

Consolidated Financial Results
for the Third Quarter Ended December 31, 2011

Tokyo, February 2, 2012 -- Sony Corporation today announced its consolidated results for the third quarter ended December 31, 2011 (October 1, 2011 to December 31, 2011).

- **Consolidated sales decreased significantly year-on-year primarily due to the impact of the floods in Thailand, deterioration in market conditions in developed countries, and unfavorable foreign exchange rates.**
- **Consolidated operating loss was recorded compared to income in the same quarter of the previous fiscal year, primarily due to a significant deterioration in equity in net income (loss) of affiliated companies, in addition to the above-mentioned factors.**
- **The deterioration in equity in net income (loss) of affiliated companies was primarily due to an impairment loss on the shares of S-LCD, which were sold in January 2012, and the recording of a valuation allowance on deferred tax assets at Sony Ericsson.**

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

	Third quarter ended December 31			
	2010	2011	Change in yen	2011*
Sales and operating revenue	¥2,206.2	¥1,822.9	-17.4%	\$23,370
Operating income (loss)	137.5	(91.7)	-	(1,176)
Income (loss) before income taxes	131.5	(105.9)	-	(1,358)
Net income (loss) attributable to Sony Corporation's stockholders	72.3	(159.0)	-	(2,038)
Net income (loss) attributable to Sony Corporation's stockholders per share of common stock:				
- Basic	¥72.08	¥(158.40)	-	\$(2.03)
- Diluted	71.96	(158.40)	-	(2.03)

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. Operating income, as adjusted, which excludes equity in net income (loss) of affiliated companies, restructuring charges and LCD television asset impairment 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.

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

Third quarter ended December 31

	2010	2011	Change in yen	2011*
Operating income (loss)	¥137.5	¥(91.7)	-%	\$(1,176)
Less: Equity in net income (loss) of affiliated companies**	2.6	(108.8)	-	(1,395)
Add: Restructuring charges recorded within operating expenses***	16.0	4.5	-72.0	58
Add: LCD television asset impairment****	-	2.1	-	27
Operating income, as adjusted	¥150.9	¥23.7	-84.3%	\$304

Sony's management uses this measure to review operating trends, perform analytical comparisons and assess whether its structural transformation initiatives are achieving their objectives. This supplemental non-U.S. GAAP measure should be considered in addition to, not as a substitute for, Sony's operating income in accordance with U.S. GAAP.

* U.S. dollar amounts have been translated from yen, for convenience only, at the rate of 78 yen=1 U.S. dollar, the approximate Tokyo foreign exchange market rate as of December 31, 2011.

** Equity in net loss of affiliated companies for the third quarter ended December 31, 2011 includes an impairment loss of 63.4 billion yen (813 million U.S. dollars) on Sony's shares of S-LCD Corporation ("S-LCD"), which were sold in January 2012 (for further details, see page 4). Also included is a 33.0 billion yen (424 million U.S. dollars) valuation allowance (50% of the 654 million euro valuation allowance which Sony Ericsson Mobile Communications AB ("Sony Ericsson") recorded under U.S. GAAP against certain of its deferred tax assets) (for further details, see page 7).

*** Sony is undertaking structural transformation initiatives to enhance profitability through implementation of various cost reduction programs as well as adoption of horizontal platforms. Sony defines restructuring initiatives as activities initiated by Sony, such as exiting a business or product category or implementing a headcount reduction program, which are designed to generate a positive impact on future profitability. Restructuring charges are recorded, depending on the nature of the individual items, in cost of sales, selling, general and administrative expenses as well as (gain) loss on sale, disposal or impairment of assets and other, net, in the consolidated statement of income. Sony includes losses due to long-lived asset impairments in restructuring charges when those impairments are directly related to Sony's current restructuring initiatives.

**** The 2.1 billion yen (27 million U.S. dollars) asset impairment, a non-cash charge recorded within operating results, is primarily due to the estimated fair value of long-lived assets associated with the LCD television asset group being lower than net book value. The corresponding estimated future cash flows leading to the impairment charge reflect the continued deterioration in LCD television market conditions in Japan, Europe and North America, and unfavorable foreign exchange rates. Sony has not included this loss on impairment in restructuring charges. Sony also recorded impairment losses in the LCD television asset group of 27.1 billion yen for the fourth quarter of the fiscal year ended March 31, 2010 and 8.6 billion yen for the second quarter of the fiscal year ending March 31, 2012.

Sony realigned its reportable segments from the first quarter of the fiscal year ending March 31, 2012, to reflect modifications to the organizational structure as of April 1, 2011, primarily repositioning the operations of the previously reported Consumer, Professional & Devices ("CPD") and Networked Products & Services ("NPS") segments. In connection with this realignment, the operations of the former CPD and NPS segments are included in two newly established segments, namely the Consumer Products & Services ("CPS") segment and the Professional, Device & Solutions ("PDS") segment. The CPS segment includes televisions, home audio and video, digital imaging, personal and mobile products, and the game business. The equity results of S-LCD are also included within the CPS segment. The PDS segment includes professional solutions, semiconductors and components. For further details of new segments and categories, see page F-8.

In connection with this realignment, both the sales and operating revenue ("sales") and operating income (loss) of each segment in the three and nine months ended December 31 of the previous fiscal year have been revised to conform to the current year's presentation.

The Pictures, Music and Financial Services segments remain unchanged.

The equity earnings from Sony Ericsson continue to be presented as a separate segment. In October 2011, Sony and Telefonaktiebolaget LM Ericsson ("Ericsson") announced that Sony had agreed to acquire Ericsson's shares in Sony Ericsson and that as a result Sony Ericsson will become a wholly-owned subsidiary of Sony. The transaction is expected to close in February 2012, subject to customary closing conditions including regulatory approvals.

Consolidated Results for the Third Quarter Ended December 31, 2011

Sales were 1,822.9 billion yen (23,370 million U.S. dollars), a decrease of 17.4% compared to the same quarter of the previous fiscal year ("year-on-year") primarily due to the impact of the floods in Thailand which began in October 2011 ("the Floods"), deterioration in market conditions in developed countries, and unfavorable foreign exchange rates. Sales decreased significantly, mainly in the CPS and PDS segments as discussed in the Operating Performance Highlights section below.

During the quarter ended December 31, 2011, the average rates of the yen were 76.4 yen against the U.S. dollar and 102.8 yen against the euro, which were 6.9% and 7.7% higher, respectively, than the previous fiscal year's third quarter. On a local currency basis, sales decreased 12% year-on-year. For references to sales on a local currency basis, see Note on page 11.

Operating loss of 91.7 billion yen (1,176 million U.S. dollars) was recorded, compared to operating income of 137.5 billion yen in the same quarter of the previous fiscal year. This was primarily due to a significant deterioration in equity in net income (loss) of affiliated companies, deterioration in the cost of sales ratio, and a decrease in gross profit from significantly lower sales. For further details, see Operating Performance Highlights by Business Segment section below.

Restructuring charges, net, decreased 11.5 billion yen year-on-year to 4.5 billion yen (58 million U.S. dollars). CPS segment restructuring charges were 1.0 billion yen (13 million U.S. dollars) in the current quarter, compared with 3.6 billion yen in the same quarter of the previous fiscal year. PDS segment restructuring charges were 2.4 billion yen (31 million U.S. dollars) in the current quarter, compared with 8.4 billion yen in the same quarter of the previous fiscal year.

Excluding equity in net income (loss) of affiliated companies, restructuring charges and the LCD television asset impairment, operating income on an as adjusted basis decreased by 127.2 billion yen year-on-year to 23.7 billion yen (304 million U.S. dollars).

Equity in net loss of affiliated companies, recorded within operating income (loss), was 108.8 billion yen (1,395 million U.S. dollars), compared to net income of 2.6 billion yen in the same quarter of the previous fiscal year. Sony recorded equity in net loss for S-LCD of 66.0 billion yen (846 million U.S. dollars), compared to equity in net income of 2.1 billion yen in the same quarter of the previous fiscal year. This was primarily due to the recording of the impairment loss of 63.4 billion yen (813 million U.S. dollars) on Sony's shares of S-LCD, which were sold in January 2012. Equity in net loss for Sony Ericsson of 43.1 billion yen (552 million U.S. dollars) was recorded, compared to equity in net income of 0.4 billion yen in the same quarter of the previous fiscal year. This was primarily due to Sony Ericsson recording a valuation allowance under U.S. GAAP of 654 million euro against certain of its deferred tax assets. Sony reflected 50%, or 33.0 billion yen (424 million U.S. dollars), of this valuation allowance in equity in net loss of affiliated companies in Sony's consolidated financial results; for further explanation, see "Sony Ericsson" on page 7. In addition, the current quarter's results were negatively impacted by a change in product and geographic mix, intense smartphone price competition and restructuring charges.

As a result of direct damage from inundation of Sony's Thai manufacturing facilities resulting from the Floods, Sony incurred expenses of 8.9 billion yen (114 million U.S. dollars) during the current quarter, including charges for the disposal or impairment of fixed assets and inventories and restoration costs (e.g., repair, removal and cleaning costs) directly related to the damages caused by the disaster. These expenses were substantially offset by the recording of anticipated insurance recoveries. In addition to the direct damage, due to the difficulty in procuring parts and components, production at several manufacturing facilities temporarily ceased. As a result, Sony recorded charges of 4.6 billion yen (59 million U.S. dollars) during the current quarter, consisting of idle facility costs at manufacturing sites and other additional expenses. Sony also saw a negative impact from the postponement of certain product launches caused by the temporary cessation of production at several manufacturing facilities, as well as significantly lower demand from commercial customers resulting from the Floods. Sony has insurance policies that cover certain damages and related costs associated with fixed assets and inventories, additional restoration costs, as well as business interruption costs, that include opportunity losses. Sony is currently examining the extent to which insurance will cover the business interruption costs, including opportunity losses, from the third quarter; no recoveries were recorded in the current quarter under this coverage.

The net effect of **other income and expenses** was an expense of 14.2 billion yen (182 million U.S. dollars) in the current quarter, compared to an expense of 6.0 billion yen in the same quarter of the previous fiscal year. This increase was primarily due to an increase in net foreign exchange losses.

Loss before income taxes was 105.9 billion yen (1,358 million U.S. dollars), compared to income of 131.5 billion yen in the same quarter of the previous fiscal year.

Income taxes: During the current quarter, Sony recorded 28.9 billion yen (371 million U.S. dollars) of income tax expense. Income tax expense was recorded despite the net loss before income taxes primarily due to Sony continuing to not recognize the tax benefit associated with losses at Sony Corporation and its national tax filing

group in Japan which established a valuation allowance against certain deferred tax assets and equity in net loss of affiliated companies being reported net of income taxes. Partially offsetting these factors was a reduction in the corporate tax rate in Japan which resulted in a reduction of net deferred tax liabilities and a corresponding income tax benefit of 32.7 billion yen (420 million U.S. dollars). The majority of the tax benefit relates to the Financial Services segment.

Net loss attributable to Sony Corporation's stockholders, which excludes net income attributable to noncontrolling interests, was 159.0 billion yen (2,038 million U.S. dollars), compared to net income of 72.3 billion yen in the same quarter of the previous fiscal year.

Operating Performance Highlights by Business Segment

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

Consumer Products & Services

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

Third quarter ended December 31

	2010	2011	Change in yen	2011
Sales and operating revenue	¥1,318.6	¥996.5	-24.4%	\$12,776
Operating income (loss)	63.5	(85.7)	-	(1,099)

Sales decreased 24.4% year-on-year (a 19% decrease on a local currency basis) to 996.5 billion yen (12,776 million U.S. dollars). Sales to outside customers decreased 25.3% year-on-year. This was primarily due to a decrease in LCD television sales reflecting price declines, mainly resulting from deterioration in market conditions in Japan, Europe and North America, the impact from the Floods, and unfavorable exchange rates. LCD television sales in Japan during the same quarter of the previous fiscal year benefited mainly from a program which provided consumers with a subsidy from the Japanese government. The subsidy program ended on March 31, 2011.

Operating loss of 85.7 billion yen (1,099 million U.S. dollars) was recorded, compared to operating income of 63.5 billion yen in the same quarter of the previous fiscal year. This was primarily due to deterioration in equity in net income (loss) of affiliated companies, as well as a decrease in gross profit due to lower sales and deterioration in the cost of sales ratio, partially offset by a decrease in selling, general and administrative expenses. In the current quarter, Sony recorded an impairment loss of 63.4 billion yen (813 million U.S. dollars) on its shares of S-LCD to equity in net loss of affiliated companies, which is included in the CPS segment operating loss. In January 2012, Sony sold all of its shares of S-LCD to Samsung Electronics Co., Ltd. for a sale price of 1.07 trillion Korean Won (72.3 billion yen as of the sale date). Restructuring charges of 1.0 billion yen (13 million U.S. dollars) were recorded in the current quarter, compared to 3.6 billion yen in the same quarter of the previous fiscal year. Categories contributing to the deterioration in operating results (excluding restructuring charges and the impairment loss related to S-LCD mentioned above) include LCD televisions, reflecting a decline in unit selling prices that exceeded cost and expense reductions, and the game business, reflecting higher marketing costs to promote network service platforms and lower sales of PlayStation®3 hardware due to a strategic price reduction. Operating loss includes additional LCD panel related expenses resulting from low capacity utilization of S-LCD as well as the above-mentioned asset impairment of 2.1 billion yen (27 million U.S. dollars) associated with LCD television assets.

Professional, Device & Solutions

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

Third quarter ended December 31

	2010	2011	Change in yen	2011
Sales and operating revenue	¥383.4	¥304.1	-20.7%	\$3,899
Operating income (loss)	9.0	(14.8)	-	(190)

Sales decreased 20.7% year-on-year (a 15% decrease on a local currency basis) to 304.1 billion yen (3,899 million U.S. dollars), mainly due to decreases in component and semiconductor sales. Sales to outside customers decreased 10.8% year-on-year. The decrease in component sales was primarily due to the impact of the Floods that resulted in lower demand from commercial customers, as well as continued effects of the Great East Japan Earthquake of March 2011 (the “Earthquake”) on batteries and storage media. The decrease in semiconductor sales was primarily due to lower unit sales as a result of damage to a manufacturing site and the impact from the lower demand resulting from the Floods.

Operating loss of 14.8 billion yen (190 million U.S. dollars) was recorded, compared to operating income of 9.0 billion yen recorded in the same quarter of the previous fiscal year. This was primarily due to deterioration in the cost of sales ratio and a decrease in gross profit due to lower sales, partially offset by a decrease in selling, general and administrative expenses. Restructuring charges of 2.4 billion yen (31 million U.S. dollars) were recorded in the current quarter, compared to 8.4 billion yen in the same quarter of the previous fiscal year. Categories that unfavorably impacted the change in segment operating results (excluding restructuring charges) include semiconductors, reflecting the above-mentioned decrease in sales, as well as an increase in depreciation due to significant capital expenditures to increase production capacity.

* * * * *

Total inventory for the CPS and PDS segments, as of December 31, 2011, was 571.8 billion yen (7,331 million U.S. dollars), a decrease of 66.1 billion yen, or 10.4% year-on-year. Inventory decreased by 172.2 billion yen, or 23.1% compared with the level as of September 30, 2011.

Pictures

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

Third quarter ended December 31

	2010	2011	Change in yen	2011
Sales and operating revenue	¥149.0	¥160.6	+7.7%	\$2,058
Operating income	4.7	0.7	-84.8	9

The results presented above are a yen-translation of the results of Sony Pictures Entertainment (“SPE”), a U.S.-based operation that aggregates the results of its worldwide subsidiaries on a U.S. dollar basis. Management analyzes the results of SPE in U.S. dollars, so discussion of certain portions of its results is specified as being on “a U.S. dollar basis.”

Sales increased 7.7% year-on-year (a 15% increase on a U.S. dollar basis) to 160.6 billion yen (2,058 million U.S. dollars). Theatrical revenues increased due to a greater number of films being released in the current quarter as compared to the same quarter of the previous fiscal year. Despite the strong performance of *The Smurfs*, home entertainment revenues decreased due to fewer major releases in the current quarter as compared to the same quarter of the previous fiscal year. The current quarter also benefited from higher television revenues from U.S. network programming, revenues recognized from the consolidation of the Game Show Network, LLC (“GSN”), which was accounted for under the equity method in the same quarter of the previous fiscal year, and higher advertising revenues from SPE’s television networks in India.

Operating income decreased by 4.0 billion yen year-on-year to 0.7 billion yen (9 million U.S. dollars). The decrease is primarily due to higher theatrical marketing costs in support of the greater number of theatrical releases in the current quarter. The current quarter also reflects the theatrical underperformance of *Arthur Christmas*, while the third quarter of the prior year included the theatrical underperformance of *How Do You Know*. These lower results were partially offset by the higher revenues for U.S. networks programming and higher advertising revenues from SPE's television networks in India mentioned above.

Music

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

Third quarter ended December 31

	2010	2011	Change in yen	2011
Sales and operating revenue	¥139.8	¥123.4	-11.7%	\$1,582
Operating income	19.5	15.3	-21.7	196

The results presented above include the yen-translated results of Sony Music Entertainment, a U.S.-based operation which aggregates the results of its worldwide subsidiaries on a U.S. dollar basis, the results of Sony Music Entertainment (Japan) Inc., a Japan-based music company which aggregates its results in yen, and the yen-translated consolidated results of Sony/ATV Music Publishing LLC, 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.

Sales decreased 11.7% year-on-year (an 8% decrease on a local currency basis) to 123.4 billion yen (1,582 million U.S. dollars). The decrease in sales is primarily due to fewer new significant releases in the current quarter compared to the same quarter of the previous fiscal year and the appreciation of the yen. Best selling titles during the quarter included Adele's *21* and *Live at the Royal Albert Hall*, Susan Boyle's *Someone to Watch Over Me*, music from the hit U.S. television show *Glee*, and Toshinobu Kubota's *THE BADDEST ~Hit Parade~*.

Operating income decreased 4.2 billion yen year-on-year to 15.3 billion yen (196 million U.S. dollars). The decrease reflects the impact of the lower sales mentioned above, partially offset by lower marketing expenses.

Financial Services

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

Third quarter ended December 31

	2010	2011	Change in yen	2011
Financial services revenue	¥209.1	¥220.1	+5.2%	\$2,822
Operating income	32.7	32.6	-0.4	418

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 the results for Sony Finance International Inc. ("SFI"). The results of Sony Life discussed below differ from the results that SFH and Sony Life disclose separately on a Japanese statutory basis.

Financial services revenue increased 5.2% year-on-year to 220.1 billion yen (2,822 million U.S. dollars) mainly due to an increase in revenue at Sony Life. Revenue at Sony Life increased 9.6% year-on-year to 199.1 billion yen (2,552 million U.S. dollars) primarily due to an increase in insurance premium revenue reflecting a higher policy amount in force and an increase in net gains on sales of securities in the general account.

Operating income was essentially flat year-on-year as a deterioration in operating results at Sony Bank, reflecting a foreign exchange loss on foreign-currency denominated customer deposits compared to a gain in the same quarter of the previous fiscal year, was offset by an increase in operating income at Sony Life. Operating income at Sony Life increased 6.6 billion yen year-on-year to 36.3 billion yen (466 million U.S. dollars). This increase was primarily due to the above-mentioned increase in net gains on sales of securities in the general account.

Sony Ericsson

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 Sony's operating performance.

(Millions of euros)

Quarter ended December 31

	2010	2011	Change in euros
Sales and operating revenue	€1,528	€1,288	-15.7%
Income (loss) before taxes	29	(233)	-
Net income (loss)	7	(853)	-

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

Sales for the quarter ended December 31, 2011 decreased 15.7% year-on-year to 1,288 million euros. This decline reflects the decrease of feature phone sales which was only partially offset by an increase in smartphone sales. The sales were negatively impacted by weaker holiday sales in developed economies, and certain component shortages resulting from the Floods. Loss before taxes of 233 million euros was recorded compared to income of 29 million euros in the same quarter of the previous year. This was due to changes in product and geographic mix, intense smartphone price competition, and restructuring charges. Restructuring charges for the quarter were 78 million euros compared to 10 million euros in the same quarter of the previous year. A net loss of 853 million euros was recorded, compared to income of 7 million euros in the same quarter of the previous fiscal year. This was primarily due to Sony Ericsson recording a valuation allowance under U.S. GAAP of 654 million euros against certain of its deferred tax assets as well as deterioration in its income (loss) before taxes.

Sony Ericsson evaluates its deferred tax assets on a tax jurisdiction basis. In Sweden, Sony Ericsson is in a cumulative loss as of December 31, 2011. Under U.S. GAAP, a cumulative loss is considered significant negative evidence regarding the realizability of deferred tax assets. Based on the weight of negative evidence above and the available positive evidence which is objectively verifiable, Sony Ericsson determined in the current quarter that it was required under U.S. GAAP to establish a valuation allowance against certain deferred tax assets in Sweden.

Under the equity method, in the current quarter Sony reflected 50%, or 33.0 billion yen (424 million U.S. dollars), of the valuation allowance in equity in net loss of affiliated companies in its consolidated financial results on a U.S. GAAP basis. As a result, Sony recorded equity in net loss of Sony Ericsson of 43.1 billion yen (552 million U.S. dollars) for the current quarter, compared to equity income of 0.4 billion yen in the same quarter of the previous fiscal year.

Consolidated Results for the Nine Months ended December 31, 2011

For Consolidated Statements of Income and Business Segment Information for the nine months ended December 31, 2011 and 2010, please refer to pages F-3 and F-7 respectively.

Sales for the nine months ended December 31, 2011 ("the current nine months") decreased 12.6% year-on-year to 4,892.8 billion yen (62,728 million U.S. dollars). This was primarily due to a decrease in sales in the CPS and PDS segments as described below.

During the current nine months, the average rates of the yen were 78.0 yen against the U.S. dollar and 109.1 yen against the euro, which were 10.1% and 2.5% higher, respectively, as compared with the same period in the previous fiscal year. On a local currency basis, consolidated sales decreased 8%. For references to sales on a local currency basis, see Note on page 11.

In the CPS segment, sales decreased significantly due to lower sales of products such as LCD televisions and digital imaging products including digital cameras. In the PDS segment, sales decreased significantly mainly in components, reflecting the impact of the Earthquake on batteries and storage media, as well as the impact of the Floods that resulted in lower demand from commercial customers. In the Pictures segment, despite the

appreciation of the yen, sales increased due to the sale of a participation interest in Spider-Man merchandising rights, higher revenues for U.S. network and made-for-cable programming, revenues recognized from the consolidation of GSN, which was accounted for under the equity method in the same period of the previous fiscal year, and higher advertising revenues from SPE's television networks in India. In the Music segment, sales decreased primarily due to the impact of the appreciation of the yen. In the Financial Services segment, revenue was essentially flat year-on-year. This was primarily due to higher revenue at Sony Life resulting from an increase in insurance premium revenue, partially offset by lower revenue at SFI, mainly resulting from the deconsolidation of its lease and rental business in the third quarter of the previous fiscal year.

Operating loss of 65.9 billion yen (844 million U.S. dollars) was recorded, compared to operating income of 273.2 billion yen in the same period of the previous fiscal year. This was primarily due to deterioration in operating results in the CPS and PDS segments as described below.

In the CPS segment, operating results deteriorated significantly year-on-year and an operating loss was recorded primarily due to a decrease in gross profit as a result of significantly lower sales, deterioration in the cost of sales ratio, and a deterioration in equity in net income (loss) of affiliated companies, partially offset by a decrease in selling, general and administrative expenses, as well as favorable foreign exchange rates. The current nine month operating loss in the CPS segment includes additional LCD panel related expenses of 22.8 billion yen (292 million U.S. dollars) resulting from low capacity utilization of S-LCD as well as the impairment loss of 10.7 billion yen (137 million U.S. dollars) (for further details, see Note **** on page 2) associated with LCD television assets. In the PDS segment, operating results deteriorated significantly year-on-year and an operating loss was recorded, primarily due to deterioration in the cost of sales ratio and a decrease in gross profit due to lower sales, partially offset by a decrease in selling, general and administrative expenses. In the Pictures segment, despite the relative underperformance of the current year's film slate, operating income increased significantly primarily due to the sale of the interest in Spider-Man merchandising rights mentioned above, the contributions from higher advertising revenues from SPE's television networks in India and higher revenues from U.S. network and made-for-cable programming. In the Music segment, operating income was essentially flat primarily due to lower sales of key releases and higher restructuring charges, partially offset by a benefit from the recognition of digital license revenues and lower overhead costs. In the Financial Services segment, operating income decreased primarily due to lower net gains on sales of securities in the general account at Sony Life.

Restructuring charges, recorded as operating expenses, amounted to 35.0 billion yen (449 million U.S. dollars) for the current nine months compared to 39.7 billion yen for the same period of the previous fiscal year.

Equity in net loss of affiliated companies, recorded within operating income (loss), was 112.5 billion yen (1,442 million U.S. dollars) compared to equity in net income of 14.3 billion yen in the same period of the previous fiscal year. Sony recorded equity in net loss of 67.5 billion yen (865 million U.S. dollars) for S-LCD during the current nine months compared to income of 8.9 billion yen in the same period of the previous fiscal year. This was primarily due to the impairment loss of 63.4 billion yen (813 million U.S. dollars) on the shares of S-LCD, which were sold in January 2012. Sony recorded equity in net loss of 46.2 billion yen (592 million U.S. dollars) for Sony Ericsson during the current nine months compared to income of 3.6 billion yen in the same period of the previous fiscal year. This was primarily due to Sony Ericsson recording a valuation allowance under U.S. GAAP of 654 million euros against certain of its deferred tax assets (Sony reflected 50%, or 33.0 billion yen (424 million U.S. dollars) of this valuation allowance in equity in net loss of affiliated companies in Sony's consolidated financial results; for further explanation, see "Sony Ericsson" on page 7), as well as a decrease in volume caused by certain component shortages as a result of natural disasters in Japan and Thailand and by the lower number of feature phones shipped.

As a result of the Floods, Sony recorded charges of approximately 4.6 billion yen (59 million U.S. dollars), consisting principally of idle facility costs at manufacturing sites. Regarding other impact of the Floods, see page 3.

The net effect of **other income and expenses** was an expense of 16.8 billion yen (215 million U.S. dollars) primarily due to a decrease in net foreign exchange gain, a decrease of 16.8 billion yen compared to the same period of the previous fiscal year.

Income (loss) before income taxes was a loss of 82.7 billion yen (1,060 million U.S. dollars) due to the lower operating results noted above, compared to income of 273.2 billion yen recorded in the same period of the previous fiscal year.

Income taxes: During the current nine months, Sony recorded 74.8 billion yen (959 million U.S. dollars) of income tax expense. Income tax expense was recorded despite the net loss before income taxes primarily due to Sony continuing to not recognize the tax benefits associated with losses at Sony Corporation and its national tax filing group in Japan which established a valuation allowance against certain deferred tax assets and equity in net loss of affiliated companies being reported net of income taxes. Partially offsetting these factors was a reduction in the corporate tax rate in Japan which resulted in a reduction of net deferred tax liabilities and a corresponding income tax benefit of 32.7 billion yen (420 million U.S. dollars). The majority of the net tax benefits relates to the Financial Services segment.

Net loss attributable to Sony Corporation's stockholders for the current nine months was 201.4 billion yen (2,583 million U.S. dollars), compared to net income of 129.2 billion yen in the same period of the previous fiscal year.

Cash Flows (for the nine months ended December 31, 2011)

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-5 and F-14, respectively.

Operating Activities: During the current nine months, there was a net cash inflow of 283.8 billion yen (3,638 million U.S. dollars) from operating activities, a decrease of 120.1 billion yen, or 29.7% year-on-year.

For all segments excluding the Financial Services segment, there was a net cash inflow of 41.7 billion yen (534 million U.S. dollars) for the current nine months, a decrease of 89.0 billion yen, or 68.1% year-on-year. This decrease was mainly due to deterioration in cash from net income after taking into account depreciation and amortization and equity in net income (loss) of affiliated companies, as well as a decrease in notes and accounts payable, trade, compared to an increase in the same period of the previous fiscal year. This was partially offset by a smaller increase in inventories, a decrease in receivables, included in other current assets, from third-party original equipment and design manufacturers, compared to an increase in the same period of the previous fiscal year, and a smaller increase in notes and accounts receivable, trade. During the current quarter, there was a receipt of a 50.6 billion yen (648 million U.S. dollars) advance payment from a commercial customer.

The Financial Services segment had a net cash inflow of 250.0 billion yen (3,205 million U.S. dollars), a decrease of 32.2 billion yen, or 11.4% year-on-year. This decrease was primarily due to an increase in receivables, other, included in other current assets, as a result of outsourcing the collection of Sony Life insurance premiums to a third-party agency. This was partially offset by an increase in revenue from insurance premiums, reflecting higher policy amounts in force at Sony Life.

Investing Activities: During the current nine months, Sony used 607.2 billion yen (7,784 million U.S. dollars) of net cash in investing activities, an increase of 24.8 billion yen, or 4.3% year-on-year.

For all segments excluding the Financial Services segment, 242.2 billion yen (3,105 million U.S. dollars) was used, an increase of 142.0 billion yen, or 141.8% year-on-year. This increase was primarily due to an increase in the purchase of semiconductor manufacturing equipment in the current nine months, as well as proceeds from the sale of a portion of Sony's equity interest in the Nitra factory in Slovakia in the same period of the previous fiscal year.

The Financial Services segment used 360.7 billion yen (4,624 million U.S. dollars) of net cash, a decrease of 107.6 billion yen, or 23.0% year-on-year. This decrease was mainly due to a smaller increase in payments for investments and advances associated with portfolio changes in the securities investments held by Sony Life, partially offset by a decrease in proceeds from sales or return of investments and collections of advances.

In all segments excluding the Financial Services segment, net cash used in operating and investing activities combined* for the current period was 200.5 billion yen (2,571 million U.S. dollars), a 231.1 billion yen deterioration from cash generated in the same period of the previous fiscal year.

Financing Activities: During the current nine months, 159.5 billion yen (2,045 million U.S. dollars) of net cash was generated by financing activities, compared to 10.3 billion yen of net cash used in the same period of the previous fiscal year. For all segments excluding the Financial Services segment, there was a 33.5 billion yen (430

million U.S. dollars) net cash inflow, compared to a 158.5 billion yen net cash outflow in the same period of the previous fiscal year. This was primarily due to an increase in short term borrowings, a decrease in the redemption of corporate bonds and the absence of repayment of syndication loans undertaken in the same period of the previous fiscal year. In the Financial Services segment, financing activities generated 113.8 billion yen (1,459 million U.S. dollars) of net cash, a decrease of 11.4 billion yen, or 9.1% year-on-year. This decrease was primarily due to a smaller increase in deposits from customers at Sony Bank, partially offset by an increase in short-term borrowings compared to a decrease in the same period of the previous fiscal year. During the current quarter, there was an issuance of 10.0 billion yen (128 million U.S. dollars) of corporate bonds of SFH.

Total Cash and Cash Equivalents: Accounting for the above factors and the effect of fluctuations in exchange rates, the total outstanding balance of cash and cash equivalents at December 31, 2011 was 801.7 billion yen (10,278 million U.S. dollars). Cash and cash equivalents of all segments excluding the Financial Services segment was 631.6 billion yen (8,097 million U.S. dollars) at December 31, 2011, a decrease of 215.8 billion yen, or 25.5%, compared with the balance as of March 31, 2011. This was a decrease of 142.3 billion yen, or 18.4%, compared with the balance as of December 31, 2010. Sony believes it continues to maintain sufficient liquidity through access to a total, translated into yen, of 737.0 billion yen (9,449 million U.S. dollars) of unused committed lines of credit with financial institutions. Within the Financial Services segment, the outstanding balance of cash and cash equivalents was 170.1 billion yen (2,181 million U.S. dollars) at December 31, 2011, an increase of 3.1 billion yen, or 1.9%, compared with the balance as of March 31, 2011. This was an increase of 24.2 billion yen, or 16.6%, compared with the balance as of December 31, 2010.

* Sony has included the information for cash flow from operating and investing activities combined, excluding the Financial Services segment's activities, as Sony's management frequently monitors this financial measure, and believes this non-U.S. 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 on page F-14. This information and the separate condensed presentations shown 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 SFH, which constitutes a majority of the Financial Services segment, is a separate publicly traded entity in Japan with a significant minority interest and it, as well as its subsidiaries, secures liquidity on its 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 principally 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, millions of U.S. dollars)		
	Nine months ended December 31		
	2010	2011	2011
Net cash provided by operating activities reported in the consolidated statements of cash flows	¥403.9	¥283.8	\$3,638
Net cash used in investing activities reported in the consolidated statements of cash flows	(582.4)	(607.2)	(7,784)
	(178.5)	(323.4)	(4,146)
Less: Net cash provided by operating activities within the Financial Services segment	282.2	250.0	3,205
Less: Net cash used in investing activities within the Financial Services segment	(468.3)	(360.7)	(4,624)
Eliminations **	23.0	12.2	156
Cash flow provided by (used in) operating and investing activities combined excluding the Financial Services segment's activities	¥30.6	¥(200.5)	\$(2,571)

** 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.

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 and nine month period of the previous fiscal year to local currency-denominated monthly sales in the current quarter and nine month period. 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, 2012

The forecast for consolidated results for the fiscal year ending March 31, 2012, as announced on November 2, 2011, has been revised as per the table below.

	(Billions of yen)				
	February	Change from	November	Change from	March 31, 2011
	Forecast	November	Forecast	March 31, 2011	March 31, 2011
		Forecast	Forecast	Actual Results	Actual Results
Sales and operating revenue	¥6,400	-1.5%	¥6,500	-10.9%	¥7,181.3
Operating income (loss)	(95)	-	20	-	199.8
Income (loss) before income taxes	(115)	-	10	-	205.0
Net income (loss) attributable to Sony Corporation's stockholders	(220)	-	(90)	-	(259.6)

Assumed foreign currency exchange rates for the fourth quarter ending March 31, 2012: approximately 77 yen against the U.S. dollar and approximately 100 yen against the euro. (Assumed foreign exchange rates used in the November forecast for the second half of the fiscal year: approximately 75 yen against the U.S. dollar and approximately 105 yen against the euro.)

Consolidated sales for the fiscal year ending March 31, 2012 are expected to be 6,400 billion yen, slightly below the November forecast. This change is mainly due to lower expected sales, mainly in the CPS segment, resulting primarily from deterioration in the operating environment in developed countries.

Consolidated operating loss is expected to be 95 billion yen, compared to the November forecast of 20 billion yen in operating income. The primary reasons for this change are as follows:

- Consolidated operating results are expected to be approximately 20 billion yen below the November forecast due to unfavorable foreign exchange rates. (The impact of foreign exchange rates is included in each segment below.)
- Operating results in the CPS segment are expected to be approximately 90 billion yen below the November forecast. This is primarily due to the recording of a 63.4 billion yen impairment loss on Sony's shares of S-LCD (see page 4 for details) and lower expected sales of digital imaging products, including digital cameras, and PCs, mainly reflecting the impact of the Floods.
- Operating results in the PDS segment are expected to be approximately 10 billion yen above the November forecast due to the benefit of additional expense reductions including fixed costs.
- The forecasts for operating income in the Pictures, Music, and Financial Services segments have remained unchanged from the November forecast.
- Due to increased competition in the mobile phone markets, operating results from Sony Ericsson are expected to be approximately 5 billion yen below the November forecast. Moreover, the 33.0 billion yen charge (50% of the 654 million euro valuation allowance recorded under U.S. GAAP on certain deferred tax assets at Sony Ericsson in the current quarter (see page 7 for details)), was not included in the November forecast. However, Sony expects no change to the full fiscal year forecast as the aforementioned charge is expected to be offset by an increase, compared to the November forecast, of the non-cash gain due to remeasurement of the 50% equity interest Sony currently holds in Sony Ericsson at fair value once that entity is fully consolidated within Sony, which is expected to occur in February 2012. The amount of the non-cash gain is currently expected to be approximately 90 billion yen and will be recorded in operating income (loss).

Since Sony expects to fully consolidate Sony Ericsson in February 2012, the February and March 2012 results of Sony Ericsson are not included in the equity in net income (loss) forecast for the fourth quarter ending March 31, 2012. The two month results of Sony Ericsson are included in Sony's consolidated results forecast as a wholly-owned subsidiary. The full impact of this consolidation is still being evaluated by management. The latest fiscal year forecast of Sony Ericsson's results is based on the current judgment of management based on the information available as of February 2, 2012.

Equity in net income (loss) of affiliated companies recorded within operating income (loss) is expected to deteriorate approximately 100 billion yen compared to the November forecast. This deterioration is primarily due to the 63.4 billion yen impairment loss on Sony's shares of S-LCD, which were sold in January 2012, and the recording of the 33.0 billion yen charge on certain deferred tax assets at Sony Ericsson, both of which were not included in the November forecast.

The negative impact on operating results of the Floods is currently expected to be incurred primarily in the CPS and PDS segments. After giving effect to insurance policies that Sony has in place, Sony expects the full fiscal year negative impact, net of insurance, to be approximately 70 billion yen. The increase from the approximately 25 billion yen net impact anticipated in November is primarily due to the wider scope of the damage from the Floods and the longer time required to determine the amount of damage, resulting in a change in the timing of the recording of certain insurance proceeds (which will be delayed until the next fiscal year). The net impact of the Floods is still being evaluated. However, for purposes of the forecast, it is calculated based on the current judgment of management based on the information available as of February 2, 2012.

Income (loss) before income taxes is expected to be 125 billion yen below the November forecast because operating income (loss) is expected to be significantly below the November forecast.

Net loss attributable to Sony Corporation's stockholders is expected to deteriorate by 130 billion yen below the November forecast primarily due to lower income (loss) before income taxes compared to the November forecast.

The current fiscal year's forecast for capital expenditures and research and development expenses has been revised as per the table below from the forecast announced on November 2, 2011. The current fiscal year's forecast for depreciation and amortization remains unchanged.

	(Billions of yen)				
	February Forecast	Change from November Forecast	November Forecast	Change from March 31, 2011 Actual Results	March 31, 2011 Actual Results
Capital expenditures (additions to Property, Plant and Equipment)*	¥320	-3.0%	¥330	+56.2%	¥204.9
Depreciation and amortization**	340	-	340	+4.5	325.4
[for Property, Plant and Equipment (included above)]	230	-	230	+7.8	213.4]
Research and development expenses	440	-2.2	450	+3.1	426.8

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

** Depreciation and amortization includes amortization of intangible assets and amortization of deferred insurance acquisition costs.

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, as adjusted, which excludes equity in net income (loss) of affiliated companies, restructuring charges and LCD television asset impairment 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.

	(Billions of yen)				
	February Forecast	Change from November Forecast	November Forecast	Change from March 31, 2011 Actual Results	March 31, 2011 Actual Results
Operating income (loss)	¥(95)	-%	¥20	-%	¥199.8
Less: Equity in net income (loss) of affiliated companies*	(115)	-	(15)	-	14.1
Add: Restructuring charges, net, recorded within operating expenses	55	+10.0	50	-18.0	67.1
Add: LCD television asset impairment**	13	-	13	-	-
Operating income, as adjusted	¥88	-10.2%	¥98	-65.2%	¥252.8

Sony's management uses this measure to review operating trends, perform analytical comparisons and assess whether its structural transformation initiatives are achieving their objectives. 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.

* Equity in net loss of affiliated companies for the third quarter ended December 31, 2011 includes an impairment loss of 63.4 billion on Sony's shares of S-LCD which were sold in January 2012, and a 33.0 billion yen charge, 50% of a valuation allowance which Sony Ericsson recorded under U.S. GAAP against certain of its net deferred tax assets. They are included in the February forecast of equity in net income (loss) of affiliated companies. For further details, see pages 4 and 7.

** The 13.0 billion yen asset impairment, a non-cash charge recorded within operating results, is primarily due to the estimated fair value of long-lived assets associated with the LCD television asset group being lower than net book value. The corresponding estimated future cash flows leading to the impairment charge reflect the impact of the continued deterioration in LCD television market conditions in Japan, Europe and North America, and unfavorable foreign exchange rates. In addition, included in the forecast are long-lived assets which are expected to be acquired in the remainder of the current fiscal year and subject to impairment within the LCD television asset group. Sony has not included these losses on impairment in restructuring charges.

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.

As is Sony's policy, the effects of gains and losses on investments held by Sony Life, due to market fluctuations since January 1, 2012, have not been incorporated within the above forecast as Sony cannot predict where the financial markets will be through the end of the current fiscal year. Accordingly, these market fluctuations could further impact the current forecast.

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, judgments 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) foreign 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 Products & Services and the Professional, Device & Solutions segments); (viii) Sony's ability to maintain product quality; (ix) the effectiveness of Sony's strategies and their execution, including but not limited to 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; (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; and (xiv) risks related to catastrophic disasters or similar events, including the Great East Japan Earthquake and its aftermath as well as the October 2011 floods in Thailand. Risks and uncertainties also include the impact of any future events with material adverse impact.

Investor Relations Contacts:

Tokyo	New York	London
Yoshinori Hashitani	Sam Levenson	Yas Hasegawa
+81-(0)3-6748-2111	+1-212-833-6722	+44-(0)20-7426-8696

IR home page: <http://www.sony.net/IR/>

Presentation slides: http://www.sony.net/SonyInfo/IR/financial/fr/11q3_sonypre.pdf