

SONY CORP
Form 6-K
February 14, 2011

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D. C. 20549
FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER

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

For the month of February 2011

Commission File Number: 001-06439

SONY CORPORATION

(Translation of registrant's name into English)

7-1, KONAN 1-CHOME, 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 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

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

Quarterly Securities Report
For the three months ended December 31, 2010

(TRANSLATION)

Sony Corporation

CONTENTS

	Page
Note for readers of this English translation	1
Cautionary Statement	1
I Corporate Information	2
(1) Selected Consolidated Financial Data	2
(2) Business Overview	3
(3) Changes in Subsidiaries and Affiliated Companies	3
(4) Number of Employees	3
II State of Business	4
(1) Manufacturing, Orders Received and Sales	4
(2) Risk Factors	4
(3) Material Contracts	5
(4) Management's Discussion and Analysis of Financial Condition, Results of Operations and Status of Cash Flows	5
III Property, Plant and Equipment	12
(1) Major Property, Plant and Equipment	12
(2) Plans for the Purchase and Retirement of Major Property, Plant and Equipment	12
IV Company Information	13
(1) Information on the Company's Shares	13
(2) Stock Price Range	18
(3) Directors and Corporate Executive Officers	18
V Financial Statements	19
(1) Consolidated Financial Statements	20
(2) Other Information	41

Note for readers of this English translation

On February 14, 2011, Sony Corporation (the “Company” or “Sony Corporation”) filed its Japanese-language Quarterly Securities Report (Shihanki Houkokusho) for the three months ended December 31, 2010 with the Director-General of the Kanto Local Finance Bureau in Japan pursuant to the Financial Instruments and Exchange Act of Japan. This document is an English translation of the Quarterly Securities Report in its entirety, except for (i) information that had been filed previously with or submitted to the U.S. Securities and Exchange Commission (the “SEC”) in a Form 20-F, Form 6-K or any other form and (ii) a description of differences between generally accepted accounting principles in the U.S. (“U.S. GAAP”) and generally accepted accounting principles in Japan (“J-GAAP”), which are required to be described in the Quarterly Securities Report under the Financial Instruments and Exchange Act of Japan if the Company prepares its financial statements in conformity with accounting principles other than J-GAAP.

Cautionary Statement

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

adverse impacts.

- 1 -

I Corporate Information

(1) Selected Consolidated Financial Data

	Yen in millions, Yen per share amounts				
	Nine months ended December 31, 2009	Nine months ended December 31, 2010	Three months ended December 31, 2009	Three months ended December 31, 2010	Fiscal year ended March 31, 2010
Sales and operating revenue	5,498,928	5,600,447	2,237,865	2,206,246	7,213,998
Operating income	87,811	273,189	146,103	137,522	31,772
Income before income taxes	73,895	273,155	123,865	131,535	26,912
Net income (loss) attributable to Sony Corporation's stockholders	15,766	129,217	79,167	72,334	(40,802)
Total equity			3,307,610	3,266,792	3,285,555
Total assets			12,821,850	13,086,208	12,866,114
Stockholders' equity per share of common stock (yen)			2,994.64	2,909.99	2,955.47
Net income (loss) attributable to Sony Corporation's stockholders per share of common stock, basic (yen)	15.71	128.76	78.89	72.08	(40.66)
Net income (loss) attributable to Sony Corporation's stockholders per share of common stock, diluted (yen)	15.69	128.58	78.76	71.96	(40.66)
Ratio of stockholders' equity to total assets (%)			23.4	22.3	23.1
Net cash provided by operating activities	542,318	403,911			912,907
Net cash used in investing activities	(538,740)	(582,405)			(746,004)
Net cash provided by (used in) financing activities	350,276	(10,263)			365,014
Cash and cash equivalents at end of the period			1,004,785	919,765	1,191,608
Number of employees			170,200	169,900	167,900

Notes:

1. The Company's consolidated financial statements are prepared in conformity with U.S. GAAP.
2. The Company reports equity in net income (loss) of affiliated companies as a component of operating income.
3. Consumption taxes are not included in sales and operating revenue.
4. Total equity is presented based on U.S. GAAP.
5. Stockholders' equity per share of common stock and Ratio of stockholders' equity to total assets are calculated by using total equity attributable to the stockholders of the Company.
6. The Company prepares consolidated financial statements. Therefore parent-alone selected financial data is not presented.

7. Figures of number of employees less than one hundred are rounded to the nearest unit.

- 2 -

(2) Business Overview

There was no significant change in the business of Sony during the three months ended December 31, 2010.

Sony realigned its reportable segments effective from the first quarter of the fiscal year ending March 31, 2011. For further information on the realignment, please refer to “V Financial Statements – Notes to Consolidated Financial Statements – 8. Business segment information”.

As of December 31, 2010, the Company had 1,297 subsidiaries and 92 affiliated companies, of which 1,266 companies are consolidated subsidiaries (including variable interest entities) of the Company. The Company has applied the equity accounting method for 84 affiliated companies.

(3) Changes in Subsidiaries and Affiliated Companies

Significant changes in subsidiaries and affiliated companies during the three months ended December 31, 2010 are as follows:

As of October 1, 2010, Sony Benelux B.V. and Sony Europe (Belgium) N.V., both consolidated subsidiaries of Sony Corporation, were merged into Sony Europe Limited, the corporate name of which had been changed from Sony United Kingdom Limited as of April 1, 2010.

(4) Number of Employees

The following table shows the number of employees as of December 31, 2010.

Consolidated	169,900*
Parent-alone	16,953

* Figures less than one hundred are rounded to the nearest unit.

II State of Business

(1) Manufacturing, Orders Received and Sales

The products that Sony manufactures and sells are extremely diverse. Due to the cyclical nature of electronic devices, home game consoles, game software, and music and video software, Sony generally manufactures products based on forecasts. Because Sony carries out the manufacturing of its products such that it maintains a relatively stable and necessary level of product inventory, its level of production in the Consumer, Professional & Devices (“CPD”) and Networked Products & Services (“NPS”) segments is generally similar to the level of sales in these segments. Accordingly, the status of production and sales in the CPD and NPS segments is discussed in connection with the operating results of these segments in “(4) Management’s Discussion and Analysis of Financial Condition, Results of Operations and Status of Cash Flows” below.

(2) Risk Factors

Note for readers of this English translation:

Aside from the amount of the revised estimate of the restructuring charges for the fiscal year ending March 31, 2011 in the risk factor below, there was no significant change from the information presented in the Risk Factors section of the Annual Report on Form 20-F filed with the Securities and Exchange Commission (the “SEC”) on June 28, 2010. The change is indicated by underline below. Any forward-looking statement included in the descriptions below is based on the current judgment of management.

URL: The Annual Report on Form 20-F filed with the SEC on June 28, 2010
<http://sec.gov/Archives/edgar/data/313838/000095012310061435/k02298e20vf.htm>

Sony’s business restructuring and transformation efforts are costly and may not attain their objectives.

Sony continued to implement restructuring initiatives in the fiscal year ended March 31, 2010 that focused on a review of the Sony Group’s investment plan, the realignment of its manufacturing sites, the reallocation of its workforce and headcount reductions. As a result of these restructuring initiatives, a total of 124.3 billion yen in restructuring charges, including 7.9 billion yen of non-cash charges related to depreciation associated with restructured assets, was recorded in the fiscal year ended March 31, 2010. Sony expects to record approximately 70 billion yen of restructuring charges for the fiscal year ending March 31, 2011. Restructuring charges are recorded in cost of sales, selling, general and administrative expenses and loss (gain) on sale, disposal or impairment of assets and other, net and thus initially deteriorate Sony’s operating income (loss) and net income (loss) attributable to Sony’s stockholders. Sony expects to continue rationalizing its manufacturing operations, shifting and aggregating manufacturing to lower-cost countries and increasing the utilization of third-party original equipment and design manufacturers (OEMs and ODMs). In addition, as a part of its transformation efforts, since April 1, 2009, Sony has established three horizontal platforms for (1) manufacturing, logistics, procurement and customer services, (2) R&D and common software development, and (3) global sales and marketing functions, and has been undertaking business process optimization to enhance profitability. Furthermore Sony started developing a common procurement platform as well as consolidating its suppliers during the fiscal year ended March 31, 2010. In January 2010, Sony announced that it would outsource a part of the human resources and accounting operation services of Sony and certain of its subsidiaries in Japan starting in April 2010. Sony has and will become more reliant upon outsourcing services provided by external business partners.

Due to internal or external factors, projected growth, efficiencies and cost savings from the above-noted restructuring and transformation initiatives may not be realized as scheduled and, even if those benefits are realized, Sony may not be able to achieve the level of profitability expected due to the worsening of market conditions beyond expectations. Such

- 4 -

possible internal factors may include, for example, changes in restructuring and transformation plans, an inability to implement the initiatives effectively with available resources, or delays in implementing the new business processes or strategies. Possible external factors may include, for example, increased burdens from regional labor regulations, labor union agreements and Japanese customary labor practices that may prevent Sony from executing its restructuring initiatives as planned. The inability to fully and successfully implement restructuring and transformation programs may adversely affect Sony's operating results and financial condition. Additionally, operating cash flows may be reduced as a result of the payment for restructuring charges.

(3) Material Contracts

There were no material contracts executed during the three months ended December 31, 2010.

Note for readers of this English translation:

The above means that there is no update from the description in the Annual Report on Form 20-F ("Patents and Licenses" in item 4) filed with the SEC on June 28, 2010.

URL: The Annual Report on Form 20-F filed with the SEC on June 28, 2010
<http://www.sec.gov/Archives/edgar/data/313838/000095012310061435/k02298e20vf.htm>

(4) Management's Discussion and Analysis of Financial Condition, Results of Operations and Status of Cash Flows

i) Results of Operations

Note for readers of this English translation:

Except for information specifically included in this English translation, this document omits certain information set out in the Japanese-language Quarterly Securities Report for the three-month period ended December 31, 2010, since it is the same as described in the press release previously submitted to the SEC. Please refer to "Consolidated Financial Results for the Third Quarter Ended December 31, 2010" submitted to the SEC on Form 6-K on February 3, 2011.

URL: The press release titled "Consolidated Financial Results for the Third Quarter Ended December 31, 2010"
<http://www.sec.gov/Archives/edgar/data/313838/000115752311000573/a6593418.htm>

Foreign Exchange Fluctuations and Risk Hedging

Note for readers of this English translation:

Even though foreign exchange rates fluctuated, there was no significant change in risk hedging policy from the description in the Annual Report on Form 20-F filed with the SEC on June 28, 2010.

Edgar Filing: SONY CORP - Form 6-K

URL: The Annual Report on Form 20-F filed with the SEC on June 28, 2010

<http://sec.gov/Archives/edgar/data/313838/000095012310061435/k02298e20vf.htm>

- 5 -

Status of Cash Flows

The following analysis refers to the status of cash flows during the quarter ended December 31, 2010.

Operating Activities: During the quarter ended December 31, 2010, there was a net cash inflow of 291.1 billion yen from operating activities, a decrease of 18.8 billion yen, or 6.1%, compared to the same quarter of the previous fiscal year (“year-on-year”).

For all segments excluding the Financial Services segment, there was a net cash inflow of 202.7 billion yen during the current quarter, a decrease of 31.4 billion yen, or 13.4%, year-on-year. During the current quarter, the major cash inflow factors included a decrease in inventories, cash contributions from net income, after taking into account depreciation and amortization, and a decrease in receivables, included in other current assets, from third-party original equipment and design manufacturers, as well as increases in accrued expenses and accrued income and other taxes. This exceeded cash outflow factors, which included an increase in notes and accounts receivable, trade. Compared with the same quarter of the previous fiscal year, net cash generated decreased. This was mainly due to a smaller decrease in inventories and a lower cash contribution from net income (loss), after taking into account depreciation and amortization, partially offset by a smaller increase in notes and accounts receivable, trade.

The Financial Services segment had a net cash inflow of 91.5 billion yen, an increase of 16.0 billion yen, or 21.2%, year-on-year. During the current quarter, net cash was generated mainly due to an increase in revenue from insurance premiums reflecting an increase in policy amount in force at Sony Life Insurance Co., Ltd. (“Sony Life”). Compared with the same quarter of the previous fiscal year, net cash generated increased year-on-year, mainly due to a larger increase in other current liabilities and a smaller decrease in other current assets, partially offset by the change of marketable securities for trading purpose from a decrease to an increase.

Investing Activities: During the current quarter, Sony used 161.1 billion yen of net cash in investing activities, a decrease of 47.7 billion yen, or 22.9%, year-on-year.

For all segments excluding the Financial Services segment, 53.7 billion yen of net cash was used, a decrease of 32.2 billion yen, or 37.5%, year-on-year. During the current quarter, net cash was used mainly to purchase manufacturing equipment. Compared with the same quarter of the previous fiscal year, net cash used decreased primarily due to the change of investments and advances from payments to proceeds and a decrease in purchases of manufacturing equipment.

The Financial Services segment used 121.8 billion yen of net cash during the current quarter, an increase of 6.1 billion yen, or 5.3%, year-on-year. During the current quarter, cash payments for investments and advances, carried out primarily at Sony Life and Sony Bank Inc. (“Sony Bank”) where operations are expanding, exceeded proceeds from the maturities of marketable securities, sales of securities investments and collections of advances. The net cash outflow was partially offset by proceeds from the deconsolidation of a lease and rental business at Sony Finance International, Inc. (“SFI”). Compared with the same quarter of the previous fiscal year, lower proceeds from the maturities of marketable securities, sales of securities investments and collections of advances exceeded lower payments to investments and advances noted above. As a result, net cash used within the Financial Services segment increased year-on-year.

In all segments excluding the Financial Services segment, net cash generated by operating and investing activities combined* for the current quarter was 149.1 billion yen, an increase of 0.8 billion yen or 0.5%, compared with the same quarter of the previous fiscal year.

Financing Activities: During the current quarter, there was 27.4 billion yen of net cash outflow in financing activities, compared to 51.4 billion yen of net cash inflow in the same quarter of the previous fiscal year. For all segments

- 6 -

excluding the Financial Services segment, there was 39.0 billion yen of net cash outflow during the current quarter, a decrease of 45.8 billion yen, or 54.0%, year-on-year. This was mainly due to a 52.0 billion yen repayment of syndicated loans, partially offset by an increase in short-term borrowing in the current quarter. In the Financial Services segment, financing activities generated 22.9 billion yen of net cash, a decrease of 106.3 billion yen, or 82.3%, year-on-year, mainly 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 foreign exchange rates, the total outstanding balance of cash and cash equivalents as of December 31, 2010 was 919.8 billion yen. The outstanding balance of cash and cash equivalents of all segments excluding the Financial Services segment was 773.9 billion yen, an increase of 90.0 billion yen, or 13.2%, compared with the balance as of September 30, 2010. This is an increase of 30.9 billion yen, or 4.2%, compared with the balance as of December 31, 2009. Sony believes it continues to maintain sufficient liquidity through access to a total, translated into yen, of approximately 749.6 billion yen of unused committed lines of credit with financial institutions in addition to the cash and cash equivalents balance at December 31, 2010. Within the Financial Services segment, the outstanding balance of cash and cash equivalents was 145.9 billion yen, a decrease of 7.5 billion yen, or 4.9%, compared with the balance as of September 30, 2010. This is a decrease of 115.9 billion yen, or 44.3%, compared with the balance as of December 31, 2009.

* Sony has included the information for cash flow from operating and investing activities combined excluding the Financial Services segment's activities, as management frequently monitors this financial measure, and believes this non-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 provided below. This information and the separate condensed presentations 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 Sony Financial Holdings, Inc., which constitutes a majority of the Financial Services segment, is a separate publicly traded entity in Japan with a significant noncontrolling interest and it, as well as its subsidiaries, secure liquidity on their own. This measure may not be comparable to those of other companies. This measure has limitations because it does not represent residual cash flows available for discretionary expenditures 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)	
	Three months ended	
	December 31	
	2009	2010
Net cash provided by operating activities reported in the consolidated statements of cash flows	¥ 309.9	¥ 291.1
Net cash used in investing activities reported in the consolidated statements of cash flows	(208.8)	(161.1)
	101.1	130.0
Less: Net cash provided by operating activities within the Financial Services segment	75.5	91.5
Less: Net cash used in investing activities within the Financial Services segment	(115.7)	(121.8)
Eliminations **	(7.0)	11.2
Cash flow provided by operating and investing activities combined excluding the Financial Services segment's activities	¥ 148.3	¥ 149.1

** 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.

Information on Cash Flow Separating Out the Financial Services Segment (Unaudited)

The following charts show Sony's unaudited cash flow information for all segments (consolidated), all segments excluding the Financial Services segment, and for the Financial Services segment alone. These separate condensed presentations are not required under U.S. GAAP, which Sony uses in its consolidated financial statements. However, because the Financial Services segment is different in nature from Sony's other segments, Sony utilizes this information to analyze the results without the Financial Services segment and believes that these presentations may be useful in understanding and analyzing Sony's consolidated financial statements. Transactions between the Financial Services segment and all segments excluding the Financial Services segment are eliminated in the consolidated figures shown below.

Condensed Statements of Cash Flows Unaudited

	(Millions of yen)	
Financial Services	Three months ended December 31 2010	
Net cash provided by operating activities	¥	91,470
Net cash used in investing activities		(121,816)
Net cash provided by financing activities		22,882
Net increase (decrease) in cash and cash equivalents		(7,464)
Cash and cash equivalents at beginning of the quarter		153,364
Cash and cash equivalents at the end of the quarter	¥	145,900
	(Millions of yen)	
Sony without Financial Services	Three months ended December 31 2010	
Net cash provided by operating activities	¥	202,723
Net cash used in investing activities		(53,651)
Net cash used in financing activities		(38,991)
Effect of exchange rate changes on cash and cash equivalents		(20,064)
Net increase in cash and cash equivalents		90,017
Cash and cash equivalents at beginning of the quarter		683,848
Cash and cash equivalents at the end of the quarter	¥	773,865
	(Millions of yen)	
Consolidated	Three months ended December 31 2010	
Net cash provided by operating activities	¥	291,082
Net cash used in investing activities		(161,072)
Net cash used in financing activities		(27,393)
Effect of exchange rate changes on cash and cash equivalents		(20,064)
Net increase in cash and cash equivalents		82,553
Cash and cash equivalents at beginning of the quarter		837,212
Cash and cash equivalents at the end of the quarter	¥	919,765

ii) Issues Facing Sony and Management's Response to those Issues

Note for readers of this English translation:

Excluding the below, there was no significant change from the information presented as the Issues Facing Sony and Management's Response to those Issues in the Trend Information section of the Annual Report on Form 20-F filed with the SEC on June 28, 2010, or such information presented in the Quarterly Securities Report for the three months ended June 30, 2010 on Form 6-K submitted to the SEC on August 11, 2010 and the Quarterly Securities Report for the three months ended September 30, 2010 on Form 6-K submitted to the SEC on November 12, 2010. The change during the current quarter is indicated by underline below. Any forward-looking statement included in the descriptions below is based on the current judgment of management.

URL: The Annual Report on Form 20-F filed with the SEC on June 28, 2010
<http://sec.gov/Archives/edgar/data/313838/000095012310061435/k02298e20vf.htm>

Sony expects to record restructuring charges of approximately 70 billion yen in the fiscal year ending March 31, 2011 compared with the 124.3 billion yen, including 7.9 billion yen of non-cash charges related to depreciation associated with restructured assets, recorded in the fiscal year ended March 31, 2010.

• Realignment of manufacturing sites:

By rationalizing its manufacturing operations, shifting and aggregating manufacturing to lower-cost countries, and utilizing the services of OEMs and ODMs, Sony has undertaken fixed cost and total asset reductions. Sony's total manufacturing sites were reduced from 57 sites in December 2008 to 46 sites as of March 31, 2010. Sony continues to review the efficiency of its manufacturing structure in relation to its operating environments. The realignment of manufacturing sites to be undertaken during the fiscal year ending March 31, 2011 includes the closure of Sony Precision Engineering Malaysia Sdn. Bhd., the transfer to KYOCERA Corporation of design and manufacturing operations of small- and mid-sized TFT LCD displays at the Yasu site of Sony Mobile Display Corporation, the termination of production at Sony Electronics Inc.'s Dothan, Alabama site, the transfer to the Hon Hai Group of approximately 90 percent of Sony's equity interest in the Nitra plant in Slovakia (which manufactures LCD televisions for the European region), the termination of production at Sony Hungária Kft., Godollo TEC, and the transfer to Ficosa International, S.A. and COMSA EMTE SL of Sony Espana S.A.'s Barcelona Technology Center, which manufactures LCD televisions for the European region.

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

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

Despite the realignment of Sony's reportable segments mentioned above, there has been no change in either the issues management believes each business continues to face or how each business is addressing those issues.

- 10 -

iii) Research and Development

Note for readers of this English translation:

Excluding the below, there was no significant change from the information presented in the Research and Development section of the Annual Report on Form 20-F filed with the SEC on June 28, 2010 or such information presented in the Quarterly Securities Report for the three months ended June 30, 2010 on Form 6-K submitted to the SEC on August 11, 2010 and the Quarterly Securities Report for the three months ended September 30, 2010 on Form 6-K submitted to the SEC on November 12, 2010.

URL: The Annual Report on Form 20-F filed with the SEC on June 28, 2010
<http://www.sec.gov/Archives/edgar/data/313838/000095012310061435/k02298e20vf.htm>

Research and development costs for the three months ended December 31, 2010 decreased 0.7 billion yen, or 0.6%, to 106.1 billion yen, compared with the same quarter of the previous fiscal year. The ratio of research and development costs to sales (which excludes financial services segment revenue) remained 5.3%. Expenses in the CPD segment increased 1 billion yen, or 1.4%, to 72.6 billion yen and expenses in the NPS segment decreased 2.6 billion yen, or 9.8%, to 23.6 billion yen. In the CPD segment, approximately 73% of expenses were for the development of new product prototypes while the remaining 27% was spent on the development of mid- to long-term new technologies in areas such as next-generation displays, semiconductors, new materials and software.

(iv) Liquidity and Capital Resources

Note for readers of this English translation:

Excluding that below, there was no significant change from the information presented in the Annual Report on Form 20-F filed with the SEC on June 28, 2010. The changes are indicated by underline below. Any forward-looking statement included in the descriptions below is based on the current judgment of management.

URL: The Annual Report on Form 20-F filed with the SEC on June 28, 2010
<http://sec.gov/Archives/edgar/data/313838/000095012310061435/k02298e20vf.htm>

Sony typically raises funds through straight bonds, CP programs and bank loans (including syndicated loans); however, in the unlikely event Sony cannot access liquidity from these sources, Sony could also draw on committed lines of credit from various financial institutions. Sony has a total, translated into yen, of 749.6 billion yen in committed lines of credit, none of which had been used as of December 31, 2010. Details of those committed lines of credit are: a 475 billion yen committed line of credit contracted with a syndicate of Japanese banks, effective until November 2013; a 1.5 billion U.S. dollar multi-currency committed line of credit also with a syndicate of Japanese banks, effective until December 2013; and a 1.87 billion U.S. dollar multi-currency committed line of credit contracted with a syndicate of global banks, effective until April 2012, in all of which Sony Corporation and Sony Global Treasury Services Plc are defined as the borrowers. In October 2010, Sony extended by one year the term for the 475 billion yen committed line of credit contracted with a syndicate of Japanese banks. These contracts are aimed at securing sufficient liquidity even in the event of financial and capital markets turmoil like that seen in the period following September 2008.

III Property, Plant and Equipment

(1) Major Property, Plant and Equipment

There was no significant change during the three months ended December 31, 2010.

(2) Plans for the Purchase and Retirement of Major Property, Plant and Equipment

During the three months ended December 31, 2010, there was no significant change in the purchase and retirement of property, plant and equipment from the plan at September 30, 2010. During the three months ended December 31, 2010, Sony decided to invest approximately 100 billion yen in Sony Semiconductor Kyushu Corporation's Nagasaki Technology Center in the fiscal year ending March 31, 2012, to increase the production capacity for CMOS image sensors.

IV Company Information

(1) Information on the Company's Shares

i) Total Number of Shares

1) Total Number of Shares

Class	Total number of shares authorized to be issued
Common stock	3,600,000,000
Total	3,600,000,000

2) Number of Shares Issued

Class	Number of shares issued		Name of Securities Exchanges where the shares are listed or authorized Financial Instruments Firms Association where the shares are registered	Description
	As of the end of the third quarterly period (December 31, 2010)	As of the filing date of the Quarterly Securities Report (February 14, 2011)		
Common stock	1,004,614,564	1,004,622,864	Tokyo Stock Exchange Osaka Securities Exchange New York Stock Exchange London Stock Exchange	The number of shares constituting one full unit is one hundred (100).
Total	1,004,614,564	1,004,622,864	—	—

Notes:

1. The Company's shares of common stock are listed on the First Sections of the Tokyo Stock Exchange and the Osaka Securities Exchange in Japan.
- 2.