SONY CORP
Form 6-K
May 14, 2009
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 2009
Commission File Number: 001-06439

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

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

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

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

Form 20-F X Form 40-F __

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

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

SIGNATURE

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

SONY CORPORATION
(Registrant)

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

Date: May 14, 2009

List of materials

Documents attached hereto:

i) Press release entitled "Consolidated Financial Results for the Fiscal Year Ended March 31, 2009"

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

News & Information

No: 09-052E
3:00 P.M. JST, May 14, 2009

Consolidated Financial Results
for the Fiscal Year Ended March 31, 2009

Tokyo, May 14, 2009 -- Sony Corporation today announced its consolidated results for the fiscal year ended March 31, 2009 (April 1, 2008 to March 31, 2009).

l Sales decreased and losses were recorded due to factors including the slowdown of the global economy, the appreciation of the yen and the decline in the Japanese stock market.
l In its forecast for the fiscal year ending March 31, 2010, Sony expects to decrease its losses while undertaking further restructuring initiatives.

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

	2008	2009	Change in yen	2009*
Sales and operating revenue	¥ 8,871.4	¥ 7,730.0	-12.9%	$ 78,877
Operating income (loss)**	475.3	(227.8)	-	(2,324)
Income (loss) before income taxes**	567.1	(175.0)	-	(1,785)
Net income (loss)	369.4	(98.9)	-	(1,010)
Net income (loss) per share of common stock				
— Basic	¥ 368.33	¥ (98.59)	-	$ (1.01)
— Diluted	351.10	(98.59)	-	(1.01)

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

Supplemental Information
In addition to operating income (loss), Sony’s management also evaluates Sony’s performance using non-U.S. GAAP operating income (loss). Operating income (loss), as adjusted, which excludes equity in net income (loss) of affiliated companies and restructuring charges, is not a presentation in accordance with U.S. GAAP, and is presented to enhance a user’s understanding of Sony’s operating income (loss) by providing investors an alternative measure that may be useful to understand Sony’s historical and prospective operating performance. Sony’s management uses this measure to review operating trends, perform analytical comparisons, and assess whether the structural cost reduction plan is achieving its objectives.

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

	2008	2009	Change in yen	2009

Operating income (loss)	¥	475.3	¥	(227.8)	-%	$	(2,324)
Less: Equity in net income (loss) of affiliated companies		100.8		(25.1)	-		(256)
Add: Restructuring charges recorded within operating expenses		47.3		75.4	+59.3		769
Operating income (loss), as adjusted	¥	421.8	¥	(127.3)	-	$	(1,299)

This supplemental non-U.S. GAAP measure should be considered in addition to, not as a substitute for, Sony's operating income (loss) in accordance with U.S. GAAP.

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* U.S. dollar amounts have been translated from yen, for convenience only, at the rate of ¥98=U.S. $1, the approximate Tokyo foreign exchange market rate as of March 31, 2009.

** Effective from the first quarter of the fiscal year ended March 31, 2009, Sony revised the presentation of its financial information to ensure that it is consistent with the way management views its consolidated operations. Since Sony considers Sony Ericsson Mobile Communications AB ("Sony Ericsson") and S-LCD Corporation ("S-LCD") (which together constitute a majority of Sony's equity investments) to be integral to Sony's operations, Sony determined that the most appropriate method to report equity in net income (loss) of all affiliated companies was as a component of operating income (loss). The equity earnings from Sony Ericsson and S-LCD are recorded within the operating income (loss) of the Electronics segment. In connection with this reclassification, consolidated operating income (loss), operating income (loss) of each segment and consolidated income (loss) before income taxes for all prior periods have been reclassified to conform with the current year presentation. Through September 30, 2008, Sony also reported the equity results for SONY BMG MUSIC ENTERTAINMENT ("SONY BMG") within All Other. Since Sony acquired the balance of SONY BMG on October 1, 2008, its results are now fully consolidated within All Other.

Consolidated Results for the Fiscal Year Ended March 31, 2009

Sales and operating revenue ("sales") decreased 12.9% compared to the previous fiscal year ("year-on-year").

During the fiscal year ended March 31, 2009, the average value of the yen was ¥99.5 against the U.S. dollar and ¥142.0 against the euro, which was 13.8% and 12.7% higher against the U.S. dollar and the euro, respectively, compared with the average rates for the previous fiscal year. On a local currency basis, sales decreased 2% year-on-year. For references to sales on a local currency basis, see Note on page 10.

Electronics segment sales decreased 17.0% year-on-year mainly due to the negative impact of the appreciation of the yen, deterioration in the business environment brought on by the slowing global economy and intensification of price competition. In the Game segment, sales decreased 18.0% year-on-year primarily due to the impact of the appreciation of the yen, and a decrease in unit sales of PlayStation®2 ("PS2"). In the Pictures segment, sales decreased 16.4% year-on-year primarily due to unfavorable exchange rates and lower home entertainment sales. The prior year's revenue also benefited from the sale of a bankruptcy claim against KirchMedia. In the Financial Services segment, although revenue from insurance premiums at Sony Life Insurance Co., Ltd. ("Sony Life") increased, the segment revenue decreased 7.4% year-on-year due to the impact of a significant decline in the Japanese stock market.

An operating loss of ¥227.8 billion ($2,324 million) was recorded, a deterioration of ¥703.1 billion year-on-year. Some of the significant factors causing the year-on-year deterioration in operating income were an approximate ¥279.0 billion impact from the appreciation of the yen against the U.S. dollar and the euro, a ¥125.9 billion impact from deterioration in results at equity affiliates, including Sony Ericsson, and a ¥53.8 billion decrease in operating results in the Financial Services segment mainly due to a significant decline in the Japanese stock market.

In the Electronics segment, an operating loss was recorded mainly due to the negative impact from the appreciation of the yen, a decline in equity in net income (loss) for Sony Ericsson, the higher cost of sales ratio due to intensified price competition and a decrease in sales due to deterioration in the business environment. In the Game segment, operating loss decreased as a result of PLAYSTATION®3 ("PS3") hardware cost reductions and increased sales of PS3 software. In the Pictures segment, operating income decreased primarily due to the lower home entertainment sales and the prior year's sale of the bankruptcy claim noted above. In the Financial Services segment, an operating loss was recorded mainly due to deterioration in profitability at Sony Life resulting from a significant decline in the Japanese stock market.

Restructuring charges, recorded as operating expenses, amounted to ¥75.4 billion ($769 million) for the current fiscal year compared to ¥47.3 billion for the previous fiscal year. In the Electronics segment, restructuring charges were ¥61.9 billion ($632 million) compared to ¥45.6 billion in the previous fiscal year.

Equity in net loss of affiliated companies, recorded within the operating loss, was ¥25.1 billion ($256 million), a deterioration of ¥125.9 billion year-on-year. Sony recorded equity in net loss for Sony Ericsson of ¥30.3 billion ($309 million), compared to equity in net income of ¥79.5 billion in the previous fiscal year, primarily as a result of a less favorable product mix and price pressure, a decrease in unit shipments due to the global economic slowdown, as well as the recording of restructuring charges. Equity in net income for S-LCD, a joint-venture with Samsung Electronics Co., Ltd., decreased ¥0.5 billion year-on-year to ¥6.9 billion ($70 million).

Sony also recorded equity in net loss of ¥6.0 billion ($61 million) for SONY BMG, as opposed to equity in net income of ¥10.0 billion in the prior fiscal year. As a result of Sony's acquisition of Bertelsmann AG's ("Bertelsmann") 50% interest in SONY BMG on October 1, 2008, effective from that date, Sony consolidated the results of SONY BMG as a wholly-owned subsidiary within All Other. SONY BMG changed its name to Sony Music Entertainment ("SME") on January 1, 2009.

A loss before income taxes of ¥175.0 billion ($1,785 million) was recorded, compared to income of ¥567.1 billion in the previous fiscal year. Although net foreign exchange gain increased year-on-year, the net effect of other income and expenses was a decrease of 42.5% as the prior year period benefited from the recording of a gain of ¥81.0 billion from the change in ownership interest in subsidiaries and investees as a result of the global initial public offering of shares of Sony Financial Holdings Inc. ("SFH").

Income taxes: Sony recorded an income tax benefit amounting to ¥72.7 billion ($742 million) resulting in an effective tax rate of 42%. This is mainly due to a loss before income taxes during the current fiscal year and the partial reversal of certain deferred tax liabilities amounting to ¥55.5 billion ($566 million) for undistributed earnings of foreign subsidiaries and affiliates, due to a change in the tax regulations in Japan to treat the dividends from overseas subsidiaries as non-taxable income, partially offset by the reversal of certain deferred tax assets for foreign tax credits at Sony Corporation and an increase in valuation allowances recorded on deferred tax assets for net operating loss carryforwards at certain subsidiaries.

As a result of the changes in the items discussed above, net loss of ¥98.9 billion ($1,010 million) was reported compared to net income of ¥369.4 billion in the previous fiscal year.

Operating Performance Highlights by Business Segment

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

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

	2008	2009	Change in yen	2009
Sales and operating revenue	¥ 6,613.8	¥ 5,488.0	-17.0%	$ 55,999
Operating income (loss)	441.8	(168.1)	-	(1,715)

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

Sales decreased by 17.0% year-on-year (a 6% decrease on a local currency basis) to ¥5,488.0 billion ($55,999 million). Sales to outside customers decreased 15.2% year-on-year. This decrease was largely due to the negative impact from the appreciation of the yen against the U.S. dollar and the euro, deterioration in the business environment brought on by the slowing global economy, and the intensification of price competition. With regard to products within the Electronics segment, while BRAVIATM LCD televisions saw higher sales due to increased unit sales, sales decreased significantly for products such as Handycam® video cameras, Cyber-shotTM compact digital cameras and VAIOTM PCs. The absence of the previous year's sales of LCD rear-projection televisions and CRT televisions, both businesses that Sony has exited, also contributed to the decrease in sales for the current fiscal year.

An operating loss of ¥168.1 billion ($1,715 million) for the fiscal year ended March 31, 2009 was recorded, compared to operating income of ¥441.8 billion in the previous fiscal year. This decrease was primarily due to the negative impact from the appreciation of the yen, a decline in equity in net income (loss) for Sony Ericsson, the higher cost of sales ratio due to intensified price competition, a decrease in sales due to deterioration in the business environment and an increase in selling, general and administrative expenses due to higher restructuring charges. Operating income decreased significantly for products such as Cyber-shot compact digital cameras, VAIO PCs, BRAVIA LCD televisions and Handycam® video cameras.

Inventory, as of March 31, 2009, was ¥629.0 billion ($6,418 million), a decrease of ¥193.1 billion, or 23.5%, compared with the level as of March 31, 2008 and a decrease of ¥216.1 billion, or 25.6%, compared with the level as of December 31, 2008.

Operating Results for Sony Ericsson Mobile Communications AB

The following operating results for Sony Ericsson, which is accounted for by the equity method as Sony Corporation's ownership percentage is 50%, are not consolidated in Sony's consolidated financial statements. However, Sony believes that this disclosure provides additional useful analytical information to investors regarding operating performance of Sony. As previously stated, the equity earnings of Sony Ericsson are included in operating income (loss) of the Electronics segment.

(Millions of euro)
Year ended March 31

	2008	2009	Change in euro
Sales and operating revenue	€ 12,693	€ 10,278	-19%
Income (loss) before taxes	1,405	(633)	-
Net income (loss)	993	(489)	-

Sales for the year ended March 31, 2009 decreased 19% year-on-year, which was mainly driven by lower volumes as a result of the global economic slowdown. Loss before taxes of €633 million was recorded, compared to income of €1,405 million in the previous year, primarily due to a less favorable product mix and price pressure, a decrease in unit shipments, as well as the recording of restructuring charges.

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

	2008	2009	Change in yen	2009
Sales and operating revenue	¥ 1,284.2	¥ 1,053.1	-18.0%	$ 10,746
Operating income (loss)	(124.5)	(58.5)	-	(597)

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

Sales decreased 18.0% year-on-year (an 8% decrease on a local currency basis) to ¥1,053.1 billion ($10,746 million).

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Hardware: Overall hardware sales decreased year-on-year mainly due to the impact of the appreciation of the yen against the U.S. dollar and the euro, in addition to a decrease in unit sales of PS2.
Software: Despite an increase in PS3 software sales, overall software sales decreased as a result of the impact of the appreciation of the yen against the U.S. dollar and the euro, as well as a decrease in PS2 software sales.

The operating loss was ¥58.5 billion ($597 million), an improvement of ¥66.1 billion year-on-year. The decrease in operating loss in the current fiscal year was due to an improvement in the operating performance of the PS3 business as a result of hardware cost reductions and increased software sales despite the impact of the decrease in sales in the PS2 business.

Worldwide hardware unit sales (increase/decrease year-on-year):
--> PS2: 7.91 million units (a decrease of 5.75 million units)
--> PSP: 14.11 million units (an increase of 0.30 million units)
--> PS3: 10.06 million units (an increase of 0.94 million units)

Worldwide software unit sales (increase/decrease year-on-year):
--> PS2: 83.5 million units (a decrease of 70.5 million units)
--> PSP: 50.3 million units (a decrease of 5.2 million units)
--> PS3: 103.7 million units (an increase of 45.8 million units)

Inventory, as of March 31, 2009, was ¥145.5 billion ($1,485 million), which represents a ¥36.1 billion, or 19.9%, decrease compared with the level as of March 31, 2008. Inventory decreased by ¥53.0 billion, or 26.7%, compared with the level as of December 31, 2008.

Pictures

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

	2008	2009	Change in yen	2009
Sales and operating revenue	¥ 857.9	¥ 717.5	-16.4%	$ 7,322
Operating income	58.5	29.9	-48.9	305

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

Sales decreased 16.4% year-on-year (a 5% decrease on a U.S. dollar basis). Motion pictures revenues decreased primarily due to lower home entertainment revenues of new release and catalog product. This decrease was due to an accelerated contraction in the market, brought on principally by the global economic downturn, as well as fewer films being sold into the home entertainment market in the current fiscal year. The decrease in motion picture sales was partially offset by higher theatrical revenues driven by the current year's successful film slate, which included Hancock, Quantum of Solace and Paul Blart: Mall Cop. The prior year's revenue also benefited from the sale of a bankruptcy claim against KirchMedia, a former licensee of film and television product. Television revenues were higher in the current fiscal year due to increased advertising revenue from several international channels.

Operating income of ¥29.9 billion ($305 million) was recorded, a 48.9% decrease year-on-year (a 43% decrease on a U.S. dollar basis). This decrease was primarily due to the lower home entertainment sales and the absence of the prior year's sale of the bankruptcy claim noted above. Television operating income benefited from the higher advertising revenues. The current year's results were also negatively impacted by ¥4.9 billion ($50 million) of restructuring charges.

Financial Services
(Billions of yen, millions of U.S. dollars)
Fiscal year ended March 31

	2008	2009	Change in yen	2009
Financial service revenue	¥ 581.1	¥ 538.2	-7.4%	$ 5,492
Operating income (loss)	22.6	(31.2)	-	(318)

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

Financial service revenue decreased 7.4% year-on-year due to a decrease in revenue at Sony Life. Revenue at Sony Life was ¥430.5 billion ($4,393 million), a ¥33.5 billion or 7.2% decrease year-on-year. Revenue decreased year-on-year due to an increase of net valuation losses from convertible bonds and an increase of impairment losses on equity securities in the general account and an increase of net losses from investments in the separate account, as a result of a decline in the Japanese stock market during this fiscal year that was larger than the decline in the previous fiscal year. Partially offsetting this was an increase in revenue from insurance premiums reflecting a higher policy amount in force.

An operating loss of ¥31.2 billion ($318 million) was recorded mainly due to a deterioration in profitability at Sony Life. The operating loss at Sony Life was ¥29.8 billion ($304 million), compared to operating income of ¥11.5 billion in the previous fiscal year. This deterioration of profitability was mainly due to increased net valuation losses from convertible bonds and impairment losses on equity securities in the general account and the additional recording of policy reserves for variable life insurance products in the separate account, as a result of the significant decline in the Japanese stock market. This increase in losses more than offset the contribution from increased revenue from insurance premiums at Sony Life.

All Other
(Billions of yen, millions of U.S. dollars)
Fiscal year ended March 31

	2008	2009	Change in yen	2009
Sales and operating revenue	¥ 382.2	¥ 539.6	+41.2%	$ 5,506
Operating income	60.8	30.4	-50.1	310

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

Sales increased 41.2% year-on-year. This increase was primarily due to the fact that the results of SONY BMG were consolidated by Sony as a wholly-owned subsidiary beginning October 1, 2008.

During the six month period ended March 31, 2009, sales at SME were ¥169.3 billion ($1,728 million). On a pro forma basis, this represents a 16% decrease on a U.S. dollar basis compared with the same six months of the previous fiscal year when sales of SME were not consolidated. Revenues were negatively impacted by unfavorable exchange rates and the accelerated decline in the worldwide physical music market resulting from the global economic slowdown. Best selling albums during the six months included AC/DC's Black Ice, Beyonce's I AM…SASHA FIERCE, P!nk's Funhouse and Britney Spears' Circus.

Excluding the impact of the consolidation of SME, sales of All Other decreased year-on-year. This decrease was mainly due to lower sales at Sony Music Entertainment (Japan) Inc. ("SMEJ") in the current fiscal year and the receipt of a settlement payment related to copyright infringement claims in the prior fiscal year. Sales at SMEJ decreased year-on-year mainly due to a decrease in album sales resulting from a continuing decline in the physical music market. This was partially offset by higher fee revenue from broadband connection services at So-net Entertainment Corporation. SMEJ's best-selling albums during the current fiscal year included I LOVED YESTERDAY by YUI, My song Your song by ikimono-gakari and VOICE by Mika Nakashima.

Operating income decreased 50.1% year-on-year. This decrease was mainly due to a ¥10.0 billion gain on the sale of the urban entertainment complex “The Sony Center am Potsdamer Platz” in Berlin, Germany and the receipt of the settlement payment related to copyright infringement claims, both recorded in the prior fiscal year.

Regarding SME, the current fiscal year includes equity in net loss of ¥6.0 billion ($61 million) and operating income for the six month period ended March 31, 2009 of ¥13.7 billion ($140 million), which totaled ¥7.7 billion for the full year. This compared to the prior year’s results, which included ¥10.0 billion of equity in net income for Sony’s then 50% share of SME. On a pro forma basis, this ¥13.7 billion operating income for the six month period ended March 31, 2009 represents a 30 % decrease compared to the operating income for the comparable period of the prior fiscal year when its results were not consolidated. This decrease was due to lower sales, higher restructuring charges and unfavorable exchange rates. In addition, operating income at SMEJ decreased year-on-year mainly due to a decrease in album sales.

Cash Flows

For Consolidated Statements of Cash Flows, charts showing Sony’s cash flow information for all segments, all segments excluding the Financial Services segment and the Financial Services segment alone, please refer to pages F-5 and F-13, respectively.

Operating Activities: During the fiscal year ended March 31, 2009, there was net cash inflow of ¥407.2 billion ($4,155 million) in operating activities, a decrease of ¥350.5 billion, or 46.3% year-on-year. For all segments excluding the Financial Services segment, there was net cash inflow of ¥112.7 billion ($1,150 million) in operating activities, a decrease of ¥406.4 billion, or 78.3% year-on-year. The Financial Services segment had a net cash inflow of ¥300.1 billion ($3,062 million) from operating activities, an increase of ¥57.5 billion, or 23.7% year-on-year.

During the fiscal year ended March 31, 2009, with respect to all segments excluding the Financial Services segment, the major cash inflow factors included a cash contribution from net income, after taking into account depreciation and amortization, and decreases in notes and accounts receivable, trade. This exceeded cash outflow which included decreases in notes and accounts payable, trade. The Financial Services segment generated net cash mainly from an increase in revenue from insurance premiums reflecting a steady increase in policy amount in force, primarily at Sony Life.

Compared with the previous fiscal year, within all segments excluding the Financial Services segment, net cash provided decreased mainly as a result of a decrease in net income, after taking into account depreciation and amortization. Within the Financial Services segment, net cash provided increased year-on-year mainly due to an increase in revenue from insurance premiums at Sony Life noted above.

Investing Activities: During the fiscal year ended March 31, 2009, Sony used ¥1,081.3 billion ($11,034 million) of net cash in investing activities, an increase of ¥170.9 billion, or 18.8% year-on-year. For all segments excluding the Financial Services segment, ¥487.4 billion ($4,974 million) of net cash was used in investing activities, an increase of ¥472.5 billion, or 3,166.0% year-on-year. The Financial Services segment used ¥602.4 billion ($6,147 million) in net cash, a decrease of ¥271.3 billion, or 31.1% year-on-year.

During the fiscal year ended March 31, 2009, with respect to all segments excluding the Financial Services segment, payments for items such as purchases of manufacturing equipment in the Electronics segment and the acquisition of Bertelsmann’s 50% interest in SONY BMG exceeded proceeds generated mainly from the sales of semiconductor fabrication equipment. Within the Financial Services segment, payments primarily for investments carried out at Sony Life, as well as for investments and advances carried out at Sony Bank, where operations are expanding, exceeded proceeds mainly from the maturities and sales of marketable securities and collections of advances.

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Compared with the previous fiscal year, net cash used in investing activities increased within all segments excluding the Financial Services segment. The previous fiscal year's net cash outflows were partially offset by proceeds from the sale of shares in SFH, the sale of "The Sony Center am Potsdamer Platz" in Berlin, and a portion of Sony's former headquarters site. Net cash used in investing activities within the Financial Services segment decreased year-on-year mainly as an increase in investment asset sales exceeded an increase in investments at Sony Life.

In all segments excluding the Financial Services segment, net cash provided by operating activities and used in investing activities combined was an outflow of ¥374.8 billion ($3,824 million), a decrease of ¥878.9 billion compared to the previous fiscal year.

Financing Activities: During the fiscal year ended March 31, 2009, ¥267.5 billion ($2,729 million) of net cash was provided by financing activities, a decrease of ¥238.1 billion, or 47.1% year-on-year. For all segments excluding the Financial Services segment, there was a net cash inflow of ¥9.9 billion ($102 million) in financing activities, an increase of ¥22.0 billion compared to a net cash outflow of ¥12.1 billion in the previous fiscal year. This was primarily due to issuances of commercial paper and corporate bonds and borrowings from banks in the current fiscal year, partially offset by the redemption of convertible bonds. In the Financial Services segment, since the increase primarily in policyholder accounts at Sony Life and in deposits from customers at Sony Bank were less than the increases in the previous fiscal year, financing activities generated ¥260.3 billion ($2,657 million) of net cash, a decrease of ¥231.4 billion, or 47.1% year-on-year.

Total Cash and Cash Equivalents: Accounting for the above factors and the effect of fluctuations in exchange rates, the total outstanding balance of cash and cash equivalents at March 31, 2009 was ¥660.8 billion ($6,743 million), a decrease of ¥425.6 billion, or 39.2% compared with the balance as of March 31, 2008. The outstanding balance of cash and cash equivalents of all segments excluding the Financial Services segment was ¥565.0 billion ($5,766 million), a decrease of ¥383.7 billion, or 40.4% compared with the balance as of March 31, 2008. Within the Financial Services segment, the outstanding balance of cash and cash equivalents was ¥95.8 billion ($977 million), a decrease of ¥41.9 billion, or 30.4% compared with the balance as of March 31, 2008.

Consolidated Results for the Fourth Quarter ended March 31, 2009

Sales were ¥1,524.1 billion ($15,552 million), a decrease of 22.0% compared with the same quarter of the previous fiscal year.

During the quarter ended March 31, 2009, the average value of the yen was significantly higher against the U.S. dollar and the euro; ¥92.6 against the U.S. dollar and ¥120.3 against the euro, which was 12.6% and 29.8% higher, respectively, compared with the average rates for the same quarter of the previous fiscal year. On a local currency basis, consolidated sales decreased 10% year-on-year. For references to sales on a local currency basis, see Note on page 10.

In the Electronics segment, sales decreased due to the negative impact from the appreciation of the yen against the U.S. dollar and the euro, as well as the slowing global economy. Sales decreased for products such as VAIO PCs, Handycam® video cameras, BRAVIA LCD televisions and Semiconductors. In the Game segment, sales decreased overall as a result of the negative impact of the appreciation of the yen, as well as a decrease in hardware and software sales. In the Pictures segment, sales decreased primarily due to the sale of a bankruptcy claim against KirchMedia in the fourth quarter of the previous fiscal year and lower home entertainment revenues in the current fiscal year's fourth quarter. This decrease was partially offset by higher television licensing revenues. In the Financial Services segment, revenue increased due to a decrease of net loss from investments in the separate account, and a decrease in net valuation losses from convertible bonds and impairment losses on equity securities in the general account at Sony Life. In All Other, sales increased due to the consolidation of SME's results. During the quarter ended March 31, 2009, sales at SME were ¥64.1 billion ($654 million). On a pro forma basis, this represents a 3% decrease on a U.S. dollar basis compared with the same quarter of the previous fiscal year when sales of SME were not consolidated. The decrease in revenues can be attributed to unfavorable exchange rates.

An operating loss of ¥294.3 billion ($3,003 million) was reported, compared to operating income of ¥6.2 billion in the same quarter of the previous fiscal year. One of the significant factors causing the year-on-year deterioration in operating income was the approximate ¥64.0 billion impact from the appreciation of the yen against the U.S. dollar and the euro.

In the Electronics segment, an operating loss was recorded compared to operating income in the same quarter of the prior fiscal year primarily due to the higher cost of sales ratio resulting from intensified price competition, the negative impact from the appreciation of the yen, a decrease in sales due to deterioration in the business environment and an increase in selling, general and administrative expenses as a result of an increase in restructuring charges and a deterioration in equity in net income (loss) for Sony Ericsson. In the Game segment, there was a further increase in operating loss due to unfavorable exchange rates and a decrease in sales of the PS2 and PSP businesses despite an improvement in the operating performance of the PS3 business mainly resulting from hardware cost reductions. Operating income for the Pictures segment decreased primarily due to the same factors that contributed to the lower revenues noted above as well as ¥4.3 billion ($44 million) of restructuring charges in the current quarter. Operating income was recorded within the Financial Services segment compared to operating loss recorded in the same quarter of the previous fiscal year. Although foreign exchange gains or losses on foreign-currency denominated customer deposits deteriorated at Sony Bank, an improvement was experienced at Sony Life due to the reasons mentioned above in the general account and lower policy reserves for variable life insurance products in the separate account. In All Other, operating profitability deteriorated primarily due to a gain on the sale of “The Sony Center am Potsdamer Platz” in Berlin and the receipt of a settlement payment related to copyright infringement claims in the same quarter of the prior fiscal year, despite a positive impact from the consolidation of SME. During the quarter ended March 31, 2009, SME recorded a consolidated operating loss of ¥0.8 billion ($8 million), which on a pro forma basis represents a ¥4.9 billion improvement from the prior year’s loss when its results were not consolidated. This improvement was due to higher unit sales of both new and carryover releases combined with lower selling, general and administrative expenses, partially offset by the negative impact of unfavorable exchange rates. The results for the same quarter of the prior fiscal year included ¥2.3 billion of equity in net loss for Sony’s then 50% share of SME.

Restructuring charges, recorded as operating expenses, amounted to ¥61.9 billion ($632 million) for the quarter compared to ¥14.2 billion for the same quarter of the previous fiscal year. In the Electronics segment, restructuring charges were ¥51.0 billion ($521 million) compared to ¥13.3 billion in the same quarter of the previous fiscal year.

Equity in net loss of affiliated companies, recorded within the operating loss, was ¥17.7 billion ($180 million) compared to equity in net income of ¥10.8 billion in the same quarter of previous fiscal year. Equity in net loss of Sony Ericsson was ¥17.8 billion ($182 million), compared to income of ¥10.3 billion in the same quarter of the previous fiscal year. This decrease was primarily due to a decline in unit shipments brought on by a contracting market as a result of the global economic slowdown, unfavorable exchange rates, as well as deterioration in the product mix and price pressure. For S-LCD, equity of net income of ¥0.8 billion ($8 million) was recorded, a ¥2.6 billion decrease year-on-year.

Loss before income taxes was ¥311.6 billion ($3,180 million), compared to ¥17.0 billion income recorded in the same quarter of the prior fiscal year due to the deterioration in operating performance as discussed above.

Income taxes: Sony recorded an income tax benefit amounting to ¥147.2 billion ($1,502 million) resulting in an effective tax rate of 47%. This is mainly due to a loss before income taxes during the fourth quarter of the current fiscal year and the partial reversal of certain deferred tax liabilities for undistributed earnings of foreign subsidiaries and affiliates, due to a change in the tax regulations in Japan to treat the dividends from overseas subsidiaries as non-taxable income, partially offset by an increase in valuation allowances recorded on deferred tax assets for net operating loss carryforwards at certain subsidiaries.

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Net loss of ¥165.1 billion ($1,685 million) was recorded during the quarter, compared to net income of ¥29.0 billion recorded in the same quarter of the prior fiscal year.

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

Rewarding Shareholders

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.

A year-end dividend of ¥12.5 ($0.13) per share (the same as the amount paid in the previous fiscal year) will be payable as of June 2, 2009. Sony has already paid an interim dividend in December 2008 of ¥30 ($0.31) per share to each shareholder (including a special dividend of ¥10 per share) bringing the total annual dividend to ¥42.5 ($0.43) per share.

With regards to the annual dividend for the fiscal year ending March 31, 2010, Sony has not yet decided on the amount and will make this decision based on future financial results and cash flows.

Outlook for the Fiscal Year ending March 31, 2010

	(Billions of yen)		
	Current Forecast	Change from March 31, 2009 Actual Results	March 31, 2009 Actual Results
Sales and operating revenue	¥ 7,300	-6%	¥ 7,730.0
Operating income (loss)	(110)	-	(227.8)
Income (loss) before income taxes	(140)	-	(175.0)
Net income (loss) attributable to Sony Corporation's shareholders*	(120)	-	(98.9)

* Net income (loss) attributable to Sony Corporation's shareholders is equivalent to net income (loss) in the consolidated financial statements issued for the fiscal years ended March 31, 2009 and prior. Modification of the presentation format of the consolidated statement of income is one of the changes that will be required by Sony's adoption of FAS No. 160 effective April 1, 2009.

Supplemental Information

In addition to operating income (loss), Sony's management also evaluates Sony's performance using non-U.S. GAAP operating income (loss). Operating income (loss), as adjusted, which excludes equity in net income (loss) of affiliated companies and restructuring charges, is not a presentation in accordance with U.S. GAAP, and is presented to enhance a user's understanding of Sony's operating income (loss) by providing investors an alternative measure that may be useful to understand Sony's historical and prospective operating performance. Sony's management uses this measure to review operating trends, perform analytical comparisons, and assess whether the structural cost reduction plan is achieving its objectives.

(Billions of yen)
Current
Forecast