
Presentation Material

**Consolidated Financial Results
for the Six Months Ended September 30, 2015
and
Sony Life's
Market Consistent Embedded Value
as of September 30, 2015**

**Sony Financial Holdings Inc.
November 12, 2015**

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

Content

Consolidated Operating Results for the Six Months Ended September 30, 2015 (FY15.1H)

- ◆ In FY15.1H, consolidated ordinary revenues increased in all three core businesses. Sony Life's new policy amount rose significantly, exceeding the record high amount posted in FY14.1H, and its business volume has been steadily expanding.
- ◆ Consolidated ordinary profit was down substantially year on year, and compared with our initial forecast. This decrease reflected Sony Life's substantial increase in the provision of policy reserves for minimum guarantees for variable life insurance, as well as increased expenses at the beginning of the policy period incurred by strong sales of new policies.
- ◆ Given the consolidated ordinary profit results in FY15.1H, we revised our full-year profit forecast downward. Although profit was down substantially at the beginning of the policy period due to higher sales of variable life insurance, this will contribute to future earnings growth.
- ◆ As our medium-term profit outlook remains unchanged, we maintain our initial dividend forecast for FY15 (¥55 per share).

In FY15.1H, consolidated ordinary revenues increased in all three core businesses. Sony Life's new policy amount rose significantly, exceeding the record high amount posted in FY14.1H, and its business volume has been steadily expanding.

Consolidated ordinary profit was down substantially year on year, and compared with our initial forecast. This decrease reflected Sony Life's substantial increase in the provision of policy reserves for minimum guarantees for variable life insurance, as well as increased expenses at the beginning of the policy period incurred by strong sales of new policies.

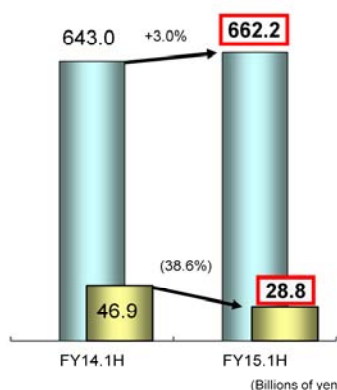
Given the consolidated ordinary profit results in FY15.1H, we revised our full-year profit forecast downward. Although profit was down substantially at the beginning of the policy period due to higher sales of variable life insurance, this will contribute to future earnings growth.

As our medium-term profit outlook remains unchanged, we maintain our initial dividend forecast for FY15 (¥55 per share).

Highlights of Consolidated Operating Performance for FY15.1H (1)



■ Consolidated ordinary revenues
■ Consolidated ordinary profit



(Billions of yen)		FY14.1H	FY15.1H	Change	
Life Insurance business	Ordinary revenues	579.4	596.4	+16.9	+2.9%
	Ordinary profit	40.1	22.5	(17.5)	(43.8%)
Non-life Insurance business	Ordinary revenues	46.4	48.2	+1.8	+4.0%
	Ordinary profit	3.4	2.7	(0.6)	(19.9%)
Banking business	Ordinary revenues	18.6	19.0	+0.3	+2.0%
	Ordinary profit	3.2	3.4	+0.1	+4.3%
Intersegment adjustments*	Ordinary revenues	(1.4)	(1.4)	+0.0	—
	Ordinary profit	0.1	0.1	+0.0	+2.4%
Consolidated	Ordinary revenues	643.0	662.2	+19.2	+3.0%
	Ordinary profit	46.9	28.8	(18.1)	(38.6%)
	Profit attributable to owners of the parent	31.1	19.1	(12.0)	(38.6%)

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

*Comprehensive income : FY14.1H: ¥44.7 billion, FY15.1H: ¥16.4 billion

(Billions of yen)		15.3.31	15.9.30	Change from 15.3.31	
Consolidated	Net assets	550.6	549.7	(0.9)	(0.2%)
	Total assets	9,545.8	9,945.3	+399.4	+4.2%

Consolidated ordinary revenues increased 3.0% year on year, to ¥662.2 billion, owing to increases in ordinary revenues from all the businesses: life insurance, non-life insurance and banking.

Consolidated ordinary profit decreased 38.6% year on year, to ¥28.8 billion. By business segment, ordinary profit from the banking business increased, whereas ordinary profit from the life insurance and the non-life insurance businesses decreased.

Profit attributable to owners of the parent was down 38.6% year on year, to ¥19.1 billion due to the decrease in ordinary profit.

Highlights of Consolidated Operating Performance for FY15.1H (2)



■Life Insurance Business: Policy amount in force increased steadily, reflecting a record-high new policy amount for this period (April 1 to September 30). Ordinary revenues increased year on year due to an increase in income from insurance premiums despite deteriorated investment performance in the separate account as a result of worsened financial market conditions. Ordinary profit decreased significantly year on year. This is due to a substantial increase in provision of policy reserves for minimum guarantees for variable life insurance as a result of an increase in new policy amount and worsened financial market conditions, partially offset by an increase in gains on sale of securities in the general account. Moreover, increased expenses incurred by strong sales of new policies and higher payment on insurance claims also contributed to the decrease in ordinary profit.

■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 decreased year on year mainly due to a rise in operating expenses despite the increase in ordinary revenues.

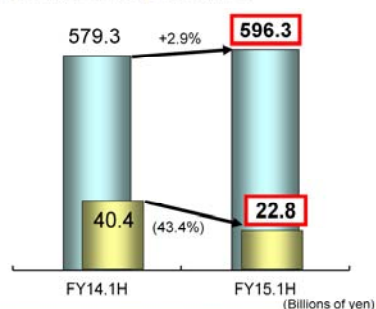
■Banking Business: Both ordinary revenues and ordinary profit increased year on year, mainly due to higher revenues related to mortgage loan and foreign currency transactions.

■Consolidated ordinary revenues increased 3.0% year on year, to ¥662.2 billion, owing to increases in ordinary revenues from all the businesses: life insurance, non-life insurance and banking. Consolidated ordinary profit decreased 38.6% year on year, to ¥28.8 billion. By business segment, ordinary profit from the banking business increased, whereas ordinary profit from the life insurance and the non-life insurance businesses decreased. Profit attributable to owners of the parent was down 38.6% year on year, to ¥19.1 billion due to the decrease in ordinary profit.

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



□ Ordinary revenues □ Ordinary profit



- ◆ Ordinary revenues increased but ordinary profit decreased year on year.
- ◆ Income from insurance premiums increased year on year, reflecting a steady increase in policy amount in force.
- ◆ Investment income decreased due to deteriorated investment performance in the separate account despite an increase in interest income and dividends in the general account.
- ◆ Ordinary profit decreased year on year due to a substantial increase in provision of policy reserves for minimum guarantees for variable life insurance as a result of an increase in new policy amount and worsened financial market conditions, partially offset by an increase in gains on sale of securities in the general account. Moreover, increased expenses incurred by strong sales of new policies and higher payment on insurance claims also contributed to the decrease in ordinary profit.

(Billions of yen)	FY14.1H	FY15.1H	Change	
Ordinary revenues	579.3	596.3	+16.9	+2.9%
Income from insurance premiums	454.0	508.7	+54.7	+12.1%
Investment income	120.8	84.4	(36.4)	(30.1%)
Interest income and dividends	65.8	69.8	+3.9	+6.0%
Income from monetary trusts, net	2.0	6.1	+3.5	+133.8%
Gains on sale of securities	3.8	6.5	+2.7	+69.5%
Gains on separate accounts, net	46.4	-	(46.4)	(100.0%)
Ordinary expenses	538.9	573.4	+34.5	+6.4%
Insurance claims and other payments	173.0	173.1	+0.0	+0.1%
Provision for policy reserves and others	293.6	287.2	(6.4)	(2.2%)
Investment expenses	4.5	35.6	+31.1	+681.2%
Losses on separate accounts, net	-	31.9	+31.9	-
Operating expenses	56.8	65.6	+8.7	+15.4%
Ordinary profit	40.4	22.8	(17.5)	(43.4%)
Net income	26.9	14.8	(12.0)	(44.9%)

(Billions of yen)	15.3.31	15.9.30	Change from 15.3.31	
Securities	6,543.7	6,899.6	+355.9	+5.4%
Policy reserves	6,727.2	7,013.5	+286.2	+4.3%
Net assets	432.5	432.3	(0.2)	(0.0%)
Net unrealized gains on other securities	118.1	117.7	(0.3)	(0.3%)
Total assets	7,301.3	7,758.8	+457.5	+6.3%
Separate account assets	793.3	796.6	+3.2	+0.4%

Sony Life's ordinary revenues increased 2.9% year on year, to ¥596.3 billion due to an increase in income from insurance premiums despite deteriorated investment performance in the separate account as a result of worsened financial market conditions.

Ordinary profit decreased 43.4% year on year, to ¥22.8 billion. This is due to a substantial increase in provision of policy reserves for minimum guarantees for variable life insurance as a result of an increase in new policy amount and worsened financial market conditions, partially offset by an increase in gains on sale of securities in the general account. Moreover, increased expenses incurred by strong sales of new policies and higher payment on insurance claims also contributed to the decrease in ordinary profit.

Net income decreased 44.9% year on year, to ¥14.8 billion.

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



(Billions of yen)	FY14.1H	FY15.1H	Change	
New policy amount	2,127.3	2,615.0	+22.9%	◆ Increased due to higher sales of variable life insurance and family income insurance.
Lapse and surrender amount	862.5	951.5	+10.3%	
Lapse and surrender rate	2.21%	2.33%	+0.12pt	
Policy amount in force	39,952.7	42,143.0	+5.5%	◆ Increased due to higher sales of variable life insurance.
Annualized premiums from new policies	36.2	43.0	+18.9%	
Of which, third-sector products	6.5	7.3	+12.0%	
Annualized premiums from insurance in force	715.4	759.1	+6.1%	
Of which, third-sector products	169.7	176.1	+3.7%	

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.

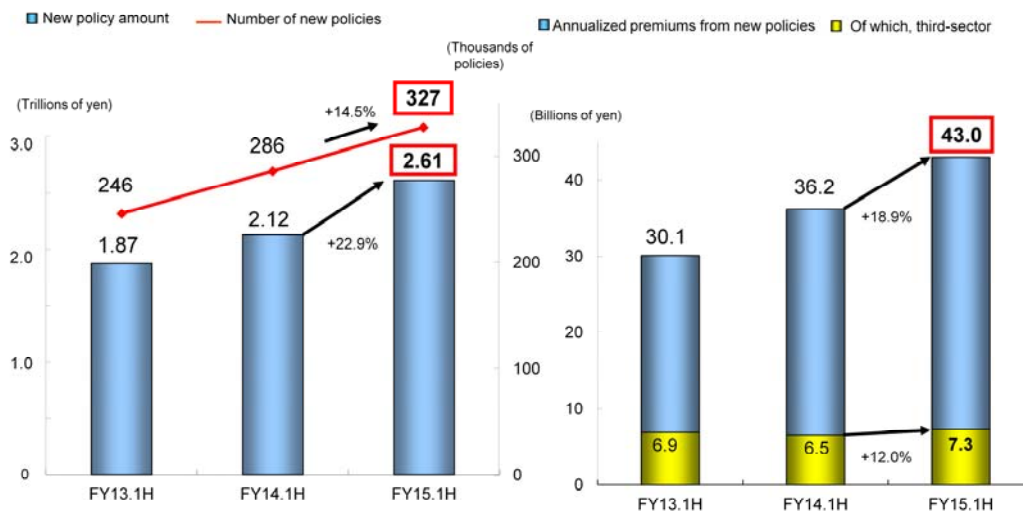
(Billions of yen)	FY14.1H	FY15.1H	Change	
Gains from investment, net (General account)	69.8	80.7	+15.7%	
Core profit	38.5	14.4	(62.5%)	◆ Decreased year on year due to a substantial increase in provision of policy reserves for minimum guarantees for variable life insurance as a result of an increase in new policy amount and worsened financial market conditions despite higher positive spread. Moreover, increased expenses incurred by strong sales of new policies and higher payment on insurance claims also contributed to the decrease in core profit.
Positive spread	5.5	7.3	+32.7%	
	15.3.31	15.9.30	Change from 15.3.31	
Non-consolidated solvency margin ratio	2,555.0%	2,657.7%	+102.7pt	

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



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

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



(Left-hand graph)

New policy amount for the total of individual life insurance and individual annuities increased 22.9% year on year, to ¥2,615.0 billion, reflecting a record-high new policy amount for the first half.

This increase was because of higher sales of variable life insurance and family income insurance, reflecting the efforts to strengthen sales of death protection type products.

Especially, the sales of variable life insurance increased significantly due to the brisk demand prior to the product revisions.

The number of new policies increased 14.5% year on year, to 327 thousand policies.

(Right-hand graph)

Annualized premiums from new policies increased 18.9% year on year, to ¥43.0 billion, due to higher sales of variable life insurance.

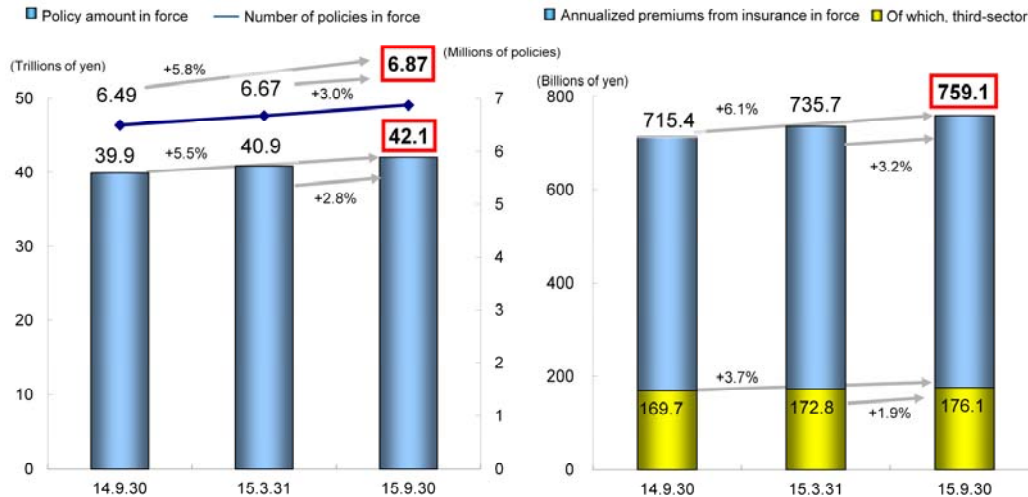
Of which, the figure for third-sector insurance products was up 12.0% year on year, to ¥7.3 billion.

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



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

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



Sony Life's policy amount in force which reflects new policy amount and lapse and surrender amount, is shown here.

(Left-hand graph)

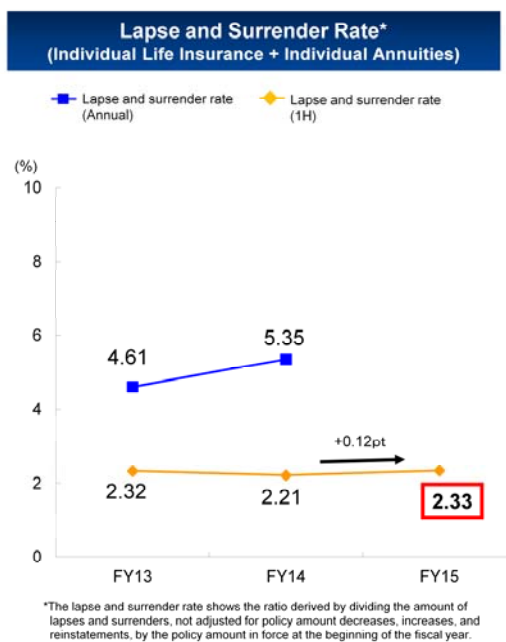
Policy amount in force for the total of individual life insurance and individual annuities increased 5.5% year on year, to ¥42.1 trillion, due to strong sales of new policies.

The number of policies in force increased 5.8% year on year, to ¥6.87 million policies.

(Right-hand graph)

Annualized premiums from insurance in force increased 6.1% year on year, to ¥759.1 billion. Of which, the figure for third-sector products was up 3.7% year on year, to ¥176.1 billion.

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

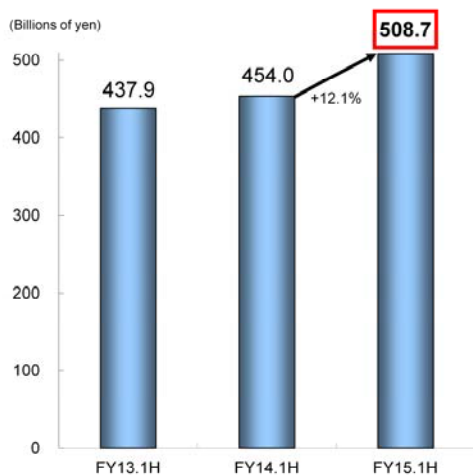


The lapse and surrender rate increased 0.12 percentage points year on year, to 2.33%.

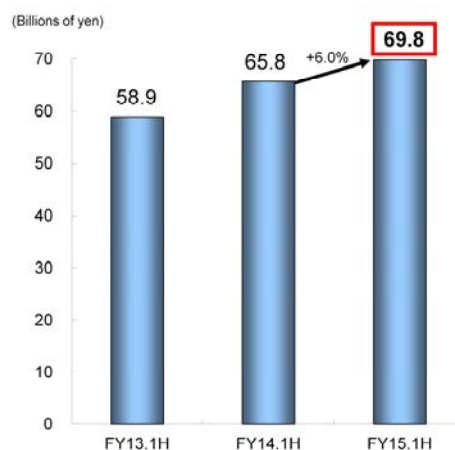
Operating Performance : Sony Life (Non-consolidated) (4)



Income from Insurance Premiums



Interest Income and Dividends



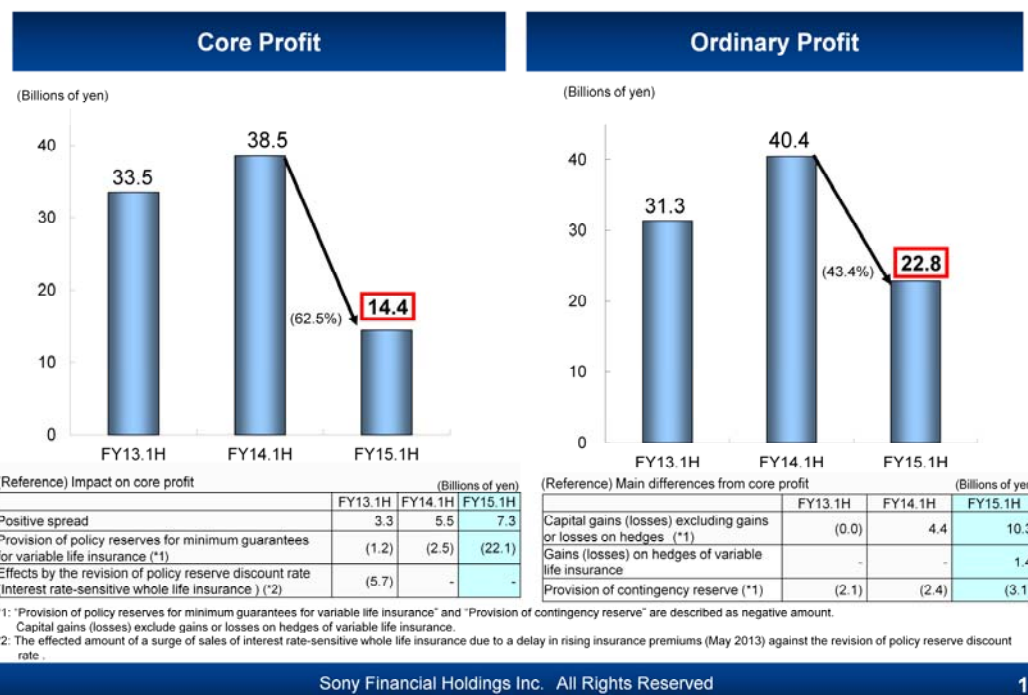
(Left-hand graph)

Income from insurance premiums increased 12.1% year on year, to ¥508.7 billion. This increase was because of strong sales of variable life insurance and a new product, “Lump-sum Payment Whole Life Insurance (Non-notification type), launched in May 2015, in addition to steady growth in policy amount in force.

(Right-hand graph)

Interest income and dividends increased 6.0% year on year, to ¥69.8 billion, reflecting an expansion in investment assets along with business expansion.

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



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(Left-hand graph)

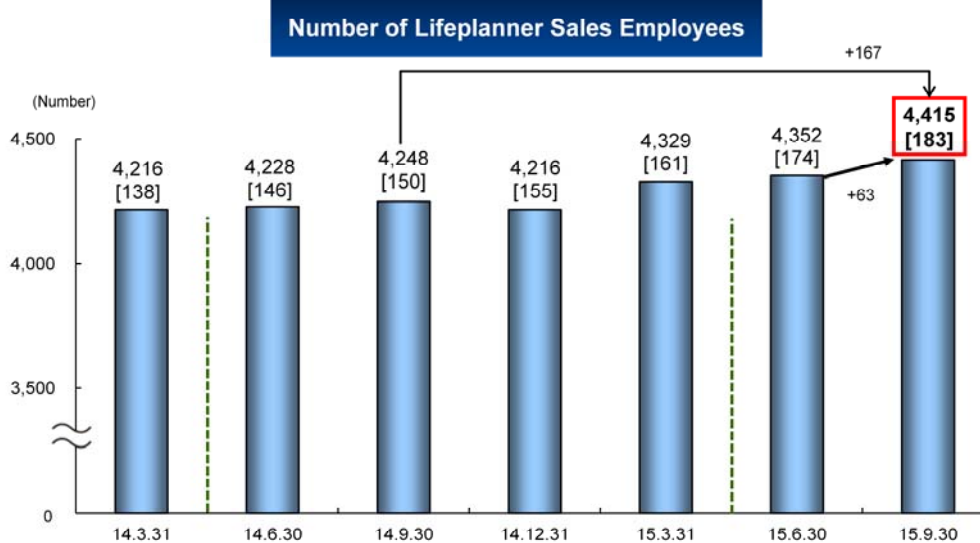
Core profit was down 62.5% year on year, to ¥14.4 billion, due to a substantial increase in provision of policy reserves for minimum guarantees for variable life insurance as a result of an increase in new policy amount and worsened financial market conditions despite higher positive spread.

Moreover, increased expenses incurred by strong sales of new policies and higher payment on insurance claims also contributed to the decrease in core profit.

(Right-hand graph)

Ordinary profit decreased 43.4% year on year, to ¥22.8 billion, due to the decrease in core profit despite an increase in gains on sale of securities in the general account.

**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, 2015, was 4,415, up 63 from June 30, 2015 and up 167 from September 30, 2014.

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

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



Breakdown of General Account Assets

(Billions of yen)	15.3.31		15.9.30	
	Amount	%	Amount	%
Japanese government and corporate bonds	5,606.8	86.2%	6,027.4	86.6%
Japanese stocks	42.4	0.7%	34.0	0.5%
Foreign bonds	105.5	1.6%	66.0	0.9%
Foreign stocks	26.0	0.4%	25.5	0.4%
Monetary trusts	313.2	4.8%	289.1	4.2%
Policy loans	162.3	2.5%	167.8	2.4%
Real estate*	117.7	1.8%	116.8	1.7%
Cash and call loans	56.8	0.9%	153.9	2.2%
Others	76.7	1.2%	81.3	1.2%
Total	6,508.0	100.0%	6,962.2	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, 2014: 19.7 years
Mar. 31, 2015: 20.3 years
Sep. 30, 2015: 20.4 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, 2015: 90.8% (As of Mar. 31, 2015: 91.0%)

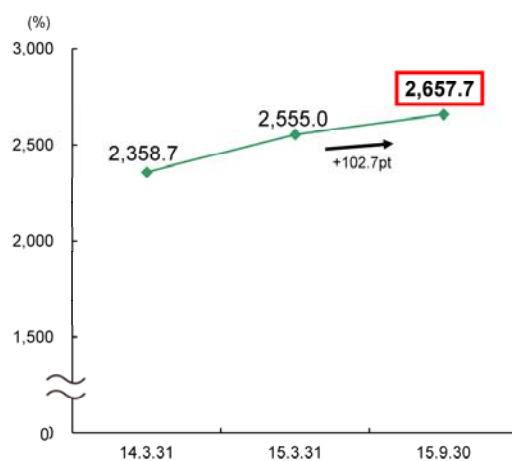
*Real estate is the total of land, buildings, and construction in progress.

Here is a breakdown of Sony Life's general account assets as of September 30, 2015, compared with that as of March 31, 2015.

Sony Life continued to invest in ultralong-term bonds.

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

Non-consolidated Solvency Margin Ratio



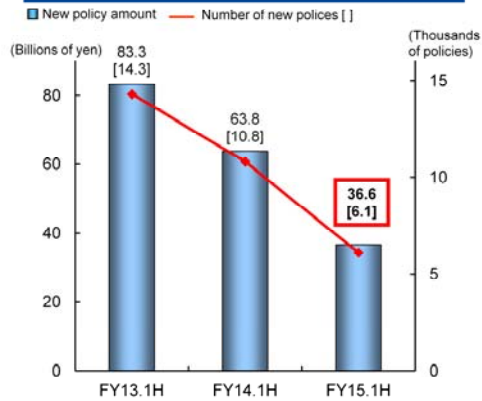
As of September 30, 2015, Sony Life's non-consolidated solvency margin ratio was 2,657.7%, up 102.7 percentage points from March 31, 2015, remaining at a high level.

Operating Performance : AEGON Sony Life Insurance

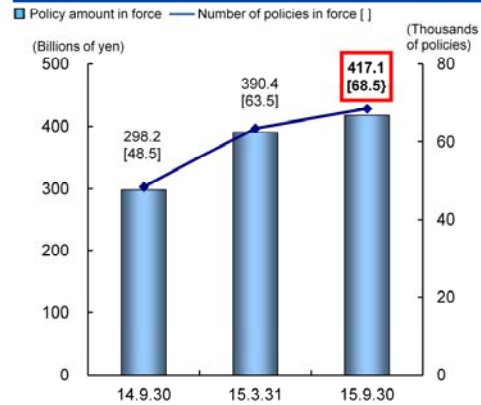


*AEGON Sony Life Insurance sells individual variable annuities.

Number and Amount of New Policies



Number and Amount of Policies in Force



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

	FY14.1H	FY15.1H	Change
AEGON Sony Life Insurance	(2.4)	(0.7)	+1.7
SA Reinsurance	1.7	(0.0)	(1.7)

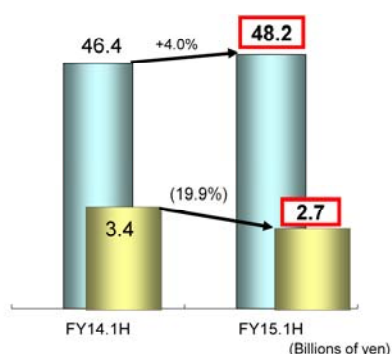
AEGON Sony Life Insurance and SA Reinsurance are equity method companies, 50-50 joint venture established by Sony Life and AEGON Group.
SA Reinsurance prepares its financial statements in accordance with U.S. GAAP. 50% of the net income (losses) for AEGON Sony Life Insurance and SA Reinsurance are recognized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

At AEGON Sony Life Insurance, which sells individual variable annuities, new policy amount decreased year on year.

Highlights of Operating Performance: Sony Assurance



□ Ordinary revenues □ Ordinary profit



- ◆ Ordinary revenues increased but ordinary profit decreased year on year.
- ◆ Ordinary revenues expanded year on year, owing to an increase in net premiums written primarily for mainstay automobile insurance.
- ◆ Ordinary profit decreased year on year mainly due to a rise in operating expenses despite the increase in ordinary revenues.

(Billions of yen)	FY14.1H	FY15.1H	Change	
Ordinary revenues	46.4	48.2	+1.8	+4.0%
Underwriting income	45.7	47.6	+1.8	+4.0%
Investment income	0.6	0.6	+0.0	+2.3%
Ordinary expenses	42.9	45.4	+2.5	+5.9%
Underwriting expenses	32.0	33.4	+1.4	+4.5%
Investment expenses	0.0	0.0	+0.0	—
Operating general and administrative expenses	10.9	12.0	+1.0	+9.9%
Ordinary profit	3.4	2.7	(0.6)	(19.9%)
Net income	2.3	1.9	(0.4)	(16.8%)

(Billions of yen)	15.3.31	15.9.30	Change from 15.3.31	
Underwriting reserves	86.5	91.3	+4.8	+5.6%
Net assets	24.7	27.2	+2.4	+10.0%
Total assets	157.9	164.9	+6.9	+4.4%

Sony Assurance's ordinary revenues increased 4.0% year on year, to ¥48.2 billion, due to an increase in net premiums written primarily for its mainstay automobile insurance.

Ordinary profit decreased 19.9% year on year, to ¥2.7 billion, mainly due to a rise in the operating expenses despite the increase in ordinary revenues.

Net income decreased 16.8% year on year, to ¥1.9 billion.

Overview of Operating Performance: Sony Assurance



(Billions of yen)	FY14.1H	FY15.1H	Change	<Reasons for changes>
Direct premiums written	45.0	46.9	+4.2%	◆ Increased mainly in its mainstay automobile insurance.
Net premiums written	45.7	47.5	+4.0%	
Net losses paid	22.4	23.0	+2.7%	
Underwriting profit	2.8	2.1	(24.6%)	
Net loss ratio	56.4%	55.9%	(0.5pt)	
Net expense ratio	25.4%	26.7%	+1.3pt	◆ Increased mainly due to higher advertising expenses.
Combined ratio	81.8%	82.7%	+0.9pt	

Notes:

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

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

	FY14.1H	FY15.1H	Change	
E. I. loss ratio	62.4%	62.4%	+0.0pt	◆ Remained at the same level reflecting persistently low car accident ratio.
E. I. loss ratio + Net expense ratio	87.8%	89.1%	+1.3pt	

Notes:

Earned/Incurred (E. I.) 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.]

	15.3.31	15.9.30	Change from 15.3.31	
Number of policies in force	1.70 million	1.75 million	+0.05 million	+3.1%
Non-consolidated solvency margin ratio	629.6%	676.7%	+47.1pt	

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)	FY14.1H	FY15.1H	Change
Fire	119	199	+66.2%
Marine	—	—	—
Personal accident	4,277	4,321	+1.0%
Voluntary automobile	40,671	42,442	+4.4%
Compulsory automobile liability	—	—	—
Total	45,069	46,963	+4.2%

Net Premiums Written

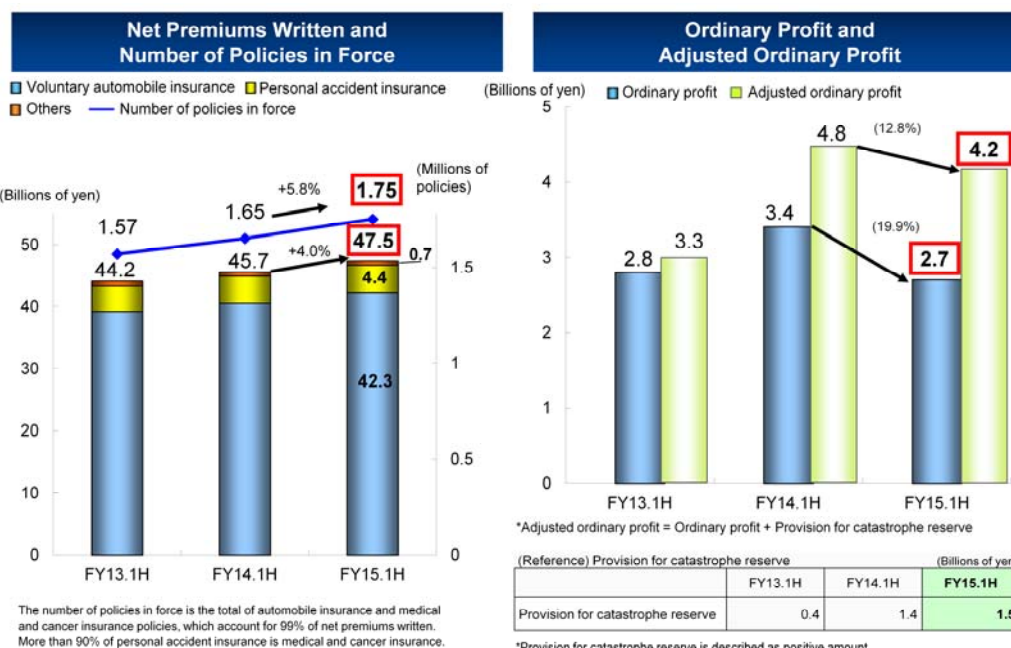
(Millions of yen)	FY14.1H	FY15.1H	Change
Fire	16	28	+73.5%
Marine	84	22	(73.7%)
Personal accident	4,411	4,461	+1.1%
Voluntary automobile	40,568	42,349	+4.4%
Compulsory automobile liability	671	712	+6.2%
Total	45,752	47,574	+4.0%

*Medical and cancer insurance is included in personal accident.

Net losses paid

(Millions of yen)	FY14.1H	FY15.1H	Change
Fire	2	0	(65.9%)
Marine	73	100	+36.4%
Personal accident	1,128	1,207	+7.1%
Voluntary automobile	20,616	21,096	+2.3%
Compulsory automobile liability	601	628	+4.6%
Total	22,420	23,033	+2.7%

Operating Performance: Sony Assurance (1)



(Left-hand graph)

The number of policies in force for the total of automobile insurance and medical and cancer insurance increased 5.8% year on year, to 1.75 million policies.

Net premiums written increased 4.0% year on year, to ¥47.5 billion, due to a stable sale of automobile insurance.

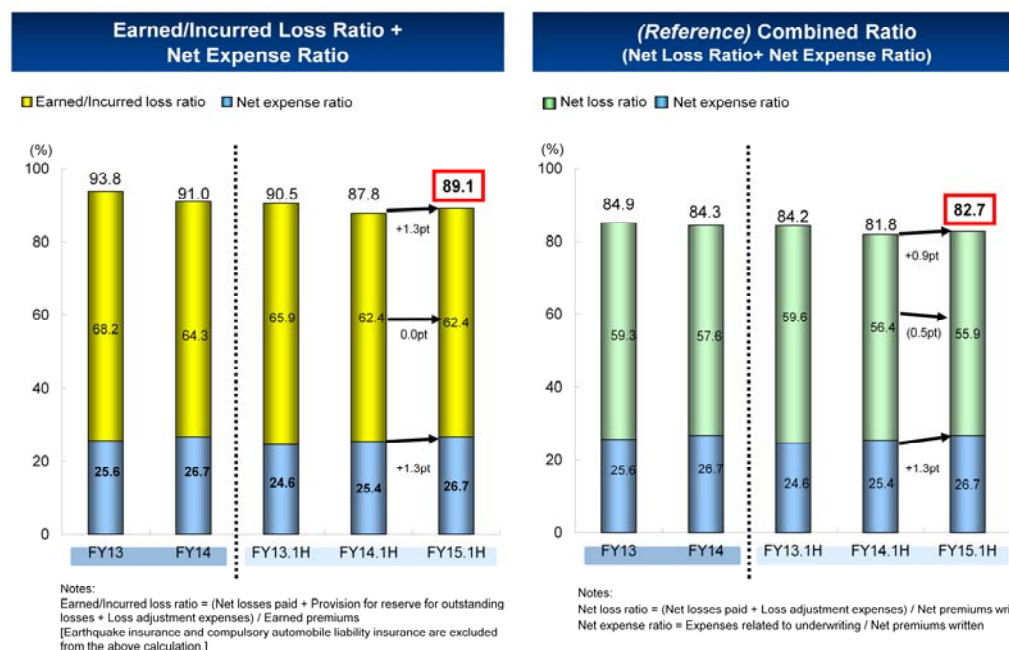
(Right-hand graph)

Ordinary profit decreased year on year as described before.

We also show you adjusted ordinary profit in addition to ordinary profit on the graph. Adjusted ordinary profit is a 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 was ¥4.2 billion.

Operating Performance: Sony Assurance (2)



(Left-hand graph)

The Earned/Incurred (E.I.) loss ratio remained at the same level year on year, to 62.4%, reflecting persistently low car accident ratio.

The net expense ratio rose 1.3 percentage points year on year, to 26.7%, mainly due to higher advertising expenses.

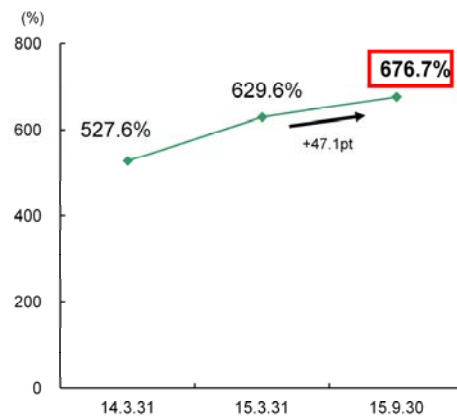
Consequently, the sum of the E.I. loss ratio and the net expense ratio was up 1.3 percentage points year on year, to 89.1%.

(Right-hand graph)

The net loss ratio declined 0.5 percentage points year on year, to 55.9%. 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) was up 0.9 percentage points year on year, to 82.7%.

Non-consolidated Solvency Margin Ratio

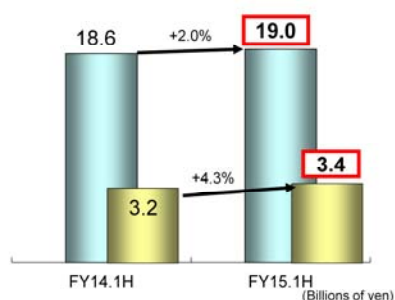


As of September 30, 2015, Sony Assurance's non-consolidated solvency margin ratio was 676.7%, up 47.1 percentage points from March 31, 2015.

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



■ Consolidated ordinary revenues
■ Consolidated ordinary profit



<Consolidated>

◆ Ordinary revenues and ordinary profit increased year on year, due to higher revenues related to mortgage loan and foreign currency transactions.

<Non-consolidated>

◆ Both gross operating profit and net operating profit increased year on year.

• Net interest income decreased, due to lower interest income and dividends on securities.
• Net fees and commissions increased, due to higher fees on mortgage loans.
• Net other operating income increased, due to higher gains on foreign exchange transactions stemming from customers' active trading whereas gains on the bond-dealing transaction was recorded in the same period of the previous fiscal year.

<Consolidated>

(Billions of yen)	FY14.1H	FY15.1H	Change	
Consolidated ordinary revenues	18.6	19.0	+0.3	+2.0%
Consolidated ordinary profit	3.2	3.4	+0.1	+4.3%
Profit attributable to owners of the parent	2.0	2.2	+0.1	+9.0%

<Non-consolidated>

(Billions of yen)	FY14.1H	FY15.1H	Change	
Ordinary revenues	17.3	17.5	+0.2	+1.4%
Gross operating profit	10.6	10.9	+0.3	+3.1%
Net interest income	8.2	8.0	(0.2)	(2.7%)
Net fees and commissions	(0.3)	0.2	+0.5	-
Net other operating income	2.6	2.7	+0.0	+1.7%
General and administrative expenses	7.5	7.6	+0.1	+1.6%
Net operating profit	3.1	3.3	+0.2	+6.5%
Ordinary profit	3.2	3.3	+0.1	+4.3%
Net income	2.0	2.2	+0.1	+8.9%

(Billions of yen)	15.3.31	15.9.30	Change from 15.3.31	
Net assets	77.0	76.1	(0.8)	(1.1%)
Net unrealized gains on other securities, net of taxes	6.6	3.3	(3.2)	(49.3%)
Total assets	2,062.5	1,998.3	(64.1)	(3.1%)

Sony Bank's consolidated ordinary revenues increased 2.0% year on year, to ¥19.0 billion and consolidated ordinary profit increased 4.3% year on year, to ¥3.4 billion.

This is because of higher revenues related to mortgage loan and foreign currency transactions.

On a non-consolidated basis, Sony Bank's ordinary revenues and ordinary profit increased year on year as the same reasons as in the consolidated results.

Gross operating profit increased 3.1% year on year, to ¥10.9 billion, due to an improvement in net fees and commissions backed by higher fees on mortgage loans. Net operating profit increased 6.5% year on year, to ¥3.3 billion.

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



(Billions of yen)	14.9.30	15.3.31	15.9.30	Change from 15.3.31	
Customer assets	1,945.2	2,007.9	1,915.7	(92.1)	(4.6%)
Deposits	1,824.6	1,878.2	1,795.2	(83.0)	(4.4%)
Yen	1,483.8	1,551.0	1,476.4	(74.6)	(4.8%)
Foreign currency	340.8	327.2	318.7	(8.4)	(2.6%)
Investment trusts	120.5	129.6	120.5	(9.1)	(7.0%)
Loans	1,092.1	1,187.1	1,266.7	+79.5	+6.7%
Mortgage loans	983.2	1,074.3	1,154.4	+80.0	+7.5%
Others	108.8	112.8	112.3 ^{*1}	(0.4)	(0.4%)
Number of accounts	1.01 million	1.05 million	1.08 million	+0.02 million	+2.1%
Non-performing assets ratio^{*2} (Based on Financial Reconstruction Law)	0.32%	0.28%	0.25%	(0.03pt)	
Capital adequacy ratio^{*3} (domestic criteria)	11.80%	10.66%	10.59%	(0.07pt)	

<Reasons for changes>

◆ Yen deposit balance decreased reflecting severe interest rate competitions for yen time deposits.

◆ Yen-denominated balance of foreign currency deposit decreased due to yen appreciation.

◆ Loan balance expanded reflecting a growing balance of mortgage loans.

*1 Loans in others include corporate loans of ¥106.0billion

*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 P28.

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



<Reference> On Managerial Accounting Basis

(Billions of yen)	FY14.1H	FY15.1H	Change	
Gross operating profit	10.6	10.9	+0.3	+3.2%
Net interest income ^{*1} ①	9.0	9.1	+0.1	+1.6%
Net fees and commissions ^{*2} ②	0.0	0.7	+0.6	—
Net other operating income ^{*3}	1.5	1.0	(0.5)	(32.7%)
Gross operating profit (core profit) (A)=①+②	9.0	9.9	+0.8	+9.3%
Operating expenses and other expenses ③	7.4	7.6	+0.2	+3.6%
Net operating profit (core profit) =(A)-③	1.6	2.2	+0.5	+34.5%

■ 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.

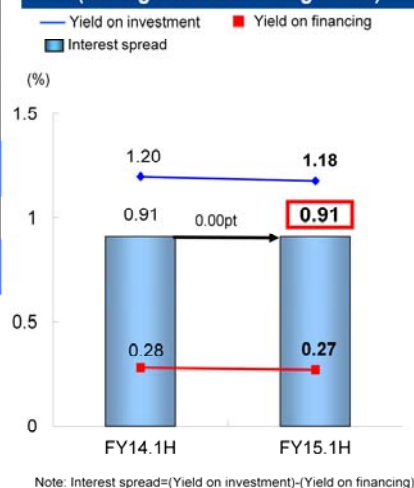
*2: Net fees and commissions: Includes profits and losses for customer dealings in foreign currency transactions recorded in net other operating income.

*3: Net other operating income: After the above adjustments (*1 and *2), mainly 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 increased 1.6% year on year, to ¥9.1 billion, led by the growing balance of mortgage loans.

Net fees and commissions increased ¥0.6 billion year on year, to ¥0.7 billion, due to higher fees on mortgage loans and higher gains on foreign exchange transactions stemming from customers' active trading.

Consequently, gross operating profit on a core profit basis increased 9.3% year on year, to ¥9.9 billion, and net operating profit on a core profit basis also increased 34.5% year on year, to ¥2.2 billion.

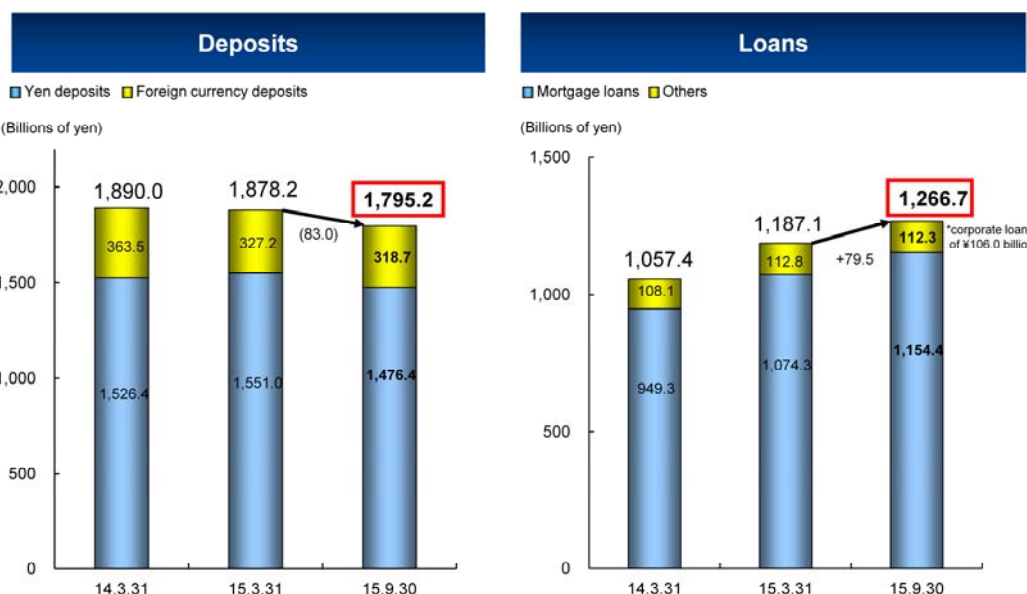
(Right-hand)

The yield on investment for FY15.1H was 1.18%.

The yield on financing for FY15.1H was 0.27%.

Consequently, interest spread for FY15.1H was 0.91%.

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



(Left-hand graph)

As of September 30, 2015, deposits (the sum of Japanese yen and foreign currency deposits) amounted to ¥1,795.2 billion, down ¥83.0 billion from March 31, 2015. Of which, yen deposit balance amounted to ¥1,476.4 billion, down ¥74.6 billion from March 31, 2015, reflecting severe interest rate competitions for yen time deposits.

Yen-denominated balance of foreign currency deposit amounted to ¥318.7 billion, down ¥8.4 billion from March 31, 2015, due to yen appreciation.

(Right-hand graph)

Loan balance as of September 30, 2015 expanded to ¥1,266.7 billion, up ¥79.5 billion from March 31, 2015, due to the growing balance of mortgage loans.

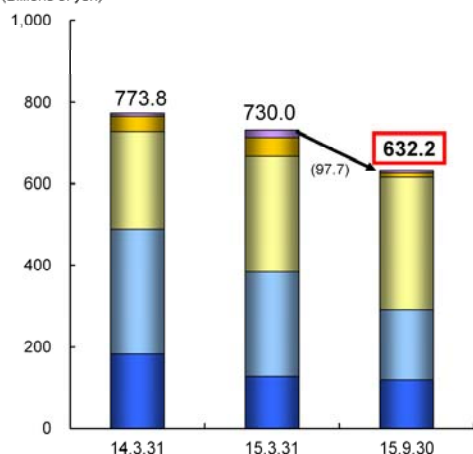
Operating Performance: Sony Bank (Non-consolidated) (2)



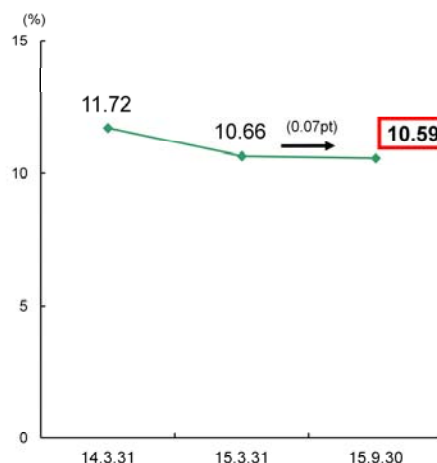
Balance of Securities by Credit Rating

■ AAA ■ AA ■ A
■ BBB ■ Others

(Billions of yen)



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.

(Left-hand graph)

As of September 30, 2015, the balance of securities amounted to ¥632.2 billion, down ¥97.7 billion from March 31, 2015.

Sony Bank continuously invests in highly rated bonds.

(Right-hand graph)

As of September 30, 2015, Sony Bank's non-consolidated capital adequacy ratio (domestic criteria) was 10.59%, down 0.07 percentage points from March 31, 2015, maintaining financial soundness.

Consolidated Financial Forecast for the Year Ending March 31, 2016 (FY15)

Consolidated Financial Forecast for FY15



SFH revised its forecast upward for consolidated ordinary revenues but downward for consolidated ordinary profit and profit attributable to owners of the parent, from the forecast announced on April 30, 2015.

(Billions of yen)	FY14 (Actual)	FY15 (Forecast)	Change	FY15.1H (Actual)	Progress rate
Consolidated ordinary revenues	1,352.3	1,300.0⇒1,340.0	(3.9%)⇒(0.9%)	662.2	49.4%
Life insurance business	1,223.9	1,168.0⇒1,212.8	(4.6%)⇒(0.9%)	596.4	49.2%
Non-life insurance business	93.0	97.1	+4.4%	48.2	49.7%
Banking business	38.4	36.8	(4.2%)	19.0	51.7%
Consolidated ordinary profit	90.0	85.0⇒72.0	(5.6%)⇒(20.1%)	28.8	40.0%
Life insurance business	78.3	74.1⇒61.4	(5.4%)⇒(21.6%)	22.5	36.8%
Non-life insurance business	4.2	4.4	+4.5%	2.7	62.5%
Banking business	7.3	6.4	(12.7%)	3.4	53.3%
Profit attributable to owners of the parent	54.4	57.0⇒47.0	+4.7%⇒(13.6%)	19.1	40.7%

■ Life insurance business

Ordinary revenues for the full-year forecast have been revised upward due to better-than-expected first half results.

The reasons for the downward revision for ordinary profit are as follows.

● During the first half, provision of policy reserves for minimum guarantees for variable life insurance substantially exceeded our expectations at the beginning of the fiscal year due to strong sales of new policies, especially in variable life insurance, and worsened financial market conditions.

● The forecast for the second half of the fiscal year has been virtually unchanged as the following two reasons offset each other.

(1) Gains on sale of securities are expected to exceed our initial forecast as a result of the shift to investing in bonds with ultralong-term maturity.
(2) Provision of policy reserves for minimum guarantees for variable life insurance may continue to exceed our initial forecast.

■ Non-life insurance business

We have stayed our full-year forecast unchanged because the operating results in the first half were nearly the same as our initial forecast, and we expect this trend to continue in the second half.

■ Banking business

We have stayed our full-year forecast unchanged because we expect higher operating expenses in the second half although revenues related to mortgage loan and foreign currency transactions for the first half exceeded our initial expectations.

SFH revised its FY15 forecast upward for consolidated ordinary revenues but downward for consolidated ordinary profit and profit attributable to owners of the parent, from the forecast announced on April 30, 2015.

This is because the operating results of the life insurance business in the first half was differed largely from the expectations at the beginning of the fiscal year.

The forecast for this second half has been virtually unchanged as the following two reasons at Sony Life offset each other.

(1) Gains on sale of securities are expected to exceed our initial forecast as a result of the shift to investing in bonds with ultralong-term maturity. (2) Provision of policy reserves for minimum guarantees for variable life insurance may continue to exceed our initial forecast.

Sony Life's MCEV and Risk Amount Based on Economic Value as of September 30, 2015

Please keep in mind that the validity of these calculations of MCEV as of September 30, 2015, has not been verified by outside specialists.
A part of the calculations of MCEV as of September 30, 2015, adopted simplified method.

Sony Life's MCEV



(Billions of yen)	15.3.31	15.6.30	15.9.30	Change from 15.3.31	Change from 15.6.30
MCEV	1,322.9	1,388.8	1,388.2	+65.3	(0.6)
Adjusted net worth	1,119.2	1,017.1	1,082.7	(36.5)	+65.6
Value of existing business	203.7	371.8	305.5	+101.8	(66.3)

(Billions of yen)	15.3.31	15.6.30	15.9.30
New business value	48.6 (12M)	12.5 (3M)	20.1 (6M)
New business margin	3.8%	3.2%	2.6%

Notes:

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

2. In calculating MCEV as of June 30, 2015 and September 30, 2015, Sony Life updated economic assumptions and lapse and surrender rates from March 31, 2015.

◆ Reasons for changes in MCEV

- MCEV as of September 30, 2015 decreased ¥0.6 billion from June 30, 2015, mainly due to a decline in interest rates despite a favorable acquisition of new policies.
- MCEV as of September 30, 2015 increased ¥65.3 billion from March 31, 2015, mainly due to a rise in interest rates and an acquisition of new policies.

◆ New business value / new business margin

- New business value as of September 30, 2015 (6M) was ¥20.1 billion (¥40.2 billion / annualized).
- New business margin as of September 30, 2015 (6M) was down 0.6pt from June 30, 2015 (3M) mainly due to a decline in interest rates and was down 1.2pt from March 31, 2015 (12M) mainly due to a change of product mix.

*Please see page 41 for changes on new business value.

*Please see page 44 for trend on JGB yields.

Sony Life's MCEV as of September 30, 2015 decreased ¥0.6 billion from June 30, 2015, to ¥1,388.2 billion, mainly due to a decline in interest rates despite a favorable acquisition of new policies.

New business value as of September 30, 2015 (6M) was ¥20.1 billion (¥40.2 billion / annualized).

New business margin as of September 30, 2015 (6M) was down 0.6 percentage points from June 30, 2015 (3M), amounting to 2.6%, mainly due to a decline in interest rates and was down 1.2 percentage points from March 31, 2015 (12M) mainly due to a change of product mix.

Following the product revision in August 2015, Sony Life plans to revise product details on variable life insurance in January 2016, which should improve profitability.

Sony Life's Risk Amount Based on Economic Value



(Billions of yen)	15.3.31	15.6.30	15.9.30
Insurance risk	724.2	732.8	752.9
Market-related risk	287.0	300.0	284.6
Of which, interest rate risk*	218.5	227.7	220.2
Operational risk	25.9	26.3	26.2
Counter party risk	1.8	2.1	3.1
Variance effect	(293.4)	(299.9)	(300.1)
Risk amount based on economic value	745.5	761.2	766.8

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

(Billions of yen)	15.3.31	15.6.30	15.9.30
MCEV	1,322.9	1,388.8	1,388.2
ESR	177%	182%	181%

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. ESR=MCEV/ Risk amount based on economic value

◆ **Maintained financial soundness by controlling market-related risk.**

The risk amount based on economic value as of September 30, 2015 amounted to ¥766.8 billion. Of which, insurance risk and market-related risk amounted to ¥752.9 billion and ¥284.6 billion, respectively.

The risk amount based on economic value as of September 30, 2015 was up from June 30, 2015, mainly due to a steady increase in policy amount in force. The economic solvency ratio (ESR), the ratio of MCEV to the risk amount based on economic value, was 181%.
Sony Life has maintained financial soundness.

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 (22*) *As of Nov 12, 2015



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

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

Sony Bank's Mortgage Loans through Sony Life

■ Sony Life accounts for 21% of the balance of mortgage loans as of Sep. 30, 2015

Sony Life accounts for 15% of the amount of new mortgage loans for FY15.1H

*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 FY15.1H

*Sony Life started handling automobile insurance in May 2001.



<Highlights for FY2015.2Q>

- | | |
|------------|--|
| 2015-07-01 | Sony Assurance commenced operations at "Kumamoto Contact Center" |
| 2015-07-13 | Sony Bank began handling a new type of card loans |
| 2015-09-28 | Sony Lifecare Group announced to open the first newly built nursing care home "SONARE Soshigaya-Okura" in April 2016 |
| 2015-10-19 | Sony Bank announced to commence service of "Sony Bank WALLET", a cash card with Visa debit function, in January 2016 |
| 2015-11-02 | Sony Life commenced sale of a new product: "Living Benefit Term Life Insurance (Living Standard 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)

	14.3.31			15.3.31			15.9.30		
	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	4,409.6	4,839.9	430.3	4,878.7	5,718.2	839.4	5,155.2	5,935.5	780.2
Policy reserve matching bonds	-	-	-	-	-	-	157.8	159.8	2.0
Available-for-sale securities	1,065.5	1,189.8	124.3	1,007.8	1,176.6	168.8	939.5	1,096.5	156.9
Japanese government and corporate bonds	1,035.9	1,146.7	110.8	974.6	1,120.1	145.5	907.2	1,045.4	138.2
Japanese stocks	12.2	21.2	8.9	13.4	29.4	16.0	13.6	25.9	12.3
Foreign securities	15.8	19.4	3.5	19.4	26.4	6.9	18.4	24.7	6.3
Other securities	1.4	2.5	1.0	0.3	0.6	0.3	0.1	0.2	0.1
Total	5,475.1	6,029.8	554.7	5,886.6	6,894.9	1,008.3	6,252.6	7,191.9	939.2

Notes:

1. The above table includes monetary trusts other than trading-purpose securities.

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

Principal protected 30 year notes with Nikkei 225 index-linked coupons.

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

As of March 31, 2015: Carrying amount: ¥44.2 billion, Fair market value: ¥57.5 billion, Net unrealized gain (losses): ¥13.2 billion

As of Sep. 30, 2015 : None

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

14.3.31		15.3.31		15.9.30	
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
-	-	1.0	0.0	3.3	(0.3)

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

Sony Life's Interest Income and Dividends (Details)



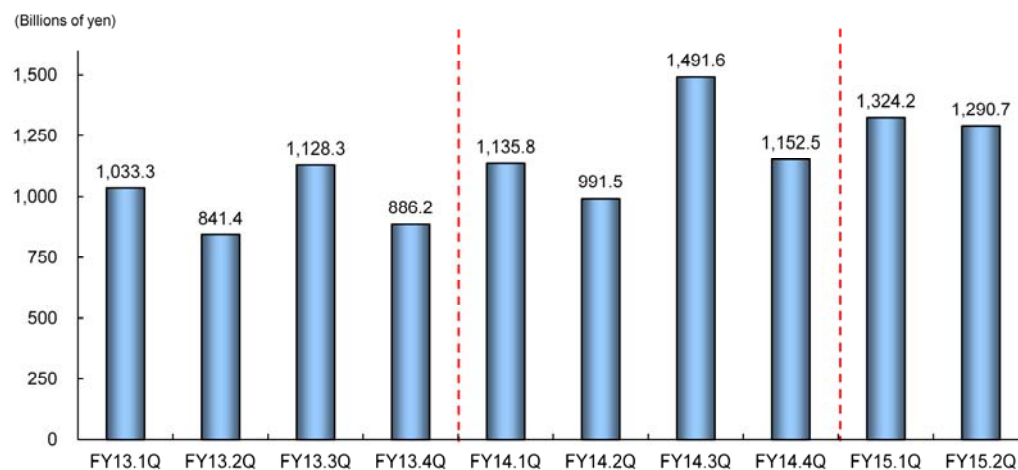
(Millions of yen)

	FY14.1H	FY15.1H	Change
Cash and deposits	0	0	+185.3%
Japanese government and corporate bonds	52,735	56,333	+6.8%
Japanese stocks	221	263	+19.0%
Foreign securities	4,503	3,982	(11.6%)
Other securities	278	1,041	+273.4%
Loans	2,937	3,056	+4.1%
Real estate	5,170	5,135	(0.7%)
Others	32	33	+3.9%
Total	65,879	69,846	+6.0%

Sony Life's Quarterly Trend on New Policy Amount



Quarterly Trend on New Policy Amount

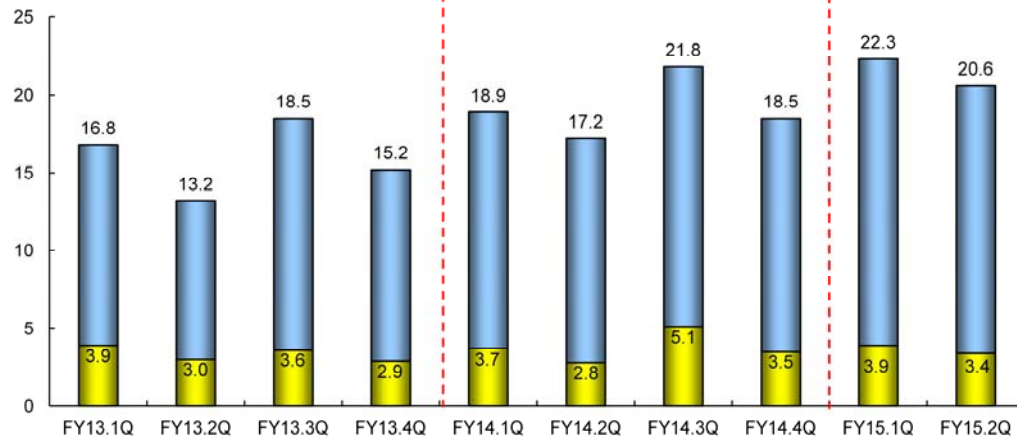


Sony Life's Quarterly Trend on Annualized Premiums from New Policies

Quarterly Trend on Annualized Premiums from New Policies

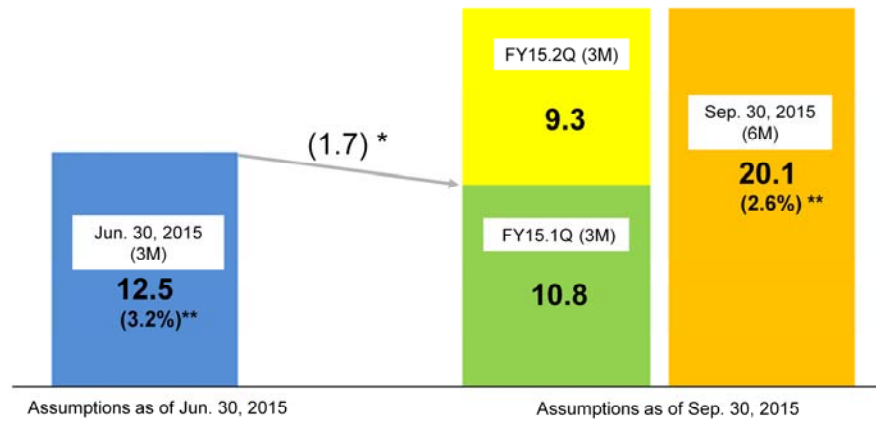
■ Annualized premiums from new policies ■ Of which, third-sector

(Billions of yen)



Sony Life's Changes on New Business Value

(Billions of yen)



Notes:

*Effected amount by revaluating new business value as of Jun. 30, 2015 (3M) with the assumptions as of Sep. 30, 2015.

New business value decreased mainly due to a decline in interest rates.

*Figures in [] show new business margin.

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

■ Market-related Risk¹

	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, 33% decrease (parallel shift), 28% decrease (twist), 8% 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% ^{*2}
Real estate risk	Actual real estate 25%	Real estate 25%
Credit risk	Credit risk = (market value) x (risk coefficient for each credit rating) x duration Note that durations have caps and floors, depending on credit ratings. (Example) Rating A: Risk coefficient (1.4%), cap (23), floor (1)	Same as on the left
Currency risk	30% downside fluctuation	25% downside fluctuation

Notes

1. Principal items as of Sep. 30, 2015.

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 (Dec.31, 2009), these were 30%/40%.

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



■ Insurance Risk¹

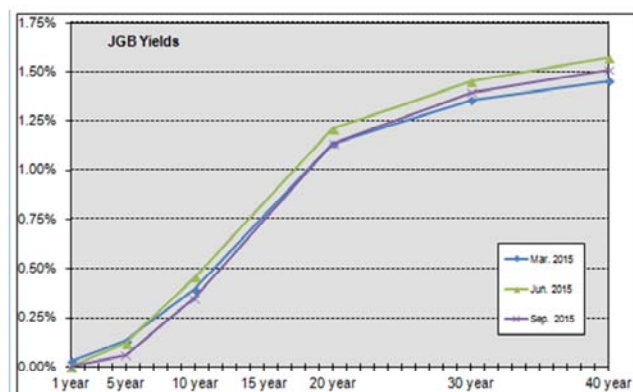
	Sony Life	(Reference) EU Solvency II (QIS5)
Mortality risk	Mortality rate increases by 15% for each year elapsed	Same as on the left
Longevity risk	Mortality rate decreases by 20% for each year elapsed	Same as on the left
Lapse risk	The largest amount of these; ² ・Lapse rate increases by 50% for each year elapsed ・Lapse rate decreases by 50% for each year elapsed ・30% of policies on which surrender value is in excess of best estimate liability are immediately surrendered	The largest amount of these; ・Increases by 50% in the assumed rates of lapsation for Life module, 20% for Health module ・Decreases by 50% in the assumed rates of lapsation for Life module, 20% for Health module ・30% of policies (70% for group annuities, etc.) on which surrender value is in excess of best estimate liability are immediately surrendered
Expense risk	Operating expenses increase by 10% for each year elapsed Rate of inflation rises by 1%	Same as on the left
Disability risk	Rate of occurrence increases by 35% in the first fiscal year, rising by 25% for each year thereafter	Rate of occurrence increases by 35% in the first fiscal year, rising by 25% for each year thereafter. Recovery rate decreases by 20%.

Notes

1. Principal items as of Sep. 30, 2015.

2. At Sony Life, the largest amount of three options is calculated for each insurance policy

JGB Yields



As of the end of each month

JGB yields	Mar. 2015	Jun. 2015	Sep. 2015	Mar. 2015 →Sep. 2015	Jun. 2015 →Sep. 2015
1 year	0.03%	0.00%	0.00%	(0.03%)	0.00%
5 year	0.13%	0.12%	0.06%	(0.07%)	(0.06%)
10 year	0.40%	0.46%	0.35%	(0.05%)	(0.11%)
20 year	1.14%	1.21%	1.14%	0.00%	(0.07%)
30 year	1.36%	1.45%	1.40%	0.04%	(0.05%)
40 year	1.46%	1.57%	1.51%	0.06%	(0.06%)



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