FY2010 Consolidated Results Forecast Revision

May 23, 2011

Sony Corporation

- Consolidated sales and operating revenue as well as operating income for the fiscal year ended March 31, 2011 are expected to be in line with the forecast announced in February, despite the impact of the Great East Japan Earthquake that occurred on March 11, 2011.
- Sony will record a non-cash charge of approximately 360 billion yen in the fourth quarter of the fiscal year ended March 31, 2011 to establish a valuation allowance against certain deferred tax assets in Japan. This is expected to result in a net loss attributable to Sony Corporation's stockholders, a substantial decrease from the February forecast.
- The valuation allowance is a non-cash charge and does not have any impact on Sony's consolidated operating income or cash flow.

- With respect to the forecast for the fiscal year ending March 31, 2012, despite the impact of the Great East Japan Earthquake, sales are expected to increase year-on-year, operating income is expected to be flat year-on-year, and net income attributable to Sony Corporation's stockholders is expected to be positive.

- The impact on operating income of the Great East Japan Earthquake is estimated to be approximately 17 billion yen for the fiscal year ended March 31, 2011 and approximately 150 billion yen for the fiscal year ending March 31, 2012.

- Based on information currently available to Sony, our currently known costs associated with the unauthorized network access are estimated to be approximately 14 billion yen in the fiscal year ending March 31, 2012.

FY10 Consolidated Results Forecast

(bln yen)

	FY09	FY10 Feb FCT	FY10 Revised FCT	Change (revised vs. Feb FCT)
Sales & operating revenue	7,214.0	7,200	7,181	- 0.3%
Operating income	31.8	200	200	-
Income before income taxes	26.9	200	205	+ 3
Net income attributable to Sony Corporation's stockholders	- 40.8	70	- 260	-

The revision to the forecast for net income (loss) attributable to Sony Corporation's stockholders is primarily due to the following factors:

A non-cash charge to establish a valuation allowance of approximately 360 billion yen against certain deferred tax assets in Japan.

Sony evaluates its deferred tax assets on a tax jurisdiction basis to determine if a valuation allowance is required. In Japan, Sony Corporation files a stand-alone tax filing for local tax purposes and a consolidated national tax filing with its wholly-owned Japanese subsidiaries for national tax purposes. Sony Corporation and its national tax filing group in Japan are in a three year cumulative loss as of March 31, 2011. Under U.S. GAAP, a three year cumulative loss is considered significant negative evidence regarding the realizability of deferred tax assets, which is difficult to overcome, particularly given the relatively short tax loss carry forward period of seven years in Japan and the adverse impact of the Earthquake on the near term forecast for entities in Japan. Accordingly, Sony determined in the fourth quarter of the fiscal year ended March 31, 2011 that it was required under U.S. GAAP to establish a valuation allowance against certain deferred tax assets in Japan.

The non-cash charge to establish a valuation allowance does not have any impact on Sony's consolidated operating income or cash flow, nor does such an allowance preclude Sony from using the loss carry forwards or other deferred tax assets in the future. For the fiscal year ending March 31, 2012, Sony expects that consolidated sales will be higher, that operating income will be approximately the same as for the previous fiscal year and that it will record net income attributable to Sony Corporation's stockholders, despite the impact of the Earthquake. It is also important to note that the establishment of this valuation allowance does not reflect a change in Sony's view of its long-term corporate strategy.

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