

Additional Information on FY08 3Q Consolidated Financial Results

Sony Financial Holdings (“SFH”) today filed its *Shihanki Hokokusho*, or Quarterly Report, as required under the Financial Instruments and Exchange Law of Japan, for the quarter ended December 31, 2008, and uploaded this report onto its Japanese website. As part of our efforts to disclose information as fairly as possible to non-Japanese shareholders and investors, Sony Financial Holdings discloses English-language summaries of information that might be informative for investors but is typically only disclosed in the *Shihanki Hokokusho*.

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1. Management's Discussion and Analysis for the Three Months Ended December 31, 2008

Analysis of Operating Performance

During the third quarter, the Japanese economy experienced the expanding effects of the U.S. financial crisis. Amid worldwide economic deceleration, exports declined and corporate revenues and profits grew lackluster. Consumer buying sentiment worsened, owing to concerns about declines in real income, causing personal consumption to remain slack.

During the three months ended December 31, 2008, consolidated ordinary revenues grew 8.3% compared with the same period of the previous fiscal year, to ¥220.1 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 7.5% year on year, to ¥196.7 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 11.2% year on year, to ¥15.4 billion, due to higher net premiums written, resulting from strong sales of automobile insurance policies. In the banking business, ordinary revenues increased 24.6% year on year, to ¥8.3 billion, as a higher balance of investment assets in line with the bank's business expansion led to an increase mainly in interest income.

Consolidated ordinary expenses increased 8.7% compared with the same period of the previous fiscal year, to ¥209.7 billion, owing to increases in ordinary expenses from all the businesses.

In the life insurance business, ordinary expenses increased 7.0% compared with the same period of the previous fiscal year, to ¥186.4 billion, due to increased insurance claims and other payments as well as increased investment expenses associated with a significant decline in Japanese stock market prices. In the non-life insurance business, ordinary expenses grew 17.8% year on year, to ¥15.1 billion, owing mainly to expanded net losses paid caused by increased number of accidents occurred in December 2008. In the banking business, increased system-related expenses and amortization of goodwill pushed up ordinary expenses 34.6% compared with the same period of the previous fiscal year, to ¥8.3 billion.

As a result, consolidated ordinary profit increased 1.8% compared with the same period of the previous fiscal year, to ¥10.4 billion. Broken down by business, ordinary profit from the life insurance business increased 17.7%, year on year, to ¥10.3 billion. Ordinary profit from the non-life insurance business decreased 72.6% year on year, to ¥0.2 billion. The banking business recorded ordinary losses of ¥0.1 billion. In the life insurance business, contingency reserve was partially reversed in response to lower investment yields associated with financial market deterioration.

Extraordinary gains for the three months ended December 31, 2008, amounted to ¥8.6 billion, due mainly to a partial reversal of reserve for price fluctuations in the life insurance business. Extraordinary losses of ¥3.7 billion were recorded, owing mainly to losses on disposal of fixed assets in the non-life insurance business, in relations to its suspension of the new system development.

As a result, net income increased 39.2% year on year, to ¥8.3 billion.

Below, we describe the operating performance, on a non-consolidated basis, for the three months ended December 31, 2008 of SFH's significant subsidiaries: Sony Life Insurance Co., Ltd. ("Sony Life"), Sony Assurance Inc. ("Sony Assurance") and Sony Bank Inc. ("Sony Bank").

Life Insurance Business (Sony Life, Non-Consolidated)

During the three months ended December 31, 2008, Sony Life's ordinary revenues increased 7.5% from the same period of the previous fiscal year, to ¥196.6 billion, owing to higher income from insurance premiums, associated with a steady increase in policy amount in force. While income from insurance premiums increased, in line with the growing policy amount in force, insurance claims and other payments expanded and gains and losses from investments deteriorated resulting from a significant fall in Japanese stock market prices. However, contingency reserve was partially reversed in response to lower investment yields associated with financial market deterioration, resulting in ordinary profit to increase 16.7%, year on year, to ¥10.2 billion. Net income expanded 123.2% year on year, to ¥11.2 billion, as a result of the partial reversal of reserve for price fluctuations.

Core profit rose 2.7% year on year, to ¥6.0 billion.

Income from insurance premiums increased 0.8% year on year, to ¥162.5 billion, associated with a higher policy amount in force. Investment income increased 58.9% year on year, to ¥31.8 billion, as a higher balance of securities held, mainly Japanese government bonds, and other factors led to a rise in interest and dividends. Investment expenses expanded 430.6% year on year to ¥74.1 billion, resulting from deteriorations in gains and losses from investments in separate accounts. As a result, losses from investment, net, of ¥42.2 billion were recorded as the sum of general and separate accounts. Insurance claims and other payments amounted to ¥72.4 billion, up 17.0% year on year. Operating expenses declined 3.5% year on year, to ¥22.8 billion.

Policy amount in force for the total of individual life insurance and individual annuities grew steadily, to ¥32,406.6 billion as of December 31, 2008, up 2.9% from March 31, 2008, and up 3.7% from December 31, 2007. Annualized premiums from total policies as of December 31, 2008, were up 3.0% from March 31, 2008, and up 4.1% from December 31, 2007, totaling ¥546.1 billion. Of this amount, the figure for third-sector products was up 2.6% from March 31, 2008, and up 3.3% from December 31, 2007, to ¥126.0 billion.

New policy amount for the total of individual life insurance and individual annuities increased 6.5% from the same period of the previous fiscal year, to ¥1,098.8 billion. Annualized premiums from new policies decreased 1.8% year on year, to ¥16.8 billion. Of this amount, the figure for third-sector products was ¥3.8 billion, up 3.0% year on year.

Net unrealized gains on securities* dropped 1.8% from March 31, 2008, to ¥125.5 billion. Net unrealized gains on other securities, net of taxes, amounted to ¥24.6 billion, down ¥58.0 billion from March 31, 2008.

As of December 31, 2008, Sony Life's solvency margin ratio was 1,995.0%, 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.)

Non-Life Insurance Business (Sony Assurance)

During the three months ended December 31, 2008, Sony Assurance posted an 11.2% increase in ordinary revenues compared with the same period of the previous fiscal year, to ¥15.4 billion, primarily due to strong sales of its mainstay automobile insurance, which raised net premiums written. Although underwriting income increased, ordinary profit decreased 72.6% year on year, to ¥0.2 billion, owing mainly to an increased amount of claims paid. Losses on disposal of fixed assets were recorded as extraordinary losses, resulting in net loss of ¥2.6 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 11.7% and 11.0%, year on year, to ¥15.1 billion and ¥15.2 billion, respectively. The net losses paid increased 18.8% year on year, to ¥7.9 billion due to increased number of accidents occurred in December 2008. The net loss ratio rose 3.6 percentage points year on year, to 58.4%, owing mainly to increases in net losses paid and higher loss adjustment expenses. The net expense ratio rose 0.6 percentage point from the same period of the previous fiscal year, to 25.3%. The combined ratio (the sum of the net loss ratio and the net expense ratio) rose 4.2 percentage points year on year, to 83.7%. As a result, underwriting profits declined 76.4% year on year, to ¥0.2 billion.

For the purpose of enhancing system and operational efficiency, Sony Assurance began developing new systems in the fiscal year ended March 31, 2007. However, the company subsequently decided to suspend this development and to overhaul its development policy. Accordingly, some software assets that were previously recorded as intangible fixed assets (software) and for which future use is uncertain were disposed of, resulting in losses on disposal of fixed assets of ¥3.7 billion, which were recorded as extraordinary losses.

Banking Business (Sony Bank, Non-Consolidated)

During the three months ended December 31, 2008, Sony Bank's ordinary revenues increased 23.9% compared with the same period of the previous fiscal year, to ¥8.3 billion, due mainly to an increase in interest income, as the balance of investment assets rose in line with business expansion. Although gross operating profit increased, ordinary profit dropped 80.9% year on year, to ¥0.09 billion, as the general and administrative expenses, mostly system-related expenses, expanded. Net income declined 87.4% year on year, to ¥0.06 billion, due to an absence of deferred tax assets that were topped up in the three months ended December 31, 2007.

Gross operating profit increased 13.3% compared with the same period of the previous fiscal year, to ¥2.8 billion, owing to increases in net interest income and net fees and commissions. With respect to the breakdown of gross operating income, net interest income increased 28.0% year on year, to ¥1.7 billion, due to increased interest and dividends on securities. Net fees and commissions expanded 7,581.6% year on year, to ¥0.1 billion, as steady inflows of commissions from the foreign exchange margin transactions, which started in May 2008, offset a decrease in securities-related commissions. Net other operating income decreased 20.1% year on year, to ¥0.9 billion, as valuation losses on derivatives, which Sony Bank held for the purpose of hedging against interest rate risks of securities and others, expanded, influenced by the market fluctuations.

General and administrative expenses expanded 39.1% year on year, to ¥2.7 billion, due mainly to an increase in system-related expenses.

As of December 31, 2008, customer assets (the sum of deposits and investment trusts) grew ¥170.5 billion, or 13.7%, from March 31, 2008, to ¥1,417.9 billion, primarily due to an increase in yen deposits. As for the breakdown of customer assets as of December 31, 2008, deposits amounted to ¥1,339.2 billion, up ¥194.8 billion, or 17.0%, from March 31, 2008. Investment trusts were ¥78.7 billion, down ¥24.2 billion, or 23.5%

from March 31, 2008. Loans expanded steadily to ¥431.6 billion, up ¥84.5 billion, or 24.4%, from March 31, 2008. As of December 31, 2008, the number of accounts was up 91 thousand from March 31, 2008, to 701 thousand accounts.

Net unrealized losses on other securities, net of taxes, an item in net assets, totaled ¥15.2 billion, deteriorated by ¥6.2 billion from March 31, 2008, owing primarily to a decline in prices such as Japanese corporate bonds. To ensure a sound financial base, Sony Bank's capital was raised by allocating its shares to SFH. In the three months ended December 31, 2008, ¥6.0 billion in capital was injected. As a result, Sony Bank's common stock and capital surplus as of December 31, 2008, were ¥31.0 billion and ¥21.0 billion, respectively.

As of December 31, 2008, Sony Bank's non-consolidated capital adequacy ratio* (domestic criteria) was 14.38%, compared with 9.15% as of March 31, 2008.

* Sony Bank's non-consolidated capital adequacy ratio was calculated based on the standard stipulated by Article 14-2 of the Banking Law of Japan, in accordance with the Financial Services Agency of Japan ("FSA") public ministerial announcement No. 19 of 2006. The capital adequacy ratio as of December 31, 2008, newly adopted the special exception of the standard mentioned above, in accordance with the FSA public ministerial announcement No. 79 of 2008.

2. Business-related and Financial-related Tasks Ahead for the Company

During the three months ended December 31, 2008, there were no changes in the status of business-related and financial-related tasks ahead for the company from those we previously disclosed in the *Yuka Shoken Hokokusho*, or Annual Report, for the fiscal year ended March 31, 2008, which was filed in June 2008 and in the *Shihanki Hokokusho* or Quarterly Report, for the second quarter ended September 30, 2008, which was filed in November 2008.

To mitigate the increasing risk of a decline in the Japanese stock prices, which emerged sharply during the quarter ended December 31, 2008, from affecting its management soundness, Sony Life reduced its exposure of equity assets, such as Japanese stocks and convertible bonds.

3. Liquidity and Capital Resources

The Sony Financial Holdings Group recognizes the importance of maintaining a high level of financial soundness to acquire and maintain the trust of its customers, as well as securing sufficient liquidity to cover the payment obligations that we take on during the ordinary course of our business.

During the three months ended December 31, 2008, for the purpose of strengthening the financial base in view of Sony Bank's further sustainable growth, Sony Financial Holdings injected capital of ¥6.0 billion to Sony Bank, by using a part of proceeds received through SFH's initial public offering.

So as to establish a structure to respond expeditiously in case financing needs arise, Sony Financial Holdings has obtained an AA- issuer rating (outlook: stable) from Rating and Investment Information, Inc. ("R&I"). The credit ratings of SFH's subsidiaries as of February 12, 2009, are as follows.

Sony Life:

- A+ from Standard & Poor's Corp. ("S&P") for long-term counterparty and insurer financial strength,
- Aa3 from Moody's Investors Service, Inc. for insurance financial strength,
- A+ from A.M. Best Company, Inc., for financial strength,
- AA from R&I for insurance claims paying ability, and
- AA from Japan Credit Rating Agency, Ltd. ("JCR"), for the ability to pay insurance claims.

Sony Bank:

A-/A-2 from S&P as a long-term/short-term local/foreign currency issuer, and

AA- from JCR for long-term senior debt (outlook: stable).

We abide by the regulations imposed by regulatory authorities and establish and operate under company guidelines that comply with these regulations. We aim to maintain sufficient cash and cash equivalents and secure sufficient means to pay our obligations.

4. Property, Plant and Equipment

(1) The Status of Property, Plant and Equipment

During the three months ended December 31, 2008, Sony Assurance disposed of a part of software (recorded as intangible fixed assets) of ¥3,756 million, due to the suspension of the new system development.

(2) Plans to Acquire or Dispose of Property, Plant and Equipment

During the three months ended December 31, 2008, there were no changes in our plans to acquire or dispose of major property, plant and equipment from those previously disclosed

5. Securities and Monetary Trusts as of December 31, 2008 (SFH Consolidated)

(1) Held-to-maturity bonds with fair market value

(Millions of yen)

	Balance sheet amount	Fair market value	Difference
Bonds	784,921	855,348	70,427
Japanese government and municipal bonds	777,129	847,395	70,265
Corporate bonds	7,791	7,952	161
Other	42,404	42,925	521
Total	827,325	898,273	70,948

(2) Available-for-sale securities with fair market value

(Millions of yen)

	Acquisition cost	Balance sheet amount	Unrealized gains (losses)
Bonds	1,796,719	1,832,179	35,459
Japanese government and municipal bonds	1,248,692	1,296,189	47,497
Corporate bonds	548,027	535,989	(12,037)
Japanese stocks	63,104	67,215	4,111
Other	307,088	290,312	(16,776)
Total	2,166,913	2,189,708	22,795

Note: Impairment losses on available-for-securities with fair market value of ¥17,427 million yen were recorded. SFH principally records impairment losses on securities when their fair market value as of the end of the accounting period declined by 30% or more from the acquisition cost.

(3) Monetary trusts for held-to-maturity

Not applicable.

(4) Other monetary trusts (other than held-to-maturity or investment purpose)

(Millions of yen)

	Acquisition cost	Balance sheet amount	Unrealized gains
Other monetary trusts	720,256	739,324	19,068

Notes: 1) The table above includes ¥270 million of jointly invested monetary trusts.

2) Impairment losses of ¥6,103 million yen were recorded for the monetary trusts other than investment, held-to-maturity or policy reserve matching. SFH principally records impairment losses on securities, held in monetary trusts, when their fair market value as of the end of the accounting period has declined by 30% or more from the acquisition cost.

6. Supplementary Information on Sony Life (Non-Consolidated)

(1) Securities as of December 31, 2008

1. Held-to-maturity bonds with fair market value

(Millions of yen)

	Balance sheet amount	Fair market value	Difference
Bonds	720,767	789,842	69,075
Japanese government and municipal bonds	720,767	789,842	69,075
Foreign securities	41,306	41,805	498
Total	762,074	831,647	69,573

2. Available-for-sale securities with fair market value

(Millions of yen)

	Acquisition cost	Balance sheet amount	Unrealized gains (losses)
Bonds	1,211,305	1,248,801	37,495
Japanese government and municipal bonds	929,833	979,912	50,079
Corporate bonds	281,472	268,888	(12,584)
Japanese stocks	63,104	67,215	4,111
Foreign securities	69,191	64,553	(4,637)
Other	7,450	7,425	(24)
Total	1,351,051	1,387,995	36,944

Note: Impairment losses on available-for-securities with fair market value of ¥17,340 million yen were recorded. Sony Life principally records impairment losses on securities when their fair market value as of the end of the accounting period declined by 30% or more from the acquisition cost.

(2) Monetary trusts as of December 31, 2008

1. Monetary trusts for held-to-maturity

Not applicable.

2. Other monetary trusts (other than for investment, held-to-maturity, and policy reserve matching purposes)

(Millions of yen)

	Acquisition cost	Balance sheet amount	Unrealized gains
Other monetary trusts	718,980	738,048	19,068

Notes: 1) The table above includes ¥50 million of jointly invested monetary trusts.

2) Impairment losses of ¥6,103 million yen were recorded for the monetary trusts other than investment, held-to-maturity or policy reserve matching. Sony Life principally records impairment losses on securities, held in monetary trusts, when their fair market value as of the end of the accounting period has declined by 30% or more from the acquisition cost.

7. Supplementary Information on Sony Assurance

(1) Condensed Balance Sheets

	(Million Yen)	
	As of December 31, 2008	As of March 31, 2008
Assets:		
Cash and deposits	981	2,929
Securities	63,468	56,237
Tangible fixed assets	277	231
Intangible fixed assets	1,907	4,075
Other assets	10,519	10,736
Deferred tax assets	5,073	4,434
Total assets	82,227	78,645
Liabilities:		
Policy reserve	64,888	56,958
Reserves for outstanding claims	15,824	14,246
Policy reserve	49,064	42,711
Other liabilities	3,215	5,284
Income taxes payable	133	516
Lease obligations	1	—
Others	3,080	4,767
Reserve for employees' retirement benefits	456	412
Reserve for directors' retirement benefits	36	39
Reserve for employees' bonuses	295	529
Reserve for price fluctuations and others	9	36
Reserve for price fluctuations	9	36
Total Liabilities	68,901	63,260

(Million Yen)

	As of December 31, 2008	As of March 31, 2008
Net Assets:		
Shareholder's equity		
Common stock	20,000	20,000
Capital surplus	20,000	20,000
Retained deficits	-26,536	-24,591
Total shareholder's equity	13,463	15,408
Valuation and translation adjustment		
Net unrealized gains on other securities, net of taxes	-137	-23
Total valuation and translation adjustments	-137	-23
Total Net Assets	13,325	15,385
Total Liabilities and Net Assets	82,227	78,645

(2) Condensed Statements of Income (9 months)

(Million Yen)

	For nine months ended December 31, 2008
Ordinary revenues	46,139
Underwriting income	45,609
Net premiums written	45,580
Interest and dividends on deposits of premiums	28
Investment income	503
Interest income and dividends	512
Gains on sale of securities	18
Transfer to interest and dividends on deposits of premiums	-28
Other ordinary income	26
Ordinary expenses	44,682
Underwriting expenses	33,514
Net losses paid	22,092
Loss adjustment expenses	2,702
Net commissions and brokerage fees	789
Provision for reserve for outstanding claims	1,577
Provision for policy reserve	6,352
Investment expenses	116
Losses on sale of securities	28
Devaluation losses on securities	86
Operating, general and administrative expenses	11,045
Other ordinary expenses	5
Ordinary profit	1,456
Extraordinary gains	27
Reversal of reserve for price fluctuations and others	27
Reversal of reserve for price fluctuations	27
Extraordinary losses	3,819
Losses on sale or disposal of fixed assets	3,819
Income (losses) before income taxes	-2,335
Income taxes –Current	248
Income taxes –Deferred	-638
Net loss	-1,945

(3) Condensed Statements of Income (3 months)

(Million Yen)

	For three months ended December 31, 2008
Ordinary revenues	15,425
Underwriting income	15,238
Net premiums written	15,228
Interest and dividends on deposits of premiums	9
Investment income	181
Interest income and dividends	177
Gains on sale of securities	13
Transfer to interest and dividends on deposits of premiums	-9
Other ordinary income	5
Ordinary expenses	15,148
Underwriting expenses	11,428
Net losses paid	7,967
Loss adjustment expenses	930
Net commissions and brokerage fees	249
Provision for reserve for outstanding claims	492
Provision for policy reserve	1,787
Investment expenses	102
Losses on sale of securities	28
Devaluation losses on securities	72
Operating, general and administrative expenses	3,616
Other ordinary expenses	1
Ordinary profit	277
Extraordinary gains	25
Reversal of reserve for price fluctuations and others	25
Reversal of reserve for price fluctuations	25
Extraordinary losses	3,756
Losses on sale or disposal of fixed assets	3,756
Income (losses) before income taxes	-3,453
Income taxes –Current	-562
Income taxes –Deferred	-246
Net loss	-2,643

(4) Securities as of December 31, 2008

1. Held-to-maturity securities with fair market value

(Million Yen)

	As of December 31, 2008		
	Balance sheet amount	Fair market value	Difference
Japanese government and corporate bonds	42,320	43,066	746
Foreign securities	1,098	1,120	22
Total	43,418	44,187	768

2. Available-for-sale securities with fair market value

(Million Yen)

	As of December 31, 2008		
	Acquisition cost	Balance sheet amount	Difference
Japanese government and corporate bonds	17,149	17,011	-137
Total	17,149	17,011	-137

Note: As of December 31, 2008, Sony Assurance recorded ¥86 million in impairment losses on available-for-sale securities with fair market values. Sony Assurance principally records impairment losses on securities when their market value has declined by 50% or more from the acquisition cost. Sony Assurance also records impairment losses on securities that have declined in value by 30% or more but less than 50%, unless a rebound in their market value is expected.

8. Supplementary Information on Sony Bank (Non-Consolidated)

(1) Securities as of December 31, 2008

1. Held-to-maturity bonds with fair market value

(Millions of yen)

	Balance sheet amount	Fair market value	Difference
Japanese bonds	19,914	20,494	580
Corporate bonds	1,917	1,943	25
Total	21,832	22,438	605

Note: Fair market value is primarily based on market prices as of December 31, 2008.

2. Available-for-sale securities with fair market value

(Millions of yen)

	Acquisition cost	Balance sheet amount	Unrealized gains (losses)
Japanese bonds	568,265	566,367	(1,898)
Japanese government bonds	310,748	308,110	(2,637)
Corporate bonds	257,516	258,256	739
Other	228,099	215,986	(12,112)
Foreign bonds	207,956	199,137	(8,818)
Other	20,142	16,849	(3,293)
Total	796,364	782,354	(14,010)

Notes: Balance sheets amounts are primarily fair market values based on market prices as of December 31, 2008.