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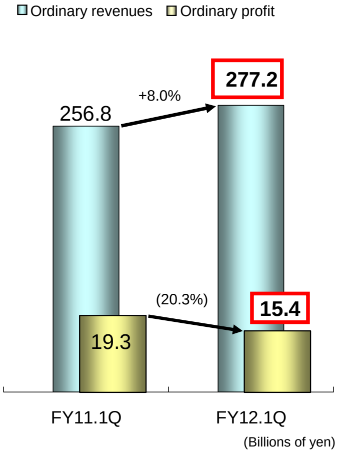
Consolidated Operating Results for the Three Months Ended June 30, 2012

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

Sony Financial Holdings



(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.

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During the three months ended June 30, 2012, consolidated ordinary revenues grew 8.0% compared with the same period of the previous fiscal year, to ¥277.2 billion, owing to increases in ordinary revenues from the all businesses: life insurance, non-life insurance and banking.

Consolidated ordinary profit decreased 20.3% year on year, to ¥15.4 billion mainly reflecting a decrease in ordinary profit from the life Insurance businesses.

Consolidated net income was down 11.7% year on year, to ¥9.6 billion due to a decline in consolidated ordinary profit.

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

Sony Financial Holdings

- 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.

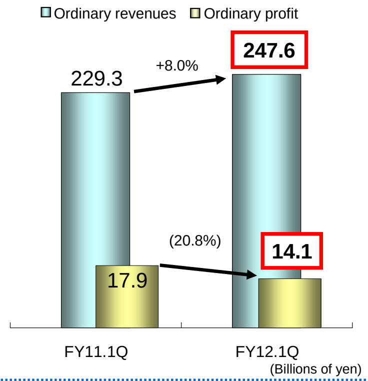
- Consolidated ordinary revenues increased 8.0% year on year, to ¥277.2 billion, however, consolidated ordinary profit decreased 20.3%, to ¥15.4 billion. Net income decreased 11.7%, to ¥9.6 billion.

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

Here is highlights of consolidated operating performance.

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

Sony Financial Holdings



◆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.

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Highlights of Sony Life's operating performance (non-consolidated basis) are shown here.

Sony Life's ordinary revenues increased 8.0% year on year, to ¥247.6 billion. Of this amount, income from insurance premiums grew 12.0% from the same period of the previous fiscal year, to ¥217.9 billion.

Investment income decreased 4.0% year on year, to ¥27.8 billion, 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 20.8% year on year, to ¥14.1 billion 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.

Consequently, net income decreased 19.4% year on year, to ¥8.2 billion.

Overview of Performance: Sony Life (Non-consolidated)

Sony Financial Holdings

(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.

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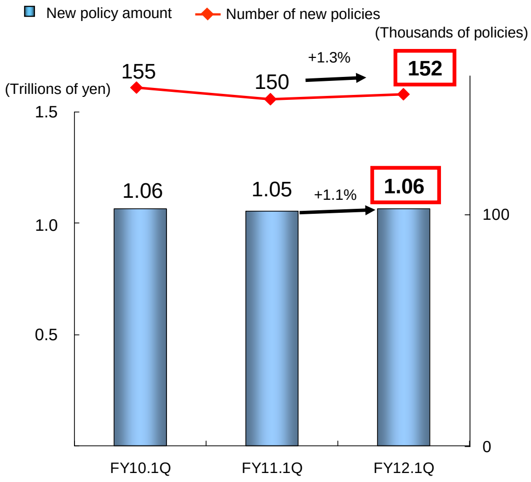
Here is an overview Sony Life's performance.

Sony Life Operating Performance (1)

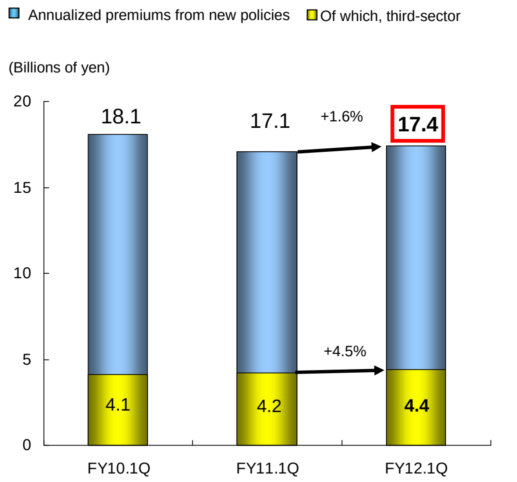
Sony Financial Holdings

Number and Amount of 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.

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



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

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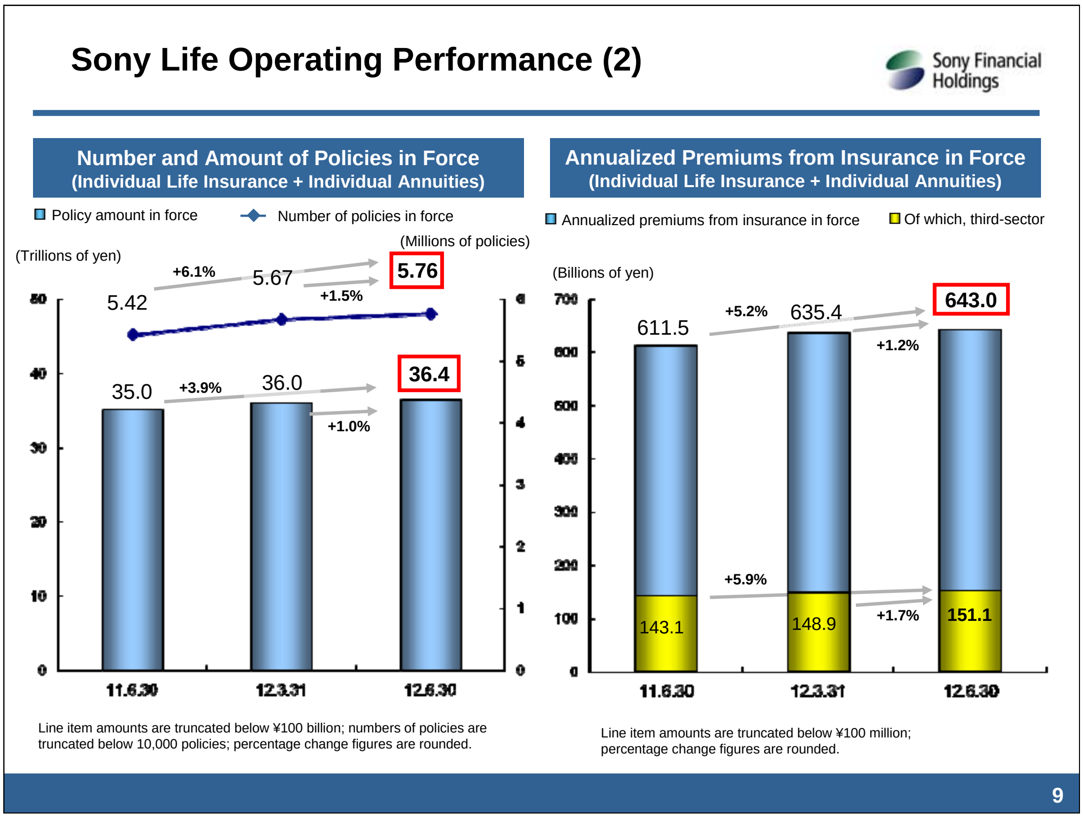
(Left-hand graph)

New policy amount for the total of individual life insurance and individual annuities increased 1.1% year on year, to ¥1,066.5 billion, due mainly to higher sales of living benefit insurance.

The number of new policies increased 1.3% year on year, to 152 thousand policies.

(Right-hand graph)

Annualized premiums from new policies increased 1.6% year on year, to ¥17.4 billion, due mainly to higher sales of living benefit insurance. Of which, third-sector insurance products increased 4.5% year on year, to ¥4.4 billion.



(Left-hand graph)

Policy amount in force for the total of individual life insurance and individual annuities increased steadily, up 3.9% year on year , to ¥36.4 trillion. The number of policies in force increased 6.1% year on year, to 5.76 million policies.

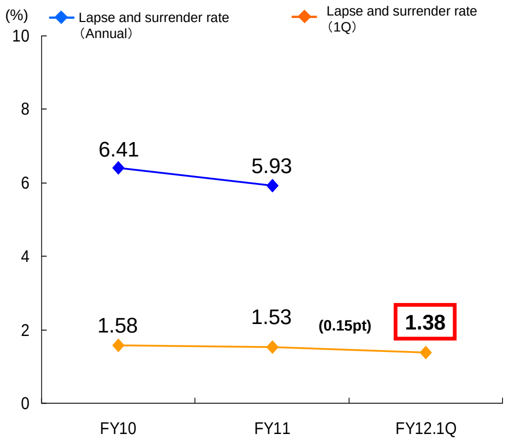
(Right-hand graph)

Annualized premiums from total policies increased 5.2% year on year, to ¥643.0 billion. Of this amount, the figure for third-sector products was up 5.9% year on year, to ¥151.5 billion.

Sony Life Operating Performance (3)

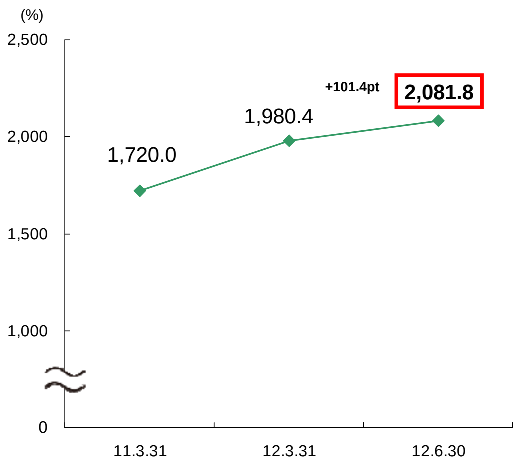
Sony Financial Holdings

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).

Percentage change figures are rounded.

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(Left-hand graph)

The lapse and surrender rate for the three months ended June 30, 2012 decreased 0.15 percentage point year on year, to 1.38%, due to the lowering lapse and surrender rates primarily for term-life insurance.

(Right-hand graph)

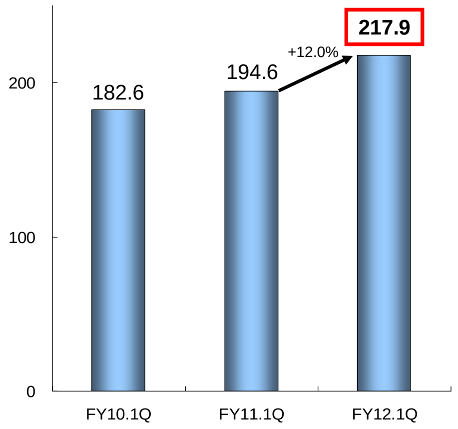
As of June 30, 2012 , Sony Life’s solvency margin ratio was 2,081.8%, up 101.4 percentage points from March 31, 2012.

Sony Life Operating Performance (4)

Sony Financial Holdings

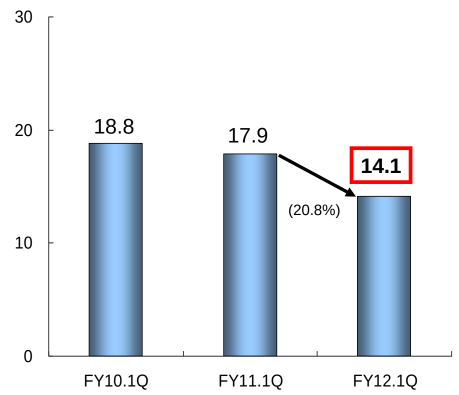
Income from Insurance Premiums

(Billions of yen)



Ordinary Profit

(Billions of yen)

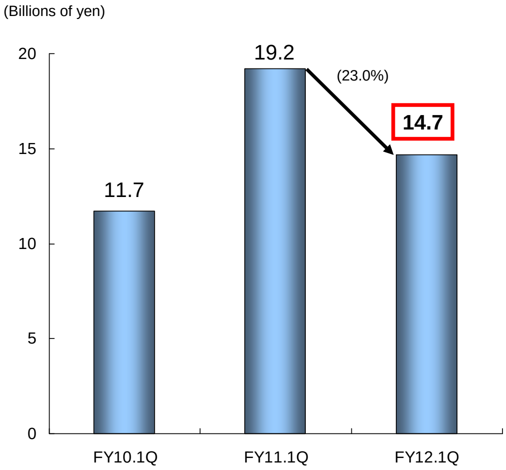


Line item amounts are truncated below ¥100 million; percentage figures are rounded.

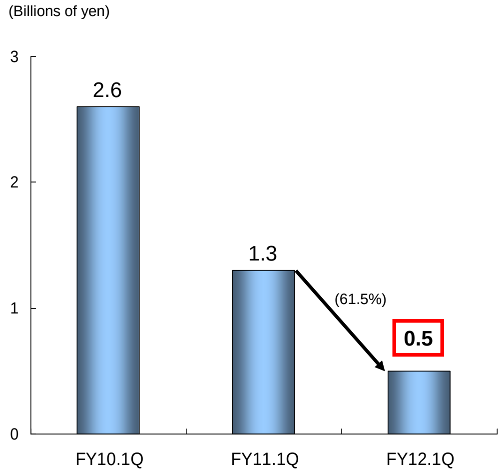
Sony Life Operating Performance (5)

Sony Financial Holdings

Core Profit



Negative Spread



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

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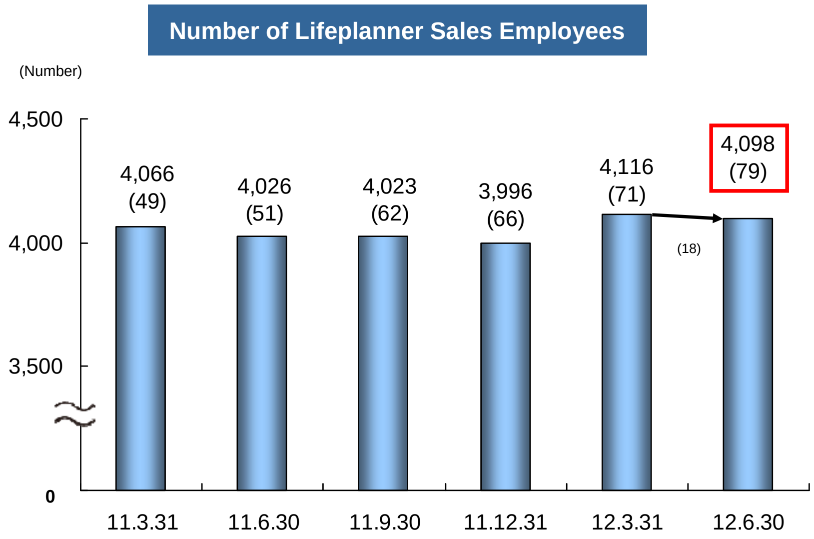
(Left-hand graph)

Core profit decreased 23.0% year on year, to ¥14.7 billion 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.

(Right-hand graph)

Negative spread declined 61.5% year on year, to ¥0.5 billion as a result of the lowing average assumed interest rate, led by accumulated new policies with low assumed interest rate.

Sony Life Operating Performance (6)



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

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

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(Left-hand graph)

The number of Lifeplanner sales employees as of June 30, 2012, was 4,098, down 18 from March 31, 2012.

From this fiscal year, SFH began disclosing its number of Lifeplanner sales employees (rehired on a fixed-term contract basis after retirement) included in the overall numbers, those who have reached retirement age but who continue to work as Lifeplanner sales employees that meet certain sales conditions and other requirements.

Sony Life Operating Performance (7)

Sony Financial Holdings

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
12.6.30 19.2 years

■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.

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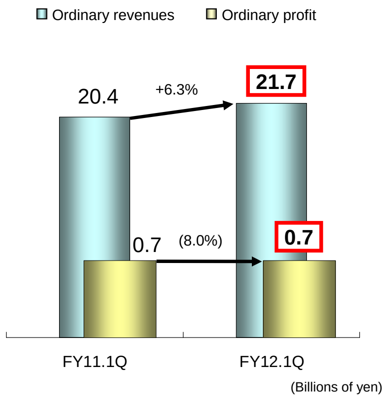
Here is a breakdown of Sony Life's general account assets as of June 30, 2012, compared with March 31, 2012.

As Sony Life continued its investment in ultralong-term bonds, mainly Japanese government and corporate bonds, their ratio rose to 89.9% as of June 30, 2012.

Going forward, Sony Life will mitigate interest rate risk by investing most new money acquired in ultralong-term bonds.

Highlights of Operating Performance: Sony Assurance

Sony Financial Holdings



(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%

- ◆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.

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

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Sony Assurance’s ordinary revenues increased 6.3% year on year, to ¥21.7 billion, due to increased net premiums written, as the number of insurance policies in force grew in its mainstay automobile insurance.

Ordinary profit slightly decreased year on year, to ¥0.7 billion owing mainly to an increase in the loss ratio caused by higher net losses paid for automobile insurance.

Net income decreased 9.4% year on year, to ¥0.4 billion.

Overview of Performance: Sony Assurance

Sony Financial Holdings

(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

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.

(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.

	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.

Here is an overview of Sony Assurance’s performance.

Sony Assurance's Underwriting Performance by Type of Policy

Sony Financial Holdings

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 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.

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%

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

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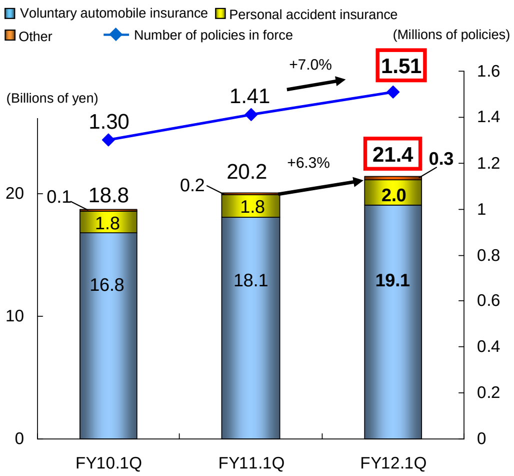
This slide shows direct premiums written, net premiums written and net losses paid by type.

Sony Assurance Operating Performance (1)

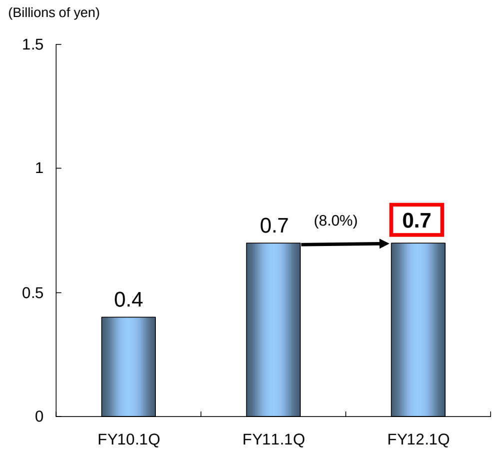
Sony Financial Holdings

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.

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(Left-hand graph)

Number of policies in force for the total of automobile insurance and medical and cancer insurance increased steadily, rising 7.0% year on year, to 1.51 million policies.

Net premiums written posted a 6.3% year-on-year increase, to ¥21.4 billion.

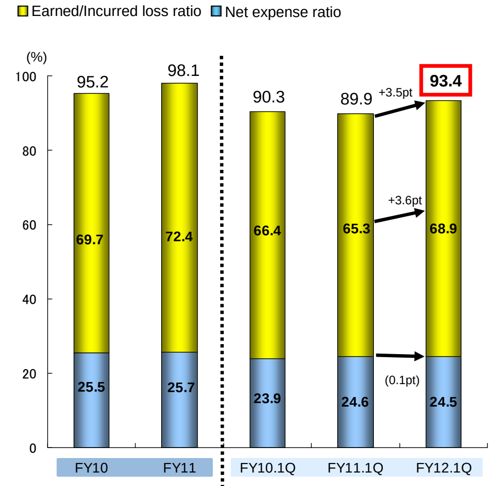
(Right-hand graph)

Ordinary profit slightly decreased year on year, as described in the previous pages.

Sony Assurance Operating Performance (2)

Sony Financial Holdings

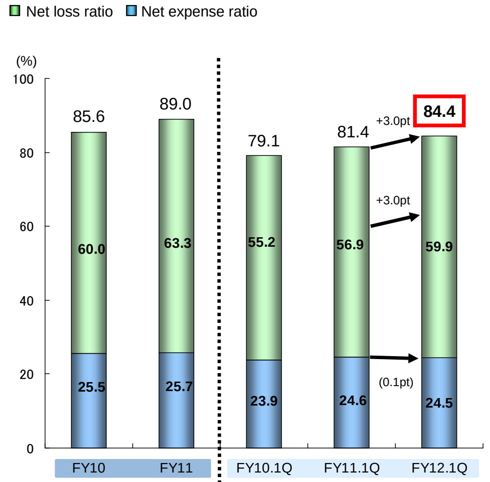
Earned/Incurred Loss Ratio + Net Expense Ratio



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 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.

19

(Left-hand graph)

To help you understand the actual condition of Sony Assurance, which is in a growth phase, we show the earned/incurred loss ratio, which is the accrual-basis loss ratio.

For the three months ended June 30, 2012, the E.I. loss ratio increased 3.6 percentage points year on year, to 68.9%, due mainly to rising unit cost of insurance claims and influences of natural disasters. The net expense ratio increased 0.1 percentage point, to 24.5%.

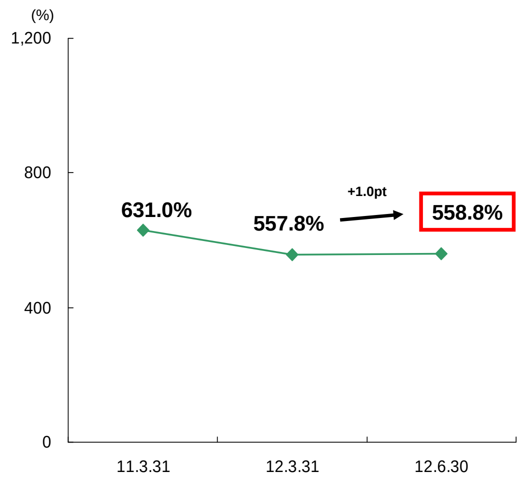
(Right-hand graph)

The net loss ratio rose 3.0 percentage points compared with the same period of the previous fiscal year, to 59.9%, due to the same reason as E.I. loss ratio. The combined ratio (the sum of the net loss ratio and the net expense ratio) rose 3.0 percentage points year on year, to 84.4%.

Sony Assurance Operating Performance (3)

Sony Financial Holdings

Solvency Margin Ratio

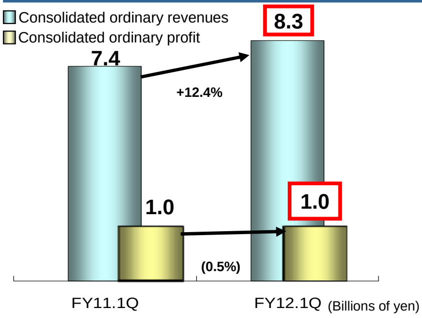


Note: The above-stated figures of solvency margin ratio are calculated according to the new standards which became effective as of the end of fiscal year 2011 (March 31, 2012).

As of June 30, 2012, Sony Assurance’s solvency margin ratio was 558.8%, up 1.0 percentage point from March 31, 2012.

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

Sony Financial Holdings



<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.

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Sony Bank's 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 as during the same period of the previous fiscal year, ¥1.0 billion, 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 net income increased due to recording deferred tax assets associated with sellout of Sony Bank Securities Inc. as of August 1, 2012.

Sony Bank's non-consolidated ordinary revenues increased 0.9% year on year, to ¥7.5 billion, because of higher interest income on loans led by the growing balance of mortgage loans. Gross operating profit decreased 1.7% from a year earlier, to ¥4.4 billion.

General and administrative expenses increased 4.3% year on year, to ¥3.5 billion, due to the personnel reinforcement for business expansion. Net operating profit decreased 21.3% year on year, to ¥0.9 billion.

Consequently, Sony Bank's non-consolidated ordinary profit decreased 20.8%, to ¥0.8 billion.

Sony Bank's non-consolidated net income decreased owing to a decrease in ordinary profit and impairment losses of ¥2.7 billion on stocks of the aforementioned subsidiary, resulting in a loss of ¥1.2 billion.

As previously stated, the most part of impairment losses were recorded as accumulated losses in Sony Bank's scope of consolidation.

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

Sony Financial Holdings

(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**(*1)	+6.0	+7.1%
Capital adequacy ratio (domestic criteria) (*2)	10.65%	11.58%	**11.29%**	(0.29pt)	
Tier 1 ratio	10.22%	9.63%	**9.36%**	(0.27pt)	

*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.

(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.

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

Here is an overview of Sony Bank's performance.

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

Sony Financial Holdings

<Reference> On Managerial Accounting Basis

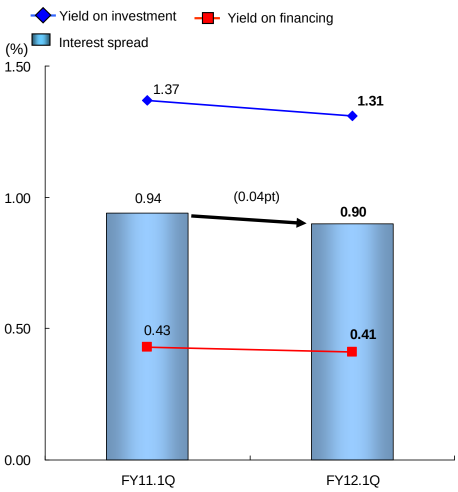
(Billions of yen)	FY11.1Q	FY12.1Q	Change	
Gross operating profit	4.5	**4.4**	(0.0)	(1.7%)
Net interest income *1 ①	4.1	**4.2**	+0.0	2.4%
Net fees and commissions *2 ②	0.3	**0.1**	(0.1)	(35.5%)
Net other operating income *3	0.0	**0.0**	(0.0)	–
Gross operating profit (core profit) (A) = ①+②	4.4	**4.3**	(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)

Line item amounts are truncated below ¥100 million; percentage change figures are rounded.
The calculation method on a managerial accounting basis was partly changed from FY12.1Q. Accordingly, the figures for FY11.1Q were retroactively calculated.

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We break down gross operating profit on a managerial accounting basis to facilitate an understanding of operational sources of revenue and profits.

(Left-hand table)

Net interest income on a managerial accounting basis amounted to ¥4.2 billion, slightly up from the same period of the previous fiscal year, due to business expansion, mainly in its mortgage loans, which offset a slight decrease in interest spread.

Net fees and commissions amounted to ¥0.1 billion, ¥0.1 billion down year on year, owing mainly to a decrease in gains on customer dealings in foreign currency transactions, influenced by the movements of foreign exchange market.

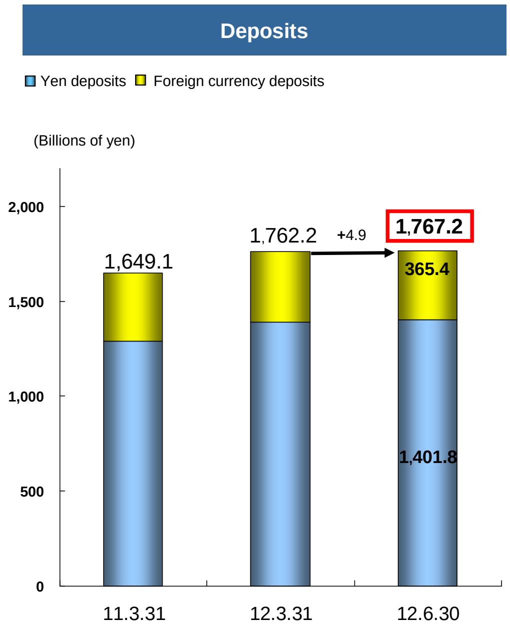
Net other operating income decreased ¥1.0 billion, reflecting lower gains on bond dealing transactions.

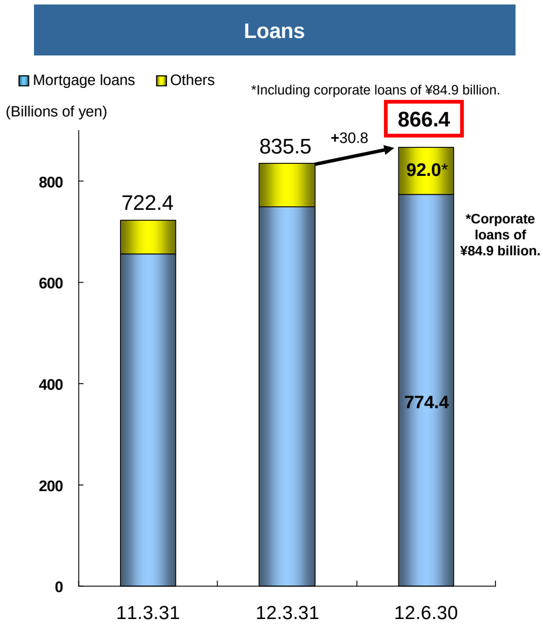
Consequently, gross operating profit on a core profit basis amounted to ¥4.3 billion, remained at the same level as during the same period of the previous fiscal year, and net operating profit on a core profit basis decreased ¥0.1 billion year on year, to ¥0.8 billion.

(Right-hand graph)
The yield on investment for FY2012 1Q was 1.31%.
The yield on financing was 0.41%.
Consequently, the interest spread was 0.90%.

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

Sony Financial Holdings





Line item amounts are truncated below ¥100 million.

24

(Left-hand graph)

As of June 30, 2012, deposits (the sum of Japanese yen and foreign currency deposits) amounted to ¥1,767.2 billion, up ¥4.9 billion from March 31, 2012.

Of which foreign currency deposit decreased to ¥365.4 billion, down ¥6.2 billion from March 31, 2012, reflecting the yen's appreciation that had the negative impact on the foreign exchange conversion.

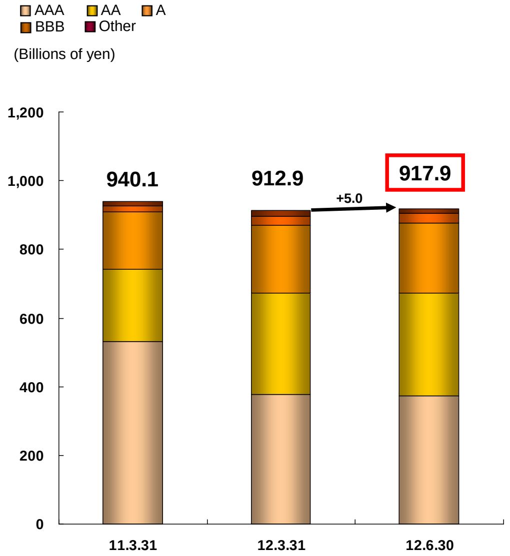
(Right-hand graph)

Loans expanded to ¥866.4 billion, up ¥30.8 billion, from March 31, 2012, due to an increase in the balance of mortgage loans, in addition to a higher corporate loan balance centered on syndicated loans.

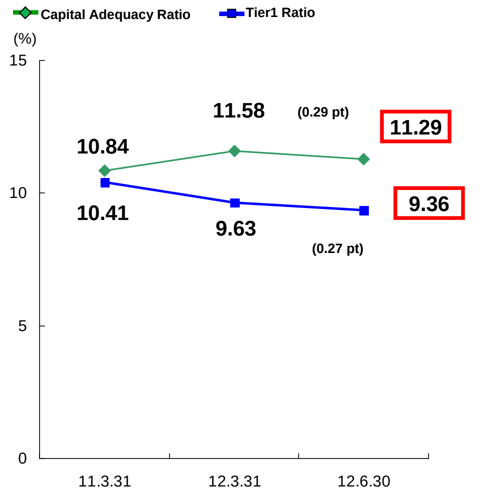
Operating Performance:
Sony Bank (Non-consolidated) (2)

Sony Financial Holdings

Balance of Securities by Credit Ratings



Non-Consolidated Capital Adequacy Ratio (Domestic Criteria)



* 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.

25

(Left-hand graph)

As of June 30, 2012, the balance of securities decreased ¥5.0 billion, to ¥917.9 billion from March 31, 2012.

Sony Bank continuously invests in highly rated bonds.

(Right-hand graph)

As of June 30, 2012, Sony Bank's non-consolidated capital adequacy ratio (domestic criteria) was 11.29%, down 0.29 percentage point from March 31, 2012.

Sony Bank continue to maintain a sound financial position.

Sony Financial Holdings

Consolidated Financial Forecast for the Year Ending March 31, 2013

Consolidated Financial Forecast for the Year Ending March 31, 2013

Sony Financial Holdings

■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%
Life insurance business	967.5	**994.5**	+2.8%
Non-life insurance business	80.0	**86.8**	+8.4%
Banking business	32.5	**34.5**	+6.0%
Consolidated ordinary profit	74.6	**67.0**	(10.2%)
Life insurance business	68.1	**61.5**	(9.8%)
Non-life insurance business	2.8	**2.6**	(9.1%)
Banking business	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.)

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SFH's forecast of consolidated financial results for the fiscal year ending March 31, 2013 (April 1, 2012, through March 31, 2013), is unchanged from the forecast announced on May 10, 2012, considering the progress achieved as planned during the first three months of the FY2012.

Sony Financial Holdings

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

Sony Financial Holdings

(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.

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Here is Sony Life's Market Consistent Embedded Value (MCEV) and risk amount based on economic value as of June 30, 2012.

We had been disclosing Sony Life's proforma calculations of how much affected by interest rate fluctuations value of existing business would be every quarter until the last fiscal year. However, we will disclose MCEV calculated on policies in force as of the end of every quarter by using updated lapse and surrender rate and economic assumptions.

Please keep in mind that a part of this calculation for MCEV has been done according to simplified methods, and the validity of these calculations has not been verified by outside specialists.

Also, please be informed that we will continue to annually disclose a complete report at the end of each fiscal year, which includes the detailed year-on-year analysis of MCEV with a verification by outside specialists.

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 of 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.

Lastly, the risk amount based on economic value as of June 30, 2012 was ¥578.8 billion.

Appendix

Appendix

Recent Topics 1

Sony Financial Holdings

AEGON SONY LIFE INSURANCE Sales Update

AEGON Sony Life

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 ⟺ Sony Bank

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 ⟺ Sony Assurance

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 1)

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.

(Recent Topics 2)

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

Sony Financial Holdings

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.”

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(Sony Life: Fair Value Information on Securities)

Sony Life's Breakdown of Net Assets

Sony Financial Holdings

Net Assets on BS, Real Net Assets and Solvency Margin

(Billions of yen)

	①Net Assets (B/S)		②Real Net Assets		③Solvency Margin		
	12.3.31	**12.6.30**	12.3.31	**12.6.30**	12.3.31	**12.6.30**	Notes
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.

(Sony Life's Breakdown of Net Assets)

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(Contact)