SONY

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News & Information

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Consolidated Financial Results for the Third Quarter Ended December 31, 2015

Tokyo, January 29, 2016 -- Sony Corporation today announced its consolidated financial results for the third quarter ended December 31, 2015 (October 1, 2015 to December 31, 2015).

(Billions of yen, millions of U.S. dollars, except per share amounts)

	Third Quarter ended December 31			
	2014	**2015**	Change in yen	**2015***
Sales and operating revenue	¥2,566.7	**¥2,580.8**	+0.5 %	**$21,507**
Operating income	182.1	**202.1**	+11.0	**1,685**
Income before income taxes	167.8	**193.3**	+15.2	**1,611**
Net income attributable to Sony Corporation's stockholders	90.0	**120.1**	+33.5	**1,001**
Net income attributable to Sony Corporation's stockholders per share of common stock:				
- Basic	¥78.12	**¥95.25**	+21.9	**$0.79**
- Diluted	76.96	**93.33**	+21.3	**0.78**

** U.S. dollar amounts have been translated from yen, for convenience only, at the rate of 120 yen = 1 U.S. dollar, the approximate Tokyo foreign exchange market rate as of December 31, 2015.*

All amounts are presented on the basis of Generally Accepted Accounting Principles in the U.S. ("U.S. GAAP").

Sony Corporation and its consolidated subsidiaries are together referred to as "Sony".

The average foreign exchange rates during the quarters ended December 31, 2014 and 2015 are presented below.

	Third Quarter ended December 31			
	2014	**2015**	Change	
The average rate of yen				
1 U.S. dollar	¥ 114.5	**¥ 121.4**	5.7%	(yen depreciation)
1 Euro	143.0	**133.0**	7.5	(yen appreciation)

Consolidated Results for the Third Quarter Ended December 31, 2015

Sales and operating revenue ("Sales") increased 0.5% compared to the same quarter of the previous fiscal year ("year-on-year") to 2,580.8 billion yen (21,507 million U.S. dollars). Sales were essentially flat year-on-year mainly due to increases in Game & Network Services ("G&NS") segment sales, reflecting a significant increase in PlayStation®4 ("PS4") software sales, and in Pictures segment sales, reflecting a significant increase in Motion Pictures sales, substantially offset by decreases in Mobile Communications ("MC") segment sales, reflecting a significant decrease in smartphone unit sales, and in Devices segment sales, primarily reflecting a significant decrease in image sensor sales. On a constant currency basis, sales were essentially flat year-on-year. For further details about the impact of foreign exchange rate fluctuations on sales and operating income (loss), see Notes on page 10.

Operating income increased 20.1 billion yen year-on-year to 202.1 billion yen (1,685 million U.S. dollars). This increase was primarily due to improvements in the results of All Other, the Pictures segment, the MC segment and the G&NS segment. The increase in consolidated operating income was partially offset by a significant deterioration in the operating results of the Devices segment, primarily due to deterioration in the operating results

of the battery business, including the recording of a 30.6 billion yen (255 million U.S. dollars) impairment charge related to long-lived assets. In the same quarter of the previous fiscal year, an 11.2 billion yen write-down of PlayStation®Vita ("PS Vita") and PlayStation®TV ("PS TV") components in the G&NS segment was recorded.

During the current quarter, restructuring charges, net, decreased 3.0 billion yen year-on-year to 6.1 billion yen (51 million U.S. dollars).

Equity in net income of affiliated companies, recorded within operating income, was 1.8 billion yen (15 million U.S. dollars), compared to a loss of 0.1 billion yen in the same quarter of the previous fiscal year. This improvement was mainly due to an improvement of equity in net income (loss) for AEGON Sony Life Insurance Co., Ltd. in the Financial Services segment.

The net effect of **other income and expenses** was an expense of 8.9 billion yen (74 million U.S. dollars), an improvement of 5.4 billion yen year-on-year mainly due to a decrease in foreign exchange loss, net.

Income before income taxes increased 25.5 billion yen year-on-year to 193.3 billion yen (1,611 million U.S. dollars).

Income taxes: During the current quarter, Sony recorded 55.7 billion yen (464 million U.S. dollars) of income tax expense, resulting in an effective tax rate of 28.8%. This effective tax rate was lower than the Japanese statutory tax rate primarily as a result of profits recorded in the insurance business, which is subject to lower tax rates, coupled with lower income tax expenses due to profits recorded at Sony Corporation and its national tax filing group in Japan, which currently have valuation allowances for deferred tax assets. In the same quarter of the previous fiscal year, Sony recorded 56.2 billion yen of income tax expense, resulting in an effective tax rate of 33.5%.

Net income attributable to Sony Corporation's stockholders, which deducts net income attributable to noncontrolling interests, increased 30.2 billion yen year-on-year to 120.1 billion yen (1,001 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			
	2014	**2015**	Change in yen	**2015**
Sales and operating revenue	¥450.9	**¥384.5**	-14.7%	**$3,204**
Operating income	10.4	**24.1**	+133.2	**201**

Due to certain changes in Sony's organizational structure, sales and operating revenue and operating income (loss) of the MC segment of the comparable prior period have been reclassified to conform to the current presentation. *For details, please see Notes on page 10.*

Sales decreased 14.7% year-on-year (a 13% decrease on a constant currency basis) to 384.5 billion yen (3,204 million U.S. dollars). This decrease was due to a significant decrease in smartphone unit sales resulting from a strategic decision not to pursue scale in order to improve profitability.

Operating income increased 13.8 billion yen year-on-year to 24.1 billion yen (201 million U.S. dollars). This significant increase was primarily due to an improvement in product mix reflecting a shift to high value-added models, as well as reductions in costs including marketing, research and development and other selling, general and administrative expenses, partially offset by the above-mentioned decrease in smartphone unit sales and the negative impact of the appreciation of the U.S. dollar, reflecting the high ratio of U.S. dollar-denominated costs. During the current quarter, there was an 18.8 billion yen negative impact from foreign exchange rate fluctuations.

Game & Network Services (G&NS)

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

	Third Quarter ended December 31			
	2014	**2015**	Change in yen	**2015**
Sales and operating revenue	¥531.5	**¥587.1**	+10.5%	**$4,892**
Operating income	27.6	**40.2**	+45.5	**335**

The G&NS segment includes the Hardware, Network, and Other categories. Hardware includes home and portable game consoles; Network includes network services relating to game, video and music content provided by Sony Network Entertainment International LLC; Other includes packaged software and peripheral devices.

Sales increased 10.5% year-on-year (an 11% increase on a constant currency basis) to 587.1 billion yen (4,892 million U.S. dollars). This significant increase was primarily due to increases in PS4 software sales and PS4 hardware unit sales, partially offset by a decrease in PlayStation®3 ("PS3") software and hardware sales.

Operating income increased 12.6 billion yen year-on-year to 40.2 billion yen (335 million U.S. dollars). This increase was primarily due to the increase in PS4 software sales as well as the absence in the current quarter of an 11.2 billion yen write-down of PS Vita and PS TV components recorded in the same quarter of the previous fiscal year. Partially offsetting the increase in operating income were the negative impact of the appreciation of the U.S. dollar, reflecting the high ratio of U.S. dollar-denominated costs, and the decrease in PS3 software sales. During the current quarter, there was a 19.2 billion yen negative impact from foreign exchange rate fluctuations.

Imaging Products & Solutions (IP&S)

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

	Third Quarter ended December 31			
	2014	**2015**	Change in yen	**2015**
Sales and operating revenue	¥201.9	**¥191.9**	-5.0%	**$1,599**
Operating income	19.7	**23.7**	+20.5	**197**

The IP&S segment includes the Digital Imaging Products, Professional Solutions and Other categories. Digital Imaging Products includes compact digital cameras, interchangeable single-lens cameras and video cameras; Professional Solutions includes broadcast- and professional-use products; Other includes operating revenues and flow cytometers. Due to certain changes in Sony's organizational structure, sales and operating revenue and operating income (loss) of the IP&S segment of the comparable prior period have been reclassified to conform to the current presentation. For details, please see Notes on page 10.

Sales decreased 5.0% year-on-year (a 5% decrease on a constant currency basis) to 191.9 billion yen (1,599 million U.S. dollars). This decrease was primarily due to decreases in unit sales of video cameras and digital cameras* reflecting a contraction of the market, partially offset by an improvement in the product mix of digital cameras reflecting a shift to high value-added models.

Operating income increased 4.0 billion yen year-on-year to 23.7 billion yen (197 million U.S. dollars). This increase was mainly due to the improvement in the product mix of digital cameras and cost reductions, partially offset by the impact of the above-mentioned decrease in sales. During the current quarter, there was a 2.3 billion yen negative impact from foreign exchange rate fluctuations.

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

Home Entertainment & Sound (HE&S)

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

	Third Quarter ended December 31			
	2014	**2015**	Change in yen	**2015**
Sales and operating revenue	¥420.2	**¥402.0**	-4.3%	**$3,350**
Operating income	26.0	**31.2**	+19.8	**260**

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. Due to certain changes in Sony's organizational structure, sales and operating revenue and operating income (loss) of the HE&S segment of the comparable prior period have been reclassified to conform to the current presentation. For details, please see Notes on page 10.

Sales decreased 4.3% year-on-year (a 3% decrease on a constant currency basis) to 402.0 billion yen (3,350 million U.S. dollars). This decrease was primarily due to a decrease in unit sales of LCD televisions, and a decrease in home audio and video unit sales, reflecting a contraction of the market, as well as the impact of foreign exchange rates, partially offset by an improvement in the product mix of LCD televisions, reflecting a shift to high value-added models.

Operating income increased 5.2 billion yen year-on-year to 31.2 billion yen (260 million U.S. dollars). This increase was primarily due to cost reductions and an improvement in product mix, partially offset by the negative impact of the appreciation of the U.S. dollar, reflecting the high ratio of U.S. dollar-denominated costs, as well as the impact of the above-mentioned decrease in sales. During the current quarter, there was a 14.9 billion yen negative impact from foreign exchange rate fluctuations.

In Televisions, sales* were 278.5 billion yen (2,321 million U.S. dollars), essentially flat year-on-year. This was primarily due to a decrease in LCD television unit sales resulting from a strategic decision not to pursue scale in order to improve profitability and the impact of foreign exchange rates, substantially offset by the improvement in product mix reflecting a shift to high value-added models. Operating income** increased 6.6 billion yen year-on-year to 15.9 billion yen (132 million U.S. dollars). This increase was primarily due to cost reductions and the improvement in product mix, partially offset by the negative impact of the appreciation of the U.S. dollar, reflecting the high ratio of U.S. dollar-denominated costs, and the impact of the decrease in unit sales.

* *Sales for Televisions do not include operating revenue.*
** *The operating income 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			
	2014	**2015**	Change in yen	**2015**
Sales and operating revenue	¥285.9	**¥249.9**	-12.6%	**$2,082**
Operating income (loss)	53.8	**(11.7)**	-	**(97)**

The Devices segment includes the Semiconductors and Components categories. Semiconductors includes image sensors and camera modules; Components includes batteries and recording media. Due to certain changes in Sony's organizational structure, sales and operating revenue and operating income (loss) of the Devices segment of the comparable prior period have been reclassified to conform to the current presentation. For details, please see Notes on page 10.

Sales decreased 12.6% year-on-year (a 16% decrease on a constant currency basis) to 249.9 billion yen (2,082 million U.S. dollars). This decrease was primarily due to a significant decrease in sales of image sensors, reflecting a decrease in demand for mobile products, and a significant decrease in battery business sales. This sales decrease was partially offset by an increase in sales of camera modules which were lower than originally forecasted and the impact of foreign exchange rates. Sales to external customers decreased 7.5% year-on-year.

Operating loss of 11.7 billion yen (97 million U.S. dollars) was recorded, compared to an operating income of 53.8 billion yen in the same quarter of the previous fiscal year. This significant deterioration was primarily due to the deterioration in the operating results of the battery business, including the recording of a 30.6 billion yen (255 million U.S. dollars) impairment charge related to long-lived assets, increases in depreciation and amortization expenses as well as in research and development expenses for image sensors and camera modules, and the impact of the decrease in sales of image sensors. For the battery business, due to the increasingly competitive markets, Sony performed an impairment analysis in the current quarter ended December 31, 2015, and reduced the corresponding estimated future cash flows and the estimated ability to recover the entire carrying amount of the long-lived assets, resulting in an impairment charge. During the current quarter, there was a 3.1 billion yen positive impact from foreign exchange rate fluctuations.

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Total inventory of the five Electronics* segments above as of December 31, 2015 was 644.7 billion yen (5,373 million U.S. dollars), a decrease of 27.6 billion yen, or 4.1% year-on-year. Inventory decreased by 188.8 billion yen, or 22.7% compared with the level as of September 30, 2015.

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

In connection with the realignments made from the first quarter and the third quarter of the fiscal year ending March 31, 2016, total inventory of the five Electronics segments as of December 31, 2014 and September 30, 2015 has been reclassified to conform to the current presentation. For further details, please see Notes on page 10.

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Pictures

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

	Third Quarter ended December 31			
	2014	**2015**	Change in yen	**2015**
Sales and operating revenue	¥206.6	**¥262.1**	+26.9%	**$2,184**
Operating income	6.2	**20.4**	+227.4	**170**

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 increased 26.9% year-on-year (a 21% increase on a U.S. dollar basis) to 262.1 billion yen (2,184 million U.S. dollars). The increase in sales on a U.S. dollar basis was primarily due to significantly higher sales for Motion Pictures, partially offset by the impact of foreign exchange rates. The increase in Motion Pictures sales was primarily driven by higher theatrical revenues, as the current quarter benefitted from the strong worldwide theatrical performances of *Spectre* and *Hotel Transylvania 2*, partially offset by lower home entertainment revenues, as the same quarter of the previous fiscal year benefitted from the home entertainment performances of *22 Jump Street* and *The Equalizer*.

Operating income increased 14.1 billion yen year-on-year to 20.4 billion yen (170 million U.S. dollars). This increase was primarily due to the impact of the above-mentioned increase in sales, partially offset by higher theatrical marketing expenses. The increase in operating income also reflects lower overhead expenses as compared to the same quarter of the previous fiscal year, primarily due to a reduction in incentive compensation expense as well as insurance recoveries related to losses incurred from the cyberattack on SPE's network and IT infrastructure in the Fall of 2014.

Music

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

	Third Quarter ended December 31			
	2014	**2015**	Change in yen	**2015**
Sales and operating revenue	¥167.5	**¥181.2**	+8.2%	**$1,510**
Operating income	25.9	**27.4**	+5.7	**228**

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.

Due to certain changes in Sony's organizational structure, sales and operating revenue and operating income (loss) of the Music segment of the comparable prior period have been reclassified to conform to the current presentation. *For details, please see Notes on page 10.*

Sales increased 8.2% year-on-year (a 4% increase on a constant currency basis) to 181.2 billion yen (1,510 million U.S. dollars) primarily due to the impact of the depreciation of the yen against the U.S. dollar. The increase in sales on a constant currency basis is due to higher Recorded Music sales, reflecting an increase in digital streaming revenue, and higher Visual Media and Platform sales, reflecting the strong performance of a game application for mobile devices. The current quarter includes the record-breaking sales of Adele's new album *25*. Other best-selling titles included One Direction's *Made in the A.M.*, Elvis Presley's *If I Can Dream: Elvis Presley with the Royal Philharmonic Orchestra* and Bruce Springsteen's *The Ties That Bind: The River Collection*.

Operating income increased 1.5 billion yen year-on-year to 27.4 billion yen (228 million U.S. dollars). This increase was primarily due to the above-mentioned increase in sales in Recorded Music and Visual Media and Platform.

Financial Services

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

	Third Quarter ended December 31			
	2014	**2015**	Change in yen	**2015**
Financial services revenue	¥304.9	**¥322.0**	+5.6%	**$2,684**
Operating income	50.9	**52.2**	+2.7	**435**

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.

Financial services revenue increased 5.6% year-on-year to 322.0 billion yen (2,684 million U.S. dollars) primarily due to an increase in revenue at Sony Life. Revenue at Sony Life increased 5.7% year-on-year to 295.0 billion yen (2,458 million U.S. dollars) mainly due to an increase in insurance premium revenue reflecting a steady increase in policy amount in force.

Operating income of 52.2 billion yen (435 million U.S. dollars) was recorded, essentially flat year-on-year. At Sony Life, operating income of 51.6 billion yen (430 million U.S. dollars) was recorded, essentially flat year-on-year, mainly due to the above-mentioned increase in insurance premium revenue, substantially offset by an increase in operating expenses.

All Other

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

	Third Quarter ended December 31			
	2014	**2015**	Change in yen	**2015**
Sales and operating revenue	¥117.6	**¥96.8**	-17.7%	**$807**
Operating income (loss)	(12.6)	**5.7**	-	**47**

All Other included costs related to the PC business in the same quarter of the previous fiscal year. Due to certain changes in Sony's organizational structure, sales and operating revenue and operating income (loss) of All Other of the comparable prior period have been reclassified to conform to the current presentation. For details, please see Notes on page 10.

Sales decreased 17.7% year-on-year to 96.8 billion yen (807 million U.S. dollars).

Operating income of 5.7 billion yen (47 million U.S. dollars) was recorded, compared to an operating loss of 12.6 billion yen in the same quarter of the previous fiscal year. This significant improvement was primarily due to a decrease in PC exit costs, including restructuring charges and after-sales service expenses, as well as the absence in the current quarter of sales company fixed costs charged to the PC business in the same quarter of the previous fiscal year which were allocated based on the prior year results.

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Consolidated Results for the Nine Months ended December 31, 2015

For Consolidated Statements of Income and Business Segment Information for the nine months ended December 31, 2015 and 2014, please refer to pages F-3 and F-7 respectively.

Sales for the nine months ended December 31, 2015 ("the current nine months") were 6,281.6 billion yen (52,347 million U.S. dollars), essentially flat year-on-year. This was primarily due to the significant increase in sales in the G&NS segment and the impact of foreign exchange rates, substantially offset by the significant decrease in sales in the MC segment.

During the current nine months, the average rates of the yen were 121.7 yen against the U.S. dollar and 134.4 yen against the euro, which were 12.2% lower and 4.4% higher, respectively, as compared with the same period in the previous fiscal year. On a constant currency basis, consolidated sales decreased 4%. For further details about sales on a constant currency basis, see Notes on page 10.

In the MC segment, sales decreased significantly primarily due to a significant decrease in smartphone unit sales resulting from a strategic decision not to pursue scale in order to improve profitability. In the G&NS segment, sales increased significantly primarily due to the contribution of PS4 software sales. In the IP&S segment, sales were essentially flat year-on-year primarily due to an improvement in the product mix of digital cameras reflecting a shift to high value-added models, substantially offset by a decrease in unit sales of digital cameras reflecting a contraction of the market. In the HE&S segment, sales decreased primarily due to decreases in LCD televisions and home audio and video unit sales. In the Devices segment, sales increased mainly due to the impact of foreign exchange rates and an increase in sales of image sensors. In the Pictures segment, sales increased primarily due to the impact of the depreciation of the yen against the U.S. dollar. On a U.S. dollar basis, sales for the Pictures segment decreased primarily due to lower home entertainment and television licensing revenues for Motion Pictures and the impact of foreign exchange rates. In the Music segment, sales increased significantly primarily due to the impact of the depreciation of the yen against the U.S. dollar and higher Recorded Music and Visual Media and Platform sales. In the Financial Services segment, revenue was essentially flat year-on-year primarily due to a deterioration in investment performance in the separate account at Sony Life, substantially offset by an increase in insurance premium revenue at Sony Life.

Operating income increased 220.7 billion yen year-on-year to 387.1 billion yen (3,226 million U.S. dollars). This increase was primarily due to the absence of the impairment charge of goodwill of 176.0 billion yen recorded in the MC segment in the same period of the previous fiscal year, the improvement in the operating results of All Other, reflecting a decrease in operating loss of the PC business, as well as the improvements in G&NS, Music,

IP&S and HE&S segment results, partially offset by significant deteriorations in the operating results of the Devices and Pictures segments.

Operating income during the current nine months includes a 30.6 billion yen (255 million U.S. dollar) impairment charge of long-lived assets in the battery business recorded in the Devices segment, a 151 million U.S. dollar (18.1 billion yen) gain on the remeasurement to fair value of SME's 51% equity interest in Orchard Media, Inc. ("The Orchard"), which had previously been accounted for under the equity method, as a result of SME increasing its ownership interest to 100%, recorded in the Music Segment, as well as a gain of 12.3 billion yen (101 million U.S. dollars) from the sale of a part of the logistics business, in connection with the formation of a logistics joint venture, recorded in Corporate and elimination. The operating income in the same period of the previous fiscal year included the above-mentioned 176.0 billion yen impairment charge of goodwill recorded in the MC segment, a gain of 14.8 billion yen recognized on the sale of certain buildings and premises at the Gotenyama Technology Center in Japan, recorded in Corporate and elimination and an 11.2 billion yen write-down of PS Vita and PS TV components recorded in the G&NS segment.

In the MC segment, operating loss decreased significantly year-on-year mainly due to the absence in the current period of the above-mentioned goodwill impairment charge recorded in the same period of the previous fiscal year. In the G&NS segment, operating income increased significantly year-on-year primarily due to the contribution of PS4 software sales. In the IP&S segment, operating income increased significantly year-on-year primarily due to an improvement in the product mix of digital cameras as a result of a shift to high value-added models. In the HE&S segment, operating income increased year-on-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 income decreased significantly mainly due to the recording of an impairment charge in the battery business. In the Pictures segment, operating results deteriorated significantly primarily due to the above-mentioned decrease in Motion Pictures sales. In the Music segment, operating income increased significantly primarily due to the gain recorded on the remeasurement to fair value of SME's 51% equity interest in The Orchard. In the Financial Services segment, operating income was essentially flat year-on-year. This result was primarily due to increases in the provision of policy reserves and the amortization of deferred insurance acquisition costs, both pertaining to variable insurance, driven by the deterioration in investment performance in the separate account at Sony Life, substantially offset by an improvement in investment performance in the general account at Sony Life.

Restructuring charges, net, recorded as operating expenses, amounted to 21.8 billion yen (182 million U.S. dollars) for the current nine months, compared to 33.7 billion yen for the same period of the previous fiscal year.

Equity in net income of affiliated companies, recorded within operating income, decreased 0.6 billion yen year-on-year to 3.1 billion yen (26 million U.S. dollars) for the current nine months.

The net effect of **other income and expenses** was income of 17.1 billion yen (142 million U.S. dollars), compared to an expense of 20.1 billion yen in the same period of the previous fiscal year. This was primarily due to an increase in the gain on sales of securities investments.

Income before income taxes increased 257.9 billion yen year-on-year to 404.2 billion yen (3,368 million U.S. dollars) for the current nine months.

Income taxes: During the current nine months, Sony recorded 119.4 billion yen (994 million U.S. dollars) of income tax expense, resulting in an effective tax rate of 29.5%. This effective tax rate was lower than the Japanese statutory tax rate primarily as a result of profits recorded in the insurance business, which is subject to lower tax rates, coupled with lower income tax expenses due to profits recorded at Sony Corporation and its national tax filing group in Japan, which currently have valuation allowances for deferred tax assets. In the same period of the previous fiscal year, Sony recorded 112.3 billion yen of income tax expense, and Sony's effective tax rate exceeded the Japanese statutory tax rate. This was primarily due to the nondeductible goodwill impairment recorded during the same period of the previous fiscal year.

Net income attributable to Sony Corporation's stockholders, which deducts net income attributable to noncontrolling interests, was 236.1 billion yen (1,968 million U.S. dollars) in the current nine months, compared to a loss of 19.2 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.

Operating Activities: During the current nine months, there was a net cash inflow of 321.5 billion yen (2,680 million U.S. dollars) from operating activities, a decrease of 61.4 billion yen, or 16.0% year-on-year.

For all segments excluding the Financial Services segment, there was a net cash inflow of 22.6 billion yen (189 million U.S. dollars), a decrease of 89.9 billion yen, or 79.9% year-on-year. This decrease was primarily due to an increase in inventories, compared to a decrease in the same period of the previous fiscal year, partially offset by factors such as a larger increase in notes and accounts payable, trade.

The Financial Services segment had a net cash inflow of 308.2 billion yen (2,569 million U.S. dollars), an increase of 30.0 billion yen, or 10.8% year-on-year. This increase was primarily due to an increase in insurance premium revenue at Sony Life.

Investing Activities: During the current nine months, Sony used 669.8 billion yen (5,582 million U.S. dollars) of net cash in investing activities, an increase of 306.0 billion yen, or 84.1% year-on-year.

For all segments excluding the Financial Services segment, there was a net cash outflow of 186.6 billion yen (1,555 million U.S. dollars), an increase of 139.9 billion yen, or 299.8% year-on-year. This increase was primarily due to an increase in the amount of fixed asset purchases, such as semiconductor manufacturing equipment, partially offset by factors such as cash inflow from the sale of certain shares of Olympus Corporation.

The Financial Services segment used 482.1 billion yen (4,018 million U.S. dollars) of net cash, an increase of 165.0 billion yen, or 52.0% year-on-year. This increase was mainly due to a year-on-year increase in payments for investments and advances at Sony Life.

In all segments excluding the Financial Services segment, net cash used in operating and investing activities combined*[1] for the current nine months was 163.9 billion yen (1,366 million U.S. dollars), a 229.8 billion yen deterioration from cash generated in the same period of the previous fiscal year.

Financing Activities: Net cash provided by financing activities during the current nine months was 497.8 billion yen (4,148 million U.S. dollars), compared to a net cash outflow of 184.6 billion yen in the same period of the previous fiscal year.

For all segments excluding the Financial Services segment, there was a 275.3 billion yen (2,294 million U.S. dollars) net cash inflow, compared to a net cash outflow of 281.5 billion yen in the same period of the previous fiscal year. This change was primarily due to the issuance of new stock and convertible bonds in the current nine months.

In the Financial Services segment, financing activities provided 212.0 billion yen (1,767 million U.S. dollars) of net cash, an increase of 122.9 billion yen, or 137.9% year-on-year. This increase was primarily due to a larger increase in short-term borrowings and policyholders' account at Sony Life.

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, 2015 was 1,090.6 billion yen (9,089 million U.S. dollars). Cash and cash equivalents of all segments excluding the Financial Services segment was 845.0 billion yen (7,042 million U.S. dollars) at December 31, 2015, an increase of 202.0 billion yen, or 31.4% compared with the balance as of December 31, 2014, and an increase of 103.1 billion yen, or 13.9% compared with the balance as of March 31, 2015. Sony believes that it continues to maintain sufficient liquidity through access to a total, translated into yen, of 537.9 billion yen (4,483 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, 2015. Within the Financial Services segment, the outstanding balance of cash and cash equivalents was 245.7 billion yen (2,047 million U.S. dollars) at December 31, 2015, a decrease of 44.9 billion yen, or 15.4% compared with the balance as of December 31, 2014, and an increase of 38.1 billion yen, or 18.4% compared with the balance as of March 31, 2015.

**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.*

A reconciliation of the differences between the Consolidated Statements 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		
	2014	**2015**	**2015**
Net cash provided by operating activities reported in the consolidated statements of cash flows	¥ 382.9	**¥ 321.5**	**$ 2,680**
Net cash used in investing activities reported in the consolidated statements of cash flows	(363.8)	**(669.8)**	**(5,582)**
	19.1	**(348.3)**	**(2,902)**
Less: Net cash provided by operating activities within the Financial Services segment	278.2	**308.2**	**2,569**
Less: Net cash used in investing activities within the Financial Services segment	(317.1)	**(482.1)**	**(4,018)**
Eliminations *2	7.9	**10.5**	**87**
Cash flow provided by (used by) operating and investing activities combined excluding the Financial Services segment's activities	¥ 65.9	**¥ (163.9)**	**$ (1,366)**

**2 Eliminations primarily consist of intersegment dividend payments.*

* * * * *

Notes

Business Segment Realignment

Sony realigned its business segments from the first quarter of the fiscal year ending March 31, 2016 to reflect modifications to its organizational structure as of April 1, 2015, primarily repositioning certain operations in All Other and the Devices segment. In connection with this realignment, the operations of Sony's disc manufacturing business in Japan, which were included in All Other, are now included in the Music segment and the operations of So-net Corporation and its subsidiaries, which were included in All Other, are now included in the MC segment. Certain operations regarding pre-installed automotive audio products which were included in the Devices segment are now included in the HE&S segment.

In addition, in order to reflect a change as of October 1, 2015 in the Corporate Executive Officer in charge of the medical business, which was previously included in All Other, this business is now included in the IP&S segment from the third quarter of the fiscal year ending March 31, 2016.

In connection with these realignments, the sales and operating income (loss) of each segment in the fiscal year ended March 31, 2015 have been reclassified to conform to the presentation of the fiscal year ending March 31, 2016.

Impact of Foreign Exchange Rate Fluctuations on Sales and Operating Income (Loss)

For all segments other than Pictures and Music, the impact of foreign exchange rate fluctuations on sales is calculated by applying the change in the yen's periodic weighted average exchange rates for the three and nine months ended December 31, 2014 from the three and nine months ended December 31, 2015 to the major transactional currencies in which the sales are denominated. The impact of foreign exchange rate fluctuations on operating income (loss) described herein is calculated by subtracting from the impact on sales the impact on cost of sales and selling, general and administrative expenses calculated by applying the same major transactional currencies calculation process to cost of sales and selling, general and administrative expenses as for the impact on sales. Since the worldwide subsidiaries of the Pictures segment and of SME and Sony/ATV in the Music segment are aggregated on a U.S. dollar basis and are translated into yen, the impact of foreign exchange rate fluctuations is calculated by applying the change in the periodic weighted average exchange rates for the three and nine months ended December 31, 2014 from the three and nine months ended December 31, 2015 from U.S. dollar to yen to the U.S. dollar basis operating results. This information is not a substitute for Sony's consolidated financial statements measured in accordance with U.S. GAAP. However, Sony believes that these disclosures provide additional useful analytical information to investors regarding the operating performance of Sony.

* * * * *

Outlook for the Fiscal Year Ending March 31, 2016

The forecast for consolidated results for the fiscal year ending March 31, 2016, as announced on October 29, 2015, remains unchanged, as per the table below.

(Billions of yen)

	January Forecast	March 31, 2015 Results	Change from March 31, 2015 Results
Sales and operating revenue	**¥7,900**	¥8,215.9	-3.8%
Operating income	**320**	68.5	+ ¥251.5 bil
Income before income taxes	**345**	39.7	+ ¥305.3 bil
Net income (loss) attributable to Sony Corporation's stockholders	**140**	(126.0)	+ ¥266.0 bil

Assumed foreign currency exchange rates for the remainder of the fiscal year ending March 31, 2016 are the following.

	Remainder of the current fiscal year	(For your reference) Remainder of the current fiscal year at the time of the October forecast*	
	Consolidated forecast and forecasts for each segment	Consolidated forecast	Forecasts for each segment
1 U.S. dollar	**approximately 120 yen**	approximately 125 yen	approximately 121 yen
1 Euro	**approximately 129 yen**	approximately 130 yen	approximately 132 yen

** Due to volatility in foreign exchange rates, the assumed foreign currency exchange rates were revised after the individual segments had already completed their October forecasts. Accordingly, the impact of the difference between the assumed rates and the rates used when the individual segments completed their forecasts were included in the October forecast for All Other.*

Restructuring charges are expected to be approximately 35 billion yen for Sony in the fiscal year ending March 31, 2016, compared to 98.0 billion yen recorded in the fiscal year ended March 31, 2015. This amount will be recorded as an operating expense included in the above-mentioned forecast for operating income.

The forecast for each business segment has been revised as follows:

	(Billions of yen)			Change - January Forecast from	
	January Forecast	October Forecast	March 31, 2015 Results	October Forecast	March 31, 2015 Results
Mobile Communications					
Sales and operating revenue	**¥1,140**	¥1,190	¥1,410.2	-4.2%	-19.2%
Operating loss	**(60)**	(60)	(217.6)	-	+ ¥157.6 bil
Game & Network Services					
Sales and operating revenue	**1,520**	1,520	1,388.0	-	+9.5%
Operating income	**85**	80	48.1	+ ¥5.0 bil	+ ¥36.9 bil
Imaging Products & Solutions					
Sales and operating revenue	**710**	720	723.9	-1.4%	-1.9%
Operating income	**63**	58	41.8	+ ¥5.0 bil	+ ¥21.2 bil
Home Entertainment & Sound					
Sales and operating revenue	**1,150**	1,140	1,238.1	+0.9%	-7.1%
Operating income	**38**	25	24.1	+ ¥13.0 bil	+ ¥13.9 bil
Devices					
Sales and operating revenue	**940**	1,060	927.1	-11.3%	+1.4%
Operating income	**39**	121	89.0	- ¥82.0 bil	- ¥50.0 bil
Pictures					
Sales and operating revenue	**1,000**	1,000	878.7	-	+13.8%
Operating income	**35**	35	58.5	-	- ¥23.5 bil
Music					
Sales and operating revenue	**600**	550	559.2	+9.1%	+7.3%
Operating income	**84**	74	60.6	+ ¥10.0 bil	+ ¥23.4 bil
Financial Services					
Financial services revenue	**1,060**	1,060	1,083.6	-	-2.2%
Operating income	**175**	175	193.3	-	- ¥18.3 bil
All Other, Corporate and Elimination					
Operating loss	**(139)**	(188)	(229.3)	+ ¥49.0 bil	+ ¥90.3bil
Consolidated					
Sales and operating revenue	**7,900**	7,900	8,215.9	-	-3.8%
Operating income	**320**	320	68.5	-	+ ¥251.5 bil

Mobile Communications

Sales are expected to be lower than the October forecast primarily due to an expected decrease in smartphone unit sales. The forecast for operating loss remains unchanged from the October forecast due to the above-mentioned decrease in sales being offset mainly by higher than originally anticipated selling prices of smartphones and additional cost reductions.

Game & Network Services

The forecast for sales remains unchanged from the October forecast. Operating income is expected to be above the October forecast primarily due to an increase in network sales, partially offset by the impact of a change in the launch date of a first-party title.

Imaging Products & Solutions

Sales are expected to be lower than the October forecast primarily due to lower than expected sales of broadcast- and professional-use products. Operating income is expected to be higher than the October forecast primarily due to an improvement in the product mix of digital cameras reflecting a shift to high value-added models, partially offset by the above-mentioned decrease in sales.

Home Entertainment & Sound

Sales are expected to be higher than the October forecast primarily due to an upward revision in the annual unit sales forecast for LCD televisions. Operating income is expected to be higher than the October forecast primarily due to the impact of the above-mentioned increase in sales and cost reductions. Included in this forecast is the reversal recorded for certain sales incentive accruals, which were related to the current and prior periods. For further details, see Note 8 on page F-19.

Devices
Sales are expected to be lower than the October forecast primarily due to significantly lower than expected sales of image sensors and camera modules, reflecting a decrease in demand for mobile products and lower than expected sales in the battery business. The forecast for operating income is expected to be significantly lower than the October forecast primarily due to the impact of the above-mentioned decrease in sales and the recording of an impairment charge related to long-lived assets in the battery business during the current quarter.

Sony is currently formulating its business plan for all of its business segments for the fiscal year ending March 31, 2017. With regard to the camera module business, there is a possibility that factors such as a decrease in projected future demand, which caused a downward revision in the forecast for the current fiscal year for the business, could continue to have a negative impact on the business going forward. It is therefore possible that the above-described business environment might result in an impairment charge against long-lived assets in the camera module business.

Music
Sales are expected to be higher than the October forecast primarily due to higher than expected sales for Recorded Music and Visual Media and Platform. Operating income is expected to be higher than the October forecast due to the impact of the above-mentioned increase in sales.

The forecasts for sales and operating income for the Pictures and Financial Services segments remain unchanged from the October forecast.

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's forecast for capital expenditures and research and development expenses for the current fiscal year, as announced on October 29, 2015, has been changed as per the table below. The forecast for depreciation and amortization remains unchanged.

Consolidated

	(Billions of yen)			Change - January Forecast from	
	January Forecast	October Forecast	March 31, 2015 Results	October Forecast	March 31, 2015 Results
Capital expenditures*	**¥475**	¥510	¥251.0	-6.9 %	+89.2 %
[additions to property, plant and equipment (included above)	**395**	430	164.8	-8.1	+139.6]
[additions to intangible assets (included above) *	**80**	80	86.2	-	-7.2]
Depreciation and amortization**	**365**	365	354.6	-	+2.9
[for property, plant and equipment (included above)	**175**	175	165.9	-	+5.5]
[for intangible assets (included above)	**190**	190	188.8	-	+0.7]
Research and development expenses	**470**	490	464.3	-4.1	+1.2

** 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 - January Forecast from	
	January Forecast	October Forecast	March 31, 2015 Results	October Forecast	March 31, 2015 Results
Capital expenditures*	**¥466**	¥501	¥243.9	-7.0 %	+91.0 %
[additions to property, plant and equipment (included above)	**393**	428	163.4	-8.2	+140.5]
[additions to intangible assets (included above) *	**73**	73	80.5	-	-9.3]
Depreciation and amortization	**294**	294	288.4	-	+1.9
[for property, plant and equipment (included above)	**174**	174	164.7	-	+5.7]
[for intangible assets (included above)	**120**	120	123.7	-	-3.0]

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

A 19.0 billion yen investment related to the purchase of semiconductor fabrication facilities, equipment and related assets from Toshiba Corporation is included in the January forecast for capital expenditures. This amount was not included in the October forecast because a definitive agreement was reached in December 2015.

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.

* * * * *

Year-end Dividend for the Fiscal Year Ending March 31, 2016

Sony paid 10 yen per share as an interim dividend, and plans to pay 10 yen per share as the year-end dividend, resulting in a total dividend of 20 yen per share for the fiscal year ending March 31, 2016.

* * * * *

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," "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, 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 ability to anticipate and manage cybersecurity risk, including the risk of unauthorized access to Sony's business information, 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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IR home page: http://www.sony.net/IR/
Presentation slides: http://www.sony.net/SonyInfo/IR/financial/fr/15q3_sonypre.pdf

(Unaudited)

Consolidated Financial Statements

Consolidated Balance Sheets

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

ASSETS	March 31 2015	**December 31 2015**	Change from March 31, 2015	**December 31 2015**
Current assets:				
Cash and cash equivalents	¥ 949,413	**¥ 1,090,637**	¥ +141,224	**$ 9,089**
Marketable securities	936,731	**957,809**	+21,078	**7,982**
Notes and accounts receivable, trade	986,500	**1,318,825**	+332,325	**10,990**
Allowance for doubtful accounts and sales returns	(86,598)	**(107,848)**	-21,250	**(899)**
Inventories	665,432	**741,727**	+76,295	**6,181**
Other receivables	231,947	**255,882**	+23,935	**2,132**
Deferred income taxes	47,788	**52,061**	+4,273	**434**
Prepaid expenses and other current assets	466,688	**531,525**	+64,837	**4,429**
Total current assets	4,197,901	**4,840,618**	+642,717	**40,338**
Film costs	305,232	**357,635**	+52,403	**2,980**
Investments and advances:				
Affiliated companies	171,063	**167,334**	-3,729	**1,394**
Securities investments and other	8,360,290	**8,806,908**	+446,618	**73,391**
	8,531,353	**8,974,242**	+442,889	**74,785**
Property, plant and equipment:				
Land	123,629	**122,619**	-1,010	**1,022**
Buildings	679,125	**653,706**	-25,419	**5,448**
Machinery and equipment	1,764,241	**1,809,552**	+45,311	**15,079**
Construction in progress	35,786	**85,357**	+49,571	**711**
	2,602,781	**2,671,234**	+68,453	**22,260**
Less-Accumulated depreciation	1,863,496	**1,847,339**	-16,157	**15,394**
	739,285	**823,895**	+84,610	**6,866**
Other assets:				
Intangibles, net	642,361	**631,990**	-10,371	**5,267**
Goodwill	561,255	**612,614**	+51,359	**5,105**
Deferred insurance acquisition costs	520,571	**538,981**	+18,410	**4,492**
Deferred income taxes	89,637	**78,567**	-11,070	**655**
Other	246,736	**248,181**	+1,445	**2,068**
	2,060,560	**2,110,333**	+49,773	**17,587**
Total assets	¥ 15,834,331	**¥ 17,106,723**	¥ +1,272,392	**$ 142,556**
LIABILITIES AND EQUITY				
Current liabilities:				
Short-term borrowings	¥ 62,008	**¥ 211,280**	¥ +149,272	**$ 1,761**
Current portion of long-term debt	159,517	**154,300**	-5,217	**1,286**
Notes and accounts payable, trade	622,215	**703,912**	+81,697	**5,866**
Accounts payable, other and accrued expenses	1,374,099	**1,463,292**	+89,193	**12,194**
Accrued income and other taxes	98,414	**147,656**	+49,242	**1,230**
Deposits from customers in the banking business	1,872,965	**1,861,127**	-11,838	**15,509**
Other	556,372	**555,566**	-806	**4,630**
Total current liabilities	4,745,590	**5,097,133**	+351,543	**42,476**
Long-term debt	712,087	**734,265**	+22,178	**6,119**
Accrued pension and severance costs	298,753	**294,574**	-4,179	**2,455**
Deferred income taxes	445,876	**437,146**	-8,730	**3,643**
Future insurance policy benefits and other	4,122,372	**4,388,208**	+265,836	**36,568**
Policyholders' account in the life insurance business	2,259,514	**2,413,031**	+153,517	**20,109**
Other	316,422	**313,183**	-3,239	**2,610**
Total liabilities	12,900,614	**13,677,540**	+776,926	**113,980**
Redeemable noncontrolling interest	5,248	**7,035**	+1,787	**59**
Equity:				
Sony Corporation's stockholders' equity:				
Common stock	707,038	**858,768**	+151,730	**7,156**
Additional paid-in capital	1,185,777	**1,324,964**	+139,187	**11,041**
Retained earnings	813,765	**1,037,280**	+223,515	**8,644**
Accumulated other comprehensive income	(385,283)	**(437,250)**	-51,967	**(3,643)**
Treasury stock, at cost	(4,220)	**(4,244)**	-24	**(35)**
	2,317,077	**2,779,518**	+462,441	**23,163**
Noncontrolling interests	611,392	**642,630**	+31,238	**5,354**
Total equity	2,928,469	**3,422,148**	+493,679	**28,517**
Total liabilities and equity	¥ 15,834,331	**¥ 17,106,723**	¥ +1,272,392	**$ 142,556**

Consolidated Statements of Income

(Millions of yen, millions of U.S. dollars, except per share amounts)

	Three months ended December 31			
	2014	**2015**	Change from 2014	**2015**
Sales and operating revenue:				
Net sales	¥ 2,239,485	**¥ 2,238,674**		**$ 18,656**
Financial services revenue	303,211	**320,368**		**2,670**
Other operating revenue	24,053	**21,770**		**181**
	2,566,749	**2,580,812**	+0.5 %	**21,507**
Costs and expenses:				
Cost of sales	1,659,261	**1,623,410**		**13,528**
Selling, general and administrative	473,282	**461,418**		**3,845**
Financial services expenses	251,375	**267,365**		**2,228**
Other operating expense, net	608	**28,253**		**236**
	2,384,526	**2,380,446**	-0.2	**19,837**
Equity in net income (loss) of affiliated companies	(128)	**1,779**	-	**15**
Operating income	182,095	**202,145**	+11.0	**1,685**
Other income:				
Interest and dividends	3,408	**2,739**		**23**
Gain on sale of securities investments, net	1,042	**219**		**2**
Other	10	**355**		**3**
	4,460	**3,313**	-25.7	**28**
Other expenses:				
Interest	5,942	**8,346**		**70**
Foreign exchange loss, net	10,607	**1,954**		**16**
Other	2,178	**1,878**		**16**
	18,727	**12,178**	-35.0	**102**
Income before income taxes	167,828	**193,280**	+15.2	**1,611**
Income taxes	56,162	**55,676**		**464**
Net income	111,666	**137,604**	+23.2	**1,147**
Less - Net income attributable to noncontrolling interests	21,695	**17,470**		**146**
Net income attributable to Sony Corporation's stockholders	¥ 89,971	**¥ 120,134**	+33.5 %	**$ 1,001**
Per share data:				
Net income attributable to Sony Corporation's stockholders				
— Basic	¥ 78.12	**¥ 95.25**	+21.9 %	**$ 0.79**
— Diluted	76.96	**93.33**	+21.3	**0.78**

Consolidated Statements of Comprehensive Income

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

	Three months ended December 31			
	2014	**2015**	Change from 2014	**2015**
Net income	¥ 111,666	**¥ 137,604**	+23.2 %	**$ 1,147**
Other comprehensive income, net of tax –				
Unrealized gains on securities	34,324	**23,002**		**192**
Unrealized gains on derivative instruments	—	**3,855**		**32**
Pension liability adjustment	(752)	**459**		**4**
Foreign currency translation adjustments	75,051	**(10,338)**		**(87)**
Total comprehensive income	220,289	**154,582**	-29.8	**1,288**
Less - Comprehensive income attributable to noncontrolling interests	33,754	**20,676**		**172**
Comprehensive income attributable to Sony Corporation's stockholders	¥ 186,535	**¥ 133,906**	-28.2 %	**$ 1,116**

Consolidated Statements of Income

(Millions of yen, millions of U.S. dollars, except per share amounts)

	Nine months ended December 31			
	2014	**2015**	Change from 2014	**2015**
Sales and operating revenue:				
Net sales	¥ 5,385,450	**¥ 5,405,599**		**$ 45,047**
Financial services revenue	817,153	**807,092**		**6,726**
Other operating revenue	75,565	**68,920**		**574**
	6,278,168	**6,281,611**	+0.1 %	**52,347**
Costs and expenses:				
Cost of sales	3,978,983	**3,985,905**		**33,216**
Selling, general and administrative	1,302,932	**1,258,448**		**10,487**
Financial services expenses	673,884	**666,479**		**5,554**
Other operating (income) expense, net	159,750	**(13,146)**		**(110)**
	6,115,549	**5,897,686**	-3.6	**49,147**
Equity in net income of affiliated companies	3,702	**3,145**	-15.0	**26**
Operating income	166,321	**387,070**	+132.7	**3,226**
Other income:				
Interest and dividends	9,160	**9,055**		**75**
Gain on sale of securities investments, net	8,628	**51,796**		**432**
Other	2,092	**1,541**		**13**
	19,880	**62,392**	+213.8	**520**
Other expenses:				
Interest	18,401	**19,321**		**161**
Foreign exchange loss, net	15,175	**20,302**		**169**
Other	6,375	**5,655**		**48**
	39,951	**45,278**	+13.3	**378**
Income before income taxes	146,250	**404,184**	+176.4	**3,368**
Income taxes	112,286	**119,354**		**994**
Net income	33,964	**284,830**	+738.6	**2,374**
Less - Net income attributable to noncontrolling interests	53,154	**48,702**		**406**
Net income (loss) attributable to Sony Corporation's stockholders	¥ (19,190)	**¥ 236,128**	— %	**$ 1,968**
Per share data:				
Net income (loss) attributable to Sony Corporation's stockholders				
— Basic	¥ (17.50)	**¥ 191.98**	— %	**$ 1.60**
— Diluted	(17.50)	**189.17**	—	**1.58**

Consolidated Statements of Comprehensive Income

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

	Nine months ended December 31			
	2014	**2015**	Change from 2014	**2015**
Net income	¥ 33,964	**¥ 284,830**	+738.6 %	**$ 2,374**
Other comprehensive income, net of tax –				
Unrealized gains (losses) on securities	49,390	**(34,864)**		**(290)**
Unrealized gains on derivative instruments	—	**2,114**		**18**
Pension liability adjustment	(2)	**1,366**		**11**
Foreign currency translation adjustments	105,768	**(22,239)**		**(185)**
Total comprehensive income	189,120	**231,207**	+22.3	**1,928**
Less - Comprehensive income attributable to noncontrolling interests	72,136	**47,046**		**393**
Comprehensive income attributable to Sony Corporation's stockholders	¥ 116,984	**¥ 184,161**	+57.4 %	**$ 1,535**

Supplemental equity and comprehensive income information

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

	Sony Corporation's stockholders' equity	Noncontrolling interests	Total equity
Balance at March 31, 2014	¥ 2,258,137	¥ 525,004	¥ 2,783,141
Exercise of stock acquisition rights	703	—	703
Conversion of zero coupon convertible bonds	107,660	—	107,660
Stock based compensation	845	—	845
Comprehensive income:			
Net income (loss)	(19,190)	53,154	33,964
Other comprehensive income, net of tax –			
Unrealized gains on securities	33,778	15,612	49,390
Pension liability adjustment	44	(46)	(2)
Foreign currency translation adjustments	102,352	3,416	105,768
Total comprehensive income	116,984	72,136	189,120
Dividends declared	—	(13,075)	(13,075)
Transactions with noncontrolling interests shareholders and other	(2,951)	8,713	5,762
Balance at December 31, 2014	¥ 2,481,378	¥ 592,778	¥ 3,074,156
Balance at March 31, 2015	**¥ 2,317,077**	**¥ 611,392**	**¥ 2,928,469**
Issuance of new shares	**301,708**	**—**	**301,708**
Exercise of stock acquisition rights	**1,752**	—	**1,752**
Stock based compensation	**977**	—	**977**
Comprehensive income:			
Net income	**236,128**	**48,702**	**284,830**
Other comprehensive income, net of tax –			
Unrealized losses on securities	**(33,853)**	**(1,011)**	**(34,864)**
Unrealized gains on derivative instruments	**2,114**	—	**2,114**
Pension liability adjustment	**1,361**	**5**	**1,366**
Foreign currency translation adjustments	**(21,589)**	**(650)**	**(22,239)**
Total comprehensive income	**184,161**	**47,046**	**231,207**
Dividends declared	**(12,612)**	**(19,947)**	**(32,559)**
Transactions with noncontrolling interests shareholders and other	**(13,545)**	**4,139**	**(9,406)**
Balance at December 31, 2015	**¥ 2,779,518**	**¥ 642,630**	**¥ 3,422,148**

On July 21, 2015, Sony issued 87,200,000 new shares of common stock by way of a Japanese public offering and an international offering. In addition, on August 18, 2015, Sony issued 4,800,000 new shares of common stock by way of third-party allotment in connection with secondary offering of shares to cover over-allotments.

	Sony Corporation's stockholders' equity	Noncontrolling interests	Total equity
Balance at March 31, 2015	**$ 19,310**	**$ 5,095**	**$ 24,405**
Issuance of new shares	**2,514**	**—**	**2,514**
Exercise of stock acquisition rights	**15**	—	**15**
Stock based compensation	**8**	—	**8**
Comprehensive income:			
Net income	**1,968**	**406**	**2,374**
Other comprehensive income, net of tax –			
Unrealized losses on securities	**(282)**	**(8)**	**(290)**
Unrealized gains on derivative instruments	**18**	—	**18**
Pension liability adjustment	**11**	**0**	**11**
Foreign currency translation adjustments	**(180)**	**(5)**	**(185)**
Total comprehensive income	**1,535**	**393**	**1,928**
Dividends declared	**(106)**	**(166)**	**(272)**
Transactions with noncontrolling interests shareholders and other	**(113)**	**32**	**(81)**
Balance at December 31, 2015	**$ 23,163**	**$ 5,354**	**$ 28,517**

Consolidated Statements of Cash Flows

	(Millions of yen, millions of U.S. dollars) Nine months ended December 31		
	2014	**2015**	**2015**
Cash flows from operating activities:			
Net income	¥ 33,964	**¥ 284,830**	**$ 2,374**
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization, including amortization of deferred insurance acquisition costs	251,080	**275,130**	**2,293**
Amortization of film costs	190,892	**200,643**	**1,672**
Accrual for pension and severance costs, less payments	(7,694)	**(6,667)**	**(56)**
Other operating (income) expense, net	159,750	**(13,146)**	**(110)**
Gain on sale or devaluation of securities investments, net	(8,193)	**(51,546)**	**(430)**
Gain on revaluation of marketable securities held in the financial services business for trading purposes, net	(88,299)	**(4,347)**	**(36)**
(Gain) loss on revaluation or impairment of securities investments held in the financial services business, net	(2,363)	**2,586**	**22**
Deferred income taxes	16,585	**12,543**	**105**
Equity in net income of affiliated companies, net of dividends	1,633	**3,816**	**32**
Changes in assets and liabilities:			
Increase in notes and accounts receivable, trade	(318,401)	**(310,954)**	**(2,591)**
(Increase) decrease in inventories	20,366	**(91,742)**	**(765)**
Increase in film costs	(205,190)	**(252,998)**	**(2,108)**
Increase in notes and accounts payable, trade	34,943	**85,718**	**714**
Increase in accrued income and other taxes	46,113	**43,932**	**366**
Increase in future insurance policy benefits and other	355,114	**312,040**	**2,600**
Increase in deferred insurance acquisition costs	(58,352)	**(67,354)**	**(561)**
Increase in marketable securities held in the financial services business for trading purposes	(40,051)	**(69,941)**	**(583)**
Increase in other current assets	(33,385)	**(57,444)**	**(479)**
Increase in other current liabilities	124,037	**9,931**	**83**
Other	(89,617)	**16,481**	**138**
Net cash provided by operating activities	382,932	**321,511**	**2,680**
Cash flows from investing activities:			
Payments for purchases of fixed assets	(145,813)	**(254,272)**	**(2,119)**
Proceeds from sales of fixed assets	31,631	**18,369**	**153**
Payments for investments and advances by financial services business	(678,116)	**(942,226)**	**(7,852)**
Payments for investments and advances (other than financial services business)	(13,951)	**(18,784)**	**(157)**
Proceeds from sales or return of investments and collections of advances by financial services business	417,799	**465,525**	**3,879**
Proceeds from sales or return of investments and collections of advances (other than financial services business)	37,096	**79,754**	**665**
Proceeds from sales of businesses	—	**17,790**	**148**
Other	(12,436)	**(35,958)**	**(299)**
Net cash used in investing activities	(363,790)	**(669,802)**	**(5,582)**
Cash flows from financing activities:			
Proceeds from issuance of long-term debt	15,203	**18,772**	**156**
Payments of long-term debt	(243,652)	**(137,743)**	**(1,148)**
Increase in short-term borrowings, net	43,353	**151,485**	**1,262**
Increase in deposits from customers in the financial services business, net	30,605	**91,113**	**759**
Proceeds from issuance of convertible bonds	—	**120,000**	**1,000**
Proceeds from issuance of new shares	—	**301,708**	**2,514**
Dividends paid	(13,106)	**(12,766)**	**(106)**
Other	(16,978)	**(34,819)**	**(289)**
Net cash provided by (used in) financing activities	(184,575)	**497,750**	**4,148**
Effect of exchange rate changes on cash and cash equivalents	52,465	**(8,235)**	**(69)**
Net increase (decrease) in cash and cash equivalents	(112,968)	**141,224**	**1,177**
Cash and cash equivalents at beginning of the fiscal year	1,046,466	**949,413**	**7,912**
Cash and cash equivalents at end of the period	¥ 933,498	**¥ 1,090,637**	**$ 9,089**

Business Segment Information

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

Sales and operating revenue	Three months ended December 31 2014	2015	Change	2015
Mobile Communications				
Customers	¥ 450,600	**¥ 382,262**	-15.2 %	**$ 3,186**
Intersegment	258	**2,252**		**18**
Total	450,858	**384,514**	-14.7	**3,204**
Game & Network Services				
Customers	499,242	**565,220**	+13.2	**4,710**
Intersegment	32,295	**21,868**		**182**
Total	531,537	**587,088**	+10.5	**4,892**
Imaging Products & Solutions				
Customers	201,319	**190,112**	-5.6	**1,584**
Intersegment	612	**1,778**		**15**
Total	201,931	**191,890**	-5.0	**1,599**
Home Entertainment & Sound				
Customers	419,682	**400,564**	-4.6	**3,338**
Intersegment	565	**1,428**		**12**
Total	420,247	**401,992**	-4.3	**3,350**
Devices				
Customers	224,756	**207,867**	-7.5	**1,732**
Intersegment	61,188	**42,008**		**350**
Total	285,944	**249,875**	-12.6	**2,082**
Pictures				
Customers	206,470	**259,800**	+25.8	**2,165**
Intersegment	110	**2,319**		**19**
Total	206,580	**262,119**	+26.9	**2,184**
Music				
Customers	162,810	**176,954**	+8.7	**1,475**
Intersegment	4,715	**4,280**		**35**
Total	167,525	**181,234**	+8.2	**1,510**
Financial Services				
Customers	303,211	**320,368**	+5.7	**2,670**
Intersegment	1,715	**1,675**		**14**
Total	304,926	**322,043**	+5.6	**2,684**
All Other				
Customers	91,598	**71,564**	-21.9	**596**
Intersegment	25,997	**25,234**		**211**
Total	117,595	**96,798**	-17.7	**807**
Corporate and elimination	(120,394)	**(96,741)**	—	**(805)**
Consolidated total	¥ 2,566,749	**¥ 2,580,812**	+0.5 %	**$ 21,507**

Game & Network Services ("G&NS") intersegment amounts primarily consist of transactions with All Other.
Devices intersegment amounts primarily consist of transactions with the Mobile Communications ("MC") segment, the G&NS segment and the Imaging Products & Solutions ("IP&S") segment.
All Other intersegment amounts primarily consist of transactions with the Pictures segment, the Music segment and the G&NS segment.
Corporate and elimination includes certain brand and patent royalty income.

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

Operating income (loss)	Three months ended December 31 2014	2015	Change	2015
Mobile Communications	¥ 10,356	**¥ 24,148**	+133.2 %	**$ 201**
Game & Network Services	27,608	**40,168**	+45.5	**335**
Imaging Products & Solutions	19,660	**23,688**	+20.5	**197**
Home Entertainment & Sound	25,993	**31,151**	+19.8	**260**
Devices	53,833	**(11,672)**	—	**(97)**
Pictures	6,219	**20,358**	+227.4	**170**
Music	25,923	**27,407**	+5.7	**228**
Financial Services	50,850	**52,220**	+2.7	**435**
All Other	(12,576)	**5,689**	—	**47**
Total	207,866	**213,157**	+2.5	**1,776**
Corporate and elimination	(25,771)	**(11,012)**	—	**(91)**
Consolidated total	¥ 182,095	**¥ 202,145**	+11.0 %	**$ 1,685**

The 2014 segment disclosure above has been reclassified to reflect the change in the business segment classification discussed in Note 5.
Operating income (loss) is sales and operating revenue less costs and expenses, and includes equity in net income (loss) of affiliated companies.
Corporate and elimination includes headquarters restructuring costs, restructuring costs related to the reduction in scale of sales companies following the decision to exit from the PC business, and certain other corporate expenses, including the amortization of certain intellectual property assets such as the cross-licensing of intangible assets acquired from Ericsson at the time of the Sony Mobile Communications acquisition, which are not allocated to segments.

Within the Home Entertainment & Sound ("HE&S") segment, the operating income of Televisions, which primarily consists of LCD televisions, for the three months ended December 31, 2014 and 2015 was 9,256 million yen and 15,853 million yen, respectively. The operating income of Televisions excludes restructuring charges which are included in the overall segment results and are not allocated to product categories.

Business Segment Information

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

Sales and operating revenue	Nine months ended December 31 2014	2015	Change	2015
Mobile Communications				
Customers	¥ 1,114,554	**¥ 940,077**	-15.7 %	**$ 7,834**
Intersegment	750	**4,186**		**35**
Total	1,115,304	**944,263**	-15.3	**7,869**
Game & Network Services				
Customers	1,016,364	**1,172,200**	+15.3	**9,768**
Intersegment	82,182	**64,159**		**535**
Total	1,098,546	**1,236,359**	+12.5	**10,303**
Imaging Products & Solutions				
Customers	543,996	**545,948**	+0.4	**4,550**
Intersegment	2,534	**4,860**		**40**
Total	546,530	**550,808**	+0.8	**4,590**
Home Entertainment & Sound				
Customers	1,001,595	**941,252**	-6.0	**7,844**
Intersegment	2,054	**2,954**		**24**
Total	1,003,649	**944,206**	-5.9	**7,868**
Devices				
Customers	535,337	**604,853**	+13.0	**5,040**
Intersegment	167,107	**141,022**		**1,176**
Total	702,444	**745,875**	+6.2	**6,216**
Pictures				
Customers	583,043	**614,806**	+5.4	**5,123**
Intersegment	490	**2,604**		**22**
Total	583,533	**617,410**	+5.8	**5,145**
Music				
Customers	394,387	**439,013**	+11.3	**3,658**
Intersegment	13,794	**11,083**		**93**
Total	408,181	**450,096**	+10.3	**3,751**
Financial Services				
Customers	817,153	**807,092**	-1.2	**6,726**
Intersegment	4,316	**5,069**		**42**
Total	821,469	**812,161**	-1.1	**6,768**
All Other				
Customers	237,903	**191,583**	-19.5	**1,597**
Intersegment	67,750	**67,479**		**562**
Total	305,653	**259,062**	-15.2	**2,159**
Corporate and elimination	(307,141)	**(278,629)**	—	**(2,322)**
Consolidated total	¥ 6,278,168	**¥ 6,281,611**	+0.1 %	**$ 52,347**

The G&NS intersegment amounts primarily consist of transactions with All Other.
Devices intersegment amounts primarily consist of transactions with the MC segment, the G&NS segment and the IP&S segment.
All Other intersegment amounts primarily consist of transactions with the Pictures segment, the Music segment and the G&NS segment.
Corporate and elimination includes certain brand and patent royalty income.

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

Operating income (loss)	Nine months ended December 31 2014	2015	Change	2015
Mobile Communications	¥ (161,841)	**¥ (19,377)**	— %	**$ (161)**
Game & Network Services	53,717	**83,547**	+55.5	**696**
Imaging Products & Solutions	51,379	**65,678**	+27.8	**547**
Home Entertainment & Sound	43,892	**57,837**	+31.8	**482**
Devices	93,668	**51,360**	-45.2	**428**
Pictures	13,009	**(13,795)**	—	**(115)**
Music	49,720	**73,747**	+48.3	**615**
Financial Services	142,308	**139,367**	-2.1	**1,161**
All Other	(46,523)	**6,320**	—	**53**
Total	239,329	**444,684**	+85.8	**3,706**
Corporate and elimination	(73,008)	**(57,614)**	—	**(480)**
Consolidated total	¥ 166,321	**¥ 387,070**	+132.7 %	**$ 3,226**

The 2014 segment disclosure above has been reclassified to reflect the change in the business segment classification discussed in Note 5.
Operating income (loss) is sales and operating revenue less costs and expenses, and includes equity in net income (loss) of affiliated companies.
Corporate and elimination includes headquarters restructuring costs, restructuring costs related to the reduction in scale of sales companies following the decision to exit from the PC business, and certain other corporate expenses, including the amortization of certain intellectual property assets such as the cross-licensing of intangible assets acquired from Ericsson at the time of the Sony Mobile Communications acquisition, which are not allocated to segments.

Within the HE&S segment, the operating income of Televisions, which primarily consists of LCD televisions, for the nine months ended December 31, 2014 and 2015 was 22,094 million yen and 32,561 million yen, respectively. The operating income of Televisions excludes restructuring charges which are included in the overall segment results and are not allocated to product categories.

Sales to Customers by Product Category

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

Sales and operating revenue (to external customers)	Three months ended December 31 2014	2015	Change	2015
Mobile Communications	¥ 450,600	**¥ 382,262**	-15.2 %	**$ 3,186**
Game & Network Services				
Hardware	321,744	**326,589**	+1.5	**2,722**
Network	102,025	**152,067**	+49.0	**1,267**
Other	75,473	**86,564**	+14.7	**721**
Total	499,242	**565,220**	+13.2	**4,710**
Imaging Products & Solutions				
Digital Imaging Products	126,361	**119,397**	-5.5	**995**
Professional Solutions	70,658	**64,943**	-8.1	**541**
Other	4,300	**5,772**	+34.2	**48**
Total	201,319	**190,112**	-5.6	**1,584**
Home Entertainment & Sound				
Televisions	280,572	**278,470**	-0.7	**2,321**
Audio and Video	138,013	**121,975**	-11.6	**1,016**
Other	1,097	**119**	-89.2	**1**
Total	419,682	**400,564**	-4.6	**3,338**
Devices				
Semiconductors	162,884	**155,881**	-4.3	**1,299**
Components	59,415	**49,040**	-17.5	**409**
Other	2,457	**2,946**	+19.9	**24**
Total	224,756	**207,867**	-7.5	**1,732**
Pictures				
Motion Pictures	100,723	**149,140**	+48.1	**1,243**
Television Productions	51,831	**54,863**	+5.8	**457**
Media Networks	53,916	**55,797**	+3.5	**465**
Total	206,470	**259,800**	+25.8	**2,165**
Music				
Recorded Music	122,211	**131,637**	+7.7	**1,097**
Music Publishing	16,675	**16,721**	+0.3	**139**
Visual Media and Platform	23,924	**28,596**	+19.5	**239**
Total	162,810	**176,954**	+8.7	**1,475**
Financial Services	303,211	**320,368**	+5.7	**2,670**
All Other	91,598	**71,564**	-21.9	**596**
Corporate	7,061	**6,101**	-13.6	**51**
Consolidated total	¥ 2,566,749	**¥ 2,580,812**	+0.5 %	**$ 21,507**

The above table includes a breakdown of sales and operating revenue to external customers for certain segments shown in the Business Segment Information on page F-6. Sony management views each segment as a single operating segment. However, Sony believes that the breakdown of sales and operating revenue to external customers for the segments in this table is useful to investors in understanding sales by product category.

Sony has realigned its product category configuration from the first and third quarters of the fiscal year ending March 31, 2016. In connection with the realignment, all prior period sales amounts by product category in the table above have been reclassified to conform to the current presentation.

In the G&NS segment, Hardware includes home and portable game consoles; Network includes network services relating to game, video, and music content provided by Sony Network Entertainment International LLC; Other includes packaged software and peripheral devices. In the IP&S segment, Digital Imaging Products includes compact digital cameras, interchangeable single-lens cameras and video cameras; Professional Solutions includes broadcast- and professional-use products; Other includes operating revenues and flow cytometers. In the HE&S segment, Televisions includes LCD televisions; Audio and Video includes Blu-ray disc players and recorders, home audio, headphones, and memory-based portable audio devices. In the Devices segment, Semiconductors includes image sensors and camera modules; Components includes batteries and recording media. In the Pictures segment, 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. In the Music segment, 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.

Sales to Customers by Product Category

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

Sales and operating revenue (to external customers)	Nine months ended December 31 2014	2015	Change	2015
Mobile Communications	¥ 1,114,554	**¥ 940,077**	-15.7 %	**$ 7,834**
Game & Network Services				
Hardware	619,306	**624,488**	+0.8	**5,204**
Network	242,401	**369,402**	+52.4	**3,078**
Other	154,657	**178,310**	+15.3	**1,486**
Total	1,016,364	**1,172,200**	+15.3	**9,768**
Imaging Products & Solutions				
Digital Imaging Products	342,061	**339,397**	-0.8	**2,828**
Professional Solutions	191,196	**189,474**	-0.9	**1,579**
Other	10,739	**17,077**	+59.0	**143**
Total	543,996	**545,948**	+0.4	**4,550**
Home Entertainment & Sound				
Televisions	685,303	**650,398**	-5.1	**5,420**
Audio and Video	314,450	**288,448**	-8.3	**2,404**
Other	1,842	**2,406**	+30.6	**20**
Total	1,001,595	**941,252**	-6.0	**7,844**
Devices				
Semiconductors	365,927	**445,806**	+21.8	**3,715**
Components	163,741	**151,411**	-7.5	**1,262**
Other	5,669	**7,636**	+34.7	**63**
Total	535,337	**604,853**	+13.0	**5,040**
Pictures				
Motion Pictures	302,688	**298,467**	-1.4	**2,487**
Television Productions	138,452	**148,171**	+7.0	**1,235**
Media Networks	141,903	**168,168**	+18.5	**1,401**
Total	583,043	**614,806**	+5.4	**5,123**
Music				
Recorded Music	282,035	**311,532**	+10.5	**2,596**
Music Publishing	49,329	**52,263**	+5.9	**436**
Visual Media and Platform	63,023	**75,218**	+19.4	**626**
Total	394,387	**439,013**	+11.3	**3,658**
Financial Services	817,153	**807,092**	-1.2	**6,726**
All Other	237,903	**191,583**	-19.5	**1,597**
Corporate	33,836	**24,787**	-26.7	**207**
Consolidated total	¥ 6,278,168	**¥ 6,281,611**	+0.1 %	**$ 52,347**

The above table includes a breakdown of sales and operating revenue to external customers for certain segments shown in the Business Segment Information on page F-7. Sony management views each segment as a single operating segment. However, Sony believes that the breakdown of sales and operating revenue to external customers for the segments in this table is useful to investors in understanding sales by product category.

Sony has realigned its product category configuration from the first and third quarters of the fiscal year ending March 31, 2016. In connection with the realignment, all prior period sales amounts by product category in the table above have been reclassified to conform to the current presentation.

In the G&NS segment, Hardware includes home and portable game consoles; Network includes network services relating to game, video, and music content provided by Sony Network Entertainment International LLC; Other includes packaged software and peripheral devices. In the IP&S segment, Digital Imaging Products includes compact digital cameras, interchangeable single-lens cameras and video cameras; Professional Solutions includes broadcast- and professional-use products; Other includes operating revenues and flow cytometers. In the HE&S segment, Televisions includes LCD televisions; Audio and Video includes Blu-ray disc players and recorders, home audio, headphones, and memory-based portable audio devices. In the Devices segment, Semiconductors includes image sensors and camera modules; Components includes batteries and recording media. In the Pictures segment, 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. In the Music segment, 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.

Other Items

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

Depreciation and amortization	Three months ended December 31 2014	2015	Change	2015
Mobile Communications	¥ 6,072	**¥ 6,049**	-0.4 %	**$ 50**
Game & Network Services	4,740	**5,603**	+18.2	**47**
Imaging Products & Solutions	7,449	**6,757**	-9.3	**56**
Home Entertainment & Sound	6,356	**5,428**	-14.6	**45**
Devices	21,967	**27,836**	+26.7	**232**
Pictures	5,241	**5,922**	+13.0	**49**
Music	3,652	**4,650**	+27.3	**39**
Financial Services, including deferred insurance acquisition costs	13,770	**16,005**	+16.2	**133**
All Other	2,414	**4,564**	+89.1	**39**
Total	71,661	**82,814**	+15.6	**690**
Corporate	12,672	**8,261**	-34.8	**69**
Consolidated total	¥ 84,333	**¥ 91,075**	+8.0 %	**$ 759**

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

Restructuring charges and associated depreciation	Three months ended December 31, 2014 Total net restructuring charges	Depreciation associated with restructured assets	Total
Mobile Communications	¥ 1,768	¥ 22	¥ 1,790
Game & Network Services	12	—	12
Imaging Products & Solutions	315	—	315
Home Entertainment & Sound	3	—	3
Devices	208	12	220
Pictures	166	—	166
Music	1,317	—	1,317
Financial Services	—	—	—
All Other and Corporate	5,238	(13)	5,225
Consolidated total	¥ 9,027	¥ 21	¥ 9,048

Restructuring charges and associated depreciation	**Three months ended December 31, 2015** Total net restructuring charges	Depreciation associated with restructured assets	Total
Mobile Communications	**¥ 2,530**	**¥ 106**	**¥ 2,636**
Game & Network Services	**120**	**—**	**120**
Imaging Products & Solutions	**4**	**—**	**4**
Home Entertainment & Sound	**555**	**—**	**555**
Devices	**26**	**—**	**26**
Pictures	**(169)**	**—**	**(169)**
Music	**104**	**—**	**104**
Financial Services	**—**	**—**	**—**
All Other and Corporate	**2,397**	**409**	**2,806**
Consolidated total	**¥ 5,567**	**¥ 515**	**¥ 6,082**

Depreciation associated with restructured assets as used in the context of the disclosures regarding restructuring activities refers to the increase in depreciation expense caused by revising the useful life and the salvage value of depreciable fixed assets to coincide with the earlier end of production under an approved restructuring plan. Any impairment of the assets is recognized immediately in the period it is identified.

Restructuring charges and associated depreciation	**Three months ended December 31, 2015** Total net restructuring charges	Depreciation associated with restructured assets	Total
Mobile Communications	**$ 22**	**$ 0**	**$ 22**
Game & Network Services	**1**	**—**	**1**
Imaging Products & Solutions	**0**	**—**	**0**
Home Entertainment & Sound	**4**	**—**	**4**
Devices	**0**	**—**	**0**
Pictures	**(1)**	**—**	**(1)**
Music	**1**	**—**	**1**
Financial Services	**—**	**—**	**—**
All Other and Corporate	**20**	**4**	**24**
Consolidated total	**$ 47**	**$ 4**	**$ 51**

Other Items

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

Depreciation and amortization	Nine months ended December 31 2014	2015	Change	2015
Mobile Communications	¥ 17,972	**¥ 18,256**	+1.6 %	**$ 152**
Game & Network Services	13,166	**14,750**	+12.0	**123**
Imaging Products & Solutions	23,091	**21,155**	-8.4	**176**
Home Entertainment & Sound	18,599	**16,815**	-9.6	**140**
Devices	64,569	**78,906**	+22.2	**658**
Pictures	14,497	**16,645**	+14.8	**139**
Music	10,915	**13,455**	+23.3	**112**
Financial Services, including deferred insurance acquisition costs	42,991	**56,570**	+31.6	**471**
All Other	7,207	**7,556**	+4.8	**63**
Total	213,007	**244,108**	+14.6	**2,034**
Corporate	38,073	**31,022**	-18.5	**259**
Consolidated total	¥ 251,080	**¥ 275,130**	+9.6 %	**$ 2,293**

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

Restructuring charges and associated depreciation	Nine months ended December 31, 2014: Total net restructuring charges	Depreciation associated with restructured assets	Total
Mobile Communications	¥ 1,825	¥ 22	¥ 1,847
Game & Network Services	76	—	76
Imaging Products & Solutions	515	—	515
Home Entertainment & Sound	580	—	580
Devices	3,569	16	3,585
Pictures	182	—	182
Music	1,377	—	1,377
Financial Services	—	—	—
All Other and Corporate	24,916	656	25,572
Consolidated total	¥ 33,040	¥ 694	¥ 33,734

Restructuring charges and associated depreciation	**Nine months ended December 31, 2015:** Total net restructuring charges	Depreciation associated with restructured assets	Total
Mobile Communications	**¥ 14,300**	**¥ 646**	**¥ 14,946**
Game & Network Services	**135**	**—**	**135**
Imaging Products & Solutions	**64**	**—**	**64**
Home Entertainment & Sound	**503**	**—**	**503**
Devices	**30**	**—**	**30**
Pictures	**1**	**—**	**1**
Music	**439**	**—**	**439**
Financial Services	**—**	**—**	**—**
All Other and Corporate	**4,749**	**951**	**5,700**
Consolidated total	**¥ 20,221**	**¥ 1,597**	**¥ 21,818**

Depreciation associated with restructured assets as used in the context of the disclosures regarding restructuring activities refers to the increase in depreciation expense caused by revising the useful life and the salvage value of depreciable fixed assets to coincide with the earlier end of production under an approved restructuring plan. Any impairment of the assets is recognized immediately in the period it is identified.

Restructuring charges and associated depreciation	**Nine months ended December 31, 2015:** Total net restructuring charges	Depreciation associated with restructured assets	Total
Mobile Communications	**$ 120**	**$ 5**	**$ 125**
Game & Network Services	**1**	**—**	**1**
Imaging Products & Solutions	**1**	**—**	**1**
Home Entertainment & Sound	**4**	**—**	**4**
Devices	**0**	**—**	**0**
Pictures	**0**	**—**	**0**
Music	**4**	**—**	**4**
Financial Services	**—**	**—**	**—**
All Other and Corporate	**39**	**8**	**47**
Consolidated total	**$ 169**	**$ 13**	**$ 182**

Geographic Information

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

Sales and operating revenue (to external customers)	Three months ended December 31 2014	2015	Change	2015
Japan	¥ 654,936	**¥ 689,084**	+5.2 %	**$ 5,742**
United States	496,027	**586,469**	+18.2	**4,887**
Europe	668,333	**665,849**	-0.4	**5,549**
China	155,839	**150,074**	-3.7	**1,251**
Asia-Pacific	308,499	**280,458**	-9.1	**2,337**
Other Areas	283,115	**208,878**	-26.2	**1,741**
Total	¥ 2,566,749	**¥ 2,580,812**	+0.5 %	**$ 21,507**

Sales and operating revenue (to external customers)	Nine months ended December 31 2014	2015	Change	2015
Japan	¥ 1,665,860	**¥ 1,746,196**	+4.8 %	**$ 14,552**
United States	1,129,151	**1,332,480**	+18.0	**11,104**
Europe	1,521,924	**1,468,733**	-3.5	**12,239**
China	433,420	**431,370**	-0.5	**3,595**
Asia-Pacific	812,768	**757,067**	-6.9	**6,309**
Other Areas	715,045	**545,765**	-23.7	**4,548**
Total	¥ 6,278,168	**¥ 6,281,611**	+0.1 %	**$ 52,347**

Geographic Information shows sales and operating revenue recognized by location of customers.

Major countries and areas in each geographic segment excluding Japan, United States and China are as follows:

(1) Europe: United Kingdom, France, Germany, Russia, Spain and Sweden

(2) Asia-Pacific: India, South Korea and Oceania

(3) Other Areas: The Middle East/Africa, Brazil, Mexico and Canada

Condensed Financial Services Financial Statements

The results of the Financial Services segment are included in Sony's consolidated financial statements. The following schedules show unaudited condensed financial statements for the Financial Services segment and all other segments excluding Financial Services. These presentations are not in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), which is used by Sony to prepare its consolidated financial statements. However, because the Financial Services segment is different in nature from Sony's other segments, Sony believes that a comparative presentation may be useful in understanding and analyzing Sony's consolidated financial statements. Transactions between the Financial Services segment and Sony without the Financial Services segment, including noncontrolling interests, are included in those respective presentations, then eliminated in the consolidated figures shown below.

Condensed Balance Sheets

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

Financial Services	March 31	**December 31**	
	2015	**2015**	**2015**
ASSETS			
Current assets:			
Cash and cash equivalents	¥ 207,527	**¥ 245,673**	**$ 2,047**
Marketable securities	933,424	**954,598**	**7,955**
Other	147,663	**182,737**	**1,523**
	1,288,614	**1,383,008**	**11,525**
Investments and advances	8,217,715	**8,730,190**	**72,752**
Property, plant and equipment	17,305	**18,343**	**153**
Other assets:			
Deferred insurance acquisition costs	520,571	**538,981**	**4,492**
Other	45,645	**50,744**	**422**
	566,216	**589,725**	**4,914**
Total assets	¥ 10,089,850	**¥ 10,721,266**	**$ 89,344**
LIABILITIES AND EQUITY			
Current liabilities:			
Short-term borrowings	¥ 6,351	**¥ 154,457**	**$ 1,287**
Deposits from customers in the banking business	1,872,965	**1,861,127**	**15,509**
Other	199,098	**206,432**	**1,721**
	2,078,414	**2,222,016**	**18,517**
Long-term debt	44,460	**34,679**	**289**
Future insurance policy benefits and other	4,122,372	**4,388,208**	**36,568**
Policyholders' account in the life insurance business	2,259,514	**2,413,031**	**20,109**
Other	335,964	**336,335**	**2,803**
Total liabilities	8,840,724	**9,394,269**	**78,286**
Equity:			
Stockholders' equity of Financial Services	1,247,840	**1,325,679**	**11,047**
Noncontrolling interests	1,286	**1,318**	**11**
Total equity	1,249,126	**1,326,997**	**11,058**
Total liabilities and equity	¥ 10,089,850	**¥ 10,721,266**	**$ 89,344**

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

Sony without Financial Services	March 31 2015	**December 31 2015**	**2015**
ASSETS			
Current assets:			
Cash and cash equivalents	¥ 741,886	**¥ 844,964**	**$ 7,042**
Marketable securities	3,307	**3,211**	**27**
Notes and accounts receivable, trade	893,847	**1,202,659**	**10,022**
Other	1,272,562	**1,408,765**	**11,739**
	2,911,602	**3,459,599**	**28,830**
Film costs	305,232	**357,635**	**2,980**
Investments and advances	395,189	**324,499**	**2,704**
Investments in Financial Services, at cost	111,476	**111,476**	**929**
Property, plant and equipment	720,694	**804,266**	**6,702**
Other assets	1,497,805	**1,524,070**	**12,701**
Total assets	¥ 5,941,998	**¥ 6,581,545**	**$ 54,846**
LIABILITIES AND EQUITY			
Current liabilities:			
Short-term borrowings	¥ 215,175	**¥ 211,123**	**$ 1,759**
Notes and accounts payable, trade	622,215	**703,912**	**5,866**
Other	1,832,085	**1,962,071**	**16,351**
	2,669,475	**2,877,106**	**23,976**
Long-term debt	671,104	**703,049**	**5,859**
Accrued pension and severance costs	274,220	**268,792**	**2,240**
Other	478,704	**466,508**	**3,887**
Total liabilities	4,093,503	**4,315,455**	**35,962**
Redeemable noncontrolling interest	5,248	**7,035**	**59**
Equity:			
Stockholders' equity of Sony without Financial Services	1,733,233	**2,148,970**	**17,908**
Noncontrolling interests	110,014	**110,085**	**917**
Total equity	1,843,247	**2,259,055**	**18,825**
Total liabilities and equity	¥ 5,941,998	**¥ 6,581,545**	**$ 54,846**

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

Consolidated	March 31 2015	**December 31 2015**	**2015**
ASSETS			
Current assets:			
Cash and cash equivalents	¥ 949,413	**¥ 1,090,637**	**$ 9,089**
Marketable securities	936,731	**957,809**	**7,982**
Notes and accounts receivable, trade	899,902	**1,210,977**	**10,091**
Other	1,411,855	**1,581,195**	**13,176**
	4,197,901	**4,840,618**	**40,338**
Film costs	305,232	**357,635**	**2,980**
Investments and advances	8,531,353	**8,974,242**	**74,785**
Property, plant and equipment	739,285	**823,895**	**6,866**
Other assets:			
Deferred insurance acquisition costs	520,571	**538,981**	**4,492**
Other	1,539,989	**1,571,352**	**13,095**
	2,060,560	**2,110,333**	**17,587**
Total assets	¥ 15,834,331	**¥ 17,106,723**	**$ 142,556**
LIABILITIES AND EQUITY			
Current liabilities:			
Short-term borrowings	¥ 221,525	**¥ 365,580**	**$ 3,047**
Notes and accounts payable, trade	622,215	**703,912**	**5,866**
Deposits from customers in the banking business	1,872,965	**1,861,127**	**15,509**
Other	2,028,885	**2,166,514**	**18,054**
	4,745,590	**5,097,133**	**42,476**
Long-term debt	712,087	**734,265**	**6,119**
Accrued pension and severance costs	298,753	**294,574**	**2,455**
Future insurance policy benefits and other	4,122,372	**4,388,208**	**36,568**
Policyholders' account in the life insurance business	2,259,514	**2,413,031**	**20,109**
Other	762,298	**750,329**	**6,253**
Total liabilities	12,900,614	**13,677,540**	**113,980**
Redeemable noncontrolling interest	5,248	**7,035**	**59**
Equity:			
Sony Corporation's stockholders' equity	2,317,077	**2,779,518**	**23,163**
Noncontrolling interests	611,392	**642,630**	**5,354**
Total equity	2,928,469	**3,422,148**	**28,517**
Total liabilities and equity	¥ 15,834,331	**¥ 17,106,723**	**$ 142,556**

Condensed Statements of Income

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

Financial Services	**Three months ended December 31**			
	2014	**2015**	Change	**2015**
Financial services revenue	¥ 304,926	**¥ 322,043**	+5.6 %	**$ 2,684**
Financial services expenses	253,099	**269,910**	+6.6	**2,250**
Equity in net income (loss) of affiliated companies	(977)	**87**	—	**1**
Operating income	50,850	**52,220**	+2.7	**435**
Other income (expenses), net	—	**—**	—	**—**
Income before income taxes	50,850	**52,220**	+2.7	**435**
Income taxes and other	15,876	**15,556**	-2.0	**129**
Net income of Financial Services	¥ 34,974	**¥ 36,664**	+4.8 %	**$ 306**

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

Sony without Financial Services	**Three months ended December 31**			
	2014	**2015**	Change	**2015**
Net sales and operating revenue	¥ 2,264,469	**¥ 2,261,213**	-0.1 %	**$ 18,843**
Costs and expenses	2,134,072	**2,112,980**	-1.0	**17,608**
Equity in net income of affiliated companies	849	**1,692**	+99.3	**14**
Operating income	131,246	**149,925**	+14.2	**1,249**
Other income (expenses), net	(14,268)	**(8,864)**	—	**(73)**
Income before income taxes	116,978	**141,061**	+20.6	**1,176**
Income taxes and other	47,992	**42,925**	-10.6	**358**
Net income of Sony without Financial Services	¥ 68,986	**¥ 98,136**	+42.3 %	**$ 818**

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

Consolidated	**Three months ended December 31**			
	2014	**2015**	Change	**2015**
Financial services revenue	¥ 303,211	**¥ 320,368**	+5.7 %	**$ 2,670**
Net sales and operating revenue	2,263,538	**2,260,444**	-0.1	**18,837**
	2,566,749	**2,580,812**	+0.5	**21,507**
Costs and expenses	2,384,526	**2,380,446**	-0.2	**19,837**
Equity in net income (loss) of affiliated companies	(128)	**1,779**	—	**15**
Operating income	182,095	**202,145**	+11.0	**1,685**
Other income (expenses), net	(14,267)	**(8,865)**	—	**(74)**
Income before income taxes	167,828	**193,280**	+15.2	**1,611**
Income taxes and other	77,857	**73,146**	-6.1	**610**
Net income attributable to Sony Corporation's stockholders	¥ 89,971	**¥ 120,134**	+33.5 %	**$ 1,001**

Condensed Statements of Income

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

Financial Services	Nine months ended December 31			
	2014	**2015**	Change	**2015**
Financial services revenue	¥ 821,469	**¥ 812,161**	-1.1 %	**$ 6,768**
Financial services expenses	678,240	**672,421**	-0.9	**5,604**
Equity in net in loss of affiliated companies	(921)	**(373)**	—	**(3)**
Operating income	142,308	**139,367**	-2.1	**1,161**
Other income (expenses), net	—	**—**	—	—
Income before income taxes	142,308	**139,367**	-2.1	**1,161**
Income taxes and other	44,513	**41,615**	-6.5	**346**
Net income of Financial Services	¥ 97,795	**¥ 97,752**	-0.0 %	**$ 815**

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

Sony without Financial Services	Nine months ended December 31			
	2014	**2015**	Change	**2015**
Net sales and operating revenue	¥ 5,463,978	**¥ 5,477,465**	+0.2 %	**$ 45,646**
Costs and expenses	5,393,075	**5,233,286**	-3.0	**43,611**
Equity in net income of affiliated companies	4,623	**3,518**	-23.9	**29**
Operating income	75,526	**247,697**	+228.0	**2,064**
Other income (expenses), net	(12,241)	**27,560**	—	**230**
Income before income taxes	63,285	**275,257**	+334.9	**2,294**
Income taxes and other	81,809	**87,340**	+6.8	**728**
Net income (loss) of Sony without Financial Services	¥ (18,524)	**¥ 187,917**	— %	**$ 1,566**

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

Consolidated	Nine months ended December 31			
	2014	**2015**	Change	**2015**
Financial services revenue	¥ 817,153	**¥ 807,092**	-1.2 %	**$ 6,726**
Net sales and operating revenue	5,461,015	**5,474,519**	+0.2	**45,621**
	6,278,168	**6,281,611**	+0.1	**52,347**
Costs and expenses	6,115,549	**5,897,686**	-3.6	**49,147**
Equity in net income of affiliated companies	3,702	**3,145**	-15.0	**26**
Operating income	166,321	**387,070**	+132.7	**3,226**
Other income (expenses), net	(20,071)	**17,114**	—	**142**
Income before income taxes	146,250	**404,184**	+176.4	**3,368**
Income taxes and other	165,440	**168,056**	+1.6	**1,400**
Net income (loss) attributable to Sony Corporation's stockholders	¥ (19,190)	**¥ 236,128**	— %	**$ 1,968**

Condensed Statements of Cash Flows

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

Financial Services	Nine months ended December 31		
	2014	**2015**	**2015**
Net cash provided by operating activities	¥ 278,246	**¥ 308,217**	**$ 2,569**
Net cash used in investing activities	(317,125)	**(482,110)**	**(4,018)**
Net cash provided by financing activities	89,111	**212,039**	**1,767**
Net increase in cash and cash equivalents	50,232	**38,146**	**318**
Cash and cash equivalents at beginning of the fiscal year	240,332	**207,527**	**1,729**
Cash and cash equivalents at end of the period	¥ 290,564	**¥ 245,673**	**$ 2,047**

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

Sony without Financial Services	Nine months ended December 31		
	2014	**2015**	**2015**
Net cash provided by operating activities	¥ 112,516	**¥ 22,645**	**$ 189**
Net cash used in investing activities	(46,665)	**(186,589)**	**(1,555)**
Net cash provided by (used in) financing activities	(281,516)	**275,257**	**2,294**
Effect of exchange rate changes on cash and cash equivalents	52,465	**(8,235)**	**(69)**
Net increase (decrease) in cash and cash equivalents	(163,200)	**103,078**	**859**
Cash and cash equivalents at beginning of the fiscal year	806,134	**741,886**	**6,183**
Cash and cash equivalents at end of the period	¥ 642,934	**¥ 844,964**	**$ 7,042**

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

Consolidated	Nine months ended December 31		
	2014	**2015**	**2015**
Net cash provided by operating activities	¥ 382,932	**¥ 321,511**	**$ 2,680**
Net cash used in investing activities	(363,790)	**(669,802)**	**(5,582)**
Net cash provided by (used in) financing activities	(184,575)	**497,750**	**4,148**
Effect of exchange rate changes on cash and cash equivalents	52,465	**(8,235)**	**(69)**
Net increase (decrease) in cash and cash equivalents	(112,968)	**141,224**	**1,177**
Cash and cash equivalents at beginning of the fiscal year	1,046,466	**949,413**	**7,912**
Cash and cash equivalents at end of the period	¥ 933,498	**¥ 1,090,637**	**$ 9,089**

(Notes)

1. U.S. dollar amounts have been translated from yen, for convenience only, at the rate of ¥120 = U.S. $1, the approximate Tokyo foreign exchange market rate as of December 31, 2015.

2. As of December 31, 2015, Sony had 1,298 consolidated subsidiaries (including variable interest entities) and 102 affiliated companies accounted for under the equity method.

3. The weighted-average number of outstanding shares used for the computation of earnings per share of common stock is as follows:

Weighted-average number of outstanding shares	(Thousands of shares)	
	Three months ended December 31	
Net income attributable to Sony Corporation's stockholders	2014	**2015**
— Basic	1,151,770	**1,261,274**
— Diluted	1,168,990	**1,287,220**

Weighted-average number of outstanding shares	(Thousands of shares)	
	Nine months ended December 31	
Net income (loss) attributable to Sony Corporation's stockholders	2014	**2015**
— Basic	1,096,392	**1,229,937**
— Diluted	1,096,392	**1,248,258**

The dilutive effect in the weighted-average number of outstanding shares for the three months ended December 31, 2014 primarily resulted from convertible bonds which were issued in November 2012. All potential shares were excluded as anti-dilutive for the nine months ended December 31, 2014 due to Sony incurring a net loss attributable to Sony Corporation's stockholders. The dilutive effect in the weighted-average number of outstanding shares for the three and nine months ended December 31, 2015 primarily resulted from convertible bonds which were issued in July 2015.

4. Recently adopted accounting pronouncements:

Reporting discontinued operations and disclosures of disposals of components of an entity

In April 2014, the Financial Accounting Standards Board ("FASB") issued new accounting guidance that changes the requirements for reporting discontinued operations and requires additional disclosures about discontinued operations. Under the new guidance, only disposals representing a strategic shift in operations that has, or will have, a major effect on the entity's operations and financial results should be presented as discontinued operations. Additionally, the revised guidance requires additional disclosures for discontinued operations as well as for disposals of significant components of an entity that do not qualify for discontinued operations presentation. This guidance was effective for Sony as of April 1, 2015. The adoption of this guidance did not have a material impact on Sony's results of operations and financial position.

Repurchase-to-maturity transactions and repurchase financings

In June 2014, the FASB issued new accounting guidance for the accounting and disclosure of repurchase-to-maturity transactions and repurchase financings. The guidance requires that repurchase-to-maturity transactions be accounted for as secured borrowings, and requires that a transfer of a financial asset and a repurchase agreement executed contemporaneously be accounted for separately. The guidance also requires additional disclosures about certain transferred financial assets accounted for as sales and certain transactions accounted for as secured borrowings. Except for the disclosure for transactions accounted for as secured borrowings, the guidance was effective for Sony as of January 1, 2015. The guidance for disclosure for transactions accounted for as secured borrowings was effective for Sony as of April 1, 2015. The adoption of this guidance did not have a material impact on Sony's result of operations and financial position.

5. Sony realigned its business segments for the first quarter of the fiscal year ending March 31, 2016 to reflect modifications to its organizational structure as of April 1, 2015, primarily repositioning certain operations, which were in All Other and the Devices segment. In connection with this realignment, the operations of Sony's disc manufacturing business in Japan, which were included in All Other are now included in the Music segment and the operations of So-net Corporation and its subsidiaries, which were included in All Other are now included in the MC segment. Certain operations regarding pre-installed automotive audio products which were included in the Devices segment are now included in the HE&S segment. In addition, Sony realigned its business segments for the third quarter of the fiscal year ending March 31, 2016 to reflect a change in the Corporate Executive

Officer in charge of the medical business as of October 1, 2015. In connection with this realignment, the medical business, which was included in All Other is now included in the IP&S segment. For further details of current segments and categories, see page F-8 and F-9. In connection with this realignment, the sales and operating revenue and operating income (loss) of each segment for the comparable period have been reclassified to conform to the current presentation.

6. Sony estimates the annual effective tax rate ("ETR") derived from a projected annual net income before taxes and calculates the interim period income tax provision based on the year-to-date income tax provision computed by applying the ETR to the year-to-date net income before taxes at the end of each interim period. The income tax provision based on the ETR reflects anticipated income tax credits and net operating loss carryforwards; however, it excludes the income tax provision related to significant unusual or extraordinary transactions. Such income tax provision is separately reported from the provision based on the ETR in the interim period in which it occurs.

7. Certain reclassifications of the financial statements and accompanying footnotes for the three and nine months ended December 31, 2014 have been made to conform to the presentation for the three and nine months ended December 31, 2015.

8. For the nine months ended December 31, 2015, Sony recorded an out-of-period adjustment to correct an error in the amount of accruals for certain sales incentives being recorded at a subsidiary. The error began in the fiscal year ended March 31, 2009 and continued until it was identified by Sony during the three months ended December 31, 2015. The adjustment, which related to the HE&S segment, impacted net sales and increased income before income taxes in the consolidated statements of income by 8,447 million yen for the nine months ended December 31, 2015. Sony determined that the adjustment was not material to the consolidated financial statements for the three and nine months ended December 31, 2015 or any prior annual or interim periods.

Other Consolidated Financial Data

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

	Three months ended December 31		
	2014	**2015**	**2015**
Capital expenditures*	¥ 56,937	**¥ 119,778**	**$ 998**
(Additions to property, plant and equipment)	(36,622)	**(89,518)**	**(746)**
(Additions to intangible assets)	(20,315)	**(30,260)**	**(252)**
Depreciation and amortization expenses**	84,333	**91,075**	**759**
(Depreciation expenses for property, plant and equipment)	(40,344)	**(45,613)**	**(380)**
(Amortization expenses for intangible assets)	(43,989)	**(45,462)**	**(379)**
Research and development expenses	118,295	**114,470**	**954**

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

	Nine months ended December 31		
	2014	**2015**	**2015**
Capital expenditures*	¥ 169,558	**¥ 329,380**	**$ 2,745**
(Additions to property, plant and equipment)	(112,948)	**(265,583)**	**(2,213)**
(Additions to intangible assets)	(56,610)	**(63,797)**	**(532)**
Depreciation and amortization expenses**	251,080	**275,130**	**2,293**
(Depreciation expenses for property, plant and equipment)	(118,329)	**(131,999)**	**(1,100)**
(Amortization expenses for intangible assets)	(132,751)	**(143,131)**	**(1,193)**
Research and development expenses	340,301	**340,050**	**2,834**

* Excluding additions for tangible and intangible assets from business combinations.

** Including amortization expenses for deferred insurance acquisition costs.