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SONY CORP  
Form 6-K  
May 16, 2007

Form 6-K

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 May 2007  
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)

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By: /s/ Nobuyuki Oneda  
(Signature)  
Nobuyuki Oneda  
Executive Vice President and  
Chief Financial Officer

Date: May 16, 2007

List of materials

Documents attached hereto:

- i) Press release announcing Consolidated Financial Results for the Fiscal Year Ended March 31, 2007

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

No: 07-047E  
3:00 P.M. JST, May 16, 2007

## Consolidated Financial Results for the Fiscal Year Ended March 31, 2007

Tokyo, May 16, 2007 -- Sony Corporation today announced its consolidated results for the fiscal year ended March 31, 2007 (April 1, 2006 to March 31, 2007).

(Billions of yen, millions of U.S. dollars, except per share amounts)

|  |          | Fiscal Year ended March 31 |                  |          |
|--|----------|----------------------------|------------------|----------|
|  | 2006     | 2007                       | Change<br>in Yen | 2007*    |
| -----  | -----    | -----                      | -----            | -----    |
| Sales and operating<br>revenue**                   | Y7,510.6 | Y8,295.7                   | +10.5%           | \$70,303 |
| Operating income                                   | 226.4    | 71.8                       | -68.3            | 608      |
| Income before income<br>taxes                      | 286.3    | 102.0                      | -64.4            | 865      |
| Equity in net income<br>of affiliated<br>companies | 13.2     | 78.7                       | +496.9           | 667      |
| Net income   | 123.6    | 126.3                      | +2.2             | 1,071    |
| Net income per share<br>of common stock            |          |                            |                  |          |
| - Basic  | Y122.58  | Y126.15                    | +2.9%            | \$1.07   |
| - Diluted  | 116.88   | 120.29                     | +2.9             | 1.02     |

Unless otherwise specified, all amounts are presented in accordance with accounting principles generally accepted in the

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United States ("U.S. GAAP").

\* U.S. dollar amounts have been translated from yen, for convenience only, at the rate of Y118=U.S.\$1, the approximate Tokyo foreign exchange market rate as of March 30, 2007.

\*\* Effective April 1, 2006, Sony reclassified royalty income as a component of sales and operating revenue, rather than as a component of other income as previously recorded. As a result, this reclassification has also been made to sales and operating revenue, operating income and other income for the fourth quarter and the fiscal year ended March 31, 2006 to conform with the presentation of these items for the fourth quarter and the fiscal year ended March 31, 2007. Royalty income for the fourth quarter and the fiscal year ended March 31, 2007 was Y9.6 billion and Y35.1 billion, respectively. Royalty income for the fourth quarter and the fiscal year ended March 31, 2006 was Y10.6 billion and Y35.4 billion, respectively. These amounts were recorded primarily within the Electronics segment.

Consolidated Results for the Fiscal Year Ended March 31, 2007  
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Sales and operating revenue ("sales") increased 10.5% (a 7% increase on a local currency basis) compared with the previous fiscal year. (For all references herein to the results on a local currency basis, see Note I.)

Sales within the Electronics segment increased 16.9% (a 12% increase on a local currency basis). Products such as "BRAVIA(TM)" LCD televisions, "VAIO(TM)" PCs, and "Cyber-shot(TM)" digital cameras contributed to the sales increase, although there was a decline in sales of such products as CRT televisions. In the Game segment, sales increased by 6.1% compared with the previous fiscal year due to the launch of PLAYSTATION(R)3 ("PS3"). Sales in the Pictures segment increased 29.5% compared with the previous fiscal year due to the success of films such as The Da Vinci Code and Casino Royale. In the Financial Services segment, revenue declined 12.6% compared to the previous fiscal year mainly due to a decrease in valuation gains in the general account and the separate account at Sony Life Insurance Co., Ltd. ("Sony Life").

Operating income decreased 68.3% compared with the previous fiscal year.

In the Electronics segment, there was a substantial increase in operating income due primarily to an increase in sales to outside customers and the positive impact from the depreciation of the yen versus the U.S. dollar and the Euro. The operating income for the prior fiscal year included a one time net gain resulting from the transfer to the Japanese government of the substitutional portion of Sony's Employee Pension Fund, of which Y64.5 billion was recorded within the Electronics segment. During the current fiscal year, Sony recorded a Y51.2 billion (\$434 million) provision that relates to charges incurred as a result of the recalls by Dell Inc., Apple Inc. and Lenovo, Inc. of notebook computer battery packs that use lithium-ion battery cells manufactured by Sony and the subsequent global replacement program initiated by Sony for certain notebook computer battery packs used by Sony and several other notebook computer manufacturers that use lithium-ion battery cells manufactured by

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Sony. In the Game segment, there was a significant operating loss as a result of the sale of PS3 at strategic price points lower than its production cost during the introductory period. In the Pictures segment, operating income increased due to strong worldwide theatrical and home entertainment revenue on feature films released in the current fiscal year. In the Financial Services segment, there was a significant decline in operating income as a result of decreased valuation gains from investments in the general account, including valuation gains from convertible bonds.

During this fiscal year, restructuring charges, which are recorded as operating expenses, totaled Y38.8 billion (\$329 million) compared to Y138.7 billion in the previous fiscal year. In the Electronics segment, restructuring charges were Y37.4 billion (\$317 million) compared to Y125.8 billion in the previous fiscal year.

A gain on the sale of a portion of the site of Sony's former headquarters in the amount of Y21.7 billion (\$184 million) is included in operating income for the current fiscal year. Operating income in the previous fiscal year included a one time net gain of Y73.5 billion, which resulted from the above-noted transfer to the Japanese government of the substitutional portion of Sony's Employee Pension Fund.

Operating income was negatively affected by the recording of certain provisions for outstanding claims, partially offset by the reversal of a portion of provisions related to the resolution of certain prior patent claims recorded in prior periods.

Income before income taxes declined 64.4% compared to the previous fiscal year due to the net effect of other income and expenses, which was Y29.6 billion lower compared to the previous fiscal year, in addition to the above-mentioned decrease in operating income. The lower net effect of other income and expenses was primarily a result of a decrease in the gain on change in ownership interests in subsidiaries and investees and an increase in the amount of net foreign currency exchange losses. During the current fiscal year, a Y31.5 billion (\$266 million) gain was recorded from the sale of a portion of stock in StylingLife Holdings Inc. ("StylingLife"). However, the total gain on change in ownership interests declined as Sony recorded a gain on change in interest of Y60.8 billion in the previous fiscal year resulting from the initial public offering of So-net Entertainment Corporation ("So-net"), and the sale of a portion of stock held in both Monex Beans Holdings, Inc., and So-net M3 Inc., a consolidated subsidiary of So-net.

Income taxes: During the current fiscal year, Sony recorded Y53.9 billion (\$457 million) of income taxes at an effective tax rate of 52.8%. This effective tax rate exceeded the Japanese statutory tax rate as a result of a reduction in reversals to income tax expense, which was primarily due to the recording of losses by certain overseas subsidiaries with tax rates that are lower than the rate in Japan. The effective tax rate was 61.6% in the previous fiscal year and exceeded the Japanese statutory tax rate due to the recording of additional valuation allowances against deferred tax assets by Sony Corporation and several of Sony's domestic and overseas consolidated subsidiaries due to continued losses recorded by these entities and the recording of

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an additional tax provision for the undistributed earnings of overseas subsidiaries.

Equity in net income of affiliated companies increased by approximately six times to Y78.7 billion (\$667 million). Equity in net income of affiliated companies reported for Sony Ericsson Mobile Communications AB ("Sony Ericsson") was Y85.3 billion (\$723 million), an increase of Y56.3 billion compared to the previous fiscal year. Sony recorded equity in net income of Y5.0 billion (\$43 million) for SONY BMG MUSIC ENTERTAINMENT ("SONY BMG"), a decrease of Y0.8 billion compared to the previous fiscal year. Sony recorded equity in net income of Y6.4 billion (\$54 million) (before the elimination of unrealized intercompany profits of Y1.4 billion), a Y13.6 billion improvement compared to the prior fiscal year, for S-LCD Corporation ("S-LCD"), a joint-venture with Samsung Electronics Co., Ltd. for the manufacture of amorphous TFT LCD panels. Sony recorded equity in net loss of Y18.9 billion (\$160 million) for Metro-Goldwyn-Mayer Inc. ("MGM")\*, an increase in the amount of equity in net loss of Y2.0 billion compared to the previous fiscal year. The equity in net loss for MGM includes a non-cash interest expense of Y9.6 billion (\$81 million) on cumulative preferred stock compared to the Y6.0 billion of non-cash interest expense on cumulative preferred stock recorded in the previous fiscal year.

\*On April 8, 2005, a consortium led by Sony Corporation of America and its equity partners completed the acquisition of MGM. As part of the acquisition, Sony invested \$257 million in exchange for 20% of the total equity. However, based on the percentage of common stock owned, Sony records 45% of MGM's net income (loss) as equity in net income (loss) of affiliated companies.

As a result, net income of Y126.3 billion (\$1,071 million) was recorded, an increase of 2.2% compared to the previous fiscal year.

### Operating Performance Highlights by Business Segment

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"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) recorded before intersegment transactions and unallocated corporate expenses are eliminated.

#### Electronics

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|                             | (Billions of yen, millions of U.S. dollars) |          |                  |          |
|-----------------------------|---|----------|------------------|----------|
|                             | Fiscal Year ended March 31                  |          |                  |          |
|                             | 2006  | 2007     | Change<br>in Yen | 2007     |
|                             |   |          |                  |          |
| Sales and operating revenue | Y5,176.4                                    | Y6,050.5 | +16.9%           | \$51,275 |
| Operating income            | 6.9   | 156.7    | +2,167.4         | 1,328    |

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

Sales increased by 16.9% compared to the previous fiscal year (a 12% increase on a local currency basis). Sales to outside customers increased 13.4% compared to the previous fiscal year. There was an increase in sales of products including "BRAVIA" LCD televisions, which experienced favorable sales in all regions, "VAIO" PCs, where favorable sales of notebook PCs were recorded outside of Japan, as well as "Cyber-shot" digital cameras, which saw increased sales in all regions. However, this increase was partially offset by a decrease in sales of CRT televisions, where the market continues to shrink. Intersegment transactions increased substantially, primarily as a result of the increased sales of semiconductors to the Game segment.

Operating income increased by Y149.8 billion compared with the previous fiscal year. Despite the recording of a Y51.2 billion (\$434 million) provision in the second quarter for charges related to the notebook computer battery pack recalls and subsequent global replacement program, operating income increased significantly primarily as a result of an increase in sales to outside customers and a positive impact from the depreciation of the yen versus the U.S. dollar and the Euro. In the previous fiscal year, a Y64.5 billion gain was recorded as a result of the transfer to the Japanese government of the substitutional portion of Sony's Employee Pension Fund. With regard to products within the Electronics segment, "Cyber-shot" digital cameras and "BRAVIA" LCD televisions, which experienced favorable sales, and "Handycam(R)" video cameras, which experienced an increase in sales of high value-added models, contributed to the increase in the operating income of the segment.

Inventory, as of March 31, 2007, was Y725.8 billion (\$6,151 million), a Y60.0 billion, or 9.0%, increase compared with the level as of March 31, 2006 and a Y125.8 billion, or 14.8%, decrease compared with the level as of December 31, 2006.

### Operating Results for Sony Ericsson Mobile Communications AB

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The following operating results for Sony Ericsson, which is accounted for by the equity method, are not consolidated in Sony's consolidated financial statements. However, Sony believes that this disclosure provides additional useful analytical information to investors regarding operating performance. The operating results for Sony Ericsson discussed below are reported on an International Financial Reporting Standards basis, and thereby differ from the operating results reported on a U.S. GAAP basis contained within Sony's equity in net income (loss) of affiliated companies.

|                             |          | (Millions of Euros) |                    |
|-----------------------------|----------|---------------------|--------------------|
|                             | 2006     | 2007                | Change in<br>Euros |
| -----                       | -----    | -----               | -----              |
| Sales and operating revenue | EUR7,972 | EUR11,892           | +49%               |

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|                            |     |       |      |
|----------------------------|-----|-------|------|
| Income before income taxes | 593 | 1,509 | +154 |
| Net income                 | 427 | 1,142 | +168 |

Sales for the one-year period ended March 31, 2007 increased by 49% compared to the previous year. Results were boosted by sales of hit models such as "Walkman(R)" and "Cyber-shot" phones. As a result, Sony recorded equity in net income of Y85.3 billion (\$723 million).

Game  
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|                             | (Billions of yen, millions of U.S. dollars) |          |        |         |
|-----------------------------|---|----------|--------|---------|
|                             | Fiscal Year ended March 31                  |          |        |         |
|                             | 2006  | 2007     | Change | 2007    |
|                             |   |          | in Yen |         |
| -----                       | -----                                       | -----    | -----  | -----   |
| Sales and operating revenue | Y958.6                                      | Y1,016.8 | +6.1%  | \$8,617 |
| Operating income (loss)     | 8.7   | (232.3)  | -      | (1,969) |

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

Sales increased 6.1% compared with the previous fiscal year (a 2% increase on a local currency basis).

Hardware: Overall sales increased as a result of the launch of PS3 in Japan, North America, and Europe. However, the sales of PlayStation(R)2 ("PS2") and PSP(R) (PlayStation(R)Portable) ("PSP") declined due to lower unit sales compared with the previous fiscal year, and also because of a price reduction of the PS2.

Software: Despite an increase in PSP software sales compared to the previous fiscal year, as well as the contribution from PS3 software sales, overall software sales decreased as a result of lower PS2 software sales.

An operating loss of Y232.3 billion (\$1,969 million) was recorded compared to the Y8.7 billion of operating income recorded in the previous fiscal year. This deterioration was primarily the result of the loss arising from the sale of PS3 at strategic price points lower than its production cost during the introductory period, as well as the recording of other charges in association with preparation for the launch of the PS3 platform. In addition, operating income from the PS2 business declined due to a decrease in software sales, while operating income from the PSP business increased primarily due to continued cost reductions in hardware production.

Worldwide hardware production shipments\* (decrease compared to the previous fiscal year):

-> PS2: 14.20 million units (a decrease of 2.02 million units)

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- > PSP: 8.36 million units (a decrease of 5.70 million units)
- > PS3: 5.50 million units

Worldwide software production shipments\* (increase/decrease compared to the previous fiscal year):

- > PS2: 193 million units (a decrease of 30 million units)
- > PSP: 54.1 million units (an increase of 12.5 million units)
- > PS3: 13.2 million units

\*Production shipments of hardware and software units are counted upon shipment of the products from manufacturing bases. Sales of such products are recognized when the products are delivered to customers.

Inventory, as of March 31, 2007, was Y198.8 billion (\$1,685 million), a Y87.3 billion, or 78.4%, increase compared with the level as of March 31, 2006. Inventory increased by Y95.6 billion, or 92.6%, compared with the level as of December 31, 2006. These increases are primarily due to the launch of PS3 in Japan, North America, and Europe during the current fiscal year.

### Pictures

|                             | (Billions of yen, millions of U.S. dollars) |        |           |         |
|-----------------------------|---|--------|-----------|---------|
|                             | Fiscal Year ended March 31                  |        |           |         |
|                             | 2006  | 2007   | Change in | 2007    |
|                             |   |        | Yen       |         |
| -----                       | -----                                       | -----  | -----     | -----   |
| Sales and operating revenue | Y745.9                                      | Y966.3 | +29.5%    | \$8,189 |
| Operating income            | 27.4  | 42.7   | +55.7     | 362     |

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 consolidates the results of its worldwide subsidiaries. Management analyzes the results of SPE in U.S. dollars, so discussion of certain portions of its results are specified as being on "a U.S. dollar basis."

Sales increased 29.5% compared with the previous fiscal year (a 26% increase on a U.S. dollar basis). Motion picture sales increased significantly due to higher worldwide theatrical and home entertainment revenue from films released in the current fiscal year, as compared to those released in the previous fiscal year. Major films released in the year that contributed to both theatrical and home entertainment revenue included The Da Vinci Code, Casino Royale, Click, Talladega Nights: The Ballad of Ricky Bobby and The Pursuit of Happyness. Television revenue also increased during this fiscal year, primarily as a result of higher advertising and subscription sales from several international channels.

Operating income increased Y15.3 billion to Y42.7 billion (\$362 million), compared with the previous fiscal year. The increase is due to the substantially higher revenue from films released in the current fiscal year as discussed above. Partially offsetting this increase, the operating performance of the television business



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decreased primarily due to the recording of production and marketing expenses in the current fiscal year associated with several new network and made-for-syndication television shows, combined with the absence of a licensing agreement extension for Wheel of Fortune, which was recognized in the prior fiscal year.

### Financial Services

|                           | (Billions of yen, millions of U.S. dollars) |        |        |         |
|---------------------------|---|--------|--------|---------|
|                           | Fiscal Year ended March 31                  |        |        |         |
|                           | 2006  | 2007   | Change | 2007    |
|                           |   |        | in Yen |         |
| Financial service revenue | Y743.2                                      | Y649.3 | -12.6% | \$5,502 |
| Operating income          | 188.3                                       | 84.1   | -55.3  | 713     |

Unless otherwise specified, all amounts are reported on a U.S. GAAP basis. Therefore, they differ from the results that Sony Life discloses on a Japanese statutory basis.

Financial service revenue decreased 12.6% compared with the previous fiscal year due to a decrease in revenue at Sony Life. Although revenue from insurance premiums increased at Sony Life reflecting an increase in insurance-in-force, revenue at Sony Life decreased by Y100.0 billion or 15.5% to Y545.1 billion (\$4,619 million), primarily due to lower valuation gains in the general account and the separate account compared to the previous fiscal year, when there was a significant increase in the Japanese stock market.

Operating income decreased by 55.3% compared with the previous fiscal year due to a decrease in operating income at Sony Life. Despite an increase in insurance premium revenue, operating income at Sony Life declined by Y106.8 billion or 56.7%, compared to the previous fiscal year, to Y81.7 billion (\$692 million). This decline was principally due to a decrease in valuation gains from investments in the general account, including valuation gains from convertible bonds, reflecting the above-mentioned Japanese stock market conditions.

### All Other

|                             | (Billions of yen, millions of U.S. dollars) |        |        |         |
|-----------------------------|---|--------|--------|---------|
|                             | Fiscal Year ended March 31                  |        |        |         |
|                             | 2006  | 2007   | Change | 2007    |
|                             |   |        | in Yen |         |
| Sales and operating revenue | Y426.0                                      | Y377.6 | -11.4% | \$3,200 |
| Operating income            | 20.5  | 32.4   | +57.9  | 275     |

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

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Sales decreased 11.4% compared with the previous fiscal year. This decrease in sales mainly reflects the deconsolidation of StylingLife, a holding company comprised of six of Sony's retail businesses, following the sale of a majority interest in the stock of the company during the first quarter of the current fiscal year, and a decline in sales at Sony Music Entertainment (Japan) Inc. ("SMEJ").

Sales at SMEJ declined mainly due to lower intersegment sales in association with the transfer of business activity relating to Sony's disc custom press business, which was carried out at SMEJ during the previous fiscal year, from SMEJ to other segments within the Sony Group. Best selling albums during the fiscal year included CHEMISTRY's ALL THE BEST, Yuna Ito's HEART and Angela Aki's HOME.

Operating income of ¥32.4 billion (\$275 million) was recorded, an increase of 57.9% compared with the previous fiscal year. This improvement in operating income was mainly due to a loss recorded in the previous fiscal year as the result of a write down of assets attributed to the asset impairment reflected upon the sale of a U.S. entertainment complex. Operating income at SMEJ declined compared to the previous fiscal year mainly due to a decrease in album and single sales and the recording of a gain in the previous fiscal year resulting from the transfer to the Japanese government of the substitutional portion of Sony's Employee Pension Fund.

Operating income at So-net increased in association with greater revenue relating to an increase in fiber optic service subscribers.

### Operating Results for SONY BMG MUSIC ENTERTAINMENT

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The following operating results for SONY BMG, which is accounted for by the equity method, are not consolidated in Sony's consolidated financial statements. However, Sony believes that this disclosure provides additional useful analytical information to investors regarding operating performance. The operating results of Sony BMG discussed below are reported on a U.S. GAAP basis. Sony records the operating results of SONY BMG in the equity in net income (loss) of affiliated companies line item in the consolidated statements of income.

|                             | (Millions of U.S. dollars) |              |       |
|-----------------------------|----------------------------|--------------|-------|
|                             | Year ended March 31        |              |       |
| 2006                        | 2007                       | Change in    |       |
|                             |                            | U.S. Dollars |       |
| Sales and operating revenue | \$4,283                    | \$4,101      | -4.2% |
| Income before income taxes  | 150                        | 135          | -10.0 |
| Net income                  | 95                         | 84           | -11.5 |

During the one-year period ended March 31, 2007, sales revenue at SONY BMG decreased by 4.2% compared to the previous year primarily due to the accelerated decline in the worldwide

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physical music market not being entirely offset by growth in digital product sales. Income before income taxes decreased by 10.0% compared to the previous year as a result of the decrease in sales; however, this was partially offset by the favorable impact of an industry-related legal settlement, a year-on-year reduction in restructuring charges of \$45 million and reductions in overhead costs from continued restructuring. As a result, Sony recorded equity in net income of ¥5.0 billion (\$43 million). Best selling albums during the year included Justin Timberlake's FutureSex/LoveSounds, Beyonce's B'Day, Il Divo's Siempre and Christina Aguilera's Back to Basics.

### Cash Flow

The following charts show Sony's unaudited condensed statements of cash flow for all segments excluding the Financial Services segment and for the Financial Services segment alone. These separate condensed presentations are not required under U.S. GAAP, which is used in Sony's consolidated financial statements. However, because the Financial Services segment is different in nature from Sony's other segments, Sony believes that these presentations may be useful in understanding and analyzing Sony's consolidated financial statements.

### Cash Flow - Consolidated (Excluding Financial Services segment)

|   | (Billions of yen, millions of U.S. dollars) |         |        |         |
|---|---|---------|--------|---------|
|   | Fiscal Year ended March 31                  |         |        |         |
| Cash flow   | 2006  | 2007    | Change | 2007    |
|   |   |         | in Yen |         |
| -----   | -----                                       | -----   | -----  | -----   |
| - From operating activities                               | ¥252.0                                      | ¥305.6  | ¥+53.6 | \$2,590 |
| - From investing activities                               | (296.4)                                     | (431.1) | -134.7 | (3,653) |
| - From financing activities                               | 74.6  | 59.6    | -15.0  | 505     |
| Cash and cash equivalents at beginning of the fiscal year | 519.7                                       | 585.5   | +65.7  | 4,961   |
| Cash and cash equivalents at end of the fiscal year       | 585.5                                       | 522.9   | -62.6  | 4,431   |

**Operating Activities:** During the fiscal year ended March 31, 2007, despite an increase in inventory mainly in the Electronics and Game segments, net cash was generated primarily due to the contribution of net income after taking account of depreciation and amortization. Although notes and accounts receivable increased significantly, this increase was exceeded by an increase in notes and accounts payable.

**Investing Activities:** During the fiscal year ended March 31, 2007, cash was generated primarily from the sale of a majority of Sony's holding in StylingLife, pursuant to Sony's planned gradual reduction in its stake in the company. Cash was used by Sony within the Electronics segment primarily for the purchase

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of fixed assets, principally semiconductor manufacturing facilities, and part of the additional investment in S-LCD with respect to manufacturing facilities for 8th generation TFT LCD panels.

As a result, the total amount of cash flow from operating activities and from investing activities during the fiscal year ended March 31, 2007 was a use of cash of Y125.5 billion (\$1,064 million).

**Financing Activities:** During the fiscal year ended March 31, 2007, although Sony redeemed a portion of its long-term debt including bonds and used cash to make dividend payments, financing was carried out through syndicated bank loans.

**Cash and Cash Equivalents:** As a result of the above factors, and taking into account the effect of foreign currency exchange rate fluctuations, the total balance of cash and cash equivalents decreased Y62.6 billion compared to March 31, 2006 to Y522.9 billion (\$4,431 million) as of March 31, 2007.

### Cash Flow - Financial Services segment

|   | (Billions of yen, millions of U.S. dollars) |         |         |         |
|---|---|---------|---------|---------|
|   | Fiscal Year ended March 31                  |         |         |         |
|   | 2006  | 2007    | Change  | 2007    |
|   |   |         | in Yen  |         |
| -----   | -----                                       | -----   | -----   | -----   |
| - From operating activities                               | Y147.1                                      | Y256.5  | Y+109.4 | \$2,174 |
| - From investing activities                               | (563.8)                                     | (276.7) | +287.0  | (2,345) |
| - From financing activities                               | 274.9                                       | 179.6   | -95.2   | 1,522   |
| Cash and cash equivalents at beginning of the fiscal year | 259.4                                       | 117.6   | -141.7  | 997     |
| Cash and cash equivalents at end of the fiscal year       | 117.6                                       | 277.0   | +159.4  | 2,348   |

**Operating Activities:** Net cash from operating activities was generated mainly due to an increase in revenue from insurance premiums, primarily reflecting an increase in insurance-in-force at Sony Life.

**Investing Activities:** Sony Life carried out investments primarily in Japanese fixed income securities.

**Financing Activities:** Despite a decrease in the balance of call money within the banking business, net cash from financing activities was generated as a result of an increase in policyholders' accounts at Sony Life and an increase in deposits from customers in the banking business.

**Cash and Cash Equivalents:** As a result of the above, cash and cash equivalents increased Y159.4 billion compared to March 31, 2006 to Y277.0 billion (\$2,348 million) as of March 31, 2007.

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Consolidated Results for the Fourth Quarter ended March 31, 2007  
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Sales were Y2,089.6 billion (\$17,709 million), an increase of 12.6% (a 9% increase on a local currency basis) compared with the same quarter of the previous fiscal year.

In the Electronics segment, overall sales increased significantly due to increased sales to outside customers and a substantial increase in intersegment sales to the Game segment. Sales primarily of "BRAVIA" LCD televisions, "VAIO" PCs and "Handycam(R)" video cameras increased, while sales of LCD rear projection televisions and CRT televisions decreased. In the Game segment, despite a decrease in sales from the PS2 and PSP businesses, there was a significant increase in overall sales as a result of the launch of the PS3. In the Pictures segment, revenue increased primarily due to higher worldwide home entertainment revenue from current year films including Casino Royale and The Pursuit of Happyness. In the Financial Services segment, revenue decreased mainly due to a decrease in valuation gains in the general account and the separate account at Sony Life.

An operating loss of Y113.4 billion (\$961 million) was recorded, a deterioration of Y61.5 billion from the same quarter of the previous fiscal year. In the Electronics segment, although the cost to sales ratio was negatively affected by severe price competition, the amount of loss decreased mainly as a result of a an increase in sales and a reduction in restructuring charges. The Game segment recorded a significant operating loss in the quarter mainly due to the sale of PS3 at strategic price points lower than its production cost during the introductory period. Operating income for the Pictures segment increased due to the higher revenue from current year films noted above, partially offset by the absence of a licensing agreement extension for Wheel of Fortune which was recognized in the fourth quarter of the prior fiscal year. Operating income within the Financial Services segment declined due to a decrease in valuation gains in the general account noted above.

Restructuring charges, which are recorded as operating expenses, for the fourth quarter amounted to Y23.1 billion (\$196 million) compared to Y75.3 billion in the same quarter of the previous fiscal year. In the Electronics segment, restructuring charges were Y22.5 billion (\$191 million) compared to Y63.4 billion in the same quarter of the previous fiscal year.

The loss before income taxes was Y105.7 billion (\$896 million), a Y57.8 billion deterioration compared to the same quarter of the previous fiscal year.

Income taxes: Sony recorded a Y24.9 billion (\$211 million) reversal to income tax expense mainly as a result of a loss recorded in the fourth quarter of the fiscal year.

Equity in net income of affiliated companies of Y12.3 billion (\$104 million) was recorded, a Y6.9 billion yen increase compared to the same quarter of the previous fiscal year. Sony Ericsson, with strong sales of "Walkman(R)" phones, contributed Y19.7 billion (\$167 million) to equity in net income, a Y12.1 billion increase compared to the same quarter of the previous fiscal year. In addition, Y2.0 billion (\$16 million) of equity

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in net income (before the elimination of unrealized intercompany profits of Y0.1 billion) was recorded for S-LCD, a Y0.3 billion decrease compared to the same quarter of the previous fiscal year. An equity in net loss of Y1.3 billion (\$11 million) was recorded for SONY BMG, a deterioration of Y1.0 billion compared to the same quarter of the previous fiscal year. In addition, Sony recorded an equity in net loss of approximately Y8.2 billion (\$69 million) for MGM, an increase in the amount of equity loss of Y4.6 billion compared to the same quarter of the previous fiscal year.

As a result, a net loss of Y67.6 billion (\$573 million) was recorded, a Y1.0 billion deterioration compared to the same quarter of the previous fiscal year.

### Notes

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Note I: During the fiscal year ended March 31, 2007, the average value of the yen was Y116.0 against the U.S. dollar and Y148.6 against the Euro, which was 3.2% lower against the U.S. dollar and 8.2% lower against the Euro, compared with the average rates for the previous fiscal year. Operating results reflect sales and operating income obtained by applying the yen's average exchange rate in the previous fiscal year to local currency-denominated monthly sales, cost of sales, and selling, general and administrative expenses in the fiscal year. Local currency basis results are not reflected in Sony's financial statements and are not measures conforming with U.S. GAAP. In addition, Sony does not believe that these measures are a substitute for U.S. GAAP measures. However, Sony believes that local currency basis results provide additional useful analytical information to investors regarding operating performance.

Note II: During the quarter ended March 31, 2007, the average value of the yen was Y118.5 against the U.S. dollar and Y155.0 against the Euro, which was 2.2% lower against the U.S. dollar and 10.2% lower against the Euro, compared with the average rates for the same quarter of the previous fiscal year.

### Rewarding Shareholders

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Sony believes that continuously increasing corporate value and providing dividends are essential to rewarding shareholders. It is Sony's policy to utilize retained earnings, after ensuring the perpetuation of stable dividends, to carry out various investments that contribute to an increase in corporate value such as those that ensure future growth and strengthen competitiveness.

On May 15, 2007, a year-end cash dividend of Y12.5 (\$0.11) per share (the same as the amount paid in the previous fiscal year) payable as of June 1, 2007 was approved by the Board of Directors. Sony Corporation has already paid an interim dividend of Y12.5 per share to each shareholder; accordingly, the total annual cash dividend per share would be Y25.0 (\$0.21).

### Number of Employees

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The number of employees at the end of March 2007 was approximately 163,000, an increase of approximately 4,500

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employees from the end of March 2006. Although there was a reduction in employees associated with the deconsolidation of StylingLife and restructuring at a number of manufacturing facilities, the total number of employees increased as a result of a significant increase of employees at manufacturing facilities in East Asia.

### Outlook for the Fiscal Year ending March 31, 2008

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|   |                | Change from previous<br>fiscal year |
|---|----------------|-------------------------------------|
| Sales and operating revenue                       | Y8,780 billion | +6%                                 |
| Operating income                                  | 440 billion    | +513                                |
| Income before income taxes                        | 420 billion    | +312                                |
| Equity in net income of affiliated companies      | 80 billion     | +2                                  |
| Net income  | 320 billion    | +153                                |
| Capital expenditures (additions to fixed assets)* | Y440 billion   | +6                                  |
| Depreciation and amortization**                   | 430 billion    | +7                                  |
| (Depreciation expenses for tangible assets)       | (350 billion)  | (+11)                               |
| Research and development expenses                 | 550 billion    | +1                                  |

\*Investments in S-LCD are not included within the forecast for capital expenditures.

\*\*The forecast for depreciation and amortization includes amortization of intangible assets and amortization of deferred insurance acquisition costs.

Assumed foreign currency exchange rates: approximately Y115 to the U.S. dollar and approximately Y150 to the Euro.

Forecasted consolidated operating results above have been prepared based on the current business environment and reflect the factors noted below.

The above forecast includes restructuring charges, recorded as operating expenses, of approximately Y35 billion expected to be incurred across the Sony Group during the fiscal year, primarily within the Electronics segment, compared to Y38.8 billion of restructuring charges recorded during the fiscal year ended March 31, 2007.

A gain on the sale of a portion of the site of Sony's former headquarters of approximately Y59.0 billion is expected during the fiscal year, compared to Y21.7 billion recorded during the fiscal year ended March 31, 2007. The gain is included in the operating income forecast above.

With regard to equity in net income of affiliated companies, MGM is expected to have no effect on equity in net income during the fiscal year ending March 31, 2008, due to the fact that Sony no longer has any book basis in MGM as of March 31, 2007. Equity in net loss for S-LCD is expected for the fiscal year ending March 31, 2008, due to the start of production on the 8th generation TFT LCD panel line.

The forecast for each business segment is as follows:

Electronics

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Sales are expected to increase primarily due to increased sales of LCD televisions and semiconductors including those for use within the Game segment. Operating income is expected to increase significantly due to an improvement in operating performance for televisions and semiconductors and the absence of a Y51.2 billion provision recorded in the fiscal year ended March 31, 2007 that relates to charges incurred as a result of the recalls of notebook computer battery packs and the subsequent global replacement program.

Capital expenditures within the semiconductor business during the fiscal year ending March 31, 2008, are expected to amount to approximately Y130.0 billion (the actual amount for the fiscal year ended March 31, 2007 was approximately Y150.0 billion).

### Game

-----  
An increase in sales is anticipated as a result of the full-scale expansion of the PS3 business in Japan, the United States and Europe. In addition, a significant reduction in operating loss is expected due to rapid reductions in hardware production costs and an enhanced line-up of software titles in the PS3 business.

### Pictures

-----  
Despite an expected decrease in sales resulting from fewer film releases, operating income is expected to significantly increase, mainly due to the carryover performance of the prior fiscal year's release slate and higher home entertainment and international television sales of motion picture library product.

### Financial Services

-----  
Although the effect of gains and losses on investments associated with stock market fluctuations in Japan are not incorporated within the forecast for the fiscal year ending March 31, 2008, we anticipate both an increase in revenue and operating income within the segment primarily due to an expansion in business at Sony Life.

### Cautionary Statement

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Statements made in this release 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," "may" or "might" 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 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



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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, as well as the economic conditions in Sony's markets, particularly levels of consumer spending; (ii) exchange rates, particularly between the yen and the U.S. dollar, the Euro and other currencies in which Sony makes significant sales 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 newly introduced platforms within the Game segment, which are offered in highly competitive markets characterized by continual new product introductions, rapid development in technology and subjective and changing consumer preferences (particularly in the Electronics, Game and Pictures segments, and music business); (iv) Sony's ability to recoup large-scale investment required for technology development and increasing production capacity; (v) Sony's ability to implement successfully personnel reduction and other business reorganization activities in its Electronics segment; (vi) Sony's ability to implement successfully its network strategy for its Electronics, Game and Pictures segments and All Other, including the music business, and to develop and implement successful sales and distribution strategies in its Pictures segment and music business 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 correctly prioritize investments (particularly in the Electronics segment); (viii) 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; and (ix) the success of Sony's joint ventures and alliances. Risks and uncertainties also include the impact of any future events with material unforeseen impacts.

### Business Segment Information

|                             | (Millions of yen, millions of U.S. dollars) |             |         |           |
|-----------------------------|---|-------------|---------|-----------|
|                             | Fiscal year ended March 31                  |             |         |           |
| Sales and operating revenue | 2006  | 2007        | Change  | 2007      |
| -----                       | -----                                       | -----       | -----   | -----     |
| Electronics                 |   |             |         |           |
| Customers                   | Y 4,782,173                                 | Y 5,421,384 | +13.4 % | \$ 45,944 |
| Intersegment                | 394,206                                     | 629,087     |         | 5,331     |
| -----                       |   |             |         |           |
| Total                       | 5,176,379                                   | 6,050,471   | +16.9   | 51,275    |
| Game                        |   |             |         |           |
| Customers                   | 918,252                                     | 974,218     | +6.1    | 8,256     |
| Intersegment                | 40,368                                      | 42,571      |         | 361       |
| -----                       |   |             |         |           |
| Total                       | 958,620                                     | 1,016,789   | +6.1    | 8,617     |

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|                    |             |             |         |           |
|--------------------|-------------|-------------|---------|-----------|
| Pictures           |             |             |         |           |
| Customers          | 745,859     | 966,260     | +29.5   | 8,189     |
| Intersegment       | -           | -           |         | -         |
| -----              | -----       | -----       |         | -----     |
| Total              | 745,859     | 966,260     | +29.5   | 8,189     |
| Financial Services |             |             |         |           |
| Customers          | 720,566     | 624,282     | -13.4   | 5,291     |
| Intersegment       | 22,649      | 25,059      |         | 212       |
| -----              | -----       | -----       |         | -----     |
| Total              | 743,215     | 649,341     | -12.6   | 5,503     |
| All Other          |             |             |         |           |
| Customers          | 343,747     | 309,551     | -9.9    | 2,623     |
| Intersegment       | 82,297      | 68,087      |         | 577       |
| -----              | -----       | -----       |         | -----     |
| Total              | 426,044     | 377,638     | -11.4   | 3,200     |
| Elimination        | (539,520)   | (764,804)   | -       | (6,481)   |
| -----              | -----       | -----       |         | -----     |
| Consolidated total | Y 7,510,597 | Y 8,295,695 | +10.5 % | \$ 70,303 |

Electronics intersegment amounts primarily consist of transactions with the Game segment, Pictures segment and All Other. All Other intersegment amounts primarily consist of transactions with the Electronics and Game segments.

| Operating income (loss)   | 2006      | 2007      | Change     | 2007     |
|---------------------------|-----------|-----------|------------|----------|
| -----                     | -----     | -----     | -----      | -----    |
| Electronics               | Y 6,913   | Y 156,745 | +2,167.4 % | \$ 1,328 |
| Game                      | 8,748     | (232,325) | -          | (1,969)  |
| Pictures                  | 27,436    | 42,708    | +55.7      | 362      |
| Financial Services        | 188,323   | 84,142    | -55.3      | 713      |
| All Other                 | 20,525    | 32,417    | +57.9      | 275      |
| -----                     | -----     | -----     |            | -----    |
| Total                     | 251,945   | 83,687    | -66.8      | 709      |
| Corporate and elimination | (25,529)  | (11,937)  | -          | (101)    |
| -----                     | -----     | -----     |            | -----    |
| Consolidated total        | Y 226,416 | Y 71,750  | -68.3 %    | \$ 608   |

(Millions of yen, millions of U.S. dollars)  
Fourth quarter ended March 31  
(Unaudited)

| Sales and operating revenue | 2006        | 2007        | Change | 2007      |
|-----------------------------|-------------|-------------|--------|-----------|
| -----                       | -----       | -----       | -----  | -----     |
| Electronics                 |             |             |        |           |
| Customers                   | Y 1,168,170 | Y 1,274,137 | +9.1 % | \$ 10,798 |
| Intersegment                | 55,013      | 253,349     |        | 2,147     |
| -----                       | -----       | -----       |        | -----     |
| Total                       | 1,223,183   | 1,527,486   | +24.9  | 12,945    |
| Game                        |             |             |        |           |
| Customers                   | 145,856     | 270,290     | +85.3  | 2,291     |
| Intersegment                | 6,494       | 10,891      |        | 92        |
| -----                       | -----       | -----       |        | -----     |

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|                    |             |             |         |           |
|--------------------|-------------|-------------|---------|-----------|
| Total              | 152,350     | 281,181     | +84.6   | 2,383     |
| Pictures           |             |             |         |           |
| Customers          | 240,382     | 286,401     | +19.1   | 2,427     |
| Intersegment       | -           | -           |         | -         |
| -----              | -----       | -----       |         | -----     |
| Total              | 240,382     | 286,401     | +19.1   | 2,427     |
| Financial Services |             |             |         |           |
| Customers          | 217,289     | 176,484     | -18.8   | 1,496     |
| Intersegment       | 5,839       | 7,745       |         | 66        |
| -----              | -----       | -----       |         | -----     |
| Total              | 223,128     | 184,229     | -17.4   | 1,562     |
| All Other          |             |             |         |           |
| Customers          | 84,047      | 82,293      | -2.1    | 697       |
| Intersegment       | 22,568      | 17,193      |         | 146       |
| -----              | -----       | -----       |         | -----     |
| Total              | 106,615     | 99,486      | -6.7    | 843       |
| Elimination        | (89,914)    | (289,178)   | -       | (2,451)   |
| -----              | -----       | -----       |         | -----     |
| Consolidated total | Y 1,855,744 | Y 2,089,605 | +12.6 % | \$ 17,709 |

Electronics intersegment amounts primarily consist of transactions with the Game segment, Pictures segment and All Other.

All Other intersegment amounts primarily consist of transactions with the Electronics and Game segments.

| Operating income (loss)      | 2006       | 2007        | Change | 2007     |
|------------------------------|------------|-------------|--------|----------|
| -----                        | -----      | -----       | -----  | -----    |
| Electronics                  | Y (81,562) | Y (74,135)  | - %    | \$ (628) |
| Game                         | (61,396)   | (107,827)   | -      | (914)    |
| Pictures                     | 30,201     | 32,912      | +9.0   | 279      |
| Financial Services           | 79,306     | 29,526      | -62.8  | 250      |
| All Other                    | (8,948)    | 5,446       | -      | 46       |
| -----                        | -----      | -----       |        | -----    |
| Total                        | (42,399)   | (114,078)   | -      | (967)    |
| Corporate and<br>elimination | (9,503)    | 706         | -      | 6        |
| -----                        | -----      | -----       |        | -----    |
| Consolidated total           | Y (51,902) | Y (113,372) | - %    | \$ (961) |

Electronics Sales and Operating Revenue to Customers by Product

-----  
Category

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

Fiscal year ended March 31

| Sales and operating<br>revenue    | 2006      | 2007      | Change | 2007     |
|-----------------------------------|-----------|-----------|--------|----------|
| -----                             | -----     | -----     | -----  | -----    |
| Audio                             | Y 536,187 | Y 522,879 | -2.5 % | \$ 4,431 |
| Video                             | 1,021,325 | 1,143,120 | +11.9  | 9,687    |
| Televisions                       | 927,769   | 1,226,971 | +32.2  | 10,398   |
| Information and<br>Communications | 842,537   | 950,461   | +12.8  | 8,055    |
| Semiconductors                    | 172,249   | 205,757   | +19.5  | 1,744    |
| Components                        | 800,716   | 852,981   | +6.5   | 7,229    |
| Other                             | 481,390   | 519,215   | +7.9   | 4,400    |

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|       |             |             |         |           |
|-------|-------------|-------------|---------|-----------|
| ----- | -----       | -----       | -----   | -----     |
| Total | Y 4,782,173 | Y 5,421,384 | +13.4 % | \$ 45,944 |

Fourth quarter ended March 31 (Unaudited)

| Sales and operating revenue    | 2006        | 2007        | Change | 2007      |
|--------------------------------|-------------|-------------|--------|-----------|
| -----                          | -----       | -----       | -----  | -----     |
| Audio                          | Y 104,684   | Y 110,243   | +5.3 % | \$ 934    |
| Video                          | 209,284     | 234,586     | +12.1  | 1,988     |
| Televisions                    | 247,044     | 292,614     | +18.4  | 2,480     |
| Information and Communications | 253,220     | 263,464     | +4.0   | 2,233     |
| Semiconductors                 | 44,647      | 53,085      | +18.9  | 450       |
| Components                     | 198,203     | 199,322     | +0.6   | 1,689     |
| Other                          | 111,088     | 120,823     | +8.8   | 1,024     |
| -----                          | -----       | -----       | -----  | -----     |
| Total                          | Y 1,168,170 | Y 1,274,137 | +9.1 % | \$ 10,798 |

The above table is a breakdown of Electronics sales and operating revenue to customers in the Business Segment Information. The Electronics segment is managed as a single operating segment by Sony's management. However, Sony believes that the information in this table is useful to investors in understanding the product categories in this business segment. Commencing April 1, 2006, Sony has partly realigned its product category configuration in the Electronics segment. Accordingly, results for the same period of the previous fiscal year have been reclassified. The primary change is as shown below:

| Main Product   | Previous Product Category |       | New Product Category |
|--|---------------------------|-------|----------------------|
| -----  | -----                     | ----- | -----                |
| Low-temperature polysilicon thin film transistor LCD | "Semiconductors"          | ->    | "Components"         |
| Chemical component                                   | "Other"                   | ->    | "Components"         |

Geographic Segment Information

(Millions of yen, millions of U.S. dollars)  
Fiscal year ended March 31

| Sales and operating revenue | 2006        | 2007        | Change  | 2007      |
|-----------------------------|-------------|-------------|---------|-----------|
| -----                       | -----       | -----       | -----   | -----     |
| Japan                       | Y 2,203,812 | Y 2,127,841 | -3.4 %  | \$ 18,033 |
| United States               | 1,957,644   | 2,232,453   | +14.0   | 18,919    |
| Europe                      | 1,715,775   | 2,037,658   | +18.8   | 17,268    |
| Other Areas                 | 1,633,366   | 1,897,743   | +16.2   | 16,083    |
| -----                       | -----       | -----       | -----   | -----     |
| Total                       | Y 7,510,597 | Y 8,295,695 | +10.5 % | \$ 70,303 |

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Fourth quarter ended March 31 (Unaudited)

| Sales and operating<br>revenue | 2006        | 2007        | Change  | 2007      |
|--------------------------------|-------------|-------------|---------|-----------|
| -----                          | -----       | -----       | -----   | -----     |
| Japan                          | Y 596,379   | Y 544,476   | -8.7 %  | \$ 4,614  |
| United States                  | 443,644     | 541,416     | +22.0   | 4,589     |
| Europe                         | 396,259     | 539,385     | +36.1   | 4,571     |
| Other Areas                    | 419,462     | 464,328     | +10.7   | 3,935     |
| -----                          | -----       | -----       | -----   | -----     |
| Total                          | Y 1,855,744 | Y 2,089,605 | +12.6 % | \$ 17,709 |

Classification of Geographic Segment Information shows sales and operating revenue recognized by location of customers.

### Consolidated Statements of Income

(Millions of yen, millions of U.S. dollars, except per share amounts)  
Fiscal year ended March 31

| Sales and operating<br>revenue:  | 2006        | 2007        | Change | 2007      |
|--|-------------|-------------|--------|-----------|
| -----  | -----       | -----       | -----  | -----     |
|  |             |             | %      |           |
| Net sales  | Y 6,692,776 | Y 7,567,359 |        | \$ 64,130 |
| Financial service<br>revenue   | 720,566     | 624,282     |        | 5,291     |
| Other operating<br>revenue   | 97,255      | 104,054     |        | 882       |
| -----  | -----       | -----       | -----  | -----     |
|  | 7,510,597   | 8,295,695   | +10.5  | 70,303    |
| Costs and expenses:  |             |             |        |           |
| Cost of sales  | 5,151,397   | 5,889,601   |        | 49,912    |
| Selling, general<br>and administrative                                   | 1,527,036   | 1,788,427   |        | 15,156    |
| Financial service<br>expenses  | 531,809     | 540,097     |        | 4,577     |
| Loss on sale,<br>disposal or<br>impairment of<br>assets, net             | 73,939      | 5,820       |        | 50        |
| -----  | -----       | -----       | -----  | -----     |
|  | 7,284,181   | 8,223,945   |        | 69,695    |
| Operating income   | 226,416     | 71,750      | -68.3  | 608       |
| Other income:  |             |             |        |           |
| Interest and<br>dividends  | 24,937      | 28,240      |        | 239       |
| Gain on sale<br>of securities<br>investments, net                        | 9,645       | 14,695      |        | 125       |
| Gain on change in<br>interest in<br>subsidiaries and<br>equity investees | 60,834      | 31,509      |        | 267       |
| Other  | 23,039      | 20,738      |        | 176       |
| -----  | -----       | -----       | -----  | -----     |
|  | 118,455     | 95,182      |        | 807       |
| Other expenses:  |             |             |        |           |
| Interest   | 28,996      | 27,278      |        | 231       |

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|  |           |           |       |          |
|--|-----------|-----------|-------|----------|
| Loss on devaluation of securities investments                                    | 3,878     | 1,308     |       | 11       |
| Foreign exchange loss, net   | 3,065     | 18,835    |       | 160      |
| Other  | 22,603    | 17,474    |       | 148      |
|  | -----     | -----     |       | -----    |
|  | 58,542    | 64,895    |       | 550      |
|  | -----     | -----     |       | -----    |
| Income before income taxes   | 286,329   | 102,037   | -64.4 | 865      |
| Income taxes   | 176,515   | 53,888    |       | 457      |
|  | -----     | -----     |       | -----    |
| Income before minority interest and equity in net income of affiliated companies | 109,814   | 48,149    | -56.2 | 408      |
| Minority interest in income (loss) of consolidated subsidiaries                  | (626)     | 475       |       | 4        |
| Equity in net income of affiliated companies                                     | 13,176    | 78,654    |       | 667      |
|  | -----     | -----     |       | -----    |
| Net income   | Y 123,616 | Y 126,328 | +2.2  | \$ 1,071 |
|  | -----     | -----     |       | -----    |
| Per share data:  |           |           |       |          |
| Net income   |           |           |       |          |
| - Basic  | Y 122.58  | Y 126.15  | +2.9  | \$ 1.07  |
| - Diluted  | 116.88    | 120.29    | +2.9  | 1.02     |

(Millions of yen, millions of U.S. dollars, except per share amounts)  
Fourth quarter ended March 31  
(Unaudited)

| Sales and operating revenue:                        | 2006        | 2007        | Change | 2007      |
|---|-------------|-------------|--------|-----------|
| -----   | -----       | -----       | -----  | -----     |
|   |             |             |        |           |
| Net sales   | Y 1,612,012 | Y 1,886,791 |        | \$ 15,990 |
| Financial service revenue                           | 217,289     | 176,484     |        | 1,496     |
| Other operating revenue                             | 26,443      | 26,330      |        | 223       |
|   | -----       | -----       |        | -----     |
|   | 1,855,744   | 2,089,605   | +12.6  | 17,709    |
| Costs and expenses:                                 |             |             |        |           |
| Cost of sales                                       | 1,300,497   | 1,570,938   |        | 13,313    |
| Selling, general and administrative                 | 430,004     | 484,944     |        | 4,110     |
| Financial service expenses                          | 137,607     | 146,902     |        | 1,245     |
| Loss on sale, disposal or impairment of assets, net | 39,538      | 193         |        | 2         |
|   | -----       | -----       |        | -----     |

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|   |            |            |   |           |
|---|------------|------------|---|-----------|
|   | 1,907,646  | 2,202,977  |   | 18,670    |
| Operating income (loss)   | (51,902)   | (113,372)  | - | (961)     |
| Other income:   |            |            |   |           |
| Interest and dividends  | 7,461      | 10,384     |   | 88        |
| Foreign exchange gain, net  | 224        | -          |   | -         |
| Gain on sale of securities investments, net   | 798        | 5,376      |   | 46        |
| Gain on change in interest in subsidiaries and equity investees                         | 3,357      | 57         |   | 0         |
| Other   | 6,959      | 7,774      |   | 66        |
|   | -----      | -----      |   | -----     |
|   | 18,799     | 23,591     |   | 200       |
| Other expenses:   |            |            |   |           |
| Interest  | 9,032      | 6,829      |   | 58        |
| Loss on devaluation of securities investments   | 763        | 264        |   | 2         |
| Foreign exchange loss, net  | -          | 5,032      |   | 43        |
| Other   | 4,965      | 3,778      |   | 32        |
|   | -----      | -----      |   | -----     |
|   | 14,760     | 15,903     |   | 135       |
| Income (loss) before income taxes   | (47,863)   | (105,684)  | - | (896)     |
| Income taxes  | 23,572     | (24,858)   |   | (211)     |
|   | -----      | -----      |   | -----     |
| Income (loss) before minority interest and equity in net income of affiliated companies | (71,435)   | (80,826)   | - | (685)     |
| Minority interest in income (loss) of consolidated subsidiaries                         | 467        | (956)      |   | (8)       |
| Equity in net income of affiliated companies  | 5,369      | 12,310     |   | 104       |
|   | -----      | -----      |   | -----     |
| Net income (loss)   | Y (66,533) | Y (67,560) | - | \$ (573)  |
|   | -----      | -----      |   | -----     |
| Per share data:   |            |            |   |           |
| Net income (loss)   |            |            |   |           |
| - Basic   | Y (66.48)  | Y (67.44)  | - | \$ (0.57) |
| - Diluted   | (66.48)    | (67.44)    | - | (0.57)    |

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Consolidated Balance Sheets

|   | (Millions of yen, millions of U.S. dollars) |                     |                     |
|---|---|---------------------|---------------------|
|   | March<br>31<br>2006                         | March<br>31<br>2007 | March<br>31<br>2007 |
| ASSETS  |   |                     |                     |
|   | -----                                       | -----               | -----               |
| Current assets:                                   |   |                     |                     |
| Cash and cash equivalents                         | Y 703,098                                   | Y 799,899           | \$ 6,779            |
| Marketable securities                             | 536,968                                     | 493,315             | 4,181               |
| Notes and accounts receivable, trade              | 1,075,071                                   | 1,490,452           | 12,631              |
| Allowance for doubtful accounts and sales returns | (89,563)                                    | (120,675)           | (1,023)             |
| Inventories                                       | 804,724                                     | 940,875             | 7,974               |
| Deferred income taxes                             | 221,311                                     | 243,782             | 2,066               |
| Prepaid expenses and other current assets         | 517,915                                     | 699,075             | 5,924               |
|   | -----                                       | -----               | -----               |
|   | 3,769,524                                   | 4,546,723           | 38,532              |
| Film costs  | 360,372                                     | 308,694             | 2,616               |
| Investments and advances:                         |   |                     |                     |
| Affiliated companies                              | 285,870                                     | 448,169             | 3,798               |
| Securities investments and other                  | 3,234,037                                   | 3,440,567           | 29,157              |
|   | -----                                       | -----               | -----               |
|   | 3,519,907                                   | 3,888,736           | 32,955              |
| Property, plant and equipment:                    |   |                     |                     |
| Land  | 178,844                                     | 167,493             | 1,419               |
| Buildings   | 926,783                                     | 978,680             | 8,294               |
| Machinery and equipment                           | 2,327,676                                   | 2,479,308           | 21,011              |
| Construction in progress                          | 116,149                                     | 64,855              | 550                 |
| Less-Accumulated depreciation                     | (2,160,905)                                 | (2,268,805)         | (19,227)            |
|   | -----                                       | -----               | -----               |
|   | 1,388,547                                   | 1,421,531           | 12,047              |
| Other assets:                                     |   |                     |                     |
| Intangibles, net                                  | 207,034                                     | 233,255             | 1,977               |
| Goodwill  | 299,024                                     | 304,669             | 2,582               |
| Deferred insurance acquisition costs              | 383,156                                     | 394,117             | 3,340               |
| Deferred income taxes                             | 178,751                                     | 216,997             | 1,839               |
| Other   | 501,438                                     | 401,640             | 3,403               |



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|             |             |           |
|-------------|-------------|-----------|
| -----       | -----       | -----     |
| 1,569,403   | 1,550,678   | 13,141    |
| -----       | -----       | -----     |
| Y10,607,753 | Y11,716,362 | \$ 99,291 |
| -----       | -----       | -----     |

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:

|   |           |           |        |
|---|-----------|-----------|--------|
| Short-term borrowings                           | Y 142,766 | Y 52,291  | \$ 443 |
| Current portion of long-term debt               | 193,555   | 43,170    | 366    |
| Notes and accounts payable, trade               | 813,332   | 1,179,694 | 9,997  |
| Accounts payable, other and accrued expenses    | 854,886   | 968,757   | 8,210  |
| Accrued income and other taxes                  | 87,295    | 70,286    | 596    |
| Deposits from customers in the banking business | 599,952   | 752,367   | 6,376  |
| Other   | 508,442   | 485,287   | 4,112  |
|   | -----     | -----     | -----  |
|   | 3,200,228 | 3,551,852 | 30,100 |

Long-term liabilities:

|  |           |           |        |
|--|-----------|-----------|--------|
| Long-term debt                             | 764,898   | 1,001,005 | 8,483  |
| Accrued pension and severance costs        | 182,247   | 173,474   | 1,470  |
| Deferred income taxes                      | 216,497   | 261,102   | 2,213  |
| Future insurance policy benefits and other | 2,744,321 | 3,037,666 | 25,743 |
| Other                                      | 258,609   | 281,589   | 2,387  |
|  | -----     | -----     | -----  |
|  | 4,166,572 | 4,754,836 | 40,296 |

|  |        |        |     |
|--|--------|--------|-----|
| Minority interest in consolidated subsidiaries | 37,101 | 38,970 | 330 |
|--|--------|--------|-----|

Stockholders' equity:

|  |             |           |        |
|--|-------------|-----------|--------|
| Capital stock                          | 624,124     | 626,907   | 5,313  |
| Additional paid-in capital             | 1,136,638   | 1,143,423 | 9,690  |
| Retained earnings                      | 1,602,654   | 1,719,506 | 14,572 |
| Accumulated other comprehensive income | (156,437)   | (115,493) | (979)  |
| Treasury stock, at cost                | (3,127)     | (3,639)   | (31)   |
|  | -----       | -----     | -----  |
|  | 3,203,852   | 3,370,704 | 28,565 |
|  | -----       | -----     | -----  |
| Y10,607,753                            | Y11,716,362 | \$ 99,291 |        |
| -----                                  | -----       | -----     |        |

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Consolidated Statements of Changes in Stockholders' Equity (Unaudited)

|   | (Millions of yen)               |                 |                                  |                      |   |                      |       |
|---|---------------------------------|-----------------|----------------------------------|----------------------|---|----------------------|-------|
|   | Subsidiary<br>tracking<br>stock | Common<br>stock | Additional<br>paid-in<br>capital | Retained<br>earnings | Accumulated<br>other<br>comprehensive<br>income | Treas<br>stock,<br>c |       |
| -----                                       | -----                           | -----           | -----                            | -----                | -----   | -----                | ----- |
| Balance at March 31, 2005                   | Y 3,917                         | Y 617,792       | Y 1,134,222                      | Y 1,506,082          | Y (385,675)                                     | Y (6,                |       |
| Exercise of stock acquisition rights        |                                 | 931             | 932                              |                      |   |                      |       |
| Conversion of convertible bonds             |                                 | 1,484           | 1,484                            |                      |   |                      |       |
| Conversion of subsidiary tracking stock     | (3,917)                         | 3,917           |                                  |                      |   |                      |       |
| Comprehensive income:                       |                                 |                 |                                  |                      |   |                      |       |
| Net income                                  |                                 |                 |                                  | 123,616              |   |                      |       |
| Other comprehensive income, net of tax      |                                 |                 |                                  |                      |   |                      |       |
| Unrealized gains on securities              |                                 |                 |                                  |                      | 38,135  |                      |       |
| Unrealized losses on derivative instruments |                                 |                 |                                  |                      | 441   |                      |       |
| Minimum pension liability adjustment        |                                 |                 |                                  |                      | 50,206  |                      |       |
| Foreign currency translation adjustments    |                                 |                 |                                  |                      | 140,456   |                      |       |
| Total comprehensive income                  |                                 |                 |                                  |                      |   |                      |       |
| Stock issue costs, net of tax               |                                 |                 |                                  | (780)                |   |                      |       |
| Dividends declared                          |                                 |                 |                                  | (24,968)             |   |                      |       |
| Purchase of treasury stock                  |                                 |                 |                                  |                      |   |                      |       |
| Reissuance of treasury stock                |                                 |                 |                                  | (1,296)              |   |                      |       |
| -----                                       | -----                           | -----           | -----                            | -----                | -----   | -----                | ----- |
| Balance at March 31, 2006                   | Y -                             | Y 624,124       | Y 1,136,638                      | Y 1,602,654          | Y (156,437)                                     | Y (3,                |       |
| Exercise of stock                           |                                 | 2,175           | 2,175                            |                      |   |                      |       |

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|   |    |                           |              |                            |                   |  |                |
|---|----|---------------------------|--------------|----------------------------|-------------------|--|----------------|
| acquisition rights                                    |    |                           |              |                            |                   |  |                |
| Conversion of convertible bonds                       |    | 608                       |              | 608                        |                   |  |                |
| Stock based compensation                              |    |                           |              | 3,993                      |                   |  |                |
| Comprehensive income:                                 |    |                           |              |                            |                   |  |                |
| Net income  |    |                           |              |                            | 126,328           |  |                |
| Cumulative effect of an accounting change, net of tax |    |                           |              |                            | (3,785)           |  |                |
| Other comprehensive income, net of tax                |    |                           |              |                            |                   |  |                |
| Unrealized gains on securities                        |    |                           |              |                            |                   | (14,708)                               |                |
| Unrealized losses on derivative instruments           |    |                           |              |                            |                   | 974                                    |                |
| Minimum pension liability adjustment                  |    |                           |              |                            |                   | (2,754)                                |                |
| Foreign currency translation adjustments              |    |                           |              |                            |                   | 86,313                                 |                |
| Total comprehensive income                            |    |                           |              |                            |                   |  |                |
| Stock issue costs, net of tax                         |    |                           |              |                            | (22)              |  |                |
| Dividends declared                                    |    |                           |              |                            | (25,042)          |  |                |
| Purchase of treasury stock                            |    |                           |              |                            |                   |  |                |
| Reissuance of treasury stock                          |    |                           |              | 9                          |                   |  |                |
| Adoption of SFAS No.158                               |    |                           |              |                            |                   | (9,508)                                |                |
| Other   |    |                           |              |                            | 19,373            | (19,373)                               |                |
| -----   |    |                           |              |                            |                   |  |                |
| Balance at March 31, 2007                             | Y  | -                         | Y 626,907    | Y 1,143,423                | Y 1,719,506       | Y (115,493)                            | Y (3,          |
| -----   |    |                           |              |                            |                   |  |                |
| (Millions of U.S. dollars)                            |    |                           |              |                            |                   |  |                |
|   |    | Subsidiary tracking stock | Common stock | Additional paid-in capital | Retained earnings | Accumulated other comprehensive income | Treas stock, c |
| -----   |    | -----                     | -----        | -----                      | -----             | -----                                  | -----          |
| Balance at March 31, 2006                             | \$ | -                         | \$ 5,289     | \$ 9,633                   | \$ 13,582         | \$ (1,326)                             | \$             |
| Exercise of stock acquisition rights                  |    |                           | 19           | 18                         |                   |  |                |

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|   |    |   |    |       |    |       |       |        |    |       |    |
|---|----|---|----|-------|----|-------|-------|--------|----|-------|----|
| Conversion of convertible bonds                       |    | 5 |    | 5     |    |       |       |        |    |       |    |
| Stock based compensation                              |    |   |    |       | 34 |       |       |        |    |       |    |
| Comprehensive income:                                 |    |   |    |       |    |       |       |        |    |       |    |
| Net income  |    |   |    |       |    | 1,071 |       |        |    |       |    |
| Cumulative effect of an accounting change, net of tax |    |   |    |       |    | (32)  |       |        |    |       |    |
| Other comprehensive income, net of tax                |    |   |    |       |    |       |       |        |    |       |    |
| Unrealized gains on securities                        |    |   |    |       |    |       | (125) |        |    |       |    |
| Unrealized losses on derivative instruments           |    |   |    |       |    |       | 8     |        |    |       |    |
| Minimum pension liability adjustment                  |    |   |    |       |    |       | (22)  |        |    |       |    |
| Foreign currency translation adjustments              |    |   |    |       |    |       | 731   |        |    |       |    |
| Total comprehensive income                            |    |   |    |       |    |       |       |        |    |       |    |
| Stock issue costs, net of tax                         |    |   |    |       |    | (1)   |       |        |    |       |    |
| Dividends declared                                    |    |   |    |       |    | (212) |       |        |    |       |    |
| Purchase of treasury stock                            |    |   |    |       |    |       |       |        |    |       |    |
| Reissuance of treasury stock                          |    |   |    | 0     |    |       |       |        |    |       |    |
| Adoption of SFAS No.158                               |    |   |    |       |    |       | (81)  |        |    |       |    |
| Other   |    |   |    |       |    | 164   | (164) |        |    |       |    |
| Balance at March 31, 2007                             | \$ | - | \$ | 5,313 | \$ | 9,690 | \$    | 14,572 | \$ | (979) | \$ |

Consolidated Statements of Cash Flows

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

|                                       | Fiscal year ended March 31 |           |          |
|---------------------------------------|----------------------------|-----------|----------|
|                                       | 2006                       | 2007      | 2007     |
| Cash flows from operating activities: |                            |           |          |
| Net income                            | Y 123,616                  | Y 126,328 | \$ 1,071 |

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|   |          |          |       |
|---|----------|----------|-------|
| Adjustments to reconcile net income to net cash provided by operating activities:                           |          |          |       |
| Depreciation and amortization, including amortization of deferred insurance acquisition costs               | 381,843  | 400,009  | 3,390 |
| Amortization of film costs  | 286,655  | 368,382  | 3,122 |
| Stock-based compensation expense  | 150      | 3,838    | 33    |
| Gain on the transfer to the Japanese Government of the substitutional portion of employee pension fund, net | (73,472) | -        | -     |
| Loss on sale, disposal or impairment of assets, net   | 73,939   | 5,820    | 50    |
| Gain on sale or loss on devaluation of securities investments, net  | (5,767)  | (13,387) | (114) |
| Gain on evaluation of marketable securities held in the financial service business for trading purpose, net | (44,986) | (11,857) | (100) |
| Gain on change in interest in subsidiaries and equity investees   | (60,834) | (31,509) | (267) |
| Deferred income taxes   | 80,115   | (13,193) | (112) |
| Equity in net (income) loss of affiliated companies, net of dividends                                       | 9,794    | (68,179) | (578) |
| Changes in assets and   |          |          |       |

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|   |           |           |         |
|---|-----------|-----------|---------|
| liabilities:  |           |           |         |
| (Increase)  | 17,464    | (357,891) | (3,033) |
| decrease in notes and accounts receivable, trade  |           |           |         |
| Increase in inventories   | (164,772) | (119,202) | (1,010) |
| Increase in film costs  | (339,697) | (320,079) | (2,713) |
| Increase - decrease- in notes and accounts payable, trade   | (9,078)   | 362,079   | 3,068   |
| Increase - decrease- in accrued income and other taxes  | 29,009    | (14,396)  | (122)   |
| Increase in future insurance policy benefits and other  | 143,122   | 172,498   | 1,462   |
| Increase in deferred insurance acquisition costs  | (51,520)  | (61,563)  | (522)   |
| (Increase) decrease in marketable securities held in the financial service business for trading purpose | (35,346)  | 31,732    | 269     |
| Increase in other current assets  | (8,792)   | (35,133)  | (298)   |
| Increase in other current liabilities   | 105,865   | 76,766    | 650     |
| Other   | (57,450)  | 59,965    | 508     |
|   | -----     | -----     | -----   |
| Net cash provided by operating activities   | 399,858   | 561,028   | 4,754   |
|   | -----     | -----     | -----   |
| Cash flows from investing activities:   |           |           |         |
| Payments for purchases of fixed assets  | (462,473) | (527,515) | (4,470) |
| Proceeds from   | 38,168    | 87,319    | 740     |

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|  |             |           |         |
|--|-------------|-----------|---------|
| sales of fixed assets  |             |           |         |
| Payments for investments and advances by financial service business  | (1,368,158) | (914,754) | (7,752) |
| Payments for investments and advances (other than financial service business)  | (36,947)    | (100,152) | (849)   |
| Proceeds from maturities of marketable securities, sales of securities investments and collections of advances by financial service business           | 857,376     | 679,772   | 5,761   |
| Proceeds from maturities of marketable securities, sales of securities investments and collections of advances (other than financial service business) | 24,527      | 22,828    | 193     |
| Proceeds from sales of subsidiaries' and equity investees' stocks  | 75,897      | 43,157    | 365     |
| Other  | 346         | (6,085)   | (51)    |
|  | -----       | -----     | -----   |
| Net cash used in investing activities  | (871,264)   | (715,430) | (6,063) |
| Cash flows from financing activities:  |             |           |         |
| Proceeds from issuance of long-term debt   | 246,326     | 270,780   | 2,295   |
| Payments of long-term debt   | (138,773)   | (182,374) | (1,546) |
| Increase (decrease) in short-term borrowings   | (11,045)    | 6,096     | 52      |
| Increase in deposits from customers in the financial   | 190,320     | 273,435   | 2,317   |

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|   |           |           |          |
|---|-----------|-----------|----------|
| service<br>business   |           |           |          |
| Increase (decrease)<br>in call money and<br>bills sold in the<br>banking business | 86,100    | (100,700) | (853)    |
| Dividends paid  | (24,810)  | (25,052)  | (212)    |
| Proceeds from<br>issuance of stocks<br>under stock-based<br>compensation plans    | 4,681     | 5,566     | 47       |
| Proceeds from<br>issuance of<br>stocks by<br>subsidiaries                         | 6,937     | 2,217     | 19       |
| Other   | 128       | (2,065)   | (18)     |
|   | -----     | -----     | -----    |
| Net cash<br>provided by<br>financing<br>activities                                | 359,864   | 247,903   | 2,101    |
|   | -----     | -----     | -----    |
| Effect of<br>exchange rate<br>changes on cash<br>and cash<br>equivalents          | 35,537    | 3,300     | 28       |
|   | -----     | -----     | -----    |
| Net increase<br>(decrease) in<br>cash and cash<br>equivalents                     | (76,005)  | 96,801    | 820      |
| Cash and cash<br>equivalents at<br>beginning of the<br>fiscal year                | 779,103   | 703,098   | 5,959    |
|   | -----     | -----     | -----    |
| Cash and cash<br>equivalents at<br>end of the fiscal<br>year                      | Y 703,098 | Y 799,899 | \$ 6,779 |
|   | -----     | -----     | -----    |

(Notes)

1. U.S. dollar amounts have been translated from yen, for convenience only, at the rate of Y118 = U.S. \$1, the approximate Tokyo foreign exchange market rate as of March 30, 2007.
2. As of March 31, 2007, Sony had 960 consolidated subsidiaries (including variable interest entities). It has applied the equity accounting method in respect to 62 affiliated companies.
3. Prior to December 1, 2005, Sony calculated and presented per share data separately for Sony's common stock and for the subsidiary tracking stock applying the "two-class" method based on Statement of Financial Accounting Standards ("FAS") No.128, "Earnings per Share". On October 26, 2005, the Board of Directors of Sony Corporation decided to terminate all shares of subsidiary



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tracking stock with the method of compulsory conversion to shares of Sony's common stock. All shares of subsidiary tracking stock were converted to shares of Sony's common stock on December 1, 2005. As a result of the conversion, earnings per share of the subsidiary tracking stock has not been presented since the third quarter of the fiscal year ended March 31, 2006.

Weighted-average number of outstanding shares used for computation of earnings per share of common stock are as follows. The dilutive effect in the weighted-average number of outstanding shares mainly resulted from convertible bonds.

| Weighted-average number<br>of outstanding shares | (Thousands of shares)      |           |
|--|----------------------------|-----------|
| -----  | Fiscal year ended March 31 |           |
|  | 2006                       | 2007      |
| Net income                                       | -----                      | -----     |
| - Basic  | 997,781                    | 1,001,403 |
| - Diluted  | 1,046,164                  | 1,050,171 |

| Weighted-average number<br>of outstanding shares | (Thousands of shares)         |           |
|--|-------------------------------|-----------|
| -----  | Fourth quarter ended March 31 |           |
|  | 2006                          | 2007      |
| Net income (loss)                                | -----                         | -----     |
| - Basic  | 1,000,832                     | 1,001,793 |
| - Diluted  | 1,000,832                     | 1,001,793 |

4. Effective April 1, 2006, Sony reclassified royalty income as a component of sales and operating revenue, rather than as a component of other income as previously recorded. In connection with this reclassification, sales and operating revenue, operating income and other income for the fourth quarter and the fiscal year ended March 31, 2006 have been reclassified to conform with the presentation of these items for the fourth quarter and the fiscal year ended March 31, 2007. Royalty income reclassified from other income to sales and operating revenue for the fourth quarter and the fiscal year ended March 31, 2006 was ¥10,299 million and ¥35,161 million. These amounts were recorded primarily within the Electronics segment.
5. In December 2004, the Financial Accounting Standards Board ("FASB") issued FAS No. 123 (revised 2004), "Share-Based Payment" ("FAS No. 123(R)"). This statement requires the use of the fair value based method of accounting for employee stock-based compensation and eliminates the alternative to use of the intrinsic value method prescribed by APB No. 25. With limited exceptions, FAS No. 123(R) requires that the grant-date fair value of share-based payments to employees be expensed over the period the service is received. Sony had accounted for its employee stock-based compensation in accordance with the intrinsic value method prescribed by APB No. 25 and its related interpretations and had disclosed the net effect on net income and net income per share allocated to the common stock if Sony had applied the fair value recognition provisions of FAS No. 123 to stock-based compensation. Sony adopted FAS No. 123(R) on April 1, 2006. Sony elected the modified prospective method of

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transition prescribed in FAS No. 123(R), which requires that compensation expense be recorded for all unvested stock acquisition rights as the requisite service is rendered beginning with the first period of adoption. As a result of adoption of FAS No. 123(R), Sony's operating income decreased Y1,198 million and Y3,670 million for the fourth quarter and the fiscal year ended March 31, 2007, respectively.

6. In February 2006, the FASB issued FAS No. 155, "Accounting for Certain Hybrid Financial Instruments", an amendment of FAS No. 133 and FAS No. 140. This statement permits an entity to elect fair value remeasurement for any hybrid financial instrument if the hybrid instrument contains an embedded derivative that would otherwise be required to be bifurcated and accounted for separately under FAS No. 133. The election to measure the hybrid instrument at fair value is made on an instrument-by-instrument basis and is irreversible. The statement is effective for all financial instruments acquired, issued, or subject to a remeasurement event occurring after the beginning of an entity's fiscal years beginning after September 15, 2006, with earlier adoption permitted as of the beginning of fiscal year, provided that financial statements for any interim period of that fiscal year have not been issued. Sony early adopted FAS No. 155 on April 1, 2006. As a result of adoption of FAS No. 155, Sony's operating income increased Y3,371 million and Y3,828 million for the fourth quarter and the fiscal year ended March 31, 2007, respectively. Additionally, on April 1, 2006, Sony recognized Y3,785 million of loss (net of income taxes of Y2,148 million) as a cumulative-effect adjustment to beginning retained earnings.
  
7. In September 2006, the FASB issued FAS No.158 "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans", an amendment to FAS No. 87, 88, 106 and 132(R). This statement requires an employer to recognize the overfunded or underfunded status of a defined benefit pension and other postretirement benefit plan as an asset or liability in its statement of financial position and to recognize changes in that funded status in the year in which the changes occur through other comprehensive income. Sony adopted FAS No. 158 on March 31, 2007. This statement also requires companies to measure the funded status of the plan as of the date of its fiscal year-end, effective for years ending after December 15, 2008. Sony expects to adopt the measurement provisions of FAS No.158 effective March 31, 2009. See Consolidated Statements of Changes in Stockholders' Equity, for the effect of adopting FAS No. 158 on Sony's consolidated financial statements.

### Other Consolidated Financial Data

|   | (Millions of yen, millions of U.S. dollars) |           |        |          |
|---|---|-----------|--------|----------|
|   | Fiscal Year ended March 31                  |           |        |          |
|   | 2006  | 2007      | Change | 2007     |
|   | -----                                       | -----     | -----  | -----    |
| Capital expenditures<br>(additions to property,<br>plant and equipment) | Y 384,347                                   | Y 414,138 | +7.8%  | \$ 3,510 |
| Depreciation and<br>amortization expenses*                              | 381,843                                     | 400,009   | +4.8   | 3,390    |

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|   |           |           |      |         |
|---|-----------|-----------|------|---------|
| (Depreciation expenses for tangible assets) | (310,519) | (315,773) | +1.7 | (2,676) |
| R&D expenses                                | 531,795   | 543,937   | +2.3 | 4,610   |

|   | 2006      | Three months ended<br>2007 | Change | March 31<br>2007 |
|---|-----------|----------------------------|--------|------------------|
|   | -----     | -----                      | -----  | -----            |
| Capital expenditures (additions to property, plant and equipment) | Y 122,427 | Y 102,093                  | -16.6% | \$ 865           |
| Depreciation and amortization expenses*                           | 103,584   | 115,155                    | +11.2  | 976              |
| (Depreciation expenses for tangible assets)                       | (84,013)  | (89,804)                   | +6.9   | (761)            |
| R&D expenses  | 160,370   | 147,560                    | -8.0   | 1,251            |

\* Including amortization expenses for intangible assets and for deferred insurance acquisition costs

### (Condensed Financial Services Financial Statements)

The results of the Financial Services segment are included in Sony's consolidated financial statements. The following schedules show unaudited condensed financial statements for the Financial Services segment and all other segments excluding Financial Services.

These presentations are not required under U.S. GAAP, which is used in Sony's consolidated financial statements. However, because the Financial Services segment is different in nature from Sony's other segments, Sony believes that a comparative presentation may be useful in understanding and analyzing Sony's consolidated financial statements.

Transactions between the Financial Services segment and Sony without Financial Services are eliminated in the consolidated figures shown below.

### Condensed Statements of Income

| Financial Services           | (Millions of yen, millions of U.S. dollars) |                           |        |                  |
|------------------------------|---|---------------------------|--------|------------------|
|                              | 2006  | Fiscal year ended<br>2007 | Change | March 31<br>2007 |
|                              | -----                                       | -----                     | -----  | -----            |
|                              |   |                           | %      |                  |
| Financial service revenue    | Y 743,215                                   | Y 649,341                 | -12.6  | \$ 5,502         |
| Financial service expenses   | 554,892                                     | 565,199                   | +1.9   | 4,789            |
| Operating income             | 188,323                                     | 84,142                    | -55.3  | 713              |
| Other income (expenses), net | 24,522                                      | 9,886                     | -59.7  | 84               |
| Income before income taxes   | 212,845                                     | 94,028                    | -55.8  | 797              |
| Income taxes and             | 78,527                                      | 33,536                    | -57.3  | 284              |

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|                                 |   |            |        |          |
|---------------------------------|---|------------|--------|----------|
| other                           |   |            |        |          |
| Net income                      | Y 134,318                                   | Y 60,492   | -55.0  | \$ 513   |
|                                 | -----                                       | -----      |        | -----    |
|                                 | (Millions of yen, millions of U.S. dollars) |            |        |          |
| Sony without                    |   |            |        |          |
| Financial Services              | 2006  | 2007       | Change | 2007     |
|                                 | -----                                       | -----      | -----  | -----    |
|                                 |   |            | %      |          |
| Net sales and operating revenue | Y6,799,068                                  | Y7,680,578 | +13.0  | \$65,090 |
| Costs and expenses              | 6,762,194                                   | 7,694,375  | +13.8  | 65,207   |
|                                 | -----                                       | -----      |        | -----    |
| Operating income (loss)         | 36,874                                      | (13,797)   | -      | (117)    |
| Other income (expenses), net    | 36,610                                      | 27,917     | -23.7  | 237      |
|                                 | -----                                       | -----      |        | -----    |
| Income before income taxes      | 73,484                                      | 14,120     | -80.8  | 120      |
| Income taxes and other          | 84,186                                      | (57,991)   | -      | (491)    |
|                                 | -----                                       | -----      |        | -----    |
| Net income (loss)               | Y (10,702)                                  | Y 72,111   | -      | \$ 611   |
|                                 | -----                                       | -----      |        | -----    |

|                                 |   |           |        |          |
|---------------------------------|---|-----------|--------|----------|
|                                 | (Millions of yen, millions of U.S. dollars) |           |        |          |
| Consolidated                    |   |           |        |          |
|                                 | 2006  | 2007      | Change | 2007     |
|                                 | -----                                       | -----     | -----  | -----    |
|                                 |   |           | %      |          |
| Financial service revenue       | Y 720,566                                   | Y 624,282 | -13.4  | \$ 5,291 |
| Net sales and operating revenue | 6,790,031                                   | 7,671,413 | +13.0  | 65,012   |
|                                 | -----                                       | -----     |        | -----    |
|                                 | 7,510,597                                   | 8,295,695 | +10.5  | 70,303   |
| Costs and expenses              | 7,284,181                                   | 8,223,945 | +12.9  | 69,695   |
|                                 | -----                                       | -----     |        | -----    |
| Operating income                | 226,416                                     | 71,750    | -68.3  | 608      |
| Other income (expenses), net    | 59,913                                      | 30,287    | -49.4  | 257      |
|                                 | -----                                       | -----     |        | -----    |
| Income before income taxes      | 286,329                                     | 102,037   | -64.4  | 865      |
| Income taxes and other          | 162,713                                     | (24,291)  | -      | (206)    |
|                                 | -----                                       | -----     |        | -----    |
| Net income                      | Y 123,616                                   | Y 126,328 | +2.2   | \$ 1,071 |
|                                 | -----                                       | -----     |        | -----    |

Condensed Statements of Income (Unaudited)

|                           |   |           |        |          |
|---------------------------|---|-----------|--------|----------|
|                           | (Millions of yen, millions of U.S. dollars) |           |        |          |
| Financial Services        |   |           |        |          |
|                           | 2006  | 2007      | Change | 2007     |
|                           | -----                                       | -----     | -----  | -----    |
|                           |   |           | %      |          |
| Financial service revenue | Y 223,128                                   | Y 184,229 | -17.4  | \$ 1,562 |
| Financial service         | 143,822                                     | 154,703   | +7.6   | 1,312    |

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|                              |          |          |       |        |
|------------------------------|----------|----------|-------|--------|
| expenses                     |          |          |       |        |
| Operating income             | 79,306   | 29,526   | -62.8 | 250    |
| Other income (expenses), net | (124)    | 4,188    | -     | 36     |
| Income before income taxes   | 79,182   | 33,714   | -57.4 | 286    |
| Income taxes and other       | 29,202   | 11,742   | -59.8 | 100    |
| Net income                   | Y 49,980 | Y 21,972 | -56.0 | \$ 186 |

|                                   |   |            |        |          |
|-----------------------------------|---|------------|--------|----------|
|                                   | (Millions of yen, millions of U.S. dollars) |            |        |          |
| Sony without Financial Services   | 2006  | 2007       | Change | 2007     |
|                                   |   |            |        |          |
|                                   |   |            | %      |          |
| Net sales and operating revenue   | Y1,641,384                                  | Y1,915,323 | +16.7  | \$16,232 |
| Costs and expenses                | 1,772,802                                   | 2,058,613  | +16.1  | 17,446   |
| Operating income (loss)           | (131,418)                                   | (143,290)  | -      | (1,214)  |
| Other income (expenses), net      | 4,503                                       | 3,892      | -13.6  | 33       |
| Income (loss) before income taxes | (126,915)                                   | (139,398)  | -      | (1,181)  |
| Income taxes and other            | (10,532)                                    | (49,866)   | -      | (422)    |
| Net income (loss)                 | Y (116,383)                                 | Y (89,532) | -      | \$ (759) |

|                                   |   |            |        |          |
|-----------------------------------|---|------------|--------|----------|
|                                   | (Millions of yen, millions of U.S. dollars) |            |        |          |
| Consolidated                      | 2006  | 2007       | Change | 2007     |
|                                   |   |            |        |          |
|                                   |   |            | %      |          |
| Financial service revenue         | Y 217,289                                   | Y 176,484  | -18.8  | \$ 1,496 |
| Net sales and operating revenue   | 1,638,455                                   | 1,913,121  | +16.8  | 16,213   |
| Costs and expenses                | 1,855,744                                   | 2,089,605  | +12.6  | 17,709   |
|                                   | 1,907,646                                   | 2,202,977  | +15.5  | 18,670   |
| Operating income (loss)           | (51,902)                                    | (113,372)  | -      | (961)    |
| Other income (expenses), net      | 4,039                                       | 7,688      | +90.3  | 65       |
| Income (loss) before income taxes | (47,863)                                    | (105,684)  | -      | (896)    |
| Income taxes and other            | 18,670                                      | (38,124)   | -      | (323)    |
| Net income (loss)                 | Y (66,533)                                  | Y (67,560) | -      | \$ (573) |

Condensed Balance Sheet (Unaudited)

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|   | (Millions of yen, millions of U.S. dollars) |            |           |
|---|---|------------|-----------|
| Financial Services                              | March                                       | March      | March     |
|   | 31  | 31         | 31        |
| ASSETS  | 2006  | 2007       | 2007      |
|   | -----                                       | -----      | -----     |
| Current assets:                                 |   |            |           |
| Cash and cash equivalents                       | Y 117,630                                   | Y 277,048  | \$ 2,348  |
| Marketable securities                           | 532,895                                     | 490,237    | 4,155     |
| Other   | 200,929                                     | 321,969    | 2,728     |
|   | -----                                       | -----      | -----     |
|   | 851,454                                     | 1,089,254  | 9,231     |
| Investments and advances                        | 3,131,269                                   | 3,347,897  | 28,372    |
| Property, plant and equipment                   | 37,422                                      | 38,671     | 328       |
| Other assets:                                   |   |            |           |
| Deferred insurance acquisition costs            | 383,156                                     | 394,117    | 3,340     |
| Other   | 164,827                                     | 107,703    | 912       |
|   | -----                                       | -----      | -----     |
|   | 547,983                                     | 501,820    | 4,252     |
|   | -----                                       | -----      | -----     |
|   | Y4,568,128                                  | Y4,977,642 | \$ 42,183 |
|   | -----                                       | -----      | -----     |
| LIABILITIES AND STOCKHOLDERS' EQUITY            |   |            |           |
| Current liabilities:                            |   |            |           |
| Short-term borrowings                           | Y 136,723                                   | Y 48,688   | \$ 413    |
| Notes and accounts payable, trade               | 11,707                                      | 13,159     | 112       |
| Deposits from customers in the banking business | 599,952                                     | 752,367    | 6,376     |
| Other   | 169,956                                     | 143,245    | 1,213     |
|   | -----                                       | -----      | -----     |
|   | 918,338                                     | 957,459    | 8,114     |
| Long-term liabilities:                          |   |            |           |
| Long-term debt                                  | 128,097                                     | 129,484    | 1,097     |
| Accrued pension and severance costs             | 13,479                                      | 8,773      | 74        |
| Future insurance policy benefits and other      | 2,744,321                                   | 3,037,666  | 25,743    |
| Other   | 170,294                                     | 204,317    | 1,731     |
|   | -----                                       | -----      | -----     |
|   | 3,056,191                                   | 3,380,240  | 28,645    |
| Minority interest in consolidated subsidiaries  | 4,089                                       | 5,145      | 44        |
| Stockholders' equity                            | 589,510                                     | 634,798    | 5,380     |
|   | -----                                       | -----      | -----     |
|   | Y4,568,128                                  | Y4,977,642 | \$ 42,183 |
|   | -----                                       | -----      | -----     |

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

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| Sony without                                   | March                                       | March      | March     |
|--|---|------------|-----------|
| Financial Services                             | 31  | 31         | 31        |
| ASSETS   | 2006  | 2007       | 2007      |
|  | -----                                       | -----      | -----     |
| Current assets:                                |   |            |           |
| Cash and cash equivalents                      | Y 585,468                                   | Y 522,851  | \$ 4,431  |
| Marketable securities                          | 4,073                                       | 3,078      | 26        |
| Notes and accounts receivable, trade           | 973,675                                     | 1,343,128  | 11,382    |
| Other  | 1,393,306                                   | 1,625,914  | 13,779    |
|  | -----                                       | -----      | -----     |
|  | 2,956,522                                   | 3,494,971  | 29,618    |
| Film costs                                     | 360,372                                     | 308,694    | 2,616     |
| Investments and advances                       | 474,568                                     | 623,342    | 5,283     |
| Investments in Financial Services, at cost     | 187,400                                     | 187,400    | 1,588     |
| Property, plant and equipment                  | 1,351,125                                   | 1,382,860  | 11,719    |
| Other assets                                   | 1,056,726                                   | 1,100,795  | 9,329     |
|  | -----                                       | -----      | -----     |
|  | Y6,386,713                                  | Y7,098,062 | \$ 60,153 |
|  | -----                                       | -----      | -----     |
| LIABILITIES AND STOCKHOLDERS' EQUITY           |   |            |           |
| Current liabilities:                           |   |            |           |
| Short-term borrowings                          | Y 225,082                                   | Y 80,944   | \$ 686    |
| Notes and accounts payable, trade              | 804,394                                     | 1,167,324  | 9,893     |
| Other  | 1,299,809                                   | 1,392,333  | 11,799    |
|  | -----                                       | -----      | -----     |
|  | 2,329,285                                   | 2,640,601  | 22,378    |
| Long-term liabilities:                         |   |            |           |
| Long-term debt                                 | 701,372                                     | 925,259    | 7,841     |
| Accrued pension and severance costs            | 168,768                                     | 164,701    | 1,396     |
| Other  | 352,457                                     | 410,354    | 3,477     |
|  | -----                                       | -----      | -----     |
|  | 1,222,597                                   | 1,500,314  | 12,714    |
| Minority interest in consolidated subsidiaries | 32,623                                      | 32,808     | 278       |
| Stockholders' equity                           | 2,802,208                                   | 2,924,339  | 24,783    |
|  | -----                                       | -----      | -----     |
|  | Y6,386,713                                  | Y7,098,062 | \$ 60,153 |
|  | -----                                       | -----      | -----     |
|  | (Millions of yen, millions of U.S. dollars) |            |           |
| Consolidated                                   | March                                       | March      | March     |
|  | 31  | 31         | 31        |
| ASSETS   | 2006  | 2007       | 2007      |
|  | -----                                       | -----      | -----     |
| Current assets:                                |   |            |           |
| Cash and cash equivalents                      | Y 703,098                                   | Y 799,899  | \$ 6,779  |

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|   |             |             |           |
|---|-------------|-------------|-----------|
| Marketable securities                           | 536,968     | 493,315     | 4,181     |
| Notes and accounts receivable, trade            | 985,508     | 1,369,777   | 11,608    |
| Other   | 1,543,950   | 1,883,732   | 15,964    |
|   | -----       | -----       | -----     |
|   | 3,769,524   | 4,546,723   | 38,532    |
| Film costs                                      | 360,372     | 308,694     | 2,616     |
| Investments and advances                        | 3,519,907   | 3,888,736   | 32,955    |
| Property, plant and equipment                   | 1,388,547   | 1,421,531   | 12,047    |
| Other assets:                                   |             |             |           |
| Deferred insurance acquisition costs            | 383,156     | 394,117     | 3,340     |
| Other   | 1,186,247   | 1,156,561   | 9,801     |
|   | -----       | -----       | -----     |
|   | 1,569,403   | 1,550,678   | 13,141    |
|   | -----       | -----       | -----     |
|   | Y10,607,753 | Y11,716,362 | \$ 99,291 |
|   | -----       | -----       | -----     |
| LIABILITIES AND STOCKHOLDERS' EQUITY            |             |             |           |
| Current liabilities:                            |             |             |           |
| Short-term borrowings                           | Y 336,321   | Y 95,461    | \$ 809    |
| Notes and accounts payable, trade               | 813,332     | 1,179,694   | 9,997     |
| Deposits from customers in the banking business | 599,952     | 752,367     | 6,376     |
| Other   | 1,450,623   | 1,524,330   | 12,918    |
|   | -----       | -----       | -----     |
|   | 3,200,228   | 3,551,852   | 30,100    |
| Long-term liabilities:                          |             |             |           |
| Long-term debt                                  | 764,898     | 1,001,005   | 8,483     |
| Accrued pension and severance costs             | 182,247     | 173,474     | 1,470     |
| Future insurance policy benefits and other      | 2,744,321   | 3,037,666   | 25,743    |
| Other   | 475,106     | 542,691     | 4,600     |
|   | -----       | -----       | -----     |
|   | 4,166,572   | 4,754,836   | 40,296    |
| Minority interest in consolidated subsidiaries  | 37,101      | 38,970      | 330       |
| Stockholders' equity                            | 3,203,852   | 3,370,704   | 28,565    |
|   | -----       | -----       | -----     |
|   | Y10,607,753 | Y11,716,362 | \$ 99,291 |
|   | -----       | -----       | -----     |

Condensed Statements of Cash Flows (Unaudited)

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

Financial Services

Fiscal year ended March 31



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|   | 2006      |   | 2007      |    | 2007    |
|---|-----------|---|-----------|----|---------|
|   | -----     |   | -----     |    | -----   |
| Net cash provided by operating activities                 | Y 147,149 | Y | 256,540   | \$ | 2,174   |
| Net cash used in investing activities                     | (563,753) |   | (276,749) |    | (2,345) |
| Net cash provided by financing activities                 | 274,863   |   | 179,627   |    | 1,522   |
|   | -----     |   | -----     |    | -----   |
| Net increase (decrease) in cash and cash equivalents      | (141,741) |   | 159,418   |    | 1,351   |
| Cash and cash equivalents at beginning of the fiscal year | 259,371   |   | 117,630   |    | 997     |
|   | -----     |   | -----     |    | -----   |
| Cash and cash equivalents at end of the fiscal year       | Y 117,630 | Y | 277,048   | \$ | 2,348   |
|   | -----     |   | -----     |    | -----   |

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

| Sony without Financial Services                              | 2006      |   | Fiscal year ended March 31 2007 |    | 2007    |
|--|-----------|---|---------------------------------|----|---------|
|  | -----     |   | -----                           |    | -----   |
| Net cash provided by operating activities                    | Y 251,975 | Y | 305,571                         | \$ | 2,590   |
| Net cash used in investing activities                        | (296,376) |   | (431,086)                       |    | (3,653) |
| Net cash provided by financing activities                    | 74,600    |   | 59,598                          |    | 505     |
| Effect of exchange rate changes on cash and cash equivalents | 35,537    |   | 3,300                           |    | 28      |
|  | -----     |   | -----                           |    | -----   |
| Net increase (decrease) in cash and cash equivalents         | 65,736    |   | (62,617)                        |    | (530)   |
| Cash and cash equivalents at beginning of the fiscal year    | 519,732   |   | 585,468                         |    | 4,961   |
|  | -----     |   | -----                           |    | -----   |
| Cash and cash equivalents at end of the fiscal year          | Y 585,468 | Y | 522,851                         | \$ | 4,431   |
|  | -----     |   | -----                           |    | -----   |

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

| Consolidated   | 2006      |   | Fiscal year ended March 31 2007 |    | 2007    |
|--|-----------|---|---------------------------------|----|---------|
|  | -----     |   | -----                           |    | -----   |
| Net cash provided by operating activities                    | Y 399,858 | Y | 561,028                         | \$ | 4,754   |
| Net cash used in investing activities                        | (871,264) |   | (715,430)                       |    | (6,063) |
| Net cash provided by financing activities                    | 359,864   |   | 247,903                         |    | 2,101   |
| Effect of exchange rate changes on cash and cash equivalents | 35,537    |   | 3,300                           |    | 28      |

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|                      |           |           |          |
|----------------------|-----------|-----------|----------|
| Net increase         | -----     | -----     | -----    |
| (decrease) in cash   | (76,005)  | 96,801    | 820      |
| and cash equivalents |           |           |          |
| Cash and cash        | 779,103   | 703,098   | 5,959    |
| equivalents at       |           |           |          |
| beginning of the     |           |           |          |
| fiscal year          |           |           |          |
|                      | -----     | -----     | -----    |
| Cash and cash        | Y 703,098 | Y 799,899 | \$ 6,779 |
| equivalents at end   |           |           |          |
| of the fiscal year   |           |           |          |
|                      | -----     | -----     | -----    |

Investor Relations Contacts:

-----

|                    |   |                     |
|--------------------|---|---------------------|
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