
Presentation Material

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

**Sony Financial Holdings Inc.
November 15, 2013**

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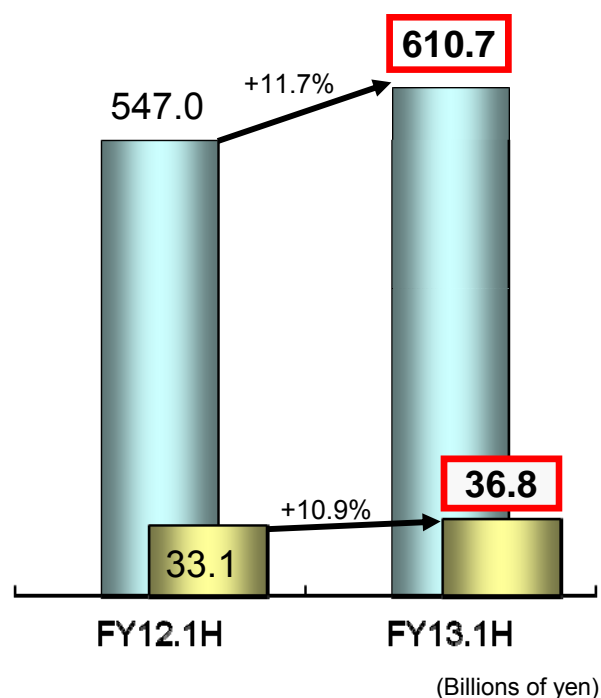
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Consolidated Operating Results for the Six Months Ended September 30, 2013

Highlights of Consolidated Operating Performance for the Six Months Ended September 30, 2013 (1)



■ Consolidated ordinary revenues
■ Consolidated ordinary profit



(Billions of yen)		FY12.1H	FY13.1H	Change	
Life insurance business	Ordinary revenues	489.0	549.2	+60.1	+12.3%
	Ordinary profit	30.7	30.2	(0.5)	(1.7%)
Non-life insurance business	Ordinary revenues	42.3	44.9	+2.5	+6.0%
	Ordinary profit	0.4	2.8	+2.4	+519.9%
Banking business	Ordinary revenues	16.8	17.9	+1.1	+6.9%
	Ordinary profit	1.8	3.5	+1.7	+90.4%
Intersegment adjustments*	Ordinary revenues	(1.2)	(1.3)	(0.1)	—
	Ordinary profit	0.0	0.1	+0.0	+44.0%
Consolidated	Ordinary revenues	547.0	610.7	+63.7	+11.7%
	Ordinary profit	33.1	36.8	+3.6	+10.9%
	Net income	19.7	20.8	+1.1	+5.9%

(Billions of yen)		13.3.31	13.9.30	Change from 13.3.31	
Consolidated	Total assets	8,096.1	8,361.3	+265.2	+3.3%
	Net assets	435.4	438.0	+2.6	+0.6%

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

*Comprehensive income: FY12.1H: ¥32.0 billion, FY13.1H ¥13.5 billion

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

Highlights of Consolidated Operating Performance for the Six Months Ended September 30, 2013 (2)



- **Life Insurance Business:** Ordinary revenues increased compared with the same period of the previous fiscal year mainly because an increase in the investment income due to higher gains on separate accounts, net resulting from the market recovery. Furthermore, an increase in income from insurance premiums also contributed to the rise in ordinary revenues. The rise in income from insurance premiums was 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. Ordinary profit remained at the same levels as during the same period of the previous fiscal year. This is because the positive effects stemming from a recovery from negative spread into positive and a decrease in provision of policy reserves for minimum guarantees for variable life insurance 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 to a decline in the loss ratio mainly led by a lower car accident ratio owing to the revision of premium rates for automobile insurance and the introduction of a new bonus-malus system (non-fleet driver rating system), in addition to a decline in the expense ratio.
- **Banking Business:** Ordinary revenues increased year on year due to higher gains on foreign exchange transactions stemming from customers' active foreign currency trading and a rise in interest income on loans led by the growing balance of mortgage loans. Ordinary profit expanded year on year owing mainly to an improvement in net gains on bond-dealing transactions.
- **Consolidated ordinary revenues increased 11.7% year on year, to ¥610.7 billion** owing to increases in ordinary revenues from all businesses: life insurance, non-life insurance and banking. Consolidated ordinary profit increased 10.9% year on year, to ¥36.8 billion. By business segment, ordinary profit from non-life insurance and banking businesses increased, whereas the life insurance remained at the same levels. Consolidated net income was up 5.9% year on year, to ¥20.8 billion.

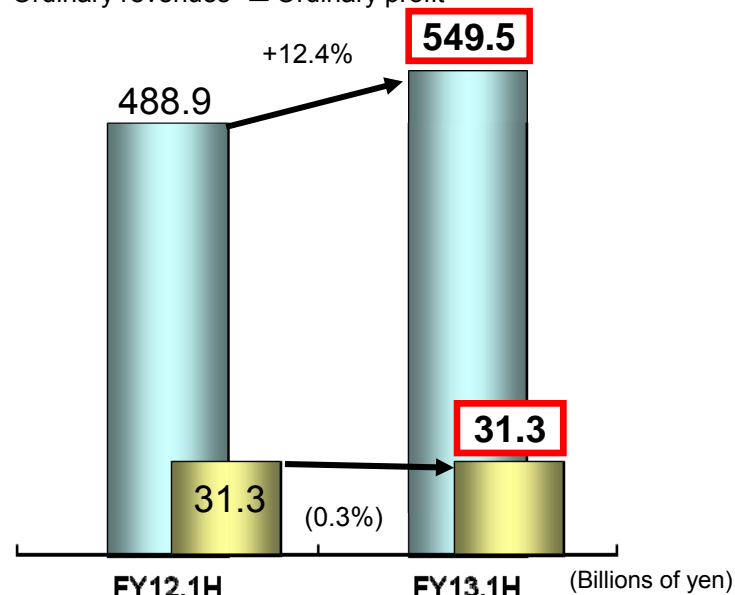
Line item amounts are truncated below ¥100 million; percentage change figures are rounded.

Highlights of Operating Performance

Sony Life (Non-consolidated)



■ Ordinary revenues ■ Ordinary profit



- ◆ Ordinary revenues increased year on year. Ordinary profit remained at the same levels.
- ◆ A rise in income from insurance premiums was associated with steady growth in policy amount in force, despite a decrease in lump-sum payment insurance affected by the revision of Sony Life's insurance premium rates on some of its products.
- ◆ Investment income increased due to higher gains on separate accounts, net resulting from the market recovery.
- ◆ Ordinary profit remained at the same levels. This is because the positive effects stemming from a recovery from negative spread into positive and a decrease in provision of policy reserves for minimum guarantees for variable life insurance 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)	FY12.1H	FY13.1H	Change	
Ordinary revenues	488.9	549.5	+60.5	+12.4%
Income from insurance premiums	428.8	437.9	+9.1	+2.1%
Investment income	56.0	107.6	+51.6	+92.3%
Interest income and dividends	52.1	58.9	+6.7	+13.0%
Income from monetary trusts, net	2.6	2.6	+0.0	+2.0%
Gains on sale of securities	1.1	0.0	(1.1)	(99.9%)
Gains on separate accounts, net	—	45.8	+45.8	—
Ordinary expenses	457.5	518.2	+60.6	+13.3%
Insurance claims and other payments	135.3	155.0	+19.7	+14.6%
Provision for policy reserves and others	242.0	294.0	+51.9	+21.5%
Investment expenses	18.7	4.0	(14.6)	(78.2%)
Losses on separate accounts, net	13.5	—	(13.5)	(100.0%)
Operating expenses	53.6	55.8	+2.2	+4.1%
Ordinary expenses	31.3	31.3	(0.0)	(0.3%)
Net income	18.4	17.6	(0.7)	(3.8%)

(Billions of yen)	13.3.31	13.9.30	Change from 13.3.31	
Securities	5,211.5	5,564.7	+353.1	+6.8%
Policy reserves	5,472.9	5,766.8	+293.9	+5.4%
Total net assets	342.3	341.1	(1.1)	(0.3%)
Net unrealized gains on other securities, net of taxes	80.2	72.5	(7.6)	(9.6%)
Total assets	5,952.7	6,247.4	+294.7	+5.0%
Separate account assets	550.6	601.5	+50.9	+9.3%

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

Overview of Performance

Sony Life (Non-consolidated)

(Billions of yen)	FY12.1H	FY13.1H	Change
New policy amount	2,013.9	1,874.8	(6.9%)
Lapse and surrender amount	956.1	876.4	(8.3%)
Lapse and surrender rate	2.65%	2.32%	(0.33pt)
Policy amount in force	36,706.8	38,357.1	+4.5%
Annualized premiums from new policies	32.1	30.1	(6.2%)
Of which, third-sector products	8.1	6.9	(14.5%)
Annualized premiums from insurance in force	648.5	681.4	+5.1%
Of which, third-sector products	153.1	165.0	+7.8%

(Billions of yen)	FY12.1H	FY13.1H	Change
Gains from investment, net (General account)	50.7	57.7	+13.7%
Core profit	33.3	33.5	+0.8%
Positive (Negative) spread	(0.4)	3.3	—

	13.3.31	13.9.30	Change from 13.3.31
Non-consolidated solvency margin ratio	2,281.8%	2,325.0%	+43.2pt

<Reasons for changes>

◆ Decreased mainly in family income insurance. Moreover, new policy amount decreased mainly in interest rate-sensitive whole life insurance, reflecting the revision of insurance premium rates.

◆ Decreased mainly in term-life insurance.

◆ Decreased mainly in educational endowment insurance and interest rate-sensitive whole life insurance, 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 remained at the same levels. This is because the positive effects stemming from a recovery from negative spread into positive and a decrease in provision of policy reserves for minimum guarantees for variable life insurance 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.

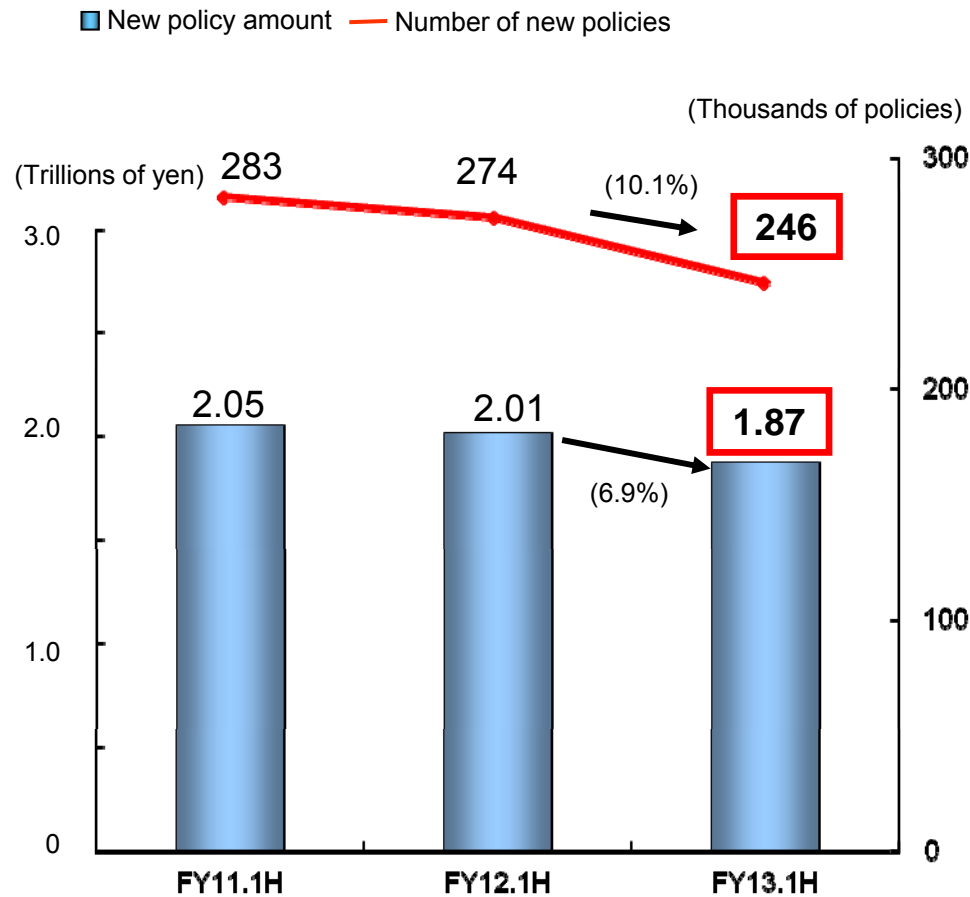
Notes:

- 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.

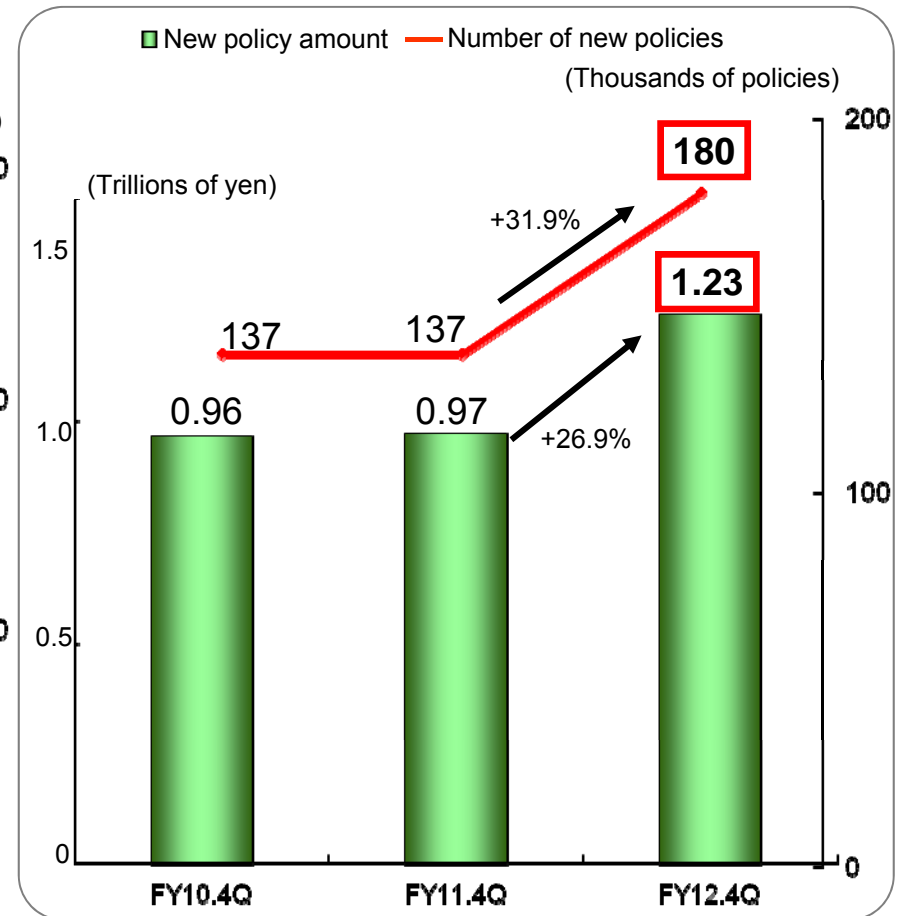
Line item amounts are truncated below ¥100 million; percentage change figures are rounded.

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

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



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

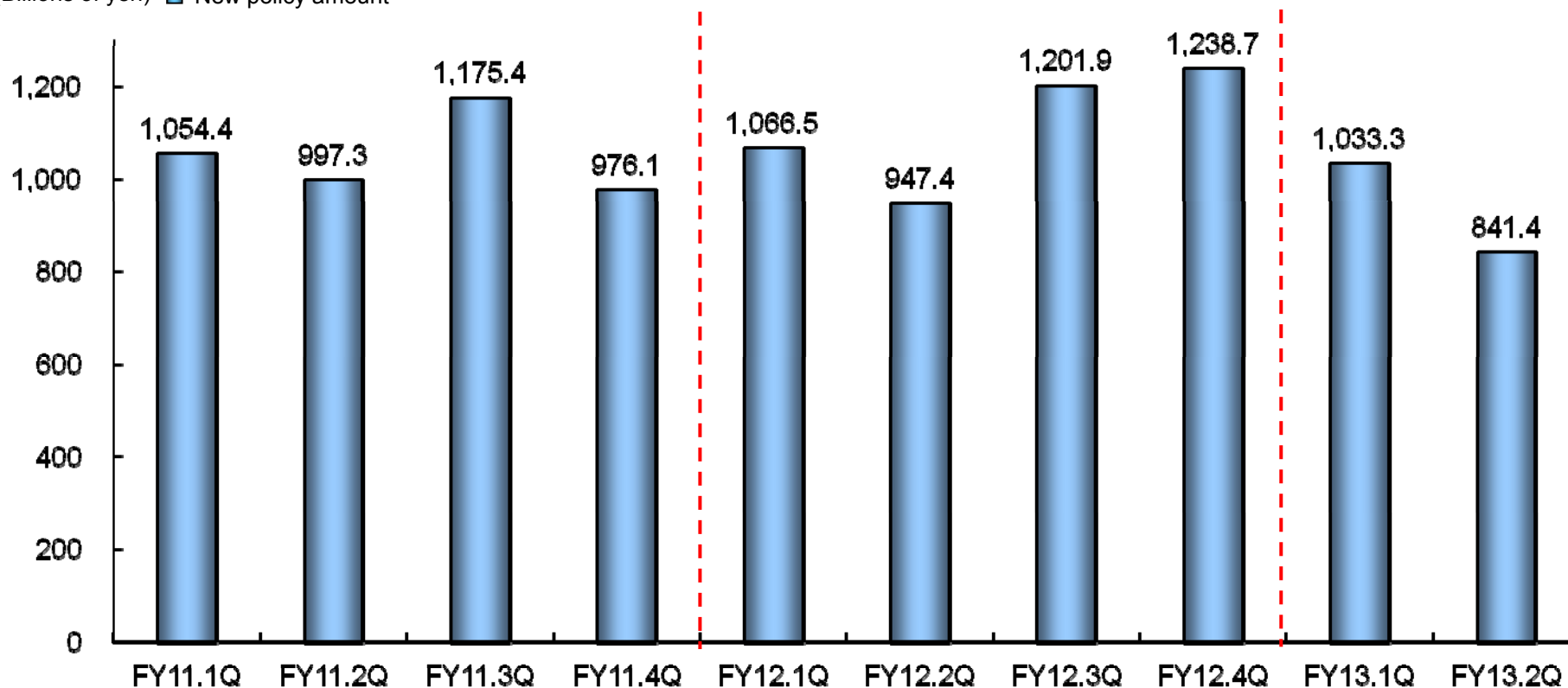


Line item amounts are truncated below ¥10 billion; numbers of policies are truncated below 1,000 policies; percentage change figures are rounded.

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

Quarterly Trend on New Policy Amount

(Billions of yen) ■ New policy amount



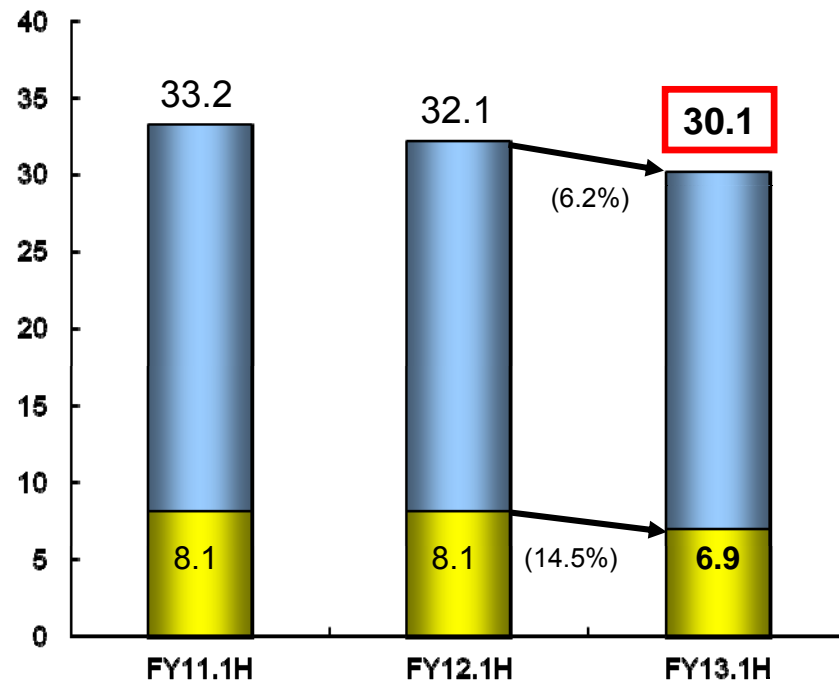
Line item amounts are truncated below ¥100 million.

Operating Performance : Sony Life (Non-consolidated) (3)

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

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

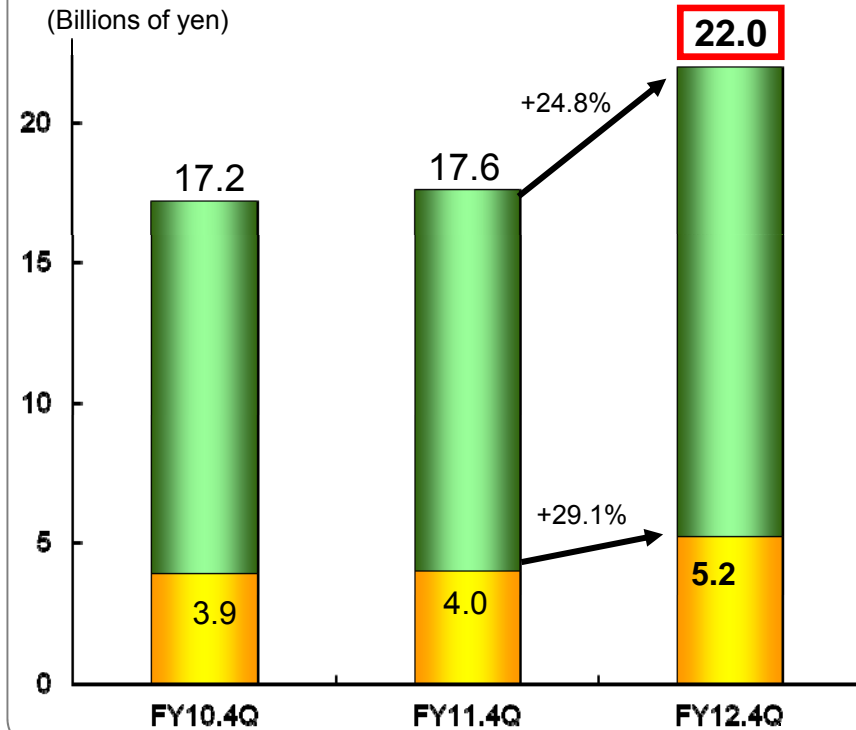
(Billions of yen)



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

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

(Billions of yen)

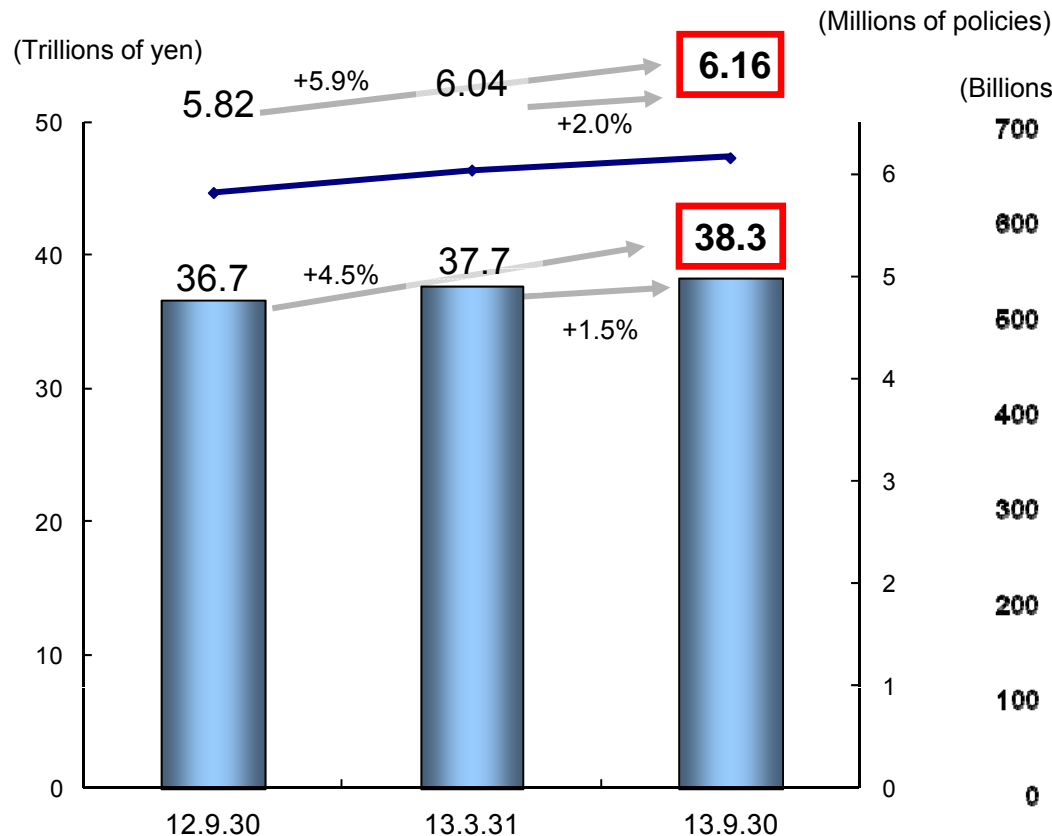


Line item amounts are truncated below ¥100million; percentage change figures are rounded.

Operating Performance : Sony Life (Non-consolidated) (4)

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

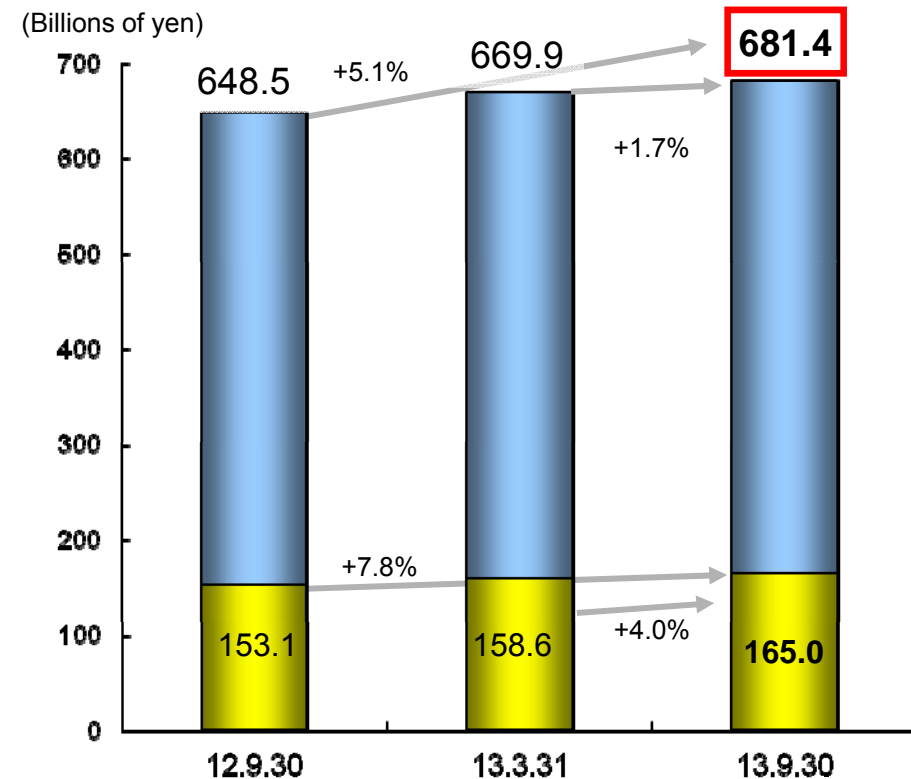
■ Policy amount in force — Number of policies in force



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)

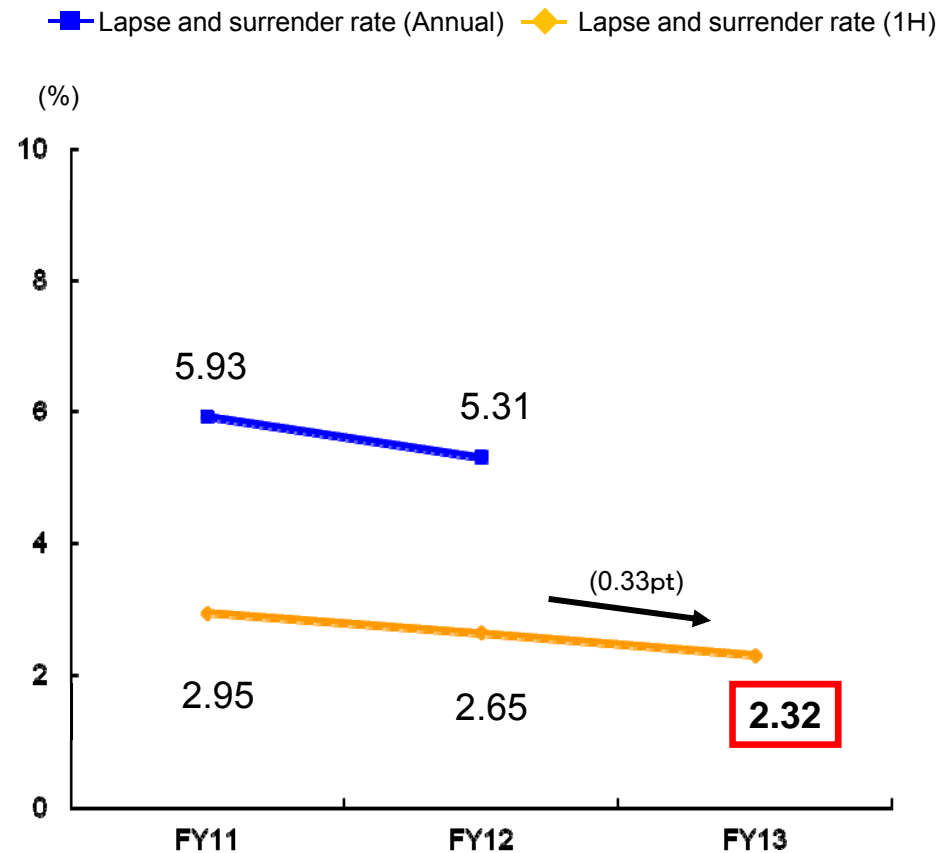
■ Annualized premiums from insurance in force ■ Of which, third-sector



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

Operating Performance : Sony Life (Non-consolidated) (5)

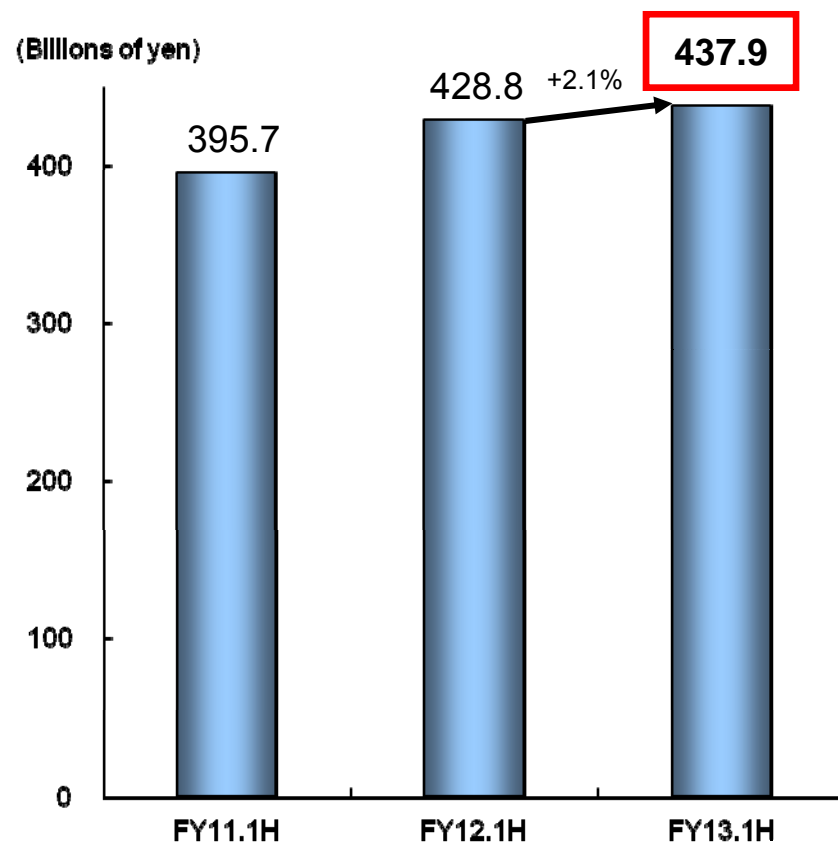
Lapse and Surrender Rate* (Individual Life Insurance + Individual Annuities)



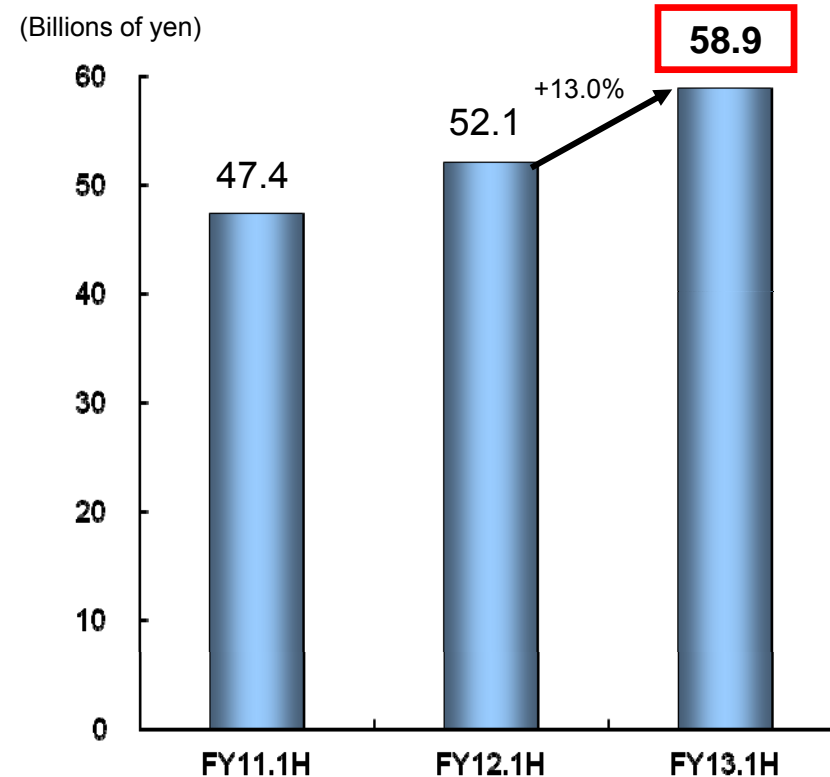
*The lapse and surrender rate shows the ratio derived by dividing the amount of lapses and surrenders, not adjusted for policy amount decreases, increases, and reinstatements, by the policy amount in force at the beginning of the fiscal year.

Operating Performance : Sony Life (Non-consolidated) (6)

Income from Insurance Premiums



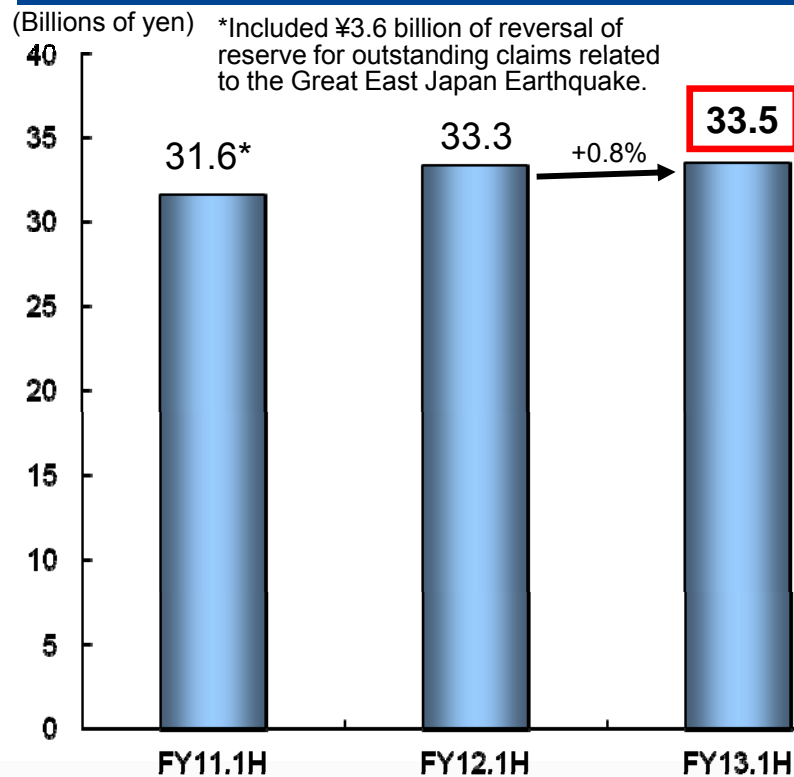
Interest Income and Dividends



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

Operating Performance : Sony Life (Non-consolidated) (7)

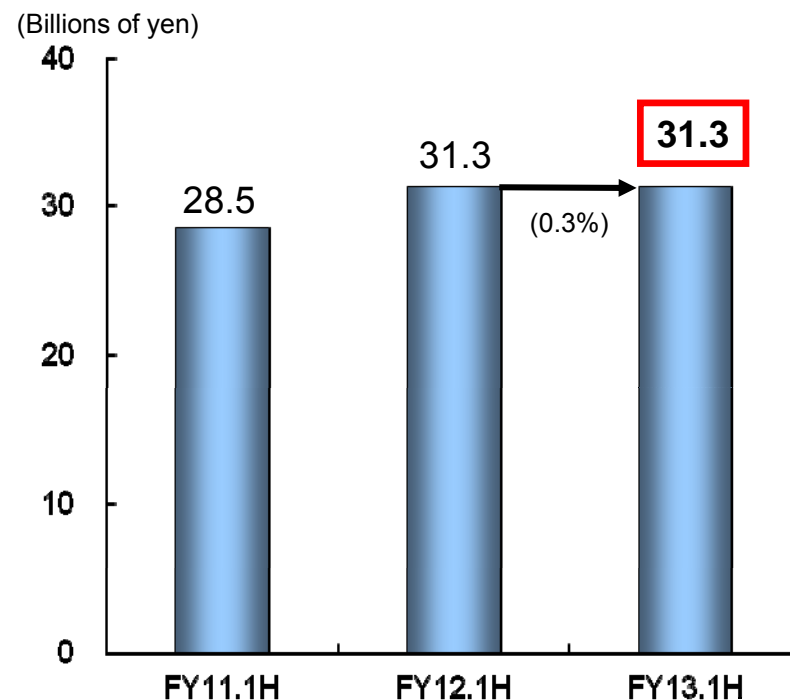
Core Profit



(Reference) Impact on core profit (Billions of yen)			
	FY11.1H	FY12.1H	FY13.1H
Positive (Negative) spread	(1.9)	(0.4)	3.3
Effects by the revision of policy reserve discount rate	—	—	(6.0)
Provision of policy reserves for minimum guarantees for variable life insurance in the general account assets	(4.8)	(4.0)	(1.2)

*The plus amount in negative spread indicates positive spread.

Ordinary Profit



(Reference) Main differences from Core Profit

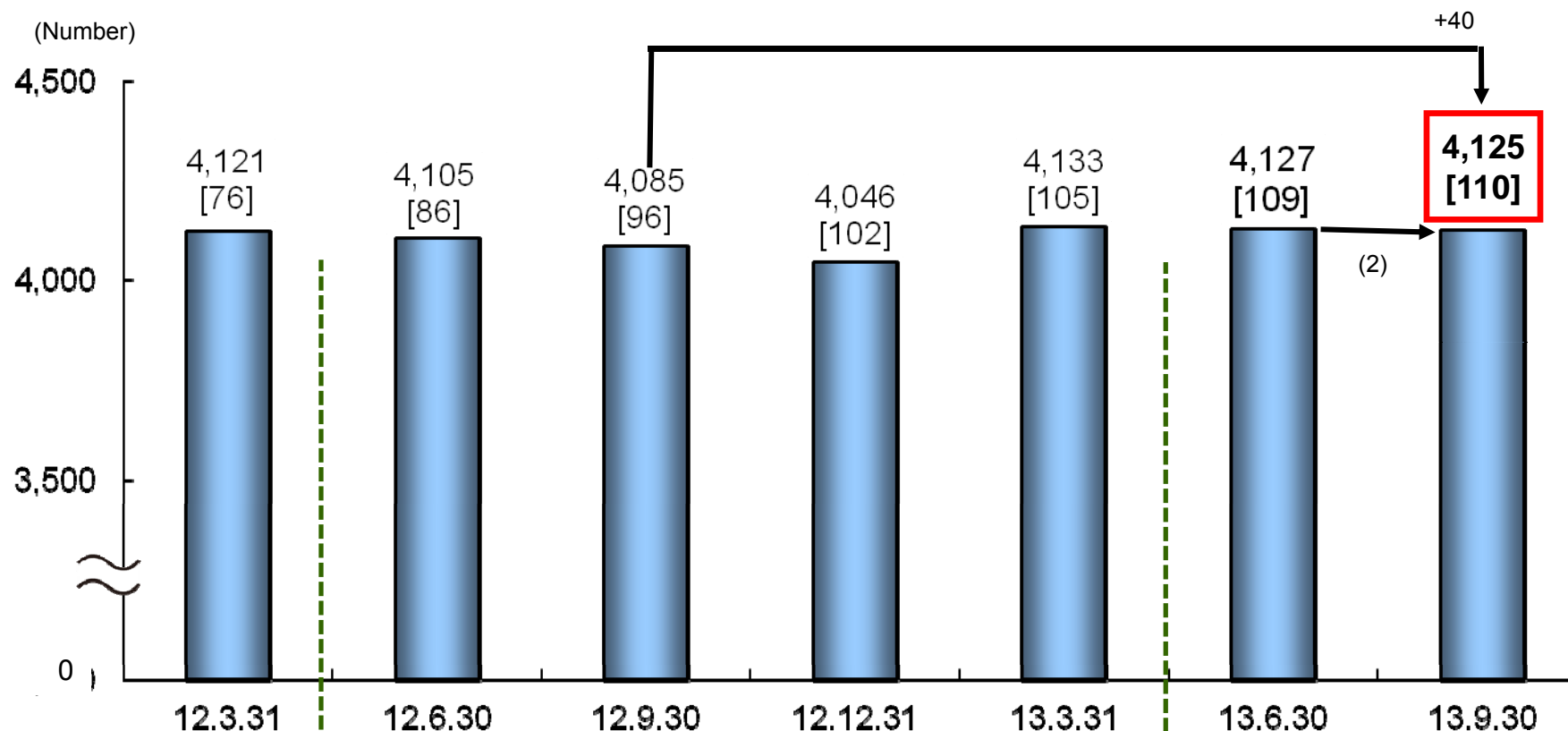
	(Billions of yen)		
	FY11.1H	FY12.1H	FY13.1H
Capital gains (losses)	(1.1)	0.1	(0.0)
Provision of contingency reserve	(1.7)	(1.9)	(2.1)

**"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.

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

Operating Performance : Sony Life (Non-consolidated) (8)

Number of Lifeplanner Sales Employees



Note: Figures in [] show the numbers 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 requirement.

* "Lifeplanner" is a registered trademark of Sony Life.

Operating Performance : Sony Life (Non-consolidated) (9)

Breakdown of General Account Assets

(Billions of yen)	13.3.31		13.9.30	
	Amount	%	Amount	%
Japanese government and corporate bonds	4,561.0	84.4%	4,848.3	85.9%
Japanese stocks	31.1	0.6%	36.0	0.6%
Foreign securities	62.0	1.1%	69.6	1.2%
Foreign stocks	25.4	0.5%	26.3	0.5%
Monetary trusts	306.1	5.7%	302.5	5.4%
Policy loans	145.0	2.7%	149.7	2.7%
Real estate	70.3	1.3%	67.3	1.2%
Cash and call loans	103.3	1.9%	45.4	0.8%
Others	97.7	1.8%	100.4	1.8%
Total	5,402.1	100.0%	5,645.9	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

Sep. 30, 2013 19.7 years

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

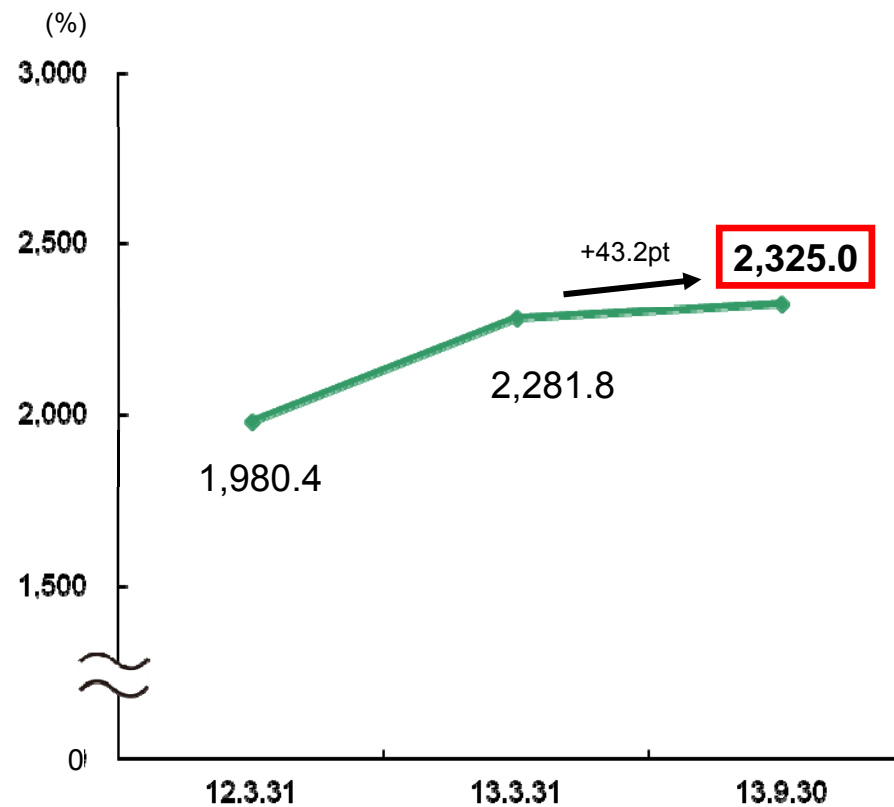
■ The holding ratio on the real status, of Japanese government and corporate bonds including those in vested in monetary trusts in the general account assets:

As of Sep. 30, 2013: 91.2%, (As of Mar. 31, 2013: 90.1%)

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

Operating Performance : Sony Life (Non-consolidated) (10)

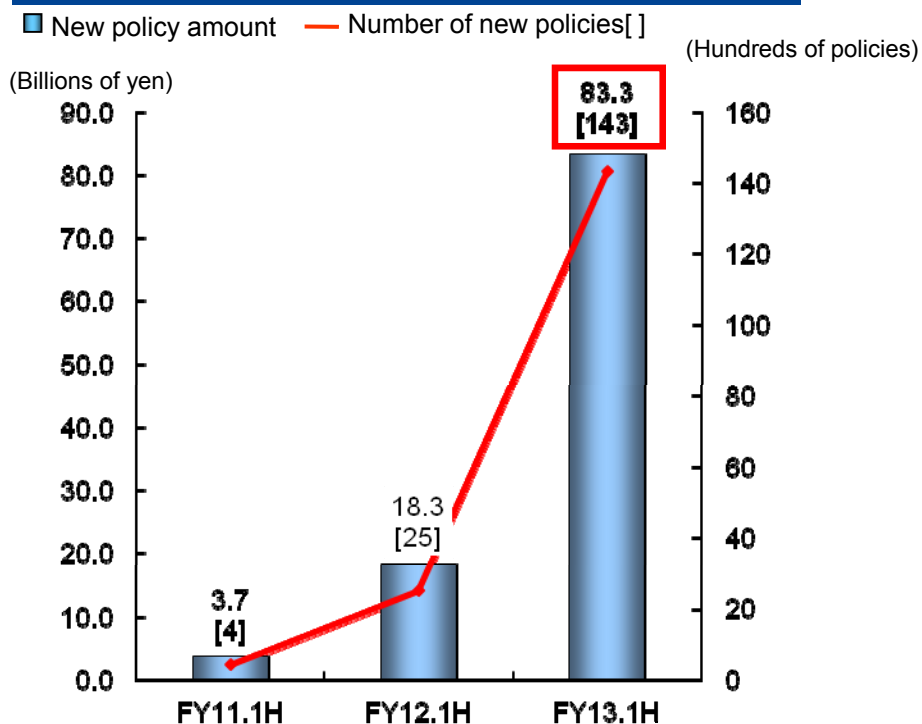
Non-consolidated solvency Margin Ratio



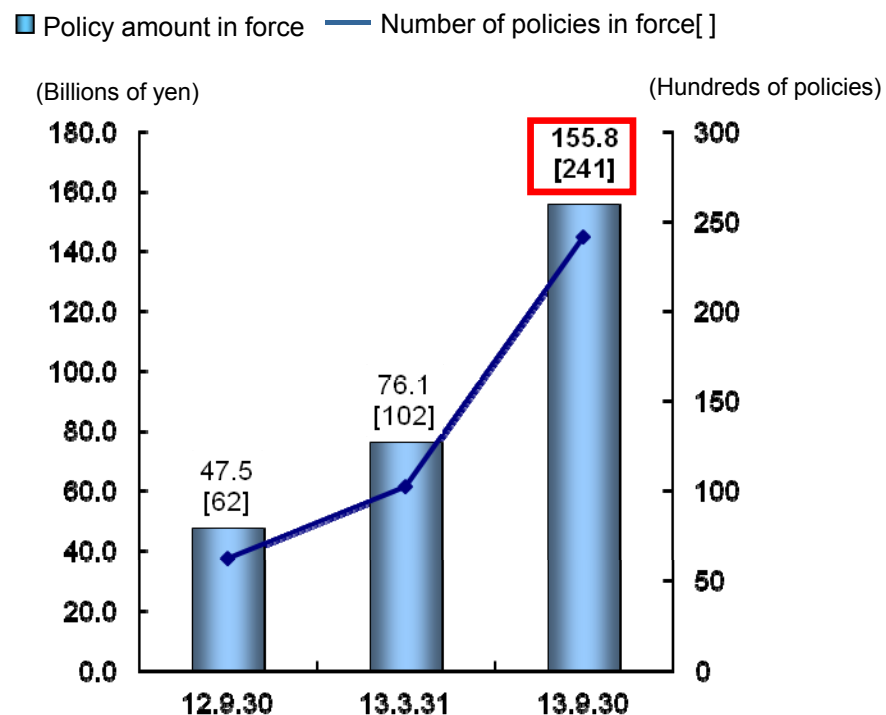
Operating Performance: AEGON Sony Life Insurance

*AEGON Sony Life Insurance sells individual variable annuities.

Number and Amount of New Policies



Number and Amount of Policies in Force



*AEGON Sony Life Insurance is an equity method company, 50-50 joint venture established by Sony Life and AEGON Group.

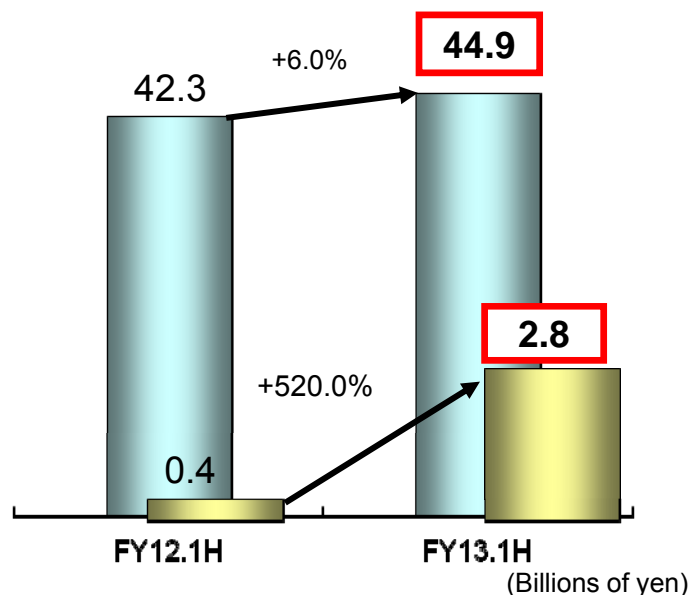
(Billions of yen)	FY12.1H	FY13.1H	Change		(Reference) FY12
Ordinary revenues	18.3	85.9	+67.5	+368.4%	58.6
Ordinary profit (losses)	(1.1)	(1.6)	(0.5)	—	(2.4)
Net income (losses)	(1.2)	(1.7)	(0.5)	—	(2.5)

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

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 due to a decline in the loss ratio mainly led by a lower car accident ratio owing to the revision of premium rates for automobile insurance and the introduction of a new bonus-malus system (non-fleet driver rating system), in addition to a decline in the expense ratio.

(Billions of yen)	FY12.1H	FY13.1H	Change	
Ordinary revenues	42.3	44.9	+2.5	+6.0%
Underwriting income	41.8	44.2	+2.4	+5.8%
Investment income	0.4	0.5	+0.1	+22.7%
Ordinary expenses	41.9	42.0	+0.1	+0.3%
Underwriting expenses	31.7	31.7	+0.0	+0.0%
Investment expenses	0.0	0.0	(0.0)	(81.4%)
Operating, general and administrative expenses	10.0	10.2	+0.1	+1.3%
Ordinary profit	0.4	2.8	+2.4	+520.0%
Net income	0.2	1.8	+1.6	+669.8%

(Billions of yen)	13.3.31	13.9.30	Change from 13.3.31	
Underwriting reserves	70.6	74.6	+4.0	+5.8%
Total net assets	19.9	21.8	+1.9	+9.7%
Total assets	127.4	134.4	+7.0	+5.5%

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

Overview of Performance: Sony Assurance

(Billions of yen)	FY12.1H	FY13.1H	Change
Direct premiums written	41.3	43.6	+5.6%
Net premiums written	41.8	44.2	+5.8%
Net losses paid	23.1	23.2	+0.7%
Underwriting profit	0.0	2.3	—
Net loss ratio	62.0%	59.6%	(2.4pt)
Net expense ratio	25.7%	24.6%	(1.1pt)
Combined ratio	87.7%	84.2%	(3.5pt)

<Reasons for changes>

◆ Increased mainly in its mainstay automobile insurance.

◆ Decreased owing to the revision of premium rates for automobile insurance and the introduction of a new bonus-malus system.

◆ Declined due to a proper control of insurance acquisition cost, in addition to 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	13.9.30	Change from 13.3.31	
Number of policies in force	1.55 million	1.57 million	+0.02 million	+1.5%
Non-consolidated Solvency margin ratio	504.2%	547.2%	+43.0pt	

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)	FY12.1H	FY13.1H	Change
Fire	111	115	+3.5%
Marine	—	—	—
Personal accident*	3,895	4,124	+5.9%
Voluntary automobile	37,293	39,391	+5.6%
Compulsory automobile liability	—	—	—
Total	41,300	43,632	+5.6%

Net Premiums Written

(Millions of yen)	FY12.1H	FY13.1H	Change
Fire	73	82	+12.4%
Marine	74	68	(7.0%)
Personal accident*	4,009	4,254	+6.1%
Voluntary automobile	37,155	39,264	+5.7%
Compulsory automobile liability	532	608	+14.3%
Total	41,845	44,279	+5.8%

Net losses paid

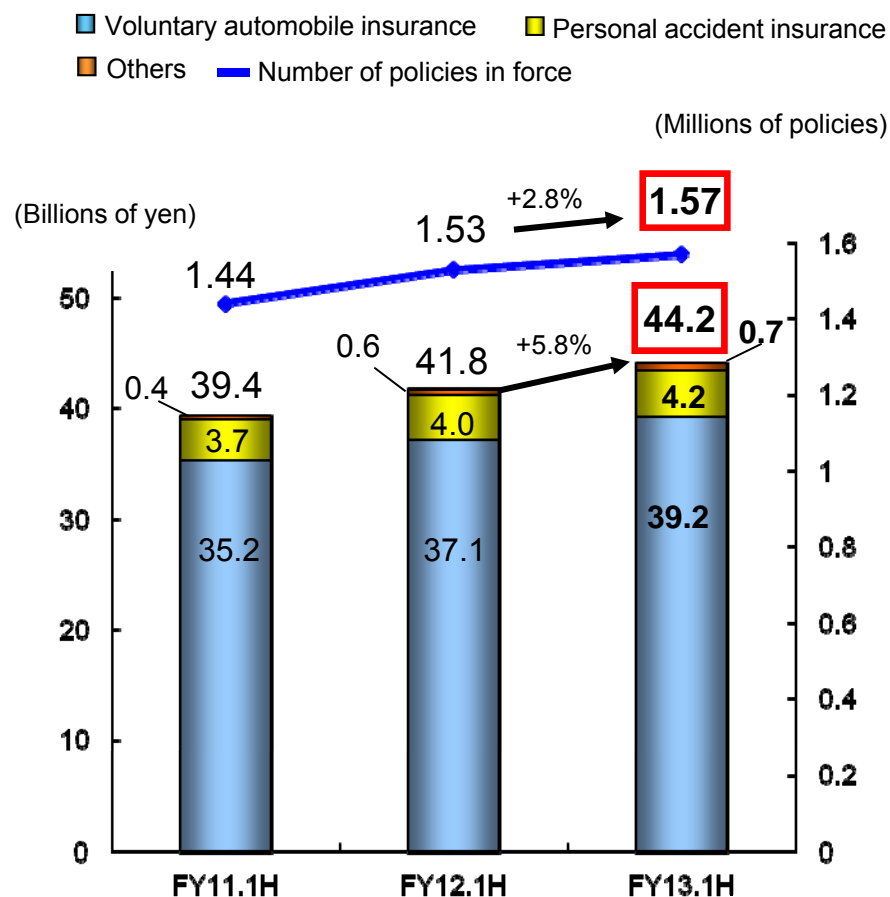
(Millions of yen)	FY12.1H	FY13.1H	Change
Fire	0	0	+1.3%
Marine	142	77	(45.8%)
Personal accident*	941	1,010	7.2%
Voluntary automobile	21,562	21,667	+0.5%
Compulsory automobile liability	489	544	+11.1%
Total	23,137	23,299	+0.7%

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

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

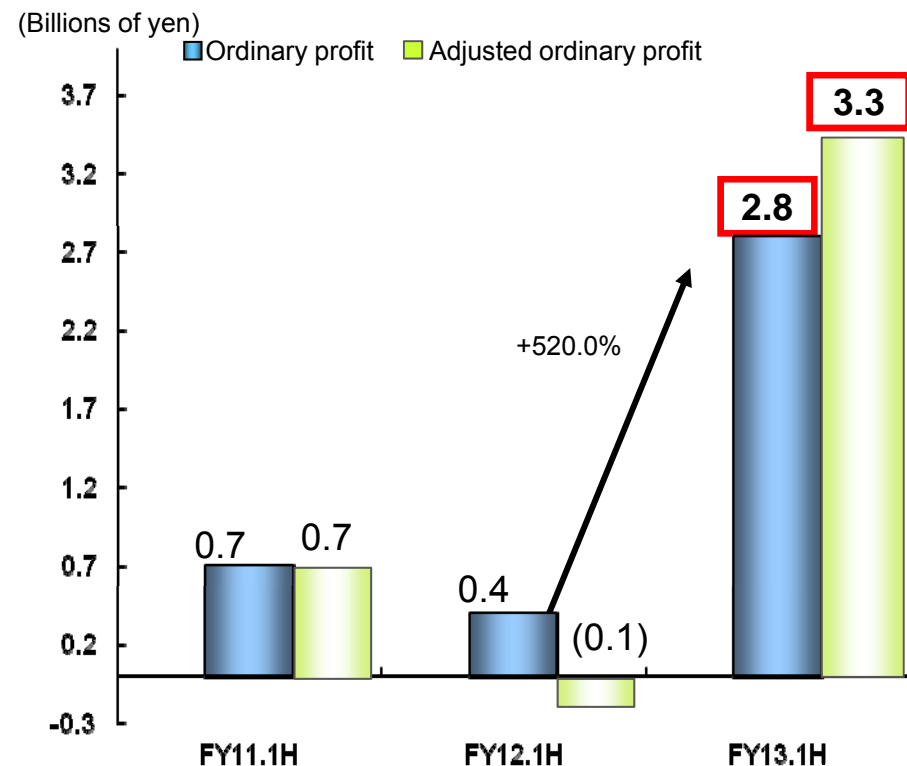
Operating Performance: Sony Assurance (1)

Net Premiums Written and Number of Policies in Force



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

Ordinary Profit and Adjusted Ordinary Profit



*Adjusted ordinary profit = Ordinary profit - Provision (Reversal) for catastrophe reserve, net

(Reference) Provision (Reversal) for catastrophe reserve, net

	FY11.1H	FY12.1H	FY13.1H
Provision (Reversal) for catastrophe reserve, net	+0.0	+0.6	(0.4)

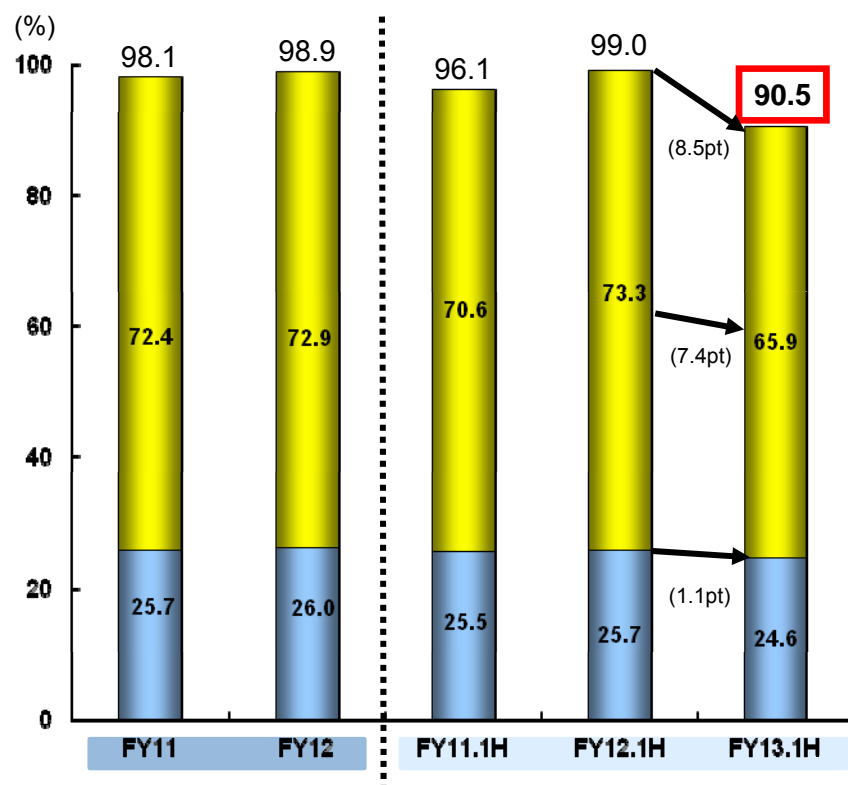
*Provision for catastrophe reserve is described as negative amount.

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

Operating Performance: Sony Assurance (2)

Earned/Incurred Loss Ratio + Net Expense Ratio

■ Earned/Incurred loss ratio ■ Net expense ratio



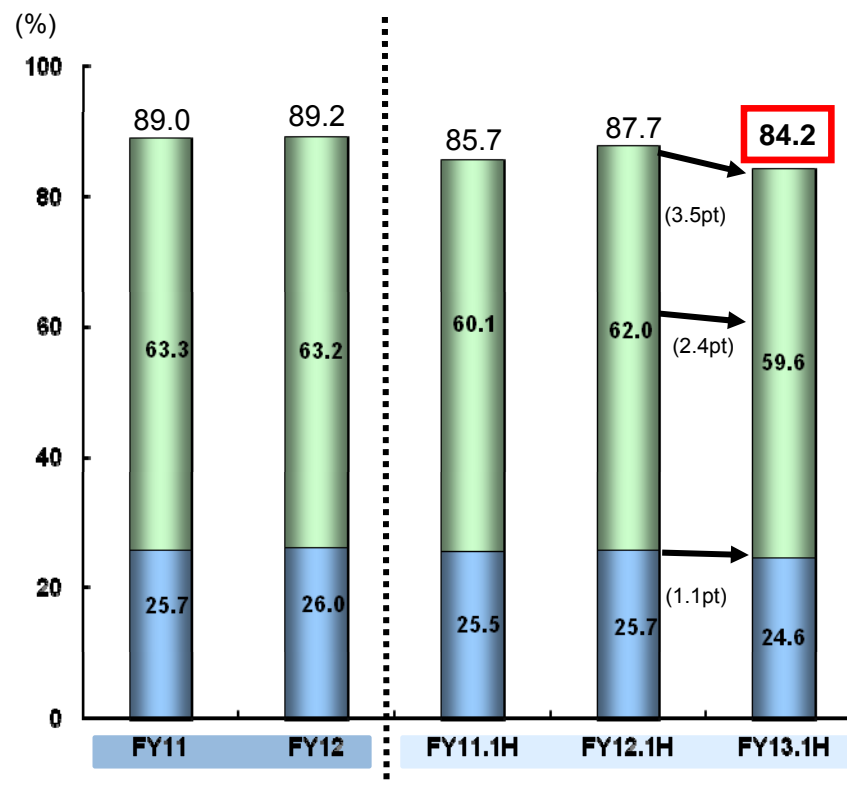
Notes:

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



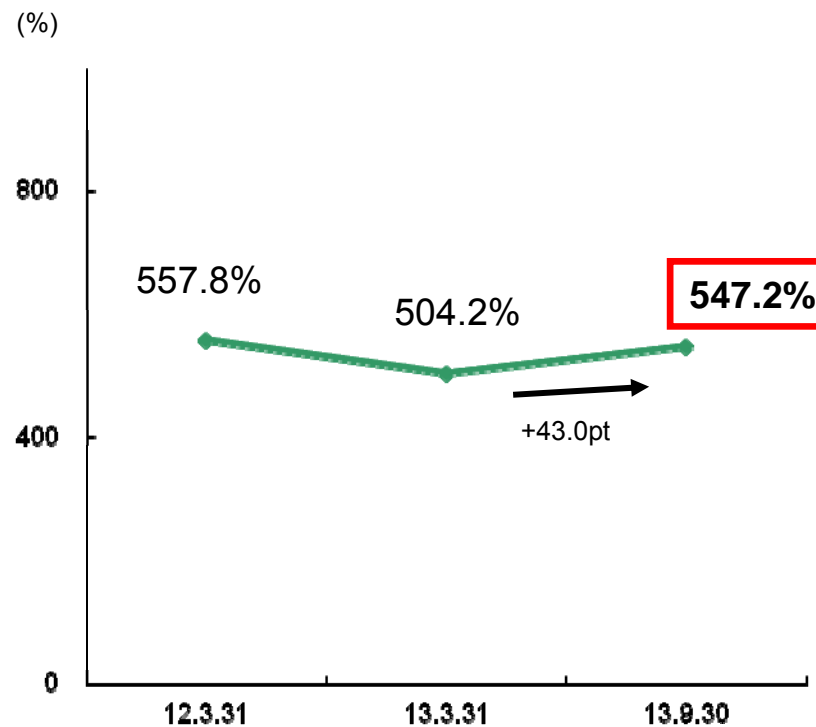
Notes:

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



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

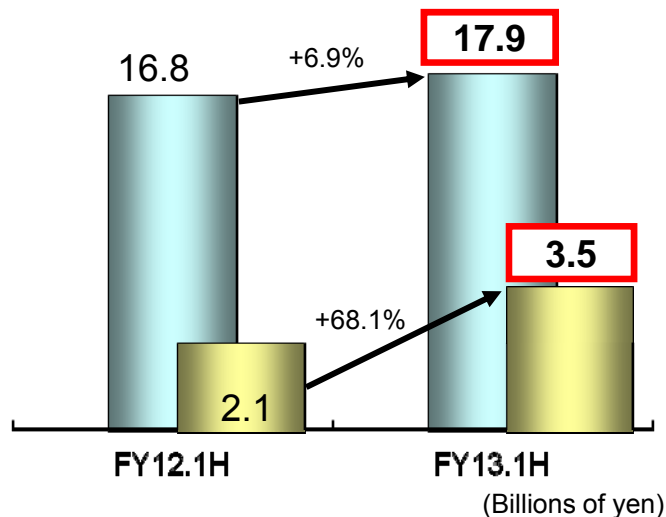
Operating Performance: Sony Assurance (3)

Non-consolidated solvency Margin Ratio



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

 Consolidated ordinary revenues
 Consolidated ordinary profit



<Consolidated>

◆ Ordinary profit increased year on year due to higher gains on foreign exchange transactions stemming from customers' active foreign currency trading and a rise in interest income on loans led by the growing balance of mortgage loans.

<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 mainly to an improvement in net gains on bond-dealing transactions, in addition to higher gains on foreign exchange transactions stemming from customers' active foreign currency trading.

<Consolidated>

(Billions of yen)	FY12.1H	FY13.1H	Change	
Consolidated ordinary revenues	16.8	17.9	+1.1	+6.9%
Consolidated ordinary profit	2.1	3.5	+1.4	+68.1%
Consolidated net income	1.8	2.2	+0.3	+21.4%

<Non-consolidated>

(Billions of yen)	FY12.1H	FY13.1H	Change	
Ordinary revenues	15.2	16.7	+1.5	+10.2%
Gross operating profit	8.9	11.0	+2.0	+22.6%
Net interest income	8.3	9.9	+1.5	+18.5%
Net fees and commissions	0.0	(0.1)	(0.1)	—
Net other operating income	0.5	1.2	+0.6	+117.7%
General and administrative expenses	6.9	7.2	+0.3	+4.4%
Net operating profit	2.0	3.7	+1.7	+81.7%
Ordinary profit	1.9	3.6	+1.7	+89.6%
Net income (loss)	(0.5)	2.3	+2.8	—

(Billions of yen)	13.3.31	13.9.30	Change from 13.3.31	
Total net assets	67.8	70.3	+2.5	+3.8%
Net unrealized gains on other securities, net of taxes	6.5	6.2	(0.2)	(4.0%)
Total assets	2,005.0	1,966.2	(38.8)	(1.9%)

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

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

(Billions of yen)	12.9.30	13.3.31	13.9.30	Change from 13.3.31	
Customer assets	1,921.5	1,974.3	1,930.7	(43.6)	(2.2%)
Deposits	1,819.3	1,857.4	1,813.0	(44.3)	(2.4%)
Yen	1,456.0	1,467.2	1,435.1	(32.1)	(2.2%)
Foreign currency	363.3	390.2	377.9	(12.2)	(3.1%)
Investment trusts	102.1	116.9	117.6	+0.7	+0.6%
Loans outstanding	898.6	970.2	1,009.5	+39.3	+4.1%
Mortgage loans	802.9	860.3	899.6	+39.2	+4.6%
Others	95.6	109.8	109.9^{*1}	+0.0	+0.1%
Number of accounts (10 thousand)	91	92	94	+1	
Non-performing assets Ratio (Based on Financial Reconstruction Law) ^{*2}	0.44%	0.41%	0.39%	(0.02pt)	
Capital adequacy ratio (domestic criteria) ^{*3}	11.18%	11.98%	11.99%	+0.01pt	
Tier 1 ratio	9.30%	8.85%	9.14%	+0.29pt	

<Reasons for changes>

◆ Yen deposit balance decreased owing to lower interest rates offered by Sony Bank than investment return of other financial products.

◆ Foreign currency deposit balance decreased due to an increase in selling to lock in profits led by yen depreciation.

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

◆ Non-performing assets ratio was kept at an extremely low level.

^{*1} Loans in others include corporate loans of ¥103.8 billion.

^{*2} Balance of problem assets based on the Financial Reconstruction Law / Total credit exposure

^{*3} Please refer to the graph of the non-consolidated capital adequacy ratio (domestic criteria) on P29.

Line item amounts are truncated below ¥100 million; numbers of accounts are truncated below 10 thousands accounts; percentage change figures are rounded.

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

<Reference> On Managerial Accounting Basis

(Billions of yen)	FY12.1H	FY13.1H	Change	
Gross operating profit	8.9	10.9	+2.0	+22.7%
Net interest income* ¹ ①	8.5	9.1	+0.5	+6.8%
Net fees and commissions* ² ②	0.2	0.4	+0.2	+81.2%
Net other operating income* ³	0.1	1.3	+1.2	—
Gross operating profit (core profit) (A)=①+②	8.8	9.6	+0.8	+9.1%
Operating expenses and other expenses ③	6.8	7.2	+0.3	+4.8%
Net operating profit (core profit) =(A)−③	1.9	2.4	+0.4	+24.2%

■ 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.

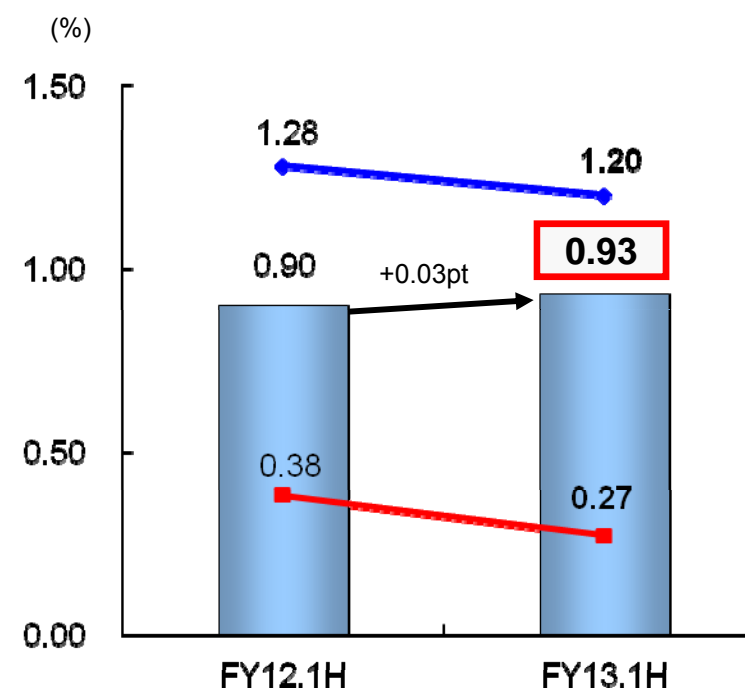
*3: Net other operating income: After the above adjustments (*1 and *2), consists of profits and losses for bond and derivative dealing transactions.

■ 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)

◆ Yield on investment ■ Yield on financing
■ Interest spread



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

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

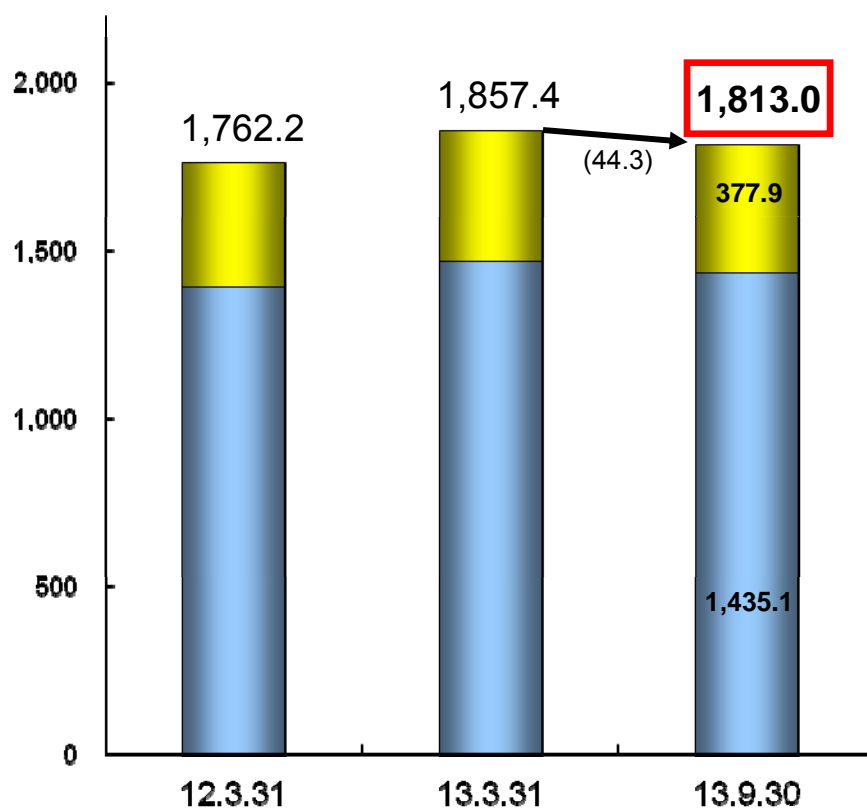
Operating Performance: Sony Bank (Non-consolidated) (1)



Deposits

■ Yen deposits ■ Foreign currency deposits

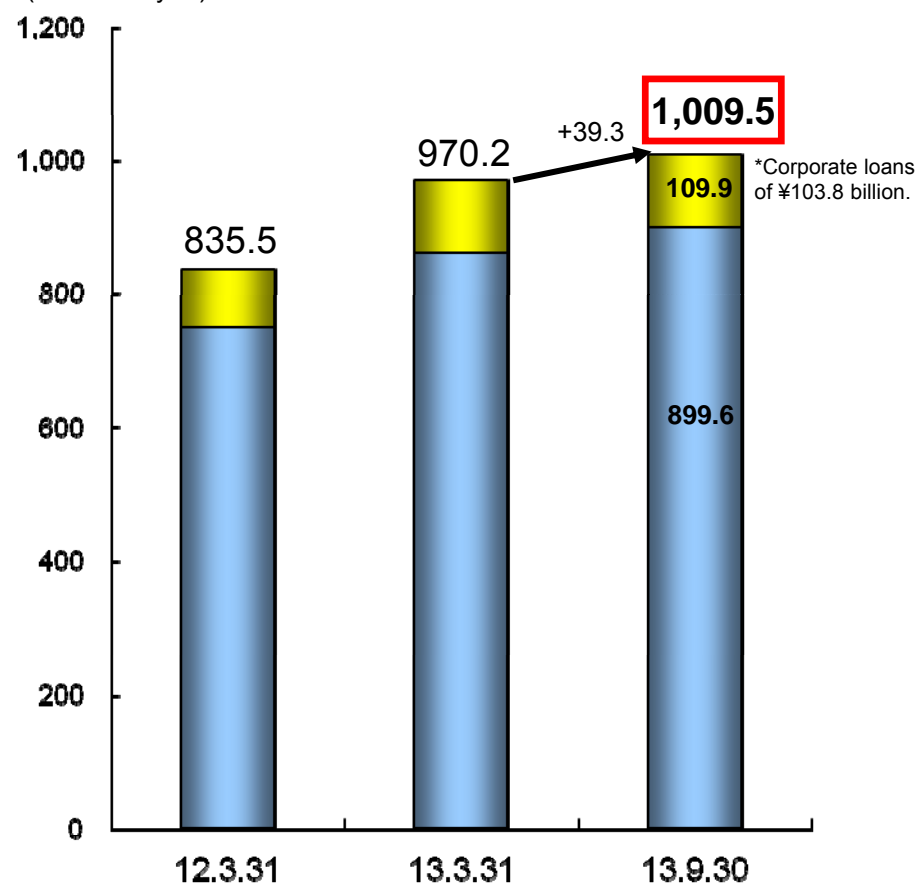
(Billions of yen)



Loans

■ Mortgage loans ■ Others

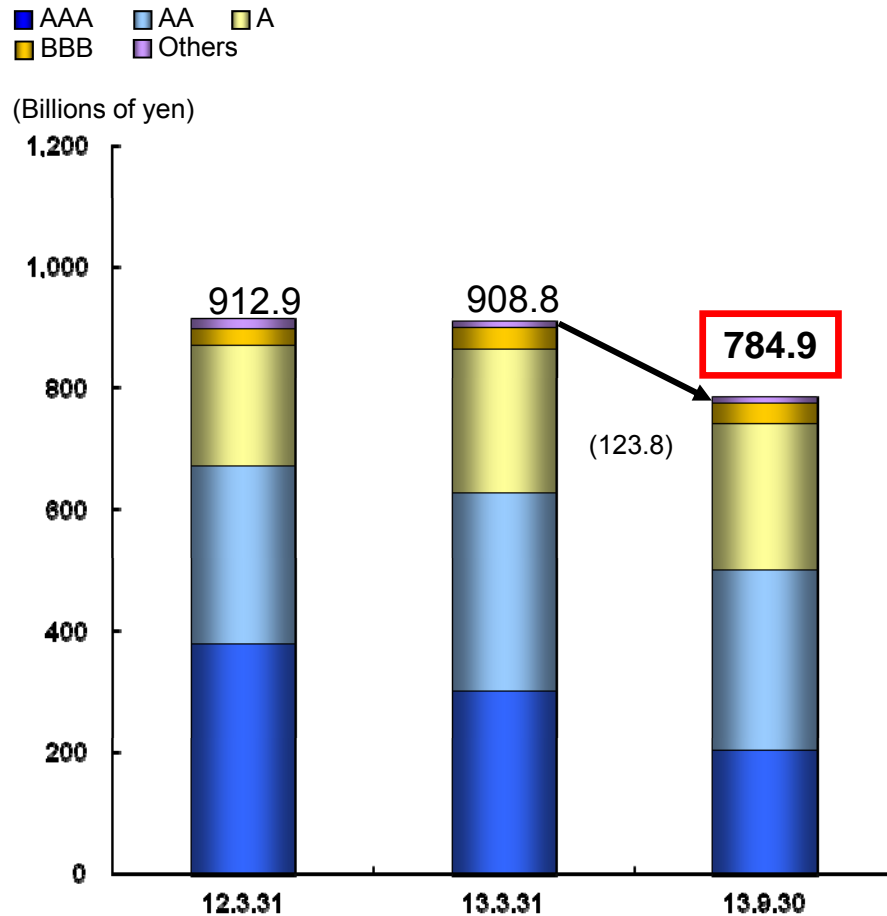
(Billions of yen)



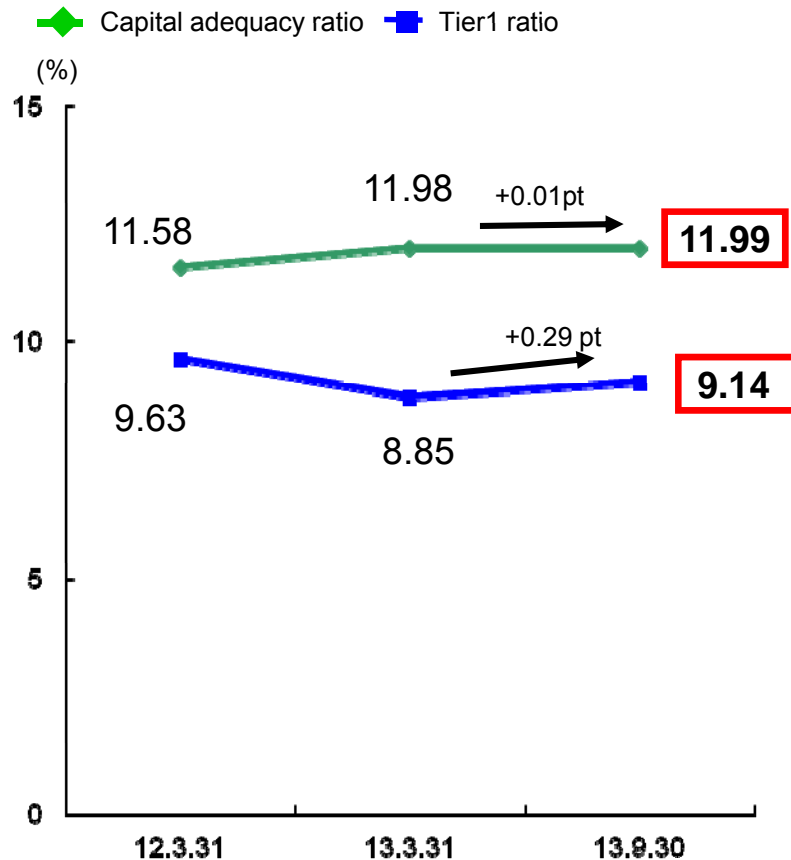
Line item amounts are truncated below ¥100 million.

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

Balance of Securities by Credit Rating



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.

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, while forecasts of the non-life insurance and banking businesses are revised upward.

(Billions of yen)	FY2012 (Actual)	FY2013 (Forecast)	Change
Consolidated ordinary revenues	1,259.0	1,222.0	(2.9%)
Life insurance business	1,142.3	1,099.9	(3.7%)
Non-life insurance business	84.7	88.5⇒89.5	+4.5%⇒+5.7%
Banking business	34.3	34.0⇒34.9	(0.9%)⇒+1.7%
Consolidated ordinary profit	79.2	69.0	(12.9%)
Life insurance business	72.7	61.4	(15.5%)
Non-life insurance business	2.3	3.0⇒3.8	+30.4%⇒+60.2%
Banking business	3.9	4.3⇒5.2	+10.3%⇒+31.5%
Consolidated net income	45.0	37.0	(17.9%)

■Life insurance business

The forecast of ordinary revenues and ordinary profit remains unchanged because the actual results for the first half of the fiscal year were close to the amounts we had expected.

■Non-life insurance business

We have revised our forecast for ordinary revenues for the full fiscal year because the net premiums written in its mainstay automobile insurance during the first half were higher than we had expected, and we expect this trend will continue in the second half. We have also revised ordinary profit for the full fiscal year because the loss ratio for the first half was significantly lower than we had expected, in addition to the increase in ordinary revenues.

■Banking business

We have revised our forecast for ordinary revenues for the full fiscal year because of higher-than expected income from gains related to foreign exchange transactions during the first half. We have also revised our forecast for ordinary profit for the full fiscal year because of better-than-expected first-half performance due to an improvement in net gains on bond-dealing transactions.

As for Sony Life's calculation policy of the reserve for price fluctuations, Sony Life accumulate reserve in excess of a required level in line with its policy in this fiscal year ending March 31, 2014. However, Sony Life will change its policy to accumulate reserve up to a required level from the next fiscal year ending March 31, 2015.

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

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

Sony Life's MCEV as of September 30, 2013

(Billions of yen)	13.3.31	13.6.30	13.9.30	Change from 13.3.31	Change from 13.6.30
MCEV	1,064.7	1,149.9	1,158.2	+93.5	+8.2
Adjusted net worth	770.8	572.5	682.1	(88.7)	+109.6
Value of existing business	293.9	577.4	476.1	+182.2	(101.3)

Notes:

1. Calculated MCEV for policies in force as of June 30 and September 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 and September 30, 2013.

(Billions of yen)	13.3.31	13.6.30	13.9.30
New business value	41.6(12M)	17.1(3M)	29.7(6M)
New business margin	3.5%	6.5%	6.3%

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

- ◆ **MCEV as of September 30, 2013 increased ¥8.2 billion due mainly to a steady acquisition of new policies despite lower interest rates in the ultra-long term than as of June 30, 2013.**
- ◆ **New business margin as of September 30, 2013 was up from March 31, 2013, 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 from April 2013 onward. New business margin was down from June 30, 2013 due mainly to lower interest rates in the ultra-long term.**

*Please see page 43 for trend on JGB yields.

*** 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 September 30, 2013

(Billions of yen)	13.3.31	13.6.30	13.9.30
Insurance risk	605.6	597.2	610.4
Market-related risk	289.9	234.5	260.1
<i>Of which, interest rate risk*</i>	234.2	175.4	201.0
Operational risk	26.0	25.0	25.2
Counter party risk	2.3	1.7	1.5
Variance effect	(262.5)	(241.3)	(253.7)
The risk amount based on economic value	661.3	617.0	643.5

(Billions of yen)	13.3.31	13.6.30	13.9.30
MCEV	1,064.7	1,149.9	1,158.2

(*) 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

Launch of sales: December 1, 2009

Common stock: ¥22 billion (including capital surplus of ¥11 billion)

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

Marketing products: Individual Variable Annuities

Sales Channels: Lifeplanner sales employees and partner Banks (13*) *As of Nov. 15, 2013



SA Reinsurance Ltd.

Established: October 29, 2009

Common stock: ¥8 billion

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

Business: Reinsurance business

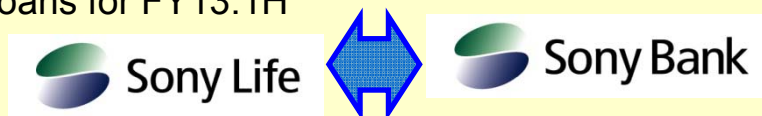
* AEGON Sony Life Insurance and SA Reinsurance are equity method companies, 50-50 joint ventures established by Sony Life and AEGON Group.

Sony Bank's Mortgage Loans through Sony Life

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

Sony Life accounts for 20% of the amount of new mortgage loans for FY13.1H

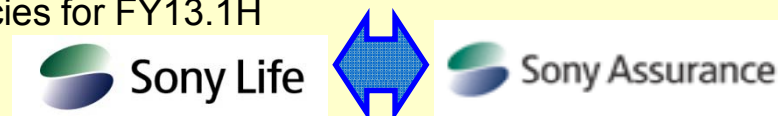
*Sony Life started handling banking agency business in January 2008.



Sony Assurance's Auto Insurance Sold by Sony Life

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

*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 FY2013.1H>

- 2013-7-25 SA Reinsurance increased its capital to ¥8 billion from ¥5 billion*
- 2013-8-1 Sony Assurance enhanced special benefit service for its policyholders with renewal contract.
- 2013-8-12 SFH announced the revision of dividend forecast for the year ending March 31, 2014.
- 2013-8-30 AEGON Sony Life Insurance increased its capital to ¥22 billion from ¥20 billion*
(including capital surplus)
- 2013-10-28 Sony Bank launched new service: automatic saving plans for foreign currency deposits.
- 2013-10-31 Sony Bank closed its representative office in Sydney.
- 2013-11-11 Sony Financial Group entered nursing care business.
—Acquired Senior Enterprise Corporation as a wholly owned subsidiary of SFH—
- 2013-11-15 Sony Life starts selling a new educational endowment insurance (non-participating type)
from Jan. 2, 2014.

*AEGON Sony Life Insurance and SA Reinsurance are equity method companies, 50-50 joint ventures established by Sony Life and AEGON Group.
Half of the above mentioned capital increases was executed by Sony Life.

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

Fair Value Information on Securities

Fair Value Information on Securities

(Billions of yen)	12.3.31			13.3.31			13.9.30		
	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	4,129.0	4,548.0	419.0
Available-for-sale securities	895.1	956.1	60.9	955.9	1,079.2	123.2	1,009.0	1,119.6	110.5
Japanese government and corporate bonds	849.1	902.6	53.4	925.3	1,036.9	111.6	974.9	1,072.4	97.4
Japanese stocks	29.1	34.9	5.8	14.7	20.9	6.2	16.2	24.9	8.7
Foreign securities	15.3	16.7	1.3	14.4	18.6	4.2	16.3	19.7	3.4
Other securities	1.4	1.7	0.2	1.4	2.6	1.1	1.4	2.4	0.9
Total	4,299.9	4,516.8	216.8	4,830.2	5,505.2	675.0	5,138.0	5,667.7	529.6

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

12.3.31		13.3.31		13.9.30	
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)	FY12.1H	FY13.1H	Change
Cash and deposits	0	0	(52.8%)
Japanese government and corporate bonds	42,353	47,874	+13.0%
Japanese stocks	295	198	(32.9%)
Foreign securities	1,255	2,868	+128.5%
Other securities	143	47	(67.2%)
Loans	2,705	2,820	+4.2%
Real estate	5,431	5,145	(5.3%)
Others	14	17	+20.5%
Total	52,199	58,971	+13.0%

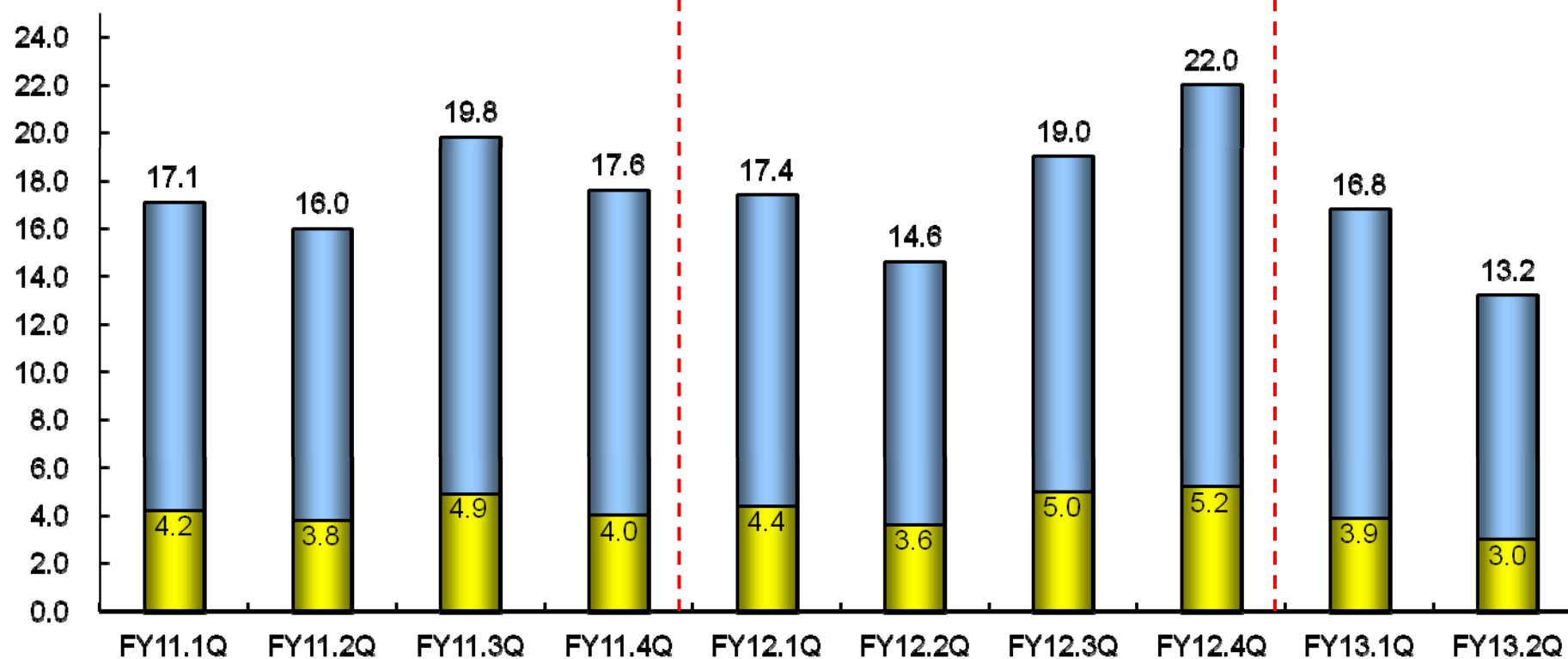
Line item amounts are truncated below ¥1 million

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

Quarterly trend on Annualized Premiums from New Policies

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

(Billions of yen)



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)
Interest rate risk Fluctuations in net asset value based on economic value in response to the shocks in the right columns. The same applies below	-For each currency, uses whatever interest rate increase or decrease generates the largest loss - Percentage increases or decreases differ for each currency and term (example: yen 10-year, 49% decrease) However, a minimum decrease of 1% with minimum interest rate of 0%	-For each currency, uses whatever interest rate increase or decrease generates the largest loss -Percentage increases or decreases differ for each currency and term (example, yen 10-year, 31% decrease) However, a minimum decrease of 1% with minimum interest rate of 0%
Equity risk	-Listed equities and REIT 45% decline -Unlisted equities 55% -Other securities 70% -Subsidiaries, affiliated companies and strategic investment 100%	-Global 30% -Others 40% (Note 2)
Real estate risk	Actual real estate 25%	Same as on the left
Credit risk	Credit risk = (market value) x (risk coefficient for each credit rating) x adjusted duration Note that adjusted durations have caps and floors, depending on credit ratings. (Example) Rating A: Risk coefficient (1.4%), cap (23), floor (1)	Same as on the left
Currency risk	30% downside fluctuation	25% downside fluctuation

Notes

1. Principal items as of September 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%.

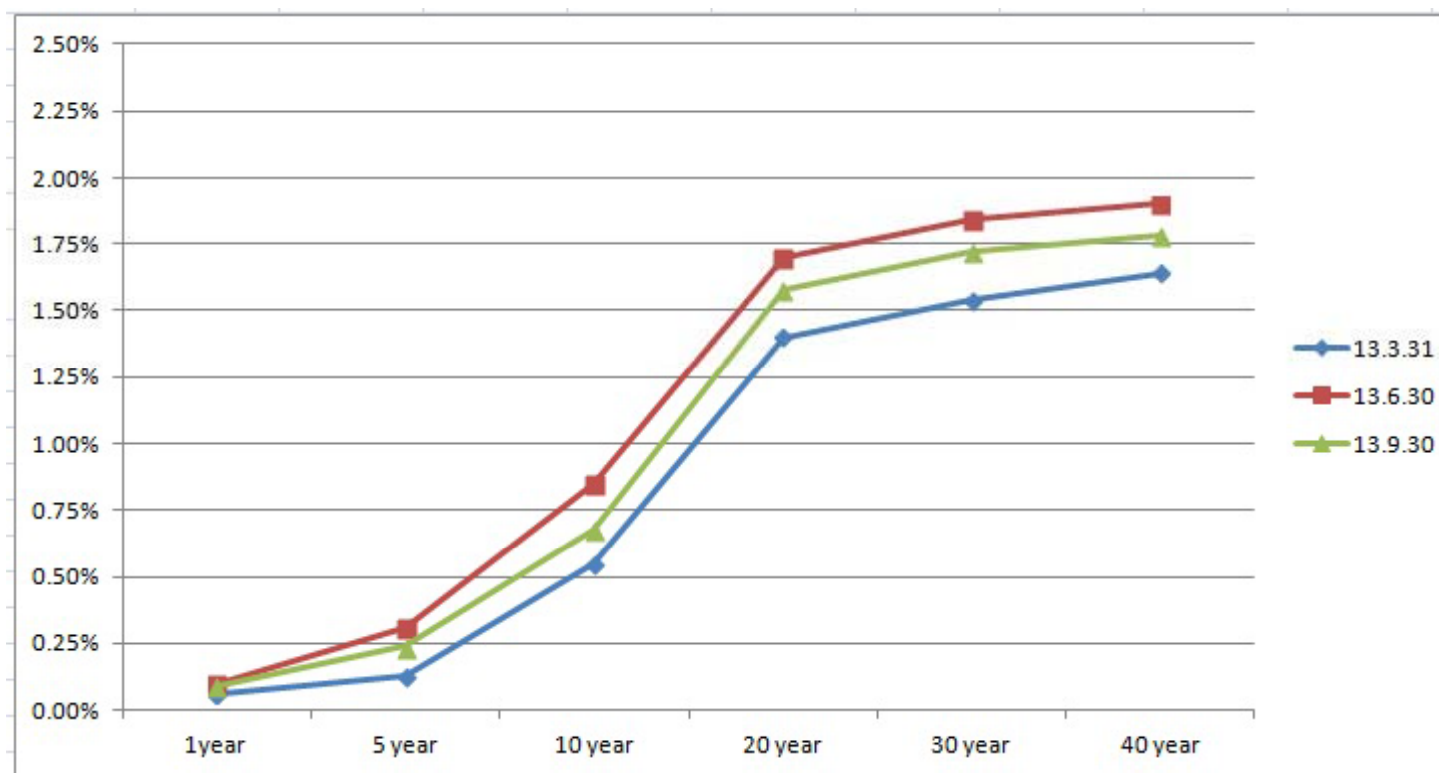
Method of Measuring Risk Amount Based on Economic Value (2)

■ 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	The largest amount of these*; -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	The largest amount of these; -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	Operating expenses increase by 10% for each year elapsed Rate of inflation rises by 1%	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.

Appendix : JGB Yields



JGB yields	13.3.31	13.6.30	13.9.30	13.3.31 → 13.9.30	13.6.30 → 13.9.30
1year	0.06%	0.10%	0.09%	0.03%	(0.01%)
5 year	0.13%	0.31%	0.24%	0.11%	(0.07%)
10 year	0.55%	0.85%	0.68%	0.14%	(0.16%)
20 year	1.40%	1.70%	1.58%	0.18%	(0.13%)
30 year	1.54%	1.84%	1.72%	0.17%	(0.13%)
40 year	1.64%	1.90%	1.78%	0.15%	(0.12%)



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