

**Consolidated Financial Summary(Japanese GAAP)  
for the Six Months Ended September 30, 2013**

November 15, 2013

Company name: Sony Financial Holdings Inc.  
(URL: [http://www.sonyfh.co.jp/web/index\\_en.html](http://www.sonyfh.co.jp/web/index_en.html))  
Stock exchange listing: Tokyo Stock Exchange (code number: 8729)  
Representative: Katsumi Ihara, President and Representative Director  
Inquiries: Masaaki Konoo, General Manager—Corporate Communications & Investor Relations Dept.  
(Fractional amounts of less than ¥1 million are discarded.)

**1.Consolidated financial results for the six months ended September 30, 2013**

**(1)Operating results**

|   | Ordinary Revenues |          | Ordinary Profit |          | Net Income      |          |
|---|-------------------|----------|-----------------|----------|-----------------|----------|
|   | Millions of yen   | % change | Millions of yen | % change | Millions of yen | % change |
| For the six months ended September 30, 2013 | 610,786           | 11.7     | 36,810          | 10.9     | 20,884          | 5.9      |
| For the six months ended September 30, 2012 | 547,052           | 7.3      | 33,178          | 7.5      | 19,729          | 20.6     |

Note: Comprehensive Income: For the six months ended September 30, 2013: ¥13,505million: (57.9)%  
For the six months ended September 30, 2012: ¥32,067million: (8.6)%

|   | Net Income per Share | Net Income per Share (Fully Diluted) |
|---|----------------------|--------------------------------------|
|   | Yen                  | Yen                                  |
| For the six months ended September 30, 2013 | 48.01                | —                                    |
| For the six months ended September 30, 2012 | 45.35                | —                                    |

**(2)Financial conditions**

|                          | Total Assets    | Total Net Assets | Net Asset Ratio |
|--------------------------|-----------------|------------------|-----------------|
|                          | Millions of yen | Millions of yen  | %               |
| As of September 30, 2013 | 8,361,370       | 438,075          | 5.2             |
| As of March 31, 2013     | 8,096,164       | 435,444          | 5.4             |

Note: Shareholders' equity: As of September 30, 2013: ¥436,750 million  
As of March 31, 2013: ¥434,105 million

**2.Dividends**

|   | Dividend per Share |             |             |          |              |
|---|--------------------|-------------|-------------|----------|--------------|
| Record date                                   | 1st quarter        | 2nd quarter | 3rd quarter | Year-end | Annual Total |
|   | Yen                | Yen         | Yen         | Yen      | Yen          |
| For the year ended March 31, 2013             | —                  | 0.00        | —           | 25.00    | 25.00        |
| For the year ending March 31, 2014            | —                  | 0.00        |             |          |              |
| For the year ending March 31, 2014 (forecast) |                    |             | —           | 30.00    | 30.00        |

Note: Changes in dividend forecast since the most recent public announcement:None

### 3.Forecast of consolidated financial results for the year ending March 31, 2014

(Percentage figures represent changes from the results of the previous fiscal year.)

|                                    | Ordinary Revenues |          | Ordinary Profit |          | Net Income      |          | Net Income per Share |
|------------------------------------|-------------------|----------|-----------------|----------|-----------------|----------|----------------------|
|                                    | Millions of yen   | % change | Millions of yen | % change | Millions of yen | % change | Yen                  |
| For the year ending March 31, 2014 | 1,222,000         | (2.9)    | 69,000          | (12.9)   | 37,000          | (17.9)   | 85.06                |

### 4. Notes

(1) Changes in scope of consolidation during the period under review (changes in specified subsidiaries accompanying changes in scope of consolidation):None

(2) Changes in accounting policies, accounting estimates and restatements of the consolidated financial statements

(a) Changes in accounting policies resulting from the revision of the accounting standards and other regulations:Yes

(b) Changes in accounting policies due to other reasons:None

(c) Changes in accounting estimates:None

(d) Restatements of the consolidated financial statements:None

Note: For details, please refer to the section entitled "Changes in accounting policies, accounting estimates and restatements of the consolidated financial statements" under "II. Notes Regarding Summary Information" on page 5 of the attachment.

(3) Number of shares outstanding (common stock)

(a) Number of shares outstanding (including treasury shares)

As of September 30, 2013: 435,000,000 shares

As of March 31, 2013: 435,000,000 shares

(b) Number of treasury shares

As of September 30, 2013: 1 share

As of March 31, 2013: — shares

(c) Weighted-average number of shares

For the six months ended September 30, 2013: 434,999,999 shares

For the six months ended September 30, 2012: 435,000,000 shares

### Status of quarterly review procedures

Interim financial statements in this document are exempt from audit procedure based upon the Financial Instruments and Exchange Act. Audit procedures are underway as of the date of this report.

## Content of Supplemental Materials

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\* The Conference Call for explaining the Sony Financial Group financial results will be held at 16:30 (Tokyo), November 15, 2013.

We are sorry for any inconvenience that our Conference Call will be held only in Japanese.

We will upload the Presentation Materials with speech text on November 15, 2013 after 15:00, and its Q&A summary at a later date on Earning Releases and Presentation Materials page on our website:

[http://www.sonyfh.co.jp/web/en/financial\\_info\\_e/results.html](http://www.sonyfh.co.jp/web/en/financial_info_e/results.html)

\* On November 15, 2013, SFH's significant subsidiaries: Sony Life Insurance Co., Ltd. (Sony Life), Sony Assurance Inc. (Sony Assurance) and Sony Bank Inc. (Sony Bank) will announce its financial results for the six months ended September 30, 2013. SFH prepared an English-language summary of those Japanese announcements made by above subsidiaries, solely for convenience of non-Japanese readers.

## I. Qualitative Information and Financial Statements

### 1. Qualitative Information on Consolidated Operating Performance

During the six months ended September 30, 2013 (April 1, 2013 to September 30, 2013), **consolidated ordinary revenues** increased 11.7% compared with the same period of the previous fiscal year, to ¥610.7 billion, owing to increases in ordinary revenues from all businesses: life insurance, non-life insurance and banking. **Consolidated ordinary profit** increased 10.9% year on year, to ¥36.8 billion. By business segment, ordinary profit from the non-life insurance and banking businesses increased, whereas ordinary profit from the life insurance business remained at the same level as in the same period of the previous fiscal year.

After accounting for extraordinary losses, reversal of reserve for policyholders' dividends, income taxes and other items, **consolidated net income** for the six months ended September 30, 2013, was up 5.9% year on year, to ¥20.8 billion.

#### Segment Information by Business

Figures from each business do not reflect intersegment adjustments.

##### < Life insurance business >

In the life insurance business, income from insurance premiums increased 2.1% compared with the same period of the previous fiscal year, to ¥437.9 billion, owing to a steady increase in the policy amount in force, despite a decrease in lump-sum payment insurance premiums affected by the revision of Sony Life's insurance premium rates on some of its products. Investment income increased 91.9% to ¥107.6 billion due to higher gains on separate accounts, net resulting from the market recovery. As a result, ordinary revenues increased 12.3% year on year, to ¥549.2 billion. Ordinary profit decreased 1.7% year on year, to ¥30.2 billion, due mainly to the positive effects stemming from a recovery from negative spread into positive and a decrease in provision of policy reserves for minimum guarantees for variable life insurance were offset by the negative impact from an increase in provision of policy reserves resulting from the revision of discount rate used for calculating policy reserves.

##### < Non-life insurance business >

In the non-life insurance business, net premiums written increased 5.8% compared with the same period of the previous fiscal year, to ¥44.2 billion, due to an increase in the number of insurance policies in force for its mainstay automobile insurance. Consequently, ordinary revenues rose 6.0% year on year, to ¥44.9 billion. Ordinary profit increased 519.9% year on year, to ¥2.8 billion, owing to a decline in the loss ratio mainly led by a lower car accident ratio owing to the revision of premium rates for auto mobile insurance and the introduction of a new bonus-malus system (non-fleet driver rating system), in addition to a decline in the expense ratio.

##### < Banking business >

In the banking business, ordinary revenues increased 6.9% year on year, to ¥17.9 billion, due to higher gains on foreign exchange transactions stemming from customers' active foreign currency trading and a rise in interest income on loans led by the growing balance of mortgage loans. Ordinary profit expanded 90.4% year on year, to ¥3.5 billion, owing mainly to an improvement in net gains on bond-dealing transactions, as well as the rise in ordinary revenues.

## Ordinary Revenues

(Millions of yen)

|                             | For the six months ended<br>September 30, 2012 | For the six months ended<br>September 30, 2013 | Change (%) |
|-----------------------------|--|--|------------|
| Life insurance business     | 489,065  | 549,246  | 12.3       |
| Non-life insurance business | 42,373   | 44,900   | 6.0        |
| Banking business            | 16,815   | 17,981   | 6.9        |
| Subtotal                    | 548,254  | 612,128  | 11.7       |
| Intersegment adjustments    | (1,202)  | (1,341)  | -          |
| Consolidated                | 547,052  | 610,786  | 11.7       |

## Ordinary Profit

(Millions of yen)

|                             | For the six months ended<br>September 30, 2012 | For the six months ended<br>September 30, 2013 | Change (%) |
|-----------------------------|--|--|------------|
| Life insurance business     | 30,733   | 30,208   | (1.7)      |
| Non-life insurance business | 463  | 2,872  | 519.9      |
| Banking business            | 1,888  | 3,594  | 90.4       |
| Subtotal                    | 33,084   | 36,675   | 10.9       |
| Intersegment adjustments*   | 93   | 134  | 44.0       |
| Consolidated                | 33,178   | 36,810   | 10.9       |

\*Amounts in the ordinary profit in the "Intersegment adjustments" are mainly from SFH.

## 2. Qualitative Information on Consolidated Financial Position

As of September 30, 2013, **total assets** amounted to ¥8,361.3 billion, up 3.3% from March 31, 2013. Among major components of assets, securities, mostly Japanese government bonds, amounted to ¥6,441.3 billion, up 3.9% from March 31, 2013. Loans came to ¥1,159.3 billion, up 3.9%, and monetary trusts amounted to ¥322.9 billion, down 0.4% from March 31, 2013.

**Total liabilities** were ¥7,923.2 billion, up 3.4% from March 31, 2013. Major components of liabilities included policy reserves of 5,899.6 billion, up 5.3%, and deposits totaled ¥1,812.9 billion, down 2.4%.

**Total net assets** were ¥438.0 billion, up 0.6% from March 31, 2013. This included net unrealized gains on other securities, net of taxes, which decreased ¥7.8 billion, to ¥80.4 billion, owing to a fall in bond prices led by rising interest rates.

## 3. Consolidated Financial Forecast for the Year Ending March 31, 2014

SFH's forecast of consolidated financial results for the fiscal year ending March 31, 2014 (April 1, 2013, through March 31, 2014), is unchanged from the forecast announced on May 9, 2013.

(Billions of yen)

|                            | (Actual)<br>Year ended March 31, 2013<br>(Apr.1, 2012, to Mar. 31, 2013) | (Forecast)<br>Year ending March 31, 2014<br>(Apr. 1, 2013, to Mar. 31, 2014) |
|----------------------------|--|--|
| Ordinary revenues          | 1,259.0  | 1,222.0  |
| Ordinary profit            | 79.2   | 69.0   |
| Net income                 | 45.0   | 37.0   |
| Net income per share (Yen) | 103.60   | 85   |

Notes: Fractional amounts of less than ¥0.1 billion are discarded for ordinary revenues, ordinary profit and net income.

Fractional amounts of less than ¥1 are discarded for the net income per share for the year ending March 31, 2014.

(Reference)

Business segment forecasts for the fiscal year ending March 31, 2014 (April 1, 2013 through March 31, 2014) are as follows.

As described below, forecasts from the life insurance business for the year ending March 31, 2014, remain unchanged, while forecasts of the non-life insurance and the banking businesses are revised upward. This is because the changes in the forecast of the non-life insurance and the banking businesses are not considered significant to consolidated financial results.

Actual results figures for the year ended March 31, 2013 from each business do not reflect intersegment adjustments whereas forecast figures for the year ending March 31, 2014 reflect them.

<Life insurance business>

The forecast of ordinary revenues and ordinary profit from the life insurance business for the year ending March 31, 2014, remains unchanged because the actual results for the first half of the fiscal year were close to the amounts we had expected.

(Billions of yen)

|                   | (Reference)<br>Actual results for the year ended<br>March 31, 2013 | Forecast for the year ending<br>March 31, 2014 |
|-------------------|--|--|
| Ordinary revenues | 1,142.3  | <b>1,099.9</b>                                 |
| Ordinary profit   | 72.7   | <b>61.4</b>                                    |

<Non-life insurance business>

We have revised our forecast for ordinary revenues for the full fiscal year because the net premiums written in its mainstay automobile insurance during the first half were higher than we had expected, and we expect this trend will continue into the second half. We have also revised ordinary profit for the full fiscal year because the loss ratio for the first half was significantly lower than we had expected, in addition to this increase in ordinary revenues.

(Billions of yen)

|                   | (Reference)<br>Actual results for the year<br>ended March 31, 2013 | Formerly announced forecast<br>for the year ending March 31,<br>2014 | Updated forecast for the<br>year ending March 31, 2014 |
|-------------------|--|--|--|
| Ordinary revenues | 84.7   | 88.5   | <b>89.5</b>  |
| Ordinary profit   | 2.3  | 3.0  | <b>3.8</b>   |

<Banking business>

We have revised our forecast for ordinary revenues for the full fiscal year because of higher-than expected income from gains related to foreign exchange transactions during the first half. We have also revised our forecast for ordinary profit for the full fiscal year because of better-than-expected first-half performance due to an improvement in net gains on bond-dealing transactions.

(Billions of yen)

|                   | (Reference)<br>Actual results for the year<br>ended March 31, 2013 | Formerly announced forecast<br>for the year ending March 31,<br>2014 | Updated forecast for the<br>year ending March 31, 2014 |
|-------------------|--|--|--|
| Ordinary revenues | 34.3   | 34.0   | <b>34.9</b>  |
| Ordinary profit   | 3.9  | 4.3  | <b>5.2</b>   |

## **II . Notes Regarding Summary Information**

### **Changes in accounting policies, accounting estimates and restatements of the consolidated financial statements**

#### Changes in accounting policies

##### (Application of Accounting Standards for Consolidated Financial Statements)

From the six months of the fiscal year under review, the Sony Financial Group has begun applying the "Accounting Standard for Consolidated Financial Statements"(Accounting Standards Board of Japan("ASBJ")Statement No.22(March 25, 2011), the"Guidance on Disclosures about Certain Special Purpose Entities" (ASBJ Guidance No.15, March 25,2011), the "Guidance on Determining a Subsidiary and an Affiliate " (ASBJ Guidance No.22, March 25, 2011) and the "Practical Solution on Application of the Control Criteria and Influence Criteria to Investment Associations"(ASBJ PITF No.20, March 25,2011).

This application has no impact on retained earnings at the beginning of the six months of the fiscal year under review.

### **III. Consolidated Financial Statements**

#### **1. Consolidated Balance Sheets**

(Millions of yen)

|                                  | As of March 31, 2013 | As of September 30, 2013 |
|----------------------------------|----------------------|--------------------------|
| <b>Assets</b>                    |                      |                          |
| Cash and due from banks          | ¥104,142             | ¥171,885                 |
| Call loans and bills bought      | 107,088              | 29,677                   |
| Monetary trusts                  | 324,305              | 322,993                  |
| Securities                       | 6,202,333            | 6,441,333                |
| Loans                            | 1,115,330            | 1,159,377                |
| Tangible fixed assets            | 73,217               | 71,181                   |
| Intangible fixed assets          | 38,232               | 36,621                   |
| Goodwill                         | 258                  | 218                      |
| Others                           | 37,974               | 36,402                   |
| Due from reinsurers              | 110                  | 102                      |
| Foreign exchanges                | 7,954                | 7,546                    |
| Other assets                     | 107,345              | 102,019                  |
| Deferred tax assets              | 17,980               | 20,442                   |
| Reserve for possible loan losses | (1,877)              | (1,809)                  |
| <b>Total Assets</b>              | <b>¥8,096,164</b>    | <b>¥8,361,370</b>        |

(Millions of yen)

|  | As of March 31, 2013 | As of September 30, 2013 |
|--|----------------------|--------------------------|
| <b>Liabilities</b>                                       |                      |                          |
| Policy reserves and others                               | ¥5,601,060           | ¥5,899,631               |
| Reserve for outstanding claims                           | 53,246               | 53,915                   |
| Policy reserves  | 5,543,540            | 5,841,567                |
| Reserve for policyholders' dividends                     | 4,273                | 4,147                    |
| Due to agencies  | 2,431                | 1,671                    |
| Due to reinsurers  | 600                  | 563                      |
| Deposits   | 1,857,302            | 1,812,981                |
| Call money and bills sold                                | 10,000               | 6,000                    |
| Borrowed money   | 2,000                | 10,000                   |
| Foreign exchanges  | 87                   | 6                        |
| Bonds payable  | 20,000               | 20,000                   |
| Other liabilities  | 106,365              | 106,677                  |
| Reserve for employees' bonuses                           | 3,085                | 2,815                    |
| Reserve for employees' retirement benefits               | 24,216               | 25,605                   |
| Reserve for directors' retirement benefits               | 411                  | 209                      |
| Special reserves   | 32,344               | 36,433                   |
| Reserve for price fluctuations                           | 32,344               | 36,433                   |
| Deferred tax liabilities                                 | 275                  | 163                      |
| Deferred tax liabilities on land revaluation             | 536                  | 536                      |
| <b>Total Liabilities</b>                                 | <b>7,660,719</b>     | <b>7,923,294</b>         |
| <b>Net Assets</b>  |                      |                          |
| Common stock   | 19,900               | 19,900                   |
| Capital surplus  | 195,277              | 195,277                  |
| Retained earnings  | 135,160              | 145,170                  |
| Treasury stock   | —                    | (0)                      |
| Total shareholders' equity                               | 350,337              | 360,347                  |
| Net unrealized gains on other securities, net of taxes   | 88,329               | 80,450                   |
| Net deferred losses on hedging instruments, net of taxes | (3,047)              | (2,533)                  |
| Land revaluation, net of taxes                           | (1,513)              | (1,513)                  |
| Total accumulated other comprehensive income             | 83,767               | 76,403                   |
| Minority interests                                       | 1,339                | 1,324                    |
| <b>Total Net Assets</b>                                  | <b>435,444</b>       | <b>438,075</b>           |
| <b>Total Liabilities and Net Assets</b>                  | <b>¥8,096,164</b>    | <b>¥8,361,370</b>        |

## 2. Consolidated Statements of Income and Consolidated Statements of Comprehensive Income (Consolidated Statements of Income)

(Millions of yen)

|  | For the six months ended<br>September 30, 2012 | For the six months ended<br>September 30, 2013 |
|--|--|--|
| Ordinary Revenues  | ¥547,052                                       | ¥610,786                                       |
| Ordinary Revenues from the Life Insurance Business         | 487,953  | 548,004  |
| Income from insurance premiums                             | 428,447  | 437,395  |
| Insurance premiums   | 427,838  | 437,047  |
| Ceded reinsurance commissions                              | 609  | 348  |
| Investment income  | 55,874   | 107,436  |
| Interest income and dividends                              | 52,029   | 58,721   |
| Income from monetary trusts, net                           | 2,622  | 2,674  |
| Gains on sale of securities                                | 1,209  | 1  |
| Devaluation gains on securities                            | —  | 0  |
| Gains on derivatives, net                                  | —  | 172  |
| Other investment income                                    | 13   | 3  |
| Gains on separate accounts, net                            | —  | 45,862   |
| Other ordinary income                                      | 3,630  | 3,171  |
| Ordinary Revenues from the Non-life Insurance Business     | 42,373   | 44,900   |
| Underwriting income  | 41,861   | 44,297   |
| Net premiums written                                       | 41,845   | 44,279   |
| Interest and dividends on deposits of premiums             | 15   | 17   |
| Investment income  | 478  | 587  |
| Interest income and dividends                              | 470  | 591  |
| Gains on sale of securities                                | 24   | 13   |
| Transfer to interest and dividends on deposits of premiums | (15)   | (17)   |
| Other ordinary income                                      | 34   | 15   |
| Ordinary Revenues from the Banking Business                | 16,725   | 17,882   |
| Interest income  | 12,607   | 13,105   |
| Interest income on loans                                   | 6,832  | 7,059  |
| Interest income and dividends on securities                | 5,735  | 5,993  |
| Interest income on call loans and bills bought             | 6  | 4  |
| Interest income on deposits with banks                     | 31   | 48   |
| Others interest income                                     | 0  | 0  |
| Fees and commissions                                       | 2,699  | 2,314  |
| Other operating income                                     | 1,359  | 2,384  |
| Gains on foreign exchange transactions, net                | 841  | 1,501  |
| Others   | 518  | 883  |
| Other ordinary income                                      | 59   | 77   |

(Continued)

(Millions of yen)

|  | For the six months ended<br>September 30, 2012 | For the six months ended<br>September 30, 2013 |
|--|--|--|
| Ordinary Expenses  | ¥513,874                                       | ¥573,976                                       |
| Ordinary Expenses from the Life Insurance Business       | 458,013  | 518,707  |
| Insurance claims and other payments                      | 135,349  | 155,054  |
| Insurance claims   | 34,761   | 37,609   |
| Annuity payments   | 4,430  | 5,106  |
| Insurance benefits                                       | 16,897   | 19,378   |
| Surrender payments                                       | 77,171   | 90,410   |
| Other payments   | 1,145  | 1,616  |
| Reinsurance premiums                                     | 942  | 933  |
| Provision for policy reserves and others                 | 242,065  | 294,006  |
| Provision for reserve for outstanding claims             | —  | 55   |
| Provision for policy reserves                            | 242,059  | 293,946  |
| Interest portion of reserve for policyholders' dividends | 6  | 4  |
| Investment expenses                                      | 18,653   | 3,918  |
| Interest expenses  | 22   | 24   |
| Losses on sale of securities                             | 201  | —  |
| Devaluation losses on securities                         | 327  | —  |
| Foreign exchange losses, net                             | 505  | 91   |
| Provision for reserve for possible loan losses           | 1  | 6  |
| Depreciation of real estate for rent and others          | 1,003  | 977  |
| Other investment expenses                                | 3,052  | 2,818  |
| Losses on separate accounts, net                         | 13,538   | —  |
| Operating expenses                                       | 53,560   | 55,677   |
| Other ordinary expenses                                  | 8,384  | 10,049   |
| Ordinary Expenses from the Non-life Insurance Business   | 41,597   | 41,700   |
| Underwriting expenses                                    | 31,585   | 31,580   |
| Net losses paid  | 23,137   | 23,299   |
| Loss adjustment expenses                                 | 2,801  | 3,078  |
| Net commission and brokerage fees                        | 497  | 508  |
| Provision for reserve for outstanding losses             | 2,428  | 613  |
| Provision for underwriting reserves                      | 2,720  | 4,080  |
| Others underwriting expenses                             | 0  | 0  |
| Investment expenses                                      | 5  | 1  |
| Losses on sale of securities                             | 3  | —  |
| Losses on redemption of securities                       | 1  | 1  |
| Operating, general and administrative expenses           | 9,995  | 10,117   |
| Other ordinary expenses                                  | 11   | 1  |

(Continued)

(Millions of yen)

|   | For the six months ended<br>September 30, 2012 | For the six months ended<br>September 30, 2013 |
|---|--|--|
| Ordinary Expenses from the Banking Business                   | ¥14,263  | ¥13,568  |
| Interest expenses   | 4,231  | 3,128  |
| Interest expenses on deposits                                 | 3,370  | 2,411  |
| Interest expenses on call money and bills sold                | 5  | 3  |
| Interest expenses on borrowed money                           | 52   | 17   |
| Interest expenses on bonds                                    | 27   | 49   |
| Interest expenses on interest rate swaps                      | 774  | 645  |
| Others interest expenses                                      | 0  | 0  |
| Fees and commissions  | 754  | 843  |
| Other operating expenses                                      | 783  | 1,131  |
| General and administrative expenses                           | 8,375  | 8,359  |
| Other ordinary expenses                                       | 117  | 105  |
| Ordinary Profit   | 33,178   | 36,810   |
| Extraordinary Losses  | 3,792  | 4,128  |
| Losses on disposal of fixed assets                            | 14   | 20   |
| Impairment losses   | 81   | 0  |
| Provision for special reserves                                | 3,294  | 4,088  |
| Provision for reserve for price fluctuations                  | 3,294  | 4,088  |
| Loss on sales of shares of subsidiaries and affiliates        | 400  | —  |
| Others  | 0  | 19   |
| Provision (Reversal) for Reserve for Policyholders' Dividends | (28)   | 62   |
| Income Before Income Taxes                                    | 29,413   | 32,618   |
| Income Taxes  | 9,608  | 11,748   |
| - Current   | 11,568   | 10,826   |
| - Deferred  | (1,960)  | 921  |
| Income Before Minority Interests                              | 19,805   | 20,870   |
| Minority interests in income (losses)                         | 76   | (14)   |
| Net Income  | ¥19,729  | ¥20,884  |

**(Consolidated Statements of Comprehensive Income)**

(Millions of yen)

|  | For the six months ended<br>September 30, 2012 | For the six months ended<br>September 30, 2013 |
|--|--|--|
| Income Before Minority Interests   | ¥19,805  | ¥20,870  |
| Other comprehensive income   |  |  |
| Net unrealized i c k p u " losses + on other securities, net of taxes                  | 12,634   | (7,878)  |
| Net deferred i c k p u " losses + on hedging instruments, net of taxes                 | (614)  | 514  |
| Foreign currency translation adjustments   | 241  | —  |
| Share of other comprehensive income of affiliates accounted<br>for using equity method | (0)  | 0  |
| Total other comprehensive income   | 12,261   | (7,364)  |
| Comprehensive income   | ¥32,067  | ¥13,505  |
| (Details)  |  |  |
| Comprehensive income attributable to parent company                                    | 31,990   | 13,520   |
| Comprehensive income attributable to minority interests                                | 76   | (14)   |

### 3. Consolidated Statements of Changes in Net Assets

(Millions of yen)

|  | For the six months ended<br>September 30, 2012 | For the six months ended<br>September 30, 2013 |
|--|--|--|
| Shareholders' Equity                                   |  |  |
| Common stock   |  |  |
| Balance at the beginning of the fiscal year            | ¥19,900  | ¥19,900  |
| Changes during the period                              |  |  |
| Total changes during the period                        | —  | —  |
| Balance at the end of the current period               | 19,900   | 19,900   |
| Capital surplus  |  |  |
| Balance at the beginning of the fiscal year            | 195,277  | 195,277  |
| Changes during the period                              |  |  |
| Total changes during the period                        | —  | —  |
| Balance at the end of the current period               | 195,277  | 195,277  |
| Retained earnings                                      |  |  |
| Balance at the beginning of the fiscal year            | 98,677   | 135,160  |
| Changes during the period                              |  |  |
| Dividends from surplus                                 | (8,700)  | (10,875)                                       |
| Net income   | 19,729   | 20,884   |
| Total changes during the period                        | 11,029   | 10,009   |
| Balance at the end of the current period               | 109,706  | 145,170  |
| Treasury stock   |  |  |
| Balance at the beginning of the fiscal year            | —  | —  |
| Changes during the period                              |  |  |
| Purchase of treasury stock                             | —  | (0)  |
| Total changes during the period                        | —  | (0)  |
| Balance at the end of the current period               | —  | (0)  |
| Total shareholders' equity                             |  |  |
| Balance at the beginning of the fiscal year            | 313,854  | 350,337  |
| Changes during the period                              |  |  |
| Dividends from surplus                                 | (8,700)  | (10,875)                                       |
| Net income   | 19,729   | 20,884   |
| Purchase of treasury stock                             | —  | (0)  |
| Total changes during the period                        | 11,029   | 10,009   |
| Balance at the end of the current period               | 324,883  | 360,347  |
| Total accumulated other comprehensive income           |  |  |
| Net unrealized gains on other securities, net of taxes |  |  |
| Balance at the beginning of the fiscal year            | 36,949   | 88,329   |
| Changes during the period                              |  |  |
| Net changes of items other than shareholders' equity   | 12,634   | (7,878)  |
| Total changes during the period                        | 12,634   | (7,878)  |
| Balance at the end of the current period               | 49,584   | 80,450   |

(Continued)

(Millions of yen)

|  | For the six months ended<br>September 30, 2012 | For the six months ended<br>September 30, 2013 |
|--|--|--|
| Net deferred losses on hedging instruments, net of taxes |  |  |
| Balance at the beginning of the fiscal year              | ¥(2,414)                                       | ¥(3,047)                                       |
| Changes during the period                                |  |  |
| Net changes of items other than shareholders' equity     | (614)  | 514  |
| Total changes during the period                          | (614)  | 514  |
| Balance at the end of the current period                 | (3,028)  | (2,533)  |
| Land revaluation, net of taxes                           |  |  |
| Balance at the beginning of the fiscal year              | (1,395)  | (1,513)  |
| Changes during the period                                |  |  |
| Total changes during the period                          | —  | —  |
| Balance at the end of the current period                 | (1,395)  | (1,513)  |
| Foreign currency translation adjustments                 |  |  |
| Balance at the beginning of the fiscal year              | (453)  | —  |
| Changes during the period                                |  |  |
| Net changes of items other than shareholders' equity     | 241  | —  |
| Total changes during the period                          | 241  | —  |
| Balance at the end of the current period                 | (212)  | —  |
| Total accumulated other comprehensive income             |  |  |
| Balance at the beginning of the fiscal year              | 32,685   | 83,767   |
| Changes during the period                                |  |  |
| Net changes of items other than shareholders' equity     | 12,261   | (7,364)  |
| Total changes during the period                          | 12,261   | (7,364)  |
| Balance at the end of the current period                 | 44,947   | 76,403   |
| Minority interests                                       |  |  |
| Balance at the beginning of the fiscal year              | 1,260  | 1,339  |
| Changes during the period                                |  |  |
| Net changes of items other than shareholders' equity     | 76   | (14)   |
| Total changes during the period                          | 76   | (14)   |
| Balance at the end of the current period                 | 1,336  | 1,324  |
| Total Net Assets   |  |  |
| Balance at the beginning of the fiscal year              | 347,800  | 435,444  |
| Changes during the period                                |  |  |
| Dividends from surplus                                   | (8,700)  | (10,875)                                       |
| Net income   | 19,729   | 20,884   |
| Purchase of treasury stock                               | —  | (0)  |
| Net changes of items other than shareholders' equity     | 12,337   | (7,378)  |
| Total changes during the period                          | 23,367   | 2,630  |
| Balance at the end of the current period                 | ¥371,168                                       | ¥438,075                                       |

## 4. Segment Information

### (1) Outline of reporting segments

The Sony Financial Group consists of three reporting segments: the life insurance business, the non-life insurance business and the banking business.

- The life insurance business consists of Sony Life Insurance Co., Ltd., AEGON Sony Life Insurance Co., Ltd. and SA Reinsurance Ltd.
- The non-life insurance business consists of Sony Assurance Inc.
- The banking business consists of Sony Bank Inc. and SmartLink Network, Inc.

### (2) Segment Information by reporting segment

For the six months ended September 30, 2012

|   | Millions of yen         |                             |                  |           |
|---|-------------------------|-----------------------------|------------------|-----------|
|   | Life insurance business | Non-life insurance business | Banking business | Total     |
| Ordinary revenues   |                         |                             |                  |           |
| External customers  | ¥487,953                | ¥42,373                     | ¥16,725          | ¥547,052  |
| Intersegment  | 1,112                   | 0                           | 90               | 1,202     |
| Total   | 489,065                 | 42,373                      | 16,815           | 548,254   |
| Segment profit  | 30,733                  | 463                         | 1,888            | 33,084    |
| Segment assets  | 5,481,147               | 122,286                     | 1,958,083        | 7,561,517 |
| Others  |                         |                             |                  |           |
| Depreciation  | 2,959                   | 725                         | 979              | 4,664     |
| Interest income and dividends                                 | 52,254                  | 470                         | 12,607           | 65,331    |
| Interest expenses   | 22                      | —                           | 4,263            | 4,285     |
| Equity in earnings (losses) of affiliates                     | (555)                   | —                           | —                | (555)     |
| Investments in affiliates                                     | 9,104                   | —                           | —                | 9,104     |
| Increase in tangible fixed assets and intangible fixed assets | ¥2,733                  | ¥1,433                      | ¥1,247           | ¥5,414    |

For the six months ended September 30, 2013

|   | Millions of yen         |                             |                  |           |
|---|-------------------------|-----------------------------|------------------|-----------|
|   | Life insurance business | Non-life insurance business | Banking business | Total     |
| Ordinary revenues   |                         |                             |                  |           |
| External customers  | ¥548,004                | ¥44,900                     | ¥17,882          | ¥610,786  |
| Intersegment  | 1,242                   | 0                           | 98               | 1,341     |
| Total   | 549,246                 | 44,900                      | 17,981           | 612,128   |
| Segment profit  | 30,208                  | 2,872                       | 3,594            | 36,675    |
| Segment assets  | 6,241,918               | 134,474                     | 1,976,689        | 8,353,083 |
| Others  |                         |                             |                  |           |
| Depreciation  | 3,522                   | 1,001                       | 1,098            | 5,622     |
| Interest income and dividends                                 | 58,960                  | 591                         | 13,105           | 72,658    |
| Interest expenses   | 24                      | —                           | 3,196            | 3,220     |
| Equity in earnings (losses) of affiliates                     | (808)                   | —                           | —                | (808)     |
| Investments in affiliates                                     | 9,234                   | —                           | —                | 9,234     |
| Increase in tangible fixed assets and intangible fixed assets | ¥1,096                  | ¥1,766                      | ¥912             | ¥3,775    |

(3) Reconciliations of the totals of each segment item to corresponding enterprise amounts

|   | Millions of yen                                |  |
|---|--|--|
|   | For the six months ended<br>September 30, 2012 | For the six months ended<br>September 30, 2013 |
| Totals of reporting segments              | ¥548,254                                       | ¥612,128                                       |
| Adjustments for intersegment transactions | (1,202)  | (1,341)  |
| Ordinary revenues in statement of income  | ¥547,052                                       | ¥610,786                                       |

|  | Millions of yen                                |  |
|--|--|--|
|  | For the six months ended<br>September 30, 2012 | For the six months ended<br>September 30, 2013 |
| Totals of reporting segments               | ¥33,084  | ¥36,675  |
| Adjustments for intersegment transactions  | 3  | 3  |
| Amount not allocated to reporting segments | 89   | 130  |
| Ordinary profit in statement of income     | ¥33,178  | ¥36,810  |

|  | Millions of yen                                |  |
|--|--|--|
|  | For the six months ended<br>September 30, 2012 | For the six months ended<br>September 30, 2013 |
| Totals of reporting segments               | ¥7,561,517                                     | ¥8,353,083                                     |
| Adjustments for intersegment transactions  | (11,301)                                       | (21,077)                                       |
| Amount not allocated to reporting segments | 16,714   | 29,364   |
| Assets in balance sheets                   | ¥7,566,929                                     | ¥8,361,370                                     |

|  | Millions of yen                                |             |   |  |             |   |
|--|--|-------------|---|--|-------------|---|
|  | For the six months ended<br>September 30, 2012 |             |   | For the six months ended<br>September 30, 2013 |             |   |
|  | Total  | Adjustments | Consolidated<br>financial<br>statements | Total  | Adjustments | Consolidated<br>financial<br>statements |
| Depreciation   | ¥4,664   | ¥4          | ¥4,669                                  | ¥5,622   | ¥2          | ¥5,625                                  |
| Interest income and dividends                                    | 65,331   | (224)       | 65,106                                  | 72,658   | (239)       | 72,419                                  |
| Interest expenses  | 4,285  | (31)        | 4,254                                   | 3,220  | (67)        | 3,152                                   |
| Equity in earnings (losses) of affiliates                        | (555)  | —           | (555)                                   | (808)  | —           | (808)                                   |
| Investments in affiliates  | 9,104  | —           | 9,104                                   | 9,234  | —           | 9,234                                   |
| Increase in tangible fixed assets and<br>intangible fixed assets | ¥5,414   | ¥3          | ¥5,418                                  | ¥3,775   | ¥211        | ¥3,987                                  |

## 5. Subsequent Events

There were no applicable subsequent events.

SFH's consolidated results\* are prepared in accordance with Japanese GAAP. As such, these figures differ in significant respects from the financial information reported by Sony Corporation, the SFH's parent company, which prepares its financial statements in accordance with U.S. GAAP.

\* SFH's scope of consolidation includes Sony Financial Holdings Inc., Sony Life Insurance Co. Ltd., Sony Assurance Inc., Sony Bank Inc., and SmartLink Network, Inc. It also includes AEGON Sony Life Insurance Co., Ltd. and SA Reinsurance Ltd., as affiliated companies accounted for under the equity method. Sony Life Insurance (Philippines) Corporation<sup>\*1</sup> and Sony Bank Securities Inc.<sup>\*2</sup> were included in the scope of consolidation for the six months ended September 30, 2012. (April 1, 2012 to September 30, 2012).

<sup>\*1</sup> Sony Life Insurance (Philippines) Corporation was excluded from scope of consolidation due to the sale of its whole shares on December 6, 2012

<sup>\*2</sup> Sony Bank Securities Inc. was excluded from scope of consolidation due to the sale of its whole shares on August 1, 2012.

On October 31, 2013, Sony Corporation announced its consolidated financial results for the second quarter ended September 30, 2013 (July 1, 2013 to September 30, 2013). Sony Financial Group companies constitute Sony Group's Financial Services segment in the current fiscal year ending March 31, 2014. However, the scope of Sony Group's Financial Services segment differs from the scope of SFH's consolidation for the period ended on or before March 31, 2013.

*This Consolidated Financial Summary contains statements concerning the current plans, expectations, strategies and beliefs of the Sony Financial Group. Any statements contained herein that pertain to future operating performance and that are not historic facts are forward-looking statements. Forward-looking statements may include—but are not limited to—words such as “believe,” “anticipate,” “plan,” “strategy,” “expect,” “forecast,” “predict,” and “possibility” that describe future operating activities, business performance, events or conditions. Forward-looking statements, whether spoken or written, are based on judgments made by the management of the Sony Financial Group, based on information that is currently available to it. As such, these forward-looking statements are subject to various risks and uncertainties, and actual business results may vary substantially from the forecasts expressed or implied in forward-looking statements. Consequently, investors are cautioned not to place undue reliance on forward-looking statements. The Sony Financial Group disclaims any obligation to revise forward-looking statements in light of new information, future events or other findings. The information contained in this Consolidated Financial Summary does not constitute or form part of any offer for sale or subscription of or solicitation or invitation of any offer to buy or subscribe for any securities, nor shall it or any part of it form the basis of or be relied on in connection with any contract or commitment whatsoever.*

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[http://www.sonyfh.co.jp/web/index\\_en.html](http://www.sonyfh.co.jp/web/index_en.html)

**IV. Attachment**  
**Content of Presentation Material**

|    |   |    |
|----|---|----|
| 1. | Consolidated Operating Results for the Six Months Ended September 30, 2013.....             | 3  |
| 2. | Consolidated Financial Forecast for the Year Ending March 31, 2014 . . . . .                | 30 |
| 3. | Sony Life's MCEV and Risk Amount Based on Economic Value as of September 30, 2013 . . . . . | 32 |
| 4. | Appendix . . . . .  | 35 |

## Presentation Material

# Consolidated Financial Results for the Six Months Ended September 30, 2013 and Sony Life's Market Consistent Embedded Value as of September 30, 2013

Sony Financial Holdings Inc.  
November 15, 2013

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## Content

|  |      |
|--|------|
| ■ Consolidated Operating Results for the Six Months Ended September 30, 2013           | P.3  |
| ■ Consolidated Financial Forecast for the Year Ending March 31, 2014                   | P.30 |
| ■ Sony Life's MCEV and Risk Amount Based on Economic Value<br>as of September 30, 2013 | P.32 |
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### Disclaimers:

This presentation material contains statements concerning the current plans, expectations, strategies and beliefs of the Sony Financial Group. Any statements contained herein that pertain to future operating performance and that are not historic facts are forward-looking statements. Forward-looking statements may include—but are not limited to—words such as “believe,” “anticipate,” “plan,” “strategy,” “expect,” “forecast,” “predict,” and “possibility” that describe future operating activities, business performance, events or conditions. Forward-looking statements, whether spoken or written, are based on judgments made by the management of the Sony Financial Group, based on information that is currently available to it. As such, these forward-looking statements are subject to various risks and uncertainties, and actual business results may vary substantially from the forecasts expressed or implied in forward-looking statements. Consequently, investors are cautioned not to place undue reliance on forward-looking statements. The Sony Financial Group disclaims any obligation to revise forward-looking statements in light of new information, future events or other findings. The information contained in this presentation does not constitute or form part of any offer for sale or subscription of or solicitation or invitation of any offer to buy or subscribe for any securities, nor shall it or any part of it from the basis of or be relied on in connection with any contract or commitment whatsoever.

# Consolidated Operating Results for the Six Months Ended September 30, 2013

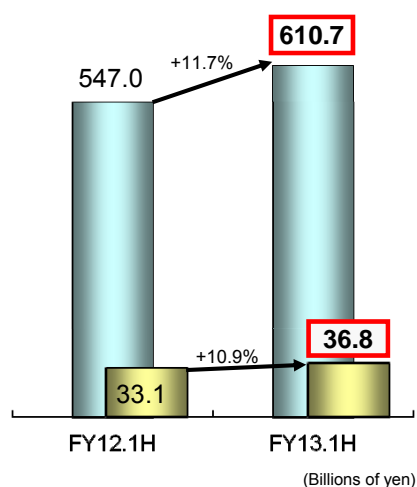
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## Highlights of Consolidated Operating Performance for the Six Months Ended September 30, 2013 (1)



■ Consolidated ordinary revenues  
■ Consolidated ordinary profit



| (Billions of yen)           |                   | FY12.1H | FY13.1H | Change |         |
|-----------------------------|-------------------|---------|---------|--------|---------|
| Life insurance business     | Ordinary revenues | 489.0   | 549.2   | +60.1  | +12.3%  |
|                             | Ordinary profit   | 30.7    | 30.2    | (0.5)  | (1.7%)  |
| Non-life insurance business | Ordinary revenues | 42.3    | 44.9    | +2.5   | +6.0%   |
|                             | Ordinary profit   | 0.4     | 2.8     | +2.4   | +519.9% |
| Banking business            | Ordinary revenues | 16.8    | 17.9    | +1.1   | +6.9%   |
|                             | Ordinary profit   | 1.8     | 3.5     | +1.7   | +90.4%  |
| Intersegment adjustments*   | Ordinary revenues | (1.2)   | (1.3)   | (0.1)  | —       |
|                             | Ordinary profit   | 0.0     | 0.1     | +0.0   | +44.0%  |
| Consolidated                | Ordinary revenues | 547.0   | 610.7   | +63.7  | +11.7%  |
|                             | Ordinary profit   | 33.1    | 36.8    | +3.6   | +10.9%  |
|                             | Net income        | 19.7    | 20.8    | +1.1   | +5.9%   |

| (Billions of yen) |              | 13.3.31 | 13.9.30 | Change from 13.3.31 |       |
|-------------------|--------------|---------|---------|---------------------|-------|
| Consolidated      | Total assets | 8,096.1 | 8,361.3 | +265.2              | +3.3% |
|                   | Net assets   | 435.4   | 438.0   | +2.6                | +0.6% |

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

\*Comprehensive income: FY12.1H: ¥32.0 billion, FY13.1H ¥13.5 billion

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

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# Highlights of Consolidated Operating Performance for the Six Months Ended September 30, 2013 (2)



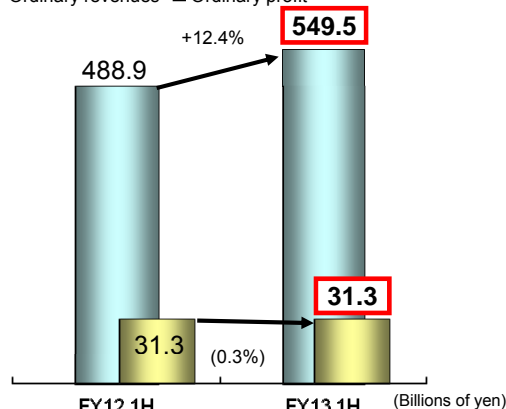
- **Life Insurance Business:** Ordinary revenues increased compared with the same period of the previous fiscal year mainly because an increase in the investment income due to higher gains on separate accounts, net resulting from the market recovery. Furthermore, an increase in income from insurance premiums also contributed to the rise in ordinary revenues. The rise in income from insurance premiums was associated with steady growth in policy amount in force, despite a decrease in lump-sum payment insurance premiums affected by the revision of Sony Life's insurance premium rates on some of its products. Ordinary profit remained at the same levels as during the same period of the previous fiscal year. This is because the positive effects stemming from a recovery from negative spread into positive and a decrease in provision of policy reserves for minimum guarantees for variable life insurance were offset by the negative impact from an increase in provision of policy reserves resulting from the revision of discount rate used for calculating policy reserves.
- **Non-life Insurance Business:** Ordinary revenues increased year on year owing to an increase in net premiums written primarily for its mainstay automobile insurance. Ordinary profit increased year on year due to a decline in the loss ratio mainly led by a lower car accident ratio owing to the revision of premium rates for automobile insurance and the introduction of a new bonus-malus system (non-fleet driver rating system), in addition to a decline in the expense ratio.
- **Banking Business:** Ordinary revenues increased year on year due to higher gains on foreign exchange transactions stemming from customers' active foreign currency trading and a rise in interest income on loans led by the growing balance of mortgage loans. Ordinary profit expanded year on year owing mainly to an improvement in net gains on bond-dealing transactions.
- **Consolidated ordinary revenues increased 11.7% year on year, to ¥610.7 billion** owing to increases in ordinary revenues from all businesses: life insurance, non-life insurance and banking. Consolidated ordinary profit increased 10.9% year on year, to ¥36.8 billion. By business segment, ordinary profit from non-life insurance and banking businesses increased, whereas the life insurance remained at the same levels. Consolidated net income was up 5.9% year on year, to ¥20.8 billion.

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

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



■ Ordinary revenues ■ Ordinary profit



- ◆ Ordinary revenues increased year on year. Ordinary profit remained at the same levels.
- ◆ A rise in income from insurance premiums was associated with steady growth in policy amount in force, despite a decrease in lump-sum payment insurance affected by the revision of Sony Life's insurance premium rates on some of its products.
- ◆ Investment income increased due to higher gains on separate accounts, net resulting from the market recovery.
- ◆ Ordinary profit remained at the same levels. This is because the positive effects stemming from a recovery from negative spread into positive and a decrease in provision of policy reserves for minimum guarantees for variable life insurance were offset by the negative impact from an increase in provision of policy reserves resulting from the revision of discount rate used for calculating policy reserves.

| (Billions of yen)                        | FY12.1H | FY13.1H | Change |          |
|--|---------|---------|--------|----------|
| <b>Ordinary revenues</b>                 | 488.9   | 549.5   | +60.5  | +12.4%   |
| Income from insurance premiums           | 428.8   | 437.9   | +9.1   | +2.1%    |
| Investment income                        | 56.0    | 107.6   | +51.6  | +92.3%   |
| Interest income and dividends            | 52.1    | 58.9    | +6.7   | +13.0%   |
| Income from monetary trusts, net         | 2.6     | 2.6     | +0.0   | +2.0%    |
| Gains on sale of securities              | 1.1     | 0.0     | (1.1)  | (99.9%)  |
| Gains on separate accounts, net          | —       | 45.8    | +45.8  | —        |
| <b>Ordinary expenses</b>                 | 457.5   | 518.2   | +60.6  | +13.3%   |
| Insurance claims and other payments      | 135.3   | 155.0   | +19.7  | +14.6%   |
| Provision for policy reserves and others | 242.0   | 294.0   | +51.9  | +21.5%   |
| Investment expenses                      | 18.7    | 4.0     | (14.6) | (78.2%)  |
| Losses on separate accounts, net         | 13.5    | —       | (13.5) | (100.0%) |
| Operating expenses                       | 53.6    | 55.8    | +2.2   | +4.1%    |
| <b>Ordinary expenses</b>                 | 31.3    | 31.3    | (0.0)  | (0.3%)   |
| <b>Net income</b>                        | 18.4    | 17.6    | (0.7)  | (3.8%)   |

| (Billions of yen)                                      | 13.3.31 | 13.9.30 | Change from 13.3.31 |        |
|--|---------|---------|---------------------|--------|
| <b>Securities</b>                                      | 5,211.5 | 5,564.7 | +353.1              | +6.8%  |
| <b>Policy reserves</b>                                 | 5,472.9 | 5,766.8 | +293.9              | +5.4%  |
| <b>Total net assets</b>                                | 342.3   | 341.1   | (1.1)               | (0.3%) |
| Net unrealized gains on other securities, net of taxes | 80.2    | 72.5    | (7.6)               | (9.6%) |
| <b>Total assets</b>                                    | 5,952.7 | 6,247.4 | +294.7              | +5.0%  |
| Separate account assets                                | 550.6   | 601.5   | +50.9               | +9.3%  |

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

# Overview of Performance Sony Life (Non-consolidated)

| (Billions of yen)                           | FY12.1H  | FY13.1H  | Change   |
|---|----------|----------|----------|
| New policy amount                           | 2,013.9  | 1,874.8  | (6.9%)   |
| Lapse and surrender amount                  | 956.1    | 876.4    | (8.3%)   |
| Lapse and surrender rate                    | 2.65%    | 2.32%    | (0.33pt) |
| Policy amount in force                      | 36,706.8 | 38,357.1 | +4.5%    |
| Annualized premiums from new policies       | 32.1     | 30.1     | (6.2%)   |
| Of which, third-sector products             | 8.1      | 6.9      | (14.5%)  |
| Annualized premiums from insurance in force | 648.5    | 681.4    | +5.1%    |
| Of which, third-sector products             | 153.1    | 165.0    | +7.8%    |

| (Billions of yen)                            | FY12.1H | FY13.1H | Change |
|--|---------|---------|--------|
| Gains from investment, net (General account) | 50.7    | 57.7    | +13.7% |
| Core profit                                  | 33.3    | 33.5    | +0.8%  |
| Positive (Negative) spread                   | (0.4)   | 3.3     | —      |

|  | 13.3.31  | 13.9.30  | Change from 13.3.31 |
|--|----------|----------|---------------------|
| Non-consolidated solvency margin ratio | 2,281.8% | 2,325.0% | +43.2pt             |

## <Reasons for changes>

◆ Decreased mainly in family income insurance. Moreover, new policy amount decreased mainly in interest rate-sensitive whole life insurance, reflecting the revision of insurance premium rates.

◆ Decreased mainly in term-life insurance.

◆ Decreased mainly in educational endowment insurance and interest rate-sensitive whole life insurance, due to the revision of insurance premium rates. In the third-sector insurance products, sale of lump-sum payment whole life nursing-care insurance decreased.

◆ Core profit remained at the same levels. This is because the positive effects stemming from a recovery from negative spread into positive and a decrease in provision of policy reserves for minimum guarantees for variable life insurance were offset by the negative impact from an increase in provision of policy reserves resulting from the revision of discount rate used for calculating policy reserves.

### Notes:

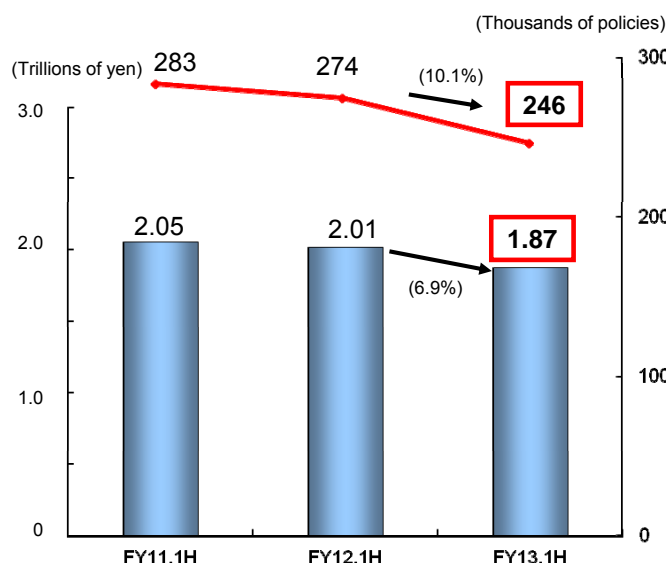
- Figures for new policy amount, lapse and surrender amount, lapse and surrender rate, policy amount in force, annualized premiums from new policies and annualized premiums from insurance in force are calculated as the total of individual life insurance and individual annuities.
- The lapse and surrender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

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

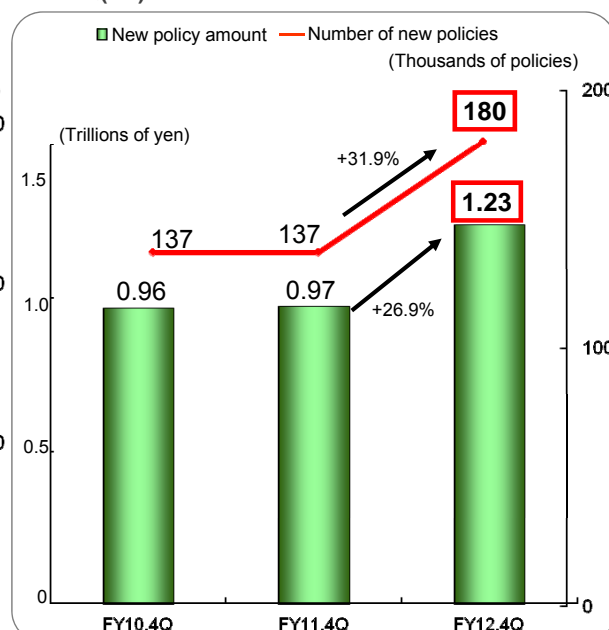
# Operating Performance : Sony Life (Non-consolidated) (1)

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

■ New policy amount — Number of new policies



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

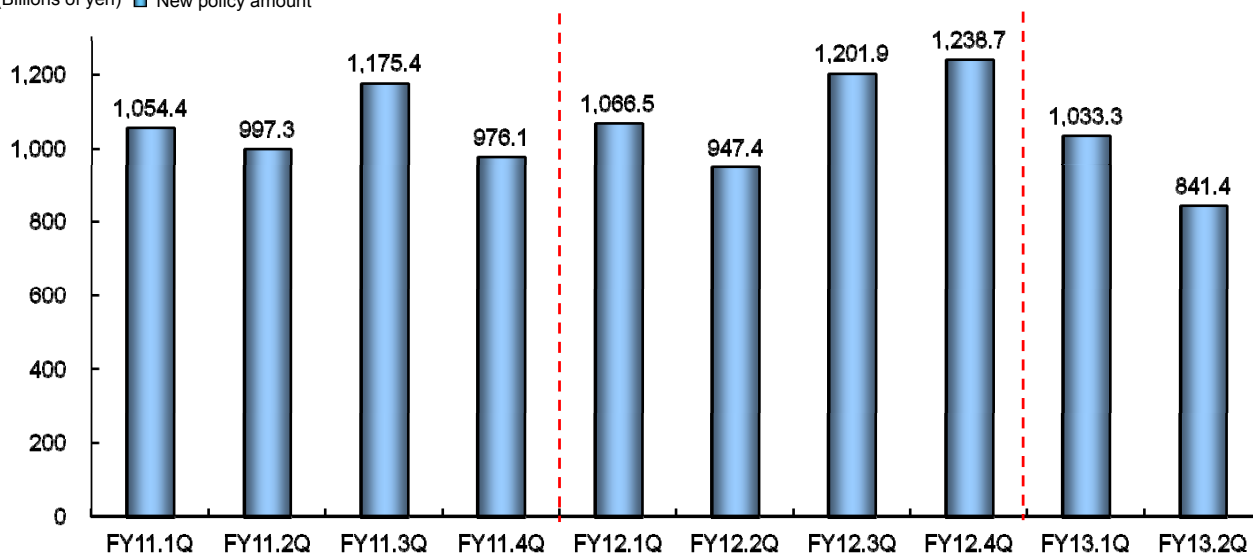


Line item amounts are truncated below ¥10 billion; numbers of policies are truncated below 1,000 policies; percentage change figures are rounded.

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

### Quarterly Trend on New Policy Amount

(Billions of yen) ■ New policy amount



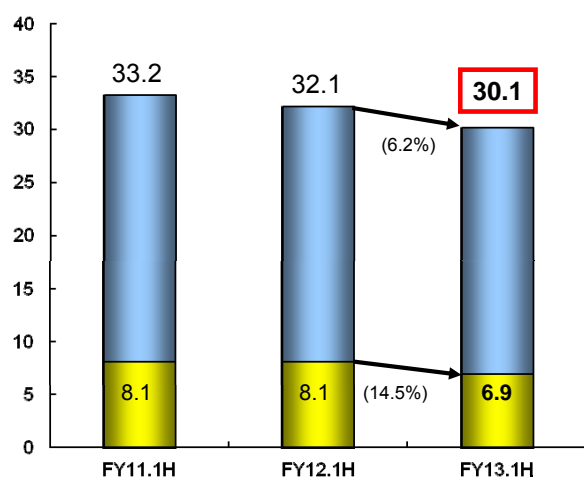
Line item amounts are truncated below ¥100 million.

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

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

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

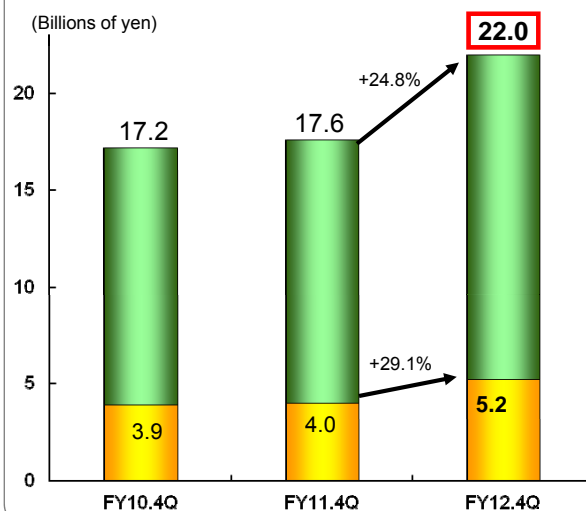
(Billions of yen)



### [ Reference ] 4Q(3M) Annualized Premiums from New Policies

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

(Billions of yen)

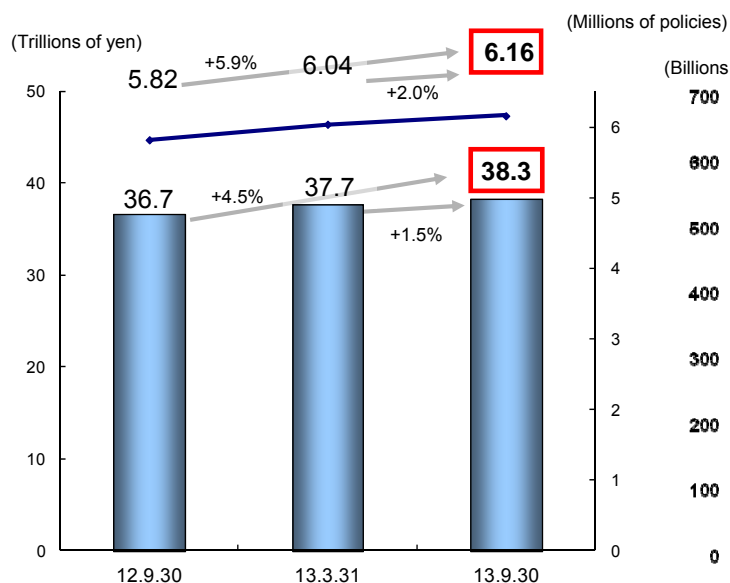


Line item amounts are truncated below ¥100million; percentage change figures are rounded.

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

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

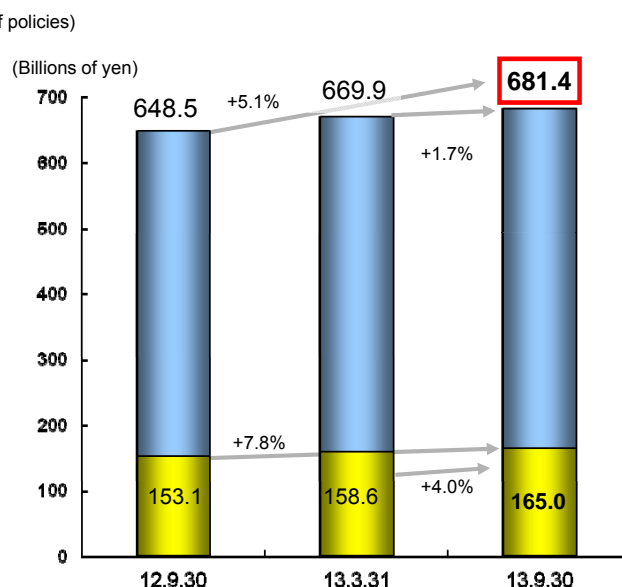
■ Policy amount in force — Number of policies in force



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

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

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

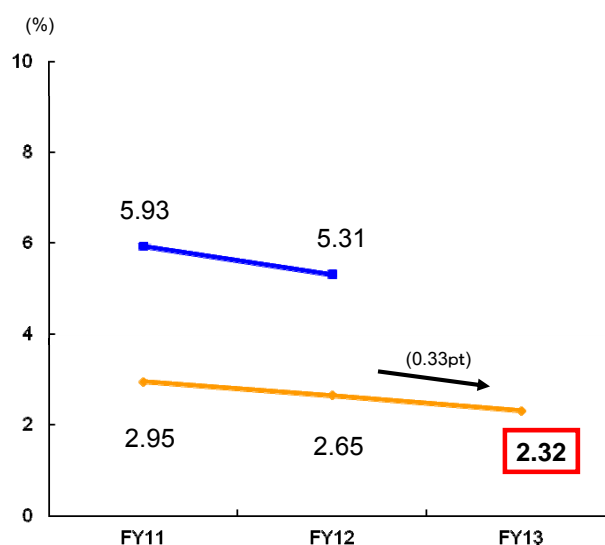


Line item amounts are truncated below ¥100 million; percentage change figures are rounded.

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

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

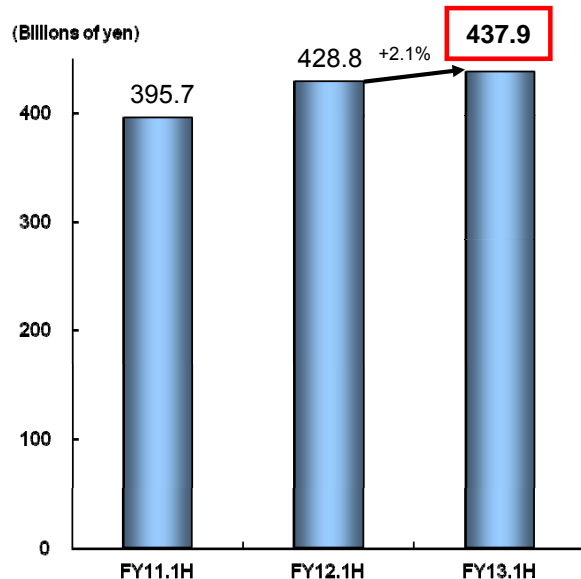
■ Lapse and surrender rate (Annual) ◆ Lapse and surrender rate (1H)



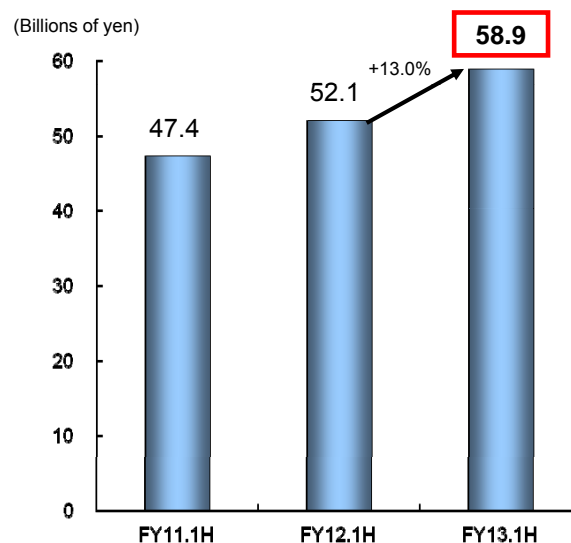
\*The lapse and surrender rate shows the ratio derived by dividing the amount of lapses and surrenders, not adjusted for policy amount decreases, increases, and reinstatements, by the policy amount in force at the beginning of the fiscal year.

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

### Income from Insurance Premiums



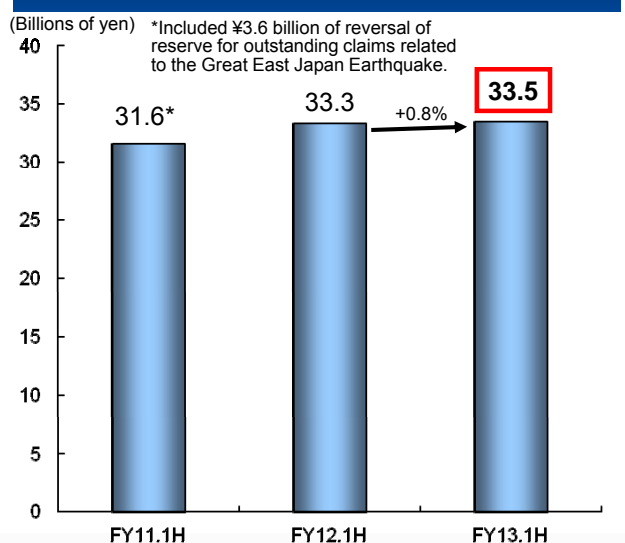
### Interest Income and Dividends



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

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

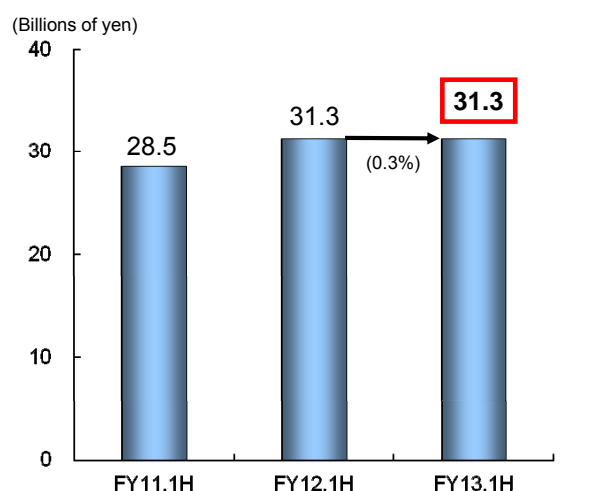
### Core Profit



| (Reference) Impact on core profit (Billions of yen)   |         |         |         |
|---|---------|---------|---------|
|   | FY11.1H | FY12.1H | FY13.1H |
| Positive (Negative) spread  | (1.9)   | (0.4)   | 3.3     |
| Effects by the revision of policy reserve discount rate   | —       | —       | (6.0)   |
| Provision of policy reserves for minimum guarantees for variable life insurance in the general account assets | (4.8)   | (4.0)   | (1.2)   |

\*The plus amount in negative spread indicates positive spread.

### Ordinary Profit



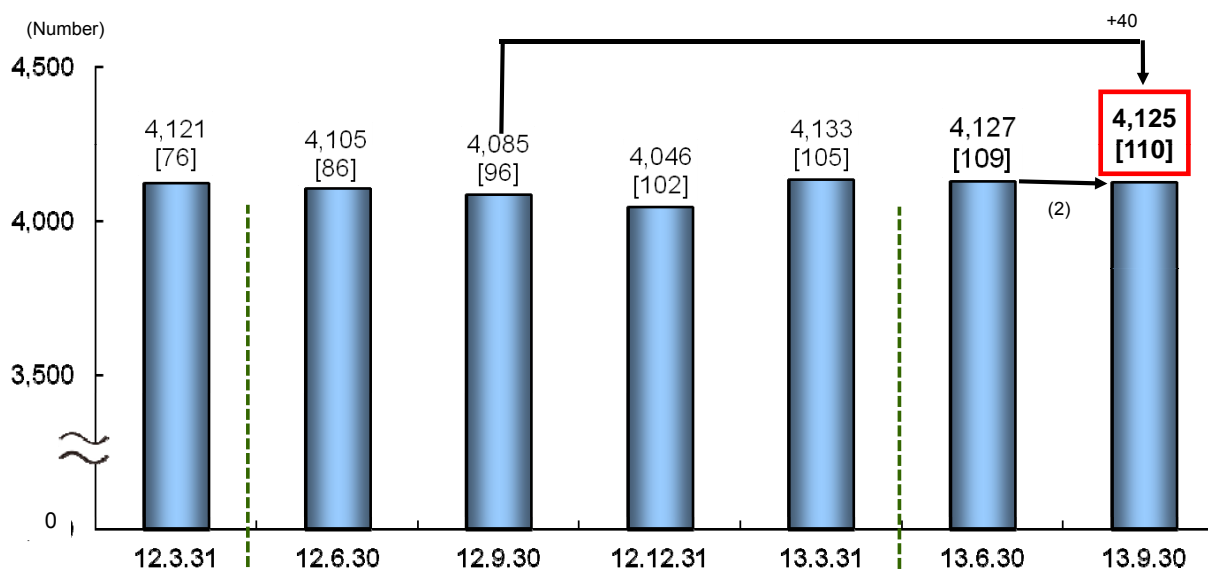
| (Reference) Main differences from Core Profit (Billions of yen) |         |         |         |
|---|---------|---------|---------|
|   | FY11.1H | FY12.1H | FY13.1H |
| Capital gains (losses)  | (1.1)   | 0.1     | (0.0)   |
| Provision of contingency reserve                                | (1.7)   | (1.9)   | (2.1)   |

\*\*Provision of policy reserves for minimum guarantees for variable life insurance in the general account assets" and "Provision of contingency reserve" are described as negative amount.

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

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

### Number of Lifeplanner Sales Employees



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

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

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

### Breakdown of General Account Assets

| (Billions of yen)                       | 13.3.31        |               | 13.9.30        |               |
|---|----------------|---------------|----------------|---------------|
|   | Amount         | %             | Amount         | %             |
| Japanese government and corporate bonds | 4,561.0        | 84.4%         | 4,848.3        | 85.9%         |
| Japanese stocks                         | 31.1           | 0.6%          | 36.0           | 0.6%          |
| Foreign securities                      | 62.0           | 1.1%          | 69.6           | 1.2%          |
| Foreign stocks                          | 25.4           | 0.5%          | 26.3           | 0.5%          |
| Monetary trusts                         | 306.1          | 5.7%          | 302.5          | 5.4%          |
| Policy loans                            | 145.0          | 2.7%          | 149.7          | 2.7%          |
| Real estate                             | 70.3           | 1.3%          | 67.3           | 1.2%          |
| Cash and call loans                     | 103.3          | 1.9%          | 45.4           | 0.8%          |
| Others                                  | 97.7           | 1.8%          | 100.4          | 1.8%          |
| <b>Total</b>                            | <b>5,402.1</b> | <b>100.0%</b> | <b>5,645.9</b> | <b>100.0%</b> |

#### <Asset management review>

On the asset side, we lengthened the duration of securities held to match the liability characteristics of insurance policies with long-term maturities with the aim of reducing interest rate risk.

Japanese government and corporate bonds:  
Continue to accumulate ultralong-term bonds in FY13.

#### <Bond duration>

Mar. 31, 2012 19.2 years

Mar. 31, 2013 19.9 years

Sep. 30, 2013 19.7 years

■ Investment in the monetary trusts is mainly into Japanese government and corporate bonds.

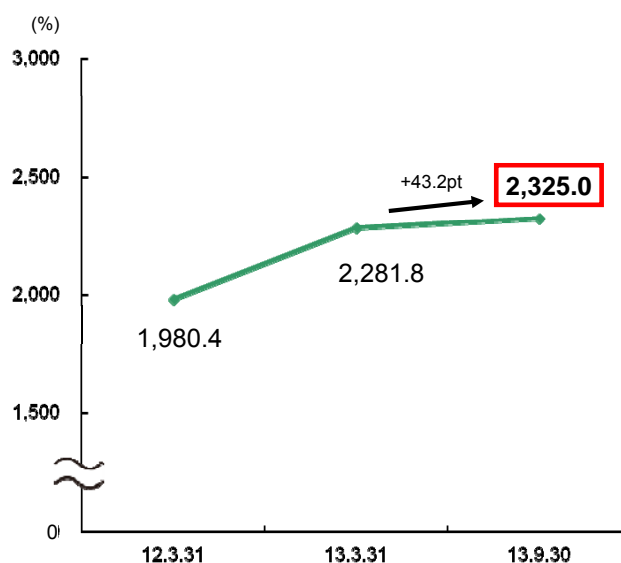
■ The holding ratio on the real status, of Japanese government and corporate bonds including those in vested in monetary trusts in the general account assets:

As of Sep. 30, 2013: 91.2%, (As of Mar. 31, 2013: 90.1%)

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

# Operating Performance : Sony Life (Non-consolidated) (10)

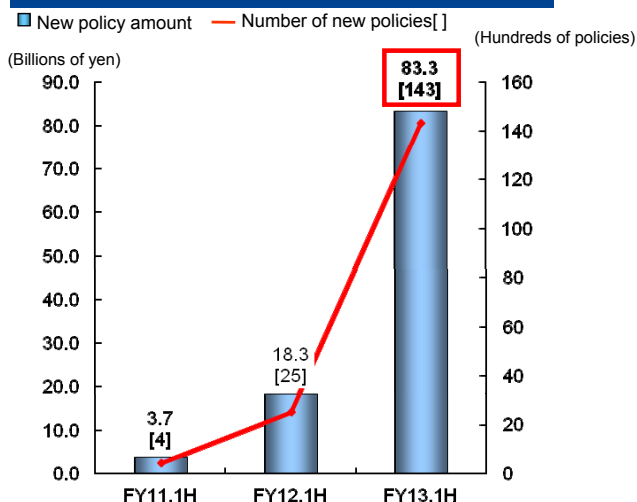
## Non-consolidated solvency Margin Ratio



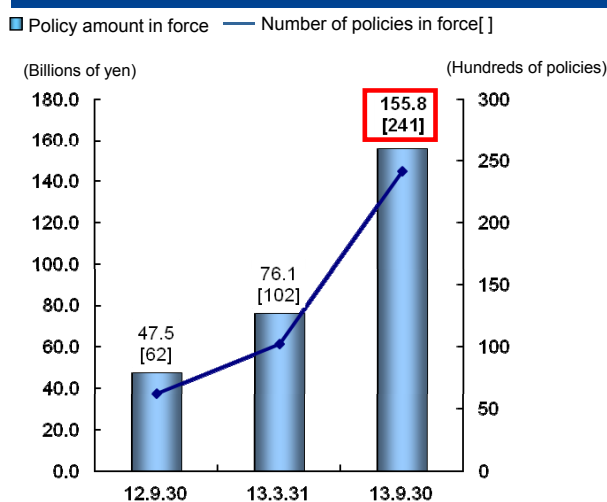
# Operating Performance: AEGON Sony Life Insurance

\*AEGON Sony Life Insurance sells individual variable annuities.

## Number and Amount of New Policies



## Number and Amount of Policies in Force



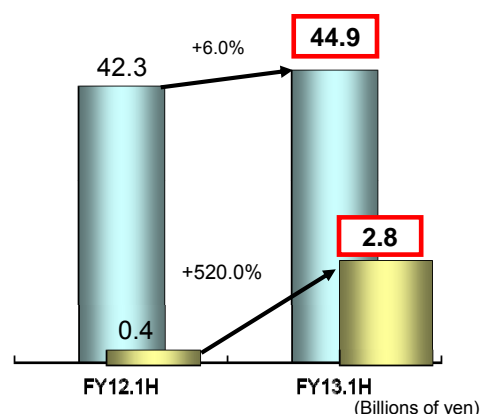
\*AEGON Sony Life Insurance is an equity method company, 50-50 joint venture established by Sony Life and AEGON Group.

| (Billions of yen)        | FY12.1H | FY13.1H | Change |         | (Reference) FY12 |
|--------------------------|---------|---------|--------|---------|------------------|
| Ordinary revenues        | 18.3    | 85.9    | +67.5  | +368.4% | 58.6             |
| Ordinary profit (losses) | (1.1)   | (1.6)   | (0.5)  | —       | (2.4)            |
| Net income (losses)      | (1.2)   | (1.7)   | (0.5)  | —       | (2.5)            |

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

# Highlights of Operating Performance Sony Assurance

□ Ordinary revenues □ Ordinary profit



- ◆ Ordinary revenues and ordinary profit increased year on year.
- ◆ Ordinary revenues increased year on year, due to an increase in net premiums written for its mainstay automobile insurance.
- ◆ Ordinary profit increased due to a decline in the loss ratio mainly led by a lower car accident ratio owing to the revision of premium rates for automobile insurance and the introduction of a new bonus-malus system (non-fleet driver rating system), in addition to a decline in the expense ratio.

| (Billions of yen)                              | FY12.1H | FY13.1H | Change |         |
|--|---------|---------|--------|---------|
| <b>Ordinary revenues</b>                       | 42.3    | 44.9    | +2.5   | +6.0%   |
| Underwriting income                            | 41.8    | 44.2    | +2.4   | +5.8%   |
| Investment income                              | 0.4     | 0.5     | +0.1   | +22.7%  |
| <b>Ordinary expenses</b>                       | 41.9    | 42.0    | +0.1   | +0.3%   |
| Underwriting expenses                          | 31.7    | 31.7    | +0.0   | +0.0%   |
| Investment expenses                            | 0.0     | 0.0     | (0.0)  | (81.4%) |
| Operating, general and administrative expenses | 10.0    | 10.2    | +0.1   | +1.3%   |
| <b>Ordinary profit</b>                         | 0.4     | 2.8     | +2.4   | +520.0% |
| <b>Net income</b>                              | 0.2     | 1.8     | +1.6   | +669.8% |

| (Billions of yen)            | 13.3.31 | 13.9.30 | Change from 13.3.31 |       |
|------------------------------|---------|---------|---------------------|-------|
| <b>Underwriting reserves</b> | 70.6    | 74.6    | +4.0                | +5.8% |
| <b>Total net assets</b>      | 19.9    | 21.8    | +1.9                | +9.7% |
| <b>Total assets</b>          | 127.4   | 134.4   | +7.0                | +5.5% |

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

## Overview of Performance: Sony Assurance

| (Billions of yen)              | FY12.1H | FY13.1H | Change  |
|--------------------------------|---------|---------|---------|
| <b>Direct premiums written</b> | 41.3    | 43.6    | +5.6%   |
| <b>Net premiums written</b>    | 41.8    | 44.2    | +5.8%   |
| <b>Net losses paid</b>         | 23.1    | 23.2    | +0.7%   |
| <b>Underwriting profit</b>     | 0.0     | 2.3     | —       |
| <b>Net loss ratio</b>          | 62.0%   | 59.6%   | (2.4pt) |
| <b>Net expense ratio</b>       | 25.7%   | 24.6%   | (1.1pt) |
| <b>Combined ratio</b>          | 87.7%   | 84.2%   | (3.5pt) |

Notes:

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

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

### <Reasons for changes>

◆ Increased mainly in its mainstay automobile insurance.

◆ Decreased owing to the revision of premium rates for automobile insurance and the introduction of a new bonus-malus system.

◆ Declined due to a proper control of insurance acquisition cost, in addition to a rise in automobile insurance premiums.

|   |              |              |                     |       |
|---|--------------|--------------|---------------------|-------|
|   | 13.3.31      | 13.9.30      | Change from 13.3.31 |       |
| <b>Number of policies in force</b>            | 1.55 million | 1.57 million | +0.02 million       | +1.5% |
| <b>Non-consolidated Solvency margin ratio</b> | 504.2%       | 547.2%       | +43.0pt             |       |

Note: The number of policies in force is the total of automobile insurance and medical and cancer insurance, which accounts for 99% of net premiums written.

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

# Sony Assurance's Underwriting Performance by Type of Policy

## Direct Premiums Written

| (Millions of yen)               | FY12.1H | FY13.1H | Change |
|---------------------------------|---------|---------|--------|
| Fire                            | 111     | 115     | +3.5%  |
| Marine                          | —       | —       | —      |
| Personal accident*              | 3,895   | 4,124   | +5.9%  |
| Voluntary automobile            | 37,293  | 39,391  | +5.6%  |
| Compulsory automobile liability | —       | —       | —      |
| Total                           | 41,300  | 43,632  | +5.6%  |

## Net Premiums Written

| (Millions of yen)               | FY12.1H | FY13.1H | Change |
|---------------------------------|---------|---------|--------|
| Fire                            | 73      | 82      | +12.4% |
| Marine                          | 74      | 68      | (7.0%) |
| Personal accident*              | 4,009   | 4,254   | +6.1%  |
| Voluntary automobile            | 37,155  | 39,264  | +5.7%  |
| Compulsory automobile liability | 532     | 608     | +14.3% |
| Total                           | 41,845  | 44,279  | +5.8%  |

## Net losses paid

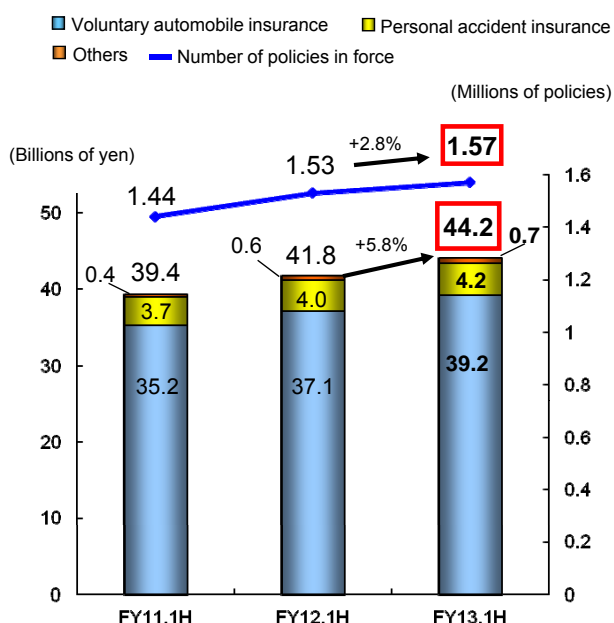
| (Millions of yen)               | FY12.1H | FY13.1H | Change  |
|---------------------------------|---------|---------|---------|
| Fire                            | 0       | 0       | +1.3%   |
| Marine                          | 142     | 77      | (45.8%) |
| Personal accident*              | 941     | 1,010   | 7.2%    |
| Voluntary automobile            | 21,562  | 21,667  | +0.5%   |
| Compulsory automobile liability | 489     | 544     | +11.1%  |
| Total                           | 23,137  | 23,299  | +0.7%   |

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

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

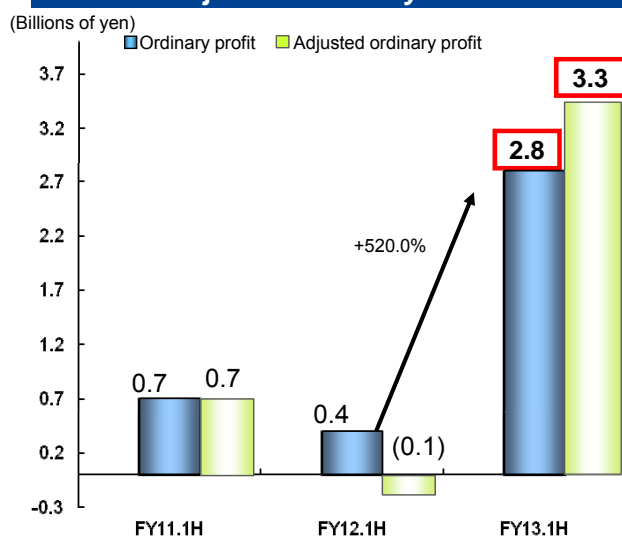
# Operating Performance: Sony Assurance (1)

## Net Premiums Written and Number of Policies in Force



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

## Ordinary Profit and Adjusted Ordinary Profit



\*Adjusted ordinary profit = Ordinary profit - Provision (Reversal) for catastrophe reserve, net

(Reference) Provision (Reversal) for catastrophe reserve, net

|   | FY11.1H | FY12.1H | FY13.1H |
|---|---------|---------|---------|
| Provision (Reversal) for catastrophe reserve, net | +0.0    | +0.6    | (0.4)   |

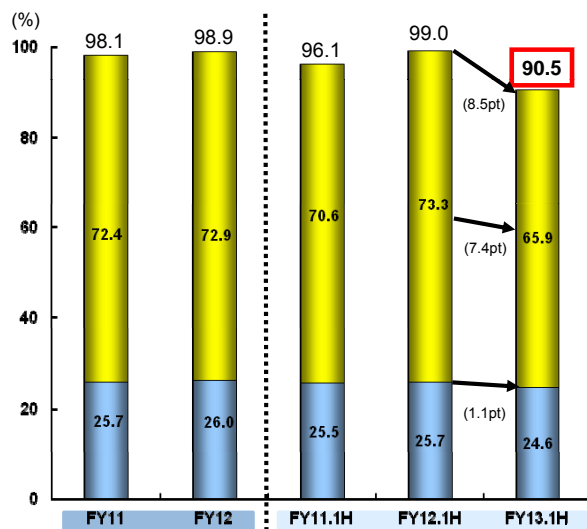
\*Provision for catastrophe reserve is described as negative amount.

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

## Operating Performance: Sony Assurance (2)

### Earned/Incurred Loss Ratio + Net Expense Ratio

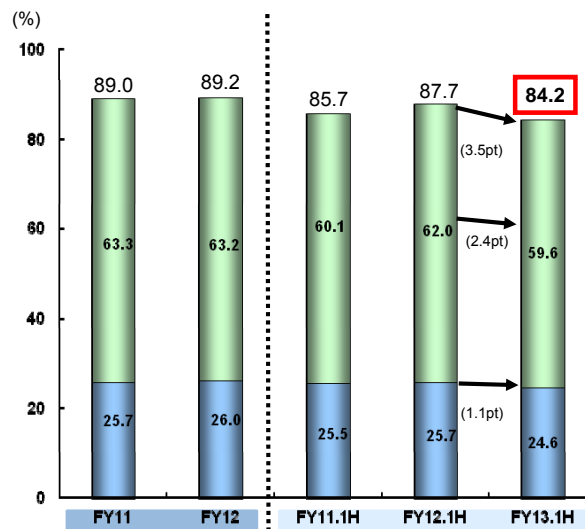
■ Earned/Incurred loss ratio ■ Net expense ratio



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

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

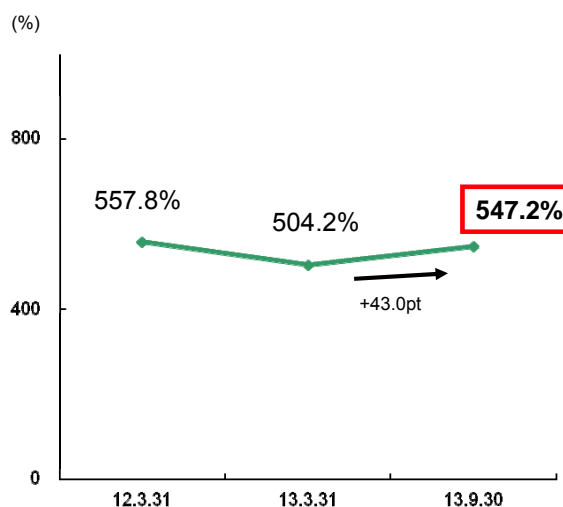
■ Net loss ratio ■ Net expense ratio



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

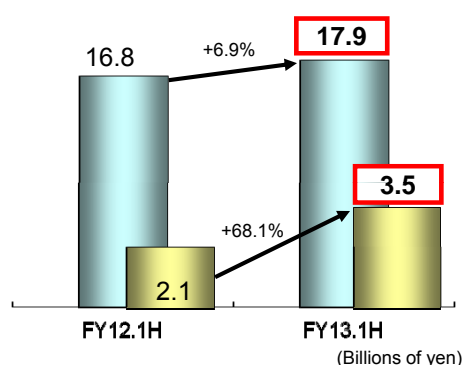
## Operating Performance: Sony Assurance (3)

### Non-consolidated solvency Margin Ratio



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

■ Consolidated ordinary revenues  
■ Consolidated ordinary profit



## <Consolidated>

◆ Ordinary profit increased year on year due to higher gains on foreign exchange transactions stemming from customers' active foreign currency trading and a rise in interest income on loans led by the growing balance of mortgage loans.

## <Non-consolidated>

◆ Both gross operating profit and net operating profit increased year on year.  
-Net interest income increased owing to a rise in interest income on loans led by a growing balance of mortgage loans, and a decrease in interest expenses.  
-Net other operating income increased due mainly to an improvement in net gains on bond-dealing transactions, in addition to higher gains on foreign exchange transactions stemming from customers' active foreign currency trading.

## <Consolidated>

| (Billions of yen)              | FY12.1H | FY13.1H | Change |        |
|--------------------------------|---------|---------|--------|--------|
| Consolidated ordinary revenues | 16.8    | 17.9    | +1.1   | +6.9%  |
| Consolidated ordinary profit   | 2.1     | 3.5     | +1.4   | +68.1% |
| Consolidated net income        | 1.8     | 2.2     | +0.3   | +21.4% |

## <Non-consolidated>

| (Billions of yen)                   | FY12.1H | FY13.1H | Change |         |
|-------------------------------------|---------|---------|--------|---------|
| Ordinary revenues                   | 15.2    | 16.7    | +1.5   | +10.2%  |
| Gross operating profit              | 8.9     | 11.0    | +2.0   | +22.6%  |
| Net interest income                 | 8.3     | 9.9     | +1.5   | +18.5%  |
| Net fees and commissions            | 0.0     | (0.1)   | (0.1)  | —       |
| Net other operating income          | 0.5     | 1.2     | +0.6   | +117.7% |
| General and administrative expenses | 6.9     | 7.2     | +0.3   | +4.4%   |
| Net operating profit                | 2.0     | 3.7     | +1.7   | +81.7%  |
| Ordinary profit                     | 1.9     | 3.6     | +1.7   | +89.6%  |
| Net income (loss)                   | (0.5)   | 2.3     | +2.8   | —       |

| (Billions of yen)                                      | 13.3.31 | 13.9.30 | Change from 13.3.31 |        |
|--|---------|---------|---------------------|--------|
| Total net assets                                       | 67.8    | 70.3    | +2.5                | +3.8%  |
| Net unrealized gains on other securities, net of taxes | 6.5     | 6.2     | (0.2)               | (4.0%) |
| Total assets   | 2,005.0 | 1,966.2 | (38.8)              | (1.9%) |

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

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

| (Billions of yen)   | 12.9.30 | 13.3.31 | 13.9.30             | Change from 13.3.31 |        |
|---|---------|---------|---------------------|---------------------|--------|
| Customer assets   | 1,921.5 | 1,974.3 | 1,930.7             | (43.6)              | (2.2%) |
| Deposits  | 1,819.3 | 1,857.4 | 1,813.0             | (44.3)              | (2.4%) |
| Yen   | 1,456.0 | 1,467.2 | 1,435.1             | (32.1)              | (2.2%) |
| Foreign currency  | 363.3   | 390.2   | 377.9               | (12.2)              | (3.1%) |
| Investment trusts   | 102.1   | 116.9   | 117.6               | +0.7                | +0.6%  |
| Loans outstanding   | 898.6   | 970.2   | 1,009.5             | +39.3               | +4.1%  |
| Mortgage loans  | 802.9   | 860.3   | 899.6               | +39.2               | +4.6%  |
| Others  | 95.6    | 109.8   | 109.9 <sup>*1</sup> | +0.0                | +0.1%  |
| Number of accounts (10 thousand)  | 91      | 92      | 94                  | +1                  |        |
| Non-performing assets Ratio (Based on Financial Reconstruction Law) <sup>*2</sup> | 0.44%   | 0.41%   | 0.39%               | (0.02pt)            |        |
| Capital adequacy ratio (domestic criteria) <sup>*3</sup>                          | 11.18%  | 11.98%  | 11.99%              | +0.01pt             |        |
| Tier 1 ratio  | 9.30%   | 8.85%   | 9.14%               | +0.29pt             |        |

## <Reasons for changes>

◆ Yen deposit balance decreased owing to lower interest rates offered by Sony Bank than investment return of other financial products.

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

◆ Loan balance increased due an increase in the balance of mortgage loans

◆ Non-performing assets ratio was kept at an extremely low level.

<sup>\*1</sup> Loans in others include corporate loans of ¥103.8 billion.

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

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

Line item amounts are truncated below ¥100 million; numbers of accounts are truncated below 10 thousands accounts; percentage change figures are rounded.

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

## <Reference> On Managerial Accounting Basis

| (Billions of yen)                                       | FY12.1H | FY13.1H     | Change |        |
|---|---------|-------------|--------|--------|
| <b>Gross operating profit</b>                           | 8.9     | <b>10.9</b> | +2.0   | +22.7% |
| Net interest income <sup>*1</sup> ①                     | 8.5     | <b>9.1</b>  | +0.5   | +6.8%  |
| Net fees and commissions <sup>*2</sup> ②                | 0.2     | <b>0.4</b>  | +0.2   | +81.2% |
| Net other operating income <sup>*3</sup>                | 0.1     | <b>1.3</b>  | +1.2   | —      |
| <b>Gross operating profit (core profit)<br/>(A)=①+②</b> | 8.8     | <b>9.6</b>  | +0.8   | +9.1%  |
| <b>Operating expenses and other expenses ③</b>          | 6.8     | <b>7.2</b>  | +0.3   | +4.8%  |
| <b>Net operating profit (core profit)<br/>=(A)-③</b>    | 1.9     | <b>2.4</b>  | +0.4   | +24.2% |

### ■ Managerial accounting basis

The following adjustments are made to the figures on a financial accounting basis to account for profits and losses more appropriately.

\*1: Net interest income: Includes profits and losses associated with fund investment recorded in net other operating income, including gains or losses from currency swap transactions.

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

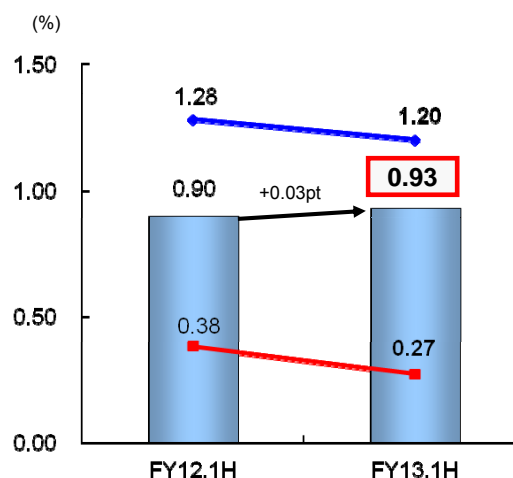
\*3: Net other operating income: After the above adjustments (\*1 and \*2), consists of profits and losses for bond and derivative dealing transactions.

### ■ Core profit

Profits and losses exclude net other operating income, which includes those on bond and derivative dealing transactions, and stands for Sony Bank's basic profits.

## <Reference> Interest Spread (Managerial Accounting Basis)

◆ Yield on investment ■ Yield on financing  
■ Interest spread



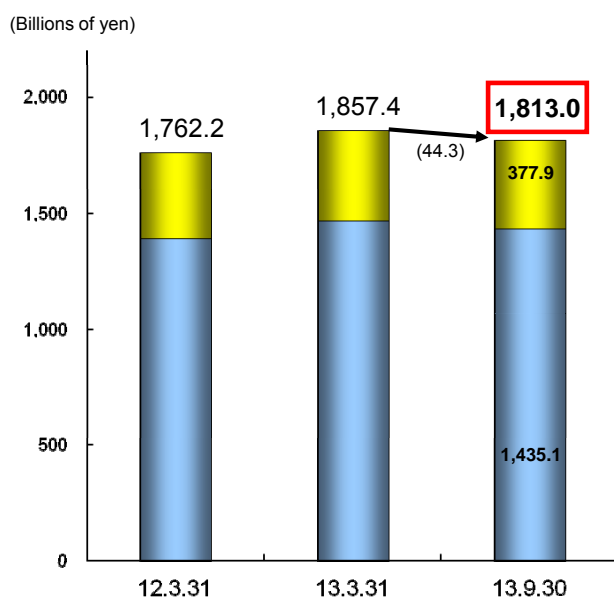
Note: Interest spread=(Yield on investment)-(Yield on financing)

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

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

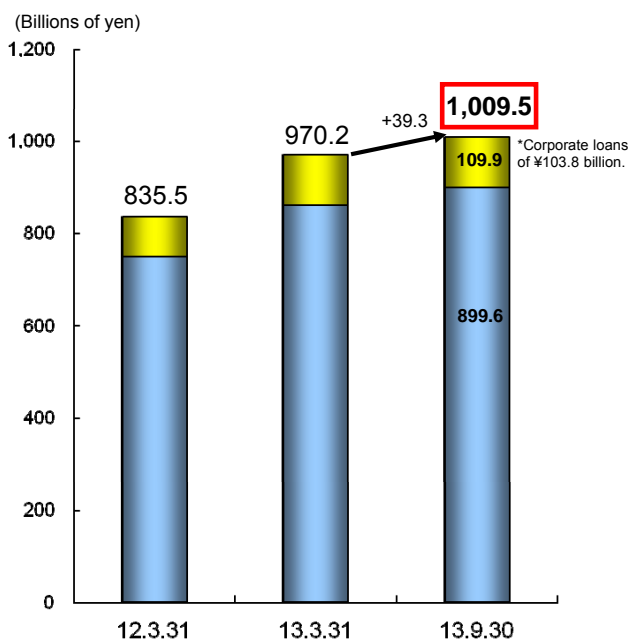
## Deposits

■ Yen deposits ■ Foreign currency deposits



## Loans

■ Mortgage loans ■ Others



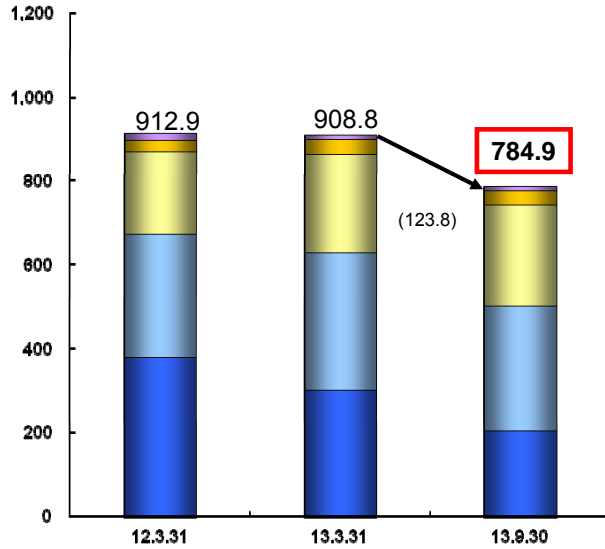
Line item amounts are truncated below ¥100 million.

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

## Balance of Securities by Credit Rating

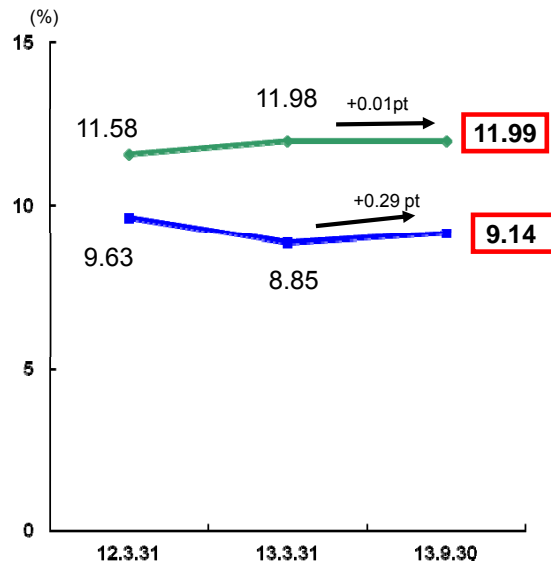
■ AAA ■ AA ■ A  
■ BBB ■ Others

(Billions of yen)



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

◆ Capital adequacy ratio ■ Tier1 ratio



\*Calculated based on the standard FSA Notification No. 19 (2006), which establishes standards based on Article 14-2 of the Banking Act of Japan for determining the capital adequacy of a bank in light of the assets held by the bank.

Amounts are truncated below ¥100 million.

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

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

**SFH's forecast of consolidated financial results for FY2013 is unchanged from the forecast announced on May 9, 2013, while forecasts of the non-life insurance and banking businesses are revised upward.**

| (Billions of yen)                     | FY2012<br>(Actual) | FY2013<br>(Forecast) | Change        |
|---------------------------------------|--------------------|----------------------|---------------|
| <b>Consolidated ordinary revenues</b> | 1,259.0            | 1,222.0              | (2.9%)        |
| Life insurance business               | 1,142.3            | 1,099.9              | (3.7%)        |
| Non-life insurance business           | 84.7               | 88.5⇒89.5            | +4.5%⇒+5.7%   |
| Banking business                      | 34.3               | 34.0⇒34.9            | (0.9%)⇒+1.7%  |
| <b>Consolidated ordinary profit</b>   | 79.2               | 69.0                 | (12.9%)       |
| Life insurance business               | 72.7               | 61.4                 | (15.5%)       |
| Non-life insurance business           | 2.3                | 3.0⇒3.8              | +30.4%⇒+60.2% |
| Banking business                      | 3.9                | 4.3⇒5.2              | +10.3%⇒+31.5% |
| <b>Consolidated net income</b>        | 45.0               | 37.0                 | (17.9%)       |

### ■ Life insurance business

The forecast of ordinary revenues and ordinary profit remains unchanged because the actual results for the first half of the fiscal year were close to the amounts we had expected.

### ■ Non-life insurance business

We have revised our forecast for ordinary revenues for the full fiscal year because the net premiums written in its mainstay automobile insurance during the first half were higher than we had expected, and we expect this trend will continue in the second half. We have also revised ordinary profit for the full fiscal year because the loss ratio for the first half was significantly lower than we had expected, in addition to the increase in ordinary revenues.

### ■ Banking business

We have revised our forecast for ordinary revenues for the full fiscal year because of higher-than expected income from gains related to foreign exchange transactions during the first half. We have also revised our forecast for ordinary profit for the full fiscal year because of better-than-expected first-half performance due to an improvement in net gains on bond-dealing transactions.

As for Sony Life's calculation policy of the reserve for price fluctuations, Sony Life accumulate reserve in excess of a required level in line with its policy in this fiscal year ending March 31, 2014. However, Sony Life will change its policy to accumulate reserve up to a required level from the next fiscal year ending March 31, 2015.

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

## Sony Life's MCEV and Risk Amount Based on Economic Value as of September 30, 2013

### Sony Life's MCEV as of September 30, 2013

| (Billions of yen)          | 13.3.31 | 13.6.30 | <b>13.9.30</b> | Change from<br>13.3.31 | Change from<br>13.6.30 |
|----------------------------|---------|---------|----------------|------------------------|------------------------|
| <b>MCEV</b>                | 1,064.7 | 1,149.9 | <b>1,158.2</b> | +93.5                  | +8.2                   |
| Adjusted net worth         | 770.8   | 572.5   | <b>682.1</b>   | (88.7)                 | +109.6                 |
| Value of existing business | 293.9   | 577.4   | <b>476.1</b>   | +182.2                 | (101.3)                |

Notes:

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

| (Billions of yen)   | 13.3.31   | 13.6.30  | <b>13.9.30</b>  |
|---------------------|-----------|----------|-----------------|
| New business value  | 41.6(12M) | 17.1(3M) | <b>29.7(6M)</b> |
| New business margin | 3.5%      | 6.5%     | <b>6.3%</b>     |

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

- ◆ **MCEV as of September 30, 2013 increased ¥8.2 billion due mainly to a steady acquisition of new policies despite lower interest rates in the ultra-long term than as of June 30, 2013.**
- ◆ **New business margin as of September 30, 2013 was up from March 31, 2013, due mainly to higher interest rates in the ultra-long term and the revision of Sony Life's insurance premium rates on some of its products from April 2013 onward. New business margin was down from June 30, 2013 due mainly to lower interest rates in the ultra-long term.**

\*Please see page 43 for trend on JGB yields.

\* Please keep in mind that the validity of these calculations has not been verified by outside specialists.

# Sony Life's Risk Amount Based on Economic Value as of September 30, 2013

| (Billions of yen)                       | 13.3.31 | 13.6.30 | 13.9.30 |
|---|---------|---------|---------|
| Insurance risk                          | 605.6   | 597.2   | 610.4   |
| Market-related risk                     | 289.9   | 234.5   | 260.1   |
| <i>Of which, interest rate risk*</i>    | 234.2   | 175.4   | 201.0   |
| Operational risk                        | 26.0    | 25.0    | 25.2    |
| Counter party risk                      | 2.3     | 1.7     | 1.5     |
| Variance effect                         | (262.5) | (241.3) | (253.7) |
| The risk amount based on economic value | 661.3   | 617.0   | 643.5   |
| (Billions of yen)                       | 13.3.31 | 13.6.30 | 13.9.30 |
| MCEV                                    | 1,064.7 | 1,149.9 | 1,158.2 |

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

## ◆ Maintained capital adequacy by controlling market-related risk.

### Notes

1. The risk amount based on economic value refers to the total amount of Sony Life's risks, comprehensively examined and including insurance risk and market-related risk.
2. The solvency risk capital on an economic value basis is calibrated at VaR (99.5) over one year and based on the internal model, which is a similar but modified model based on the EU Solvency II (QIS5) standard method.

**\* Please keep in mind that the validity of these calculations has not been verified by outside specialists.**

## Appendix

## Recent Topics 1

### AEGON Sony Life Insurance

Launch of sales: December 1, 2009

Common stock: ¥22 billion (including capital surplus of ¥11 billion)

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

Marketing products: Individual Variable Annuities

Sales Channels: Lifeplanner sales employees and partner Banks (13\*) \*As of Nov. 15, 2013



### SA Reinsurance Ltd.

Established: October 29, 2009

Common stock: ¥8 billion

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

Business: Reinsurance business

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

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

■ Sony Life accounts for 25% of the balance of mortgage loans as of September 30, 2013

Sony Life accounts for 20% of the amount of new mortgage loans for FY13.1H

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



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

■ Sony Life accounts for approx. 5% of new automobile policies for FY13.1H

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



"Lifeplanner" is a registered trademark of Sony Life Insurance Co., Ltd.

## Recent Topics 2

### <Highlight for FY2013.1H>

- 2013-7-25 SA Reinsurance increased its capital to ¥8 billion from ¥5 billion\*
- 2013-8-1 Sony Assurance enhanced special benefit service for its policyholders with renewal contract.
- 2013-8-12 SFH announced the revision of dividend forecast for the year ending March 31, 2014.
- 2013-8-30 AEGON Sony Life Insurance increased its capital to ¥22 billion from ¥20 billion\* (including capital surplus)
- 2013-10-28 Sony Bank launched new service: automatic saving plans for foreign currency deposits.
- 2013-10-31 Sony Bank closed its representative office in Sydney.
- 2013-11-11 Sony Financial Group entered nursing care business.  
—Acquired Senior Enterprise Corporation as a wholly owned subsidiary of SFH—
- 2013-11-15 Sony Life starts selling a new educational endowment insurance (non-participating type) from Jan. 2, 2014.

\*AEGON Sony Life Insurance and SA Reinsurance are equity method companies, 50-50 joint ventures established by Sony Life and AEGON Group.  
Half of the above mentioned capital increases was executed by Sony Life.

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

## Fair Value Information on Securities

### Fair Value Information on Securities

| (Billions of yen)                       | 12.3.31         |            |                               | 13.3.31         |            |                               | 13.9.30         |            |                               |
|---|-----------------|------------|-------------------------------|-----------------|------------|-------------------------------|-----------------|------------|-------------------------------|
|   | Carrying amount | Fair value | Net unrealized gains (losses) | Carrying amount | Fair value | Net unrealized gains (losses) | Carrying amount | Fair value | Net unrealized gains (losses) |
| Held-to-maturity securities             | 3,404.8         | 3,560.6    | 155.8                         | 3,874.2         | 4,425.9    | 551.7                         | 4,129.0         | 4,548.0    | 419.0                         |
| Available-for-sale securities           | 895.1           | 956.1      | 60.9                          | 955.9           | 1,079.2    | 123.2                         | 1,009.0         | 1,119.6    | 110.5                         |
| Japanese government and corporate bonds | 849.1           | 902.6      | 53.4                          | 925.3           | 1,036.9    | 111.6                         | 974.9           | 1,072.4    | 97.4                          |
| Japanese stocks                         | 29.1            | 34.9       | 5.8                           | 14.7            | 20.9       | 6.2                           | 16.2            | 24.9       | 8.7                           |
| Foreign securities                      | 15.3            | 16.7       | 1.3                           | 14.4            | 18.6       | 4.2                           | 16.3            | 19.7       | 3.4                           |
| Other securities                        | 1.4             | 1.7        | 0.2                           | 1.4             | 2.6        | 1.1                           | 1.4             | 2.4        | 0.9                           |
| Total                                   | 4,299.9         | 4,516.8    | 216.8                         | 4,830.2         | 5,505.2    | 675.0                         | 5,138.0         | 5,667.7    | 529.6                         |

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

| 12.3.31              |   | 13.3.31              |   | 13.9.30              |   |
|----------------------|---|----------------------|---|----------------------|---|
| 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 |
| —                    | —   | —                    | —   | —                    | —   |

Notes: 1) Line item amounts are truncated below ¥100 million. 2) Amounts above include those categorized as "monetary trusts."

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

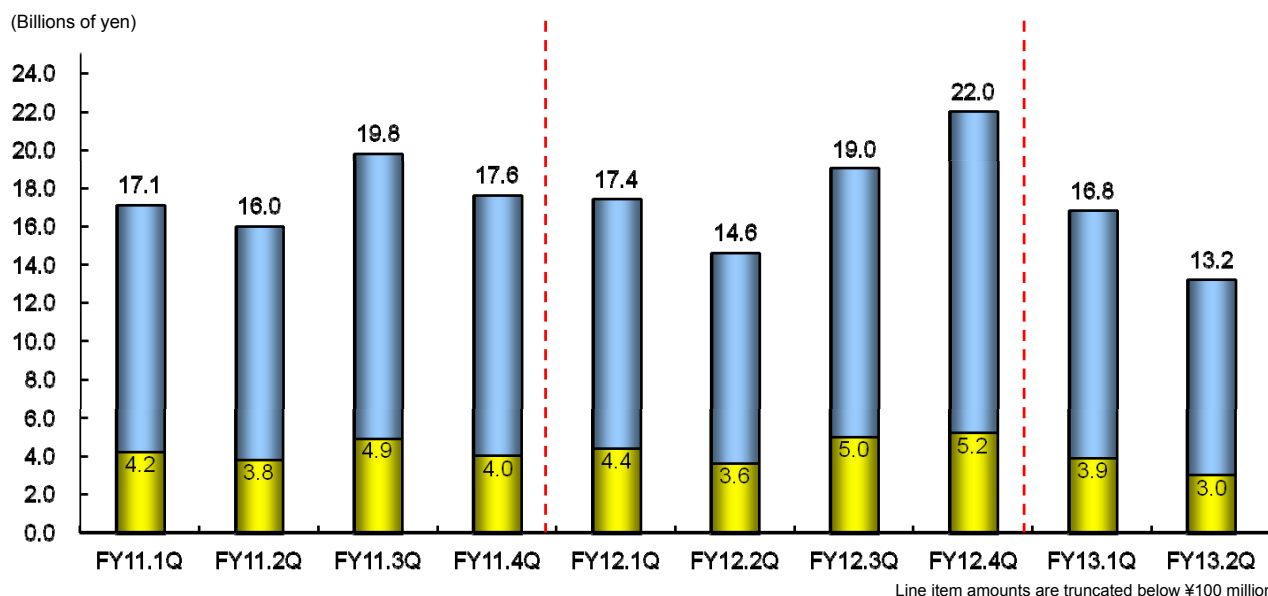
| (Millions of yen)                       | FY12.1H | FY13.1H | Change  |
|---|---------|---------|---------|
| Cash and deposits                       | 0       | 0       | (52.8%) |
| Japanese government and corporate bonds | 42,353  | 47,874  | +13.0%  |
| Japanese stocks                         | 295     | 198     | (32.9%) |
| Foreign securities                      | 1,255   | 2,868   | +128.5% |
| Other securities                        | 143     | 47      | (67.2%) |
| Loans                                   | 2,705   | 2,820   | +4.2%   |
| Real estate                             | 5,431   | 5,145   | (5.3%)  |
| Others                                  | 14      | 17      | +20.5%  |
| Total                                   | 52,199  | 58,971  | +13.0%  |

Line item amounts are truncated below ¥1 million

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

## Quarterly trend on Annualized Premiums from New Policies

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



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

### ■ Market-related Risk

|   | Sony Life   | (Reference) EU Solvency II (QIS5)  |
|---|---|--|
| Interest rate risk<br>Fluctuations in net asset value based on economic value in response to the shocks in the right columns.<br>The same applies below | -For each currency, uses whatever interest rate increase or decrease generates the largest loss<br>- Percentage increases or decreases differ for each currency and term (example: yen 10-year, 49% decrease)<br>However, a minimum decrease of 1% with minimum interest rate of 0% | -For each currency, uses whatever interest rate increase or decrease generates the largest loss<br>-Percentage increases or decreases differ for each currency and term (example, yen 10-year, 31% decrease)<br>However, a minimum decrease of 1% with minimum interest rate of 0% |
| Equity risk   | -Listed equities and REIT 45% decline<br>-Unlisted equities 55%<br>-Other securities 70%<br>-Subsidiaries, affiliated companies and strategic investment 100%   | -Global 30%<br>-Others 40% (Note 2)  |
| Real estate risk  | Actual real estate 25%  | Same as on the left  |
| Credit risk   | Credit risk = (market value) x (risk coefficient for each credit rating) x adjusted duration<br>Note that adjusted durations have caps and floors, depending on credit ratings.<br>(Example)<br>Rating A: Risk coefficient (1.4%), cap (23), floor (1)                              | Same as on the left  |
| Currency risk   | 30% downside fluctuation  | 25% downside fluctuation   |

#### Notes

- Principal items as of September 30, 2013. Market-related risk quantification follows the QIS5 approach in principle. However, Sony Life modified it to make it more suitable to Japanese market by adapting the past and latest data of the market which is different from the method prescribed in QIS5.
- Standard risk coefficients are global: 39%/other: 49%. Symmetric adjustment (an adjustment of  $\pm 10\%$  of the average value of the stock price index during a defined period in the past) is applied; as of the QIS5 trial introduction (December 31, 2009), these were 30%/40%.

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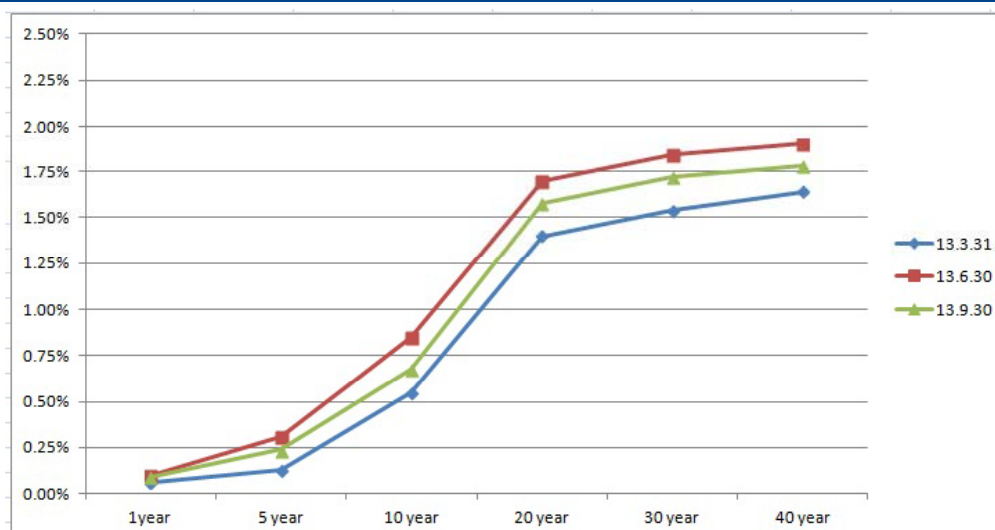
# Method of Measuring Risk Amount Based on Economic Value (2)

## ■ Insurance Risk

|                 | Sony Life  | (Reference) EU Solvency II (QIS5)   |
|-----------------|--|---|
| Mortality risk  | Mortality rate increases by 15% for each year elapsed  | Same as on the left   |
| Longevity risk  | Mortality rate decreases by 20% for each year elapsed  | Same as on the left   |
| Lapse risk      | The largest amount of these*;<br>-Lapse rate increases by 50% for each year elapsed<br>-Lapse rate decreases by 50% for each year elapsed<br>-30% of policies on which surrender value is in excess of best estimate liability are immediately surrendered | The largest amount of these;<br>-Increase by 50% in the assumed rates of lapsation for Life module, 20% for Health module<br>-Decrease by 50% in the assumed rates of lapsation for Life module, 20% for Health module<br>-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<br>Rate of inflation rises by 1%  | Same as on the left   |
| Disability risk | Rate of occurrence increases by 35% in the first fiscal year, rising by 25% for each year thereafter   | Rate of occurrence increases by 35% in the first fiscal year, rising by 25% for each year thereafter. Recovery rate decreases by 20%.   |

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

## Appendix : JGB Yields



| JGB yields | 13.3.31 | 13.6.30 | 13.9.30 | 13.3.31<br>→ 13.9.30 | 13.6.30<br>→ 13.9.30 |
|------------|---------|---------|---------|----------------------|----------------------|
| 1year      | 0.06%   | 0.10%   | 0.09%   | 0.03%                | (0.01%)              |
| 5 year     | 0.13%   | 0.31%   | 0.24%   | 0.11%                | (0.07%)              |
| 10 year    | 0.55%   | 0.85%   | 0.68%   | 0.14%                | (0.16%)              |
| 20 year    | 1.40%   | 1.70%   | 1.58%   | 0.18%                | (0.13%)              |
| 30 year    | 1.54%   | 1.84%   | 1.72%   | 0.17%                | (0.13%)              |
| 40 year    | 1.64%   | 1.90%   | 1.78%   | 0.15%                | (0.12%)              |



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