

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

Tokyo, January 22, 2009—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, “In the Financial Services segment, operating income (loss) is expected to be lower by approximately ¥65 billion (for the second half of the fiscal year, compared to the October forecast) mainly due to a deterioration in earnings at Sony Life Insurance Co., Ltd. resulting from a significant decline in the Japanese stock market. This is based on the assumption that the equity markets will remain at the December 31, 2008 level until March 31, 2009. As is our (Sony’s) policy, the effects of gains and losses on investments due to market fluctuations since January 1, 2009 are not incorporated within our (Sony’s) forecasts for the fiscal year ending March 31, 2009. Accordingly, market fluctuations could further impact the revised forecast.”

SFH’s consolidated results are prepared in accordance with accounting principles and practices generally accepted in Japan (“Japanese GAAP”). As such, these figures may 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’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 third quarter ended December 31, 2008 prepared in accordance with Japanese GAAP on February 12, 2009. Before that date, we plan to announce our preliminary financial results for the period on January 29, 2009.

* Please see the attached “Reference” regarding the significant differences between Japanese GAAP and U.S. GAAP.

For inquiries:

Masaaki Konoo or Kayoko Miyako
Corporate Communications & Investor Relations Dept.
Sony Financial Holdings Inc.
Telephone: +81-3-5785-1074
UE-mail: press@sonyfh.co.jp

Website of Sony Financial Holdings Inc.

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

Reference:

Significant Differences between Japanese GAAP and U.S. GAAP

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. Some significant differences between Japanese GAAP and U.S. GAAP are described as follows.

(1) Accounting treatment of changes in market value of convertible bonds (CBs)

Under Japanese GAAP, changes in market value of convertible bonds are recorded as changes in net unrealized gains/losses on other securities, net of taxes, in net assets on the balance sheet, whereas changes in market value are reflected in the income statements under U.S. GAAP.

In addition, with respect to accounting treatments of stocks converted from CBs, under U.S. GAAP, the market value at the date of conversion to stocks is recognized as the book 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 (or acquisition cost) is different depending on the use of either accounting treatments, the amount of gains/losses on sales or impairment losses differ as well.

* The majority of the stocks held at the SFH Group are those converted from CBs.

(2) Policy reserves (future insurance policy benefit) in the insurance business

Under the Insurance Business Law of Japan, insurance companies in Japan are required to accumulate a policy reserve for the fulfillment of future obligations such as payment of insurance benefits based on the accumulation method and actuarial assumptions approved by the authorities of the supervisory administrative agencies in Japan, whereas in the United States, under U.S. GAAP, liabilities for future policy benefits are primarily comprised of the present value of estimated future payments to policyholders. As the calculation standards differ between the Japanese regulations and U.S. GAAP, profits and losses during the period differ as well.

Under U.S. GAAP, liabilities for future insurance policy benefits are computed by the net level premium method based upon the actuarial assumptions, such as future investment yield and other factors. These assumptions are reviewed on a periodic basis. But reviews are also made in case estimated/forecast future investment yield changes materially due to significant fluctuations in stock markets and other factors. Liabilities for future insurance policy benefits also include liabilities for minimum guaranteed benefits related to certain insurance products such as variable insurance policies. With respect to liabilities for minimum guaranteed benefits, the relevant insurance policies differ between the Japanese regulations and U.S. GAAP.

(3) Accounting treatment of costs to acquire new policies

Under Japanese GAAP, costs to acquire new policies in the life insurance and the non-life insurance businesses are charged as costs when incurred, whereas under U.S. GAAP, insurance acquisition costs are deferred and amortized, in general, equally over the premium-paying period of the related insurance policies by using the same calculation basis used in computing future insurance policy benefit. The deferred insurance acquisition costs for variable insurance and other non-traditional life insurance policies are amortized over the expected life span of policies in proportion to the estimated gross profits. The estimated gross profits are reviewed in case the assumptions for calculations change materially due to significant fluctuations in stock market and other factors.

Under U.S. GAAP, insurance acquisition costs indicate such items as commission, medical examination and inspection report fees that vary with and are primarily related to acquiring new insurance policies as long as they are recoverable.