Presentation Material

Consolidated Financial Results for the Three Months Ended June 30, 2014 and Sony Life's Market Consistent Embedded Value as of June 30, 2014

Sony Financial Holdings Inc.
August 8, 2014

Content

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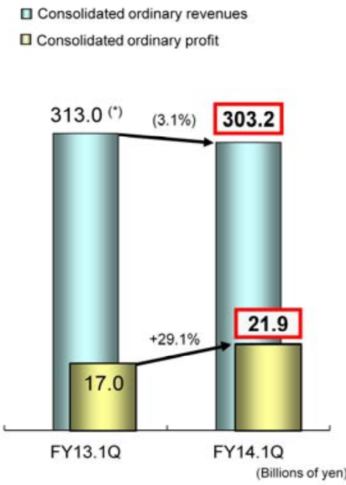
Content

Consolidated Operating Results for the Three Months Ended June 30, 2014

Highlights of Consolidated Operating Performance for the Three Months Ended June 30, 2014 (1)

Sony Financial Holdings



(*) Banking business revised its method of recording ordinary revenues and ordinary expenses on hedge transactions for FY14.1Q. Ordinary revenues for FY13.1Q have been retroactively adjusted to reflect the change. Consequently, consolidated ordinary revenues for FY13.1Q have been revised from ¥312.8 billion to ¥313.0 billion. As adjustments to ordinary revenues were accompanied by adjustments in the same amount to ordinary expenses, ordinary profit and net income were unaffected.

(Billions of yen)		FY13.1Q	FY14.1Q	Change	
Life Insurance business	Ordinary revenues	280.9	**270.5**	(10.3)	(3.7%)
	Ordinary profit	13.3	**17.4**	+4.1	+30.7%
Non-life Insurance business	Ordinary revenues	23.0	**24.1**	+1.0	+4.4%
	Ordinary profit	1.3	**2.7**	+1.3	+102.0%
Banking business	Ordinary revenues	9.6	**9.3**	(0.2)	(3.0%)
	Ordinary profit	2.2	**1.7**	(0.5)	(22.8%)
Intersegment adjustments*	Ordinary revenues	(0.6)	**(0.7)**	(0.1)	-
	Ordinary profit	0.0	**0.0**	(0.0)	(18.1%)
Consolidated	Ordinary revenues	313.0	**303.2**	(9.7)	(3.1%)
	Ordinary profit	17.0	**21.9**	+4.9	+29.1%
	Net income	9.6	**14.5**	+4.9	+50.9%

(Billions of yen)		14.3.31	14.6.30	Change from 14.3.31	
Consolidated	Total assets	8,841.3	**8,933.6**	+92.2	+1.0%
	Net assets	467.0	**482.5**	+15.5	+3.3%

*Ordinary profit in "Intersegment adjustments" is mainly from SFH.
*Comprehensive income (loss): FY13.1Q: (¥13.3 billion), FY14.1Q: ¥22.6 billion

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

During the three months ended June 30, 2014 (April 1, 2014 to June 30, 2014), consolidated ordinary revenues decreased 3.1% compared with the same period of the previous fiscal year, to ¥303.2 billion.

By business segment, ordinary revenues from the life insurance and the banking businesses decreased, whereas ordinary revenues from the non-life insurance business increased.

Consolidated ordinary profit increased 29.1% year on year, to ¥21.9 billion.

By business segment, ordinary profit from the life insurance and the non-life insurance businesses increased, whereas ordinary profit from the banking business decreased.

Consolidated net income was up 50.9% year on year, to ¥14.5 billion, due mainly to the rise in ordinary profit, and the change of the calculation policy of the reserve for price fluctuations in the life insurance business. The change was to accumulate the reserve up to required levels from FY14 while it had accumulated the reserve in excess of the required levels until FY13.

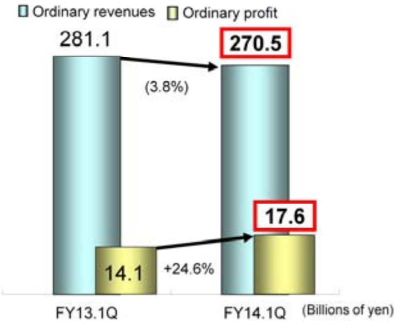
Highlights of Consolidated Operating Performance for the Three Months Ended June 30, 2014 (2)

- Life Insurance Business: Ordinary revenues decreased compared with the same period of the previous fiscal year. Behind this drop was the fact that income from insurance premiums remained at the same level as in the same period of the preceding year, because sales of interest rate-sensitive whole life insurance rose due to temporarily strong demand led by the revision of insurance premium rates. Also contributing to the decline in ordinary revenues was the drop in investment income due to lower gains on separate accounts, net compared with the same period of the previous fiscal year, which benefited from a market recovery. Ordinary profit increased year on year, due mainly to the absence of the negative impact from the revision of the discount rate used for calculating policy reserves on the above-mentioned interest rate-sensitive whole life insurance that was present in the same period of the preceding fiscal year.
- Non-life Insurance Business: Ordinary revenues expanded year on year, owing to an increase in net premiums written primarily for mainstay automobile insurance. Ordinary profit grew year on year due to a decline in the loss ratio mainly led by a lower car accident ratio, as well as the rise in ordinary revenues.
- Banking Business: Ordinary revenues and ordinary profit decreased year on year, due to lower gains on foreign exchange transactions stemming from passive foreign currency trading by customers compared with the same period of the previous fiscal year when foreign currency exchange rates fluctuated wildly.
- Consolidated ordinary revenues decreased 3.1% compared with the same period of the previous fiscal year, to ¥303.2 billion. By business segment, ordinary revenues from the life insurance and the banking businesses decreased, whereas ordinary revenues from the non-life insurance business increased. Consolidated ordinary profit increased 29.1% year on year, to ¥21.9 billion. By business segment, ordinary profit from the life insurance and the non-life insurance businesses increased, whereas ordinary profit from the banking business decreased. Consolidated net income was up 50.9% year on year, to ¥14.5 billion, reflecting the rise in ordinary profit, and the change of the calculation policy of the reserve for price fluctuations in the life insurance business. The change was to accumulate the reserve up to required levels from FY14 while it had accumulated the reserve in excess of the required levels until FY13.

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

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

Sony Financial Holdings



- Ordinary profit decreased while ordinary profit increased year on year.
- Income from insurance premiums remained at the same level, owing to the absence of positive impact from the temporarily strong sale of interest rate-sensitive whole life insurance led by the revision of insurance premium rates despite steady growth in policy amount in force.
- Investment income decreased due to lower gains on separate accounts, net compared with the same period of the previous fiscal year, which benefited from a market recovery.
- Ordinary profit increased year on year, due mainly to the absence of the negative impact from the revision of the discount rate used for calculating policy reserves on the above-mentioned interest rate-sensitive whole life insurance that was present in the same period of the preceding fiscal year.
- Net income was up year on year reflecting the rise in ordinary profit, and the change of the calculation policy of the reserve for price fluctuations. The change was to accumulate the reserve up to required levels from FY14 while it had accumulated the reserve in excess of the required levels until FY13.

(Billions of yen)	FY13.1Q	FY14.1Q	Change	
Ordinary revenues	281.1	270.5	(10.6)	(3.8%)
Income from insurance premiums	221.3	220.7	(0.6)	(0.3%)
Investment income	55.8	48.1	(7.7)	(13.8%)
Interest income and dividends	28.9	32.5	+3.6	+12.6%
Income from monetary trusts, net	1.3	1.3	(0.0)	(0.0%)
Gains on sale of securities	0.0	0.1	+0.1	-
Gains on separate accounts, net	25.6	14.0	(11.5)	(45.1%)
Ordinary expenses	266.9	252.8	(14.1)	(5.3%)
Insurance claims and other payments	81.7	74.4	(7.3)	(8.9%)
Provision for policy reserves and others	150.3	143.4	(6.9)	(4.6%)
Investment expenses	1.9	1.9	+0.0	+0.6%
Operating expenses	28.0	27.5	(0.4)	(1.7%)
Ordinary profit	14.1	17.6	+3.4	+24.6%
Net income	8.0	11.7	+3.7	+46.2%

(Billions of yen)	14.3.31	14.6.30	Change from 14.3.31	
Securities	5,954.7	6,081.0	+126.3	+2.1%
Policy reserves	6,123.6	6,265.6	+142.0	+2.3%
Total net assets	369.2	381.8	+12.5	+3.4%
Net unrealized gains on other securities	83.4	91.5	+8.1	+9.7%
Total assets	6,624.9	6,773.9	+149.0	+2.2%
Separate account assets	640.5	666.9	+26.3	+4.1%

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

Sony Life's ordinary revenues decreased 3.8% year on year, to ¥270.5 billion. This is mainly due to lower gains on separate accounts, net compared with the same period of the previous fiscal year, which benefited from a market recovery.

Ordinary profit increased 24.6% year on year, to ¥17.6 billion, due mainly to the absence of the negative impact from the revision of the discount rate used for calculating policy reserves on interest rate-sensitive whole life insurance that was present in the same period of the preceding fiscal year.

Net income increased 46.2% year on year, to ¥11.7 billion year on year reflecting the rise in ordinary profit, and the change of the calculation policy of the reserve for price fluctuations. The change was to accumulate the reserve up to required levels from FY14 while it had accumulated the reserve in excess of the required levels until FY13.

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

Sony Financial Holdings

(Billions of yen)	FY13.1Q	FY14.1Q	Change
New policy amount	**1,033.3**	**1,135.8**	+9.9%
Lapse and surrender amount	**456.4**	**449.4**	(1.5%)
Lapse and surrender rate	**1.21%**	**1.15%**	(0.06pt)
Policy amount in force	**38,160.2**	**39,559.7**	+3.7%
Annualized premiums from new policies	**16.8**	**18.9**	+12.0%
Of which, third-sector products	**3.9**	**3.7**	(5.1%)
Annualized premiums from insurance in force	**677.2**	**706.5**	+4.3%
Of which, third-sector products	**164.1**	**168.9**	+2.9%

(Billions of yen)	FY13.1Q	FY14.1Q	Change
Gains from investment, net (General account)	28.3	**32.1**	+13.4%
Core profit	15.3	**18.7**	+22.1%
Positive spread	1.2	**3.0**	+150.0%

	14.3.31	14.6.30	Change from 14.3.31
Non-consolidated solvency margin ratio	2,358.7%	**2,463.3%**	+104.6pt

<Reasons for changes>

- Increased due to higher sales of U.S. dollar denominated insurance, variable life insurance and term-life insurance.
- Lapse and surrender rate decreased in each product.
- Increased due to higher sales of term-life insurance, endowment insurance, U.S. dollar denominated insurance, variable life insurance and educational endowment insurance.
- Increased year on year, due mainly to the absence of the negative impact from the revision of the discount rate used for calculating policy reserves on interest rate-sensitive whole life insurance that was present in the same period of the preceding fiscal year.

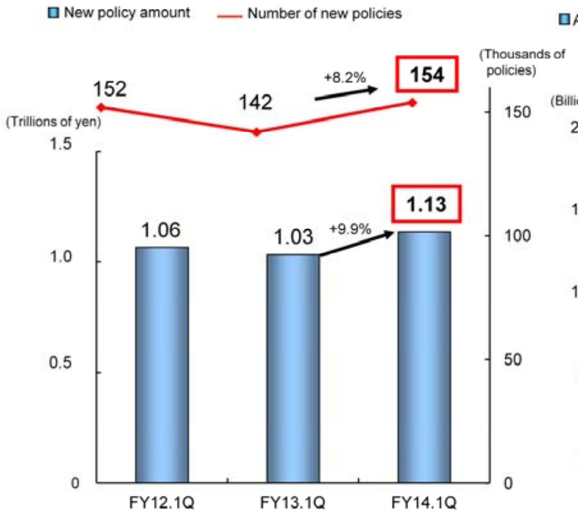
Notes:
1. Figures for new policy amount, lapse and surrender amount, lapse and surrender rate, policy amount in force, annualized premiums from new policies and annualized premiums from insurance in force are calculated as the total of individual life insurance and individual annuities.
2. The lapse and surrender rate shows the ratio derived by dividing the amount of lapses and surrenders, not adjusted for policy amount decreases, increases, and reinstatements, by the policy amount in force at the beginning of the fiscal year

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

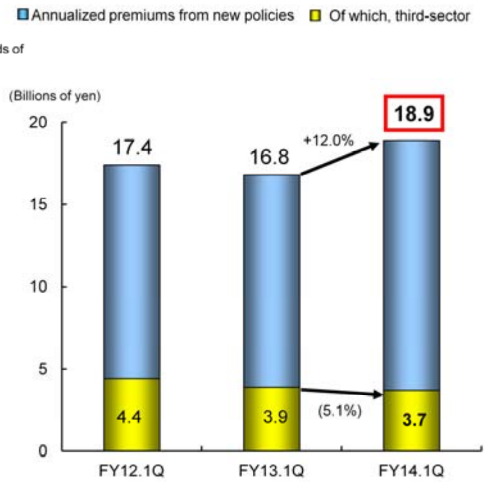
Operating Performance :
Sony Life (Non-consolidated) (1)

Sony Financial Holdings

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



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



New policy amounts are truncated below ¥10 billion; numbers of policies are truncated below 1,000 policies; Amounts of annualized premiums from new policies are truncated below ¥100 million; percentage change figures are rounded.

(Left-hand graph)

New policy amount for the total of individual life insurance and individual annuities for the three month ended June 30, 2014, increased 9.9% year on year, to ¥1,135.8 billion, due to a brisk sale of U.S. dollar denominated insurance which was launched in May, 2013, as well as strong sales of variable life insurance and term-life insurance in line with the efforts to strengthen sales of death protection-type products. Furthermore, there was a sign of recovery in sales of family income insurance.

The number of new policies increased 8.2% year on year to 154 thousand policies.

(Right-hand graph)

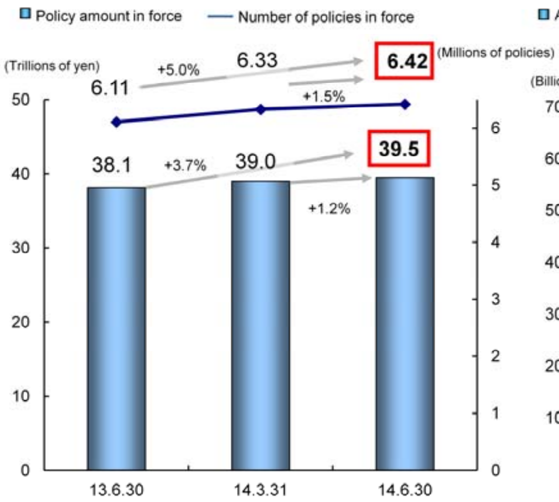
Annualized premiums from new policies for the three month ended June 30, 2014, increased 12.0% year on year, to ¥18.9 billion, due to higher sales of term-life insurance, endowment insurance, U.S. dollar denominated insurance, variable life insurance and educational endowment insurance.

Of which, the figure for third-sector insurance products was down 5.1% year on year, to ¥3.7billion.

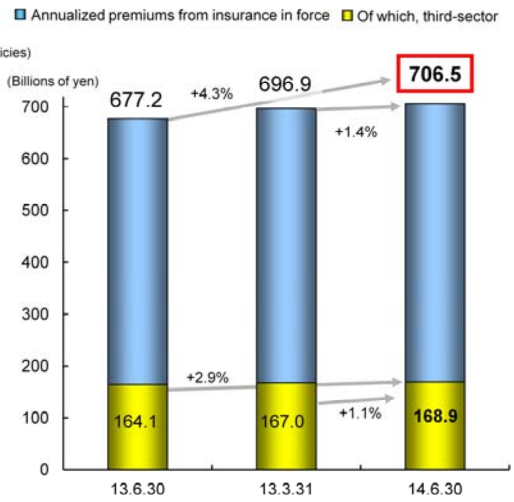
Operating Performance : Sony Life (Non-consolidated) (2)

Sony Financial Holdings

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



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



Amounts of policy amount in force are truncated below ¥100 billion; numbers of policies are truncated below 10,000 policies; Amounts of annualized premiums from insurance in force are truncated below ¥100 million; percentage change figures are rounded.

(Left-hand graph)

Policy amount in force for the total of individual life insurance and individual annuities increased 3.7% year on year, to ¥39.5 trillion, due to an increase in new policies and a low lapse and surrender rate.

The number of policies in force increased 5.0% year on year, to ¥6.42 million policies.

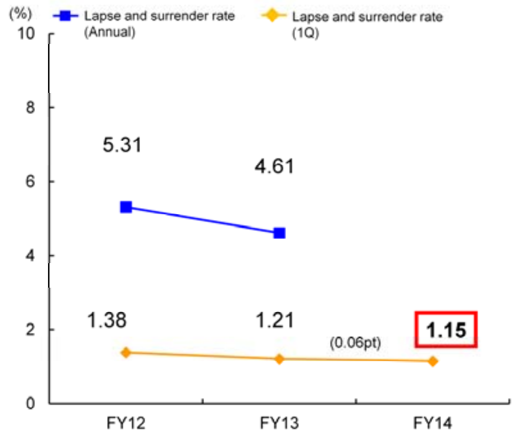
(Right-hand graph)

Annualized premiums from insurance in force increased 4.3% year on year, to ¥706.5 billion. Of this amount, the figure for third-sector products was up 2.9% year on year, to ¥168.9 billion.

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

Sony Financial Holdings

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



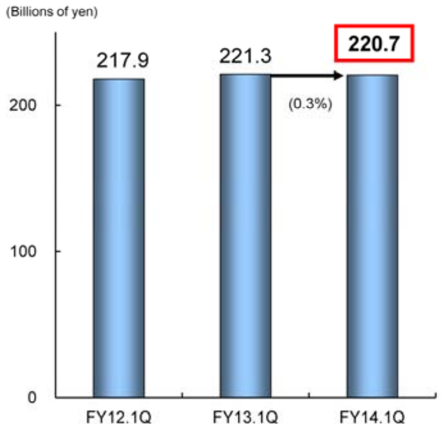
*The lapse and surrender rate shows the ratio derived by dividing the amount of lapses and surrenders, not adjusted for policy amount decreases, increases, and reinstatements, by the policy amount in force at the beginning of the fiscal year.

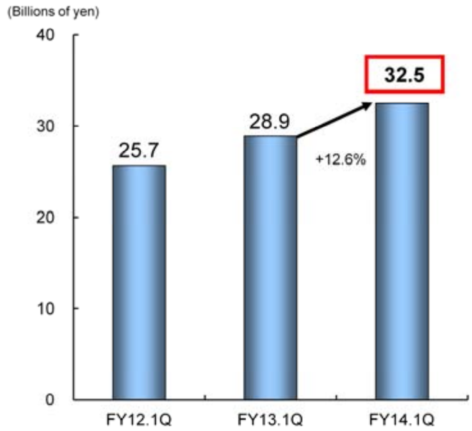
The lapse and surrender rate for the three month ended June 30, 2014, decreased 0.06 percentage point year on year, to 1.15%, due to the lowering lapse and surrender rate in each product.

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

Sony Financial Holdings

Income from Insurance Premiums	Interest Income and Dividends





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

(Left-hand graph)

Income from insurance premiums remained at the same level as in the same period of the preceding year, to ¥220.7 billion, owing to the absence of positive impact from the temporarily strong sale of interest rate-sensitive whole life insurance led by the revision of insurance premium rates that was present in the same period of the preceding fiscal year, despite steady growth in policy amount in force.

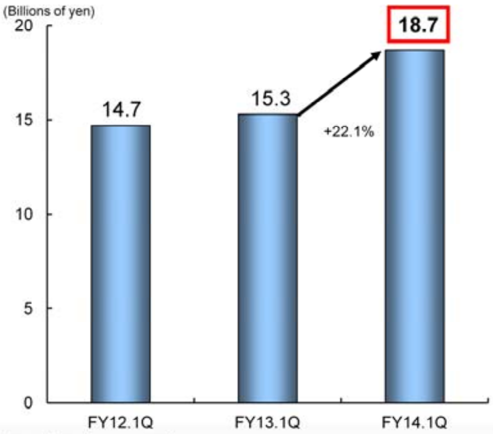
(Right-hand graph)

Interest income and dividends was up 12.6% year on year, to ¥32.5 billion, due to an expansion in investment assets along with business expansion.

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

Sony Financial Holdings

Core Profit



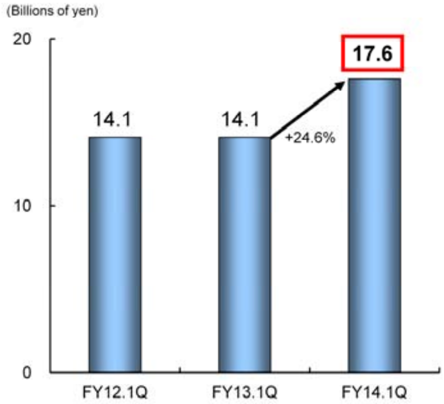
(Reference) Impact on core profit

(Billions of yen)

	FY12.1Q	FY13.1Q	FY14.1Q
Positive (Negative) spread (*1)	(0.5)	1.2	3.0
Provision of policy reserves for minimum guarantees for variable life insurance (*2)	(4.0)	(0.9)	(2.1)
Effects by the revision of policy reserve discount rate (Interest rate-sensitive whole life insurance) (*3)	-	(5.7)	-

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

Ordinary Profit



(Reference) Main differences from Core Profit

(Billions of yen)

	FY12.1Q	FY13.1Q	FY14.1Q
Capital gains	0.4	0.0	0.2
Provision of contingency reserve (*2)	(0.9)	(1.0)	(1.2)

*1: The minus amount in positive spread indicates negative spread.

*2: "Provision of policy reserves for minimum guarantees for variable life insurance" and "Provision of contingency reserve" are described as negative amount.

*3: The effect of the revision of policy reserve discount rate on interest rate-sensitive whole life insurance.

(Left-hand graph)

Core profit was up 22.1% year on year, to ¥18.7 billion, due mainly to the absence of the negative impact from the revision of the discount rate used for calculating policy reserves on interest rate-sensitive whole life insurance that was present in the same period of the preceding fiscal year.

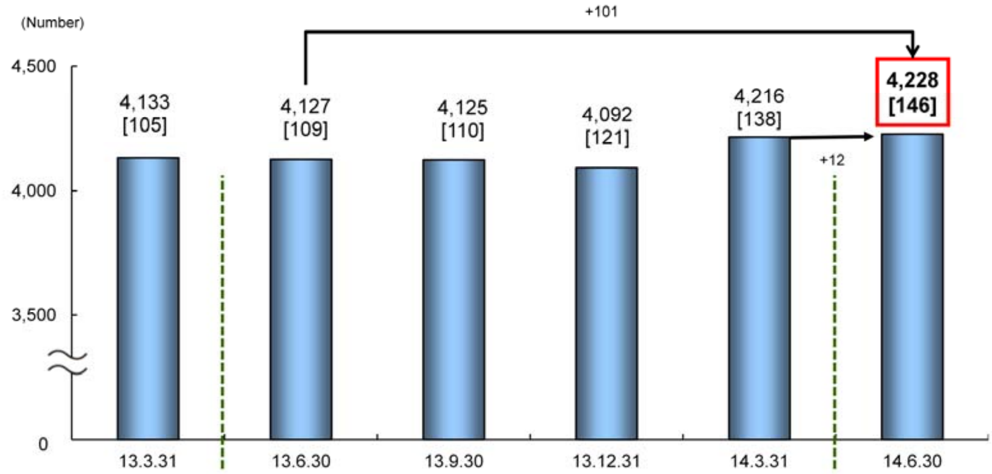
(Right-hand graph)

Ordinary profit increased 24.6% year on year, to ¥17.6 billion.

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

Sony Financial Holdings

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.

The number of Lifeplanner sales employees as of June 30, 2014, was 4,228, up 12 from March 31, 2014 and up 101 from June 30, 2013.

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

Sony Financial Holdings

Breakdown of General Account Assets

(Billions of yen)	14.3.31		14.6.30	
	Amount	%	Amount	%
Japanese government and corporate bonds	5,190.0	86.7%	**5,289.0**	**86.6%**
Japanese stocks	33.2	0.6%	**34.2**	**0.6%**
Foreign bonds	79.8	1.3%	**84.1**	**1.4%**
Foreign stocks	26.9	0.4%	**25.7**	**0.4%**
Monetary trusts	305.3	5.1%	**306.6**	**5.0%**
Policy loans	154.1	2.6%	**155.2**	**2.5%**
Real estate	66.5	1.1%	**66.0**	**1.1%**
Cash and call loans	32.6	0.5%	**36.7**	**0.6%**
Others	95.6	1.6%	**109.1**	**1.8%**
Total	5,984.3	100.0%	**6,107.0**	**100.0%**

<Asset management review>

We have continued to accumulate ultralong-term bonds to match the liability characteristics of insurance policies with long-term maturities with the aim of reducing interest rate risk.

<Bond duration>

Mar. 31, 2013: 19.9 years
Mar. 31, 2014: 19.7 years
Jun. 30, 2014: 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, 2014: 91.7%
(As of Mar. 31, 2014: 91.8%)

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

As Sony Life continued its investment in ultralong-term bonds, the holding ratio on the real status, of Japanese government and corporate bonds including those invested in monetary trusts was 91.7% as of June 30, 2014.

(Reference)
Sony Life Acquires Sony Corporation's Headquarters Site

On July 28, 2014, Sony Life entered into an agreement to acquire Sony Corporation's headquarters site.

【Overview of Acquired Property】

Property acquired: Sony Corporation headquarters site

- Location: Konan, Minato-ku, Tokyo, Japan
- Area: 18,165.3 m^2
- Acquisition price: ¥52.8 billion (¥2.91 million/m^2)
- Expected acquisition date: By the end of September 2014

Current leasing agreement on building owned by Sony Life and leased to Sony Corporation:

- Lease income receivable: ¥7.7 billion/year (building)
- Rental income payable: ¥2.0 billion/year (land)
- Book value of building: ¥28.1 billion (as of March 31, 2014)
- Floor space: 162,887.57 m^2

As one element of investment income in its general account, Sony Life believes that this investment is fully appropriate from the standpoint of economical rationality. Sony Life has for some time owned the Sony Corporation headquarters building. Believing that combining the site with the building would be beneficial in terms of generating stable investment income, Sony Life resolved to acquire the site.
As this transaction is between a parent company and an entity in its corporate group, Sony Life recognizes the need to ensure full transparency in its decision-making, and has accordingly obtained valuations from multiple third-party real estate assessors to determine an appropriate price.

*Leasing agreement on building between Sony Corporation and Sony Life is to remain in place.

Note: For reference, nearby land is publicly assessed at ¥3.34 million/m^2 (As of January 1, 2014)

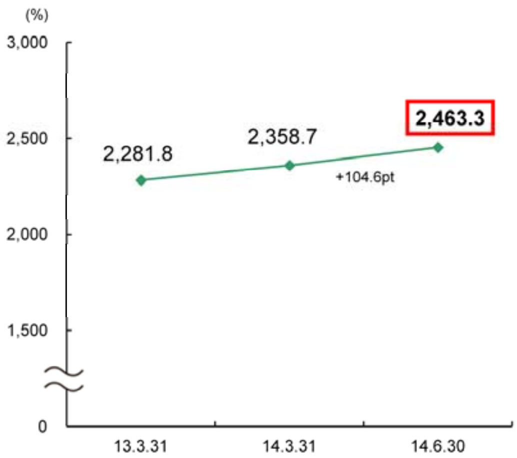
Line item amounts are truncated below ¥100 million

On July 28, 2014, Sony Life entered into an agreement to acquire the site occupied by the headquarters building of our parent company, Sony Corporation, and the process is scheduled to conclude in September 2014.

Sony Life's asset management policy remains unchanged. The company will continue to invest mainly in ultralong-term bonds with the aim of controlling interest rate risk. However, the company has determined that this investment constitutes a fully appropriate investment from the standpoint of economic rationality.

Sony Financial Holdings

Non-consolidated Solvency Margin Ratio



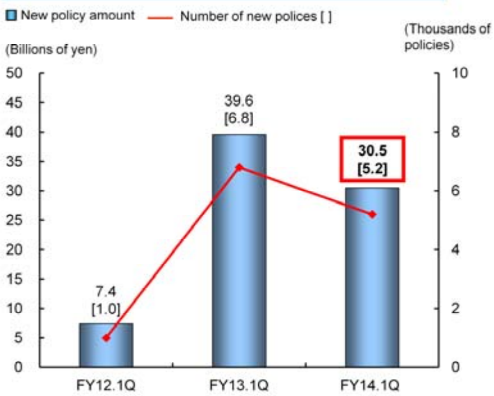
As of June 30, 2014, Sony Life's non-consolidated solvency margin ratio was 2,463.3%, up 104.6 percentage points from March 31, 2014, remaining at a high level.

Operating Performance : AEGON Sony Life Insurance

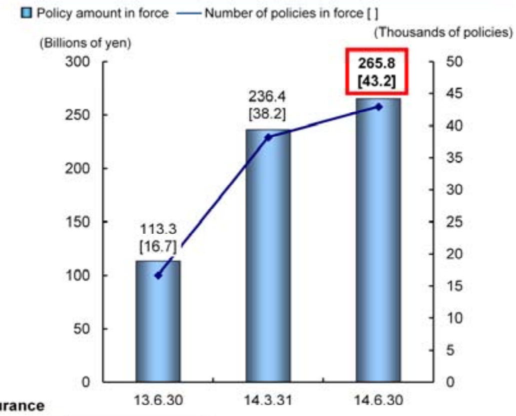
Sony Financial Holdings

*AEGON Sony Life Insurance sells individual variable annuities.

Number and Amount of New Policies



Number and Amount of Policies in Force



Net income (losses) for AEGON Sony Life Insurance and SA Reinsurance

(Billions of yen)	FY13.1Q	FY14.1Q	Change
AEGON Sony Life Insurance	(0.9)	(1.2)	(0.3)
SA Reinsurance	(0.3)	0.7	+1.0

AEGON Sony Life Insurance and SA Reinsurance are equity method companies, 50-50 joint venture established by Sony Life and AEGON Group.
SA Reinsurance prepares its financial statements in accordance with U.S. GAAP. 50% of the net income (losses) for AEGON Sony Life Insurance and SA Reinsurance are recognized as investment profit (losses) on equity method in the SFH's consolidated net income.

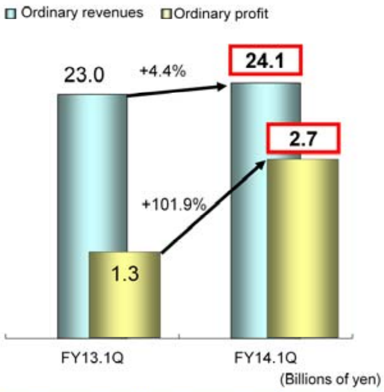
Line item amounts are truncated below ¥ 100 million; numbers of policies are truncated below 100 policies.

Operating results of AEGON Sony Life Insurance, which sells individual variable annuities, are shown here.

Sales of individual variable annuities decreased compared with the same period of the previous fiscal year. Behind this drop was the fact that brisk sales of individual variable annuities were seen due to a favorable stock market in the preceding year. However, the business scale itself has been expanding along with steady growth in policy amount in force.

Highlights of Operating Performance: Sony Assurance

Sony Financial Holdings



(Billions of yen)	FY13.1Q	FY14.1Q	Change	
Ordinary revenues	23.0	**24.1**	+1.0	+4.4%
Underwriting income	22.8	**23.8**	+0.9	+4.4%
Investment income	0.2	**0.3**	+0.0	+7.2%
Ordinary expenses	21.7	**21.4**	(0.3)	(1.6%)
Underwriting expenses	16.7	**16.0**	(0.6)	(4.1%)
Investment expenses	0.0	**0.0**	(0.0)	(99.7%)
Operating general and administrative expenses	5.0	**5.3**	+0.3	+6.7%
Ordinary profit	1.3	**2.7**	+1.3	+101.9%
Net income	0.8	**1.8**	+0.9	+113.2%

(Billions of yen)	14.3.31	14.6.30	Change from 14.3.31	
Underwriting reserves	78.0	**80.8**	+2.8	+3.7%
Total net assets	21.4	**23.3**	+1.9	+9.0%
Total assets	142.7	**144.4**	+1.7	+1.2%

- 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 grew year on year due to a decline in the loss ratio mainly led by a lower car accident ratio, as well as the rise in ordinary revenues.

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

Sony Assurance’s ordinary revenues increased 4.4% year on year, to ¥24.1 billion, due to an increase in net premiums written primarily for its mainstay automobile insurance.

Ordinary profit increased 101.9% year on year, to ¥2.7 billion, due to a decline in the loss ratio mainly led by a lower car accident ratio, as well as the rise in ordinary revenues.

Net income increased 113.2% year on year, to ¥1.8 billion.

Overview of Operating Performance: Sony Assurance

(Billions of yen)	FY13.1Q	FY14.1Q	Change
Direct premiums written	22.4	**23.1**	+3.1%
Net premiums written	22.7	**23.4**	+3.0%
Net losses paid	11.7	**11.1**	(4.9%)
Underwriting profit	1.0	**2.4**	+123.7%
Net loss ratio	58.2%	**54.7%**	(3.5pt)
Net expense ratio	23.8%	**24.4%**	+0.6pt
Combined ratio	82.0%	**79.1%**	(2.9pt)

<Reasons for changes>

- Increased mainly in its mainstay automobile insurance.
- Declined due mainly to a lower car accident ratio.
- Increased due mainly to higher system-related expenses.

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

	14.3.31	14.6.30	Change from 14.3.31	
Number of policies in force	1.61 million	**1.63 million**	+0.02 million	+1.4%
Non-consolidated solvency margin ratio	527.6%	**569.6%**	+42.0pt	

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

Sony Financial Holdings

Direct Premiums Written

(Millions of yen)	FY13.1Q	FY14.1Q	Change
Fire	55	**62**	+13.2%
Marine	–	**–**	–
Personal accident	2,044	**2,134**	+4.4%
Voluntary automobile	20,321	**20,920**	+2.9%
Compulsory automobile liability	–	**–**	–
Total	22,420	**23,117**	+3.1%

Net Premiums Written

(Millions of yen)	FY13.1Q	FY14.1Q	Change
Fire	74	**8**	(88.4%)
Marine	44	**50**	+13.5%
Personal accident	2,124	**2,218**	+4.4%
Voluntary automobile	20,257	**20,868**	+3.0%
Compulsory automobile liability	241	**289**	+19.9%
Total	22,741	**23,434**	+3.0%

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

Net losses paid

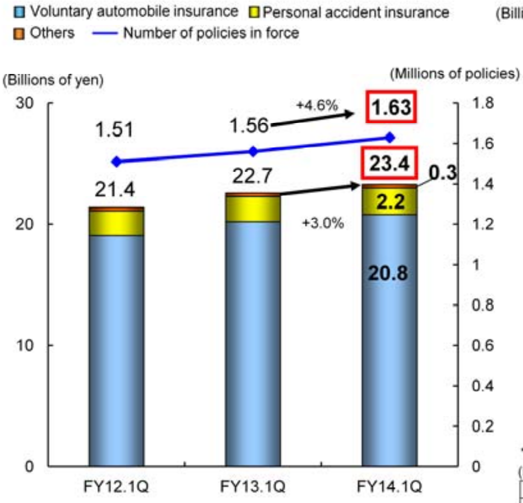
(Millions of yen)	FY13.1Q	FY14.1Q	Change
Fire	0	**1**	–
Marine	32	**47**	+46.3%
Personal accident	463	**541**	+16.8%
Voluntary automobile	10,994	**10,288**	(6.4%)
Compulsory automobile liability	255	**291**	+14.3%
Total	11,745	**11,170**	(4.9%)

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

Operating Performance: Sony Assurance (1)

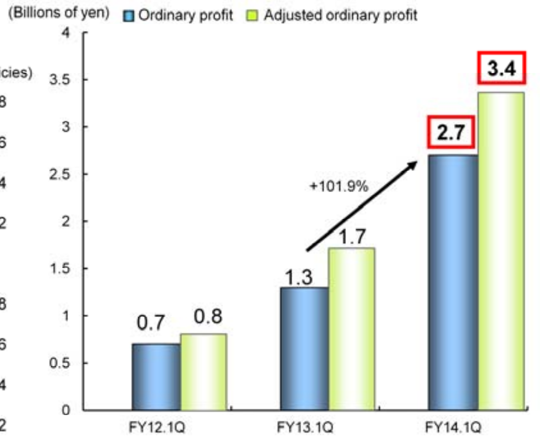
Sony Financial Holdings

Net Premiums Written and Number of Policies in Force



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

Ordinary Profit and Adjusted Ordinary Profit



*Adjusted ordinary profit = Ordinary profit + Provision for catastrophe reserve

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

	FY12.1Q	FY13.1Q	FY14.1Q
Provision for catastrophe reserve	+0.1	+0.4	+0.7

*Provision for catastrophe reserve is described as positive amount

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

(Left-hand graph)

The number of policies in force for the total of automobile insurance and medical and cancer insurance steadily increased 4.6% year on year, to 1.63 million policies.

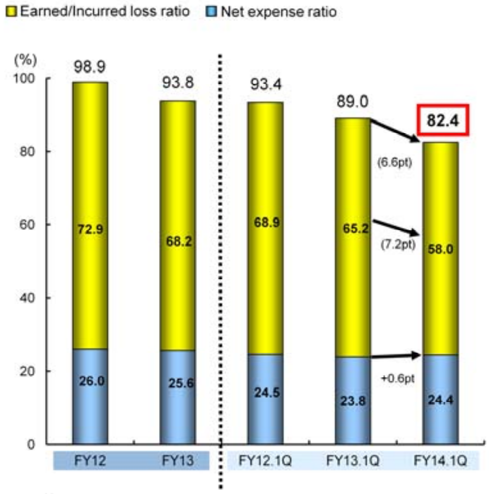
Net premiums written increased 3.0% year on year, to ¥23.4 billion, due to a stable sale of automobile insurance.

(Right-hand graph)

Ordinary profit significantly increased year on year, due mainly to a decline in the loss ratio as described in the previous pages. We also show you adjusted ordinary profit in addition to ordinary profit on the graph. Adjusted ordinary profit is an profit indicator on a managerial accounting basis. The figure is calculated by adjusting the amount of provision(reversal) for catastrophe reserve to ordinary profit. Adjusted ordinary profit also significantly increased year on year, to ¥3.4 billion.

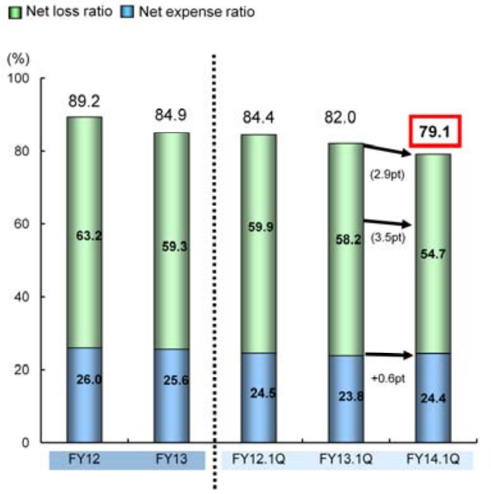
Operating Performance: Sony Assurance (2)

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)



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

(Left-hand graph)

For the three month ended June 30, 2014, the E.I. loss ratio declined 7.2 percentage points year on year, to 58.0%, 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).

The net expense ratio rose 0.6 percentage point year on year, to 24.4%, due mainly to higher system-related expenses.

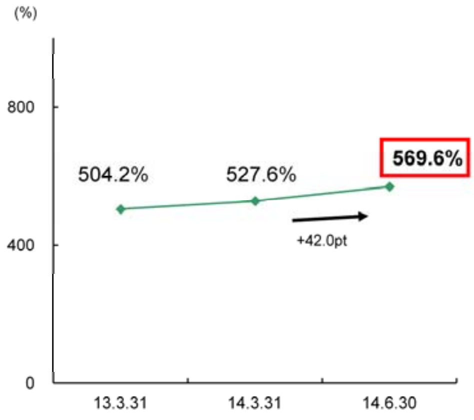
Consequently, the sum of the E.I. loss ratio and the net expense ratio declined 6.6 percentage points year on year, to 82.4%.

(Right-hand graph)

The net loss ratio declined 3.5 percentage points year on year, to 54.7%. This is different from the E.I. loss ratio, which reflects an increase or a decrease in provision for reserve for outstanding losses. The combined ratio (the sum of the net loss ratio and the net expense ratio) declined 2.9 percentage points year on year, to 79.1%.

Sony Financial Holdings

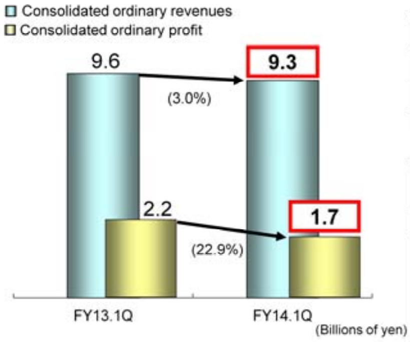
Non-consolidated Solvency Margin Ratio



As of June 30, 2014, Sony Assurance’s non-consolidated solvency margin ratio was 569 6%, up 42.0 percentage points from March 31, 2014.

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

Sony Financial Holdings



<Consolidated>

(Billions of yen)	FY13.1Q	FY14.1Q	Change	
Consolidated ordinary revenues	9.6	**9.3**	(0.2)	(3.0%)
Consolidated ordinary profit	2.2	**1.7**	(0.5)	(22.9%)
Consolidated net income	1.4	**1.1**	(0.3)	(22.7%)

<Non-consolidated>

(Billions of yen)	FY13.1Q	FY14.1Q	Change	
Ordinary revenues	8.9	**8.6**	(0.3)	(3.8%)
Gross operating profit	5.9	**5.2**	(0.6)	(10.5%)
Net interest income	4.5	**4.1**	(0.3)	(7.8%)
Net fees and commissions	(0.0)	**(0.2)**	(0.2)	—
Net other operating income	1.4	**1.3**	(0.0)	(4.5%)
General and administrative expenses	3.6	**3.7**	+0.0	+2.5%
Net operating profit	2.2	**1.5**	(0.7)	(31.0%)
Ordinary profit	2.2	**1.7**	(0.5)	(25.4%)
Net income	1.4	**1.1**	(0.3)	(23.9%)

(Billions of yen)	14.3.31	14.6.30	Change from 14.3.31	
Total net assets	72.7	**73.4**	+0.7	+1.0%
Net unrealized gains on other securities, net of taxes	7.2	**6.8**	(0.4)	(5.5%)
Total assets	2,056.7	**1,998.1**	(58.5)	(2.8%)

(*) Sony Bank revised its method of recording ordinary revenues and ordinary expenses on hedge transactions for FY14.1Q. Ordinary revenues for FY13.1Q have been retroactively adjusted to reflect the change.

<Consolidated>

◆Both ordinary revenues and ordinary profit decreased year on year, due to lower gains on foreign exchange transactions stemming from passive foreign currency trading by customers compared with the same period of the previous fiscal year when foreign currency exchange rates fluctuated wildly.

<Non-consolidated>

◆Both gross operating profit and net operating profit decreased year on year, due to lower gains on foreign exchange transactions as the same reason as in the consolidated results.

- Net interest income decreased year on year. Behind this drop was lower interest income on securities under the lowering interest rates.
- Net fees and commissions decreased year on year due to higher expenses on a growing balance of mortgage loans.
- Net other operating income decreased year on year due to lower gains on foreign exchange transaction despite an improvement in net gains on bond-dealing transaction.

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

Sony Bank’s consolidated ordinary revenues decreased 3.0% year on year,

to ¥9.3 billion and consolidated ordinary profit decreased 22.9% year on year, to ¥1.7 billion, due to lower gains on foreign exchange transactions stemming from passive foreign currency trading by customers compared with the same period of the previous fiscal year when foreign currency exchange rates fluctuated wildly.

On a non-consolidated basis, Sony Bank’s ordinary revenues and ordinary profit decreased year on year, due to lower gains on foreign exchange transactions as the same reason as in the consolidated results.

Gross operating profit decreased 10.5% year on year, to ¥5.2 billion, due mainly to a decrease in net interest income. Behind this drop was lower interest income on securities under the lowering interest rates.

Net operating profit decreased 31.0% year on year, to ¥1.5 billion.

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

(Billions of yen)	13.6.30	14.3.31	14.6.30	Change from 14.3.31	
Customer assets	1,965.6	2,007.5	**1,950.0**	(57.5)	(2.9%)
Deposits	1,849.0	1,890.0	**1,829.7**	(60.3)	(3.2%)
Yen	1,466.9	1,526.4	**1,462.8**	(63.6)	(4.2%)
Foreign currency	382.1	363.5	**366.9**	+3.3	+0.9%
Investment trusts	116.5	117.4	**120.2**	+2.8	+2.4%
Loans outstanding	989.1	1,057.4	**1,071.6**	+14.2	+1.3%
Mortgage loans	878.1	949.3	**962.7**	+13.4	+1.4%
Others	111.0	108.1	**108.9**[*1]	+0.7	+0.7%
Capital adequacy ratio[*2] **(domestic criteria)**	11.89%	11.72%	**11.68%**	(0.04pt)	

<Reasons for changes>

- Yen deposit balance decreased under persistently low interest rates.
- Foreign currency deposit balance slightly increased as the volume of customers' purchase of foreign currencies was larger than that of their sales under a narrow range of exchange rates.
- Loan balance steadily increased mainly in mortgage loans.

*1 Loans in others include corporate loans of ¥103.2 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 Operating Performance: Sony Bank (Non-consolidated) (2)

<Reference> On Managerial Accounting Basis

(Billions of yen)	FY13.1Q	FY14.1Q	Change	
Gross operating profit	5.9	**5.2**	(0.6)	(10.6%)
Net interest income[*1] ①	4.5	**4.4**	(0.0)	(2.1%)
Net fees and commissions[*2] ②	0.4	**(0.0)**	(0.5)	(119.5%)
Net other operating income[*3]	0.8	**0.8**	(0.0)	(1.4%)
Gross operating profit (core profit) (A)=①+②	5.0	**4.4**	(0.6)	(12.2%)
Operating expenses and other expenses ③	3.5	**3.6**	+0.0	+1.1%
Net operating profit (core profit) =(A)−③	1.4	**0.7**	(0.6)	(45.0%)

■**Managerial accounting basis**

The following adjustments are made to the figures on a financial 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.

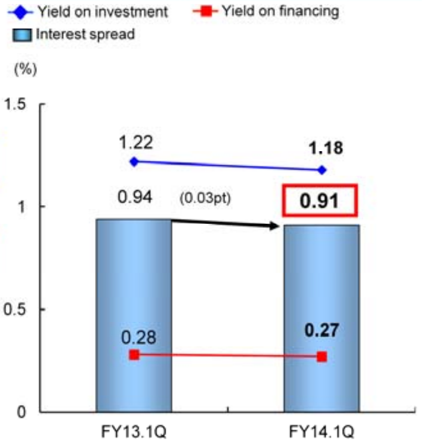
*2: Net fees and commissions: Includes profits and losses for customer dealings in foreign currency transactions recorded in net other operating income.

*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.

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

(Left-hand table)

Net interest income on a managerial accounting basis remained at the same level as the same period of the previous year, amounting to ¥4.4 billion, which maintained a certain level of interest spread.

Net fees and commissions decreased, to ¥0.5 billion year on year, due to lower gains on foreign exchange transactions stemming from passive foreign currency trading by customers.

Consequently, gross operating profit on a core profit basis decreased ¥0.6 billion year on year, to ¥4.4 billion, and net operating profit on a core profit basis also decreased ¥0.6 billion year on year, to ¥0.7 billion.

(Right-hand graph)

The yield on investment for FY14.1Q was 1.18%.

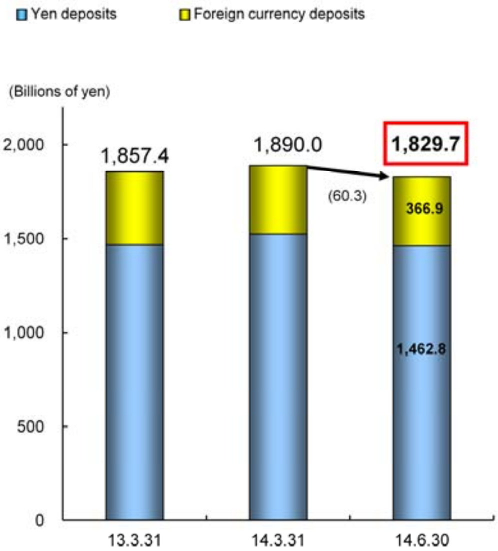
The yield on financing for FY14.1Q was 0.27%.

Consequently, interest spread for FY14.1Q was 0.91%.

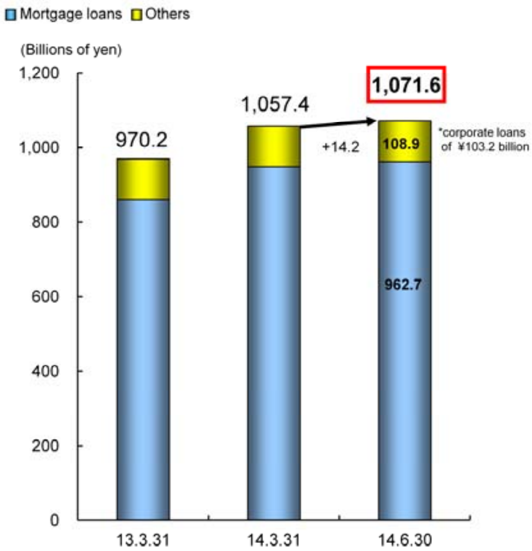
Operating Performance:
Sony Bank (Non-consolidated) (1)

Sony Financial Holdings

Deposits



Loans



Line item amounts are truncated below ¥100 million.

(Left-hand graph)

As of June 30, 2014, deposits (the sum of Japanese yen and foreign currency deposits) amounted to ¥1,829.7 billion, down ¥60.3 billion from March 31, 2014. Of which, yen deposit balance decreased from March 31, 2014, to ¥1,462.8 billion under persistently low interest rates.

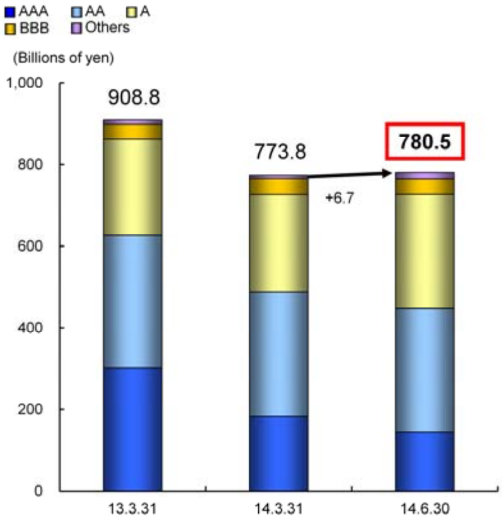
Foreign currency deposit balance amounted to ¥366.9 billion, up ¥3.3 billion from March 31, 2014, as the volume of customers' purchase of foreign currencies was larger than that of their sales under a narrow range of exchange rates.

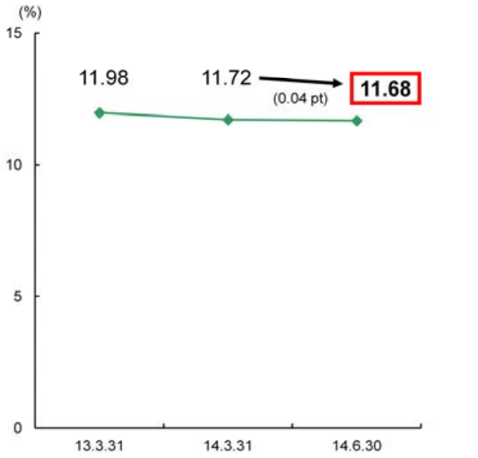
(Right-hand graph)

Loan balance as of June 30, 2014 expanded to ¥1,071.6 billion, up ¥14.2 billion from March 31, 2014, due to the growing balance of mortgage loans.

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

Sony Financial Holdings





*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.
Sony bank calculates this ratio based on Basel III from March 31, 2014

Line item amounts are truncated below ¥100 million.

(Left-hand graph)

As of June 30, 2014, the balance of securities amounted to ¥780.5 billion, up ¥6.7 billion from March 31, 2014.

Sony Bank continuously invests in highly rated bonds.

(Right-hand graph)

As of June 30, 2014, Sony Bank's non-consolidated capital adequacy ratio (domestic criteria) was 11.68%, down 0.04 point from March 31, 2014.
Sony Bank has maintained financial soundness.

Consolidated Financial Forecast for the Year Ending March 31, 2015

Consolidated Financial Forecast for the Year Ending March 31, 2015

Sony Financial Holdings

Consolidated Financial Forecast for the Year Ending March 31, 2015 is unchanged from the forecast announced on May 14, 2014

(Billions of yen)	FY2013 (Actual)	**FY2014 (Forecast)**	Change
Consolidated ordinary revenues	1,320.4*	**1,191.0**	(9.8%)
Life insurance business	1,196.6	**1,061.9**	(11.3%)
Non-life insurance business	89.8	**92.4**	+2.8%
Banking business	36.4*	**36.6**	+0.3%
Consolidated ordinary profit	76.1	**77.0**	+1.1%
Life insurance business	67.2	**67.4**	+0.2%
Non-life insurance business	3.0	**3.9**	+29.8%
Banking business	5.6	**5.3**	(6.0%)
Consolidated net income	40.5	**49.0**	+21.0%

<Segment information for ordinary revenues and ordinary profit>

■ Life Insurance Business

Ordinary revenues are expected to decrease because we do not expect such increases in lump-sum payment insurance premiums and investment income on separate account due to market recovery as recorded in FY13. However, we expect steady growth in policy amount in force. Ordinary profit is expected to be nearly at the same level as in FY13. This is because we expect a higher provision for policy reserves related to minimum guarantees for variable life insurance policies, as well as an increase in operating expenses due to the consumption tax rate rise. We do not expect any negative impact from a rise in provision of policy reserves resulting from the revision of the discount rate used for calculating policy reserves in FY13.

■ Non-life Insurance Business

Ordinary revenues are expected to increase in line with growth in net premiums written, primarily for mainstay automobile insurance. Ordinary profit is expected to increase from FY13 . We do not revise upward ordinary profit although the loss ratio for FY14.1Q was lower than we had expected. This is because we expect some negative effects from a fluctuating car accident ratio and natural disasters which might increase provision of reserve for outstanding losses. We also expect operating expenses to possibly increase from FY14.2Q onward.

■ Banking Business

Ordinary revenues are expected to be stable, because we anticipate stable business growth even in persistently low interest rates. Ordinary profit is expected to decrease because we do not believe that foreign exchange transactions will be as vigorous as FY13, and we expect higher operating expenses due to our initiatives designed to strengthen our settlement function for future growth. However, we expect gross operating profit to stably increase.

<Consolidated net income>

Net income is expected to grow significantly year on year. This is because Sony Life changed its calculation policy of the reserve for price fluctuations to accumulate the reserve up to required levels from FY14 while it had accumulated the reserve in excess of the required levels until FY13.

(*) Since the banking business revised its method of recording ordinary revenues and ordinary expenses on hedge transactions for FY14.1Q, ordinary revenues for FY13 have been retroactively adjusted to reflect the change. Consequently, consolidated ordinary revenues and ordinary revenues of the banking business for FY13 have been revised.

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

SFH’s consolidated financial forecast for the year ending March 31, 2015 (April 1, 2014 to March 31, 2015), is unchanged from the forecast announced on May 14, 2014.

Sony Life's MCEV and Risk Amount Based on Economic Value as of June 30, 2014

Please keep in mind that the validity of these calculations of MCEV as of June 30, 2014, has not been verified by outside specialists.
A part of the calculations of MCEV as of June 30, 2014, adopted simplified method.

Sony Life's MCEV as of June 30, 2014

Sony Financial Holdings

(Billions of yen)		14.3.31	14.6.30	Change from 14.3.31
MCEV		1,221.3	1,260.0	+38.7
	Adjusted net worth	722.1	758.4	+36.2
	Value of existing business	499.1	501.7	+2.5

	14.3.31	14.6.30
New business value (Billions of yen)	55.2 (12M)	16.9 (3M)
New business margin	5.2%	5.5%

Notes:
1. New business margin equals new business value divided by present value of premium income.
2. Calculated MCEV as of June 30, 2014 by using updated economic assumptions and lapse and surrender rate as of March 31, 2014.

◆ **Reasons for changes in MCEV**

・MCEV as of June 30, 2014, increased ¥38.7 billion from March 31, 2014, due mainly to an acquisition of new policies and yield curve changes in Japanese yen. (lowering interest rates under 40 years)

◆ **New business value and new business margin**

・New business value as of June 30, 2014 was ¥16.9 billion, (¥67.6 billion / annualized) reflecting brisk sales of new policies.

・New business margin as of June 30, 2014, was up 0.3% from March 31, 2014, due mainly to the absence of the FY13 negative impact of a substantial increase in sale of lump-sum payment endowment insurance and the strong sale led by the revision of insurance premium rates on interest rate-sensitive whole life insurance.

*Please see page 43 for trend on JGB yields.

Sony Life's MCEV as of June 30, 2014 increased ¥38.7 billion from March 31, 2014, to ¥1,260.0 billion, due mainly to an acquisition of new policies and yield curve changes in Japanese yen. (lowering interest rates under 40 years)

New business value for the three months ended June 30, 2014 was ¥16.9 billion, (¥67.6 billion / annualized), reflecting brisk sales of new policies, while that for 12 months ended March 31, 2014 was ¥55.2 billion.

New business margin as of June 30, 2014 was 5.5%, while that as of March 31, 2014 was 5.5%.

The reason behind this rise is mainly the absence of a substantial increase in sale of lump-sum payment endowment insurance and the strong sale led by the revision of insurance premium rates on interest rate-sensitive whole life insurance.

Sony Life's Risk Amount Based on Economic Value as of June 30, 2014

Sony Financial Holdings

(Billions of yen)	14.3.31	14.6.30
Insurance risk	654.5	**663.9**
Market-related risk	240.0	**265.0**
*Of which, interest rate risk**	*180.9*	***202.8***
Operational risk	26.3	**26.1**
Counter party risk	1.3	**1.7**
Variance effect	(257.8)	**(269.3)**
The risk amount based on economic value	664.3	**687.3**

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

(Billions of yen)	14.3.31	14.6.30
MCEV	1,221.3	**1,260.0**

◆ **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.
3. Calculated MCEV as of June 30, 2014 by using updated economic assumptions and lapse and surrender rate as of March 31, 2014.

The risk amount based on economic value as of June 30, 2014 amounted to ¥687.3 billion. Within Sony Life's risks, insurance risk and market-related risk amounted to ¥663.9 billion and ¥265.0 billion respectively.

The risk amount based on economic value as of June 30, 2014, was up from March 31, 2014, due mainly to an increase in interest rate risk reflecting yield curve changes in Japanese yen.

However, Sony Life has maintained high financial soundness by keeping MCEV, which is capital based on economic value, at a higher level than the risk amount.

Appendix

Appendix

Recent Topics 1

<u>AEGON Sony Life Insurance</u>
Launch of sales: December 1, 2009
Common stock: ¥24 billion (including capital surplus of ¥12 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 (20*) *As of Aug. 8, 2014

<u>SA Reinsurance Ltd</u>
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.

<u>Sony Bank's Mortgage Loans through Sony Life</u>

■Sony Life accounts for 24% of the balance of mortgage loans as of Jun. 30, 2014

Sony Life accounts for 17% of the amount of new mortgage loans for FY14.1Q

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

<u>Sony Assurance's Auto Insurance Sold by Sony Life</u>

■Sony Life accounts for approx. 5% of new automobile policies for FY14.1Q

*Sony Life started handling automobile insurance in May 2001.

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

Appendix

Recent Topics 2

<Highlights for FY2014.1Q>

2014-04-01	"Sony Lifecare Inc." was established as a holding company to oversee the Group's operations in the nursing care business.
2014-04-21	Sony Assurance Began Offering "Policyholders' Apps" for smart-phone.
2014-05-02	Sony Life commenced sale of a new product: "Specialty Endowment Insurance."
2014-06-18	Sony Bank began offering "*Omakase* Money Receiving Service"
2014-07-09	Sony Life closed its representative office in Beijing.
2014-08-01	Sony Bank entered tie-up with "Sony Real Estate" in mortgage loans

Appendix

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

Sony Financial Holdings

Fair Value Information on Securities

Fair Value Information on Securities

(Billions of yen)

	13.3.31			14.3.31			14.6.30		
	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	3,874.2	4,425.9	551.7	4,409.6	4,839.9	430.3	4,484.2	4,946.5	462.3
Available-for-sale securities	955.9	1,079.2	123.2	1,065.5	1,189.8	124.3	1,085.3	1,222.0	136.7
Japanese government and corporate bonds	925.3	1,036.9	111.6	1,035.9	1,146.7	110.8	1,055.1	1,177.1	121.9
Japanese stocks	14.7	20.9	6.2	12.2	21.2	8.9	12.2	22.2	9.9
Foreign securities	14.4	18.6	4.2	15.8	19.4	3.5	16.4	20.0	3.5
Other securities	1.4	2.6	1.1	1.4	2.5	1.0	1.4	2.7	1.2
Total	4,830.2	5,505.2	675.0	5,475.1	6,029.8	554.7	5,569.5	6,168.6	599.0

Note: Derivative financial products such as principal protected 30 year notes with Nikkei 225 index-linked coupons are included in the "Held-to-maturity-securities" above.

Principal protected 30 year notes with Nikkei 225 index-linked coupons
As of March 31, 2013; Carrying amount: ¥43.3 billion, Fair market value: ¥52.2 billion, Net unrealized gain (losses): ¥8.8 billion
As of March 31, 2014; Carrying amount: ¥43.8 billion, Fair market value: ¥56.0 billion, Net unrealized gain (losses): ¥12.2 billion
As of June 30, 2014 ; Carrying amount: ¥43.9 billion, Fair market value: ¥57.3 billion, Net unrealized gain (losses): ¥13.4 billion

Valuation gains (losses) on trading-purpose securities

(Billions of yen)

13.3.31		14.3.31		14.6.30	
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: Amounts above include those categorized as "monetary trusts."

Line item amounts are truncated below ¥100 million.

Appendix

Sony Life's Interest Income and Dividends (Details)

(Millions of yen)

	FY13.1Q	FY14.1Q	Change
Cash and deposits	0	**0**	+88.9%
Japanese government and corporate bonds	23,649	**26,173**	+10.7%
Japanese stocks	48	**63**	+32.2%
Foreign securities	1,253	**2,230**	+77.9%
Other securities	11	**56**	+401.9%
Loans	1,394	**1,457**	+4.5%
Real estate	2,560	**2,570**	+0.4%
Others	10	**5**	(41.1%)
Total	28,926	**32,557**	+12.6%

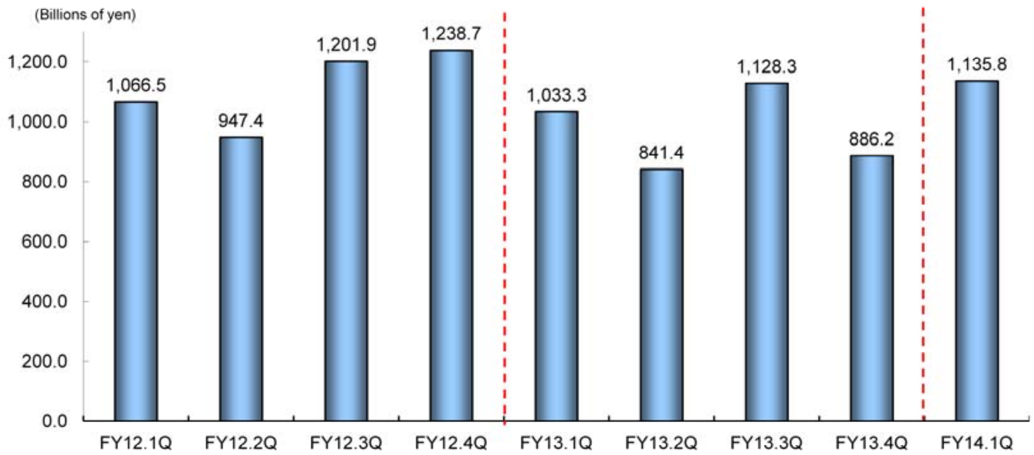
Line item amounts are truncated below ¥1 million; percentage change figures are rounded.

Appendix

Sony Life's Quarterly Trend on New Policies Amount

Sony Financial Holdings

Quarterly Trend on New Policy Amount



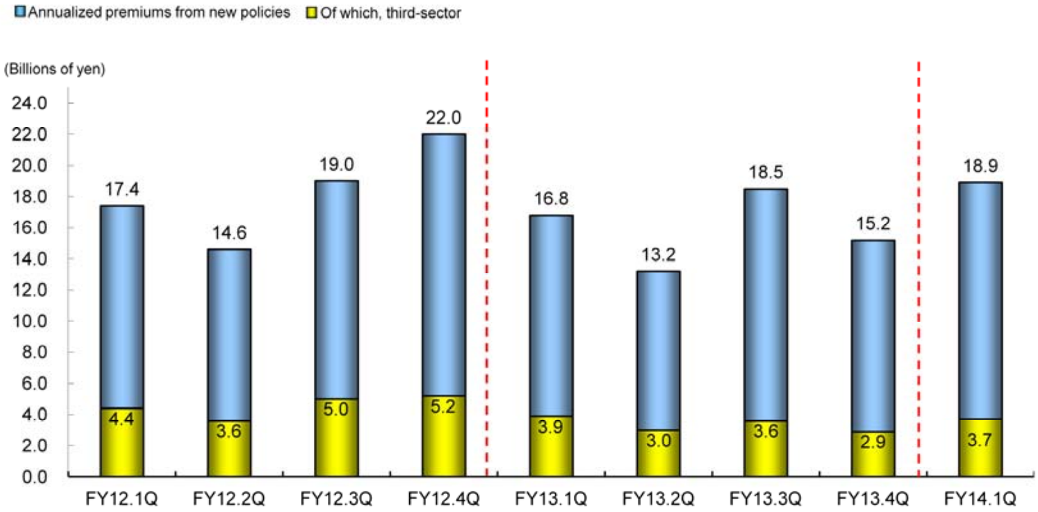
Line item amounts are truncated below ¥100 million.

Appendix

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

Sony Financial Holdings

Quarterly Trend on Annualized Premiums from New Policies



Line item amounts are truncated below ¥100 million.

Appendix

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

Sony Financial Holdings

■ **Market-related Risk**[*1]

	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.	Percentage increases or decreases differ for each currency and term. As for measuring interest rate risk in Japanese yen, introduced principal component analysis, where yield curve changes are disaggregated into three components, parallel shift, twist and butterfly, and the yield curve is shocked by each component. (Example) For Yen 30-year, 34% decrease (parallel shift), 28% decrease (twist), 7% decrease (butterfly))	Percentage increases or decreases differ for each currency and term but no lower than 1% (Example) For Yen 30-year, 30% decrease
Equity risk	Listed equities 45%, Other securities 70%	Global 30%, Others 40%*2
Real estate risk	Actual real estate 25%	Real estate 25%
Credit risk	Credit risk = (market value) x (risk coefficient for each credit rating) x duration Note that 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 June 30, 2014.
2. Standard risk coefficients are global: 39%/other: 49%. Symmetric adjustment (an adjustment of ±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%.

Appendix

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

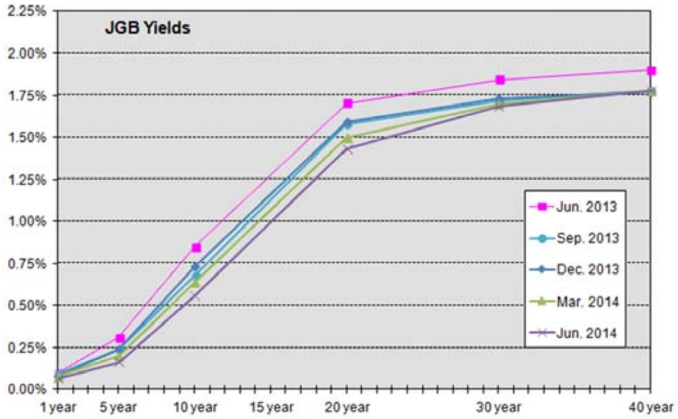
■ **Insurance Risk**[*1]

	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; [*2] ·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; · Increases by 50% in the assumed rates of lapsation for Life module, 20% for Health module ·Decreases 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%.

Notes
1. Principal items as of June 30, 2014.
2. 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



As of the end of each month

JGB yields	Jun. 2013	Sep. 2013	Dec. 2013	Mar. 2014	Jun. 2014	Mar. 2014 →Jun. 2014
1year	0.10%	0.09%	0.08%	0.08%	0.07%	-0.01%
5 year	0.31%	0.24%	0.24%	0.20%	0.16%	-0.03%
10 year	0.85%	0.68%	0.73%	0.64%	0.56%	-0.08%
20 year	1.70%	1.58%	1.59%	1.50%	1.43%	-0.08%
30 year	1.84%	1.72%	1.73%	1.70%	1.68%	-0.02%
40 year	1.90%	1.78%	1.77%	1.78%	1.78%	0.00%

Appendix

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