

**Revision of Consolidated Financial Forecast for the Six Months Ended September 30, 2010
 (Prepared in Accordance with Japanese GAAP)**

Tokyo, October 29, 2010—Sony Financial Holdings Inc. (“SFH”) today announced its revised consolidated financial forecast for the six months ended September 30, 2010 (April 1, 2010, through September 30, 2010), as indicated below. The previous forecast was announced on May 13, 2010.

1. Revised Consolidated Financial Forecast

Revised Consolidated Financial Forecast for the Six Months Ended September 30, 2010

(April 1, 2010, to September 30, 2010)

(Billions of yen, %)

	Ordinary revenues	Ordinary profit	Net income	Net income per share (Yen)
Formerly announced forecast (A)	483.0	41.0	23.0	10,574
Updated forecast (B)	496.2	51.5	29.4	13,526
Amount of change (B-A)	13.2	10.5	6.4	—
Percentage change (%)	2.7	25.6	27.8	—
(Reference) Results for the six months ended September 30, 2009	481.2	39.4	23.3	10,752.29

(Reference)

Consolidated Financial Forecast for the Year Ending March 31, 2011

(April 1, 2010, to March 31, 2011)

(Billions of yen)

	Ordinary revenues	Ordinary profit	Net income	Net income per share (Yen)
Forecast announced on May 13, 2010	974.0	74.0	40.0	18,390
(Reference) Results for the year ended March 31, 2010	978.9	84.3	48.1	22,127.13

2. Principal Reasons for Consolidated Financial Forecast Revisions

1) For the Six Months Ended September 30, 2010

During the six months ended September 30, 2010, ordinary revenues, ordinary profit and net income are expected to exceed the amounts in our forecast announced on May 13, 2010, due mainly to higher gains on sale of securities in the life insurance business. Accordingly, we revise upward our forecasts for ordinary revenues, ordinary profit and net income for the six months ended September 30, 2010.

2) For the Year Ending March 31, 2011

However, our consolidated financial forecast for the year ending March 31, 2011, remains unchanged from the previous announcement, of May 13, 2010, due mainly to uncertainty about the financial market environment for the second half of this fiscal year.

(Reference)

The above revised consolidated financial forecast for the six months ended September 30, 2010, is equivalent to the preliminary consolidated financial results for the same period, provided quarterly as part of our efforts to disclose information to our shareholders and investors in a timely and appropriate manner.

Segment information by business for the six months ended September 30, 2010, is as follows.

Life Insurance Business

Ordinary revenues from the life insurance business increased year on year, due to higher income from insurance premiums associated with steady increases in the new policy amount and the policy amount in force, as well as higher gains on sale of securities and interest income and dividends in the general account assets. Ordinary profit increased year on year, due primarily to the aforementioned higher gains on sale of securities in the general account assets.

Non-life Insurance Business

Ordinary revenues from the non-life insurance business increased year on year, owing to an increase in net premiums written, primarily for automobile insurance. However, ordinary profit decreased, due mainly to higher insurance claim payments for automobile insurance.

Banking Business

Ordinary revenues from the banking business remained at the same level as during the same period of the previous fiscal year. Ordinary profit decreased due to an increase in general and administrative expenses, despite an increase in gross operating profit, driven by improved investment performance.

Although our preparation of financial results for SFH and the SFH Group is not yet complete, the above-mentioned consolidated forecast is based on information currently available to us. Therefore, the figures stated above may differ from actual results for a variety of reasons.

We plan to announce consolidated financial results for the six months ended September 30, 2010, on November 15, 2010.

SFH's consolidated results* are prepared in accordance with accounting principles and practices generally accepted in Japan. 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 accounting principles and practices generally accepted in the United States.

* SFH's scope of consolidation for the six months ended September 30, 2010, includes Sony Financial Holdings Inc., Sony Life Insurance Co., Ltd., Sony Assurance Inc., Sony Bank Inc., Sony Life Insurance (Philippines) Corporation and Sony Bank Securities Inc. It also includes AEGON Sony Life Insurance Co., Ltd., and SA Reinsurance Ltd. as affiliated companies accounted for under the equity method. The scope of consolidation for the six months ended September 30, 2009, does not include SA Reinsurance Ltd.

On October 29, 2010, Sony Corporation will announce its consolidated financial results for the second quarter ended September 30, 2010. SFH Group companies constitute the majority of Sony Group's Financial Services segment. However, the scope of Sony Group's Financial Services segment differs from the scope of SFH's consolidated results. For the scope of Sony Group's Financial Services segment, please refer to the October 29, 2010, news release by Sony Corporation.

Forward-looking statements may include—but are not limited to—statements using words such as “believe,” “anticipate,” “plan,” “strategy,” “expect,” “forecast,” “predict” and “possibility” that describe future operating activities, financial 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, forward-looking statements are subject to various risks and uncertainties, and actual 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.

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Appendix:

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") and provisions of the Insurance Business Law. 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 below.

(1) Accounting treatment of insurance acquisition costs

Under Japanese GAAP, insurance acquisition costs 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 include 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.

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

As the calculation standards differ between the Japanese regulations and U.S. GAAP, profits and losses during the period differ as well. 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 under U.S. GAAP, liabilities for future insurance policy benefits are primarily composed of the present value of estimated future payments to policyholders. Under U.S. GAAP, liabilities for future insurance policy benefits are computed based upon actuarial assumptions, such as future investment yield, and other factors. These assumptions are reviewed on a periodic basis. 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) Contingency reserve

Pursuant to provisions of the Insurance Business Law, to ensure the fulfillment of future obligations, insurance companies in Japan are required to accumulate a contingency reserve to account for the risk of insurance payment events occurring at a higher-than-expected rate due to higher-than-expected mortality and morbidity rates (insurance risks), the risk of actual investment yields being lower than the assumed investment yields related to outstanding policies (assumed interest rate risk), the risk of actual investment results being lower than the amount guaranteed related to the minimum guaranteed portion of variable life insurance or variable annuities (minimum guarantee risks) and other risks. The Insurance Business Law establishes the accumulation standard and a maximum amount of reserve for each risk to provide and to reverse the contingency reserve. The contingency reserve is recorded as a component of the policy reserve in the balance sheets. Under U.S. GAAP, there is no requirement for the provision of such legal reserve.

(4) Catastrophe reserves

Pursuant to the provisions of the Insurance Business Law, non-life insurance companies in Japan are required to accumulate an amount calculated based on premium income to cover losses due to catastrophic events. The catastrophe reserves act as a provision against risks to which the law of large numbers is not applicable on a single-year basis, in consideration of the special characteristics of the non-life insurance business in covering a wide range of risks, including disasters. The catastrophe reserves are to be reversed during the fiscal year in which a catastrophe occurs. Furthermore, the catastrophe reserves are accounted for as part of underwriting reserves on the balance sheet. There is no requirement for the accumulation of such a legal reserve under U.S. GAAP.

(5) Reserve for price fluctuations

Pursuant to provisions of the Insurance Business Law, insurance companies in Japan are required to accumulate a reserve to cover losses due to price fluctuations in assets subject to market price volatility, particularly investments in stocks, bonds and foreign currency-denominated investments. The Insurance Business Law establishes the accumulation standard and a minimum amount of reserve for each asset to provide and to reverse the reserve for price fluctuations. The reserve for price fluctuations may be reversed to reduce deficits arising from price fluctuations of those assets. Under U.S. GAAP, there is no requirement for the provision of such legal reserve.

(6) Accounting treatment of convertible bonds (CBs)

Under Japanese GAAP, differences between the book value and market value of the CBs held as available-for-sale securities are recorded as changes in net unrealized gains/losses on other securities, net of taxes, in net assets on the balance sheets, without charging to the income statements, whereas under U.S. GAAP, changes in the market value are reflected in the income statements in accordance with Statement of Financial Accounting Standards (“FAS”) No. 155, “Accounting for Certain Hybrid Financial Instruments.” 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 which accounting treatments are applied, gains/losses on sales and impairment losses may differ as well.