

SONY CORP
Form 6-K
August 11, 2010

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 June 2010

Commission File Number: 001-06439

SONY CORPORATION

(Translation of registrant's name into English)

7-1, KONAN 1-CHOME, 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 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

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

Quarterly Securities Report
For the three months ended June 30, 2010

(TRANSLATION)

Sony Corporation

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Note for readers of this English translation

On August 11, 2010, Sony Corporation (the “Company”) filed its Japanese-language Quarterly Securities Report (Shihanki Houkokusho) for the three months ended June 30, 2010 with the Kanto Local Finance Bureau in Japan pursuant to the Financial Instruments and Exchange Act of Japan. This document is an English translation of the Quarterly Securities Report in its entirety, except for (i) information that had been filed previously with or submitted to the U.S. Securities and Exchange Commission (the “SEC”) in a Form 20-F, Form 6-K or any other forms and (ii) a description of differences between generally accepted accounting principles in the U.S. (“U.S. GAAP”) and generally accepted accounting principles in Japan (“J-GAAP”), which are required to be described in the Quarterly Securities Report under the Financial Instruments and Exchange Act of Japan if the Company prepares its financial statements in conformity with accounting principles other than J-GAAP.

Cautionary Statement

Statements made in this translation with respect to the current plans, estimates, strategies and beliefs and other statements of the Company and its consolidated subsidiaries (collectively “Sony”) 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,” “could” or “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 and beliefs in light of the information currently available to it. Sony cautions you that a number of important risks and uncertainties could cause actual results to differ materially from those discussed in the forward-looking statements, and therefore you should not place undue reliance on them. You also should not rely on any obligation of Sony to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Sony disclaims any such obligation. Risks and uncertainties that might affect Sony include, but are not limited to (i) the global economic environment in which Sony operates and the economic conditions in Sony’s markets, particularly levels of consumer spending; (ii) exchange rates, particularly between the yen and the U.S. dollar, the euro and other currencies in which Sony makes significant sales 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 LCD televisions and game platforms, which are offered in highly competitive markets characterized by 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 Consumer, Professional & Devices segment); (viii) Sony’s ability to maintain product quality; (ix) the success of Sony’s acquisitions, joint ventures and other strategic investments; (x) Sony’s ability to forecast demands, manage timely procurement and control inventories; (xi) the outcome of pending legal and/or regulatory proceedings; (xii) shifts in customer demand for financial services such as life insurance and Sony’s ability to conduct successful asset liability management in the Financial Services segment; and (xiii) 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. Risks and uncertainties also include the impact of any future events with material adverse impacts.

I Corporate Information

(1) Selected Consolidated Financial Data

	Yen in millions, Yen per share amounts		
	Three Months Ended June 30, 2009	Three Months Ended June 30, 2010	Fiscal Year Ended March 31, 2010
Sales and operating revenue	1,599,853	1,661,049	7,213,998
Operating income (loss)	(25,700))	67,016	31,772
Income (loss) before income taxes	(32,944))	78,911	26,912
Net income (loss) attributable to Sony Corporation's stockholders	(37,093))	25,737	(40,802))
Total equity	3,244,539	3,204,956	3,285,555
Total assets	12,366,462	12,741,481	12,866,114
Stockholders' equity per share of common stock (yen)	2,958.91	2,866.98	2,955.47
Net income (loss) attributable to Sony Corporation's stockholders per share of common stock, basic (yen)	(36.96))	25.65	(40.66))
Net income (loss) attributable to Sony Corporation's stockholders per share of common stock, diluted (yen)	(36.96))	25.61	(40.66))
Ratio of stockholders' equity to total assets (%)	24.0	22.6	23.1
Net cash provided by (used in) operating activities	56,918	(6,848))	912,907
Net cash used in investing activities	(172,858))	(181,791))	(746,004))
Net cash provided by financing activities	265,254	26,200	365,014
Cash and cash equivalents at end of the period	807,931	994,627	1,191,608
Number of employees	170,800	171,900	167,900

Notes:

1. The Company's consolidated financial statements are prepared in conformity with U.S. GAAP.
2. The Company reports equity in net income (loss) of affiliated companies as a component of operating income (loss).
 3. Consumption taxes are not included in sales and operating revenue.
 4. Total equity is presented based on U.S. GAAP.
5. Stockholders' equity per share of common stock and Ratio of stockholders' equity to total assets are calculated by using total equity attributable to the stockholders of the Company.
6. The Company prepares consolidated financial statements. Therefore parent-only selected financial data is not presented.

(2) Business Overview

There was no significant change in the business of Sony during the three months ended June 30, 2010. Sony realigned its reportable segments effective from the first quarter of the fiscal year ending March 31, 2011. For further information on the realignment, please refer to "V Financial Statements – Notes to Consolidated Financial Statements –7. Business segment information".

As of June 30, 2010, the Company had 1,304 subsidiaries and 87 affiliated companies, of which 1,273 companies are consolidated subsidiaries (including variable interest entities) of the Company. The Company has applied the equity accounting method for 80 affiliated companies.

(3) Changes in Subsidiaries and Affiliated Companies

Changes in subsidiaries and affiliated companies for the three months ended June 30, 2010 include the following

Name	Address	Common stock in millions of yen	Main business	Percentage of voting rights held (%)	Business relationship
(Consolidated Subsidiary)					The subsidiary is renting buildings from the Company for office use.
Sony Business Solutions Corporation	Minato-ku Tokyo Japan	1,111	Consumer, Professional & Devices	(100.0) 100.0	There is concurrent assignment of directors/officers between the Company and this subsidiary.

Notes:

1. The description of Main business shows the name of applicable operating segment.
2. The number inside the parenthesis of Percentage of voting rights held presents the percentage of voting rights indirectly owned by the Company.

(4) Number of Employees

The following table shows the number of employees as of June 30, 2010.

Consolidated	171,900*
Parent-only	16,805

* Figures less than one hundred are rounded to the nearest unit.

II State of Business

(1) Manufacturing, Orders Received and Sales

The products that Sony manufactures and sells are extremely diverse. Due to the cyclical nature of electronic devices, home game consoles, game software, and music and video software, Sony generally manufactures products based on forecasts. Because Sony carries out the manufacturing of its products such that it maintains a relatively stable and necessary level of product inventory, its level of production in the Consumer, Professional & Devices (“CPD”) and Networked Products & Services (“NPS”) segments is generally similar to the level of sales in these segments. Accordingly the status of production and sales in the CPD and NPS segments is discussed in connection with the operating results of these segments in “(4) Management’s Discussion and Analysis of Financial Condition, Results of Operations and Status of Cash Flows” below.

(2) Risk Factors

Note for readers of this English translation:

Aside from the amount of the revised estimate of the restructuring charges for the fiscal year ending March 31, 2011 in the risk factor below, there was no significant change from the information presented in the Risk Factors section of the Annual Report on Form 20-F filed with the SEC on June 28, 2010. Any forward-looking statement included in the descriptions below is based on the current judgment of management.

URL: The Annual Report on Form 20-F filed with the SEC on June 28, 2010

<http://www.sec.gov/Archives/edgar/data/313838/000095012310061435/k02298e20vf.htm>

Sony’s business restructuring and transformation efforts are costly and may not attain their objectives.

Sony continued to implement restructuring initiatives in the fiscal year ended March 31, 2010 that focused on a review of the Sony Group’s investment plan, the realignment of its manufacturing sites, the reallocation of its workforce and headcount reductions. As a result of these restructuring initiatives, a total of 124.3 billion yen in restructuring charges, including 7.9 billion yen of non-cash charges related to depreciation associated with restructured assets, has been recorded in the fiscal year ended March 31, 2010. Sony expects to record approximately 75 billion yen of restructuring charges for the fiscal year ending March 31, 2011. Restructuring charges are recorded in cost of sales, selling, general and administrative expenses and loss (gain) on sale, disposal or impairment of assets and other, net and thus initially deteriorate Sony’s operating income (loss) and net income (loss) attributable to Sony’s stockholders. Sony expects to continue rationalizing its manufacturing operations, shifting and aggregating manufacturing to lower-cost countries and increasing the utilization of third-party original equipment and design manufacturers (OEMs and ODMs). In addition, as a part of its transformation efforts, since April 1, 2009 Sony has established three horizontal platforms for (1) manufacturing, logistics, procurement and customer services, (2) R&D and common software development and (3) global sales and marketing functions, and has been undertaking business process optimization to enhance profitability. Furthermore Sony started developing a common procurement platform as well as consolidating its suppliers during the fiscal year ended March 31, 2010. In January 2010, Sony announced that it would outsource a part of the human resources and accounting operation services of Sony and certain of its subsidiaries in Japan starting in April 2010. Sony has and will become more reliant upon outsourcing services provided by external business partners.

Due to internal or external factors, projected growth, efficiencies and cost savings from the above-noted restructuring and transformation initiatives may not be realized as scheduled and, even if those benefits are realized, Sony may not be able to achieve the level of profitability expected due to the worsening of market conditions beyond expectations. Such possible internal factors may include, for example, changes in restructuring and transformation plans, an inability to implement the initiatives effectively with available resources, or delays in implementing the new business processes or strategies. Possible external factors may include, for example, increased burdens from regional labor regulations, labor union agreements and Japanese customary labor practices that may prevent Sony from executing its restructuring initiatives as planned. The inability to fully and successfully implement restructuring and transformation programs may adversely affect Sony's operating results and financial condition. Additionally, operating cash flows may be reduced as a result of the payment for restructuring charges.

(3) Material Contracts

There were no material contracts executed during the three months ended June 30, 2010.

Note for readers of this English translation:

The above means that there is no update from the description in the Annual Report on Form 20-F ("Patents and Licenses" in item 4) filed with the SEC on June 28, 2010.

URL: The Annual Report on Form 20-F filed with the SEC on June 28, 2010

<http://www.sec.gov/Archives/edgar/data/313838/000095012310061435/k02298e20vf.htm>

(4) Management's Discussion and Analysis of Financial Condition, Results of Operations and Status of Cash Flows

i) Results of Operations

Note for readers of this English translation:

Except for information specifically included in this English translation, this document omits certain information set out in the Japanese-language Quarterly Securities Report for the three month period ended June 30, 2010, since it is the same as described in the press release previously submitted to the SEC. Please refer to "Consolidated Financial Results for the First Quarter Ended June 30, 2010" submitted to the SEC on Form 6-K on July 29, 2010.

URL: The press release titled "Consolidated Financial Results for the First Quarter Ended June 30, 2010"

<http://www.sec.gov/Archives/edgar/data/313838/000115752310004424/a6374264.htm>

Foreign Exchange Fluctuations and Risk Hedging

Note for readers of this English translation:

Even though foreign exchange rates fluctuated, there was no significant change in risk hedging policy from the description in the Annual Report on Form 20-F filed with the SEC on June 28, 2010.

URL: The Annual Report on Form 20-F filed with the SEC on June 28, 2010

<http://www.sec.gov/Archives/edgar/data/313838/000095012310061435/k02298e20vf.htm>

Status of Cash Flow

Note for readers of this English translation:

Except for information specifically included in this English translation, this document omits certain information set out in the Japanese-language Quarterly Securities Report for the three month period ended June 30, 2010, since it is the same as described in the press release previously submitted to the SEC. Please refer to “Consolidated Financial Results for the First Quarter Ended June 30, 2010” submitted to the SEC on Form 6-K on July 29, 2010.

URL: The press release titled “Consolidated Financial Results for the First Quarter Ended June 30, 2010”

<http://www.sec.gov/Archives/edgar/data/313838/000115752310004424/a6374264.htm>

ii) Issues Facing Sony and Management’s Response to those Issues

Note for readers of this English translation:

Excluding the below, there was no significant change from the information presented as Issues Facing Sony and Management’s Response to those Issues in the Trend Information section of the Annual Report on Form 20-F filed with the SEC on June 28, 2010. Any forward-looking statement included in the descriptions below is based on the current judgment of management.

URL: The Annual Report on Form 20-F filed with the SEC on June 28, 2010

<http://www.sec.gov/Archives/edgar/data/313838/000095012310061435/k02298e20vf.htm>

Sony expects to record restructuring charges of approximately 75 billion yen in the fiscal year ending March 31, 2011, compared with the 124.3 billion yen, including 7.9 billion yen of non-cash charges related to depreciation associated with restructured assets, recorded in the fiscal year ended March 31, 2010.

Sony realigned its reportable segments from the first quarter of the fiscal year ending March 31, 2011, to reflect modifications to the organizational structure as of April 1, 2010, primarily repositioning the operations of the previously reported B2B & Disc Manufacturing segment. In connection with this realignment, the Consumer Products & Devices segment was renamed the Consumer, Professional & Devices (“CPD”) segment. The CPD segment includes televisions, digital imaging, audio and video, semiconductors and components as well as professional solutions (the B2B business

which was previously included in the B2B & Disc Manufacturing segment). The equity results of S-LCD Corporation, a joint venture with Samsung Electronics Co., Ltd., are also included within the CPD segment. The disc manufacturing business previously included in the B2B & Disc Manufacturing segment is now included in All Other.

The NPS, Pictures, Music and Financial Services segments remain unchanged. The equity earnings from Sony Ericsson Mobile Communications AB continue to be presented as a separate segment.

Despite the realignment of Sony's reportable segments mentioned above, there has been no change in either the issues management believes each business continues to face or how each business is addressing those issues.

iii) Research and Development

Note for readers of this English translation:

Excluding the below, Research and Development is the same as that found in the Research and Development section of the Annual Report on Form 20-F filed with the SEC on June 28, 2010.

URL: The Annual Report on Form 20-F filed with the SEC on June 28, 2010

<http://www.sec.gov/Archives/edgar/data/313838/000095012310061435/k02298e20vf.htm>

Research and development costs for the three months ended June 30, 2010 decreased 0.7 billion yen, or 0.7%, to 99.1 billion yen, compared with the same quarter of the previous fiscal year. The ratio of research and development costs to sales (which excludes financial services segment revenue) decreased from 7.3% to 6.6% due to the sales increase. Expenses in the CPD segment decreased 0.5 billion yen, or 0.7%, to 66.7 billion yen and expenses in the NPS segment decreased 1.4 billion yen, or 6.2%, to 21.0 billion yen. In the CPD segment, approximately 72% of expenses were for the development of new product prototypes while the remaining 28% was spent on the development of mid- to long-term new technologies in areas such as next-generation displays, semiconductors, new materials and software.

(iv) Liquidity and Capital Resources

Note for readers of this English translation:

Aside from the description of a translated amount into yen of the total amount of committed lines of credit below, there was no significant change from the information presented in the Annual Report on Form 20-F filed with the SEC on June 28, 2010. Any forward-looking statement included in the descriptions below is based on the current judgment of management.

URL: The Annual Report on Form 20-F filed with the SEC on June 28, 2010

<http://www.sec.gov/Archives/edgar/data/313838/000095012310061435/k02298e20vf.htm>

Sony typically raises funds through straight bonds, CP programs and bank loans (including syndicated loans); however, in the event Sony cannot access liquidity from these sources, Sony could also draw on committed lines of credit from various financial institutions. Sony has a total, translated into yen, of 773.1 billion yen in committed lines of credit, none of which had been used as of June 30, 2010. Details of those committed lines of credit are: a 475 billion yen committed line of credit contracted with a syndicate of Japanese banks, effective until November 2012, a 1.5 billion U.S. dollar multi-currency committed line of credit also with a syndicate of Japanese banks, effective until December 2013, and a 1.87 billion U.S. dollar multi-currency committed line of credit contracted with a syndicate of global banks, effective until April 2012, in all of which Sony Corporation and Sony Global Treasury Services Plc, a consolidated subsidiary of Sony Corporation, are defined as the borrowers. These contracts are aimed at securing sufficient liquidity in the event of financial and capital markets turmoil like that seen in the period following September 2008.

III Property, Plant and Equipment

(1) Major Property, Plant and Equipment

There was no significant change during the three months ended June 30, 2010.

(2) Plans for the Purchase and Retirement of Major Property, Plant and Equipment

During the three months ended June 30, 2010, primarily as a result of the increase of the planned capital expenditures in the Semiconductor business, Sony's planned capital expenditures for the fiscal year ending March 31, 2011 are 230 billion yen, an increase of 10 billion yen from the plan at the end of March 31, 2010. During the three months ended June 30, 2010, there was no significant new firm plan for the purchase, retirement and other measures of major property, plant and equipment.

IV Company Information

(1) Information on the Company's Shares

i) Total Number of Shares

1) Total Number of Shares

Class	Total number of shares authorized to be issued
Common stock	3,600,000,000
Total	3,600,000,000

2) Number of Shares Issued

Class