

SONY CORP  
Form 6-K  
June 08, 2011

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 June 2011

Commission File Number: 001-06439

SONY CORPORATION

(Translation of registrant's name into English)

7-1, KONAN 1-CHOME, 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  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

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

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Consolidated Financial Statements  
For the fiscal year ended March 31, 2011

Sony Corporation  
TOKYO, JAPAN

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Contents

Management's Annual Report on Internal Control over Financial Reporting	2
Report of Independent Registered Public Accounting Firm	3
Consolidated Balance Sheets	4
Consolidated Statements of Income	6
Consolidated Statements of Cash Flows	8
Consolidated Statements of Changes in Stockholders' Equity	10
Index to Notes to Consolidated Financial Statements	13
Notes to Consolidated Financial Statements	14

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Management's Annual Report on Internal Control over Financial Reporting

Sony's management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934. Sony's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles in the United States of America. Sony's internal control over financial reporting includes those policies and procedures that:

- (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of Sony;
- (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of Sony are being made only in accordance with authorizations of management and directors; and
- (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of Sony's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Sony's management evaluated the effectiveness of Sony's internal control over financial reporting as of March 31, 2011 based on the criteria established in "Internal Control — Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on the evaluation, management has concluded that Sony maintained effective internal control over financial reporting as of March 31, 2011.

Our independent registered public accounting firm, PricewaterhouseCoopers Aarata, has issued an audit report on our internal control over financial reporting as of March 31, 2011, presented on page 3.

Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors of  
Sony Corporation (Sony Kabushiki Kaisha)

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of income, cash flows and changes in stockholders' equity present fairly, in all material respects, the financial position of Sony Corporation and its subsidiaries ("Sony") at March 31, 2011 and 2010, and the results of their operations and their cash flows for each of the three years in the period ended March 31, 2011 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, Sony maintained, in all material respects, effective internal control over financial reporting as of March 31, 2011, based on criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Sony's management is responsible for these financial statements, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying "Management's Annual Report on Internal Control over Financial Reporting." Our responsibility is to express opinions on these financial statements and on Sony's internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ PricewaterhouseCoopers Aarata  
Tokyo, Japan  
June 7, 2011



## SONY CORPORATION AND CONSOLIDATED SUBSIDIARIES

## Consolidated Balance Sheets

March 31

	Yen in millions	
	2010	2011
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	1,191,608	1,014,412
Marketable securities	579,493	646,171
Notes and accounts receivable, trade	996,100	834,221
Allowance for doubtful accounts and sales returns	(104,475 )	(90,531 )
Inventories	645,455	704,043
Deferred income taxes	197,598	133,059
Prepaid expenses and other current assets	627,093	602,671
Total current assets	4,132,872	3,844,046
Film costs	310,065	275,389
Investments and advances:		
Affiliated companies	229,051	221,993
Securities investments and other	5,070,342	5,670,662
	5,299,393	5,892,655
Property, plant and equipment:		
Land	153,067	145,968
Buildings	897,054	868,615
Machinery and equipment	2,235,032	2,016,956
Construction in progress	71,242	53,219
	3,356,395	3,084,758
Less – Accumulated depreciation	2,348,444	2,159,890
	1,007,951	924,868
Other assets:		
Intangibles, net	378,917	391,122
Goodwill	438,869	469,005
Deferred insurance acquisition costs	418,525	428,262
Deferred income taxes	403,537	239,587
Other	475,985	460,054
	2,115,833	1,988,030
Total assets	12,866,114	12,924,988

(Continued on following page.)

## SONY CORPORATION AND CONSOLIDATED SUBSIDIARIES

## Consolidated Balance Sheets (Continued)

	Yen in millions	
	2010	2011
<b>LIABILITIES</b>		
Current liabilities:		
Short-term borrowings	48,785	53,737
Current portion of long-term debt	235,822	109,614
Notes and accounts payable, trade	817,118	793,275
Accounts payable, other and accrued expenses	1,003,197	1,013,037
Accrued income and other taxes	69,175	79,076
Deposits from customers in the banking business	1,509,488	1,647,752
Other	376,340	430,488
Total current liabilities	4,059,925	4,126,979
Long-term debt	924,207	812,235
Accrued pension and severance costs	295,526	271,320
Deferred income taxes	236,521	306,227
Future insurance policy benefits and other	3,876,292	4,225,373
Other	188,088	226,952
Total liabilities	9,580,559	9,969,086
Redeemable noncontrolling interest	-	19,323
Commitments and contingent liabilities		
<b>EQUITY</b>		
Sony Corporation's stockholders' equity:		
Common stock, no par value –		
2010– Shares authorized: 3,600,000,000, shares issued: 1,004,571,464	630,822	
2011– Shares authorized: 3,600,000,000, shares issued: 1,004,636,664		630,921
Additional paid-in capital	1,157,812	1,159,666
Retained earnings	1,851,004	1,566,274
Accumulated other comprehensive income –		
Unrealized gains on securities, net	62,337	50,336
Unrealized losses on derivative instruments, net	(36 )	(1,589 )
Pension liability adjustment	(148,989 )	(152,165 )
Foreign currency translation adjustments	(582,370 )	(700,786 )
	(669,058 )	(804,204 )
Treasury stock, at cost		
Common stock		
2010– 1,039,656 shares	(4,675 )	
2011– 1,051,588 shares		(4,670 )
	2,965,905	2,547,987
Noncontrolling interests	319,650	388,592
Total equity	3,285,555	2,936,579
Total liabilities and equity	12,866,114	12,924,988

The accompanying notes are an integral part of these statements.





## SONY CORPORATION AND CONSOLIDATED SUBSIDIARIES

## Consolidated Statements of Income

Fiscal year ended March 31

	Yen in millions		
	2009	2010	2011
<b>Sales and operating revenue:</b>			
Net sales	7,110,053	6,293,005	6,304,401
Financial services revenue	523,307	838,300	798,495
Other operating revenue	96,633	82,693	78,377
	7,729,993	7,213,998	7,181,273
<b>Costs and expenses:</b>			
Cost of sales	5,660,504	4,892,563	4,831,363
Selling, general and administrative	1,686,030	1,544,890	1,501,813
Financial services expenses	547,825	671,550	675,788
(Gain) loss on sale, disposal or impairment of assets and other, net	38,308	42,988	(13,450 )
	7,932,667	7,151,991	6,995,514
Equity in net income (loss) of affiliated companies	(25,109 )	(30,235 )	14,062
Operating income (loss)	(227,783 )	31,772	199,821
<b>Other income:</b>			
Interest and dividends	22,317	13,191	11,783
Gain on sale of securities investments, net	1,281	9,953	14,325
Foreign exchange gain, net	48,568	–	9,297
Other	26,659	20,690	9,561
	98,825	43,834	44,966
<b>Other expenses:</b>			
Interest	24,376	22,505	23,909
Loss on devaluation of securities investments	4,427	2,946	7,669
Foreign exchange loss, net	–	10,876	–
Other	17,194	12,367	8,196
	45,997	48,694	39,774
Income (loss) before income taxes	(174,955 )	26,912	205,013
<b>Income taxes:</b>			
Current	80,521	48,698	117,918
Deferred	(153,262 )	(34,740 )	307,421
	(72,741 )	13,958	425,339
Net income (loss)	(102,214 )	12,954	(220,326 )
Less - Net income (loss) attributable to noncontrolling interests	(3,276 )	53,756	39,259
Net loss attributable to Sony Corporation's stockholders	(98,938 )	(40,802 )	(259,585 )

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## SONY CORPORATION AND CONSOLIDATED SUBSIDIARIES

## Consolidated Statements of Income (Continued)

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	2009	Yen 2010	2011
Per share data:			
Common stock			
Net loss attributable to Sony Corporation's stockholders			
– Basic	(98.59 )	(40.66 )	(258.66 )
– Diluted	(98.59 )	(40.66 )	(258.66 )
Cash dividends	42.50	25.00	25.00

The accompanying notes are an integral part of these statements.

## SONY CORPORATION AND CONSOLIDATED SUBSIDIARIES

## Consolidated Statements of Cash Flows

Fiscal year ended March 31

	Yen in millions		
	2009	2010	2011
<b>Cash flows from operating activities:</b>			
Net income (loss)	(102,214 )	12,954	(220,326 )
Adjustments to reconcile net income (loss) to net cash provided by operating activities –			
Depreciation and amortization, including amortization of deferred insurance acquisition costs	405,443	371,004	325,366
Amortization of film costs	255,713	277,665	250,192
Stock-based compensation expense	3,446	2,202	1,952
Accrual for pension and severance costs, less payments	16,654	(9,763 )	(15,229 )
(Gain) loss on sale, disposal or impairment of assets and other, net	38,308	42,988	(13,450 )
(Gain) loss on sale or devaluation of securities investments, net	3,146	(7,007 )	(6,656 )
(Gain) loss on revaluation of marketable securities held in the financial service business for trading purpose, net	77,952	(49,837 )	10,958
(Gain) loss on revaluation or impairment of securities investments held in the financial service business, net	101,114	(53,984 )	5,080
Deferred income taxes	(153,262 )	(34,740 )	307,421
Equity in net (income) losses of affiliated companies, net of dividends	65,470	36,183	(11,479 )
Changes in assets and liabilities:			
(Increase) decrease in notes and accounts receivable, trade	218,168	(53,306 )	104,515
(Increase) decrease in inventories	160,432	148,584	(112,089 )
Increase in film costs	(264,412 )	(296,819 )	(244,063 )
Increase (decrease) in notes and accounts payable, trade	(375,842 )	262,032	(18,119 )
Increase (decrease) in accrued income and other taxes	(163,200 )	63,619	(8,020 )
Increase in future insurance policy benefits and other	174,549	284,972	278,897
Increase in deferred insurance acquisition costs	(68,666 )	(71,999 )	(69,196 )
Increase in marketable securities held in the financial service business for trading purpose	(26,088 )	(8,335 )	(30,102 )
(Increase) decrease in other current assets	134,175	(32,405 )	(89,473 )
Increase (decrease) in other current liabilities	(105,155 )	5,321	56,076
Other	11,422	23,578	113,990
Net cash provided by operating activities	407,153	912,907	616,245
(Continued on following page.)			

## SONY CORPORATION AND CONSOLIDATED SUBSIDIARIES

## Consolidated Statements of Cash Flows (Continued)

	Yen in millions		
	2009	2010	2011
<b>Cash flows from investing activities:</b>			
Payments for purchases of fixed assets	(496,125 )	(338,050 )	(253,688 )
Proceeds from sales of fixed assets	153,439	15,671	18,743
Payments for investments and advances by financial service business	(2,496,783)	(1,581,841)	(1,458,912)
Payments for investments and advances (other than financial service business)	(178,335 )	(41,838 )	(15,316 )
Proceeds from maturities of marketable securities, sales of securities investments and collections of advances by financial service business	1,923,264	1,128,500	874,031
Proceeds from maturities of marketable securities, sales of securities investments and collections of advances (other than financial service business)	11,569	54,324	30,332
Proceeds from sales of businesses	–	22,084	99,335
Other	1,629	(4,854 )	(8,964 )
Net cash used in investing activities	(1,081,342)	(746,004 )	(714,439 )
<b>Cash flows from financing activities:</b>			
Proceeds from issuance of long-term debt	72,188	510,128	1,499
Payments of long-term debt	(264,467 )	(144,105 )	(216,212 )
Increase (decrease) in short-term borrowings, net	244,584	(250,252 )	6,120
Increase in deposits from customers in the financial service business, net	261,619	276,454	229,327
Dividends paid	(42,594 )	(25,085 )	(25,098 )
Other	(3,872 )	(2,126 )	(5,748 )
Net cash provided by (used in) financing activities	267,458	365,014	(10,112 )
Effect of exchange rate changes on cash and cash equivalents	(18,911 )	(1,098 )	(68,890 )
Net increase (decrease) in cash and cash equivalents	(425,642 )	530,819	(177,196 )
Cash and cash equivalents at beginning of the fiscal year	1,086,431	660,789	1,191,608
Cash and cash equivalents at end of the fiscal year	660,789	1,191,608	1,014,412
<b>Supplemental data:</b>			
<b>Cash paid during the fiscal year for –</b>			
Income taxes	242,528	60,022	116,376
Interest	22,729	19,821	20,583
<b>Non-cash investing and financing activities –</b>			
Obtaining assets by entering into capital lease	5,831	2,553	3,738
Collections of deferred proceeds from sales of receivables –	–	–	153,550
The accompanying notes are an integral part of these statements.			

## SONY CORPORATION AND CONSOLIDATED SUBSIDIARIES

## Consolidated Statements of Changes in Stockholders' Equity

	Yen in millions							
	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive income	Treasury stock, at cost	Sony Corporation's equity	Noncontrolling interests	Total equity
Balance at March 31, 2008	630,576	1,151,447	2,059,361	(371,527 )	(4,768 )	3,465,089	276,849	3,741,938
Exercise of stock acquisition rights	189	189				378	18	396
Stock-based compensation		3,423				3,423		3,423
Comprehensive income:								
Net loss			(98,938 )			(98,938 )	(3,276 )	(102,214 )
Other comprehensive income, net of tax –								
Unrealized losses on securities				(40,859 )		(40,859 )	(15,992 )	(56,851 )
Unrealized gains on derivative instruments				1,787		1,787		1,787
Pension liability adjustment				(74,517 )		(74,517 )	(548 )	(75,065 )
Foreign currency translation adjustments				(247,697 )		(247,697 )	797	(246,900 )
Total comprehensive loss						(460,224 )	(19,019 )	(479,243 )
Stock issue costs, net of tax			(4 )			(4 )		(4 )
Dividends declared			(42,648 )			(42,648 )	(6,056 )	(48,704 )
Purchase of treasury stock					(302 )	(302 )		(302 )
Reissuance of treasury stock		(25 )	(152 )		416	239		239
Transactions with noncontrolling							157	157

interests  
shareholders and  
other

Effects of changing the pension plan measurement date			(668 )	(630 )		(1,298 )		(1,298 )
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Balance at March 31, 2009	630,765	1,155,034	1,916,951	(733,443 )	(4,654 )	2,964,653	251,949	3,216,602
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## SONY CORPORATION AND CONSOLIDATED SUBSIDIARIES

## Consolidated Statements of Changes in Stockholders' Equity (Continued)

	Yen in millions							
	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive income	Treasury stock, at cost	Sony Corporation's stockholders' equity	Noncontrolling interests	Total equity
Balance at March 31, 2009	630,765	1,155,034	1,916,951	(733,443 )	(4,654 )	2,964,653	251,949	3,216,602
Exercise of stock acquisition rights	57							