
Presentation Material

**Consolidated Financial Results
for the Three Months Ended June 30, 2013
and
Sony Life's
Market Consistent Embedded Value
as of June 30, 2013**

**Sony Financial Holdings Inc.
August 12, 2013**

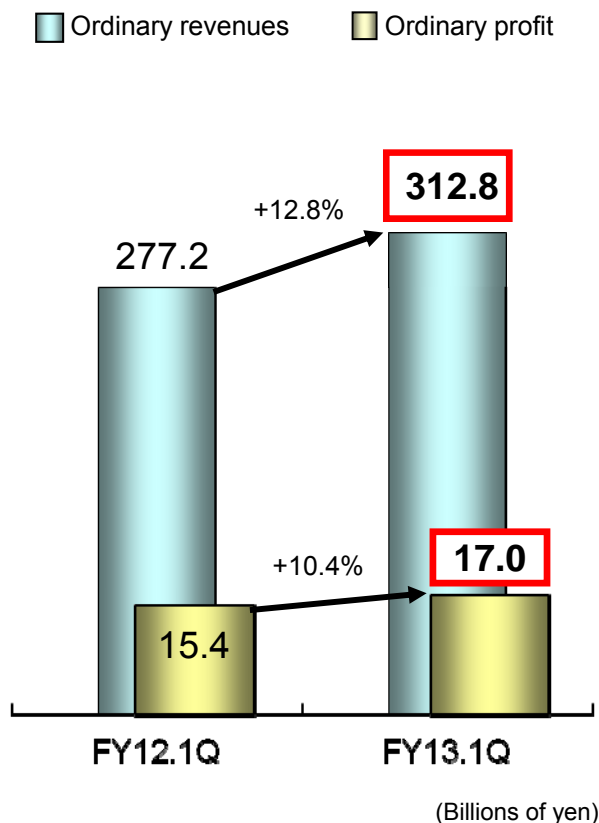
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Consolidated Operating Results for the Three Months Ended June 30, 2013

Highlights of Consolidated Operating Performance for the Three Months Ended June 30, 2013 (1)



		(Billions of yen)	FY12.1Q	FY13.1Q	Change	
Life insurance business	Ordinary revenues		247.6	280.9	+33.2	+13.4%
	Ordinary profit		13.7	13.3	(0.4)	(2.9%)
Non-life insurance business	Ordinary revenues		21.7	23.0	+1.3	+6.2%
	Ordinary profit		0.7	1.3	+0.6	+84.9%
Banking business	Ordinary revenues		8.3	9.4	+1.0	+12.5%
	Ordinary profit		0.8	2.2	+1.3	+154.1%
Intersegment adjustments*	Ordinary revenues		(0.5)	(0.6)	(0.0)	—
	Ordinary profit		0.0	0.0	+0.0	+44.2%
Consolidated	Ordinary revenues		277.2	312.8	+35.5	+12.8%
	Ordinary profit		15.4	17.0	+1.6	+10.4%
	Net income		9.6	9.6	+0.0	+0.4%

		(Billions of yen)	13.3.31	13.6.30	Change from 13.3.31	
Consolidated	Total assets		8,096.1	8,211.3	+115.1	+1.4%
	Net assets		435.4	411.2	(24.2)	(5.6%)

*Ordinary profit in "Intersegment adjustments" is mainly from SFH.

*Comprehensive income: FY12.1Q: ¥17.7 billion, FY13.1Q: ¥(13.3) billion

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

Highlights of Consolidated Operating Performance for the Three Months Ended June 30, 2013 (2)

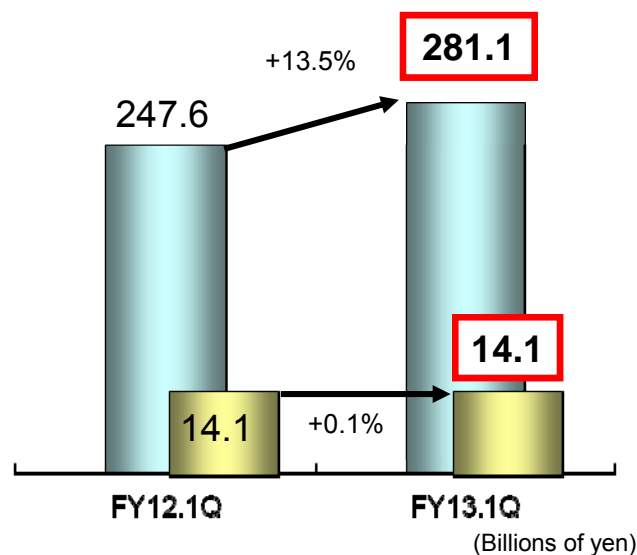


- **Life Insurance Business:** Ordinary revenues increased year on year. This is because income from insurance premiums rose associated with steady growth in policy amount in force, despite a decrease in lump-sum payment insurance premiums, affected by the revision of Sony Life's insurance premium rates on some of its products in April 2013. An increase in investment income due to higher gains on separate account, net resulting from the market recovery also contributed to the rise in ordinary revenues. Ordinary profit remained at the same levels as during FY12.1Q. This is because the positive effects stemming from 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 were offset by the negative impact from an increase in provision of policy reserves resulting from the revision of discount rate used for calculating policy reserves.
- **Non-life Insurance Business:** Ordinary revenues increased year on year owing to an increase in net premiums written primarily for its mainstay automobile insurance. Ordinary profit increased year on year due mainly to a decline in the loss ratio led by a lower car accident ratio and the revision of premium rates for automobile insurance, in addition to the increase in ordinary revenues.
- **Banking Business:** Ordinary revenues increased year on year due to a rise in interest income on loans led by the growing balance of mortgage loans and higher gains on foreign exchange transactions stemming from customers' active foreign currency trading. Ordinary profit increased year on year due to an increase in profit stemming from improved investment performance, including valuation gains on derivatives, net held for hedging interest rate risk on mortgage loans and other assets.
- **Consolidated ordinary revenues increased 12.8% year on year, to ¥312.8 billion, owing to increases in ordinary revenues from all businesses. Consolidated ordinary profit increased 10.4% year on year, to ¥17.0 billion. By business segment, ordinary profit from the non-life insurance and banking businesses increased, whereas ordinary profit from the life insurance business remained at the same levels. Consolidated net income was up 0.4% year on year, to ¥9.6 billion. This is mainly because the banking business recorded profit for FY12.1Q, due to the tax effect of recording deferred tax assets on the transfer of all shares of Sony Bank Securities, a wholly owned subsidiary of Sony Bank.**

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

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

□ Ordinary revenues ■ Ordinary profit



- ◆ Ordinary revenues increased year on year. Ordinary profit remained at the same levels.
- ◆ Income from insurance premiums rose slightly associated with a steady growth in policy amount in force, despite a decrease in lump-sum payment insurance premiums, affected by the revision of Sony Life' insurance premium rates on some of its products in April 2013.
- ◆ Investment income increased due mainly to higher gains on separate account, net resulting from the market recovery.
- ◆ Ordinary profit remained at the same levels. This is because the positive effects stemming from 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 were offset by the negative impact from an increase in provision of policy reserves resulting from the revision of discount rate used for calculating policy reserves.

(Billions of yen)	FY12.1Q	FY13.1Q	Change	
Ordinary revenues	247.6	281.1	+33.5	+13.5%
Income from insurance premiums	217.9	221.3	+3.4	+1.6%
Investment income	27.8	55.8	+28.0	+100.7%
Interest income and dividends	25.7	28.9	+3.1	+12.4%
Income from monetary trusts, net	1.3	1.3	+0.0	+0.7%
Gains on sale of securities	0.7	0.0	(0.7)	(99.8%)
Gains on separate accounts, net	—	25.6	+25.6	—
Ordinary expenses	233.4	266.9	+33.5	+14.4%
Insurance claims and other payments	69.9	81.7	+11.8	+17.0%
Provision for policy reserves and others	107.2	150.3	+43.1	+40.2%
Investment expenses	26.1	1.9	(24.2)	(92.5%)
Losses on separate accounts, net	23.6	—	(23.6)	(100.0%)
Operating expenses	26.1	28.0	+1.8	+7.1%
Ordinary profit	14.1	14.1	+0.0	+0.1%
Net income	8.2	8.0	(0.1)	(1.9%)

(Billions of yen)	13.3.31	13.6.30	Change from 13.3.31	
Securities	5,211.5	5,381.0	+169.4	+3.3%
Policy reserves	5,472.9	5,623.3	+150.3	+2.7%
Total net assets	342.3	316.4	(25.8)	(7.6%)
Net unrealized gains on other securities, net of taxes	80.2	57.5	(22.7)	(28.3%)
Total assets	5,952.7	6,062.8	+110.1	+1.8%
Separate account assets	550.6	574.6	+23.9	+4.4%

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

Overview of Performance: Sony Life (Non-consolidated)

(Billions of yen)	FY12.1Q	FY13.1Q	Change
New policy amount	1,066.5	1,033.3	(3.1%)
Lapse and surrender amount	497.5	456.4	(8.3%)
Lapse and surrender rate	1.38%	1.21%	(0.17pt)
Policy amount in force	36,432.0	38,160.2	+4.7%
Annualized premiums from new policies	17.4	16.8	(3.3%)
Of which, third-sector products	4.4	3.9	(12.1%)
Annualized premiums from insurance in force	643.0	677.2	+5.3%
Of which, third-sector products	151.5	164.1	+8.3%
(Billions of yen)	FY12.1Q	FY13.1Q	Change
Gains from investment, net (General account)	25.3	28.3	+11.8%
Core profit	14.7	15.3	+3.7%
Positive (Negative) spread	(0.5)	1.2	—
	13.3.31	13.6.30	Change from 13.3.31
Non-consolidated solvency margin ratio	2,281.8%	2,255.3%	(26.5pt)

<Reasons for changes>

◆ Decreased due to the revision of insurance premium rates.

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

◆ Decreased due to the revision of insurance premium rates. In the third-sector insurance products, sale of lump-sum payment whole life nursing-care insurance decreased.

◆ Core profit increased. This is because the positive effects stemming from 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 were offset by the negative impact from an increase in provision of policy reserves resulting from the revision of discount rate used for calculating policy reserves.

◆ Non-consolidated solvency margin ratio was down due to a decrease in net unrealized gains on other securities, net of taxes led by rising interest rates, but still stays at high levels.

Notes:

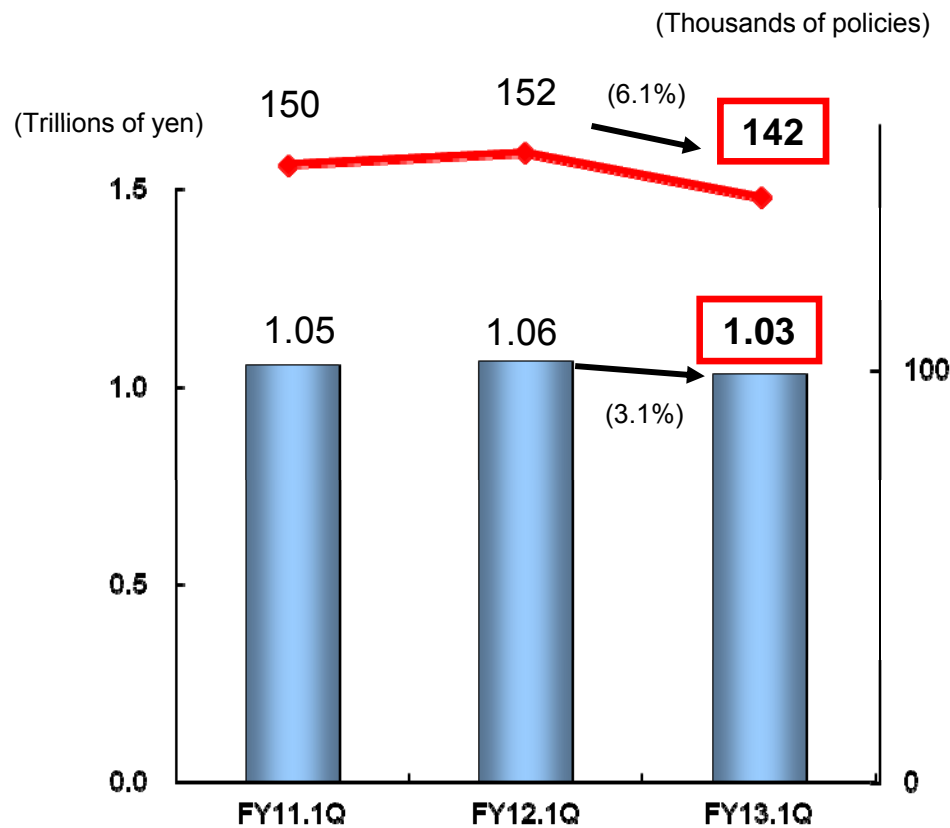
- Figures for new policy amount, lapse and surrender amount, lapse and surrender rate, policy amount in force, annualized premiums from new policies and annualized premiums from insurance in force are calculated as the total of individual life insurance and individual annuities.
- The lapse and surrender 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.
- The plus amount in negative spread indicates positive spread.

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

Sony Life Operating Performance (1)

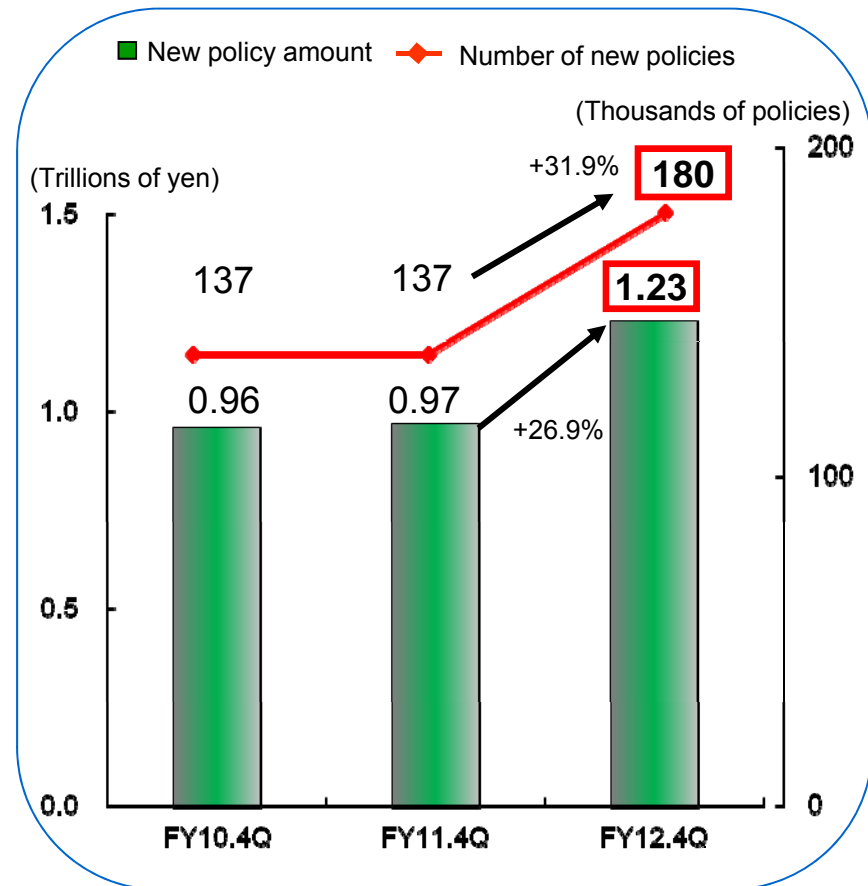
Number and Amount of New Policies (Individual Life Insurance + Individual Annuities)

■ New policy amount ◆ Number of new policies



[Reference] 4Q(3M) Number and Amount of New Policies

■ New policy amount ◆ Number of new policies



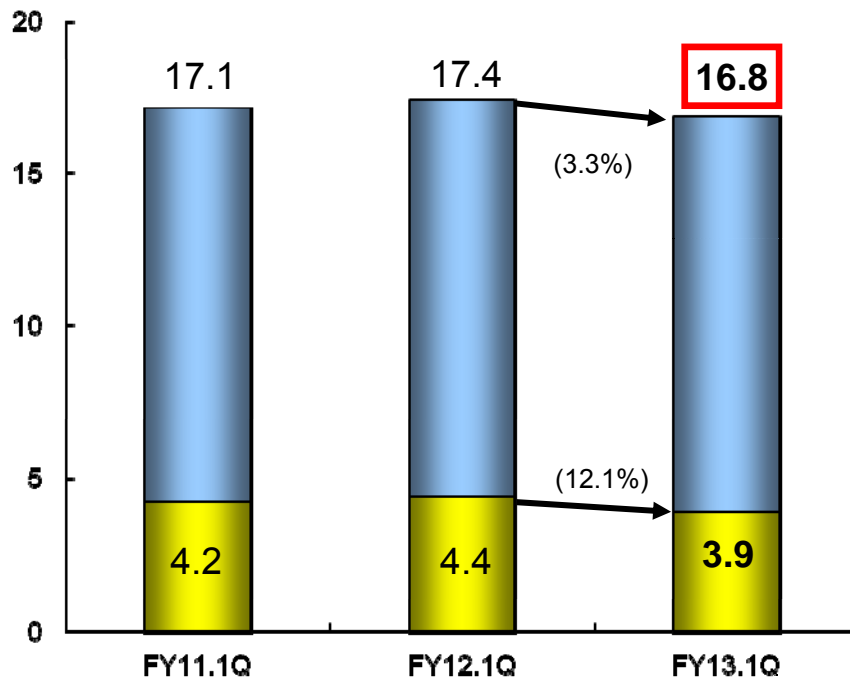
Line item amounts are truncated below ¥10 billion; numbers of policies are truncated below 1,000 policies; percentage change figures are rounded.

Sony Life Operating Performance (2)

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

■ Annualized premiums from new policies ■ Of which, third-sector

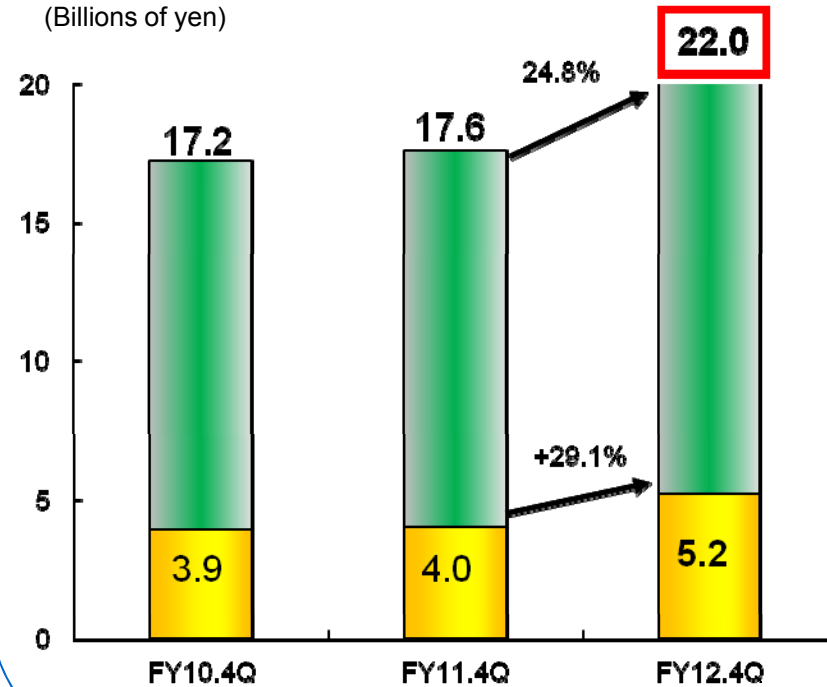
(Billions of yen)



[Reference] 4Q(3M) Annualized Premiums from New Policies

■ Annualized premiums from new policies
■ Of which, third-sector

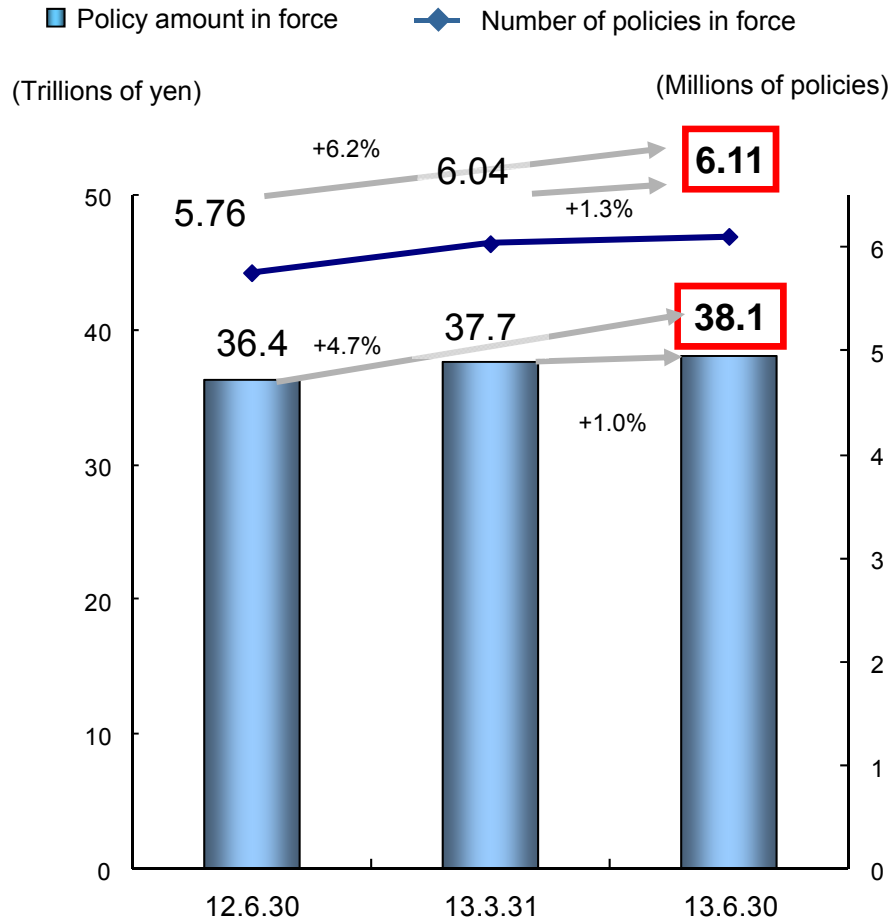
(Billions of yen)



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

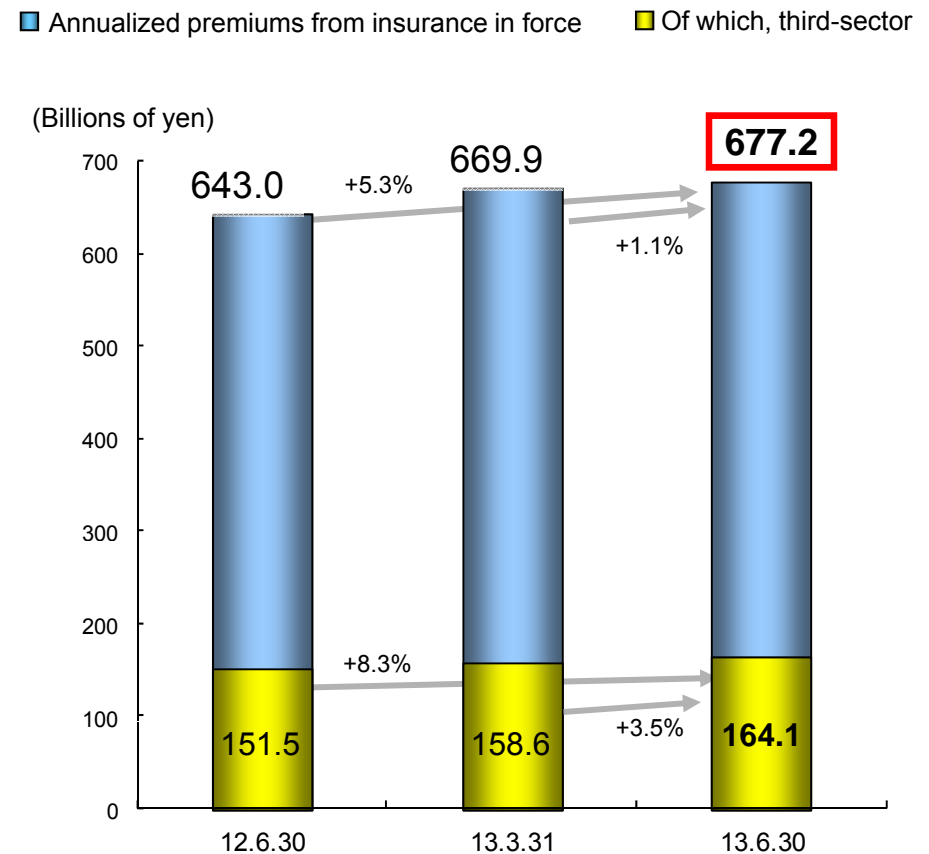
Sony Life Operating Performance (3)

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



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

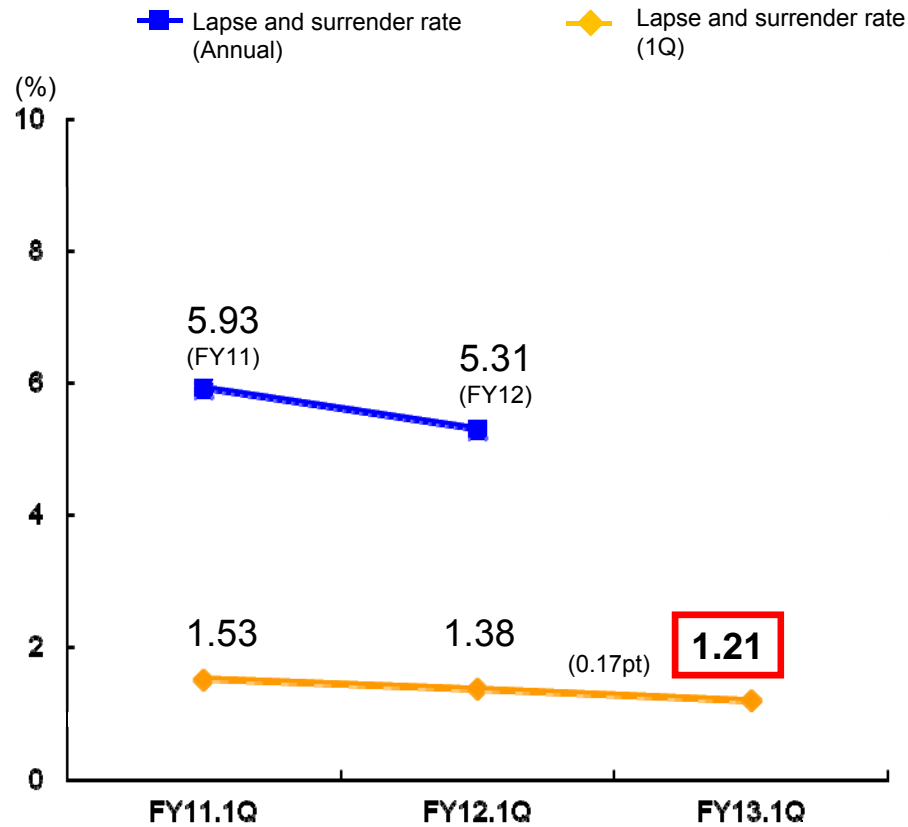
Annualized Premiums from Insurance in Force (Individual Life Insurance + Individual Annuities)



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

Sony Life Operating Performance (4)

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



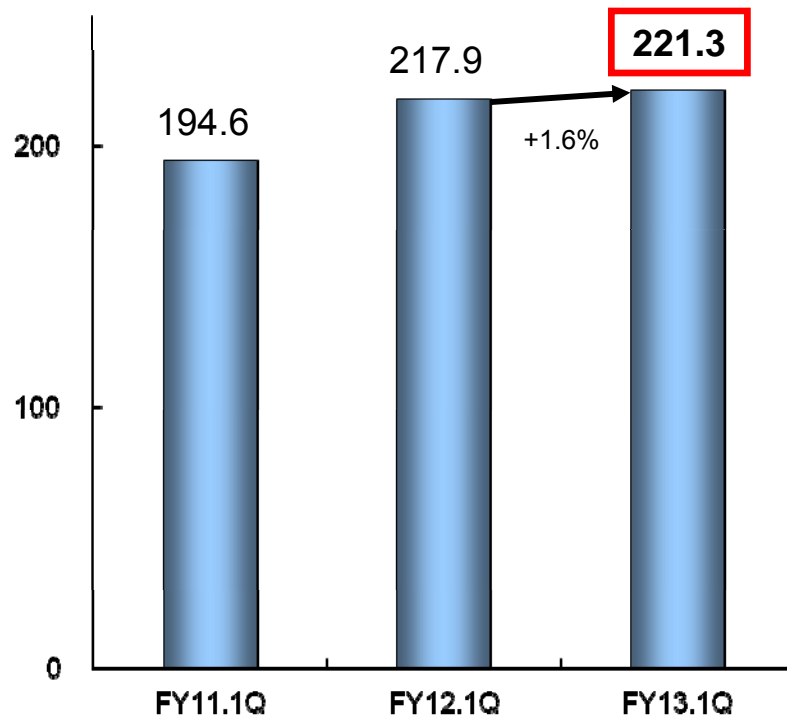
*The lapse and surrender rate shows the ratio derived by dividing the amount of lapses and surrenders, not adjusted for policy amount decreases, increases, and reinstatements, by the policy amount in force at the beginning of the fiscal year.

Sony Life Operating Performance (5)

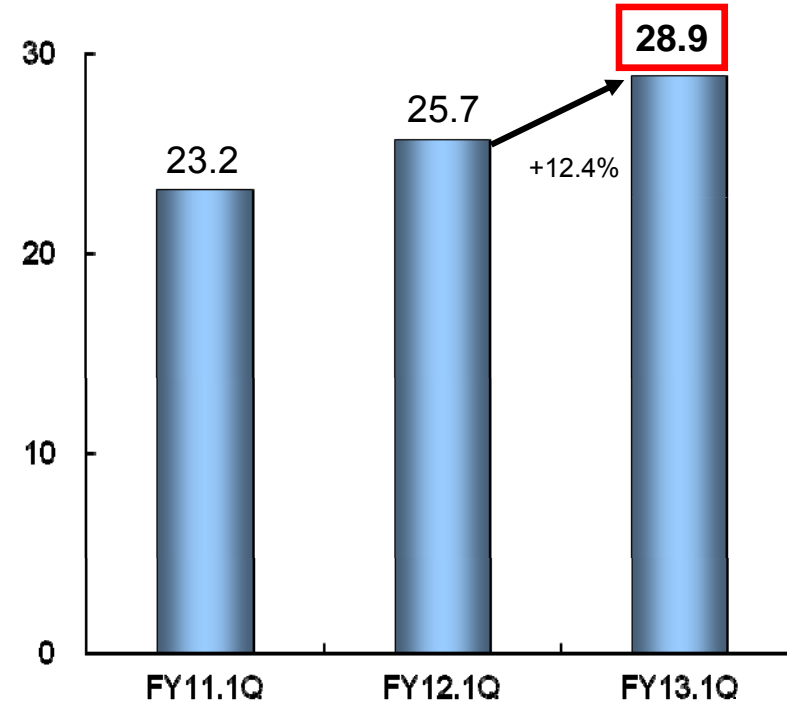
Income from Insurance Premiums

Interest Income and Dividends

(Billions of yen)



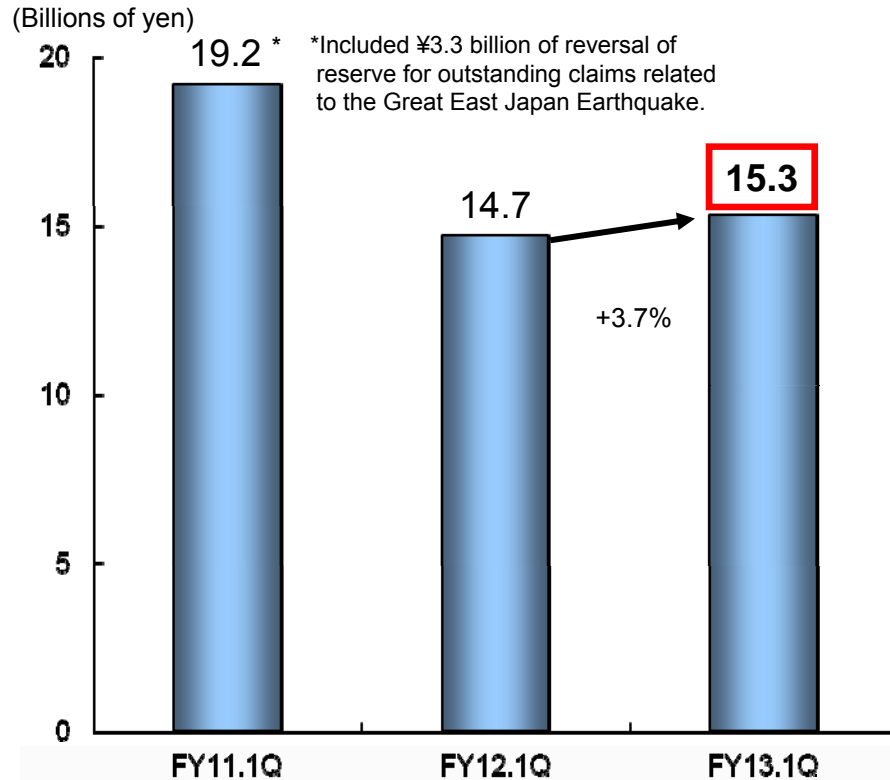
(Billions of yen)



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

Sony Life Operating Performance (6)

Core Profit

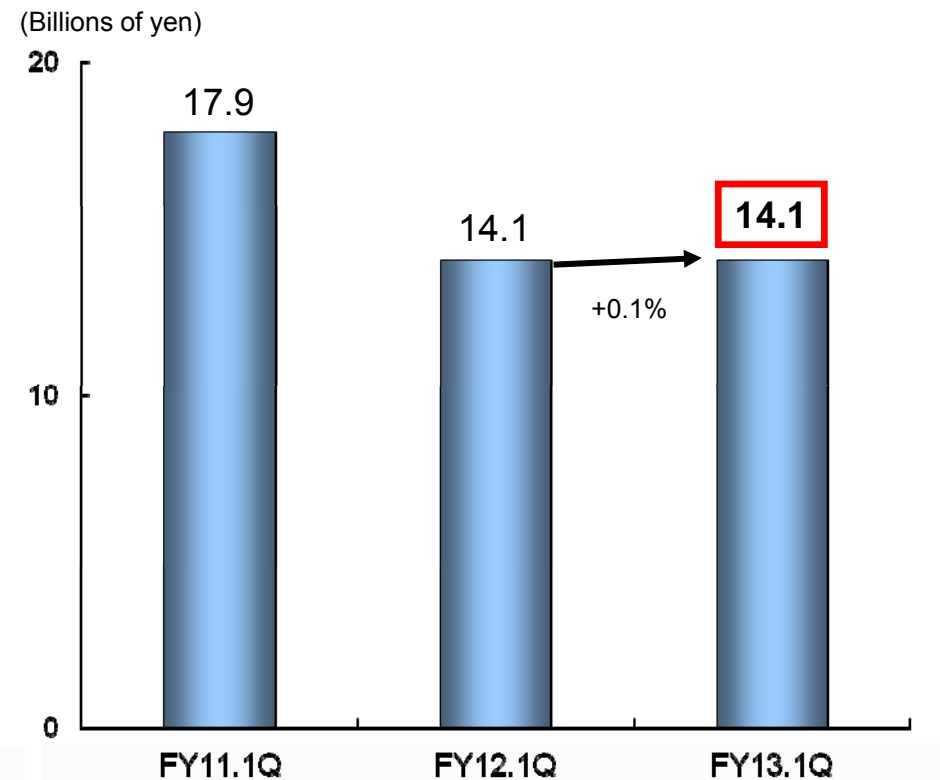


(Reference) Impact on core profit

	(Billions of yen)		
	FY11.1Q	FY12.1Q	FY13.1Q
Positive (Negative) spread	(1.3)	(0.5)	1.2
Effects by the revision of policy reserve discount rate	0.0	0.0	(5.5)
Provision of policy reserves for minimum guarantees for variable life insurance in the general account assets	(0.8)	(4.0)	(0.9)

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

Ordinary Profit



(Reference) Main differences from Core Profit

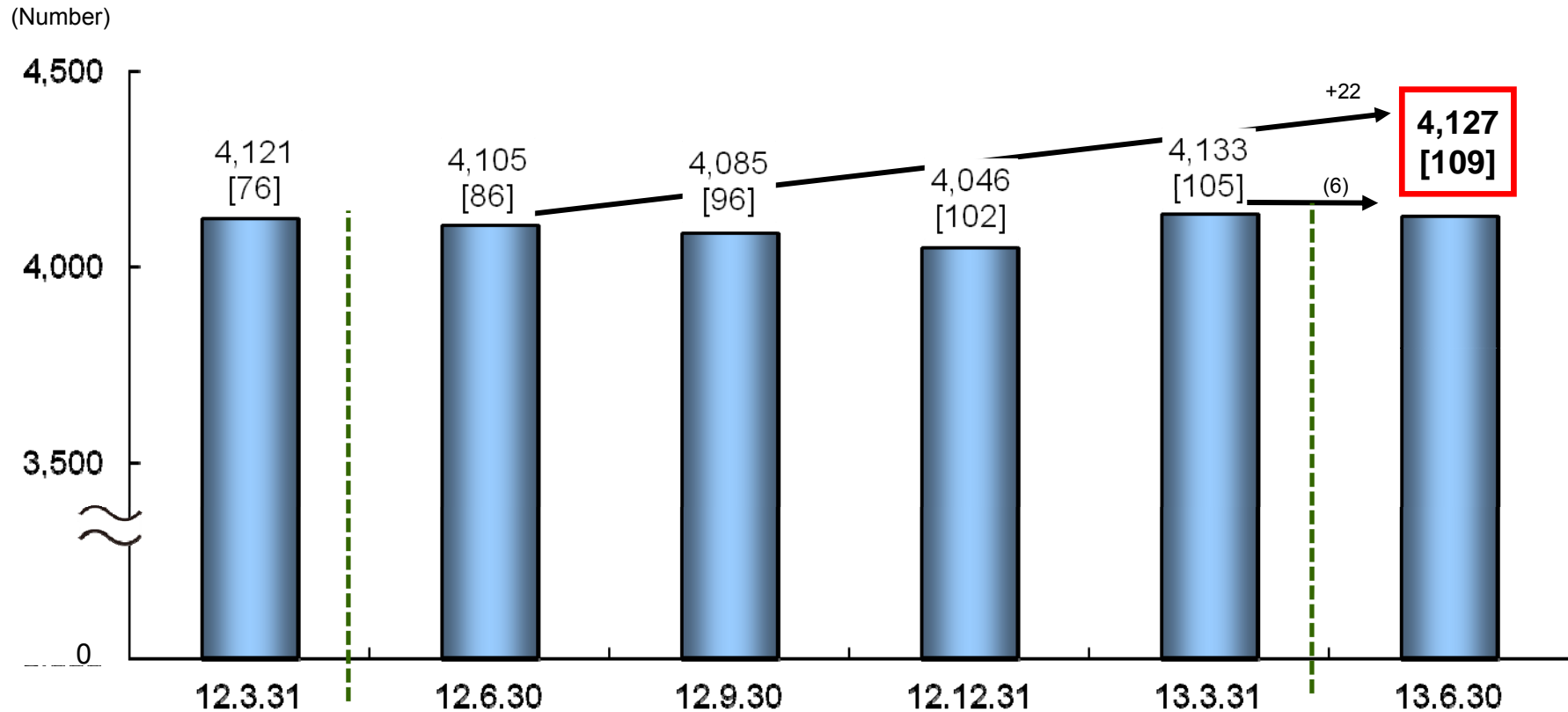
	(Billions of yen)		
	FY11.1Q	FY12.1Q	FY13.1Q
Capital gains (losses)	(0.3)	0.4	0.0
Provision of contingency reserve	(0.8)	(0.9)	(1.0)

*The plus amount in negative spread indicates positive spread.

"Provision of policy reserves for minimum guarantees for variable life insurance in the general account assets" and "Provision of contingency reserve" are described as negative amount.

Sony Life Operating Performance (7)

Number of Lifepanner Sales Employees



Note: Figures in [] show the numbers of Lifepanner sales employees (rehired on a fixed-term contract basis after retirement) included in the overall numbers, those who have reached retirement age but who continue to work as Lifepanner sales employees that meet certain sales conditions and other requirement.
From FY13.1Q, the number of contracted Lifepanner sales employees is added to each figure in [].

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

Sony Life Operating Performance (8)

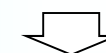
Breakdown of General Account Assets

(Billions of yen)	13.3.31		13.6.30	
	Amount	%	Amount	%
Japanese government and corporate bonds	4,561.0	84.4%	4,691.9	85.5%
Japanese stocks	31.1	0.6%	34.5	0.6%
Foreign securities	62.0	1.1%	64.5	1.2%
Foreign stocks	25.4	0.5%	26.0	0.5%
Monetary trusts	306.1	5.7%	295.5	5.4%
Policy loans	145.0	2.7%	146.6	2.7%
Real estate	70.3	1.3%	67.8	1.2%
Cash and call loans	103.3	1.9%	37.8	0.7%
Others	97.7	1.8%	123.3	2.2%
Total	5,402.1	100.0%	5,488.2	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 FY13



<Bond duration>

Mar. 31, 2012 19.2 years

Mar. 31, 2013 19.9 years

Jun. 30, 2013 19.5 years

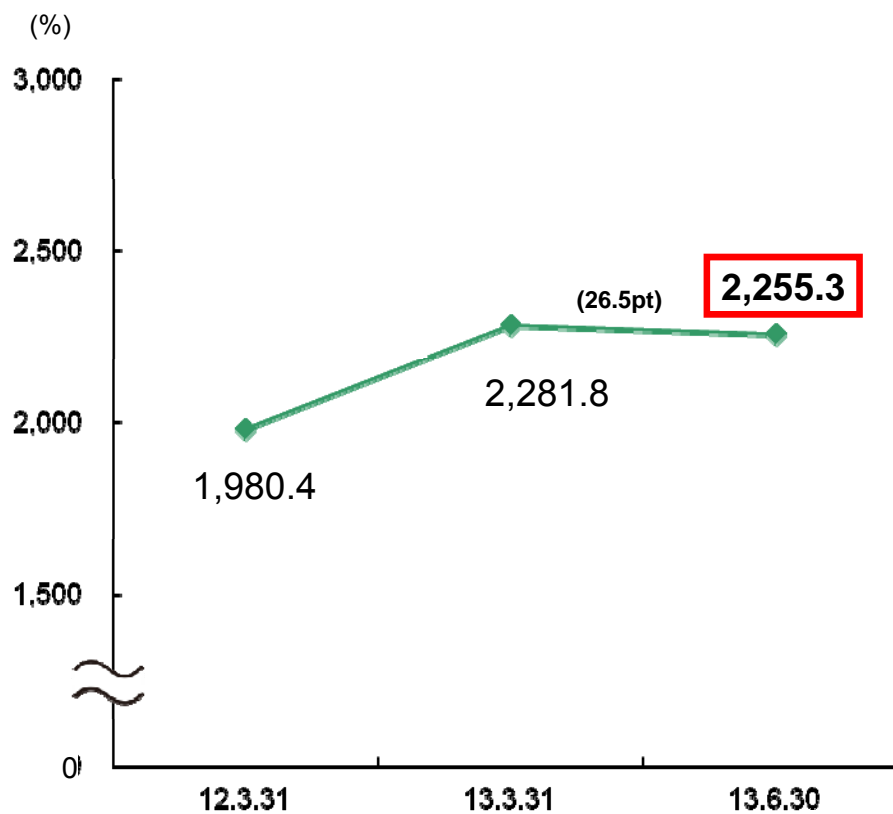
- Investment in the monetary trusts is mainly into Japanese government and corporate bonds.
- The holding ratio on the real status, of Japanese government and corporate bonds including those invested in monetary trusts in the general account assets:

As of Jun. 30, 2013: 90.9%, (As of Mar. 31, 2013: 90.1%)

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

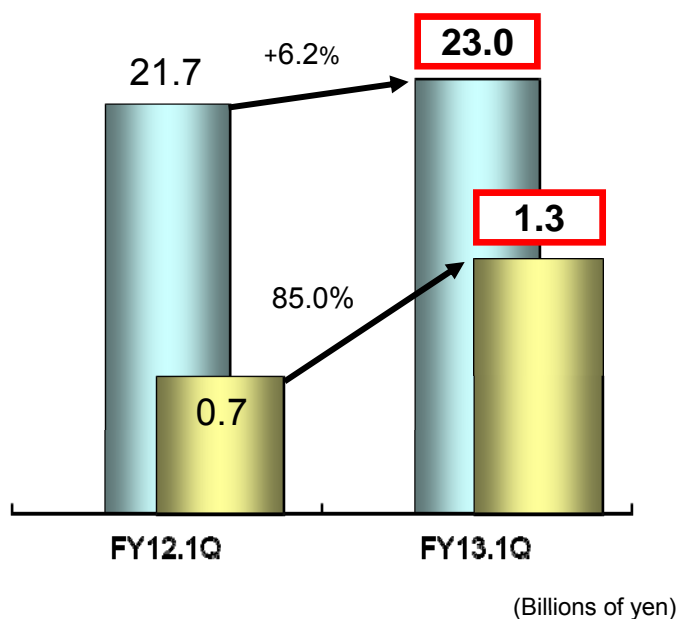
Sony Life Operating Performance (9)

Non-consolidated solvency Margin Ratio



Highlights of Operating Performance: Sony Assurance

■ Ordinary revenues ■ Ordinary profit



- ◆ Ordinary revenues and ordinary profit increased year on year.
- ◆ Ordinary revenues increased year on year, due to an increase in net premiums written for its mainstay automobile insurance.
- ◆ Ordinary profit increased year on year due to a decline in the loss ratio led by a lower car accident ratio and the revision of premium rates for automobile insurance, in addition to the increase in ordinary revenues.

(Billions of yen)	FY12.1Q	FY13.1Q	Change	
Ordinary revenues	21.7	23.0	+1.3	+6.2%
Underwriting income	21.4	22.8	+1.3	+6.1%
Investment income	0.2	0.2	+0.0	+22.4%
Ordinary expenses	21.0	21.7	+0.7	+3.4%
Underwriting expenses	16.1	16.7	+0.5	+3.7%
Investment expenses	0.0	0.0	+0.0	-
Operating, general and administrative expenses	4.8	5.0	+0.1	+2.5%
Ordinary profit	0.7	1.3	+0.6	+85.0%
Net income	0.4	0.8	+0.4	+93.6%

(Billions of yen)	13.3.31	13.6.30	Change from 13.3.31	
Underwriting reserves	70.6	73.6	+3.0	+4.4%
Total net assets	19.9	21.1	+1.2	+6.2%
Total assets	127.4	130.8	+3.4	+2.7%

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

Overview of Performance: Sony Assurance

(Billions of yen)	FY12.1Q	FY13.1Q	Change
Direct premiums written	21.2	22.4	+5.7%
Net premiums written	21.4	22.7	+5.9%
Net losses paid	11.4	11.7	+2.5%
Underwriting profit	0.4	1.0	+119.7%
Net loss ratio	59.9%	58.2%	(1.7pt)
Net expense ratio	24.5%	23.8%	(0.7pt)
Combined ratio	84.4%	82.0%	(2.4pt)

<Reasons for changes>

◆ Increased mainly in its mainstay automobile insurance.

◆ Declined due to a lower car accident ratio and the revision of premium rates for automobile insurance.

◆ Declined due to a proper control of insurance acquisition cost and a rise in automobile insurance premiums.

Notes:

Net loss ratio = (Net losses paid + Loss adjustment expenses) / Net premiums written.

Net expense ratio = Expenses related to underwriting / Net premiums written

	13.3.31	13.6.30	Change from 13.3.31	
Number of policies in force	1.55 million	1.56 million	+0.01 million	+0.8%
Non-consolidated Solvency margin ratio	504.2%	535.5%	+31.3pt	

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

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

Sony Assurance's Underwriting Performance by Type of Policy



Direct Premiums Written

(Millions of yen)	FY12.1Q	FY13.1Q	Change
Fire	63	55	(13.2%)
Marine	—	—	—
Personal accident*	1,931	2,044	+5.9%
Voluntary automobile	19,219	20,321	+5.7%
Compulsory automobile liability	—	—	—
Total	21,214	22,420	+5.7%

Net Premiums Written

(Millions of yen)	FY12.1Q	FY13.1Q	Change
Fire	69	74	+8.5%
Marine	42	44	+3.1%
Personal accident*	2,001	2,124	+6.1%
Voluntary automobile	19,150	20,257	+5.8%
Compulsory automobile liability	217	241	+10.8%
Total	21,481	22,741	+5.9%

Net losses paid

(Millions of yen)	FY12.1Q	FY13.1Q	Change
Fire	0	0	(63.1%)
Marine	122	32	(73.6%)
Personal accident*	467	463	(0.9%)
Voluntary automobile	10,631	10,994	+3.4%
Compulsory automobile liability	239	255	+6.6%
Total	11,461	11,745	+2.5%

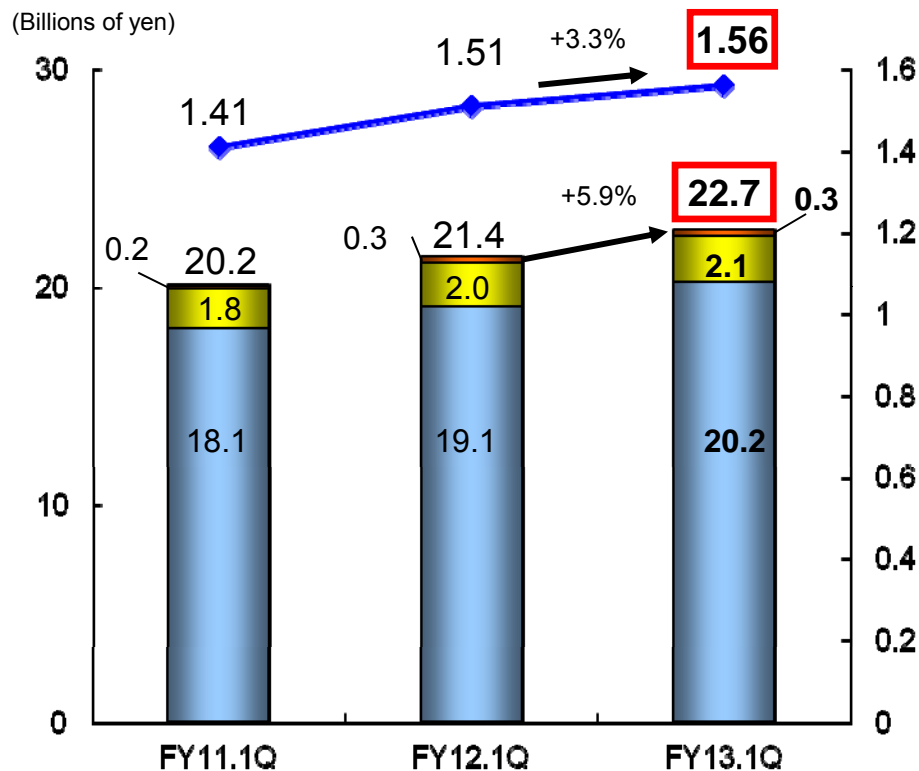
*SURE, medical and cancer insurance is included in personal accident.

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

Sony Assurance Operating Performance (1)

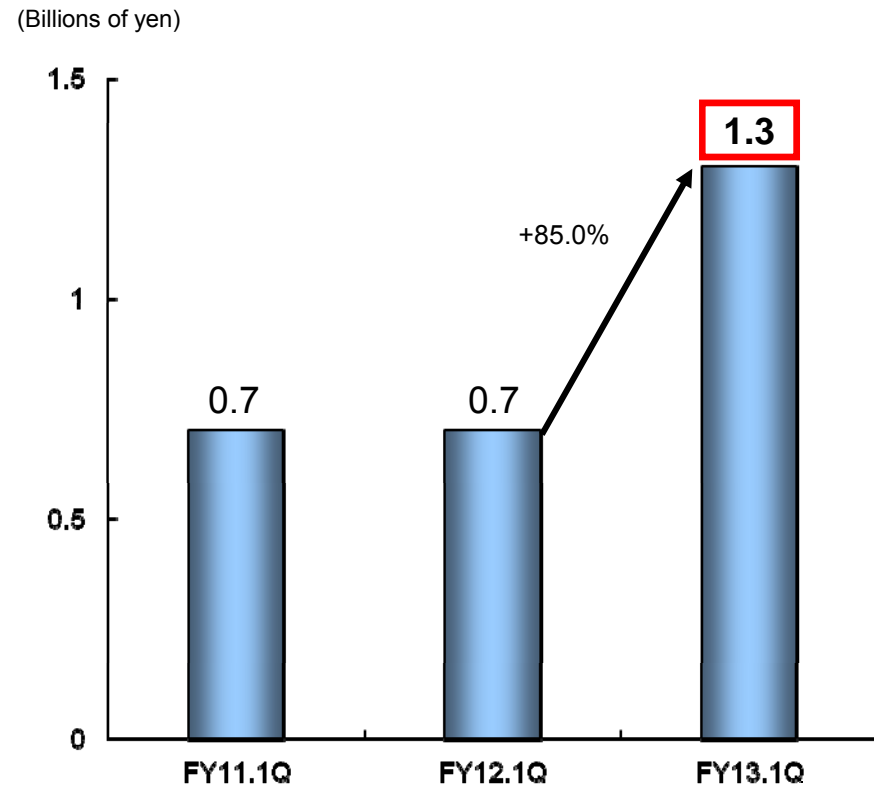
Net Premiums Written and Number of Policies in Force

■ Voluntary automobile insurance
 ■ Personal accident insurance
 ■ Others
 ◆ Number of policies in force (Millions of policies)



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

Ordinary Profit

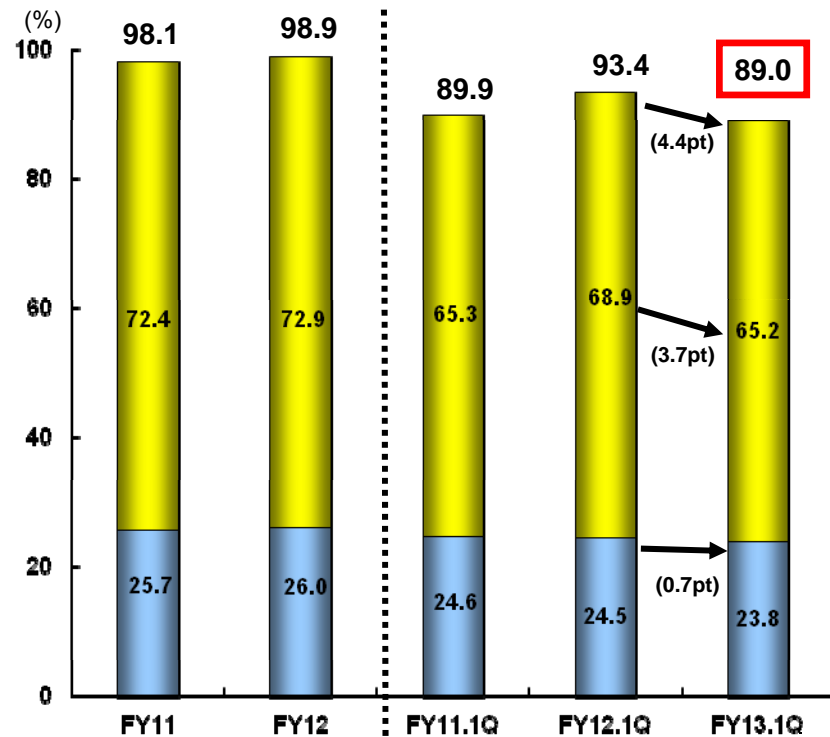


Line item amounts are truncated below ¥100 million; numbers of policies are truncated below 10,000 policies; percentage change figures are rounded.

Sony Assurance Operating Performance (2)

Earned/Incurred Loss Ratio + Net Expense Ratio

■ Earned/Incurred loss ratio ■ Net expense ratio



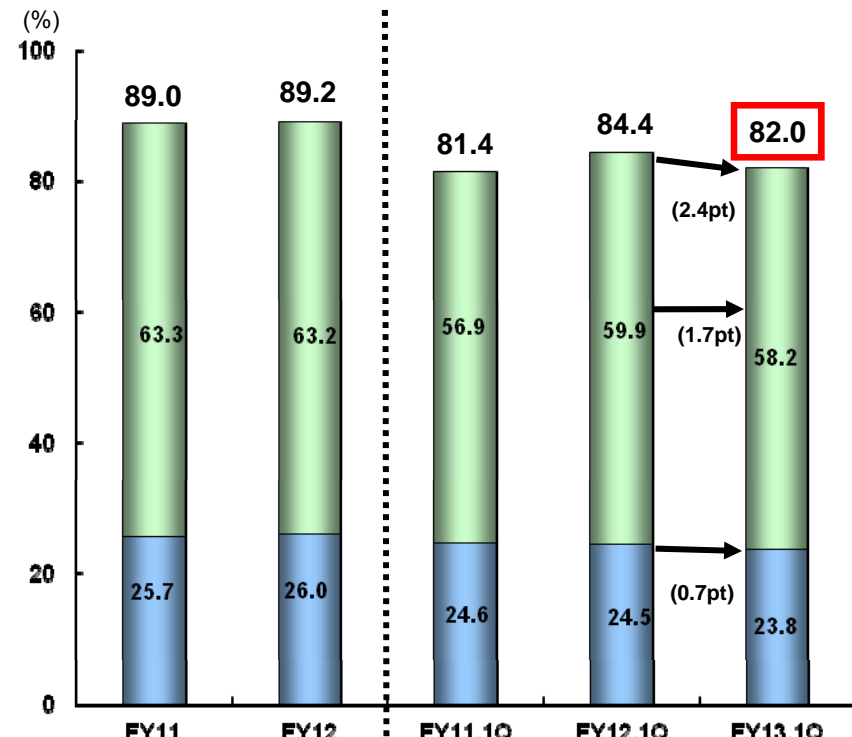
Notes:

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

[Earthquake insurance and compulsory automobile liability insurance are excluded from the above calculation.]

(Reference) Combined Ratio (Net Loss Ratio + Net Expense Ratio)

■ Net loss ratio ■ Net expense ratio



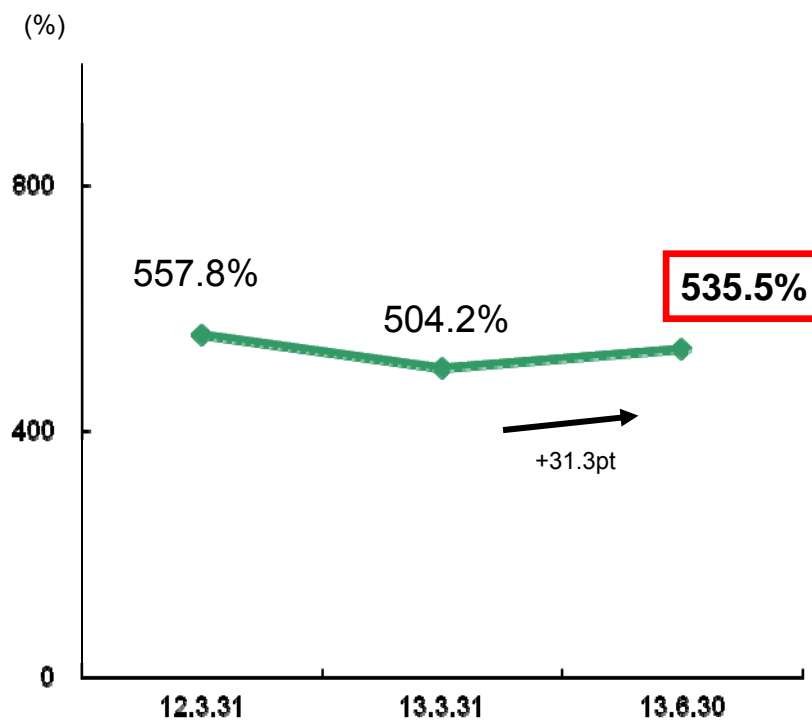
Notes:

Net loss ratio = (Net losses paid + Loss adjustment expenses) / Net premiums written

Net expense ratio = Expenses related to underwriting / Net premiums written

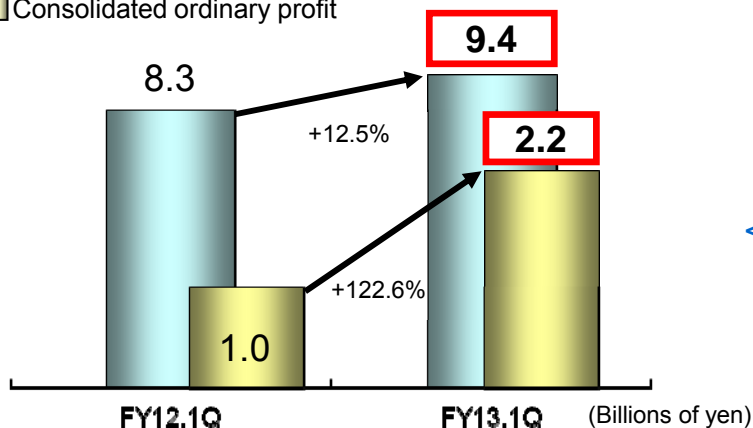
Sony Assurance Operating Performance (3)

Non-consolidated solvency Margin Ratio



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

■ Consolidated ordinary revenues
■ Consolidated ordinary profit



<Consolidated>

◆ Consolidated ordinary revenues and ordinary profit increased year on year due to a rise in interest income on loans led by the growing balance of mortgage loans and higher gains on foreign exchange transactions stemming from customers' active foreign currency trading. On the other hand, consolidated net income remained at the same levels as FY12.1Q in which a profit was recorded due to the tax effect of recording deferred tax assets on the transfer of all shares of Sony Bank Securities.

<Non-consolidated>

- ◆ Both gross operating profit and net operating profit increased year on year.
 - Net interest income increased owing to a rise in interest income on loans led by a growing balance of mortgage loans, and a decrease in interest expenses.
 - Net other operating income increased due to an increase in profit stemming from improved investment performance, including valuation gains on derivatives, net held for hedging interest rate risk on mortgage loans and other assets, in addition to higher gains on foreign exchange transactions stemming from customers' active foreign currency trading.
- ◆ Net income turned into a profit of ¥1.4 billion due to recording valuation losses on the shares of Sony Bank Securities in FY12.1Q.

<Consolidated>

(Billions of yen)	FY12.1Q	FY13.1Q	Change	
Consolidated ordinary revenues	8.3	9.4	+1.0	+12.5%
Consolidated ordinary profit	1.0	2.2	+1.2	+122.6%
Consolidated net income	1.4	1.4	(0.0)	(1.4%)

<Non-consolidated>

(Billions of yen)	FY12.1Q	FY13.1Q	Change	
Ordinary revenues	7.5	8.7	+1.2	+17.1%
Gross operating profit	4.4	5.9	+1.4	+33.4%
Net interest income	4.0	5.0	+0.9	+23.5%
Net fees and commissions	0.0	(0.0)	(0.0)	—
Net other operating income	0.3	0.9	+0.5	+181.3%
General and administrative expenses	3.5	3.6	+0.1	+3.4%
Net operating profit	0.9	2.2	+1.3	+148.9%
Ordinary profit	0.8	2.2	+1.4	+162.2%
Net income (loss)	(1.2)	1.4	+2.6	—

(Billions of yen)	13.3.31	13.6.30	Change from 13.3.31	
Total net assets	67.8	68.6	+0.8	+1.2%
Net unrealized gains on other securities, net of taxes	6.5	5.3	(1.1)	(17.5%)
Total assets	2,005.0	2,000.0	(5.0)	(0.3%)

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

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

(Billions of yen)	12.6.30	13.3.31	13.6.30	Change from 13.3.31	
Customer assets	1,868.0	1,974.3	1,965.6	(8.7)	(0.4%)
Deposits	1,767.2	1,857.4	1,849.0	(8.3)	(0.4%)
Yen	1,401.8	1,467.2	1,466.9	(0.2)	(0.0%)
Foreign currency	365.4	390.2	382.1	(8.0)	(2.1%)
Investment trusts	100.8	116.9	116.5	(0.3)	(0.3%)
Loans outstanding	866.4	970.2	989.1	+18.9	+2.0%
Mortgage loans	774.4	860.3	878.1	+17.8	+2.1%
Others	92.0	109.8	^(*) 111.0	+1.1	+1.0%
Capital adequacy ratio (domestic criteria) ^{(*)2}	11.29%	11.98%	11.89%	(0.09pt)	
Tier 1 ratio	9.36%	8.85%	9.04%	+0.19pt	

<Reasons for changes>

◆ Yen deposit balance remained at the same levels because interest rates were at unattractively low levels, despite a positive effect on customer assets of converting from foreign currencies to yen backed by yen depreciation.

◆ Foreign currency deposit balance decreased due to a negative impact from converting more foreign currencies into yen, despite a positive impact from customers' active foreign currency trading led by yen depreciation.

◆ Loan balance increased due an increase in the balance of mortgage loans.

*1 Loans in others include corporate loans of ¥104.7billion.

*2 Please refer to the graph of the non-consolidated capital adequacy ratio (domestic criteria) on P27.

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

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

<Reference> On Managerial Accounting Basis

(Billions of yen)	FY12.1Q	FY13.1Q	Change	
Gross operating profit	4.4	5.9	+1.4	+33.4%
Net interest income ^{*1 ①}	4.2	4.5	+0.3	9.2%
Net fees and commissions ^{*2 ②}	0.1	0.4	+0.2	+119.3%
Net other operating income ^{*3}	0.0	0.8	+0.8	—
Gross operating profit (core profit) (A) = ①+②	4.3	5.0	+0.6	+14.1%
Operating expenses and other expenses ③	3.5	3.5	+0.0	+1.6%
Net operating profit (core profit) = (A)−③	0.8	1.4	+0.5	+63.8%

● 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.

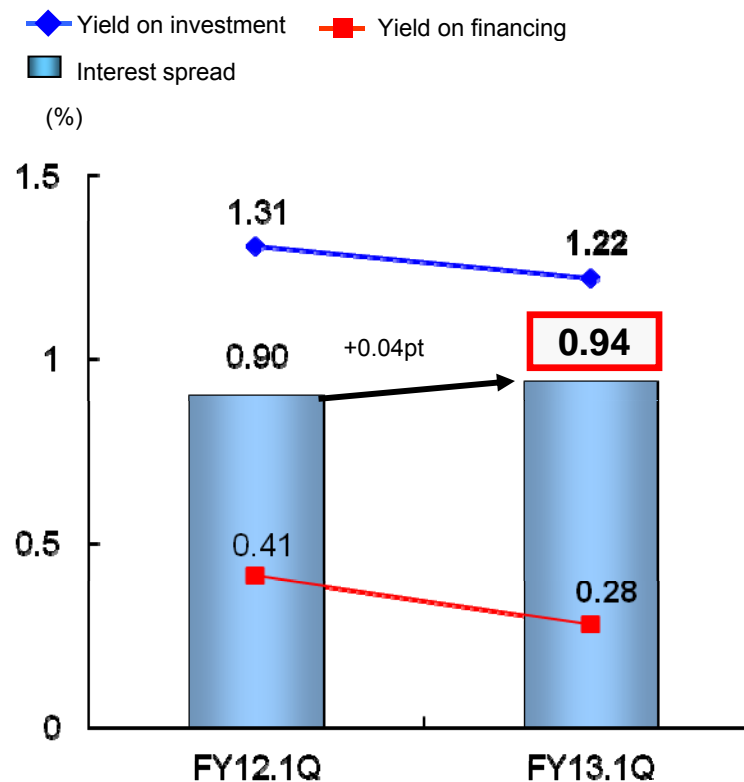
*2: Net fees and commissions: Includes profits and losses for customer dealings in foreign currency transactions recorded in net other operating income.

*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)

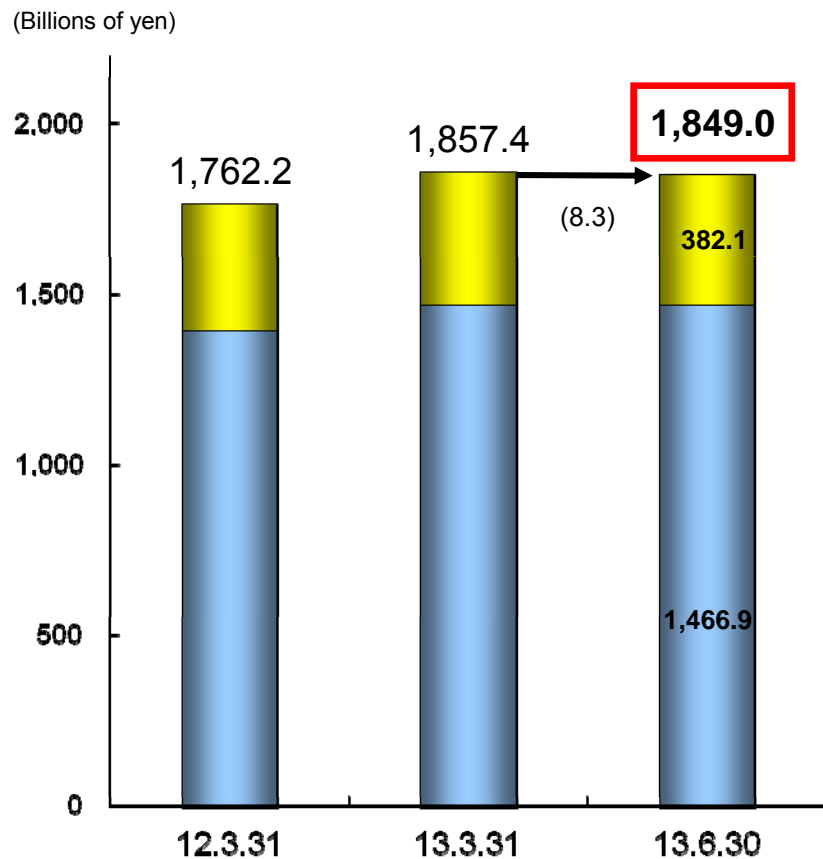
Line item amounts are truncated below ¥100 million; percentage change figures are rounded.

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



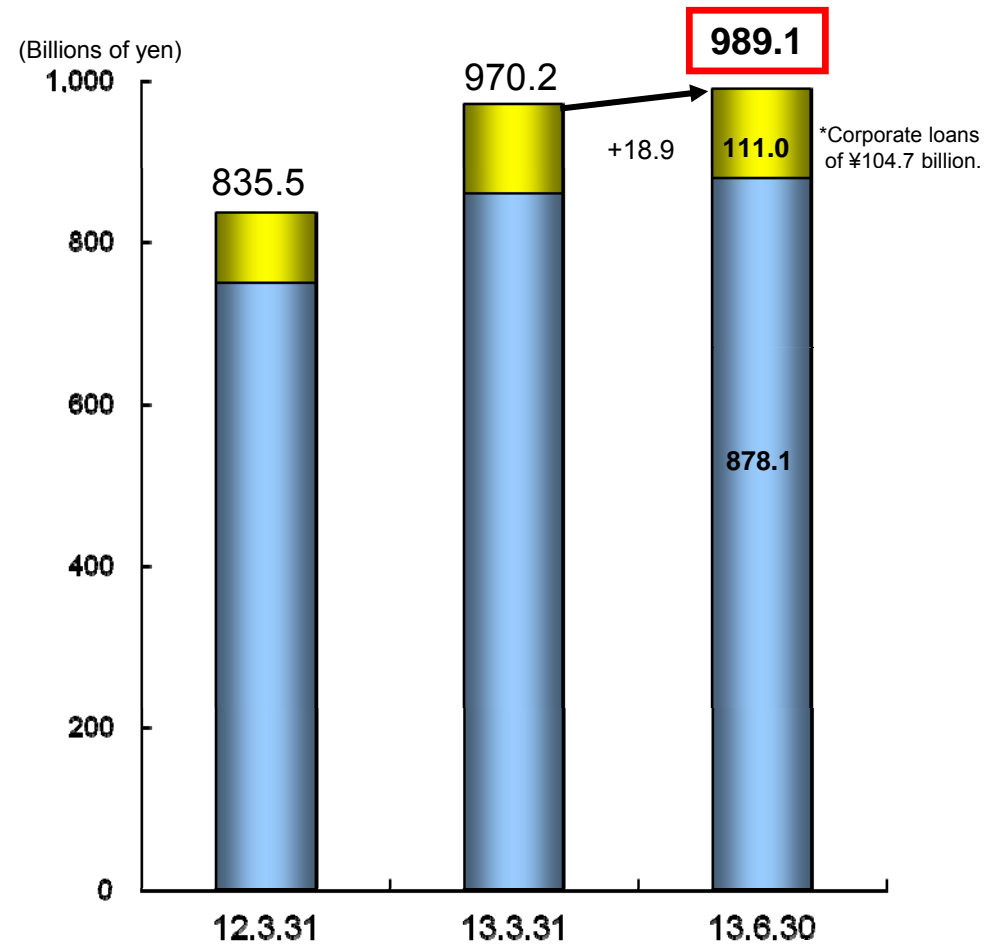
Deposits

■ Yen deposits ■ Foreign currency deposits



Loans

■ Mortgage loans ■ Others



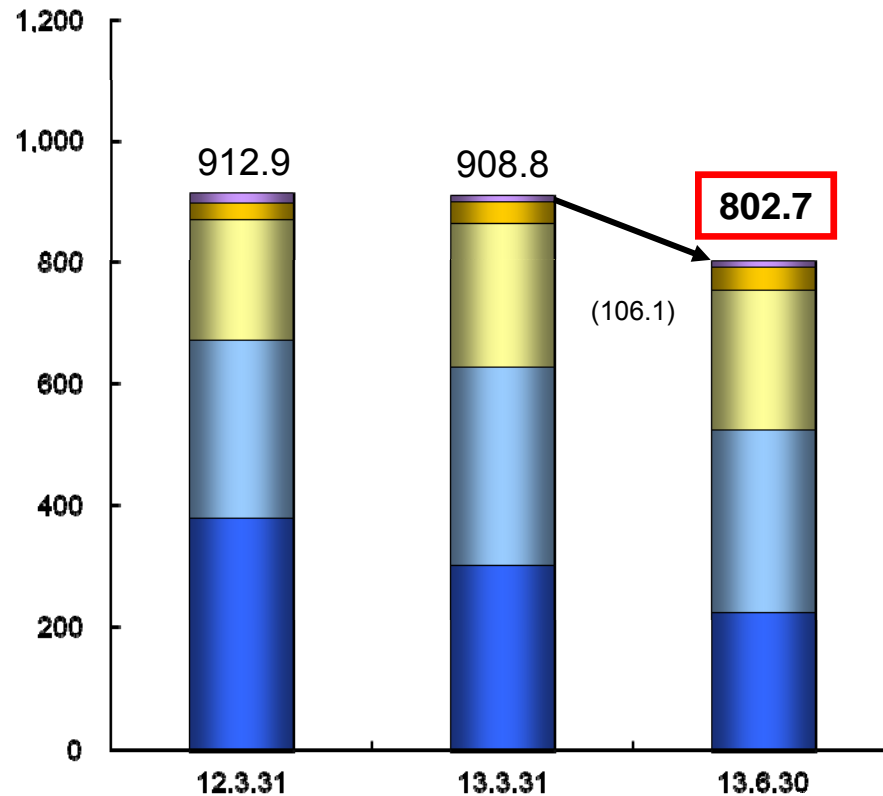
Line item amounts are truncated below ¥100 million.

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

Balance of Securities by Credit Ratings

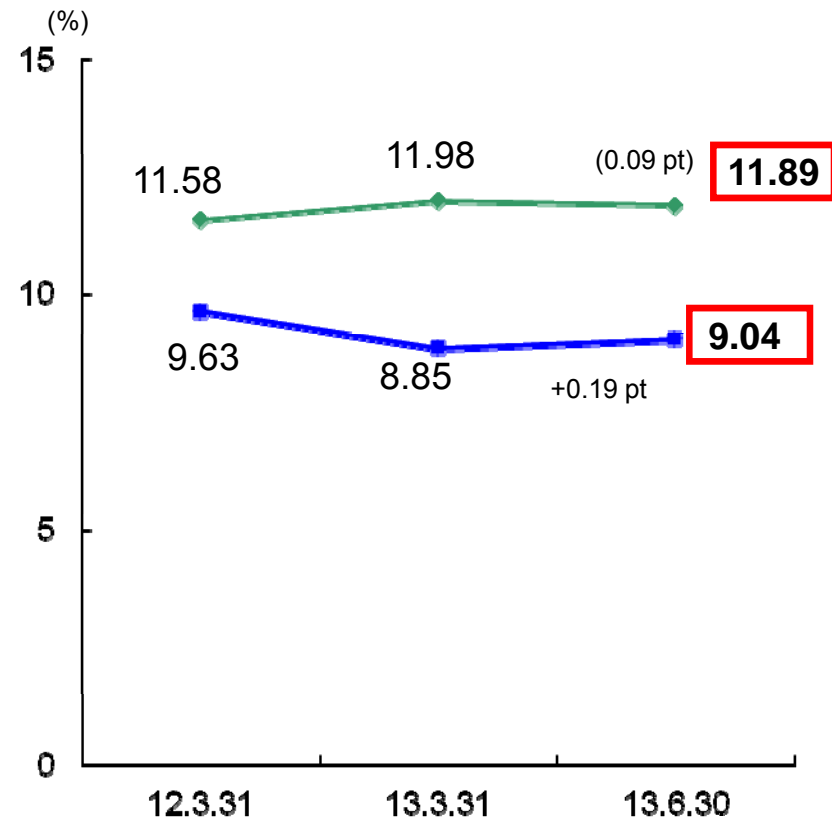
■ AAA ■ AA ■ A
■ BBB ■ Others

(Billions of yen)



Non-Consolidated Capital Adequacy Ratio (Domestic Criteria)

◆ Capital adequacy ratio ■ Tier1 ratio



*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.

Amounts are truncated below ¥100 million.

Consolidated Financial Forecast for the Year Ending March 31, 2014

Consolidated Financial Forecast for the Year Ending March 31, 2014



■ **SFH's forecast of consolidated financial results for FY2013 is unchanged from the forecast announced on May 9, 2013.**

(Billions of yen)	FY12 (Actual)	FY13 (Forecast)	Change
Consolidated ordinary revenues	1,259.0	1,222.0	(2.9%)
<u>Life insurance business</u>	1,142.3	1,099.9	(3.7%)
<u>Non-life insurance business</u>	84.7	88.5	+4.5%
<u>Banking business</u>	34.3	34.0	(0.9%)
Consolidated ordinary profit	79.2	69.0	(12.9%)
<u>Life insurance business</u>	72.7	61.4	(15.5%)
<u>Non-life insurance business</u>	2.3	3.0	+30.4%
<u>Banking business</u>	3.9	4.3	+10.3%
Consolidated net income	45.0	37.0	(17.9%)

■ **Life insurance business**

Ordinary revenues are expected to decrease year on year, because we do not expect such an increase in investment income on separate account due to the market recovery as recorded in the previous fiscal year, although we expect higher income from insurance premiums. Ordinary profit is expected to decrease, since we do not expect such a reversal of policy reserves related to minimum guarantees for variable life insurance policies as recorded in the previous fiscal year. We also expect provision for policy reserves to increase reflecting a revision of discount rate used for calculating policy reserves.

■ **Non-life insurance business**

Ordinary revenues are expected to increase year on year, owing to an increase in net premiums written, primarily for automobile insurance. Ordinary profit is expected to increase because we expect higher revenues and lower loss ratio.

■ **Banking Business**

Ordinary revenues are expected to decrease year on year, owing mainly to a decrease in revenues in SmartLink Networks, despite an increase in interest income on loans led by a growing balance of mortgage loans.

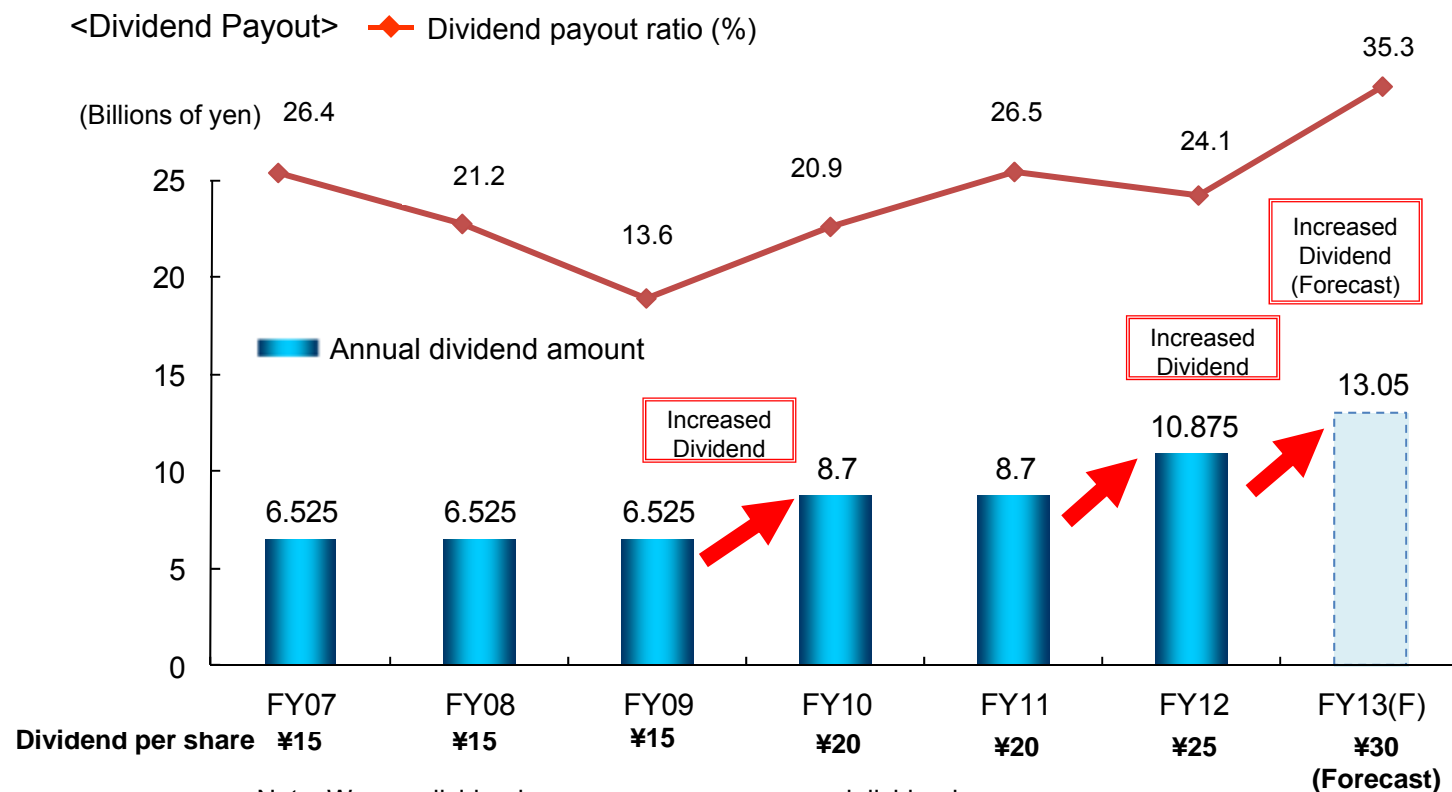
Ordinary profit is expected to rise, mainly because we anticipate a steady increase in gross operating profit, driven by business expansion.

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

Revision of Dividend Forecast for the Year Ending March 31, 2014

Revision of Dividend Forecast for the Year Ending March 31, 2014

- We revise the year-end per-share dividend forecast for FY2013 from ¥25 to ¥30, following the dividend increase for the prior fiscal year, after updating the recent business environment, business performance, and other factors.
- Our mid-term target for the dividend payout ratio is 30% to 40% of consolidated net income. Going forward, we will steadily raise dividend amount, taking into account management environment.



Note: We pay dividends once a year as a year-end dividend.

Sony Life's MCEV and Risk Amount Based on Economic Value as of June 30, 2013

Sony Life's MCEV as of June 30, 2013

(Billions of yen)		13.3.31	13.6.30	Change from 13.3.31
MCEV		1,064.7	1,149.9	+85.2
	Adjusted net worth	770.8	572.5	(198.3)
	Value of existing business	293.9	577.4	+283.5

Notes:

1. Calculated MCEV for policies in force as of June 30, 2013 by using updated lapse and surrender rate and economic assumptions.
2. Adopted simplified method for a part of MCEV calculations as of June 30, 2013.

- ◆ **MCEV increased because an increase in value of existing business offset a significant decrease in adjusted net worth due mainly to a decrease in unrealized gains on held-to-maturity securities in line with higher interest rates in the ultra-long term.**
- ◆ **New business value (new business margin) for 12 months ended March 31, 2013 was ¥41.6 billion (3.5%) while that for 3 months ended June 30, 2013 was ¥17.1 billion (6.5%). New business margin rose due mainly to higher interest rates in the ultra-long term and the revision of Sony Life's insurance premium rates on some of its products in April 2013.**

(*) New business margin equals new business value divided by present value of premium income.

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

Sony Life's Risk Amount Based on Economic Value as of June 30, 2013

(Billions of yen)	13.3.31	13.6.30
Insurance risk	605.6	597.2
Market-related risk	289.9	234.5
<i>Of which, interest rate risk*</i>	234.2	175.4
Operational risk	26.0	25.0
Counter party risk	2.3	1.7
Variance effect	(262.5)	(241.3)
The risk amount based on economic value	661.3	617.0

(Billions of yen)	13.3.31	13.6.30
MCEV	1,064.7	1,149.9

(*) Interest amount excluding the variance effect within market-related risk.

◆ Maintained capital adequacy by controlling market-related risk.

Notes

1. The risk amount based on economic value refers to the total amount of Sony Life's risks, comprehensively examined and including insurance risk and market-related risk.
2. The solvency risk capital on an economic value basis is calibrated at VaR (99.5) over one year and based on the internal model, which is a similar but modified model based on the EU Solvency II (QIS5) standard method.

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

Appendix

Recent Topics 1

AEGON Sony Life Insurance's 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 (3 types, 4 products*)

Sales Channels: Lifeplanner sales employees and partner Banks (12*) *As of Aug. 12, 2013

<Financial Highlights for FY13.1Q> Number of new policies: 6,812 (+5,737 from FY12.1Q)

New policy amount: ¥39.6 billion (+¥32.1 billion from FY12.1Q)

<As of June 30, 2013> Number of policies in force: 16,762 (+12,036 from June 30, 2012)

Policy amount in force: ¥113.3billion (+76.5 billion from June 30, 2012)



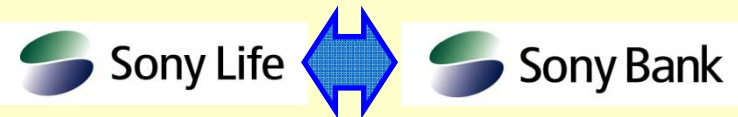
Line item amounts are truncated below ¥100 million.

Sony Bank's Mortgage Loans through Sony Life

■ Sony Life accounts for 25% of the balance of mortgage loans as of June 30, 2013

Sony Life accounts for 22% of the amount of new mortgage loans for FY13.1Q

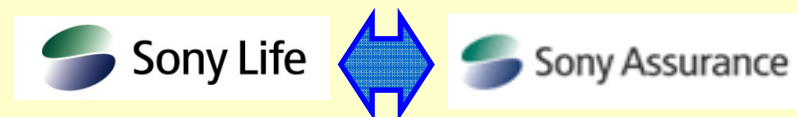
*Sony Life started handling banking agency business in January 2008.



Sony Assurance's Auto Insurance Sold by Sony Life

■ Sony Life accounts for approx. 5% of new automobile policies for FY13.1Q

* Sony Life started handling automobile insurance in May 2001.



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

Recent Topics 2

<Highlight for FY2013.1Q>

2013-7-29	Sony Bank started accepting an account application form for Nippon Individual Savings Account (tax-free), called NISA.
2013-6-25	Sony Bank opened its official account on social media sites.
2013-5-02	Sony Life commenced sale of a new product: “ U.S. Dollar Denominated Insurance.”
2013-5-01	Sony Bank set service charge free on inward foreign currency remittances.
2013-4-02	Sony Life revised insurance premium rates on some of its products in line with the reduction in discount rate used for calculating policy reserves.
2013-4-01	Sony Assurance revised its automobile insurance policy details. (including an increased discount of ¥8,000 for new customers who conclude contracts on line, introduction of new non-fleet driver rating system and the revision on automobile insurance premium rates.)

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)

	12.3.31			13.3.31			13.6.30		
	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	3,404.8	3,560.6	155.8	3,874.2	4,425.9	551.7	4,012.9	4,312.3	299.4
Available-for-sale securities	895.1	956.1	60.9	955.9	1,079.2	123.2	978.4	1,067.4	88.9
Japanese government and corporate bonds	849.1	902.6	53.4	925.3	1,036.9	111.6	944.3	1,020.7	76.3
Japanese stocks	29.1	34.9	5.8	14.7	20.9	6.2	16.2	24.4	8.1
Foreign securities	15.3	16.7	1.3	14.4	18.6	4.2	16.3	19.9	3.6
Other securities	1.4	1.7	0.2	1.4	2.6	1.1	1.4	2.2	0.7
Total	4,299.9	4,516.8	216.8	4,830.2	5,505.2	675.0	4,991.3	5,379.7	388.3

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

12.3.31		13.3.31		13.6.30	
Balance sheet amount	Net valuation gains (losses) recorded in income	Balance sheet amount	Net valuation gains (losses) recorded in income	Balance sheet amount	Net valuation gains (losses) recorded in income
–	–	–	–	–	–

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

Sony Life's Interest Income and Dividends (Details)



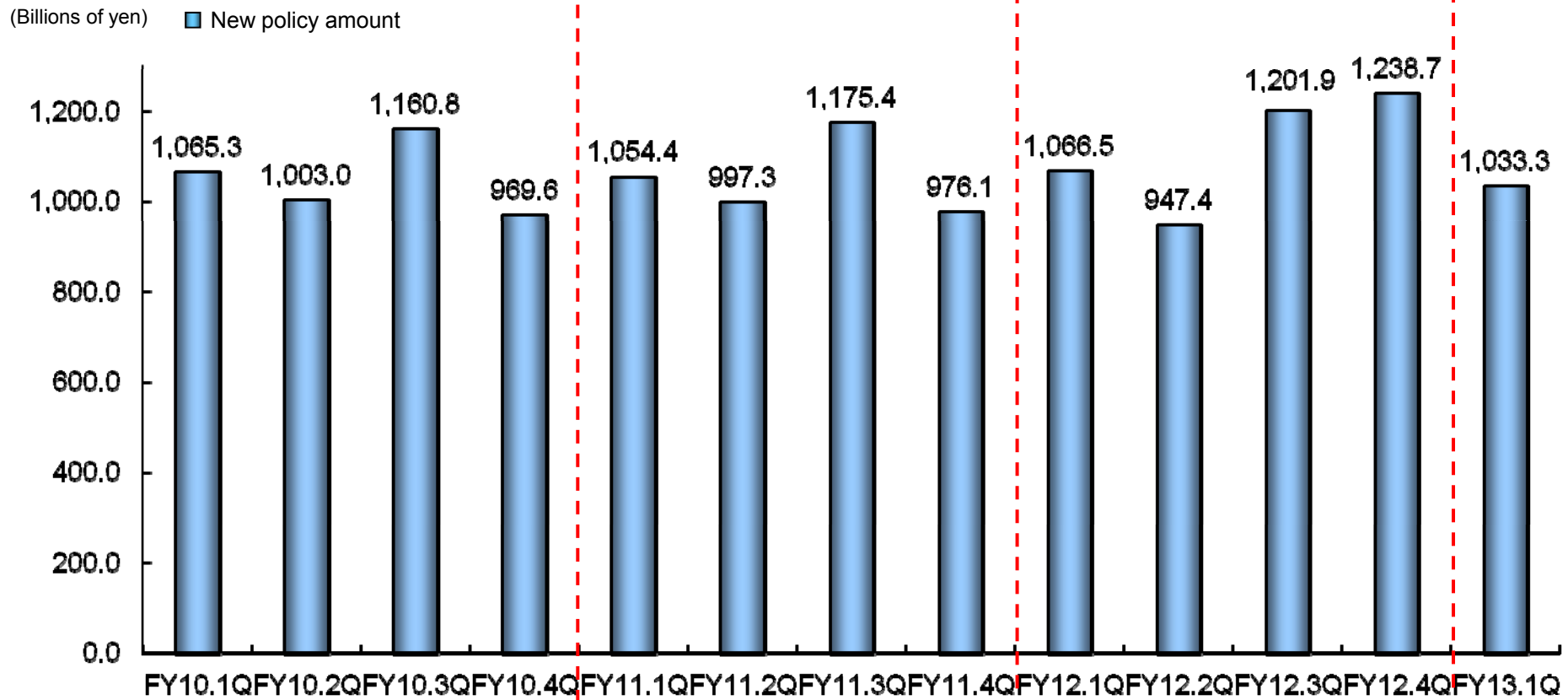
(Millions of yen)	FY12.1Q	FY13.1Q	Change
Cash and deposits	0	0	(65.3%)
Japanese government and corporate bonds	20,828	23,649	+13.5%
Japanese stocks	68	48	(30.1%)
Foreign securities	697	1,253	+79.6%
Other securities	78	11	(85.5%)
Loans	1,342	1,394	+3.9%
Real estate	2,710	2,560	(5.5%)
Others	8	10	+18.2%
Total	25,735	28,926	+12.4%

Line item amounts are truncated below ¥1 million

Sony Life's Quarterly Trend on New Policies Amount



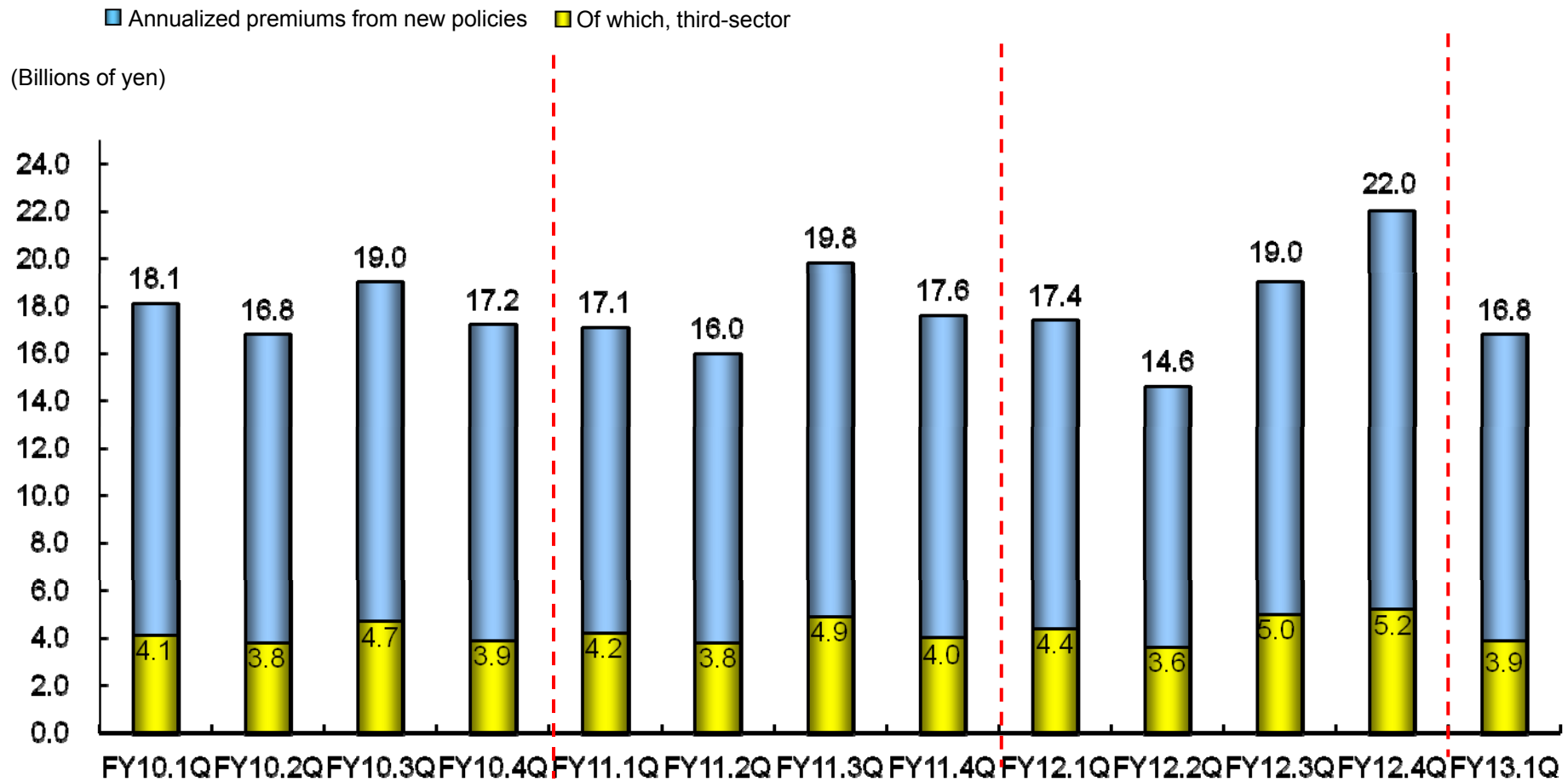
Quarterly trend on New Policies Amount



Line item amounts are truncated below ¥100 million;

Sony Life's Quarterly Trend on Annualized Premiums from New Policies

Quarterly trend on Annualized Premiums from New Policies



Line item amounts are truncated below ¥100 million;

Method of Measuring Risk Amount Based on Economic Value (1)

■ Market-related Risk

	Sony Life	(Reference) EU Solvency II (QIS5)
<p>Interest rate risk</p> <p>Fluctuations in net asset value based on economic value in response to the shocks in the right columns.</p> <p>The same applies below.</p>	<p>Foreign currencies' interest rate up 1.33x–10.39x (differs each currency and each year)</p> <p>Yen's interest rate down 0.07x–0.67x but <u>no lower than 1%</u></p>	<p>Interest rate up 1.25x–1.70x</p> <p>Interest rate down 0.25x–0.73x but <u>no lower than 1%</u></p>
Equity risk	<p>Listed equities and REIT 45% decline</p> <p>Unlisted equities 55%</p> <p>Other securities 70%</p> <p>Subsidiaries, affiliated companies and strategic investment 100%</p>	<p>Global 30%</p> <p>Others 40% (Note 2)</p>
Real estate risk	Actual real estate 25%	Same as on the left
Credit risk	<p>Credit risk = (market value) x (risk coefficient for each credit rating) x adjusted duration</p> <p>Note that adjusted durations have caps and floors, depending on credit ratings.</p> <p>(Example)</p> <p>Rating A: Risk coefficient (1.4%), cap (23), floor (1)</p>	Same as on the left
Currency risk	30% downside fluctuation	25% downside fluctuation

Notes

1. Principal items as of June 30, 2013.

Market-related risk quantification follows the QIS5 approach in principle. However, Sony Life modified it to make it more suitable to Japanese market by adapting the past and latest data of the market which is different from the method prescribed in QIS5.

2. Standard risk coefficients are global: 39%/other: 49%. Symmetric adjustment (an adjustment of $\pm 10\%$ of the average value of the stock price index during a defined period in the past) is applied; as of the QIS5 trial introduction (December 31, 2009), these were 30%/40%.

Method of Measuring Risk Amount Based on Economic Value (2)

■ Insurance Risk

	Sony Life	(Reference) EU Solvency II (QIS5)
Mortality risk	Mortality rate increases by 15% for each year elapsed	Same as on the left
Longevity risk	Mortality rate decreases by 20% for each year elapsed	Same as on the left
Lapse risk	<p>The largest amount of these*;</p> <ul style="list-style-type: none"> ▪ Lapse rate increases by 50% for each year elapsed ▪ Lapse rate decreases by 50% for each year elapsed ▪ 30% of policies on which surrender value is in excess of best estimate liability are immediately surrendered 	<p>The largest amount of these;</p> <ul style="list-style-type: none"> ▪ Increase by 50% in the assumed rates of lapsation for Life module, 20% for Health module ▪ Decrease by 50% in the assumed rates of lapsation for Life module, 20% for Health module ▪ 30% of policies (70% for group annuities, etc.) on which surrender value is in excess of best estimate liability are immediately surrendered
Expense risk	<p>Operating expenses increase by 10% for each year elapsed</p> <p>Rate of inflation rises by 1%</p>	Same as on the left
Disability risk	Rate of occurrence increases by 35% in the first fiscal year, rising by 25% for each year thereafter	Rate of occurrence increases by 35% in the first fiscal year, rising by 25% for each year thereafter. Recovery rate decreases by 20%.

* At Sony Life, lapse risk is calculated by computing and adding together the largest amount of three options for each insurance policy.



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