

SONY CORP  
Form 6-K  
February 03, 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 February 2011  
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: February 3, 2011

List of materials

Documents attached hereto:

- i) Press release announcing Consolidated Financial Results for the Third Quarter Ended December 31, 2010
-

1-7-1 Konan, Minato-ku  
Tokyo 108-0075 Japan

News & Information

No. 11-016E

3:00 P.M. JST, February 3, 2011

Consolidated Financial Results

for the Third Quarter Ended December 31, 2010

Tokyo, February 3, 2011 -- Sony Corporation today announced its consolidated results for the third quarter ended December 31, 2010 (October 1, 2010 to December 31, 2010).

Consolidated operating income decreased slightly to 137.5 billion yen, as a significant unfavorable foreign exchange impact outweighed positive factors for the quarter.

Operating income in the Networked Products & Services segment increased significantly due to the contribution of the game business, while operating income decreased in most other segments, particularly the Consumer, Professional & Devices segment which was negatively affected mainly due to LCD televisions.

	(Billions of yen, millions of U.S. dollars, except per share amounts)				
	Third quarter ended December 31		Change in yen		2010*
	2009	2010		%	
Sales and operating revenue	¥ 2,237.9	¥ 2,206.2	-1.4	%	\$ 27,238
Operating income	146.1	137.5	-5.9		1,698
Income before income taxes	123.9	131.5	+6.2		1,624
Net income attributable to Sony Corporation's stockholders	79.2	72.3	-8.6		893
Net income attributable to Sony Corporation's stockholders per share of common stock:					
- Basic	¥ 78.89	¥ 72.08	-8.6	%	\$ 0.89
- Diluted	78.76	71.96	-8.6		0.89

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, 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 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)				
	Third Quarter Ended December 31		Change in yen		2010*
	2009	2010		%	
Operating income	¥ 146.1	¥ 137.5	-5.9	%	\$ 1,698

Less: Equity in net income (loss) of affiliated companies	(5.9	)	2.6	-	32
Add: Restructuring charges recorded within operating expenses**	13.5		16.0	+19.0	198
Operating income, as adjusted	¥ 165.5		¥ 150.9	-8.8	% \$1,864

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.

\* U.S. dollar amounts have been translated from yen, for convenience only, at the rate of 81 yen=1 U.S. dollar, the approximate Tokyo foreign exchange market rate as of December 31, 2010.

\*\* Sony is undertaking structural transformation initiatives to enhance profitability through implementation of various cost reduction programs as well as the 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.

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 third quarter ended December 31 of the previous fiscal year have been revised to conform to the current quarter’s presentation.

#### Consolidated Results for the Third Quarter Ended December 31, 2010

Sales were 2,206.2 billion yen (27,238 million U.S. dollars), a decrease of 1.4% compared to the same quarter of the previous fiscal year (“year-on-year”), primarily due to unfavorable foreign exchange rates. In all segments excluding the CPD and Financial Services segments, sales declined year-on-year.

During the quarter ended December 31, 2010, average foreign exchange rates were 81.6 yen against the U.S. dollar and 110.7 yen against the euro, an 8.7% and 18.5% yen appreciation compared to the previous year’s third quarter, respectively. On a local currency basis, sales increased 6% year-on-year. For references to sales on a local currency basis, see Note on page 8.

Operating income decreased 8.6 billion yen year-on-year to 137.5 billion yen (1,698 million U.S. dollars), primarily due to unfavorable foreign exchange rates. Operating income in the NPS segment increased significantly due to the contribution of the game business, while operating income decreased in most other segments, particularly the CPD segment which was negatively affected mainly due to LCD televisions. Excluding equity in net income (loss) of affiliated companies and restructuring charges, operating income on an as adjusted basis decreased by 14.6 billion yen to 150.9 billion yen (1,864 million U.S. dollars) year-on-year.

Equity in net income of affiliated companies, recorded within operating income, was 2.6 billion yen (32 million U.S. dollars) compared to a loss of 5.9 billion yen in the same quarter of the previous fiscal year. During the current quarter, Sony recorded equity in net income for Sony Ericsson of 0.4 billion yen (5 million U.S. dollars) compared to

Edgar Filing: SONY CORP - Form 6-K

equity in net loss of 10.2 billion yen in the same quarter of the previous fiscal year. Equity in net income for S-LCD was 2.1 billion yen (27 million U.S. dollars), a decrease of 0.8 billion yen year-on-year.

The net effect of other income and expenses was an expense of 6.0 billion yen (74 million U.S. dollars), an improvement of 16.3 billion yen year-on-year, primarily due to a smaller net foreign exchange loss.

Income before income taxes increased 7.7 billion yen year-on-year to 131.5 billion yen (1,624 million U.S. dollars). This was mainly due to the improvement in the above-mentioned net effect of other income and expenses.

Income taxes: During the current quarter, Sony recorded 47.6 billion yen (588 million U.S. dollars) of income taxes, resulting in an effective tax rate of 36.2%. In the same quarter of the previous fiscal year the effective tax rate was 26.8%. The effective tax rates of the current quarter and the same quarter of the previous fiscal year were lower than the Japanese statutory tax rate primarily as a result of profits at non-Japanese subsidiaries subject to lower tax rates, the impact of which was more significant in the same quarter of the previous fiscal year.

Net income attributable to Sony Corporation's stockholders, which excludes net income attributable to noncontrolling interests, decreased 6.8 billion yen year-on-year to 72.3 billion yen (893 million U.S. dollars).

### 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)				
	2009		2010		2010
	Third quarter ended December 31				
			Change in yen		
Sales and operating revenue	¥ 1,046.8	¥ 1,090.9	+4.2	%	\$ 13,468
Operating income	50.8	26.8	-47.2		331

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

Sales increased 4.2% year-on-year (a 13% increase on a local currency basis) to 1,090.9 billion yen (13,468 million U.S. dollars). Sales to outside customers increased 7.7% year-on-year. This was primarily due to higher LCD television sales resulting from increased unit sales, higher semiconductor sales resulting from increased small- and medium-sized LCD panel sales, and higher interchangeable single lens camera sales resulting from increased unit sales, partially offset by lower component sales resulting from a decrease in PC component sales.

Operating income decreased 24.0 billion yen year-on-year to 26.8 billion yen (331 million U.S. dollars). This was driven by an increase in selling, general and administrative expenses primarily associated with higher sales, unfavorable foreign exchange rates, a deterioration of the cost of sales ratio, and an increase in restructuring charges. These factors were partially offset by an increase in gross profit due to higher sales. Restructuring charges were 11.8 billion yen (145 million U.S. dollars) in the current quarter, compared with 8.6 billion yen recorded in the same quarter of the previous fiscal year. 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 compact digital cameras due to lower unit selling prices and unfavorable foreign exchange rates. A category which favorably impacted the change in segment operating results (excluding restructuring charges) was home video, resulting from an increase in unit sales of Blu-ray Disc™ recorders.

#### Networked Products & Services

(Billions of yen, millions of U.S. dollars)  
Third quarter ended December 31

Edgar Filing: SONY CORP - Form 6-K

	2009	2010	Change in yen	2010
Sales and operating revenue	¥ 605.5	¥ 566.6	-6.4 %	\$ 6,995
Operating income	19.5	45.7	+134.9	564

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



Sales decreased 6.4% year-on-year (a 3% increase on a local currency basis) to 566.6 billion yen (6,995 million U.S. dollars). Sales to outside customers decreased 7.4% year-on-year. This was mainly due to a decrease in sales in the game business resulting primarily from unfavorable foreign exchange rates.

Operating income increased 26.3 billion yen year-on-year to 45.7 billion yen (564 million U.S. dollars). This was mainly due to a significant improvement in the cost of sales ratio coupled with an increase in gross profit from higher sales, partially offset by unfavorable foreign exchange rates. The game business benefited from significant cost reductions of PlayStation®3 (“PS3”) hardware and higher unit sales of PS3 software, which favorably impacted the change in segment operating results (excluding restructuring charges).

\* \* \* \* \*

Total Inventory for the CPD and NPS segments as of December 31, 2010 was 637.9 billion yen (7,875 million U.S. dollars), an increase of 91.6 billion yen, or 16.8% year-on-year. Inventory decreased by 182.1 billion yen, or 22.2% compared with the level as of September 30, 2010.

#### Pictures

	(Billions of yen, millions of U.S. dollars)			
	2009		Third quarter ended December 31	
	2009	2010	Change in yen	2010
Sales and operating revenue	¥ 203.2	¥ 149.0	-26.7 %	\$ 1,840
Operating income	14.1	4.7	-66.7	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. Sony’s 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 decreased 26.7% year-on-year (a 20% decrease on a U.S. dollar basis) to 149.0 billion yen (1,840 million U.S. dollars). While the current quarter benefited from the strong performance of The Social Network, theatrical revenues declined significantly as the previous fiscal year’s third quarter included the strong theatrical releases of 2012 and Michael Jackson’s This Is It. Television revenues increased in the current quarter due to higher advertising and subscription revenues from several of SPE’s international channels.

Operating income decreased 9.4 billion yen year-on-year to 4.7 billion yen (58 million U.S. dollars). The lower operating income was due to a loss recorded on the lower-than-estimated theatrical performance of the third quarter release How Do You Know, lower home entertainment revenues from catalog product, and higher marketing expenses recorded for upcoming theatrical releases.

#### Music

	(Billions of yen, millions of U.S. dollars)		
	Third quarter ended December 31		Change in yen
2009	2010		