

SONY CORP
Form 6-K
May 30, 2014

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 2014
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: May 30, 2014

Consolidated Financial Statements

For the fiscal year ended March 31, 2014

Sony Corporation

TOKYO, JAPAN

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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, 2014 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, 2014.

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, 2014, presented on page xx.

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, 2014 and 2013, and the results of their operations and their cash flows for each of the three years in the period ended March 31, 2014, 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, 2014, 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.

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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 29, 2014

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SONY CORPORATION AND CONSOLIDATED SUBSIDIARIES**Consolidated Balance Sheets**

March 31

	Yen in millions	
	2013	2014
ASSETS		
Current assets:		
Cash and cash equivalents	826,361	1,046,466
Marketable securities	697,597	832,566
Notes and accounts receivable, trade	844,117	946,553
Allowance for doubtful accounts and sales returns	(67,625)	(75,513)
Inventories	710,054	733,943
Other receivables	148,142	177,685
Deferred income taxes	44,615	53,068
Prepaid expenses and other current assets	443,272	490,118
Total current assets	3,646,533	4,204,886
Film costs	270,089	275,799
Investments and advances:		
Affiliated companies	198,621	181,263
Securities investments and other	7,118,504	7,737,748
	7,317,125	7,919,011
Property, plant and equipment:		
Land	131,484	125,890
Buildings	778,514	674,841
Machinery and equipment	1,934,520	1,705,774
Construction in progress	47,839	39,771
	2,892,357	2,546,276
Less – Accumulated depreciation	2,030,807	1,796,266
	861,550	750,010
Other assets:		
Intangibles, net	694,621	675,663
Goodwill	643,243	691,803
Deferred insurance acquisition costs	465,499	497,772
Deferred income taxes	107,688	105,442
Other	204,685	213,334
	2,115,736	2,184,014
Total assets	14,211,033	15,333,720

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SONY CORPORATION AND CONSOLIDATED SUBSIDIARIES**Consolidated Balance Sheets (Continued)**

	Yen in millions	
	2013	2014
LIABILITIES		
Current liabilities:		
Short-term borrowings	87,894	111,836
Current portion of long-term debt	156,288	265,918
Notes and accounts payable, trade	572,102	712,829
Accounts payable, other and accrued expenses	1,097,253	1,175,413
Accrued income and other taxes	75,080	81,842
Deposits from customers in the banking business	1,857,448	1,890,023
Other	469,024	545,753
Total current liabilities	4,315,089	4,783,614
Long-term debt	938,428	916,648
Accrued pension and severance costs	311,469	284,963
Deferred income taxes	369,919	410,896
Future insurance policy benefits and other	3,535,532	3,824,572
Policyholders' account in the life insurance business	1,715,610	2,023,472
Other	349,985	302,299
Total liabilities	11,536,032	12,546,464
Redeemable noncontrolling interest	2,997	4,115
Commitments and contingent liabilities		
EQUITY		
Sony Corporation's stockholders' equity:		
Common stock, no par value –		
2013– Shares authorized: 3,600,000,000, shares issued: 1,011,950,206	630,923	
2014– Shares authorized: 3,600,000,000, shares issued: 1,044,707,767		646,654
Additional paid-in capital	1,110,531	1,127,090
Retained earnings	1,094,775	940,262
Accumulated other comprehensive income –		
Unrealized gains on securities, net	109,079	127,509
Unrealized losses on derivative instruments, net	(742)	–
Pension liability adjustment	(191,816)	(180,039)
Foreign currency translation adjustments	(556,016)	(399,055)
	(639,495)	(451,585)
Treasury stock, at cost		
Common stock		
2013– 1,048,870 shares	(4,472)	
2014– 1,026,618 shares		(4,284)
	2,192,262	2,258,137
Noncontrolling interests	479,742	525,004
Total equity	2,672,004	2,783,141
Total liabilities and equity	14,211,033	15,333,720

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		
	2012	2013	2014
Sales and operating revenue:			
Net sales	5,529,716	5,691,216	6,682,274
Financial services revenue	865,737	999,276	988,944
Other operating revenue	97,630	105,012	96,048
	6,493,083	6,795,504	7,767,266
Costs and expenses:			
Cost of sales	4,386,447	4,485,425	5,140,053
Selling, general and administrative	1,375,242	1,457,626	1,728,520
Financial services expenses	734,954	854,221	816,158
Other operating (income) expense, net	(59,594)	(235,219)	48,666
	6,437,049	6,562,053	7,733,397
Equity in net loss of affiliated companies	(121,697)	(6,948)	(7,374)
Operating income (loss)	(65,663)	226,503	26,495
Other income:			
Interest and dividends	15,101	21,987	16,652
Gain on sale of securities investments, net	671	41,781	12,049
Other	7,706	4,888	13,752
	23,478	68,656	42,453
Other expenses:			
Interest	22,769	26,657	23,460
Loss on devaluation of securities investments	3,604	7,724	1,648
Foreign exchange loss, net	5,089	10,360	9,224
Other	7,264	8,334	8,875
	38,726	53,075	43,207
Income (loss) before income taxes	(80,911)	242,084	25,741
Income taxes:			
Current	110,045	75,734	101,243
Deferred	206,708	64,664	(6,661)
	316,753	140,398	94,582
Net income (loss)	(397,664)	101,686	(68,841)
Less - Net income attributable to noncontrolling interests	57,374	60,146	59,528
Net income (loss) attributable to Sony Corporation's stockholders	(455,038)	41,540	(128,369)

(Continued on following page.)

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SONY CORPORATION AND CONSOLIDATED SUBSIDIARIES

Consolidated Statements of Income (Continued)

	Yen		
	2012	2013	2014
Per share data:			
Common stock			
Net income (loss) attributable to Sony Corporation's stockholders			
– Basic	(453.42)	41.32	(124.99)
– Diluted	(453.42)	38.79	(124.99)
Cash dividends	25.00	25.00	25.00

The accompanying notes are an integral part of these statements.

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SONY CORPORATION AND CONSOLIDATED SUBSIDIARIES**Consolidated Statements of Comprehensive Income**

Fiscal year ended March 31

	Yen in millions		
	2012	2013	2014
Net income (loss)	(397,664)	101,686	(68,841)
Other comprehensive income, net of tax			
Unrealized gains on securities	21,740	68,609	19,310
Unrealized gains on derivative instruments	539	308	742
Pension liability adjustment	(33,173)	(6,623)	11,883
Foreign currency translation adjustments	(17,911)	161,818	158,884
Total comprehensive income (loss)	(426,469)	325,798	121,978
Less – Comprehensive income attributable to noncontrolling interests	65,748	82,619	62,437
Comprehensive income (loss) attributable to Sony Corporation's stockholders	(492,217)	243,179	59,541

The accompanying notes are an integral part of these statements.

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SONY CORPORATION AND CONSOLIDATED SUBSIDIARIES**Consolidated Statements of Cash Flows**

Fiscal year ended March 31

	Yen in millions		
	2012	2013	2014
Cash flows from operating activities:			
Net income (loss)	(397,664)	101,686	(68,841)
Adjustments to reconcile net income (loss) to net cash provided by operating activities –			
Depreciation and amortization, including amortization of deferred insurance acquisition costs	366,270	376,735	376,695
Amortization of film costs	188,836	208,051	285,673
Stock-based compensation expense	1,952	1,232	1,068
Accrual for pension and severance costs, less payments	36,647	(16,669)	(38,131)
Other operating (income) expense, net	(59,594)	(235,219)	48,666
(Gain) loss on sale or devaluation of securities investments, net	2,933	(34,057)	(10,401)
Gain on revaluation of marketable securities held in the financial services business for trading purposes, net	(21,080)	(72,633)	(58,608)
(Gain) loss on revaluation or impairment of securities investments held in the financial services business, net	2,819	(5,689)	(3,688)
Deferred income taxes	206,708	64,664	(6,661)
Equity in net loss of affiliated companies, net of dividends	138,772	8,819	10,022
Changes in assets and liabilities:			
(Increase) decrease in notes and accounts receivable, trade	4,427	55,712	(29,027)
Decrease in inventories	29,778	56,987	20,248
Increase in film costs	(186,783)	(173,654)	(266,870)
Increase (decrease) in notes and accounts payable, trade	(59,410)	(206,621)	103,379
Increase (decrease) in accrued income and other taxes	(44,635)	12,446	(3,110)
Increase in future insurance policy benefits and other	330,548	434,786	391,541
Increase in deferred insurance acquisition costs	(68,634)	(73,967)	(77,656)
Increase in marketable securities held in the financial services business for trading purposes	(39,161)	(25,254)	(33,803)
(Increase) decrease in other current assets	(35,181)	91,762	(48,115)
Increase (decrease) in other current liabilities	7,682	(55,830)	58,656
Other	111,075	(37,122)	13,079
Net cash provided by operating activities	516,305	476,165	664,116

(Continued on following page.)

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SONY CORPORATION AND CONSOLIDATED SUBSIDIARIES**Consolidated Statements of Cash Flows (Continued)**

	Yen in millions		
	2012	2013	2014
Cash flows from investing activities:			
Payments for purchases of fixed assets	(382,549)	(326,490)	(283,457)
Proceeds from sales of fixed assets	22,661	245,758	99,694
Payments for investments and advances by financial services business	(1,028,150)	(1,046,764)	(1,032,594)
Payments for investments and advances (other than financial services business)	(28,021)	(92,364)	(14,892)
Proceeds from sales or return of investments and collections of advances by financial services business	474,466	400,654	426,621
Proceeds from sales or return of investments and collections of advances (other than financial services business)	93,165	78,010	75,417
Proceeds from sales of businesses	8,430	52,756	15,016
Payment for Sony Ericsson acquisition, net of cash acquired	(71,843)	–	–
Other	28,955	(16,840)	3,693
Net cash used in investing activities	(882,886)	(705,280)	(710,502)
Cash flows from financing activities:			
Proceeds from issuance of long-term debt	216,887	159,781	178,935
Payments of long-term debt	(112,043)	(326,164)	(164,540)
Increase (decrease) in short-term borrowings, net	(26,158)	(29,683)	25,183
Increase in deposits from customers in the financial services business, net	214,831	237,908	238,828
Proceeds from issuance of convertible bonds	–	150,000	–
Dividends paid	(25,078)	(25,057)	(25,643)
Payment for purchase of So-net shares from noncontrolling interests	–	(55,178)	–
Other	(7,869)	(23,079)	(44,886)
Net cash provided by financing activities	260,570	88,528	207,877
Effect of exchange rate changes on cash and cash equivalents	(13,825)	72,372	58,614
Net increase (decrease) in cash and cash equivalents	(119,836)	(68,215)	220,105
Cash and cash equivalents at beginning of the fiscal year	1,014,412	894,576	826,361
Cash and cash equivalents at end of the fiscal year	894,576	826,361	1,046,466
Supplemental data:			
Cash paid during the fiscal year for –			
Income taxes	127,643	90,991	101,091
Interest	20,276	24,161	23,819
Non-cash investing and financing activities –			