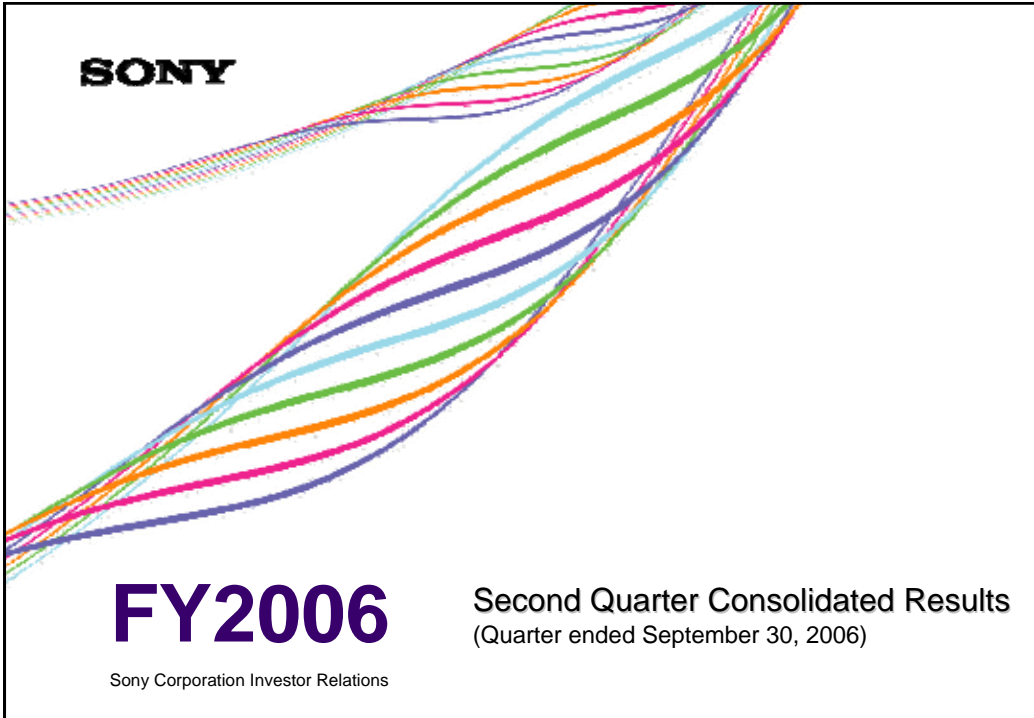




SONY



FY2006

Second Quarter Consolidated Results
(Quarter ended September 30, 2006)

Sony Corporation Investor Relations

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Results Overview and Topics Q2 FY06

Results Overview

Consolidated sales grew 8% YoY (+4% on a local currency basis) on contribution from growth in Electronics and Pictures segments, despite declines in Game sales and Financial Services revenue.

A consolidated operating loss of 20.8 bln yen was recorded, compared to an operating income of 74.6 bln yen a year ago. Q2 FY06 operating loss includes a provision of 51.2 bln yen for expenses relating to a notebook computer battery pack recall and our voluntary global replacement program recorded in the Electronics segment, while Q2 FY05 consolidated operating income includes 73.5 bln yen of pension return benefits. Within the Game segment, charges were recorded associated with preparation for the launch of PLAYSTATION®3.

Topics



DSC-T10

The positive market reception of DSC-T10, one of the newest additions to our lineup of Cyber-shot™ digital cameras, contributed with other models to very strong quarter for our digital camera business.

Sony Ericsson marked its 5th anniversary with increased market share, in addition to record sales and income before taxes. Major contributors included Cyber-shot and Walkman® phones.



K800

W810



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Motion pictures including *Talladega Nights: The Ballad of Ricky Bobby* helped Sony Pictures Entertainment exceed \$1 bln in U.S. box office receipts for the fifth consecutive calendar year. Sony Pictures Releasing International also surpassed \$1 bln in box office receipts for CY2006, and did so in record time.

Consolidated Results Q2 FY06

(bln yen)

	Q2 FY05	Q2 FY06	Change	Change (LC*)
Sales & operating revenue	1,711.6	1,854.2	+8.3 %	+4 %
Operating income	74.6**	-20.8***	-	-
Income before income taxes	95.4	-26.1	-	-
Equity in net income of affiliates	-2.6	19.7	-	-
Net income	28.5	1.7	-94.1 %	-
Net income per share of common stock (diluted)	27.32 yen	1.60 yen	-94.1 %	-
Restructuring charges****	32.9	5.3	-27.6	-

Foreign exchange impact		Average Rate	Q2 FY05	Q2 FY06
Sales & operating revenue:	approx. +80.7 bln yen	1 Dollar	110 yen	115 yen
Operating income:	approx. +19.9 bln yen	1 Euro	134 yen	147 yen

* Local currency (LC) basis: change that would have occurred with no year-on-year change in exchange rates

** Q2 FY05 operating income includes 73.5 bln yen of pension return benefits

*** Q2 FY06 operating loss includes a provision of 51.2 bln yen for expenses relating to a notebook computer battery pack recall and our voluntary global replacement program

**** Restructuring charges are recorded as operating expenses

Segments and Affiliates Q2 FY06

(bln yen)

CONSOLIDATED SEGMENTS		Q2 FY05	Q2 FY06	Change	Change (LC*)
Electronics	Sales	1,229.4	1,378.4	+12.1%	+7%
	Operating income	28.1**	8.0***	-71.4%	-
Game	Sales	214.2	170.3	-20.5%	-25%
	Operating income	8.2	-43.5	-	-
Pictures	Sales	158.9	178.2	+12.1%	-
	Operating income	-6.6	-15.3	-	-
Financial Services	Revenue	175.9	168.1	-4.4%	-
	Operating income	40.0**	24.6	-38.7%	-
All Other	Sales	97.3	81.5	-16.3%	-
	Operating income	7.6**	6.5	-14.3%	-

* Local currency (LC) basis: change that would have occurred with no year-on-year change in exchange rates

** Includes pension return benefits (64.5 bln yen within Electronics)

*** Includes a provision of 51.2 bln yen for expenses relating to a notebook computer battery pack recall and our voluntary global replacement program

MAJOR EQUITY METHOD AFFILIATES		7/05 – 9/05	7/06 – 9/06	Change
Sony Ericsson (mln euros)	Sales	2,055	2,913	+42%
	Income before taxes	151	433	+187%
SONY BMG (mln dollars)	Sales	936	948	+1%
	Income before taxes	-58	-31	-

Sony Ericsson Mobile Communications AB & SONY BMG MUSIC ENTERTAINMENT are 50-50 joint ventures with LM Ericsson & Bertelsmann AG, respectively, both of which are accounted for by the equity method.

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Sony Corporation Investor Relations

FY06 Consolidated Results Forecast

(bln yen)

	FY05	FY06 FCT	Change
Sales & operating revenue	7,510.6	8,230	+10%
Operating income	226.4*	50**	-78%
Restructuring charges (included above)	138.7	40	-71%
Income before income taxes	286.3	70	-76%
Equity in net income of affiliates	13.2	40	+204%
Net income	123.6	80	-35%
Capital Expenditures	384.3	460	+20%
for semiconductors (included above)	140.0	170	+21%
Depreciation & Amortization***	381.8	410	+7%
Research & Development	531.8	550	+3%
Foreign Exchange Rates	FY05 Actual	FY06 Assumption	
		(2 nd Half)	
1 Dollar	112.3 yen	Approx. 114 yen	
1 Euro	136.3 yen	Approx. 145 yen	

* Includes 73.5 bln yen of pension return benefits

** Includes a provision of 51.2 bln yen for expenses relating to a notebook computer battery pack recall and our voluntary global replacement program

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

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Sony Corporation Investor Relations

Structural Reform Progress Report Q2 FY06

	Goal (By end of FY07)	FY05 + H1 FY06 ACT		
		FY05 ACT	H1 FY06 ACT	
Consolidated Operating Income Margin *	5%	3.9%	2.0%	-
Electronics Operating Income Margin *	4%	1.4%	4.6%	-
Cost Reduction (bln yen)	200	38	82	120
Manufacturing Sites	11 out of 65	9	0	9
Model Count **	-20%	Base Year	-17%	-17%
Headcount	10,000	5,700	4,400	10,100
Asset Sales (bln yen)	120	78	49	127

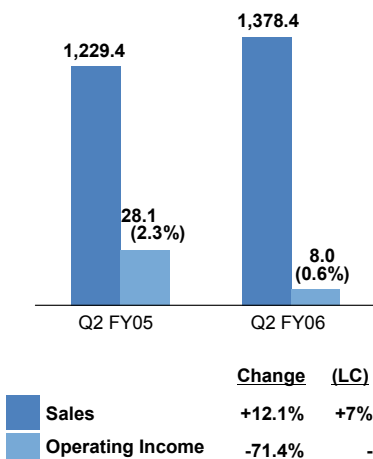
On Track to the Original Plan

- * Operating income margin, excluding restructuring charges, pension return benefits and the provision for expenses relating to a notebook computer battery pack recall and our voluntary global replacement program
 ** Model count reduction comparison based on FY05 (base year)

Electronics Q2 FY06

(bln yen)

Sales & Operating Income



Q2 FY06 Results

Sales: Increased by 12.1%

(sales to outside customers increased 17%)

- Increase: BRAVIA LCD TVs, VAIO PCs, Cyber-shot digital cameras,
- Decrease: CRT TVs

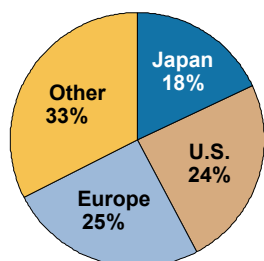
Operating income: Decreased by 20.1 bln yen

- (-) factors: Absence of pension return benefits recorded in Q2 FY05, SGA increase
- (+) factors: Cost of sales improvement, Decrease in loss on sale, disposal or impairment of assets, Outside sales increase, Foreign exchange rate impact

Restructuring charges: 5.2 bln yen (Q2 FY05: 32.3 bln yen)

Includes intersegment transactions; "LC" is local currency comparison; % under operating income is operating margin

Electronics Sales by Area Q2 FY06



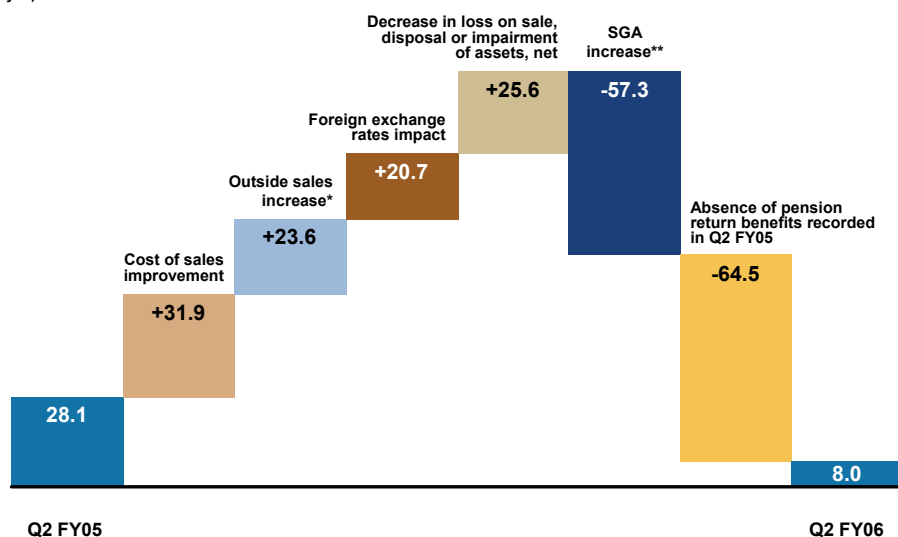
Sales to outside customers excluding operating revenue
1,269.8 bln yen, +17% (LC +11%)

- **Japan: +8%**
 - Increase: LCD TVs, cellular phones
 - Decrease: Video cameras
- **U.S.: +19% (LC +14%)**
 - Increase: LCD TVs, digital cameras
 - Decrease: CRT TVs
- **Europe: +27% (LC +17%)**
 - Increase: LCD TVs, VAIO PCs
 - Decrease: Video cameras
- **Other Areas: +14% (LC +7%)**
 - Increase: LCD TVs
 - Decrease: CRT TVs

Sales composition is based on customer location (yen basis); Sales are to outside customers and exclude operating revenue; "LC" is local currency comparison

Electronics Operating Income Q2 FY06

(bln yen)

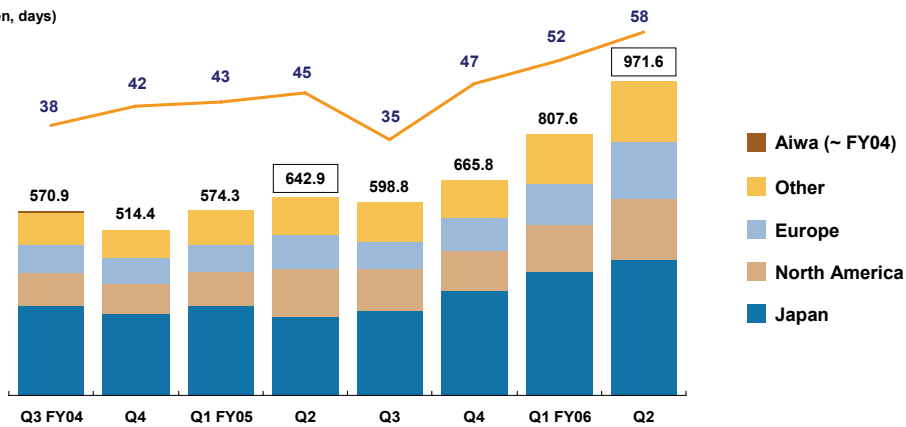


* Increase in gross profit from the increase in sales to outside customers.

** Includes a provision of 51.2 bln yen for expenses relating to a notebook computer battery pack recall and our voluntary global replacement program

Electronics Inventory Levels by Area

(bln yen, days)



- 971.6 bln yen – a 328.7 bln yen increase from the end of same period last year, and a 164.0 bln yen increase from the end of June '06.
- Primarily a result of increased LCD television inventory as well as increased semiconductor inventory in preparation for the PS3 launch.

Bar graph: Inventory levels (bln yen)

Line graph: Inventory turnover (average beginning & ending inventory during the quarter divided by average daily sales in the quarter).

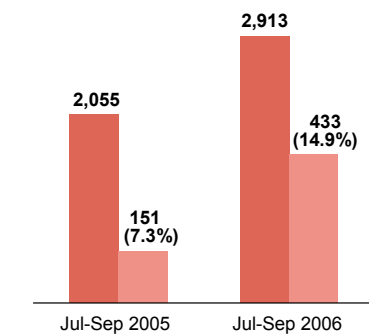
From FY05, Aiwa inventory have been divided by region.

Days supply for Q1 FY05 has revised due to the revision of our business segment configuration.

Sony Ericsson Mobile Communications

(mln euro)

Sales & Income Before Taxes



Change

Sales	+42%
Income Before Taxes	+187%

Equity Method Affiliate

Jul-Sep 2006 Results

Marks 5th anniversary with record quarter

- Unit shipments up 43% YoY to 19.8 mln, outpacing market growth
- Sales and income before taxes both broke records; sales increased 42% to 2,913 mln euro, and income before taxes increased 187% to 433 mln euro
- Contributors to earnings included Cyber-shot phones (K800) and Walkman® phones (W810)

Sony recorded equity in net income of 21.8 bln yen

Impact To Sony

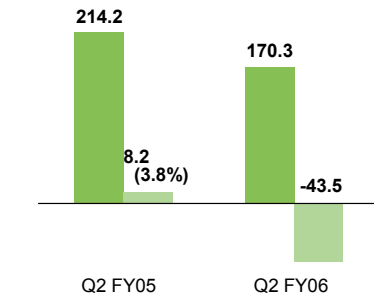
	Jul-Sep 2005	Jul-Sep 2006	Change
Net income (mln euro)	104	298	+187%
Equity in net income recorded by Sony (bln yen)	7.0	21.8	+211%

% under income before taxes is BT margin

Game Q2 FY06

(bln yen)

Sales & Operating Income



Q2 FY06 Results

Sales:

- Although PSP software sales increased, overall sales declined primarily due to lower sales of PSP hardware

Operating loss:

- While profit from existing businesses was roughly flat, a loss was recorded mainly due to the recording of expenses for the launch of PS3

Inventory:

- 188.2 bln yen (+64% YoY)
- Increase due to the low level of PSP inventory last year, following the European PSP launch, as well as inventory recorded this year from some PS3-related components

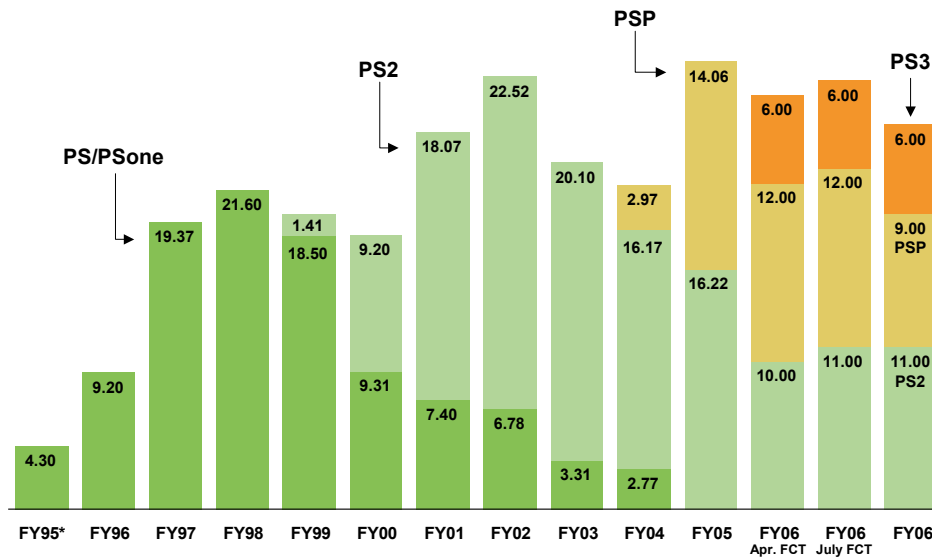
Unit Shipments

		Q2 FY05	Q2 FY06	Change
Hardware (mln units)	PS2	5.01	5.02	+0%
	PSP	3.75	3.89	+4%
Software (mln units)	PS2	50	47	-6%
	PSP	9.0	12.9	+43%

Includes intersegment transactions; "LC" is local currency comparison; % under operating income is operating margin

PlayStation Hardware Production Shipments

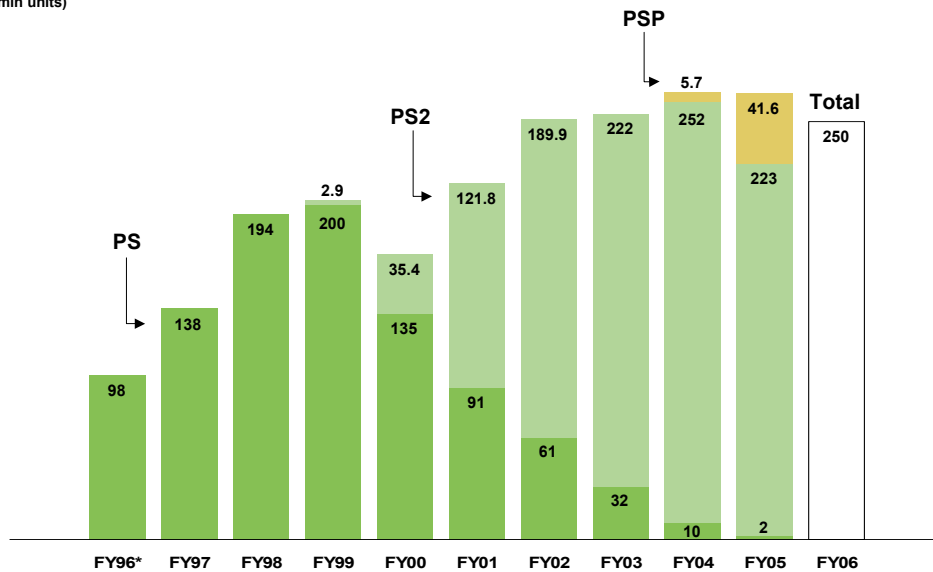
(mln units)



*Cumulative from Dec '94 to Mar '96

PlayStation Software Production Shipments

(mln units)



*Cumulative from Dec '94 to Mar '97

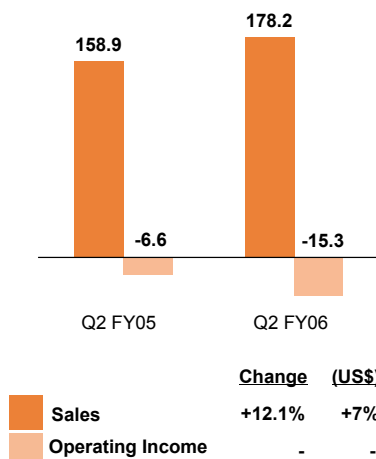
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Sony Corporation Investor Relations

Pictures Q2 FY06

(bln yen)

Sales & Operating Income



Q2 FY06 Results

Sales: 12% increase, 7% increase on a US\$ basis

(+) factors:

- The greater number of theatrical releases during the quarter, combined with higher theatrical revenue per film
- Major contributors: *Talladega Nights: The Ballad of Ricky Bobby*, *Monster House*, and *Click*

Operating loss: 15.3 bln yen

(-) factors:

- Motion pictures: adversely affected by higher total marketing expenses resulting from a greater number of theatrical releases and the theatrical underperformance of *Zoom* and *All The King's Men*
- Television: operating income declined due to expenses associated with new network and made-for-syndication TV shows
- However, forecasting full-year profitability due to the planned release on DVD of films released in the first half

Includes intersegment transactions; "US\$" is a comparison on the basis of SPE's US dollar consolidated results; % under operating income is operating margin

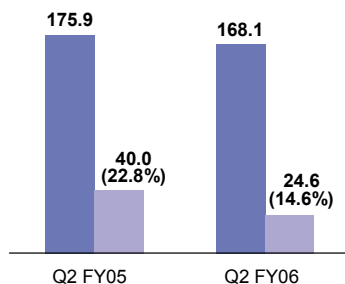
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Sony Corporation Investor Relations

Financial Services Q2 FY06

(bln yen)

Financial Services Revenue & Operating Income



	Change
Revenue	-4.4%
Operating Income	-38.7%

Q2 FY06 Results

Financial Services revenue: Decreased 4%, mainly due to lower revenue at Sony Life

- Sony Life revenue: 6% lower
 - (-) factor: Lower valuation gains in the general and separate accounts
 - (+) factor: Increase in insurance premium revenue

Operating income: 39% decline mainly due to decreased income at Sony Life

- Sony Life operating income: 35% lower
 - (-) factor: Decrease in valuation gains from investments in the general account, including valuation gains from convertible bonds
 - (+) factor: Increase in revenue from insurance premiums
- Sony Assurance and Sony Bank continued to perform well

Sony Life Results

	Q2 FY05	Q2 FY06	Change
Revenue (bln yen)	153.3	144.2	-6%
Operating income (bln yen)	39.1	25.6	-35%

Includes intersegment transactions; % under operating income is operating margin

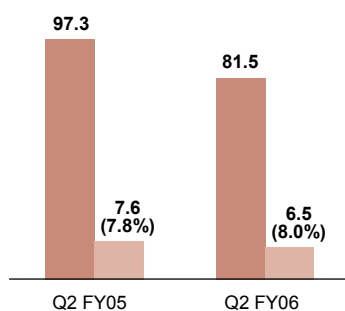
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Sony Corporation Investor Relations

All Other Q2 FY06

(bln yen)

Sales & Operating Income



	Change
Sales	-16.3%
Operating Income	-14.3%

Q2 FY06 Results

Includes SMEI's music publishing business & SMEJ

Sales: Decreased 16%

- Lower sales were mainly due to the sale of Sony retail businesses and lower sales at SMEJ
- SMEJ
 - (-) factor: Lower intersegment sales in association with the transfer of business activity relating to Sony's disc custom press business from SMEJ to other segments within the Sony Group
 - (+) factor: Increase in album and singles sales
- Best-selling albums and singles included Yuki's *WAVE*, Beyonce's *B'Day* and Shogo Hamada's *The Best of Shogo Hamada vol.1* and *vol.2*.

Operating income: 6.5 bln yen, decrease of 14%

- Primarily the result of the absence of the pension return gains recorded in Q2 FY05 at several businesses including SMEJ. Excluding this, a significant increase in OP
- SMEJ OP relatively unchanged excluding effect of pension return gains and decreased intersegment sales

Includes intersegment transactions; % under operating income is operating margin

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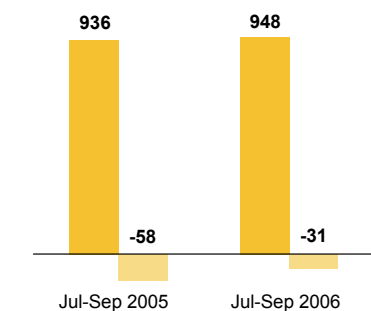
Sony Corporation Investor Relations

SONY BMG MUSIC ENTERTAINMENT

(mln dollar)

Equity Method Affiliate

Sales & Income Before Taxes



	Change
Sales	+1%
Income Before Taxes	-

Jul-Sep 2006 Results

Sales increased 1%, loss before taxes was \$31 mln

- Sales: Increase primarily due to foreign exchange rates impact
- Best selling albums included Justin Timberlake's *Future Sex/Love Sounds*, Beyonce's *B'Day*, and Christina Aguilera's *Back to Basics*
- Loss before taxes: improvement primarily the result of lower legal and restructuring costs
- Loss before taxes includes \$39 mln in restructuring charges (Jul-Sep 2005 restructuring charges were \$43 mln)

Sony recorded equity in net loss of 2.2 bln yen

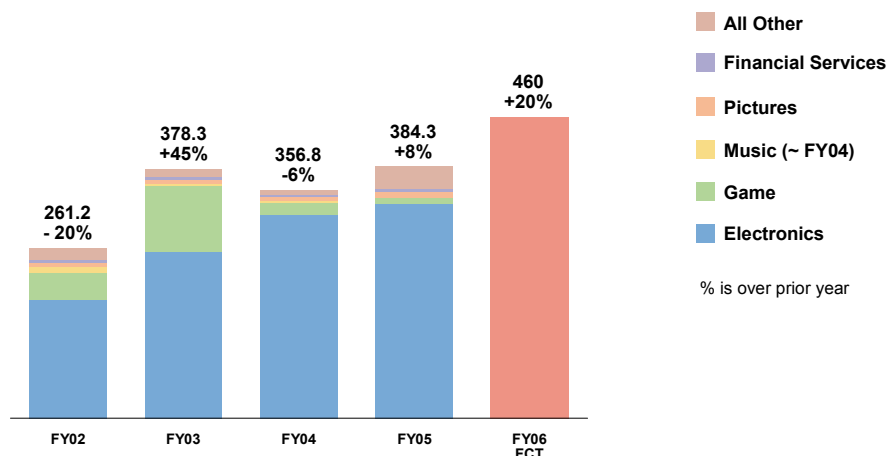
Impact To Sony

	Jul-Sep 2005	Jul-Sep 2006	Change
Net income (loss) (mln dollar)	-60	-39	-
Equity in net income (loss) recorded by Sony (bln yen)	-3.2	-2.2	-

% under income before taxes is BT margin

FY06 Capital Expenditures Forecast

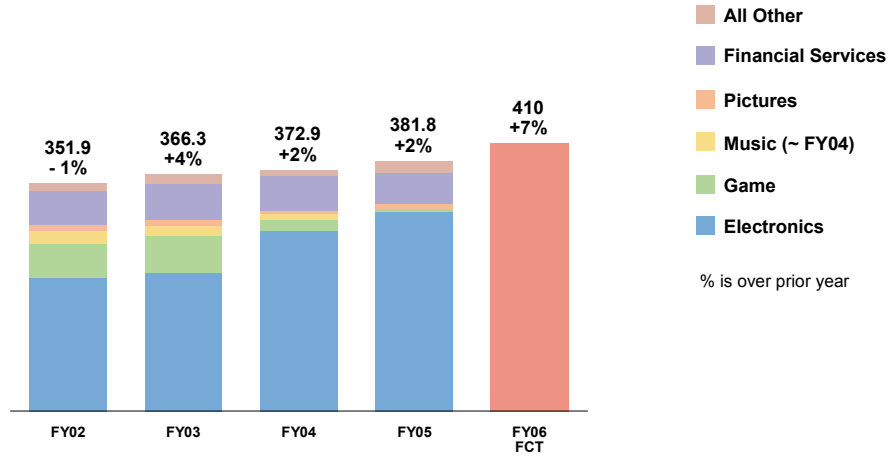
(bln yen)



- FY06 (FCT) includes 170 bln yen for semiconductors, compared to 140 bln in FY05
- No change from July forecast

FY06 Depreciation & Amortization Forecast

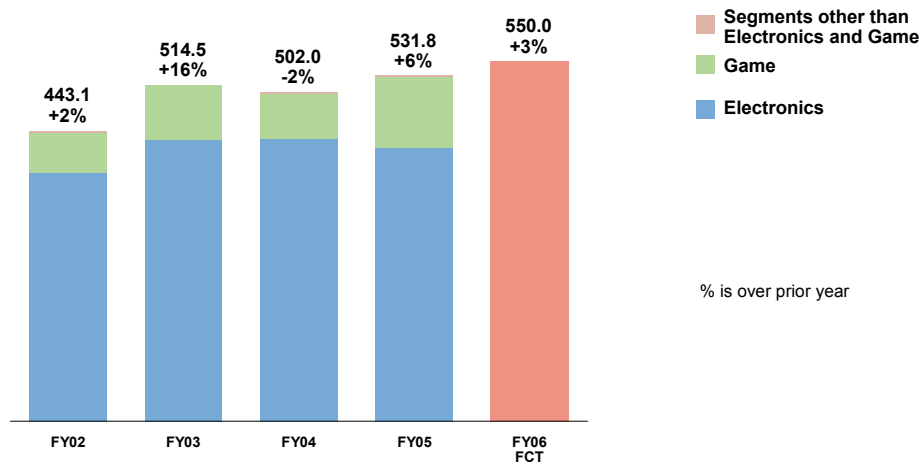
(bln yen)



- FY06 (FCT) includes 340 bln yen for depreciation of tangible assets, compared to 310.5 bln in FY05
- No change from July forecast

FY06 Research & Development Forecast

(bln yen)



- No change from July forecast

Consolidated Results H1 FY06

(bln yen)

	H1 FY05	H1 FY06	Change	Change (LC*)
Sales & operating revenue	3,279.8	3,598.4	+9.7 %	+5 %
Operating income	68.0**	6.2***	-90.9 %	-
Income before income taxes	108.3	27.9	-74.2 %	
Equity in net income of affiliates	-11.7	23.3	-	
Net income	21.2	34.0	+60.2 %	
Net income per share of common stock (diluted)	19.01 yen	32.36 yen	+70.2 %	
Restructuring charges****	48.7	16.0	-32.7	

Foreign exchange impact	Average Rate	H1 FY05	H1 FY06
Sales & operating revenue: approx. +160.8 bln yen	1 Dollar	108 yen	114 yen
Operating income: approx. +38.7 bln yen	1 Euro	134 yen	144 yen

* Local currency (LC) basis: change that would have occurred with no year-on-year change in exchange rates

** H1 FY05 operating income includes 73.5 bln yen of pension return benefits

*** H1 FY06 operating income includes a provision of 51.2 bln yen for expenses relating to a notebook computer battery pack recall and our voluntary global replacement program

**** Restructuring charges are recorded as operating expenses

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Sony Corporation Investor Relations

Segments and Affiliates H1 FY06

(bln yen)

CONSOLIDATED SEGMENTS		H1 FY05	H1 FY06	Change	Change (LC*)
Electronics	Sales	2,357.8	2,659.3	+12.8%	+7%
	Operating income	1.4**	55.4***	+3,849.1%	+919%
Game	Sales	387.0	292.8	-24.3%	-28%
	Operating income	2.3	-70.3	-	-
Pictures	Sales	303.2	382.9	+26.3%	
	Operating income	-2.4	-16.4	-	
Financial Services	Revenue	329.7	292.2	-11.4%	
	Operating income	62.0**	29.1	-53.0%	
All Other	Sales	190.4	169.6	-10.9%	
	Operating income	12.8**	11.2	-12.4%	

* Local currency (LC) basis: change that would have occurred with no year-on-year change in exchange rates

** Includes pension return benefits (64.5 bln yen within Electronics)

*** Includes provision of 51.2 bln yen for expenses relating to a notebook computer battery pack recall and our voluntary global replacement program

MAJOR EQUITY METHOD AFFILIATES		4/05 – 9/05	4/06 – 9/06	Change
Sony Ericsson (mln euros)	Sales	3,669	5,185	+41%
	Income before taxes	238	644	+171%
SONY BMG (mln dollars)	Sales	1,955	1,820	-7%
	Income before taxes	-97	-104	-

Sony Ericsson Mobile Communications AB & SONY BMG MUSIC ENTERTAINMENT are 50-50 joint ventures with LM Ericsson & Bertelsmann AG, respectively, both of which are accounted for by the equity method.

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