

SONY CORP  
Form 6-K  
November 02, 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 November 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: November 2, 2011

List of materials

Documents attached hereto:

i) Press release announcing Consolidated Financial Results for the Second Quarter Ended September 30, 2011

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News &amp; Information

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

No. 11-142E

3:00 P.M. JST, November 2, 2011

## Consolidated Financial Results

for the Second Quarter Ended September 30, 2011

Tokyo, November 2, 2011 -- Sony Corporation today announced its consolidated results for the second quarter ended September 30, 2011 (July 1, 2011 to September 30, 2011).

Consolidated sales declined year-on-year primarily due to unfavorable foreign exchange rates and lower LCD television sales.

Consolidated operating loss was recorded, compared to income in the same quarter of the previous fiscal year, primarily due to lower sales, asset impairment associated with the anticipated sale of the small- and medium-sized display business and impairment of LCD television assets.

Forecasted consolidated sales and income for the fiscal year were both revised downward, primarily due to the impact of Sony's updated foreign exchange rate assumptions to account for the further appreciation of the yen, the impact of the floods in Thailand, and the impact of lower sales expected primarily in the Consumer Products & Services and Professional, Device & Solutions segments, mainly in Europe and the U.S.

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

|                                                                                              |   | 2010    | 2011       | Second quarter ended September 30 |   |            |   |
|----------------------------------------------------------------------------------------------|---|---------|------------|-----------------------------------|---|------------|---|
|                                                                                              |   |         |            | Change in yen                     |   | 2011       | * |
| Sales and operating revenue                                                                  | ¥ | 1,733.2 | ¥ 1,575.0  | -9.1                              | % | \$ 20,454  |   |
| Operating income (loss)                                                                      |   | 68.7    | (1.6 )     | -                                 |   | (21 )      |   |
| Income before income taxes                                                                   |   | 62.7    | 0.1        | -99.8                             |   | 1          |   |
| Net income (loss) attributable to Sony Corporation's stockholders                            |   | 31.1    | (27.0 )    | -                                 |   | (350 )     |   |
| Net income (loss) attributable to Sony Corporation's stockholders per share of common stock: |   |         |            |                                   |   |            |   |
| - Basic                                                                                      | ¥ | 31.04   | ¥ (26.88 ) | -                                 |   | \$ (0.35 ) |   |
| - Diluted                                                                                    |   | 31.00   | (26.88 )   | -                                 |   | (0.35 )    |   |

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 (loss), 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 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.

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(Billions of yen, millions of U.S. dollars)  
Second quarter ended September 30

|                                                                 | 2010   | 2011     | Change in yen | 2011     | * |
|-----------------------------------------------------------------|--------|----------|---------------|----------|---|
| Operating income (loss)                                         | ¥ 68.7 | ¥ (1.6 ) | - %           | \$ (21 ) |   |
| Less: Equity in net income of affiliated companies              | 5.1    | 1.1      | -77.9         | 15       |   |
| Add: Restructuring charges recorded within operating expenses** | 16.5   | 28.8     | +74.4         | 374      |   |
| Add: LCD television asset impairment***                         | -      | 8.6      | -             | 112      |   |
| Operating income, as adjusted                                   | ¥ 80.1 | ¥ 34.7   | -56.7 %       | \$ 450   |   |

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 77 yen=1 U.S. dollar, the approximate Tokyo foreign exchange market rate as of September 30, 2011.

\*\* Sony is undertaking structural transformation initiatives to enhance profitability through implementation of various cost reduction programs as well as adoption of horizontal platforms. 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. 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 sale, disposal or impairment of assets and other, net, in the consolidated statement of income. Sony includes losses due to impairments in restructuring charges when those impairments are directly related to Sony's current restructuring initiatives. Restructuring charges in the current quarter include an asset impairment charge of 18.4 billion yen (239 million U.S. dollars) incurred in association with the anticipated sale of the small- and medium-sized display business in the Professional, Device & Solutions segment.

\*\*\* The 8.6 billion yen (112 million U.S. dollars) asset impairment, a non-cash charge recorded within operating results, primarily reflects a decrease in the estimated fair value of long-lived assets associated with the LCD television asset group. The corresponding estimated future cash flows leading to the impairment charge reflect the continued deterioration in LCD television market conditions in Europe and the U.S. and unfavorable foreign exchange rates. Sony has not included this loss on impairment in restructuring charges.

Sony realigned its reportable segments from the first quarter of the fiscal year ending March 31, 2012, to reflect modifications to the organizational structure as of April 1, 2011, primarily repositioning the operations of the previously reported Consumer, Professional & Devices ("CPD") and Networked Products & Services ("NPS") segments. In connection with this realignment, the operations of the former CPD and NPS segments are included in two newly established segments, namely the Consumer Products & Services ("CPS") segment and the Professional, Device & Solutions ("PDS") segment. The CPS segment includes televisions, home audio and video, digital imaging, personal and mobile products, and the game business. The equity results of S-LCD Corporation ("S-LCD") are also included within the CPS segment. The PDS segment includes professional solutions, semiconductors and components. For further details of new segments and categories, see page F-8.

The 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 three and six months ended September 30 of the previous fiscal year have been revised to conform to the current year's presentation.

#### Consolidated Results for the Second Quarter Ended September 30, 2011

Sales were 1,575.0 billion yen (20,454 million U.S. dollars), a decrease of 9.1% compared to the same quarter of the previous fiscal year ("year-on-year") primarily due to unfavorable foreign exchange rates and a decrease in sales in the CPS segment, which was mainly affected by a decrease in sales of LCD televisions.

During the quarter ended September 30, 2011, the average rates of the yen were 76.9 yen against the U.S. dollar and 108.7 yen against the euro, which was 10.4% higher and 0.5% higher, respectively, than the previous fiscal year's second quarter. On a local currency basis, sales decreased 4% year-on-year. For references to sales on a local currency basis, see Note on page 9.

Operating loss of 1.6 billion yen (21 million U.S. dollars) was recorded, compared to operating income of 68.7 billion yen in the same quarter of the previous fiscal year. This was mainly due to a decrease in gross profit due to lower sales, an asset impairment associated with the anticipated sale of the small- and medium-sized display business, and the impairment of LCD television assets.

Restructuring charges, net, increased 12.3 billion yen year-on-year to 28.8 billion yen (374 million U.S. dollars). CPS segment restructuring charges were 0.5 billion yen (7 million U.S. dollars) in the current quarter, compared with 10.2 billion yen in the same quarter of the previous fiscal year. PDS segment restructuring charges were 21.4 billion yen (278 million U.S. dollars) in the current quarter, compared with 4.1 billion yen in the same quarter of the previous fiscal year. For further explanation of the restructuring charges in the PDS segment, see "Professional, Device & Solutions" on page 4.

Excluding equity in net income of affiliated companies, restructuring charges and the LCD television asset impairment, operating income on an as adjusted basis decreased by 45.4 billion yen year-on-year to 34.7 billion yen (450 million U.S. dollars).

Equity in net income of affiliated companies, recorded within operating income, decreased 3.9 billion yen year-on-year to 1.1 billion yen (15 million U.S. dollars). Sony recorded equity in net loss for Sony Ericsson of 0.03 billion yen (0.3 million U.S. dollars), compared to equity in net income of 2.6 billion yen in the same quarter of the previous fiscal year. Equity in net income for S-LCD decreased 2.1 billion yen year-on-year to 0.1 billion yen (2 million U.S. dollars).

The net effect of other income and expenses was income of 1.7 billion yen (22 million U.S. dollars) in the current quarter, compared to expenses of 5.9 billion yen in the same quarter of the previous fiscal year. This improvement was primarily due to a smaller loss on devaluation of securities investments and an increase in net foreign exchange gains.

Income before income taxes decreased 62.6 billion yen year-on-year to 0.1 billion yen (1 million U.S. dollars).

Income taxes: During the current quarter, Sony recorded 18.4 billion yen (238 million U.S. dollars) of income tax expense. In the fiscal year ended March 31, 2011, a valuation allowance was established for Sony Corporation and its national tax filing group in Japan against certain deferred tax assets. During the current fiscal year, Sony continued to not recognize the tax benefits associated with losses at Sony Corporation and its national tax filing group in Japan. As a result, Sony's effective tax rate for the current quarter exceeded the Japanese statutory tax rate.

Net loss attributable to Sony Corporation's stockholders, which excludes net income attributable to noncontrolling interests, was 27.0 billion yen (350 million U.S. dollars), compared to net income of 31.1 billion yen in the same quarter of the previous fiscal year.

#### 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 Products & Services

| (Billions of yen, millions of U.S. dollars) |         |         |               |   |           |  |
|---------------------------------------------|---------|---------|---------------|---|-----------|--|
| Second quarter ended September 30           |         |         |               |   |           |  |
|                                             | 2010    | 2011    | Change in yen |   | 2011      |  |
| Sales and operating revenue                 | ¥ 889.0 | ¥ 779.7 | -12.3         | % | \$ 10,126 |  |
| Operating income (loss)                     | 1.0     | (34.6 ) | -             |   | (449 )    |  |

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

Sales decreased 12.3% year-on-year (a 7% decrease on a local currency basis) to 779.7 billion yen (10,126 million U.S. dollars). Sales to outside customers decreased 12.4% year-on-year. This was primarily due to a decrease in LCD television sales, reflecting price declines due mainly to deterioration in market conditions in the U.S. and Europe and unfavorable foreign exchange rates, lower PC sales reflecting price competition, a decline in sales of the game

business, reflecting a strategic price reduction of PlayStation®3 hardware in advance of the year-end holiday season, as well as a decrease in sales of compact digital cameras resulting from lower unit sales due to a slowdown in market growth and unfavorable foreign exchange rates.

Operating loss of 34.6 billion yen (449 million U.S. dollars) was recorded compared to income of 1.0 billion yen in the same quarter of the previous fiscal year. This was primarily due to deterioration in the cost of sales ratio and a decrease in gross profit due to lower sales, partially offset by a decrease in restructuring charges. Categories contributing to the deterioration in operating results (excluding restructuring charges) include LCD televisions, reflecting a decline in unit selling prices that exceeded cost and expense reductions, the game business and PCs, reflecting lower sales as noted above. Operating loss included additional LCD panel related expenses resulting from low capacity utilization of S-LCD as well as the above-noted asset impairment of 8.6 billion yen (112 million U.S. dollars) associated with LCD television assets.

#### Professional, Device & Solutions

| (Billions of yen, millions of U.S. dollars) |         |         |               |   |          |
|---------------------------------------------|---------|---------|---------------|---|----------|
| Second quarter ended September 30           |         |         |               |   |          |
|                                             | 2010    | 2011    | Change in yen |   | 2011     |
| Sales and operating revenue                 | ¥ 419.1 | ¥ 373.4 | -10.9         | % | \$ 4,849 |
| Operating income (loss)                     | 22.8    | (12.3 ) | -             |   | (160 )   |

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

Sales decreased 10.9% year-on-year (a 6% decrease on a local currency basis) to 373.4 billion yen (4,849 million U.S. dollars). Sales to outside customers decreased 3.0% year-on-year. This was mainly due to a decrease in component sales, primarily of batteries, as a result of lower production capacity in the current quarter due to damage to manufacturing equipment from the Great East Japan Earthquake of March 2011 (the “Earthquake”), and of storage media, which was also affected by damaged manufacturing equipment in addition to market contraction. Unfavorable foreign exchange rates also contributed to the decrease in sales.

Operating loss of 12.3 billion yen (160 million U.S. dollars) was recorded, compared to operating income of 22.8 billion yen recorded in the same quarter of the previous fiscal year. This was primarily due to an increase in restructuring charges and unfavorable foreign exchange rates. Restructuring charges of 21.4 billion yen (278 million U.S. dollars) were recorded in the current quarter, compared to 4.1 billion yen of restructuring charges recorded in the same quarter of the previous fiscal year. These charges included asset impairments of 18.4 billion yen (239 million U.S. dollars) associated with the anticipated sale of the small- and medium-sized display business to a new company to be established and operated by Innovation Network Corporation of Japan (announced on August 31, 2011). Categories that unfavorably impacted the change in segment operating results (excluding restructuring charges) include components, reflecting the above-mentioned decrease in sales, as well as semiconductors, resulting from an increase in fixed cost due to significant capital expenditures for an increase in capacity and unfavorable foreign exchange rates.

\* \* \* \* \*

Total inventory for the CPS and PDS segments, as of September 30, 2011, was 743.9 billion yen (9,662 million U.S. dollars), a decrease of 76.0 billion yen, or 9.3% year-on-year. Inventory increased by 24.6 billion yen, or 3.4% compared with the level as of June 30, 2011.



## Pictures

| (Billions of yen, millions of U.S. dollars) |         |         |               |   |    |       |
|---------------------------------------------|---------|---------|---------------|---|----|-------|
| Second quarter ended September 30           |         |         |               |   |    |       |
|                                             | 2010    | 2011    | Change in yen |   |    | 2011  |
| Sales and operating revenue                 | ¥ 144.8 | ¥ 169.3 | +17.0         | % | \$ | 2,199 |
| Operating income (loss)                     | (4.8 )  | 20.6    | -             |   |    | 268   |

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 that aggregates the results of its worldwide subsidiaries on a U.S. dollar basis. 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 increased 17.0% year-on-year (a 29% increase on a U.S. dollar basis) to 169.3 billion yen (2,199 million U.S. dollars), despite the appreciation of the yen. A major portion of the revenue increase resulted from the sale of a participation interest in Spider-Man merchandising rights in the current quarter. Other motion picture revenues were virtually unchanged year-on-year as higher television and home entertainment sales of motion picture product were offset by lower theatrical revenues. Despite the strong performance of The Smurfs in the current quarter, theatrical revenues declined year-on-year as the previous year’s second quarter included strong theatrical performances from several major films. Television revenues were significantly higher year-on-year due to higher revenues from U.S. network and made-for-cable programming, revenues recognized from the consolidation of Game Show Network, LLC (“GSN”), which was accounted for under the equity method in the second quarter of the previous fiscal year, and higher advertising revenues from SPE’s television network in India.

Operating income of 20.6 billion yen (268 million U.S. dollars) was recorded, compared to a loss of 4.8 billion yen in the same quarter of the previous fiscal year. This increase was primarily due to the sale of the interest in Spider-Man merchandising rights noted above, which generated 21.4 billion yen (278 million U.S. dollars) of operating income during the current quarter. The current quarter also benefited from the higher contribution from films released theatrically in the quarter, most notably The Smurfs. These factors were partially offset by the appreciation of the yen.

## Music

| (Billions of yen, millions of U.S. dollars) |         |         |               |   |    |       |
|---------------------------------------------|---------|---------|---------------|---|----|-------|
| Second quarter ended September 30           |         |         |               |   |    |       |
|                                             | 2010    | 2011    | Change in yen |   |    | 2011  |
| Sales and operating revenue                 | ¥ 111.0 | ¥ 103.6 | -6.6          | % | \$ | 1,346 |
| Operating income                            | 8.1     | 6.3     | -21.9         |   |    | 82    |

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 consolidated results of Sony/ATV Music Publishing LLC, a 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 6.6% year-on-year (a 1% decrease on a local currency basis) to 103.6 billion yen (1,346 million U.S. dollars). The decrease in sales is primarily due to the appreciation of the yen and lower album sales outside of the U.S. Best selling titles during the quarter included Adele's 21, Miliyah Kato's M BEST, JUJU's YOU, Pitbull's Planet Pit, and Beyonce's 4.

Operating income decreased 1.8 billion yen year-on-year to 6.3 billion yen (82 million U.S. dollars) primarily due to a significant increase in restructuring charges, partially offset by a benefit from the recognition of digital license revenue.

#### Financial Services

| (Billions of yen, millions of U.S. dollars) |         |   |       |               |   |          |
|---------------------------------------------|---------|---|-------|---------------|---|----------|
| Second quarter ended September 30           |         |   |       |               |   |          |
|                                             | 2010    |   | 2011  | Change in yen |   | 2011     |
| Financial services revenue                  | ¥ 221.9 | ¥ | 184.1 | -17.0         | % | \$ 2,391 |
| Operating income                            | 43.0    |   | 24.5  | -43.1         |   | 318      |

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 decreased 17.0% year-on-year to 184.1 billion yen (2,391 million U.S. dollars) mainly due to a decrease in revenue at Sony Life. Revenue at Sony Life decreased 20.4% year-on-year to 153.5 billion yen (1,994 million U.S. dollars) primarily due to a deterioration in investment performance in the separate account as the Japanese stock market declined significantly during the current quarter compared with the relatively stable conditions in the same quarter of the previous fiscal year. Insurance premium revenue increased, reflecting a higher policy amount in force.

Operating income decreased 18.5 billion yen year-on-year to 24.5 billion yen (318 million U.S. dollars) primarily due to a decrease in operating income at Sony Life. Operating income at Sony Life decreased 25.5 billion yen year-on-year to 19.1 billion yen (249 million U.S. dollars). This decrease was primarily due to a decline in net gains on sales of securities in the general account.

#### 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)         |         |   |       |                 |
|-----------------------------|---------|---|-------|-----------------|
| Quarter ended September 30  |         |   |       |                 |
|                             | 2010    |   | 2011  | Change in euros |
| Sales and operating revenue | € 1,603 | € | 1,586 | -1.1 %          |
| Income before taxes         | 65      |   | 31    | -52.7           |
| Net income (loss)           | 51      |   | (0 )  | -               |

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

Sales for the quarter ended September 30, 2011 decreased 1.1% year-on-year to 1,586 million euros. Although total volume declined due to the lower number of feature phones shipped, total sales decreased only slightly due to an

increase in average selling price, which resulted from a higher portion of smartphone shipments. Income before taxes decreased 34 million euros year-on-year to 31 million euros due to lower gross margin, partially offset by lower operating expenses. The year-on-year decline in gross margin was attributed to product and geographic mix.

As a result, Sony recorded equity in net loss of Sony Ericsson of 0.03 billion yen (0.3 million U.S. dollars) for the current quarter, compared to income of 2.6 billion yen in the same quarter of the previous fiscal year.

Consolidated Results for the Six Months ended September 30, 2011

For Consolidated Statements of Income and Business Segment Information for the six months ended September 30, 2011 and 2010, please refer to pages F-3 and F-7 respectively.

Sales for the six months ended September 30, 2011 (“the current six months”) decreased 9.6% year-on-year to 3,069.9 billion yen (39,869 million U.S. dollars). This was primarily due to a decrease in sales of the CPS and PDS segments described below.

During the current six months, the average rates of the yen were 78.8 yen against the U.S. dollar and 112.3 yen against the euro, which were 11.6% higher and essentially flat, respectively, as compared with the same period in the previous fiscal year. On a local currency basis, consolidated sales decreased 4%. For references to sales on a local currency basis, see Note on page 9.

In the CPS segment, sales decreased due to lower sales of products such as LCD televisions and PCs. In the PDS segment, the decrease in sales was mainly due to lower component sales, primarily reflecting lower sales of batteries resulting from lower production capacity in the current six months due to damage to manufacturing equipment by the Earthquake, and a decline in sales of storage media, which was affected by Earthquake damage and market contraction. Unfavorable foreign exchange rates also negatively impacted year-on-year sales. In the Pictures segment, despite the appreciation of the yen, sales increased primarily due to the sale of a participation interest in Spider-Man merchandising rights, higher advertising revenues from SPE’s television network in India and revenue recognized from the consolidation of GSN, which was accounted for under the equity method in the same period of the previous fiscal year. In the Music segment, sales decreased primarily due to the impact of the appreciation of the yen. In the Financial Services segment, revenue decreased slightly due to lower revenue at SFI, mainly as a result of the deconsolidation of its lease and rental business.

Operating income decreased 109.8 billion yen year-on-year to 25.9 billion yen (336 million U.S. dollars). This was primarily due to lower operating income in the CPS and PDS segments described below.

In the CPS segment, operating results deteriorated year-on-year and an operating loss was recorded primarily due to a decrease in gross profit as a result of lower sales and a deterioration in the cost of sales ratio, partially offset by a decrease in selling, general and administrative expenses. Operating results in the PDS segment deteriorated to an operating loss, primarily due to a significant increase in restructuring charges, a decrease in gross profit from lower sales and unfavorable foreign exchange rates. In the Pictures segment, operating income was recorded compared to a loss in the same period of the previous fiscal year, an improvement primarily attributed to the sale of the interest in Spider-Man merchandising rights noted above. In the Music segment, operating income increased due to the strong performance of key releases in the U.S. and the benefit from the recognition of digital license revenue, partially offset by significantly higher restructuring charges. In the Financial Services segment, operating income decreased primarily due to a decline in net gains on sales of securities in the general account at Sony Life.

Restructuring charges, recorded as operating expenses, amounted to 30.6 billion yen (397 million U.S. dollars) for the current six months compared to 23.7 billion yen for the same period of the previous fiscal year.

Equity in net loss of affiliated companies, recorded within operating income, was 3.7 billion yen (48 million U.S. dollars) compared to equity in net income of 11.7 billion yen in the same period of the previous fiscal year. Sony recorded equity in net loss of 3.1 billion yen (40 million U.S. dollars) for Sony Ericsson during the current six months compared to income of 3.2 billion yen in the same period of the previous fiscal year. This decrease was primarily due to a decrease in volume caused by a constrained supply of critical components as a result of the Earthquake. Equity in net loss for S-LCD was 1.5 billion yen (19 million U.S. dollars), compared to equity in net income of 6.7 billion yen

in the same period of the previous fiscal year.

The net effect of other income and expenses was an expense of 2.7 billion yen (35 million U.S. dollars), compared to income of 6.0 billion yen in the same period of the previous fiscal year, primarily due to a decrease in net foreign exchange gain.

Income before income taxes decreased 118.4 billion yen to 23.2 billion yen (301 million U.S. dollars) due to the lower operating results noted above.

Income taxes: During the current six months, Sony recorded 45.9 billion yen (596 million U.S. dollars) of income tax expense. In the fiscal year ended March 31, 2011, a valuation allowance was established for Sony Corporation and its national tax filing group in Japan against certain deferred tax assets. During the current fiscal year, Sony continued to not recognize the tax benefits associated with losses at Sony Corporation and its national tax filing group in Japan. As a result, Sony's effective tax rate for the current six months exceeded the Japanese statutory tax rate.

Net loss attributable to Sony Corporation's stockholders for the current six months was 42.5 billion yen (552 million U.S. dollars), compared to net income of 56.9 billion yen in the same period of the previous fiscal year.

#### Cash Flows (for the six months ended September 30, 2011)

For Consolidated Statements of Cash Flows, 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-5 and F-14 respectively.

Operating Activities: During the current six months, there was a net cash inflow of 149.3 billion yen (1,939 million U.S. dollars) from operating activities, an increase of 36.5 billion yen, or 32.3% year-on-year.

For all segments excluding the Financial Services segment, there was a net cash outflow of 49.6 billion yen (644 million U.S. dollars) for the current six months, a decrease of 22.4 billion yen, or 31.1% year-on-year. This decrease was mainly due to smaller increases in inventories and in receivables, included in other current assets, from third-party original equipment and design manufacturers. This was partially offset by a decrease in cash contribution from net income after taking into account depreciation and amortization and a smaller increase in notes and accounts payable, trade.

The Financial Services segment had a net cash inflow of 207.2 billion yen (2,691 million U.S. dollars), an increase of 16.4 billion yen, or 8.6% year-on-year. This increase was primarily due to an increase in revenue from insurance premiums, reflecting higher policy amount in force at Sony Life. This was partially offset by an increase in receivables, other, included in other current assets, as a result of outsourcing the collection of Sony Life insurance premiums to a third-party agency.

Investing Activities: During the current six months, Sony used 417.7 billion yen (5,425 million U.S. dollars) of net cash in investing activities, a decrease of 3.6 billion yen, or 0.9% year-on-year.

For all segments excluding the Financial Services segment, 155.7 billion yen (2,022 million U.S. dollars) was used, an increase of 109.2 billion yen, or 234.8% year-on-year. This increase was primarily due to an increase in the purchase of semiconductor manufacturing equipment in the current six months, as well as proceeds from the sale of a portion of Sony's equity interest in the Nitra factory in Slovakia in the same period of the previous fiscal year.

The Financial Services segment used 258.0 billion yen (3,351 million U.S. dollars) of net cash, a decrease of 88.4 billion yen, or 25.5% year-on-year. This decrease was mainly due to a smaller increase in payments for investments and advances associated with portfolio changes in the securities investments held by Sony Life.

In all segments excluding the Financial Services segment, net cash used in operating and investing activities combined\* for the current period was 205.3 billion yen (2,666 million U.S. dollars), an increase of 86.8 billion yen, or

73.2% year-on-year.

Financing Activities: During the current six months, 24.0 billion yen (311 million U.S. dollars) of net cash was provided by financing activities, an increase of 6.8 billion yen, or 39.8% year-on-year. For all segments excluding the Financial Services segment, there was a 16.0 billion yen (208 million U.S. dollars) net cash outflow, a decrease of 103.5 billion yen, or 86.6% year-on-year. This decrease was primarily due to a greater increase in short-term borrowings in the current period year-on-year. In the Financial Services segment, financing activities generated 27.6 billion yen (359 million U.S. dollars) of net cash, a decrease of 74.7 billion yen, or 73.0% year-on-year. This decrease was primarily due to a smaller increase in deposits from customers at Sony Bank.

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 September 30, 2011 was 719.0 billion yen (9,338 million U.S. dollars). Cash and cash equivalents of all segments excluding the Financial Services segment was 575.2 billion yen (7,470 million U.S. dollars) at September 30, 2011, a decrease of 272.2 billion yen, or 32.1%, compared with the balance as of March 31, 2011. This was a decrease of 108.7 billion yen, or 15.9%, compared with the balance as of September 30, 2010. Sony believes it continues to maintain sufficient liquidity through access to a total, translated into yen, of 733.3 billion yen (9,524 million U.S. dollars) of unused committed lines of credit with financial institutions. Within the Financial Services segment, the outstanding balance of cash and cash equivalents was 143.8 billion yen (1,868 million U.S. dollars) at September 30, 2011, a decrease of 23.2 billion yen, or 13.9%, compared with the balance as of March 31, 2011. This was a decrease of 9.5 billion yen, or 6.2%, compared with the balance as of September 30, 2010.

\* Sony has included the information for cash flow from operating and investing activities combined, excluding the Financial Services segment's activities, as Sony's 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-14. 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 minority interest and it, as well as its subsidiaries, secures liquidity on its 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)                                                     |          |   |          |          |
|-------------------------------------------------------------------------------------------------|----------|---|----------|----------|
| Six months ended September 30                                                                   |          |   |          |          |
|                                                                                                 | 2010     |   | 2011     | 2011     |
| Net cash provided by operating activities reported in the consolidated statements of cash flows | ¥ 112.8  | ¥ | 149.3    | \$ 1,939 |
| Net cash used in investing activities reported in the consolidated statements of cash flows     | (421.3 ) |   | (417.7 ) | (5,425 ) |
|                                                                                                 | (308.5 ) |   | (268.4 ) | (3,486 ) |
| Less: Net cash provided by operating activities within the Financial Services segment           | 190.8    |   | 207.2    | 2,691    |
| Less: Net cash used in investing activities within the Financial Services segment               | (346.5 ) |   | (258.0 ) | (3,351 ) |
| Eliminations **                                                                                 | 34.3     |   | 12.3     | 160      |

|                                                               |   |        |   |   |        |   |    |        |   |
|---------------------------------------------------------------|---|--------|---|---|--------|---|----|--------|---|
| Cash flow used in operating and investing activities combined | ¥ | (118.5 | ) | ¥ | (205.3 | ) | \$ | (2,666 | ) |
| excluding the Financial Services segment's activities         |   |        |   |   |        |   |    |        |   |

\*\* 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 and six month period of the previous fiscal year to local currency-denominated monthly sales in the current quarter and six month period. Sales on a local currency basis are not reflected in Sony's consolidated financial statements and are not measures 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 the operating performance of Sony.

## Outlook for the Fiscal Year ending March 31, 2012

The forecast for consolidated results for the fiscal year ending March 31, 2012, as announced on July 28, 2011, has been revised as per the table below.

| (Billions of yen)                                                 |          |               |   |          |        | Change from |          | March 31, |                |
|-------------------------------------------------------------------|----------|---------------|---|----------|--------|-------------|----------|-----------|----------------|
|                                                                   | November | Change from   |   | July     |        | March 31,   |          | 2011      | March 31,      |
|                                                                   | Forecast | July Forecast |   | Forecast |        | Actual      |          | Results   | 2011           |
|                                                                   |          |               |   |          |        |             |          |           | Actual Results |
| Sales and operating revenue                                       | ¥ 6,500  | -9.7 %        | ¥ | 7,200    | -9.5 % | ¥           | 7,181.3  |           |                |
| Operating income                                                  | 20       | -90.0         |   | 200      | -90.0  |             | 199.8    |           |                |
| Income before income taxes                                        | 10       | -94.4         |   | 180      | -95.1  |             | 205.0    |           |                |
| Net income (loss) attributable to Sony Corporation's stockholders | (90 )    | -             |   | 60       | -      |             | (259.6 ) |           |                |

Assumed foreign currency exchange rates for the second half of the fiscal year ending March 31, 2012: approximately 75 yen against the U.S. dollar and approximately 105 yen against the euro. (Assumed foreign exchange rates used in the July forecast, for the period from the second quarter through the fourth quarter of the current fiscal year: approximately 80 yen against the U.S. dollar and approximately 115 yen against the euro.)

Consolidated sales for the fiscal year ending March 31, 2012 are expected to be 6,500 billion yen, significantly below the July forecast. This change is primarily due to the impact of Sony's updated foreign exchange rate assumptions to account for the further appreciation of the yen, the impact of the October 2011 floods in Thailand ("the Floods") and the impact of lower expected sales primarily in the CPS and PDS segments, mainly in Europe and the U.S.

Consolidated operating income is expected to be 20 billion yen, 180 billion yen below the July forecast. The primary reasons for this change are as follows:

Consolidated operating income is expected to be approximately 65 billion yen below the July forecast due to unfavorable foreign exchange rates, primarily affecting the CPS and PDS segments.

□ Due to direct damage from inundation of Sony's manufacturing facilities and difficulty in procuring parts and components resulting from the Floods, Sony's business operations are being negatively impacted primarily due to temporary cessation of production at several manufacturing facilities and postponement of certain product launches. At present, Sony anticipates that the impact on operating income for the fiscal year ending March 31, 2012 will be incurred mainly in the CPS and PDS segments. After giving effect to insurance policies that Sony has in place, Sony expects the full fiscal year negative impact, net of insurance, to be approximately 25 billion yen. The net impact of the Floods is currently being evaluated. However, for purposes of the forecast, it is calculated based on the current judgment of management based on the information available as of November 2, 2011.

□ Operating results in the CPS segment are expected to be approximately 115 billion yen below the July forecast. This is primarily due to lower expected sales and unfavorable foreign exchange rates. Operating loss from LCD televisions is expected to increase significantly from the July forecast. This change results primarily from lower unit

sales forecast, price competition, unfavorable foreign exchange rates and impairments of fixed assets. Reflecting the slowdown in industry growth, Sony is changing its strategic direction from significant volume expansion in mid-term and implementing various measurements. (The above-noted unfavorable impact of foreign exchange rates is included, but the impact of the Floods is not included.)

□ Operating results in the PDS segment are expected to be approximately 25 billion yen below the July forecast, primarily due to lower expected sales and unfavorable foreign exchange rates, partially offset by the anticipated additional benefit of expense reductions, including fixed costs. (The above-noted unfavorable impact of foreign exchange rates is included, but the impact of the Floods is not included.)

□ The forecasts for operating income in the Pictures, Music and Financial Services segments are expected to be lower than the July forecast by approximately 5, 5 and 10 billion yen, respectively.

□ A non-cash gain, currently estimated at approximately 50 billion yen, is expected to be recorded in operating income on the 50% equity stake Sony currently holds in Sony Ericsson, once that entity is fully consolidated within Sony, which is expected to occur in the fourth quarter of the current fiscal year (announced on October 27, 2011). Sony is required to remeasure the 50% equity interest in Sony Ericsson that it owned prior to the acquisition at the fair value of such interest at the time control is obtained.\*

□ The annual forecast for equity in net income (loss) of affiliated companies is expected to be approximately 30 billion yen below the July forecast, primarily due to a deterioration of equity in net income (loss) of Sony Ericsson. Due to its 100% consolidation anticipated in the fourth quarter ending March 31, 2012, equity earnings of Sony Ericsson are included in Sony's equity in net income (loss) of affiliated companies through December 31, 2011. Operating results of Sony Ericsson are fully incorporated in Sony's consolidated operating results expected for the fourth quarter ending March 31, 2012.\*

Income before income taxes is expected to be 170 billion yen below the July forecast because operating income is expected to be below the July forecast, partially offset by an expected net foreign exchange gain due to the appreciation of the yen.

Net income attributable to Sony Corporation's stockholders is expected to be 150 billion yen below the July forecast. This is primarily due to a lower income before income taxes compared to the July forecast.

\*The full impact of Sony Ericsson's 100% consolidation is currently being evaluated. However, for purposes of the forecast, the impact of the above-noted non-cash gain and operating results of Sony Ericsson for the quarter ending March 31, 2012 are calculated and included in the current fiscal year forecast based on the current judgment of management based on the information available as of November 2, 2011.

The current fiscal year's forecast for research and development expenses has been revised as per the table below from the forecast announced on July 28, 2011. The current fiscal year's forecast for capital expenditures and depreciation and amortization remains unchanged. Any financial impact related to the 100% consolidation of Sony Ericsson is not included in the figures in the table below.

| (Billions of yen)                                                  |          |              |          |   |  | Change from |   | March 31, |   |
|--------------------------------------------------------------------|----------|--------------|----------|---|--|-------------|---|-----------|---|
|                                                                    | November | Change from  | July     |   |  | March 31,   |   | March 31, |   |
|                                                                    | Forecast | uly Forecast | Forecast |   |  | 2011        |   | 2011      |   |
|                                                                    |          |              |          |   |  | Actual      |   | Actual    |   |
|                                                                    |          |              |          |   |  | Results     |   | Results   |   |
| Capital expenditures (additions to Property, Plant and Equipment)* | ¥ 330    | -            | ¥ 330    | % |  | +61.1       | % | ¥ 204.9   |   |
| Depreciation and amortization**                                    | 340      | -            | 340      |   |  | +4.5        |   | 325.4     |   |
| [for Property, Plant and Equipment (included above)]               | 230      | -            | 230      |   |  | +7.8        |   | 213.4     | ] |
| Research and development expenses                                  | 450      | -2.2         | 460      |   |  | +5.4        |   | 426.8     |   |

\* 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.

#### 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 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)

|                                                                                  | November<br>Forecast | Change from<br>July Forecast |   | July<br>Forecast | Change from<br>March 31,<br>2011<br>Actual<br>Results |   | March 31,<br>2011<br>Actual<br>Results |
|----------------------------------------------------------------------------------|----------------------|------------------------------|---|------------------|-------------------------------------------------------|---|----------------------------------------|
| Operating income                                                                 | ¥ 20                 | -90.0                        | % | ¥ 200            | -90.0                                                 | % | ¥ 199.8                                |
| Less: Equity in net<br>income (loss) of<br>affiliated companies                  | (15 )                | -                            |   | 15               | -                                                     |   | 14.1                                   |
| Add: Restructuring<br>charges, net,<br>recorded within<br>operating<br>expenses* | 50                   | +100.0                       |   | 25               | -25.5                                                 |   | 67.1                                   |
| Add: LCD television<br>asset<br>impairment**                                     | 13                   | -                            |   | -                | -                                                     |   | -                                      |
| Operating income, as<br>adjusted                                                 | ¥ 98                 | +27.6                        | % | ¥ 210            | -6.0                                                  | % | ¥ 252.8                                |

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 primary reason for an increase in restructuring charges compared to the July forecast is due to including the above noted asset impairment of 18.4 billion yen incurred in association with the anticipated sale of the small- and medium-sized display business in the restructuring charges.

\*\* The 13.0 billion yen loss on impairment, a non-cash charge recorded within operating results includes 8.6 billion yen loss incurred in the second quarter ended September 30, 2011 which primarily reflects a decrease in the estimated fair value of long-lived assets associated with the LCD television asset group. The corresponding estimated future cash flows leading to the impairment charge reflect the impact of the continued deterioration in LCD television market conditions in Europe and the U.S. as well as the impact of unfavorable foreign exchange rates. In addition, included in the forecast is long-lived assets expected to be acquired in the remainder of the current fiscal year and subject to impairment within the LCD television asset group. Sony has not included these losses on impairment in restructuring charges.

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, due to market fluctuations since October 1, 2011, have not been incorporated within the above forecast as Sony cannot predict where the financial markets will be through the end of the current fiscal year. 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, judgments 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) foreign 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 Products & Services and the Professional, Device & Solutions segments); (viii) Sony's ability to maintain product quality; (ix) the effectiveness of Sony's strategies and their execution, including but not limited to 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; (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; and (xiv) risks related to catastrophic disasters or similar events, including the Great East Japan Earthquake and its aftermath as well as the October 2011 floods in Thailand. Risks and uncertainties also include the impact of any future events with material adverse impact.

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(Unaudited)  
Consolidated Financial Statements  
Consolidated Balance Sheets

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

|                                                   | March 31     | September 30 | Change from | September  |
|---------------------------------------------------|--------------|--------------|-------------|------------|
|                                                   | 2011         | 2011         | March 31,   | 30         |
| ASSETS                                            |              |              | 2011        | 2011       |
| Current assets:                                   |              |              |             |            |
| Cash and cash equivalents                         | ¥ 1,014,412  | ¥ 719,020    | ¥ -295,392  | \$ 9,338   |
| Marketable securities                             | 646,171      | 582,152      | -64,019     | 7,560      |
| Notes and accounts receivable, trade              | 834,221      | 790,272      | -43,949     | 10,263     |
| Allowance for doubtful accounts and sales returns | (90,531 )    | (69,344 )    | +21,187     | (901 )     |
| Inventories                                       | 704,043      | 834,354      | +130,311    | 10,836     |
| Deferred income taxes                             | 133,059      | 94,848       | -38,211     | 1,232      |
| Prepaid expenses and other current assets         | 602,671      | 669,946      | +67,275     | 8,701      |
| Total current assets                              | 3,844,046    | 3,621,248    | -222,798    | 47,029     |
| Film costs                                        | 275,389      | 267,372      | -8,017      | 3,472      |
| Investments and advances:                         |              |              |             |            |
| Affiliated companies                              | 221,993      | 178,268      | -43,725     | 2,315      |
| Securities investments and other                  | 5,670,662    | 5,977,249    | +306,587    | 77,627     |
|                                                   | 5,892,655    | 6,155,517    | +262,862    | 79,942     |
| Property, plant and equipment:                    |              |              |             |            |
| Land                                              | 145,968      | 141,522      | -4,446      | 1,838      |
| Buildings                                         | 868,615      | 823,250      | -45,365     | 10,692     |
| Machinery and equipment                           | 2,016,956    | 1,942,250    | -74,706     | 25,224     |
| Construction in progress                          | 53,219       | 39,095       | -14,124     | 508        |
|                                                   | 3,084,758    | 2,946,117    | -138,641    | 38,262     |
| Less-Accumulated depreciation                     | 2,159,890    | 2,017,722    | -142,168    | 26,205     |
|                                                   | 924,868      | 928,395      | +3,527      | 12,057     |
| Other assets:                                     |              |              |             |            |
| Intangibles, net                                  | 391,122      | 367,631      | -23,491     | 4,774      |
| Goodwill                                          | 469,005      | 449,708      | -19,297     | 5,840      |
| Deferred insurance acquisition costs              | 428,262      | 429,454      | +1,192      | 5,577      |
| Deferred income taxes                             | 239,587      | 198,417      | -41,170     | 2,577      |
| Other                                             | 460,054      | 452,090      | -7,964      | 5,873      |
|                                                   | 1,988,030    | 1,897,300    | -90,730     | 24,641     |
| Total assets                                      | ¥ 12,924,988 | ¥ 12,869,832 | ¥ -55,156   | \$ 167,141 |
| LIABILITIES AND EQUITY                            |              |              |             |            |

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|                                                 |              |              |           |            |
|-------------------------------------------------|--------------|--------------|-----------|------------|
| Current liabilities:                            |              |              |           |            |
| Short-term borrowings                           | ¥ 53,737     | ¥ 123,412    | ¥ +69,675 | \$ 1,603   |
| Current portion of long-term debt               | 109,614      | 268,041      | +158,427  | 3,481      |
| Notes and accounts payable, trade               | 793,275      | 825,492      | +32,217   | 10,721     |
| Accounts payable, other and accrued expenses    | 1,013,037    | 945,032      | -68,005   | 12,273     |
| Accrued income and other taxes                  | 79,076       | 80,149       | +1,073    | 1,041      |
| Deposits from customers in the banking business | 1,647,752    | 1,644,317    | -3,435    | 21,355     |
| Other                                           | 430,488      | 417,537      | -12,951   | 5,422      |
| Total current liabilities                       | 4,126,979    | 4,303,980    | +177,001  | 55,896     |
| Long-term debt                                  | 812,235      | 616,855      | -195,380  | 8,011      |
| Accrued pension and severance costs             | 271,320      | 265,139      | -6,181    | 3,443      |
| Deferred income taxes                           | 306,227      | 306,388      | +161      | 3,979      |
| Future insurance policy benefits and other      | 4,225,373    | 4,403,792    | +178,419  | 57,192     |
| Other                                           | 226,952      | 177,889      | -49,063   | 2,311      |
| Total liabilities                               | 9,969,086    | 10,074,043   | +104,957  | 130,832    |
| Redeemable noncontrolling interest              | 19,323       | 17,963       | -1,360    | 233        |
| Equity:                                         |              |              |           |            |
| Sony Corporation's stockholders' equity:        |              |              |           |            |
| Common stock                                    | 630,921      | 630,923      | +2        | 8,194      |
| Additional paid-in capital                      | 1,159,666    | 1,159,278    | -388      | 15,056     |
| Retained earnings                               | 1,566,274    | 1,511,249    | -55,025   | 19,627     |
| Accumulated other comprehensive income          | (804,204 )   | (927,968 )   | -123,764  | (12,053 )  |
| Treasury stock, at cost                         | (4,670 )     | (4,637 )     | +33       | (60 )      |
|                                                 | 2,547,987    | 2,368,845    | -179,142  | 30,764     |
| Noncontrolling interests                        | 388,592      | 408,981      | +20,389   | 5,312      |
| Total equity                                    | 2,936,579    | 2,777,826    | -158,753  | 36,076     |
| Total liabilities and equity                    | ¥ 12,924,988 | ¥ 12,869,832 | ¥ -55,156 | \$ 167,141 |

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Consolidated Statements of Income

(Millions of yen, millions of U.S. dollars, except per share amounts)  
Three months ended September 30

|                                                                         | 2010        | 2011        | Change from<br>2010 | 2011      |
|-------------------------------------------------------------------------|-------------|-------------|---------------------|-----------|
| Sales and operating revenue:                                            |             |             |                     |           |
| Net sales                                                               | ¥ 1,494,434 | ¥ 1,372,196 |                     | \$ 17,821 |
| Financial services revenue                                              | 219,476     | 183,359     |                     | 2,381     |
| Other operating revenue                                                 | 19,242      | 19,434      |                     | 252       |
|                                                                         | 1,733,152   | 1,574,989   | -9.1 %              | 20,454    |
| Costs and expenses:                                                     |             |             |                     |           |
| Cost of sales                                                           | 1,127,627   | 1,041,977   |                     | 13,532    |
| Selling, general and administrative                                     | 363,395     | 345,393     |                     | 4,486     |
| Financial services expenses                                             | 175,751     | 158,485     |                     | 2,058     |
| (Gain) loss on sale, disposal or<br>impairment of assets and other, net | 2,797       | 31,891      |                     | 414       |
|                                                                         | 1,669,570   | 1,577,746   | -5.5                | 20,490    |
| Equity in net income of affiliated<br>companies                         | 5,069       | 1,122       | -77.9               | 15        |
| Operating income (loss)                                                 | 68,651      | (1,635 )    | -                   | (21 )     |
| Other income:                                                           |             |             |                     |           |
| Interest and dividends                                                  | 2,467       | 2,341       |                     | 30        |
| Foreign exchange gain, net                                              | 3,800       | 5,585       |                     | 73        |
| Other                                                                   | 2,970       | 3,274       |                     | 42        |
|                                                                         | 9,237       | 11,200      | +21.3               | 145       |
| Other expenses:                                                         |             |             |                     |           |
| Interest                                                                | 5,860       | 6,449       |                     | 84        |
| Loss on devaluation of securities<br>investments                        | 6,682       | 536         |                     | 7         |
| Other                                                                   | 2,637       | 2,485       |                     | 32        |
|                                                                         | 15,179      | 9,470       | -37.6               | 123       |
| Income before income taxes                                              | 62,709      | 95          | -99.8               | 1         |
| Income taxes                                                            | 20,746      | 18,358      |                     | 238       |
| Net income (loss)                                                       | 41,963      | (18,263 )   | -                   | (237 )    |
| Less - Net income attributable to<br>noncontrolling interests           | 10,817      | 8,714       |                     | 113       |
| Net income (loss) attributable to<br>Sony Corporation's stockholders    | ¥ 31,146    | ¥ (26,977 ) | - %                 | \$ (350 ) |

## Per share data:

Net income (loss) attributable to  
Sony Corporation's stockholders

|           |   |       |   |         |   |   |   |    |        |   |
|-----------|---|-------|---|---------|---|---|---|----|--------|---|
| — Basic   | ¥ | 31.04 | ¥ | (26.88) | ) | - | % | \$ | (0.35) | ) |
| — Diluted |   | 31.00 |   | (26.88) | ) | - |   |    | (0.35) | ) |

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## Consolidated Statements of Income

(Millions of yen, millions of U.S. dollars, except per share amounts)  
Six months ended September 30

|                                                                         | 2010        | 2011        | Change from<br>2010 | 2011      |
|-------------------------------------------------------------------------|-------------|-------------|---------------------|-----------|
| Sales and operating revenue:                                            |             |             |                     |           |
| Net sales                                                               | ¥ 2,967,907 | ¥ 2,648,136 |                     | \$ 34,392 |
| Financial services revenue                                              | 386,074     | 384,262     |                     | 4,990     |
| Other operating revenue                                                 | 40,220      | 37,512      |                     | 487       |
|                                                                         | 3,394,201   | 3,069,910   | -9.6 %              | 39,869    |
| Costs and expenses:                                                     |             |             |                     |           |
| Cost of sales                                                           | 2,236,918   | 2,015,546   |                     | 26,177    |
| Selling, general and administrative                                     | 723,165     | 665,539     |                     | 8,643     |
| Financial services expenses                                             | 311,851     | 330,133     |                     | 4,287     |
| (Gain) loss on sale, disposal or<br>impairment of assets and other, net | (1,667 )    | 29,114      |                     | 378       |
|                                                                         | 3,270,267   | 3,040,332   | -7.0                | 39,485    |
| Equity in net income (loss) of<br>affiliated companies                  | 11,733      | (3,713 )    | -                   | (48 )     |
| Operating income                                                        | 135,667     | 25,865      | -80.9               | 336       |
| Other income:                                                           |             |             |                     |           |
| Interest and dividends                                                  | 5,680       | 6,615       |                     | 86        |
| Foreign exchange gain, net                                              | 17,731      | 1,950       |                     | 25        |
| Other                                                                   | 5,884       | 5,592       |                     | 72        |
|                                                                         | 29,295      | 14,157      | -51.7               | 183       |
| Other expenses:                                                         |             |             |                     |           |
| Interest                                                                | 11,962      | 12,561      |                     | 163       |
| Loss on devaluation of securities<br>investments                        | 6,683       | 814         |                     | 11        |
| Other                                                                   | 4,697       | 3,433       |                     | 44        |
|                                                                         | 23,342      | 16,808      | -28.0               | 218       |
| Income before income taxes                                              | 141,620     | 23,214      | -83.6               | 301       |
| Income taxes                                                            | 64,419      | 45,892      |                     | 596       |
| Net income (loss)                                                       | 77,201      | (22,678 )   | -                   | (295 )    |
| Less - Net income attributable to<br>noncontrolling interests           | 20,318      | 19,801      |                     | 257       |
| Net income (loss) attributable to<br>Sony Corporation's stockholders    | ¥ 56,883    | ¥ (42,479 ) | - %                 | \$ (552 ) |

Per share data:

Net income (loss) attributable to  
Sony Corporation's stockholders

|           |   |       |   |         |   |   |   |    |        |   |
|-----------|---|-------|---|---------|---|---|---|----|--------|---|
| — Basic   | ¥ | 56.68 | ¥ | (42.33) | ) | - | % | \$ | (0.55) | ) |
| — Diluted |   | 56.61 |   | (42.33) | ) | - |   |    | (0.55) | ) |

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## Supplemental equity and comprehensive income information

|                                                                      | Sony Corporation's<br>stockholders' equity |            | Noncontrolling<br>interests |          | Total equity |
|----------------------------------------------------------------------|--------------------------------------------|------------|-----------------------------|----------|--------------|
| Balance at March 31, 2010                                            | ¥                                          | 2,965,905  | ¥                           | 319,650  | ¥ 3,285,555  |
| Exercise of stock acquisition rights                                 |                                            | 42         |                             | 13       | 55           |
| Stock based compensation                                             |                                            | 912        |                             |          | 912          |
| Comprehensive income:                                                |                                            |            |                             |          |              |
| Net income                                                           |                                            | 56,883     |                             | 20,318   | 77,201       |
| Other comprehensive income, net of tax                               |                                            |            |                             |          |              |
| Unrealized gains on securities                                       |                                            | 2,896      |                             | 3,301    | 6,197        |
| Unrealized losses on derivative instruments                          |                                            | (1,966 )   |                             |          | (1,966 )     |
| Pension liability adjustment                                         |                                            | 3,505      |                             |          | 3,505        |
| Foreign currency translation adjustments                             |                                            | (134,227 ) |                             | (677 )   | (134,904 )   |
| Total comprehensive income (loss)                                    |                                            | (72,909 )  |                             | 22,942   | (49,967 )    |
| Dividends declared                                                   |                                            |            |                             |          |              |
|                                                                      |                                            | (12,544 )  |                             | (4,895 ) | (17,439 )    |
| Transactions with noncontrolling interests<br>shareholders and other |                                            |            |                             |          |              |
|                                                                      |                                            | (76 )      |                             | (146 )   | (222 )       |
| Balance at September 30, 2010                                        | ¥                                          | 2,881,330  | ¥                           | 337,564  | ¥ 3,218,894  |
| Balance at March 31, 2011                                            |                                            |            |                             |          |              |
|                                                                      | ¥                                          | 2,547,987  | ¥                           | 388,592  | ¥ 2,936,579  |
| Exercise of stock acquisition rights                                 |                                            | 4          |                             | 62       | 66           |
| Stock based compensation                                             |                                            | 1,110      |                             |          | 1,110        |
| Comprehensive income:                                                |                                            |            |                             |          |              |
| Net income (loss)                                                    |                                            | (42,479 )  |                             | 19,801   | (22,678 )    |
| Other comprehensive income, net of tax                               |                                            |            |                             |          |              |
| Unrealized gains on securities                                       |                                            | 11,892     |                             | 7,203    | 19,095       |
| Unrealized gains on derivative instruments                           |                                            | 1,829      |                             |          | 1,829        |
| Pension liability adjustment                                         |                                            | 2,078      |                             |          | 2,078        |
| Foreign currency translation adjustments                             |                                            | (139,563 ) |                             | (1,162 ) | (140,725 )   |
| Total comprehensive income (loss)                                    |                                            | (166,243 ) |                             | 25,842   | (140,401 )   |
| Dividends declared                                                   |                                            |            |                             |          |              |
|                                                                      |                                            | (12,545 )  |                             | (6,101 ) | (18,646 )    |
| Transactions with noncontrolling interests<br>shareholders and other |                                            |            |                             |          |              |
|                                                                      |                                            | (1,468 )   |                             | 586      | (882 )       |
| Balance at September 30, 2011                                        | ¥                                          | 2,368,845  | ¥                           | 408,981  | ¥ 2,777,826  |

|                                      | Sony<br>Corporation's<br>stockholders'<br>equity |        | Noncontrolling<br>interests |       | Total equity |
|--------------------------------------|--------------------------------------------------|--------|-----------------------------|-------|--------------|
| Balance at March 31, 2011            | \$                                               | 33,091 | \$                          | 5,047 | \$ 38,138    |
| Exercise of stock acquisition rights |                                                  | -      |                             | 1     | 1            |

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|                                            |           |          |           |
|--------------------------------------------|-----------|----------|-----------|
| Stock based compensation                   | 14        |          | 14        |
| Comprehensive income:                      |           |          |           |
| Net income (loss)                          | (552)     | 256      | (296)     |
| Other comprehensive income, net of tax     |           |          |           |
| Unrealized gains on securities             | 154       | 94       | 248       |
| Unrealized gains on derivative instruments | 24        |          | 24        |
| Pension liability adjustment               | 27        |          | 27        |
| Foreign currency translation adjustments   | (1,813)   | (15)     | (1,828)   |
| Total comprehensive income (loss)          | (2,160)   | 335      | (1,825)   |
| Dividends declared                         |           |          |           |
| Dividends declared                         | (163)     | (79)     | (242)     |
| Transactions with noncontrolling interests |           |          |           |
| shareholders and other                     | (18)      | 8        | (10)      |
| Balance at September 30, 2011              | \$ 30,764 | \$ 5,312 | \$ 36,076 |

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## Consolidated Statements of Cash Flows

|                                                                                                                  | (Millions of yen, millions of U.S. dollars) |            |          |
|------------------------------------------------------------------------------------------------------------------|---------------------------------------------|------------|----------|
|                                                                                                                  | Six months ended September 30               |            |          |
|                                                                                                                  | 2010                                        | 2011       | 2011     |
| Cash flows from operating activities:                                                                            |                                             |            |          |
| Net income (loss)                                                                                                | ¥77,201                                     | ¥(22,678 ) | \$(295 ) |
| Adjustments to reconcile net income (loss) to net cash provided by operating activities-                         |                                             |            |          |
| Depreciation and amortization, including amortization of deferred insurance acquisition costs                    | 167,675                                     | 161,566    | 2,098    |
| Amortization of film costs                                                                                       | 106,755                                     | 77,394     | 1,005    |
| Stock-based compensation expense                                                                                 | 970                                         | 1,165      | 15       |
| Accrual for pension and severance costs, less payments                                                           | (9,274 )                                    | 127        | 2        |
| (Gain) loss on sale, disposal or impairment of assets and other, net                                             | (1,667 )                                    | 29,114     | 378      |
| Loss on devaluation of securities investments                                                                    | 6,683                                       | 814        | 11       |
| Loss on revaluation of marketable securities held in the financial service business for trading purpose, net     | 22,361                                      | 24,513     | 318      |
| Loss on revaluation or impairment of securities investments held in the financial service business, net          | 2,917                                       | 8,770      | 114      |
| Deferred income taxes                                                                                            | (5,794 )                                    | (15,759 )  | (205 )   |
| Equity in net (income) losses of affiliated companies, net of dividends                                          | (11,721 )                                   | 19,078     | 248      |
| Changes in assets and liabilities:                                                                               |                                             |            |          |
| (Increase) decrease in notes and accounts receivable, trade                                                      | 31,848                                      | (26,568 )  | (345 )   |
| Increase in inventories                                                                                          | (333,527 )                                  | (197,318 ) | (2,563 ) |
| Increase in film costs                                                                                           | (110,586 )                                  | (91,296 )  | (1,186 ) |
| Increase in notes and accounts payable, trade                                                                    | 165,059                                     | 75,387     | 979      |
| Increase in accrued income and other taxes                                                                       | 7,793                                       | 10,265     | 133      |
| Increase in future insurance policy benefits and other                                                           | 115,758                                     | 140,622    | 1,826    |
| Increase in deferred insurance acquisition costs                                                                 | (33,775 )                                   | (35,172 )  | (457 )   |
| Increase in marketable securities held in the financial service business for trading purpose                     | (13,559 )                                   | (16,304 )  | (212 )   |
| Increase in other current assets                                                                                 | (193,314 )                                  | (91,790 )  | (1,192 ) |
| Increase in other current liabilities                                                                            | 35,373                                      | 16,539     | 215      |
| Other                                                                                                            | 85,653                                      | 80,843     | 1,052    |
| Net cash provided by operating activities                                                                        | 112,829                                     | 149,312    | 1,939    |
| Cash flows from investing activities:                                                                            |                                             |            |          |
| Payments for purchases of fixed assets                                                                           | (130,919 )                                  | (184,209 ) | (2,392 ) |
| Proceeds from sales of fixed assets                                                                              | 6,950                                       | 6,124      | 80       |
| Payments for investments and advances by financial service business                                              | (974,501 )                                  | (503,407 ) | (6,538 ) |
| Payments for investments and advances (other than financial service business)                                    | (14,977 )                                   | (11,095 )  | (144 )   |
| Proceeds from sales or return of investments and collections of advances by financial service business           | 638,339                                     | 247,931    | 3,220    |
| Proceeds from sales or return of investments and collections of advances (other than financial service business) | 5,187                                       | 21,344     | 277      |
| Proceeds from sales of businesses                                                                                | 46,067                                      | 2,502      | 32       |
| Other                                                                                                            | 2,521                                       | 3,075      | 40       |

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|                                                                            |            |            |          |
|----------------------------------------------------------------------------|------------|------------|----------|
| Net cash used in investing activities                                      | (421,333 ) | (417,735 ) | (5,425 ) |
| Cash flows from financing activities:                                      |            |            |          |
| Proceeds from issuance of long-term debt                                   | 796        | 839        | 11       |
| Payments of long-term debt                                                 | (113,208 ) | (77,737 )  | (1,010 ) |
| Increase in short-term borrowings, net                                     | 21,119     | 77,897     | 1,012    |
| Increase in deposits from customers in the financial service business, net | 125,987    | 42,346     | 550      |
| Dividends paid                                                             | (12,498 )  | (12,505 )  | (162 )   |
| Other                                                                      | (5,066 )   | (6,890 )   | (90 )    |
| Net cash provided by financing activities                                  | 17,130     | 23,950     | 311      |
| Effect of exchange rate changes on cash and cash equivalents               | (63,022 )  | (50,919 )  | (661 )   |
| Net decrease in cash and cash equivalents                                  | (354,396 ) | (295,392 ) | (3,836 ) |
| Cash and cash equivalents at beginning of the fiscal year                  | 1,191,608  | 1,014,412  | 13,174   |
| Cash and cash equivalents at end of the period                             | ¥837,212   | ¥719,020   | \$9,338  |

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Business Segment  
Information

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

Three months ended September 30

| Sales and operating<br>revenue      | 2010        | 2011        | Change  | 2011      |
|-------------------------------------|-------------|-------------|---------|-----------|
| Consumer Products &<br>Services     |             |             |         |           |
| Customers                           | ¥ 862,971   | ¥ 756,247   | -12.4 % | \$ 9,821  |
| Intersegment                        | 25,982      | 23,461      |         | 305       |
| Total                               | 888,953     | 779,708     | -12.3   | 10,126    |
| Professional, Device &<br>Solutions |             |             |         |           |
| Customers                           | 273,127     | 264,846     | -3.0    | 3,440     |
| Intersegment                        | 145,965     | 108,541     |         | 1,409     |
| Total                               | 419,092     | 373,387     | -10.9   | 4,849     |
| Pictures                            |             |             |         |           |
| Customers                           | 144,785     | 169,251     | +16.9   | 2,198     |
| Intersegment                        | -           | 80          |         | 1         |
| Total                               | 144,785     | 169,331     | +17.0   | 2,199     |
| Music                               |             |             |         |           |
| Customers                           | 107,830     | 100,396     | -6.9    | 1,304     |
| Intersegment                        | 3,157       | 3,242       |         | 42        |
| Total                               | 110,987     | 103,638     | -6.6    | 1,346     |
| Financial Services                  |             |             |         |           |
| Customers                           | 219,476     | 183,359     | -16.5   | 2,381     |
| Intersegment                        | 2,396       | 740         |         | 10        |
| Total                               | 221,872     | 184,099     | -17.0   | 2,391     |
| All Other                           |             |             |         |           |
| Customers                           | 97,076      | 84,639      | -12.8   | 1,099     |
| Intersegment                        | 14,798      | 14,578      |         | 190       |
| Total                               | 111,874     | 99,217      | -11.3   | 1,289     |
| Corporate and<br>elimination        | (164,411 )  | (134,391 )  | -       | (1,746 )  |
| Consolidated total                  | ¥ 1,733,152 | ¥ 1,574,989 | -9.1 %  | \$ 20,454 |

Consumer Products & Services (“CPS”) intersegment amounts primarily consist of transactions with All Other. Professional, Device & Solutions (“PDS”) intersegment amounts primarily consist of transactions with the CPS segment. All Other intersegment amounts primarily consist of transactions with the Pictures segment, the Music segment and the CPS segment. Corporate and elimination includes certain brand and patent royalty income.

| Operating income (loss)                      | 2010     | 2011        | Change | 2011      |
|----------------------------------------------|----------|-------------|--------|-----------|
| Consumer Products & Services                 | ¥ 953    | ¥ (34,557 ) | - %    | \$ (449 ) |
| Professional, Device & Solutions             | 22,835   | (12,345 )   | -      | (160 )    |
| Pictures                                     | (4,824 ) | 20,604      | -      | 268       |
| Music                                        | 8,103    | 6,326       | -21.9  | 82        |
| Financial Services                           | 43,009   | 24,478      | -43.1  | 318       |
| Equity in net income (loss) of Sony Ericsson | 2,642    | (25 )       | -      | (0 )      |
| All Other                                    | 1,109    | (3,527 )    | -      | (47 )     |
| Total                                        | 73,827   | 954         | -98.7  | 12        |
| Corporate and elimination                    | (5,176 ) | (2,589 )    | -      | (33 )     |
| Consolidated total                           | ¥ 68,651 | ¥ (1,635 )  | - %    | \$ (21 )  |

The 2010 segment disclosure above has been restated to reflect the change in business segment classification discussed in Note 5. Operating income (loss) 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.

Business Segment  
Information(Millions of yen, millions of U.S. dollars)  
Six months ended September 30

| Sales and operating revenue                 | 2010        | 2011        | Change  | 2011      |
|---------------------------------------------|-------------|-------------|---------|-----------|
| <b>Consumer Products &amp; Services</b>     |             |             |         |           |
| Customers                                   | ¥ 1,735,143 | ¥ 1,470,864 | -15.2 % | \$ 19,102 |
| Intersegment                                | 45,442      | 41,109      |         | 534       |
| Total                                       | 1,780,585   | 1,511,973   | -15.1   | 19,636    |
| <b>Professional, Device &amp; Solutions</b> |             |             |         |           |
| Customers                                   | 540,863     | 487,979     | -9.8    | 6,337     |
| Intersegment                                | 248,924     | 195,090     |         | 2,534     |
| Total                                       | 789,787     | 683,069     | -13.5   | 8,871     |
| <b>Pictures</b>                             |             |             |         |           |
| Customers                                   | 276,870     | 313,627     | +13.3   | 4,073     |
| Intersegment                                | -           | 103         |         | 1         |
| Total                                       | 276,870     | 313,730     | +13.3   | 4,074     |
| <b>Music</b>                                |             |             |         |           |
| Customers                                   | 214,920     | 207,726     | -3.3    | 2,698     |
| Intersegment                                | 6,339       | 5,530       |         | 72        |
| Total                                       | 221,259     | 213,256     | -3.6    | 2,770     |
| <b>Financial Services</b>                   |             |             |         |           |
| Customers                                   | 386,074     | 384,262     | -0.5    | 4,990     |
| Intersegment                                | 4,793       | 1,475       |         | 20        |
| Total                                       | 390,867     | 385,737     | -1.3    | 5,010     |
| <b>All Other</b>                            |             |             |         |           |
| Customers                                   | 186,814     | 173,373     | -7.2    | 2,252     |
| Intersegment                                | 31,885      | 29,422      |         | 382       |
| Total                                       | 218,699     | 202,795     | -7.3    | 2,634     |
| <b>Corporate and elimination</b>            |             |             |         |           |
|                                             | (283,866 )  | (240,650 )  | -       | (3,126 )  |
| Consolidated total                          | ¥ 3,394,201 | ¥ 3,069,910 | -9.6 %  | \$ 39,869 |

Consumer Products & Services (“CPS”) intersegment amounts primarily consist of transactions with All Other. Professional, Device & Solutions (“PDS”) intersegment amounts primarily consist of transactions with the CPS segment. All Other intersegment amounts primarily consist of transactions with the Pictures segment, the Music segment and the CPS segment. Corporate and elimination includes certain brand and patent royalty income.

|                                  |           |             |         |           |  |
|----------------------------------|-----------|-------------|---------|-----------|--|
| Operating income                 |           |             |         |           |  |
| (loss)                           | 2010      | 2011        | Change  | 2011      |  |
| Consumer Products & Services     | ¥ 29,496  | ¥ (32,867 ) | - %     | \$ (427 ) |  |
| Professional, Device & Solutions | 40,590    | (10,007 )   | -       | (130 )    |  |
| Pictures                         | (1,964 )  | 24,906      | -       | 323       |  |
| Music                            | 15,596    | 18,420      | +18.1   | 239       |  |
| Financial Services               | 72,985    | 53,174      | -27.1   | 691       |  |
| Equity in net income             |           |             |         |           |  |
| (loss) of Sony Ericsson          | 3,224     | (3,081 )    | -       | (40 )     |  |
| All Other                        | (2,822 )  | (6,506 )    | -       | (84 )     |  |
| Total                            | 157,105   | 44,039      | -72.0   | 572       |  |
| Corporate and elimination        | (21,438 ) | (18,174 )   | -       | (236 )    |  |
| Consolidated total               | ¥ 135,667 | ¥ 25,865    | -80.9 % | \$ 336    |  |

The 2010 segment disclosure above has been restated to reflect the change in business segment classification discussed in Note 5. Operating income (loss) 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.

## Sales to Customers by Product Category

(Millions of yen, millions of U.S. dollars)  
Three months ended September 30

| Sales and operating revenue (to external customers) | 2010        | 2011        | Change  | 2011      |
|-----------------------------------------------------|-------------|-------------|---------|-----------|
| Consumer Products & Services                        |             |             |         |           |
| Televisions                                         | ¥ 260,820   | ¥ 214,038   | -17.9 % | \$ 2,780  |
| Home Audio and Video                                | 58,741      | 54,516      | -7.2    | 708       |
| Digital Imaging                                     | 162,492     | 142,829     | -12.1   | 1,855     |
| Personal and Mobile Products                        | 203,890     | 182,521     | -10.5   | 2,370     |
| Game                                                | 171,332     | 158,154     | -7.7    | 2,054     |
| Other                                               | 5,696       | 4,189       | -26.5   | 54        |
| Total                                               | 862,971     | 756,247     | -12.4   | 9,821     |
| Professional, Device & Solutions                    |             |             |         |           |
| Professional Solutions                              | 73,601      | 81,217      | +10.3   | 1,055     |
| Semiconductors                                      | 93,494      | 102,849     | +10.0   | 1,336     |
| Components                                          | 103,647     | 77,213      | -25.5   | 1,003     |
| Other                                               | 2,385       | 3,567       | +49.6   | 46        |
| Total                                               | 273,127     | 264,846     | -3.0    | 3,440     |
| Pictures                                            | 144,785     | 169,251     | +16.9   | 2,198     |
| Music                                               | 107,830     | 100,396     | -6.9    | 1,304     |
| Financial Services                                  | 219,476     | 183,359     | -16.5   | 2,381     |
| All Other                                           | 97,076      | 84,639      | -12.8   | 1,099     |
| Corporate                                           | 27,887      | 16,251      | -41.7   | 211       |
| Consolidated total                                  | ¥ 1,733,152 | ¥ 1,574,989 | -9.1 %  | \$ 20,454 |

(Millions of yen, millions of U.S. dollars)  
Six months ended September 30

| Sales and operating revenue (to external customers) | 2010      | 2011      | Change  | 2011     |
|-----------------------------------------------------|-----------|-----------|---------|----------|
| Consumer Products & Services                        |           |           |         |          |
| Televisions                                         | ¥ 552,755 | ¥ 455,774 | -17.5 % | \$ 5,919 |
| Home Audio and Video                                | 121,115   | 107,828   | -11.0   | 1,400    |
| Digital Imaging                                     | 334,723   | 273,878   | -18.2   | 3,557    |
| Personal and Mobile Products                        | 402,365   | 345,682   | -14.1   | 4,489    |
| Game                                                | 313,434   | 283,407   | -9.6    | 3,681    |
| Other                                               | 10,751    | 4,295     | -60.1   | 56       |
| Total                                               | 1,735,143 | 1,470,864 | -15.2   | 19,102   |
| Professional, Device & Solutions                    |           |           |         |          |
| Professional Solutions                              | 141,360   | 133,921   | -5.3    | 1,739    |
| Semiconductors                                      | 183,727   | 193,968   | +5.6    | 2,519    |
| Components                                          | 210,851   | 153,523   | -27.2   | 1,994    |
| Other                                               | 4,925     | 6,567     | +33.3   | 85       |
| Total                                               | 540,863   | 487,979   | -9.8    | 6,337    |

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|                    |             |             |        |           |
|--------------------|-------------|-------------|--------|-----------|
| Pictures           | 276,870     | 313,627     | +13.3  | 4,073     |
| Music              | 214,920     | 207,726     | -3.3   | 2,698     |
| Financial Services | 386,074     | 384,262     | -0.5   | 4,990     |
| All Other          | 186,814     | 173,373     | -7.2   | 2,252     |
| Corporate          | 53,517      | 32,079      | -40.1  | 417       |
| Consolidated total | ¥ 3,394,201 | ¥ 3,069,910 | -9.6 % | \$ 39,869 |

The above tables include a breakdown of CPS segment and PDS segment sales and operating revenue to customers which is shown in the Business Segment Information on pages F-6 and F-7. Sony management views the CPS segment and the PDS segment as single operating segments. However, Sony believes that the breakdown of CPS segment and PDS segment sales and operating revenue to customers in this table is useful to investors in understanding sales by the 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, 2012. In connection with the realignment, all prior period sales amounts by product category in the tables above have been restated to conform to the current presentation.

In the CPS segment, Televisions includes LCD televisions; Home Audio and Video includes home audio, Blu-ray disc players and recorders; Digital Imaging includes compact digital cameras, video cameras and interchangeable single lens cameras; Personal and Mobile Products includes personal computers and memory-based portable audio devices; and Game includes game consoles, software and online services.

In the PDS segment, Professional Solutions includes broadcast- and professional-use products; Semiconductors includes image sensors and small- and medium-sized LCD panels; and Components includes batteries, recording media and data recording systems.

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## Geographic Information

(Millions of yen, millions of U.S. dollars)  
Three months ended September 30

| Sales and operating revenue (to external customers) | 2010        | 2011        | Change  | 2011      |
|-----------------------------------------------------|-------------|-------------|---------|-----------|
| Japan                                               | ¥ 538,176   | ¥ 482,461   | -10.4 % | \$ 6,266  |
| United States                                       | 337,425     | 296,556     | -12.1   | 3,851     |
| Europe                                              | 348,018     | 293,486     | -15.7   | 3,811     |
| China                                               | 156,306     | 154,041     | -1.4    | 2,001     |
| Asia-Pacific                                        | 175,062     | 155,177     | -11.4   | 2,015     |
| Other Areas                                         | 178,165     | 193,268     | +8.5    | 2,510     |
| Total                                               | ¥ 1,733,152 | ¥ 1,574,989 | -9.1 %  | \$ 20,454 |

(Millions of yen, millions of U.S. dollars)  
Six months ended September 30

| Sales and operating revenue (to external customers) | 2010        | 2011        | Change | 2011      |
|-----------------------------------------------------|-------------|-------------|--------|-----------|
| Japan                                               | ¥ 994,273   | ¥ 968,474   | -2.6 % | \$ 12,578 |
| United States                                       | 697,464     | 570,954     | -18.1  | 7,415     |
| Europe                                              | 678,650     | 560,328     | -17.4  | 7,277     |
| China                                               | 299,759     | 268,207     | -10.5  | 3,483     |
| Asia-Pacific                                        | 364,060     | 331,222     | -9.0   | 4,302     |
| Other Areas                                         | 359,995     | 370,725     | +3.0   | 4,814     |
| Total                                               | ¥ 3,394,201 | ¥ 3,069,910 | -9.6 % | \$ 39,869 |

The 2010 geographic information in the tables 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, United States and China are as follows:

- (1) Europe: United Kingdom, France, Germany, Russia and Spain
- (2) Asia-Pacific: 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 the Financial Services segment, including noncontrolling interests, are included in those respective presentations, then eliminated in the consolidated figures shown below.

## Condensed Balance Sheet

|                                                 |   | (Millions of yen, millions of U.S. dollars) |              |           |
|-------------------------------------------------|---|---------------------------------------------|--------------|-----------|
| Financial Services                              |   | March 31                                    | September 30 |           |
| ASSETS                                          |   | 2011                                        | 2011         | 2011      |
| Current assets:                                 |   |                                             |              |           |
| Cash and cash equivalents                       | ¥ | 167,009                                     | ¥ 143,830    | \$ 1,868  |
| Marketable securities                           |   | 643,171                                     | 578,701      | 7,516     |
| Other                                           |   | 146,566                                     | 149,959      | 1,947     |
|                                                 |   | 956,746                                     | 872,490      | 11,331    |
| Investments and advances                        |   | 5,580,418                                   | 5,880,178    | 76,366    |
| Property, plant and equipment                   |   | 30,034                                      | 13,004       | 169       |
| Other assets:                                   |   |                                             |              |           |
| Deferred insurance acquisition costs            |   | 428,262                                     | 429,454      | 5,577     |
| Other                                           |   | 66,944                                      | 42,406       | 551       |
|                                                 |   | 495,206                                     | 471,860      | 6,128     |
|                                                 | ¥ | 7,062,404                                   | ¥ 7,237,532  | \$ 93,994 |
| LIABILITIES AND EQUITY                          |   |                                             |              |           |
| Current liabilities:                            |   |                                             |              |           |
| Short-term borrowings                           | ¥ | 23,191                                      | ¥ 13,343     | \$ 173    |
| Notes and accounts payable, trade               |   | 1,705                                       | 1,308        | 17        |
| Deposits from customers in the banking business |   | 1,647,752                                   | 1,644,317    | 21,355    |
| Other                                           |   | 209,168                                     | 208,804      | 2,712     |
|                                                 |   | 1,881,816                                   | 1,867,772    | 24,257    |
| Long-term debt                                  |   | 16,936                                      | 6,727        | 87        |
| Future insurance policy benefits and other      |   | 4,225,373                                   | 4,403,792    | 57,192    |
| Other                                           |   | 209,040                                     | 218,657      | 2,840     |
| Total liabilities                               |   | 6,333,165                                   | 6,496,948    | 84,376    |
| Equity:                                         |   |                                             |              |           |
| Stockholders' equity of Financial Services      |   | 727,955                                     | 738,639      | 9,593     |
| Noncontrolling interests                        |   | 1,284                                       | 1,945        | 25        |
| Total equity                                    |   | 729,239                                     | 740,584      | 9,618     |
|                                                 | ¥ | 7,062,404                                   | ¥ 7,237,532  | \$ 93,994 |

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|                                                         |   | (Millions of yen, millions of U.S. dollars) |              |           |
|---------------------------------------------------------|---|---------------------------------------------|--------------|-----------|
| Sony without Financial Services                         |   | March 31                                    | September 30 |           |
| ASSETS                                                  |   | 2011                                        | 2011         | 2011      |
| Current assets:                                         |   |                                             |              |           |
| Cash and cash equivalents                               | ¥ | 847,403                                     | ¥ 575,190    | \$ 7,470  |
| Marketable securities                                   |   | 3,000                                       | 3,451        | 44        |
| Notes and accounts receivable, trade                    |   | 742,297                                     | 720,252      | 9,354     |
| Other                                                   |   | 1,314,419                                   | 1,465,167    | 19,029    |
|                                                         |   | 2,907,119                                   | 2,764,060    | 35,897    |
|                                                         |   |                                             |              |           |
| Film costs                                              |   | 275,389                                     | 267,372      | 3,472     |
| Investments and advances                                |   | 345,660                                     | 307,852      | 3,998     |
| Investments in Financial Services, at cost              |   | 115,806                                     | 115,773      | 1,504     |
| Property, plant and equipment                           |   | 894,834                                     | 915,391      | 11,888    |
| Other assets                                            |   | 1,526,389                                   | 1,430,048    | 18,572    |
|                                                         | ¥ | 6,065,197                                   | ¥ 5,800,496  | \$ 75,331 |
| LIABILITIES AND EQUITY                                  |   |                                             |              |           |
| Current liabilities:                                    |   |                                             |              |           |
| Short-term borrowings                                   | ¥ | 152,664                                     | ¥ 387,516    | \$ 5,033  |
| Notes and accounts payable, trade                       |   | 791,570                                     | 824,184      | 10,704    |
| Other                                                   |   | 1,320,741                                   | 1,239,805    | 16,101    |
|                                                         |   | 2,264,975                                   | 2,451,505    | 31,838    |
|                                                         |   |                                             |              |           |
| Long-term debt                                          |   | 799,389                                     | 613,736      | 7,971     |
| Accrued pension and severance costs                     |   | 257,395                                     | 250,419      | 3,252     |
| Other                                                   |   | 401,938                                     | 314,827      | 4,088     |
| Total liabilities                                       |   | 3,723,697                                   | 3,630,487    | 47,149    |
|                                                         |   |                                             |              |           |
| Redeemable noncontrolling interest                      |   | 19,323                                      | 17,963       | 233       |
| Equity:                                                 |   |                                             |              |           |
| Stockholders' equity of Sony without Financial Services |   | 2,217,106                                   | 2,043,405    | 26,538    |
| Noncontrolling interests                                |   | 105,071                                     | 108,641      | 1,411     |
| Total equity                                            |   | 2,322,177                                   | 2,152,046    | 27,949    |
|                                                         | ¥ | 6,065,197                                   | ¥ 5,800,496  | \$ 75,331 |

|                                      |   | (Millions of yen, millions of U.S. dollars) |              |          |
|--------------------------------------|---|---------------------------------------------|--------------|----------|
| Consolidated                         |   | March 31                                    | September 30 |          |
| ASSETS                               |   | 2011                                        | 2011         | 2011     |
| Current assets:                      |   |                                             |              |          |
| Cash and cash equivalents            | ¥ | 1,014,412                                   | ¥ 719,020    | \$ 9,338 |
| Marketable securities                |   | 646,171                                     | 582,152      | 7,560    |
| Notes and accounts receivable, trade |   | 743,690                                     | 720,928      | 9,362    |
| Other                                |   | 1,439,773                                   | 1,599,148    | 20,769   |
|                                      |   | 3,844,046                                   | 3,621,248    | 47,029   |
|                                      |   |                                             |              |          |
| Film costs                           |   | 275,389                                     | 267,372      | 3,472    |

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|                                                 |              |              |            |
|-------------------------------------------------|--------------|--------------|------------|
| Investments and advances                        | 5,892,655    | 6,155,517    | 79,942     |
| Property, plant and equipment                   | 924,868      | 928,395      | 12,057     |
| Other assets:                                   |              |              |            |
| Deferred insurance acquisition costs            | 428,262      | 429,454      | 5,577      |
| Other                                           | 1,559,768    | 1,467,846    | 19,064     |
|                                                 | 1,988,030    | 1,897,300    | 24,641     |
|                                                 | ¥ 12,924,988 | ¥ 12,869,832 | \$ 167,141 |
| <b>LIABILITIES AND EQUITY</b>                   |              |              |            |
| Current liabilities:                            |              |              |            |
| Short-term borrowings                           | ¥ 163,351    | ¥ 391,453    | \$ 5,084   |
| Notes and accounts payable, trade               | 793,275      | 825,492      | 10,721     |
| Deposits from customers in the banking business | 1,647,752    | 1,644,317    | 21,355     |
| Other                                           | 1,522,601    | 1,442,718    | 18,736     |
|                                                 | 4,126,979    | 4,303,980    | 55,896     |
| Long-term debt                                  | 812,235      | 616,855      | 8,011      |
| Accrued pension and severance costs             | 271,320      | 265,139      | 3,443      |
| Future insurance policy benefits and other      | 4,225,373    | 4,403,792    | 57,192     |
| Other                                           | 533,179      | 484,277      | 6,290      |
| Total liabilities                               | 9,969,086    | 10,074,043   | 130,832    |
| Redeemable noncontrolling interest              | 19,323       | 17,963       | 233        |
| Equity:                                         |              |              |            |
| Sony Corporation's stockholders' equity         | 2,547,987    | 2,368,845    | 30,764     |
| Noncontrolling interests                        | 388,592      | 408,981      | 5,312      |
| Total equity                                    | 2,936,579    | 2,777,826    | 36,076     |
|                                                 | ¥ 12,924,988 | ¥ 12,869,832 | \$ 167,141 |

## Condensed Statements of Income

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

## Financial Services

Three months ended September 30

|                                            | 2010      | 2011      | Change  |    | 2011  |
|--------------------------------------------|-----------|-----------|---------|----|-------|
| Financial services revenue                 | ¥ 221,872 | ¥ 184,099 | -17.0 % | \$ | 2,391 |
| Financial services expenses                | 178,484   | 159,262   | -10.8   |    | 2,069 |
| Equity in net loss of affiliated companies | (379 )    | (359 )    | -       |    | (4 )  |
| Operating income                           | 43,009    | 24,478    | -43.1   |    | 318   |
| Other income (expenses), net               | 5         | 104       | -       |    | 1     |
| Income before income taxes                 | 43,014    | 24,582    | -42.9   |    | 319   |
| Income taxes and other                     | 16,339    | 8,083     | -50.5   |    | 105   |
| Net income of Financial Services           | ¥ 26,675  | ¥ 16,499  | -38.1 % | \$ | 214   |

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

## Sony without Financial Services

Three months ended September 30

|                                                      | 2010        | 2011        | Change |    | 2011   |
|------------------------------------------------------|-------------|-------------|--------|----|--------|
| Net sales and operating revenue                      | ¥ 1,515,132 | ¥ 1,392,504 | -8.1 % | \$ | 18,084 |
| Costs and expenses                                   | 1,495,538   | 1,420,715   | -5.0   |    | 18,450 |
| Equity in net income of affiliated companies         | 5,448       | 1,481       | -72.8  |    | 19     |
| Operating income (loss)                              | 25,042      | (26,730 )   | -      |    | (347 ) |
| Other income (expenses), net                         | (5,348 )    | 2,243       | -      |    | 29     |
| Income (loss) before income taxes                    | 19,694      | (24,487 )   | -      |    | (318 ) |
| Income taxes and other                               | 6,573       | 12,841      | +95.4  |    | 167    |
| Net income (loss) of Sony without Financial Services | ¥ 13,121    | ¥ (37,328 ) | - %    | \$ | (485 ) |

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

## Consolidated

Three months ended September 30

|                                                                   | 2010      | 2011        | Change  |    | 2011   |
|-------------------------------------------------------------------|-----------|-------------|---------|----|--------|
| Financial services revenue                                        | ¥ 219,476 | ¥ 183,359   | -16.5 % | \$ | 2,381  |
| Net sales and operating revenue                                   | 1,513,676 | 1,391,630   | -8.1    |    | 18,073 |
|                                                                   | 1,733,152 | 1,574,989   | -9.1    |    | 20,454 |
| Costs and expenses                                                | 1,669,570 | 1,577,746   | -5.5    |    | 20,490 |
| Equity in net income of affiliated companies                      | 5,069     | 1,122       | -77.9   |    | 15     |
| Operating income (loss)                                           | 68,651    | (1,635 )    | -       |    | (21 )  |
| Other income (expenses), net                                      | (5,942 )  | 1,730       | -       |    | 22     |
| Income before income taxes                                        | 62,709    | 95          | -99.8   |    | 1      |
| Income taxes and other                                            | 31,563    | 27,072      | -14.2   |    | 351    |
| Net income (loss) attributable to Sony Corporation's stockholders | ¥ 31,146  | ¥ (26,977 ) | - %     | \$ | (350 ) |

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## Condensed Statements of Income

|                                            |           | (Millions of yen, millions of U.S. dollars) |         |    |       |
|--------------------------------------------|-----------|---------------------------------------------|---------|----|-------|
| Financial Services                         |           | Six months ended September 30               |         |    |       |
|                                            | 2010      | 2011                                        | Change  |    | 2011  |
| Financial services revenue                 | ¥ 390,867 | ¥ 385,737                                   | -1.3 %  | \$ | 5,010 |
| Financial services expenses                | 317,059   | 331,828                                     | +4.7    |    | 4,310 |
| Equity in net loss of affiliated companies | (823 )    | (735 )                                      | -       |    | (9 )  |
| Operating income                           | 72,985    | 53,174                                      | -27.1   |    | 691   |
| Other income (expenses), net               | 14        | 151                                         | +978.6  |    | 2     |
| Income before income taxes                 | 72,999    | 53,325                                      | -27.0   |    | 693   |
| Income taxes and other                     | 27,650    | 18,476                                      | -33.2   |    | 240   |
| Net income of Financial Services           | ¥ 45,349  | ¥ 34,849                                    | -23.2 % | \$ | 453   |

|                                                      |             | (Millions of yen, millions of U.S. dollars) |         |    |           |
|------------------------------------------------------|-------------|---------------------------------------------|---------|----|-----------|
| Sony without Financial Services                      |             | Six months ended September 30               |         |    |           |
|                                                      | 2010        | 2011                                        | Change  |    | 2011      |
| Net sales and operating revenue                      | ¥ 3,010,712 | ¥ 2,687,374                                 | -10.7 % | \$ | 34,901    |
| Costs and expenses                                   | 2,961,803   | 2,712,930                                   | -8.4    |    | 35,233    |
| Equity in net income (loss) of affiliated companies  | 12,556      | (2,978 )                                    | -       |    | (39 )     |
| Operating income (loss)                              | 61,465      | (28,534 )                                   | -       |    | (371 )    |
| Other income (expenses), net                         | 11,118      | 3,701                                       | -66.7   |    | 48        |
| Income (loss) before income taxes                    | 72,583      | (24,833 )                                   | -       |    | (323 )    |
| Income taxes and other                               | 40,612      | 33,779                                      | -16.8   |    | 438       |
| Net income (loss) of Sony without Financial Services | ¥ 31,971    | ¥ (58,612 )                                 | -       | %  | \$ (761 ) |

|                                                                   |           | (Millions of yen, millions of U.S. dollars) |        |    |           |
|-------------------------------------------------------------------|-----------|---------------------------------------------|--------|----|-----------|
| Consolidated                                                      |           | Six months ended September 30               |        |    |           |
|                                                                   | 2010      | 2011                                        | Change |    | 2011      |
| Financial services revenue                                        | ¥ 386,074 | ¥ 384,262                                   | -0.5 % | \$ | 4,990     |
| Net sales and operating revenue                                   | 3,008,127 | 2,685,648                                   | -10.7  |    | 34,879    |
|                                                                   | 3,394,201 | 3,069,910                                   | -9.6   |    | 39,869    |
| Costs and expenses                                                | 3,270,267 | 3,040,332                                   | -7.0   |    | 39,485    |
| Equity in net income (loss) of affiliated companies               | 11,733    | (3,713 )                                    | -      |    | (48 )     |
| Operating income                                                  | 135,667   | 25,865                                      | -80.9  |    | 336       |
| Other income (expenses), net                                      | 5,953     | (2,651 )                                    | -      |    | (35 )     |
| Income before income taxes                                        | 141,620   | 23,214                                      | -83.6  |    | 301       |
| Income taxes and other                                            | 84,737    | 65,693                                      | -22.5  |    | 853       |
| Net income (loss) attributable to Sony Corporation's stockholders | ¥ 56,883  | ¥ (42,479 )                                 | -      | %  | \$ (552 ) |



## Condensed Statements of Cash Flows

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

## Financial Services

Six months ended September 30

|                                                           | 2010       | 2011       | 2011     |
|-----------------------------------------------------------|------------|------------|----------|
| Net cash provided by operating activities                 | ¥ 190,773  | ¥ 207,220  | \$ 2,691 |
| Net cash used in investing activities                     | (346,450 ) | (258,014 ) | (3,351 ) |
| Net cash provided by financing activities                 | 102,299    | 27,615     | 359      |
| Net decrease in cash and cash equivalents                 | (53,378 )  | (23,179 )  | (301 )   |
| Cash and cash equivalents at beginning of the fiscal year | 206,742    | 167,009    | 2,169    |
| Cash and cash equivalents at end of the period            | ¥ 153,364  | ¥ 143,830  | \$ 1,868 |

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

## Sony without Financial Services

Six months ended September 30

|                                                              | 2010        | 2011        | 2011      |
|--------------------------------------------------------------|-------------|-------------|-----------|
| Net cash used in operating activities                        | ¥ (71,997 ) | ¥ (49,611 ) | \$ (644 ) |
| Net cash used in investing activities                        | (46,498 )   | (155,679 )  | (2,022 )  |
| Net cash used in financing activities                        | (119,501 )  | (16,004 )   | (208 )    |
| Effect of exchange rate changes on cash and cash equivalents | (63,022 )   | (50,919 )   | (661 )    |
| Net decrease in cash and cash equivalents                    | (301,018 )  | (272,213 )  | (3,535 )  |
| Cash and cash equivalents at beginning of the fiscal year    | 984,866     | 847,403     | 11,005    |
| Cash and cash equivalents at end of the period               | ¥ 683,848   | ¥ 575,190   | \$ 7,470  |

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

## Consolidated

Six months ended September 30

|                                                              | 2010       | 2011       | 2011     |
|--------------------------------------------------------------|------------|------------|----------|
| Net cash provided by operating activities                    | ¥ 112,829  | ¥ 149,312  | \$ 1,939 |
| Net cash used in investing activities                        | (421,333 ) | (417,735 ) | (5,425 ) |
| Net cash provided by financing activities                    | 17,130     | 23,950     | 311      |
| Effect of exchange rate changes on cash and cash equivalents | (63,022 )  | (50,919 )  | (661 )   |
| Net decrease in cash and cash equivalents                    | (354,396 ) | (295,392 ) | (3,836 ) |
| Cash and cash equivalents at beginning of the fiscal year    | 1,191,608  | 1,014,412  | 13,174   |
| Cash and cash equivalents at end of the period               | ¥ 837,212  | ¥ 719,020  | \$ 9,338 |

(Notes)

1. U.S. dollar amounts have been translated from yen, for convenience only, at the rate of ¥77 = U.S. \$1, the approximate Tokyo foreign exchange market rate as of September 30, 2011.
2. As of September 30, 2011, Sony had 1,276 consolidated subsidiaries (including variable interest entities) and 88 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 September 30 |           |
| Net income (loss) attributable to Sony Corporation's stockholders | 2010                            | 2011      |
| — Basic                                                           | 1,003,556                       | 1,003,582 |
| — Diluted                                                         | 1,004,698                       | 1,003,582 |
|                                                                   |                                 |           |
| Weighted-average number of outstanding shares                     | (Thousands of shares)           |           |
|                                                                   | Six months ended September 30   |           |
| Net income (loss) attributable to Sony Corporation's stockholders | 2010                            | 2011      |
| — Basic                                                           | 1,003,547                       | 1,003,577 |
| — Diluted                                                         | 1,004,851                       | 1,003,577 |

The dilutive effect in the weighted-average number of outstanding shares mainly resulted from convertible bonds. All potential shares were excluded as anti-dilutive for the three and six months ended September 30, 2011 due to Sony incurring a net loss attributable to Sony Corporation's stockholders for those periods.

4. Recently adopted accounting pronouncements:

Goodwill impairment testing for reporting units with zero or negative carrying amounts -

In December 2010, the Financial Accounting Standards Board ("FASB") issued new accounting guidance that modifies the first step of the goodwill impairment test for reporting units with zero or negative carrying amounts. For those reporting units, an entity is required to perform the second step of the goodwill impairment test if it is more likely than not that a goodwill impairment exists. In determining whether it is more likely than not that a goodwill impairment exists, an entity should consider whether there are any adverse qualitative factors indicating that an impairment may exist. The qualitative factors are consistent with existing authoritative guidance, which requires that goodwill of a reporting unit be tested for impairment between annual tests if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying amount. This guidance is effective for Sony as of April 1, 2011. The adoption of this guidance did not have a material impact on Sony's results of operations and financial position.

Disclosure of supplementary pro forma information for business combinations -

In December 2010, the FASB issued new accounting guidance addressing when a business combination should be assumed to have occurred for the purpose of providing pro forma disclosure. The new guidance requires disclosure of revenue and income of the combined entity as though the business combination occurred as of the beginning of the comparable prior reporting period. The guidance also expands the supplemental pro forma disclosure to include a description of the nature and amount of material, nonrecurring pro forma adjustments directly attributable to the business combination included in the reported pro forma revenue and earnings. The guidance is effective for Sony as of April 1, 2011. Since this guidance impacts disclosures only, its adoption 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, 2012, to reflect modifications to the organizational structure as of April 1, 2011, primarily repositioning the operations of the previously reported Consumer, Professional & Devices (“CPD”) and Networked Products & Services (“NPS”) segments. In connection with this realignment, the operations of the former CPD and NPS segments are included in two newly established segments, namely the Consumer Products & Services (“CPS”) segment and the Professional, Device & Solution (“PDS”) segment. The CPS segment includes televisions, home audio and video, digital imaging, personal and mobile products, and the game business. The equity results of S-LCD Corporation are also included within the CPS segment. The PDS segment includes professional solutions, semiconductors and components. There are no modifications to the Pictures, Music and Financial Services segments and All Other is substantially unchanged. The equity results of 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 restated to conform to the current presentation.
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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 is separately reported from the provision based on the ETR in the interim period in which they occur.
7. In the first quarter of the fiscal year ending March 31, 2012, Sony recorded an out of period adjustment to correct an error in the calculation of indirect taxes at a subsidiary. The indirect tax calculation error began in 2005 and continued until it was identified by Sony in the first quarter of the fiscal year ending March 31, 2012. The adjustment, substantially all of which related to the Consumer Products & Services segment, impacted net sales, selling, general and administrative expenses and interest expenses and, in the aggregate, decreased income before income taxes in consolidated statements of income by 4,413 million yen for the six months ended September 30, 2011. Sony determined that the adjustment was not material to the consolidated financial statements for the three and six months ended September 30, 2011 or any prior annual or interim periods, and is not expected to be material to the annual results for the year ending March 31, 2012.

## Other Consolidated Financial Data

(Millions of yen, millions of U.S. dollars)  
Three months ended September 30

|                                                                     | 2010     | 2011     | 2011   |
|---------------------------------------------------------------------|----------|----------|--------|
| Capital expenditures (additions to property, plant and equipment) ¥ | 35,726   | ¥ 67,439 | \$ 876 |
| Depreciation and amortization expenses*1                            | 80,851   | 83,372   | 1,083  |
| (Depreciation expenses for property, plant and equipment)           | (51,974) | (50,609) | (657)  |
| Research and development expenses                                   | 106,943  | 108,138  | 1,404  |

(Millions of yen, millions of U.S. dollars)  
Six months ended September 30

|                                                                        | 2010      | 2011      | 2011     |
|------------------------------------------------------------------------|-----------|-----------|----------|
| Capital expenditures (additions to property, plant and equipment) *2 ¥ | 86,065    | ¥ 168,178 | \$ 2,184 |
| Depreciation and amortization expenses*1                               | 167,675   | 161,566   | 2,098    |
| (Depreciation expenses for property, plant and equipment)              | (105,071) | (100,193) | (1,301)  |
| Research and development expenses                                      | 206,013   | 204,267   | 2,653    |

\*1 Including amortization expenses for intangible assets and for deferred insurance acquisition costs.

\*2 Including acquisition of semiconductor fabrication equipment of 51,083 million yen from Toshiba Corporation on April 1, 2011.

(Subsequent events)

(1) Acquisition of Sony Ericsson

On October 27, 2011, Sony Corporation and Telefonaktiebolaget LM Ericsson (“Ericsson”) announced that Sony Corporation will acquire Ericsson’s 50 percent stake in Sony Ericsson Mobile Communications AB (“Sony Ericsson”), making the mobile handset business a wholly-owned subsidiary of Sony Corporation. The transaction also provides Sony Corporation with a broad intellectual property cross-licensing agreement covering all products and services of Sony Corporation as well as ownership of five essential patent families relating to wireless handset technology. As part of the transaction, Ericsson will receive a cash consideration of EUR 1.05 billion.

The transaction is expected to close in January 2012, subject to customary closing conditions, including regulatory approvals. As a result of obtaining full control of Sony Ericsson, Sony will consolidate Sony Ericsson from the closing date of the acquisition.

(2) Thailand floods

In October 2011, certain of Sony’s Thailand subsidiaries in the CPS and PDS segments shut down operations due to significant floods. Insurance policies exist for certain flood related losses. The resulting impact of the loss for fixed assets and inventory, and the potential insurance recoveries, if any, to Sony’s consolidated results for the fiscal year ending on March 31, 2012 is currently being evaluated.

(3) Issuance of bonds

On October 25, 2011, Sony Financial Holdings Inc., a subsidiary of Sony Corporation, issued 10 billion yen of unsecured corporate bonds under its domestic bond shelf registration. The bonds have interest rate and maturity date as follows:

| Amount         | Interest rate    | Maturity date    |
|----------------|------------------|------------------|
| 10 billion yen | 0.545% per annum | October 28, 2016 |