

SONY

Q2 FY2017 Consolidated Financial Results

(Three months ended September 30, 2017)

October 31, 2017

Sony Corporation

Please be aware that, in the following remarks, statements made 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. These statements are based on management's assumptions in light of the information currently available to it, and, therefore, you should not place undue reliance on them.

Sony cautions you that a number of important factors could cause actual results to differ materially from those discussed in the forward-looking statements. For additional information as to risks and uncertainties, as well as other factors that could cause actual results to differ, please refer to today's press release, which can be accessed by visiting www.sony.net/IR.

- **Q2 FY2017 Consolidated Results and FY2017 Consolidated Forecast**
- **Segments Outlook**

I'm CFO Kenichiro Yoshida.

Today I would like to explain two topics in the next 15 minutes:

Q2 FY2017 Consolidated Results

(Bln Yen)

	Q2 FY16	Q2 FY17	Change
Sales & operating revenue	1,688.9	2,062.5	+22.1%
Operating income	45.7	204.2	+346.4%
Income before income taxes	40.5	198.6	+390.0%
Net income attributable to Sony Corporation's stockholders	4.8	130.9	+2,602.4%
Net income attributable to Sony Corporation's stockholders per share of common stock (diluted)	3.76 yen	101.35 yen	+2,595.5%
Restructuring charges*1	32.6	1.6	-95.1%
Additions to long-lived assets*2	69.3	75.8	+9.4%
Depreciation and amortization*3	87.5	86.7	-0.9%
Research and development expenses	106.2	108.8	+2.5%
Average rate			
1 US dollar	102.4 yen	111.0 yen	
1 Euro	114.3 yen	130.4 yen	

*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)

Consolidated sales in the second quarter increased 22% compared to the same quarter of the previous fiscal year ("year-on-year") to 2 trillion 62.5 billion yen. Consolidated operating income was 204.2 billion yen, approximately 4.4 times the same quarter of the previous fiscal year. Net income attributable to Sony Corporation's stockholders was 130.9 billion yen.

Operating Income Excluding One-time Items* (Q2)

	Operating Income	Operating Income Excluding One-time Items	One-time Items*
Q2 FY16	45.7 bln yen	88.6 bln yen	<ul style="list-style-type: none"> ■ Impact of the 2016 Kumamoto Earthquakes (-13.7 bln yen) ■ Insurance recoveries related to the 2016 Kumamoto Earthquakes (+7.2 bln yen) ■ Impairment charge against long-lived assets resulting from the termination of development and manufacturing of high-functionality camera modules (-3.6 bln yen) ■ Impairment charge related to the transfer of the battery business (-32.8 bln yen)
Q2 FY17	204.2 bln yen	204.2 bln yen	—
Change from FY16	+158.5 bln yen	+115.6 bln yen (+130.5%)	

*The above monetary amounts have been separately disclosed in the "Consolidated Financial Results" and the "Handout" for the relevant quarters.

As is shown in this slide, operating income in the same quarter of the previous fiscal year included certain one-time items. Excluding those one-time items, operating income would have increased 115.6 billion yen.

1H FY2017 Consolidated Results

(Bln Yen)

	1H FY16	1H FY17	Change
Sales & operating revenue	3,302.1	3,920.6	+18.7%
Operating income	101.9	361.8	+255.0%
Income before income taxes	97.5	347.5	+256.2%
Net income attributable to Sony Corporation's stockholders	26.0	211.7	+714.1%
Net income attributable to Sony Corporation's stockholders per share of common stock (diluted)	20.20 yen	164.06 yen	+712.2%
Restructuring charges	34.3	4.0	-88.3%
Additions to long-lived assets	135.3	143.2	+5.8%
Depreciation and amortization	181.1	170.0	-6.1%
Research and development expenses	216.3	210.6	-2.7%
Average rate			
1 US dollar	105.3 yen	111.1 yen	
1 Euro	118.2 yen	126.3 yen	

This chart shows the cumulative results for the first half of the fiscal year.

Operating Income Excluding One-time Items* (1H)

	Operating Income	Operating Income Excluding One-time Items	One-time Items*
1H FY16	101.9 bln yen	198.0 bln yen	<ul style="list-style-type: none"> ■ Impact of the 2016 Kumamoto Earthquakes (-47.9 bln yen) ■ Insurance recoveries related to the 2016 Kumamoto Earthquakes (+8.5 bln yen) ■ Impairment charge against long-lived assets resulting from the termination of development and manufacturing of high-functionality camera modules (-23.9 bln yen) ■ Impairment charge related to the transfer of the battery business (-32.8 bln yen)
1H FY17	361.8 bln yen	325.0 bln yen	<ul style="list-style-type: none"> ■ Gain resulting from the sale of an equity interest in a manufacturing subsidiary in the camera modules business (+27.5 bln yen) ■ Insurance recoveries related to the 2016 Kumamoto Earthquakes (+9.3 bln yen)
Change from FY16	+259.9 bln yen	+127.0 bln yen (+64.1%)	

*The above monetary amounts have been separately disclosed in the "Consolidated Financial Results" and the "Handout" for the relevant quarters.

Excluding one-time items, operating income would have increased 127.0 billion yen, or 64%.

Q2 FY2017 Results by Segment [Reclassified]

(Bln Yen)

		Q2 FY16	Q2 FY17	Change	FX Impact
Mobile Communications (MC)	Sales	168.8	172.0	+3.3	+8.9
	Operating income	3.7	-2.5	-6.2	-1.2
Game & Network Services (G&NS)	Sales	319.9	433.2	+113.3	+33.8
	Operating income	19.0	54.8	+35.8	+3.1
Imaging Products & Solutions (IP&S)	Sales	135.4	156.7	+21.3	+11.3
	Operating income	14.9	18.9	+4.0	+5.2
Home Entertainment & Sound (HE&S)	Sales	234.9	300.9	+66.1	+26.1
	Operating income	17.6	24.4	+6.8	+7.0
Semiconductors	Sales	193.7	228.4	+34.6	+15.0
	Operating income	-4.2	49.4	+53.6	+9.0
Pictures	Sales	192.1	244.0	+51.9	+18.9
	Operating income	3.2	7.7	+4.5	
Music	Sales	150.2	206.6	+56.4	+8.2
	Operating income	16.5	32.5	+16.0	
Financial Services	Revenue	260.5	279.2	+18.7	
	Operating income	33.6	36.6	+3.0	
All Other	Sales	101.4	112.8	+11.5	
	Operating income	-32.6	-0.0	+32.6	
Corporate and elimination	Sales	-67.9	-71.3	-3.4	
	Operating income	-25.9	-17.5	+8.4	
Consolidated total	Sales	1,688.9	2,062.5	+373.6	
	Operating income	45.7	204.2	+158.5	

- Due to Sony's realignment of its business segments in Q1 FY2017, certain figures in FY16 have been reclassified to conform to the presentation of FY17 (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. 8 of "Consolidated Financial Results for the Second Quarter Ended September 30, 2017" (applies to all following pages)

This chart shows the results by segment for the second quarter. The significant improvement in the All Other segment was due to the recording of a 32.8 billion yen impairment related to the transfer of the battery business in the same quarter of the previous fiscal year.

1H FY2017 Results by Segment [Reclassified]

(Bln Yen)

		1H FY16	1H FY17	Change	FX Impact
Mobile Communications (MC)	Sales	354.7	353.2	-1.5	+10.0
	Operating income	4.1	1.2	-3.0	+0.2
Game & Network Services (G&NS)	Sales	650.3	781.3	+131.0	+37.8
	Operating income	63.0	72.5	+9.5	+0.8
Imaging Products & Solutions (IP&S)	Sales	257.6	312.4	+54.8	+12.7
	Operating income	22.4	42.1	+19.7	+5.2
Home Entertainment & Sound (HE&S)	Sales	470.8	557.8	+87.0	+30.2
	Operating income	37.8	47.0	+9.2	+7.2
Semiconductors	Sales	338.2	432.6	+94.4	+19.3
	Operating income	-47.7	104.8	+152.5	+11.5
Pictures	Sales	375.4	449.8	+74.4	+24.3
	Operating income	-7.4	-1.8	+5.6	
Music	Sales	292.1	375.1	+83.0	+10.8
	Operating income	32.4	57.5	+25.1	
Financial Services	Revenue	493.2	582.4	+89.2	
	Operating income	82.1	82.8	+0.7	
All Other	Sales	202.1	222.1	+19.9	
	Operating income	-39.6	-8.3	+31.3	
Corporate and elimination	Sales	-132.3	-146.0	-13.7	
	Operating income	-45.1	-36.0	+9.2	
Consolidated total	Sales	3,302.1	3,920.6	+618.5	
	Operating income	101.9	361.8	+259.9	

This slide shows the results by segment for the first half of the fiscal year.

FY2017 Consolidated Results Forecast

(Bln Yen)

	FY16	FY17 August Forecast	FY17 October Forecast	Change from August Forecast
Sales & operating revenue	7,603.3	8,300	8,500	+2.4%
Operating income	288.7	500	630	+26.0%
Income before income taxes	251.6	470	600	+27.7%
Net income attributable to Sony Corporation's stockholders	73.3	255	380	+49.0%
Restructuring charges	60.2	15	15	-
Additions to long-lived assets	272.2	330	330	-
Depreciation and amortization	327.0	355	355	-
Research and development expenses	447.5	450	450	-
			Assumption (2H FY17)	Dividend per Share
Foreign exchange rates	Actual	Assumption (Q2-Q4 FY17)	Approx. 112 yen	Interim 12.50 yen
1 US dollar	108.4 yen	Approx. 110 yen	Approx. 112 yen	Year-end (Planned) 12.50 yen
1 Euro	118.8 yen	Approx. 120 yen	Approx. 130 yen	Full year (Planned) 25 yen

Next is the consolidated results forecast for FY17. We have upwardly revised our consolidated sales forecast by 200 billion yen from the August forecast to 8 trillion 500 billion yen, primarily due to the impact of foreign exchange rates. We have upwardly revised our operating income forecast by 130 billion yen to 630 billion yen. We have also upwardly revised our forecast for net income to 380 billion yen. We have revised our foreign exchange rate assumptions to 112 yen to the U.S. dollar and 130 yen to the euro. We expect to issue a 12.5 yen year-end dividend which, combined with the interim dividend we have officially approved, will make our expected annual dividend 25 yen per share.

FY2017 Results Forecast by Segment [Reclassified]

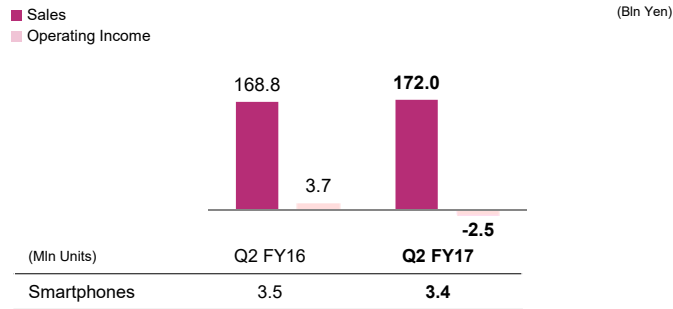
(Bln Yen)

		FY16	FY17 August Forecast	FY17 October Forecast	Change from August Forecast
Mobile Communications (MC)	Sales	759.1	820	780	-40
	Operating income	10.2	5	5	-
Game & Network Services (G&NS)	Sales	1,649.8	1,980	2,000	+20
	Operating income	135.6	180	180	-
Imaging Products & Solutions (IP&S)	Sales	579.6	650	650	-
	Operating income	47.3	72	72	-
Home Entertainment & Sound (HE&S)	Sales	1,039.0	1,170	1,200	+30
	Operating income	58.5	58	76	+18
Semiconductors	Sales	773.1	860	880	+20
	Operating income	-7.8	130	150	+20
Pictures	Sales	903.1	1,020	1,020	-
	Operating income	-80.5	39	39	-
Music	Sales	647.7	630	730	+100
	Operating income	75.8	75	94	+19
Financial Services	Revenue	1,087.5	1,170	1,170	-
	Operating income	166.4	170	170	-
All Other, Corporate and elimination	Operating Income	-116.7	-229	-156	+73
Consolidated total	Revenue	7,603.3	8,300	8,500	+200
	Operating income	288.7	500	630	+130

The fiscal year results forecasts for each segment are shown on this slide. As you can see, we have upwardly revised our operating income forecasts in the Semiconductors, Music and Home Entertainment & Sound segments. The year-on-year positive impact on annual operating results of our foreign exchange rate assumptions, combined with the impact of foreign exchange rates already recorded in the results for the first half of the fiscal year, is expected to be approximately 55 billion yen in the five electronics segments in total. Moreover, we have incorporated a loss of 50 billion yen in Corporate and elimination as a contingency for business risk. I will now turn to the situation in each of our businesses.

Mobile Communications Segment

Sales and Operating Income



Q2 FY2017 (year-on-year)

- Sales: Essentially flat (3.3 bln yen / 1.9% increase) (FX Impact: +8.9 bln yen)
 - (+ Impact of foreign exchange rates
 - (+ Increase in sales of the fixed line communications business
 - (-) Decrease in unit sales of smartphones
- OI: 6.2 bln yen deterioration (FX Impact: -1.2 bln yen)
 - (-) Change in the geographic mix of smartphone sales
 - (-) Increase in the price of key components
 - (-) Negative impact of the appreciation of the U.S. dollar, reflecting the high ratio of U.S. dollar-denominated costs
 - (+ Reductions in operating costs and marketing expenses

FY2017 Forecast (change from August forecast)

- Sales: 40 bln yen (4.9%) downward revision
 - (-) Decrease in smartphone unit sales
- OI: Remains unchanged from August forecast
 - (-) Decrease in smartphone unit sales
 - (-) Increase in the price of key components
 - (+ Reductions in operating costs

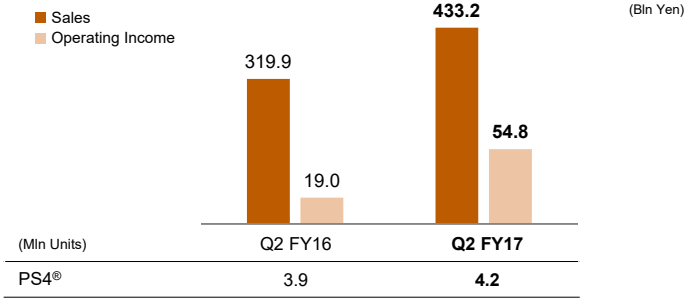


First I will talk about the Mobile Communications segment. During the second quarter, sales increased 2% year-on-year primarily due to the impact of foreign exchange rates despite a decrease in smartphone unit sales. Operating results deteriorated 6.2 billion yen and a 2.5 billion yen operating loss was recorded. This deterioration was primarily due to a change in the geographic mix of smartphone sales and an increase in the price of key components, partially offset by reductions in operating costs. We recorded 1.2 billion yen in operating income for the first half of the fiscal year.

For FY17, we have decreased our annual smartphone unit sales forecast by 1.0 million units compared with the August forecast to 15.5 million units. As a result, we have reduced our sales forecast by 40 billion yen to 780 billion yen. We have maintained our 5 billion yen forecast for operating income because we expect to offset the negative impact of the sales unit decrease and increase in the price of key components primarily by reducing operating costs.

Game & Network Services Segment

Sales and Operating Income



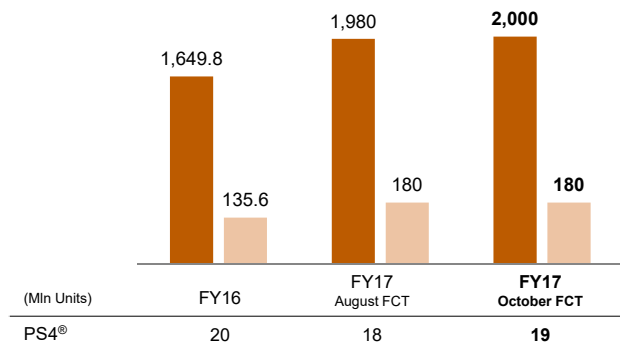
Q2 FY2017 (year-on-year)

- Sales: 113.3 bln yen (35.4%) significant increase (FX Impact: +33.8 bln yen)
 - (+ Increase in PS4 software sales including sales through the network
 - (+ Impact of foreign exchange rates
 - (+ Increase in PS4 hardware sales
- OI: 35.8 bln yen significant increase (FX Impact: +3.1 bln yen)
 - (+ Increase in sales
 - (- Increase in selling, general and administrative expenses

Operating income includes a favorable adjustment of 5.1 billion yen that resulted from the recognition of internal royalties in the current quarter, rather than in the first quarter of the fiscal year ending March 31, 2018.

FY2017 Forecast (change from August forecast)

- Sales: 20 bln yen (1.0%) upward revision
 - (+ Increase in PS4 hardware sales
 - (+ Increase in network sales
- OI: Remains unchanged from the August forecast
 - (+ Increase in sales
 - (+ Positive impact of foreign exchange rates
 - (- Stronger promotions for the holiday season



Next, I will talk about the Game & Network Services segment. Sales for the quarter increased 35% year-on-year primarily due to an increase in PS4 software sales, the impact of foreign exchange rates and an increase in PS4 hardware sales. Operating income increased 35.8 billion yen year-on-year to 54.8 billion yen, primarily due to the increase in sales. As I will explain later, operating income for the quarter includes the positive impact of an adjustment of the accounting for internal royalties between subsidiaries in the segment.

We have upwardly revised our PS4 unit sales forecast compared with the August forecast by 1 million units to 19 million units. As a result, our sales forecast has been upwardly revised to 2 trillion yen; however, because we expect to strengthen our sales promotion activities for the holiday selling season, we have not changed our operating income forecast.

Game & Network Services Segment



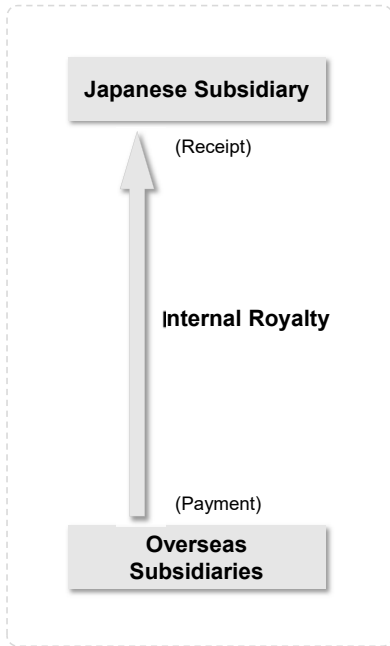
John Koderu

October 2017

**Sony Interactive Entertainment
Appointed President and CEO**

On October 3rd, we announced that John Koderu has been appointed President and CEO of Sony Interactive Entertainment (“SIE”), which operates the business in this segment. Koderu has led the network services business for many years and has been leading the overall product and business strategy of SIE as Deputy President since April of 2016.

Game & Network Services Segment



Previous Timing of Royalty Recognition

	(Month)											
	Q1		Q2			Q3			Q4			
Japanese Subsidiary (Income)	4	5	6	7	8	9	10	11	12	1	2	3
Overseas Subsidiaries (Cost)	4	5	6	7	8	9	10	11	12	1	2	3

Now I would like to explain the adjustment of the accounting for internal royalties, which I mentioned earlier. As is shown on this slide, overseas subsidiaries in this segment pay an internal royalty to the Japanese subsidiary which is primarily responsible for developing the game console platform. We discovered that, when accounting for the payment and receipt of this internal royalty within the segment, there was a discrepancy in the timing when the royalty was recognized at the subsidiaries, as is shown on the right side of this slide. Consequently, we have changed the accounting process so that the timing is consistent.

Game & Network Services Segment

(Bln Yen)

	FY16					FY17	
	Q1	Q2	Q3	Q4	FY	Q1	Q2
Operating Income as disclosed	44.0	19.0	50.0	22.5	135.6	17.7	54.8
Adjustment related to recognition of internal royalties	+3.5	+3.0	-0.7	-5.8	±0	+5.1	-5.1
Operating Income after adjustment of internal royalties	47.5	22.0	49.4	16.7	135.6	22.9	49.6

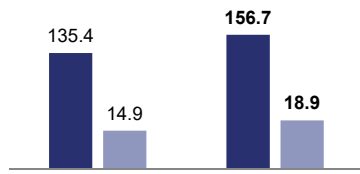
This chart shows what quarterly operating income would have been if the recognition timing was consistent, since the beginning of the fiscal year ended March 31, 2017. There is no impact on sales, including on a quarterly basis, nor on annual operating income for the fiscal year ended March 31, 2017.

Imaging Products & Solutions Segment

Sales and Operating Income

■ Sales
■ Operating Income

(Bln Yen)

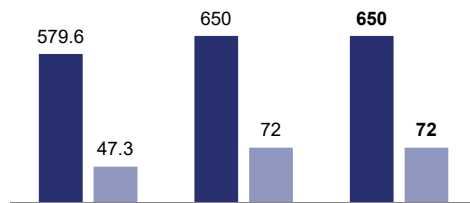


(Mln Units)

	Q2 FY16	Q2 FY17
Digital Cameras*	0.8	1.1

Q2 FY2017 (year-on-year)

- Sales: 21.3 bln yen (15.8%) significant increase (FX Impact: +11.3 bln yen)
 - (+ Impact of foreign exchange rates
 - (+ Absence of the impact from the 2016 Kumamoto Earthquakes in Q2 FY16
- OI: 4.0 bln yen increase (FX Impact: +5.2 bln yen)
 - (+ Positive impact of foreign exchange rates
 - (+ Increase in sales
 - (- Increase in selling, general and administrative expenses



(Mln Units)

	FY16	FY17 August FCT	FY17 October FCT
Digital Cameras*	4.2	4.0	4.2

FY2017 Forecast

- Sales / OI: Remain unchanged from August forecast

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

Next I will explain the Imaging Products & Solutions segment. Second quarter sales increased 16% year-on-year and operating income increased 4 billion yen to 18.9 billion yen. The increase in sales and operating income was primarily due to the impact of foreign exchange rates and the absence in the current quarter of the impact from the Kumamoto Earthquakes in the same quarter of the previous fiscal year.

There is no change to our forecast for the fiscal year.

Imaging Products & Solutions Segment Medical Business



"ORBEYE," a surgical microscope launched in October 2017
(To be sold by Olympus Corporation)



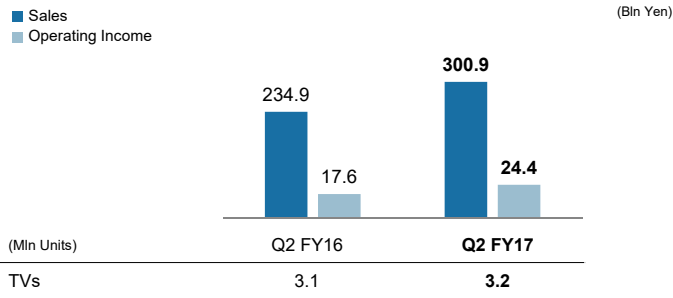
"VISERA 4K UHD," a surgical endoscopy system launched in October 2015
(Sold by Olympus Corporation)

Innovation by
Sony & Olympus

I would like to say a few words about the medical business. Through our collaboration with Olympus, the two products shown on this slide have been launched and development of technology and products is progressing smoothly. On the other hand, we recognize that it will take a significant amount of time before the medical devices business achieves the desired results since the medical devices industry has constraints that are quite different from our legacy electronics business. In 2012, we announced that we were aiming to achieve 200 billion yen of sales from the medical business in the fiscal year ending March 31, 2021. However, at this point in time, we think that achieving that amount will be difficult, and we are reassessing the target in conjunction with our discussions about the next mid-range plan. There is no change to our commitment to the medical business over the long term.

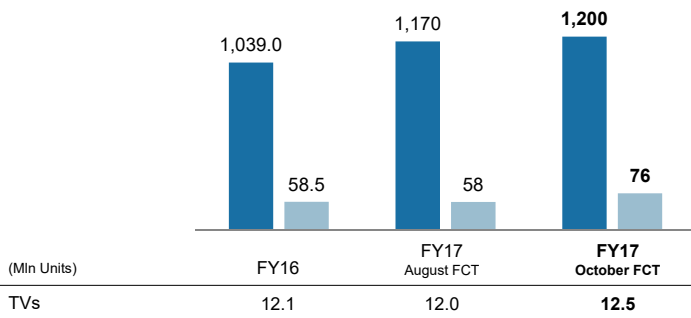
Home Entertainment & Sound Segment

Sales and Operating Income



Q2 FY2017 (year-on-year)

- Sales: 66.1 bln yen (28.1%) significant increase (FX impact: +26.1 bln yen)
 - (+) Improvement in the product mix of televisions reflecting a shift to high value-added models
 - (+) Impact of foreign exchange rates
- OI: 6.8 bln yen significant increase (FX Impact: +7.0 bln yen)
 - (+) Increase in sales
 - (+) Positive impact of foreign exchange rates
 - (-) Increase in the price of key components
 - (-) Increase in marketing costs



FY2017 Forecast (change from August forecast)

- Sales: 30 bln yen (2.6%) upward revision
 - (+) Increase in television unit sales
- OI: 18 bln yen upward revision
 - (+) Decrease in the price of key components
 - (+) Increase in sales

Next is the Home Entertainment & Sound segment. In the second quarter, sales increased 28% year-on-year and operating income increased 6.8 billion yen to 24.4 billion yen. The increase in sales and operating income was primarily due to an improvement in the product mix reflecting a shift to high value-added models, primarily 4K televisions, and the positive impact of exchange rates.

As for our fiscal year forecast, we have increased our unit sales forecast for televisions by 500,000 units and upwardly revised our sales forecast by 30 billion yen to 1 trillion 200 billion yen. We have also upwardly revised our operating income forecast for the fiscal year by 18 billion yen to 76 billion yen primarily due to a decline in the price of television panels, a key component, and the increase in unit sales.

Semiconductors Segment

Sales and Operating Income

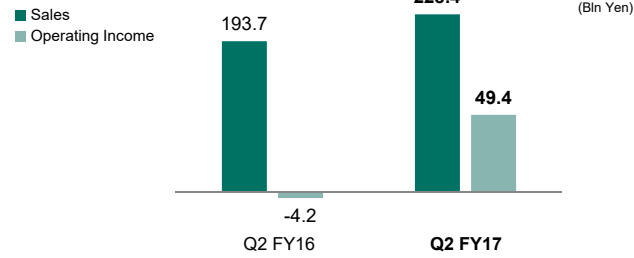


Image Sensors* Sales	133.1	176.8
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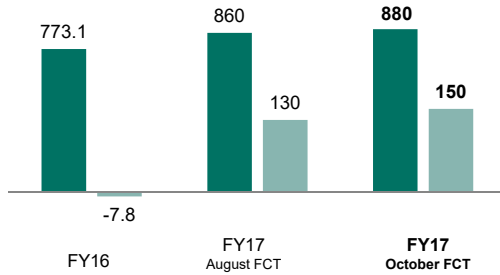


Image Sensors* Sales	548.6	660	680
Additions to long-lived assets for Semiconductors Segment	84.0	130	130
for Image Sensors* (included above)	45.0	110	110

Q2 FY2017 (year-on-year)

- Sales: 34.6 bln yen (17.9%) significant increase (FX Impact: +15.0 bln yen)
 - (+) Significant increase in sales of image sensors
 - (+) Significant increase in unit sales of image sensors for mobile products
 - (+) Absence of the impact of a decrease in image sensor production due to the 2016 Kumamoto Earthquakes in Q2 FY16
 - (-) Significant decrease in sales of camera modules, a business which was downsized
- OI: 53.6 bln yen significant improvement (FX Impact: +9.0 bln yen)
 - (+) Increase in sales
 - (+) Absence of 9.4 bln yen in inventory write-downs of certain image sensors for mobile products in Q2 FY16
 - (+) Positive impact of foreign exchange rates

FY2017 Forecast (change from August forecast)

- Sales: 20 bln yen (2.3%) upward revision
 - (+) Higher-than-expected unit sales of image sensors for mobile products
- OI: 20 bln yen upward revision
 - (+) Increase in sales of image sensors

*Category changes
Image sensors with sensing capabilities previously included in Other are now integrated into the Image Sensors category.

Next, I will talk about the Semiconductors segment. In the second quarter, sales increased 18% year-on-year and operating results improved 53.6 billion yen to 49.4 billion yen. The increase in sales was primarily due to an increase in unit sales of image sensors for mobile products.

Semiconductors Segment Operating Income Excluding One-time Items*

	Operating Income	Operating Income Excluding One-time Items	One-time Items*
Q2 FY16	-4.2 bln yen	2.1 bln yen	<ul style="list-style-type: none"> ■ Impact of the 2016 Kumamoto Earthquakes (-9.9 bln yen) ■ Insurance recoveries related to the 2016 Kumamoto Earthquakes (+7.2 bln yen) ■ Impairment charge against long-lived assets resulting from the termination of development and manufacturing of high-functionality camera modules (-3.6 bln yen)
Q2 FY17	49.4 bln yen	49.4 bln yen	—
Change from FY16	+53.6 bln yen	+47.3 bln yen	

*The above monetary amounts have been separately disclosed in the "Consolidated Financial Results" and the "Handout" for the relevant quarters.

If we exclude one-time items, operating income would have increased 47.3 billion yen.

Semiconductors Segment

Sales and Operating Income

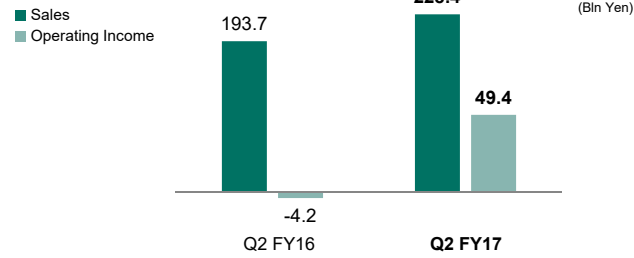


Image Sensors* Sales	133.1	176.8
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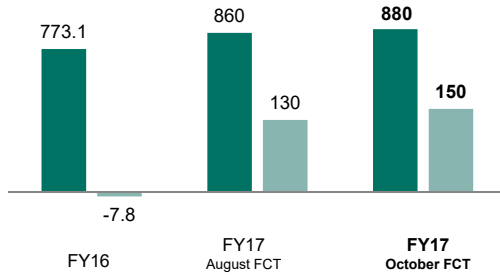


Image Sensors* Sales	548.6	660	680
Additions to long-lived assets for Semiconductors Segment	84.0	130	130
for Image Sensors* (included above)	45.0	110	110

Q2 FY2017 (year-on-year)

- Sales: 34.6 bln yen (17.9%) significant increase (FX Impact: +15.0 bln yen)
 - (+) Significant increase in sales of image sensors
 - (+) Significant increase in unit sales of image sensors for mobile products
 - (+) Absence of the impact of a decrease in image sensor production due to the 2016 Kumamoto Earthquakes in Q2 FY16
 - (-) Significant decrease in sales of camera modules, a business which was downsized
- OI: 53.6 bln yen significant improvement (FX Impact: +9.0 bln yen)
 - (+) Increase in sales
 - (+) Absence of 9.4 bln yen in inventory write-downs of certain image sensors for mobile products in Q2 FY16
 - (+) Positive impact of foreign exchange rates

FY2017 Forecast (change from August forecast)

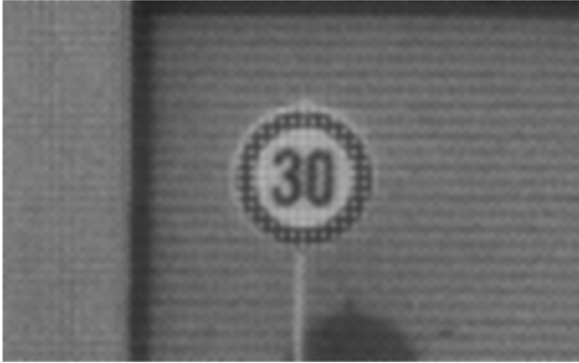
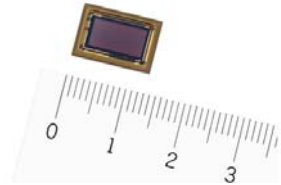
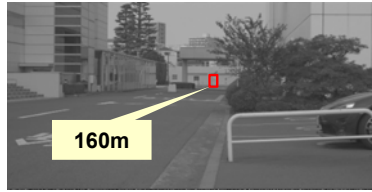
- Sales: 20 bln yen (2.3%) upward revision
 - (+) Higher-than-expected unit sales of image sensors for mobile products
- OI: 20 bln yen upward revision
 - (+) Increase in sales of image sensors

*Category changes
Image sensors with sensing capabilities previously included in Other are now integrated into the Image Sensors category.

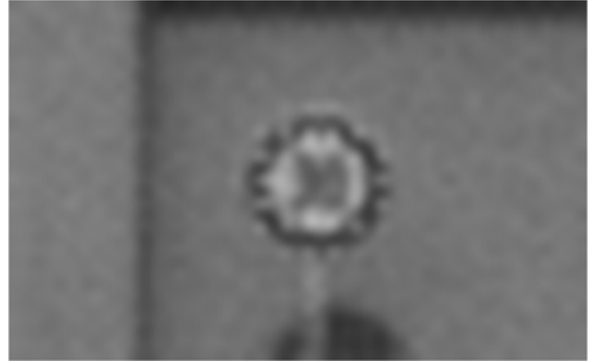
We have upwardly revised our sales forecast by 20 billion yen due to an increase in our forecast for unit sales of image sensors for mobile products, compared with the August forecast. Primarily due to this increase in sales, we have upwardly revised our forecast for operating income by 20 billion yen to 150 billion yen.

Semiconductors Segment CMOS Image Sensors for Automotive Cameras

IMX324 is a CMOS image sensor for forward-sensing cameras in ADAS* *Advanced Driver-Assistance Systems



Magnified image with IMX324 (7.42 million megapixels)



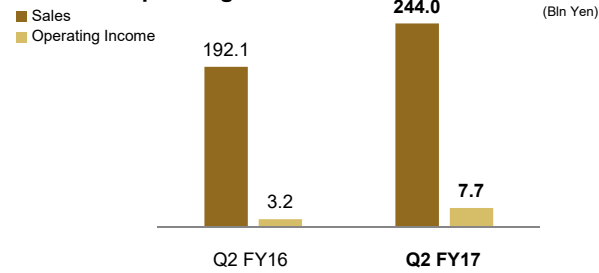
Magnified image with IMX224 (1.27 million megapixels) announced in Oct. 2014

- Industry's highest resolution at 7.42 effective megapixels : High-definition image capture of distant road signs approximately 160 meters ahead of the camera
- Equipped with pixel binning mode : High-sensitivity image capturing even in low-light environments
- Mobileye processor : Planned compatibility with "EyeQ® 4" and "EyeQ® 5", currently in development

On October 23rd, last week, we announced the commercialization of an image sensor for front-facing cameras used in Advanced Driver-Assistance Systems (ADAS). This sensor is expected to be capable of being connected to the EyeQ4 and EyeQ5 processors being developed by Mobileye.

Pictures Segment

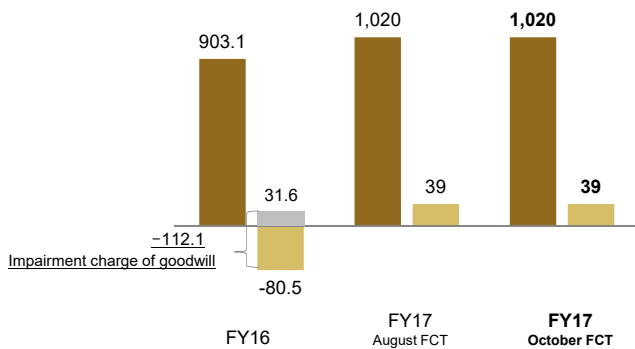
Sales and Operating Income



Q2 FY2017 (year-on-year)

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

- Sales: 51.9 bln yen (27.0%) significant increase (U.S. dollar basis: +319 mil USD / +17%)
 - (+) Significant increase in theatrical revenues due to the strong worldwide theatrical performance of *Spider-Man: Homecoming*
 - (+) Increase in sales for Media Networks in India
 - (+) Higher advertising and subscription revenues from TEN Sports Network and from SPE's other networks in India
- OI: 4.5 bln yen increase
 - (+) Increase in sales
 - (-) Higher programming and marketing expenses for Media Networks



FY2017 Forecast

- Sales / OI: Remain unchanged from August forecast

Next, I will talk about the Pictures segment. Sales increased 27% year-on-year and operating income increased 4.5 billion yen to 7.7 billion yen. The increase in sales and operating income was primarily due to the strong worldwide theatrical performance of *Spider-Man: Homecoming* in Motion Pictures.

There is no change to our forecast for the fiscal year.

Pictures Segment: *Spider-Man Universe*



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We have already decided to make the four movies shown here, which are all related to Spider-Man. Going forward, we will work to expand the franchise of our Spider-Man related IP.

Pictures Segment



Mike Hopkins

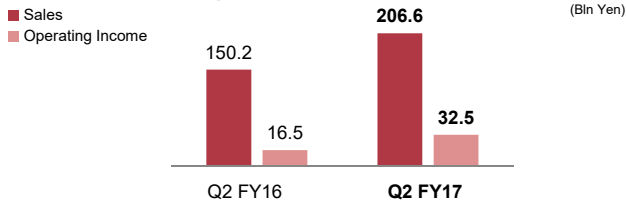
Late November 2017

To Join Sony Pictures Television as Chairman

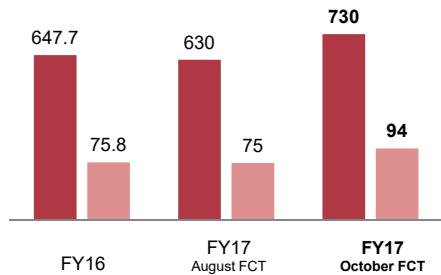
In addition, we announced the appointment of Mike Hopkins as the Chairman of Sony Pictures Television. Mike will have responsibility for both the Television Productions and Media Networks businesses. His career has spanned both businesses, and he has knowledge and experience in the OTT space as well, recently serving as the CEO of Hulu.

Music Segment

Sales and Operating Income



Recorded Music Category Revenue	89.8	109.2
Streaming* Revenue (included above)	31.5	53.0



Recorded Music Category Revenue	388.9	-	-
Streaming* Revenue (included above)	140.6	-	-

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

Q2 FY2017 (year-on-year)

- Sales: 56.4 bln yen (37.5%) significant increase (FX Impact: +8.2 bln yen)
 - (+ Increase in Visual Media and Platform sales due to the continued strong performance of *Fate/Grand Order*, a game application for mobile devices
 - (+ Increase in Recorded Music sales due to an increase in digital streaming revenues
- OI: 16.0 bln yen increase
 - (+ Increase in Visual Media and Platform sales
 - (+ Increase in Recorded Music sales

FY2017 Forecast (change from August forecast)

- Sales: 100 bln yen (15.9%) upward revision
 - (+ Higher-than-expected Visual Media and Platform sales
 - (+ Higher-than-expected Recorded Music sales
- OI: 19 bln yen upward revision
 - (+ Higher-than-expected Visual Media and Platform sales
 - (+ Higher-than-expected Recorded Music sales

Next, I will talk about the Music segment. Second quarter sales increased 38% year-on-year and operating income increased 16 billion yen to 32.5 billion yen. The mobile game application *Fate/Grand Order* continued to make a significant contribution to financial performance. In addition, sales of Recorded Music and Music Publishing increased year-on-year due to an increase in streaming revenue.

We have upwardly revised our forecast for the operating income of the segment by 19 billion yen to 94 billion yen to reflect the strong performance in the first half.

Music Segment



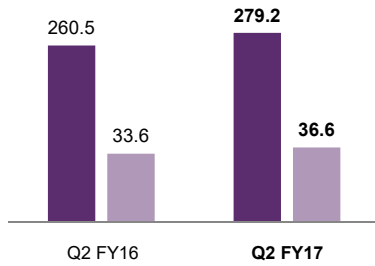
In addition, Aniplex, which operates the mobile game application business, started to distribute a new title in August called *Magia Record*.

Financial Services Segment

Financial Services Revenue and Operating Income

(Bln Yen)

■ Financial Services Revenue
■ Operating Income

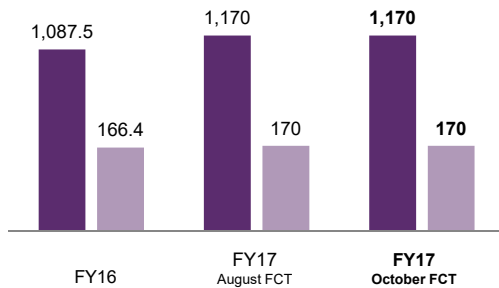


Q2 FY2017 (year-on-year)

- Revenue: 18.7 bln yen (7.2%) increase
 - (+) Increase in revenue at Sony Life (15.1 bln yen increase, revenue: 246.0 bln yen)
 - (+) Higher insurance premiums revenue reflecting an increase in the policy amount in force
 - (+) Improvement in investment performance in the separate account mainly due to favorable financial market conditions
- OI: 3.0 bln yen increase
 - (+) Decline in the loss ratio for automobile insurance at Sony Assurance
 - (+) Increase in OI at Sony Life (1.2 bln yen increase, OI: 32.2 bln yen)
 - (+) Increase in insurance premiums revenue

FY2017 Forecast

- Revenue / OI: Remain unchanged from August forecast



Lastly, I will explain the Financial Services segment. Second quarter sales increased 7% year-on-year and operating income increased 3 billion yen to 36.6 billion yen. This increase in operating income was primarily due to a decline in the loss ratio for automobile insurance at Sony Assurance and an increase in insurance premiums at Sony Life.

There is no change to the forecast for the fiscal year.

That is the end of my explanation.

SONY

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- (xii) Sony's ability to forecast demands, manage timely procurement and control inventories;
- (xiii) Sony's reliance on external business partners, including for the procurement of parts, components, software and network services for its products or services, the manufacturing, supply and distribution of its products, and its other business operations;
- (xiv) the outcome of pending and/or future legal and/or regulatory proceedings;
- (xv) 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;
- (xvi) 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;
- (xvii) the ability of Sony, its third-party service providers or business partners to anticipate and manage cybersecurity risk, including the risk of unauthorized access to Sony's business information, potential business disruptions or financial losses; and
- (xviii) risks related to catastrophic disasters or similar events.

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