

Regarding Sony Corporation's Announcement on Revision of its Consolidated Forecast for the Fiscal Year Ending March 31, 2009

Tokyo, October 23, 2008—Sony Corporation, the parent company of Sony Financial Holdings Inc. (“SFH”), today announced a revision of its consolidated results forecast for the fiscal year ending March 31, 2009, prepared in accordance with generally accepted accounting principles and practices in the United States (“U.S. GAAP”). In Sony Corporation’s announcement, there was a comment as one of the primary factors of the revision related to the Sony Group’s Financial Services segment, which includes SFH and the SFH Group, “Preliminary results in the Financial Services segment for the quarter ended September 30, 2008 are lower than the July forecast due to such factors as a deterioration in net valuation gains from convertible bonds and an impairment loss on equity securities, brought on by a significant decline in the Japanese stock market. Based on the assumption that the equity markets will remain at the level of September 30, 2008 until March 31, 2009, operating income for the fiscal year is expected to be approximately ¥60 billion lower than the July forecast. As is our (Sony’s) policy, the effects of gains and losses on such investments due to market fluctuations since October 1, 2008 are not incorporated within our (Sony’s) forecasts for the fiscal year ending March 31, 2009. Accordingly, the market fluctuations could further negatively impact the revised forecast.” and there was also a comment relating to the preliminary consolidated results of Sony Corporation for the quarter ended September 30, 2008 prepared in accordance with U.S. GAAP, “The year-on-year decrease in operating income in the quarter ended September 30, 2008 currently reflects a more than ¥40 billion negative impact from the decline in the Japanese stock market on the Financial Services segment.”

SFH’s consolidated results are prepared in accordance with accounting principles and practices generally accepted in Japan (“Japanese GAAP”). As such, these figures differ in significant respects from financial information reported by SFH’s parent company, Sony Corporation, which prepares its financial statements in accordance with U.S. GAAP. SFH and the SFH Group has not yet completed its preparation of financial results, in accordance with Japanese GAAP, and SFH’s consolidated forecast for the fiscal year ending March 31, 2009 is still under review. We will announce immediately once we judge it necessary to update our forecast.

We plan to announce our definitive consolidated financial results for the second quarter ended September 30, 2008 prepared in accordance with Japanese GAAP on November 17, 2008. Before that date, we plan to announce our preliminary financial results for the period on October 29, 2008.

* Please see the attached “Reference” regarding the difference of accounting treatment of convertible bonds between Japanese GAAP and U.S. GAAP.

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http://www.sonyfh.co.jp/index_en.html

Reference:

Difference of Accounting Treatment of Convertible Bonds between Japanese GAAP and U.S. GAAP

With respect to the accounting treatment of convertible bonds (CBs), changes in market value are charged to income under U.S. GAAP, which Sony Corporation applies, whereas under Japanese GAAP without charging to income these amounts are recorded on the balance sheet as changes in net assets.

To supplement an explanation on accounting treatments of stocks converted from CBs, under U.S. GAAP the book value at the date of conversion to stocks is recognized as the market value of stocks that are converted from CBs, whereas under Japanese GAAP the book value is carried at the CB acquisition cost even after conversion. Consequently, as the book value used for computing gains/losses on sales and impairment losses of those stocks are different depending on the use of either accounting treatments, the amount of gains/losses on sales and impairment losses differ as well.