Presentation Materials

FY2007 Third Quarter
Consolidated Financial Results

Sony Financial Holdings Inc.
February 15, 2008

I am Hiromichi Fujikata, Executive Vice President and Representative Director of Sony Financial Holdings Inc.

Today, I will report the financial results for the Sony Financial Holdings Group for the nine months ended December 31, 2007.

From here, I will explain the consolidated financial results of the Sony Financial Holdings Group, based on the presentation materials that have been distributed to you.

Besides myself, also present today are:

Masamitsu Shimaoka, Director of Sony Life,

Yuro Fujiyama, Director of Sony Assurance and

Hidehiko Nakamura, Director of Sony Bank

to respond to any questions you may have. Thank you for joining us today.

Disclaimers:
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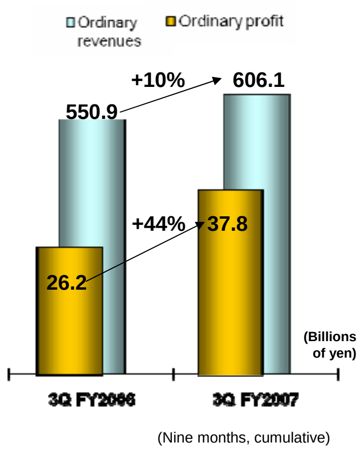
Highlights of Group Consolidated Operating Performance for 3Q FY2007

Sony Financial Holdings



(Billions of yen)		3Q FY2006 (Nine months, cumulative)	3Q FY2007 (Nine months, cumulative)	Change	
Life insurance business	Ordinary revenues	499.1	**547.1**	+48.0	+10%
	Ordinary profit	23.5	**32.7**	+9.2	+39%
Non-life insurance business	Ordinary revenues	38.2	**41.6**	+3.4	+9%
	Ordinary profit	1.8	**3.0**	+1.2	+67%
Banking business	Ordinary revenues	14.4	**18.1**	+3.7	+26%
	Ordinary profit	0.8	**1.8**	+1.0	+118%
Eliminations and corporate	Ordinary revenues	(0.7)	**(0.7)**	+0.0	-
	Ordinary profit	0.0	**0.1**	+0.0	+202%
SFH Group, consolidated	Ordinary revenues	550.9	**606.1**	+55.1	+10%
	Ordinary profit	26.2	**37.8**	+11.5	+44%

Line item amounts are truncated below ¥100 million; percentage change figures are rounded.

Consolidated ordinary revenues for the Sony Financial Holdings Group grew 10% compared with the first nine months of the previous fiscal year, to ¥606.1 billion, owing to performance increases in all businesses: life insurance, non-life insurance and banking.

Consolidated ordinary profit also increased ¥11.5 billion, to ¥37.8 billion, in line with profit increases in all businesses.

Consolidated net income grew ¥6.6 billion, to ¥22.7 billion.

Highlights of Group Consolidated Operating Performance for 3Q FY2007

Sony Financial Holdings

- In the life insurance business, both the policy amount in force and new insurance sales (individual life insurance + individual annuities) remained firm, and general account investment income increased. As a result, ordinary revenues and ordinary profit both increased.
- In the non-life insurance business, a steady rise in the number of policies, chiefly for automobile insurance, boosted net premiums written. The net loss and expense ratios both improved, and both ordinary revenues and ordinary profit increased.
- In the banking business, owing to the steady expansion of operations, interest income increased in line with expanded operations, and ordinary revenues and ordinary profit both increased.
- Consolidated ordinary revenues grew 10% compared with the first nine months of the prior fiscal year, to ¥606.1 billion. Ordinary profit increased ¥11.5 billion, or 44%, to ¥37.8 billion, and net income grew ¥6.6 billion, or 41%, to ¥22.7 billion.

3

This is an overview of the operating performance of each business segment. From this point, I will go into more detail on the operating performance of each of the three companies that handle these businesses.

Let me comment on the difference between SFH's consolidated results and those of the Financial Services segment of SFH's parent company, Sony Corporation, announced on January 31, 2008.

SFH's consolidated results are prepared in accordance with accounting principles and practices generally accepted in Japan, while Sony Corporation prepares its financial statements in accordance with accounting principles and practices generally accepted in the United States.

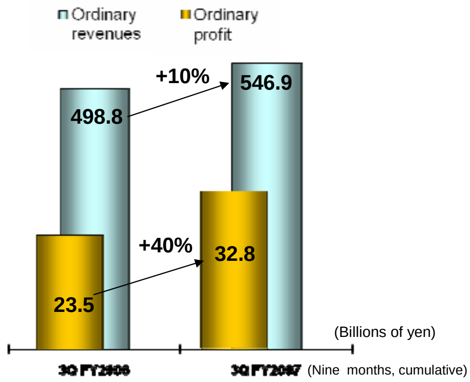
The scope of consolidation for SFH's consolidated results differs from that of Sony Group's Financial Services segment.

I will explain these differences in more detail in the Appendix at the last page of this presentation.

Then, I will go into more detail about the operating performance of each of the three companies, based on accounting principles and practices generally accepted in Japan.

Highlights of Operating Performance: Sony Life (Non-Consolidated)

Sony Financial Holdings



(Billions of yen)	3Q FY2006 (Nine months, cum.)	3Q FY2007 (Nine months, cum.)	Change	
Ordinary revenues	498.8	**546.9**	+48.1	+10%
Income from insurance premiums	442.9	**479.7**	+36.7	+8%
Investment income	53.3	**63.7**	+10.4	+20%
Ordinary expenses	475.3	**514.1**	+38.7	+8%
Insurance claims and other payments	158.7	**179.4**	+20.6	+13%
Provision for policy reserve and others	241.6	**235.7**	(5.8)	(2)%
Investment expenses	4.3	**21.9**	+17.6	+406%
Operating expenses	63.2	**69.3**	+6.0	+10%
Ordinary profit	23.5	**32.8**	+9.3	+40%
Net income	14.3	**18.1**	+3.7	+26%
Core profit	18.6	**19.8**	+1.2	+7%
Securities	2,192.2	**2,419.4**	+227.2	+10%
Policy reserve	2,980.8	**3,324.6**	+343.7	+12%
Total net assets	212.8	**213.8**	+1.0	+0%
Total assets	3,325.4	**3,710.3**	+384.9	+12%

Note: The figures above are on a non-consolidated basis. Line item amounts are truncated below ¥100 million; percentage change figures are rounded.

Sony Life

- Revenues and profit up compared with the first nine months of FY2006
- New insurance sales up 10% compared with the first nine months of FY2006
- Income from insurance premiums increased, in line with robust growth in policy amount in force
- General account investment income rose
- Core profit came to ¥19.8 billion
- Lapse and surrender rate increased 0.27 percentage point, to 4.61%

4

First, I will explain the highlights of non-consolidated operating performance of Sony Life.

Sony Life posted a 10% increase in ordinary revenues compared with the first nine months of the previous fiscal year, to ¥546.9 billion, as the policy amount of individual insurance in force and new insurance sales remained robust, boosting income from insurance premiums, and general account investment income increased.

Ordinary profit grew ¥9.3 billion, to ¥32.8 billion, mainly because of improved general account investment profit.

Owing to higher ordinary profit, net income expanded ¥3.7 billion, to ¥18.1 billion.

The Company posted extraordinary losses of ¥1.9 billion, owing mainly to an increase in the provision for reserve for price fluctuations in the life insurance business.

Overview of Performance:
Sony Life (Non-Consolidated)

Sony Financial Holdings

(Billions of yen)

	3Q FY2006 (Nine months, cumulative)	3Q FY2007 (Nine months, cumulative)	Percentage change
Policy amount in force[*1]	30,027.8	**31,255.0**	+ 4.1%
Annualized premiums from insurance in force[*1]	497.6	**524.6**	+ 5.4%
Of which, third-sector products	115.8	**122.0**	+ 5.3%
Lapse and surrender rate[*1, *2]	4.34%	**4.61%**	+ 0.27 pt
New insurance sales[*1]	2,637.3	**2,910.9**	+ 10.4%
Annualized premiums from new insurance sales[*1]	49.2	**48.3**	(1.8) %
Of which, third-sector products	10.9	**10.3**	(5.7) %
Income from insurance premiums	442.9	**479.7**	+ 8.3%
Investment profit	48.9	**41.7**	(14.6)%
Core profit	18.6	**19.8**	+ 6.8%

Notes:

Line item amounts are truncated below ¥100 million; percentage change figures are rounded.

*1 Each figure of policy amount in force, annualized premiums from insurance in force, lapse and surrender rate, new insurance sales and annualized premiums from new policies is calculated as the total of individual life insurance and individual annuities.

*2 The lapse and surrender rate is calculated without offsetting policies that are reinstated.

5

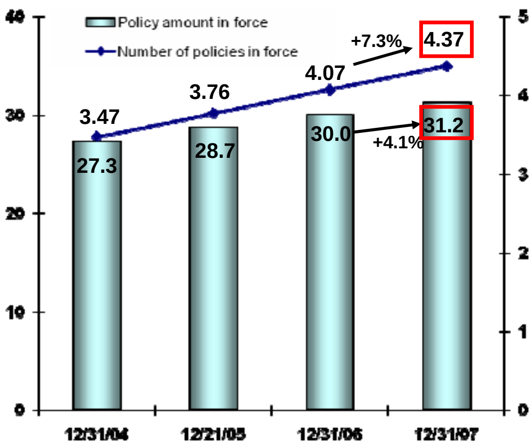
The slide below shows the principal indicators of Sony Life's financial performance.

I will provide additional explanation in later slides, along with past results.

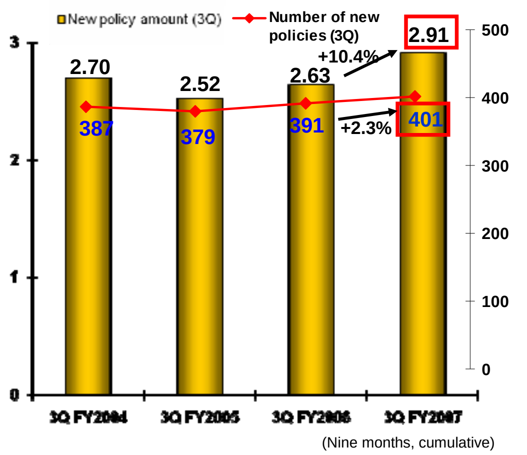
Sony Life Operating Performance (1)

Sony Financial Holdings

Insurance in Force
(Individual Life Insurance + Individual Annuities)



New Insurance Sales
(Individual Life Insurance + Individual Annuities)



Line item amounts are truncated below ¥100billon or ¥10 billion; numbers of policies are truncated below 10,000 or 1,000 policies; percentage change figures are rounded.

6

Sony Life's insurance in force grew steadily during the term. As a result, policy amount in force was up 4.1% from December 31, 2006, to ¥31.2 trillion. The number of policies in force rose 7.3% during the term, to 4.37 million policies.

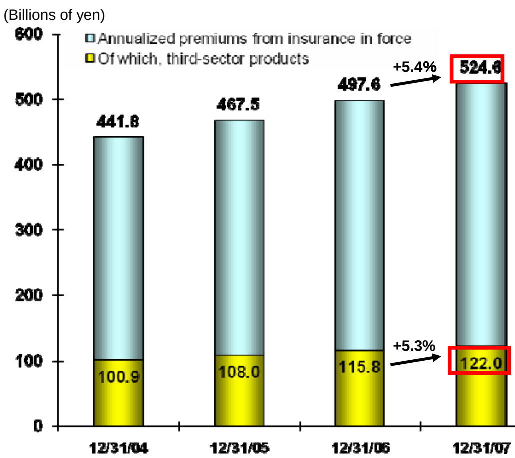
During the first nine months, new insurance sales on a policy amount basis increased 10.4%, to ¥2.91 trillion.

Sales of death protection products were brisk. The number of new policies expanded 2.3%, to 401 thousand policies.

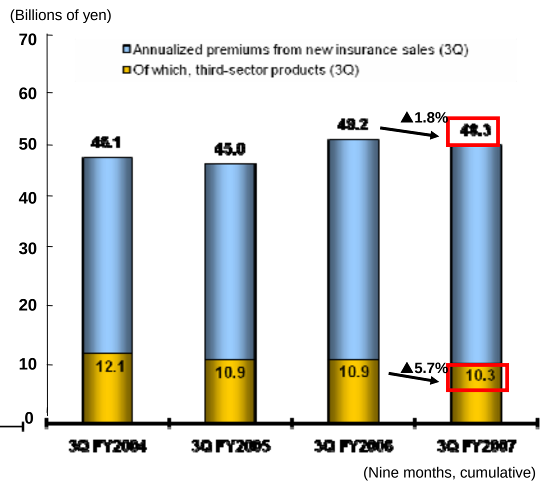
Sony Life Operating Performance (2)

Sony Financial Holdings

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



Annualized Premiums from New Insurance Sales
(Individual Life Insurance + Individual Annuities)



Line item amounts are truncated below ¥100 million.

7

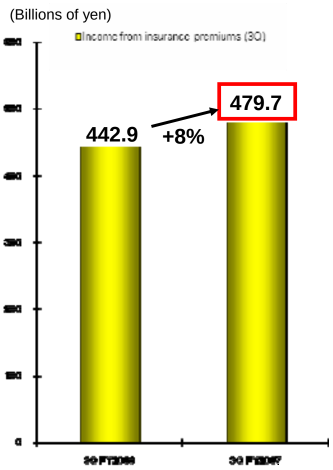
Annualized premiums from insurance in force rose 5.4% from December 31, 2006, to ¥524.6 billion. Of this amount, third-sector products rose 5.3%, to ¥122.0 billion.

Annualized premiums from new insurance sales fell 1.8% compared with the first nine months of the previous fiscal year, to ¥48.3 billion. For third-sector products, this amount fell 5.7%, to ¥10.3 billion.

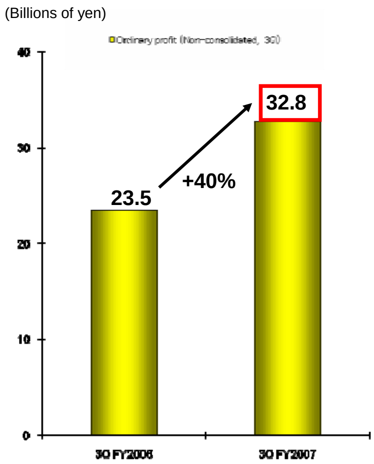
Sony Life Operating Performance (3)

Sony Financial Holdings

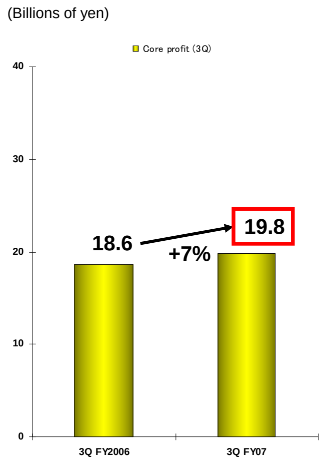
Income from Insurance Premiums	Ordinary Profit (Non-Consolidated)	Core Profit



(Nine months, cumulative)



(Nine months, cumulative)



(Nine months, cumulative)

Line item amounts are truncated below ¥100 million; percentage change figures are rounded.

Income from insurance premiums grew 8% compared with the first nine months of the previous fiscal year, to ¥479.7 billion, owing to a robust policy amount in force.

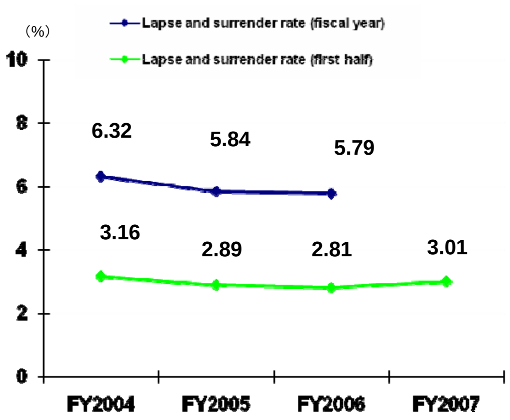
Sony Life's non-consolidated ordinary profit increased ¥9.3 billion, to ¥32.8 billion, owing to improved general account investment profit.

Core profit came to ¥19.8 billion, up ¥1.2 billion.

Sony Life Operating Performance (4)

Sony Financial Holdings

Lapse and Surrender Rate*
(Individual Life Insurance + Individual Annuities)
<fiscal year & first half>



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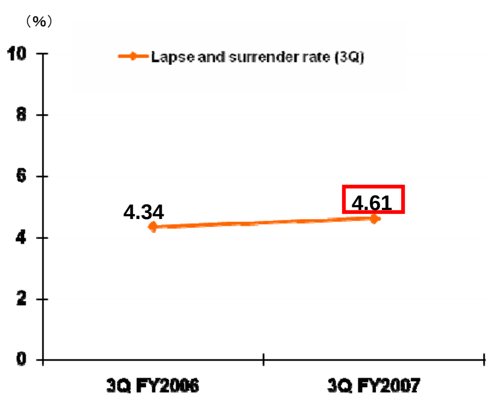


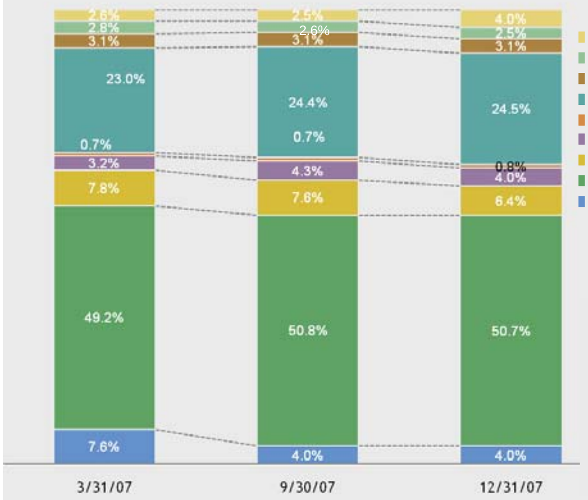
* The lapse and surrender rate is calculated without offsetting policies that are reinstated.

The lapse and surrender rate was up 0.27 percentage point compared with the first nine months of the previous fiscal year, to 4.61%. That is still a low level compared with other companies in the same industry.

Sony Life Operating Performance (5)

Sony Financial Holdings

Breakdown of General Account Assets (December 31, 2007 vs. September 30, 2007 vs. March 31, 2007)



- Other securities
- Real estate
- Policyholder loans, including commercial loans
- Monetary trusts
- Foreign stocks
- Foreign government and corporate bonds
- Japanese stocks
- Japanese government and corporate bonds (incl. CBs)
- Cash and call loans

Notes:
CBs account for slightly more than 10% of general account assets (CBs within government and corporate bonds and CBs within monetary trusts).
Stocks account for slightly less than 10% of general account assets, including stocks in monetary trusts.

10

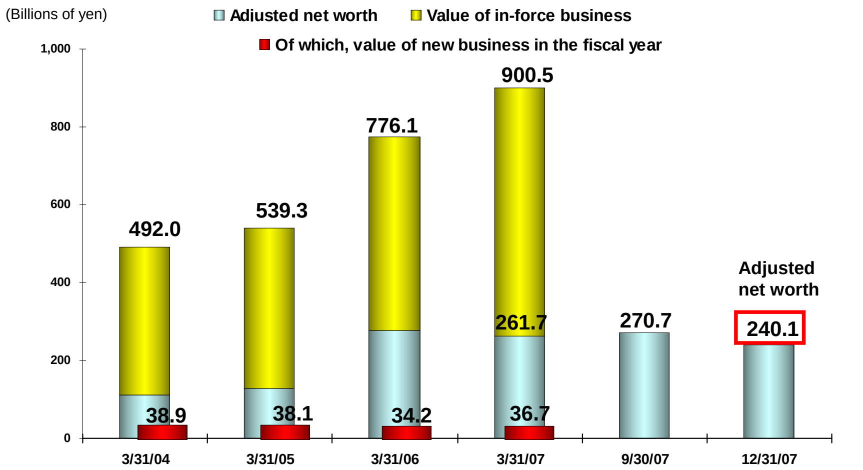
This is a breakdown of Sony Life’s general account assets as of December 31, 2007, compared with March 31, 2007 and September 30, 2007.

Looking in real terms at Japanese stocks and convertible bonds included within Japanese government and corporate bonds, as well as Japanese stocks and convertible bonds included within monetary trusts and convertible bonds, Japanese stocks make up slightly under 10% of general account assets, while convertible bonds account for slightly more than 10%.

Sony Life Operating Performance (6)

Sony Financial Holdings

Embedded Value (EV)

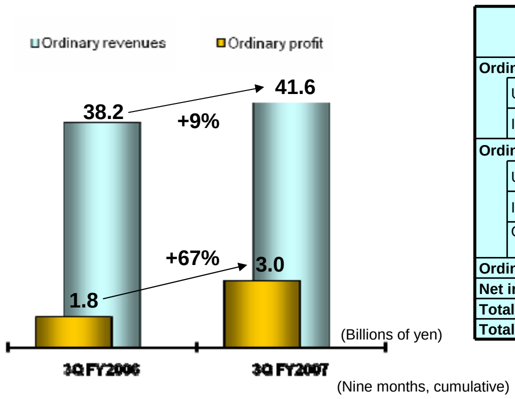


The assumptions upon which EV is calculated at the end of FY2003, FY2004, FY2005 and FY2006 differ. For details regarding calculation methods, please refer to the press releases for each of these years.

The Company discloses its embedded value at the end of each fiscal year. At this stage, I will say that as of December 31, 2007, adjusted net worth, which is one of the figures used in this calculation, was ¥240.1 billion, down ¥21.6 billion from March 31, 2007. This decrease was due primarily to a reduction in net unrealized gains on other securities.

Highlights of Operating Performance: Sony Assurance

Sony Financial Holdings



(Billions of yen)	3Q FY2006 (Nine months, cumulative)	3Q FY2007 (Nine months, cumulative)	Change	
Ordinary revenues	38.2	**41.6**	+3.4	+9%
Underwriting income	37.8	**41.2**	+3.3	+9%
Investment income	0.3	**0.4**	+0.0	+20%
Ordinary expenses	36.4	**38.6**	+2.2	+6%
Underwriting expenses	27.4	**28.9**	+1.5	+6%
Investment expenses	0.0	**0.0**	+0.0	+62%
Operating, general and administrative expenses	9.0	**9.6**	+0.6	+7%
Ordinary profit	1.8	**3.0**	+1.2	+67%
Net income	1.3	**2.5**	+1.2	+90%
Total net assets	13.0	**15.8**	+2.8	+22%
Total assets	63.4	**74.3**	+10.9	+17%

Line item amounts are truncated below ¥100 million; percentage change figures are rounded.

Sony Assurance

- Revenues and profit up compared with first nine months of FY2006
- Net premiums written of ¥41.1 billion , owing to increase in number of policies for mainstay automobile insurance
- Loss ratio and net expense ratio improved, pushing ordinary profit up to ¥3.0 billion
- Combined ratio improved 0.5 percentage point, to 77.4%

12

Next, I will explain the highlights of Sony Assurance's operating performance.

Sony Assurance posted a 9% increase in ordinary revenues compared with the first nine months of the previous fiscal year, to ¥41.6 billion, owing chiefly to favorable performance in automobile insurance, which raised net premiums written.

Ordinary profit rose ¥1.2 billion to ¥3.0 billion. In addition to the increase in ordinary revenues, this increase in ordinary profit was also due to an improvement both in the net loss ratio and the net expense ratio.

Net income rose ¥1.2 billion to ¥2.5 billion.

Overview of Performance: Sony Assurance

(Billions of yen)

	3Q FY2006 (Nine months, cumulative)	3Q FY2007 (Nine months, cumulative)	Change
Direct premiums written	37.5	**40.9**	+9%
Net premiums written	37.8	**41.1**	+9%
Net losses paid	17.7	**19.1**	+8%
Net loss ratio	52.4%	**52.3%**	0.1 pt improvement
Net expense ratio	25.5%	**25.1%**	0.4 pt improvement
Combined ratio	77.9%	**77.4%**	0.5 pt improvement
Number of policies in force	910 thousand	**1,000 thousand**	+ 10%

Line item amounts are truncated below ¥100 million; percentage change figures are rounded.

Net expense ratio = Operating expenses related to underwriting ÷ net premiums written

Net loss ratio = (Net losses paid + expenses incurred in surveying damages) ÷ net premiums written

The number of policies in force is the total of automobile insurance and medical and cancer insurance, which accounts for 99% of net premiums written. These numbers are rounded below 10,000.

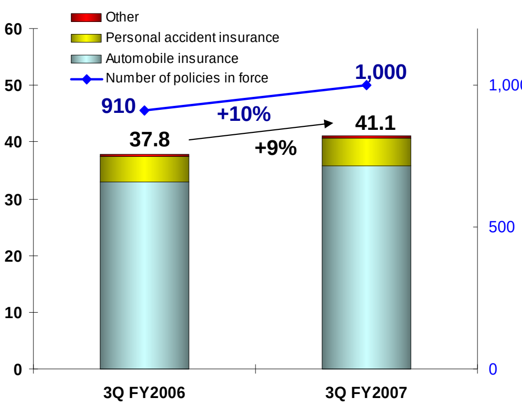
This slide shows the principal indicators of Sony Assurance's financial performance.

I will provide additional explanation in later slides, along with past results.

Sony Assurance Operating Performance (1)

Sony Financial Holdings

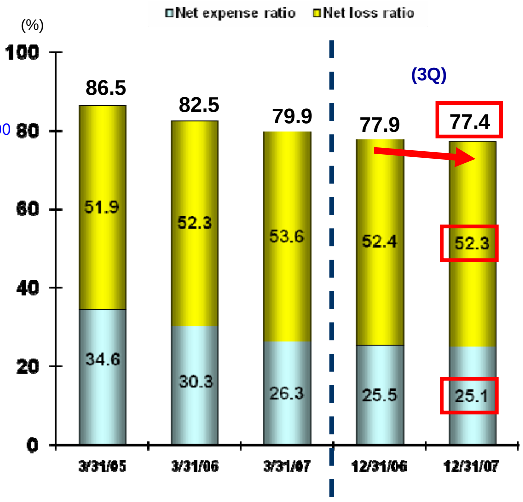
Net Premiums Written and Number of Policies in Force



(Nine months, cumulative)

The number of policies in force is the total of automobile insurance and medical and cancer insurance, which accounts for 99% of net premiums written. Most personal accident insurance is medical and cancer insurance.
Line item amounts are truncated below ¥100 million for net premiums written and rounded below 10,000 for the number of policies in force; percentage change figures are rounded.

Combined Ratio



Net expense ratio = Operating expenses related to underwriting ÷ net premiums written
Net loss ratio = (Net losses paid + expenses incurred in surveying damages) ÷ net premiums written

14

In terms of insurance underwriting, as you see here the number of policies in force increased steadily. The number of policies in force as of December 31, 2007—the total number of automobile insurance and medical and cancer insurance policies—was up 10% compared with December 31, 2006, to 1 million policies. Net premiums written grew 9% compared with the first nine months of the previous fiscal year, to ¥41.1 billion.

The net loss ratio improved 0.1 percentage point to 52.3%.

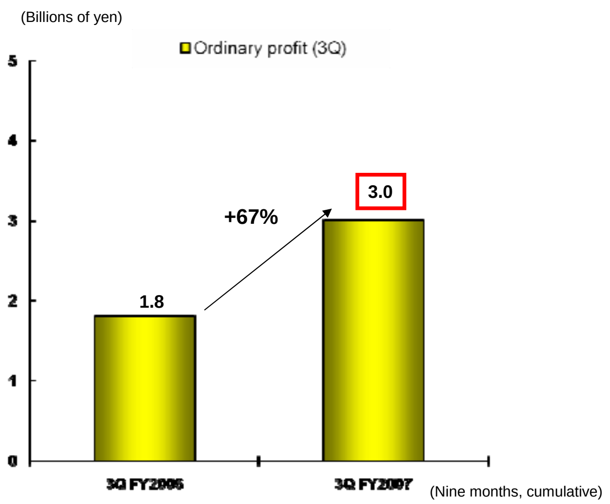
The net expense ratio improved 0.4 percentage point, to 25.1% due to ongoing increases in operating efficiency.

As a result, the combined ratio, which is the sum of the net loss ratio and the net expense ratio, improved 0.5 percentage point, to 77.4%.

Sony Assurance Operating Performance (2)

Sony Financial Holdings

Ordinary Profit

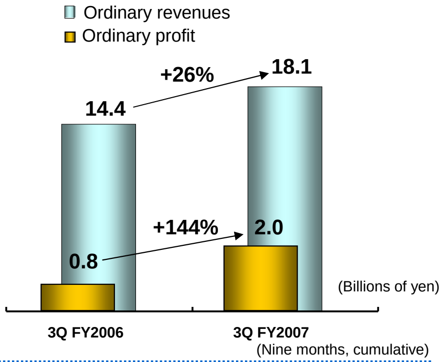


Line item amounts are truncated below ¥100 million.

The steady increase in the number of policies that I mentioned earlier, as well as appropriate control of operating expenses, enabled Sony Assurance to continue improving its profitability. As a result, ordinary profit increased ¥1.2 billion compared with the first nine months of the previous year, to ¥3.0 billion.

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

Sony Financial Holdings



(Nine months, cumulative)

Sony Bank

- ◆Revenues and profit both up compared with the first nine months of FY2006
- ◆Principally, net interest income and net fees and commissions expanded, driven up primarily by higher interest on loans—stemming from a higher mortgage loan balance—and higher brokerage fees and commissions received.
- ◆Owing to an increase in deferred income taxes, net income expanded substantially, to ¥2.5 billion.
- ◆Gross operating profit totaled ¥7.9 billion; the sum of net interest income of ¥3.8 billion, net fees and commissions of ¥0.3 billion and net other operating income of ¥3.8 billion. General and administrative expenses remained even, at ¥5.8 billion.
- ◆Customer assets were up ¥248.5 billion, compared with March 31, 2007, to ¥1,097.4 billion.

(Billions of yen)	3Q FY2006 (Nine months, cumulative)	3Q FY2007 (Nine months, cumulative)	Change	
Ordinary revenues	14.4	**18.1**	+3.7	+26%
Gross operating profit	6.7	**7.9**	+1.2	+19%
Net interest income	3.1	**3.8**	+0.6	+21%
Net fees and commissions	0.1	**0.3**	+0.1	+78%
Net other operating income	3.3	**3.8**	+0.4	+14%
General and administrative expenses	5.8	**5.8**	+0.0	+0%
Ordinary profit	0.8	**2.0**	+1.2	+144%
Net income	0.4	**2.5**	+2.1	+488%
Securities	393.2	**441.7**	+48.4	+12%
Loans	260.7	**331.6**	+70.9	+27%
Deposits	717.5	**980.6**	+263.0	+37%
Customer assets	807.3	**1,097.4**	+290.1	+36%
Total net assets	36.0	**38.5**	+2.5	+7%
Total assets	782.6	**1,058.1**	+275.5	+35%

Line item amounts are truncated below ¥100 million; percentage change figures are rounded.

Sony Bank delivered a 26% rise in ordinary revenues compared with the first nine months of the previous fiscal year, to ¥18.1 billion. As interest on loans increased in line with a higher mortgage loan balance, interest income grew.

Owing to the rise in gross operating profit, ordinary profit increased ¥1.2 billion, to ¥2.0 billion.

In part due to an increase in deferred income tax assets, the company's net income expanded substantially, to ¥2.5 billion.

Overview of Performance: Sony Bank (Non-Consolidated)

Sony Financial Holdings

(Billions of yen)

	3Q FY2006 (Nine months, cumulative)	3Q FY2007 (Nine months, cumulative)	Percentage change
Gross operating profit	6.7	**7.9**	+ 19%
General and administrative expenses	5.8	**5.8**	+ 0%
Net operating profit	0.8	**2.1**	+ 141%
Ordinary profit	0.8	**2.0**	+ 144%
Customer assets	807.3	**1,097.4**	+ 36%
Of which, 1Q-3Q increase	132.2	**248.5**	+ 88%
Loans	260.7	**331.6**	+ 27%
Of which, 1Q-3Q increase	21.2	**46.9**	+ 121%
Capital adequacy ratio (domestic criteria)	9.89%	**10.79%**	+ 0.9 pt
Number of accounts	471 thousand	**556 thousand**	+ 18%
Of which, 1Q-3Q increase	41 thousand	**65 thousand**	+ 23 thousand

Line item amounts are truncated below ¥100 million; percentage change figures are rounded.

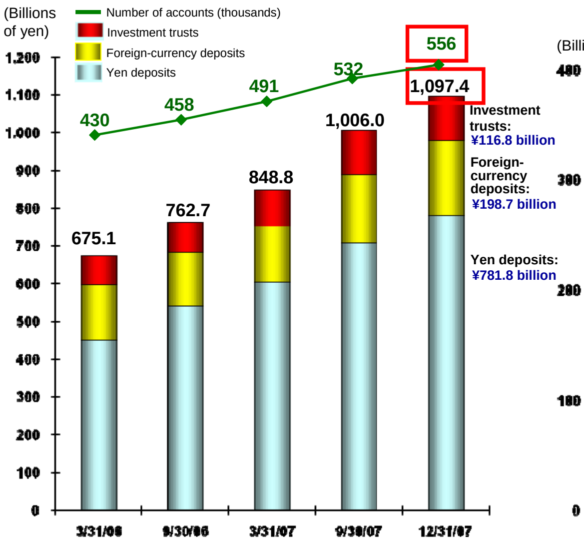
17

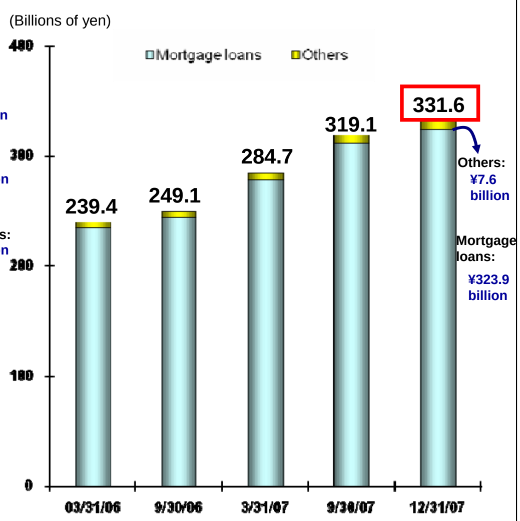
This slide shows the principal indicators of Sony Bank’s financial performance.

I will provide additional explanation in later slides, along with past results.

Sony Bank Operating Performance (1)

Sony Financial Holdings





Amounts are truncated below ¥100 million.

18

As of December 31, 2007, owing to an increase in business, the balance of customer assets (the total of deposits and investment trusts) expanded, largely due to the contribution of increased yen time deposits. The balance amounted to ¥1,097.4 billion, up ¥248.5 billion, or 29.3%, from March 31, 2007.

Total yen and foreign currency deposits amounted to ¥980.6 billion, up ¥228.2 billion, or 30.3%, from March 31, 2007.

Investment trusts were up ¥20.3 billion compared with March 31, 2007, or 21.1%, to ¥116.8 billion, slightly lower than the ¥117.6 billion recorded as of September 30, 2007. Major factors behind this decrease included a lackluster stock market during the third quarter, leading to lower constant values on investment trusts.

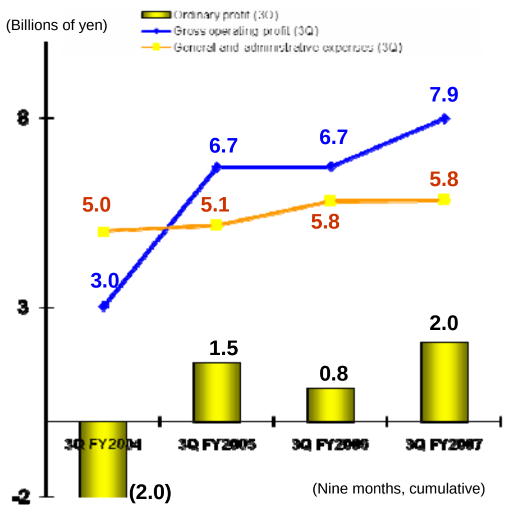
Loans, however, were up ¥46.9 billion, or 16.5%, to ¥331.6 billion.

On December 31, 2007, accounts numbered 556 thousand, up 65 thousand.

Sony Bank Operating Performance (2)

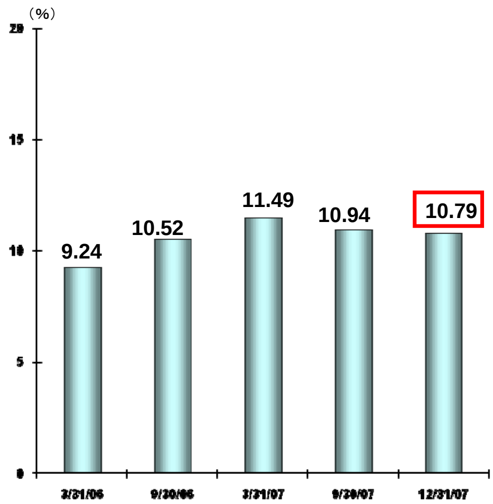
Sony Financial Holdings

Gross Operating Profit, General and Administrative Expenses, Ordinary Profit



Amounts are truncated below ¥100 million.

Capital Adequacy Ratio (Domestic Criteria)



Note: Capital adequacy ratios as of March 31, 2007, September 30, 2007 and December 31, 2007 were calculated based on the standard stipulated in the Financial Services Agency Public Announcement No. 19 of 2006. The capital adequacy ratios up to and including those for December 31, 2006 were calculated based on the standard stipulated in the former public announcement.

19

Looking next at profitability, boosted by such factors as higher net interest income, gross operating profit grew ¥1.2 billion compared with the first nine months of the previous fiscal year, to ¥7.9 billion.

Breaking down gross operating profit, net interest income increased ¥0.6 billion to ¥3.8 billion, as a result of a larger balance of investment assets through the expansion of operations. Net fees and commissions grew ¥0.1 billion, to ¥0.3 billion, as a larger investment trust balance pushed up brokerage fees and commissions received. Net other operating income increased ¥0.4 billion, to ¥3.8 billion, as market investment profit improved.

The Bank's capital adequacy ratio was 10.79%, a sound level.

(Next, I will explain Sony Financial Holdings' revised consolidated operating performance forecast, which was announced on January 31.)

Consolidated Operating Performance Forecast for Full Fiscal Year (FY2007)

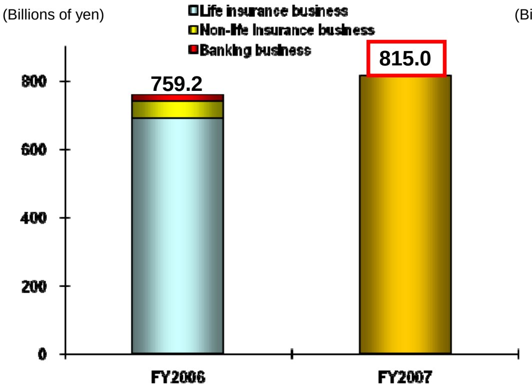
Sony Financial Holdings

(Billions of yen)

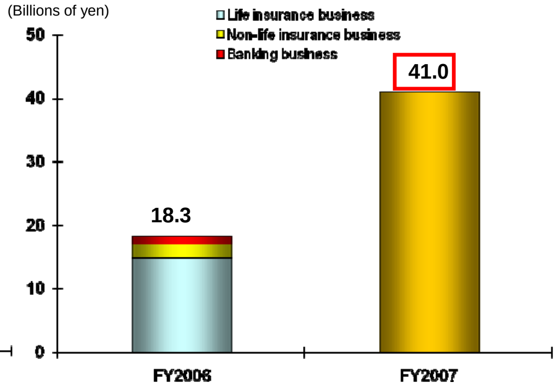
	FY2006	FY2007 (Previous forecast)	FY2007 (Current forecast)	Change from previous forecast	Year-on-year change
Consolidated ordinary revenues	759.2	809.0	**815.0**	+ 0.7%	+ 7.3%
Consolidated ordinary profit	18.3	35.0	**41.0**	+ 17.1%	+ 123.4%
Consolidated net income	10.0	21.0	**24.0**	+ 14.3%	+ 139.5%

Line item amounts are truncated below ¥100 million; changes are rounded.

Consolidated Ordinary Revenues



Consolidated Ordinary Profit



On January 31, the Company revised upward its operating performance forecast for fiscal 2007, owing to strong performance in the life insurance, non-life insurance and banking businesses and taking into account fourth-quarter operating performance expectations.

We revised our forecast for ordinary revenues upward ¥6.0 billion, to ¥815.0 billion. The ordinary profit forecast was revised upward ¥6.0 billion, to ¥41.0 billion. We revised our net income forecast upward ¥3.0 billion, to ¥24.0 billion.

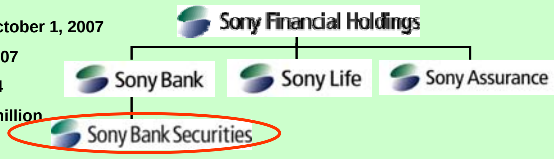
(Next, I will provide an update on new business progress.)

New Business Progress Update

Sony Financial Holdings

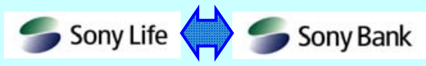
Sony Bank Securities

- Began accepting applications to open accounts: October 1, 2007
- Began Japanese stock transactions: October 15, 2007
- Number of accounts as of December 31, 2007: 5,284
- Customer assets as of December 31, 2007: ¥1,788 million



Sony Life Receives Permission to Handle Banking Agency Business on Behalf of Sony Bank

- Began handling banking agency business: January 16, 2008
- Products and services



1. Lifeplanner sales employees: Conduct product explanations and deliver applications for mortgage loans on behalf of Sony Bank
2. Life Planning SQUARE (Ginza Sony Building): Handle Sony Bank mortgage loan and account opening procedures

21

I will explain third-quarter new business developments, which included Sony Bank Securities' commencement of operations last October. Also, Sony Life received approval to handle banking business on behalf of Sony Bank.

Sony Bank Securities was established in June 2007 with the aim of enabling the offering to Sony Bank customers of own highly convenient securities investment services. Sony Bank Securities commenced operations in October. As of December 31, 2007, the company had 5,284 securities accounts and customer assets of ¥1.7 billion. To enhance convenience to its customers after operations had begun, on January 28 the company began handling exchange traded funds, or ETFs, and real estate investment trusts, or REITs.

Meanwhile, Sony Life received permission to handle banking agency business on behalf of Sony Bank and began offering these services on January 16. Primarily, Sony Life handles Sony Bank's mortgage loans. Sony Life's Lifeplanner sales employees explain these products and deliver applications on behalf of Sony Bank. At Life Planning SQUARE (Ginza Sony Building), they also handle Sony Bank mortgage loan and account opening procedures. Life Planning SQUARE is the first physical location to handle products offered by Sony Bank, which is an Internet bank.

Last, I will provide some details about the differences between SFH's consolidated results and those of Sony Group's Financial Services segment, owing to differences between Japanese GAAP & US GAAP. Please refer to the following Appendix page.

APPENDIX

Appendix

Comparison with Sony Corporation's Consolidated Financial Services Segment

(Principal Differences between Japan GAAP and U.S. GAAP)

Sony Financial Holdings

* "SFH" refers to "Sony Financial Holdings Inc."

	Financial Services Segment of Sony Corporation, Consolidated (U.S. GAAP)	SFH* Consolidated (Japan GAAP)
Treatment of new policy acquisition costs (Mainly concerns the life insurance business)	Insurance acquisition costs that vary with and are primarily related to acquiring new insurance policies are deferred as long as they are recoverable generally over the premium-paying period of the related insurance policies.	Insurance acquisition costs are charged to income when incurred.
Method of calculating policy reserves (future insurance policy benefits) (Mainly concerns the life insurance business)	Calculated according to the net level premium method with certain adjustments of actuarial assumptions for U.S. GAAP purposes.	Calculated according to methods approved by Japan's Financial Services Agency. Computed with an emphasis on the early accumulation of policy reserves from the standpoint of protecting policyholders.
Treatment of the market value of convertible bonds held (Mainly concerns the life insurance business)	Changes in fair value (changes in market value) of so-called "hybrid financial instruments," which contain embedded derivatives, are charged to income.	Changes in fair value are posted to the balance sheets as increases or decreases in net assets.

Notes:
1. The above-mentioned differences between U.S. GAAP and Japan GAAP are deemed significant to SFH's consolidated ordinary profit for the nine months ended December 31, 2007.
2. The scope of Sony Corporation's consolidated Financial Services segment and SFH's consolidation differ, as follows:
   - Sony Corporation's consolidated Financial Services segment (for reference purposes): Sony Life Insurance Co., Ltd., Sony Assurance Inc., Sony Bank Inc., Sony Finance International Inc., and the other
   - SFH consolidated: Sony Life Insurance Co., Ltd., Sony Assurance Inc., Sony Bank Inc., Sony Bank Securities Inc., and Sony Life Insurance (Philippines) Corporation

3.Under U.S. accounting treatments, the book value at the date of conversion to shares is used as the market value of shares converted from convertible bonds (CBs), whereas under Japanese accounting treatments the book value is carried as the CB acquisition price even after conversion. Consequently, gains or losses on the sales of shares converted from CBs (differences between selling prices and book values) and impairment losses of shares converted from CBs (differences between market value and book value) differ depending on the use of U.S. or Japanese accounting treatments.

First, as Note 2 indicates, the scope of consolidation used by Sony Corporation's consolidated Financial Services segment and SFH's consolidation are different.

Next, we consider there to be three significant differences mainly in the life insurance business at SFH's consolidated ordinary profit level for the nine months ended December 31, 2007.

The first involves the treatment of costs to acquire new policies. Under U.S. GAAP, these costs are deferred as long as they are recoverable generally over the premium-paying period of the related insurance policies, whereas under Japan GAAP these costs are charged to income when incurred.

The second involves the method of calculating policy reserves. Under U.S. GAAP, these reserves are calculated according to the net level premium method with certain adjustments of actuarial assumptions for U.S. GAAP purposes. Under Japan GAAP, however, policy reserves are calculated according to methods approved by Japan's Financial Services Agency, which place an emphasis on the early accumulation of policy reserves from the standpoint of protecting policy holders.

In these two areas, the Japanese statutory requirements are more conservative than the U.S. accounting standards, in terms of profits and losses, for cases that have an upward-trending policy amount in force like our life insurance business.

The third area concerns the treatment of convertible bonds, or CBs, held by our life insurance business. Under U.S. accounting standards, changes in market value are charged to income, whereas under Japanese accounting standards without charging to income these amounts are recorded on the balance sheet as changes in net assets.

Let me add supplemental explanation on accounting treatments of shares converted from CBs. As Note 3 indicates, under U.S. accounting treatments the book value at the date of conversion to shares is recognized as the market value of shares that are converted from CBs, whereas under Japanese accounting treatments the book value is carried at the CB acquisition price even after conversion. Consequently, as the book value used for computing gains/losses on sales and impairment losses of those shares are different depending on the use of either accounting treatments, the amount of gains/losses on sales and impairment losses differ as well.

In general, U.S. accounting treatments tend to record higher book value of those shares as a result of recording valuation gains when stock markets are rising, comparing to Japanese accounting treatments. Conversely, when stock markets are declining, I understand that gains on sales of the shares are lesser and losses on sales or impairment losses are larger under U.S. accounting treatments.

These are the principal differences between the two accounting standards, and I encourage you to take these differences into consideration for your analysis.

This concludes our explanation.

Now, I will take any questions you may have. Are there any questions?

Sony Financial Holdings

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