
Presentation Material

Consolidated Financial Results for the Nine Months Ended December 31, 2013 and Sony Life's Market Consistent Embedded Value as of December 31, 2013

**Sony Financial Holdings Inc.
February 14, 2014**

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Disclaimers:

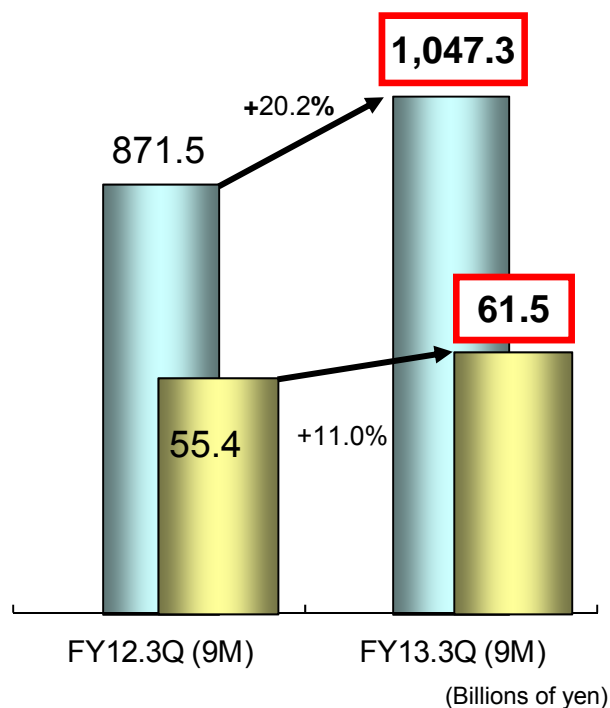
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Consolidated Operating Results for the Nine Months Ended December 31, 2013

Highlights of Consolidated Operating Performance for the Nine Months Ended December 31, 2013 (1)



- Consolidated ordinary revenues
- Consolidated ordinary profit



		(Billions of yen)	FY12.3Q (9M)	FY13.3Q (9M)	Change	
Life insurance business	Ordinary revenues		784.3	954.8	+170.4	+21.7%
	Ordinary profit		51.7	53.3	+1.5	+2.9%
Non-life insurance business	Ordinary revenues		63.8	67.4	+3.6	+5.7%
	Ordinary profit		1.0	2.7	+1.7	+164.8%
Banking business	Ordinary revenues		25.1	27.0	+1.8	+7.5%
	Ordinary profit		2.5	5.2	+2.7	+110.0%
Intersegment adjustments*	Ordinary revenues		(1.8)	(1.9)	(0.1)	—
	Ordinary profit		0.1	0.2	+0.0	+42.6%
Consolidated	Ordinary revenues		871.5	1,047.3	+175.8	+20.2%
	Ordinary profit		55.4	61.5	+60.0	+11.0%
	Net income		32.7	35.3	+2.5	+7.8%

		(Billions of yen)	13.3.31	13.12.31	Change from 13.3.31	
Consolidated	Total assets		8,096.1	8,682.6	+586.5	+7.2%
	Net assets		435.4	456.8	+21.4	+4.9%

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

*Comprehensive income: FY12.3Q (9M): ¥46.8 billion, FY13.3Q (9M): ¥32.3 billion

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

Highlights of Consolidated Operating Performance for the Nine Months Ended December 31, 2013 (2)

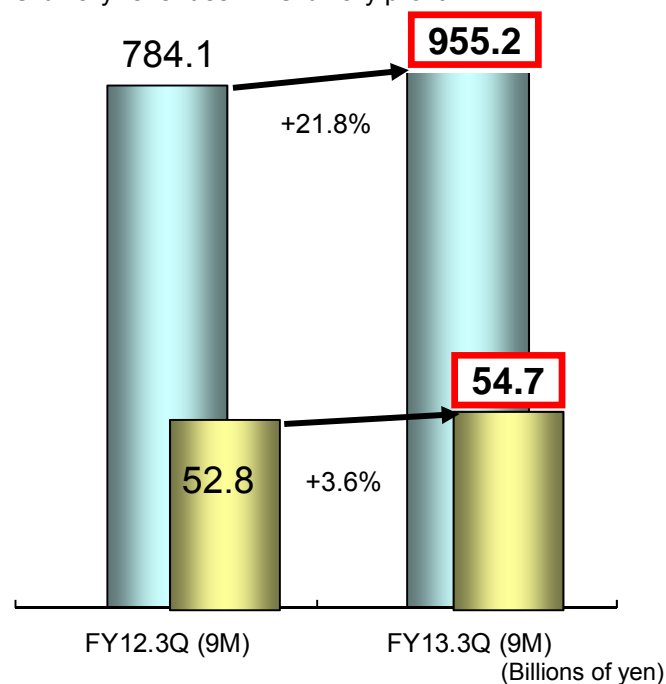


- **Life Insurance Business:** Ordinary revenues increased compared with the same period of the previous fiscal year mainly because an increase in income from insurance premiums due to an increase in the sale of lump-sum payment endowment insurance and steady growth in policy amount in force. An increase in the investment income due to higher gains on separate accounts, net resulting from the market recovery also contributed to the rise in ordinary revenues. Ordinary profit expanded year on year owing to an increase in the positive spread and a reversal of policy reserves for minimum guarantees for variable life insurance, despite 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 the revision of premium rates for automobile insurance and a lower car accident ratio owing to 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 due mainly to an improvement in net gains on bond-dealing transactions and a decrease in interest expenses.
- **Consolidated ordinary revenues increased 20.2%** compared with the same period of the previous fiscal year, to ¥1,047.3billion, owing to increases in ordinary revenues from all businesses: life insurance, non-life insurance and banking. Consolidated ordinary profit increased 11.0% year on year, to ¥61.5 billion, owing also to increases in ordinary profits from all the businesses. Consolidated net income was up 7.8% year on year, to ¥35.3 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 and ordinary profit increased year on year.
- ◆ Income from insurance premiums increased due to an increase in the sale of lump-sum payment endowment insurance and steady growth in policy amount in force.
- ◆ Investment income increased due mainly to higher gains on separate accounts, net resulting from the market recovery.
- ◆ Ordinary profit expanded year on year owing to an increase in the positive spread and a reversal of policy reserves for minimum guarantees for variable life insurance, despite 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)	FY12.3Q (9M)	FY13.3Q (9M)	Change	
Ordinary revenues	784.1	955.2	+171.0	+21.8%
Income from insurance premiums	657.3	738.7	+81.4	+12.4%
Investment income	111.4	194.8	+83.4	+74.9%
Interest income and dividends	80.3	90.2	+9.8	+12.3%
Income from monetary trusts, net	3.9	3.9	+0.0	+1.3%
Gains on sale of securities	2.3	0.6	(1.6)	(71.4%)
Gains on separate accounts, net	24.7	98.7	+74.0	+299.2%
Ordinary expenses	731.2	900.4	+169.1	+23.1%
Insurance claims and other payments	215.5	251.4	+35.8	+16.6%
Provision for policy reserves and others	409.5	536.3	+126.8	+31.0%
Investment expenses	9.4	6.0	(3.4)	(36.0%)
Losses on sale of securities	1.5	0.0	(1.5)	(97.0%)
Operating expenses	80.0	85.5	+5.4	+6.8%
Ordinary expenses	52.8	54.7	+1.8	+3.6%
Net income	31.1	31.5	+0.3	+1.3%
(Billions of yen)	13.331	13.1231	Change from 13.331	
Securities	5,211.5	5,793.8	+582.3	+11.2%
Policy reserves	5,472.9	6,009.2	+536.3	+9.8%
Total net assets	342.3	358.8	+16.5	+4.8%
Net unrealized gains on other securities, net of taxes	80.2	76.4	(3.7)	(4.7%)
Total assets	5,952.7	6,507.3	+554.6	+9.3%
Separate account assets	550.6	651.0	+100.4	+18.2%

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

Overview of Performance

Sony Life (Non-consolidated)

(Billions of yen)	FY12.3Q (9M)	FY13.3Q (9M)	Change
New policy amount	3,215.9	3,003.1	(6.6%)
Lapse and surrender amount	1,451.5	1,327.5	(8.5%)
Lapse and surrender rate	4.03%	3.52%	(0.51pt)
Policy amount in force	37,203.6	38,863.7	+4.5%
Annualized premiums from new policies	51.1	48.7	(4.8%)
Of which, third-sector products	13.1	10.5	(19.7%)
Annualized premiums from insurance in force	657.8	690.8	+5.0%
Of which, third-sector products	155.7	166.3	+6.8%

<Reasons for changes>

◆ Decreased due mainly to lower sales of family income insurance and interest rate-sensitive whole life insurance despite higher sale of lump-sum payment endowment insurance.

◆ Decreased mainly in term-life insurance.

◆ Decreased due to lower sales of educational endowment insurance and interest rate-sensitive whole life insurance despite higher sale of lump-sum payment endowment insurance. Of which, third-sector products, sale of lump-sum payment whole life nursing care insurance decreased.

◆ Almost unchanged because the negative impact from provision of policy reserves resulting from the revision of discount rate used for calculating policy reserves was offset by an increase in the positive spread and a reversal of reserves for minimum guarantees for variable life insurance.

(Billions of yen)	FY12.3Q (9M)	FY13.3Q (9M)	Change
Gains from investment, net (General account)	77.1	90.0	+16.6%
Core profit	57.0	56.6	(0.6%)
Positive spread	1.1	5.7	+418.2%

	13.3.31	13.12.31	Change from 13.3.31
Non-consolidated solvency margin ratio	2,281.8%	2,404.8%	+123.0pt

Notes:

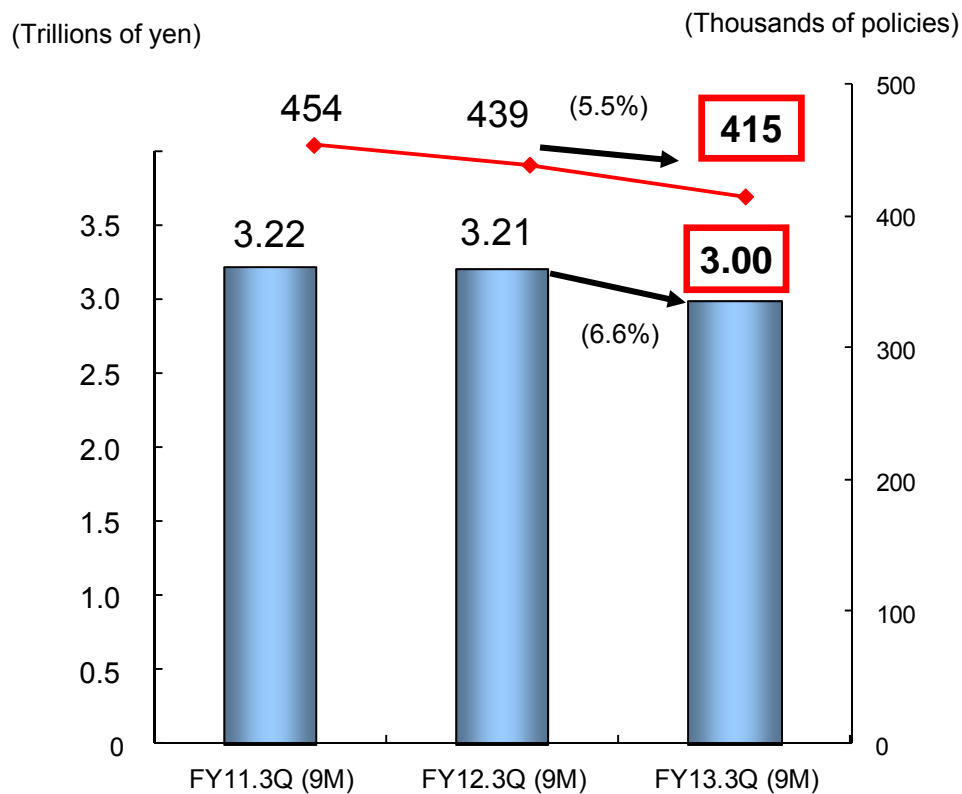
- Figures for new policy amount, lapse and surrender amount, lapse and surrender rate, policy amount in force, annualized premiums from new policies and annualized premiums from insurance in force are calculated as the total of individual life insurance and individual annuities.
- The lapse and surrender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

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

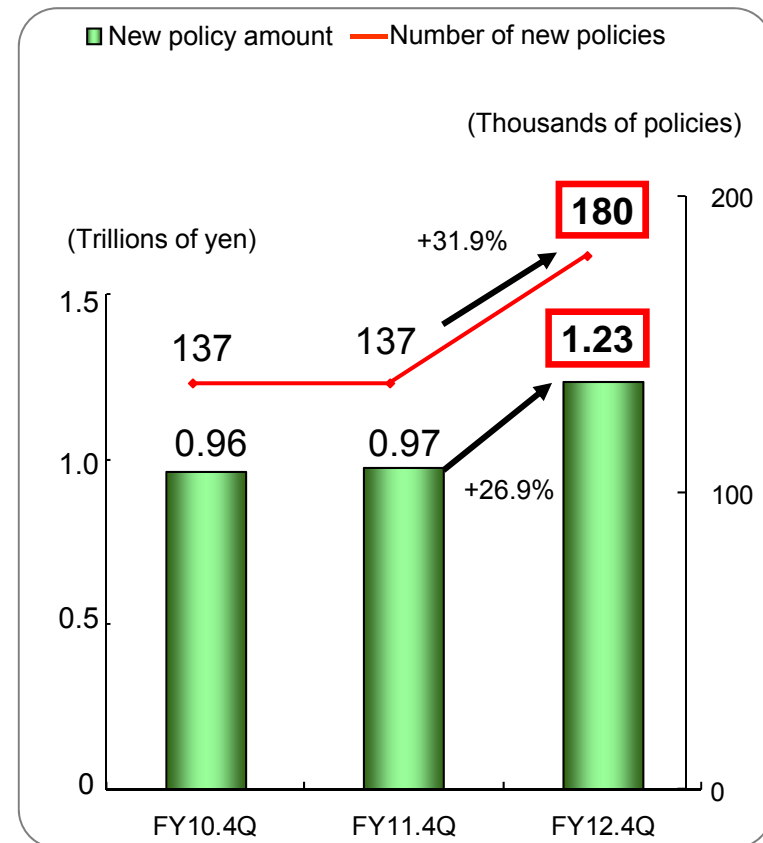
Operating Performance : Sony Life (Non-consolidated) (1)

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

■ New policy amount — Number of new policies



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



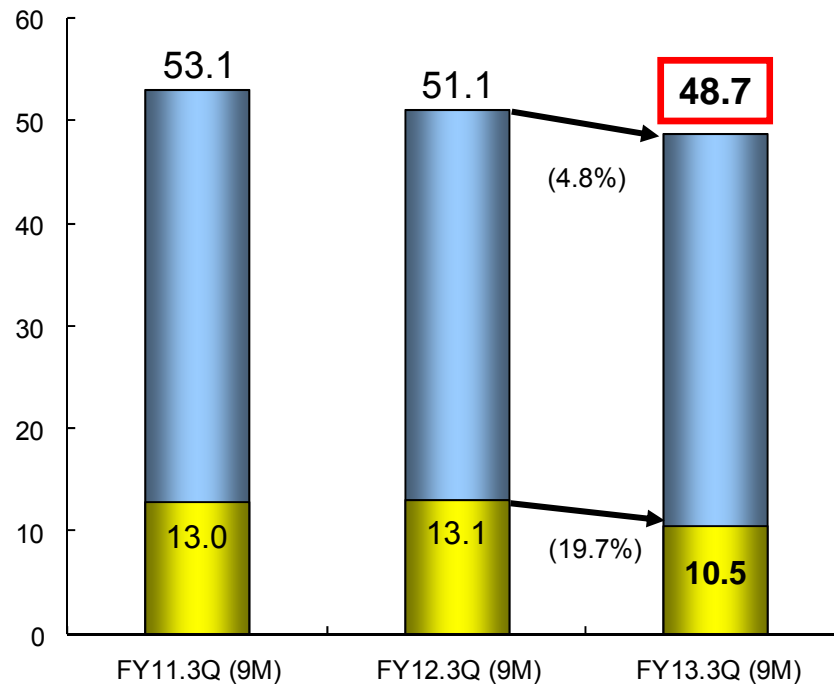
Line item amounts are truncated below ¥10 billion; numbers of policies are truncated below 1,000 policies; percentage change figures are rounded.

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

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

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

(Billions of yen)

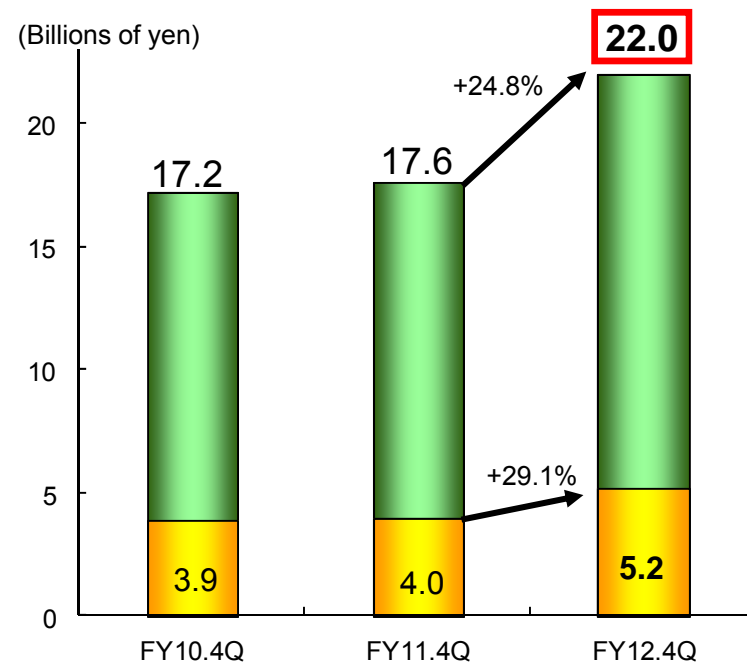


[Reference]

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) (3)



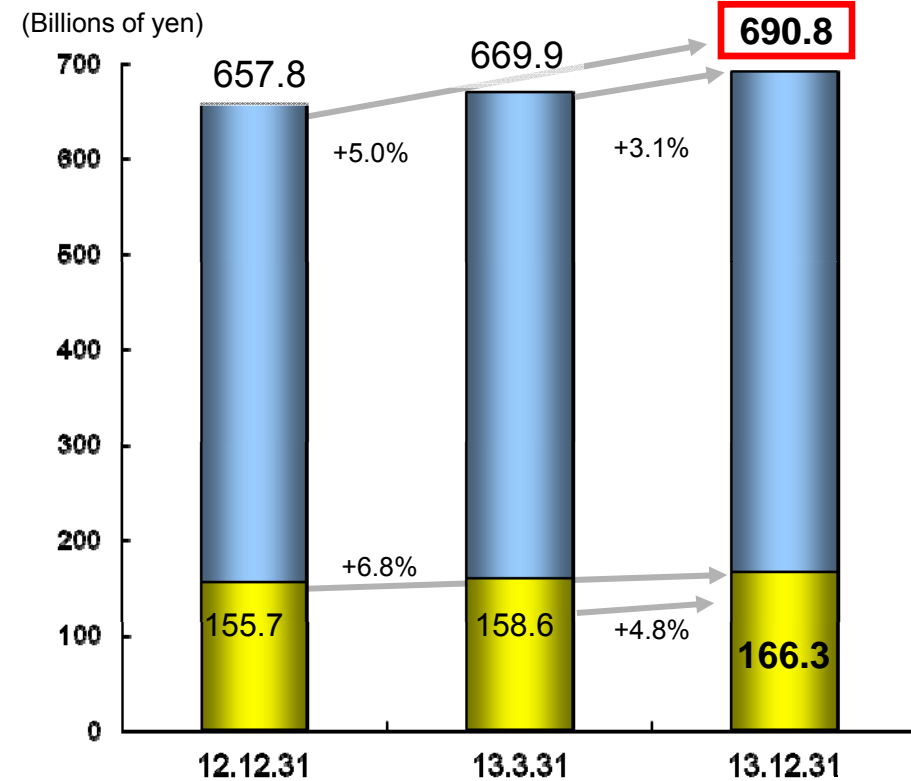
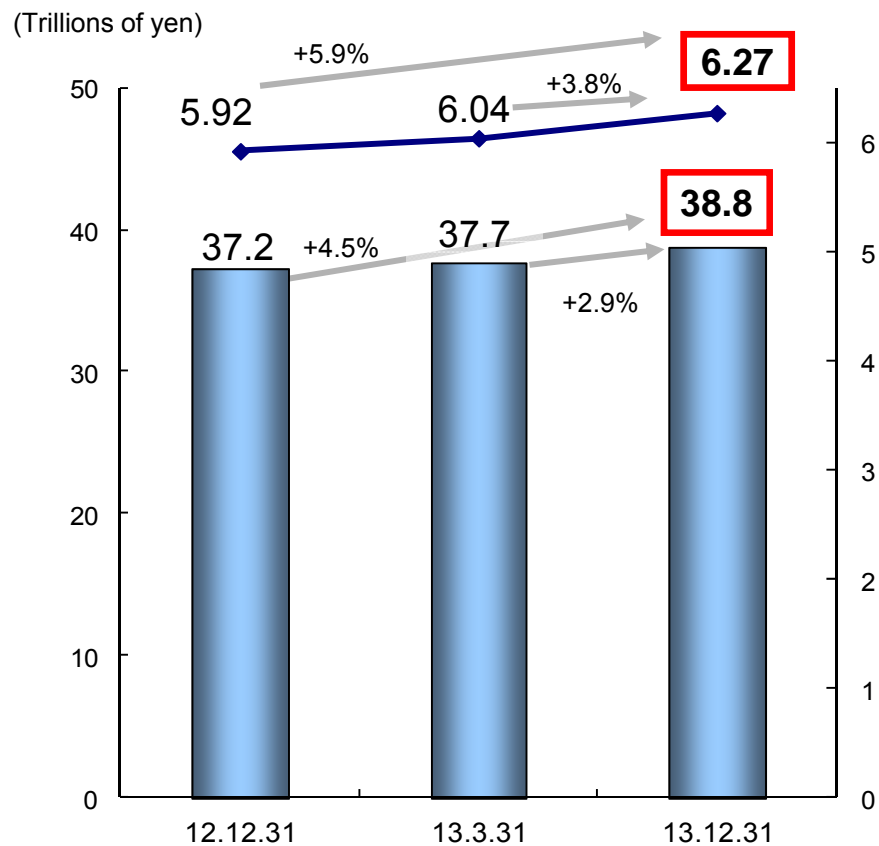
Number and Amount of Policies in Force (Individual Life Insurance + Individual Annuities)

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

■ Policy amount in force — Number of policies in force

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

(Millions of policies)



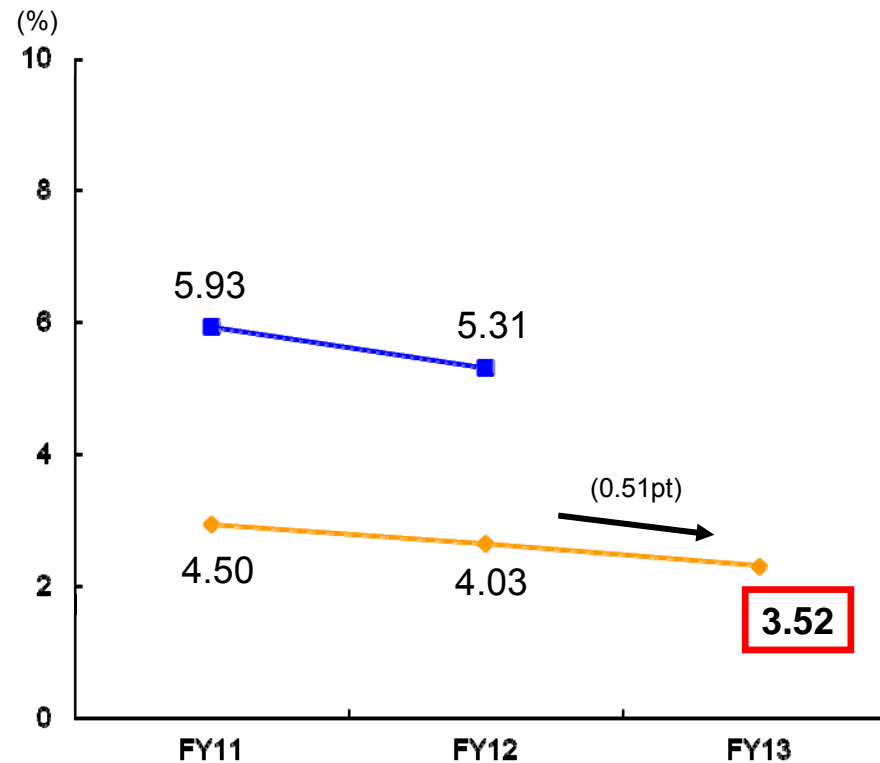
Line item amounts are truncated below ¥100 billion; numbers of policies are truncated below 10,000 policies; percentage change figures are rounded.

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

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

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

- Lapse and surrender rate (Annual)
- ◆ Lapse and surrender rate (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.

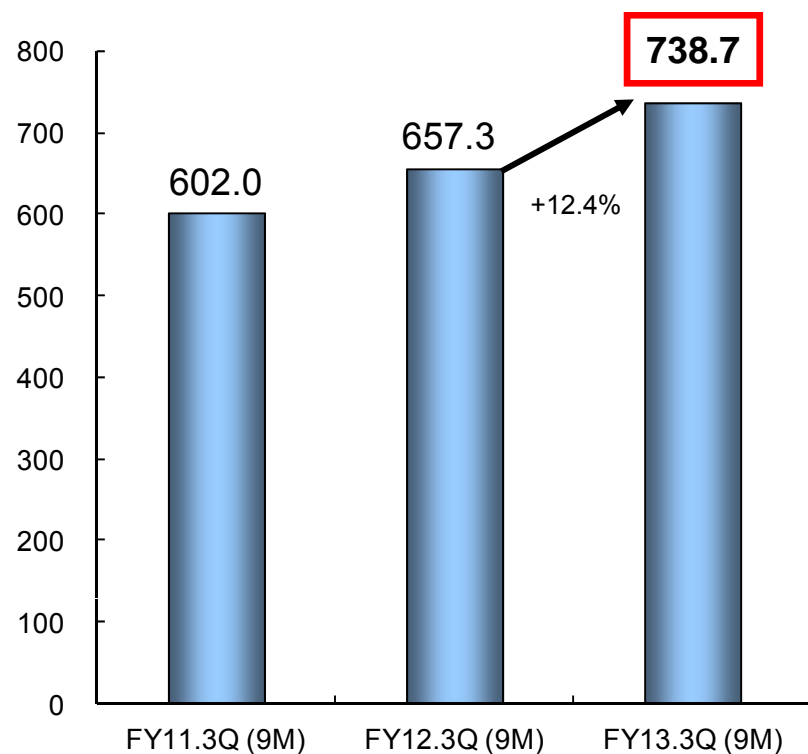
Operating Performance : Sony Life (Non-consolidated) (5)



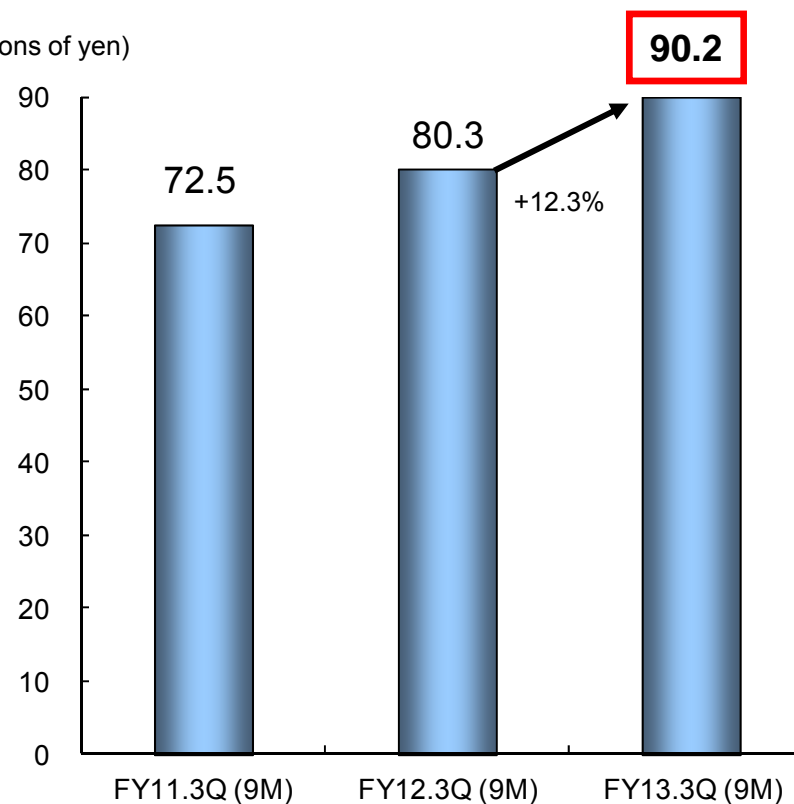
Income from Insurance Premiums

Interest Income and Dividends

(Billions of yen)



(Billions of yen)



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

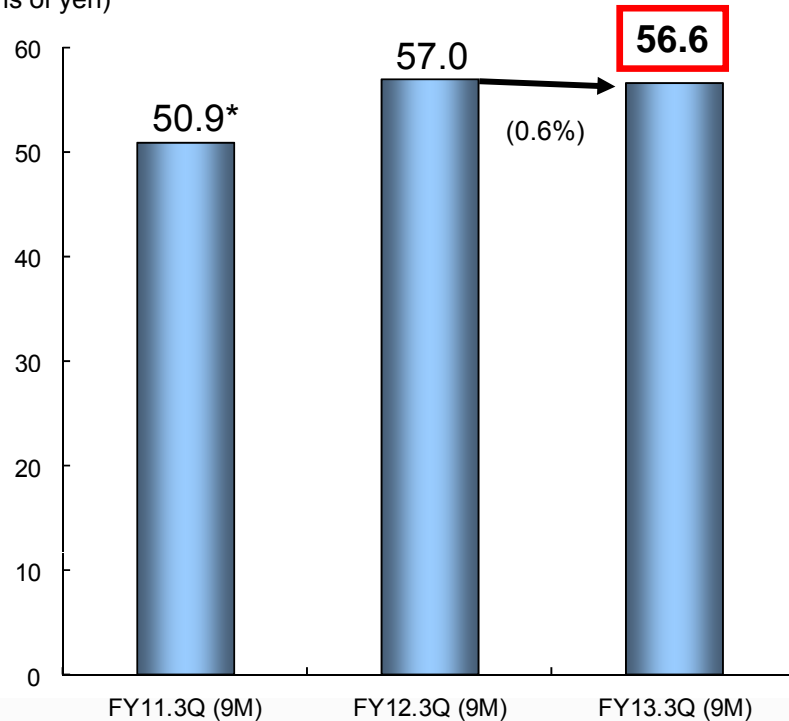
Operating Performance : Sony Life (Non-consolidated) (6)



Core Profit

*Included ¥3.9 billion of a reversal of reserve for outstanding claims related to the Great East Japan Earthquake.

(Billions of yen)



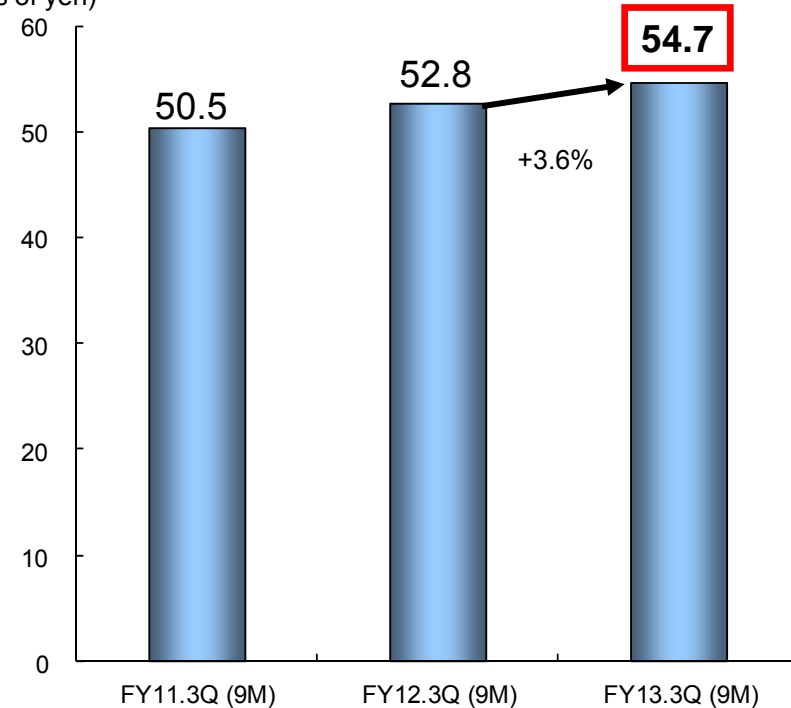
(Reference) Impact on core profit

	(Billions of yen)		
	FY11.3Q (9M)	FY12.3Q (9M)	FY13.3Q (9M)
Positive (Negative) spread	(1.7)	1.1	5.7
Effects by the revision of policy reserve discount rate	—	—	(8.0)
Reversal of policy reserves for minimum guarantees for variable life insurance in the general account assets	(5.6)	(1.2)	0.9

*The plus amount in negative spread indicates positive spread.

Ordinary Profit

(Billions of yen)



(Reference) Main differences from Core Profit

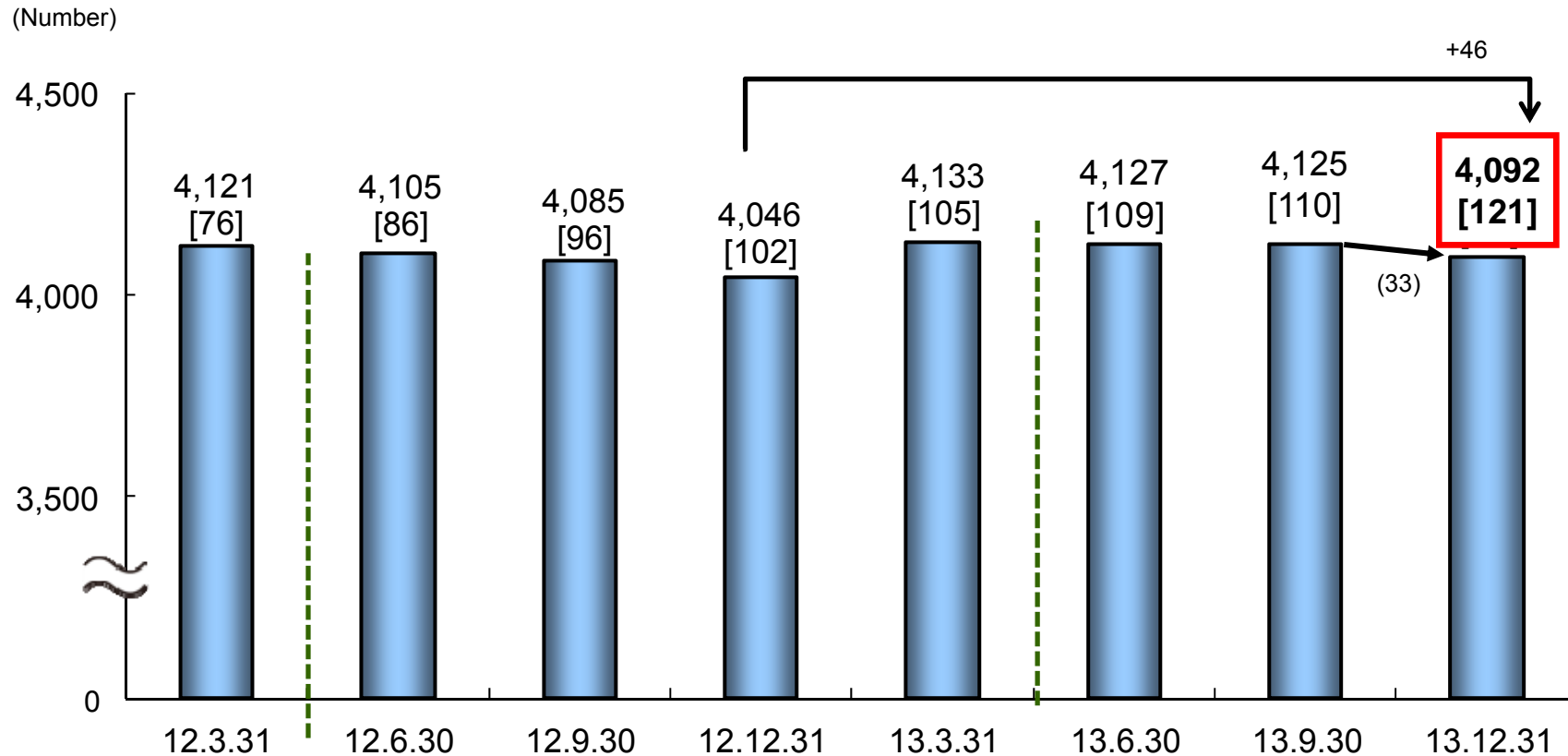
	(Billions of yen)		
	FY11.3Q (9M)	FY12.3Q (9M)	FY13.3Q (9M)
Capital gains (losses)	2.4	(0.8)	1.2
Provision of contingency reserve	(2.7)	(3.0)	(2.9)

**"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) (7)

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) (8)

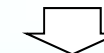
Breakdown of General Account Assets

(Billions of yen)	13.3.31		13.12.31	
	Amount	%	Amount	%
Japanese government and corporate bonds	4,561.0	84.4%	5,016.2	85.7%
Japanese stocks	31.1	0.6%	36.4	0.6%
Foreign securities	62.0	1.1%	74.9	1.3%
Foreign stocks	25.4	0.5%	27.4	0.5%
Monetary trusts	306.1	5.7%	301.5	5.1%
Policy loans	145.0	2.7%	150.8	2.6%
Real estate	70.3	1.3%	67.0	1.1%
Cash and call loans	103.3	1.9%	62.6	1.1%
Others	97.7	1.8%	119.1	2.0%
Total	5,402.1	100.0%	5,856.2	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

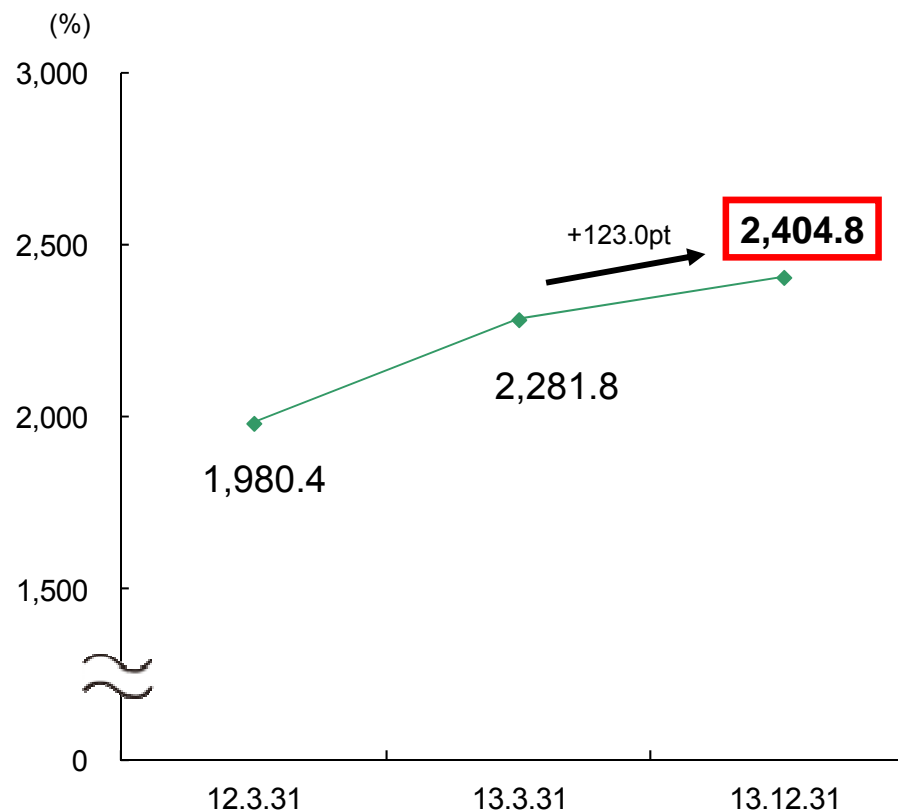
Dec. 31, 2013 19.6 years

- 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 Dec. 31, 2013: 90.8%, (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) (9)

Non-consolidated Solvency Margin Ratio

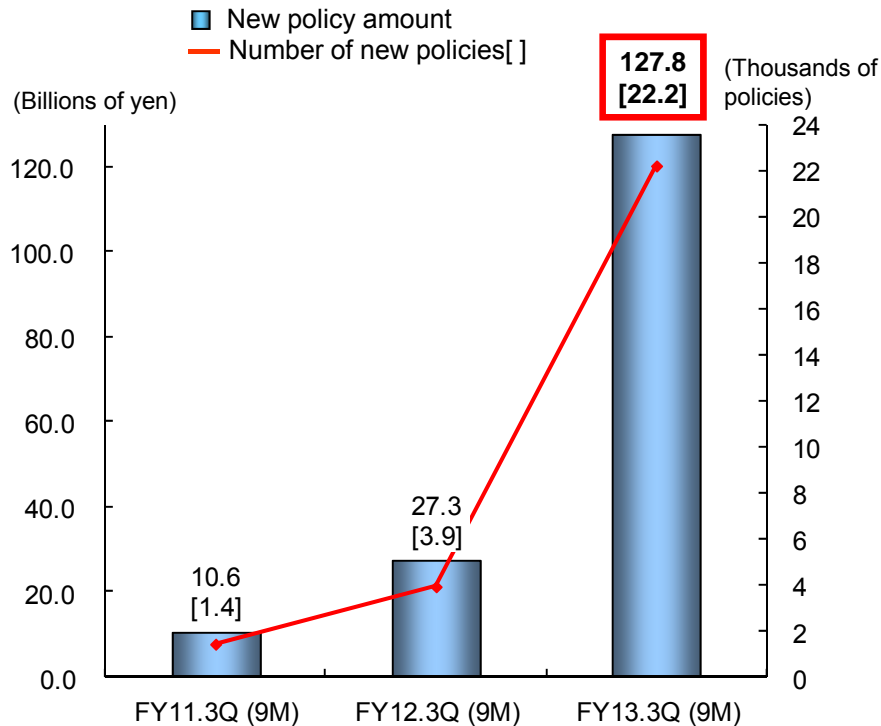


Operating Performance: AEGON Sony Life Insurance

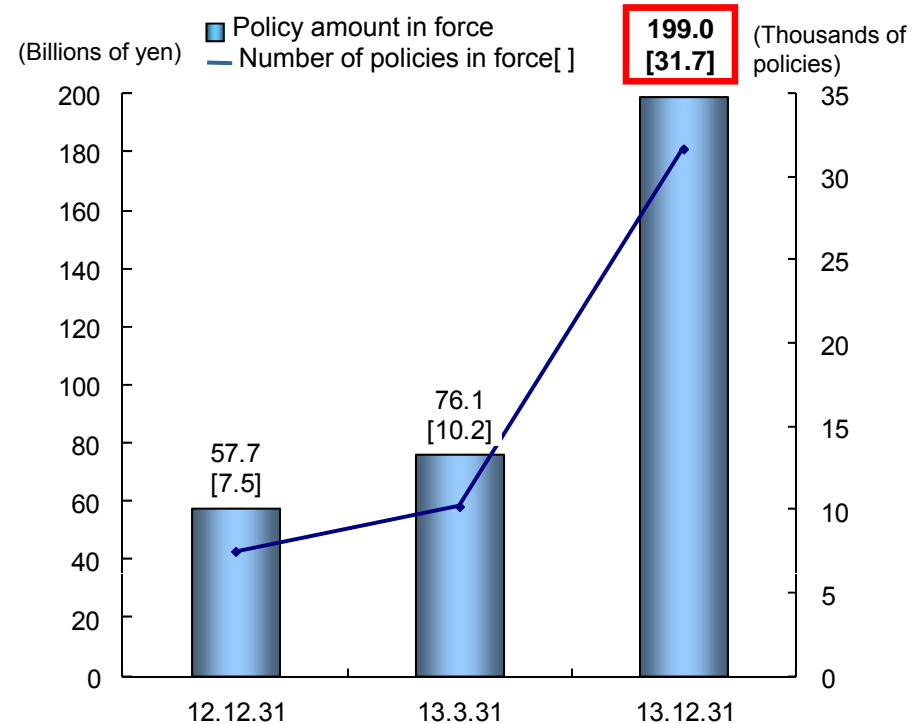


*AEGON Sony Life Insurance sells individual variable annuities.

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.

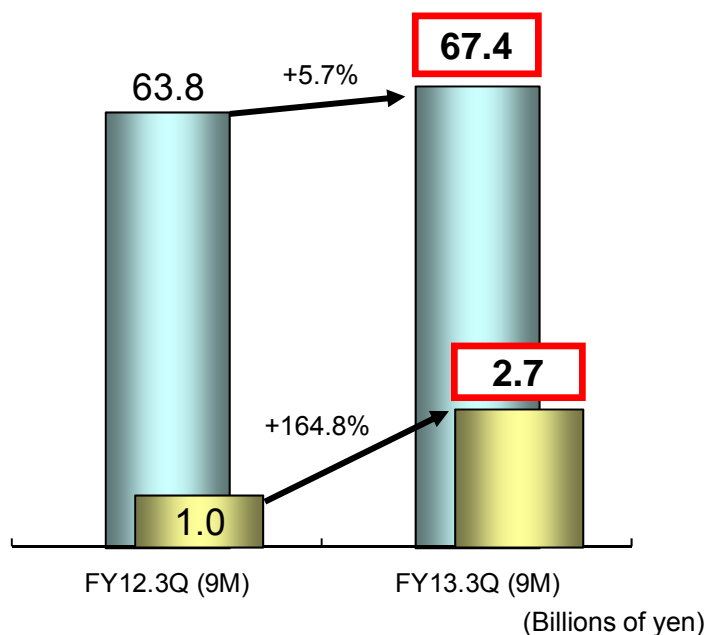
(Billions of yen)	FY12.3Q (9M)	FY13.3Q (9M)	Change		(Reference) FY12
Ordinary revenues	31.3	137.0	+105.6	+336.5%	58.6
Ordinary profit (losses)	(1.7)	(2.5)	(0.7)	—	(2.4)
Net income (losses)	(1.8)	(2.6)	(0.7)	—	(2.5)

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 primarily for its mainstay automobile insurance
- ◆ Ordinary profit increased year on year due to a decline in the loss ratio mainly led by the revision of premium rates for automobile insurance and a lower car accident ratio owing to 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)	FY12.3Q (9M)	FY13.3Q (9M)	Change	
Ordinary revenues	63.8	67.4	+3.6	+5.7%
Underwriting income	63.0	66.5	+3.5	+5.6%
Investment income	0.7	0.8	+0.1	+19.9%
Ordinary expenses	62.7	64.6	+1.9	+3.1%
Underwriting expenses	47.6	49.2	+1.6	+3.4%
Investment expenses	0.0	0.0	(0.0)	(62.3%)
Operating, general and administrative expenses	15.0	15.4	+0.3	+2.1%
Ordinary profit	1.0	2.7	+1.7	+164.8%
Net income	0.5	1.7	+1.1	+191.4%

(Billions of yen)	13.3.31	13.12.31	Change from 13.3.31	
Underwriting reserves	70.6	76.3	+5.7	+8.2%
Total net assets	19.9	21.7	+1.8	+9.2%
Total assets	127.4	136.9	+9.5	+7.5%

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

Overview of Performance: Sony Assurance

(Billions of yen)	FY12.3Q (9M)	FY13.3Q (9M)	Change
Direct premiums written	62.1	65.5	+5.4%
Net premiums written	62.9	66.5	+5.6%
Net losses paid	35.0	35.0	(0.0%)
Underwriting profit	0.3	1.9	+478.3%
Net loss ratio	62.4%	59.7%	(2.7pt)
Net expense ratio	25.5%	24.6%	(0.9pt)
Combined ratio	87.9%	84.3%	(3.6pt)

<Reasons for changes>

◆ Increased primarily in its mainstay automobile insurance.

◆ Decreased mainly led by the revision of premium rates for automobile insurance and a lower car accident ratio owing to 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	13.12.31	Change from 13.3.31	
Number of policies in force	1.55 million	1.59 million	+0.04 million	+2.8%
Non-consolidated solvency margin ratio	504.2%	547.7%	+43.5pt	

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)	FY12.3Q (9M)	FY13.3Q (9M)	Change
Fire	171	184	+7.2%
Marine	—	—	—
Personal accident*	5,883	6,234	+6.0%
Voluntary automobile	56,129	59,151	+5.4%
Compulsory automobile liability	—	—	—
Total	62,185	65,569	+5.4%

Net Premiums Written

(Millions of yen)	FY12.3Q (9M)	FY13.3Q (9M)	Change
Fire	80	92	+14.8%
Marine	105	118	+12.6%
Personal accident*	6,073	6,440	+6.0%
Voluntary automobile	55,922	58,959	+5.4%
Compulsory automobile liability	805	931	+15.7%
Total	62,987	66,542	+5.6%

Net losses paid

(Millions of yen)	FY12.3Q (9M)	FY13.3Q (9M)	Change
Fire	0	1	+108.7%
Marine	160	101	(37.0%)
Personal accident*	1,467	1,537	+4.8%
Voluntary automobile	32,662	32,559	(0.3%)
Compulsory automobile liability	750	840	+12.1%
Total	35,041	35,040	(0.0%)

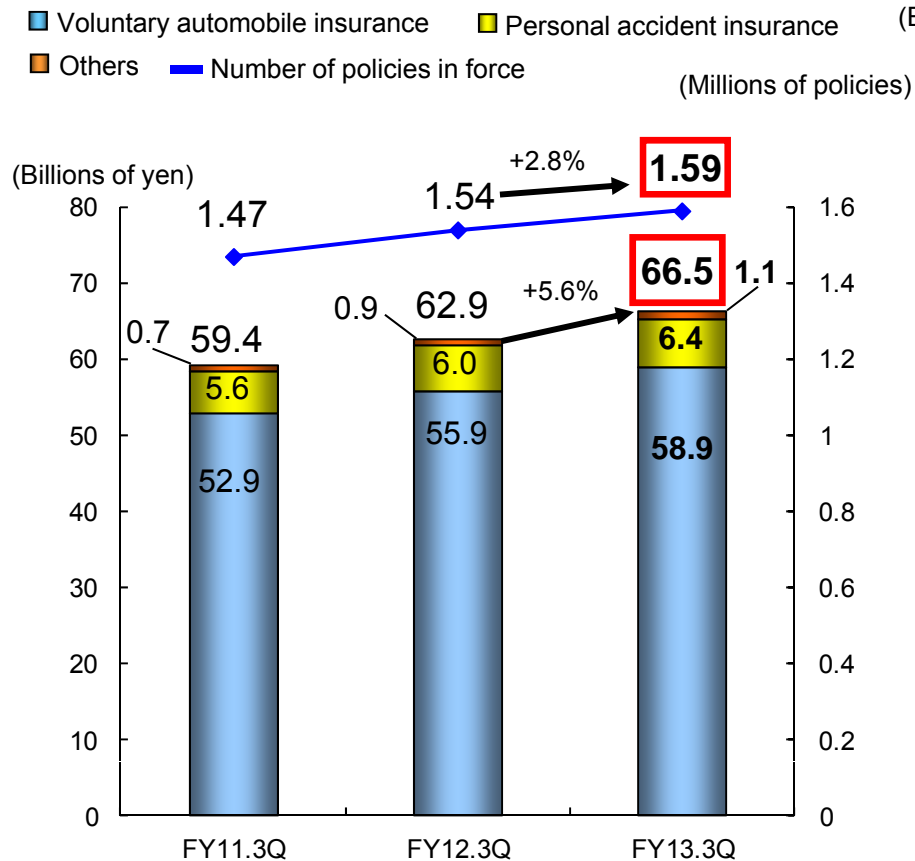
*SURE, medical and cancer insurance is included in personal accident.

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

Operating Performance: Sony Assurance (1)

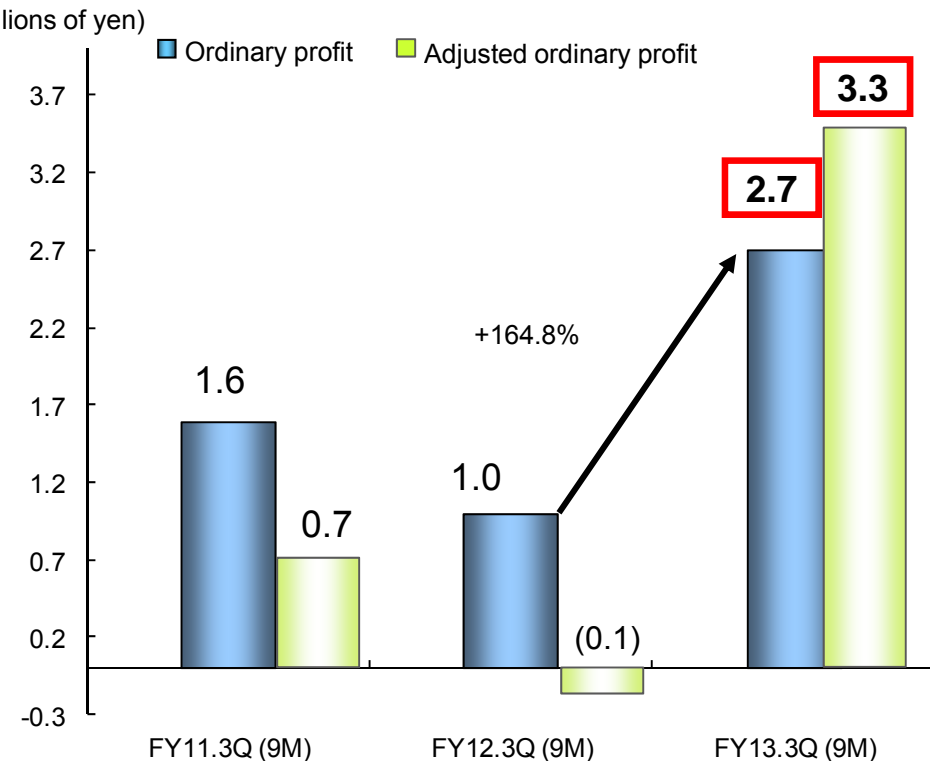


Net Premiums Written and Number of Policies in Force



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 for catastrophe reserve

(Reference) Provision for catastrophe reserve (Billions of yen)

	FY11.3Q (9M)	FY12.3Q (9M)	FY13.3Q (9M)
Provision for catastrophe reserve	(0.9)	(1.1)	0.6

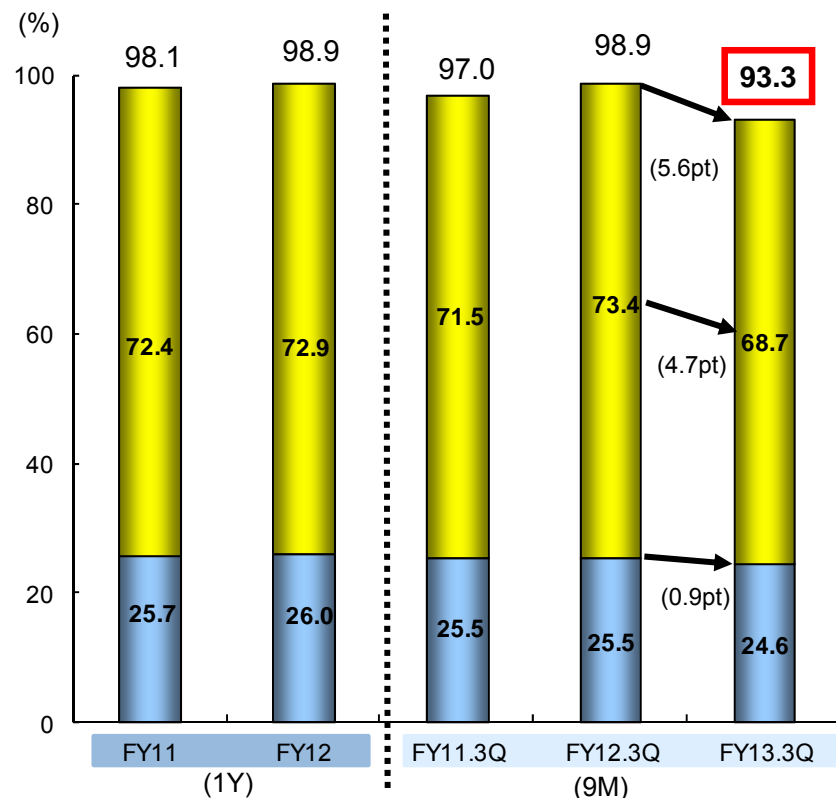
*Reversal for catastrophe reserve is described as negative amount.

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



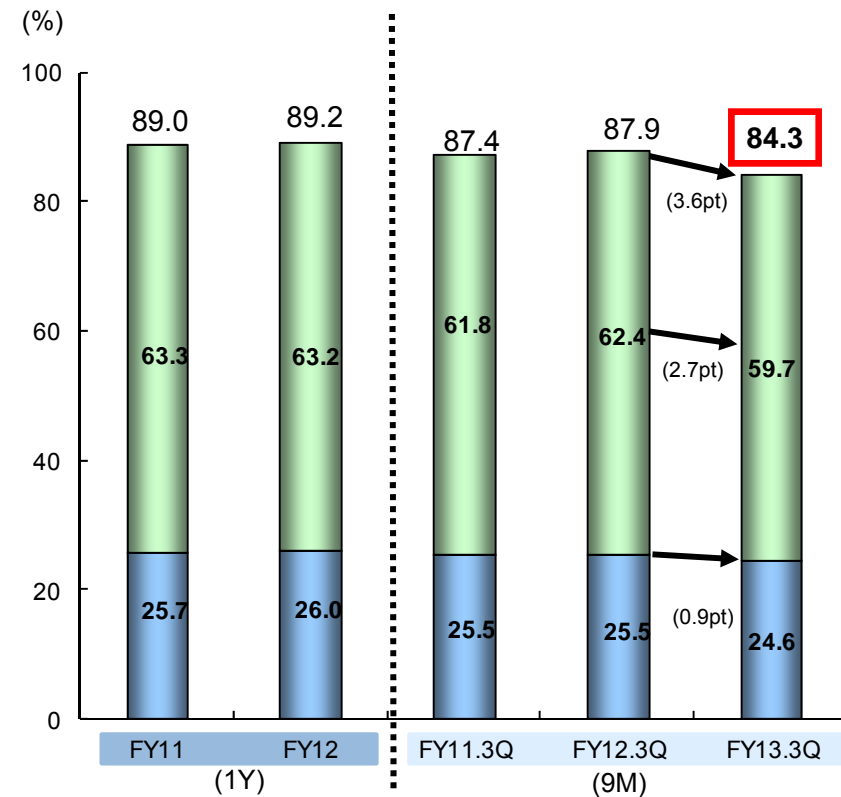
Notes:

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:

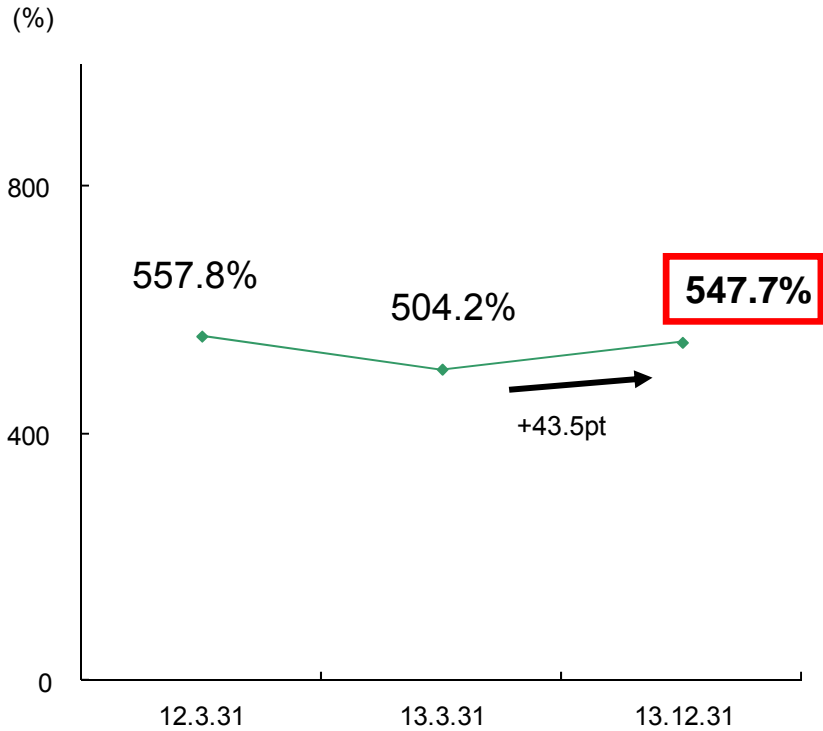
Net loss ratio = (Net losses paid + Loss adjustment expenses) / Net premiums written

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

Operating Performance: Sony Assurance (3)



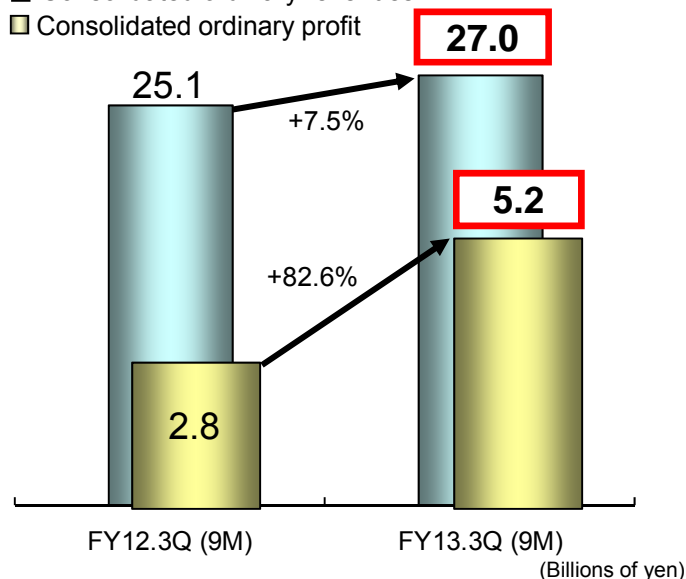
Non-consolidated Solvency Margin Ratio



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



- Consolidated ordinary revenues
- Consolidated ordinary profit



<Consolidated>

◆ Ordinary 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 due mainly to an improvement in net gains on bond-dealing transactions and a decrease in interest expenses.

<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 the growing balance of mortgage loans, and a decrease in interest expenses.
 -Net other operating income increased due mainly to higher gains on foreign exchange transactions stemming from customers' active foreign currency trading, in addition to an improvement in net gains on bond-dealing transactions.

<Consolidated>

(Billions of yen)	FY12.3Q (9M)	FY13.3Q (9M)	Change	
Consolidated ordinary revenues	25.1	27.0	+1.8	+7.5%
Consolidated ordinary profit	2.8	5.2	+2.3	+82.6%
Consolidated net income	2.2	3.2	+0.9	+43.4%

<Non-consolidated>

(Billions of yen)	FY12.3Q (9M)	FY13.3Q (9M)	Change	
Ordinary revenues	22.8	25.1	+2.3	+10.4%
Gross operating profit	13.3	16.4	+3.1	+23.5%
Net interest income	13.1	15.0	+1.9	+14.9%
Net fees and commissions	(0.0)	(0.2)	(0.2)	—
Net other operating income	0.1	1.6	+1.4	+718.1%
General and administrative expenses	10.5	10.9	+0.3	+3.7%
Net operating profit	2.8	5.5	+2.7	+96.4%
Ordinary profit	2.6	5.4	+2.7	+104.8%
Net income (loss)	(0.1)	3.3	+3.5	—

(Billions of yen)	13.3.31	13.12.31	Change from 13.3.31	
Total net assets	67.8	71.9	+4.1	+6.1%
Net unrealized gains on other securities, net of taxes	6.5	6.6	+0.0	+1.3%
Total assets	2,005.0	2,025.0	+19.9	+1.0%

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

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

(Billions of yen)	12.12.31	13.3.31	13.12.31	Change from 13.3.31	
Customer assets	1,973.0	1,974.3	1,972.9	(1.4)	(0.1%)
Deposits	1,868.4	1,857.4	1,857.4	+0.0	+0.0%
Yen	1,488.9	1,467.2	1,504.4	+37.2	+2.5%
Foreign currency	379.4	390.2	353.0	(37.2)	(9.5%)
Investment trusts	104.6	116.9	115.4	(1.4)	(1.3%)
Loans outstanding	929.7	970.2	1,025.1	+54.9	+5.7%
Mortgage loans	830.6	860.3	917.0	+56.6	+6.6%
Others	99.1	109.8	108.1^{*1}	(1.7)	(1.6%)
Capital adequacy ratio (domestic criteria)^{*2}	10.71%	11.98%	11.92%	(0.06pt)	
Tier 1 ratio	8.91%	8.85%	9.12%	+0.27pt	

<Reasons for changes>

◆ Yen deposits increased from March 31, 2013 due to an effect of converting from foreign currencies to yen.

◆ 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.

*1 Loans in others include corporate loans of ¥102.2 billion.

*2 Please refer to the graph of the non-consolidated capital adequacy ratio (domestic criteria) on P28.

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)	FY12.3Q (9M)	FY13.3Q (9M)	Change	
Gross operating profit	13.2	16.3	+3.1	+23.6%
Net interest income* ¹ ①	13.0	13.7	+0.6	+5.0%
Net fees and commissions* ² ②	0.4	0.6	+0.2	+47.0%
Net other operating income* ³	(0.2)	2.0	+2.2	—
Gross operating profit (core profit) (A)=①+②	13.5	14.3	+0.8	+6.5%
Operating expenses and other expenses ③	10.4	10.8	+0.3	+3.8%
Net operating profit (core profit) =(A)-③	3.0	3.5	+0.4	+15.5%

■ 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.

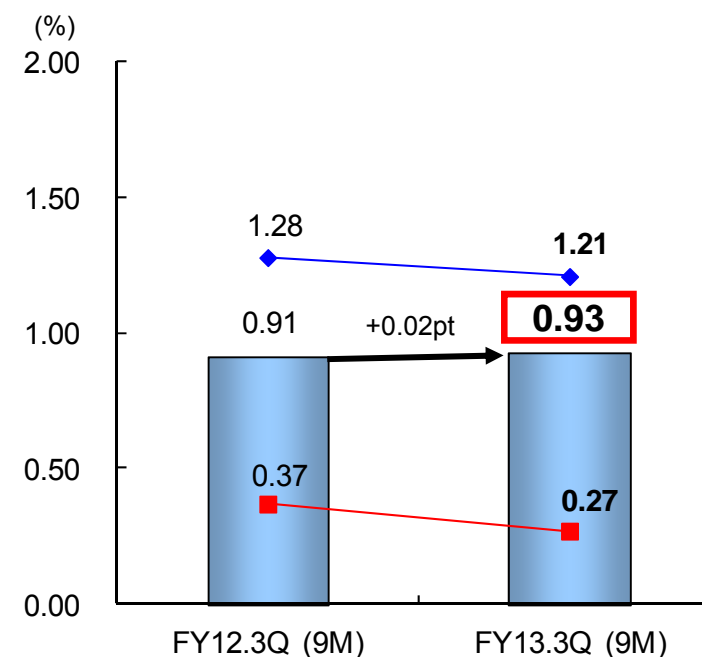
*3: Net other operating income: After the above adjustments (*1 and *2), consists of profits and losses for bond and derivative dealing transactions.

■ 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)

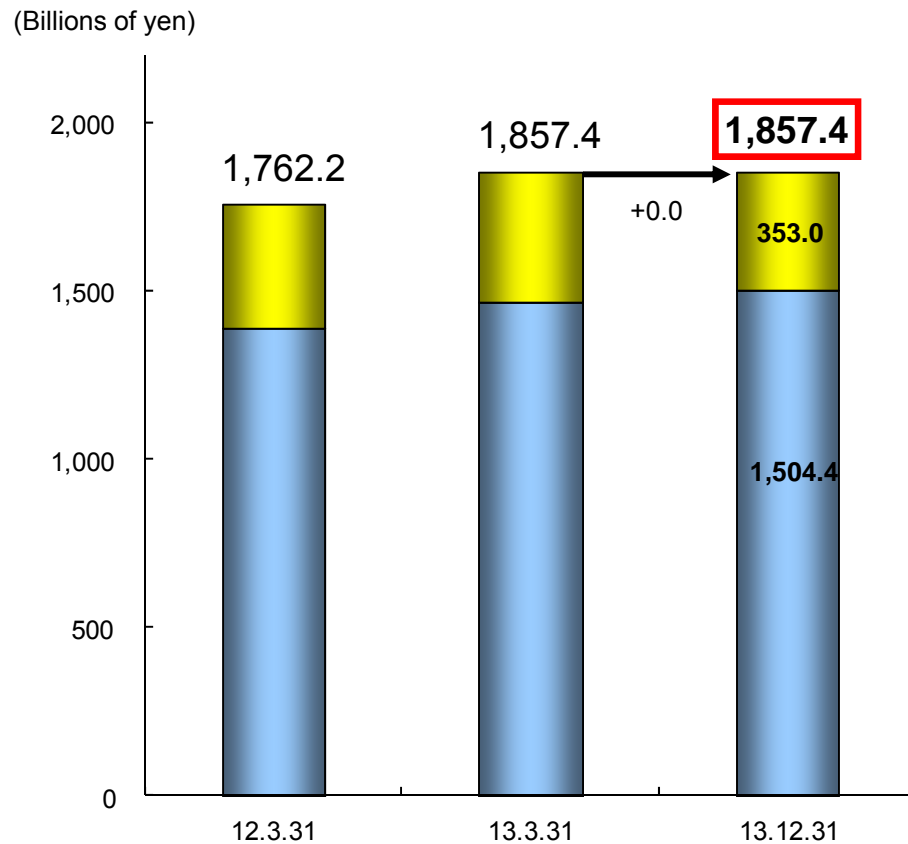
Line item amounts are truncated below ¥100 million; percentage change figures are rounded.

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



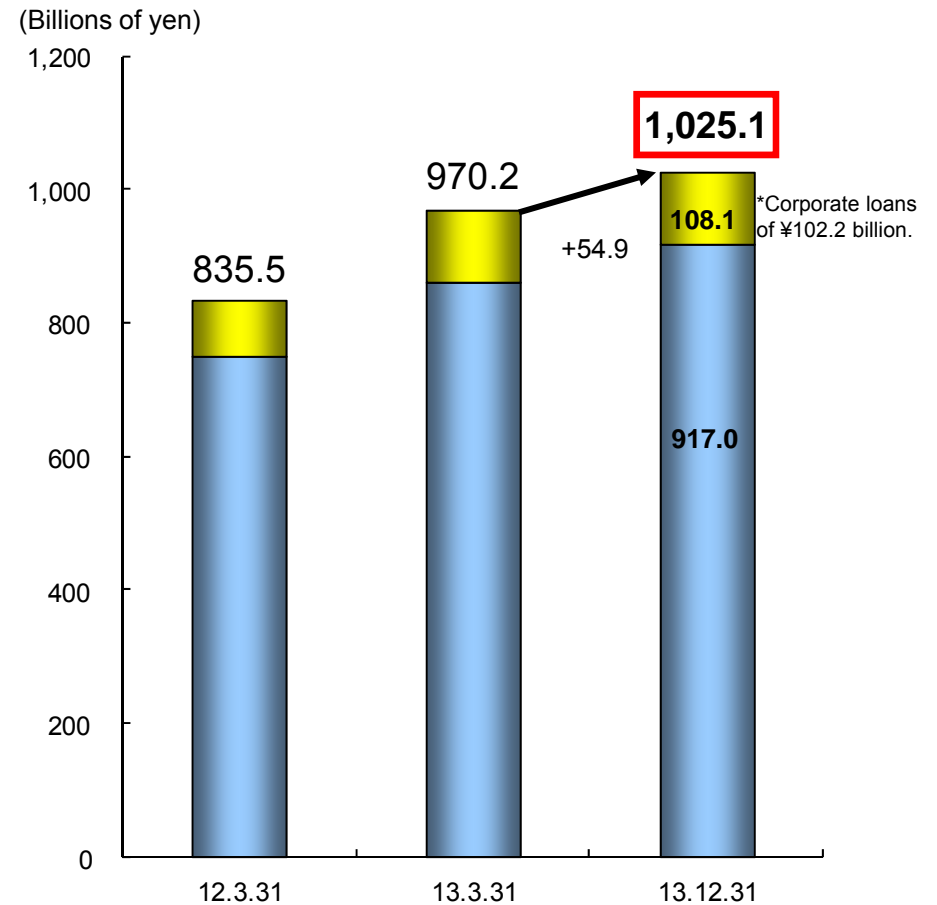
Deposits

■ Yen deposits ■ Foreign currency deposits



Loans

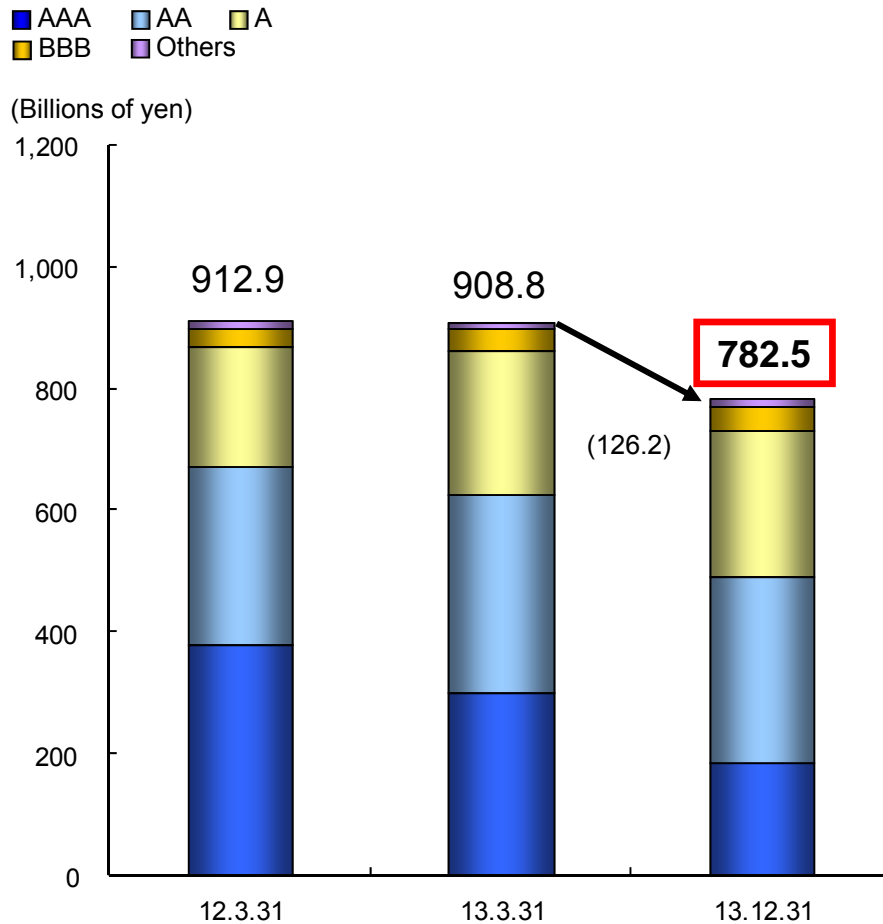
■ Mortgage loans ■ Others



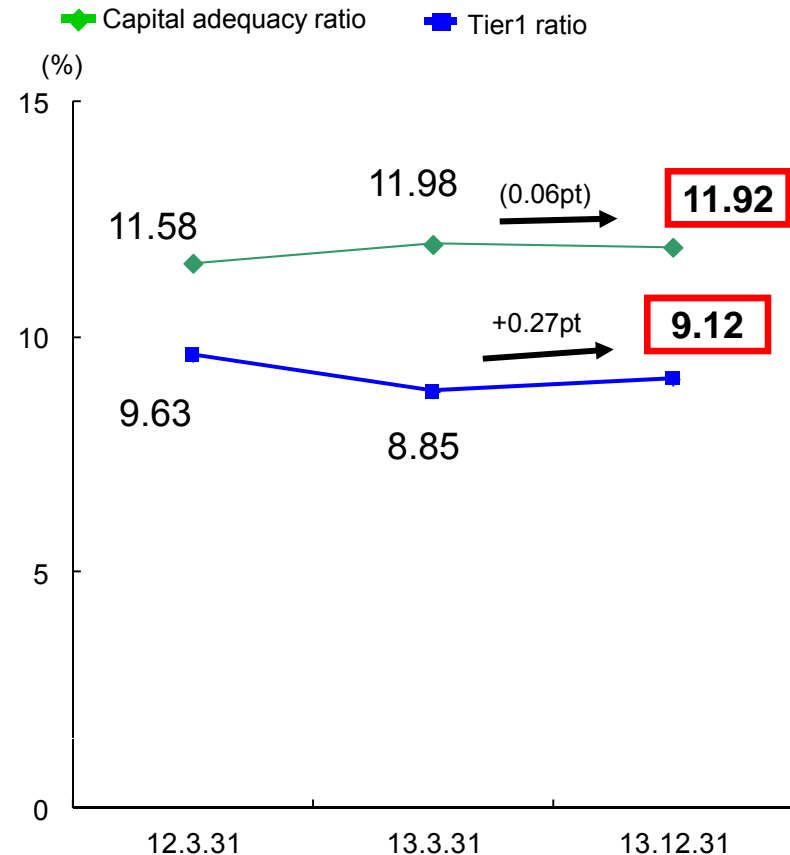
Line item amounts are truncated below ¥100 million.

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 Fiscal Year Ending March 31, 2014

Consolidated Financial Forecast for the Fiscal Year Ending March 31, 2014



Consolidated ordinary revenues, ordinary profit and net income have been revised upward.

(Billions of yen)	FY2012 (Actual)	FY2013 (Forecast)	Changed from FY2012
Consolidated ordinary revenues	1,259.0	1,222.0⇒1,304.0	(2.9%) ⇒+3.7%
<u>Life insurance business</u>	1,142.3	1,099.9⇒1,179.8	(3.7%)⇒+3.3%
<u>Non-life insurance business</u>	84.7	89.5	+5.7%
<u>Banking business</u>	34.3	34.9	+1.7%
Consolidated ordinary profit	79.2	69.0⇒75.0	(12.9%)⇒(5.4%)
<u>Life insurance business</u>	72.7	61.4⇒65.7	(15.5%)⇒(9.7%)
<u>Non-life insurance business</u>	2.3	3.8	+60.2%
<u>Banking business</u>	3.9	5.2	+31.5%
Consolidated net income	45.0	37.0⇒40.0	(17.9%)⇒(11.2%)

On February 6, 2014, we have revised upward our consolidated financial forecast for ordinary revenues, ordinary profit and net income for the fiscal year ending March 31, 2014, from the forecast announced on May 9, 2013. This is because the operating results for the nine months ended December 31, 2013, exceeded our previous estimates in all the businesses. Forecasts of the non-life insurance and the banking businesses were revised upward on November 15, 2013, reflecting favorable operating results during the first half of this fiscal year.

■Life insurance business

We have revised our full-year forecast for ordinary revenues and ordinary profit from our previous forecast announced in May 2013 because operating results for the nine months ended December 31, 2013, exceeded our previous estimates, resulting mainly from the market recovery. Since financial conditions are uncertain after January 2014, our updated forecast reflects financial conditions as of the end of January 2014.

■Non-life insurance business

The forecast for ordinary revenues remains unchanged from the forecast announced in November 2013 because we expect net premiums written in automobile insurance to continue to increase steadily. The forecast for ordinary profit remains unchanged because we expect a stably low loss ratio in the fourth quarter despite a temporary rise in the loss ratio reflecting a surge in provision of reserve for outstanding losses in this third quarter.

■Banking business

The forecast for ordinary revenues remains unchanged from the forecast announced in November 2013 because ordinary revenues are expected to increase 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. The forecast for ordinary profit remains unchanged despite an increase in net interest income because we expect to record a temporary loss related to bond transactions in the fourth quarter.

In its calculation of the reserve for price fluctuations, Sony Life has accumulated reserves in excess of required levels. However, Sony Life will change this policy to one of accumulating reserves up to required levels from the 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 December 31, 2013

Sony Life's MCEV as of December 31, 2013

(Billions of yen)	13.3.31	13.9.31	13.12.31	Change from 13.3.31	Change from 13.9.30
MCEV	1,064.7	1,158.2	1,186.9	+122.2	+28.7
Adjusted net worth	770.8	682.1	698.5	(72.4)	+16.4
Value of existing business	293.9	476.1	488.4	+194.6	+12.4

Notes:

1. Calculated MCEV for policies in force as of September 30 and December 31, 2013 by using updated lapse and surrender rate and economic assumptions.
2. Adopted simplified method for a part of MCEV calculations as September 30 and December 31, 2013.

(Billions of yen)	13.3.31	13.9.30	13.12.31
New business value	41.6 (12M)	29.7 (6M)	45.2 (9M)
New business margin	3.5%	6.3%	5.5%

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

- ◆ **MCEV as of December 31, 2013 increased ¥28.7 billion from September 30, 2013, due mainly to an acquisition of new policies.**
- ◆ **New business margin as of December 31, 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 in April 2013. New business margin was down from September 30, 2013, due mainly to an increase in the sale of lump-sum payment endowment insurance.**

*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 December 31, 2013



(Billions of yen)	13.3.31	13.9.30	13.12.31
Insurance risk	605.6	610.4	621.1
Market-related risk	289.9	260.1	260.8
<i>Of which, interest rate risk*</i>	234.2	201.0	198.3
Operational risk	26.0	25.2	27.9
Counter party risk	2.3	1.5	2.0
Variance effect	(262.5)	(253.7)	(256.9)
The risk amount based on economic value	661.3	643.5	654.8

(Billions of yen)	13.3.31	13.9.30	13.12.31
MCEV	1,064.7	1,158.2	1,186.9

(*) 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

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 (15*) *As of Feb. 14, 2014



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

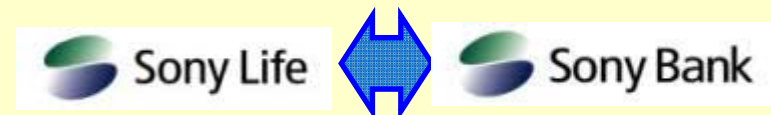
* AEGON Sony Life Insurance and SA Reinsurance are equity method companies, 50-50 joint ventures established by Sony Life and AEGON Group.

Sony Bank's Mortgage Loans through Sony Life

■ Sony Life accounts for 24% of the balance of mortgage loans as of December 31, 2013

Sony Life accounts for 18% of the amount of new mortgage loans for FY13.3Q (9M)

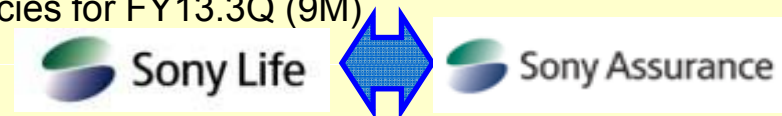
*Sony Life started handling banking agency business in January 2008.



Sony Assurance's Auto Insurance Sold by Sony Life

■ Sony Life accounts for approx. 5% of new automobile policies for FY13.3Q (9M)

*Sony Life started handling automobile insurance in May 2001.



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

Recent Topics 2

<Highlights for FY2013.3Q>

- 10/28/2013 Sony Bank launched new service: automatic saving plans for foreign currency deposits.
- 10/31/2013 Sony Bank closed its representative office in Sydney.
- 11/11/2013 The Sony Financial Group entered the nursing care business, acquiring Senior Enterprise Corporation as a wholly owned subsidiary of SFH.
- 12/2/2013 Sony Bank introduced paperless procedures to open bank accounts.
- 12/19/2013 Sony Bank announced plans to issue the new Sony Card with an enhanced credit and settlement function through a tie-up with Sumitomo Mitsui Card Company, with this credit card being offered to customers from February 7, 2014.
- 1/2/2014 Sony Life started selling new educational endowment insurance (non-participating type).
- 1/10/2014 Sony Bank enhanced its settlement function by starting withdrawal services for credit card payments for Sumitomo Mitsui Card holders.

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			13.12.31		
	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	3,404.8	3,560.6	155.8	3,874.2	4,425.9	551.7	4,269.0	4,682.9	413.8
Available-for-sale securities	895.1	956.1	60.9	955.9	1,079.2	123.2	1,039.2	1,153.4	114.1
Japanese government and corporate bonds	849.1	902.6	53.4	925.3	1,036.9	111.6	1,006.4	1,105.6	99.2
Japanese stocks	29.1	34.9	5.8	14.7	20.9	6.2	15.5	25.4	9.9
Foreign securities	15.3	16.7	1.3	14.4	18.6	4.2	15.7	19.7	3.9
Other securities	1.4	1.7	0.2	1.4	2.6	1.1	1.4	2.5	1.0
Total	4,299.9	4,516.8	216.8	4,830.2	5,505.2	675.0	5,308.3	5,836.3	528.0

Valuation gains (losses) on trading-purpose securities

(Billions of yen)

12.3.31		13.3.31		13.12.31	
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's Interest Income and Dividends (Details)



(Millions of yen)	FY12.3Q (9M)	FY13.3Q (9M)	Change
Cash and deposits	0	0	(35.4%)
Japanese government and corporate bonds	64,739	72,947	+12.7%
Japanese stocks	351	234	(33.2%)
Foreign securities	2,802	4,872	+73.8%
Other securities	177	172	(2.9%)
Loans	4,085	4,264	+4.4%
Real estate	8,143	7,716	(5.2%)
Others	57	23	(58.6%)
Total	80,357	90,232	+12.3%

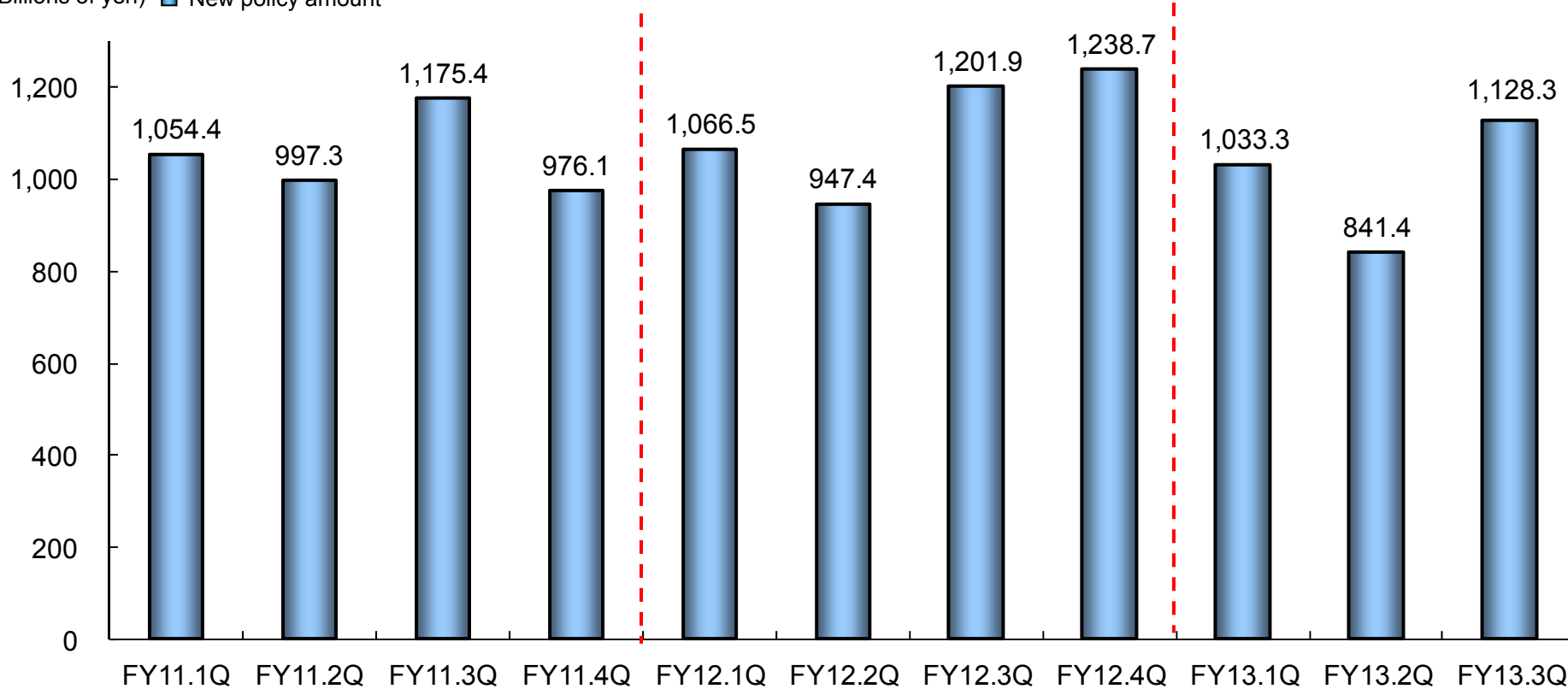
Line item amounts are truncated below ¥1 million

Sony Life's Quarterly Trend on New Policies Amount



Quarterly Trend on New Policy Amount

(Billions of yen) ■ New policy amount



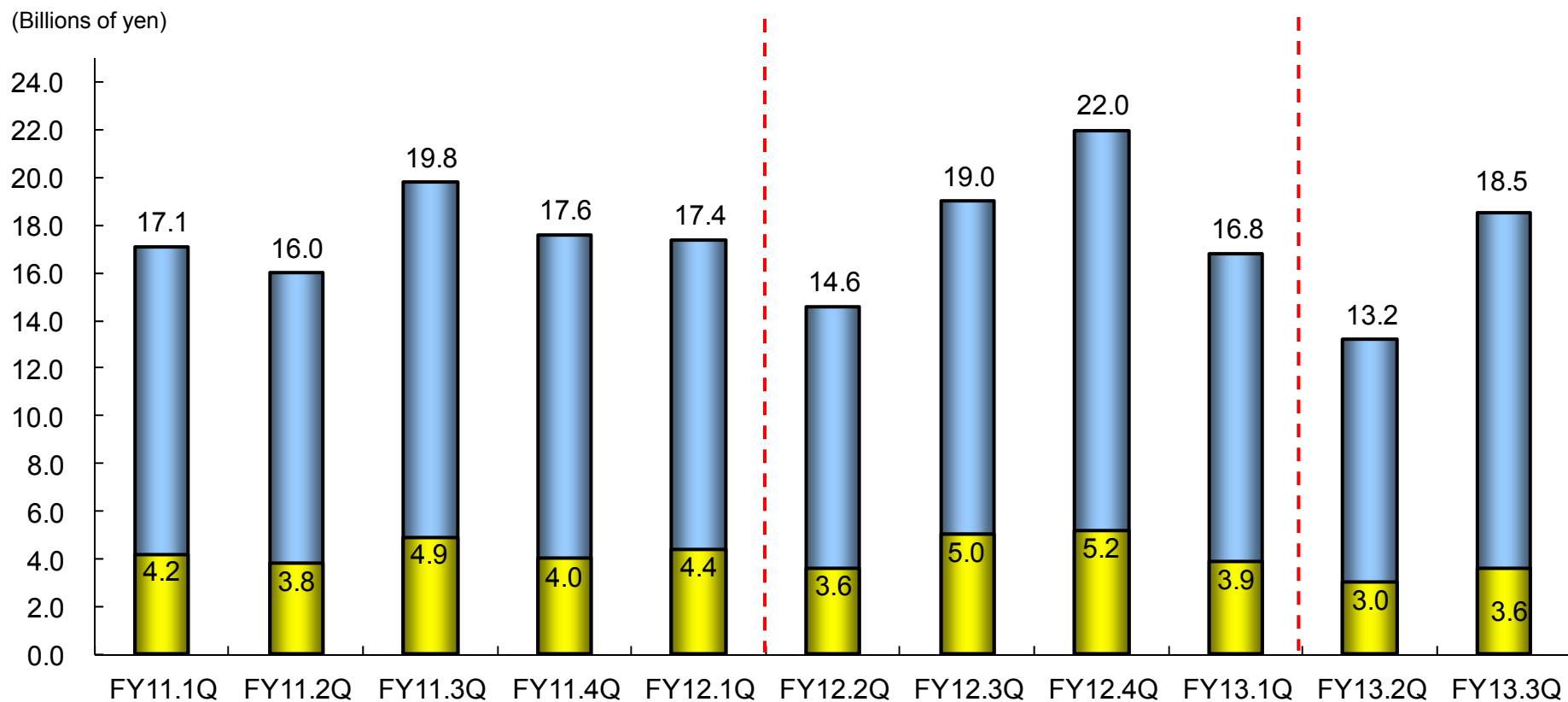
Line item amounts are truncated below ¥100 million.

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



Quarterly Trend on Annualized Premiums from New Policies

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



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

- Principal items as of December 31, 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.
- 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%.

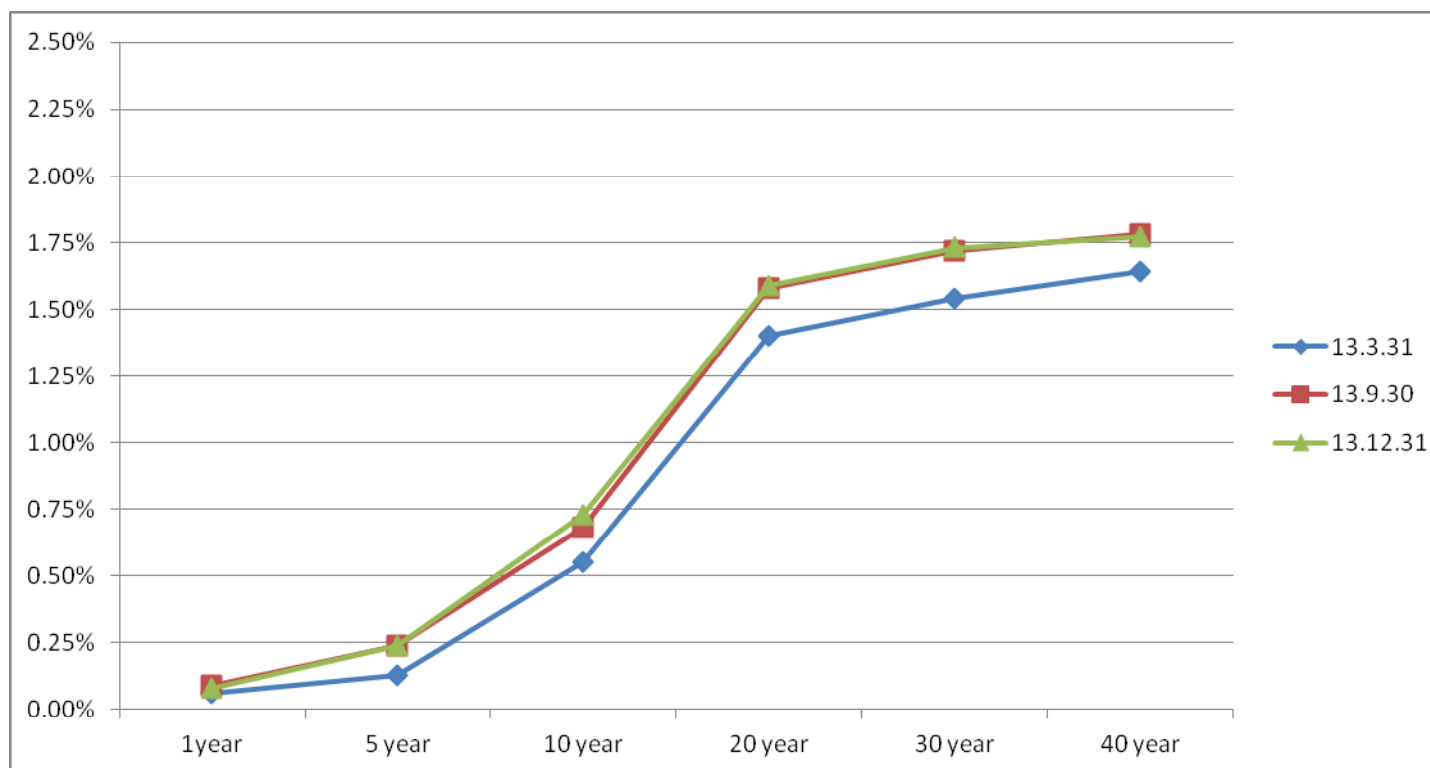
Method of Measuring Risk Amount Based on Economic Value (2)

■ 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	13.9.30	13.12.31		
				13.3.31 → 13.12.31	13.9.30 → 13.12.31
1 year	0.06%	0.09%	0.08%	0.02%	0.00%
5 year	0.13%	0.24%	0.24%	0.11%	0.00%
10 year	0.55%	0.68%	0.73%	0.18%	0.05%
20 year	1.40%	1.58%	1.59%	0.18%	0.01%
30 year	1.54%	1.72%	1.73%	0.19%	0.01%
40 year	1.64%	1.78%	1.77%	0.13%	(0.01%)



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