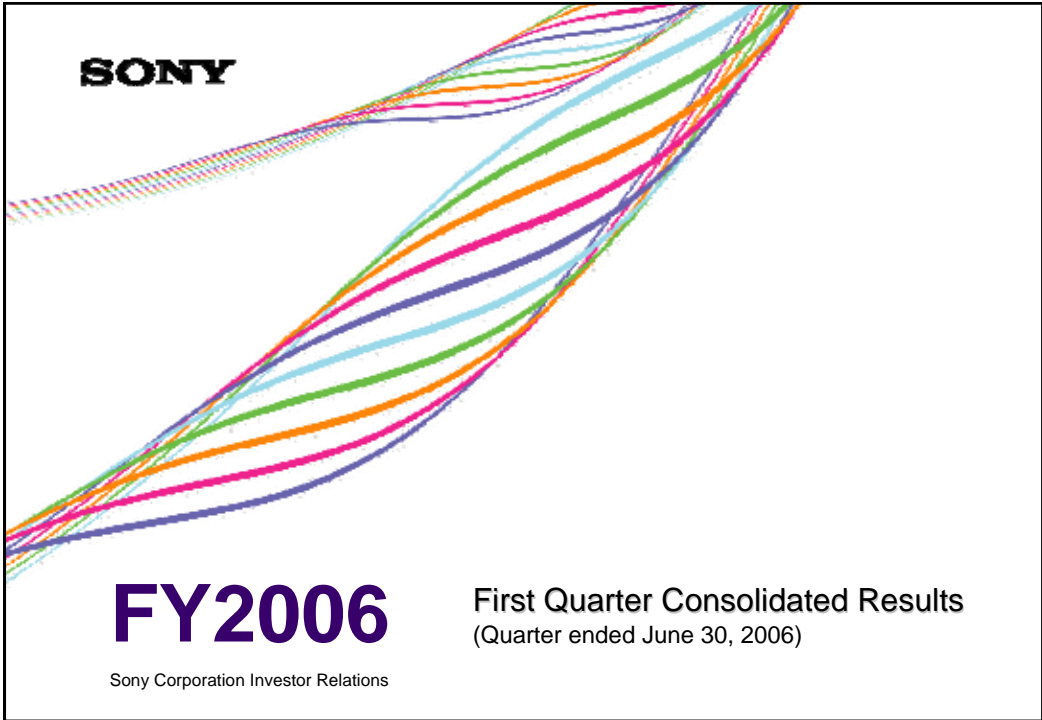




SONY



FY2006

First Quarter Consolidated Results
(Quarter ended June 30, 2006)

Sony Corporation Investor Relations

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Results Overview and Topics Q1 FY06

Results Overview

Sony's Q1 consolidated sales grew 11% YoY (+6% on a local currency basis) on contribution from growth in Electronics and Pictures segments, despite declines in Game sales and Financial Services revenue.

Consolidated operating income reached 27 bln yen, compared to a loss of 6.6 bln yen a year ago. Operating income benefited from an improvement in Electronics, which achieved an improved cost of sales ratio and sales growth in key products. However, Game losses grew and Financial Services operating income was lower during the quarter.

FY06 (ending Mar '07) forecasts were maintained except for the addition of 30 bln yen to sales and operating income due to a reclassification of royalty income.

Topics



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BRAVIA™ branded LCD television sales continue to grow dramatically in all geographic areas.



The Da Vinci Code has enjoyed tremendous success since its worldwide release on May 19th, 2006, generating over \$740 mln at worldwide box offices.

The α (alpha) digital single lens reflex camera made its debut in July and demand from the market have been extremely positive.



Sony Ericsson achieved market share gains and more than doubled YoY income before taxes during the quarter, boosted by hit products including Walkman® series phones.

Consolidated Results Q1 FY06

(bln yen)

	Q1 FY05	Q1 FY06	Change	Change (LC*)
Sales & operating revenue	1,568.1	1,744.2	+11.2%	+6%
Operating income (loss)	-6.6	27.0	-	-
Income before income taxes	12.9	54.0	+318.7%	
Equity in net income (loss) of affiliates	-9.1	3.6	-	
Net income (loss)	-7.3	32.3	-	
Net income (loss) per share of common stock (diluted)	-8.68 yen	30.75 yen	-	
Restructuring charges**	15.9	10.7	-5.2	

Foreign exchange impact		Average Rate	Q1 FY05	Q1 FY06
Sales & operating revenue:	approx. +80.1 bln yen	1 Dollar	107 yen	113 yen
Operating income:	approx. +18.8 bln yen	1 Euro	134 yen	142 yen

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

** Restructuring charges are recorded as operating expenses

Segments and Affiliates Q1 FY06

(bln yen)

CONSOLIDATED SEGMENTS		Q1 FY05	Q1 FY06	Change	Change (LC*)
Electronics	Sales	1,128.4	1,280.9	+13.5%	+8%
	Operating income (loss)	-26.7	47.4	-	-
Game	Sales	172.8	122.5	-29.1%	-32%
	Operating income (loss)	-5.9	-26.8	-	-
Pictures	Sales	144.4	204.8	+41.8%	-
	Operating income (loss)	4.2	-1.2	-	-
Financial Services	Revenue	153.8	124.1	-19.3%	-
	Operating income	21.9	4.6	-79.1%	-
All Other	Sales	93.1	88.1	-5.3%	-
	Operating income	5.2	4.7	-9.6%	-

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

MAJOR EQUITY METHOD AFFILIATES		4/05 – 6/05	4/06 – 6/06	Change
Sony Ericsson (mln euros)	Sales	1,614	2,272	+41%
	Income before taxes	87	211	+143%
SONY BMG (mln dollars)	Sales	1,019	872	-14%
	Income (loss) before taxes	-23	-73	-

Sony Ericsson Mobile Communications AB & SONY BMG MUSIC ENTERTAINMENT are 50-50 joint ventures with LM Ericsson & Bertelsmann AG, respectively, both of which are accounted for by the equity method.

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Sony Corporation Investor Relations

FY06 Consolidated Results Forecast

(bln yen)

	FY05	FY06 FCT	Change	Previous FCT
Sales & operating revenue	7,510.6	8,230	+10%	8,200
Operating income	226.4	130	-43%	100
Restructuring charges (included above)	138.7	50	-64%	50
Income before income taxes	286.3	150	-48%	150
Equity in net income of affiliates	13.2	40	+204%	40
Net income	123.6	130	+5%	130
Capital Expenditures	384.3	460	+20%	460
for semiconductors (included above)	140.0	170	+21%	170
Depreciation & Amortization*	381.8	410	+7%	410
Research & Development	531.8	550	+3%	550
Foreign Exchange Rates	<u>FY05 Actual</u>	<u>FY06 Assumption</u> (Q2 onwards)		<u>FY06 Assumption</u>
1 Dollar	112.3 yen	Approx. 113 yen		Approx. 113 yen
1 Euro	136.3 yen	Approx. 136 yen		Approx. 136 yen

Effective the first quarter of the fiscal year ending March 31, 2007, Sony reclassified royalty income as a component of sales and operating revenue, rather than as a component of other income as previously recorded. In connection with this reclassification, the forecasts for both sales and operating revenue and operating income for the current fiscal year are being restated from Sony's April 2006 forecast to incorporate ¥30 billion of anticipated royalty income, compared to ¥35.2 billion recorded during the fiscal year ended March 31, 2006. Excluding the impact of this change, Sony's forecast for the current fiscal year is unchanged from that announced on April 27, 2006.

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

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Structural Reform Progress Report Q1 FY06

	Goal (By end of FY07)	FY05 + Q1 FY06		
		FY05 ACT	Q1 FY06 ACT	ACT
Consolidated Operating Income Margin*	5%	3.9%	2.2%	-
Electronics Operating Income Margin*	4%	1.4%	4.5%	-
Cost Reduction (bln yen)	200	38	38	76
Manufacturing Sites	11 out of 65	9	0	9
Model Count **	-20%	Base Year	-13%	-13%
Headcount	10,000	5,700	3,900	9,600
Asset Sales (bln yen)	120	78	35	113

On Track to the Original Plan

* Operating income margin, excluding restructuring charges and pension return benefits
 ** Model count reduction comparison based on FY05 (base year)

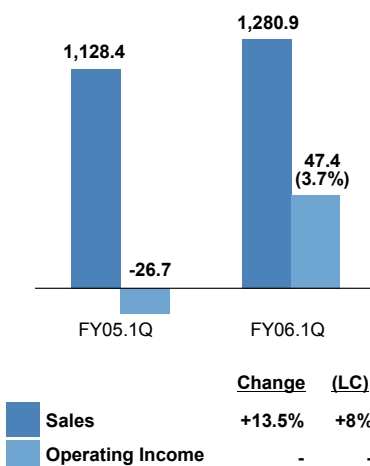
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Electronics Q1 FY06

(bln yen)

Sales & Operating Income (Loss)



Q1 FY06 Results

Sales: Increased by 13.5%

(sales to outside customers increased 19%)

- Increase: BRAVIA LCD TVs, Cyber-shot digital cameras, VAIO PCs
- Decrease: CRT TVs, plasma TVs

Operating income: Increased by 74.1 bln yen

- (+) factors: Cost of sales improvement, Outside sales increase, Foreign exchange rate impact
- (-) factor: Increase in loss on sale, disposal or impairment of fixed assets

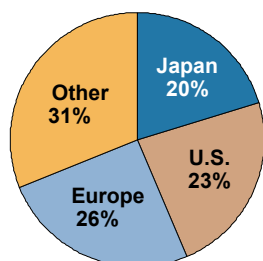
Restructuring charges: 10.1 bln yen (Q1 FY05: 15.5 bln yen)

Includes intersegment transactions; "LC" is local currency comparison; % under operating income is operating margin

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Sony Corporation Investor Relations

Electronics Sales by Area Q1 FY06



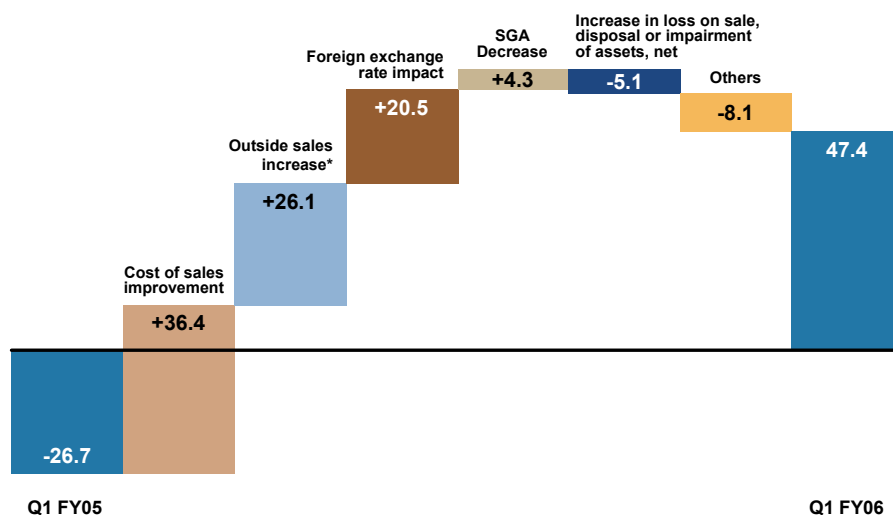
Sales to outside customers excluding operating revenue
1,215.7 bln yen, +19% (LC +13%)

- Japan: +17%**
 - Increase: LCD TVs, cellular phones, broadcast-use equipment
 - Decrease: HDD and flash memory Walkman®
- U.S.: +10% (LC +3%)**
 - Increase: LCD TVs, LCD rear-projection TVs
 - Decrease: CRT projection TVs, video cameras
- Europe: +27% (LC +20%)**
 - Increase: LCD TVs, VAIO PCs
 - Decrease: CRT TVs
- Other Areas: +22% (LC +13%)**
 - Increase: LCD TVs, VAIO PCs, digital cameras
 - Decrease: Cellular phones

Sales composition is based on customer location (yen basis); Sales are to outside customers and exclude operating revenue; "LC" is local currency comparison

Electronics Operating Income Q1 FY06

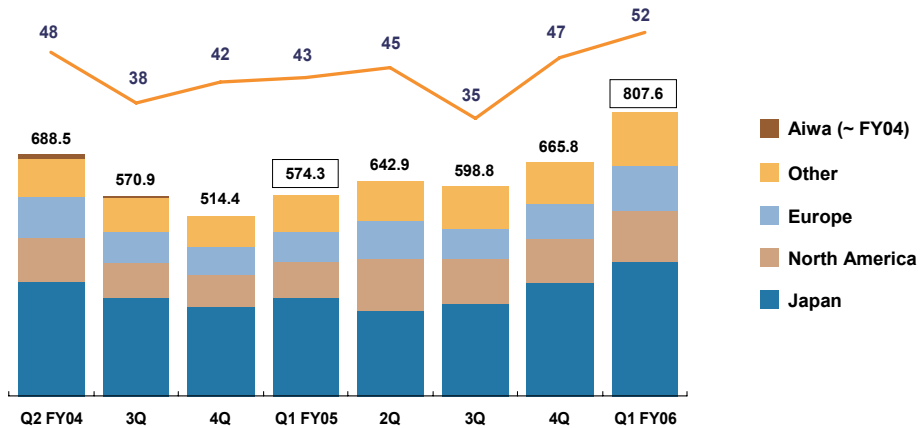
(bln yen)



* Increase in gross profit from the increase in sales to outside customers.

Electronics Inventory Levels by Area

(bln yen, days)



- 807.6 bln yen – a 233.3 bln yen increase from the end of same period last year, and a 141.8 bln yen increase from the end of Mar. '06.

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).

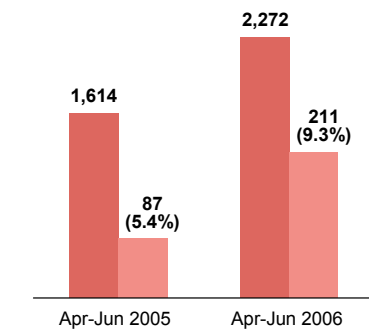
From FY05, Aiwa inventory have been divided by region.

Days supply for Q1 FY05 has revised due to the revision of our business segment configuration.

Sony Ericsson Mobile Communications

(mln euro)

Sales & Income Before Taxes



■ Sales
■ Income Before Taxes

Change

+41%

+143%

Equity Method Affiliate

Apr-Jun 2006 Results

Sales increased 41%, income before taxes was up 143%

- Unit shipments: Up 33% YoY to 15.7 mln
- Contributors to earnings included Walkman® phones (W810) and 2.0 megapixel auto-focus camera phones (K750)
- Growth in the global handset market continued to outpace expectations; forecast for the global market in calendar 2006 is now over 950 mln units (earlier outlook: "above 900 mln units")

Sony recorded equity in net income of 10.2 bln yen

Impact To Sony

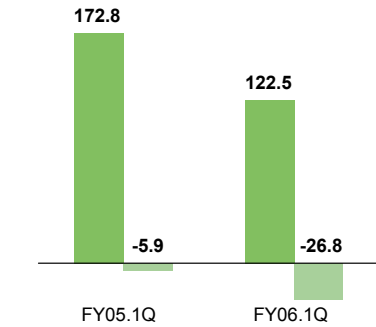
	Apr-Jun 2005	Apr-Jun 2006	Change
Net income (mln euro)	75	143	+91%
Equity in net income recorded by Sony (bln yen)	4.6	10.2	+122%

% under income before taxes is BT margin

Game Q1 FY06

(bln yen)

Sales & Operating Income (Loss)



	Change	(LC)
Sales	-29.1%	-32%
Operating Income (loss)	-	-

Q1 FY06 Results

Sales:

- Hardware: Lower PS2 and PSP unit sales compared to the same quarter of the previous fiscal year, which had continued strong demand for the new PS2 model
- Software: While PSP software sales increased, overall sales decreased as a result of a decrease in sales from PS2 software

Operating loss:

- Although combined profit from current businesses was relatively unchanged, operating loss increased due primarily to charges associated with the launch of the PS3 platform, in addition to continued high R&D costs associated with PS3

Inventory:

- 122.0 bln yen (+45% YoY).
- Resulting from the world-wide deployment of the PSP

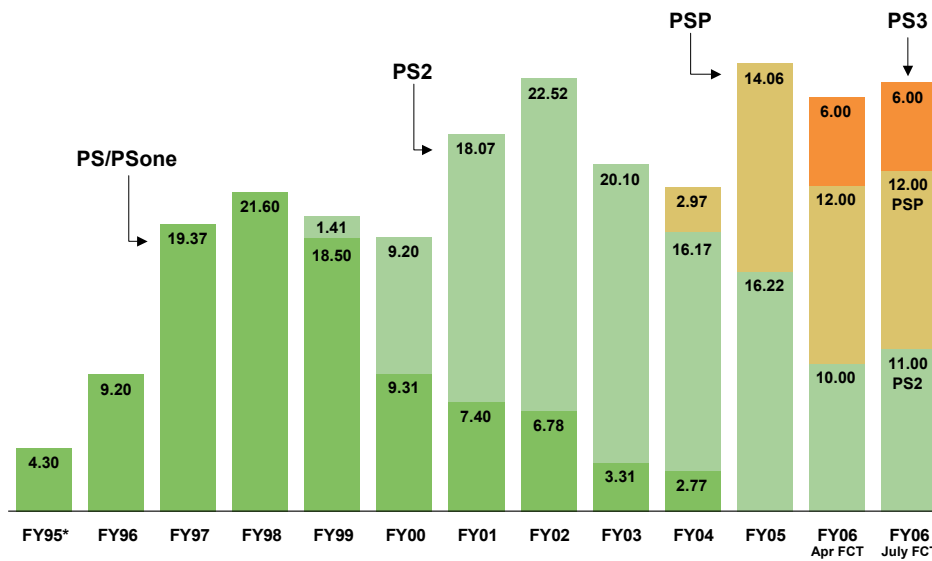
Unit Shipments

		Q1 FY05	Q1 FY06	Change
Hardware (mln units)	PS2	3.53	2.54	-28%
	PSP	2.09	2.02	-3%
Software (mln units)	PS2	35	33	-6%
	PSP	4.9	9.1	+86%

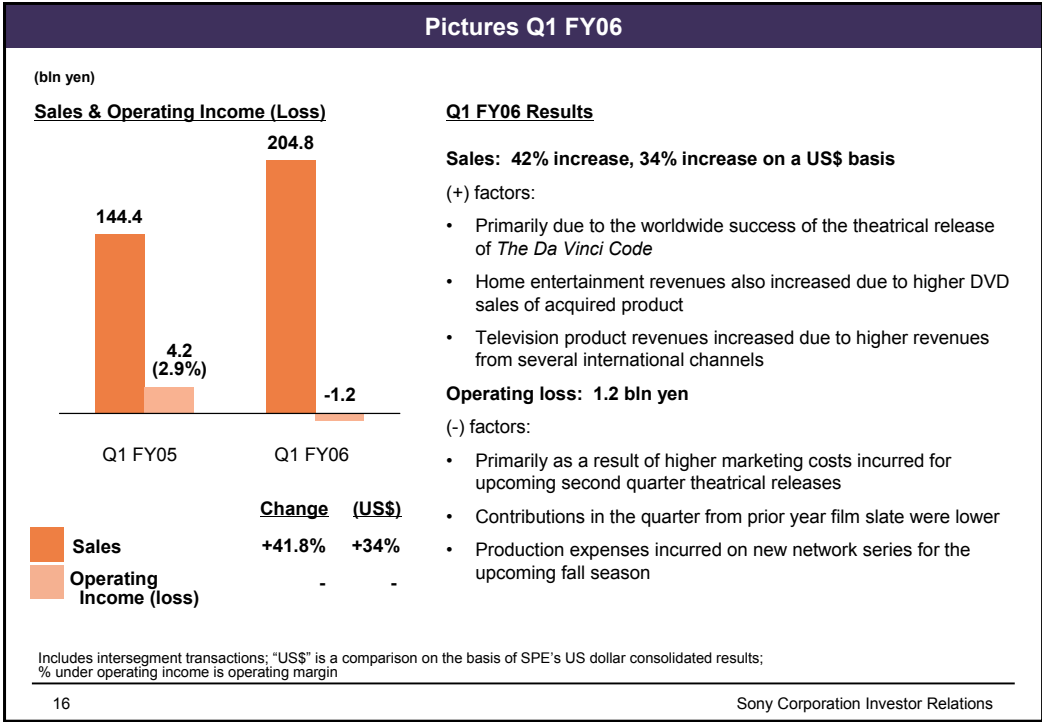
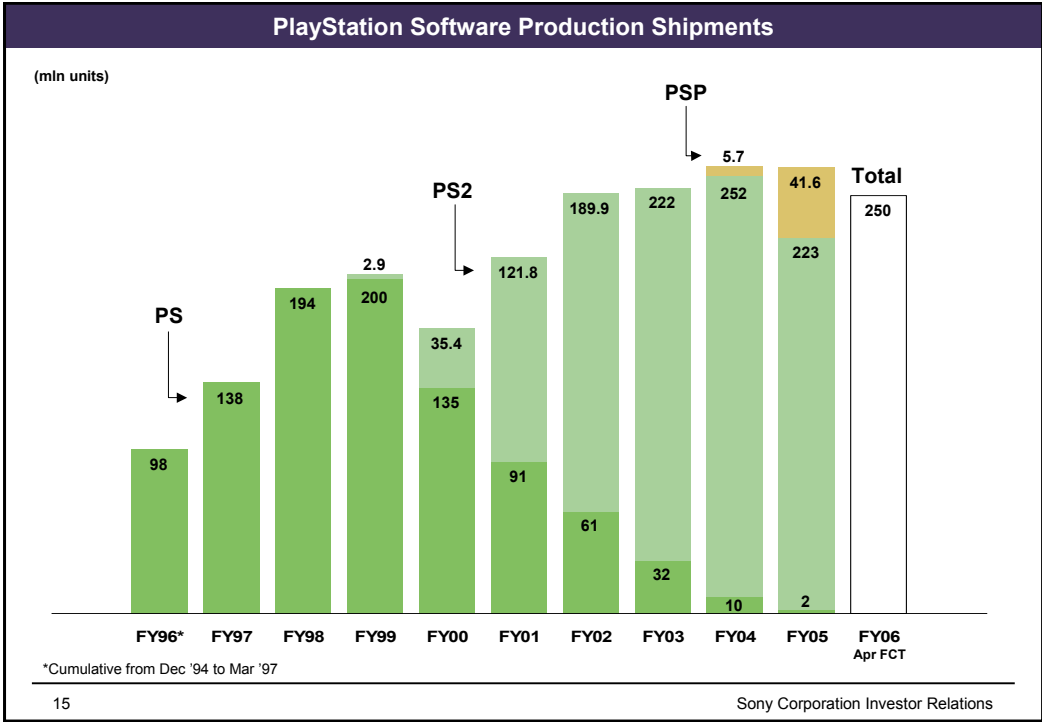
Includes intersegment transactions; "LC" is local currency comparison; % under operating income is operating margin

PlayStation Hardware Production Shipments

(mln units)



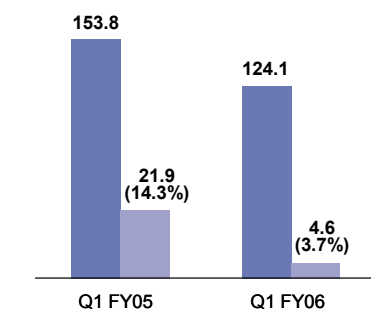
*Cumulative from Dec '94 to Mar '96



Financial Services Q1 FY06

(bln yen)

Financial Services Revenue & Operating Income



	Change
Revenue	-19.3%
Operating Income	-79.1%

Q1 FY06 Results

Financial Services revenue: Decreased 19.3%, mainly due to lower revenue at Sony Life

- Sony Life revenue: 23% lower
- (+) factor: Increase in revenue from insurance premiums
- (-) factor: Lower valuation gains in the general account and the separate account as a result of unfavorable Japanese stock market conditions

Operating income: 79% decline mainly on decreased income at Sony Life

- Sony Life operating income: 86% lower
- (+) factor: Increase in revenue from insurance premiums at Sony Life
- (-) factor: Decrease in valuation gains from convertible bonds caused by unfavorable Japanese stock market conditions
- Sony Assurance and Sony Bank continued to perform well

Sony Life Results

	Q1 FY05	Q1 FY06	Change
Revenue (bln yen)	127.6	98.1	-23%
Operating income (bln yen)	22.5	3.1	-86%

Includes intersegment transactions; % under operating income is operating margin

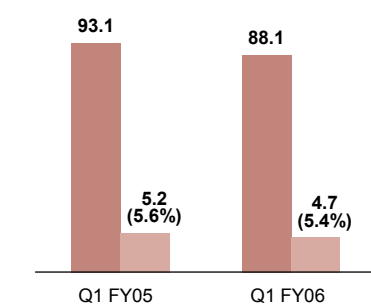
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All Other Q1 FY06

(bln yen)

Sales & Operating Income



	Change
Sales	-5.3%
Operating Income	-9.6%

Q1 FY06 Results

Includes SMEI's music publishing business & SMEJ

Sales: Decreased 5%

- Lower sales were mainly due to the sale of Sony retail businesses and lower sales at SMEJ
- SMEJ
 - (-) factor: A decline in album and singles sales
 - Best-selling albums and singles during the quarter included *HOME* by Angela Aki, *FAITH* by HYDE and *1000000000000* by T.M. Revolution

Operating income: 4.7 bln yen, decrease of 0.5 bln yen

- Mostly a result of lower sales recorded at SMEJ

Includes intersegment transactions; % under operating income is operating margin

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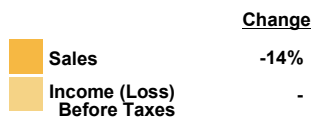
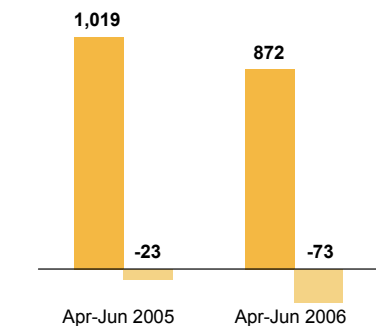
Sony Corporation Investor Relations

SONY BMG MUSIC ENTERTAINMENT

(mln dollar)

Equity Method Affiliate

Sales & Income (Loss) Before Taxes



Apr-Jun 2006 Results

Sales decreased 14%, loss before taxes was \$73 mln

- (-) factors:
 - Decrease in unit sales due to the change in timing of several key releases into the second half of the calendar year
 - Continued decline in the overall market
- Best selling albums during the quarter included the Dixie Chicks' *Taking the Long Way* and Tool's *10,000 Days*

Sony recorded equity in net loss of 4.6 bln yen

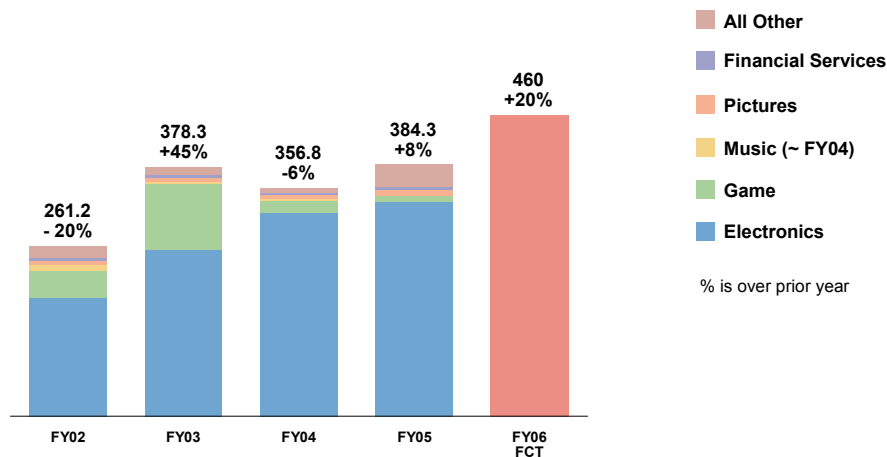
Impact To Sony

	Apr-Jun 2005	Apr-Jun 2006	Change
Net income (loss) (mln dollar)	-18	-81	-
Equity in net income (loss) recorded by Sony (bln yen)	-1.0	-4.6	-

% under income before taxes is BT margin

FY06 Capital Expenditures Forecast

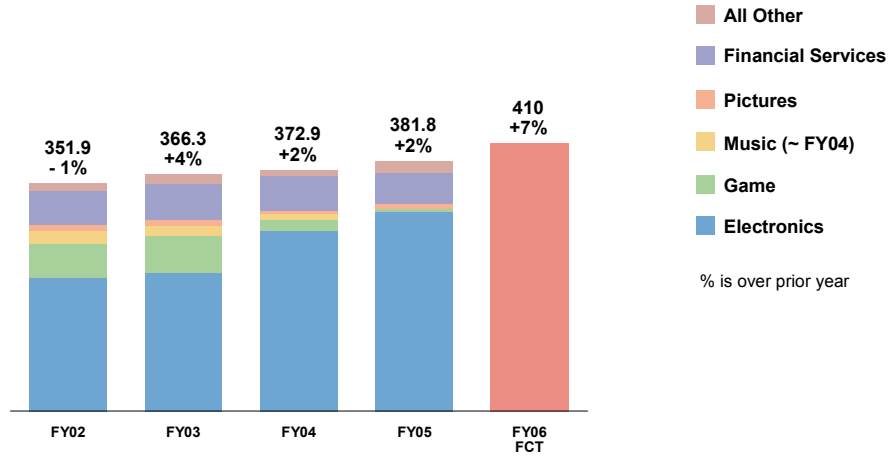
(bln yen)



- FY06 (FCT) includes 170 bln yen for semiconductors, compared to 140 bln in FY05
- No change from April forecast

FY06 Depreciation & Amortization Forecast

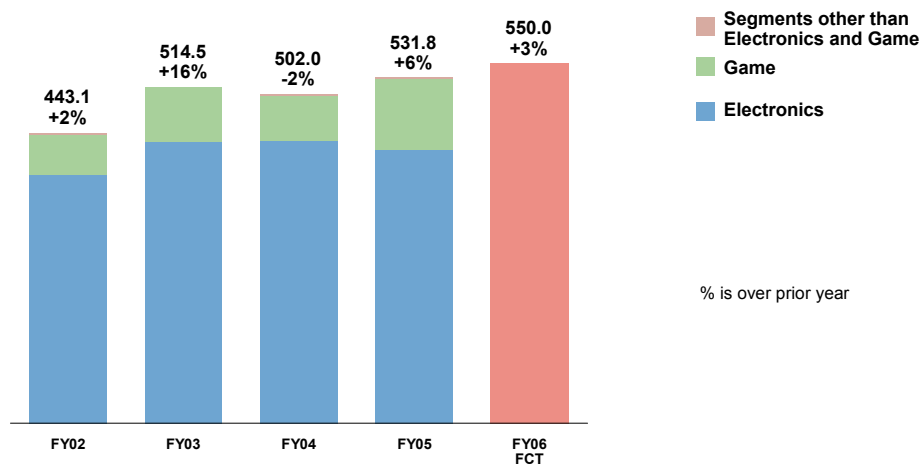
(bln yen)



- FY06 (FCT) includes 340 bln yen for depreciation of tangible assets, compared to 310.5 bln in FY05
- No change from April forecast

FY06 Research & Development Forecast

(bln yen)



- No change from April forecast