

SONY CORP
Form 6-K
February 03, 2011

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D. C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER

Pursuant to Rule 13a-16 or 15d-16 of
the Securities Exchange Act of 1934

For the month of February 2011
Commission File Number: 001-06439

SONY CORPORATION
(Translation of registrant's name into English)

1-7-1 KONAN, MINATO-KU, TOKYO, 108-0075, JAPAN
(Address of principal executive offices)

The registrant files annual reports under cover of Form 20-F.

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F,

Form 20-F X

Form 40-F __

Indicate by check mark whether the registrant by furnishing the information contained in this Form
is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities
Exchange Act of 1934, Yes No X

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule
12g3-2(b):82- _____

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to
be signed on its behalf by the undersigned, thereunto duly authorized.

SONY CORPORATION
(Registrant)

By: /s/ Masaru Kato
(Signature)
Masaru Kato
Executive Vice President and
Chief Financial Officer

Date: February 3, 2011

List of materials

Documents attached hereto:

- i) Press release announcing Consolidated Financial Results for the Third Quarter Ended December 31, 2010
-

1-7-1 Konan, Minato-ku
Tokyo 108-0075 Japan

News & Information

No. 11-016E

3:00 P.M. JST, February 3, 2011

Consolidated Financial Results

for the Third Quarter Ended December 31, 2010

Tokyo, February 3, 2011 -- Sony Corporation today announced its consolidated results for the third quarter ended December 31, 2010 (October 1, 2010 to December 31, 2010).

Consolidated operating income decreased slightly to 137.5 billion yen, as a significant unfavorable foreign exchange impact outweighed positive factors for the quarter.

Operating income in the Networked Products & Services segment increased significantly due to the contribution of the game business, while operating income decreased in most other segments, particularly the Consumer, Professional & Devices segment which was negatively affected mainly due to LCD televisions.

| | (Billions of yen, millions of U.S. dollars, except per share amounts) | | | |
|---|---|-----------|---------------|-----------|
| | Third quarter ended December 31 | | Change in yen | |
| | 2009 | 2010 | | 2010* |
| Sales and operating revenue | ¥ 2,237.9 | ¥ 2,206.2 | -1.4 % | \$ 27,238 |
| Operating income | 146.1 | 137.5 | -5.9 | 1,698 |
| Income before income taxes | 123.9 | 131.5 | +6.2 | 1,624 |
| Net income attributable to Sony Corporation's stockholders | 79.2 | 72.3 | -8.6 | 893 |
| Net income attributable to Sony Corporation's stockholders per share of common stock: | | | | |
| - Basic | ¥ 78.89 | ¥ 72.08 | -8.6 % | \$ 0.89 |
| - Diluted | 78.76 | 71.96 | -8.6 | 0.89 |

Unless otherwise specified, all amounts are presented on the basis of Generally Accepted Accounting Principles in the U.S. ("U.S. GAAP").

Supplemental Information

In addition to operating income, Sony's management also evaluates Sony's performance using non-U.S. GAAP adjusted operating income. Operating income, as adjusted, which excludes equity in net income (loss) of affiliated companies and restructuring charges, is not a presentation in accordance with U.S. GAAP and is presented to enhance investors' understanding of Sony's operating income by providing an alternative measure that may be useful to understand Sony's historical and prospective operating performance.

| | (Billions of yen, millions of U.S. dollars) | | | |
|------------------|---|---------|---------------|----------|
| | Third Quarter Ended December 31 | | Change in yen | |
| | 2009 | 2010 | | 2010* |
| Operating income | ¥ 146.1 | ¥ 137.5 | -5.9 % | \$ 1,698 |

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| | | | | | |
|---|---------|---|---------|-------|-----------|
| Less: Equity in net income (loss) of affiliated companies | (5.9 |) | 2.6 | - | 32 |
| Add: Restructuring charges recorded within operating expenses** | 13.5 | | 16.0 | +19.0 | 198 |
| Operating income, as adjusted | ¥ 165.5 | | ¥ 150.9 | -8.8 | % \$1,864 |

Sony's management uses this measure to review operating trends, perform analytical comparisons, and assess whether its structural transformation initiatives are achieving their objectives. This supplemental non-U.S. GAAP measure should be considered in addition to, not as a substitute for, Sony's operating income in accordance with U.S. GAAP.

* U.S. dollar amounts have been translated from yen, for convenience only, at the rate of 81 yen=1 U.S. dollar, the approximate Tokyo foreign exchange market rate as of December 31, 2010.

** Sony is undertaking structural transformation initiatives to enhance profitability through implementation of various cost reduction programs as well as the adoption of horizontal platforms. Restructuring charges are recorded, depending on the nature of the individual items, in cost of sales, selling, general and administrative expenses as well as (gain) loss on sales, disposal or impairment of assets and other, net in the consolidated statement of income.

Sony realigned its reportable segments from the first quarter of the fiscal year ending March 31, 2011, to reflect modifications to the organizational structure as of April 1, 2010, primarily repositioning the operations of the previously reported B2B & Disc Manufacturing segment. In connection with this realignment, the Consumer Products & Devices segment was renamed the Consumer, Professional & Devices (“CPD”) segment. The CPD segment includes televisions, digital imaging, audio and video, semiconductors and components as well as professional solutions (the B2B business which was previously included in the B2B & Disc Manufacturing segment). The equity results of S-LCD Corporation (“S-LCD”), a joint venture with Samsung Electronics Co., Ltd., are also included within the CPD segment. The disc manufacturing business previously included in the B2B & Disc Manufacturing segment is now included in All Other.

The Networked Products & Services (“NPS”), Pictures, Music and Financial Services segments remain unchanged. The equity earnings from Sony Ericsson Mobile Communications AB (“Sony Ericsson”) continue to be presented as a separate segment.

In connection with this realignment, both the sales and operating revenue (“sales”) and operating income (loss) of each segment in the third quarter ended December 31 of the previous fiscal year have been revised to conform to the current quarter’s presentation.

Consolidated Results for the Third Quarter Ended December 31, 2010

Sales were 2,206.2 billion yen (27,238 million U.S. dollars), a decrease of 1.4% compared to the same quarter of the previous fiscal year (“year-on-year”), primarily due to unfavorable foreign exchange rates. In all segments excluding the CPD and Financial Services segments, sales declined year-on-year.

During the quarter ended December 31, 2010, average foreign exchange rates were 81.6 yen against the U.S. dollar and 110.7 yen against the euro, an 8.7% and 18.5% yen appreciation compared to the previous year’s third quarter, respectively. On a local currency basis, sales increased 6% year-on-year. For references to sales on a local currency basis, see Note on page 8.

Operating income decreased 8.6 billion yen year-on-year to 137.5 billion yen (1,698 million U.S. dollars), primarily due to unfavorable foreign exchange rates. Operating income in the NPS segment increased significantly due to the contribution of the game business, while operating income decreased in most other segments, particularly the CPD segment which was negatively affected mainly due to LCD televisions. Excluding equity in net income (loss) of affiliated companies and restructuring charges, operating income on an as adjusted basis decreased by 14.6 billion yen to 150.9 billion yen (1,864 million U.S. dollars) year-on-year.

Equity in net income of affiliated companies, recorded within operating income, was 2.6 billion yen (32 million U.S. dollars) compared to a loss of 5.9 billion yen in the same quarter of the previous fiscal year. During the current quarter, Sony recorded equity in net income for Sony Ericsson of 0.4 billion yen (5 million U.S. dollars) compared to

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equity in net loss of 10.2 billion yen in the same quarter of the previous fiscal year. Equity in net income for S-LCD was 2.1 billion yen (27 million U.S. dollars), a decrease of 0.8 billion yen year-on-year.

The net effect of other income and expenses was an expense of 6.0 billion yen (74 million U.S. dollars), an improvement of 16.3 billion yen year-on-year, primarily due to a smaller net foreign exchange loss.

Income before income taxes increased 7.7 billion yen year-on-year to 131.5 billion yen (1,624 million U.S. dollars). This was mainly due to the improvement in the above-mentioned net effect of other income and expenses.

Income taxes: During the current quarter, Sony recorded 47.6 billion yen (588 million U.S. dollars) of income taxes, resulting in an effective tax rate of 36.2%. In the same quarter of the previous fiscal year the effective tax rate was 26.8%. The effective tax rates of the current quarter and the same quarter of the previous fiscal year were lower than the Japanese statutory tax rate primarily as a result of profits at non-Japanese subsidiaries subject to lower tax rates, the impact of which was more significant in the same quarter of the previous fiscal year.

Net income attributable to Sony Corporation's stockholders, which excludes net income attributable to noncontrolling interests, decreased 6.8 billion yen year-on-year to 72.3 billion yen (893 million U.S. dollars).

Operating Performance Highlights by Business Segment

“Sales and operating revenue” in each business segment represents sales and operating revenue recorded before intersegment transactions are eliminated. “Operating income (loss)” in each business segment represents operating income (loss) reported before intersegment transactions are eliminated and excludes unallocated corporate expenses.

Consumer, Professional & Devices

| | (Billions of yen, millions of U.S. dollars) | | | | |
|-----------------------------|---|-----------|---------------|------|-----------|
| | Third quarter ended December 31 | | | | |
| | 2009 | 2010 | Change in yen | 2010 | |
| Sales and operating revenue | ¥ 1,046.8 | ¥ 1,090.9 | +4.2 | % | \$ 13,468 |
| Operating income | 50.8 | 26.8 | -47.2 | | 331 |

Unless otherwise specified, all amounts are on a U.S. GAAP basis.

Sales increased 4.2% year-on-year (a 13% increase on a local currency basis) to 1,090.9 billion yen (13,468 million U.S. dollars). Sales to outside customers increased 7.7% year-on-year. This was primarily due to higher LCD television sales resulting from increased unit sales, higher semiconductor sales resulting from increased small- and medium-sized LCD panel sales, and higher interchangeable single lens camera sales resulting from increased unit sales, partially offset by lower component sales resulting from a decrease in PC component sales.

Operating income decreased 24.0 billion yen year-on-year to 26.8 billion yen (331 million U.S. dollars). This was driven by an increase in selling, general and administrative expenses primarily associated with higher sales, unfavorable foreign exchange rates, a deterioration of the cost of sales ratio, and an increase in restructuring charges. These factors were partially offset by an increase in gross profit due to higher sales. Restructuring charges were 11.8 billion yen (145 million U.S. dollars) in the current quarter, compared with 8.6 billion yen recorded in the same quarter of the previous fiscal year. Categories which unfavorably impacted the change in segment operating results (excluding restructuring charges) include LCD televisions, reflecting a decline in unit selling prices despite rising unit sales, and compact digital cameras due to lower unit selling prices and unfavorable foreign exchange rates. A category which favorably impacted the change in segment operating results (excluding restructuring charges) was home video, resulting from an increase in unit sales of Blu-ray Disc™ recorders.

Networked Products & Services

(Billions of yen, millions of U.S. dollars)
Third quarter ended December 31

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| | 2009 | 2010 | Change in yen | 2010 |
|-----------------------------|---------|---------|---------------|----------|
| Sales and operating revenue | ¥ 605.5 | ¥ 566.6 | -6.4 % | \$ 6,995 |
| Operating income | 19.5 | 45.7 | +134.9 | 564 |

Unless otherwise specified, all amounts are on a U.S. GAAP basis.

3

Sales decreased 6.4% year-on-year (a 3% increase on a local currency basis) to 566.6 billion yen (6,995 million U.S. dollars). Sales to outside customers decreased 7.4% year-on-year. This was mainly due to a decrease in sales in the game business resulting primarily from unfavorable foreign exchange rates.

Operating income increased 26.3 billion yen year-on-year to 45.7 billion yen (564 million U.S. dollars). This was mainly due to a significant improvement in the cost of sales ratio coupled with an increase in gross profit from higher sales, partially offset by unfavorable foreign exchange rates. The game business benefited from significant cost reductions of PlayStation®3 (“PS3”) hardware and higher unit sales of PS3 software, which favorably impacted the change in segment operating results (excluding restructuring charges).

* * * * *

Total Inventory for the CPD and NPS segments as of December 31, 2010 was 637.9 billion yen (7,875 million U.S. dollars), an increase of 91.6 billion yen, or 16.8% year-on-year. Inventory decreased by 182.1 billion yen, or 22.2% compared with the level as of September 30, 2010.

Pictures

| | (Billions of yen, millions of U.S. dollars) | | | |
|-----------------------------|---|---------|---------------------------------|----------|
| | 2009 | | Third quarter ended December 31 | |
| | 2009 | 2010 | Change in yen | 2010 |
| Sales and operating revenue | ¥ 203.2 | ¥ 149.0 | -26.7 % | \$ 1,840 |
| Operating income | 14.1 | 4.7 | -66.7 | 58 |

Unless otherwise specified, all amounts are reported on a U.S. GAAP basis. The results presented above are a yen-translation of the results of Sony Pictures Entertainment (“SPE”), a U.S.-based operation which aggregates the results of its worldwide subsidiaries on a U.S. dollar basis. Sony’s management analyzes the results of SPE in U.S. dollars, so discussion of certain portions of its results is specified as being on “a U.S. dollar basis.”

Sales decreased 26.7% year-on-year (a 20% decrease on a U.S. dollar basis) to 149.0 billion yen (1,840 million U.S. dollars). While the current quarter benefited from the strong performance of The Social Network, theatrical revenues declined significantly as the previous fiscal year’s third quarter included the strong theatrical releases of 2012 and Michael Jackson’s This Is It. Television revenues increased in the current quarter due to higher advertising and subscription revenues from several of SPE’s international channels.

Operating income decreased 9.4 billion yen year-on-year to 4.7 billion yen (58 million U.S. dollars). The lower operating income was due to a loss recorded on the lower-than-estimated theatrical performance of the third quarter release How Do You Know, lower home entertainment revenues from catalog product, and higher marketing expenses recorded for upcoming theatrical releases.

Music

| | (Billions of yen, millions of U.S. dollars) | | |
|--|---|------|---------------------------------|
| | 2009 | | Third quarter ended December 31 |
| | 2009 | 2010 | Change in yen |
| | | | 2010 |

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| | | | | | |
|-----------------------------|---------|---------|-------|---|----------|
| Sales and operating revenue | ¥ 163.5 | ¥ 139.8 | -14.5 | % | \$ 1,726 |
| Operating income | 23.1 | 19.5 | -15.7 | | 241 |

Unless otherwise specified, all amounts are reported on a U.S. GAAP basis. The results presented above include the yen-translated results of Sony Music Entertainment, a U.S.-based operation which aggregates the results of its worldwide subsidiaries on a U.S. dollar basis, the results of Sony Music Entertainment (Japan) Inc., a Japan-based music company which aggregates its results in yen, and the yen-translated results of Sony/ATV Music Publishing LLC, a consolidated 50% owned U.S.-based joint venture in the music publishing business which aggregates the results of its worldwide subsidiaries on a U.S. dollar basis.

Sales decreased 14.5% year-on-year (a 10% decrease on a local currency basis) to 139.8 billion yen (1,726 million U.S. dollars). This decrease is primarily due to the continued contraction of the physical music market, partially offset by higher digital sales, and the negative impact of the appreciation of the yen against the U.S. dollar. Best-selling titles during the current quarter included ikimono-gakari's IKIMONO BAKARI: MEMBERS' BEST SELECTION, Susan Boyle's The Gift, Michael Jackson's Michael, Kings of Leon's Come Around Sundown, Bruce Springsteen's The Promise, and two albums from the cast of the hit U.S. television show Glee.

Operating income decreased 3.6 billion yen year-on-year to 19.5 billion yen (241 million U.S. dollars). The decrease reflects the impact of lower sales noted above, partially offset by a year-on-year decrease in marketing costs.

Financial Services

| | (Billions of yen, millions of U.S. dollars) | | | | | |
|----------------------------|---|---------|------|---------------|---------------|--|
| | 2009 | | 2010 | | Change in yen | |
| | Third quarter ended December 31 | | | | | |
| | 2009 | 2010 | 2010 | Change in yen | 2010 | |
| Financial services revenue | ¥ 205.6 | ¥ 209.1 | +1.7 | % | \$ 2,582 | |
| Operating income | 35.0 | 32.7 | -6.6 | | 404 | |

In Sony's Financial Services segment, the results include Sony Financial Holdings, Inc. ("SFH") and SFH's consolidated subsidiaries such as Sony Life Insurance Co., Ltd. ("Sony Life"), Sony Assurance Inc. and Sony Bank Inc. ("Sony Bank"), as well as the results for Sony Finance International Inc. ("SFI"). Unless otherwise specified, all amounts are reported on a U.S. GAAP basis. Therefore, the results of Sony Life discussed below differ from the results that SFH and Sony Life disclose separately on a Japanese statutory basis.

Financial services revenue increased 1.7% year-on-year to 209.1 billion yen (2,582 million U.S. dollars). This was mainly due to an increase in revenue at Sony Bank mainly as a result of an improvement in foreign exchange net gains on foreign-currency denominated customer deposits. This was partially offset by a decrease in revenue at SFI, mainly as a result of the deconsolidation of its lease and rental business. Revenue at Sony Life was 181.7 billion yen (2,243 million U.S. dollars), a 1.0% increase year-on-year. This was primarily due to an increase in revenue from insurance premiums, reflecting higher policy amount in force, partially offset by a decline in net gains on sales of securities in the general account.

Operating income decreased 2.3 billion yen year-on-year to 32.7 billion yen (404 million U.S. dollars). This was mainly due to a decrease in operating income at Sony Life to 29.8 billion yen (368 million U.S. dollars), a 6.6 billion yen decline year-on-year. Operating income at Sony Life declined mainly due to the above-mentioned decrease in net gains on sales of securities in the general account, partially offset by the greater revenues from insurance premiums.

Sony Ericsson

The following operating results for Sony Ericsson, which is accounted for by the equity method as Sony Corporation's ownership percentage is 50%, are not consolidated in Sony's consolidated financial statements. However, Sony believes that this disclosure provides additional useful analytical information to investors regarding Sony's operating performance.

| | (Millions of euros) | | | |
|-----------------------------|---------------------|---------------------------|--|-----------------|
| | 2009 | Quarter ended December 31 | | Change in euros |
| | 2009 | 2010 | | % |
| Sales and operating revenue | € 1,750 | € 1,528 | | -12.7 |
| Income (loss) before taxes | (180) | 29 | | - |
| Net income (loss) | (159) | 7 | | - |

Unless otherwise specified, all amounts are on a U.S. GAAP basis.

Sales for the quarter ended December 31, 2010 decreased 12.7% year-on-year to 1,528 million euros. This decrease was due to a decline in unit shipments as a result of the greater focus on high-end smartphones and reduction in size of the product portfolio. Income before taxes of 29 million euros was recorded for the current quarter, compared to a loss before taxes of 180 million euros in the same quarter of the previous fiscal year. This improvement was due to a decrease in restructuring charges, a rise in average selling price, and an improved cost structure. In addition, there was some benefit from items relating to warranty estimates and royalty matters.

Sony recorded equity in net income of Sony Ericsson of 0.4 billion yen (5 million U.S. dollars) for the current quarter, compared to a loss of 10.2 billion yen in the same quarter of the previous fiscal year.

Cash Flows (for the nine months ended December 31, 2010)

For Consolidated Statements of Cash Flows and charts showing Sony's cash flow information for all segments, all segments excluding the Financial Services segment and the Financial Services segment alone, please refer to pages F-4 and F-13, respectively.

Operating Activities: During the nine months ended December 31, 2010, there was a net cash inflow of 403.9 billion yen (4,987 million U.S. dollars), a decrease of 138.4 billion yen, or 25.5% year-on-year.

For all segments excluding the Financial Services segment, there was a net cash inflow of 130.7 billion yen (1,614 million U.S. dollars), a decrease of 154.8 billion yen, or 54.2% year-on-year. The net cash inflow during the current nine months was mainly due to a cash contribution from net income after taking into account depreciation and amortization and increases in notes and accounts payable, trade, accrued expenses and accrued income and other taxes. This inflow was partially offset by an increase in notes and accounts receivable, trade and an increase in inventories. Compared with the same period of the previous fiscal year, the net cash inflow decreased mainly due to an increase in inventories during the current period compared to a decrease in the previous year, partially offset by a smaller increase in notes and accounts receivable, trade and an increase in cash contribution from net income after taking into account depreciation and amortization.

The Financial Services segment had a net cash inflow of 282.2 billion yen (3,485 million U.S. dollars), an increase of 19.6 billion yen, or 7.5% year-on-year. For the current nine months, net cash inflow was generated primarily due to an increase in revenue from insurance premiums as a result of an increase in policy amount in force at Sony

Life. Compared with the same period of the previous fiscal year, net cash inflow increased primarily due to an increase in cash contribution from net income after excluding the impact of gain or loss on revaluation of marketable securities held for trading purposes.

Investing Activities: During the current nine months, Sony used 582.4 billion yen (7,190 million U.S. dollars) of net cash in investing activities, an increase of 43.7 billion yen, or 8.1% year-on-year.

For all segments excluding the Financial Services segment, there was a use of 100.1 billion yen (1,236 million U.S. dollars), a decrease of 149.1 billion yen, or 59.8% year-on-year. During the current nine months, net cash was used mainly for purchases of manufacturing equipment. Compared with the same period of the previous fiscal year, the net cash used decreased primarily due to lower purchases of manufacturing equipment and proceeds from the sale of a portion of Sony's equity interest in the Nitra factory in Slovakia completed in the second quarter ended September 30, 2010.

During the current nine months, the Financial Services segment used 468.3 billion yen (5,781 million U.S. dollars) of net cash, an increase of 195.8 billion yen, or 71.8% year-on-year. Payments for investments and advances, carried out primarily at Sony Life and Sony Bank, where operations are expanding, exceeded proceeds from the maturities of marketable securities, sales of securities investments and collections of advances. The net cash outflow during the current nine months was partially offset by proceeds from the deconsolidation of a lease and rental business at SFI. The net cash used within the Financial Services segment increased year-on-year primarily due to a decrease in maturities of marketable securities, sales of securities investments and collections of advances and an increase in investments and advances.

In all segments excluding the Financial Services segment, net cash generated by operating and investing activities combined* for the current nine months was 30.6 billion yen (378 million U.S. dollars), a decrease of 5.6 billion yen, or 15.6% year-on-year.

Financing Activities: During the current nine months, there was a net cash outflow of 10.3 billion yen (127 million U.S. dollars) from financing activities, compared to a net cash inflow of 350.3 billion yen in the same period of the previous fiscal year. For all segments excluding the Financial Services segment, there was 158.5 billion yen (1,957 million U.S. dollars) of net cash outflow, compared to a net cash inflow of 151.6 billion yen in the same period of the previous fiscal year. This was primarily due to significantly higher levels of issuances of long-term corporate bonds and borrowings from banks in the same period of the previous fiscal year. There were no comparable issuances or borrowings during the current nine months; in addition, there was a 104.9 billion yen redemption of domestic straight bonds and a 52.0 billion yen reimbursement of syndicated loans in the current nine month period. In the Financial Services segment, financing activities generated 125.2 billion yen (1,545 million U.S. dollars) of net cash, a decrease of 50.7 billion yen, or 28.8% year-on-year, primarily due to a smaller increase in deposits from customers at Sony Bank and a greater decrease in short-term borrowings.

Total Cash and Cash Equivalents: Accounting for the above factors and the effect of fluctuations in exchange rates, the total outstanding balance of cash and cash equivalents at December 31, 2010 was 919.8 billion yen (11,355 million U.S. dollars). Cash and cash equivalents of all segments excluding the Financial Services segment was 773.9 billion yen (9,554 million U.S. dollars) at December 31, 2010, a decrease of 211.0 billion yen, or 21.4%, compared with the balance as of March 31, 2010. This was an increase of 30.9 billion yen, or 4.2%, compared with the balance as of December 31, 2009. Sony believes it continues to maintain sufficient liquidity through access to a total, translated into yen, of 749.6 billion yen (9,254 million U.S. dollars) of unused committed lines of credit with financial institutions in addition to the cash and cash equivalents balance at December 31, 2010. Within the Financial Services segment, the outstanding balance of cash and cash equivalents was 145.9 billion yen (1,801 million U.S. dollars) at December 31, 2010, a decrease of 60.8 billion yen, or 29.4%, compared with the balance as of March 31, 2010. This was a decrease of 115.9 billion yen, or 44.3%, compared with the balance as of December 31, 2009.

* Sony has included the information for cash flow from operating and investing activities combined excluding the Financial Services segment's activities, as management frequently monitors this financial measure, and believes this non-U.S. GAAP measurement is important for use in evaluating Sony's ability to generate cash to maintain liquidity and fund debt principal and dividend payments from business activities other than its Financial Services segment. This information is derived from the reconciliations prepared in the Condensed Statements of Cash Flows

on page F-13. This information and the separate condensed presentations shown below are not required or prepared in accordance with U.S. GAAP. The Financial Services segment's cash flow is excluded from the measure because SFH, which constitutes a majority of the Financial Services segment, is a separate publicly traded entity in Japan with a significant noncontrolling interest and it, as well as its subsidiaries, secure liquidity on their own. This measure may not be comparable to those of other companies. This measure has limitations, because it does not represent residual cash flows available for discretionary expenditures principally due to the fact that the measure does not deduct the principal payments required for debt service. Therefore, Sony believes it is important to view this measure as supplemental to its entire statement of cash flows and together with Sony's disclosures regarding investments, available credit facilities and overall liquidity.

A reconciliation of the differences between the Consolidated Statement of Cash Flows reported and cash flows from operating and investing activities combined excluding the Financial Services segment's activities is as follows:

| | (Billions of yen, millions of U.S. dollars) | | |
|---|---|---------|----------|
| | Nine months ended December 31 | | |
| | 2009 | 2010 | 2010 |
| Net cash provided by operating activities reported in the consolidated statements of cash flows | ¥ 542.3 | ¥ 403.9 | \$ 4,987 |
| Net cash used in investing activities reported in the consolidated statements of cash flows | (538.7) | (582.4) | (7,190) |
| | 3.6 | (178.5) | (2,203) |
| Less: Net cash provided by operating activities within the Financial Services segment | 262.6 | 282.2 | 3,485 |
| Less: Net cash used in investing activities within the Financial Services segment | (272.5) | (468.3) | (5,781) |
| Eliminations ** | (22.7) | (23.0) | (285) |
| Cash flow provided by operating and investing activities combined excluding the Financial Services segment's activities | ¥ 36.2 | ¥ 30.6 | \$ 378 |

** Eliminations primarily consist of intersegment loans and dividend payments. Intersegment loans are between Sony Corporation and SFI, an entity included within the Financial Services segment.

Note

Sales on a local currency basis described herein reflect sales obtained by applying the yen's monthly average exchange rate in the same quarter of the previous fiscal year to local currency-denominated monthly sales in the current quarter. Sales on a local currency basis are not reflected in Sony's consolidated financial statements and are not measured in accordance with U.S. GAAP. Sony does not believe that these measures are a substitute for U.S. GAAP measures. However, Sony believes that disclosing sales information on a local currency basis provides additional useful analytical information to investors regarding Sony's operating performance.

Outlook for the Fiscal Year ending March 31, 2011

The forecast for consolidated results for the fiscal year ending March 31, 2011, as announced on October 29, 2010, has been revised as per the table below. While the forecast for sales has been revised downward, the forecast for operating income, income before income taxes and net income attributable to Sony Corporation's stockholders remains unchanged.

| (Billions of yen) | | | | |
|-------------------|---------------------|------------------|----------------------------|-------------------------------|
| Revised Forecast | Change from October | October Forecast | Change from March 31, 2010 | March 31, 2010 Actual Results |
| | | | | |

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| | Forecast | | | Actual Results | | |
|---|----------|------|---------|----------------|-----------|---|
| Sales and operating revenue | ¥ 7,200 | -3 % | ¥ 7,400 | -0 % | ¥ 7,214.0 | |
| Operating income | 200 | 0 | 200 | +529 | 31.8 | |
| Income before income taxes | 200 | 0 | 200 | +643 | 26.9 | |
| Net income (loss) attributable to Sony Corporation's stockholders | 70 | 0 | 70 | - | (40.8) |) |

Assumed foreign exchange rates for the fourth quarter ending March 31, 2011: approximately 82 yen to the U.S. dollar and approximately 110 yen to the euro. (Assumed foreign exchange rates for the second half of the current fiscal year at the time of the October forecast: approximately 83 yen to the U.S. dollar and approximately 110 yen to the euro.)

Supplemental Information

In addition to operating income, Sony's management also evaluates Sony's performance using non-U.S. GAAP adjusted operating income. Operating income, as adjusted, which excludes equity in net income (loss) of affiliated companies, restructuring charges and LCD television asset impairment, is not a presentation in accordance with U.S. GAAP and is presented to enhance investors' understanding of Sony's operating income by providing an alternative measure that may be useful to understand Sony's historical and prospective operating performance.

(Billions of yen)

| | Revised Forecast | Change from October Forecast | % | October Forecast | Change from March 31, 2010 Actual Results | % | March 31, 2010 Actual Results |
|---|---------------------|---------------------------------------|---|---------------------|---|---|--|
| Operating income | ¥ 200 | 0 | % | ¥ 200 | +529 | % | ¥ 31.8 |
| Less: Equity in net income (loss) of affiliated companies | 10 | -33 | | 15 | - | | (30.2) |
| Add: Restructuring charges recorded within operating expenses | 70 | -7 | | 75 | -44 | | 124.3 |
| Add: LCD television asset impairment * | - | - | | - | - | | 27.1 |
| Operating income, as adjusted | ¥ 260 | 0 | % | ¥ 260 | +22 | % | ¥ 213.4 |

Sony's management uses this measure to review operating trends, perform analytical comparisons, and assess whether its structural transformation initiatives are achieving their objectives. This supplemental non-U.S. GAAP measure should be considered in addition to, not as a substitute for, Sony's operating income in accordance with U.S. GAAP.

* The 27.1 billion yen loss on impairment, a non-cash charge recorded within operating income in the previous fiscal year, primarily reflected a decrease in the estimated fair value of property, plant and equipment, and certain intangible assets. Sony has excluded the loss on impairment from restructuring charges as it is not directly related to Sony's ongoing restructuring initiatives. Sony defines restructuring initiatives as activities initiated by Sony, such as exiting a business or product category or implementing a headcount reduction program, which are designed to generate a positive impact on future profitability.

The revision in the forecast for sales is primarily due to the following factor:

Consolidated sales for the fiscal year are expected to be 200 billion yen below the October forecast because Sony is expecting lower sales in the CPD segment than the previous forecast in October.

Consolidated operating income for the fiscal year remains unchanged. The fiscal year operating income forecast for each major segment is as follows:

In the NPS segment, operating results for the fiscal year are expected to exceed the October forecast.

In the Pictures, Music and Financial Services segments, the fiscal year operating income for each segment is expected to slightly exceed the October forecast.

In the CPD segment, fiscal year operating income is expected to be below the October forecast.

Sony's forecast for capital expenditures, depreciation and amortization, as well as for research and development expenses, as per the table below, is unchanged from the forecast announced on October 29, 2010.

(Billions of yen)

| | Current Forecast | Change from March 31, 2010 Actual Results | % | March 31, 2010 Actual Results |
|---|---------------------|--|---|----------------------------------|
| Capital expenditures* (additions to Property, Plant and Equipment) | ¥ 230 | +19 | % | ¥ 192.7 |
| Depreciation and amortization** | 340 | -8 | | 371.0 |
| [for Property, Plant and Equipment (included above)] | 230 | -12 | | 260.2] |
| Research and development expenses | 450 | +4 | | 432.0 |

* Investments in equity affiliates are not included within capital expenditures.

** Depreciation and amortization includes amortization of intangible assets and amortization of deferred insurance acquisition costs.

This forecast is based on management's current expectations and is subject to uncertainties and changes in circumstances. Actual results may differ materially from those included in this forecast due to a variety of factors. See "Cautionary Statement" below.

As is Sony's policy, the effects of gains and losses on investments held by Sony Life attributable to market fluctuations since January 1, 2011 have not been incorporated within the above forecast, as Sony cannot predict the movement of the financial markets through the end of the fiscal year ending March 31, 2011. Accordingly, these market fluctuations could further impact the current forecast.

Cautionary Statement

Statements made in this release with respect to Sony's current plans, estimates, strategies and beliefs and other statements that are not historical facts are forward-looking statements about the future performance of Sony. Forward-looking statements include, but are not limited to, those statements using words such as "believe," "expect," "plans," "strategy," "prospects," "forecast," "estimate," "project," "anticipate," "aim," "intend," "seek," "may," "might," "should," and words of similar meaning in connection with a discussion of future operations, financial performance, events or conditions. From time to time, oral or written forward-looking statements may also be included in other materials released to the public. These statements are based on management's assumptions and beliefs in light of the information currently available to it. Sony cautions you that a number of important risks and uncertainties could cause actual results to differ materially from those discussed in the forward-looking statements, and therefore you should not place undue reliance on them. You also should not rely on any obligation of Sony to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Sony disclaims any such obligation. Risks and uncertainties that might affect Sony include, but are not limited to (i) the global economic environment in which Sony operates and the economic conditions in Sony's markets, particularly levels of consumer spending; (ii) exchange rates, particularly between the yen and the U.S. dollar, the euro and other currencies in which Sony makes significant sales and incurs production costs, or in which Sony's assets and liabilities are denominated; (iii) Sony's ability to continue to design and develop and win acceptance of, as well as achieve sufficient cost reductions for, its products and services, including LCD televisions and game platforms, which are offered in highly competitive markets characterized by continual new product and service introductions, rapid development in technology and subjective and changing consumer preferences; (iv) Sony's ability and timing to recoup large-scale investments required for technology development and production capacity; (v) Sony's ability to implement successful business restructuring and transformation efforts under changing market conditions; (vi) Sony's ability to implement successful hardware, software, and content integration strategies for all segments excluding the Financial Services segment, and to develop and implement successful sales and distribution strategies in light of the Internet and other technological developments; (vii) Sony's continued ability to devote sufficient resources to research and development and, with respect to capital expenditures, to prioritize investments correctly (particularly in the Consumer, Professional & Devices segment); (viii) Sony's ability to maintain product quality; (ix) the success of Sony's acquisitions, joint ventures and other strategic investments; (x) Sony's ability to forecast demands, manage timely procurement and control inventories; (xi) the outcome of pending legal and/or regulatory proceedings; (xii) shifts in customer demand for financial services such as life insurance and Sony's ability to conduct successful asset liability management in the Financial Services segment; and (xiii) the impact of unfavorable conditions or developments (including market fluctuations or volatility) in the Japanese equity markets on the revenue and operating income of the Financial Services segment. Risks and uncertainties also include the impact of any future events with material adverse impacts.

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(Unaudited)
Consolidated Financial Statements
Consolidated Balance Sheets

| | (Millions of yen, millions of U.S. dollars) | | | |
|---|---|--------------|-------------|-------------|
| | March 31 | December 31 | Change from | December 31 |
| | 2010 | 2010 | March 31, | 2010 |
| | | | 2010 | |
| ASSETS | | | | |
| Current assets: | | | | |
| Cash and cash equivalents | ¥ 1,191,608 | ¥ 919,765 | ¥ -271,843 | \$ 11,355 |
| Marketable securities | 579,493 | 647,268 | +67,775 | 7,991 |
| Notes and accounts receivable, trade | 996,100 | 1,142,307 | +146,207 | 14,103 |
| Allowance for doubtful accounts and sales returns | (104,475) | (99,404) | +5,071 | (1,227) |
| Inventories | 645,455 | 731,860 | +86,405 | 9,035 |
| Deferred income taxes | 197,598 | 231,594 | +33,996 | 2,859 |
| Prepaid expenses and other current assets | 627,093 | 662,172 | +35,079 | 8,175 |
| Total current assets | 4,132,872 | 4,235,562 | +102,690 | 52,291 |
| Film costs | 310,065 | 276,461 | -33,604 | 3,413 |
| Investments and advances: | | | | |
| Affiliated companies | 229,051 | 222,047 | -7,004 | 2,741 |
| Securities investments and other | 5,070,342 | 5,505,515 | +435,173 | 67,970 |
| | 5,299,393 | 5,727,562 | +428,169 | 70,711 |
| Property, plant and equipment: | | | | |
| Land | 153,067 | 145,907 | -7,160 | 1,801 |
| Buildings | 897,054 | 824,997 | -72,057 | 10,185 |
| Machinery and equipment | 2,235,032 | 2,013,192 | -221,840 | 24,854 |
| Construction in progress | 71,242 | 74,997 | +3,755 | 926 |
| | 3,356,395 | 3,059,093 | -297,302 | 37,766 |
| Less-Accumulated depreciation | (2,348,444) | (2,148,831) | +199,613 | (26,528) |
| | 1,007,951 | 910,262 | -97,689 | 11,238 |
| Other assets: | | | | |
| Intangibles, net | 378,917 | 343,930 | -34,987 | 4,246 |
| Goodwill | 438,869 | 413,885 | -24,984 | 5,110 |
| Deferred insurance acquisition costs | 418,525 | 425,162 | +6,637 | 5,249 |
| Deferred income taxes | 403,537 | 332,131 | -71,406 | 4,100 |
| Other | 475,985 | 421,253 | -54,732 | 5,200 |
| | 2,115,833 | 1,936,361 | -179,472 | 23,905 |
| Total assets | ¥ 12,866,114 | ¥ 13,086,208 | ¥ +220,094 | \$ 161,558 |
| LIABILITIES AND EQUITY | | | | |
| Current liabilities: | | | | |
| Short-term borrowings | ¥ 48,785 | ¥ 74,964 | ¥ +26,179 | \$ 925 |
| Current portion of long-term debt | 235,822 | 137,495 | -98,327 | 1,697 |
| Notes and accounts payable, trade | 817,118 | 884,564 | +67,446 | 10,921 |
| | 1,003,197 | 996,397 | -6,800 | 12,301 |

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| | | | | |
|---|--------------|--------------|------------|------------|
| Accounts payable, other and accrued expenses | | | | |
| Accrued income and other taxes | 69,175 | 105,902 | +36,727 | 1,307 |
| Deposits from customers in the banking business | | | | |
| Other | 1,509,488 | 1,608,837 | +99,349 | 19,862 |
| Total current liabilities | 376,340 | 384,275 | +7,935 | 4,745 |
| | 4,059,925 | 4,192,434 | +132,509 | 51,758 |
| | | | | |
| Long-term debt | 924,207 | 819,332 | -104,875 | 10,115 |
| Accrued pension and severance costs | 295,526 | 265,265 | -30,261 | 3,275 |
| Deferred income taxes | 236,521 | 239,804 | +3,283 | 2,961 |
| Future insurance policy benefits and other | | | | |
| Other | 3,876,292 | 4,118,705 | +242,413 | 50,848 |
| Total liabilities | 188,088 | 183,876 | -4,212 | 2,270 |
| | 9,580,559 | 9,819,416 | +238,857 | 121,227 |
| | | | | |
| Equity: | | | | |
| Sony Corporation's stockholders' equity: | | | | |
| Common stock | 630,822 | 630,888 | +66 | 7,789 |
| Additional paid-in capital | 1,157,812 | 1,159,269 | +1,457 | 14,312 |
| Retained earnings | 1,851,004 | 1,967,670 | +116,666 | 24,292 |
| Accumulated other comprehensive income | (669,058) | (832,803) | -163,745 | (10,282) |
| Treasury stock, at cost | (4,675) | (4,648) | +27 | (57) |
| | 2,965,905 | 2,920,376 | -45,529 | 36,054 |
| | | | | |
| Noncontrolling interests | 319,650 | 346,416 | +26,766 | 4,277 |
| Total equity | 3,285,555 | 3,266,792 | -18,763 | 40,331 |
| Total liabilities and equity | ¥ 12,866,114 | ¥ 13,086,208 | ¥ +220,094 | \$ 161,558 |

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Consolidated Statements of Income

(Millions of yen, millions of U.S. dollars, except per share amounts)
Three months ended December 31

| | 2009 | 2010 | Change from | | 2010 |
|--|-------------|-------------|-------------|---|-----------|
| | | | 2009 | | |
| Sales and operating revenue: | | | | | |
| Net sales | ¥ 2,014,145 | ¥ 1,980,721 | | | \$ 24,453 |
| Financial service revenue | 202,580 | 207,030 | | | 2,556 |
| Other operating revenue | 21,140 | 18,495 | | | 229 |
| | 2,237,865 | 2,206,246 | -1.4 | % | 27,238 |
| Costs and expenses: | | | | | |
| Cost of sales | 1,510,841 | 1,492,388 | | | 18,425 |
| Selling, general and administrative | 402,440 | 403,047 | | | 4,976 |
| Financial service expenses | 167,201 | 173,780 | | | 2,145 |
| (Gain) loss on sale, disposal or impairment of assets and other, net | 5,353 | 2,099 | | | 26 |
| | 2,085,835 | 2,071,314 | -0.7 | | 25,572 |
| Equity in net income (loss) of affiliated companies | (5,927) | 2,590 | - | | 32 |
| Operating income | 146,103 | 137,522 | -5.9 | | 1,698 |
| Other income: | | | | | |
| Interest and dividends | 2,060 | 2,585 | | | 32 |
| Gain on sale of securities investments, net | 2,271 | 888 | | | 11 |
| Other | 3,391 | 2,716 | | | 33 |
| | 7,722 | 6,189 | -19.9 | | 76 |
| Other expenses: | | | | | |
| Interest | 5,717 | 4,556 | | | 56 |
| Foreign exchange loss, net | 19,947 | 5,528 | | | 68 |
| Other | 4,296 | 2,092 | | | 26 |
| | 29,960 | 12,176 | -59.4 | | 150 |
| Income before income taxes | 123,865 | 131,535 | +6.2 | | 1,624 |
| Income taxes | 33,244 | 47,590 | | | 588 |
| Net income | 90,621 | 83,945 | -7.4 | | 1,036 |
| Less - Net income attributable to noncontrolling interests | 11,454 | 11,611 | | | 143 |
| Net income attributable to Sony Corporation's stockholders | ¥ 79,167 | ¥ 72,334 | -8.6 | % | \$ 893 |

Per share data:

Net income attributable to Sony
Corporation's stockholders

| | | | | | | | | |
|-----------|---|-------|---|-------|------|---|----|------|
| — Basic | ¥ | 78.89 | ¥ | 72.08 | -8.6 | % | \$ | 0.89 |
| — Diluted | | 78.76 | | 71.96 | -8.6 | % | | 0.89 |

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Consolidated Statements of Income

(Millions of yen, millions of U.S. dollars, except per share amounts)

Nine months ended December 31

| | 2009 | 2010 | Change from 2009 | | 2010 |
|---|-------------|-------------|---------------------|---|-----------|
| Sales and operating revenue: | | | | | |
| Net sales | ¥ 4,811,827 | ¥ 4,948,628 | | | \$ 61,094 |
| Financial service revenue | 625,238 | 593,104 | | | 7,322 |
| Other operating revenue | 61,863 | 58,715 | | | 725 |
| | 5,498,928 | 5,600,447 | +1.8 | % | 69,141 |
| Costs and expenses: | | | | | |
| Cost of sales | 3,707,085 | 3,729,306 | | | 46,041 |
| Selling, general and administrative | 1,150,745 | 1,126,212 | | | 13,904 |
| Financial service expenses | 507,269 | 485,631 | | | 5,995 |
| (Gain) loss on sale, disposal or impairment of assets and other, net | 12,686 | 432 | | | 5 |
| | 5,377,785 | 5,341,581 | -0.7 | | 65,945 |
| Equity in net income (loss) of affiliated companies | (33,332) | 14,323 | - | | 177 |
| Operating income | 87,811 | 273,189 | +211.1 | | 3,373 |
| Other income: | | | | | |
| Interest and dividends | 10,141 | 8,265 | | | 102 |
| Foreign exchange gain, net | - | 12,203 | | | 151 |
| Other | 18,544 | 9,488 | | | 117 |
| | 28,685 | 29,956 | +4.4 | | 370 |
| Other expenses: | | | | | |
| Interest | 17,883 | 16,518 | | | 204 |
| Loss on devaluation of securities investments | 1,140 | 7,059 | | | 87 |
| Foreign exchange loss, net | 13,312 | - | | | - |
| Other | 10,266 | 6,413 | | | 80 |
| | 42,601 | 29,990 | -29.6 | | 371 |
| Income before income taxes | 73,895 | 273,155 | +269.7 | | 3,372 |
| Income taxes | 19,357 | 112,009 | | | 1,383 |
| Net income | 54,538 | 161,146 | +195.5 | | 1,989 |
| Less - Net income attributable to noncontrolling interests | 38,772 | 31,929 | | | 394 |
| Net income attributable to Sony Corporation's stockholders | ¥ 15,766 | ¥ 129,217 | +719.6 | % | \$ 1,595 |

Per share data:

Net income attributable to Sony

Corporation's stockholders

| | | | | | |
|-----------|---------|----------|--------|---|---------|
| — Basic | ¥ 15.71 | ¥ 128.76 | +719.6 | % | \$ 1.59 |
| — Diluted | 15.69 | 128.58 | +719.5 | % | 1.59 |

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Consolidated Statements of Cash Flows

(Millions of yen, millions of U.S. dollars)
Nine months ended December 31

| | 2009 | 2010 | 2010 |
|---|------------|------------|----------|
| Cash flows from operating activities: | | | |
| Net income | ¥ 54,538 | ¥ 161,146 | \$ 1,989 |
| Adjustments to reconcile net income to net cash provided by operating activities- | | | |
| Depreciation and amortization, including amortization of deferred insurance acquisition costs | 276,065 | 245,637 | 3,033 |
| Amortization of film costs | 199,534 | 170,386 | 2,104 |
| Stock-based compensation expense | 1,611 | 1,436 | 18 |
| Accrual for pension and severance costs, less payments | (21,526) | (18,979) | (234) |
| (Gain) loss on sale, disposal or impairment of assets and other, net | 12,686 | 432 | 5 |
| Loss on devaluation of securities investments | 1,140 | 7,059 | 87 |
| (Gain) loss on revaluation of marketable securities held in the financial service business for trading purpose, net | (40,273) | 15,032 | 186 |
| (Gain) loss on revaluation or impairment of securities investments held in the financial service business, net | (53,450) | 2,345 | 29 |
| Deferred income taxes | (29,566) | (5,738) | (71) |
| Equity in net (income) losses of affiliated companies, net of dividends | 34,958 | (13,409) | (166) |
| Changes in assets and liabilities: | | | |
| Increase in notes and accounts receivable, trade | (330,197) | (223,114) | (2,754) |
| (Increase) decrease in inventories | 158,058 | (161,059) | (1,988) |
| Increase in film costs | (235,838) | (175,574) | (2,168) |
| Increase in notes and accounts payable, trade | 181,701 | 83,727 | 1,034 |
| Increase in accrued income and other taxes | 81,993 | 38,312 | 473 |
| Increase in future insurance policy benefits and other | 221,764 | 190,550 | 2,352 |
| Increase in deferred insurance acquisition costs | (51,923) | (51,898) | (641) |
| Increase in marketable securities held in the financial service business for trading purpose | (1,999) | (26,778) | (331) |
| Increase in other current assets | (38,075) | (96,887) | (1,196) |
| Increase in other current liabilities | 24,109 | 125,478 | 1,549 |
| Other | 97,008 | 135,807 | 1,677 |
| Net cash provided by operating activities | 542,318 | 403,911 | 4,987 |
| Cash flows from investing activities: | | | |
| Payments for purchases of fixed assets | (278,894) | (208,803) | (2,578) |
| Proceeds from sales of fixed assets | 9,203 | 12,628 | 156 |

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| | | | |
|--|-------------|-------------|-----------|
| Payments for investments and advances by financial service business | (1,103,707) | (1,201,350) | (14,831) |
| Payments for investments and advances (other than financial service business) | (30,849) | (14,772) | (182) |
| Proceeds from maturities of marketable securities, sales of securities investments and collections of advances by financial service business | 849,609 | 731,765 | 9,034 |
| Proceeds from maturities of marketable securities, sales of securities investments and collections of advances (other than financial service business) | 13,188 | 12,259 | 151 |
| Proceeds from sales of businesses | 5,628 | 86,311 | 1,066 |
| Other | (2,918) | (443) | (6) |
| Net cash used in investing activities | (538,740) | (582,405) | (7,190) |
| Cash flows from financing activities: | | | |
| Proceeds from issuance of long-term debt | 509,874 | 1,341 | 17 |
| Payments of long-term debt | (92,383) | (173,978) | (2,148) |
| Increase (decrease) in short-term borrowings, net | (241,181) | 18,221 | 225 |
| Increase in deposits from customers in the financial service business, net | 182,452 | 164,601 | 2,032 |
| Increase in call money and bills sold in the banking business, net | 21,400 | 10,000 | 123 |
| Dividends paid | (25,116) | (25,112) | (310) |
| Other | (4,770) | (5,336) | (66) |
| Net cash provided by (used in) financing activities | 350,276 | (10,263) | (127) |
| Effect of exchange rate changes on cash and cash equivalents | (9,858) | (83,086) | (1,026) |
| Net increase (decrease) in cash and cash equivalents | 343,996 | (271,843) | (3,356) |
| Cash and cash equivalents at beginning of the fiscal year | 660,789 | 1,191,608 | 14,711 |
| Cash and cash equivalents at end of the period | ¥ 1,004,785 | ¥ 919,765 | \$ 11,355 |

Business Segment
Information(Millions of yen, millions of U.S. dollars)
Three months ended December 31

| Sales and operating revenue | 2009 | 2010 | Change | 2010 |
|---|--------------------|--------------------|---------------|------------------|
| Consumer, Professional & Devices | | | | |
| Customers | ¥ 960,207 | ¥ 1,034,235 | +7.7 % | \$ 12,768 |
| Intersegment | 86,549 | 56,707 | | 700 |
| Total | 1,046,756 | 1,090,942 | +4.2 | 13,468 |
| Networked Products & Services | | | | |
| Customers | 580,535 | 537,542 | -7.4 | 6,636 |
| Intersegment | 24,939 | 29,016 | | 359 |
| Total | 605,474 | 566,558 | -6.4 | 6,995 |
| Pictures | | | | |
| Customers | 203,190 | 149,016 | -26.7 | 1,840 |
| Intersegment | - | - | | - |
| Total | 203,190 | 149,016 | -26.7 | 1,840 |
| Music | | | | |
| Customers | 160,813 | 136,229 | -15.3 | 1,682 |
| Intersegment | 2,662 | 3,603 | | 44 |
| Total | 163,475 | 139,832 | -14.5 | 1,726 |
| Financial Services | | | | |
| Customers | 202,580 | 207,030 | +2.2 | 2,556 |
| Intersegment | 3,027 | 2,093 | | 26 |
| Total | 205,607 | 209,123 | +1.7 | 2,582 |
| All Other | | | | |
| Customers | 116,842 | 115,193 | -1.4 | 1,422 |
| Intersegment | 23,843 | 22,215 | | 274 |
| Total | 140,685 | 137,408 | -2.3 | 1,696 |
| Corporate and elimination | (127,322) | (86,633) | - | (1,069) |
| Consolidated total | ¥ 2,237,865 | ¥ 2,206,246 | -1.4 % | \$ 27,238 |

Consumer, Professional & Devices ("CPD") intersegment amounts primarily consist of transactions with the Networked Products & Services ("NPS") segment.

NPS intersegment amounts primarily consist of transactions with the CPD segment.

All Other intersegment amounts primarily consist of transactions with the Pictures segment, the Music segment and the NPS segment.

Corporate and elimination includes certain brand and patent royalty income.

| Operating income (loss) | 2009 | 2010 | Change | 2010 |
|-------------------------|------|------|--------|------|
|-------------------------|------|------|--------|------|

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| | | | | | | | | |
|--|---|-----------|---|----------|--------|---|----|-------|
| Consumer, Professional & Devices | ¥ | 50,825 | ¥ | 26,823 | -47.2 | % | \$ | 331 |
| Networked Products & Services | | 19,455 | | 45,708 | +134.9 | | | 564 |
| Pictures | | 14,121 | | 4,697 | -66.7 | | | 58 |
| Music | | 23,119 | | 19,485 | -15.7 | | | 241 |
| Financial Services | | 35,045 | | 32,734 | -6.6 | | | 404 |
| Equity in net income (loss) of Sony Ericsson | | (10,227) | | 409 | - | | | 5 |
| All Other | | 9,690 | | 9,143 | -5.6 | | | 113 |
| Total | | 142,028 | | 138,999 | -2.1 | | | 1,716 |
| Corporate and elimination | | 4,075 | | (1,477) | - | | | (18) |
| Consolidated total | ¥ | 146,103 | ¥ | 137,522 | -5.9 | % | \$ | 1,698 |

The 2009 segment disclosure above has been restated to reflect the change in business segment classification discussed in Note 5.

Operating income is Sales and operating revenue less Costs and expenses, and includes Equity in net income (loss) of affiliated companies.

Corporate and elimination includes certain restructuring costs and other corporate expenses, which are attributable principally to headquarters and are not allocated to segments.

As a result of a modification of internal management reporting during the previous fiscal year, certain amounts previously included within corporate and elimination have been reclassified into the segment operating income for all periods presented. The revision had no impact on the consolidated results.

Business Segment
Information(Millions of yen, millions of U.S. dollars)
Nine months ended December 31

| Sales and operating revenue | 2009 | 2010 | Change | 2010 |
|---|--------------------|--------------------|---------------|------------------|
| Consumer, Professional & Devices | | | | |
| Customers | ¥ 2,488,179 | ¥ 2,655,803 | +6.7 % | \$ 32,788 |
| Intersegment | 262,952 | 209,925 | | 2,591 |
| Total | 2,751,131 | 2,865,728 | +4.2 | 35,379 |
| Networked Products & Services | | | | |
| Customers | 1,155,131 | 1,191,980 | +3.2 | 14,716 |
| Intersegment | 48,101 | 69,641 | | 860 |
| Total | 1,203,232 | 1,261,621 | +4.9 | 15,576 |
| Pictures | | | | |
| Customers | 509,646 | 425,886 | -16.4 | 5,258 |
| Intersegment | - | - | | - |
| Total | 509,646 | 425,886 | -16.4 | 5,258 |
| Music | | | | |
| Customers | 388,613 | 351,149 | -9.6 | 4,335 |
| Intersegment | 8,161 | 9,942 | | 123 |
| Total | 396,774 | 361,091 | -9.0 | 4,458 |
| Financial Services | | | | |
| Customers | 625,238 | 593,104 | -5.1 | 7,322 |
| Intersegment | 10,022 | 6,886 | | 85 |
| Total | 635,260 | 599,990 | -5.6 | 7,407 |
| All Other | | | | |
| Customers | 290,461 | 302,007 | +4.0 | 3,728 |
| Intersegment | 58,281 | 54,100 | | 668 |
| Total | 348,742 | 356,107 | +2.1 | 4,396 |
| Corporate and elimination | (345,857) | (269,976) | - | (3,333) |
| Consolidated total | ¥ 5,498,928 | ¥ 5,600,447 | +1.8 % | \$ 69,141 |

Consumer, Professional & Devices ("CPD") intersegment amounts primarily consist of transactions with the Networked Products & Services ("NPS") segment.

NPS intersegment amounts primarily consist of transactions with the CPD segment.

All Other intersegment amounts primarily consist of transactions with the Pictures segment, the Music segment and the NPS segment.

Corporate and elimination includes certain brand and patent royalty income.

| Operating income (loss) | 2009 | 2010 | Change | 2010 |
|-------------------------|------|------|--------|------|
|-------------------------|------|------|--------|------|

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| | | | | | | | | |
|--|---|-----------|---|-----------|--------|---|----|--------|
| Consumer, Professional & Devices | ¥ | 48,446 | ¥ | 93,768 | +93.6 | % | \$ | 1,158 |
| Networked Products & Services | | (76,300) | | 48,849 | - | | | 603 |
| Pictures | | 9,543 | | 2,733 | -71.4 | | | 34 |
| Music | | 37,121 | | 35,081 | -5.5 | | | 433 |
| Financial Services | | 116,056 | | 105,719 | -8.9 | | | 1,305 |
| Equity in net income (loss) of Sony Ericsson | | (35,570) | | 3,633 | - | | | 45 |
| All Other | | 1,685 | | 6,454 | +283.0 | | | 79 |
| Total | | 100,981 | | 296,237 | +193.4 | | | 3,657 |
| Corporate and elimination | | (13,170) | | (23,048) | - | | | (284) |
| Consolidated total | ¥ | 87,811 | ¥ | 273,189 | +211.1 | % | \$ | 3,373 |

The 2009 segment disclosure above has been restated to reflect the change in business segment classification discussed in Note 5.

Operating income is Sales and operating revenue less Costs and expenses, and includes Equity in net income (loss) of affiliated companies.

Corporate and elimination includes certain restructuring costs and other corporate expenses, which are attributable principally to headquarters and are not allocated to segments.

As a result of a modification of internal management reporting during the previous fiscal year, certain amounts previously included within corporate and elimination have been reclassified into the segment operating income for all periods presented. The revision had no impact on the consolidated results.

Sales to Customers by Product
Category(Millions of yen, millions of U.S. dollars)
Three months ended December 31

| Sales and operating revenue (to external customers) | 2009 | 2010 | Change | 2010 |
|---|--------------------|--------------------|---------------|------------------|
| Consumer, Professional & Devices | | | | |
| Televisions | ¥ 346,432 | ¥ 416,914 | +20.3 % | \$ 5,147 |
| Digital Imaging | 184,464 | 188,477 | +2.2 | 2,327 |
| Audio and Video | 158,439 | 154,693 | -2.4 | 1,910 |
| Semiconductors | 74,281 | 93,187 | +25.5 | 1,150 |
| Components | 114,728 | 104,060 | -9.3 | 1,285 |
| Professional Solutions | 78,202 | 73,398 | -6.1 | 906 |
| Other | 3,661 | 3,506 | -4.2 | 43 |
| Total | 960,207 | 1,034,235 | +7.7 | 12,768 |
| Networked Products & Services | | | | |
| Game | 355,221 | 323,078 | -9.0 | 3,989 |
| PC and Other Networked Businesses | 225,314 | 214,464 | -4.8 | 2,647 |
| Total | 580,535 | 537,542 | -7.4 | 6,636 |
| Pictures | 203,190 | 149,016 | -26.7 | 1,840 |
| Music | 160,813 | 136,229 | -15.3 | 1,682 |
| Financial Services | 202,580 | 207,030 | +2.2 | 2,556 |
| All Other | 116,842 | 115,193 | -1.4 | 1,422 |
| Corporate | 13,698 | 27,001 | +97.1 | 334 |
| Consolidated total | ¥ 2,237,865 | ¥ 2,206,246 | -1.4 % | \$ 27,238 |

(Millions of yen, millions of U.S. dollars)
Nine months ended December 31

| Sales and operating revenue (to external customers) | 2009 | 2010 | Change | 2010 |
|---|------------------|------------------|-------------|---------------|
| Consumer, Professional & Devices | | | | |
| Televisions | ¥ 803,052 | ¥ 969,669 | +20.7 % | \$ 11,971 |
| Digital Imaging | 530,807 | 523,200 | -1.4 | 6,459 |
| Audio and Video | 358,953 | 342,354 | -4.6 | 4,227 |
| Semiconductors | 217,047 | 276,914 | +27.6 | 3,419 |
| Components | 352,267 | 314,911 | -10.6 | 3,888 |
| Professional Solutions | 216,490 | 214,758 | -0.8 | 2,651 |
| Other | 9,563 | 13,997 | +46.4 | 173 |
| Total | 2,488,179 | 2,655,803 | +6.7 | 32,788 |

Networked Products &
Services

| | | | | |
|--------------------------------------|-------------|-------------|-------|-------------|
| Game | 662,550 | 636,512 | -3.9 | 7,858 |
| PC and Other Networked Businesses | 492,581 | 555,468 | +12.8 | 6,858 |
| Total | 1,155,131 | 1,191,980 | +3.2 | 14,716 |
| Pictures | 509,646 | 425,886 | -16.4 | 5,258 |
| Music | 388,613 | 351,149 | -9.6 | 4,335 |
| Financial Services | 625,238 | 593,104 | -5.1 | 7,322 |
| All Other | 290,461 | 302,007 | +4.0 | 3,728 |
| Corporate | 41,660 | 80,518 | +93.3 | 994 |
| Consolidated total | ¥ 5,498,928 | ¥ 5,600,447 | +1.8 | % \$ 69,141 |

The above table includes a breakdown of CPD segment and NPS segment sales and operating revenue to customers in the Business Segment Information on pages F-5 and F-6.

Sony management views the CPD segment and the NPS segment as single operating segments. However, Sony believes that the breakdown of CPD segment and NPS segment sales and operating revenue to customers in this table is useful to investors in understanding sales by product category in these business segments. Additionally, Sony has partially realigned its product category configuration from the first quarter of the fiscal year ending March 31, 2011. In connection with the realignment, all prior period sales amounts by product category in the table above have been restated to conform to the current presentation. In the CPD segment, Televisions includes LCD televisions; Digital Imaging includes compact digital cameras, interchangeable single lens cameras and video cameras; Audio and Video includes home audio, Blu-ray disc players and recorders; Semiconductors includes image sensors and small and medium sized LCD panels; Components includes batteries, recording media and data recording systems, and Professional Solutions includes broadcast- and professional-use products. In the NPS segment, Game includes game consoles and software; PC and Other Networked Businesses includes personal computers and memory-based portable audio devices.

Geographic Information

(Millions of yen, millions of U.S. dollars)
Three months ended December 31

| Sales and operating revenue (to external customers) | 2009 | 2010 | Change | 2010 |
|---|-------------|-------------|---------|-----------|
| Japan | ¥ 584,359 | ¥ 654,682 | +12.0 % | \$ 8,083 |
| United States | 524,511 | 444,892 | -15.2 | 5,492 |
| Europe | 592,571 | 539,875 | -8.9 | 6,665 |
| Asia-Pacific | 320,643 | 335,415 | +4.6 | 4,141 |
| Other Areas | 215,781 | 231,382 | +7.2 | 2,857 |
| Total | ¥ 2,237,865 | ¥ 2,206,246 | -1.4 % | \$ 27,238 |

(Millions of yen, millions of U.S. dollars)
Nine months ended December 31

| Sales and operating revenue (to external customers) | 2009 | 2010 | Change | 2010 |
|---|-------------|-------------|--------|-----------|
| Japan | ¥ 1,570,690 | ¥ 1,648,955 | +5.0 % | \$ 20,357 |
| United States | 1,229,085 | 1,142,356 | -7.1 | 14,103 |
| Europe | 1,285,765 | 1,218,525 | -5.2 | 15,044 |
| Asia-Pacific | 888,244 | 999,234 | +12.5 | 12,336 |
| Other Areas | 525,144 | 591,377 | +12.6 | 7,301 |
| Total | ¥ 5,498,928 | ¥ 5,600,447 | +1.8 % | \$ 69,141 |

The 2009 geographic information in the table above has been restated to reflect the change in geographic classification.

Classification of Geographic Information shows sales and operating revenue recognized by location of customers.

Major areas in each geographic segment excluding Japan and United States are as follows:

- | | |
|-------------------|---|
| (1) Europe: | United Kingdom, France, Germany, Russia and Spain |
| (2) Asia-Pacific: | China, Taiwan, India, South Korea and Oceania |
| (3) Other Areas: | The Middle East/Africa, Brazil, Mexico and Canada |

Condensed Financial Services Financial Statements

The results of the Financial Services segment are included in Sony's consolidated financial statements. The following schedules show unaudited condensed financial statements for the Financial Services segment and all other segments excluding Financial Services. These presentations are not in accordance with U.S. GAAP, which is used by Sony to prepare its consolidated financial statements. However, because the Financial Services segment is different in nature from Sony's other segments, Sony believes that a comparative presentation may be useful in understanding and analyzing Sony's consolidated financial statements. Transactions between the Financial Services segment and Sony without Financial Services are eliminated in the consolidated figures shown below.

Condensed Balance Sheet

(Millions of yen, millions of U.S. dollars)

| Financial Services | | March 31 | December 31 | |
|---|--------|-----------|-------------|-----------|
| | ASSETS | 2010 | 2010 | 2010 |
| Current assets: | | | | |
| Cash and cash equivalents | ¥ | 206,742 | ¥ 145,900 | \$ 1,801 |
| Marketable securities | | 576,129 | 644,217 | 7,953 |
| Other | | 265,465 | 238,575 | 2,946 |
| | | 1,048,336 | 1,028,692 | 12,700 |
| Investments and advances | | 4,967,125 | 5,410,989 | 66,802 |
| Property, plant and equipment | | 34,725 | 30,346 | 375 |
| Other assets: | | | | |
| Deferred insurance acquisition costs | | 418,525 | 425,162 | 5,249 |
| Other | | 108,421 | 63,191 | 780 |
| | | 526,946 | 488,353 | 6,029 |
| | ¥ | 6,577,132 | ¥ 6,958,380 | \$ 85,906 |
| LIABILITIES AND EQUITY | | | | |
| Current liabilities: | | | | |
| Short-term borrowings | ¥ | 86,102 | ¥ 61,297 | \$ 757 |
| Notes and accounts payable, trade | | 13,709 | 3,857 | 48 |
| Deposits from customers in the banking business | | 1,509,488 | 1,608,837 | 19,862 |
| Other | | 164,545 | 203,360 | 2,510 |
| | | 1,773,844 | 1,877,351 | 23,177 |
| Long-term debt | | 42,536 | 25,026 | 309 |
| Future insurance policy benefits and other | | 3,876,292 | 4,118,705 | 50,848 |
| Other | | 201,825 | 203,386 | 2,511 |
| Total liabilities | | 5,894,497 | 6,224,468 | 76,845 |
| Equity: | | | | |
| Sony Corporation's stockholders' equity | | 681,500 | 732,644 | 9,045 |
| Noncontrolling interests | | 1,135 | 1,268 | 16 |
| Total equity | | 682,635 | 733,912 | 9,061 |

| | | | | | |
|---|-----------|---|-----------|----|--------|
| ¥ | 6,577,132 | ¥ | 6,958,380 | \$ | 85,906 |
|---|-----------|---|-----------|----|--------|

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(Millions of yen, millions of U.S. dollars)

| Sony without Financial Services | March 31 | | December 31 | |
|--|-------------|-------------|-------------|------|
| ASSETS | 2010 | 2010 | 2010 | 2010 |
| Current assets: | | | | |
| Cash and cash equivalents | ¥ 984,866 | ¥ 773,865 | \$ 9,554 | |
| Marketable securities | 3,364 | 3,051 | 38 | |
| Notes and accounts receivable, trade | 887,694 | 1,042,923 | 12,876 | |
| Other | 1,243,345 | 1,416,777 | 17,490 | |
| | 3,119,269 | 3,236,616 | 39,958 | |
| Film costs | 310,065 | 276,461 | 3,413 | |
| Investments and advances | 376,669 | 350,489 | 4,327 | |
| Investments in Financial Services, at cost | 116,843 | 115,810 | 1,430 | |
| Property, plant and equipment | 973,226 | 879,916 | 10,863 | |
| Other assets | 1,626,764 | 1,481,570 | 18,291 | |
| | ¥ 6,522,836 | ¥ 6,340,862 | \$ 78,282 | |
| LIABILITIES AND EQUITY | | | | |
| Current liabilities: | | | | |
| Short-term borrowings | ¥ 230,631 | ¥ 173,664 | \$ 2,144 | |
| Notes and accounts payable, trade | 804,336 | 880,707 | 10,873 | |
| Other | 1,291,481 | 1,290,443 | 15,931 | |
| | 2,326,448 | 2,344,814 | 28,948 | |
| Long-term debt | 893,418 | 798,402 | 9,857 | |
| Accrued pension and severance costs | 283,382 | 252,193 | 3,113 | |
| Other | 299,808 | 297,736 | 3,676 | |
| Total liabilities | 3,803,056 | 3,693,145 | 45,594 | |
| Equity: | | | | |
| Sony Corporation's stockholders' equity | 2,662,712 | 2,584,853 | 31,912 | |
| Noncontrolling interests | 57,068 | 62,864 | 776 | |
| Total equity | 2,719,780 | 2,647,717 | 32,688 | |
| | ¥ 6,522,836 | ¥ 6,340,862 | \$ 78,282 | |

(Millions of yen, millions of U.S. dollars)

| Consolidated | March 31 | | December 31 | |
|--------------------------------------|-------------|-----------|-------------|------|
| ASSETS | 2010 | 2010 | 2010 | 2010 |
| Current assets: | | | | |
| Cash and cash equivalents | ¥ 1,191,608 | ¥ 919,765 | \$ 11,355 | |
| Marketable securities | 579,493 | 647,268 | 7,991 | |
| Notes and accounts receivable, trade | 891,625 | 1,042,903 | 12,876 | |
| Other | 1,470,146 | 1,625,626 | 20,069 | |
| | 4,132,872 | 4,235,562 | 52,291 | |
| Film costs | 310,065 | 276,461 | 3,413 | |
| Investments and advances | 5,299,393 | 5,727,562 | 70,711 | |
| Property, plant and equipment | 1,007,951 | 910,262 | 11,238 | |
| Other assets: | | | | |
| Deferred insurance acquisition costs | 418,525 | 425,162 | 5,249 | |

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| | | | |
|---|--------------|--------------|------------|
| Other | 1,697,308 | 1,511,199 | 18,656 |
| | 2,115,833 | 1,936,361 | 23,905 |
| | ¥ 12,866,114 | ¥ 13,086,208 | \$ 161,558 |
| LIABILITIES AND EQUITY | | | |
| Current liabilities: | | | |
| Short-term borrowings | ¥ 284,607 | ¥ 212,459 | \$ 2,622 |
| Notes and accounts payable, trade | 817,118 | 884,564 | 10,921 |
| Deposits from customers in the banking business | 1,509,488 | 1,608,837 | 19,862 |
| Other | 1,448,712 | 1,486,574 | 18,353 |
| | 4,059,925 | 4,192,434 | 51,758 |
| Long-term debt | 924,207 | 819,332 | 10,115 |
| Accrued pension and severance costs | 295,526 | 265,265 | 3,275 |
| Future insurance policy benefits and other | 3,876,292 | 4,118,705 | 50,848 |
| Other | 424,609 | 423,680 | 5,231 |
| Total liabilities | 9,580,559 | 9,819,416 | 121,227 |
| Equity: | | | |
| Sony Corporation's stockholders' equity | 2,965,905 | 2,920,376 | 36,054 |
| Noncontrolling interests | 319,650 | 346,416 | 4,277 |
| Total equity | 3,285,555 | 3,266,792 | 40,331 |
| | ¥ 12,866,114 | ¥ 13,086,208 | \$ 161,558 |

F-10

Condensed Statements of Income

| Financial Services | (Millions of yen, millions of U.S. dollars) | | | |
|--|---|----------|--------|-----------|
| | Three months ended December 31 | | | |
| | 2009 | 2010 | Change | 2010 |
| Financial service revenue | ¥205,607 | ¥209,123 | +1.7 | % \$2,582 |
| Financial service expenses | 170,243 | 175,915 | +3.3 | 2,172 |
| Equity in net loss of affiliated companies | (319) | (474) | - | (6) |
| Operating income | 35,045 | 32,734 | -6.6 | 404 |
| Other income (expenses), net | (41) | (35) | - | (0) |
| Income before income taxes | 35,004 | 32,699 | -6.6 | 404 |
| Income taxes and other | 12,303 | 12,952 | +5.3 | 160 |
| Net income attributable to Sony Corporation's stockholders | ¥22,701 | ¥19,747 | -13.0 | % \$244 |

| Sony without Financial Services | (Millions of yen, millions of U.S. dollars) | | | |
|--|---|------------|--------|------------|
| | Three months ended December 31 | | | |
| | 2009 | 2010 | Change | 2010 |
| Net sales and operating revenue | ¥2,037,360 | ¥2,001,098 | -1.8 | % \$24,705 |
| Costs and expenses | 1,921,097 | 1,899,993 | -1.1 | 23,457 |
| Equity in net income (loss) of affiliated companies | (5,608) | 3,064 | - | 38 |
| Operating income | 110,655 | 104,169 | -5.9 | 1,286 |
| Other income (expenses), net | (21,745) | (5,283) | - | (65) |
| Income before income taxes | 88,910 | 98,886 | +11.2 | 1,221 |
| Income taxes and other | 23,151 | 38,021 | +64.2 | 470 |
| Net income attributable to Sony Corporation's stockholders | ¥65,759 | ¥60,865 | -7.4 | % \$751 |

| Consolidated | (Millions of yen, millions of U.S. dollars) | | | |
|--|---|-----------|--------|-----------|
| | Three months ended December 31 | | | |
| | 2009 | 2010 | Change | 2010 |
| Financial service revenue | ¥202,580 | ¥207,030 | +2.2 | % \$2,556 |
| Net sales and operating revenue | 2,035,285 | 1,999,216 | -1.8 | 24,682 |
| | 2,237,865 | 2,206,246 | -1.4 | 27,238 |
| Costs and expenses | 2,085,835 | 2,071,314 | -0.7 | 25,572 |
| Equity in net income (loss) of affiliated companies | (5,927) | 2,590 | - | 32 |
| Operating income | 146,103 | 137,522 | -5.9 | 1,698 |
| Other income (expenses), net | (22,238) | (5,987) | - | (74) |
| Income before income taxes | 123,865 | 131,535 | +6.2 | 1,624 |
| Income taxes and other | 44,698 | 59,201 | +32.4 | 731 |
| Net income attributable to Sony Corporation's stockholders | ¥79,167 | ¥72,334 | -8.6 | % \$893 |

Condensed Statements of Income

| Financial Services | (Millions of yen, millions of U.S. dollars) | | | |
|--|---|----------|--------|-----------|
| | Nine months ended December 31 | | | |
| | 2009 | 2010 | Change | 2010 |
| Financial service revenue | ¥635,260 | ¥599,990 | -5.6 | % \$7,407 |
| Financial service expenses | 518,254 | 492,974 | -4.9 | 6,086 |
| Equity in net loss of affiliated companies | (950) | (1,297) | - | (16) |
| Operating income | 116,056 | 105,719 | -8.9 | 1,305 |
| Other income (expenses), net | (863) | (21) | - | (0) |
| Income before income taxes | 115,193 | 105,698 | -8.2 | 1,305 |
| Income taxes and other | 39,724 | 40,602 | +2.2 | 501 |
| Net income attributable to Sony Corporation's stockholders | ¥75,469 | ¥65,096 | -13.7 | % \$804 |

| Sony without Financial Services | (Millions of yen, millions of U.S. dollars) | | | |
|---|---|-------------|--------|-------------|
| | Nine months ended December 31 | | | |
| | 2009 | 2010 | Change | 2010 |
| Net sales and operating revenue | ¥ 4,878,768 | ¥ 5,011,810 | +2.7 | % \$ 61,874 |
| Costs and expenses | 4,875,831 | 4,861,796 | -0.3 | 60,022 |
| Equity in net income (loss) of affiliated companies | (32,382) | 15,620 | - | 193 |
| Operating income (loss) | (29,445) | 165,634 | - | 2,045 |
| Other income (expenses), net | (7,841) | 5,835 | - | 72 |
| Income (loss) before income taxes | (37,286) | 171,469 | - | 2,117 |
| Income taxes and other | (15,416) | 78,633 | - | 971 |
| Net income (loss) attributable to Sony Corporation's stockholders | ¥ (21,870) | ¥ 92,836 | - | % \$ 1,146 |

| Consolidated | (Millions of yen, millions of U.S. dollars) | | | |
|--|---|-----------|--------|-----------|
| | Nine months ended December 31 | | | |
| | 2009 | 2010 | Change | 2010 |
| Financial service revenue | ¥625,238 | ¥593,104 | -5.1 | % \$7,322 |
| Net sales and operating revenue | 4,873,690 | 5,007,343 | +2.7 | 61,819 |
| Costs and expenses | 5,498,928 | 5,600,447 | +1.8 | 69,141 |
| Equity in net income (loss) of affiliated companies | (33,332) | 14,323 | - | 177 |
| Operating income | 87,811 | 273,189 | +211.1 | 3,373 |
| Other income (expenses), net | (13,916) | (34) | - | (1) |
| Income before income taxes | 73,895 | 273,155 | +269.7 | 3,372 |
| Income taxes and other | 58,129 | 143,938 | +147.6 | 1,777 |
| Net income attributable to Sony Corporation's stockholders | ¥15,766 | ¥129,217 | +719.6 | % \$1,595 |

Condensed Statements of Cash Flows

(Millions of yen, millions of U.S. dollars)

| Financial Services | Nine months ended December 31 | | |
|---|-------------------------------|------------|----------|
| | 2009 | 2010 | 2010 |
| Net cash provided by operating activities | ¥ 262,599 | ¥ 282,243 | \$ 3,485 |
| Net cash used in investing activities | (272,510) | (468,266) | (5,781) |
| Net cash provided by financing activities | 175,901 | 125,181 | 1,545 |
| Net increase (decrease) in cash and cash equivalents | 165,990 | (60,842) | (751) |
| Cash and cash equivalents at beginning of the fiscal year | 95,794 | 206,742 | 2,552 |
| Cash and cash equivalents at end of the period | ¥ 261,784 | ¥ 145,900 | \$ 1,801 |

(Millions of yen, millions of U.S. dollars)

| Sony without Financial Services | Nine months ended December 31 | | |
|--|-------------------------------|------------|----------|
| | 2009 | 2010 | 2010 |
| Net cash provided by operating activities | ¥ 285,488 | ¥ 130,726 | \$ 1,614 |
| Net cash used in investing activities | (249,262) | (100,149) | (1,236) |
| Net cash provided by (used in) financing activities | 151,638 | (158,492) | (1,957) |
| Effect of exchange rate changes on cash and cash equivalents | (9,858) | (83,086) | (1,026) |
| Net increase (decrease) in cash and cash equivalents | 178,006 | (211,001) | (2,605) |
| Cash and cash equivalents at beginning of the fiscal year | 564,995 | 984,866 | 12,159 |
| Cash and cash equivalents at end of the period | ¥ 743,001 | ¥ 773,865 | \$ 9,554 |

(Millions of yen, millions of U.S. dollars)

| Consolidated | Nine months ended December 31 | | |
|--|-------------------------------|------------|-----------|
| | 2009 | 2010 | 2010 |
| Net cash provided by operating activities | ¥ 542,318 | ¥ 403,911 | \$ 4,987 |
| Net cash used in investing activities | (538,740) | (582,405) | (7,190) |
| Net cash provided by (used in) financing activities | 350,276 | (10,263) | (127) |
| Effect of exchange rate changes on cash and cash equivalents | (9,858) | (83,086) | (1,026) |
| Net increase (decrease) in cash and cash equivalents | 343,996 | (271,843) | (3,356) |
| Cash and cash equivalents at beginning of the fiscal year | 660,789 | 1,191,608 | 14,711 |
| Cash and cash equivalents at end of the period | ¥ 1,004,785 | ¥ 919,765 | \$ 11,355 |

(Notes)

1. U.S. dollar amounts have been translated from yen, for convenience only, at the rate of ¥81 = U.S. \$1, the approximate Tokyo foreign exchange market rate as of December 31, 2010.
2. As of December 31, 2010, Sony had 1,266 consolidated subsidiaries (including variable interest entities) and 84 affiliated companies accounted for under the equity method.
3. The weighted-average number of outstanding shares used for the computation of earnings per share of common stock are as follows:

| Weighted-average number of outstanding shares | (Thousands of shares) | |
|--|-----------------------------------|-----------|
| | Three months ended December 31 | |
| | 2009 | 2010 |
| Net income attributable to Sony Corporation's stockholders | | |
| — Basic | 1,003,514 | 1,003,562 |
| — Diluted | 1,005,137 | 1,005,168 |
| | | |
| | (Thousands of shares) | |
| | Nine months ended December 31 | |
| | 2009 | 2010 |
| Net income attributable to Sony Corporation's stockholders | | |
| — Basic | 1,003,522 | 1,003,552 |
| — Diluted | 1,005,145 | 1,004,974 |

The dilutive effect in the weighted-average number of outstanding shares mainly resulted from convertible bonds.

4. Recently adopted accounting pronouncements:

Multiple element arrangements and software deliverables -

In October 2009, the Financial Accounting Standards Board (“FASB”) issued new accounting guidance for arrangements with multiple deliverables. Specifically, the new standard requires an entity to allocate consideration at the inception of an arrangement to all of its deliverables based on their relative selling prices. In the absence of vendor-specific objective evidence or third-party evidence of the selling prices, consideration must be allocated to the deliverables based on management’s best estimate of the selling prices. In addition, the guidance eliminates the use of the residual method of allocation. Also in October 2009, the FASB issued accounting guidance which changes revenue recognition for tangible products containing software and hardware elements. Specifically, tangible products containing software and hardware that function together to deliver the tangible products’ essential functionality are scoped out of the existing software revenue recognition guidance and are accounted for under the revenue recognition guidance for multiple element arrangements. Sony adopted the new guidance on April 1, 2010. The adoption of the new guidance did not have a material impact on Sony’s results of operations and financial position.

Transfers of financial assets -

In June 2009, the FASB issued new accounting guidance on accounting for transfers of financial assets. This guidance amends previous guidance by including: the elimination of the qualifying special-purpose entity (QSPE) concept; a new participating interest definition that must be met for transfers of portions of financial assets to be eligible for sale accounting; clarifications and changes to the derecognition criteria for a transfer to be accounted for as a sale; and a change to the amount of recognized gain or loss on a transfer of financial assets accounted for as a sale

when beneficial interests are received by the transferor. Additionally, the guidance requires new disclosures regarding an entity's involvement in a transfer of financial assets. Finally, existing QSPEs must be evaluated for consolidation in accordance with the applicable consolidation guidance upon the elimination of this concept. This guidance is effective for Sony as of April 1, 2010. The adoption of this guidance did not have a material impact on Sony's results of operations and financial position.

Variable interest entities -

In June 2009, the FASB issued new accounting guidance for determining whether to consolidate a variable interest entity (“VIE”). This guidance changes the approach for determining the primary beneficiary of a VIE from a quantitative risk and reward model to a qualitative model based on control, and requires an ongoing reassessment of whether an entity is the primary beneficiary. This guidance is effective for Sony as of April 1, 2010. The adoption of this guidance did not have a material impact on Sony’s results of operations and financial position.

5. Sony realigned its reportable segments from the first quarter of the fiscal year ending March 31, 2011, to reflect modifications to the organizational structure as of April 1, 2010, primarily repositioning the operations of the previously reported B2B & Disc Manufacturing segment. In connection with this realignment, the Consumer Products & Devices segment was renamed the Consumer, Professional & Devices (“CPD”) segment. The CPD segment includes televisions, digital imaging, audio and video, semiconductors and components as well as professional solutions (the B2B business which was previously incorporated in the B2B & Disc Manufacturing segment). The equity results of S-LCD Corporation are also included within the CPD segment. The disc manufacturing business previously included in the B2B & Disc Manufacturing segment is now included in All Other. The Networked Products & Services, Pictures, Music and Financial Services segments remain unchanged. The equity earnings from Sony Ericsson Mobile Communications AB continue to be presented as a separate segment. In connection with the realignment, all prior period amounts in the segment disclosures have been revised to conform to the current presentation.

6. Sony estimates the annual effective tax rate (“ETR”) derived from a projected annual net income before taxes and calculates the interim period income tax provision based on the year-to-date income tax provision computed by applying the ETR to the year-to-date net income before taxes at the end of each interim period. The income tax provision based on the ETR reflects anticipated income tax credits and net operating loss carryforwards; however, it excludes the income tax provision related to significant unusual or extraordinary transactions. Such income tax provision will be separately reported from the provision based on the ETR in the interim period in which they occur.

Other Consolidated Financial Data

| | (Millions of yen, millions of U.S. dollars) | | |
|---|---|----------|--------|
| | Three months ended December 31 | | |
| | 2009 | 2010 | 2010 |
| Capital expenditures (additions to property, plant and equipment) | 43,681 | ¥ 42,153 | \$ 520 |
| Depreciation and amortization expenses* | 95,039 | 77,962 | 962 |
| (Depreciation expenses for property, plant and equipment) | (66,144) | (54,274) | (670) |
| Research and development expenses | 106,733 | 106,080 | 1,310 |

| | (Millions of yen, millions of U.S. dollars) | | |
|---|---|-----------|----------|
| | Nine months ended December 31 | | |
| | 2009 | 2010 | 2010 |
| Capital expenditures (additions to property, plant and equipment) | 148,785 | ¥ 128,218 | \$ 1,583 |
| Depreciation and amortization expenses* | 276,065 | 245,637 | 3,033 |
| (Depreciation expenses for property, plant and equipment) | (194,953) | (159,345) | (1,967) |
| Research and development expenses | 315,714 | 312,093 | 3,853 |

* Including amortization expenses for intangible assets and for deferred insurance acquisition costs.