A bright blue sky with scattered white clouds. The clouds are of various shapes and sizes, some appearing as soft, fluffy patches and others as more wispy, elongated streaks. The overall scene is serene and clear.

Life Is Long.
That's Why It's Wonderful.

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Message from the Management

■ ■ ■ “From an Individual Annuity to a Lifelong Annuity” ■ ■ ■

We appreciate your support for AEGON Sony Life Insurance Co., Ltd. (“AEGON Sony Life Insurance” or “the Company”).

AEGON Sony Life Insurance is a life insurance company established as a joint venture between Sony Life Insurance Co., Ltd., and AEGON International of the AEGON Group to lead Japan’s retirement benefits market.

The Company launched its life insurance business in December 2009 to provide high-quality products and services by combining Sony Life Insurance’s business performance and experience in Japan and AEGON’s know-how related to products for the retirement benefits market.

In the Company’s first year of operation, FY2009, the business environment for the individual annuity market was severe, similar to other industries, with the lingering impact of the financial crisis that was triggered by the collapse of the U.S. financial system. Despite the difficult environment, the Company was able to make a smooth start in its operations, establishing good alliances with solicitation agencies and expanding sales. To secure competitiveness and earnings capability and to sustain development, we will continue to strive to establish a sturdy business foundation and streamline our internal control system.

This report was prepared to disclose the Company’s information and to report on the recent measures taken and our management status in FY2009.

To support customers’ good lives with peace of mind through reliable life insurance is our mission. Under the slogan “From an Individual Annuity to a Lifelong Annuity” all employees of the Company will continue their efforts to develop expertise in the Japanese retirement benefits market. Your further support and patronage will be appreciated.

July 2010



Executive Vice President,
Representative Director
Yo Nakahara

President,
Representative Director
Shigeru Arakawa

Management Philosophy

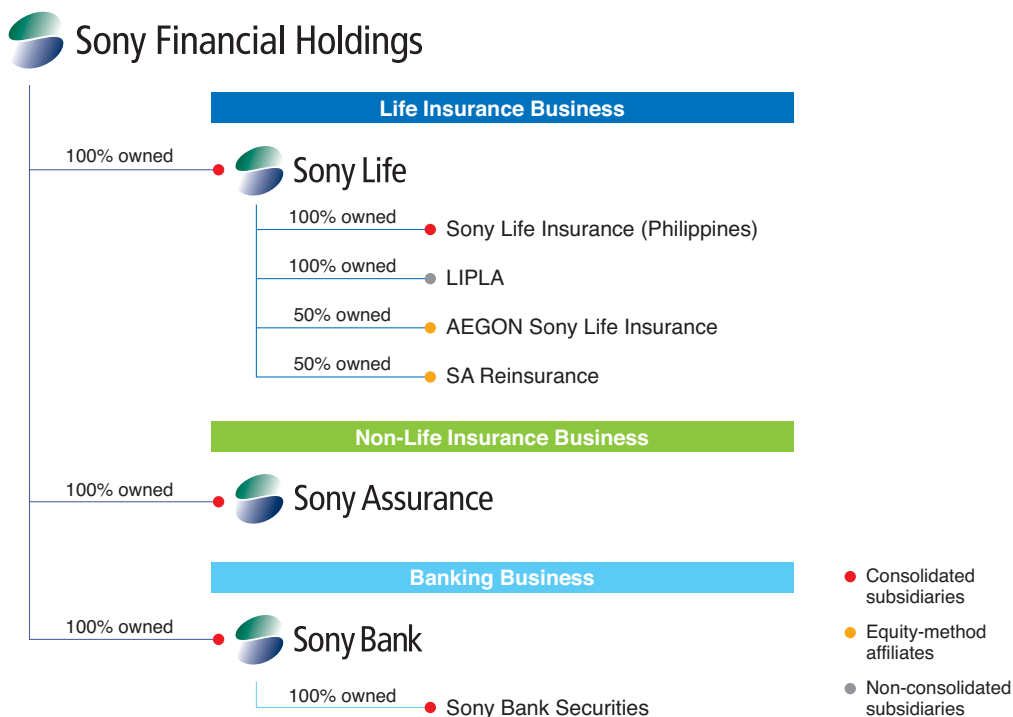
AEGON Sony Life Insurance, as an expert in annuities, values its customers, business partners, employees, shareholders and the society in which it operates and offers high-quality annuities and services with the aim of becoming the company most trusted by customers.

Management Policy

- ◎ Develop expertise in the retirement benefits market by offering annuities and services that address customers' various pension needs.
- ◎ Conduct innovative management that addresses newly emerging customer needs by understanding changes in the environment and by continually and aggressively tackling the challenge of providing high-quality services that satisfy customers.
- ◎ Respect employees' individual characteristics and maintain a resilient and vigorous organization in which they can optimize their capabilities and aptitudes.
- ◎ Fulfill our corporate social responsibility by accurately managing various risks and conducting sound management in compliance with laws and regulations.

Outline of the Parent Companies

About Sony Financial Holdings



The Sony Financial Holdings (SFH) Group is a comprehensive financial services group comprising Sony Financial Holdings Inc., subsidiaries Sony Life Insurance Co., Ltd., Sony Assurance Inc., Sony Bank Inc. and other group companies.

On October 11, 2007, the holding company Sony Financial Holdings Inc. listed its shares on the First Section of the Tokyo Stock Exchange.

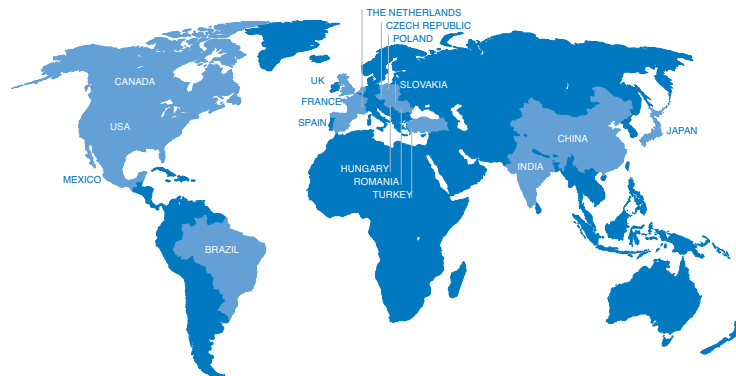
Vision

The SFH Group seeks to become the most highly trusted financial services group by customers. To this end, the SFH 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.

Sony Life Insurance Co., Ltd.	With the mainstay products of death-protection insurance and medical insurance, Sony Life Insurance provides high-quality services by designing and selling life insurance tailored to individual customers through life planning consultation delivered by sales employees ("Lifeplanners") and independent agencies ("Partners").
Sony Assurance Inc.	Sony Assurance directly sells automobile insurance (risk segmented type) and the medical and cancer insurance "SURE," which provides high-quality services for reasonable premiums via the Internet and phone.
Sony Bank Inc.	Sony Bank is an Internet bank that provides individual customers with various products and services such as deposits in yen and foreign currencies, mortgage loans, investment trusts and foreign exchange margin transactions in a highly convenient and beneficial way.

About AEGON

AEGON is one of the world's leading providers of life insurance, pensions and investment products, with businesses in over twenty countries in the Americas, Europe and Asia. In business development in Japan which was its longtime target, AEGON established AEGON Sony Life Insurance Co. with the Sony Life Insurance and started its service in December, 2009. Based in the Hague, AEGON employs approximately 28,000 people and serves some 40 million customers around the world.



AEGON'S CUSTOMER PHILOSOPHY

AEGON's ambition is to be a global leader in helping customers secure their financial futures, resulting in sustainable, profitable growth. Understanding its customers and their specific needs forms the foundation of AEGON's business strategy.

AEGON Corporate Profile (Numbers as of December 31st, 2009)

Established Capital	1,089 billion yen*
Number of Employees	28,000 approximately
Total assets	39,766 billion yen*
Ratings Assigned (as of Jan. 1st, 2010)	AA- by Standard & Poor's for financial strength rating for AEGON primary life insurance companies, including Transamerica Life Insurance Co in the US, Scottish Equitable PLC in the UK and AEGON Levensverzekering N.V. in the Netherlands. A- by Standard & Poor's for credit rating **



*Euro to yen exchange rate taken from Dec. 31st, 2009 exchange rate of (1 EURO to 133.16 yen)
**Credit ratings for AEGON N.V.



Lang Lang

AEGON'S SPONSORSHIP

In 2009, AEGON joined forces with one of the world's most sought-after concert artists, the Chinese-born pianist, Lang Lang. Also, AEGON and its subsidiary Transamerica Life Insurance Co. have been the sponsor of a professional golf player, Zach Johnson, since 2004. AEGON's mission in its sponsorship is to support and encourage inspiration and excellence.

AEGON'S COMMUNITY SUPPORT

AEGON supports a wide range of good causes and charitable organizations. These vary from research into cancer and other serious illnesses to education for disadvantaged children and financing music and the arts. In 2009, AEGON donated a total of 7.3 million EUR in various areas in North and South America, Europe, and Asia.

Overview of the Company's Business Results

Business Results for FY2009

Contract performance indices

Premiums and others

Premiums and others include such income as premiums paid by policyholders.

¥ 7,441 million

New business

New business refers to the amount of products sold by the life insurance company during the fiscal year under review.

¥ 7,441 million

Number of new policies

467 policies

Insurance in force

Insurance in force refers to the volume of life insurance policies held by the life insurance company at the end of the fiscal year.

¥ 7,199 million

Number of policies in force

466 policies

Since the Company launched its business in December 2009, the above results are the performance for the four months ending March 31, 2010.

Earning capability indices

Fundamental profit (loss)

Fundamental profit (loss) is the net of the core revenue of the life insurance company consisting of insurance-related revenue and expenditures such as premium income, claim payments and operating expenses, and investment income such as interest and dividends.

¥ (526) million

Ordinary profit (loss)

Ordinary profit (loss) is the amount derived by subtracting expenses (ordinary expenses) from revenue generated continuously each year by the operating activities of the life insurance business (ordinary income). If ordinary expenses exceed ordinary revenue, the difference becomes an ordinary loss.

¥ (585) million

Net income (loss)

Net income (loss) is the amount derived by subtracting income taxes—current and income taxes—deferred from income before income taxes. It refers to net income generated or a net loss incurred by all activities of the Company.

¥ (604) million

Since the Company launched its business in December 2009 and does not yet hold enough contracts, core profit, ordinary income and net income for the year under review were all negative.

Asset and liability-related indices

Policy reserves

Policy reserves refer to the reserves required by the Insurance Business Law for each type of insurance to prepare for future payments of claim, annuities and other benefits.

¥ 7,246 million

Total assets

Total assets refer to the amount of assets indicated in the accounting item "Total assets" on the left side of the Balance Sheet.

¥ 27,294 million

Separate accounts

Separate accounts refer to accounts separately managed for variable life insurance and variable annuities, in order to reflect investment results directly in claim payments.

¥ 5,661 million

Soundness indices

Solvency margin ratio

The solvency margin ratio is an administrative control index to determine whether the company has the "solvency" in case the risk beyond ordinary expectation arises. The ratio is obtained by dividing the total of internal reserves such as net assets and unrealized capital gains of securities, etc. (total solvency margin), by a numerically converted total risk value.

35,575.8 %

Negative spread

Negative spread occurs in a situation in which the results of asset management are lower than the projected insurance ratio due to changes in the economic environment and/or other reasons.

None

Financial Highlights

Indices to show the results of major operations

Millions of yen

	FY2009
Insurance in force (Note 1)	7,199
Individual life insurance	-
Individual annuities	7,199
Group life insurance	-
Group pension in force	-
In force annualized premium equivalent (APE)	6,432
Medical, living benefit protection and others	-
New business (Note 2)	7,441
Individual life insurance	-
Individual annuities	7,441
Group life insurance	-
New business APE (Note 3)	6,432
Medical, living benefit protection and others	-
Ordinary revenue	7,532
Premiums and others	7,441
Investment income	90
Ordinary expenses	8,118
Claims and benefits	5
Investment expenses	8
Operating expenses	2,689
Ordinary profit (loss)	(585)
Net income (loss)	(604)
Fundamental profit (loss)	(526)
Share capital	10,000
Outstanding shares	20,000 thousands
Total assets	27,294
Assets in separate account (Note 4)	5,661
Policy reserve	7,246
Loans	-
Securities	4,918
Solvency margin ratio	35,575.8%
Number of employees	97 people

Notes: 1. Insurance in force is the total of the annuity fund for policies in the accumulation period and the cash value of policies in payout status.

2. New business in individual annuities is the annuity fund.

3. Annualized premium equivalent (APE) is calculated by multiplying premiums paid each time and a coefficient corresponding to the premium mode (single premium policies are calculated as the premium divided by the policy period).

4. "Assets in separate account" refer to the net amount calculated by deducting accounts receivable from general accounts based on the Insurance Business Law of Japan.

For Customer Satisfaction

Measures to Improve Customer Satisfaction

System to reflect customer feedback in management

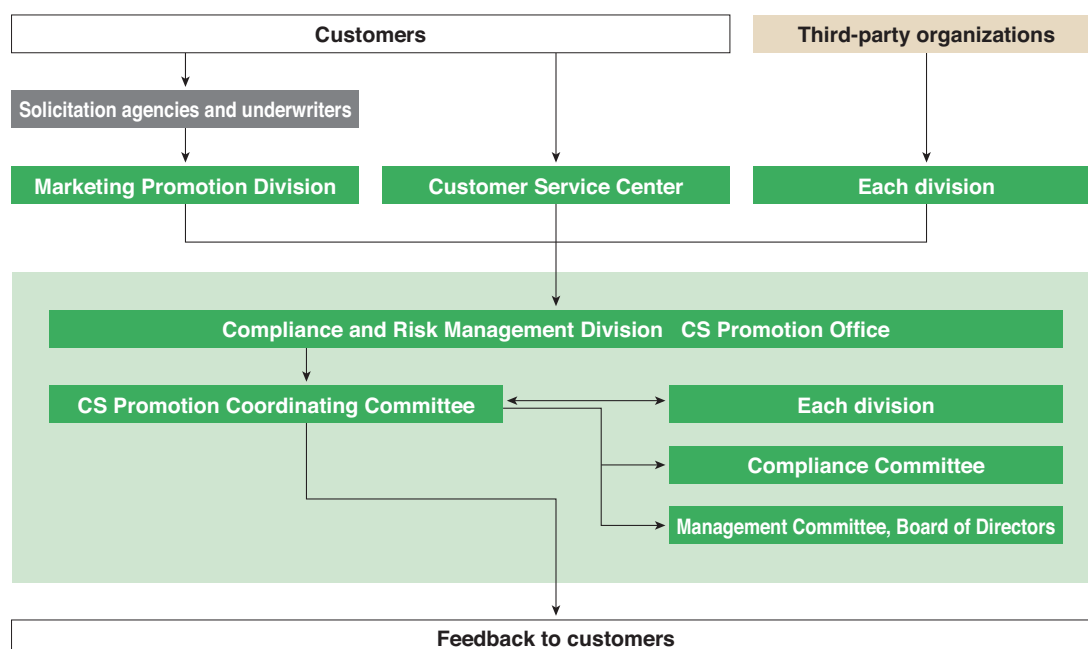
Under the management philosophy of aiming to become the company most trusted by customers, AEGON Sony Life Insurance has formulated a basic policy for customer protection, sincerely listening to customers and making its best efforts to improve services for customers.

The Company manages, collects and analyzes all customer feedback at its Customer Satisfaction Promotion Office (CS Promotion Office) under the Compliance and Risk Management Division.

The customer feedback analysis results are reported to the Compliance Committee, the Management Committee and the Board of Directors (hereinafter the “Board of Directors, etc.”), where such analysis is evaluated and instructions for improvement are given.

We also discuss practical matters to improve operations with the CS Promotion Coordinating Committee under the CS Promotion Office and report the results to the Board of Directors, etc.

System to reflect customer feedback in management (July 1, 2010)



Measures to reflect customer feedback in management

As part of the Company’s compliance program, we conduct a customer satisfaction survey once a year. Our FY2010 survey will target our policyholders who entered into contracts after the Company launched operations in December 2009. We intend to conduct a survey annually in order to reflect customer feedback in management.

Customer feedback received to date

Definition

- “Customer feedback” refers to customers’ opinions about the products and services provided by the Company and its operating activities.
- “Complaints” refer to customers’ expressions of dissatisfaction included in customer feedback.
- “Consultation and opinion, etc.,” refer to inquiries or comments made by customers without expressing dissatisfaction.

Complaints brought to the Company

We received 140 instances of customer feedback during FY2009, of which 13 were categorized as complaints and the content of those 13 was as follows.

Content	FY2009	
	Number of cases	Ratio
Subscribing to insurance policy	8	61.5
Premium payments	0	0.0
Processes and dividends after joining policy	4	30.7
Payment of claims and benefits	0	0.0
Other	1	7.8
Total	13	100.0

case, %

Cases resulting in operational improvements

The Company has been collecting and analyzing customer feedback since its business launch in December 2009. As of the end of March 2010, there were no cases that resulted in specific operational improvements. We will continue to sincerely listen to customers and strive to improve services.

Status of Solicitation Agencies

Status of solicitation agencies

The Company has increased the number of solicitation agencies that handle its product since it started sales in December 2009. As of July 1, 2010, it has five agencies.

Products handled by the Company and its agencies as of July 1, 2010

Individual variable annuities (Guaranteed Lifetime Withdrawal Benefit)

Product name	Solicitation agency
Winning Road	Sony Life Insurance, The Tokyo Star Bank, THE MINATO BANK, and Fukushima Bank
My History	Sumitomo Mitsui Banking Corporation

Individual variable annuities (Guaranteed Minimum Accumulation Benefit)

Product name	Solicitation agency
Victory Run	Sony Life Insurance

Education and training for solicitation agencies

Regarding it important to establish a trust relationship between the sales staff at our solicitation agencies and customers, the Company customizes and offers more than 20 kinds of training programs. Specifically, in addition to typical industry training, we have prepared various training programs based on KASH (Knowledge, Attitude, Skills and Habits). For sales staff, we offer the proprietary SALM (Sales Attitude Learning Method) to help them acquire the skills and attitude necessary for consulting sales, and WPL (Workplace Learning) for voluntary learning in a small group at sales sites, such as branch offices, etc.



Such support is meticulously given by the Company's marketing planners (sales staff). As marketing planners, the Company employs highly skilled personnel with ample experience as well as overall financial and product knowledge, and trains them for three months in various matters such as coaching, presentation and facilitation skills.

Development of New Products

Status of the development of new products

To be able to address customers' various pension needs, the Company engages in the development of new products.

On December 1, 2009, when the Company launched its business, it released an individual variable annuity (Guaranteed Lifetime Withdrawal Benefit) and an individual variable annuity (Guaranteed Minimum Accumulation Benefit).

The individual variable annuity (Guaranteed Lifetime Withdrawal Benefit) is a product that provides lifelong annuity payments for the customer while the customer's assets are managed in separate accounts. This annuity plan guarantees at least the amount equal to the single premium as a death benefit in the accumulation period and as the aggregate amount of annuity being paid plus a death benefit after annuity payments commence. After five years from the policy date, surrender value is guaranteed in case of cancellation.

The individual variable annuity (Guaranteed Minimum Accumulation Benefit) guarantees at least the amount equal to the single premium as a death benefit in the accumulation period and as the accumulated capital at the start of annuity payment. With this annuity plan, the accumulation period can be selected as 10 years or 15 years. For the 15-year deferment type, the minimum guarantee level is upgraded every 5 years according to fund performance.

System of Claim Payment Operations

Basic policy on payment operations

Recognizing that the payment of insurance claims is the most important operation of an insurance company, AEGON Sony Life provides insurance products and services. The commitment to pay claims is a long-term agreement between the Company and its customers. The Company therefore regards it as its responsibility to pay claims unflinchingly to customers when needed. AEGON Sony Life strives to strengthen its payment operations, reinforcing its operating systems and structures on a daily basis.

Payment operations structure

To ensure that payments to customers are assured and swift, AEGON Sony Life assigns multiple personnel to check payment approval decisions. It has also prepared Claim and Payment Assessment Standards and a related operation manual highlighting points for caution when making payment assessments. To ensure the appropriateness of payments, in addition to internal checks by the unit in charge of claim payment management, the compliance unit runs checks of appropriateness. The Company also has made organizational upgrades, such as increasing the number of personnel in the unit in charge of claim payment management and enhancing their education and training. When developing new products, the unit in charge of new product development and the unit in charge of claim payment management cooperate and share the knowledge of product outline and policy stipulations in order to ensure appropriate claim payments, etc., in future.

To reinforce the claim payment management structure

Regarding establishing an appropriate claim payment management structure as its priority issue, the Company takes measures toward operational improvements of the claim payment management structure. Specifically, it implements various measures such as fully providing information about claim payments to customers and developing a claim payment operations-related system. Aiming to further reinforce the claim payment management structure, the entire Company continues to improve services to customers.

Since the Company launched its business in December 2009, the number of policies for which claims were paid and the policies on which non-payment decisions were made were zero.

Claims/Benefits Paid in FY2009 (Individual Insurance)

	Claims					Benefits					Total	
	Death	Disaster	Severe injury	Other	Total	Death	Hospitalization	Surgery	Injury	Other		Total
Number paid	0	0	0	0	0	0	0	0	0	0	0	0

Number of Policies (Individual Life Insurance) on Which Non-Payment Decisions Were Reached in FY2009

	Claims					Benefits						Total
	Death	Disaster	Severe injury	Other	Total	Death	Hospitalization	Surgery	Injury	Other	Total	
Invalid, as fraudulent	0	0	0	0	0	0	0	0	0	0	0	0
Invalid, as acquired for illegal purchases	0	0	0	0	0	0	0	0	0	0	0	0
Cancelled for nondisclosure reasons	0	0	0	0	0	0	0	0	0	0	0	0
Cancelled for grave reason	0	0	0	0	0	0	0	0	0	0	0	0
Justified exclusion	0	0	0	0	0	0	0	0	0	0	0	0
Outside scope of reasons for payment	0	0	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0	0
Total number of contracts for which claims were not paid	0	0	0	0	0	0	0	0	0	0	0	0

Corporate Governance

Risk Management Structure

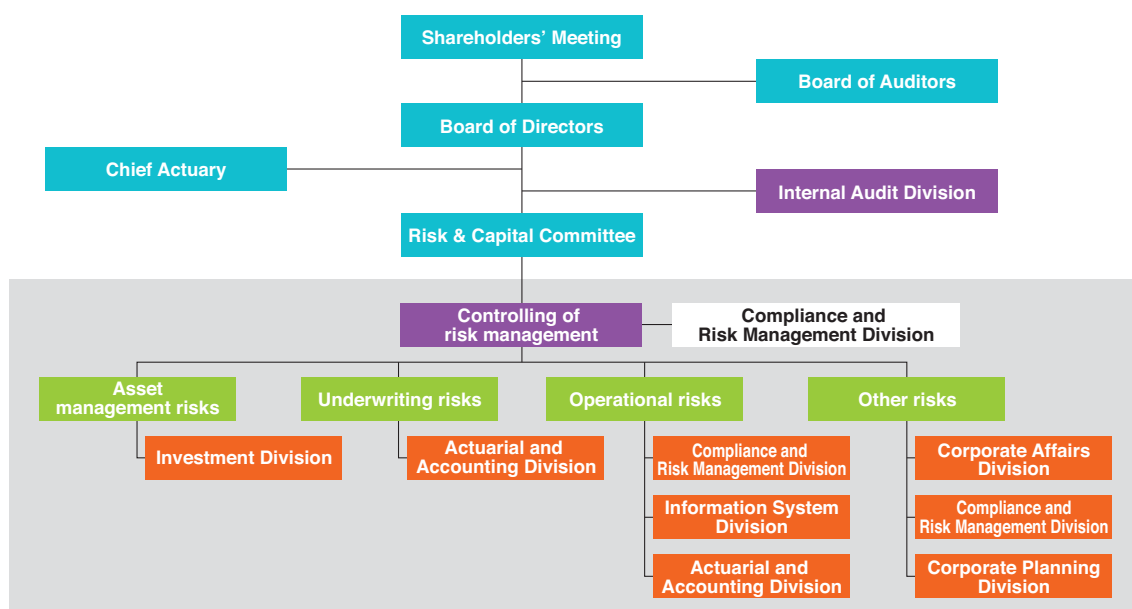
Basic policy

AEGON Sony Life Insurance recognizes various possible risks in its operational management and has established a Company-wide risk management structure for each kind of risk. Through appropriate risk control, we ensure the soundness and appropriateness of our operations to protect the interests of related parties including policyholders.

Risk management structure

We strive to reinforce the risk management structure and manage risks based on the above basic policy. Since insurance companies bear various risks, it is necessary to meticulously and comprehensively control specific risks according to their characteristics. Drawing on the following risk management structure, the Company conducts appropriate risk management with a good balance between meticulousness and comprehensiveness.

The Company controls risks according to the characteristics of each risk by deploying divisions responsible for the management of each type of risk. The Risk & Capital Committee, an advisory organ of the Board of Directors, collects all necessary information on the management of each risk. The Risk & Capital Committee handles all risk management-related tasks including the collection of information and policy decisions, thereby achieving Company-wide risk management. The members of the Risk & Capital Committee, which is chaired by the President, include General Managers of each division responsible for risk management and the Chief Actuary. The Committee meetings are also attended by Auditors and the General Manager of the Internal Audit Division as an additional check and balance.



Risk definition and the policy to address each risk

Asset management risks

With regard to asset management for general accounts, we consider the degree of significance for each risk compared with the Company's management strength and regularly verify the profitability of the portfolio and manage risks with the quantitative measurement of each type of risk. Also, by continually checking the management environment and the market situation, we prevent risks from developing into a problem.

Underwriting risks

Since insurance underwriting has a serious long-term impact on the management of the Company, the Company appropriately controls the insurance underwriting risk based on how much has been accumulated in the policy reserve and the level of its core capital. Profitability is verified regularly not only when a new product is developed but also for existing products.

Management of separate accounts

As for separate accounts, investments are made mainly in investment trusts. In the selection of investment trusts, the division that formulates the criteria for selection and the division that actually conducts the selection are separate to ensure an appropriate check and balance. Also, the Risk & Capital Committee monitors the asset management status.

Use of reinsurance

For the appropriate management of insurance underwriting risks, the Company uses reinsurance when necessary. The Company selects a reinsurance company based on strict criteria. Even after starting to use reinsurance, the Company continues to verify the soundness of the reinsurance company.

Operational risks

(1) Administrative risk

Recognizing that all operations conducted by a company bear clerical risks, we are striving to reduce such risks and ensure the appropriateness of operations. To this end, the Company formulates and disseminates internal rules, prepares and disseminates manuals, and conducts regular inspections and internal audits to ensure their effectiveness.

(2) Systems risk

The Company takes various measures for the safe operation of its computer system and to prevent accidents and other problems. We also prepare for emergencies by installing backup centers at remote locations and formulating a contingency plan, etc.

(3) Liquidity risk

The Company prepares for unpredictable situations by restricting the management of low-liquidity assets and employing an appropriate management method depending on the urgency of fund management.

Other risks

There are various risks other than the above, such as legal risks and reputation risks. To address such risks, the Company has streamlined its risk management structure with each division responsible for risk management as a functional center of appropriate management.

Protecting Personal Information

Initiatives to protect personal information

The Company receives important personal information from many customers.

Recognizing that the appropriate management of customers' personal information is extremely important, the Company conducts the following initiatives in compliance with the Act on the Protection of Personal Information and related laws and regulations.

Formulation of internal rules

The Company has formulated and discloses its privacy policy. As part of the specific rules related to privacy information, the Company formulated Regulations Governing Personal Information Protection, Procedures for Safeguarding and Criteria for Restricting Access, all of which are disseminated via in-house training.

Management system

As a responsible person who comprehensively promotes Company-wide measures to protect personal information, a Personal Data Manager has been appointed by the Company to reinforce a safer personal data management structure. It also deploys a Personal Data Administrator in each division and strives to achieve an appropriately safe personal data management structure through in-house training, etc., under the instructions of the Personal Data Manager.

Measures for the safe management of personal information

Based on the Act on the Protection of Personal Information and other related laws and regulations, the Company prevents personal data from being leaked, lost and/or damaged to ensure the safe management of personal data. The Company formulated specific management implementation standards to take necessary and appropriate measures at each management stage of "data receipt and entry," "data use and processing," "data saving and storing," "data transfer and sending," "deleting and discarding" and "measure to address a case of a leak."

Customers' request for disclosure

Concerning customers' personal data held by the Company, the Company quickly and appropriately addresses customers' various requests to disclose, correct, add, delete and/or discontinue the use of such personal data or stop providing the data to third parties. If and when we receive complaints about handling personal data, we quickly and forthrightly address such complaints.

Provision of information

Providing information to reinsurance companies

The Company may provide contract-related customer information to reinsurance companies, etc., within a legally approved range and with the customer's consent, for the purposes of concluding a reinsurance contract, reinsurance contract-based notification, and the reporting and claiming of reinsurance money.

Note: Reinsurance refers to part of the risk contained in the contract concluded by the insurance company being underwritten by a different insurance company. Reinsurance makes it possible to appropriately disperse the risks associated with underwriting insurance.

Claim and payment assessment referral system

The Company and other life insurance companies share and use insured persons' information and insurance policy-related matters held by the Company and other life insurance companies as mutual referral matters for the purpose of using such information for reference when making judgments on claim payments.

When a claim for payment of insurance money is made, the Company may ask other life insurance

companies to provide information on the customer's contract via the claim and payment assessment referral system.

The participating life insurance companies do not use such information obtained via the referral system except as a reference to make a judgment on claim payments and do not disclose such information to other parties.

For details, please visit the Web site of The Life Insurance Association of Japan: <http://www.seiho.or.jp/english/> or the Company's Web site: <http://www.aegonsonylife.co.jp/> (Japanese only).

Provision of information to subcontractors

The Company sometimes outsources all or part of the clerical operations that are necessary for its business operations to external operators (hereinafter "subcontractors").

In selecting subcontractors, the Company has formulated Regulations for the Management of Subcontractors and Manual for the Management of Subcontractors to assess subcontractors at different levels of involvement according to the operation to be outsourced and the information to be provided. Moreover, the Company conducts inspections after outsourcing its operations to ensure high levels of quality in terms of operation and safety.

Privacy policy

The Company makes every effort to protect the personal information of its customers. Our Privacy Policy outlines our compliance efforts.

Privacy Policy

1. Compliance with Laws and Regulations

AEGON Sony Life Insurance Co., Ltd. complies with the provisions of this Policy, the Act on the Protection of Personal Information, and laws and regulations governing the protection of personal information. The Company fulfills its obligations under the Guideline formulated under the leadership of the competent minister with respect to the handling of personal information (defined herein as information that identifies an individual personally).

2. Use of Personal Information Solely to Accomplish Primary Purpose

We handle our customer's personal information to achieve the primary purpose of the use of such information upon our customer's prior permission except in cases where the use of such information is required by law.

3. How We Collect Personal Information

We will specify the purpose of the use of personal information, with whom such information will be shared and the primary point of contact to obtain permission from customers to collect their personal information. We may tape or take notes of conversations with our customers relating to their transactions or inquiries.

4. How We Collect Personal Information from Customers Under 15 Years of Age

We give special consideration when collecting personal information from our customers under 15 years of age and we collect such information upon the consent of their parents.

5. Safeguarding

We are committed to keeping our customer's personal data accurate and updated as necessary to conduct our normal business activities, while simultaneously protecting the confidentiality of our customer's personal data. We constantly improve our approach and take appropriate preventive measures as needed against illegal access to, leakage, falsification, loss or physical destruction of such data using state-of-the-art technology.

6. Supervision of Consignees

We may entrust the handling of personal data of our customers to third parties for the purpose of achieving the primary purpose of the use of such personal data. Such third parties will be selected after confirming that they have a high-level of ethics with regard to information security. We will properly conduct supervision and monitoring of our consignees based on mutual confidentiality agreements.

7. Provision of Personal Information to Third Parties

We do not provide our customer's personal information to any third parties without the customer's prior permission unless required to do so by law.

8. Responding to Customer Feedback

We respond to our customer's requests for disclosure, correction and deletion of personal data, discontinuance of use of personal data for direct mail marketing purposes (for the introduction of our products and services) and to our customer's inquiries and comments on the handling of personal information in compliance with the Act on the Protection of Personal Information.

9. Continuous Improvement of Internal Systems

We will continue to make improvements to our internal systems to ensure the proper handling of our customer's personal information by continuously reviewing the provisions of this Policy. For this purpose, we have a personal data management officer, as well as internal policies and procedures, and provide training to the directors and employees, and perform internal audits.

Status of the Company's Information System

With the recognition of the extreme importance of formulating an information security policy and taking appropriate measures to ensure the safe management of information assets including personal information, the Company uses highly advanced information system technologies and implements measures to address system risks, thereby establishing a safe and highly reliable information system with ongoing improvements in quality.

Use of advanced information technologies

Harnessing highly advanced information technologies, the Company developed and established a core "contract management system" and its peripheral "clerical work reduction support system," "call center system," "Web-site system for policyholders," "Web-site system for agencies," and "Internet services," etc., thereby achieving stable information management. Through these systems, the Company provides quick and accurate insurance contract-related clerical work and information to customers.

Measures to control system risks

Recognizing measures to address system risks as a priority issue, the Company has formulated a System Risk Management Regulation based on its Information Security Policy and implements

measures to control system risks. The Company also strives to mitigate various system risks and prevent accidents and system failure by preparing a backup system, a secondary data center, a contingency plan, system failure control and system audits, etc., for higher reliability and security.

Information security measures

In order to reinforce the information security management structure, the Company has appointed a General Information Management Manager, a person responsible for comprehensively controlling and promoting information security for the entire Company. The Company has also determined the Compliance and Risk Management Division as a unit that comprehensively controls information security for the entire Company. The Company also deploys an Information Management Manager, a person responsible for information management, at each division and established an appropriate information security structure through in-house training, etc., under the direction by the General Information Management Manager and under the control of the Compliance and Risk Management Division.

Especially with regard to information assets that contain personal information, only legitimate procedure-based authorized access is allowed. To prevent damages claimed due to the fraudulent use, destruction, alteration or leaking of such information, we take necessary precautions, such as setting up a system to protect from fraudulent intrusion, to restrict the use of memory media and the use of folders dedicated to personal data, etc.

Improvement of the quality of the information system

To establish a secure and reliable information system, the Company clearly separates the system development environment, the system testing environment and the user testing environment. Phased testing in each environment helps raise accuracy, and the use of automatic testing tools and load testing tools has helped enhance quality.

Compliance System

Compliance system

In the current trend of financial liberalization and the relaxation of regulations, it is becoming increasingly important to comply with laws and regulations as well as social norms. The Company regards reinforcement of the compliance system as an important issue from the perspective of its social responsibility as an insurance company and the protection of policyholders.

The Company defines compliance as each director and employee complying with laws and regulations, as well as internal rules and social codes, and implementing daily operations fairly. To support the appropriate implementation of operations by directors and employees, the Company streamlines and properly manages various structures, thereby nurturing a compliance-oriented corporate culture.

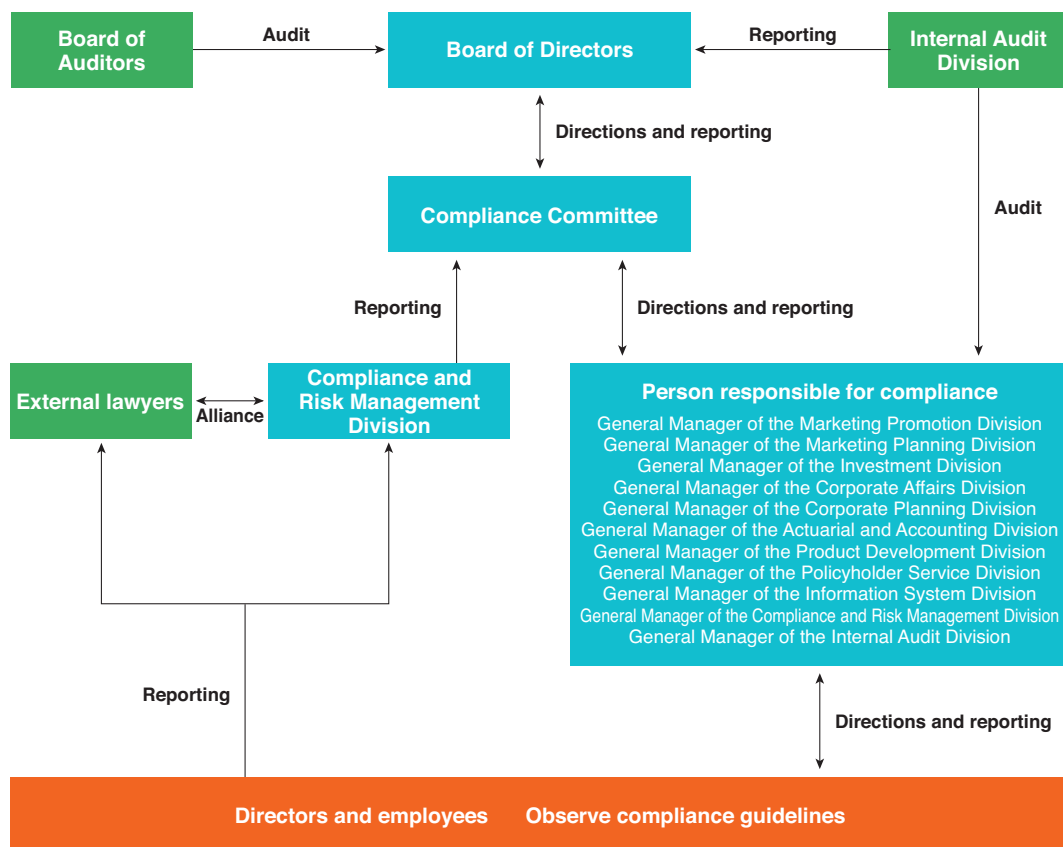
Compliance system structure

To nurture a compliance-oriented corporate culture and show its concern for the good of the community as a life insurance company, the Company installed the Compliance Committee as an advisory organ to the Board of Directors to promote compliance.

Continually emphasizing compliance, the Board of Directors determines important matters related to compliance, receives important reports from the Compliance Committee and reflects those matters in its management.

Auditors and the Board of Auditors conduct in-house audits from an independent position including audits on directors' execution of duties and report the audit results to shareholders and the Board of Directors.

The General Manager of each division, acting as the person responsible for compliance, streamlines the compliance environment, monitors the compliance promotion status at the worksite and strives to educate and guide the staff.



Solicitation policy

To thoroughly disseminate compliance in its insurance sales activities, the Company has formulated and discloses the Solicitation Policy as below.

AEGON Sony Life Insurance Co., Ltd. (hereafter referred to as “we”, “us” and “our”) conducts selling and solicitation activities for our insurance products and financial instruments in compliance with laws and regulations based upon the following principles, giving first priority to the best interests of our customers with a focus on customer understanding:

1. Compliance Principles

We give explanations on features of our insurance products and financial instruments tailored to our customer’s individual needs and wants in consideration of their knowledge and previous purchase of such products or instruments (if any), financial standing and the purpose of the policy contract.

2. Avoiding Misleading Explanations

We ensure appropriate descriptions and explanations to avoid confusing or misleading our customers and help them correctly understand the key aspects of our insurance products and financial instruments.

3. Accountability

We appropriately explain the risks associated with our investment instruments.

4. Appropriate Solicitation Approach

We give due consideration to when, where and how to introduce our insurance products and financial instruments to our (potential) customers with customer convenience in mind.

5. Moral Risks

We endeavor to avoid any moral risks to ensure fair treatment of policyholders, stable operation and further expansion of our insurance business.

6. Disbursement

Upon the occurrence of an event insured against, we will promptly have the insurance payout processed, remaining empathetic to the customer’s situation.

7. Responding to Inquiries and Requests

We promptly respond to inquiries and requests from our customers in a courteous and considerate manner.

8. Maintaining Appropriate Relationships with Customers

We will continue to enhance customer satisfaction by seeking and receiving customer feedback.

9. Compliance

We will continue to remain compliant with the Insurance Business Law, the Financial Instruments and Exchange Law, the Consumer Contracts Law, the Act on the Protection of Personal Information and other laws and regulations in selling our insurance products and financial instruments.

10. Privacy Protection

We will remain committed to protecting the privacy of our customers by handling the information that our customers provide to us in a strict and confidential manner.

11. Training

We will continue to make improvements to our internal control structure and provide training to our insurance agents to ensure proper business operations.

Conflict of interest management policy

In accordance with the Insurance Business Law and the Financial Instruments and Exchange Law, and in order to prevent any unjustifiable harm to customers, the Company has established the Conflict of Interest Management Policy. This policy outlines the appropriate management of information involved in the Company's business operations and has established a system to ensure the appropriate supervision over the execution of the Company's business.

An outline of AEGON Sony Life's Conflict of Interest Management Policy is provided below.

Transactions that May Cause Conflict of Interest:

1. Covered Transactions

Transactions that may cause conflict of interest (Covered Transactions) refers to transactions among those conducted by the Company and its parent financial institution, etc., ("the Group company" stipulated by Article 100, 2-2, Paragraph 2, of the Insurance Business Law) that could involve unjustifiable harm to customers. With regard to the Company's insurance-related operations (operations that insurance companies are authorized to do under the Insurance Business Law), "Customers" refer to (1) Customers who already have transactions with the Company, (2) Customers likely to enter into transactions with the Company and (3) Customers who have conducted transactions in the past and still have legal rights.

2. Types of Covered Transactions

The Company classifies types of Covered Transactions as follows:

- (1) Any transaction where the profit of our Group Companies may be prioritized in case of a conflict of interests between our Customers and our Group Companies.
- (2) Any transaction where our Group Companies may profit from the use of customer information.
- (3) Any transaction where our Group Companies may profit from the conflict of interests between Customers.
- (4) Any transaction where the interest of our Customer may be prioritized over that of other Customer.
- (5) If, in relation with someone other than a Customer, the Company or our Group Companies obtain or in future benefit from non-standard commission or fees, goods or services.
- (6) Any transaction where other Group Companies may be deemed to have impaired the interest of a Customer.

Companies Covered by the Conflict of Interest Management Policy

Companies covered by the Conflict of Interest Management Policy are indicated below (hereinafter called "Covered Companies"). Of the following list, none is a subsidiary financial institution of AEGON Sony Life Insurance Co., Ltd..

AEGON Sony Life Insurance Co., Ltd.

Sony Life Insurance Co., Ltd., Sony Assurance Inc., Sony Bank Inc.,

Sony Bank Securities Inc., Sony Finance International Inc., SA Reinsurance Ltd.

Note: Among the Group companies, Sony Life Insurance (Philippines) Corporation, AEGON Nederland N.V. and subsidiaries of AEGON International B.V. that engage in financial business (e.g., trading of financial products, banking business and insurance business) are excluded from the Covered Companies because conflicts of interest do not occur in light of each company's business content and actual situation. However, we will review the relationship of these companies' businesses with domestic businesses as necessary and if the possibility of an interest-conflicting transaction is identified, that company will be included in the Covered Companies category.

Conflict of Interest Control Structure

(1) Set up of the Conflict of Interest Management Control Division

The Company has designated the Compliance and Risk Management Division as the Conflict of Interest Management Control Division and has appointed the General Manager of the Compliance and Risk Management Division as the Conflict of Interest Manager.

The Conflict of Interest Management Control Division identifies and controls all interest-conflicting transactions, while maintaining its independence.

(2) Management of Covered Transactions

(1) The method of separating the division conducting the Covered Transaction, and the division conducting the transaction with such Customer (Block of information).

(2) The method of amending the conditions or method of the Covered Transaction or the transaction with such Customer (Amendment of conditions or method).

(3) The method of discontinuing the Covered Transaction of the transaction with the Customer (Discontinuation of Transaction).

(4) The method of properly disclosing to the Customer the possibility that the interests of such Customer may be unjustly impaired in connection with the Covered Transaction (Disclosure to Customers).

Method of Identifying Covered Transactions

(1) Each division of the Company reports to the Conflict of Interest Manager if it judges any transaction generated in its respective operation as a possible Covered Transaction.

(2) The Conflict of Interest Manager judges whether the reported matter in the previous paragraph falls under the Covered Transaction.

(3) In the event the reported matter is deemed to fall under the Covered Transaction, the management method as prescribed in “Conflicting Interests Control Structure: (2) Management of Covered Transactions” will be determined and instruction will be issued.

Record Keeping

The Conflict of Interest Management Control Division properly records any of the following items and retains its records for 5 years.

(1) Record regarding identification of the Covered Transaction

(2) Record regarding the measures to properly ensure the protection of Customer.

Basic policy on eliminating anti-social forces

Basic Policy on Eliminating Anti-Social Forces

We are duly aware of the importance of isolating ourselves from contact with anti-social forces from the perspectives of social responsibility, compliance and corporate defense. We have in place systems to isolate ourselves from contact with anti-social forces, and we reject all inappropriate demands from anti-social forces.

We have strengthened our communications with police and other outside organizations to ensure that we are able to coordinate our actions and cooperate appropriately should we receive an inappropriate demand from anti-social forces. In such ways, we maintain a firm organizational resolve to extirpate inappropriate demands.

Social Contribution Activities

As a life insurance company with a high social and public profile, we recognize the importance of our social contribution activities.

The Company intends to engage in social contribution activities such as supporting caregiving to seniors in need and fund-raising campaigns through The Life Insurance Association of Japan. We also intend to plan and carry out our own social contribution activities.

Corporate Data

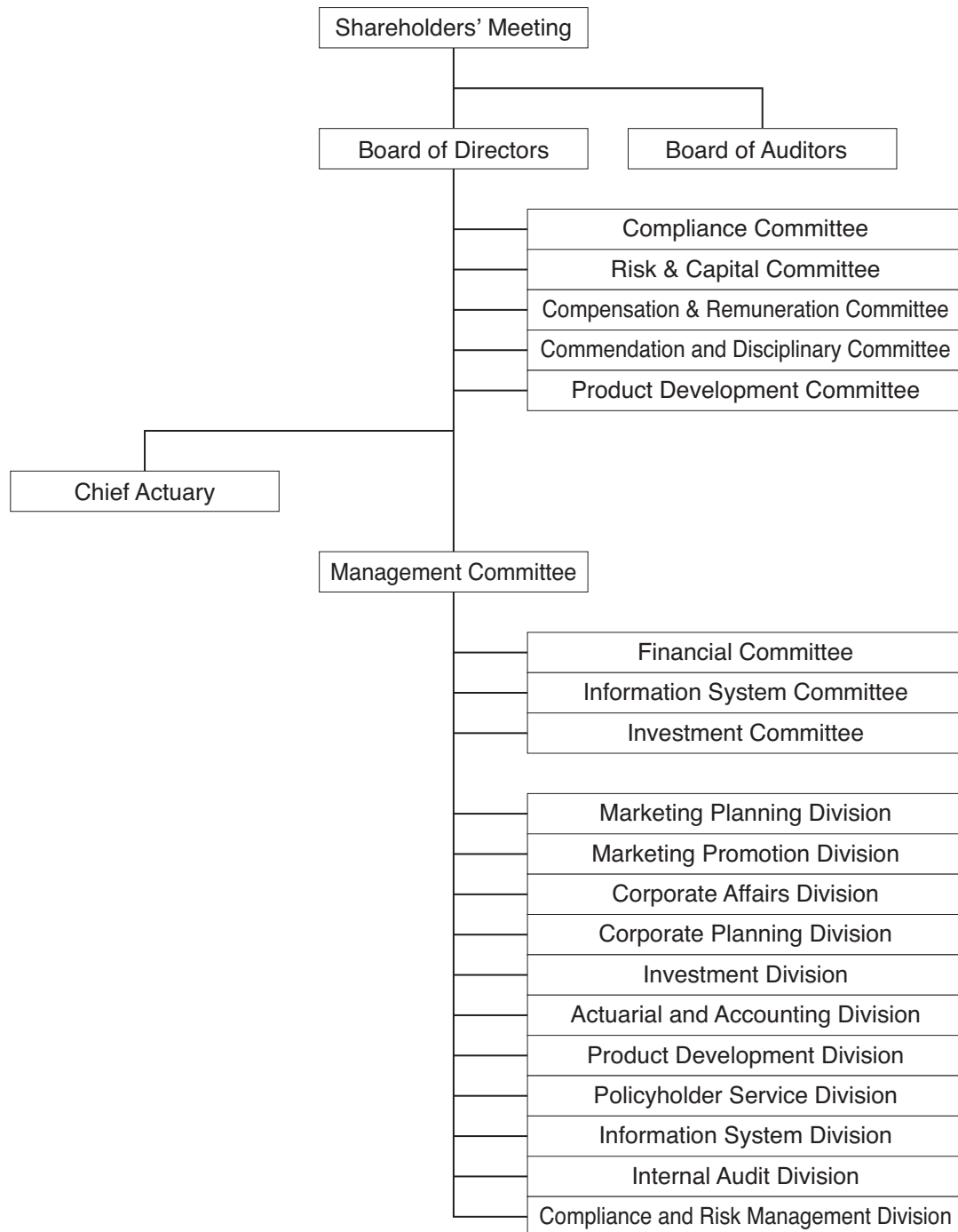
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Directors and Statutory Auditors

As of July 1, 2010

Name	Title	Other Concurrent Responsibilities
Shigeru Arakawa	President, Representative Director	-
Yo Nakahara	Executive Vice President, Representative Director	-
Kunitake Ando	Director	Chairman, Director, Sony Life Insurance Co., Ltd.
Taro Okuda	Director	President, Representative Director, Sony Life Insurance Co., Ltd., Director, Sony Financial Holdings Inc.
Hirotooshi Watanabe	Director	Executive Vice President, Sony Life Insurance Co., Ltd., and Director of SA Reinsurance Ltd.
Alexander R. Wynaendts	Director	CEO and Chairman of the Executive and Management Boards, AEGON N.V.
Patrick S. Baird	Director	Chairman of the Board, AEGON USA Inc.
Bert-Jaap Brons	Director	COO, AEGON N.V. Asia
Shinichiro Kohashi	Standing Statutory Auditor	-
Yasuhiro Aso	Statutory Auditor	General Manager, Internal Audit Division, Sony Life Insurance Co., Ltd.
Ronald L. Ziegler	Statutory Auditor	Head of Product Development, Vice President, Transamerica Life Insurance Company

Organization



Information on Share Capital, Shares Outstanding

Historical data on share capital

Millions of yen

Date	Increase (decrease) in share capital	Share capital	Remark
August 29, 2007	1,000	1,000	
April 3, 2008	1,000	2,000	
October 6, 2008	1,000	3,000	
May 13, 2009	1,000	4,000	
August 5, 2009	6,000	10,000	

Total number of shares (As of July 1, 2010)

Total number of shares to be issued	100,000 thousand
Total number of shares issued	20,000 thousand
Number of shareholders at the end of the period under review	2

Shares

1. Details of shares issued

As of July 1, 2010			
	Class	Number of shares issued	Description
Shares issued	Common stock	20,000 thousand	

2. Major shareholders

As of July 1, 2010				
	Shareholder's investment in company		Company's investment in shareholder	
	Number of shares held	Shareholding ratio	Number of shares held	Shareholding ratio
Sony Life Insurance Co., Ltd.	10,000 thousand	50%	-	-
AEGON International B.V.	10,000 thousand	50%	-	-

Status of major shareholders

As of July 1, 2010					
Name	Location of head office	Share capital	Description of business	Date of establishment	Ratio of shares, etc., held to the total number of shares, etc.
Sony Life Insurance Co., Ltd.	1-1-1, Minami Aoyama, Minato-ku, Tokyo	¥70,000 million	Life insurance business	August 10, 1979	50%
AEGON International B.V.	AEGONplein 50, 2591 TV, The Hague, The Netherlands	€165 million	Investment business	October 1, 1983	50%

Corporate History

2007 August	Established AEGON Sony Life Planning Co., Ltd.
2009 August	Changed company name to AEGON Sony Life Insurance Co., Ltd. Obtained license from prime minister to engage in life insurance business
2009 December	Began operations. Launched products “Winning Road” and “Victory Run”
2010 February	Launched “My History”

Financial Data

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Financial Condition

Non-Consolidated Balance Sheet

As of March 31, 2010

Millions of yen

Assets	
Cash and deposits	4,388
Bank deposits	4,388
Monetary trust	10,922
Securities	4,918
Other securities	4,918
Tangible fixed assets	96
Buildings	20
Other tangible fixed assets	76
Intangible fixed assets	1,396
Software	1,396
Other assets	5,572
Account receivables	0
Prepaid expenses	104
Accrued income	0
Money on deposits	110
Deferred expenses under Article 113 of the Insurance Business Law of Japan	5,351
Others	5
Total assets	27,294

Millions of yen

Liabilities and net assets	
Policy reserves and others	7,246
Policy reserves	7,246
Due to agencies	232
Due to reinsurers	3
Other liabilities	787
Accrued income taxes	3
Account payables	401
Accrued expenses	92
Deposits received	13
Policy suspension and other suspensions	274
Reserves for directors' and auditors' retirement benefits	36
Reserves for price fluctuations	1
Total liabilities	8,308
Share capital	10,000
Capital surplus	10,000
Capital reserves	10,000
Retained earnings	(1,013)
Other retained earnings	(1,013)
Unappropriated retained earnings for the period	(1,013)
Total shareholders' equity	18,986
Net unrealized gain or loss on available-for-sale securities, net of taxes	(0)
Total valuation and translation adjustments	(0)
Total net assets	18,986
Total liabilities and net assets	27,294

Non-Consolidated Statement of Income

For the year ended March 31, 2010

Millions of yen

Ordinary revenues	7,532
Premiums and others	7,441
Premiums	7,441
Investment income	90
Interest and dividends	2
Interest on bank deposits	2
Other interest and dividends	0
Income from monetary trusts, net	10
Gains from derivatives, net	12
Gains on separate accounts, net	64
Other ordinary income	0
Others	0
Ordinary expenses	8,118
Claims and benefits	5
Surrender payments	1
Reinsurance premiums	3
Provision for policy reserves and others	7,246
Provision for policy reserves	7,246
Investment expenses	8
Foreign exchange losses, net	0
Other investment expenses	8
Operating expenses	2,689
Other ordinary expenses	795
Taxes other than income taxes	173
Depreciation	159
Amortization of deferred expenses under Article 113 of the Insurance Business Law of Japan	425
Provision for directors' retirement benefits	36
Others	0
Deferred amount under Article 113 of the Insurance Business Law of Japan	(2,627)
Ordinary profit (loss)	(585)
Extraordinary gains	-
Extraordinary losses	15
Losses on disposal of fixed assets	13
Provision for reserves for price fluctuations	1
Provision for (Reversal of) reserves for policyholders' dividends	-
Income before income taxes	(601)
Income taxes, current	3
Income taxes, deferred	-
Total income taxes	3
Net income (loss)	(604)

Non-Consolidated Statement of Cash Flows

For the year ended March 31, 2010

Millions of yen

I Cash flows from operating activities:	
Income (loss) before income taxes	(601)
Depreciation and amortization	159
Increase (decrease) in policy reserve	7,246
Increase (decrease) in reserve for directors' retirement benefits	36
Increase (decrease) in reserve for price fluctuations	1
Interest income and dividends	(2)
(Gains) losses on securities	(64)
(Gains) losses on monetary trusts	(10)
Foreign exchange losses, net	0
Losses on disposal of tangible fixed assets	2
Increase in other assets (excluding those relative to investing and financing activities)	(2,500)
Increase due to agencies	232
Increase due to reinsurance	3
Increase in other liabilities (excluding those relative to investing and financing activities)	601
Other (amortization of deferred expenses under Article 113 of the Insurance Business Law of Japan)	425
Other	9
Subtotal	5,539
Interest and dividends received	1
Income taxes paid	(3)
Net cash provided by operating activities	5,537
II Cash flows from investing activities:	
Investments in monetary trusts	(10,911)
Purchases of securities	(4,859)
Proceeds from sale and redemption of securities	5
Others, net	2
Total of net cash used in investment transactions	(15,763)
Total of net cash used in operating activities and investment transactions	(10,226)
Purchases of tangible fixed assets	(14)
Purchases of intangible fixed assets	(285)
Net cash used in investing activities	(16,062)
III Cash flows from financing activities:	
Proceeds from issuance of stock	14,000
Net cash provided by (used in) financing activities	14,000
IV Net increase (decrease) in cash and cash equivalents	3,474
V Cash and cash equivalents at the beginning of the fiscal year	913
VI Cash and cash equivalents at the end of the fiscal year	4,388

Non-Consolidated Statement of Changes in Net Assets

For the year ended March 31, 2010

Millions of yen

Shareholders' equity	
Share capital	
Balance at the end of the previous period	3,000
Changes during the period	
Issuance of common stock	7,000
Total changes during the period	7,000
Balance at the end of the current period	10,000
Capital surplus	
Capital reserves	
Balance at the end of the previous period	3,000
Changes during the period	
Issuance of common stock	7,000
Total changes during the period	7,000
Balance at the end of the current period	10,000
Retained earnings	
Other retained earnings	
Unappropriated retained earnings for the period	
Balance at the end of the previous period	(408)
Changes during the period	
Net income (loss)	(604)
Total changes during the period	(604)
Balance at the end of the current period	(1,013)
Total shareholders' equity	
Balance at the end of the previous period	5,591
Changes during the period	
Issuance of common stock	14,000
Net income (loss)	(604)
Total changes during the period	13,395
Balance at the end of the current period	18,986
Valuation and translation adjustments	
Net unrealized gains on available-for-sale securities, net of taxes	
Balance at the end of the previous period	-
Changes during the period	
Net changes of items other than shareholders' equity	(0)
Total changes during the period	(0)
Balance at the end of the current period	(0)
Total net assets	
Balance at the end of the previous period	5,591
Changes during the period	
Issuance of shares	14,000
Net income (loss)	(604)
Net changes of items other than shareholders' equity	(0)
Total changes during the period	13,394
Balance at the end of the current period	18,986

Significant Accounting Policies

1. Valuation of Securities (including securities held as cash and deposits stated at fair value and those managed as trust assets of monetary trusts)

Trading securities are stated at market value, and sales cost is determined by the moving-average method. Available-for-sale securities for which market prices are available are stated at market value based on market prices as of the closing date of the fiscal year under review, and sales cost is determined by the moving-average method. Unrealized gains or losses on available-for-sale securities are reported as a separate component of net assets.

2. Standards of Valuation of Derivatives

Derivatives are stated at market value.

3. Depreciation of Tangible Fixed Assets

Depreciation of tangible fixed assets is computed by the declining balance method.

Principal years of service life are as follows:

Leasehold improvements	8–15 years
Equipment and fixtures	2–15 years

4. Translation of Foreign Currencies

Assets and liabilities denominated in foreign currencies are translated into Japanese yen using exchange rates at the balance sheet date.

5. Basis for Recording Allowances

(1) Allowance for doubtful accounts

As preparation for losses on doubtful accounts, an allowance for doubtful accounts is calculated as follows based on the self-assessment rule for assets and the rules for write-offs and allowances.

For debt where the debtors are legally and formally bankrupt (hereinafter “debtors in bankruptcy”) having filed under the Civil Rehabilitation Law or the Bankruptcy Law and are substantially bankrupt in terms of their business operations, and for debt where the debtors are actually bankrupt (hereinafter “debtors in substantial bankruptcy”), the allowance amount is calculated as the principal balance less the amounts collectible from foreclosing collateral and from the loans’ third-party guarantors.

For debt where debtors are currently not bankrupt in terms of their business operations but have been determined to have a high likelihood of going into bankruptcy (hereinafter “debtors in danger of bankruptcy”), the amount remaining after deducting the amount of collateral that is expected to be recoverable and guarantee amounts that are determined to be recoverable, the necessary allowance amount is calculated by taking into consideration the overall ability of the debtor to pay.

For debt other than that described above, the reserve amount is calculated in accordance with historical credit loss ratios over a specific period of time.

For all debt, the allowance amount is calculated in accordance with the self-assessment rule for assets and rules for write-offs and allowances conducted by the appropriate division and audited by an independent audit division.

The reserves are determined based on the above audited results.

However, as it was judged possible by the Company to recover all debt, no allowance for doubtful accounts was posted for the year under review.

(2) Reserves for directors’ and auditors’ retirement benefits

The Company provides reserves for directors’ and auditors’ retirement benefits, in preparation for the payment of directors’ and auditors’ retirement benefits, based on amounts necessary at the end of the year according to internal rules.

6. Basis for Reserves for Price Fluctuations

Reserves for price fluctuations are provided for according to Article 115 of the Insurance Business Law of Japan as reserves for price fluctuations on stocks and others.

7. Others

(1) Accounting for consumption taxes

Consumption taxes and regional consumption taxes are excluded from expenses. (Additional information)

Regarding consumption taxes relative to assets, deferred consumption taxes under Japanese income tax regulations are included in prepaid expenses and amortized over five years based on the straight-line

method, and others are charged to expenses during the fiscal year in which they are incurred. Starting with the year ended March 31, 2010, all consumption taxes are charged to expenses during the fiscal year in which they are incurred. This is because the Company became an exempt enterprise effective from the year under review, although it was a taxable enterprise under the Consumption Tax Law of Japan until the previous fiscal year.

This change had no significant impact on the financial statements for the year ended March 31, 2010.

- (2) Method for calculating policy reserves
Policy reserves are provided for according to Article 116 of the Insurance Business Law of Japan and are calculated in accordance with the method determined by the Financial Services Agency (Ministry of Finance Directive 48, 1996).
- (3) Method of amortizing software for Company use
The software for internal use posted under "Intangible fixed assets" is amortized over its available service life using the straight-line method.
- (4) Posting and write-off method for the deferred charges under Article 113 of the Insurance Business Law of Japan
The amounts of provision and write-off for the deferred charges under Article 113 of the Insurance Business Law of Japan are calculated in accordance with the applicable laws and regulations and the Articles of Incorporation of the Company.

Notes to Financial Statements

Balance Sheet

1. Accumulated depreciation of tangible fixed assets amounted to ¥116 million.
2. The amount of total assets for separate accounts in accordance with the provisions set forth in Article 118, Paragraph 1, of the Insurance Business Law of Japan was ¥6,472 million. The amount of total liabilities was the same.
3. Total receivables due to affiliated companies amounted to ¥227 million.
4. Deferred tax assets totaled ¥2,274 million and deferred tax liabilities were ¥1,913

million. A valuation allowance totaling ¥361 million was excluded from deferred tax assets.

Deferred tax assets consisted mainly of a net loss carried forward of ¥2,209 million and insurance reserves of ¥27 million. Deferred charges under Article 113 of the Insurance Business Law of Japan of ¥1,913 million mainly accounted for deferred tax liabilities.

The effective tax rate for the year under review was 36.21%. The actual tax burden after the application of tax effect accounting was -0.63%. A major constituent of the difference was -36.84% for the valuation allowance.

5. The amount of policy reserves corresponding to the portion which is reinsured, as set forth in Article 71, Paragraph 1, of the Insurance Business Law of Japan's Enforcement Regulations (hereinafter "ceded policy reserves"), amounted to ¥5 million.
6. Net assets per share amounted to ¥949.30.
7. AEGON Sony Life's fundamental policy on investing assets in the general accounts other than the separate accounts stipulated by Article 118, Paragraph 1, of the Insurance Business Law of Japan, is to make continuous and sound investments to ensure stable interest revenues in the medium and long term and to maintain the soundness of assets via the diversification of risks.

Under this investment policy, the Company specifically invests in fixed interest-bearing bonds denominated in Japanese yen, such as Japanese government and corporate bonds and short-term financial products. Although the Company formerly engaged in derivative transactions for a certain period to hedge the minimum guarantee risks for insurance products, the Company had no balance of such derivative transactions nor was involved in risks relative to derivative transactions as of March 31, 2010, as this function was transferred to a reinsurer during the fiscal year under review. Securities as major financial products are exposed to market-related risks and credit risks. With respect to investment risks, the Company endeavors to streamline and reinforce its risk management system in accordance with investment

risk management rules. The Company establishes limits for managing market-related risks under investment limit management rules to determine the allowable risks in light of the managerial positioning of investments and the Company's management vitality. Monitoring of market-related risks is regularly conducted by the Financial Affairs Division, and the division's assessments are reported to the Risk & Capital Committee and the Board of Directors. The Company also clarifies the allowable limits for managing credit risks under investment limit management rules to avoid risks associated with the concentration of investments in the debt obligations of a small number of issuers, particularly corporations and corporate groups. Monitoring of credit risks is regularly conducted by the Financial Affairs Division, and the

division's assessments are reported to the Risk & Capital Committee and the Board of Directors.

As for investment assets in the separate accounts, as stipulated by Article 118, Paragraph 1, of the Insurance Business Law of Japan, the Company primarily invests in investment trusts so that the specific characteristics of its variable rate individual annuities can be fully demonstrated. Risk monitoring of the investment assets in the separate accounts is regularly conducted by the Financial Affairs Division, and the division's assessments are reported to the Risk & Capital Committee and the Board of Directors.

The amount on the balance sheets, the market value and the net gains or losses with regard to major financial assets and liabilities were as follows.

Millions of yen

	Amount in balance sheet	Market value	Net gains or losses
Cash and deposits	4,388	4,388	-
Monetary trusts			
Available-for-sale securities	10,922	10,922	-
Securities			
Securities held for trading purposes	4,918	4,918	-

- (1) Cash and deposits
As the market value approximates the book value, the market value is presented together with the book value.
- (2) Securities (including securities managed as trust assets of monetary trusts)
Securities with a market value are valued using the market value on the balance sheet date.

8. Units smaller than those stated herein have been rounded off.

Statement of Income

- Expenses from transactions with affiliated companies totaled ¥384 million.
- When calculating the provision for policy reserves, the reduced amount of the returned portion of ceded policy reserves was ¥5 million.
- The net loss per share was ¥38.67.
- The information in the table below refers to transactions with the related parties.

Parent company and major corporate shareholders

Attribute	Company name, etc.	Ownership percentage of voting rights (%)	Relationship with the related party	Description of transaction	Transaction amount (Millions of yen)	Account title	Year-end balance (Millions of yen)
Affiliated company	Sony Life Insurance Co., Ltd.	Directly held: 50%	Sharing of 4 directors	Capital injection (Note)	7,000	-	-
				Commission payment	285	Due to agencies	220
Affiliated company	AEGON International B.V.	Directly held: 50%	-	Capital injection (Note)	7,000	-	-

Note: A capital increase through shareholder allocation by the Company was underwritten by Sony Life Insurance Co., Ltd., and AEGON International B.V. at the rate of ¥1,000 per share.

5. Units smaller than those stated herein have been rounded off.

Article 113 of the Insurance Business Law of Japan of ¥2,627 million.

3. Units smaller than those stated herein have been rounded off.

Statement of Cash Flows

- Cash and cash equivalents are the total of cash and deposits.
- "Increase in other assets (excluding those relative to investing and financing activities)" includes the deferred charges under

Statement of Changes in Net Assets

- Type and total number of shares issued and type and number of shares of treasury stock.

Statement of changes in net assets

Thousands of shares

	Number of shares at March 31, 2009	Increase in number of shares during the year	Decrease in number of shares during the year	Number of shares at March 31, 2010
Shares issued				
Common stock	6,000	14,000	-	20,000
Total	6,000	14,000	-	20,000
Treasury stock				
Common stock	-	-	-	-
Total	-	-	-	-

Note: Of the total number of shares of common stock issued, the "increase in the number of shares during the year" of 14,000,000 was attributable to the issuance of new shares through an allotment to shareholders.

2. Units smaller than those stated herein have been rounded off.

March 10, 2008).

This change had no impact on the financial statements for the year ended March 31, 2010.

Additional Information

- Effective from the fiscal year ended March 31, 2010, the Company has applied the "Accounting Standards for Financial Instruments" (ASBJ Statement No. 10 on March 10, 2008) and the "Guidance on Disclosures about Fair Value of Financial Instruments" (ASBJ Guidance No. 19 on

- The Company started the insurance business on December 1, 2009, after having obtained a life insurance business license as of August 27, 2009. Consequently, effective from the fiscal year ended March 31, 2010, pursuant to Article 118 of the Corporate Accounting Regulations of the

Companies Act and the Insurance Business Law of Japan's Enforcement Regulations, the Company has prepared the balance sheet, the statement of income and the statement of changes in net assets, as well as the supporting schedules, of the Company in accordance with the respective forms as stipulated in the Exhibit of the Insurance Business Law of Japan's Enforcement Regulations.

Audit by Independent Auditors of the Financial Statements

The balance sheet, the statement of income and the statement of changes in net assets, as well as the supporting schedules of the Company, have been audited by PricewaterhouseCoopers Arata, the independent auditors, in accordance with Article 436, Paragraph 2, Item 1, of the Companies Act.

Solvency Margin Ratio

Millions of yen

As of March 31, 2010	
Total solvency margin (A)	13,708
Net assets (less certain items)	13,630
Reserve for price fluctuations	1
Contingency reserve	76
Allowance for doubtful account	-
Net unrealized gains on other securities (before taxes) multiplied by 90% if gains or 100% if losses	0
Net unrealized gains on real estate multiplied by 85% if gains or 100% if losses	-
Excess of the amount equivalent to policy reserve under Zillmer method	-
Brought-in capital, etc.	-
Subordinated debt	-
Deductible items	-
Other	-
Total risk (B)	
$\sqrt{(R1+R8)^2+(R2+R3+R7)^2} + R4$	77
Insurance risk R1	-
Third-sector insurance risk R8	-
Guaranteed interest rate risk R2	-
Asset management risk R3	74
Business management risk R4	2
Minimum guarantee risk R7	-
Solvency margin ratio	
$\frac{(A)}{(1/2) \times (B)} \times 100$	35,575.8%

Notes: 1. Calculations employed in the table above apply the methods provided for under Articles 86, 87, 161, 162 and 190 of the Insurance Business Law of Japan's Enforcement Regulations, as stipulated in 1996 by the Ministry of Finance Official Notification No. 50. (Excess of the amount equivalent to the policy reserve under the Zillmer method is calculated based on Article 1-3-1 of the Ministry of Finance Official Notification No. 50.)

2. A standard method is used to calculate minimum guarantee risk.

Market Value of Securities (Company Total)

1. Market value of securities (Company total)

(1) Valuation gains (losses) on securities held for trading purposes

Millions of yen

As of March 31, 2010		
	Amount in balance sheet	Valuation gains (losses) included in statement of income
Securities held for trading purposes	4,918	64

(2) Market value of securities other than those held for trading purposes

Millions of yen

As of March 31, 2010					
	Book value	Market value	Net gains or losses	Gains	Losses
Bonds held to maturity	-	-			
Bonds corresponding to policy reserves	-	-			
Shares of subsidiaries and affiliated companies	-	-			
Available-for-sale securities	10,102	10,102	(0)	0	0
Japanese government bonds and corporate bonds	9,301	9,300	(0)	0	0
Japanese stocks	-	-			
Foreign securities	-	-			
Foreign government bonds and corporate bonds	-	-			
Foreign stocks	-	-			
Other securities	-	-			
Monetary claims purchased	-	-			
Certificates of deposit	801	801			
Others	-	-			
Total	10,102	10,102	(0)	0	0
Japanese government bonds and corporate bonds	9,301	9,301	(0)	0	0
Japanese stocks	-	-			
Foreign securities	-	-			
Foreign government bonds and corporate bonds	-	-			
Foreign stocks	-	-			
Other securities	-	-			
Money claims purchased	-	-			
Certificates of deposit	801	801			
Others	-	-			

Notes: 1. The above table includes securities which are regarded appropriate to treat as securities defined by the Securities and Exchange Law of Japan.

2. The above table includes monetary trusts except securities held for trading purposes. Their book value was ¥9,301 million and net loss was ¥0 million.

Available-for-sale securities

Millions of yen

As of March 31, 2010			
	Book value	Amount in balance sheet	Net gains or losses
Securities whose amount on the balance sheet exceeds their book value	-	-	-
Japanese government bonds and corporate bonds	-	-	-
Japanese stocks	-	-	-
Foreign securities	-	-	-
Other securities	-	-	-
Monetary claims purchased	-	-	-
Certificates of deposit	-	-	-
Other	-	-	-
Securities whose amount on the balance sheet does not exceed their book value	10,102	10,102	(0)
Japanese government bonds and corporate bonds	9,301	9,300	(0)
Japanese stocks	-	-	-
Foreign securities	-	-	-
Other securities	-	-	-
Monetary receivables purchased	-	-	-
Certificates of deposit	801	801	-
Other	-	-	-

2. Market value information on monetary trusts (Company total)

Millions of yen

As of March 31, 2010					
	Amount in balance sheet	Market value	Net gains or losses	Gains	Losses
Monetary trusts	10,922	10,922	-	-	-

• Monetary trusts held to maturity and corresponding to policy reserves and available-for-sale

Millions of yen

As of March 31, 2010					
	Book value	Market value	Net gains or losses	Gains	Losses
Monetary trusts held to maturity	-	-	-	-	-
Monetary trusts corresponding to policy reserves	-	-	-	-	-
Available-for-sale monetary trusts	10,923	10,922	(0)	0	0

Details of Ordinary Profit (Fundamental Profit)

Millions of yen

For the year ended March 31, 2010	
Fundamental profits (losses) (A)	(526)
Capital gains	17
Gains on trading account securities	-
Gains on monetary trusts	4
Gains on investments in trading securities	-
Gains on sales of securities	-
Gains from derivatives	12
Foreign exchange gains	-
Other capital gains	-
Capital losses	0
Losses on trading account securities	-
Losses on monetary trusts	-
Losses on investments in trading securities	-
Losses on sales of securities	-
Devaluation losses on securities	-
Losses from derivatives	-
Foreign exchange losses	0
Other capital losses	-
Net capital (losses) gains (B)	17
Fundamental profit plus net capital gains (A)+(B)	(508)
Other one-time gains	-
Gain from reinsurance	-
Reversal of contingency reserves	-
Amortization of negative goodwill	-
Other	-
Other one-time losses	76
Losses from reinsurance	-
Provision for contingency reserves	76
Provision for reserves for specific problem loans	-
Provision for reserves for specific overseas receivable assets	-
Loans amortization	-
Other	-
Total other one-time gains (losses) (C)	(76)
Ordinary profit (loss) (A)+(B)+(C)	(585)

- Notes: 1. Fundamental profit includes gains on monetary trusts resulting from income gains equal to ¥5 million.
 2. In calculating the fundamental profit, deferred charges under Article 113 of the Insurance Business Law of Japan of ¥2,627 million were reported as "Other basic expense and deduction items."

Key Performance Results

Key Performance Results

1. Overview of the company's business results

See Financial Highlights on page 8.

2. Insurance in force and new business

(1) Insurance in force

Millions of yen

As of March 31, 2010				
	Number of policies	Change from March 31, 2009 (%)	Amount	Change from March 31, 2009 (%)
Individual life insurance	-	-	-	-
Individual annuities	466	-	7,199	-
Group life insurance	-	-	-	-
Group pension	-	-	-	-

Note: Policy amounts for individual annuities are equal to the sum of annuity assets at the time annuity payments commence and policy reserves after annuity payments commence.

(2) New business

Millions of yen

For the Year Ended March 31, 2010						
	Number of policies	YoY change (%)	Amount	YoY change (%)	New policy amount	Increase from conversion
Individual life insurance	-	-	-	-	-	-
Individual annuities	467	-	7,441	-	7,441	-
Group life insurance	-	-	-	-	-	-
Group pension	-	-	-	-	-	-

Note: The new policy amount of individual annuities is the funding source for annuities at the start of the payment.

3. Annualized premiums

(1) In force

Millions of yen

As of March 31, 2010		
	Amount	Change from March 31, 2009 (%)
Individual life insurance	-	-
Individual annuities	6,432	-
Total	6,432	-
Medical protection, living benefit protection, etc.	-	-

(2) New business

Millions of yen

For the year ended March 31,2010

	Amount	YoY change (%)
Individual life insurance	-	-
Individual annuities	6,432	-
Total	6,432	-
Medical protection, living benefit protection, etc.	-	-

Note: Annualized premiums refer to an amount that is calculated by multiplying individual premium amounts by a coefficient that differs depending on the premium payment method, thereby converting the figure to a per-year premium. (For single-payment policies, premiums are divided by the number of coverage years.)

3. Insurance in force by insurance type

Millions of yen

As of March 31, 2010

Death protection	
Standard death	
Individual life insurance	-
Individual annuities	-
Group life insurance	-
Group pension	-
Total (including others not listed above)	-
Accidental death	
Individual life insurance	(-)
Individual annuities	(-)
Group life insurance	(-)
Group pension	(-)
Total (including others not listed above)	(-)
Death protection with other conditions	
Individual life insurance	(-)
Individual annuities	(-)
Group life insurance	(-)
Group pension	(-)
Total (including others not listed above)	(-)
Living protection	
Maturity/living benefit	
Individual life insurance	-
Individual annuities	7,199
Group life insurance	-
Group pension	-
Total (including others not listed above)	7,199
Annuity	
Individual life insurance	(-)
Individual annuities	(-)
Group life insurance	(-)
Group pension	(-)
Total (including others not listed above)	(-)
Other	
Individual life insurance	-
Individual annuities	-
Group life insurance	-
Group pension	-
Total (including others not listed above)	-
Hospitalization protection	
Accidental hospitalization	
Individual life insurance	(-)
Individual annuities	(-)
Group life insurance	(-)
Group pension	(-)
Total (including others not listed above)	(-)
Sickness hospitalization	
Individual life insurance	(-)
Individual annuities	(-)
Group life insurance	(-)
Group pension	(-)
Total (including others not listed above)	(-)
Hospitalization with other conditions	
Individual life insurance	(-)
Individual annuities	(-)
Group life insurance	(-)
Group pension	(-)
Total (including others not listed above)	(-)

Notes: 1. The figures in parentheses indicate the incidental coverage of master contracts and the coverage by riders.

2. The amount of "Individual annuities" in "Maturity/existing benefit" under the "Living protection" category is the funding source for annuities at the start of the payment for contracts not yet payable.

Number of policies

As of March 31, 2010

Disability protection	
Individual life insurance	-
Individual annuities	-
Group life insurance	-
Group pension	-
Total (including others not listed above)	-
<hr/>	
Surgery protection	
Individual life insurance	-
Individual annuities	-
Group life insurance	-
Group pension	-
Total (including others not listed above)	-

4. Policies in force by product line

Millions of yen

As of March 31, 2010

Death protection insurance	
Whole life insurance	-
Whole life insurance with term rider	-
Term life insurance	-
Total (including others not listed above)	-
Mixed insurance death and living	
Endowment insurance	-
Endowment insurance with term rider	-
Term life insurance with living benefit	-
Total (including others not listed above)	-
Pure endowment insurance	
Annuities	
Individual annuities	7,199
Accident and sickness-related riders	
Accidental death rider	-
Accidental injury rider	-
Accidental hospitalization rider	-
Sickness hospitalization rider	-
Rider for age-related illnesses	-
Rider for hospitalization with other conditions	-

Note: The amount of individual annuity insurance is the total of the funding source for annuities at the start of the payment for contracts not yet payable and the policy reserves for contracts after the payment of annuities has started.

5. Changes in policies

Individual annuities

Number of policies, millions of yen, %

For the year ended March 31, 2010		
	Number	Amount
At the beginning of the year	-	-
Increase due to:		
New policies	467	7,441
Reinstatements	-	-
Conversions	-	-
Decrease due to:		
Death	-	-
Maturity	-	-
Decrease in coverage amount	-	-
Conversions	-	-
Surrender	1	1
Lapse	-	-
Others	-	240
At year-end	466	7,199
(Increase %)	(-)	(-)
Net increase	466	7,199
(Increase %)	(-)	(-)

Note: The amount is the total of the funding source for annuities at the start of the payment for contracts not yet payable and the policy reserves for contracts after the payment of annuities has started.

Insurance Policy Indicators

1. Average policy size (individual life insurance)

Thousands of yen

For the year ended March 31, 2010	
New policy amount excluding conversions	15,934
Insurance in force	15,449

Note: The figures indicate the value of individual annuities.

2. Expense ratio (operating expenses as a percentage of premium revenues)

%

For the year ended March 31, 2010	
Expense ratio	
(operating expenses as a percentage of premium revenues)	36.1

3. The number of major reinsurers that accepted reinsurance agreements

For the year ended March 31, 2010	
The number of major reinsurers	1

4. The ratio of reinsurance premiums paid to top five reinsurers against total reinsurance premiums

%	
For the years ended March 31, 2010	
The ratio of reinsurance premiums paid to top five reinsurers against total reinsurance premiums	100.0

Accounting Indicators

1. Policy reserves by product line

Millions of yen	
As of March 31, 2010	
Policy reserves:	
Individual life insurance	-
General account	-
Separate account	-
Individual annuities	7,169
General account	1,005
Separate account	6,164
Group life insurance	-
General account	-
Separate account	-
Group pension	-
General account	-
Separate account	-
Others	-
General account	-
Separate account	-
Subtotal	7,169
General account	1,005
Separate account	6,164
Contingency reserves:	76
Total	7,246
General account	1,082
Separate account	6,164

2. Details of policy reserve

Millions of yen	
As of March 31, 2010	
Premium reserve	7,169
Unearned premium reserve	-
Refund reserve	-
Contingency reserve	76
Total	7,246

3. Policy reserve for individual life insurance and individual annuities (by issue year)

(1) Policy reserve accumulation method and achievement rate

As of March 31, 2010	
Accumulation method	
Policies subject to standard policy reserve	standard policy reserve
Policies not subject to standard policy reserve	not applicable
Achievement rate (excluding contingency reserve)	100.0%

Notes: 1. Accumulation method and rate applies to policy reserves for individual annuities.

2. Accumulation rates are calculated by considering premium reserves under the methods defined in Ordinance No. 48 issued by the Ministry of Finance in 1996 for policies subject to standard policy reserves and unearned premiums. For policies not subject to standard policy reserves, accumulation rates are calculated by considering premium reserves under the net level premium method and unearned premiums.

(2) Balance of policy reserves (by issue year)

Policy year	Millions of yen / %	
	Balance of policy reserves	Assumed interest rate
-1980	-	-
1981-1985	-	-
1986-1990	-	-
1991-1995	-	-
1996-2000	-	-
2001-2005	-	-
2006	-	-
2007	-	-
2008	-	-
2009	1,005	0.00

Notes: 1. Balance of policy reserves shows policy reserves for individual annuities.

2. Assumed interest rate shows the main assumed interest rate on policy reserves for each policy year.

4. Allowance for doubtful accounts and other reserves

Millions of yen				
As of March 31, 2010				
	Balance at the end of the previous period	Balance at the end of the current period	Increase (decrease) during the period	Reason for recording and calculation method for depreciation
Allowance for doubtful accounts	-	-	-	
General allowance for doubtful accounts	-	-	-	(Note)
Specific allowance for doubtful accounts	-	-	-	
Reserves for directors' and auditors' retirement benefits	-	36	36	(Note)
Reserve for price fluctuations in security investments	-	1	1	(Note)

Note: See notes 5 and 6 in the accompanying Significant Accounting Policies on page 36.

5. Details of capital

Millions of yen

For the year ended March 31, 2010					
	Balance at the end of the previous period	Increase during the period	Decrease during the period	Balance at the end of the current period	Remark
Share capital	3,000	7,000	-	10,000	-
Shares issued					
Common stock (thousand shares)	3,000	7,000	-	10,000	-
Total	3,000	7,000	-	10,000	-
Capital surplus					
Capital reserves	3,000	7,000	-	10,000	-
Total	3,000	7,000	-	10,000	-

6. Details of premium income

Millions of yen

For the year ended March 31, 2010	
Individual life insurance	-
Single payment	-
Annual payment	-
Semiannual payment	-
Monthly payment	-
Individual annuities	7,441
Single payment	7,441
Annual payment	-
Semiannual payment	-
Monthly payment	-
Group life insurance	-
Group pension	-
Total (including others not listed above)	7,441

7. Details of surrender payments

Millions of yen

For the year ended March 31, 2010	
Individual life insurance	-
Individual annuities	1
Group life insurance	-
Group pension	-
Financial insurance, financial annuities	-
Others	-
Total	1

8. Details of depreciation

Millions of yen

For the year ended March 31, 2010						
	Acquisition cost	Current year depreciation	Accumulated depreciation	Balance at the end of the current period	Accumulated depreciation percentage	
Tangible fixed assets	213	56	116	96	54.6%	
Buildings	30	4	9	20	32.1%	
Leases	-	-	-	-	-	
Other tangible fixed assets	182	51	106	76	58.3%	
Intangible fixed assets	1,506	101	110	1,396	7.4%	
Other	11	2	5	5	53.3%	
Total	1,731	159	233	1,498	13.5%	

9. Details of operating expenses

Millions of yen

For the year ended March 31, 2010	
Marketing operations	661
Marketing administration	24
General expenses	2,003
Total	2,689

10. Details of tax expenses

Millions of yen

For the year ended March 31, 2010	
National tax	135
Consumption tax	75
Corporate local special tax	10
Documentary stamp tax	0
Registration and license tax	49
Other national tax	-
Local tax	37
Local consumption tax	18
Corporate inhabitant tax	-
Corporate enterprise tax	13
Fixed asset tax	2
Real estate acquisition tax	-
Business office tax	3
Other local tax	-
Total	173

Asset Management Indicators (General Account)

1. Status of the company's asset management (General account)

1) Asset management for FY2009

(1) Investment environment

In FY2009, the Japanese economy experienced a recovery compared with the previous year, as a result of such factors as an increase in production due to the progress of inventory adjustments, the effects of economic measures taken by the Japanese government and the recovery of the global economy mainly in China and other emerging countries. Although personal consumption recovered slightly despite continued severe income and employment environments, that recovery was largely a result of measures taken by the government, such as fixed-amount subsidies and tax reductions, and is not yet a self-sustaining recovery. In terms of commodity prices, sluggish demand led to moderate deflation. Even though the worst is behind us, the domestic economy is still in a severe state, with a negative real GDP growth rate in FY2009 (based on a recent press release) for the second consecutive year.

The Japanese stock market generally showed a growth trend influenced by money injected to boost the economy by governments worldwide, which raised expectations for economic recovery, and led to an improvement in corporate business performance. With the inflow of funds caused by excessive liquidity and sales against the backdrop of such negative factors as the Dubai shock, the Greek financial crisis and high yen appreciation against other currencies, the Nikkei average stock price at the end of March 2010 surged to ¥11,089.94, up ¥2,980.41 from the end of the previous fiscal year.

In the bond markets, while seeing rising expectations for economic recovery given the additional economic stimulus measures taken, apprehension about the possible deterioration of the supply-and-demand balance due to the continuous issuance of government bonds temporarily pushed up the yield on newly issued 10-year Japanese government bonds

to almost 1.55%. Subsequently, the deterioration of certain economic indicators reversed this trend and, combined with the impact of the Dubai shock and high yen appreciation against other currencies, the yield temporarily declined to 1.1%. Toward the end of FY2009, interest rates rose given the impact of a rise in stock prices reflecting rising expectations for an economic recovery, resulting in a yield of 1.395% at the end of March 2010, up 0.055 percentage point from a year earlier.

In foreign exchange markets, the U.S. dollar was sold against other major currencies affected by the forecast of prolonged low-interest policies in the United States toward the end of FY2009 and the euro was sold with the impact of the Greek financial crisis from January 2010. In terms of the yen, yen appreciation continued to avoid exchange risks. The yen to U.S. dollar rate at the end of March 2010 was ¥93.04, up ¥5.19 from the end of the previous fiscal year.

(2) Investment policy

AEGON Sony Life Insurance mainly manages shareholders' equity assets in the general account. To maintain managerial soundness and ensure medium- to long-term stable profitability, the Company manages its assets focusing on safety and liquidity. Specifically, we do not conduct high-risk investments such as investments in stocks or foreign securities but rather allocate more funds to yen-denominated assets with guaranteed interest such as government and corporate bonds, deposits and other short-term financial products. The Company also conducts transactions to mitigate the minimum guarantee risks of variable individual annuities if necessary.

(3) Investment performance

In general accounts, most of the Company's investments were made using monetary trusts. Specifically, we mainly managed safe assets with high liquidity from which stable revenues are expected such as deposits and government bonds.

In addition, to control the minimum guarantee risk on variable individual annuities (separate account assets), hedging instruments were used for derivatives. However, the use of derivatives was terminated at the end of March 2010, when the Company transferred

the minimum guarantee risk to reinsurance companies in March 2010.

As a result, revenue from the Company's asset management in the general account in

FY2009 was ¥26 million. The balance of general account assets at the end of March 2010 was ¥21,600 million.

2) Portfolio transition

(1) General account assets

Millions of yen / %		
As of March 31, 2010		
	Amount	% of total
Cash and deposits, call loans	3,645	16.9
Securities repurchased under resale agreements	-	-
Pledged money for bond borrowing transaction	-	-
Monetary claims purchased	-	-
Securities under proprietary accounts	-	-
Monetary trusts	10,922	50.5
Securities	-	-
Japanese government bonds and corporate bonds	-	-
Japanese stocks	-	-
Foreign securities	-	-
Foreign government bonds and corporate bonds	-	-
Foreign stocks	-	-
Other securities	-	-
Loans	-	-
Policyholder loans	-	-
Other loans	-	-
Real estate	-	-
Deferred tax assets	-	-
Other	7,065	32.7
Allowance for doubtful accounts	-	-
Total	21,633	100.0
Foreign currency-denominated assets	-	-

(2) Increase (Decrease) in general account assets

Millions of yen	
For the year ended March 31, 2010	
Cash and deposits, call loans	3,645
Securities repurchased under resale agreements	-
Pledged money for bond borrowing transaction	-
Monetary claims purchased	-
Securities under proprietary accounts	-
Monetary trusts	10,922
Securities	-
Japanese government bonds and corporate bonds	-
Japanese stocks	-
Foreign securities	-
Foreign government bonds and corporate bonds	-
Foreign stocks	-
Other securities	-
Loans	-
Policyholder loans	-
Other loans	-
Real estate	-
Deferred tax assets	-
Other	7,065
Allowance for doubtful accounts	-
Total	21,633
Foreign currency-denominated assets	-

2. Yield by asset class (General account)

%	
For the year ended March 31, 2010	
Cash and deposits, call loans	0.08
Securities repurchased under resale agreements	-
Pledged money for bond borrowing transaction	-
Monetary claims purchased	-
Securities under proprietary accounts	-
Monetary trusts	0.18
Securities	-
Japanese government bonds and corporate bonds	-
Japanese stocks	-
Foreign securities	-
Loans	-
Real estate	-
Total	0.11
Overseas investment	-

Note: The denominator of yield calculations is the daily average balance on a book value basis. The numerator is the yield calculated by subtracting investment expenses from investment income in ordinary profit.

3. Average balance on primary assets (General account)

Millions of yen

For the year ended March 31, 2010	
Cash and deposits, call loans	3,287
Securities repurchased under resale agreements	-
Pledged money for bond borrowing transaction	-
Monetary claims purchased	-
Securities under proprietary accounts	-
Monetary trusts	6,116
Securities	-
Japanese government bonds and corporate bonds	-
Japanese stocks	-
Foreign securities	-
Loans	-
Real estate	-
Total	15,249
Overseas investment	-

4. Details of investment income (General account)

Millions of yen

For the year ended March 31, 2010	
Interest and dividends	2
Income from trading securities, net	-
Income from monetary trusts, net	10
Income from investments in trading securities, net	-
Gains on sale of securities	-
Gains on redemption of securities	-
Gains from derivatives, net	12
Foreign exchange gains, net	-
Other investment income	-
Total	26

5. Details of investment expenses (General account)

Millions of yen

For the year ended March 31, 2010	
Interest expenses	-
Losses on trading securities, net	-
Losses on monetary trusts, net	-
Losses on investments in trading securities, net	-
Losses on sale of securities	-
Devaluation losses on securities	-
Losses on redemption of securities	-
Losses from derivatives, net	-
Foreign exchange losses, net	0
Allowance for doubtful accounts	-
Loans amortization	-
Depreciation of real estate for rent and others	-
Other investment expenses	8
Total	8

6. Details of interest and dividend income (General account)

Millions of yen

For the year ended March 31, 2010	
Interest on bank deposits	2
Interest and dividends on securities	-
Interest on Japanese government and corporate bonds	-
Dividends on securities	-
Interest and dividends on foreign securities	-
Interest on loans	-
Rental income from real estate	-
Total (including others not listed above)	2

7. Balance of securities by years to maturity (General account)

Millions of yen

For the year ended March 31, 2010							
	One year or less	Over one year through three years	Over three years through five years	Over five years through seven years	Over seven years through ten years	Over ten years	Total
Securities	8,998	-	302	-	-	-	9,300
Japanese							
government bonds	8,998	-	302	-	-	-	9,300
Municipal bonds	-	-	-	-	-	-	-
Corporate bonds	-	-	-	-	-	-	-
Japanese stocks	-	-	-	-	-	-	-
Foreign securities	-	-	-	-	-	-	-
Foreign government bonds and corporate bonds	-	-	-	-	-	-	-
Foreign stocks	-	-	-	-	-	-	-
Other securities	-	-	-	-	-	-	-
Money claims purchased	-	-	-	-	-	-	-
Certificates of deposit	801	-	-	-	-	-	801
Others	-	-	-	-	-	-	-

Note: The securities above include those treated as securities in accordance with ASBJ Statement No. 10, "Accounting Standard for Financial Instruments."

8. Tangible fixed assets (General account)

(1) Breakdown of tangible fixed assets

Millions of yen / %

For the year ended March 31, 2010							
	Balance at end of prior period	Increase in current period	Decrease in current period	Depreciation in current period	Balance at end of current period	Accumulated depreciation	Accumulated depreciation percentage
Land	-	-	-	-	-	-	-
Buildings	24	0	-	4	20	9	32.1
Lease assets	-	-	-	-	-	-	-
Construction in progress	-	-	-	-	-	-	-
Other tangible assets	116	13	2	51	76	106	58.3
Total	141	14	2	56	96	116	54.6
Tangible fixed assets held for leasing	-	-	-	-	-	-	-

(2) Breakdown of real estate holdings by use (General account)

Millions of yen / Number of buildings

As of March 31, 2010	
Value of real estate holdings	20
For business operations	20
For lease	-
Number of buildings held for leasing	-

9. Gains and losses on the disposal of fixed assets (General account)

Millions of yen

For the year ended March 31, 2010	
Tangible fixed assets	2
Land	-
Buildings	-
Leases	-
Others	2
Intangible fixed assets	11
Others	-
Total	13
Tangible fixed assets held for leasing	-

10. Breakdown of other assets (General account)

Millions of yen

For the year ended March 31, 2010						
	Acquisition cost	Increase in current period	Decrease in current period	Accumulated depreciation	Balance at end of current period	Remark
Deferred asset	11	-	-	5	5	-
Total	11	-	-	5	5	-

Market Value of Securities (General Account)

1. Market value of securities (General account)

Market value of securities other than those held for trading purposes

Millions of yen

As of March 31, 2010					
	Book value	Market value	Net gains or losses	Gains	Losses
Bonds held to maturity	-	-	-	-	-
Bonds corresponding to policy reserves	-	-	-	-	-
Shares of subsidiaries and affiliated companies	-	-	-	-	-
Available-for-sale securities	10,102	10,102	(0)	0	0
Japanese government bonds and corporate bonds	9,301	9,300	(0)	0	0
Japanese stocks	-	-	-	-	-
Foreign securities	-	-	-	-	-
Foreign government bonds and corporate bonds	-	-	-	-	-
Foreign stocks	-	-	-	-	-
Other securities	-	-	-	-	-
Monetary claims purchased	-	-	-	-	-
Certificates of deposit	801	801	-	-	-
Others	-	-	-	-	-
Total	10,102	10,102	(0)	0	0
Japanese government bonds and corporate bonds	9,301	9,300	(0)	0	0
Japanese stocks	-	-	-	-	-
Foreign securities	-	-	-	-	-
Foreign government bonds and corporate bonds	-	-	-	-	-
Foreign stocks	-	-	-	-	-
Other securities	-	-	-	-	-
Monetary claims purchased	-	-	-	-	-
Certificates of deposit	801	801	-	-	-
Others	-	-	-	-	-

Notes: 1. The above table includes securities which are regarded appropriate to treat as securities defined by the Securities and Exchange Law of Japan.

2. The above table includes monetary trusts except securities held for trading purposes. Their book value was ¥9,301 million and net loss was ¥0 million.

2. Market value information on monetary trusts (General account)

Millions of yen

As of March 31, 2010					
	amount in balance sheet	Market value	Net gains or losses	Gains	Losses
Monetary trusts	10,922	10,922	(-)	-	-

Monetary trusts held to maturity and corresponding to policy reserves and others

Millions of yen

As of March 31, 2010					
	Book value	Market value	Net gains or losses	Gains	Losses
Monetary trusts held to maturity	-	-	-	-	-
Monetary trusts corresponding to policy reserves	-	-	-	-	-
Available-for-sale monetary trusts	10,923	10,922	(0)	0	0

Status of Separate Account Assets

Balance of Separate Account Assets

Millions of yen

As of March 31, 2010	
Individual variable life insurance	-
Individual variable annuities	6,472
Group pension	-
Total separate account assets	6,472

Status of Separate Account Assets for Individual Variable Insurance

1. Asset management results

Individual variable annuities

%

For the year ended March 31, 2010					
	Japanese stocks fund	Foreign stocks fund	Japanese bonds fund	Foreign bonds fund	Balance fund 20
Asset management results (price fluctuation)	10.62	6.00	(0.70)	(0.56)	0.16

2. Asset management

Individual variable annuities

Name of separate account	Start date of asset management	Investment policy and major risks of investments in major investment trusts	Unit price
			At the end of FY2009
Japanese stocks fund (1A-1)	December 9, 2009	Mainly invest in Blackrock Index mother funds that aim to achieve investment results interlocked with the trend of TOPIX (Tokyo Stock Price Index, including dividends) as the benchmark. Major risks include price fluctuations.	110.62
Foreign stocks fund (1A-2)	December 9, 2009	Mainly invest in MSCI KOKUSAI Index mother funds that aim to achieve investment results interlocked with the trend of the MSCI KOKUSAI Index as the benchmark. Major risks include price fluctuations and foreign currency exchange rate fluctuations.	106.00
Japanese bonds fund (1A-3)	December 9, 2009	Mainly invest in State Street Japanese Bond Index mother funds that aim to achieve investment results interlocked with the trend of the NOMURA-BPI General Index as the benchmark. Major risks include interest rate fluctuations and reputation.	99.29
Foreign bonds fund (1A-4)	December 9, 2009	Mainly invest in Blackrock Foreign Bond Index mother funds that aim to achieve investment results interlocked with the trend of the Citigroup World Government Bond Index (excluding Japanese bonds and bonds denominated in yen) as the benchmark. Major risks include interest rate fluctuations, reputation and foreign currency fluctuations.	99.43
Balance fund 20 (3A-1)	December 9, 2009	This fund manages assets using the family fund method, investing in foreign and domestic stocks and government and corporate bonds. Each mother fund in which the Company mainly invests aims to achieve investment results interlocked with the trend of the following benchmarks: 1. TOPIX (Tokyo Stock Price Index, including dividends) 2. MSCI KOKUSAI Index (yen-based) 3. NOMURA-BPI General Index 4. Citigroup World Government Bond Index (excluding Japanese bonds and bonds denominated in yen)	100.16

Status of Individual Variable Annuities (Separate Account)

Individual variable annuities

1. Insurance in force

Millions of yen

As of March 31, 2010		
	Number of policies	Amount
Individual variable annuities	466	7,199

2. Asset composition (Separate account)

Millions of yen

As of March 31, 2010		
	Amount	%
Cash and deposits, call loans	742	11.5
Securities	4,918	76.0
Japanese government bonds and corporate bonds	-	-
Japanese stocks	-	-
Foreign securities	-	-
Foreign government bonds and corporate bonds	-	-
Foreign stocks	-	-
Other securities	4,918	76.0
Loans	-	-
Other	811	12.5
Allowance for doubtful accounts	-	-
Total	6,472	100.0

3. Net investment gains/losses (Separate account)

Millions of yen

For the year ended March 31, 2010	
Interests, dividends and income	-
Gains on sale of securities	0
Gains on redemption of securities	-
Valuation gains on securities	65
Foreign exchange gains, net	-
Gains from derivatives, net	-
Other investment income	-
Losses on sale of securities	0
Losses on redemption of securities	-
Devaluation losses on securities	0
Foreign exchange losses, net	-
Losses from derivatives, net	-
Other investment expenses	-
Net investment gains/losses	64

4. Market value of securities (Separate account)

Valuation gains (losses) on securities held for trading purposes

Millions of yen

As of March 31, 2010		
	Amount in balance sheet	Net valuation gains/losses recorded in income
Securities held for trading purposes	4,918	64



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