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**Presentation Materials**

**FY2008 First Quarter  
Consolidated Financial Results**

**Sony Financial Holdings Inc.  
August 13, 2008**

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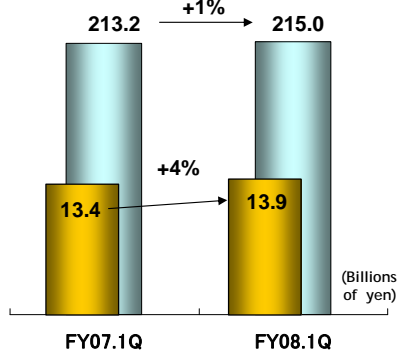
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## Disclaimer

## Highlights of Group Consolidated Operating Performance for FY2008 1Q



□ Ordinary revenues ■ Ordinary profit



		FY2007 1Q	FY2008 1Q	Change	
(Billions of yen)					
Life insurance business	Ordinary revenues	193.9	<b>190.9</b>	-3.0	-2%
	Ordinary profit	12.2	<b>12.3</b>	+0.1	+1%
Non-life insurance business	Ordinary revenues	14.1	<b>15.7</b>	+1.5	+11%
	Ordinary profit	0.6	<b>0.4</b>	-0.1	-24%
Banking business	Ordinary revenues	5.3	<b>8.6</b>	+3.2	+61%
	Ordinary profit	0.5	<b>1.0</b>	+0.5	+106%
Corporate and eliminations	Ordinary revenues	(0.3)	<b>(0.2)</b>	+0.1	-
	Ordinary profit	0.0	<b>0.0</b>	+0.0	+146%
SFH Group, consolidated	Ordinary revenues	213.2	<b>215.0</b>	+1.8	+1%
	Ordinary profit	13.4	<b>13.9</b>	+0.5	+4%

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

Associated with the increase in the consolidated ordinary profit, consolidated net income grew 7% year on year, to ¥7.8 billion.

## Highlights of Group Consolidated Operating Performance for FY2008 1Q

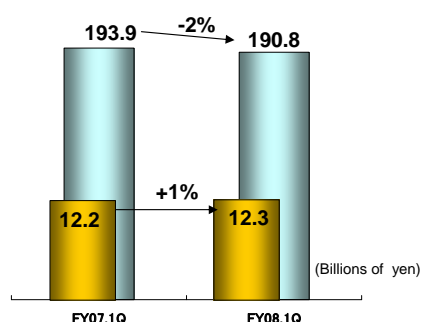


- In the life insurance business, ordinary revenues fell, as gains on separate accounts (net) decreased, despite income from insurance premiums increased associated with a higher policy amount in force. Ordinary profit was almost flat as increases in income from insurance premiums and in interest and dividend income offset the decrease in gains on sale of securities.
- In the non-life insurance business, ordinary revenues increased due to favorable performance in its mainstay automobile insurance, which raised net premiums written. Ordinary profit declined owing primarily to an increase in operating expenses.
- In the banking business, both ordinary revenues and ordinary profits increased mainly due to higher net interest income, in line with the bank's business expansion.
- Consolidated ordinary revenues was almost flat (up 1%) compared with the same period of the previous fiscal year, to ¥215.0 billion. Consolidated ordinary profit increased 4% to ¥13.9 billion. Net income grew 7% to ¥7.8 billion.

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



□ Ordinary revenues    ■ Ordinary profit



(Billions of yen)	FY2007 1Q	FY2008 1Q	Change	
			Change	%
<b>Ordinary revenues</b>	193.9	190.8	-3.0	-2%
Income from insurance premiums	158.1	162.5	+4.4	+3%
Investment income	34.3	27.5	-6.8	-20%
<b>Ordinary expenses</b>	181.6	178.5	-3.1	-2%
Insurance claims and other payments	62.4	60.9	-1.4	-2%
Provision for policy reserve and others	89.9	89.4	-0.4	-1%
Investment expenses	4.6	2.6	-1.9	-42%
Operating expenses	22.3	22.7	+0.3	+2%
<b>Ordinary profit</b>	12.2	12.3	+0.0	+1%
<b>Net income</b>	6.4	7.0	+0.6	+9%

### Sony Life

- ◆ Ordinary revenues fell but ordinary profit rose compared to FY07.1Q
- ◆ New policy amount rose 3% compared with FY07.1Q
- ◆ Income from insurance premiums increased, in line with steady growth in policy amount in force
- ◆ As for investment income, interest and dividend income increased in general account assets
- ◆ Core profit amounted to ¥9.3 billion
- ◆ The lapse and surrender rate rose 0.03 percentage point year on year, to 1.59%

Note: Each figure for new policy amount, policy amount in force and lapse and surrender rate is calculated as the total of individual life insurance and individual annuities.

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

(Billions of yen)	07.6.30	08.3.31	08.6.30	Change from 08.3.31	
				Change	%
<b>Securities</b>	2,425.5	2,388.9	2,428.3	+39.3	+2%
<b>Policy reserve</b>	3,178.8	3,375.0	3,462.6	+87.5	+3%
<b>Total net assets</b>	216.1	182.6	168.7	-13.8	-8%
<b>Total assets</b>	3,522.5	3,659.7	3,724.5	+64.7	+2%
Of which, Separate account assets	348.9	321.7	336.8	+15.1	+5%

The figures above are on a non-consolidated basis.

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

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Sony Life's ordinary revenues decreased 2% from the same period of the previous fiscal year, to ¥190.8 billion, as gains on separate accounts (net) decreased due to the financial market downturn, despite increased income from insurance premiums associated with a higher policy amount in force.

Ordinary profit rose 1% year on year, to ¥12.3 billion, as increases in income from insurance premiums and in interest and dividend income more than offset the decrease in gains on sale of securities.

Income from insurance premiums grew 3% from the same period of the previous fiscal year, to ¥162.5 billion, associated with a higher policy amount in force.

Investment income decreased 20% to ¥27.5 billion, due to a decrease in gains on separate accounts (net), despite a rise in interest and dividends income associated primarily with a higher balance of securities held, mainly Japanese government bonds.

Investment expenses fell 42% year on year, to ¥2.6 billion, associated with decreased losses on general accounts. As a result, net investment profit declined 16% to ¥24.8 billion.

Insurance claims and other payments decreased 24% to ¥60.9 billion.

Operating expenses increased 2% to ¥22.7 billion.

As a result, net income grew 9% year on year, to ¥7.0 billion.

## Overview of Performance: Sony Life (Non-Consolidated)



(Billions of yen)

	FY2007 1Q	FY2008 1Q	Percentage change
<b>New policy amount<sup>1</sup></b>	972.4	<b>1,004.2</b>	+3%
<b>Annualized premiums from new policies<sup>1</sup></b>	15.8	<b>16.2</b>	+2%
Of which, third-sector products	3.4	<b>3.5</b>	+1%
<b>Investment profit</b>	29.7	<b>24.8</b>	-16%
<b>Core profit</b>	7.0	<b>9.3</b>	+33%
<b>Negative spread</b>	8.1	<b>6.1</b>	-25%
<b>Lapse and surrender rate<sup>1,2</sup></b>	1.56%	<b>1.59%</b>	+0.03pt

(Billions of yen)

	07.6.30	08.3.31	08.6.30	Change from 07.6.30	
<b>Policy amount in force<sup>1</sup></b>	30,592.2	31,497.3	<b>31,833.2</b>	+1,239.9	+4%
<b>Annualized premiums from insurance in force<sup>1</sup></b>	510.9	530.0	<b>536.0</b>	+25.1	+5%
Of which, third-sector products	119.3	122.8	<b>123.6</b>	+4.2	+4%

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

Notes:

\*1 Each figure of new policy amount, annualized premiums from new policies, policy amount in force, annualized premiums from insurance in force and lapse and surrender rate 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.

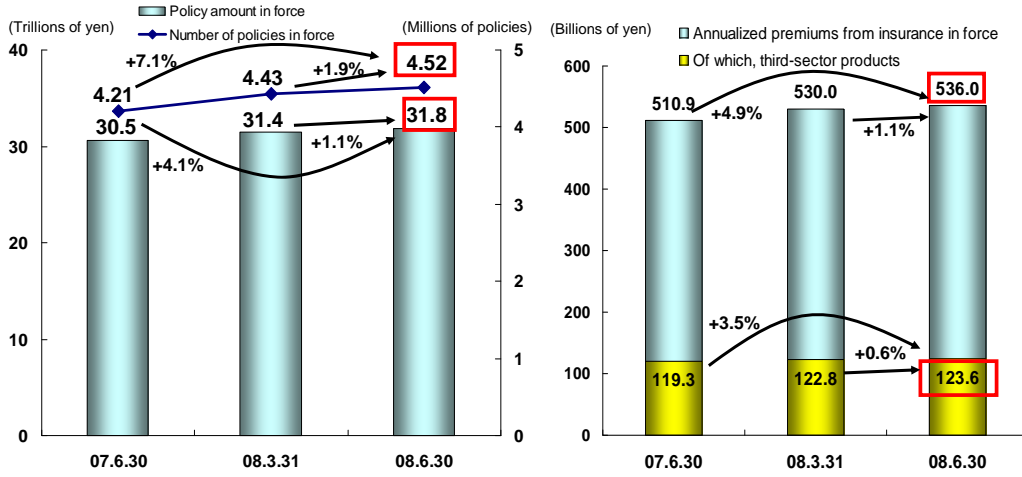
# Sony Life Operating Performance (1)



(Billions of yen)

## Policy Amount in Force (Individual Life Insurance + Individual Annuities)

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



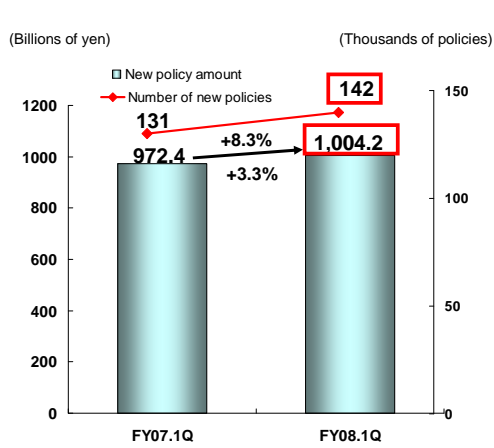
Line item amounts are truncated below ¥100 billion; numbers of policies are truncated below 10,000 policies; percentage change figures are rounded.

Line item amounts are truncated below ¥100 million.

## Sony Life Operating Performance (2)

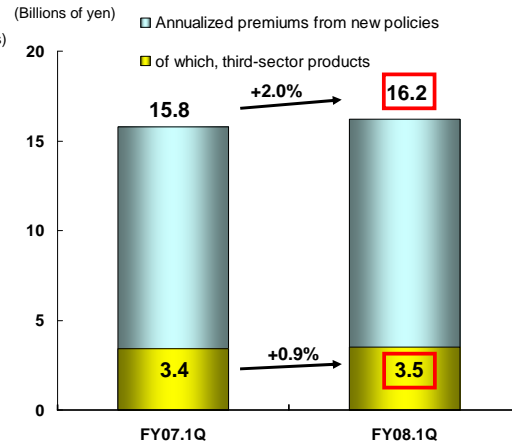


### New Policy Amount (Individual Life Insurance + Individual Annuities)



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

### Annualized Premiums from New Policies (Individual Life Insurance + Individual Annuities)



Line item amounts are truncated below ¥100 million.

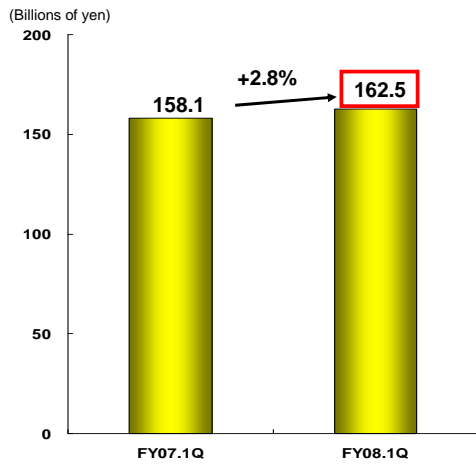
Sales of death-protection type insurance, such as term life insurance, were robust during the first quarter of FY2008.



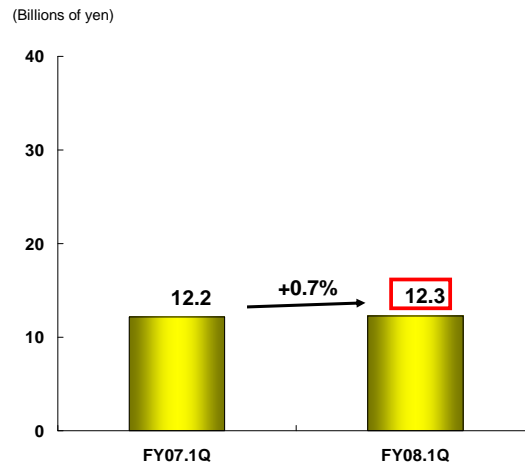
## Sony Life Operating Performance (3)



### Income from Insurance Premiums



### Ordinary Profit (Non-Consolidated)



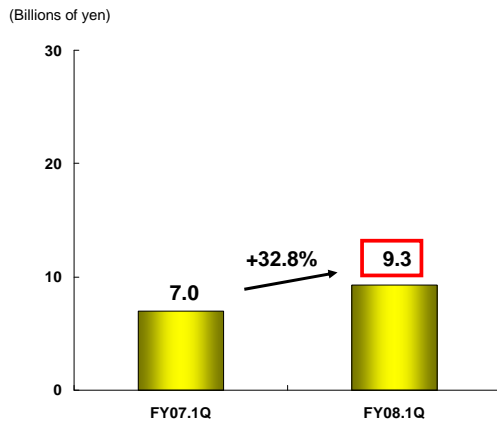
Line item amounts are truncated below ¥100 million; percentage change figures are rounded.

Income from insurance premiums grew 2.8% from the same period of the previous fiscal year, to ¥162.5 billion, associated with a higher policy amount in force.

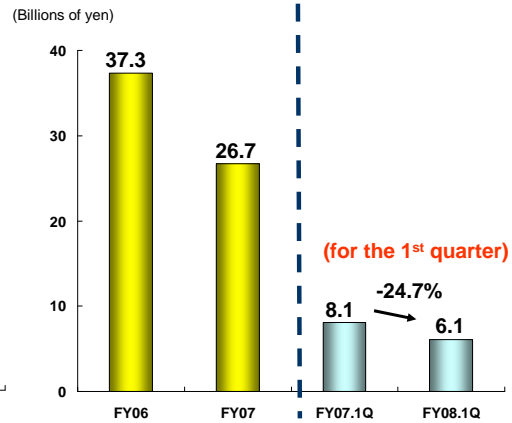
As mentioned earlier, Sony Life's ordinary profit, on a non-consolidated basis, rose 0.7% year on year, to ¥12.3 billion, as increases in income from insurance premiums and in interest and dividend income more than offset the decrease in gains on sale of securities.

## Sony Life Operating Performance (4)

### Core Profit



### Negative Spread



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

Core profit rose 32.8% compared with the same period of the previous fiscal year to ¥9.3 billion, as a result of increases in income from insurance premiums and interest and dividend income.

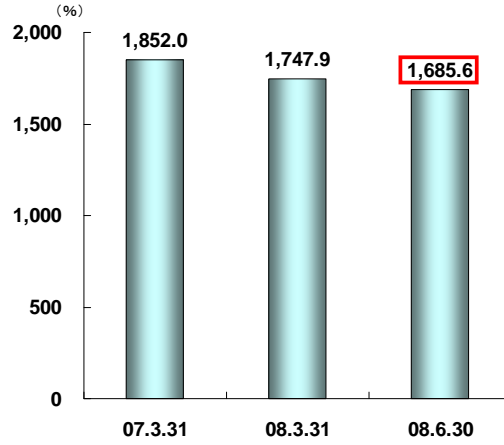
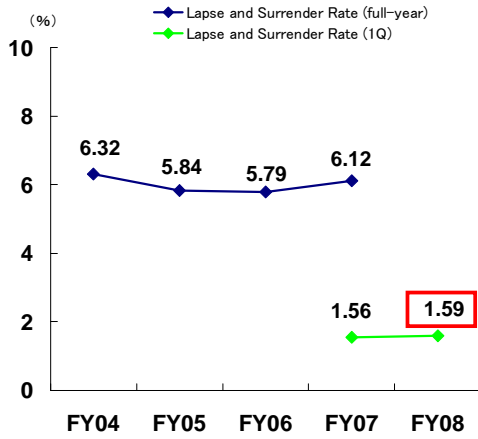
Negative spread improved 24.7% compared with the same period of the previous fiscal year to ¥6.1 billion, owing to an increase in interest and dividend income.

## Sony Life Operating Performance (5)



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

### Solvency Margin Ratio

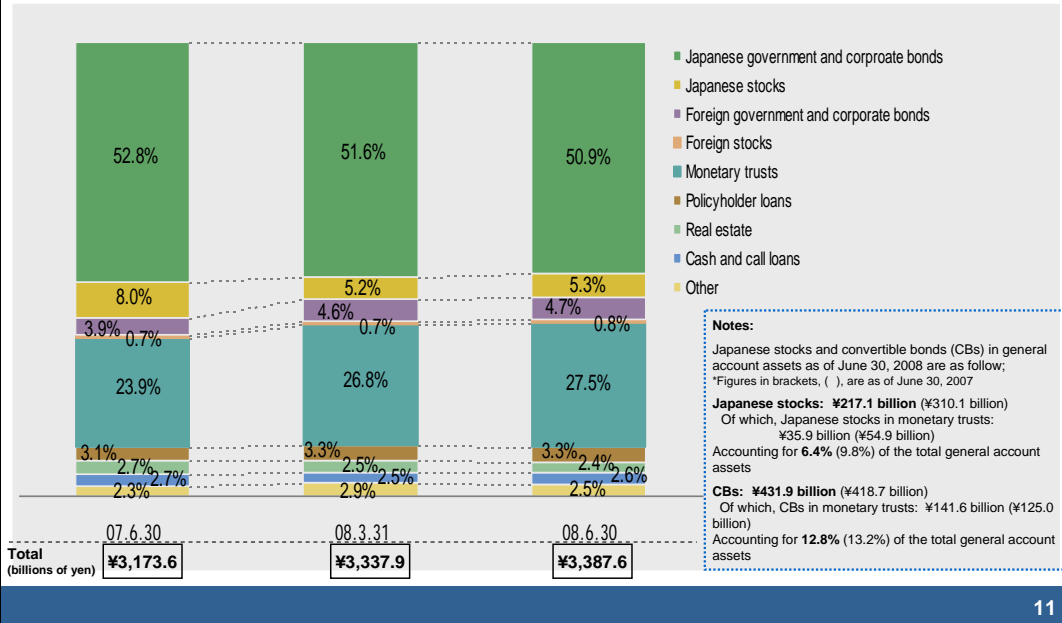


\* The lapse and surrender rate is calculated without offsetting policies that are reinstated.

The lapse and surrender rate was up 0.03 percentage point compared with the same period of the previous fiscal year to 1.59%, maintaining a low level.

## Sony Life Operating Performance (6)

### Breakdown of General Account Assets



This is a breakdown of Sony Life's general account assets as of June 30, 2008, compared with that of June 30, 2007, and March 31, 2008.

Japanese stocks, including those in the category of "monetary trusts" accounted for 6.4% of total general account assets as of June 30, 2008, while convertible bonds, that are included both in the category "Japanese government and corporate bonds" and in the category "monetary trusts" accounted for 12.8% of total general account assets.

## Sony Life Operating Performance (7)



### Unrealized gains/losses on securities in general account assets

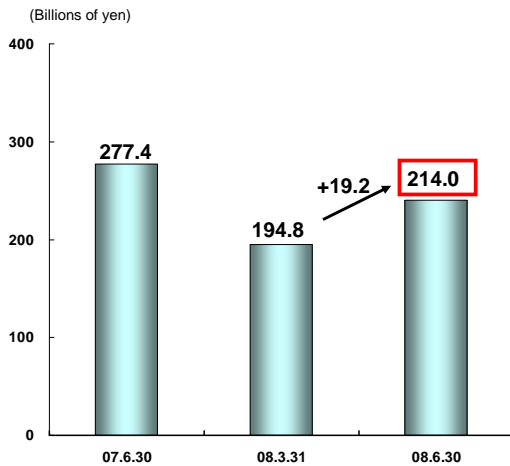
(Billions of yen)

	07.6.30	08.3.31	<b>08.6.30</b>	Change from 08.3.31
Japanese government and corporate bonds	39.4	83.4	<b>28.9</b>	-54.5
Japanese stocks	141.7	50.8	<b>63.2</b>	+12.3
Foreign securities	7.7	(9.5)	<b>(5.8)</b>	+3.6
Other securities	7.5	3.0	<b>3.8</b>	+0.8
<b>Total</b>	196.5	127.8	<b>90.1</b>	-37.6

Line item amounts are truncated below ¥100 million.

## Sony Life Operating Performance (8)

### Adjusted net worth for calculating Embedded Value



(Adjusted net worth for EV is calculated as follows)

Adjusted net worth=

- (a) Total net assets in the balance sheets  
(excluding net unrealized gains on bonds except for convertible and certain other bonds)
- + (b) Reserve for price fluctuations
- + (c) Contingency reserve
- + (d) Reserve for possible loan losses
- + (e) Net unrealized gains on land
- (f) Unfunded employees' retirement benefits liability
- (g) Deferred tax assets for (b), (c), (d), (e), and (f).

Embedded value (EV) is calculated as the sum of the above-mentioned "adjusted net worth" and "value of in-force business," the present value of future profits on in-force business. EV is regarded as one of indices used for assessing the corporate value of a life insurance company.

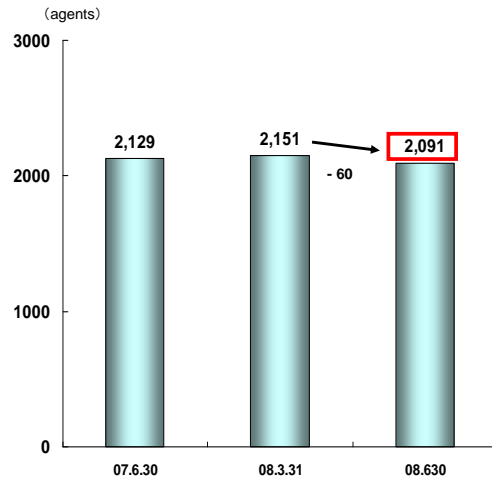
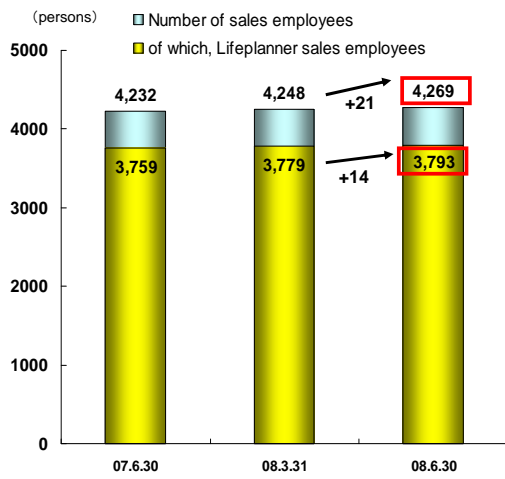
We disclose Sony Life's embedded value, or EV, once a year at each fiscal year-end, while we disclose adjusted net worth, one component of EV, on a quarterly basis.

As of June 30, 2008, adjusted net worth was up ¥19.2 billion from March 31, 2008, to ¥214.0 billion, owing mainly to a capital increase of ¥10.0 billion in May, 2008, and an increase in net unrealized gains on other securities, net of taxes.

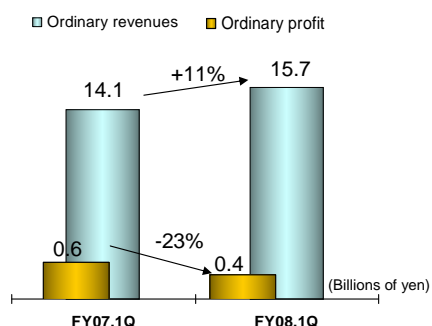
# Sony Life Operating Performance (7)

## Number of Sales Employees (incl. Lifeplanner sales employees)

## Number of Independent Agents



## Highlights of Operating Performance: Sony Assurance



(Billions of yen)	FY2007 1Q	FY2008 1Q	Change	
			Change	%
<b>Ordinary revenues</b>	14.1	15.7	+1.5	+11%
Underwriting income	14.0	15.5	+1.5	+11%
Investment income	0.1	0.1	+0.0	+13%
<b>Ordinary expenses</b>	13.5	15.2	+1.6	+13%
Underwriting expenses	10.2	11.4	+1.2	+12%
Investment expenses	-	-	-	-
Operating, general and administrative expenses	3.2	3.7	+0.5	+5%
<b>Ordinary profit</b>	0.6	0.4	-0.1	-23%
Underwriting profit	0.4	0.3	-0.1	-35%
<b>Net income</b>	0.4	0.2	-0.1	-34%

### Sony Assurance

- ◆ Ordinary revenues increased but ordinary profit dropped compared with FY07.1Q
- ◆ Ordinary revenues grew 11% year on year. Net premiums written amounted to ¥15.5 billion, owing to an increase in the number of policies in force for mainstay automobile insurance
- ◆ Ordinary profit declined due to increased operating expenses
- ◆ Combined ratio rose 2.4 percentage points, to 75.9% due to a year-on-year rise in both of net expense ratio and net loss ratio.

(Billions of yen)	07.6.30	08.3.31	08.6.30
<b>Underwriting reserves</b>	38.5	42.7	45.5
<b>Total net assets</b>	13.7	15.3	15.6
<b>Total assets</b>	69.6	78.6	81.4

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

Sony Assurance's ordinary revenues increased 11.0% compared with the same period of the previous fiscal year, to ¥15.7 billion, primarily due to favorable performance in its mainstay automobile insurance, which raised net premiums written.

Ordinary profit decreased 23% year on year, to ¥0.4 billion, owing primarily to an increase in operating expenses.

As a result, net income declined 34% compared with the same period of the previous fiscal year, to ¥0.2 billion.



## Overview of Performance: Sony Assurance



(Billions of yen)

	FY2007 1Q	FY2008 1Q	Change
Direct premiums written	13.9	15.4	+11%
Net premiums written	13.9	15.5	+11%
Net losses paid	6.0	6.8	+13%
Net loss ratio	48.6%	49.8%	1.2 pt up
Net expense ratio	24.9%	26.1%	1.2 pt up
Combined ratio	73.5%	75.9%	2.4 pt up
Underwriting profits	0.4	0.3	-35%

Net expense ratio is equal to the ratio of total underwriting costs to net premiums written

Net loss ratio is equal to the ratio of net losses paid and loss adjustment expenses to net premiums written.

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

	07.6.30	08.3.31	08.6.30	Change from 07.6.30	
Number of policies in force	0.96 million	1.02 million	1.06 million	+0.10 million	+ 10%

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 truncated below 10,000 policies.

## Sony Assurance's Performance of Underwriting by type of policy



### Direct premiums written

(millions of yen)	FY07 1Q	FY08 1Q	Change
Fire	56	68	+22%
Marine	-	-	-
Personal accident	1,546	1,630	+5%
Voluntary automobile	12,355	13,742	+11%
Compulsory automobile liability	-	-	-
Total	13,958	15,441	+11%

### Net premiums written

(millions of yen)	FY07 1Q	FY08 1Q	Change
Fire	3	3	+3%
Marine	10	9	-8%
Personal accident	1,563	1,720	+10%
Voluntary automobile	12,303	13,690	+11%
Compulsory automobile liability	113	105	-7%
Total	13,994	15,529	+11%

### Net losses paid

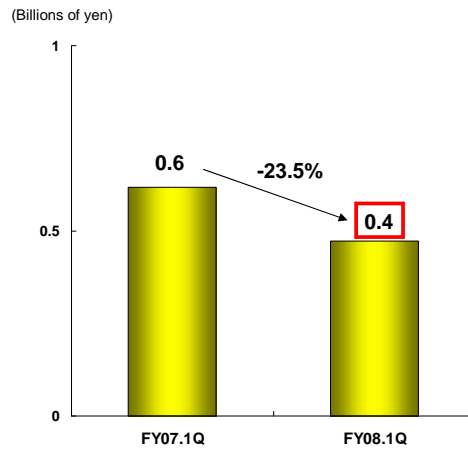
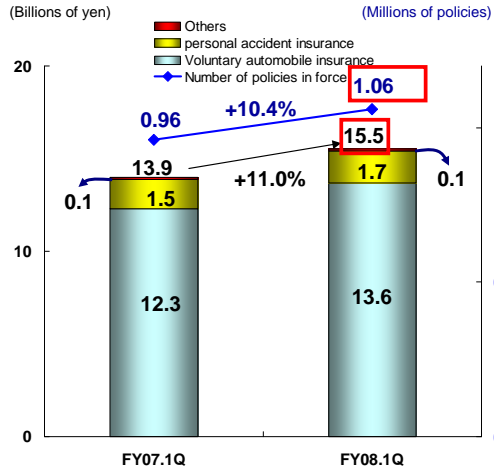
(millions of yen)	FY07 1Q	FY08 1Q	Change
Fire	0	0	-63%
Marine	5	3	-27%
Personal accident	275	303	+10%
Voluntary automobile	5,681	6,436	+13%
Compulsory automobile liability	104	116	+11%
Total	6,067	6,859	+13%

# Sony Assurance Operating Performance (1)



## Net Premiums Written and Number of Policies in Force

## Ordinary Profit



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 truncated below 10,000 for the number of policies in force.

Line item amounts are truncated below ¥100 million.

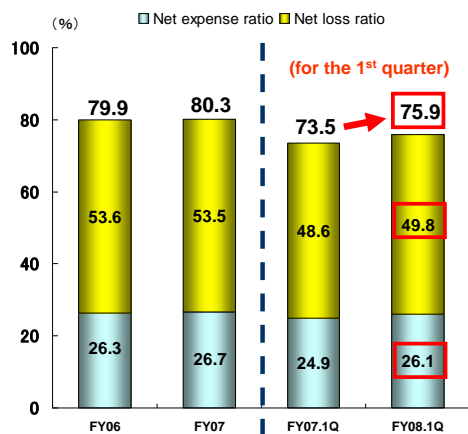
As mentioned earlier, ordinary profit decreased 23.5% year on year, to ¥0.4 billion, owing primarily to an increase in operating expenses.

## Sony Assurance Operating Performance (2)

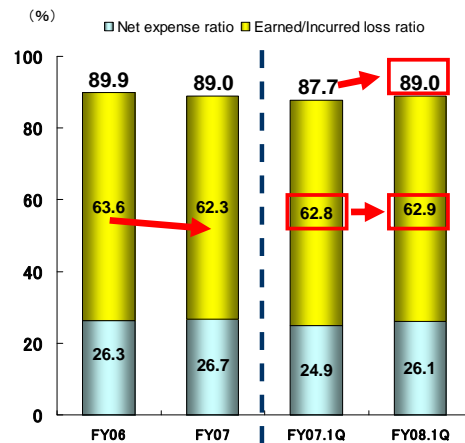


Combined ratio  
(Net expense ratio + Net loss ratio)

Net expense ratio +  
Earned/Incurred loss ratio



Net expense ratio is equal to the ratio of total underwriting costs to net premiums written  
Net loss ratio is equal to the ratio of net losses paid and loss adjustment expenses to net premiums written.



Earned/Incurred loss ratio is equal to the ratio of the sum of net losses paid, loss adjustment expenses and accumulation in provision for reserve for outstanding losses to earned premium.

\*Note that earthquake insurance and compulsory automobile liability insurance are excluded from the above calculation.

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Owing primarily to higher loss adjustment expenses, the net loss ratio rose 1.2 percentage point compared with the same period of the previous fiscal year, to 49.8%. The net expense ratio rose 1.2 percentage point year on year, to 26.1%, owing to an increase in system-related expenses, which exceeded impacts resulting from operational efficiency improvement.

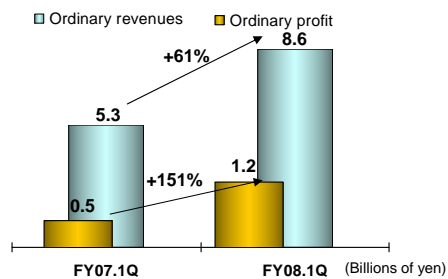
As a result, underwriting profits declined 35.3% year on year, to ¥0.3 billion, and the combined ratio (the sum of the net loss ratio and the net expense ratio) rose 2.4 percentage points year on year, to 75.9%.

To help you understand the actual condition of Sony Assurance, which has been in growing stage, the combined ratio calculated by using the earned/incurred loss ratio, instead of net loss ratio, is shown in the right hand.

You may find formulas of both earned/incurred loss ratio and net loss ratio on the slide. Although net loss ratio increased, the earned/incurred loss ratio in FY08.1Q was almost flat compared to that of FY07.1Q due to a decrease of loss adjustment expenses, and there were no significant fluctuations when compared with those in FY06 and FY07.

Therefore the decrease of ordinary profit in FY08.1Q is owing to a rise in the net expense ratio.

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



### Sony Bank

- ◆ Both of ordinary revenues and ordinary profit increased, compared with FY07.1Q
- ◆ Net interest income and net other operating income increased, associated with business expansion.
- ◆ Gross operating profit totaled ¥3.6 billion; the sum of net interest income of ¥1.0 billion, net fees and commissions of ¥6.0 million and net other operating income of ¥2.5 billion.
- ◆ Net income amounted to ¥0.7 billion, up 0.2 billion year on year.
- ◆ Customer assets were up ¥99.3 billion from March 31, 2008, to ¥1,346.7 billion

(Billions of yen)	FY2007 1Q	FY2008 1Q	Change	
			Change	% Change
Ordinary revenues	5.3	8.6	+3.2	+61%
Gross operating profit	2.4	3.6	+1.1	+45%
Net interest income	1.3	1.0	-0.2	-17%
Net fees and commissions	0.06	0.006	-0.06	-90%
Net other operating income	1.0	2.5	+1.4	+129%
General and administrative expenses	1.9	2.3	+0.3	+18%
Ordinary profit	0.5	1.2	+0.7	+151%
Net income	0.5	0.7	+0.2	+48%
Net operating profit	0.5	1.2	+0.7	+148%

(Billions of yen)	07.6.30	08.3.31	08.6.30
Securities	360.9	488.7	613.8
Loans	303.1	347.0	372.6
Deposits	796.5	1,144.3	1,241.2
Customer assets	901.9	1,247.3	1,346.7
Total net assets	37.2	35.7	41.3
Total assets	871.2	1,211.0	1,312.4
Capital adequacy ratio (domestic criteria)	11.21%	9.15%	10.20%

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

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Sony Bank's ordinary revenues increased 61% compared with the same period of the previous fiscal year, to ¥8.6 billion, as a higher balance of investment assets and other factors, in line with the bank's business expansion, led to higher net interest income and net other operating income.

Owing to an increase in gross operating profit, ordinary profit increased 151% compared with the same period of the previous fiscal year, to ¥1.2 billion.

As a result, net income increased 48% year on year, to ¥0.7 billion.

## Overview of Performance: Sony Bank (Non-Consolidated)



(Billions of yen, thousands of accounts)

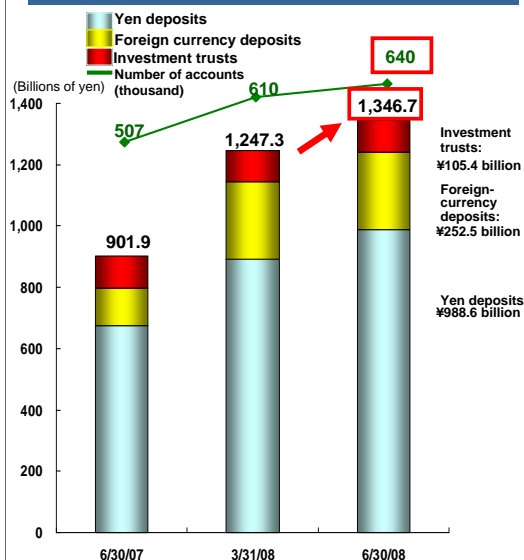
	07.6.30	08.3.31	08.6.30	Change from 08.3.31	
				Amount or number	%
<b>Customer assets</b>	901.9	1,247.3	<b>1,346.7</b>	+99.3	+8%
<b>Deposits</b>	796.5	1,144.3	<b>1,241.2</b>	+96.8	+8%
<b>Yen deposits</b>	674.4	892.6	<b>988.6</b>	+96.0	+11%
<b>Foreign currency deposits</b>	122.1	251.7	<b>252.5</b>	+0.8	+0%
<b>Investment trusts</b>	105.3	102.9	<b>105.4</b>	+2.5	+2%
<b>Loan</b>	303.1	347.0	<b>372.6</b>	+25.5	+7%
<b>Mortgage loans</b>	296.0	338.8	<b>364.4</b>	+25.5	+8%
<b>Other loans</b>	7.0	8.1	<b>8.1</b>	-0.0	- 0%
<b>Number of accounts</b>	507	610	<b>640</b>	+30	+5%

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

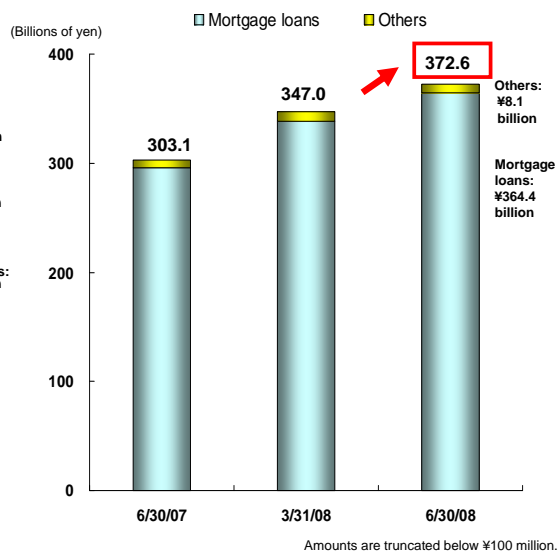
## Sony Bank Operating Performance (1)



### Customer Assets (Deposits + Investment Trusts) and Number of Accounts



### Loans



Amounts are truncated below ¥100 million.

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As of June 30, 2008, the balance of customer assets (the total of deposits and investment trusts) was up ¥99.3 billion, or 8.0%, compared with March 31, 2008, to ¥1,346.7 billion, largely owing to an increase in yen time deposits.

Total deposits were up ¥96.8 billion, or 8.5%, to ¥1,241.2 billion. Investment trusts expanded ¥2.5 billion, or 2.4%, to ¥105.4 billion.

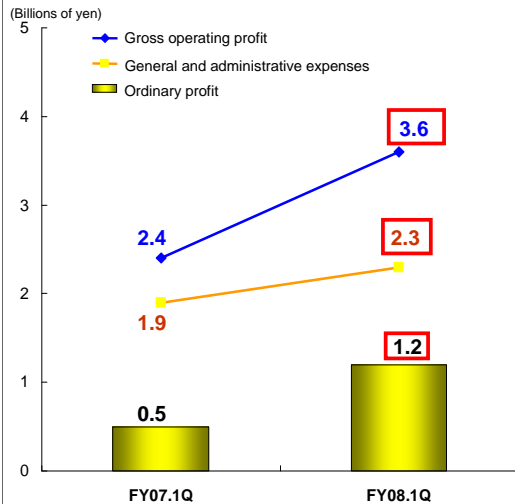
Loans also increased steadily by ¥25.5 billion, or 7.4%, to ¥372.6 billion.

The number of accounts grew rapidly, rising 30 thousand to 640 thousand accounts.

## Sony Bank Operating Performance (2)

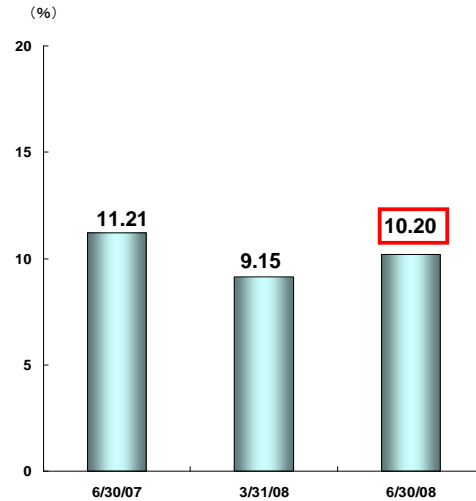


### Gross Operating Profit, General and Administrative Expenses, Ordinary Profit



Amounts are truncated below ¥100 million.

### Non-consolidated Capital Adequacy Ratio (Domestic Criteria)



Notes: Capital adequacy ratios as of June 30, 2007, March 31, 2008, and June 30, 2008 were calculated based on the standard stipulated in the Financial Services Agency Public Announcement No. 19 of 2006.

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Looking next at profitability, gross operating profit increased 45.3% year on year to ¥3.6 billion.

Breaking down gross operating profit, net interest income decreased 16.9% to ¥1.0 billion, due to higher interest on deposits. Net fees and commissions fell 90.1%, to ¥6 million, owing primarily to a decrease in fees and commissions received on securities-related business. Net other operating income rose 129.1%, to ¥2.5 billion, owing to increased income from foreign exchange transactions derived from investment in foreign currency deposits.

Non-consolidated capital adequacy ratio (domestic criteria) as of June 30, 2008, was 10.20%, continuing to indicate a sound financial base.



## Consolidated Operating Performance Forecast for FY2008



(Billions of yen; line item amounts are truncated below ¥100 million; changes are rounded)

	FY2004	FY2005	FY2006	FY2007	FY2008 (Interim forecast)	FY2008 (Full-year forecast)	% change
<b>Consolidated ordinary revenues</b>	<b>653.2</b>	<b>758.7</b>	<b>759.2</b>	<b>822.1</b>	<b>430.0</b>	<b>884.0</b>	<b>+ 7.5%</b>
Of which, life insurance business	604.0	696.4	689.5	741.3	386.0	793.0	+ 7.0%
Of which, non-life insurance business	38.1	45.7	51.0	55.6	30.0	59.8	+ 7.5%
Of which, banking business	11.3	17.2	19.4	25.9	14.4→15.8	30.7→33.0	+ 27.4%
<b>Consolidated ordinary profit</b>	<b>12.2</b>	<b>25.3</b>	<b>18.3</b>	<b>44.5</b>	<b>18.0</b>	<b>37.0</b>	<b>-16.9%</b>
Of which, life insurance business	17.0	24.3	14.8	39.0	17.0	34.0	-13.0%
Of which, non-life insurance business	(2.8)	(0.7)	2.0	2.8	0.6	1.3	-53.9%
Of which, banking business	(1.6)	2.2	1.3	2.4	0.5→1.3	1.3→2.0	-16.7%
<b>Consolidated net income</b>	<b>6.3</b>	<b>11.5</b>	<b>10.0</b>	<b>24.2</b>	<b>10.0</b>	<b>21.0</b>	<b>-13.4%</b>

### Additional Information

We expect ordinary revenues to continue increasing, owing to the robust expansion of each business. However, ordinary profit is expected to decrease, for the reasons described below.

#### Life insurance business

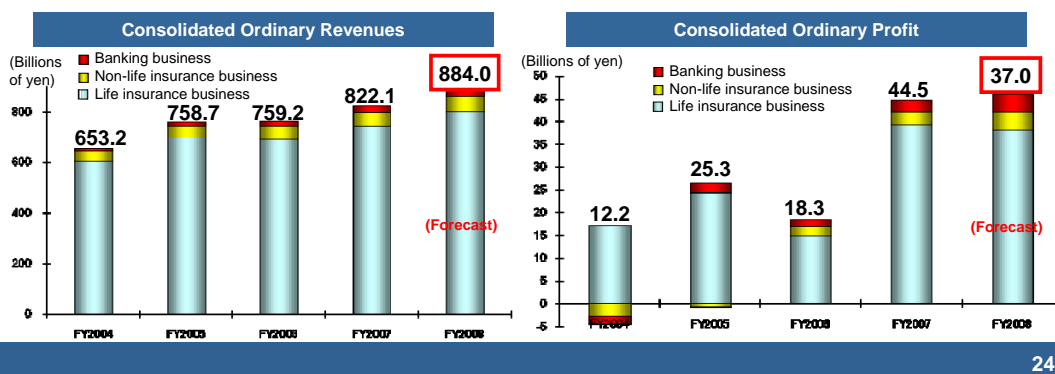
The yield on general account investments is expected to fall, compared with FY2008.

#### Non-life insurance business

The operating expense ratio is expected to rise slightly, owing to higher system-related expenses.

#### Banking business

Expenses are expected to increase: system-related and other expenses are expected to increase, Sony Bank Securities is expected to operate in the red initially, and goodwill will be amortized, among other factors.



Sony Financial Holdings' forecast for consolidated operating performance during the fiscal year ending March 31, 2009, is unchanged from the announcement on May 14, 2008.

As explained earlier, all of our businesses made steady business growth. As for the banking business, greater than expected actual results in the first quarter of fiscal 2008 led us to revise upward our forecast for ordinary revenues and ordinary profit in the business, as the chart shows.

However, as we consider the impact of the upward changes in the banking business forecast insignificant on a consolidated basis, we did not revise the consolidated forecast.

## Other topics



### **Sony Life received permission to conduct banking agency business on behalf of Sony Bank**

■ Started January 16, 2008

■ Products and services handled by Sony Life



1. Lifeplanner sales employees may explain the details of Sony Bank's mortgage loans and deliver applications.

→As a result, Sony Bank's mortgage loans handled by Lifeplanner sales employees expanded steadily and accounted for approximately 30% of new mortgage loans in FY08.1Q.

2. At Life Planning SQUARE, the showroom Sony Life operates in the Sony Building in Ginza, Tokyo, Sony Life may handle Sony Bank's mortgage loans, as well as set up new customer accounts at Sony Bank.

### **Major press releases announced during and after FY08.1Q**

April 21, 2008	Sony Bank started "Carbon Offsetting Investment Trust" offering scheme
April 23, 2008	SFH raised capital of Sony Bank
April 28, 2008	Sony Assurance started selling automobile insurance via bank's website
May 12, 2008	Sony Bank started foreign exchange margin transactions
May 23, 2008	SFH raised capital of Sony Life
July 1, 2008	Sony Assurance opened its Sapporo Claims Service Center for receiving accident reports
July 30, 2008	Sony Bank started distribution of its foreign exchange rates through the AppliCast Function on BRAVIA LCD televisions
August 1, 2008	Seven Bank started a banking agency business on behalf of Sony Bank
August 4, 2008	Sony Bank revised sales commission structure for investment trusts and introduced sales commission reduction program for funded plans

Lastly, as synergetic initiatives, Sony Bank's mortgage loans handled through Sony Life's Lifeplanner sales employees accounted for approximately 30% of new mortgage loans in FY08.1Q.

Sony Life's receipt of permission to conduct banking agency business on behalf of Sony Bank has enabled its Lifeplanner sales employees to respond in a more detailed manner to customers' requests and questions on financing in purchase of homes during their consultations. The ratio mentioned earlier increased as a result.



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