Consolidated Financial Summary
for the six months ended September 30, 2008

November 17, 2008

Company name: Sony Financial Holdings Inc.
(URL: http://www.sonyfh.co.jp/index_en.html/)
Stock exchange listings: Tokyo Stock Exchange (code number: 8729)
Representative: Teruhisa Tokunaka, President and Representative Director
For inquiry: Masaaki Konoo, General Manager – Corporate Communications & Investor Relations Dept.

(discarding fractional amounts of less than 1 million yen)

1. Consolidated financial results for the six months ended September 30, 2008

(1) Operating results

	Ordinary Revenues		Ordinary Profit		Net Income	
	millions of yen	%change	millions of yen	%change	millions of yen	%change
For the six months ended September 30, 2008	420,048	(+3.8)	22,469	(-18.4)	12,180	(-27.1)
For the six months ended September 30, 2007	404,685	(+14.1)	27,551	(+54.2)	16,710	(+51.8)

	Net Income per Share	Net Income per Share (Fully Diluted)
	yen	yen
For the six months ended September 30, 2008	5,600.26	-
For the six months ended September 30, 2007	7,957.23	-

(2) Financial conditions

	Total Assets	Total Net Assets	Net Assets Ratio	Net Assets per Share
	millions of yen	millions of yen	%	yen
As of September 30, 2008	5,304,310	198,974	3.8	91,482.61
As of March 31, 2008	4,977,450	261,627	5.3	120,288.66

Notes: 1. Stockholders' equity: As of September 30, 2008: ¥ 198,974 million
As of March 31, 2008: ¥ 261,627 million

2. Net assets ratio is computed by dividing the amount of total net assets by total assets at the end of the period.

2. Dividends

	Dividend per Share		
Fiscal year	Interim dividend	Annual dividend	Total
	yen	yen	yen
For the year ended March 31, 2008	-	3,000.00	3,000.00
For the year ending March 31, 2009	-		3,000.00
For the year ending March 31, 2009(projection)		3,000.00	

3. Forecast of consolidated financial results for the year ending March 31, 2009

(percentage figures represent changes from the results of the same period of the previous fiscal year)

	Ordinary Revenues		Ordinary Profit		Net Income		Net Income per Share
	millions of yen	%change	millions of yen	%change	millions of yen	%change	yen
For the year ending March 31, 2009	884,000	7.5	37,000	(16.9)	21,000	(13.4)	9,655.17

4. Other Information

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

(2) Changes in significant accounting principles, policies and presentation

(a) Changes due to revision of accounting standards: Yes

(b) Changes due to other reasons: None

(Note) Refer to "Summary of Significant Accounting Policies", on page xx, for details.

(3) Number of shares outstanding (common stock)

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

As of September 30, 2008:	2,175,000 shares
As of March 31, 2008:	2,175,000 shares

(b) Number of treasury shares

As of September 30, 2008:	- shares
As of March 31, 2008:	- shares

(c) Weighted-average number of shares

For the six months ended September 30, 2008:	2,175,000 shares
For the six months ended September 30, 2007:	2,100,000 shares

(Note) Refer to "Per Share Information", on page 17, for the number of shares used in calculating net income per share.

Qualitative Information and Financial Statements

1. Qualitative Information on Consolidated Operating Performance

1. Analysis of Operating Performance

During the six months ended September 30, 2008 (April 1, 2008 through September 30, 2008), **consolidated ordinary revenues** grew 3.8% compared with the same period of the previous fiscal year, to ¥420.0 billion, owing to increases in ordinary revenues from all the businesses: life insurance, non-life insurance and banking.

In the life insurance business, ordinary revenues grew 1.7% year on year, to ¥372.1 billion, owing to higher income from insurance premiums associated with a steady increase in policy amount in force. In the non-life insurance business, ordinary revenues rose 10.5% year on year, to ¥30.7 billion, due to higher net premiums written, resulting from strong sales of automobile insurance policies. In the banking business, ordinary revenues grew 53.3% year on year, to ¥17.7 billion, owing mainly to increased interest income, such as interest income on loans, in line with the bank's business expansion.

Starting from the six months ended September 30, 2008, the scope of Sony Financial Holdings' consolidation included AEGON Sony Life Planning Co., Ltd., (a 50–50 joint venture of Sony Life and AEGON International B.V. of the Netherlands) as an affiliated company accounted for under the equity method.

Consolidated ordinary expenses increased 5.4% compared with the same period of the previous fiscal year, to ¥397.5 billion, owing to increases in ordinary expenses from all the businesses.

In the life insurance business, ordinary expenses increased 3.0% compared with the same period of the previous fiscal year, to ¥352.0 billion, due to larger amounts of insurance claims and other payments and higher operating expenses, as well as increased investment expenses resulting from a decrease in the fair market value of securities stemming from worldwide financial market disruption. In the non-life insurance business, ordinary expenses grew 14.6% year on year, to ¥29.5 billion, owing mainly to increased operating expenses, primarily associated with system-related investments, as well as to an increase in the amount of claims paid, led by those resulting from natural disasters. In the banking business, higher interest expenses, increased general and administrative expenses, mostly system-related expenses, and amortization of goodwill pushed up ordinary expenses 64.5% compared with the same period of the previous fiscal year, to ¥16.6 billion.

As a result, **consolidated ordinary profit** decreased 18.4% compared with the same period of the previous fiscal year, to ¥22.4 billion. Broken down by business, ordinary profit from the life insurance business declined 16.4% year on year, to ¥20.0 billion. Ordinary profit from the non-life insurance business decreased 41.5% year on year, to ¥1.1 billion. Ordinary profit from the banking business dropped 22.4% year on year, to ¥1.1 billion.

Extraordinary losses (net) of ¥0.6 billion were recorded, owing mainly to the provision for reserve for price fluctuations in the life insurance business.

Net income decreased 27.1% compared with the same period of the previous fiscal year, to ¥12.1 billion, reflecting a decrease in consolidated ordinary profit.

2. Segment Information by Business

Ordinary Revenues

(Millions of yen)

	For the six months ended September 30, 2007	**For the six months ended September 30, 2008**	Change (%)
Life insurance business	365,732	**372,125**	+ 1.7
Non-life insurance business	27,792	**30,713**	+10.5
Banking business	11,584	**17,762**	+53.3
Subtotal	405,109	**420,601**	+3.8
Corporate and eliminations	(424)	**(553)**	—
Consolidated	404,685	**420,048**	+3.8

Ordinary Profit

(Millions of yen)

	For the six months ended September 30, 2007	**For the six months ended September 30, 2008**	Change (%)
Life insurance business	24,010	**20,072**	**-** 16.4
Non-life insurance business	2,017	**1,179**	**-** 41.5
Banking business	1,483	**1,150**	**-** 22.4
Subtotal	27,511	**22,402**	**-** 18.6
Corporate and eliminations	40	**66**	+65.5
Consolidated	27,551	**22,469**	**-** 18.4

2. Qualitative Information on Consolidated Financial Position

Assets, Liabilities and Net Assets

As of September 30, 2008, **total assets** amounted to ¥5,304.3 billion, up 6.6% from March 31, 2008. As for major components of assets, securities, mostly Japanese government bonds, amounted to ¥3,175.8 billion, up 8.4% from March 31, 2008, monetary trusts amounted to ¥870.1 billion, down 2.9% from March 31, 2008, and loans amounted to ¥514.8 billion, up 13.0% from March 31, 2008.

Total liabilities amounted to ¥5,105.3 billion as of September 30, 2008, up 8.3% from March 31, 2008. As for major components of liabilities, policy reserve and others amounted to ¥3,601.8 billion, up 4.3% from March 31, 2008, and deposits amounted to ¥1,336.8 billion, up 16.9% from March 31, 2008.

Total net assets amounted to ¥198.9 billion as of September 30, 2008, down 23.9% from March 31, 2008. Due to a decrease in the fair market value of securities stemming from financial market disruption, net unrealized gains on other securities (net of taxes) declined ¥68.3 billion from March 31, 2008, to ¥6.5 billion.

3. Qualitative Information on Consolidated Performance Forecasts

SFH's consolidated financial results forecast for the year ending March 31, 2009 (April 1, 2008 through March 31, 2009) are stated as below. The figures are unchanged from those announced on May 14, 2008.

<Consolidated financial results forecast>

(Billions of yen)

For the full year	Ordinary revenues	Ordinary profit	Net income
Forecast for the year ending March 31, 2009	884.0	37.0	21.0
(Reference) Actual results for the year ended March 31, 2008	822.1	44.5	24.2

Note: As described below, forecasts of ordinary revenues and ordinary profit from the non-life insurance and the banking businesses for the year ending March 31, 2009 were changed. However, the forecast of consolidated financial results remain unchanged since the impact of these changes in the non-life insurance and the banking businesses was not considered significant on a consolidated basis.

(Reference)

Forecasts of ordinary revenues and ordinary profit from each business for the year ending March 31, 2009, are as follows.

<Life insurance business> (Billions of yen)

	Ordinary revenues	Ordinary profit
For the full year		
Forecast for the year ending March 31, 2009	793.0	34.0
(Reference) Actual results for the year ended March 31, 2008	741.3	39.0

<Non-life insurance business>

Owing to such factors as

1) Underwriting income during the six months ended September 30, 2008 was higher than originally expected,

2) The loss ratio for the period was within the range originally forecast, and

3) System-related expenses for the year ending March 31, 2009 are not expected to be as high as originally forecast,

SFH changed its forecasts of ordinary revenues and ordinary profit from the non-life insurance business for the year ending March 31, 2009, from those originally announced on May 16, 2008, as stated below.

(Billions of yen)

	Ordinary revenues	Ordinary profit
For the full year		
Updated forecast for the year ending March 31, 2009	**60.7**	**2.1**
Formerly announced forecast for the year ending March 31, 2009	59.8	1.3
(Reference) Actual results for the year ended March 31, 2008	55.6	2.8

<Banking business>

As ordinary revenues for the six months ended September 30, 2008 were higher than the original forecast due to steady business expansion, and considering the financial market environment as of September 30, 2008, SFH changed its forecasts of ordinary revenues and ordinary profit for the banking business for the year ending March 31, 2009, from those originally announced on August 13, 2008, as stated below.

(Billions of yen)

	Ordinary revenues	Ordinary profit
For the full year		
Updated forecast for the year ending March 31, 2009	**33.5**	**1.4**
Formerly announced forecast for the year ending March 31, 2009	**33.0**	**2.0**
(Reference) Actual results for the year ended March 31, 2008	25.9	2.4

The above-mentioned forecast was made based on information currently available to us.
Our consolidated forecast for the year ending March 31, 2009, does not incorporate the potential impact of market fluctuations on and after October 1, 2008, as it is difficult to forecast the financial market conditions as of March 31, 2009.

4. Information Concerning Significant Subsidiaries

Below, we describe the operating performance for the six months ended September 30, 2008 of SFH's significant subsidiaries: Sony Life Insurance Co., Ltd. (Sony Life), Sony Assurance Inc. (Sony Assurance) and Sony Bank Inc. (Sony Bank). Sony Life, Sony Assurance and Sony Bank each separately announce their own results, which summary information in English is available on SFH's website.

■ Sony Life (Non-Consolidated)

On a non-consolidated basis, Sony Life's ordinary revenues increased 1.7% from the same period of the previous fiscal year, to ¥371.8 billion, owing to higher income from insurance premiums, associated with a steady increase in policy amount in force. Ordinary profit decreased 17.1% year on year, to ¥19.9 billion, due to larger amounts of insurance claims and other payments and operating expenses, as well as to the deterioration of gains and losses from investments, associated with a decrease in the fair market value of securities stemming from worldwide financial market disruption. Net income dropped 17.0% year on year, to ¥10.8 billion.

Core profit rose 18.5% year on year, to ¥16.5 billion, as a result of an increase mainly in interest and dividends.

Income from insurance premiums grew 2.7% from the same period of the previous fiscal year, to ¥327.0 billion, associated with a higher policy amount in force. Investment income decreased 3.2% year on year, to ¥43.2 billion, due to a decrease in income from monetary trusts, net, and gains on sale of securities, despite a rise in interest and dividends, due primarily to a higher balance of securities held, mainly Japanese government bonds. Investment expenses expanded 264.9% year on year, to ¥32.9 billion, as gains and losses from investments at separate accounts deteriorated, despite smaller amount of losses on general account, net. As a result, gains from investment, net, for the total of general and separate accounts declined 71.1% from the same period of the previous fiscal year, to ¥10.3 billion. Insurance claims and other payments increased 7.1% year on year, to ¥125.8 billion. Operating expenses increased 2.6% year on year, to ¥46.8 billion.

Policy amount in force for the total of individual life insurance and individual annuities grew steadily, to ¥32,065.4 billion as of September 30, 2008, up 1.8% from March 31, 2008, and up 3.8% from September 30, 2007. The lapse and surrender rate for the total of individual life insurance and individual annuities rose 0.10 percentage point from the same period of the previous fiscal year, to 3.11%. Annualized premiums from total policies as of September 30, 2008, were up 2.1% from March 31, 2008, and up 4.5% from September 30, 2007, totaling ¥540.9 billion. Of this amount, the figure for third-sector products was up 1.4% from March 31, 2008, and up 3.4% from September 30, 2007, to ¥124.5 billion.

New policy amount for the total of individual life insurance and individual annuities increased 0.8% from the same period of the previous fiscal year, to ¥1,894.7 billion. Annualized premiums from new policies decreased 0.9% year on year, to ¥30.9 billion. Of this amount, the figure for third-sector products dropped 1.2% year on year, to ¥6.5 billion.

Net unrealized gains on securities* dropped 71.9% from March 31, 2008, to ¥35.9 billion. Net unrealized gains on other securities, net of taxes, amounted to ¥21.3 billion, down ¥61.4 billion from March 31, 2008.

During the six months ended September 30, 2008, Sony Life's capital was raised by ¥10.0 billion. As a result, common stock and capital surplus as of September 30, 2008, were ¥70.0 billion and ¥5.8 billion, respectively. The increased capital is intended for use in the start of operations provided that AEGON Sony Life Planning Co., Ltd. receives a license to conduct life insurance business, as stipulated under the Insurance Business Law of Japan.

As of September 30, 2008, Sony Life's solvency margin ratio was 1,665.4%, compared with 1,747.9% as of March 31, 2008.

*Net unrealized gains/losses on securities are calculated as the difference between the carrying value before mark-to-market and the fair market value for securities with market value, other than trading-purpose securities. (The amount includes "monetary trusts", but excludes trading-purpose securities.)

■ Sony Assurance

Sony Assurance posted a 10.5% increase in ordinary revenues compared with the same period of the previous fiscal year, to ¥30.7 billion, primarily due to strong sales of its mainstay automobile insurance, which raised net premiums written. Although underwriting income increased, ordinary profit decreased 41.5% year on year, to ¥1.1 billion, owing primarily to increased operating expenses, mostly system-related expenses, as well as to an increased amount of claims paid, led by those resulting from natural disasters. Net income declined 64.3% compared with the same period of the previous fiscal year, to ¥0.6 billion.

In terms of performance of insurance underwriting, owing mainly to an increased number of automobile insurance policies in force, direct premiums written and net premiums written grew 10.5% and 10.5%, year on year, to ¥30.1 billion and to ¥30.3 billion, respectively. In addition to the increased number of policies in force, natural disasters also influenced net losses paid, causing a 13.2% year on year increase, to ¥14.1 billion. The net loss ratio rose 1.3 percentage points, compared with the same period of the previous fiscal year, to 52.4%, owing mainly to the increased net losses paid and higher loss adjustment expenses. The net expense ratio rose 0.9 percentage point year on year, to 26.2%, owing to an increase primarily in system-related expenses, which more than offset operational efficiency improvements. The combined ratio (the sum of the net loss ratio and the net expense ratio) rose 2.2 percentage points year on year, to 78.6%. As a result, underwriting profits declined 49.8% year on year, to ¥0.8 billion, due mainly to an absence of ¥0.5 billion positive effects recorded in the same period of the previous fiscal year, when the method of calculating reserves for outstanding claims was changed.

As of September 30, 2008, Sony Assurance's solvency margin ratio was 1,096.5%, compared with 1,073.9% as of March 31, 2008.

■ Sony Bank (Non-Consolidated)

On a non-consolidated basis, Sony Bank's ordinary revenues increased 53.3% compared with the same period of the previous fiscal year, to ¥17.7 billion, as a higher balance of investment assets and other factors, in line with business expansion, led to higher interest income and other operating income. Owing to an increase in gross operating profit, ordinary profit increased 2.4% compared with the same period of the previous fiscal year, to ¥1.6 billion. Net income decreased to ¥0.9 billion, down 53.6% compared with the same period of the previous fiscal year, when deferred tax assets were topped up at September 30, 2007.

Gross operating profit increased 20.7% from the same period of the previous fiscal year, to ¥6.6 billion, led by an increase in net other operating income. With respect to the breakdown of gross operating profit, net interest income dropped 14.6% year on year, to ¥2.1 billion, due to increased interest on deposits, and net fees and commissions declined 67.1% year on year, to ¥0.1 billion, owing primarily to a decrease in securities-related commissions. Net other operating income rose 63.6% from the same period of the previous fiscal year, to ¥4.3 billion, as a result of increased income from foreign exchange transactions derived from the investment of foreign currency deposits.

General and administrative expenses increased 27.0% year on year, to ¥4.9 billion, due mainly to an increase in system-related expenses.

As of September 30, 2008, customer assets (the sum of deposits and investment trusts) grew ¥185.8 billion, or 14.9%, from March 31, 2008, to ¥1,433.1 billion, primarily due to an increase in yen deposits. As for the breakdown of customer assets as of September 30, 2008, deposits increased ¥193.8 billion, or 16.9%, from March 31, 2008, to ¥1,338.2 billion. Investment trusts decreased ¥7.9 billion, or 7.8% from March 31, 2008, to ¥94.9 billion. Loans expanded steadily to ¥400.0 billion, up ¥52.9 billion, or 15.3%, from March 31, 2008. As of September 30, 2008, the number of accounts was up 60 thousand from March 31, 2008, to 670 thousand accounts.

Net unrealized losses on other securities, net of taxes, deteriorated ¥6.5 billion from March 31, 2008, to ¥15.6 billion.

During the six months ended September 30, 2008, Sony Bank's capital was raised ¥6.0 billion. As a result, common stock and capital surplus as of September 30, 2008, were ¥28.0 billion and ¥18.0 billion, respectively. In addition, Sony Bank assumed ¥2.0 billion in subordinated debts from outside of the SFH Group. The increased capital and the subordinated borrowings were intended to ensure Sony Bank's financial soundness, considering the increased investment assets along with its business expansion.

As of September 30, 2008, Sony Bank's non-consolidated capital adequacy ratio (domestic criteria, calculated based on the standard stipulated by Article 14-2 of the Banking Law of Japan) was 8.88%, compared with 9.15% as of March 31, 2008.

In view of the recent market environment, on November 12, 2008, Sony Bank's capital was raised a further ¥6.0 billion through the allocation of shares to SFH, with the aim of achieving its sound growth.

5. Other Information

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries accompanying changes in scope of consolidation)

Not applicable.

(2) Changes in accounting policies, procedures and presentation rules applied in the preparation of the interim consolidated financial statements

Lease transactions -

Finance leases that do not transfer ownership of the leased property to the lessee used to be accounted for as operating leases. As the Accounting Standard Board of Japan ("ASBJ") Statement No.13 "Accounting Standard for Lease Transactions" (March 30, 2007) and ASBJ Guidance No.16 "Guidance for Accounting Standard for Lease Transactions" (March 30, 2007) became effective for fiscal years beginning on and after April 1, 2008, SFH has applied them starting from the six months ended September 30, 2008. The impact of this change to SFH's consolidated ordinary profit and net income before taxes is not material.

Consolidated Financial Statements

1. Consolidated Balance Sheets

(Yen in millions)

	As of September 30, 2008	As of March 31, 2008
Assets:		
Cash and due from banks	50,598	60,058
Call loans and bills bought	433,165	424,868
Monetary trusts	870,118	895,672
Securities	3,175,813	2,930,441
Loans	514,889	455,763
Tangible fixed assets	83,506	84,451
Intangible fixed assets	19,161	16,412
Goodwill	2,255	2,505
Others	16,906	13,906
Due from reinsurers	127	256
Foreign exchanges	5,271	1,683
Other assets	113,739	101,229
Deferred tax assets	38,363	6,937
Reserve for possible loan losses	(445)	(327)
Total Assets	5,304,310	4,977,450
Liabilities:		
Policy reserve and others	3,601,853	3,454,167
Reserve for outstanding claims	33,773	31,653
Policy reserve	3,562,340	3,418,006
Reserve for policyholders’ dividends	5,740	4,506
Due to agencies	1,138	1,308
Due to reinsurers	690	926
Deposits	1,336,849	1,143,476
Call money and bills sold	10,000	10,000
Borrowed money	2,000	-
Foreign exchanges	17	0
Other liabilities	112,356	62,530
Reserve for employees’ bonuses	2,073	2,240
Reserve for employees’ retirement benefits	12,667	11,920
Reserve for directors’ retirement benefits	277	252
Reserve for price fluctuations and others	24,703	24,136
Deferred tax liabilities	0	4,156
Deferred tax liabilities on land revaluation	706	706
Total Liabilities	5,105,336	4,715,822

(Yen in millions)

	As of September 30, 2008	As of March 31, 2008
Net Assets:		
Common stock	19,900	19,900
Capital surplus	195,277	195,277
Retained earnings	(20,793)	(26,417)
Total shareholders’ equity	194,384	188,759
Net unrealized gains on other securities, net of taxes	6,566	74,902
Net deferred losses on hedging instruments, net of taxes	(830)	(1,345)
Land revaluation, net of taxes	(1,475)	(1,475)
Foreign currency translation adjustments	330	786
Total valuation and translation adjustments	4,590	72,868
Total Net Assets	198,974	261,627
Total Liabilities and Net Assets	5,304,310	4,977,450

2. Consolidated Statements of Income

(Yen in millions)

	For the six months ended September 30, 2007	For the six months ended September 30, 2008
Ordinary Revenues	404,685	420,048
Ordinary Revenues from the Life Insurance Business:	365,346	371,609
Income from insurance premiums	318,426	326,936
Insurance premiums	317,998	326,675
Ceded reinsurance commissions	427	260
Investment income	44,778	43,583
Interest income and dividends	23,001	27,080
Income from monetary trusts, net	9,202	6,826
Income from trading securities, net	54	788
Gains on sale of securities	11,385	8,295
Gains on redemption of securities	104	403
Gains on derivatives, net	-	29
Foreign exchange gains, net	7	158
Other investment income	0	0
Gains on separate accounts, net	1,020	-
Other ordinary income	2,140	1,090
Ordinary Revenues from the Non-life Insurance Business:	27,777	30,707
Underwriting income	27,479	30,371
Net premiums written	27,464	30,351
Interest and dividends on deposits of premiums	15	19
Investment income	286	323
Interest income and dividends	280	336
Gains on sale of securities	21	5
Gains on redemption of securities	-	0
Transfer to interest and dividends on deposits of premiums	(15)	(19)
Other ordinary income	11	13
Ordinary Revenues from the Banking Business:	11,561	17,731
Interest income	7,447	10,673
Interest income on loans	3,184	4,303
Interest income and dividends on securities	3,244	4,852
Interest income on call loans and bills bought	960	1,420
Interest income on deposits with banks	6	5
Interest income on interest rate swaps	18	6
Other interest income	33	85
Fees and commissions	949	968
Other operating income	3,157	6,022
Gains on foreign exchange transactions	2,313	4,508
Others	843	1,513
Other ordinary income	6	67

(Yen in millions)

	For the six months ended September 30, 2007	For the six months ended September 30, 2008
Ordinary Expenses	377,133	397,579
Ordinary Expenses from the Life Insurance Business:	341,638	351,969
Insurance claims and other payments	117,482	125,841
Insurance claims	28,747	30,771
Annuity payments	2,447	2,852
Insurance benefits	13,562	15,208
Surrender payments	70,572	75,095
Other Payments	1,062	849
Reinsurance premiums	1,091	1,063
Provision for policy reserve and others	164,683	140,852
Provision for reserve for outstanding claims	-	1,034
Provision for policy reserve	164,676	139,796
Interest portion of reserve for policyholders' dividends	7	21
Investment expenses	9,036	32,970
Interest expenses	9	9
Losses on sale of securities	455	1,351
Devaluation losses on securities	1,751	2,997
Losses on redemption of securities	10	21
Losses on derivatives, net	2,582	-
Provision for reserve for possible loan losses	9	12
Depreciation of real estate for rent and others	1,552	1,441
Other investment expenses	2,664	3,024
Losses on separate accounts, net	-	24,111
Operating expenses	45,660	46,855
Other ordinary expenses	4,775	5,450
Ordinary Expenses from the Non-life Insurance Business:	25,577	29,314
Underwriting expenses	19,079	21,901
Net losses paid	12,478	14,124
Loss adjustment expenses	1,544	1,771
Net commission and brokerage fees	299	354
Provision for reserve for outstanding claims	1,173	1,084
Provision for underwriting reserve	3,584	4,565
Other underwriting expenses	-	0
Investment losses	3	14
Losses on sale of securities	3	-
Devaluation losses on securities	-	14
Operating, general and administrative expenses	6,482	7,395
Other ordinary expenses	12	4

(Yen in millions)

	For the six months ended September 30, 2007	For the six months ended September 30, 2008
Ordinary Expenses from the Banking Business:	9,917	16,294
Interest expenses	4,954	8,542
Interest expenses on deposits	4,639	8,151
Interest expenses on call money and bills sold	57	29
Interest on borrowed money	-	12
Interest expenses on interest rate swaps	257	348
Fees and commissions	486	603
Other operating expenses	479	1,642
General and administrative expenses	3,927	5,375
Other ordinary expenses	70	131
Ordinary Profit	27,551	22,469
Extraordinary Gains	1	3
Gains on disposal of fixed assets	0	0
Reversal of reserve for price fluctuations	-	2
Others	1	-
Extraordinary Losses	1,689	678
Losses on disposal of fixed assets	22	105
Impairment losses	125	0
Provision for reserve for price fluctuations	1,541	568
Others	-	4
Provision for Reserve for Policyholders' Dividends	966	1,688
Income Before Income Taxes	24,896	20,105
Income Taxes	7,952	7,924
- Current	10,835	9,026
- Deferred	(2,883)	(1,101)
Minority Interests	(233)	-
Net Income	16,710	12,180

3. Consolidated Statements of Changes in Net Assets

(Yen in millions)

	For the six months ended September 30, 2007	For the six months ended September 30, 2008
Shareholder’s Equity		
Common stock		
Balance at the end of the previous period	5,500	19,900
Changes during the period		
Total changes during the period	-	-
Balance at the end of the current period	5,500	19,900
Capital surplus		
Balance at the end of the previous period	180,877	195,277
Changes during the period		
Total changes during the period	-	-
Balance at the end of the current period	180,877	195,277
Retained deficits		
Balance at the end of the previous period	(44,173)	(26,417)
Changes during the period		
Dividends from surplus	(6,500)	(6,525)
Net income	16,710	12,180
Change of scope of equity method	-	(31)
Total changes during the period	10,210	5,624
Balance at the end of the current period	(33,962)	(20,793)
Total shareholder’s equity		
Balance at the end of the previous period	142,203	188,759
Changes during the period		
Dividends from surplus	(6,500)	(6,525)
Net income	16,710	12,180
Change of scope of equity method	-	(31)
Total changes during the period	10,210	5,624
Balance at the end of the current period	152,414	194,384

(Yen in millions)

	For the six months ended September 30, 2007	For the six months ended September 30, 2008
Valuation and Translation Adjustments		
Net unrealized gains on other securities, net of taxes		
Balance at the end of the previous period	125,043	74,902
Changes during the period		
Net changes of items other than shareholder's equity	5,125	(68,336)
Total changes during the period	5,125	(68,336)
Balance at the end of the current period	130,169	6,566
Net deferred losses on hedging instruments, net of taxes		
Balance at the end of the previous period	(408)	(1,345)
Changes during the period		
Net changes of items other than shareholder's equity	48	514
Total changes during the period	48	514
Balance at the end of the current period	(360)	(830)
Land revaluation, net of taxes		
Balance at the end of the previous period	(1,475)	(1,475)
Changes during the period		
Total changes during the period	-	-
Balance at the end of the current period	(1,475)	(1,475)
Foreign currency transaction adjustments		
Balance at the end of the previous period	390	786
Changes during the period		
Net changes of items other than shareholder's equity	310	(456)
Total changes during the period	310	(456)
Balance at the end of the current period	700	330
Total valuation and translation adjustments		
Balance at the end of the previous period	123,549	72,868
Changes during the period		
Net changes of items other than shareholder's equity	5,484	(68,277)
Total changes during the period	5,484	(68,277)
Balance at the end of the current period	129,034	4,590

(Yen in millions)

	For the six months ended September 30, 2007	For the six months ended September 30, 2008
Minority Interests		
Balance at the end of the previous period	4,425	-
Changes during the period		
Net changes of items other than shareholder's equity	157	-
Total changes during the period	157	-
Balance at the end of the current period	4,582	-
Total Net Assets		
Balance at the end of the previous period	270,179	261,627
Changes during the period		
Dividends from surplus	(6,500)	(6,525)
Net income	16,710	12,180
Change of scope of equity method	-	(31)
Net changes of items other than shareholder's equity	5,641	(68,277)
Total changes during the period	15,851	(62,653)
Balance at the end of the current period	286,030	198,974

4. Segment Information

For the six months ended September 30, 2007 (Yen in millions)

	Life insurance business	Non-life insurance business	Banking business	Total	Elimination	Consolidated
Ordinary revenues:						
External customers	365,346	27,777	11,561	404,685	-	404,685
Intersegment	386	14	23	424	(424)	-
Total	365,732	27,792	11,584	405,109	(424)	404,685
Ordinary expenses	341,721	25,775	10,100	377,597	(464)	377,133
Ordinary profit	24,010	2,017	1,483	27,511	40	27,551

For the six months ended September 30, 2008 (Yen in millions)

	Life insurance business	Non-life insurance business	Banking business	Total	Elimination	Consolidated
Ordinary revenues:						
External customers	371,609	30,707	17,731	420,048	-	420,048
Intersegment	516	5	30	553	(553)	-
Total	372,125	30,713	17,762	420,601	(553)	420,048
Ordinary expenses	352,053	29,533	16,611	398,198	(619)	397,579
Ordinary profit	20,072	1,179	1,150	22,402	66	22,469

5. Per Share Information

Net income per share is calculated based on the weighted-average number of shares of common stock outstanding during the period. For the six months ended September 30, 2007 and 2008, net income per share was ¥7,957.33 and ¥5,600.26, respectively. There were no potential dilutive securities. Net assets per share, calculated based on the number of shares of common stock outstanding as of March 31, 2008 and September 30, 2008, were ¥120,288.66 and ¥91,482.61, respectively.
The basis for this calculation for the six months ended September 30, 2007 and 2008 is net income of ¥16,710 million and ¥12,180 million, the entire amount of which is applicable to common shares. The weighted-average number of shares outstanding for the six months ended September 30, 2007 and 2008 were 2,100,000 shares and 2,175,000 shares, respectively.

SFH's consolidated results* are prepared in accordance with accounting principles and practices generally accepted in Japan. As such, these figures differ in significant respects from financial information reported by SFH's parent company, Sony Corporation, which prepares its financial statements in accordance with accounting principles and practices generally accepted in the United States.

* The scope of consolidation for SFH's consolidated results for the six months ended September 30, 2007 included Sony Financial Holdings Inc., Sony Life Insurance Co., Ltd., Sony Assurance Inc., Sony Bank Inc., Sony Life Insurance (Philippines) Corporation, and Sony Bank Securities Inc. The scope of consolidation for SFH's consolidated results for the six months ended September 30, 2008 also included AEGON Sony Life Planning Co., Ltd. as an affiliated company accounted for under the equity method.

On October 29, 2008, Sony Corporation announced its consolidated financial results for the second quarter ended September 30, 2008. SFH Group companies constitute the majority of Sony Group's Financial Services segment. However, the scope of Sony Group's Financial Services segment differs from the scope of SFH's consolidated results. For the scope of Sony Group's Financial Services segment, please refer to the earnings releases announced from Sony Corporation on October 29, 2008.

Forward-looking statements may include—but are not limited to—statements using words such as "believe," "anticipate," "plan," "strategy," "expect," "forecast," "predict," "possibility" and similar words that describe future operating activities, financial performance, events or conditions. Forward-looking statements, whether spoken or written, are based on judgments made by the management of the SFH Group based on information that is currently available to it. As such, forward-looking statements are subject to various risks and uncertainties, and actual results may vary substantially from those expressed or implied in forward-looking statements. Consequently, investors are cautioned not to place undue reliance on forward-looking statements. The SFH Group disclaims any obligation to revise forward-looking statements in light of new information, future events or other findings.

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