SONY

News & Information

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Consolidated Financial Results for the First Quarter Ended June 30, 2009

Tokyo, July 30, 2009 -- Sony Corporation today announced its consolidated results for the first quarter ended June 30, 2009 (April 1, 2009 to June 30, 2009).

- **An operating loss was recorded due to factors including the continued slowdown of the global economy and the appreciation of the yen.**
- **As a result of better-than-expected cost reductions led by restructuring efforts, operating income was achieved on an adjusted basis, excluding equity in net income (loss) of affiliated companies and restructuring charges.**

(Billions of yen, millions of U.S. dollars, except per share amounts)

	First quarter ended June 30			
	2008	**2009**	Change in yen	**2009***
Sales and operating revenue	¥1,979.0	**¥1,599.9**	-19.2%	**$16,665**
Operating income (loss)	73.4	**(25.7)**	-	**(268)**
Income (loss) before income taxes	62.9	**(32.9)**	-	**(343)**
Net income (loss) attributable to Sony Corporation's stockholders **	35.0	**(37.1)**	-	**(386)**
Net income (loss) attributable to Sony Corporation's stockholders per share of common stock:				
— Basic	¥34.86	**¥(36.96)**	-	**$(0.39)**
— Diluted	33.28	**(36.96)**	-	**(0.39)**

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 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 (loss) by providing an alternative measure that may be useful to understand Sony's historical and prospective operating performance. Sony's management uses this measure to review operating trends, perform analytical comparisons, and assess whether the structural cost reduction plan is achieving its objectives.

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

	First quarter ended June 30			
	2008	**2009**	Change in yen	**2009**
Operating income (loss)	¥73.4	**¥(25.7)**	- %	**$(268)**
Less: Equity in net income (loss) of affiliated companies	2.2	**(15.1)**	-	**(157)**
Add: Restructuring charges recorded within operating expenses	0.6	**33.9**	+5,896.3	**354**
Operating income, as adjusted	¥71.8	**¥23.3**	-67.5%	**$243**

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. In the current fiscal year's first quarter, an ¥8.3 billion ($87 million) gain from the sale of a portion of Sony Pictures Entertainment's equity interest in a U.S. cable network (refer to page 5) is included both in "operating loss" and "operating income, as adjusted."

** U.S. dollar amounts have been translated from yen, for convenience only, at the rate of ¥96=U.S. $1, the approximate Tokyo foreign exchange market rate as of June 30, 2009.*

*** Net income (loss) attributable to Sony Corporation's stockholders is equivalent to net income (loss) in the consolidated financial statements issued for the fiscal years ended March 31, 2009 and prior. Modification of the presentation format of the consolidated statement of income is required by FAS No. 160, which Sony adopted effective April 1, 2009.*

Consolidated Results for the First Quarter Ended June 30, 2009

Sales and operating revenue ("sales") decreased 19.2% compared to the same quarter of the previous fiscal year ("year-on-year") due to factors including the slowdown of the global economy since September 2008 and the appreciation of the yen.

During the quarter ended June 30, 2009, the average value of the yen was ¥96.3 against the U.S. dollar and ¥131.1 against the euro, which was 7.5% and 23.5% higher against the U.S. dollar and the euro, respectively, compared with the average rates for the same quarter in the previous fiscal year. On a local currency basis, sales decreased 11% year-on-year. For references to sales on a local currency basis, see Note on page 9.

An operating loss of ¥25.7 billion ($268 million) was recorded, a deterioration of ¥99.1 billion year-on-year. Sony has undertaken efforts to reduce the cost of sales and selling, general and administrative expenses in response to a decline in sales; however, operating profitability deteriorated mainly due to an approximate ¥68 billion impact from the appreciation of the yen, a ¥33.4 billion increase in restructuring charges, and a ¥17.3 billion impact from deterioration in results at equity affiliates, principally Sony Ericsson Mobile Communications AB ("Sony Ericsson").

Equity in net loss of affiliated companies, recorded within the operating loss, was ¥15.1 billion ($157 million), a deterioration of ¥17.3 billion year-on-year. Sony recorded equity in net loss for Sony Ericsson of ¥14.5 billion ($151 million), compared to equity in net income of ¥0.6 billion in the same quarter of the previous fiscal year, mainly due to a decline in sales from a decrease in unit shipments and unfavorable foreign currency exchange rates. Sony also recorded equity in net loss of ¥1.8 billion ($19 million) for S-LCD Corporation ("S-LCD"), a joint venture with Samsung Electronics Co., Ltd., a deterioration of ¥4.4 billion year-on-year.

In the same quarter of the prior fiscal year, Sony recorded equity in net loss of ¥2.5 billion for its 50% share of SONY BMG MUSIC ENTERTAINMENT ("SONY BMG") which is included in the Music segment. Sony acquired the balance of SONY BMG on October 1, 2008, fully consolidating its results from that date. SONY BMG changed its name to Sony Music Entertainment ("SME") on January 1, 2009.

A loss before income taxes of ¥32.9 billion ($343 million) was recorded, compared to income of ¥62.9 billion in the same quarter of the previous fiscal year.

Income taxes: Sony recorded an income tax benefit amounting to ¥12.2 billion ($127 million) mainly due to recording of a loss before income taxes during the quarter.

Net loss attributable to Sony Corporation's stockholders of ¥37.1 billion ($386 million) was recorded in this quarter compared to ¥35.0 billion net income in the same quarter of the previous fiscal year.

Operating Performance Highlights by Business Segment

Sony realigned its reportable segments from the first quarter of the fiscal year ending March 31, 2010 to reflect the Company's reorganization as of April 1, 2009, primarily repositioning operations previously reported within the Electronics and Game segments and establishing the **Consumer Products & Devices ("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 PC 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 Disc™, DVD and CD disc manufacturing.

Additionally, **Music** is a new segment effective from the first quarter of the fiscal year ending March 31, 2010. The Music segment includes SME, Sony Music Entertainment (Japan) ("SMEJ"), and a 50% owned U.S. based joint venture in the music publishing business, Sony/ATV Music Publishing ("Sony/ATV"). For the three months ended June 30, 2008, equity in net loss for SONY BMG is reflected in the Music segment's operating income.

The equity earnings from Sony Ericsson are presented as a separate segment.

In connection with this realignment, both sales and operating revenue and operating income (loss) of each segment for the three months ended June 30, 2008 have been restated to conform with the current quarter's presentation.

"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)

	First quarter ended June 30			
	2008	**2009**	Change in yen	**2009**
Sales and operating revenue	¥1,064.5	**¥773.4**	-27.3%	**$8,056**
Operating income (loss)	36.1	**(2.0)**	-	**(20)**

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

Sales decreased by 27.3% year-on-year (an 18% decrease on a local currency basis) to ¥773.4 billion ($8,056 million). Sales to outside customers decreased 28.5% year-on-year. This decrease was mainly due to the negative impact from the appreciation of the yen, deterioration in the business environment brought on by the slowing global economy and the intensification of price competition. With regard to products within the CPD segment, sales of BRAVIA™ LCD televisions, Cyber-shot™ compact digital cameras and Handycam® video cameras decreased.

An operating loss of ¥2.0 billion ($20 million) was recorded, compared to operating income of ¥36.1 billion in the same quarter of the previous fiscal year. This decrease was mainly due to a decrease in gross profit from the decrease in sales and the negative impact of the appreciation of the yen. This decrease was partially offset by a decrease in selling, general and administrative expenses and an improvement of the cost of sales ratio. Restructuring charges in the CPD segment were ¥20.7 billion ($216 million) compared with ¥0.2 billion of reversal of charges in the same quarter of the previous fiscal year. Products contributing negatively to segment operating results (excluding restructuring charges) include Handycam® video cameras, imaging sensors and Cyber-shot compact digital cameras, partially offset by the positive contribution of BRAVIA LCD televisions due to cost reductions.

Networked Products & Services

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

	First quarter ended June 30			
	2008	**2009**	Change in yen	**2009**
Sales and operating revenue	¥394.4	**¥246.8**	-37.4%	**$2,571**
Operating income (loss)	4.6	**(39.7)**	-	**(414)**

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

Sales decreased 37.4% year-on-year (a 30% decrease on a local currency basis) to ¥246.8 billion ($2,571 million). This decrease was mainly due to lower game and VAIO™ PC sales.

Sales in the game business decreased year-on-year as a result of a decrease in unit sales of PSP® (PlayStation Portable) (“PSP”) and PLAYSTATION®3 (“PS3”) hardware and an overall decrease in software sales, as well as the impact of the appreciation of the yen. Approximately 1.1 million PS3 units and 1.3 million PSP units were sold in the first quarter of the current fiscal year compared to approximately 1.6 million PS3 units and 3.7 million PSP units in the same quarter of the prior fiscal year. The decrease in VAIO PC sales was due to a decline in unit selling prices, a decrease in unit sales, and the impact of the appreciation of the yen.

An operating loss of ¥39.7 billion ($414 million) was recorded as compared to operating income of ¥4.6 billion in the same quarter of the previous fiscal year mainly due to a deterioration in profitability in the game business and of VAIO PCs. In the game business, the deterioration in profitability was mainly due to a decrease in overall software unit sales and a decrease in PSP hardware unit sales. The deterioration in profitability for VAIO PCs was due to the reasons noted above that impacted sales.

B2B & Disc Manufacturing

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

	First quarter ended June 30			
	2008	**2009**	Change in yen	**2009**
Sales and operating revenue	¥138.3	**¥99.1**	-28.4%	**$1,032**
Operating income (loss)	8.9	**(12.4)**	-	**(129)**

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

Sales decreased 28.4% year-on-year (an 18% decrease on a local currency basis) to ¥99.1 billion ($1,032 million). Sales to outside customers decreased 31.1% year-on-year. This decrease was primarily due to the negative impact of the appreciation of the yen, a decrease in sales of broadcast- and professional-use products reflecting deterioration in the business environment brought on by the slowing global economy, and a decrease in sales of the disc manufacturing business reflecting decreased unit sales of game discs.

An operating loss of ¥12.4 billion ($129 million) was recorded compared to operating income of ¥8.9 billion in the same quarter of the previous fiscal year. This was due to a deterioration in the profitability of broadcast- and professional-use products and in the disc manufacturing business brought on by the factors discussed above.

* * * * *

Total Inventory for the CPD, NPS and the B2B & Disc Manufacturing segments, as of June 30, 2009, was ¥745.0 billion ($7,760 million), a decrease of ¥388.0 billion, or 34.2%, compared with the level as of June 30, 2008 and an increase of ¥0.7 billion, or 0.1%, compared with the level as of March 31, 2009.

Pictures

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

	First quarter ended June 30			
	2008	**2009**	Change in Yen	**2009**
Sales and operating revenue	¥159.6	**¥170.0**	+6.5%	**$1,771**
Operating income (loss)	(8.3)	**1.8**	-	**19**

Unless otherwise specified, all amounts are reported 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 which aggregates the results of its worldwide subsidiaries on a U.S. dollar basis. Management analyzes the results of SPE in U.S. dollars, so discussions of certain portions of its results are specified as being on "a U.S. dollar basis."

Sales increased 6.5% year-on-year (a 15% increase on a U.S. dollar basis). The increase is primarily due to higher motion picture and television revenues. Motion picture revenues increased compared with the the same quarter of the previous year due to the theatrical performance of *Angels & Demons* and *Terminator Salvation*. There were no comparable major theatrical releases in the prior fiscal year's first quarter. Television revenues increased due to higher revenues from U.S. network and made-for-cable programming. The current fiscal year's first quarter also benefited from higher advertising revenues in India, from the broadcasting of the 2009 Indian Premier League ("IPL") cricket competition.

Operating income of ¥1.8 billion ($19 million) was recorded as compared to an operating loss of ¥8.3 billion in the same quarter of the previous fiscal year. The primary factor contributing to this improvement was the recognition of an ¥8.3 billion ($87 million) gain from the sale of a portion of SPE's equity interest in a U.S. cable network. Operating income in the current year's first quarter also benefited from higher U.S. television sales of motion picture product. These factors were partially offset by higher costs relating to the IPL media rights.

Music

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

	First quarter ended June 30			
	2008	**2009**	Change in Yen	**2009**
Sales and operating revenue	¥55.5	**¥108.8**	+96.1%	**$1,134**
Operating income	4.7	**5.4**	+15.6	**56**

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. Management analyzes the results of

SME and Sony/ATV in U.S. dollars, so discussions of certain portions of the results are specified as being on "a U.S. dollar basis."

Sales increased significantly year-on-year primarily due to the fact that the results of SME were consolidated by Sony as a wholly-owned subsidiary beginning October 1, 2008.

Sales at SME were ¥61.2 billion ($638 million). On a pro forma basis, this represents a 19% decrease on a U.S. dollar basis compared with the same quarter of the previous fiscal year when sales of SME were not consolidated. Revenues were negatively impacted by unfavorable exchange rates and the continued accelerated decline in the physical music market as well as the continuing impact of the worldwide economic slowdown. Best selling albums during the quarter included Bob Dylan's *Together Through Life,* Dave Matthews Band's *Big Whiskey and the GrooGrux King* and Kings of Leon's *Only By The Night*.

Sales at SMEJ decreased year-on-year mainly due to a decrease in album sales resulting from a continuing decline in the physical music market. Titles by JUJU, Yusuke and Ken Hirai contributed to sales at SMEJ.

Revenue from Sony/ATV decreased year-on-year primarily due to the absence of the one-time receipt of a copyright infringement claim payment settled in the first quarter of the previous fiscal year.

Operating income increased 15.6% year-on-year primarily due to the consolidation of 100% of SME. In the current year's first quarter, SME recorded an operating loss of ¥0.2 billion ($3 million) while the operating income in the same quarter of the previous fiscal year included ¥2.5 billion of equity in net losses for Sony's then 50% owned share of SONY BMG. On a U.S. dollar basis, SME's operating loss for this quarter was $2 million. On a pro forma basis, when this figure is compared with the operating loss of $49 million for SONY BMG recorded in the same period of the previous fiscal year when its results were not consolidated, there was a $47 million decrease in operating loss. The improved operating results were primarily due to substantially lower restructuring and overhead costs compared with the first quarter of the prior fiscal year, partially offset by lower sales.

This increase in operating income was partially offset by a decline in operating income at SMEJ mainly due to a decrease in physical album sales and Sony/ATV's prior year one-time receipt of a copyright infringement claim as discussed above.

Financial Services

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

	First quarter ended June 30			
	2008	**2009**	Change in yen	**2009**
Financial services revenue	¥183.0	**¥227.6**	+24.3%	**$2,370**
Operating income	30.6	**48.2**	+57.7	**502**

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 Sony Finance International Inc. 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 24.3% year-on-year due to an increase in revenue at Sony Life. Revenue at Sony Life was ¥200.5 billion ($2,088 million), a ¥45.3 billion or 29.2% increase year-on-year. Revenue increased year-on-year due to an increase in both net gains from investments in the separate account and valuation gains from investments in convertible bonds in the general account as a result of the rise in the Japanese stock market, an increase in net gains from other investments in the general account, and an increase in revenue from insurance premiums reflecting a higher policy amount in force.

Operating income increased 57.7% year-on-year as a result of an increase in operating income at Sony Life. Operating income at Sony Life was ¥47.5 billion ($494 million), a ¥19.9 billion or 72.1% increase compared with the same quarter of the previous fiscal year, due to the increase in both valuation gains from investments in convertible bonds and net gains from other investments in the general account.

Sony Ericsson Mobile Communications

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)		
	Quarter ended June 30		
	2008	**2009**	Change in euro
Sales and operating revenue	€2,820	**€1,684**	-40%
Income (loss) before taxes	8	**(292)**	-
Net income (loss)	6	**(219)**	-

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

Sales for the quarter ended June 30, 2009 decreased 40% year-on-year, mainly driven by significantly lower volumes as a result of continued challenging market conditions in all regions, particularly in Latin America, caused by the global economic slowdown. Loss before taxes of €292 million was recorded, compared to income before taxes of €8 million in the same quarter of previous year, primarily due to the above-mentioned lower sales and unfavorable exchange rates, which were partly offset by reductions in research and development and marketing expenses. As a result, Sony recorded equity in net loss of ¥14.5 billion ($151 million) for the current quarter.

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-3 and F-9 respectively.

Operating Activities: During the current quarter, there was a net cash inflow of ¥56.9 billion ($593 million) in operating activities, an increase of ¥273.9 billion year-on-year. For all segments excluding the Financial Services segment, ¥33.8 billion ($352 million) of net cash was used, an improvement of ¥228.2 billion, or 87.1% year-on-year. The Financial Services segment had a net cash inflow of ¥96.9 billion ($1,009 million), an improvement of ¥48.4 billion, or 99.9% year-on-year.

During the current quarter, with respect to all segments excluding the Financial Services segment, the major cash outflow factor was an increase in film costs. This exceeded cash inflow, which included a cash contribution from net income (loss), after taking into account depreciation and amortization, and an increase in notes and accounts payable, trade. The Financial Services segment generated net cash mainly from an increase in revenue from insurance premiums reflecting a steady increase in policy amount in force at Sony Life.

Compared with the same quarter of the previous fiscal year, within all segments excluding the Financial Services segment, net cash used significantly decreased during the current quarter mainly as a result of a decrease in income tax payments and a diminution of increase in inventory. Within the Financial Services segment, net cash generated increased year-on-year mainly due to an increase in revenue from insurance premiums reflecting a steady increase in policy amount in force at Sony Life.

Investing Activities: During the current quarter, Sony used ¥172.9 billion ($1,801 million) of net cash in investing activities, a decrease of ¥41.4 billion, or 19.3% year-on-year. For all segments excluding the Financial Services segment, ¥78.2 billion ($815 million) of net cash was used, an increase of ¥35.3 billion, or 82.4% year-on-year. The Financial Services segment used ¥84.9 billion ($884 million) in net cash, a decrease of ¥100.1 billion, or 54.1% year-on-year.

During the current quarter, with respect to all segments excluding the Financial Services segment, there were no significant asset sales, and net cash was used mainly for the purchases of manufacturing equipment. Within the Financial Services segment, payments for investments and advances, carried out primarily at Sony Life, and at Sony Bank, where its operations are expanding, exceeded proceeds from the maturities of marketable securities, sales of securities investments and collections of advances.

Compared with the same quarter of the previous fiscal year, net cash used increased within all segments excluding the Financial Services segment, primarily due to the absence of proceeds from the sales of semiconductor fabrication equipment recorded in the same quarter of the previous fiscal year. On the other hand, net cash used within the Financial Services segment decreased year-on-year due to an increase in investment assets sales primarily at Sony Life as noted above.

In all segments excluding the Financial Services segment, net cash used by operating and investing activities combined was ¥112.0 billion ($1,167 million), a decrease of ¥192.9 billion compared to net cash used of ¥304.9 billion in the same quarter of the previous fiscal year.

Financing Activities: During the current quarter, ¥265.3 billion ($2,764 million) of net cash was provided by financing activities, an increase of ¥151.6 billion, or 133.4% year-on-year. For all segments excluding the Financial Services segment, there was a net cash inflow of ¥214.2 billion ($2,232 million) in financing activities, an increase of ¥216.1 billion compared to a net cash outflow of ¥1.9 billion in the same quarter of the previous fiscal year. This was primarily due to issuances of commercial paper and corporate bonds and borrowings from banks in the current quarter. In June 2009 Sony Corporation issued domestic straight bonds totaling ¥220 billion ($2,292 million) in Japan with maturities of 3 to 10 years. In the Financial Services segment, since the increase in deposits from customers at Sony Bank was less than the increase in the same quarter of the previous fiscal year, financing activities generated ¥35.2 billion ($366 million) of net cash, a decrease of ¥90.6 billion, or 72.0% year-on-year.

Total Cash and Cash Equivalents: Accounting for the above factors and the effect of exchange rates, the total outstanding balance of cash and cash equivalents at the end of the current quarter was ¥807.9 billion ($8,416 million), an increase of ¥147.1 billion, or 22.3% compared with the balance as of March 31, 2009. This is an increase of ¥20.2 billion, or 2.6%, compared with the balance as of June 30, 2008. The outstanding balance of cash and cash equivalents of all segments excluding the Financial Services segment was ¥664.9 billion ($6,927 million), an increase of ¥99.9 billion, or 17.7%, compared with the balance as of March 31, 2009. This is an increase of ¥4.2 billion, or 0.6%, compared with the balance as of June 30, 2008. Sony believes it continues to maintain sufficient liquidity through access to a total of approximately ¥800 billion of unused committed lines of credit with financial institutions in addition to the cash and cash equivalents balance at June 30, 2009. Within the Financial Services segment, the outstanding balance of cash and cash equivalents was ¥143.0 billion ($1,489 million), an increase of ¥47.2 billion, or 49.3%, compared with the balance as of March 31, 2009. This is an increase of ¥16.0 billion, or 12.6%, compared with the balance as of June 30, 2008.

Note

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

Outlook for the Fiscal Year ending March 31, 2010

Sony's forecast for the fiscal year ending March 31, 2010 is as indicated in the table below. Although first quarter results were favorably affected by a number of factors, including the depreciation of the yen versus expectation, an improvement in the Japanese stock market, as well as the better-than-expected performance of the CPD segment, management has not revised the forecast for the current fiscal year from that announced on May 14, 2009, since there continue to be many uncertainties in the business environment.

		(Billions of yen)	
	Current Forecast	Change from March 31, 2009 Actual Results	March 31, 2009 Actual Results
Sales and operating revenue	**¥7,300**	-6%	¥7,730.0
Operating income (loss)	**(110)**	-	(227.8)
Income (loss) before income taxes	**(140)**	-	(175.0)
Net income (loss) attributable to Sony Corporation's stockholders	**(120)**	-	(98.9)

Assumed foreign currency exchange rates for the remainder of the fiscal year ending March 31, 2010: approximately ¥93 to the U.S. dollar and approximately ¥130 to the euro. (Assumed foreign exchange rates for the fiscal year ending March 31, 2010, at the time of the May forecast: approximately ¥95 to the U.S. dollar and approximately ¥125 to the euro.)

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 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 (loss) by providing an alternative measure that may be useful to understand Sony's historical and prospective operating performance. Sony's management uses this measure to review operating trends, perform analytical comparisons, and assess whether the structural cost reduction plan is achieving its objectives.

		(Billions of yen)	
	Current Forecast	Change from March 31, 2009 Actual Results	March 31, 2009 Actual Results
Operating income (loss)	**¥(110)**	- %	¥(227.8)
Less: Equity in net income (loss) of affiliated companies	**(30)**	-	(25.1)
Add: Restructuring charges recorded within operating expenses	**110**	+46	75.4
Operating income (loss), as adjusted	**¥30**	-	¥(127.3)

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.

Our forecast for capital expenditures, depreciation and amortization, and research and development expenses, as per the table below, is unchanged from the forecast announced on May 14, 2009.

		(Billions of yen)	
	Current Forecast	Change from March 31, 2009 Actual Results	March 31, 2009 Actual Results
Capital expenditures* (additions to Property, Plant and Equipment)	**¥250**	-25%	¥332.1
Depreciation and amortization**	**370**	-9	405.4
[for Property, Plant and Equipment (included above)	**270**	-8	293.7]
Research and development expenses	**480**	-3	497.3

* *Investments in equity affiliates are not included within the forecast for capital expenditures.*

** *The forecast for depreciation and amortization includes amortization of intangible assets and amortization of deferred insurance acquisition costs.*

This forecast is based on management's current expectations and is subject to uncertainties and changes in circumstances. Actual results may differ materially from those included in this forecast due to a variety of factors. See "Cautionary Statement" below.

Cautionary Statement

Statements made in this release 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 as well as the recent worldwide crisis in the financial markets and housing sectors; (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 platforms within the game business, which are offered in highly competitive markets characterized by continual new product 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 increasing production capacity; (v) Sony's ability to implement successfully business restructuring and transformation efforts; (vi) Sony's ability to implement successfully its hardware, software, and content integration strategy 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 correctly prioritize investments; (viii) Sony's ability to maintain product quality; (ix) Sony's ability to secure adequate funding to finance restructuring activities and capital investments given the current state of global capital markets; (x) the success of Sony's joint ventures and alliances; (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.

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