

**Consolidated Financial Summary (Japanese GAAP)  
for the Nine Months Ended December 31, 2013**

February 14, 2014

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  
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(Fractional amounts of less than ¥1 million are discarded.)

**1. Consolidated financial results for the nine months ended December 31, 2013**

**(1) Operating results**

	Ordinary Revenues		Ordinary Profit		Net Income	
	Millions of yen	% change	Millions of yen	% change	Millions of yen	% change
For the nine months ended December 31, 2013	1,047,365	20.2	61,569	11.0	35,337	7.8
For the nine months ended December 31, 2012	871,505	10.8	55,492	3.0	32,781	44.5

Note: Comprehensive Income: For the nine months ended December 31, 2013: ¥32,321 million: (31.0)%  
For the nine months ended December 31, 2012: ¥46,867 million: 14.4%

	Net Income per Share	Net Income per Share (Fully Diluted)
	Yen	Yen
For the nine months ended December 31, 2013	81.24	—
For the nine months ended December 31, 2012	75.36	—

**(2) Financial conditions**

	Total Assets	Total Net Assets	Net Asset Ratio
	Millions of yen	Millions of yen	%
As of December 31, 2013	8,682,664	456,891	5.2
As of March 31, 2013	8,096,164	435,444	5.4

Note: Shareholders' equity: As of December 31, 2013: ¥455,579 million  
As of March 31, 2013: ¥434,105 million

**2. Dividends**

Record date	Dividend per Share				
	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	1,304,000	3.6	75,000	(5.4)	40,000	(11.2)	91.95

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) Application of special accounting methods for preparing quarterly consolidated financial statements: None

(3) 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.

(4) Number of shares outstanding (common stock)

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

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

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

(b) Number of treasury shares

As of December 31, 2013: 1 share

As of March 31, 2013: — shares

(c) Weighted-average number of shares

For the nine months ended December 31, 2013: 434,999,999 shares

For the nine months ended December 31, 2012: 435,000,000 shares

Status of quarterly review procedures

Quarterly review procedures are completed by PricewaterhouseCoopers Aarata in accordance with Article 193-2-1 of the Financial Instruments and Exchange Law of Japan. However, quarterly consolidated financial statements in this document are not subject to such quarterly review procedures.

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\* The Conference Call for explaining the Sony Financial Group financial results will be held at 16:00 (Tokyo), February 14, 2014.

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 February 14, 2014 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 February 14, 2014, 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 nine months ended December 31, 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 nine months ended December 31, 2013 (April 1, 2013 to December 31, 2013), **consolidated ordinary revenues** increased 20.2% compared with the same period of the previous fiscal year, to ¥1,047.3 billion, owing to increases in ordinary revenues from all businesses: life insurance, non-life insurance and banking. **Consolidated ordinary profit** increased 11.0% year on year, to ¥61.5 billion, owing also to increases in ordinary profits from all the businesses.

After accounting for extraordinary losses, provision for reserve for policyholders' dividends, income taxes and other items, **consolidated net income** for the nine months ended December 31, 2013, was up 7.8% year on year, to ¥35.3 billion.

#### Segment Information by Business

Figures from each business do not reflect intersegment adjustments.

##### < Life insurance business >

Income from insurance premiums increased 12.4% compared with the same period of the previous fiscal year, to ¥738.7 billion, due to an increase in the sale of lump-sum payment endowment insurance and steady growth in policy amount in force. Investment income increased 74.6% year on year, to ¥194.8 billion due to higher gains on separate accounts, net resulting from the market recovery. As a result, ordinary revenues increased 21.7% year on year, to ¥954.8 billion. Ordinary profit expanded 2.9% year on year, to ¥53.3 billion, owing to an increase in the positive spread and a reversal of policy reserves for minimum guarantees for variable life insurance, despite 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 >

Net premiums written increased 5.6% compared with the same period of the previous fiscal year, to ¥66.5 billion, due to an increase in the number of insurance policies in force for its mainstay automobile insurance. Consequently, ordinary revenues rose 5.7% year on year, to ¥67.4 billion. Ordinary profit increased 164.8% year on year, to ¥2.7 billion, due to a decline in the loss ratio mainly led by the revision of premium rates for automobile insurance and a lower car accident ratio owing to the introduction of a new bonus-malus system (non-fleet driver rating system), in addition to a decline in the expense ratio.

##### < Banking business >

Ordinary revenues increased 7.5% year on year, to ¥27.0 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 110.0% year on year, to ¥5.2 billion, due mainly to an improvement in net gains on bond-dealing transactions, and a decrease in interest expenses.

#### Ordinary Revenues

	For the nine months ended December 31, 2012	For the nine months ended December 31, 2013	(Millions of yen) Change (%)
Life insurance business	784,377	954,841	21.7
Non-life insurance business	63,823	67,481	5.7
Banking business	25,149	27,033	7.5
Subtotal	873,350	1,049,355	20.2
Intersegment adjustments	(1,844)	(1,989)	—
Consolidated	871,505	1,047,365	20.2

## Ordinary Profit

(Millions of yen)

	For the nine months ended December 31, 2012	For the nine months ended December 31, 2013	Change (%)
Life insurance business	51,789	53,310	2.9
Non-life insurance business	1,053	2,791	164.8
Banking business	2,507	5,266	110.0
Subtotal	55,351	61,367	10.9
Intersegment adjustments*	141	201	42.6
Consolidated	55,492	61,569	11.0

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

## 2. Qualitative Information on Consolidated Financial Position

As of December 31, 2013, **total assets** amounted to ¥8,682.6 billion, up 7.2% from March 31, 2013. Among major components of assets, securities, mostly Japanese government bonds, amounted to ¥6,669.9 billion, up 7.5% from March 31, 2013. Loans came to ¥1,176.0 billion, up 5.4%, and monetary trusts amounted to ¥322.0 billion, down 0.7% from March 31, 2013.

**Total liabilities** were ¥8,225.7 billion, up 7.4% from March 31, 2013. Major components of liabilities included policy reserves of ¥6,145.5 billion, up 9.7%, and deposits, amounting to ¥1,857.4 billion, remained at the same levels as of March 31, 2013.

**Total net assets** were ¥456.8 billion, up 4.9% from March 31, 2013. This included net unrealized gains on other securities, net of taxes, which decreased ¥3.6 billion, to ¥84.6 billion.

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

On February 6, 2014, we have revised upward our consolidated financial forecast for ordinary revenues, ordinary profit and net income for the fiscal year ending March 31, 2014 (April 1, 2013, to March 31, 2014), from the forecast announced on May 9, 2013. This is because the operating results for the nine months ended December 31, 2013, exceeded our previous estimates in all the businesses.

(Billions of yen)

	(Actual) Fiscal year ended March 31, 2013 (April 1, 2012, to March 31, 2013)	(Forecast) Fiscal year ending March 31, 2014 (April 1, 2013, to March 31, 2014)
Ordinary revenues	1,259.0	1,304.0
Ordinary profit	79.2	75.0
Net income	45.0	40.0
Net income per share (Yen)	103.60	91

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 fiscal 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.

Forecast of the life insurance business are revised upward from the forecast announced on May 20, 2013.

Forecasts of the non-life insurance and banking businesses were revised upward on November 15, 2013, reflecting favorable operating results during the first half of this fiscal year.

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

<Life insurance business>

We have revised our full-year forecast for ordinary revenues and ordinary profit from our previous forecast announced in May 2013 because operating results for the nine months ended December 31, 2013 exceeded our previous estimates, resulting mainly from the market recovery. Since financial conditions are uncertain after January 2014, our updated forecast reflects financial conditions as of the end of January 2014.

(Billions of yen)

	(Reference) Actual results for the fiscal year ended March 31, 2013	Formerly announced forecast for the fiscal year ending March 31, 2014	<b>Updated forecast for the fiscal year ending March 31, 2014</b>
Ordinary revenues	1,142.3	1,099.9	<b>1,179.8</b>
Ordinary profit	72.7	61.4	<b>65.7</b>

<Non-life insurance business>

The forecast for ordinary revenues remains unchanged from the forecast announced in November 2013 because we expect net premiums written in automobile insurance to continue to increase steadily. The forecast for ordinary profit remains unchanged because we expect a stably low loss ratio in the fourth quarter despite a temporary rise in the loss ratio reflecting a surge in provision of reserve for outstanding losses in this third quarter.

(Billions of yen)

	(Reference) Actual results for the fiscal year ended March 31, 2013	<b>Forecast for the fiscal year ending March 31, 2014</b>
Ordinary revenues	84.7	<b>89.5</b>
Ordinary profit	2.3	<b>3.8</b>

<Banking business>

The forecast for ordinary revenues remains unchanged from the forecast announced in November 2013 because ordinary revenues are expected to increase 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. The forecast for ordinary profit remains unchanged despite an increase in net interest income because we expect to record a temporary loss related bond transactions in the fourth quarter.

(Billions of yen)

	(Reference) Actual results for the fiscal year ended March 31, 2013	<b>Forecast for the fiscal year ending March 31, 2014</b>
Ordinary revenues	34.3	<b>34.9</b>
Ordinary profit	3.9	<b>5.2</b>

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

## **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 nine 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 nine 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 December 31, 2013
<b>Assets</b>		
Cash and due from banks	¥104,142	¥174,388
Call loans and bills bought	107,088	71,246
Monetary trusts	324,305	322,046
Securities	6,202,333	6,669,922
Loans	1,115,330	1,176,018
Tangible fixed assets	73,217	71,382
Intangible fixed assets	38,232	36,730
Goodwill	258	199
Others	37,974	36,531
Due from reinsurers	110	337
Foreign exchanges	7,954	11,795
Other assets	107,345	129,366
Deferred tax assets	17,980	21,277
Reserve for possible loan losses	(1,877)	(1,847)
<b>Total Assets</b>	<b>¥8,096,164</b>	<b>¥8,682,664</b>



(Millions of yen)

	As of March 31, 2013	As of December 31, 2013
<b>Liabilities</b>		
Policy reserves and others	¥5,601,060	¥6,145,549
Reserve for outstanding claims	53,246	55,802
Policy reserves	5,543,540	6,085,667
Reserve for policyholders' dividends	4,273	4,078
Due to agencies	2,431	1,696
Due to reinsurers	600	502
Deposits	1,857,302	1,857,430
Call money and bills sold	10,000	6,000
Borrowed money	2,000	20,000
Foreign exchanges	87	67
Bonds payable	20,000	20,000
Other liabilities	106,365	106,673
Reserve for employees' bonuses	3,085	1,763
Reserve for employees' retirement benefits	24,216	26,328
Reserve for directors' retirement benefits	411	230
Special reserves	32,344	38,909
Reserve for price fluctuations	32,344	38,909
Deferred tax liabilities	275	85
Deferred tax liabilities on land revaluation	536	536
<b>Total Liabilities</b>	<b>7,660,719</b>	<b>8,225,772</b>
<b>Net Assets</b>		
Common stock	19,900	19,900
Capital surplus	195,277	195,277
Retained earnings	135,160	159,622
Treasury stock	—	(0)
Total shareholders' equity	350,337	374,799
Net unrealized gains on other securities, net of taxes	88,329	84,696
Net deferred losses on hedging instruments, net of taxes	(3,047)	(2,403)
Land revaluation, net of taxes	(1,513)	(1,513)
Total accumulated other comprehensive income	83,767	80,779
Minority interests	1,339	1,312
<b>Total Net Assets</b>	<b>435,444</b>	<b>456,891</b>
<b>Total Liabilities and Net Assets</b>	<b>¥8,096,164</b>	<b>¥8,682,664</b>

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

(Millions of yen)

	For the nine months ended December 31, 2012	For the nine months ended December 31, 2013
Ordinary Revenues	¥871,505	¥1,047,365
Ordinary Revenues from the Life Insurance Business	782,667	953,001
Income from insurance premiums	656,715	737,931
Investment income	111,240	194,489
(Interest income and dividends)	80,092	89,859
(Income from monetary trusts, net)	3,934	3,987
(Gains on sale of securities)	2,458	674
(Gains on derivatives, net)	–	172
(Gains on separate accounts, net)	24,739	98,766
Other ordinary income	14,711	20,579
Ordinary Revenues from the Non-life Insurance Business	63,823	67,480
Underwriting income	63,011	66,569
(Net premiums written)	62,987	66,542
(Interest and dividends on deposits of premiums)	24	27
Investment income	743	891
(Interest income and dividends)	743	899
(Gains on sale of securities)	24	15
(Transfer to interest and dividends on deposits of premiums)	(24)	(27)
Other ordinary income	68	19
Ordinary Revenues from the Banking Business	25,015	26,884
Interest income	19,238	19,815
(Interest income on loans)	10,367	10,650
(Interest income and dividends on securities)	8,814	9,085
Fees and commissions	3,968	3,484
Other operating income	1,715	3,466
(Gains on foreign exchange transactions, net)	1,157	2,080
Other ordinary income	92	118

(Continued)

(Millions of yen)

	For the nine months ended December 31, 2012	For the nine months ended December 31, 2013
Ordinary Expenses	¥816,013	¥985,796
Ordinary Expenses from the Life Insurance Business	732,111	901,034
Insurance claims and other payments	215,554	251,408
(Insurance claims)	51,683	57,376
(Annuity payments)	6,704	7,285
(Insurance benefits)	37,398	45,805
(Surrender payments)	116,510	137,241
(Other payments)	1,833	2,302
Provision for policy reserves and others	409,557	536,364
Provision for policy reserves	409,547	536,359
Interest portion of reserve for policyholders' dividends	9	4
Investment expenses	9,317	5,818
(Interest expenses)	30	40
(Losses on sale of securities)	1,587	47
(Devaluation losses on securities)	327	–
(Losses on derivatives, net)	82	–
Operating expenses	79,934	85,197
Other ordinary expenses	17,748	22,246
Ordinary Expenses from the Non-life Insurance Business	62,304	64,201
Underwriting expenses	47,340	48,957
(Net losses paid)	35,041	35,040
(Loss adjustment expenses)	4,241	4,677
(Net commission and brokerage fees)	734	739
(Provision for reserve for outstanding losses)	3,594	2,732
(Provision for underwriting reserves)	3,727	5,767
Investment expenses	5	2
(Losses on sale of securities)	3	1
Operating, general and administrative expenses	14,943	15,241
Other ordinary expenses	14	–

(Continued)

(Millions of yen)

	For the nine months ended December 31, 2012	For the nine months ended December 31, 2013
Ordinary Expenses from the Banking Business	¥21,597	¥20,560
Interest expenses	6,138	4,681
(Interest expenses on deposits)	4,934	3,631
Fees and commissions	1,128	1,270
Other operating expenses	1,518	1,855
General and administrative expenses	12,631	12,581
Other ordinary expenses	181	171
Ordinary Profit	55,492	61,569
Extraordinary Losses	6,338	6,635
Losses on disposal of fixed assets	15	39
Impairment losses	82	11
Provision for special reserves	4,940	6,564
Provision for reserve for price fluctuations	4,940	6,564
Losses on sale of shares of subsidiaries and affiliates	1,299	–
Others	0	19
Provision for Reserve for Policyholders' Dividends	136	67
Income Before Income Taxes	49,017	54,867
Income Taxes	16,141	19,556
– Current	18,375	21,473
– Deferred	(2,233)	(1,917)
Income Before Minority Interests	32,875	35,310
Minority interests in income (losses)	94	(26)
Net Income	¥32,781	¥35,337

**(Consolidated Statements of Comprehensive Income)**

(Millions of yen)

	For the nine months ended December 31, 2012	For the nine months ended December 31, 2013
Income Before Minority Interests	¥32,875	¥35,310
Other comprehensive income		
Net unrealized gains (losses) on other securities, net of tax	14,090	(3,632)
Net deferred gains (losses) on hedging instruments, net of taxes	(552)	644
Foreign currency translation adjustments	453	–
Share of other comprehensive income of affiliates accounted for using equity method	(0)	0
Total other comprehensive income	13,991	(2,988)
Comprehensive income	¥46,867	¥32,321
(Details)		
Comprehensive income attributable to parent company	46,773	32,348
Comprehensive income attributable to minority interests	94	(26)

### 3. Segment Information

#### (1) Segment Information by reporting segment

For the nine months ended December 31, 2012

	Millions of yen			Total
	Life insurance business	Non-life insurance business	Banking business	
Ordinary revenues				
External customers	¥782,667	¥63,823	¥25,015	¥871,505
Intersegment	1,710	0	134	1,844
Total	784,377	63,823	25,149	873,350
Segment profit	¥51,789	¥1,053	¥2,507	¥55,351

For the nine months ended December 31, 2013

	Millions of yen			Total
	Life insurance business	Non-life insurance business	Banking business	
Ordinary revenues				
External customers	¥953,001	¥67,480	¥26,884	¥1,047,365
Intersegment	1,839	0	148	1,989
Total	954,841	67,481	27,033	1,049,355
Segment profit	¥53,310	¥2,791	¥5,266	¥61,367

#### (2) Reconciliations of the totals of reportable segments' profit to quarterly consolidated statement of income

	Millions of yen	
	For the nine months ended December 31, 2012	For the nine months ended December 31, 2013
Totals of reporting segments	¥55,351	¥61,367
Adjustments for intersegment transactions	5	5
Amount not allocated to reporting segments	136	195
Ordinary profit in statement of income	¥55,492	¥61,569

#### (3) Information on impairment loss on fixed assets and goodwill by reporting segment

None

### 4. 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 nine months ended December 31, 2013. (April 1, 2012 to December 31, 2013).

<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 February 6, 2014, Sony Corporation announced its consolidated financial results for the third quarter ended December 31, 2013 (October 1, 2013 to December 31, 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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Website of Sony Financial Holdings Inc.

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

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

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## Presentation Material

# Consolidated Financial Results for the Nine Months Ended December 31, 2013 and Sony Life's Market Consistent Embedded Value as of December 31, 2013

Sony Financial Holdings Inc.  
February 14, 2014

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## Content

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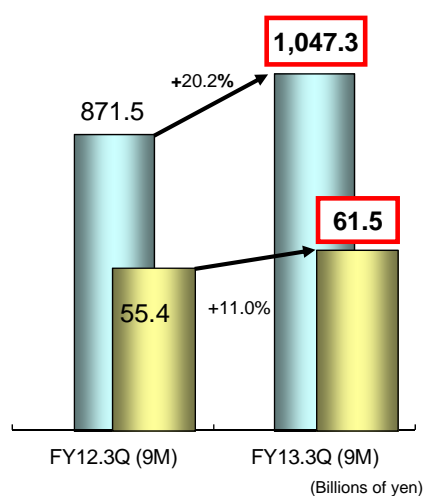
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## Consolidated Operating Results for the Nine Months Ended December 31, 2013

### Highlights of Consolidated Operating Performance for the Nine Months Ended December 31, 2013 (1)

- Consolidated ordinary revenues
- Consolidated ordinary profit



		FY12.3Q (9M)	FY13.3Q (9M)	Change	
(Billions of yen)					
Life insurance business	Ordinary revenues	784.3	<b>954.8</b>	+170.4	+21.7%
	Ordinary profit	51.7	<b>53.3</b>	+1.5	+2.9%
Non-life insurance business	Ordinary revenues	63.8	<b>67.4</b>	+3.6	+5.7%
	Ordinary profit	1.0	<b>2.7</b>	+1.7	+164.8%
Banking business	Ordinary revenues	25.1	<b>27.0</b>	+1.8	+7.5%
	Ordinary profit	2.5	<b>5.2</b>	+2.7	+110.0%
Intersegment adjustments*	Ordinary revenues	(1.8)	<b>(1.9)</b>	(0.1)	—
	Ordinary profit	0.1	<b>0.2</b>	+0.0	+42.6%
Consolidated	Ordinary revenues	871.5	<b>1,047.3</b>	+175.8	+20.2%
	Ordinary profit	55.4	<b>61.5</b>	+60.0	+11.0%
	Net income	32.7	<b>35.3</b>	+2.5	+7.8%
		13.3.31	<b>13.12.31</b>	Change from 13.3.31	
Consolidated	Total assets	8,096.1	<b>8,682.6</b>	+586.5	+7.2%
	Net assets	435.4	<b>456.8</b>	+21.4	+4.9%

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

\*Comprehensive income: FY12.3Q (9M): ¥46.8 billion, FY13.3Q (9M): ¥32.3 billion

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

# Highlights of Consolidated Operating Performance for the Nine Months Ended December 31, 2013 (2)



- Life Insurance Business: Ordinary revenues increased compared with the same period of the previous fiscal year mainly because an increase in income from insurance premiums due to an increase in the sale of lump-sum payment endowment insurance and steady growth in policy amount in force. An increase in the investment income due to higher gains on separate accounts, net resulting from the market recovery also contributed to the rise in ordinary revenues. Ordinary profit expanded year on year owing to an increase in the positive spread and a reversal of policy reserves for minimum guarantees for variable life insurance, despite 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 the revision of premium rates for automobile insurance and a lower car accident ratio owing to the introduction of a new bonus-malus system (non-fleet driver rating system), 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 due mainly to an improvement in net gains on bond-dealing transactions and a decrease in interest expenses.
- Consolidated ordinary revenues increased 20.2% compared with the same period of the previous fiscal year, to ¥1,047.3 billion, owing to increases in ordinary revenues from all businesses: life insurance, non-life insurance and banking. Consolidated ordinary profit increased 11.0% year on year, to ¥61.5 billion, owing also to increases in ordinary profits from all the businesses. Consolidated net income was up 7.8% year on year, to ¥35.3 billion.

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

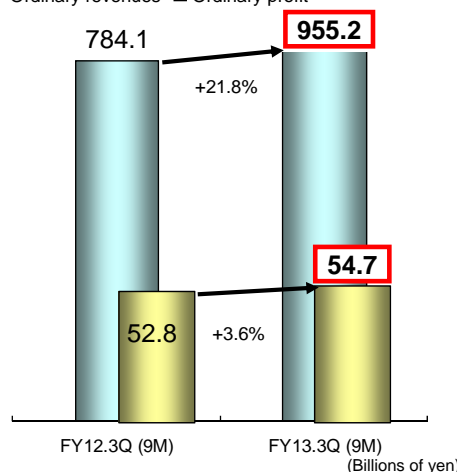
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## Highlights of Operating Performance Sony Life (Non-consolidated)



■ Ordinary revenues ■ Ordinary profit



- ◆ Ordinary revenues and ordinary profit increased year on year.
- ◆ Income from insurance premiums increased due to an increase in the sale of lump-sum payment endowment insurance and steady growth in policy amount in force.
- ◆ Investment income increased due mainly to higher gains on separate accounts, net resulting from the market recovery.
- ◆ Ordinary profit expanded year on year owing to an increase in the positive spread and a reversal of policy reserves for minimum guarantees for variable life insurance, despite 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)	FY12.3Q (9M)	FY13.3Q (9M)	Change	
<b>Ordinary revenues</b>	784.1	955.2	+171.0	+21.8%
Income from insurance premiums	657.3	738.7	+81.4	+12.4%
Investment income	111.4	194.8	+83.4	+74.9%
Interest income and dividends	80.3	90.2	+9.8	+12.3%
Income from monetary trusts, net	3.9	3.9	+0.0	+1.3%
Gains on sale of securities	2.3	0.6	(1.6)	(71.4%)
Gains on separate accounts, net	24.7	98.7	+74.0	+299.2%
<b>Ordinary expenses</b>	731.2	900.4	+169.1	+23.1%
Insurance claims and other payments	215.5	251.4	+35.8	+16.6%
Provision for policy reserves and others	409.5	536.3	+126.8	+31.0%
Investment expenses	9.4	6.0	(3.4)	(36.0%)
Losses on sale of securities	1.5	0.0	(1.5)	(97.0%)
Operating expenses	80.0	85.5	+5.4	+6.8%
<b>Ordinary expenses</b>	52.8	54.7	+1.8	+3.6%
<b>Net income</b>	31.1	31.5	+0.3	+1.3%

(Billions of yen)	13.3.31	13.12.31	Change from 13.3.31	
<b>Securities</b>	5,211.5	5,793.8	+582.3	+11.2%
<b>Policy reserves</b>	5,472.9	6,009.2	+536.3	+9.8%
<b>Total net assets</b>	342.3	358.8	+16.5	+4.8%
Net unrealized gains on other securities, net of taxes	80.2	76.4	(3.7)	(4.7%)
<b>Total assets</b>	5,952.7	6,507.3	+554.6	+9.3%
Separate account assets	550.6	651.0	+100.4	+18.2%

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

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# Overview of Performance Sony Life (Non-consolidated)



(Billions of yen)	FY12.3Q (9M)	FY13.3Q (9M)	Change
<b>New policy amount</b>	3,215.9	<b>3,003.1</b>	(6.6%)
<b>Lapse and surrender amount</b>	1,451.5	<b>1,327.5</b>	(8.5%)
<b>Lapse and surrender rate</b>	4.03%	<b>3.52%</b>	(0.51pt)
<b>Policy amount in force</b>	37,203.6	<b>38,863.7</b>	+4.5%
<b>Annualized premiums from new policies</b>	51.1	<b>48.7</b>	(4.8%)
Of which, third-sector products	13.1	<b>10.5</b>	(19.7%)
<b>Annualized premiums from insurance in force</b>	657.8	<b>690.8</b>	+5.0%
Of which, third-sector products	155.7	<b>166.3</b>	+6.8%

(Billions of yen)	FY12.3Q (9M)	FY13.3Q (9M)	Change
<b>Gains from investment, net (General account)</b>	77.1	<b>90.0</b>	+16.6%
<b>Core profit</b>	57.0	<b>56.6</b>	(0.6%)
<b>Positive spread</b>	1.1	<b>5.7</b>	+418.2%

	13.3.31	13.12.31	Change from 13.3.31
<b>Non-consolidated solvency margin ratio</b>	2,281.8%	<b>2,404.8%</b>	+123.0pt

## <Reasons for changes>

◆ Decreased due mainly to lower sales of family income insurance and interest rate-sensitive whole life insurance despite higher sale of lump-sum payment endowment insurance.

◆ Decreased mainly in term-life insurance.

◆ Decreased due to lower sales of educational endowment insurance and interest rate-sensitive whole life insurance despite higher sale of lump-sum payment endowment insurance. Of which, third-sector products, sale of lump-sum payment whole life nursing care insurance decreased.

◆ Almost unchanged because the negative impact from provision of policy reserves resulting from the revision of discount rate used for calculating policy reserves was offset by an increase in the positive spread and a reversal of reserves for minimum guarantees for variable life insurance.

### Notes:

1. Figures for new policy amount, lapse and surrender amount, lapse and surrender rate, policy amount in force, annualized premiums from new policies and annualized premiums from insurance in force are calculated as the total of individual life insurance and individual annuities.

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

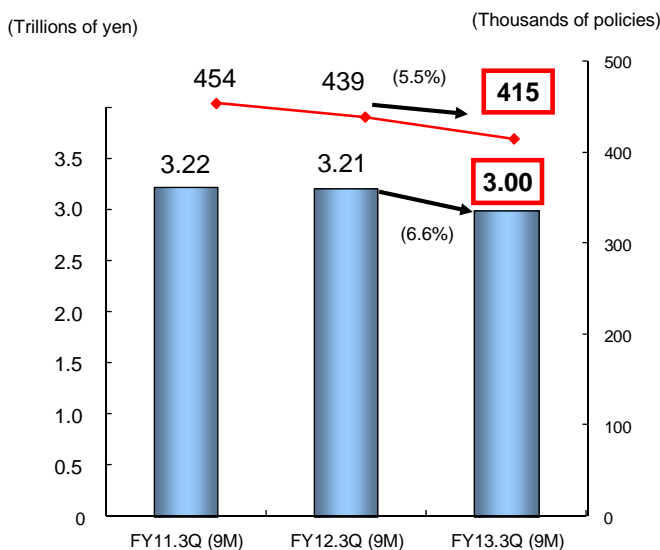
Line item amounts are truncated below ¥100 million; percentage change figures are rounded.

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

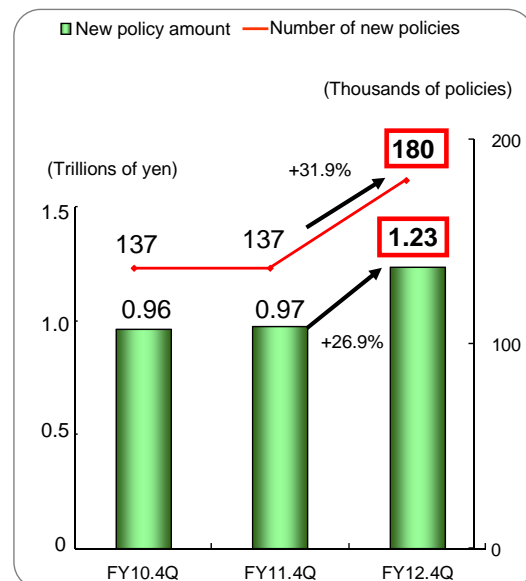


## Number and Amount of New Policies (Individual Life Insurance + Individual Annuities)

■ 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.

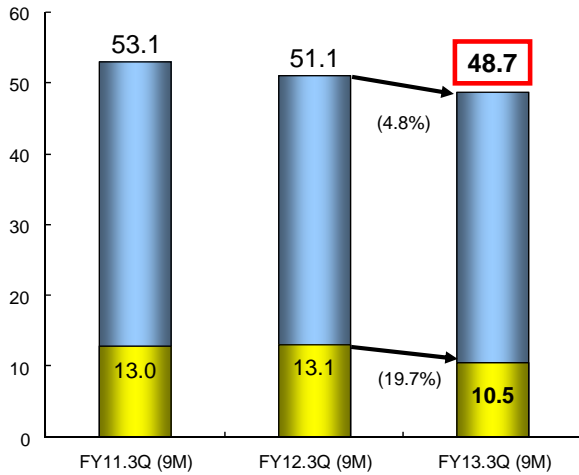
# Operating Performance : Sony Life (Non-consolidated) (2)



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

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

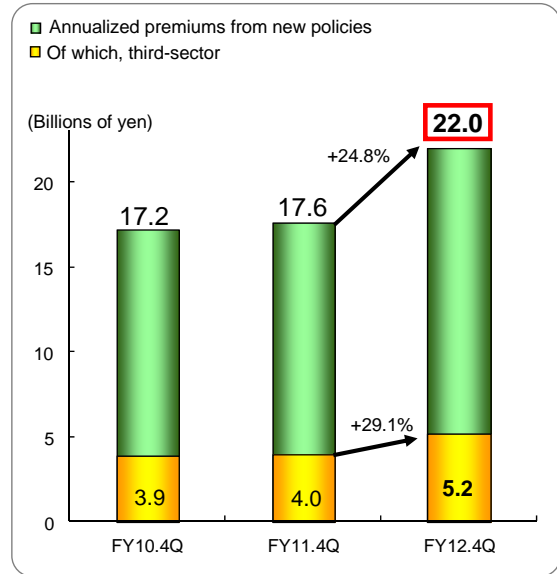
(Billions of yen)



## [ 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.

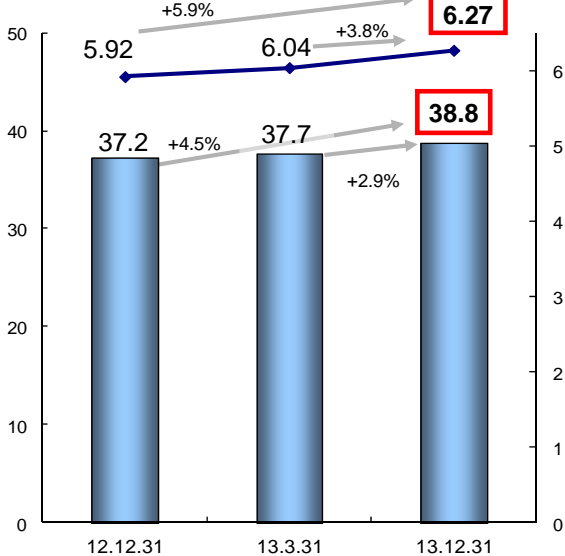
# Operating Performance : Sony Life (Non-consolidated) (3)



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

■ Policy amount in force — Number of policies in force  
(Millions of policies)

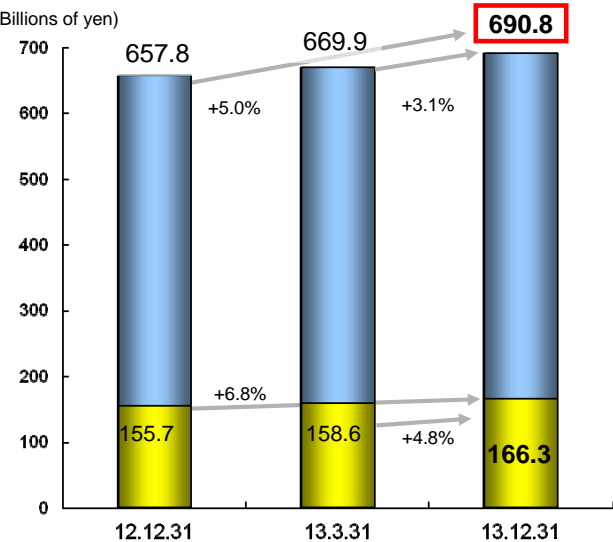
(Trillions of yen)



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

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

(Billions of yen)



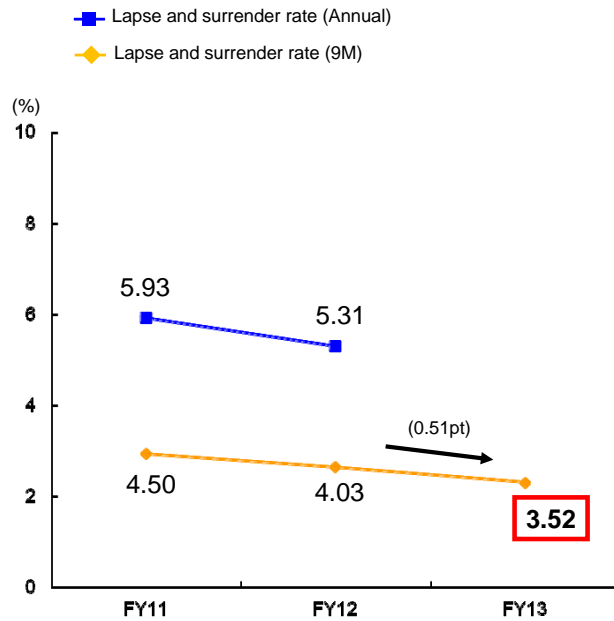
Line item amounts are truncated below ¥100 billion; numbers of policies are truncated below 10,000 policies; percentage change figures are rounded.

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

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



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



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

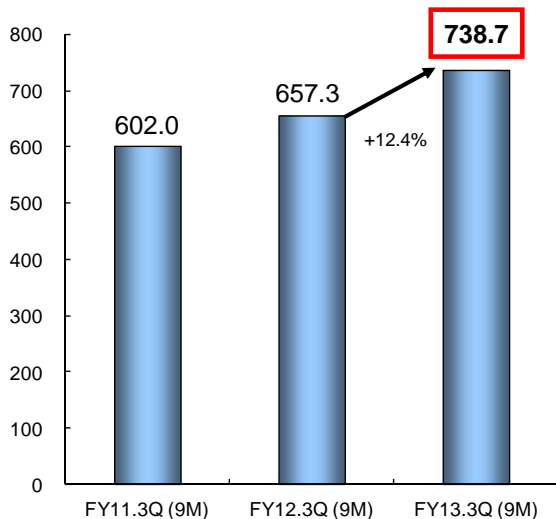
# Operating Performance : Sony Life (Non-consolidated) (5)



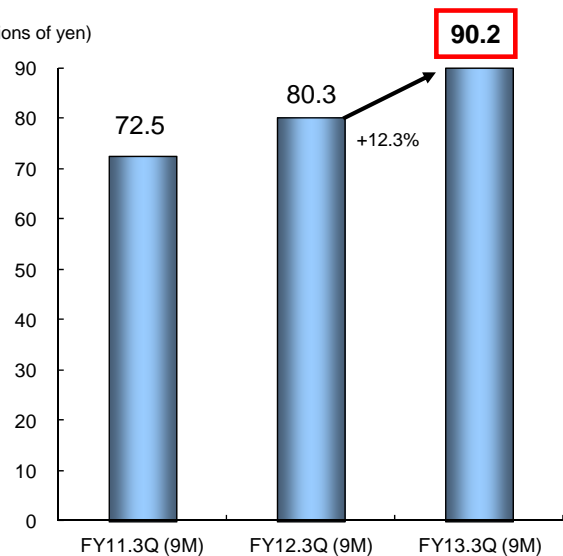
## Income from Insurance Premiums

## Interest Income and Dividends

(Billions of yen)



(Billions of yen)

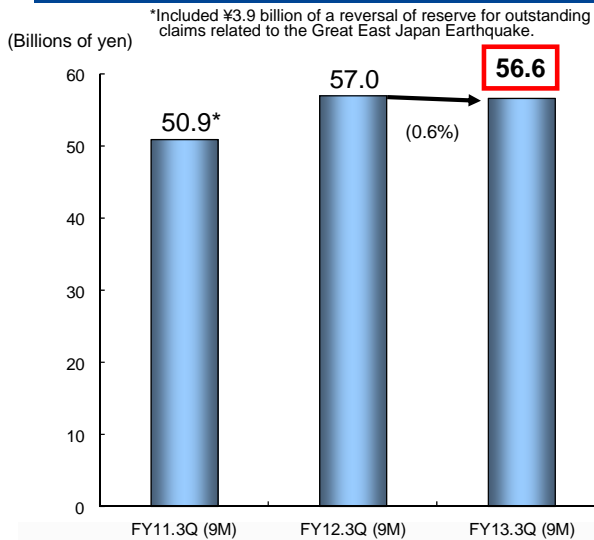


Line item amounts are truncated below ¥100 million; percentage figures are rounded.

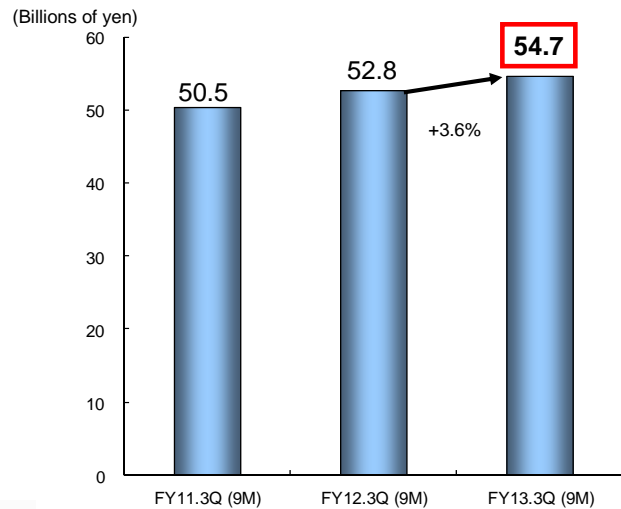
# Operating Performance : Sony Life (Non-consolidated) (6)



## Core Profit



## Ordinary Profit



(Reference) Impact on core profit (Billions of yen)

	FY11.3Q (9M)	FY12.3Q (9M)	FY13.3Q (9M)
Positive (Negative) spread	(1.7)	1.1	5.7
Effects by the revision of policy reserve discount rate	—	—	(8.0)
Reversal of policy reserves for minimum guarantees for variable life insurance in the general account assets	(5.6)	(1.2)	0.9

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

(Reference) Main differences from Core Profit (Billions of yen)

	FY11.3Q (9M)	FY12.3Q (9M)	FY13.3Q (9M)
Capital gains (losses)	2.4	(0.8)	1.2
Provision of contingency reserve	(2.7)	(3.0)	(2.9)

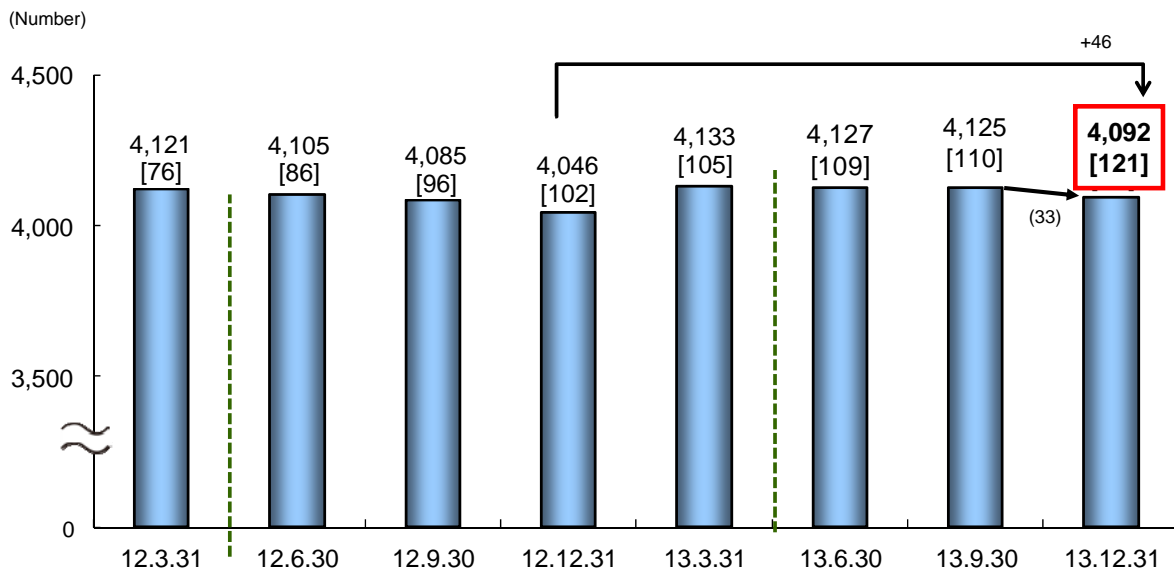
\*\*"Provision of policy reserves for minimum guarantees for variable life insurance in the general account assets" and "Provision of contingency reserve" are described as negative amount.

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

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



## 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) (8)



## Breakdown of General Account Assets

(Billions of yen)	13.3.31		13.12.31	
	Amount	%	Amount	%
Japanese government and corporate bonds	4,561.0	84.4%	5,016.2	85.7%
Japanese stocks	31.1	0.6%	36.4	0.6%
Foreign securities	62.0	1.1%	74.9	1.3%
Foreign stocks	25.4	0.5%	27.4	0.5%
Monetary trusts	306.1	5.7%	301.5	5.1%
Policy loans	145.0	2.7%	150.8	2.6%
Real estate	70.3	1.3%	67.0	1.1%
Cash and call loans	103.3	1.9%	62.6	1.1%
Others	97.7	1.8%	119.1	2.0%
<b>Total</b>	<b>5,402.1</b>	<b>100.0%</b>	<b>5,856.2</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

Dec. 31, 2013 19.6 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:

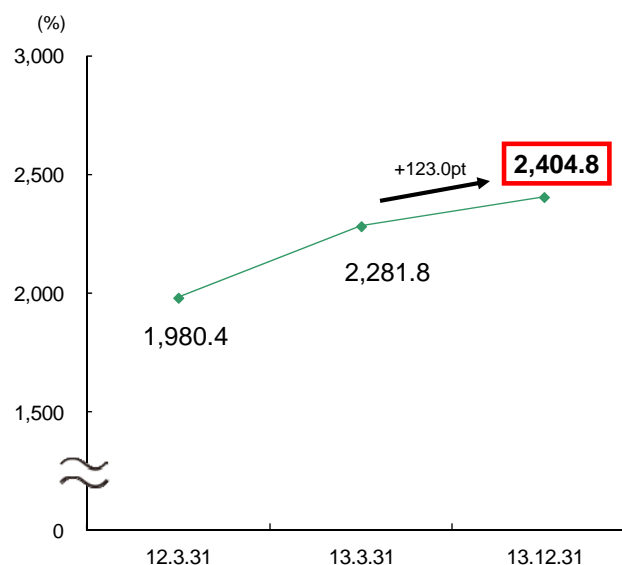
As of Dec. 31, 2013: 90.8%, (As of Mar. 31, 2013: 90.1%)

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

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



## Non-consolidated Solvency Margin Ratio



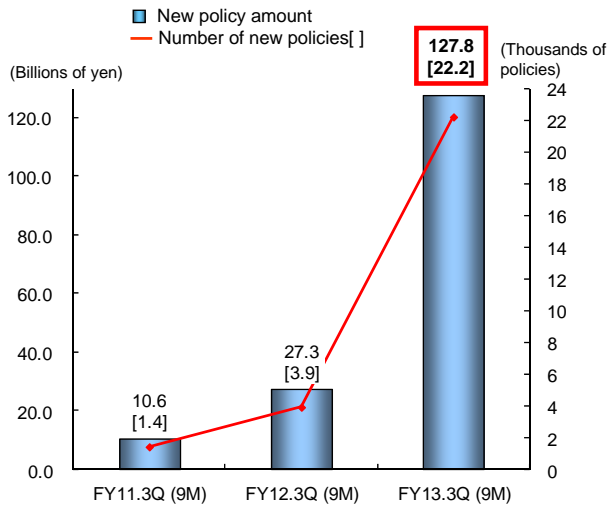


# Operating Performance: AEGON Sony Life Insurance

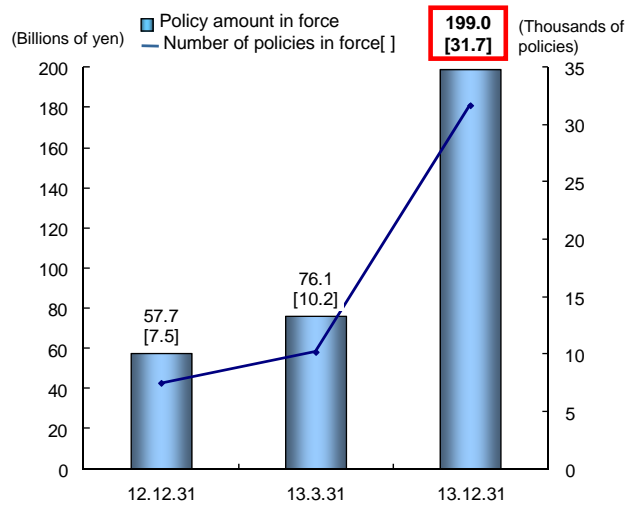


\*AEGON Sony Life Insurance sells individual variable annuities.

## Number and Amount of New Policies



## 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.

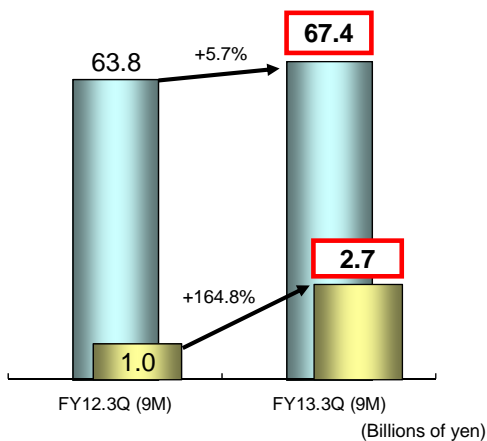
(Billions of yen)	FY12.3Q (9M)	FY13.3Q (9M)	Change		(Reference) FY12
<b>Ordinary revenues</b>	31.3	137.0	+105.6	+336.5%	58.6
<b>Ordinary profit (losses)</b>	(1.7)	(2.5)	(0.7)	—	(2.4)
<b>Net income (losses)</b>	(1.8)	(2.6)	(0.7)	—	(2.5)

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



(Billions of yen)	FY12.3Q (9M)	FY13.3Q (9M)	Change	
<b>Ordinary revenues</b>	63.8	67.4	+3.6	+5.7%
Underwriting income	63.0	66.5	+3.5	+5.6%
Investment income	0.7	0.8	+0.1	+19.9%
<b>Ordinary expenses</b>	62.7	64.6	+1.9	+3.1%
Underwriting expenses	47.6	49.2	+1.6	+3.4%
Investment expenses	0.0	0.0	(0.0)	(62.3%)
Operating, general and administrative expenses	15.0	15.4	+0.3	+2.1%
<b>Ordinary profit</b>	1.0	2.7	+1.7	+164.8%
<b>Net income</b>	0.5	1.7	+1.1	+191.4%

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

(Billions of yen)	13.3.31	13.12.31	Change from 13.3.31	
<b>Underwriting reserves</b>	70.6	76.3	+5.7	+8.2%
<b>Total net assets</b>	19.9	21.7	+1.8	+9.2%
<b>Total assets</b>	127.4	136.9	+9.5	+7.5%

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

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## Overview of Performance: Sony Assurance



(Billions of yen)	FY12.3Q (9M)	FY13.3Q (9M)	Change
<b>Direct premiums written</b>	62.1	65.5	+5.4%
<b>Net premiums written</b>	62.9	66.5	+5.6%
<b>Net losses paid</b>	35.0	35.0	(0.0%)
<b>Underwriting profit</b>	0.3	1.9	+478.3%
<b>Net loss ratio</b>	62.4%	59.7%	(2.7pt)
<b>Net expense ratio</b>	25.5%	24.6%	(0.9pt)
<b>Combined ratio</b>	87.9%	84.3%	(3.6pt)

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 primarily in its mainstay automobile insurance.

◆ Decreased mainly led by the revision of premium rates for automobile insurance and a lower car accident ratio owing to the introduction of a new bonus-malus system.

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

	13.3.31	13.12.31	Change from 13.3.31	
<b>Number of policies in force</b>	1.55 million	1.59 million	+0.04 million	+2.8%
<b>Non-consolidated solvency margin ratio</b>	504.2%	547.7%	+43.5pt	

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.

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# Sony Assurance's Underwriting Performance by Type of Policy



## Direct Premiums Written

(Millions of yen)	FY12.3Q (9M)	FY13.3Q (9M)	Change
Fire	171	184	+7.2%
Marine	—	—	—
Personal accident*	5,883	6,234	+6.0%
Voluntary automobile	56,129	59,151	+5.4%
Compulsory automobile liability	—	—	—
Total	62,185	65,569	+5.4%

## Net losses paid

(Millions of yen)	FY12.3Q (9M)	FY13.3Q (9M)	Change
Fire	0	1	+108.7%
Marine	160	101	(37.0%)
Personal accident*	1,467	1,537	+4.8%
Voluntary automobile	32,662	32,559	(0.3%)
Compulsory automobile liability	750	840	+12.1%
Total	35,041	35,040	(0.0%)

## Net Premiums Written

(Millions of yen)	FY12.3Q (9M)	FY13.3Q (9M)	Change
Fire	80	92	+14.8%
Marine	105	118	+12.6%
Personal accident*	6,073	6,440	+6.0%
Voluntary automobile	55,922	58,959	+5.4%
Compulsory automobile liability	805	931	+15.7%
Total	62,987	66,542	+5.6%

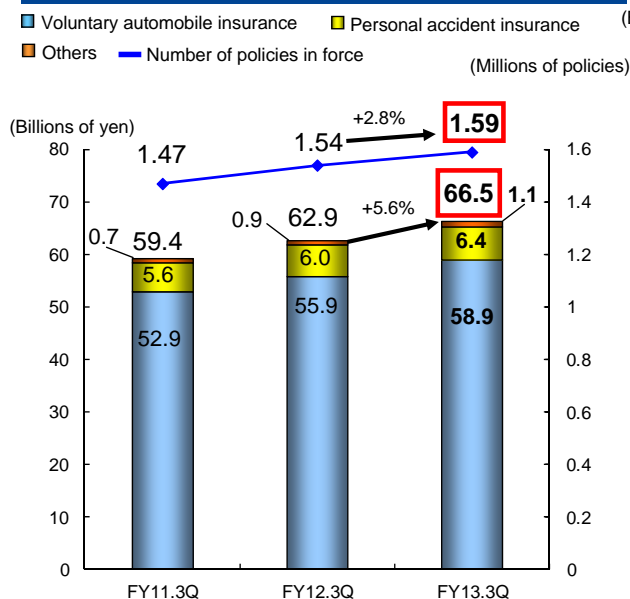
\*SURE, medical and cancer insurance is included in personal accident.

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

## Operating Performance: Sony Assurance (1)

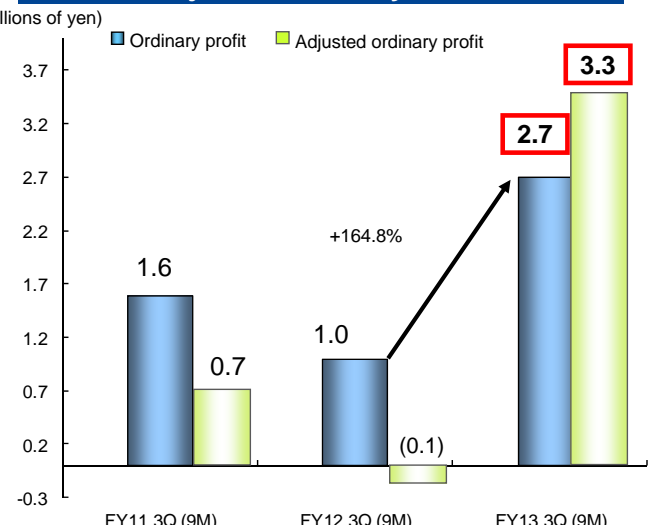


### Net Premiums Written and Number of Policies in Force



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 for catastrophe reserve

(Reference) Provision for catastrophe reserve

	FY11.3Q (9M)	FY12.3Q (9M)	FY13.3Q (9M)
Provision for catastrophe reserve	(0.9)	(1.1)	0.6

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

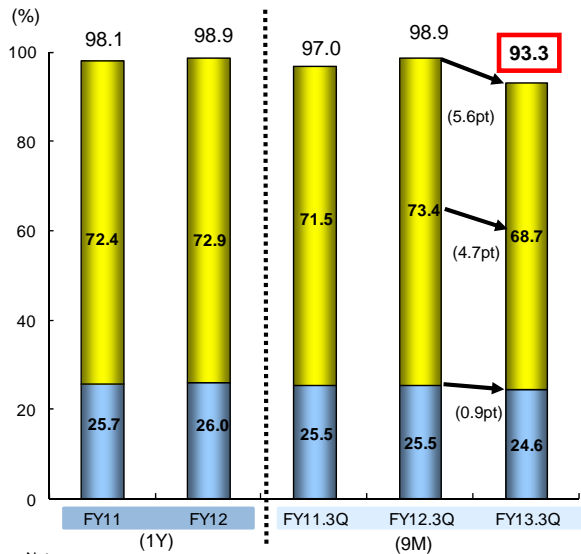
Line item amounts are truncated below ¥100 million; numbers of policies are truncated below 10,000 policies; percentage change figures are rounded.

# Operating Performance: Sony Assurance (2)



## Earned/Incurred Loss Ratio + Net Expense Ratio

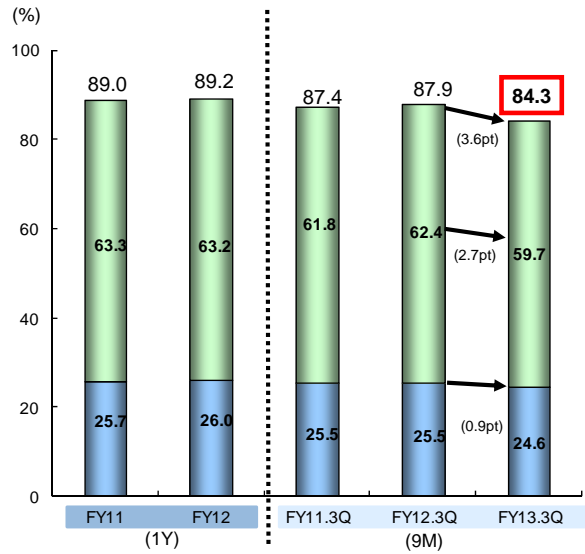
■ Earned/Incurred loss ratio ■ Net expense ratio



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

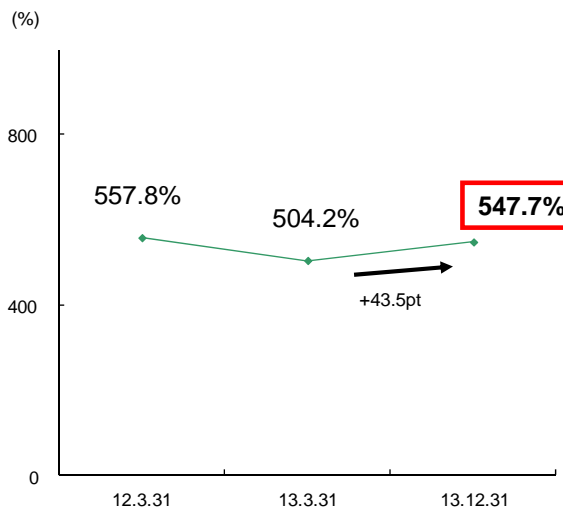


Notes:  
 Net loss ratio = (Net losses paid + Loss adjustment expenses) / Net premiums written  
 Net expense ratio = Expenses related to underwriting / Net premiums written

# Operating Performance: Sony Assurance (3)



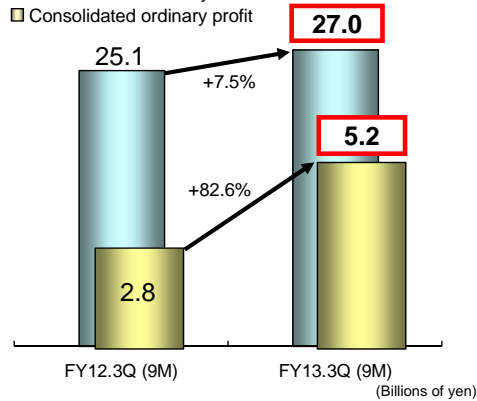
## Non-consolidated Solvency Margin Ratio



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



- Consolidated ordinary revenues
- Consolidated ordinary profit



## <Consolidated>

◆ Ordinary 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 due mainly to an improvement in net gains on bond-dealing transactions and a decrease in interest expenses.

## <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 the growing balance of mortgage loans, and a decrease in interest expenses.  
 -Net other operating income increased due mainly to higher gains on foreign exchange transactions stemming from customers' active foreign currency trading, in addition to an improvement in net gains on bond-dealing transactions.

## <Consolidated>

(Billions of yen)	FY12.3Q (9M)	FY13.3Q (9M)	Change	
Consolidated ordinary revenues	25.1	27.0	+1.8	+7.5%
Consolidated ordinary profit	2.8	5.2	+2.3	+82.6%
Consolidated net income	2.2	3.2	+0.9	+43.4%

## <Non-consolidated>

(Billions of yen)	FY12.3Q (9M)	FY13.3Q (9M)	Change	
Ordinary revenues	22.8	25.1	+2.3	+10.4%
Gross operating profit	13.3	16.4	+3.1	+23.5%
Net interest income	13.1	15.0	+1.9	+14.9%
Net fees and commissions	(0.0)	(0.2)	(0.2)	—
Net other operating income	0.1	1.6	+1.4	+718.1%
General and administrative expenses	10.5	10.9	+0.3	+3.7%
Net operating profit	2.8	5.5	+2.7	+96.4%
Ordinary profit	2.6	5.4	+2.7	+104.8%
Net income (loss)	(0.1)	3.3	+3.5	—

(Billions of yen)	13.3.31	13.12.31	Change from 13.3.31	
Total net assets	67.8	71.9	+4.1	+6.1%
Net unrealized gains on other securities, net of taxes	6.5	6.6	+0.0	+1.3%
Total assets	2,005.0	2,025.0	+19.9	+1.0%

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

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



(Billions of yen)	12.12.31	13.3.31	13.12.31	Change from 13.3.31	
Customer assets	1,973.0	1,974.3	1,972.9	(1.4)	(0.1%)
Deposits	1,868.4	1,857.4	1,857.4	+0.0	+0.0%
Yen	1,488.9	1,467.2	1,504.4	+37.2	+2.5%
Foreign currency	379.4	390.2	353.0	(37.2)	(9.5%)
Investment trusts	104.6	116.9	115.4	(1.4)	(1.3%)
Loans outstanding	929.7	970.2	1,025.1	+54.9	+5.7%
Mortgage loans	830.6	860.3	917.0	+56.6	+6.6%
Others	99.1	109.8	108.1 <sup>*1</sup>	(1.7)	(1.6%)
Capital adequacy ratio (domestic criteria) <sup>*2</sup>	10.71%	11.98%	11.92%	(0.06pt)	
Tier 1 ratio	8.91%	8.85%	9.12%	+0.27pt	

## <Reasons for changes>

◆ Yen deposits increased from March 31, 2013 due to an effect of converting from foreign currencies to yen.

◆ 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.

\*1 Loans in others include corporate loans of ¥102.2 billion.

\*2 Please refer to the graph of the non-consolidated capital adequacy ratio (domestic criteria) on P28.

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

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



## <Reference> On Managerial Accounting Basis

(Billions of yen)	FY12.3Q (9M)	FY13.3Q (9M)	Change	
<b>Gross operating profit</b>	13.2	16.3	+3.1	+23.6%
Net interest income <sup>*1</sup> ①	13.0	13.7	+0.6	+5.0%
Net fees and commissions <sup>*2</sup> ②	0.4	0.6	+0.2	+47.0%
Net other operating income <sup>*3</sup>	(0.2)	2.0	+2.2	—
<b>Gross operating profit (core profit) (A)=①+②</b>	13.5	14.3	+0.8	+6.5%
<b>Operating expenses and other expenses ③</b>	10.4	10.8	+0.3	+3.8%
<b>Net operating profit (core profit) =(A)-③</b>	3.0	3.5	+0.4	+15.5%

### ■ 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.

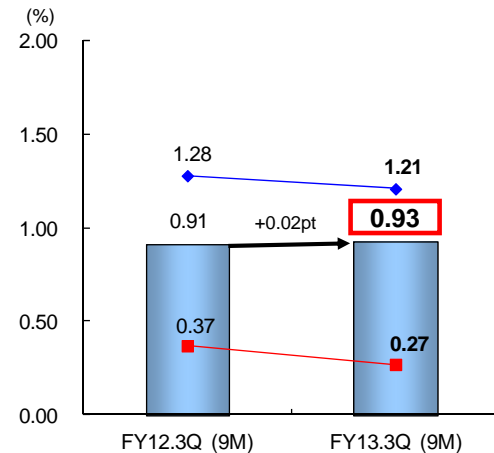
\*3: Net other operating income: After the above adjustments (\*1 and \*2), consists of profits and losses for bond and derivative dealing transactions.

### ■ 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)

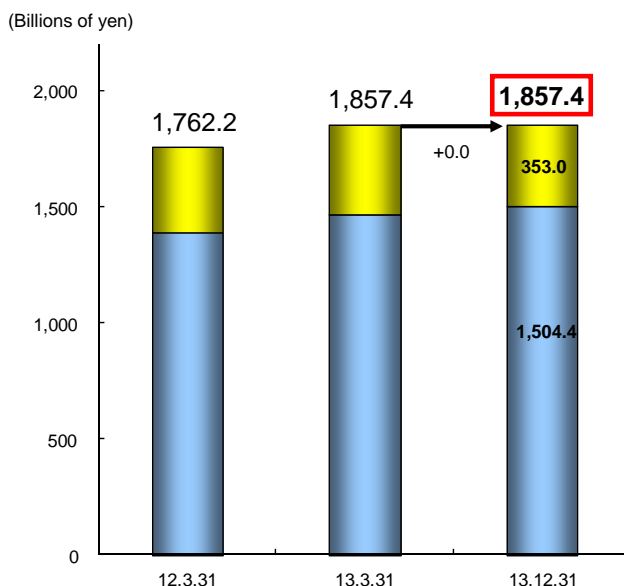
Line item amounts are truncated below ¥100 million; percentage change figures are rounded.

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



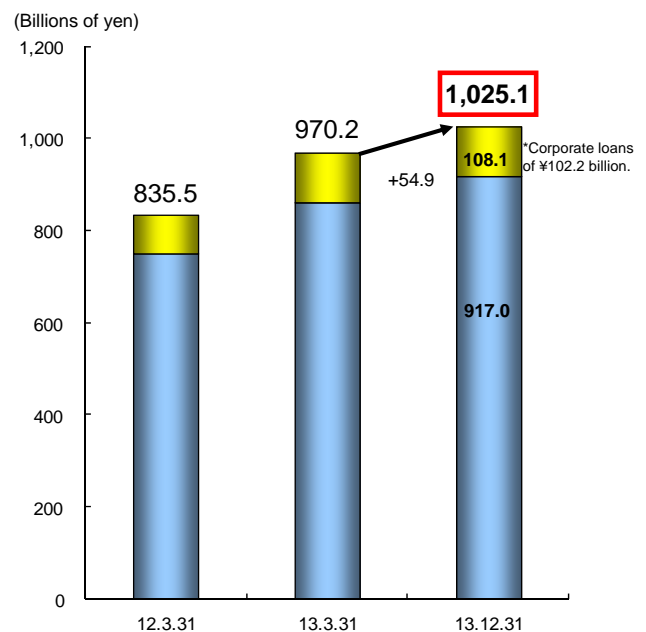
## Deposits

■ Yen deposits ■ Foreign currency deposits



## Loans

■ Mortgage loans ■ Others

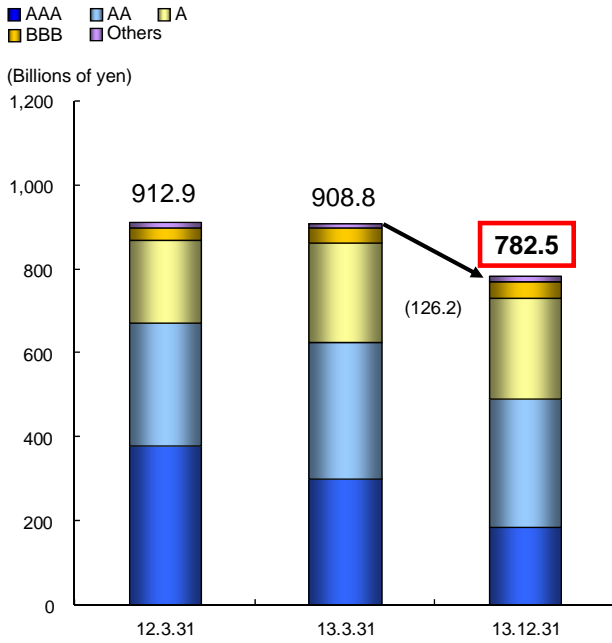


Line item amounts are truncated below ¥100 million.

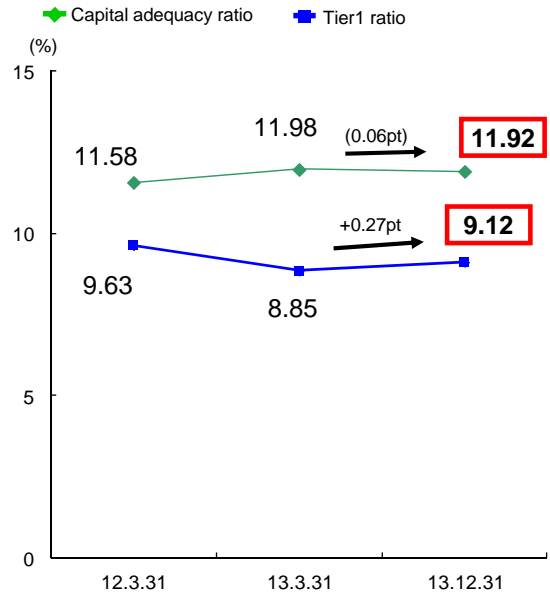
# Operating Performance: Sony Bank (Non-consolidated) (2)



## Balance of Securities by Credit Rating



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



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

Amounts are truncated below ¥100 million.

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

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

### Consolidated ordinary revenues, ordinary profit and net income have been revised upward.

(Billions of yen)	FY2012 (Actual)	FY2013 (Forecast)	Changed from FY2012
<b>Consolidated ordinary revenues</b>	1,259.0	<b>1,222.0⇒1,304.0</b>	(2.9%) ⇒+3.7%
Life insurance business	1,142.3	<b>1,099.9⇒1,179.8</b>	(3.7%)⇒+3.3%
Non-life insurance business	84.7	<b>89.5</b>	+5.7%
Banking business	34.3	<b>34.9</b>	+1.7%
<b>Consolidated ordinary profit</b>	79.2	<b>69.0⇒75.0</b>	(12.9%)⇒(5.4%)
Life insurance business	72.7	<b>61.4⇒65.7</b>	(15.5%)⇒(9.7%)
Non-life insurance business	2.3	<b>3.8</b>	+60.2%
Banking business	3.9	<b>5.2</b>	+31.5%
<b>Consolidated net income</b>	45.0	<b>37.0⇒40.0</b>	(17.9%)⇒(11.2%)

On February 6, 2014, we have revised upward our consolidated financial forecast for ordinary revenues, ordinary profit and net income for the fiscal year ending March 31, 2014, from the forecast announced on May 9, 2013. This is because the operating results for the nine months ended December 31, 2013, exceeded our previous estimates in all the businesses. Forecasts of the non-life insurance and the banking businesses were revised upward on November 15, 2013, reflecting favorable operating results during the first half of this fiscal year.

**Life insurance business**

We have revised our full-year forecast for ordinary revenues and ordinary profit from our previous forecast announced in May 2013 because operating results for the nine months ended December 31, 2013, exceeded our previous estimates, resulting mainly from the market recovery. Since financial conditions are uncertain after January 2014, our updated forecast reflects financial conditions as of the end of January 2014.

**Non-life insurance business**

The forecast for ordinary revenues remains unchanged from the forecast announced in November 2013 because we expect net premiums written in automobile insurance to continue to increase steadily. The forecast for ordinary profit remains unchanged because we expect a stably low loss ratio in the fourth quarter despite a temporary rise in the loss ratio reflecting a surge in provision of reserve for outstanding losses in this third quarter.

**Banking business**

The forecast for ordinary revenues remains unchanged from the forecast announced in November 2013 because ordinary revenues are expected to increase 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. The forecast for ordinary profit remains unchanged despite an increase in net interest income because we expect to record a temporary loss related to bond transactions in the fourth quarter.

In its calculation of the reserve for price fluctuations, Sony Life has accumulated reserves in excess of required levels. However, Sony Life will change this policy to one of accumulating reserves up to required levels from the 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 December 31, 2013

### Sony Life's MCEV as of December 31, 2013

(Billions of yen)	13.3.31	13.9.31	13.12.31	Change from 13.3.31	Change from 13.9.30
<b>MCEV</b>	1,064.7	1,158.2	1,186.9	+122.2	+28.7
Adjusted net worth	770.8	682.1	698.5	(72.4)	+16.4
Value of existing business	293.9	476.1	488.4	+194.6	+12.4

Notes:

1. Calculated MCEV for policies in force as of September 30 and December 31, 2013 by using updated lapse and surrender rate and economic assumptions.
2. Adopted simplified method for a part of MCEV calculations as September 30 and December 31, 2013.

(Billions of yen)	13.3.31	13.9.30	13.12.31
New business value	41.6 (12M)	29.7 (6M)	45.2 (9M)
New business margin	3.5%	6.3%	5.5%

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

- ◆ MCEV as of December 31, 2013 increased ¥28.7 billion from September 30, 2013, due mainly to an acquisition of new policies.
- ◆ New business margin as of December 31, 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 in April 2013. New business margin was down from September 30, 2013, due mainly to an increase in the sale of lump-sum payment endowment insurance.

\*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 December 31, 2013



(Billions of yen)	13.3.31	13.9.30	13.12.31
Insurance risk	605.6	610.4	621.1
Market-related risk	289.9	260.1	260.8
<i>Of which, interest rate risk*</i>	234.2	201.0	198.3
Operational risk	26.0	25.2	27.9
Counter party risk	2.3	1.5	2.0
Variance effect	(262.5)	(253.7)	(256.9)
The risk amount based on economic value	661.3	643.5	654.8

(Billions of yen)	13.3.31	13.9.30	13.12.31
MCEV	1,064.7	1,158.2	1,186.9

(\*) 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 (15\*) \*As of Feb. 14, 2014



### 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 24% of the balance of mortgage loans as of December 31, 2013

Sony Life accounts for 18% of the amount of new mortgage loans for FY13.3Q (9M)

\*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 FY13.3Q (9M)

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



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

## Recent Topics 2

### <Highlights for FY2013.3Q>

10/28/2013 Sony Bank launched new service: automatic saving plans for foreign currency deposits.

10/31/2013 Sony Bank closed its representative office in Sydney.

11/11/2013 The Sony Financial Group entered the nursing care business, acquiring Senior Enterprise Corporation as a wholly owned subsidiary of SFH.

12/2/2013 Sony Bank introduced paperless procedures to open bank accounts.

12/19/2013 Sony Bank announced plans to issue the new Sony Card with an enhanced credit and settlement function through a tie-up with Sumitomo Mitsui Card Company, with this credit card being offered to customers from February 7, 2014.

1/2/2014 Sony Life started selling new educational endowment insurance (non-participating type).

1/10/2014 Sony Bank enhanced its settlement function by starting withdrawal services for credit card payments for Sumitomo Mitsui Card holders.

# 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			13.12.31		
	Carrying amount	Fair value	Net unrealized gains (losses)	Carrying amount	Fair value	Net unrealized gains (losses)	Carrying amount	Fair value	Net unrealized gains (losses)
Held-to-maturity securities	3,404.8	3,560.6	155.8	3,874.2	4,425.9	551.7	4,269.0	4,682.9	413.8
Available-for-sale securities	895.1	956.1	60.9	955.9	1,079.2	123.2	1,039.2	1,153.4	114.1
Japanese government and corporate bonds	849.1	902.6	53.4	925.3	1,036.9	111.6	1,006.4	1,105.6	99.2
Japanese stocks	29.1	34.9	5.8	14.7	20.9	6.2	15.5	25.4	9.9
Foreign securities	15.3	16.7	1.3	14.4	18.6	4.2	15.7	19.7	3.9
Other securities	1.4	1.7	0.2	1.4	2.6	1.1	1.4	2.5	1.0
Total	4,299.9	4,516.8	216.8	4,830.2	5,505.2	675.0	5,308.3	5,836.3	528.0

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

(Billions of yen)

12.3.31		13.3.31		13.12.31	
Balance sheet amount	Net valuation gains (losses) recorded in income	Balance sheet amount	Net valuation gains (losses) recorded in income	Balance sheet amount	Net valuation gains (losses) recorded in income
—	—	—	—	—	—

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)



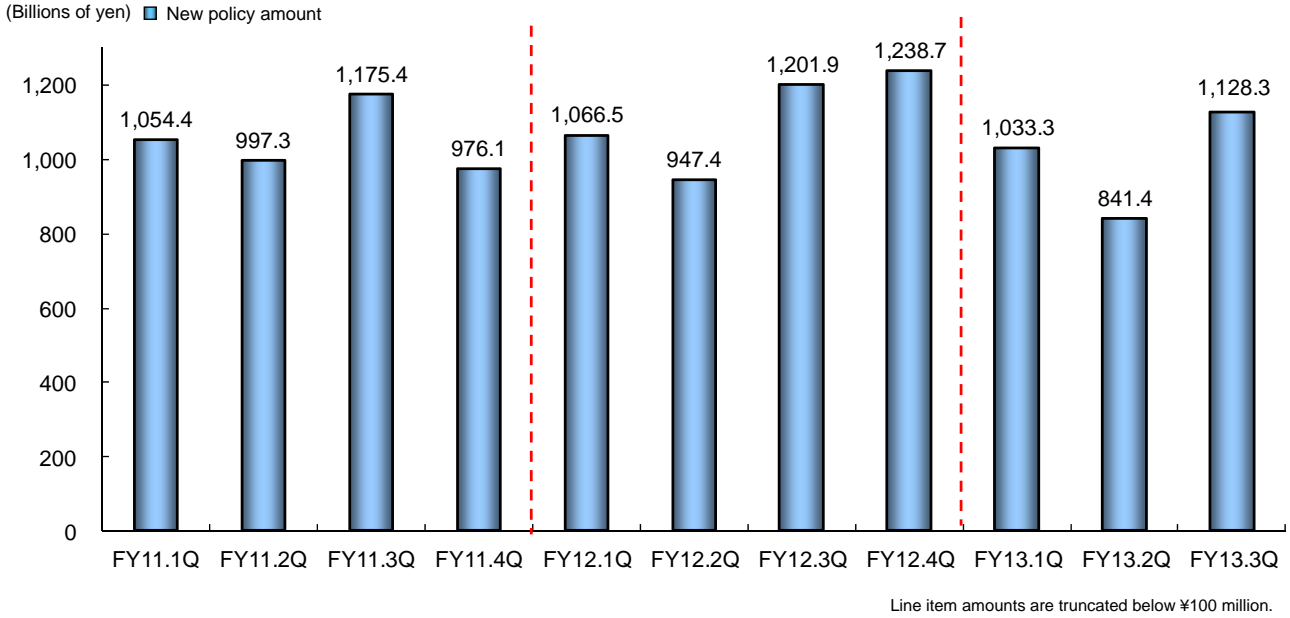
(Millions of yen)	FY12.3Q (9M)	FY13.3Q (9M)	Change
Cash and deposits	0	0	(35.4%)
Japanese government and corporate bonds	64,739	72,947	+12.7%
Japanese stocks	351	234	(33.2%)
Foreign securities	2,802	4,872	+73.8%
Other securities	177	172	(2.9%)
Loans	4,085	4,264	+4.4%
Real estate	8,143	7,716	(5.2%)
Others	57	23	(58.6%)
Total	80,357	90,232	+12.3%

Line item amounts are truncated below ¥1 million

# Sony Life's Quarterly Trend on New Policies Amount



## Quarterly Trend on New Policy Amount

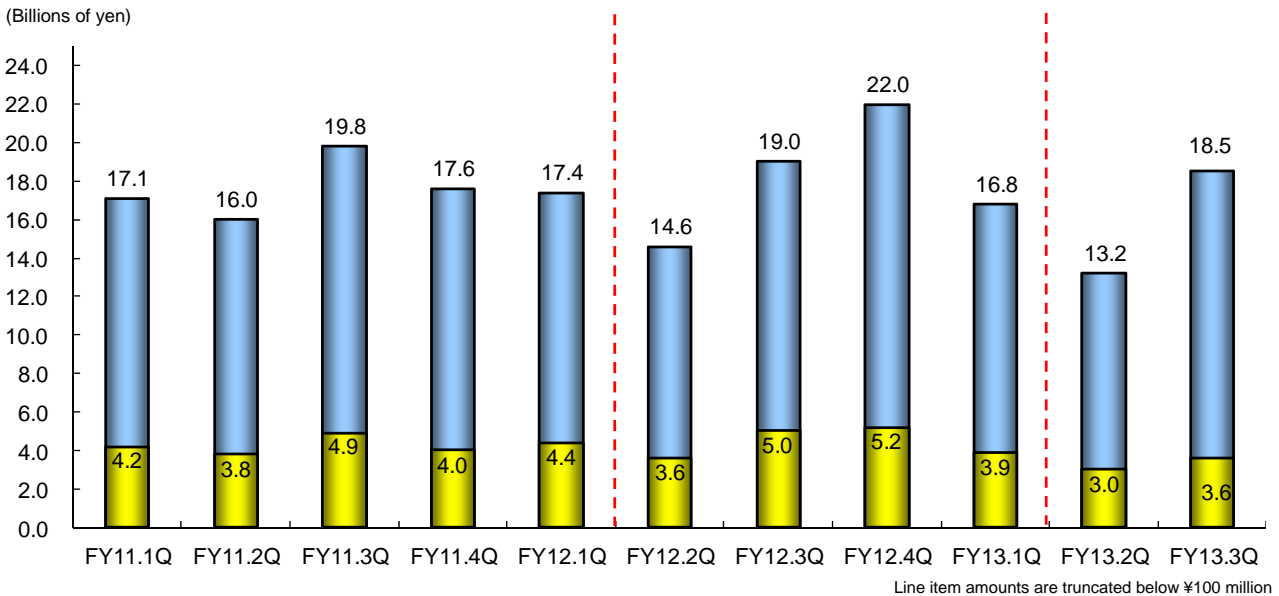


# Sony Life's Quarterly Trend on Annualized Premiums from New Policies



## Quarterly Trend on Annualized Premiums from New Policies

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



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



### Market-related Risk

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

#### Notes

- Principal items as of December 31, 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%.

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

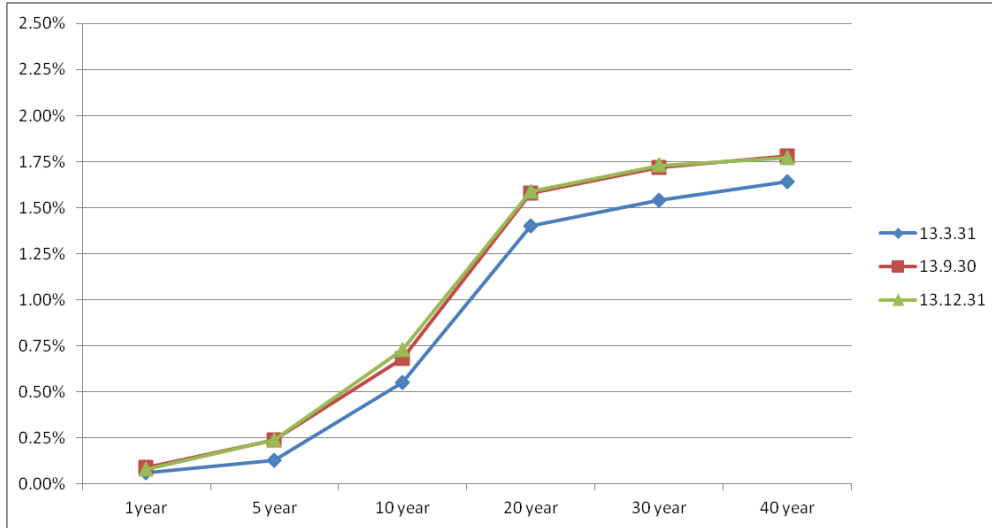


### Insurance Risk

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

\* 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	13.9.30	13.12.31	13.3.31 → 13.12.31		13.9.30 → 13.12.31	
				13.3.31	13.12.31	13.9.30	13.12.31
1 year	0.06%	0.09%	0.08%	0.02%	0.00%	0.00%	0.00%
5 year	0.13%	0.24%	0.24%	0.11%	0.00%	0.00%	0.00%
10 year	0.55%	0.68%	0.73%	0.18%	0.05%	0.05%	0.05%
20 year	1.40%	1.58%	1.59%	0.18%	0.01%	0.01%	0.01%
30 year	1.54%	1.72%	1.73%	0.19%	0.01%	0.01%	0.01%
40 year	1.64%	1.78%	1.77%	0.13%	(0.01%)	(0.01%)	(0.01%)



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