SONY CORP
Form 6-K
October 29, 2010

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D. C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER

Pursuant to Rule 13a-16 or 15d-16 of
the Securities Exchange Act of 1934

For the month of October 2010
Commission File Number: 001-06439

SONY CORPORATION
(Translation of registrant's name into English)

1-7-1 KONAN, MINATO-KU, TOKYO, 108-0075, JAPAN
(Address of principal executive offices)

The registrant files annual reports under cover of Form 20-F.

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F,

Form 20-F X Form 40-F __

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934, Yes No X

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b):82-______

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

SONY CORPORATION
(Registrant)

By: /s/ Masaru Kato
(Signature)
Masaru Kato
Executive Vice President and
Chief Financial Officer

Date: October 29, 2010

List of materials

Documents attached hereto:

i) Press release announcing Consolidated Financial Results for the Second Quarter Ended September 30, 2010

1-7-1 Konan, Minato-ku
Tokyo 108-0075 Japan
News & Information

No.10-148E
3:00 P.M. JST, October 29, 2010

Consolidated Financial Results
for the Second Quarter Ended September 30, 2010

Tokyo, October 29, 2010 -- Sony Corporation today announced its consolidated results for the second quarter ended September 30, 2010 (July 1, 2010 to September 30, 2010).

l Consolidated operating income of 68.7 billion yen was recorded despite unfavorable foreign exchange rates, a significant improvement over the loss recorded in the same quarter of the previous fiscal year.
l The Networked Products & Services segment, including the game business and PCs, contributed significantly to the improved consolidated operating results.
    l Progress in structural transformation initiatives* resulted in improvement in the cost of sales ratio and the selling, general and administrative expenses ratio.
l Forecasted operating income for the fiscal year has been revised upward, reflecting favorable second quarter performance, despite the expectation of a difficult business environment for the remainder of the fiscal year.

(Billions of yen, millions of U.S. dollars, except per share amounts)
Second quarter ended September 30

		2009		2010	Change in yen		2010**
Sales and operating revenue	¥	1,661.2	¥	1,733.2	+4.3%	$	20,881
Operating income (loss)		(32.6)		68.7	-		827
Income (loss) before income taxes		(17.0)		62.7	-		755
Net income (loss) attributable to Sony Corporation's stockholders		(26.3)		31.1	-		375
Net income (loss) attributable to Sony Corporation's stockholders per share of common stock:							
- Basic	¥	(26.22)	¥	31.04	-	$	0.37
- Diluted		(26.22)		31.00	-		0.37

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

Supplemental Information
In addition to operating income (loss), Sony's management also evaluates Sony's performance using non-U.S. GAAP adjusted operating income. Operating income, as adjusted, which excludes equity in net income (loss) of affiliated companies and restructuring charges, is not a presentation in accordance with U.S. GAAP, and is presented to enhance investors' understanding of Sony's operating income (loss) by providing an alternative measure that may be useful to understand Sony's historical and prospective operating performance.

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

	Second quarter ended September 30			
	2009	2010	Change in yen	2010 **
Operating income (loss)	¥(32.6)	¥68.7	- %	$827
Less: Equity in net income (loss) of affiliated companies	(12.3)	5.1	-	61
Add: Restructuring charges recorded within operating expenses	32.8	16.5	-49.7	199
Operating income, as adjusted	¥12.5	¥80.1	+539.6 %	$965

1

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

* Sony is undertaking structural transformation initiatives to enhance profitability through implementation of various cost reduction programs as well as adoption of horizontal platforms. Restructuring charges are recorded, depending on the nature of the individual items, in cost of sales, selling, general and administrative expenses as well as (gain) loss on sales, disposal or impairment of assets and other, net in the consolidated statement of income.

** U.S. dollar amounts have been translated from yen, for convenience only, at the rate of 83 yen=1 U.S. dollar, the approximate Tokyo foreign exchange market rate as of September 30, 2010.

Sony realigned its reportable segments from the first quarter of the fiscal year ending March 31, 2011, to reflect modifications to the organizational structure as of April 1, 2010, primarily repositioning the operations of the previously reported B2B & Disc Manufacturing segment. In connection with this realignment, the Consumer Products & Devices segment was renamed the Consumer, Professional & Devices ("CPD") segment. The CPD segment includes televisions, digital imaging, audio and video, semiconductors and components as well as professional solutions (the B2B business which was previously included in the B2B & Disc Manufacturing segment). The equity results of S-LCD Corporation ("S-LCD"), a joint venture with Samsung Electronics Co., Ltd., are also included within the CPD segment. The disc manufacturing business previously included in the B2B & Disc Manufacturing segment is now included in All Other.

The Networked Products & Services ("NPS"), Pictures, Music and Financial Services segments remain unchanged. The equity earnings from Sony Ericsson Mobile Communications AB ("Sony Ericsson") continue to be presented as a separate segment.

In connection with this realignment, both the sales and operating revenue ("sales") and operating income (loss) of each segment in the second quarter ended September 30 of the previous fiscal year have been revised to conform to the current quarter's presentation.

Consolidated Results for the Second Quarter Ended September 30, 2010

Sales were 1,733.2 billion yen (20,881 million U.S. dollars), an increase of 4.3% compared to the same quarter of the previous fiscal year ("year-on-year"), primarily due to an increase in sales in all segments other than Music, partially offset by unfavorable foreign exchange rates.

During the quarter ended September 30, 2010, the average rates of the yen were 84.9 yen against the U.S. dollar and 109.2 yen against the euro, which were 9.2% and 21.1% higher, respectively, than the previous year's second quarter. On a local currency basis, sales increased 13% year-on-year. For references to sales on a local currency basis, see Note on page 8.

Operating income was 68.7 billion yen (827 million U.S. dollars) compared to an operating loss of 32.6 billion yen in the same quarter of the previous fiscal year. This was mainly due to an improvement in the cost of sales ratio and the selling, general and administrative expenses ratio, partially offset by unfavorable foreign exchange rates. Operating results in the NPS segment, including the game business and PCs, improved significantly. Excluding equity in net income (loss) of affiliated companies and restructuring charges, operating income on an as adjusted basis increased by

67.6 billion yen to 80.1 billion yen (965 million U.S. dollars) year-on-year.

Equity in net income of affiliated companies, recorded within operating income, was 5.1 billion yen (61 million U.S. dollars) compared to a loss of 12.3 billion yen in the same quarter of the previous fiscal year. Sony recorded equity in net income for Sony Ericsson of 2.6 billion yen (32 million U.S. dollars) compared to equity in net loss of 10.9 billion yen in the same quarter of the previous fiscal year. Equity in net income for S-LCD was 2.2 billion yen (27 million U.S. dollars) compared to a net loss of 2.2 billion yen in the same quarter of the previous fiscal year.

The net effect of other income and expenses was an expense of 5.9 billion yen (72 million U.S. dollars), a deterioration of 21.5 billion yen year-on-year, primarily due to a decrease in net foreign exchange gain and a loss on devaluation of securities investments.

Income before income taxes of 62.7 billion yen (755 million U.S. dollars) was recorded compared to a loss of 17.0 billion yen in the same quarter of the previous fiscal year.

Income taxes: During the current quarter, Sony recorded 20.7 billion yen (250 million U.S. dollars) of income taxes, resulting in an effective tax rate of 33.1%.

Net income attributable to Sony Corporation's stockholders, which excludes net income attributable to noncontrolling interests, was 31.1 billion yen (375 million U.S. dollars) compared to a net loss of 26.3 billion yen in the same quarter of the previous fiscal year.

Operating Performance Highlights by Business Segment

"Sales and operating revenue" in each business segment represents sales and operating revenue recorded before intersegment transactions are eliminated. "Operating income (loss)" in each business segment represents operating income (loss) reported before intersegment transactions are eliminated and excludes unallocated corporate expenses.

Consumer, Professional & Devices

	(Billions of yen, millions of U.S. dollars) Second quarter ended September 30							
		2009		2010	Change in yen			2010
Sales and operating revenue	¥	873.2	¥	885.3	+1.4	%	$	10,667
Operating income		6.5		16.9	+158.7			203

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

Sales increased 1.4% year-on-year (an 11% increase on a local currency basis) to 885.3 billion yen (10,667 million U.S. dollars). Sales to outside customers increased 3.4% year-on-year. This was primarily due to an increase in LCD television sales resulting from increased unit sales.

Operating income increased by 10.3 billion yen year-on-year to 16.9 billion yen (203 million U.S. dollars). This was driven primarily by an increase in gross profit due to higher sales, an improvement in the cost of sales ratio and a decrease in restructuring charges. These factors were partially offset by an increase in selling, general and administrative expenses primarily associated with the higher sales and unfavorable foreign exchange rates. Restructuring charges were 14.0 billion yen (168 million U.S. dollars) in the current quarter, compared with 24.6 billion yen recorded in the same quarter of the previous fiscal year. Approximately three-quarters of the current quarter's restructuring charges were attributable to the realignment of manufacturing sites, the principal portion of which is related to the expected transfer of the Barcelona factory in Europe and its asset impairment (announced in September 2010); the balance is related to the other facilities. Categories which favorably impacted the change in segment operating results (excluding restructuring charges) include professional solutions, resulting from an increase in sales of products such as digital cinema projectors and broadcast- and professional-use products for HD production, as well as semiconductors, reflecting an increase in sales of imaging sensors. Categories which unfavorably impacted the change in segment operating results (excluding restructuring charges) include LCD televisions, reflecting a decline in unit selling prices despite rising unit sales, and video cameras, reflecting lower sales.

Networked Products & Services

	(Billions of yen, millions of U.S. dollars) Second quarter ended September 30			
	2009	2010	Change in yen	2010
Sales and operating revenue	¥351.7	¥369.1	+5.0 %	$4,447
Operating income (loss)	(59.0)	6.9	-	84

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

Sales increased 5.0% year-on-year (a 16% increase on a local currency basis) to 369.1 billion yen (4,447 million U.S. dollars). Sales to outside customers increased 2.2% year-on-year. This was mainly due to an increase in PC sales brought on by increased unit sales, which resulted from expanding market share in all regions driven by enhanced product appeal. While game business sales in total decreased year-on-year, sales of PlayStation®3 ("PS3") hardware and software increased year-on-year and benefited from the introduction of PlayStation®Move in the current quarter.

Operating income of 6.9 billion yen (84 million U.S. dollars) was recorded in the current quarter, compared to a loss of 59.0 billion yen in the same quarter of the previous fiscal year. This improvement was mainly due to a significant decrease in the cost of sales ratio coupled with an increase in gross profit from higher sales, partially offset by unfavorable foreign exchange rates. Categories which favorably impacted the change in segment operating results (excluding restructuring charges) include the game business, reflecting the strong performance of PS3 resulting from significant hardware cost reductions and higher sales, and PCs, resulting from the increase in sales as mentioned above.

* * * * *

Total Inventory for the CPD and NPS segments, as of September 30, 2010, was 819.9 billion yen (9,878 million U.S. dollars), an increase of 56.2 billion yen, or 7.4% year-on-year. Inventory increased by 162.8 billion yen, or 24.8% compared with the level as of June 30, 2010.

Pictures

	(Billions of yen, millions of U.S. dollars) Second quarter ended September 30			
	2009	2010	Change in yen	2010
Sales and operating revenue	¥136.4	¥144.8	+6.1 %	$1,744
Operating income (loss)	(6.4)	(4.8)	-	(58)

Unless otherwise specified, all amounts are reported on a U.S. GAAP basis. The results presented above are a yen-translation of the results of Sony Pictures Entertainment ("SPE"), a U.S.-based operation which aggregates the results of its worldwide subsidiaries on a U.S. dollar basis. Management analyzes the results of SPE in U.S. dollars, so discussion of certain portions of its results is specified as being on "a U.S. dollar basis."

Sales increased 6.1% year-on-year (a 16% increase on a U.S. dollar basis) to 144.8 billion yen (1,744 million U.S. dollars). Theatrical revenues increased significantly due to the stronger overall performance of the film slate as well as a greater number of major theatrical releases. In the current quarter, the major theatrical releases that contributed to the higher revenues included Salt, Grown Ups, Resident Evil: Afterlife, The Karate Kid and The Other Guys. Television revenues also increased due to higher advertising and subscription revenues from several international channels.

An operating loss of 4.8 billion yen (58 million U.S. dollars) was recorded, an improvement of 1.6 billion yen year-on-year. The lower operating loss was primarily due to the stronger performance of the film release slate and the higher revenues from the international channels compared to the same quarter of the previous fiscal year. However, this was partially offset by higher theatrical marketing costs in support of the greater number of films released in the current quarter.

Music

	(Billions of yen, millions of U.S. dollars) Second quarter ended September 30			
	2009	2010	Change in yen	2010
Sales and operating revenue	¥124.5	¥111.0	-10.8 %	$1,337
Operating income	8.6	8.1	-6.1	98

Unless otherwise specified, all amounts are reported on a U.S. GAAP basis. The results presented above include the yen-translated results of Sony Music Entertainment, a U.S.-based operation which aggregates the results of its worldwide subsidiaries on a U.S. dollar basis, the results of Sony Music Entertainment (Japan) Inc., a Japan-based music company which aggregates its results in yen, and the yen-translated results of Sony/ATV Music Publishing LLC, a consolidated 50% owned U.S.-based joint venture in the music publishing business which aggregates the results of its worldwide subsidiaries on a U.S. dollar basis.

Sales decreased 10.8% year-on-year (a 6% decrease on a local currency basis) to 111.0 billion yen (1,337 million U.S. dollars). This decrease is primarily due to lower sales in the current quarter for Michael Jackson catalog product, which significantly benefited sales in the second quarter of the previous fiscal year. The continued contraction of the physical music market and the negative impact of the appreciation of the yen against the U.S. dollar also negatively impacted sales. During the current quarter, best-selling titles included YUI's HOLIDAYS IN THE SUN, Miliyah Kato's HEAVEN, Kana Nishino's to LOVE, Yannick Noah's Frontières, Santana's Guitar Heaven: The Greatest Guitar Classics Of All Time and Kenny Chesney's Hemingway's Whiskey.

Operating income decreased by 0.5 billion yen year-on-year to 8.1 billion yen (98 million U.S. dollars). This decrease was mainly due to the impact of the lower sales noted above.

Financial Services

	(Billions of yen, millions of U.S. dollars) Second quarter ended September 30			
	2009	2010	Change in yen	2010
Financial services revenue	¥202.1	¥221.9	+9.8 %	$2,673
Operating income	32.8	43.0	+31.1	518

In Sony's Financial Services segment, the results include Sony Financial Holdings, Inc. ("SFH") and SFH's consolidated subsidiaries such as Sony Life Insurance Co., Ltd. ("Sony Life"), Sony Assurance Inc. and Sony Bank Inc. ("Sony Bank"), as well as the results for Sony Finance International Inc. ("SFI"). Unless otherwise specified, all amounts are reported on a U.S. GAAP basis. Therefore, the results of Sony Life discussed below differ from the results that SFH and Sony Life disclose separately on a Japanese statutory basis.

Financial services revenue increased 9.8% year-on-year to 221.9 billion yen (2,673 million U.S. dollars). This was mainly due to an increase in revenue at Sony Life to 192.9 billion yen (2,324 million U.S. dollars), a 12.6% increase year-on-year. Revenue at Sony Life increased primarily due to an increase in net gains on sales of securities in the general account and an increase in revenue from insurance premiums, reflecting higher policy amount in force. Acquisitions of new policies continued to steadily increase, primarily led by favorable growth of family income insurance, which is a type of life insurance with a disability benefit.

5

Operating income increased by 10.2 billion yen year-on-year to 43.0 billion yen (518 million U.S. dollars). This was mainly due to an increase in operating income at Sony Life to 44.7 billion yen (538 million U.S. dollars), a 14.2 billion yen increase year-on-year. Operating income at Sony Life increased mainly due to the above-mentioned increase in net gains on sales of securities in the general account.

Sony Ericsson

The following operating results for Sony Ericsson, which is accounted for by the equity method as Sony Corporation's ownership percentage is 50%, are not consolidated in Sony's consolidated financial statements. However, Sony believes that this disclosure provides additional useful analytical information to investors regarding Sony's operating performance.

	(Millions of euro) Quarter ended September 30		
	2009	2010	Change in euro
Sales and operating revenue	€ 1,619	€ 1,603	-1.0%
Income (loss) before taxes	(202)	65	-
Net income (loss)	(165)	51	-

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

Sales for the quarter ended September 30, 2010 decreased 1.0% year-on-year to 1,603 million euro. Sales were essentially flat, as a rise in average selling price, due to improved product mix resulting from a focus on smartphones, was offset by a decline in unit shipments due to consolidation of the product portfolio. Income before taxes of 65 million euro was recorded for the current quarter, compared to a loss before taxes of 202 million euro in the same quarter of the previous fiscal year, due to the positive impact of the cost reduction program started in July 2008 and favorable product mix. As a result, Sony recorded equity in net income of Sony Ericsson of 2.6 billion yen (32 million U.S. dollars) for the current quarter, compared to a loss of 10.9 billion yen in the same quarter of the previous fiscal year.

Cash Flows (for the six months ended September 30, 2010)

For Consolidated Statements of Cash Flows and charts showing Sony's cash flow information for all segments, all segments excluding the Financial Services segment and the Financial Services segment alone, please refer to pages F-4 and F-13 respectively.

Operating Activities: During the six months ended September 30, 2010, there was a net cash inflow of 112.8 billion yen (1,359 million U.S. dollars), a decrease of 119.6 billion yen, or 51.4% year-on-year.

For all segments excluding the Financial Services segment, there was a net cash outflow of 72.0 billion yen (867 million U.S. dollars) for the six months ended September 30, 2010, compared to a net cash inflow of 51.4 billion yen in the same period of the previous fiscal year. The net cash outflow during the current six months was mainly due to an increase in inventories and receivables, included in other current assets, from third-party original equipment and design manufacturers in anticipation of the holiday sales season. This outflow was partially offset by factors including a cash contribution from net income after taking into account depreciation and amortization, an increase in notes and accounts payable, trade and a decrease in notes and accounts receivable, trade. Net cash was used during the six months ended September 30, 2010 compared with net cash generated during the same period of the previous fiscal year. This is mainly due to increases in inventories and a smaller increase in notes and accounts payable, trade, partially offset by an increase in cash contribution from net income (loss) after taking into account depreciation and amortization as well as a decrease in notes and accounts receivable, trade, in the current six months.

The Financial Services segment had a net cash inflow of 190.8 billion yen (2,297 million U.S. dollars), an increase of 3.6 billion yen, or 1.9% year-on-year. For the current six months, net cash inflow was generated primarily due to an increase in revenue from insurance premiums as a result of a steady increase in policy amount in force at Sony Life. Compared with the same period of the previous fiscal year, net cash inflow increased primarily due to an increase in cash contribution from net income after excluding the impact of gain or loss on revaluation of marketable securities held for trading purpose and gain or loss on revaluation or impairment of securities investments.

Investing Activities: During the current six months, Sony used 421.3 billion yen (5,076 million U.S. dollars) of net cash in investing activities, an increase of 91.4 billion yen, or 27.7% year-on-year.

For all segments excluding the Financial Services segment, there was a use of 46.5 billion yen (560 million U.S. dollars), a decrease of 116.9 billion yen, or 71.5% year-on-year. During the current six months, net cash was used mainly for purchases of manufacturing equipment. The net cash used decreased year-on-year primarily due to lower purchases of manufacturing equipment and proceeds from the sale of a portion of Sony's equity interest in the Nitra factory in Slovakia completed during the current six months.

During the current six months, the Financial Services segment used 346.5 billion yen (4,174 million U.S. dollars) of net cash, an increase of 189.7 billion yen, or 121.0% year-on-year. Payments for investments and advances, carried out primarily at Sony Life and Sony Bank, where operations are expanding, exceeded proceeds from the maturities of marketable securities, sales of securities investments and collections of advances. The net cash used within the Financial Services segment increased year-on-year primarily due to an increase in investments and advances carried out at Sony Life and Sony Bank.

In all segments excluding the Financial Services segment, net cash used by operating and investing activities combined* for the current six months was 118.5 billion yen (1,427 million U.S. dollars), an increase of 6.4 billion yen, or 5.7% year-on-year.

Financing Activities: During the current six months, 17.1 billion yen (206 million U.S. dollars) of net cash was provided by financing activities, a decrease of 281.8 billion yen, or 94.3% year-on-year. For all segments excluding the Financial Services segment, there was 119.5 billion yen (1,440 million U.S. dollars) of net cash outflow, compared to a net cash inflow of 236.4 billion yen in the same period of the previous fiscal year. This was primarily due to significantly higher levels of both issuances of long-term corporate bonds and borrowings from banks in the same period of the previous fiscal year. There were no comparable issuances or borrowings during the current six months; in addition, there was a 104.9 billion yen (1,264 million U.S. dollars) redemption of domestic straight bonds in the current six month period. In the Financial Services segment, financing activities generated 102.3 billion yen (1,233 million U.S. dollars) of net cash, an increase of 55.6 billion yen, or 119.2% year-on-year, primarily due to increases in deposits from customers at Sony Bank.

Total Cash and Cash Equivalents: Accounting for the above factors and the effect of fluctuations in exchange rates, the total outstanding balance of cash and cash equivalents at September 30, 2010 was 837.2 billion yen (10,087 million U.S. dollars). Cash and cash equivalents of all segments excluding the Financial Services segment was 683.8 billion yen (8,239 million U.S. dollars) at September 30, 2010, a decrease of 301.0 billion yen, or 30.6%, compared with the balance as of March 31, 2010. This was an increase of 18.2 billion yen, or 2.7%, compared with the balance as of September 30, 2009. Sony believes it continues to maintain sufficient liquidity through access to a total, translated into yen, of 757.5 billion yen (9,127 million U.S. dollars) of unused committed lines of credit with financial institutions in addition to the cash and cash equivalents balance at September 30, 2010. Within the Financial Services segment, the outstanding balance of cash and cash equivalents was 153.4 billion yen (1,848 million U.S. dollars) at September 30, 2010, a decrease of 53.4 billion yen, or 25.8%, compared with the balance as of March 31, 2010. This was a decrease of 19.5 billion yen, or 11.3%, compared with the balance as of September 30, 2009.

* Sony has included the information for cash flow from operating and investing activities combined excluding the Financial Services segment's activities, as management frequently monitors this financial measure, and believes this non-U.S. GAAP measurement is important for use in evaluating Sony's ability to generate cash to maintain liquidity and fund debt principal and dividend payments from business activities other than its Financial Services segment. This information is derived from the reconciliations prepared in the Condensed Statements of Cash Flows on page F-13. This information and the separate condensed presentations shown below are not required or prepared in accordance with U.S. GAAP. The Financial Services segment's cash flow is excluded from the measure because SFH, which constitutes a majority of the Financial Services segment, is a separate publicly traded entity in Japan with a significant minority interest and it, as well as its subsidiaries, secure liquidity on their own. This measure may not be comparable to those of other companies. This measure has limitations, because it does not represent residual cash flows available for discretionary expenditures principally due to the fact that the measure does not deduct the principal payments required for debt service. Therefore, Sony believes it is important to view this measure as supplemental to its entire statement of cash flows and together with Sony's disclosures regarding investments, available credit facilities and overall liquidity.

A reconciliation of the differences between the Consolidated Statement of Cash Flows reported and cash flows from operating and investing activities combined excluding the Financial Services segment's activities is as follows:

	(Billions of yen, millions of U.S. dollars) Six months ended September 30					
	2009		2010		2010	
Net cash provided by operating activities reported in the consolidated statements of cash flows	¥	232.4	¥	112.8	$	1,359
Net cash used in investing activities reported in the consolidated statements of cash flows		(329.9)		(421.3)		(5,076)
		(97.5)		(308.5)		(3,717)
Less: Net cash provided by operating activities within the Financial Services segment		187.1		190.8		2,297
Less: Net cash used in investing activities within the Financial Services segment		(156.8)		(346.5)		(4,174)
Eliminations **		(15.7)		(34.3)		(413)
Cash flow used by operating and investing activities combined excluding the Financial Services segment's activities	¥	(112.1)	¥	(118.5)	$	(1,427)

** Eliminations primarily consist of intersegment loans and dividend payments. Intersegment loans are between Sony Corporation and SFI, an entity included within the Financial Services segment.

Note

Sales on a local currency basis described herein reflect sales obtained by applying the yen's monthly average exchange rate in the same quarter of the previous fiscal year to local currency-denominated monthly sales in the current quarter. Sales on a local currency basis are not reflected in Sony's consolidated financial statements and are not measures in accordance with U.S. GAAP. Sony does not believe that these measures are a substitute for U.S. GAAP measures. However, Sony believes that disclosing sales information on a local currency basis provides additional useful analytical information to investors regarding Sony's operating performance.

Outlook for the Fiscal Year ending March 31, 2011

The forecast for consolidated results for the fiscal year ending March 31, 2011, as announced on July 29, 2010, has been revised as per the table below. While the forecast for sales has been revised downward, the forecast for operating income, income before income taxes and net income attributable to Sony Corporation's stockholders has been revised upward.

(Billions of yen)

	Revised Forecast	Change from July Forecast	July Forecast	Change from March 31, 2010 Actual Results	March 31, 2010 Actual Results
Sales and operating revenue	¥7,400	-3 %	¥ 7,600	+3 %	¥ 7,214.0
Operating income	200	+11	180	+529	31.8
Income before income taxes	200	+18	170	+643	26.9
Net income (loss) attributable to Sony Corporation's stockholders	70	+17	60	-	(40.8)

8

Assumed foreign exchange rates for the second half of the fiscal year ending March 31, 2011: approximately 83 yen to the U.S. dollar and approximately 110 yen to the euro. (Assumed foreign exchange rates from the second quarter through the fourth quarter of the current fiscal year at the time of the July forecast: approximately 90 yen to the U.S. dollar and approximately 110 yen to the euro.)

Supplemental Information
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 LCD television asset impairment, is not a presentation in accordance with U.S. GAAP, and is presented to enhance investors' understanding of Sony's operating income by providing an alternative measure that may be useful to understand Sony's historical and prospective operating performance.

(Billions of yen)

	Revised Forecast	Change from July Forecast	July Forecast	Change from March 31, 2010 Actual Results	March 31, 2010 Actual Results
Operating income	¥200	+11 %	¥180	+529 %	¥31.8
Less: Equity in net income (loss) of affiliated companies	15	-	15	-	(30.2)
Add: Restructuring charges recorded within operating expenses	75	-	75	-40	124.3
Add: LCD television asset impairment *	-	-	-	-	27.1
Operating income, as adjusted	¥260	+8 %	¥240	+22 %	¥213.4

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

* The 27.1 billion yen loss on impairment, a non-cash charge recorded within operating income in the previous fiscal year, primarily reflected a decrease in the estimated fair value of property, plant and equipment and certain intangible assets. Sony has excluded the loss on impairment from restructuring charges as it is not directly related to Sony's ongoing restructuring initiatives. Sony defines restructuring initiatives as activities initiated by Sony, such as exiting a business or product category or implementing a headcount reduction program, which are designed to generate a positive impact on future profitability.

The forecast revision is primarily due to the following factors:

- Consolidated sales for the fiscal year are expected to be 200 billion yen below the July forecast, due to the impact of the updated foreign exchange rate assumption, namely the further appreciation of the yen against the U.S. dollar for the second half of the fiscal year.

- In the NPS segment, operating results for the full fiscal year are expected to exceed the July forecast. Second quarter operating results in the NPS segment exceeded the July forecast, primarily due to the favorable results in the game business and PCs. This is partially offset by the NPS segment operating results forecasted for the second half of the fiscal year which Sony is viewing cautiously.

- In the CPD segment, anticipated operating income for the full fiscal year was revised downward, compared to the July forecast. Operating income in the second quarter was generally in-line with the July forecast. However, Sony is viewing cautiously the CPD segment operating results for the second half of the fiscal year, compared to the July forecast. This is mainly due to the impact of the updated foreign exchange rate assumption, namely the further appreciation of the yen against the U.S. dollar, and deterioration in the North American LCD TV business environment.

Sony's forecast for capital expenditures, depreciation and amortization, as well as for research and development expenses, as per the table below, is unchanged from the forecast announced on July 29, 2010.

	(Billions of yen)		
	Current Forecast	Change from March 31, 2010 Actual Results	March 31, 2010 Actual Results
Capital expenditures* (additions to Property, Plant and Equipment)	¥230	+19%	¥192.7
Depreciation and amortization**	340	-8	371.0
[for Property, Plant and Equipment (included above)	230	-12	260.2]
Research and development expenses	450		