



FY 2012 Q1 Consolidated Financial Results

(Three months ended June 30, 2012)

Sony Corporation

Highlights

- The operating environment surrounding Sony in the first quarter continued to be difficult with the economy slowing in many areas of the world and the trend toward appreciation of the yen taking hold.
- In this environment, partially due to the consolidation of Sony Mobile, first quarter consolidated sales increased slightly.
- While consolidated operating results decreased year-on-year, operating income was recorded, an improvement over our May forecast due to improved operating performance in the television business. With 11.3 billion yen of restructuring charges included in the operating results, we are proceeding steadily with efforts to transform our business structure.
- We have downwardly revised our consolidated results forecast for the current fiscal year, anticipating a severe operating environment from the second quarter onward resulting from uncertain foreign exchange rates and trends in the global economy.

Q1 FY12 Consolidated Results

			(Bln Yen)	
	FY11 Q1	FY12 Q1	Change	Change (CC*)
Sales & operating revenue	1,494.9	1,515.2	+1.4%	+5%
Operating income	27.5	6.3	-77.2%	+2%
Income before income taxes	23.1	9.4	-59.3%	
Net income attributable to Sony Corporation's stockholders	-15.5	-24.6	-	
Net income attributable to Sony Corporation's stockholders per share of common stock (diluted)	-15.45 yen	-24.55 yen	-	
Operating income	27.5	6.3	-77.2%	+2%
Less: Equity in net income of affiliates	-4.8	-0.3	-	
Add: Restructuring charges	1.8	11.3	+527.8%	
Add: Impairments of long-lived assets	-	2.5	-	
Operating income, as adjusted	34.1	20.4	-40.2%	

In addition to operating income, 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 impairments of long-lived assets, is not a presentation in accordance with U.S. GAAP, but is presented to enhance investors' understanding of Sony's operating income by providing an alternative measure that may be useful in understanding Sony's historical and prospective operating performance.

	Foreign Exchange Impact	Average Rate	FY11 Q1	FY12 Q1
Sales & operating revenue:	approx. -56.0 bln yen	1 US dollar	80.7 yen	80.2 yen
Operating income:	approx. -21.8 bln yen	1 euro	115.9 yen	103.0 yen

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

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Q1 FY12 Results by Segment

			(Bln Yen)			
		FY11 Q1	FY12 Q1	Change	Change(CC')	FX Impact
Imaging Products & Services (IP&S)	Sales	180.1	193.8	+7.6%	+12%	-8.6 bln yen
	Operating income	12.5	12.6	+0.1 bln yen	+5.4 bln yen	-5.3 bln yen
Game	Sales	137.9	118.0	-14.5%	-10%	-5.7 bln yen
	Operating income	4.1	-3.5	-7.6 bln yen	-4.4 bln yen	-3.2 bln yen
Mobile Products & Communications (MP&C)	Sales	122.6	285.6	+132.9%	+151%	-21.6 bln yen
	Operating income	1.6	-28.1	-29.7 bln yen	-26.8 bln yen	-2.9 bln yen
Home Entertainment & Sound (HE&S)	Sales	341.2	251.8	-26.2%	-23%	-10.9 bln yen
	Operating income	-13.6	-10.0	+3.6 bln yen	+9.9 bln yen	-6.2 bln yen
Devices	Sales	253.9	217.3	-14.4%	-11%	-9.0 bln yen
	Operating income	5.3	15.9	+10.6 bln yen	+15.9 bln yen	-5.3 bln yen
Pictures	Sales	144.4	153.4	+6.2%	+7%	
	Operating income	4.3	-4.9	-9.2 bln yen		
Music	Sales	109.6	98.8	-9.8%	-9%	
	Operating income	12.1	7.3	-4.8 bln yen		
Financial Services	Revenue	201.6	194.5	-3.5%		
	Operating income	28.7	27.6	-1.1 bln yen		
All Other	Sales	114.8	124.3	+8.3%		
	Operating income	-15.0	-9.1	+5.9 bln yen		

Sales / Revenue include operating revenue and intersegment sales

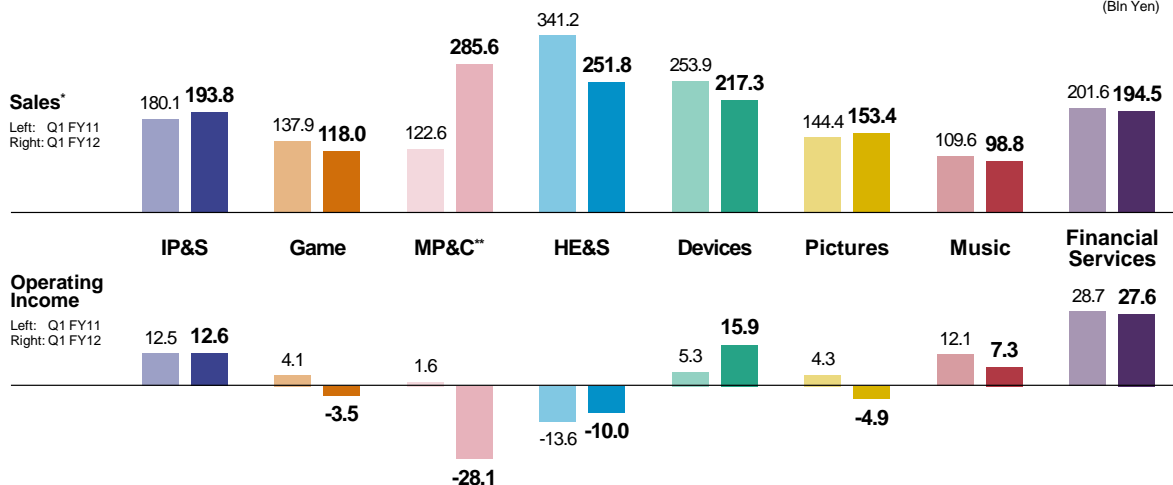
Please refer to P14 for information regarding segment realignment

*Constant currency (CC) basis: change that would have occurred with no year-on-year change in exchange rates (The Pictures segment refers to change on a U.S. dollar basis)

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Q1 FY12 Sales and Operating Income by Segment

(Bln Yen)



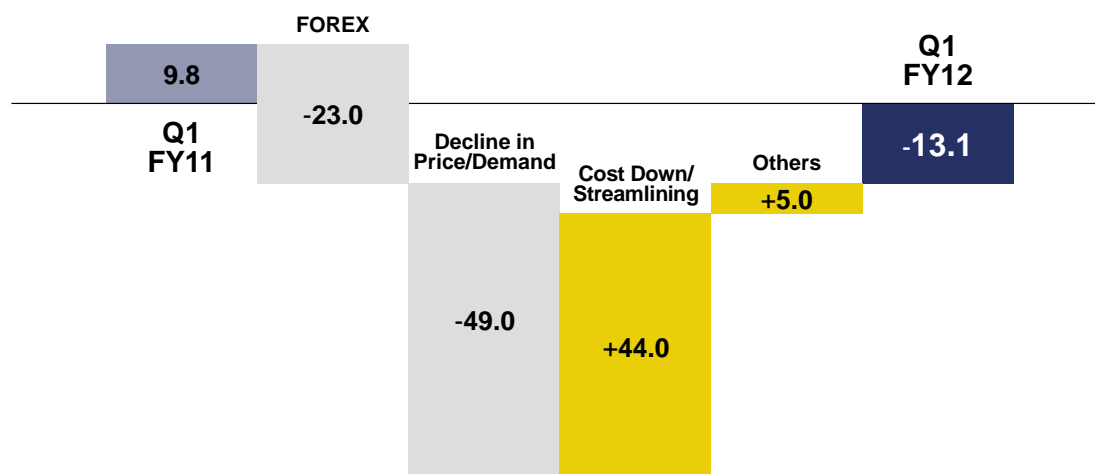
*Includes operating revenue and intersegment sales / In Financial Services, Financial Services Revenue

**Sony Mobile (formerly "Sony Ericsson") is not included in sales in MP&C for the same quarter of the previous fiscal year. 3.1 billion yen in net loss of affiliated companies was recorded under operating income in the same quarter of the previous fiscal year. On a pro forma basis, had Sony Mobile been fully consolidated in the same quarter of the previous fiscal year, segment sales would have increased approximately 14% and segment operating loss would have increased 21.0 billion yen

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Q1 FY12 Electronics total: Change in Operating Income

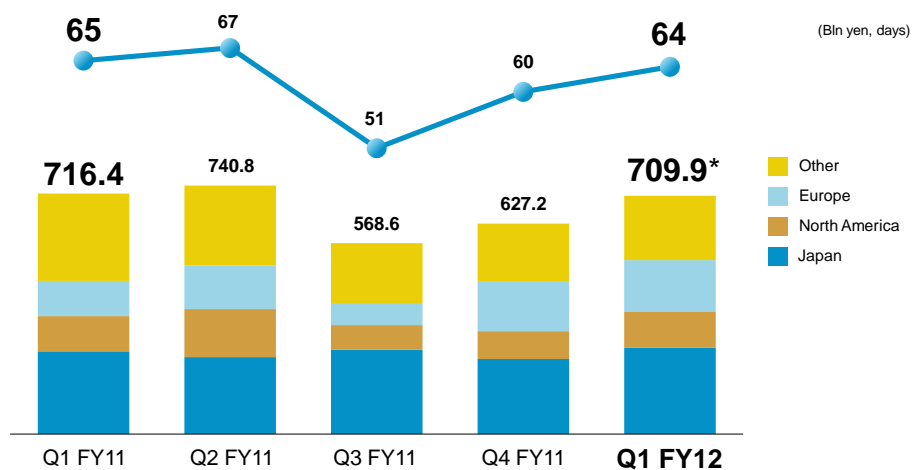
(Bln Yen)



The IP&S, Game, MP&C, HE&S and Devices segments are included in electronics

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Q1 FY12 Electronics total: Total Inventory by Area



*709.9 bln yen – a 6.6 bln yen decrease from the end of Q1 FY11, and an 82.7 bln yen increase from the end of Q4 FY11.

Bar graph: Inventory levels (bln yen)

Line graph: Inventory turnover (average beginning & ending inventory during the quarter divided by average daily sales in the quarter)

The IP&S, Game, MP&C, HE&S and Devices segments are included in electronics

Sony Mobile is included from Q4 FY11

FY12 Consolidated Results Forecast (1)

	FY11	FY12 May FCT	FY12 August FCT	Change from May FCT
(Bln Yen)				
Sales & operating revenue	6,493.2	7,400	6,800	-8.1%
Operating income	-67.3	180	130	-27.8%
Income before income taxes	-83.2	190	150	-21.1%
Net income attributable to Sony Corporation's stockholders	-456.7	30	20	-33.3%
<hr/>				
Operating income	-67.3	180	130	-27.8%
Less: Equity in net income of affiliates	-121.7	-5	-5	-
Add: Restructuring charges	54.8	75	75	-
Add: Impairments of long-lived assets	29.3	-	10	-
Operating income, as adjusted	138.5	260	220	-15.4%
<hr/>				
Capital Expenditures	295.1	210	210	-
Depreciation & Amortization*	319.6	330	330	-
(for property, plant and equipment (included above))	209.2	200	200	-]
Research & Development	433.5	480	470	-2.1%
<hr/>				
Foreign Exchange Rates	Actual	Assumption	Assumption (Q2 – Q4 FY12)	
1 US dollar	78.1 yen	Approx. 80yen	Approx. 80yen	
1 euro	107.5 yen	Approx. 105yen	Approx. 100yen	

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

FY12 Consolidated Results Forecast (2)

Consolidated sales for the fiscal year ending March 31, 2013 are expected to be 6 trillion 800 billion yen, primarily due to downward revisions in annual unit sales forecasts of key products resulting from deceleration of the economy and updated foreign exchange rate assumptions from the second quarter to account for the appreciation of the yen against the euro.

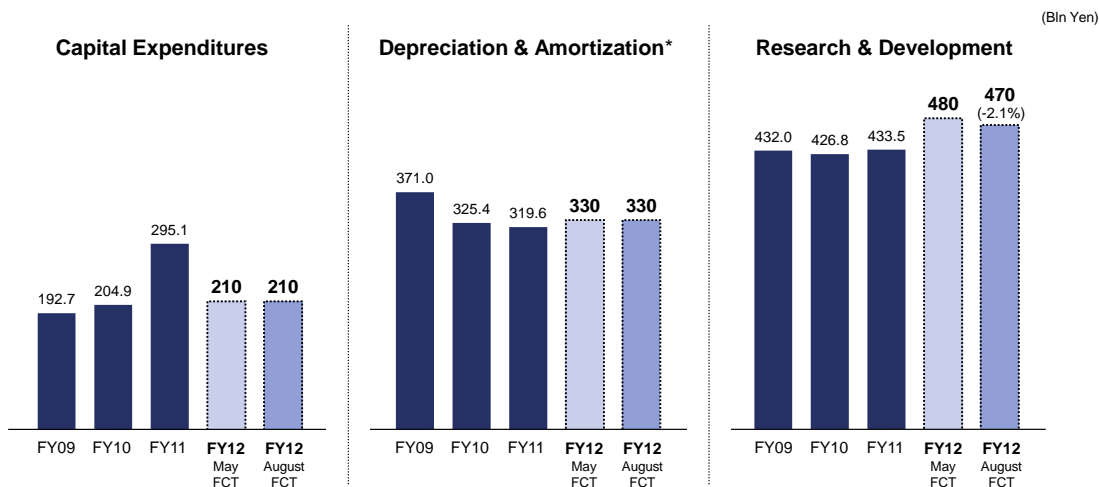
Consolidated operating income is expected to be 130 billion yen, 50 billion yen lower than the May forecast. The forecast for each business segment is as follows:

- Sales and operating results of the IP&S segment, in which the annual unit sales forecast for compact digital cameras was revised downward, the Game segment, in which the annual unit sales forecast for portable hardware was revised downward, and the MP&C segment, in which the annual unit sales forecast for PCs was revised downward, are all expected to be lower than the May forecast.
- Sales of the HE&S and Devices segments are expected to be lower than the May forecast but operating results are expected to remain unchanged from the May forecast.
- The forecasts for operating income in the Pictures, Music and Financial Services segments are unchanged from the May forecast.
- All Other and Corporate and Elimination are expected to improve compared to the May forecast primarily due to an improvement in the operating results of businesses in All Other and cost improvements at Headquarters.

Although operating income is expected to be 50 billion yen below the May forecast, income before income taxes is expected to be 40 billion yen below the May forecast primarily due to an expected improvement in foreign exchange gains and losses.

Net income attributable to Sony Corporation's stockholders is expected to be 10 billion yen below the May forecast.

CAPEX, Depreciation & Amortization, R&D



Percentages are changes from the May forecast

*Includes amortization expenses for intangible assets and for deferred insurance acquisition costs
 FY12 (FCT) includes 200 bln yen for depreciation of tangible assets, compared to 209.2 bln yen in FY11
 Sony Mobile is included from FY12

Unit Sales of Key Electronics Products (forecast)

(mln units)

	FY11					FY12	
	Q1	Q2	Q3	Q4	FY	Q1	August FCT
Consumer Electronics							
Video Cameras	1.0	1.2	1.2	1.0	4.4	1.1	4.2
Compact Digital Cameras	5.3	6.0	6.1	3.6	21.0	4.4	18.0
Smart Phones	-	-	-	-	22.5	7.4	34.0
PC	1.8	2.4	2.6	1.6	8.4	1.8	9.2
LCD TVs	4.9	5.0	6.0	3.7	19.6	3.6	15.5
Game							
<Hardware>							
Computer Entertainment System (PS3 / PS2)	3.2	4.9	7.4	2.5	18.0	2.8	16.0
Portable Entertainment System (PS Vita / PSP)	1.8	1.7	2.4	0.9	6.8	1.4	12.0
<Software>							
Computer Entertainment System (PS3 / PS2)	27.6	40.2	68.7	28.0	164.5	20.1	Approx. same as FY11
Portable Entertainment System (PS Vita / PSP)	6.6	8.2	11.4	6.0	32.2	5.8	

PS Vita is not included in FY11 ACT

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Unit Sales of Key Electronics Products (forecast)

(mln units)

	FY11	FY12	
	ACT	May FCT	August FCT
Consumer Electronics			
Video Cameras	4.4	4.2	4.2
Compact Digital Cameras	21.0	21.0	18.0
Smart Phones	22.5	33.3	34.0
PC	8.4	10.0	9.2
LCD TVs	19.6	17.5	15.5
Blu-ray Disc Players / Recorders	7.0	7.7	6.8
Game			
Computer Entertainment System Hardware (PS3 / PS2)	18.0	16.0	16.0
Portable Entertainment System Hardware (PSP / PS Vita)	6.8	16.0	12.0
Package Software (total)	196.7	Approx. same as FY11	Approx. same as FY11

PS Vita is not included in FY11 ACT

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Sales and Capital Expenditures for Semiconductors and LCD

(Bln Yen)

		FY07	FY08	FY09	FY10	FY11	FY12	
							May FCT	August FCT
Semiconductors	Sales	850	580	490	500	480	540	510
	Capital Expenditures	90	80	27	50	150	90	90
LCD	Sales	130	90	90	150	140	-	-
	Capital Expenditures	5	5	3	7	10	-	-

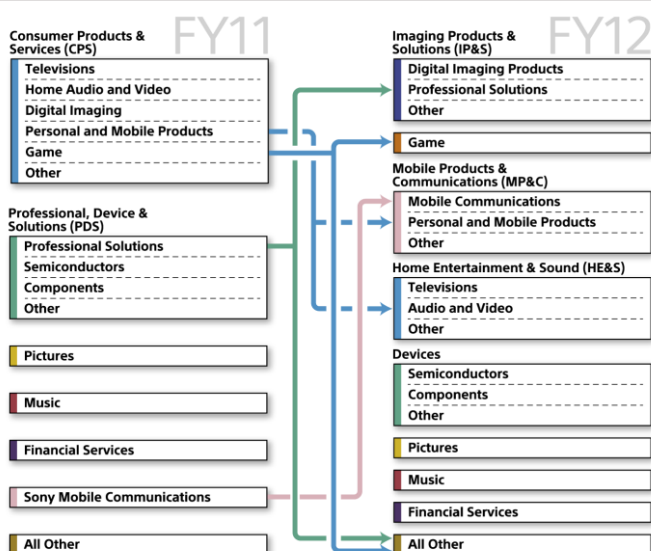
Exchange Rates Trends

(yen)

		FY11					FY12
		Q1	Q2	Q3	Q4	FY	Q1
US\$	Market rate (simple average)	83*	77	78*	80*	80*	81*
	Market rate (weighted average)	83*	78	78*	81*	80*	81*
	Forward contract rate	82*	77	77*	77*	78*	80*
Euro	Market rate (simple average)	116	109	103	102	107	101
	Market rate (weighted average)	116	108	103	103	107	102
	Forward contract rate	116	112	106	102	109	106

Market rate (weighted average): Weighted average market rates in each month based upon the exports or imports amount of corresponding period
 Forward contract rate: Weighted average forward contract rates in each month based upon the exports or imports amount of corresponding period
 *Net imports amount : TTS is applied to the calculation of market rate

Segment Realignment



Sony realigned its reportable segments effective from the first quarter of the fiscal year ending March 31, 2013 to reflect the Company's modification to the organizational structure as of April 1, 2012.

Details

- In the IP&S segment, Digital Imaging Products includes compact digital cameras, video cameras and interchangeable single lens cameras; Professional Solutions includes broadcast- and professional-use products.
- In the MP&C segment, Mobile Communications includes mobile phones; Personal and Mobile Products includes personal computers.
- In the HE&S segment, Televisions includes LCD televisions; Audio and Video includes home audio, Blu-ray disc players and recorders, and memory-based portable audio devices.
- In the Devices segment, Semiconductors includes image sensors; Components includes batteries, recording media and data recording systems.
- All Other consists of various businesses, including disc manufacturing, So-net Entertainment Corporation, the network business, the medical business and the OEM business of Sony EMCS Corporation.

FY11 Business Segment Information (Restated)

		(mn yen)				
		FY11				
		Q1	Q2	Q3	Q4	FY
Imaging Products & Services (IP&S)	Sales	180,105	219,132	189,356	172,724	761,317
	Operating income	12,484	15,809	-6,728	-2,973	18,592
Game	Sales	137,945	176,017	316,086	174,918	804,966
	Operating income	4,064	2,989	33,777	-11,528	29,302
Mobile Products & Communications (MP&C)	Sales	122,647	141,650	163,996	194,384	622,677
	Operating income	1,556	-6,057	-48,423	60,170	7,246
Home Entertainment & Sound (HE&S)	Sales	341,153	314,800	394,308	232,896	1,283,156
	Operating income	-13,629	-41,763	-89,815	-58,004	-203,211
Devices	Sales	253,906	299,742	233,218	239,702	1,026,568
	Operating income	5,303	-18,409	-15,556	6,536	-22,126
Pictures	Sales	144,399	169,331	160,553	183,438	657,721
	Operating income	4,302	20,604	715	8,509	34,130
Music	Sales	109,618	103,638	123,418	106,115	442,789
	Operating income	12,094	6,326	15,260	3,207	36,887
Financial Services	Revenue	201,638	184,099	220,096	266,062	871,895
	Operating income	28,696	24,478	32,590	45,657	131,421
All Other	Sales	114,794	124,506	149,550	141,493	530,343
	Operating income	-14,981	-8,187	-7,655	-23,259	-54,082
Corporate	Sales	-111,284	-157,926	-127,705	-111,306	-508,220
	Operating income	-12,389	2,575	-5,893	-29,727	-45,434
Consolidated total	Sales	1,494,921	1,574,989	1,822,876	1,600,426	6,493,212
	Operating income	27,500	-1,635	-91,728	-1,412	-67,275

There are no changes in Pictures, Music, Financial Services segments

FY11 Sales by Product Category (Restated and excluding intersegment sales)

		(mln yen)				
		FY11				
		Q1	Q2	Q3	Q4	FY
IP&S	Digital Imaging Products	128,870	141,432	116,619	102,605	489,526
	Professional Solutions	48,036	73,437	69,187	66,212	256,871
	Other	2,230	2,460	2,596	2,941	10,228
	Total	179,136	217,329	188,402	171,758	756,625
Game	Game	115,433	140,863	275,294	148,309	679,899
MP&C	Mobile Communications*	-	-	-	77,732*	77,732*
	Personal and Mobile Products	121,303	140,091	162,392	115,030	538,816
	Other	1,302	1,504	1,517	1,544	5,867
	Total	122,605	141,595	163,909	194,306	622,415
HE&S	Televisions	241,736	214,038	238,194	146,391	840,359
	Audio and Video	97,350	98,341	154,746	83,364	433,801
	Other	1,961	2,279	1,322	3,006	8,568
	Total	341,047	314,658	394,262	232,761	1,282,728
Devices	Semiconductors	91,119	102,849	89,054	92,869	375,891
	Components	76,310	77,213	76,273	67,312	297,108
	Other	884	1,297	392	1,636	4,209
	Total	168,313	181,359	165,719	161,817	677,208

*Sales for Mobile Communications during the fiscal year ended March 31, 2012 were sales after the consolidation of Sony Mobile from February 16 through March 31, 2012

Topics

Announcement Date	Topic	Impact on results
May 24, 2012	Termination of joint venture to produce and sell large-sized LCD panels and modules <ul style="list-style-type: none"> Sony sold its shares in joint venture with Sharp, Sharp Display Products Corporation ("SDP"), to SDP 	Transaction completed June 20, 2012 <ul style="list-style-type: none"> Cash consideration of 10 billion yen Little impact to FY12 consolidated results forecast
June 22, 2012	Increase production capacity for stacked CMOS image sensors <ul style="list-style-type: none"> Increase total production capacity for CCD and CMOS image sensors to approximately 60,000 wafers per month by the end of September 2013 	Implemented from the first half of FY12 through the first half of FY13 <ul style="list-style-type: none"> Total investment amount of approx. 80 billion yen Approx. 45 billion yen for FY12 implementation Included in FY12 semiconductor capital expenditure amount of 90 billion yen
June 25, 2012	Agreement to collaborate with Panasonic on the joint development of next generation OLED panels for TVs/large-sized displays Aim to establish mass-production technology during 2013	—
June 28, 2012	Sign definitive agreements regarding the sale of chemical products businesses Aim to complete the sale in the fall of calendar year 2012	Expected cash consideration of approx. 58 billion yen <ul style="list-style-type: none"> Impact to FY12 consolidated results forecast is currently under review
June 29, 2012	Completion of acquisition of EMI Music Publishing Expand music publishing business through ownership of a top-class music catalogue	In conjunction with the Estate of Michael Jackson, paid an aggregate cash consideration of 320 million U.S. dollars <ul style="list-style-type: none"> Included in FY12 consolidated results forecast

Cautionary Statement

Statements made in this presentation 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 televisions, game platforms, and smart phones, which are offered in highly competitive markets characterized by severe price competition and 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 electronics business); (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 (in particular the recent acquisition of Sony Ericsson Mobile Communications AB); (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 floods in Thailand. Risks and uncertainties also include the impact of any future events with material adverse impact.