

**Consolidated Financial Summary (Japanese GAAP)  
for the Year Ended March 31, 2015**

May 15, 2015

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

**1. Consolidated financial results for the year ended March 31, 2015**

**(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, 2015	1,352,325	2.4	90,062	18.3	54,419	34.4
For the year ended March 31, 2014	1,320,456	4.9	76,136	(3.9)	40,504	(10.1)

Note: Comprehensive Income: For the year ended March 31, 2015: ¥90,707 million: 102.5 %  
For the year ended March 31, 2014: ¥44,794 million: (53.4)%

	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, 2015	125.10	—	10.7	1.0	6.7
For the year ended March 31, 2014	93.11	—	9.0	0.9	5.8

Notes: Equity in earnings (losses) of affiliates: For the year ended March 31, 2015: ¥(1,506) million  
For the year ended March 31, 2014: ¥(1,538) 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, 2015	9,545,868	550,672	5.8	1,262.94
As of March 31, 2014	8,841,382	467,050	5.3	1,070.75

Notes: Shareholders' equity: As of March 31, 2015: ¥549,380 million  
As of March 31, 2014: ¥465,775 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, 2015	425,656	(445,431)	(13,087)	207,422
For the year ended March 31, 2014	601,738	(549,346)	(13,522)	240,279

## 2. Dividends

	Dividend per Share					Annual Dividend Amount	Dividend Payout Ratio	Dividend on Net Assets
Record date	1st quarter	2nd quarter	3rd quarter	Year-end	Annual Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
For the year ended March 31, 2014	—	0.00	—	30.00	30.00	13,049	32.2	2.9
For the year ended March 31, 2015	—	0.00	—	40.00	40.00	17,399	32.0	3.4
For the year ending March 31, 2016 (forecast)	—	0.00	—	55.00	55.00		42.0	

## 3. Forecast of consolidated financial results for the year ending March 31, 2016

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

	Ordinary Revenues		Ordinary Profit		Net Income attributable to parent company		Net Income per Share
	Millions of yen	% change	Millions of yen	% change	Millions of yen	% change	Yen
For the year ending March 31, 2016	1,300,000	(3.9)	85,000	(5.6)	57,000	4.7	131.03

## 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 “V. Consolidated Financial Statements” under “5. Notes to the Consolidated Financial Statements” under “1) Changes in accounting policies” on page on 22.

(3) Number of shares outstanding (common stock)

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

As of March 31, 2015: 435,000,000 shares

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

(b) Number of treasury shares

As of March 31, 2015: 55 shares

As of March 31, 2014: 1 share

(c) Weighted-average number of shares

For the year ended March 31, 2015: 434,999,945 shares

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

## Audit of 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, 2015, and the Fiscal Year Ending March 31, 2016	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.	Basic Views on Selection of Accounting Standards	11
V.	Consolidated Financial Statements	
1.	Consolidated Balance Sheets	12
2.	Consolidated Statements of Income and Consolidated Statements of Comprehensive Income (Consolidated Statements of Income)	14
	(Consolidated Statements of Comprehensive Income)	17
3.	Consolidated Statements of Changes in Net Assets	18
4.	Consolidated Statements of Cash Flows	20
5.	Notes to the Consolidated Financial Statements	
1)	Changes in accounting policies	22
2)	Changes in presentation method	22
3)	Segment Information	23
4)	Financial Instruments	28
5)	Investments in Securities	31
6)	Investments in Monetary Trusts	33
7)	Derivative financial instruments	34
8)	Subsequent Events	35
VI.	Attachment	
	Consolidated Financial Results for the Year Ended March 31, 2015 and Sony Life's Preliminary Market Consistent Embedded Value as of March 31, 2015	37

\* The Conference Call for explaining the Sony Financial Group financial results for the fiscal year ended March 31, 2015, will be held at 16:30 (Tokyo), May 15, 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 May 15, 2015 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](http://www.sonyfh.co.jp/en/financial_info/results)

\* We will upload the press releases on Sony Life's Market Consistent Embedded Value as of March 31, 2015, scheduled as below.

·Full report: Scheduled to be uploaded on May 21, 2015 at 15:00 (Tokyo)

Please see further details at our website: [http://www.sonyfh.co.jp/index\\_en.html](http://www.sonyfh.co.jp/index_en.html)

\* On May 15, 2015, Sony Financial Holdings Inc.'s (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, 2015. 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 ended March 31, 2015, the Japanese economy was affected in the first half by a demand backlash prompted by the consumption tax increase. In the second half, however, the government's growth strategies led to higher corporate earnings, and the employment and income scenario improved. As a result, the economy continued along a path of modest recovery. In the financial markets, the Bank of Japan continued its policy of quantitative and qualitative monetary easing and the Government Pension Investment Fund (GPIF) revised its asset management ratios. These factors affected prices in the Japanese stock market, which rose up to the end of the fiscal year. On foreign exchange markets, the yen continued to depreciate significantly against the U.S. dollar. Furthermore, Japanese long-term interest rates trended generally downward.

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 2.4% compared with the previous fiscal year, to ¥1,352.3 billion, owing to increases in ordinary revenues from all the businesses: life insurance, non-life insurance and banking. **Consolidated ordinary profit** increased 18.3% year on year, to ¥90.0 billion.

After accounting for extraordinary losses, provision for reserve for policyholders' dividends and income taxes, **net income** for the fiscal year ended March 31, 2015, was up 34.4% year on year, to ¥54.4 billion, reflecting the rise in ordinary profit and a decrease in extraordinary losses due to the change of the calculation policy of the reserve for price fluctuations at Sony Life.

#### Ordinary Revenues

(Billions of yen)

	Year ended March 31, 2014 (Apr. 1, 2013, to Mar. 31, 2014)	Year ended March 31, 2015 (Apr. 1, 2014, to Mar. 31, 2015)	Change (%)
Life insurance business	1,196.6	<b>1,223.9</b>	2.3
Non-life insurance business	89.8	<b>93.0</b>	3.5
Banking business	36.4	<b>38.4</b>	5.3
Subtotal	1,323.0	<b>1,355.4</b>	2.4
Intersegment adjustments	(2.5)	<b>(3.1)</b>	-
Consolidated	1,320.4	<b>1,352.3</b>	2.4

#### Ordinary Profit

(Billions of yen)

	Year ended March 31, 2014 (Apr. 1, 2013, to Mar. 31, 2014)	Year ended March 31, 2015 (Apr. 1, 2014, to Mar. 31, 2015)	Change (%)
Life insurance business	67.2	<b>78.3</b>	16.5
Non-life insurance business	3.0	<b>4.2</b>	40.2
Banking business	5.6	<b>7.3</b>	30.0
Subtotal	75.8	<b>89.8</b>	18.4
Intersegment adjustments*	0.2	<b>0.2</b>	(18.4)
Consolidated	76.1	<b>90.0</b>	18.3

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

## 2) Consolidated Financial Forecast for the Fiscal Year Ending March 31, 2016

For the fiscal year ending March 31, 2016 (April 1, 2015, to March 31, 2016), 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, 2016 remains unchanged from the forecast announced on April 30, 2015. Consolidated ordinary revenues are expected to decrease because we do not anticipate an improvement in investment income backed by favorable market conditions as was present in FY2014 mainly in the life insurance business. Consolidated ordinary profit is expected to decrease because we anticipate an increase in spending for medium-term business growth activities, an increase in provision of policy reserves for minimum guarantees for variable life insurance in the life insurance business, and lower gains on sale of securities in the life insurance and banking businesses. On the other hand, consolidated net income is expected to increase due to the reduction in the corporate tax rate.

(Billions of yen)			
	(Reference) Actual results for the year ended March 31, 2015	Financial forecast for the year ending March 31, 2016	Change (%)
Ordinary revenues	1,352.3	1,300.0	(3.9)
Ordinary profit	90.0	85.0	(5.6)
Net Income attributable to parent company	54.4	57.0	4.7
Net income per share (Yen)	125.10	131	—

We do not consider the effects of market fluctuations after April 2015 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, 2016 (April 1, 2015, to March 31, 2016) are as follows. Forecast figures from each business reflect corporate and eliminations.

<Life insurance business>

Ordinary revenues are expected to decrease because we do not anticipate an increase in investment income backed by favorable market conditions as was present in the fiscal year ended March 31, 2015. Ordinary profit is expected to decrease because we anticipate an increase in spending for medium-term business growth activities and an increase in provision of policy reserves for minimum guarantees for variable life insurance.

(Billions of yen)			
	(Reference) Actual results for the year ended March 31, 2015	Financial forecast for the year ending March 31, 2016	Change (%)
Ordinary revenues	1,223.9	1,168.0	(4.6)
Ordinary profit	78.3	74.1	(5.4)

<Non-life insurance business>

Ordinary revenues and ordinary profit are expected to increase in line with growth in net premiums written primarily for mainstay automobile insurance.

(Billions of yen)			
	(Reference) Actual results for the year ended March 31, 2015	Financial forecast for the year ending March 31, 2016	Change (%)
Ordinary revenues	93.0	97.1	4.4
Ordinary profit	4.2	4.4	4.5

<Banking business>

Ordinary revenues and ordinary profit are expected to decrease because we do not anticipate an increase in gains on bond-dealing transactions including sale of bonds as was present in the fiscal year ended March 31, 2015.

(Billions of yen)			
	(Reference) Actual results for the year ended March 31, 2015	Financial forecast for the year ending March 31, 2016	Change (%)
Ordinary revenues	38.4	36.8	(4.2)
Ordinary profit	7.3	6.4	(12.7)

## 2. Qualitative Information on Consolidated Financial Position

### 1) Assets, Liabilities and Net Assets

As of March 31, 2015, **total assets** amounted to ¥9,545.8 billion, up 8.0% from March 31, 2014. Among major components of assets, securities, mostly Japanese government bonds, amounted to ¥7,377.5 billion, up 8.1% from March 31, 2014. Loans came to ¥1,349.5 billion, up 11.4%, and monetary trusts amounted to ¥336.8 billion, up 3.4%.

**Total liabilities** were ¥8,995.1 billion, up 7.4% from March 31, 2014. Major components of liabilities included policy reserves and others of ¥6,879.0 billion, up 9.8%, and deposits totaled ¥1,872.8 billion, down 0.9%.

**Total net assets** were ¥550.6 billion, up 17.9% from March 31, 2014. This included net unrealized gains on other securities, net of taxes, which increased ¥35.1 billion, to ¥127.1 billion.

### 2) Cash Flows

**Net cash provided by operating activities** for the fiscal year ended March 31, 2015, was ¥425.6 billion, down ¥176.0 billion from the previous fiscal year. The primary reason for this decline was because of a decrease in revenue from insurance premiums in the life insurance business, a decline in customer deposit and a growing balance of loans such as mortgage loans in the banking business.

**Net cash used in investing activities** was ¥445.4 billion, down ¥103.9 billion, from the previous fiscal year. This was due mainly to expenditures for payments to acquire securities in the life insurance business, which exceeded proceeds from sale and redemption of securities in the life insurance and banking businesses.

**Net cash used in financing activities** came to ¥13.0 billion due primarily to dividend payments, down ¥0.4 billion from the previous fiscal year.

As a result of the above factors, cash and cash equivalents at March 31, 2015, were ¥207.4 billion, down ¥32.8 billion from March 31, 2014.

## 3. Basic Policy on Returns to Shareholders and Dividends for the Fiscal Year Ended March 31, 2015, and the Fiscal Year Ending March 31, 2016

For the fiscal year ended March 31, 2015, taking this period's overall operating performance into consideration, we plan to pay a year-end dividend of ¥40 per share (total amount of dividend: ¥17.399 billion).

SFH aims for steady increases in dividends in line with earnings growth over the medium and long terms while securing sufficient internal reserves to ensure the financial soundness of the Group companies and invest in growing fields.

We have decided to revise upward our medium-term target for the dividend payout ratio from the current range of 30% to 40%, into the new range of 40% to 50% of consolidated net income, further enhancing shareholder returns. 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, 2016, we plan to pay a year-end dividend of ¥55 per share (total amount of dividend: ¥23.924 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, 2015.

## 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, 2015, 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.

\* “SmartLink Network Inc.” changed its name to “Sony Payment Services Inc.” on April 1, 2015.

- **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)

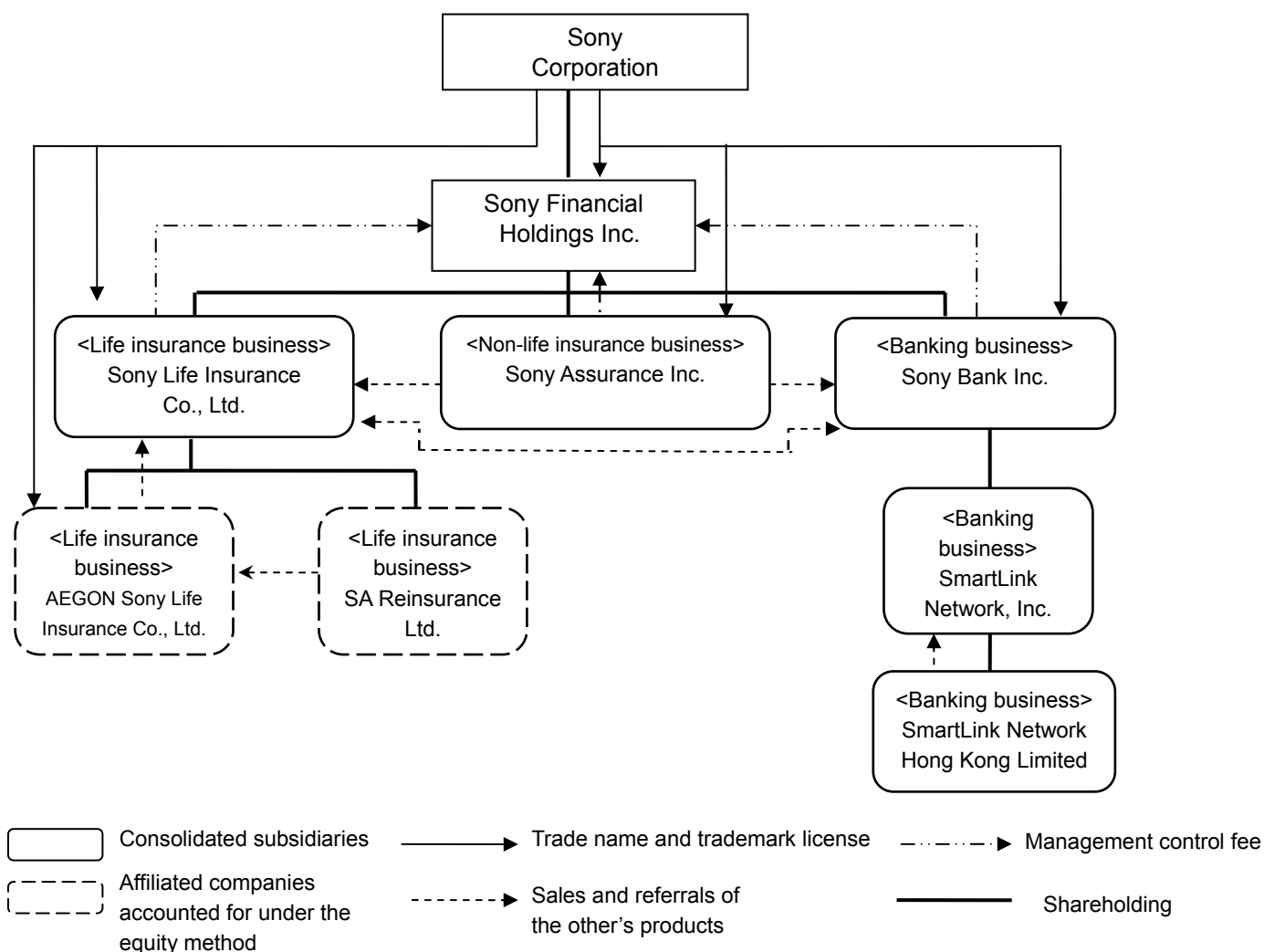
<Non-life insurance business>

- 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, 2015)



### **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.

- Consolidated ordinary revenues
- Consolidated ordinary profit
- Consolidated net income

Since Sony Financial Group's company differs by industry such as insurance and banking, each group company calculate its "Adjusted ROE" based on adjusted profit and adjusted capital to realize its corporate value and capital efficiency.

Adjusted ROE is calculated as following:

- 1) Sony Life: ( Numerator ) The amount of increase in Embedded Value (EV) during the fiscal year plus dividends paid  
(Denominator) 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  
\*Sony Life uses Market Consistent Embedded Value for the EV calculation.
- 2) Sony Assurance: ( Numerator ) Net income plus provision amount for catastrophe reserve and its provision amount for reserve for price fluctuations, in each case after taxes  
(Denominator) The average amount of net assets plus the sum of catastrophe reserve and its reserve for price fluctuations during the fiscal year, in each case after taxes

- 3) Sony Bank: ( Numerator ) Net income  
(Denominator) The average amount of net assets during the fiscal year

We calculated Consolidated adjusted ROE as follows.

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

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

- 1) Sony Life: The amount of increase in EV during the fiscal year plus dividends paid
- 2) Sony Assurance: Net income plus provision amount for catastrophe reserve and its provision amount for reserve for price fluctuations during the fiscal year, in each case after taxes
- 3) Sony Bank: Net income

Consolidate 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 during the fiscal year

### 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. In May 2015, Sony Lifecare Inc. entered capital participation in Yuuai Holdings Co., Ltd. (YHD), which is involved in the operation of nursing care homes and other businesses under its umbrella, by acquiring a portion of YHD's common stock. (14.5% of total shares issued)

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, 2016, Japanese economy has shown signs of modest recovery, led by stable personal consumption, higher corporate earnings and improvement in the employment and income environment. However, uncertainty remains on the corporate management horizon. We will need to continue monitoring the ongoing risk of a global economic downturn.

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 most highly trusted financial services group 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. Basic Views on Selection of Accounting Standards**

SFH's consolidated financial statements are prepared in accordance with accounting principles generally accepted in Japan. SFH is considering whether to adopt International Financial Reporting Standards ("IFRS") while closely monitoring the development of new accounting standards and the stance of regulatory bodies at home and abroad.

## **V. Consolidated Financial Statements**

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

(Millions of yen)

	As of March 31, 2014	As of March 31, 2015
<b>Assets</b>		
Cash and due from banks	¥204,546	¥134,803
Call loans and bills bought	40,628	77,234
Monetary trusts	325,831	336,842
Securities	6,822,151	7,377,545
Loans	1,211,638	1,349,586
Tangible fixed assets	71,565	123,083
Land	30,103	83,007
Buildings	37,030	35,323
Leased assets	106	74
Construction in progress	947	1,666
Other tangible fixed assets	3,376	3,010
Intangible fixed assets	36,774	33,366
Software	36,571	33,245
Goodwill	179	99
Other intangible fixed assets	24	21
Due from reinsurers	158	297
Foreign exchanges	7,752	2,224
Other assets	100,503	102,756
Net defined benefit asset	1,730	3,005
Deferred tax assets	19,872	6,545
Reserve for possible loan losses	(1,769)	(1,422)
<b>Total Assets</b>	<b>¥8,841,382</b>	<b>¥9,545,868</b>

(Millions of yen)

	As of March 31, 2014	As of March 31, 2015
<b>Liabilities</b>		
Policy reserves and others	¥6,263,315	¥6,879,055
Reserve for outstanding claims	57,400	61,114
Policy reserves	6,201,676	6,813,749
Reserve for policyholders' dividends	4,237	4,191
Due to agencies	2,169	2,450
Due to reinsurers	650	675
Deposits	1,889,970	1,872,860
Call money and bills sold	6,000	6,000
Borrowed money	20,000	20,000
Foreign exchanges	40	46
Bonds payable	20,000	20,000
Other liabilities	95,725	122,340
Reserve for employees' bonuses	3,204	3,395
Net defined benefit liability	30,272	24,558
Reserve for directors' retirement benefits	250	338
Special reserves	41,657	42,969
Reserve for price fluctuations	41,657	42,969
Deferred tax liabilities	539	—
Deferred tax liabilities on land revaluation	536	503
<b>Total Liabilities</b>	<b>8,374,332</b>	<b>8,995,195</b>
<b>Net Assets</b>		
Common stock	19,900	19,900
Capital surplus	195,277	195,277
Retained earnings	164,790	212,124
Treasury Stock	(0)	(0)
Total shareholders' equity	379,967	427,301
Net unrealized gains on other securities, net of taxes	92,002	127,166
Net deferred losses on hedging instruments, net of taxes	(2,388)	(2,086)
Land revaluation, net of taxes	(1,513)	(1,480)
Foreign currency translation adjustments	0	0
Remeasurements of defined benefit plans, net of taxes	(2,292)	(1,522)
Total accumulated other comprehensive income	85,807	122,078
Minority interests	1,275	1,292
<b>Total Net Assets</b>	<b>467,050</b>	<b>550,672</b>
<b>Total Liabilities and Net Assets</b>	<b>¥8,841,382</b>	<b>¥9,545,868</b>

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

(Millions of yen)

	For the year ended March 31, 2014	For the year ended March 31, 2015
Ordinary Revenues	¥1,320,456	¥1,352,325
Ordinary Revenues from the Life Insurance Business	1,194,315	1,221,077
Income from insurance premiums	959,911	912,605
Insurance premiums	958,585	911,068
Ceded reinsurance commissions	1,325	1,537
Investment income	211,829	279,691
Interest income and dividends	121,666	133,135
Income from monetary trusts, net	5,311	5,283
Gains on trading securities	–	507
Gains on sale of securities	773	8,899
Gains on redemption of securities	2	1
Gains on derivatives, net	172	–
Foreign exchange gains, net	1,183	5,068
Other investment income	47	7
Gains on separate accounts, net	82,670	126,789
Other ordinary income	22,575	28,780
Ordinary Revenues from the Non-life Insurance Business	89,863	93,022
Underwriting income	88,639	91,761
Net premiums written	88,600	91,712
Interest and dividends on deposits of premiums	39	48
Other underwriting income	–	0
Investment income	1,199	1,235
Interest income and dividends	1,209	1,268
Gains on sale of securities	25	15
Gains on redemption of securities	3	–
Transfer to interest and dividends on deposits of premiums	(39)	(48)
Other ordinary income	24	25
Ordinary Revenues from the Banking Business	36,277	38,224
Interest income	26,328	26,132
Interest income on loans	14,134	14,070
Interest income and dividends on securities	12,077	11,960
Interest income on call loans and bills bought	8	7
Interest income on deposits with banks	107	93
Other interest income	0	0
Fees and commissions	4,928	5,880
Other operating income	4,864	5,997
Gains on foreign exchange transactions, net	2,782	3,906
Others	2,082	2,090
Other ordinary income	155	213

(Continued)



(Millions of yen)

	For the year ended March 31, 2014	For the year ended March 31, 2015
Ordinary Expenses	¥1,244,319	¥1,262,262
Ordinary Expenses from the Life Insurance Business	1,128,787	1,145,087
Insurance claims and other payments	327,257	382,902
Insurance claims	77,413	79,622
Annuity payments	10,768	11,280
Insurance benefits	55,510	63,166
Surrender payments	178,402	223,130
Other payments	3,203	3,675
Reinsurance premiums	1,959	2,027
Provision for policy reserves and others	650,764	604,357
Provision for reserve for outstanding claims	55	746
Provision for policy reserves	650,703	603,607
Interest portion of reserve for policyholders' dividends	5	3
Investment expenses	8,182	9,439
Interest expenses	48	31
Losses on sale of securities	528	0
Losses on redemption of securities	—	0
Losses on derivatives, net	—	2,099
Provision for reserve for possible loan losses	6	32
Depreciation of real estate for rent and others	1,952	1,833
Other investment expenses	5,646	5,441
Operating expenses	113,442	115,237
Other ordinary expenses	29,140	33,149
Ordinary Expenses from the Non-life Insurance Business	86,189	88,115
Underwriting expenses	65,030	65,206
Net losses paid	46,183	45,985
Loss adjustment expenses	6,367	6,857
Net commission and brokerage fees	948	929
Provision for reserve for outstanding losses	4,098	2,966
Provision for underwriting reserves	7,433	8,465
Other underwriting expenses	0	0
Investment expenses	7	1
Losses on sale of securities	5	1
Losses on redemption of securities	2	—
Operating, general and administrative expenses	21,150	22,900
Other ordinary expenses	0	7

(Continued)

(Millions of yen)

	For the year ended March 31, 2014	For the year ended March 31, 2015
Ordinary Expenses from the Banking Business	¥29,343	¥29,060
Interest expenses	8,964	9,407
Interest expenses on deposits	4,905	5,012
Interest expenses on call money and bills sold	6	6
Interest on borrowed money	26	22
Interest expenses on bonds	119	97
Interest expenses on interest rate swaps	3,905	4,268
Other interest expenses	0	0
Fees and commissions	1,735	1,948
Other operating expenses	1,424	135
General and administrative expenses	16,920	17,517
Other ordinary expenses	298	50
Ordinary Profit	76,136	90,062
Extraordinary Losses	9,508	1,927
Losses on disposal of fixed assets	137	511
Impairment losses	36	71
Provision for special reserves	9,312	1,311
Provision for reserve for price fluctuations	9,312	1,311
Losses on transfer of business	—	32
Others	20	—
Provision for Reserve for Policyholders' Dividends	2,232	2,153
Income Before Income Taxes	64,396	85,981
Income Taxes	23,933	31,538
- Current	26,451	32,207
- Deferred	(2,517)	(668)
Income Before Minority Interests	40,462	54,442
Minority interests in income(losses)	(42)	23
Net Income	¥40,504	¥54,419

**(Consolidated Statements of Comprehensive Income)**

(Millions of yen)

	For the year ended March 31, 2014	For the year ended March 31, 2015
Income Before Minority Interests	¥40,462	¥54,442
Other comprehensive income		
Net unrealized gains (losses) on other securities, net of taxes	3,672	35,164
Net deferred gains (losses) on hedging instruments, net of taxes	659	302
Land revaluation, net of taxes	—	33
Foreign currency translation adjustments	0	1
Remeasurements of defined benefit plans, net of taxes	—	762
Share of other comprehensive income of affiliates accounted for using equity method	0	0
Total other comprehensive income	4,332	36,264
Comprehensive income	¥44,794	¥90,707
(Details)		
Comprehensive income attributable to parent company	44,837	90,690
Comprehensive income attributable to minority interests	(42)	16

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

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 (losses) on other securities, net of taxes	Net deferred gains (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

For the year ended March 31, 2015

(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	¥164,790	¥ (0)	¥379,967
Cumulative effects of changes in accounting policies	—	—	5,965	—	5,965
Restated balance at the beginning of the fiscal year	19,900	195,277	170,755	(0)	385,932
Changes during the period					
Dividends from surplus	—	—	(13,049)	—	(13,049)
Net income	—	—	54,419	—	54,419
Purchase of treasury stock	—	—	—	(0)	(0)
Net changes of items other than shareholders' equity	—	—	—	—	—
Total changes during the period	—	—	41,369	(0)	41,369
Balance at the end of the current period	¥19,900	¥195,277	¥212,124	¥ (0)	¥427,301

	Total accumulated other comprehensive income						Minority interests	Total Net Assets
	Net unrealized gains (losses) on other securities, net of taxes	Net deferred gains (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	¥92,002	¥ (2,388)	¥ (1,513)	¥0	¥ (2,292)	¥85,807	¥1,275	¥467,050
Cumulative effects of changes in accounting policies	—	—	—	—	—	—	—	5,965
Restated balance at the beginning of the fiscal year	92,002	(2,388)	(1,513)	0	(2,292)	85,807	1,275	473,015
Changes during the period								
Dividends from surplus	—	—	—	—	—	—	—	(13,049)
Net income	—	—	—	—	—	—	—	54,419
Purchase of treasury stock	—	—	—	—	—	—	—	(0)
Net changes of items other than shareholders' equity	35,164	302	33	0	769	36,270	16	36,287
Total changes during the period	35,164	302	33	0	769	36,270	16	77,657
Balance at the end of the current period	¥127,166	¥ (2,086)	¥ (1,480)	¥0	¥ (1,522)	¥122,078	¥1,292	¥550,672

#### 4. Consolidated Statements of Cash Flows

(Millions of yen)

	For the year ended March 31, 2014	For the year ended March 31, 2015
<b>Cash flows from operating activities</b>		
Income before income taxes	¥64,396	¥85,981
Depreciation of real estate for rent and others	1,952	1,833
Depreciation and amortization	9,147	9,686
Impairment losses	36	71
Amortization of goodwill	79	79
Increase (decrease) in reserve for outstanding claims	4,153	3,713
Increase in policy reserve	658,136	612,072
Increase in interest portion of reserve for policyholders' dividends	5	3
Increase (decrease) in reserve for policyholders' dividends	2,232	2,153
Increase (decrease) in reserve for possible loan losses	(108)	(116)
Increase (decrease) in net defined benefit liability	2,865	2,954
Increase (decrease) in reserve for directors' retirement benefits	(161)	88
Increase (decrease) in reserve for price fluctuations	9,312	1,311
Interest income and dividends	(149,204)	(160,536)
(Gains) losses on securities	(74,996)	(134,394)
Interest expenses	9,012	9,438
Exchange (gains) losses	(30,559)	(32,341)
Losses on disposal of tangible fixed assets	146	42
Equity in losses of affiliates	1,538	1,506
Net (increase) decrease in loans	(87,193)	(129,767)
Net increase in deposits	33,559	(16,093)
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)	202	5,528
Net increase (decrease) in foreign exchange (liabilities)	(47)	6
Others, net	7,078	27,714
Subtotal	481,587	290,938
Interest and dividends received	160,737	172,736
Interest paid	(9,178)	(9,117)
Policyholders' dividends paid	(2,273)	(2,202)
Income taxes paid	(29,134)	(26,698)
Net cash provided by operating activities	601,738	425,656

(Continued)

(Millions of yen)

	For the year ended March 31, 2014	For the year ended March 31, 2015
<b>Cash flows from investing activities</b>		
Investments in monetary trusts	¥(2,301)	¥(3,081)
Proceeds from sale of monetary trusts	5,100	5,300
Purchases of securities	(990,899)	(943,359)
Proceeds from sale and redemption of securities	480,946	588,936
Investments in loans	(54,102)	(54,199)
Collections of loans	25,405	24,618
Others	–	(1,626)
Total of net cash used in investment transactions	(535,850)	(383,413)
Total of net cash provided by (used in) operating activities and investment transactions	65,887	42,243
Purchases of tangible fixed assets	(3,326)	(54,563)
Proceeds from sale of tangible fixed assets	2,021	–
Purchases of intangible fixed assets	(7,707)	(4,712)
Purchase of securities of a subsidiary	(1,058)	(1,000)
Purchase of securities of affiliates	(3,500)	(2,500)
Others	75	758
Net cash used in investing activities	(549,346)	(445,431)
<b>Cash flows from financing activities</b>		
Cash dividends paid	(10,878)	(13,050)
Net decrease in subordinated borrowings	(2,000)	–
Purchase of treasury stock	(0)	(0)
Balance from securitization of lease receivables	(600)	–
Others	(43)	(36)
Net cash provided by (used in) financing activities	(13,522)	(13,087)
Effect of exchange rate changes on cash and cash equivalents	5	4
Net increase (decrease) in cash and cash equivalents	38,875	(32,857)
Cash and cash equivalents at beginning of the fiscal year	201,404	240,279
Cash and cash equivalents at end of the fiscal year	¥240,279	¥207,422

## 5. Notes to the Consolidated Financial Statements

### 1) 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, March 26, 2015) from the fiscal year under review. Accordingly, the Group 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 fiscal year.

As a result, at the beginning 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 year ended March 31, 2015, declined ¥231 million.

Net assets per share increased ¥13.34 during the year, while net income per share declined ¥0.37. Fully diluted net income per share was unaffected, as no dilutive shares exist.

### 2) 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 in the consolidated statements of income and in “Income before income taxes” within cash flows from operating activities in the consolidated statements of cash flows. From the fiscal year under review, the Group has instead included these amounts in “Interest income” and “Interest expenses,” in the consolidated statements of income and “Interest income and dividends” and “Interest expenses” within cash flows from operating activities in the consolidated statements of cash flows.

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, ¥1,987 million presented as “Other operating expenses” in the consolidated statements of income for the previous fiscal year has been restated to ¥690 million for “Other operating income” and ¥2,678 million for “Interest expenses.”

Furthermore, restatements in the consolidated statements of cash flows included ¥2,678 million in interest expenses, interest paid of ¥(2,713) million and “others” of ¥34 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. (which changed its name to Sony Payment Services Inc. in April 1, 2015) and SmartLink Network Hong Kong Limited.

(2) Segment Information by reporting segment

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	¥36,277	¥1,320,456
Intersegment	2,375	1	209	2,585
Total	1,196,690	89,864	36,486	1,323,042
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	—	9,078	9,127
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

(Note) These figures are presented following restatement in accordance with the changes in financial presentation for the fiscal year under review, described in “2 ) Changes in presentation method” to the “5. Notes to the Consolidated Financial Statements.”

For the year ended March 31, 2015

	Millions of yen			
	Life insurance business	Non-life insurance business	Banking business	Total
Ordinary revenues				
External customers	¥1,221,077	¥93,022	¥38,224	¥1,352,325
Intersegment	2,910	1	201	3,113
Total	1,223,988	93,023	38,426	1,355,438
Segment profit	78,320	4,210	7,329	89,860
Segment assets	7,301,055	157,946	2,074,623	9,533,625
Others				
Depreciation	7,199	2,480	2,250	11,929
Interest income and dividends	133,610	1,268	26,132	161,011
Interest expenses	31	—	9,543	9,574
Equity in earnings (losses) of affiliates	(1,506)	—	—	(1,506)
Investments in affiliates	10,510	—	—	10,510
Increase in tangible fixed assets and intangible fixed assets	¥56,098	¥2,195	¥2,416	¥60,711

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

	Millions of yen	
	For the year ended March 31, 2014	For the year ended March 31, 2015
Totals of reporting segments	¥1,323,042	¥1,355,438
Adjustments for intersegment transactions	(2,585)	(3,113)
Ordinary revenues in statement of income	¥1,320,456	¥1,352,325

(Note) These figures are presented following restatement in accordance with the changes in financial presentation for the fiscal year under review, described in “2 ) Changes in presentation method” to the “5. Notes to the Consolidated Financial Statements.”

	Millions of yen	
	For the year ended March 31, 2014	For the year ended March 31, 2015
Totals of reporting segments	¥75,889	¥89,860
Adjustments for intersegment transactions	7	7
Amount not allocated to reporting segments	239	194
Ordinary profit in statement of income	¥76,136	¥90,062

	Millions of yen	
	For the year ended March 31, 2014	For the year ended March 31, 2015
Totals of reporting segments	¥8,830,807	¥9,533,625
Adjustments for intersegment transactions	(21,025)	(26,345)
Amount not allocated to reporting segments	31,600	38,588
Assets in balance sheets	¥8,841,382	¥9,545,868

	Millions of yen					
	For the year ended March 31, 2014			For the year ended March 31, 2015		
	Total	Adjustments	Consolidated financial statements	Total	Adjustments	Consolidated financial statements
Depreciation	¥11,520	¥11	¥11,531	¥11,929	¥18	¥11,948
Interest income and dividends	149,679	(475)	149,204	161,011	(475)	160,536
Interest expenses	9,127	(114)	9,012	9,574	(135)	9,438
Equity in earnings (losses) of affiliates	(1,538)	—	(1,538)	(1,506)	—	(1,506)
Investments in affiliates	9,369	—	9,369	10,510	—	10,510
Increase in tangible fixed assets and intangible fixed assets	¥10,716	¥220	¥10,936	¥60,711	¥4	¥60,716

(Note) These figures are presented following restatement in accordance with the changes in financial presentation for the fiscal year under review, described in “2 ) Changes in presentation method” to the “5. Notes to the Consolidated Financial Statements.”

## Relative information

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	¥36,277	¥1,320,456

(Note) These figures are presented following restatement in accordance with the changes in financial presentation for the fiscal year under review, described in “2 ) Changes in presentation method” to the “5. Notes to the Consolidated Financial Statements.”

### 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, 2015

### 1. Information by business segment

	Millions of yen			
	Life insurance business	Non-life insurance business	Banking business	Total
Ordinary revenues from External customers	¥1,221,077	¥93,022	¥38,224	¥1,352,325

### 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, 2014

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

For the year ended March 31, 2015

Millions of yen						
	Reporting segments				Others	Consolidated
	Life insurance business	Non-life insurance business	Banking business	Total		
Impairment losses	¥10	—	60	¥71	—	¥71

Information on amortization of goodwill and unamortized balance by business segment

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

For the year ended March 31, 2015

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	—	—	¥99	¥99	—	¥99

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, 2015, excluding securities whose fair values are not readily determinable.

#### **Financial assets**

	Millions of yen		
	As of March 31, 2015		
	Consolidated balance sheet amount	Fair value	Difference
Cash and due from banks	¥134,803	¥134,803	—
Call loans and bills bought	77,234	77,234	—
Monetary trusts			
Monetary trusts for trading purposes	565	565	—
Other monetary trusts	336,276	336,276	—
Securities			
Trading securities	761,473	761,473	—
Held-to-maturity securities	4,956,260	5,805,065	¥848,804
Available-for-sale securities	1,625,050	1,625,050	—
Loans	1,349,586		
Reserve for possible loan losses*	(1,153)		
	1,348,433	1,470,052	121,619
Total Financial Assets	¥9,240,096	¥10,210,520	¥970,424

\* Excludes general and specific reserves for possible loan losses.

#### **Financial liabilities**

	Millions of yen		
	As of March 31, 2015		
	Consolidated balance sheet amount	Fair value	Difference
Deposits	¥1,872,860	¥1,874,170	¥1,309
Bonds payable	20,000	20,107	107
Total Financial Liabilities	¥1,892,860	¥1,894,278	¥1,417

#### **Derivative financial instruments**

	Millions of yen		
	As of March 31, 2015		
	Consolidated balance sheet amount	Fair value	Difference
Hedge accounting not applied*	¥(906)	¥(906)	—
Hedge accounting applied	(25,295)	(25,295)	—
Total Derivative Financial Instruments	¥(26,202)	¥(26,202)	—

\* 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.

Bonds payable

The fair value of bonds payable is the market price or the price indicated by a financial institution.

### 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, 2015
Non-consolidated subsidiaries and affiliates that are unlisted <sup>*1</sup>	¥12,570
Investment in partnership <sup>*2</sup>	22,191
Total	¥34,761

\*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 ¥217million for the year ended March 31, 2015.

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, 2015			
	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	¥134,803	—	—	—
Call loans and bills bought	77,234	—	—	—
Securities				
Held-to-maturity securities	952	¥19,317	¥205,119	¥4,762,425
Bonds	952	19,217	205,019	4,614,293
Japanese government and municipal bonds	801	16,742	202,187	4,593,080
Japanese corporate bonds	151	2,475	2,832	21,213
Others	—	100	100	148,131
Available-for-sale securities	170,236	373,469	209,143	694,677
Bonds	31,529	96,198	143,141	690,700
Japanese government and municipal bonds	4,577	73,821	87,007	690,650
Japanese corporate bonds	26,952	22,377	56,134	50
Others	138,706	277,270	66,001	3,977
Loans <sup>*</sup>	33,076	64,643	66,082	1,021,951
Total	¥416,302	¥457,430	¥480,345	¥6,479,055

\* This figure excludes loans of ¥162,397 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, 2015					
	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	More than 5 years
Deposits <sup>*</sup>	¥1,779,609	¥18,379	¥14,980	¥4,661	¥10,162	¥45,067
Bonds payable	—	10,000	10,000	—	—	—
Total	¥1,779,609	¥28,379	¥24,980	¥4,661	¥10,162	¥45,067

\* Demand deposits are included in "1 year or less."



## 5)Investments in Securities

### Trading securities

Millions of yen
For the year ended March 31, 2015
Valuation gains charged to income
¥89,147

### Held-to-maturity securities

Millions of yen									
As of March 31, 2015									
	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	¥4,857,893	¥825,162	¥5,683,055	¥20,087	¥(101)	¥19,985	—	—	—
Japanese government and municipal bonds	4,831,051	820,655	5,651,706	20,087	(101)	19,985	—	—	—
Japanese corporate bonds	26,842	4,506	31,349	—	—	—	—	—	—
Others	78,280	23,743	102,024	—	—	—	—	—	—
Total	¥4,936,173	¥848,906	¥5,785,079	¥20,087	¥(101)	¥19,985	¥4,956,260	¥848,804	¥5,805,065

### Available-for-sale securities

Millions of yen									
As of March 31, 2015									
	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	¥1,054,235	¥108,236	¥945,998	¥29,643	¥(276)	¥29,920	—	—	—
Japanese government and municipal bonds	950,926	105,917	845,008	24,084	(272)	24,356	—	—	—
Japanese corporate bonds	103,309	2,318	100,990	5,559	(4)	5,563	—	—	—
Equity securities	32,045	17,894	14,150	—	—	—	—	—	—
Others	376,767	15,780	360,986	132,359	(287)	132,647	—	—	—
Total	¥1,463,047	¥141,911	¥1,321,136	¥162,002	¥(564)	¥162,567	¥1,625,050	¥141,346	¥1,483,703

Note: This chart as of March 31, 2015, excludes an investment in partnership of ¥22,191 million (consolidated balance sheet amounts).

**Available-for-sale securities sold during the period**

	Millions of yen		
	For the year ended March 31, 2015		
	Sales	Gains on sales	Losses on sales
Bonds	¥110,489	¥8,340	¥1
Japanese government and municipal bonds	106,934	8,316	1
Japanese corporate bonds	3,554	23	0
Equity securities	989	375	—
Others	84,811	1,680	30
Total	¥196,290	¥10,396	¥32

**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, 2015.

“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, 2015	
Consolidated balance sheet amount	Valuation gains charged to income
¥565	¥—

### Other monetary trusts

	Millions of yen			
	As of March 31, 2015			
	Consolidated balance sheet amount	Gross unrealized gains	Gross unrealized losses	Acquisition cost
Other monetary trusts	¥336,276	¥45,208	—	¥291,067

Note: Jointly invested monetary trusts included in the table above amount to ¥50 million for the year ended March 31, 2015.

### 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, 2015.

“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.

#### (i) Interest rate derivatives

Millions of yen				
As of March 31, 2015				
Notional amount		Fair value	Valuation gains (losses)	
Total	Over 1 year			
Over-the-counter transactions:				
Interest rate swaps:				
Total	¥1,000	¥1,000	¥139	¥139
	—	—	¥139	¥139

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 as of the balance sheet date using the discounted present value, of estimated future cash flows.

#### (ii) Currency derivatives

Millions of yen				
As of March 31, 2015				
Notional amount		Fair value	Valuation gains (losses)	
Total	Over 1 year			
Over-the-counter transactions:				
Forward foreign exchanges:				
Sold	¥144,512	—	¥42	¥42
Bought	188,611	—	121	121
Foreign exchange margin transactions				
Sold	63,105	—	(1,319)	(1,319)
Bought	20,875	—	1,624	1,624
Currency options				
Sold	503	—	(3)	0
Bought	514	—	3	0
Currency forward contracts				
Sold	—	—	—	—
Bought	12,917	—	(903)	(903)
Total	—	—	¥(434)	¥(433)

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 and other methods.

#### (iii) Stock derivatives

Millions of yen				
As of March 31, 2015				
Notional amount		Fair value	Valuation gains (losses)	
Total	Over 1 year			
Financial Instruments Exchange				
Stock index futures				
Sold	¥21,903	—	¥(612)	¥(612)
Total	—	—	¥(612)	¥(612)

Notes:

1. The above transactions are valued at market, and valuation gains and losses are recorded in the consolidated statements of income.
2. The fair value is the closing price of the exchange at the end of the fiscal year.

(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, 2015			
	Notional amount		Hedged item
	Total	Over 1 year	
Deferred hedge accounting			
Interest rate swaps	¥39,000	¥39,000	¥(1,095) Loans, Deposits
Fair value hedge accounting			
Interest rate swaps	362,048	321,092	(24,635) Available-for-sale securities (bonds)
Total	—	—	¥(25,731)

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 and other methods.

(ii) Currency derivatives

Millions of yen			
As of March 31, 2015			
	Notional amount		Hedged item
	Total	Over 1 year	
Fair value hedge accounting			
Currency swaps	¥8,998	¥2,168	¥435 Available-for-sale securities (bonds)
Total	—	—	¥435

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 following companies

Consolidated subsidiaries:

Sony Financial Holdings Inc.

Sony Life Insurance Co. Ltd.

Sony Assurance Inc.

Sony Bank Inc.

SmartLink Network, Inc. (Changed its name to "Sony Payment Services Inc." on April 1, 2015.)

SmartLink Network Hong Kong Limited.

Affiliated companies accounted for under the equity method:

AEGON Sony Life Insurance Co., Ltd.

SA Reinsurance Ltd.

SmartLink Network Hong Kong Limited was included in the scope of consolidation from the fourth quarter of the fiscal year ended March 31, 2014.

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

## **VI. Attachment**

Content of Presentation Material

### **Consolidated Financial Results for the Year Ended March 31, 2015 and Sony Life's Preliminary Market Consistent Embedded Value as of March 31, 2015**

• Consolidated Operating Results for the Year Ended March 31, 2015 • • • • •	3
• Consolidated Financial Forecast for the Year Ending March 31, 2016 • • • • •	30
• Dividend Forecast • • • • •	32
• Sony Life's Preliminary MCEV and Risk Amount Based on Economic Value as of March 31, 2015 • • • • •	34
• Appendix • • • • •	37

## Presentation Material

# Consolidated Financial Results for the Year Ended March 31, 2015 and Sony Life's Preliminary Market Consistent Embedded Value as of March 31, 2015

Sony Financial Holdings Inc.  
May 15, 2015

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## Content

■ Consolidated Operating Results for the Year Ended March 31, 2015	P.3
■ Consolidated Financial Forecast for the Year Ending March 31, 2016	P.30
■ Dividend Forecast	P.32
■ Sony Life's Preliminary MCEV and Risk Amount Based on Economic Value as of March 31, 2015	P.34
■ Appendix	P.37

### 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.



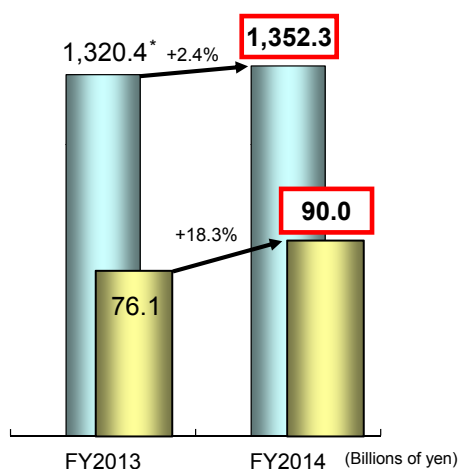
# Consolidated Operating Results for the Year Ended March 31, 2015

## Management Message

- ◆ In FY2014, the Group operating performance reached record high in consolidated ordinary profit, ordinary profit and net income, due to the steady expansion of operations.
- ◆ Sony Life posted a record high new policy amount. MCEV steadily increased thanks to an acquisition of new policies and the benefit of ALM despite the ultralow interest rate environment.
- ◆ We expect FY2015 business volume to expand in a stable and sustainable manner by each Group company. However, due to the absence of some of the market factors that were present in FY2014, we expect consolidated ordinary revenues, ordinary profit to fall year on year, while we anticipate a rise in net income owing to the reduction in the corporate tax rate.
- ◆ The proposed dividend for FY2015 is ¥55 per share, up ¥15 per share year on year (for the 4th consecutive year of dividend increases). We will enhance shareholder returns by revising upward the medium-term target for the dividend payout ratio into 40% to 50% of consolidated net income.

## Highlights of Consolidated Operating Performance for Year Ended March 31, 2015 (1)

■ Consolidated ordinary revenues  
■ Consolidated ordinary profit



(\*) Banking business revised its method of recording ordinary revenues and ordinary expenses on hedge transactions from FY2014. Ordinary revenues for FY2013 have been retroactively adjusted to reflect the change. Consequently, consolidated ordinary revenues for FY2013 have been revised from ¥1,319.7 billion to ¥1,320.4 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)		FY2013	FY2014	Change	
Life Insurance business	Ordinary revenues	1,196.6	1,223.9	+27.2	+2.3%
	Ordinary profit	67.2	78.3	+11.0	+16.5%
Non-life Insurance business	Ordinary revenues	89.8	93.0	+3.1	+3.5%
	Ordinary profit	3.0	4.2	+1.2	+40.2%
Banking business	Ordinary revenues	36.4	38.4	+1.9	+5.3%
	Ordinary profit	5.6	7.3	+1.6	+30.0%
Intersegment adjustments*	Ordinary revenues	(2.5)	(3.1)	(0.5)	—
	Ordinary profit	0.2	0.2	(0.0)	(18.4%)
Consolidated	Ordinary revenues	1,320.4	1,352.3	+31.8	+2.4%
	Ordinary profit	76.1	90.0	+13.9	+18.3%
	Net income	40.5	54.4	+13.9	+34.4%

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

\*Comprehensive income: FY2013: ¥44.7billion, FY2014: ¥90.7 billion

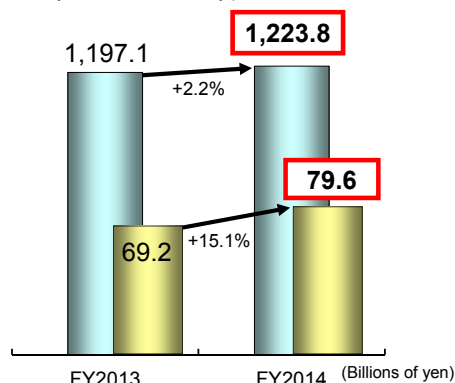
(Billions of yen)		14.3.31	15.3.31	Change from 14.3.31	
Consolidated	Net assets	467.0	550.6	+83.6	+17.9%
	Total assets	8,841.3	9,545.8	+704.4	+8.0%

## Highlights of Consolidated Operating Performance for Year Ended March 31, 2015 (2)

- **Life Insurance Business:** Policy amount in force increased steadily, reflecting a record-high new policy amount during FY2014. Ordinary revenues increased year on year, because of an increase in investment income, which offset a decline in income from insurance premiums. 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 FY2013. Ordinary profit increased year on year, mainly for three reasons: an increase in gains on sale of securities in the general account, 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 FY2013, and an increase in 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 a lower car accident ratio, as well as the rise in ordinary revenues.
- **Banking Business:** Ordinary revenues increased year on year, due mainly to higher revenues related to foreign currency transactions and mortgage loans. Ordinary profit expanded year on year, due to the above-mentioned increase in ordinary revenues and a rise in profit related to bond-dealing transactions.
- Consolidated ordinary revenues increased 2.4% year on year, to ¥1,352.3 billion, owing to increases in ordinary revenues from all the businesses: life insurance, non-life insurance and banking. Consolidated ordinary profit grew 18.3% year on year, to ¥90.0 billion owing to increases in ordinary profit from all the businesses. Consolidated net income was up 34.4% year on year, to ¥54.4 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 ■ Ordinary profit



- ◆ Ordinary revenues and ordinary profit increased year on year.
- ◆ Income from insurance premiums declined principally because of the brisk sale of lump-sum payment endowment insurance prior to the sales suspension in FY2013.
- ◆ Investment income increased due mainly to higher gains on separate accounts, higher gains on sale of securities and higher interest income and dividends on general account assets.
- ◆ Despite an increase in provision of policy reserves for minimum guarantees for variable life insurance, ordinary profit increased year on year, mainly for three reasons: an increase in gains on sale of securities in general account, 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 FY2013, and an increase in positive spread.
- ◆ Net income was up year on year. Sony Life has changed its calculation policy of the reserve for price fluctuations to accumulate the reserve up to required levels from FY2014 while it had accumulated the reserve in excess of the required levels until FY2013.

(Billions of yen)	FY2013	FY2014	Change	
<b>Ordinary revenues</b>	1,197.1	1,223.8	+26.7	+2.2%
Income from insurance premiums	960.9	914.0	(46.9)	(4.9%)
Investment income	212.3	280.1	+67.8	+31.9%
Interest income and dividends	122.1	133.5	+11.4	+9.4%
Income from monetary trusts, net	5.3	5.2	(0.0)	(0.5%)
Gains on sale of securities	0.7	8.8	+8.1	—
Foreign exchange gains, net	1.1	5.0	+3.8	+328.1%
Gains on separate accounts, net	82.6	126.7	+44.1	+53.4%
<b>Ordinary expenses</b>	1,127.9	1,144.1	+16.2	+1.4%
Insurance claims and other payments	327.2	382.9	+55.6	+17.0%
Provision for policy reserves and others	650.7	604.3	(46.4)	(7.1%)
Investment expenses	8.5	9.7	+1.2	+14.4%
Operating expenses	113.8	115.6	+1.7	+1.5%
<b>Ordinary profit</b>	69.2	79.6	+10.4	+15.1%
<b>Net income</b>	37.0	42.5	+5.4	+14.7%

(Billions of yen)	14.3.31	15.3.31	Change from 14.3.31	
<b>Securities</b>	5,954.7	6,543.7	+588.9	+9.9%
<b>Policy reserves</b>	6,123.6	6,727.2	+603.6	+9.9%
<b>Net assets</b>	369.2	432.5	+63.2	+17.1%
Net unrealized gains on other securities	83.4	118.1	+34.6	+41.6%
<b>Total assets</b>	6,624.9	7,301.3	+676.4	+10.2%
Separate account assets	640.5	793.3	+152.7	+23.9%

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

(Billions of yen)	FY2013	FY2014	Change
<b>New policy amount</b>	3,889.3	4,771.6	+22.7%
<b>Lapse and surrender amount</b>	1,739.4	2,088.4	+20.1%
<b>Lapse and surrender rate</b>	4.61%	5.35%	+0.74pt
<b>Policy amount in force</b>	39,095.0	40,988.7	+4.8%
<b>Annualized premiums from new policies</b>	63.9	76.6	+19.7%
Of which, third-sector products	13.4	15.2	+13.3%
<b>Annualized premiums from insurance in force</b>	696.9	735.7	+5.6%
Of which, third-sector products	167.0	172.8	+3.4%

(Billions of yen)	FY2013	FY2014	Change
<b>Gains from investment, net (General account)</b>	121.1	143.6	+18.6%
<b>Core profit</b>	72.3	76.5	+5.7%
<b>Positive spread</b>	8.4	13.0	+54.8%

	14.3.31	15.3.31	Change from 14.3.31
<b>Non-consolidated solvency margin ratio</b>	2,358.7%	2,555.0%	+196.3pt

### <Reasons for changes>

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

◆ Increased because during FY14.3Q 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.

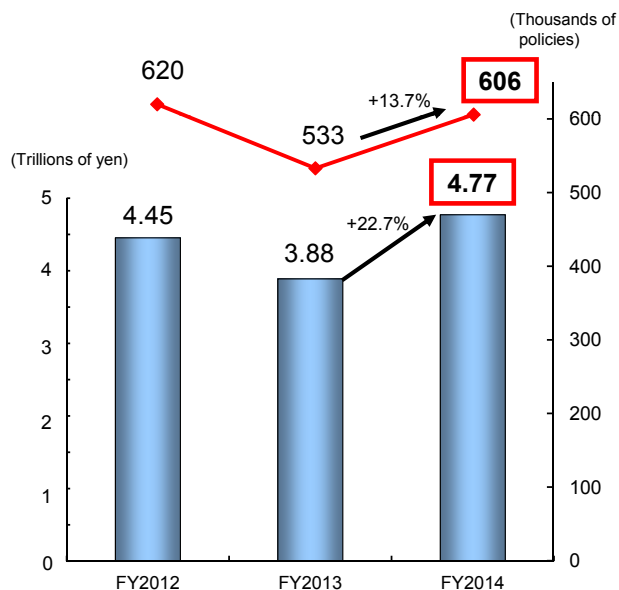
◆ Increased year on year due mainly to the absence of the negative impact from the revision of the discount rate used for calculating policy reserves on interest rate-sensitive whole life insurance that was present in FY2013 and an increase in positive spread, although provision of policy reserves for minimum guarantees for variable life insurance increased driven by its brisk sales.

- 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)

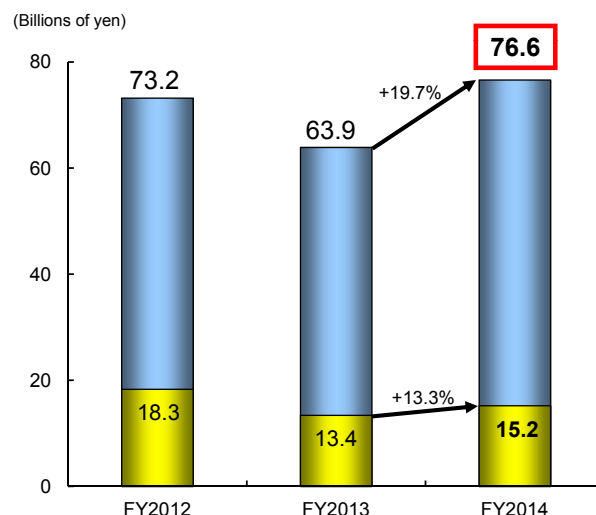
### Number and Amount of New Policies (Individual Life Insurance + Individual Annuities)

■ New policy amount    — Number of new policies



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

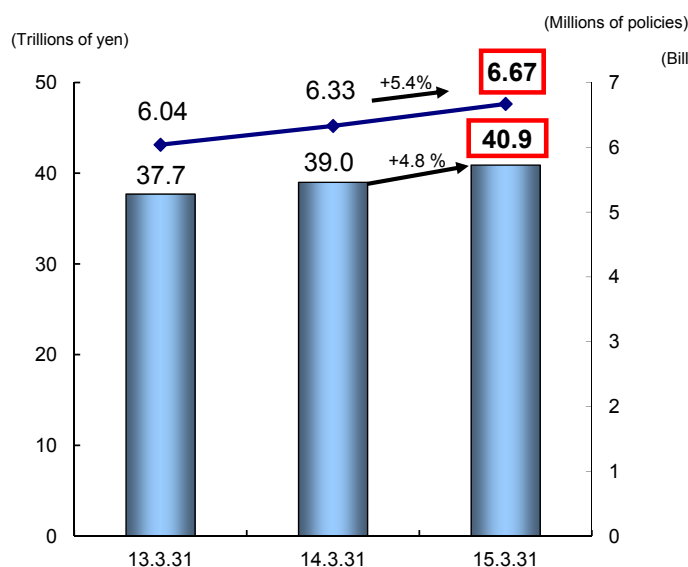
■ Annualized premiums from new policies    ■ Of which, third-sector



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

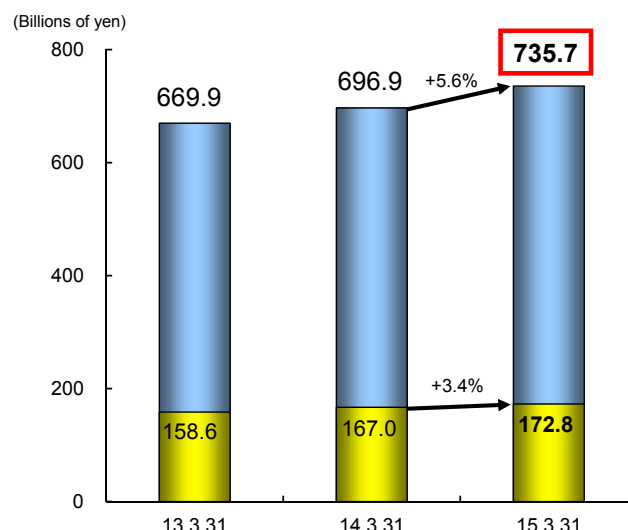
### Number and Amount of Policies in Force (Individual Life Insurance + Individual Annuities)

■ Policy amount in force    — Number of policies in force



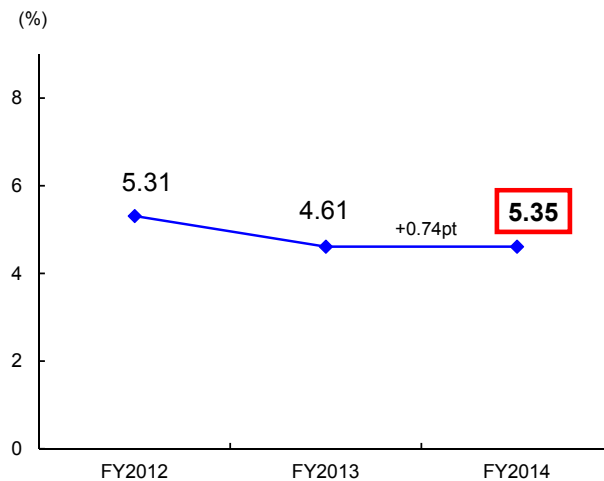
### Annualized Premiums from Insurance in Force (Individual Life Insurance + Individual Annuities)

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



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

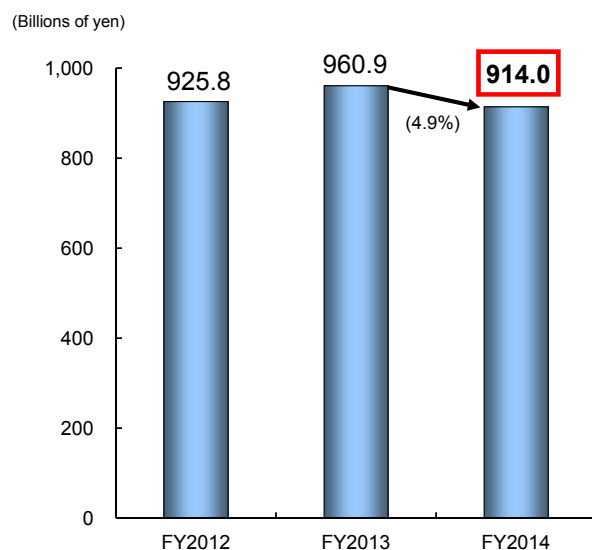
### Lapse and Surrender Rate\* (Individual Life Insurance + Individual Annuities)



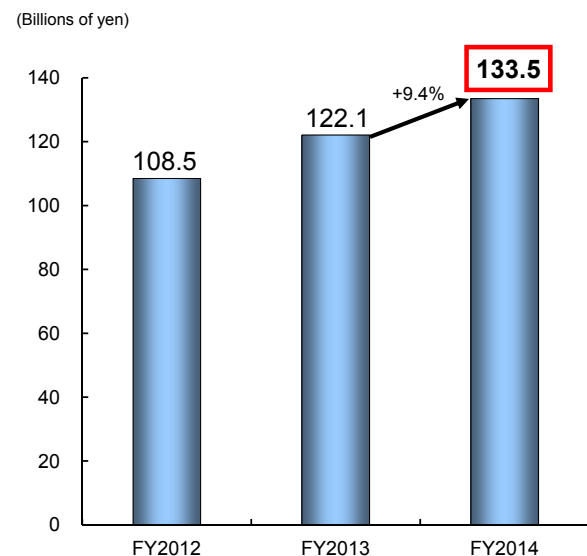
\*The lapse and surrender rate shows the ratio derived by dividing the amount of lapses and surrenders, not adjusted for policy amount decreases, increases, and reinstatements, by the policy amount in force at the beginning of the fiscal year.

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

### Income from Insurance Premiums



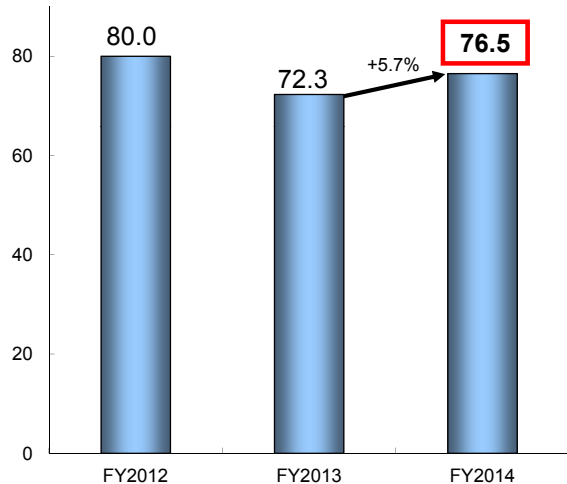
### Interest Income and Dividends



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

### Core Profit

(Billions of yen)



(Reference) Impact on core profit

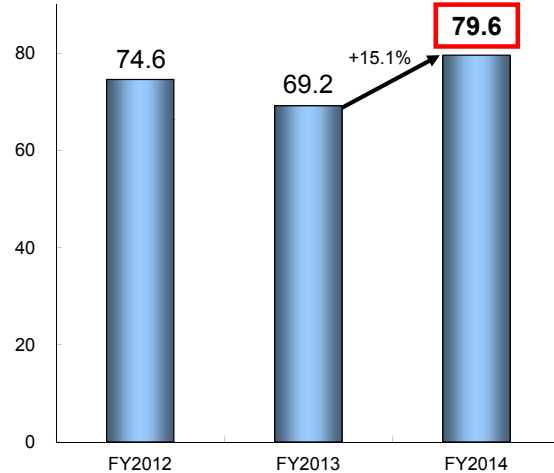
	FY2012	FY2013	FY2014
Positive spread	2.1	8.4	13.0
Provision of policy reserves for minimum guarantees for variable life insurance (*1)	1.3	(4.2)	(10.6)
Effects by the revision of policy reserve discount rate (Interest rate-sensitive whole life insurance) (*2)	—	(5.7)	—

\*1: "Provision of policy reserves for minimum guarantees for variable life insurance" and "Provision of contingency reserve" are described as negative amount. Capital gains (losses) exclude gains or losses on hedges of variable life insurance.

\*2: The effected amount of a surge of sales of interest rate-sensitive whole life insurance due to a delay in rising insurance premiums (May 2013) against the revision of policy reserve discount rate (April 2013).

### Ordinary Profit

(Billions of yen)

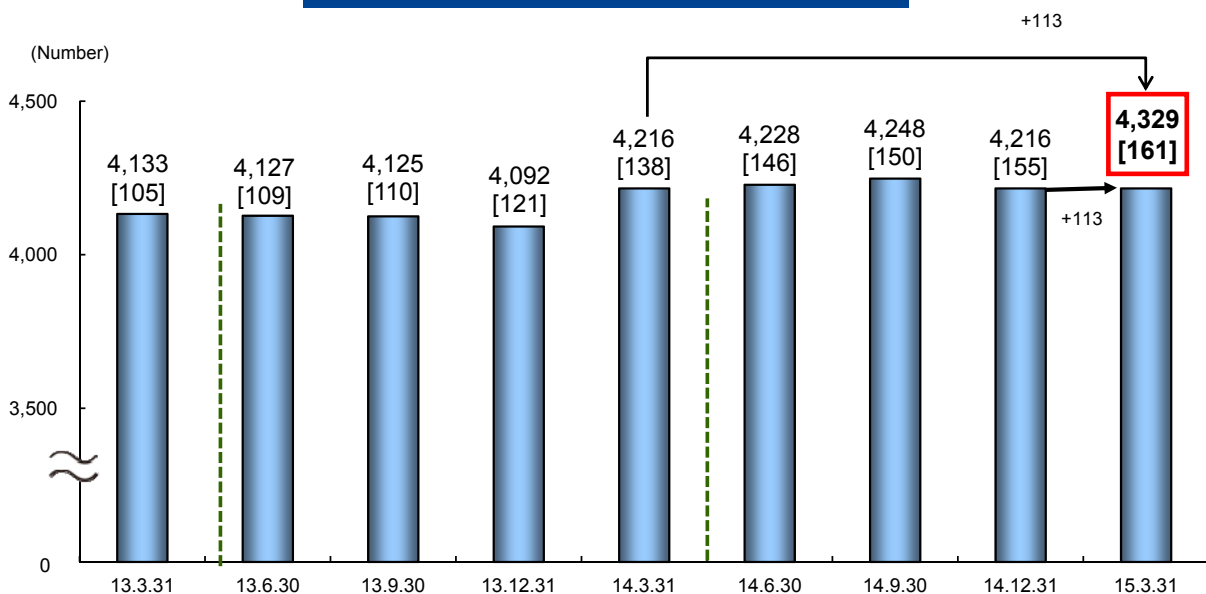


(Reference) Main differences from Core Profit

	FY2012	FY2013	FY2014
Capital gains (losses) excluding gains or losses on hedges (*1)	(0.9)	1.1	10.7
Gains (losses) on hedges of variable insurance	—	—	(2.3)
Provision of contingency reserve (*1)	(4.2)	(4.1)	(5.0)

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

### Number of Lifepanner Sales Employees



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.

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

### Breakdown of General Account Assets

(Billions of yen)	14.3.31		15.3.31	
	Amount	%	Amount	%
Japanese government and corporate bonds	5,190.0	86.7%	5,606.8	86.2%
Japanese stocks	33.2	0.6%	42.4	0.7%
Foreign bonds	79.8	1.3%	105.5	1.6%
Foreign stocks	26.9	0.4%	26.0	0.4%
Monetary trusts	305.3	5.1%	313.2	4.8%
Policy loans	154.1	2.6%	162.3	2.5%
Real estate	66.5	1.1%	117.7	1.8%
Cash and call loans	32.6	0.5%	56.8	0.9%
Others	95.6	1.6%	76.7	1.2%
<b>Total</b>	<b>5,984.3</b>	<b>100.0%</b>	<b>6,508.0</b>	<b>100.0%</b>

#### <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

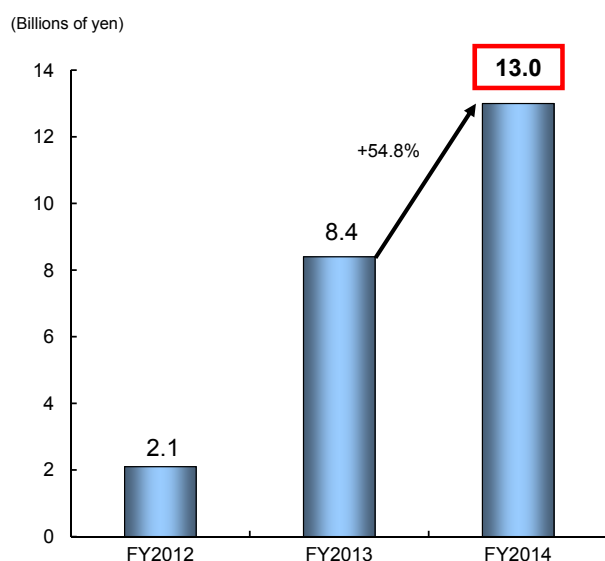
**Mar. 31, 2015: 20.3 years**

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

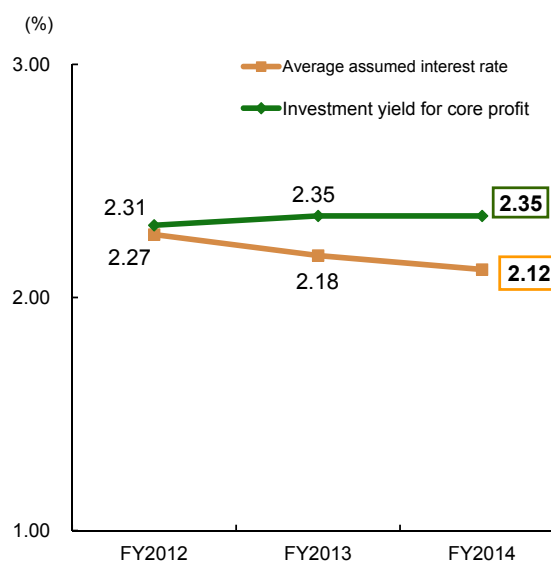
■ The holding ratio on the real status of Japanese government and corporate bonds including those invested in monetary trusts in the general account assets: **As of Mar. 31, 2015: 91.0%**  
(As of Mar. 31, 2014: 91.8%)

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

### Positive Spread

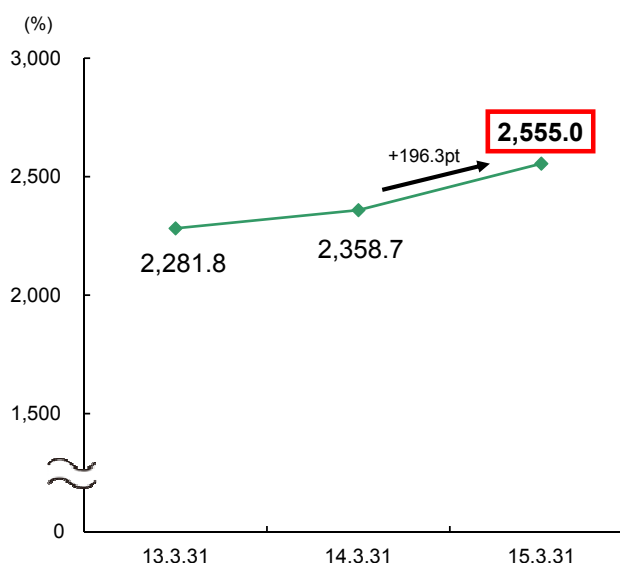


### Average Assumed Interest Rate and Investment Yield for Core Profit



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

### Non-consolidated Solvency Margin Ratio

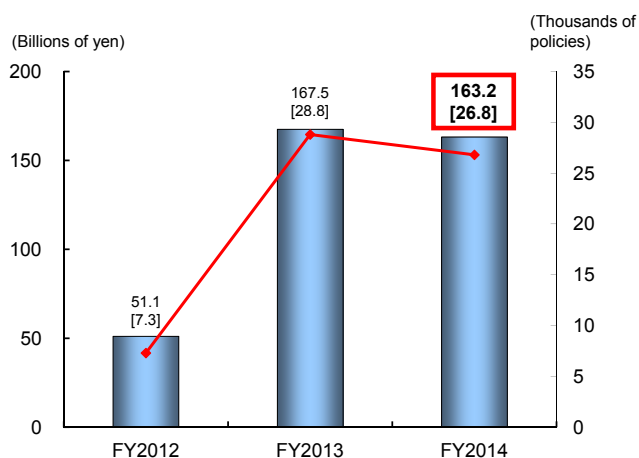


## Operating Performance : AEGON Sony Life Insurance

\*AEGON Sony Life Insurance sells individual variable annuities.

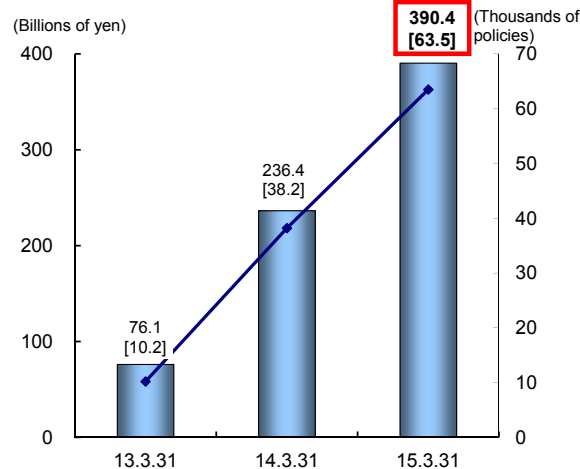
### Number and Amount of New Policies

■ New policy amount ■ Number of new policies [ ]



### Number and Amount of Policies in Force

■ Policy amount in force ■ Number of policies in force [ ]



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

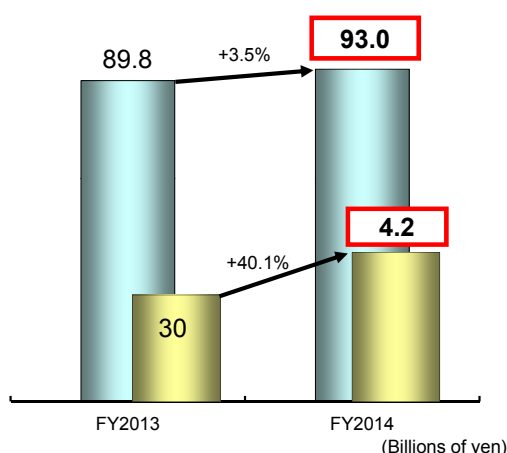
(Billions of yen)	FY2013	FY2014	Change
AEGON Sony Life Insurance	(3.4)	(5.4)	(2.0)
SA Reinsurance	0.4	2.4	+2.0

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 and reached record high due to a decline in the loss ratio mainly led by a lower car accident ratio, as well as the rise in ordinary revenues.

(Billions of yen)	FY2013	FY2014	Change	
<b>Ordinary revenues</b>	89.8	93.0	+3.1	+3.5%
Underwriting income	88.6	91.7	+3.1	+3.5%
Investment income	1.1	1.2	+0.0	+3.0%
<b>Ordinary expenses</b>	86.8	88.8	+1.9	+2.2%
Underwriting expenses	65.4	65.6	+0.1	+0.3%
Investment expenses	0.0	0.0	(0.0)	(85.7%)
Operating general and administrative expenses	21.3	23.1	+1.7	+8.2%
<b>Ordinary profit</b>	3.0	4.2	+1.2	+40.1%
<b>Net income</b>	1.6	2.2	+0.5	+34.2%

(Billions of yen)	14.3.31	15.3.31	Change from 14.3.31	
<b>Underwriting reserves</b>	78.0	86.5	+8.4	+10.8%
<b>Net assets</b>	21.4	24.7	+3.3	+15.5%
<b>Total assets</b>	142.7	157.9	+15.2	+10.7%

## Overview of Operating Performance: Sony Assurance

(Billions of yen)	FY2013	FY2014	Change
<b>Direct premiums written</b>	87.3	90.4	+3.6%
<b>Net premiums written</b>	88.6	91.7	+3.5%
<b>Net losses paid</b>	46.1	45.9	(0.4%)
<b>Underwriting profit</b>	1.8	3.0	+62.4%
<b>Net loss ratio</b>	59.3%	57.6%	(1.7pt)
<b>Net expense ratio</b>	25.6%	26.7%	+1.1pt
<b>Combined ratio</b>	84.9%	84.3%	(0.6pt)

Notes:

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

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

### <Reasons for changes>

◆ Increased mainly in its mainstay automobile insurance.

◆ Declined due mainly to a lower car accident ratio.

◆ Increased due mainly to higher system-related expenses, a rise in insurance acquisition cost and a consumption tax rate rise.

	14.3.31	15.3.31	Change from 14.3.31	
<b>Number of policies in force</b>	1.61 million	1.70 million	+0.08 million	+5.4%
<b>Non-consolidated solvency margin ratio</b>	527.6%	629.6%	102.0pt	

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

◆ Rose significantly from a year earlier, showing that Sony Assurance has maintained a financial soundness.

# Sony Assurance's Underwriting Performance by Type of Policy

## Direct Premiums Written

(Millions of yen)	FY2013	FY2014	Change
Fire	275	332	+21.0%
Marine	—	—	—
Personal accident	8,360	8,576	+2.6%
Voluntary automobile	78,735	81,585	+3.6%
Compulsory automobile liability	—	—	—
<b>Total</b>	<b>87,370</b>	<b>90,495</b>	<b>+3.6%</b>

## Net Premiums Written

(Millions of yen)	FY2013	FY2014	Change
Fire	104	45	(56.4%)
Marine	153	110	(27.9%)
Personal accident	8,613	8,845	+2.7%
Voluntary automobile	78,473	81,375	+3.7%
Compulsory automobile liability	1,255	1,335	+6.4%
<b>Total</b>	<b>88,600</b>	<b>91,712</b>	<b>+3.5%</b>

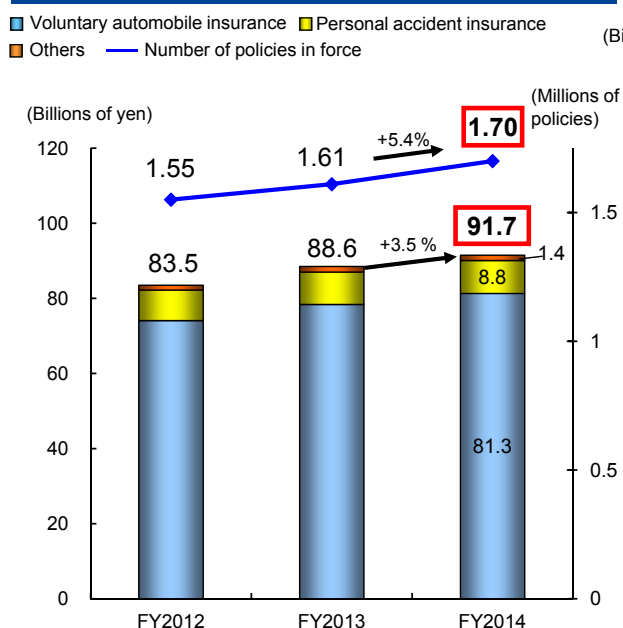
\*Medical and cancer insurance is included in personal accident.

## Net losses paid

(Millions of yen)	FY2013	FY2014	Change
Fire	3	3	(6.3%)
Marine	129	90	(30.1%)
Personal accident	2,066	2,265	+9.7%
Voluntary automobile	42,860	42,414	(1.0%)
Compulsory automobile liability	1,123	1,212	+7.9%
<b>Total</b>	<b>46,183</b>	<b>45,985</b>	<b>(0.4%)</b>

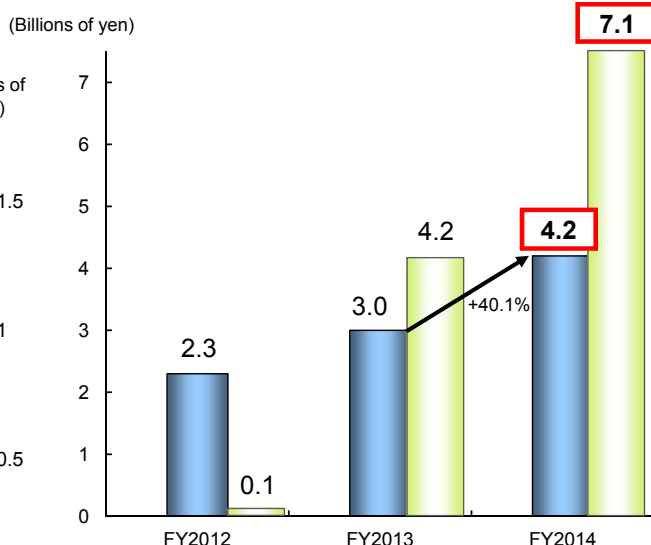
# Operating Performance: Sony Assurance (1)

## 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

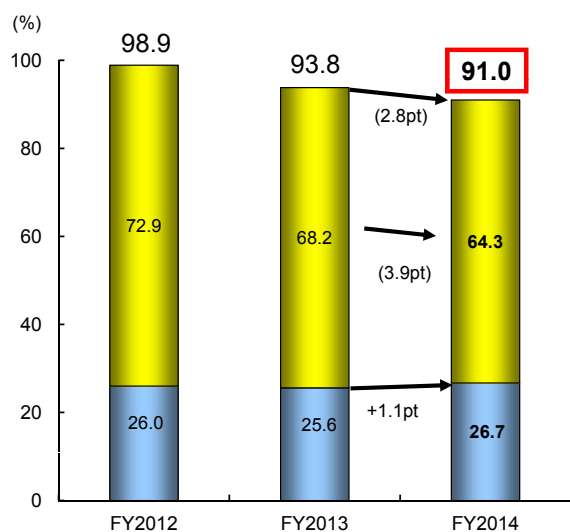
(Reference) Provision for catastrophe reserve	FY2012	FY2013	FY2014
Provision for catastrophe reserve	(2.2)	1.2	2.8

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

## Operating Performance: Sony Assurance (2)

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

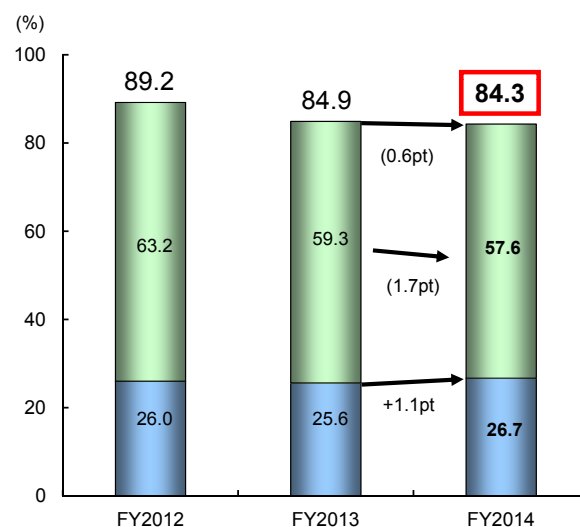
■ Earned/Incurred loss ratio ■ Net expense ratio



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)

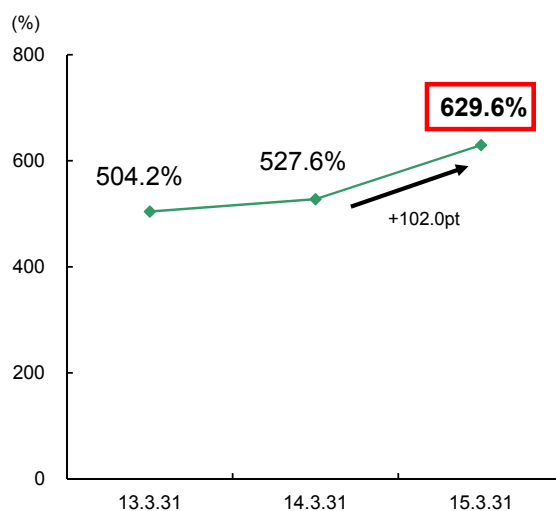
■ Net loss ratio ■ Net expense ratio



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

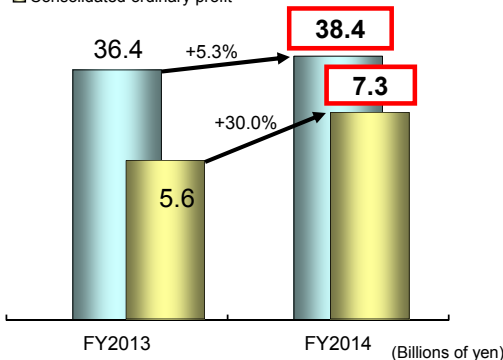
## Operating Performance: Sony Assurance (3)

### Non-consolidated Solvency Margin Ratio



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

■ Consolidated ordinary revenues  
■ Consolidated ordinary profit



◆ Ordinary revenues and ordinary profit increased year on year on a consolidated and a non-consolidated basis. Sony Bank reached record high in ordinary revenues, ordinary profit and net income.

## <Consolidated>

◆ Ordinary revenues increased year on year, due mainly to higher revenues related to foreign currency transactions and mortgage loans. Ordinary profit expanded year on year, due to the above-mentioned increase in ordinary revenues and a rise in profit related to bond-dealing transactions.

## <Non-consolidated>

◆ Gross operating profit and net operating profit increased year on year.  
◆ Net interest income decreased year on year, due mainly to lower interest income on securities under the lowering interest rates.  
◆ Net other operating income increased due to higher gains on foreign exchange transactions, in addition to an improvement in net gains on bond-dealing transactions including sale of bonds.

## <Consolidated>

(Billions of yen)	FY2013	FY2014	Change	
Consolidated ordinary revenues	36.4	38.4	+1.9	+5.3%
Consolidated ordinary profit	5.6	7.3	+1.6	+30.0%
Consolidated net income	3.4	4.5	+1.1	+32.9%

## <Non-consolidated>

(Billions of yen)	FY2013	FY2014	Change	
Ordinary revenues	33.9	35.7	+1.7	+5.1%
Gross operating profit	20.7	22.5	+1.8	+8.8%
Net interest income	17.3	16.6	(0.6)	(3.7%)
Net fees and commissions	(0.0)	0.0	0.0	—
Net other operating income	3.4	5.8	+2.4	+70.4%
General and administrative expenses	14.6	15.3	+0.6	+4.5%
Net operating profit	6.0	7.2	+1.1	+18.4%
Ordinary profit	5.8	7.2	+1.4	+24.9%
Net income	3.5	4.6	+1.0	+29.3%

(Billions of yen)	14.3.31	15.3.31	Change from 14.3.31	
Net assets	72.7	77.0	+4.2	+5.9%
Net unrealized gains on other securities, net of taxes	7.2	6.6	(0.6)	(8.8%)
Total assets	2,056.7	2,062.5	+5.8	+0.3%

(\*) Sony Bank revised its method of recording ordinary revenues and ordinary expenses on hedge transactions for FY2014. Ordinary revenues for FY2013 have been retroactively adjusted to reflect the change.

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

(Billions of yen)	14.3.31	15.3.31	Change from 14.3.31	
<b>Customer assets</b>	2,007.5	2,007.9	+0.3	+0.0%
Deposits	1,890.0	1,878.2	(11.7)	(0.6%)
Yen	1,526.4	1,551.0	+24.5	+1.6%
Foreign currency	363.5	327.2	(36.3)	(10.0%)
Investment trusts	117.4	129.6	+12.1	+10.4%
<b>Loans outstanding</b>	1,057.4	1,187.1	+129.7	+12.3%
Mortgage loans	949.3	1,074.3	+125.0	+13.2%
Others	108.1	112.8 <sup>*1</sup>	+4.6	+4.3%
<b>Number of accounts</b> (10 thousands)	9.7	10.5	+0.7	+8.0%
<b>Non-performing assets ratio<sup>*2</sup></b> (Based on Financial Reconstruction Law)	0.35%	0.28%	(0.07pt)	
<b>Capital adequacy ratio<sup>*3</sup></b> (domestic criteria)	11.72%	10.66%	(1.06pt)	

## <Reasons for changes>

◆ Yen deposit balance increased from March 31, 2014 due to a conversion from foreign currencies to yen.

◆ Foreign currency deposit balance decreased due to a conversion and a transfer into yen deposit led by yen depreciation.

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

◆ Number of accounts increased reflecting a new operation by Sony Life's Lifeplanner sales employees to handle opening account at Sony Bank from May 2014.

◆ Sony Bank maintains an extremely low non-performing assets ratio.

\*1 Loans in others include corporate loans of ¥107.5billion

\*2 Non-performing loans (loans based on the Financial Reconstruction Act) / Total loan exposure

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

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

## <Reference> On Managerial Accounting Basis

(Billions of yen)	FY2013	FY2014	Change	
<b>Gross operating profit</b>	20.6	<b>22.4</b>	+1.8	+8.8%
Net interest income <sup>*1</sup> ①	18.2	<b>18.2</b>	+0.0	+0.3%
Net fees and commissions <sup>*2</sup> ②	1.0	<b>0.9</b>	(0.0)	(9.2%)
Net other operating income <sup>*3</sup>	1.3	<b>3.2</b>	+1.8	+133.5%
<b>Gross operating profit (core profit) (A) = ① + ②</b>	19.2	<b>19.2</b>	(0.0)	(0.2%)
<b>Operating expenses and other expenses ③</b>	14.6	<b>15.2</b>	+0.5	+4.0%
<b>Net operating profit (core profit) = (A) - ③</b>	4.6	<b>4.0</b>	(0.6)	(13.5%)

### ■ Managerial accounting basis

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

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

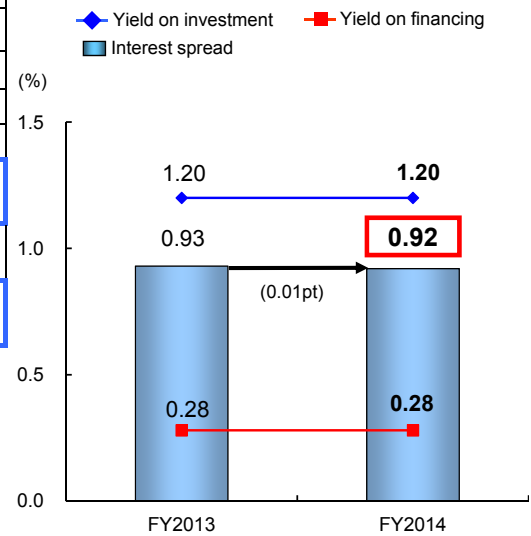
\*2: Net fees and commissions: Includes profits and losses for customer dealings in foreign currency transactions recorded in net other operating income.

\*3: Net other operating income: After the above adjustments (\*1 and \*2), 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)

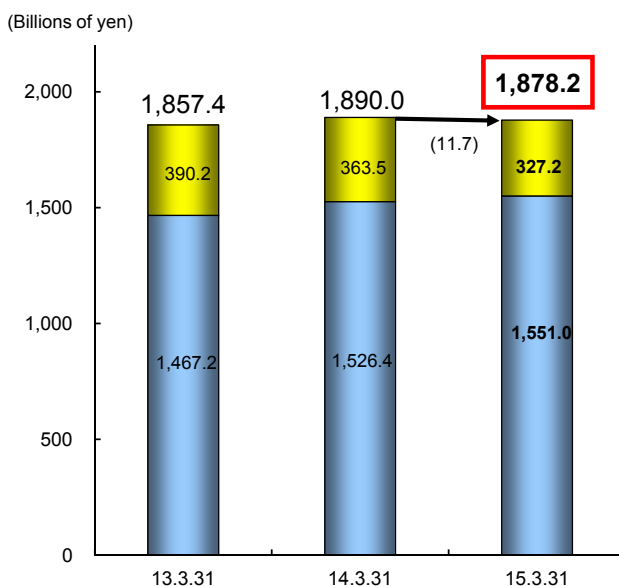


Note: Interest spread = (Yield on investment) - (Yield on financing)

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

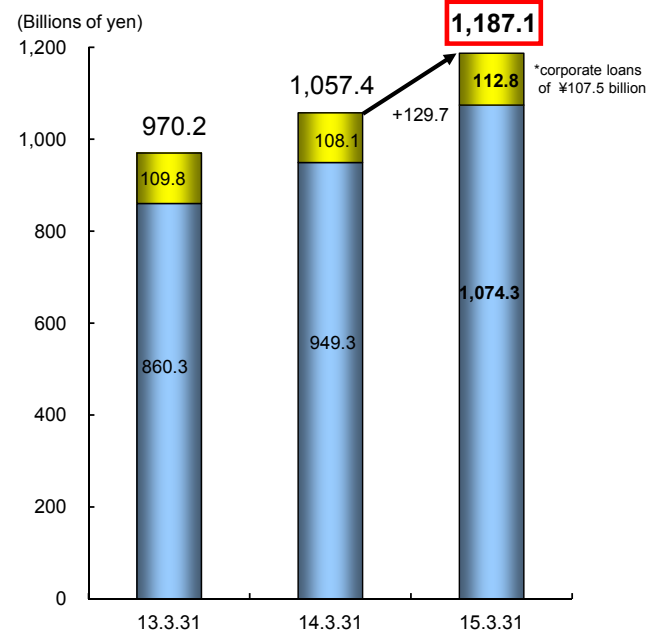
## Deposits

■ Yen deposits ■ Foreign currency deposits



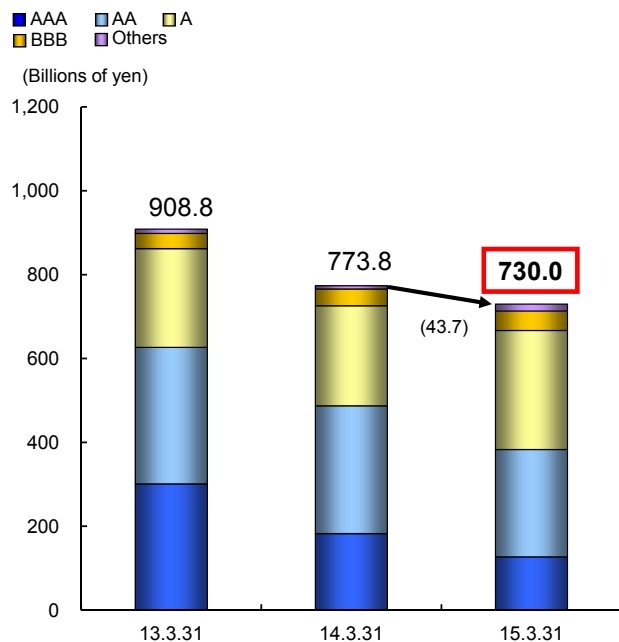
## Loans

■ Mortgage loans ■ Others

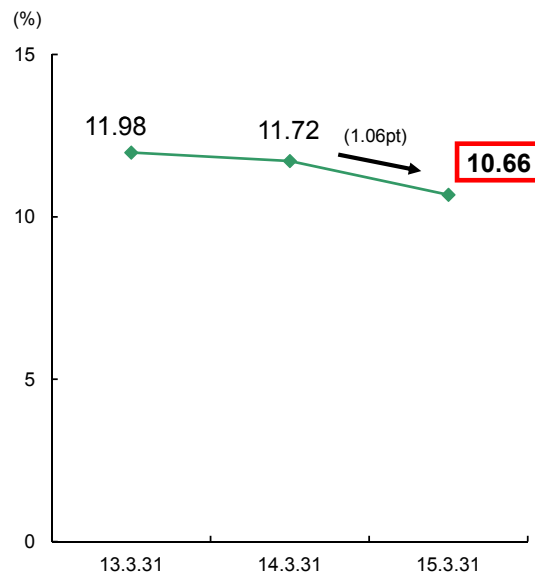


# Operating Performance: Sony Bank (Non-consolidated) (2)

## Balance of Securities by Credit Rating



## 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, 2016

## Consolidated Financial Forecast for the Year Ending March 31, 2016

### Consolidated ordinary revenues and ordinary profit are expected to decrease, while net income to increase

(Billions of yen)	FY2014 (Actual)	FY2015 (Forecast)	Change
<b>Consolidated ordinary revenues</b>	1,352.3	<b>1,300.0</b>	(3.9%)
Life insurance business	1,223.9	<b>1,168.0</b>	(4.6%)
Non-life insurance business	93.0	<b>97.1</b>	+4.4%
Banking business	38.4	<b>36.8</b>	(4.2%)
<b>Consolidated ordinary profit</b>	90.0	<b>85.0</b>	(5.6%)
Life insurance business	78.3	<b>74.1</b>	(5.4%)
Non-life insurance business	4.2	<b>4.4</b>	+4.5%
Banking business	7.3	<b>6.4</b>	(12.7%)
<b>Consolidated net income</b>	54.4	<b>57.0*</b>	+4.7%

For FY2015, stable and sustainable business growth is expected in all the businesses.

Consolidated ordinary revenues are expected to decrease because we do not anticipate an improvement in investment income backed by favorable market conditions, as was present in FY2014, mainly in the life insurance business. Consolidated ordinary profit is expected to decrease because we anticipate an increase in spending for medium-term business growth activities, an increase in provision of policy reserves for minimum guarantees for variable life insurance in the life insurance business, and lower gains on sale of securities in the life insurance and banking businesses. On the other hand, consolidated net income is expected to increase due to the reduction in the corporate tax rate.

#### <Segment information for ordinary revenues and ordinary profit>

##### ■Life insurance business

Ordinary revenues are expected to decrease because we do not anticipate an increase in investment income backed by favorable market conditions, as was present in FY2014. Ordinary profit is expected to decrease because we anticipate an increase in spending for medium-term business growth activities and an increase in provision of policy reserves for minimum guarantees for variable life insurance.

##### ■Non-life insurance business

Ordinary revenues and ordinary profit are expected to increase in line with growth in net premiums written primarily for mainstay automobile insurance.

##### ■Banking business

Although we anticipate business expansion under such a low interest rate environment, ordinary revenues and ordinary profit are expected to decrease because we do not anticipate an increase in gains on bond-dealing transactions including sale of bonds as was present in FY2014.

\*The amount of consolidated net income for FY2015 (Forecast) is equivalent to the amount of "Net income attributable to parent company" of Accounting Standard for Business Combinations (ASBJ Statement No. 21, on Sep. 13, 2013) and the related revision.

## Dividend Forecast

### Dividend Forecast for the Year Ending March 31, 2016 and Mid-term Dividend Policy



**The proposed dividend for FY2015 is ¥55 per share, up ¥15 year on year.**  
-4<sup>th</sup> consecutive year of dividend increases since FY2012-

#### <Mid-term Dividend Policy>

- Our basic dividend policy is to steady increases in dividends in line with earnings growth over the medium and long terms.
- **We will enhance shareholder returns by revising upward our medium-term target for the dividend payout ratio into 40% to 50% of consolidated net income.**

\* We will determine specific dividend amounts for each fiscal year by taking into account a comprehensive range of factors, including capital adequacy, investment opportunities, business forecasts and legal and regulatory developments.

#### ■ Consolidated Net Income and Dividend Result/Forecast

	FY2011	FY2012	FY2013	FY2014 (Expected)	FY2015 (Forecast)
Consolidated net income	¥32.8 billion	¥45.0billion	¥40.5billion	<b>¥54.4billion</b>	<b>¥57.0billion*</b>
Net income per share	¥75.43	¥103.60	¥93.11	<b>¥125.10</b>	<b>¥131</b>
Dividend per share	¥20	¥25	¥30	<b>¥40</b>	<b>¥55</b>
Dividend payout ratio (consolidated)	26.5%	24.1%	32.2%	<b>32.0%</b>	<b>42.0%</b>

\*The amount of consolidated net income for FY2015 (Forecast) is equivalent to the amount of "Net income attributable to parent company" of Accounting Standard for Business Combinations (ASBJ Statement No. 21, on Sep. 13, 2013) and the related revision.



# Sony Life's Preliminary MCEV and Risk Amount Based on Economic Value as of March 31, 2015

Please keep in mind that the validity of these calculations of MCEV as of March 31, 2015, has not been verified by outside specialists.  
The calculation of MCEV as of March 31, 2015, in accordance with the MCEV principles and verified by outside specialists, is scheduled to be announced on May 21, 2015.  
A part of the calculations of MCEV as of December 31, 2014 adopted simplified method and has not been verified by outside specialists.

## Sony Life's MCEV as of March 31, 2015

(Billions of yen)	14.3.31	14.12.31	<b>15.3.31</b>	Change from 14.3.31	Change from 14.12.31
<b>MCEV</b>	1,221.3	1,234.9	<b>1,322.9</b>	+101.6	+88.0
Adjusted net worth	722.1	1,171.2	<b>1,119.2</b>	+397.1	(52.0)
Value of existing business	499.1	63.8	<b>203.7</b>	(295.5)	+139.9
(Billions of yen)	14.3.31	14.12.31	<b>15.3.31</b>		
New business value	55.2 (12M)	28.2 (6M)	<b>48.6 (12M)</b>		
New business margin	5.2%	2.9%	<b>3.8%</b>		

**Notes:**

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

◆ **Reasons for changes in MCEV**

- MCEV as of March 31, 2015 increased ¥101.6 billion from March 31, 2014, due mainly to the contribution of new business, the decrease in inflation rates, the effect of the reduction in the corporate tax rate. While the value of existing business decreased significantly due to a decline in interest rates, most of the decrease was offset with the benefit of ALM (by the increase in the adjusted net worth).
- MCEV as of March 31, 2015 increased ¥88.0 billion from December 31, 2014, due mainly to the contribution of new business, a rise in interest rates in Japanese yen, and the effect of the reduction in the corporate tax rate.

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

- New business margin as of March 31, 2015 was down 1.4% from March 31, 2014, due mainly to a decline in interest rates.
- New business margin as of March 31, 2015 was up 0.9% from December 31, 2014, due mainly to a rise in interest rates in Japanese yen, improvement in insurance-related assumptions, and the effect of the reduction in the corporate tax rate.

\*Please see page 44 for changes on new business value  
\*Please see page 47 for trend on JGB yields

# Sony Life's Risk Amount Based on Economic Value as of March 31, 2015

			(after tax)
(Billions of yen)	14.3.31	14.12.31	15.3.31
Insurance risk	654.5	709.6	724.2
Market-related risk	240.0	290.5	287.0
<i>Of which, interest rate risk*</i>	180.9	219.7	218.5
Operational risk	26.3	23.8	25.9
Counter party risk	1.3	3.0	1.8
Variance effect	(257.8)	(291.4)	(293.4)
The risk amount based on economic value	664.3	735.5	745.5

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

(Billions of yen)	14.3.31	14.12.31	15.3.31
MCEV	1,221.3	1,234.9	1,322.9

## ◆ 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 December 31, 2014 by using updated economic assumptions and lapse and surrender rate and other assumptions as of March 31, 2014.

# 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.

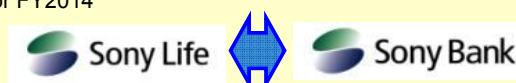
\*As of May 15, 2015

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

■ Sony Life accounts for 22% of the balance of mortgage loans as of March 31, 2015

Sony Life accounts for 14% of the amount of new mortgage loans for FY2014

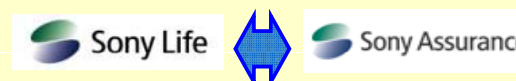
\*Sony Life started handling banking agency business in January 2008.



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

■ Sony Life accounts for 4% of new automobile policies for FY2014

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



## Recent Topics 2

### <Highlights for FY2014>

2014-04-01	"Sony Lifecare Inc." was established as a holding company to oversee the Group's operations in the nursing care business.
2014-04-21	Sony Assurance began offering "Policyholders' Apps" for smart-phone users.
2014-05-02	Sony Life commenced sale of a new product: "Specialty Endowment Insurance."
2014-06-18	Sony Bank began offering "Omakase Money Receiving Service"
2014-07-09	Sony Life closed its representative office in Beijing.
2014-07-28	Sony Life entered into an agreement to acquire Sony Corporation's headquarters site.
2014-08-01	Sony Bank entered tie-up with "Sony Real Estate" in mortgage loans.
2014-08-06	Sony Bank started ATM affiliation with Aeon Bank, Ltd.
2014-08-15	Sony Bank began offering interest rates on its mortgage loans based on customers' own funds.
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 14.
2014-12-16	Sony Bank began offering "Exchange Rate-Linked Deposits"
2015-01-07	Sony Assurance announced to open a customer service office in Kumamoto prefecture in July 2015
2015-02-23	Sony Bank began offering "Special Interest Rates for Foreign Currency Time Deposit when Depositing from Yen Funds".
2015-02-23	Sony Assurance commenced sale of a PHYD(Pay How You Drive) type of automobile insurance "Gentle Driving Cash-Back Plan"
2015-04-01	Sony Life changed its President, Representative Directors.
2015-04-01	Sony Life opened its new sales office in Fukui prefecture.
2015-04-01	SmartLink Network, Sony Bank's subsidiary, changed its corporate name to Sony Payment Services Inc.
2015-04-30	Sony Lifecare entered into an agreement to enter capital participation with Yuuai Holdings Co., Ltd.
2015-05-02	Sony Life commenced sale of a new product: "Lump-sum Payment Whole Life Insurance (No-notification Type) "

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

## Fair Value Information on Securities

### Fair value information on securities with market value (except trading-purpose securities)

(Billions of yen)

	13.3.31			14.3.31			15.3.31		
	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	3,874.2	4,425.9	551.7	4,409.6	4,839.9	430.3	4,878.7	5,718.2	839.4
Available-for-sale securities	955.9	1,079.2	123.2	1,065.5	1,189.8	124.3	1,007.8	1,176.6	168.8
Japanese government and corporate bonds	925.3	1,036.9	111.6	1,035.9	1,146.7	110.8	974.6	1,120.1	145.5
Japanese stocks	14.7	20.9	6.2	12.2	21.2	8.9	13.4	29.4	16.0
Foreign securities	14.4	18.6	4.2	15.8	19.4	3.5	19.4	26.4	6.9
Other securities	1.4	2.6	1.1	1.4	2.5	1.0	0.3	0.6	0.3
Total	4,830.2	5,505.2	675.0	5,475.1	6,029.8	554.7	5,886.6	6,894.9	1,008.3

Notes:

- The above table includes monetary trusts other than trading-purpose securities.
- 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 Mar. 31, 2015; Carrying amount: ¥44.2 billion, Fair market value: ¥57.5 billion, Net unrealized gain (losses): ¥13.2 billion

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

(Billions of yen)

13.3.31		14.3.31		15.3.31	
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
—	—	—	—	1.0	0.0

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

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

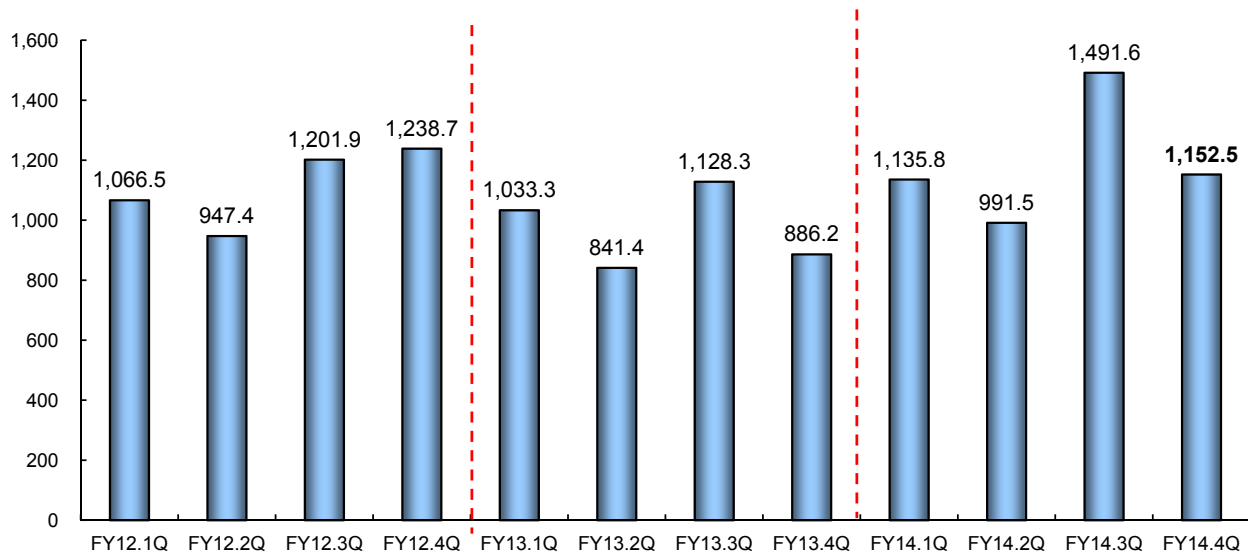
(Millions of yen)

	FY2013	FY2014	Change
Cash and deposits	0	0	( 36.0%)
Japanese government and corporate bonds	98,588	107,383	+8.9%
Japanese stocks	397	464	+16.9%
Foreign securities	6,740	8,998	+33.5%
Other securities	460	430	(6.6%)
Loans	5,691	5,921	+4.0%
Real estate	10,250	10,327	+0.8%
Others	31	66	+112.7%
Total	122,160	133,592	+9.4%

## Sony Life's Quarterly Trend on New Policy Amount

### Quarterly Trend on New Policy Amount

(Billions of yen)

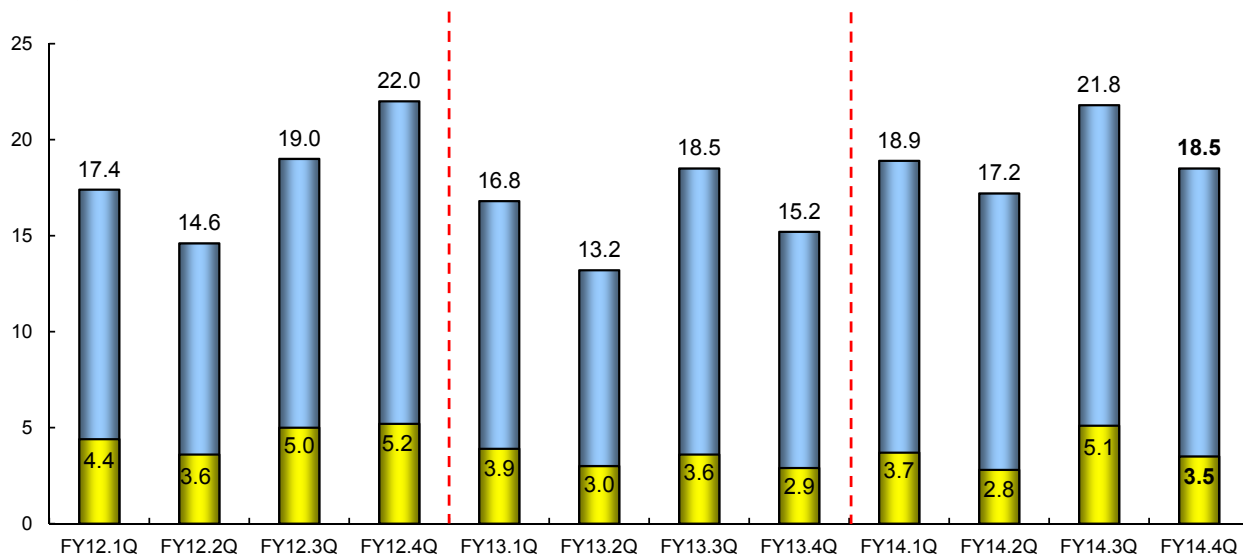


## Sony Life's Quarterly Trend on Annualized Premiums from New Policies

### Quarterly Trend on Annualized Premiums from New Policies

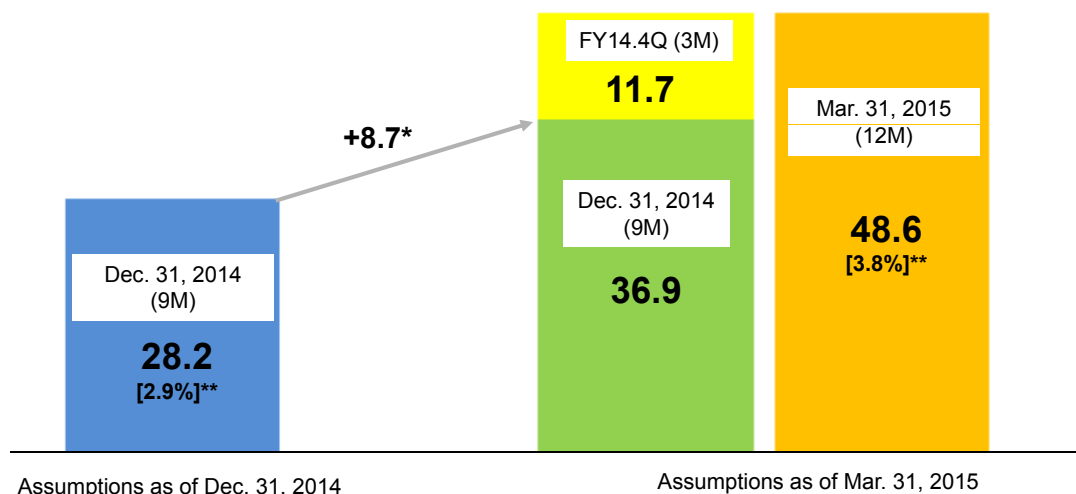
■ Annualized premiums from new policies ■ Of which, third-sector

(Billions of yen)



# Sony Life's Changes on New Business Value

(Billions of yen)



Notes:

\*Effected amount by valuating new business value as of Dec. 31, 2014 (9M) mainly with interest rates as of Mar. 31, 2015.

New business value increased due mainly to a rise in interest rates in Japanese yen, improvement in insurance-related assumptions, and the reduction in the corporate tax rate.

\*\*Figures in [ ] show new business margin.

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

### ■ Market-related Risk<sup>1</sup>

	Sony Life	(Reference) EU Solvency II (QIS5)
<b>Interest rate risk</b> 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, 33% decrease (parallel shift), 28% decrease (twist), 8% decrease (butterfly)	Percentage increases or decreases differ for each currency and term but <u>no lower than 1%</u>  (Example) For Yen 30-year, 30% decrease
<b>Equity risk</b>	Listed equities 45%, Other securities 70%	Global 30%, Others 40% <sup>*2</sup>
<b>Real estate risk</b>	Actual real estate 25%	Real estate 25%
<b>Credit risk</b>	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
<b>Currency risk</b>	30% downside fluctuation	25% downside fluctuation

Notes

1. Principal items as of Mar. 31, 2015.

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

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

### ■ Insurance Risk<sup>1</sup>

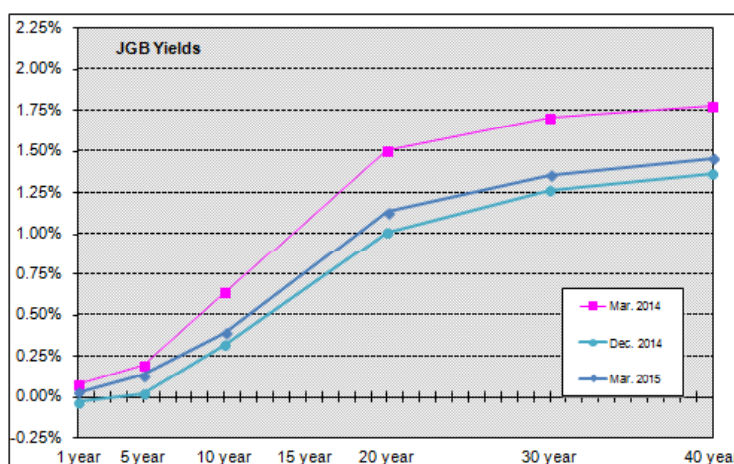
	Sony Life	(Reference) EU Solvency II (QIS5)
Mortality risk	Mortality rate increases by 15% for each year elapsed	Same as on the left
Longevity risk	Mortality rate decreases by 20% for each year elapsed	Same as on the left
Lapse risk	The largest amount of these; <sup>2</sup> <ul style="list-style-type: none"> <li>• Lapse rate increases by 50% for each year elapsed</li> <li>• Lapse rate decreases by 50% for each year elapsed</li> <li>• 30% of policies on which surrender value is in excess of best estimate liability are immediately surrendered</li> </ul>	The largest amount of these; <ul style="list-style-type: none"> <li>• Increases by 50% in the assumed rates of lapsation for Life module, 20% for Health module</li> <li>• Decreases by 50% in the assumed rates of lapsation for Life module, 20% for Health module</li> <li>• 30% of policies (70% for group annuities, etc.) on which surrender value is in excess of best estimate liability are immediately surrendered</li> </ul>
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 Mar. 31, 2015.

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	Dec. 2014	Mar. 2015	Mar. 2014 → Mar. 2015	Dec. 2014 → Mar. 2015
1 year	0.08%	(0.03%)	0.03%	(0.05%)	0.06%
5 year	0.20%	0.02%	0.13%	(0.06%)	0.11%
10 year	0.64%	0.32%	0.40%	(0.24%)	0.07%
20 year	1.50%	1.06%	1.14%	(0.37%)	0.07%
30 year	1.70%	1.27%	1.36%	(0.35%)	0.09%
40 year	1.78%	1.37%	1.46%	(0.32%)	0.09%



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