SONY

Q1 FY2019 Consolidated Financial Results

(Three months ended June 30, 2019)

July 30, 2019

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.

- Q1 FY2019 Consolidated Financial Results and FY2019 Consolidated Results Forecast
- Segments Outlook

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

Q1 FY2019 Consolidated Results

(Bln Yen, Mln US Dollars)

	Q1 FY18	Q1 FY19	Change	Q1 FY19 USD Amount*
Sales & operating revenue	1,953.6	**1,925.7**	-27.9 bln yen (-1%)	$17,522
Operating income	195.0	**230.9**	+35.9 bln yen (+18%)	2,101
Income before income taxes	312.1	**231.0**	-81.1 bln yen (-26%)	2,102
Net income attributable to Sony Corporation's stockholders	226.4	**152.1**	-74.3 bln yen (-33%)	1,384
Net income attributable to Sony Corporation's stockholders per share of common stock (diluted)	174.80 yen	**119.22 yen**	-55.58 yen	1.08 USD
Average rate				
1 US dollar	109.1 yen	**109.9 yen**		
1 Euro	130.1 yen	**123.5 yen**		

* US dollar amounts have been translated from yen, for convenience only, using the average rate listed on this slide.

- FY19 Q1 consolidated sales decreased 1% compared to the previous fiscal year ("year-on-year") to 1 trillion 925.7 billion yen and operating income increased 35.9 billion yen year-on-year to 230.9 billion yen.

- Operating income reached a record high for the first quarter.

- Net income attributable to Sony Corporation's stockholders decreased 74.3 billion yen year-on-year to 152.1 billion yen.

Adjusted Net Income Attributable to Sony Corporation's Stockholders (Q1)

	Net Income Attributable to Sony Corporation's Stockholders	Adjusted Net Income Attributable to Sony Corporation's Stockholders	Adjusted Net Income Attributable to Sony Corporation's Stockholders excludes the following items*
Q1 FY18	226.4 bln yen	**140.8 bln yen**	■ Unrealized and realized gains on shares of Spotify (+112.8 bln yen, net) ■ Tax adjustment with regard to the above (-27.2 bln yen)
Q1 FY19	152.1 bln yen	**146.4 bln yen**	■ Patent royalty revenue resulting from the signing of a licensing agreement (+7.9 bln yen) ■ Tax adjustment with regard to the above (-2.2 bln yen)
Change from FY18	-74.3 bln yen	**+5.6 bln yen** (+4%)	

* These monetary amounts are disclosed in the Quarterly Financial Statements, the Presentation Slides and the Quarterly Securities Reports for the relevant quarters.

Adjusted Net Income Attributable to Sony Corporation's Stockholders is not a measure in accordance with U.S. GAAP. However, Sony believes that this disclosure may be useful information to investors.

- As is shown on this slide, certain extraordinary items were recorded in both the current quarter and the same quarter of the previous fiscal year.

- Excluding these extraordinary items and the estimated impact of these items on tax expense, net income would have increased 5.6 billion yen from the 140.8 billion yen that would have been recorded in the same quarter of the previous fiscal year to 146.4 billion yen.

- Please refer to page 6 of our earnings presentation for the calculation of the impact on tax expenses.

Q1 FY2019 Results by Segment [Reclassified]

(Bln Yen)

		Q1 FY18	Q1 FY19	Change	FX Impact
Game & Network Services (G&NS)	Sales	472.1	**457.5**	-14.6	-6.9
	Operating income	83.5	**73.8**	-9.6	-4.2
Music	Sales	181.5	**202.3**	+20.8	+0.8
	Operating income	32.1	**38.3**	+6.2	
Pictures	Sales	175.1	**186.1**	+11.0	+1.1
	Operating income	-7.6	**0.4**	+8.0	
Electronics Products & Solutions (EP&S)	Sales	568.2	**483.9**	-84.2	-9.4
	Operating income	32.7	**25.1**	-7.6	-6.9
Imaging & Sensing Solutions (I&SS)	Sales	202.2	**230.7**	+28.4	+1.2
	Operating income	29.1	**49.5**	+20.4	+0.9
Financial Services	Revenue	335.2	**336.9**	+1.7	
	Operating income	40.6	**46.1**	+5.5	
All Other	Sales	82.9	**69.6**	-13.3	
	Operating income	0.3	**-2.6**	-2.9	
Corporate and elimination	Sales	-63.6	**-41.2**	+22.4	
	Operating income	-15.7	**0.4**	+16.0	
Consolidated total	Sales	1,953.6	**1,925.7**	-27.9	
	Operating income	195.0	**230.9**	+35.9	

· In connection with Sony's realignment of its business segments from Q1 FY2019, the former Home Entertainment & Sound, Imaging Products & Solutions and Mobile Communications segments have been realigned as the Electronics Products & Solutions ("EP&S") segment. Certain figures in past fiscal years have been reclassified to conform to the presentation of FY2019. For details, please refer to F-10 of "Q1 FY2019 Financial Statements" (applies to all following pages).
· The former Semiconductors segment has been renamed the Imaging & Sensing Solutions ("I&SS") segment effective from Q1 FY2019 (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 further details about the impact of foreign exchange rate fluctuations on sales and operating income (loss), see Notes on page 19 (applies to all following pages).

- This slide shows the results by segment for FY19 Q1.
- From this quarter, we have changed the name of the Semiconductors segment to Imaging & Sensing Solutions ("I&SS").
- I will explain the background and reasoning behind this change when I explain the results of that segment. This change has not resulted in any reclassification of businesses across segments.

FY2019 Consolidated Results Forecast

(Bln Yen)

	FY18	FY19 April FCT	FY19 July FCT	Change from April FCT
Sales & operating revenue	8,665.7	8,800	**8,600**	-200 bln yen (-2%)
Operating income	894.2	810	**810**	-
Income before income taxes	1,011.6	770	**770**	-
Net income attributable to Sony Corporation's stockholders	916.3	500	**500**	-
Operating Cash Flow (Sony without Financial Services)	753.4	760	**760**	-

Average rate	Actual	Assumption	Assumption (Q2-Q4 FY19)
1 US dollar	110.9 yen	Approx. 110 yen	Approx. 108 yen
1 Euro	128.5 yen	Approx. 125 yen	Approx. 123 yen

Dividend per Share (Planned)	
Interim	20 yen
Year-end	Undecided

Consolidated Operating Cash Flow (Sony without Financial Services) is not a measure in accordance with U.S. GAAP. However, Sony believes that this disclosure may be useful information to investors.

- Next is the consolidated results forecast for FY19.
- Consolidated sales are expected to decrease 200 billion yen compared with the previous forecast to 8 trillion 600 billion yen as a result of a reduction in the forecasts for the Game & Network Service ("G&NS") and Electronics Products & Solutions ("EP&S") segments.
- There is no change to the forecast for operating income, income before income taxes and net income attributable to Sony Corporation's stockholders.
- There is also no change to our forecast for operating cash flow excluding the financial services segment.
- We have changed the assumed foreign currency exchange rates from the second quarter ending September 30, 2019 to 108 yen to the U.S. dollar and 123 yen to the Euro.
- We plan to issue an interim dividend of 20 yen per share this fiscal year compared to the 15 yen per share that was issued as an interim dividend in the previous fiscal year. The dividend amount for the full-year is currently undecided. There is no change to our policy of continuing to increase our dividend in a stable manner over the long term.

FY2019 Results Forecast by Segment [Reclassified]

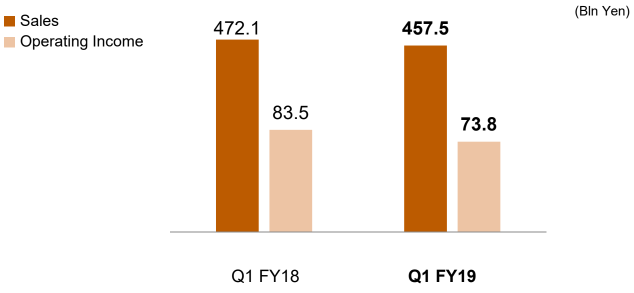
(Bln Yen)

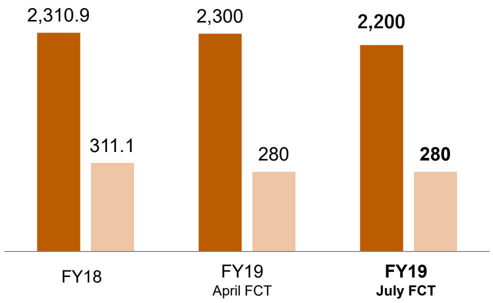
		FY18	FY19 April FCT	FY19 July FCT	Change from April FCT
Game & Network Services (G&NS)	Sales	2,310.9	2,300	**2,200**	-100
	Operating income	311.1	280	**280**	–
Music	Sales	807.5	830	**830**	–
	Operating income	232.5	135	**135**	–
Pictures	Sales	986.9	1,080	**1,080**	–
	Operating income	54.6	65	**65**	–
Electronics Products & Solutions (EP&S)	Sales	2,320.6	2,240	**2,160**	-80
	Operating income	76.5	121	**121**	–
Imaging & Sensing Solutions (I&SS)	Sales	879.3	990	**990**	–
	Operating income	143.9	145	**145**	–
Financial Services	Revenue	1,282.5	1,330	**1,330**	–
	Operating income	161.5	170	**170**	–
All Other, Corporate and elimination	Operating income	-85.8	-106	**-106**	–
Consolidated total	Sales	8,665.7	8,800	**8,600**	-200
	Operating income	894.2	810	**810**	–

- The FY19 forecasts for each segment are shown on this slide.
- We are monitoring developments and paying close attention to geopolitical risks, such as trade issues, and we are evaluating various mitigation measures in as far advance as possible so that our response is not delayed.
- We have incorporated into our forecast the impact of additional tariffs and export restrictions that have already been implemented or for which implementation has already been decided.
- We have not incorporated the impact of items that have yet to be implemented such as the fourth round of tariffs under Article 301 of the U.S. Trade Act.
- Going forward, we will aim to reduce the impact on our business by quickly taking any action that becomes necessary.
- I will now explain the situation in each of our business segments.

Game & Network Services Segment

Sales and Operating Income





Q1 FY2019 (year-on-year)

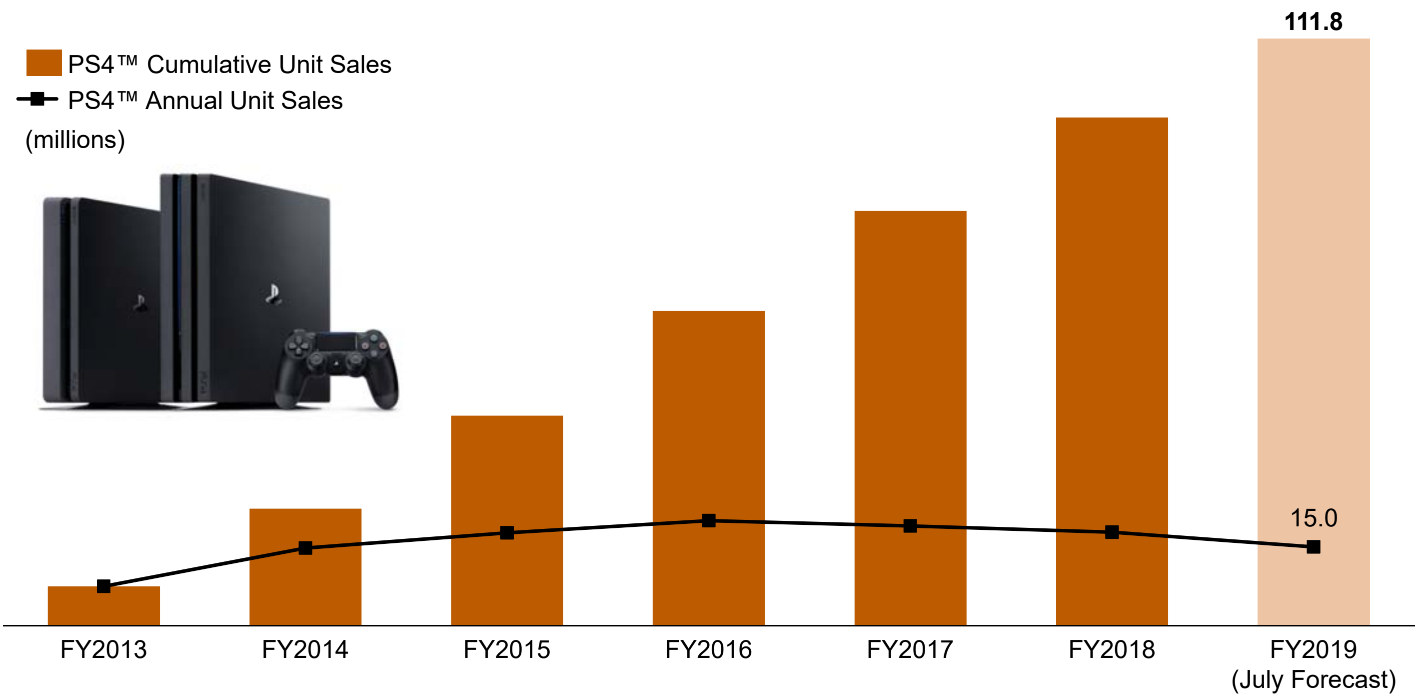
- Sales: 14.6 bln yen (3%) decrease (FX Impact: -6.9 bln yen)
  - ·(–) Decrease in contribution from first-party software titles
  - ·(–) Impact of foreign exchange rates
  - ·(–) Decrease in sales of non-first-party software titles
  - ·(+) Increase in PlayStation®4 (PS4™) hardware sales
  - ·(+) Increase in network services sales including sales for PlayStation®Plus (PS Plus)
- OI: 9.6 bln yen decrease (FX Impact: -4.2 bln yen)
  - ·(–) Decrease in contribution from highly-profitable first-party software titles
  - ·(–) Decrease in sales of non-first-party software titles
  - ·(–) Negative impact of foreign exchange rates
  - ·(+) Increase in PS4 hardware sales and improvement in profitability
  - ·(+) Increase in network services sales including sales for PS Plus

FY2019 Forecast (change from April forecast)

- Sales: 100 bln yen (4%) downward revision
  - ·(–) Lower-than-expected non-first-party software sales
  - ·(–) Lower-than-expected PS4 hardware unit sales
- OI: Remain unchanged from April forecast
  - ·(–) Lower than expected non-first-party software sales
  - ·(–) Lower-than-expected PS4 hardware sales
  - ·(+) Cost reductions
  - ·(+) Higher-than-expected sales for network services, including PS Plus

- First I will talk about the G&NS segment.
- Although PlayStation®4 (“PS4”) hardware sales and network service sales – including sales of PlayStation®Plus – increased year-on-year, overall segments sales decreased 3% to 457.5 billion yen due to a decrease in game software sales.
- Operating income decreased 9.6 billion yen year-on-year to 73.8 billion yen. This decrease was primarily due to a decrease in the contribution from first-party game software compared with the same quarter of the previous fiscal year in which *God of War* was a major hit.
- We revised downward our forecast for FY19 sales by 100 billion yen to 2 trillion 200 billion yen.
- We have not changed our 280 billion yen operating income forecast.

Expanding PlayStation®4 Platform



- PS4 hardware unit sales in the first quarter were slightly below our expectations primarily due to the news regarding our next generation console. Taking this into account, we have decided to prioritize profitability going forward, and have revised downward our forecast for hardware unit sales by 1 million units to 15 million units.

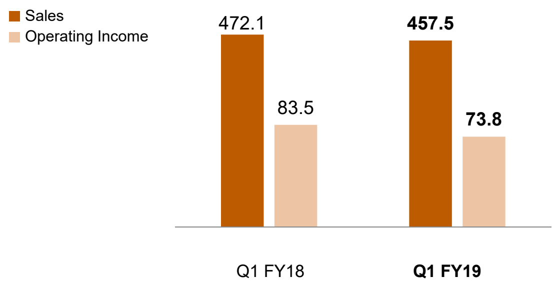
- 3.2 million units were sold during the current quarter, essentially unchanged year-on-year, and we reached 100 million cumulative units on a shipment basis.

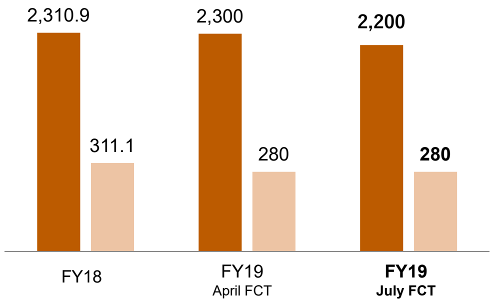
- The fact that we plan to sell 15 million units this fiscal year, which is the 7th year since launch, demonstrates that the PS4 platform is still garnering support from many users.

Game & Network Services Segment

Sales and Operating Income

(Bln Yen)





Q1 FY2019 (year-on-year)

- Sales: 14.6 bln yen (3%) decrease (FX Impact: -6.9 bln yen)
  - ·(–) Decrease in contribution from first-party software titles
  - ·(–) Impact of foreign exchange rates
  - ·(–) Decrease in sales of non-first-party software titles
  - ·(+) Increase in PlayStation®4 (PS4™) hardware sales
  - ·(+) Increase in network services sales including sales for PlayStation®Plus (PS Plus)
- OI: 9.6 bln yen decrease (FX Impact: -4.2 bln yen)
  - ·(–) Decrease in contribution from highly-profitable first-party software titles
  - ·(–) Decrease in sales of non-first-party software titles
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  - ·(+) Increase in PS4 hardware sales and improvement in profitability
  - ·(+) Increase in network services sales including sales for PS Plus

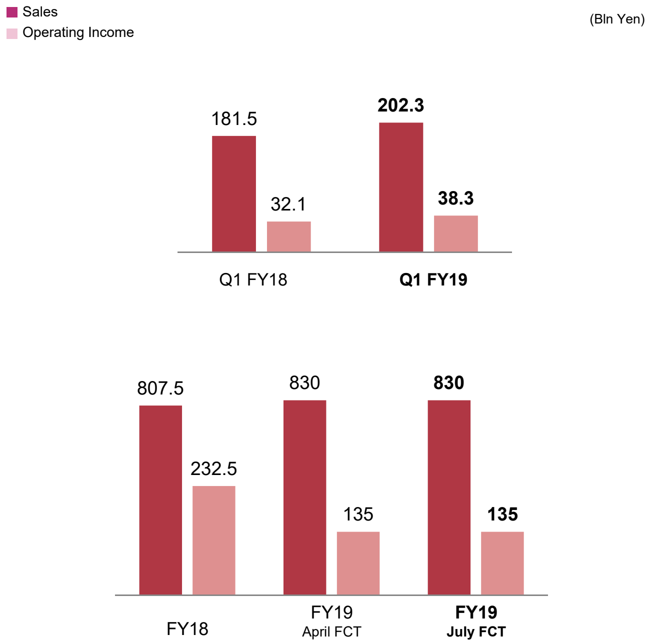
FY2019 Forecast (change from April forecast)

- Sales: 100 bln yen (4%) downward revision
  - ·(–) Lower-than-expected non-first-party software sales
  - ·(–) Lower-than-expected PS4 hardware unit sales
- OI: Remain unchanged from April forecast
  - ·(–) Lower than expected non-first-party software sales
  - ·(–) Lower-than-expected PS4 hardware sales
  - ·(+) Cost reductions
  - ·(+) Higher-than-expected sales for network services, including PS Plus

- We have revised downward our forecast for game software sales to be flat year-on-year due to a decrease in third-party game software sales, especially free to play games.
- We expect network service sales to be above the previous fiscal year.
- The goals for this segment this fiscal year are preparing for the launch of the next generation platform as well as maintaining and expanding the community we have built among users. As of the first quarter, we are on track to achieve these goals.

Music Segment

Sales and Operating Income



Q1 FY2019 (year-on-year)

- Sales: 20.8 bln yen (11%) significant increase (FX Impact: +0.8 bln yen)
  - ·(+) Higher sales for Music Publishing resulting from the consolidation of EMI
  - ·(+) Higher sales for Recorded Music primarily due to an increase in streaming revenues
  - ·(–) Lower Visual Media and Platform sales primarily due to lower sales for *Fate/Grand Order*, a game application for mobile devices
- OI: 6.2 bln yen increase
  - ·(+) Absence of equity in net loss for EMI that was recorded in Q1 FY18
  - ·(+) Increase in sales

FY2019 Forecast

- Sales / OI: Remain unchanged from April forecast

- Next is the Music segment.

- FY19 Q1 sales increased 11% year-on-year to 202.3 billion yen.
- This significant increase was primarily due to higher sales for Music Publishing resulting from the consolidation of EMI Music Publishing, as well as higher streaming revenues, partially offset by lower Visual Media and Platform sales primarily due to lower sales for *Fate/Grand Order*, a game application for mobile devices.
- Streaming revenues in the Recorded Music business grew 27% year-on-year primarily due to expansion of the market and contribution from releases such as Lil Nas X’s *Old Town Road*, which is expected to be one of the biggest hit songs of the year.

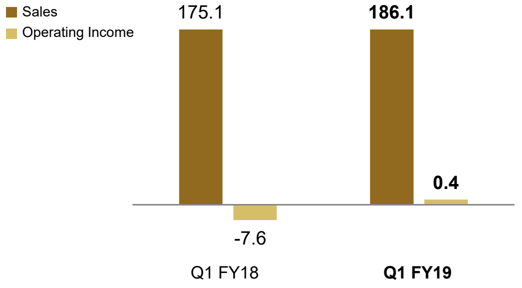
- Operating income increased 6.2 billion yen year-on-year to 38.3 billion yen.

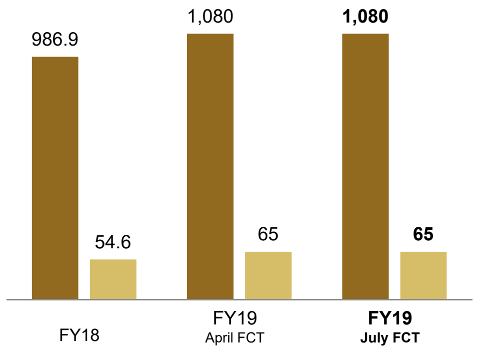
- We have made no changes to our April forecast for sales and operating income.

Pictures Segment

Sales and Operating Income

(Bln Yen)





Q1 FY2019 (year-on-year)

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

- Sales: 11.0 bln yen (6%) increase (U.S. dollar basis: +101 mil USD / +6%)
  - ·(+) Higher theatrical revenues as the current year benefited from the theatrical release of *Men in Black: International* and *Spider-Man: Far from Home*
  - ·(+) Higher television licensing revenues for catalog titles
- OI: 8.0 bln yen improvement
  - ·(+) Lower sports programming and marketing costs in India in Media Networks
  - ·(+) Higher home entertainment revenues at Funimation
  - ·(+) Improved operating results reflecting the benefit of the channel portfolio review that began in FY18 in Media Networks
  - ·(–) Higher theatrical marketing costs in support of the above-mentioned theatrical releases

FY2019 Forecast

- Sales / OI: Remain unchanged from April forecast

- Next is the Pictures segment.

- FY19 Q1 sales increased 6% year-on-year to 186.1 billion yen and an operating profit of 0.4 billion yen was recorded compared to a loss of 7.6 billion yen in the same quarter of the previous fiscal year.
- Primarily due to the timing of motion picture releases, this segment has recorded a loss in the first quarter many times in the past, but this quarter it recorded profit for the first time in 5 years.
- Although marketing expenses were incurred for *Spider-Man: Far From Home*, which was released at the end of June, our profitability continues to improve due to our channel portfolio review in Media Networks and other efforts.

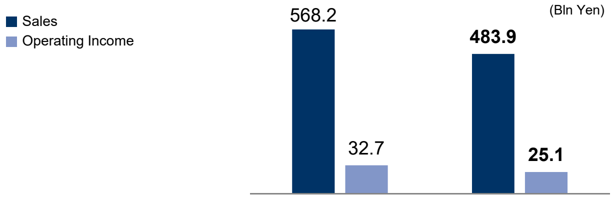
- We have made no changes to our April forecast for sales and operating income.

- *Spider-Man: Far From Home* has exceeded 1 billion U.S. dollars of revenue at the global box office, surpassing *Jumanji: Welcome to the Jungle* to become Sony Pictures Entertainment’s highest grossing wholly-owned film of all time.
- Due to the timing of its release, the film will not contribute significantly to our financial results until the second quarter and beyond.

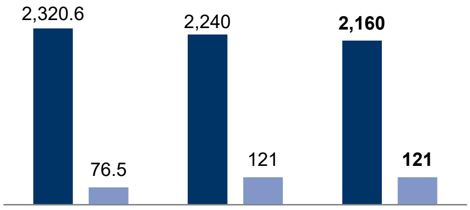
Electronics Products & Solutions

Sales and Operating Income

(Bln Yen)



Mobile Communications* (included above)	Q1 FY18	**Q1 FY19**
Sales to External Customers	130.4	**100.6**
Operating Income	-10.8	**1.0**



Mobile Communications* (included above)	FY18	FY19 April FCT	**FY19 July FCT**
Sales to External Customers	487.3	410	**380**
Operating Income	-97.1	-47	**-47**

Q1 FY2019 (year-on-year)

- Sales: 84.2 bln yen (15%) significant decrease (FX Impact: -9.4 bln yen)
  - ·(–) Decrease in unit sales of televisions, smartphones and digital cameras
- OI: 7.6 bln yen decrease (FX Impact: -6.9 bln yen)
  - ·(–) Decrease in sales
  - ·(–) Negative impact of foreign exchange rates
  - ·(+) Reductions in operating costs mainly within Mobile Communications

FY2019 Forecast (change from April forecast)

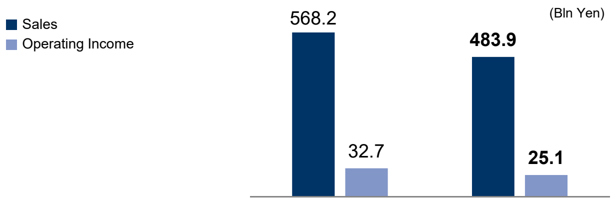
- Sales: 80 bln yen (4%) decrease
  - ·(–) Lower-than-expected unit sales for televisions and smartphones
- OI: Remain unchanged from April forecast
  - ·(–) Decrease in sales
  - ·(+) Reduction in operating costs

* Mobile Communications includes the smartphone business and internet-related service business.

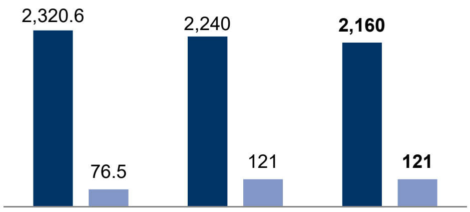
- Next is the EP&S segment.
- From this quarter, this segment includes what were the Home Entertainment & Sound, Imaging Products & Solutions and Mobile Communications segments.
- We continue to disclose the same product category sales that we disclosed in the past in our Supplemental Information.
- Primarily due to a decrease in unit sales of TVs and smartphones, sales decreased 15% year-on-year to 483.9 billion yen.
- Operating income decreased 7.6 billion yen year-on-year to 25.1 billion yen, due to the decrease in sales and the negative impact of foreign exchange rates, partially offset by a reduction in operating expenses in Mobile Communications.
- Due to a reduction in the unit sales forecast for TVs and smartphones, our sales forecast has been changed to 2 trillion 160 billion yen.
- We have made no changes to our April forecast for operating income despite the decrease in sales primarily due to a reduction in operating expenses.

Electronics Products & Solutions

Sales and Operating Income



Mobile Communications* (included above)	Q1 FY18	**Q1 FY19**
Sales to External Customers	130.4	**100.6**
Operating Income	-10.8	**1.0**



Mobile Communications* (included above)	FY18	FY19 April FCT	**FY19 July FCT**
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Operating Income	-97.1	-47	**-47**

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FY2019 Forecast (change from April forecast)

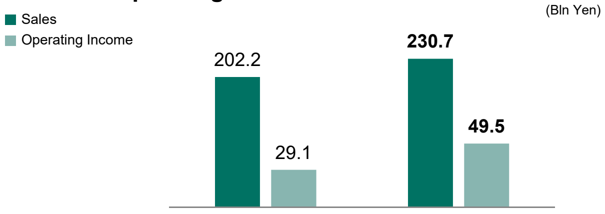
- Sales: 80 bln yen (4%) decrease
  - ·(–) Lower-than-expected unit sales for televisions and smartphones
- OI: Remain unchanged from April forecast
  - ·(–) Decrease in sales
  - ·(+) Reduction in operating costs

* Mobile Communications includes the smartphone business and internet-related service business.

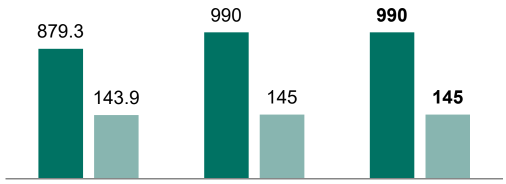
- Next I will touch on the TV business.
- Primarily due to intensified price competition and lower demand compared to the prior year, which benefitted from the World Cup mainly in Europe and Latin America, TV unit sales in the current quarter decreased approximately 23% year-on-year.
- Thanks to actions we have taken like the launch of new products and price reductions, sales have recovered since June, but we continue to pay close attention to changes in the market for panels and trends of competitor pricing.
- Here I am showing the new key products we have announced or put on sale recently. All of them have received positive feedback from many of our customers.

Imaging & Sensing Solutions Segment

Sales and Operating Income



	Q1 FY18	**Q1 FY19**
Image Sensors Sales	161.5	**194.9**



	FY18	FY19 April FCT	**FY19 July FCT**
Image Sensors Sales	711.4	840	**840**
Additions to long-lived assets for I&SS Segment	146.3	300	**300**
for Image Sensors (included above)	128.9	280	**280**

Q1 FY2019 (year-on-year)

- Sales: 28.4 bln yen (14%) significant increase (FX Impact: +1.2 bln yen)
  - (+) Significant increase in sales of image sensors for mobile products
- OI: 20.4 bln yen significant increase (FX Impact: +0.9 bln yen)
  - (+) Increase in sales
  - (–) Increase in depreciation and amortization expenses as well as research and development expenses

FY2019 Forecast

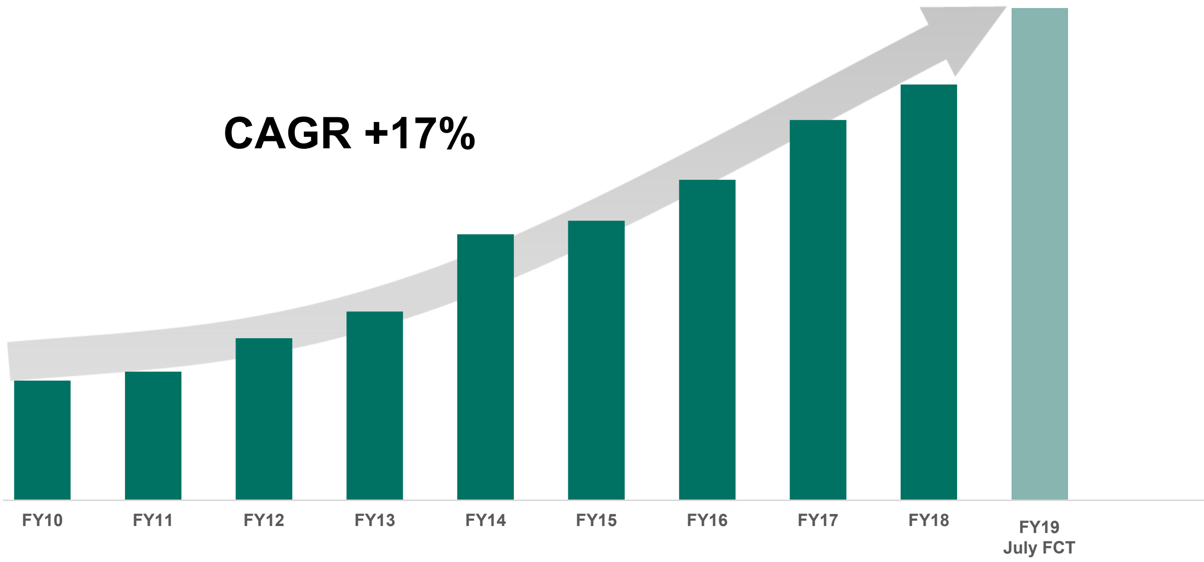
- Sales / OI: Remain unchanged from April forecast

- Next is the Imaging & Sensing Solutions ("I&SS") segment.
- FY19 Q1 sales increased 14% year-on-year to 230.7 billion yen and operating income increased 20.4 billion yen to 49.5 billion yen, primarily due to a significant increase in image sensor sales for mobile devices.
- Demand for our image sensors continues to be strong and our market share of image sensors for mid-range and high-end models of major smartphone makers remains high, due to adoption of multiple sensors per camera and growing demand for high value-added sensors made using large die-sizes.
- We are currently utilizing 100% of our internal capacity.
- However, concerns about the impact of trade issues in the second half of the fiscal year remain. We have already been conservative when forecasting the impact of these issues, but, because we want to evaluate the risks over the course of the first half of the fiscal year, we have made no changes to our April forecast.

Imaging & Sensing Solutions Segment

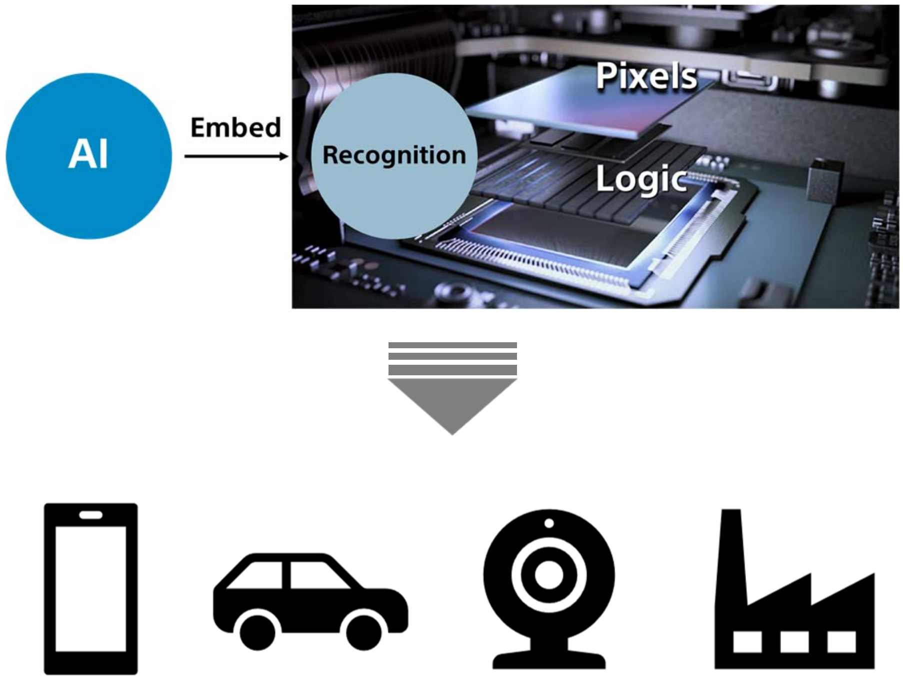
- Now I will explain the background and reasoning behind the change in name of the segment.
- The portion of Semiconductors segment revenue that comes from image sensors has been increasing every year, is expected to be approximately 85% of the segment this fiscal year and is expected to increase even more going forward.
- Image sensors are hybrids between analog and digital semiconductors, and, in terms of technology and business model, differ from logic LSI and memory, which most people think of when they hear the word semiconductors.
- Compared with logic LSI and memory, which require frequent capacity upgrades to maintain competitiveness due to quickly evolving process miniaturization, image sensors do not require regular, large capital investments because products can be differentiated through improvements in functionality and the addition of new features without having to upgrade production capacity.
- Moreover, since the image sensors business is focused on custom products that are differentiated through features and functionality, and because we have expanded our customer base the last several years and obtained a large share of the market, we have established a business model that experiences less impact from fluctuations in the market known as the silicon cycle.

Image Sensor Sales Growth



- Over the last 10 years, we have achieved an extremely high level of compound annual sales growth at 17%, primarily from smartphone applications, and we have made significant investments to increase capacity as a result. However, we expect the investment requirements of this business to decrease significantly as the acute increase in demand transitions to a milder growth trajectory.

Expand Possibilities for Image Sensors through AI Integration



- The strategy for future growth in the I&SS segment is to develop AI sensors which make our sensors more intelligent by combining artificial intelligence with the sensors themselves.

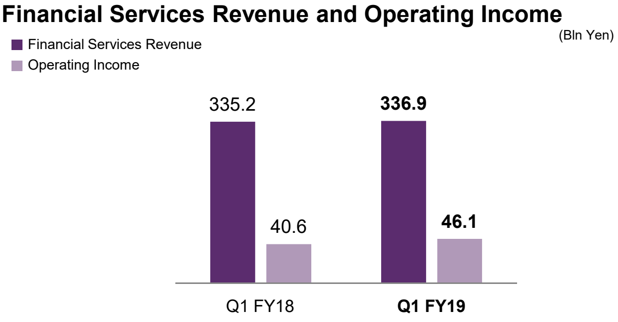
- Development of these sensors will require us to leverage not only the strength of the hardware technology in the I&SS segment, such as the stacking of sensors on logic and copper-to-copper connections, but also the AI technology and diverse application technology in other parts of Sony, so our efforts in this area will span the entire Sony Group.

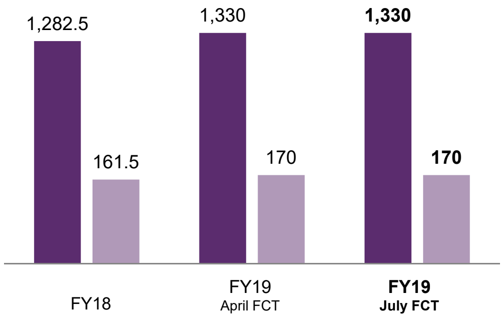
- We think that AI and sensing will be used across a wide range of applications such as autonomous driving, IoT, games and immersive entertainment. As such, we think there is a possibility that image sensors will evolve from the hardware they are today to solutions and platforms as visual data and sensing information is processed in a sophisticated manner inside sensors.

- The image sensor business is important because it is one of the pillars of the growth strategy of the Sony Group. We changed the name of the segment this time to assist your understanding of the characteristics and future strategy of this business, which I just explained.

Financial Services Segment

Financial Services Revenue and Operating Income





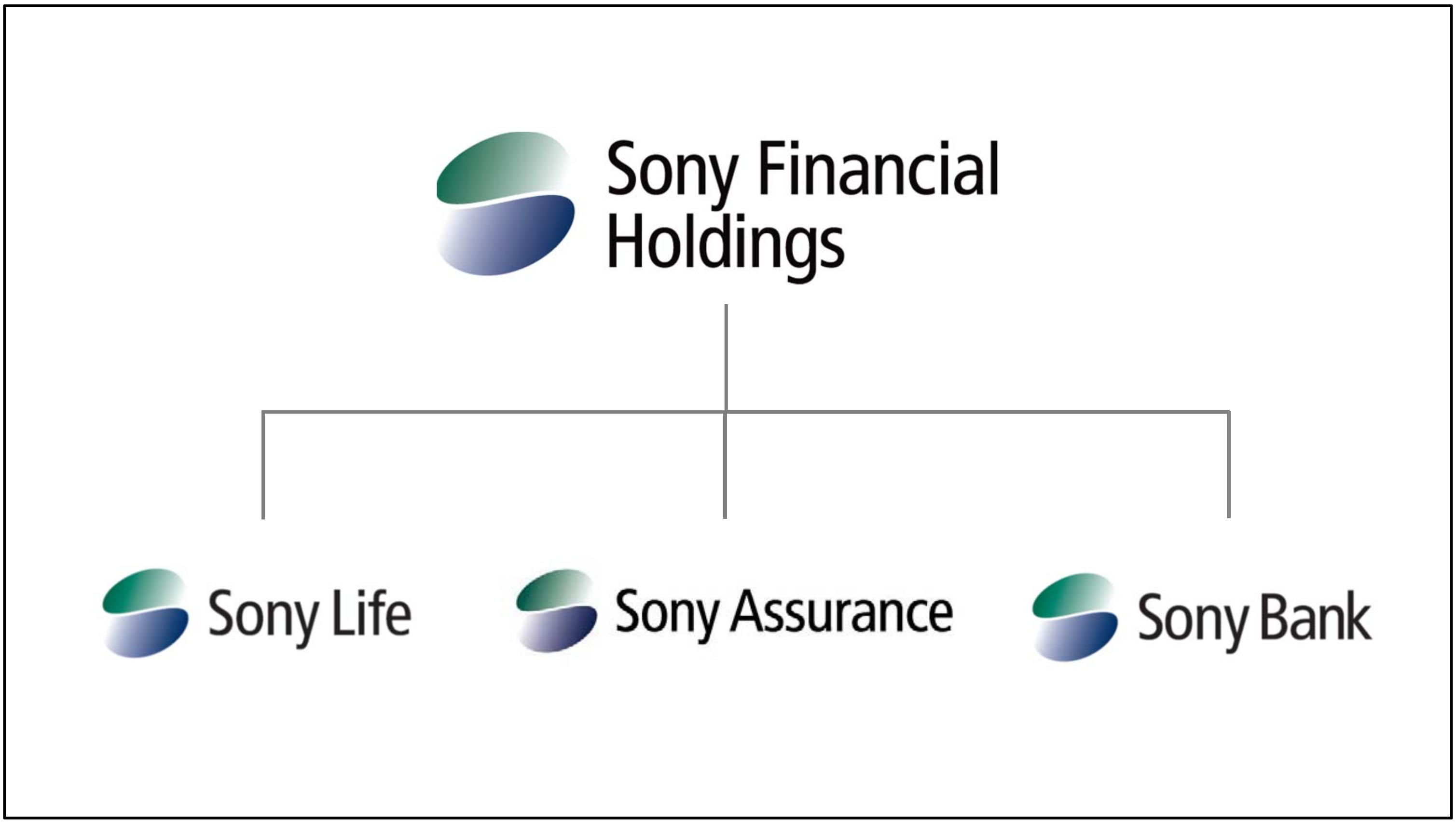
Q1 FY2019 (year-on-year)

- Revenue: Essentially flat
  - ·(+) Increase in net gains from investment securities at Sony Bank
  - ·(+) Increase in net premiums written at Sony Assurance
  - ·(–) Decrease in revenue at Sony Life
    (2.1 bln yen decrease, revenue: 299.4 bln yen)
    - ·(–) Decrease in net gains on investments in the separate account
    - ·(+) Higher insurance premium revenue reflecting an increase in the policy amount in force
- OI: 5.5 bln yen increase
  - ·(+) Increase in OI at Sony Life (2.9 bln yen increase, OI: 39.4 bln yen)
    - · (+) Improvement in foreign exchange gains and losses in U.S. dollar-denominated insurance
  - ·(+) Recording of a gain on the valuation of securities at Sony Bank

FY2019 Forecast

- Revenue / OI : Remain unchanged from April forecast

- Next, I will explain the Financial Services segment.
- In FY19 1Q, Financial Services revenue was essentially flat year-on-year at 336.9 billion yen and operating income increased 5.5 billion yen year-on-year to 46.1 billion yen.
- We have made no changes to our April forecast for financial services revenue and operating income.



- Next I will discuss the new structure of the Board of Directors of Sony Financial Holdings ("SFH").

- The new Board of Directors, which was formed at the ordinary general meeting of shareholders this past June, is primarily comprised of external directors and members of management from Sony Corporation. Sony believes that this new structure will strengthen the governance of SFH and promote even greater focus on increasing shareholder value.

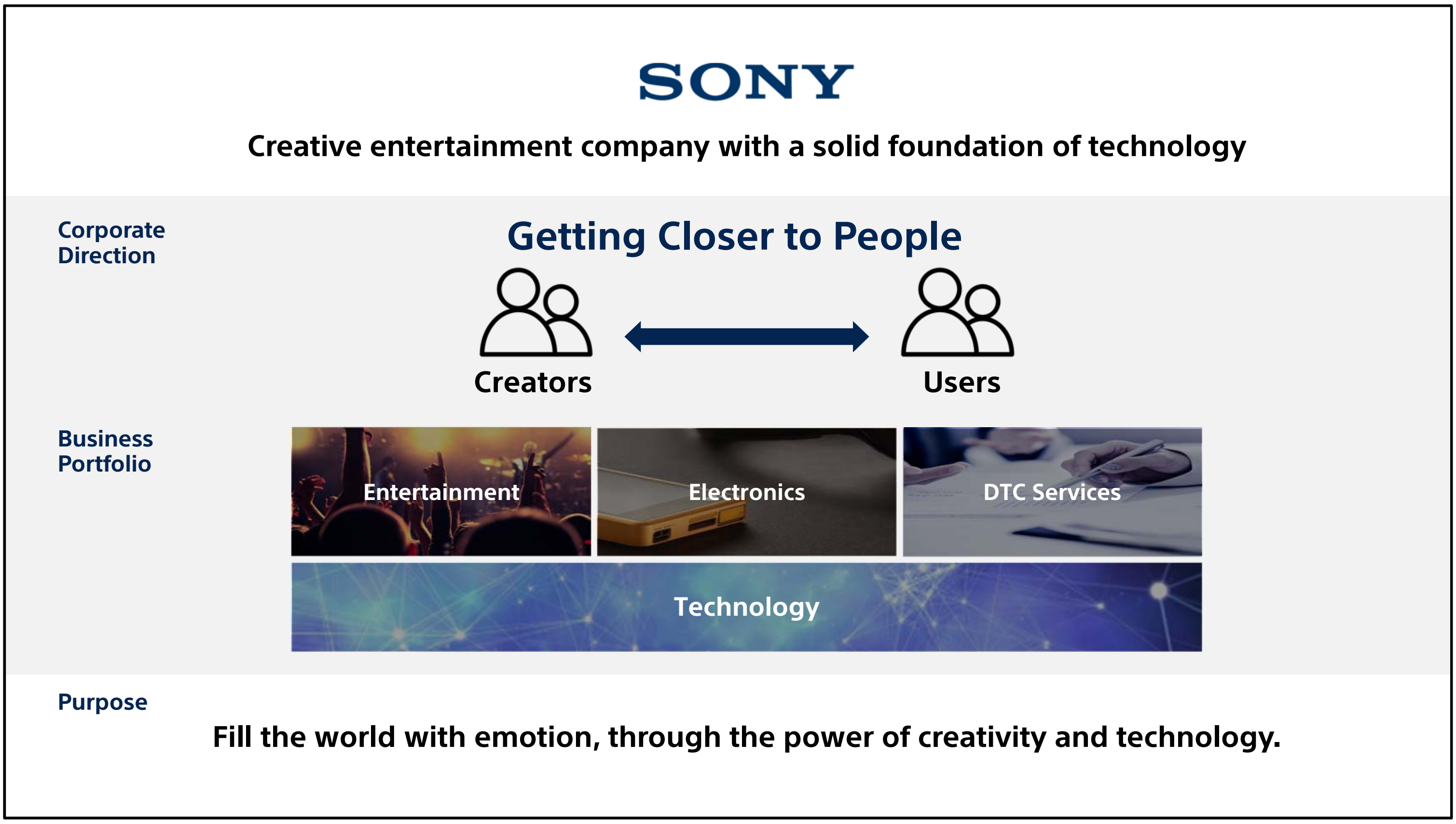
- The presidents of Sony Life, Sony Assurance and Sony Bank, who each concurrently served on the Board of Directors of SFH in the past, will dedicate themselves to managing each of their businesses going forward and will concentrate on growing their businesses and strengthening their competitiveness.

- Sony will deepen its collaboration with the management team of SFH and pro-actively work to increase the value of our financial services business even more so than in the past.

Efforts to Increase Corporate Value

- In conclusion, I would like to explain the efforts we are making to increase corporate value.

- In our first mid-range plan, which began in the fiscal year ended March 31, 2013, we restructured our businesses and strengthened our profitability and cash generation. This resulted in each of our businesses attaining a high level of competitiveness and a steady level of profit and cash flow.



- As President Yoshida explained at the Corporate Strategy Meeting in May, Sony now needs to take steps to grow its various businesses while creating synergy across our businesses. Sony will aim to do this by leveraging the diversity in each of our businesses in the entertainment, electronics and DTC services (which includes financial services) arenas.

- Technology is what supports the growth of these businesses and creates synergy across the businesses. That is what makes Sony unique and strong.

- We aim to increase our corporate value in a sustained manner over the long term by further growing Sony as a creative entertainment company with a solid foundation in technology.

FY2019 Results Forecast by Segment [Reclassified]

(Bln Yen)

		FY18	FY19 April FCT	FY19 July FCT	Change from April FCT
Game & Network Services (G&NS)	Sales	2,310.9	2,300	**2,200**	-100
	Operating income	311.1	280	**280**	–
Music	Sales	807.5	830	**830**	–
	Operating income	232.5	135	**135**	–
Pictures	Sales	986.9	1,080	**1,080**	–
	Operating income	54.6	65	**65**	–
Electronics Products & Solutions (EP&S)	Sales	2,320.6	2,240	**2,160**	-80
	Operating income	76.5	121	**121**	–
Imaging & Sensing Solutions (I&SS)	Sales	879.3	990	**990**	–
	Operating income	143.9	145	**145**	–
Financial Services	Revenue	1,282.5	1,330	**1,330**	–
	Operating income	161.5	170	**170**	–
All Other, Corporate and elimination	Operating income	-85.8	-106	**-106**	–
Consolidated total	Sales	8,665.7	8,800	**8,600**	-200
	Operating income	894.2	810	**810**	–

- Lastly, I will again show the results forecasts for each of our segments.
- This concludes my remarks.

Notes

Sales on a Constant Currency Basis and the Impact of Foreign Exchange Rate Fluctuations

The descriptions of sales on a constant currency basis reflect sales calculated by applying the yen's monthly average exchange rates from the same period of the previous fiscal year to local currency-denominated monthly sales in the relevant period of the current fiscal year. For Sony Music Entertainment ("SME"), Sony/ATV Music Publishing ("Sony/ATV") and EMI Music Publishing ("EMI") in the Music segment, the constant currency amounts are calculated by applying the monthly average U.S. dollar / yen exchange rates after aggregation on a U.S. dollar basis.

Results for the Pictures segment are described on a U.S. dollar basis as the Pictures segment reflects the operations of Sony Pictures Entertainment Inc. ("SPE"), a U.S.-based operation that aggregates the results of its worldwide subsidiaries in U.S. dollars.

The impact of foreign exchange rate fluctuations on sales is calculated by applying the change in the yen's periodic weighted average exchange rate for the same period of the previous fiscal year from the relevant period of the current fiscal year to the major transactional currencies in which the sales are denominated. The impact of foreign exchange rate fluctuations on operating income (loss) is calculated by subtracting from the impact on sales the impact on cost of sales and selling, general and administrative expenses calculated by applying the same major transactional currencies calculation process to cost of sales and selling, general and administrative expenses as for the impact on sales. The I&SS segment enters into its own foreign exchange hedging transactions, and the impact of those transactions is included in the impact of foreign exchange rate fluctuations on operating income (loss) for that segment. Additionally, the impact of foreign exchange hedging transactions entered into by the Mobile Communications business during the previous fiscal year is included in the impact of foreign exchange rate fluctuations on operating income (loss) for the EP&S segment.

This information is not a substitute for Sony's consolidated financial statements measured in accordance with U.S. GAAP. However, Sony believes that these disclosures provide additional useful analytical information to investors regarding the operating performance of Sony.

Notes about Financial Performance of the Music, Pictures and Financial Services segments

On November 14, 2018, Sony acquired the entirety of the approximately 60% equity interest held by the investor consortium led by Mubadala Investment Company in EMI, resulting in EMI becoming a wholly-owned subsidiary of Sony. Financial results of EMI included in the Music segment for the fiscal year ended March 31, 2019 include equity earnings (loss) from April 1 through November 13, 2018 and sales and operating income (loss) from November 14, 2018 through March 31, 2019. Sales and operating income (loss) for the Music segment in the fiscal year ending March 31, 2020 include the financial results of EMI from April 1, 2019 onward.

The Music segment results include the yen-translated results of SME, Sony/ATV and EMI, all U.S.-based operations which aggregate the results of their worldwide subsidiaries on a U.S. dollar basis, and the results of Sony Music Entertainment (Japan) Inc., a Japan-based music company which aggregates its results in yen.

The results presented in Pictures are a yen-translation of the results of SPE, a U.S.-based operation that aggregates the results of its worldwide subsidiaries on a U.S. dollar basis. Management analyzes the results of SPE in U.S. dollars, so discussion of certain portions of its results is specified as being on "a U.S. dollar basis."

The Financial Services segment results include Sony Financial Holdings Inc. ("SFH") and SFH's consolidated subsidiaries such as Sony Life Insurance Co., Ltd. ("Sony Life"), Sony Assurance Inc., and Sony Bank Inc. The results of Sony Life discussed in the Financial Services segment differ from the results that SFH and Sony Life disclose separately on a Japanese statutory basis.

Cautionary Statement

Statements made in this release with respect to Sony's current plans, estimates, strategies and beliefs and other statements that are not historical facts are forward-looking statements about the future performance of Sony. Forward-looking statements include, but are not limited to, those statements using words such as "believe," "expect," "plans," "strategy," "prospects," "forecast," "estimate," "project," "anticipate," "aim," "intend," "seek," "may," "might," "could" or "should," and words of similar meaning in connection with a discussion of future operations, financial performance, events or conditions. From time to time, oral or written forward-looking statements may also be included in other materials released to the public. These statements are based on management's assumptions, judgments and beliefs in light of the information currently available to it. Sony cautions investors that a number of important risks and uncertainties could cause actual results to differ materially from those discussed in the forward-looking statements, and therefore investors should not place undue reliance on them. Investors also should not rely on any obligation of Sony to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Sony disclaims any such obligation.

Risks and uncertainties that might affect Sony include, but are not limited to:

(i) Sony's ability to maintain product quality and customer satisfaction with its products and services;
(ii) 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 image sensors, game and network platforms, smartphones and televisions, 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 customer preferences;
(iii) Sony's ability to implement successful hardware, software, and content integration strategies, and to develop and implement successful sales and distribution strategies in light of new technologies and distribution platforms;
(iv) the effectiveness of Sony's strategies and their execution, including but not limited to the success of Sony's acquisitions, joint ventures, investments, capital expenditures, restructurings and other strategic initiatives;
(v) changes in laws, regulations and government policies in the markets in which Sony and its third-party suppliers, service providers and business partners operate, including those related to taxation, as well as growing consumer focus on corporate social responsibility;
(vi) Sony's continued ability to identify the products, services and market trends with significant growth potential, to devote sufficient resources to research and development, to prioritize investments and capital expenditures correctly and to recoup its investments and capital expenditures, including those required for technology development and product capacity;
(vii) 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, marketing and distribution of its products, and its other business operations;
(viii) the global economic and political environment in which Sony operates and the economic and political conditions in Sony's markets, particularly levels of consumer spending;
(ix) Sony's ability to meet operational and liquidity needs as a result of significant volatility and disruption in the global financial markets or a ratings downgrade;
(x) Sony's ability to forecast demands, manage timely procurement and control inventories;
(xi) 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, liabilities and operating results are denominated;
(xii) Sony's ability to recruit, retain and maintain productive relations with highly skilled personnel;
(xiii) Sony's ability to prevent unauthorized use or theft of intellectual property rights, to obtain or renew licenses relating to intellectual property rights and to defend itself against claims that its products or services infringe the intellectual property rights owned by others;
(xiv) 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;
(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) risks related to catastrophic disasters or similar events;
(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 and the personally identifiable information of its employees and customers, potential business disruptions or financial losses; and
(xviii) the outcome of pending and/or future legal and/or regulatory proceedings.

Risks and uncertainties also include the impact of any future events with material adverse impact. Important information regarding risks and uncertainties is also set forth in Sony's most recent Form 20-F, which is on file with the U.S. Securities and Exchange Commission.