Presentation Materials

Management Vision of the Sony Financial Holdings Group for Fiscal 2008

Sony Financial Holdings Inc.
May 26, 2008

I am Teruhisa Tokunaka, President and Representative Director of Sony Financial Holdings Inc. Thank you for joining us today.

Let us begin our presentation of our management vision for fiscal 2008.

Disclaimers:
These presentation materials contain statements concerning the current plans, expectations, strategies and beliefs of the Sony Financial Holdings Group (the “SFH Group”). Any statements contained herein that pertain to future operating performance and that are not historic facts are forward-looking statements. Forward-looking statements may include—but are not limited to—words such as “believe,” “anticipate,” “plan,” “strategy,” “expect,” “forecast,” “predict,” “possibility” and similar words that describe future operating activities, business performance, events or conditions. Forward-looking statements, whether spoken or written, are based on judgments made by the management of the SFH Group, based on information that is currently available to it. As such, these forward-looking statements are subject to various risks and uncertainties, and actual business results may vary substantially from the forecasts expressed or implied in forward-looking statements. Consequently, investors are cautioned not to place undue reliance on forward-looking statements. The SFH Group disclaims any obligation to revise forward-looking statements in light of new information, future events or other findings. The information contained in this presentation does not constitute or form part of any offer for sale or subscription of or solicitation or invitation of any offer to buy or subscribe for any securities, nor shall it or any part of it form the basis of or be relied on in connection with any contract or commitment whatsoever.

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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

Today's agenda is as you see here.

First, I would like to introduce the people who are present today.

Hiromichi Fujikata Executive Vice 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.

The president of each of our three main businesses is here today to help you gain a better understanding of these businesses.

Let us begin with Executive Vice President Fujikata's explanation of the Company's consolidated financial results for fiscal 2007.

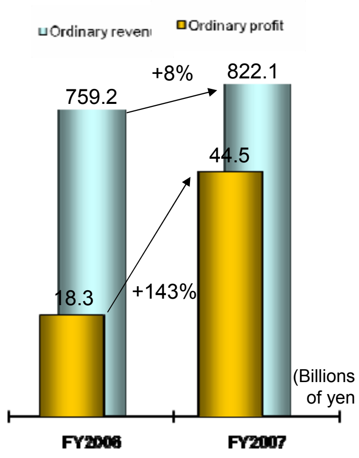
Explanation of Consolidated Financial Results for FY2007

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

Today, I will explain the operating results of the Sony Financial Holdings Group.

Highlights of Group Consolidated Operating Performance for FY2007

Sony Financial Holdings



(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.

Consolidated ordinary revenues for the Sony Financial Holdings Group grew 8% compared with the preceding fiscal year, to ¥822.1 billion, owing to performance increases in all businesses: life insurance, non-life insurance and banking.

Consolidated ordinary profit also increased ¥26.1 billion, to ¥44.5 billion, in line with profit increases in all businesses.

Consolidated net income grew ¥14.3 billion, to ¥24.3 billion.

Highlights of Group Consolidated Operating Performance for FY2007

Sony Financial Holdings

- 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.

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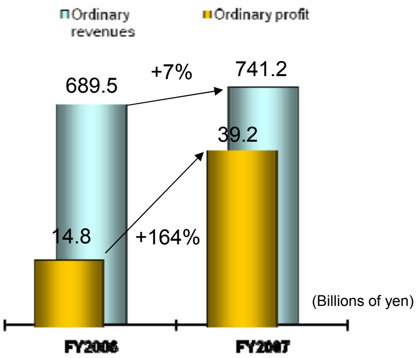
This is an overview of the operating performance of each business segment. From this point, I will go into more detail on the operating performance of each of the three companies that handle these businesses.

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

Sony Financial Holdings



(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.

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%

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.

First, I will explain the highlights of non-consolidated operating performance of Sony Life.

Sony Life posted a 7% increase in ordinary revenues compared with the preceding fiscal year, to ¥741.2 billion, as the policy amount of individual insurance in force remained robust, boosting income from insurance premiums, and general account investment income increased.

Ordinary profit grew ¥24.3 billion, compared with the preceding fiscal year, to ¥39.2 billion, owing to such factors as the absence of an increase in the current fiscal year of the provision for policy reserve as was incurred in the preceding fiscal year, in addition to an increase in gains from general account asset investment.

Owing to higher ordinary profit, net income expanded ¥11.0 billion, to ¥18.5 billion.

The company posted extraordinary losses of ¥3.4 billion, owing mainly to an increase in the provision for reserve for price fluctuations.

Overview of Performance: Sony Life (Non-Consolidated)

Sony Financial Holdings

(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.

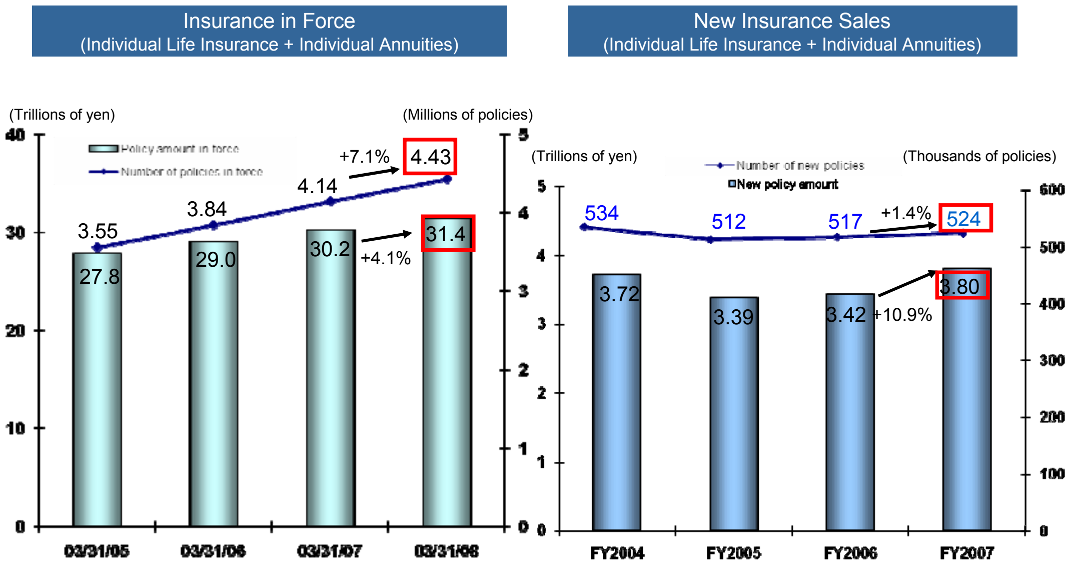
*2 The lapse and surrender rate is calculated without offsetting policies that are reinstated.

This slide shows the principal indicators of Sony Life's financial performance.

I will provide additional explanation in later slides, along with past results.

Sony Life Operating Performance (1)

Sony Financial Holdings



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.

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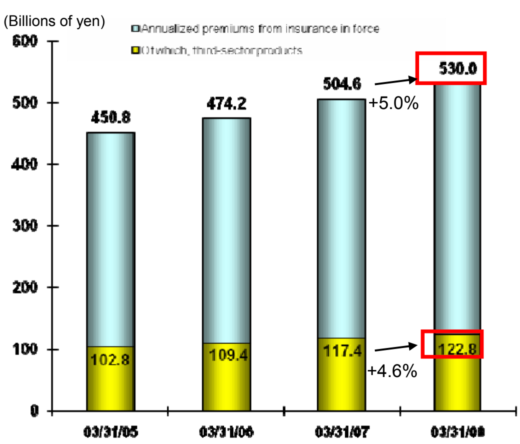
Sony Life's insurance in force grew steadily during the term. As a result, policy amount in force was up 4.1% from March 31, 2007, to ¥ 31.4 trillion. The number of policies in force rose 7.1% during the term, to 4.43 million policies.

During the year, new insurance sales on a policy amount basis increased 10.9%, to ¥3.8 trillion. Sales of such products as family income insurance and variable life insurance were brisk. The number of new policies expanded 1.4%, to 524 thousand policies.

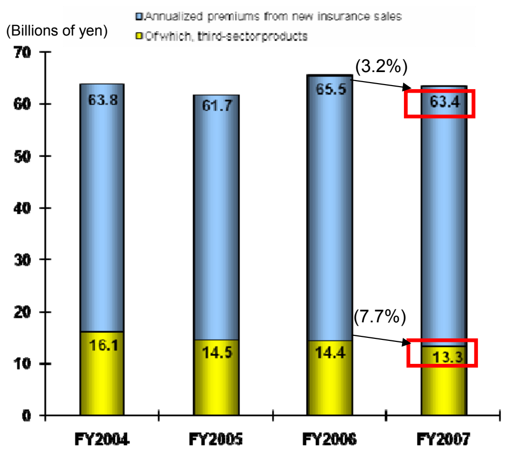
Sony Life Operating Performance (2)

Sony Financial Holdings

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.

Annualized premiums from insurance in force rose 5.0% compared with the preceding fiscal year, to ¥530.0 billion. Of this amount, third-sector products rose 4.6%, to ¥122.8 billion.

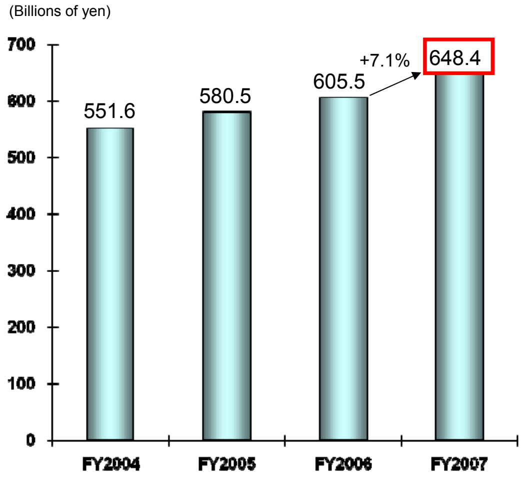
Annualized premiums from new insurance sales fell 3.2% compared with the preceding fiscal year, to ¥63.4 billion. For third-sector products, this amount fell 7.7%, to ¥13.3 billion.

The reason that annualized premiums from new insurance sales decreased, even though new insurance sales increased, was that strong sales of such products as term life insurance, which have relatively low premiums given their policy amounts. Conversely, increasingly stringent competition resulted in lower sales of medical insurance, which has relatively high premiums.

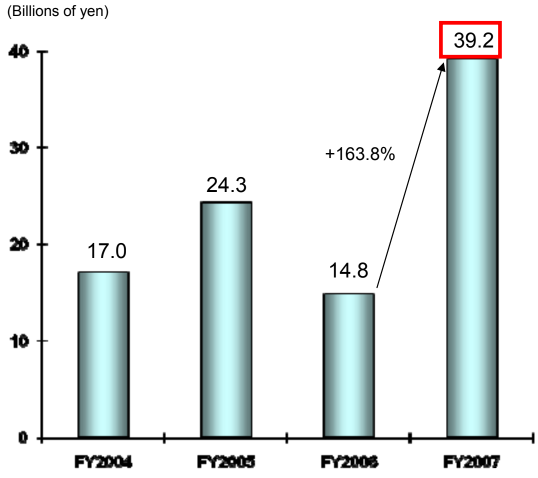
Sony Life Operating Performance (3)

Sony Financial Holdings

Income from Insurance Premiums



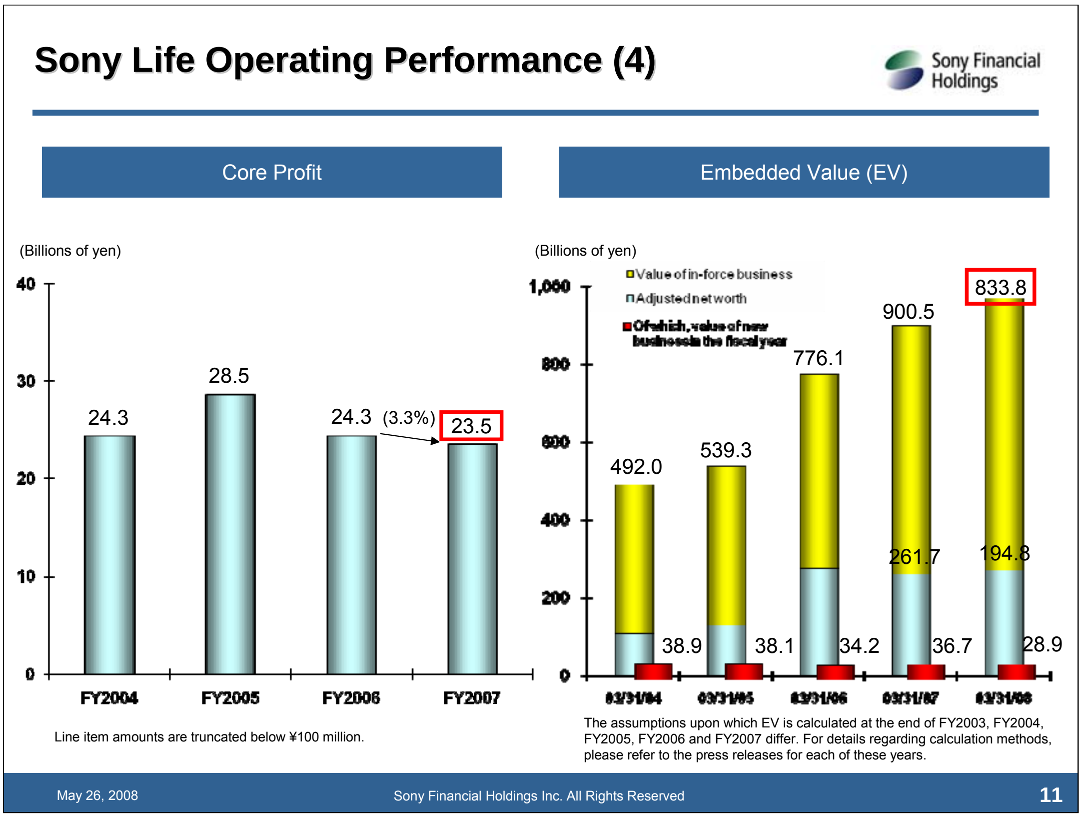
Ordinary Profit (Non-Consolidated)



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

Income from insurance premiums grew 7.1% compared with the preceding fiscal year, to ¥648.4 billion, owing to a robust policy amount in force.

Sony Life's ordinary profit grew ¥24.3 billion, compared with the preceding fiscal year, to ¥39.2 billion, owing to such factors as the absence of an increase in the current fiscal year of the provision for policy reserve as was incurred in the preceding fiscal year, in addition to an increase in gains from general account asset investment.



Core profit declined ¥0.7 billion, to ¥23.5 billion, mainly because of the increase of operating expenses.

I will explain embedded value in more detail later in this presentation, but:

Adjusted net worth was down ¥66.9 billion from March 31, 2007, to ¥194.8 billion.

The value of in-force business was up ¥0.1 billion from March 31, 2007, to ¥638.9 billion.

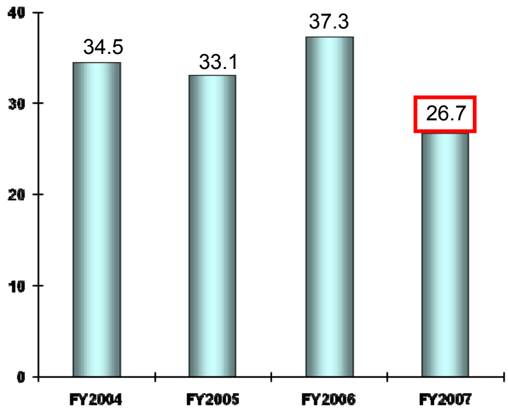
Of this amount, the value of new policies was down ¥7.8 billion compared with March 31, 2007, to ¥28.9 billion.

Overall, embedded value was down ¥66.7 billion, to ¥833.8 billion.

Sony Life Operating Performance (5)

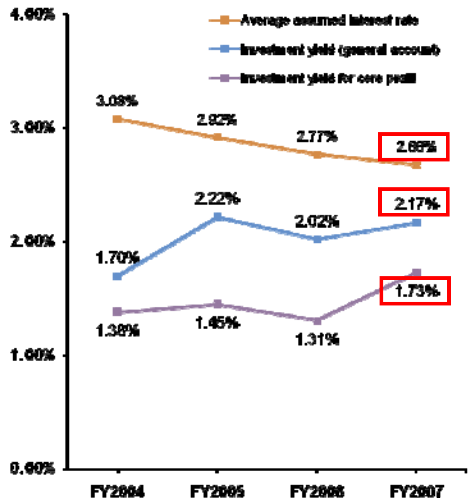
Sony Financial Holdings

Negative Spread



Line item amounts are truncated below ¥100 million.

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



The negative spread improved ¥10.6 billion compared with the preceding fiscal year, to ¥26.7 billion.

Comparing the investment yield for core profit and the investment yield in the general account with the average assumed interest rate,

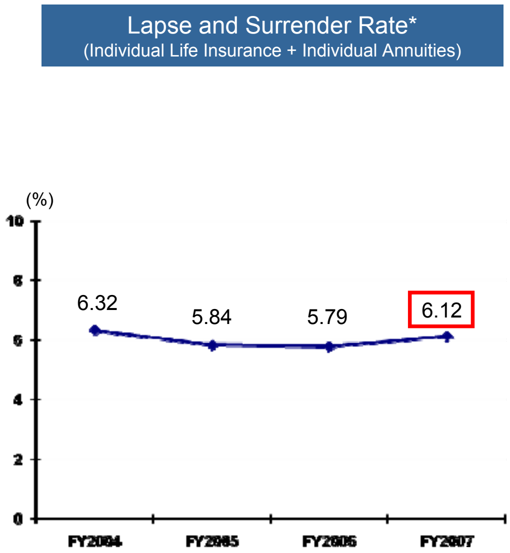
The investment yield for core profit was 1.73%,

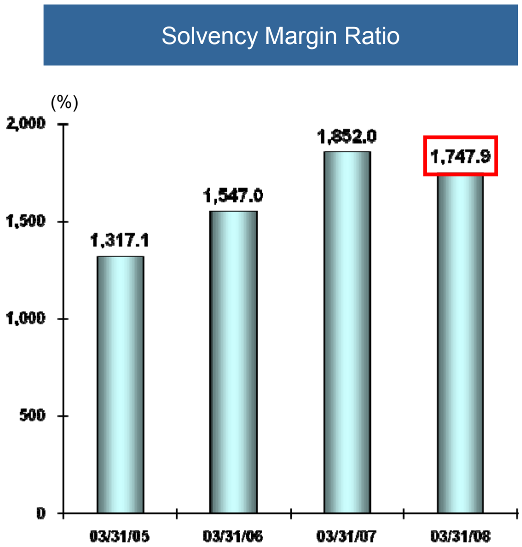
The investment yield for the general account was 2.17% and

The average assumed interest rate was 2.68%.

Sony Life Operating Performance (6)

Sony Financial Holdings





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

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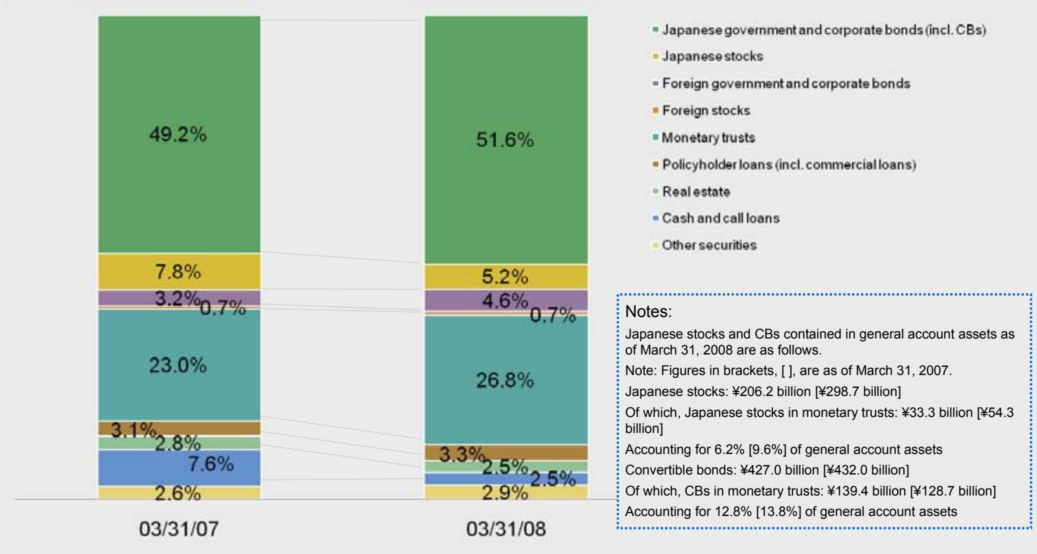
The lapse and surrender rate was up 0.33 percentage point compared with the preceding fiscal year, to 6.12%. This level is still low compared with other companies in the same industry.

The solvency margin ratio remains high, at 1,747.9%.

Sony Life Operating Performance (7)

Sony Financial Holdings

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



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

Looking in real terms at Japanese stocks and convertible bonds included within Japanese government and corporate bonds, as well as Japanese stocks and convertible bonds included within monetary trusts and convertible bonds, Japanese stocks make up 6.2% of general account assets, while convertible bonds account for 12.8%.

Sony Life Operating Performance (8)

Sony Financial Holdings

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.

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Sony Life's valuation gains on securities at market value amounted to ¥127.8 billion, down ¥70.4 billion from March 31, 2007.

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 a substantial decline in the market value of Japanese stocks held.

The company does not invest in securitized products backed by U.S. subprime loans, so as far as we are aware the company is experiencing no direct impact of the subprime loan issue.

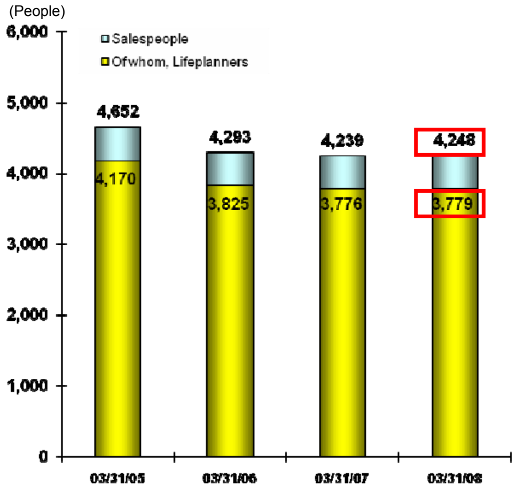
A press release dated April 24 announced that the total amount of impairment losses on securities for the Sony Financial Holdings Group at the end of the fiscal year ended March 31, 2008, was ¥9.8 billion. Sony Life's valuation gains on general account assets* are reflected in this amount.

* Valuation gains on general account assets are calculated by subtracting their book value on March 31, 2007, from their market value on March 31, 2008.

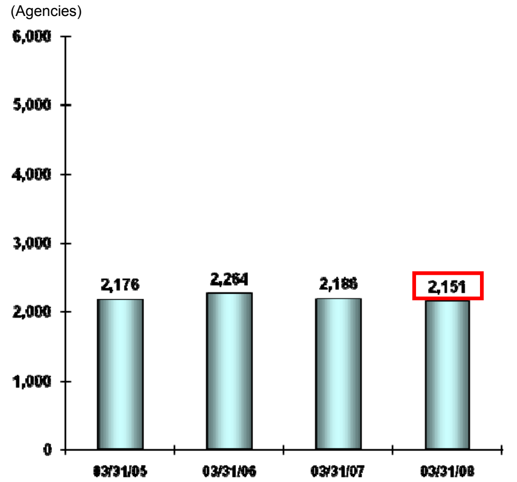
Sony Life Operating Performance (9)

Sony Financial Holdings

Number of Lifeplanners and Other Salespeople



Independent Agents

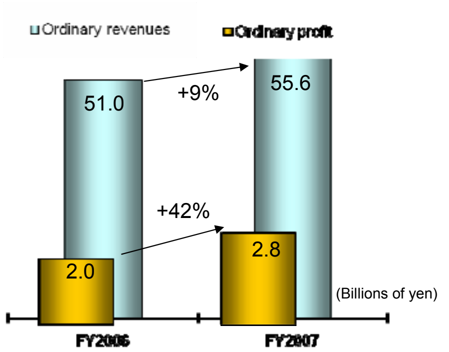


As of March 31, 2008, Sony Life's Lifeplanners and other salespeople numbered 4,248, nine more than as of March 31, 2007. This total included 3,779 Lifeplanners, an increase of three people.

In addition, independent agents numbered 2,151, down 35.

Highlights of Operating Performance: Sony Assurance

Sony Financial Holdings



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.

Next, I will explain the highlights of Sony Assurance's operating performance.

Sony Assurance posted a 9% increase in ordinary revenues compared with the preceding fiscal year, to ¥55.6 billion, owing chiefly to favorable performance in mainstay automobile insurance, which raised net premiums written.

Ordinary profit rose ¥0.7 billion, to ¥2.8 billion. In addition to the increase in ordinary revenues, the loss ratio remained stable.

Net income rose ¥0.5 billion, to ¥2.1 billion.

Overview of Performance: Sony Assurance

Sony Financial Holdings

(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.

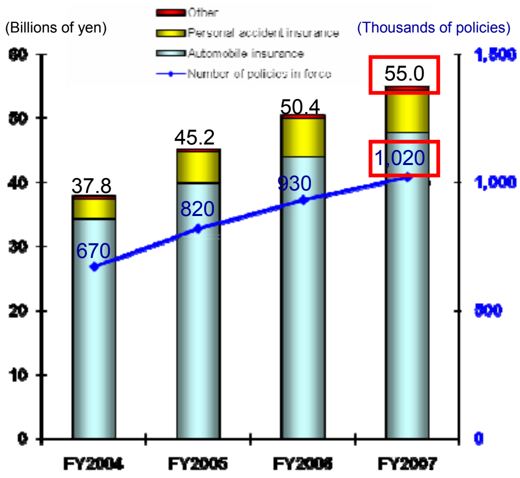
This slide shows the principal indicators of Sony Assurance's financial performance.

I will provide additional explanation in later slides, along with past results.

Sony Assurance Operating Performance (1)

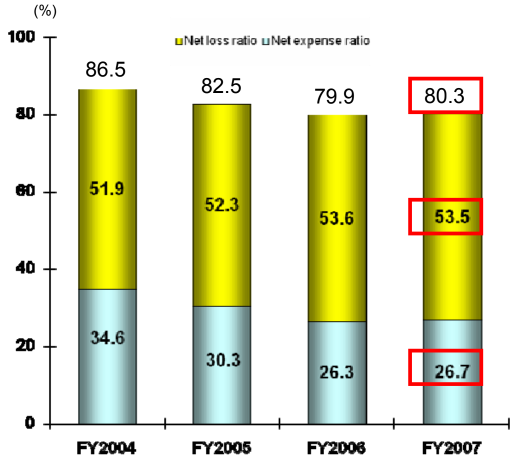
Sony Financial Holdings

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, 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.

Combined Ratio



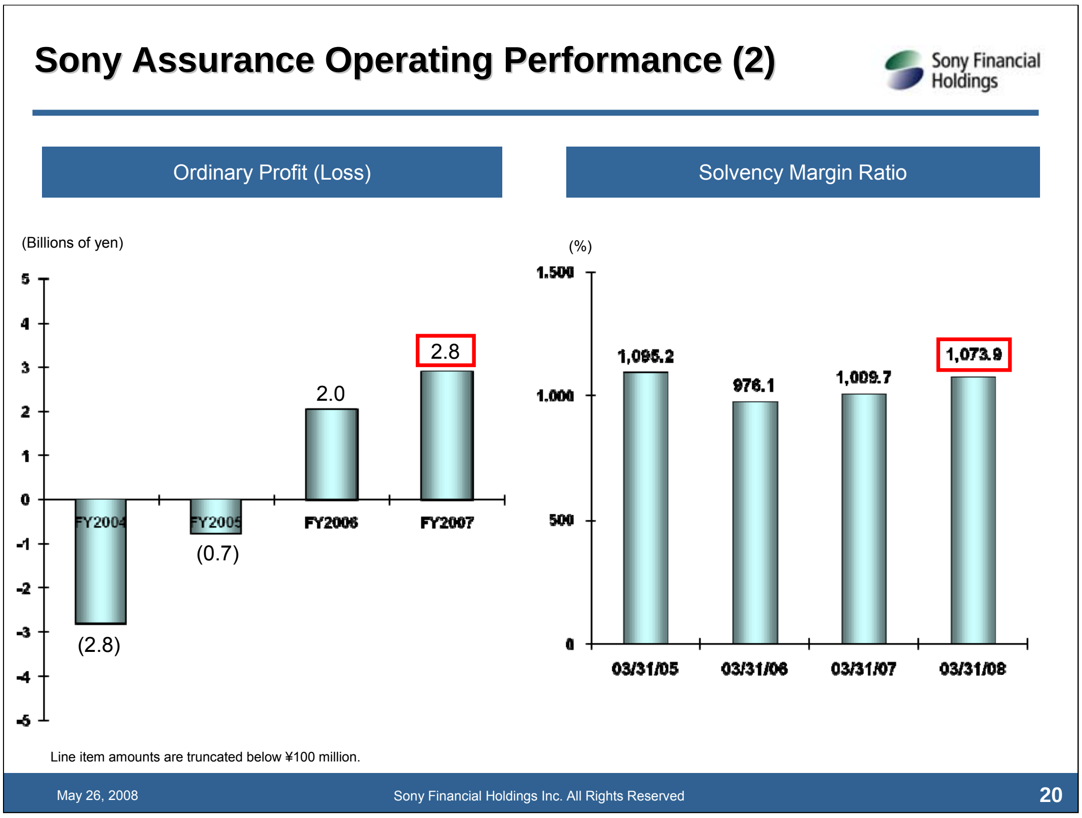
Net expense ratio = Operating expenses related to underwriting ÷ net premiums written
Net loss ratio = (Net losses paid + expenses incurred in surveying damages) ÷ net premiums written

In terms of insurance underwriting, as you see here the number of policies in force increased steadily. The number of policies in force as of March 31, 2008—the total number of automobile insurance and medical and cancer insurance policies—was up 10% compared with March 31, 2007, to 1.02 million policies. Net premiums written grew 9% compared with the preceding fiscal year, to ¥55.0 billion.

The net loss ratio improved 0.1 percentage point, to 53.5 %.

The net expense ratio rose 0.4 percentage point, to 26.7%. Although the company pursued increases in operating efficiency, system-related expenses increased.

As a result, the combined ratio, which is the sum of the net loss ratio and the net expense ratio, rose 0.4 percentage point, to 80.3%.



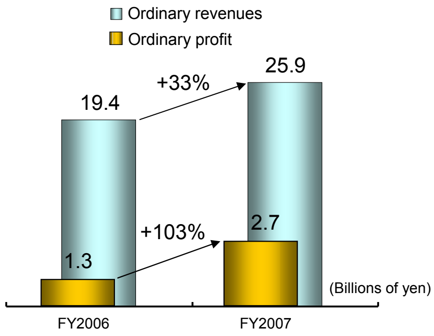
The steady increase in the number of policies that I mentioned earlier, as well as a stable loss ratio, enabled Sony Assurance to raise its profitability during the fiscal year ended March 31, 2008, after having moved into the black in the preceding fiscal year.

Operating expenses increased from the preceding fiscal year, but remained favorable in comparison with other companies in the industry.

The solvency margin ratio remained at a sound level, amounting to 1,073.9% as of March 31, 2008.

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

Sony Financial Holdings



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.

Now I will explain the highlights of Sony Bank's non-consolidated operating performance.

Sony Bank's ordinary revenues increased 33% compared with the preceding fiscal year, to ¥25.9 billion, as a higher balance of mortgage loans resulted in increased interest on loans, leading to higher interest income, and a higher balance of deposits led to greater investment income.

Owing to the rise in gross operating profit, ordinary profit increased ¥1.3 billion compared with the preceding fiscal year, to ¥2.7 billion.

Owing to an increase in deferred income taxes, Sony Bank's net income increased substantially, to ¥4.4 billion.

Overview of Performance: Sony Bank (Non-Consolidated)

Sony Financial Holdings

(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.

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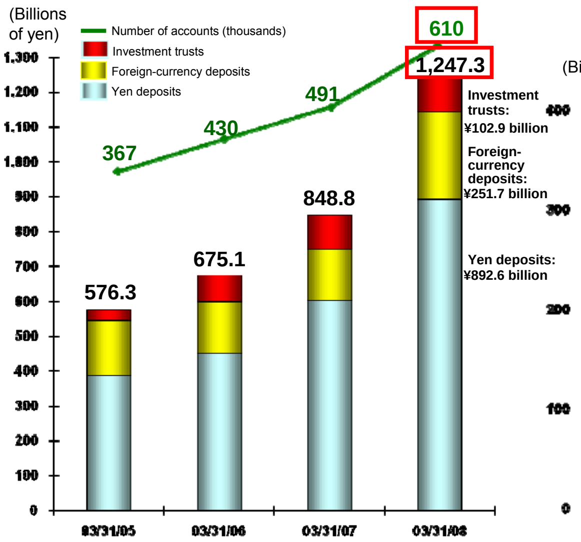
This slide shows the principal indicators of Sony Bank's financial performance.

I will provide additional explanation in later slides, along with past results.

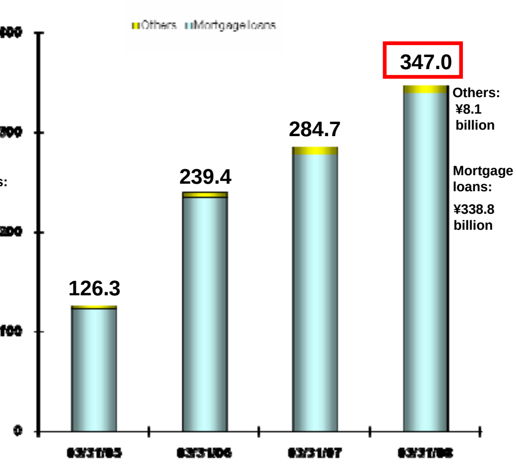
Sony Bank Operating Performance (1)

Sony Financial Holdings

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



Loans



Amounts are truncated below ¥100 million.

As of March 31, 2008, owing to an increase in business, the balance of customer assets (the total of deposits and investment trusts) expanded, largely due to the contribution of increased deposits. The balance amounted to ¥1,247.3,billion, up ¥398.5 billion, or 46.9%, from March 31, 2007.

Total yen and foreign currency deposits amounted to ¥1,144.3 billion, up ¥392.0 billion, or 52.1%, from March 31, 2007.

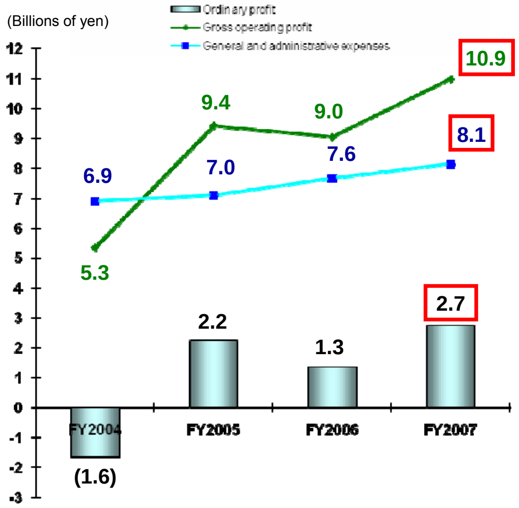
Investment trusts were up ¥6.4 billion compared with March 31, 2007, or 6.7%, to ¥102.9 billion. Loans were up ¥62.3 billion, or 21.9%, to ¥347.0 billion.

On March 31, 2008, accounts numbered 610 thousand, up 118 thousand from March 31, 2007.

Sony Bank Operating Performance (2)

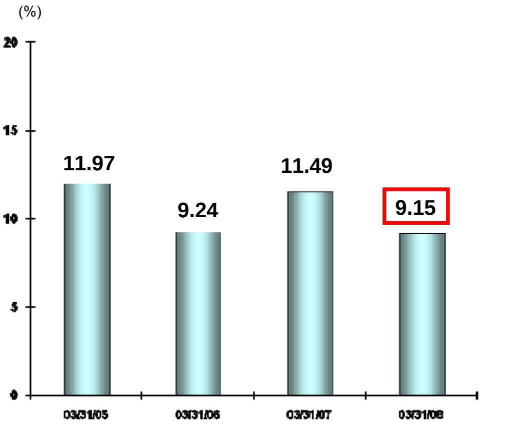
Sony Financial Holdings

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.

Looking next at profitability, boosted by such factors as higher net interest income, gross operating profit grew ¥1.9 billion compared with preceding fiscal year, to ¥10.9 billion.

Breaking down gross operating profit, net interest income increased ¥0.5 billion, to ¥5.1 billion, as a result of a higher balance of invested assets through the expansion of operations. Net fees and commissions fell ¥0.1 billion, to ¥0.3 billion, owing to higher ATM fees and other service costs. Net other income increased ¥1.5 billion, to ¥5.4 billion, as market investment profit improved.

The capital adequacy ratio remained healthy, at 9.15%, although down from the March 31, 2007, figure primarily as a result of a substantial increase in assets.

Sony Life's Embedded Value (EV)

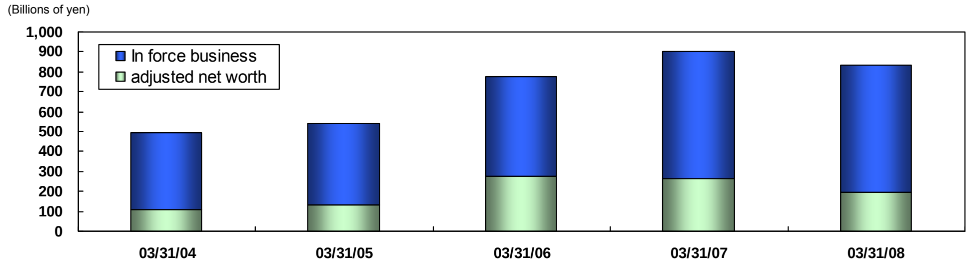
Sony Life's embedded value, or EV

Overview of Embedded Value in FY2007

Sony Financial Holdings

- 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)

	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.

Sony Life discloses EV, beginning with the fiscal year ended March 31, 2004, as one of the important indices used to evaluate the corporate value of its life insurance business.

Overall, EV for the year ended March 31, 2008 was ¥833.8 billion, down ¥66.7 billion from the preceding fiscal year. The value of in-force business was essentially flat, but adjusted net worth declined ¥66.9 billion, to ¥194.8 billion, owing to such factors as an ¥82.7 billion decline in a net unrealized gains.

EV of new policies during the fiscal year declined ¥7.8 billion, to ¥28.9 billion. We analyze the principal reasons for the year-on-year decline in the value of new policies to include a rise in operating expenses—centered on system-related expenses—which had a ¥3.5 billion negative effect. Also, such factors as a revision in insurance rates and lower annualized new policy premiums on medical insurance had a ¥3.6 billion negative effect, and lower market interest rates had a ¥1.1 billion negative effect.

EV: Assumptions and Movement Analysis

Sony Financial Holdings

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.

Next, I will explain the major assumptions employed in calculating EV, as well as principal changes since March 31, 2007.

The table on the right shows the reasons for the increases and decreases in EV since March 31, 2007.

First, EV decreased ¥6.5 billion from March 31, 2007, owing to the payment of shareholder dividends, but the release from the value of in-force business and the value of new policies acquired during the year caused a ¥67.0 billion increase.

However, the difference between assumptions and actual results for the year ended March 31, 2008, came to ¥113.2 billion, and investment yields were revised from the assumed investment yields and other factors from April 1, 2008. This situation resulted in a ¥14.1 billion negative difference from changes in the assumptions. As a result, EV as of March 31, 2008, was ¥833.8 billion.

Of the ¥113.2 billion difference between assumptions and actual results for the year ended March 31, 2008, ¥82.7 billion was due to the downturn in stock prices during the fiscal year ended March 31, 2008, which caused decreases in valuation gains on owned stocks and convertible and certain other bonds.

The effect of fluctuations in market conditions was felt through the difference between assumptions and actual results and the difference from changes in the assumptions.

Within the difference from changes in the assumptions and actual results, an increase in the minimum guarantee cost on variable life insurance accounted for ¥9.1 billion, and increased capital costs on investments in ultralong-term bond investments accounted for a ¥5.9 billion decline. With regard to the impact of operating expenses, an internal survey conducted during working hours suggested that increases in the percentage of time spent on ongoing policy maintenance should be reflected in the EV calculations, which brought EV down ¥8.4 billion. Of the ¥14.1 billion decrease caused by difference from changes in the assumptions, ¥13.7 billion arose from the decrease in expected future investment yields on securities other than bonds.

During the year ended March 31, 2008, EV decreased as the result of market-related and other factors. In the fiscal year ending March 31, 2009, we expect the release from the value of in-force business to remain stable and new policies to increase.

EV: Sensitivity

Sony Financial Holdings

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.

Here we show the effects of changing the assumptions, along with their sensitivities. Please use this as a reference.

EV: Breakdown of Adjusted Net Worth

Sony Financial Holdings

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: Breakdown of adjusted net worth

EV: Major Assumptions (Investment Yield)

Sony Financial Holdings

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%

EV: Major assumptions (investment yields)

Sony Financial Holdings

Key Management Benchmarks

May 26, 2008

Now I will explain our key management benchmarks.

Key Management Benchmarks (1)

Sony Financial Holdings

- 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.

In addition to such key accounting indicators as consolidated ordinary revenues, consolidated ordinary profit and consolidated net income, SFH closely follows consolidated adjusted ROE as one of its management benchmarks.

Consolidated adjusted ROE is calculated as you see here.

Key Management Benchmarks (2)

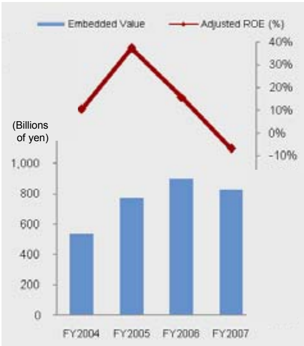
Sony Financial Holdings

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

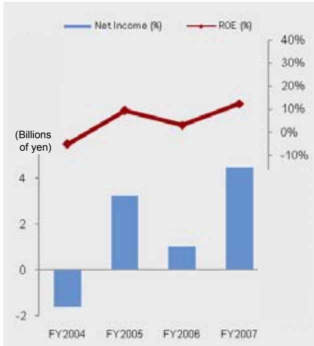


Source: Sony Life
Notes: Calculation of Adjusted ROE
Numerator: Net increase in EV plus dividend
Denominator: The average of (EV at previous fiscal year-end — dividend + EV at current fiscal year-end)

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

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As the chart to the upper right shows, SFH's key management benchmarks on a consolidated basis—ordinary revenues, ordinary profit and net income—remain steady.

Looking at consolidated adjusted ROE, Sony Life's EV decreased, causing consolidated adjusted ROE to fall, but Sony Assurance and Sony Bank both posted year-on-year increases in ROE.

(For reference)	**FY2004**	**FY2005**	**FY2006**	**FY2007**
Consolidated adjusted ROE	8.0%	35.1%	15.2%	(5.7%)
Sony Life	10.5%	37.2%	15.7%	(6.9%)
Sony Assurance	(8.1%)	3.3%	16.1%	17.2%
Sony Bank	(5.3%)	9.3%	2.9%	12.4%

Management Vision for FY2008

We will move on now to a discussion of our management vision for fiscal 2008.

About the Sony Financial Holdings Group

Sony Financial Holdings

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.

Sony Financial Holdings

	100%	100%	100%
	Sony Life	Sony Assurance	Sony Bank
Sales channels	■ Consulting sales ■ Lifeplanner (sales employees) ■ Partners (independent agencies)	■ Direct sales ■ Telephone ■ Internet	■ Internet
Main products	■ Death protection life insurance ■ Medical insurance, etc.	■ Automobile insurance (risk segmented) ■ Medical and cancer insurance	■ Deposits (yen, foreign currencies) ■ Mortgage loans ■ Investment trusts
Target customers	■ Individuals	■ Individuals	■ Individuals
Scale[1]	■ Policies in force:[2] 4.43 mn ■ Capital:[3] ¥65.8 bn ■ Total assets: ¥3,659.7 bn ■ Employees:[4] 5,372[5]	■ Policies in force: 1,020 thousand ■ Capital:[3] ¥40.0 bn ■ Total assets: ¥78.6 bn ■ Employees:[4] 651	■ Accounts: 610 thousand ■ Capital:[3] ¥40.0 bn ■ Total assets: ¥1,211.0 bn ■ Employees:[4] 165 (including Sony Bank Securities)

[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

Here you see an overview of the Sony Financial Holdings Group.

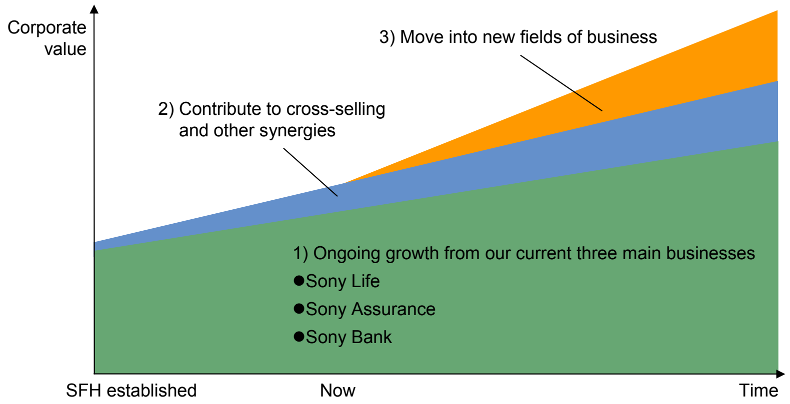
The Sony Financial Holdings Group aims to integrate the diverse functions that are inherent to such financial services as savings, investment, borrowing and protection; offer high-value added products and quality services that meet individual customers' economic needs; and become one of the most trusted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

Thanks to the ongoing expansion of each company's scale of business, the total number of policies and accounts for all companies exceeded 6 million as of March 31, 2008.

Views on Raising Corporate Value

Sony Financial Holdings

- 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.



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The core management philosophy of the SFH Group is based on the stable ongoing growth of the three existing companies. In addition, we aim to raise the corporate value of the overall group by:

•Cross-selling among the three companies and through other synergistic measures that add value, and

•Investing in and entering new fields of business, including through mergers, acquisitions and tie-ups.

From here, we will hear explanations from the presidents of each of the three companies that handle our main businesses: Sony Life, Sony Assurance and Sony Bank.

Ongoing Growth in Each of Our Three Existing Businesses

Sony Life

First, Taro Okuda of Sony Life will explain the life insurance business.

Sony Life

Today's Topics for Explanation

1. Overview of Sony Life
2. Sony Life's Operating Performance
3. Sony Life's Medium-Term Strategies

I am Taro Okuda, President of Sony Life Insurance.

I will provide an overview of Sony Life.

Sony Life: Corporate Philosophy

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.

First, let me explain Sony Life's corporate philosophy.

Sony Life's management philosophy includes its mission and its basic management philosophy.

Our mission is "to work for customers' financial security and stability by offering optimal life insurance products and high-quality services." This basic idea is consistent with the approach we have adopted since our establishment—providing insurance that is tailored to individual customers.

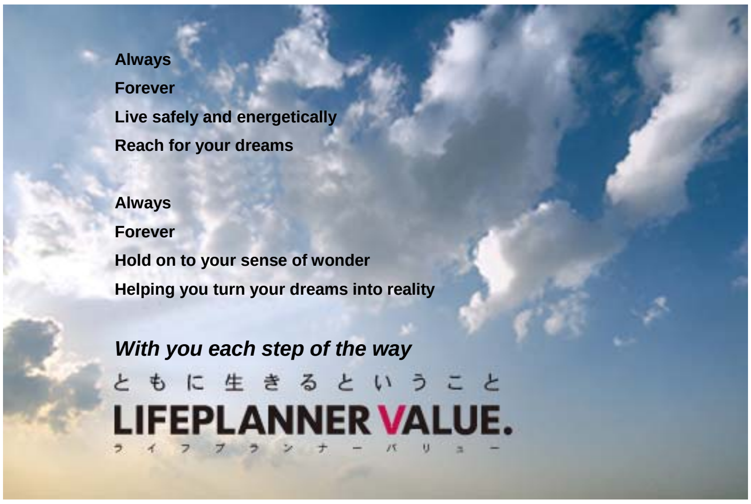
To achieve the goals of this mission, we focus the combined strength of our employees on a dedication to service quality and meeting customer needs. These are the precepts of our basic management philosophy.

This mission and basic management philosophy constitute Sony Life's reason for existing. We will preserve these values even as times change, instilling these philosophies in all employees.

Sony Life: Corporate Philosophy

Sony Life

Corporate Vision



Sony Life's corporate vision is expressed through Lifeplanner Value—the value it delivers to customers.

In addition to providing the optimal protection to meet customers' life plans, even after signing a contract we deliver detailed after-sale follow-up services that protect customers throughout their lives including protection against changing social circumstances. In short, Lifeplanner Value refers to the sort of value that only Sony Life can offer.

The Lifeplanners and Partners who are in charge of customers pursue this value, as do all Sony Life employees, as we work toward the medium-term goal of ensuring that we maintain the support of our customers.

Sony Life: Business Model/Characteristics

Sony Life

- 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

Next, I will explain Sony Life's business model.

Since its time of establishment, 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.

Our main markets center on the field of death protection, where profitable and highly stable consulting-based sales are effective.

We will also make an early entry into third-sector areas that offer high profitability and growth potential.

Main customers include heads of families in their 30s and 40s, for whom consulting sales activities work well.

Small and medium-sized sales are another major market.

We have developed two sales channels with strong consulting skills—Lifeplanner sales employees and Partners. In particular, the Lifeplanner channel offers specialized knowledge and abundant expertise, delivering high productivity through its high morale and motivation.

Our strength lies in offering insurance tailored to each customer through consulting-based sales and detailed after-sale follow-up services.

•We achieve stable acquisition of new policies.

•Also, we have a low lapse and surrender rate, and policies in force are increasing.

•Our level of customer satisfaction is high, earning us high evaluations from the media and other third parties.

Our financial health is also favorable. This supports the growth that is one of our corporate strengths.

Sony Life

Today's Topics for Explanation

1. Overview of Sony Life

2. Sony Life's Operating Performance

3. Sony Life's Medium-Term Strategies

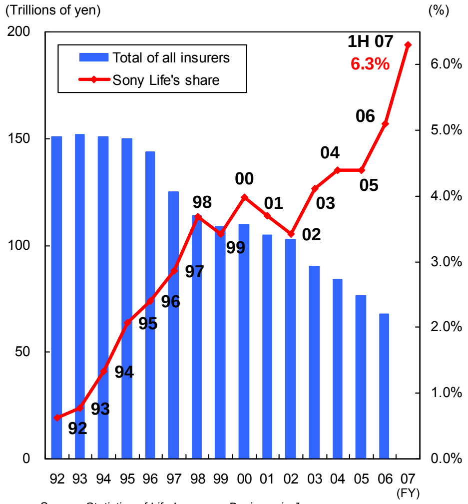
Next, I will explain Sony Life's operating performance.

Sony Life: Market Position (1) Share

Sony Life

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

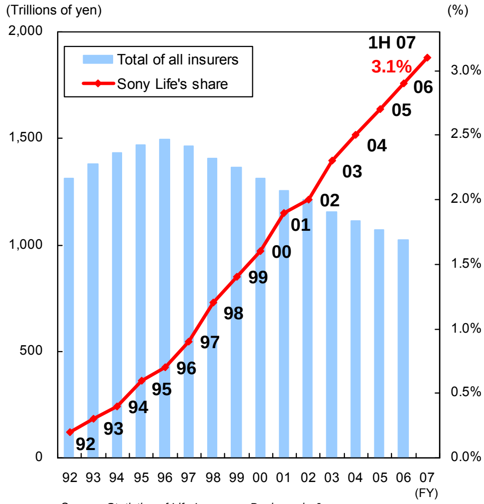
New Policy Amount (Individual Life Insurance)



Source: *Statistics of Life Insurance Business in Japan*

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

Policy Amount in Force (Individual Life Insurance)



Source: *Statistics of Life Insurance Business in Japan*

First, I will explain our market position.

The bar graph on the left shows the new policy amount of individual life insurance for the industry overall. The graph on the right shows trends of the policy amount in force for the industry overall.

As you can see here, although the market began shrinking in the latter half of the 90s, Sony Life continued to grow. As a result, in the first half of fiscal 2007 the company had a 6.3% market share in new policy amount, and a 3.1% share of the market in terms of policy amount in force.

Sony Life: Market Position (2) Industry Ranking

Sony Life

- 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)

* Excluding on rollover basis

All-company total down 14.7% year on year

◆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)

All-company total down 4.5% year on year

◆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

Notes: Comparisons for the first half of FY2007
Individual insurance (Units in billions of yen, %)
Source: Materials officially disclosed by individual insurers

Next, let us look at industry rankings.

In the first half of fiscal 2007, Sony Life ranked sixth in the industry in terms of new policy amount and is now positioned to move in on the top five insurers.

Sony Life also ranked ninth in policy amount in force, with only a small difference between itself and the eighth-ranking insurer.

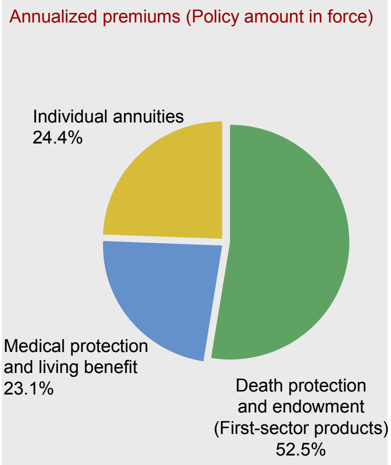
In terms of net increase, which indicates the real increase in policy amount in force, Sony Life has maintained the top ranking in recent years.

Sony Life: Revenue and Profit Structure (1)
Product Portfolio

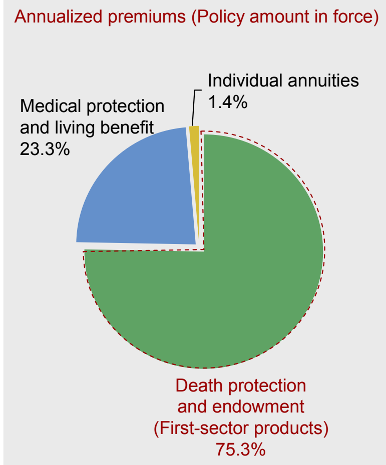
Sony Life

■ Product portfolio, centering on death protection

Industrywide Product Portfolio (As of March 31, 2007)



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



Source: *Statistics of Life Insurance Business in Japan*

Next, I will explain our revenue and profit structures.

Looking first at product portfolio, whereas industrywide the weight of individual annuities has risen to one-fourth of the total, Sony Life is unusual in that death protection and endowment products, which are first-sector products, make up three-fourths of the total.

We position death protection products, which provide stable economic protection to policyholders, as core products. These products are central to our sales strategy.

In the future, we plan to build on the death protection platform to provide a diverse range of products that meet customers' changing needs.

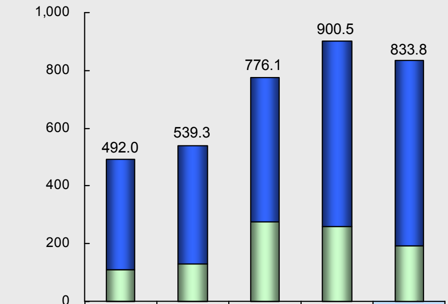
Sony Life: Revenue and Profit Structure (2) EV

Sony Life

- 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)



	3/2004	3/2005	3/2006	3/2007	3/2008
Total EV	492.0	539.3	776.1	900.5	833.8
EV of new policies	38.9	38.1	34.2	36.7	28.9
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

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

Embedded value, or EV, is a measure of corporate value for life insurers. Sony Life's EV increased steadily though fiscal 2006, but unfortunately we experienced a decline in fiscal 2007.

As we indicated earlier during the discussion of operating performance, this decrease was largely a result of a worsened operating environment.

The chart on the right shows EV sensitivity, or the factors that drive increases and decreases in EV. We explained this earlier in the presentation so we will omit such discussion here. However, we plan to focus on these factors to drive EV growth.

Today's Topics for Explanation

1. Overview of Sony Life
2. Sony Life's Operating Performance
3. Sony Life's Medium-Term Strategies

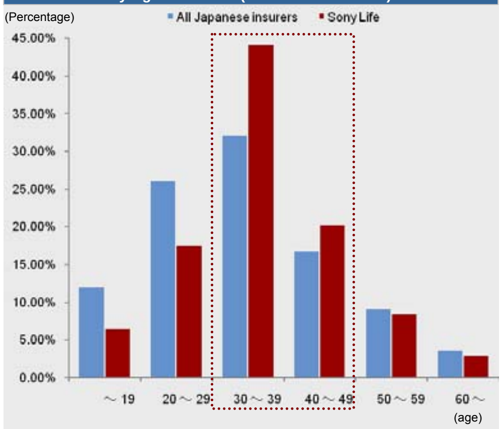
Now, we will move on to an explanation of Sony Life's medium-term strategies.

Sony Life: Future Management Policies (1)
Understanding the Environment

Sony Life

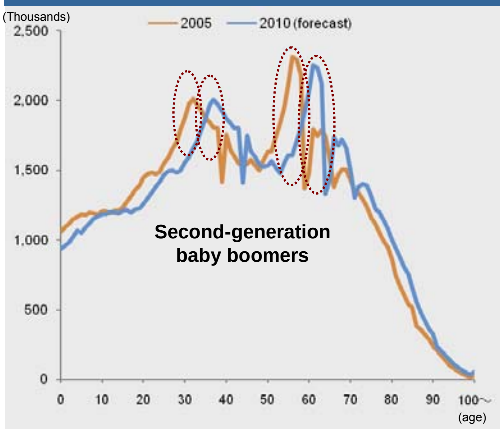
- People in their 30s and 40s, Sony Life's primary target customer base, are expected to continue to account for a large portion of Japan's population, offering high growth potential
- However, the senior market will expand as the baby boomer generation moves into retirement, and Japan's low birthrate 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)

First, let us review our understanding of the market environment.

As the graph on the left shows, our main customers are in their 30s and 40s, whereas other insurers are weighted more toward people in their 20s and 30s.

As the graph on the right shows, within this market segment the peak that corresponds to the second-generation baby boomers will move to the right as this generation ages. This stable shift should have a positive effect on Sony Life's growth over the medium term.

Although the 50s and 60s senior market is expanding, in the future our main markets are expected to shrink. We recognize the need to take appropriate measures to maintain or increase our ability to grow, amid these changes in market structure.

Sony Life: Future Management Policies (2)
Major Tasks

Sony Life

- 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)

Based on this understanding of the market environment, I will explain some of our major management tasks.

First, one of our most important tasks is to strengthen and confirm our insurance claim payment management structure. In September 2007, we completed our review into the inadvertent non-payment of insurance claims. Following on from there, we launched a special project for the introduction of countermeasures to strengthen the insurance claim payment management structure. We are following up with customers and implementing measures to prevent recurrence.

On the sales front, we will aim to expand our market share in the field of death protection, which is currently one of our major business domains. In addition, we will concentrate on the medical and nursing care field and set up a product development structure in the field of individual annuities. Through these efforts, we plan to expand our business foundation.

In the medium term, we aim to expand our business domains by expanding business in Japan, possibly through activities that include mergers and acquisitions. We also aim to move into overseas markets.

We will take steady steps to address these tasks, such as by introducing new systems and products, forming tie-ups with other companies and preparing for the establishment of a new company.

In the future, we plan to:

•Expand and improve the efficiency of our sales channels,

•Ensure profitability by maintaining or improving product competitiveness, and

•Enhance relations with our customers.

In addition to continuing with these efforts, in fiscal 2008 we will complete preparations for the establishment of an annuities subsidiary. We anticipate a smooth business startup and commencement of operations.

In overseas markets, we are exploring the possibility of establishing a life insurance subsidiary in East Asia. In particular, we are focusing on the Greater China region, including Taiwan and Hong Kong.

Sony Life: Target Figures from a Business Perspective

Sony Life

■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)

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Finally, I will explain the figures that constitute our medium-term targets.

Our aim is to maintain or enhance our competitiveness by striking a balance between growth and financial soundness, which are two of our strengths.

First, we will work to achieve growth by expanding our sales channels, which drive this growth. By fiscal 2010, we intend to expand our number of Lifeplanner sales employees to 4,000.

We will strive to enhance our corporate value, aiming to reach EV of between ¥1 trillion and ¥1.1 trillion by March 31, 2011.

By maintaining an annual growth rate of 4% or more, by March 31, 2011, we aim to have insurance in force of ¥36 trillion.

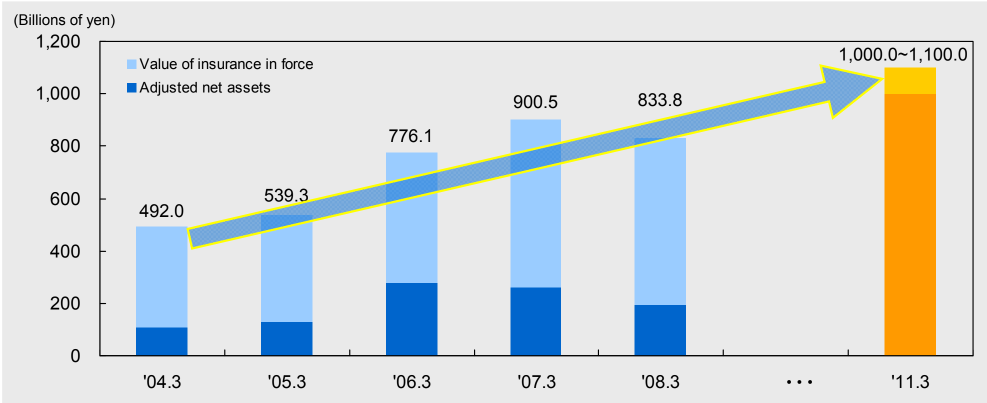
To achieve higher levels of future growth, we will continue to expand our business domains.

Next, let us look at soundness. We aim to maintain a high level of financial soundness by either maintaining or increasing our current rating levels.

In addition, financial standards are expected to move to an economic value basis, and solvency regulations are likely to change. We will respond appropriately to such shifts, ensuring high levels of soundness under these new standards, as well.

Sony Life: EV Growth Targets through FY2010

Sony Life



	3/2004	3/2005	3/2006	3/2007	3/2008
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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).

We believe it is possible to achieve EV of between ¥1 trillion and ¥1.1 trillion by March 31, 2011 assuming that market factors remain constant.

To achieve this objective,

•First, we will strengthen consulting-based sales through our Lifeplanner and Partner channels, as well as expand these channels.

•At the same time, we will bolster new product development, improve the value of new policy amount.

•By enhancing our after-sale follow-up structure, we will improve the value of policy amount in force.

Concerning operating costs, which were one reason for the EV decrease during fiscal 2007, in recent years we have:

•Strengthened our insurance claim payment management structure,

•Enhanced our personal information protection system,

•Reinforced our explanation of disclaimers during the solicitation phase, and

•Responded to the Financial Products and Exchange Law.

These and other factors such requirements as enhancing our after-sale follow-up structure will require a certain amount of investment continuing into fiscal 2008 and fiscal 2009.

We are presently investing in recruiting systems to ensure adequate personnel and making system-related investments to raise efficiency. For these reasons, we do not expect operating expense levels to improve in the near future. However, we expect to begin benefitting from some resulting efficiency improvements in fiscal 2010.

This concludes my explanation of Sony Life's management policies.

Thank you for listening.

Ongoing Growth in Each of Our Three Existing Businesses

Sony Financial Holdings

Sony Assurance

May 26, 2008 Sony Financial Holdings Inc. All Rights Reserved 52

Next, Mr. Yamamoto of Sony Assurance will explain the non-life insurance business.

Sony Assurance

Sony Financial Holdings

Today's Topics for Explanation

1. Overview of Sony Assurance
2. Sony Assurance's Operating Performance
3. Sony Assurance's Medium-Term Strategies

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(Change speakers)

I am Shinichi Yamamoto of Sony Assurance. I will begin my explanation by providing an overview of Sony Assurance.

Sony Assurance, Present and Past

Sony Financial Holdings

■**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

Here is a outline of the company’s present and past.

In September 1999, we began writing insurance over the Internet, and on the first day of the next month we began telephone sales.

Vision & Mission

Sony Financial Holdings

Here you see a description of our company vision and mission.

Our aim is to achieve a "Sony-like" feel and contribute to the individual market as a direct insurance provider.

Corporate Slogan

Sony Financial Holdings

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

Our company slogan is “Feel the Difference.”

“Progress with customers” describes our aim of moving alongside and progressing in step with our customers. For further information on this topic, please have a look at our website (which is in Japanese only).

“Committed service” is a guarantee of our service level. This strategic approach is one way of differentiating our services.

Operations (1)

Sony Financial Holdings

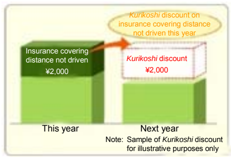
Main Types of Insurance: Distinctive Products

−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

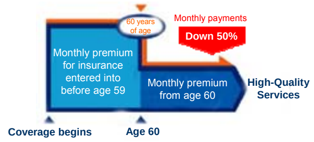
Original Sony Assurance policy rider: *Oritemo* coverage policy rider



−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

Our main products are automobile insurance and medical insurance.

Risk segmentation by distance driven is a typical feature of automobile insurance, but our *Kurikoshi* discount is unique because it takes this idea one step further. This policy premium discount, corresponding to the amount not driven during the year, is provided the following year.

For SURE medical insurance, we offer half-price policy riders for policyholders who have reached their 60th birthday. This unique method of halving insurance premiums for people aged 60 and older has proven popular.

We aim to offer high-quality services. Current services that are part of our "committed service" offering include:

1. A commitment to providing a customer response by an appointed staff member within three hours of receiving an accident report, and
2. A commitment to providing an initial response on accident claims on the day they are received.

Operations (2)

Target customers

- Individual customers

Number of policies in force

- 1,024,448 polices, 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

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We target individual customers. As of March 31, 2008, the number of policies in force in our mainstay automobile insurance and medical insurance exceeded 1 million.

In addition to the direct channel, we operate a tie-up channel, which operates via tie-up partners, such as Sony Life’s Lifeplanners, credit card companies and other agencies.

Today's Topics for Explanation

1. Overview of Sony Assurance
2. Sony Assurance's Operating Performance
3. Sony Assurance's Medium-Term Strategies

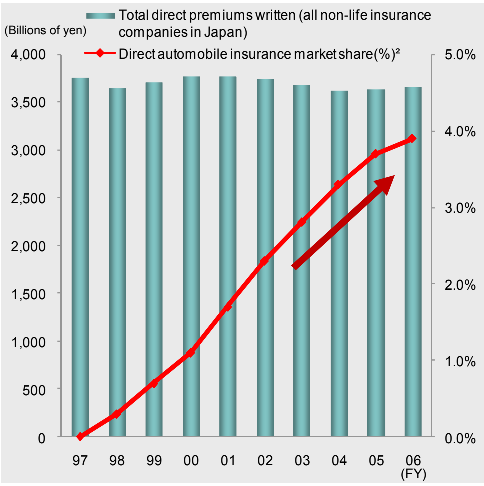
Next, I will explain Sony Assurance's operating performance.

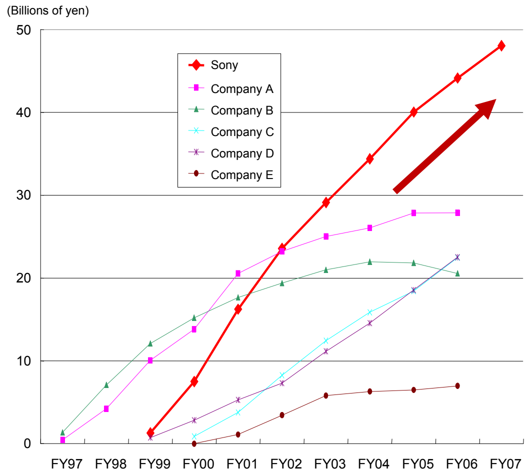
Direct Automobile Insurance Market

Sony Financial Holdings

Sony Assurance—the leader in direct premiums written since FY2002

Increasing Share by Direct Insurers	Direct Premiums Written by Six Companies





Source: *Insurance* magazine

I will explain the status of our automobile insurance, one of our major offerings.

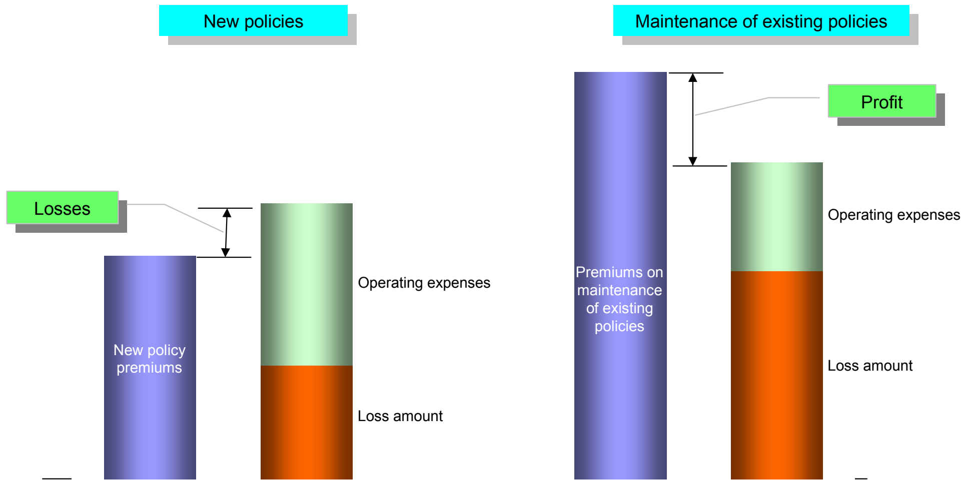
On the left, the bar graph shows direct premiums written for automobile insurance marketwide. The red line shows the share of this market held by direct insurers. As you can see, direct insurers enjoy a steadily growing share of the market.

The graph on the right shows direct premiums written by six direct insurers. The red line shows Sony Assurance.

Profit/Expense Structure

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

Profit/Expense Structure for Automobile Insurance



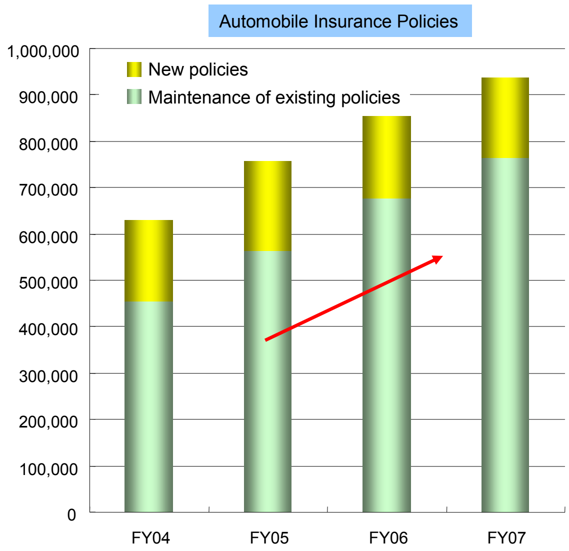
The graph on the left shows our profit/expense structure on automobile insurance. New policies generate losses, but these losses are covered by profits from maintenance of existing policies.

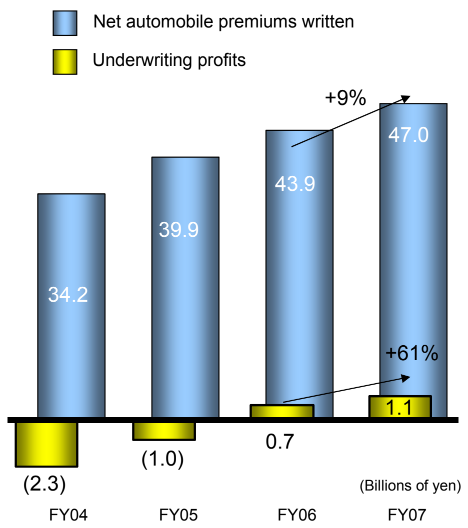
For this reason, as our percentage of maintenance of existing policies increases, profits rise accordingly.

Automobile Insurance

Sony Financial Holdings

•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)





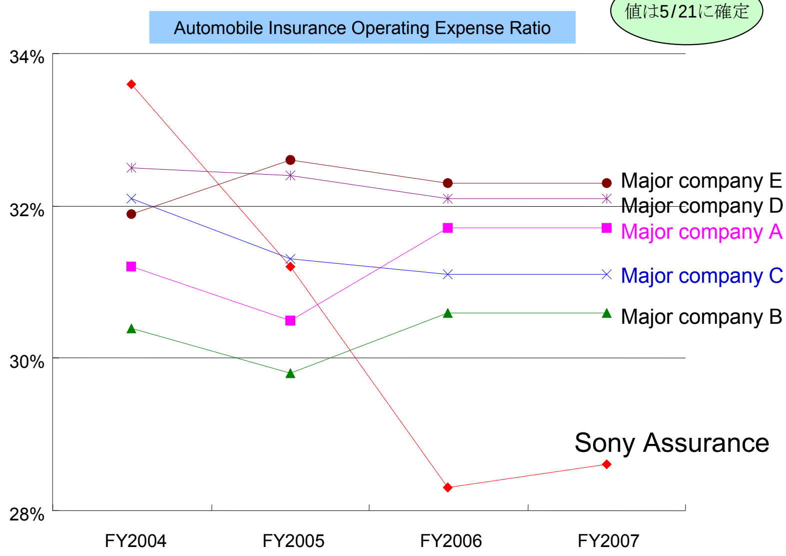
The graph on the left shows Sony Assurance's number of automobile insurance policies. The yellow indicates new policies, while the green shows maintenance of existing policies.

The ratio of maintenance of existing policies is steadily rising, so as you can see from the right-hand graph underwriting profits on automobile insurance turned positive, pushing the overall company into the black in fiscal 2006.

Past Operating Expense Ratios (Automobile Insurance)

Sony Financial Holdings

値は5/21に確定



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

The automobile insurance operating expense ratio tends fall as the scale of business grows. You can see here that our ratio is low, even compared with major insurers.

The decrease in our operating expense ratio is due to:

•A growing scale of business,

•Structural factors, such as changes in our percentages of new and maintenance of existing policies, and

•Improved business efficiencies.

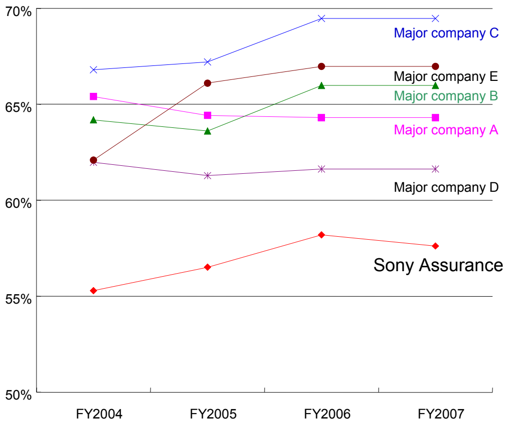
We saw an increase in fiscal 2007, which was due primarily to a rise in system-related expenses.

Past Loss Ratios (Automobile Insurance)

Sony Financial Holdings

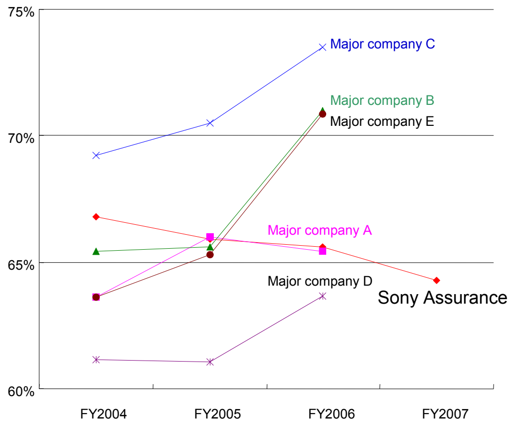
値は5/21に確定

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

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The automobile insurance loss ratios shown on the graph at left were compiled from the publicly released figures for the net loss ratio. This information is on a written basis.

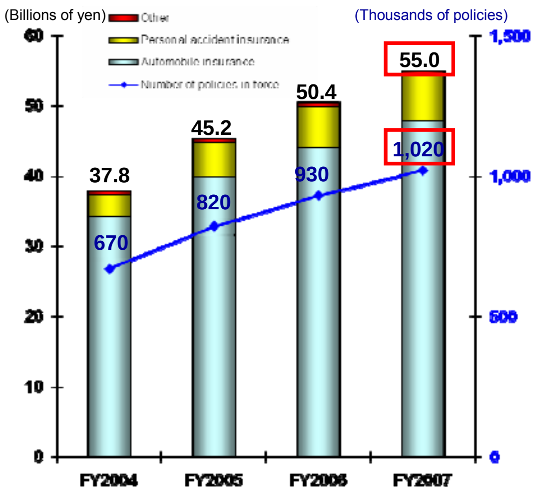
Sony Assurance's figure on a written basis tends to be low, so we have reversed the numerator and denominator to create the graph on the right, which is on an earned basis. As this indicator closely mirrors the incident loss ratio before eliminations (要確認: 出再控除前の発生損害率), we believe this figure is most realistic.

Even on an earned basis, our loss ratio is stable and is lower than the ratio for large insurers. Therefore, we conclude that our loss ratio is good.

Operating Performance (1)

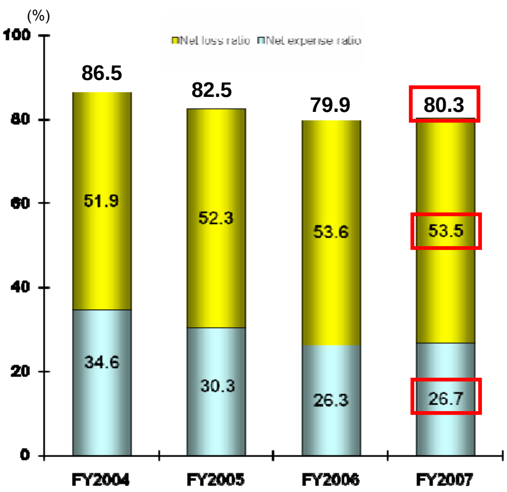
Sony Financial Holdings

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.

Looking at operating performance, the number of policies in force has steadily increased, and net premiums written grew to ¥55.0 billion. In fiscal 2007, the net loss ratio (on a written basis, as explained earlier) was 53.5%, and the net operating expense ratio was 26.7%.

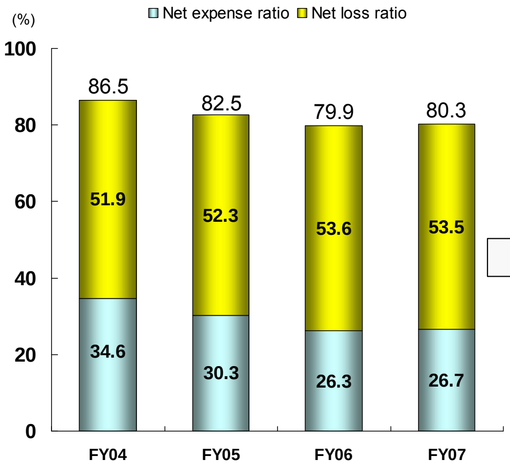
The loss ratio remained stable as a result of controlling operating expenses in line with losses.

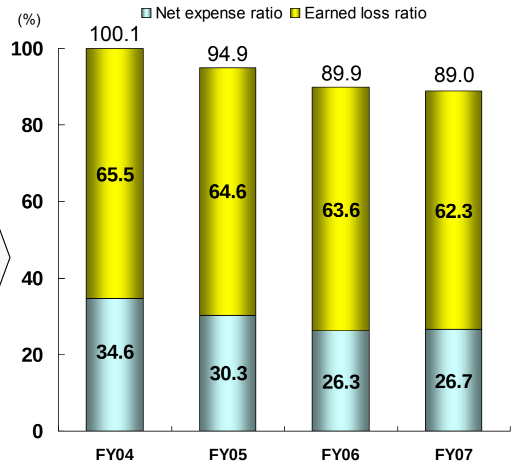
As a result, the combined ratio, which is the total for the net expense ratio and the net loss ratio, was 80.3%.

Operating Performance (1) Reference

Sony Financial Holdings

Combined Ratio	Combined Ratio (Using the Earned Loss Ratio)





Net loss ratio includes loss adjustment expenses.

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

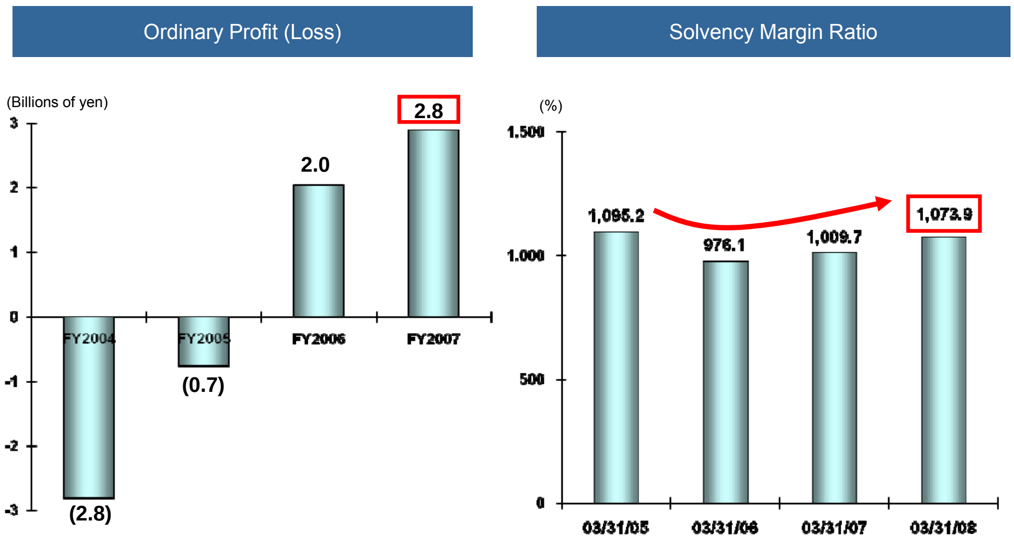
May 26, 2008

For reference, the graph on the right uses the loss ratio on an earned basis, rather than the net loss ratio, to calculate the combined ratio.

This indicator is included to provide you with a better understanding of the company’s actual condition.

Operating Performance (2)

Sony Financial Holdings



Operating income rose to ¥2.8 billion in fiscal 2007.

The solvency margin ratio remained at a sound level, amounting to 1,073.9% as of March 31, 2008.

Today's Topics for Explanation

Now I will explain our medium- to long-term strategies.

Medium- to Long-Term Strategies

Sony Financial Holdings

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

We have two medium- to long-term financial targets.

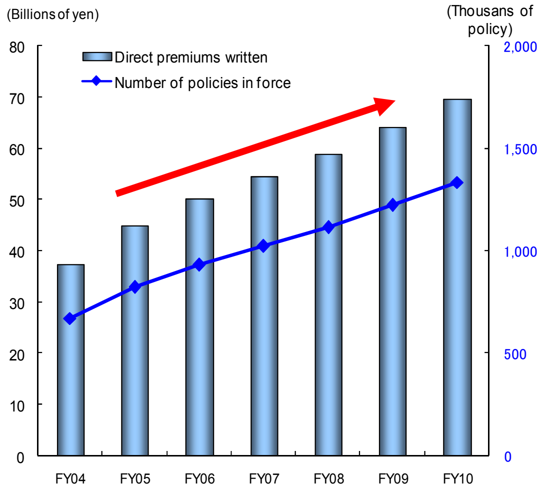
In terms of profitability, we aim to achieve adjusted ROE of 10%. Our adjusted ROE during the past two years has exceeded 10%, and we aim to keep this level stable at more than 10% into the future.

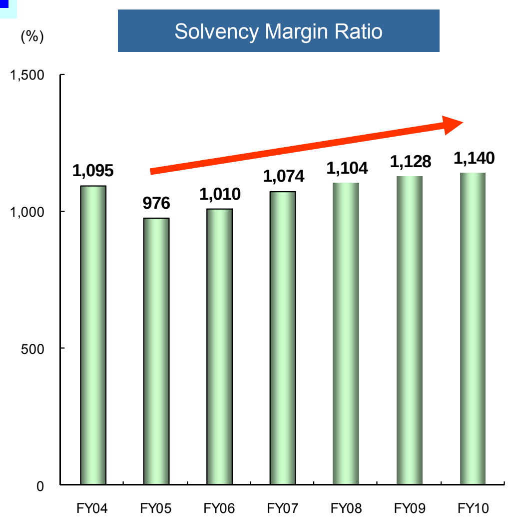
In terms of growth, we target direct premiums written of ¥100.0 billion. This figure is an important watershed in and of itself, as it will substantially raise our market presence. It is also meaningful from the viewpoint of raising adjusted ROE.

Growth (Direct Premiums Written) and Soundness

Sony Financial Holdings

FY2004 direct premiums written ¥37.5 billion → FY2007 direct premiums written ¥54.6 billion → FY2010 direct premiums written ¥70.0 billion





Number of policies in force = automobile insurance + SURE

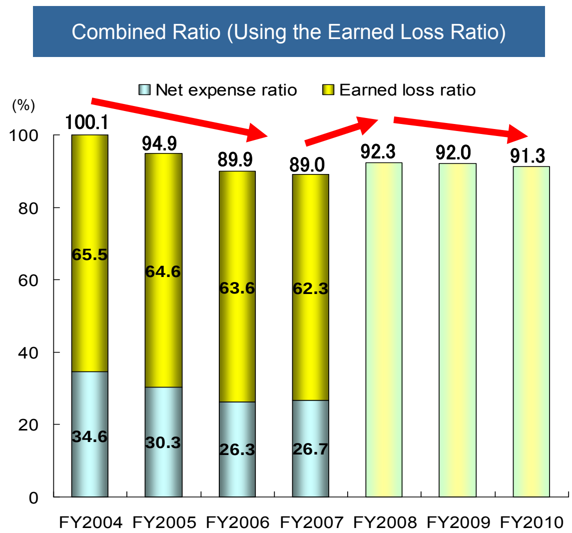
May 26, 2008 70

Although ¥100.0 billion is our target for direct premiums written, in the meantime we will use the interim figure of ¥70.0 as our medium-term target. This figure will not be easy to reach, but we believe it is attainable.

For the foreseeable future, we expect to maintain a solvency margin ratio of 1,000%.

Profitability: Combined Ratio

Sony Financial Holdings



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

We expect our combined ratio to increase in fiscal 2008, then to fall again.

Please be aware that here the combined ratio calculation uses the earned loss ratio. So far, our loss ratio has remained in line with the trend. For automobile insurance, we assume the loss ratio is unlikely to fall below its current level, and that this represents a natural loss level.

The net expense ratio incorporates increases in system-related expenses.

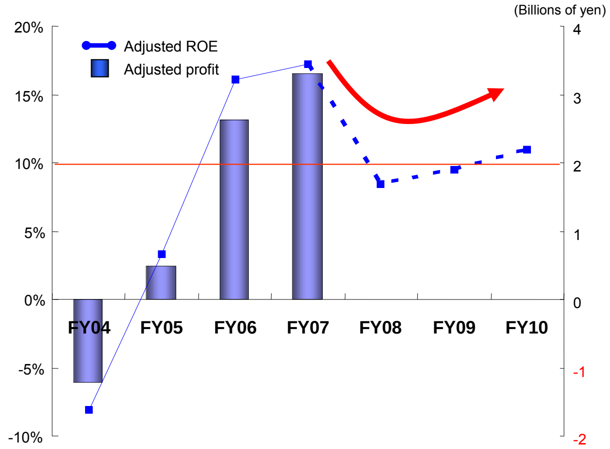
Over the long term, we believe the net expense ratio will improve because of:

1. An expanded scale of operations,
2. Higher operating efficiencies and better system efficiency, owing to the new system, and
3. The shift of contracts onto the web.

Profitability: Adjusted ROE

Sony Financial Holdings

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))

In fiscal 2007, adjusted ROE was 17.2%.

As we expect the combined ratio fall back after rising in fiscal 2008, we expect adjusted profit to fall temporarily. We also expect adjusted ROE to drop below 10%, before returning to around 10.9% in fiscal 2010.

Ongoing Growth in Each of Our Three Existing Businesses

Sony Bank

May 26, 2008

Next, Sony Bank President Ishii will explain the banking business.

Sony Bank

Today's Topics for Explanation

1. Overview of Sony Bank
2. Sony Bank's Operating Performance
3. Sony Bank's Medium-Term Strategies

(Change speakers)

I am Shigeru Ishii of Sony Bank. I will take the explanation from here.

First, I will provide an overview of the bank.

Sony Bank was established in 2001 as an Internet bank specializing in investment products for individual customers.

The bank has earned a strong reputation with a wide range of customers for its yen deposits, foreign currency deposits, mortgage loans, investment trusts and other products that are reasonable and feature pricing that is near market rates.

As of December 31, 2007, the bank had approximately 470 thousand accounts. Furthermore, these accounts had high balances, averaging ¥1.71 million per account. Sony Bank has earned a strong external reputation for supporting the asset management needs of customers who have high levels of financial literacy.

In fiscal 2005, its fifth year since establishment, the bank moved into the black. Fiscal 2007 marks the third consecutive year of profitable operations for Sony Bank.

Corporate Philosophy

Sony Bank

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

First, I will explain Sony Bank’s corporate philosophy

Sony Bank’s philosophy begins with the words “be fair.”

As an asset management bank for individuals, we believe that being fair—in corporate activities both within and outside the company—is the key to earning trust and support.

In the past, we have worked to express this sense of fairness through our products and services, as well as in our corporate activities.

This March, we began offering asset management tools based on this philosophy, releasing the “life passbook.”

In line with our philosophy of “providing more advantageous products and better services,” on May 12 we commenced foreign exchange margin transactions.

These additions are all based on the customer-first concept, where we aim to clearly understand customer needs, and then “be fair” in our pursuit of solutions that satisfy these demands.

In the future, we will do our utmost to infuse all our employees with these philosophies, as well as to share them with our partner companies, making these philosophies a cornerstone of our corporate activities.

Business Model

Sony Bank

Customer profile

Sex: 70% male

Age: 80% in 30s to 50s

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

Metropolitan businesspeople

MONEYKit

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"**

Sony Bank

- 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

Next, I will explain Sony Bank's business model.

As an Internet bank, Sony Bank takes advantage of a channel that is unrestricted by place or time and that features an inexpensive structure. We have introduced the *MONEYKit* service site to take advantage of these features, as well as to bring individuals and markets closer, offer interest rates and commissions that are closer to market rates and offer more abundant investment opportunities, innovative products and services.

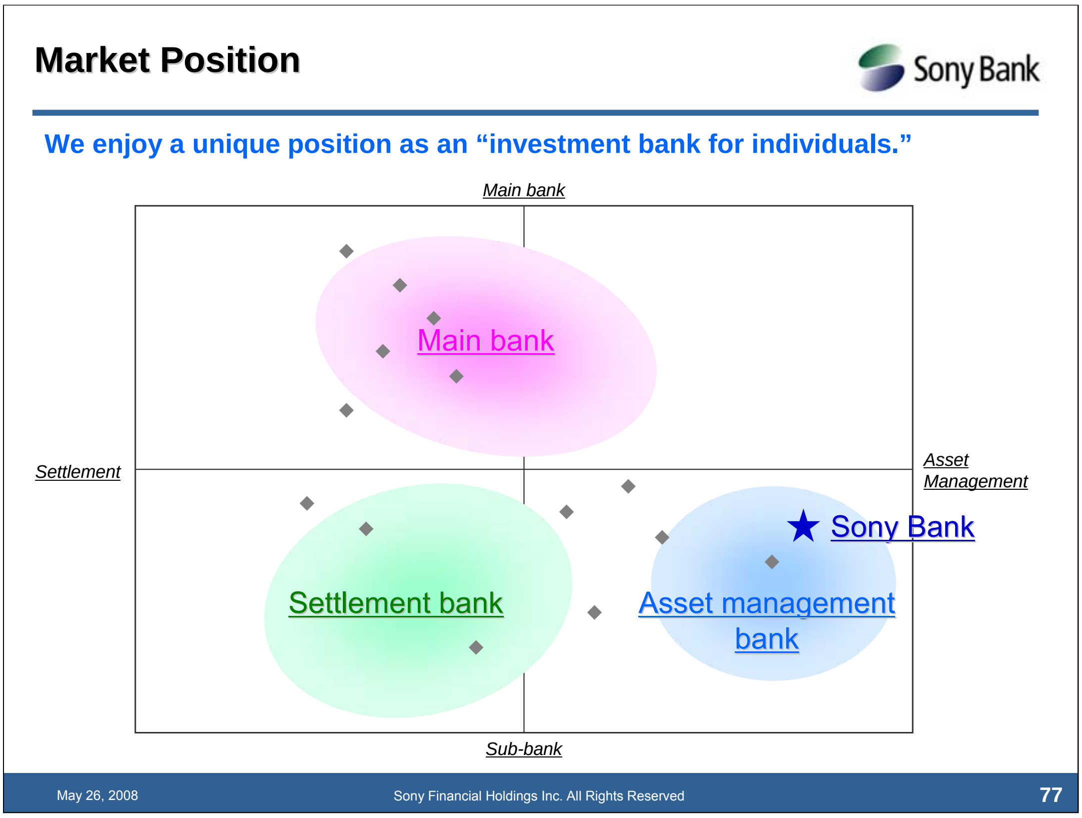
Using the Internet to "bring banking to the home" and a mobile service site based on the concept of "the bank that you carry with you," we have expanded the number of financial opportunities for individuals.

As a "money toolbox" interface to assist customers as they consider, research and carry out transactions, *MONEYKit* supports a host of diverse financial activities.

Our current customers tend to be aged in their 30s to 50s and located in Japan's three major metropolitan areas.

The increasing prevalence of the Internet and advances in the financial environment have brought about steady increases in the number of people who are independent and have increasingly sophisticated needs.

Sony Bank considers the expansion of financial markets that target individuals a business opportunity. By meeting these needs more precisely, we also entrench our own position more firmly.



Next, I will explain Sony Bank's market position.

In recent years, customers have begun to categorize banking institutions by their characteristics. Here is a visual map of how customers tend to divide banks.

Banks can be broadly segmented into three types. People think of the bank with an account where their salaries are deposited, from which they pay utilities and perform other duties as their "main bank." Banks that offer attractive transfer fees and allow payments over the Internet are "settlement banks." "Asset Management banks" handle foreign currency deposits, investment trusts and other savings as well as asset management.

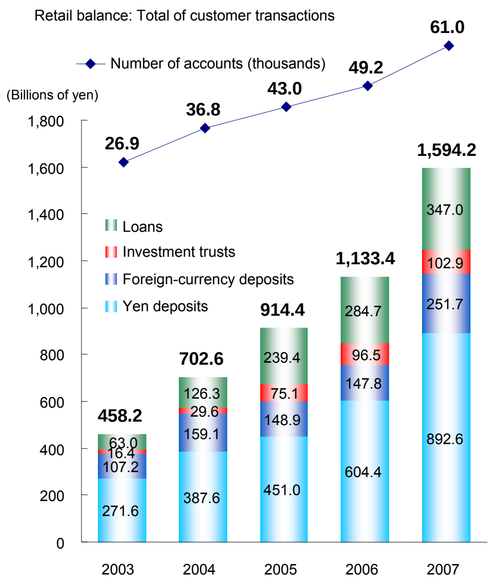
As a new market entrant, as well as one positioned as an asset management bank, we face stiff competition. However, we believe that inter-bank competition encourages higher product and service quality, and raises the overall level of the market.

As an industry frontrunner, we plan to remain an innovative force. By providing products and services that are distinctively our own, we will carve a unique position in an intensely competitive environment.

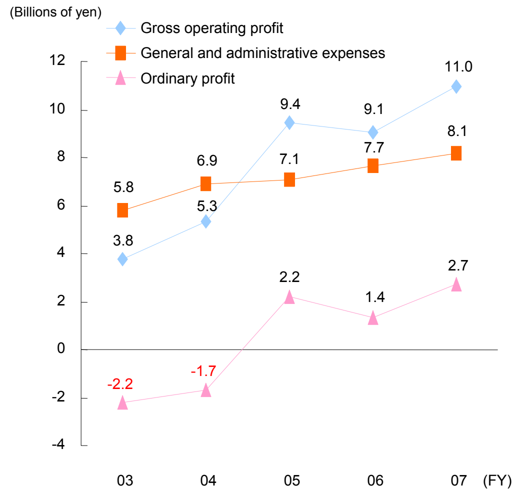
Business Expansion and Profits

Sony Financial Holdings

■Retail Balance



■Profits



Next, I will explain Sony Bank's business expansion and profits.

Sony Bank uses retail balance as an indicator of business expansion. The retail balance is the total volume of customer transactions, including deposits, investment trusts and loans.

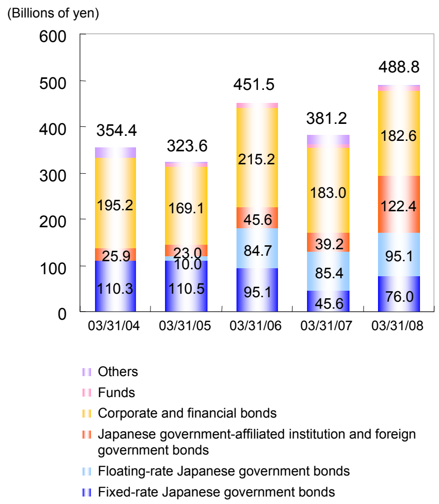
Our retail balance has grown steadily in the past. In fiscal 2007, retail balance expansion was robust, rising ¥460.8 billion, to ¥1,594.4 billion. Yen deposit growth was particularly noteworthy, pushed up ¥288.2 billion year on year, largely owing to higher yen time deposits.

In terms of profits, gross operating profit increased in line with our business expansion. Because of this rise and by controlling general and administrative expenses, profits have grown steadily since we moved into the black in fiscal 2005. In fiscal 2007, ordinary profit reached ¥2.7 billion.

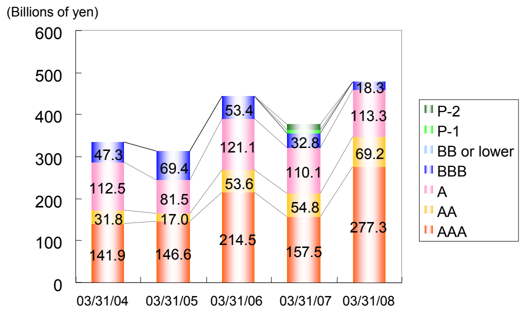
Securities (Breakdown)

Sony Financial Holdings

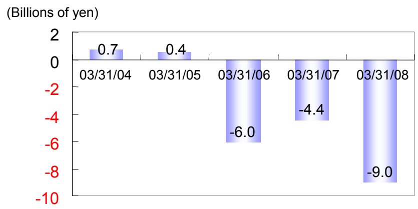
■Securities, by Sector



■Securities (by Ratings)



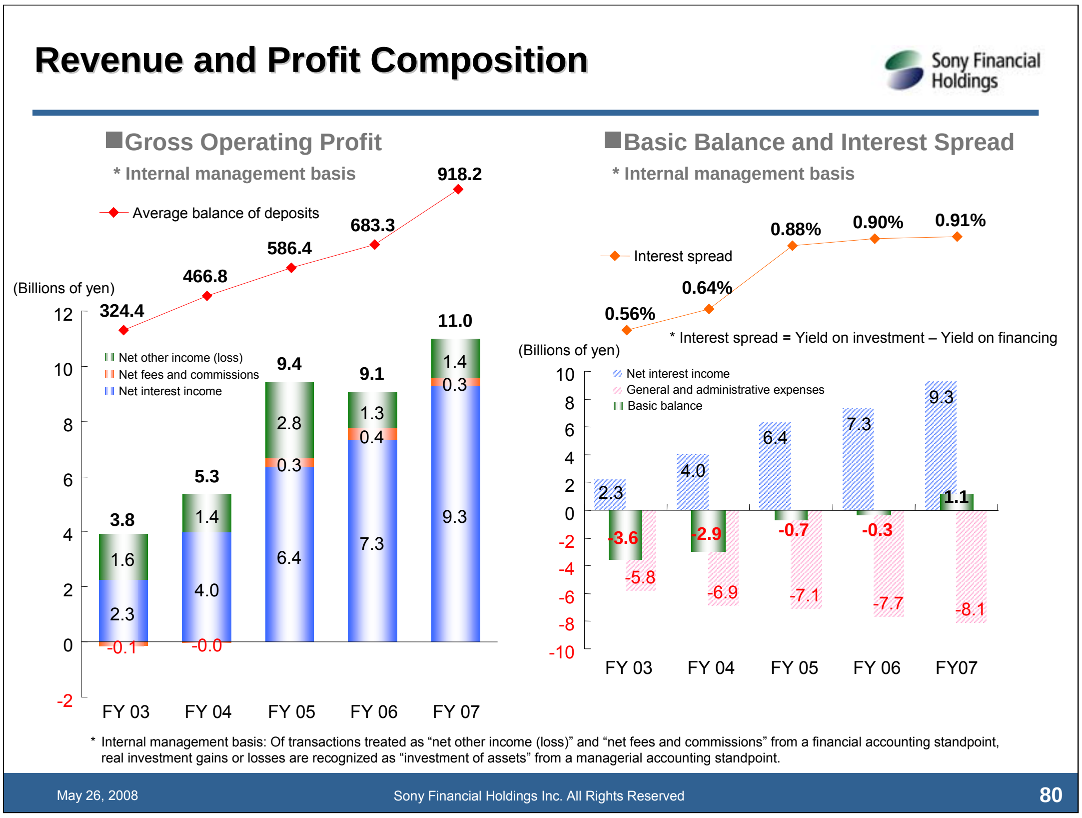
■Unrealized Gains and Losses



Next, I will explain the breakdown of securities, which are Sony Bank’s principal investments.

Our securities investments center on investment grade corporate bonds, which take on credit risk, and government bonds, which take on interest rate risk. As of March 31, 2008, securities investments totaled ¥488.7 billion.

Unrealized losses have increased since March 31, 2006, primarily because of lower prices on floating-rate Japanese government bonds.



Next, I will explain Sony Bank’s composition of revenue and profits.

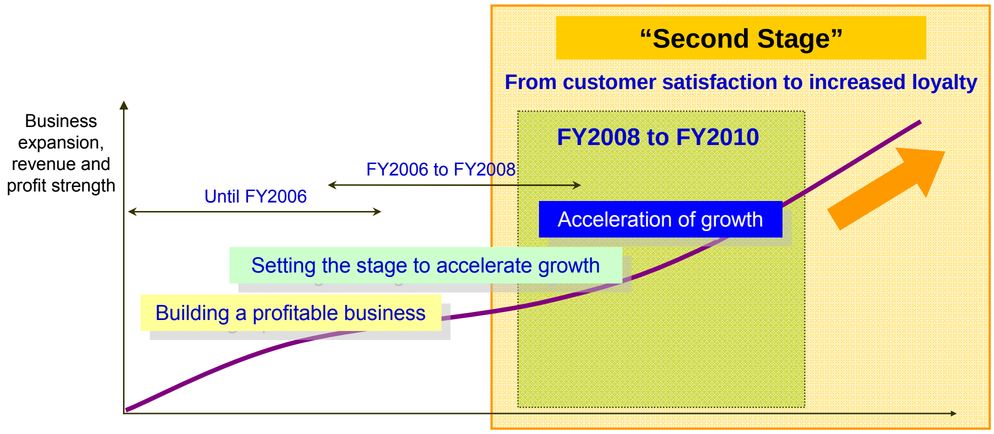
Among transactions that are counted as net fees and commissions or net other income (loss) from a financial accounting standpoint, we consider real profits or losses on investments (such as profit on foreign currency investment resulting from foreign currency swaps) “net interest income” on an internal management basis.

In line with our business expansion, gross operating profit exceeded ¥10.0 billion in fiscal 2007. Steady gains from net interest income were particularly noticeable. By maintaining interest spreads of around 0.9%, we pushed our basic balance—excluding general and administrative expenses from the net interest income — into the black for the first time in fiscal 2007, resulting in a more robust revenue and profit base.

Future Management Policy: The Second Stage—Acceleration of Growth

Sony Financial Holdings

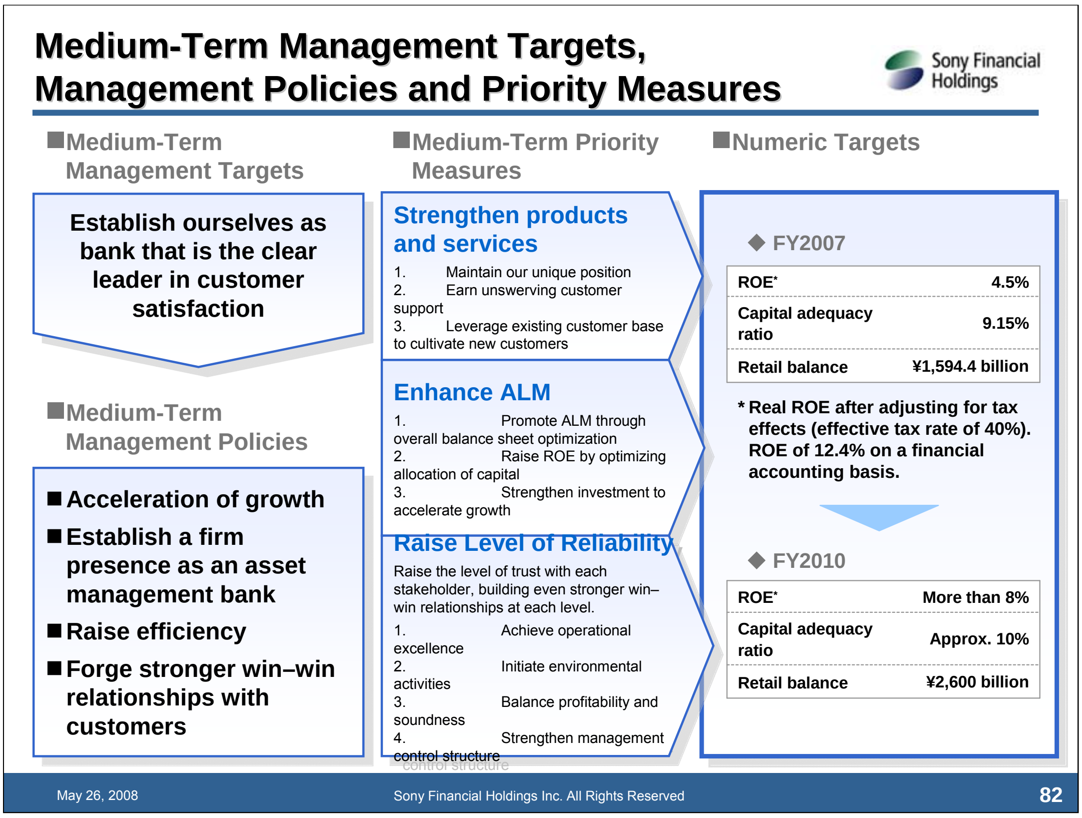
Positioning fiscal 2008 as our "second stage," we aim to take a new step toward realizing our corporate philosophy. At the same time, we will fully leverage the management base we have established to date to achieve an acceleration of growth.



Next, I will explain Sony Bank's future management policy.

The chart divides the bank's growth stages into periods of building a profitable business, setting the stage to accelerate growth and acceleration of growth. We are currently at the "second launch" stage. In fiscal 2007, deposits reached ¥1 trillion, and our basic balance moved into the black. This was the year when we clearly moved to the next stage.

As a result, we are positioning fiscal 2008 as the first year of our "second launch," and 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.

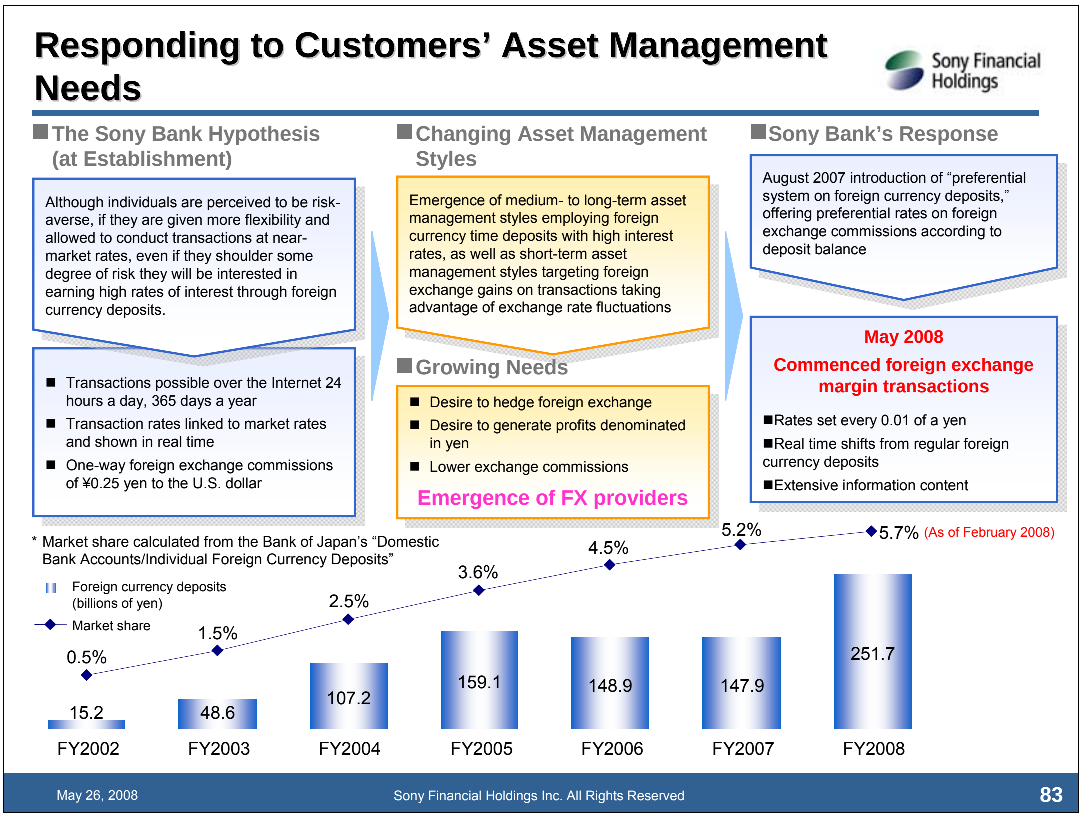


Next, I will explain Sony Bank's medium-term management targets, management policies and priority measures.

Maintaining our customer-first management focus, through our "second launch" we aim to accelerate our speed of growth, establish a firm presence as an asset management bank, raise operating efficiency another notch and forge stronger win–win relationships with our customers. Through these efforts, we aim to establish ourselves as a bank that is the clear leader in customer satisfaction.

We have formulated three priority measures to help us reach these goals. They are: 1) strengthen products and services, 2) enhance ALM and 3) raise the level of reliability. Through these activities, we aim to achieve the numeric targets of:

	Fiscal 2007	→	Fiscal 2010
ROE	4.5% (after adjustment for tax effects)	→	More than 8%
Capital adequacy ratio	9.15%	→	Approx. 10%
Retail balance	¥1,594.4 billion	→	¥2,600 billion



Next, I will explain some of Sony Bank's customer-first initiatives.

At its establishment, Sony Bank's hypothesis was that "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." Based on this hypothesis, we provided foreign currency deposits that allowed transactions to be performed over the Internet 24 hours a day, 365 days a year, established transaction rates linked to market rates and shown in real time, and set one-way foreign exchange commissions of ¥0.25 yen to the U.S. dollar.

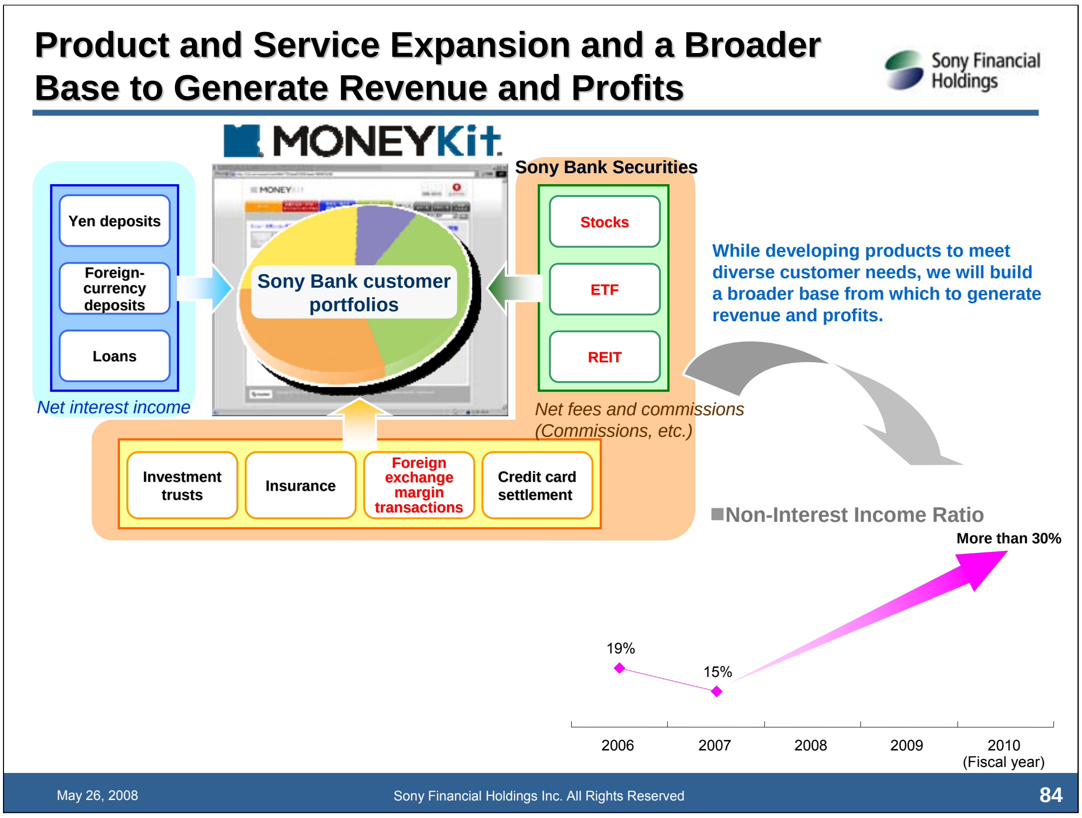
As a result of these offerings, Sony Bank's share of individual foreign currency deposits at Japanese banks has grown to 5.7%, as of February 2008.

In addition to steadily proving our hypothesis that there was interest in earning high rates of interest through foreign currency deposits, our offerings supported asset management styles targeting foreign exchange gains through short-term transactions taking advantage of exchange rate fluctuations.

In line with the growing level of interest in short-term asset management styles, individuals have grown more interested in foreign exchange margin transactions, which conventional foreign currency deposits are not capable of handling.

In response, we added to our product features by introducing a preferential system on foreign currency deposits and filled the demand gap by commencing foreign exchange margin transactions on May 12.

In the future, we will continue to listen sincerely to customers' needs and strive to develop products and services that meet those needs as we work to establish ourselves as the leading bank in terms of customer satisfaction.



Foreign currency deposits are one example of the stance Sony Bank takes toward proposing and developing products to meet diverse customer needs. As we continue this development, we are also building a broader base from which to generate revenue and profits.

In addition to foreign exchange margin transactions, October 2007 marked the start of operations of Sony Bank Securities, which offers stocks, exchange traded funds and real estate investment trusts.

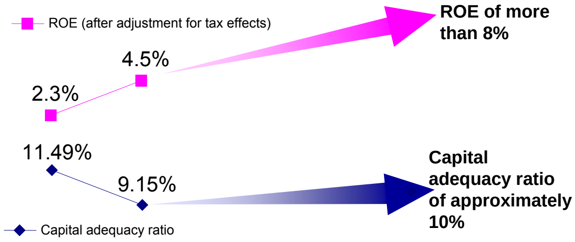
This development expands Sony Bank's sources of non-interest income. Over the medium term, we aim to raise our ratio of non-interest income from 15% at present to more than 30%.

Balance Between Profitability and Soundness

Sony Financial Holdings

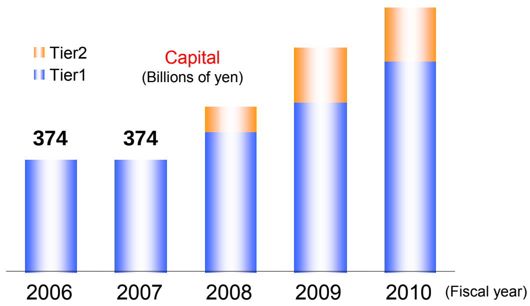
●Improve ROE

- 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



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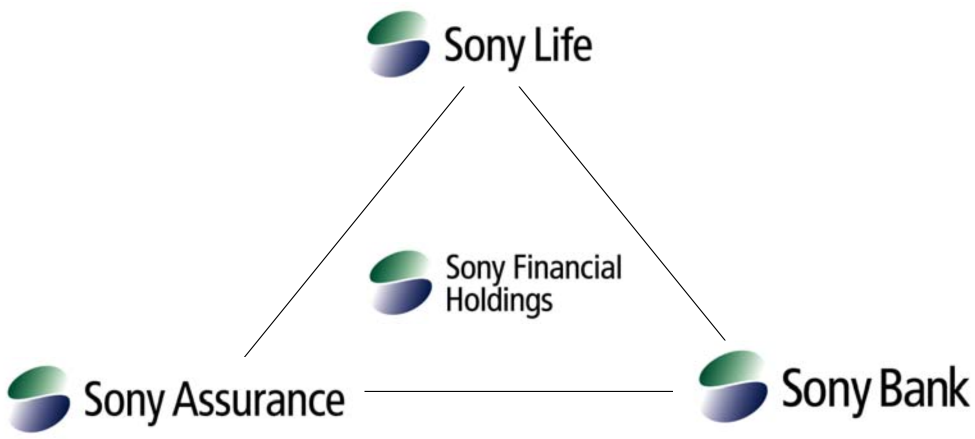
Finally, I will explain our future growth in terms of the balance between profitability and soundness.

In terms of soundness, our basic policy is to maintain a capital adequacy ratio of around 10%, which we will achieve by adding capital as and when appropriate as our growth accelerates. In the future, we plan to begin employing subordinate, or Tier 2, capital.

In terms of profitability, we will raise our efficiency through business expansion, improve our allocation of capital and improve our non-interest income ratio. Through these efforts, we aim to raise ROE over the medium term to more than 8%.

Group Synergy

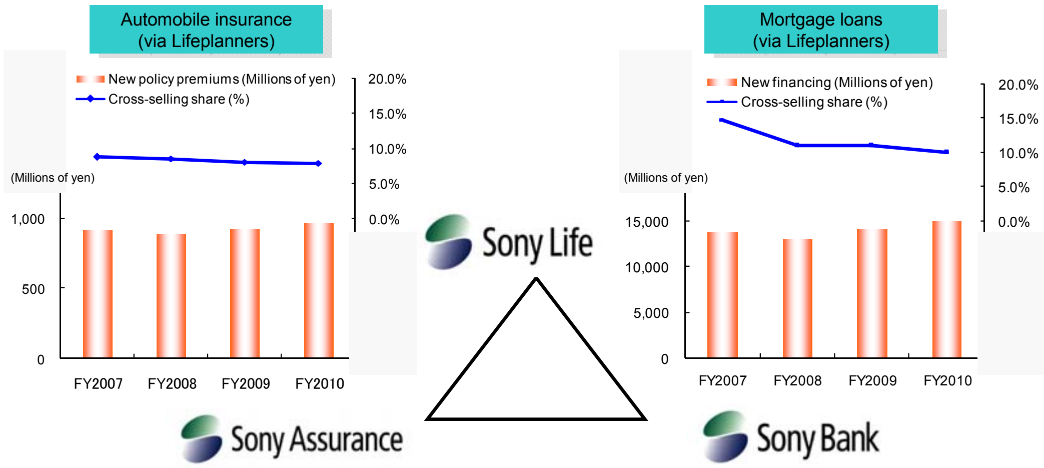


(Change speakers)

Now, I would like to turn back to SFH for an explanation of group synergy.

Group Synergy

- 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



Note: Figures for FY2008 onward are targets.

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In terms of group synergy, Sony Life's Lifeplanners are generating steady cross-selling results by offering Sony Assurance automobile insurance and Sony Bank mortgage loans.

In January, Sony Life received permission to sell mortgage loans on behalf of Sony Bank. The results have exceeded our expectations, and we believe this business will contribute to further Group synergies.

In fiscal 2008, we expect such synergies to continue contributing to Group revenues and profit, and we will pursue cross-selling over the medium term. We will also aggressively pursue other mutually beneficial products and services.

Entering New Fields of Business

Sony Financial Holdings

■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

ソニー生命

AEGON

■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

ソニーバンク証券

■Other

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

Let us look at new business.

First, Sony Life is pursuing the establishment of an annuities joint venture subsidiary with AEGON.

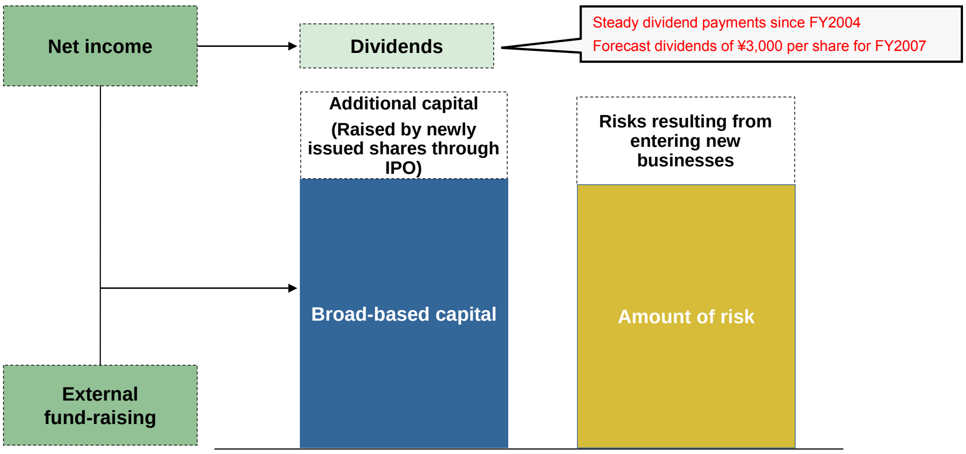
In 2007, Sony Bank established a securities subsidiary, which should support its steady growth.

We are also moving ahead with preparations aiming to form a life insurance subsidiary in Greater China.

We believe that these moves will help raise our corporate value.

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



Turning now to our capital and dividend policies, as in the past we will fund our operations internally, through profits, as well as through external sources of funds, to maintain our soundness as a financial institution. We will allocate this capital efficiently to enable stable dividend payments. We expect to pay a dividend of ¥3,000 per share for fiscal 2007.

Consolidated Operating Performance Forecast for FY2008

Sony Financial Holdings

(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%**
Of which, life insurance business	604.0	696.4	689.5	741.3	386.0	793.0	+ 7.0%
Of which, non-life insurance business	38.1	45.7	51.0	55.6	30.0	59.8	+ 7.5%
Of which, banking business	11.3	17.2	19.4	25.9	14.4	30.7	+ 18.5%
Consolidated ordinary profit	**12.2**	**25.3**	**18.3**	**44.5**	**18.0**	**37.0**	**(16.9%)**
Of which, life insurance business	17.0	24.3	14.8	39.0	17.0	34.0	(13.0%)
Of which, non-life insurance business	(2.8)	(0.7)	2.0	2.8	0.6	1.3	(53.9%)
Of which, banking business	(1.6)	2.2	1.3	2.4	0.5	1.3	(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.

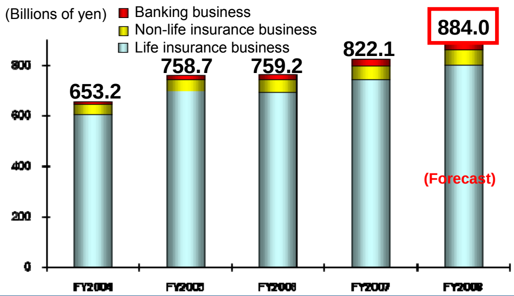
■ **Non-life insurance business**

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

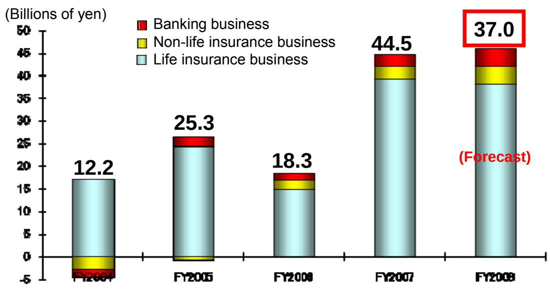
■ **Banking business**

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



Next, I will explain the Sony Financial Holdings Group's consolidated results forecast for the fiscal year ending March 31, 2009, which were announced on May 14.

For the fiscal year ending March 31, 2009, we expect consolidated ordinary revenues of ¥884.0 billion, up 7.5% from the preceding fiscal year, owing to the steady expansion of each business.

In the life insurance business, we assume that the yield on investment of general account assets will be lower than for the preceding fiscal year, and that system-related expenses will increase in the non-life insurance and banking businesses. For such reasons as these, we expect consolidated ordinary profit to decrease 16.9%, to ¥37.0 billion, and forecast a 13.4% decline in consolidated net income, to ¥21.0 billion.

Medium-Term Management Targets (FY2010)

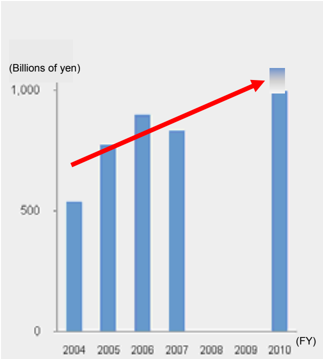
Sony Financial Holdings

Key Management Benchmarks

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

Sony Life Embedded Value and Adjusted ROE

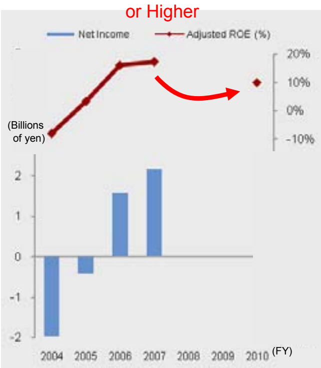
Target EV of ¥1–1.1 Trillion by FY2010



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

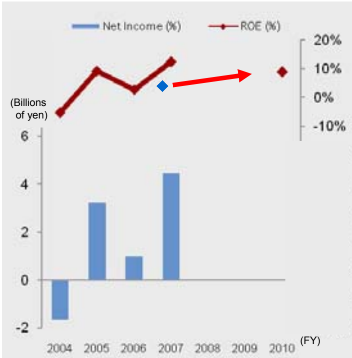
Aim to Maintain Adjusted ROE of 10% or Higher



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

We aim to raise corporate value through a combination of sustaining the growth of each company, achieving Group synergies and moving into new businesses.

Each of the three companies has already explained its medium-term targets for fiscal 2010.

By expanding its operations, Sony Life aims to achieve embedded value of between ¥1 trillion and ¥1.1 trillion.

Following an investment in operating expenses, Sony Assurance expects to have in place a structure that will allow it to generate adjusted ROE of more than 10%.

Sony Bank, through its “second launch,” is investing in growth. Once this investment is complete, the bank targets ROE of more than 8%.

This concludes our presentation.

Thank you!

APPENDIX

Appendix

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

Sony Financial Holdings

* "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.

I will explain the major differences between the accounting standards employed by the SFH Group and those employed by Sony Corporation, our parent company, when accounting for the Financial Services segment in its consolidated accounts.

First, as Note 2 indicates, the scope of consolidation used by Sony Corporation's consolidated Financial Services segment and SFH's consolidation are different.

Next, we consider there to be three significant differences mainly in the life insurance business at SFH's consolidated ordinary profit level for the year ended March 31, 2008.

The first involves the treatment of costs to acquire new policies. Under U.S. GAAP, these costs are deferred as long as they are recoverable generally over the premium-paying period of the related insurance policies, whereas under Japan GAAP these costs are charged to income when incurred.

The second involves the method of calculating policy reserves. Under U.S. GAAP, these reserves are calculated according to the net level premium method with certain adjustments of actuarial assumptions for U.S. GAAP purposes. Under Japan GAAP, however, policy reserves are calculated according to methods approved by Japan's Financial Services Agency, which place an emphasis on the early accumulation of policy reserves from the standpoint of protecting policy holders.

In these two areas, the Japanese statutory requirements are more conservative than the U.S. accounting standards, in terms of profits and losses, for cases that have an upward-trending policy amount in force like our life insurance business.

The third area concerns the treatment of convertible bonds, or CBs, held by our life insurance business. Under U.S. accounting standards, changes in market value are charged to income, whereas under Japanese accounting standards without charging to income these amounts are recorded on the balance sheet as changes in net assets.

Let me add supplemental explanation on accounting treatments of shares converted from CBs. As Note 3 indicates, under U.S. accounting treatments the book value at the date of conversion to shares is recognized as the market value of shares that are converted from CBs, whereas under Japanese accounting treatments the book value is carried at the CB acquisition price even after conversion. Consequently, as the book value used for computing gains/losses on sales and impairment losses of those shares are different depending on the use of either accounting treatments, the amount of gains/losses on sales and impairment losses differ as well.

In general, U.S. accounting treatments tend to record higher book value of shares as a result of recording valuation gains when stock markets are rising, comparing to Japanese accounting treatments.
Conversely, when stock markets are declining, I understand that gains on sales of the shares are lesser and losses on sales or impairment losses are larger under U.S. accounting treatments.
These are the principal differences between the two accounting standards, and I encourage you to take these differences into consideration for your analysis.

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