

# Q3 FY2010 Consolidated Results

(Three months ended December 31, 2010)

Sony Corporation

- Consolidated operating income decreased slightly to 137.5 billion yen, as a significant unfavorable foreign exchange impact outweighed positive factors for the quarter.
- Operating income in the Networked Products & Services segment increased significantly due to the contribution of the game business, while operating income decreased in most other segments, particularly the Consumer, Professional & Devices segment which was negatively affected mainly due to LCD televisions.

## Q3 FY10 Consolidated Results

(bln yen)

	Q3 FY09	Q3 FY10	Change	Change (LC*)
Sales & operating revenue	2,237.9	2,206.2	- 1.4%	+ 6%
Operating income	146.1	137.5	- 5.9%	+ 22%
Income before income taxes	123.9	131.5	+ 6.2%	
Net income attributable to Sony Corporation's stockholders	79.2	72.3	- 8.6%	
Net income attributable to Sony Corporation's stockholders per share of common stock (diluted)	78.76 yen	71.96 yen	- 8.6%	
<hr/>				
Operating income	146.1	137.5	- 5.9%	+ 22%
Less: Equity in net income of affiliates	- 5.9	2.6	-	
Add: Restructuring charges	13.5	16.0	+ 19.0%	
Operating income, as adjusted	165.5	150.9	- 8.8%	

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 and restructuring charges, is not a presentation in accordance with U.S. GAAP, and is presented to enhance investors' understanding of Sony's operating income by providing an alternative measure that may be useful to understand Sony's historical and prospective operating performance.

Foreign Exchange Impact		Average Rate	Q3 FY09	Q3 FY10
Sales & operating revenue:	approx. - 166.1 bln yen	1 dollar	88.7 yen	81.6 yen
Operating income:	approx. - 37.6 bln yen	1 euro	131.2 yen	110.7 yen
		Other currencies		Yen 5% stronger

\* Local currency (LC) basis: change that would have occurred with no year-on-year change in exchange rates

## YTD FY10 Consolidated Results

(bln yen)

	4/09-12/09	4/10-12/10	Change	Change (LC*)
Sales & operating revenue	5,498.9	5,600.4	+ 1.8%	+ 9%
Operating income	87.8	273.2	+ 211.1%	+ 318%
Income before income taxes	73.9	273.2	+ 269.7%	
Net income attributable to Sony Corporation's stockholders	15.8	129.2	+ 719.6%	
Net income attributable to Sony Corporation's stockholders per share of common stock (diluted)	15.69 yen	128.58 yen	+ 719.5%	
<hr/>				
Operating income	87.8	273.2	+ 211.1%	+ 318%
Less: Equity in net income of affiliates	- 33.3	14.3	-	
Add: Restructuring charges	80.2	39.7	- 50.5%	
Operating income, as adjusted	201.3	298.6	+ 48.3%	

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 and restructuring charges, is not a presentation in accordance with U.S. GAAP, and is presented to enhance investors' understanding of Sony's operating income by providing an alternative measure that may be useful to understand Sony's historical and prospective operating performance.

Foreign Exchange Impact		Average Rate	4/09-12/09	4/10-12/10
Sales & operating revenue:	approx. - 378.3 bln yen	1 dollar	92.6 yen	85.8 yen
Operating income:	approx. - 98.4 bln yen	1 euro	131.5 yen	111.8 yen
		Other currencies		Yen 4% stronger

\* Local currency (LC) basis: change that would have occurred with no year-on-year change in exchange rates

## Q3 FY10 Results by Segment

(bln yen)

		Q3 FY09	Q3 FY10	Change	Change (LC*)	FX Impact
CPD	Sales	1,046.8	1,090.9	+ 4.2 %	+ 13 %	- 91.6 bln yen
	Operating income	50.8	26.8	- 24.0 bln yen	- 6.8 bln yen	- 17.2
NPS	Sales	605.5	566.6	- 6.4 %	+ 3 %	- 55.4
	Operating income	19.5	45.7	+ 26.3 bln yen	+ 46.5 bln yen	- 20.3
Pictures	Sales	203.2	149.0	- 26.7 %	- 20 %	
	Operating income	14.1	4.7	- 9.4 bln yen		
Music	Sales	163.5	139.8	- 14.5 %	- 10 %	
	Operating income	23.1	19.5	- 3.6 bln yen		
Financial Services	Revenue	205.6	209.1	+ 1.7 %		
	Operating income	35.0	32.7	- 2.3 bln yen		
Sony Ericsson	Equity in net income	- 10.2	0.4	+ 10.6 bln yen		
All Other**	Sales	140.7	137.4	- 2.3 %		
	Operating income	9.7	9.1	- 0.5 bln yen		

Sales / Revenue include operating revenue and intersegment sales

\* Local currency (LC) basis: change that would have occurred with no year-on-year change in exchange rates

(The Pictures segment refers to change on a U.S. dollar basis; The Music segment refers to change on a U.S. dollar basis for its U.S. subsidiaries)

\*\* All Other consists of various businesses, including disc manufacturing, So-net Entertainment Corporation and the OEM business of Sony EMCS Corporation

## YTD FY10 Results by Segment

(bln yen)

		04/09-12/09	04/10-12/10	Change	Change (LC*)	FX Impact
CPD	Sales	2,751.1	2,865.7	+ 4.2%	+ 12%	- 218.8bln yen
	Operating income	48.4	93.8	+ 45.3bln yen	+ 97.0bln yen	- 51.7
NPS	Sales	1,203.2	1,261.6	+ 4.9%	+ 14%	- 113.4
	Operating income	- 76.3	48.8	+ 125.1bln yen	+ 176.9bln yen	- 51.8
Pictures	Sales	509.6	425.9	- 16.4%	- 10%	
	Operating income	9.5	2.7	- 6.8bln yen		
Music	Sales	396.8	361.1	- 9.0%	- 5%	
	Operating income	37.1	35.1	- 2.0bln yen		
Financial Services	Revenue	635.3	600.0	- 5.6%		
	Operating income	116.1	105.7	- 10.3bln yen		
Sony Ericsson	Equity in net income	- 35.6	3.6	+ 39.2bln yen		
All Other**	Sales	348.7	356.1	+ 2.1%		
	Operating income	1.7	6.5	+ 4.8bln yen		

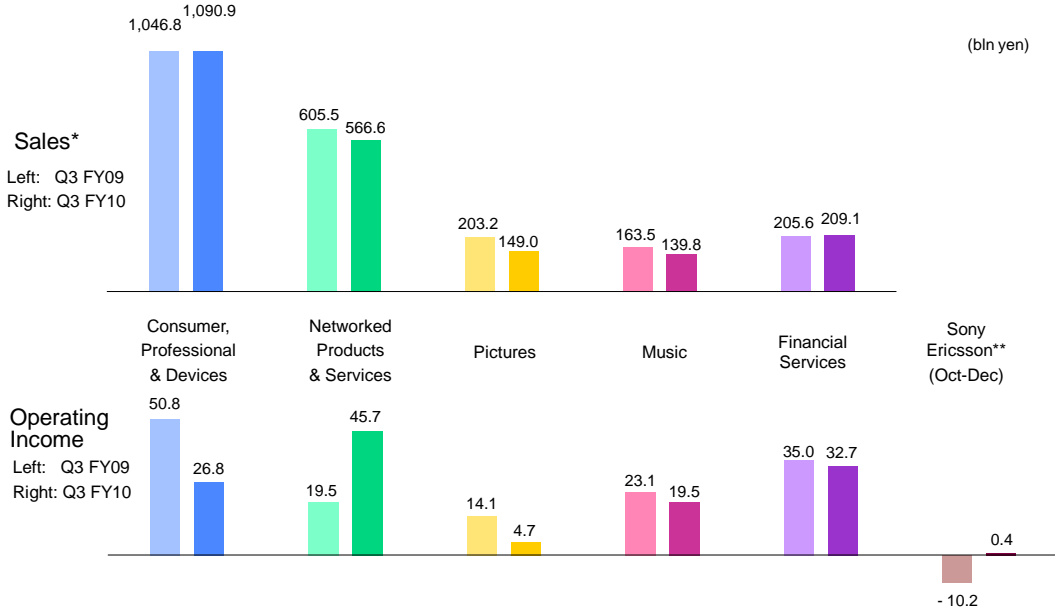
Sales / Revenue include operating revenue and intersegment sales

\* Local currency (LC) basis: change that would have occurred with no year-on-year change in exchange rates

(The Pictures segment refers to change on a U.S. dollar basis; The Music segment refers to change on a U.S. dollar basis for its U.S. subsidiaries)

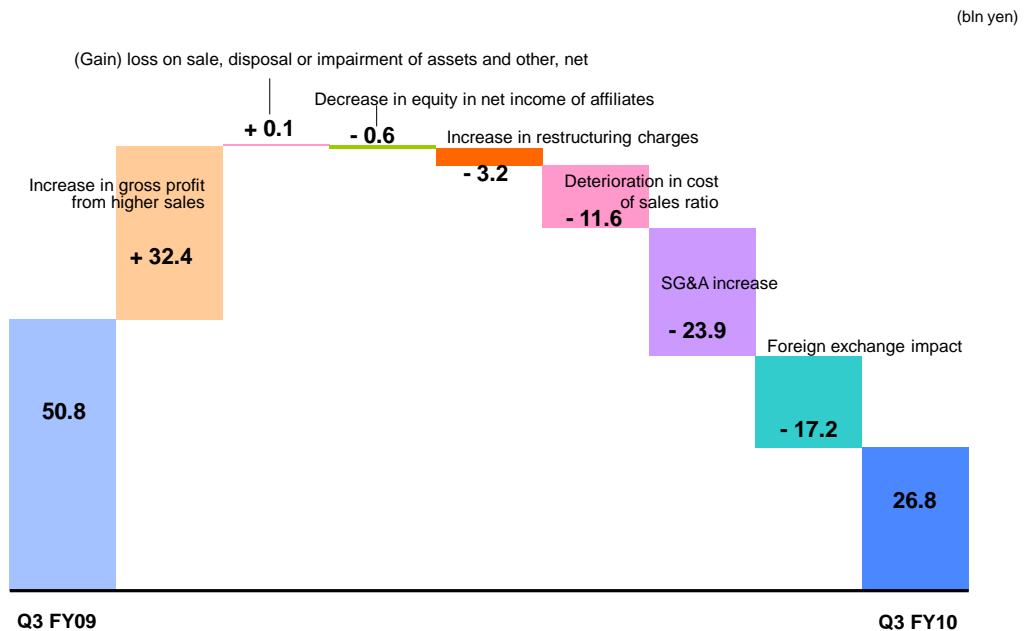
\*\* All Other consists of various businesses, including disc manufacturing, So-net Entertainment Corporation and the OEM business of Sony EMCS Corporation

## Q3 FY10 Sales and Operating Income by Segment



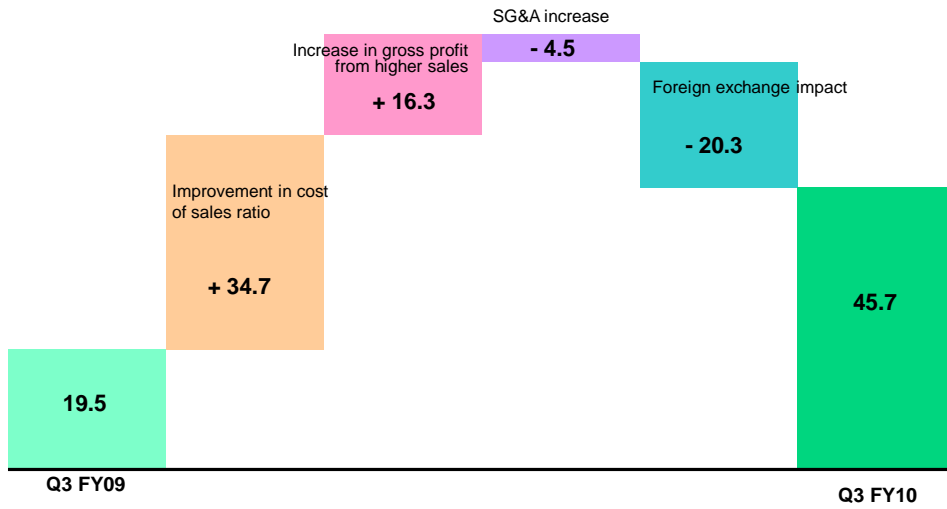
\* Includes operating revenue and intersegment sales / In Financial Services, Financial Services Revenue. \*\* Equity in net income

## Q3 FY10 Consumer, Professional & Devices: Change in Operating Income



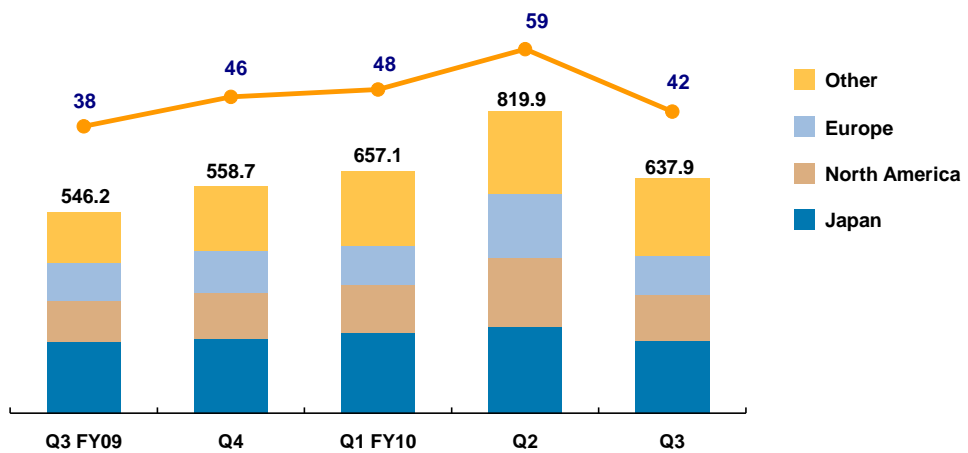
## Q3 FY10 Networked Products & Services: Change in Operating Income

(bln yen)



## Q3 FY10 CPD, NPS: Total Inventory by Area

(bln yen, days)



637.9 bln yen – a 91.6 bln yen increase from the end of December 2009, and a 182.1 bln yen decrease from the end of September 2010. The inventories in FY09 above have been restated to reflect the change in business segment classification.

Bar graph: Inventory levels (bln yen)

Line graph: Inventory turnover (average beginning & ending inventory during the quarter divided by average daily sales in the quarter)

## FY10 Consolidated Results Forecast

(bln yen)

	FY09	FY10 Oct FCT	FY10 Revised FCT	Change
				( revised vs. Oct FCT)
Sales & operating revenue	7,214.0	7,400	7,200	- 3%
Operating income	31.8	200	200	-
Income before income taxes	26.9	200	200	-
Net income attributable to Sony Corporation's stockholders	- 40.8	70	70	-
Operating income	31.8	200	200	-
Less: Equity in net income of affiliates	- 30.2	15	10	- 33%
Add: Restructuring charges	124.3	75	70	- 7%
Add: LCD television asset impairment	27.1	-	-	-
Operating income, as adjusted	213.4	260	260	-
Capital Expenditures	192.7	230	230	-
Depreciation & Amortization*	371.0	340	340	-
Research & Development	432.0	450	450	-
Foreign Exchange Rates	<u>FY09 Actual</u>	<u>Assumption</u>	<u>Assumption</u>	
		(2H FY10)	(Q4 FY10)	
1 dollar	91.8 yen	approx. 83 yen	approx. 82 yen	
1 euro	129.7 yen	approx. 110 yen	approx. 110 yen	

\* Includes amortization for intangible assets and for deferred insurance acquisition costs

## FY10 Consolidated Results Forecast

(bln yen)

	FY09	FY10 Oct FCT	FY10 Revised FCT	Change
				( revised vs. Oct FCT)
Sales & operating revenue	7,214.0	7,400	7,200	- 3%
Operating income	31.8	200	200	-
Income before income taxes	26.9	200	200	-
Net income attributable to Sony Corporation's stockholders	- 40.8	70	70	-

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

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

### Consolidated operating income for the fiscal year remains unchanged.

#### The fiscal year operating income forecast for each major segment is as follows:

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

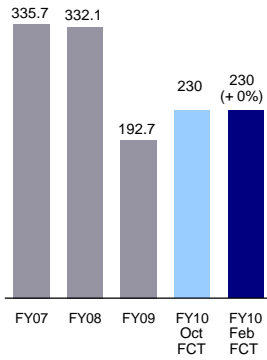
In the Pictures, Music and Financial Services segments, the fiscal year operating income for each segment is expected to slightly exceed the October forecast.

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

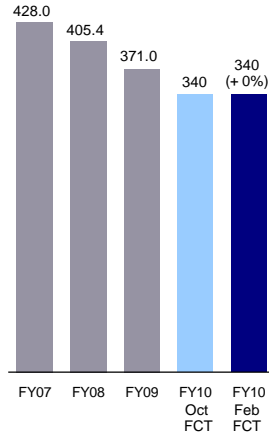
## FY10 CAPEX, Depreciation & Amortization, R&D Forecast

(bln yen)

### Capital Expenditures

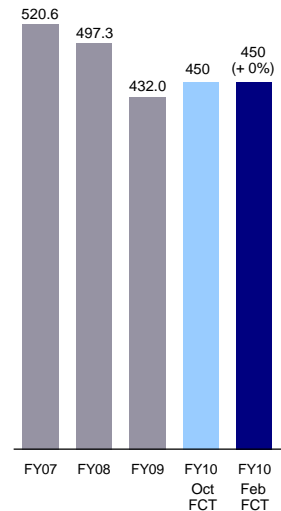


### Depreciation & Amortization\*



FY10 (FCT) includes 230 bln yen for depreciation of tangible assets, compared to 260.2 bln in FY09

### Research & Development



\* Includes amortization for intangible assets and for deferred insurance acquisition costs  
Percentages are changes from the October forecast

## Unit Sales of Key Consumer Electronics & Game Products

(Quarterly & Annual)

(mln units)

	FY09					FY10					FY10
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	FY FCT
<b>Consumer Electronics</b>											
LCD TVs	3.2	3.3	5.4	3.7	15.6	5.1	4.9	7.9			23.0
Video Cameras	1.4	1.3	1.5	1.1	5.3	1.4	1.2	1.6			5.3
Compact Digital Cameras	5.0	5.2	6.5	4.3	21.0	6.0	6.2	7.5			24.0
PCs	1.1	1.4	2.3	2.0	6.8	1.9	2.3	2.7			8.8
<b>Game</b>											
<b>Hardware</b>											
PlayStation 3	1.1	3.2	6.5	2.2	13.0	2.4	3.5	6.3			15.0
PlayStation Portable	1.3	3.0	4.2	1.4	9.9	1.2	1.5	3.6			8.0
PlayStation 2	1.6	1.9	2.1	1.7	7.3	1.6	1.5	2.1			6.0
<b>Software</b>											
PlayStation 3	14.8	23.9	47.6	29.3	115.6	24.8	35.3	57.6			Approx. same as FY09
PlayStation Portable	8.3	13.0	15.0	8.1	44.4	9.2	11.0	16.5			
PlayStation 2	8.5	11.4	11.2	4.6	35.7	3.4	5.6	5.3			

## FY10 Unit Sales of Key Consumer Electronics & Game Products

(Annual)

(mln units)

	FY09	FY10	FY10
	ACT	Oct FCT	Feb FCT
LCD TVs	15.6	25.0	23.0
Video Cameras	5.3	5.3	5.3
Compact Digital Cameras	21.0	23.0	24.0
Blu-ray Disc Recorders	0.7	1.0	1.0
Blu-ray Disc Players	3.3	5.5	5.0
DVD Players	11.5	11.0	11.0
PCs	6.8	8.8	8.8
Digital Music Players	8.0	7.7	8.0
PlayStation 3 Hardware	13.0	15.0	15.0
PlayStation Portable Hardware	9.9	8.0	8.0
PlayStation 2 Hardware	7.3	6.0	6.0
PlayStation Software (total)	195.7	Approx. same as FY09	

## Sales and Capital Expenditures for Semiconductors and LCD

(bln yen)

	FY06	FY07	FY08	FY09	FY10 Oct FCT	FY10 Feb FCT
<b>Semiconductors</b>						
Sales	780	850	580	490	500	500
Capital Expenditures	150	90	80	27	45	45
<b>LCD</b>						
Sales	140	130	90	90	160	160
Capital Expenditures	18	5	5	3	7	7

## Exchange Rates Trends

(yen)

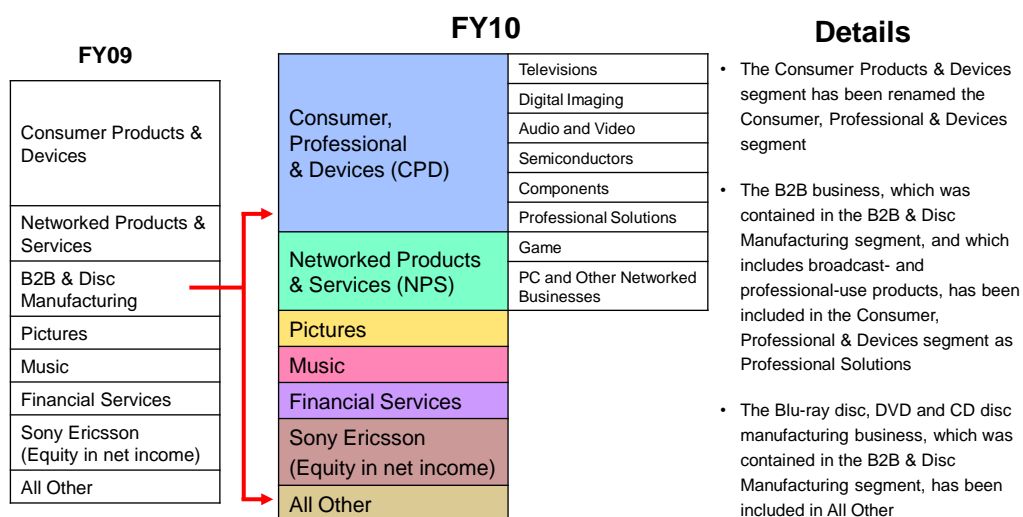
	FY09					FY10				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
<b>US\$</b>										
Market rate (simple average)	96	93	89	90	92	91	87*	84*		
Market rate (weighted average)	96	91	89	90	93	91	87*	83*		
Forward contract rate	95	95	92	89	93	92	86*	82*		
<b>Euro</b>										
Market rate (simple average)	131	132	131	124	130	115	109	111		
Market rate (weighted average)	131	132	132	124	130	115	109	111		
Forward contract rate	126	133	133	132	132	122	113	111		

Market rate (weighted average): Weighted average market rates in each month based upon the exports or imports amount of each month

Forward contract rate: Weighted average forward contract rates in each month based upon the exports or imports amount of each month

\*Net imports amount :TTS is applied to the calculation of market rate

## Segment Realignment



• Sony realigned its reportable segments effective from the first quarter of the fiscal year ending March 31, 2011 to reflect the Company's modification to the organizational structure as of April 1, 2010

Statements made in this presentation 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," "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.