

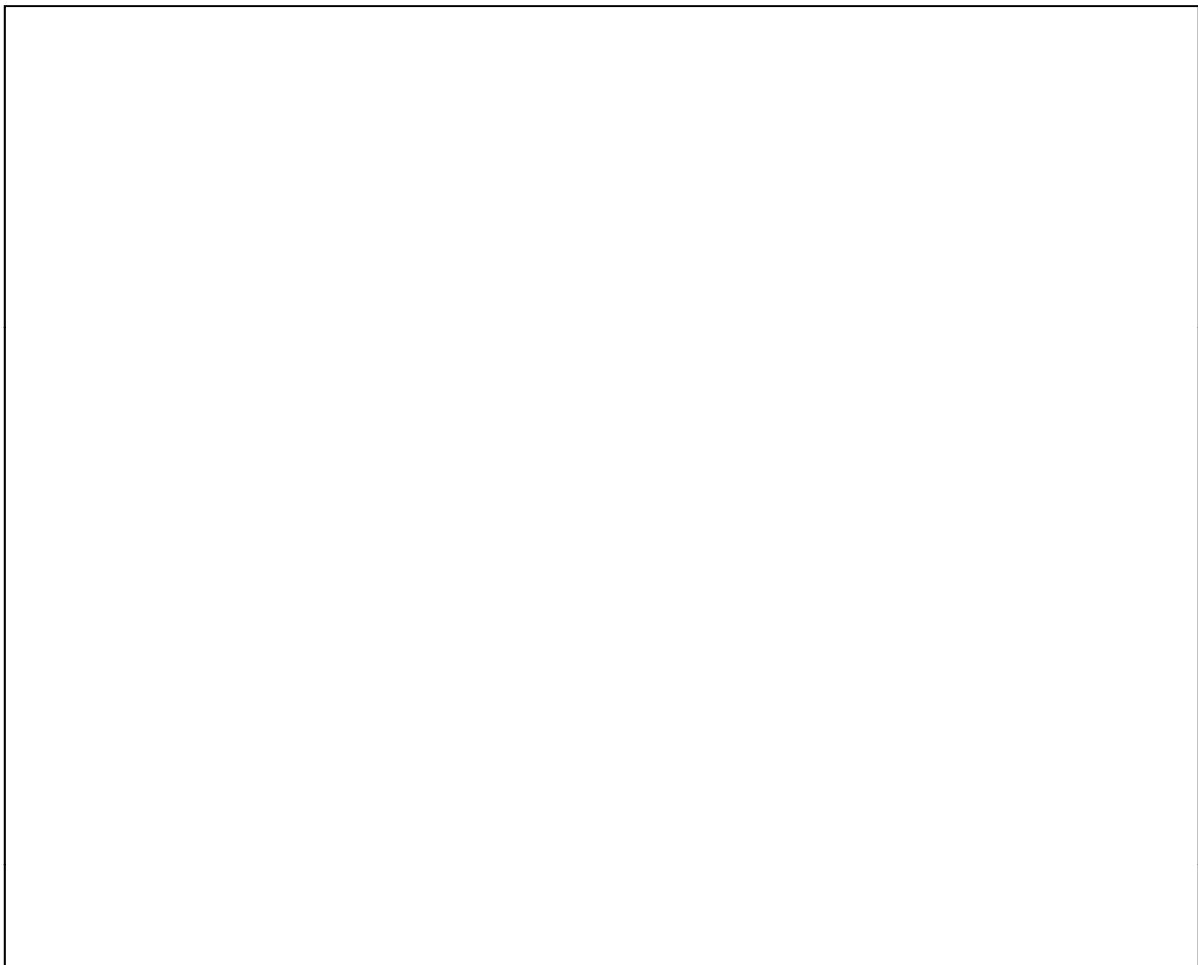
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Presentation Material

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

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

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\*Unless otherwise indicated, in these materials figures less than the indicated unit have been truncated, while ratios and percentage changes have been rounded.

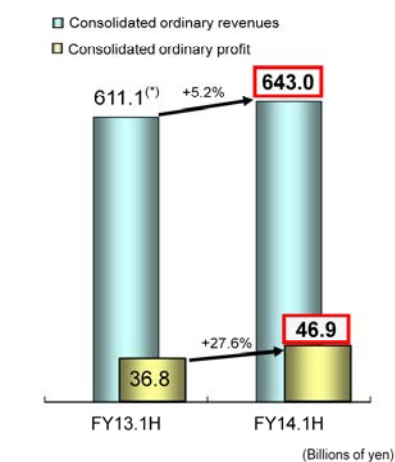
Also, a “-” is used where percentage changes exceed 1,000% and in cases where one or both comparisons are negative.

\* “Lifeplanner” is a registered trademark of Sony Life.

## Content

## **Consolidated Operating Results for the Six Months Ended September 30, 2014**

## Highlights of Consolidated Operating Performance for the Six Months Ended September 30, 2014 (1)



(\*) Banking business revised its method of recording ordinary revenues and ordinary expenses on hedge transactions for FY14.1H. Ordinary revenues for FY13.1H have been retroactively adjusted to reflect the change. Consequently, consolidated ordinary revenues for FY13.1H have been revised from ¥610.7 billion to ¥611.1 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)		FY13.1H	FY14.1H	Change	
Life Insurance business	Ordinary revenues	549.2	579.4	+30.2	+5.5%
	Ordinary profit	30.2	40.1	+9.9	+32.9%
Non-life Insurance business	Ordinary revenues	44.9	46.4	+1.5	+3.4%
	Ordinary profit	2.8	3.4	+0.5	+19.6%
Banking business	Ordinary revenues	18.3	18.6	+0.3	+1.9%
	Ordinary profit	3.5	3.2	(0.3)	(9.0%)
Intersegment adjustments*	Ordinary revenues	(1.3)	(1.4)	(0.1)	—
	Ordinary profit	0.1	0.1	(0.0)	(23.8%)
Consolidated	Ordinary revenues	611.1	643.0	+31.9	+5.2%
	Ordinary profit	36.8	46.9	+10.1	+27.6%
	Net income	20.8	31.1	+10.2	+49.3%

(Billions of yen)		14.3.31	14.9.30	Change from 14.3.31	
Consolidated	Total assets	8,841.3	9,120.2	+278.8	+3.2%
	Net assets	4,67.0	504.7	+37.7	+8.1%

\*Ordinary profit in "Intersegment adjustments" is mainly from SFH.  
 \*Comprehensive income: FY13.1H: ¥13.5 billion, FY14.1H: ¥44.7 billion

During the six months ended September 30, 2014 (April 1 to September 30, 2014), consolidated ordinary revenues increased 5.2% compared with the same period of the previous fiscal year, to ¥643.0 billion, owing to increases in ordinary revenues from all the businesses: life insurance, non-life insurance and banking.

Consolidated ordinary profit increased 27.6% year on year, to ¥46.9 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.

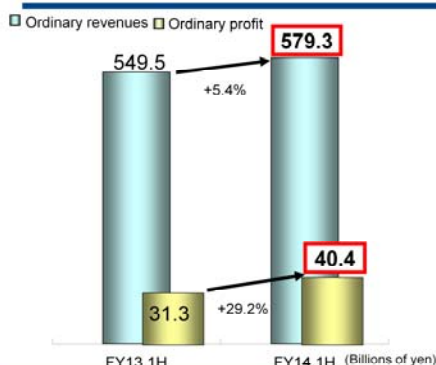
Consolidated net income was up 49.3% year on year, to ¥31.1 billion, reflecting the rise in ordinary profit, and the change of the calculation policy of the reserve for price fluctuations for Sony Life. The change was to accumulate the reserve up to required levels from FY14 while it had accumulated the reserve in excess of the required levels until FY13.

## Highlights of Consolidated Operating Performance for the Six Months Ended September 30, 2014 (2)



- **Life Insurance Business:** Policy amount in force increased steadily during the six months ended September 30, 2014, reflecting a record-high new policy amount for the first half (April 1 to September 30). Ordinary revenues increased compared with the same period of the previous fiscal year due to an increase in income from insurance premiums reflecting a steady increase in policy amount in force and higher interest income and dividends on general account assets. Ordinary profit increased year on year due mainly to two reasons: the absence of the negative impact from the revision of the discount rate used for calculating policy reserves on the interest rate-sensitive whole life insurance that was present in the same period of the preceding fiscal year, and an increase in gains on sales of securities in the general account in this first half.
- **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 increased year on year due to higher gains from bond-dealing transactions. In spite of the increase in ordinary revenues, ordinary profit decreased due mainly to two reasons: lower volume 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, and an increase in operating expenses.
- Consolidated ordinary revenues increased 5.2% compared with the same period of the previous fiscal year, to ¥643.0 billion, owing to increases in ordinary revenues from all the businesses: life insurance, non-life insurance and banking. Consolidated ordinary profit increased 27.6% year on year, to ¥46.9 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 49.3% year on year, to ¥31.1 billion, reflecting the rise in ordinary profit, and the change of the calculation policy of the reserve for price fluctuations for Sony Life.

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



- ◆ Ordinary revenues and ordinary profit increased year on year.
- ◆ Income from insurance premiums increased due to a steady growth in policy amount in force.
- ◆ Investment income increased due mainly to higher interest income and dividends on general account assets.
- ◆ Ordinary profit increased year on year due mainly to two reasons: the absence of the negative impact from the revision of the discount rate used for calculating policy reserves on the interest rate-sensitive whole life insurance that was present in the same period of the preceding fiscal year, and an increase in gains on sales of securities in the general account in this first half.
- ◆ 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)	FY13.1H	FY14.1H	Change	
<b>Ordinary revenues</b>	549.5	579.3	+29.8	+5.4%
Income from insurance premiums	437.9	454.0	+16.0	+3.7%
Investment income	107.6	120.8	+13.1	+12.2%
Interest income and dividends	58.9	65.8	+6.9	+11.7%
Income from monetary trusts, net	2.6	2.6	(0.0)	(1.1%)
Gains on sale of securities	0.0	3.8	+3.8	—
Gains on separate accounts, net	45.8	46.4	+0.6	+1.4%
<b>Ordinary expenses</b>	518.2	538.9	+20.7	+4.0%
Insurance claims and other payments	155.0	173.0	+17.9	+11.6%
Provision for policy reserves and others	294.0	293.6	(0.3)	(0.1%)
Investment expenses	4.0	4.5	+0.4	+11.8%
Operating expenses	55.8	56.8	+0.9	+1.7%
<b>Ordinary profit</b>	31.3	40.4	+9.1	+29.2%
<b>Net income</b>	17.6	26.9	+9.2	+52.3%

(Billions of yen)	14.3.31	14.9.30	Change from 14.3.31	
<b>Securities</b>	5,954.7	6,235.6	+280.9	+4.7%
<b>Policy reserves</b>	6,123.6	6,413.4	+289.7	+4.7%
<b>Net assets</b>	369.2	402.4	+33.2	+9.0%
Net unrealized gains on other securities	83.4	97.0	+13.5	+16.3%
<b>Total assets</b>	6,624.9	6,959.1	+334.2	+5.0%
Separate account assets	640.5	702.0	+61.4	+9.6%

Sony Life's ordinary revenues increased 5.4% year on year, to ¥579.3 billion, due to an increase in income from insurance premiums reflecting a steady increase in policy amount in force and higher interest income and dividends on general account assets.

Ordinary profit increased 29.2% year on year, to ¥40.4 billion due mainly to two reasons: the absence of the negative impact from the revision of the discount rate used for calculating policy reserves on the interest rate-sensitive whole life insurance that was present in the same period of the preceding fiscal year, and an increase in gains on sales of securities in the general account in this first half.

Net income increased 52.3% year on year, to ¥26.9 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)



(Billions of yen)	FY13.1H	FY14.1H	Change	
New policy amount	1,874.8	2,127.3	+13.5%	◆ Increased due to higher sales of U.S. dollar denominated insurance, variable life insurance and term-life insurance.
Lapse and surrender amount	876.4	862.5	(1.6%)	
Lapse and surrender rate	2.32%	2.21%	(0.11pt)	◆ Decreased in each product.
Policy amount in force	38,357.1	39,952.7	+4.2%	
Annualized premiums from new policies	30.1	36.2	+20.0%	◆ Increased reflecting an increase in new policy amount and higher sales of endowment insurance and educational endowment insurance.
Of which, third-sector products	6.9	6.5	(5.1%)	
Annualized premiums from insurance in force	681.4	715.4	+5.0%	
Of which, third-sector products	165.0	169.7	+2.9%	

(Billions of yen)	FY13.1H	FY14.1H	Change	
Gains from investment, net (General account)	57.7	69.8	+20.9%	
Core profit	33.5	38.5	+14.9%	◆ 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.
Positive spread	3.3	5.5	+66.7%	

	14.3.31	14.9.30	Change from 14.3.31
Non-consolidated solvency margin ratio	2,358.7%	2,510.4%	+151.7pt

### 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.



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

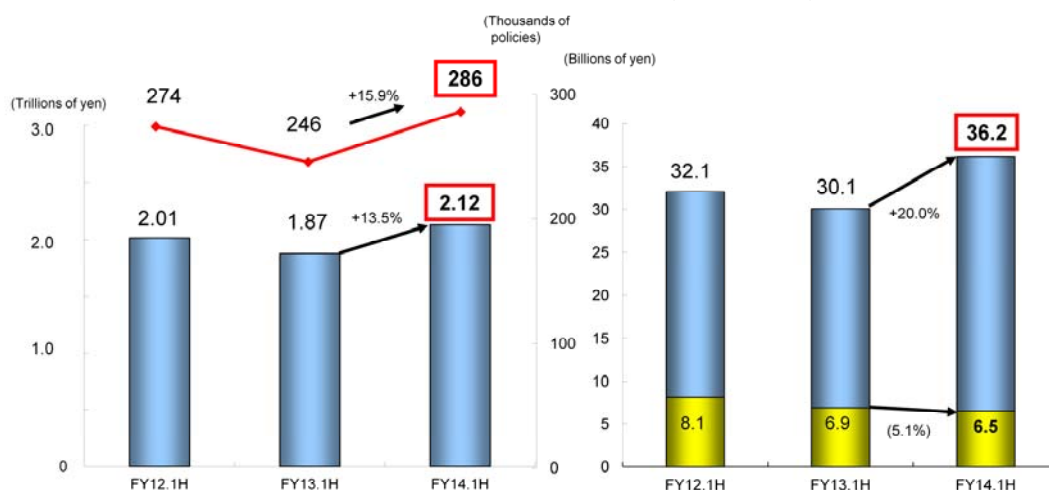


### Number and Amount of New Policies (Individual Life Insurance + Individual Annuities)

■ New policy amount — Number of new policies

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

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



#### (Left-hand graph)

New policy amount for the total of individual life insurance and individual annuities for the six month ended September 30, 2014, increased 13.5% year on year, to ¥2,127.3 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, term-life insurance and family income insurance in line with efforts to strengthen sales of death protection-type products.

The number of new policies increased 15.9% year on year to 286 thousand policies.

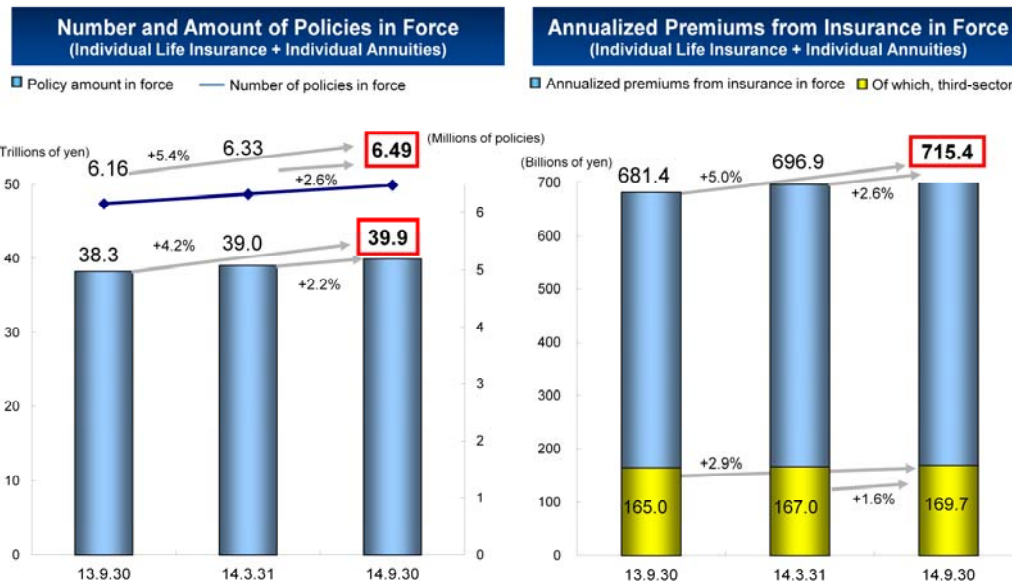
#### (Right-hand graph)

Annualized premiums from new policies for the six month ended September 30, 2014, increased 20.0% year on year, to ¥36.2 billion, due to higher sales of endowment insurance, educational endowment insurance, variable life insurance, term-life insurance and U.S. dollar denominated insurance.

Of which, the figure for third-sector insurance products was down 5.1% year on year, to ¥6.5 billion.



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



### (Left-hand graph)

Policy amount in force for the total of individual life insurance and individual annuities increased 4.2% year on year, to ¥39,952.7 billion, due to an increase in new policies and a low lapse and surrender rate.

The number of policies in force increased 5.4% year on year, to ¥6.49 million policies.

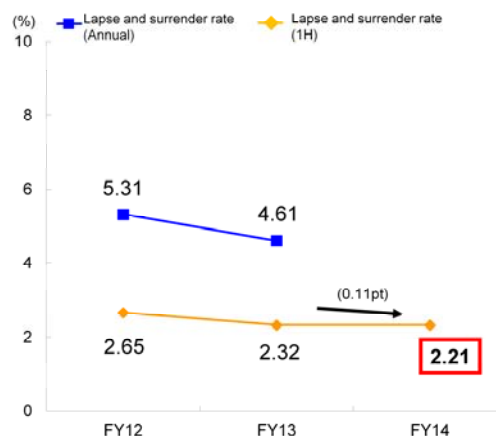
### (Right-hand graph)

Annualized premiums from insurance in force increased 5.0% year on year, to ¥715.4 billion. Of this amount, the figure for third-sector products was up 2.9% year on year, to ¥169.7 billion.

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



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



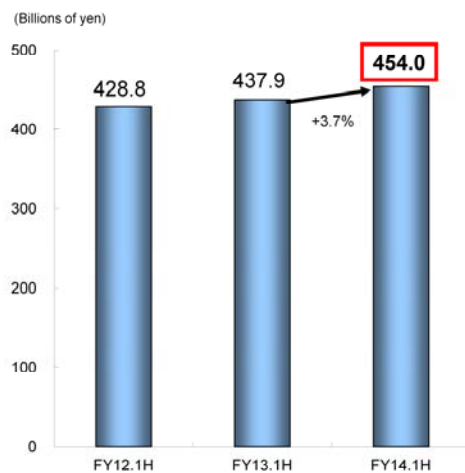
\*The lapse and surrender rate shows the ratio derived by dividing the amount of lapses and surrenders, not adjusted for policy amount decreases, increases, and reinstatements, by the policy amount in force at the beginning of the fiscal year.

The lapse and surrender rate for the six month ended September 30, 2014, decreased 0.11 percentage point year on year, to 2.21%, due to the lowering lapse and surrender rate in each product.

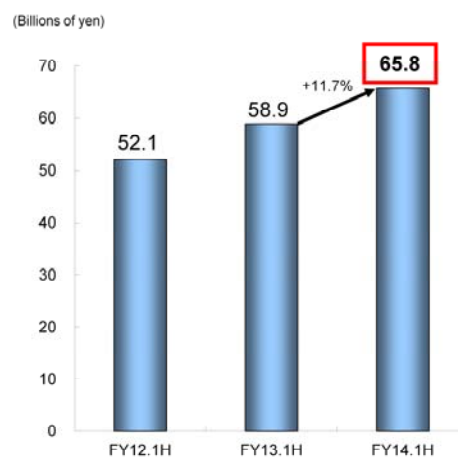
## Operating Performance : Sony Life (Non-consolidated) (4)



### Income from Insurance Premiums



### Interest Income and Dividends



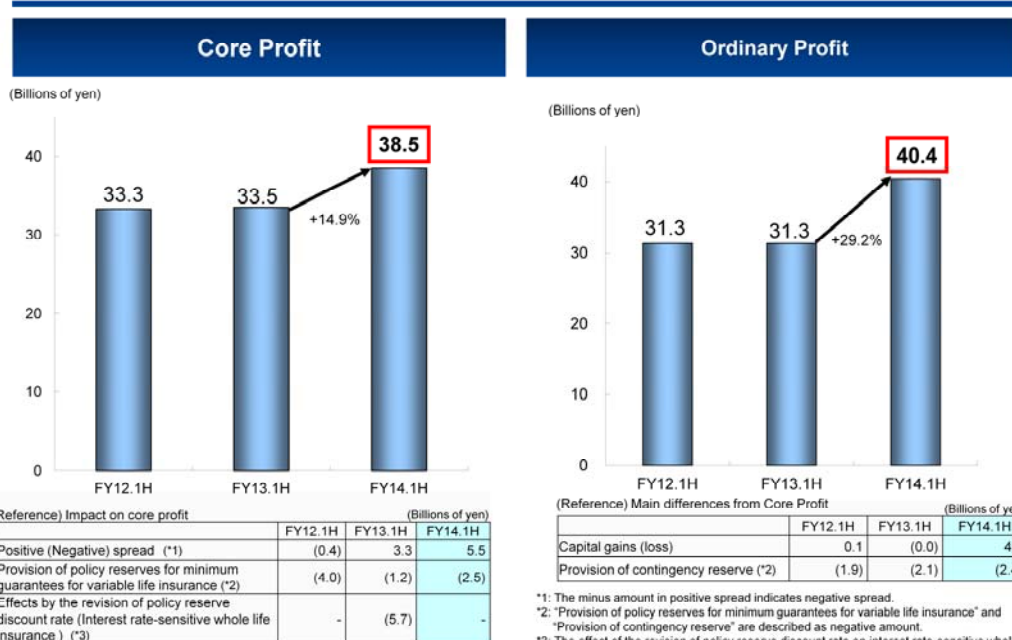
(Left-hand graph)

Income from insurance premiums increased 3.7% year on year, to ¥454.0 billion, owing to steady growth in policy amount in force.

(Right-hand graph)

Interest income and dividends was up 11.7% year on year, to ¥65.8 billion, due to an expansion in investment assets along with business expansion.

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



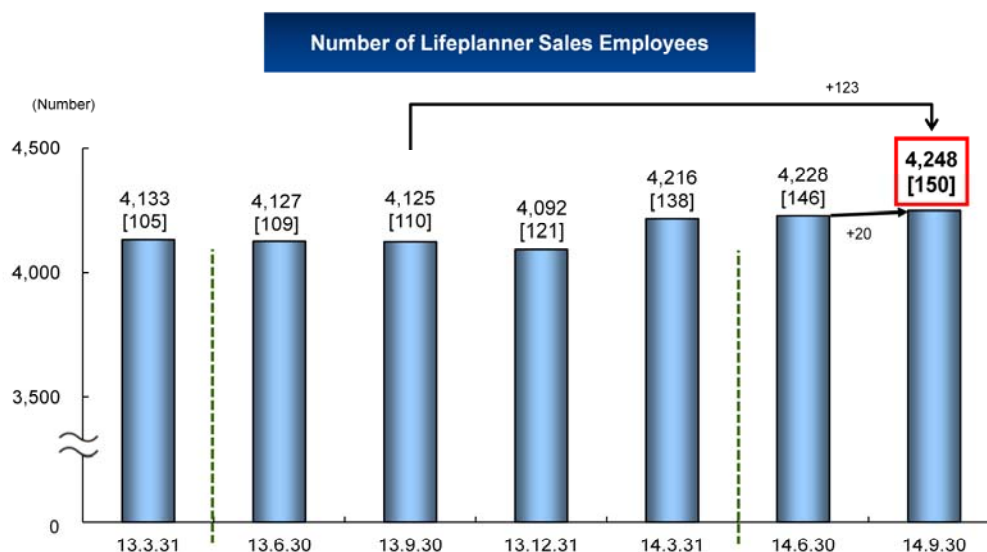
### (Left-hand graph)

Core profit was up 14.9% year on year, to ¥38.5 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 and an increase in positive spread, despite the negative effect of an increase in provision of policy reserves for minimum guarantees for variable life insurance.

### (Right-hand graph)

Ordinary profit increased 29.2% year on year, to ¥40.4 billion, due mainly to an increase in gains on sales of securities in the general account as well as the increase in core profit.

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



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.

The number of Lifeplanner sales employees as of September 30, 2014, was 4,248, up 20 from June 30, 2014 and up 123 from September 30, 2013.

The number of Lifeplanner sales employees steadily increased, reflecting Sony Life's initiatives to appoint skilled personnel in this category as sales office managers responsible for recruiting new Lifeplanner sales employees.

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



### Breakdown of General Account Assets

(Billions of yen)	14.3.31		14.9.30	
	Amount	%	Amount	%
Japanese government and corporate bonds	5,190.0	86.7%	5,390.7	86.2%
Japanese stocks	33.2	0.6%	36.1	0.6%
Foreign bonds	79.8	1.3%	93.5	1.5%
Foreign stocks	26.9	0.4%	26.6	0.4%
Monetary trusts	305.3	5.1%	308.8	4.9%
Policy loans	154.1	2.6%	158.5	2.5%
Real estate	66.5	1.1%	118.5	1.9%
Cash and call loans	32.6	0.5%	35.9	0.6%
Others	95.6	1.6%	88.1	1.4%
<b>Total</b>	<b>5,984.3</b>	<b>100.0%</b>	<b>6,257.0</b>	<b>100.0%</b>

#### <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

Sep. 30, 2014: 19.8 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 Sep. 30, 2014: 91.1% (As of Mar. 31, 2014: 91.8%)

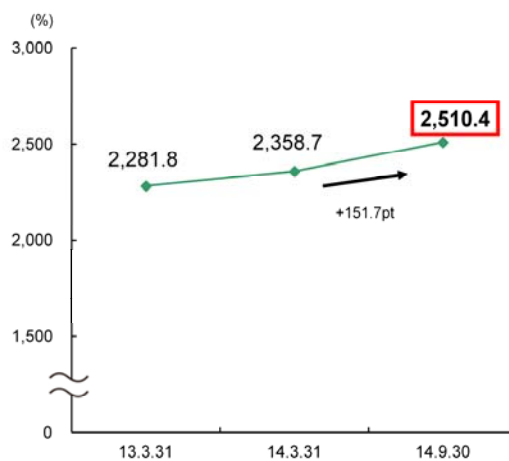
As Sony Life continued its investment in ultralong-term bonds, the holding ratio on the real status, of Japanese government and corporate bonds including those invested in monetary trusts was 91.1% as of September 30, 2014.

Sony Life's holding ratio of real estate in general account assets was up as Sony Life has acquired Sony Corporation's headquarters site in September 2014.

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



### Non-consolidated Solvency Margin Ratio



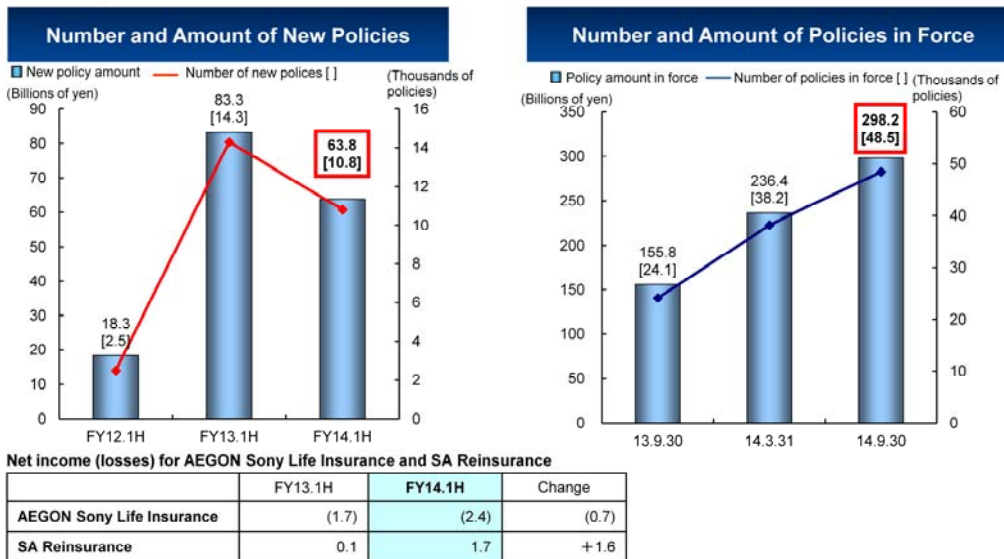
As of September 30, 2014, Sony Life's non-consolidated solvency margin ratio was 2,510.4%, up 151.7 percentage points from March 31, 2014, remaining at a high level.



## Operating Performance : AEGON Sony Life Insurance



\*AEGON Sony Life Insurance sells individual variable annuities.



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.

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

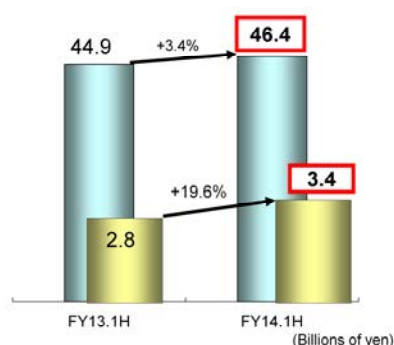
Sales of individual variable annuities decreased compared with the same period of the previous fiscal year. Behind this drop was the fact that brisk sales of individual variable annuities were seen due to a favorable stock market in the preceding year.

However, the business scale itself has been expanding along with steady growth in policy amount in force.

## Highlights of Operating Performance: Sony Assurance



■ 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 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.

(Billions of yen)	FY13.1H	FY14.1H	Change	
<b>Ordinary revenues</b>	44.9	46.4	+1.5	+3.4%
Underwriting income	44.2	45.7	+1.4	+3.3%
Investment income	0.5	0.6	+0.0	+5.1%
<b>Ordinary expenses</b>	42.0	42.9	+0.9	+2.2%
Underwriting expenses	31.7	32.0	+0.2	+0.7%
Investment expenses	0.0	0.0	(0.0)	(99.7%)
Operating general and administrative expenses	10.2	10.9	+0.7	+7.0%
<b>Ordinary profit</b>	2.8	3.4	+0.5	+19.6%
<b>Net income</b>	1.8	2.3	+0.5	+29.4%

(Billions of yen)	14.3.31	14.9.30	Change from 14.3.31	
<b>Underwriting reserves</b>	78.0	82.4	+4.4	+5.6%
<b>Net assets</b>	21.4	24.1	+2.7	+12.8%
<b>Total assets</b>	142.7	149.4	+6.7	+4.7%

Sony Assurance's ordinary revenues increased 3.4% year on year, to ¥46.4 billion, due to an increase in net premiums written primarily for its mainstay automobile insurance.

Ordinary profit increased 19.6% year on year, to ¥3.4 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 29.4% year on year, to ¥2.3 billion.

## Overview of Operating Performance: Sony Assurance



(Billions of yen)	FY13.1H	FY14.1H	Change
Direct premiums written	43.6	45.0	+3.3%
Net premiums written	44.2	45.7	+3.3%
Net losses paid	23.2	22.4	(3.8%)
Underwriting profit	2.3	2.8	+22.8%
Net loss ratio	59.6%	56.4%	(3.2pt)
Net expense ratio	24.6%	25.4%	+0.8pt
Combined ratio	84.2%	81.8%	(2.4pt)

### <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, a rise in insurance acquisition cost and a consumption tax rate rise.

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	14.9.30	Change from 14.3.31	
Number of policies in force	1.61 million	1.65 million	+0.04 million	+2.7%
Non-consolidated solvency margin ratio	527.6%	596.3%	+68.7pt	

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.

## Sony Assurance's Underwriting Performance by Type of Policy



### Direct Premiums Written

(Millions of yen)	FY13.1H	FY14.1H	Change
Fire	115	119	+3.3%
Marine	—	—	—
Personal accident	4,124	4,277	+3.7%
Voluntary automobile	39,391	40,671	+3.2%
Compulsory automobile liability	—	—	—
<b>Total</b>	<b>43,632</b>	<b>45,069</b>	<b>+3.3%</b>

### Net Premiums Written

(Millions of yen)	FY13.1H	FY14.1H	Change
Fire	82	16	(80.0%)
Marine	68	84	+22.8%
Personal accident	4,254	4,411	+3.7%
Voluntary automobile	39,264	40,568	+3.3%
Compulsory automobile liability	608	671	+10.2%
<b>Total</b>	<b>44,279</b>	<b>45,752</b>	<b>+3.3%</b>

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

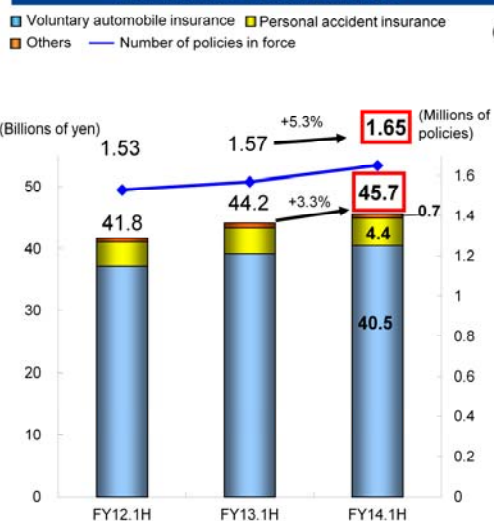
### Net losses paid

(Millions of yen)	FY13.1H	FY14.1H	Change
Fire	0	2	+340.6%
Marine	77	73	(5.0%)
Personal accident	1,010	1,128	+11.7%
Voluntary automobile	21,667	20,616	(4.9%)
Compulsory automobile liability	544	601	+10.4%
<b>Total</b>	<b>23,299</b>	<b>22,420</b>	<b>(3.8%)</b>

## Operating Performance: Sony Assurance (1)

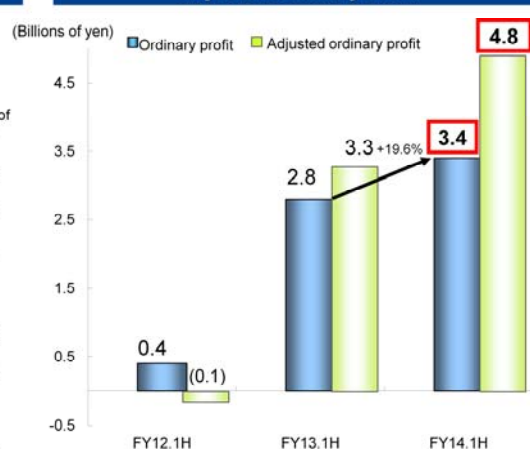


### Net Premiums Written and Number of Policies in Force



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)			
	FY12.1H	FY13.1H	FY14.1H
Provision for catastrophe reserve	(0.6)	0.4	1.4

\*Provision for catastrophe reserve is described as positive amount

#### (Left-hand graph)

The number of policies in force for the total of automobile insurance and medical and cancer insurance steadily increased 5.3% year on year, to 1.65 million policies.

Net premiums written increased 3.3% year on year, to ¥45.7 billion due to a stable sale of automobile insurance.

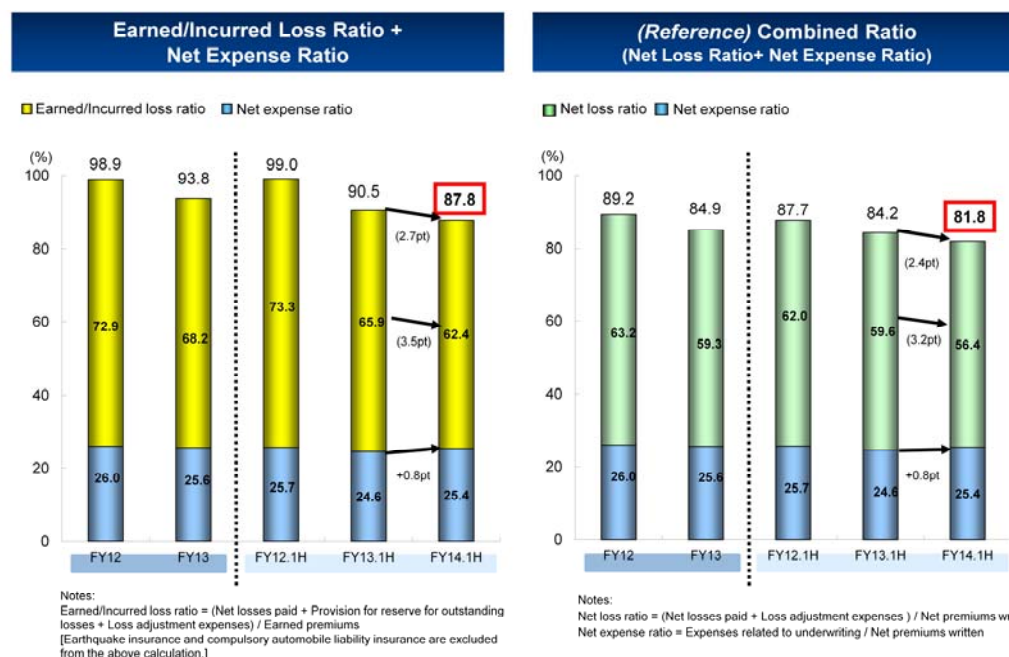
#### (Right-hand graph)

Ordinary profit increased 19.6% year on year, to ¥3.4 billion due 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 increased year on year, to ¥4.8 billion.

## Operating Performance: Sony Assurance (2)



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### (Left-hand graph)

For the six month ended September 30, 2014, the E.I. loss ratio declined 3.5 percentage points year on year, to 62.4 %, 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 0.8 percentage point year on year, to 25.4%, due mainly to higher system-related expenses and a rise in insurance acquisition cost and a consumption tax rate rise.

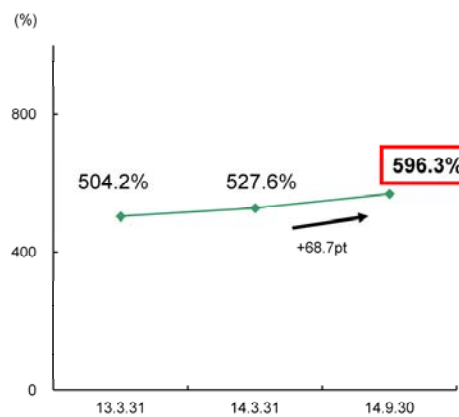
Consequently, the sum of the E.I. loss ratio and the net expense ratio declined 2.7 percentage points year on year, to 87.8%.

### (Right-hand graph)

The net loss ratio declined 3.2 percentage points year on year, to 56.4%. 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 2.4 percentage points year on year, to 81.8%.

Non-consolidated Solvency Margin Ratio



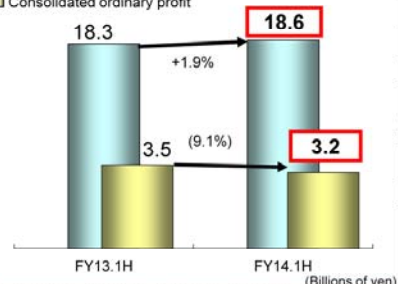
As of September 30, 2014, Sony Assurance's non-consolidated solvency margin ratio was 596.3%, up 68.7 percentage points from March 31, 2014.



## 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 from bond-dealing transactions. In spite of the increase in ordinary revenues, ordinary profit decreased due mainly to two reasons: lower volume 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, and an increase in operating expenses.

### <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 lower fees on investment trusts and higher fees paid for ATM usage.  
 • Net other operating income increased year on year due to higher net gains on bond-dealing transactions, despite lower gains on foreign exchange transactions.

### <Consolidated>

(Billions of yen)	FY13.1H	FY14.1H	Change	
Consolidated ordinary revenues	18.3	18.6	+0.3	+1.9%
Consolidated ordinary profit	3.5	3.2	(0.3)	(9.1%)
Consolidated net income	2.2	2.0	(0.1)	(8.8%)

### <Non-consolidated>

(Billions of yen)	FY13.1H	FY14.1H	Change	
Ordinary revenues	17.0	17.3	+0.2	+1.4%
Gross operating profit	11.0	10.6	(0.3)	(3.2%)
Net interest income	8.8	8.2	(0.5)	(6.2%)
Net fees and commissions	(0.1)	(0.3)	(0.1)	—
Net other operating income	2.3	2.6	+0.3	+13.7%
General and administrative expenses	7.2	7.5	+0.2	+3.6%
Net operating profit	3.7	3.1	(0.6)	(17.4%)
Ordinary profit	3.6	3.2	(0.4)	(11.9%)
Net income	2.3	2.0	(0.2)	(10.3%)

(Billions of yen)	14.3.31	14.9.30	Change from 14.3.31	
Net assets	72.7	74.0	+1.2	+1.7%
Net unrealized gains on other securities, net of taxes	7.2	6.3	(0.8)	(12.2%)
Total assets	2,056.7	1,996.2	(60.4)	(2.9%)

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

Sony Bank's consolidated ordinary revenues increased 1.9% year on year, to ¥18.6 billion, due to higher gains from bond-dealing transactions. Consolidated ordinary profit decreased 9.1% year on year, to ¥3.2 billion due mainly to two reasons: lower volume 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, and an increase in operating expenses.

On a non-consolidated basis, Sony Bank's ordinary revenues increased while ordinary profit decreased as the same reason as in the consolidated results.

Gross operating profit decreased 3.2% year on year, to ¥10.6 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 17.4% year on year, to ¥3.1 billion.

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



(Billions of yen)	13.9.30	14.3.31	14.9.30	Change from 14.3.31	
<b>Customer assets</b>	1,930.7	2,007.5	1,945.2	(62.2)	(3.1%)
Deposits	1,813.0	1,890.0	1,824.6	(65.3)	(3.5%)
Yen	1,435.1	1,526.4	1,483.8	(42.6)	(2.8%)
Foreign currency	377.9	363.5	340.8	(22.7)	(6.2%)
Investment trusts	117.6	117.4	120.5	+3.0	+2.6%
<b>Loans outstanding</b>	1,009.5	1,057.4	1,092.1	+34.6	+3.3%
Mortgage loans	899.6	949.3	983.2	+33.9	+3.6%
Others	109.9	108.1	108.8 <sup>*1</sup>	+0.7	+0.7%
<b>Number of accounts</b> (10 thousands)	94	97	101	+3	
<b>Non-performing assets ratio</b> (Based on Financial Reconstruction Law)	0.39%	0.35%	0.32%	(0.03pt)	
<b>Capital adequacy ratio</b> (domestic criteria)	11.99%	11.72%	11.80%	+0.08pt	

### <Reasons for changes>

◆ Yen deposit balance decreased from 14.3.31 under persistently low interest rates.

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

◆ Loan balance steadily increased mainly in mortgage loans.

◆ Number of accounts increased reflecting a new operation by Sony Life's Lifeplanner sales employees to handle opening account at Sony Bank from May 2014.

◆ Sony Bank maintains extremely low non-performing assets ratio.

\*1 Loans in others include corporate loans of ¥103.2 billion

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

\*3 Please refer to the graph of the non-consolidated capital adequacy ratio (domestic criteria) on P27

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



### <Reference> On Managerial Accounting Basis

(Billions of yen)	FY13.1H	FY14.1H	Change	
<b>Gross operating profit</b>	10.9	<b>10.6</b>	(0.3)	(3.3%)
Net interest income <sup>*1</sup> ①	9.1	<b>9.0</b>	(0.0)	(0.9%)
Net fees and commissions <sup>*2</sup> ②	0.4	<b>0.0</b>	(0.4)	(97.5%)
Net other operating income <sup>*3</sup>	1.3	<b>1.5</b>	+0.2	+15.5%
<b>Gross operating profit (core profit) (A)=①+②</b>	9.6	<b>9.0</b>	(0.5)	(5.9%)
Operating expenses and other expenses ③	7.2	<b>7.4</b>	+0.1	+2.5%
<b>Net operating profit (core profit) =(A)-③</b>	2.4	<b>1.6</b>	(0.7)	(31.1%)

#### ■ 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.

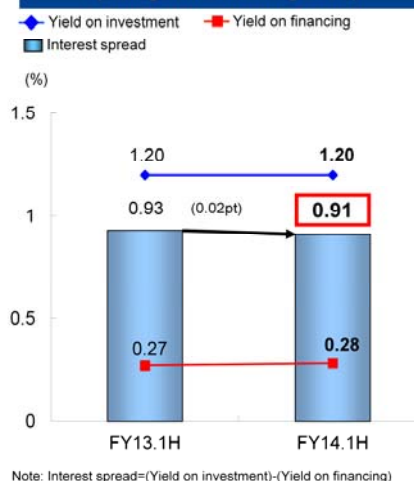
\*2: Net fees and commissions: Includes profits and losses for customer dealings in foreign currency transactions recorded in net other operating income.

\*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)



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

#### (Left-hand table)

Net interest income on a managerial accounting basis remained at the same level as the same period of the previous year, amounting to ¥9.0 billion, due to an improvement in net interest income on foreign exchange transaction despite lower interest income on securities under the lowering interest rates.

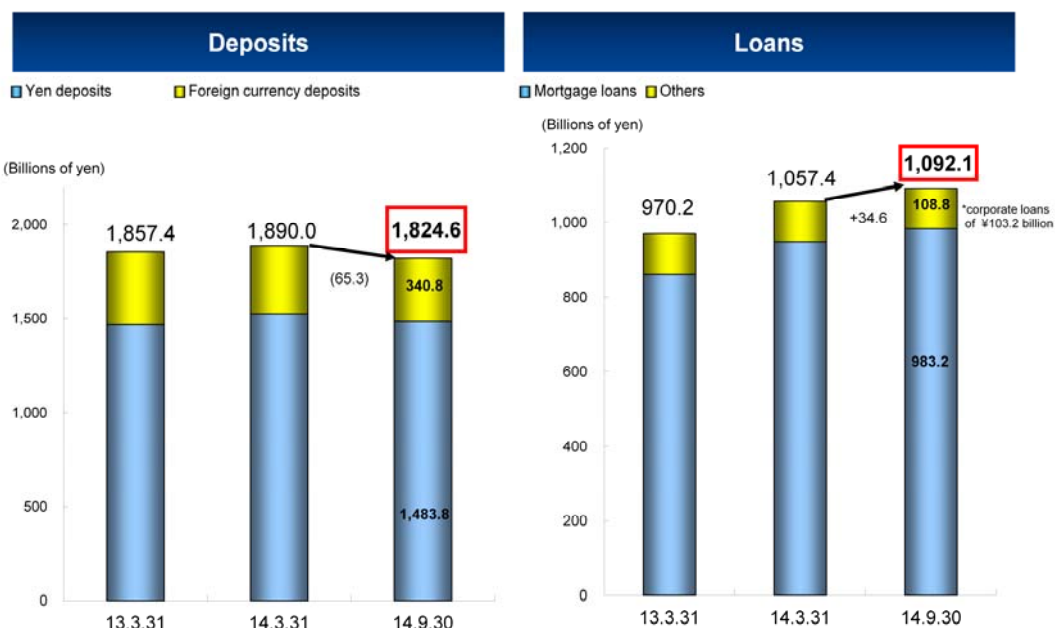
Net fees and commissions decreased, to ¥0.4 billion year on year, due to lower volume on foreign exchange transactions stemming from passive foreign currency trading by customers.

Consequently, gross operating profit on a core profit basis decreased ¥0.5 billion year on year, to ¥9.0 billion, and net operating profit on a core profit basis also decreased ¥0.7 billion year on year, to ¥1.6 billion.

#### (Right-hand graph)

The interest spread for FY14.1H was 0.91%, which maintained a certain level.

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



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(Left-hand graph)

As of September 30, 2014, deposits (the sum of Japanese yen and foreign currency deposits) amounted to ¥1,824.6 billion, down ¥65.3 billion from March 31, 2014. Of which, yen deposit balance decreased ¥42.6 billion from March 31, 2014, to ¥1,483.8 billion under persistently low interest rates.

Foreign currency deposit balance amounted to ¥340.8 billion, down ¥22.7 billion from March 31, 2014, due to an increase in selling to lock in profits led by yen depreciation.

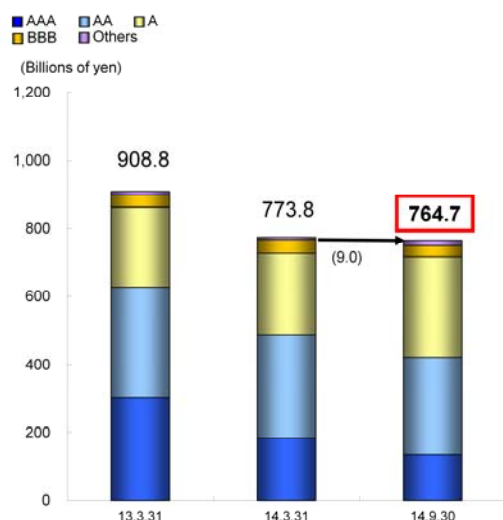
(Right-hand graph)

Loan balance as of September 30, 2014 expanded to ¥1,092.1 billion, up ¥34.6 billion from March 31, 2014, due to the growing balance of mortgage loans.

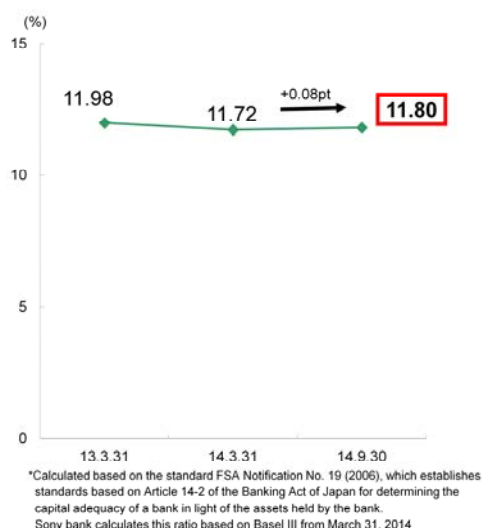
## Operating Performance: Sony Bank (Non-consolidated) (2)



### Balance of Securities by Credit Rating



### Non-Consolidated Capital Adequacy Ratio (Domestic Criteria)



(Left-hand graph)

As of September 30, 2014, the balance of securities amounted to ¥764.7 billion, down ¥9.0 billion from March 31, 2014.

Sony Bank continuously invests in highly rated bonds.

(Right-hand graph)

As of September 30, 2014, Sony Bank's non-consolidated capital adequacy ratio (domestic criteria) was 11.80%, up 0.08 percentage 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



**SFH's consolidated financial forecast for FY2014 is unchanged from the forecast announced on May 14, 2014, while the forecast of the non-life insurance is revised upward.**

(Billions of yen)	FY2013 (Actual)	FY2014 (Forecast)	Change	FY14.1H (Actual)	Progress rate
<b>Consolidated ordinary revenues</b>	1,320.4 <sup>(*)</sup>	<b>1,191.0</b>	(9.8%)	643.0	54.0%
Life insurance business	1,196.6	<b>1,061.9</b>	(11.3%)	579.4	54.6%
Non-life insurance business	89.8	<b>92.4⇒93.0</b>	+2.8%⇒+3.5%	46.4	50.2%⇒49.9%
Banking business	36.4 <sup>(*)</sup>	<b>36.6</b>	+0.3%	18.6	51.0%
<b>Consolidated ordinary profit</b>	76.1	<b>77.0</b>	+1.1%	46.9	61.0%
Life insurance business	67.2	<b>67.4</b>	+0.2%	40.1	59.6%
Non-life insurance business	3.0	<b>3.9⇒4.5</b>	+29.8%⇒+49.8%	3.4	88.1%⇒76.4%
Banking business	5.6	<b>5.3</b>	(6.0%)	3.2	61.7%
<b>Consolidated net income</b>	40.5	<b>49.0</b>	+21.0%	31.1	63.6%

### ■ Life Insurance Business

Taking into consideration the market fluctuation risk on and after October 1, 2014, the forecast for ordinary revenues and ordinary profit remains unchanged even though the results for this first half exceeded our expectations.

### ■ Non-life Insurance Business

We have revised upward our forecast for ordinary revenues because we expect net premiums written in mainstay automobile insurance to continue increasing steadily in the second half. We have revised upward our forecast for ordinary profit because we expect the loss ratio to remain slow and stable in the second half despite a rise in the expense ratio.

### ■ Banking Business

Taking into consideration the current business performance and the market environment, our forecast for ordinary revenues and ordinary profit remains unchanged even though ordinary revenues increased because the rise in bond-dealing transactions for this first half exceeded our expectations.

(\*) Since the banking business revised its method of recording ordinary revenues and ordinary expenses on hedge transactions for FY14.1H, 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.

Taking into consideration the market fluctuation risk on and after October 1, 2014, our consolidated financial forecast remains unchanged even though the results for this first half exceeded our expectations.

However, we have revised upward our forecast of the non-life insurance business.



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

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

## Sony Life's MCEV as of September 30, 2014



(Billions of yen)	14.3.31	14.6.30	14.9.30	Change from 14.3.31	Change from 14.6.30
<b>MCEV</b>	1,221.3	1,260.0	<b>1,313.1</b>	+91.8	+53.1
Adjusted net worth	722.1	758.4	<b>833.4</b>	+111.3	+75.1
Value of existing business	499.1	501.7	<b>479.7</b>	(19.5)	(22.0)

(Billions of yen)	14.3.31	14.6.30	14.9.30
New business value	55.2 (12M)	16.9 (3M)	<b>30.3 (6M)</b>
New business margin	5.2%	5.5%	<b>5.1%</b>

### Notes:

1. New business margin equals new business value divided by present value of premium income.

2. Calculated MCEV as of Jun. 30, 2014 and Sep. 30, 2014 by using updated economic assumptions and lapse and surrender rate and other assumptions as of Mar. 31, 2014.

### ◆ Reasons for changes in MCEV

- MCEV as of Sep. 30, 2014 increased ¥53.1 billion from Jun. 30, 2014, due mainly to an acquisition of new policies, a lower inflation rate and a rise in stock price.
- MCEV as of Sep. 30, 2014 increased ¥91.8 billion from Mar. 31, 2014, due mainly to an acquisition of new policies, yield curve changes in Japanese yen and a rise in stock price.

### ◆ New business value

- New business value as of Sep. 30, 2014 was ¥30.3 billion (¥60.6 billion / annualized), reflecting brisk sales of new policies even in lower interest rates in Japanese yen.

### ◆ New business margin

- New business margin as of Sep. 30, 2014 was down 0.4% from Jun. 30, 2014 due mainly to lower interest rates in Japanese yen.
- New business margin as of Sep. 30, 2014 remained almost at the same level as on Mar. 31, 2014, mainly because the negative impact of lower interest rates in Japanese yen was offset by the positive impact stemming from the absence of the FY13 negative effects; 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 MCEV as of September 30, 2014 increased ¥53.1 billion from June 30, 2014, to ¥1,313.1 billion, due mainly to an acquisition of new policies, a lower inflation rate and a rise in stock price.

New business value for the six months ended September 30, 2014 was ¥30.3 billion, (¥60.6 billion / annualized), reflecting brisk sales of new policies even in lower interest rates in Japanese yen, while that for 12 months ended March 31, 2014 was ¥55.2 billion and that for 3 months ended June 30, 2014 was ¥16.9 billion.

New business margin as of September 30, 2014 was 5.1%, while that as of March 31, 2014 was 5.2% and as of June 30, 2014 was 5.5%.

New business margin as of September 30, 2014, was down from June 30, 2014 due mainly to lower interest rates in Japanese yen.

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



(Billions of yen)	14.3.31	14.6.30	14.9.30
Insurance risk	654.5	663.9	673.3
Market-related risk	240.0	265.0	279.0
<i>Of which, interest rate risk*</i>	180.9	202.8	206.6
Operational risk	26.3	26.1	26.4
Counter party risk	1.3	1.7	1.4
Variance effect	(257.8)	(269.3)	(276.4)
The risk amount based on economic value	664.3	687.3	703.7

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

(Billions of yen)	14.3.31	14.6.30	14.9.30
MCEV	1,221.3	1,260.0	1,313.1

### ◆ 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 and September 30, 2014 by using updated economic assumptions and lapse and surrender rate and other assumptions as of March 31, 2014.

The risk amount based on economic value as of September 30, 2014 amounted to ¥703.7 billion. Within Sony Life's risks, insurance risk and market-related risk amounted to ¥673.3 billion and ¥279.0 billion respectively.

The risk amount based on economic value as of September 30, 2014, was up from June 30, 2014 due mainly to an increase in policy amount in force.

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

### AEGON Sony Life Insurance

Launch of sales: December 1, 2009

Common stock: ¥26 billion (including capital surplus of ¥13 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\*)



### SA Reinsurance Ltd

Established: October 29, 2009

Common stock: ¥11 billion\*

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

Business: Reinsurance business

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

\*As of November 14, 2014

### Sony Bank's Mortgage Loans through Sony Life

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

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

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



### Sony Assurance's Auto Insurance Sold by Sony Life

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

\*Sony Life started handling automobile insurance in May 2001.



## Appendix

## Recent Topics 2



### <Highlights for FY2014.2Q>

- 2014-07-09 Sony Life closed its representative office in Beijing.
- 2014-07-28 Sony Life entered into an agreement to acquire Sony Corporation's headquarters site.
- 2014-08-01 Sony Bank entered into tie-up with "Sony Real Estate" in mortgage loans
- 2014-08-06 Sony Bank started ATM affiliation with Aeon Bank, Ltd.
- 2014-08-15 Sony Bank started offering interest rates on its mortgage loans based on customers' own funds
- 2014-10-01 Sony Lifecare Group announced the opening of the first newly built nursing care home in Tokyo in spring, 2016
- 2014-10-02 Sony Life commenced sales of Living Benefit Whole Life Insurance (Living Standard Type) and Living Standard Special Provision 2014
- 2014-11-13 Sony Assurance announced to launch a PHYD(Pay-How-You-Drive) type of automobile insurance "Gentle Driving Cash-Back Plan" in Mid-February 2015

## Appendix

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



### Fair Value Information on Securities

#### Fair Value Information on Securities

(Billions of yen)

	13.3.31			14.3.31			14.9.30		
	Carrying amount	Fair value	Net unrealized gains (losses)	Carrying amount	Fair value	Net unrealized gains (losses)	Carrying amount	Fair value	Net unrealized gains (losses)
Held-to-maturity securities	3,874.2	4,425.9	551.7	4,409.6	4,839.9	430.3	4,629.7	5,152.9	523.1
Available-for-sale securities	955.9	1,079.2	123.2	1,065.5	1,189.8	124.3	1,044.1	1,187.2	143.1
Japanese government and corporate bonds	925.3	1,030.9	111.6	1,035.9	1,146.7	110.8	1,012.8	1,139.1	126.3
Japanese stocks	14.7	20.9	6.2	12.2	21.2	8.9	12.5	24.1	11.5
Foreign securities	14.4	18.6	4.2	15.8	19.4	3.5	18.0	22.6	4.6
Other securities	1.4	2.6	1.1	1.4	2.5	1.0	0.6	1.3	0.6
Total	4,830.2	5,505.2	675.0	5,475.1	6,029.8	554.7	5,673.8	6,340.1	666.2

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 Mar. 31, 2013: Carrying amount: ¥43.3 billion, Fair market value: ¥52.2 billion, Net unrealized gain (losses): ¥8.8 billion

As of Mar. 31, 2014: Carrying amount: ¥43.8 billion, Fair market value: ¥56.0 billion, Net unrealized gain (losses): ¥12.2 billion

As of Sep. 30, 2014: Carrying amount: ¥44.0 billion, Fair market value: ¥57.4 billion, Net unrealized gain (losses): ¥13.3 billion

#### Valuation gains (losses) on trading-purpose securities

(Billions of yen)

13.3.31		14.3.31		14.9.30	
Balance sheet amount	Net valuation gains (losses) recorded in income	Balance sheet amount	Net valuation gains (losses) recorded in income	Balance sheet amount	Net valuation gains (losses) recorded in income
—	—	—	—	2.0	0.0

Notes: Amounts above include those categorized as "monetary trusts."

## Appendix



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



(Millions of yen)

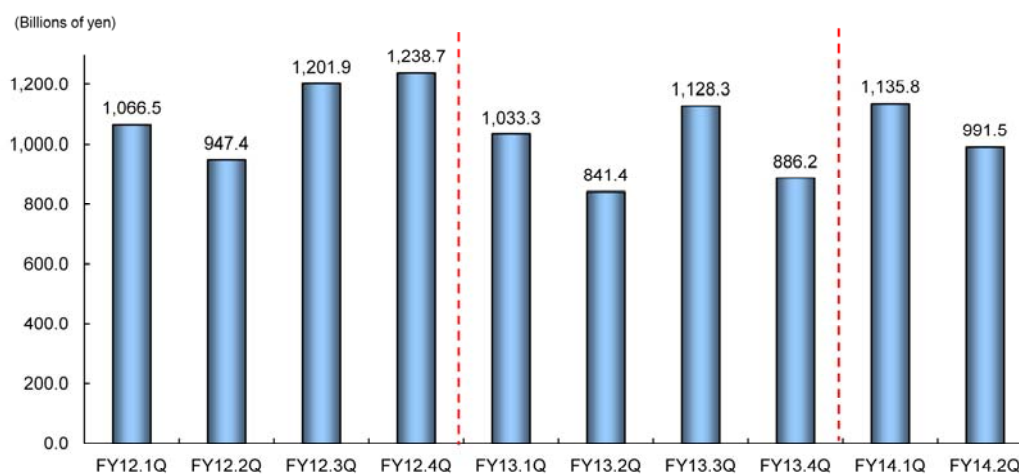
	FY13.1H	FY14.1H	Change
Cash and deposits	0	0	+12.2%
Japanese government and corporate bonds	47,874	52,735	+10.2%
Japanese stocks	198	221	+11.7%
Foreign securities	2,868	4,503	+57.0%
Other securities	47	278	+491.1%
Loans	2,820	2,937	+4.1%
Real estate	5,145	5,170	+0.5%
Others	17	32	+87.9%
Total	58,971	65,879	+11.7%

## Appendix

## Sony Life's Quarterly Trend on New Policies Amount



### Quarterly Trend on New Policy Amount



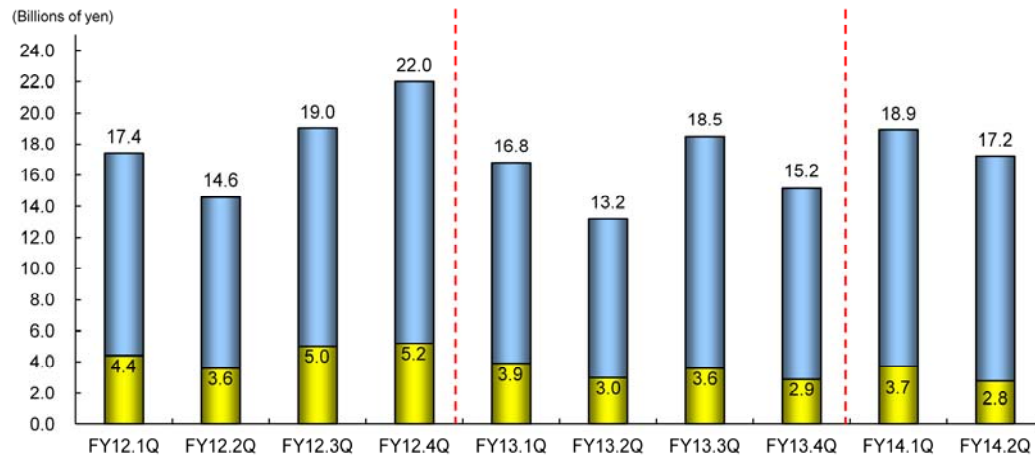
## Appendix

## 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



## Appendix

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



### ■ Market-related Risk<sup>1</sup>

	Sony Life	(Reference) EU Solvency II (QIS5)
Interest rate risk <small>Fluctuations in net asset value based on economic value in response to the shocks in the right columns. The same applies below.</small>	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 <u>no lower than 1%</u>  (Example) For Yen 30-year, 30% decrease
Equity risk	Listed equities 45%, Other securities 70%	Global 30%, Others 40% <sup>*2</sup>
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 Sep. 30, 2014.

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

## Appendix

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



### ■ Insurance Risk<sup>1</sup>

	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; <sup>2</sup> <ul style="list-style-type: none"> <li>· Lapse rate increases by 50% for each year elapsed</li> <li>· Lapse rate decreases by 50% for each year elapsed</li> <li>· 30% of policies on which surrender value is in excess of best estimate liability are immediately surrendered</li> </ul>	The largest amount of these; <ul style="list-style-type: none"> <li>· Increases by 50% in the assumed rates of lapsation for Life module, 20% for Health module</li> <li>· Decreases by 50% in the assumed rates of lapsation for Life module, 20% for Health module</li> <li>· 30% of policies (70% for group annuities, etc.) on which surrender value is in excess of best estimate liability are immediately surrendered</li> </ul>
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%.

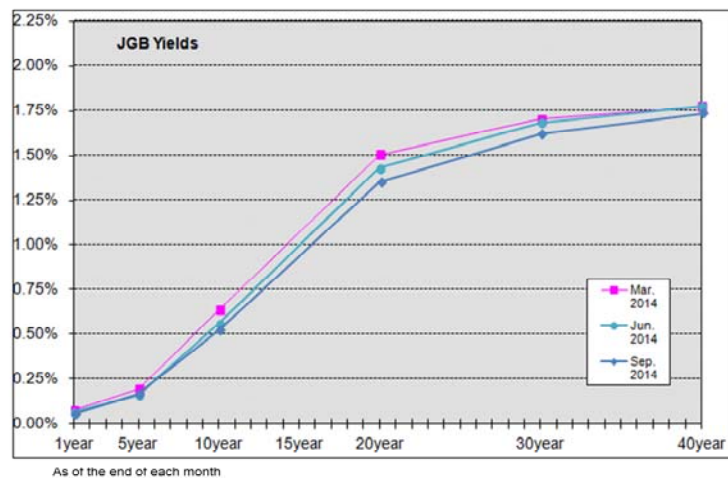
#### Notes

1. Principal items as of Sep. 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



JGB yields	Mar. 2014	Jun. 2014	Sep. 2014	Mar. 2014 → Sep. 2014	Jun. 2014 → Sep. 2014
1 year	0.08%	0.07%	0.06%	(0.02%)	(0.01%)
5 year	0.20%	0.16%	0.17%	(0.03%)	0.01%
10 year	0.64%	0.56%	0.52%	(0.11%)	(0.04%)
20 year	1.50%	1.43%	1.35%	(0.15%)	(0.08%)
30 year	1.70%	1.68%	1.62%	(0.08%)	(0.07%)
40 year	1.78%	1.78%	1.73%	(0.04%)	(0.04%)

## Appendix



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