

SONY CORP
Form 6-K
March 17, 2015

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 March 2015
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/ Kenichiro Yoshida
(Signature)
Kenichiro Yoshida
Executive Vice President and
Chief Financial Officer

Date: March 17, 2015

List of materials

Documents attached hereto:

- i) Press release announcing Consolidated Financial Results for the Third Quarter Ended December 31, 2014
-

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

News & Information

No. 15-024E
3:00 P.M. JST, March 17, 2015

Consolidated Financial Results
for the Third Quarter Ended December 31, 2014

Tokyo, March 17, 2015 -- Sony Corporation ("Sony") today announced its consolidated financial results for the third quarter ended December 31, 2014 (October 1, 2014 to December 31, 2014).

On February 4, 2015, Sony announced third quarter results for each of its segments, with the exception of the Pictures segment, and third quarter forecasts for consolidated results and the Pictures segment based on the information available to management at that time. Consolidated results and Pictures segment results have been updated to reflect actual results as shown below.

(Billions of yen, millions of U.S. dollars, except per share amounts)				
Third Quarter ended December 31				
	2013	2014	Change in yen	2014*
Sales and operating revenue	¥ 2,410.7	¥ 2,566.7	+6.5 %	\$ 21,213
Operating income	88.9	182.1	+104.9	1,505
Income before income taxes	88.3	167.8	+90.1	1,387
Net income attributable to Sony Corporation's stockholders	26.4	90.0	+241.0	744
Net income attributable to Sony Corporation's stockholders per share of common stock:				
- Basic	¥ 25.43	¥ 78.12	+207.2	\$ 0.65
- Diluted	22.58	76.96	+240.8	0.64

* U.S. dollar amounts have been translated from yen, for convenience only, at the rate of 121 yen = 1 U.S. dollar, the approximate Tokyo foreign exchange market rate as of December 31, 2014.

The average foreign exchange rates during the quarters ended December 31, 2013 and 2014 are presented below.

Third Quarter ended December 31				
	2013	2014	Change	
The average rate of yen				
1 U.S. dollar	¥ 100.5	¥ 114.5	12.3 %	yen depreciation
1 Euro	136.7	143.0	4.4	yen depreciation

Consolidated Results for the Third Quarter Ended December 31, 2014

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Sales and operating revenue (“Sales”) were 2,566.7 billion yen (21,213 million U.S. dollars), an increase of 6.5% compared to the same quarter of the previous fiscal year (“year-on-year”). This increase is primarily due to the favorable impact of foreign exchange rates, a significant increase in Mobile Communications (“MC”) segment sales reflecting an increase in unit sales of smartphones, a significant increase in Devices segment sales due to the strong performance of image sensors, and a significant increase in Game & Network Services (“G&NS”) segment sales reflecting the strong performance of PlayStation 4 (“PS4”). This increase was partially offset by a significant decrease in sales in All Other, primarily related to Sony’s exit from the PC business, and a decrease in sales in the Pictures segment, mainly due to lower Motion Pictures and Television Productions sales. On a constant currency basis, sales decreased by 0.3% year-on-year. For further details about sales on a constant currency basis, see Note on page 10.

Operating income increased 93.2 billion yen year-on-year to 182.1 billion yen (1,505 million U.S. dollars). This significant increase was primarily due to a significant improvement in the operating results of the Devices, Home Entertainment & Sound (“HE&S”), G&NS, and Imaging Products & Solutions (“IP&S”) segments. This improvement was partially offset by a significant decrease in operating income in the Pictures segment.

Operating income in the current quarter includes an 11.2 billion yen (93 million U.S. dollars) write-down of PlayStation®Vita (“PS Vita”) and PlayStation TV (“PS TV”) components in the G&NS segment. In the same quarter of the previous fiscal year, a 32.1 billion yen impairment charge related to long-lived assets in the battery business in the Devices segment and a 6.2 billion yen write-off of certain PC software titles in the G&NS segment were recorded.

During the current quarter, restructuring charges, net, decreased 4.6 billion yen year-on-year to 9.0 billion yen (75 million U.S. dollars). PC exit costs decreased 6.1 billion yen year-on-year to 4.9 billion yen (41 million U.S. dollars) which includes 1.4 billion yen (11 million U.S. dollars) of restructuring charges. For further details about PC exit costs, see page 7.

Equity in net loss of affiliated companies, recorded within operating income, of 0.1 billion yen (1 million U.S. dollars) was recorded, compared to income of 1.7 billion yen in the same period of the previous fiscal year. This deterioration was mainly due to a deterioration of equity in net income (loss) for EMI Music Publishing.

The net effect of other income and expenses was an expense of 14.3 billion yen (118 million U.S. dollars), a deterioration of 13.7 billion yen year-on-year primarily due to a decrease in the gain on sales of securities investments. In the same quarter of the previous fiscal year, a 7.4 billion yen gain on the sale of Sony’s share in SKY Perfect JSAT Holdings Inc. was recorded.

Income before income taxes increased 79.5 billion yen to 167.8 billion yen (1,387 million U.S. dollars).

Income taxes: During the current quarter, Sony recorded 56.2 billion yen (464 million U.S. dollars) of income tax expense, resulting in an effective tax rate of 33.5%.

Net income attributable to Sony Corporation’s stockholders, which excludes net income attributable to noncontrolling interests, increased 63.6 billion yen year-on-year to 90.0 billion yen (744 million U.S. dollars).

Operating Performance Highlights by Business Segment

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

Mobile Communications (MC)

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

	2013	2014	Change in yen	2014
Sales and operating revenue	¥ 333.2	¥ 429.0	+28.7 %	\$ 3,545
Operating income	6.3	9.3	+46.2	76

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Sales increased 28.7% year-on-year (a 23% increase on a constant currency basis) to 429.0 billion yen (3,545 million U.S. dollars), primarily due to an increase in smartphone unit sales, an improvement in product mix and the favorable impact of foreign exchange rates.

Operating income increased 2.9 billion yen year-on-year to 9.3 billion yen (76 million U.S. dollars). This increase was primarily due to the above-mentioned improvement in product mix and increase in smartphone unit sales, partially offset mainly by the unfavorable impact of the appreciation of the U.S. dollar, reflecting the high ratio of U.S. dollar-denominated costs.

Game & Network Services (G&NS)

(Billions of yen, millions of U.S. dollars)				
Third Quarter ended December 31				
	2013	2014	Change in yen	2014
Sales and operating revenue	¥ 454.9	¥ 531.5	+16.8 %	\$ 4,393
Operating income	12.4	27.6	+122.8	228

Sales increased 16.8% year-on-year (an 8% increase on a constant currency basis) to 531.5 billion yen (4,393 million U.S. dollars). This significant increase was primarily due to an increase in PS4 hardware unit sales, the favorable impact of foreign exchange rates and a significant increase in network services revenue, partially offset by a decrease in PlayStation®3 (“PS3”) hardware and PS3 software sales. Sales to external customers increased 19.7% year-on-year.

Operating income increased 15.2 billion yen year-on-year to 27.6 billion yen (228 million U.S. dollars). This significant increase was primarily due to the impact of the above-mentioned increase in sales, partially offset by the impact of the decrease in PS3 software sales, the unfavorable impact of the appreciation of the U.S. dollar reflecting the high ratio of U.S. dollar-denominated costs, as well as the recording of an 11.2 billion yen (93 million U.S. dollars) write-down of PS Vita and PS TV components. This write-down was recorded because the latest forecast of PS TV unit sales does not reach our original forecast as a result of lower than expected unit sales in the current quarter. In the same quarter of the previous fiscal year, a 6.2 billion yen write-off of certain PC software titles was recorded.

Imaging Products & Solutions (IP&S)

(Billions of yen, millions of U.S. dollars)				
Third Quarter ended December 31				
	2013	2014	Change in yen	2014
Sales and operating revenue	¥ 198.1	¥ 201.0	+1.5 %	\$ 1,661
Operating income	12.1	23.0	+90.4	190

The IP&S segment includes the Digital Imaging Products and Professional Solutions categories. Digital Imaging Products includes compact digital cameras, interchangeable single-lens cameras and video cameras; Professional Solutions includes broadcast- and professional-use products. Due to certain changes in Sony’s organizational structure, sales and operating revenue and operating income of the IP&S segment of the comparable prior period have been reclassified to conform to the current presentation.

Sales increased 1.5% year-on-year (a 5% decrease on a constant currency basis) to 201.0 billion yen (1,661 million U.S. dollars), primarily due to the favorable impact of foreign exchange rates, partially offset by a significant decrease in unit sales of digital cameras*.

Operating income increased 10.9 billion yen year-on-year to 23.0 billion yen (190 million U.S. dollars). This significant increase was mainly due to a reduction in selling, general and administrative expenses and the favorable impact of foreign exchange rates, partially offset by the above-mentioned decrease in sales of digital cameras.

* Digital cameras includes compact digital cameras and interchangeable single-lens cameras.

Home Entertainment & Sound (HE&S)

(Billions of yen, millions of U.S. dollars)				
Third Quarter ended December 31				
	2013	2014	Change in yen	2014
Sales and operating revenue	¥ 404.0	¥ 413.3	+2.3 %	\$ 3,416
Operating income	6.4	25.3	+294.6	209

The HE&S segment includes the Televisions and Audio and Video categories. Televisions includes LCD televisions; Audio and Video includes Blu-ray Disc™ players and recorders, home audio, headphones and memory-based portable audio devices.

Sales increased 2.3% year-on-year (a 5% decrease on a constant currency basis) to 413.3 billion yen (3,416 million U.S. dollars). This increase was primarily due to the favorable impact of foreign exchange rates and a significant increase in sales of televisions, partially offset by a decrease in Audio and Video sales. Unit sales of LCD televisions increased mainly due to a significant increase in North America and Europe, partially offset by a significant decrease in Latin America.

Operating income increased 18.9 billion yen year-on-year to 25.3 billion yen (209 million U.S. dollars). This increase was primarily due to cost reductions, partially offset by the unfavorable impact of the appreciation of the U.S. dollar, reflecting the high ratio of U.S. dollar-denominated costs.

In Televisions, sales increased 10.1% year-on-year to 280.6 billion yen (2,319 million U.S. dollars). This significant increase was primarily due to the above-mentioned increase in unit sales, and the favorable impact of foreign exchange rates. Operating income* of 9.3 billion yen (77 million U.S. dollars) was recorded, compared to an operating loss of 5.0 billion yen in the same quarter of the previous fiscal year. This improvement was primarily due to cost reductions, partially offset by the unfavorable impact of the appreciation of the U.S. dollar, reflecting the high ratio of U.S. dollar-denominated costs.

* The operating income (loss) in Televisions excludes restructuring charges, which are included in the overall segment results and are not allocated to product categories.

Devices

(Billions of yen, millions of U.S. dollars)				
Third Quarter ended December 31				
	2013	2014	Change in yen	2014
Sales and operating revenue	¥ 211.3	¥ 292.9	+38.6 %	\$ 2,421
Operating income (loss)	(23.5)	54.5	-	451

The Devices segment includes the Semiconductors and Components categories. Semiconductors includes image sensors; Components includes batteries, recording media and data recording systems. Due to certain changes in Sony's organizational structure, sales and operating revenue and operating income of the Devices segment of the comparable prior period have been reclassified to conform to the current presentation.

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Sales increased 38.6% year-on-year (a 26% increase on a constant currency basis) to 292.9 billion yen (2,421 million U.S. dollars). This significant increase was primarily due to a significant increase in sales of image sensors reflecting higher demand for mobile products, the favorable impact of foreign exchange rates, as well as a significant increase in sales of camera modules. Sales to external customers increased 47.2% year-on-year.

Operating income of 54.5 billion yen (451 million U.S. dollars) was recorded, compared to an operating loss of 23.5 billion yen in the same quarter of the previous fiscal year. This significant improvement was primarily due to the recording of a 32.1 billion yen impairment charge related to long-lived assets in the battery business in the same quarter of the previous fiscal year, the above-mentioned increase in sales of image sensors, and the favorable impact of foreign exchange rates.

* * * * *

Total inventory of the five Electronics* segments above as of December 31, 2014 was 669.9 billion yen (5,536 million U.S. dollars), a decrease of 34.6 billion yen, or 4.9% year-on-year. Inventory decreased by 153.1 billion yen, or 18.6% compared with the level as of September 30, 2014.

* The term “Electronics” refers to the sum of the MC, G&NS, IP&S, HE&S and Devices segments.

In connection with the realignment made from the first quarter of the fiscal year ending March 31, 2015, total inventory of the five Electronics segments as of December 31, 2013 has been reclassified to conform to the presentation for the fiscal year ending March 31, 2015. For further details, please see Note on page 10.

* * * * *

Pictures

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

Third Quarter ended December 31

	2013	2014	Change in yen	2014
Sales and operating revenue	¥ 223.7	¥ 206.6	-7.7 %	\$ 1,707
Operating income	24.3	6.2	-74.4	51

The Pictures segment is comprised of the Motion Pictures, Television Productions, and Media Networks categories. Motion Pictures includes the production, acquisition and distribution of motion pictures; Television Productions includes the production, acquisition and distribution of television programming; Media Networks includes the operation of television and digital networks.

The results presented in Pictures are a yen-translation of the results of Sony Pictures Entertainment Inc. (“SPE”), a U.S.-based operation that aggregates the results of its worldwide subsidiaries on a U.S. dollar basis. 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 7.7% year-on-year (a 20% decrease on a constant currency (U.S. dollar) basis) to 206.6 billion yen (1,707 million U.S. dollars). The significant decrease in sales on a U.S. dollar basis was primarily due to a decrease in sales for Motion Pictures and Television Productions. The decrease in Motion Pictures sales was due to significantly lower home entertainment and theatrical revenues. The decrease in home entertainment revenues was due to fewer major home entertainment releases in the current quarter as compared to the same quarter of the previous fiscal year while theatrical revenues decreased due to the stronger worldwide performance of theatrical releases in the same quarter of the previous fiscal year. The decrease in Television Productions sales was due to the same quarter of the previous fiscal year benefitting from higher home entertainment and subscription video on demand (“SVOD”) revenues for the U.S. television series Breaking Bad.

Operating income decreased 18.0 billion yen year-on-year to 6.2 billion yen (51 million U.S. dollars) primarily due to the above-mentioned decrease in Motion Pictures and Television Productions sales. The current quarter includes approximately 15 million U.S. dollars (1.8 billion yen) in investigation and remediation costs relating to a cyberattack on SPE’s network and IT infrastructure which was identified in November, 2014 (“the cyberattack”).

Music

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

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Third Quarter ended December 31
Change in

	2013	2014	yen	2014
Sales and operating revenue	¥ 144.7	¥ 163.6	+13.1 %	\$ 1,352
Operating income	21.7	25.4	+17.0	210

The Music segment is comprised of the Recorded Music, Music Publishing and Visual Media and Platform categories. Recorded Music includes the distribution of physical and digital recorded music and revenue derived from artists' live performances; Music Publishing includes the management and licensing of the words and music of songs; Visual Media and Platform includes various service offerings for music and visual products and the production and distribution of animation titles.

The results presented in Music include the yen-translated results of Sony Music Entertainment (“SME”), a U.S.-based operation which aggregates the results of its worldwide subsidiaries on a U.S. dollar basis, the results of Sony Music Entertainment (Japan) Inc., a Japan-based music company which aggregates its results in yen, and the yen-translated consolidated results of Sony/ATV Music Publishing LLC (“Sony/ATV”), a 50% owned U.S.-based joint venture in the music publishing business which aggregates the results of its worldwide subsidiaries on a U.S. dollar basis.

Sales increased 13.1% year-on-year (a 3% increase on a constant currency basis) to 163.6 billion yen (1,352 million U.S. dollars) primarily due to the favorable impact of the depreciation of the yen against the U.S. dollar and an increase in Recorded Music sales. Recorded Music sales increased on a constant currency basis due to the strong performance of several releases and higher digital streaming revenues. Best-selling titles included One Direction’s Four, AC/DC’s Rock or Bust, Pink Floyd’s The Endless River, Foo Fighters’ Sonic Highways and Garth Brooks’ Man Against Machine.

Operating income increased 3.7 billion yen year-on-year to 25.4 billion yen (210 million U.S. dollars). This increase was primarily due to the favorable impact of foreign exchange rates and the above-mentioned increase in Recorded Music sales.

Financial Services

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

	2013	2014	Change in yen	2014
Financial services revenue	¥ 282.1	¥ 304.9	+8.1 %	\$ 2,520
Operating income	46.4	50.9	+9.7	420

The Financial Services segment results include Sony Financial Holdings Inc. (“SFH”) and SFH’s consolidated subsidiaries such as Sony Life Insurance Co., Ltd. (“Sony Life”), Sony Assurance Inc. and Sony Bank Inc. The results of Sony Life discussed in the Financial Services segment differ from the results that SFH and Sony Life disclose separately on a Japanese statutory basis.

Certain figures for the fiscal year ended March 31, 2014 have been revised from the versions previously disclosed. For details, please see Note 8 on page F-19

Financial services revenue increased 8.1% year-on-year to 304.9 billion yen (2,520 million U.S. dollars) primarily due to an increase in revenue at Sony Life. Revenue at Sony Life increased 8.2% year-on-year to 279.1 billion yen (2,307 million U.S. dollars) due to an increase in insurance premium revenue reflecting an increase in policy amount in force, as well as an improvement in investment performance.

Operating income increased 4.5 billion yen year-on-year to 50.9 billion yen (420 million U.S. dollars). This increase was mainly due to an increase in operating income at Sony Life. Operating income at Sony Life increased 2.9 billion yen year-on-year to 51.2 billion yen (423 million U.S. dollars) primarily due to an improvement in investment performance in the general account.

All Other

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

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	2013	2014	Change in yen	2014
Sales and operating revenue	¥270.6	¥144.3	-46.7 %	\$1,193
Operating loss	(14.8)	(14.3)	-	(118)

All Other includes the PC business. Due to certain changes in Sony's organizational structure, sales and operating revenue and operating loss of All Other of the comparable prior period have been reclassified to conform to the current presentation.

Sales decreased 46.7% year-on-year to 144.3 billion yen (1,193 million U.S. dollars). This significant decrease was primarily due to a significant decrease in sales reflecting Sony's exit from the PC business.

Operating loss decreased 0.5 billion yen year-on-year to 14.3 billion yen (118 million U.S. dollars). Operating loss was essentially flat year-on-year primarily due to a decrease in PC operating loss, partially offset by the deterioration of operating results in the disc manufacturing business. The following table provides PC exit costs and the total PC business operating loss. In the same quarter of the previous fiscal year, an 11.0 billion yen impairment charge related to long-lived assets in the PC business was recorded in PC exit costs.

		(Billions of yen, millions of U.S. dollars)				
		Third quarter ended December 31, 2014				
		All Other	Corporate and Elimination	Consolidated Total	Year-on-year change	Consolidated Total
(I)	Restructuring charges	¥ 0.3	¥ 1.1	¥ 1.4	¥ -9.6	\$ 11
	After-sales service					
(II)	expenses etc.	3.5	-	3.5	+3.5	29
	PC exit costs (I+II)	3.8	1.1	4.9	-6.1	41
	Operating loss excluding exit costs	(8.5)	-	(8.5)	+0.3	(70)
	Total PC operating loss	¥ (12.3)	¥ (1.1)	¥ (13.4)	¥ +6.4	\$ (111)

* * * * *

Consolidated Results for the Nine Months ended December 31, 2014

For Consolidated Statements of Income and Business Segment Information for the nine months ended December 31, 2014 and 2013, please refer to pages F-3 and F-7 respectively.

Sales for the current nine months increased 6.5% year-on-year to 6,278.2 billion yen (51,886 million U.S. dollars). This increase was primarily due to a significant increase in sales in the G&NS, MC and Devices segments, and the favorable impact of foreign exchange rates, partially offset by a significant decrease in sales in All Other, primarily related to Sony's exit from the PC business.

During the current nine months, the average rates of the yen were 106.9 yen against the U.S. dollar and 140.3 yen against the euro, which were 7.0% lower and 5.7% lower, respectively, as compared with the same period in the previous fiscal year. On a constant currency basis, consolidated sales increased 2%. For further detail about sales on a constant currency basis, see Note on page 10.

In the MC segment, sales increased significantly primarily due to an improvement in product mix and the favorable impact of foreign exchange rates. In the G&NS segment, sales increased significantly primarily due to increases in PS4 hardware unit sales and network services revenues. In the IP&S segment, sales decreased primarily due to a decrease in sales of digital cameras. In the HE&S segment, sales increased primarily due to a significant increase in sales of televisions and the favorable impact of foreign exchange rates. In the Devices segment, sales increased significantly mainly due to an increase in sales of image sensors for mobile devices and the favorable impact of foreign exchange rates. In the Pictures segment, sales increased due to the favorable impact of the depreciation of the yen against the U.S. dollar, partially offset by lower Television Productions sales as the same period of the previous fiscal year benefitted from higher home entertainment and SVOD revenues for the U.S. television series Breaking Bad. In the Music segment, sales increased primarily due to the favorable impact of the depreciation of the yen against the U.S. dollar and an increase in Visual Media and Platform sales. In the Financial Services segment, revenue increased primarily due to higher insurance premiums revenue and an improvement in investment performance in the general account at Sony Life.

Operating income increased 28.0 billion yen year-on-year to 166.3 billion yen (1,375 million U.S. dollars) for the current nine months. This significant increase was primarily due to a significant improvement in the operating results of the Devices, G&NS, HE&S, and IP&S segments. The operating results in the MC segment deteriorated significantly primarily due to the recording of a 176.0 billion yen (1,615 million U.S. dollars) impairment of goodwill.

Operating income during the current nine months includes a net benefit of 6.2 billion yen (51 million U.S. dollars) from insurance recoveries related to damages and losses incurred from the floods in Thailand in the fiscal year ended March 31, 2012 (“the Floods”). The same period of the previous fiscal year included a 32.1 billion yen impairment charge related to long-lived assets in the battery business in the Devices segments, a gain of 12.8 billion yen from the sale of certain shares of M3, Inc., a net benefit of 8.8 billion yen from insurance recoveries related to damages and losses incurred from the Floods and a benefit of 7.0 billion yen from the reversal of a patent royalty accrual.

In the MC segment, operating results significantly deteriorated year-on-year mainly due to the above-mentioned impairment charge recorded in this segment as well as the unfavorable impact of the appreciation of the U.S. dollar, reflecting the high ratio of U.S. dollar-denominated costs. In the G&NS segment, operating results improved significantly year-on-year primarily due to an increase in PS4 hardware and software sales. In the IP&S segment, operating income increased significantly year-on-year primarily due to a reduction in costs and an improvement in product mix reflecting a shift to high value-added models. In the HE&S segment, operating income was recorded compared to a loss in the same period of the previous fiscal year primarily due to cost reductions and an improvement in product mix reflecting a shift to high value-added models. In the Devices segment, operating results improved significantly mainly due to the recording of a 32.1 billion yen impairment charge related to long-lived assets in the battery business in the same period of the previous fiscal year and the increase in sales of image sensors. In the Pictures segment, operating income increased primarily due to the stronger performance of the current fiscal year's film release slate as the previous fiscal year reflected the theatrical underperformance of White House Down and After Earth, partially offset by the gain recognized on the sale of SPE's music publishing catalog in the same period of the previous fiscal year, higher programming costs for Sony's television networks in India, and the above mentioned decrease in Television Productions sales. In the Music segment, operating income increased primarily due to the favorable impact of foreign exchange rates and a shift in Recorded Music to digital streaming revenues. In the Financial Services segment, operating income increased primarily due to an improvement in investment performance in the general account at Sony Life.

Restructuring charges, recorded as operating expenses, amounted to 33.7 billion yen (279 million U.S. dollars) for the current nine months compared to 26.1 billion yen for the same period of the previous fiscal year.

Equity in net income of affiliated companies, recorded within operating income, was 3.7 billion yen (31 million U.S. dollars), compared to a loss of 0.8 billion yen in the same period of the previous fiscal year. This improvement was mainly due to an improvement of equity in net income (loss) for Intertrust Technologies Corporation.

The net effect of other income and expenses was an expense of 20.1 billion yen (166 million U.S. dollars), compared to income of 0.5 billion yen in the same period of the previous fiscal year. This deterioration was mainly due to an increase in foreign exchange loss, net and a decrease in the gain on sales of securities investments. In the same period of the previous fiscal year, a 7.4 billion yen gain on the sale of Sony's share in SKY Perfect JSAT Holdings Inc. was recorded.

Income before income taxes increased by 7.4 billion yen year-on-year to 146.3 billion yen (1,209 million U.S. dollars).

Income taxes: During the current nine months, Sony recorded 112.3 billion yen (928 million U.S. dollars) of income tax expense, and Sony's effective tax rate exceeded the Japanese statutory tax rate. This is primarily due to nondeductible goodwill impairments recorded during the current nine months.

Net loss attributable to Sony Corporation's stockholders for the current nine months was 19.2 billion yen (159 million U.S. dollars) compared to income of 9.9 billion yen in the same period of the previous fiscal year.

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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-17.

In the Financial Services segment, certain figures for the fiscal year ended March 31, 2014 have been revised from the versions previously disclosed. For further details, please see Note 8 on page F-19.

Operating Activities: During the current nine months, there was a net cash inflow of 382.9 billion yen (3,165 million U.S. dollars) from operating activities, an increase of 139.4 billion yen, or 57.3% year-on-year.

For all segments excluding the Financial Services segment, there was a net cash inflow of 112.5 billion yen (931 million U.S. dollars) for the current nine months, compared to a net cash outflow of 10.8 billion yen in the same period of the previous fiscal year. The net cash inflow was primarily due to the positive impact of a year-on-year improvement in net income after taking into account non-cash adjustments (including depreciation and amortization, other operating expenses, net, deferred income taxes and equity in net loss of affiliated companies). In addition, there was the positive impact of a decrease in inventories, compared to an increase in the same period of the previous fiscal year, and a smaller increase in other receivables from component assembly companies, included in other current assets, partially offset by the negative impact of a smaller year-on-year increase in notes and accounts payable, trade.

The Financial Services segment had a net cash inflow of 278.2 billion yen (2,300 million U.S. dollars), an increase of 17.2 billion yen, or 6.6% year-on-year. This increase was primarily due to an increase of insurance premium revenue in line with a growing policy amount in force at Sony Life.

Investing Activities: During the current nine months, Sony used 363.8 billion yen (3,007 million U.S. dollars) of net cash in investing activities, a decrease of 73.0 billion yen, or 16.7% year-on-year.

For all segments excluding the Financial Services segment, there was a 46.7 billion yen (386 million U.S. dollars) net cash outflow, an increase of 0.5 billion yen, or 1.2% year-on-year. This increase was primarily due to a year-on-year decrease in proceeds from the sales of fixed assets and investment securities. Sales of fixed assets and investment securities in the current nine months included the intersegment sale of Sony Corporation's headquarters' land to Sony Life, the sale of certain buildings and premises at the Gotenyama Technology Center and the sale of Sony's shares in SQUARE ENIX HOLDINGS CO., LTD.

The Financial Services segment used 317.1 billion yen (2,621 million U.S. dollars) of net cash, a decrease of 73.6 billion yen, or 18.8% year-on-year. This decrease was mainly due to a decrease in payments for investments and advances at Sony Life and a year-on-year increase in proceeds from the sale of investment securities. This decrease was partially offset by the negative impact of the intersegment purchase of Sony Corporation's headquarters' land by Sony Life, which is eliminated in the consolidated financial statements.

In all segments excluding the Financial Services segment, net cash generated in operating and investing activities combined*1 for the current nine months was 65.9 billion yen (544 million U.S. dollars), a 122.8 billion yen improvement from cash used in the same period of the previous fiscal year.

Financing Activities: During the current nine months, 184.6 billion yen (1,525 million U.S. dollars) of net cash and cash equivalents was used in financing activities, compared to 151.0 billion yen of net cash and cash equivalents provided in the same period of the previous fiscal year.

For all segments excluding the Financial Services segment, there was a 281.5 billion yen (2,327 million U.S. dollars) net cash outflow, an increase of 256.8 billion yen, or 1,041% year-on-year. This increase was primarily due to an issuance of straight bonds for Japanese retail investors in the same period of the previous fiscal year and a year-on-year increase in repayments of long-term debt, net.

In the Financial Services segment, financing activities provided 89.1 billion yen (736 million U.S. dollars) of net cash, a decrease of 79.9 billion yen, or 47.3% year-on-year. This decrease was mainly due to a smaller increase in customer deposits at Sony Life, compared to the figure in the same period of the previous fiscal year.

Total Cash and Cash Equivalents: Accounting for the above factors and the effect of fluctuations in foreign exchange rates, the total outstanding balance of cash and cash equivalents at December 31, 2014 was 933.5 billion yen (7,715 million U.S. dollars). Cash and cash equivalents of all segments excluding the Financial Services segment was 642.9 billion yen (5,314 million U.S. dollars) at December 31, 2014, an increase of 34.6 billion yen, or 5.7% compared with the balance as of December 31, 2013, and a decrease of 163.2 billion yen, or 20.2% compared with the balance as of March 31, 2014. Sony believes that it continues to maintain sufficient liquidity through access to a total, translated into yen, of 775.0 billion yen (6,405 million U.S. dollars) of unused committed lines of credit with financial institutions in addition to the cash and cash equivalents balance at December 31, 2014. Within the Financial Services segment, the outstanding balance of cash and cash equivalents was 290.6 billion yen (2,401 million U.S. dollars) at December 31, 2014, an increase of 49.6 billion yen, or 20.6% compared with the balance as of December 31, 2013, and an increase of 50.2 billion yen, or 20.9% compared with the balance as of March 31, 2014.

*1 Sony has included the information for cash flow from operating and investing activities combined, excluding the Financial Services segment's activities, as Sony's management frequently monitors this financial measure, and believes this non-U.S. GAAP measurement is important for use in evaluating Sony's ability to generate cash to maintain liquidity and fund debt principal and dividend payments from business activities other than its Financial Services segment. This information is derived from the reconciliations prepared in the Condensed Statements of Cash Flows on page F-17. This information and the separate condensed presentations shown below are not required or prepared in accordance with U.S. GAAP. The Financial Services segment's cash flow is excluded from the measure because SFH, which constitutes a majority of the Financial Services segment, is a separate publicly traded entity in Japan with a significant minority interest and it, as well as its subsidiaries, secure liquidity on their own. This measure may not be comparable to those of other companies. This measure has limitations because it does not represent residual cash flows available for discretionary expenditures principally due to the fact that the measure does not deduct the principal payments required for debt service. Therefore, Sony believes it is important to view this measure as supplemental to its entire statement of cash flows and together with Sony's disclosures regarding investments, available credit facilities and overall liquidity.

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A reconciliation of the differences between the Consolidated Statement of Cash Flows reported and cash flows from operating and investing activities combined excluding the Financial Services segment's activities is as follows:

	(Billions of yen, millions of U.S. dollars)		
	Nine months ended December 31		
	2013	2014	2014
Net cash provided operating activities reported in the consolidated statements of cash flows	¥243.5	¥382.9	\$3,165
Net cash used in investing activities reported in the consolidated statements of cash flows	(436.8)	(363.8)	(3,007)
	(193.3)	19.1	158
Less: Net cash provided by operating activities within the Financial Services segment	261.0	278.2	2,300
Less: Net cash used in investing activities within the Financial Services segment	(390.7)	(317.1)	(2,621)
Eliminations *2	6.6	7.9	66
Cash flow generated (used) in operating and investing activities combined excluding the Financial Services segment's activities	¥(57.0)	¥65.9	\$545

*2 Eliminations primarily consist of intersegment dividend payments.

* * * * *

Note

Sony realigned its business segments from the first quarter of the fiscal year ending March 31, 2015 to reflect modifications to its organizational structure as of April 1, 2014, primarily repositioning the operations of the previously reported Game and Mobile Products & Communications ("MP&C") segments. In connection with this realignment, the previously reported operations of the network business which were included in All Other have been integrated with the previously reported Game segment and are now reported as the G&NS segment. The previously reported Mobile Communications category, which was included in the MP&C segment, has been reclassified as the newly established MC segment, while the other categories in the previously reported MP&C segment are now included in All Other. This includes the reclassification of the PC business into All Other.

In addition, as of the first quarter of the fiscal year ending March 31, 2015, the power supply business, which was previously included in the Devices segment, has been integrated into All Other to reflect modifications Sony made to its organizational structure as of June 1, 2014.

In connection with these realignments, the sales and operating income (loss) of each segment in the fiscal year ended March 31, 2014 have been reclassified to conform to the presentation of the fiscal year ending March 31, 2015.

Certain figures for the fiscal year ended March 31, 2014 related to the Financial Services segment have been revised from the versions previously disclosed.

The descriptions of sales on a constant currency basis reflect sales obtained by applying the yen's monthly average exchange rates from the same quarter of the previous fiscal year to local currency-denominated monthly sales in the current quarter. In certain cases, most significantly in the Pictures segment and SME and Sony/ATV in the Music segment, the constant currency amounts are after aggregation on a U.S. dollar basis. Sales on a constant 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 constant currency basis provides additional useful analytical information to investors regarding the operating performance of Sony.

* * * * *

Outlook for the Fiscal Year ending March 31, 2015

Sony has not updated its forecast for consolidated results as announced on February 4, 2015 as per below.

(Billions of yen)

	February Forecast	October Forecast	March 31, 2014 Actual Results	Change from October Forecast		Change from March 31, 2014 Actual Results	
Sales and operating revenue	¥ 8,000	¥ 7,800	¥ 7,767.3	+2.6	%	+3.0	%
Operating income (loss)	20	(40)	26.5	¥ +60	bil	¥ -6.5	bil
Income (loss) before income taxes	(5)	(50)	25.7	¥ +45	bil	¥ -30.7	bil
Net loss attributable to Sony Corporation's stockholders	(170)	(230)	(128.4)	¥ +60	bil	¥ -41.6	bil

Assumed foreign currency exchange rates for the remainder of the fiscal year ending March 31, 2015: approximately 118 yen to the U.S. dollar and approximately 133 yen to the euro. (However, the forecasts for the segments below have been calculated using the assumed foreign currency rates of approximately 120 yen to the U.S. dollar and approximately 144 yen to the euro. Due to the recent volatility in foreign exchange rates, the assumed foreign currency exchange rates were revised after the individual segments had already completed their updated forecasts. Accordingly, the impact of the difference between the latest rates and the assumed rates has been included in the forecast for All Other.) (Assumed foreign currency exchange rates for the remainder of the fiscal year ending March 31, 2015 at the time of the October forecasts: approximately 110 yen to the U.S. dollar and approximately 138 yen to the euro.)

Costs related to the exit from the PC business and other strategic management initiatives are expected to be approximately 335 billion yen for the Sony Group, an increase of 24 billion yen above the October forecast. Such costs in the previous fiscal year were 177.4 billion yen. The above costs have been incorporated into the consolidated operating income forecast as an operating expense. Of the above costs, approximately 110 billion yen is expected to be recorded as restructuring charges, an increase of 25 billion yen compared to the October forecast (restructuring charges in the previous fiscal year were 80.6 billion yen).

Sony believes that the impact of the cyberattack on its consolidated results for the fiscal year ending March 31, 2015 will not be material.

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Sony has not updated its forecast for each business segment as announced on February 4, 2015 as per below.

	(Billions of yen)			Change - February Forecast vs. March 31, 2014 Results	
	February Forecast	October Forecast	March 31, 2014 Results	October Forecast	March 31, 2014 Results
Mobile Communications					
Sales and operating revenue	¥ 1,320	¥ 1,350	¥ 1,191.8	- 2.2 %	+10.8 %
Operating income (loss)	(215)	(204)	12.6	¥ -11 bil	¥ -227.6bil
Game & Network Services					
Sales and operating revenue	1,380	1,290	1,043.9	+7.0 %	+32.2 %
Operating income (loss)	40	35	(18.8)	¥ +5 bil	¥ +58.8 bil
Imaging Products & Solutions					
Sales and operating revenue	710	710	741.2	-	-4.2 %
Operating income	53	52	26.3	¥ +1 bil	¥ +26.71 bil
Home Entertainment & Sound					
Sales and operating revenue	1,210	1,200	1,168.6	+0.8 %	+3.5 %
Operating income (loss)	13	10	(25.5)	¥ +3 bil	¥ +38.5 bil
Devices					
Sales and operating revenue	950	890	773.0	+6.7 %	+22.9 %
Operating income (loss)	100	67	(12.4)	¥ +33 bil	¥ +112.4bil
Pictures					
Sales and operating revenue	890	860	829.6	+3.5 %	+7.3 %
Operating income	54	58	51.6	¥ -4 bil	¥ +2.4 bil
Music					
Sales and operating revenue	520	510	503.3	+2.0 %	+3.3 %
Operating income	53	50	50.2	¥ +3 bil	¥ +2.8 bil
Financial Services					
Financial services revenue	1,050	1,000	993.8	+5.0 %	+5.7 %
Operating income	178	164	170.3	¥ +14 bil	¥ +7.7 bil
All Other, Corporate and Elimination					
Operating loss	(256)	(272)	(227.8)	¥ +16 bil	¥ -28.2 bil
Consolidated					
Sales and operating revenue	8,000	7,800	7,767.3	+2.6 %	+3.0 %
Operating income (loss)	20	(40)	26.5	¥ +60 bil	¥ -6.5 bil

Mobile Communications

Sales are expected to be below the October forecast primarily due to an expected decrease in unit sales of smartphones mainly in the Asia Pacific region, partially offset by the favorable impact of foreign exchange rates. Operating loss is expected to be larger than the October forecast primarily due to the unfavorable impact of the appreciation of the U.S. dollar, reflecting the high ratio of U.S. dollar-denominated costs in the segment and the impact of the above-mentioned decrease in sales, partially offset by an expectation that average selling prices will be maintained longer than anticipated at the time of the October forecast.

Game & Network Services

Sales are expected to be higher than the October forecast primarily due to an expected increase in unit sales of the PS4, an expected increase in network services revenue and the favorable impact of foreign exchange rates. Operating income is expected to be above the October forecast primarily due to the above-mentioned increase in sales, partially offset by the unfavorable impact of the appreciation of the U.S. dollar, reflecting the high ratio of U.S. dollar-denominated costs in the segment.

Imaging Products & Solutions

Sales are expected to remain unchanged from the October forecast. Operating income is expected to be above the October forecast primarily due to the favorable impact of foreign exchange rates and cost reductions.

Home Entertainment & Sound

Sales are expected to be higher than the October forecast mainly due to the favorable impact of foreign exchange rates. Operating income is expected to be higher than the October forecast mainly due to cost reductions in Audio and Video.

Devices

Sales are expected to be higher than the October forecast primarily due to an anticipated increase in sales of image sensors and the favorable impact of foreign exchange rates. Operating income is expected to be higher than the October forecast primarily due to the above-mentioned increase in sales and the favorable impact of foreign exchange rates.

Pictures

Sales are expected to be higher than the October forecast primarily due to the favorable impact of the depreciation of the yen against the U.S. dollar. Operating income is expected to be lower than the October forecast primarily due to lower Media Networks advertising revenues as well as investigation and remediation costs relating to the cyberattack.

Music

Sales are expected to be higher than the October forecast primarily due to the favorable impact of foreign exchange rates. Operating income is expected to be higher than the October forecast primarily due to the favorable impact of foreign exchange rates and an increase in Recorded Music sales in Japan.

Financial Services

Financial services revenue and operating income are expected to exceed the October forecast because results in the current quarter exceeded expectations. Year-on-year, financial services revenue and operating income are expected to increase.

The effects of future gains and losses on investments held by the Financial Services segment due to market fluctuations have not been incorporated within the above forecast as it is difficult for Sony to predict market trends in the future. Accordingly, future market fluctuations could further impact the current forecast.

Sony has not updated its forecast for capital expenditures, depreciation and amortization, as well as research and development expenses for the current fiscal year as announced on February 4, 2015 as per below.

Consolidated

	(Billions of yen)			Change - February Forecast vs.	
	February Forecast	October Forecast	March 31, 2014 Results	October Forecast	March 31, 2014 Results
Capital expenditures*	¥ 285	¥ 295	¥ 261.0	-3.4 %	+9.2 %
[additions to property, plant and equipment (included above)]	195	195	164.6	-	+18.5]
[additions to intangible assets (included above) *]	90	100	96.4	-10.0	-6.7]
Depreciation and amortization**	350	355	376.7	-1.4	-7.1
[for property, plant and equipment (included above)]	170	170	195.8	-	-13.2]
[for intangible assets (included above)]	180	185	135.7	-2.7	+32.7]
Research and development expenses	480	485	466.0	-1.0	+3.0

* Does not include the increase in intangible assets resulting from business acquisitions.

** The forecast for depreciation and amortization includes amortization expenses for deferred insurance acquisition costs.

Sony without Financial Services

	(Billions of yen)			Change - February Forecast vs.	
	February Forecast	October Forecast	March 31, 2014 Results	October Forecast	March 31, 2014 Results
Capital expenditures*	¥ 274	¥ 284	¥ 250.8	-3.5 %	+9.3 %
[additions to property, plant and equipment (included above)	193	193	161.4	-	+19.6]
[additions to intangible assets (included above) *	81	91	89.4	-11.0	-9.4]
Depreciation and amortization	291	293	322.3	-0.7	-9.7
[for property, plant and equipment (included above)	169	169	194.9	-	-13.3]
[for intangible assets (included above)	122	124	127.4	-1.6	-4.3]

* Does not include the increase in intangible assets resulting from business acquisitions.

This forecast is based on management's current expectations and is subject to uncertainties and changes in circumstances. Actual results may differ materially from those included in this forecast due to a variety of factors. See "Cautionary Statement" below.

Cautionary Statement

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," "intend," "seek," "may," "might," "should," 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, judgments and beliefs in light of the information currently available to it. Sony cautions investors 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 investors should not place undue reliance on them. Investors 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 and the economic conditions in Sony's markets, particularly levels of consumer spending;
- (ii) foreign exchange rates, particularly between the yen and the U.S. dollar, the euro and other currencies in which Sony makes significant sales and incurs production costs, 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 televisions, game platforms and smartphones, which are offered in highly competitive markets characterized by severe price competition and continual new product and service introductions, rapid development in technology and subjective and changing consumer preferences;
- (iv) Sony's ability and timing to recoup large-scale investments required for technology development and production capacity;
- (v) Sony's ability to implement successful business restructuring and transformation efforts under changing market conditions;
- (vi) Sony's ability to implement successful hardware, software, and content integration strategies for all segments excluding the Financial Services segment, and to develop and implement successful sales and distribution strategies 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 prioritize investments correctly (particularly in the electronics businesses);
- (viii) Sony's ability to maintain product quality;
- (ix) the effectiveness of Sony's strategies and their execution, including but not limited to the success of Sony's acquisitions, joint ventures and other strategic investments;
- (x) significant volatility and disruption in the global financial markets or a ratings downgrade;
- (xi) Sony's ability to forecast demands, manage timely procurement and control inventories;
- (xii) the outcome of pending and/or future legal and/or regulatory proceedings;
- (xiii) 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;
- (xiv) the impact of unfavorable conditions or developments (including market fluctuations or volatility) in the Japanese equity markets on the revenue and operating income of the Financial Services segment;
- (xv) Sony's effort to anticipate and manage cybersecurity risk, including the risk of potential business disruptions or financial losses; and
- (xvi) risks related to catastrophic disasters or similar events.

Risks and uncertainties also include the impact of any future events with material adverse impact.

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(Unaudited)
Consolidated Financial Statements
Consolidated Balance Sheets

ASSETS	(Millions of yen, millions of U.S. dollars)			
	March 31 2014	December 31 2014	Change from March 31, 2014	December 31 2014
Current assets:				
Cash and cash equivalents	¥ 1,046,466	¥ 933,498	¥ -112,968	\$ 7,715
Marketable securities	832,566	943,188	+110,622	7,795
Notes and accounts receivable, trade	946,553	1,392,582	+446,029	11,509
Allowance for doubtful accounts and sales returns	(75,513)	(105,938)	-30,425	(876)
Inventories	733,943	781,504	+47,561	6,459
Other receivables	224,630	263,847	+39,217	2,181
Deferred income taxes	53,068	54,985	+1,917	454
Prepaid expenses and other current assets	443,173	522,583	+79,410	4,319
Total current assets	4,204,886	4,786,249	+581,363	39,556
Film costs	275,799	338,354	+62,555	2,796
Investments and advances:				
Affiliated companies	181,263	181,988	+725	1,504
Securities investments and other	7,737,748	8,127,555	+389,807	67,170
	7,919,011	8,309,543	+390,532	