

Consolidated Financial Summary for the Year Ended March 31, 2014

May 20, 2014

Company name: Sony Financial Holdings Inc.
(URL: 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 year ended March 31, 2014

(1) Operating results

	Ordinary Revenues		Ordinary Profit		Net Income	
	Millions of yen	% change	Millions of yen	% change	Millions of yen	% change
For the year ended March 31, 2014	1,319,766	4.8	76,136	(3.9)	40,504	(10.1)
For the year ended March 31, 2013	1,259,041	16.8	79,252	6.2	45,064	37.3

Note: Comprehensive Income: For the year ended March 31, 2014: ¥44,794 million: (53.4)%
For the year ended March 31, 2013: ¥96,225 million: 59.4%

	Net Income per Share	Net Income per Share (Fully Diluted)	Net Income on Shareholders' Equity	Ordinary Profit on Total Assets	Ordinary Profit on Ordinary Revenues
	Yen	Yen	%	%	%
For the year ended March 31, 2014	93.11	—	9.0	0.9	5.8
For the year ended March 31, 2013	103.60	—	11.5	1.0	6.3

Notes: Equity in earnings (losses) of affiliates: For the year ended March 31, 2014: ¥(1,538) million
For the year ended March 31, 2013: ¥(1,718) million

(2) Financial conditions

	Total Assets	Total Net Assets	Net Asset Ratio	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2014	8,841,382	467,050	5.3	1,070.75
As of March 31, 2013	8,096,164	435,444	5.4	997.94

Notes: 1. Shareholders' equity: As of March 31, 2014: ¥465,775 million
As of March 31, 2013: ¥434,105 million

(3) Cash flows

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at end of fiscal year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
For the year ended March 31, 2014	601,738	(549,346)	(13,522)	240,279
For the year ended March 31, 2013	580,882	(550,159)	(5,017)	201,404

2. Dividends

Record date	Dividend per Share					Annual Dividend Amount	Dividend Payout Ratio	Dividend on Net Assets
	1st quarter	2nd quarter	3rd quarter	Year-end	Annual Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
For the year ended March 31, 2013	—	0.00	—	25.00	25.00	10,875	24.1	2.8
For the year ended March 31, 2014	—	0.00	—	30.00	30.00	13,049	32.2	2.9
For the year ending March 31, 2015 (forecast)	—	0.00	—	40.00	40.00		35.5	

3. Forecast of consolidated financial results for the year ending March 31, 2015

(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, 2015	1,191,000	(9.8)	77,000	1.1	49,000	21.0	112.64

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

Notes: For details, please refer to the section entitled “IV. Consolidated Financial Statements” under “5. Notes to the Consolidated Financial Statements” under “2) Changes in accounting policies.” on page on 20.

(3) Number of shares outstanding (common stock)

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

As of March 31, 2014: 435,000,000 shares

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

(b) Number of treasury shares

As of March 31, 2014: 1 share

As of March 31, 2013: — shares

(c) Weighted-average number of shares

For the year ended March 31, 2014: 434,999,999 shares

For the year ended March 31, 2013: 435,000,000 shares

Audit of Quarterly Financial Statements

This earnings report is 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

I.	Qualitative Information and Financial Statements	
1.	Qualitative Information on Consolidated Operating Performance	3
2.	Qualitative Information on Consolidated Financial Position	6
3.	Basic Policy on Returns to Shareholders and Dividends for the Fiscal Year Ended March 31, 2014, and the Fiscal Year Ending March 31, 2015	6
II.	Status of the Corporate Group	6
III.	Management Policies	
1.	Company's Basic Management Policies	8
2.	Key Management Benchmarks	8
3.	Mid- to Long-Term Management Strategies	9
4.	Tasks Ahead for the Company	10
IV.	Consolidated Financial Statements	
1.	Consolidated Balance Sheets	11
2.	Consolidated Statements of Income and Consolidated Statements of Comprehensive Income (Consolidated Statements of Income)	13
	(Consolidated Statements of Comprehensive Income)	16
3.	Consolidated Statements of Changes in Net Assets	17
4.	Consolidated Statements of Cash Flows	19
5.	Notes to the Consolidated Financial Statements	
1)	Changes in scope of consolidation during the period under review	21
2)	Changes in accounting policies	21
3)	Segment Information	21
4)	Financial Instruments	26
5)	Investments in Securities	29
6)	Investments in Monetary Trusts	31
7)	Derivative financial instruments	32
8)	Subsequent Events	33
V.	Attachment	
	Consolidated Financial Results for the Year Ended March 31, 2014 and Sony Life's Preliminary Market Consistent Embedded Value as of March 31, 2014	35

* We will upload the press releases on Sony Life's Market Consistent Embedded Value as of March 31, 2014, scheduled as below.

- Preliminary summary: Scheduled to be uploaded on May 20, 2014 at 15:00 (Tokyo)
- Full report: Scheduled to be uploaded on May 26, 2014 at 15:00 (Tokyo)

Please see further details at our website: http://www.sonyfh.co.jp/index_en.html

* The Conference Call for explaining the Sony Financial Group financial results for the fiscal year ended March 31, 2014, will be held at 11:30 (Tokyo), May 21, 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 May 20, 2014 after 15:00, and its Q&A summary at a later date on Earnings Releases and Presentation Materials page on our website:

http://www.sonyfh.co.jp/en/financial_info/results

* On May 20, 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 fiscal year ended March 31, 2014. SFH prepared English-language summaries of those Japanese announcements made by the above subsidiaries, solely for convenience of non-Japanese readers.

I. Qualitative Information and Financial Statements

1. Qualitative Information on Consolidated Operating Performance

1) Analysis of Operating Performance

During the fiscal year under review (from April 1, 2013, to March 31, 2014), the Japanese economy recovered gradually. Measures to pull the economy out of deflation took effect, corporate performance recovered steadily, and employment and income situations improved. In the financial markets, Japanese stock market prices were steady following the introduction of qualitative and quantitative monetary easing by the Bank of Japan. In foreign exchange markets, Japanese yen continued to depreciate. Long-term domestic interest rates remained generally low after rising temporarily.

Against this backdrop, the Sony Financial Group provided high-quality services with the aim of becoming one of the most highly trusted financial services groups. The Group also implemented various measures to satisfy increasingly diverse customer needs.

Consequently, as for its operating results, **consolidated ordinary revenues** rose 4.8% compared with the previous fiscal year, to ¥1,319.7 billion, owing to increases in ordinary revenues from all the businesses: life insurance, non-life insurance and banking. **Consolidated ordinary profit** decreased 3.9% year on year, to ¥76.1 billion. By business segment, ordinary profit from the life insurance business fell, whereas ordinary profit from the non-life insurance and banking businesses rose year on year.

Extraordinary losses were ¥9.5 billion during the fiscal year ended March 31, 2014, compared with a ¥9.2 billion during the previous fiscal year. The primary reason for these losses was due to the provision of a reserve for price fluctuations.

After accounting for extraordinary losses, provision for reserve for policyholders' dividends and income taxes, **net income** for the fiscal year ended March 31, 2014, was down 10.1% year on year, to ¥40.5 billion, reflecting the decline in ordinary profit.

Segment Information by Business

< Life insurance business >

Income from insurance premiums increased 3.8% year on year, to ¥960.9 billion, due mainly to steady growth in policy amount in force. Investment income increased 6.1% year on year, to ¥212.3 billion due to higher interest income and dividends on general account assts. As a result, ordinary revenues increased 4.8% year on year, to ¥1,196.6 billion. Ordinary profit decreased 7.6% year on year, to ¥67.2 billion, due to an increase in provision of policy reserves resulting from a revision in the discount rate used for calculating policy reserves and the provision of policy reserves for minimum guarantees for variable life insurance, despite the positive effect of an increase in the positive spread.

< Non-life insurance business >

Net premiums written increased 6.0% year on year, to ¥88.6 billion, mainly to an increase in the number of policies in force for mainstay automobile insurance. Consequently, ordinary revenues rose 6.1% year on year, to ¥89.8 billion. Ordinary profit increased 26.7% year on year, to ¥3.0 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), as well as the rise in ordinary revenues.

< Banking business >

Ordinary revenues increased 4.3% year on year, to ¥35.7 billion, due to higher gains on foreign exchange transactions stemming from active foreign currency trading by customers and a rise in interest income on loans led by the growing balance of mortgage loans. Ordinary profit rose 42.6% year on year, to ¥5.6 billion, due mainly to lower interest expenses and an improvement in net gains on bond-dealing transactions, in addition to the increase in ordinary revenues..

Ordinary Revenues

(Millions of yen)

	Year ended March 31, 2013 (Apr. 1, 2012, to Mar. 31, 2013)	Year ended March 31, 2014 (Apr. 1, 2013, to Mar. 31, 2014)	Change (%)
Life insurance business	1,142,397	1,196,690	4.8
Non-life insurance business	84,711	89,864	6.1
Banking business	34,329	35,796	4.3
Subtotal	1,261,438	1,322,352	4.8
Intersegment adjustments	(2,396)	(2,585)	—
Consolidated	1,259,041	1,319,766	4.8

Ordinary Profit

(Millions of yen)

	Year ended March 31, 2013 (Apr. 1, 2012, to Mar. 31, 2013)	Year ended March 31, 2014 (Apr. 1, 2013, to Mar. 31, 2014)	Change (%)
Life insurance business	72,770	67,247	(7.6)
Non-life insurance business	2,371	3,004	26.7
Banking business	3,953	5,637	42.6
Subtotal	79,095	75,889	(4.1)
Intersegment adjustments*	156	247	57.8
Consolidated	79,252	76,136	(3.9)

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

2) Consolidated Financial Forecast for the Fiscal Year Ending March 31, 2015

For the fiscal year ending March 31, 2015 (April 1, 2014, to March 31, 2015), stable and sustainable business growth is expected in all the businesses: life insurance, non-life insurance and banking.

The consolidated financial forecast for the fiscal year ending March 31, 2015, as follows, is unchanged from the forecast announced on May 14, 2014.

(Billions of yen)

	(Reference) Actual results for the year ended March 31, 2014	Financial forecast for the year ending March 31, 2015	Change (%)
Ordinary revenues	1,319.7	1,191.0	(9.8)
Ordinary profit	76.1	77.0	1.1
Net income	40.5	49.0	21.0
Net income per share (Yen)	93.11	112	—

We do not consider the effects of market fluctuations after April 2014 within our forecast. Therefore, the figures stated above may differ from actual results for a variety of reasons.

Business segment forecasts for the fiscal year ending March 31, 2015 (April 1, 2014, to March 31, 2015) are as follows. Forecast figures from each business reflect corporate and eliminations.

<Life insurance business>

Ordinary revenues for the fiscal year ending March 31, 2015, are expected to decrease because we do not expect such an increase in lump-sum payment insurance premiums and investment income on separate account due to market recovery as recorded in the previous fiscal year. However, we expect steady growth in policy amount in force. Ordinary profit is expected to be nearly at the same level as in the previous fiscal year. This is because we expect a higher provision for policy reserves related to minimum guarantees for variable life insurance policies, as well as an increase in operating expenses due to the consumption tax rate rise. We do not expect any negative impact from a rise in provision of policy reserves resulting from the revision of the discount rate used for calculating policy reserves in the previous fiscal year.

(Billions of yen)

	(Reference) Actual results for the year ended March 31, 2014	Financial forecast for the year ending March 31, 2015	Change (%)
Ordinary revenues	1,196.6	1,061.9	(11.3)
Ordinary profit	67.2	67.4	0.2

<Non-life insurance business>

Ordinary revenues for the fiscal year ending March 31, 2015, are expected to increase in line with growth in net premiums written, primarily for mainstay automobile insurance. Operating profit is expected to rise stemming from the rise in ordinary revenues and a decline in the loss ratio although we expect higher operating expenses.

(Billions of yen)

	(Reference) Actual results for the year ended March 31, 2014	Financial forecast for the year ending March 31, 2015	Change (%)
Ordinary revenues	89.8	92.4	2.8
Ordinary profit	3.0	3.9	29.8

<Banking business>

Ordinary revenues for the fiscal year ending March 31, 2015, are expected to rise year on year, because we regard to stable and sustainable business growth even in an environment characterized by persistently low interest rates. Ordinary profit is expected to decrease because we do not believe that foreign exchange transactions will be as vigorous as in the previous fiscal year, and we expect higher operating expenses as we pursue initiatives designed to strengthen our settlement function with an eye to future growth, while we expect higher ordinary revenues to lead to an increase in gross operating profit.

(Billions of yen)

	(Reference) Actual results for the year ended March 31, 2014	Financial forecast for the year ending March 31, 2015	Change (%)
Ordinary revenues	35.7	36.6	2.2
Ordinary profit	5.6	5.3	(6.0)

2. Qualitative Information on Consolidated Financial Position

1) Assets, Liabilities and Net Assets

As of March 31, 2014, **total assets** amounted to ¥8,841.3 billion, up 9.2% from March 31, 2013. Among major components of assets, securities, mostly Japanese government bonds, amounted to ¥6,822.1 billion, up 10.0% from March 31, 2013. Loans came to ¥1,211.6 billion, up 8.6%, and monetary trusts amounted to ¥325.8 billion, up 0.5%.

Total liabilities were ¥8,374.3 billion, up 9.3% from March 31, 2013. Major components of liabilities included policy reserves and others of ¥6,263.3 billion, up 11.8%, and deposits totaled ¥1,889.9 billion, up 1.8%.

Total net assets were ¥467.0 billion, up 7.3% from March 31, 2013. This included net unrealized gains on other securities, net of taxes, which increased ¥3.6 billion, to ¥92.0 billion.

2) Cash Flows

Net cash provided by operating activities for the fiscal year ended March 31, 2014, was ¥601.7 billion, due mainly to higher income from insurance premiums in the life insurance business, up ¥20.8 billion from the previous fiscal year. The primary reason for this rise was smaller increase in interest income on loans, including mortgages, despite a smaller growth in deposits in the banking business.

Net cash used in investing activities was ¥549.3 billion, due mainly to increased payments to acquire marketable securities in the life insurance business, down ¥0.8 billion, at almost the same level as in the previous fiscal year. This is due mainly to an increase in inflows from the sale and redemption of securities in the banking business, partially offset by the increased payments to acquire marketable securities in the life insurance business.

Net cash used in financing activities came to ¥13.5 billion due primarily to dividend payments, up ¥8.5 billion from the previous fiscal year.

As a result of the above factors, cash and cash equivalents at March 31, 2014, were ¥240.2 billion, up ¥38.8 billion from March 31, 2013.

3. Basic Policy on Returns to Shareholders and Dividends for the Fiscal Year Ended March 31, 2014, and the Fiscal Year Ending March 31, 2015

For the fiscal year ended March 31, 2014, taking this period's overall operating performance into consideration, we plan to pay a year-end dividend of ¥30 per share (total amount of dividend: ¥13.049 billion), up ¥5 from the previous period of ¥25.

Our basic dividend policy is to maintain stable dividend payments while securing sufficient internal reserves to ensure the financial soundness of the Group companies and invest in growing fields. Based on this policy, SFH aims for steady increases in dividends in line with earnings growth over the medium and long terms. Our medium-term target for the dividend payout ratio is 30% to 40% of consolidated net income. Management will determine specific dividend amounts for each fiscal year by taking into account a comprehensive range of factors, including the capital adequacy of each Group company relative to risk, investment opportunities, business forecasts and legal and regulatory developments worldwide.

For the fiscal year ending March 31, 2015, we plan to pay a year-end dividend of ¥40 per share (total amount of dividend: ¥17.399 billion). We will continue to make dividend payments once a year, following the resolution of the general meeting of shareholders, with the dividend record date at the end of each fiscal year.

Please refer to the attached presentation materials for non-consolidated operating results of SFH's principal subsidiaries, Sony Life, Sony Assurance and Sony Bank for the fiscal year ended March 31, 2014.

II. Status of the Corporate Group

On April 1, 2004, SFH was established as a financial holding company (an insurance holding company and a bank holding company) through a corporate separation from Sony Corporation. On October 11, 2007, SFH listed its common stock on the First Section of the Tokyo Stock Exchange, by publicly offering its shares to Japanese and overseas investors, resulting in Sony Corporation's ownerships to account for 60% of the total outstanding shares of SFH.

As of March 31, 2014, Sony Financial Group included as direct subsidiaries Sony Life, Sony Assurance and Sony Bank, and SmartLink Network, Inc. and SmartLink Network Hong Kong Limited, subsidiaries of Sony Bank. It also includes AEGON Sony Life Insurance Co., Ltd. and SA Reinsurance Ltd., as affiliated companies accounted for under the equity method.

- **Sony Financial Holdings Inc.** (Management control of its subsidiaries and all duties incidental to that role)
[Directly held, indirectly held subsidiaries and affiliated companies accounted for under the equity method]

<Life insurance business>

- Sony Life Insurance Co., Ltd. (Wholly-owned by SFH)
- AEGON Sony Life Insurance Co., Ltd. (50%-owned by Sony Life)
- SA Reinsurance Ltd. (50%-owned by Sony Life)

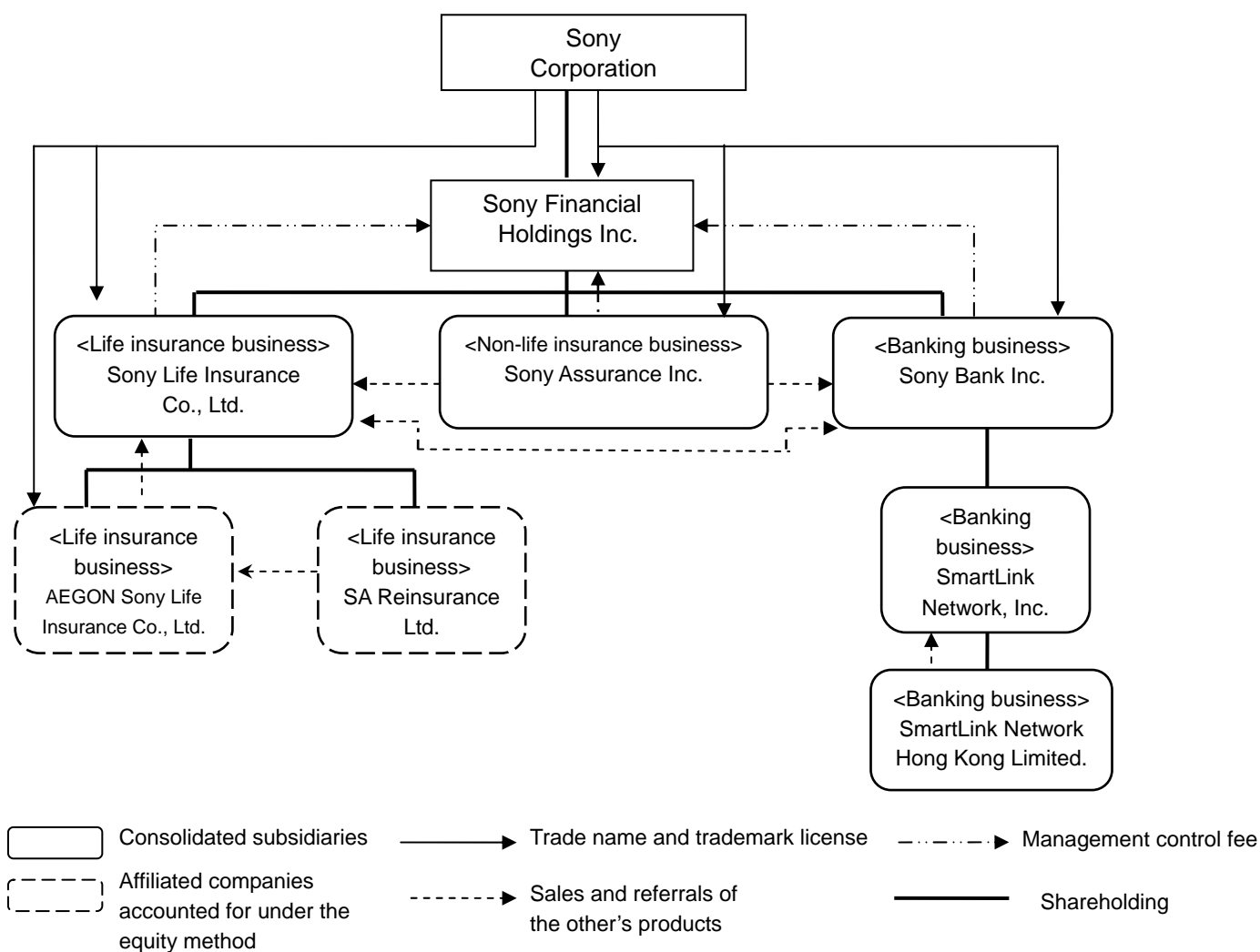
<Non-life insurance business>

- Sony Assurance Inc. (Wholly-owned by SFH)

<Banking business>

- Sony Bank Inc. (Wholly-owned by SFH)
- SmartLink Network, Inc. (57% -owned by Sony Bank)
- SmartLink Network Hong Kong Limited. (Wholly-owned by SmartLink Network, Inc.)

[Organizational chart] (As of March 31, 2014)



III. Management Policies

1. Company's Basic Management Policies

The Sony Financial Group positions its corporate vision and philosophy as the basic policy for setting management strategy and expediting management decision-making. The Group's corporate vision and philosophies are described below.

a. Corporate Vision

The Sony Financial Group seeks to become the most highly trusted financial services group by customers. To this end, the Sony Financial Group will combine many different financial functions (savings, investment, borrowing, and protection) to provide high-value-added financial products and high-quality services that meet every customer's financial needs.

b. Corporate Philosophy

Put the Customer First

We will provide financial products and services that satisfy customers by embracing their individual views, to ensure that we help them lead prosperous lives with financial security.

Give Back to Society

We believe that a special commitment to the public good is demanded of a financial services enterprise. Conscious of this, we will realize our vision by upholding the highest ethics and a strong sense of purpose, and thereby give back to society. In addition, we will fulfill our responsibilities as a good corporate citizen and member of society.

Strive for Originality

We will constantly strive to come up with fresh ideas from basic principles as we pursue creativity and innovation, instead of merely following custom and convention.

Foster an Open Corporate Culture

We believe that every employee's contribution is important to develop our ideal of a financial services enterprise. We will thus foster an open corporate culture where employees can freely express their individuality and demonstrate their abilities to the fullest.

2. Key Management Benchmarks

SFH closely follows the following management benchmarks aiming at raising its corporate value.

- Consolidated ordinary revenues
- Consolidated ordinary profit
- Consolidated net income
- Consolidated adjusted ROE

Consolidated adjusted ROE is calculated as follows.

Consolidated adjusted ROE = consolidated adjusted profit divided by consolidated adjusted capital

Consolidated adjusted profit is calculated as the sum of the following:

- 1) Sony Life: The amount of increase in Embedded Value (EV* : adjusted net worth plus value of existing business) during the fiscal year plus dividends paid
- 2) Sony Assurance: The net income plus provision for catastrophe reserve and its provision for reserve for price fluctuations, in each case after taxes
- 3) Sony Bank: Net income

Consolidated adjusted capital is calculated as the sum of the following:

- 1) Sony Life: EV* as of the beginning of the fiscal year less dividends paid plus EV* as of the end of the fiscal year, divided by two
- 2) Sony Assurance: The average amount of net assets plus the sum of catastrophe reserve and its reserve for

price fluctuations, in each case after taxes

3) Sony Bank: The average amount of net assets

*Sony Life discloses Market Consistent Embedded Value (“MCEV”). Sony Life’s MCEV is calculated in compliance with the European Insurance Chief Financial Officers (CFOs) Forum Market Consistent Embedded Value Principles© (“MCEV Principles”), the international standard in disclosing MCEV published by the CFO Forum comprised of CFOs from major insurance companies in Europe.

Consolidated adjusted profit and consolidated adjusted capital take into consideration dividends from the Group subsidiaries and other special factors.

3. Mid- to Long-Term Management Strategies

The Sony Financial Group aims to maximize the corporate value of the Group over the medium to long term by implementing the management strategies outlined below.

(a) Sustainable and Stable Growth of Group Companies

Sony Life: Sony Life provides detailed tailored consulting and follow-up services through life insurance professionals—Lifeplanner sales employees and Partners (independent agencies)—who have broad-ranging expertise and extensive experience in such areas as economics, finance and taxation. Sony Life strives to strengthen its capabilities and hone its competitive edge in the individual life insurance market by providing value in a way that only Sony Life can.

Sony Assurance: Capitalizing on the strengths of its position as a direct insurance provider that communicates with each of its customers directly via the Internet and the telephone, Sony Assurance precisely understands customer opinions and needs, and provides products and services from a customer viewpoint. Sony Assurance aims to increase its income from insurance premiums by offering reasonably priced insurance premiums realized by risk-segmented products and operational efficiency.

Sony Bank: Sony Bank is an Internet bank focused on the needs of individual customers. By maximizing information technologies, the bank works to provide fair and highly convenient financial products and services. By ensuring its trustworthiness in such ways, the bank is working to expand its operations further.

(b) Fostering Synergy among Group Companies

In addition to the growth of each company within the Group, we seek to enhance synergies among the companies of the Sony Financial Group. Such efforts include the joint offering of products and services, the sharing of distribution channels and infrastructure and other forms of collaboration. By increasing intra-group synergies, SFH aims to offer customers attractive and high-value-added products and services that are unmatched by conventional financial institutions.

(c) Expanding into New Business Fields, Outside the Existing Framework

Sony Financial Group entered nursing care business in November 2013, and Sony Lifecare Inc. was established in April 2014 as a holding company to oversee the Group’s operations in the nursing care business, aiming to contributing to the realization of a society that help elderly people live fulfilled and securely throughout their lives through nursing care services.

Through the growth of Group companies and increased synergies within the Group, we aim to move beyond the existing framework of the Sony Financial Group. We are examining active advancements into new business fields that will raise our corporate value even further.

4. Tasks Ahead for the Company

In the fiscal year ending March 31, 2015, we expect Japanese economic performance to register a fallback in personal consumption in comparison with the surge in demand prior to implementation of the consumption tax rise. Nevertheless, we believe that overall the economy will remain in a state of gradual recovery, buoyed by higher corporate earnings and improvements in the employment and income situation. We will need to continue monitoring overseas economic conditions and government measures to stimulate the economy, however, as uncertainty remains on the corporate management horizon.

Regardless, the insurance and banking industries must serve their role in providing proper and stable financial services, while consistently executing growth strategies.

The Sony Financial Group seeks to become the financial services group that is most highly trusted by customers. To this end, the Group has redoubled its internal control efforts focused on compliance, risk management, eradicating anti-social influences and ensuring the protection of personal information. The Sony Financial Group has also explored its ideal of providing financial services for individual customers from various perspectives. We are working to realize our vision and achieve ongoing increases in corporate value by executing the above management strategies. At the same time, we identify our social role and mission as a financial institution as contributing to the realization of a sustainable society. We will fulfill our responsibilities to our stakeholders accordingly.

IV. Consolidated Financial Statements

1. Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2013	As of March 31, 2014
Assets		
Cash and due from banks	¥104,142	¥204,546
Call loans and bills bought	107,088	40,628
Monetary trusts	324,305	325,831
Securities	6,202,333	6,822,151
Loans	1,115,330	1,211,638
Tangible fixed assets	73,217	71,565
Land	31,089	30,103
Buildings	39,696	37,030
Leased assets	302	106
Construction in progress	672	947
Other tangible fixed assets	1,456	3,376
Intangible fixed assets	38,232	36,774
Software	37,944	36,571
Goodwill	258	179
Other intangible fixed assets	29	24
Due from reinsurers	110	158
Foreign exchanges	7,954	7,752
Other assets	107,345	100,503
Net defined benefit asset	—	1,730
Deferred tax assets	17,980	19,872
Reserve for possible loan losses	(1,877)	(1,769)
Total Assets	¥8,096,164	¥8,841,382

(Millions of yen)

	As of March 31, 2013	As of March 31, 2014
Liabilities		
Policy reserves and others	¥5,601,060	¥6,263,315
Reserve for outstanding claims	53,246	57,400
Policy reserves	5,543,540	6,201,676
Reserve for policyholders' dividends	4,273	4,237
Due to agencies	2,431	2,169
Due to reinsurers	600	650
Deposits	1,857,302	1,889,970
Call money and bills sold	10,000	6,000
Borrowed money	2,000	20,000
Foreign exchanges	87	40
Bonds payable	20,000	20,000
Other liabilities	106,365	95,725
Reserve for employees' bonuses	3,085	3,204
Reserve for employees' retirement benefits	24,216	—
Net defined benefit liability	—	30,272
Reserve for directors' retirement benefits	411	250
Special reserves	32,344	41,657
Reserve for price fluctuations	32,344	41,657
Deferred tax liabilities	275	539
Deferred tax liabilities on land revaluation	536	536
Total Liabilities	7,660,719	8,374,332
Net Assets		
Common stock	19,900	19,900
Capital surplus	195,277	195,277
Retained earnings	135,160	164,790
Treasury Stock	—	(0)
Total shareholders' equity	350,337	379,967
Net unrealized gains on other securities, net of taxes	88,329	92,002
Net deferred losses on hedging instruments, net of taxes	(3,047)	(2,388)
Land revaluation, net of taxes	(1,513)	(1,513)
Foreign currency translation adjustments	—	0
Remeasurements of defined benefit plans, net of taxes	—	(2,292)
Total accumulated other comprehensive income	83,767	85,807
Minority interests	1,339	1,275
Total Net Assets	435,444	467,050
Total Liabilities and Net Assets	¥8,096,164	¥8,841,382

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

(Millions of yen)

	For the year ended March 31, 2013	For the year ended March 31, 2014
Ordinary Revenues	¥1,259,041	¥1,319,766
Ordinary Revenues from the Life Insurance Business	1,140,184	1,194,315
Income from insurance premiums	925,075	959,911
Insurance premiums	923,672	958,585
Ceded reinsurance commissions	1,402	1,325
Investment income	199,549	211,829
Interest income and dividends	108,153	121,666
Income from monetary trusts, net	5,259	5,311
Gains on sale of securities	2,522	773
Gains on redemption of securities	—	2
Gains on derivatives, net	—	172
Foreign exchange gains, net	—	1,183
Other investment income	13	47
Gains on separate accounts, net	83,601	82,670
Other ordinary income	15,559	22,575
Ordinary Revenues from the Non-life Insurance Business	84,711	89,863
Underwriting income	83,615	88,639
Net premiums written	83,582	88,600
Interest and dividends on deposits of premiums	33	39
Investment income	1,021	1,199
Interest income and dividends	1,027	1,209
Gains on sale of securities	26	25
Gains on redemption of securities	—	3
Transfer to interest and dividends on deposits of premiums	(33)	(39)
Other ordinary income	74	24
Ordinary Revenues from the Banking Business	34,145	35,586
Interest income	25,954	26,328
Interest income on loans	13,877	14,134
Interest income and dividends on securities	12,007	12,077
Interest income on call loans and bills bought	13	8
Interest income on deposits with banks	55	107
Other interest income	0	0
Fees and commissions	5,260	4,928
Other operating income	2,815	4,174
Gains on foreign exchange transactions, net	1,874	2,782
Others	940	1,391
Other ordinary income	114	155

(Continued)

(Millions of yen)

	For the year ended March 31, 2013	For the year ended March 31, 2014
Ordinary Expenses	¥1,179,789	¥1,243,629
Ordinary Expenses from the Life Insurance Business	1,069,007	1,128,787
Insurance claims and other payments	293,938	327,257
Insurance claims	71,065	77,413
Annuity payments	9,571	10,768
Insurance benefits	46,809	55,510
Surrender payments	161,873	178,402
Other payments	2,649	3,203
Reinsurance premiums	1,968	1,959
Provision for policy reserves and others	630,575	650,764
Provision for reserve for outstanding claims	607	55
Provision for policy reserves	629,955	650,703
Interest portion of reserve for policyholders' dividends	12	5
Investment expenses	11,450	8,182
Interest expenses	43	48
Losses on sale of securities	1,587	528
Devaluation losses on securities	327	—
Losses on derivatives, net	226	—
Foreign exchange losses, net	1,253	—
Provision for reserve for possible loan losses	21	6
Depreciation of real estate for rent and others	2,000	1,952
Other investment expenses	5,990	5,646
Operating expenses	108,849	113,442
Other ordinary expenses	24,192	29,140
Ordinary Expenses from the Non-life Insurance Business	81,704	86,189
Underwriting expenses	61,401	65,030
Net losses paid	47,153	46,183
Loss adjustment expenses	5,656	6,367
Net commission and brokerage fees	945	948
Provision for reserve for outstanding losses	4,407	4,098
Provision for underwriting reserves	3,238	7,433
Other underwriting expenses	0	0
Investment expenses	7	7
Losses on sale of securities	3	5
Losses on redemption of securities	3	2
Operating, general and administrative expenses	20,279	21,150
Other ordinary expenses	16	0

(Continued)

(Millions of yen)

	For the year ended March 31, 2013	For the year ended March 31, 2014
Ordinary Expenses from the Banking Business	¥29,077	¥28,652
Interest expenses	7,811	6,286
Interest expenses on deposits	6,296	4,905
Interest expenses on call money and bills sold	10	6
Interest on borrowed money	86	26
Interest expenses on bonds	61	119
Interest expenses on interest rate swaps	1,355	1,227
Other interest expenses	0	0
Fees and commissions	1,546	1,735
Other operating expenses	2,568	3,411
General and administrative expenses	16,760	16,920
Other ordinary expenses	389	298
Ordinary Profit	79,252	76,136
Extraordinary Losses	9,257	9,508
Losses on disposal of fixed assets	113	137
Impairment losses	962	36
Provision for special reserves	6,964	9,312
Provision for reserve for price fluctuations	6,964	9,312
Loss on sales of shares of subsidiaries and affiliates	1,216	—
Others	0	20
Provision for Reserve for Policyholders' Dividends	2,104	2,232
Income Before Income Taxes	67,890	64,396
Income Taxes	22,746	23,933
- Current	29,366	26,451
- Deferred	(6,620)	(2,517)
Income Before Minority Interests	45,143	40,462
Minority interests in income(losses)	78	(42)
Net Income	¥45,064	40,504

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

(Millions of yen)

	For the year ended March 31, 2013	For the year ended March 31, 2014
Income Before Minority Interests	¥45,143	¥40,462
Other comprehensive income		
Net unrealized i clps on other securities, net of taxes	51,381	5,672
Net deferred i clps on hedging instruments, net of taxes	(633)	659
Land revaluation, net of taxes	(118)	–
Foreign currency translation adjustments	453	0
Share of other comprehensive income of affiliates accounted for using equity method	(1)	0
Total other comprehensive income	51,082	4,332
Comprehensive income	96,225	44,794
(Details)		
Comprehensive income attributable to parent company	96,146	44,837
Comprehensive income attributable to minority interests	78	(42)

3. Consolidated Statements of Changes in Net Assets

For the year ended March 31, 2013

(Millions of yen)

	Shareholders' Equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the fiscal year	¥19,900	¥195,277	¥98,677	—	¥313,854
Changes during the period					
Dividends from surplus	—	—	(8,700)	—	(8,700)
Net income	—	—	45,064	—	45,064
Purchase of treasury stock	—	—	—	—	—
Reversal of land revaluation	—	—	118	—	118
Net changes of items other than shareholders' equity	—	—	—	—	—
Total changes during the period	—	—	36,482	—	36,482
Balance at the end of the current period	¥19,900	¥195,277	¥135,160	—	¥350,337

	Total accumulated other comprehensive income						Minority interests	Total Net Assets
	Net unrealized gains on other securities, net of taxes	Net deferred losses on hedging instruments, net of taxes	Land revaluation, net of taxes	Foreign currency translation adjustments	Remeasurements of defined benefit plans, net of taxes	Total accumulated other comprehensive income		
Balance at the beginning of the fiscal year	¥36,949	¥(2,414)	¥(1,395)	¥(453)	—	¥32,685	¥1,260	¥347,800
Changes during the period								
Dividends from surplus	—	—	—	—	—	—	—	(8,700)
Net income	—	—	—	—	—	—	—	45,064
Purchase of treasury stock	—	—	—	—	—	—	—	—
Reversal of land revaluation	—	—	—	—	—	—	—	118
Net changes of items other than shareholders' equity	51,380	(633)	(118)	453	—	51,082	78	51,161
Total changes during the period	51,380	(633)	(118)	453	—	51,082	78	87,643
Balance at the end of the current period	¥88,329	¥ (3,047)	¥ (1,513)	—	—	¥83,767	¥1,339	¥435,444

For the year ended March 31, 2014

(Millions of yen)

	Shareholders' Equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the fiscal year	¥19,900	¥195,277	¥135,160	—	¥350,337
Changes during the period					
Dividends from surplus	—	—	(10,875)	—	(10,875)
Net income	—	—	40,504	—	40,504
Purchase of treasury stock	—	—	—	(0)	(0)
Net changes of items other than shareholders' equity	—	—	—	—	—
Total changes during the period	—	—	29,629	(0)	29,629
Balance at the end of the current period	¥19,900	¥195,277	¥164,790	¥ (0)	¥379,967

	Total accumulated other comprehensive income						Minority interests	Total Net Assets
	Net unrealized gains on other securities, net of taxes	Net deferred losses on hedging instruments, net of taxes	Land revaluation, net of taxes	Foreign currency translation adjustments	Remeasurements of defined benefit plans, net of taxes	Total accumulated other comprehensive income		
Balance at the beginning of the fiscal year	¥88,329	¥ (3,047)	¥ (1,513)	—	—	¥83,767	¥1,339	¥435,444
Changes during the period								
Dividends from surplus	—	—	—	—	—	—	—	(10,875)
Net income	—	—	—	—	—	—	—	40,504
Purchase of treasury stock	—	—	—	—	—	—	—	(0)
Net changes of items other than shareholders' equity	3,672	659	—	0	(2,292)	2,039	(64)	1,975
Total changes during the period	3,672	659	—	0	(2,292)	2,039	(64)	31,605
Balance at the end of the current period	¥92,002	¥(2,388)	¥ (1,513)	¥0	¥(2,292)	¥85,807	¥1,275	¥467,050

4. Consolidated Statements of Cash Flows

(Millions of yen)

	For the year ended March 31, 2013	For the year ended March 31, 2014
Cash flows from operating activities		
Income before income taxes	¥67,890	¥64,396
Depreciation of real estate for rent and others	2,000	1,952
Depreciation and amortization	7,784	9,147
Impairment losses	962	36
Amortization of goodwill	580	79
Increase (decrease) in reserve for outstanding claims	5,015	4,153
Increase in policy reserve	633,193	658,136
Increase in interest portion of reserve for policyholders' dividends	12	5
Increase (decrease) in reserve for policyholders' dividends	2,104	2,232
Increase in reserve for possible loan losses	28	(108)
Increase in reserve for employees' retirement benefits	2,913	—
Increase (decrease) in net defined benefit liability	—	2,865
Increase (decrease) in reserve for directors' retirement benefits	57	(161)
Increase (decrease) in reserve for price fluctuations	6,964	9,312
Increase in reserve for financial products transaction liabilities	0	—
Interest income and dividends	(135,136)	(149,204)
(Gains) losses on securities	(87,294)	(74,996)
Interest expenses	7,855	6,334
Exchange losses	(35,508)	(30,559)
Losses on disposal of tangible fixed assets	69	146
Equity in losses of affiliates	1,718	1,538
Net increase in loans	(134,664)	(87,193)
Net increase in deposits	96,408	33,559
Net increase (decrease) in borrowed money (excluding subordinated borrowings)	—	20,000
Net (increase) decrease in call loans and bills bought	—	4,000
Net increase (decrease) in call money and bills sold	—	(4,000)
Net (increase) decrease in foreign exchange (assets)	981	202
Net increase (decrease) in foreign exchange (liabilities)	51	(47)
Others, net	27,437	7,043
Subtotal	471,428	478,874
Interest and dividends received	146,015	160,737
Interest paid	(8,330)	(6,465)
Policyholders' dividends paid	(1,966)	(2,273)
Income taxes paid	(26,264)	(29,134)
Net cash provided by operating activities	580,882	601,738

(Continued)

(Millions of yen)

	For the year ended March 31, 2013	For the year ended March 31, 2014
Cash flows from investing activities		
Investments in monetary trusts	¥(4,942)	¥(2,301)
Proceeds from sale of monetary trusts	5,300	5,100
Purchases of securities	(973,738)	(990,899)
Proceeds from sale and redemption of securities	462,518	480,946
Investments in loans	(47,927)	(54,102)
Collections of loans	21,144	25,405
Others	(53)	—
Total of net cash used in investment transactions	(537,698)	(535,850)
Total of net cash provided by (used in) operating activities and investment transactions	43,184	65,887
Purchases of tangible fixed assets	(1,599)	(3,326)
Proceeds from sale of tangible fixed assets	—	2,021
Purchases of intangible fixed assets	(11,869)	(7,707)
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation	1,035	—
Purchase of securities of a subsidiary	(30)	(1,058)
Purchase of securities of affiliates	—	(3,500)
Others	2	75
Net cash used in investing activities	(550,159)	(549,346)
Cash flows from financing activities		
Proceeds from issuance of bonds	9,965	—
Cash dividends paid	(8,697)	(10,878)
Net decrease in subordinated borrowings	—	(2,000)
Purchase of treasury stock	—	(0)
Balance from securitization of lease receivables	(6,500)	(600)
Others	214	(43)
Net cash provided by (used in) financing activities	(5,017)	(13,522)
Effect of exchange rate changes on cash and cash equivalents	47	5
Net increase (decrease) in cash and cash equivalents	25,752	38,875
Cash and cash equivalents at beginning of the fiscal year	175,651	201,404
Cash and cash equivalents at end of the fiscal year	¥201,404	¥240,279

Note: Cash flows from investing activities include cash flows from lending operations of the insurance business.

5. Notes to the Consolidated Financial Statements

1) Changes in scope of consolidation during the period under review

SmartLink Network Hong Kong Limited has been included in the scope of consolidation during the fiscal year.

2) Changes in accounting policies

(Application of Accounting Standards for Consolidated Financial Statements)

From 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 fiscal year under review.

(Application of Accounting Standards for Retirement Benefits)

The Sony Financial Group has applied the “Accounting Standard for Retirement Benefits” (ASBJ Statement No.26, May 17, 2012) and the “Guidance on Accounting Standard for Retirement Benefits” (ASBJ Guidance No.25, May 17, 2012) from the fiscal year ended March 31, 2014 (except for Clause 35 of the “Accounting Standard for Retirement Benefits” and Clause 67 of the “Guidance on Accounting Standard for Retirement Benefits”). The Company has changed its accounting method to post retirement benefit obligations less plan assets as net defined benefit liability, and posts unrecognized actuarial gains, unrecognized past service costs due to the change in accounting standard as net defined benefit liability. If plan assets exceed retirement benefit obligations, the Company posts the difference as net defined benefit asset.

Following Clause 37 of the “Accounting Standards for Retirement Benefits”, which stipulates transitional treatment of the new standard, the effect of the application of the new standard is adjusted in remeasurements of defined benefit plans of total accumulated other comprehensive income at the end of the fiscal year ended March 31, 2014.

As a result, net defined benefit asset was recognized as ¥1,730 million and net defined benefit liability was recognized as ¥30,272 million at the end of the fiscal year ended March 31, 2014. Total accumulated other comprehensive income decreased by ¥2,292 million.

3) Segment Information

(1) Outline of reporting segments

The Sony Financial Group’s reporting segments are components of the Group whose operating results are regularly reviewed by the Board of Directors to make decisions about resources to be allocated to the segments and assess their performance, for which discrete financial information is available.

SFH is the financial holding company of Sony Life Insurance Co., Sony Assurance Inc., and Sony Bank Inc., and pursues financial group strategies. The subsidiaries make their own business plans and engage in business activities from which they may earn revenues and incur expenses, under the Insurance Business Law of Japan, the Banking Law of Japan, and other regulations.

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., SmartLink Network, Inc. and SmartLink Network Hong Kong Limited.

(2) Segment Information by reporting segment

For the year ended March 31, 2013

	Millions of yen			
	Life insurance business	Non-life insurance business	Banking business	Total
Ordinary revenues				
External customers	¥1,140,184	¥84,711	¥34,145	¥1,259,041
Intersegment	2,213	0	183	2,396
Total	1,142,397	84,711	34,329	1,261,438
Segment profit	72,770	2,371	3,953	79,095
Segment assets	5,948,190	127,421	2,012,627	8,088,238
Others				
Depreciation	6,265	1,697	2,082	10,046
Interest income and dividends	108,614	1,027	25,954	135,596
Interest expenses	43	—	7,886	7,930
Equity in earnings (losses) of affiliates	(1,718)	—	—	(1,718)
Investments in affiliates	7,830	—	—	7,830
Increase in tangible fixed assets and intangible fixed assets	¥6,322	¥3,174	¥2,729	¥12,227

For the year ended March 31, 2014

	Millions of yen			
	Life insurance business	Non-life insurance business	Banking business	Total
Ordinary revenues				
External customers	¥1,194,315	¥89,863	¥35,586	¥1,319,766
Intersegment	2,375	1	209	2,585
Total	1,196,690	89,864	35,796	1,322,352
Segment profit	67,247	3,004	5,637	75,889
Segment assets	6,619,364	142,728	2,068,713	8,830,807
Others				
Depreciation	7,141	2,137	2,240	11,520
Interest income and dividends	122,141	1,209	26,328	149,679
Interest expenses	48	—	6,400	6,449
Equity in earnings (losses) of affiliates	(1,538)	—	—	(1,538)
Investments in affiliates	9,369	—	—	9,369
Increase in tangible fixed assets and intangible fixed assets	¥3,267	¥4,936	¥2,511	¥10,716

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

	Millions of yen	
	For the year ended March 31, 2013	For the year ended March 31, 2014
Totals of reporting segments	¥1,261,438	¥1,322,352
Adjustments for intersegment transactions	(2,396)	(2,585)
Ordinary revenues in statement of income	¥1,259,041	¥1,319,766

	Millions of yen	
	For the year ended March 31, 2013	For the year ended March 31, 2014
Totals of reporting segments	¥79,095	¥75,889
Adjustments for intersegment transactions	7	7
Amount not allocated to reporting segments	149	239
Ordinary profit in statement of income	¥79,252	¥76,136

	Millions of yen	
	For the year ended March 31, 2013	For the year ended March 31, 2014
Totals of reporting segments	¥8,088,238	¥8,830,807
Adjustments for intersegment transactions	(20,978)	(21,025)
Amount not allocated to reporting segments	28,903	31,600
Assets in balance sheets	¥8,096,164	¥8,841,382

	Millions of yen					
	For the year ended March 31, 2013			For the year ended March 31, 2014		
	Total	Adjustments	Consolidated financial statements	Total	Adjustments	Consolidated financial statements
Depreciation	¥10,046	¥8	¥10,054	¥11,520	¥11	¥11,531
Interest income and dividends	135,596	(460)	135,136	149,679	(475)	149,204
Interest expenses	7,930	(74)	7,855	6,449	(114)	6,334
Equity in earnings (losses) of affiliates	(1,718)	—	(1,718)	(1,538)	—	(1,538)
Investments in affiliates	7,830	—	7,830	9,369	—	9,369
Increase in tangible fixed assets and intangible fixed assets	¥12,227	¥4	¥12,231	¥10,716	¥220	¥10,936

Relative information

For the year ended March 31, 2013

1. Information by business segment

	Millions of yen			
	Life insurance business	Non-life insurance business	Banking business	Total
Ordinary revenues from External customers	¥1,140,184	¥84,711	¥34,145	¥1,259,041

2. Geographic segment information

(1) Ordinary revenues

Ordinary revenues information by geographic segment is not shown, as ordinary revenues from external customers in Japan accounted for more than 90% of ordinary revenues in the consolidated statements of income.

(2) Tangible fixed assets

Information on tangible fixed assets by geographic segment is not shown, as tangible fixed assets in Japan accounted for more than 90% of tangible fixed assets in the consolidated balance sheets.

3. Information by major client

Information by major client is not shown, as ordinary revenues from external customers who are major clients accounted for less than 10% of ordinary revenues in the consolidated statements of income.

For the year ended March 31, 2014

1. Information by business segment

	Millions of yen			
	Life insurance business	Non-life insurance business	Banking business	Total
Ordinary revenues from External customers	¥1,194,315	¥89,863	¥35,586	¥1,319,766

2. Geographic segment information

(1) Ordinary revenues

Ordinary revenues information by geographic segment is not shown, as ordinary revenues from external customers in Japan accounted for more than 90% of ordinary revenues in the consolidated statements of income.

(2) Tangible fixed assets

Information on tangible fixed assets by geographic segment is not shown, as tangible fixed assets in Japan accounted for more than 90% of tangible fixed assets in the consolidated balance sheets.

3. Information by major client

Information by major client is not shown, as ordinary revenues from external customers who are major clients accounted for less than 10% of ordinary revenues in the consolidated statements of income.

Information on impairment losses on fixed assets by business segment

For the year ended March 31, 2013

Millions of yen						
	Reporting segments				Others	Consolidated
	Life insurance business	Non-life insurance business	Banking business	Total		
Impairment losses	¥962	—	—	¥962	—	¥962

For the year ended March 31, 2014

Millions of yen						
	Reporting segments				Others	Consolidated
	Life insurance business	Non-life insurance business	Banking business	Total		
Impairment losses	¥36	—	—	¥36	—	¥36

Information on amortization of goodwill and unamortized balance by business segment

For the year ended March 31, 2013

Millions of yen						
	Reporting segments				Others	Consolidated
	Life insurance business	Non-life insurance business	Banking business	Total		
Amortization of goodwill	—	—	¥580	¥580	—	¥580
Balance at end of period	—	—	¥258	¥258	—	¥258

For the year ended March 31, 2014

Millions of yen						
	Reporting segments				Others	Consolidated
	Life insurance business	Non-life insurance business	Banking business	Total		
Amortization of goodwill	—	—	¥79	¥79	—	¥79
Balance at end of period	—	—	¥179	¥179	—	¥179

Information on negative goodwill by business segment

No applicable items to be reported.

4) Financial Instruments

Fair value information on financial instruments

Below is fair value information on financial instruments as of March 31, 2014, excluding securities whose fair values are not readily determinable.

Financial assets

	Millions of yen		
	As of March 31, 2014		
	Consolidated balance sheet amount	Fair value	Difference
Cash and due from banks	¥204,546	¥204,546	—
Call loans and bills bought	40,628	40,628	—
Monetary trusts			
Monetary trusts for trading purposes	484	484	—
Other monetary trusts	325,346	325,346	—
Securities			
Trading securities	620,666	620,666	—
Held-to-maturity securities	4,492,273	4,927,696	¥435,422
Available-for-sale securities	1,674,372	1,674,372	—
Loans	1,211,638		
Reserve for possible loan losses*	(1,341)		
	1,210,297	1,315,979	105,682
Total Financial Assets	¥8,568,615	¥9,109,721	¥541,105

* Excludes general and specific reserves for possible loan losses.

Financial liabilities

	Millions of yen		
	As of March 31, 2014		
	Consolidated balance sheet amount	Fair value	Difference
Deposits	¥1,889,970	¥1,890,799	¥829
Call money and bills sold	6,000	6,000	—
Bonds payable	20,000	20,096	96
Total Financial Liabilities	¥1,915,970	¥1,916,895	¥925

Derivative financial instruments

	Millions of yen		
	As of March 31, 2014		
	Consolidated balance sheet amount	Fair value	Difference
Hedge accounting not applied*	¥1,239	¥1,239	—
Hedge accounting applied	(14,254)	(14,254)	—
Total Derivative Financial Instruments	¥(13,015)	¥(13,015)	—

* Figures are totals resulting from derivatives transactions, which are accounted for as other assets and liabilities on the consolidated balance sheets. If the total is a debt amount, the above figure is negative.

Calculation of the fair value of financial instruments

Financial Assets

Cash and due from banks, call loans and bills bought

The fair value is regarded as the carrying amount, as they are approximately equal.

Monetary trusts

In individual monetary trusts mainly for investment purposes, the fair value of bonds is the market price on financial instrument exchanges or the price indicated by a financial institution. Please see “investment in monetary trust,” which indicates fair values by purpose.

Securities

The fair value of stocks is the market price on stock market or financial instrument exchanges. The fair value of bonds and investment funds is the market price or the price indicated by a financial institution. Please see “investment in securities,” which indicates fair values by purpose.

Loans

(i) Loans in the banking business

The value of these loans is calculated by estimating their future cash flows and then applying a prescribed discount rate. The discount rate is determined by adding to the Libor-based yield curve a premium corresponding to the allowance rate of general provision for loan losses.

(ii) Policy loans in the life insurance business

Policyholder loans are valued by discounting future cash flows to their current value.

(iii) General loans in the life insurance business

The fair value is regarded as the carrying amount, as they are approximately equal.

Financial Liabilities

Deposits

The value of deposits is calculated by type, by estimating their future cash flows and then applying a prescribed discount rate. The discount rate is determined by adding to the Libor-based yield curve a premium corresponding to the banking subsidiary's cumulative default rate by rating.

Call money and bills sold

The fair value is regarded as the carrying amount, as they are approximately equal.

Bonds payable

The fair value of bonds payable is the market price on bond and other markets.

Derivative Transactions

Please see “derivative financial instruments”, which indicates calculations of fair value.

Securities whose fair values are not readily determinable

	Millions of yen
	As of March 31, 2014
Non-consolidated subsidiaries and affiliates that are unlisted*1	¥10,428
Investment in partnership*2	24,410
Total	<u>¥34,838</u>

*1. Unlisted stocks have no market prices and fair values are not readily determinable.

*2. Assets included in “investment in partnership” are stocks in unlisted companies.

Note: Impairment losses on investment in partnership was recognized as ¥193 million for the year ended March 31, 2014.

Impairment losses are principally recorded when their fair value as of the end of the fiscal year has declined by 50% or more from the acquisition cost.

The future redemption schedule of monetary claims and securities with maturities

	Millions of yen			
	As of March 31, 2014			
	1 year or less	More than 1 year to 5 years	More than 5 years to 10 years	Over 10 years
Cash and due from banks	¥204,546	—	—	—
Call loans and bills bought	40,628	—	—	—
Securities				
Held-to-maturity securities	9,265	¥14,001	¥43,687	¥4,434,108
Bonds	9,265	14,001	43,487	4,327,751
Japanese government and municipal bonds	8,158	12,232	39,798	4,306,490
Japanese corporate bonds	1,107	1,769	3,689	21,261
Others	—	—	200	106,357
Available-for-sale securities	216,042	419,816	208,248	697,900
Bonds	102,901	112,530	165,785	697,900
Japanese government and municipal bonds	37,746	70,835	106,696	697,850
Japanese corporate bonds	65,155	41,695	59,089	50
Others	113,141	307,286	42,463	—
Loans*	17,597	75,693	59,917	902,637
Total	<u>¥488,079</u>	<u>¥509,512</u>	<u>¥311,853</u>	<u>¥6,034,646</u>

* This figure excludes loans of ¥154,180 million that have no fixed redemption period such as policyholder loans.

The future return schedule of deposits and other liabilities with interest

	Millions of yen				
	As of March 31, 2014				
	1 year or less	More than 1 year to 2 years	More than 2 years to 3 years	More than 3 years to 4 years	More than 4 years to 5 years
Deposits*	¥1,793,166	¥21,603	¥14,837	¥3,248	¥4,811
Call money and bills sold	6,000	—	—	—	—
Bonds payable	—	—	10,000	10,000	—
Total	<u>¥1,799,166</u>	<u>¥21,603</u>	<u>¥24,837</u>	<u>¥13,248</u>	<u>¥4,811</u>

*Demand deposits are included in “1 year or less.”

5)Investments in Securities

Trading securities

Millions of yen
For the year ended March 31, 2014
Valuation gains charged to income
¥50,776

Held-to-maturity securities

Millions of yen									
As of March 31, 2014									
	Fair values exceeding the consolidated balance sheet amount			Fair values not exceeding the consolidated balance sheet amount			Total		
	Consolidated balance sheet amount	Gross unrealized gains	Fair value	Consolidated balance sheet amount	Gross unrealized losses	Fair value	Consolidated balance sheet amount	Net unrealized gains	Fair value
Bonds	¥4,430,770	¥422,547	¥4,853,318	¥873	¥(3)	¥869	—	—	—
Japanese government and municipal bonds	4,402,886	419,838	4,822,724	732	(2)	729	—	—	—
Japanese corporate bonds	27,884	2,709	30,593	140	(0)	140	—	—	—
Others	55,288	12,952	68,240	5,341	(73)	5,267	—	—	—
Total	¥4,486,059	¥435,500	¥4,921,559	¥6,214	¥(77)	¥6,136	¥4,492,273	¥435,422	¥4,927,696

Available-for-sale securities

Millions of yen									
As of March 31, 2014									
	Fair values exceeding the acquisition cost			Fair values not exceeding the acquisition cost			Total		
	Consolidated balance sheet amount	Gross unrealized gains	Acquisition cost	Consolidated balance sheet amount	Gross unrealized losses	Acquisition cost	Consolidated balance sheet amount	Net unrealized gains	Acquisition cost
Bonds	¥1,113,507	¥80,466	¥1,033,040	¥56,959	¥(25)	¥56,985	—	—	—
Japanese government and municipal bonds	¥947,221	78,605	868,616	53,994	(24)	54,018	—	—	—
Japanese corporate bonds	166,285	1,861	164,424	2,964	(1)	2,966	—	—	—
Equity securities	22,029	9,259	12,770	191	(3)	195	—	—	—
Others	367,146	10,619	356,526	114,536	(548)	115,085	—	—	—
Total	¥1,502,684	¥100,345	¥1,402,338	¥171,688	¥(577)	¥172,265	¥1,674,372	¥99,767	¥1,574,604

Note: This chart as of March 31, 2014, excludes an investment in partnership of ¥24,410 million (consolidated balance sheet amounts).

Available-for-sale securities sold during the period

	Millions of yen		
	For the year ended March 31, 2014		
	Sales	Gains on sales	Losses on sales
Bonds	¥88,419	¥415	¥354
Japanese government and municipal bonds	82,498	399	308
Japanese corporate bonds	5,920	15	45
Equity securities	4,716	673	487
Others	101,277	1,065	62
Total	¥194,413	¥2,154	¥904

Impairment of available-for-sale securities:

Available-for-sale securities with market value are considered impaired if the market value decreases materially below the acquisition cost and such decline is considered non-recoverable. The market value is recognized as the consolidated balance sheet amount and the write-down is accounted for as a devaluation loss for the fiscal year.

No impairment loss was recognized for the year ended March 31, 2014.

“Material decline” is indicated when the market value is 30% or less than the acquisition cost.

6) Investments in Monetary Trusts

Monetary trusts for trading purposes

Millions of yen	
As of March 31, 2014	
Consolidated balance sheet amount	Valuation gains charged to income
¥484	¥—

Other monetary trusts

	Millions of yen			
	As of March 31, 2014			
	Consolidated balance sheet amount	Gross unrealized gains	Gross unrealized losses	Acquisition cost
Other monetary trusts	¥325,346	¥37,253	—	¥288,093

Note: Jointly invested monetary trusts included in the table above amount to ¥50 million for the year ended March 31, 2014.

Impairment of other monetary trusts

Securities with market values that are included in monetary trusts for purposes other than trading, holding to maturity or policy reserve matching are considered impaired if their market value decreases materially below the acquisition cost and such decline is considered non-recoverable. Their market value is recognized as the consolidated balance sheet amount and the write-down is accounted for as a devaluation loss for the fiscal year.

No impairment loss was recognized for the year ended March 31, 2014.

“Material decline” is indicated when the market value is 30% or less than the acquisition cost.

7) Derivative Financial Instruments

(1) Hedge accounting not applied

Below is a summary of contractual or notional amounts, current market or fair values, valuation gains or losses, and the method of calculating the fair values of derivatives, classified by transaction, to which hedge accounting is not applied. Notional amounts do not indicate exposure to credit loss.

Currency derivatives

Millions of yen				
As of March 31, 2014				
	Notional amount		Fair value	Valuation gains (losses)
	Total	Over 1 year		
Over-the-counter transactions:				
Forward foreign exchanges:				
Sold	¥75,611	—	¥(14)	¥(14)
Bought	126,400	—	585	585
Foreign exchange margin transactions				
Sold	41,601	—	(1,266)	(1,266)
Bought	25,375	—	1,585	1,585
Currency options				
Sold	1,682	—	(6)	2
Bought	2,570	—	18	(2)
Currency forward contracts				
Sold	45	—	(0)	(0)
Bought	9,560	—	337	337
Total	—	—	¥1,239	¥1,226

Notes:

1. The above transactions are valued at market, and valuation gains and losses are recorded in the consolidated statements of income.
2. Market values are calculated using discounted present value, option pricing models.

(2) Hedge accounting applied

The following provides a summary of contractual or notional amounts, current market or fair values, valuation gains or losses, and the method of calculating the fair values of derivatives, classified by transactions, to which hedge accounting is applied. Notional amounts do not indicate exposure to credit loss.

(i) Interest rate derivatives

	Millions of yen		
	As of March 31, 2014		
	Notional amount		
	Total	Over 1 year	Fair value Hedged item
Deferred hedge accounting			
Interest rate swaps	¥46,974	¥45,292	¥(1,446) Loans
Fair value hedge accounting			
Interest rate swaps	366,597	313,539	(14,149) Available-for-sale securities (bonds)
Total	—	—	¥(15,595)

Notes:

1. SFH applies deferred hedge accounting and fair value hedge accounting in accordance with “Accounting and Auditing Treatments on Application of Accounting Standard for Financial Instruments in the Banking Industry” (Industry Audit Committee of Japanese Institute of Certified Public Accountants No. 24).
2. Market value is calculated using discounted present value.

(ii) Currency derivatives

	Millions of yen		
	As of March 31, 2014		
	Notional amount		
	Total	Over 1 year	Fair value Hedged item
Fair value hedge accounting			
Currency swaps	¥12,209	¥522	¥1,340 Available-for-sale securities (bonds)
Total	—	—	¥1,340

Notes:

1. SFH applies mainly fair value hedge accounting.
2. Market value is calculated mainly using discounted present value and other methods.

8) 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., SmartLink Network Inc. and SmartLink Network Hong Kong Limited.^{*1} 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^{*2} and Sony Bank Securities Inc.^{*3} were included in the scope of consolidation for the year ended March 31, 2013 (April 1, 2012, to March 31, 2013).

^{*1} SmartLink Network Hong Kong Limited was established as a wholly owned subsidiary of SmartLink Network Inc., and was included in the scope of consolidation from the fourth quarter of the year ended March 31, 2014.

^{*2} Sony Life Insurance (Philippines) Corporation has been excluded from SFH's scope of consolidation since the third quarter of the year ended March 31, 2013, due to the sale of all its shares in the company.

^{*3} Sony Bank Securities Inc. was excluded from SFH's scope of consolidation since the second quarter of the year ended March 31, 2013, due to the sale of all its shares in the company.

On May 14, 2014, Sony Corporation announced its consolidated financial results for the year ended March 31, 2014 (April 1, 2013, to March 31, 2014). Sony Financial Group companies constitute Sony Group's Financial Services segment in the current 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.

Statements made in this press release with respect to Sony Financial Holdings' current plans, estimates, strategies and beliefs and other statements that are not historical facts are forward-looking statements about the future performance of Sony Financial Holdings. Forward-looking statements include, but are not limited to, those statements using words such as "believe," "expect," "plans," "strategy," "prospects," "forecast," "estimate," "project," "anticipate," "aim," "intend," "seek," "may," "might," "could" or "should," and words of similar meaning in connection with a discussion of future operations, financial performance, events or conditions. From time to time, oral or written forward-looking statements may also be included in other materials released to the public. These statements are based on management's assumptions, judgments and beliefs in light of the information currently available to it. Sony Financial Holdings cautions investors that a number of important risks and uncertainties could cause actual results to differ materially from those discussed in the forward-looking statements, and therefore investors should not place undue reliance on them. Investors also should not rely on any obligation of Sony Financial Holdings to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Sony Financial Holdings disclaims any such obligation. The information contained in this statements 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.

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Website of Sony Financial Holdings Inc.

http://www.sonyfh.co.jp/index_en.html

V. Attachment

Content of Presentation Material

**Consolidated Financial Results for the Year Ended March 31, 2014 and
Sony Life’s Preliminary Market Consistent Embedded Value as of March 31, 2014**

- Consolidated Operating Results for the Year Ended March 31, 2014 • 3
- Consolidated Financial Forecast for the Year Ending March 31, 2015 • 29
- Dividend Forecast • 31
- Sony Life’s Preliminary MCEV and Risk Amount Based on Economic Value as of March
31, 2014 • 33
- Appendix • 36

Presentation Material

Consolidated Financial Results for the Year Ended March 31, 2014 and Sony Life's Preliminary Market Consistent Embedded Value as of March 31, 2014

Sony Financial Holdings Inc.
May 20, 2014

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Content

■ Consolidated Operating Results for the Year Ended March 31, 2014	P. 3
■ Consolidated Financial Forecast for the Year Ending March 31, 2015	P. 29
■ Dividend Forecast	P. 31
■ Sony Life's Preliminary MCEV and Risk Amount Based on Economic Value as of March 31, 2014	P. 33
■ Appendix	P. 36

Disclaimers:

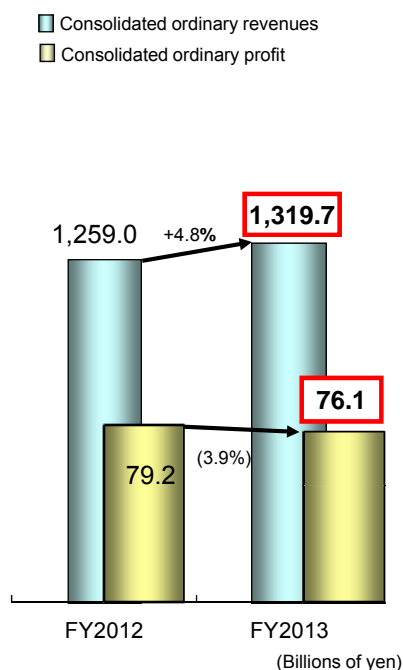
This presentation material contains statements concerning the current plans, expectations, strategies and beliefs of the Sony Financial Group. Any statements contained herein that pertain to future operating performance and that are not historic facts are forward-looking statements. Forward-looking statements 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 form the basis of or be relied on in connection with any contract or commitment whatsoever.

Consolidated Operating Results for the Year Ended March 31, 2014

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3

Highlights of Consolidated Operating Performance for the Year Ended March 31, 2014 (1)



(Billions of yen)		FY2012	FY2013	Change	
Life insurance business	Ordinary revenues	1,142.3	1,196.6	+54.2	+4.8%
	Ordinary profit	72.7	67.2	(5.5)	(7.6%)
Non-life insurance business	Ordinary revenues	84.7	89.8	+5.1	+6.1%
	Ordinary profit	2.3	3.0	+0.6	+26.7%
Banking business	Ordinary revenues	34.3	35.7	+1.4	+4.3%
	Ordinary profit	3.9	5.6	+1.6	+42.6%
Intersegment adjustments*	Ordinary revenues	(2.3)	(2.5)	(0.1)	—
	Ordinary profit	0.1	0.2	+0.0	+57.8%
Consolidated	Ordinary revenues	1,259.0	1,319.7	+60.7	+4.8%
	Ordinary profit	79.2	76.1	(3.1)	(3.9%)
	Net income	45.0	40.5	(4.5)	(10.1%)
(Billions of yen)		13.3.31	14.3.31	Change from 13.3.31	
Consolidated	Total assets	8,096.1	8,841.3	+745.2	+9.2%
	Net assets	435.4	467.0	+31.6	+7.3%

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

*Comprehensive income: FY2012: ¥96.2 billion, FY2013: ¥44.7billion

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

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4

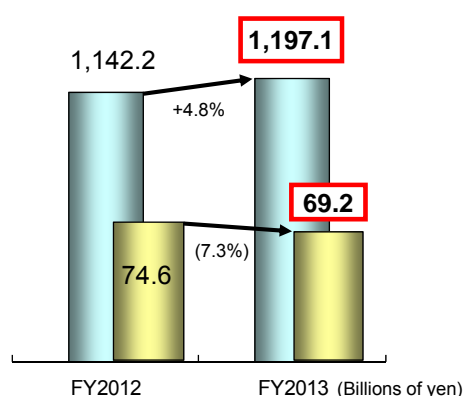
Highlights of Consolidated Operating Performance for the Year Ended March 31, 2014 (2)

- Life Insurance Business: Ordinary revenues increased year on year, due mainly to a rise in income from insurance premiums associated with steady growth in policy amount in force, and higher interest income and dividends on general account assets. Ordinary profit decreased year on year due to an increase in provision of policy reserves resulting from the revision of discount rate used for calculating policy reserves and the provision of policy reserves for minimum guarantees for variable life insurance, despite the positive effect of an increase in the positive spread.
- Non-life Insurance Business: Ordinary revenues expanded year on year, owing to an increase in net premiums written primarily for mainstay automobile insurance. Ordinary profit grew year on year due to a decline in the loss ratio mainly led by 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), as well as the rise in ordinary revenues.
- Banking Business: Ordinary revenues increased year on year, due to higher gains on foreign exchange transactions stemming from active foreign currency trading by customers 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 lower interest expenses and an improvement in net gains on bond-dealing transactions, in addition to the increase in ordinary revenues.
- Consolidated ordinary revenues rose 4.8% compared with the previous fiscal year, to ¥1,319.7 billion, owing to increases in ordinary revenues from all businesses: life insurance, non-life insurance and banking. Consolidated ordinary profit decreased 3.9% year on year, to ¥76.1 billion. By business segment, ordinary profit from the life insurance business fell, whereas ordinary profit from the non-life insurance and banking businesses rose year on year. Consolidated net income declined 10.1% year on year, to ¥40.5 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 while ordinary profit decreased year on year.
- ◆ Income from insurance premiums increased due to a steady growth in policy amount in force.
- ◆ Investment income increased due mainly to higher interest income and dividends on general account assets.
- ◆ Ordinary profit decreased year on year due to an increase in provision of policy reserves resulting from the revision of discount rate used for calculating policy reserves and the provision of policy reserves for minimum guarantees for variable life insurance, despite the positive impact from an increase in the positive spread.

(Billions of yen)	FY2012	FY2013	Change	
Ordinary revenues	1,142.2	1,197.1	+54.8	+4.8%
Income from insurance premiums	925.8	960.9	+35.1	+3.8%
Investment income	199.8	212.3	+12.4	+6.3%
Interest income and dividends	108.5	122.1	+13.6	+12.5%
Income from monetary trusts, net	5.2	5.3	+0.0	+1.0%
Gains on sale of securities	2.4	0.7	(1.6)	(68.0%)
Gains on separate accounts, net	83.6	82.6	(0.9)	(1.1%)
Ordinary expenses	1,067.6	1,127.9	+60.2	+5.6%
Insurance claims and other payments	293.9	327.2	+33.3	+11.3%
Provision for policy reserves and others	630.5	650.7	+20.2	+3.2%
Investment expenses	11.6	8.5	(3.1)	(27.2%)
Losses on sale of securities	1.5	0.5	(1.0)	(66.7%)
Losses on separate accounts, net	0.3	—	(0.3)	(100.0%)
Operating expenses	109.0	113.8	+4.8	+4.4%
Ordinary profit	74.6	69.2	(5.4)	(7.3%)
Net income	42.4	37.0	(5.3)	(12.7%)
(Billions of yen)	13.3.31	14.3.31	Change from 13.3.31	
Securities	5,211.5	5,954.7	+743.1	+14.3%
Policy reserves	5,472.9	6,123.6	+650.7	+11.9%
Total net assets	342.3	369.2	+26.8	+7.9%
Net unrealized gains on other securities	80.2	83.4	+3.1	+3.9%
Total assets	5,952.7	6,624.9	+672.1	+11.3%
Separate account assets	550.6	640.5	+89.9	+16.3%

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

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

(Billions of yen)	FY2012	FY2013	Change
New policy amount	4,454.6	3,889.3	(12.7%)
Lapse and surrender amount	1,911.9	1,739.4	(9.0%)
Lapse and surrender rate	5.31%	4.61%	(0.70pt)
Policy amount in force	37,779.0	39,095.0	+3.5%
Annualized premiums from new policies	73.2	63.9	(12.7%)
Of which, third-sector products	18.3	13.4	(26.7%)
Annualized premiums from insurance in force	669.9	696.9	+4.0%
Of which, third-sector products	158.6	167.0	+5.3%

(Billions of yen)	FY2012	FY2013	Change
Gains from investment, net (General account)	104.5	121.1	+15.9%
Core profit	80.0	72.3	(9.6%)
Positive spread	2.1	8.4	+300.0%

			Change from
	13.3.31	14.3.31	13.3.31
Non-consolidated solvency margin ratio	2,281.8%	2,358.7%	+76.9pt

<Reasons for changes>

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

◆ Decreased mainly in term-life insurance.

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

◆ Decreased due to an increase in provision of policy reserves resulting from the revision of discount rate used for calculating policy reserves and the provision of policy reserves for minimum guarantees for variable life insurance, despite the positive impact from an increase in the positive spread.

Notes:

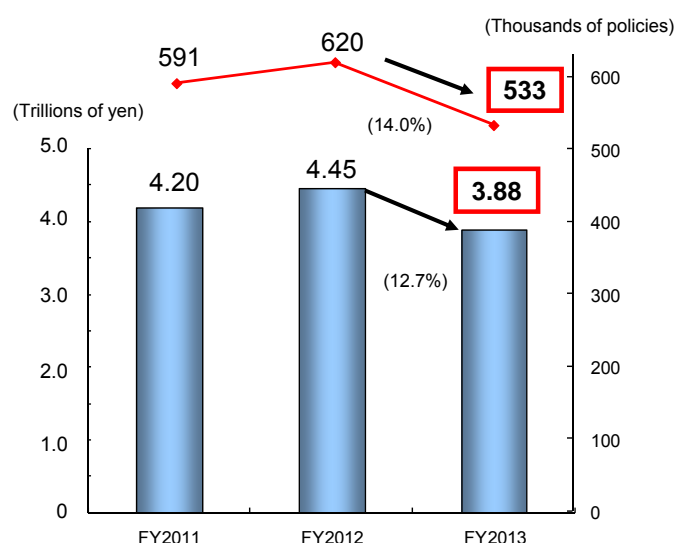
- Figures for new policy amount, lapse and surrender amount, lapse and surrender rate, policy amount in force, annualized premiums from new policies and annualized premiums from insurance in force are calculated as the total of individual life insurance and individual annuities.
- The lapse and surrender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

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

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

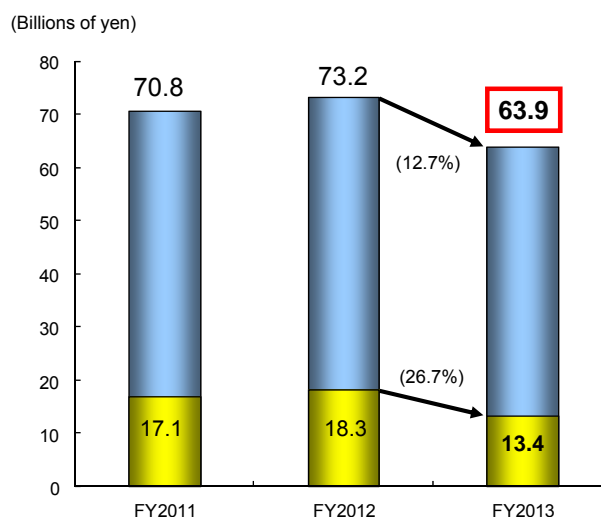
Number and Amount of New Policies (Individual Life Insurance + Individual Annuities)

■ New policy amount — Number of new policies



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

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

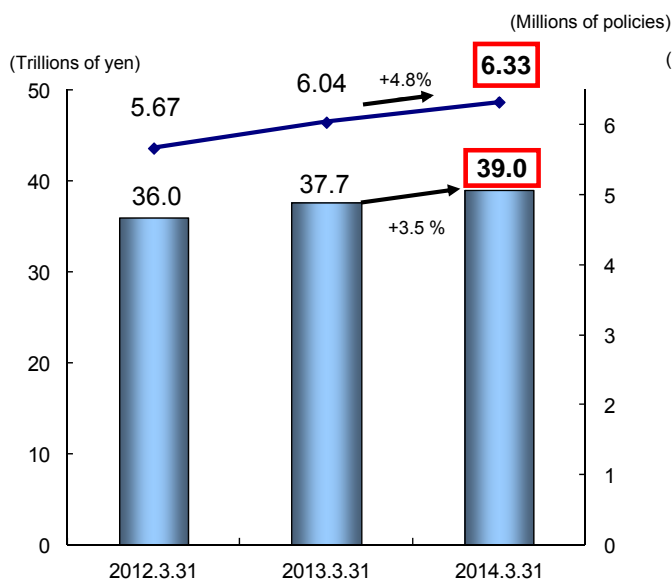


Line item amounts are truncated below ¥10 billion; numbers of policies are truncated below 1,000 policies; percentage change figures are rounded.

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

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

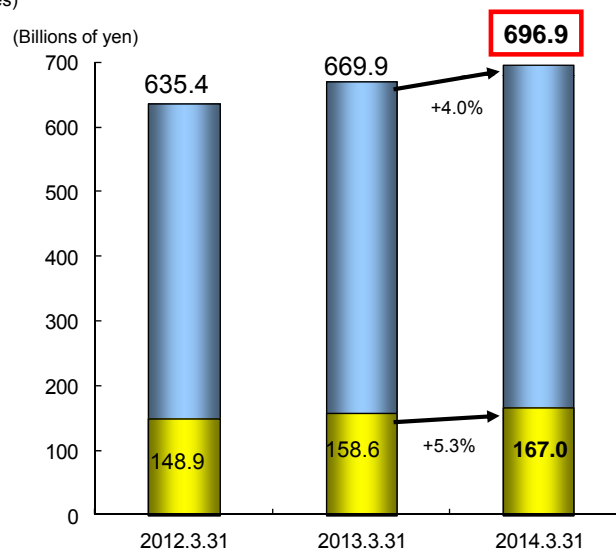
■ Policy amount in force — Number of policies in force



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)

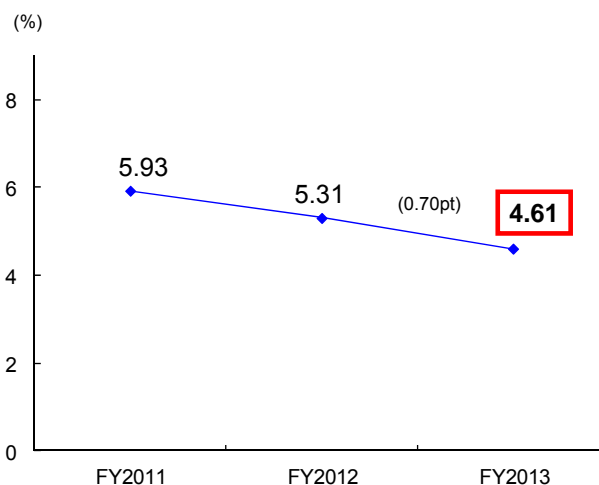
■ Annualized premiums from insurance in force ■ Of which, third-sector



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

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

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

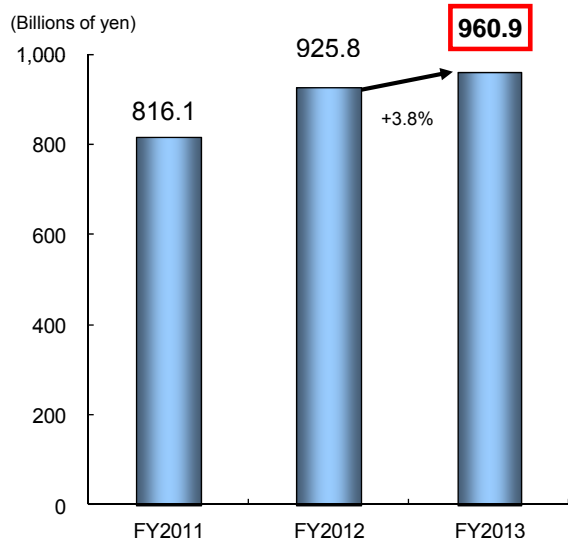


*The lapse and surrender rate shows the ratio derived by dividing the amount of lapses and surrenders, not adjusted for policy amount decreases, increases, and reinstatements, by the policy amount in force at the beginning of the fiscal year.

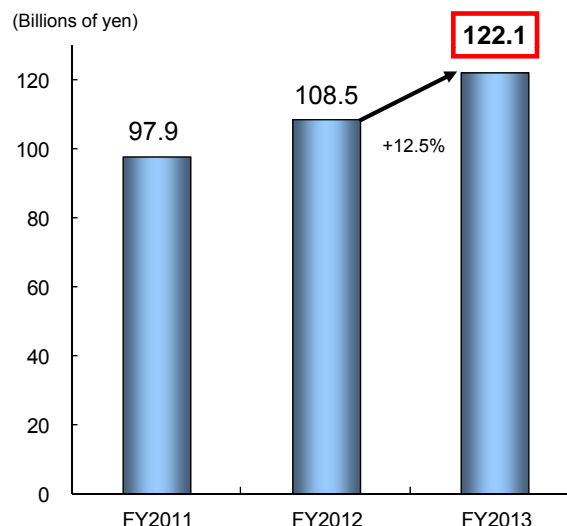
Operating Performance : Sony Life (Non-consolidated) (4)



Income from Insurance Premiums



Interest Income and Dividends



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

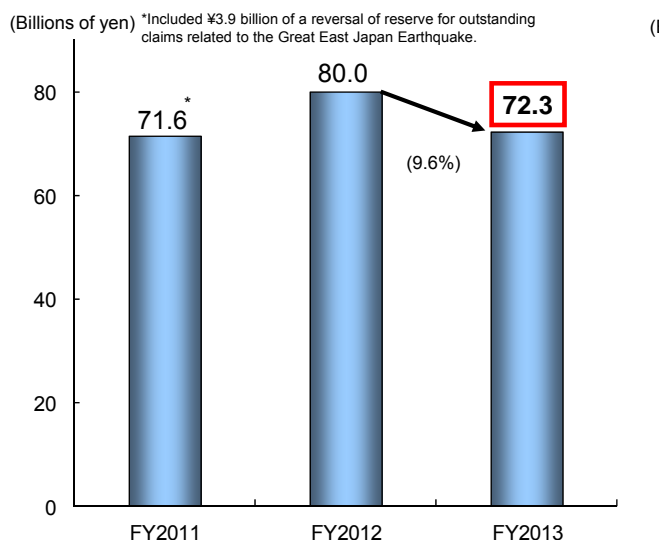
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11

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



Core Profit

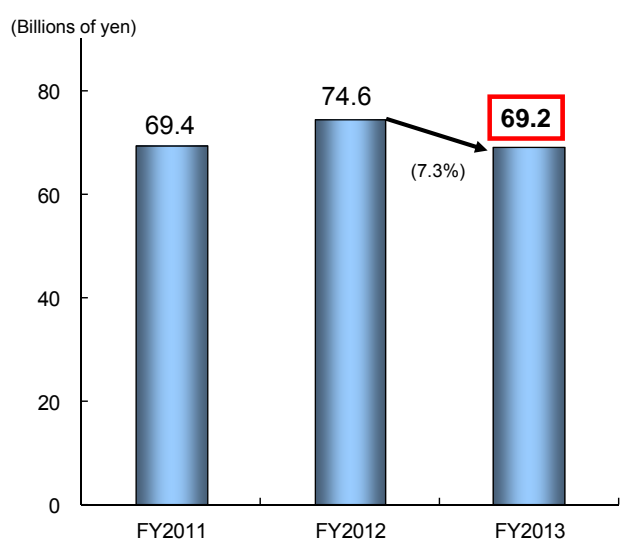


(Reference) Impact on core profit

	(Billions of yen)		
	FY2011	FY2012	FY2013
Positive (Negative) spread	(1.5)	2.1	8.4
Effects by the revision of policy reserve discount rate	—	—	(7.5)
Reversal of policy reserves for minimum guarantees for variable life insurance in the general account assets	(2.8)	1.3	(4.2)

*The minus amount in positive spread indicates negative spread.

Ordinary Profit



(Reference) Main differences from Core Profit

	(Billions of yen)		
	FY2011	FY2012	FY2013
Capital gains (losses)	1.7	(0.9)	1.1
Provision of contingency reserve	(3.7)	(4.2)	(4.1)

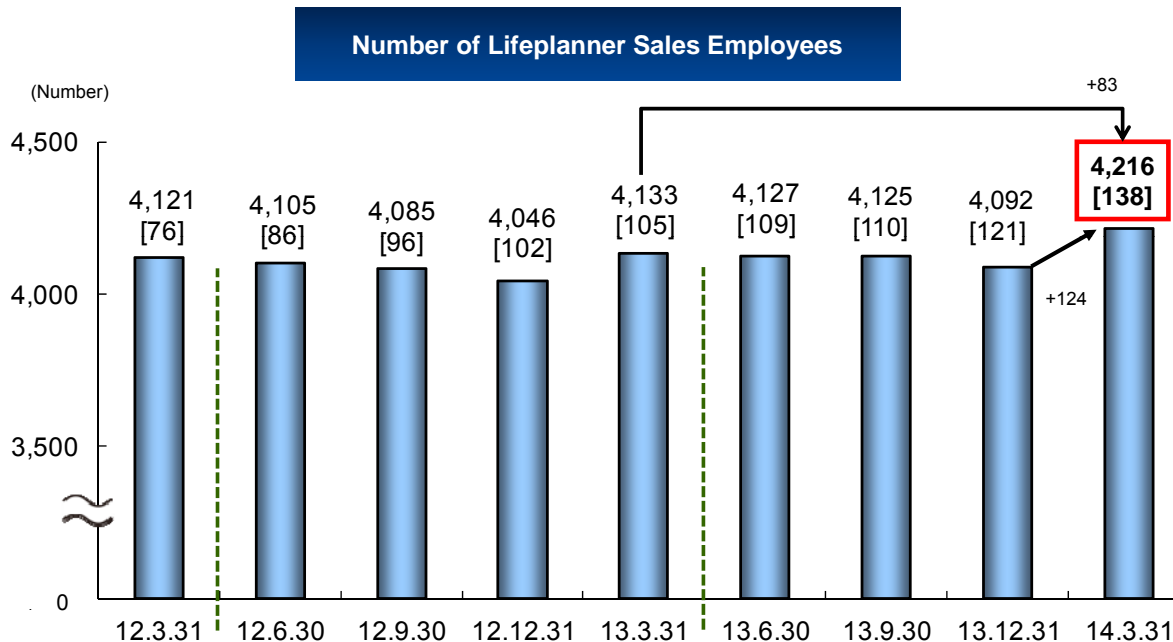
**Provision of policy reserves for minimum guarantees for variable life insurance in the general account assets and "Provision of contingency reserve" are described as negative amount.

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

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12

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



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

* "Lifepanner" is a registered trademark of Sony Life.

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

Breakdown of General Account Assets

(Billions of yen)	13.3.31		14.3.31	
	Amount	%	Amount	%
Japanese government and corporate bonds	4,561.0	84.4%	5,190.0	86.7%
Japanese stocks	31.1	0.6%	33.2	0.6%
Foreign securities	62.0	1.1%	79.8	1.3%
Foreign stocks	25.4	0.5%	26.9	0.4%
Monetary trusts	306.1	5.7%	305.3	5.1%
Policy loans	145.0	2.7%	154.1	2.6%
Real estate	70.3	1.3%	66.5	1.1%
Cash and call loans	103.3	1.9%	32.6	0.5%
Others	97.7	1.8%	95.6	1.6%
Total	5,402.1	100.0%	5,984.3	100.0%

<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

Mar. 31, 2014: 19.7 years

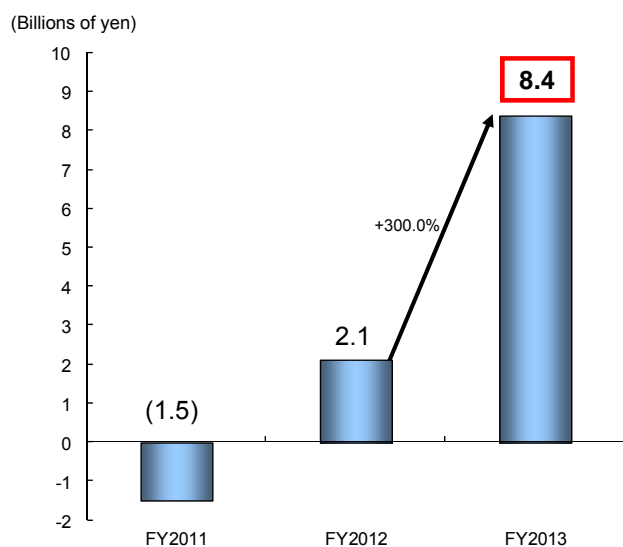
■ Investment in the monetary trusts is mainly into Japanese government and corporate bonds

■ The holding ratio on the real status, of Japanese government and corporate bonds including those invested in monetary trusts in the general account assets: As of Mar. 31, 2014: 91.8% (As of Mar. 31, 2013: 90.1%)

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

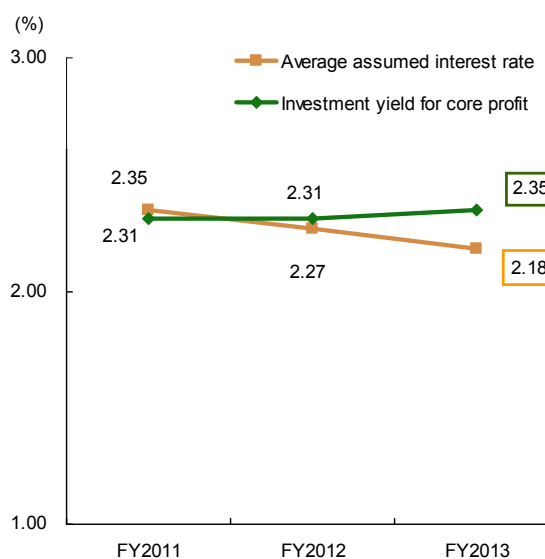
Operating Performance : Sony Life (Non-consolidated) (8)

Positive Spread



*The minus amount in positive spread indicates negative spread.

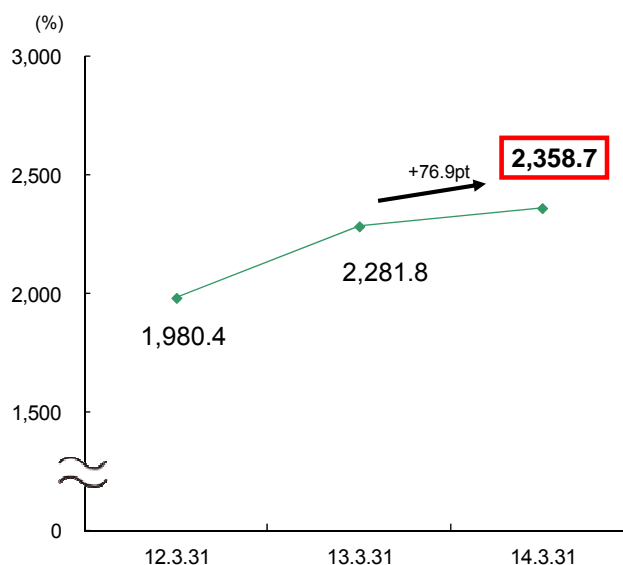
Average Assumed Interest Rate and Investment Yield for Core Profit



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

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

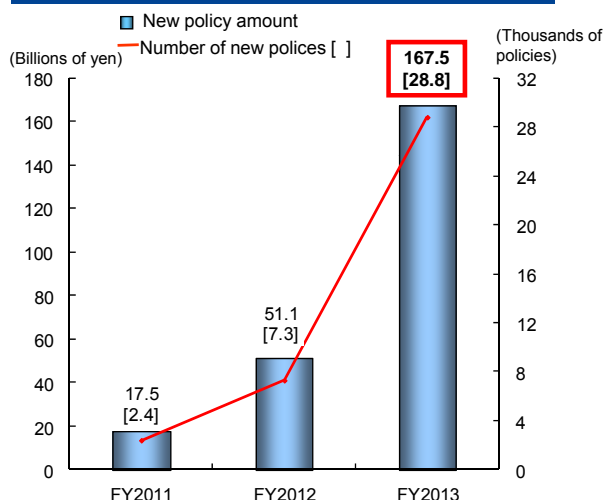
Non-consolidated Solvency Margin Ratio



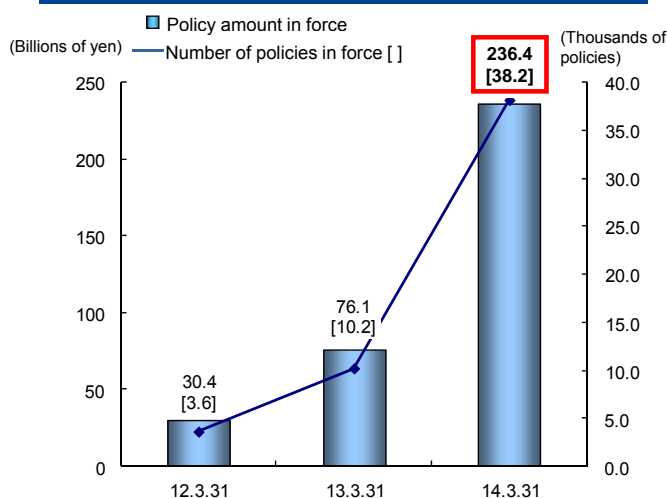
Operating Performance : AEGON Sony Life Insurance

*AEGON Sony Life Insurance sells individual variable annuities.

Number and Amount of New Policies



Number and Amount of Policies in Force



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

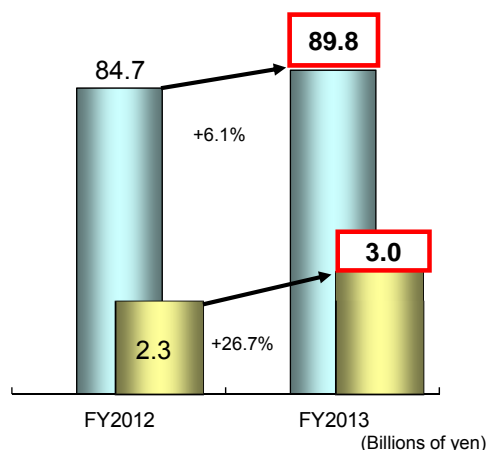
(Billions of yen)	FY2012	FY2013	Change
AEGON Sony Life Insurance	(2.5)	(3.4)	(0.9)
SA Reinsurance	(0.9)	0.4	+1.3

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

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 primarily for its mainstay automobile insurance.
- ◆ Ordinary profit grew 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), as well as the rise in ordinary revenues.

(Billions of yen)	FY2012	FY2013	Change	
Ordinary revenues	84.7	89.8	+5.1	+6.1%
Underwriting income	83.6	88.6	+5.0	+6.0%
Investment income	1.0	1.1	+0.1	+17.4%
Ordinary expenses	82.3	86.8	+4.5	+5.5%
Underwriting expenses	61.8	65.4	+3.6	+5.9%
Investment expenses	0.0	0.0	(0.0)	(2.4%)
Operating, general and administrative expenses	20.4	21.3	+0.8	+4.4%
Ordinary profit	2.3	3.0	+0.6	+26.7%
Net income	1.4	1.6	+0.2	+14.4%

(Billions of yen)	13.3.31	14.3.31	Change from 13.3.31	
Underwriting reserves	70.6	78.0	+7.4	+10.5%
Total net assets	19.9	21.4	+1.4	+7.4%
Total assets	127.4	142.7	+15.2	+12.0%

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

Overview of Operating Performance: Sony Assurance

(Billions of yen)	FY2012	FY2013	Change
Direct premiums written	82.5	87.3	+5.9%
Net premiums written	83.5	88.6	+6.0%
Net losses paid	47.1	46.1	(2.1%)
Underwriting profit	1.3	1.8	+34.0%
Net loss ratio	63.2%	59.3%	(3.9pt)
Net expense ratio	26.0%	25.6%	(0.4pt)
Combined ratio	89.2%	84.9%	(4.3pt)

<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.

Notes:

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

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

	13.3.31	14.3.31	Change from 13.3.31
Number of policies in force	1.55 million	1.61 million	+0.06 million +4.0%
Non-consolidated solvency margin ratio	504.2%	527.6%	+23.4pt

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)	FY2012	FY2013	Change
Fire	236	275	+16.4%
Marine	—	—	—
Personal accident	7,898	8,360	+5.8%
Voluntary automobile	74,406	78,735	+5.8%
Compulsory automobile liability	—	—	—
Total	82,541	87,370	+5.9%

Net Premiums Written

(Millions of yen)	FY2012	FY2013	Change
Fire	86	104	+19.9%
Marine	142	153	+8.0%
Personal accident	8,138	8,613	+5.8%
Voluntary automobile	74,140	78,473	+5.8%
Compulsory automobile liability	1,075	1,255	+16.8%
Total	83,582	88,600	+6.0%

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

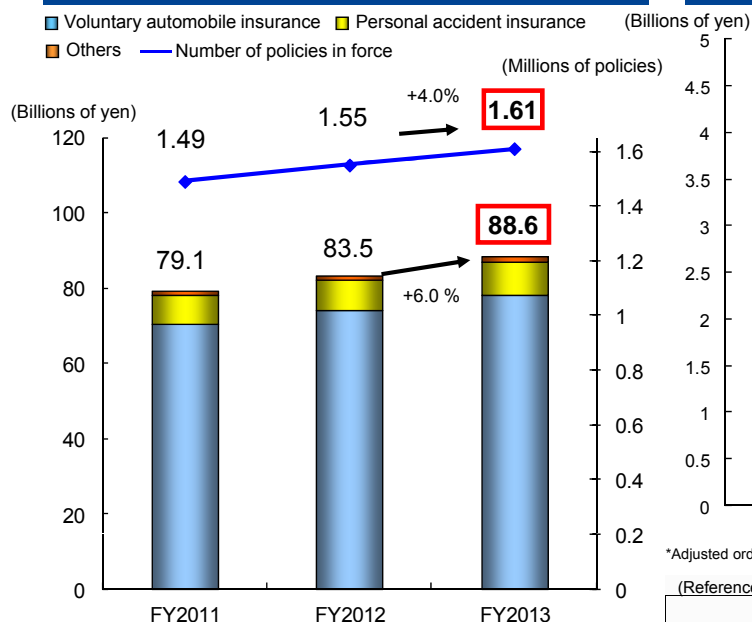
Net losses paid

(Millions of yen)	FY2012	FY2013	Change
Fire	1	3	+207.2%
Marine	185	129	(30.4%)
Personal accident	1,957	2,066	+5.5%
Voluntary automobile	44,004	42,860	(2.6%)
Compulsory automobile liability	1,004	1,123	+11.8%
Total	47,153	46,183	(2.1%)

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

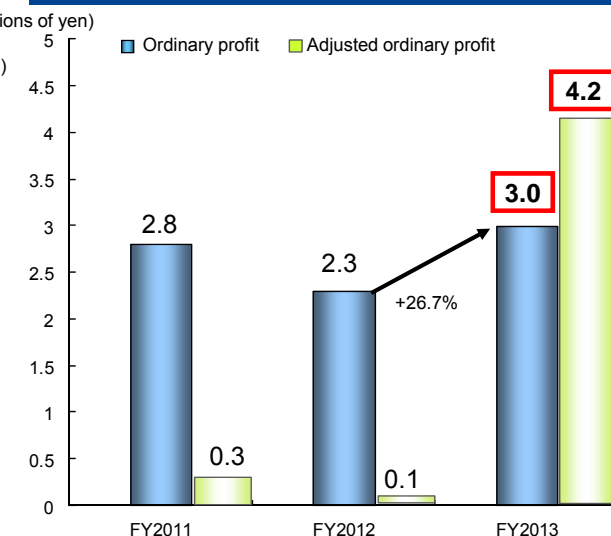
Operating Performance: Sony Assurance (1)

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

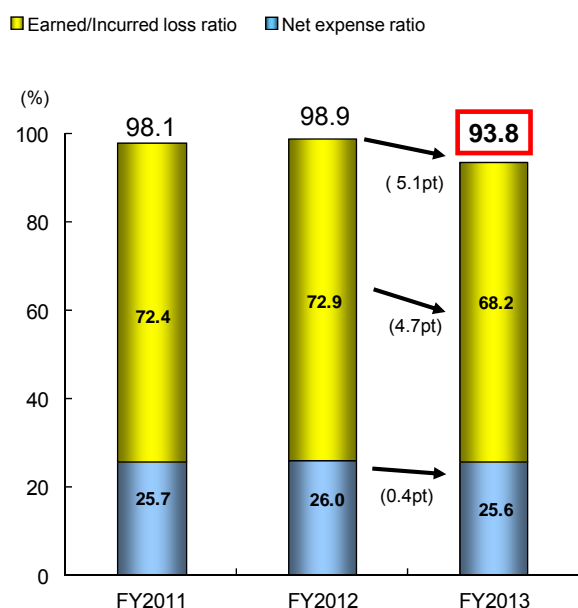
(Reference) Provision for catastrophe reserve	(Billions of yen)		
	FY2011	FY2012	FY2013
Provision for catastrophe reserve	(2.4)	(2.2)	1.2

*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.

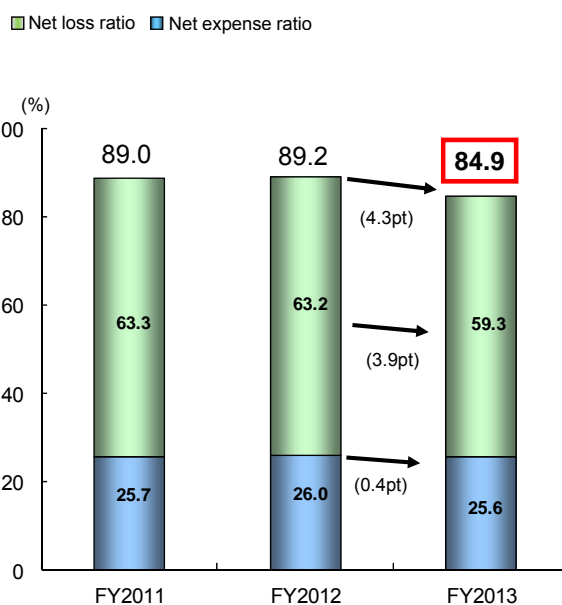
Operating Performance: Sony Assurance (2)

Earned/Incurred Loss Ratio + Net Expense Ratio



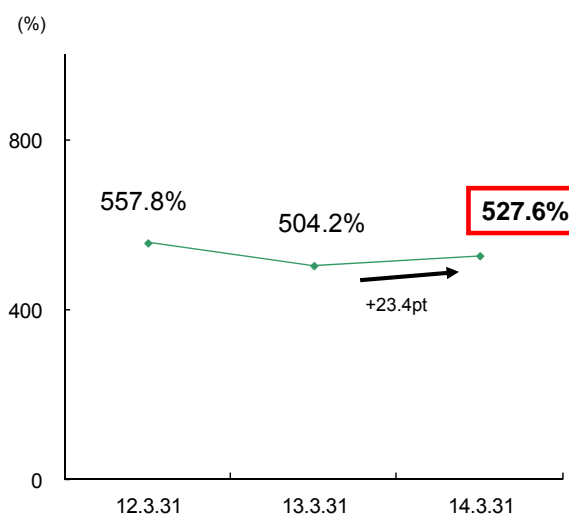
Notes:
Earned/Incurred loss ratio = (Net losses paid + Provision for reserve for outstanding losses + Loss adjustment expenses) / Earned premiums
[Earthquake insurance and compulsory automobile liability insurance are excluded from the above calculation.]

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



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

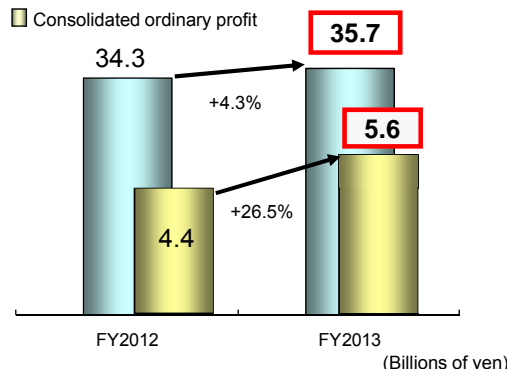
Non-consolidated Solvency Margin Ratio



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 active foreign currency trading by customers 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 lower interest expenses and an improvement in net gains on bond-dealing transactions, in addition to the increase in ordinary revenues.

<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 active foreign currency trading by customers, in addition to an improvement in net gains on bond-dealing transactions.

<Consolidated>

(Billions of yen)	FY2012	FY2013	Change	
Consolidated ordinary revenues	34.3	35.7	+1.4	+4.3%
Consolidated ordinary profit	4.4	5.6	+1.1	+26.5%
Consolidated net income	3.2	3.4	+0.1	+5.2%

<Non-consolidated>

(Billions of yen)	FY2012	FY2013	Change	
Ordinary revenues	31.3	33.3	+1.9	+6.2%
Gross operating profit	18.5	20.7	+2.1	+11.7%
Net interest income	18.1	19.9	+1.8	+10.1%
Net fees and commissions	0.1	(0.0)	(0.1)	—
Net other operating income	0.2	0.7	+0.4	+171.1%
General and administrative expenses	13.9	14.6	+0.7	+5.2%
Net operating profit	4.5	6.0	+1.4	+32.5%
Ordinary profit	4.2	5.8	+1.5	+36.5%
Net income	0.8	3.5	+2.7	+307.8%

(Billions of yen)	13.3.31	14.3.31	Change from 13.3.31	
Total net assets	67.8	72.7	+4.9	+7.3%
Net unrealized gains on other securities, net of taxes	6.5	7.2	+0.7	+11.0%
Total assets	2,005.0	2,056.7	+51.6	+2.6%

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

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

(Billions of yen)	13.3.31	14.3.31	Change from 13.3.31	
Customer assets	1,974.3	2,007.5	+33.1	+1.7%
Deposits	1,857.4	1,890.0	+32.5	+1.8%
Yen	1,467.2	1,526.4	+59.2	+4.0%
Foreign currency	390.2	363.5	(26.7)	(6.8%)
Investment trusts	116.9	117.4	+0.5	+0.5%
Loans outstanding	970.2	1,057.4	+87.1	+9.0%
Mortgage loans	860.3	949.3	+88.9	+10.3%
Others	109.8	108.1¹	(1.7)	(1.6%)
Number of accounts (10 thousands)	92	97	+4	+5.3%
Non-performing assets ratio ^{*2} (Based on Financial Reconstruction Law)	0.41%	0.35%	(0.06pt)	
Capital adequacy ratio ^{*3} (domestic criteria)	11.98%	11.72%	(0.26pt)	

<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 to an increase in the balance of mortgage loans.

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

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

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

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

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

<Reference> On Managerial Accounting Basis

(Billions of yen)	FY2012	FY2013	Change	
Gross operating profit	18.5	20.6	+2.1	+11.7%
Net interest income ^{*1} ①	17.6	18.2	+0.5	+3.2%
Net fees and commissions ^{*2} ②	1.0	1.0	+0.0	+7.4%
Net other operating income ^{*3}	(0.1)	1.3	+1.5	—
Gross operating profit (core profit) (A) =①+②	18.6	19.2	+0.6	+3.4%
Operating expenses and other expenses ③	13.9	14.6	+0.6	+4.9%
Net operating profit (core profit) =(A)−③	4.6	4.6	(0.0)	(0.9%)

■ 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.

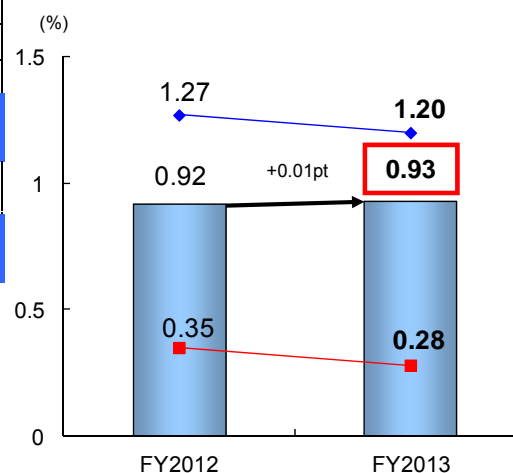
*3: Net other operating income: After the above adjustments (*1 and *2), consists of profits and losses for bond and derivative dealing transactions.

■ 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



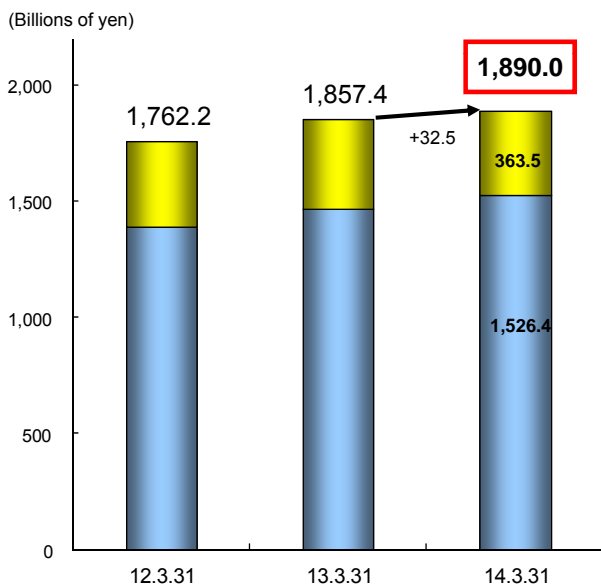
Note: Interest spread=(Yield on investment)-(Yield on financing)

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

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

Deposits

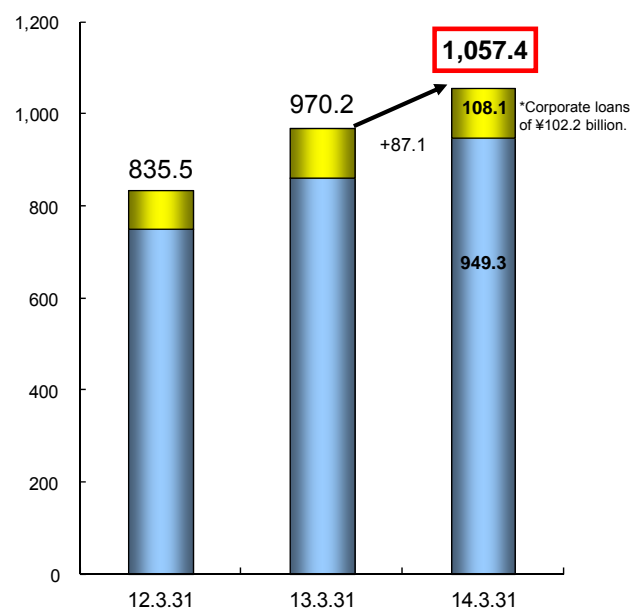
■ Yen deposits ■ Foreign currency deposits



Loans

■ Mortgage loans ■ Others

(Billions of yen)



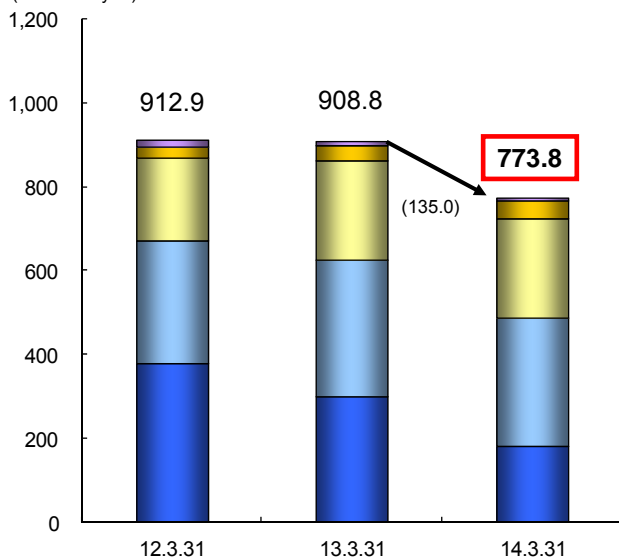
Line item amounts are truncated below ¥100 million.

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

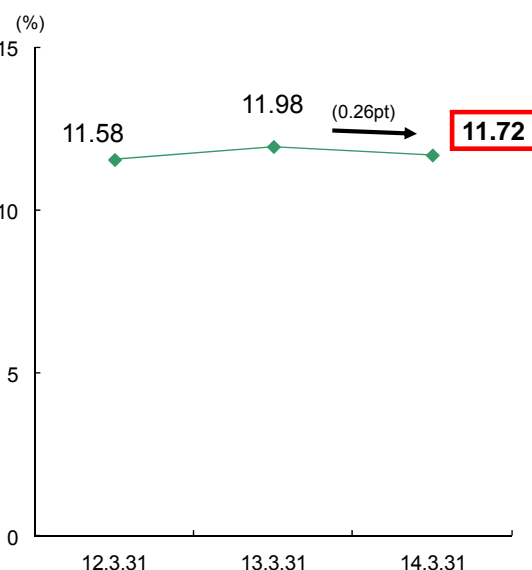
Balance of Securities by Credit Rating

■ AAA ■ AA ■ A
■ BBB ■ Others

(Billions of yen)



Non-Consolidated Capital Adequacy Ratio (Domestic Criteria)



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

Line item amounts are truncated below ¥100 million.

Consolidated Financial Forecast for the Year Ending March 31, 2015

Consolidated Financial Forecast for the Year Ending March 31, 2015

Consolidated ordinary revenues are expected to decrease, ordinary profit is expected to remain at the same levels, and net income is expected to grow significantly.

(Billions of yen)	FY2013 (Actual)	FY2014 (Forecast)	Change
Consolidated ordinary revenues	1,319.7	1,191.0	(9.8%)
Life insurance business	1,196.6	1,061.9	(11.3%)
Non-life insurance business	89.8	92.4	+2.8%
Banking business	35.7	36.6	+2.2%
Consolidated ordinary profit	76.1	77.0	+1.1%
Life insurance business	67.2	67.4	+0.2%
Non-life insurance business	3.0	3.9	+29.8%
Banking business	5.6	5.3	(6.0%)
Consolidated net income	40.5	49.0	+21.0%

<Segment information for ordinary revenues and ordinary profit>

■ Life Insurance Business

Ordinary revenues are expected to decrease because we do not expect such an increase in lump-sum payment insurance premiums and investment income on separate account due to market recovery as recorded in the previous fiscal year. However, we expect steady growth in policy amount in force. Ordinary profit is expected to be nearly at the same level as in the previous fiscal year. This is because we expect a higher provision for policy reserves related to minimum guarantees for variable life insurance policies, as well as an increase in operating expenses due to the consumption tax rate rise. We do not expect any negative impact from a rise in provision of policy reserves resulting from the revision of the discount rate used for calculating policy reserves in the previous fiscal year.

■ Non-life Insurance Business

Ordinary revenues are expected to increase in line with growth in net premiums written, primarily for mainstay automobile insurance. Operating profit is expected to rise stemming from the rise in ordinary revenues and a decline in the loss ratio although we expect higher operating expenses.

■ Banking Business

Ordinary revenues are expected to rise year on year, because we regard to stable and sustainable business growth even in an environment characterized by persistently low interest rates. Ordinary profit is expected to decrease because we do not believe that foreign exchange transactions will be as vigorous as in the previous fiscal year, and we expect higher operating expenses as we pursue initiatives designed to strengthen our settlement function with an eye to future growth, while we expect higher ordinary revenues to lead to an increase in gross operating profit.

<Consolidated net income>

Net income is expected to grow significantly year on year. This is because Sony Life has changed its calculation policy of the reserve for price fluctuations to accumulate reserves up to required levels from this fiscal year while it had accumulated reserves in excess of the required levels until the previous fiscal year.

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

Dividend Forecast

Dividend Forecast for for the Year Ending March 31, 2015

- ◆ The proposed dividend for FY2013 is ¥30 per share, up ¥5 year on year.
- ◆ Given the substantial increase in net income forecast for FY2014, we expect to increase the dividend by ¥10 per share, to ¥40. This would correspond to the third consecutive year of dividend increases, since FY2012.
- ◆ SFH's dividend policy is to pay stable dividends, steadily increasing their level in line with earnings growth over the medium to long term, thereby enhancing ongoing shareholder returns.

■ Consolidated Net Income and Dividend Result/Forecast

	FY2010	FY2011	FY2012	FY2013 (Expected)	FY2014 (Forecast)
Dividend per share	¥20	¥20	¥25	¥30	¥40
Annual dividend amount	¥8.7 billion	¥8.7 billion	¥10.875 billion	¥13.049 billion	¥17.399 billion
Consolidated net income	¥41.7 billion	¥32.8 billion	¥45.0 billion	¥40.5 billion	¥49.0 billion
Dividend payout ratio (consolidated)	20.9%	26.5%	24.1%	32.2%	35.5%

Note: Annual dividend amounts are truncated below ¥1 million, consolidated net income amounts are truncated below ¥100 million, and dividend payout ratios are rounded.

Sony Life's Preliminary MCEV and Risk Amount Based on Economic Value as of March 31, 2014

Please keep in mind that the validity of these calculations of MCEV as of March 31, 2014, has not been verified by outside specialists. The calculation of MCEV as of March 31, 2014, in accordance with the MCEV principles and verified by outside specialists, is scheduled to be announced on May 26, 2014.
A part of the calculations of MCEV as of December 31, 2013, adopted simplified method and has not been verified by outside specialists.

Sony Life's Preliminary MCEV as of March 31, 2014

(Billions of yen)	13.3.31	13.12.31	14.3.31	Change from 13.3.31	Change from 13.12.31
MCEV	1,064.7	1,186.9	1,221.3	+156.6	+34.4
Adjusted net worth	770.8	698.5	722.1	(48.7)	+23.7
Value of existing business	293.9	488.4	499.1	+205.3	+10.7

(Billions of yen)	13.3.31	13.12.31	14.3.31
New business value	41.6(12M)	45.2(9M)	55.2(12M)
New business margin	3.5%	5.5%	5.2%

Notes:

1. New business margin equals new business value divided by present value of premium income.
2. Calculated MCEV as of December 31, 2013 by using updated lapse and surrender rate and economic assumptions as of March 31, 2013.

◆ **Reasons for changes in MCEV**

- Preliminary MCEV as of March 31, 2014, increased ¥156.6 billion from March 31, 2013, due mainly to an acquisition of new policies, assumption changes in mortality rates and lapse and surrender rates and higher interest rates.
- Preliminary MCEV as of March 31, 2014, increased ¥34.4 billion from December 31, 2013, due to changes in assumptions, mainly mortality rates and lapse and surrender rates.

◆ **Reasons for changes in new business margin**

- New business margin as of March 31, 2014, was up 1.7% from March 31, 2013, due mainly to the revision of Sony Life's Insurance premium rates in April 2013 and higher interest rates.
- New business margin as of March 31, 2014, was down 0.3% from December 31, 2013, due mainly to an increase in operating expenses driven by higher inflation rate in future.

*Please see page 44 for trend on JGB yields.

Sony Life's Risk Amount Based on Economic Value as of March 31, 2014

			(after tax)
(Billions of yen)	13.3.31	13.12.31	14.3.31 *2
Insurance risk	605.6	621.1	654.5
Market-related risk	289.9	260.8	240.0
Of which, interest rate risk*1	234.2	198.3	180.9
Operational risk	26.0	27.9	26.3
Counter party risk	2.3	2.0	1.3
Variance effect	(262.5)	(256.9)	(257.8)
The risk amount based on economic value	661.3	654.8	664.3

*1 Interest amount excluding the variance effect within market-related risk

*2 Sony Life revised its method of measuring interest rate risk in Japanese yen on March 31, 2014. Please see page 43.

(Billions of yen)	13.3.31	13.12.31	14.3.31
MCEV	1,064.7	1,186.9	1,221.3

◆ Maintained capital adequacy by controlling market-related risk.

Notes:

1. The risk amount based on economic value refers to the total amount of Sony Life's risks, comprehensively examined and including insurance risk and market-related risk.

2. The solvency risk capital on an economic value basis is calibrated at VaR (99.5) over one year and based on the internal model, which is a similar but modified model based on the EU Solvency II (QIS5) standard method.

3. Calculated MCEV as of December 31, 2013 by using updated lapse and surrender rate and economic assumptions as of March 31, 2013.

Appendix

AEGON Sony Life Insurance

Launch of sales: December 1, 2009

Common stock: ¥24 billion (including capital surplus of ¥12 billion)

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

Marketing products: Individual Variable Annuities

Sales Channels: Lifeplanner sales employees and partner Banks (20*) *As of May 20, 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 Mar. 31, 2014Sony Life accounts for 17% of the amount of new mortgage loans for FY13

*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

*Sony Life started handling automobile insurance in May 2001.



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

<Highlights for FY2013>

2013-04-01	Sony Assurance revised its automobile insurance policy details. (including an increased discount of ¥8,000 for new customers who conclude contracts on line, introduction of new bonus-malus system and the revision on automobile insurance premium rates.)
2013-04-02	Sony Life revised insurance premium rates on some of its products in line with the reduction in discount rate used for calculating policy reserves.
2013-05-01	Sony Bank set service charge free on inward foreign currency remittances.
2013-05-02	Sony Life commenced sale of a new product: "U.S. Dollar Denominated Insurance."
2013-08-01	Sony Assurance enhanced special benefit service for its policyholders with renewal contract.
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	The Sony Financial Group entered the nursing care business, acquiring Senior Enterprise Corporation as a wholly owned subsidiary of SFH.
2013-12-02	Sony Bank introduced paperless procedures to open bank accounts.
2013-12-19	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.
2014-01-02	Sony Life started selling new educational endowment insurance (non-participating type).
2014-01-10	Sony Bank enhanced its settlement function by starting withdrawal services for credit card payments for Sumitomo Mitsui Card holders.
2014-02-12	Sony Life dissolved tie-up with Watami Co., Ltd. in the nursing care business.
2014-04-01	"Sony Lifecare Inc." is established as a holding company to oversee the Group's operations in the nursing care business.
2014-05-02	Sony Life commenced sale of a new product: "Specialty Endowment Insurance."

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			14.3.31		
	Carrying amount	Fair value	Net unrealized gains (losses)	Carrying amount	Fair value	Net unrealized gains (losses)	Carrying amount	Fair value	Net unrealized gains (losses)
Held-to-maturity securities	3,404.8	3,560.6	155.8	3,874.2	4,425.9	551.7	4,409.6	4,839.9	430.3
Available-for-sale securities	895.1	956.1	60.9	955.9	1,079.2	123.2	1,065.5	1,189.8	124.3
Japanese government and corporate bonds	849.1	902.6	53.4	925.3	1,036.9	111.6	1,035.9	1,146.7	110.8
Japanese stocks	29.1	34.9	5.8	14.7	20.9	6.2	12.2	21.2	8.9
Foreign securities	15.3	16.7	1.3	14.4	18.6	4.2	15.8	19.4	3.5
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	5,475.1	6,029.8	554.7

Valuation gains (losses) on trading-purpose securities

(Billions of yen)

12.3.31		13.3.31		14.3.31	
Balance sheet amount	Net valuation gains (losses) recorded in income	Balance sheet amount	Net valuation gains (losses) recorded in income	Balance sheet amount	Net valuation gains (losses) recorded in income
—	—	—	—	—	—

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)

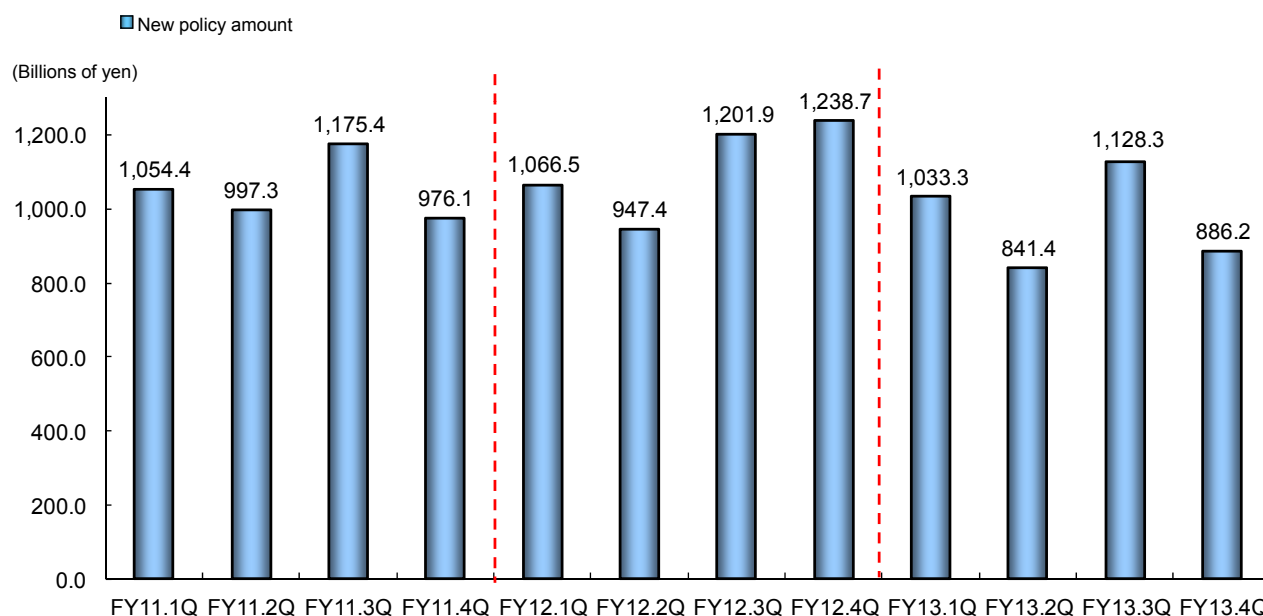
(Millions of yen)

	FY2012	FY2013	Change
Cash and deposits	0	0	(39.8%)
Japanese government and corporate bonds	87,634	98,588	12.5%
Japanese stocks	536	397	(25.9%)
Foreign securities	3,746	6,740	79.9%
Other securities	251	460	83.6%
Loans	5,450	5,691	4.4%
Real estate	10,854	10,250	(5.6%)
Others	67	31	(53.7%)
Total	108,539	122,160	12.5%

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

Sony Life's Quarterly Trend on New Policies Amount

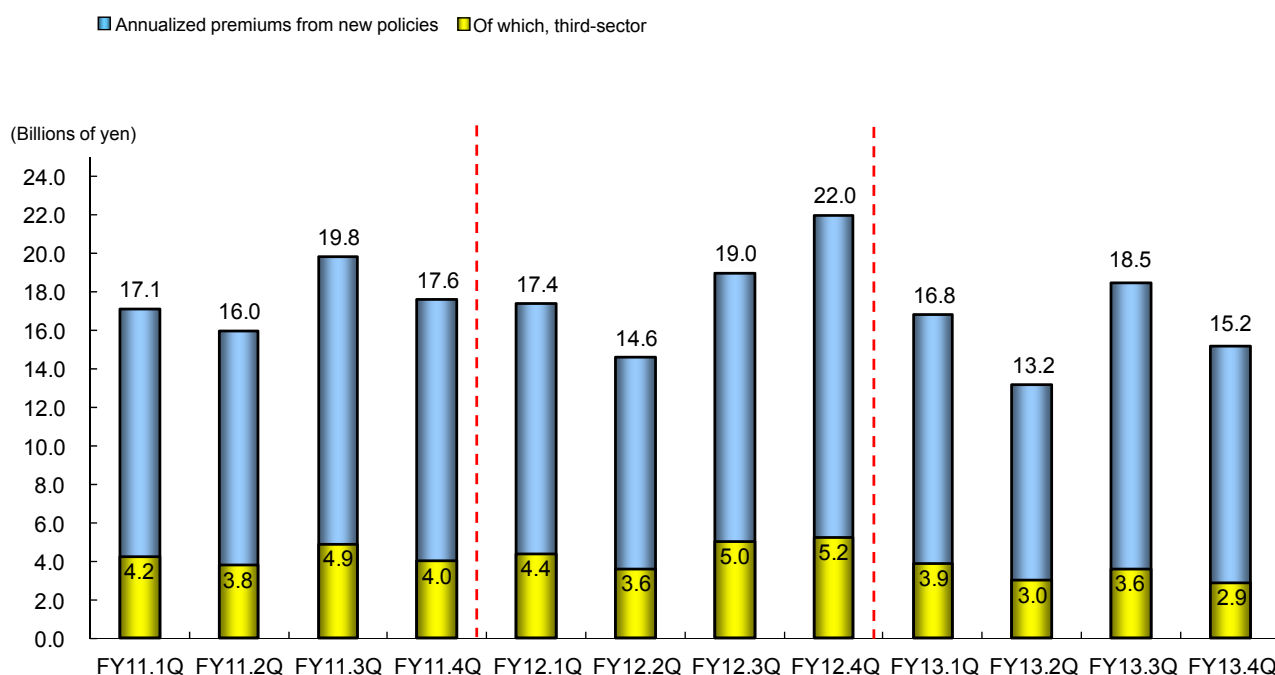
Quarterly Trend on New Policy Amount



Line item amounts are truncated below ¥100 million.

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

Quarterly Trend on Annualized Premiums from New Policies

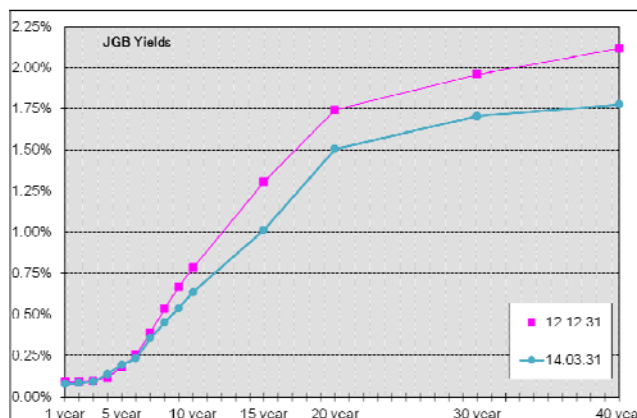


Line item amounts are truncated below ¥100 million.

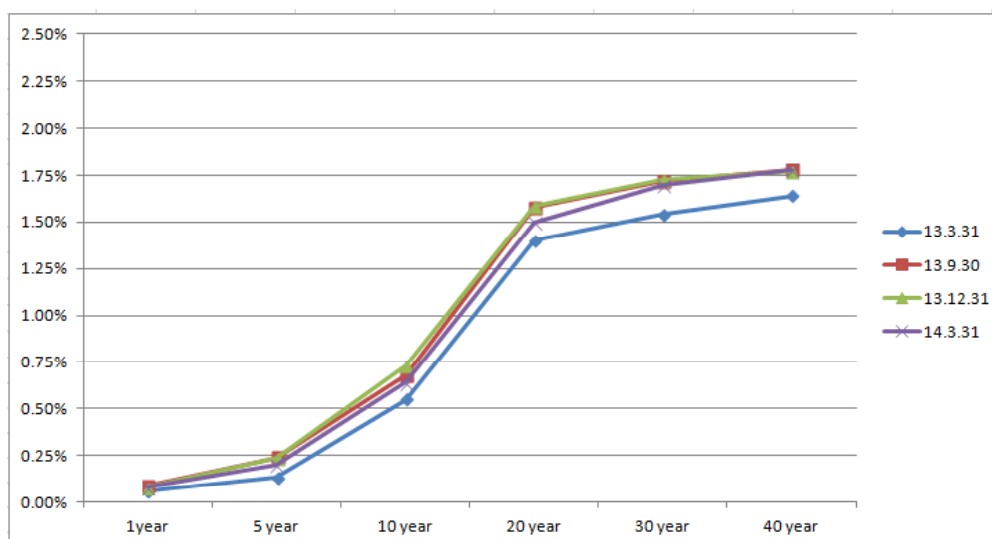
Sony Life: Revision of Method of Measuring Interest Rate Risk in Japanese Yen

- ◆ For interest rate risk in Japanese yen, Sony Life revised the risk measure at the end of March 2014, having observed significant changes in ultra-long term interest rates during the year 2013. More specifically, Sony Life revised the previous methodology which measured the shock by dropping interest rates by at least 1% for all maturities (parallel shift) and introduced principal component analysis, where yield curve changes are disaggregated into three components, parallel shift, twist and butterfly, and the yield curve is shocked by each component, to capture the risk of yield curve changes more precisely. The risk amount would be larger than the previous risk measure when ultra-long term interest rates are high and there is room for yield curve flattening (such as on December 31, 2012), while the risk amount would be smaller than the previous risk measure when ultra-long term interest rates are sufficiently low and there is little room for further decline in yield curve (such as on March 31, 2014). Interest rate risk at the end of March 31, 2014, prior to revising the risk measure was ¥233.6 billion (post-revision: ¥180.9 billion) and the solvency risk capital on an economic value basis was ¥697.5 billion (post-revision: ¥664.3 billion).

- ◆ Sony Life confirms its risk measure at least once a year. Not only the above risk measure revision for interest rate risk, Sony Life modified risk factors specified in QIS5 standard methodology appropriately to make them more suitable in light of the market risk attribute to which Sony Life is exposed, where risk factors specified in QIS5 or its previous risk measure are considered unable to capture enough risk amount at a 99.5% confidence level.



JGB Yields



JGB yields	13.3.31	13.9.30	13.12.31	14.3.31	13.3.31 → 14.3.31	13.12.31 → 14.3.31
1year	0.06%	0.09%	0.08%	0.08%	0.02%	(0.01%)
5 year	0.13%	0.24%	0.24%	0.20%	0.07%	(0.05%)
10 year	0.55%	0.68%	0.73%	0.64%	0.09%	(0.10%)
20 year	1.40%	1.58%	1.59%	1.50%	0.10%	(0.08%)
30 year	1.54%	1.72%	1.73%	1.70%	0.16%	(0.02%)
40 year	1.64%	1.78%	1.77%	1.78%	0.14%	0.00%



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