
Presentation Material

**Consolidated Financial Results
for the Six Months Ended September 30, 2010**

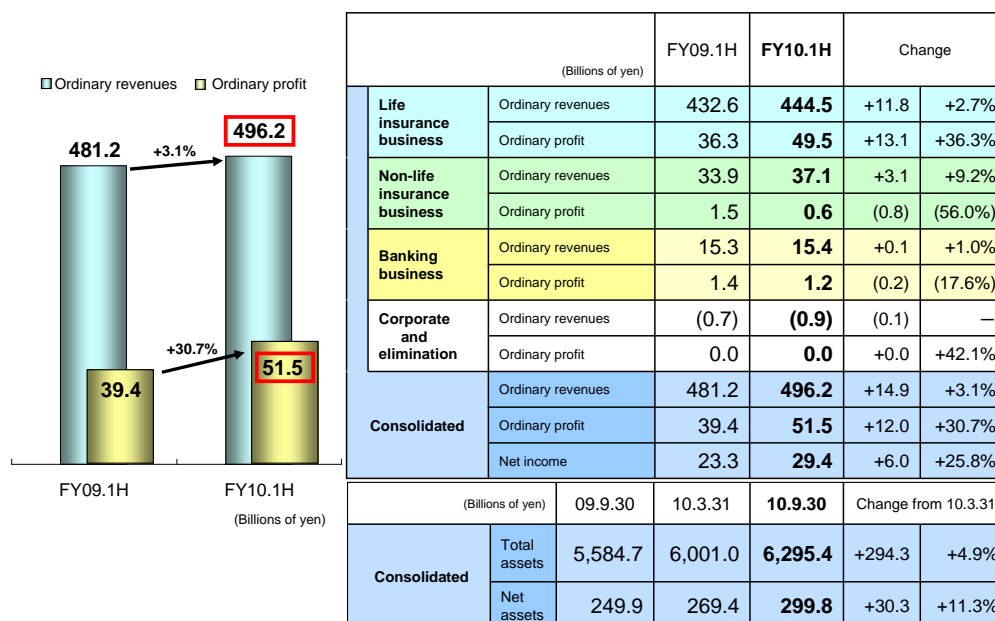
**Sony Financial Holdings Inc.
November 15, 2010**

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Highlights of Consolidated Operating Performance for the Six Months Ended September 30, 2010 (1)



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

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During the six months ended September 30, 2010, consolidated ordinary revenues increased 3.1% year on year, to ¥496.2 billion. As for the breakdown by business segment, ordinary revenues increased from the life insurance and the non-life insurance businesses, and remained roughly flat in the banking business.

Consolidated ordinary profit increased 30.7%, to ¥51.5 billion reflecting an increase in ordinary profit from the life insurance business which offset decreases in operating profit from the non-life insurance and the banking businesses.

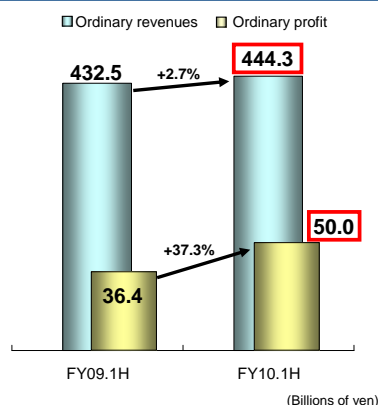
Consequently, net income increased 25.8% year on year, to ¥29.4 billion.

Highlights of Consolidated Operating Performance for the Six Months Ended September 30, 2010 (2)



- **Life Insurance:** Ordinary revenues increased year on year, due to higher income from insurance premiums associated with steady increases in the new policy amount and the policy amount in force, as well as higher gains on sale of securities and interest income and dividends on general account assets. Ordinary profit increased year on year, due primarily to higher gains on sale of securities in the general account assets.
- **Non-Life Insurance:** Ordinary revenues increased year on year, owing to an increase in net premiums written, reflecting a growing number of in-force policies, primarily for automobile insurance. However, ordinary profit decreased, due mainly to higher insurance claim payments for automobile insurance.
- **Banking:** Ordinary revenues remained at the same level as during the same period of the previous fiscal year. Gross operating profit increased due to an increase in interest income on loans led by the growing balance of mortgage loans and improved investment performance. Ordinary profit decreased, due mainly to an increase in general and administrative expenses, particularly system-related expenses.
- **Consolidated ordinary revenues increased 3.1% year on year, to ¥496.2 billion. Consolidated ordinary profit and consolidated net income increased 30.7%, to ¥51.5 billion and 25.8%, to ¥29.4 billion, respectively.**

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



- ◆ Ordinary revenues and ordinary profit increased year on year.
- ◆ Income from insurance premiums increased due to increases in the new policy amount and the policy amount in force.
- ◆ Investment income decreased year on year due to deteriorated performance on separate account assets which offset increases in gains on sale of securities and interest income and dividends.
- ◆ Ordinary profit increased, due primarily to higher gains from investment, net, on general account assets.

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

(Billions of yen)	FY09.1H	FY10.1H	Change	
Ordinary revenues	432.5	444.3	+11.8	+2.7%
Income from insurance premiums	339.3	371.0	+31.6	+9.3%
Investment income	91.5	71.1	(20.4)	(22.3%)
Interest income and dividends	32.9	42.3	+9.4	+28.7%
Income from monetary trusts, net	9.5	4.3	(5.2)	(54.7%)
Gains on sale of securities	9.7	24.4	+14.7	+150.6%
Gains on separate accounts, net	38.1	—	(38.1)	(100.0%)
Ordinary expenses	396.0	394.3	(1.7)	(0.4%)
Insurance claims and other payments	134.4	132.0	(2.3)	(1.8%)
Provision for policy reserve and others	197.3	179.3	(17.9)	(9.1%)
Investment expenses	10.7	27.1	+16.4	+153.2%
Losses on sale of securities	5.3	0.7	(4.6)	(86.8%)
Losses on separate accounts, net	—	21.4	+21.4	—
Operating expenses	47.5	49.0	+1.5	+3.2%
Ordinary profit	36.4	50.0	+13.5	+37.3%
Net income	21.7	28.9	+7.2	+33.4%

(Billions of yen)	09.9.30	10.3.31	10.9.30	Change from 10.3.31	
Securities	3,087.2	3,539.1	3,824.7	+285.6	+8.1%
Policy reserves	3,787.2	3,985.6	4,163.5	+177.9	+4.5%
Total net assets	173.2	191.3	222.4	+31.1	+16.3%
Net unrealized gains/losses on other securities	21.7	15.4	24.6	+9.1	+59.1%
Total assets	4,042.0	4,286.5	4,487.8	+201.3	+4.7%
Separate account assets	331.8	373.6	367.2	(6.3)	(1.7%)

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Highlights of Sony Life's operating performance (non-consolidated basis) are shown here.

Sony Life's ordinary revenues increased 2.7% year on year, to ¥444.3 billion. Income from insurance premiums increased owing to steady increases in the new policy amount and the policy amount in force.

Income from insurance premiums grew 9.3% from the same period of the previous fiscal year, to ¥371.0 billion.

Investment income decreased 22.3% year on year, to ¥71.1 billion, due mainly to a deterioration in investment performance on separate account assets, which offset higher gains on sale of securities and interest income and dividends in line with the shift from investing in bonds with short terms to maturity to those with ultralong terms.

Investment expenses increased 153.2% year on year to ¥27.1 billion due to a loss on separate accounts, net, compared with a gain a year earlier.

Ordinary profit increased 37.3% year on year to ¥50.0 billion, due primarily to higher gains from investment, net, on general account assets.

Consequently, net income increased 33.4% year on year, to ¥28.9 billion.

Overview of Performance: Sony Life (Non-consolidated)



(Billions of yen)	FY09.1H	FY10.1H	Change	
New policy amount	1,818.4	2,068.4	+13.7%	
Lapse and surrender amount	1,060.5	1,039.2	(2.0%)	
Lapse and surrender rate	3.27%	3.11%	(0.16pt)	
Policy amount in force	32,897.5	34,118.5	+3.7%	
Annualized premiums from new policies	32.0	34.9	+9.1%	
Of which, third-sector products	7.7	7.9	+3.3%	
Annualized premiums from insurance in force	558.4	589.6	+5.6%	
Of which, third-sector products	129.6	136.6	+5.4%	
(Billions of yen)	FY09.1H	FY10.1H	Change	
Gains from investment, net (General account)	42.6	65.4	+53.3%	
Core profit	28.5	26.8	(6.1%)	
Negative spread	8.8	4.1	(53.4%)	
	09.9.30	10.3.31	10.9.30	Change from 10.3.31
Solvency Margin Ratio	2,433.8%	2,637.3%	2,992.8%	+355.5pt

(Reasons for changes)

◆ Increased, due mainly to favorable sales of family income insurance, which is life insurance with disability benefit, which trend has continued since the 2H FY09.

◆ Decreased due to the lowering lapse and surrender rates in most products, mainly in term life insurance

◆ Increased, owing mainly to favorable sales of endowment insurance and living benefit insurance.

◆ Increased due primarily to higher gains on sale of securities in line with the shift from investing in bonds with short terms to maturity to those with ultralong-terms, as well as an increase in interest income and dividends

◆ Declined owing primarily to a change from the previous year's reversal of policy reserve for minimum guarantee for variable life insurance to a provision in the current period, despite increases in income from insurance premiums and interest income and dividends.

Notes:

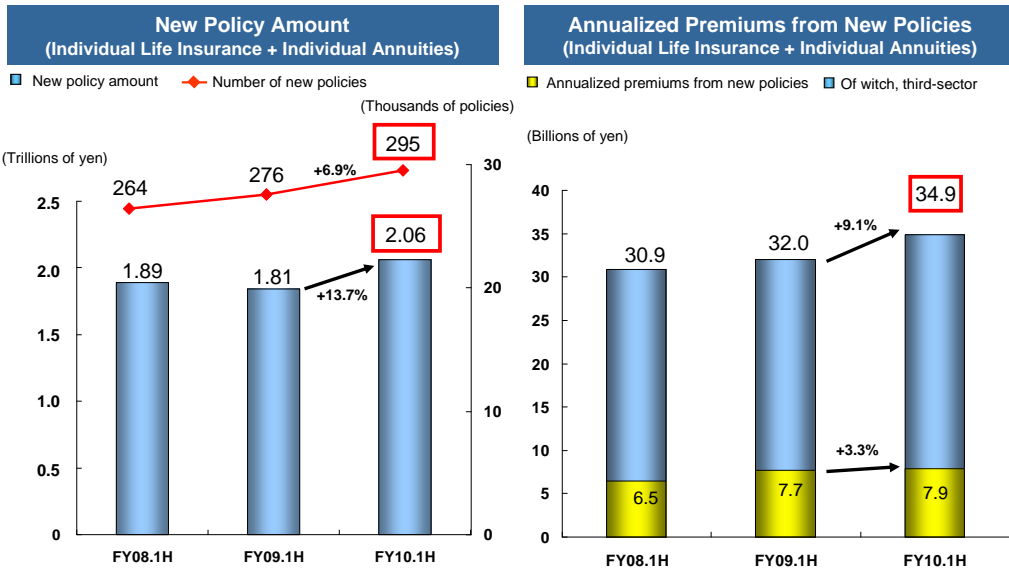
*1 Figures for new policy amount, lapse and surrender amount, lapse and surrender rate, policy amount in force, annualized premiums from new policies and annualized premiums from insurance in force are calculated as the total of individual life insurance and individual annuities.

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

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

Here is an overview Sony Life's performance.

Sony Life Operating Performance (1)



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

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

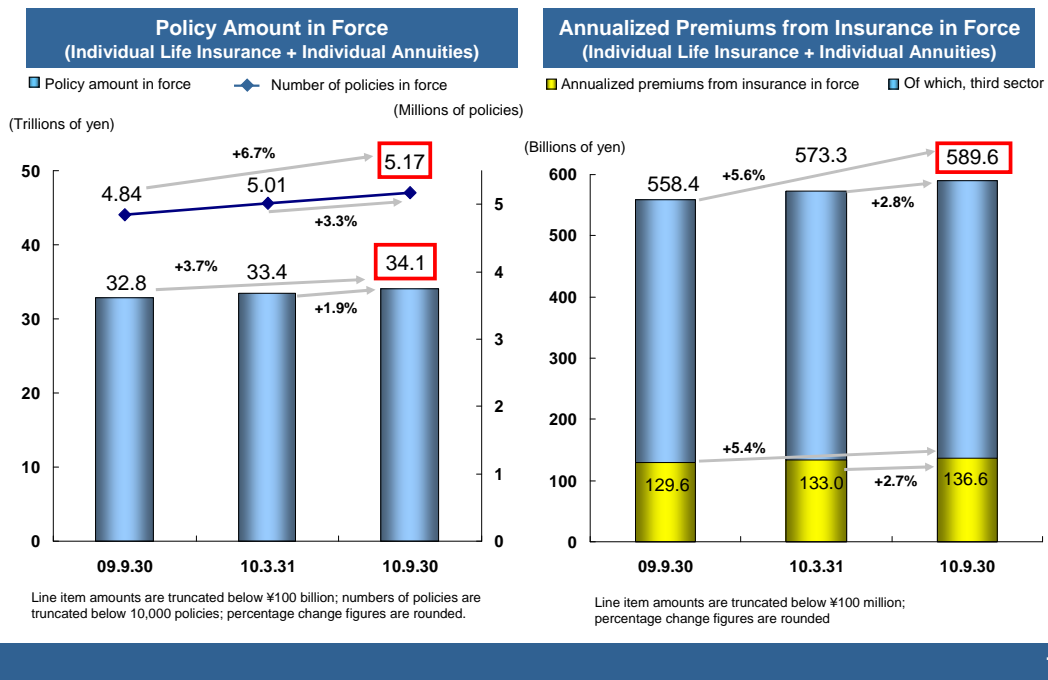
(Left-hand graph)

New policy amount for the total of individual life insurance and individual annuities increased 13.7% year on year, to ¥2.06 trillion, owing to favorable sales of a discount rider for family income insurance, which is life insurance with disability benefit for nonsmokers and other people in excellent health, which trend has continued since its commencement of sales in November, 2009. The number of new policies increased 6.9% year on year, to 295 thousand policies.

(Right-hand graph)

Annualized premiums from new policies increased 9.1%, to ¥34.9 billion, owing mainly to favorable sales of endowment insurance and living benefit insurance. Of this amount, the figure for third-sector products was ¥7.9 billion, up 3.3% year on year.

Sony Life Operating Performance (2)



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(Left-hand graph)

Policy amount in force for the total of individual life insurance and individual annuities grew steadily, to ¥34.1 trillion as of September 30, 2010, up 3.7% from September 30, 2009 and up 1.9% from March 31, 2010. The number of policies in force increased 6.7% from September 30, 2009 and up 3.3% from March 31, 2010, to 5.17 million policies.

(Right-hand graph)

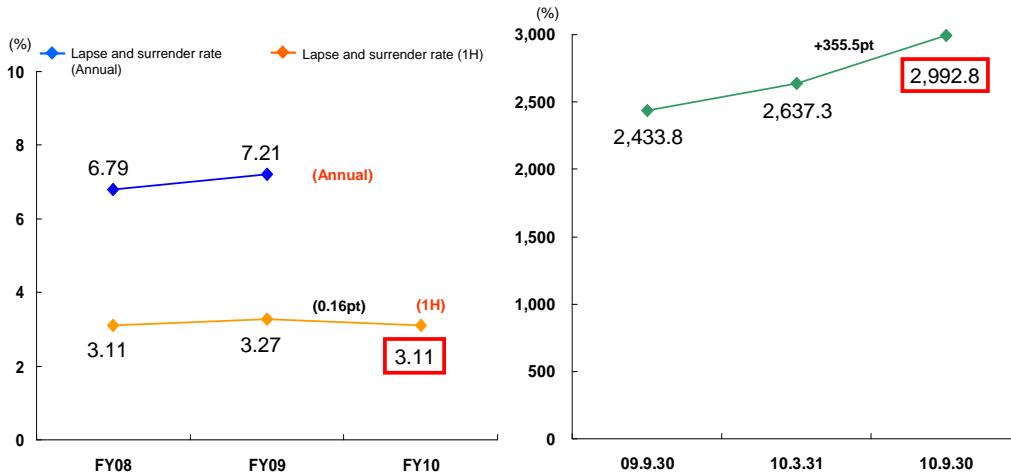
Annualized premiums from total policies as of September 30, 2010, were up 5.6% from September 30, 2009 and up 2.8% from March 31, 2010, totaling ¥589.6 billion. Of this amount, the figure for third-sector products was up 5.4% from September 30, 2009 and up 2.7% from March 31, 2010, to ¥136.6 billion.

Sony Life Operating Performance (3)



Lapse and Surrender Rate* (Individual Life Insurance + Individual Annuities) <Annual+1H>

Solvency Margin Ratio



*Figures for lapse and surrender rates are calculated without offsetting policies that are reinstated.

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(Left-hand graph)

The lapse and surrender rate for the six months ended September 30, 2010 decreased 0.16 percentage point year on year, to 3.11%, due to the lowering lapse and surrender rates in most products.

The lapse and surrender rate for family income insurance, which is life insurance with disability benefit rose for the second half of the last fiscal year, reflecting the impact of individual customers conversion to discount rider launched in November 2009 for nonsmokers and other people in excellent health. However this rate during the first half of this fiscal year declined compared with that period.

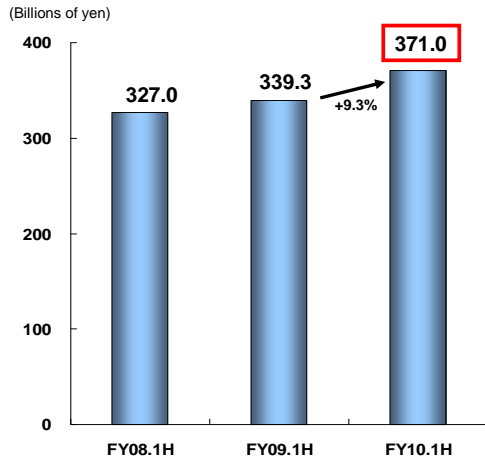
(Right-hand graph)

As of September 30, 2010, Sony Life's solvency margin ratio was 2,992.8%, up 355.5 percentage points from March 31, 2010.

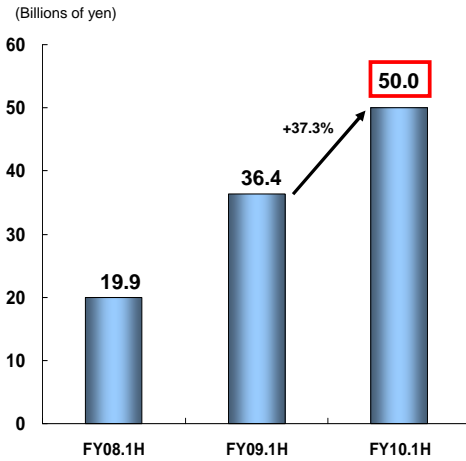
Sony Life Operating Performance (4)



Income from Insurance Premiums



Ordinary Profit



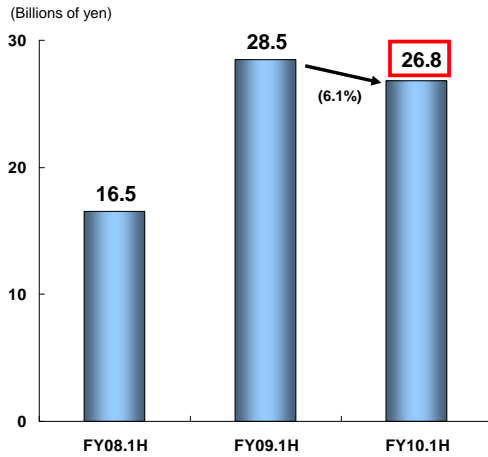
Line item amounts are truncated below ¥100 million; percentage figures are rounded.

Both income from insurance premiums and ordinary profit increased year on year, as described in the previous pages.

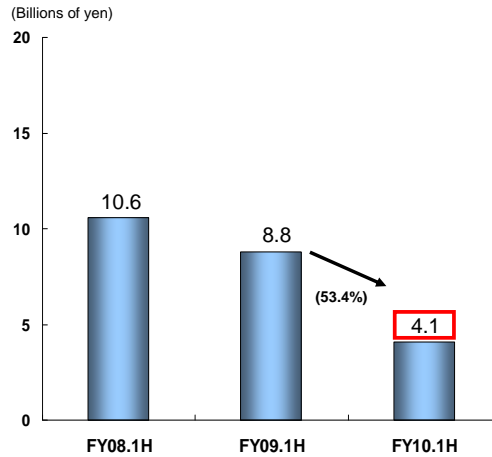
Sony Life Operating Performance (5)



Core Profit



Negative Spread



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

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(Left-hand graph)

Core profit was down 6.1% year on year, to ¥26.8 billion, due primarily to a change from the previous year's reversal of policy reserve for minimum guarantee for variable life insurance to a provision in the current period, despite increases in income from insurance premiums and interest income and dividends.

(Right-hand graph)

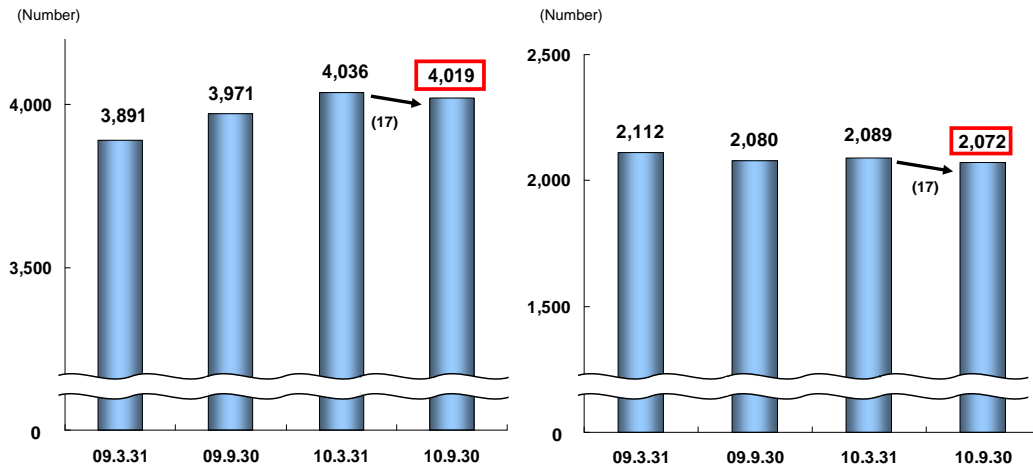
In line with the increase in interest income and dividends, the negative spread declined 53.4% year on year, to ¥4.1 billion.

Sony Life Operating Performance (6)



Number of Lifepanner Sales Employees

Number of Independent Agents



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(Left-hand graph)

The number of Lifepanner sales employees as of September 30, 2010, was 4,019, down 17 from March 31, 2010. This decrease was the result of a lower number of new recruits due to the revised recruitment standards, and a higher number of resignations.

(Right-hand graph)

The number of independent agents decreased 17 from March 31, 2010, to 2,072.

Sony Life Operating Performance (7)



Breakdown of General Account Assets (Based on Real Status)

(Billions of yen)	10.3.31		10.9.30	
	Amount	%	Amount	%
Japanese government and corporate bonds (excl. CBs)	3,310.4	84.6%	3,625.0	88.0%
CBs	13.2	0.3%	-	-
Japanese stocks	72.5	1.9%	63.2	1.5%
Foreign securities	75.2	1.9%	68.5	1.7%
Policyholder loans	127.5	3.3%	131.9	3.2%
Real estate	79.9	2.0%	79.1	1.9%
Cash and call loans	116.4	3.0%	54.9	1.3%
Other	117.4	3.0%	97.6	2.4%
Total	3,912.9	100.0 %	4,120.6	100.0%

<Asset management review>

■ Japanese government and corporate bonds: Continued to accumulate ultralong-term bonds during 2Q FY10.



<Lengthened asset duration>

09.3.31 13.6 years

10.3.31 17.6 years

10.9.30 19.3 years

■ CBs: No balance (as of September 30, 2010)

■ Japanese stocks: Maintained the ratio of stock holding at the end of March 2009.

Amounts for individual items included in monetary trusts (Japanese government and corporate bonds, CBs, Japanese stocks and other) have been broken down into their original investment categories.

* The breakdowns shown at left are different from those shown in Chapter 3, "(1) Portfolio of General Account Assets" on page 5 of the "Summary Information on Sony Life's Financial Results for the Six Months Ended September 30, 2010," announced by Sony Life.

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Here is a breakdown of Sony Life's general account assets based on real status as of September 30, 2010, compared with March 31, 2010.

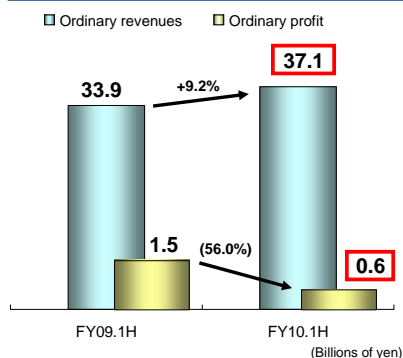
As Sony Life increased its investment in ultralong-term bonds, mainly Japanese government and corporate bonds, their ratio rose to 88.0%. On the other hand, the ratio of Japanese stock holdings remained roughly flat, and the balance of CBs was zero as of September 30, 2010.

As a result of these efforts, Sony Life extended its asset duration to 19.3 years as of September 30, 2010.

As of September 30, 2010, the duration mismatch risk between assets and liabilities was reduced, thereby limiting interest rate sensitivity.

Going forward, Sony Life plans to continue investing most new money acquired in ultralong-term bonds. The company will also consider investing limited amounts of new money primarily in stocks and foreign securities.

Highlights of Operating Performance: Sony Assurance



- ◆ Ordinary revenues increased, but ordinary profit decreased, year on year.
- ◆ Ordinary revenues increased, due to an increase in net premiums written led by a growing number of in-force policies primarily for automobile insurance.
- ◆ Ordinary profit decreased, due mainly to an increase in net losses paid for automobile insurance, resulting from a rising number of car accidents, which offset the positive impact of increased ordinary revenues.

(Billions of yen)	FY09.1H	FY10.1H	Change	
Ordinary revenues	33.9	37.1	+3.1	+9.2%
Underwriting income	33.6	36.7	+3.0	+9.2%
Investment income	0.3	0.3	+0.0	+8.9%
Ordinary expenses	32.4	36.4	+3.9	+12.2%
Underwriting expenses	24.5	27.9	+3.3	+13.8%
Investment expenses	0.0	—	(0.0)	(100.0%)
Operating, general and administrative expenses	7.8	8.4	+0.5	+7.5%
Ordinary profit	1.5	0.6	(0.8)	(56.0%)
Net income	1.0	0.3	(0.6)	(62.2%)

(Billions of yen)	09.9.30	10.3.31	10.9.30	Change from 10.3.31	
Underwriting reserves	55.4	58.1	62.3	+4.2	+7.3%
Total net assets	14.8	15.4	15.8	+0.4	+2.6%
Net unrealized gains/losses on other securities (net of taxes)	0.0	0.0	0.0	+0.0	+49.3%
Total assets	93.3	98.3	103.9	+5.6	+5.7%

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

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Sony Assurance posted a 9.2% increase in ordinary revenues year on year, to ¥37.1 billion, due to increased net premiums written, as the number of insurance policies in force grew for strong sales of new policies in its mainstay automobile insurance.

Ordinary profit decreased 56.0% year on year, to ¥0.6 billion, due mainly to an increase in net losses paid for automobile insurance, resulting from a rising number of car accidents, which offset the positive impact of increased ordinary revenues.

Net income decreased 62.2% year on year, to ¥0.3 billion.

Overview of Performance: Sony Assurance



(Reasons for changes)

(Billions of yen)	FY09.1H	FY10.1H	Change
Direct premiums written	33.4	36.4	+8.8%
Net premiums written	33.6	36.7	+9.2%
Net losses paid	16.1	19.0	+17.6%
Underwriting profit	1.2	0.3	(70.9%)
Net loss ratio	54.0%	58.2%	+4.2pt
Net expense ratio	25.2%	24.7%	(0.5pt)
Combined ratio	79.2%	83.0%	+3.8pt

◆ Increased, owing to an increase in the number of policies in force for automobile insurance.

◆ Increased, owing to a rising number of car accidents.

◆ Decreased, due to increased net premiums written which offset the negative impact of an increase in underwriting costs

◆ Increased, due to an increase in the number of policies in force for automobile insurance.

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.

	09.9.30	10.3.31	10.9.30	Change from 10.3.31	
Number of policies in force	1.22 million	1.27 million	1.33 million	+0.05 million	+4.5%
Solvency margin ratio	1,033.6%	1,018.5%	1,010.3%		(8.2pt)

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.

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

Here is an overview of Sony Assurance's performance.

Sony Assurance's Underwriting Performance by Type of Policy



Direct Premiums Written

(Millions of yen)	FY09.1H	FY10.1H	Change
Fire	137	71	(47.6%)
Marine	—	—	—
Personal accident*	3,442	3,551	+3.1%
Voluntary automobile	29,868	32,783	+9.8%
Compulsory automobile liability	—	—	—
Total	33,448	36,406	+8.8%

Net Premiums Written

(Millions of yen)	FY09.1H	FY10.1H	Change
Fire	6	3	(44.0%)
Marine	7	6	(6.0%)
Personal accident*	3,563	3,679	+3.3%
Voluntary automobile	29,752	32,648	+9.7%
Compulsory automobile liability	291	369	+26.8%
Total	33,620	36,707	+9.2%

Net losses paid

(Millions of yen)	FY09.1H	FY10.1H	Change
Fire	0	0	(26.4%)
Marine	1	7	+393.5%
Personal accident*	705	776	+10.1%
Voluntary automobile	15,216	17,927	+17.8%
Compulsory automobile liability	258	319	+23.9%
Total	16,181	19,031	+17.6%

*SURE, medical and cancer insurance is included in personal accident.

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

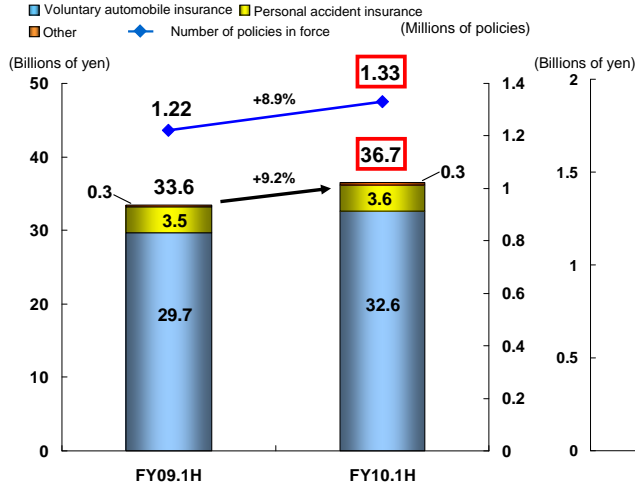
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This slide shows direct premiums written, net premiums written and net losses paid by type.

Sony Assurance Operating Performance (1)

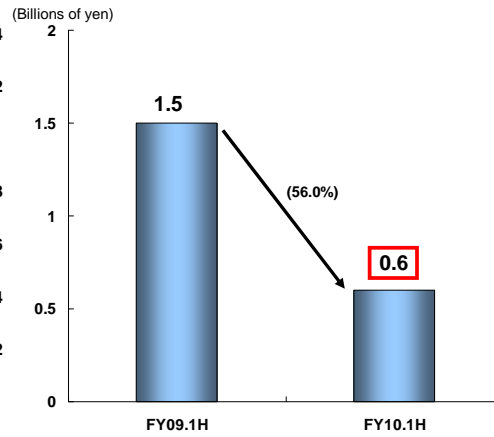


Net Premiums Written and Number of Policies in Force



The number of policies in force is the total of automobile insurance and medical and cancer insurance policies, which account for 99% of net premiums written. More than 90% of personal accident insurance is medical and cancer insurance.

Ordinary Profit



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

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(Left-hand graph)

Number of policies in force for the total of automobile insurance and medical and cancer insurance increased steadily, rising 8.9% year on year, to 1.33 million policies.

Net premiums written posted a 9.2% year-on-year increase, to ¥36.7 billion.

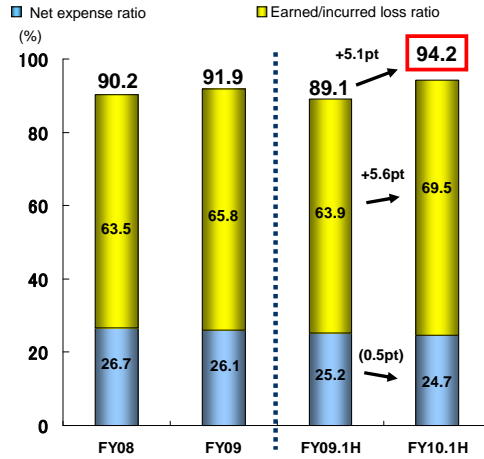
(Right-hand graph)

Ordinary profit decreased year on year, as described in the previous pages.

Sony Assurance Operating Performance (2)



Net Expense Ratio + Earned/Incurred Loss Ratio

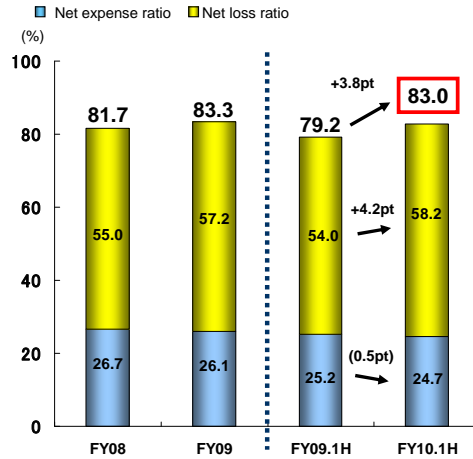


Earned/incurred loss ratio is equal to the ratio of the sum of net losses paid, loss adjustment expenses and accumulation in provision for reserve for outstanding losses to earned premiums.

*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.

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(Left-hand graph)

To help you understand the actual condition of Sony Assurance, which is in a growth phase, we show the earned/incurred loss ratio, which is the accrual-basis loss ratio.

For the six months ended September 30, 2010, the E.I. loss ratio increased 5.6 percentage points year on year, to 69.5%, due to an increase in net losses paid resulting mainly from a rising number of car accidents.

The net expense ratio dropped 0.5 percentage point, to 24.7%, due primarily to an increase in net premiums written.

(Right-hand graph)

The net loss ratio rose 4.2 percentage points compared with the same period of the previous fiscal year, to 58.2%, due to the aforementioned increase in net losses paid.

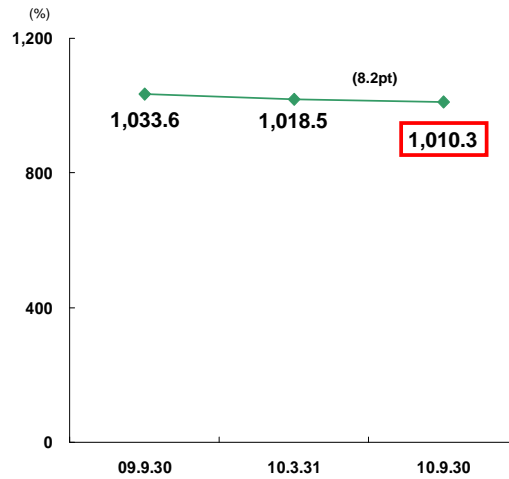
This is different from the E.I. loss ratio, which reflects an increase or a decrease in provision for reserve for outstanding losses.

As a result, the combined ratio (the sum of the net loss ratio and the net expense ratio) rose 3.8 percentage points year on year, to 83.0%.

Sony Assurance Operating Performance (3)



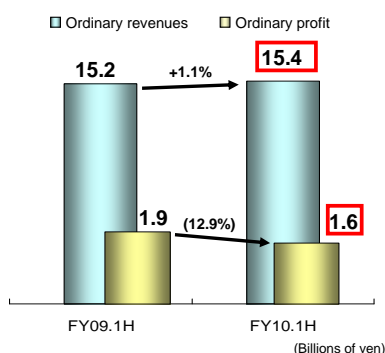
Solvency Margin Ratio



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As of September 30, 2010, Sony Assurance's solvency margin ratio was 1,010.3%, down 8.2 percentage points from March 31, 2010. Although, Sony Assurance has maintained financial soundness.

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



(Billions of yen)	FY09.1H	FY10.1H	Change	
Ordinary revenues	15.2	15.4	+0.1	+1.1%
Gross operating profit	7.7	8.3	+0.6	+7.8%
Net interest income	6.5	6.3	(0.2)	(3.6%)
Net fees and commissions	0.01	(0.07)	(0.08)	—
Net other operating income	1.1	2.0	+0.9	+81.6%
General and administrative expenses	5.6	6.3	+0.6	+12.2%
Ordinary profit	1.9	1.6	(0.2)	(12.9%)
Net income	1.1	0.8	(0.2)	(19.5%)
Net operating profit	2.1	1.8	(0.2)	(11.9%)

- ◆ Ordinary revenues remained roughly flat and ordinary profit decreased year on year.
- ◆ Gross operating profit increased ¥0.6 billion year on year due to an increase in net other operating income.
 - Net interest income decreased reflecting lowering of interest rate which offset an increase in interest income on loans led by the growing balance of mortgage loans.
 - Net other operating income increased ¥0.9 billion, mainly reflecting improved investment performance.
- ◆ Net operating profit decreased ¥0.2 billion year on year due to an increase in general and administrative expenses of ¥0.6 billion.
- ◆ Customer assets increased ¥73.5 billion from March 31, 2010, of which deposit balance increased ¥74.7 billion.

(Billions of yen)	09.9.30	10.3.31	10.9.30	Change from 10.3.31	
Securities	804.5	880.1	958.3	+78.1	+8.9%
Loans	534.3	586.6	636.4	+49.7	+8.5%
Deposits	1,334.8	1,510.0	1,584.8	+74.7	+5.0%
Customer assets	1,431.3	1,610.0	1,683.6	+73.5	+4.6%
Total net assets	57.4	58.9	58.3	(0.6)	(1.1%)
Net unrealized gains/losses on other securities (net of taxes)	(0.0)	0.9	1.1	+0.2	+32.6%
Total assets	1,445.1	1,612.1	1,700.7	+88.5	+5.5%

Line item amounts are truncated below ¥100 million excluding net fees and commissions; percentage change figures are rounded.

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Highlights of Sony Bank's operating performance (non-consolidated basis) are shown here.

Sony Bank's ordinary revenues increased 1.1% year on year, to ¥15.4 billion, owing primarily to an increase in interest income on loans led by a growing balance of mortgage loans.

Gross operating profit increased 7.8% from a year earlier, to ¥8.3 billion, due mainly to an increase in net other operating income reflecting improved investment performance.

General and administrative expenses expanded 12.2% year on year, to ¥6.3 billion, due mainly to an increase in system-related expenses.

As a result, ordinary profit decreased ¥12.9%, to ¥1.6 billion.

Net income amounted to ¥0.8 billion, down 19.5% from the same period of the previous fiscal year.

Overview of Performance: Sony Bank (Non-consolidated) (1)



(Billions of yen)	09.9.30	10.3.31	10.9.30	Change from 10.3.31	
Customer assets	1,431.3	1,610.0	1,683.6	+73.5	+4.6%
Deposits	1,334.8	1,510.0	1,584.8	+74.7	+5.0%
Yen	1,020.8	1,184.9	1,241.7	+56.7	+4.8%
Foreign currency	314.0	325.0	343.0	+18.0	+5.5%
Investment trusts	96.5	100.0	98.8	(1.1)	(1.2%)
Loans	534.3	586.6	636.4	+49.7	+8.5%
Mortgage loans	525.9	555.1	581.3	+26.2	+4.7%
Others	8.4	31.5	55.0 (*1)	+23.5	+74.6%
Number of accounts (thousands)	750	796	828	+31	+4.0%
Capital adequacy ratio(*2) (domestic criteria)	13.41%	12.09%	11.76%	(0.33pt)	

(Reasons for changes)

◆ Customer assets increased ¥73.5 billion from March 31, 2010, of which total of deposit increased ¥74.7 billion. Foreign currency deposit increased ¥18.0 billion under the circumstance where sharp hike in the yen might have the negative impact on the foreign exchange conversion.

◆ Investment trusts decreased reflecting a decline in reference price

◆ Loan balance steadily increased due to increases in mortgage loans and corporate lending centering on syndicated loans.

*1 Loans in others include corporate loans of ¥46.8 billion.

*2 Please refer to the graph of the non-consolidated capital adequacy ratio (domestic criteria) on P24.

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

Here is an overview of Sony Bank's performance.

Overview of Performance: Sony Bank (Non-consolidated) (2)



■ <Reference> On Managerial Accounting Basis

(Billions of yen)	FY09.1H	FY10.1H	Change	
Gross operating profit	7.7	8.2	+0.5	+7.3%
Net interest income ¹ ①	6.6	7.2	+0.5	+9.0%
Net fees and commissions ² ②	0.6	0.5	(0.1)	(22.4%)
Net other operating income ³ ③	0.4	0.5	+0.1	+26.8%
Gross operating profit (core profit) (A) = ①+②	7.2	7.7	+0.4	+6.2%
Operating expenses and other expenses ③	5.6	6.4	+0.8	+15.1%
Net operating profit (core profit) = (A)-③	1.6	1.2	(0.3)	(23.8%)

● Managerial accounting basis

The following adjustments are made to the figures on a financial accounting basis to account for profits and losses more appropriately.

*1: Net interest income: Includes profits and losses associated with fund investment recorded in net other operating income, including gains or losses from currency swap transactions.

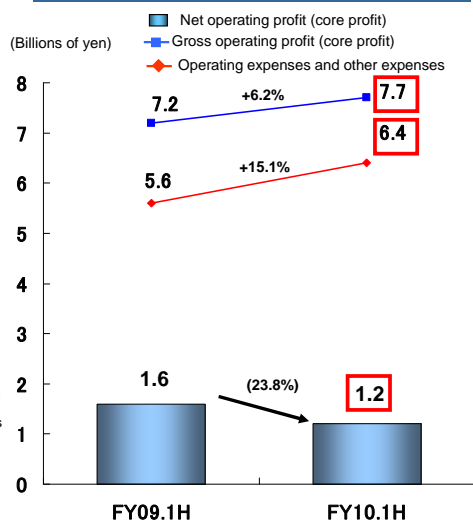
*2: Net fees and commissions: Includes profits and losses for customer dealings in foreign currency transactions recorded in net other operating income.

*3: Net other operating income: After the above adjustments (*1 and *2), consists of profits and losses for bond and derivative dealing transactions.

● Core profit

Profits and losses exclude net other operating income, which includes those on bond and derivative dealing transactions, and stands for Sony Bank's basic profits.

<Reference> Net Operating Profit (Core Profit), Operating Expenses and Other Expenses & Gross Operating Profit (Core Profit)



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

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We break down gross operating profit on a managerial accounting basis to facilitate an understanding of operational sources of revenue and profits.

(Left-hand table)

Net interest income on a managerial accounting basis increased ¥0.5 billion year on year, to ¥7.2 billion, due to an expanded scale of business and a recovery in investment performance on foreign currency deposits, the balance of which grew steadily during the first half of the fiscal year under review.

Net fees and commissions amounted to ¥0.5 billion, down ¥0.1 billion, owing primarily to a decrease in profits for customer dealings in foreign currency transactions stemming from adverse foreign exchange market conditions.

Net other operating income rose ¥0.1 billion, to ¥0.5 billion. This was mainly because gains on sales of bonds increased year on year, although the company recorded a higher devaluation loss from derivatives, net, for hedging purpose on mortgage loans, owing to the lowering of long-term interest rates.

Consequently, gross operating profit on a core profit basis increased ¥0.4 billion year on year, to ¥7.7 billion.

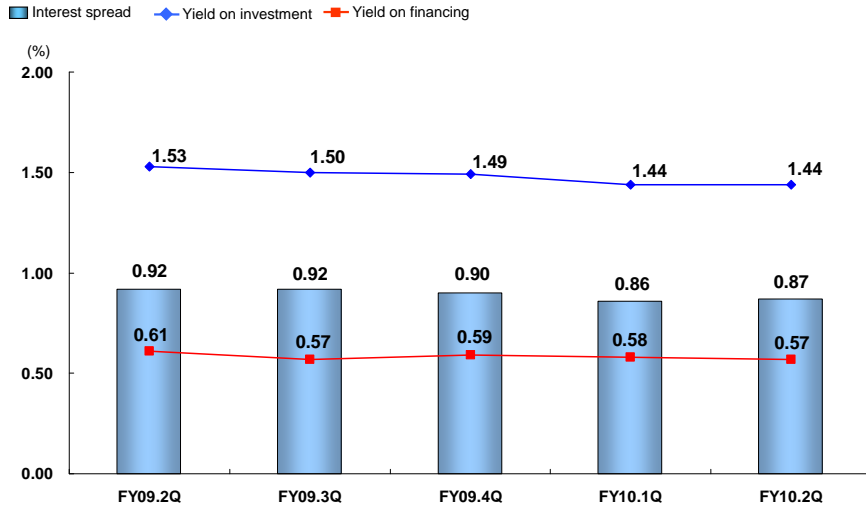
(Right-hand graph)

Net operating profit on a core profit basis decreased ¥0.3 billion year on year, to ¥1.2 billion, due to an increase in operating expenses and other expenses.

Sony Bank Operating Performance (1)



<Reference> Interest Spread (Managerial Accounting Basis)



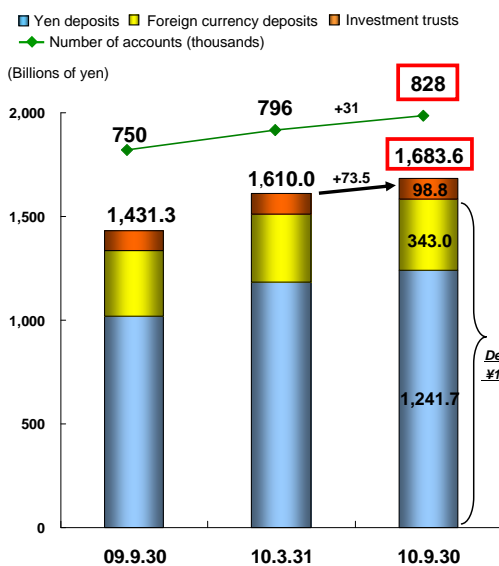
Notes: Interest spread = Yield on investment – Yield on financing
 Yield on investment includes primarily gains or losses from currency swap transactions in net other operating income.

This chart shows the interest spread on a managerial accounting basis. The yield on investment, which has gradually declined during the past year, remained roughly flat in the most recent quarter. The yield on financing also remained at the same level. As a result, the interest spread for the three months ended September 30, 2010, was 0.87%.

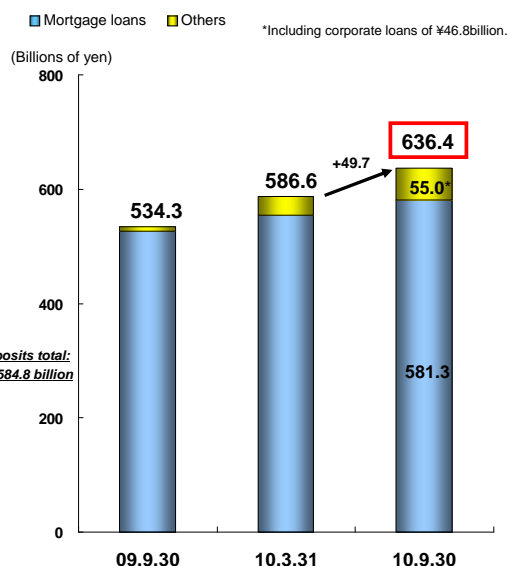
Sony Bank Operating Performance (2)



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



Loans



23

(Left-hand graph)

As of September 30, 2010, customer assets (the sum of deposits and investment trusts) were up ¥73.5 billion from March 31, 2010, to ¥1,683.6 billion.

As for the breakdown of customer assets as of September 30, 2010, deposits (the sum of Japanese yen and foreign currency deposits) amounted to ¥1,584.8 billion, up ¥74.7 billion from March 31, 2010. Of which foreign currency deposit increased ¥18.0 billion under the circumstance where sharp hike in the yen might have the negative impact on the foreign exchange conversion.

Investment trusts were ¥98.8 billion, down ¥1.1 billion from March 31, 2010.

As of September 30, 2010, the number of accounts was 828 thousand, up 31 thousand accounts from March 31, 2010.

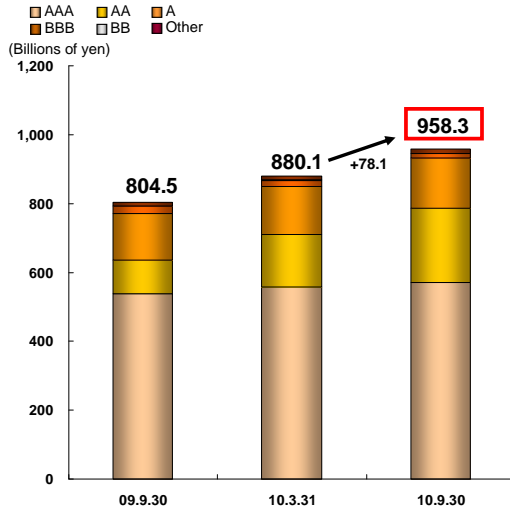
(Right-hand graph)

Loans expanded to ¥636.4 billion, up ¥49.7 billion, from March 31, 2010, owing to a growing balance of mortgage loans, as well as an increase in corporate loans.

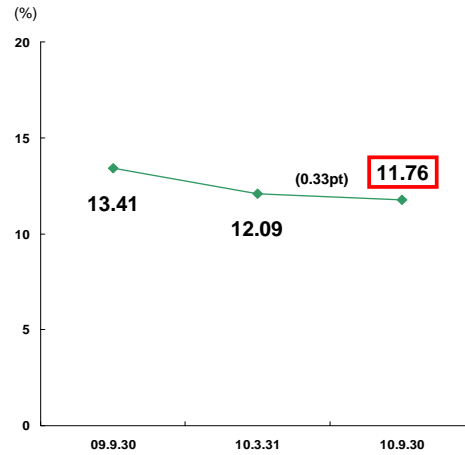
Sony Bank Operating Performance (3)



Balance of Securities by Credit Ratings



Non-Consolidated Capital Adequacy Ratio (Domestic Criteria)



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

Amounts are truncated below ¥100 million.

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(Left-hand graph)

As of September 30, 2010, the balance of securities increased ¥78.1 billion, to ¥958.3 billion from March 31, 2010.

Sony Bank continuously invests in highly rated bonds.

(Right-hand graph)

As of September 30, 2010, Sony Bank's non-consolidated capital adequacy ratio (domestic criteria) was 11.76%, down 0.33 percentage point from March 31, 2010. These figures indicate that Sony Bank has maintained a sound financial basis.

Consolidated Financial Forecast for the Year Ending March 31, 2011

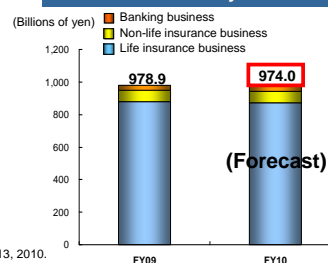


(Billions of yen; amounts are truncated below ¥100 million; percentage changes are rounded.)

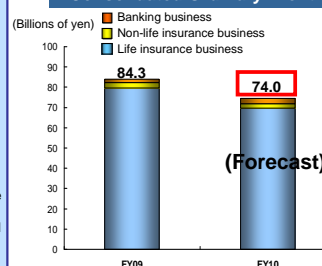
	FY09	FY10 (Forecast)	Change FY10 forecast vs. FY09 actual
Consolidated ordinary revenues	978.9	974.0	(0.5%)
<u>Life insurance business</u>	882.0	871.3	(1.2%)
<u>Non-life insurance business</u>	68.1	72.7	+ 6.6 %
<u>Banking business</u>	30.5	30.6	+ 0.3%
Consolidated ordinary profit	84.3	74.0	(12.3%)
<u>Life insurance business</u>	79.7	69.6	(12.8%)
<u>Non-life insurance business</u>	2.5	2.2	(14.2%)
<u>Banking business</u>	1.9	2.8	+ 45.2%
Consolidated net income	48.1	40.0	(16.9%)

※SFH's consolidated financial forecast for the fiscal year ending March 31, 2011, is unchanged from those announced on May 13, 2010.

Consolidated Ordinary Revenues



Consolidated Ordinary Profit



■ Life insurance business

Operating results exceed the amounts in our forecast for 1H FY10. However, our forecast for FY10 remains unchanged from the previous announcement, due mainly to an expected increase in operating expenses and uncertainty about the financial market environment for 2H FY10.

■ Non-life insurance business

Ordinary revenues for FY10 are expected to rise year on year, as we expect steady business expansion mainly in its mainstay automobile insurance. Ordinary profit is expected to decrease year on year, due mainly to expected increases in the loss ratio and the expense ratio in line with the planned reinforcement of the corporate system and infrastructure based on the expected expansion of its business operations. These forecasts for FY10 remains unchanged from the previous announcement.

■ Banking Business

Ordinary revenues for FY10 are expected to slightly increase year on year, as interest income is expected to rise due to expanding business operations, although an influence of the worldwide reductions in interest rates still remains. Ordinary profit is expected to grow year on year, as gross operating profit, especially net interest income, is expected to increase. These forecasts for FY10 remains unchanged from the previous announcement.

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Here is our consolidated financial forecast for the fiscal year ending March 31, 2011.

SFH revise upward our forecasts for ordinary revenues, ordinary profit and net income for the six months ended September 30, 2010 due mainly to higher gains on sale of securities in the life insurance business than expected at the previous announcement, of May13, 2010.

However, our consolidated financial forecast for the year ending March 31, 2011, remains unchanged from the previous announcement, due mainly to uncertainty about the financial market environment for the second half of this fiscal year, although we expect each business to grow steadily.

Appendix

(Appendix)

Recent Topics

AEGON SONY LIFE INSURANCE Sales Update

Launch of sales: December 1, 2009

Common stock: ¥20 billion (including capital surplus of ¥10 billion)

Equity ownership: Sony Life insurance Co., Ltd. 50%, AEGON-international B.V. 50%



Marketing products:

- 1) Winning Road (Variable Individual Annuity - Guaranteed Lifetime Withdrawal Benefit (GLWB) type)
- 2) My History (Variable Individual Annuity - Guaranteed Lifetime Withdrawal Benefit (GLWB) type)
- 3) Victory Run (Variable Individual Annuity - Guaranteed Minimum Accumulation Benefit (GMAB) type)

Sales Channels: Lifeplanner sales employees and affiliated Banks

(The Tokyo star bank, SMBC, Minato bank, Fukushima bank, Chiba Kogyo Bank) *As of November. 15, 2010

Sales results: Number of new policies: 352 new policies, New policy amount: ¥3,401 million, (FY10.1H) Number of policies in force: 802 policies, Policy amount in force: ¥9,999 million,

Sony Bank's Mortgage Loans through Sony Life

Sony Life accounts for 38% of the amount of new mortgage loans for FY10.1H.

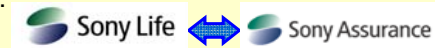
* Sony Life started handling banking agency business in Jan. 2008.



Sony Assurance's Auto Insurance Sold by Sony Life

Sony Life accounts for approx. 5% of new automobile policies for FY10.1H.

* Sony Life started handling automobile insurance in May 2001.



(Recent Topics)

Highlights



<Highlights Since FY10.2Q>

- 2010-7-12 AEGON Sony Life Insurance's variable individual annuity product to be offered at Chiba Kogyo Bank
- 2010-7-26 Sony Bank launched foreign currency delivery service
- 2010-9-13 Sony Bank began offering mortgage loans for used condominiums
- 2010-9-16 Sony Life opened the second one-stop insurance Shop, "LIPLA"
- 2010-10-4 Sony Bank entered tie-up with Ohkuraya Juutaku in mortgage loans
- 2010-11-2 Sony Life began offering new products: Whole life nursing-care insurance (reduced surrender value), lump-sum payment nursing-care rider, and discount rider for nonsmokers and others in excellent health for decreasing term life insurance
- 2010-11-8 Sony Bank began providing a service to accept dividends on investment trusts

(Highlights)

Sony Life: Fair Value Information on Securities (General Account Assets)



Fair Value Information on Securities

● Fair value information on securities with market value (except trading-purpose securities)

(Billions of yen)

	09.9.30			09.12.31			10.3.31			10.6.30			10.9.30		
	Carrying amount	Fair value	Net unrealized gains (losses)	Carrying amount	Fair value	Net unrealized gains (losses)	Carrying amount	Fair value	Net unrealized gains (losses)	Carrying amount	Fair value	Net unrealized gains (losses)	Carrying amount	Fair value	Net unrealized gains (losses)
Held-to-maturity securities	1,777.8	1,782.4	4.6	2,007.4	1,999.5	(7.9)	2,275.6	2,255.1	(20.4)	2,477.9	2,528.6	150.7	2,818.6	3,040.2	221.6
Available-for-sale securities	1,418.4	1,470.6	52.1	1,305.9	1,358.2	52.3	1,126.5	1,166.9	40.4	1,039.8	1,097.8	58.0	858.8	913.9	55.0
Domestic bonds	1,325.0	1,369.9	44.8	1,216.8	1,262.0	45.2	1,061.5	1,090.0	28.4	973.8	1,030.3	56.5	764.8	848.5	83.8
(CBs)	159.6	156.8	(2.7)	77.5	78.4	0.9	13.6	13.2	(0.3)	-	-	-	-	-	-
Domestic stocks	40.7	49.4	7.7	51.6	59.1	6.6	51.7	62.1	10.4	51.9	53.2	1.2	51.8	52.9	1.1
Foreign securities	47.4	46.0	(1.4)	32.3	31.6	(0.7)	8.0	8.0	(0.0)	2.0	2.0	0.0	-	-	-
Other securities	5.1	6.1	0.9	5.1	6.3	1.2	5.1	6.7	1.5	11.9	12.1	0.2	12.1	12.3	0.1
Total	3,196.2	3,253.0	56.8	3,313.4	3,357.8	44.3	3,402.1	3,422.1	19.9	3,517.8	3,726.5	208.7	3,677.5	3,954.1	276.6

● Valuation gains (losses) of trading-purpose securities

(Billions of yen)

	09.9.30		09.12.31		10.3.31		10.6.30		10.9.30	
	Balance sheet amount	Net valuation gains (losses) recorded in income	Balance sheet amount	Net valuation gains (losses) recorded in income	Balance sheet amount	Net valuation gains (losses) recorded in income	Balance sheet amount	Net valuation gains (losses) recorded in income	Balance sheet amount	Net valuation gains (losses) recorded in income
	0.7	5.6	0.3	5.6	-	5.7	-	-	-	-

Notes:
1) Line item amounts are truncated below ¥100 million.
2) Amounts above include those categorized as "monetary trusts."

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(Sony Life: Fair Value Information on Securities)

Sony Life's Breakdown of Net Assets



Net Assets on BS, Real Net Assets and Solvency Margin

(Billions of yen)

	① Net Assets (B/S)		② Real Net Assets		③ Solvency Margin		Notes
	10.3.31	10.9.30	10.3.31	10.9.30	10.3.31	10.9.30	
Total shareholders' equity	177.3	199.3	177.3	199.3	170.3	197.9	③ After estimated distributed income deducted
Net unrealized gains on other securities, net of taxes	15.4	24.6	15.4	24.6	—	—	
Net unrealized gains (losses) on available-for-sale securities	—	—	—	—	33.0	46.0	③ Before tax x 90%
Land revaluation, net of taxes	(1.4)	(1.4)	(1.4)	(1.4)	—	—	
Reserve for price fluctuations	—	—	9.6	13.0	9.6	13.0	
Contingency reserve	—	—	48.4	50.1	48.4	50.1	
Reserve for possible loan losses	—	—	—	—	0.0	0.0	
Net unrealized gains on real estate	—	—	2.6	2.6	1.6	1.6	② Before tax (after revaluation) ③ Before tax (Before revaluation) X85%
Excess amount of policy reserves based on Zillmer method	—	—	316.5	322.8	316.5	322.8	
Unallotted portion of reserve for policyholders' dividends	—	—	2.3	3.1	2.3	3.1	
Future profits	—	—	—	—	1.0	1.0	
Deferred tax assets	—	—	—	—	47.2	63.6	
Unrealized gains (losses) on held-to-maturity bonds	—	—	(20.4)	221.6	—	—	② Before tax
Deferred tax liabilities for available-for-sale securities	—	—	12.8	18.3	—	—	
Total	191.3	222.4	563.4	854.4	630.2	699.5	

※Real net assets excluding net unrealized gains/losses on held-to-maturity securities and on policy reserve matching bonds, are ¥583.8 billion as of March 31, 2010, and ¥632.7 billion as of September 30, 2010.

Amounts are truncated below ¥100 million.

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(Sony Life's Breakdown of Net Assets)

Sony Life's Changes in Solvency Margin Ratio



(Billions of yen)

Category	09.9.30	09.12.31	10.3.31	10.6.30	10.9.30
Total solvency margin (A)	600.7	625.6	630.2	666.6	699.5
Common stocks, etc	152.9	163.3	170.3	179.9	197.9
Reserve for price fluctuations	6.3	7.9	9.6	11.2	13.0
Contingency reserve	46.9	47.8	48.4	49.2	50.1
Reserve for possible loan losses	0.0	0.0	0.0	0.0	0.0
Net unrealized gains on other securities multiplied by 90% if gains or 100% if losses	41.6	43.0	33.0	48.4	46.0
Net unrealized gains on real estate multiplied by 85% if gains or 100% if losses	4.8	4.8	1.6	1.6	1.6
Excess amount of policy reserves based on Zillmer method	309.4	312.8	316.5	319.3	322.8
Unallotted portion of reserve for policyholders' dividends	0.3	1.7	2.3	2.7	3.1
Future profits	—	—	1.0	1.0	1.0
Deferred tax assets	38.1	44.0	47.2	52.9	63.6
Subordinated debt	—	—	—	—	—
Deductible items	—	—	—	—	—
Total risk $\sqrt{(R_1 + R_2)^2 + (R_3 + R_4 + R_5 + R_6)^2} + R_7$ (B)	49.3	48.6	47.7	47.4	46.7
Insurance risk R1	18.8	19.0	19.1	19.4	19.6
Third-sector insurance risk R8	7.1	7.1	7.0	7.1	7.2
Assumed interest rate risk R2	11.2	11.3	11.3	11.4	11.4
Asset management risk R3	21.4	20.2	18.9	17.9	16.6
Business management risk R4	1.3	1.3	1.2	1.2	1.2
Minimum guarantee risk R7	7.6	7.8	8.0	8.3	8.6
Solvency margin ratio $[(A)/((B) \times 1/2)] \times 100$	2,433.8%	2,570.9%	2,637.3%	2,810.0%	2,992.8%

Amounts are truncated below ¥100 million.

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(Sony Life's Changes in Solvency Margin Ratio)



Contact: Corporate Communications & Investor Relations Department
Sony Financial Holdings Inc.
TEL: +81-3-5785-1074

(Contact)