

**Consolidated Financial Summary (Japanese GAAP)**  
**for the Nine Months Ended December 31, 2015**

February 12, 2016

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

**1. Consolidated financial results for the Nine months ended December 31, 2015**

**(1) Operating results**

	Ordinary Revenues		Ordinary Profit		Profit Attributable to Owners of the Parent	
	Millions of yen	% change	Millions of yen	% change	Millions of yen	% change
For the nine months ended December 31, 2015	1,036,134	1.4	57,450	(24.3)	38,224	(24.3)
For the nine months ended December 31, 2014	1,021,872	(2.5)	75,881	23.2	50,522	43.0

Note: Comprehensive Income: For the nine months ended December 31, 2015: ¥40,268 million: (55.3)%  
For the nine months ended December 31, 2014: ¥90,051 million: 178.6 %

	Net Income per Share	Net Income per Share (Fully Diluted)
	Yen	Yen
For the nine months ended December 31, 2015	87.87	—
For the nine months ended December 31, 2014	116.14	—

**(2) Financial conditions**

	Total Assets	Total Net Assets	Net Asset Ratio
	Millions of yen	Millions of yen	%
As of December 31, 2015	10,163,298	573,540	5.6
As of March 31, 2015	9,545,868	550,672	5.8

Note: Shareholders' equity: As of December 31, 2015: ¥572,215 million  
As of March 31, 2015: ¥549,380 million

**2. Dividends**

	Dividend per Share				
Record date	1st quarter	2nd quarter	3rd quarter	Year-end	Annual Total
	Yen	Yen	Yen	Yen	Yen
For the year ended March 31, 2015	—	0.00	—	40.00	40.00
For the year ending March 31, 2016	—	0.00	—		
For the year ending March 31, 2016 (forecast)				55.00	55.00

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

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

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

	Ordinary Revenues		Ordinary Profit		Profit Attributable to Owners of the Parent		Net Income per Share
	Millions of yen	% change	Millions of yen	% change	Millions of yen	% change	Yen
For the year ending March 31, 2016	1,340,000	(0.9)	72,000	(20.1)	47,000	(13.6)	108.05

4. Notes

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

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

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

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

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

(c) Changes in accounting estimates: None

(d) Restatements of the consolidated financial statements: None

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

(4) Number of shares outstanding (common stock)

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

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

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

(b) Number of treasury shares

As of December 31, 2015: 75 shares

As of March 31, 2015: 55 shares

(c) Weighted-average number of shares

For the nine months ended December 31, 2015: 434,999,936 shares

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

Status of quarterly review procedures

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

## Content of Supplemental Materials

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\* The Conference Call for explaining the Sony Financial Group financial results will be held at 15:30 (Tokyo), February 12, 2016.

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

We will upload the Presentation Materials with speech text on February 12, 2016 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/index.html](http://www.sonyfh.co.jp/en/financial_info/results/index.html)

\* On February 12, 2016, SFH's significant subsidiaries: Sony Life Insurance Co., Ltd. (Sony Life), Sony Assurance Inc. (Sony Assurance) and Sony Bank Inc. (Sony Bank) will announce their financial results for the nine months ended December 31, 2015. SFH prepared an English-language summary of those Japanese announcements made by the above subsidiaries, solely for convenience of non-Japanese readers.

## **I. Notes Regarding Summary Information**

### **Changes in Accounting Policies, Accounting Estimates and Restatements of the Consolidated Financial Statements**

Changes in accounting policies

(Application of Accounting Standards for Business Combinations)

The Sony Financial Group has applied the “Revised Accounting Standards for Business Combinations” (ASBJ Statement No. 21, September 13, 2013), the “Revised Accounting Standards for Consolidated Financial Statements” (ASBJ Statement No. 22, September 13, 2013), the “Revised Accounting Standards for Business Divestitures” (ASBJ Statement No. 7, September 13, 2013) and related standards from the first quarter of the fiscal year ending March 31, 2016. Accordingly, the method of presenting net income and other items was amended, and “minority interests” was changed to “non-controlling interests.” These reclassifications of the consolidated financial statements for the nine months ended December 31, 2014 and the fiscal year ended March 31, 2015 have been made to conform to the presentation for the nine months ended December 31, 2015.

## **II. Consolidated Financial Statements**

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

(Millions of yen)

	As of March 31, 2015	As of December 31, 2015
<b>Assets</b>		
Cash and due from banks	¥134,803	¥108,920
Call loans and bills bought	77,234	141,613
Monetary claims purchased	—	1,000
Monetary trusts	336,842	290,619
Securities	7,377,545	7,851,843
Loans	1,349,586	1,461,510
Tangible fixed assets	123,083	122,235
Intangible fixed assets	33,366	29,826
Goodwill	99	39
Others	33,266	29,786
Due from reinsurers	297	432
Foreign exchanges	2,224	4,509
Other assets	102,756	139,860
Net defined benefit asset	3,005	3,182
Deferred tax assets	6,545	9,275
Reserve for possible loan losses	(1,422)	(1,530)
<b>Total Assets</b>	<b>¥9,545,868</b>	<b>¥10,163,298</b>

(Millions of yen)

	As of March 31, 2015	As of December 31, 2015
<b>Liabilities</b>		
Policy reserves and others	¥6,879,055	¥7,368,919
Reserve for outstanding claims	61,114	67,414
Policy reserves	6,813,749	7,296,713
Reserve for policyholders' dividends	4,191	4,791
Due to agencies	2,450	1,803
Due to reinsurers	675	546
Deposits	1,872,860	1,861,042
Call money and bills sold	6,000	6,000
Borrowed money	20,000	40,000
Foreign exchanges	46	175
Bonds payable	20,000	20,000
Other liabilities	122,340	218,710
Reserve for employees' bonuses	3,395	1,868
Net defined benefit liability	24,558	25,840
Reserve for directors' retirement benefits	338	323
Special reserves	42,969	44,024
Reserve for price fluctuations	42,969	44,024
Deferred tax liabilities on land revaluation	503	503
<b>Total Liabilities</b>	<b>8,995,195</b>	<b>9,589,758</b>
<b>Net Assets</b>		
Common stock	19,900	19,900
Capital surplus	195,277	195,277
Retained earnings	212,124	232,949
Treasury stock	(0)	(0)
Total shareholders' equity	427,301	448,126
Net unrealized gains (losses) on other securities, net of taxes	127,166	128,584
Net deferred gains (losses) on hedging instruments, net of taxes	(2,086)	(1,989)
Land revaluation, net of taxes	(1,480)	(1,480)
Foreign currency translation adjustments	0	1
Remeasurements of defined benefit plans, net of taxes	(1,522)	(1,026)
Total accumulated other comprehensive income	122,078	124,089
<b>Non-controlling interests</b>	<b>1,292</b>	<b>1,324</b>
<b>Total Net Assets</b>	<b>550,672</b>	<b>573,540</b>
<b>Total Liabilities and Net Assets</b>	<b>¥9,545,868</b>	<b>¥10,163,298</b>

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

(Millions of yen)

	For the nine months ended December 31, 2014	For the nine months ended December 31, 2015
Ordinary Revenues	¥1,021,872	¥1,036,134
Ordinary Revenues from the Life Insurance Business	923,666	935,374
Income from insurance premiums	674,454	753,964
Investment income	223,046	153,071
(Interest income and dividends)	99,219	105,180
(Income from monetary trusts, net)	3,958	10,837
(Gains on trading securities, net)	482	–
(Gains on sale of securities)	8,891	12,193
(Gains on derivatives, net)	176	–
(Gains on separate accounts, net)	105,393	24,404
Other ordinary income	26,165	28,339
Ordinary Revenues from the Non-life Insurance Business	69,911	72,776
Underwriting income	68,965	71,803
(Net premiums written)	68,931	71,762
(Interest and dividends on deposits of premiums)	33	41
Investment income	927	952
(Interest income and dividends)	946	981
(Gains on sale of securities)	15	12
(Transfer to interest and dividends on deposits of premiums)	(33)	(41)
Other ordinary income	17	20
Ordinary Revenues from the Banking Business	28,294	27,983
Interest income	19,692	19,055
(Interest income on loans)	10,549	10,955
(Interest income and dividends on securities)	9,070	8,051
Fees and commissions	3,952	4,703
Other operating income	4,477	3,941
(Gains on foreign exchange transactions, net)	2,694	3,075
Other ordinary income	171	283

(Continued)

(Millions of yen)

	For the nine months ended December 31, 2014	For the nine months ended December 31, 2015
Ordinary Expenses	¥945,990	¥978,683
Ordinary Expenses from the Life Insurance Business	859,357	888,087
Insurance claims and other payments	292,548	279,355
(Insurance claims)	58,535	61,305
(Annuity payments)	7,552	7,725
(Insurance benefits)	52,168	60,979
(Surrender payments)	170,485	142,940
(Other payments)	2,363	4,920
Provision for policy reserves and others	451,076	480,245
Provision for reserve for outstanding claims	1,647	4,648
Provision for policy reserves	449,427	475,595
Interest portion of reserve for policyholders' dividends	2	1
Investment expenses	5,875	4,851
(Interest expenses)	23	40
(Losses on trading securities, net)	–	94
(Losses on sale of securities)	0	–
(Losses on derivatives, net)	–	515
Operating expenses	85,139	97,082
Other ordinary expenses	24,717	26,552
Ordinary Expenses from the Non-life Insurance Business	64,934	68,434
Underwriting expenses	48,641	50,580
(Net losses paid)	33,653	35,513
(Loss adjustment expenses)	5,083	5,267
(Net commission and brokerage fees)	717	779
(Provision for reserve for outstanding losses)	2,448	1,651
(Provision for underwriting reserves)	6,736	7,368
Investment expenses	1	4
(Losses on sale of securities)	1	4
Operating, general and administrative expenses	16,289	17,846
Other ordinary expenses	2	2

(Continued)



(Millions of yen)

	For the nine months ended December 31, 2014	For the nine months ended December 31, 2015
Ordinary Expenses from the Banking Business	¥21,698	¥22,161
Interest expenses	7,117	6,692
(Interest expenses on deposits)	3,802	3,532
Fees and commissions	1,421	1,713
Other operating expenses	122	125
General and administrative expenses	13,000	13,379
Other ordinary expenses	36	250
Ordinary Profit	75,881	57,450
Extraordinary Losses	1,122	1,936
Losses on disposal of fixed assets	33	875
Impairment losses	68	6
Provision for special reserves	961	1,054
Provision for reserve for price fluctuations	961	1,054
Provision for reserve for losses on transfer of business	59	–
Provision for Reserve for Policyholders' Dividends	240	855
Income Before Income Taxes	74,518	54,658
Income Taxes – Current	25,568	19,860
Income Taxes – Deferred	(1,596)	(3,457)
Total Income Taxes	23,972	16,403
Profit	50,545	38,255
Profit Attributable to Non-controlling Interests	22	31
Profit Attributable to Owners of the Parent	¥50,522	¥38,224

**(Consolidated Statements of Comprehensive Income)**

(Millions of yen)

	For the nine months ended December 31, 2014	For the nine months ended December 31, 2015
Profit	¥50,545	¥38,255
Other comprehensive income		
Net unrealized gains (losses) on other securities, net of taxes	38,656	1,417
Net deferred gains (losses) on hedging instruments, net of taxes	157	97
Foreign currency translation adjustments	1	0
Remeasurements of defined benefit plans, net of taxes	689	497
Share of other comprehensive income of affiliates accounted for using equity method	0	—
Total other comprehensive income	39,505	2,012
Comprehensive income	¥90,051	¥40,268
(Details)		
Comprehensive income attributable to owners of the parent	90,026	40,235
Comprehensive income attributable to non-controlling interests	24	32

### 3. Segment Information

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

For the nine months ended December 31, 2014

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

For the nine months ended December 31, 2015

	Millions of yen			
	Life insurance business	Non-life insurance business	Banking business	Total
Ordinary revenues				
External customers	¥935,374	¥72,776	¥27,983	¥1,036,134
Intersegment	2,014	1	155	2,171
Total	937,389	72,777	28,139	1,038,305
Segment profit	¥48,804	¥3,824	¥4,666	¥57,294

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

	Millions of yen	
	For the nine months ended December 31, 2014	For the nine months ended December 31, 2015
Totals of reporting segments	¥75,728	¥57,294
Adjustments for intersegment transactions	5	6
Amount not allocated to reporting segments	146	149
Ordinary profit in statement of income	¥75,881	¥57,450

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

None

### 4. Subsequent Events

There were no applicable subsequent events.

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

\* SFH's scope of consolidation includes following companies

Consolidated subsidiaries:

Sony Financial Holdings Inc.

Sony Life Insurance Co. Ltd.

Sony Assurance Inc.

Sony Bank Inc.

Sony Payment Services Inc. (Changed its name from "SmartLink Network, 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.

*Statements made in this press release concerning the current plans, expectations, strategies and beliefs of the Sony Financial Group. Any statements contained herein that are not historical facts are forward-looking statements or pro forma information. Forward-looking statements may include—but are not limited to—words such as “believe,” “anticipate,” “plan,” “strategy,” “expect,” “assume,” “forecast,” “predict,” “propose,” “intend” and “possibility” that describe future operating activities, business performance, events or conditions. Forward-looking statements, whether spoken or written, may also be included in other materials released to the public. These forward-looking statements and pro forma information are based on assumptions, decisions and judgments made by the management of Sony Financial Group companies, and are based on information that is currently available to them. As such, they 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. Sony Financial Group companies are under no obligation to revise forward-looking statements or pro forma information in light of new information, future events or other findings. The information contained in this press release 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 to 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 in Japan or abroad.*

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**III. Attachment**

Content of Presentation Material

**Consolidated Financial Results for the Nine Months Ended December 31, 2015 and  
Sony Life’s Market Consistent Embedded Value as of December 31, 2015**

- Consolidated Operating Results for the Nine Months Ended December 31, 2015 . . . . . 3
- Forecast of Consolidated Financial Results for the Year Ending March 31, 2016 . . . . . 28
- Sony Life’s MCEV and Risk Amount Based on Economic Value as of December 31, 2015 . . . 30
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## Presentation Material

# Consolidated Financial Results for the Nine Months Ended December 31, 2015 and Sony Life's Market Consistent Embedded Value as of December 31, 2015

Sony Financial Holdings Inc.  
February 12, 2016

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## Content

- Consolidated Operating Results for the Nine Months Ended December 31, 2015 P.3
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- Sony Life's MCEV and Risk Amount Based on Economic Value  
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### Disclaimers:

This presentation material contains statements concerning the current plans, expectations, strategies and beliefs of the Sony Financial Group. Any statements contained herein that are not historical facts are forward-looking statements or pro forma information. Forward-looking statements may include—but are not limited to—words such as “believe,” “anticipate,” “plan,” “strategy,” “expect,” “assume,” “forecast,” “predict,” “propose,” “intend” and “possibility” that describe future operating activities, business performance, events or conditions. Forward-looking statements, whether spoken or written, may also be included in other materials released to the public. These forward-looking statements and pro forma information are based on assumptions, decisions and judgments made by the management of Sony Financial Group companies, and are based on information that is currently available to them. As such, they 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. Sony Financial Group companies are under no obligation to revise forward-looking statements or pro forma information 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 to 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 in Japan or abroad.

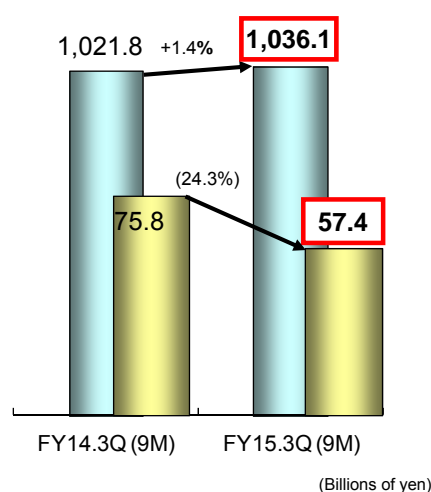
\*Unless otherwise indicated, in these materials figures less than the indicated unit have been truncated, while ratios and percentage changes have been rounded. Also, a “-” is used where percentage changes exceed 1,000% and in cases where one or both comparisons are negative.

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

# Consolidated Operating Results for the Nine Months Ended December 31, 2015

## Highlights of Consolidated Operating Performance (1)

■ Consolidated ordinary revenues  
■ Consolidated ordinary profit



(Billions of yen)		FY14.3Q (9M)	FY15.3Q (9M)	Change	
Life Insurance business	Ordinary revenues	925.7	937.3	+11.6	+1.3%
	Ordinary profit	65.9	48.8	(17.1)	(26.0%)
Non-life Insurance business	Ordinary revenues	69.9	72.7	+2.8	+4.1%
	Ordinary profit	4.4	3.8	(0.6)	(14.6%)
Banking business	Ordinary revenues	28.4	28.1	(0.2)	(1.0%)
	Ordinary profit	5.3	4.6	(0.6)	(12.2%)
Intersegment adjustments*	Ordinary revenues	(2.2)	(2.1)	+0.0	—
	Ordinary profit	0.1	0.1	+0.0	+2.4%
Consolidated	Ordinary revenues	1,021.8	1,036.1	+14.2	+1.4%
	Ordinary profit	75.8	57.4	(18.4)	(24.3%)
	Profit attributable to owners of the parent	50.5	38.2	(12.2)	(24.3%)

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

\*Comprehensive income : FY14.3Q (9M): ¥90.0 billion, FY15.3Q (9M): ¥40.2 billion

(Billions of yen)		15.3.31	15.12.31	Change from 15.3.31	
Consolidated	Net assets	550.6	573.5	+22.8	+4.2%
	Total assets	9,545.8	10,163.2	+617.4	+6.5%

## Highlights of Consolidated Operating Performance (2)

■ **Life Insurance Business:** Policy amount in force continued to increase steadily, reflecting a favorable acquisition of new policies. Ordinary revenues increased year on year, mainly due to a rise in income from insurance premiums despite lower investment performance in the separate account compared with the previous period's favorable performance, driven by strong financial market conditions. Ordinary profit decreased year on year. This is due to a substantial increase in provision of policy reserves for minimum guarantees for variable life insurance as a result of an increase in new policy amount and worsened financial market conditions, partially offset by an increase in gains on sale of securities in the general account.

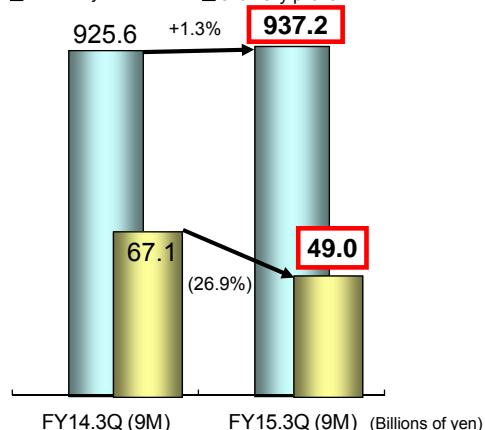
■ **Non-life Insurance Business:** Ordinary revenues expanded year on year, owing to an increase in net premiums written primarily for mainstay automobile insurance. Ordinary profit decreased year on year mainly due to a rise in operating expenses despite the increase in ordinary revenues.

■ **Banking Business:** Both ordinary revenues and ordinary profit decreased year on year, mainly due to a decline in gains on sale of bonds despite higher revenues related to mortgage loans and foreign currency transactions.

■ **Consolidated ordinary revenues** increased 1.4% year on year, to ¥1,036.1 billion, owing to increases in ordinary revenues from the life insurance and the non-life insurance businesses, whereas ordinary revenues from the banking business decreased. Consolidated ordinary profit decreased 24.3% year on year, to ¥57.4 billion, owing to decreases in ordinary profit from all the businesses: life insurance, non-life insurance and banking. Profit attributable to owners of the parent was down 24.3% year on year, to ¥38.2 billion due to the decrease in ordinary profit.

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

□ Ordinary revenues □ Ordinary profit



- ◆ Ordinary revenues increased but ordinary profit decreased year on year.
- ◆ Income from insurance premiums increased year on year, reflecting a steady increase in policy amount in force.
- ◆ Investment income decreased due to lower investment performance in the separate account.
- ◆ Ordinary profit decreased year on year. This is due to a substantial increase in provision of policy reserves for minimum guarantees for variable life insurance as a result of a increase in new policy amount and worsened financial market conditions, partially offset by an increase in gains on sale of securities in the general account. Moreover, increased expenses incurred by strong sales of new policies and higher payment on insurance claims also contributed to the decrease in profit.

(Billions of yen)	FY14.3Q (9M)	FY15.3Q (9M)	Change	
<b>Ordinary revenues</b>	925.6	937.2	+11.6	+1.3%
Income from insurance premiums	675.4	754.8	+79.4	+11.8%
Investment income	223.3	153.4	(69.9)	(31.3%)
Interest income and dividends	99.5	105.5	+5.9	+6.0%
Income from monetary trusts, net	3.9	10.8	+6.8	+173.8%
Gains on sale of securities	8.8	12.1	+3.3	+37.1%
Gains on separate accounts, net	105.3	24.4	(80.9)	(76.8%)
<b>Ordinary expenses</b>	858.4	888.2	+29.7	+3.5%
Insurance claims and other payments	292.5	279.3	(13.1)	(4.5%)
Provision for policy reserves and others	451.0	480.2	+29.1	+6.5%
Investment expenses	6.0	5.0	(1.0)	(16.5%)
Operating expenses	85.4	97.4	+12.0	+14.0%
<b>Ordinary profit</b>	67.1	49.0	(18.0)	(26.9%)
<b>Net income</b>	45.2	32.8	(12.3)	(27.3%)

(Billions of yen)	15.3.31	15.12.31	Change from 15.3.31	
<b>Securities</b>	6,543.7	7,100.4	+556.7	+8.5%
<b>Policy reserves</b>	6,727.2	7,202.8	+475.5	+7.1%
<b>Net assets</b>	432.5	453.7	+21.1	+4.9%
Net unrealized gains on other securities	118.1	121.1	+3.0	+2.5%
<b>Total assets</b>	7,301.3	7,907.9	+606.5	+8.3%
Separate account assets	793.3	866.2	+72.8	+9.2%



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

(Billions of yen)	FY14.3Q (9M)	FY15.3Q (9M)	Change
New policy amount	3,619.0	4,052.4	+12.0%
Lapse and surrender amount	1,562.1	1,474.9	(5.6%)
Lapse and surrender rate	4.00%	3.60%	(0.40pt)
Policy amount in force	40,593.6	42,841.7	+5.5%
Annualized premiums from new policies	58.0	65.8	+13.4%
Of which, third-sector products	11.7	12.0	+3.2%
Annualized premiums from insurance in force	727.0	771.8	+6.2%
Of which, third-sector products	171.7	178.3	+3.8%

### <Reasons for changes>

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

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

#### 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.

(Billions of yen)	FY14.3Q (9M)	FY15.3Q (9M)	Change
Gains from investment, net (General account)	111.9	123.9	+10.7%
Core profit	60.6	35.1	(42.1%)
Positive spread	9.4	11.7	+24.5%

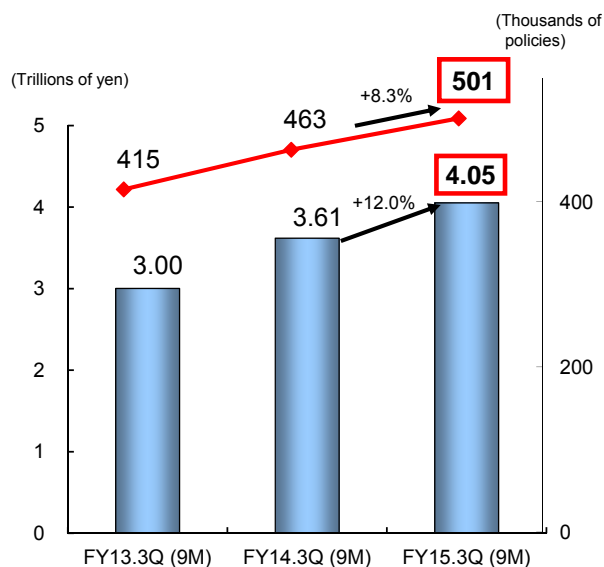
◆ Decreased year on year due to a substantial increase in provision of policy reserves for minimum guarantees for variable life insurance as a result of an increase in new policy amount and worsened financial market conditions despite higher positive spread. Moreover, increased expenses incurred by strong sales of new policies and higher payment on insurance claims also contributed to the decrease in profit.

	15.3.31	15.12.31	Change from 15.3.31
Non-consolidated solvency margin ratio	2,555.0%	2,757.0%	+202.0pt

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

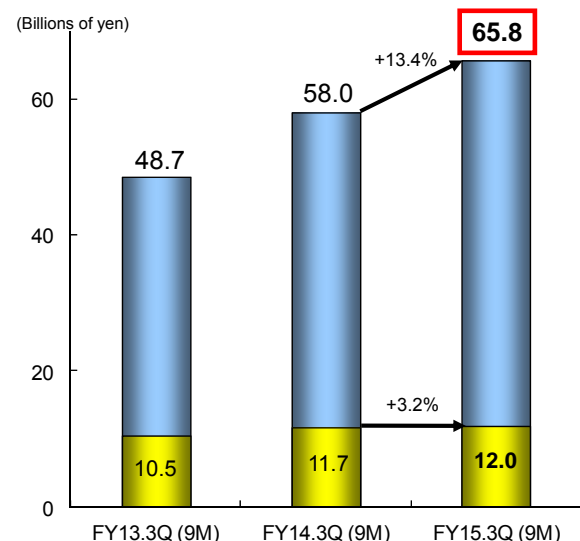
### Number and Amount of New Policies (Individual Life Insurance + Individual Annuities)

■ New policy amount    — Number of new policies



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

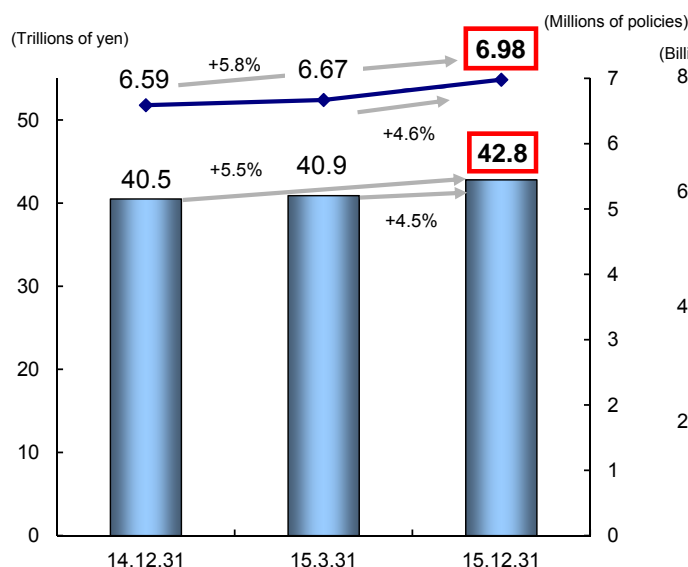
■ Annualized premiums from new policies    ■ Of which, third-sector



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

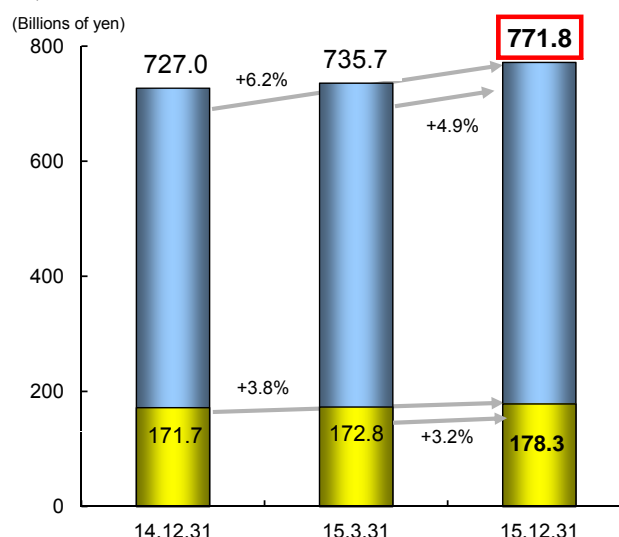
### Number and Amount of Policies in Force (Individual Life Insurance + Individual Annuities)

■ Policy amount in force — Number of policies in force



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

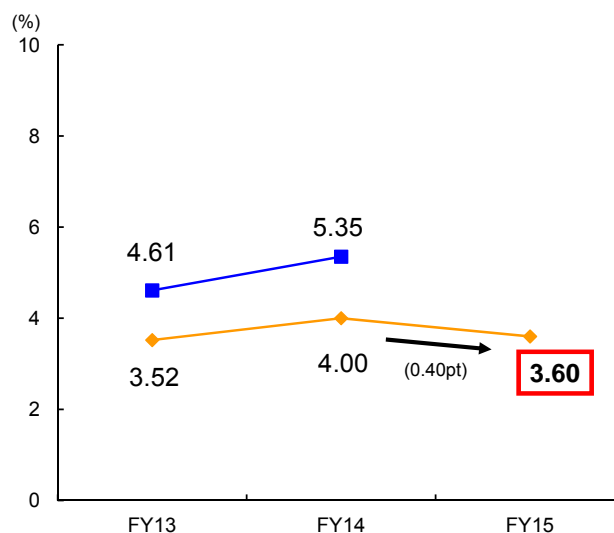
■ Annualized premiums from insurance in force ■ Of which, third-sector



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

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

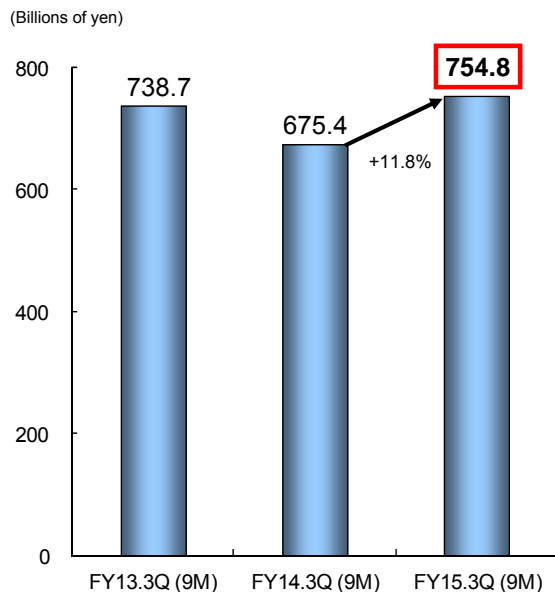
■ Lapse and surrender rate (Annual) ◆ Lapse and surrender rate (9M)



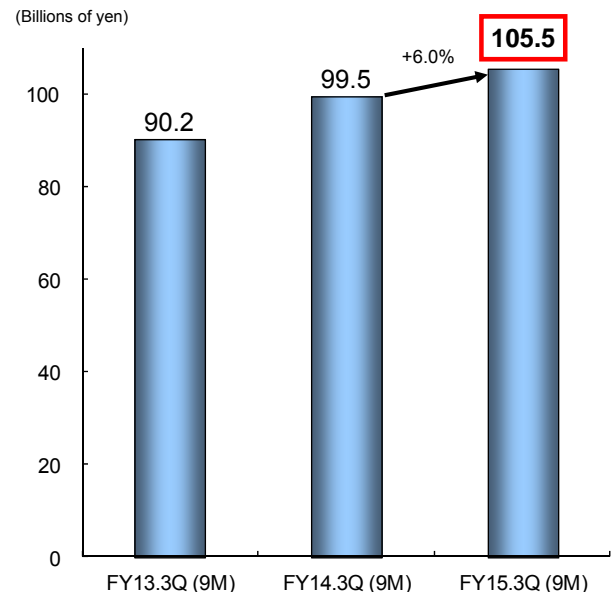
\*The lapse and surrender rate shows the ratio derived by dividing the amount of lapses and surrenders, not adjusted for policy amount decreases, increases, and reinstatements, by the policy amount in force at the beginning of the fiscal year.

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

### Income from Insurance Premiums

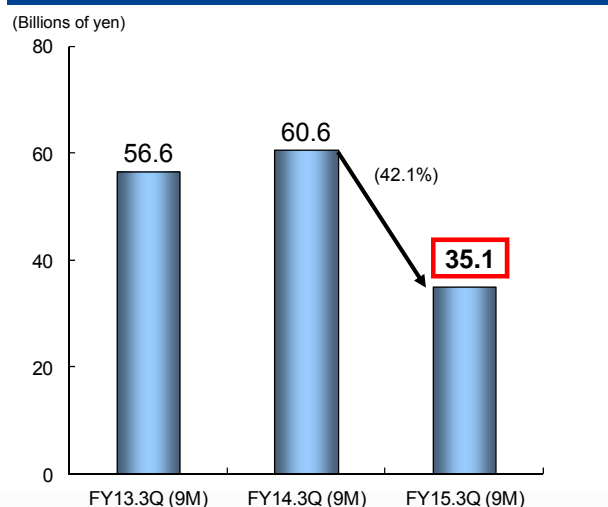


### Interest Income and Dividends



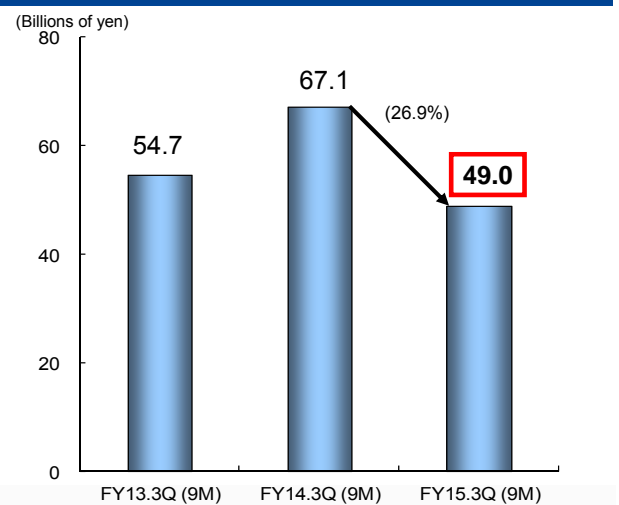
## Operating Performance : Sony Life (Non-consolidated) (5)

### Core Profit



(Reference) Impact on core profit		(Billions of yen)		
		FY13.3Q (9M)	FY14.3Q (9M)	FY15.3Q (9M)
Positive spread		5.7	9.4	11.7
Provision of policy reserves for minimum guarantees for variable life insurance (*1)		0.9	(3.3)	(24.2)
Effects by the revision of policy reserve discount rate (Interest rate-sensitive whole life insurance) (*2)		(5.7)	—	—

### Ordinary Profit



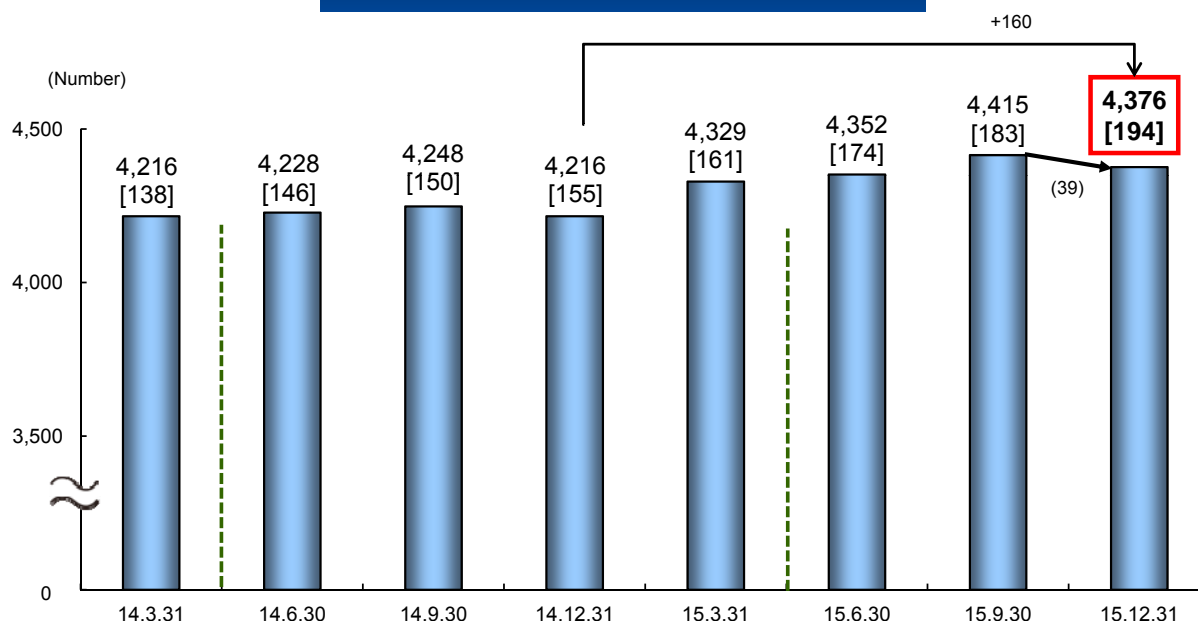
(Reference) Main differences from core profit		(Billions of yen)		
		FY13.3Q (9M)	FY14.3Q (9M)	FY15.3Q (9M)
Capital gains (losses) excluding gains or losses on hedges (*1)		1.2	10.4	19.7
Gains (losses) on hedges of variable life insurance		—	—	(0.6)
Provision of contingency reserve (*1)		(2.9)	(3.8)	(4.9)

\*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.

## 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)	15.3.31		15.12.31	
	Amount	%	Amount	%
Japanese government and corporate bonds	5,606.8	86.2%	6,151.3	87.4%
Japanese stocks	42.4	0.7%	36.6	0.5%
Foreign bonds	105.5	1.6%	68.9	1.0%
Foreign stocks	26.0	0.4%	24.1	0.3%
Monetary trusts	313.2	4.8%	267.6	3.8%
Policy loans	162.3	2.5%	167.8	2.4%
Real estate*	117.7	1.8%	116.4	1.7%
Cash and call loans	56.8	0.9%	102.4	1.5%
Others	76.7	1.2%	106.2	1.5%
<b>Total</b>	<b>6,508.0</b>	<b>100.0%</b>	<b>7,041.7</b>	<b>100.0%</b>

\*Real estate is the total of land, buildings, and construction in progress.

#### <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, 2014: 19.7 years

Mar. 31, 2015: 20.3 years

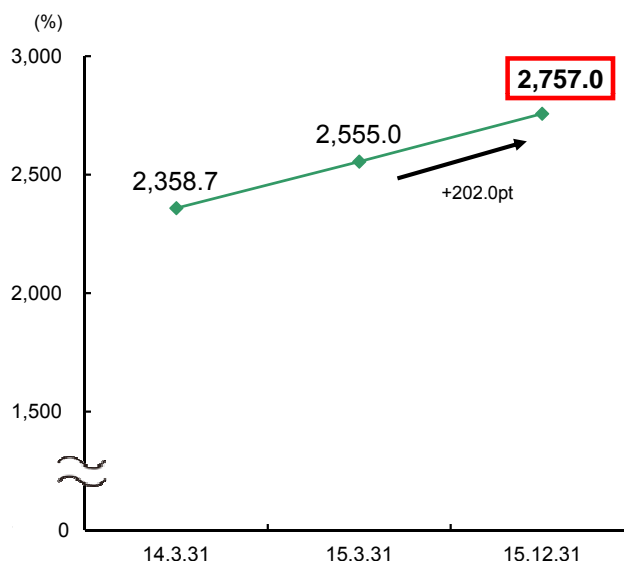
Dec. 31, 2015: 20.5 years

■ 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 Dec. 31, 2015: 91.2% (As of Mar. 31, 2015: 91.0%)

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

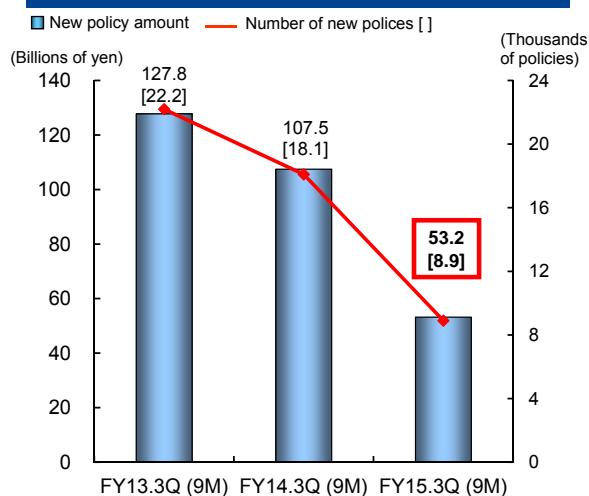
### Non-consolidated Solvency Margin Ratio



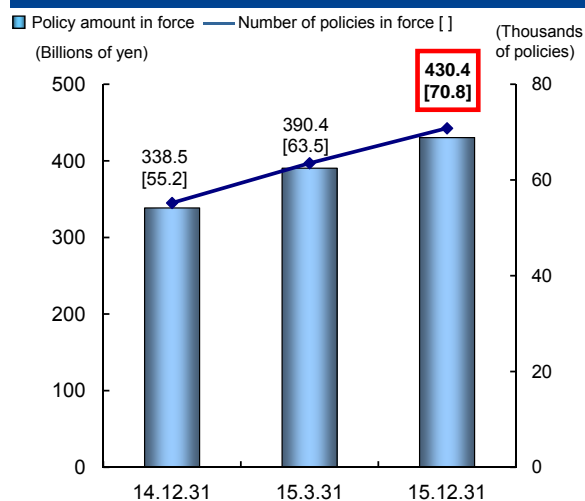
## Operating Performance : AEGON Sony Life Insurance

\*AEGON Sony Life Insurance sells individual variable annuities.

### Number and Amount of New Policies



### Number and Amount of Policies in Force

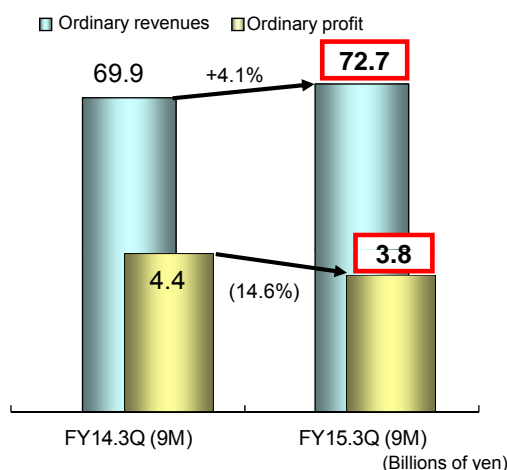


### Net income (losses) for AEGON Sony Life Insurance and SA Reinsurance

(Billions of yen)	FY14.3Q (9M)	FY15.3Q (9M)	Change
<b>AEGON Sony Life Insurance</b>	(3.6)	(1.5)	+2.0
<b>SA Reinsurance</b>	1.0	0.8	(0.1)

\*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 profit attributable to owners of the parent.

# Highlights of Operating Performance: Sony Assurance



- ◆ Ordinary revenues increased but ordinary profit decreased year on year.
- ◆ Ordinary revenues expanded year on year, owing to an increase in net premiums written primarily for mainstay automobile insurance.
- ◆ Ordinary profit decreased year on year, mainly due to a rise in operating expenses such as advertising expenses despite the increase in ordinary revenues.
- ◆ Net income decreased year on year, owing to the recording of a loss on disposal of software in progress as an extraordinary loss.

(Billions of yen)	FY14.3Q (9M)	FY15.3Q (9M)	Change	
<b>Ordinary revenues</b>	69.9	72.7	+2.8	+4.1%
Underwriting income	68.9	71.8	+2.8	+4.1%
Investment income	0.9	0.9	+0.0	+2.7%
<b>Ordinary expenses</b>	65.4	68.9	+3.5	+5.4%
Underwriting expenses	48.9	50.9	+1.9	+4.0%
Investment expenses	0.0	0.0	+0.0	+372.7%
Operating general and administrative expenses	16.4	18.0	+1.5	+9.5%
<b>Ordinary profit</b>	4.4	3.8	(0.6)	(14.6%)
<b>Extraordinary losses</b>	0.0	0.8	+0.8	—
<b>Net income</b>	3.1	2.1	(1.0)	(32.2%)

(Billions of yen)	15.3.31	15.12.31	Change from 15.3.31	
<b>Underwriting reserves</b>	86.5	93.8	+7.3	+8.5%
<b>Net assets</b>	24.7	27.8	+3.1	+12.7%
<b>Total assets</b>	157.9	165.7	+7.8	+5.0%

# Overview of Operating Performance: Sony Assurance

(Billions of yen)	FY14.3Q (9M)	FY15.3Q (9M)	Change	
<b>Direct premiums written</b>	67.9	70.8	+4.2%	◆ Increased mainly in its mainstay automobile insurance.
<b>Net premiums written</b>	68.9	71.7	+4.1%	
<b>Net losses paid</b>	33.6	35.5	+5.5%	
<b>Underwriting profit</b>	3.5	2.9	(19.0%)	
<b>Net loss ratio</b>	56.2%	56.8%	+0.6pt	
<b>Net expense ratio</b>	25.3%	26.6%	+1.3pt	◆ Increased mainly due to higher advertising expenses.
<b>Combined ratio</b>	81.5%	83.4%	+1.9pt	

Notes:

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

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

	FY14.3Q (9M)	FY15.3Q (9M)	Change	
<b>E. I. loss ratio</b>	63.5%	63.1%	(0.4pt)	◆ Declined slightly reflecting persistently low car accident ratio.
<b>E. I. loss ratio + Net expense ratio</b>	88.8%	89.7%	+0.9pt	

Notes:

Earned/Incurred (E.I.) 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.]

	15.3.31	15.12.31	Change from 15.3.31	
<b>Number of policies in force</b>	1.70 million	1.77 million	+0.07 million	+4.5%
<b>Non-consolidated solvency margin ratio</b>	629.6%	695.6%	+66.0pt	

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.

# Sony Assurance's Underwriting Performance by Type of Policy

## Direct Premiums Written

(Millions of yen)	FY14.3Q (9M)	FY15.3Q (9M)	Change
Fire	206	259	+26.1%
Marine	—	—	—
Personal accident	6,425	6,496	+1.1%
Voluntary automobile	61,319	64,053	+4.5%
Compulsory automobile liability	—	—	—
<b>Total</b>	<b>67,950</b>	<b>70,810</b>	<b>+4.2%</b>

## Net Premiums Written

(Millions of yen)	FY14.3Q (9M)	FY15.3Q (9M)	Change
Fire	28	35	+25.0%
Marine	101	36	(64.3%)
Personal accident	6,642	6,721	+1.2%
Voluntary automobile	61,163	63,913	+4.5%
Compulsory automobile liability	995	1,055	+6.1%
<b>Total</b>	<b>68,931</b>	<b>71,762</b>	<b>+4.1%</b>

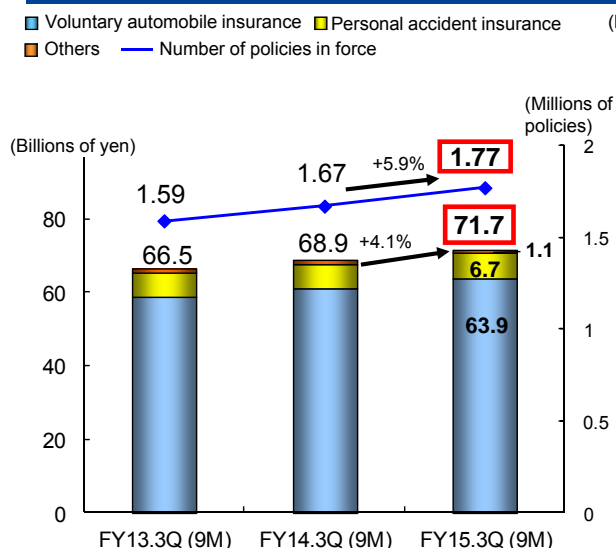
\*Medical and cancer insurance is included in personal accident.

## Net losses paid

(Millions of yen)	FY14.3Q (9M)	FY15.3Q (9M)	Change
Fire	2	1	(46.5%)
Marine	82	122	+48.3%
Personal accident	1,714	1,838	+7.2%
Voluntary automobile	30,935	32,587	+5.3%
Compulsory automobile liability	918	963	+4.9%
<b>Total</b>	<b>33,653</b>	<b>35,513</b>	<b>+5.5%</b>

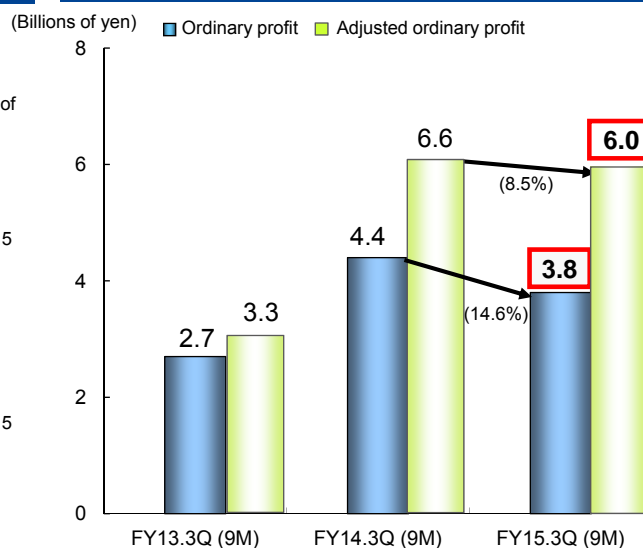
# Operating Performance: Sony Assurance (1)

## 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

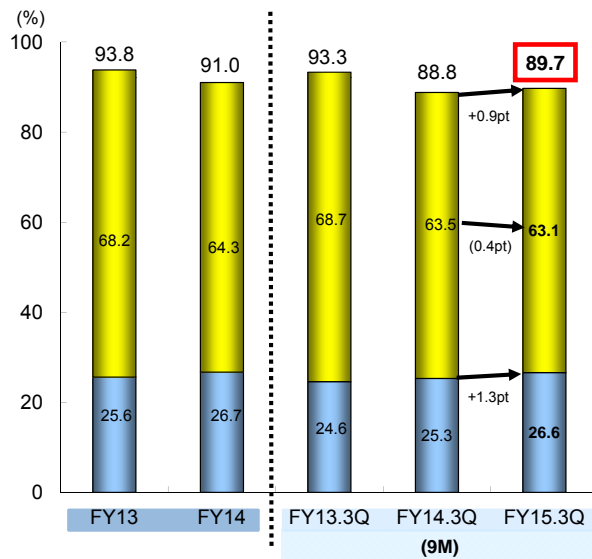
	FY13.3Q (9M)	FY14.3Q (9M)	FY15.3Q (9M)
Provision for catastrophe reserve	0.6	2.1	2.2

\*Provision for catastrophe reserve is described as positive amount

## Operating Performance: Sony Assurance (2)

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

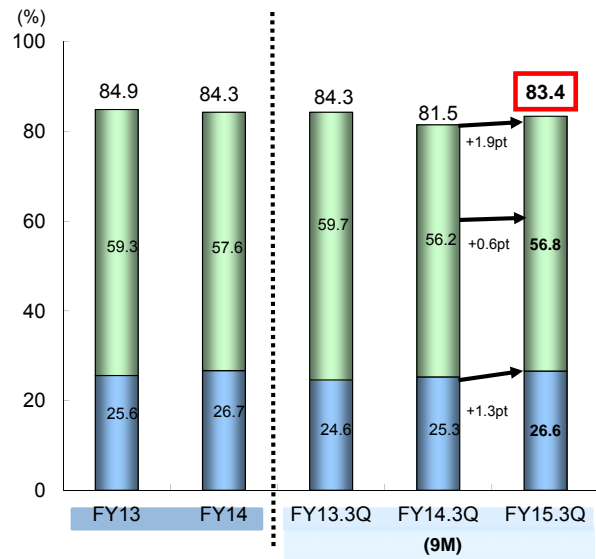
■ Earned/Incurred loss ratio ■ Net expense ratio



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)

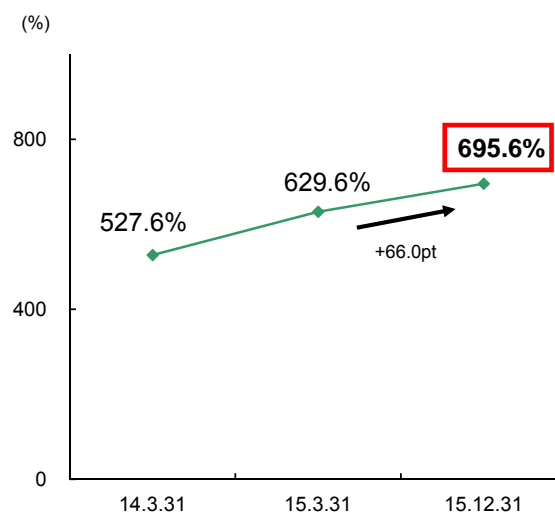
■ Net loss ratio ■ Net expense ratio



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

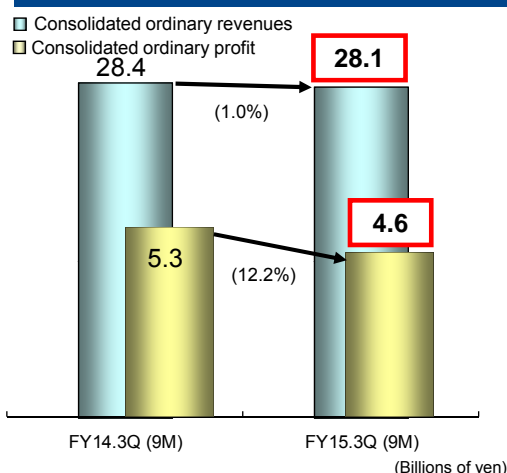
## Operating Performance: Sony Assurance (3)

### Non-consolidated Solvency Margin Ratio





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



## <Consolidated>

- ◆ Both ordinary revenues and ordinary profit decreased year on year, mainly due to a decline in gains on sale of bonds despite higher revenues related to mortgage loans and foreign currency transactions.

## <Non-consolidated>

- ◆ Both gross operating profit and net operating profit decreased year on year.
- Net interest income decreased due to lower interest income and dividends on securities.
- Net fees and commissions improved due to higher fees on mortgage loans.
- Net other operating income decreased due to a decline in gains on sale of bonds.

## <Consolidated>

(Billions of yen)	FY14.3Q (9M)	FY15.3Q (9M)	Change	
Consolidated ordinary revenues	28.4	28.1	(0.2)	(1.0%)
Consolidated ordinary profit	5.3	4.6	(0.6)	(12.2%)
Profit attributable to owners of the parent	3.2	3.0	(0.2)	(6.7%)

## <Non-consolidated>

(Billions of yen)	FY14.3Q (9M)	FY15.3Q (9M)	Change	
Ordinary revenues	26.4	25.9	(0.5)	(1.9%)
Gross operating profit	16.6	16.2	(0.3)	(2.2%)
Net interest income	12.5	12.3	(0.2)	(1.8%)
Net fees and commissions	(0.2)	0.1	+0.3	—
Net other operating income	4.3	3.8	(0.5)	(12.4%)
General and administrative expenses	11.4	11.6	+0.1	+1.7%
Net operating profit	5.3	4.6	(0.6)	(13.1%)
Ordinary profit	5.2	4.6	(0.6)	(12.7%)
Net income	3.3	3.0	(0.2)	(7.0%)

(Billions of yen)	15.3.31	15.12.31	Change from 15.3.31	
Net assets	77.0	77.6	+0.5	+0.7%
Net unrealized gains on other securities, net of taxes	6.6	4.0	(2.6)	(39.3%)
Total assets	2,062.5	2,067.0	+4.5	+0.2%

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

(Billions of yen)	14.12.31	15.3.31	15.12.31	Change from 15.3.31	
Customer assets	1,989.0	2,007.9	1,980.5	(27.3)	(1.4%)
Deposits	1,863.6	1,878.2	1,866.4	(11.8)	(0.6%)
Yen	1,531.6	1,551.0	1,538.5	(12.5)	(0.8%)
Foreign currency	331.9	327.2	327.9	+0.6	+0.2%
Investment trusts	125.3	129.6	114.1	(15.5)	(12.0%)
Loans	1,121.8	1,187.1	1,293.6	+106.4	+9.0%
Mortgage loans	1,011.6	1,074.3	1,181.8	+107.4	+10.0%
Others	110.1	112.8	111.7 <sup>1</sup>	(1.0)	(0.9%)
Capital adequacy ratio <sup>*2</sup> (domestic criteria)	11.23%	10.66%	10.50%	(0.16pt)	

## <Reasons for changes>

- ◆ Yen deposit balance decreased reflecting severe interest rate competitions for yen time deposits in the first half.
- ◆ The yen-denominated balance of foreign currency deposits increased slightly, due to higher foreign currency purchases, driven by rising market sentiment that yen depreciation had nearly stopped.
- ◆ Loan balance expanded reflecting a growing balance of mortgage loans.

\*1 Loans in others include corporate loans of ¥103.6 billion

\*2 Please refer to the graph of the non-consolidated capital adequacy ratio (domestic criteria) on P27.

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

## <Reference> On Managerial Accounting Basis

(Billions of yen)	FY14.3Q (9M)	FY15.3Q (9M)	Change	
<b>Gross operating profit</b>	16.5	<b>16.1</b>	(0.3)	(2.2%)
Net interest income* <sup>1</sup> ①	13.7	<b>13.9</b>	+0.2	+2.2%
Net fees and commissions* <sup>2</sup> ②	0.4	<b>0.7</b>	+0.3	+88.1%
Net other operating income* <sup>3</sup> ③	2.4	<b>1.4</b>	(1.0)	(42.0%)
<b>Gross operating profit (core profit) (A)=①+②</b>	14.1	<b>14.7</b>	+0.6	+4.7%
<b>Operating expenses and other expenses ③</b>	11.3	<b>11.6</b>	+0.3	+3.0%
<b>Net operating profit (core profit) =(A)-③</b>	2.7	<b>3.1</b>	+0.3	+11.4%

### ■ 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.

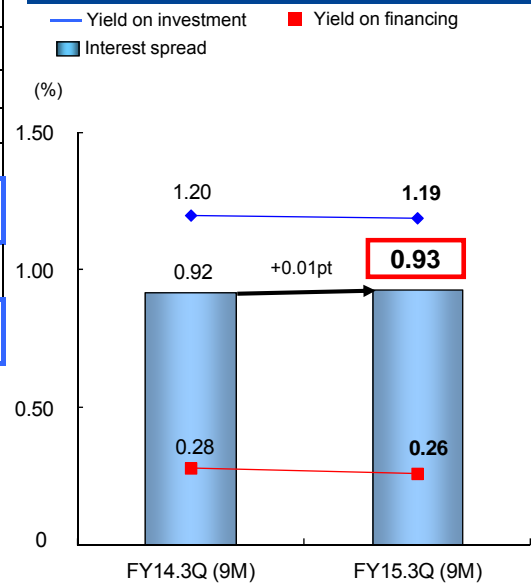
\*2: Net fees and commissions: Includes profits and losses for customer dealings in foreign currency transactions recorded in net other operating income.

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

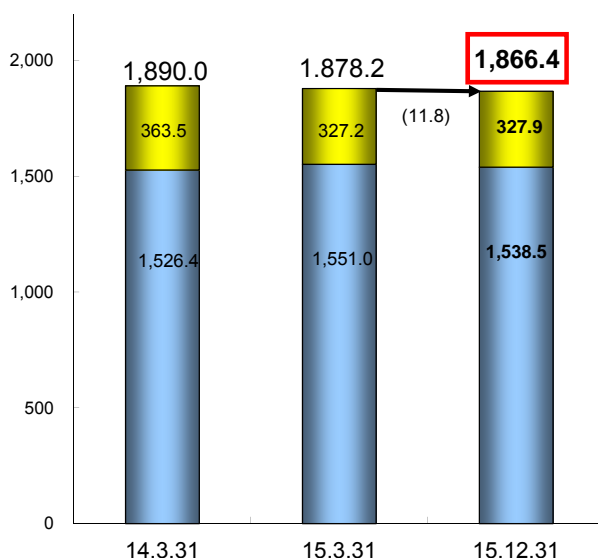


# Operating Performance: Sony Bank (Non-consolidated) (1)

## Deposits

■ Yen deposits ■ Foreign currency deposits

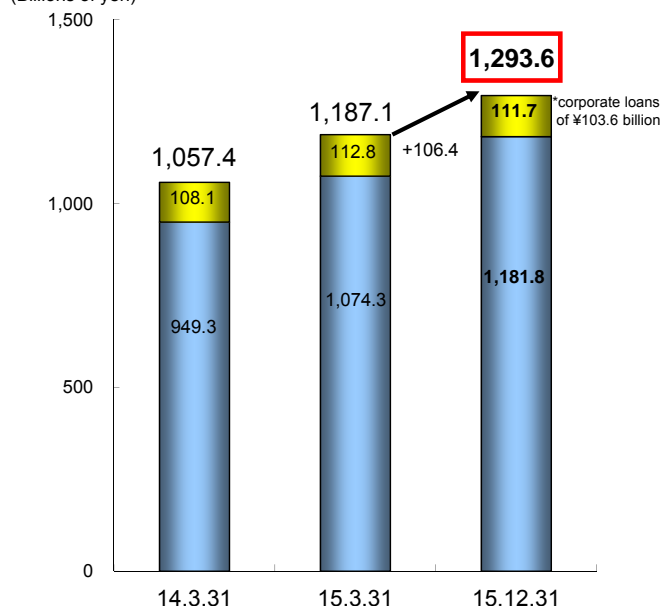
(Billions of yen)



## Loans

■ Mortgage loans ■ Others

(Billions of yen)

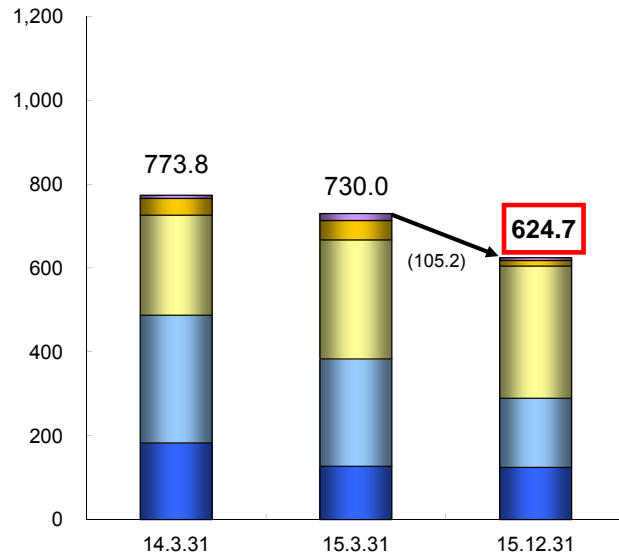


# Operating Performance: Sony Bank (Non-consolidated) (2)

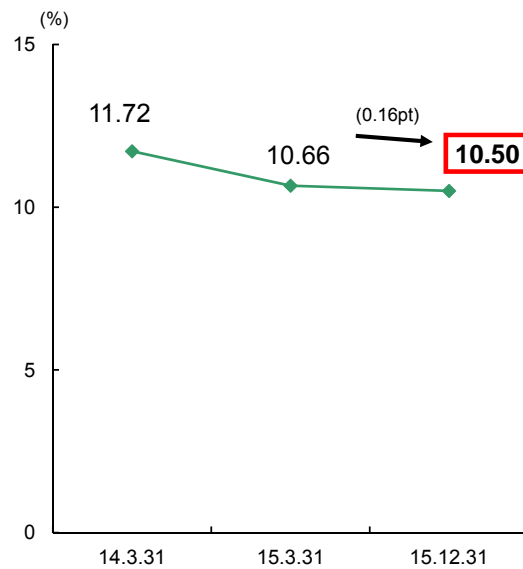
## Balance of Securities by Credit Rating

■ AAA ■ AA ■ A  
■ BBB ■ Others

(Billions of yen)



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



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

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

## Forecast of Consolidated Financial Results for FY15

**SFH's forecast of consolidated financial results for FY15 is unchanged from the forecast announced on Oct. 29, 2015.**

(Billions of yen)	FY14 (Actual)	FY15 (Forecast)	Change	FY15.3Q (9M) (Actual)	Progress rate
<b>Consolidated ordinary revenues</b>	1,352.3	<b>1,340.0</b>	(0.9%)	1,036.1	77.3%
Life insurance business	1,223.9	<b>1,212.8</b>	(0.9%)	937.3	77.3%
Non-life insurance business	93.0	<b>97.1</b>	+4.4%	72.7	75.0%
Banking business	38.4	<b>36.8</b>	(4.2%)	28.1	76.5%
<b>Consolidated ordinary profit</b>	90.0	<b>72.0</b>	(20.1%)	57.4	79.8%
Life insurance business	78.3	<b>61.4</b>	(21.6%)	48.8	79.5%
Non-life insurance business	4.2	<b>4.4</b>	+4.5%	3.8	86.9%
Banking business	7.3	<b>6.4</b>	(12.7%)	4.6	72.9%
<b>Profit attributable to owners of the parent</b>	54.4	<b>47.0</b>	(13.6%)	38.2	81.3%

The forecasts for FY15 financial results, both consolidated and for the individual businesses (life insurance, non-life insurance and banking) remain unchanged because the actual results were in line with our expectations.

We expect current financial market conditions, which have fluctuated significantly since January 2016, to have a limited impact on forecasts for FY15 financial results, both the consolidated and for the individual businesses. The impact from the current market conditions are incorporated in our forecasts.

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

Please keep in mind that the validity of these calculations of MCEV as of September 30, 2015 and December 31, 2015, has not been verified by outside specialists. A part of the calculations of MCEV as of September 30, 2015 and December 31, 2015, adopted simplified method.

\*In this part, figures, ratios and percentages changes have been rounded.

## Sony Life's MCEV

(Billions of yen)	15.3.31	15.9.30	15.12.31	Change from 15.3.31	Change from 15.9.30
<b>MCEV</b>	1,322.9	1,388.2	1,386.9	+64.0	(1.3)
Adjusted net worth	1,119.2	1,082.7	1,229.5	+110.3	+146.8
Value of existing business	203.7	305.5	157.4	(46.2)	(148.0)

(Billions of yen)	FY14 (12M)	FY15.1H (6M)	FY15.3Q (9M)
New business value	48.6	20.1	27.3
New business margin	3.8%	2.6%	2.4%

Notes:

1. New business margin equals new business value divided by present value of premium income.

2. In calculating MCEV as of September 30, 2015 and December 31, 2015, Sony Life updated economic assumptions and lapse and surrender rates from March 31, 2015.

### ◆ Reasons for changes in MCEV

- MCEV as of December 31, 2015 decreased ¥1.3 billion from September 30, 2015, mainly due to a decline in interest rates in Japanese yen despite the continued favorable acquisition of new policies.
- MCEV as of December 31, 2015 increased ¥64.0 billion from March 31, 2015, mainly due to an acquisition of new policies.

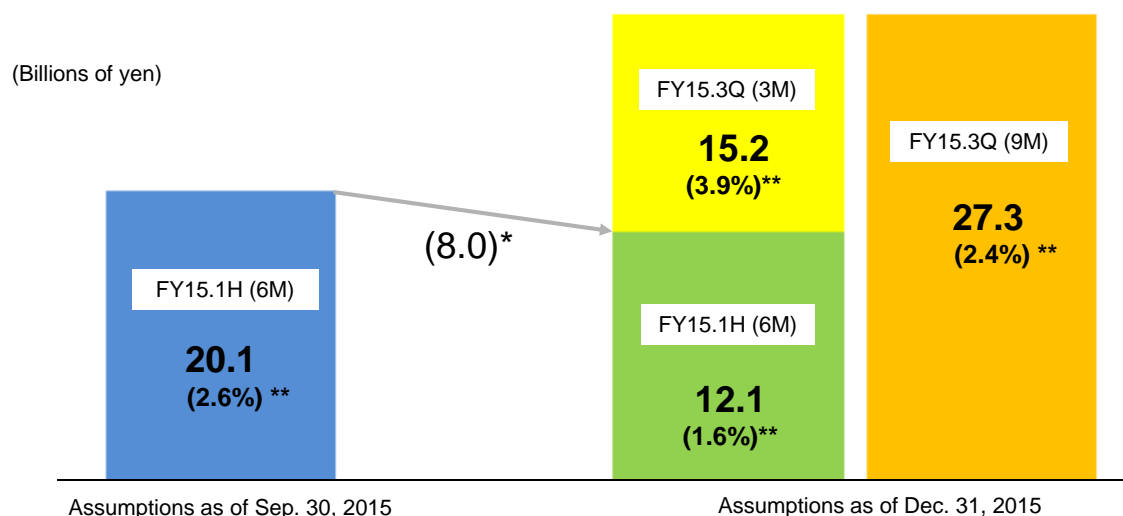
### ◆ New business value / new business margin

- New business value for FY15.3Q (9M) was ¥27.3 billion (¥36.3 billion / annualized).
  - New business margin for FY15.3Q (9M) was down 0.2pt from FY15.1H (6M) mainly due to a decline in interest rates in Japanese yen, partially offset by the positive impact of funding limits on variable life insurance.
- It was down 1.4pt from FY14 (12M) mainly due to a change of product mix and a decline in interest rates in Japanese yen.

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

## (Reference) Changes on Sony Life's New Business Value

◆ New business value for FY15.3Q (3M) increased significantly to ¥15.2 billion (¥60.8 billion / annualized) compared with ¥12.1 billion (¥24.2 billion / annualized) for FY15.1H (6M).



Notes:

\*Effected amount by revaluating new business value as of FY15.1H (6M) with the assumptions including interest rates as of Dec. 31, 2015. New business value decreased mainly due to a decline in interest rates.

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

## Sony Life's Risk Amount Based on Economic Value

(Billions of yen)	15.3.31	15.9.30	15.12.31
Insurance risk	724.2	752.9	782.6
Market-related risk	287.0	284.6	301.1
Of which, interest rate risk*	218.5	220.2	232.0
Operational risk	25.9	26.2	26.7
Counter party risk	1.8	3.1	2.8
Variance effect	(293.4)	(300.1)	(313.3)
Risk amount based on economic value	745.5	766.8	799.9

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

(Billions of yen)	15.3.31	15.9.30	15.12.31
MCEV	1,322.9	1,388.2	1,386.9
ESR	177%	181%	173%

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. ESR=MCEV/ Risk amount based on economic value.

◆ Maintained financial soundness by controlling market-related risk.

# 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 (25\*) \*As of Feb. 12, 2016



### 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

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

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

■ Sony Life accounts for 21% of the balance of mortgage loans as of Dec. 31, 2015

Sony Life accounts for 15% of the amount of new mortgage loans for FY15.3Q (9M)

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



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

■ Sony Life accounts for 4% of new automobile policies for FY15.3Q (9M)

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



## &lt;Highlights for FY2015.3Q&gt;

- 2015-10-01 Sony Assurance introduced a system for the direct payment to medical institutions of advance medical insurance claims
- 2015-11-02 Sony Life commenced sale of a new product: "Living Benefit Term Life Insurance (Living Standard Type)"
- 2015-11-25 Sony Financial Holdings disclosed a "Basic Policy on Corporate Governance"
- 2015-12-21 Sony Life Care Group started advertisement for residents for a newly built nursing care home "SONARE Soshigaya-Okura", which is scheduled to open in April 2016
- 2016-01-04 Sony Bank commenced service of "Sony Bank WALLET," a cash card with a Visa debit function

## 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)

	14.3.31			15.3.31			15.12.31		
	Carrying amount	Fair value	Net unrealized gains (losses)	Carrying amount	Fair value	Net unrealized gains (losses)	Carrying amount	Fair value	Net unrealized gains (losses)
Held-to-maturity securities	4,409.6	4,839.9	430.3	4,878.7	5,718.2	839.4	5,237.9	6,185.9	947.9
Policy reserve matching bonds	-	-	-	-	-	-	231.8	239.3	7.5
Available-for-sale securities	1,065.5	1,189.8	124.3	1,007.8	1,176.6	168.8	887.6	1,050.7	163.0
Japanese government and corporate bonds	1,035.9	1,146.7	110.8	974.6	1,120.1	145.5	854.8	996.7	141.9
Japanese stocks	12.2	21.2	8.9	13.4	29.4	16.0	13.3	28.3	14.9
Foreign securities	15.8	19.4	3.5	19.4	26.4	6.9	19.2	25.3	6.0
Other securities	1.4	2.5	1.0	0.3	0.6	0.3	0.1	0.3	0.1
Total	5,475.1	6,029.8	554.7	5,886.6	6,894.9	1,008.3	6,357.5	7,476.1	1,118.5

## 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 March 31, 2014; Carrying amount: ¥43.8 billion, Fair market value: ¥56.0 billion, Net unrealized gain (losses): ¥12.2 billion  
As of March 31, 2015; Carrying amount: ¥44.2 billion, Fair market value: ¥57.5 billion, Net unrealized gain (losses): ¥13.2 billion  
As of Dec. 31, 2015 ; None

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

(Billions of yen)

14.3.31		15.3.31		15.12.31	
Balance sheet amount	Net valuation gains (losses) recorded in income	Balance sheet amount	Net valuation gains (losses) recorded in income	Balance sheet amount	Net valuation gains (losses) recorded in income
-	-	1.0	0.0	2.9	(0.0)

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



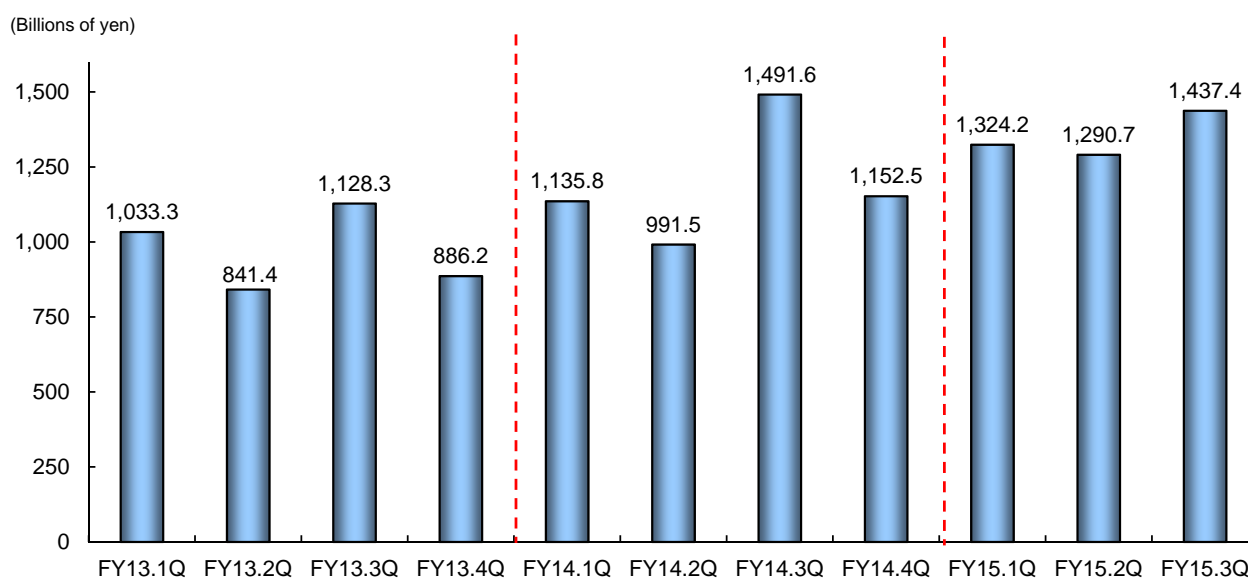
## Sony Life's Interest Income and Dividends (Details)

(Millions of yen)

	FY14.3Q (9M)	<b>FY15.3Q (9M)</b>	Change
Cash and deposits	0	<b>0</b>	+165.9%
Japanese government and corporate bonds	80,022	<b>85,907</b>	+7.4%
Japanese stocks	299	<b>356</b>	+19.1%
Foreign securities	6,645	<b>5,653</b>	( 14.9%)
Other securities	355	<b>1,260</b>	+255.1%
Loans	4,439	<b>4,616</b>	+4.0%
Real estate	7,744	<b>7,681</b>	(0.8%)
Others	56	<b>47</b>	(15.5%)
Total	99,563	<b>105,524</b>	+6.0%

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

### Quarterly Trend on New Policy Amount

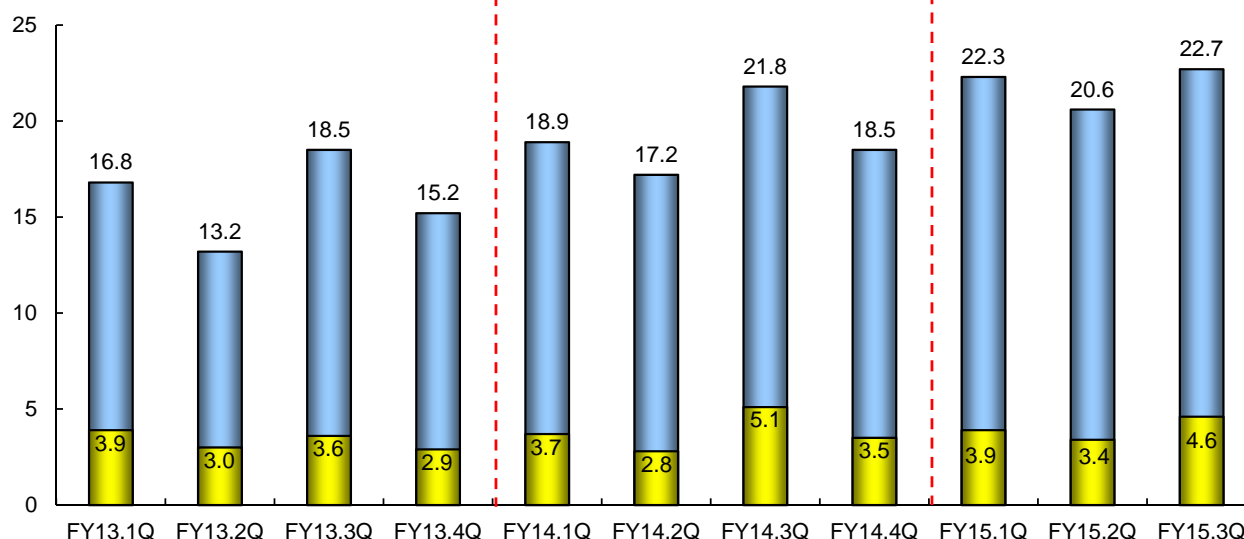


# Sony Life's Quarterly Trend on Annualized Premiums from New Policies

## Quarterly Trend on Annualized Premiums from New Policies

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

(Billions of yen)



# 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 Dec. 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>

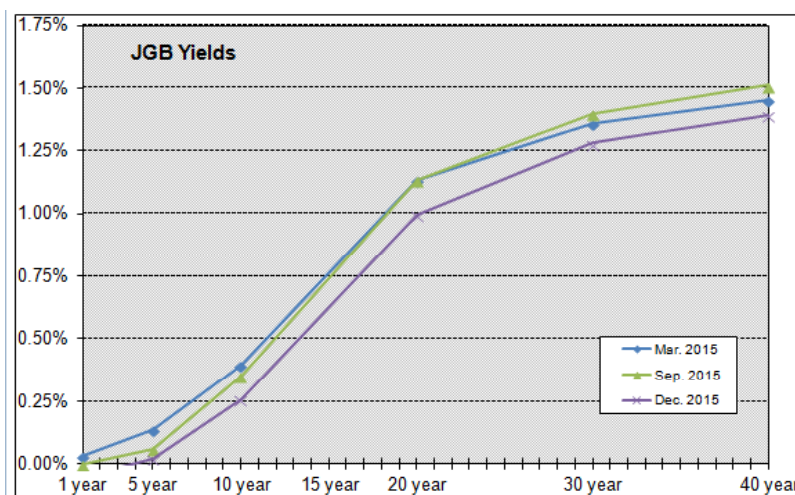
	Sony Life	(Reference) EU Solvency II (QIS5)
Mortality risk	Mortality rate increases by 15% for each year elapsed	Same as on the left
Longevity risk	Mortality rate decreases by 20% for each year elapsed	Same as on the left
Lapse risk	The largest amount of these; <sup>2</sup> <ul style="list-style-type: 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 Dec. 31, 2015.

2. At Sony Life, the largest amount of three options is calculated for each insurance policy.

## JGB Yields



As of the end of each month

JGB yields	Mar. 2015	Sep. 2015	Dec. 2015	Mar. 2015 →Dec. 2015	Sep. 2015 →Dec. 2015
1 year	0.03%	0.00%	(0.05%)	(0.08%)	(0.05%)
5 year	0.13%	0.06%	0.02%	(0.11%)	(0.04%)
10 year	0.40%	0.35%	0.26%	(0.14%)	(0.09%)
20 year	1.14%	1.14%	1.00%	(0.14%)	(0.14%)
30 year	1.36%	1.40%	1.28%	(0.08%)	(0.12%)
40 year	1.46%	1.51%	1.39%	(0.06%)	(0.12%)



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