

**Summary of Q&A at 3Q FY2007 Teleconference for
Domestic Institutional Investors and Analysts**

Time/date: February 15, 2008, 15:15–15:50
Respondents: Hiromichi Fujikata, Executive Vice President and Representative Director of SFH
Masamitsu Shimaoka, Director of Sony Life
Yuro Fujiyama, Director of Sony Assurance
Hidehiko Nakamura, Director of Sony Bank

Q&A (Summary)

- Q) Looking at the consolidated balance sheets for SFH as of December 31, 2007, other assets are higher than they were as of March 31 and September 30, 2007. What was the reason?
- A) (Sony Life) This is a temporary situation, resulting from the interim holdings in this account of securities on which a contract was concluded in December, but for which settlement (delivery and receipt) was in January.
- Q) Sony Bank's number of accounts was up significantly in December. What was the background for this increase?
- A) (Sony Bank) Each December, we hold a bonus campaign. This campaign included preferential interest rates on yen time deposits, which proved effective, and high interest rates pushed up the balance of deposits and the number of accounts.
- Q) I have a question about Sony Life's breakdown of general account assets (page 10). This information states that in real terms, Japanese stocks account for less than 10% of these assets, and convertible bonds account for more than 10%. What were the actual figures, as of December 31, 2007?
- A) (SFH) As I do not have the actual figures on hand now, allow me to respond later.
[Reference]
The breakdown of the Japanese stocks and convertible bonds within general account assets, as of December 31, 2007, is as follows.
Japanese stocks: ¥258.3 billion (of which, Japanese stocks included in monetary trusts: ¥42.2 billion) (comprising 7.7% of general account assets)
Convertible bonds: ¥427.7 billion (of which, convertible bonds included in monetary trusts: ¥128.8 billion) (comprising 12.7% of general account assets)

Q) In January, the number of accounts at Sony Bank increased beyond the December figure. Is this trend continuing, or are there any new factors?

A) (Sony Bank) As this is a mass market, it is difficult to pinpoint any single factor. As I mentioned earlier, however, our campaigns are proving more effective than during previous years. Other factors that may be in play are an increasing awareness of Sony Financial Holdings, owing to its public stock listing, as well as our number one customer satisfaction rating, as determined by third-party surveys.

Q) Sony Life's investment expenses were up in 3Q. Please explain the situation surrounding the increase in investment expenses: was this due to losses on the sale of securities, losses on the cancellation of funds, credit-related valuation losses or impairment losses owing to stock market fluctuations?

A) (Sony Life) (The 3Q increase in investment expenses was due to the posting of losses on separate accounts, net)

Certainly, gains or losses on the sale of securities varies each term, affected by market conditions. In fiscal 2007, these expenses were large in 1Q, but decreased in 2Q. They were relatively large in 3Q. It would be correct to think of these fluctuations as the changes in gains and losses on the sale of securities. Interest and dividend income is gradually increasing, as we acquire more bonds.

(SFH) Please understand that we are not engaging in any particular transactions involving special types of securities. Rather, these fluctuations are merely an aspect of the orthodox investments of a life insurance company.

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