

SONY CORP
Form 6-K
May 31, 2013

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D. C. 20549
FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER

Pursuant to Rule 13a-16 or 15d-16 of
the Securities Exchange Act of 1934

For the month of May 2013

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-

Consolidated Financial Statements
For the fiscal year ended March 31, 2013

Sony Corporation
TOKYO, JAPAN

Contents

Management's Annual Report on Internal Control over Financial Reporting	2
Report of Independent Registered Public Accounting Firm	3
Consolidated Balance Sheets	4
Consolidated Statements of Income	6
Consolidated Statements of Comprehensive Income	8
Consolidated Statements of Cash Flows	9
Consolidated Statements of Changes in Stockholders' Equity	11
Index to Notes to Consolidated Financial Statements	14
Notes to Consolidated Financial Statements	15

Management's Annual Report on Internal Control over Financial Reporting

Sony's management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934. Sony's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles in the United States of America. Sony's internal control over financial reporting includes those policies and procedures that:

- (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of Sony;
- (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of Sony are being made only in accordance with authorizations of management and directors; and
- (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of Sony's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Sony's management evaluated the effectiveness of Sony's internal control over financial reporting as of March 31, 2013 based on the criteria established in "Internal Control — Integrated Framework (1992)" issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on the evaluation, management has concluded that Sony maintained effective internal control over financial reporting as of March 31, 2013.

Sony's independent registered public accounting firm, PricewaterhouseCoopers Aarata, has issued an audit report on Sony's internal control over financial reporting as of March 31, 2013, presented on page 3.

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of Sony Corporation (Sony Kabushiki Kaisha)

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of income, comprehensive income, cash flows and stockholders' equity present fairly, in all material respects, the financial position of Sony Corporation and its subsidiaries (the "Company") at March 31, 2013 and 2012, and the results of their operations and their cash flows for each of the three years in the period ended March 31, 2013, in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of March 31, 2013, based on criteria established in Internal Control - Integrated Framework (1992) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these financial statements, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express opinions on these financial statements and on the Company's internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ PricewaterhouseCoopers Aarata
Tokyo, Japan
May 30, 2013

SONY CORPORATION AND CONSOLIDATED SUBSIDIARIES

Consolidated Balance Sheets

March 31

	Yen in millions 2012	2013
ASSETS		
Current assets:		
Cash and cash equivalents	894,576	826,361
Marketable securities	680,913	697,597
Notes and accounts receivable, trade	840,924	844,117
Allowance for doubtful accounts and sales returns	(71,009)	(67,625)
Inventories	707,052	710,054
Other receivables	202,044	148,142
Deferred income taxes	36,769	44,615
Prepaid expenses and other current assets	463,693	443,272
Total current assets	3,754,962	3,646,533
Film costs	270,048	270,089
Investments and advances:		
Affiliated companies	36,800	198,621
Securities investments and other	6,282,676	7,118,504
	6,319,476	7,317,125
Property, plant and equipment:		
Land	139,413	131,484
Buildings	817,730	778,514
Machinery and equipment	1,957,134	1,934,520
Construction in progress	35,648	47,839
	2,949,925	2,892,357
Less — Accumulated depreciation	2,018,927	2,030,807
	930,998	861,550
Other assets:		
Intangibles, net	503,699	527,507
Goodwill	576,758	643,243
Deferred insurance acquisition costs	441,236	460,758
Deferred income taxes	100,460	107,688
Other	398,030	371,799
	2,020,183	2,110,995
Total assets	13,295,667	14,206,292

(Continued on following page.)

SONY CORPORATION AND CONSOLIDATED SUBSIDIARIES

Consolidated Balance Sheets (Continued)

	Yen in millions	
	2012	2013
LIABILITIES		
Current liabilities:		
Short-term borrowings	99,878	87,894
Current portion of long-term debt	310,483	156,288
Notes and accounts payable, trade	758,680	572,102
Accounts payable, other and accrued expenses	1,073,241	1,097,253
Accrued income and other taxes	63,396	75,080
Deposits from customers in the banking business	1,761,137	1,857,448
Other	463,166	469,024
Total current liabilities	4,529,981	4,315,089
Long-term debt	762,226	938,428
Accrued pension and severance costs	309,375	311,469
Deferred income taxes	284,499	373,999
Future insurance policy benefits and other	3,208,843	3,540,031
Policyholders' account in the life insurance business	1,449,644	1,693,116
Other	240,978	349,985
Total liabilities	10,785,546	11,522,117
Redeemable noncontrolling interest	20,014	2,997
Commitments and contingent liabilities		
EQUITY		
Sony Corporation's stockholders' equity:		
Common stock, no par value –		
2012– Shares authorized: 3,600,000,000, shares issued: 1,004,638,164	630,923	
2013– Shares authorized: 3,600,000,000, shares issued: 1,011,950,206		630,923
Additional paid-in capital	1,160,236	1,110,531
Retained earnings	1,084,462	1,102,297
Accumulated other comprehensive income –		
Unrealized gains on securities, net	64,882	107,061
Unrealized losses on derivative instruments, net	(1,050)	(742)
Pension liability adjustment	(186,833)	(191,816)
Foreign currency translation adjustments	(719,092)	(556,016)
	(842,093)	(641,513)
Treasury stock, at cost		
Common stock		
2012– 1,061,803 shares	(4,637)	
2013– 1,048,870 shares		(4,472)
	2,028,891	2,197,766
Noncontrolling interests	461,216	483,412
Total equity	2,490,107	2,681,178

Total liabilities and equity	13,295,667	14,206,292
------------------------------	------------	------------

The accompanying notes are an integral part of these statements.

SONY CORPORATION AND CONSOLIDATED SUBSIDIARIES

Consolidated Statements of Income

Fiscal year ended March 31

	Yen in millions 2011	2012	2013
Sales and operating revenue:			
Net sales	6,304,401	5,526,611	5,691,216
Financial services revenue	798,495	868,971	1,004,623
Other operating revenue	78,377	97,630	105,012
	7,181,273	6,493,212	6,800,851
Costs and expenses:			
Cost of sales	4,831,363	4,386,447	4,485,425
Selling, general and administrative	1,501,813	1,375,887	1,457,626
Financial services expenses	675,788	736,050	855,971
Other operating (income) expense, net	(13,450)	(59,594)	(235,219)
	6,995,514	6,438,790	6,563,803
Equity in net income (loss) of affiliated companies	14,062	(121,697)	(6,948)
Operating income (loss)	199,821	(67,275)	230,100
Other income:			
Interest and dividends	11,783	15,101	21,987
Gain on sale of securities investments, net	14,325	671	41,781
Foreign exchange gain, net	9,297	—	—
Other	9,561	7,706	4,888
	44,966	23,478	68,656
Other expenses:			
Interest	23,909	23,432	26,657
Loss on devaluation of securities investments	7,669	3,604	7,724
Foreign exchange loss, net	—	5,089	10,360
Other	8,196	7,264	8,334
	39,774	39,389	53,075
Income (loss) before income taxes	205,013	(83,186)	245,681
Income taxes:			
Current	117,918	108,545	75,734
Deferred	307,421	206,694	65,771
	425,339	315,239	141,505
Net income (loss)	(220,326)	(398,425)	104,176
Less - Net income attributable to noncontrolling interests	39,259	58,235	61,142
Net income (loss) attributable to Sony Corporation's stockholders	(259,585)	(456,660)	43,034

(Continued on following page.)

SONY CORPORATION AND CONSOLIDATED SUBSIDIARIES

Consolidated Statements of Income (Continued)

	Yen 2011	2012	2013
Per share data:			
Common stock			
Net income (loss) attributable to Sony Corporation's stockholders			
– Basic	(258.66)	(455.03)	42.80
– Diluted	(258.66)	(455.03)	40.19
Cash dividends	25.00	25.00	25.00

The accompanying notes are an integral part of these statements.

SONY CORPORATION AND CONSOLIDATED SUBSIDIARIES

Consolidated Statements of Comprehensive Income

Fiscal year ended March 31

	Yen in millions		
	2011	2012	2013
Net income (loss)	(220,326)	(398,425)	104,176
Other comprehensive income, net of tax –			
Unrealized gains (losses) on securities	(15,517)	20,557	66,844
Unrealized gains (losses) on derivative instruments	(1,553)	539	308
Pension liability adjustment	(3,299)	(33,173)	(6,623)
Foreign currency translation adjustments	(119,032)	(17,911)	161,818
Total comprehensive income (loss)	(359,727)	(428,413)	326,523
Less – Comprehensive income attributable to noncontrolling interests	35,004	66,136	82,909
Comprehensive income (loss) attributable to Sony Corporation's stockholders	(394,731)	(494,549)	243,614

The accompanying notes are an integral part of these statements.

SONY CORPORATION AND CONSOLIDATED SUBSIDIARIES

Consolidated Statements of Cash Flows

Fiscal year ended March 31

	Yen in millions		
	2011	2012	2013
Cash flows from operating activities:			
Net income (loss)	(220,326)	(398,425)	104,176
Adjustments to reconcile net income (loss) to net cash provided by operating activities –			
Depreciation and amortization, including amortization of deferred insurance acquisition costs	325,366	319,594	330,554
Amortization of film costs	250,192	188,836	208,051
Stock-based compensation expense	1,952	1,952	1,232
Accrual for pension and severance costs, less payments	(15,229)	36,647	(16,669)
Other operating (income) expense, net	(13,450)	(59,594)	(235,219)
(Gain) loss on sale or devaluation of securities investments, net	(6,656)	2,933	(34,057)
(Gain) loss on revaluation of marketable securities held in the financial services business for trading purposes, net	10,958	(21,080)	(72,633)
(Gain) loss on revaluation or impairment of securities investments held in the financial services business, net	5,080	2,819	(5,689)
Deferred income taxes	307,421	206,694	65,771
Equity in net (income) loss of affiliated companies, net of dividends	(11,479)	138,772	8,819
Changes in assets and liabilities:			
Decrease in notes and accounts receivable, trade	104,515	4,427	55,712
(Increase) decrease in inventories	(112,089)	29,778	56,987
Increase in film costs	(244,063)	(186,783)	(173,654)
Decrease in notes and accounts payable, trade	(18,119)	(59,410)	(206,621)
Increase (decrease) in accrued income and other taxes	(8,020)	(44,635)	12,446
Increase in future insurance policy benefits and other	278,897	332,728	438,371
Increase in deferred insurance acquisition costs	(69,196)	(68,634)	(73,967)

Increase in marketable securities held in the financial services business for trading purposes	(30,102)	(39,161)	(25,254)
(Increase) decrease in other current assets	(89,473)	(35,181)	91,762
Increase (decrease) in other current liabilities	56,076	10,595	(55,830)
Other	113,990	156,667	7,224
Net cash provided by operating activities	616,245	519,539	481,512
(Continued on following page.)			

SONY CORPORATION AND CONSOLIDATED SUBSIDIARIES

Consolidated Statements of Cash Flows (Continued)

	Yen in millions		
	2011	2012	2013
Cash flows from investing activities:			
Payments for purchases of fixed assets	(253,688)	(382,549)	(326,490)
Proceeds from sales of fixed assets	18,743	22,661	245,758
Payments for investments and advances by financial services business	(1,458,912)	(1,028,150)	(1,046,764)
Payments for investments and advances (other than financial services business)	(15,316)	(28,021)	(92,364)
Proceeds from sales or return of investments and collections of advances by financial services business	874,031	474,466	400,654
Proceeds from sales or return of investments and collections of advances (other than financial services business)	30,332	93,165	78,010
Proceeds from sales of businesses	99,335	8,430	52,756
Payment for Sony Ericsson acquisition, net of cash acquired	—	(71,843)	—
Other	(8,964)	28,955	(16,840)
Net cash used in investing activities	(714,439)	(882,886)	(705,280)
Cash flows from financing activities:			
Proceeds from issuance of long-term debt	1,499	216,887	159,781
Payments of long-term debt	(216,212)	(112,043)	(326,164)
Increase (decrease) in short-term borrowings, net	6,120	(26,158)	(29,683)
Increase in deposits from customers in the financial services business, net	229,327	211,597	232,561
Proceeds from issuance of convertible bonds	—	—	150,000
Dividends paid	(25,098)	(25,078)	(25,057)
Payment for purchase of So-net shares from noncontrolling interests	—	—	(55,178)
Other	(5,748)	(7,869)	(23,079)
Net cash provided by (used in) financing activities	(10,112)	257,336	83,181
Effect of exchange rate changes on cash and cash equivalents	(68,890)	(13,825)	72,372
	(177,196)	(119,836)	(68,215)

Net decrease in cash and cash equivalents

Cash and cash equivalents at beginning of the fiscal year	1,191,608	1,014,412	894,576
Cash and cash equivalents at end of the fiscal year	1,014,412	894,576	826,361

Supplemental data:

Cash paid during the fiscal year for –

Income taxes	116,376	127,643	90,991
Interest	20,583	20,276	24,161

Non-cash investing and financing activities –

Obtaining assets by entering into capital leases	3,738	56,403	10,025
--	-------	--------	--------

Share exchange for So-net remaining noncontrolling interests	—	—	7,005
--	---	---	-------

Collections of deferred proceeds from sales of receivables –	153,550	132,636	20,608
--	---------	---------	--------

The accompanying notes are an integral part of these statements.

SONY CORPORATION AND CONSOLIDATED SUBSIDIARIES

Consolidated Statements of Changes in Stockholders' Equity

	Yen in millions		Retained earnings	Accumulated other comprehensive income	Treasury stock, net cost	Sony Corporation's stockholders' equity	Noncontrolling interests	Total equity
	Common stock	Additional paid-in capital						
Balance at March 31, 2010	630,822	1,157,812	1,851,004	(669,058)	(4,675)	2,965,905	319,650	3,285,555
Exercise of stock acquisition rights	99	99				198	22	220
Stock-based compensation		1,782				1,782		1,782
Comprehensive income:								
Net income (loss)			(259,585)			(259,585)	39,259	(220,326)
Other comprehensive income, net of tax –								
Unrealized losses on securities				(12,001)		(12,001)	(3,516)	(15,517)
Unrealized losses on derivative instruments				(1,553)		(1,553)		(1,553)
Pension liability adjustment				(3,176)		(3,176)	(123)	(3,299)
Foreign currency translation adjustments				(118,416)		(118,416)	(616)	(119,032)
Total comprehensive income (loss)						(394,731)	35,004	(359,727)
Stock issue costs, net of tax			(8)			(8)		(8)
			(25,089)			(25,089)	(6,599)	(31,688)

Edgar Filing: SONY CORP - Form 6-K

Dividends declared								
Purchase of treasury stock				(111)	(111)			(111)
Reissuance of treasury stock		(48)		116	68			68
Transactions with noncontrolling interests shareholders and other		(27)			(27)	40,515		40,488
Balance at								
March 31, 2011	630,921	1,159,666	1,566,274	(804,204)	(4,670)	2,547,987	388,592	2,936,579

(Continued on following page.)

SONY CORPORATION AND CONSOLIDATED SUBSIDIARIES

Consolidated Statements of Changes in Stockholders' Equity (Continued)

	Yen in millions		Retained earnings	Accumulated other comprehensive income	Treasury stock, at cost	Sony Corporation's stockholders' equity	Noncontrolling interests	Total equity
	Common stock	Additional paid-in capital						
Balance at March 31, 2011	630,921	1,159,666	1,566,274	(804,204)	(4,670)	2,547,987	388,592	2,936,579
Exercise of stock acquisition rights	2	2				4	165	169
Stock-based compensation		1,838				1,838		1,838
Comprehensive income:								
Net income (loss)			(456,660)			(456,660)		