
Presentation Material

**Consolidated Financial Results
for the Nine Months Ended December 31, 2012
and
Sony Life's
Market Consistent Embedded Value
as of December 31, 2012**

Sony Financial Holdings Inc.
February 14, 2013

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Content

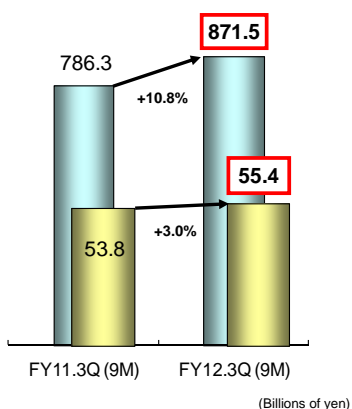
**Consolidated Operating Results for
the Nine Months Ended December 31, 2012**



Highlights of Consolidated Operating Performance for the Nine Months Ended December 31, 2012 (1)



■ Ordinary revenues ■ Ordinary profit



		FY11.3Q (9M)	FY12.3Q (9M)	Change	
(Billions of yen)					
Life Insurance Business	Ordinary revenues	703.9	784.3	+80.4	+11.4%
	Ordinary profit	49.5	51.7	+2.1	+4.4%
Non-life Insurance Business	Ordinary revenues	60.1	63.8	+3.6	+6.1%
	Ordinary profit	1.6	1.0	(0.6)	(37.8%)
Banking Business	Ordinary revenues	23.8	25.1	+1.3	+5.5%
	Ordinary profit	2.5	2.5	(0.0)	(1.0%)
Intersegment Adjustments*	Ordinary revenues	(1.5)	(1.8)	(0.2)	—
	Ordinary profit	0.0	0.1	+0.0	+95.1%
Consolidated	Ordinary revenues	786.3	871.5	+85.1	+10.8%
	Ordinary profit	53.8	55.4	+1.6	+3.0%
	Net income	22.6	32.7	+10.0	+44.5%

		12.3.31	12.12.31	Change from 12.3.31	
(Billions of yen)					
Consolidated	Total assets	7,241.4	7,796.7	+555.3	+7.7%
	Net assets	347.8	385.9	+38.1	+11.0%

*Amounts in ordinary profit in the "Intersegment adjustments" are mainly from SFH.
*Comprehensive income: FY11.3Q (9M): ¥40.9 billion, FY12.3Q(9M) : 46.8 billion.

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

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During the nine months ended December 31, 2012, consolidated ordinary revenues grew 10.8% year on year, to ¥871.5 billion, owing to increases in ordinary revenues from the all businesses; life insurance, non-life insurance and banking.

Consolidated ordinary profit increased 3.0% year on year, to ¥55.4 billion.

Consolidated net income was up 44.5% year on year, to ¥32.7 billion due to an increase in consolidated ordinary profit and also reflecting the previous period's increase in deferred income taxes owing to the partial reversal of deferred tax assets associated with the reduction in the corporate tax rate.

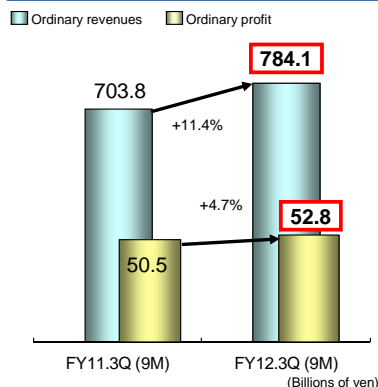
Highlights of Consolidated Operating Performance for the Nine Months Ended December 31, 2012 (2)



- **Life insurance business:** Ordinary revenues increased year on year due mainly to higher income from insurance premiums associated with steady growth in policy amount in force, as well as an improvement in investment income on separate accounts due to the market recovery towards the end of December 2012. Ordinary profit increased due mainly to a decrease in provision of policy reserves for minimum guarantees for variable life insurance and a recovery from negative spread into positive at Sony Life. These positive factors surpassed the company's negative effects stemming from recording higher profit in the previous period due to the reversal of reserve for outstanding claims related to the Great East Japan Earthquake and the sale of securities in line with shifting its bond holdings to ultralong-term bonds.
- **Non-life insurance business:** Ordinary revenues increased year on year owing to an increase in net premiums written primarily for its mainstay automobile insurance. On the other hand, ordinary profit decreased year on year owing to an increase in the loss ratio due mainly to higher insurance payments per claim 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 July 1, 2011 acquisition of SmartLink Network, Inc., which became its consolidated subsidiary. The operating results of SmartLink Network, Inc., are included in SFH's scope of consolidation from the beginning of the nine months of this fiscal year ended December 31, 2012, whereas they were included in only part of the previous period. On the other hand, 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 was offset by a decrease in profit related to foreign currency transactions.
- Consolidated ordinary revenues grew 10.8% year on year, to ¥871.5 billion, owing to increases in ordinary revenues from all businesses. Consolidated ordinary profit increased 3.0% year on year, to ¥55.4 billion, reflecting an increase in ordinary profit in the life insurance business, whereas ordinary profit from the non-life insurance and the banking business decreased year on year. Consolidated net income was up 44.5% year on year, to ¥32.7 billion, reflecting the previous period's increase in deferred income taxes owing to the partial reversal of deferred tax assets associated with the reduction in the corporate tax rate.

Here is highlights of consolidated operating performance.

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



- ◆ Ordinary revenues and ordinary profit increased year on year.
- ◆ Income from insurance premiums increased due to a steady increase in the policy amount in force.
- ◆ Investment income increased year on year, reflecting an improvement in investment income on separate accounts due to the market recovery towards the end of December 2012.
- ◆ Ordinary profit increased due mainly to a decrease in provision of policy reserves for minimum guarantees for variable life insurance and a recovery from negative spread into positive at Sony Life. These positive factors surpassed the company's negative effects stemming from recording higher profit in the previous period due to the reversal of reserve for outstanding claims related to the Great East Japan Earthquake and the sale of securities in line with shifting its bond holdings to ultralong-term bonds.

(Billions of yen)	FY11.3Q (9M)	FY12.3Q (9M)	Change	
Ordinary revenues	703.8	784.1	+80.3	+11.4%
Income from insurance premiums	602.0	657.3	+55.2	+9.2%
Investment income	83.5	111.4	+27.8	+33.3%
Interest income and dividends	72.5	80.3	+7.8	+10.8%
Income from monetary trusts, net	3.9	3.9	(0.0)	(0.6%)
Gains on sale of securities	7.0	2.3	(4.6)	(66.6%)
Gains on separate accounts, net	-	24.7	+24.7	-
Ordinary expenses	653.3	731.2	+77.9	+11.9%
Insurance claims and other payments	216.4	215.5	(0.9)	(0.4%)
Provision for policy reserves and others	314.9	409.5	+94.5	+30.0%
Investment expenses	29.8	9.4	(20.3)	(68.3%)
Losses on sale of securities	1.8	1.5	(0.2)	(14.1%)
Losses on separate accounts, net	18.7	-	(18.7)	(100.0%)
Operating expenses	77.6	80.0	+2.3	+3.1%
Ordinary profit	50.5	52.8	+2.3	+4.7%
Net income	22.2	31.1	+8.8	+40.0%

(Billions of yen)	12.3.31	12.12.31	Change	
Securities	4,545.0	4,957.6	+412.6	+9.1%
Policy reserves	4,843.0	5,252.5	+409.5	+8.5%
Total net assets	264.8	298.6	+33.7	+12.8%
Net unrealized gains on other securities	34.0	45.7	+11.7	+34.5%
Total assets	5,222.8	5,660.8	+438.0	+8.4%
Separate account assets	444.2	487.8	+43.5	+9.8%

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 11.4% year on year, to ¥784.1 billion.

Of this amount, income from insurance premiums grew 9.2% from the same period of the previous fiscal year, to ¥657.3 billion. Investment income increased 33.3% year on year, to ¥111.4 billion, reflecting an improvement in investment income on separate accounts due to the market recovery towards the end of December 2012.

Ordinary profit increased 4.7% year on year, ¥52.8 billion, due mainly to a decrease in provision of policy reserves for minimum guarantees for variable life insurance and a recovery from negative spread into positive at Sony Life. These positive factors surpassed the company's negative effects stemming from recording higher profit in the previous period due to the reversal of reserve for outstanding claims related to the Great East Japan Earthquake and the sale of securities in line with shifting its bond holdings to ultralong-term bonds.

Moreover, Sony Life recorded losses on sales of shares of subsidiaries and affiliates of ¥1.0 billion in extraordinary losses since Sony Life transferred the business of Sony Life insurance (Philippines) Corporation, wholly owned subsidiary of Sony Life on December 6, 2012.

After accounting for extraordinary losses, provision for reverse for policyholders' dividends, and income taxes, net income was up 40.0% year on year, to ¥31.1 billion, reflecting the previous period's increase in deferred income taxes owing to the partial reversal of deferred tax assets associated with the reduction in the corporate tax rate.

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



(Billions of yen)	FY11.3Q (9M)	FY12.3Q (9M)	Change	
New policy amount	3,227.1	3,215.9	(0.3%)	◆ Remained at the same level due to lower sales of family income insurance which offset higher sales of living benefit insurance, etc.
Lapse and surrender amount	1,561.9	1,451.5	(7.1%)	
Lapse and surrender rate	4.50%	4.03%	(0.47pt)	◆ Decreased due to the lowering lapse and surrender rates mainly in term-life insurance.
Policy amount in force	35,807.9	37,203.6	+3.9%	
Annualized premiums from new policies	53.1	51.1	(3.7%)	◆ Decreased due mainly to lower sales of cancer hospitalized insurance which offset higher sales of living benefit insurance, etc.
Of which, third-sector products	13.0	13.1	+0.9%	
Annualized premiums from insurance in force	627.6	657.8	+4.8%	◆ Increased due to an increase in interest income and dividends which offset lower gains on sale of securities.
Of which, third-sector products	147.3	155.7	+5.7%	
(Billions of yen)	FY11.3Q (9M)	FY12.3Q (9M)	Change	
Gains from investment, net (general account)	72.5	77.1	+6.5%	◆ Increased owing primarily to a decrease in provision of policy reserves for minimum guarantees for variable life insurance and a recovery from negative spread into positive (positive factors) despite recording higher profit in the previous period due to the reversal of reserve for outstanding claims related to the Great East Japan Earthquake(negative factor).
Core profit	50.9	57.0	+12.0%	
Negative spread	(1.7)	1.1	—	
	12.3.31	12.12.31	Change from 12.3.31	
Non-consolidated solvency margin ratio	1,980.4%	2,240.5%	+260.1pt	

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.

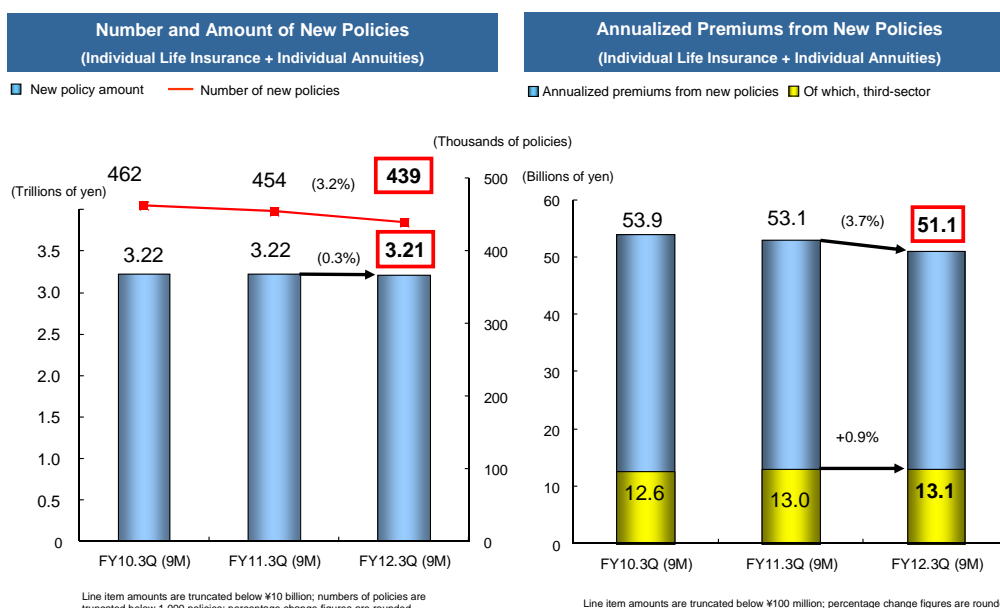
*3 The plus amount in negative spread indicates positive spread.

*4 The non-consolidated solvency margin ratios are calculated based on the current standards applied from the end of fiscal 2011 (March 31, 2012).

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

Here is an overview of Sony Life's operating performance.

Sony Life Operating Performance (1)



(Left-hand graph)

New policy amount for the total of individual life insurance and individual annuities remained at the same level as during the same period of the previous fiscal year at ¥3.21 trillion, due to lower sales of family income insurance which offset higher sales of living benefit insurance, etc.

New policy amount for the third quarter (Oct-Dec 2012) of this fiscal year increased 2.3% year on year, to ¥1.2 trillion, with the year-on-year growth rate recovering from the second quarter.

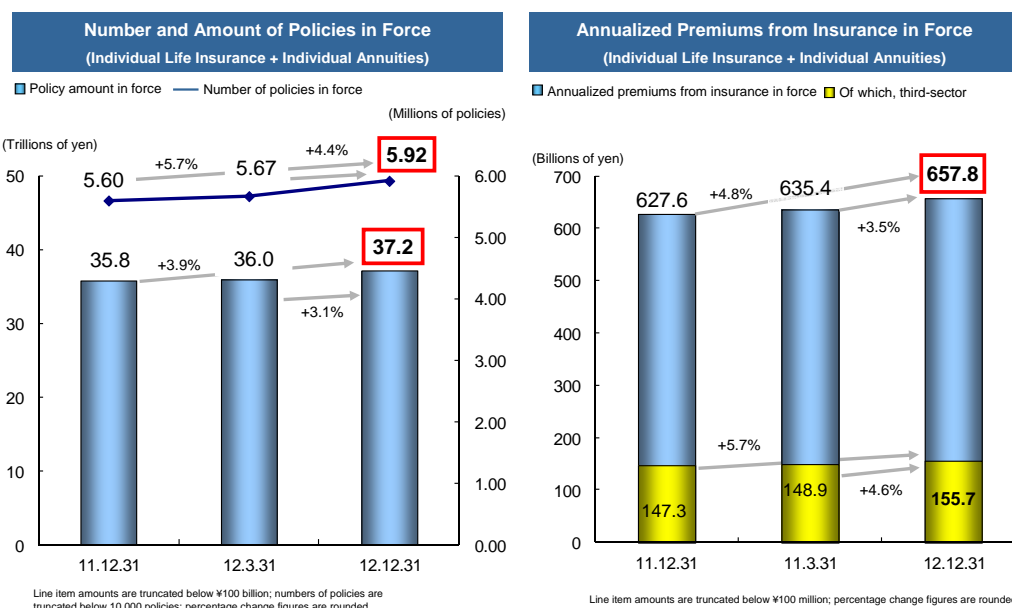
The number of new policies decreased 3.2% year on year, to 439 thousand policies.

(Right-hand graph)

Annualized premiums from new policies decreased 3.7% year on year, to ¥51.1 billion, due mainly to lower sales of cancer hospitalized insurance which offset higher sales of living benefit insurance, etc.

Of which, the figure for third-sector insurance products was up 0.9% year on year, to ¥13.1 billion.

Sony Life Operating Performance (2)



Sony Life's policy amount in force which reflects new policy amount and lapse and surrender amount, is shown here.

(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 ¥37.2 trillion due to an addition of new policies and a decline in lapse and surrender rate.

The number of policies in force increased 5.7% year on year, to 5.92 million policies.

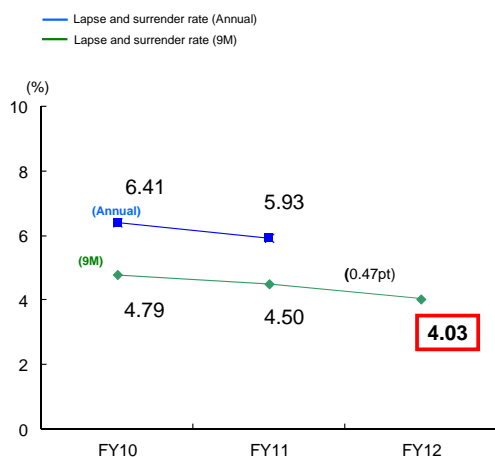
(Right-hand graph)

Annualized premiums from insurance in force increased 4.8% year on year, to ¥657.8 billion.

Of this amount, the figure for third-sector products was up 5.7% year on year, to ¥155.7 billion.

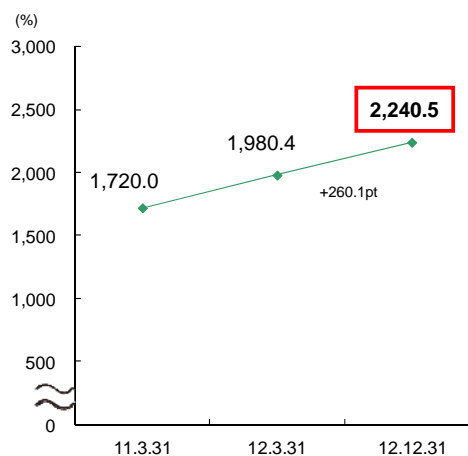
Sony Life Operating Performance (3)

Lapse and Surrender Rate* (Individual Life Insurance + Individual Annuities) < Annual and 9M >



*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.

Non-consolidated Solvency Margin Ratio



Note: The non-consolidated solvency margin ratios are calculated based on the current standards applied from the end of fiscal 2011 (March 31, 2012).

(Left-hand graph)

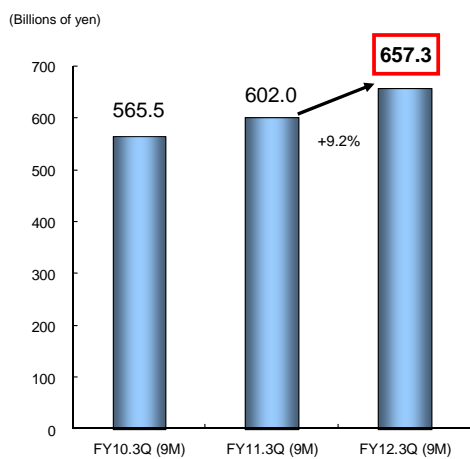
The lapse and surrender rate for the nine months ended December 31, 2012 decreased 0.47 percentage point year on year, to 4.03%, due to the lowering lapse and surrender rates primarily for term-life insurance.

(Right-hand graph)

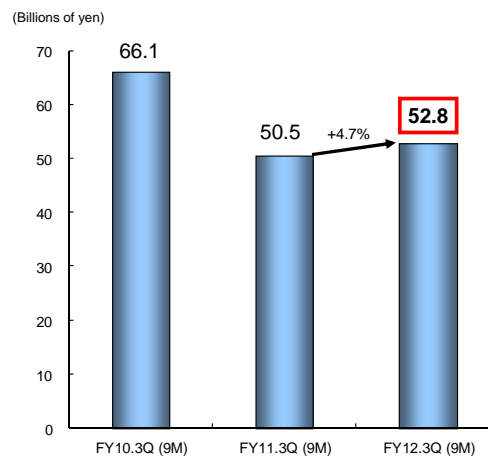
As of December 31, 2012, Sony Life's non-consolidated solvency margin ratio was 2,240.5%, up 260.1 percentage points from March 31, 2012.

Sony Life Operating Performance (4)

Income from Insurance Premiums

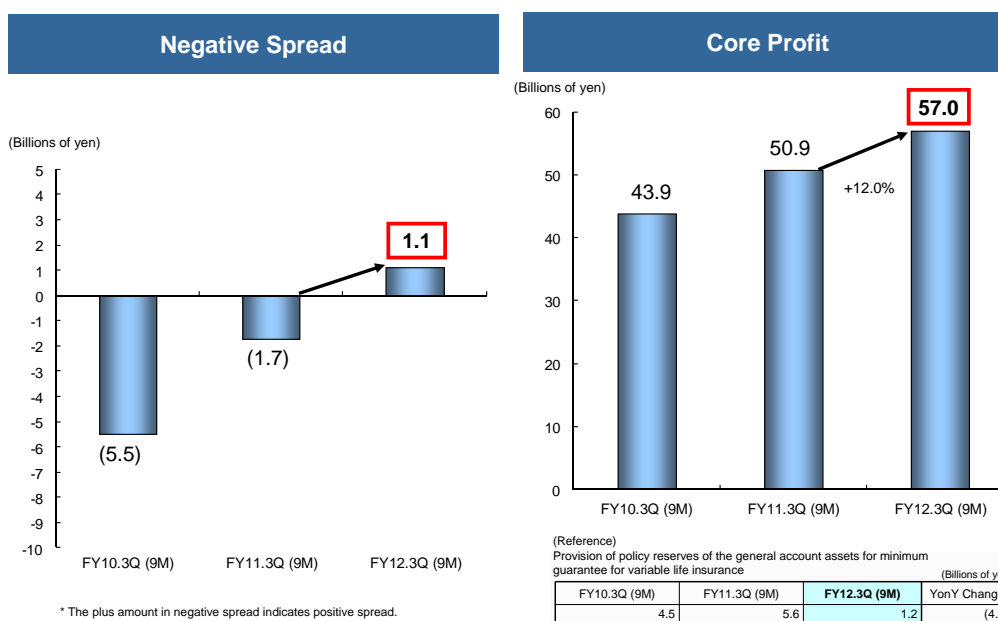


Ordinary Profit



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

Sony Life Operating Performance (5)



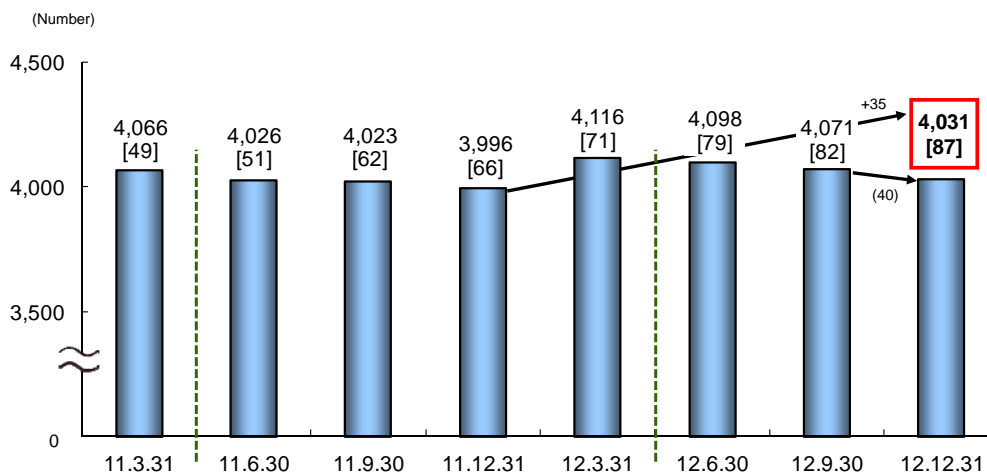
(Left-hand graph)

Negative spread became ¥1.1 billion of positive spread, driven by an increase in interest income and dividends.

(Right-hand graph)

Core profit increase 12.0% year on year, to ¥57.0 billion owing primarily to a decrease in provision of policy reserves for minimum guarantees for variable life insurance and a recovery from negative spread into positive (positive factors) despite recording higher profit in the previous period due to the reversal of reserve for outstanding claims related to the Great East Japan Earthquake(negative factor).

Number of Lifeplanner Sales Employees



Note: Figures in [] show the 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.

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

The number of Lifeplanner sales employees as of December 31, 2012, was 4,031, down 40 from September 30, 2012 and up 35 from December 31, 2011.

From the first quarter of this fiscal year, SFH began disclosing the number of Lifeplanner sales employees (rehired on a fixed-term contract basis after retirement) included in the overall numbers.

Breakdown of General Account Assets

(Billions of yen)	12.3.31		12.12.31	
	Amount	%	Amount	%
Japanese government and corporate bonds	3,975.7	83.2%	4,370.5	84.5%
Japanese stocks	45.0	0.9%	28.5	0.6%
Foreign securities	59.6	1.2%	60.5	1.2%
Foreign stocks	30.5	0.6%	24.4	0.5%
Monetary trusts	288.2	6.0%	293.2	5.7%
Policy loans	138.7	2.9%	142.0	2.7%
Real estate	72.9	1.5%	71.5	1.4%
Cash and call loans	64.8	1.4%	58.1	1.1%
Others	102.6	2.1%	123.7	2.4%
Total	4,778.5	100.0%	5,172.9	100.0%

<Asset management review>
Japanese government and corporate bonds: Continue to accumulate ultralong-term bonds in FY12

↓

[Lengthened asset duration]
 11. 3. 31 18.5 year
 12. 3. 31 19.2 year
12. 12. 31 19.1 year

■ Investment in the monetary trusts is mainly into Japanese government and corporate bonds.

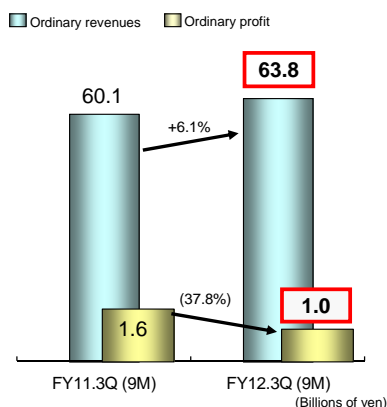
■ The holding ratio on the real status, of Japanese government and corporate bonds including those invested in monetary trusts in the general account assets: As of Dec. 31, 2012: 90.2% (As of March 31, 2012: 89.2%)

Here ins a breakdown of Sony Life’s general account assets as of December 31, 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 90.2% as of December 31, 2012.

Going forward, Sony Life will invest most of new money acquired from income from insurance premiums in ultralong-term bonds in order to properly control interest rate risk on insurance liabilities.

Highlights of Operating Performance: Sony Assurance



- ◆ Ordinary revenues increased but ordinary profit decreased year on year.
- ◆ Ordinary revenues increased year on year, owing to an increase in net premiums written, as the number of insurance policies in force grew primarily for automobile insurance.
- ◆ Ordinary profit decreased year on year, owing to a rise in the loss ratio due mainly to higher insurance payments per claim for automobile insurance.

(Billions of yen)	FY11.3Q (9M)	FY12.3Q (9M)	Change	
Ordinary revenues	60.1	63.8	+3.6	+6.1%
Underwriting income	59.4	63.0	+3.5	+6.0%
Investment income	0.6	0.7	+0.0	+14.2%
Ordinary expenses	58.4	62.7	+4.3	+7.4%
Underwriting expenses	44.1	47.6	+3.4	+7.8%
Investment expenses	0.0	0.0	+0.0	157.0%
Operating, general and administrative expenses	14.2	15.0	+0.8	+6.3%
Ordinary profit	1.6	1.0	(0.6)	(37.8%)
Net income	0.5	0.5	+0.0	+13.3%

(Billions of yen)	12.3.31	12.12.31	Change from 12.3.31	
Underwriting reserves	67.3	71.0	+3.7	+5.5%
Total net assets	18.0	18.7	+0.7	+4.2%
Total assets	118.6	123.3	+4.7	+4.0%

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

Sony Assurance's ordinary revenues increased 6.1% year on year, to ¥63.8 billion, owing to an increase in net premiums written, as the number of insurance in force grew primarily for automobile insurance.

Ordinary profit decreased 37.8% year on year, to ¥1.0 billion, owing to an increase in the loss ratio due mainly to higher insurance payments per claim for automobile insurance.

Consolidated net income was up 13.3% year on year, to ¥0.5 billion, reflecting the previous period's increase in deferred income taxes owing to the partial reversal of deferred tax assets associated with the reduction in the corporate tax rate.

Overview of Operating Performance: Sony Assurance

(Billions of yen)	FY11.3Q (9M)	FY12.3Q (9M)	Change
Direct premiums written	58.8	62.1	+5.7%
Net premiums written	59.4	62.9	+6.0%
Net losses paid	32.9	35.0	+6.3%
Underwriting profit	1.1	0.3	(69.7%)
Net loss ratio	61.8%	62.4%	+0.6pt
Net expense ratio	25.5%	25.5%	0.0pt
Combined ratio	87.4%	87.9%	+0.5pt

<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 insurance payments due to the higher number of policies in force for automobile insurance.

◆ Increased owing to higher insurance payments per claim and loss adjustment expenses for automobile insurance.

Notes:

Net loss ratio = (Net losses paid + Loss adjustment expenses) / Net premiums written
 Net expense ratio = Expenses related to underwriting / Net premiums written

	12.3.31	12.12.31	Change from 12.3.31	
Number of policies in force	1.49 million	1.54 million	+0.05 million	+3.9%
Non-consolidated solvency margin ratio	557.8%	525.0%	(32.8pt)	

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

Note:

*1 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.

*2 The non-consolidated solvency margin ratios are calculated based on the current standards applied from the end of fiscal 2011 (March 31, 2012).

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

Here is an overview of Sony Assurance's operating performance.

Sony Assurance's Underwriting Performance by Type of Policy



Direct Premiums Written

(Millions of yen)	FY11.3Q (9M)	FY12.3Q (9M)	Change
Fire	118	171	+45.3%
Marine	—	—	—
Personal accident *	5,517	5,883	+6.6%
Voluntary automobile	53,177	56,129	+5.6%
Compulsory automobile liability	—	—	—
Total	58,812	62,185	+5.7%

Net Premiums Written

(Millions of yen)	FY11.3Q (9M)	FY12.3Q (9M)	Change
Fire	68	80	+16.4%
Marine	50	105	108.5%
Personal accident *	5,681	6,073	+6.9%
Voluntary automobile	52,978	55,922	+5.6%
Compulsory automobile liability	647	805	+24.4%
Total	59,426	62,987	+6.0%

Net Losses Paid

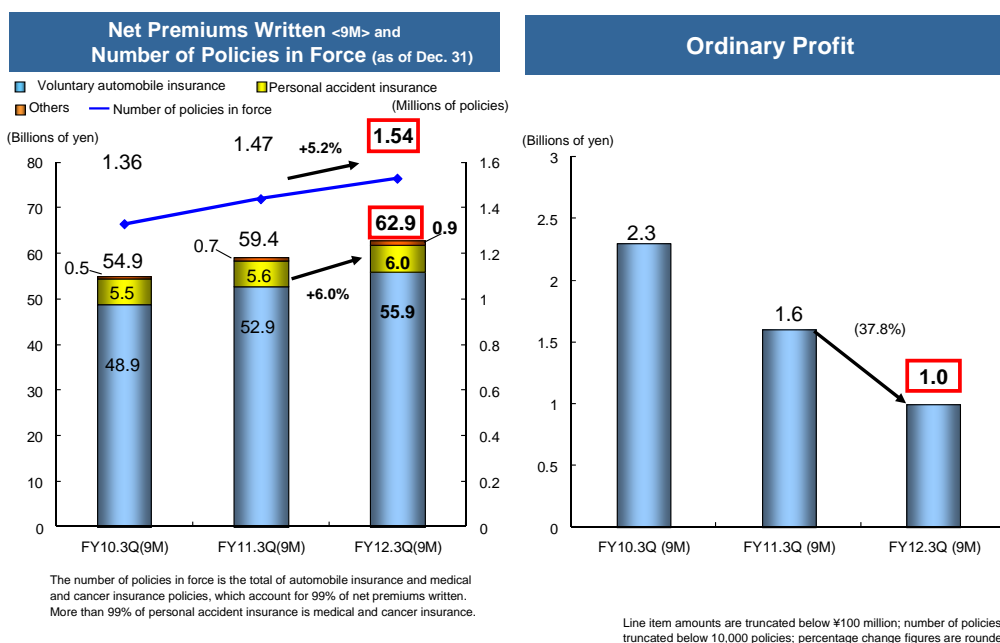
(Millions of yen)	FY11.3Q (9M)	FY12.3Q (9M)	Change
Fire	40	0	(98.0%)
Marine	104	160	+53.8%
Personal accident*	1,352	1,467	+8.5%
Voluntary automobile	30,806	32,662	+6.0%
Compulsory automobile liability	647	750	+15.9%
Total	32,951	35,041	+6.3%

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

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

This slide show direct premiums written, net premiums written and net losses paid by type of policy.

Sony Assurance Operating Performance (1)



(Left-hand graph)

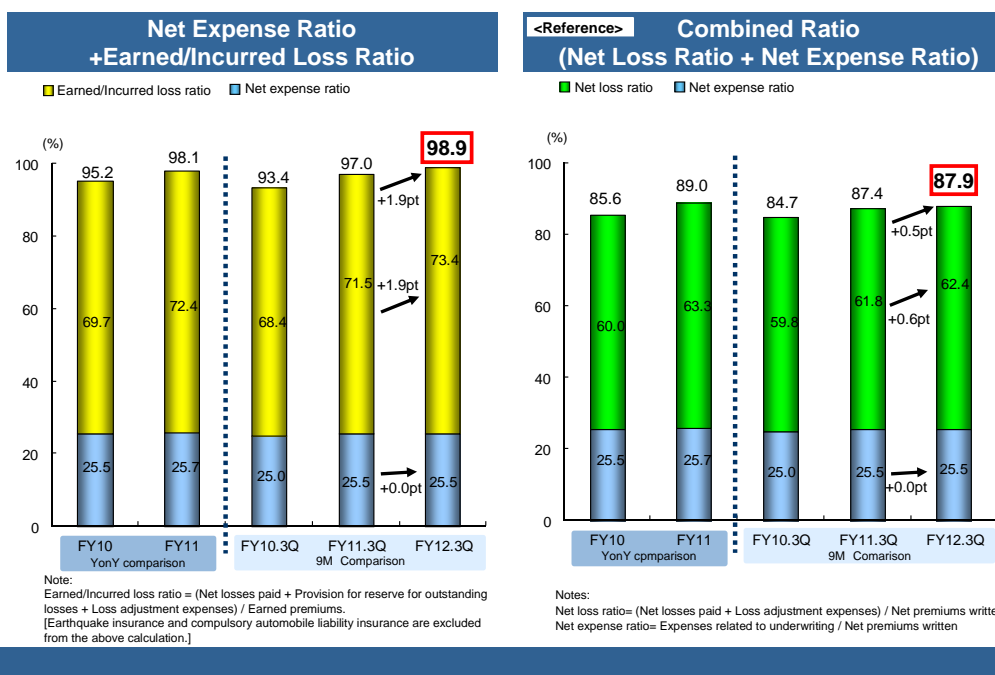
Number of policies in force for the total of automobile insurance and medical and cancer insurance increased, up 5.2% year on year, to 1.54 million policies.

Net premiums written posted a 6.0% year-on-year increase, to ¥62.9 billion.

(Right-hand graph)

Ordinary profit decreased year on year, owing to the increase in the loss ratio as described in the previous pages.

Sony Assurance Operating Performance (2)



(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 nine months ended December 31, 2012, the E.I. loss ratio increased 1.9 percentage points year on year, to 73.4%, due mainly to higher insurance payments per claim for automobile insurance.

The net expense ratio remained at the same level as during the same period of the previous fiscal year to 25.5%, owing to an appropriate control on operating expenses.

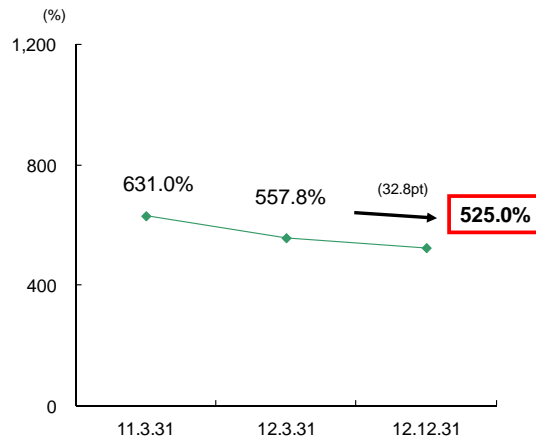
Consequently, the sum of the E.I. loss ratio and the net expense ratio increased 1.9 percentage points year on year, to 98.9%.

(Right-hand graph)

The net loss ratio rose 0.6 percentage point compared with the same period of the previous fiscal year, to 62.4%, due to the same reason as the E.I. loss ratio did.

The combined ratio (the sum of the net loss ratio and the net expense ratio) rose 0.5 percentage point year on year, to 87.9%.

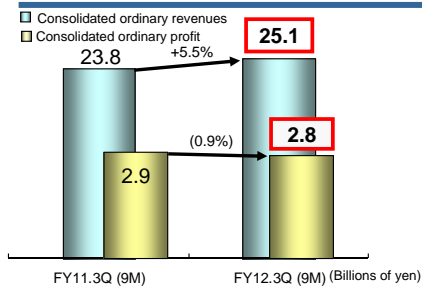
Non-consolidated Solvency Margin Ratio



Note: The non-consolidated solvency margin ratios are calculated based on the current standards applied from the end of fiscal 2011 (March 31, 2012).

As of December 31, 2012, Sony Assurance's non-consolidated solvency margin ratio was 525.0%, down 32.8 percentage points from 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. which became its consolidated subsidiary. Consolidated ordinary profit remained at the same levels. Consolidated net income increased due to recording deferred tax assets on the sale of Sony Bank Securities on August 1, 2012.

<Non-consolidated>

- ◆ Gross operating profit decreased year on year.
 - Net interest income increased owing to an increase in interest income on loans led by a growing balance of mortgage loans and a decrease in interest expenses.
 - Net fees and commissions slightly decreased as Sony Bank stopped charging for FX transactions.
 - Net other operating income decreased reflecting lower gains on bond dealing transactions.
- ◆ Net operating profit decreased owing to higher general and administrative expenses led primarily by personnel reinforcement for business expansion.
- ◆ Net income (loss) decreased owing to recording extraordinary losses (¥2.8 billion) on the sale of Sony Bank Securities Inc.

<Consolidated>

(Billions of yen)	FY11.3Q (9M)	FY12.3Q (9M)	Change	
Consolidated ordinary revenues	23.8	25.1	+1.3	+5.5%
Consolidated ordinary profit	2.9	2.8	(0.0)	(0.9%)
Consolidate net income	1.1	2.2	+1.1	+95.0%

<Non-consolidated>

(Billions of yen)	FY11.3Q (9M)	FY12.3Q (9M)	Change	
Ordinary revenues	22.1	22.8	+0.6	+2.8%
Gross operating profit	13.6	13.3	(0.3)	(2.2%)
Net interest income	12.0	13.1	+1.0	+8.9%
Net fees and commissions	0.07	(0.00)	(0.07)	—
Net other operating income	1.4	0.1	(1.2)	(86.8%)
General and administrative expenses	10.2	10.5	+0.3	+3.0%
Net operating profit	3.1	2.8	(0.3)	(11.3%)
Ordinary profit	2.9	2.6	(0.2)	(8.9%)
Net income (loss)	1.6	(0.1)	(1.7)	-
(Billions of yen)	12.3.31	12.12.31	Change from 12.3.31	
Total net assets	62.7	64.4	+1.6	+2.6%
Net unrealized gains on other securities (net of taxes)	1.7	4.0	+2.3	+130.3%
Total assets	1,890.5	2,002.9	+112.4	+5.9%

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 July 2011 acquisition of SmartLink Network, Inc., which became its consolidated subsidiary.

Consolidated ordinary profit remained at the same level as during the same period of the previous fiscal year.

Consolidated net income increased due to recording deferred tax assets on the sale of Sony Bank Securities Inc. on August 1, 2012.

On a non-consolidated basis, Sony Bank's gross operating profit decreased 2.2% from a year earlier, to ¥13.3 billion, because higher interest income on loans due to a growing balance of mortgage loans were offset by a decrease in profit related to foreign currency transactions.

Net operating profit decreased 11.3% year on year, to ¥2.8 billion, as general and administrative expenses increased due mainly to the personnel reinforcement for business expansion.

Sony Bank's non-consolidated net income (loss) decreased owing to recording extraordinary losses of ¥2.8 billion on the sale of the aforementioned subsidiary, Sony Bank Securities Inc., resulting in a loss of ¥0.1 billion.

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



(Billions of yen)	11.12.31	12.3.31	12.12.31	Change from 12.3.31	
Customer assets	1,783.4	1,864.3	1,973.0	+108.7	+5.8%
Deposits	1,688.3	1,762.2	1,868.4	+106.1	+6.0%
Yen	1,334.0	1,390.5	1,488.9	+98.3	+7.1%
Foreign currency	354.3	371.7	379.4	+7.7	+2.1%
Investment trusts	95.0	102.0	104.6	+2.5	+2.5%
Loans outstanding	805.9	835.5	929.7	+94.2	+11.3%
Mortgage loans	722.7	749.6	830.6	+81.0	+10.8%
Others	83.2	85.9	99.1^{*1}	+13.1	+15.3%
Capital adequacy ratio (domestic criteria) ^{*2}	11.86%	11.58%	10.71%	(0.87pt)	
Tier1 ratio	9.85%	9.63%	8.91%	(0.72pt)	

<Reasons for changes>

◆ Yen deposits increased due to the positive effect of special offer for summer 2012 bonus season, and shifting customer assets from foreign currencies to yen deposits backed by yen depreciation towards the end of December 2012.

◆ Foreign currency deposits increased reflecting a positive impact from foreign exchange conversion (+ ¥19.3 billion), despite a negative impact from converting more foreign currencies into yen led by yen depreciation towards the end of December 2012.

◆ Loan balance increased due to a growing balance of mortgage loans, in addition to a higher corporate loan balance centered on syndicated loans.

*1 Loans in others include corporate loans of ¥92.5 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.

Here is an overview of Sony Bank's operating performance.

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



<Reference> On Managerial Accounting Basis

(Billions of yen)	FY11.3Q (9M)	FY12.3Q (9M)	Change	
Gross operating profit	13.5	13.2	(0.3)	(2.2%)
Net interest income ^{*1} ①	12.6	13.0	+0.4	+3.3%
Net fees and commissions ^{*2} ②	0.7	0.4	(0.3)	(42.0%)
Net other operating income ^{*3} ③	0.1	(0.2)	(0.3)	—
Gross operating profit (core profit) (A)=①+②	13.4	13.5	+0.0	+0.6%
Operating expenses and other expenses ③	10.4	10.4	+0.0	+0.6%
Net operating profit (core profit) =(A) -③	3.0	3.0	+0.0	+0.9%

● 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.

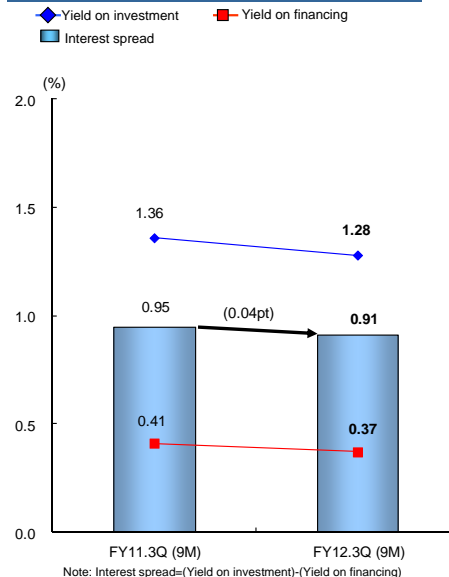
*2: Net fees and commissions: Includes profits and losses for customer dealings in foreign currency transactions recorded in net other operating income.

*3: Net other operating income: After the above adjustments (*1 and *2), consists of profits and losses for bond and derivative dealing transactions.

● Core basis

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)



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 this fiscal year. Accordingly, the figures for FY11.3Q 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 revenues and profits.

(Left-hand table)

Net interest income on a managerial accounting basis amounted to ¥13.0 billion, ¥0.4 billion up year on year, due to business expansion, mainly in its mortgage loans, which offset a decrease in profit related to foreign currency transactions.

Net fees and commissions amounted to ¥0.4 billion, ¥0.3 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.

Consequently, both gross operating profit and net operating profit on a core profit basis remained at the same levels as during the same period of the previous fiscal year, amounted to ¥13.5 billion and ¥3.0 billion respectively.

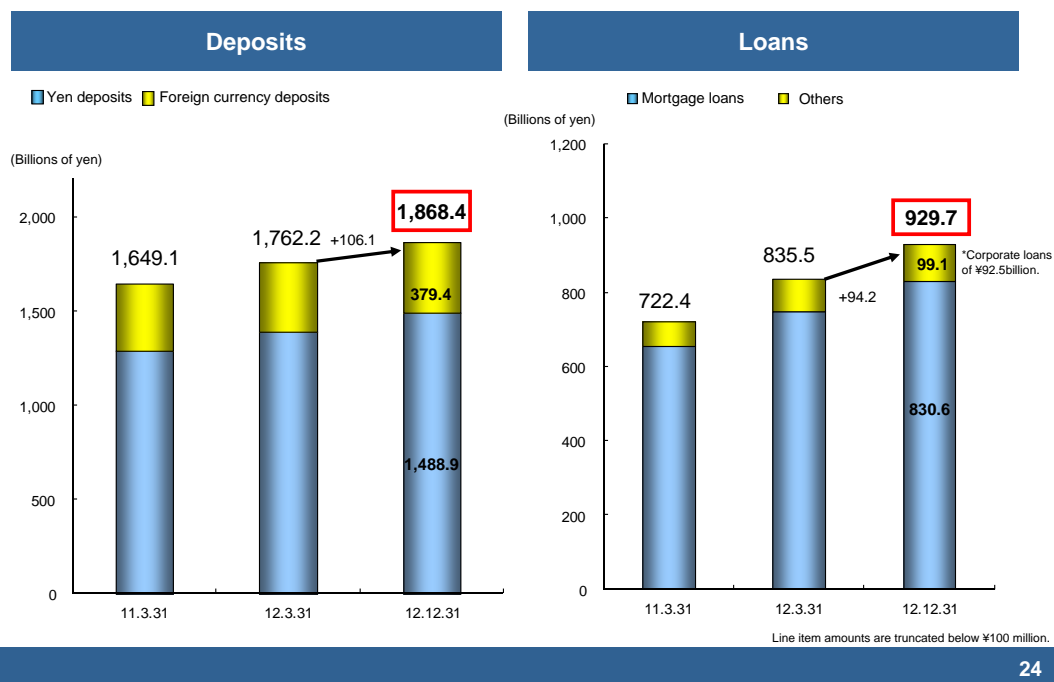
(Right-hand graph)

The yield on investment for FY12.3Q was 1.28%.

The yield on financing was 0.37%.

Consequently, the interest spread was 0.91%.

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



(Left-hand graph)

As of December 31, 2012, deposits (the sum of Japanese yen and foreign currency deposits) amounted to ¥1,868.4 billion, up ¥106.1 billion from March 31, 2012.

Of which, yen deposits increased ¥98.3 billion, to 1,488.9 billion, due to the positive effect of special offer for summer 2012 bonus season, and shifting customer assets from foreign currencies to yen deposits backed by yen depreciation towards the end of December 2012.

Foreign currency deposits increased ¥7.7 billion, to ¥379.4 billion, reflecting a positive impact from foreign exchange conversion, despite a negative impact from converting more foreign currencies into yen led by yen depreciation towards the end of December 2012.

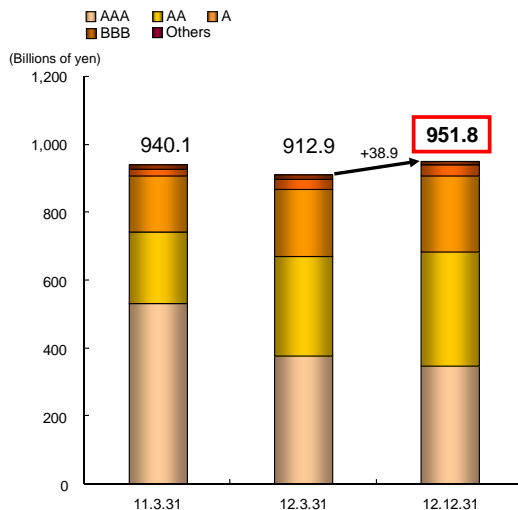
(Right-hand graph)

Loans expanded to ¥929.7 billion, up ¥94.2 billion, from March 31, 2012, due to a growing balance of mortgage loans, in addition to a higher corporate loan balance centered on syndicated loans.

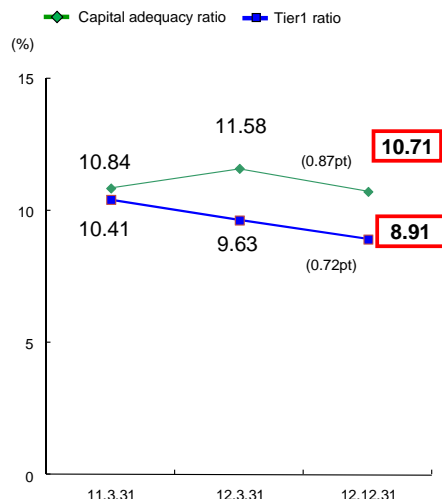
Operating Performance: Sony Bank (Non-consolidated) (2)



Balance of Securities by Credit ratings



Non-consolidated Capital Adequacy Ratio (Domestic criteria)



*Calculated based on the standard FSA Notification No. 19/2006, which establishes standards based on Article 14-2 of the banking Act of Japan for determining the capital adequacy of a bank in light of the assets held by the bank.

Line item amounts are truncated below ¥100 million.

(Left-hand graph)

As of December 31, 2012, the balance of securities increased ¥38.9 billion, to ¥951.8 billion from March 31, 2012.

Sony Bank continuously invests in highly rated bonds.

(Right-hand graph)

As of December 31, 2012, Sony bank's non-consolidated capital adequacy ratio (domestic criteria) was 10.71%, down 0.87 percentage point from March 31, 2012.

Sony bank will continue to maintain a sound financial position.

Consolidated Financial Forecast for the Year Ending March 31, 2013



Consolidated Financial Forecast for the Year Ending March 31, 2013



Ordinary revenues, ordinary profit and net income were revised upward.

(Billions of yen)	FY11 Actual	FY12 Revised Forecast	FY12 Previous Forecast	Change FY12 revised forecast vs. FY12 previous forecast
Consolidated ordinary revenues	1,078.0	1,157.0	1,115.0	+42.0
Life insurance business	967.5	1,038.1	994.5	+43.6
Non-life insurance business	80.0	85.0	85.0	-
Banking business	32.5	34.5	34.5	-
Consolidated ordinary profit	74.6	74.0	67.0	+7.0
Life insurance business	68.1	68.5	61.5	+7.0
Non-life insurance business	2.8	2.6	2.6	-
Banking business	3.4	3.6	3.6	-
Consolidated net income	32.8	41.0	37.0	+4.0

■ Life insurance business:

SFH revises upward its consolidated financial forecast for the year ending March 31, 2013. This is because the operating results in both ordinary revenues and ordinary profit for the nine months ended December 31, 2012 exceeded our previous forecast.

■ Non-life insurance business

The forecast of ordinary revenues and ordinary profit remains unchanged from the previous forecast.

■ Banking business

The forecast of ordinary revenues and ordinary profit remains unchanged from the previous forecast.

Notes:

- Line item amounts are truncated below ¥100 million.
- On February 7, 2013, we revised the financial forecast announced on May 10, 2012.

As operating results for the nine months ended December 31, 2012 exceeded our previous forecast in the life insurance business, SFH revises upward its consolidated financial forecast for the year ending March 31, 2013.

The updated consolidated forecast reflects the movements of financial market in early January 2013 and other factors.

However, the figures stated above may differ from actual results for a variety of reasons.

**Sony Life's MCEV
and
Risk Amount Based on Economic Value
as of December 31, 2012**



Sony Life's MCEV and Risk Amount Based on Economic Value as of December 31, 2012



(Billions of yen)	12.3.31 (JGB yield)	12.12.31 (JGB yield)	Change
MCEV	1,041.5	1,079.4	+37.8
Adjusted net worth	409.2	450.3	+41.1
Value of existing business	632.4	629.1	(3.3)

(1) Calculated MCEV for policies in force as of December 31, 2012 by using updated lapse and surrender rate and economic assumptions.
 (2) Adopted simplified method for a part of MCEV calculations as of December 31, 2012.

(Reasons for change)

◆ **MCEV increased due to the steady addition of new business value.**

(Billions of yen)	12.3.31	12.12.31	Change
The risk amount based on economic value	551.5	602.6	+51.1

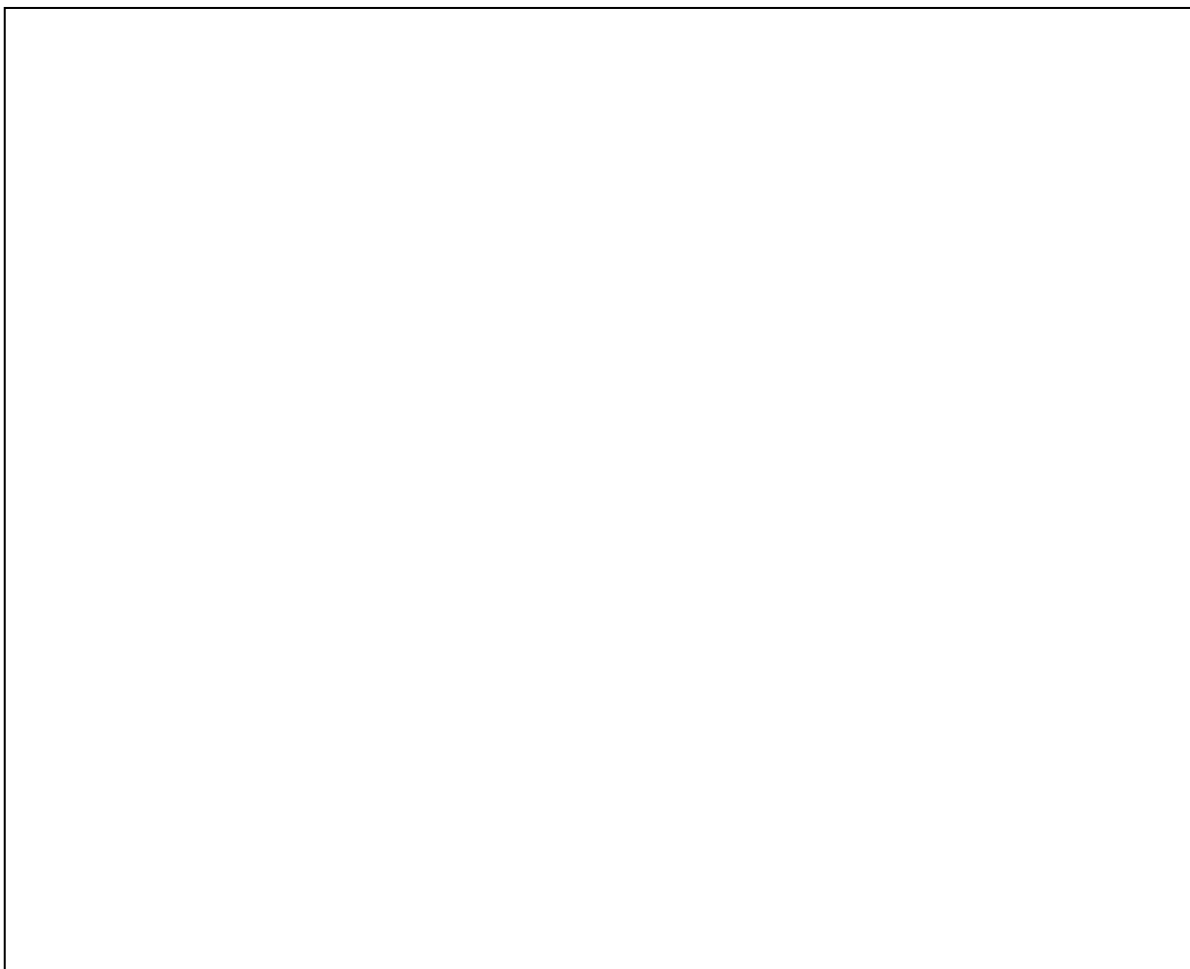
Note: Measurement of risk based on economic value takes one-year VaR to be 99.5% and is measured using an internal model that refers to the EU Solvency II (QIS5) standard model.

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

Sony Life's MCEV as of December 31, 2012 amounted to ¥1,079.4 billion, up ¥37.8 billion from March 31, 2012, due to the steady addition of new business value.

The risk amount based on economic value as of December 31, 2012 was ¥602.6 billion.

Appendix



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 (9*) *As of February 14, 2013

Financial Highlights for FY12.3Q(9M): Number of new policies: 3,974, New policy amount: ¥27.3 billion
Number of policies in force: 7,560, Policy amount in force: ¥57.7 billion (As of December 31, 2012)



Sony Bank's Mortgage Loans through Sony Life

■ Sony Life accounts for 25% of the balance of mortgage loans as of December 31, 2012



Sony Life accounts for 24% of the amount of new mortgage loans for FY12.3Q(9M).

*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 FY12.3Q(9M).

* 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

<Highlight for FY12.3Q>

- 2012-10-01 Sony Assurance made a commitment of an initial response by an appointed staff member within an hour after receiving an accident report for automobile insurance policyholders
- 2012-10-11 Sony Assurance added a GPS system to its free application, "Trouble Navigation" for smart phone users
- 2012-10-19 Sony Life launched the second phase of its "Co-Creation Project"
- 2012-10-22 Sony Bank began offering Chinese Yuan(CNH), South African Rand and Swedish Krona for foreign currency deposits
- 2012-11-01 Sony Assurance revised automobile insurance details including a discount on paperless insurance policies and establishing a new rider, commencing on or after November 1, 2012
- 2012-11-14 Sony Financial Holdings announced the dividend forecast (increased dividend) for the year ending March 31, 2013.
- 2012-12-01 Sony Bank reduced exchange transaction fees for its all twelve foreign currency deposits and revised preferential system.
- 2012-12-06 Sony Life transferred the business of Sony Life Insurance (Philippines) Corporation
- 2013-1-14 Sony bank launched new financial products intermediary services with Monex Group
- 2013-1-28 Sony bank began providing Windows 8 application, "Easy Foreign Currency Chart"
- 2013-1-31 Sony Financial Holdings issued No. 2 unsecured corporate bonds
(The bonds were raised as a loan aimed at reinforcing Sony Bank's financial base on February 1, 2013)

(Recent Topics2)

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			12.12.31		
	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	3,741.8	3,901.8	159.9
Available-for-sale securities	940.1	964.3	24.2	895.1	956.1	60.9	929.0	1,004.4	75.3
Japanese government and corporate bonds	884.4	904.1	19.7	849.1	902.6	53.4	898.3	966.7	68.4
Japanese stocks	49.8	53.7	3.8	29.1	34.9	5.8	14.7	18.4	3.6
Foreign securities	1.9	1.8	(0.0)	15.3	16.7	1.3	14.4	17.3	2.8
Other securities	3.8	4.6	0.7	1.4	1.7	0.2	1.4	1.8	0.4
Total	3,854.4	3,856.5	2.0	4,299.9	4,516.8	216.8	4,670.9	4,906.2	235.3

• Valuation gains (losses) on trading-purpose securities (Billions of yen)

11.3.31		12.3.31		12.12.31	
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: Fair Value Information on Securities)

Sony Life's Interest Income and Dividends (Details)



(Thousands of yen)	FY11.3Q (9M)	FY12.3Q (9M)	Change
Cash and deposits	8	8	+7.0%
Japanese government and corporate bonds	56,949,370	64,739,220	+13.7%
Japanese stocks	527,819	351,448	(33.4%)
Foreign securities	2,294,520	2,802,992	+22.2%
Other securities	241,659	177,645	(26.5%)
Loans	4,022,561	4,085,144	+1.6%
Real estate	8,438,666	8,143,397	(3.5%)
Others	74,081	57,550	(22.3%)
Total	72,548,689	80,357,408	+10.8%

Line item amounts are truncated below ¥1,000

(Sony Life's Interest Income and Dividends (Details))



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