
Presentation Materials

Management Vision of the Sony Financial Holdings Group for Fiscal 2008

**Sony Financial Holdings Inc.
May 26, 2008**

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Today's Agenda (From 3:00p.m. to 5:00p.m.)

■ The Consolidated Financial Results of the Sony Financial Holdings Group for FY2007

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

■ Management Vision for FY2008

Teruhisa Tokunaka President and Representative Director of Sony Financial Holdings Inc.

Taro Okuda President of Sony Life Insurance Co., Ltd.

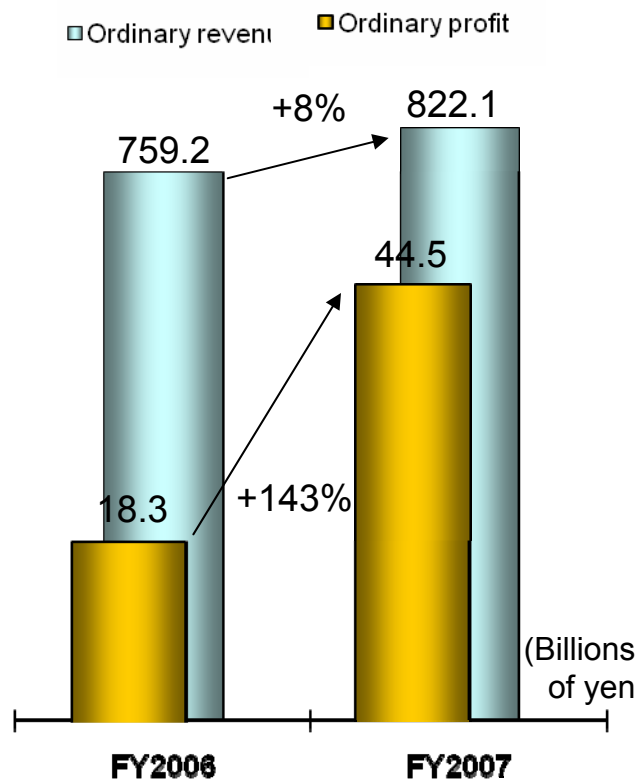
Shinichi Yamamoto President of Sony Assurance Inc.

Shigeru Ishii President and CEO of Sony Bank Inc.

■ Question and Answer

Explanation of Consolidated Financial Results for FY2007

Highlights of Group Consolidated Operating Performance for FY2007



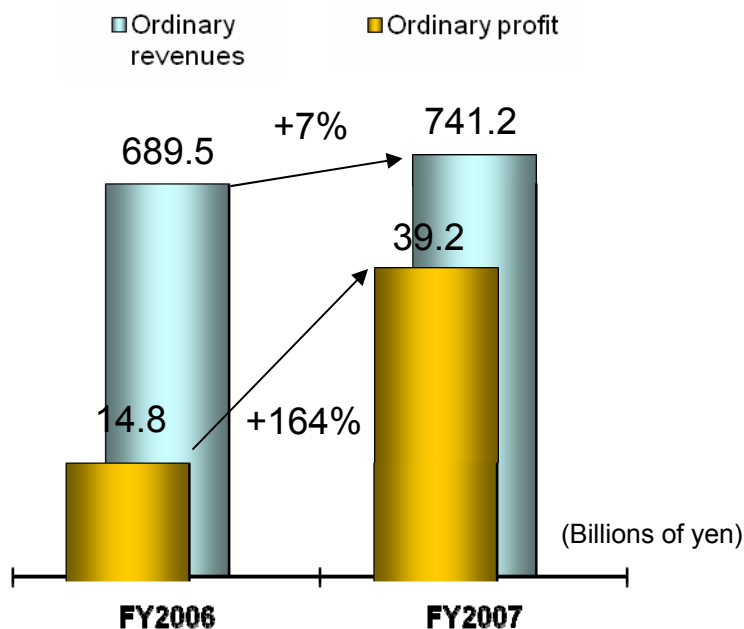
(Billions of yen)		FY2006	FY2007	Change	
Life insurance business	Ordinary revenues	689.8	741.3	+51.4	+8%
	Ordinary profit	14.8	39.0	+24.1	+163%
Non-life insurance business	Ordinary revenues	51.0	55.6	+4.6	+9%
	Ordinary profit	2.0	2.8	+0.7	+38%
Banking business	Ordinary revenues	19.4	25.9	+6.5	+33%
	Ordinary profit	1.3	2.4	+1.0	+77%
Corporate and eliminations	Ordinary revenues	(1.0)	(0.8)	+0.2	(25)%
	Ordinary profit	0.0	0.2	+0.1	+203%
SFH Group, consolidated	Ordinary revenues	759.2	822.1	+62.8	+8%
	Ordinary profit	18.3	44.5	+26.1	+143%

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

Highlights of Group Consolidated Operating Performance for FY2007

- In the life insurance business, both the policy amount in force and new insurance sales (individual life insurance + individual annuities) remained firm, and general account investment income increased. As a result, ordinary revenues and ordinary profit both increased.
- In the non-life insurance business, a steady rise in the number of policies, chiefly for automobile insurance, boosted net premiums written. The net loss and expense ratios both improved, pushing up both ordinary revenues and ordinary profit.
- In the banking business, owing to the steady expansion of operations, interest income increased in line with expanded operations, and ordinary revenues and ordinary profit both increased.
- Consolidated ordinary revenues grew 8% compared with the prior fiscal year, to ¥822.1 billion. Despite a ¥9.8 billion valuation loss on securities (amount of impairment loss), ordinary profit increased ¥26.2 billion, or 143%, to ¥44.5 billion. Net income grew ¥14.2 billion, or 142%, to ¥24.2 billion.
- Owing to a downturn in the domestic stock markets, net unrealized gains on other securities, net of taxes, were ¥74.9 billion on March 31, 2008, down ¥50.1 billion from March 31, 2007. Consolidated net assets consequently amounted to ¥261.6 billion, down ¥8.5 billion from March 31, 2007. As of March 31, 2008, consolidated total assets amounted to ¥4,977.4 billion, up ¥653.6 billion from March 31, 2007.

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



Sony Life

- ◆ Revenues and profit up compared with FY2006
- ◆ New insurance sales up 10.9% compared with FY2006
- ◆ Income from insurance premiums increased, in line with robust growth in policy amount in force
- ◆ General account investment income rose
- ◆ Investment expenses increased, owing to investment losses on assets held in separate accounts, valuation loss on securities and expenses on financial derivatives
- ◆ Net assets fell ¥33.8 billion in FY2007, to ¥182.6 billion, owing to a ¥45.9 billion decline in net unrealized gains on other securities
- ◆ The lapse and surrender rate increased 0.33 percentage point compared with FY2006, to 6.12%

(Billions of yen)	FY2006	FY2007	Change	
Ordinary revenues	689.5	741.2	+51.6	+7%
Income from insurance premiums	605.5	648.4	+42.8	+7%
Investment income	78.7	87.4	+8.7	+11%
Of which, interest and dividend income	34.2	47.9	+13.6	+40%
Of which, income from money trusts	12.1	14.7	+2.6	+21%
Of which, gain on sales of securities owned	11.8	24.0	+12.1	+102%
Of which, investment income on assets held in separate accounts	14.9	—	(14.9)	—
Ordinary expenses	674.6	701.9	+27.2	+4%
Insurance claims and other payments	219.3	241.1	+21.7	+10%
Provision for policy reserve and others	349.6	286.2	(63.4)	(18)%
Investment expenses	8.1	69.8	+61.7	+754%
Of which, separate account asset investment expenses	—	48.3	+48.3	—
Operating expenses	87.3	94.3	+7.0	+8%
Ordinary profit	14.8	39.2	+24.3	+164%
Net income	7.4	18.5	+11.0	+147%
Core profit	24.3	23.5	(0.7)	(3)%
Securities	2,217.9	2,388.9	+171.0	+8%
Policy reserve	3,088.8	3,375.0	+286.2	+9%
Total net assets	216.5	182.6	(33.8)	(16)%
Total assets	3,445.9	3,659.7	+213.8	+6%

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

Note: Each figure of policy amount in force, lapse and surrender rate, new insurance sales from new policies 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.

Overview of Performance: Sony Life (Non-Consolidated)

(Billions of yen)

	FY2006	FY2007	Percentage change
Policy amount in force^{*1}	30,244.4	31,497.3	+ 4.1%
Annualized premiums from insurance in force^{*1}	504.6	530.0	+ 5.0%
Of which, third-sector products	117.4	122.8	+ 4.6%
Lapse and surrender rate^{*1,*2}	5.79%	6.12%	+ 0.33pt
New insurance sales^{*1}	3,429.4	3,802.5	+ 10.9%
Annualized premiums from new insurance sales^{*1}	65.5	63.4	(3.2) %
Of which, third-sector products	14.4	13.3	(7.7)%
Income from insurance premiums	605.5	648.4	+ 7.1%
Investment profit	70.5	17.5	(75.1) %
Core profit	24.3	23.5	(3.3) %
Negative spread	37.3	26.7	(28.4) %
Average assumed interest rate	2.77%	2.68%	(0.09)pt
Solvency margin ratio	1,852.0%	1,747.9%	(104.1)pt
Real net assets	645.5	612.0	(5.2)%
Embedded value (EV)	900.5	833.8	(7.4)%

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

Notes:

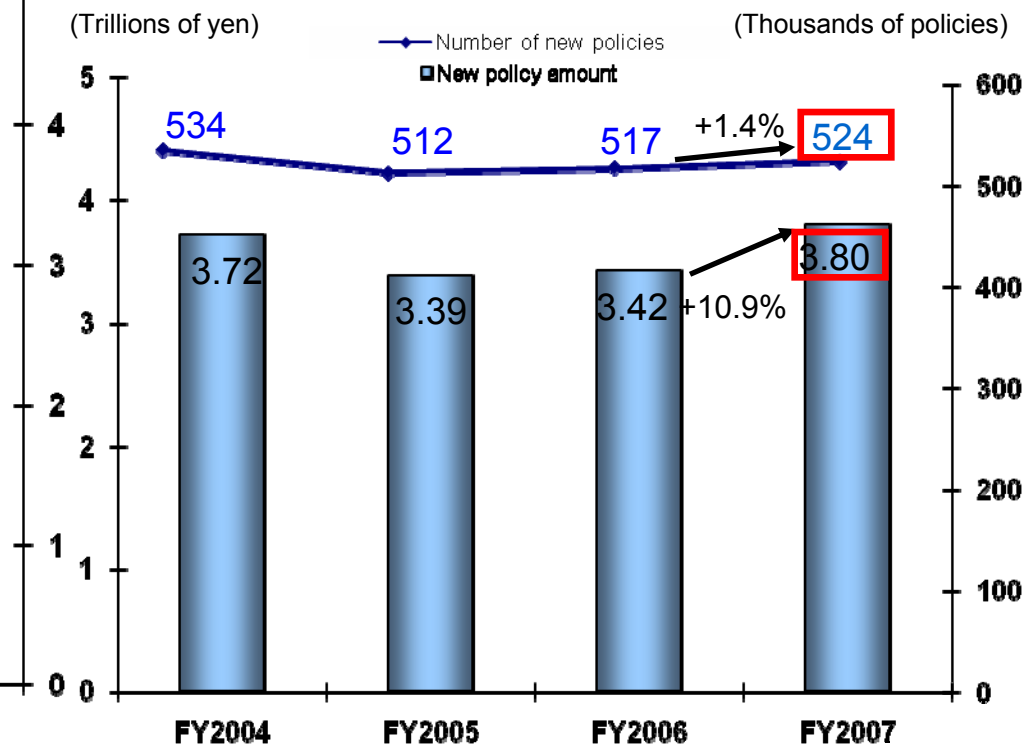
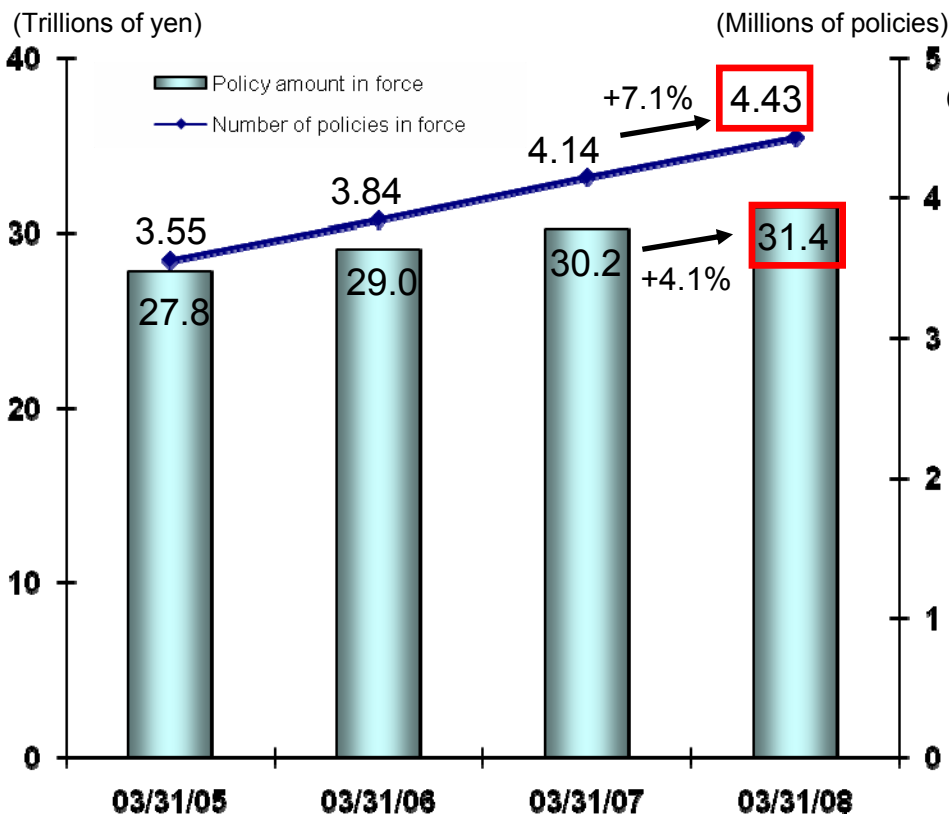
*1 Each figure of policy amount in force, annualized premiums from insurance in force, lapse and surrender rate, new insurance sales and annualized premiums from new policies is calculated as the total of individual life insurance and individual annuities.

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

Sony Life Operating Performance (1)

Insurance in Force (Individual Life Insurance + Individual Annuities)

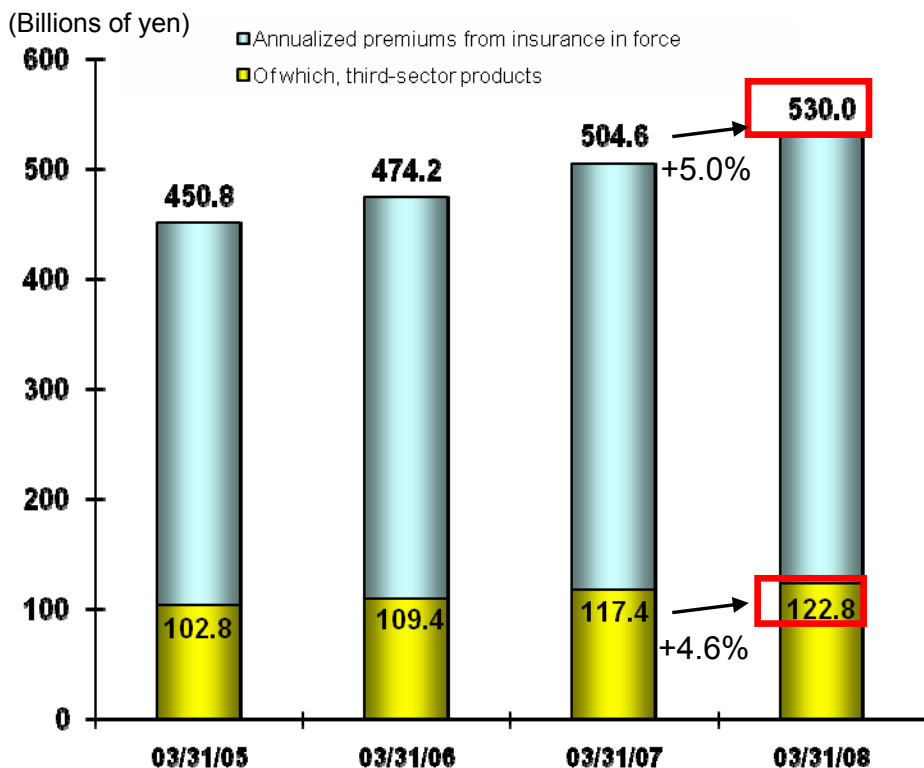
New Insurance Sales (Individual Life Insurance + Individual Annuities)



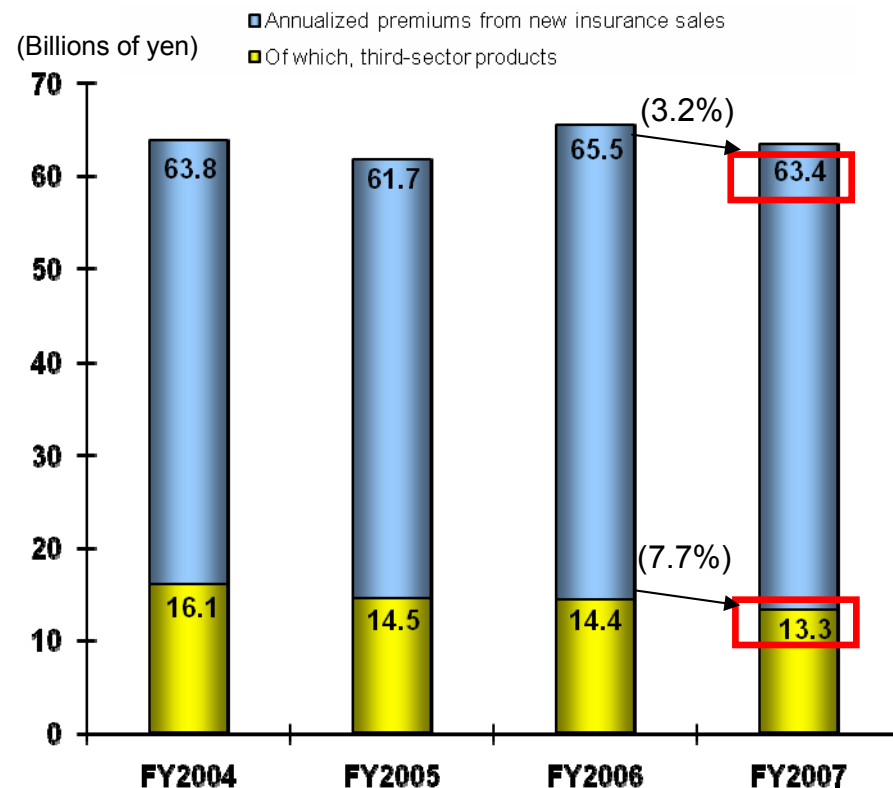
Line item amounts are truncated below ¥100 billion or ¥10 billion; numbers of policies are truncated below 10,000 or 1,000 policies; percentage change figures are rounded.

Sony Life Operating Performance (2)

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



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

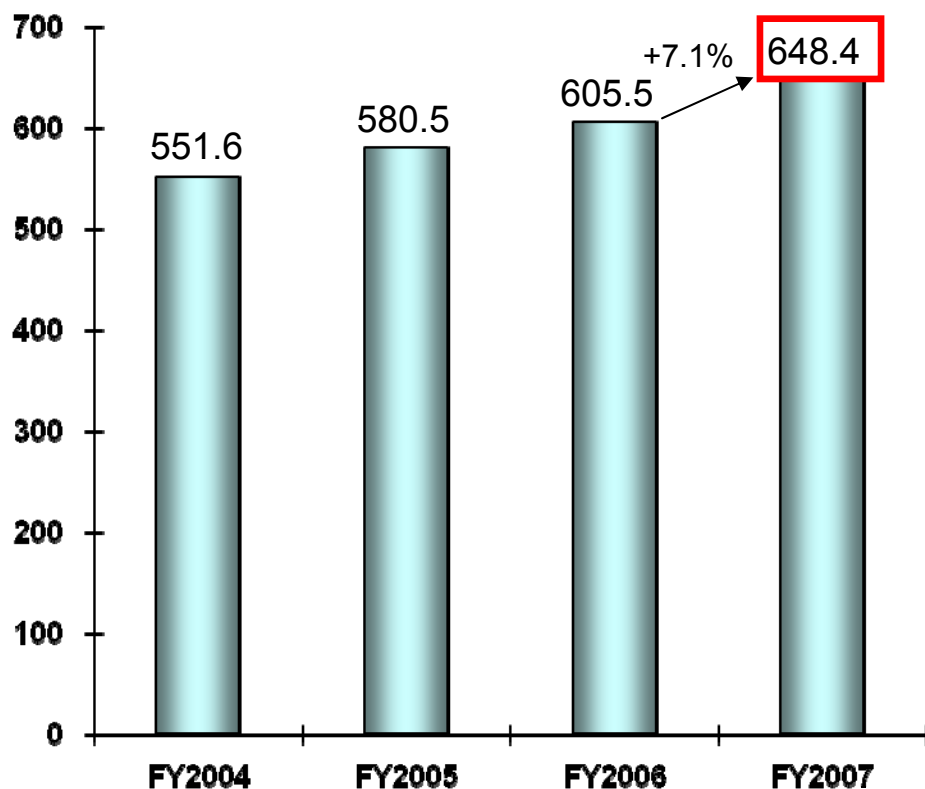


Line item amounts are truncated below ¥100 million; percentage change figures are rounded.

Sony Life Operating Performance (3)

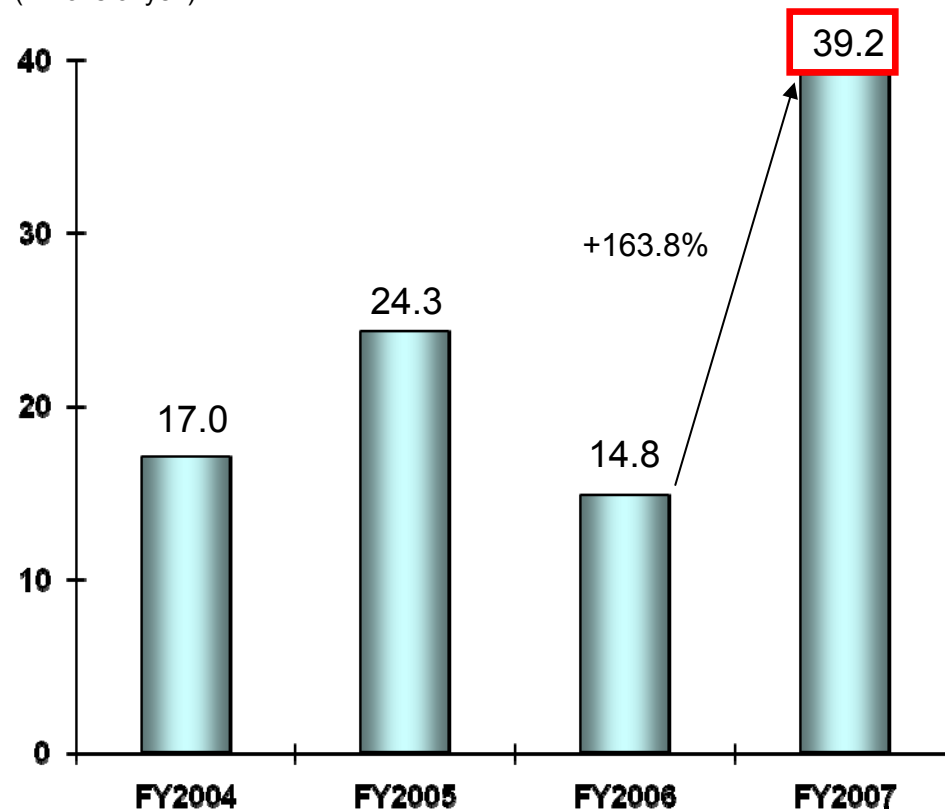
Income from Insurance Premiums

(Billions of yen)



Ordinary Profit (Non-Consolidated)

(Billions of yen)



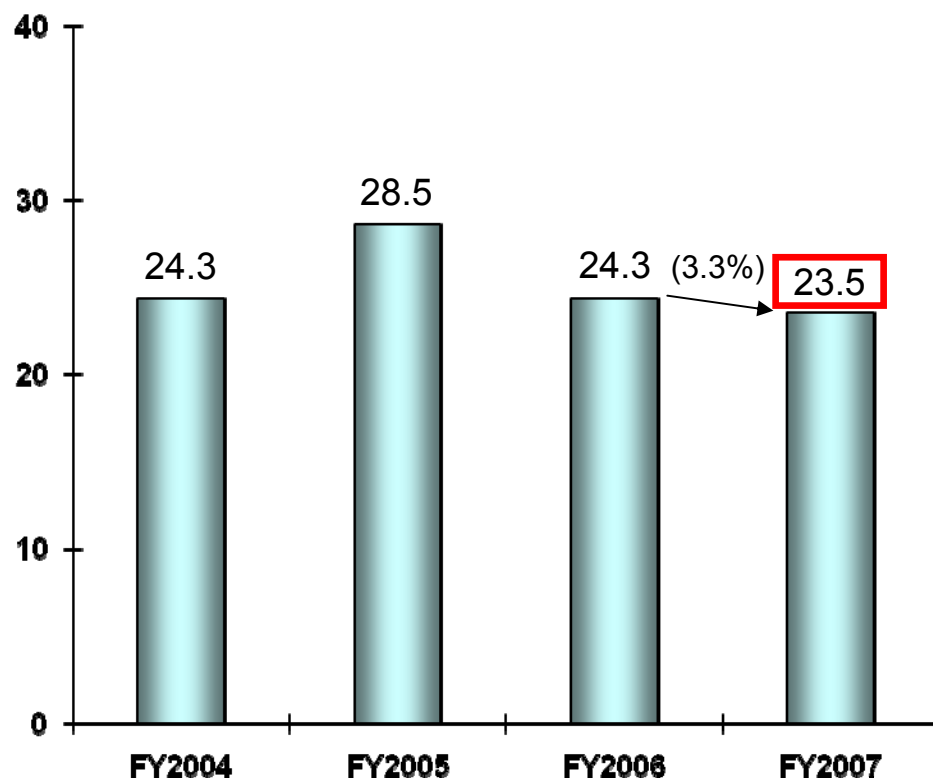
Line item amounts are truncated below ¥100 million; percentage change figures are rounded.

Sony Life Operating Performance (4)

Core Profit

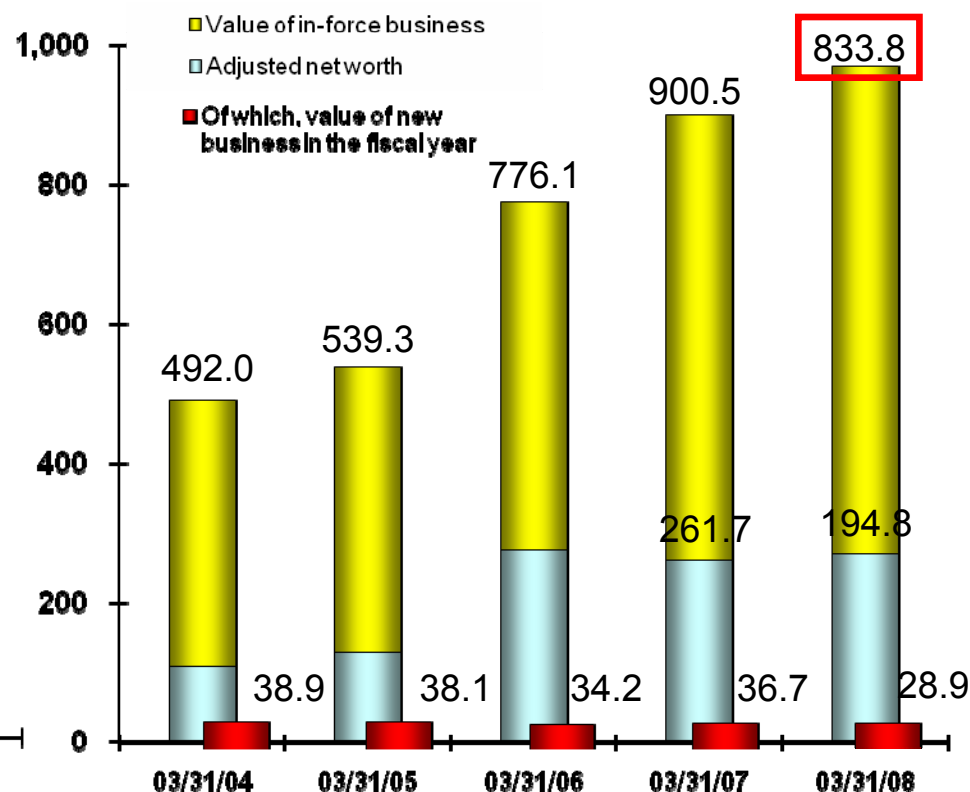
Embedded Value (EV)

(Billions of yen)



Line item amounts are truncated below ¥100 million.

(Billions of yen)

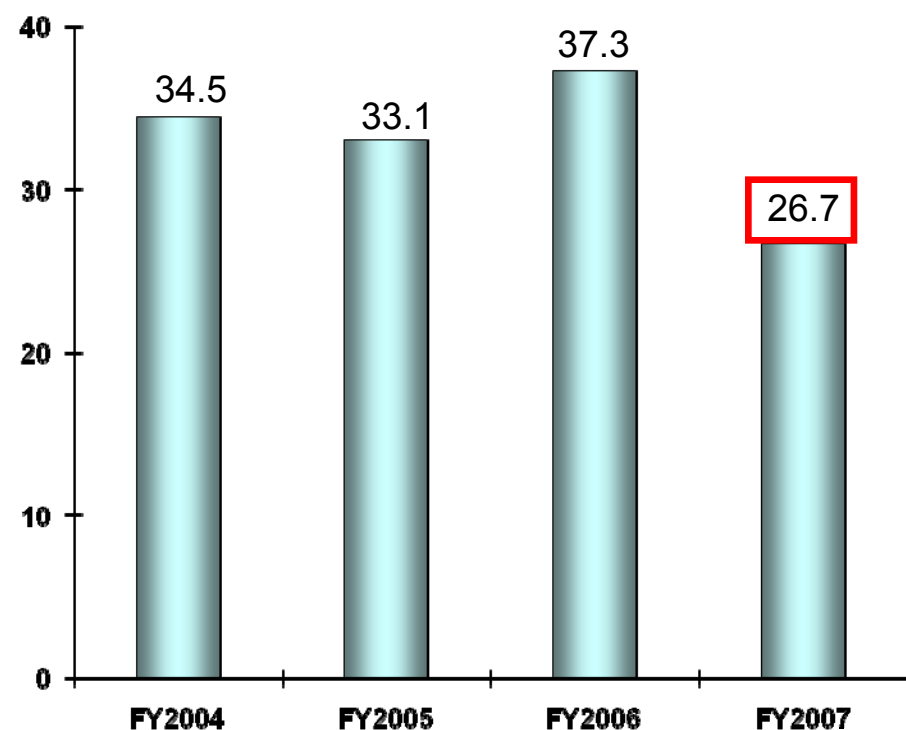


The assumptions upon which EV is calculated at the end of FY2003, FY2004, FY2005, FY2006 and FY2007 differ. For details regarding calculation methods, please refer to the press releases for each of these years.

Sony Life Operating Performance (5)

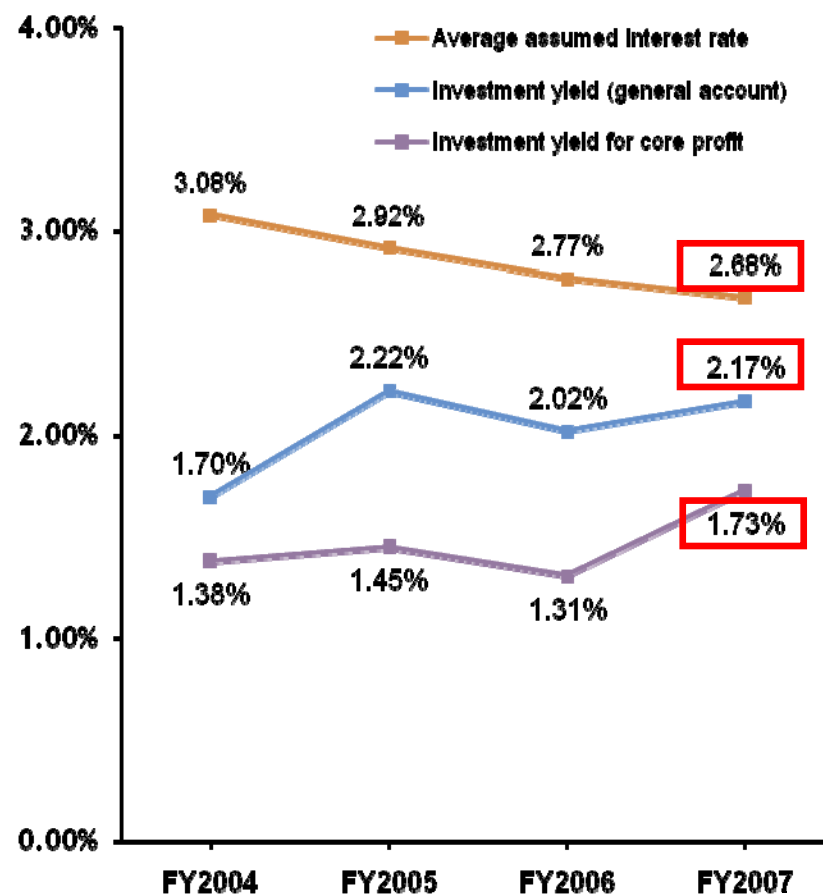
Negative Spread

(Billions of yen)



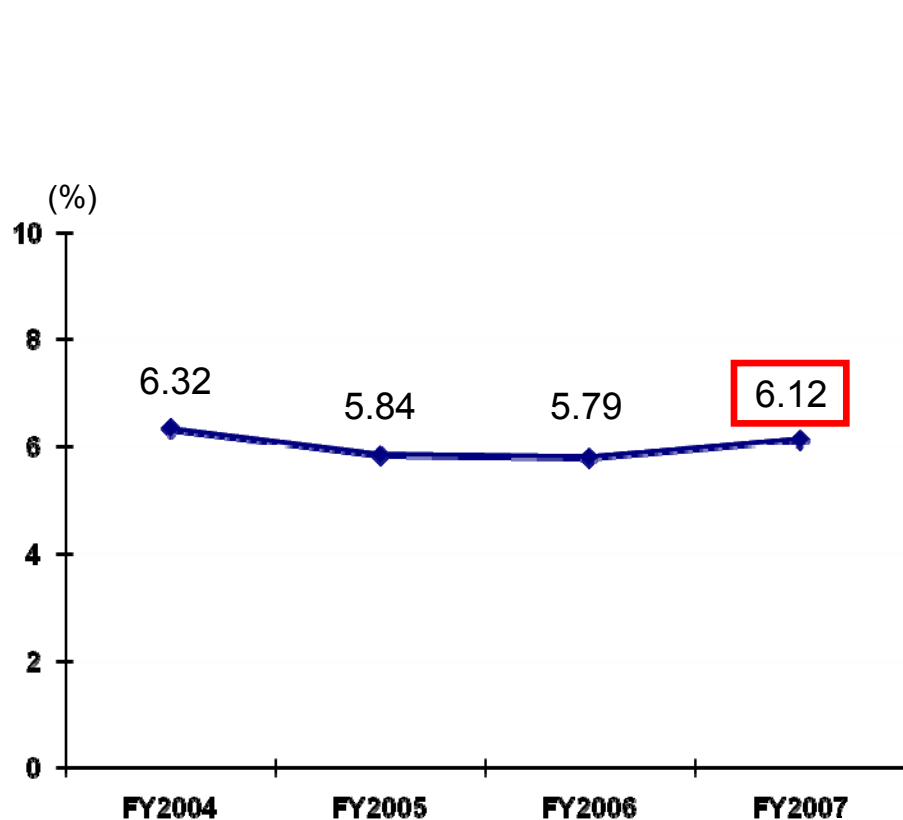
Line item amounts are truncated below ¥100 million.

Investment Yield for Core Profit and Investment Yield (General Account) versus Average Assumed Interest Rate

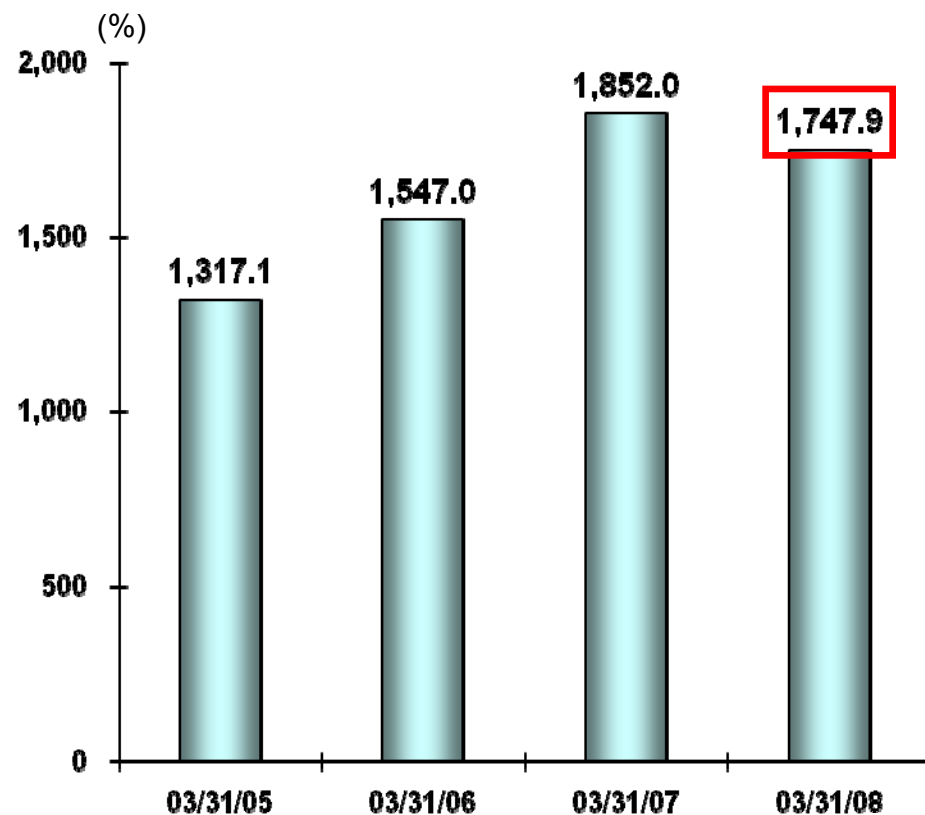


Sony Life Operating Performance (6)

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



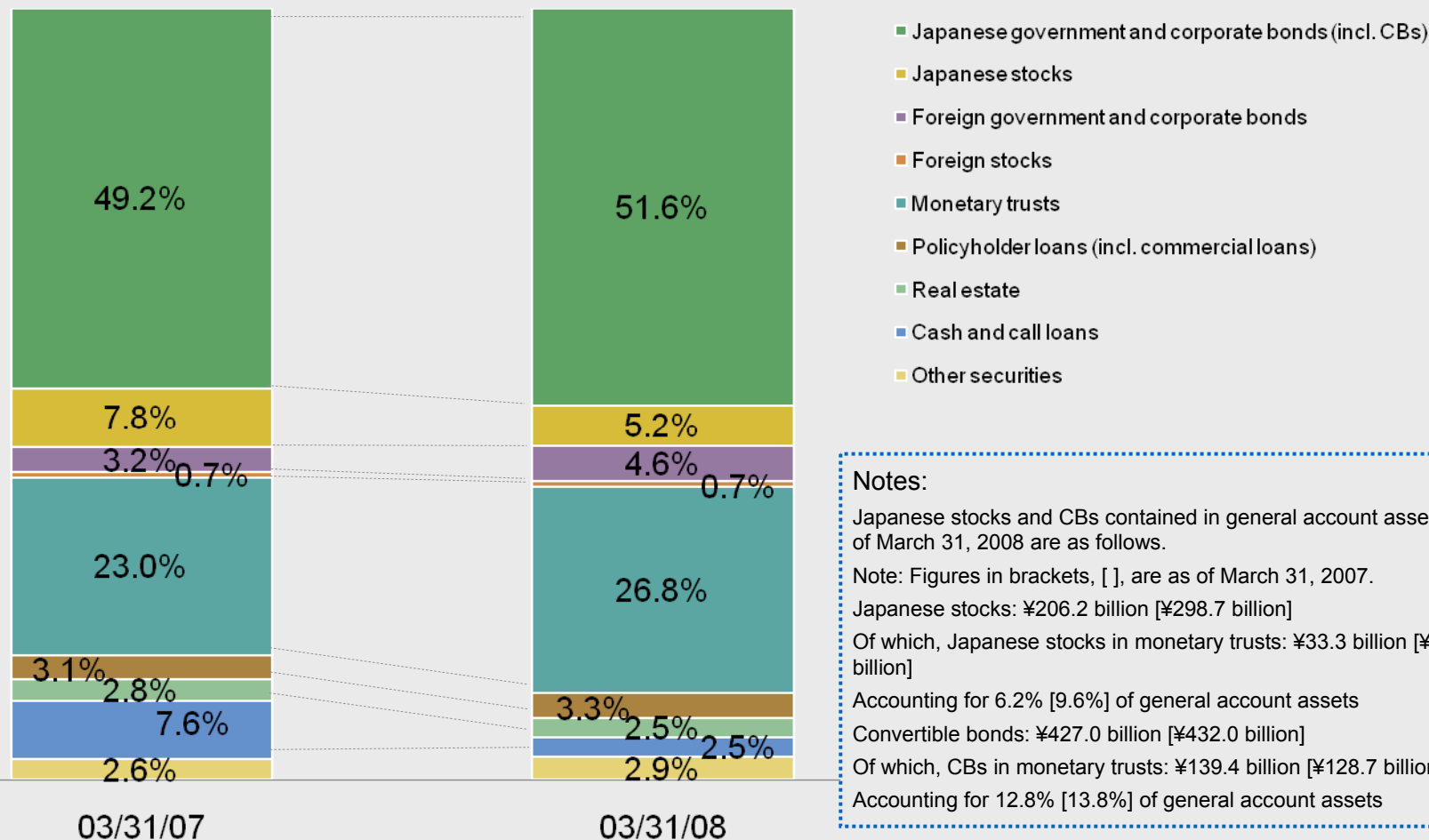
Solvency Margin Ratio



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

Sony Life Operating Performance (7)

Breakdown of General Account Assets (March 31, 2008 vs. March 31, 2007)



Valuation Gains or Losses on General Account Assets (March 31, 2008 vs. March 31, 2007)

(Billions of yen)

	03/31/07	03/31/08	Change
Japanese government and corporate bonds	57.1	83.4	26.3
Japanese stocks	130.0	50.8	(79.1)
Foreign securities	4.2	(95)	(13.7)
Other securities	6.8	3.0	(3.8)
Total	198.2	127.8	(70.4)

Line item amounts are truncated below ¥100 million.

Additional Information Concerning Major Fluctuations

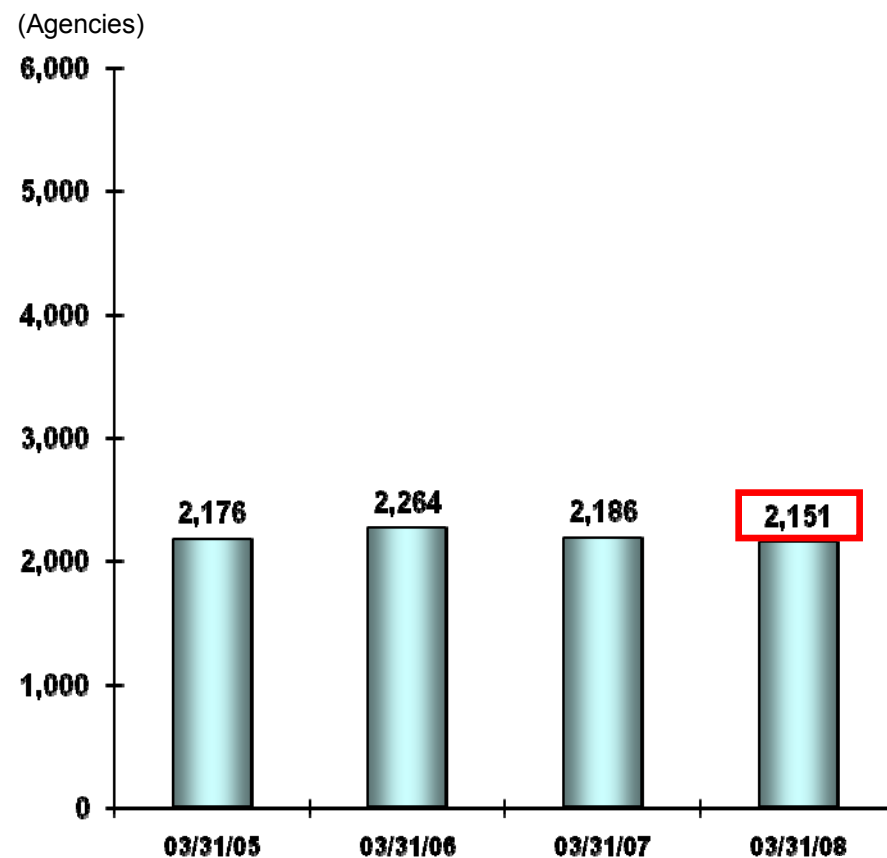
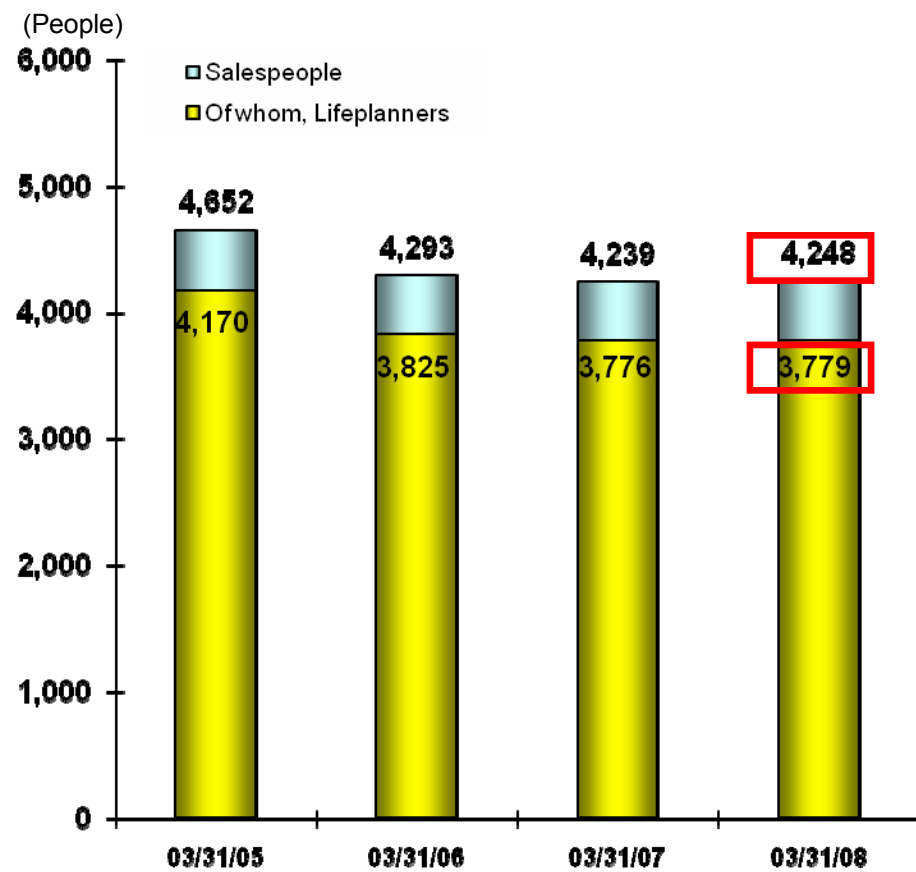
■ Lower interest rates caused an increase in valuation gains on Japanese government and corporate bonds. However, a downturn in the Japanese stock markets resulted in declines in the market value of Japanese stocks held, resulting in a substantial decline in valuation gains.

■ The company holds no securitized products backed by U.S. subprime loans.

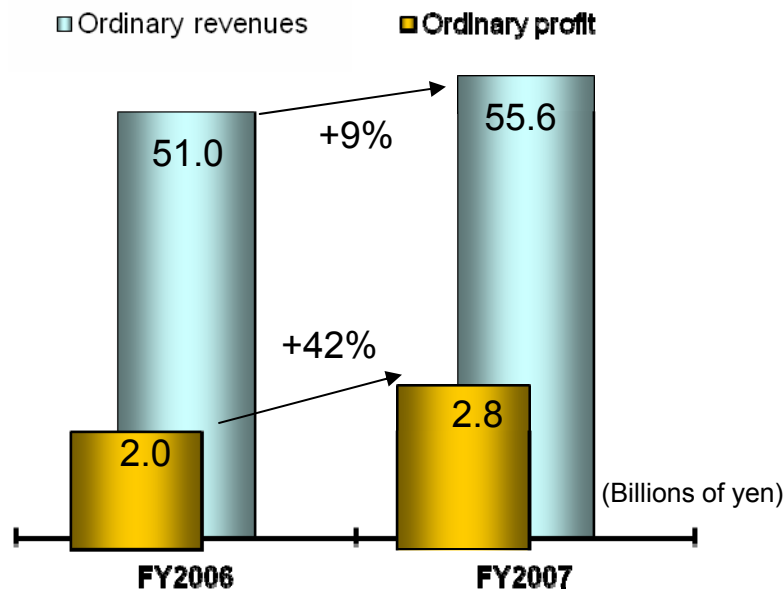
Sony Life Operating Performance (9)

Number of Lifeplanners and Other Salespeople

Independent Agents



Highlights of Operating Performance: Sony Assurance



Sony Assurance

- ◆ Revenues and profit up compared with FY2006
- ◆ Net premiums written up 9%, to ¥55.0 billion, owing to increase in number of policies for mainstay automobile insurance
- ◆ In addition to an increase in net premiums written up, the loss ratio was stable, resulting in ordinary profit of ¥2.8 billion
- ◆ Combined ratio improved 0.4 percentage point, to 80.3%

(Billions of yen)	FY2006	FY2007	Change	
Ordinary revenues	51.0	55.6	+4.6	+9%
Underwriting income	50.4	55.0	+4.5	+9%
Investment income	0.4	0.5	+0.1	+22%
Ordinary expenses	48.9	52.8	+3.8	+8%
Underwriting expenses	36.4	38.9	+2.5	+7%
Investment expenses	0.0	0.0	+0.0	+82%
Operating, general and administrative expenses	12.4	13.8	+1.3	+11%
Ordinary profit	2.0	2.8	+0.7	+38%
Net income	1.5	2.1	+0.5	+37%
Securities	51.1	56.2	5.0	+10%
Policy reserves	36.1	42.7	6.6	+18%
Total net assets	13.3	15.3	+2.0	+15%
Total assets	67.4	78.6	+11.1	+17%

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

Overview of Performance: Sony Assurance

(Billions of yen)

	FY2006	FY2007	Change
Direct premiums written	50.1	54.6	+9%
Net premiums written	50.4	55.0	+9%
Net losses paid	24.1	26.2	+9%
Underwriting profits	1.6	2.2	+41%
Net loss ratio	53.6%	53.5%	0.1 pt improvement
Net expense ratio	26.3%	26.7%	0.4 pt improvement
Combined ratio	79.9%	80.3%	0.4 pt up
Solvency margin ratio	1,009.7%	1,073.9%	64.2 pt up
Number of policies in force	0.93 million	1.02 million	+ 10%

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

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

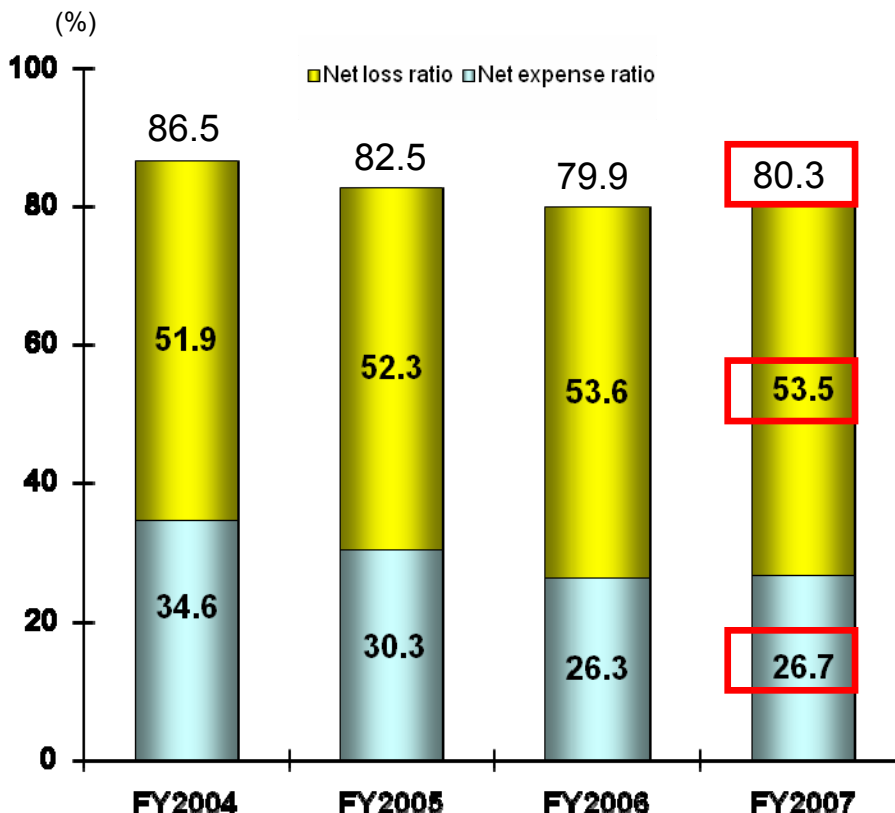
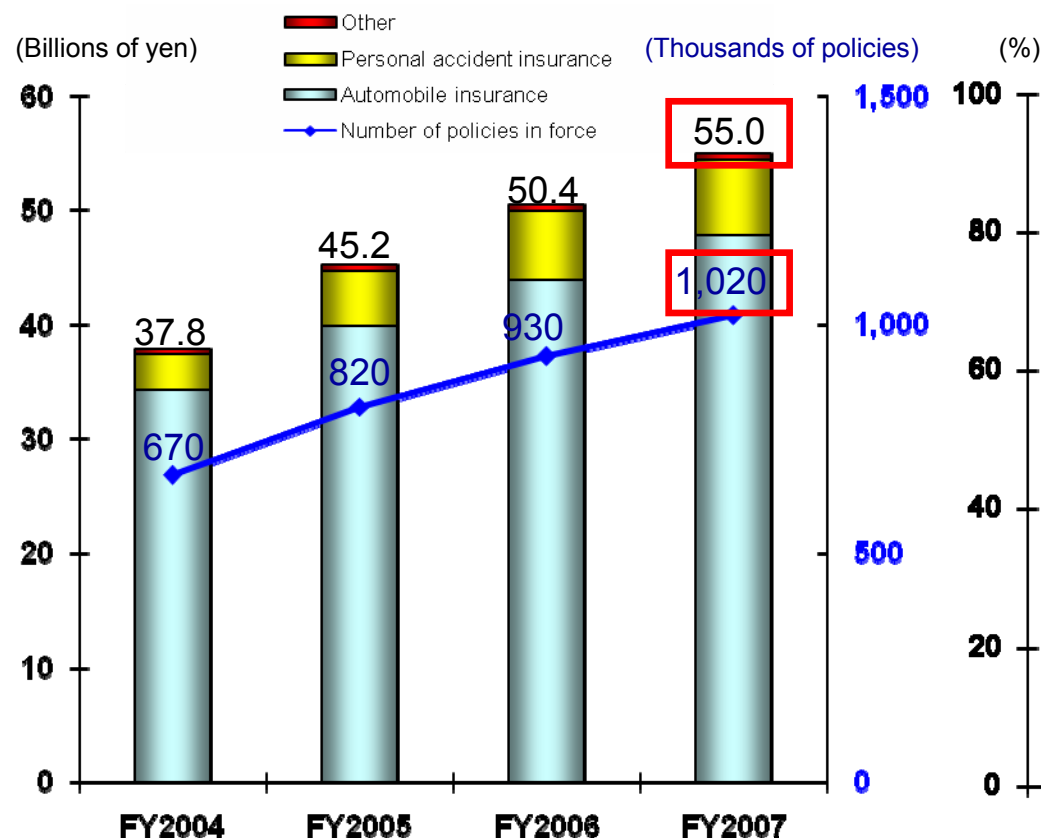
Net loss ratio = (Net losses paid + expenses incurred in surveying damages) ÷ net premiums written

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

Sony Assurance Operating Performance (1)

Net Premiums Written and Number of Policies in Force

Combined Ratio



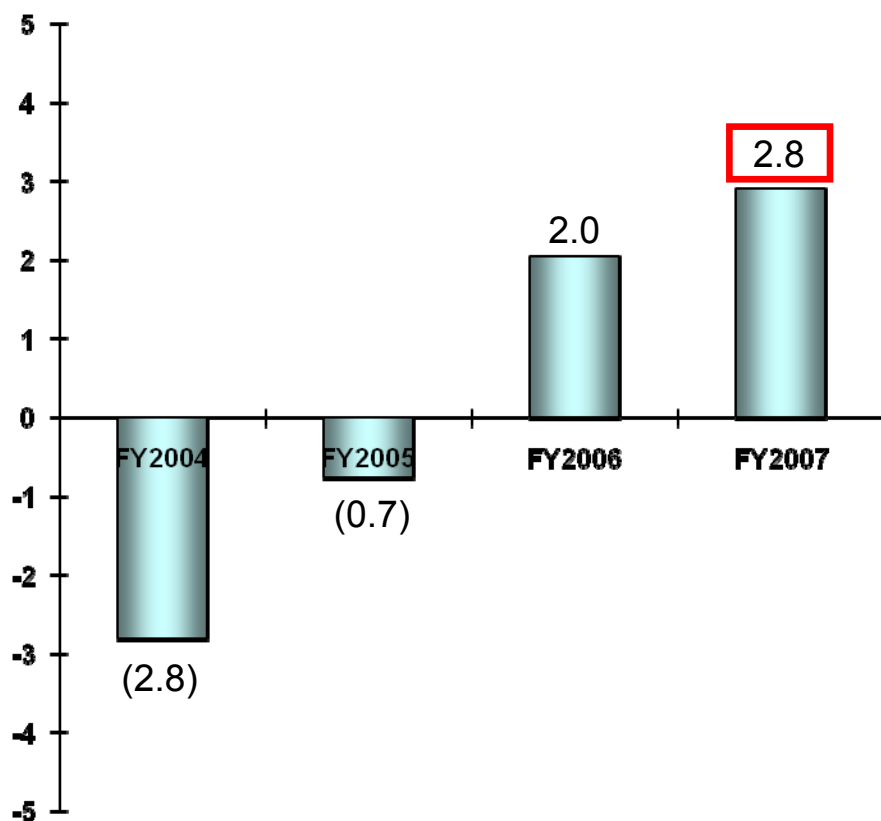
The number of policies in force is the total of automobile insurance and medical and cancer insurance, which accounts for 99% of net premiums written. Most personal accident insurance is medical and cancer insurance. Line item amounts are truncated below ¥100 million for net premiums written and rounded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

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

Sony Assurance Operating Performance (2)

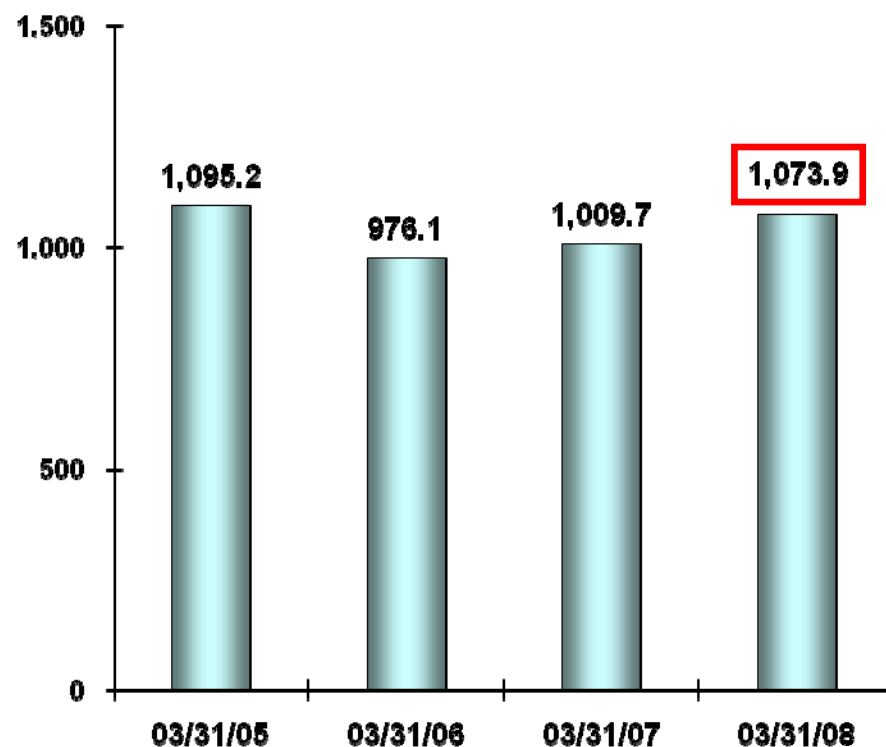
Ordinary Profit (Loss)

(Billions of yen)



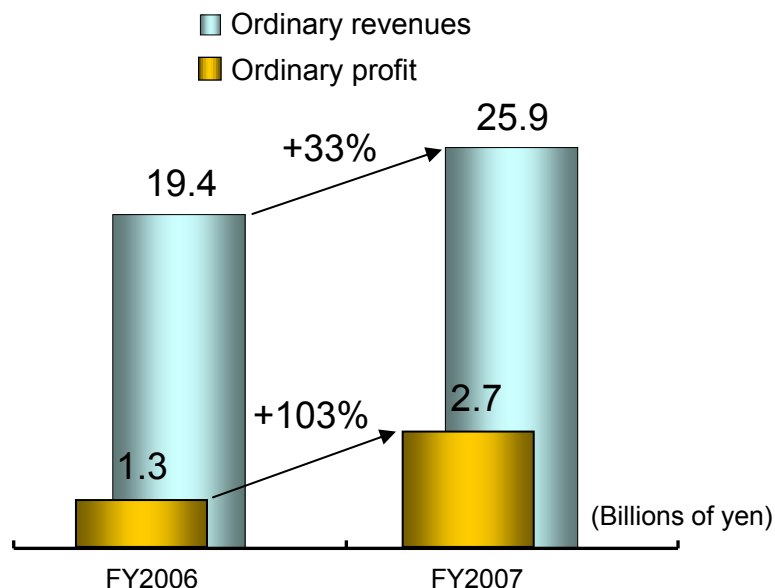
Solvency Margin Ratio

(%)



Line item amounts are truncated below ¥100 million.

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



Sony Bank

- ◆ Revenues and profit were both up, compared with FY2006
- ◆ Net interest income and net other operating income increased, owing mainly to higher interest on loans—stemming from a higher mortgage loan balance—and higher market investment income
- ◆ Net income amounted to ¥4.4 billion, owing to an increase in deferred income taxes
- ◆ Gross operating profit totaled ¥10.9 billion; the sum of net interest income of ¥5.1 billion, net fees and commissions of ¥0.3 billion and net other operating income of ¥5.4 billion. General and administrative expenses were up slightly, to ¥8.1 billion
- ◆ Customer assets were up ¥398.4 billion, compared with March 31, 2007, to ¥1,247.3 billion

(Billions of yen)	FY2006	FY2007	Change	
Ordinary revenues	19.4	25.9	+6.5	+33%
Gross operating profit	9.0	10.9	+1.9	+21%
Net interest income	4.5	5.1	+0.5	+11%
Net fees and commissions	0.5	0.3	(0.1)	(28)%
Net other operating income	3.9	5.4	+1.5	+40%
General and administrative expenses	7.6	8.1	+0.4	+6%
Ordinary profit	1.3	2.7	+1.3	+103%
Net income	1.0	4.4	+3.4	+339%
Securities	381.2	488.7	+107.5	+28%
Loans	284.7	347.0	+62.3	+22%
Deposits	752.3	1,144.3	+392.0	+52%
Customer assets	848.8	1,247.3	+398.4	+47%
Total net assets	36.8	35.7	(1.1)	(3)%
Total assets	806.8	1,211.0	+404.1	+50%

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

Overview of Performance: Sony Bank (Non-Consolidated)

(Billions of yen)

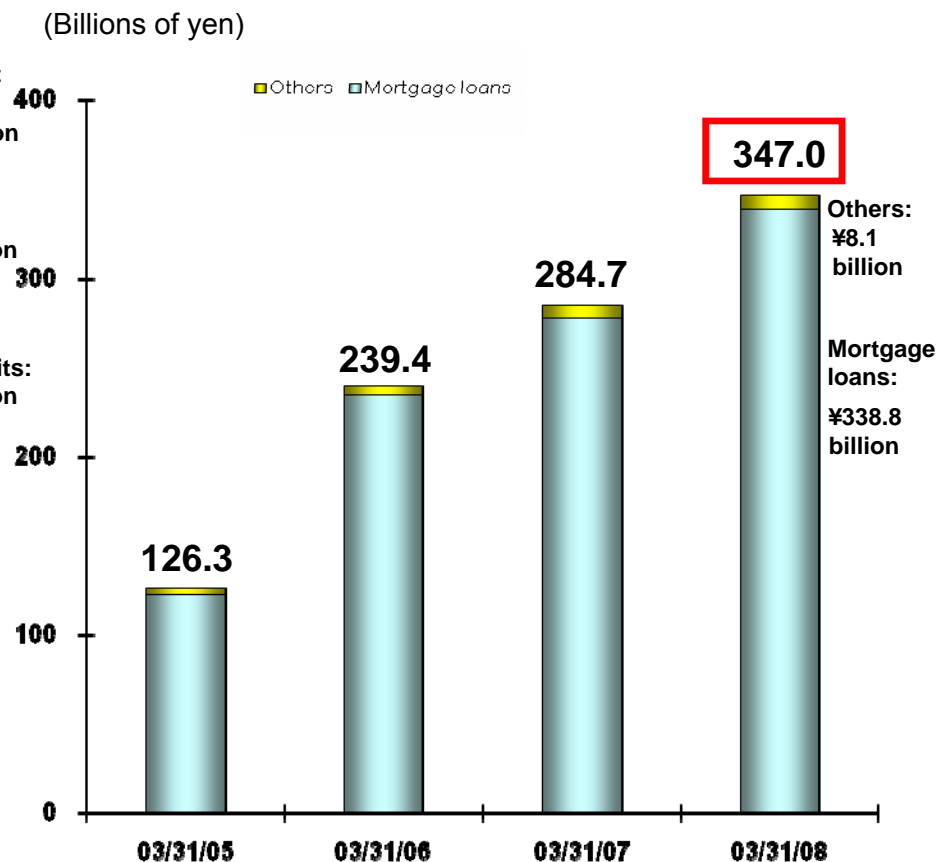
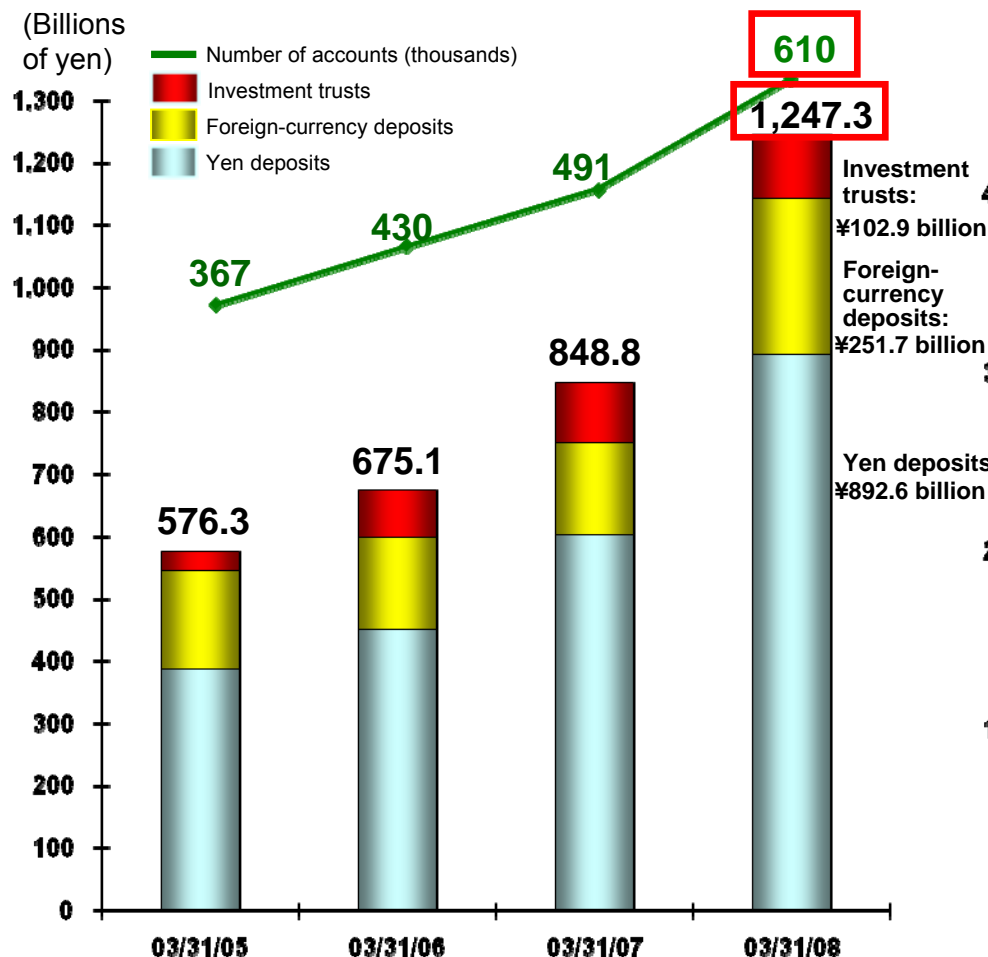
	FY2006	FY2007	Change
Gross operating profit	9.0	10.9	+ 21%
General and administrative expenses	7.6	8.1	+ 6%
Net operating profit	1.3	2.8	+ 107%
Ordinary profit	1.3	2.7	+ 103%
Customer assets	848.8	1,247.3	+ 47%
Of which, FY2007 increase	173.7	398.4	+ 129%
Loans	284.7	347.0	+ 22%
Of which, FY2007 increase	45.2	62.3	+ 38%
Capital adequacy ratio (domestic criteria)	11.49%	9.15%	(2.34)pt
Number of accounts	491 thousand	610 thousand	+ 24%
Of which, FY2007 increase	61 thousand	118 thousand	+ 57 thousand

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

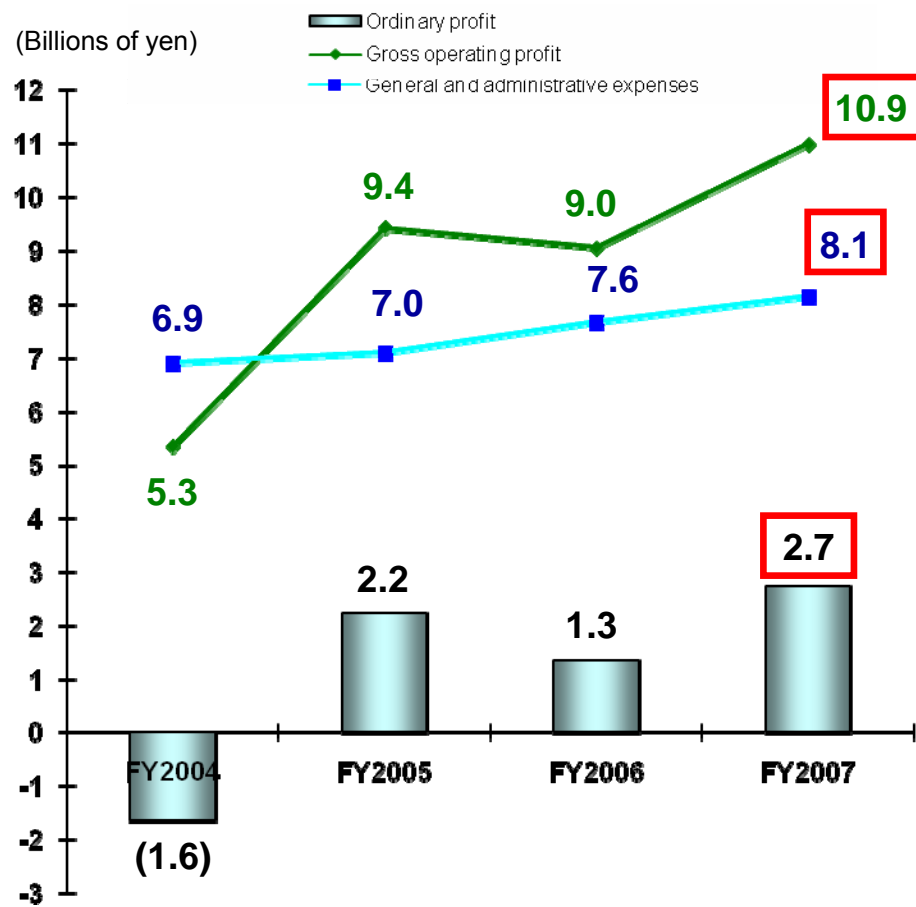
Loans



Amounts are truncated below ¥100 million.

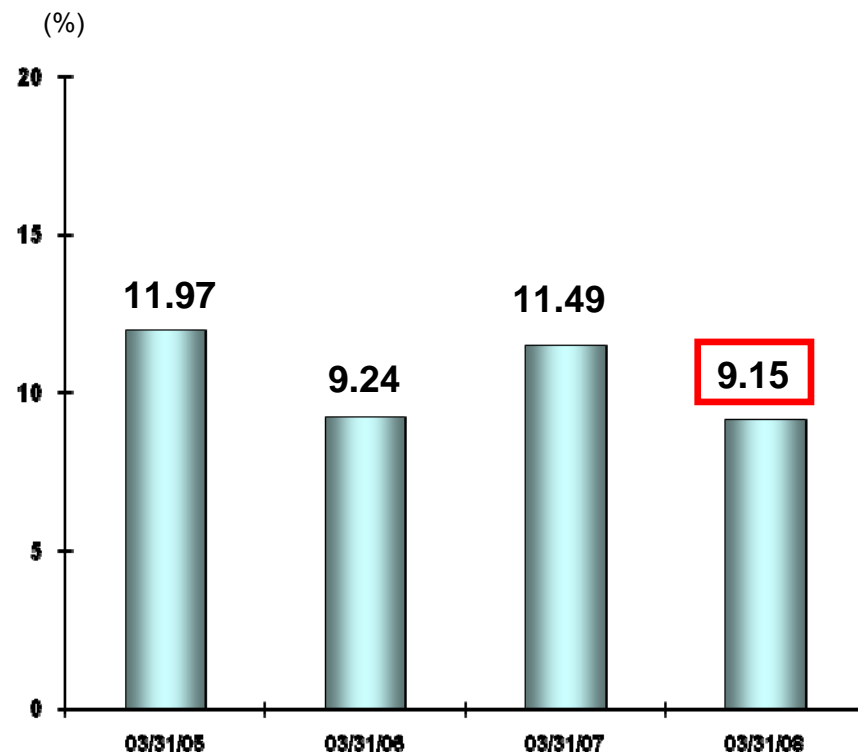
Sony Bank Operating Performance (2)

Gross Operating Profit, General and Administrative Expenses, Ordinary Profit



Amounts are truncated below ¥100 million.

Capital Adequacy Ratio (Domestic Criteria)



Notes: On April 23, 2008, Sony Financial Holdings increased Sony Bank's capital by accepting an allocation of new shares.

Capital adequacy ratios as of March 31, 2007 and March 31, 2008 were calculated based on the standard stipulated in the Financial Services Agency Public Announcement No. 19 of 2006. The capital adequacy ratios up to and including those for March 31, 2006 were calculated based on the standard stipulated in the former public announcement.

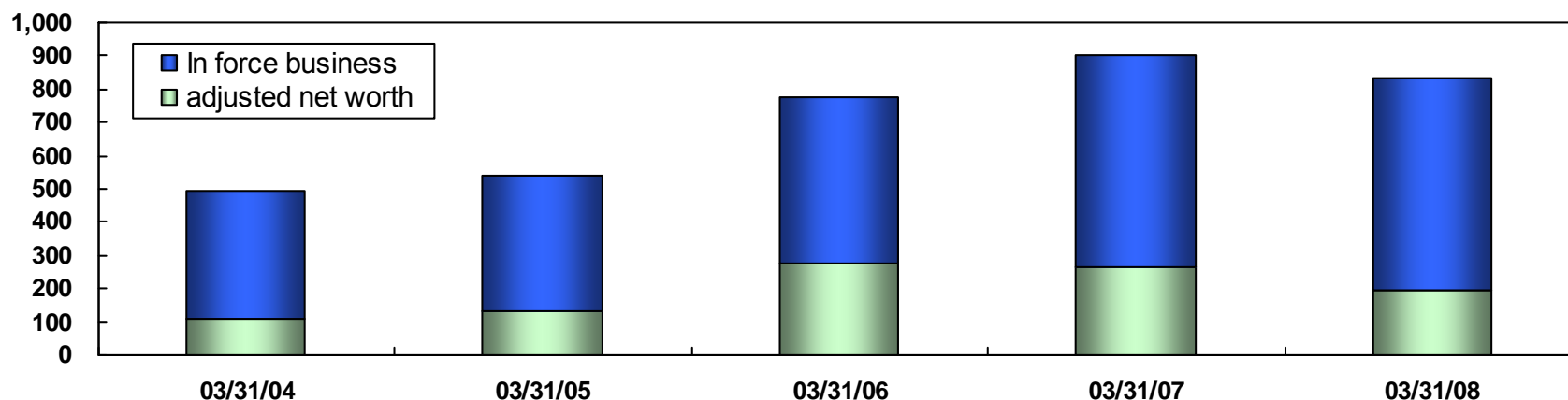
Sony Life's Embedded Value (EV)

Overview of Embedded Value in FY2007

- EV came to ¥833.8 billion, down ¥66.7 billion from March 31, 2007.
- The value of in-force business was ¥638.9 billion, up ¥0.1 billion from March 31, 2007, and adjusted net worth was ¥194.8 billion, down ¥66.9 billion.
- EV of new policies during FY2007 amounted to ¥28.9 billion, down ¥7.8 from March 31, 2007.

Embedded Value

(Billions of yen)



(Billions of yen)

	03/31/04	03/31/05	03/31/06	03/31/07	03/31/08
Total EV	492.0	539.3	776.1	900.5	833.8
In-force business	381.7	409.6	499.8	638.8	638.9
Adjusted net worth	110.2	129.7	276.3	261.7	194.8
Of which, EV of new policies	38.9	38.1	34.2	36.7	28.9

Source: Sony Life

Note: Assumptions and calculation methods differ for EV calculated as of March 31, 2004, March 31, 2005, March 31, 2006, March 31, 2007, and March 31, 2008.

EV: Assumptions and Movement Analysis

Major Assumptions Employed in Calculating EV at March 31, 2008

Discount rate	6.0%
Investment yield on new investments	Investment yield on new investments is based on implied forward rates, assuming Sony Life makes all new investments only in Japanese government bonds.
Mortality and morbidity rates	Based on Sony Life's experience over the three most recent fiscal years (FY2005–FY2007)
Lapse and surrender rate	Based on Sony Life's experience over the three most recent fiscal years (FY2005–FY2007)
Operating expenses (unit costs)	Calculated using the cost (unit cost) for the maintenance and administration of policies and for payments of claims based on Sony Life's experience during the most recent fiscal year (FY2007)
Effective tax rate	Based on the most recent effective tax rate (based on the rate for FY2007)
Solvency margin ratio	For the purpose of calculating the cost of capital, maintenance of a solvency margin ratio of 600% was assumed.

Movement Analysis of EV from March 31, 2007

(Billions of yen)

EV as of March 31, 2007	900.5
Shareholder dividends	(6.5)
Release from the value of in-force business*	38.1
EV of new policies for the year ended March 31, 2008	28.9
Difference between assumptions and actual results for the year ended March 31, 2008	(113.2)
Difference from changes in the assumptions	(14.1)
EV as of March 31, 2008	833.8

* This item corresponds to unwinding of the amount of discount for one year made as of March 31, 2007 on the value of in-force business.

EV Sensitivity at March 31, 2008

(Billions of yen)

		Amount of Increase (Decrease)	EV Amount
Discount rate	From 6.0% to 5.0%	83.1	916.9
	From 6.0% to 7.0%	(67.5)	766.3
Solvency margin ratio	From 600% to 500%	7.7	841.5
	From 600% to 700%	(8.6)	825.2
Investment yield: +0.25%*	On total investments	59.1	892.8
	On new investments	34.8	868.6
Investment yield: -0.25%*	On total investments	(61.2)	772.5
	On new investments	(35.0)	798.7
Mortality and morbidity	Assumption x 1.1	(65.3)	768.5
Lapse and surrender rate	Assumption x 1.1	(16.1)	817.7
Operating expenses (unit cost to maintain policy)	Assumption x 1.1	(6.5)	827.2

* The impact of changes in investment yield assumptions is shown after taking into account the impact on policyholders' dividends.

EV: Breakdown of Adjusted Net Worth

Breakdown of Adjusted Net Worth

(Billions of yen)

	As of March 31, 2008	As of March 31, 2007	Change
Adjusted net worth	194.8	261.7	(66.9)
Total net assets*	136.9	207.6	(70.7)
Reserve for price fluctuations	24.1	20.9	3.2
Contingency reserve	61.8	59.0	2.8
Reserve for possible loan losses	0.0	0.0	0.0
Net unrealized gains on land	8.4	6.8	1.6
Unfunded employees' retirement benefits liability	(3.5)	(1.9)	(1.6)
Deferred tax assets corresponding to preceding five items	(32.9)	(30.7)	(2.2)

* Excluding net unrealized gain on bonds except for convertible and certain other bonds

EV: Major Assumptions (Investment Yield)

Investment Yield on New Investments

The implied forward rates that were used are as follows.

FY	Investment Yield
2008	0.57%
2009	0.61%
2010	0.81%
2011	0.98%
2012	0.98%
2017	2.78%
2022	3.18%
2027	3.50%
2032	3.40%
2037	3.51%

Investment Yield on Existing Assets

The weighted average investment yields on new investments and existing assets that were used are as follows.

FY	Investment Yield
2008	1.92%
2009	1.88%
2010	1.89%
2011	1.91%
2012	1.88%
2017	2.90%
2022	3.24%
2027	3.66%
2032	3.63%
2037	3.77%

Key Management Benchmarks

Key Management Benchmarks (1)

- Consolidated ordinary revenues, consolidated ordinary profit and consolidated net income
- Consolidated adjusted ROE

Perspective on Consolidated Adjusted ROE

Sony Financial Holdings Group						
Sony Life		Sony Assurance		Sony Bank		
Numerator	Net increase in EV plus dividend Note: Changes in provision for contingency reserves and the future value of existing policies are added to net income.	+	Net income + Increase in provision for special catastrophe reserves (after tax) + Increase in reserve for price fluctuations (after tax)	+	Net income	
Denominator	The average of (EV at previous fiscal year-end minus dividend plus EV at current fiscal year-end) Note: The contingency reserve and the future value of existing policies are added to stockholders' equity or net assets.	+	The average of (net assets + special catastrophe reserve and reserve for price fluctuations (after-tax)) as of the previous fiscal year-end and the current fiscal year-end	+	The average of net assets as of the previous fiscal year-end and the current fiscal year-end	

Note: Calculations take dividends and taxes into consideration.

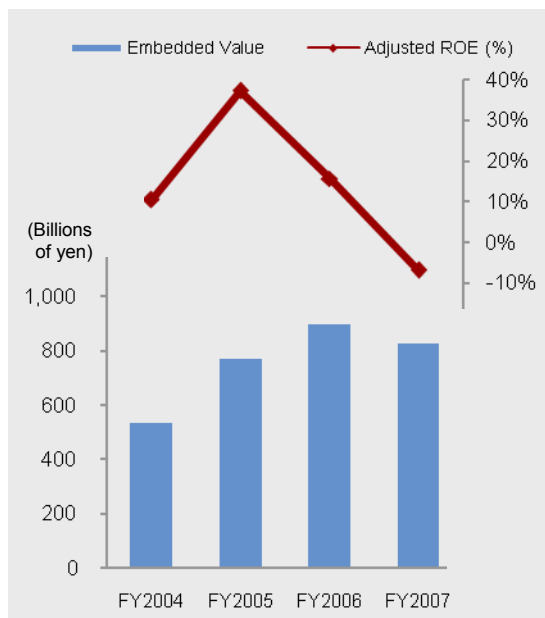
Key Management Benchmarks (2)

Key Management Benchmarks

- Consolidated ordinary revenues, consolidated ordinary profit and consolidated net income
- Consolidated adjusted ROE

(Millions of yen, %)	FY2004	FY2005	FY2006	FY2007
Consolidated ordinary revenues	653,259	758,711	759,280	822,153
Consolidated ordinary profit	12,269	25,377	18,354	44,500
Consolidated net income	6,375	11,537	10,021	24,255
Consolidated adjusted ROE	8.0%	35.1%	15.2%	(5.7%)

Sony Life Embedded Value and Adjusted ROE



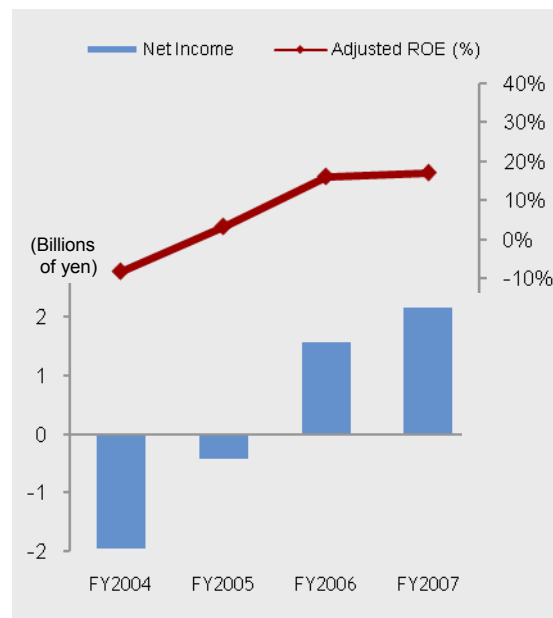
Source: Sony Life

Notes: Calculation of Adjusted ROE

Numerator: Net increase in EV plus dividend

Denominator: The average of (EV at previous fiscal year-end — dividend + EV at current fiscal year-end)

Sony Assurance Net Income and Adjusted ROE



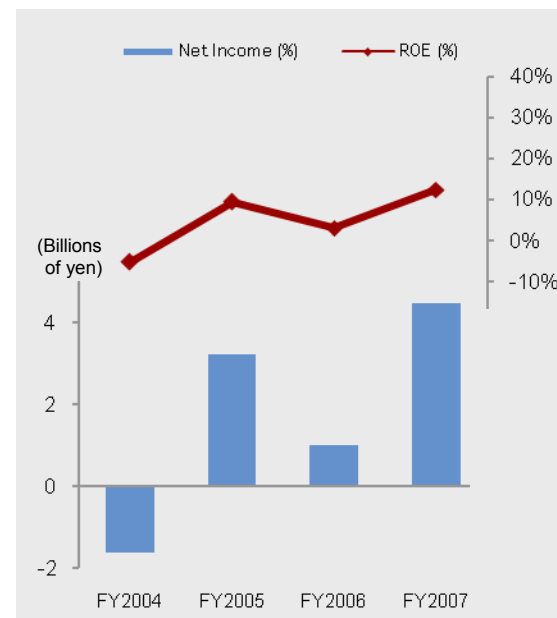
Source: Sony Assurance

Notes: Calculation of Adjusted ROE

Numerator: Net income plus an increase in provision for special catastrophe reserves (after-tax) and an increase in reserve for price fluctuations (after-tax)

Denominator: The average of (shareholders' equity or net assets + special catastrophe reserve and reserve for price fluctuations (after-tax)) as of the previous fiscal year-end and the current fiscal year-end

Sony Bank Net Income and ROE



Source: Sony Bank

Notes: Calculation of ROE:

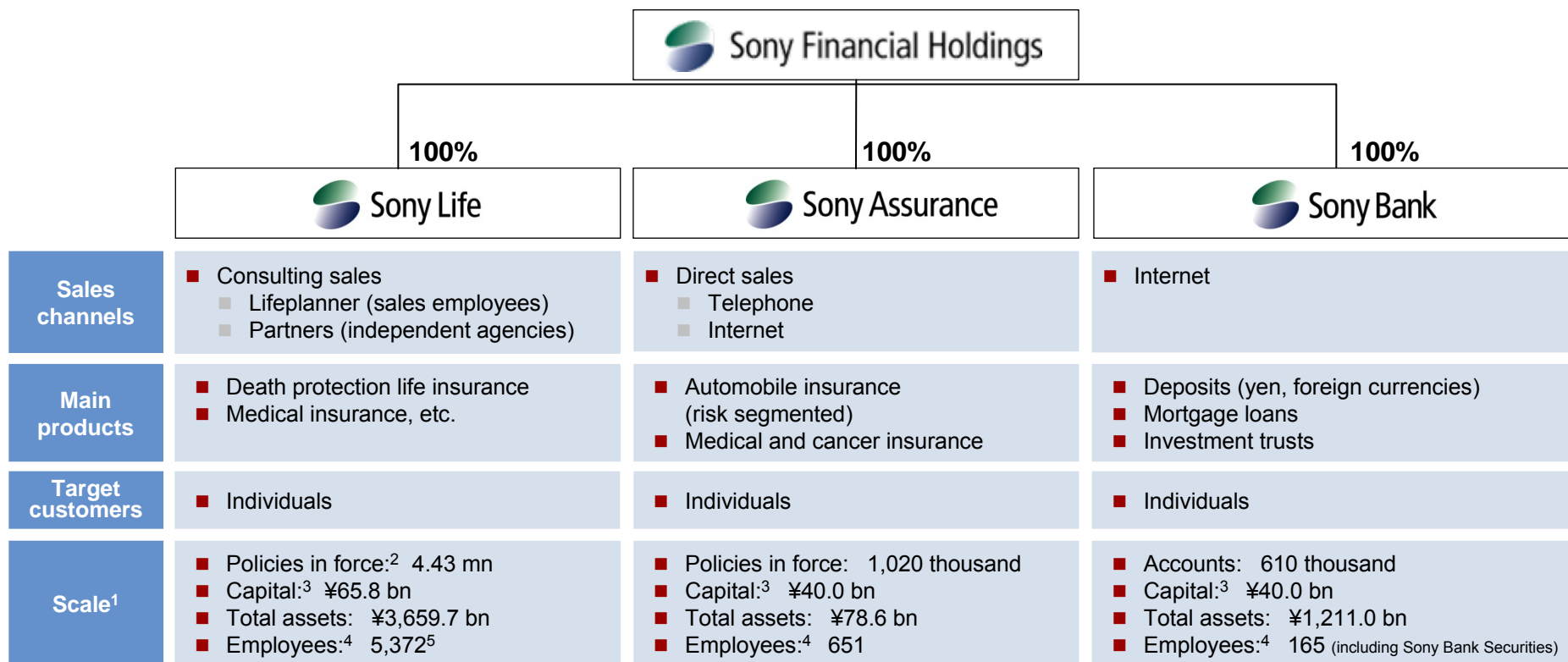
Numerator: Net income

Denominator: The average of shareholders' equity or net assets as of the previous fiscal year-end and the current fiscal year-end

Management Vision for FY2008

About the Sony Financial Holdings Group

The Sony Financial Holdings Group aims to integrate the diverse functions that are inherent to such financial services as savings, investment, borrowing and protection; offer high-value added products and quality services that meet individual customers' economic needs; and become one of the most trusted financial services groups.



¹ As of March 31, 2008.

² Sony Life's policies in force are for individual life insurance and individual annuities.

³ The amounts of capital above include capital surplus.

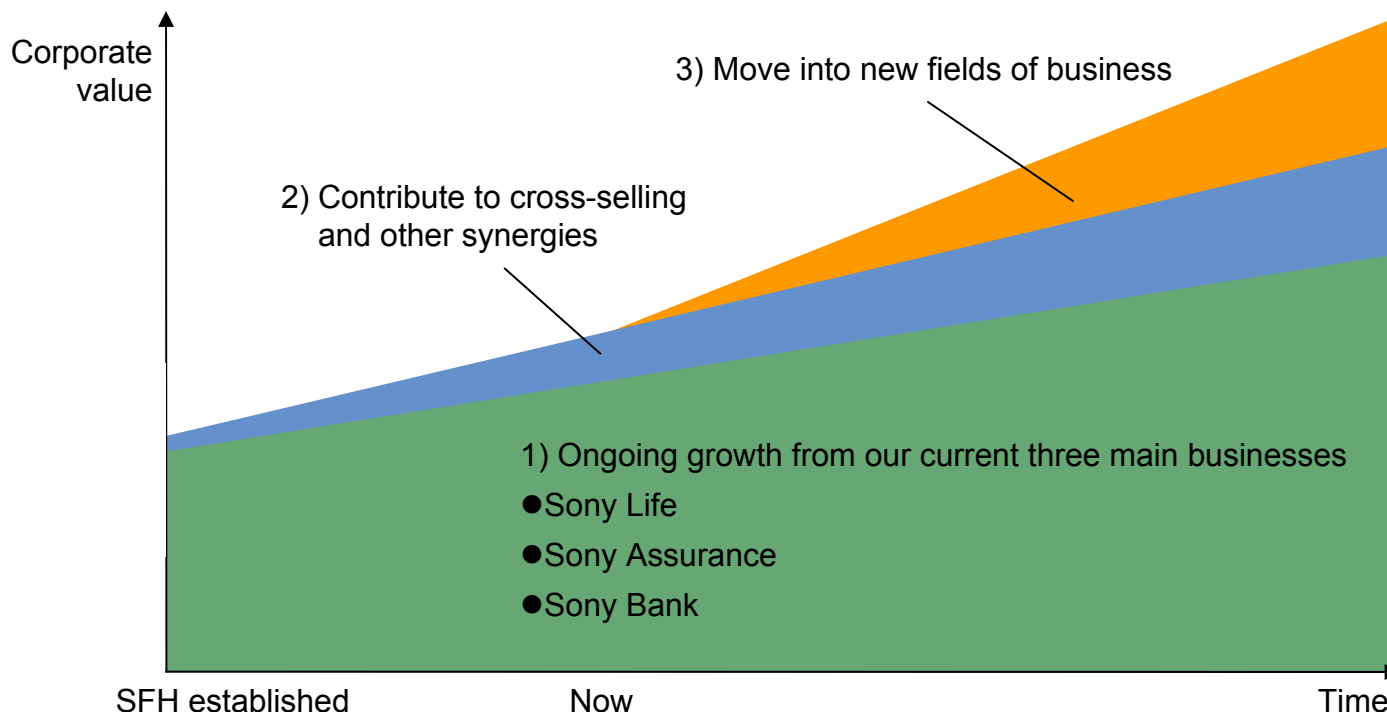
⁴ Employee numbers indicate the number of employees in each of the Company's business segments.

⁵ Lifeplanners: 3,779

⁶ Other consolidated subsidiaries include Sony Life (Philippines) and Sony Bank Securities

Views on Raising Corporate Value

- Value Creation =
Raising the value of each of the three financial companies + synergy + moving into new fields of business
- In addition to raising corporate value through the steady growth of all three companies, we will foster cross-selling and other synergies within Group companies, as well as move into new fields of business. As a result, we will raise the corporate value of the SFH Group.



Ongoing Growth in Each of Our Three Existing Businesses



Today's Topics for Explanation

1. Overview of Sony Life

2. Sony Life's Operating Performance

3. Sony Life's Medium-Term Strategies

Mission

To work for customers' financial security and stability by offering optimal life insurance products and high-quality services.

Basic Management Philosophy

Meet customer expectations and earn their trust by providing customers with satisfactory, high-quality services.

Always meet changes in the environment by proactively taking on new challenges, and stay ahead of demands through innovative management that anticipates emerging needs.

Respect the individuality of employees and employ their skills and aptitudes appropriately, thereby creating an unconstrained workplace and maintaining a dynamic organization.

Corporate Vision



- Sony Life has expanded its market share by offering primarily death protection life insurance, tailored to each customer through consulting-based sales and detailed after-sale follow-up services

Main markets and customers

- Main markets
 - Center on the field of death protection, where profitable and highly stable consulting-based sales are effective
 - Also make an early entry into third-sector areas that offer high profitability and growth potential
- Main customers
 - Heads of families in their 30s and 40s, for whom consulting sales activities work well
 - Also focus on small and medium-sized companies

Sales channels

- Sales force with strong consulting skills
- Lifeplanner sales employees /Partners (independent agencies)
 - Special knowledge and abundant experience
 - High morale and motivation
 - High productivity

Strengths

- Offering insurance tailored to each customer through consulting-based sales and detailed after-sale follow-up services
 - Stable acquisition of new policies
 - Low lapse and surrender rate and a steady increase in policies in force
 - Maintaining a high level of customer satisfaction and earning us high evaluations from the media and other third parties
- Robust financial health

Today's Topics for Explanation

1. Overview of Sony Life

2. Sony Life's Operating Performance

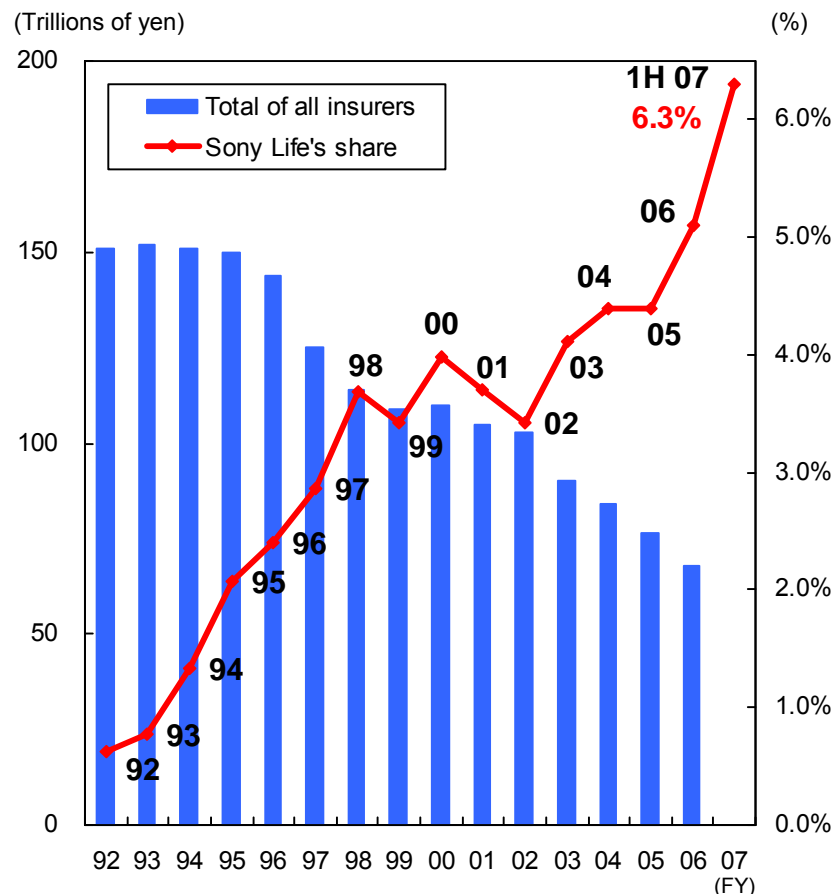
3. Sony Life's Medium-Term Strategies

Sony Life: Market Position (1) Share

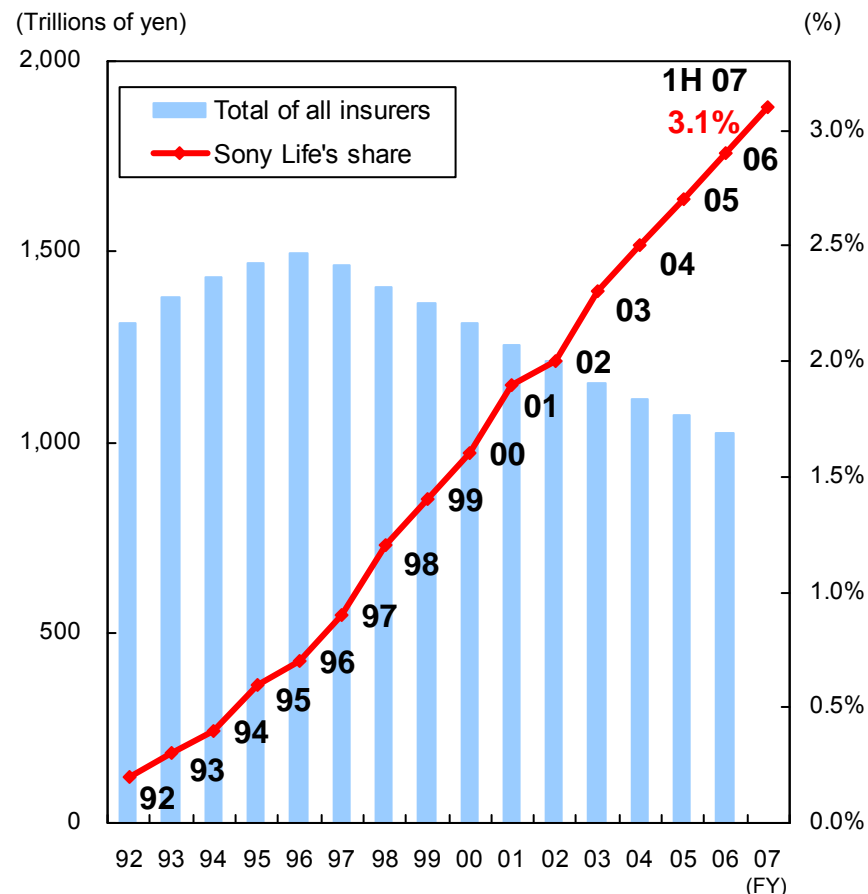


■ Despite a shrinking market, our share of new policy amount and policy amount in force is growing steadily

New Policy Amount (Individual Life Insurance)



Policy Amount in Force (Individual Life Insurance)



Source: Statistics of Life Insurance Business in Japan

Source: Statistics of Life Insurance Business in Japan

Note: New policy amount is calculated without adjusting for the impact of conversion.

Sony Life: Market Position (2) Industry Ranking



- Sony Life ranks sixth in new policy amount, and is closing in on the top five insurers
- Sony Life maintained its top net increase ranking

◆New Policy Amount* Ranking

Ranking	Insurer	Result (YoY increase/ decrease)	Share (YoY increase/ Decrease)
1(1)	Nippon	3,655.5(63.6)	12.4(-3.2)
2(2)	Dai-ichi	3,599.5(81.4)	12.2(-1.1)
3(3)	Sumitomo	3,033.7(71.6)	10.3(-1.1)
4(5)	Daido	2,390.7(108.5)	8.1(+1.8)
5(4)	Meiji Yasuda	2,165.0(87.5)	7.4(-0.1)
6(6)	Sony Life	1,849.3(110.1)	6.3(+1.2)
7(8)	ALICO	1,431.2(102.7)	4.9(+0.7)
8(7)	Prudential	1,275.2(93.6)	4.3(-0.2)
9(9)	Fukoku	1,025.1(88.1)	3.5(+0.1)
10(10)	Tokio	986.8(109.3)	3.4(+0.4)

◆Policy Amount in Force

Ranking	Insurer	Result (YoY increase/ decrease)	Share (YoY increase/ Decrease)
1(1)	Nippon	214,187.5(92.9)	21.4(-0.3)
2(2)	Dai-ichi	171,175.1(95.5)	17.1(±0.0)
3(3)	Sumitomo	136,482.7(93.9)	13.6(-0.1)
4(4)	Meiji Yasuda	120,007.0(92.9)	12.0(-0.1)
5(5)	Asahi	42,054.2(91.2)	4.2(-0.1)
6(7)	Daido	38,657.3(99.8)	3.9(+0.2)
7(6)	Mitsui	38,454.2(90.7)	3.8(-0.1)
8(8)	Fukoku	32,372.2(97.0)	3.2(±0.0)
9(9)	Sony Life	30,643.7(103.9)	3.1(+0.2)
10(10)	Prudential	25,147.5(105.0)	2.5(+0.1)

◆Net Increase

Ranking	Insurer	Result
1(3)	Sony Life	605.6
2(2)	ALICO	517.5
3(4)	Tokio	423.4
4(1)	Prudential	369.9
5(10)	Mitsui Sumitomo	278.6
6(6)	Aflac	269.3
7(5)	Himawari	264.3
8(28)	Daido	176.9
9(7)	Nipponkoa	88.8
10(8)	Aioi	78.6

* Excluding on rollover basis All-company total down 14.7% year on year

All-company total down 4.5% year on year

Notes: Comparisons for the first half of FY2007

Individual insurance (Units in billions of yen, %)

Source: Materials officially disclosed by individual insurers

Sony Life: Revenue and Profit Structure (1)

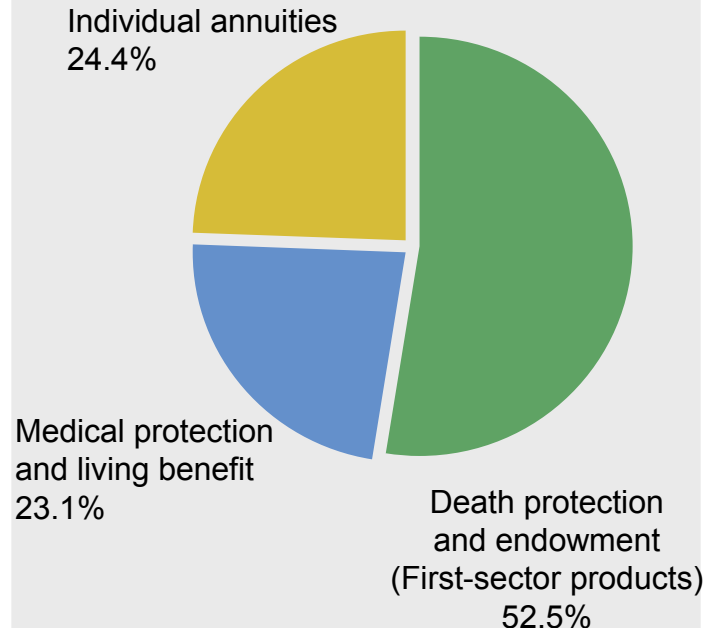
Product Portfolio



- Product portfolio, centering on death protection

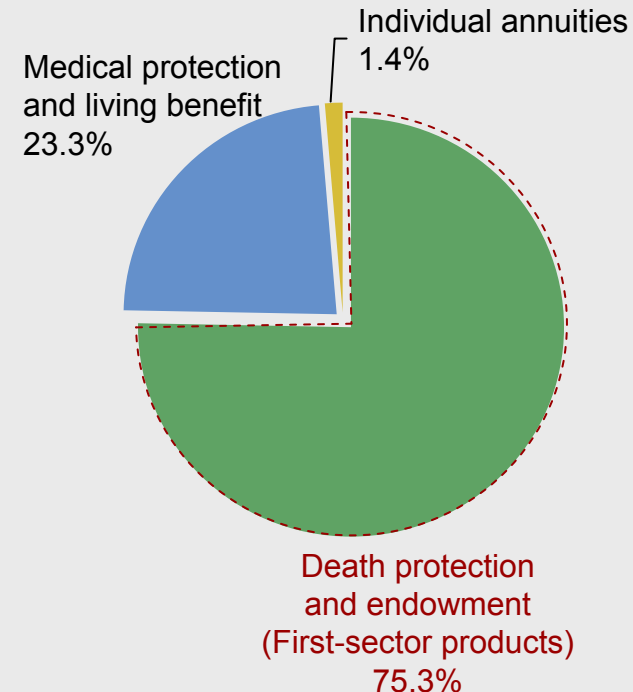
Industrywide Product Portfolio
(As of March 31, 2007)

Annualized premiums (Policy amount in force)



Sony Life's Product Portfolio
(As of March 31, 2007)

Annualized premiums (Policy amount in force)



Source: Statistics of Life Insurance Business in Japan

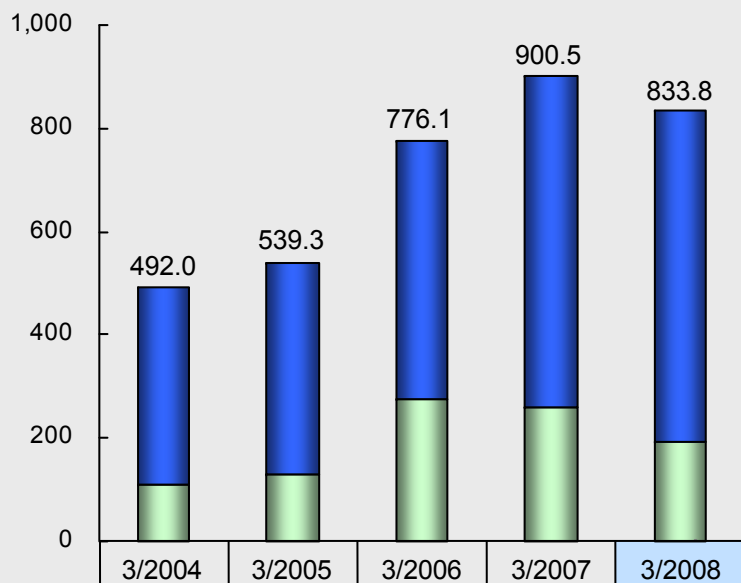
Sony Life: Revenue and Profit Structure (2) EV



- In general, Sony Life's EV, which is a measure of corporate value for life insurers, has been increasing, although EV declined in FY2007

Embedded Value

(Billions of yen)



Note: Assumptions and calculation methods differ for EV calculated in March 2004, March 2005, March 2006, March 2007 and March 2008.

EV Sensitivity at March 31, 2008

(Billions of yen)

		Amount of Increase (Decrease)	EV Amount
Discount rate	From 6.0% to 5.0%	83.1	916.9
	From 6.0% to 7.0%	(67.5)	766.3
Solvency margin ratio	From 600% to 500%	7.7	841.5
	From 600% to 700%	(8.6)	825.2
Investment yield: +0.25%*	On total investments	59.1	892.8
	On new investments	34.8	868.6
Investment yield: -0.25%*	On total investments	(61.2)	772.5
	On new investments	(35.0)	798.7
Mortality and morbidity	Assumption x 1.1	(65.3)	768.5
Lapse and surrender rate	Assumption x 1.1	(16.1)	817.7
Operating expenses (unit cost to maintain policy)	Assumption x 1.1	(6.5)	827.2

Today's Topics for Explanation

1. Overview of Sony Life

2. Sony Life's Operating Performance

3. Sony Life's Medium-Term Strategies

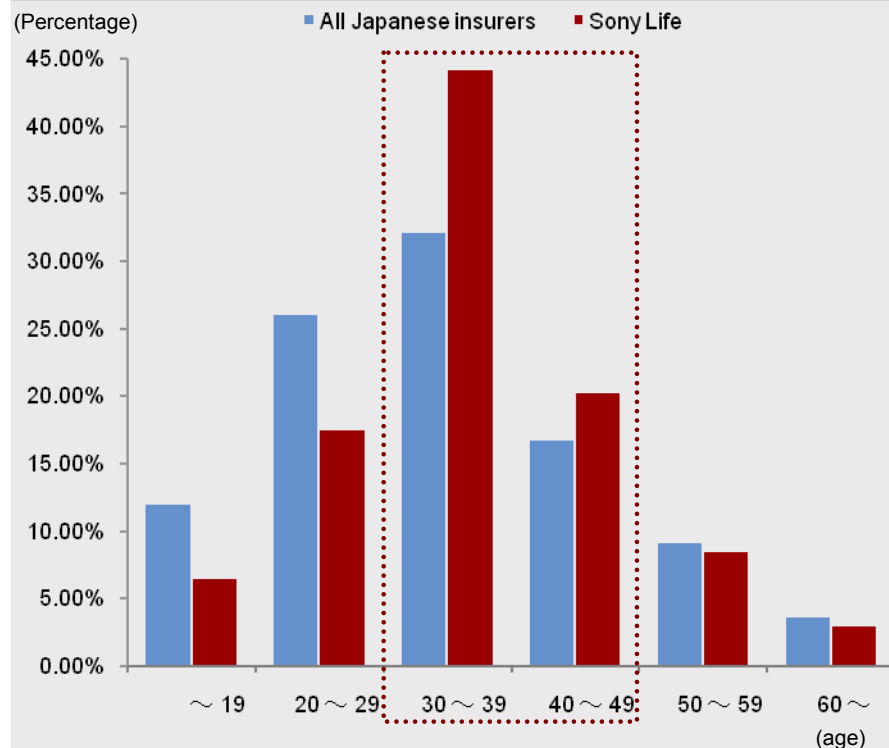
Sony Life: Future Management Policies (1)

Understanding the Environment



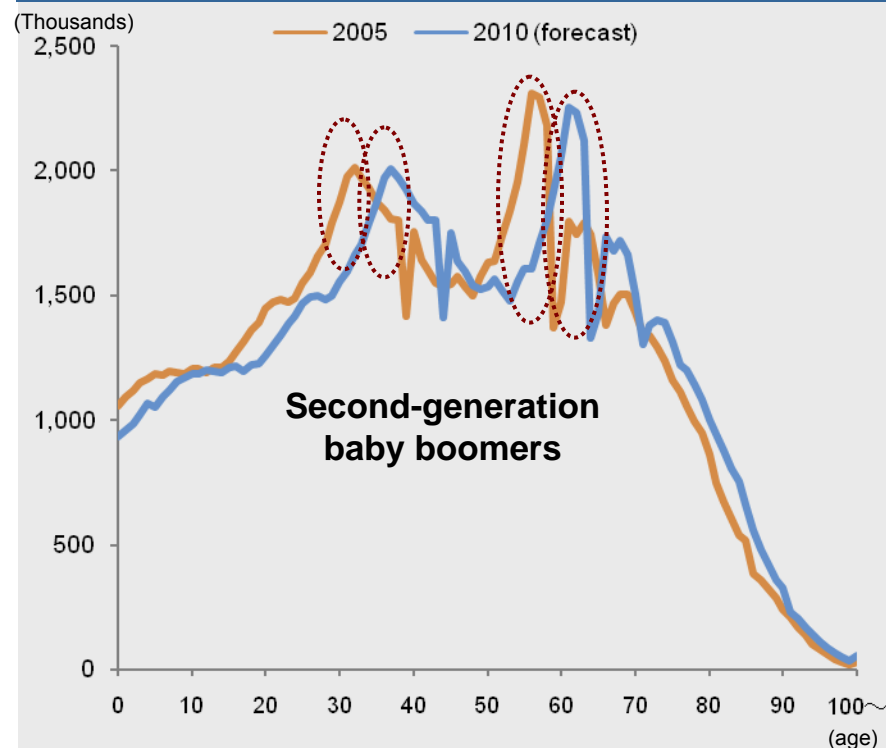
- People in their 30s and 40s, Sony Life's primary target customer base, are expected to continue to account for a large portion of Japan's population, offering high growth potential
- However, the senior market will expand as the baby boomer generation moves into retirement, and Japan's low birthrate means that our main customer segment will become smaller. We will need to respond to these upcoming changes in market composition.

Demographic Composition and Percentage of New Policies by Age of Insured (Individual Annuities)



Source: Prepared by Sony Life based on the *Life Insurance Business Overview*, fiscal 2006

Changes in Population Composition



Sources: *Annual Report on Current Population Estimates* (Statistics Bureau, Ministry of Internal Affairs and Communications) and *Population Projections for Japan* (National Institute of Population and Social Security Research)

Sony Life: Future Management Policies (2)

Major Tasks



- Strengthen and confirm our insurance claim payment management structure
 - Ensure thorough customer follow-up and measures to prevent recurrence through a special project for the introduction of countermeasures to strengthen the insurance claim payment management structure
- Enhance market share in the highly profitable death protection field, ensuring profitability
 - Make even better use of our sales channels in this domain, where consulting-based sales is particularly effective
 - Strengthen our after-sale follow-up structure to build lifelong relationships with customers
- Concentrate on the medical and nursing care field
 - Provide attractive products and services for this sector, expanding and entrenching business in this market
- Prepare a product development structure in the individual annuities segment
 - By establishing a joint venture with AEGON in the field of annuities, employ consulting-based sales to make individual annuities a pillar of survivor protection, along with death protection
- Expand business domains
 - Ensure growth through the expansion of business in Japan, including through M&A activities, as well as by developing business in overseas markets

Recent Initiatives

- Introduced proprietary Life Planning Support Service (LiPSS) software to help customers develop life plans and select optimal coverage for such plans (October 2006)
- Concluded basic agreement to form business tie-up with Watami Co., Ltd., in the nursing care business (September 2006)
- Began selling whole life nursing-care insurance (November 2006)
- Established company to prepare for the establishment of annuities joint venture (August 2007)
- Introduced new system spanning entire insurance operation (October 2007, March 2008)
- Began selling whole life cancer insurance (April 2008)

Planned Future Initiatives

- Expand and improve efficiency of Lifeplanner and Partner channels
- Ensure profitability by maintaining or improving product competitiveness
- Introduce customer communication support system (FY2009)
- Begin operations at annuities joint venture subsidiary (FY2008)
 - ◆ Commence sales at bank counters and through Lifeplanner channel
- Consider establishing life insurance subsidiary in East Asia (Greater China)

Sony Life: Target Figures from a Business Perspective



- Hone our competitive edge, from the dual standpoints of growth and soundness

Growth

- Expand sales channels
 - Aim for Lifeplanner sales employees to number 4,000 by FY2010
- Raise corporate value
 - Continue to raise corporate value, achieving EV of between ¥1 trillion and ¥1.1 trillion by March 31, 2011
 - Through annual growth of more than 4%, aim to achieve policy amount in force of ¥36 trillion by March 31, 2011
 - Also continue to expand business domains to achieve higher levels of future growth

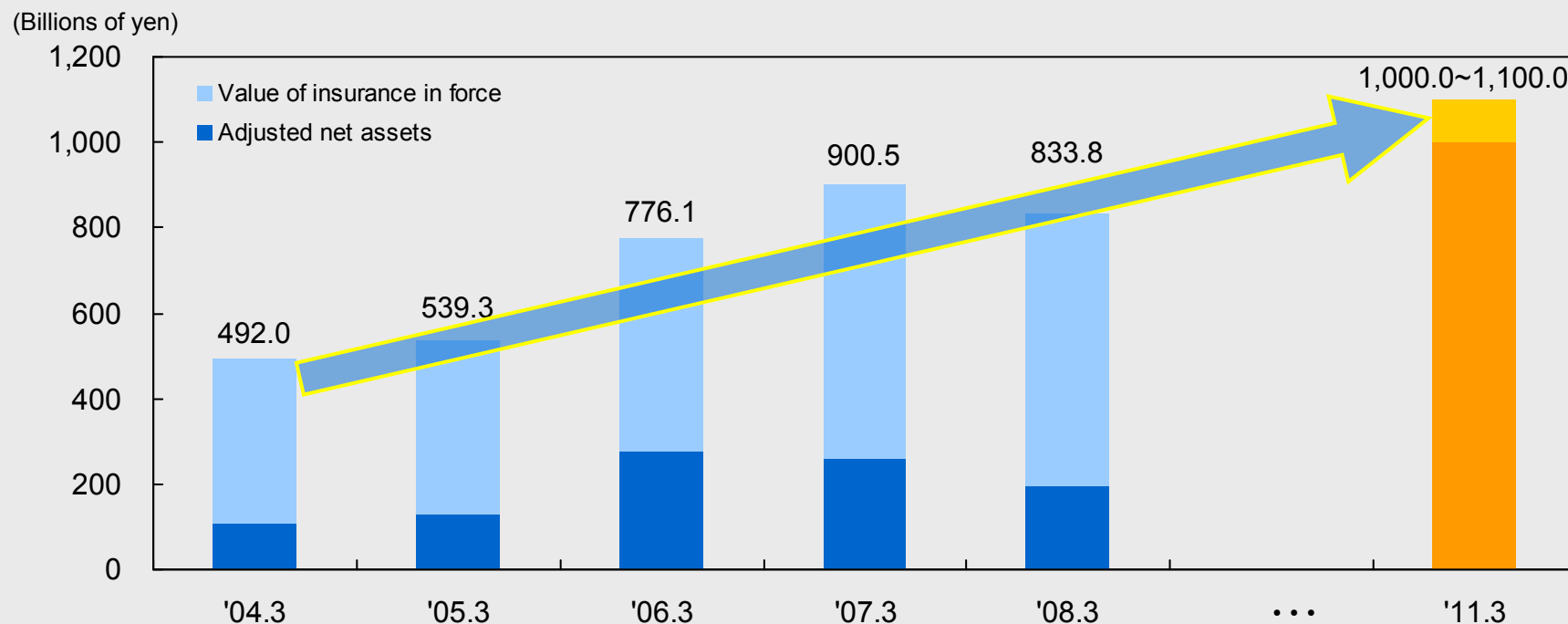
Soundness

- Maintain a high level of financial soundness
 - Maintain or increase ratings
 - Take appropriate action to shift toward accounting standard based on economic value

(Reference) Credit Ratings (as of March 31, 2008)

A.M. Best Company, Inc.	Financial strength rating	A+ (Superior)
Rating and Investment Information, Inc.	Insurance claims paying ability	AA (A very high capacity for payment of insurance claims)
Japan Credit Rating Agency, Ltd.	Ability to pay insurance claims	AA(A very high capacity to honor the financial commitment on the obligation)
Moody's Investors Service, Inc.	Insurance financial strength rating	Aa3
Standard and Poor's	Financial strength rating	A+ (Strong)

Sony Life: EV Growth Targets through FY2010



	3/2004	3/2005	3/2006	3/2007	3/2008
Total EV	492.0	539.3	776.1	900.5	833.8
In force business	381.7	409.6	499.8	638.8	638.9
EV of new policies	38.9	381	34.2	36.7	28.9
Adjusted net worth	110.2	129.7	276.3	261.7	194.8

(Billions of yen)

Note: These figures indicate traditional embedded value (TEV). The company is considering a shift to market consistent embedded value (MCEV).

Ongoing Growth in Each of Our Three Existing Businesses



Today's Topics for Explanation

1. Overview of Sony Assurance

2. Sony Assurance's Operating Performance

3. Sony Assurance's Medium-Term Strategies

■Overview

Name	Sony Assurance Inc.
President	Shinichi Yamamoto
Established	June 10, 1998 (as Sony Insurance Planning Co., Ltd.)
Head office	11F Aroma Square, 37-1, Kamata 5-chome, Ota-ku, Tokyo, Japan 144-8741
Phone	+81-3-5744-0300
Capitalization	¥40,000 million (common stock of ¥20,000 million, capital reserve of ¥20,000 million)
Share ownership	Wholly owned by Sony Financial Holdings Inc.
Business	Non-life insurance business

■Timeline

Jun.	1998	Sony Insurance Planning Co., Ltd., established
Jul.	1999	Head office moves to Ota-ku, Tokyo
Aug. 1999		Capital increased to ¥10,000 million
Sep. 1999		Receives license from the Financial Reconstruction Commission, Financial Services Agency, to conduct non-life insurance business (Name changed to Sony Assurance Inc.)
		Begins accepting automobile insurance applications over the Internet
Oct.	1999	Begins accepting automobile insurance applications over the telephone
Jul.	2000	Capital raised to ¥20,000 million (¥10,000 million increase)
Aug. 2001		Capital raised to ¥30,000 million (¥10,000 million increase)
Jun.	2002	Begins offering medical and cancer insurance
Jun.	2003	Capital raised to ¥40,000 million (¥10,000 million increase)
Apr.	2004	Becomes subsidiary of Sony Financial Holdings

Vision

Instilled with a Sony-like environment of unconstrained of ideas, we offer new lifestyle opportunities in a spirit of creativity and innovation.

Mission

Through direct communication, we provide reasonable, quality insurance services that help make customers' lives safer and more secure.

FEEL THE *Difference*

A difference that will change insurance

Innovative and Professional

Always innovative; professional product quality guaranteed



Progress with Customers

Moving alongside and progressing in step with our customers



Committed Service and One-on-One Solutions

Service that demonstrates our deep commitment to customers and tailored solutions that show we value the individual



Sincere and Faithful

Acting in the best of faith and responding with sincerity



Convincing Satisfaction

Dedicated to ensuring our customers are satisfied

Main Types of Insurance: Distinctive Products

–Sony Assurance automobile insurance

Automobile insurance offering extensive indemnifications that policyholders appreciate, as well as careful risk segmentation

Original Sony Assurance discount: *Kurikoshi* discount system to match insurance premiums with distance driven; continuation discount; new vehicle discount

Original Sony Assurance policy rider: *Oritemo* coverage policy rider

–SURE medical and cancer insurance policies

Medical insurance with a wide range of coverage and premium options

Original Sony Assurance rider: Half-price policy riders for policyholders from age 60

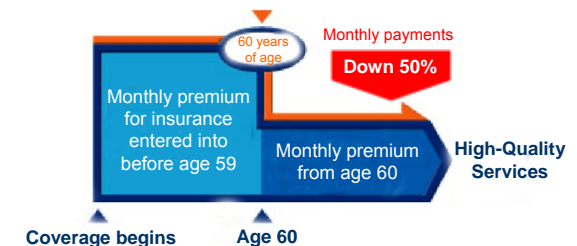
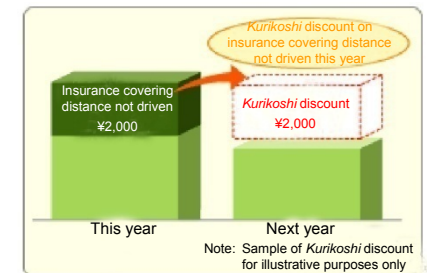
High-Quality Services

–Advanced accident resolution service

Committed service: Speedy accident resolution eases the uncertainty policyholders feel at the time of an accident

Customer response by an appointed staff member within three hours of receiving an accident report

“On the Day, Any Day, Response” service



Target customers

- Individual customers

Number of policies in force

- 1,024,448 policies, as of March 31, 2008

Sales channels

- Direct channel via customer centers (telephone) and the Internet
- Tie-up channel that operates via agencies and other tie-up partners

Television commercial



Newspaper advertisement

A newspaper advertisement for Sony Insurance. It features a woman smiling and text in Japanese. The main headline reads "さあ、あなたも ソニー損保の自動車保険へ。" (Now, you too, join Sony Insurance's car insurance). It highlights "通販型自動車保険 5年連続売上 No.1" (Direct sales type car insurance, 5 years consecutive sales No.1). The contact information "0120-919919" and "919919.com" is prominently displayed. The Sony Insurance logo is in the top right corner.

Today's Topics for Explanation

1. Overview of Sony Assurance

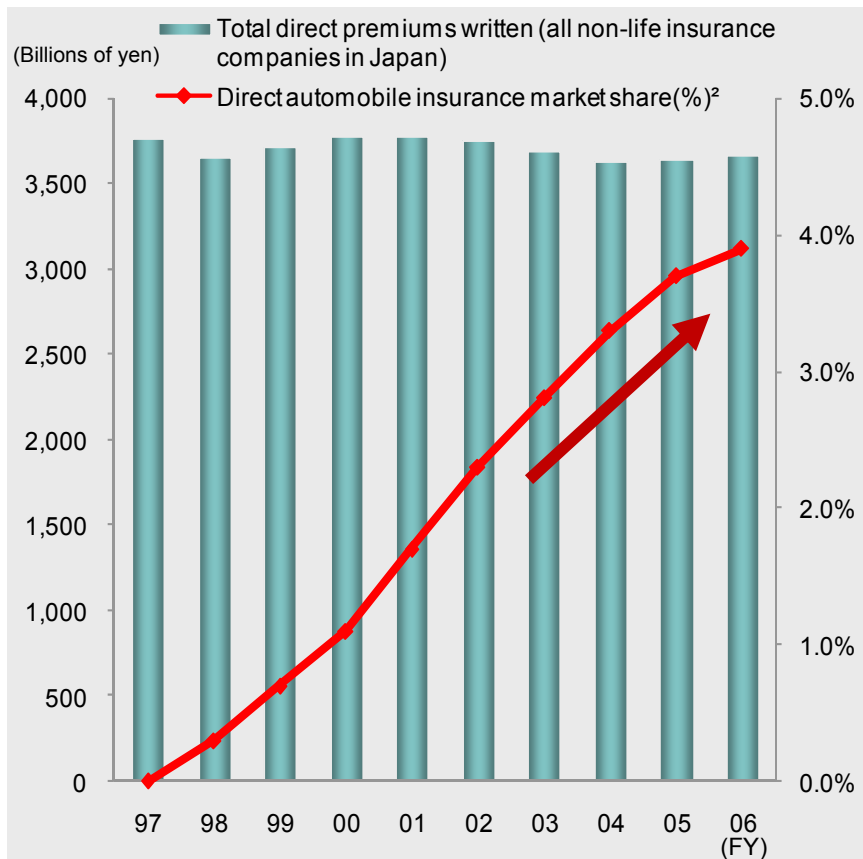
2. Sony Assurance's Operating Performance

3. Sony Assurance's Medium-Term Strategies

Direct Automobile Insurance Market

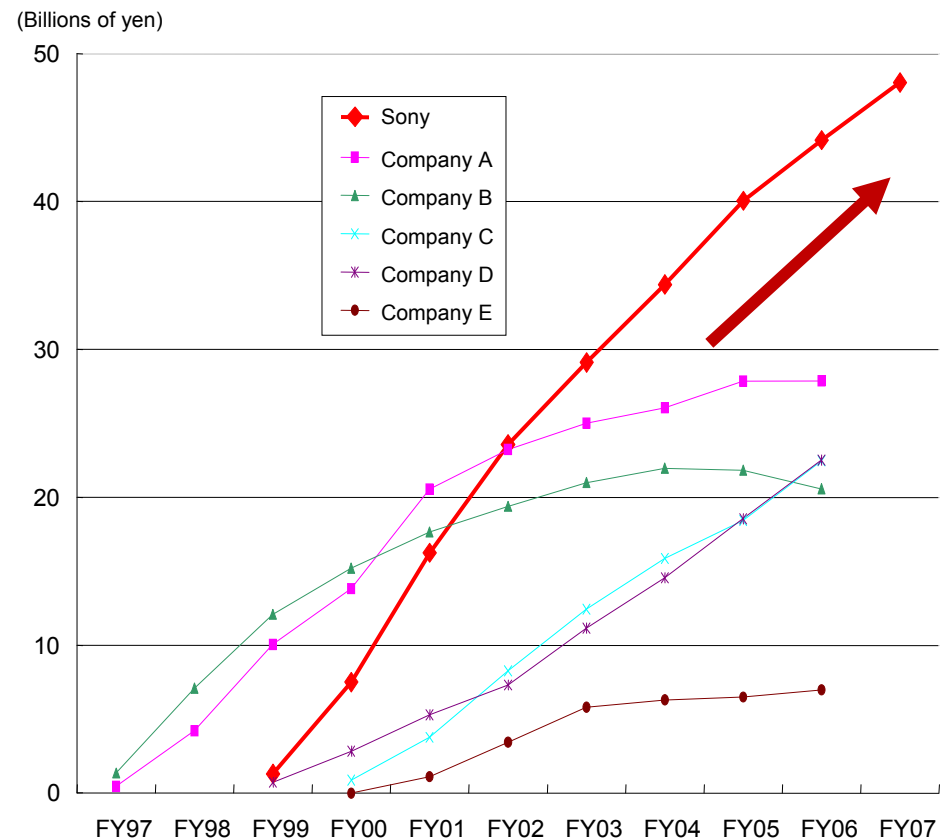
Sony Assurance—the leader in direct premiums written since FY2002

Increasing Share by Direct Insurers



Source: Insurance magazine

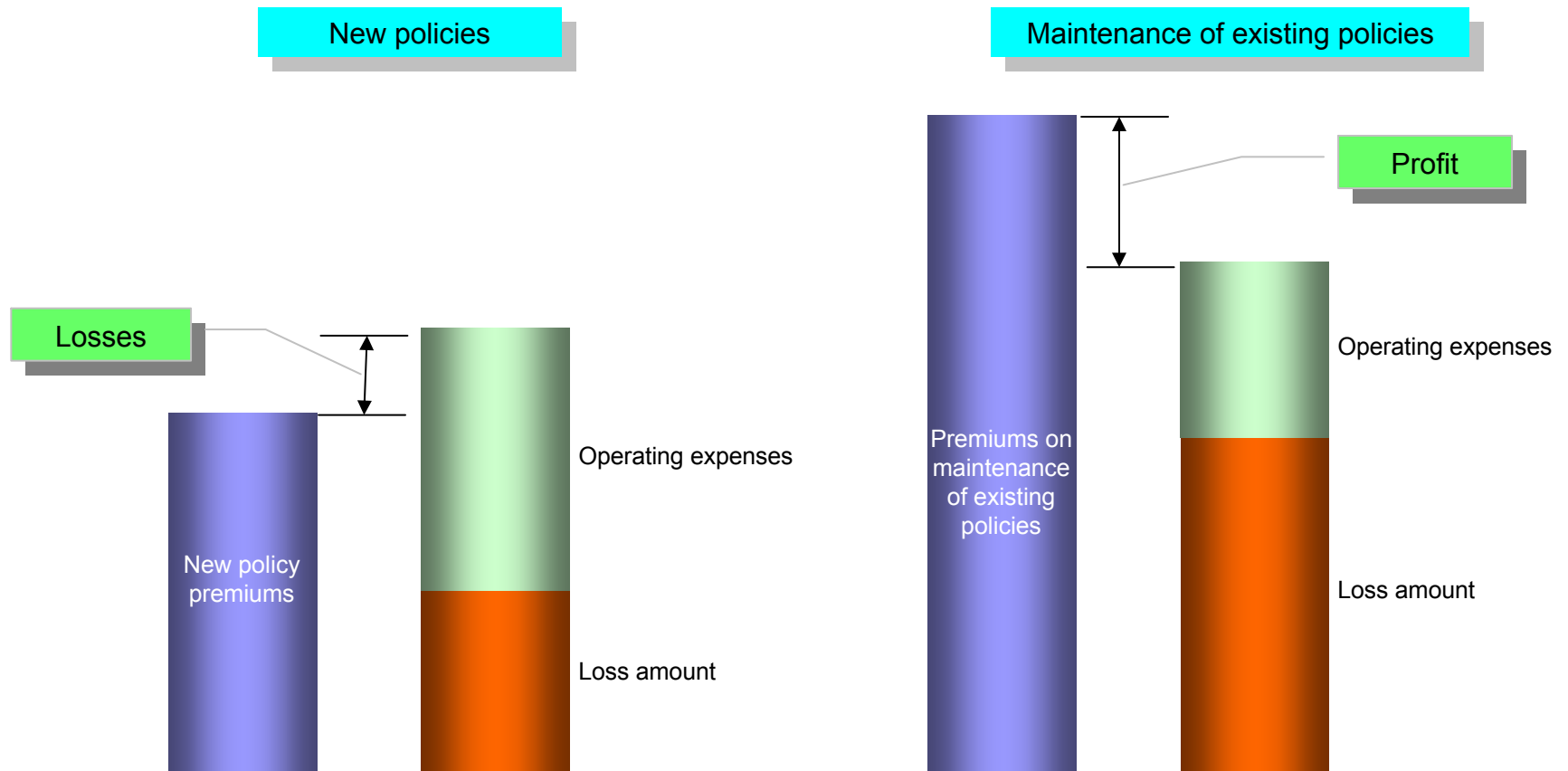
Direct Premiums Written by Six Companies



Profit/Expense Structure

- In our revenue/expense structure, maintenance of existing policies recover initial costs and generate profits

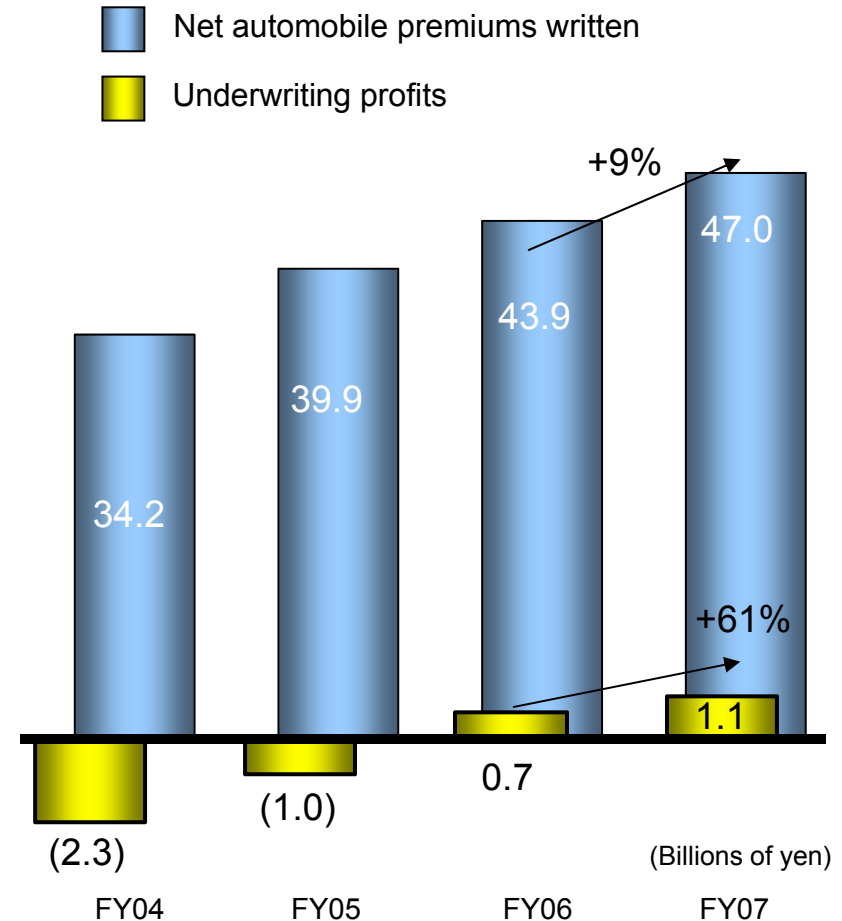
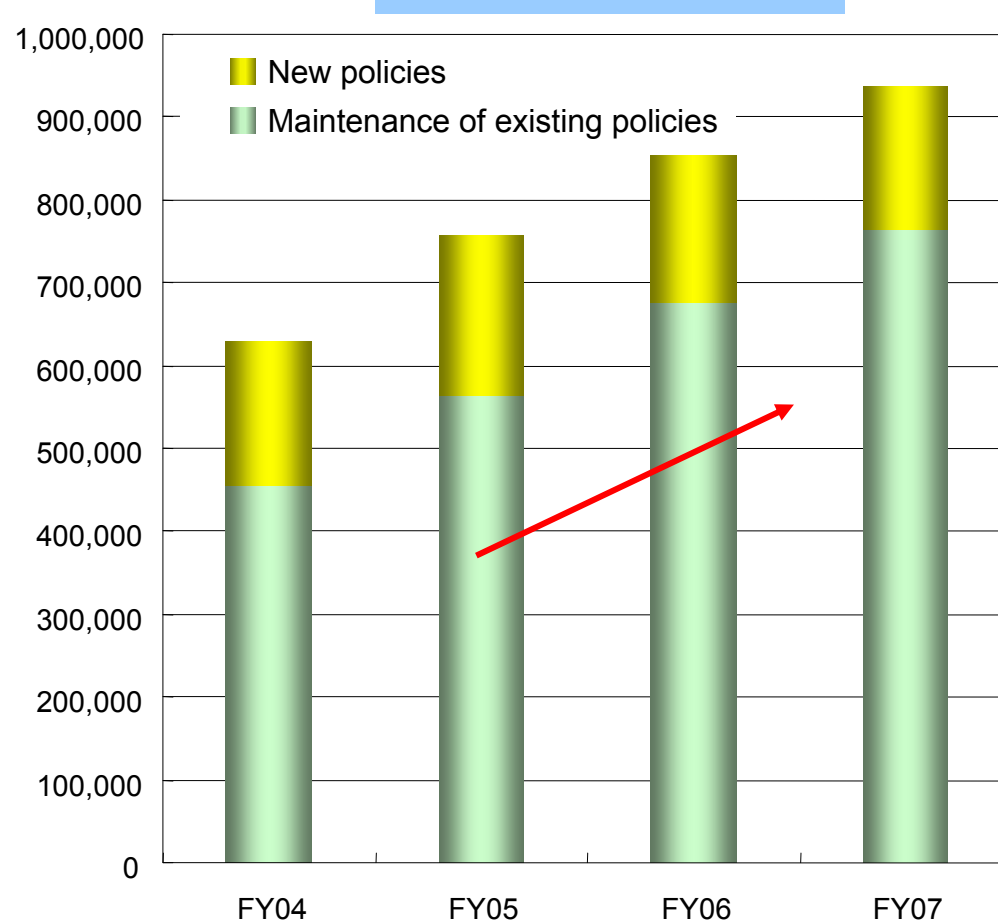
Profit/Expense Structure for Automobile Insurance



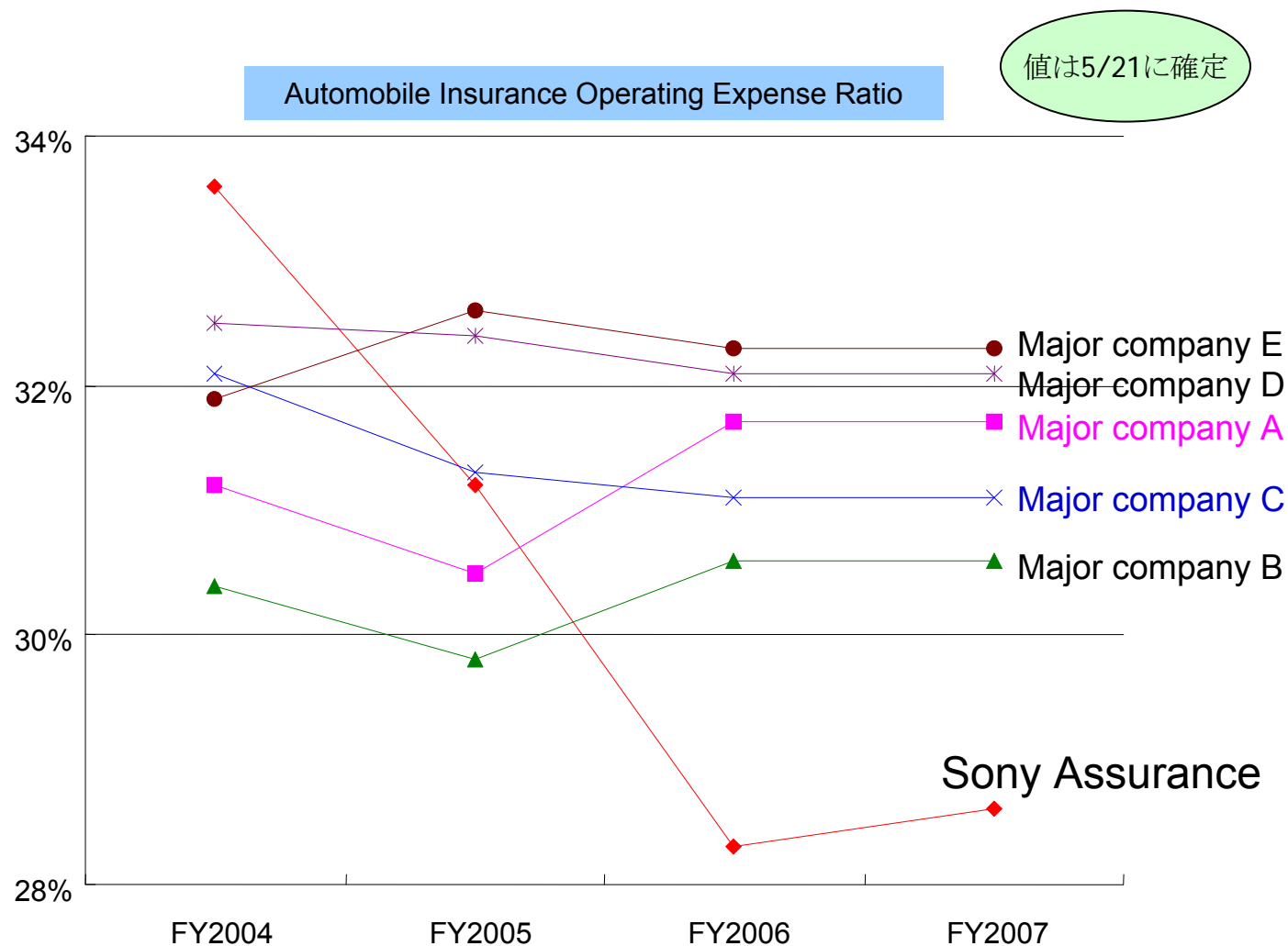
Automobile Insurance

- As the percentage of maintenance of existing policies rises, the profit/expense balance improves (Moved into the black in FY2006, calculated according to Japanese GAAP)

Automobile Insurance Policies



Past Operating Expense Ratios (Automobile Insurance)

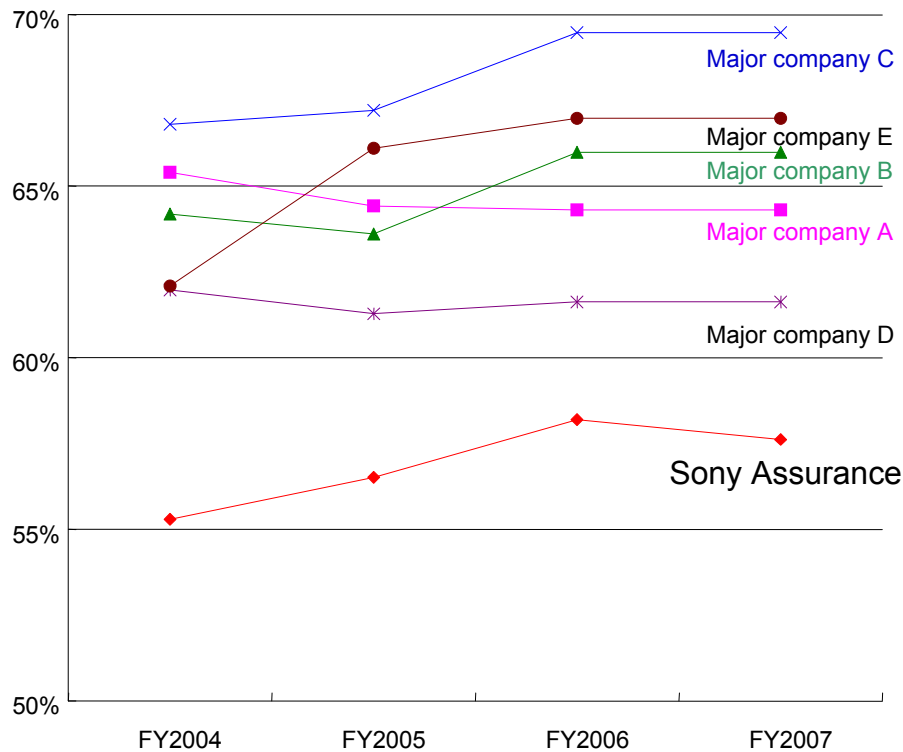


Sources: Compiled by Sony Assurance based on individual companies' financial reports

Past Loss Ratios (Automobile Insurance)

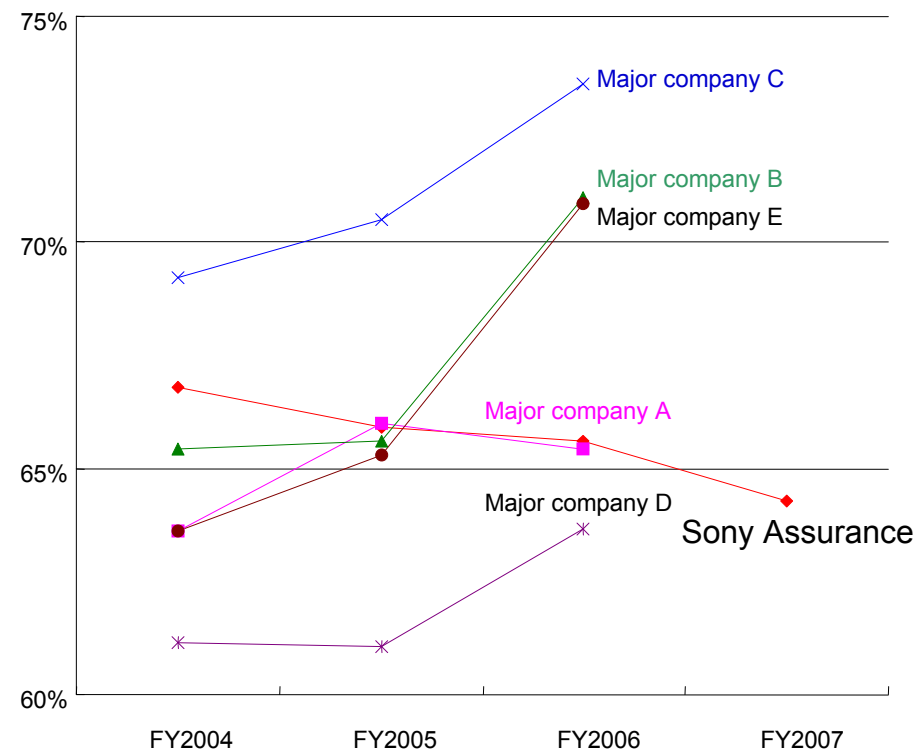
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Automobile Insurance Loss Ratio (Written Basis)



Loss ratio = net claims paid/net premiums written
(Including loss adjustment expenses)

Automobile Insurance Loss Ratio (Earned Basis)

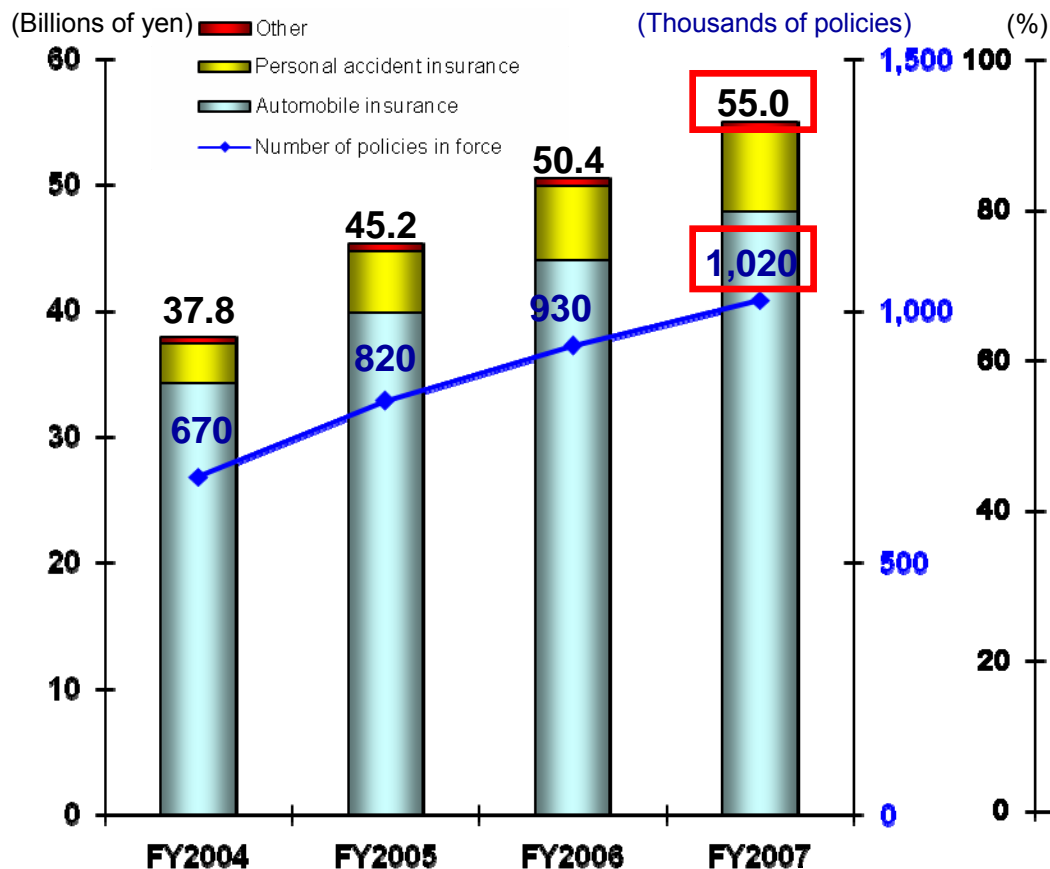


Loss ratio = (net claims paid + provision for outstanding claims) /
earned premium (要確認: 既経過保険料)
(Including loss adjustment expenses)

Sources: Compiled by Sony Assurance based on individual companies' financial reports

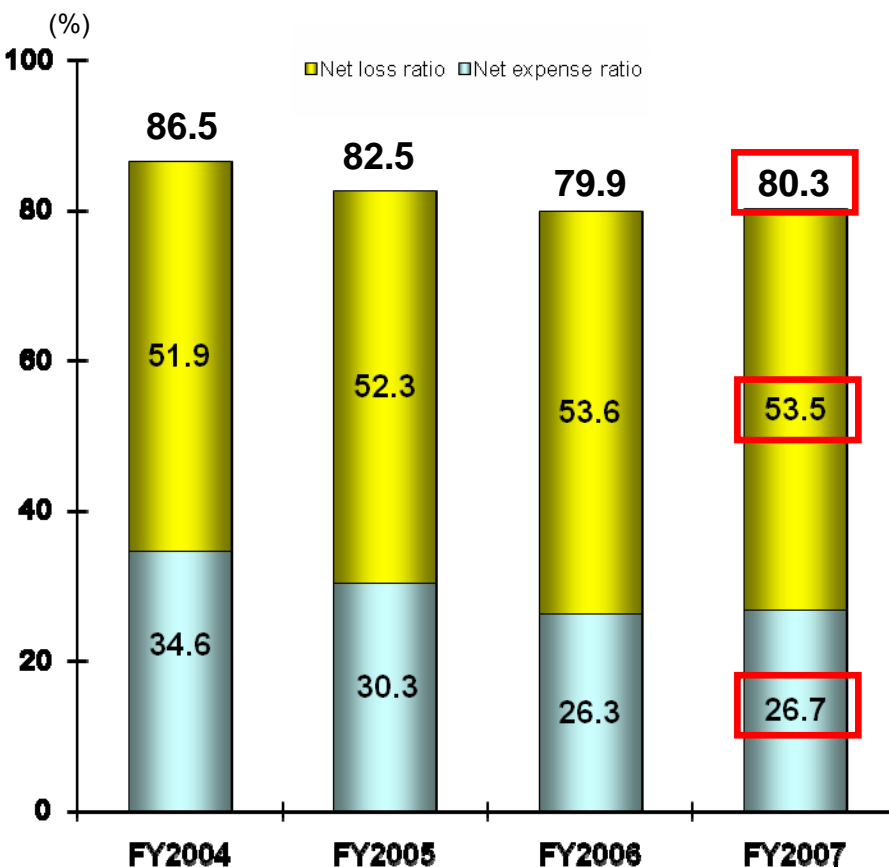
Operating Performance (1)

Net Premiums Written and Number of Policies in Force



Number of policies in force = Automobile insurance + SURE

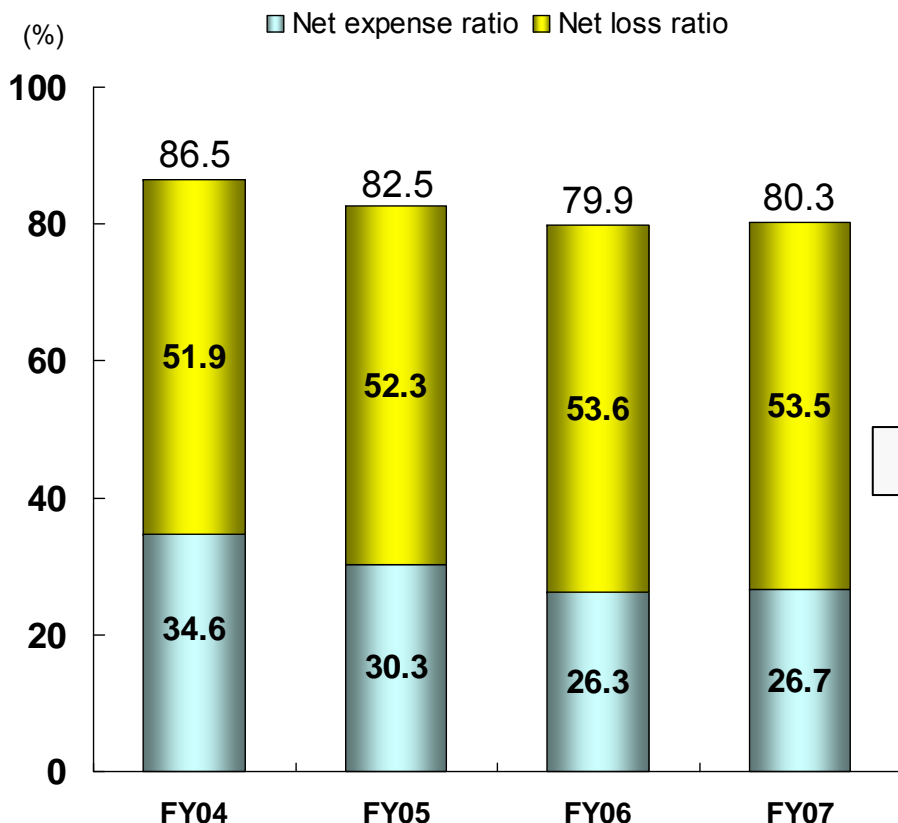
Combined Ratio



Net loss ratio includes loss adjustment expenses.

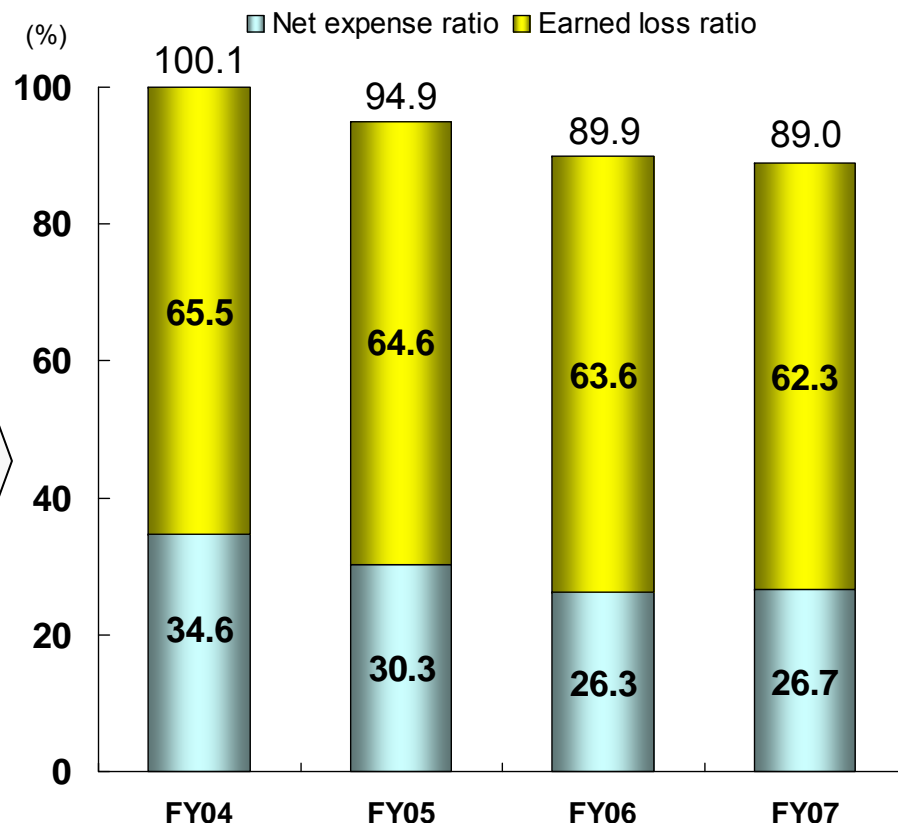
Operating Performance (1) Reference

Combined Ratio



Net loss ratio includes loss adjustment expenses.

Combined Ratio (Using the Earned Loss Ratio)

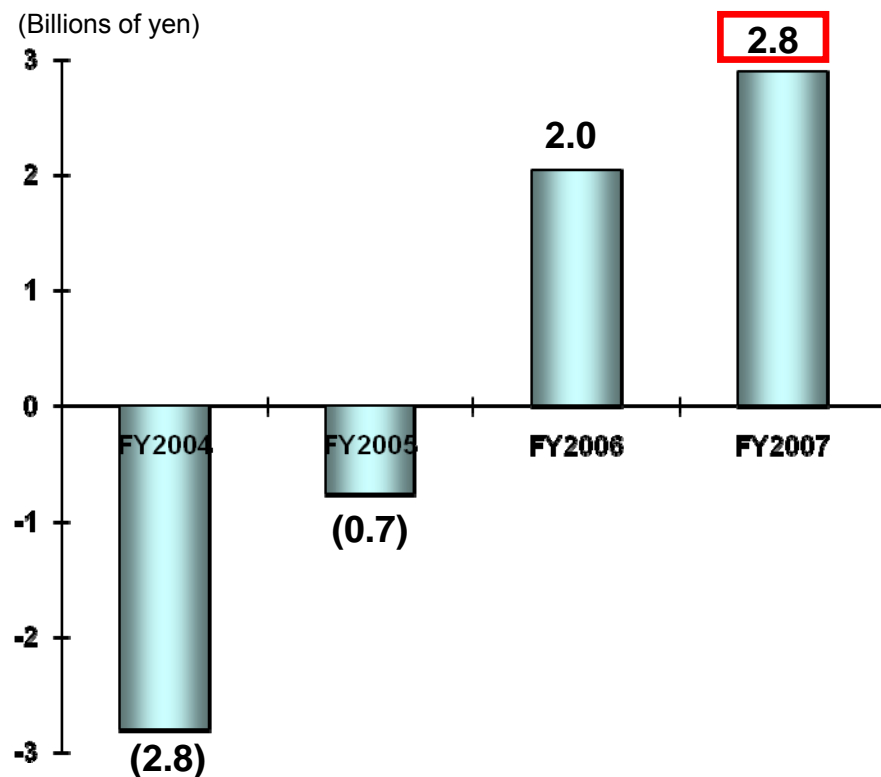


Earned loss ratio = net claims paid + loss adjustment expenses + accumulation in reserves for outstanding claims / earned premium
(要確認: 既経過保険料)

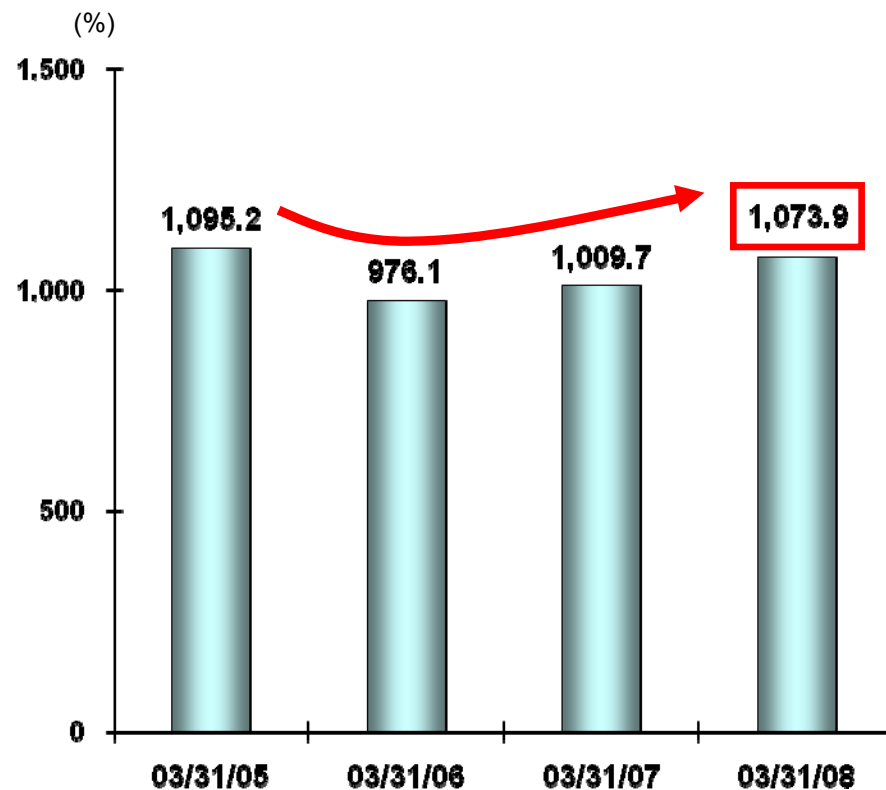
Excluding earthquake insurance and automobile liability insurance

Operating Performance (2)

Ordinary Profit (Loss)



Solvency Margin Ratio



Today's Topics for Explanation

1. Overview of Sony Assurance

2. Sony Assurance's Operating Performance

3. Sony Assurance's Medium-Term Strategies

Medium- to Long-Term Targets

Profitability:

Maintain profitability sufficient to sustain adjusted ROE of **10%** or more

Growth:

Continue growing, with the aim of achieving direct premiums written of **¥100.0 billion**

Growth (Direct Premiums Written) and Soundness

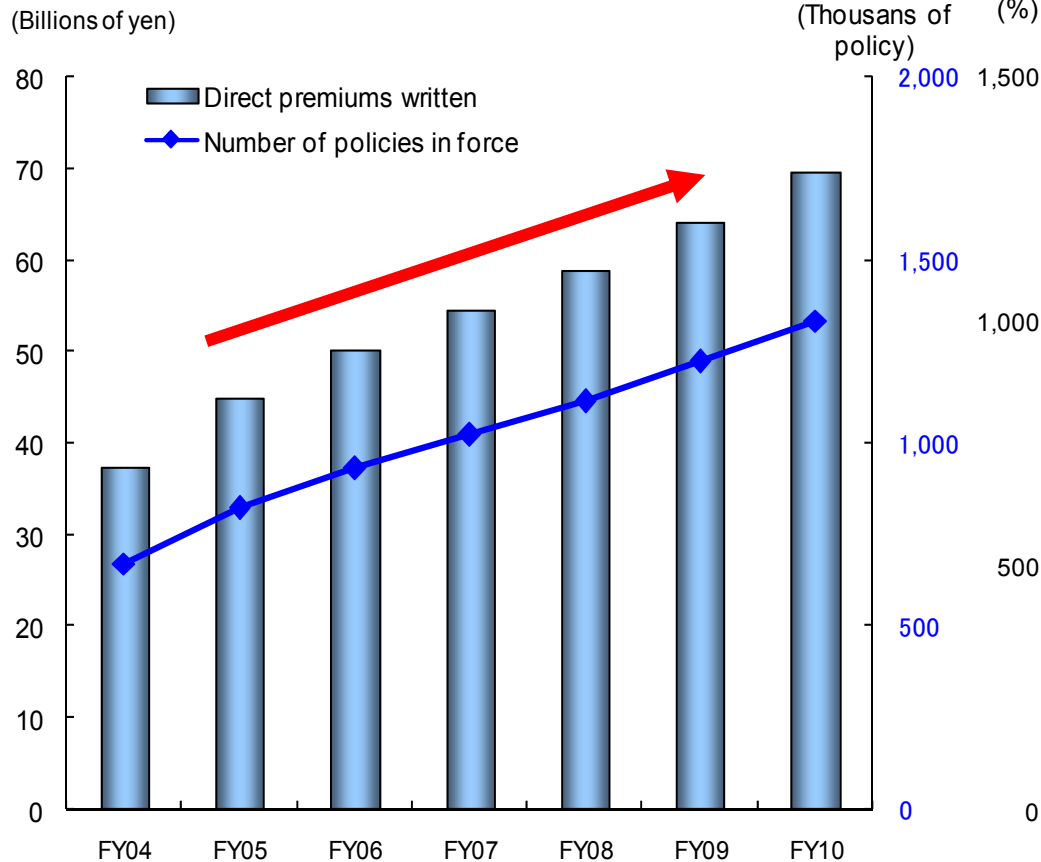
FY2004 direct premiums written
¥37.5 billion



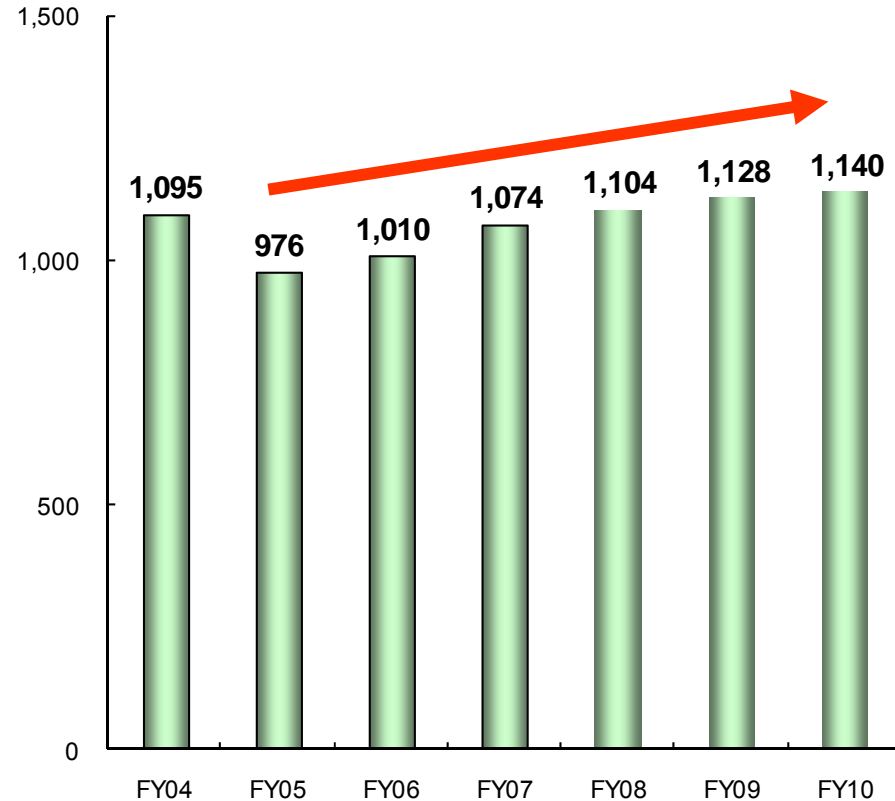
FY2007 direct premiums written
¥54.6 billion



FY2010 direct premiums written
¥70.0 billion



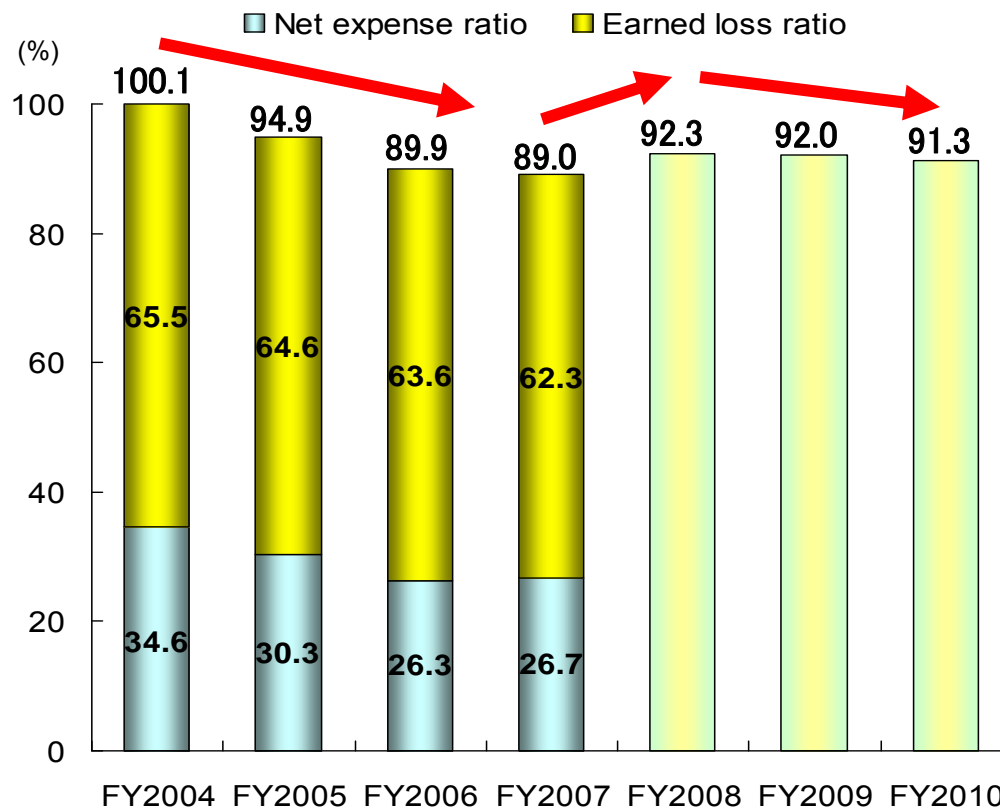
Solvency Margin Ratio



Number of policies in force = automobile insurance + SURE

Profitability: Combined Ratio

Combined Ratio (Using the Earned Loss Ratio)

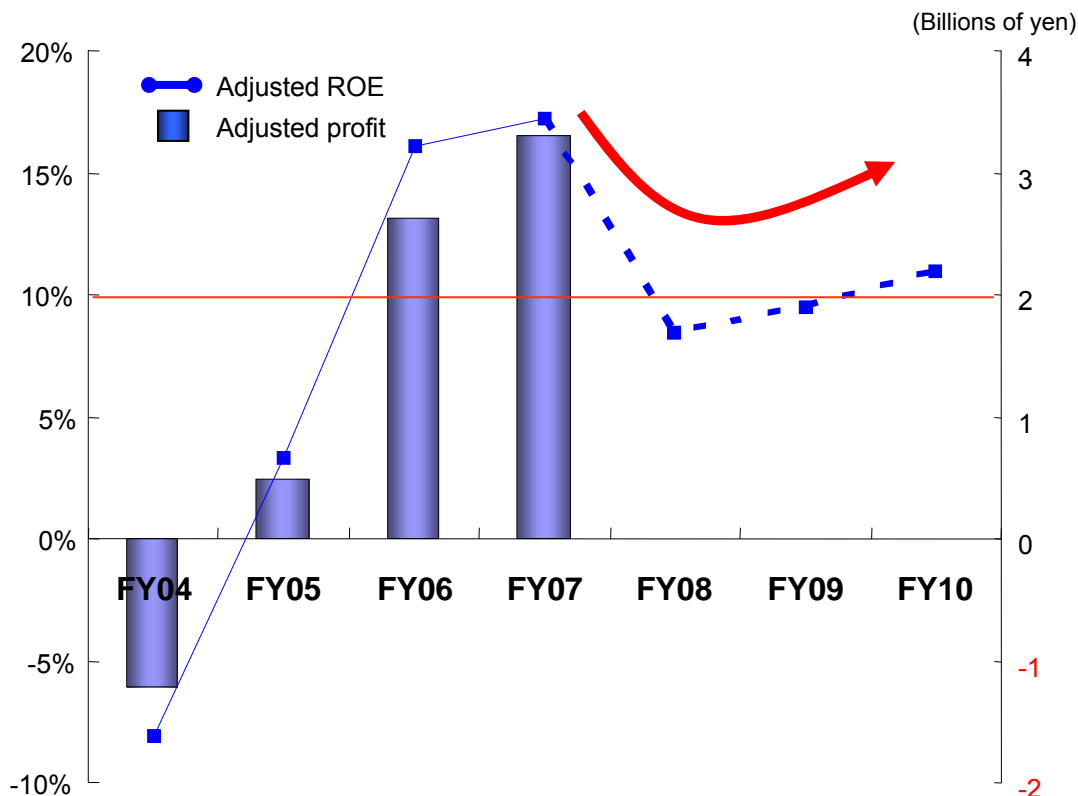


Earned loss ratio = net claims paid + loss adjustment expenses +
accumulation in reserves for outstanding claims / earned premium
(要確認: 既経過保険料)

Excluding earthquake insurance and automobile liability insurance

Profitability: Adjusted ROE

Adjusted ROE and Adjusted Profit



Adjusted ROE = Adjusted profit / adjusted capital

Adjusted profit = net income (after tax) + provision for special catastrophe reserves

(要確認: 危険準備金繰入額 = 異常危険準備金繰入額?) (after tax) + provision for reserves for price fluctuation (after tax)

Adjusted capital = average value during the year of (net assets + special catastrophe reserves)

(要確認: 危険準備金 = 異常危険準備金?) (after tax) + provision for reserves for price fluctuation (after tax))

Ongoing Growth in Each of Our Three Existing Businesses



Today's Topics for Explanation

1. Overview of Sony Bank

2. Sony Bank's Operating Performance

3. Sony Bank's Medium-Term Strategies

Be fair.

- **Be fair**
- **Support the growth of the Japanese economy**
- **Provide asset management tools**
- **Make maximum use of information technology**
- **Offer individually tailored services**
- **Provide more advantageous products and better services**
- **Create an infrastructure to provide services over the Internet**
- **Foster a liberating and pleasant business environment**



Customer profile

Sex: 70% male

Age: 80% in 30s to 50s

**Location: 80% in Japan's
three major metro areas**



**Metropolitan
businesspeople**



A “**money toolbox**” interface to assist customers as they consider, research and carry out transactions

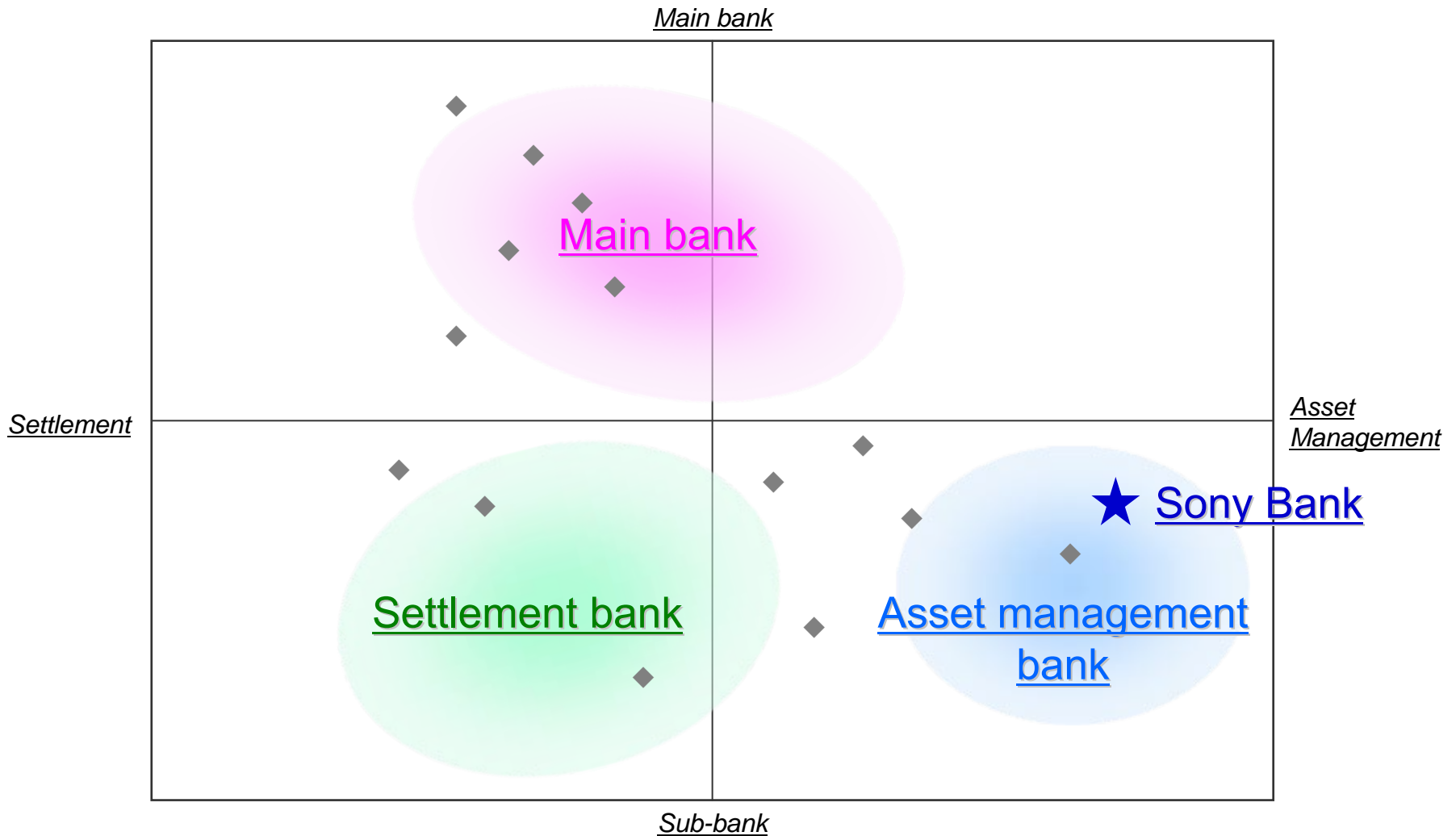


- Yen deposits
- Foreign currency deposits
- Investment trusts
- Mortgage loans
- Financial product intermediation
- “Life passbook”



- For individuals' portfolios
- Provide innovative products and services
 - ◆ By forging a link between banking and securities, propose new financial products and services that are one-half step ahead of the market
- Raise flexibility for individuals
 - ◆ Increase the freedom individuals feel from the constraints of time and location by allowing banking transactions to be conducted 24 hours a day from the comfort of home
- Bring individuals and markets closer
 - ◆ Use information technologies to offer interest rates, pricing and commissions that are nearer market rates

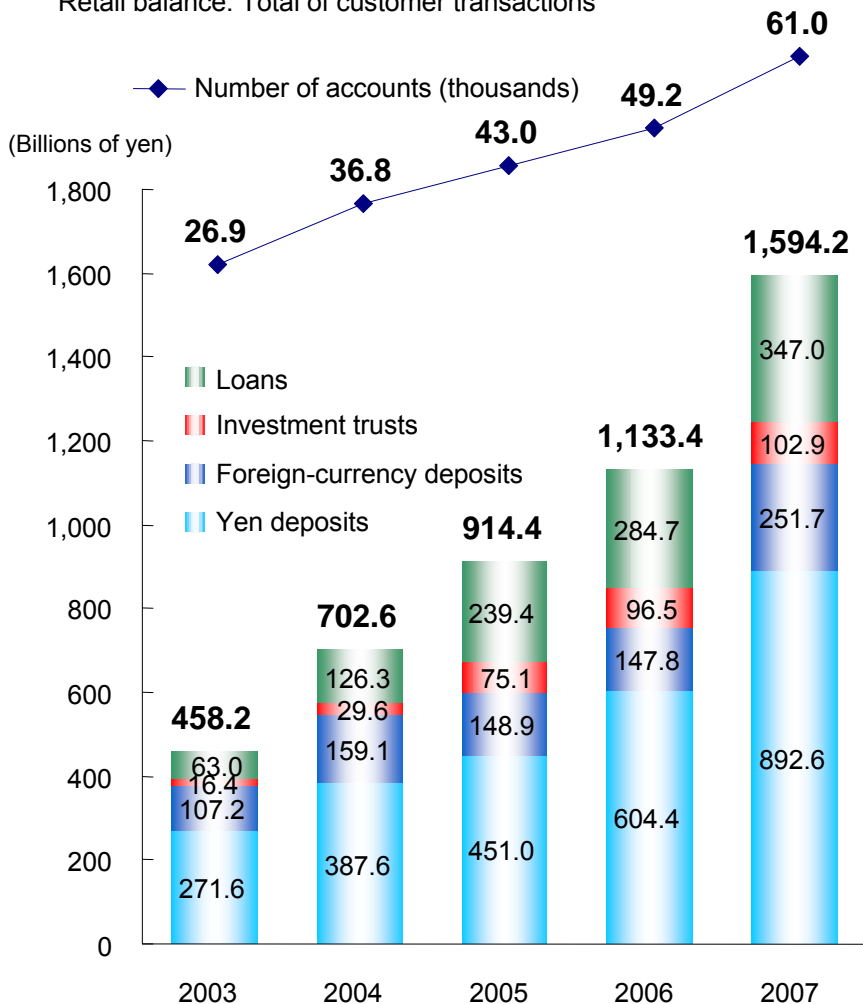
We enjoy a unique position as an “investment bank for individuals.”



Business Expansion and Profits

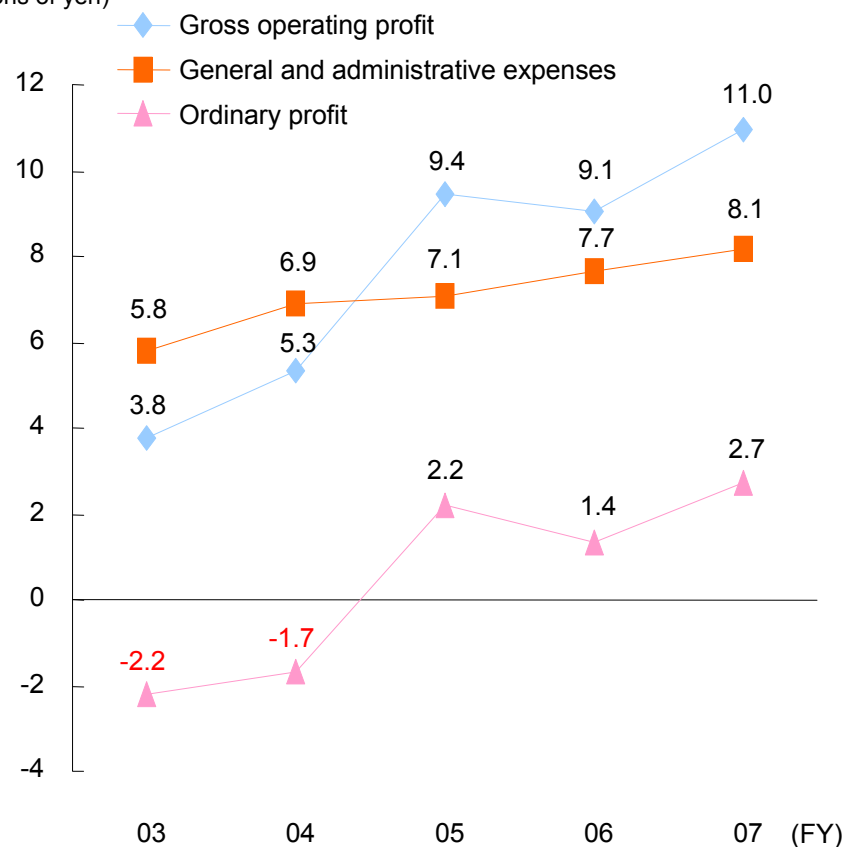
■ Retail Balance

Retail balance: Total of customer transactions



■ Profits

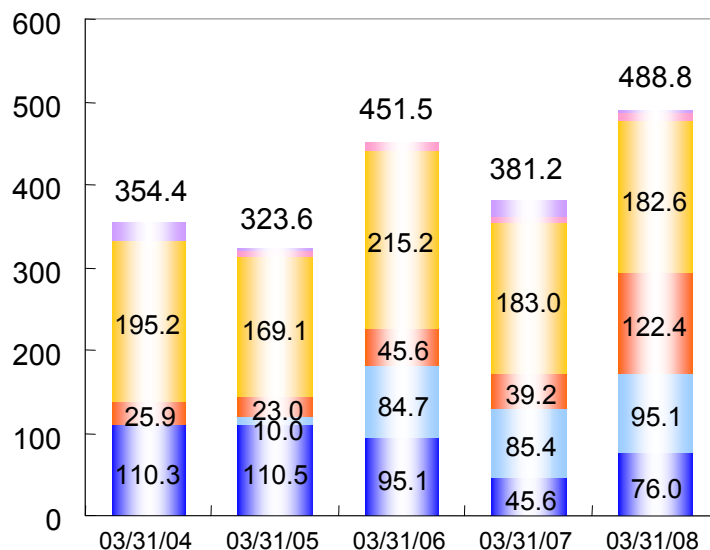
(Billions of yen)



Securities (Breakdown)

■ Securities, by Sector

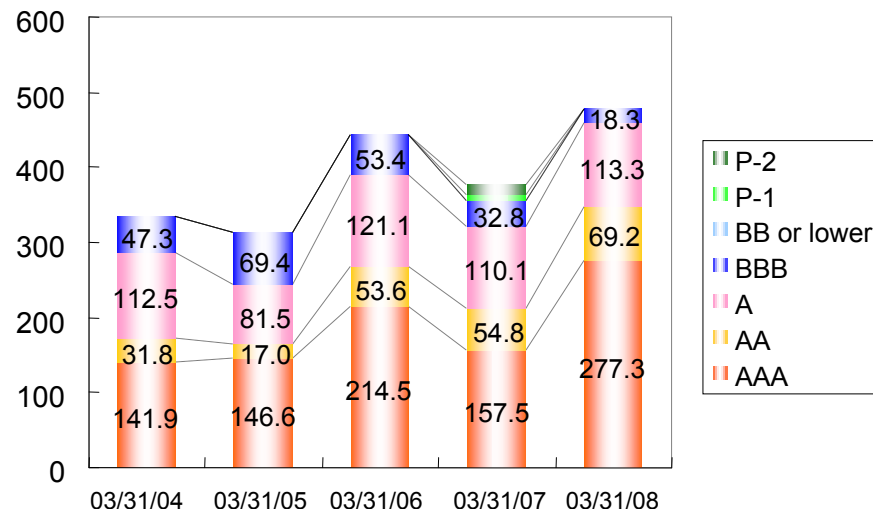
(Billions of yen)



- Others
- Funds
- Corporate and financial bonds
- Japanese government-affiliated institution and foreign government bonds
- Floating-rate Japanese government bonds
- Fixed-rate Japanese government bonds

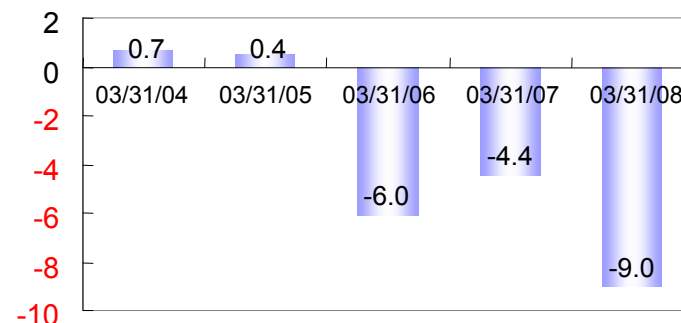
■ Securities (by Ratings)

(Billions of yen)



■ Unrealized Gains and Losses

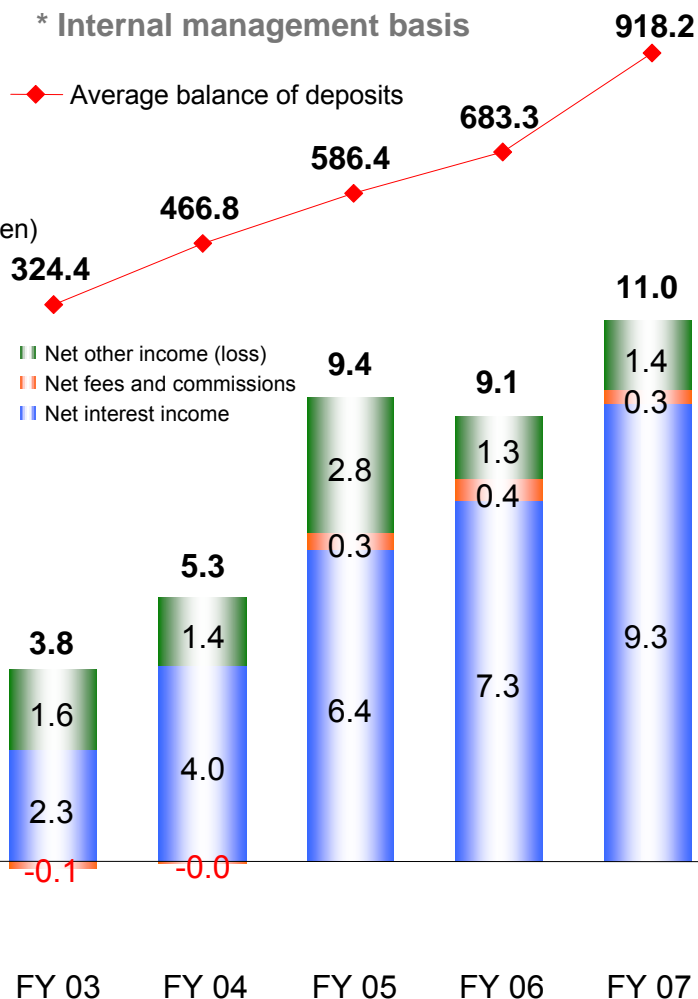
(Billions of yen)



Revenue and Profit Composition

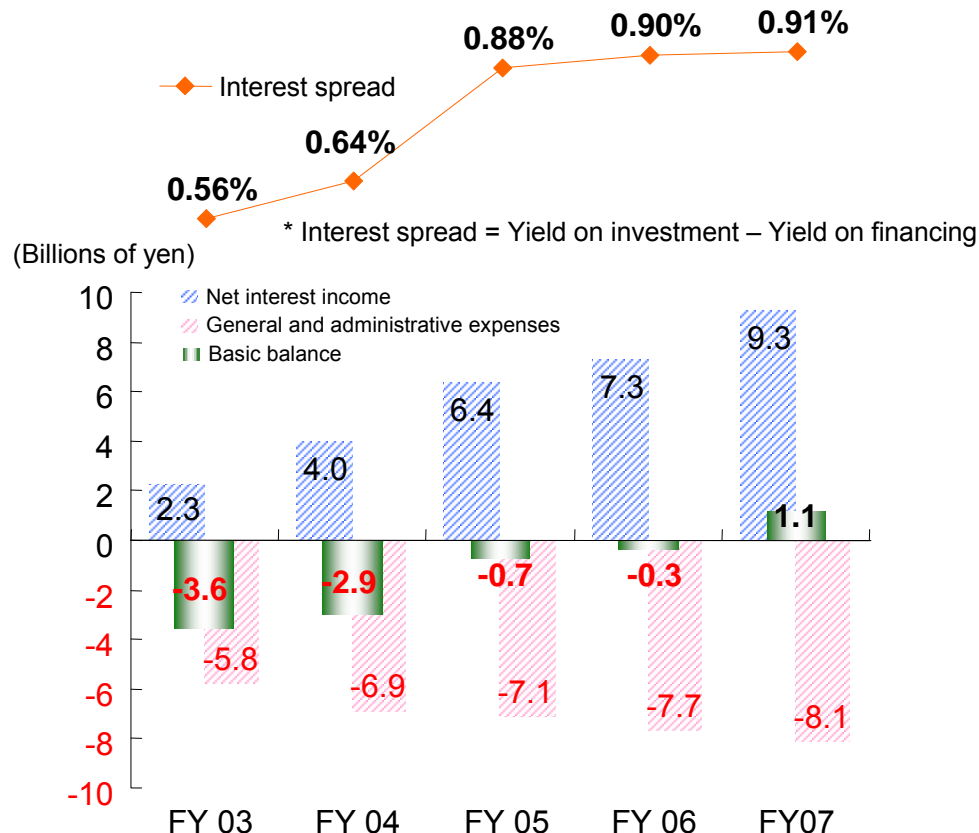
Gross Operating Profit

* Internal management basis



Basic Balance and Interest Spread

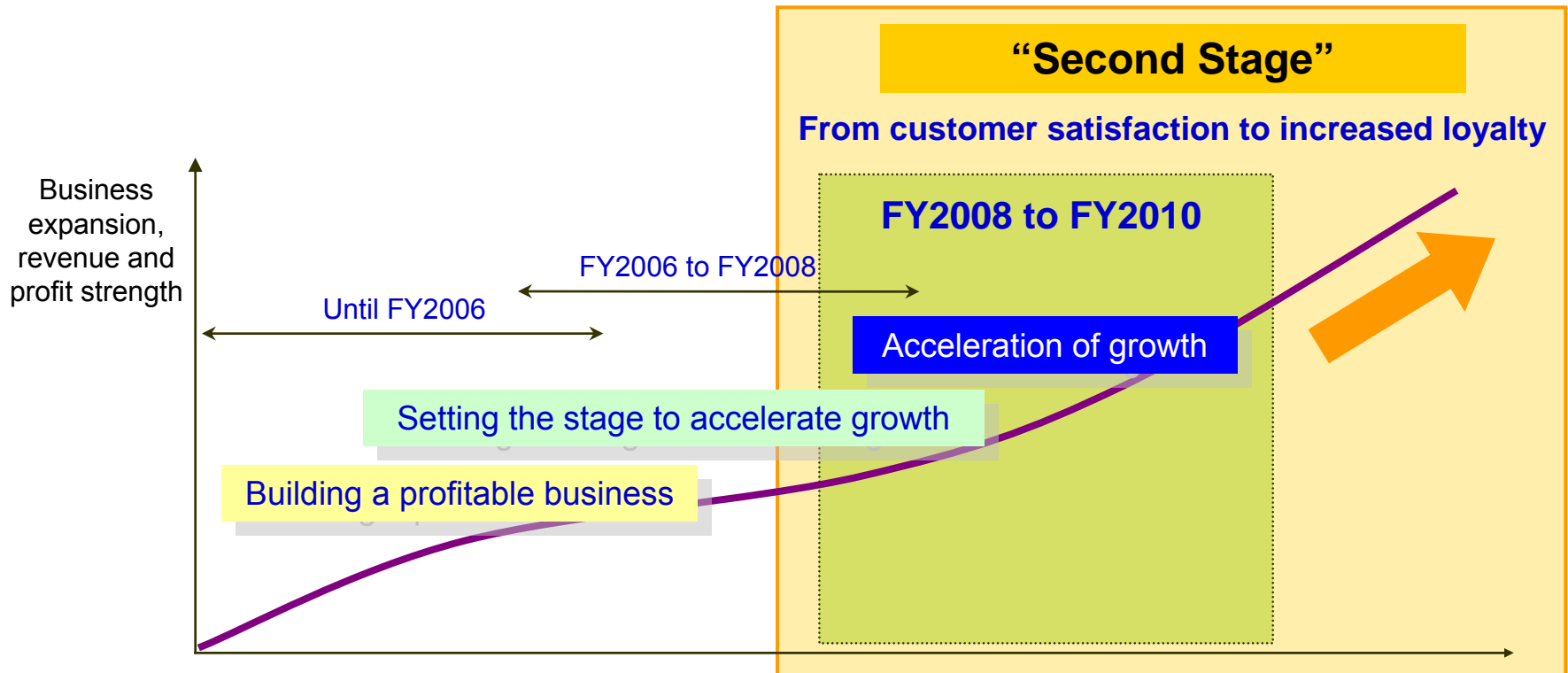
* Internal management basis



* Internal management basis: Of transactions treated as “net other income (loss)” and “net fees and commissions” from a financial accounting standpoint, real investment gains or losses are recognized as “investment of assets” from a managerial accounting standpoint.

Future Management Policy: The Second Stage—Acceleration of Growth

Positioning fiscal 2008 as our “second stage,” we aim to take a new step toward realizing our corporate philosophy. At the same time, we will fully leverage the management base we have established to date to achieve an acceleration of growth.



Medium-Term Management Targets, Management Policies and Priority Measures

■ Medium-Term Management Targets

Establish ourselves as bank that is the clear leader in customer satisfaction

■ Medium-Term Management Policies

- Acceleration of growth
- Establish a firm presence as an asset management bank
- Raise efficiency
- Forge stronger win-win relationships with customers

■ Medium-Term Priority Measures

Strengthen products and services

1. Maintain our unique position
2. Earn unswerving customer support
3. Leverage existing customer base to cultivate new customers

Enhance ALM

1. Promote ALM through overall balance sheet optimization
2. Raise ROE by optimizing allocation of capital
3. Strengthen investment to accelerate growth

Raise Level of Reliability

Raise the level of trust with each stakeholder, building even stronger win-win relationships at each level.

1. Achieve operational excellence
2. Initiate environmental activities
3. Balance profitability and soundness
4. Strengthen management control structure

■ Numeric Targets

◆ FY2007

ROE*	4.5%
Capital adequacy ratio	9.15%
Retail balance	¥1,594.4 billion

* Real ROE after adjusting for tax effects (effective tax rate of 40%). ROE of 12.4% on a financial accounting basis.

◆ FY2010

ROE*	More than 8%
Capital adequacy ratio	Approx. 10%
Retail balance	¥2,600 billion

Responding to Customers' Asset Management Needs

■ The Sony Bank Hypothesis (at Establishment)

Although individuals are perceived to be risk-averse, if they are given more flexibility and allowed to conduct transactions at near-market rates, even if they shoulder some degree of risk they will be interested in earning high rates of interest through foreign currency deposits.

- Transactions possible over the Internet 24 hours a day, 365 days a year
- Transaction rates linked to market rates and shown in real time
- One-way foreign exchange commissions of ¥0.25 yen to the U.S. dollar

■ Changing Asset Management Styles

Emergence of medium- to long-term asset management styles employing foreign currency time deposits with high interest rates, as well as short-term asset management styles targeting foreign exchange gains on transactions taking advantage of exchange rate fluctuations

■ Growing Needs

- Desire to hedge foreign exchange
- Desire to generate profits denominated in yen
- Lower exchange commissions

Emergence of FX providers

■ Sony Bank's Response

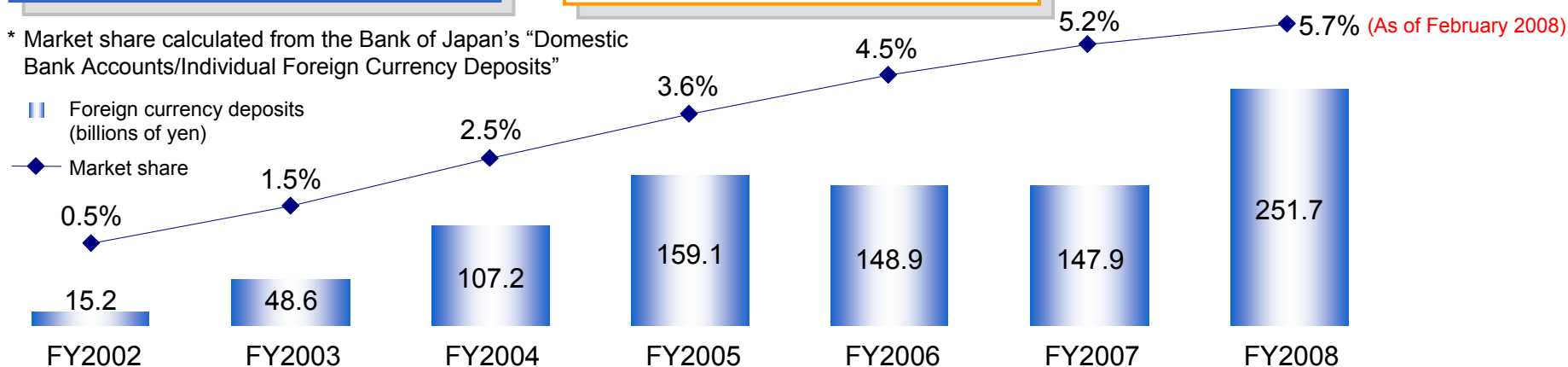
August 2007 introduction of "preferential system on foreign currency deposits," offering preferential rates on foreign exchange commissions according to deposit balance

May 2008

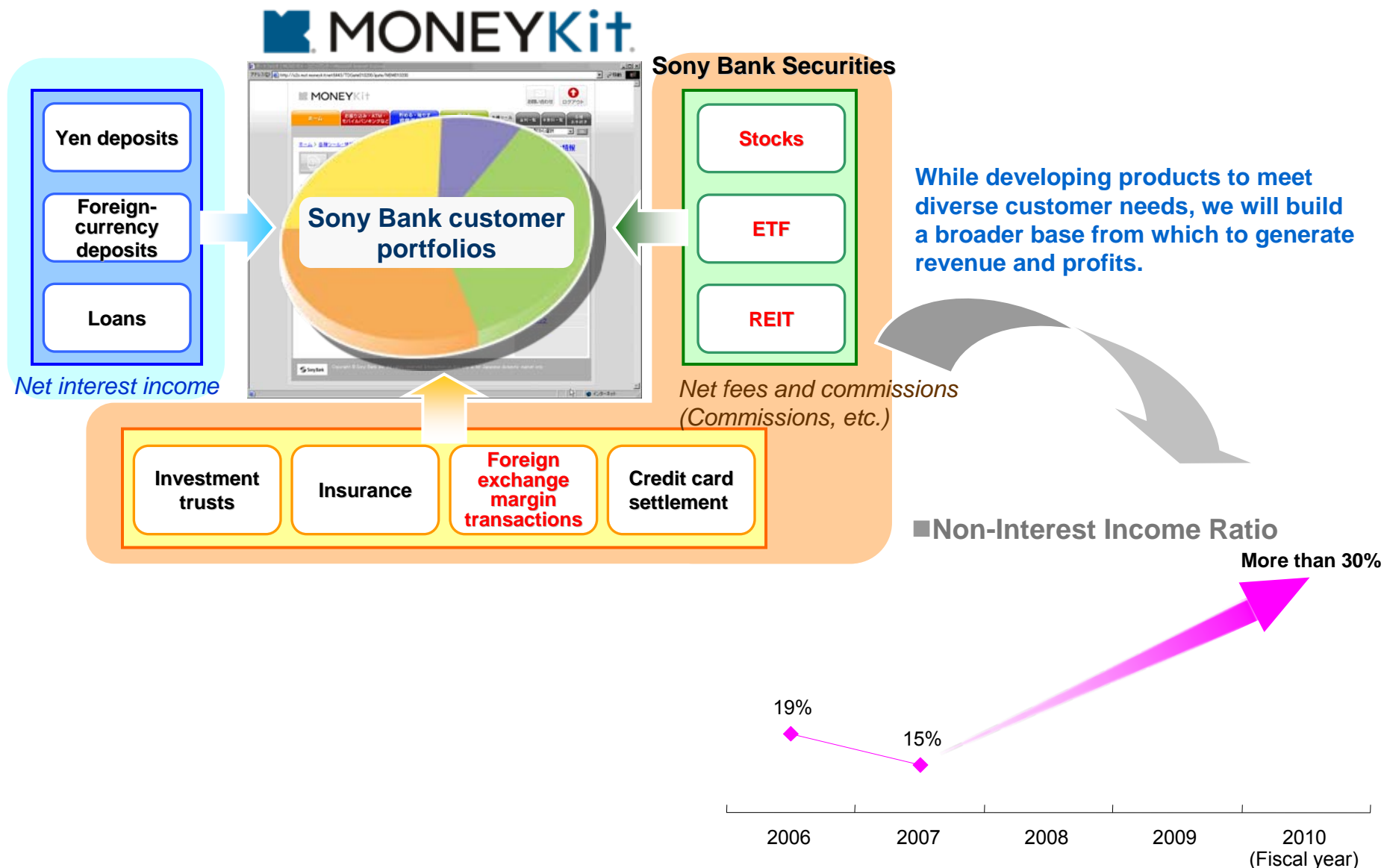
Commenced foreign exchange margin transactions

- Rates set every 0.01 of a yen
- Real time shifts from regular foreign currency deposits
- Extensive information content

* Market share calculated from the Bank of Japan's "Domestic Bank Accounts/Individual Foreign Currency Deposits"



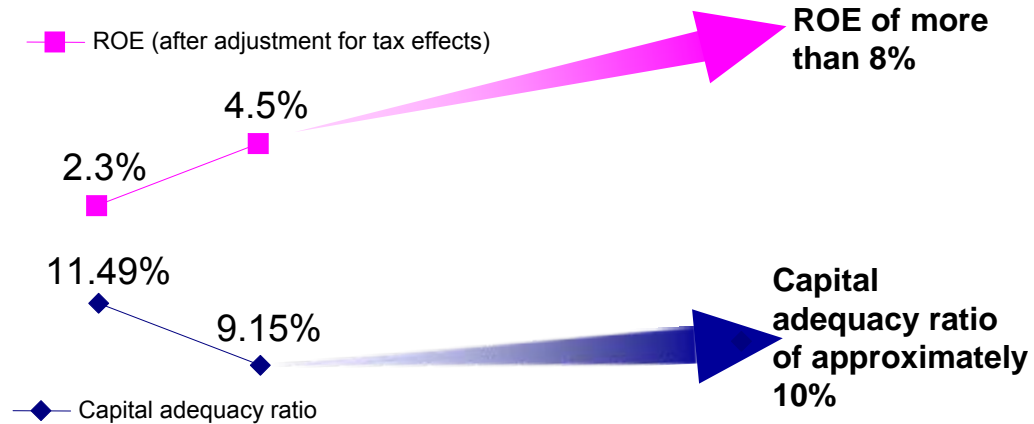
Product and Service Expansion and a Broader Base to Generate Revenue and Profits



Balance Between Profitability and Soundness

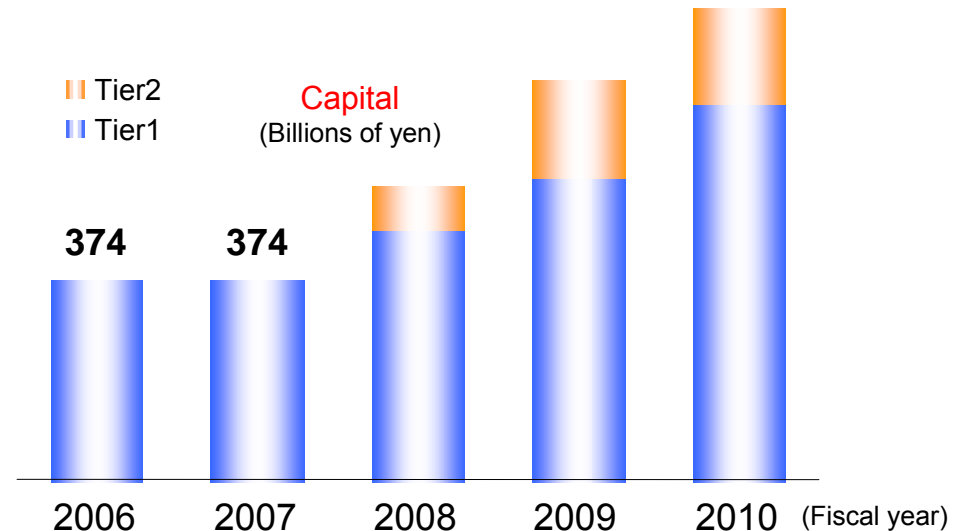
● Improve ROE

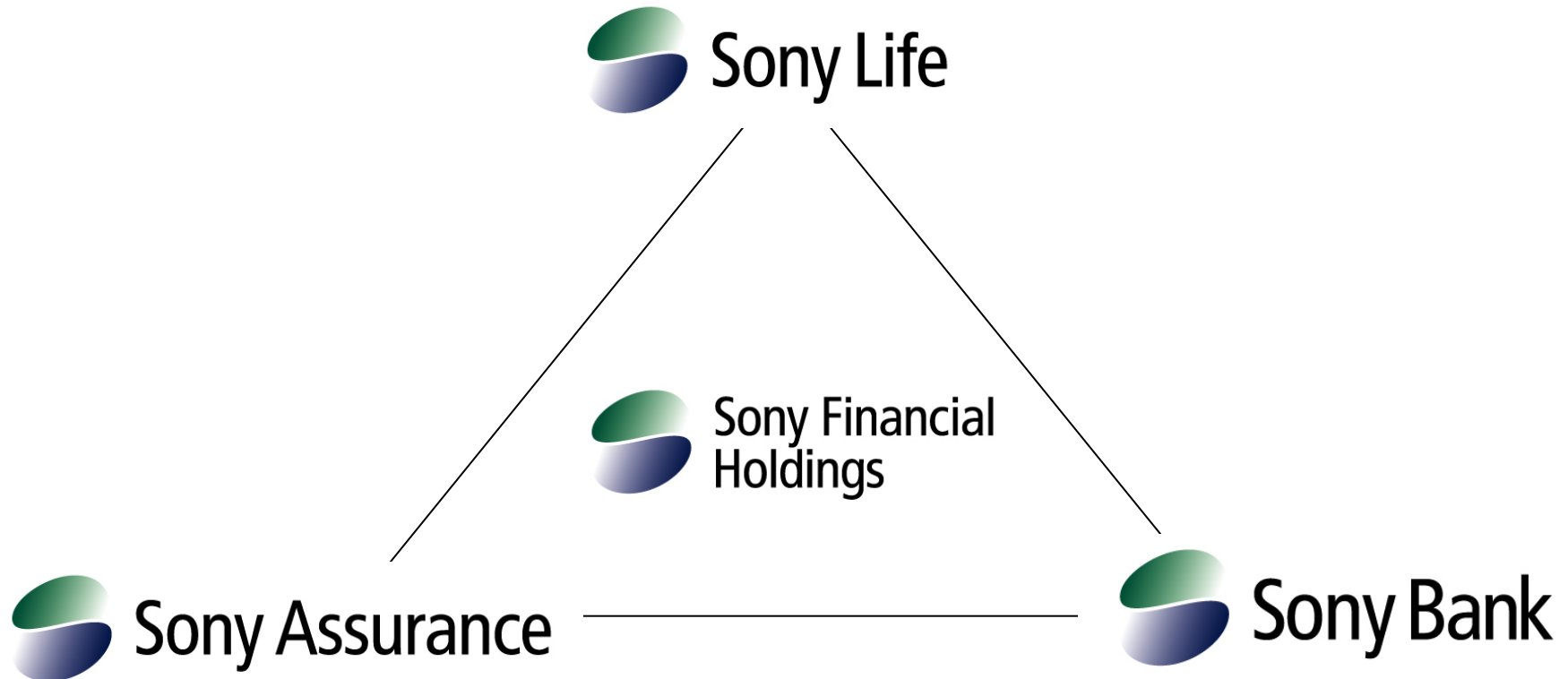
- Raise efficiency through business expansion
- Improve allocation of capital
- Improve non-interest income ratio



● Maintain Capital Adequacy Ratio

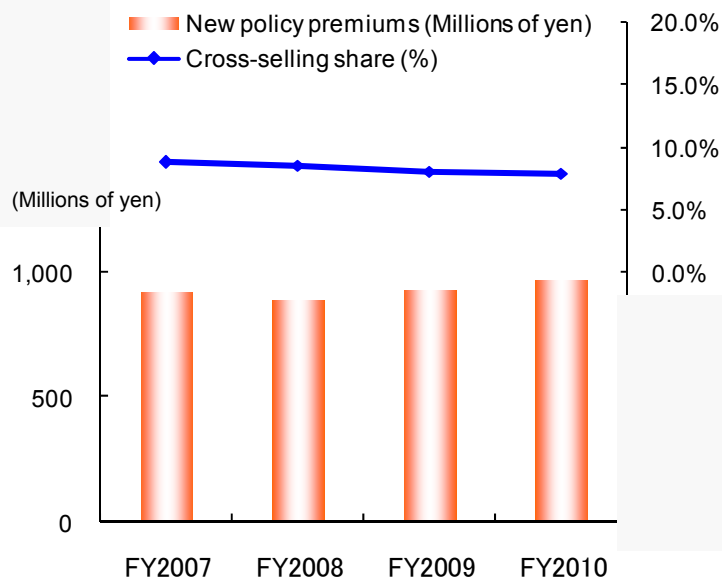
- Increase capital as and when appropriate, in line with acceleration of growth
- Employ subordinate (Tier 2) capital





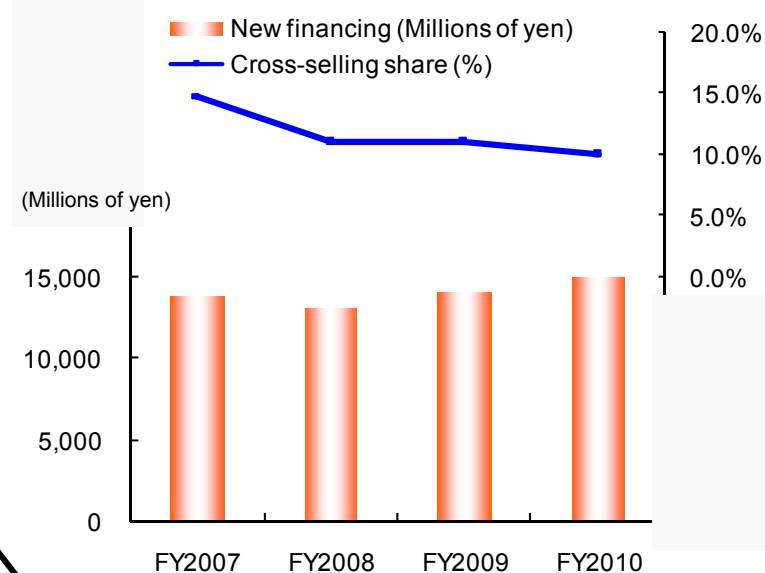
- Foster steady contribution to revenue and profits by cross-selling automobile insurance and mortgage loans through the Lifeplanner channel
- Enjoy mutual benefits from offering fire insurance, group credit insurance and annuities
- Benefit from the December 2007 lifting of the ban on bank counter sales by expanding intra-group product offerings
- Continue to explore Group synergies in addition to cross-selling

Automobile insurance
(via Lifeplanners)



Sony Assurance

Mortgage loans
(via Lifeplanners)



Sony Bank

Sony Life

Note: Figures for FY2008 onward are targets.

Entering New Fields of Business

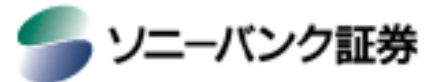
■ Sony Life: Moving toward establishment of joint venture annuities subsidiary with AEGON

- ◆ In 2007, established AEGON Sony Life Planning as preparatory company
- ◆ In May 2008, SFH resolved to accept third-party allocation to raise Sony Life's capital ¥10.0 billion
- ◆ Subsidiary to be capitalized initially at ¥20.0 billion (50:50), including capital reserve



■ Sony Bank: Securities subsidiary commenced operations in October 2007

- ◆ Began accepting account applications: October 1, 2007
- ◆ Began handling Japanese stock transactions: October 15, 2007
- ◆ Accounts as of March 31, 2008: 11,883
- ◆ Customer assets as of March 31, 2008: ¥3,899 million
- ◆ Established with aim of creating new securities business through tie-up between bank and securities company
- ◆ Creating diverse lineup of asset management products that banks cannot handle
- ◆ Aiming for profitability in FY2010

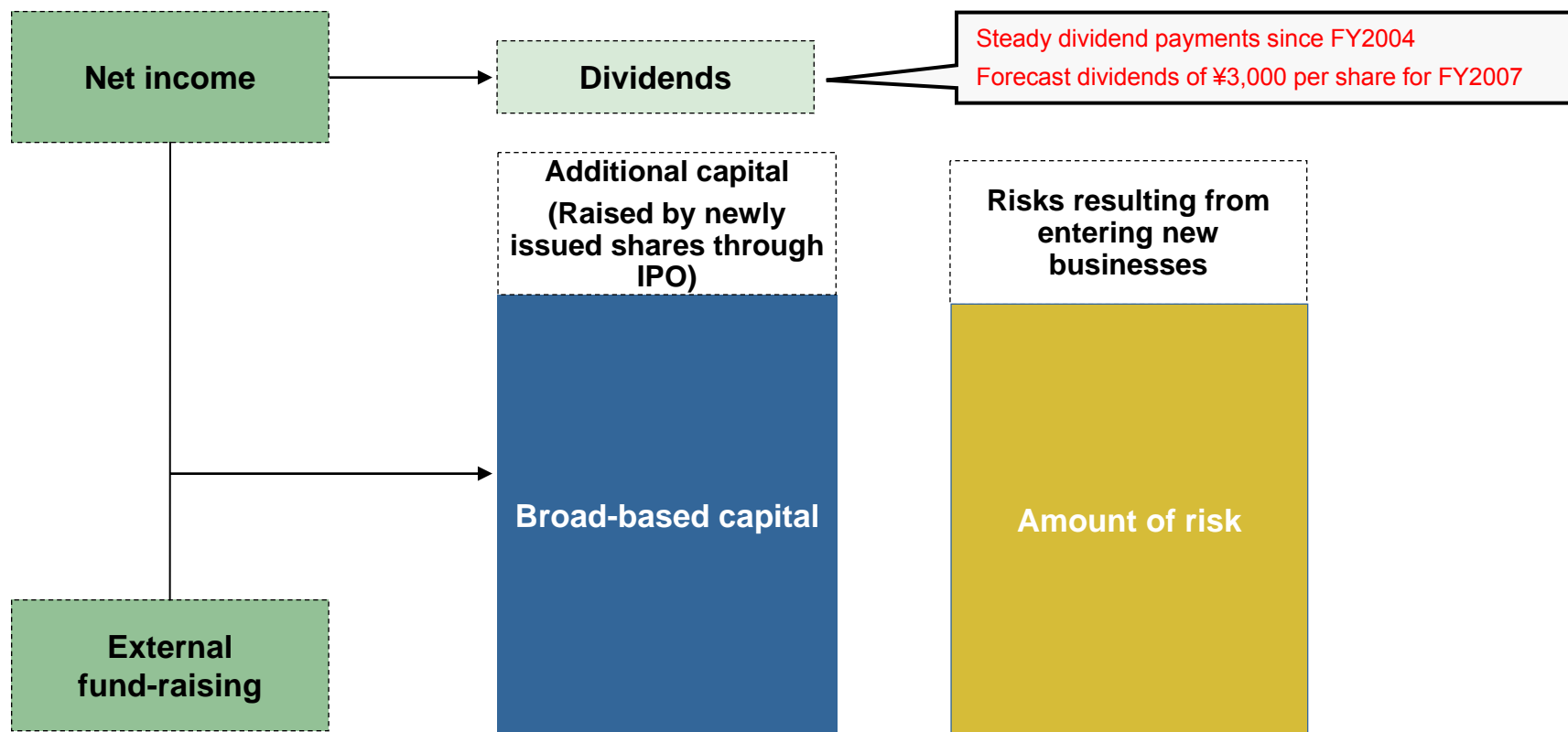


■ Other

- ◆ Continuing to explore possibility of establishing a life insurance subsidiary in Greater China

Capital and Dividend Policies

- Appropriate assessment of the risks that the Group faces and maintenance of adequate capital corresponding to that risk
- In principle the Company will ensure stable ongoing dividends to shareholders, taking into consideration industry trends and the Group's operating performance, as long as our ongoing soundness as a financial institution is ensured



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)	Percentage change
Consolidated ordinary revenues	653.2	758.7	759.2	822.1	430.0	884.0	+ 7.5%
<u>Of which, life insurance business</u>	604.0	696.4	689.5	741.3	386.0	793.0	+ 7.0%
<u>Of which, non-life insurance business</u>	38.1	45.7	51.0	55.6	30.0	59.8	+ 7.5%
<u>Of which, banking business</u>	11.3	17.2	19.4	25.9	14.4	30.7	+ 18.5%
Consolidated ordinary profit	12.2	25.3	18.3	44.5	18.0	37.0	(16.9%)
<u>Of which, life insurance business</u>	17.0	24.3	14.8	39.0	17.0	34.0	(13.0%)
<u>Of which, non-life insurance business</u>	(2.8)	(0.7)	2.0	2.8	0.6	1.3	(53.9%)
<u>Of which, banking business</u>	(1.6)	2.2	1.3	2.4	0.5	1.3	(45.9%)
Consolidated net income	6.3	11.5	10.0	24.2	10.0	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.

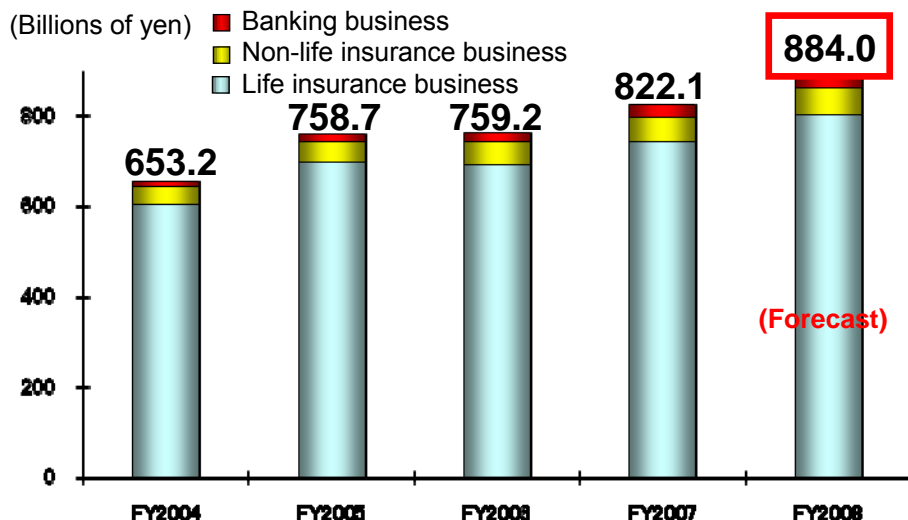
■ Non-life insurance business

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

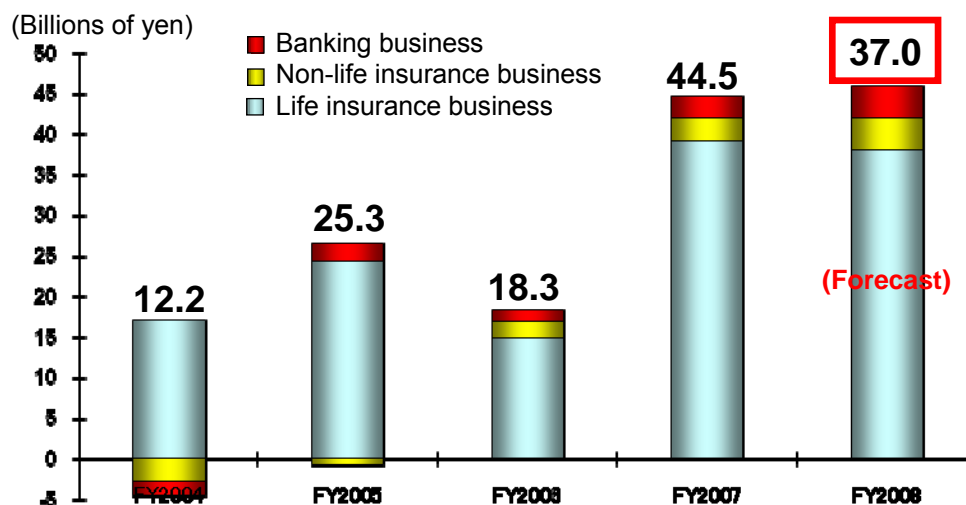
■ Banking business

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



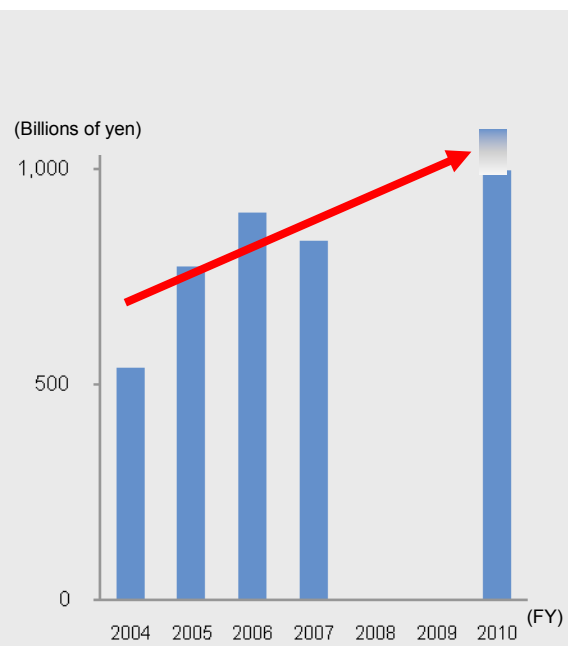
Medium-Term Management Targets (FY2010)

Key Management Benchmarks

- Consolidated ordinary revenues, consolidated ordinary profit and consolidated net income
- Consolidated adjusted ROE

Sony Life Embedded Value and Adjusted ROE

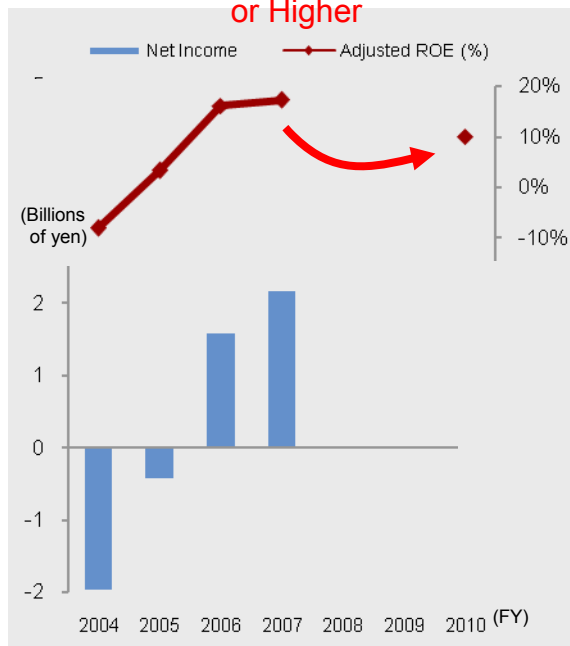
Target EV of ¥1–1.1 Trillion by FY2010



Source: Sony Life
 Notes: Calculation of Adjusted ROE
 Numerator: Net increase in EV plus dividend
 Denominator: The average of (EV at previous fiscal year-end — dividend + EV at current fiscal year-end)

Sony Assurance Net Income and Adjusted ROE

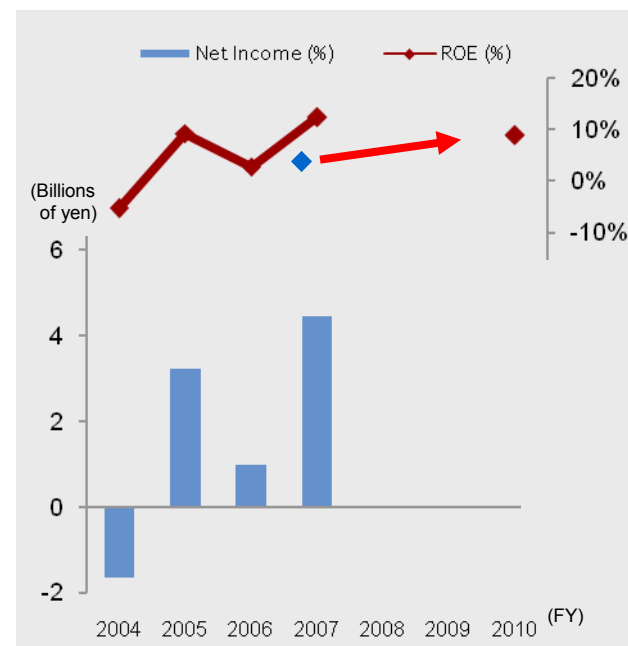
Aim to Maintain Adjusted ROE of 10% or Higher



Source: Sony Assurance
 Notes: Calculation of Adjusted ROE
 Numerator: Net income plus an increase in provision for special catastrophe reserves (after-tax) and an increase in reserve for price fluctuations (after-tax)
 Denominator: The average of (shareholders' equity or net assets + special catastrophe reserve and reserve for price fluctuations (after-tax)) as of the previous fiscal year-end and the current fiscal year-end

Sony Bank Net Income and ROE

Target ROE of 8% or More



Source: Sony Bank
 Notes: Calculation of ROE:
 Numerator: Net income
 Denominator: The average of shareholders' equity or net assets as of the previous fiscal year-end and the current fiscal year-end

Thank you!

APPENDIX

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 (Japan GAAP)
Treatment of new policy acquisition costs (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.
Method of calculating policy reserves (insurance policy liabilities) (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.
Treatment of the market value of convertible bonds held (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:

1. The above-mentioned differences between U.S. GAAP and Japan GAAP are deemed material to SFH's consolidated ordinary profit for FY2007.
2. The scope of Sony Corporation's consolidated Financial Services segment and SFH's consolidation differ, as follows:
 - Sony Corporation's consolidated Financial Services segment: Sony Life Insurance Co., Ltd., Sony Assurance Inc., Sony Bank Inc., Sony Finance International Inc., others
 - SFH consolidated: Sony Life Insurance Co., Ltd., Sony Assurance Inc., Sony Bank Inc., Sony Bank Securities Inc., Sony Life Insurance (Philippines) Corporation
3. 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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Sony Financial Holdings Inc.
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