SONY

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Consolidated Financial Results for the Fiscal Year Ended March 31, 2005

Tokyo, April 27, 2005 -- Sony Corporation today announced its consolidated results for the fiscal year ended March 31, 2005 (April 1, 2004 to March 31, 2005).

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

	Year ended March 31			
	2004	**2005**	Change in Yen	**2005***
Sales and operating revenue	¥7,496.4	**¥7,159.6**	-4.5%	**$66,912**
Operating income	98.9	**113.9**	+15.2	**1,065**
Income before income taxes	144.1	**157.2**	+9.1	**1,469**
Equity in net income of affiliated companies	1.7	**29.0**	+1,594.2	**271**
Net income	88.5	**163.8**	+85.1	**1,531**
Net income per share of common stock				
— Basic	¥95.97	**¥175.90**	+83.3%	**$1.64**
— Diluted	87.00	**158.07**	+81.7	**1.48**

* U.S. dollar amounts have been translated from yen, for convenience only, at the rate of ¥107=U.S.$1, the approximate Tokyo foreign exchange market rate as of March 31, 2005.

Unless otherwise specified, all amounts are on the basis of Generally Accepted Accounting Principles in the U.S. ("U.S. GAAP").

Consolidated Results for the Fiscal Year Ended March 31, 2005

Sales and operating revenue ("sales") decreased 4.5% compared with the previous fiscal year; on a local currency basis sales decreased 3%. (For all references herein to results on a local currency basis, see Note I on page 9.) This reflects both the establishment of Sony BMG Music Entertainment ("Sony BMG") (please refer to note on Page 2) and a change in revenue recognition method at Sony Life Insurance Co., Ltd. ("Sony Life").

Sales within the Electronics segment remained largely unchanged. Although sales of flat panel televisions, digital still cameras and LCD rear projection televisions increased, there was a decrease in sales primarily of CRT televisions and portable audio products. In the Game segment, an increase in software sales was more than offset by a decline in hardware sales mainly due to strategic price reductions, resulting in a decrease to overall segment sales. In the Music segment, although sales at Sony Music Entertainment (Japan) Inc. ("SMEJ") increased, overall sales decreased due to the fact that Sony BMG, a recorded music business joint venture formed with Bertelsmann AG, has been accounted for by the equity method since August 2004 (please refer to the note on page 2). In the Pictures segment, despite the strong contribution of *Spider-Man 2*, there was a decrease in sales as a result of the appreciation of the yen. In the Financial Services segment, revenue decreased mainly due to a decrease in revenue from insurance premiums at Sony Life.

Operating income increased 15.2% (a 26% increase on a local currency basis) compared with the previous fiscal year.

In the Electronics segment, the operating loss increased mainly due to a continued deterioration in the cost of sales ratio associated with a decline in unit selling prices. In the Game segment, as a result of a decline in hardware sales, there was a decrease in operating income. The Pictures segment had record operating income primarily due to the substantial contribution from *Spider-Man 2*.

Restructuring charges, which are recorded as operating expenses, amounted to ¥90.0 billion ($841.1 million) for the fiscal year compared to ¥168.1 billion in the previous fiscal year. In the Electronics segment, restructuring charges were ¥81.8 billion ($764.5 million) compared to ¥147.8 billion in the previous fiscal year.

Income before income taxes increased 9.1% compared to the previous fiscal year. There was a deterioration in the net effect of other income and expenses compared to the previous fiscal year despite an improvement due to a smaller loss on the devaluation of securities investments compared to the previous year, and gains of ¥9.0 billion ($84 million) from a change in interest from Monex Inc., an equity affiliate of Sony, following its business integration by way of a share transfer with Nikko Beans, Inc., and total gains of ¥4.7 billion ($44 million) from the sale of stock and a change in interest in a subsidiary resulting from the initial public offering of So-net M3 Inc., a consolidated subsidiary of Sony Communication Network Corporation. This deterioration was mainly the result of the recording of a net foreign exchange loss in the current fiscal year, compared to the net foreign exchange gain recorded in the previous fiscal year.

Income taxes: Compared to an effective tax rate of 36.6% in the previous fiscal year, the effective tax rate was 10.2% in the current fiscal year. As fully discussed in Sony's Annual Report on Form 20-F for the fiscal year ended March 31, 2004, as a result of the recording of operating losses in the past, the U.S. subsidiaries of Sony have had valuation allowances against deferred tax assets for U.S. federal and certain state taxes. However, in the current fiscal year, based on both an improvement in recent years and a sound outlook for the operating performance at Sony's U.S. subsidiaries, Sony reversed ¥67.9 billion ($635 million) of such valuation allowances, resulting in a reduction to income tax expense. This reversal was the major factor impacting the effective tax rate decline for the fiscal year.

Equity in net income of affiliated companies increased ¥27.3 billion compared to the previous fiscal year. Sony Ericsson Mobile Communications AB ("Sony Ericsson") contributed ¥17.4 billion ($163 million) to equity in net income, an increase of ¥11.0 billion compared to the previous fiscal year. Equity in net income of affiliated companies for the current fiscal year includes the recording of ¥12.6 billion ($118 million) as equity in net income from InterTrust Technologies Corporation ("InterTrust"). This amount reflects InterTrust's proceeds from a license agreement with Microsoft Corporation arising from the settlement of a patent-related lawsuit. In addition, an equity loss of ¥3.4 billion ($32 million) was recorded at Sony BMG, established in August 2004. Furthermore, equity in net loss was recorded at affiliates such as Star Channel Inc., a Japan-based subscription television company specializing in the broadcast of movies, and S-LCD Corporation, a joint-venture with Samsung Electronics Co., Ltd. for the manufacture of amorphous TFT LCD panels.   (For operating results of major affiliates accounted for by the equity method, please refer to page 6.)

Net income, as a result, increased 85.1% compared to the previous fiscal year.

Operating Performance Highlights by Business Segment

Note: As of August 1, 2004, Sony and Bertelsmann AG combined their recorded music businesses in a joint venture. The newly formed company, Sony BMG, is 50% owned by each parent company. Under U.S. GAAP, Sony BMG is accounted for by Sony using the equity method and, since August 1, 2004, 50% of net profits or losses of this business have been included under "Equity in net income (loss) of affiliated companies."

In connection with the establishment of this joint venture, Sony's non-Japan based disc manufacturing and physical distribution businesses, formerly included within the Music segment, have been reclassified to the Electronics segment to reflect the new management reporting structure whereby Sony's Electronics segment has now assumed responsibility for *these businesses. Results for the previous fiscal year in the Electronics and Music segments have been restated to account for this reclassification.*

In the Music segment, results for this fiscal year only include the results of Sony Music Entertainment Inc.'s ("SMEI") recorded music business for the months of April through July 2004, and the twelve months results of SMEI's music publishing business and SMEJ. However, results for the previous fiscal year in the Music segment include the consolidated results for SMEI's recorded music business for all twelve months, as well as the full year's results for SMEI's publishing business and SMEJ.

Electronics

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

	Year ended March 31			
	2004	**2005**	Change in Yen	**2005**
Sales and operating revenue	¥5,042.3	**¥5,021.6**	-0.4%	**$46,931**
Operating loss	(6.8)	**(34.3)**	-	**(321)**

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

Sales remained largely unchanged (a 1% increase on a local currency basis). Sales to outside customers decreased 1.1% compared to the previous fiscal year. There was a decline in sales of CRT televisions, due to a continued shift in demand towards flat panel televisions, and portable audio, faced with a difficult competitive environment due to the shift towards hard disc- and flash-based memory players. However, there was an increase in sales of several products including flat panel televisions, which saw increased sales in all geographic areas, digital still cameras, where sales increased outside of Japan, and LCD rear projection televisions, which saw increased unit sales particularly in the U.S.

Operating loss increased by ¥27.5 billion compared with the previous fiscal year. Although there was a decrease in restructuring charges compared with the previous fiscal year, operating loss increased due to a significant deterioration in the cost of sales ratio as a result of a decline in unit selling prices. With regard to products within the Electronics segment, the decrease in sales of CRT televisions and portable audio, as well as the decline of unit selling prices of camcorders, contributed to the increase in operating loss.

Inventory, as of March 31, 2005, was ¥514.4 billion ($4,807 million), a ¥18.4 billion, or 3.7%, increase compared with the level as of March 31, 2004 and a ¥56.5 billion, or 9.9%, decrease compared with the level as of December 31, 2004.

Note: In association with the completion of business integration of Sony Group's semiconductor manufacturing businesses in July 2004, it was decided to account for semiconductor manufacturing operations inventory, which was previously recorded in the Game segment, within the Electronics segment as of the quarter beginning July 1, 2004. (Regarding the integration of Sony Group's semiconductor manufacturing operations, please refer to note 6 on page F-10.)

Game

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

	Year ended March 31			
	2004	**2005**	Change in Yen	**2005**
Sales and operating revenue	¥780.2	**¥729.8**	-6.5%	**$6,821**
Operating income	67.6	**43.2**	-36.1	**404**

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

Sales decreased 6.5% compared with the previous fiscal year (a 6% decrease on a local currency basis).

Hardware: In addition to a decline of PlayStation 2 ("PS2") unit sales in Japan, the U.S. and Europe, strategic price reductions on the PS2 undertaken in each of the abovementioned territories resulted in a decline in sales. Software: Overall software sales increased mainly as a result of an increase in unit sales of PS2 software, which recorded all-time record sales. Revenue increased in Japan, the U.S. and Europe.

PlayStation Portable, on sale in Japan from December 2004 and in the U.S. from March 2005, has recorded strong hardware and software unit sales.

Operating income decreased by ¥24.4 billion, or 36.1%, compared with the previous fiscal year as a result mainly of a decrease in hardware sales coupled with the start-up expenses for PlayStation Portable, despite being partially offset by an increase in software sales.

Worldwide hardware production shipments:*

→ PS2: 16.17 million units (a decrease of 3.93 million units)
→ PS one: 2.77 million units (a decrease of 0.54 million units)
→ PlayStation Portable 2.97 million units

Worldwide software production shipments:*

→ PS2: 252 million units (an increase of 30 million units)
→ PlayStation: 10 million units (a decrease of 22 million units)
→ PlayStation Portable 5.7 million units

*Production shipment units of hardware and software are counted upon shipment of the products from manufacturing bases. Sales of such products are recognized when the products are delivered to customers.

Inventory, as of March 31, 2005, was ¥77.5 billion ($724 million), a ¥53.4 billion, or 40.8%, decrease compared with the level as of March 31, 2004 and a ¥32.1 billion, or 70.7%, increase compared with the level as of December 31, 2004. (Regarding inventory, please refer to the note in the above Electronics segment.)

Music

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

	Year ended March 31			
	2004	**2005**	Change in Yen	**2005**
Sales and operating revenue	¥440.3	**¥249.1**	-43.4%	**$2,328**
Operating income (loss)	(6.0)	**8.8**	-	**82**

The amounts presented above are the sum of the yen-translated results of SMEI, a U.S -based operation which aggregates the results of its worldwide subsidiaries on a U.S. dollar basis, and the results of SMEJ, a Japan-based operation which aggregates results in yen. In addition, please refer to the note on page 2 regarding the establishment of Sony BMG.

Sales decreased ¥191.2 billion or 43.4% compared with the previous fiscal year. Of the Music segment's sales, 62% were generated by SMEJ and 38% were generated by SMEI. As noted above, due to the establishment of the Sony BMG joint venture, there were no recorded music sales at SMEI after July 31, 2004. Therefore, SMEI's results are not comparable with results of the prior year.

SMEJ: Sales increased 6.9% compared with the previous fiscal year mainly due to an increase in album and single sales. Best-selling albums and singles during the year included *musiQ* by ORANGE RANGE, *SENTIMENTALovers* by Ken Hirai and *PORNO GRAFFITTI BEST BLUE'S* by Porno Graffitti.

Operating income at SMEJ increased significantly compared to the previous fiscal year due to the higher sales noted above and an improvement in the cost of sales ratio. As noted above, SMEI's results are not comparable with the results in the prior year.

Pictures

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

	Year ended March 31			
	2004	**2005**	Change in Yen	**2005**
Sales and operating revenue	¥756.4	**¥733.7**	- 3.0%	**$6,857**
Operating income	35.2	**63.9**	+81.4	**597**

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 decreased 3.0% compared with the previous fiscal year (1% increase on a U.S. dollar basis) due to the appreciation of the yen. Sales, on a U.S. dollar basis, increased primarily due to higher worldwide home entertainment, international television syndication and worldwide theatrical revenues on films. Worldwide home entertainment and international television syndication revenues were higher as a result of the performance of prior year films including *50 First Dates*, *Big Fish* and *Bad Boys 2*. For theatrical revenues, the success of the current year film slate, particularly *Spider-Man 2*, *Hitch* and *The Grudge*, more than offset the impact of releasing fewer films this year. The higher sales from films were partially offset by a decrease in television sales due to the absence in the current year of several transactions that occurred in the prior fiscal year. These included syndication sales of *King of Queens* and *Seinfeld* as well as the extension of a licensing agreement for *Wheel of Fortune*. Television sales in the current year benefited from the highly successful DVD release of *Seinfeld*.

Operating income increased ¥28.7 billion to ¥63.9 billion ($597 million), compared with the previous fiscal year. This represented record operating income for SPE. The large increase in operating income is due to the strong overall performance of the current year film slate and the home entertainment and international television syndication carryover performance of the prior year films noted above. *Spider-Man 2*'s worldwide success contributed substantially to this year's earnings offset somewhat by the disappointing theatrical performance of *Spanglish*. Television's operating income decreased due to the same factors noted above for revenue.

On April 8, 2005 a consortium led by Sony Corporation of America ("SCA") and its equity partners; Providence Equity Partners, Texas Pacific Group, Comcast Corporation and DLJ Merchant Banking Partners completed the acquisition of Metro-Goldwyn-Mayer Inc. ("MGM"). Under the terms of the acquisition agreement the aforementioned investor group acquired MGM for $12.00 in cash per MGM share, for a total purchase price of approximately $5.0 billion. As part of this transaction, SPE will co-finance and produce new motion pictures with MGM as well as distribute MGM's existing film and television content through SPE's global distribution channels. MGM will continue to operate under the Metro-Goldwyn-Mayer name as a private company headquartered in Los Angeles. As part of the acquisition, SCA invested $257 million for 20% of the total equity capital. However, based on the percentage of common stock owned, Sony will record 45% of MGM's net income (loss) as equity in net income of affiliated companies.

Financial Services

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

	Year ended March 31			
	2004	**2005**	Change in Yen	**2005**
Financial service revenue	¥593.5	**¥560.6**	-5.6%	**$5,238**
Operating income	55.2	**55.5**	+0.6	**519**

Unless otherwise specified, all amounts are on a U.S. GAAP basis. Therefore, they differ from the results that Sony Life discloses on a Japanese statutory basis.

Financial service revenue decreased 5.6% compared with the previous fiscal year, mainly due to a decrease in revenue at Sony Life. Revenue at Sony Life was ¥474.3 billion ($4,433 million), a ¥38.7 billion, or 7.5% decrease compared with the previous fiscal year. The main reasons for this decrease were a change in the method of recognizing insurance premiums received on certain products, as of the third quarter beginning October 1, 2003, from being recorded as revenues to being offset against the related provision for future insurance policy benefits, coupled with a small decrease in valuation gains in the current fiscal year compared to the previous year in which significant valuation gains were recorded against stock conversion rights from convertible bonds.

Operating income increased by ¥0.3 billion or 0.6% compared with the previous fiscal year, as a result of the recording of losses in the previous fiscal year by Sony Finance International Inc., associated with reorganization proceedings instituted by Crosswave Communications Inc. under the Corporate Reorganization Law of Japan during the same year. Operating income at Sony Life decreased by ¥2.2 billion or 3.4% to ¥61.0 billion ($570 million), mainly due to a decrease in valuation gains against stock conversion rights from convertible bonds, although this was partially offset by an increase in revenue from insurance premiums excluding the effect of the change in revenue recognition method noted above.

Other

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

	Year ended March 31			
	2004	**2005**	Change in Yen	**2005**
Sales and operating revenue	¥268.3	**¥254.4**	-5.2%	**$2,378**
Operating loss	(12.1)	**(4.1)**	-	**(38)**

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

Sales decreased 5.2% compared with the previous fiscal year. This was primarily the result of a decrease in intersegment sales due to contract changes at a Japanese subsidiary involved in the advertising agency business.

An operating loss of ¥4.1 billion ($38 million) was recorded, representing an improvement of ¥8.0 billion compared with the operating loss of ¥12.1 billion recorded in the previous fiscal year. This improvement was mainly due to a reduction of fixed costs, a gain from the sale of a retail and showroom building in Japan and the strong performance of a business engaged in the production and marketing of animation products during the current fiscal year, although this was partially offset by the recording of a one-time gain of ¥7.7 billion by a business operated by a U.S. subsidiary on the sale of rights related to a portion of the Sony Credit Card portfolio in the previous fiscal year.

Operating Results for Major Affiliates Accounted for by the Equity Method

The following operating results for significant companies accounted for by the equity method 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. In addition, please note that the operating results of Sony Ericsson discussed below are reported on an International Financial Reporting Standards basis, and thereby differ from the operating results reported on a U.S. GAAP basis contained within Sony's equity in net income of affiliated companies. Furthermore, as Sony Ericsson and Sony BMG report their results on a calendar year basis, the operating results presented below have been adjusted according to Sony's fiscal year.

Sony Ericsson recorded sales for the one year period ended March 31, 2005 of Euro 6,475 million, representing a Euro 1,269 million or 24% increase compared to the same period of the previous year. Income before taxes was Euro 460 million, a Euro 380 million increase compared to the same period of the previous year, and net income of Euro 267 million was recorded, a Euro 167 million increase compared to the same period of the previous year. Sony Ericsson experienced a strong year led by consumer demand for mid and high-end GSM models. As a result, equity in net income of ¥17.4 billion ($163 million) was recorded by Sony.

Sony BMG recorded sales revenue of $3,258 million, loss before income taxes of $53 million, and a net loss of $66 million during the period that the venture began operations on August 1, 2004 through the end of Sony's fiscal year. Loss before income taxes includes $290 million of restructuring charges. As a result, equity in net loss of ¥3.4 billion ($32 million) was recorded by Sony.

Cash Flow

The following charts show Sony's unaudited condensed statements of cash flows on a consolidated basis for all segments excluding the Financial Services segment and for the Financial Services segment alone. These separate condensed presentations are not required under U.S. GAAP, which is used in Sony's consolidated financial statements. However, because the Financial Services segment is different in nature from Sony's other segments, Sony believes that these presentations may be useful in understanding and analyzing Sony's consolidated financial statements.

Cash Flow - Consolidated (excluding Financial Services segment)

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

	Year ended March 31			
Cash flow	2004	**2005**	Change in Yen	**2005**
- From operating activities	¥401.1	**¥485.4**	¥ +84.3	**$4,537**
- From investing activities	(352.5)	**(472.1)**	-119.6	**(4,412)**
- From financing activities	153.8	**(95.4)**	-249.1	**(892)**
Cash and cash equivalents at beginning of the fiscal year	438.5	**592.9**	+154.4	**5,541**
Cash and cash equivalents at end of the fiscal year	592.9	**519.7**	-73.2	**4,857**

Operating Activities: During the fiscal year ended March 31, 2005, although there was an increase in notes and accounts receivable, trade mainly within the Game segment, in addition to the recording of net income, excluding depreciation and amortization primarily within the Pictures and Game segments, there was a decrease in inventory within the Electronics and Game segments and an increase in notes and accounts payable, trade, within the Game segment.

Investing Activities: During the fiscal year ended March 31, 2005, Sony made significant capital investments in semiconductors, particularly the advanced microprocessor "Cell," as well as investments associated with the amorphous TFT LCD panel manufacturing joint venture (S-LCD Corporation) established with Samsung Electronics Co., Ltd.

As a result, cash flow from operating activities exceeded cash flow from investing activities by ¥13.3 billion ($125 million).

Financing Activities: During the fiscal year ended March 31, 2005, Sony redeemed a portion of its long-term debt. In addition, of the ¥300.0 billion of convertible bonds due on March 31, 2005, ¥5.0 billion were redeemed on the maturity date with the remainder being converted into common stock.

Cash and Cash Equivalents: The total balance of cash and cash equivalents, accounting for the effect of foreign currency exchange rate fluctuations, was ¥519.7 billion ($4,857 million) as of March 31, 2005, a decrease of ¥73.2 billion compared to March 31, 2004.

Cash Flow - Financial Services segment

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

	Year ended March 31			
Cash flow	2004	**2005**	Change in Yen	**2005**
- From operating activities	¥241.6	**¥168.1**	¥-73.5	**$1,571**
- From investing activities	(401.6)	**(421.4)**	-19.8	**(3,938)**
- From financing activities	141.7	**256.4**	+114.7	**2,396**
Cash and cash equivalents at beginning of the fiscal year	274.5	**256.3**	-18.2	**2,395**
Cash and cash equivalents at end of fiscal year	256.3	**259.4**	+3.1	**2,424**

Operating Activities: The cash inflows from insurance premiums and other exceeded the related cash outflows, reflecting primarily an increase in insurance-in-force at Sony Life.

Investing Activities: Payments for investments and advances exceeded proceeds from maturities of marketable securities, sales of securities investments and collections of advances primarily as a result of both investments in mainly Japanese fixed income securities resulting from an increase in insurance-in-force at Sony Life, and a housing loan campaign carried out at Sony Bank.

Financing Activities: In addition to the increase in policyholders' accounts at Sony Life, deposits from customers in the banking business increased primarily due to an increase in the number of accounts.

Cash and Cash Equivalents: As a result of the above, the balance of cash and cash equivalents was ¥259.4 billion ($2,424 million) as of March 31, 2005, which was an increase of ¥3.1 billion compared to March 31, 2004.

Consolidated Results for the Fourth Quarter ended March 31, 2005

Sales were ¥1,697 billion ($15,860 million), a decrease of 4.2% compared with the same quarter of the previous fiscal year; on a local currency basis sales decreased 4%. This reflects the establishment of Sony BMG (please refer to note on page 2).

In the Electronics segment, an increase in intersegment sales to the Game segment resulted in an increase in sales although sales to outside customers declined 5.5%. Although sales primarily of flat panel televisions and LCD rear projection televisions increased, there was a decrease in sales of mobile phones (primarily to Sony Ericsson), portable audio products and CRT televisions. In the Game segment, there was a significant increase in sales as a result of an increase in both hardware and software sales, primarily associated with the launch of PlayStation Portable. In the Music segment, sales decreased due to the establishment of Sony BMG (please refer to the note on page 2). In the Pictures segment, sales decreased due to the absence in the fourth quarter of the current year of transactions that occurred in the same quarter of the previous year. These included syndication sales of *Seinfeld* and the extension of a licensing agreement for *Wheel of Fortune*. In the Financial Services segment, revenue increased mainly due to an increase in revenue from insurance premiums at Sony Life.

An **operating loss** of ¥77.4 billion ($723 million) was recorded, an improvement of ¥32.3 billion from the same quarter of the previous year. In the Electronics segment, although there was a deterioration in the cost of sales ratio associated with a decline in unit selling prices, there was a reduction in operating loss due to lower restructuring charges compared to the same quarter of the previous year. The Game segment recorded operating income, compared to the operating loss in the same quarter of the previous year, as a result of an increase in software sales. In the Music segment, a lower operating loss was recorded primarily due to the establishment of Sony BMG mentioned above. In the Pictures segment, the absence in the fourth quarter of the current year of transactions that occurred in the same quarter of the previous year led to a decrease in operating income.

Restructuring charges, which are recorded as operating expenses, for the fourth quarter amounted to ¥48.6 billion ($454 million) compared to ¥98.3 billion in the same quarter of the previous fiscal year. In the Electronics segment, restructuring charges were ¥44.9 billion ($420 million) compared to ¥89.0 billion in the same quarter of the previous fiscal year.

The **loss before income taxes** was ¥61.9 billion ($578 million), a ¥31.7 billion improvement compared to the same quarter of the previous fiscal year. The recording of valuation allowances against deferred tax assets mainly at European and Japanese subsidiaries of Sony resulted in smaller tax benefits for the quarter of ¥5.3 billion.

Equity in net income of affiliated companies of ¥0.5 billion ($4 million) was recorded, a 91.6% decrease from the same quarter of the previous fiscal year. Sony Ericsson contributed ¥2.6 billion ($24 million) to equity in net income, a 52% decrease compared to the same quarter of the previous year. However, an equity in net loss was recorded of ¥3.1 billion ($29 million) at Sony BMG. Equity in net loss was also recorded at S-LCD Corporation.

As a result, **a net loss** of ¥56.5 billion ($528 million) was recorded, a ¥18.3 billion deterioration compared to the same quarter of the previous fiscal year.

Operating Results for the Fourth Quarter ending March 31, 2005 for Major Affiliates Accounted for by the Equity Method

The following operating results for significant companies accounted for by the equity method 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. In addition, please note that the operating results of Sony Ericsson discussed below are reported on an International Financial Reporting Standards basis, and thereby differ from the operating results reported on a U.S. GAAP basis contained within Sony's equity in net income of affiliated companies.

Sony Ericsson recorded sales for the quarter ended March 31, 2005 of Euro 1,289 million, representing a Euro 50 million or 4% decrease compared to the same quarter of the previous fiscal year. Income before taxes was Euro 70 million, a 27%, or Euro 26 million decrease compared to the same quarter of the previous fiscal year, and net income of Euro 32 million was recorded, a Euro 49 million, or 60% decrease year on year. Although there was an increase in units shipped, slower market growth during the quarter coupled with a decrease in Sony Ericsson's average selling price led to a decline in sales. As a result, equity in net income of ¥2.6 billion ($24 million) was recorded by Sony.

Sony BMG recorded sales revenue of $962 million, loss before income taxes of $61.5 million, and a net loss of $61.8 million during the quarter ended March 31, 2005. Loss before income taxes includes $92 million of restructuring charges. As a result, equity in net loss of ¥3.1 billion ($29 million) was recorded by Sony.

Notes

Note I: During the fiscal year ended March 31, 2005, the average value of the yen was ¥106.5 against the U.S. dollar and ¥133.7 against the Euro, which was 5.2% higher against the U.S. dollar and 1.9% lower against the Euro, compared with the average rates for the previous fiscal year. Operating results on a local currency basis described herein reflect sales and operating income obtained by applying the yen's average exchange rate in the previous fiscal year to local currency-denominated monthly sales, cost of sales, and selling, general and administrative expenses in the fiscal year. Local currency basis results are not reflected in Sony's financial statements and are not measures conforming with U.S. GAAP. In addition, Sony does not believe that these measures are a substitute for U.S. GAAP measures. However, Sony believes that local currency basis results provide additional useful analytical information to investors regarding operating performance.

Note II: "Sales and operating revenue" in each business segment represents sales and operating revenue recorded before intersegment transactions are eliminated. "Operating income" in each business segment represents operating income recorded before intersegment transactions and unallocated corporate expenses are eliminated.

Note III: In the third quarter ended December 31, 2004, Sony adopted Emerging Issues Task Force ("EITF") Issue No. 04-8, "The Effect of Contingently Convertible Instruments on Diluted Earnings per Share." As a result of adopting EITF Issue No. 04-8, diluted earnings per share of net income for the fiscal year ended March 31, 2004 have been restated (see Note 9 on page F-10 regarding EITF Issue No. 04-8).

Note IV: During the quarter ended March 31, 2005, the average value of the yen was ¥103.5 against the U.S. dollar and ¥135.4 against the Euro, which was 2.7% higher against the U.S. dollar and 2.1% lower against the Euro, compared with the average rates for the same quarter of the previous fiscal year.

Rewarding Shareholders

Sony believes that continuously increasing corporate value and providing dividends are essential to rewarding shareholders. It is Sony's policy to utilize retained earnings, after ensuring the perpetuation of stable dividends, to carry out various investments that contribute to an increase in corporate value such as those that ensure future growth and strengthen competitiveness.

A year-end cash dividend of ¥12.5 ($0.12) per share of Sony Corporation common stock will be presented for approval at the Board of Directors meeting to be held on May 16, 2005 and, if approved, will be payable as of June 1, 2005. Sony Corporation has already paid an interim dividend of ¥12.5 per share to each shareholder; accordingly, the total annual cash dividend per share would be ¥25.0.

Regarding shares of subsidiary tracking stock issued in Japan by Sony Corporation, Sony Communication Network Corporation ("SCN") has been working to manage its operations so as to expand cash flow, fully solidify its financial base, and increase its retained earnings to aggressively expand its business to strengthen its foundation and respond to the quickly expanding Internet market. For these reasons, SCN does not plan to distribute earnings to SCN shareholders for the time being. As such, Sony Corporation will continue its policy of not paying dividends to shareholders of the subsidiary tracking stock.

Number of Employees

The number of employees at the end of March 2005 was approximately 151,400, a decrease of approximately 10,600 employees from the end of March 2004. Although employees increased at manufacturing facilities in Asia, particularly in China, the total number of employees declined due to the reductions associated with the implementation of restructuring activities in Japan, the U.S., Europe and South-East Asia, and a decrease in the number of employees due to the establishment of Sony BMG.

Outlook for the Fiscal Year ending March 31, 2006

		Change from previous year
Sales and operating revenue	¥7,450 billion	+4%
Operating income	160 billion	+40
Income before income taxes	170 billion	+8
Equity in net income of affiliated companies	5 billion	-83
Net income	80 billion	-51
Capital expenditures (additions to fixed assets)	¥410 billion	+15%
Depreciation and amortization*	390 billion	+5
(Depreciation expenses for tangible assets)	(320 billion)	(+6)

* Including amortization of intangible assets and amortization of deferred insurance acquisition costs.

Research and development expenses	520 billion	+4%

Assumed exchange rates: approximately ¥103 to the U.S. dollar, approximately ¥133 to the Euro.

The forecast for the consolidated operating results stated above, has been prepared based on the current business environment and reflects the factors noted below.

During the fiscal year, primarily in the Electronics segment, restructuring charges of approximately ¥72 billion are expected to be incurred across the Sony Group (¥90 billion of restructuring expenses were recorded in the fiscal year ended March 31, 2005). The above forecast for operating income reflects these restructuring charges as operating expenses.

As part of this forecast, the forecast for operating income and income before income taxes reflects an estimated gain of approximately ¥60 billion related to the transfer to the Japanese Government of the substitutional portion, the benefit obligation related to past employee service, of Sony's Employee Pension Fund. Furthermore, ¥35 billion of this estimated gain is reflected in the forecast for net income after deductions for the effect of income taxes.

The forecast for each business segment (excluding the anticipated gain from the transfer of the substitutional portion of Sony's Employee Pension Fund) is as follows:

Electronics

Sales are expected to increase primarily due to an increase in the sales of products such as flat panel televisions and LCD rear projection televisions. With regard to operating performance, although an improvement is expected due to the increase in sales and a reduction in fixed costs relating to restructuring implemented during the previous fiscal year, a decline in unit prices, appreciation of the yen and increase in both depreciation and amortization and research and development costs are also anticipated. An improvement in operating performance is expected, as in addition to the abovementioned factors, a reduction in restructuring charges is also anticipated.

Game

Sales are expected to increase due to the contribution from both PlayStation Portable hardware and software. Although PS2 and PlayStation Portable are expected to contribute to operating income, increased research and development costs primarily for the next generation computer entertainment system are expected to leave operating income relatively unchanged.

Music

Due to the establishment of Sony BMG (please refer to the note on page 2) sales are expected to decrease. A small increase in operating income is anticipated.

Pictures

Although sales are expected to increase due to the impact of the acquisition of MGM, operating income is expected to decrease compared to the previous fiscal year, in which *Spider-Man 2* was a substantial contributor.

Financial Services

Although revenue is expected to continue to grow mainly due to an increase in revenue from insurance premiums at Sony Life, a small decrease is expected in operating income due to conservative estimation of insurance claim payments.

Semiconductor capital expenditures

Capital expenditures within the semiconductor business during the fiscal year are expected to amount to approximately ¥160 billion (the actual amount in the fiscal year ended March 31, 2005 was approximately ¥150 billion).

As of March 31, 2005, Sony had deferred tax assets on tax loss carry forwards in relation to Japanese local income taxes totaling ¥77.5 billion. However, there is a possibility that, depending on future operating performance, Sony may establish a valuation allowance against part or all of its deferred tax assets that would be charged to income as an increase in tax expense. It should be noted, though, that the forecast above does not include this possibility.

For your reference, further details about valuation allowances against deferred tax assets can be found under the “Deferred tax asset valuation” section of “Critical Accounting Policies” in Item 5. *Operating and Financial Review and Prospects* of Sony Corporation’s Form 20-F for the fiscal year ended March 31, 2004.
URL: http://www.sec.gov/Archives/edgar/data/313838/000114554904000801/0001145549-04-000801-index.htm

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,” “may” or “might” 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, as well as the economic conditions in Sony's markets, particularly levels of consumer spending; (ii) exchange rates, particularly between the yen and the U.S. dollar, the Euro and other currencies in which Sony makes significant sales or in which Sony's assets and liabilities are denominated; (iii) Sony's ability to continue to design and develop and win acceptance of its products and services, which are offered in highly competitive markets characterized by continual new product introductions, rapid development in technology and subjective and changing consumer preferences (particularly in the Electronics, Game, Music and Pictures segments); (iv) Sony's ability to implement successfully personnel reduction and other business reorganization activities in its Electronics, Music and Pictures segments; (v) Sony's ability to implement successfully its network strategy for its Electronics, Music, Pictures and Other segments and to develop and implement successful sales and distribution strategies in its Music and Pictures segments in light of the Internet and other technological developments; (vi) Sony's continued ability to devote sufficient resources to research and development and, with respect to capital expenditures, to correctly prioritize investments (particularly in the Electronics segment); and (vii) the success of Sony's joint ventures and alliances. Risks and uncertainties also include the impact of any future events with material unforeseen impacts.

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Business Segment Information

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

Sales and operating revenue		2004		2005	Change		2005
				Year ended March 31			
Electronics							
Customers	¥	4,838,268	¥	**4,786,236**	-1.1%	$	**44,731**
Intersegment		204,051		**235,411**			**2,200**
Total		5,042,319		**5,021,647**	-0.4		**46,931**
Game							
Customers		753,732		**702,524**	-6.8		**6,566**
Intersegment		26,488		**27,230**			**255**
Total		780,220		**729,754**	-6.5		**6,821**
Music							
Customers		409,487		**216,779**	-47.1		**2,026**
Intersegment		30,819		**32,326**			**302**
Total		440,306		**249,105**	-43.4		**2,328**
Pictures							
Customers		756,370		**733,677**	-3.0		**6,857**
Intersegment		0		**0**			**0**
Total		756,370		**733,677**	-3.0		**6,857**
Financial Services							
Customers		565,752		**537,715**	-5.0		**5,025**
Intersegment		27,792		**22,842**			**213**
Total		593,544		**560,557**	-5.6		**5,238**
Other							
Customers		172,782		**182,685**	+5.7		**1,707**
Intersegment		95,535		**71,742**			**671**
Total		268,317		**254,427**	-5.2		**2,378**
Elimination		(384,685)		**(389,551)**	—		**(3,641)**
Consolidated total	¥	7,496,391	¥	**7,159,616**	-4.5%	$	**66,912**

Electronics intersegment amounts primarily consist of transactions with the Game business.
Music intersegment amounts primarily consist of transactions with the Game and Pictures businesses.
Other intersegment amounts primarily consist of transactions with the Electronics business.

Operating income (loss)		2004		2005	Change		2005
Electronics	¥	(6,824)	¥	**(34,305)**	—	$	**(321)**
Game		67,578		**43,170**	-36.1%		**404**
Music		(5,997)		**8,783**	—		**82**
Pictures		35,230		**63,899**	+81.4		**597**
Financial Services		55,161		**55,490**	+0.6		**519**
Other		(12,054)		**(4,077)**	—		**(38)**
Total		133,094		**132,960**	-0.1		**1,243**
Unallocated corporate expenses and elimination		(34,192)		**(19,041)**	—		**(178)**
Consolidated total	¥	98,902	¥	**113,919**	+15.2%	$	**1,065**

Commencing April 1, 2004, Sony has partly realigned its business segment configuration. Results of the previous year have been reclassified to conform to the presentations for the current year (See Notes 5 and 6, page F-10).

(Millions of yen, millions of U.S. dollars)
Three months ended March 31 (Unaudited)

Sales and operating revenue	2004	**2005**	Change	**2005**
Electronics				
Customers	¥ 1,123,418	**¥ 1,061,464**	-5.5%	**$ 9,920**
Intersegment	23,991	**110,892**		**1,036**
Total	1,147,409	**1,172,356**	+2.2	**10,956**
Game				
Customers	121,436	**213,990**	+76.2	**2,000**
Intersegment	5,301	**8,133**		**76**
Total	126,737	**222,123**	+75.3	**2,076**
Music				
Customers	100,708	**31,148**	-69.1	**291**
Intersegment	4,337	**8,069**		**75**
Total	105,045	**39,217**	-62.7	**366**
Pictures				
Customers	236,602	**190,647**	-19.4	**1,782**
Intersegment	0	**0**		**0**
Total	236,602	**190,647**	-19.4	**1,782**
Financial Services				
Customers	144,679	**150,887**	+4.3	**1,410**
Intersegment	7,462	**5,222**		**49**
Total	152,141	**156,109**	+2.6	**1,459**
Other				
Customers	45,348	**48,885**	+7.8	**457**
Intersegment	24,643	**20,314**		**190**
Total	69,991	**69,199**	-1.1	**647**
Elimination	(65,734)	**(152,630)**	—	**(1,426)**
Consolidated total	¥ 1,772,191	**¥ 1,697,021**	-4.2%	**$ 15,860**

Electronics intersegment amounts primarily consist of transactions with the Game business.
Music intersegment amounts primarily consist of transactions with the Game and Pictures businesses.
Other intersegment amounts primarily consist of transactions with the Electronics business.

Operating income (loss)	2004	**2005**	Change	**2005**
Electronics	¥ (129,257)	**¥ (99,428)**	—	**$ (929)**
Game	(6,886)	**1,488**	—	**14**
Music	(9,126)	**(2,629)**	—	**(25)**
Pictures	36,634	**13,734**	-62.5%	**128**
Financial Services	17,192	**16,302**	-5.2	**153**
Other	(6,506)	**(4,174)**	—	**(39)**
Total	(97,949)	**(74,707)**	—	**(698)**
Unallocated corporate expenses and elimination	(11,807)	**(2,706)**	—	**(25)**
Consolidated total	¥ (109,756)	**¥ (77,413)**	—	**$ (723)**

Commencing April 1, 2004, Sony has partly realigned its business segment configuration. Results of the previous year have been reclassified to conform to the presentations for the current quarter (See Notes 5 and 6 page F-10).

Electronics Sales and Operating Revenue to Customers by Product Category

	(Millions of yen, millions of U.S. dollars)			
	Year ended March 31			
Sales and operating revenue	2004	**2005**	Change	**2005**
Audio	¥ 675,496	¥ **571,864**	-15.3%	$ **5,345**
Video	949,261	**1,034,736**	+9.0	**9,670**
Televisions	925,501	**957,122**	+3.4	**8,945**
Information and Communications	834,757	**778,374**	-6.8	**7,275**
Semiconductors	253,237	**246,314**	-2.7	**2,302**
Components	623,799	**619,477**	-0.7	**5,789**
Other	576,217	**578,349**	+0.4	**5,405**
Total	¥ 4,838,268	¥ **4,786,236**	-1.1%	$ **44,731**

	Three months ended March 31 (Unaudited)			
Sales and operating revenue	2004	**2005**	Change	**2005**
Audio	¥ 132,115	¥ **106,476**	-19.4%	$ **995**
Video	197,515	**207,912**	+5.3	**1,943**
Televisions	215,257	**222,639**	+3.4	**2,081**
Information and Communications	208,816	**204,563**	-2.0	**1,912**
Semiconductors	66,163	**50,657**	-23.4	**473**
Components	159,464	**142,640**	-10.6	**1,333**
Other	144,088	**126,577**	-12.2	**1,183**
Total	¥ 1,123,418	¥ **1,061,464**	-5.5%	$ **9,920**

The above table is a breakdown of Electronics sales and operating revenue to customers in the Business Segment Information on pages F-1 and F-2. The Electronics segment is managed as a single operating segment by Sony's management. However, Sony believes that the information in this table is useful to investors in understanding the product categories in this business segment. In addition, commencing April 1, 2004, Sony has partly realigned its product category configuration in the Electronics segment. Accordingly, results of the previous year have been restated. (See Note 7, page F-10)

Geographic Segment Information

	(Millions of yen, millions of U.S. dollars)			
	Year ended March 31			
Sales and operating revenue	2004	**2005**	Change	**2005**
Japan	¥ 2,220,747	¥ **2,100,793**	-5.4%	$ **19,634**
United States	2,121,110	**1,977,310**	-6.8	**18,479**
Europe	1,765,053	**1,612,536**	-8.6	**15,070**
Other Areas	1,389,481	**1,468,977**	+5.7	**13,729**
Total	¥ 7,496,391	¥ **7,159,616**	-4.5%	$ **66,912**

	Three months ended March 31 (Unaudited)			
Sales and operating revenue	2004	**2005**	Change	**2005**
Japan	¥ 549,960	¥ **527,811**	-4.0%	$ **4,933**
United States	492,729	**455,513**	-7.6	**4,257**
Europe	406,956	**367,949**	-9.6	**3,439**
Other Areas	322,546	**345,748**	+7.2	**3,231**
Total	¥ 1,772,191	¥ **1,697,021**	-4.2%	$ **15,860**

Classification of Geographic Segment Information shows sales and operating revenue recognized by location of customers.

Consolidated Statements of Income

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

	Year ended March 31					
		2004		2005	Change	2005
Sales and operating revenue:					%	
Net sales	¥	6,883,478	¥	**6,565,010**		$ **61,355**
Financial service revenue		565,752		**537,715**		**5,025**
Other operating revenue		47,161		**56,891**		**532**
		7,496,391		**7,159,616**	-4.5	**66,912**
Costs and expenses:						
Cost of sales		5,058,205		**5,000,112**		**46,730**
Selling, general and administrative		1,798,239		**1,535,015**		**14,346**
Financial service expenses		505,550		**482,576**		**4,510**
Loss on sale, disposal or impairment of assets, net		35,495		**27,994**		**261**
		7,397,489		**7,045,697**		**65,847**
Operating income		98,902		**113,919**	+15.2	**1,065**
Other income:						
Interest and dividends		18,756		**14,708**		**137**
Royalty income		34,244		**31,709**		**296**
Foreign exchange gain, net		18,059		—		—
Gain on sale of securities investments, net		11,774		**5,437**		**51**
Gain on change in interest in subsidiaries and equity investees		4,870		**16,322**		**153**
Other		34,587		**29,447**		**275**
		122,290		**97,623**		**912**
Other expenses:						
Interest		27,849		**24,578**		**230**
Loss on devaluation of securities investments		16,481		**3,715**		**35**
Foreign exchange loss, net		—		**524**		**5**
Other		32,795		**25,518**		**238**
		77,125		**54,335**		**508**
Income before income taxes		144,067		**157,207**	+9.1	**1,469**
Income taxes		52,774		**16,044**		**150**
Income before minority interest, equity in net income of affiliated companies and cumulative effect of an accounting change		91,293		**141,163**	+54.6	**1,319**
Minority interest in income of consolidated subsidiaries		2,379		**1,651**		**15**
Equity in net income of affiliated companies		1,714		**29,039**		**271**
Income before cumulative effect of an accounting change		90,628		**168,551**	+86.0	**1,575**
Cumulative effect of an accounting change (2004: Net of income taxes of ¥0 million) (2005: Net of income taxes of ¥2,675 million)		(2,117)		**(4,713)**		**(44)**
Net income	¥	88,511	¥	**163,838**	+85.1	$ **1,531**
Per share data:						
Common stock						
Income before cumulative effect of an accounting change						
— Basic	¥	98.26	¥	**180.96**	+84.2	$ **1.69**
— Diluted		89.03		**162.59**	+82.6	**1.52**
Net income						
— Basic		95.97		**175.90**	+83.3	**1.64**
— Diluted		87.00		**158.07**	+81.7	**1.48**
Subsidiary tracking stock						
Net income (loss)						
— Basic		(41.80)		**17.21**	—	**0.16**

Additional Paid-in Capital and Retained Earnings

The following information shows change in additional paid-in capital and change in retained earnings for the years ended March 31, 2004 and 2005. Sony discloses this supplemental information in accordance with disclosure requirements of the Japanese Securities and Exchange Law, to which Sony, as a Japanese public company, is subject.

	(Millions of yen, millions of U.S. dollars)		
	Year ended March 31		
	2004	**2005**	**2005**
Additional Paid-in Capital:			
Balance, beginning of year	¥ 984,196	**¥ 992,817**	**$ 9,279**
Conversion of convertible bonds	3,988	**141,407**	**1,321**
Exchange offerings	5,409	**—**	**—**
Stock based compensation	—	**340**	**3**
Reissuance of treasury stock	(776)	**(342)**	**(3)**
Balance, end of year	¥ 992,817	**¥ 1,134,222**	**$ 10,600**

	(Millions of yen, millions of U.S. dollars)		
	Year ended March 31		
	2004	**2005**	**2005**
Retained Earnings:			
Balance, beginning of year	¥ 1,301,740	**¥ 1,367,060**	**$ 12,776**
Net income	88,511	**163,838**	**1,531**
Cash dividends	(23,138)	**(24,030)**	**(224)**
Reissuance of treasury stock	—	**(245)**	**(2)**
Common stock issue costs, net of tax	(53)	**(541)**	**(5)**
Balance, end of year	¥ 1,367,060	**¥ 1,506,082**	**$ 14,076**

Consolidated Statements of Income (Unaudited)

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

	Three months ended March 31			
	2004	**2005**	Change	**2005**
Sales and operating revenue:			%	
Net sales	¥ 1,615,836	**¥ 1,529,187**		**$ 14,292**
Financial service revenue	144,679	**150,887**		**1,410**
Other operating revenue	11,676	**16,947**		**158**
	1,772,191	**1,697,021**	-4.2	**15,860**
Costs and expenses:				
Cost of sales	1,238,300	**1,223,358**		**11,433**
Selling, general and administrative	495,378	**403,126**		**3,768**
Financial service expenses	126,385	**134,457**		**1,256**
Loss on sale, disposal or impairment of assets, net	21,884	**13,493**		**126**
	1,881,947	**1,774,434**		**16,583**
Operating income (loss)	(109,756)	**(77,413)**	—	**(723)**
Other income:				
Interest and dividends	5,388	**4,191**		**39**
Royalty income	10,389	**9,692**		**91**
Foreign exchange gain, net	7,588	**29**		**0**
Gain on sale of securities investments, net	28	—		—
Gain on change in interest in subsidiaries and equity investees	3,951	**1,215**		**12**
Other	8,139	**10,840**		**101**
	35,483	**25,967**		**243**
Other expenses:				
Interest	7,179	**2,755**		**26**
Loss on devaluation of securities investments	3,931	**1,296**		**12**
Loss on sales of securities investments, net	—	**14**		**0**
Other	8,190	**6,382**		**60**
	19,300	**10,447**		**98**
Income (loss) before income taxes	(93,573)	**(61,893)**	—	**(578)**
Income taxes	(50,498)	**(5,334)**		**(49)**
Income (loss) before minority interest and equity in net income of affiliated companies	(43,075)	**(56,559)**	—	**(529)**
Minority interest in income of consolidated subsidiaries	557	**351**		**3**
Equity in net income of affiliated companies	5,477	**460**		**4**
Net income (loss)	¥ (38,155)	**¥ (56,450)**	—	**$ (528)**
Per share data:				
Common stock				
Net income (loss)				
— Basic	¥ (41.23)	**¥ (59.40)**	—	**$ (0.56)**
— Diluted	(41.23)	**(59.40)**	—	**(0.56)**
Subsidiary tracking stock				
Net income (loss)			—	
— Basic	(13.12)	**(28.20)**	—	**(0.26)**

Consolidated Balance Sheets

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

ASSETS	March 31 2004	March 31 2005	2005
Current assets:			
Cash and cash equivalents	¥ 849,211	¥ **779,103**	$ **7,281**
Time deposits	4,662	**1,492**	**14**
Marketable securities	274,748	**460,202**	**4,301**
Notes and accounts receivable, trade	1,123,863	**1,113,071**	**10,403**
Allowance for doubtful accounts and sales returns	(112,674)	**(87,709)**	**(820)**
Inventories	666,507	**631,349**	**5,900**
Deferred income taxes	125,532	**141,154**	**1,319**
Prepaid expenses and other current assets	431,506	**517,509**	**4,837**
	3,363,355	**3,556,171**	**33,235**
Film costs	256,740	**278,961**	**2,607**
Investments and advances:			
Affiliated companies	86,253	**252,905**	**2,364**
Securities investments and other	2,426,697	**2,492,784**	**23,297**
	2,512,950	**2,745,689**	**25,661**
Property, plant and equipment:			
Land	189,785	**182,900**	**1,709**
Buildings	930,983	**925,796**	**8,652**
Machinery and equipment	2,053,085	**2,192,038**	**20,486**
Construction in progress	98,480	**92,611**	**866**
Less–Accumulated depreciation	(1,907,289)	**(2,020,946)**	**(18,887)**
	1,365,044	**1,372,399**	**12,826**
Other assets:			
Intangibles, net	248,010	**187,024**	**1,748**
Goodwill	277,870	**283,923**	**2,653**
Deferred insurance acquisition costs	349,194	**374,805**	**3,503**
Deferred income taxes	203,203	**240,396**	**2,247**
Other	514,296	**459,732**	**4,297**
	1,592,573	**1,545,880**	**14,448**
	¥ 9,090,662	¥ **9,499,100**	$ **88,777**
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities:			
Short-term borrowings	¥ 91,260	¥ **63,396**	$ **592**
Current portion of long-term debt	383,757	**166,870**	**1,560**
Notes and accounts payable, trade	778,773	**806,044**	**7,533**
Accounts payable, other and accrued expenses	812,175	**746,466**	**6,976**
Accrued income and other taxes	57,913	**55,651**	**520**
Deposits from customers in the banking business	378,851	**546,718**	**5,110**
Other	479,486	**424,223**	**3,965**
	2,982,215	**2,809,368**	**26,256**
Long-term liabilities:			
Long-term debt	777,649	**678,992**	**6,346**
Accrued pension and severance costs	368,382	**352,402**	**3,293**
Deferred income taxes	96,193	**72,227**	**675**
Future insurance policy benefits and other	2,178,626	**2,464,295**	**23,031**
Other	286,737	**227,631**	**2,127**
	3,707,587	**3,795,547**	**35,472**
Minority interest in consolidated subsidiaries	22,858	**23,847**	**223**
Stockholders' equity:			
Capital stock	480,267	**621,709**	**5,810**
Additional paid-in capital	992,817	**1,134,222**	**10,600**
Retained earnings	1,367,060	**1,506,082**	**14,076**
Accumulated other comprehensive income	(449,959)	**(385,675)**	**(3,604)**
Treasury stock, at cost	(12,183)	**(6,000)**	**(56)**
	2,378,002	**2,870,338**	**26,826**
	¥ 9,090,662	¥ **9,499,100**	$ **88,777**

Consolidated Statements of Cash Flows

	(Millions of yen, millions of U.S. dollars)		
		Year ended March 31	
	2004	**2005**	**2005**
Cash flows from operating activities:			
Net income	¥ 88,511	**¥ 163,838**	**$ 1,531**
Adjustments to reconcile net income to net cash provided by operating activities			
Depreciation and amortization, including amortization of deferred insurance acquisition costs	366,269	**372,865**	**3,485**
Amortization of film costs	305,786	**276,320**	**2,582**
Accrual for pension and severance costs, less payments	35,562	**22,837**	**214**
Loss on sale, disposal or impairment of assets, net	35,495	**27,994**	**261**
Gain on sale of securities investments, net	(11,774)	**(5,437)**	**(51)**
Gain on change in interest in subsidiaries and equity investees	(4,870)	**(16,322)**	**(153)**
Deferred income taxes	(34,445)	**(69,466)**	**(649)**
Equity in net (income) loss of affiliated companies, net of dividends	1,732	**(15,648)**	**(146)**
Cumulative effect of an accounting change	2,117	**4,713**	**44**
Changes in assets and liabilities:			
Increase in notes and accounts receivable, trade	(63,010)	**(22,056)**	**(206)**
(Increase) decrease in inventories	(78,656)	**34,128**	**319**
Increase in film costs	(299,843)	**(294,272)**	**(2,750)**
Increase in notes and accounts payable, trade	93,950	**31,473**	**294**
Increase (decrease) in accrued income and other taxes	(46,067)	**3**	**0**
Increase in future insurance policy benefits and other	264,216	**144,143**	**1,347**
Increase in deferred insurance acquisition costs	(71,219)	**(65,051)**	**(608)**
(Increase) decrease in marketable securities held in the financial service business for trading purpose	369	**(28,524)**	**(266)**
Increase in other current assets	(34,991)	**(29,699)**	**(278)**
Increase in other current liabilities	44,772	**46,545**	**435**
Other	38,731	**68,613**	**642**
Net cash provided by operating activities	632,635	**646,997**	**6,047**
Cash flows from investing activities:			
Payments for purchases of fixed assets	(427,344)	**(453,445)**	**(4,238)**
Proceeds from sales of fixed assets	33,987	**34,184**	**319**
Payments for investments and advances by financial service business	(1,167,945)	**(1,309,092)**	**(12,235)**
Payments for investments and advances (other than financial service business)	(33,329)	**(158,151)**	**(1,478)**
Proceeds from maturities of marketable securities, sales of securities investments and collections of advances by financial service business	791,188	**923,593**	**8,632**
Proceeds from maturities of marketable securities, sales of securities investments and collections of advances (other than financial service business)	35,521	**25,849**	**242**
Other	6,130	**5,890**	**55**
Net cash used in investing activities	(761,792)	**(931,172)**	**(8,703)**
Cash flows from financing activities:			
Proceeds from issuance of long-term debt	267,864	**57,232**	**535**
Payments of long-term debt	(32,042)	**(94,862)**	**(887)**
Increase (decrease) in short-term borrowings	(57,708)	**11,397**	**107**
Increase in deposits from customers in the financial service business	129,874	**294,352**	**2,751**
Dividends paid	(23,106)	**(22,978)**	**(215)**
Other	28,401	**(39,964)**	**(373)**
Net cash provided by financing activities	313,283	**205,177**	**1,918**
Effect of exchange rate changes on cash and cash equivalents	(47,973)	**8,890**	**83**
Net increase (decrease) in cash and cash equivalents	136,153	**(70,108)**	**(655)**
Cash and cash equivalents at beginning of the fiscal year	713,058	**849,211**	**7,936**
Cash and cash equivalents at end of the fiscal year	¥ 849,211	**¥ 779,103**	**$ 7,281**

(Notes)

1. U.S. dollar amounts have been translated from yen, for convenience only, at the rate of ¥107 = U.S. $1, the approximate Tokyo foreign exchange market rate as of March 31, 2005.

2. As of March 31, 2005, Sony had 913 consolidated subsidiaries (including variable interest entities). It has applied the equity accounting method in respect to 56 affiliated companies.

3. Sony calculates and presents per share data separately for Sony's common stock and for the subsidiary tracking stock which is linked to the economic value of Sony Communication Network Corporation, based on Statement of Financial Accounting Standards ("FAS") No.128, "Earnings per Share". The holders of the tracking stock have the right to participate in earnings, together with common stock holders. Accordingly, Sony calculates per share data by the "two-class" method based on FAS No.128. Under this method, basic net income per share for each class of stock is calculated based on the earnings allocated to each class of stock for the applicable period, divided by the weighted-average number of outstanding shares in each class during the applicable period. The earnings allocated to the subsidiary tracking stock are determined based on the subsidiary tracking stockholders' economic interest in the targeted subsidiary's earnings available for dividends or change in accumulated losses that do not include those of the targeted subsidiary's subsidiaries. The earnings allocated to common stock are calculated by subtracting the earnings allocated to the subsidiary tracking stock from Sony's net income for the period.

   Weighted-average shares used for computation of earnings per share of common stock are as follows. The dilutive effect in the weighted-average shares for the three months and the year ended March 31, 2004 and 2005 mainly resulted from convertible bonds.

Weighted-average shares	(Thousands of shares) **Year ended March 31**	
	2004	**2005**
Income before cumulative effect of an accounting change and net income		
— Basic	923,650	**931,125**
— Diluted	1,044,818	**1,043,775**

Weighted-average shares	(Thousands of shares) **Three months ended March 31**	
	2004	**2005**
Net income		
— Basic	924,439	**948,950**
— Diluted	924,439	**948,950**

   By adopting the Emerging Issues Task Force ("EITF") Issue No. 04-8, "The Effect of Contingently Convertible Instruments on Diluted Earnings per Share", issued in July 2004, diluted earnings per share of income before cumulative effect of an accounting change and net income for the year ended March 31, 2004 were restated respectively (see Note 9. Adoption of New Accounting Standards).

   Weighted-average shares used for computation of earnings per share of the subsidiary tracking stock for the three months and the year ended March 31, 2004 and 2005 are 3,072 thousand shares. There were no potentially dilutive securities or options granted for earnings per share of the subsidiary tracking stock.

4. Sony's comprehensive income is comprised of net income and other comprehensive income. Other comprehensive income includes changes in unrealized gains or losses on securities, unrealized gains or losses on derivative instruments, minimum pension liability adjustment and foreign currency translation adjustments. Net income (loss), other comprehensive income and comprehensive income (loss) for the three months and the year ended March 31, 2004 and 2005 were as follows:

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

	Year ended March 31			Three months ended March 31		
	2004	**2005**	**2005**	2004	**2005**	**2005**
Net income (loss)	¥ 88,511	**¥ 163,838**	**$ 1,531**	¥ (38,155)	**¥ (56,450)**	**$ (528)**
Other comprehensive income:						
Unrealized gains (losses) on securities	52,292	**(7,281)**	**(68)**	21,385	**7,012**	**66**
Unrealized gains (losses) on derivative instruments	4,193	**(1,890)**	**(18)**	1,302	**(2,009)**	**(19)**
Minimum pension liability adjustment	93,415	**(769)**	**(7)**	95,611	**(29,304)**	**(274)**
Foreign currency translation adjustments	(127,881)	**74,224**	**694**	(27,752)	**43,858**	**410**
	22,019	**64,284**	**601**	90,546	**19,557**	**183**
Comprehensive income (loss)	¥ 110,530	**¥228,122**	**$ 2,132**	¥ 52,391	**¥ (36,893)**	**$ (345)**

5. As of August 1, 2004, Sony and Bertelsmann AG combined their recorded music businesses in a joint venture. In connection with the establishment of this joint venture, the non-Japan based disc manufacturing and physical distribution businesses, formerly included within the Music segment, have been reclassified to the "Other" category in the Electronics segment. Results for the same period of the previous year in the Electronics and Music segments have been restated to conform to the presentation for this year.

6. In July 2004, in order to establish a more efficient and coordinated semiconductor supply structure, the Sony group has integrated its semiconductor manufacturing business by transferring Sony Computer Entertainment's semiconductor manufacturing operation from the Game segment to the Electronics segment. As a result of this transfer, sales revenue and expenditures associated with this operation are now recorded within the "Semiconductor" category in the Electronics segment. The results for the same period of the previous fiscal year have not been restated as such comparable figures cannot be practically obtained given that it was not operated as a separate line of business within the Game segment. This integration of the semiconductor manufacturing businesses is a part of Sony's semiconductor strategy of utilizing semiconductor technologies and manufacturing equipment originally developed or designed for the Game business within the Sony group as a whole.

7. Commencing April 1, 2004, Sony has partly realigned its product category configuration in the Electronics segment. Accordingly, results of the previous year have been reclassified. The primary changes are as follows;

Main Product	Previous Product Category		New Product Category
AIWA	"Other"	→	"Audio" or "Video" or "Televisions"
Set-top box	"Video"	→	"Televisions"

8. In January 2003, the Financial Accounting Standards Board ("FASB") issued FASB Interpretation ("FIN") No.46, "Consolidation of Variable Interest Entities – an Interpretation of Accounting Research Bulletins ("ARB") No.51", and the revised FIN No.46 was issued in December 2003. This interpretation addresses consolidation by a primary beneficiary of a variable interest entity ("VIE"). Sony adopted FIN No.46 on July 1, 2003. As a result of the adoption of FIN No.46, Sony recognized ¥2,117 million of loss as the cumulative effect of an accounting change. Additionally, Sony's assets and liabilities increased as non-cash transactions, which resulted in no cash flows, by ¥95,255 million and ¥97,950 million, respectively, as well as cash and cash equivalents of ¥1,521 million.

9. Adoption of New Accounting Standards

<u>Accounting and Reporting by Insurance Enterprises for Certain Nontraditional Long-Duration Contracts and for Separate Accounts –</u>

In July 2003, the Accounting Standards Executive Committee of the American Institute of Certified Public Accountants issued Statement of Position ("SOP") 03-1, "Accounting and Reporting by Insurance Enterprises for Certain Nontraditional Long-Duration Contracts and for Separate Accounts". SOP 03-1 requires insurance enterprises to record additional reserves for long-duration life insurance contracts with minimum guarantee or annuity receivable options. Additionally, SOP 03-1 provides guidance for the presentation of separate accounts. This statement is effective for fiscal years beginning after December 15, 2003. Sony adopted SOP 03-1 on April 1, 2004. As a result of the adoption of SOP 03-1, Sony's operating income decreased by ¥1,595 million ($15 million) and ¥5,156 million ($48 million) for the three months and the year ended March 31, 2005, respectively. Additionally, on April 1, 2004, Sony recognized ¥4,713 million ($44 million) of loss (net of income taxes of ¥2,675 million) as a cumulative effect of an accounting change. In addition, the separate account assets, which are defined by insurance business law in Japan and were previously included in "Security investments and other" on the consolidated balance sheet, were excluded from the category of separate accounts under the provision of SOP 03-1. Accordingly, the separate account assets are now treated as general accounts and included in "Marketable securities" on the consolidated balance sheet.

<u>The Effect of Contingently Convertible Instruments on Diluted Earnings per Share –</u>

In July 2004, the EITF issued EITF Issue No. 04-8, "The Effect of Contingently Convertible Instruments on Diluted Earnings per Share". In accordance with FAS No.128, Sony had not included in the computation of diluted earnings per share ("EPS") the number of potential common stock upon the conversion of contingently convertible debt instruments ("Co-Cos") that have not met the conditions to exercise the stock acquisition rights. EITF Issue No. 04-8 requires that the maximum number of common stock that could be issued upon the conversion of Co-Cos be included in diluted EPS computations from the date of issuance regardless of whether the conditions to exercise the rights have been met. EITF Issue No. 04-8 is effective for reporting periods ending after December 15, 2004. Sony adopted EITF Issue No. 04-8 during the quarter ended December 31, 2004. As a result of the adoption of EITF Issue No. 04-8, Sony's diluted EPS of income before cumulative effect of an accounting change and net income for the year ended March 31, 2004 were restated respectively. Sony's diluted EPS of income before cumulative effect of an accounting change and net income for the year ended March 31, 2005 were decreased by ¥7.26 ($0.07) and ¥7.06 ($0.07), respectively, compared to those before adopting EITF Issue No. 04-8.

Other Consolidated Financial Data

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

	Year ended March 31			
	2004	**2005**	Change	**2005**
Capital expenditures (additions to property, plant and equipment)	¥ 378,264	**¥ 356,818**	-5.7%	**$ 3,335**
Depreciation and amortization expenses*	366,269	**372,865**	+1.8	**3,485**
(Depreciation expenses for tangible assets)	(286,911)	**(300,752)**	(+4.8)	**(2,811)**
Research and development expenses	514,483	**502,008**	-2.4	**4,692**

	Three months ended March 31			
	2004	**2005**	Change	**2005**
Capital expenditures (additions to property, plant and equipment)	¥ 109,582	**¥ 99,996**	-8.7%	**$ 935**
Depreciation and amortization expenses*	99,339	**104,125**	+4.8	**973**
(Depreciation expenses for tangible assets)	(76,485)	**(83,672)**	(+9.4)	**(782)**
Research and development expenses	140,368	**131,978**	-6.0	**1,233**

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

Condensed Financial Services Financial Statements (Unaudited)

The results of the Financial Services segment are included in Sony's consolidated financial statements. The following schedules show unaudited condensed financial statements for the Financial Services segment and all other segments excluding Financial Services. These presentations are not required under U.S. GAAP, which is used in Sony's consolidated financial statements. However, because the Financial Services segment is different in nature from Sony's other segments, Sony believes that a comparative presentation may be useful in understanding and analyzing Sony's consolidated financial statements.

Transactions between the Financial Services segment and Sony without Financial Services are eliminated in the consolidated figures shown below.

Condensed Statements of Income

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

Financial Services	Year ended March 31			
	2004	**2005**	Change	**2005**
			%	
Financial service revenue	¥ 593,544	¥ **560,557**	-5.6	$ **5,238**
Financial service expenses	538,383	**505,067**	-6.2	**4,719**
Operating income	55,161	**55,490**	+0.6	**519**
Other income (expenses), net	1,958	**10,204**	+421.1	**95**
Income before income taxes	57,119	**65,694**	+15.0	**614**
Income taxes and other	22,975	**25,698**	+11.9	**240**
Income before cumulative effect of an accounting change	34,144	**39,996**	+17.1	**374**
Cumulative effect of an accounting change	—	**(4,713)**	—	**(44)**
Net income	¥ 34,144	¥ **35,283**	+3.3	$ **330**

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

Sony without Financial Services	Year ended March 31			
	2004	**2005**	Change	**2005**
			%	
Net sales and operating revenue	¥ 6,939,964	¥ **6,632,728**	-4.4	$ **61,988**
Costs and expenses	6,896,377	**6,575,354**	-4.7	**61,452**
Operating income	43,587	**57,374**	+31.6	**536**
Other income (expenses), net	52,746	**40,639**	-23.0	**380**
Income before income taxes	96,333	**98,013**	+1.7	**916**
Income taxes and other	30,916	**(37,043)**	—	**(346)**
Income before cumulative effect of an accounting change	65,417	**135,056**	+106.5	**1,262**
Cumulative effect of an accounting change	(2,117)	**—**	—	**—**
Net income	¥ 63,300	¥ **135,056**	+113.4	$ **1,262**

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

Consolidated	Year ended March 31			
	2004	**2005**	Change	**2005**
			%	
Financial service revenue	¥ 565,752	¥ **537,715**	-5.0	$ **5,025**
Net sales and operating revenue	6,930,639	**6,621,901**	-4.5	**61,887**
	7,496,391	**7,159,616**	-4.5	**66,912**
Costs and expenses	7,397,489	**7,045,697**	-4.8	**65,847**
Operating income	98,902	**113,919**	+15.2	**1,065**
Other income (expenses), net	45,165	**43,288**	-4.2	**404**
Income before income taxes	144,067	**157,207**	+9.1	**1,469**
Income taxes and other	53,439	**(11,344)**	—	**(106)**
Income before cumulative effect of an accounting change	90,628	**168,551**	+86.0	**1,575**
Cumulative effect of an accounting change	(2,117)	**(4,713)**	—	**(44)**
Net income	¥ 88,511	¥ **163,838**	+85.1	$ **1,531**

Condensed Statements of Income

Financial Services

	2004	2005	Change	2005
	(Millions of yen, millions of U.S. dollars) Three months ended March 31			
			%	
Financial service revenue	¥ 152,141	**¥ 156,109**	+2.6	**$ 1,459**
Financial service expenses	134,949	**139,807**	+3.6	**1,306**
Operating income	17,192	**16,302**	-5.2	**153**
Other income (expenses), net	(92)	**450**	—	**4**
Income before income taxes	17,100	**16,752**	-2.0	**157**
Income taxes and other	7,103	**6,841**	-3.7	**64**
Net income	¥ 9,997	**¥ 9,911**	-0.9	**$ 93**

Sony without Financial Services

	2004	2005	Change	2005
	(Millions of yen, millions of U.S. dollars) Three months ended March 31			
			%	
Net sales and operating revenue	¥ 1,630,452	**¥ 1,549,209**	-5.0	**$ 14,479**
Costs and expenses	1,757,683	**1,643,498**	-6.5	**15,360**
Operating income (loss)	(127,231)	**(94,289)**	—	**(881)**
Other income (expenses), net	16,551	**15,644**	-5.5	**146**
Income (loss) before income taxes	(110,680)	**(78,645)**	—	**(735)**
Income taxes and other	(62,419)	**(12,285)**	—	**(115)**
Net income (loss)	¥ (48,261)	**¥ (66,360)**	—	**$ (620)**

Consolidated

	2004	2005	Change	2005
	(Millions of yen, millions of U.S. dollars) Three months ended March 31			
			%	
Financial service revenue	¥ 144,679	**¥ 150,887**	+4.3	**$ 1,410**
Net sales and operating revenue	1,627,512	**1,546,134**	-5.0	**14,450**
	1,772,191	**1,697,021**	-4.2	**15,860**
Costs and expenses	1,881,947	**1,774,434**	-5.7	**16,583**
Operating income (loss)	(109,756)	**(77,413)**	—	**(723)**
Other income (expenses), net	16,183	**15,520**	-4.1	**145**
Income (loss) before income taxes	(93,573)	**(61,893)**	—	**(578)**
Income taxes and other	(55,418)	**(5,443)**	—	**(50)**
Net income (loss)	¥ (38,155)	**¥ (56,450)**	—	**$ (528)**

Condensed Balance Sheets

Financial Services

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

ASSETS	March 31 2004	March 31 2005	2005
Current assets:			
Cash and cash equivalents	¥ 256,316	¥ **259,371**	$ **2,424**
Marketable securities	270,676	**456,130**	**4,263**
Notes and accounts receivable, trade	72,273	**77,023**	**720**
Other	100,433	**197,667**	**1,847**
	699,698	**990,191**	**9,254**
Investments and advances	2,274,510	**2,378,966**	**22,233**
Property, plant and equipment	40,833	**38,551**	**360**
Other assets:			
Deferred insurance acquisition costs	349,194	**374,805**	**3,503**
Other	110,804	**103,004**	**963**
	459,998	**477,809**	**4,466**
	¥ 3,475,039	¥ **3,885,517**	$ **36,313**
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities:			
Short-term borrowings	¥ 86,748	¥ **45,358**	$ **424**
Notes and accounts payable, trade	7,847	**7,099**	**66**
Deposits from customers in the banking business	378,851	**546,718**	**5,110**
Other	175,357	**109,438**	**1,023**
	648,803	**708,613**	**6,623**
Long-term liabilities:			
Long-term debt	135,811	**135,750**	**1,269**
Accrued pension and severance costs	10,183	**14,362**	**134**
Future insurance policy benefits and other	2,178,626	**2,464,295**	**23,031**
Other	126,349	**142,272**	**1,329**
	2,450,969	**2,756,679**	**25,763**
Minority interest in consolidated subsidiaries	—	**5,476**	**51**
Stockholders' equity	375,267	**414,749**	**3,876**
	¥ 3,475,039	¥ **3,885,517**	$ **36,313**

Sony without Financial Services

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

ASSETS	March 31 2004	March 31 2005	2005
Current assets:			
Cash and cash equivalents	¥ 592,895	¥ **519,732**	$ **4,857**
Marketable securities	4,072	**4,072**	**38**
Notes and accounts receivable, trade	943,590	**952,692**	**8,904**
Other	1,151,879	**1,116,353**	**10,433**
	2,692,436	**2,592,849**	**24,232**
Film costs	256,740	**278,961**	**2,607**
Investments and advances	358,629	**445,446**	**4,163**
Investments in Financial Services, at cost	176,905	**187,400**	**1,751**
Property, plant and equipment	1,324,211	**1,333,848**	**12,466**
Other assets	1,251,901	**1,189,398**	**11,117**
	¥ 6,060,822	¥ **6,027,902**	$ **56,336**
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities:			
Short-term borrowings	¥ 409,766	¥ **204,027**	$ **1,907**
Notes and accounts payable, trade	773,221	**801,252**	**7,488**
Other	1,190,563	**1,132,201**	**10,581**
	2,373,550	**2,137,480**	**19,976**
Long-term liabilities:			
Long-term debt	775,233	**627,367**	**5,863**
Accrued pension and severance costs	358,199	**338,040**	**3,159**
Other	348,946	**263,520**	**2,464**
	1,482,378	**1,228,927**	**11,486**
Minority interest in consolidated subsidiaries	17,554	**18,471**	**173**
Stockholders' equity	2,187,340	**2,643,024**	**24,701**
	¥ 6,060,822	¥ **6,027,902**	$ **56,336**

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

Consolidated

ASSETS	March 31 2004	**March 31 2005**	**2005**
Current assets:			
Cash and cash equivalents	¥ 849,211	**¥ 779,103**	**$ 7,281**
Marketable securities	274,748	**460,202**	**4,301**
Notes and accounts receivable, trade	1,011,189	**1,025,362**	**9,583**
Other	1,228,207	**1,291,504**	**12,070**
	3,363,355	**3,556,171**	**33,235**
Film costs	256,740	**278,961**	**2,607**
Investments and advances	2,512,950	**2,745,689**	**25,661**
Property, plant and equipment	1,365,044	**1,372,399**	**12,826**
Other assets:			
Deferred insurance acquisition costs	349,194	**374,805**	**3,503**
Other	1,243,379	**1,171,075**	**10,945**
	1,592,573	**1,545,880**	**14,448**
	¥ 9,090,662	**¥ 9,499,100**	**$ 88,777**
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities:			
Short-term borrowings	¥ 475,017	**¥ 230,266**	**$ 2,152**
Notes and accounts payable, trade	778,773	**806,044**	**7,533**
Deposits from customers in the banking business	378,851	**546,718**	**5,110**
Other	1,349,574	**1,226,340**	**11,461**
	2,982,215	**2,809,368**	**26,256**
Long-term liabilities:			
Long-term debt	777,649	**678,992**	**6,346**
Accrued pension and severance costs	368,382	**352,402**	**3,293**
Future insurance policy benefits and other	2,178,626	**2,464,295**	**23,031**
Other	382,930	**299,858**	**2,802**
	3,707,587	**3,795,547**	**35,472**
Minority interest in consolidated subsidiaries	22,858	**23,847**	**223**
Stockholders' equity	2,378,002	**2,870,338**	**26,826**
	¥ 9,090,662	**¥ 9,499,100**	**$ 88,777**

Condensed Statements of Cash Flows

Financial Services

	(Millions of yen, millions of U.S. dollars) Year ended March 31 2004	2005	2005
Net cash provided by operating activities	¥ 241,627	¥ **168,078**	$ **1,571**
Net cash used in investing activities	(401,550)	**(421,384)**	**(3,938)**
Net cash provided by financing activities	141,696	**256,361**	**2,396**
Net increase (decrease) in cash and cash equivalents	(18,227)	**3,055**	**29**
Cash and cash equivalents at beginning of the fiscal year	274,543	**256,316**	**2,395**
Cash and cash equivalents at end of the fiscal year	¥ 256,316	¥ **259,371**	$ **2,424**

Sony without Financial Services

	(Millions of yen, millions of U.S. dollars) Year ended March 31 2004	2005	2005
Net cash provided by operating activities	¥ 401,090	¥ **485,439**	$ **4,537**
Net cash used in investing activities	(352,496)	**(472,119)**	**(4,412)**
Net cash provided by (used in) financing activities	153,759	**(95,373)**	**(892)**
Effect of exchange rate changes on cash and cash equivalents	(47,973)	**8,890**	**83**
Net increase (decrease) in cash and cash equivalents	154,380	**(73,163)**	**(684)**
Cash and cash equivalents at beginning of the fiscal year	438,515	**592,895**	**5,541**
Cash and cash equivalents at end of the fiscal year	¥ 592,895	¥ **519,732**	$ **4,857**

Consolidated

	(Millions of yen, millions of U.S. dollars) Year ended March 31 2004	2005	2005
Net cash provided by operating activities	¥ 632,635	¥ **646,997**	$ **6,047**
Net cash used in investing activities	(761,792)	**(931,172)**	**(8,703)**
Net cash provided by financing activities	313,283	**205,177**	**1,918**
Effect of exchange rate changes on cash and cash equivalents	(47,973)	**8,890**	**83**
Net increase (decrease) in cash and cash equivalents	136,153	**(70,108)**	**(655)**
Cash and cash equivalents at beginning of the fiscal year	713,058	**849,211**	**7,936**
Cash and cash equivalents at end of the fiscal year	¥ 849,211	¥ **779,103**	$ **7,281**