

## **Presentation Materials**

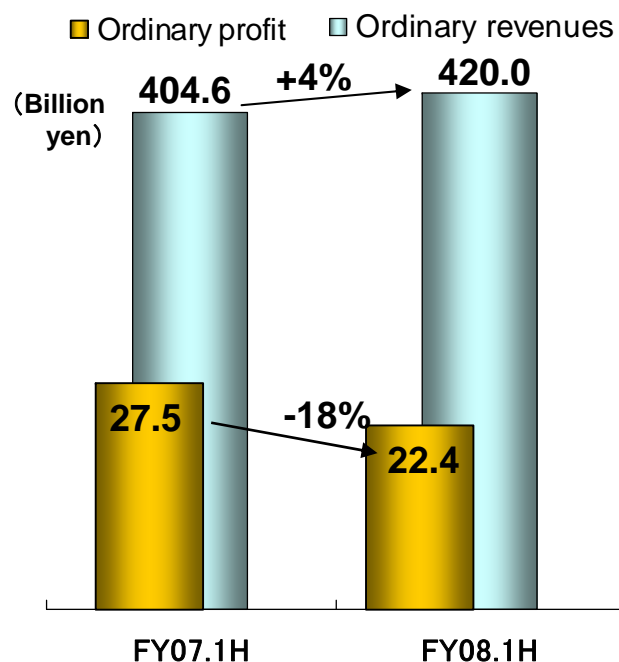
# **Consolidated Financial Results for Six Months Ended September 30, 2008**

**Sony Financial Holdings Inc.  
November 17, 2008**

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# Highlights of Group Consolidated Operating Performance for FY2008 1H



		FY07.1H	FY08.1H	vs PY	
(Billion yen)					
Life insurance business	Ordinary revenues	365.7	372.1	+6.3	+2%
	Ordinary profit	24.0	20.0	-3.9	-16%
Non-life insurance business	Ordinary revenues	27.7	30.7	+2.9	+11%
	Ordinary profit	2.0	1.1	-0.8	-42%
Banking business	Ordinary revenues	11.5	17.7	+6.1	+53%
	Ordinary profit	1.4	1.1	-0.3	-22%
Corporate and elimination	Ordinary revenues	-0.4	-0.5	-0.1	-
	Ordinary profit	0.0	0.0	+0.0	+66%
Consolidated	Ordinary revenues	404.6	420.0	+15.3	+4%
	Ordinary profit	27.5	22.4	-5.0	-18%

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

# Highlights of Group Consolidated Operating Performance for FY2008 1H

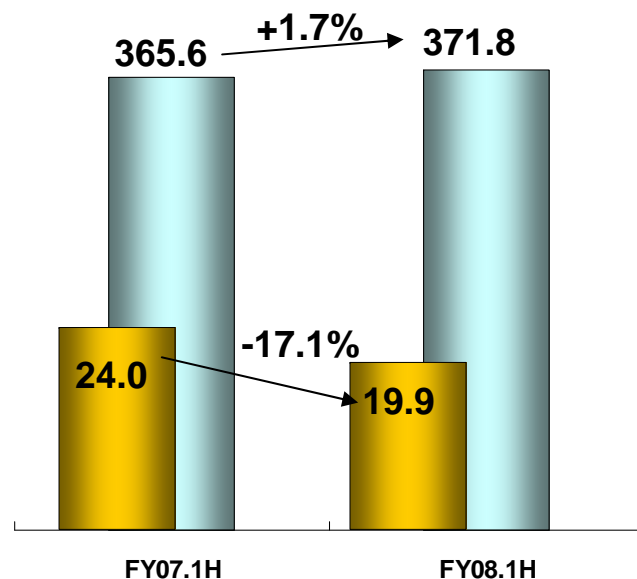


- In the life insurance business, both policy amount in force and new policy amount (for individual life insurance and individual annuities) increased. Ordinary revenues increased due to higher income from insurance premiums but ordinary profit decreased owing to deterioration of gains and losses from investments, larger amounts of insurance claims and other payments, and higher operating expenses.
- In the non-life insurance business, ordinary revenues increased as a result of an increase of underwriting profit, but ordinary profit declined due to higher operating expenses, mostly system-related expenses, as well as an increased amount of claims paid, led by those resulting from natural disasters.
- In the banking business, ordinary revenues grew, owing mainly to higher balance of investment assets in line with business expansion. Ordinary profit declined owing to higher interest expenses, increased general and administrative expenses, mostly system-related expenses, and amortization of goodwill.
- Consolidated ordinary revenues increased ¥15.3 billion, or 4%, year on year to ¥420.0 billion, as ordinary revenues from the three businesses increased. Consolidated ordinary profit decreased ¥5.0 billion, or 18%, year on year, to ¥22.4 billion. Net income decreased ¥4.5 billion, or 27%, year on year, to ¥12.1 billion due to a decreased ordinary profit.

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



(Billion yen)  
■ Ordinary profit  
■ Ordinary revenues



(Billion yen)	FY07.1H	FY08.1H	vs PY	
			Change	% Change
<b>Ordinary revenues</b>	365.6	<b>371.8</b>	+6.1	+1.7%
Income from insurance premiums	318.5	<b>327.0</b>	+8.5	+2.7%
Investment income	44.7	<b>43.2</b>	-1.4	-3.2%
<b>Ordinary expenses</b>	341.5	<b>351.8</b>	+10.2	+3.0%
Insurance claims and other payments	117.4	<b>125.8</b>	+8.3	+7.1%
Provision for policy reserve and others	164.6	<b>140.8</b>	-23.8	-14.5%
Investment expenses	9.0	<b>32.9</b>	+23.9	+264.9%
Operating expenses	45.6	<b>46.8</b>	+1.1	+2.6%
<b>Ordinary profit</b>	24.0	<b>19.9</b>	-4.1	-17.1%
<b>Net income</b>	13.0	<b>10.8</b>	-2.2	-17.0%

## Sony Life

- ◆ Ordinary revenues up but ordinary profit down year on year.
- ◆ New policy amount up 0.8% year on year.
- ◆ Income from insurance premiums increased owing to steady growth of policy amount in force.
- ◆ Core profit amounted to ¥16.5 billion
- ◆ The lapse and surrender rate rose 0.10 percentage point year on year, to 3.11%

Notes 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.

(Billion yen)	07.9.30	08.3.31	<b>08.9.30</b>	Change from 08.3.31	
<b>Securities</b>	2,410.9	2,388.9	<b>2,449.0</b>	+60.0	+2.5%
<b>Policy reserve</b>	3,253.5	3,375.0	<b>3,514.8</b>	+139.7	+4.1%
<b>Total net assets</b>	228.9	182.6	<b>135.1</b>	-47.5	-26.0%
Net Unrealized gains/losses on other securities (net of taxes)	134.4	82.7	21.3	-61.4	-74.2%
<b>Total assets</b>	3,607.1	3,659.7	<b>3,785.3</b>	+125.5	+3.4%
Separate account assets	347.0	321.7	<b>310.0</b>	-11.7	-3.7%

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

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



(Billion yen)

	FY07 1H	FY08.1H	Change
<b>New policy amount*1</b>	1,879.3	<b>1,894.7</b>	+0.8.%
<b>Annualized premiums from new policies*1</b>	31.2	<b>30.9</b>	-0.9 %
Of which, third sector products	6.5	<b>6.5</b>	-1.2 %
<b>Income from insurance premiums</b>	318.5	<b>327.0</b>	+2.7%
<b>Investment income, net</b>	35.7	<b>10.3</b>	-71.1%
<b>Core profit</b>	13.9	<b>16.5</b>	+18.5%
<b>Adjusted net assets</b>	675.0	<b>544.6</b>	-19.3%
<b>Negative spread</b>	14.4	<b>10.6</b>	-26.4%
<b>Lapse &amp; surrender rate*1,*2</b>	3.01%	<b>3.11%</b>	+0.1pt

	07.9.30	08.3.31	08.9.30	Change from 07.9.30	
				Amount	%
<b>Policy amount in force*1</b>	30,878.7	31,497.3	<b>32,065.4</b>	1,186.7	+3.8%
<b>Annualized premiums from insurance in force*1</b>	517.4	530.0	<b>540.9</b>	23.4	+4.5%
Of which, third sector products	120.5	122.8	<b>124.5</b>	4.0	+3.4%
<b>Solvency margin ratio</b>	1,870.0%	1,747.9%	<b>1,665.4%</b>		-204.6pt

Notes:

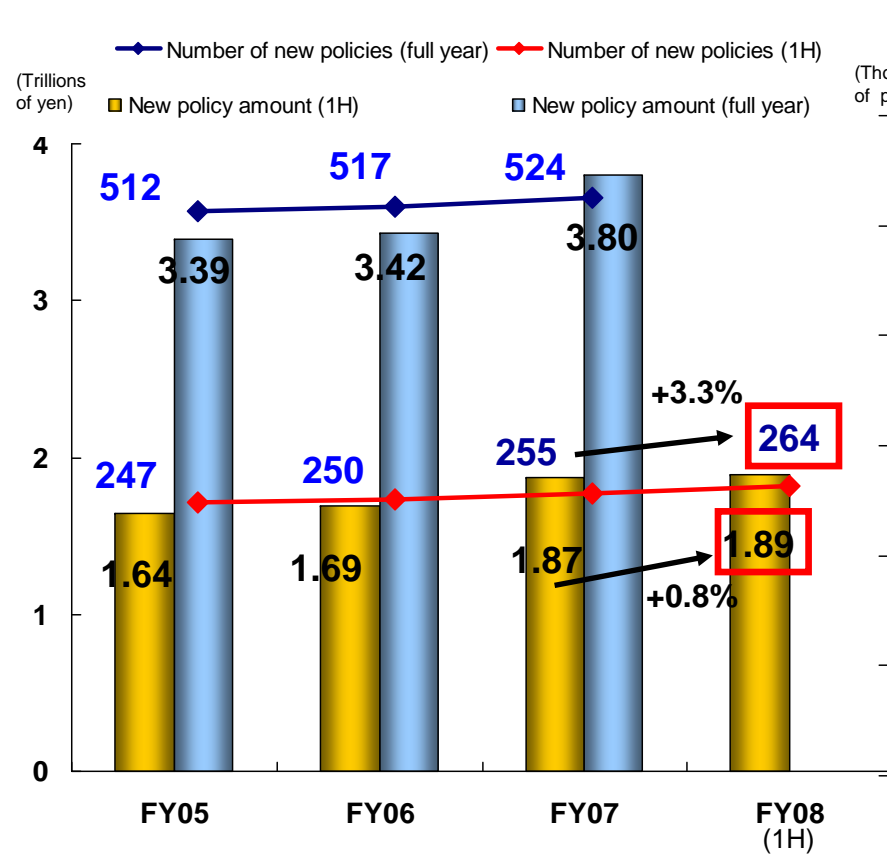
Line item amounts are truncated below ¥100 million; percentage change figures are rounded.

\*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.

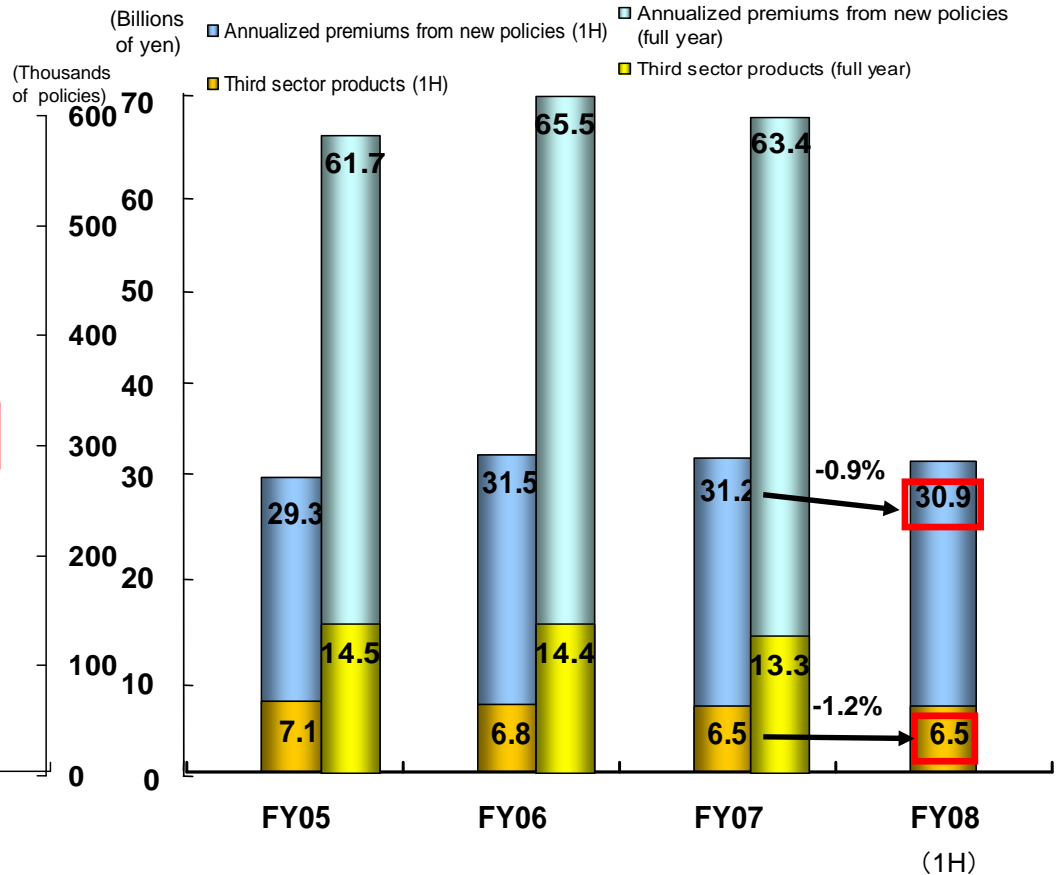
# Sony Life Operating Performance (1)

## 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)



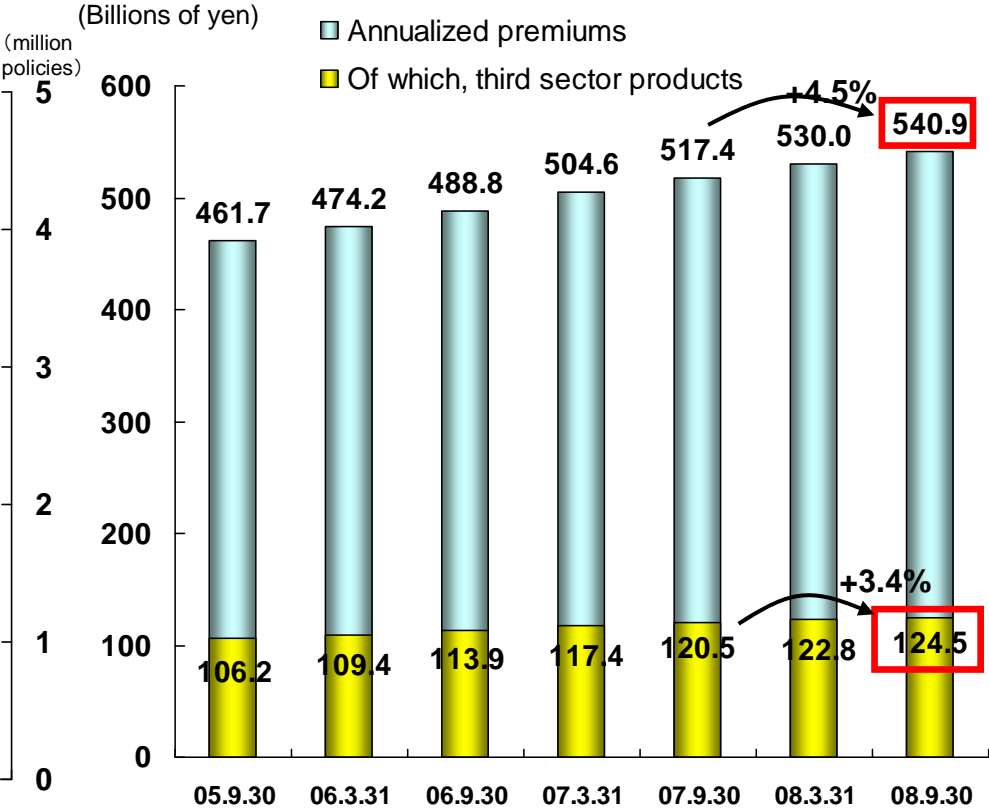
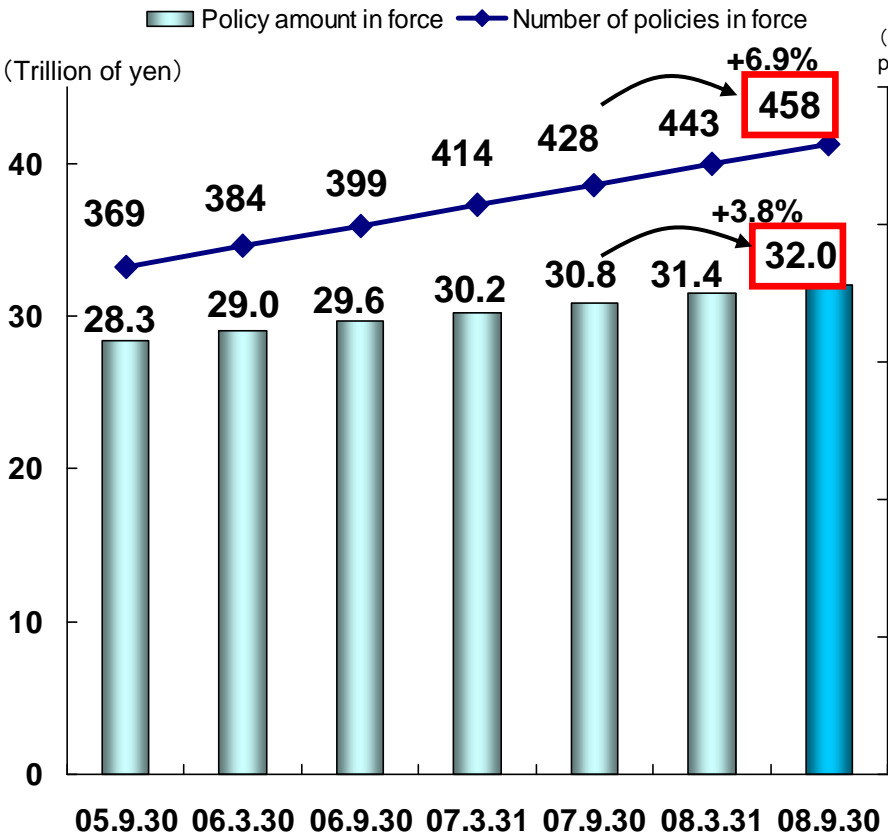
Line item amounts are truncated below ¥100 million. Percentage figures are rounded.

# Sony Life Operating Performance (2)



## 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.

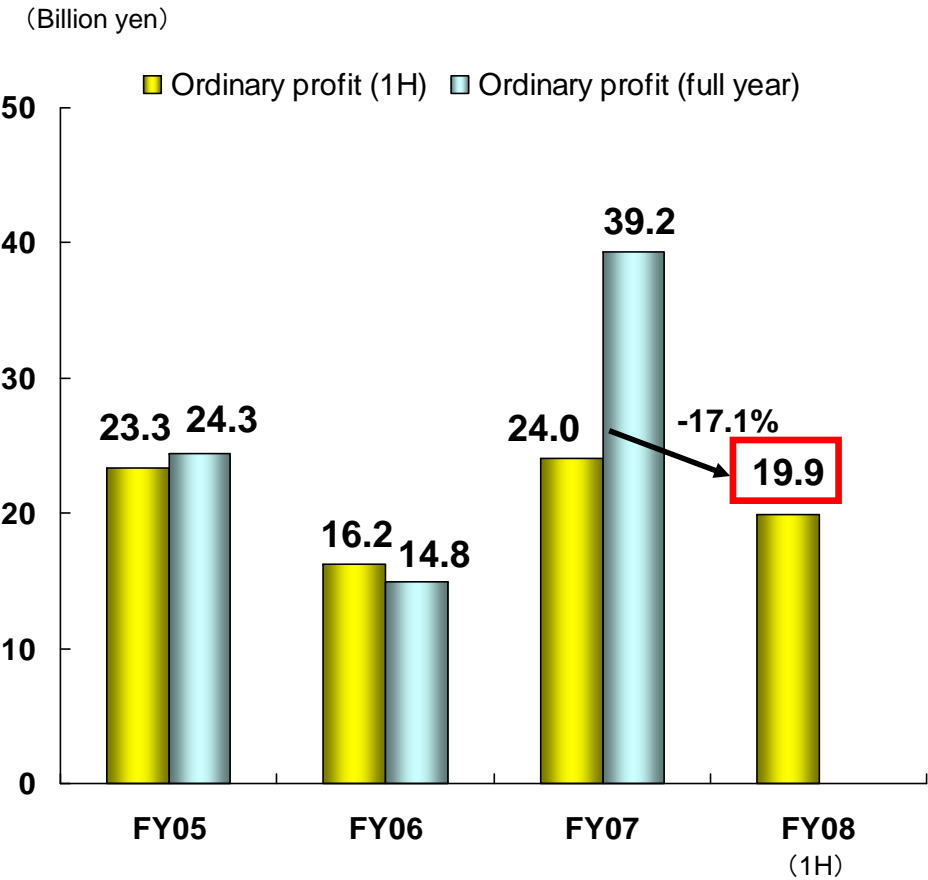
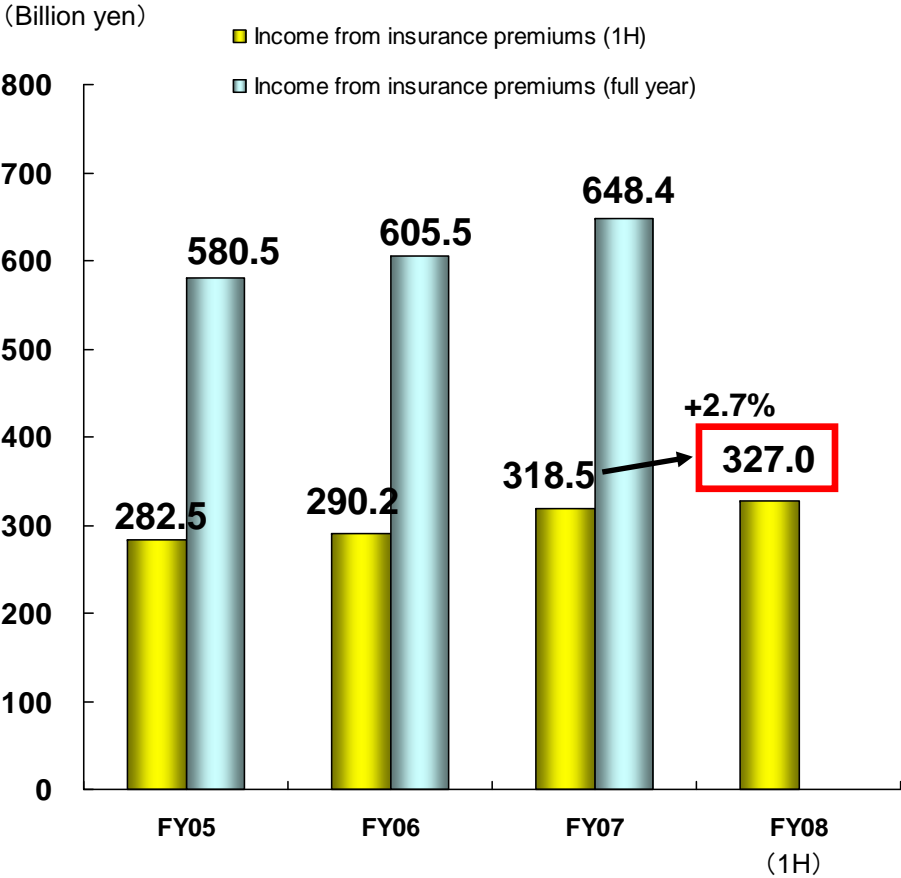


# Sony Life Operating Performance (3)



## Income from Insurance Premiums

## Ordinary Profit (Non-Consolidated)

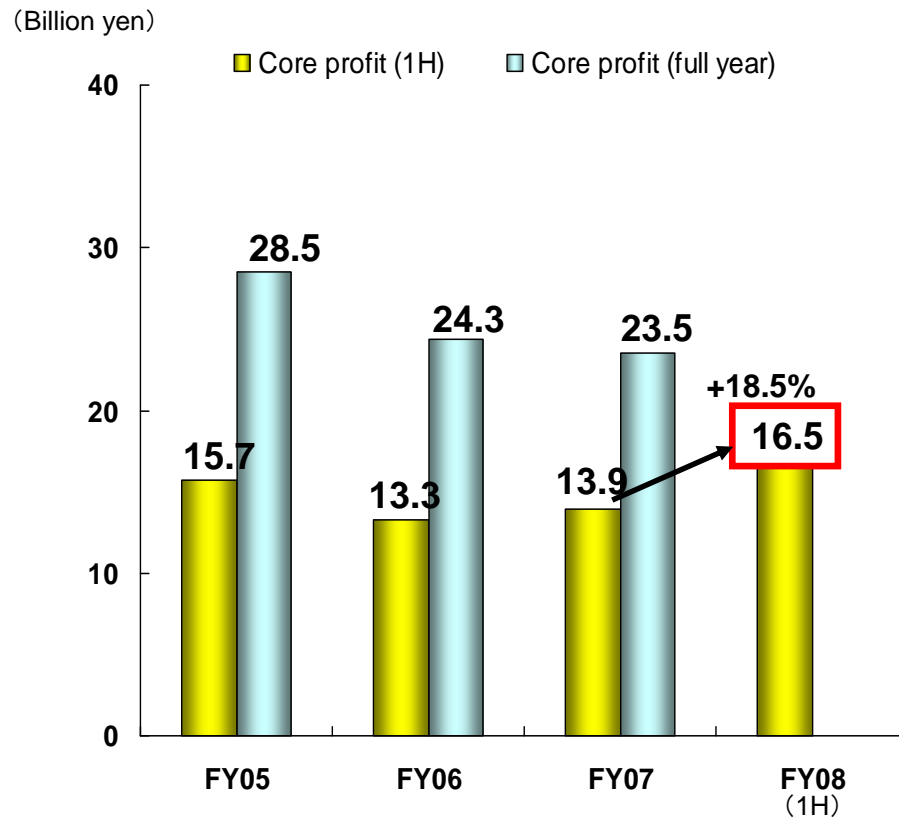


Line item amounts are truncated below ¥100 million. Percentage figures are rounded.

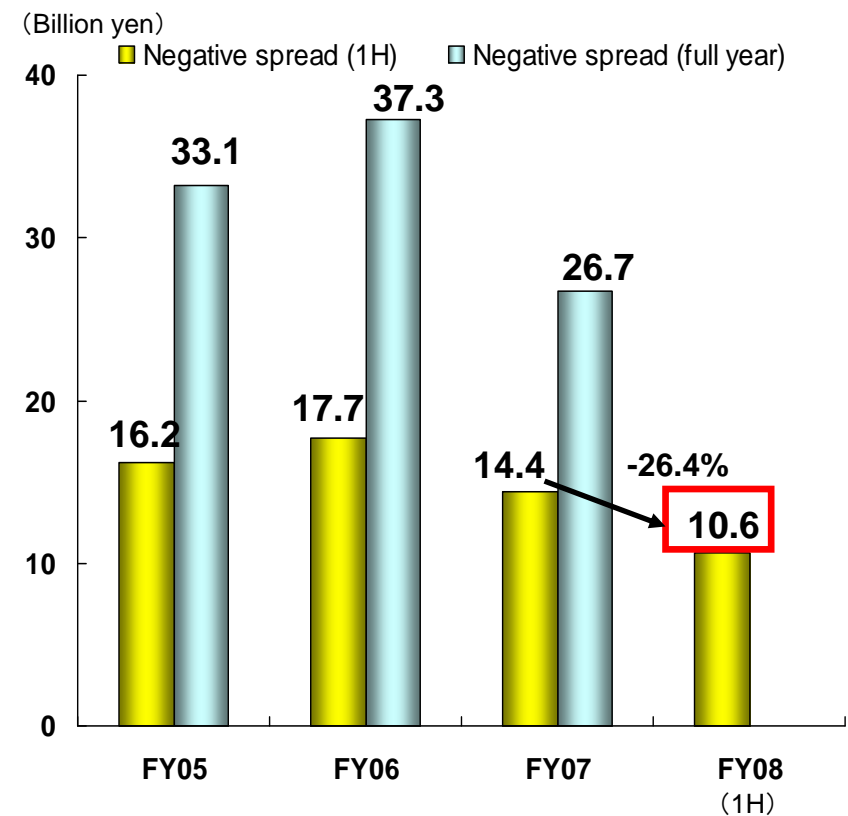
Line item amounts are truncated below ¥100 million. Percentage figures are rounded.

# Sony Life Operating Performance (4)

## Core Profit



## Negative Spread



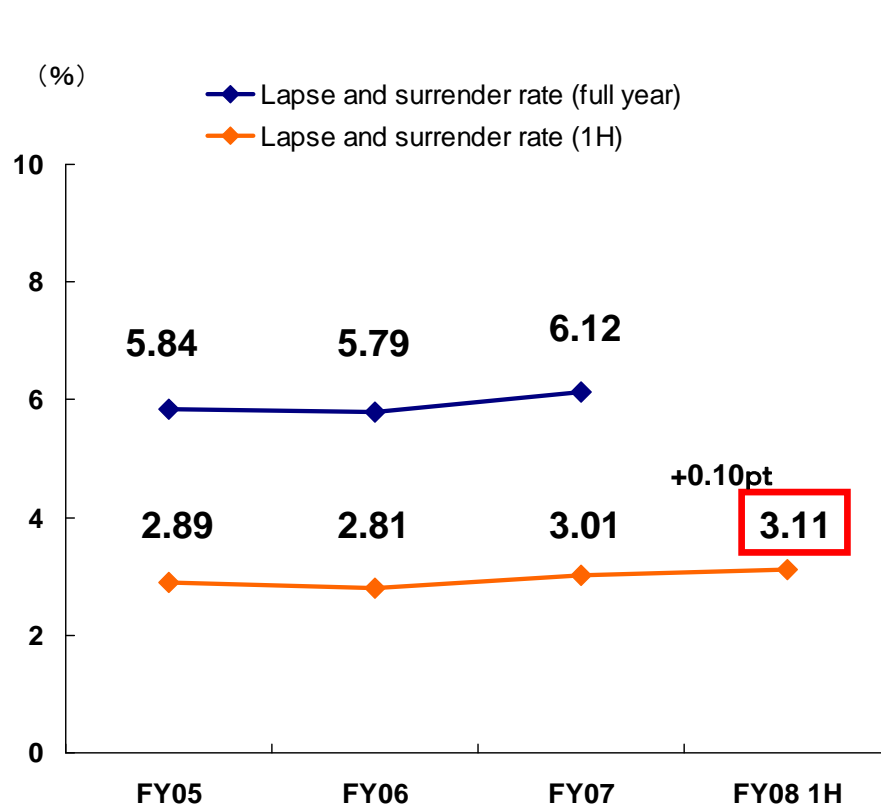
Line item amounts are truncated below ¥100 million. Percentage figures are rounded.

Line item amounts are truncated below ¥100 million. Percentage figures are rounded.

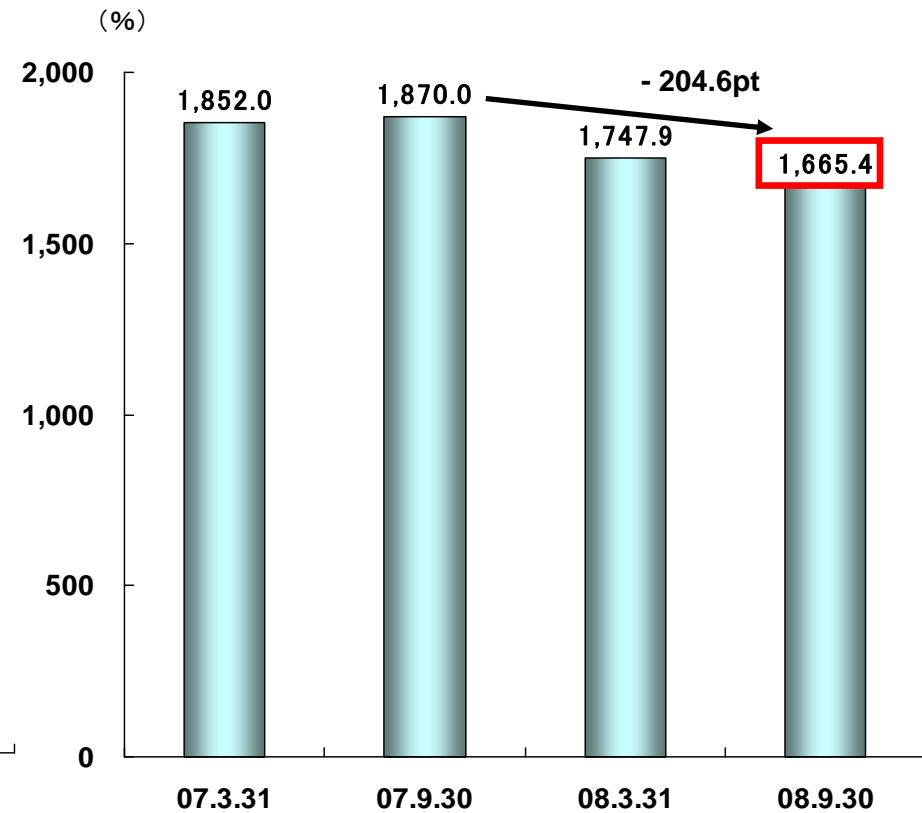
# Sony Life Operating Performance (5)



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



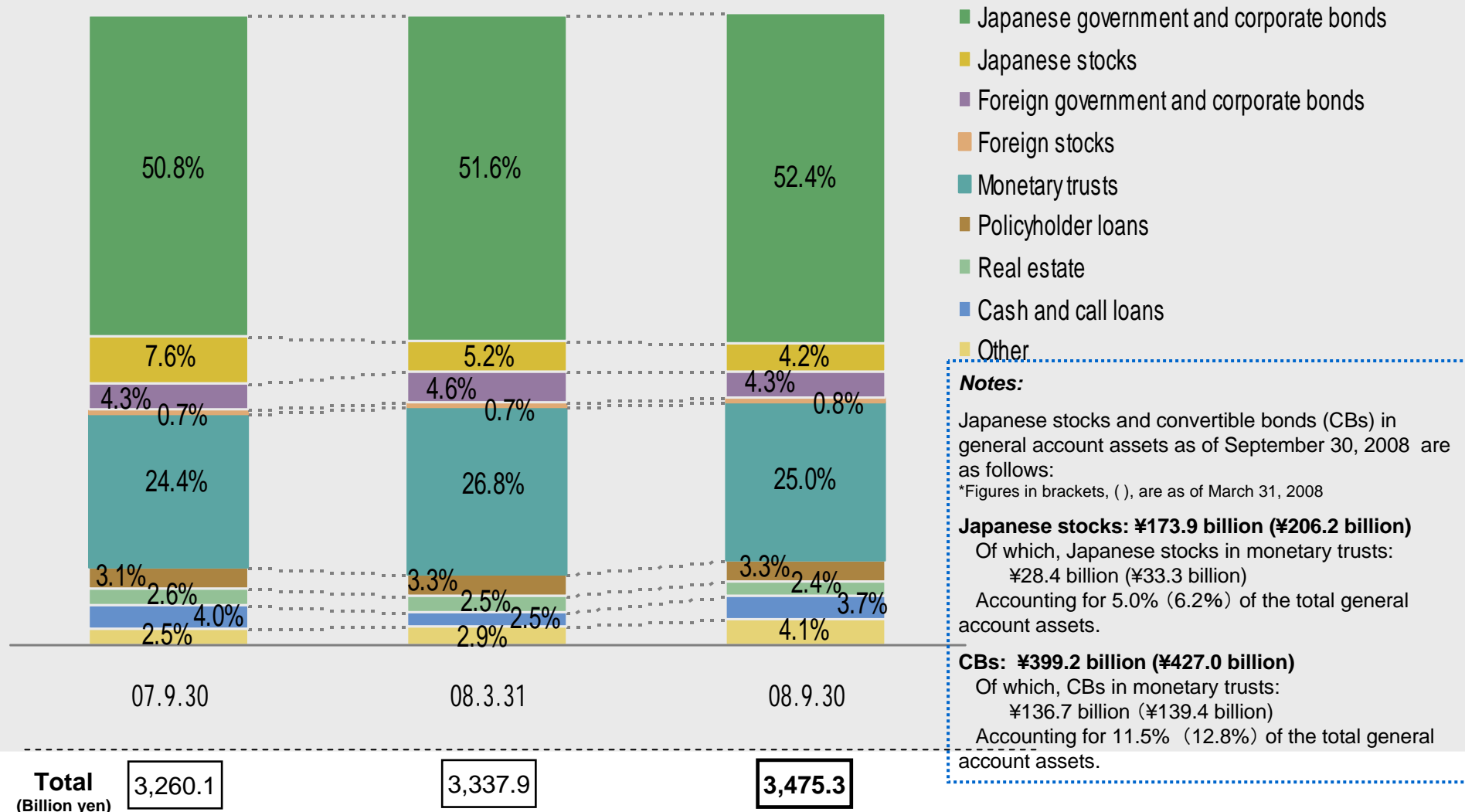
## Solvency Margin Ratio



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

# Sony Life Operating Performance (6)

## Breakdown of General Account Assets



# Sony Life Operating Performance (7)

## Net Unrealized Gains/Losses on Available-for-sale Securities with Market Value

(Billion yen)	08.3.31	08.6.30	08.9.30
<b>Japanese government and corporate bonds</b>	83.4	28.6	<b>19.0</b>
CBs	9.2	8.4	<b>-19.5</b>
<b>Japanese stocks</b>	50.8	63.2	<b>24.1</b>
<b>Foreign securities</b>	-9.5	-5.8	<b>-12.1</b>
<b>Other</b>	3.0	3.8	<b>1.9</b>
<b>Total</b>	<b>127.8</b>	<b>89.8</b>	<b>33.0</b>

Line item amounts are truncated below ¥100 million.  
 Amounts above include those categorized in "monetary trusts".  
 Japanese government and corporate bonds of ¥19.0 billion as of September 30, 2008, do not include unrealized gains on held-to-maturity securities of ¥2.9 billion.

## <Reference>

Announced on October 29, 2008

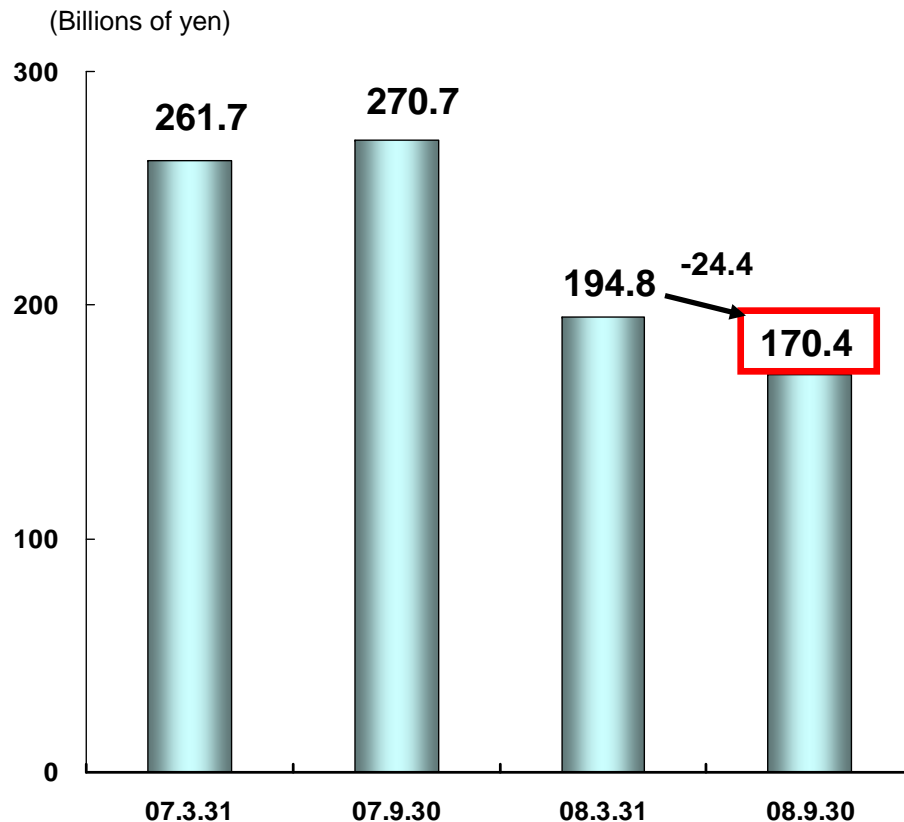
(Billion yen)	Net unrealized gains/losses on securities as of October 24, 2008 (Trial calculation)
<b>Available-for-sale securities</b>	<b>-39.6</b>
<b>Japanese stocks</b>	<b>-22.8</b>
<b>CBs and other</b>	<b>-28.6</b>
<b>Stock-related derivative transactions</b>	<b>13.6</b>

Notes:

- 1) Net unrealized gains/losses on available-for-sale securities in the chart above are calculated by subtracting the book value from the fair value and differ from the "net unrealized gains/losses on other securities, net of taxes" in the financial statements.
- 2) As of October 24, 2008, the weighted-average fair value of convertible bonds held by Sony Life was ¥91.9.
- 3) Stock-related derivative transactions in the chart above indicate transactions that Sony Life made on and after October 1, 2008, for the purpose of hedging against the price decline risks of Japanese stocks and convertible bonds held by Sony Life.

# Sony Life Operating Performance (8)

## Adjusted net worth for calculating Embedded Value



Line item amounts are truncated below ¥100 million.

(Adjusted net worth for EV is calculated as follows)

Adjusted net worth =

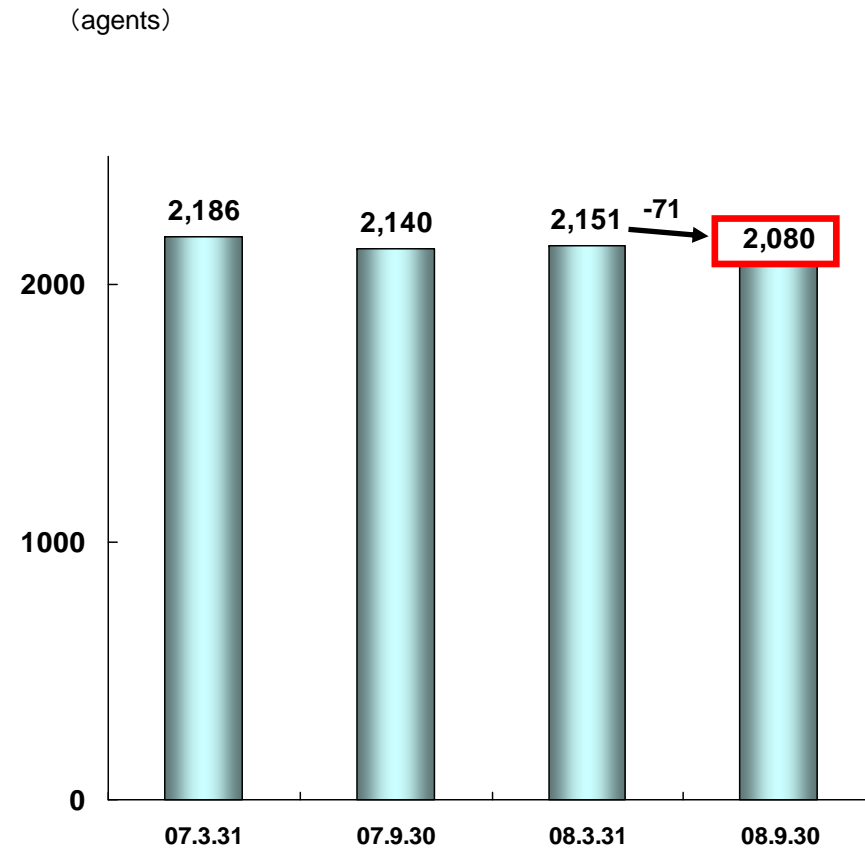
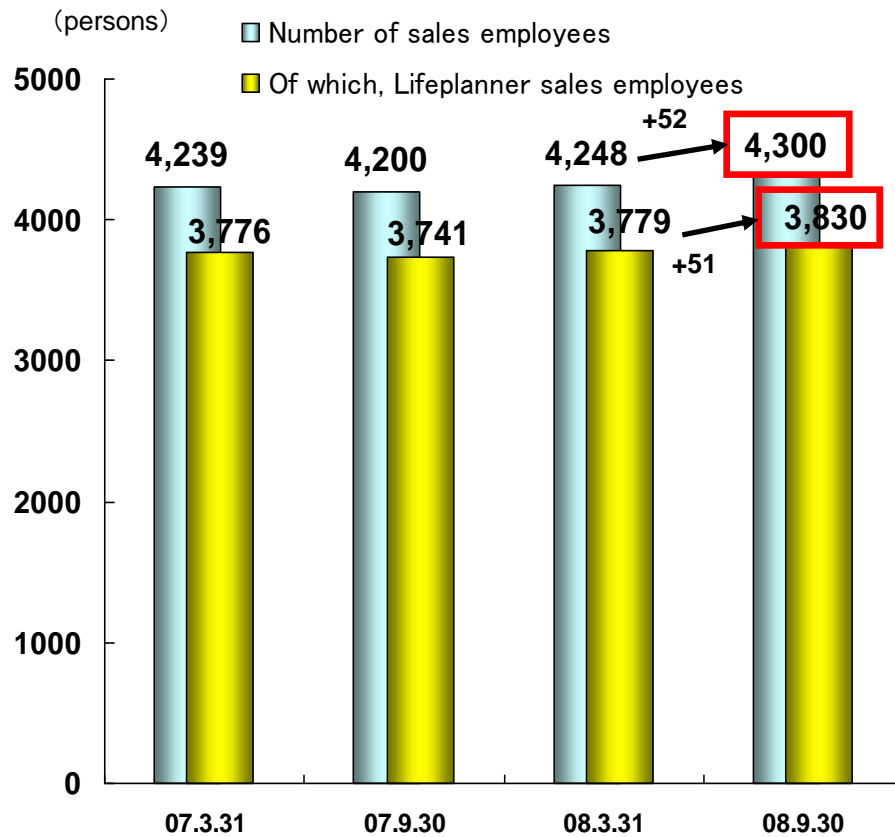
- (a) Total net assets in the balance sheets  
(excluding net unrealized gains on bonds except for convertible and certain other bonds)
- + (b) Reserve for price fluctuations
- + (c) Contingency reserve
- + (d) Reserve for possible loan losses
- + (e) Net unrealized gains on land
- (f) Unfunded employees'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

# Sony Life Operating Performance (8)

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

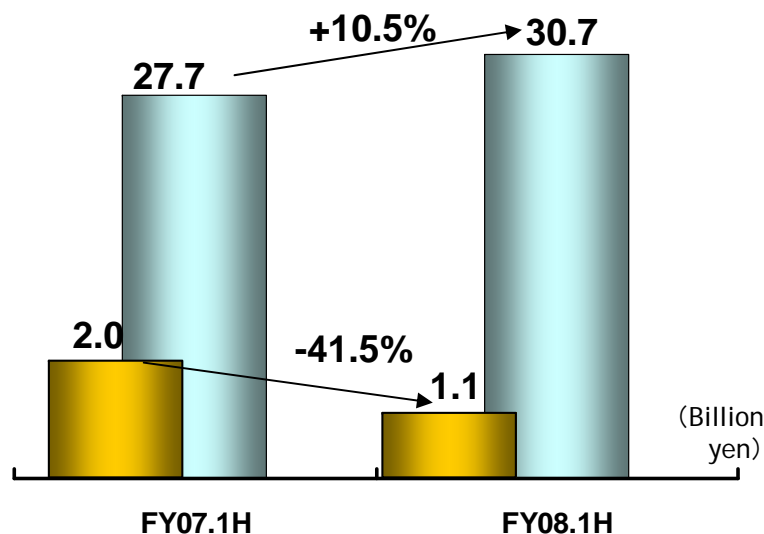
## Number of Independent Agents



# Highlights of Operating Performance: Sony Assurance



■ Ordinary revenues ■ Ordinary profit



## Sony Assurance

- ◆ Ordinary revenues up but ordinary profit down year on year
- ◆ Net premiums written was ¥30.3 billion owing to higher number of automobile insurance policies, its mainstay products.
- ◆ Ordinary profit was ¥1.1 billion, owing to higher operating expenses and impact from natural disasters
- ◆ Combined ratio was up 2.2pt to 78.6%

(Billion Yen)	FY07.1H	FY08.1H	
			Change
Ordinary revenues	27.7	<b>30.7</b>	+2.9 +10.5%
Underwriting income	27.4	<b>30.3</b>	+2.8 +10.5%
Investment income	0.2	<b>0.3</b>	+0.0 +12.3%
Ordinary expenses	25.7	<b>29.5</b>	+3.7 +14.6%
Underwriting expenses	19.2	<b>22.0</b>	+2.8 +14.8%
Investment expenses	0.0	<b>0.0</b>	+0.0 +330.7%
Operating, general and administrative expenses	6.5	<b>7.4</b>	+0.9 +14.0%
Ordinary profit	2.0	<b>1.1</b>	-0.8 -41.5%
Net income	1.9	<b>0.6</b>	-1.2 -64.3%

(Billion Yen)	07.9.30	08.3.31	<b>08.9.30</b>	Change from 08.3.31	
Underwriting reserves	39.6	42.7	<b>47.2</b>	+4.5	+10.7%
Total net assets	15.2	15.3	<b>15.9</b>	+0.5	+3.6%
Net unrealized gains/losses on other securities (net of taxes)	-0.0	-0.0	-0.1	-0.1	-
Total assets	73.4	78.6	<b>84.3</b>	+5.6	+7.2%

Line item amounts are truncated below ¥100 million. Percentage figures are rounded.



# Overview of Performance: Sony Assurance



(Billion yen)

	FY07 1H	FY08 1H	Change
Direct premiums written	27.3	<b>30.1</b>	+10.5%
Net premiums written	27.4	<b>30.3</b>	+10.5%
Net losses paid	12.4	<b>14.1</b>	+13.2%
Net loss ratio	51.1%	<b>52.4%</b>	+1.3 pt
Net expense ratio	25.3%	<b>26.2%</b>	+0.9 pt
Combined ratio	76.4%	<b>78.6%</b>	+2.2 pt

	07.9.30	08.3.31	<b>08.9.30</b>	Change from 07.9.30	
				Number	%
Number of policies in force	0.97 million	1.02 million	<b>1.08 million</b>	+0.11 million	+11.3%
Solvency margin ratio	1,067.7%	1,073.9%	<b>1,096.5%</b>		+28.8 pt

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.

The number of policies in force is the total of automobile insurance and medical and cancer insurance, which accounts for more than 98% of net premiums written.

These numbers are truncated below 10,000 policies.

Line item amounts are truncated below ¥100 million. Percentage figures are rounded.

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



## Net premiums written

	FY07.1H	FY08.1H	Change
Fire	7	8	+4.4%
Marine	22	19	-11.1%
Personal accident	3,183	3,430	+7.8%
Voluntary automobile	23,966	26,628	+11.1%
Compulsory automobile liability	284	265	-6.6%
Total	27,464	30,351	+10.5%

## Direct premiums written

(Million Yen)

	FY07.1H	FY08.1H	Change
Fire	132	165	+24.7%
Marine	-	-	-
Personal accident	3,116	3,284	+5.4%
Voluntary automobile	24,070	26,731	+11.1%
Compulsory automobile liability	-	-	-
Total	27,319	30,181	+10.5%

## Net losses paid

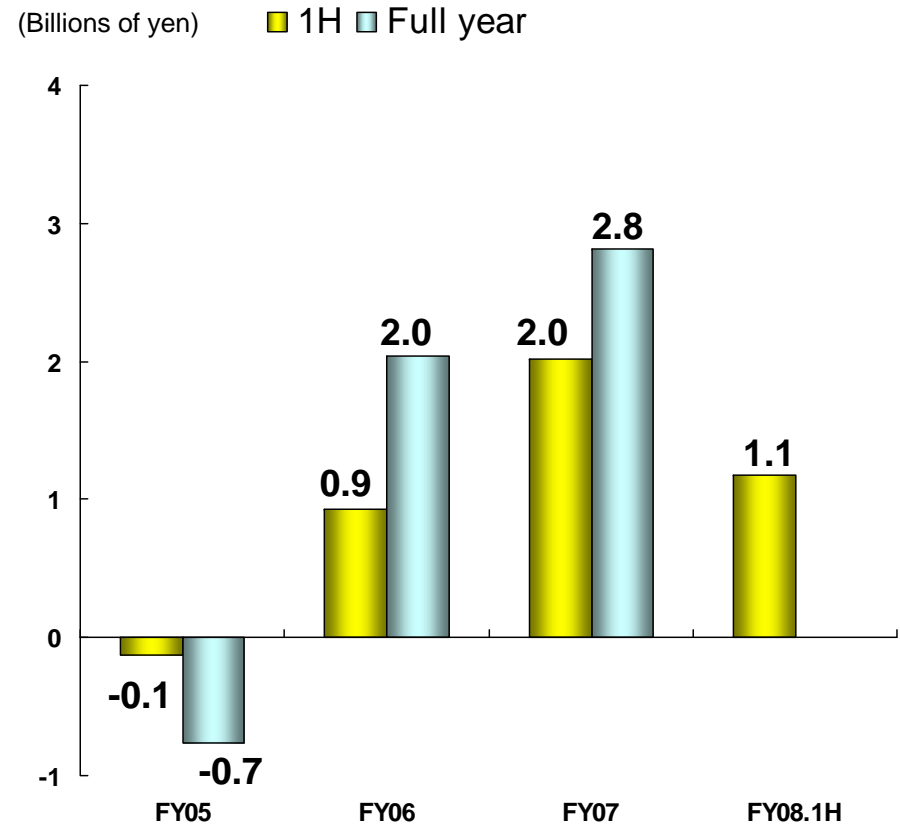
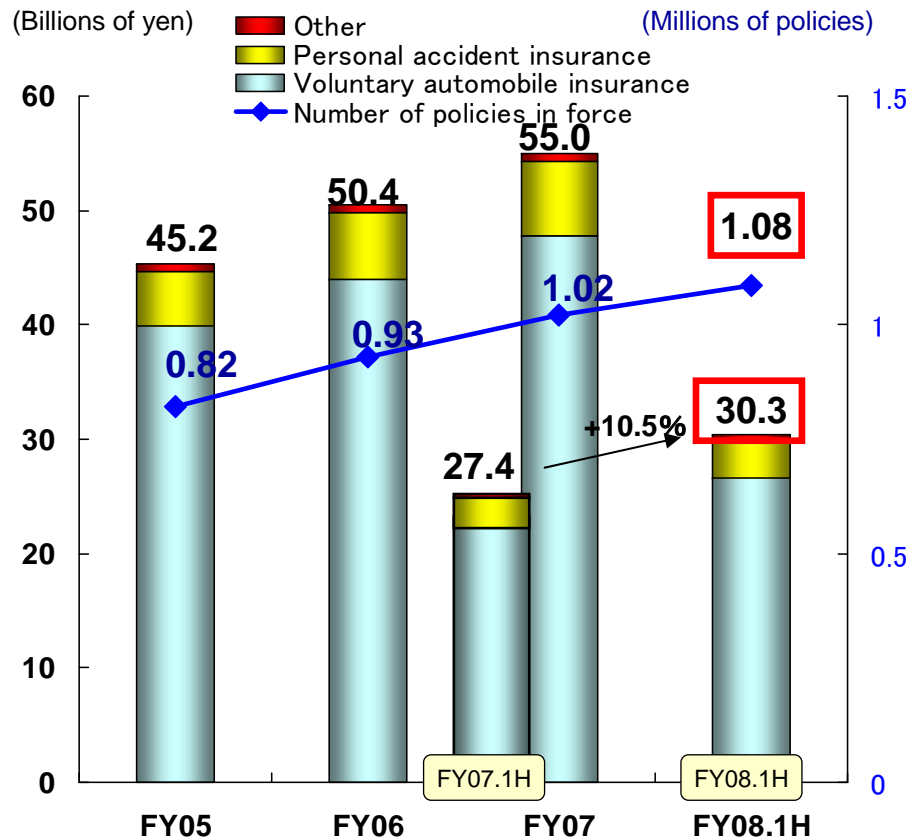
	FY07.1H	FY08.1H	Change
Fire	0	0	-50.3%
Marine	10	8	-18.0%
Personal accident	568	619	+9.0%
Voluntary automobile	11,681	13,256	+13.5%
Compulsory automobile liability	217	239	+10.2%
Total	12,478	14,124	+13.2%

Line item amounts are truncated below ¥1 million. Percentage figures are rounded.

# Sony Assurance Operating Performance (1)

## Net Premiums Written and Number of Policies in Force

## Ordinary Profit

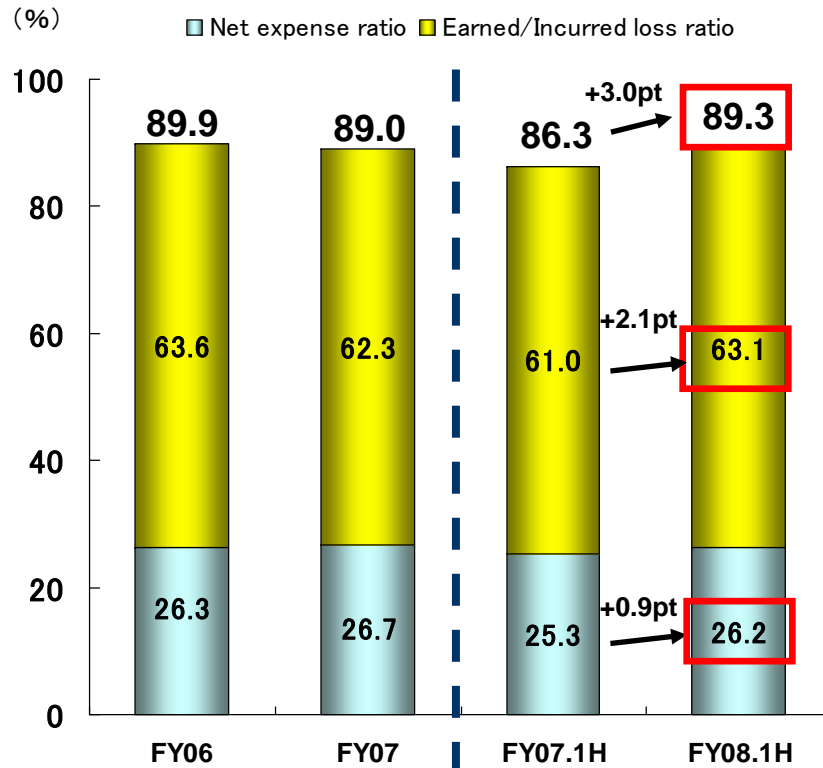


The number of policies in force is the total of automobile insurance and medical and cancer insurance, which accounts for more than 98% of net premiums written. Most personal accident insurance is medical and cancer insurance. Line item amounts are truncated below ¥100 million for net premiums written and truncated below 10,000 for the number of policies in force.

Amounts are truncated below ¥1 million.

# Sony Assurance Operating Performance (2)

## Net expense ratio + Earned/Incurred loss ratio

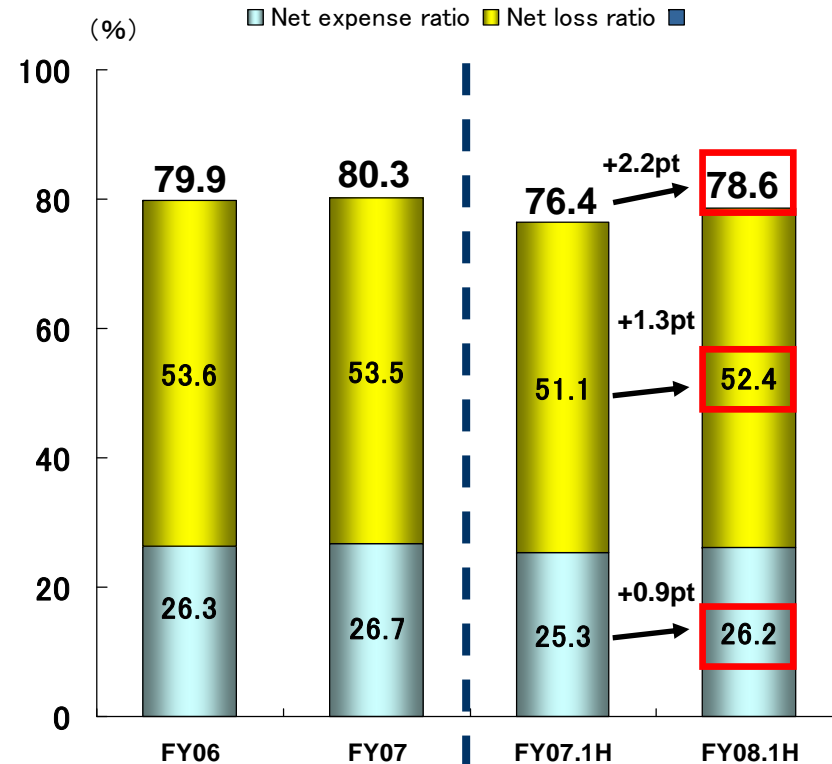


Earned/Incurred loss ratio is equal to the ratio of the sum of net losses paid, loss adjustment expenses and accumulation in provision for reserve for outstanding losses to earned premium.

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

## <Reference>

## Combined ratio (Net expense ratio + Net loss ratio)

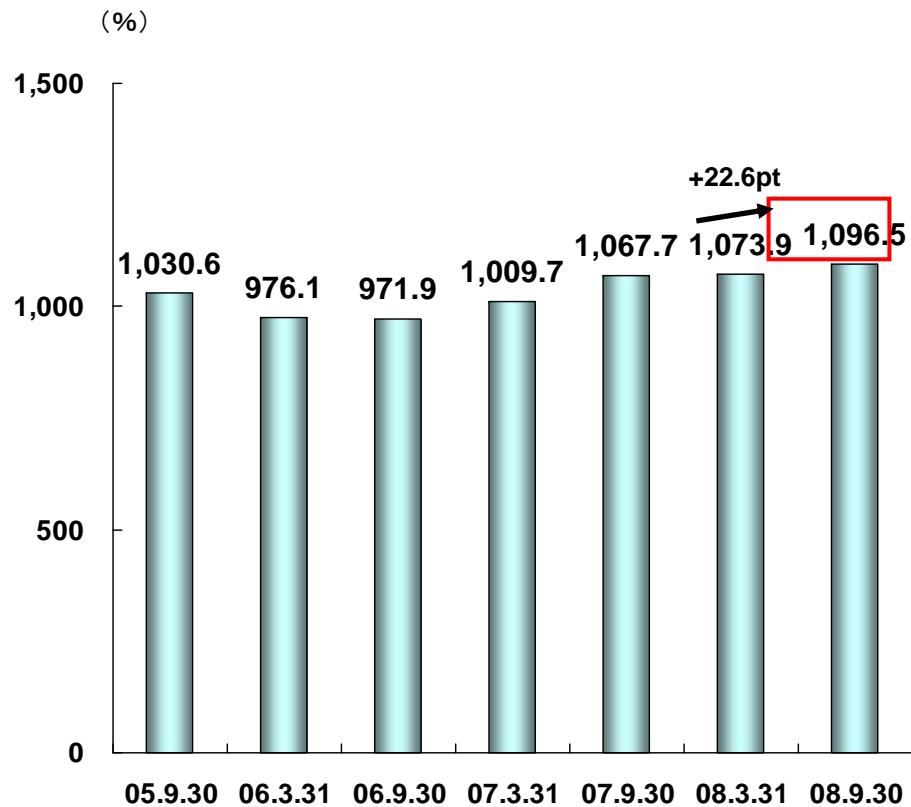


Net expense ratio is equal to the ratio of total underwriting costs to net premiums written

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

# Sony Assurance Operating Performance (3)

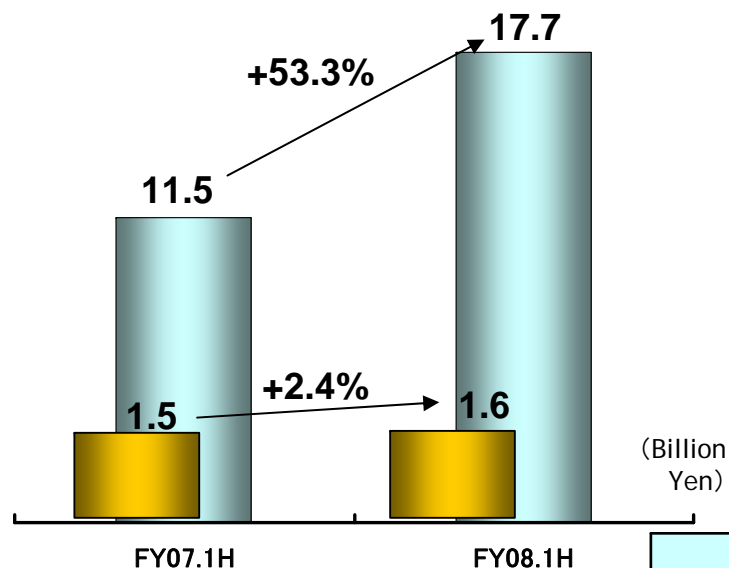
## Solvency Margin Ratio



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



■ Ordinary revenues ■ Ordinary profit



(Billion yen)	FY07.1H	FY08.1H	
			Change
Ordinary revenues	11.5	<b>17.7</b>	+6.1 +53.3%
Gross operating profit	5.4	<b>6.6</b>	+1.1 +20.7%
Net interest income	2.4	<b>2.1</b>	-0.3 -14.6%
Net fees and commissions	0.3	<b>0.1</b>	-0.2 -67.1%
Net other operating income	2.6	<b>4.3</b>	+1.7 +63.6%
General and administrative expenses	3.8	<b>4.9</b>	+1.0 +27.0%
Ordinary profit	1.5	<b>1.6</b>	+0.0 +2.4%
Net income	2.0	<b>0.9</b>	-1.0 -53.6%

## Sony Bank

- ◆ Both ordinary revenues and ordinary profit up year on year.
- ◆ Gross operating income expanded due to increase in net other operating income.
- ◆ Net income declined compared to the same period of the previous fiscal year, when deferred tax assets were recorded.
- ◆ Customer assets was ¥1,433.1 billion. Loans reached ¥400.0 billion.

(Billion yen)	07.9.30	08.3.31	<b>08.9.30</b>	Change from 08.3.31	
Securities	348.3	488.7	<b>667.3</b>	+178.5	+36.5%
Loans	319.1	347.0	<b>400.0</b>	+52.9	+15.3%
Deposits	888.4	1,144.3	<b>1,338.2</b>	+193.8	+16.9%
Customer assets	1,006.0	1,247.3	<b>1,433.1</b>	+185.8	+14.9%
Net assets	38.2	35.7	<b>36.6</b>	+0.9	+2.6%
Net unrealized gains/losses on other securities (net of taxes)	-5.1	-9.0	<b>-15.6</b>	-6.5	-
Total assets	966.1	1,211.0	<b>1,423.1</b>	+212.1	+17.5%
Capital adequacy ratio (Domestic criteria)	10.94%	9.15%	<b>8.88%</b>	-0.27pt	

Line item amounts are truncated below ¥100 million. Percentage figures are rounded.

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



(Billion Yen)

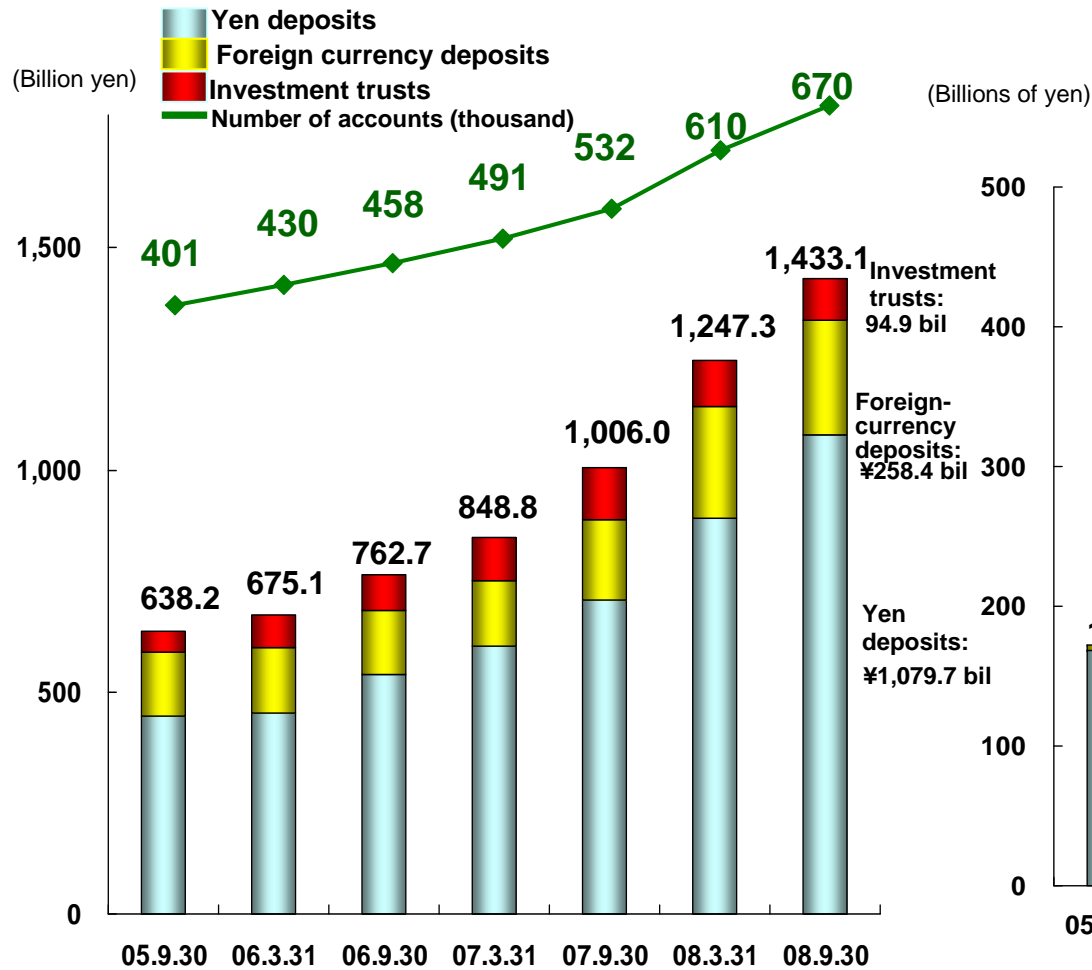
	07.9.30	08.3.31	08.9.30	Change from 08.3.31	
				Change	Change (%)
Customer assets	1,006.0	1,247.3	<b>1,433.1</b>	+185.8	+14.9%
Deposits	888.4	1,144.3	<b>1,338.2</b>	+193.8	+16.9%
Yen	708.8	892.6	<b>1,079.7</b>	+187.0	+21.0%
Foreign currency	179.6	251.7	<b>258.4</b>	+6.7	+2.7%
Investment trusts	117.6	102.9	<b>94.9</b>	-7.9	-7.8%
Loans	319.1	347.0	<b>400.0</b>	+52.9	+15.3%
Mortgage loans	311.4	338.8	<b>391.5</b>	+52.6	+15.5%
Other	7.6	8.1	<b>8.4</b>	+0.3	+3.8%
Number of accounts (thousand)	532	610	<b>670</b>	+60	+9.8%

Line item amounts are truncated below ¥100 million. Percentage figures are rounded.

# Sony Bank Operating Performance (1)

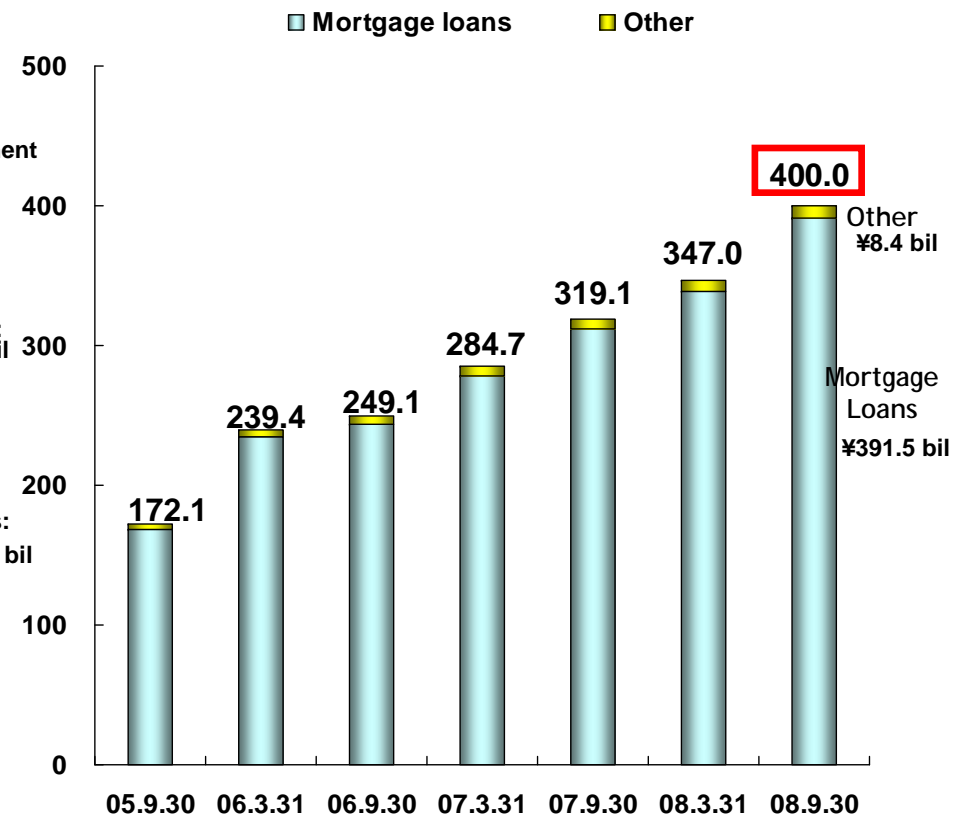


## Customer Assets (Deposits + Investment Trusts) and Number of Accounts



Amounts are truncated below ¥100 billion; numbers of accounts are truncated below 1 thousand.

## Loans

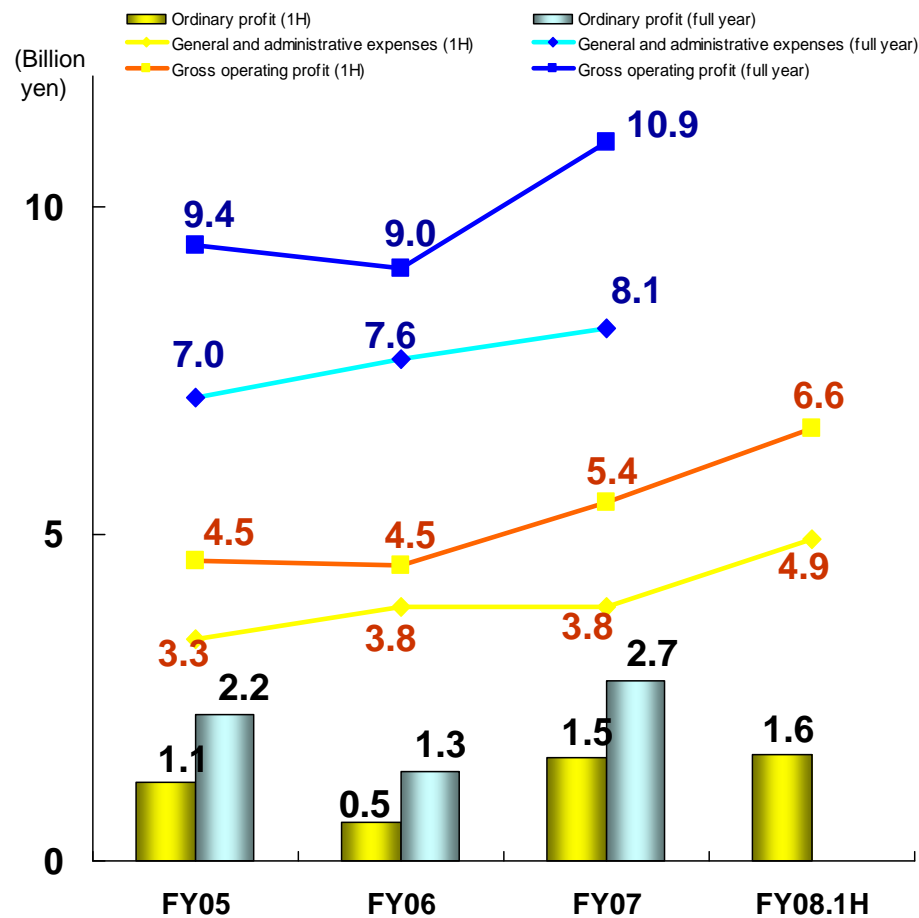


Amounts are truncated below ¥100 million.



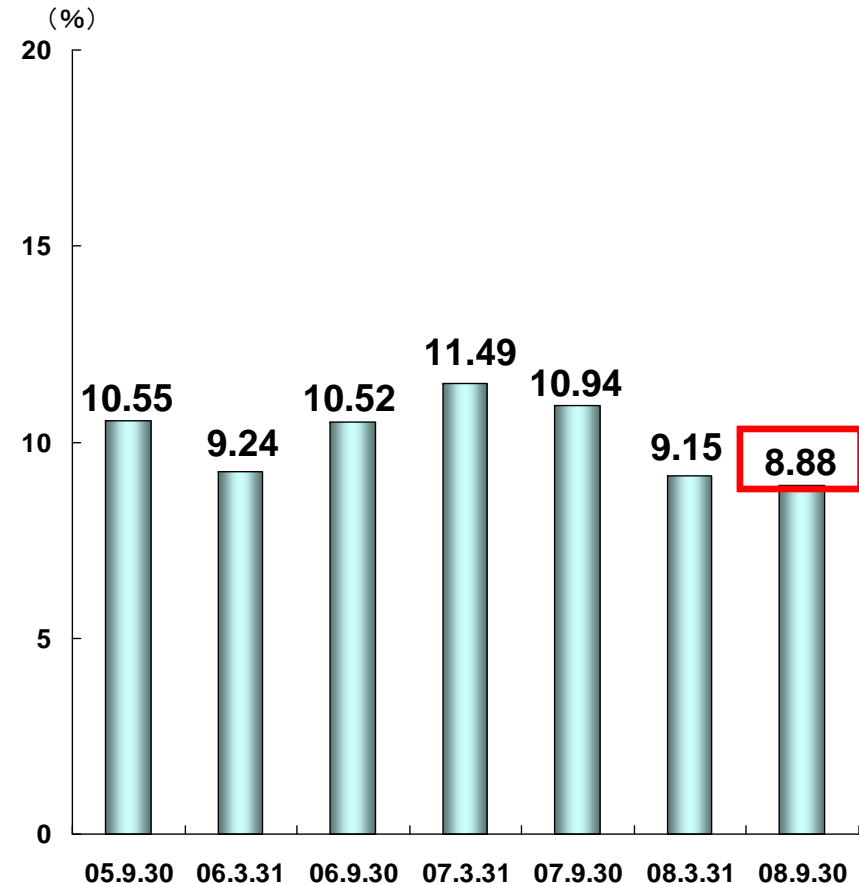
# Sony Bank Operating Performance (2)

## 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.

# 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 (Full-year forecast)	% change from FY07
<b>Consolidated ordinary revenues</b>	653.2	758.7	759.2	822.1	884.0	+ 7.5%
<b>Of which, life insurance business</b>	604.2	696.6	689.8	741.3	793.0	+ 7.0%
<b>Of which, non-life insurance business</b>	38.1	45.7	51.0	55.6	59.8 → 60.7	+ 9.2%
<b>Of which, banking business</b>	11.3	17.2	19.4	25.9	33.0 → 33.5	+ 1.5%
<b>Consolidated ordinary profit</b>	12.2	25.3	18.3	44.5	37.0	-16.9%
<b>Of which, life insurance business</b>	17.1	24.3	14.8	39.0	34.0	-13.0%
<b>Of which, non-life insurance business</b>	(2.8)	(0.7)	2.0	2.8	1.3 → 2.1	-25.0%
<b>Of which, banking business</b>	(1.6)	2.2	1.3	2.4	2.0 → 1.4	-30.0%
<b>Consolidated net income</b>	6.3	11.5	10.0	24.2	21.0	-13.4%

## 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.

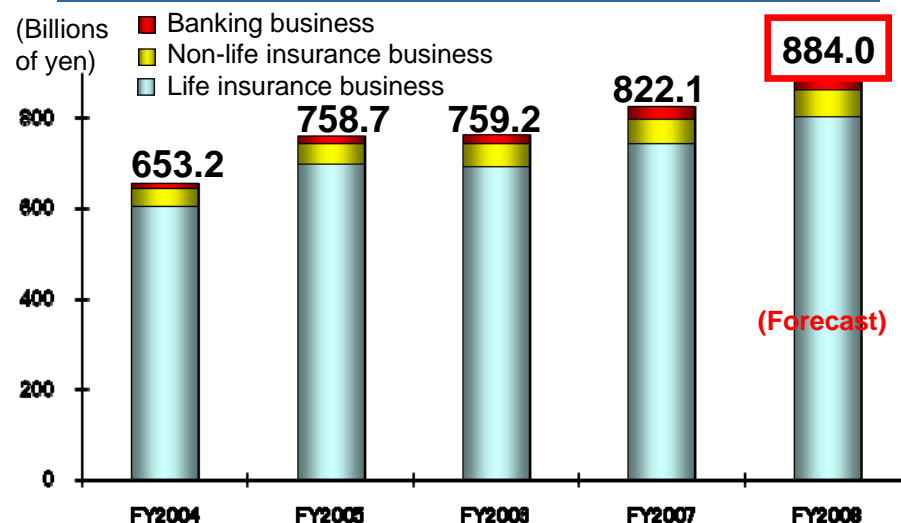
### ■ Non-life insurance business

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

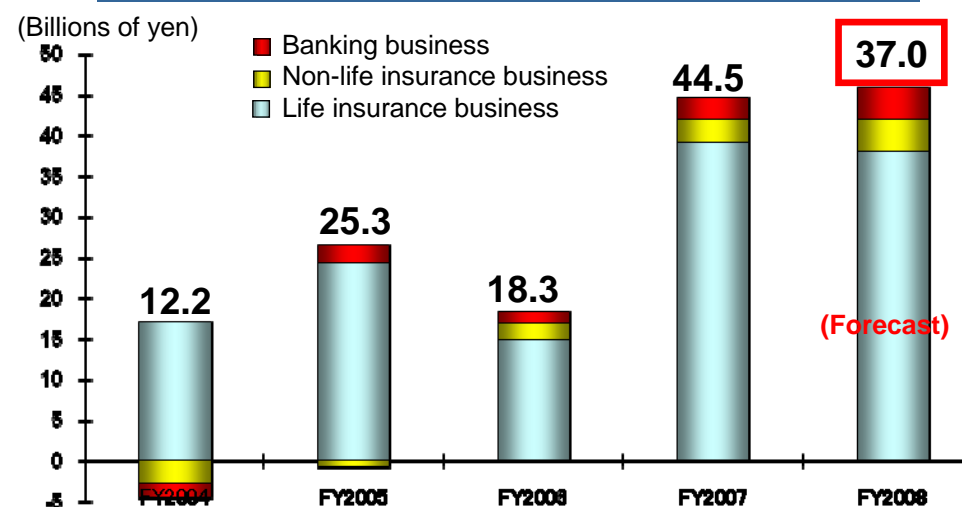
### ■ Banking business

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.

## Consolidated Ordinary Revenues



## Consolidated Ordinary Profit



# Appendix

# Recent Topics

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- Aug. 1** Sony Bank started tie up in conducting banking agency business with Seven Bank to offer Sony Bank's mortgage loans
- Oct. 1** Sony Financial Holdings (SFH) obtained AA- issuer rating from R&I, Japanese rating agency
- Oct. 1** Sony Life opened representative office in Beijing, PRC
- Oct. 13** Sony Bank introduced a fund sweep service tying with Sony Bank Securities
- Oct. 14** Sony Bank obtained AA- long-term senior debt rating from JCR , Japanese rating agency
- Oct. 20** Sony Bank started ATM affiliation with LAWSON ATM Networks to expand real money services to be provided throughout Japan
- Oct. 29** Sony Bank started handling credit cards with dual-currency settlement function
- Nov. 12** SFH injected capital (¥6.0 billion) to Sony Bank

# Comparison with Sony Corporation's Consolidated Financial Services Segment (Principal Differences between Japan GAAP and U.S. GAAP)



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

	Financial Services Segment of Sony Corporation, Consolidated (U.S. GAAP)	SFH* Consolidated (Japanese GAAP)
<b>Treatment of new policy acquisition costs</b> (Concerns the life insurance business and the medical care insurance portion of the non-life insurance business)	The portion of costs related to acquiring new policies or changes in these costs that is deemed recoverable is deferred.	Costs are treated as expenses during the period in which they are incurred.
<b>Method of calculating policy reserves (insurance policy liabilities)</b> (Concerns the life insurance business and the medical care insurance portion of the non-life insurance business)	Under U.S. GAAP, calculated according to the net level premium method using insurance actuarial figures.	Calculated according to methods approved by regulatory bodies. Computed with an emphasis on the early accumulation of policy reserves from the standpoint of protecting policyholders.
<b>Treatment of the market value of convertible bonds held</b> (Concerns the life insurance business)	Changes in the fair value (changes in the market value) of so-called "hybrid financial products," which include derivatives, are posted to the income statement as profits or losses.	Changes in fair value are posted to the balance sheets as increases or decreases in net assets.

Notes:

- The above-mentioned differences between U.S. GAAP and Japan GAAP are deemed material to SFH's consolidated ordinary profit for FY08. 1H.
- The scope of Sony Corporation's consolidated Financial Services segment and SFH's consolidation differ, as follows:
  - Sony Corporation's consolidated Financial Services segment: SFH, Sony Life Insurance Co., Ltd., Sony Assurance Inc., Sony Bank Inc., Sony Finance International Inc., others. AEGON Sony Life Planning Co., Ltd. is also in the scope as an affiliated company accounted for under the equity method.
  - SFH consolidated: Sony Life Insurance Co., Ltd., Sony Assurance Inc., Sony Bank Inc., Sony Bank Securities Inc., Sony Life Insurance (Philippines) Corporation. AEGON Sony Life Planning Co., Ltd. is also in the scope as an affiliated company accounted for under the equity method.
- Under U.S. GAAP, 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 principles the book value is carried as the CB acquisition price even after conversion. Consequently, total gains or losses on the sales of shares converted from CBs (differences between selling prices and book values), and total impairment losses (differences between market value and book value)—of stocks included in the scope of impairment loss accounting—differ depending on the use of U.S. or Japanese GAAP.



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