

February 12, 2010  
Sony Financial Holdings Inc.

**Summary Information on Sony Assurance's Financial Results**  
**for the Nine Months Ended December 31, 2009**

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## **1. Balance Sheets**

(Millions of yen)

	As of December 31, 2009	As of March 31, 2009
Assets:		
Cash and deposits	1,931	2,819
Securities	72,736	64,309
Tangible fixed assets	329	270
Intangible fixed assets	2,379	1,898
Other assets	11,340	12,139
Deferred tax assets	6,015	5,260
<b>Total assets</b>	<b>94,732</b>	<b>86,698</b>
Liabilities:		
Policy reserves and others	74,355	66,520
Reserves for outstanding losses	17,280	15,729
Underwriting reserves	57,074	50,791
Other liabilities	4,424	5,411
Income taxes payable	1,160	556
Lease obligations	0	1
Others	3,263	4,853
Reserve for employees' retirement benefits	525	462
Reserve for directors' retirement benefits	26	37
Reserve for employees' bonuses	311	575
Reserve for price fluctuations and others	23	12
Reserve for price fluctuations	23	12
<b>Total Liabilities</b>	<b>79,666</b>	<b>73,020</b>
Net Assets:		
Stockholder's Equity		
Common stock	20,000	20,000
Capital surplus	20,000	20,000
Retained deficits	(24,952)	(26,147)
<b>Total stockholder's equity</b>	<b>15,047</b>	<b>13,852</b>
Valuation and translation adjustment		
Net unrealized losses on other securities, net of taxes	18	(173)
<b>Total valuation and translation adjustments</b>	<b>18</b>	<b>(173)</b>
<b>Total Net Assets</b>	<b>15,065</b>	<b>13,678</b>
<b>Total Liabilities and Net Assets</b>	<b>94,732</b>	<b>86,698</b>

## 2. Statements of Income

(Millions of yen)

	For the nine months ended December 31, 2008	For the nine months ended December 31, 2009
Ordinary revenues	46,139	50,947
Underwriting income	45,609	50,417
<i>Net premiums written</i>	45,580	50,393
<i>Interest and dividends on deposits of premiums</i>	28	23
Investment income	503	511
<i>Interest income and dividends</i>	512	517
<i>Gains on sale of securities</i>	18	7
<i>Transfer to interest and dividends on deposits of premiums</i>	(28)	(23)
Other ordinary income	26	18
Ordinary expenses	44,682	49,137
Underwriting expenses	33,514	37,185
<i>Net losses paid</i>	22,092	25,399
<i>Loss adjustment expenses</i>	2,702	2,981
<i>Net commissions and brokerage fees</i>	789	969
<i>Provision for reserve for outstanding losses</i>	1,577	1,551
<i>Provision for underwriting reserve</i>	6,352	6,283
Investment expenses	116	13
<i>Losses on sale of securities</i>	28	12
<i>Devaluation losses on securities</i>	86	—
Operating, general and administrative expenses	11,045	11,926
Other ordinary expenses	5	13
Ordinary profit	1,456	1,809
Extraordinary gains	27	—
Reversal of reserve for price fluctuations and others	27	—
Reversal of reserve for price fluctuations	27	—
Extraordinary losses	3,819	37
Losses on sale or disposal of fixed assets	3,819	26
Provision for reserve for price fluctuations and others	—	10
Provision for reserve for price fluctuations	—	10
Income before income taxes	(2,335)	1,772
Income taxes –Current	248	1,341
Income taxes –Deferred	(638)	(764)
Total income taxes	—	576
Net income	(1,945)	1,195

### 3. Financial Summary (Year-on-Year Comparison)

(Millions of yen)

	For the nine months ended December 31, 2008	For the nine months ended December 31, 2009	Change (Amount)	Change (%)
<b>Gross direct premiums written</b> ( Direct premiums written )	45,377 45,377	50,133 50,133	4,756 4,756	10.5 10.5
<b>Underwriting income</b> ( Net premiums written )	45,609 45,580	50,417 50,393	4,807 4,813	10.5 10.6
<b>Underwriting expenses</b> ( Net losses paid )	33,514 22,092	37,185 25,399	3,670 3,307	11.0 15.0
( Loss adjustment expenses )	2,702	2,981	279	10.3
( Net commissions and brokerage fees )	789	969	180	22.8
<b>Investment income</b> ( Interest and dividends )	503 512	511 517	7 5	1.5 1.0
( Gains on sale of securities )	18	7	(10)	(58.9)
<b>Investment expenses</b> ( Losses on sale of securities )	116 28	13 12	(103) (16)	(88.7) (57.0)
( Devaluation losses on securities )	86	—	(86)	(100)
<b>Operating, general and administrative expenses</b> (Operating, general and administrative expenses for underwriting)	11,045 11,012	11,926 11,866	880 854	8.0 7.8
<b>Other ordinary income, net</b>	20	5	(14)	(72.4)
<b>Ordinary profits</b> (Underwriting profits)	1,456 1,082	1,809 1,365	352 282	24.2 26.1
Extraordinary gains	27	—	(27)	(100.0)
Extraordinary losses	3,819	37	(3,782)	(99.0)
<b>Extraordinary gains (losses), net</b>	(3,792)	(37)	3,754	—
<b>Income before income taxes</b>	(2,335)	1,772	4,107	—
<b>Income taxes-Current</b>	248	1,341	1,093	439.9
<b>Income taxes-Deferred</b>	(638)	(764)	(125)	—
<b>Total income taxes</b>	—	576	—	—
<b>Net income</b>	(1,945)	1,195	3,140	—
Ratios	Net loss ratio (%)	54.4	56.3	
	Net expense ratio (%)	25.9	25.5	

Notes: 1. Underwriting profits = Underwriting income – (Underwriting expenses + Operating, general and administrative expenses for underwriting) ± Other income and expenses. Other income and expenses are such as corporate taxes associated with compulsory automobile liability insurance.

2. Ratios are calculated as follows.

Net loss ratio = (Net losses paid + Loss adjustment expenses) / Net premiums written x 100

Net expense ratio = (Net commissions and brokerage fees + Operating, general and administrative expenses for underwriting) / Net premiums written x 100

#### **4. Premiums and Losses Paid by Type of Category**

##### **Direct Premiums Written**

(Millions of yen)

	For the nine months ended December 31, 2008			For the nine months ended December 31, 2009		
	Amount	Composition (%)	Change (%)	Amount	Composition (%)	Change (%)
Fire	265	0.6	32.7	215	0.4	(18.9)
Marine	—	—	—	—	—	—
Personal accident	4,959	10.9	5.3	5,187	10.3	4.6
Voluntary automobile	40,152	88.5	11.5	44,731	89.2	11.4
Compulsory automobile liability	—	—	—	—	—	—
Total	45,377	100.0	10.9	50,133	100.0	10.5

##### **Net Premiums Written**

(Millions of yen)

	For the nine months ended December 31, 2008			For the nine months ended December 31, 2009		
	Amount	Composition (%)	Change (%)	Amount	Composition (%)	Change (%)
Fire	13	0.0	10.9	9	0.0	(24.7)
Marine	32	0.1	(16.0)	(2)	(0.0)	(106.6)
Personal accident	5,159	11.3	6.6	5,360	10.6	3.9
Voluntary automobile	39,997	87.8	11.5	44,557	88.4	11.4
Compulsory automobile liability	378	0.8	(12.4)	468	0.9	23.7
Total	45,580	100.0	10.7	50,393	100.0	10.6

##### **Net Losses Paid**

(Millions of yen)

	For the nine months ended December 31, 2008			For the nine months ended December 31, 2009		
	Amount	Change (%)	Net loss ratio (%)	Amount	Change (%)	Net loss ratio (%)
Fire	0	(37.6)	75.0	0	3.5	72.0
Marine	11	(35.1)	35.3	2	(79.7)	—
Personal accident	1,001	11.6	22.1	1,106	10.5	22.8
Voluntary automobile	20,715	15.5	58.2	23,891	15.3	60.0
Compulsory automobile liability	363	8.8	95.9	399	9.9	85.2
Total	22,092	15.1	54.4	25,399	15.0	56.3

## 5. Solvency Margin Ratio

(Millions of yen)

	As of December 31, 2009	As of March 31, 2009
(A) Total solvency margin	27,097	24,195
Capital or treasury	15,047	13,852
Reserve for price fluctuations	23	12
Contingency reserve	5	3
Catastrophe reserve	11,995	10,500
Reserve for possible loan losses	-	-
Net unrealized gains on other securities (before subtracting tax effects)	25	(173)
Net unrealized gains on real estate	-	-
Excess refund reserve	-	-
Subordinated debt	-	-
Deductible items	-	-
Other	-	-
(B) Total risk $\sqrt{(R_1+R_2)^2+(R_3+R_4)^2} + R_5+R_6$	5,252	4,872
Ordinary insurance risk (R <sub>1</sub> )	4,467	4,097
Third-sector insurance risk (R <sub>2</sub> )	0	0
Assumed interest rate risk (R <sub>3</sub> )	9	8
Asset management risk (R <sub>4</sub> )	279	294
Business management risk (R <sub>5</sub> )	161	150
Major catastrophe risk (R <sub>6</sub> )	615	614
(C) Solvency margin ratio (%) [(A) / {(B)×1/2}] ×100	1,031.7	993.0

Note: Calculations and figures included in the chart above apply the methods provided for under Articles 86 and 87 of the Insurance Business Law of Japan enforcement regulations, as stipulated in 1996 Ministry of Finance Official Notification No. 50. A part of calculations for major catastrophe risk as of December 31, 2009, are calculated according to methods judged rational by Sony Assurance.

### <Solvency Margin Ratio>

Non-life insurance companies maintain reserves to ensure their ability to pay claims when accidents occur and return contracted amounts at maturity on savings-type insurance. Non-life insurance companies must also maintain sufficient ability to pay in the event of a major catastrophe or a dramatic drop in the value of the assets they hold—risk events outside the normal scope of expectations.

Total risk (item (B) in the table above) indicates dangers outside the general scope of expectations. The solvency margin ratio (item (C) in the table above) is an indicator of an insurer's ability to pay, calculated as prescribed by the Insurance Business Law of Japan, based on its percentage holdings of capital and other reserves (in other words, the total solvency margin: as indicated by (A) above).

“Risk events outside the normal scope of expectations” refers to the total of the amounts represented by the following risks.

Insurance underwriting risks (Ordinary insurance risks) (Third-sector insurance risks)	Risks outside the scope of risk incorporated into the rate of accident occurrence (excluding major catastrophe risks)
Assumed interest rate risks	Risks that actual investment yields will fall below the investment yield assumed when calculating premiums
Asset management risks	Risks arising from such factors as unexpectedly large fluctuations in prices on owned securities and other assets
Business management risks	Unexpected risks to business management other than 1) through 3) and 5) above
Major catastrophe risks	Risks arising from major catastrophes (such as the Great Kanto Earthquake and the Ise Bay Typhoon)

A non-life insurer's ability to pay (total solvency margin), as indicated by such factors as its capital and reserves is the total of the insurer's total net assets (excluding the amount of expected outflow from the company), reserves (such as the reserve for price fluctuations and catastrophe reserves) and a portion of its net unrealized gain on real estate.

The solvency margin ratio is an objective indicator used by the insurance regulatory authorities to supervise insurers. If this ratio is 200% or higher, an insurer is judged to have sufficient ability to satisfy claims and other payments.