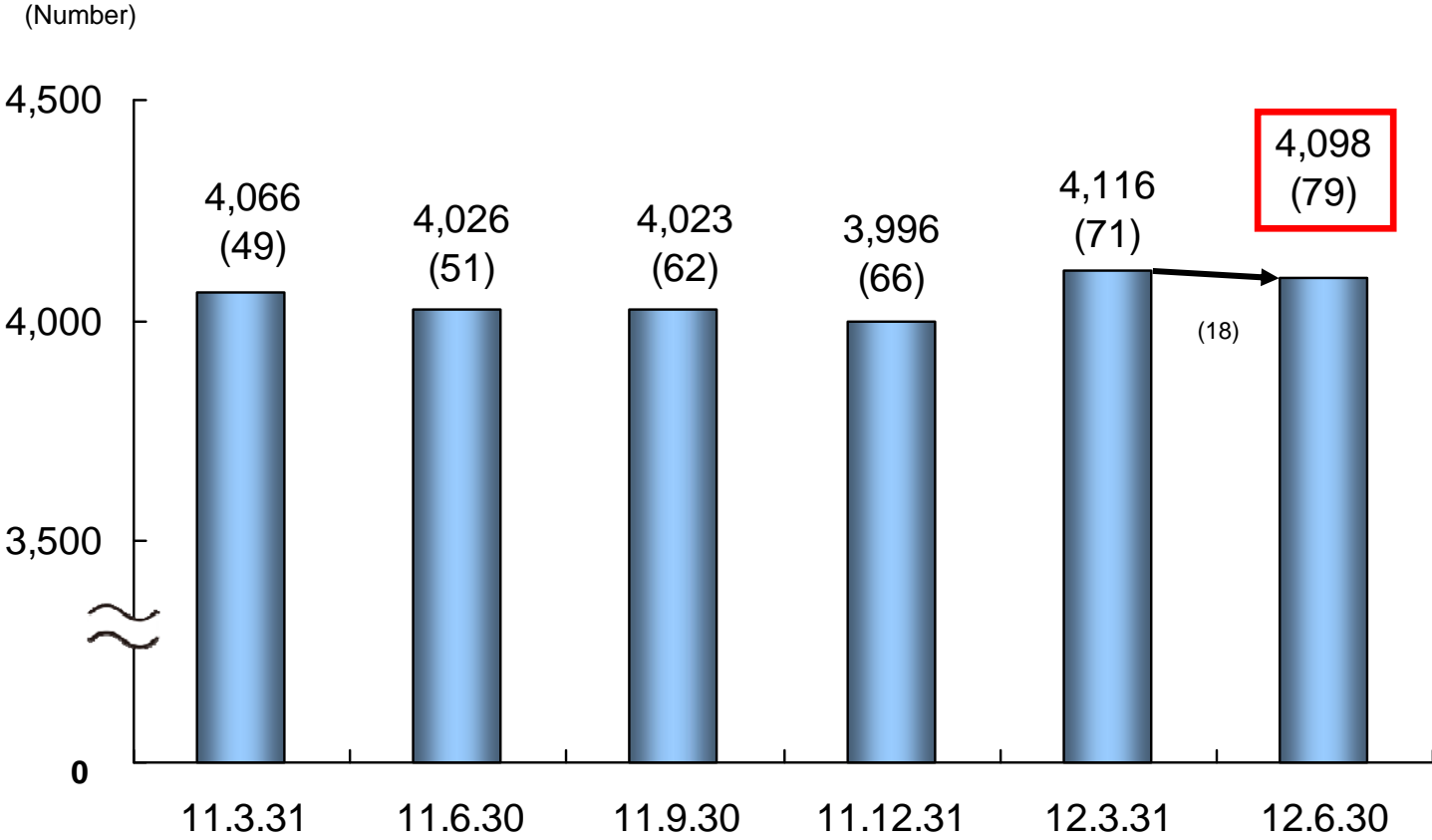


Line item amounts are truncated below ¥100 million; percentage figures are rounded.

Sony Life Operating Performance (6)



Number of Lifepanner Sales Employees



Note: Figures in () show the numbers of Lifepanner sales employees (rehired on a fixed-term contract basis after retirement) included in the overall numbers.

* "Lifepanner" is a registered trademark of Sony Life Insurance Co., Ltd.

Sony Life Operating Performance (7)

Breakdown of General Account Assets

(Billions of yen)	12.3.31		12.6.30	
	Amount	%	Amount	%
Japanese government and corporate bonds	3,975.7	83.2%	4,113.8	83.9%
Japanese stocks	45.0	0.9%	37.6	0.8%
Foreign securities	59.6	1.2%	60.4	1.2%
Foreign stocks	30.5	0.6%	30.1	0.6%
Monetary trusts	288.2	6.0%	292.5	6.0%
Policy loans	138.7	2.9%	138.8	2.8%
Real estate	72.9	1.5%	72.4	1.5%
Cash and call loans	64.8	1.4%	46.3	0.9%
Others	102.6	2.1%	111.0	2.3%
Total	4,778.5	100.0%	4,903.2	100.0%

<Asset management review>

On the asset side, we lengthened the duration of securities held to match the liability characteristics of insurance policies with long-term maturities with the aim of reducing interest rate risk.

Japanese government and corporate bonds:
Continue to accumulate ultralong-term bonds in FY12



<Lengthened asset duration>

11.3.31	18.5 years
12.3.31	19.2 years
<u>12.6.30</u>	<u>19.2 years</u>

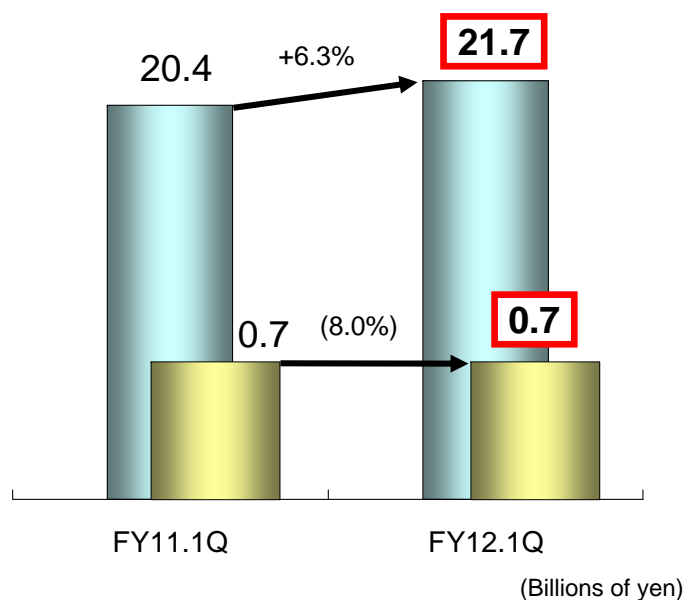
- Investment in the monetary trusts is mainly into Japanese government and corporate bonds.
- The holding ratio on the real status, of Japanese government and corporate bonds including those invested in monetary trusts in the general account assets:

As of June 30, 2012: 89.9%, (As of March 31, 2012: 89.2%)

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

Highlights of Operating Performance: Sony Assurance

■ Ordinary revenues ■ Ordinary profit



- ◆ Ordinary revenues increased but ordinary profit decreased year on year.
- ◆ Ordinary revenues increased owing to an increase in net premiums written atop growth in the number of insurance policies in force centered on automobile insurance.
- ◆ Ordinary profit decreased owing mainly to an increase in the loss ratio caused by higher net losses paid for automobile insurance.

(Billions of yen)	FY11.1Q	FY12.1Q	Change	
Ordinary revenues	20.4	21.7	+1.2	+6.3%
Underwriting income	20.2	21.4	+1.2	+6.3%
Investment income	0.2	0.2	+0.0	+6.4%
Ordinary expenses	19.6	21.0	+1.3	+6.8%
Underwriting expenses	15.1	16.1	+1.0	+6.8%
Investment expenses	0.0	0.0	(0.0)	(93.2%)
Operating, general and administrative expenses	4.5	4.8	+0.3	+7.0%
Ordinary profit	0.7	0.7	(0.0)	(8.0%)
Net income	0.4	0.4	(0.0)	(9.4%)

(Billions of yen)	12.3.31	12.6.30	Change from 12.3.31	
Underwriting reserves	67.3	69.8	+2.5	+3.7%
Total net assets	18.0	18.4	+0.4	+2.4%
Total assets	118.6	120.0	+1.4	+1.2%

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

Overview of Performance: Sony Assurance

(Billions of yen)	FY11.1Q	FY12.1Q	Change
Direct premiums written	20.0	21.2	+6.0%
Net premiums written	20.2	21.4	+6.3%
Net losses paid	10.2	11.4	+11.6%
Underwriting profit	0.5	0.4	(13.0%)
Net loss ratio	56.9%	59.9%	+3.0pt
Net expense ratio	24.6%	24.5%	(0.1pt)
Combined ratio	81.4%	84.4%	+3.0pt

(Reasons for changes)

◆ Increased owing to an increase in the number of policies in force for automobile insurance.

◆ Increased owing mainly to an increase in the number of policies in force for automobile insurance, as well as rising unit cost of insurance claims and influences of natural disasters.

◆ Increased due to an increase in the number of policies in force for automobile insurance.

Net expense ratio is equal to the ratio of total underwriting costs to net premiums written.

Net loss ratio is equal to the ratio of net losses paid and loss adjustment expenses to net premiums written.

	12.3.31	12.6.30	Change from 12.3.31	
Number of policies in force	1.49 million	1.51 million	+0.02 million	+1.5%
Solvency margin ratio	557.8%	558.8%	+1.0pt	

The number of policies in force is the total of automobile insurance and medical and cancer insurance, which accounts for 99% of net premiums written.

Line item amounts are truncated below ¥ 100 million; numbers of policies are truncated below 10,000 policies; percentage change figures are rounded.

Sony Assurance's Underwriting Performance by Type of Policy



Direct Premiums Written

(Millions of yen)	FY11.1Q	FY12.1Q	Change
Fire	32	63	+97.9%
Marine	—	—	—
Personal accident*	1,805	1,931	+6.9%
Voluntary automobile	18,184	19,219	+5.7%
Compulsory automobile liability	—	—	—
Total	20,022	21,214	+6.0%

Net losses paid

(Millions of yen)	FY11.1Q	FY12.1Q	Change
Fire	7	0	(95.3%)
Marine	8	122	—
Personal accident*	426	467	+9.5%
Voluntary automobile	9,627	10,631	+10.4%
Compulsory automobile liability	197	239	+21.3%
Total	10,267	11,461	+11.6%

Net Premiums Written

(Millions of yen)	FY11.1Q	FY12.1Q	Change
Fire	61	69	+11.6%
Marine	2	42	—
Personal accident*	1,875	2,001	+6.8%
Voluntary automobile	18,117	19,150	+5.7%
Compulsory automobile liability	150	217	+45.1%
Total	20,208	21,481	+6.3%

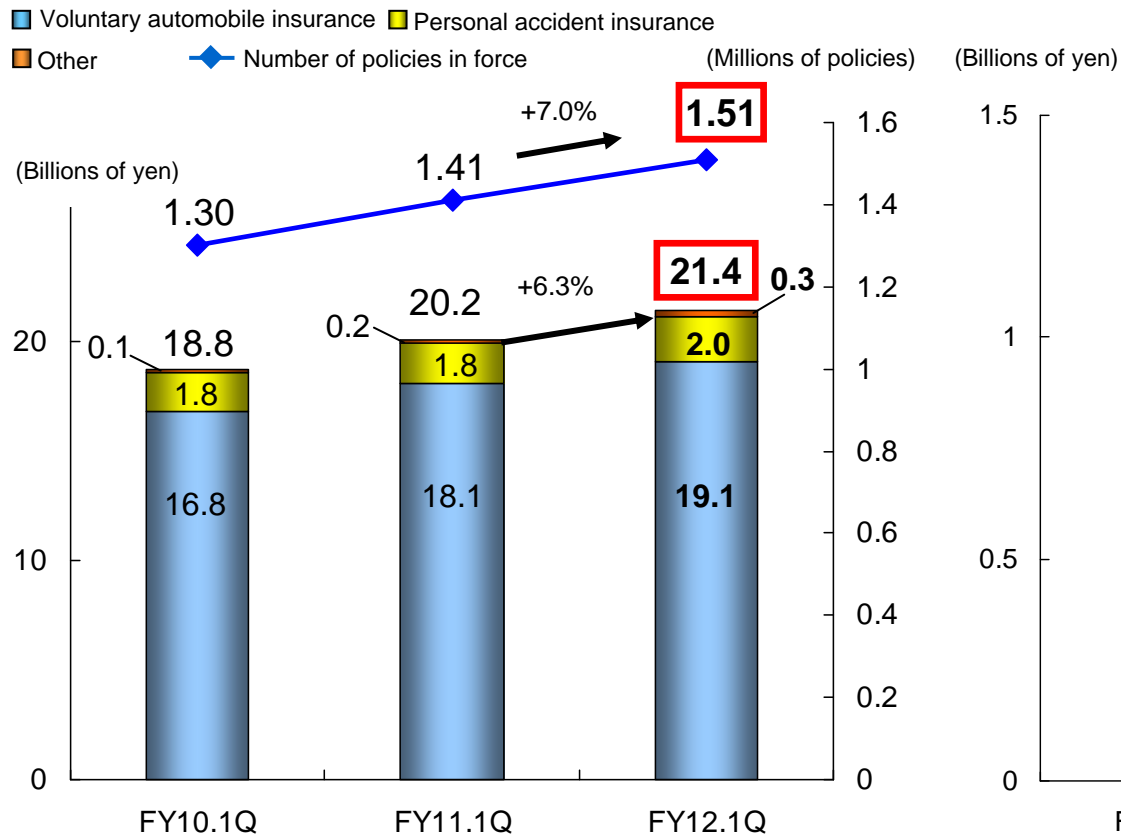
*SURE, medical and cancer insurance is included in personal accident.

Line item amounts are truncated below ¥ 1 million;
Percentage change figures are rounded.

Sony Assurance Operating Performance (1)

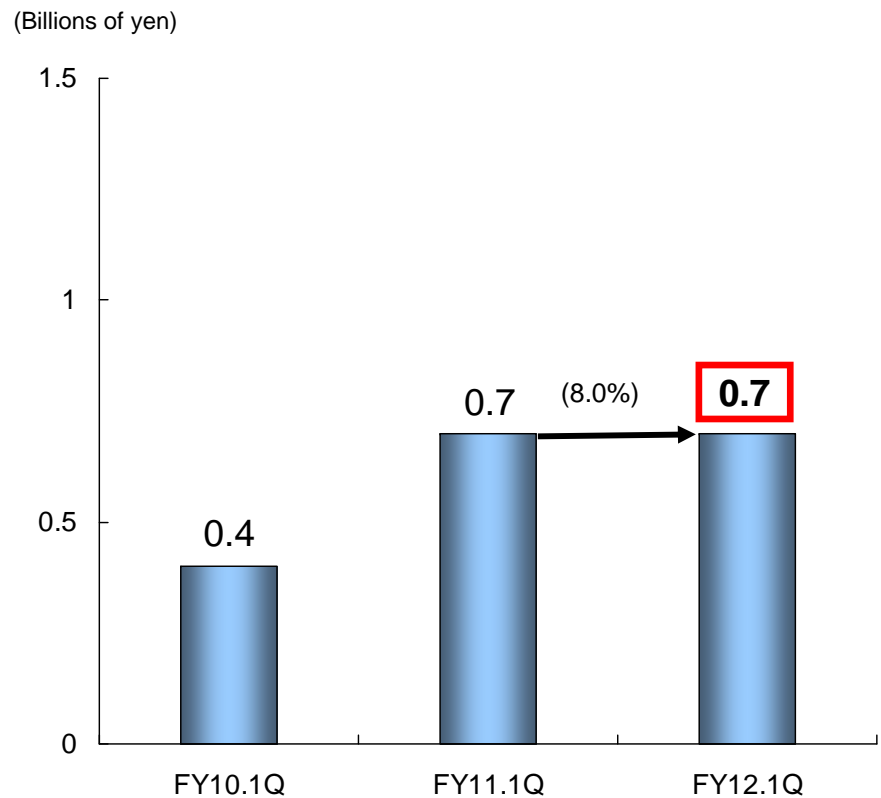


Net Premiums Written and Number of Policies in Force



The number of policies in force is the total of automobile insurance and medical and cancer insurance policies, which account for 99% of net premiums written. More than 90% of personal accident insurance is medical and cancer insurance.

Ordinary Profit



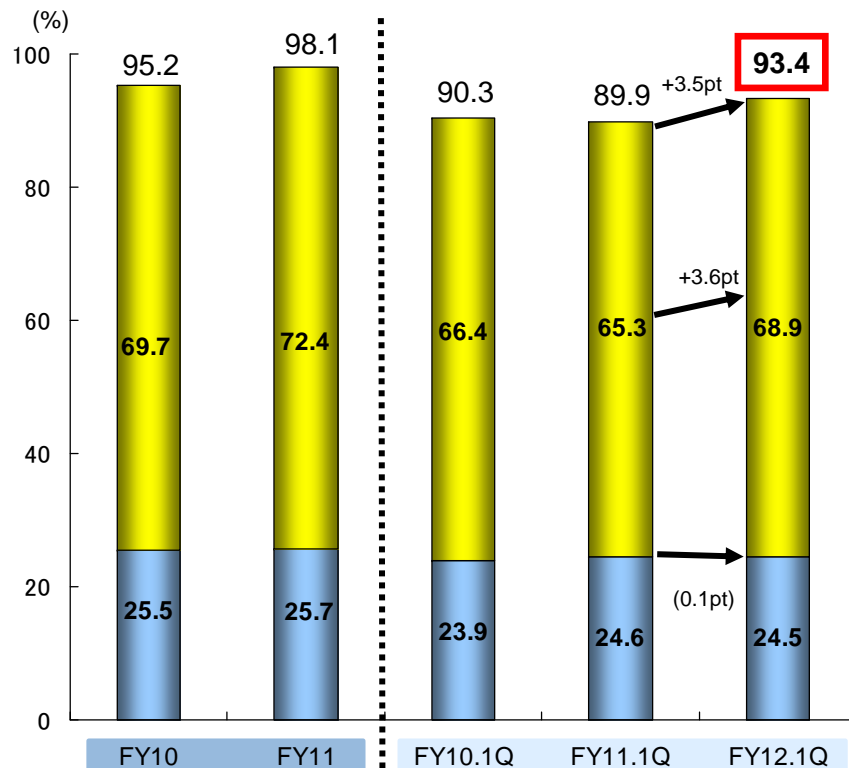
Line item amounts are truncated below ¥100 million; numbers of policies are truncated below 10,000 policies; percentage change figures are rounded.

Sony Assurance Operating Performance (2)



Earned/Incurred Loss Ratio + Net Expense Ratio

■ Earned/Incurred loss ratio ■ Net expense ratio



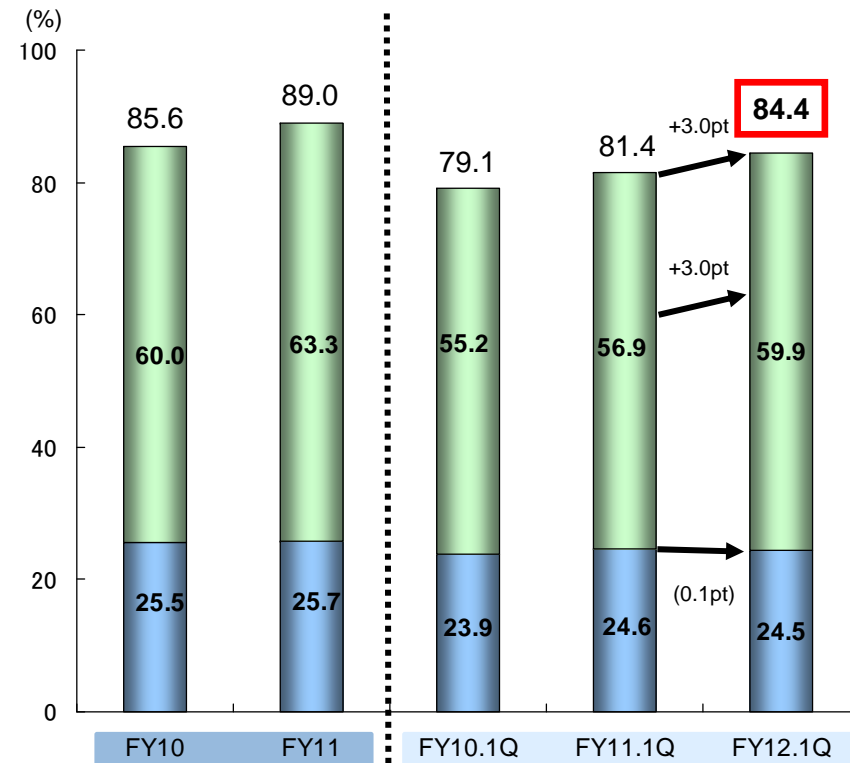
Earned/Incurred loss ratio is equal to the ratio of the sum of net losses paid, loss adjustment expenses and accumulation in provision for reserve for outstanding losses to earned premiums.

*Note that earthquake insurance and compulsory automobile liability insurance are excluded from the above calculation.

Reference

Combined Ratio (Net Loss Ratio + Net Expense Ratio)

■ Net loss ratio ■ Net expense ratio

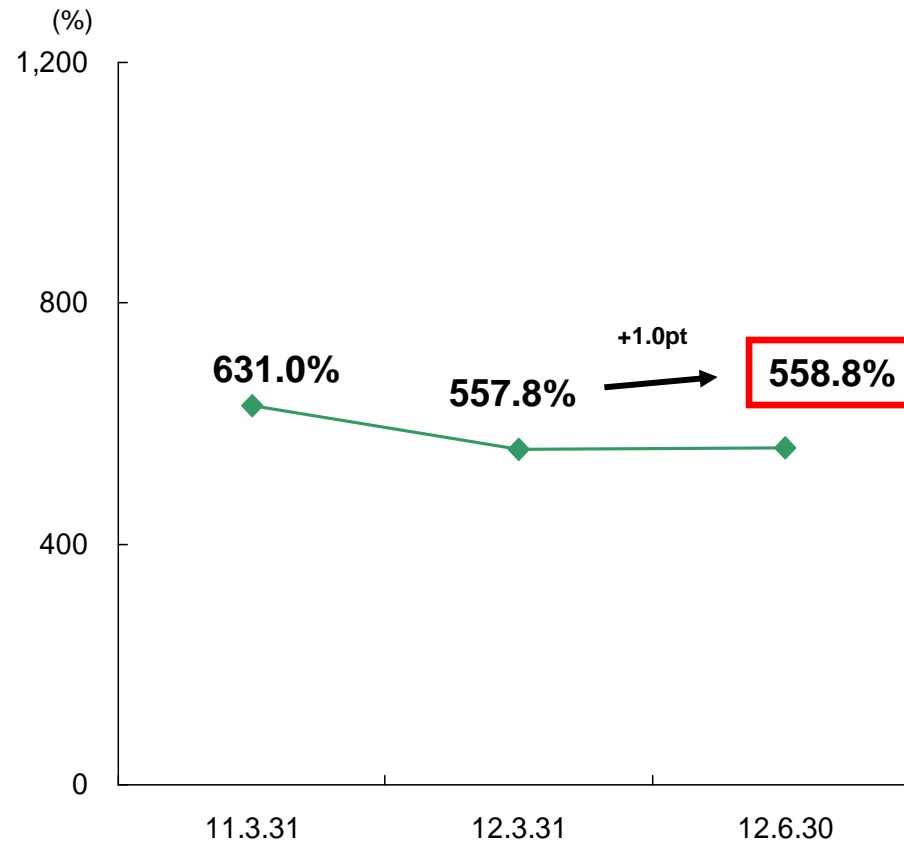


Net expense ratio is equal to the ratio of total underwriting costs to net premiums written.

Net loss ratio is equal to the ratio of net losses paid and loss adjustment expenses to net premiums written.

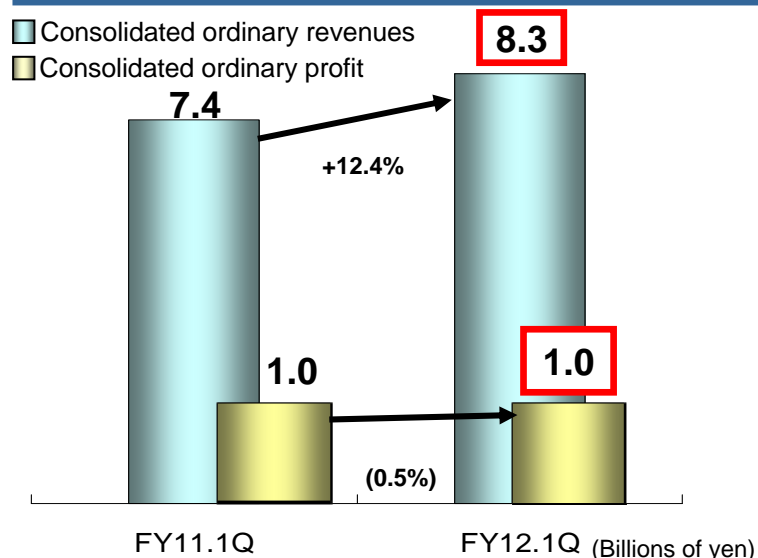
Sony Assurance Operating Performance (3)

Solvency Margin Ratio



Note: The above-stated figures of solvency margin ratio are calculated according to the new standards which became effective as of the end of fiscal year 2011 (March 31, 2012).

Highlights of Operating Performance: Sony Bank (Consolidated/Non-consolidated)



<Consolidated>

◆ Consolidated ordinary revenues increased year on year due to an increase in net fees and commissions resulting from Sony Bank's acquisition of SmartLink Network, Inc. as its consolidated subsidiary. Consolidated ordinary profit remained at the same levels. Consolidated net income increased due to recording deferred tax assets related to accumulated losses of Sony Bank Securities Inc.

<Non-consolidated>

- ◆ Gross operating profit decreased year on year due to a decrease in profit related to foreign currency transactions which offset higher interest received on loans due to an increase in the balance of mortgage loans.
- ◆ Net income decreased owing to recording impairment losses on stocks of Sony Bank Securities Inc. resulting in a loss of ¥1.2 billion.
- ◆ Net operating profit decreased owing to higher general and administrative expenses led primarily by personal reinforcement for business expansion.

<Consolidated>

(Billions of yen)	FY11.1Q	FY12.1Q	Change	
Consolidated ordinary revenues	7.4	8.3	+0.9	+12.4%
Consolidated ordinary profit	1.0	1.0	(0.0)	(0.5%)
Consolidated net income	0.5	1.4	+0.8	+154.1%

<Non-consolidated>

(Billions of yen)	FY11.1Q	FY12.1Q	Change	
Ordinary revenues	7.4	7.5	+0.0	+0.9%
Gross operating profit	4.5	4.4	(0.0)	(1.7%)
Net interest income	3.8	4.0	+0.1	+5.0%
Net fees and commissions	0.06	0.04	(0.01)	(27.9%)
Net other operating income	0.5	0.3	(0.2)	(43.6%)
General and administrative expenses	3.3	3.5	+0.1	+4.3%
Ordinary profit	1.1	0.8	(0.2)	(20.8%)
Net income	0.6	(1.2)	(1.8)	—
Net operating profit	1.1	0.9	(0.2)	(21.3%)

(Billions of yen)	12.3.31	12.6.30	Change from 12.3.31	
Total net assets	62.7	61.1	(1.6)	(2.6%)
Net unrealized gains on other securities (net of taxes)	1.7	1.8	+0.0	+4.7%
Total assets	1,890.5	1,902.0	+11.5	+0.6%

Line item amounts are truncated below ¥100 million except for net fees and commissions; percentage change figures are rounded.

Overview of Performance: Sony Bank (Non-consolidated) (1)

(Billions of yen)	11.6.30	12.3.31	12.6.30	Change from 12.3.31	
Customer assets	1,772.2	1,864.3	1,868.0	+3.7	+0.2%
Deposits	1,664.5	1,762.2	1,767.2	+4.9	+0.3%
Yen	1,299.4	1,390.5	1,401.8	+11.2	+0.8%
Foreign currency	365.0	371.7	365.4	(6.2)	(1.7%)
Investment trusts	107.6	102.0	100.8	(1.2)	(1.2%)
Loans outstanding	748.3	835.5	866.4	+30.8	+3.7%
Mortgage loans	676.1	749.6	774.4	+24.8	+3.3%
Others	72.1	85.9	92.0^(*)	+6.0	+7.1%
Capital adequacy ratio (domestic criteria)^(*)	10.65%	11.58%	11.29%	(0.29pt)	
Tier 1 ratio	10.22%	9.63%	9.36%	(0.27pt)	

(Reasons for changes)

- ◆ Yen deposit increased due to the positive effect of special campaigns associated with the 2012 summer bonus season.
- ◆ Foreign currency deposit slightly decreased reflecting the yen's appreciation that had the negative impact on the foreign exchange conversion (negative impact of ¥18.1 billions).
- ◆ Balance of investment trusts decreased due to the impact of a decline in the Net Asset Value (NAV).
- ◆ Loan balance increased due to an increase in the balance of mortgage loans, in addition to a higher corporate loan balance centered on syndicated loans.

*1 Loans in others include corporate loans of ¥84.9 billion.

*2 Please refer to the graph of the non-consolidated capital adequacy ratio (domestic criteria) on P25.

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

Overview of Performance: Sony Bank (Non-consolidated) (2)

<Reference> On Managerial Accounting Basis

(Billions of yen)	FY11.1Q	FY12.1Q	Change	
Gross operating profit	4.5	4.4	(0.0)	(1.7%)
Net interest income *1①	4.1	4.2	+0.0	2.4%
Net fees and commissions *2②	0.3	0.1	(0.1)	(35.5%)
Net other operating income *3	0.0	0.0	(0.0)	—
Gross operating profit (core profit) (A) = ①+②	4.4	4.3	(0.0)	(0.3%)
Operating expenses and other expenses ③	3.3	3.5	+0.1	+5.2%
Net operating profit (core profit) = (A)−③	1.0	0.8	(0.1)	(17.2%)

● Managerial accounting basis

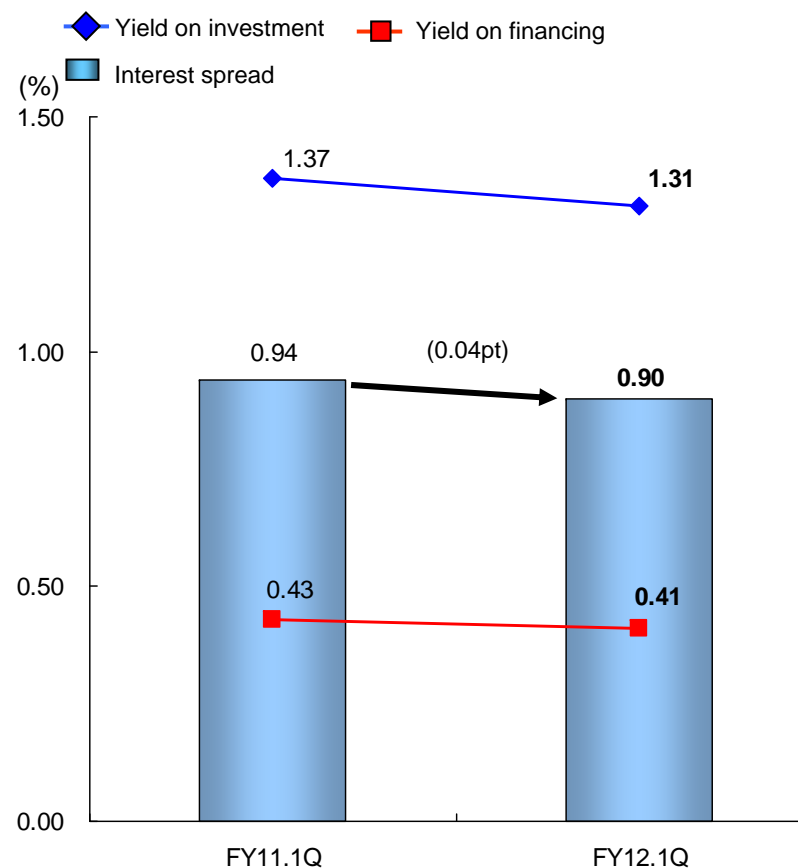
The following adjustments are made to the figures on a financial accounting basis to account for profits and losses more appropriately.

- *1: Net interest income: Includes profits and losses associated with fund investment recorded in net other operating income, including gains or losses from currency swap transactions.
- *2: Net fees and commissions: Includes profits and losses for customer dealings in foreign currency transactions recorded in net other operating income.
- *3: Net other operating income: After the above adjustments (*1 and *2), consists of profits and losses for bond and derivative dealing transactions.

● Core profit

Profits and losses exclude net other operating income, which includes those on bond and derivative dealing transactions, and stands for Sony Bank's basic profits.

<Reference> Interest Spread (Managerial Accounting Basis)



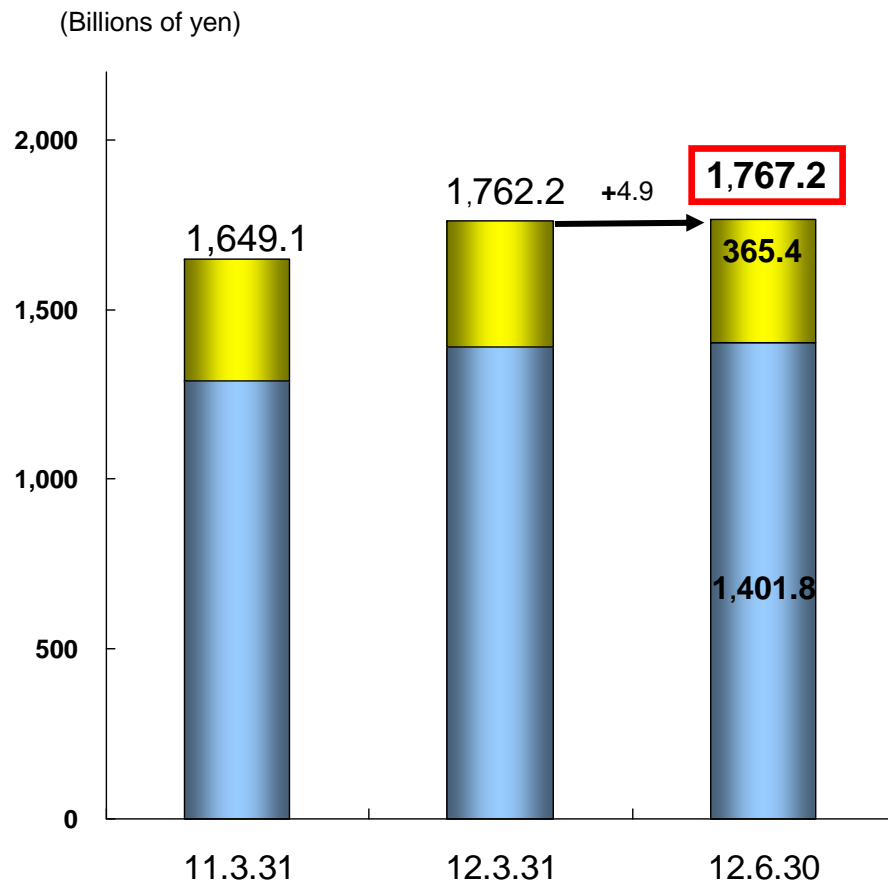
Note: Interest spread=(Yield on investment)-(Yield on financing)

Operating Performance: Sony Bank (Non-consolidated) (1)



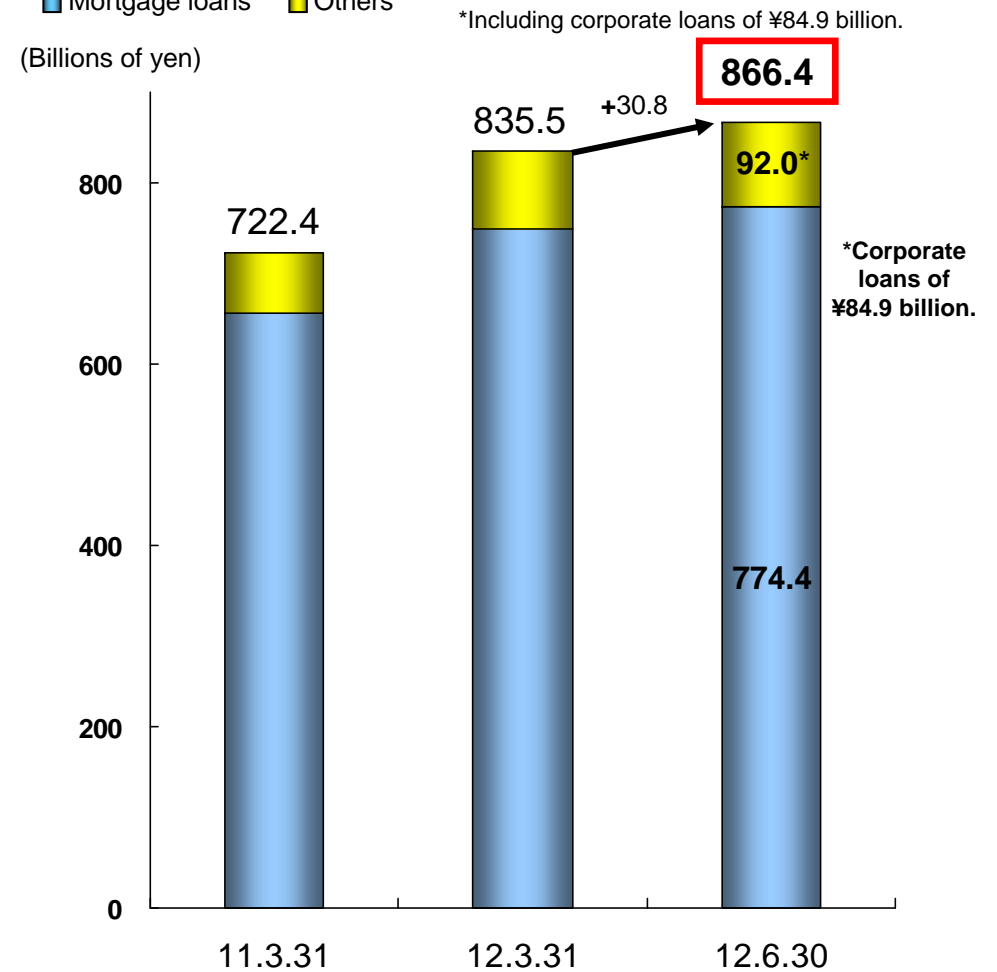
Deposits

■ Yen deposits ■ Foreign currency deposits



Loans

■ Mortgage loans ■ Others



Line item amounts are truncated below ¥100 million.

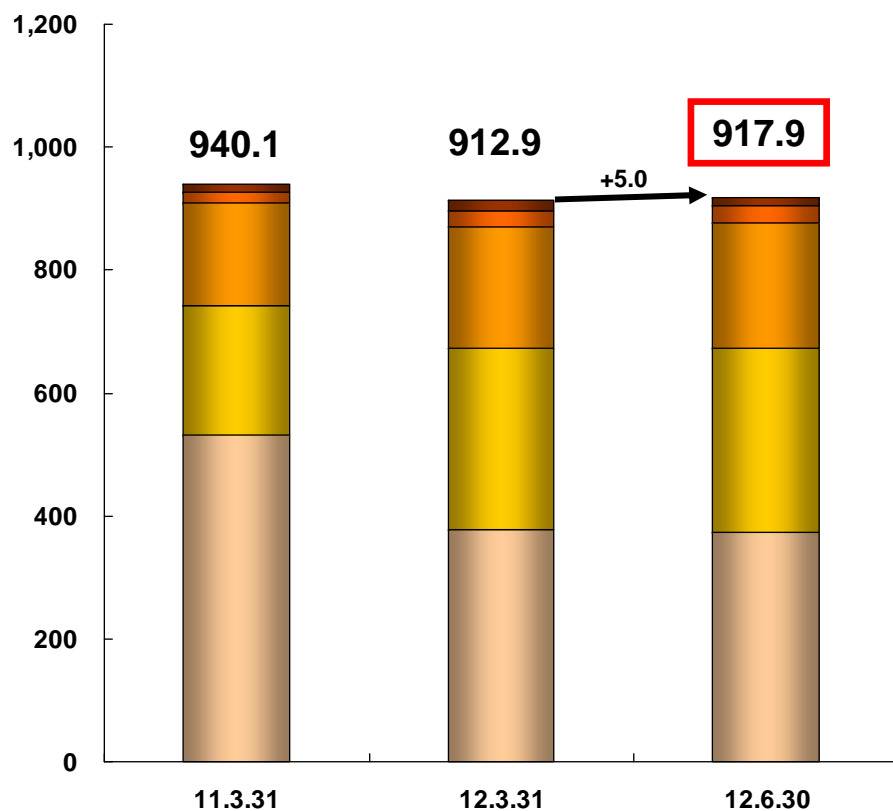
Operating Performance: Sony Bank (Non-consolidated) (2)



Balance of Securities by Credit Ratings

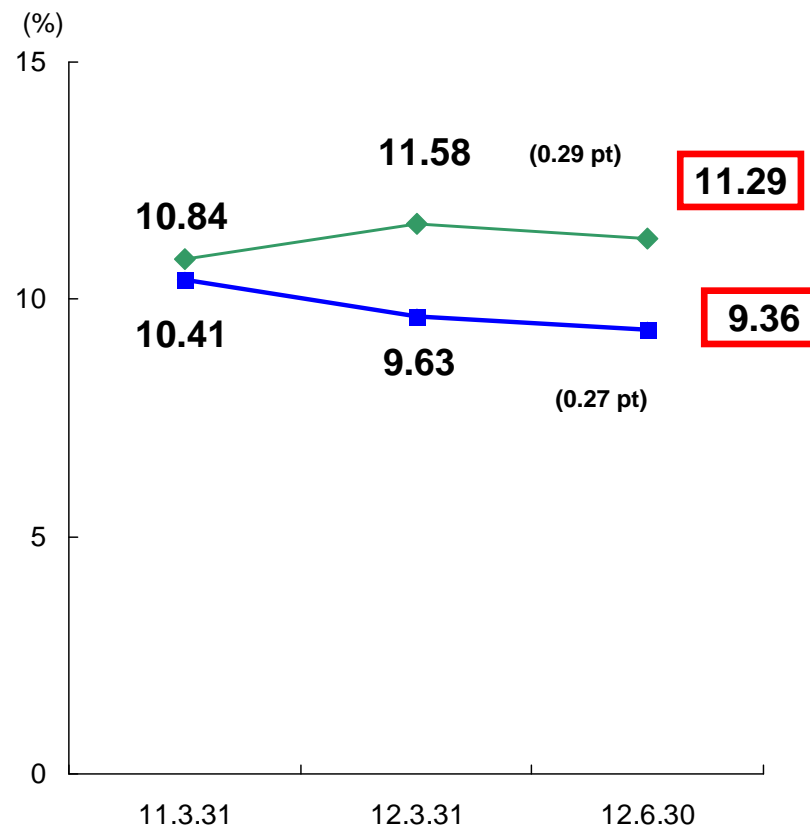
■ AAA ■ AA ■ A
■ BBB ■ Other

(Billions of yen)



Non-Consolidated Capital Adequacy Ratio (Domestic Criteria)

◆ Capital Adequacy Ratio ■ Tier1 Ratio



* Sony Bank's non-consolidated capital adequacy ratio was calculated based on the standard stipulated by Article 14-2 of the Banking Act, in accordance with FSA Notification No. 19 (2006).

Amounts are truncated below ¥100 million.

Consolidated Financial Forecast for the Year Ending March 31, 2013

Consolidated Financial Forecast for the Year Ending March 31, 2013



■SFH's forecast of consolidated financial results for FY2012 is unchanged from the forecast announced on May 10, 2012.

(Billions of yen)	FY2011 Actual	FY2012 Forecast	Change
Consolidated ordinary revenues	1,078.0	1,115.0	+3.4%
<u>Life insurance business</u>	967.5	994.5	+2.8%
<u>Non-life insurance business</u>	80.0	86.8	+8.4%
<u>Banking business</u>	32.5	34.5	+6.0%
Consolidated ordinary profit	74.6	67.0	(10.2%)
<u>Life insurance business</u>	68.1	61.5	(9.8%)
<u>Non-life insurance business</u>	2.8	2.6	(9.1%)
<u>Banking business</u>	3.4	3.6	+3.9%
Consolidated net income	32.8	37.0	+12.8%

Note: From FY2012, SFH will omit its half-year results forecast, which it previously announced, reflecting the SFH Group's long-term business structure as a financial institution.

■Life insurance business

Ordinary revenues for FY2012 are expected to increase year on year. In the current fiscal year, we do not expect to record an increase in investment income that we posted at the previous year-end due to the market, although we do anticipate that income from insurance premiums will increase in line with steady growth of the policy amount in force.

Ordinary profit is expected to decrease, since we do not anticipate the profit recorded in the previous fiscal year. In the previous fiscal year, Sony Life recorded a profit due to lower insurance claims and other payments relating to the Great East Japan Earthquake than we had estimated at the end of March 2011, as well as gains on sale of securities, reflecting the process of shifting bond holdings to ultralong-term bonds. However, we do not anticipate such gains for FY2012.

■Non-life insurance business

Ordinary revenues for FY2012 are expected to increase year on year, owing to an increase in net premiums written, primarily for automobile insurance.

Ordinary profit is expected to slightly decrease, mainly because we expect the loss ratio to stay at a high level and the expense ratio to slightly increase resulting from an increase in system-related expenses.

■Banking Business

Ordinary revenues for FY2012 are expected to rise year on year, owing mainly to a growing balance of loans, especially mortgages.

Ordinary profit is expected to rise, as we anticipate a steady increase in gross operating profit, driven by business expansion.

(Amounts are truncated below ¥100 million; percentage changes are rounded.)

**Sony Life's MCEV
and
Risk Amount Based on Economic Value
as of June 30, 2012**

Sony Life's MCEV and Risk Amount Based on Economic Value as of June 30, 2012

	(Billions of yen)	12.3.31 (JGB yield)	12.6.30 (JGB yield)	Change from 12.3.31
MCEV		1,041.5	1,054.5	+12.9
Adjusted net worth		409.2	432.3	+23.1
Value of existing business		632.4	622.2	(10.2)

(1) Calculated MCEV for policies in force as of June 30, 2012 by using updated lapse and surrender rate and economic assumptions.

(2) Adopted simplified method for a part of MCEV calculations as of June 30, 2012.

(Reason for change)

◆ The value of existing business as of June 30, 2012, was down about ¥10.2 billion from March 31, 2012, due mainly to a decline in ultralong-term interest rates, which offset the positive impact including the addition of new business value.

On the other hand, adjusted net worth was up approximately ¥23.1 billion due to an increase in prices of ultralong-term JGBs held from an ALM perspective despite the dividend payout to a shareholder.

Consequently, MCEV as of June 30, 2012, was up from March 31, 2012.

* Please keep in mind that the validity of these calculations has not been verified by outside specialists.

	(Billions of yen)	12.3.31	12.6.30	Change from 12.3.31
The risk amount based on economic value		551.5	578.8	+27.3

Note: Measurement of risk based on economic value takes one-year VaR to be 99.5% and is measured using an internal model that refers to the EU Solvency II (QIS5) standard model.

Appendix

Recent Topics 1

AEGON SONY LIFE INSURANCE Sales Update

Launch of sales: December 1, 2009

Common stock: ¥20 billion (including capital surplus of ¥10 billion)

Equity ownership: Sony Life insurance Co., Ltd. 50%, AEGON-international B.V. 50%

Marketing products: Individual Variable Annuities (2 types, 4 products)

Sales Channels: Lifeplanner sales employees and partner Banks (7*) As of August 13, 2012

Financial Highlights for FY12.1Q:

Number of new policies: 1,075, New policy amount: ¥7.4 billion

Number of policies in force: 4,726 policies, Policy amount in force: ¥36.8 billion (As of June 30, 2012)



Sony Bank's Mortgage Loans through Sony Life

Sony Life accounts for 25% of the balance of mortgage loans as of June 30, 2012

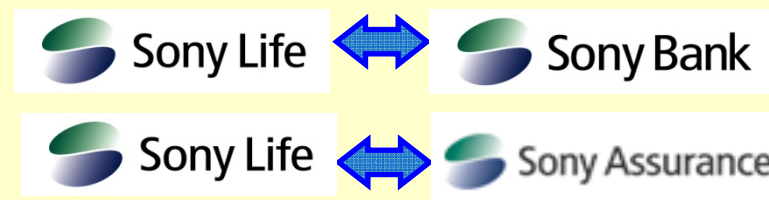
Sony Life accounts for 27% of the amount of new mortgage loans for FY12.1Q

*Sony Life started handling banking agency business in January 2008.

Sony Assurance's Auto Insurance Sold by Sony Life

Sony Life accounts for approx. 5% of new automobile policies for FY12.1Q

* Sony Life started handling automobile insurance in May 2001.



"Lifeplanner" is a registered trademark of Sony Life Insurance Co., Ltd.

Recent Topics 2

<Highlights for FY12.1Q>

- 2012-5-16 Sony Life launched the first phase of its “Co-Creation Project”
- 2012-6-21 Sony Life started managing an official Facebook page
- 2012-7-23 Sony Assurance launched renewed official website and smartphone site
- 2012-7-27 Sony Assurance began providing smartphone applications designed to assist drivers to be conscious of the importance of safe driving, to solve problems when troubled and to get estimates and apply for automobile insurance via smartphone.
Sony Assurance is the first Japanese automobile insurance provider to offer these smartphone applications and services.
- 2012-8-01 AEGON Sony Life Insurance began offering a new individual variable annuity product, "With Family" through Sony Life's Lifeplanner sales employees
- 2012-8-01 Sony Bank transferred all Sony Bank securities' shares to Monex Group with the aim of enhancing financial products intermediary services through strengthening business alliance with Monex Group.

Sony Life: Fair Value Information on Securities (General Account Assets)



Fair Value Information on Securities

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

(Billions of yen)

	11.3.31			12.3.31			12.6.30		
	Carrying amount	Fair value	Net unrealized gains (losses)	Carrying amount	Fair value	Net unrealized gains (losses)	Carrying amount	Fair value	Net unrealized gains (losses)
Held-to-maturity securities	2,914.3	2,892.1	(22.1)	3,404.8	3,560.6	155.8	3,533.0	3,709.2	176.2
Available-for-sale securities	940.1	964.3	24.2	895.1	956.1	60.9	891.5	964.4	72.9
Japanese government and corporate bonds	884.4	904.1	19.7	849.1	902.6	53.4	849.0	917.7	68.6
Japanese stocks	49.8	53.7	3.8	29.1	34.9	5.8	24.7	27.5	2.8
Foreign securities	1.9	1.8	(0.0)	15.3	16.7	1.3	16.2	17.5	1.2
Other securities	3.8	4.6	0.7	1.4	1.7	0.2	1.4	1.6	0.1
Total	3,854.4	3,856.5	2.0	4,299.9	4,516.8	216.8	4,424.5	4,673.7	249.1

● Valuation gains (losses) on trading-purpose securities

(Billions of yen)

11.3.31		12.3.31		12.6.30	
Balance sheet amount	Net valuation gains (losses) recorded in income	Balance sheet amount	Net valuation gains (losses) recorded in income	Balance sheet amount	Net valuation gains (losses) recorded in income
—	—	—	—	—	—

Notes: 1) Line item amounts are truncated below ¥100 million. 2) Amounts above include those categorized as “monetary trusts.”

Sony Life's Breakdown of Net Assets



Net Assets on BS, Real Net Assets and Solvency Margin

(Billions of yen)

	①Net Assets (B/S)		②Real Net Assets		③Solvency Margin		Notes
	12.3.31	12.6.30	12.3.31	12.6.30	12.3.31	12.6.30	
Total shareholders' equity	232.2	231.3	232.2	231.3	223.1	231.3	③After estimated distributed income deducted
Net unrealized gains on other securities, net of taxes	34.0	42.3	34.0	42.3	—	—	
Net unrealized gains (losses) on available-for-sale securities	—	—	—	—	54.6	65.4	③Before tax x 90%
Land revaluation, net of taxes	(1.3)	(1.3)	(1.3)	(1.3)	—	—	
Reserve for price fluctuations	—	—	25.3	26.9	25.3	26.9	
Contingency reserve	—	—	55.3	56.3	55.3	56.3	
General reserve for possible loan losses	—	—	—	—	0.0	0.0	
Net unrealized gains on real estate	—	—	0.6	0.6	(0.1)	(0.1)	②Before tax (after revaluation) ③Before tax (Before revaluation) X85% (If losses X100%)
Excess amount of policy reserves based on Zillmer method	—	—	350.4	355.7	304.4	315.2	③After deducting exclusion amount
Unallotted portion of reserve for policyholders' dividends	—	—	0.7	0.6	0.7	0.6	
Deferred tax assets	—	—	—	—	58.7	62.4	
Unrealized gains (losses) on held-to-maturity bonds	—	—	155.8	176.2	—	—	②Before tax
Deferred tax liabilities for available-for-sale securities	—	—	18.3	22.1	—	—	
Total	264.8	272.2	871.4	910.8	722.1	758.1	

Note: Real net assets excluding net unrealized gains (losses) on held-to-maturity securities and on policy reserve matching bonds, are ¥715.5 billion as of March 31, 2012, and ¥734.6 billion as of June 30, 2012.

Amounts are truncated below ¥100 million.



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