
Presentation Material

Consolidated Financial Results for the Year Ended March 31, 2015 and Sony Life's Preliminary Market Consistent Embedded Value as of March 31, 2015

**Sony Financial Holdings Inc.
May 15, 2015**

- **Consolidated Operating Results for the Year Ended March 31, 2015** P.3
- **Consolidated Financial Forecast for the Year Ending March 31, 2016** P.30
- **Dividend Forecast** P.32
- **Sony Life’s Preliminary MCEV and Risk Amount Based on Economic Value as of March 31, 2015** P.34
- **Appendix** P.37

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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.

Consolidated Operating Results for the Year Ended March 31, 2015

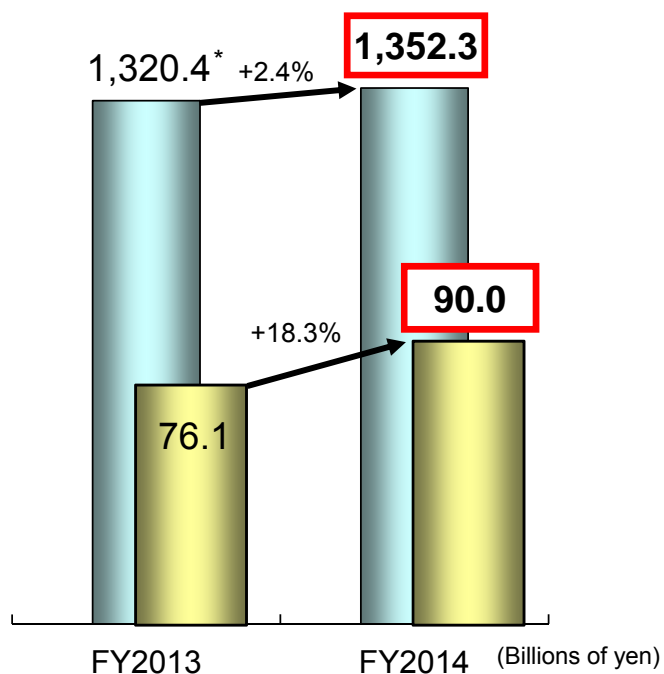
Management Message

- ◆ In FY2014, the Group operating performance reached record high in consolidated ordinary profit, ordinary profit and net income, due to the steady expansion of operations.
- ◆ Sony Life posted a record high new policy amount. MCEV steadily increased thanks to an acquisition of new policies and the benefit of ALM despite the ultralow interest rate environment.
- ◆ We expect FY2015 business volume to expand in a stable and sustainable manner by each Group company. However, due to the absence of some of the market factors that were present in FY2014, we expect consolidated ordinary revenues, ordinary profit to fall year on year, while we anticipate a rise in net income owing to the reduction in the corporate tax rate.
- ◆ The proposed dividend for FY2015 is ¥55 per share, up ¥15 per share year on year (for the 4th consecutive year of dividend increases). We will enhance shareholder returns by revising upward the medium-term target for the dividend payout ratio into 40% to 50% of consolidated net income.

Highlights of Consolidated Operating Performance for Year Ended March 31, 2015 (1)



- Consolidated ordinary revenues
- Consolidated ordinary profit



		(Billions of yen)	FY2013	FY2014	Change	
Life Insurance business	Ordinary revenues		1,196.6	1,223.9	+27.2	+2.3%
	Ordinary profit		67.2	78.3	+11.0	+16.5%
Non-life Insurance business	Ordinary revenues		89.8	93.0	+3.1	+3.5%
	Ordinary profit		3.0	4.2	+1.2	+40.2%
Banking business	Ordinary revenues		36.4	38.4	+1.9	+5.3%
	Ordinary profit		5.6	7.3	+1.6	+30.0%
Intersegment adjustments*	Ordinary revenues		(2.5)	(3.1)	(0.5)	—
	Ordinary profit		0.2	0.2	(0.0)	(18.4%)
Consolidated	Ordinary revenues		1,320.4	1,352.3	+31.8	+2.4%
	Ordinary profit		76.1	90.0	+13.9	+18.3%
	Net income		40.5	54.4	+13.9	+34.4%

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

*Comprehensive income: FY2013: ¥44.7billion, FY2014: ¥90.7 billion

(*) Banking business revised its method of recording ordinary revenues and ordinary expenses on hedge transactions from FY2014. Ordinary revenues for FY2013 have been retroactively adjusted to reflect the change. Consequently, consolidated ordinary revenues for FY2013 have been revised from ¥1,319.7 billion to ¥1,320.4 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)	14.3.31	15.3.31	Change from 14.3.31	
Consolidated	Net assets		467.0	550.6	+83.6	+17.9%
	Total assets		8,841.3	9,545.8	+704.4	+8.0%

Highlights of Consolidated Operating Performance for Year Ended March 31, 2015 (2)

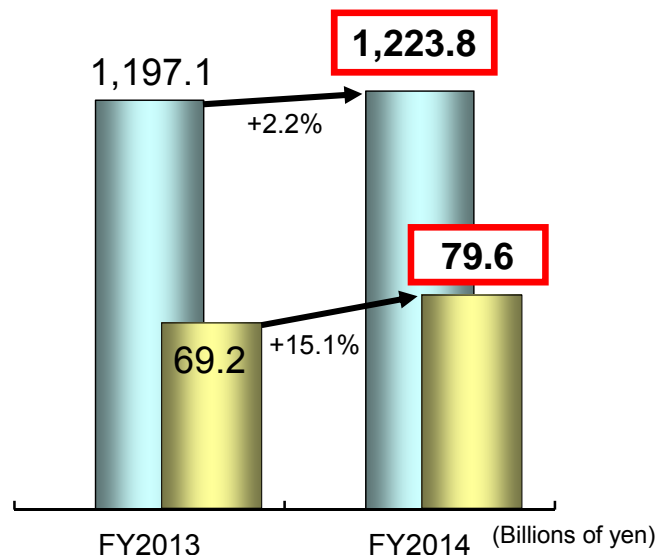


- Life Insurance Business: Policy amount in force increased steadily, reflecting a record-high new policy amount during FY2014. Ordinary revenues increased year on year, because of an increase in investment income, which offset a decline in income from insurance premiums. The decline in income from insurance premiums was principally because of the brisk sale of lump-sum payment endowment insurance prior to the sales suspension during FY2013. Ordinary profit increased year on year, mainly for three reasons: an increase in gains on sale of securities in the general account, 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 FY2013, and an increase in positive spread.
- 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 mainly to higher revenues related to foreign currency transactions and mortgage loans. Ordinary profit expanded year on year, due to the above-mentioned increase in ordinary revenues and a rise in profit related to bond-dealing transactions.
- Consolidated ordinary revenues increased 2.4% year on year, to ¥1,352.3 billion, owing to increases in ordinary revenues from all the businesses: life insurance, non-life insurance and banking. Consolidated ordinary profit grew 18.3% year on year, to ¥90.0 billion owing to increases in ordinary profit from all the businesses. Consolidated net income was up 34.4% year on year, to ¥54.4 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 □ Ordinary profit



- ◆ Ordinary revenues and ordinary profit increased year on year.
- ◆ Income from insurance premiums declined principally because of the brisk sale of lump-sum payment endowment insurance prior to the sales suspension in FY2013.
- ◆ Investment income increased due mainly to higher gains on separate accounts, higher gains on sale of securities and higher interest income and dividends on general account assets.
- ◆ Despite an increase in provision of policy reserves for minimum guarantees for variable life insurance, ordinary profit increased year on year, mainly for three reasons: an increase in gains on sale of securities in general account, 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 FY2013, and an increase in positive spread.
- ◆ Net income was up year on year. Sony Life has changed its calculation policy of the reserve for price fluctuations to accumulate the reserve up to required levels from FY2014 while it had accumulated the reserve in excess of the required levels until FY2013.

(Billions of yen)	FY2013	FY2014	Change	
Ordinary revenues	1,197.1	1,223.8	+26.7	+2.2%
Income from insurance premiums	960.9	914.0	(46.9)	(4.9%)
Investment income	212.3	280.1	+67.8	+31.9%
Interest income and dividends	122.1	133.5	+11.4	+9.4%
Income from monetary trusts, net	5.3	5.2	(0.0)	(0.5%)
Gains on sale of securities	0.7	8.8	+8.1	—
Foreign exchange gains, net	1.1	5.0	+3.8	+328.1%
Gains on separate accounts, net	82.6	126.7	+44.1	+53.4%
Ordinary expenses	1,127.9	1,144.1	+16.2	+1.4%
Insurance claims and other payments	327.2	382.9	+55.6	+17.0%
Provision for policy reserves and others	650.7	604.3	(46.4)	(7.1%)
Investment expenses	8.5	9.7	+1.2	+14.4%
Operating expenses	113.8	115.6	+1.7	+1.5%
Ordinary profit	69.2	79.6	+10.4	+15.1%
Net income	37.0	42.5	+5.4	+14.7%
(Billions of yen)	14.331	15.331	Change from 14.331	
Securities	5,954.7	6,543.7	+588.9	+9.9%
Policy reserves	6,123.6	6,727.2	+603.6	+9.9%
Net assets	369.2	432.5	+63.2	+17.1%
Net unrealized gains on other securities	83.4	118.1	+34.6	+41.6%
Total assets	6,624.9	7,301.3	+676.4	+10.2%
Separate account assets	640.5	793.3	+152.7	+23.9%

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

(Billions of yen)	FY2013	FY2014	Change
New policy amount	3,889.3	4,771.6	+22.7%
Lapse and surrender amount	1,739.4	2,088.4	+20.1%
Lapse and surrender rate	4.61%	5.35%	+0.74pt
Policy amount in force	39,095.0	40,988.7	+4.8%
Annualized premiums from new policies	63.9	76.6	+19.7%
Of which, third-sector products	13.4	15.2	+13.3%
Annualized premiums from insurance in force	696.9	735.7	+5.6%
Of which, third-sector products	167.0	172.8	+3.4%

<Reasons for changes>

◆ Increased due to higher sales of family income insurance and variable life insurance.

◆ Increased because during FY14.3Q some policyholders switched over to new types of family income insurance and living benefit insurance, which were launched in Oct. 2014.

◆ Increased due to higher sales of variable life insurance, educational endowment insurance and living benefit insurance.

(Billions of yen)	FY2013	FY2014	Change
Gains from investment, net (General account)	121.1	143.6	+18.6%
Core profit	72.3	76.5	+5.7%
Positive spread	8.4	13.0	+54.8%

◆ 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 FY2013 and an increase in positive spread, although provision of policy reserves for minimum guarantees for variable life insurance increased driven by its brisk sales.

	14.3.31	15.3.31	Change from 14.3.31
Non-consolidated solvency margin ratio	2,358.7%	2,555.0%	+196.3pt

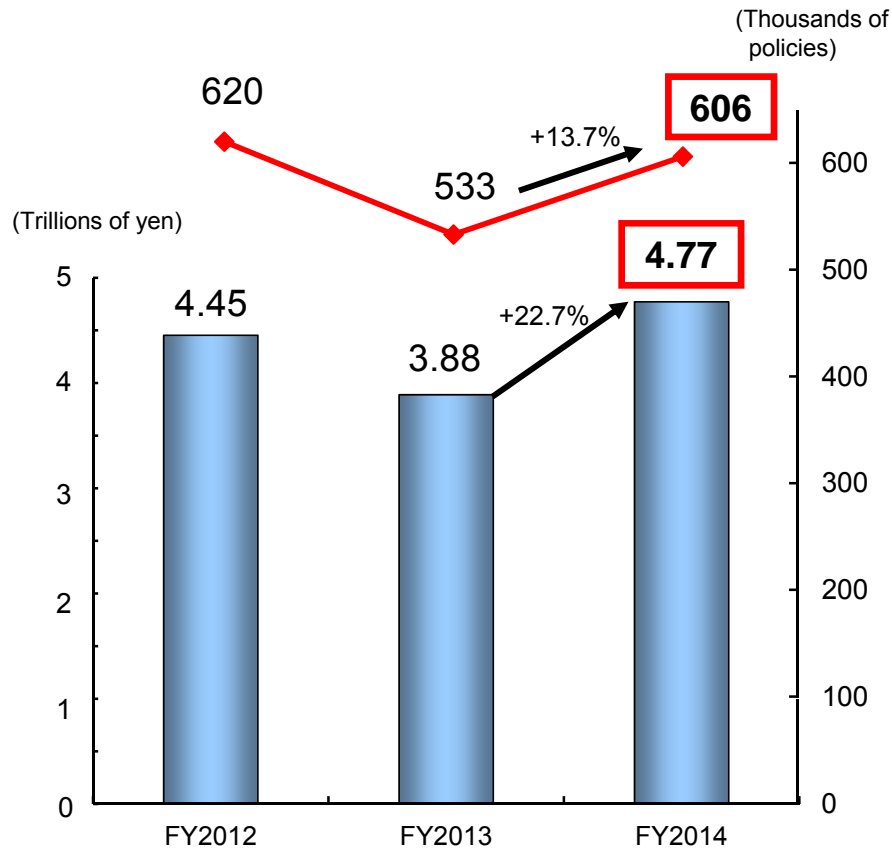
Notes:

- 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)

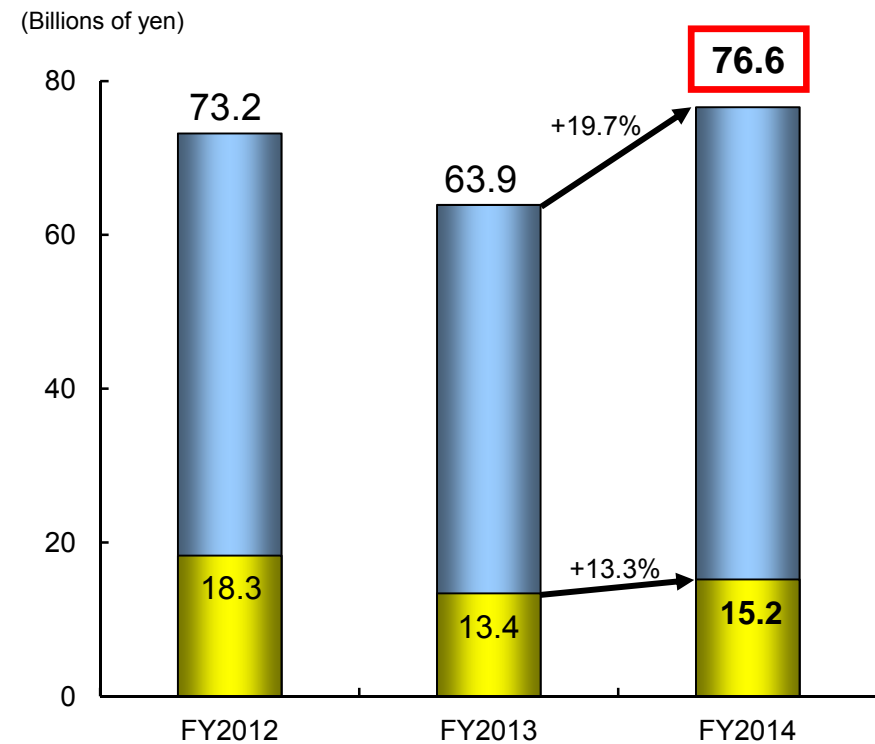
Number and Amount of New Policies (Individual Life Insurance + Individual Annuities)

■ 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

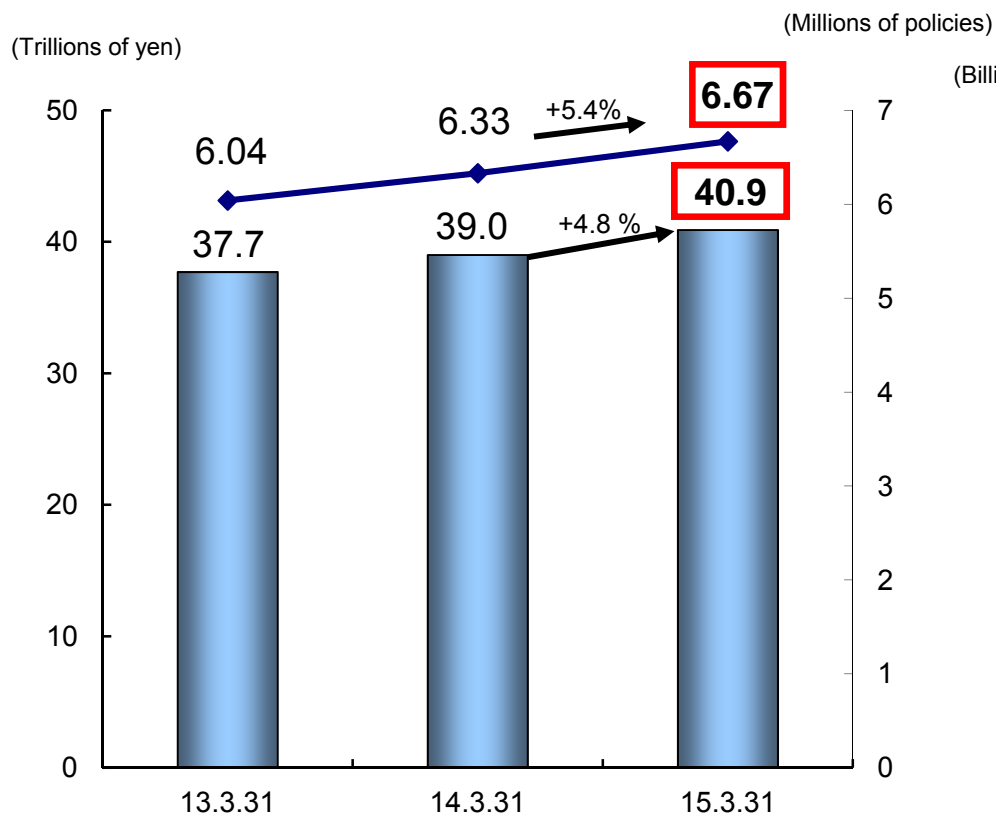


Operating Performance : Sony Life (Non-consolidated) (2)



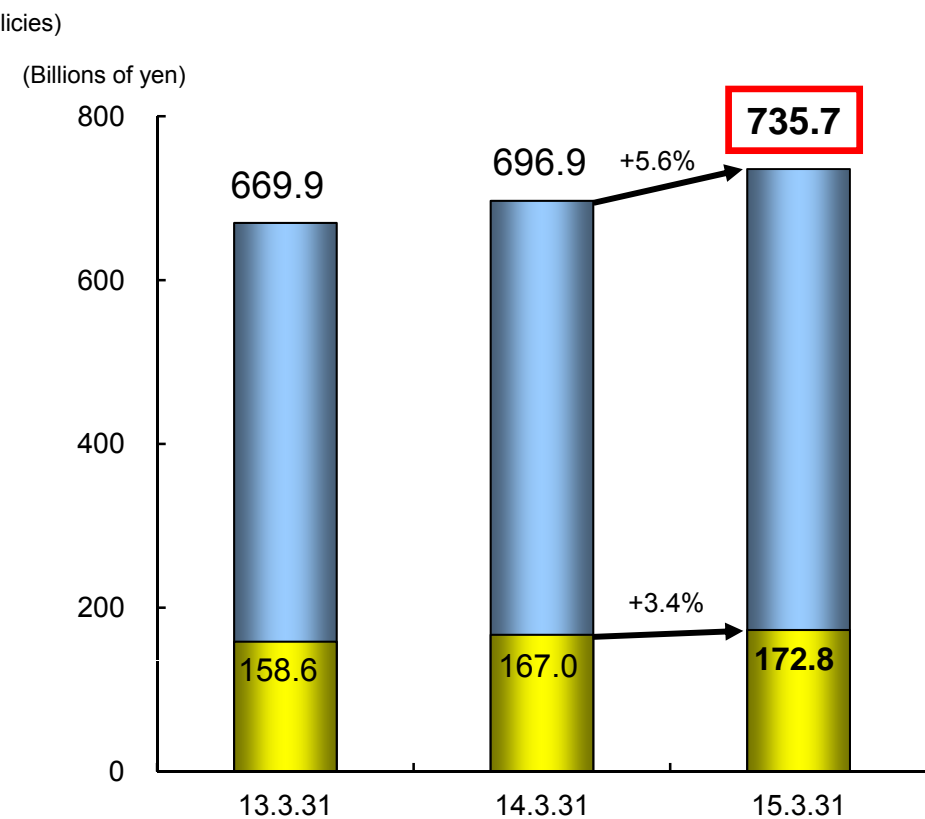
Number and Amount of Policies in Force (Individual Life Insurance + Individual Annuities)

■ Policy amount in force — Number of policies in force



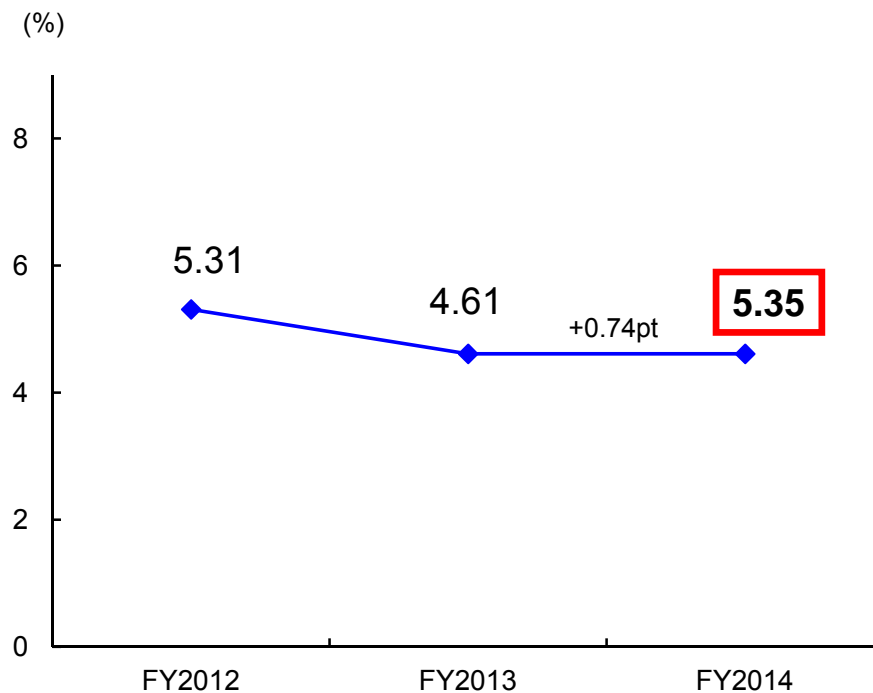
Annualized Premiums from Insurance in Force (Individual Life Insurance + Individual Annuities)

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



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

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



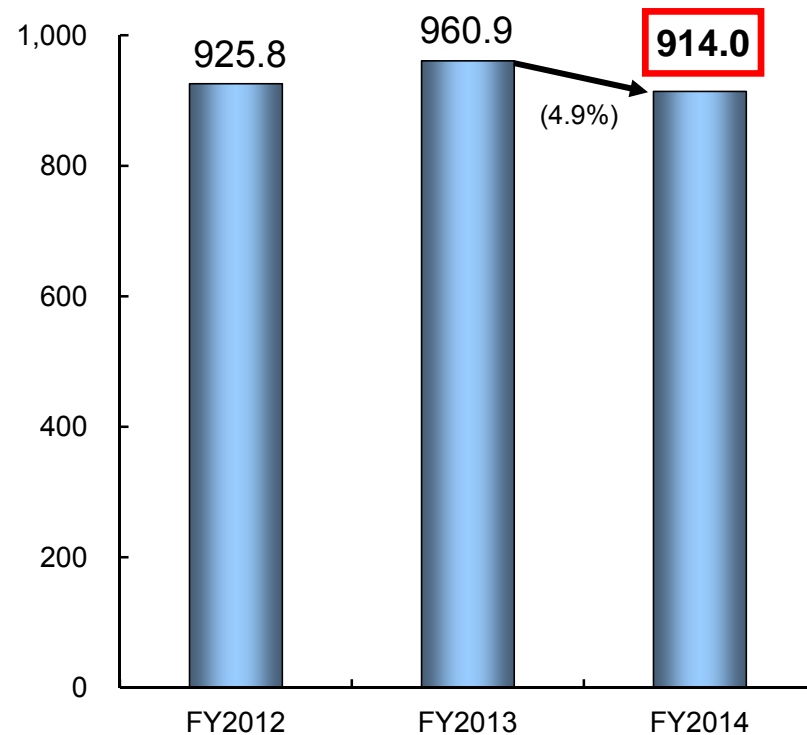
*The lapse and surrender rate shows the ratio derived by dividing the amount of lapses and surrenders, not adjusted for policy amount decreases, increases, and reinstatements, by the policy amount in force at the beginning of the fiscal year.

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



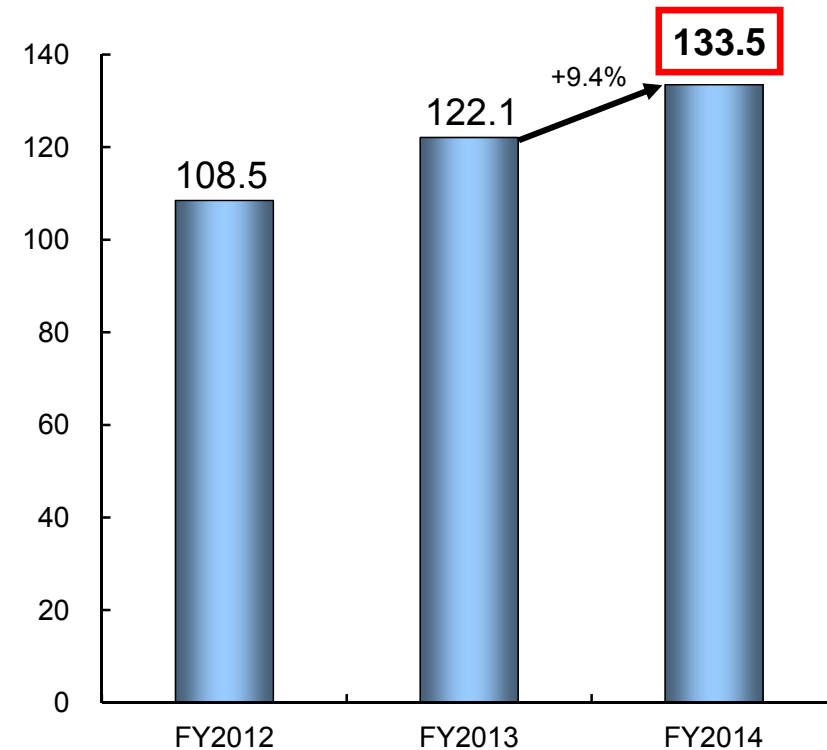
Income from Insurance Premiums

(Billions of yen)



Interest Income and Dividends

(Billions of yen)

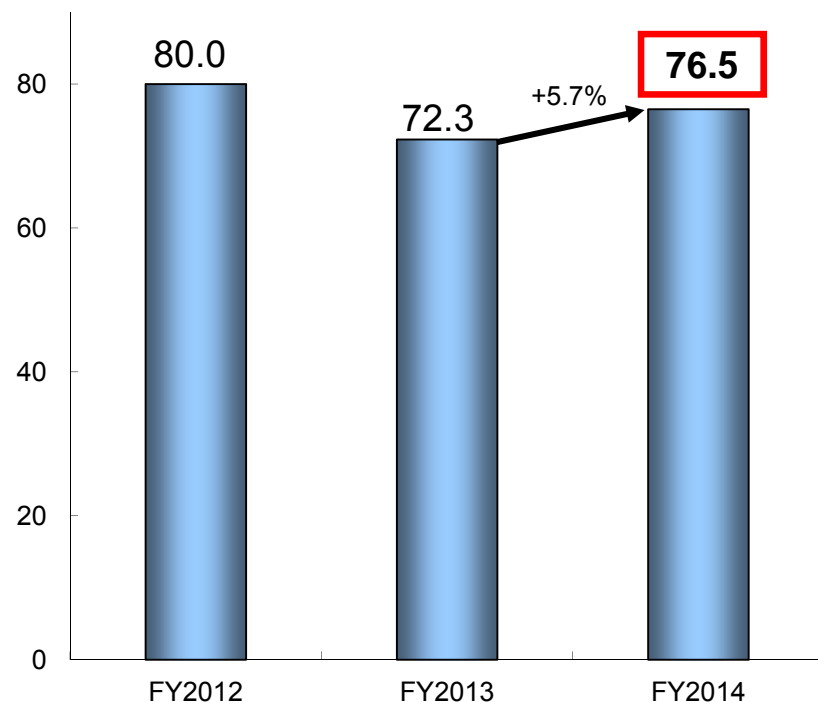


Operating Performance : Sony Life (Non-consolidated) (5)



Core Profit

(Billions of yen)



(Reference) Impact on core profit

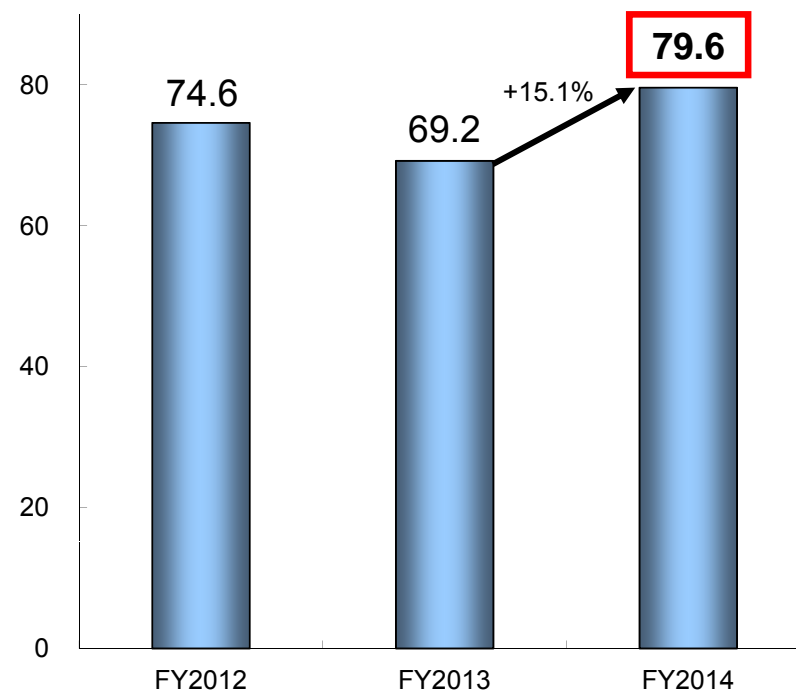
	(Billions of yen)		
	FY2012	FY2013	FY2014
Positive spread	2.1	8.4	13.0
Provision of policy reserves for minimum guarantees for variable life insurance (*1)	1.3	(4.2)	(10.6)
Effects by the revision of policy reserve discount rate (Interest rate-sensitive whole life insurance) (*2)	—	(5.7)	—

*1: "Provision of policy reserves for minimum guarantees for variable life insurance" and "Provision of contingency reserve" are described as negative amount. Capital gains (losses) exclude gains or losses on hedges of variable life insurance.

*2: The effected amount of a surge of sales of interest rate-sensitive whole life insurance due to a delay in rising insurance premiums (May 2013) against the revision of policy reserve discount rate (April 2013).

Ordinary Profit

(Billions of yen)

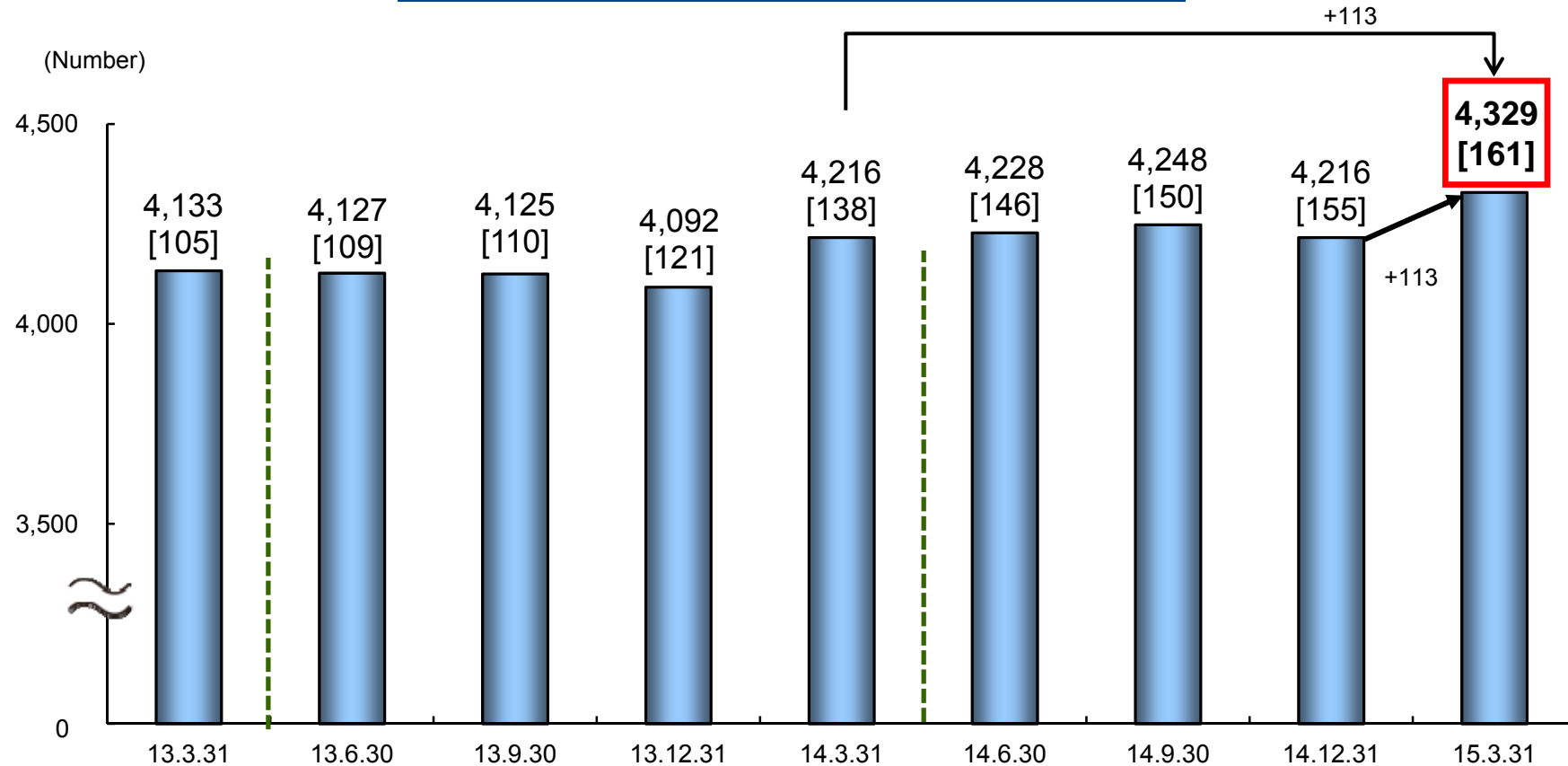


(Reference) Main differences from Core Profit

	(Billions of yen)		
	FY2012	FY2013	FY2014
Capital gains (losses) excluding gains or losses on hedges (*1)	(0.9)	1.1	10.7
Gains (losses) on hedges of variable insurance	—	—	(2.3)
Provision of contingency reserve (*1)	(4.2)	(4.1)	(5.0)

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

Number of Lifepanner Sales Employees



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

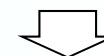
Operating Performance : Sony Life (Non-consolidated) (7)

Breakdown of General Account Assets

(Billions of yen)	14.3.31		15.3.31	
	Amount	%	Amount	%
Japanese government and corporate bonds	5,190.0	86.7%	5,606.8	86.2%
Japanese stocks	33.2	0.6%	42.4	0.7%
Foreign bonds	79.8	1.3%	105.5	1.6%
Foreign stocks	26.9	0.4%	26.0	0.4%
Monetary trusts	305.3	5.1%	313.2	4.8%
Policy loans	154.1	2.6%	162.3	2.5%
Real estate	66.5	1.1%	117.7	1.8%
Cash and call loans	32.6	0.5%	56.8	0.9%
Others	95.6	1.6%	76.7	1.2%
Total	5,984.3	100.0%	6,508.0	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

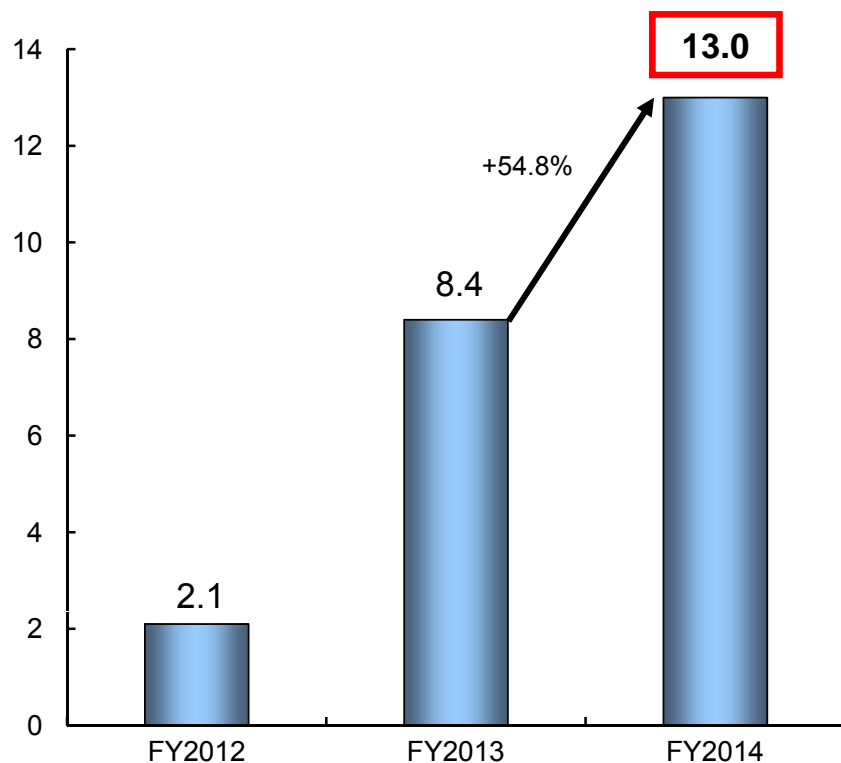
Mar. 31, 2015: 20.3 years

- 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 Mar. 31, 2015: 91.0%**
(As of Mar. 31, 2014: 91.8%)

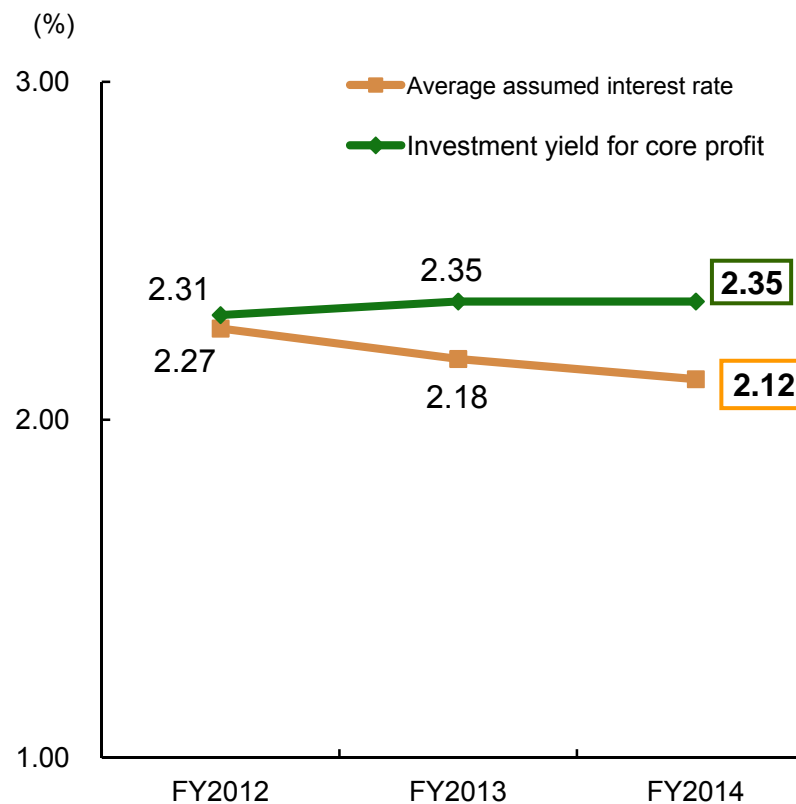
Operating Performance : Sony Life (Non-consolidated) (8)

Positive Spread

(Billions of yen)

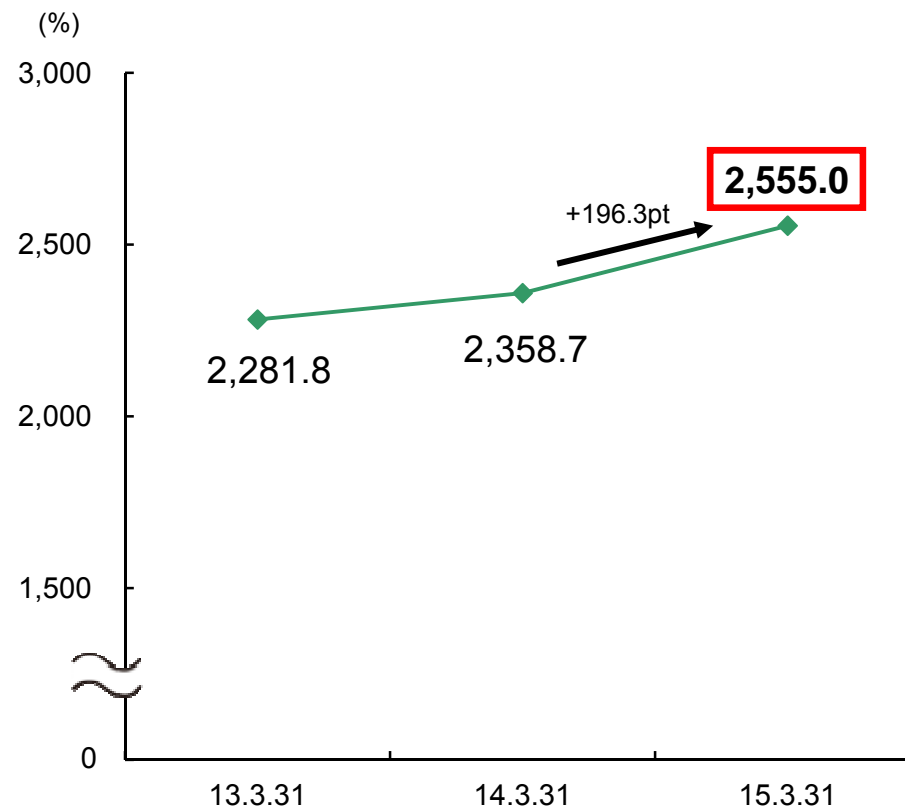


Average Assumed Interest Rate and Investment Yield for Core Profit



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

Non-consolidated Solvency Margin Ratio



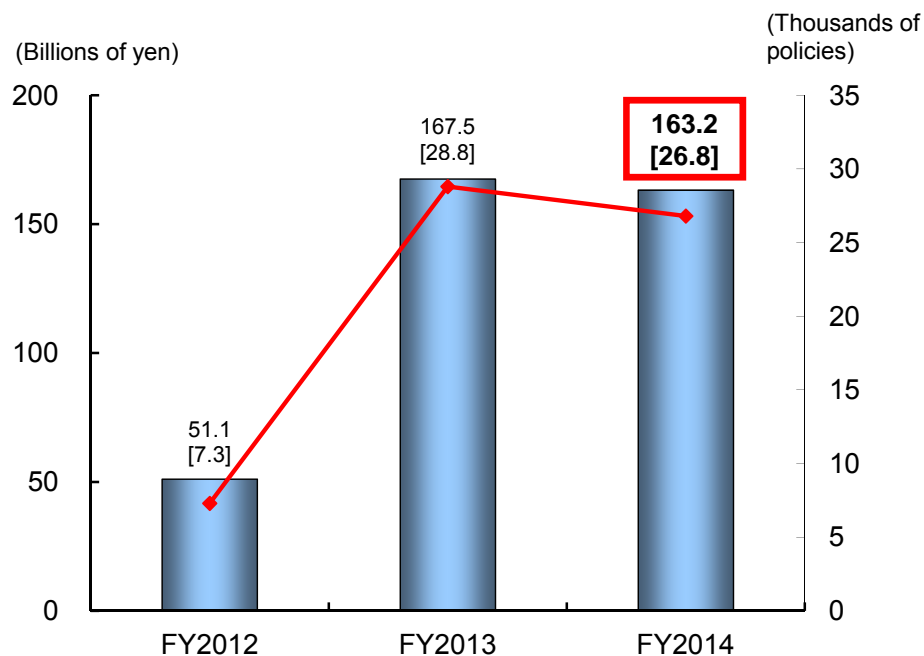
Operating Performance : AEGON Sony Life Insurance



*AEGON Sony Life Insurance sells individual variable annuities.

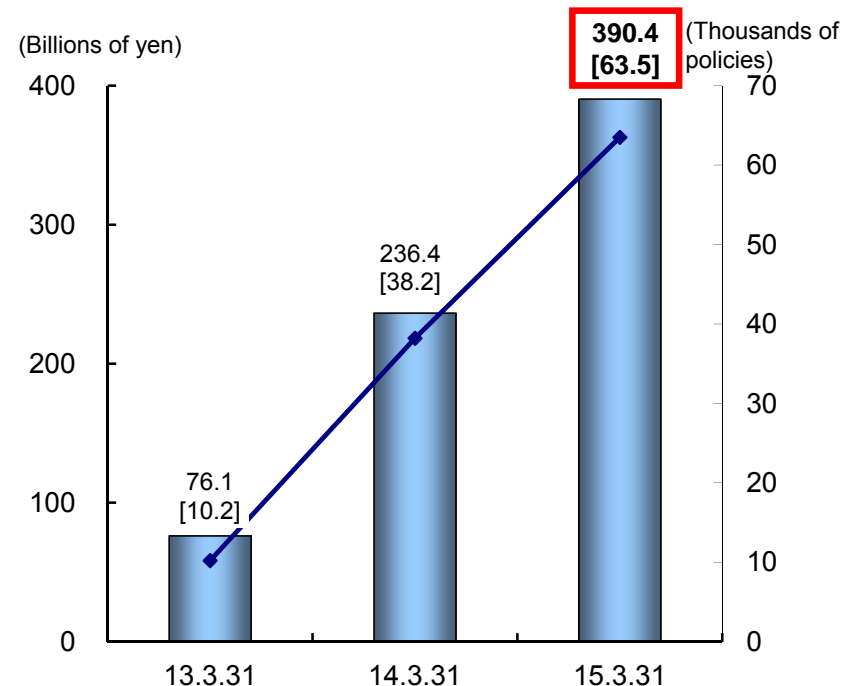
Number and Amount of New Policies

■ New policy amount — Number of new policies []



Number and Amount of Policies in Force

■ Policy amount in force — Number of policies in force []



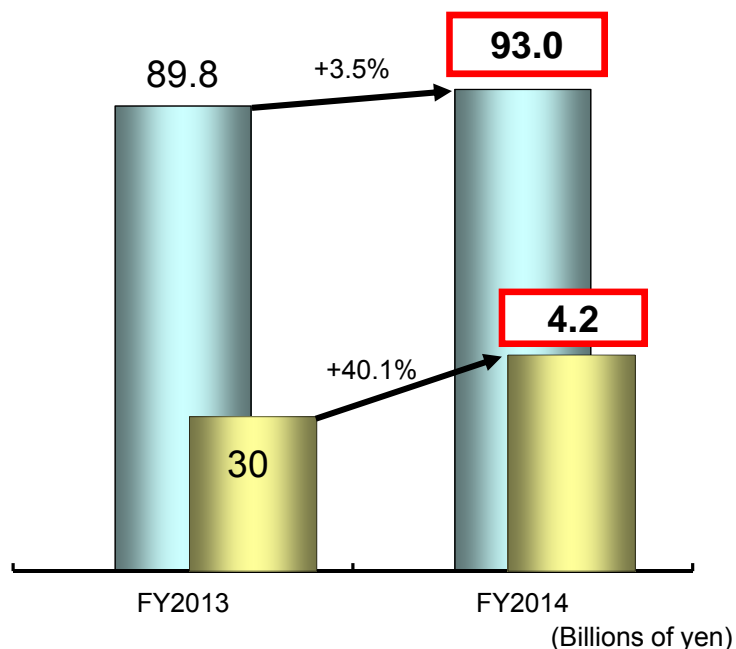
Net income (losses) for AEGON Sony Life Insurance and SA Reinsurance

(Billions of yen)	FY2013	FY2014	Change
AEGON Sony Life Insurance	(3.4)	(5.4)	(2.0)
SA Reinsurance	0.4	2.4	+2.0

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.

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 and reached record high 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)	FY2013	FY2014	Change	
Ordinary revenues	89.8	93.0	+3.1	+3.5%
Underwriting income	88.6	91.7	+3.1	+3.5%
Investment income	1.1	1.2	+0.0	+3.0%
Ordinary expenses	86.8	88.8	+1.9	+2.2%
Underwriting expenses	65.4	65.6	+0.1	+0.3%
Investment expenses	0.0	0.0	(0.0)	(85.7%)
Operating general and administrative expenses	21.3	23.1	+1.7	+8.2%
Ordinary profit	3.0	4.2	+1.2	+40.1%
Net income	1.6	2.2	+0.5	+34.2%
(Billions of yen)	14.3.31	15.3.31	Change from 14.3.31	
Underwriting reserves	78.0	86.5	+8.4	+10.8%
Net assets	21.4	24.7	+3.3	+15.5%
Total assets	142.7	157.9	+15.2	+10.7%

Overview of Operating Performance: Sony Assurance

(Billions of yen)	FY2013	FY2014	Change
Direct premiums written	87.3	90.4	+3.6%
Net premiums written	88.6	91.7	+3.5%
Net losses paid	46.1	45.9	(0.4%)
Underwriting profit	1.8	3.0	+62.4%
Net loss ratio	59.3%	57.6%	(1.7pt)
Net expense ratio	25.6%	26.7%	+1.1pt
Combined ratio	84.9%	84.3%	(0.6pt)

<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	15.3.31	Change from 14.3.31	
Number of policies in force	1.61 million	1.70 million	+0.08 million	+5.4%
Non-consolidated solvency margin ratio	527.6%	629.6%	102.0pt	

◆ Rose significantly from a year earlier, showing that Sony Assurance has maintained a financial soundness.

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)	FY2013	FY2014	Change
Fire	275	332	+21.0%
Marine	—	—	—
Personal accident	8,360	8,576	+2.6%
Voluntary automobile	78,735	81,585	+3.6%
Compulsory automobile liability	—	—	—
Total	87,370	90,495	+3.6%

Net Premiums Written

(Millions of yen)	FY2013	FY2014	Change
Fire	104	45	(56.4%)
Marine	153	110	(27.9%)
Personal accident	8,613	8,845	+2.7%
Voluntary automobile	78,473	81,375	+3.7%
Compulsory automobile liability	1,255	1,335	+6.4%
Total	88,600	91,712	+3.5%

Net losses paid

(Millions of yen)	FY2013	FY2014	Change
Fire	3	3	(6.3%)
Marine	129	90	(30.1%)
Personal accident	2,066	2,265	+9.7%
Voluntary automobile	42,860	42,414	(1.0%)
Compulsory automobile liability	1,123	1,212	+7.9%
Total	46,183	45,985	(0.4%)

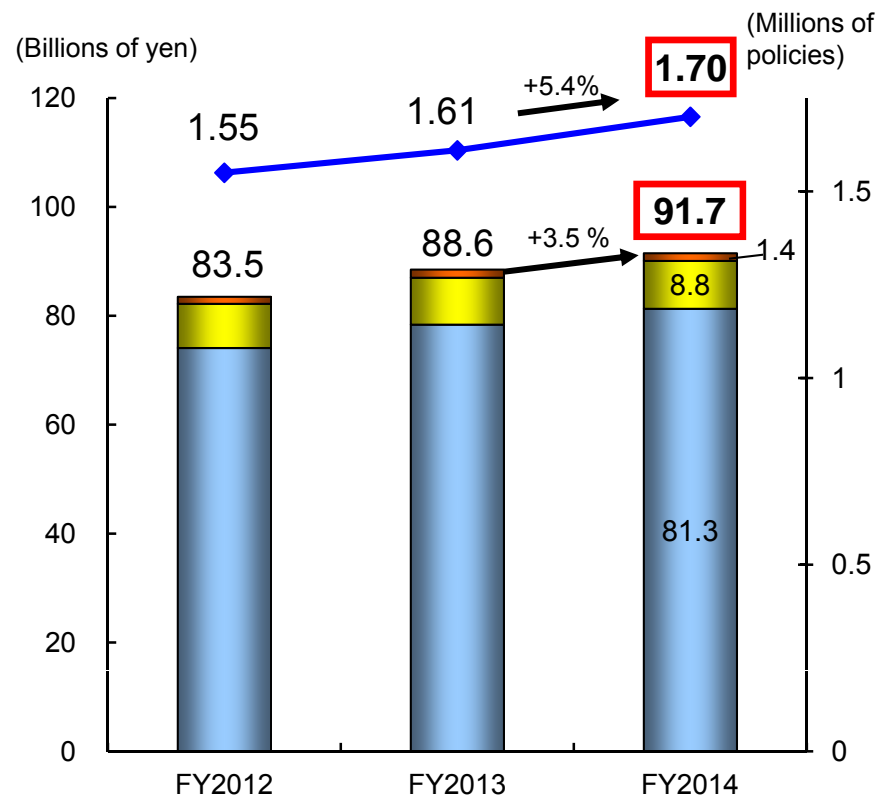
*Medical and cancer insurance is included in personal accident.

Operating Performance: Sony Assurance (1)



Net Premiums Written and Number of Policies in Force

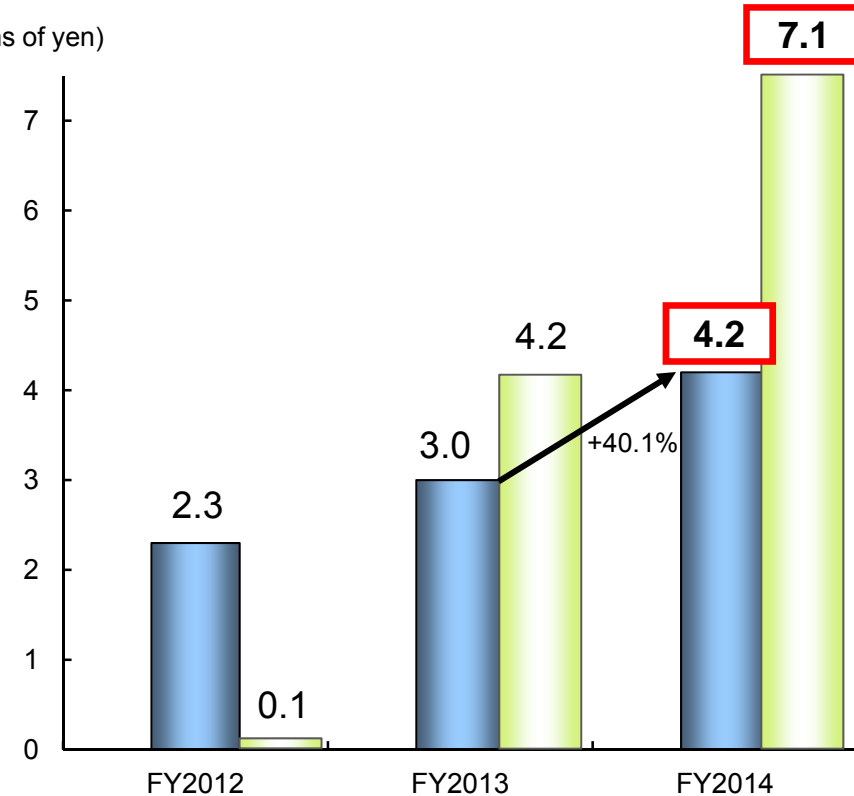
- Voluntary automobile insurance
- Personal accident insurance
- Others
- Number of policies in force



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

(Billions of yen)



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

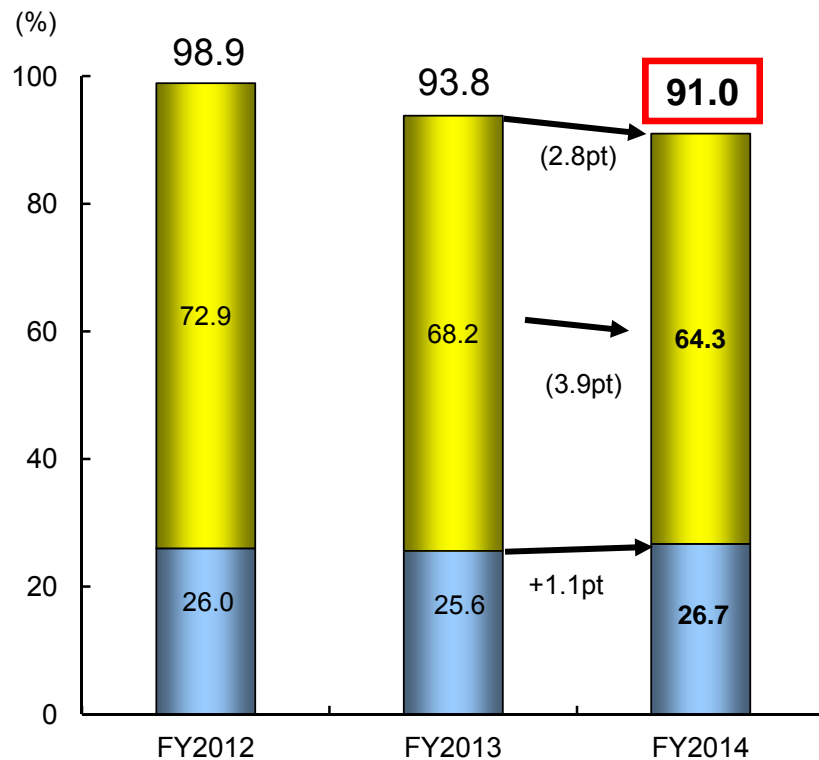
(Reference) Provision for catastrophe reserve	(Billions of yen)		
	FY2012	FY2013	FY2014
Provision for catastrophe reserve	(2.2)	1.2	2.8

*Provision for catastrophe reserve is described as positive amount.

Operating Performance: Sony Assurance (2)

Earned/Incurred Loss Ratio + Net Expense Ratio

■ Earned/Incurred loss ratio ■ Net expense ratio

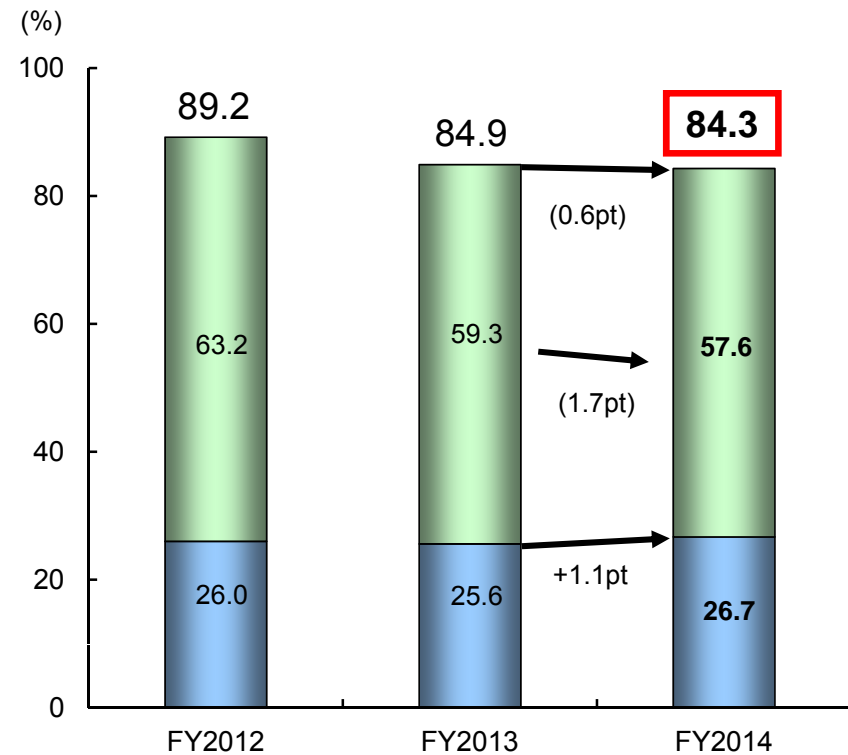


Notes:

Earned/Incurred loss ratio = (Net losses paid + Provision for reserve for outstanding losses + Loss adjustment expenses) / Earned premiums
 [Earthquake insurance and compulsory automobile liability insurance are excluded from the above calculation.]

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

■ Net loss ratio ■ Net expense ratio

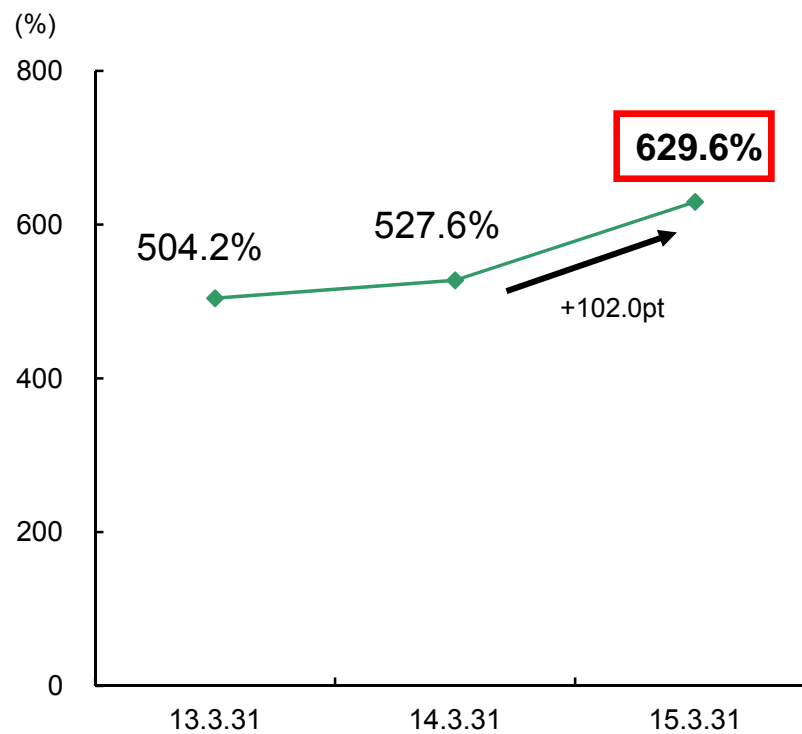


Notes:

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

Operating Performance: Sony Assurance (3)

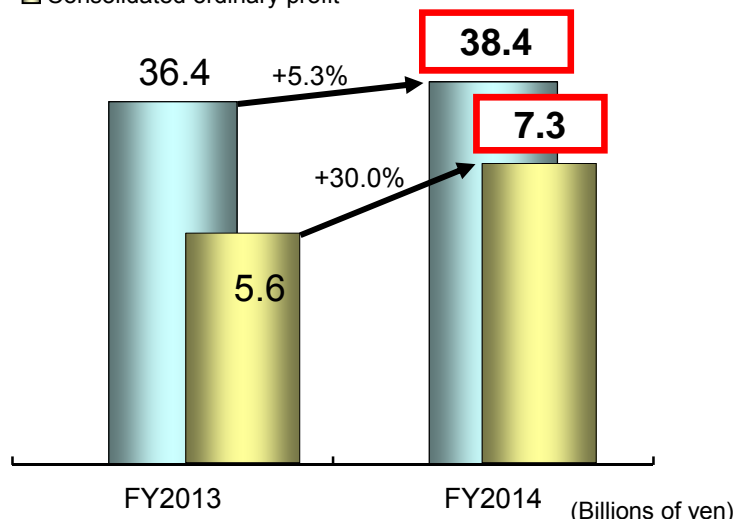
Non-consolidated Solvency Margin Ratio



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



■ Consolidated ordinary revenues
■ Consolidated ordinary profit



◆ Ordinary revenues and ordinary profit increased year on year on a consolidated and a non-consolidated basis. Sony Bank reached record high in ordinary revenues, ordinary profit and net income.

<Consolidated>

◆ Ordinary revenues increased year on year, due mainly to higher revenues related to foreign currency transactions and mortgage loans. Ordinary profit expanded year on year, due to the above-mentioned increase in ordinary revenues and a rise in profit related to bond-dealing transactions.

<Non-consolidated>

◆ Gross operating profit and net operating profit increased year on year.

- Net interest income decreased year on year, due mainly to lower interest income on securities under the lowering interest rates.
- Net other operating income increased due to higher gains on foreign exchange transactions, in addition to an improvement in net gains on bond-dealing transactions including sale of bonds.

<Consolidated>

(Billions of yen)	FY2013	FY2014	Change	
Consolidated ordinary revenues	36.4	38.4	+1.9	+5.3%
Consolidated ordinary profit	5.6	7.3	+1.6	+30.0%
Consolidated net income	3.4	4.5	+1.1	+32.9%

<Non-consolidated>

(Billions of yen)	FY2013	FY2014	Change	
Ordinary revenues	33.9	35.7	+1.7	+5.1%
Gross operating profit	20.7	22.5	+1.8	+8.8%
Net interest income	17.3	16.6	(0.6)	(3.7%)
Net fees and commissions	(0.0)	0.0	0.0	—
Net other operating income	3.4	5.8	+2.4	+70.4%
General and administrative expenses	14.6	15.3	+0.6	+4.5%
Net operating profit	6.0	7.2	+1.1	+18.4%
Ordinary profit	5.8	7.2	+1.4	+24.9%
Net income	3.5	4.6	+1.0	+29.3%

(Billions of yen)	14.3.31	15.3.31	Change from 14.3.31	
Net assets	72.7	77.0	+4.2	+5.9%
Net unrealized gains on other securities, net of taxes	7.2	6.6	(0.6)	(8.8%)
Total assets	2,056.7	2,062.5	+5.8	+0.3%

(*) Sony Bank revised its method of recording ordinary revenues and ordinary expenses on hedge transactions for FY2014. Ordinary revenues for FY2013 have been retroactively adjusted to reflect the change.

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

(Billions of yen)	14.3.31	15.3.31	Change from 14.3.31	
Customer assets	2,007.5	2,007.9	+0.3	+0.0%
Deposits	1,890.0	1,878.2	(11.7)	(0.6%)
Yen	1,526.4	1,551.0	+24.5	+1.6%
Foreign currency	363.5	327.2	(36.3)	(10.0%)
Investment trusts	117.4	129.6	+12.1	+10.4%
Loans outstanding	1,057.4	1,187.1	+129.7	+12.3%
Mortgage loans	949.3	1,074.3	+125.0	+13.2%
Others	108.1	112.8^{*1}	+4.6	+4.3%
Number of accounts (10 thousands)	9.7	10.5	+0.7	+8.0%
Non-performing assets ratio^{*2} (Based on Financial Reconstruction Law)	0.35%	0.28%	(0.07pt)	
Capital adequacy ratio^{*3} (domestic criteria)	11.72%	10.66%	(1.06pt)	

<Reasons for changes>

◆ Yen deposit balance increased from March 31, 2014 due to a conversion from foreign currencies to yen.

◆ Foreign currency deposit balance decreased due to a conversion and a transfer into yen deposit led by yen depreciation.

◆ Loan balance increased due to an increase in the balance of 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 an extremely low non-performing assets ratio.

*1 Loans in others include corporate loans of ¥107.5billion

*2 Non-performing loans (loans based on the Financial Reconstruction Act) /Total loan exposure

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

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

<Reference> On Managerial Accounting Basis

(Billions of yen)	FY2013	FY2014	Change	
Gross operating profit	20.6	22.4	+1.8	+8.8%
Net interest income ^{*1} ①	18.2	18.2	+0.0	+0.3%
Net fees and commissions ^{*2} ②	1.0	0.9	(0.0)	(9.2%)
Net other operating income ^{*3}	1.3	3.2	+1.8	+133.5%
Gross operating profit (core profit) (A) = ①+②	19.2	19.2	(0.0)	(0.2%)
Operating expenses and other expenses ③	14.6	15.2	+0.5	+4.0%
Net operating profit (core profit) =(A)−③	4.6	4.0	(0.6)	(13.5%)

■ 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.

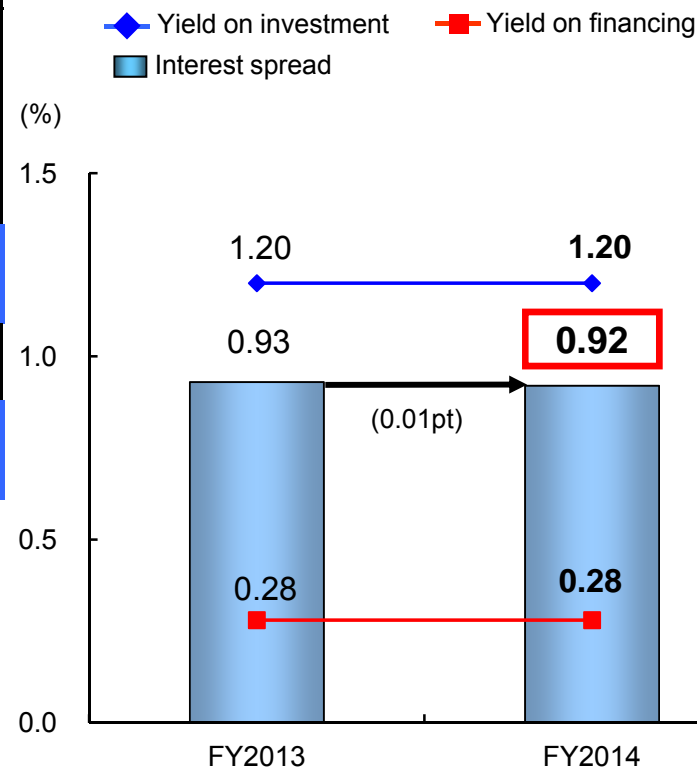
*2: Net fees and commissions: Includes profits and losses for customer dealings in foreign currency transactions recorded in net other operating income.

*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)



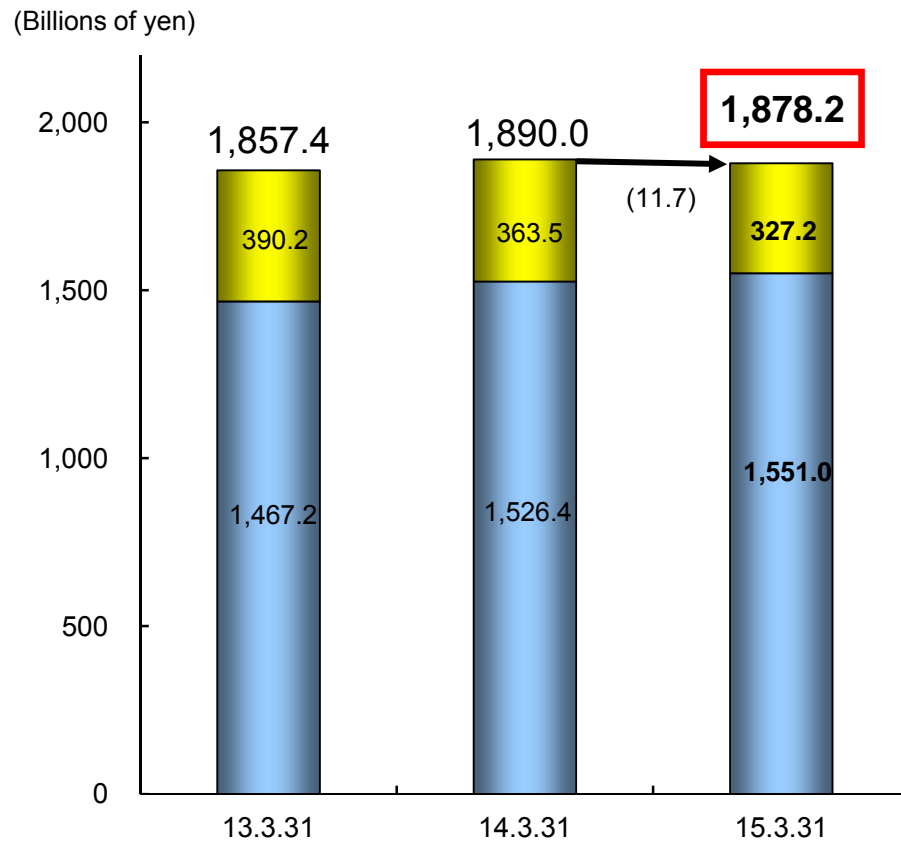
Note: Interest spread=(Yield on investment)-(Yield on financing)

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



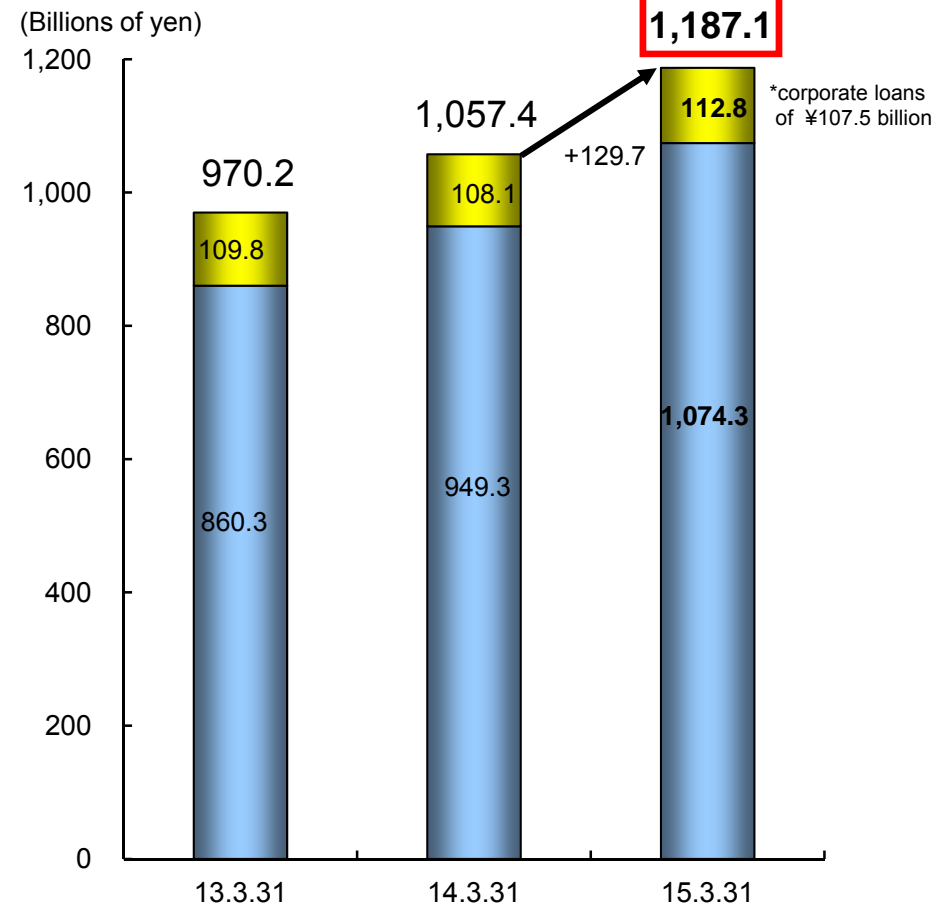
Deposits

■ Yen deposits ■ Foreign currency deposits



Loans

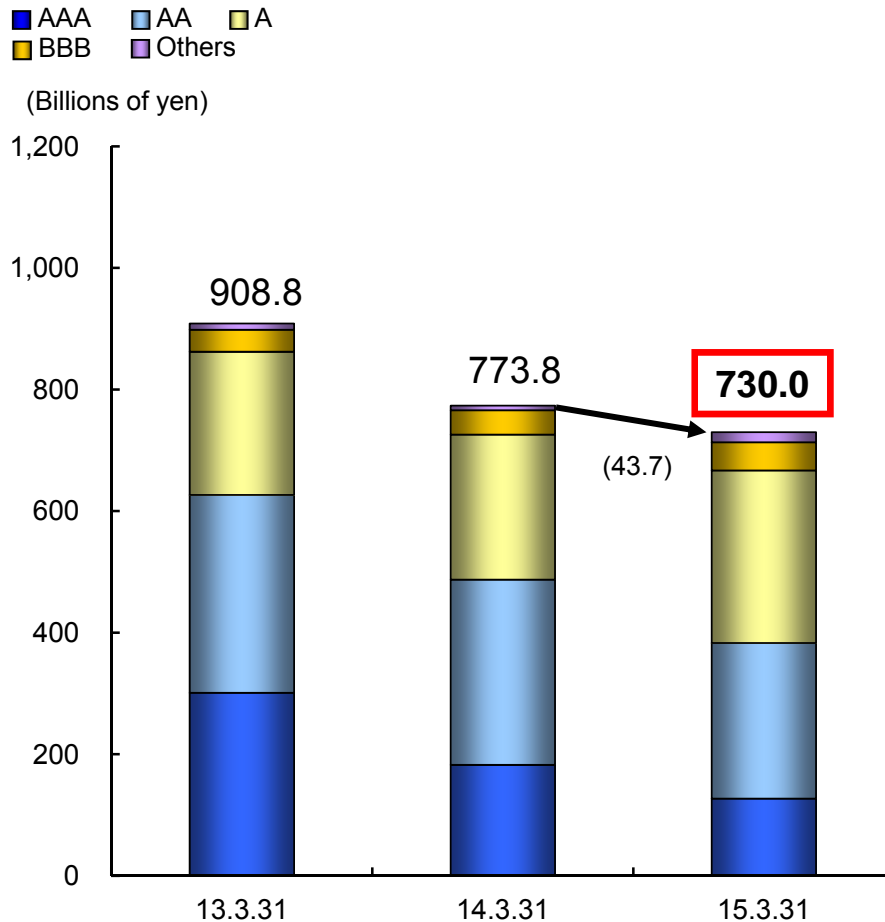
■ Mortgage loans ■ Others



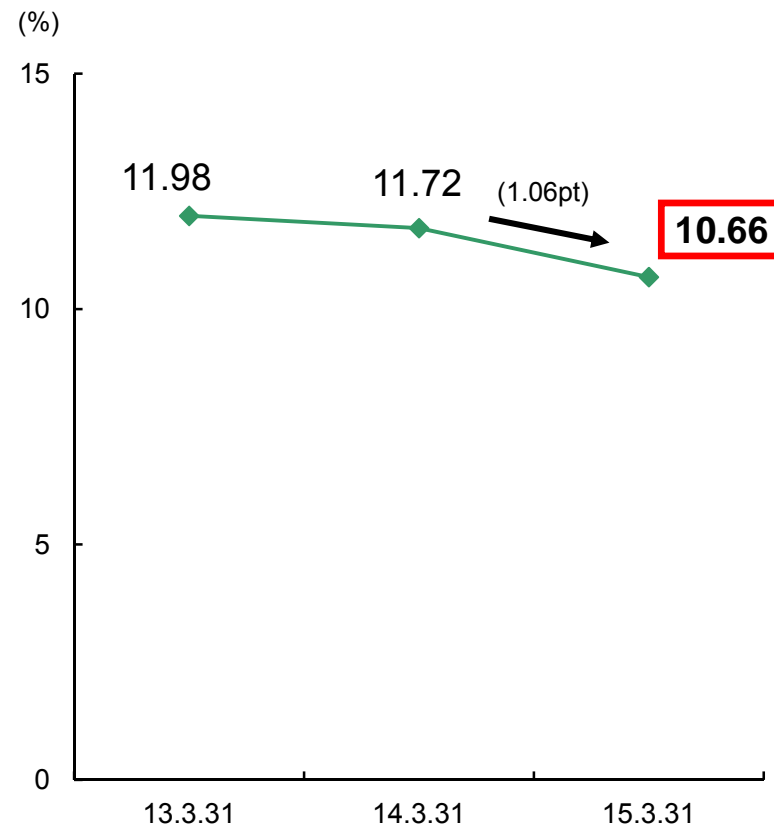
Operating Performance: Sony Bank (Non-consolidated) (2)



Balance of Securities by Credit Rating



Non-Consolidated Capital Adequacy Ratio (Domestic Criteria)



*Calculated based on the standard FSA Notification No. 19 (2006), which establishes standards based on Article 14-2 of the Banking Act of Japan for determining the capital adequacy of a bank in light of the assets held by the bank.
Sony bank calculates this ratio based on Basel III from March 31, 2014

Consolidated Financial Forecast for the Year Ending March 31, 2016

Consolidated Financial Forecast for the Year Ending March 31, 2016



Consolidated ordinary revenues and ordinary profit are expected to decrease, while net income to increase

(Billions of yen)	FY2014 (Actual)	FY2015 (Forecast)	Change
Consolidated ordinary revenues	1,352.3	1,300.0	(3.9%)
<u>Life insurance business</u>	1,223.9	1,168.0	(4.6%)
<u>Non-life insurance business</u>	93.0	97.1	+4.4%
<u>Banking business</u>	38.4	36.8	(4.2%)
Consolidated ordinary profit	90.0	85.0	(5.6%)
<u>Life insurance business</u>	78.3	74.1	(5.4%)
<u>Non-life insurance business</u>	4.2	4.4	+4.5%
<u>Banking business</u>	7.3	6.4	(12.7%)
Consolidated net income	54.4	57.0*	+4.7%

For FY2015, stable and sustainable business growth is expected in all the businesses.

Consolidated ordinary revenues are expected to decrease because we do not anticipate an improvement in investment income backed by favorable market conditions, as was present in FY2014, mainly in the life insurance business. Consolidated ordinary profit is expected to decrease because we anticipate an increase in spending for medium-term business growth activities, an increase in provision of policy reserves for minimum guarantees for variable life insurance in the life insurance business, and lower gains on sale of securities in the life insurance and banking businesses. On the other hand, consolidated net income is expected to increase due to the reduction in the corporate tax rate.

<Segment information for ordinary revenues and ordinary profit>

■ Life insurance business

Ordinary revenues are expected to decrease because we do not anticipate an increase in investment income backed by favorable market conditions, as was present in FY2014. Ordinary profit is expected to decrease because we anticipate an increase in spending for medium-term business growth activities and an increase in provision of policy reserves for minimum guarantees for variable life insurance.

■ Non-life insurance business

Ordinary revenues and ordinary profit are expected to increase in line with growth in net premiums written primarily for mainstay automobile insurance.

■ Banking business

Although we anticipate business expansion under such a low interest rate environment, ordinary revenues and ordinary profit are expected to decrease because we do not anticipate an increase in gains on bond-dealing transactions including sale of bonds as was present in FY2014.

*The amount of consolidated net income for FY2015 (Forecast) is equivalent to the amount of "Net income attributable to parent company" of Accounting Standard for Business Combinations (ASBJ Statement No. 21, on Sep. 13, 2013) and the related revision.

Dividend Forecast

Dividend Forecast for the Year Ending March 31, 2016 and Mid-term Dividend Policy



The proposed dividend for FY2015 is ¥55 per share, up ¥15 year on year.
-4th consecutive year of dividend increases since FY2012-

<Mid-term Dividend Policy>

- Our basic dividend policy is to steady increases in dividends in line with earnings growth over the medium and long terms.
- **We will enhance shareholder returns by revising upward our medium-term target for the dividend payout ratio into 40% to 50% of consolidated net income.**

* We will determine specific dividend amounts for each fiscal year by taking into account a comprehensive range of factors, including capital adequacy, investment opportunities, business forecasts and legal and regulatory developments.

■ Consolidated Net Income and Dividend Result/Forecast

	FY2011	FY2012	FY2013	FY2014 (Expected)	FY2015 (Forecast)
Consolidated net income	¥32.8 billion	¥45.0billion	¥40.5billion	¥54.4billion	¥57.0billion*
Net income per share	¥75.43	¥103.60	¥93.11	¥125.10	¥131
Dividend per share	¥20	¥25	¥30	¥40	¥55
Dividend payout ratio (consolidated)	26.5%	24.1%	32.2%	32.0%	42.0%

*The amount of consolidated net income for FY2015 (Forecast) is equivalent to the amount of “Net income attributable to parent company” of Accounting Standard for Business Combinations (ASBJ Statement No. 21, on Sep. 13, 2013) and the related revision.

Sony Life's Preliminary MCEV and Risk Amount Based on Economic Value as of March 31, 2015

Please keep in mind that the validity of these calculations of MCEV as of March 31, 2015, has not been verified by outside specialists. The calculation of MCEV as of March 31, 2015, in accordance with the MCEV principles and verified by outside specialists, is scheduled to be announced on May 21, 2015.

A part of the calculations of MCEV as of December 31, 2014 adopted simplified method and has not been verified by outside specialists.

Sony Life's MCEV as of March 31, 2015

(Billions of yen)	14.3.31	14.12.31	15.3.31	Change from 14.3.31	Change from 14.12.31
MCEV	1,221.3	1,234.9	1,322.9	+101.6	+88.0
Adjusted net worth	722.1	1,171.2	1,119.2	+397.1	(52.0)
Value of existing business	499.1	63.8	203.7	(295.5)	+139.9
(Billions of yen)	14.3.31	14.12.31	15.3.31		
New business value	55.2 (12M)	28.2 (6M)	48.6 (12M)		
New business margin	5.2%	2.9%	3.8%		

Notes:

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

◆ Reasons for changes in MCEV

- MCEV as of March 31, 2015 increased ¥101.6 billion from March 31, 2014, due mainly to the contribution of new business, the decrease in inflation rates, the effect of the reduction in the corporate tax rate. While the value of existing business decreased significantly due to a decline in interest rates, most of the decrease was offset with the benefit of ALM (by the increase in the adjusted net worth).
- MCEV as of March 31, 2015 increased ¥88.0 billion from December 31, 2014, due mainly to the contribution of new business, a rise in interest rates in Japanese yen, and the effect of the reduction in the corporate tax rate.

◆ Reasons for changes in new business margin

- New business margin as of March 31, 2015 was down 1.4% from March 31, 2014, due mainly to a decline in interest rates.
- New business margin as of March 31, 2015 was up 0.9% from December 31, 2014, due mainly to a rise in interest rates in Japanese yen, improvement in insurance-related assumptions, and the effect of the reduction in the corporate tax rate.

*Please see page 44 for changes on new business value

*Please see page 47 for trend on JGB yields

Sony Life's Risk Amount Based on Economic Value as of March 31, 2015

(after tax)

(Billions of yen)	14.3.31	14.12.31	15.3.31
Insurance risk	654.5	709.6	724.2
Market-related risk	240.0	290.5	287.0
<i>Of which, interest rate risk*</i>	180.9	219.7	218.5
Operational risk	26.3	23.8	25.9
Counter party risk	1.3	3.0	1.8
Variance effect	(257.8)	(291.4)	(293.4)
The risk amount based on economic value	664.3	735.5	745.5

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

(Billions of yen)	14.3.31	14.12.31	15.3.31
MCEV	1,221.3	1,234.9	1,322.9

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

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: Lifepanner 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.

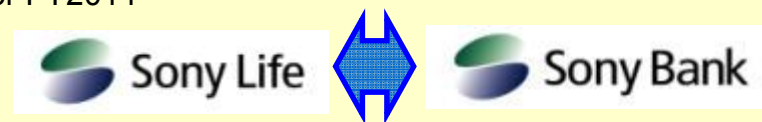
*As of May 15, 2015

Sony Bank's Mortgage Loans through Sony Life

■ Sony Life accounts for 22% of the balance of mortgage loans as of March 31, 2015

Sony Life accounts for 14% of the amount of new mortgage loans for FY2014

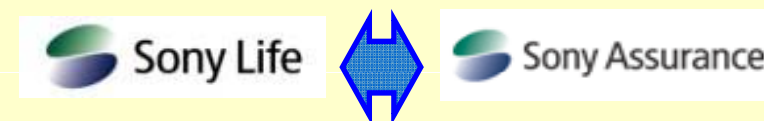
*Sony Life started handling banking agency business in January 2008.



Sony Assurance's Auto Insurance Sold by Sony Life

■ Sony Life accounts for 4% of new automobile policies for FY2014

*Sony Life started handling automobile insurance in May 2001.



Recent Topics 2 <Highlights for FY2014>



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 users.
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.
2014-07-28	Sony Life entered into an agreement to acquire Sony Corporation's headquarters site.
2014-08-01	Sony Bank entered 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 began 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 14.
2014-12-16	Sony Bank began offering "Exchange Rate-Linked Deposits"
2015-01-07	Sony Assurance announced to open a customer service office in Kumamoto prefecture in July 2015
2015-02-23	Sony Bank began offering "Special Interest Rates for Foreign Currency Time Deposit when Depositing from Yen Funds".
2015-02-23	Sony Assurance commenced sale of a PHYD(Pay How You Drive) type of automobile insurance "Gentle Driving Cash-Back Plan"
2015-04-01	Sony Life changed its President, Representative Directors.
2015-04-01	Sony Life opened its new sales office in Fukui prefecture.
2015-04-01	SmartLink Network, Sony Bank's subsidiary, changed its corporate name to Sony Payment Services Inc.
2015-04-30	Sony Lifecare entered into an agreement to enter capital participation with Yuuai Holdings Co., Ltd.
2015-05-02	Sony Life commenced sale of a new product: "Lump-sum Payment Whole Life Insurance (No-notification Type) "

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



Fair Value Information on Securities

Fair value information on securities with market value (except trading-purpose securities)

(Billions of yen)

	13.3.31			14.3.31			15.3.31		
	Carrying amount	Fair value	Net unrealized gains (losses)	Carrying amount	Fair value	Net unrealized gains (losses)	Carrying amount	Fair value	Net unrealized gains (losses)
Held-to-maturity securities	3,874.2	4,425.9	551.7	4,409.6	4,839.9	430.3	4,878.7	5,718.2	839.4
Available-for-sale securities	955.9	1,079.2	123.2	1,065.5	1,189.8	124.3	1,007.8	1,176.6	168.8
Japanese government and corporate bonds	925.3	1,036.9	111.6	1,035.9	1,146.7	110.8	974.6	1,120.1	145.5
Japanese stocks	14.7	20.9	6.2	12.2	21.2	8.9	13.4	29.4	16.0
Foreign securities	14.4	18.6	4.2	15.8	19.4	3.5	19.4	26.4	6.9
Other securities	1.4	2.6	1.1	1.4	2.5	1.0	0.3	0.6	0.3
Total	4,830.2	5,505.2	675.0	5,475.1	6,029.8	554.7	5,886.6	6,894.9	1,008.3

Notes:

- The above table includes monetary trusts other than trading-purpose securities.
- 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 Mar. 31, 2015; Carrying amount: ¥44.2 billion, Fair market value: ¥57.5 billion, Net unrealized gain (losses): ¥13.2 billion

Valuation gains (losses) on trading-purpose securities

(Billions of yen)

13.3.31		14.3.31		15.3.31	
Balance sheet amount	Net valuation gains (losses) recorded in income	Balance sheet amount	Net valuation gains (losses) recorded in income	Balance sheet amount	Net valuation gains (losses) recorded in income
–	–	–	–	1.0	0.0

Note: The above chart includes trading-purpose securities included in "monetary trusts," etc

Sony Life's Interest Income and Dividends (Details)

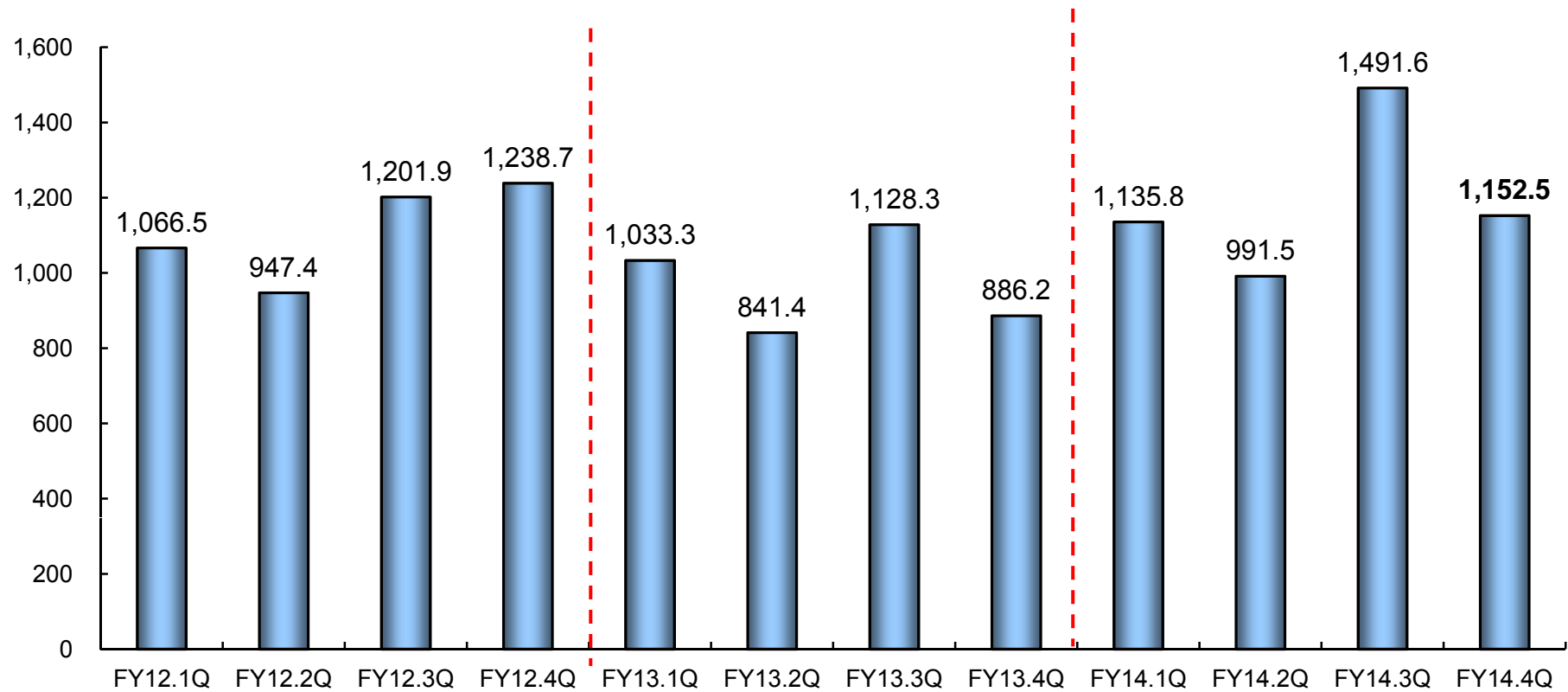
(Millions of yen)

	FY2013	FY2014	Change
Cash and deposits	0	0	(36.0%)
Japanese government and corporate bonds	98,588	107,383	+8.9%
Japanese stocks	397	464	+16.9%
Foreign securities	6,740	8,998	+33.5%
Other securities	460	430	(6.6%)
Loans	5,691	5,921	+4.0%
Real estate	10,250	10,327	+0.8%
Others	31	66	+112.7%
Total	122,160	133,592	+9.4%

Sony Life's Quarterly Trend on New Policy Amount

Quarterly Trend on New Policy Amount

(Billions of yen)

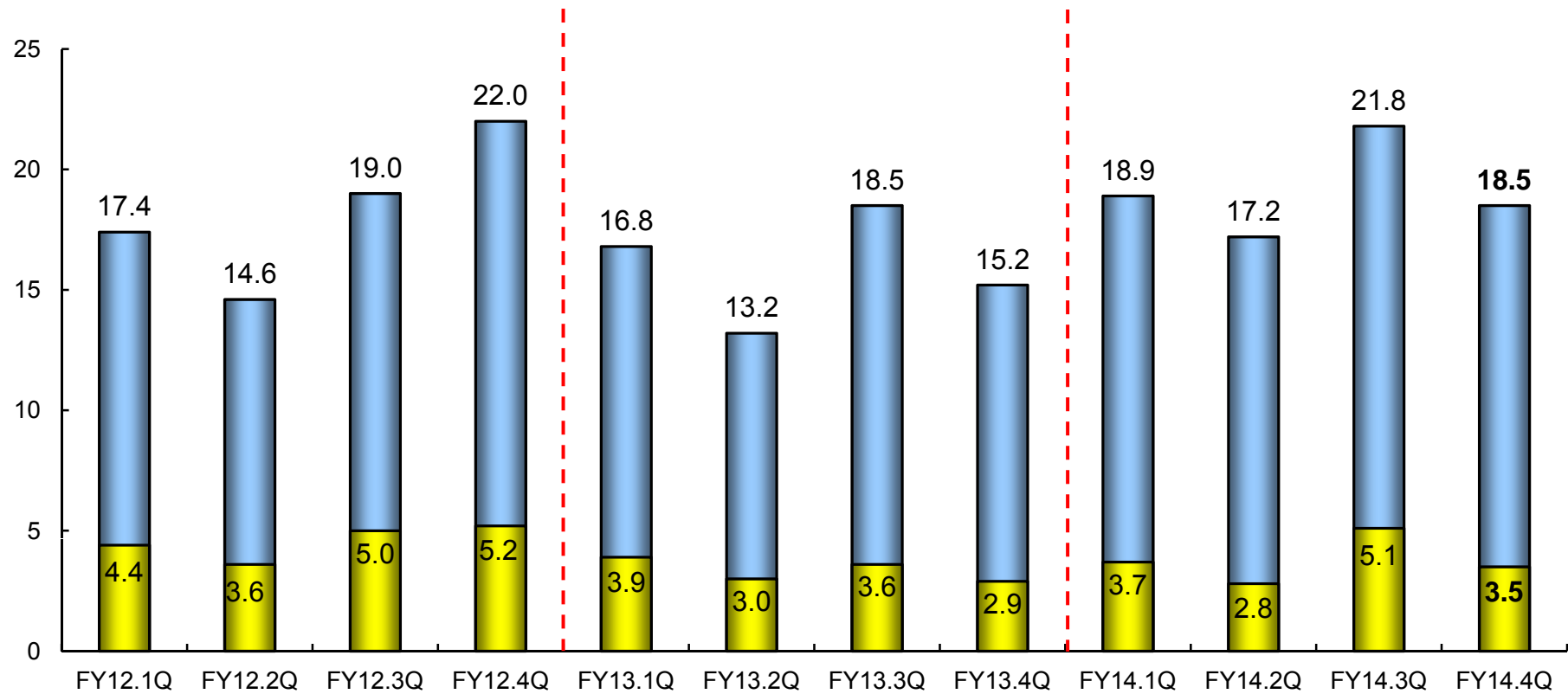


Sony Life's Quarterly Trend on Annualized Premiums from New Policies

Quarterly Trend on Annualized Premiums from New Policies

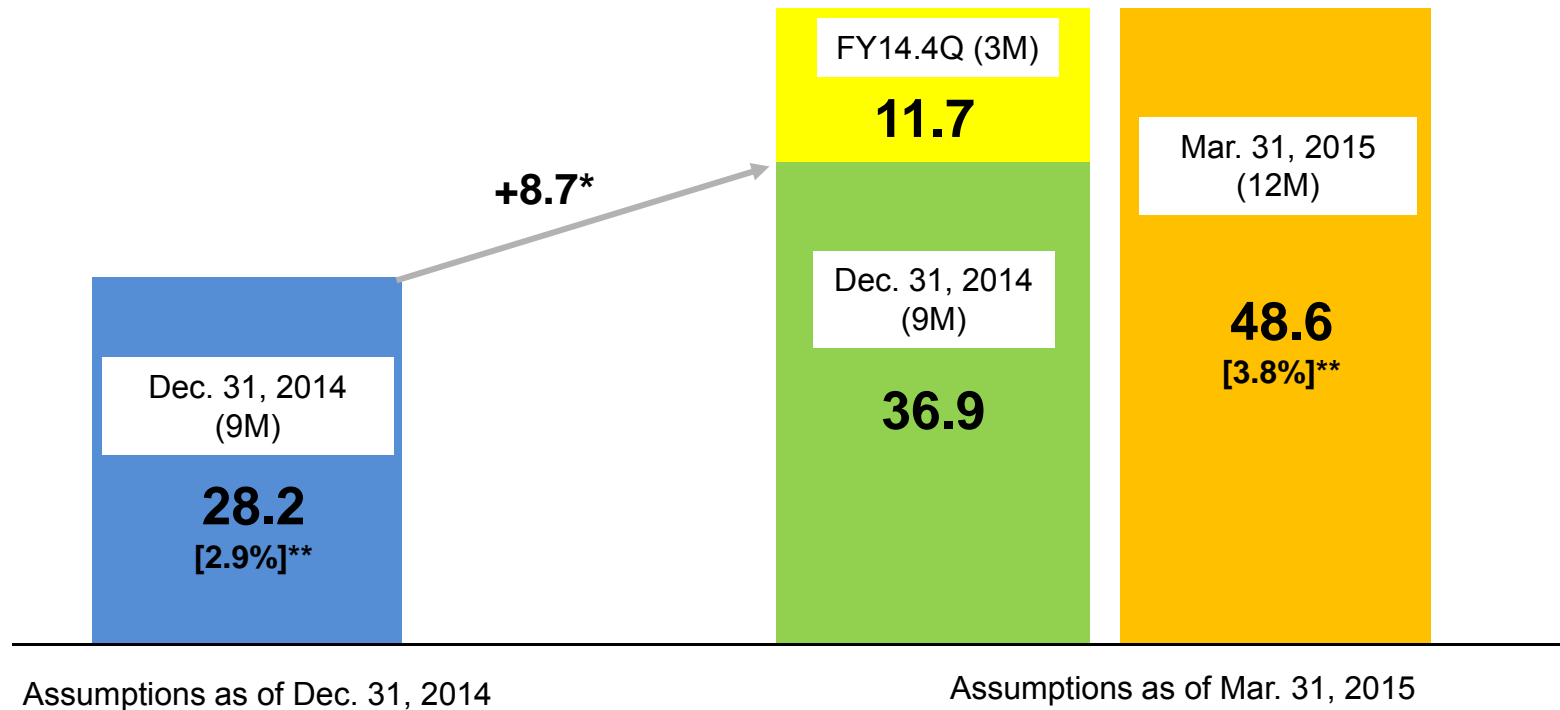
■ Annualized premiums from new policies ■ Of which, third-sector

(Billions of yen)



Sony Life's Changes on New Business Value

(Billions of yen)



Notes:

*Effected amount by valuating new business value as of Dec. 31, 2014 (9M) mainly with interest rates as of Mar. 31, 2015.

New business value increased due mainly to a rise in interest rates in Japanese yen, improvement in insurance-related assumptions, and the reduction in the corporate tax rate.

**Figures in [] show new business margin.

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

■ Market-related Risk*1

	Sony Life	(Reference) EU Solvency II (QIS5)
<p>Interest rate risk</p> <p>Fluctuations in net asset value based on economic value in response to the shocks in the right columns.</p> <p>The same applies below.</p>	<p>Percentage increases or decreases differ for each currency and term.</p> <p>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.</p> <p>(Example) For Yen 30-year, 33% decrease (parallel shift), 28% decrease (twist), 8% decrease (butterfly)</p>	<p>Percentage increases or decreases differ for each currency and term but <u>no lower than 1%</u></p> <p>(Example) For Yen 30-year, 30% decrease</p>
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	<p>Credit risk = (market value) x (risk coefficient for each credit rating) x duration</p> <p>Note that durations have caps and floors, depending on credit ratings.</p> <p>(Example) Rating A: Risk coefficient (1.4%), cap (23), floor (1)</p>	Same as on the left
Currency risk	30% downside fluctuation	25% downside fluctuation

Notes

- Principal items as of Mar. 31, 2015.
- 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 (Dec.31, 2009), these were 30%/40%.

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

■ Insurance Risk^{*1}

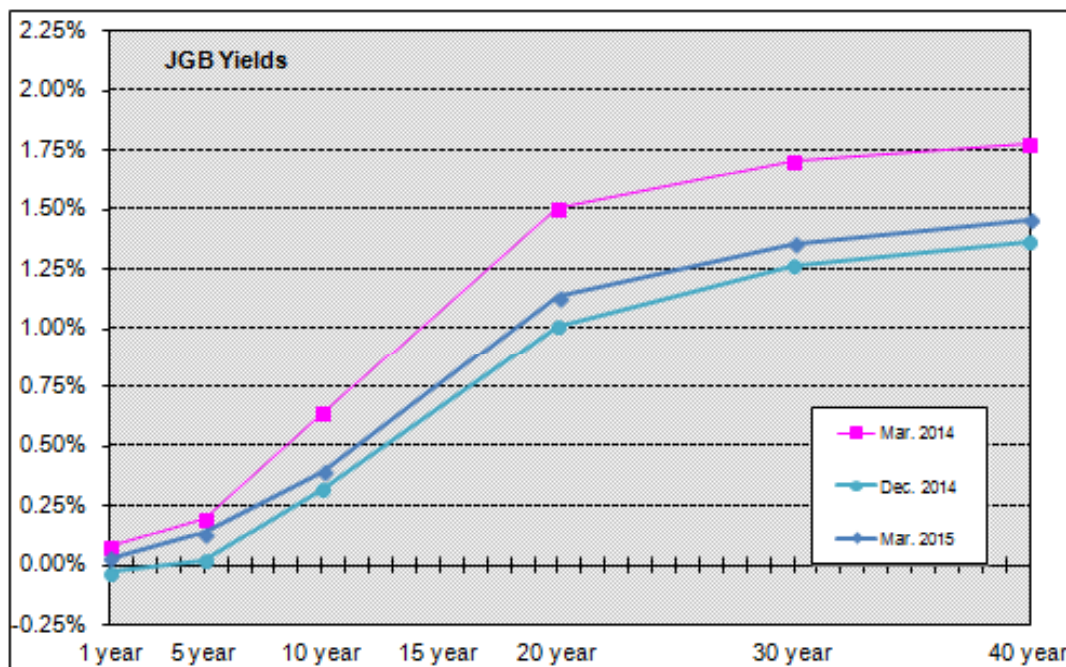
	Sony Life	(Reference) EU Solvency II (QIS5)
Mortality risk	Mortality rate increases by 15% for each year elapsed	Same as on the left
Longevity risk	Mortality rate decreases by 20% for each year elapsed	Same as on the left
Lapse risk	The largest amount of these; ^{*2} <ul style="list-style-type: none"> • Lapse rate increases by 50% for each year elapsed • Lapse rate decreases by 50% for each year elapsed • 30% of policies on which surrender value is in excess of best estimate liability are immediately surrendered 	The largest amount of these; <ul style="list-style-type: none"> • 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 Mar. 31, 2015.

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

JGB Yields



As of the end of each month

JGB yields	Mar. 2014	Dec. 2014	Mar. 2015	Mar. 2014 → Mar. 2015	Dec. 2014 → Mar. 2015
1 year	0.08%	(0.03%)	0.03%	(0.05%)	0.06%
5 year	0.20%	0.02%	0.13%	(0.06%)	0.11%
10 year	0.64%	0.32%	0.40%	(0.24%)	0.07%
20 year	1.50%	1.06%	1.14%	(0.37%)	0.07%
30 year	1.70%	1.27%	1.36%	(0.35%)	0.09%
40 year	1.78%	1.37%	1.46%	(0.32%)	0.09%



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