

# Q2 FY2016 Consolidated Financial Results

(Three months ended September 30, 2016)

November 1, 2016

Sony Corporation

## Q2 FY2016 Consolidated Results

	Q2 FY15	Q2 FY16	Change	(Bln Yen)
Sales & operating revenue	1,892.7	<b>1,688.9</b>	-10.8%	
Operating income	88.0	<b>45.7</b>	-48.0%	
Income before income taxes	72.2	<b>40.5</b>	-43.9%	
Net income attributable to Sony Corporation's stockholders	33.6	<b>4.8</b>	-85.6%	
Net income attributable to Sony Corporation's stockholders per share of common stock (diluted)	26.10 yen	<b>3.76 yen</b>	-85.6%	
Restructuring charges <sup>*1</sup>	5.6	<b>32.6</b>	+481.2%	
Additions to long-lived assets <sup>*2</sup>	115.8	<b>69.3</b>	-40.2%	
Depreciation and amortization <sup>*3</sup>	97.0	<b>87.5</b>	-9.8%	
Research and development expenses	114.3	<b>106.2</b>	-7.1%	
Average rate				
1 US dollar	122.2 yen	<b>102.4 yen</b>		
1 Euro	135.9 yen	<b>114.3 yen</b>		

\*1 Restructuring charges are included in operating income as operating expenses (applies to all following pages)

\*2 Does not include the increase in intangible assets resulting from acquisitions (applies to all following pages)

\*3 Includes amortization expenses for intangible assets and for deferred insurance acquisition costs (applies to all following pages)

## 1H FY2016 Consolidated Results

(Bln Yen)

	1H FY15	1H FY16	Change
Sales & operating revenue	3,700.8	<b>3,302.1</b>	-10.8%
Operating income	184.9	<b>101.9</b>	-44.9%
Income before income taxes	210.9	<b>97.5</b>	-53.8%
Net income attributable to Sony Corporation's stockholders	116.0	<b>26.0</b>	-77.6%
Net income attributable to Sony Corporation's stockholders per share of common stock (diluted)	94.41 yen	<b>20.20 yen</b>	-78.6%
Restructuring charges	15.7	<b>34.3</b>	+118.1%
Additions to long-lived assets	209.6	<b>135.3</b>	-35.4%
Depreciation and amortization	184.1	<b>181.1</b>	-1.6%
Research and development expenses	225.6	<b>216.3</b>	-4.1%
Average rate			
1 US dollar	121.8 yen	<b>105.3 yen</b>	
1 Euro	135.0 yen	<b>118.2 yen</b>	

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## Q2 FY2016 Results by Segment [Reclassified]

(Bln Yen)

		Q2 FY15	Q2 FY16	Change	FX Impact
<b>Mobile Communications (MC)</b>	Sales	279.2	<b>168.8</b>	-39.6%	-5%
	Operating income	-20.6	<b>3.7</b>	+24.3 bln yen	+5.4 bln yen
<b>Game &amp; Network Services (G&amp;NS)</b>	Sales	360.7	<b>319.9</b>	-11.3%	-13%
	Operating income	23.9	<b>19.0</b>	-4.9 bln yen	-0.9 bln yen
<b>Imaging Products &amp; Solutions (IP&amp;S)</b>	Sales	180.9	<b>135.4</b>	-25.2%	-11%
	Operating income	23.1	<b>14.9</b>	-8.2 bln yen	-9.5 bln yen
<b>Home Entertainment &amp; Sound (HE&amp;S)</b>	Sales	289.1	<b>234.9</b>	-18.7%	-14%
	Operating income	15.8	<b>17.6</b>	+1.8 bln yen	-6.0 bln yen
<b>Semiconductors</b>	Sales	203.9	<b>193.7</b>	-5.0%	-17%
	Operating income	34.1	<b>-4.2</b>	-38.2 bln yen	-19.7 bln yen
<b>Components</b>	Sales	61.2	<b>46.7</b>	-23.7%	-13%
	Operating income	-1.5	<b>-36.6</b>	-35.1 bln yen	-1.6 bln yen
<b>Pictures</b>	Sales	183.7	<b>192.1</b>	+4.6%	-20%
	Operating income	-22.5	<b>3.2</b>	+25.7 bln yen	
<b>Music</b>	Sales	139.1	<b>150.2</b>	+8.0%	-11%
	Operating income	14.3	<b>16.5</b>	+2.3 bln yen	
<b>Financial Services</b>	Revenue	210.7	<b>260.5</b>	+23.6%	
	Operating income	41.2	<b>33.6</b>	-7.6 bln yen	
<b>All Other</b>	Sales	84.3	<b>58.7</b>	-30.4%	
	Operating income	3.1	<b>4.2</b>	+1.2 bln yen	
<b>Corporate and elimination</b>	Sales	-100.0	<b>-71.9</b>	-	
	Operating income	-22.7	<b>-26.1</b>	-3.3 bln yen	
<b>Consolidated total</b>	Sales	1,892.7	<b>1,688.9</b>	-10.8%	
	Operating income	88.0	<b>45.7</b>	-42.3 bln yen	

Due to Sony's modification to its organizational structure in FY2016, certain figures in past fiscal years have been reclassified to conform to the presentation of FY2016 (applies to all following pages)

Sales and Revenue in each business segment represents sales and revenue recorded before intersegment transactions are eliminated. Operating income in each business segment represents operating income reported before intersegment transactions are eliminated and excludes unallocated corporate expenses (applies to all following pages)

Both Sales and Revenue include operating revenue and intersegment sales (applies to all following pages)

For definition of FX Impact, please see P.10 of "Consolidated Financial Results for the Second Quarter Ended September 30, 2016" (applies to all following pages)

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## 1H FY2016 Results by Segment [Reclassified]

		1H FY15	1H FY16	Change	FX Impact	(Bln Yen)
<b>Mobile Communications (MC)</b>	Sales	559.7	<b>354.7</b>	-36.6%	-4%	
	Operating income	-43.5	<b>4.1</b>	+47.6 bln yen	+9.8 bln yen	
<b>Game &amp; Network Services (G&amp;NS)</b>	Sales	649.3	<b>650.3</b>	+0.2%	-12%	
	Operating income	43.4	<b>63.0</b>	+19.6 bln yen	-2.2 bln yen	
<b>Imaging Products &amp; Solutions (IP&amp;S)</b>	Sales	345.7	<b>257.6</b>	-25.5%	-10%	
	Operating income	40.8	<b>22.4</b>	-18.5 bln yen	-15.2 bln yen	
<b>Home Entertainment &amp; Sound (HE&amp;S)</b>	Sales	542.2	<b>470.8</b>	-13.2%	-13%	
	Operating income	26.7	<b>37.8</b>	+11.1 bln yen	-8.5 bln yen	
<b>Semiconductors</b>	Sales	391.2	<b>338.2</b>	-13.6%	-13%	
	Operating income	66.8	<b>-47.7</b>	-114.5 bln yen	-28.0 bln yen	
<b>Components</b>	Sales	118.2	<b>90.8</b>	-23.2%	-11%	
	Operating income	-3.8	<b>-41.4</b>	-37.6 bln yen	-2.8 bln yen	
<b>Pictures</b>	Sales	355.3	<b>375.4</b>	+5.7%	-17%	
	Operating income	-34.2	<b>-7.4</b>	+26.7 bln yen		
<b>Music</b>	Sales	269.6	<b>292.1</b>	+8.4%	-10%	
	Operating income	45.9	<b>32.4</b>	-13.5 bln yen		
<b>Financial Services</b>	Revenue	490.1	<b>493.2</b>	+0.6%		
	Operating income	87.1	<b>82.1</b>	-5.0 bln yen		
<b>All Other</b>	Sales	161.5	<b>118.9</b>	-26.4%		
	Operating income	1.1	<b>2.2</b>	+1.1 bln yen		
<b>Corporate and elimination</b>	Sales	-182.1	<b>-139.8</b>	-		
	Operating income	-45.4	<b>-45.6</b>	-0.2 bln yen		
<b>Consolidated total</b>	Sales	3,700.8	<b>3,302.1</b>	-10.8%		
	Operating income	184.9	<b>101.9</b>	-83.0 bln yen		

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## FY2016 Consolidated Results Forecast

	FY15	FY16 July Forecast	FY16 November Forecast	Change from July Forecast	(Bln Yen)
Sales & operating revenue	8,105.7	7,400	<b>7,400</b>	-	
Operating income	294.2	300	<b>270</b>	-10.0%	
Income before income taxes	304.5	270	<b>250</b>	-7.4%	
Net income attributable to Sony Corporation's stockholders	147.8	80	<b>60</b>	-25.0%	
Restructuring charges	38.3	12	<b>42</b>	+250.0%	
Additions to long-lived assets	468.9	345	<b>335</b>	-2.9%	
Depreciation & amortization	397.1	385	<b>385</b>	-	
Research & development expenses	468.2	450	<b>450</b>	-	
Foreign exchange rates	Actual	Assumption (Q2-Q4 FY16)	Assumption (2H FY16)		
1 US dollar	120.1 yen	Approx. 103 yen	<b>Approx. 101 yen</b>		
1 Euro	132.6 yen	Approx. 114 yen	<b>Approx. 113 yen</b>		

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## FY2016 Results Forecast by Segment [Reclassified]

(Bln Yen)

		FY15	FY16 July FCT	FY16 November FCT	Change from July FCT	Segment Forecast Rate Assumption (2H FY16)	
<b>Mobile Communications (MC)</b>	Sales	1,127.5	840	<b>780</b>	-7.1%	1 US dollar	101 yen
	Operating income	-61.4	5	<b>5</b>	-		
<b>Game &amp; Network Services (G&amp;NS)</b>	Sales	1,551.9	1,590	<b>1,590</b>	-	1 Euro	113 yen
	Operating income	88.7	135	<b>135</b>	-		
<b>Imaging Products &amp; Solutions (IP&amp;S)</b>	Sales	684.0	540	<b>560</b>	+3.7%		
	Operating income	69.3	22	<b>34</b>	+12.0 bln yen		
<b>Home Entertainment &amp; Sound (HE&amp;S)</b>	Sales	1,159.0	1,000	<b>1,010</b>	+1.0%		
	Operating income	50.6	41	<b>47</b>	+6.0 bln yen		
<b>Semiconductors</b>	Sales	739.1	700	<b>710</b>	+1.4%		
	Operating income	14.5	-64	<b>-53</b>	+11.0 bln yen		
<b>Components</b>	Sales	224.6	200	<b>190</b>	-5.0%		
	Operating income	-42.9	-12	<b>-48</b>	-36.0 bln yen		
<b>Pictures</b>	Sales	938.1	920	<b>910</b>	-1.1%		
	Operating income	38.5	38	<b>29</b>	-9.0 bln yen		
<b>Music</b>	Sales	619.2	550	<b>550</b>	-		
	Operating income	86.5	63	<b>63</b>	-		
<b>Financial Services</b>	Revenue	1,073.1	1,140	<b>1,140</b>	-		
	Operating income	156.5	150	<b>150</b>	-		
<b>All Other, Corporate and elimination</b>	Operating income	-106.1	-78	<b>-92</b>	-14.0 bln yen		
<b>Consolidated total</b>	Sales	8,105.7	7,400	<b>7,400</b>	-		
	Operating income	294.2	300	<b>270</b>	-30.0 bln yen		

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## Estimated Impact of the 2016 Kumamoto Earthquakes on Operating Income

(Bln yen)

		July FCT	Nov FCT	Change from July FCT	Estimated Impact on Q1	Estimated Impact on Q2	Estimated Impact on 1H
<b>Imaging Products &amp; Solutions (IP&amp;S)</b>	<b>Earthquake Impact (Opportunity losses only)</b>	-26	<b>-10.5</b>	+15.5	-7.0	<b>-3.0</b>	<b>-10.0</b>
	<b>Total Earthquake Impact</b>	-48	<b>-39.5</b>	+8.5	-24.7	<b>-9.9</b>	<b>-34.6</b>
<b>Semiconductors</b>	Physical Damage	-18	-16.5	+1.5	-6.8	-7.2	-14.0
	Recovery expenses and others	-4	-2.7	+1.3	-1.3	-0.3	-1.6
	Opportunity Losses	-26	-20.3	+5.7	-16.6	-2.4	-19.0
<b>Corporate</b>	<b>Earthquake Impact (Opportunity losses only)</b>	-6	<b>-3.5</b>	+2.5	-2.5	<b>0.8</b>	<b>-3.3</b>
	<b>Total Earthquake Impact</b>	-80	<b>-53.5</b>	+26.5	-34.2	<b>-13.7</b>	<b>-47.9</b>
<b>Consolidated total</b>	Physical Damage	-18	-16.5	+1.5	-6.8	-7.2	-14.0
	Recovery expenses and others	-4	-2.7	+1.3	-1.3	-0.3	-1.6
	Opportunity Losses	-58	-34.3	+23.7	-26.1	-6.2	-32.3

· Figures shown above do not include expected insurance recoveries

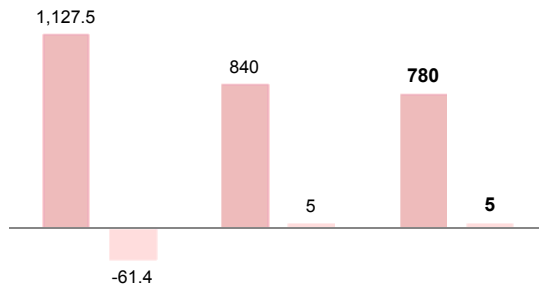
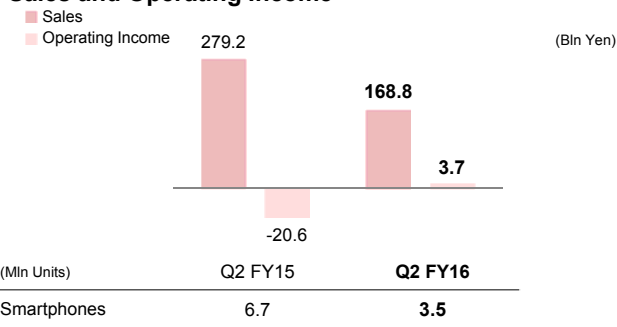
· Opportunity losses include idle facility costs at manufacturing sites and lost profit from missed sales opportunities

· Opportunity losses in Corporate are fixed costs that were scheduled to be allocated to the IP&S and Semiconductors segments based on sales, but are no longer expected to be allocated, because the sales of the two segments are expected to be lower than originally expected.

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## Mobile Communications Segment

### Sales and Operating Income



(Mln Units)	FY15	FY16 July FCT	FY16 Nov FCT
Smartphones	24.9	19	17

### Q2 FY2016 (year-on-year)

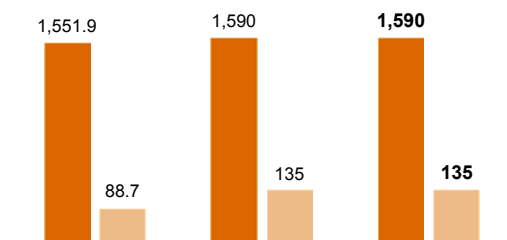
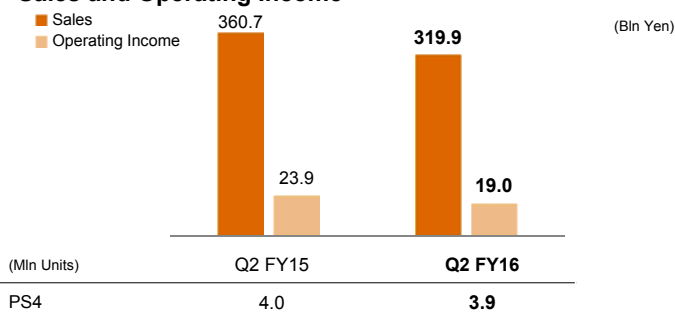
- Sales: 39.6% decrease (FX Impact: -5%)
  - (-) Significant decrease in smartphone unit sales
    - (-) Reduction in mid-range smartphone unit sales
    - (-) Reduction in smartphone unit sales in unprofitable regions where downsizing measures were implemented during FY15
  - (+ ) Improvement in product mix of smartphones as a result of a concentration on high value-added models
- OI: 24.3 bln yen profitability improvement (FX Impact: +5.4 bln yen)
  - (+ ) Cost reductions mainly resulting from the benefit of restructuring initiatives
  - (+ ) Improvement in product mix as a result of a concentration on high value-added models
  - (+ ) Positive impact of foreign exchange rates
  - (+ ) Decrease in restructuring charges
  - (-) Decrease in sales

### FY2016 Forecast (change from July forecast)

- Sales: 7.1% downward revision
  - (-) Expected decrease in smartphone unit sales
- OI: Unchanged from July forecast
  - (+ ) Better-than-expected improvement in product mix as a result of a concentration on high value-added models
  - (+ ) Impact of cost reductions
  - (-) Decrease in sales

## Game & Network Services Segment

### Sales and Operating Income



(Mln Units)	FY15	FY16 July FCT	FY16 Nov FCT
PS4	17.7	20	20

### Q2 FY2016 (year-on-year)

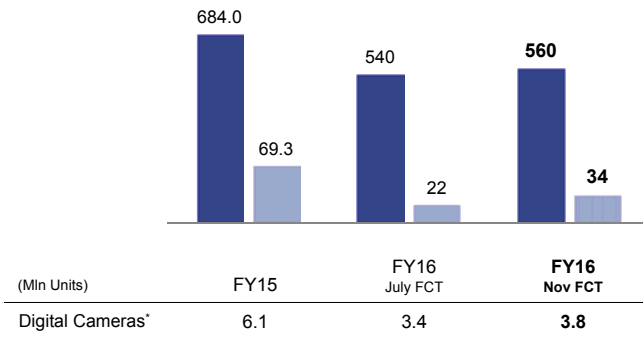
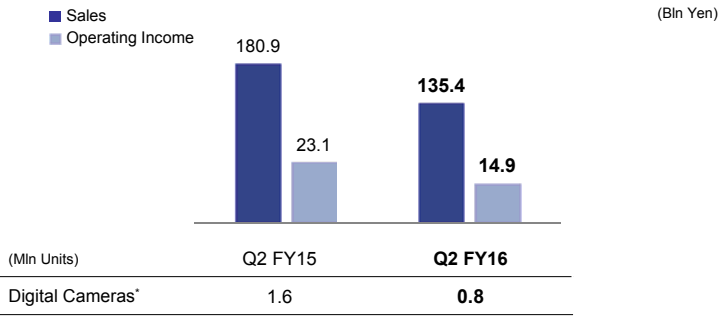
- Sales: 11.3% decrease (FX Impact: -13%)
  - (-) Impact of foreign exchange rates
  - (-) Impact of price reduction for PS4 hardware
  - (+ ) Increase in PS4 software sales including sales through the network
- OI: 4.9 bln yen decrease (FX Impact: -0.9 bln yen)
  - (-) Effects of price reduction for PS4 hardware
  - (-) Decrease in PS3 software sales
  - (+ ) PS4 hardware cost reductions
  - (+ ) Increase in PS4 software sales including sales through the network

### FY2016 Forecast (change from July forecast)

- Sales: Remains unchanged from the July forecast
- OI: Remains unchanged from the July forecast
  - (+ ) Increase in network sales
  - (-) Impact of a change in launch dates of certain software titles

## Imaging Products & Solutions Segment

### Sales and Operating Income



\* Includes compact digital cameras and interchangeable single-lens cameras / Excludes interchangeable lenses (applies to all following pages)

### Q2 FY2016 (year-on-year)

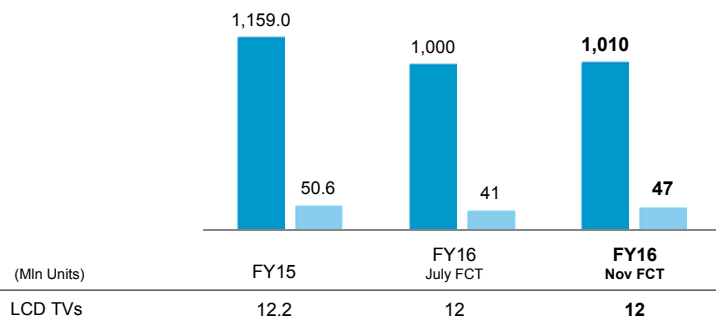
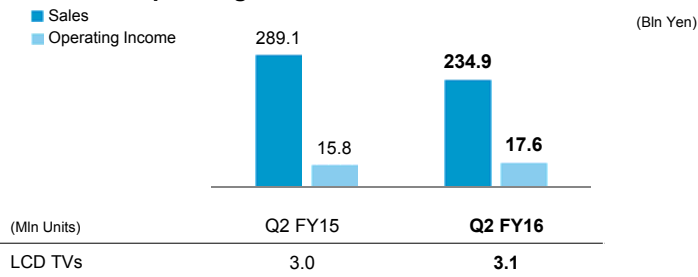
- Sales: 25.2% decrease (FX Impact: -11%)
  - (-) Lower sales of Still and Video Cameras primarily reflecting a contraction of the market and the difficulty of procuring components due to the 2016 Kumamoto Earthquakes
  - (-) Impact of foreign exchange rates
  - (+ Improvement in the product mix of Still and Video Cameras reflecting a shift to high value-added models
- OI: 8.2 bln yen decrease (FX Impact: - 9.5 bln yen)
  - (-) Decrease in sales
  - (-) Negative impact of foreign exchange rates
  - (+ Improvement in Still and Video Cameras product mix
  - (+ Reduction of fixed costs

### FY2016 Forecast (change from July forecast)

- Sales: 3.7% upward revision
  - (+ Faster-than-expected recovery in supply of components of Still and Video Cameras which were impacted by the 2016 Kumamoto Earthquakes
  - (+ Faster-than-expected recovery in shipments of Still and Video Cameras
  - (+ A shift to high value-added models
- OI: 12.0 bln yen upward revision
  - (+ Increase in sales

## Home Entertainment & Sound Segment

### Sales and Operating Income



### Q2 FY2016 (year-on-year)

- Sales: 18.7% decrease (FX Impact: -14%)
  - (-) Impact of foreign exchange rates
  - (-) Decrease in home audio and video unit sales reflecting a contraction of the market
- OI: 1.8 bln yen increase (FX Impact: -6.0 bln yen)
  - (+ Improvement in product mix reflecting a shift to high value-added models
  - (+ Cost reductions
  - (-) Negative impact of foreign exchange rates
  - (-) Decrease in sales

### FY2016 Forecast (change from July forecast)

- Sales: 1.0% upward revision
  - (+ Strong performance of LCD televisions
- OI: 6 bln yen upward revision
  - (+ Increase in sales

## Semiconductors Segment

### Sales and Operating Income

■ Sales  
■ Operating Income (Bln Yen)

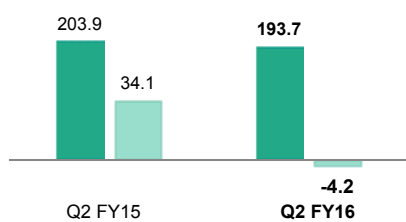


Image Sensors Sales	Q2 FY15	Q2 FY16
	140.9	133.2

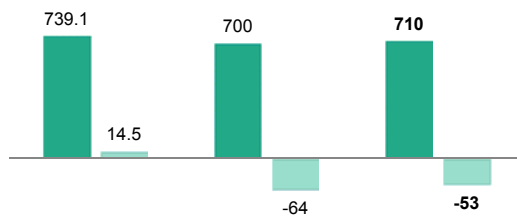


Image Sensors Sales	FY15	FY16 July FCT	FY16 Nov FCT
	477.6	480	490
<b>Additions to long-lived assets for Semiconductors Segment</b>	<b>260.0</b>	<b>110</b>	<b>100</b>
for Image Sensors (included above)	206.0	60	50

### Q2 FY2016 (year-on-year)

- Sales: 5.0% decrease (FX Impact: -17%)
  - (-) Decrease in sales of image sensors
  - (-) Impact of foreign exchange rates
  - (+ ) Increase in unit sales of image sensors for mobile products
- OI: 38.2 bln yen deterioration (FX Impact: -19.7 bln yen)
  - (-) Negative impact of foreign exchange rates
  - (-) 9.4 bln yen in inventory write-downs of certain image sensors for mobile products
  - (-) Net expenses of 1.2 bln yen resulting from the 2016 Kumamoto Earthquakes\*
  - (+ ) Increase in unit sales of image sensors for mobile products

### FY2016 Forecast (change from July forecast)

- Sales: 1.4% upward revision
  - (+ ) Increase in sales of image sensors
  - (+ ) Stronger-than-expected increase in demand for image sensors for mobile products
  - (+ ) Shorter-than-expected delay in production from the 2016 Kumamoto Earthquakes
- OI: 11 bln yen upward revision
  - (+ ) Increase in sales

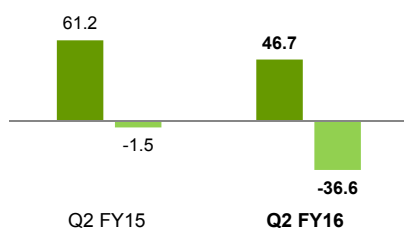
\* Includes repair costs of certain fixed assets and a loss on disposal of inventories directly damaged by the earthquakes (net of probable insurance recoveries) as well as idle facility costs at manufacturing sites affected by the earthquakes. Does not include lost profit from missed sales opportunities.

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## Components Segment

### Sales and Operating Income

■ Sales  
■ Operating Income (Bln Yen)



### Q2 FY2016 (year-on-year)

- Sales: 23.7% decrease (FX Impact: -13%)
  - (-) Impact of foreign exchange rates
  - (-) Decrease in sales in the battery business due to increasingly competitive markets
- OI: 35.1 bln yen deterioration (FX Impact: -1.6 bln yen)
  - (-) Impairment charge related to the planned transfer of the battery business

### FY2016 Forecast (change from July forecast)

- Sales: 5.0% downward revision
  - (-) Lower-than-expected sales in the battery business
  - (-) Lower-than-expected sales of recording media
- OI: 36 bln yen downward revision
  - (-) Impairment charges related to the planned transfer of the battery business
  - (-) Decrease in sales

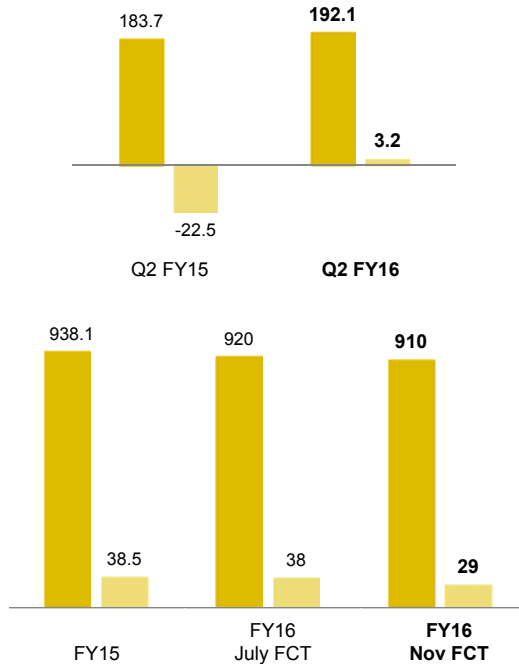
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## Pictures Segment

### Sales and Operating Income

■ Sales  
■ Operating Income

(Bln Yen)



### Q2 FY2016 (year-on-year)

The following analysis is on a U.S. dollar basis

- Sales: 4.6% increase (U.S. dollar basis: +25%)
  - (+ ) Significantly higher sales of Motion Pictures
    - (+ ) Higher theatrical revenues from films released in the current quarter including *Ghostbusters*, *Sausage Party* and *Don't Breathe*
  - (+ ) Significantly higher sales of Television Productions
    - (+ ) Higher subscription video-on-demand licensing revenues for *The Crown* and *The Get Down*.
  - (+ ) Higher sales of Media Networks
    - (+ ) Higher advertising and subscription revenues in India, Europe and Latin America
- OI: 25.7 bln yen improvement (+215 million U.S. dollar)
  - (+ ) Increase in sales

### FY2016 Forecast (change from July forecast)

- Sales: 1.1% downward revision
  - (- ) Decrease in Media Networks revenues
  - (- ) Negative impact of the appreciation of the yen against the U.S. dollar
  - (+ ) Increase in Motion Pictures revenues
    - (+ ) Higher-than-expected home entertainment revenues
    - (+ ) Higher-than-expected TV license revenues
    - (- ) Lower-than-expected theatrical revenues
- OI: 9 bln yen downward revision
  - (- ) Lower-than-expected theatrical revenues in Motion Pictures
  - (- ) Decrease in Media Networks revenues

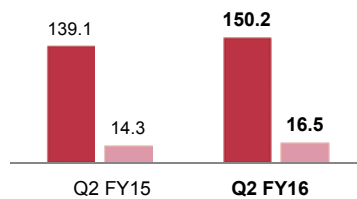
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## Music Segment

### Sales and Operating Income

■ Sales  
■ Operating Income

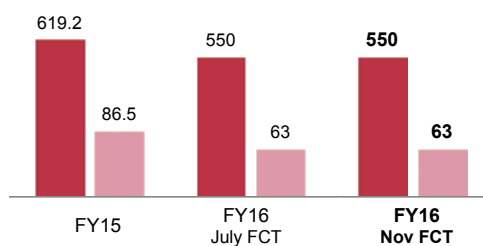
(Bln Yen)



Recorded Music Category Revenue	90.6	89.8
Streaming* Revenue (included above)	24.9	31.5

### Q2 FY2016 (year-on-year)

- Sales: 8.0% increase (FX Impact: -11%)
  - (+ ) Increase in sales of Visual Media and Platform due to strong performance of *Fate/Grand Order*, a game application for mobile devices
  - (+ ) Increase in sales of Recorded Music due to increase in digital streaming revenues
  - (- ) Impact of the appreciation of the yen against the U.S. dollar
- OI: 2.3 bln yen increase
  - (+ ) Higher sales of Recorded Music
  - (+ ) Higher sales of Visual Media and Platform
  - (- ) Negative impact of the appreciation of the yen against the U.S. dollar



Recorded Music Category Revenue	412.7	-	-
Streaming* Revenue (included above)	110.2	-	-

### FY2016 Forecast

- Sales / OI: Remain unchanged from July forecast

\*Streaming includes digital audio, digital video and digital radio, and includes revenue from both subscription and ad-supported services

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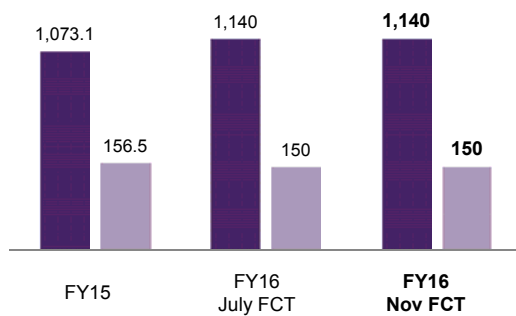
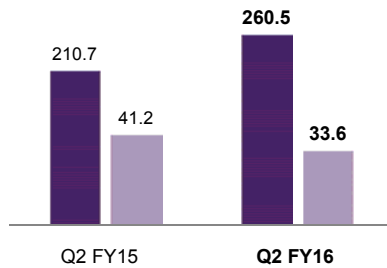


## Financial Services Segment

### Financial Services Revenue and Operating Income

■ Financial Services Revenue  
■ Operating Income

(Bln Yen)



#### Q2 FY2016 (year-on-year)

- Revenue: 23.6% increase
  - (+): Significant increase in revenue at Sony Life (29.9% increase, revenue: 230.8 bln yen)
  - (+): Improvement in investment performance in the separate account due to a rise in the Japanese stock market during the current quarter
- OI: 7.6 bln yen decrease
  - (-): Foreign exchange loss incurred at Sony Bank on foreign-currency denominated customer deposits compared to a gain in the same quarter of FY15 (Operating income at Sony Life decreased by 3.7 bln yen to 31.0 bln yen)

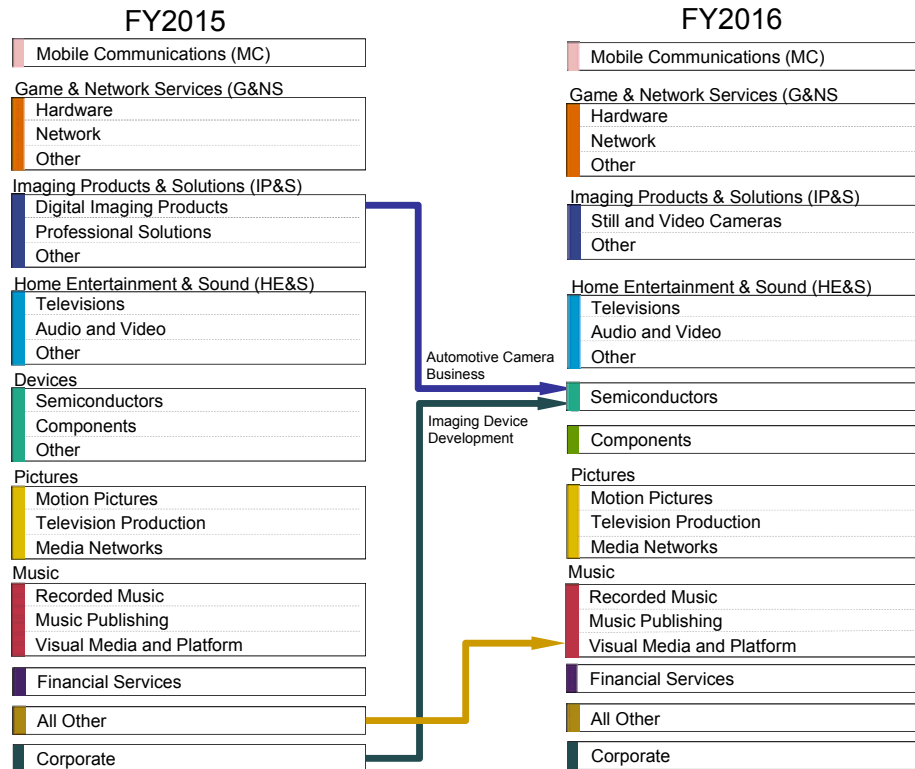
#### FY2016 Forecast

- Revenue / OI : Remain unchanged from July forecast

The following figures previously included in this handout are now included in the “Supplemental Information of the Consolidated Financial Results.”

- Average foreign exchange rates
- Results by segment
- Sales to customers by product category (to external customers)
- Depreciation and amortization by segment
- Amortization of film costs
- Restructuring charges by segment
- Period-end exchange rates
- Inventory by segment
- Film costs (balance)
- Long-lived assets by segment
- Goodwill by segment
- Research and development expenses by segment
- Additions to long-lived assets excluding Financial Services
- Depreciation and amortization excluding Financial Services
- Unit sales of key products

# Segment and Category Realignment



## Realignments

Sony realigned its business segments from the first quarter of the fiscal year ending March 31, 2017 to reflect a change in the Corporate Executive Officers in charge of certain segments and modifications to the organizational structure of certain segments as of April 1, 2016. As a result of this realignment, Sony has separated the Devices segment into a Semiconductors segment and a Components segment. In addition, the operations of the automotive camera business, which were included in the IP&S segment, and the operations of the Imaging Device Development Division, which were included in Corporate and elimination, are now included in the Semiconductors segment. Additionally, certain operations which were included in All Other are now included in the Music segment.

- In the IP&S segment, Still and Video Cameras includes interchangeable lens cameras, compact digital cameras, video cameras for broadcast and consumer; Other includes display products such as projectors and medical equipment.
- Semiconductors segment includes image sensors and camera modules.
- Components segment includes batteries and recording media.

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## Cautionary Statement

Statements made in this presentation 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:

- the global economic environment in which Sony operates and the economic conditions in Sony's markets, particularly levels of consumer spending;
  - 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;
  - 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 and network 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;
  - Sony's ability and timing to recoup large-scale investments required for technology development and production capacity;
  - Sony's ability to implement successful business restructuring and transformation efforts under changing market conditions;
  - 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;
  - 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);
  - Sony's ability to maintain product quality and customers' satisfaction with its existing products and services;
  - 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;
  - significant volatility and disruption in the global financial markets or a ratings downgrade;
  - Sony's ability to forecast demands, manage timely procurement and control inventories;
  - the outcome of pending and/or future legal and/or regulatory proceedings;
  - 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;
  - the impact of changes in interest rates and 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;
  - 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
  - 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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