SONY CORP
Form 6-K
May 13, 2010
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 May 2010
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/ Nobuyuki Oneda
(Signature)
Nobuyuki Oneda
Executive Deputy President and
Chief Financial Officer

Date: May 13, 2010

List of materials

Documents attached hereto:

i) Press release entitled Consolidated Financial Results for the Fiscal Year Ended March 31, 2010

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

News & Information

No.10-063E
3:00 P.M. JST, May 13, 2010

Consolidated Financial Results
for the Fiscal Year Ended March 31, 2010

Tokyo, May 13, 2010 -- Sony Corporation today announced its consolidated results for the fiscal year ended March 31, 2010 (April 1, 2009 to March 31, 2010).

- Operating income of ¥31.8 billion was achieved, compared to an operating loss in the previous fiscal year.
- The Financial Services segment and the Consumer Products & Devices segment, in particular LCD televisions, contributed to the improvement in operating results year-on-year.
- Cash flow from operating and investing activities combined was positive and exceeded ¥300 billion excluding the Financial Services segment's activities.
- In the forecast for the fiscal year ending March 31, 2011, Sony expects consolidated operating income to increase significantly year-on-year. Sony also plans to aggressively launch 3D-related products, network services and other new businesses with the aim of future growth.

(Billions of yen, millions of U.S. dollars, except per share amounts)
Fiscal year ended March 31

	2009	2010	Change in yen	2010*
Sales and operating revenue	¥7,730.0	¥7,214.0	-6.7 %	$77,570
Operating income (loss)	(227.8)	31.8	-	342
Income (loss) before income taxes	(175.0)	26.9	-	289
Net income (loss) attributable to Sony Corporation's stockholders **	(98.9)	(40.8)	-	(439)
Net income (loss) attributable to Sony Corporation's stockholders per share of common stock:				
- Basic and Diluted	¥(98.59)	¥(40.66)	-	$(0.44)

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

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

	Fiscal year ended March 31			
	2009	2010	Change in yen	2010
Operating income (loss)	¥(227.8)	¥31.8	- %	$342
Less: Equity in net income (loss) of affiliated companies	(25.1)	(30.2)	-	(325)
Add: Restructuring charges recorded within operating expenses	75.4	124.3	+64.9	1,337
Add: LCD television asset impairment ***	-	27.1	-	291
Operating income (loss), as adjusted	¥(127.3)	¥213.4	-	$2,295

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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 (loss) in accordance with U.S. GAAP.

* U.S. dollar amounts have been translated from yen, for convenience only, at the rate of ¥93=U.S. $1, the approximate Tokyo foreign exchange market rate as of March 31, 2010.

** Net income (loss) attributable to Sony Corporation's stockholders is equivalent to net income (loss) in the consolidated financial statements for the fiscal years ended March 31, 2009 and prior. Modification of the presentation format of the consolidated statement of income is required by new accounting guidance for noncontrolling interests in consolidated financial statements, which Sony adopted effective April 1, 2009.

*** The ¥27.1 billion loss on impairment, a non-cash charge recorded within operating income, primarily reflects a decrease in the estimated fair value of property, plant and equipment and certain intangible assets. Management's strategic plans updated in the fourth quarter of the fiscal year ended March 31, 2010 resulted in decreases in the assets' estimated service periods and corresponding estimated future cash flows leading to the impairment charge. Sony has excluded the loss on impairment from restructuring charges as it is not directly related to Sony's ongoing restructuring initiatives. Sony defines restructuring initiatives as activities initiated by Sony, such as exiting a business or product category or implementing a headcount reduction program, which are designed to generate a positive impact on future profitability.

Consolidated Results for the Fiscal Year Ended March 31, 2010

Sales and operating revenue ("sales") was ¥7,214.0 billion ($77,570 million), a decrease of 6.7% compared to the previous fiscal year ("year-on-year") primarily due to a decrease in sales in the Consumer Products & Devices ("CPD") segment, partially offset by an increase in revenue in the Financial Services segment.

During the fiscal year ended March 31, 2010, the average rate of the yen was ¥91.8 against the U.S. dollar and ¥129.7 against the euro, which was 8.4% and 9.5% higher, respectively, than the prior year. On a local currency basis, sales decreased 1% year-on-year. For references to sales on a local currency basis, see Note on page 10.

Operating income was ¥31.8 billion ($342 million), an improvement of ¥259.6 billion year-on-year. Operating results improved significantly primarily due to an improvement in operating results in the Financial Services segment, and both an improvement in the cost of sales ratio and a reduction in selling, general and administrative expenses mainly in the CPD segment. Excluding equity in net loss of affiliated companies, restructuring charges and a non-cash charge related to LCD television asset impairment, operating income on an as adjusted basis improved ¥340.7 billion to ¥213.4 billion ($2,295 million).

Equity in net loss of affiliated companies, recorded within operating income, was ¥30.2 billion ($325 million), an increased loss of ¥5.1 billion year-on-year. Sony recorded equity in net loss for Sony Ericsson Mobile Communication AB ("Sony Ericsson") of ¥34.5 billion ($371 million) compared to equity in net loss of ¥30.3 billion in the previous fiscal year. Equity in net income for S-LCD Corporation ("S-LCD"), a joint venture with Samsung Electronics Co., Ltd., decreased ¥6.5 billion year-on-year to ¥0.4 billion ($4 million).

The net effect of other income and expenses was an expense of ¥4.9 billion ($53 million), a deterioration of ¥57.7 billion year-on-year, primarily due to the recording of a net foreign exchange loss in the current fiscal year versus a significant net foreign exchange gain recorded in the prior fiscal year.

Income before income taxes of ¥26.9 billion ($289 million) was recorded, an improvement of ¥201.9 billion year-on-year.

Income taxes: During the current fiscal year, Sony recorded ¥14.0 billion ($150 million) of income taxes resulting in an effective tax rate of 51.9%. This was primarily due to the impact of equity investments reported net of income taxes, partially offset by lower effective tax rates on profits in the insurance business.

Net loss attributable to Sony Corporation's stockholders, which excludes net income attributable to noncontrolling interests, was ¥40.8 billion ($439 million), a ¥58.1 billion improvement year-on-year.

Operating Performance Highlights by Business Segment

Sony realigned its reportable segments from the first quarter of the fiscal year ended March 31, 2010 to reflect its reorganization as of April 1, 2009, primarily repositioning operations previously reported within the Electronics and Game segments and establishing the CPD, Networked Products & Services ("NPS") and B2B & Disc Manufacturing ("B2B & Disc") segments. The CPD segment includes products such as televisions, digital imaging, audio and video, semiconductors and components. The equity results of S-LCD are also included within the CPD segment. The NPS segment includes the game business as well as PCs and other networked businesses. The B2B & Disc segment is comprised of the B2B business, including broadcast- and professional-use products, as well as Blu-ray DiscTM, DVD and CD disc manufacturing.

Additionally, Music is a new reportable segment effective from the first quarter of the fiscal year ended March 31, 2010. The Music segment includes Sony Music Entertainment ("SME"), Sony Music Entertainment (Japan) Inc. ("SMEJ"), and a 50% owned U.S.-based joint venture in the music publishing business, Sony/ATV Music Publishing LLC ("Sony/ATV").

Pictures and Financial Services continue to be reportable segments. The equity earnings from Sony Ericsson are presented as a separate segment.

In connection with this realignment, both the sales and operating income (loss) of each segment in the fiscal year ended March 31, 2009 have been restated to conform to the presentation for the fiscal year ended March 31, 2010.

"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 & Devices

	(Billions of yen, millions of U.S. dollars) Fiscal year ended March 31			
	2009	2010	Change in yen	2010
Sales and operating revenue	¥ 4,031.5	¥ 3,227.7	-19.9 %	$ 34,707
Operating income (loss)	(115.1)	(46.5)	-	(500)

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

Sales decreased by 19.9% year-on-year (a decrease of 14% on a local currency basis) to ¥3,227.7 billion ($34,707 million). Sales to outside customers decreased 18.8% year-on-year. This was primarily as a result of unfavorable foreign currency exchange rates, a decrease in sales of BRAVIATM LCD televisions due to a decline in unit selling prices and a decrease in sales of Handycam® video cameras and Cyber-shotTM compact digital cameras due to the contraction of these markets.

Operating loss of ¥46.5 billion ($500 million) was recorded, an improvement of ¥68.6 billion year-on-year. This was driven by an improvement in the cost of sales ratio and a reduction in selling, general and administrative expenses, partially offset by a decrease in gross profit due to lower sales, unfavorable foreign currency exchange rates and an increase in restructuring charges. Restructuring charges were ¥72.0 billion ($774 million) compared with ¥49.3 billion recorded in the prior fiscal year. In the fiscal year ended March 31, 2010, a ¥27.1 billion ($291 million) non-cash charge related to LCD television asset impairment, not included in restructuring charges, was recorded. (For reference to LCD television asset impairment, see footnote *** on page 2.) Products contributing to the improvement in operating results (excluding restructuring charges) include BRAVIA LCD televisions and Cyber-shot compact digital cameras, reflecting the benefits of cost reduction activities that exceeded the impact of the decrease in sales, and images sensors, that saw an increase in sales. This was partially offset by lower operating results for system LSIs for the game business which were affected by lower sales resulting from price reductions driven by cost saving efforts.

Networked Products & Services

	(Billions of yen, millions of U.S. dollars) Fiscal year ended March 31			
	2009	2010	Change in yen	2010
Sales and operating revenue	¥1,755.6	¥1,575.8	-10.2 %	$16,945
Operating income (loss)	(87.4)	(83.1)	-	(893)

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

Sales decreased 10.2% year-on-year (a 5% decrease on a local currency basis) to ¥1,575.8 billion ($16,945 million), primarily due to a decrease in sales in the game business and of VAIOTM PCs. Sales in the game business decreased mainly due to unfavorable foreign currency exchange rates, decreases in unit sales of PSP® (PlayStation Portable) (“PSP”) hardware and of PlayStation®2 (“PS2”) software. This decrease was partially offset by increased unit sales of PlayStation®3 (“PS3”) software, driven by the expanded PS3 platform as a result of the launch of a new model. Approximately 13.0 million units of PS3 hardware were sold in the current fiscal year, compared to approximately 10.1 million units in the previous fiscal year. Approximately 9.9 million PSP units were sold in the current fiscal year, compared to approximately 14.1 million units in the prior fiscal year. Approximately 7.3 million PS2 units were sold in the current fiscal year, compared to approximately 7.9 million units in the previous fiscal year.

An operating loss of ¥83.1 billion ($893 million) was recorded, an improvement of ¥4.4 billion year-on-year, due to improved profitability from products including Walkman® digital music players. This improvement was partially offset by deterioration in the game business. Lower unit sales of PS2 software and of PSP hardware mainly contributed to this deterioration, partially offset by the cost reduction of PS3 hardware and increased unit sales of PS3 software.

B2B & Disc Manufacturing

	(Billions of yen, millions of U.S. dollars) Fiscal year ended March 31			
	2009	2010	Change in yen	2010
Sales and operating revenue	¥ 560.0	¥ 504.2	-10.0 %	$ 5,422
Operating income (loss)	6.5	(7.2)	-	(78)

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

Sales decreased 10.0% year-on-year (a 2% decrease on a local currency basis) to ¥504.2 billion ($5,422 million). Sales to outside customers decreased 13.0% year-on-year. This decrease was primarily due to unfavorable foreign currency exchange rates and a decrease in sales of broadcast- and professional-use products in developed countries reflecting a deterioration in the business environment. Unit selling price declines in the disc manufacturing business also contributed to the decrease in overall segment sales.

An operating loss of ¥7.2 billion ($78 million) was recorded compared to operating income of ¥6.5 billion in the previous fiscal year. This was due to deterioration in the profitability of broadcast- and professional-use products and in the disc manufacturing business brought on by the factors noted above.

* * * * *

Total Inventory for the CPD, NPS and B2B & Disc segments, as of March 31, 2010, was ¥570.0 billion ($6,129 million), a decrease of ¥174.3 billion, or 23.4% as compared with the level as of March 31, 2009. Inventory increased by ¥9.3 billion, or 1.7% compared with the level as of December 31, 2009.

Pictures

	(Billions of yen, millions of U.S. dollars)			
	Fiscal Year ended March 31			
	2009	2010	Change in yen	2010
Sales and operating revenue	¥717.5	¥705.2	-1.7 %	$7,583
Operating income	29.9	42.8	+ 43.1	460

Unless otherwise specified, all amounts are 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 decreased 1.7% year-on-year (a 7% increase on a U.S. dollar basis) due to the appreciation of the yen against the U.S. dollar. On a U.S. dollar basis, motion picture revenues increased primarily due to higher worldwide theatrical and home entertainment revenues from the current year's film slate which included strong performances from 2012, Angels & Demons and Michael Jackson's This Is It. This was partially offset by a decrease in home entertainment revenues from prior year's films. Television revenues increased on a U.S. dollar basis primarily due to higher advertising revenues from a number of international channels, including a significant increase in India from the broadcasting of the Indian Premier League cricket competition.

Operating income increased 43.1% year-on-year. This increase was primarily due to the recognition of gains on the sale of a portion of SPE's equity interest in both a Latin American premium pay television business (HBO Latin America) and a U.S. cable network (Game Show Network), as well as the sale of all of its equity interest in a Central European premium pay television business (HBO Central Europe). The total gain recognized from these sales was ¥30.3 billion ($326 million). The current year's operating results were negatively impacted by the decrease in home entertainment revenues noted above and the write-off of certain development costs.

Music

	(Billions of yen, millions of U.S. dollars)			
	Fiscal Year ended March 31			
	2009	2010	Change in yen	2010
Sales and operating revenue	¥387.1	¥522.6	+35.0 %	$5,620
Operating income	27.8	36.5	+31.1	393

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Unless otherwise specified, all amounts are reported on a U.S. GAAP basis. The results presented above include the yen-translated results of SME, a U.S.-based operation which aggregates the results of its worldwide subsidiaries on a U.S. dollar basis, the results of SMEJ, a Japan-based music company which aggregates its results in yen, and the yen-translated consolidated results of Sony/ATV, 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 increased 35.0% year-on-year primarily because results for the current fiscal year include the full year results for SME which was consolidated as a wholly-owned subsidiary beginning October 1, 2008.

On a pro forma basis, had SME been fully consolidated for the previous fiscal year, sales in the Music segment for the previous fiscal year would have been ¥549.1 billion. Compared with these pro forma sales, Music segment sales during the current fiscal year decreased 5% (virtually flat year-on-year in total segment sales when converting sales of SME and Sony/ATV on a constant U.S. dollar basis). Although full year sales were favorably impacted by a number of new releases and strong sales of Michael Jackson catalog product, sales decreased due to the appreciation of the yen against the U.S. dollar as well as the continued contraction of the physical music market.

In addition to Michael Jackson's catalog albums, best-selling new releases during the year included Susan Boyle's I Dreamed a Dream, the Michael Jackson's This Is It soundtrack, Alicia Keys' The Element of Freedom and Glee the Music Vol. 1 & 2, music collections from the hit U.S. television show, Glee. In Japan, best-selling albums included Michael Jackson's catalog albums and ikimono-gakari's HAJIMARI NO UTA.

Operating income increased 31.1% year-on-year. Results for the first half of the previous fiscal year included equity in net loss of ¥6.0 billion for SONY BMG MUSIC ENTERTAINMENT. On a pro forma basis, had SME been fully consolidated for the previous fiscal year, operating income for the Music segment for the previous fiscal year would have been ¥21.3 billion. Compared with this pro forma operating income, Music segment operating income during the current fiscal year increased 72% (a 78% increase in total segment operating income, when converting operating income of SME and Sony/ATV on a constant U.S. dollar basis). This increase was primarily due to improved results from SME and SMEJ. The improved results at SME were primarily due to the contribution from hit releases, Michael Jackson catalog product sales, growth in new music related businesses (such as concerts, film and television, and sponsorships), as well as a year-on-year decrease in overhead and restructuring costs. Results at SMEJ improved mainly due to the contribution from hit releases as well as year-on-year decreases in advertisement expenses and restructuring charges.

Financial Services

	(Billions of yen, millions of U.S. dollars) Fiscal year ended March 31			
	2009	2010	Change in yen	2010
Financial services revenue	¥538.2	¥851.4	+58.2 %	$9,155
Operating income (loss)	(31.2)	162.5	-	1,747

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 shown below differ from the results that SFH and Sony Life disclose on a Japanese statutory basis.

Financial services revenue increased 58.2% year-on-year to ¥851.4 billion ($9,155 million) mainly due to an increase in revenue at Sony Life. Revenue at Sony Life was ¥740.4 billion ($7,962 million), a ¥309.9 billion or 72.0% increase year-on-year. Revenue increased significantly year-on-year mainly due to an improvement in net gains from investments in the separate account, an improvement in net valuation gains from investments in convertible bonds in the general account and a significant decrease in impairment losses on equity securities in the general account, all as a result of the significant rise in the Japanese stock market in the current fiscal year, as compared with a significant decline following the global financial crisis in the previous fiscal year. Revenue from insurance premiums at Sony Life increased, reflecting a steady increase in policy amount in force.

Operating income of ¥162.5 billion ($1,747 million) was recorded, compared to an operating loss of ¥31.2 billion in the previous fiscal year mainly as a result of a significant improvement in operating results at Sony Life. Operating income in the current fiscal year at Sony Life was ¥166.6 billion ($1,792 million), as compared to an operating loss of ¥29.8 billion in the previous fiscal year, mainly due to the improvement in net valuation gains from investments in convertible bonds in the general account, a decrease in the provision of policy reserves because of the revision of the future investment yield of variable life insurance products in the separate account and the significant decrease in impairment losses on equity securities in the general account, all as a result of the improved situation in the Japanese stock market mentioned above.

Sony Ericsson Mobile Communications AB

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 operating performance of Sony.

	(Millions of euro) Year ended March 31		
	2009	2010	Change in euro
Sales and operating revenue	€10,278	€6,457	-37.2 %
Income (loss) before taxes	(633)	(654)	-
Net income (loss)	(489)	(522)	-

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

Sales for the year ended March 31, 2010 decreased 37.2% year-on-year, mainly driven by significantly lower unit shipments as a result of continued challenging market conditions in all regions. Despite the significantly lower sales, the loss before taxes increased only slightly to €654 million compared to the previous year, primarily due to a year-on-year reduction in research and development expenses, as well as selling and administrative expenses. As a result, Sony recorded equity in net loss of Sony Ericsson of ¥34.5 billion ($371 million) for the current fiscal year, compared to a loss of ¥30.3 billion in the prior fiscal year.

Cash Flows

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 fiscal year ended March 31, 2010, there was a net cash inflow of ¥912.9 billion ($9,816 million) from operating activities, an increase of ¥505.8 billion, or 124.2% year-on-year.

For all segments excluding the Financial Services segment, there was a net cash inflow of ¥570.2 billion ($6,131 million) for the current fiscal year, an increase of ¥457.5 billion, or 406.0% year-on-year. The major cash inflow factors included a cash contribution from net income after taking into account depreciation and amortization (including amortization of film costs), an increase in notes and accounts payable, trade, and a decrease in inventories. This exceeded cash outflow, which included increases in film costs and in notes and accounts receivable, trade. Compared with the prior fiscal year, the net cash inflow increased mainly due to an increase in notes and accounts payable, trade in the current fiscal year compared to a decrease in the prior fiscal year and lower tax payments. This increase was partially offset by an increase in notes and accounts receivable, trade in the current fiscal year compared to a decrease in the prior fiscal year.

The Financial Services segment had a net cash inflow of ¥348.0 billion ($3,742 million), an increase of ¥47.9 billion, or 16.0% year-on-year. For the current fiscal year, net cash inflow was generated primarily due to an increase in revenue from insurance premiums as a result of a steady increase in policy amount in force at Sony Life. Compared with the prior fiscal year, net cash inflow increased primarily reflecting the increase in revenue from insurance premiums at Sony Life noted above.

Investing Activities: During the current fiscal year, Sony used ¥746.0 billion ($8,022 million) of net cash in investing activities, a decrease of ¥335.3 billion, or 31.0% year-on-year.

For all segments excluding the Financial Services segment, there was ¥247.9 billion ($2,666 million) of net cash used, a decrease of ¥239.5 billion, or 49.1% year-on-year. During the current fiscal year, net cash was used mainly for purchases of manufacturing equipment. The net cash used decreased year-on-year primarily as a result of lower investments in and purchases of manufacturing equipment, although the prior fiscal year benefited from proceeds generated mainly from the sale of semiconductor fabrication equipment.

The Financial Services segment used ¥475.7 billion ($5,115 million) of net cash, a decrease of ¥126.6 billion, or 21.0% year-on-year. Payments for investments and advances, carried out primarily at Sony Life and Sony Bank, where operations are expanding, exceeded proceeds from the maturities of marketable securities, sales of securities investments and collections of advances. The net cash used within the Financial Services segment decreased year-on-year primarily due to a decrease in investments at Sony Bank.

In all segments excluding the Financial Services segment, net cash generated by operating and investing activities combined* for the current fiscal year was ¥322.3 billion ($3,465 million), an improvement of ¥697.1 billion compared to net cash used in the prior fiscal year.

Financing Activities: During the current fiscal year, ¥365.0 billion ($3,925 million) of net cash was provided by financing activities, an increase of ¥97.6 billion, or 36.5% year-on-year. For all segments excluding the Financial Services segment, there was a ¥98.6 billion ($1,061 million) net cash inflow, an increase of ¥88.7 billion or 891.7% year-on year. This was primarily due to issuances of long-term corporate bonds and borrowings from banks in the current fiscal year, which were partially offset by net repayments of short-term borrowings including commercial paper. In June 2009, Sony Corporation issued domestic straight bonds totaling ¥220 billion ($2,366 million) in Japan with maturities ranging from 3 to 10 years. In the Financial Services segment, financing activities generated ¥238.6 billion ($2,566 million) of net cash, a decrease of ¥21.7 billion, or 8.3% year-on-year, primarily due to a decrease in short-term borrowings, net for the current fiscal year compared to an increase for the prior fiscal year.

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 March 31, 2010 was ¥1,191.6 billion ($12,813 million). The outstanding balance of cash and cash equivalents of all segments excluding the Financial Services segment was ¥984.9 billion ($10,590 million), an increase of ¥419.9 billion, or 74.3%, compared with the balance as of March 31, 2009. Sony believes it continues to maintain sufficient liquidity through access to a total, translated into yen, of ¥788.5 billion of unused committed lines of credit with financial institutions in addition to the cash and cash equivalents balance at March 31, 2010. Within the Financial Services segment, the outstanding balance of cash and cash equivalents was ¥206.7 billion ($2,223 million), an increase of ¥110.9 billion, or 115.8%, compared with the balance as of March 31, 2009.

* Sony has included the information for cash flow from operating and investing activities combined excluding the Financial Services segment's activities, as management frequently monitors this financial measure, and believes this non-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 section 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, secure liquidity on their own. This measure may not be comparable to those of other companies. This measure has limitations, because it does not represent residual cash flows available for discretionary expenditures principally due to the fact that the measure does not deduct the principal payments required for debt service. Therefore, Sony believes it is important to view this measure as supplemental to its entire statement of cash flows and together with Sony's disclosures regarding investments, available credit facilities and overall liquidity.

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

	(Billions of yen, millions of U.S. dollars)		
	Fiscal year ended March 31		
	2009	2010	2010
Net cash provided by operating activities reported in the consolidated statements of cash flows	¥407.2	¥912.9	$9,816
Net cash used in investing activities reported in the consolidated statements of cash flows	(1,081.3)	(746.0)	(8,022)
	(674.1)	166.9	1,794
Less: Net cash provided by operating activities within the Financial Services segment	300.1	348.0	3,742
Less: Net cash used in investing activities within the Financial Services segment	(602.4)	(475.7)	(5,115)
Eliminations **	(3.0)	27.7	298
Cash flow from operating and investing activities combined excluding the Financial Services segment's activities	¥(374.8)	¥322.3	$3,465

** 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.

Consolidated Results for the Fourth Quarter ended March 31, 2010

Sales were ¥1,715.1 billion ($18,442 million), an increase of 12.5% compared with the same quarter of the previous fiscal year.

During the quarter ended March 31, 2010, the average rate of the yen was ¥89.7 against the U.S. dollar and ¥124.1 against the euro, which was 3.2% higher and 3.1% lower, respectively, than the prior fiscal year's fourth quarter. On a local currency basis, consolidated sales increased 12% year-on-year. For references to sales on a local currency basis, see Note on page 10.

In the CPD segment, sales increased significantly due to increased sales of imaging sensors, small to mid-sized LCD panels and system LSIs for the game business, although sales of BRAVIA LCD televisions decreased. In the NPS segment, sales increased significantly due to higher sales of VAIO PCs and in the game business and other products. In the B2B & Disc segment, sales increased mainly due to higher disc manufacturing sales and sales of broadcast- and professional-use products. In the Pictures segment, sales increased primarily due to higher worldwide home entertainment revenues from films including Michael Jackson's This Is It and 2012. In the Music segment, sales increased due to the strong sales of a number of recent releases including Sade's new studio release, Soldier of Love, new breakthrough artist Ke$ha's debut release, Animal and Usher's recent release, Raymond v Raymond. In the Financial Services segment, revenue increased significantly due primarily to an improvement in net valuation gains from investments in convertible bonds in the general account, an improvement in net gains from investments in the separate account, an increase in revenue from insurance premiums and improvement in net gains from other investments in the general account at Sony Life.

An operating loss of ¥56.0 billion ($603 million) was reported, compared to an operating loss of ¥294.3 billion in the same quarter of the previous fiscal year. The primary factors causing the improved results include an improvement in the cost of sales ratio and a reduction in selling, general and administrative expenses primarily in the CPD segment and an improvement in operating results in the Financial Services segment.

In the CPD segment, operating loss improved significantly due to higher profitability in imaging sensors, Cyber-Shot compact digital cameras and other products, although BRAVIA LCD televisions profitability decreased due to the recording of a ¥27.1 billion non-cash charge related to LCD television asset impairment and the impact of sales declines. (For reference to LCD television asset impairment, see footnote *** on page 2.) In the NPS segment, operating loss decreased due to an improvement in the operating results of the game business, VAIO PCs and other products. In the B2B & Disc segment, operating loss decreased mainly due to an improvement in the profitability of broadcast- and professional-use products and disc manufacturing both from higher sales. In the Pictures segment, operating income increased significantly due to the sale of a portion of SPE's equity interest in HBO Latin America and the sale of all of its equity interest in HBO Central Europe. The total gain recognized from these sales was ¥22.0 billion ($236 million). Despite increased sales, an operating loss was recorded for the Music segment compared to operating income in the prior fiscal year's fourth quarter, primarily due to higher talent costs as well as higher restructuring costs associated with the latest initiatives to reduce the worldwide cost structure. In the Financial Services segment, operating income significantly increased due to the above-noted factors in the general account at Sony Life and the decrease in provisions of policy reserves because of the revision of the future investment yield of variable life insurance products in the separate account.

Restructuring charges, recorded as operating expenses, amounted to ¥44.1 billion ($474 million) for the current quarter compared to ¥61.9 billion for the same quarter of the previous fiscal year.

Equity in net income of affiliated companies, recorded within operating loss, was ¥3.1 billion ($33 million) compared to equity in net loss of ¥17.7 billion in the same quarter of the previous fiscal year. Equity in net income of Sony Ericsson was ¥1.1 billion ($11 million), compared to a loss of ¥17.8 billion in the same quarter of the previous fiscal year. This improvement was primarily due to a more favorable product mix, the positive impact of the cost reduction program and the benefit from the resolution of certain royalty matters during the current quarter. Equity in net income for S-LCD increased ¥0.6 billion compared to the same quarter of the prior fiscal year to ¥1.4 billion ($15 million) in the current quarter.

The net effect of other income and expenses improved by ¥26.4 billion ($284 million) primarily due to the recording of a net foreign exchange gain in the current quarter versus a significant net foreign exchange loss in the prior year's fourth quarter.

Loss before income taxes was ¥47.0 billion ($505 million), compared to a loss of ¥311.6 billion in the same quarter of the previous fiscal year due to the improvement in operating results as discussed above.

Income taxes: Sony recorded an income tax benefit amounting to ¥5.4 billion ($58 million). In the fourth quarter of the current fiscal year, the effective tax rate was 11.5% mainly due to an increase in tax reserves.

Net loss attributable to Sony Corporation's stockholders was ¥56.6 billion ($608 million), compared to a loss of ¥165.1 billion in the same quarter of the previous fiscal year.

Note
Sales on a local currency basis described herein reflect sales obtained by applying the yen's monthly average exchange rates in the previous fiscal year and the same quarter of the previous fiscal year to local currency-denominated monthly sales in the current fiscal year and the current quarter. 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.

Rewarding Shareholders

Sony believes that continuously increasing corporate value and providing dividends are essential to rewarding shareholders. It is Sony's policy to utilize retained earnings, after ensuring the perpetuation of stable dividends, to carry out various investments that contribute to an increase in corporate value such as those that ensure future growth and strengthen competitiveness.

A year-end dividend of ¥12.5 ($0.13) per share (the same as the amount paid in the previous fiscal year) will be payable as of June 2, 2010. Sony has already paid an interim dividend in December 2009 of ¥12.5 ($0.13) per share to each shareholder bringing the total annual dividend to ¥25 ($0.27) per share.

With regards to the annual dividend for the fiscal year ending March 31, 2011, Sony has not yet decided on the amount and will make this decision based on future financial results and cash flows.

Outlook for the Fiscal Year ending March 31, 2011

The forecast for consolidated results for the fiscal year ending March 31, 2011 are as follows:

	(Billions of yen)		
	Current Forecast	Change from March 31, 2010 Results	March 31, 2010 Results
Sales and operating revenue	¥ 7,600	+5 %	¥ 7,214.0
Operating income	160	404	31.8
Income before income taxes	140	420	26.9
Net income (loss) attributable to Sony Corporation's stockholders	50	-	(40.8)