

SONY

## Q3 FY2016 Consolidated Financial Results

(Three months ended December 31, 2016)

February 2, 2017

Sony Corporation

### Q3 FY2016 Consolidated Results

	Q3 FY15	Q3 FY16	Change	(Bln Yen)
Sales & operating revenue	2,580.8	<b>2,397.5</b>	-7.1%	
Operating income	202.1	<b>92.4</b>	-54.3%	
Income before income taxes	193.3	<b>66.2</b>	-65.7%	
Net income attributable to Sony Corporation's stockholders	120.1	<b>19.6</b>	-83.7%	
Net income attributable to Sony Corporation's stockholders per share of common stock (diluted)	93.33 yen	<b>15.24 yen</b>	-83.7%	
Restructuring charges <sup>*1</sup>	6.1	<b>5.1</b>	-16.4%	
Additions to long-lived assets <sup>*2</sup>	119.8	<b>52.9</b>	-55.9%	
Depreciation and amortization <sup>*3</sup>	91.1	<b>78.5</b>	-13.8%	
Research and development expenses	114.5	<b>108.8</b>	-5.0%	
Average rate				
1 US dollar	121.4 yen	<b>109.3 yen</b>		
1 Euro	133.0 yen	<b>117.8 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)

## Q1-Q3 FY2016 Consolidated Results

	Q1-Q3 FY15	Q1-Q3 FY16	Change	(Bln Yen)
Sales & operating revenue	6,281.6	<b>5,699.6</b>	-9.3%	
Operating income	387.1	<b>194.3</b>	-49.8%	
Income before income taxes	404.2	<b>163.8</b>	-59.5%	
Net income attributable to Sony Corporation's stockholders	236.1	<b>45.6</b>	-80.7%	
Net income attributable to Sony Corporation's stockholders per share of common stock (diluted)	189.17 yen	<b>35.43 yen</b>	-81.3%	
Restructuring charges	21.8	<b>39.4</b>	+80.6%	
Additions to long-lived assets	329.4	<b>188.2</b>	-42.9%	
Depreciation and amortization	275.1	<b>259.6</b>	-5.7%	
Research and development expenses	340.1	<b>325.1</b>	-4.4%	
Average rate				
1 US dollar	121.7 yen	<b>106.6 yen</b>		
1 Euro	134.4 yen	<b>118.1 yen</b>		

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## Q3 FY2016 Results by Segment [Reclassified]

		Q3 FY15	Q3 FY16	Change	FX Impact	(Bln Yen)
<b>Mobile Communications (MC)</b>	Sales	384.5	<b>248.6</b>	-35.3%	-3%	
	Operating income	24.1	<b>21.2</b>	-2.9 bln yen	+12.1 bln yen	
<b>Game &amp; Network Services (G&amp;NS)</b>	Sales	587.1	<b>617.7</b>	+5.2%	-10%	
	Operating income	40.2	<b>50.0</b>	+9.9 bln yen	+1.4 bln yen	
<b>Imaging Products &amp; Solutions (IP&amp;S)</b>	Sales	184.8	<b>167.1</b>	-9.6%	-10%	
	Operating income	22.8	<b>21.1</b>	-1.7 bln yen	-9.2 bln yen	
<b>Home Entertainment &amp; Sound (HE&amp;S)</b>	Sales	402.0	<b>353.4</b>	-12.1%	-10%	
	Operating income	31.2	<b>25.9</b>	-5.2 bln yen	-4.8 bln yen	
<b>Semiconductors</b>	Sales	200.0	<b>233.9</b>	+16.9%	-11%	
	Operating income	21.3	<b>27.2</b>	+5.9 bln yen	-14.1 bln yen	
<b>Components</b>	Sales	57.3	<b>51.4</b>	-10.3%	-9%	
	Operating income	-32.7	<b>-3.7</b>	+29.0 bln yen	-1.1 bln yen	
<b>Pictures</b>	Sales	262.1	<b>225.2</b>	-14.1%	-9%	
	Operating income	20.4	<b>-106.8</b>	-127.1 bln yen		
<b>Music</b>	Sales	181.8	<b>178.5</b>	-1.8%	-6%	
	Operating income	27.3	<b>28.0</b>	+0.7 bln yen		
<b>Financial Services</b>	Revenue	322.0	<b>319.1</b>	-0.9%		
	Operating income	52.2	<b>29.0</b>	-23.2 bln yen		
<b>All Other</b>	Sales	96.3	<b>82.3</b>	-14.5%		
	Operating income	5.8	<b>1.9</b>	-3.9 bln yen		
<b>Corporate and elimination</b>	Sales	-97.1	<b>-79.7</b>			
	Operating income	-10.4	<b>-1.5</b>	+8.9 bln yen		
<b>Consolidated total</b>	Sales	2,580.8	<b>2,397.5</b>	-7.1%		
	Operating income	202.1	<b>92.4</b>	-109.8 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 Third Quarter Ended December 31, 2016" (applies to all following pages)

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## Q1-Q3 FY2016 Results by Segment [Reclassified]

		Q1-Q3 FY15	Q1-Q3 FY16	Change	FX Impact	(Bln Yen)
<b>Mobile Communications (MC)</b>	Sales	944.3	<b>603.3</b>	-36.1%	-4%	
	Operating income	-19.4	<b>25.3</b>	+44.7 bln yen	+21.8 bln yen	
<b>Game &amp; Network Services (G&amp;NS)</b>	Sales	1,236.4	<b>1,268.0</b>	+2.6%	-11%	
	Operating income	83.5	<b>113.1</b>	+29.5 bln yen	-0.8 bln yen	
<b>Imaging Products &amp; Solutions (IP&amp;S)</b>	Sales	530.5	<b>424.7</b>	-19.9%	-10%	
	Operating income	63.6	<b>43.5</b>	-20.2 bln yen	-24.4 bln yen	
<b>Home Entertainment &amp; Sound (HE&amp;S)</b>	Sales	944.2	<b>824.2</b>	-12.7%	-11%	
	Operating income	57.8	<b>63.7</b>	+5.9 bln yen	-13.4 bln yen	
<b>Semiconductors</b>	Sales	591.2	<b>572.0</b>	-3.2%	-12%	
	Operating income	88.1	<b>-20.6</b>	-108.6 bln yen	-42.1 bln yen	
<b>Components</b>	Sales	175.6	<b>142.2</b>	-19.0%	-10%	
	Operating income	-36.5	<b>-45.1</b>	-8.6 bln yen	-3.8 bln yen	
<b>Pictures</b>	Sales	617.4	<b>600.6</b>	-2.7%	-14%	
	Operating income	-13.8	<b>-114.2</b>	-100.4 bln yen		
<b>Music</b>	Sales	451.3	<b>470.6</b>	+4.3%	-8%	
	Operating income	73.2	<b>60.4</b>	-12.8 bln yen		
<b>Financial Services</b>	Revenue	812.2	<b>812.4</b>	+0.0%		
	Operating income	139.4	<b>111.1</b>	-28.3 bln yen		
<b>All Other</b>	Sales	257.8	<b>201.1</b>	-22.0%		
	Operating income	6.9	<b>4.2</b>	-2.7 bln yen		
<b>Corporate and elimination</b>	Sales	-279.2	<b>-219.5</b>	-		
	Operating income	-55.8	<b>-47.0</b>	+8.7 bln yen		
<b>Consolidated total</b>	Sales	6,281.6	<b>5,699.6</b>	-9.3%		
	Operating income	387.1	<b>194.3</b>	-192.8 bln yen		

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## FY2016 Consolidated Results Forecast

	FY15	FY16 November Forecast	FY16 February Forecast	Change from November Forecast	(Bln Yen)
Sales & operating revenue	8,105.7	7,400	<b>7,600</b>	+2.7%	
Operating income	294.2	270	<b>240</b>	-11.1%	
Income before income taxes	304.5	250	<b>196</b>	-21.6%	
Net income attributable to Sony Corporation's stockholders	147.8	60	<b>26</b>	-56.7%	
Restructuring charges	38.3	42	<b>45</b>	+7.1%	
Additions to long-lived assets	468.9	335	<b>300</b>	-10.4%	
Depreciation & amortization	397.1	385	<b>355</b>	-7.8%	
Research & development expenses	468.2	450	<b>450</b>	-	
Foreign exchange rates	Actual	Assumption (2H FY16)	Assumption (Q4 FY16)		
1 US dollar	120.1 yen	Approx. 101 yen	Approx. 118 yen		
1 Euro	132.6 yen	Approx. 113 yen	Approx. 123 yen		

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## FY2016 Results Forecast by Segment [Reclassified]

(Bln Yen)

		FY15	FY16 November FCT	FY16 February FCT	Change from November FCT	Segment Forecast Rate Assumption (4Q FY16)
<b>Mobile Communications (MC)</b>	Sales	1,127.5	780	<b>760</b>	-2.6%	1 US dollar 118 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>1,640</b>	+3.1%	1 Euro 123 yen
	Operating income	88.7	135	<b>135</b>	-	
<b>Imaging Products &amp; Solutions (IP&amp;S)</b>	Sales	684.0	560	<b>570</b>	+1.8%	
	Operating income	69.3	34	<b>43</b>	+9 bln yen	
<b>Home Entertainment &amp; Sound (HE&amp;S)</b>	Sales	1,159.0	1,010	<b>1,030</b>	+2.0%	
	Operating income	50.6	47	<b>53</b>	+6 bln yen	
<b>Semiconductors</b>	Sales	739.1	710	<b>770</b>	+8.5%	
	Operating income	14.5	-53	<b>-19</b>	+34 bln yen	
<b>Components</b>	Sales	224.6	190	<b>190</b>	-	
	Operating income	-42.9	-48	<b>-51</b>	-3 bln yen	
<b>Pictures</b>	Sales	938.1	910	<b>910</b>	-	
	Operating income	38.5	29	<b>-83</b>	-112 bln yen	
<b>Music</b>	Sales	619.2	550	<b>620</b>	+12.7%	
	Operating income	86.5	63	<b>69</b>	+6 bln yen	
<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	-92	<b>-62</b>	+30 bln yen	
<b>Consolidated total</b>	Sales	8,105.7	7,400	<b>7,600</b>	+2.7%	
	Operating income	294.2	270	<b>240</b>	-30 bln yen	

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

(Bln yen)

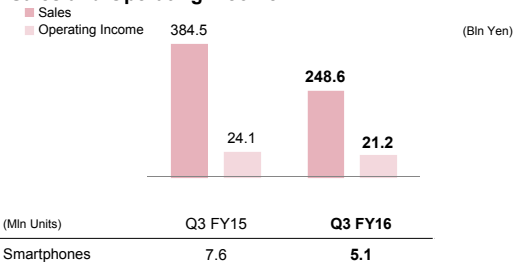
		Nov FCT	Feb FCT	Change from Nov FCT	Estimated Impact on Q1	Estimated Impact on Q2	Estimated Impact on Q3	Estimated Impact on Q1-Q3
<b>Imaging Products &amp; Solutions (IP&amp;S)</b>	<b>Earthquake Impact</b> (Opportunity losses only)	-10.5	<b>-10.5</b>	-	-7.0	-3.0	<b>-0.5</b>	<b>-10.5</b>
	<b>Total Earthquake Impact</b>	-39.5	<b>-39.5</b>	-	-24.7	-9.9	<b>-3.0</b>	<b>-37.6</b>
<b>Semiconductors</b>	Physical Damage	-16.5	-16.5	-	-6.8	-7.2	-1.7	-15.7
	Recovery expenses and others	-2.7	-2.7	-	-1.3	-0.3	0	-1.6
	Opportunity Losses	-20.3	-20.3	-	-16.6	-2.4	-1.3	-20.3
<b>Corporate</b>	<b>Earthquake Impact</b> (Opportunity losses only)	-3.5	<b>-3.5</b>	-	-2.5	-0.8	<b>-0.2</b>	<b>-3.5</b>
	<b>Total Earthquake Impact</b>	-53.5	<b>-53.5</b>	-	-34.2	-13.7	<b>-3.7</b>	<b>-51.6</b>
<b>Consolidated total</b>	Physical Damage	-16.5	-16.5	-	-6.8	-7.2	-1.7	-15.7
	Recovery expenses and others	-2.7	-2.7	-	-1.3	-0.3	0	-1.6
	Opportunity Losses	-34.3	-34.3	-	-26.1	-6.2	-2.0	-34.3

- 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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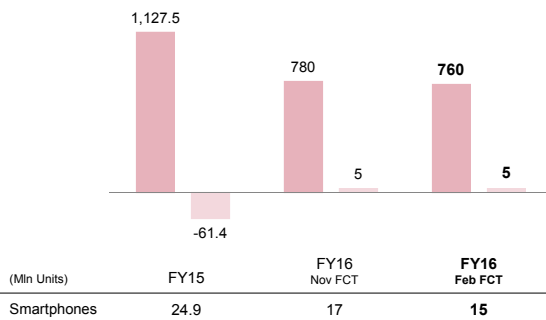
## Mobile Communications Segment

### Sales and Operating Income



#### Q3 FY2016 (year-on-year)

- Sales: 35.3% decrease (FX Impact: -3%)
  - (-) Reduction in smartphone unit sales mainly in Europe
  - (-) Reduction in smartphone unit sales in unprofitable regions where downsizing measures were implemented during FY15
- OI: 2.9 bln yen decrease (FX Impact: +12.1 bln yen)
  - (-) Decrease in sales
  - (+ ) Cost reductions mainly resulting from the benefit of restructuring initiatives
  - (+ ) Positive impact of foreign exchange rates
  - (+ ) Reduction in restructuring charges



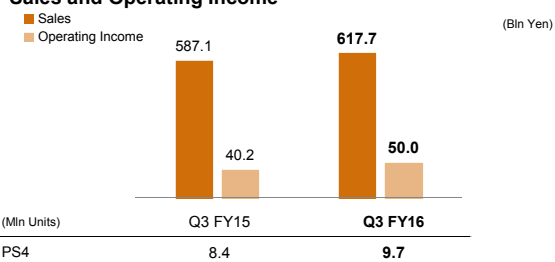
#### FY2016 Forecast (change from November forecast)

- Sales: 2.6% downward revision
  - (-) Downward revision of smartphone unit sales outside of Japan
- OI: Remains unchanged from the November forecast
  - (+ ) Impact of cost reductions
  - (+ ) Sale of smartphones at higher-than-expected prices
  - (-) Decrease in sales

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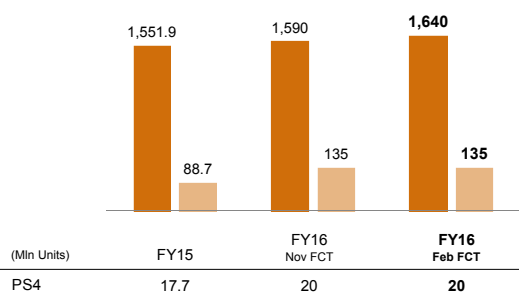
## Game & Network Services Segment

### Sales and Operating Income



#### Q3 FY2016 (year-on-year)

- Sales: 5.2% increase (FX Impact: -10%)
  - (+ ) Increase in PS4 software sales including sales through the network
  - (+ ) Contribution of PlayStation@VR
  - (-) Impact of foreign exchange rates
  - (-) Impact of price reduction for PS4 hardware
- OI: 9.9 bln yen increase (FX Impact: +1.4 bln yen)
  - (+ ) PS4 hardware cost reductions
  - (+ ) Increase in PS4 software sales including sales through the network
  - (-) Effects of price reduction for PS4 hardware



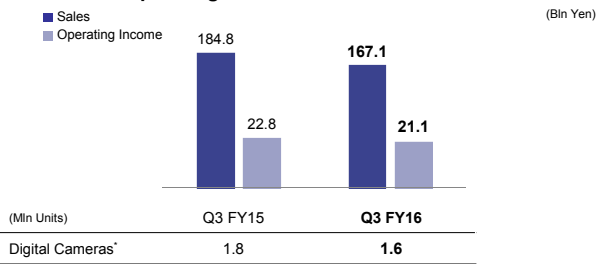
#### FY2016 Forecast (change from November forecast)

- Sales: 3.1% upward revision
  - (+ ) Impact of foreign exchange rates
- OI: Remains unchanged from the November forecast

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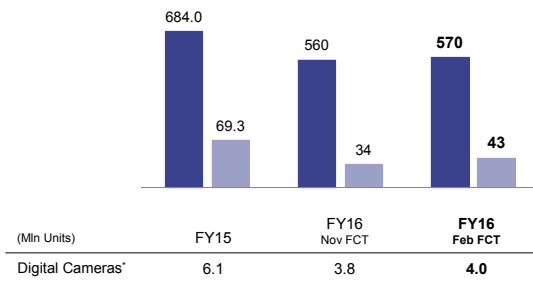
## Imaging Products & Solutions Segment

### Sales and Operating Income



#### Q3 FY2016 (year-on-year)

- Sales: 9.6% decrease (FX Impact: -10%)
  - (-) Impact of foreign exchange rates
  - (-) Decrease in unit sales
  - (+ ) Improvement in the product mix of Still and Video Cameras reflecting a shift to high value-added models
- OI: 1.7 bln yen decrease (FX Impact: -9.2 bln yen)
  - (-) Negative impact of foreign exchange rates
  - (-) Decrease in unit sales
  - (+ ) Improvement in the product mix of Still and Video Cameras
  - (+ ) Cost reductions



#### FY2016 Forecast (change from November forecast)

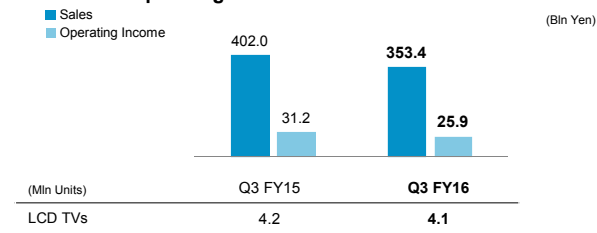
- Sales: 1.8% upward revision
  - (+ ) Impact of foreign exchange rates
- OI: 9 bln yen upward revision
  - (+ ) Positive impact of foreign exchange rates

\*Includes compact digital cameras and interchangeable single-lens cameras / Excludes interchangeable lenses

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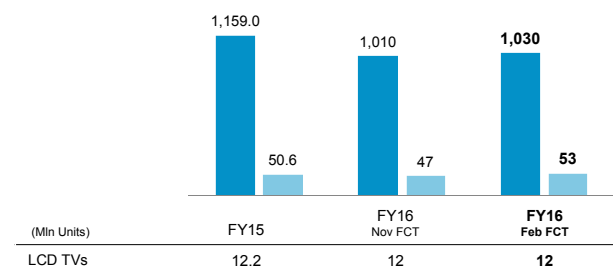
## Home Entertainment & Sound Segment

### Sales and Operating Income



#### Q3 FY2016 (year-on-year)

- Sales: 12.1% decrease (FX Impact: -10%)
  - (-) Impact of foreign exchange rates
  - (-) Decrease in home audio and video unit sales reflecting a contraction of the market
  - (+ ) Improvement in product mix reflecting a shift to high value-added models
- OI: 5.2 bln yen decrease (FX Impact: -4.8 bln yen)
  - (-) Negative impact of foreign exchange rates
  - (-) Increase in expenses resulting from the change in the method of calculating royalties and other costs
  - (-) Decrease in home audio and video unit sales reflecting a contraction of the market
  - (+ ) Improvement in product mix reflecting a shift to high value-added models



#### FY2016 Forecast (change from November forecast)

- Sales: 2.0% upward revision
  - (+ ) Impact of foreign exchange rates
- OI: 6 bln yen upward revision
  - (+ ) Improvement in product mix reflecting a shift to high value-added models

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## Semiconductors Segment

### Sales and Operating Income

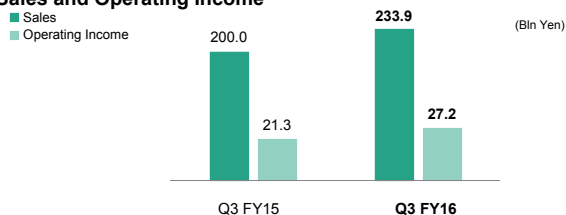


Image Sensors Sales	Q3 FY15	Q3 FY16
Image Sensors Sales	122.5	172.2



Image Sensors Sales	FY15	FY16 Nov FCT	FY16 Feb FCT
Image Sensors Sales	477.6	490	540
Additions to long-lived assets for Semiconductors Segment	260.0	100	90
for Image Sensors (included above)	206.0	50	45

### Q3 FY2016 (year-on-year)

- Sales: 16.9% increase (FX Impact: -11%)
  - (+): Significant increase in unit sales of image sensors for mobile products
  - (-): Impact of foreign exchange rates
  - (-): Significant decrease in sales for camera modules, a business which is being downsized
- OI: 5.9 bln yen increase (FX Impact: -14.1 bln yen)
  - (+): Significant increase in unit sales of image sensors for mobile products
  - (-): Negative impact of foreign exchange rates

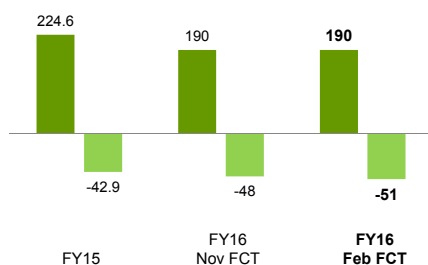
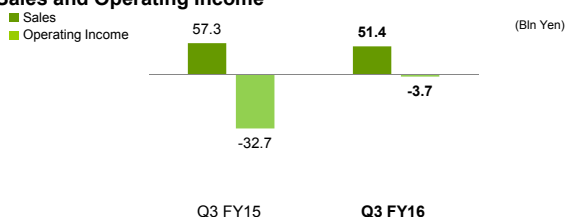
### FY2016 Forecast (change from November forecast)

- Sales: 8.5% upward revision
  - (+): Impact of foreign exchange rates
  - (+): Stronger-than-expected demand for image sensors for mobile products
- OI: 34 bln yen upward revision
  - (+): Increase in sales

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## Components Segment

### Sales and Operating Income



### Q3 FY2016 (year-on-year)

- Sales: 10.3% decrease (FX Impact: -9%)
  - (-): Impact of foreign exchange rates
- OI: 29.0 bln yen improvement (FX Impact: -1.1 bln yen)
  - (+): Absence of the impairment charge related to long-lived assets of the battery business recorded in the same quarter of the previous fiscal year
  - (-): Decrease in sales

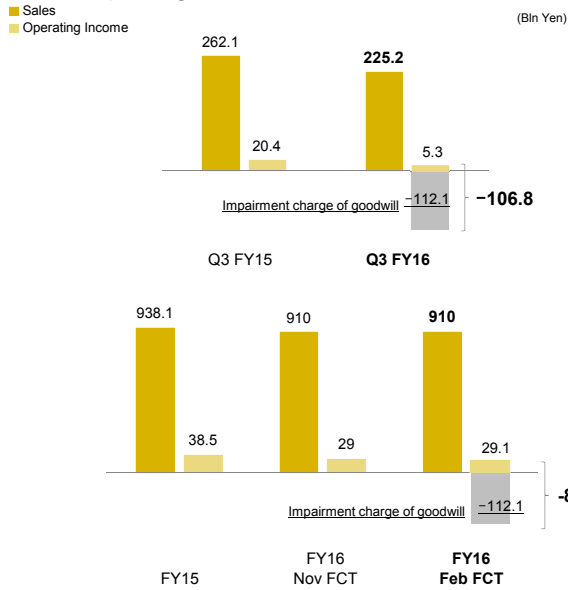
### FY2016 Forecast (change from November forecast)

- Sales: Remains unchanged from the November forecast
- OI: 3 bln yen downward revision
  - (-): Lower-than-expected cost reductions in the battery business

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## Pictures Segment

### Sales and Operating Income



### Q3 FY2016 (year-on-year)

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

- Sales: 14.1% decrease (U.S. dollar basis: -5%)
  - (-) Significantly lower sales of Motion Pictures
    - (-) Significantly lower theatrical revenues in the current quarter, compared to the same quarter of the previous fiscal year which benefited from the strong worldwide performances of *Spectre* and *Hotel Transylvania 2*
  - (+ ) Significantly higher sales of Television Productions
  - (+ ) Higher subscription video-on-demand licensing revenues
- OI: 127.1 bln yen deterioration (-1,081 million U.S. dollars)
  - (-) 112.1 billion yen Impairment charge of goodwill (962 million U.S. dollars)
  - (-) Decrease in sales of Motion Pictures

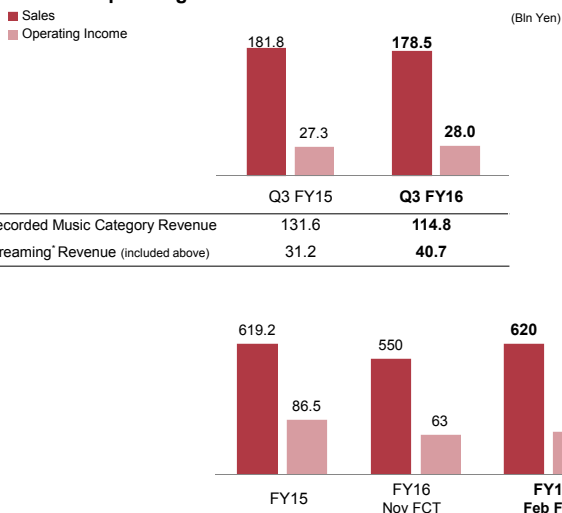
### FY2016 Forecast (change from November forecast)

- Sales: Remains unchanged from the November forecast
- OI: 112 bln yen downward revision
  - (-) Impairment charge of goodwill

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## Music Segment

### Sales and Operating Income



Recorded Music Category Revenue	131.6	114.8
Streaming* Revenue (included above)	31.2	40.7

### Q3 FY2016 (year-on-year)

- Sales: 1.8% decrease (FX Impact: -6%)
  - (-) Impact of the appreciation of the yen against the U.S. dollar
  - (-) Decrease in sales of Recorded Music compared to the same quarter of the previous fiscal year which benefited from the record breaking sales of Adele's 25
  - (+ ) Increase in sales of Visual Media and Platform due to the strong performance of *Fate/Grand Order*, a game application for mobile devices
- OI: 0.7 bln yen increase
  - (+ ) Higher sales of Visual Media and Platform
  - (-) Negative impact of the appreciation of the yen against the U.S. dollar

### FY2016 Forecast (change from November forecast)

- Sales: 12.7% upward revision
  - (+ ) Higher-than-expected sales of Recorded Music and Visual Media and Platform
- OI: 6 bln yen upward revision
  - (+ ) Increase in sales

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

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

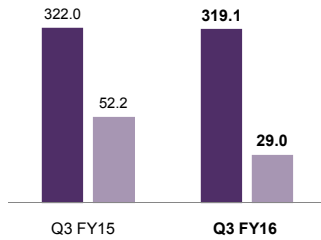
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## Financial Services Segment

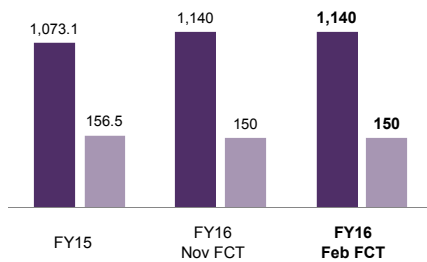
### Financial Services Revenue and Operating Income

■ Financial Services Revenue  
■ Operating Income (Bln Yen)



### Q3 FY2016 (year-on-year)

- Revenue: 0.9% decrease
  - Revenue at Sony Life was essentially flat year-on-year (293.4 bln yen)
  - (-) Deterioration in investment performance in the general account
    - (-) Deterioration in net gains and losses on derivative transactions to hedge market risk pertaining to minimum guarantees for variable life insurance
    - (-) Decline in net gains on sales of securities
  - (+) Improvement in investment performance in the separate account
- OI: 23.2 bln yen decrease
  - (-) Deterioration in investment performance in the general account at Sony Life  
(Operating income at Sony Life decreased by 20.6 bln yen to 31.0 bln yen)



### FY2016 Forecast (change from November forecast)

- Revenue / OI : Remains unchanged from the November forecast

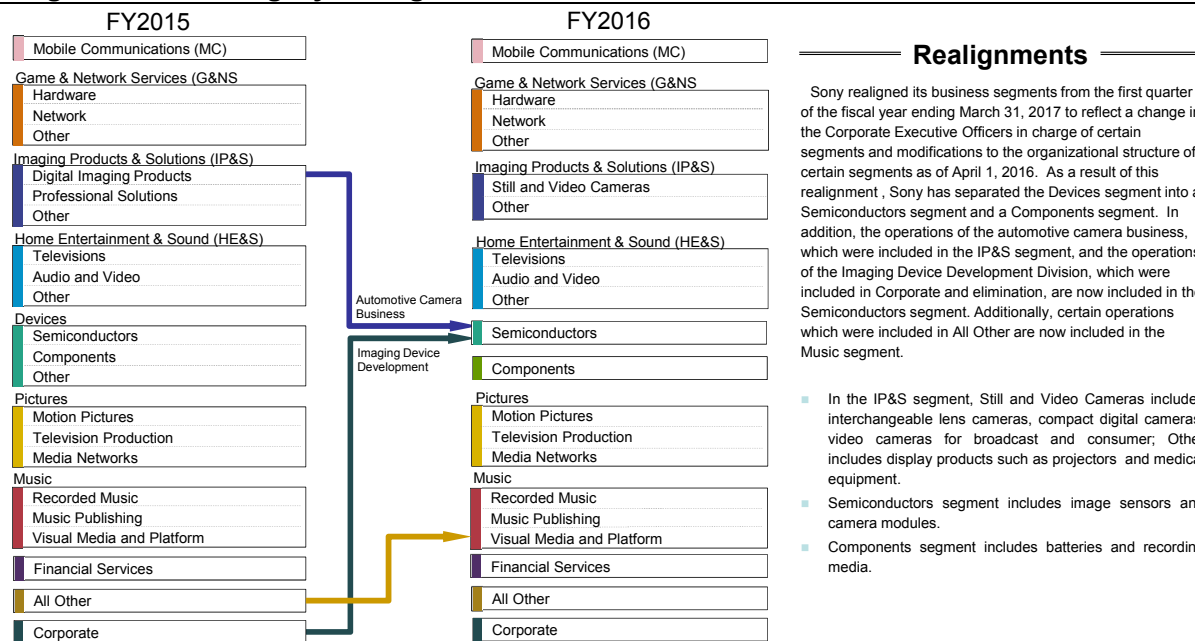
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### The following figures previously included in this handout are now included in the “Supplemental Information of the Consolidated Financial Results.”

- 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

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## Segment and Category Realignment



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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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