



SONY

Q1 FY2008 Consolidated Results

(Quarter ended June 30, 2008)

Sony Corporation Investor Relations

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Q1 FY08 Consolidated Results

SONY

(bln yen)

	Q1 FY07	Q1 FY08	Change	Change (LC*)
Sales & operating revenue	1,976.5	1,979.0	+0.1%	+8%
Operating income**	121.3	73.4	-39.5%	-34%
Equity in net income of affiliates (included above)	22.0	2.2	-89.8%	
Restructuring charges (included above)	3.4	0.6	-83.5%	
Income before income taxes**	105.7	62.9	-40.5%	
Net income	66.5	35.0	-47.4%	
Net income per share of common stock (diluted)	63.14 yen	33.28 yen	-47.3%	

Foreign exchange impact		Average Rate	Q1 FY07	Q1 FY08
Sales & operating revenue:	approx. +159.2 bln yen	1 Dollar	120 yen	104 yen
Operating income:	approx. -7.0 bln yen	1 Euro	161 yen	162 yen
		Other currencies		Yen 8% stronger

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

** Sony periodically reviews the presentation of its financial information to ensure that it is consistent with the way management views its consolidated operations. Since Sony considers Sony Ericsson, S-LCD and SONY BMG (which together constitute a majority of Sony's equity investments) to be integral to Sony's operations, Sony determined the most appropriate method to report equity in net income or loss of all affiliated companies was as a component of operating income, effective from Q1 FY08. In connection with this reclassification, operating income and income before income taxes for Q1 FY07 have been reclassified to conform with the Q1 FY08 presentation.

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Q1 FY08 Segments & Affiliates

SONY

(bln yen)

CONSOLIDATED SEGMENTS		Q1 FY07	Q1 FY08	Change	Change (LC*)
Electronics	Sales	1,429.3	1,439.1	+0.7%	+9%
	Operating income	103.5	44.4	-57.2%	-43%
Game	Sales	196.6	229.6	+16.8%	+25%
	Operating income	-29.2	5.4	-	-
Pictures	Sales	231.4	159.6	-31.0%	-20%
	Operating income	4.6	-8.3	-	-
Financial Services	Revenue	184.8	183.0	-1.0%	
	Operating income	33.8	30.6	-9.4%	
All Other	Sales	84.2	92.1	+9.5%	
	Operating income	8.9	6.7	-24.3%	

* Local currency (LC) basis: change that would have occurred with no year-on-year change in exchange rates (for the Pictures segment refers to change on a US\$ basis)

Sony periodically reviews the presentation of its financial information to ensure that it is consistent with the way management views its consolidated operations. Since Sony considers Sony Ericsson, S-LCD and SONY BMG (which together constitute a majority of Sony's equity investments) to be integral to Sony's operations, Sony determined the most appropriate method to report equity in net income or loss of all affiliated companies was as a component of operating income, effective from Q1 FY08. Of the above equity affiliates, the equity earnings from Sony Ericsson and S-LCD are recorded within the operating income of the Electronics segment and the equity earnings from SONY BMG are recorded within All Other. In connection with this reclassification, operating income of each segment for Q1 FY07 have been reclassified to conform with the Q1 FY08 presentation.

MAJOR EQUITY METHOD AFFILIATES		4/07 - 6/07	4/08 - 6/08	Change
Sony Ericsson (mln euro)	Sales	3,112	2,820	-9%
	Income before taxes	327	8	-98%
SONY BMG (mln dollars)	Sales	875	820	-6%
	Income before taxes	31	-42	-

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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FY08 Consolidated Results Forecast
SONY

	(bln yen)			
	FY07	FY08 May FCT	FY08 FCT	Change vs. May FCT
Sales & operating revenue	8,871.4	9,000	9,200	+2%
Operating income*	475.3	520	470	-10%
Equity in net income of affiliates (included above)	100.8	70	10	-86%
Restructuring charges (included above)	47.3	20	20	-
Income before income taxes*	567.1	510	460	-10%
Net income	369.4	290	240	-17%
Capital Expenditures	335.7	430	430	-
for semiconductors (included above)	90	110	110	-
Depreciation & Amortization**	428.0	420	420	-
Research & Development	520.6	540	540	-
Foreign Exchange Rates	FY07 Actual	FY08 Assumption	FY08 Assumption	
			(Q2 onwards)	
1 Dollar	113 yen	Approx. 100 yen	Approx. 105 yen	
1 Euro	160 yen	Approx. 158 yen	Approx. 162 yen	

* In connection with the change in reporting of equity in net income of affiliated companies as a component of operating income, the above figures for FY07 results and the FY08 May forecast are reclassified to conform with the current forecast presentation.

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

FY08 Consolidated Results Forecast – Principal Reasons for Revision
SONY

	(bln yen)			
	FY07	FY08 May FCT	FY08 FCT	Change vs. May FCT
Sales & operating revenue	8,871.4	9,000	9,200	+2%
Operating income*	475.3	520	470	-10%
Equity in net income of affiliates (included above)	100.8	70	10	-86%
Restructuring charges (included above)	47.3	20	20	-
Income before income taxes*	567.1	510	460	-10%
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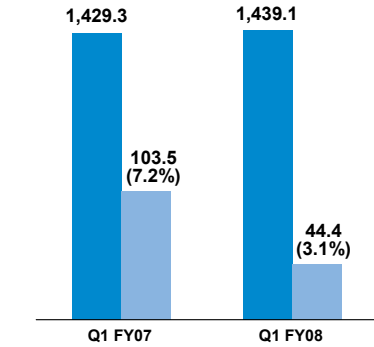
Principal reasons for the forecast revision:

1. With regard to equity in net income of affiliated companies recorded within operating income, we revised our outlook from 70 bln yen to 10 bln yen as the operating results for Sony Ericsson are expected to be significantly lower than the May forecast.
2. Operating income for Q1 FY08 slightly exceeded our forecast due to the yen exchange rate depreciating against the U.S. dollar and euro, more than the assumed exchange rates as of May, and favorable results in the Game segment.
3. With regard to sales and operating income for the remainder of the fiscal year, the revision of assumed foreign exchange rates to reflect a depreciating yen compared to the May forecast has a positive impact. However, a more cautious outlook about the business environment for the Electronics segment compared to the May forecast has a negative impact.

* In connection with the change in reporting of equity in net income of affiliated companies as a component of operating income, the above figures for FY07 results and the FY08 May forecast are reclassified to conform with the current forecast presentation.

Sales & Operating Income

(bln yen)



	Change	(LC)
Sales	+0.7%	+9%
Operating Income	-57.2%	-43%

Q1 FY08 Results

Sales: Increased by 0.7%
(sales to outside customers increased by 2.6%)

- Increase: BRAVIA™ LCD TVs
- Decrease: Negative impact from foreign exchange rates impact

Operating income: Decreased by 57.2%

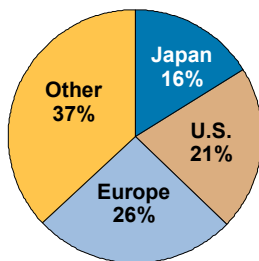
- (-) factors: Cost of sales deterioration primarily due to increased price competition, Decrease in equity in net income from affiliates, Foreign exchange rates impact, SGA increase
- (+) factors: Sales increase

By product category:

- Decrease: Cyber-shot™ compact digital cameras, Handycam® video cameras, VAIO PCs
- Increase: BRAVIA LCD TVs

In connection with the change in reporting of equity in net income of affiliated companies as a component of operating income from Q1 FY08, operating income for Q1 FY07 has been reclassified to conform with the Q1 FY08 presentation. Additionally, of the major equity affiliates, the equity earnings from Sony Ericsson and S-LCD are recorded within the operating income of the Electronics segment.

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



Sales to outside customers excluding operating revenue
1,332.6 bln yen, +3% (LC +12%)

Japan: -3%

- Increase: Blu-ray Disc™ recorders
- Decrease: VAIO™ PCs, Image sensors

U.S.: -3% (LC +13%)

- Increase: BRAVIA LCD TVs
- Decrease: LCD rear-projection TVs, Handycam® video cameras, Cyber-shot compact digital cameras

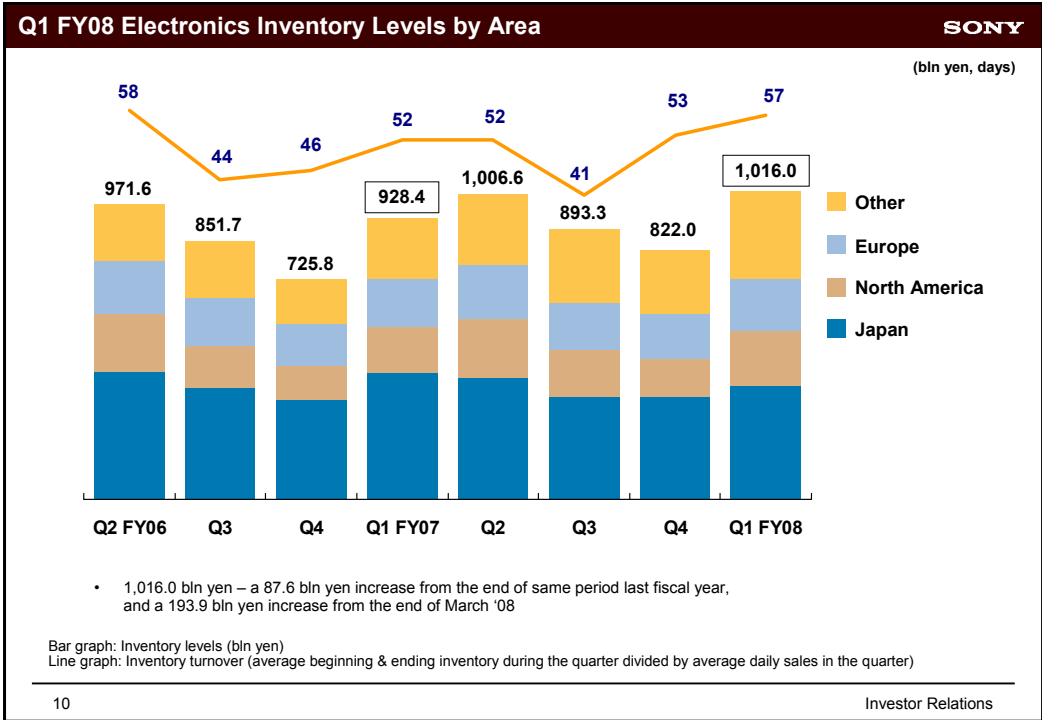
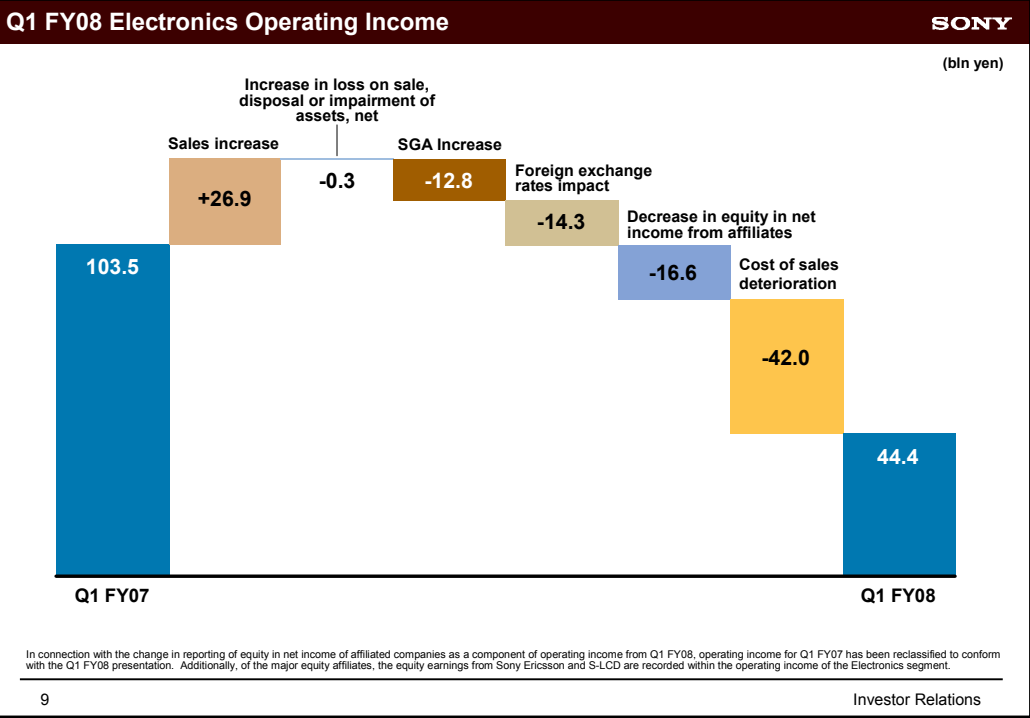
Europe: +/-0% (LC +4%)

- Increase: BRAVIA LCD TVs, α™ Digital SLR cameras
- Decrease: Handycam® video cameras, Cellular phones

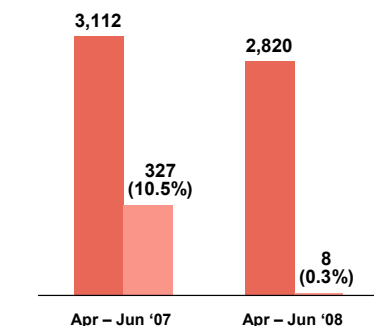
Other Areas: +12% (LC +26%)

- Increase: BRAVIA LCD TVs, VAIO PCs, Image sensors
- Decrease: CRT TVs

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



Sales & Income Before Taxes (mln euro)



	Change
Sales	-9%
Income Before Taxes	-98%

Apr – Jun '08 Results

Sales:

- Decreased 9% due to unfavorable exchange rate fluctuations, continued slowing market growth in mid- to high-end phones, and increased competition
- Unit shipments decreased 2% YoY to 24.4 mln units

Income before taxes:

- Income before taxes decreased significantly, due to the above reasons as well as an increase in R&D expenses as a percentage of sales

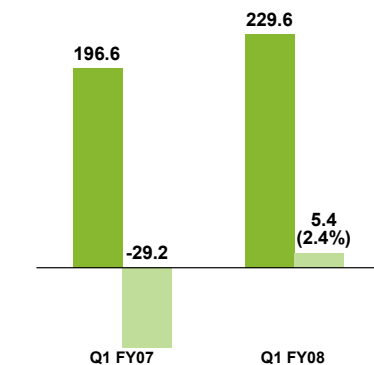
Sony recorded equity in net income of 0.6 bln yen

Impact To Sony

	4/07 – 6/07	4/08 – 6/08	Change
Net income (mln euro)	220	6	-97%
Equity in net income recorded by Sony (bln yen)	17.7	0.6	-97%

% under income before taxes is BT margin

Sales & Operating Income (bln yen)



	Change	(LC)
Sales	+16.8%	+25%
Operating Income	-	-

Q1 FY08 Results

Sales:

- Overall segment sales increased as a result of an increase in PS3 and PSP sales
- Hardware sales increased while software sales decreased

Operating income:

- Primarily due to improved operating performance of the PS3 business as a result of hardware cost reductions and increased software sales, as well as strong sales of PSP hardware
- PS2 hardware and software both contributed to profit

Inventory:

- 159.5 bln yen, a 67.5 bln yen (30%) decrease YoY

Unit Sales

		Q1 FY07	Q1 FY08	Change
Hardware (mln units)	PS2	2.66	1.51	-43%
	PSP	2.13	3.72	+75%
	PS3	0.70	1.56	+123%
Software (mln units)	PS2	31.1	19.3	-38%
	PSP	9.8	11.8	+20%
	PS3	4.7	22.8	+385%

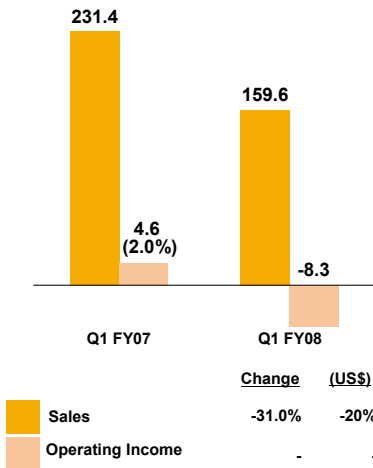
Includes intersegment transactions; "LC" is local currency comparison; % under operating income is operating margin

Q1 FY08 Pictures

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Sales & Operating Income

(bln yen)



Q1 FY08 Results

Sales: 31.0% decrease, 20% decrease on a US\$ basis

- Decrease was primarily due to the strong worldwide theatrical performance of *Spider-Man 3* in the previous year, and the absence of any comparable theatrical film release in the current quarter
- However, television revenues increased due to higher advertising revenues from several international channels
- The major film released during the quarter that contributed the most to motion picture revenue was *You Don't Mess with the Zohan*

Operating income: Recorded operating loss of 8.3 bln yen

- Change was due to the decrease in motion picture revenue as well as the recording of significantly higher theatrical marketing expenses for upcoming film releases than was the case in the previous year
- Television operating income due to the factors listed above

In connection with the change in reporting of equity in net income of affiliated companies as a component of operating income from Q1 FY08, operating income for Q1 FY07 has been reclassified to conform with the Q1 FY08 presentation.

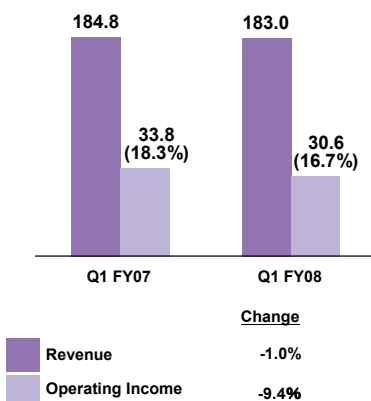
Includes intersegment transactions; "US\$" is a comparison of SPE's US dollar consolidated results; % under operating income is operating margin

Q1 FY08 Financial Services

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Financial Service Revenue & Operating Income

(bln yen)



Q1 FY08 Results

Financial service revenue: Decreased 1.0% due to lower revenue at Sony Life

- Sony Life revenue: 4% decrease
- (-) factor: A decrease in net valuation gains from convertible bonds in the general account and lower net gains from investments in the separate account
- (+) factor: An increase in insurance premium revenue reflecting an increase in policy-in-force

Operating income: 9.4% decrease due to a deterioration in profitability at Sony Life

- Sony Life operating income: 20% decrease
- (-) factor: A decline in net valuation gains from convertible bonds in the general account, among others
- (+) factor: An increase in insurance premium revenue mentioned above

Sony Life Results

	Q1 FY07	Q1 FY08	Change
Revenue (bln yen)	161.8	155.2	-4.1%
Operating income (bln yen)	34.6	27.6	-20.3%

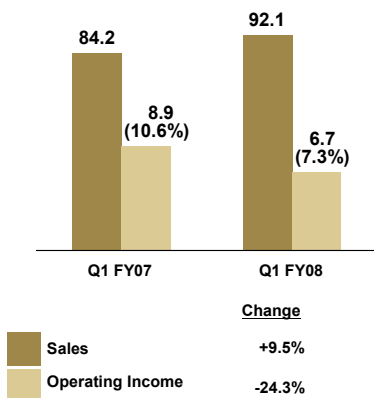
Includes intersegment transactions; % under operating income is operating margin

Q1 FY08 All Other



Sales & Operating Income

(bln yen)



Q1 FY08 Results

Includes SMEI's music publishing business & SMEJ

Sales: 9.5% increase

- Primarily due to:
 - the recognition of revenue from a settlement payment related to copyright infringement claims in the music business;
 - higher revenue at So-net Entertainment Corporation and an increase in sales at SMEJ
- SMEJ
 - Sales increased mainly due to an increase in music download sales and animation DVD sales
 - Best-selling albums included *I LOVED YESTERDAY* by YUI and *TOKYO STAR* by Miliyah Kato

Operating income: 6.7 bln yen, decrease of 24.3%

- Primarily due to a deterioration in equity in net income for SONY BMG. Partially offsetting this decrease was the recognition of revenue from the settlement payment related to copyright infringement claims in the music business

In connection with the change in reporting of equity in net income of affiliated companies as a component of operating income from Q1 FY08, operating income for Q1 FY07 has been reclassified to conform with the Q1 FY08 presentation. Additionally, of the major equity affiliates, the equity earnings from SONY BMG are recorded within All Other.

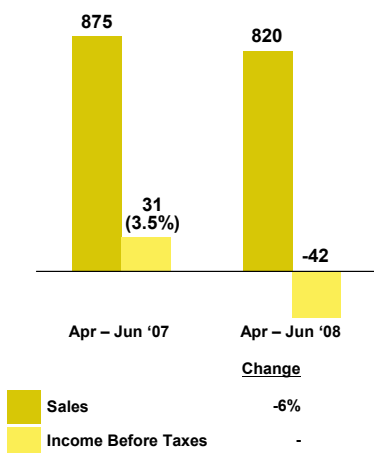
Includes intersegment transactions; % under operating income is operating margin

Apr – Jun '08 SONY BMG MUSIC ENTERTAINMENT (Equity Method Affiliate)



Sales & Income Before Taxes

(mln dollar)



Apr – Jun '08 Results

Sales: 6% decrease

- Sales: Decreased primarily due to the continued decline in the physical music market worldwide not being fully offset by growth in digital product sales
- Best selling albums included Usher's *Here I Stand*, Leona Lewis' *Spirit* and Neil Diamond's *Home Before Dark*
- Income before taxes: Loss before taxes recorded, mainly due to the sales decrease, a year-on-year restructuring costs increase of \$46 million, and recording of a gain in the prior year of a gain on sale of an interest in a joint venture of SONY BMG

Sony recorded equity in net income of 2.5 bln yen

Impact To Sony

	4/07 – 6/07	4/08 – 6/08	Change
Net income (mln dollar)	21	-49	-
Equity in net income recorded by Sony (bln yen)	1.2	-2.5	-

% under income before taxes is BT margin

FY08 Electronics & Game Unit Sales Forecast

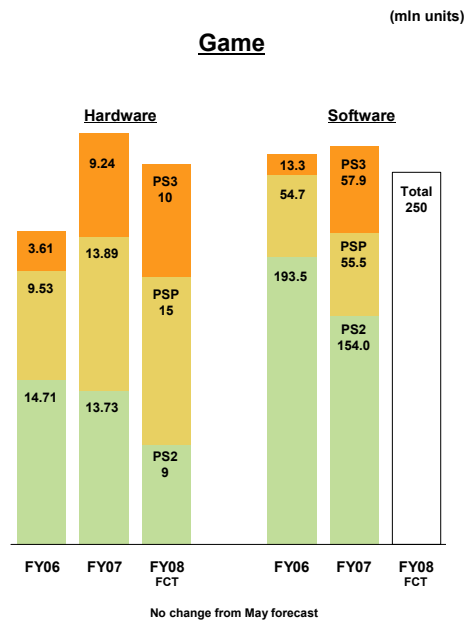
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(mln units)

Electronics

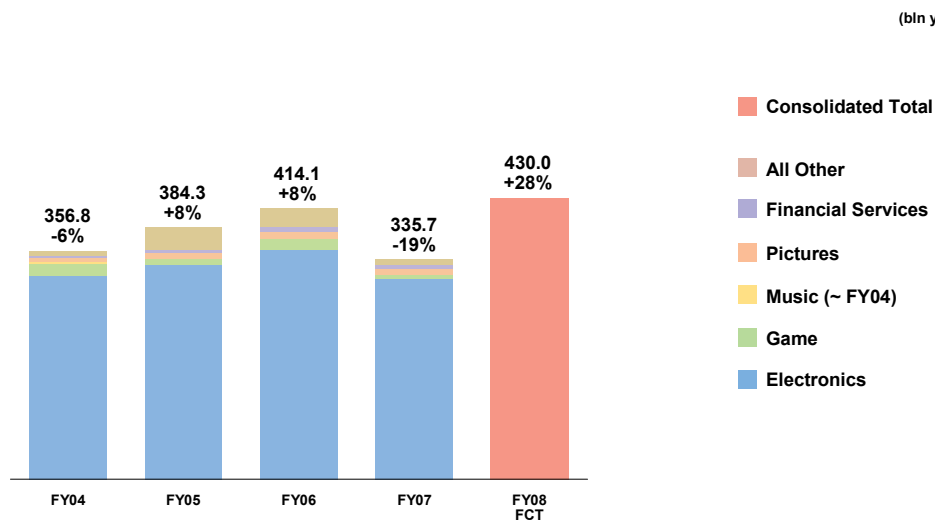
	FY07	FY08	
		May Fct	Fct
Walkman® Digital Music Players	5.80	7.00	7.00
Handycam® Video Cameras	7.70	7.70	7.70
Cyber-shot Digital Cameras	23.50	26.00	26.00
Blu-ray Disc Recorders	-	-	0.60
Blu-ray Disc Players	-	-	2.50
DVD Players*	8.50	9.00	9.00
DVD Recorders	1.70	1.80	1.80
BRAVIA LCD TVs	10.60	17.00	17.00
VAIO PCs	5.20	6.80	6.80

* From FY08 DVD Players include portable DVD players (FY07 numbers reclassified accordingly)



FY08 Capital Expenditures Forecast

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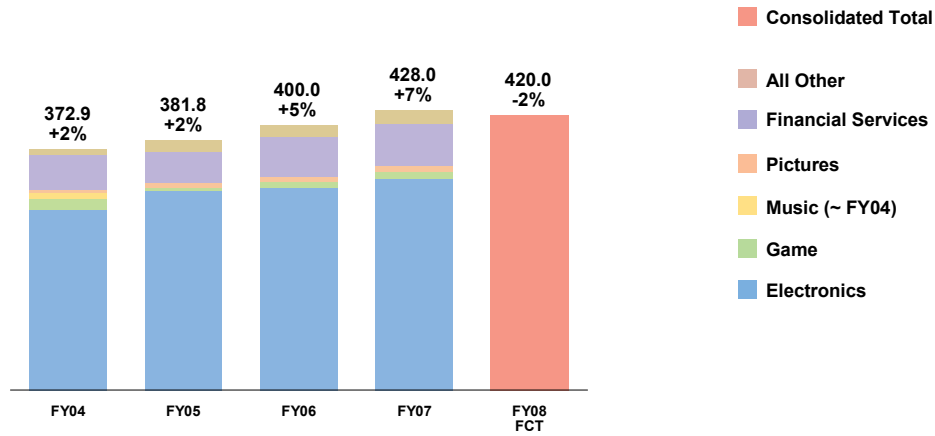
- FY08 (FCT) includes 110.0 bln yen for semiconductors, compared to 90.0 bln in FY07
- No change from May forecast

% is over prior year

FY08 Depreciation & Amortization Forecast

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(bln yen)



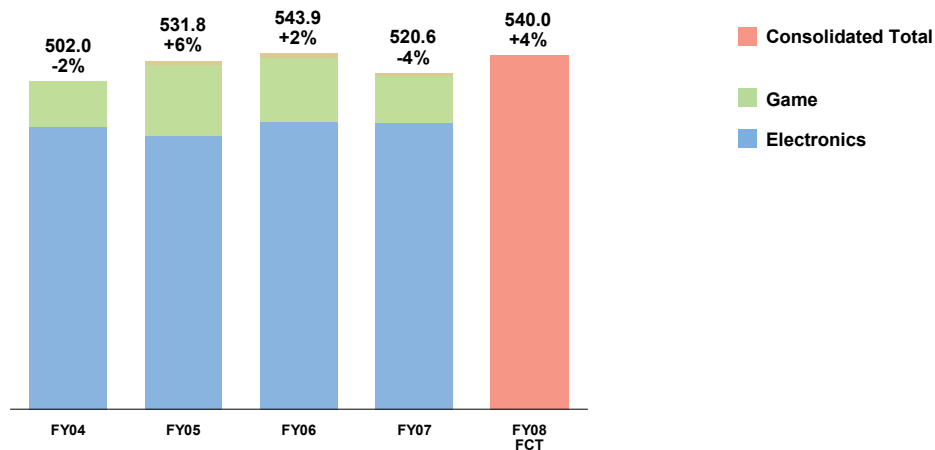
- FY08 (FCT) includes 330 bln yen for depreciation of tangible assets, compared to 328.9 bln in FY07
- No change from May forecast

% is over prior year

FY08 Research & Development Forecast

SONY

(bln yen)



- No change from May forecast

% is over prior year