

Consolidated Financial Summary (Japanese GAAP)
for the Nine Months Ended December 31, 2014

February 13, 2015

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
 Inquiries: Masaaki Konoo, General Manager—Corporate Communications & Investor Relations Dept.
 (Fractional amounts of less than ¥1 million are discarded.)

1. Consolidated financial results for the nine months ended December 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 nine months ended December 31, 2014	1,021,872	(2.5)	75,881	23.2	50,522	43.0
For the nine months ended December 31, 2013	1,047,803	20.2	61,569	11.0	35,337	7.8

Note: Comprehensive Income: For the nine months ended December 31, 2014: ¥90,051 million: 178.6 %
 For the nine months ended December 31, 2013: ¥32,321 million: (31.0)%

	Net Income per Share	Net Income per Share (Fully Diluted)
	Yen	Yen
For the nine months ended December 31, 2014	116.14	—
For the nine months ended December 31, 2013	81.24	—

(2) Financial conditions

	Total Assets	Total Net Assets	Net Asset Ratio
	Millions of yen	Millions of yen	%
As of December 31, 2014	9,437,930	550,016	5.8
As of March 31, 2014	8,841,382	467,050	5.3

Note: Shareholders' equity: As of December 31, 2014: ¥548,716 million
 As of March 31, 2014: ¥465,775 million

2. Dividends

	Dividend per Share				
Record date	1st quarter	2nd quarter	3rd quarter	Year-end	Annual Total
	Yen	Yen	Yen	Yen	Yen
For the year ended March 31, 2014	—	0.00	—	30.00	30.00
For the year ending March 31, 2015	—	0.00	—		
For the year ending March 31, 2015 (forecast)				40.00	40.00

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

3. Forecast of consolidated financial results for the year ending March 31, 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	1,318,000	(0.2)	91,000	19.5	55,000	35.8	126.44

4. Notes

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

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

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

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

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

(c) Changes in accounting estimates: None

(d) Restatements of the consolidated financial statements: None

Note: For details, please refer to the section entitled "1.Changes in accounting policies, accounting estimates and restatements of the consolidated financial statements" under "I. Notes Regarding Summary Information" on page 2 of the attachment.

(4) Number of shares outstanding (common stock)

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

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

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

(b) Number of treasury shares

As of December 31, 2014: 55 shares

As of March 31, 2014: 1 share

(c) Weighted-average number of shares

For the nine months ended December 31, 2014: 434,999,945 shares

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

Status of quarterly review procedures

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

Content of Supplemental Materials

I.	Notes Regarding Summary Information	
1.	Changes in accounting policies, accounting estimates and restatements of the consolidated financial statements	2
2.	Additional Information	2
II.	Consolidated Financial Statements	
1.	Consolidated Balance Sheets	3
2.	Consolidated Statements of Income and Consolidated Statements of Comprehensive Income (Consolidated Statements of Income)	5
	(Consolidated Statements of Comprehensive Income)	8
3.	Segment Information	9
4.	Subsequent Events	9
III.	Attachment	
	Consolidated Financial Results for the Nine Months Ended December 31, 2014 and Sony Life's Market Consistent Embedded Value as of December 31, 2014	11

* The Conference Call for explaining the Sony Financial Group financial results will be held at 15:30 (Tokyo), February 13, 2015.

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

We will upload the Presentation Materials with speech text on February 13, 2015 after 15:00, and its Q&A summary at a later date on Earning Releases and Presentation Materials page on our website:

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

* On February 13, 2015, SFH's significant subsidiaries: Sony Life Insurance Co., Ltd. (Sony Life), Sony Assurance Inc. (Sony Assurance) and Sony Bank Inc. (Sony Bank) will announce their financial results for the nine months ended December 31, 2014. SFH prepared an English-language summary of those Japanese announcements made by the above subsidiaries, solely for convenience of non-Japanese readers.

I. Notes Regarding Summary Information

1. Changes in accounting policies, accounting estimates and restatements of the consolidated financial statements

Changes in accounting policies

(Application of Accounting Standards for Retirement Benefits)

The Sony Financial Group has applied Clause 35 of the “Accounting Standards for Retirement Benefits” (ASBJ Statement No. 26, May 17, 2012) and Clause 67 of the “Guidance on Accounting Standards for Retirement Benefits” (ASBJ Guidance No. 25, May 17, 2012) from the first quarter of the fiscal year under review. Accordingly, the Company has reviewed its calculation method of retirement benefit obligations and service costs, changed the method of attributing expected benefit to periods from the point basis and straight-line basis to the benefit formula basis, and changed the method of determination of the discount rate. Primarily, this change was from a discount rate based on a number of years approximately equal to the average remaining service period to a weighted average discount rate for expected retirement benefit payment periods and the expected payment amount for each expected payment period.

Following Clause 37 of the “Accounting Standards for Retirement Benefits,” which stipulates transitional treatment of the new standard, the effect of the change in the calculation method of retirement benefit obligations and service costs is adjusted in retained earnings at the beginning of the current fiscal year.

As a result, at the beginning of the nine months of the fiscal year under review, net defined benefit liability decreased ¥8,341 million, deferred tax assets fell ¥2,651 million, net defined benefit asset increased ¥274 million, and retained earnings grew ¥5,965 million. Ordinary profit and income before income taxes for the nine months ended December 31, 2014, declined ¥173 million.

2. Additional Information

(Changes in presentation method)

In the past, the Sony Financial Group included amounts of interest on interest rate swaps and the like, which are hedging instrument gains (losses) resulting from interest rate risk hedging on available-for-sale securities, within “Other operating income” and “Other operating expenses” for the Banking Business. From the first quarter of the fiscal year under review, the Group has instead included these amounts in “Interest income” and “Interest expenses.”

The Sony Financial Group made this change to clarify hedging effectiveness by correlating the gains (losses) of hedged assets with the losses (gains) of the hedging instrument. The Group made this change because of the growing importance of hedge transactions following an increase in the bond investment balance that is hedged.

As a result, ¥1,485 million presented as “Other operating expenses” in the consolidated statements of income for the nine months of the previous fiscal year has been restated to ¥437 million for “Other operating income” and ¥1,922 million for “Interest expenses”.

II. Consolidated Financial Statements

1. Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2014	As of December 31, 2014
Assets		
Cash and due from banks	¥204,546	¥151,155
Call loans and bills bought	40,628	143,958
Monetary trusts	325,831	339,390
Securities	6,822,151	7,226,798
Loans	1,211,638	1,282,153
Tangible fixed assets	71,565	123,066
Intangible fixed assets	36,774	33,473
Goodwill	179	119
Others	36,595	33,354
Due from reinsurers	158	380
Foreign exchanges	7,752	2,791
Other assets	100,503	128,483
Net defined benefit asset	1,730	2,186
Deferred tax assets	19,872	5,614
Reserve for possible loan losses	(1,769)	(1,521)
Total Assets	¥8,841,382	¥9,437,930

(Millions of yen)

	As of March 31, 2014	As of December 31, 2014
Liabilities		
Policy reserves and others	¥6,263,315	¥6,723,576
Reserve for outstanding claims	57,400	61,496
Policy reserves	6,201,676	6,657,840
Reserve for policyholders' dividends	4,237	4,239
Due to agencies	2,169	1,726
Due to reinsurers	650	537
Deposits	1,889,970	1,863,577
Call money and bills sold	6,000	6,000
Borrowed money	20,000	20,000
Foreign exchanges	40	107
Bonds payable	20,000	20,000
Other liabilities	95,725	178,968
Reserve for employees' bonuses	3,204	1,816
Net defined benefit liability	30,272	23,264
Reserve for directors' retirement benefits	250	316
Reserve for losses on transfer of business	–	327
Special reserves	41,657	42,619
Reserve for price fluctuations	41,657	42,619
Deferred tax liabilities	539	4,537
Deferred tax liabilities on land revaluation	536	536
Total Liabilities	8,374,332	8,887,913
Net Assets		
Common stock	19,900	19,900
Capital surplus	195,277	195,277
Retained earnings	164,790	208,228
Treasury stock	(0)	(0)
Total shareholders' equity	379,967	423,405
Net unrealized gains (losses) on other securities, net of taxes	92,002	130,658
Net deferred gains (losses) on hedging instruments, net of taxes	(2,388)	(2,230)
Land revaluation, net of taxes	(1,513)	(1,513)
Foreign currency translation adjustments	0	1
Remeasurements of defined benefit plans, net of taxes	(2,292)	(1,603)
Total accumulated other comprehensive income	85,807	125,311
Minority interests	1,275	1,299
Total Net Assets	467,050	550,016
Total Liabilities and Net Assets	¥8,841,382	¥9,437,930

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

(Millions of yen)

	For the nine months ended December 31, 2013	For the nine months ended December 31, 2014
Ordinary Revenues	¥1,047,803	¥1,021,872
Ordinary Revenues from the Life Insurance Business	953,001	923,666
Income from insurance premiums	737,931	674,454
Investment income	194,489	223,046
(Interest income and dividends)	89,859	99,219
(Income from monetary trusts, net)	3,987	3,958
(Gains on trading securities)	—	482
(Gains on sale of securities)	674	8,891
(Gains on derivatives, net)	172	176
(Gains on separate accounts, net)	98,766	105,393
Other ordinary income	20,579	26,165
Ordinary Revenues from the Non-life Insurance Business	67,480	69,911
Underwriting income	66,569	68,965
(Net premiums written)	66,542	68,931
(Interest and dividends on deposits of premiums)	27	33
Investment income	891	927
(Interest income and dividends)	899	946
(Gains on sale of securities)	15	15
(Transfer to interest and dividends on deposits of premiums)	(27)	(33)
Other ordinary income	19	17
Ordinary Revenues from the Banking Business	27,322	28,294
Interest income	19,815	19,692
(Interest income on loans)	10,650	10,549
(Interest income and dividends on securities)	9,085	9,070
Fees and commissions	3,484	3,952
Other operating income	3,904	4,477
(Gains on foreign exchange transactions, net)	2,080	2,694
Other ordinary income	118	171

(Continued)

(Millions of yen)

	For the nine months ended December 31, 2013	For the nine months ended December 31, 2014
Ordinary Expenses	¥986,234	¥945,990
Ordinary Expenses from the Life Insurance Business	901,034	859,357
Insurance claims and other payments	251,408	292,548
(Insurance claims)	57,376	58,535
(Annuity payments)	7,285	7,552
(Insurance benefits)	45,805	52,168
(Surrender payments)	137,241	170,485
(Other payments)	2,302	2,363
Provision for policy reserves and others	536,364	451,076
Provision for reserve for outstanding claims	–	1,647
Provision for policy reserves	536,359	449,427
Interest portion of reserve for policyholders' dividends	4	2
Investment expenses	5,818	5,875
(Interest expenses)	40	23
(Losses on sale of securities)	47	0
Operating expenses	85,197	85,139
Other ordinary expenses	22,246	24,717
Ordinary Expenses from the Non-life Insurance Business	64,201	64,934
Underwriting expenses	48,957	48,641
(Net losses paid)	35,040	33,653
(Loss adjustment expenses)	4,677	5,083
(Net commission and brokerage fees)	739	717
(Provision for reserve for outstanding losses)	2,732	2,448
(Provision for underwriting reserves)	5,767	6,736
Investment expenses	2	1
(Losses on sale of securities)	1	1
Operating, general and administrative expenses	15,241	16,289
Other ordinary expenses	–	2

(Continued)

(Millions of yen)

	For the nine months ended December 31, 2013	For the nine months ended December 31, 2014
Ordinary Expenses from the Banking Business	¥20,998	¥21,698
Interest expenses	6,604	7,117
(Interest expenses on deposits)	3,631	3,802
Fees and commissions	1,270	1,421
Other operating expenses	370	122
General and administrative expenses	12,581	13,000
Other ordinary expenses	171	36
Ordinary Profit	61,569	75,881
Extraordinary Losses	6,635	1,122
Losses on disposal of fixed assets	39	33
Impairment losses	11	68
Provision for special reserves	6,564	961
Provision for reserve for price fluctuations	6,564	961
Provision for reserve for losses on transfer of business	–	59
Others	19	–
Provision for Reserve for Policyholders' Dividends	67	240
Income Before Income Taxes	54,867	74,518
Income Taxes	19,556	23,972
- Current	21,473	25,568
- Deferred	(1,917)	(1,596)
Income Before Minority Interests	35,310	50,545
Minority interests in income (losses)	(26)	22
Net Income	¥35,337	¥50,522

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

	For the nine months ended December 31, 2013	For the nine months ended December 31, 2014
Income Before Minority Interests	¥35,310	¥50,545
Other comprehensive income		
Net unrealized gains (losses) on other securities, net of taxes	(3,632)	38,656
Net deferred gains (losses) on hedging instruments, net of taxes	644	157
Foreign currency translation adjustments	—	1
Remeasurements of defined benefit plans, net of taxes	—	689
Share of other comprehensive income of affiliates accounted for using equity method	0	0
Total other comprehensive income	(2,988)	39,505
Comprehensive income	¥32,321	¥90,051
(Details)		
Comprehensive income attributable to parent company	32,348	90,026
Comprehensive income attributable to minority interests	(26)	24

3. Segment Information

(1) Segment Information by reporting segment

For the nine months ended December 31, 2013

	Millions of yen			
	Life insurance business	Non-life insurance business	Banking business	Total
Ordinary revenues				
External customers	¥953,001	¥67,480	¥27,322	¥1,047,803
Intersegment	1,839	0	148	1,989
Total	954,841	67,481	27,470	1,049,793
Segment profit	¥53,310	¥2,791	¥5,266	¥61,367

(Note) These figures are presented following restatement in accordance with the changes in financial presentation for the nine months of the fiscal year under review, described in “2. Additional Information” to the “I. Notes Regarding Summary Information.”

For the nine months ended December 31, 2014

	Millions of yen			
	Life insurance business	Non-life insurance business	Banking business	Total
Ordinary revenues				
External customers	¥923,666	¥69,911	¥28,294	¥1,021,872
Intersegment	2,062	0	137	2,201
Total	925,729	69,912	28,431	1,024,073
Segment profit	¥65,935	¥4,478	¥5,314	¥75,728

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

	Millions of yen	
	For the nine months ended December 31, 2013	For the nine months ended December 31, 2014
Totals of reporting segments	¥61,367	¥75,728
Adjustments for intersegment transactions	5	5
Amount not allocated to reporting segments	195	146
Ordinary profit in statement of income	¥61,569	¥75,881

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

None

4. Subsequent Events

There were no applicable subsequent events.

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

* SFH's scope of consolidation includes Sony Financial Holdings Inc., Sony Life Insurance Co. Ltd., Sony Assurance Inc., Sony Bank Inc., 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.

^{*1} SmartLink Network Hong Kong Limited was not included in the scope of consolidation for the nine months ended December 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.

For inquiries:

Masaaki Konoo or Hiroko Hanakura

Corporate Communications & Investor Relations Dept.

Sony Financial Holdings Inc.

Telephone: +81-3-5785-1074

E-mail: press@sonyfh.co.jp

Website of Sony Financial Holdings Inc.

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

III. Attachment

Content of Presentation Material

Consolidated Financial Results for the Nine Months Ended December 31, 2014 and Sony Life’s Market Consistent Embedded Value as of December 31, 2014

- Consolidated Operating Results for the Nine Months Ended December 31, 2014 3
- Consolidated Financial Forecast for the Year Ending March 31, 2015 29
- Sony Life’s MCEV and Risk Amount Based on Economic Value as of December 31, 2014 31
- Appendix 34

Presentation Material

Consolidated Financial Results for the Nine Months Ended December 31, 2014 and Sony Life's Market Consistent Embedded Value as of December 31, 2014

**Sony Financial Holdings Inc.
February 13, 2015**

Sony Financial Holdings Inc. All Rights Reserved

Content

- Consolidated Operating Results for the Nine Months Ended December 31, 2014 P. 3
- Consolidated Financial Forecast for the Year Ending March 31, 2015 P. 29
- Sony Life's MCEV and Risk Amount Based on Economic Value
as of December 31, 2014 P. 31
- Appendix P. 34

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.

*Unless otherwise indicated, in these materials figures less than the indicated unit have been truncated, while ratios and percentage changes have been rounded. Also, a “-” is used where percentage changes exceed 1,000% and in cases where one or both comparisons are negative.

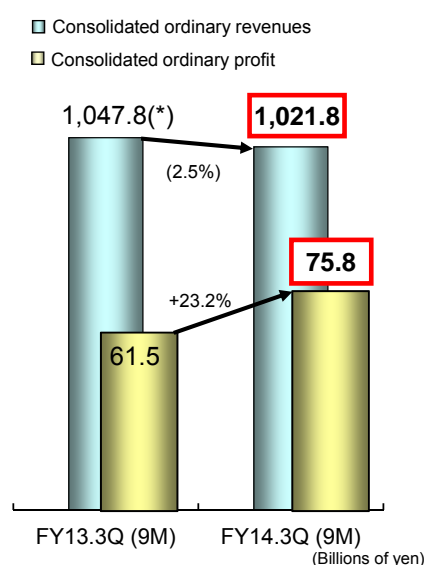
*“Lifeplanner” is a registered trademark of Sony Life.

Consolidated Operating Results for the Nine Months Ended December 31, 2014

Sony Financial Holdings Inc. All Rights Reserved

3

Highlights of Consolidated Operating Performance for the Nine Months Ended December 31, 2014 (1)



(Billions of yen)		FY13.3Q (9M)	FY14.3Q (9M)	Change	
Life Insurance business	Ordinary revenues	954.8	925.7	(29.1)	(3.0%)
	Ordinary profit	53.3	65.9	+12.6	+23.7%
Non-life Insurance business	Ordinary revenues	67.4	69.9	+2.4	+3.6%
	Ordinary profit	2.7	4.4	+1.6	+60.5%
Banking business	Ordinary revenues	27.4	28.4	+0.9	+3.5%
	Ordinary profit	5.2	5.3	+0.0	+0.9%
Intersegment adjustments*	Ordinary revenues	(1.9)	(2.2)	(0.2)	—
	Ordinary profit	0.2	0.1	(0.0)	(24.3%)
Consolidated	Ordinary revenues	1,047.8	1,021.8	(25.9)	(2.5%)
	Ordinary profit	61.5	75.8	+14.3	+23.2%
	Net income	35.3	50.5	+15.1	+43.0%

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

*Comprehensive income: FY13.3Q (9M): ¥32.3 billion, FY14.3Q (9M): ¥90.0 billion

(*) Banking business revised its method of recording ordinary revenues and ordinary expenses on hedge transactions from FY14. Ordinary revenues for FY13.3Q have been retroactively adjusted to reflect the change. Consequently, consolidated ordinary revenues for FY13.3Q have been revised from ¥1,047.3 billion to ¥1,047.8 billion. As adjustments to ordinary revenues were accompanied by adjustments in the same amount to ordinary expenses, ordinary profit and net income were unaffected.

(Billions of yen)		14.3.31	14.12.31	Change from 14.3.31	
Consolidated	Net assets	467.0	550.0	+82.9	+17.8%
	Total assets	8,841.3	9,437.9	+596.5	+6.7%

Sony Financial Holdings Inc. All Rights Reserved

4

Highlights of Consolidated Operating Performance for the Nine Months Ended December 31, 2014 (2)

Life Insurance Business

Policy amount in force increased steadily, reflecting a record-high new policy amount during the nine months ended December 31, 2014. However, ordinary revenues decreased compared with the same period of the previous fiscal year due to a decline in income from insurance premiums, which offset a rise in gains on investment income. The decline in income from insurance premiums was principally because of the brisk sale of lump-sum payment endowment insurance prior to the sales suspension during the third quarter period (October 1 to December 31) of the previous fiscal year. Ordinary profit increased year on year, due mainly to two reasons: an increase in gains on sales of securities in the general account and the absence of the negative impact from the revision of the discount rate used for calculating policy reserves on the interest rate-sensitive whole life insurance that was present in the same period of the preceding fiscal year.

Non-life Insurance Business

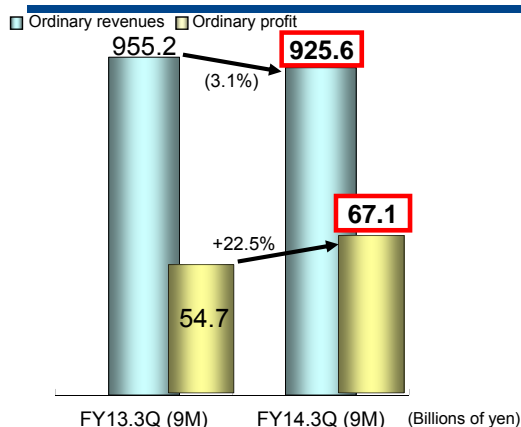
Ordinary revenues expanded year on year, owing to an increase in net premiums written primarily for mainstay automobile insurance. Ordinary profit grew year on year due to a decline in the loss ratio mainly led by a lower car accident ratio, as well as the rise in ordinary revenues.

Banking Business

Ordinary revenues increased year on year, due mainly to an increase in bond-dealing transactions. Ordinary profit increased year on year, due mainly to the above-mentioned increase in ordinary revenues, despite a rise in operating expense.

Consolidated ordinary revenues decreased 2.5% compared with the same period of the previous fiscal year, to ¥1,021.8 billion, owing to a decrease in ordinary revenues from the life insurance, whereas ordinary revenues from the non-life insurance and banking businesses increased. Consolidated ordinary profit increased 23.2% year on year, to ¥75.8 billion, owing to increases in ordinary profit from all the businesses: life insurance, non-life insurance and banking. Consolidated net income was up 43.0% year on year, to ¥50.5 billion, reflecting the rise in ordinary profit, and the change of the calculation policy of the reserve for price fluctuations for Sony Life.

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



- ◆ Ordinary revenues decreased while ordinary profit increased year on year.
- ◆ The decline in income from insurance premiums was principally because of the brisk sale of lump-sum payment endowment insurance prior to the sales suspension in FY13.3Q (3M).
- ◆ Investment income increased due mainly to higher gains on sale of securities and higher interest income and dividends on general account assets.
- ◆ Ordinary profit increased year on year due mainly to two reasons: an increase in gains on sales of securities in the general account and the absence of the negative impact from the revision of the discount rate used for calculating policy reserves on the interest rate-sensitive whole life insurance that was present in the same period of the preceding fiscal year.
- ◆ Net income was up year on year reflecting the rise in ordinary profit, and the change of the calculation policy of the reserve for price fluctuations. The change was to accumulate the reserve up to required levels from FY14 while it had accumulated the reserve in excess of the required levels until FY13.

(Billions of yen)	FY13.3Q (9M)	FY14.3Q (9M)	Change	
Ordinary revenues	955.2	925.6	(29.6)	(3.1%)
Income from insurance premiums	738.7	675.4	(63.3)	(8.6%)
Investment income	194.8	223.3	+28.5	+14.6%
Interest income and dividends	90.2	99.5	+9.3	+10.3%
Income from monetary trusts, net	3.9	3.9	(0.0)	(0.7%)
Gains on sale of securities	0.6	8.8	+8.2	—
Gains on separate accounts, net	98.7	105.3	+6.6	+6.7%
Ordinary expenses	900.4	858.4	(41.9)	(4.7%)
Insurance claims and other payments	251.4	292.5	+41.1	+16.4%
Provision for policy reserves and others	536.3	451.0	(85.2)	(15.9%)
Investment expenses	6.0	6.0	+0.0	+0.4%
Operating expenses	85.5	85.4	(0.0)	(0.1%)
Ordinary profit	54.7	67.1	+12.3	+22.5%
Net income	31.5	45.2	+13.6	+43.4%

(Billions of yen)	14.3.31	14.12.31	Change from 14.3.31	
Securities	5,954.7	6,382.6	+427.8	+7.2%
Policy reserves	6,123.6	6,573.0	+449.4	+7.3%
Net assets	369.2	445.8	+76.6	+20.8%
Net unrealized gains on other securities	83.4	122.1	+38.7	+46.4%
Total assets	6,624.9	7,227.4	+602.5	+9.1%
Separate account assets	640.5	763.7	+123.1	+19.2%

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

(Billions of yen)	FY13.3Q (9M)	FY14.3Q (9M)	Change
New policy amount	3,003.1	3,619.0	+20.5%
Lapse and surrender amount	1,327.5	1,562.1	+17.7%
Lapse and surrender rate	3.52%	4.00%	+0.48pt
Policy amount in force	38,863.7	40,593.6	+4.5%
Annualized premiums from new policies	48.7	58.0	+19.1%
Of which, third-sector products	10.5	11.7	+10.8%
Annualized premiums from insurance in force	690.8	727.0	+5.2%
Of which, third-sector products	166.3	171.7	+3.3%

<Reasons for changes>

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

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

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

(Billions of yen)	FY13.3Q (9M)	FY14.3Q (9M)	Change
Gains from investment, net (General account)	90.0	111.9	+24.3%
Core profit	56.6	60.6	+6.9%
Positive spread	5.7	9.4	+64.9%

◆ Core profit increased year on year due mainly to the absence of the negative impact from the revision of the discount rate used for calculating policy reserves on interest rate-sensitive whole life insurance that was present in the same period of the preceding fiscal year and an increase in positive spread, despite an increase in provision of policy reserves for minimum guarantees for variable life insurance stemming from its higher sales even in a favorable market environment.

	14.3.31	14.12.31	Change from 14.3.31
Non-consolidated solvency margin ratio	2,358.7%	2,644.2%	+285.5pt

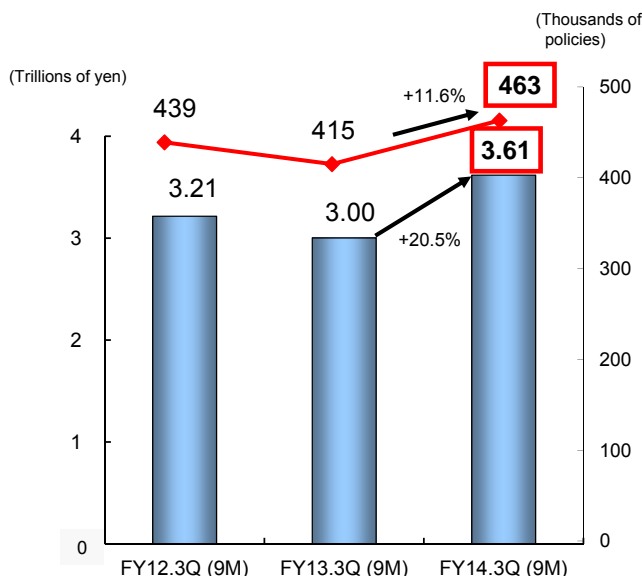
Notes:

- Figures for new policy amount, lapse and surrender amount, lapse and surrender rate, policy amount in force, annualized premiums from new policies and annualized premiums from insurance in force are calculated as the total of individual life insurance and individual annuities.
- The lapse and surrender rate shows the ratio derived by dividing the amount of lapses and surrenders, not adjusted for policy amount decreases, increases, and reinstatements, by the policy amount in force at the beginning of the fiscal year.

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

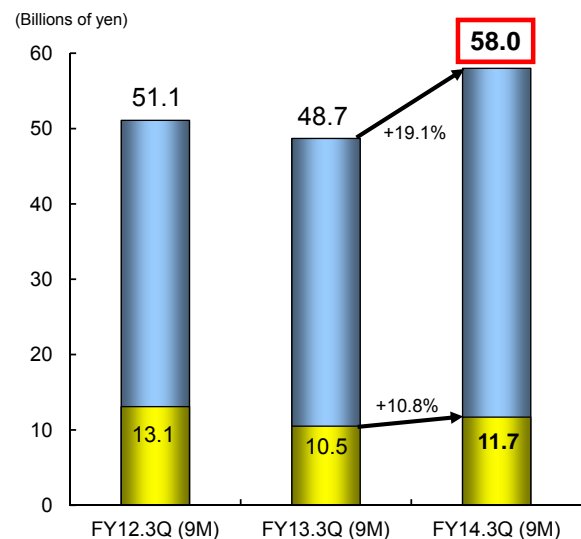
Number and Amount of New Policies (Individual Life Insurance + Individual Annuities)

■ New policy amount — Number of new policies



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

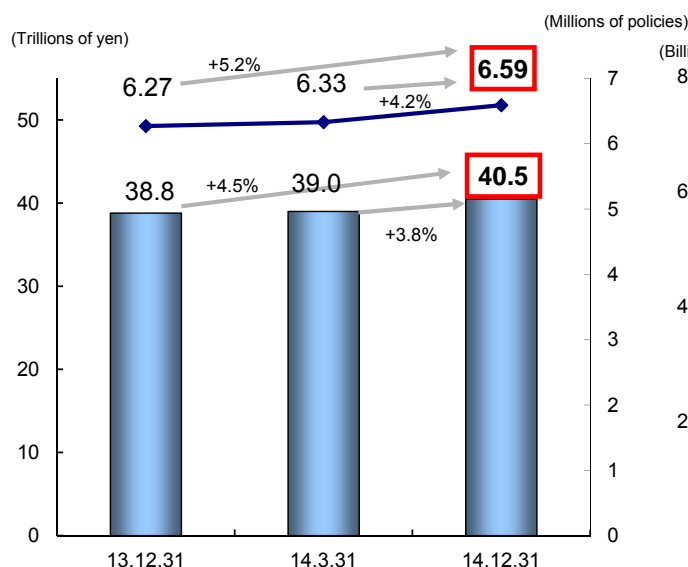
■ Annualized premiums from new policies ■ Of which, third-sector



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

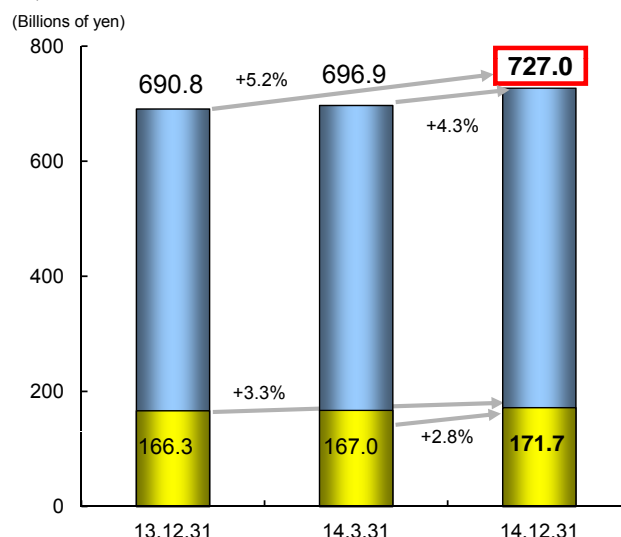
Number and Amount of Policies in Force (Individual Life Insurance + Individual Annuities)

■ Policy amount in force — Number of policies in force



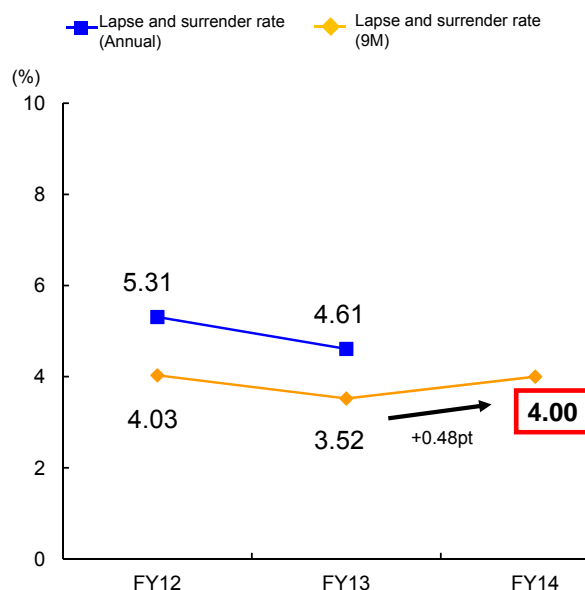
Annualized Premiums from Insurance in Force (Individual Life Insurance + Individual Annuities)

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



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

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



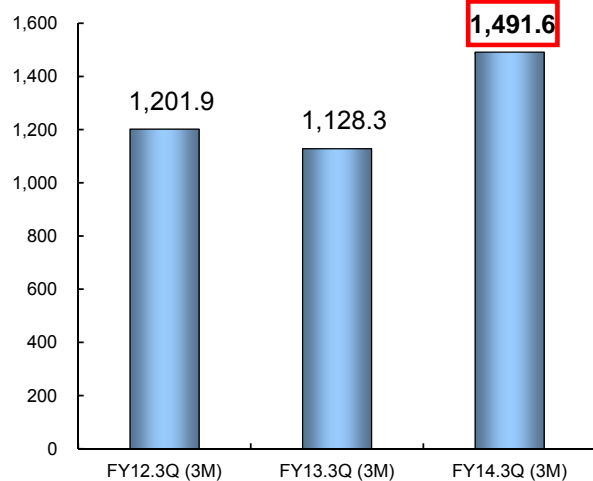
*The lapse and surrender rate shows the ratio derived by dividing the amount of lapses and surrenders, not adjusted for policy amount decreases, increases, and reinstatements, by the policy amount in force at the beginning of the fiscal year.

(Reference) Sony Life's Quarterly Trend on New Policy Amount, Lapse and Surrender Rate and Net Increase

New Policy Amount/ Lapse and Surrender Rate (Individual Life Insurance + Individual Annuities)

■ New policy amount (3M)

(Billions of yen)



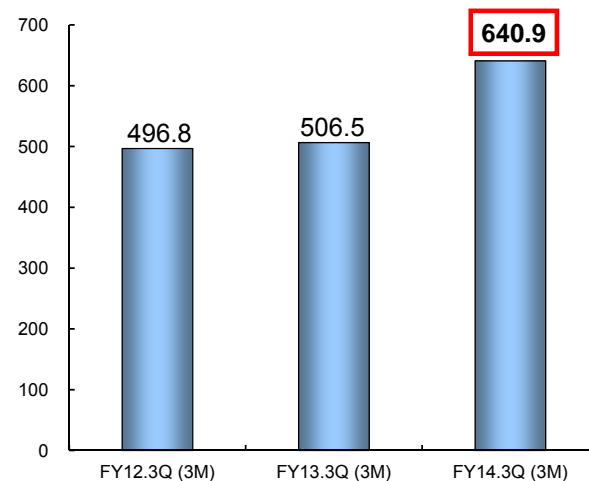
	FY12.3Q	FY13.3Q	FY14.3Q
Lapse and surrender rate (3M)	1.35%	1.18%	1.75%
Lapse and surrender rate (9M)	4.03%	3.52%	4.00%

Net Increase

(Individual Life Insurance + Individual Annuities)

■ Net increase (3M)

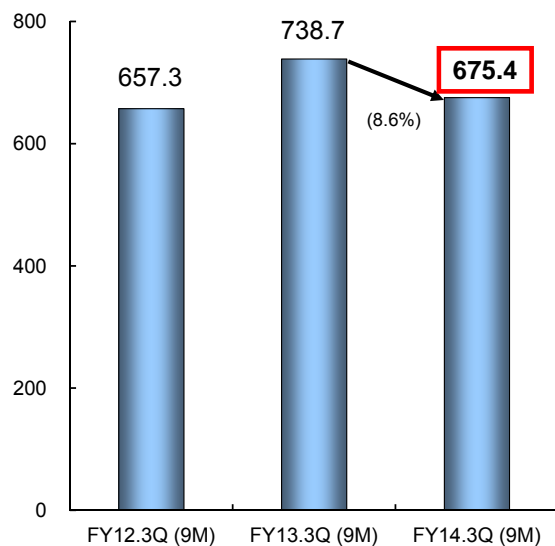
(Billions of yen)



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

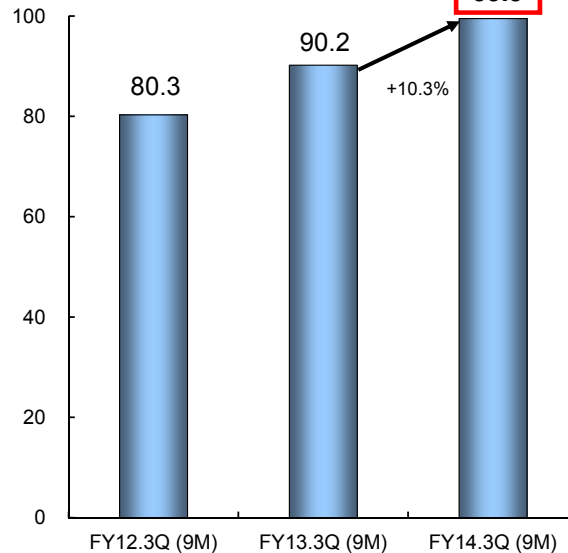
Income from Insurance Premiums

(Billions of yen)



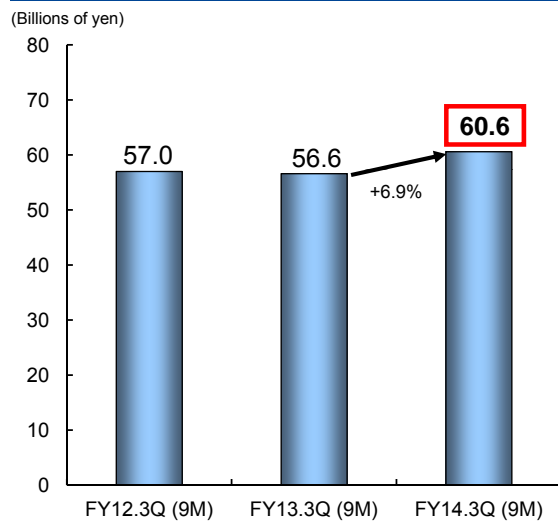
Interest Income and Dividends

(Billions of yen)

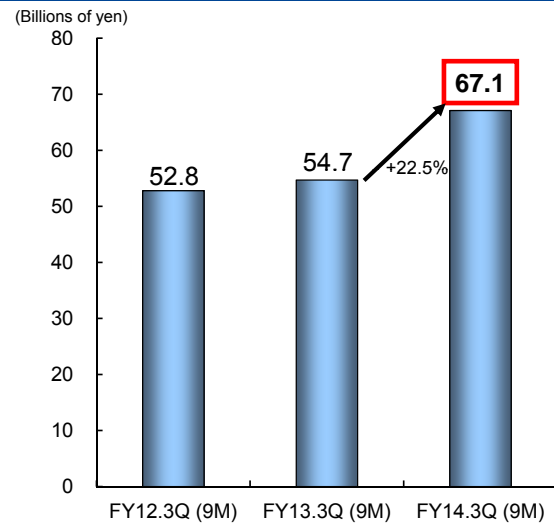


Operating Performance : Sony Life (Non-consolidated) (5)

Core Profit



Ordinary Profit



(Reference) Impact on core profit

	FY12.3Q (9M)	FY13.3Q (9M)	FY14.3Q (9M)
Positive spread	1.1	5.7	9.4
Provision of policy reserves for minimum guarantees for variable life insurance (*1)	(1.2)	0.9	(3.3)
Effects by the revision of policy reserve discount rate (Interest rate-sensitive whole life insurance) (*2)	-	(5.7)	-

(Reference) Main differences from Core Profit

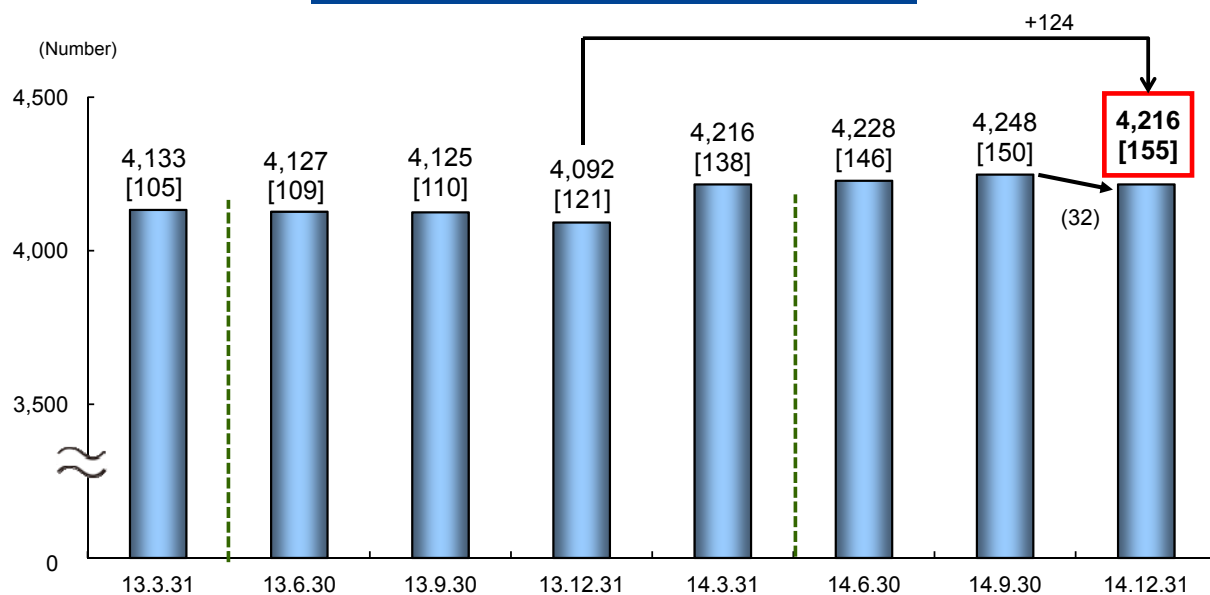
	FY12.3Q (9M)	FY13.3Q (9M)	FY14.3Q (9M)
Capital gains (loss)	(0.8)	1.2	10.4
Provision of contingency reserve (*1)	(3.0)	(2.9)	(3.8)

*1: "Provision of policy reserves for minimum guarantees for variable life insurance" and "Provision of contingency reserve" are described as negative amount.

*2: The effect of the revision of policy reserve discount rate on interest rate-sensitive whole life insurance in May 2013.

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

Number of Lifeplanner Sales Employees



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

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

Breakdown of General Account Assets

(Billions of yen)	14.3.31		14.12.31	
	Amount	%	Amount	%
Japanese government and corporate bonds	5,190.0	86.7%	5,472.2	84.7%
Japanese stocks	33.2	0.6%	38.9	0.6%
Foreign bonds	79.8	1.3%	104.6	1.6%
Foreign stocks	26.9	0.4%	28.0	0.4%
Monetary trusts	305.3	5.1%	315.8	4.9%
Policy loans	154.1	2.6%	160.2	2.5%
Real estate	66.5	1.1%	118.0	1.8%
Cash and call loans	32.6	0.5%	124.4	1.9%
Others	95.6	1.6%	101.1	1.6%
Total	5,984.3	100.0%	6,463.7	100.0%

<Asset management review>

We have continued to accumulate ultralong-term bonds to match the liability characteristics of insurance policies with long-term maturities with the aim of reducing interest rate risk.

<Bond duration>

Mar. 31, 2013: 19.9 years

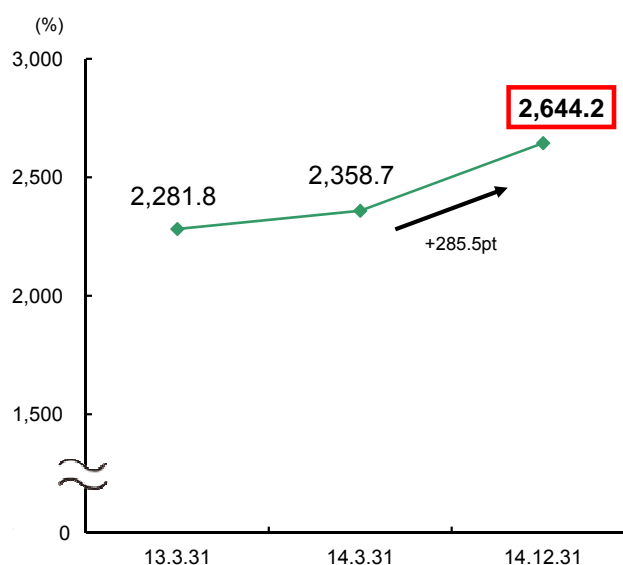
Mar. 31, 2014: 19.7 years

Dec. 31, 2014: 20.3years

- 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 Dec. 31, 2014: 89.6%**
(As of Mar. 31, 2014: 91.8%)

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

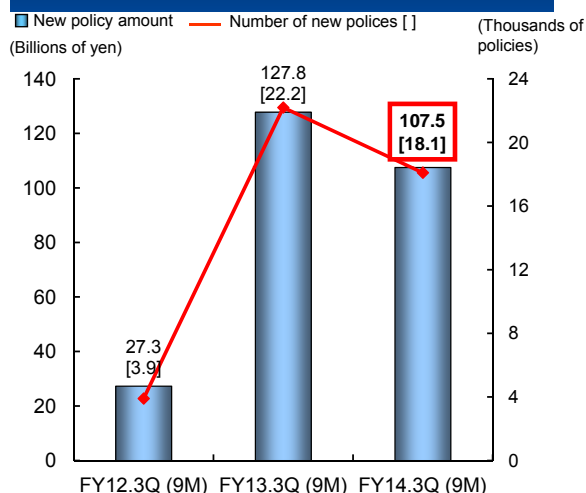
Non-consolidated Solvency Margin Ratio



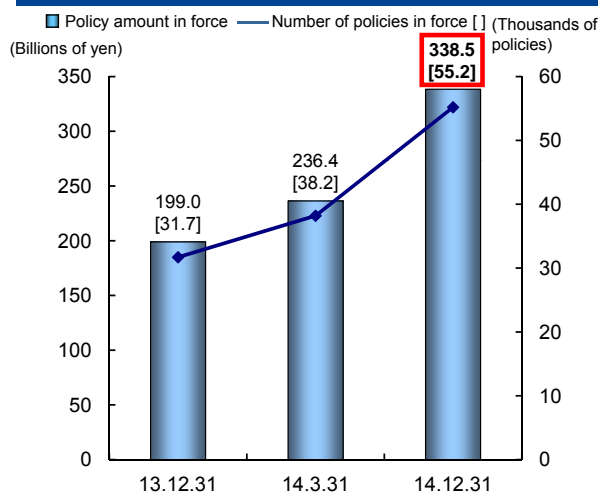
Operating Performance : AEGON Sony Life Insurance

*AEGON Sony Life Insurance sells individual variable annuities.

Number and Amount of New Policies



Number and Amount of Policies in Force



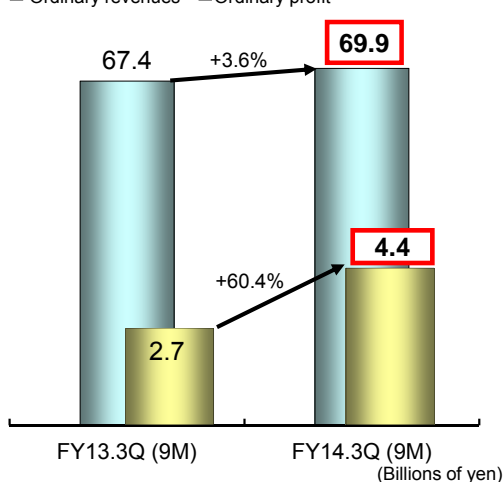
Net income (losses) for AEGON Sony Life Insurance and SA Reinsurance

(Billions of yen)	FY13.3Q (9M)	FY14.3Q (9M)	Change
AEGON Sony Life Insurance	(2.6)	(3.6)	(0.9)
SA Reinsurance	0.4	1.0	+0.5

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

Highlights of Operating Performance: Sony Assurance

■ Ordinary revenues ■ Ordinary profit



- ◆ Ordinary revenues and ordinary profit increased year on year.
- ◆ Ordinary revenues increased year on year, due to an increase in net premiums written primarily for its mainstay automobile insurance.
- ◆ Ordinary profit grew year on year due to a decline in the loss ratio mainly led by a lower car accident ratio, as well as the rise in ordinary revenues. Ordinary profit for FY14.3Q (9M) reached record high.

(Billions of yen)	FY13.3Q (9M)	FY14.3Q (9M)	Change	
Ordinary revenues	67.4	69.9	+2.4	+3.6%
Underwriting income	66.5	68.9	+2.3	+3.6%
Investment income	0.8	0.9	+0.0	+4.1%
Ordinary expenses	64.6	65.4	+0.7	+1.1%
Underwriting expenses	49.2	48.9	(0.3)	(0.6%)
Investment expenses	0.0	0.0	(0.0)	(48.6%)
Operating general and administrative expenses	15.4	16.4	+1.0	+6.8%
Ordinary profit	2.7	4.4	+1.6	+60.4%
Net income	1.7	3.1	+1.3	+79.6%

(Billions of yen)	14.3.31	14.12.31	Change from 14.3.31	
Underwriting reserves	78.0	84.7	+6.7	+8.6%
Net assets	21.4	25.0	+3.6	+17.1%
Total assets	142.7	152.1	+9.4	+6.6%

Overview of Operating Performance: Sony Assurance

(Billions of yen)	FY13.3Q (9M)	FY14.3Q (9M)	Change	
Direct premiums written	65.5	67.9	+3.6%	◆ Increased mainly in its mainstay automobile insurance.
Net premiums written	66.5	68.9	+3.6%	
Net losses paid	35.0	33.6	(4.0%)	◆ Declined due mainly to a lower car accident ratio.
Underwriting profit	1.9	3.5	+84.5%	
Net loss ratio	59.7%	56.2%	(3.5pt)	◆ Increased due mainly to higher system-related expenses, a rise in insurance acquisition cost and a consumption tax rate rise.
Net expense ratio	24.6%	25.3%	+0.7pt	
Combined ratio	84.3%	81.5%	(2.8pt)	

Notes:

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

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

	14.3.31	14.12.31	Change from 14.3.31	
Number of policies in force	1.61 million	1.67 million	+0.06 million	+4.0%
Non-consolidated solvency margin ratio	527.6%	625.4%	+97.8pt	

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

Sony Assurance's Underwriting Performance by Type of Policy

Direct Premiums Written

(Millions of yen)	FY13.3Q (9M)	FY14.3Q (9M)	Change
Fire	184	206	+11.8%
Marine	—	—	—
Personal accident	6,234	6,425	+3.1%
Voluntary automobile	59,151	61,319	+3.7%
Compulsory automobile liability	—	—	—
Total	65,569	67,950	+3.6%

Net Premiums Written

(Millions of yen)	FY13.3Q (9M)	FY14.3Q (9M)	Change
Fire	92	28	(69.3%)
Marine	118	101	(14.2%)
Personal accident	6,440	6,642	+3.1%
Voluntary automobile	58,959	61,163	+3.7%
Compulsory automobile liability	931	995	+6.8%
Total	66,542	68,931	+3.6%

*Medical and cancer insurance is included in personal accident.

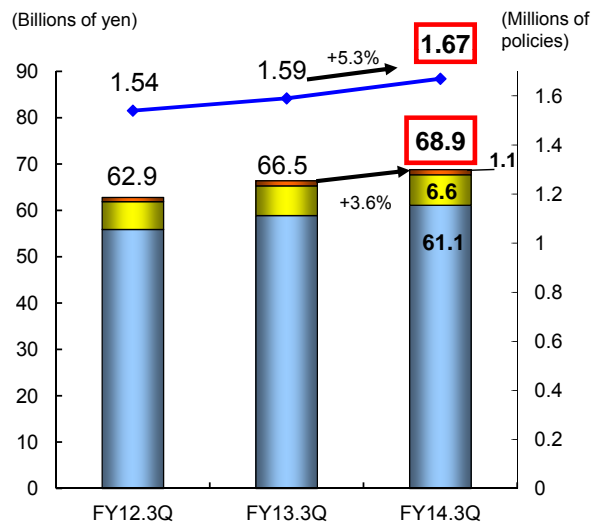
Net losses paid

(Millions of yen)	FY13.3Q (9M)	FY14.3Q (9M)	Change
Fire	1	2	+43.7%
Marine	101	82	(18.3%)
Personal accident	1,537	1,714	+11.5%
Voluntary automobile	32,559	30,935	(5.0%)
Compulsory automobile liability	840	918	+9.3%
Total	35,040	33,653	(4.0%)

Operating Performance: Sony Assurance (1)

Net Premiums Written and Number of Policies in Force

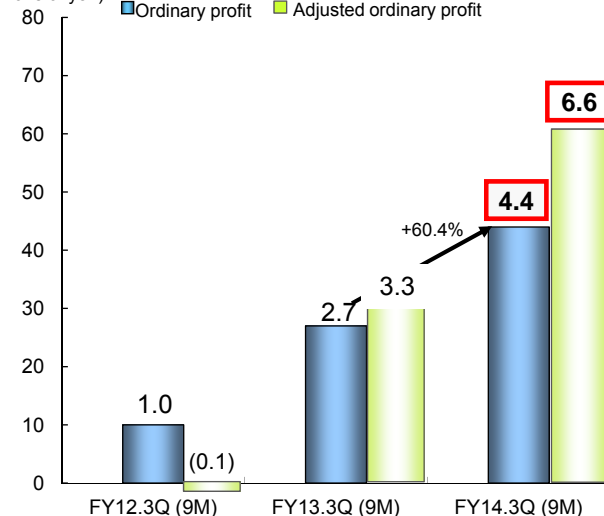
■ Voluntary automobile insurance ■ Personal accident insurance
■ Others — Number of policies in force



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

Ordinary Profit and Adjusted Ordinary Profit

(Billions of yen) ■ Ordinary profit ■ Adjusted ordinary profit



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

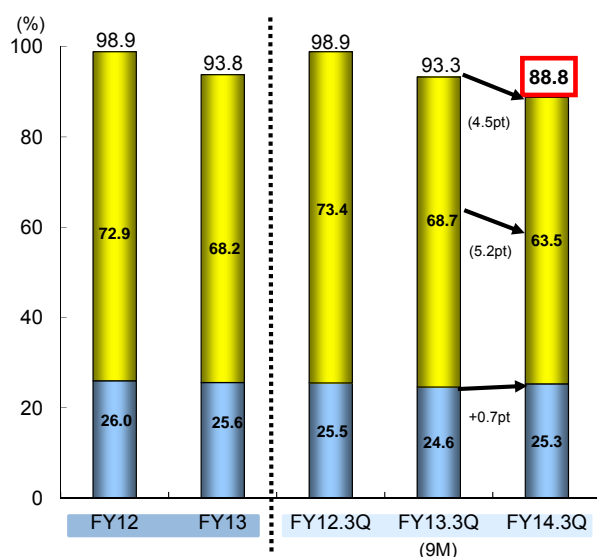
(Reference) Provision for catastrophe reserve		(Billions of yen)	
		FY12.3Q (9M)	FY13.3Q (9M)
Provision for catastrophe reserve		(1.1)	0.6
			2.1

*Provision for catastrophe reserve is described as positive amount

Operating Performance: Sony Assurance (2)

Earned/Incurred Loss Ratio + Net Expense Ratio

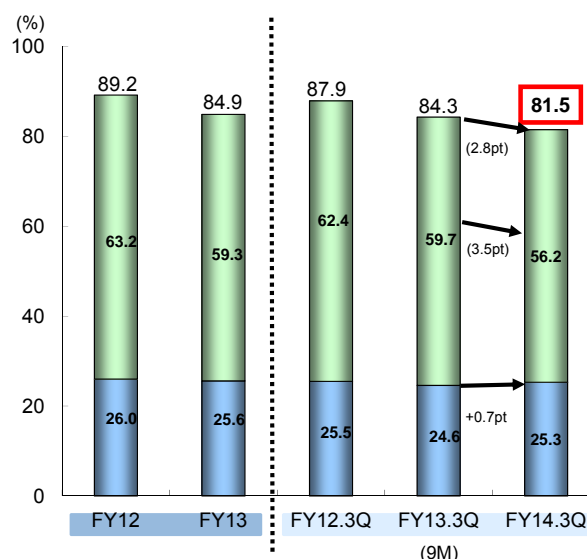
■ Earned/Incurred loss ratio ■ Net expense ratio



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

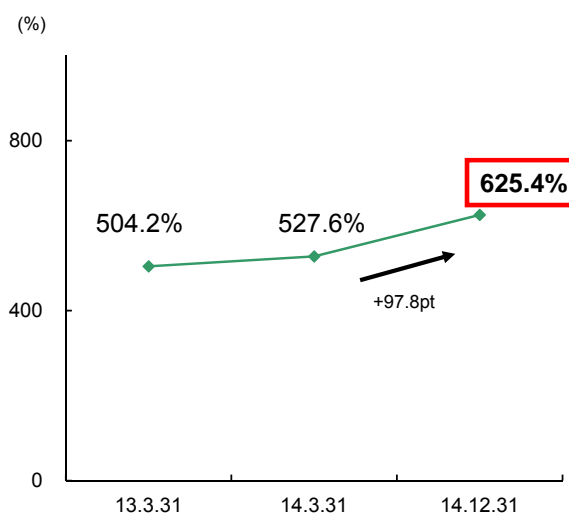
(Reference) Combined Ratio (Net Loss Ratio+ Net Expense Ratio)

■ Net loss ratio ■ Net expense ratio

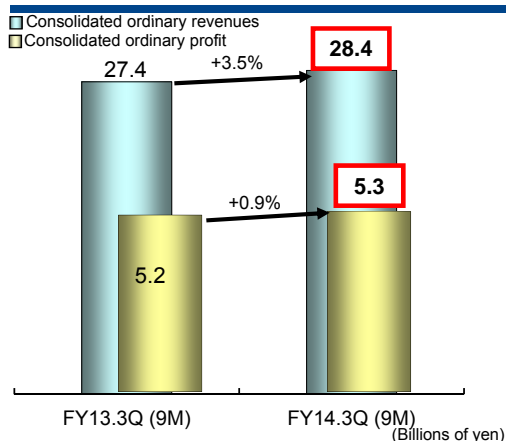


Notes:
Net loss ratio = (Net losses paid + Loss adjustment expenses) / Net premiums written
Net expense ratio = Expenses related to underwriting / Net premiums written

Non-consolidated Solvency Margin Ratio



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



<Consolidated>

(Billions of yen)	FY13.3Q (9M)	FY14.3Q (9M)	Change	
Consolidated ordinary revenues	27.4	28.4	+0.9	+3.5%
Consolidated ordinary profit	5.2	5.3	+0.0	+0.9%
Consolidated net income	3.2	3.2	(0.0)	(0.4%)

<Non-consolidated>

(Billions of yen)	FY13.3Q (9M)	FY14.3Q (9M)	Change	
Ordinary revenues	25.6	26.4	+0.8	+3.1%
Gross operating profit	16.4	16.6	+0.1	+1.0%
Net interest income	13.1	12.5	(0.6)	(4.7%)
Net fees and commissions	(0.2)	(0.2)	(0.0)	—
Net other operating income	3.5	4.3	+0.8	+23.3%
General and administrative expenses	10.9	11.4	+0.4	+4.4%
Net operating profit	5.5	5.3	(0.2)	(4.9%)
Ordinary profit	5.4	5.2	(0.1)	(2.5%)
Net income	3.3	3.3	(0.0)	(2.3%)

(Billions of yen)	14.3.31	14.12.31	Change from 14.3.31	
Net assets	72.7	75.6	+2.8	+3.9%
Net unrealized gains on other securities, net of taxes	7.2	6.6	(0.5)	(8.3%)
Total assets	2,056.7	2,044.3	(12.3)	(0.6%)

<Consolidated>

- ◆ Ordinary revenues increased year on year due mainly to an increase in bond-dealing transactions. Consolidated ordinary profit increased year on year due mainly to an improved performance of its consolidated subsidiaries, whereas non-consolidated profit resulted in a decrease.

<Non-consolidated>

- ◆ Gross operating profit increased year on year. Net operating profit decreased due to an increase in general and administrative expenses.
- Net interest income decreased year on year, due mainly to lower interest income on securities under the lowering interest rates.
- Net fees and commissions remained at the same level, because higher fees received for mortgage loan business were offset by higher fees paid for ATM usage.
- Net other operating income increased due to higher gains on foreign exchange transactions and an increase in gains on bond-dealing transactions including sale of bonds.

(*) Sony Bank revised its method of recording ordinary revenues and ordinary expenses on hedge transactions from FY14. Ordinary revenues for FY13.3Q (9M) have been retroactively adjusted to reflect the change.

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

(Billions of yen)	13.12.31	14.3.31	14.12.31	Change from 14.3.31	
Customer assets	1,972.9	2,007.5	1,989.0	(18.4)	(0.9%)
Deposits	1,857.4	1,890.0	1,863.6	(26.3)	(1.4%)
Yen	1,504.4	1,526.4	1,531.6	+5.1	+0.3%
Foreign currency	353.0	363.5	331.9	(31.5)	(8.7%)
Investment trusts	115.4	117.4	125.3	+7.8	+6.7%
Loans outstanding	1,025.1	1,057.4	1,121.8	+64.4	+6.1%
Mortgage loans	917.0	949.3	1,011.6	+62.3	+6.6%
Others	108.1	108.1	110.1 ^{*1}	+2.0	+1.9%
Capital adequacy ratio ^{*2} (domestic criteria)	11.92%	11.72%	11.23%	(0.49pt)	

*1 Loans in others include corporate loans of ¥104.8 billion

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

<Reasons for changes>

◆ Yen deposit balance remained at the same levels under persistently low interest rates, despite a positive effect of converting from foreign currencies to yen in yen depreciation.

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

◆ Loan balance steadily increased mainly in mortgage loans.

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

<Reference> On Managerial Accounting Basis

(Billions of yen)	FY13.3Q (9M)	FY14.3Q (9M)	Change	
Gross operating profit	16.3	16.5	+0.1	+1.0%
Net interest income ^{*1} ①	13.7	13.7	(0.0)	(0.2%)
Net fees and commissions ^{*2} ②	0.6	0.4	(0.2)	(38.7%)
Net other operating income ^{*3}	2.0	2.4	+0.4	+22.1%
Gross operating profit (core profit) (A) = ①+②	14.3	14.1	(0.2)	(2.0%)
Operating expenses and other expenses ③	10.8	11.3	+0.4	+4.1%
Net operating profit (core profit) = (A) - ③	3.5	2.7	(0.7)	(20.7%)

■ Managerial accounting basis

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

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

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

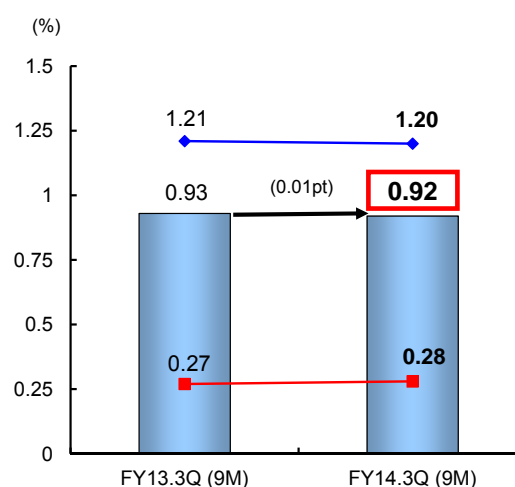
*3: Net other operating income: After the above adjustments (*1 and *2), consists of profits and losses for bond and derivative dealing transactions.

■ Core profit

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

<Reference> Interest Spread (Managerial Accounting Basis)

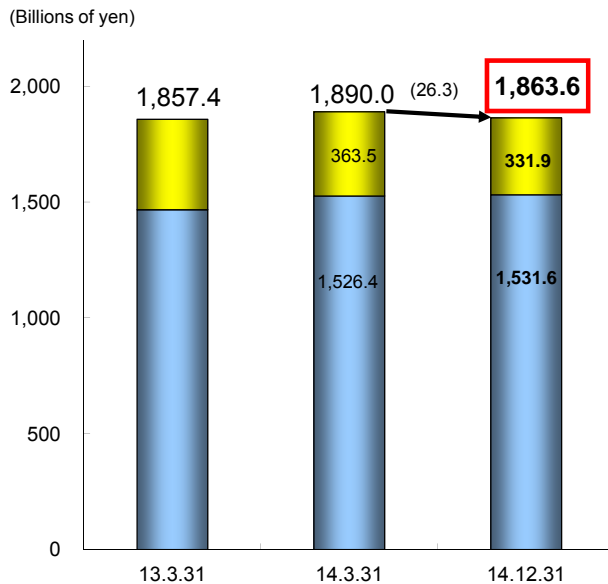
◆ Yield on investment ■ Yield on financing
■ Interest spread



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

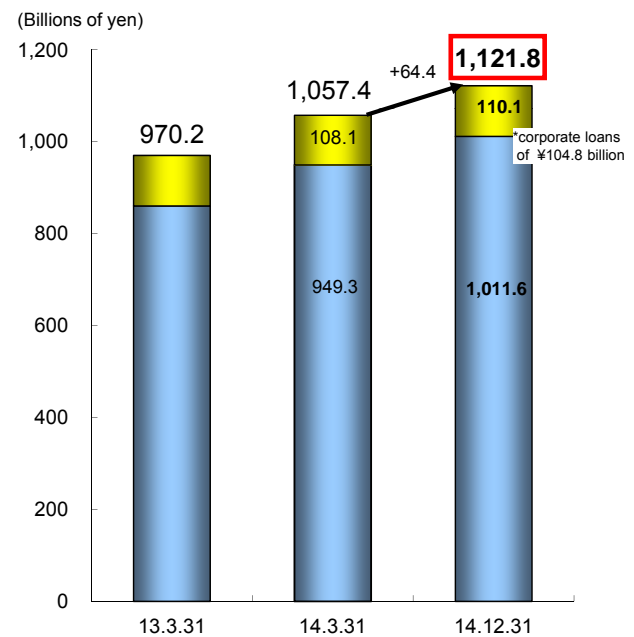
Deposits

■ Yen deposits ■ Foreign currency deposits



Loans

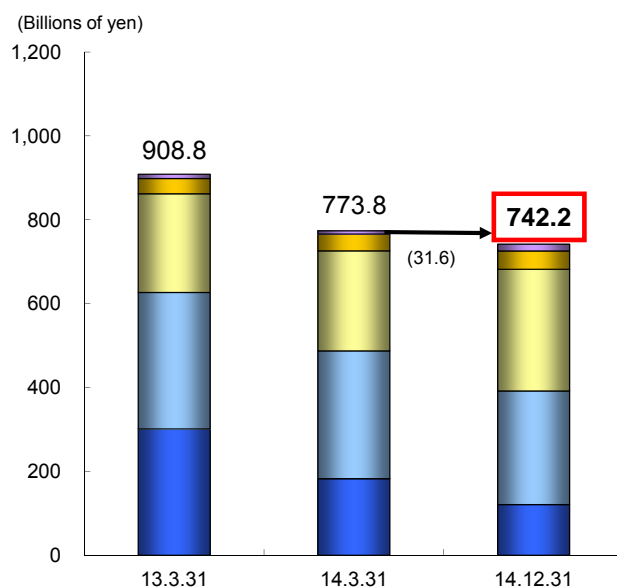
■ Mortgage loans ■ Others



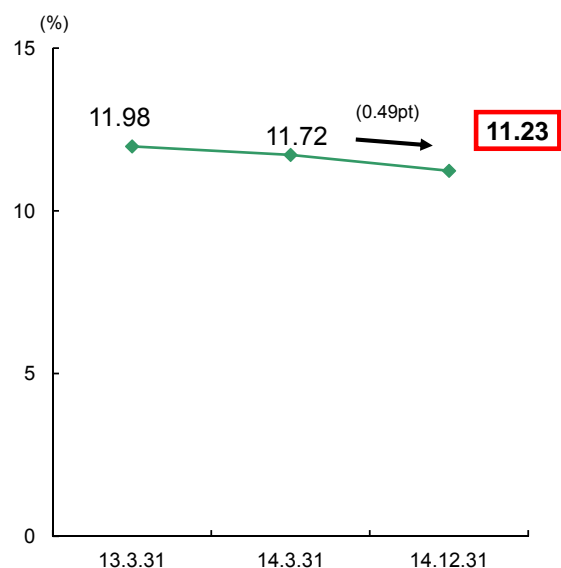
Operating Performance: Sony Bank (Non-consolidated) (2)

Balance of Securities by Credit Rating

■ AAA ■ AA ■ A
■ BBB ■ Others



Non-Consolidated Capital Adequacy Ratio (Domestic Criteria)



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

Consolidated Financial Forecast for the Year Ending March 31, 2015

Consolidated Financial Forecast for the Year Ending March 31, 2015

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

(Billions of yen)	FY13 (Actual)	FY14 (Forecast)	Change	FY14.3Q (9M) Actual	Progress rate
Consolidated ordinary revenues	1,320.4 ²	1,191.0⇒1,318.0	(9.8%)⇒(0.2%)	1,021.8	77.5%
Life insurance business	1,196.6	1,061.9⇒1,187.4	(11.3%)⇒(0.8%)	925.7	78.0%
Non-life insurance business	89.8	93.0	+3.5%	69.9	75.2%
Banking business	36.4 ²	36.6⇒37.8	+0.3%⇒+3.6%	28.4	75.2%
Consolidated ordinary profit	76.1	77.0⇒91.0	+1.1%⇒+19.5%	75.8	83.4%
Life insurance business	67.2	67.4⇒79.5	+0.2%⇒+18.2%	65.9	82.9%
Non-life insurance business	3.0	4.5	+49.8%	4.4	99.5%
Banking business	5.6	5.3⇒7.0	(6.0%)⇒+24.2%	5.3	75.9%
Consolidated net income	40.5	49.0⇒55.0¹	+21.0%⇒+35.8%	50.5	91.9%

Notes:

1. The forecast of FY14 consolidated net income takes into account the assumed impact of a reversal of deferred tax assets, accompanying the corporate income tax cut, which was approved by the Cabinet.
2. Since the banking business revised its method of recording ordinary revenues and ordinary expenses on hedge transactions for FY14, ordinary revenues for FY13 have been retroactively adjusted to reflect the change. Consequently, consolidated ordinary revenues and ordinary revenues of the banking business for FY13 have been revised.

On February 4, 2015, we have revised upward our consolidated financial forecasts for the year ending March 31, 2015, from the forecast announced on May 14, 2014.

■ Life insurance business

We have revised upward our full-year forecasts for ordinary revenues and ordinary profits from the forecast announced on May 14, 2014, because operating results for the nine months ended December 31, 2014 exceeded our previous forecast due mainly to an increase in investment income including gains on sale of securities.

■ Non-life insurance business

We have stayed our forecast for ordinary revenues and ordinary profit unchanged from the forecast announced in November 2014.

■ Banking business

We have revised upward our full-year forecasts for ordinary revenues and ordinary profits from the forecast announced on May 14, 2014, because operating results for the nine months ended December 31, 2014 exceeded our previous forecast due mainly to an increase in gains on bond-dealing transactions including sale of bonds.

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

Please keep in mind that the validity of these calculations of MCEV as of Dec. 31, 2014, has not been verified by outside specialists.
A part of the calculations of MCEV as of Dec. 31, 2014, adopted simplified method.

Sony Life's MCEV as of December 31, 2014

(Billions of yen)	14.3.31	14.9.30	14.12.31	Change from 14.3.31	Change from 14.9.30
MCEV	1,221.3	1,313.1	1,234.9	+13.6	(78.2)
Adjusted net worth	722.1	833.4	1,171.2	+449.0	+337.7
Value of existing business	499.1	479.7	63.8	(435.4)	(415.9)
(Billions of yen)	14.3.31	14.9.30	14.12.31		
New business value	55.2 (12M)	30.3 (6M)	28.2 (9M)		
New business margin	5.2%	5.1%	2.9%		

Notes:

1. New business margin equals new business value divided by present value of premium income.
2. Calculated MCEV as of Sep. 30, 2014 and Dec. 31, 2014 by using updated economic assumptions and lapse and surrender rate.

◆ **Reasons for changes in MCEV**

- MCEV as of Dec. 31, 2014 decreased ¥78.2 billion from Sep. 30, 2014, due mainly to a significant decline in interest rates in Japanese yen.
- MCEV as of Dec. 31, 2014 increased ¥13.6 billion from Mar. 31, 2014, reflecting to an acquisition of new policies, a lower inflation rate and a rise in stock price despite a significant decline in interest rates in Japanese yen.

◆ **New business value**

- New business value as of Dec. 31, 2014 was ¥28.2 billion (9M).
This is because new business value for this third quarter ended Dec. 31, 2014 (FY14.3Q) gained ¥11.7 billion, and new business value for the six months ended Sep. 30, 2014 of ¥30.3 billion (6M) decreased ¥13.7 billion, to ¥16.5 billion, reflecting mainly a significant decline in interest rates in Japanese yen during this third quarter.

◆ **New business margin**

- New business margin as of Dec. 31, 2014 was down from Sep. 30, 2014 and Mar. 31, 2014 due mainly to lower interest rates in Japanese yen.

*Please see page 41 for changes on new business value
*Please see page 44 for trend on JGB yields

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

(Billions of yen)	14.3.31	14.9.30	14.12.31
Insurance risk	654.5	673.3	709.6
Market-related risk	240.0	279.0	290.5
<i>Of which, interest rate risk*</i>	180.9	206.6	219.7
Operational risk	26.3	26.4	23.8
Counter party risk	1.3	1.4	3.0
Variance effect	(257.8)	(276.4)	(291.4)
The risk amount based on economic value	664.3	703.7	735.5

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

(Billions of yen)	14.3.31	14.9.30	14.12.31
MCEV	1,221.3	1,313.1	1,234.9

◆ Maintained capital adequacy by controlling market-related risk.

Notes:

1. The risk amount based on economic value refers to the total amount of Sony Life's risks, comprehensively examined and including insurance risk and market-related risk.
2. The solvency risk capital on an economic value basis is calibrated at VaR (99.5) over one year and based on the internal model, which is a similar but modified model based on the EU Solvency II (QIS5) standard method.
3. Calculated MCEV as of Sep. 30, 2014 and Dec. 31, 2014 by using updated economic assumptions and lapse and surrender rate.

Appendix

Recent Topics 1

AEGON Sony Life Insurance

Launch of sales: December 1, 2009

Common stock: ¥26 billion (including capital surplus of ¥13 billion)*

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

Marketing products: Individual Variable Annuities

Sales Channels: Lifeplanner sales employees and partner Banks (20*)



SA Reinsurance Ltd

Established: October 29, 2009

Common stock: ¥11 billion*

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

Business: Reinsurance business

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

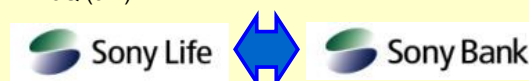
*As of Feb.13, 2015

Sony Bank's Mortgage Loans through Sony Life

■ Sony Life accounts for 23% of the balance of mortgage loans as of December 31, 2014

Sony Life accounts for 16% of the amount of new mortgage loans for FY14.3Q (9M)

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



Sony Assurance's Auto Insurance Sold by Sony Life

■ Sony Life accounts for approx. 5% of new automobile policies for FY14.3Q (9M)

*Sony Life started handling automobile insurance in May 2001.



Recent Topics 2

<Highlights for FY2014.3Q>

- 2014-10-01 Sony Lifecare Group announced the opening of the first newly built nursing care home in Tokyo in spring, 2016
- 2014-10-02 Sony Life commenced sales of Living Benefit Whole Life Insurance (Living Standard Type) and Living Standard Special Provision 2014
- 2014-11-13 Sony Assurance announced to launch a PHYD(Pay-How-You-Drive) type of automobile insurance "Gentle Driving Cash-Back Plan" in February 16, 2015
- 2014-12-16 Sony Bank started offering "Exchange Rate-Linked Deposits"
- 2015-01-07 Sony Assurance announced to open a customer service office in Kumamoto prefecture
- 2015-02-05 Sony Life announced to commence sale of Lump-sum Payment Whole Life Insurance (No-notification Type) on May 2, 2015

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

Fair Value Information on Securities

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

	13.3.31			14.3.31			14.12.31		
	Carrying amount	Fair value	Net unrealized gains (losses)	Carrying amount	Fair value	Net unrealized gains (losses)	Carrying amount	Fair value	Net unrealized gains (losses)
Held-to-maturity securities	3,874.2	4,425.9	551.7	4,409.6	4,839.9	430.3	4,731.6	5,678.0	946.4
Available-for-sale securities	955.9	1,079.2	123.2	1,065.5	1,189.8	124.3	1,006.7	1,185.1	178.4
Japanese government and corporate bonds	925.3	1,036.9	111.6	1,035.9	1,146.7	110.8	974.9	1,132.4	157.5
Japanese stocks	14.7	20.9	6.2	12.2	21.2	8.9	12.6	25.9	13.2
Foreign securities	14.4	18.6	4.2	15.8	19.4	3.5	18.8	25.9	7.1
Other securities	1.4	2.6	1.1	1.4	2.5	1.0	0.3	0.7	0.3
Total	4,830.2	5,505.2	675.0	5,475.1	6,029.8	554.7	5,738.3	6,863.2	1,124.8

Notes:

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

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

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

As of Mar. 31, 2013; Carrying amount: ¥43.3 billion, Fair market value: ¥52.2 billion, Net unrealized gain (losses): ¥8.8 billion

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

As of Dec. 31, 2014; Carrying amount: ¥44.1 billion, Fair market value: ¥58.5 billion, Net unrealized gain (losses): ¥14.3 billion

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

13.3.31		14.3.31		14.12.31	
Balance sheet amount	Net valuation gains (losses) recorded in income	Balance sheet amount	Net valuation gains (losses) recorded in income	Balance sheet amount	Net valuation gains (losses) recorded in income
—	—	—	—	4.4	0.3

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

Sony Life's Interest Income and Dividends (Details)

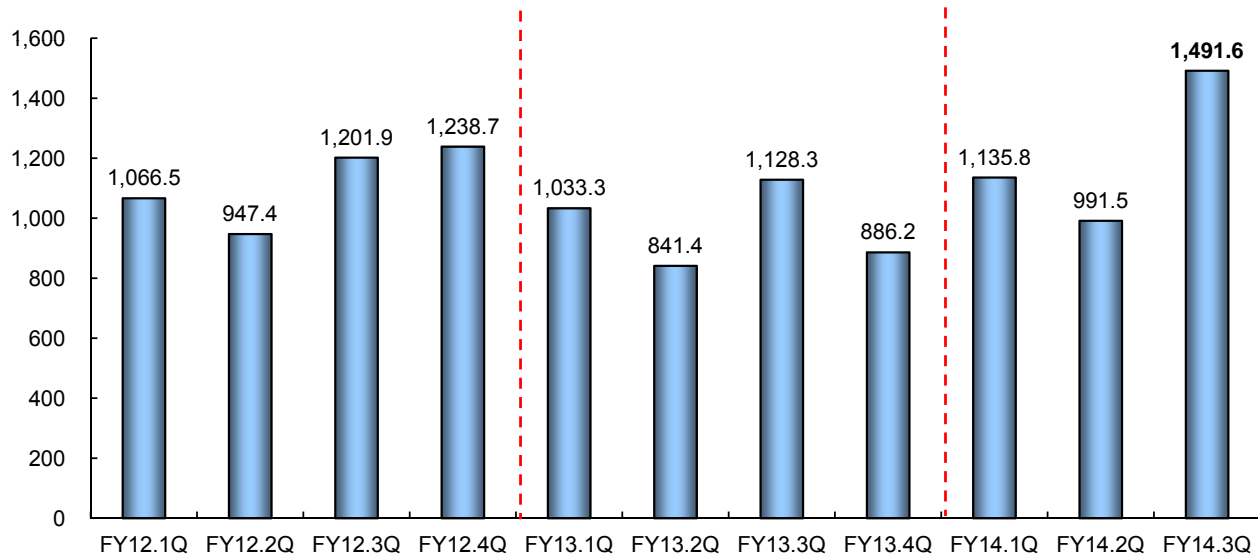
(Millions of yen)

	FY13.3Q (9M)	FY14.3Q (9M)	Change
Cash and deposits	0	0	(23.9%)
Japanese government and corporate bonds	72,947	80,022	+9.7%
Japanese stocks	234	299	+27.6%
Foreign securities	4,872	6,645	+36.4%
Other securities	172	355	+105.8%
Loans	4,264	4,439	+4.1%
Real estate	7,716	7,744	+0.4%
Others	23	56	+138.0%
Total	90,232	99,563	+10.3%

Sony Life's Quarterly Trend on New Policy Amount

Quarterly Trend on New Policy Amount

(Billions of yen)

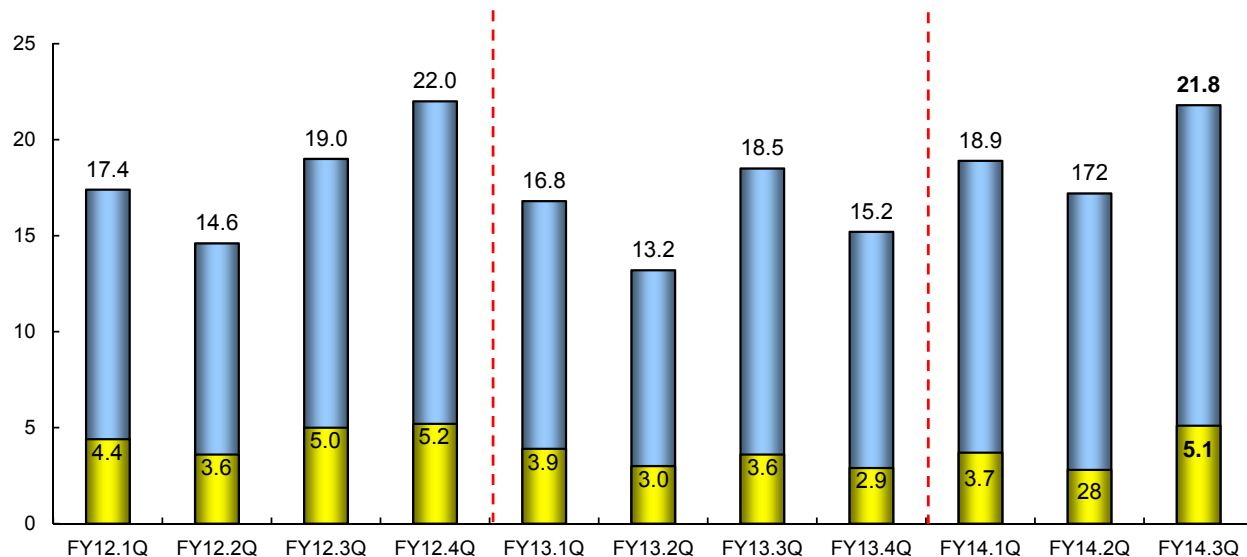


Sony Life's Quarterly Trend on Annualized Premiums from New Policies

Quarterly Trend on Annualized Premiums from New Policies

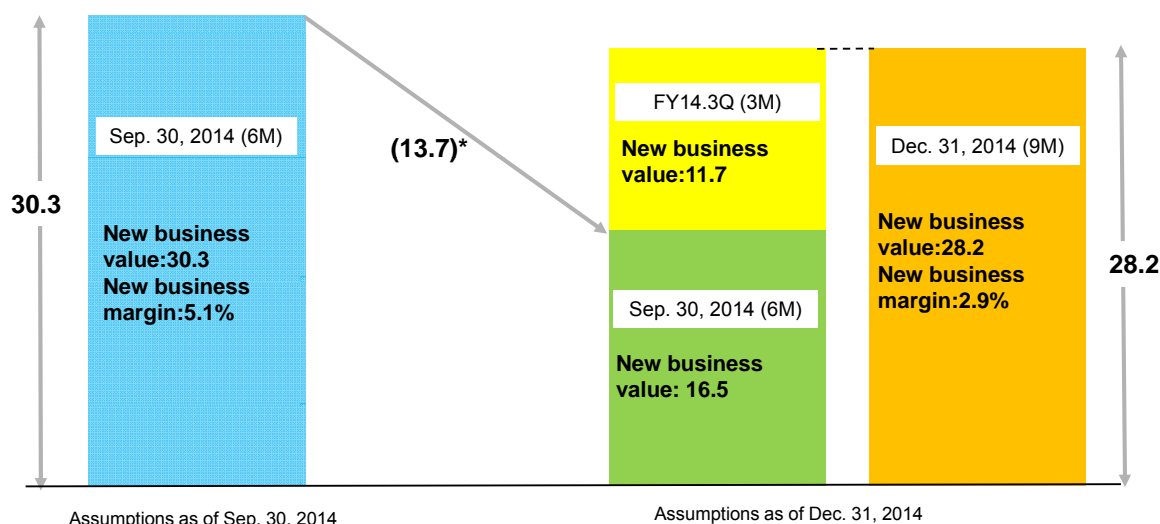
■ Annualized premiums from new policies ■ Of which, third-sector

(Billions of yen)



Sony Life's Changes on New Business Value under Lower Interest Rates

(Billions of yen)



*Effected amount by valuing new business value as of Sep. 30, 2014 (6M) mainly with interest rates as of Dec. 31, 2014

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

■ Market-related Risk¹

	Sony Life	(Reference) EU Solvency II (QIS5)
Interest rate risk Fluctuations in net asset value based on economic value in response to the shocks in the right columns. The same applies below.	Percentage increases or decreases differ for each currency and term. As for measuring interest rate risk in Japanese yen, introduced principal component analysis, where yield curve changes are disaggregated into three components, parallel shift, twist and butterfly, and the yield curve is shocked by each component. (Example) For Yen 30-year, 34% decrease (parallel shift), 28% decrease (twist), 7% decrease (butterfly)	Percentage increases or decreases differ for each currency and term but <u>no lower than 1%</u> (Example) For Yen 30-year, 30% decrease
Equity risk	Listed equities 45%, Other securities 70%	Global 30%, Others 40% ^{*2}
Real estate risk	Actual real estate 25%	Real estate 25%
Credit risk	Credit risk = (market value) x (risk coefficient for each credit rating) x duration Note that durations have caps and floors, depending on credit ratings. (Example) Rating A: Risk coefficient (1.4%), cap (23), floor (1)	Same as on the left
Currency risk	30% downside fluctuation	25% downside fluctuation

Notes

1. Principal items as of Dec. 31, 2014.

2. Standard risk coefficients are global: 39%/other: 49%. Symmetric adjustment (an adjustment of $\pm 10\%$ of the average value of the stock price index during a defined period in the past) is applied; as of the QIS5 trial introduction (Dec.31, 2009), these were 30%/40%.

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

■ Insurance Risk¹

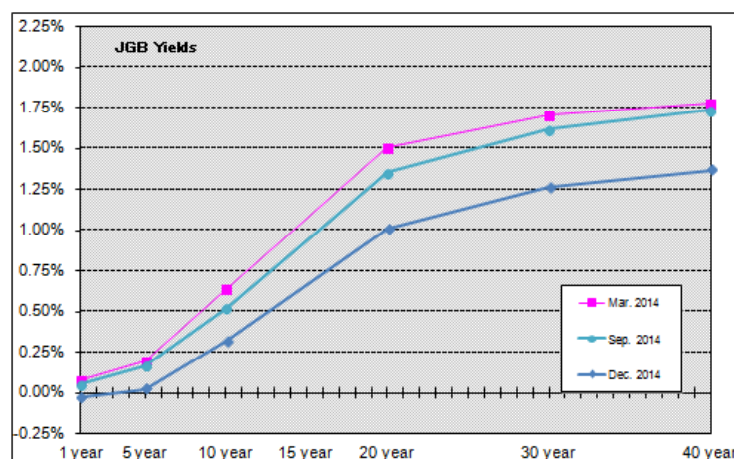
	Sony Life	(Reference) EU Solvency II (QIS5)
Mortality risk	Mortality rate increases by 15% for each year elapsed	Same as on the left
Longevity risk	Mortality rate decreases by 20% for each year elapsed	Same as on the left
Lapse risk	The largest amount of these; ² <ul style="list-style-type: none"> • Lapse rate increases by 50% for each year elapsed • Lapse rate decreases by 50% for each year elapsed • 30% of policies on which surrender value is in excess of best estimate liability are immediately surrendered 	The largest amount of these; <ul style="list-style-type: none"> • Increases by 50% in the assumed rates of lapsation for Life module, 20% for Health module • Decreases by 50% in the assumed rates of lapsation for Life module, 20% for Health module • 30% of policies (70% for group annuities, etc.) on which surrender value is in excess of best estimate liability are immediately surrendered
Expense risk	Operating expenses increase by 10% for each year elapsed Rate of inflation rises by 1%	Same as on the left
Disability risk	Rate of occurrence increases by 35% in the first fiscal year, rising by 25% for each year thereafter	Rate of occurrence increases by 35% in the first fiscal year, rising by 25% for each year thereafter. Recovery rate decreases by 20%.

Notes

1. Principal items as of Dec. 31, 2014.

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

JGB Yields



As of the end of each month

JGB yields	Mar. 2014	Sep. 2014	Dec. 2014	Mar. 2014 → Dec. 2014	Sep. 2014 → Dec. 2014
1 year	0.08%	0.06%	(0.03%)	(0.11%)	(0.08%)
5 year	0.20%	0.17%	0.02%	(0.17%)	(0.15%)
10 year	0.64%	0.52%	0.32%	(0.31%)	(0.20%)
20 year	1.50%	1.35%	1.06%	(0.44%)	(0.29%)
30 year	1.70%	1.62%	1.27%	(0.44%)	(0.35%)
40 year	1.78%	1.73%	1.37%	(0.41%)	(0.37%)



Contact:
Communications & Investor Relations Department
Sony Financial Holdings Inc.
TEL: +81-3-5785-1074