

October 25, 2006

Sony Corporation to Issue Stock Acquisition Rights for the Purpose of Granting Stock Options

Sony Corporation (the "Corporation") resolved at a meeting of its Board of Directors today to issue Stock Acquisition Rights for the purpose of granting stock options, pursuant to the provisions of Articles 236, 238 and 239 of the Company Law and to the approval of the Corporation's 89th Ordinary General Meeting of Shareholders held on June 22, 2006.

The principal terms of the issue are as follows

I. The Twelfth Series of Stock Acquisition Rights

1. Allotment date of Stock Acquisition Rights
November 16, 2006 (in this part I., the "Allotment Date")
2. Aggregate number of Stock Acquisition Rights
10,695
3. Payment in exchange for Stock Acquisition Rights
The Stock Acquisition Rights are issued without payment of any consideration to the Corporation.
4. Class and number of shares to be issued or transferred upon exercise of Stock Acquisition Rights
1,069,500 shares of common stock of the Corporation (the "Common Stock")
The number of shares to be issued or transferred upon exercise of each Stock Acquisition Right shall be 100 shares.
5. Amount of the assets to be contributed upon exercise of Stock Acquisition Rights
The amount of the assets to be contributed upon exercise of the Stock Acquisition Rights shall be the amount obtained by multiplying the amount to be paid in per share to be issued or transferred upon exercise of the Stock Acquisition Rights (hereinafter referred to as the "Exercise Price"), by the Number of Granted Shares. The Exercise Price shall be initially the average of the closing prices of the Common Stock in the regular trading thereof on the Tokyo Stock Exchange (each hereinafter referred to as the "Closing Price") for the ten (10) consecutive trading days (excluding days on which there is no Closing Price) immediately prior to the Allotment Date of such Stock Acquisition Rights (any fraction less than one (1) yen arising as a result of such calculation shall be rounded up to the nearest one (1) yen); provided, however, that if such calculated price is lower than any of (a) the average of the Closing Prices for the thirty (30) consecutive trading days (excluding days on which there is no Closing Price) commencing forty-five (45) trading days immediately before the day that is immediately after the Allotment Date of the Stock Acquisition Rights (any fraction less than one (1)

yen arising as a result of such calculation shall be rounded up to the nearest one (1) yen), (b) the average of the Closing Prices for the thirty (30) consecutive trading days (excluding days on which there is no Closing Price) commencing forty-five (45) trading days immediately before the date (being the Allotment Date of the Stock Acquisition Rights) on which the Corporation fixes the Exercise Price (any fraction less than one (1) yen arising as a result of such calculation shall be rounded up to the nearest one (1) yen) or (c) the Closing Price on the Allotment Date of the Stock Acquisition Rights (if there is no Closing Price on such date, the Closing Price on the immediately preceding trading day), the Exercise Price shall be the highest price among (a), (b) and (c) above.

6. Period during which Stock Acquisition Rights may be exercised

From and including November 16, 2006, up to and including November 15, 2016. If the last day of such period falls on a holiday of the Corporation, the immediately preceding business day shall be the last day of such period.

7. Conditions for exercise of Stock Acquisition Rights

(i) No Stock Acquisition Right may be exercised in part.

(ii) In the event of a resolution being passed at a general meeting of shareholders of the Corporation for an agreement for any consolidation, amalgamation or merger (other than a consolidation, amalgamation or merger in which the Corporation is the continuing corporation), or in the event of a resolution being passed at a general meeting of shareholder of the Corporation (or, where a resolution of a general meeting of shareholders is not necessary, at a meeting of the Board of Directors of the Corporation) for any agreement for share exchange (*kabushiki-kokan*) or any plan for share transfer (*kabushiki-iten*) pursuant to which the Corporation is to become a wholly-owned subsidiary of another corporation, the Stock Acquisition Rights may not be exercised on and after the effective date of such consolidation, amalgamation, merger, share exchange (*kabushiki-kokan*) or share transfer (*kabushiki-iten*).

8. Mandatory repurchase of Stock Acquisition Rights

Not applicable.

9. Restrictions on the acquisition of Stock Acquisition Rights through transfer

The Stock Acquisition Rights cannot be acquired through transfer, unless such acquisition is expressly approved by the Board of Directors of the Corporation.

10. Matters concerning the amount of capital and the additional paid-in capital increased by the issuance of the shares upon exercise of Stock Acquisition Rights

(i) The amount of capital increased by the issue of the shares upon exercise of the Stock Acquisition Rights shall be the amount obtained by multiplying the maximum limit of capital increase, as calculated in accordance with the provisions of Paragraph 1, Article 40 of the Company Accounting Regulations, by 0.5, and any fraction less than one (1) yen arising as a result of such calculation shall be rounded up to the nearest one (1) yen.

(ii) The amount of additional paid-in capital increased by the issue of the shares upon exercise of the Stock Acquisition Rights shall be the amount obtained by deducting the capital to be increased, as provided in (i) above, from the maximum limit of capital increase, as also provided in (i) above.

11. Persons to whom Stock Acquisition Rights will be allocated

Directors, corporate executive officers and employees of the Corporation and its subsidiaries (total: 591)

II. The Thirteenth Series of Stock Acquisition Rights

1. Allotment date of Stock Acquisition Rights
November 16, 2006 (in this part II., the “Allotment Date”)
2. Aggregate number of Stock Acquisition Rights
14,498
3. Payment in exchange for Stock Acquisition Rights
The Stock Acquisition Rights are issued without payment of any consideration to the Corporation.
4. Class and number of shares to be issued or transferred upon exercise of Stock Acquisition Rights
1,449,800 shares of Common Stock
The number of shares to be issued or transferred upon exercise of each Stock Acquisition Right shall be 100 shares.
5. Amount of the assets to be contributed upon exercise of Stock Acquisition Rights

The amount of the assets to be contributed upon exercise of the Stock Acquisition Rights shall be the amount obtained by multiplying the amount to be paid in per share to be issued or transferred upon exercise of the Stock Acquisition Rights (hereinafter referred to as the “Exercise Price”), by the Number of Granted Shares. The Exercise Price shall be initially the U.S. dollar amount obtained by dividing the average of the Closing Prices for the ten (10) consecutive trading days (excluding days on which there is no Closing Price) immediately prior to the Allotment Date of such Stock Acquisition Rights (hereinafter referred to as the “Reference Yen Price”) by the average of the exchange rate quotations by a leading commercial bank in Tokyo for selling spot U.S. dollars by telegraphic transfer against yen for such ten (10) consecutive trading days (hereinafter referred to as the “Reference Exchange Rate”) (any fraction less than one (1) cent arising as a result of such calculation shall be rounded up to the nearest one (1) cent); provided, however, that if the Reference Yen Price is lower than any of (a) the average of the Closing Prices for the thirty (30) consecutive trading days (excluding days on which there is no Closing Price) commencing forty-five (45) trading days immediately before the day that is immediately after the Allotment Date of the Stock Acquisition Rights, (b) the average of the Closing Prices for the thirty (30) consecutive trading days (excluding days on which there is no Closing Price) commencing forty-five (45) trading days immediately before the date (being the Allotment Date of the Stock Acquisition Rights) on which the Corporation fixes the Exercise Price or (c) the Closing Price on the Allotment Date of the Stock Acquisition Rights (if there is no Closing Price on such date, the Closing Price on the immediately preceding trading day), the Exercise Price shall be the U.S. dollar amount obtained by dividing the highest price among (a), (b) and (c) above by the Reference Exchange Rate (any fraction less than one (1) cent arising as a result of such calculation shall be rounded up to the nearest one (1) cent).
6. Period during which Stock Acquisition Rights may be exercised
From and including November 17, 2006, up to and including November 16, 2016.
If the last day of such period falls on a holiday of the Corporation, the immediately

preceding business day shall be the last day of such period.

7. Conditions for exercise of Stock Acquisition Rights

- (i) No Stock Acquisition Right may be exercised in part.
- (ii) In the event of a resolution being passed at a general meeting of shareholders of the Corporation for an agreement for any consolidation, amalgamation or merger (other than a consolidation, amalgamation or merger in which the Corporation is the continuing corporation), or in the event of a resolution being passed at a general meeting of shareholder of the Corporation (or, where a resolution of a general meeting of shareholders is not necessary, at a meeting of the Board of Directors of the Corporation) for any agreement for share exchange (*kabushiki-kokan*) or any plan for share transfer (*kabushiki-iten*) pursuant to which the Corporation is to become a wholly-owned subsidiary of another corporation, the Stock Acquisition Rights may not be exercised on and after the effective date of such consolidation, amalgamation, merger, share exchange (*kabushiki-kokan*) or share transfer (*kabushiki-iten*).

8. Mandatory repurchase of Stock Acquisition Rights

Not applicable.

9. Restrictions on the acquisition of Stock Acquisition Rights through transfer

The Stock Acquisition Rights cannot be acquired through transfer (other than any transfer upon the death of a holder of the Stock Acquisition Rights to such holder's estate or beneficiaries), unless such acquisition is expressly approved by the Board of Directors of the Corporation.

10. Matters concerning the amount of capital and the additional paid-in capital increased by the issuance of the shares upon exercise of Stock Acquisition Rights

- (i) The amount of capital increased by the issue of the shares upon exercise of the Stock Acquisition Rights shall be the amount obtained by multiplying the maximum limit of capital increase, as calculated in accordance with the provisions of Paragraph 1, Article 40 of the Company Accounting Regulations, by 0.5, and any fraction less than one (1) yen arising as a result of such calculation shall be rounded up to the nearest one (1) yen.
- (ii) The amount of additional paid-in capital increased by the issue of the shares upon exercise of the Stock Acquisition Rights shall be the amount obtained by deducting the capital to be increased, as provided in (i) above, from the maximum limit of capital increase, as also provided in (i) above.

11. Persons to whom Stock Acquisition Rights will be allocated

Directors, corporate executive officers and employees of the Corporation and its subsidiaries (total: 511)

(Contact)

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