Effective from 2012, Sony has integrated its printed annual and corporate social responsibility (CSR) reports into one report that provides essential information on related developments and initiatives.

For further information, including video content, please visit Sony’s IR and CSR websites.

**Annual Report**
http://www.sony.net/SonyInfo/IR/financial/ar/2012

**CSR/Environment**
http://www.sony.net/CSR/

For more detailed information on Sony’s financial performance or on its financial services business, please visit the websites below.

**Investor Relations**
2012 Annual Report on Form 20-F
http://www.sony.net/SonyInfo/IR/
http://www.sony.net/SonyInfo/IR/library/sec.html
http://www.sonyfh.co.jp/index_en.html
(Sony Financial Holdings Inc.)
Letter to Stakeholders:
A Message from Kazuo Hirai, President and CEO

“Sony will change.”

Sony is reinventing itself to deliver new and exciting experiences to our customers around the world.
I became President and CEO of Sony Corporation on April 1, 2012, succeeding Sir Howard Stringer, and I am acutely aware of the weight of responsibility that comes with being entrusted to build a stronger Sony.

Today the Sony Group comprises three main businesses: electronics, entertainment and financial services. Entertainment and financial services have stable business foundations and both are poised for future growth. In contrast, the operating environment for our electronics business* remains harsh, with profits suffering from price competition resulting from product commoditization and the impact of persistently worsening foreign exchange rates. Accordingly, rebuilding the electronics business and repositioning it for growth are the most urgent tasks for the Sony Group, and my biggest responsibility.

Sony is known for its groundbreaking products and services that inspire the curiosity of people the world over and usher in new eras of entertainment. This has blessed us with many stakeholders who trust and support the Sony brand. Our superb technology has enabled us to build a diverse and successful portfolio of hardware. We have built a rich library of film, music and game content and extensive global business know-how. And we are using our network services to connect this content to our products in increasing numbers.

However, our most valuable resource is Sony’s DNA—a distinctive will and drive to generate new value—which has been cultivated since Sony’s founding and passed down from one generation of Sony employees to the next. My duty is to change this company into one that allows every Sony employee to best express the Sony DNA within them so that we can all do what must be done to deliver continuously improving results.

Sony will change. I am fully committed to making this happen. By furthering the integration of hardware and entertainment—the vision of founders Masaru Ibuka and Akio Morita—and remaining true to Sony’s DNA, we will succeed in building a better, stronger Sony.

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* Electronics business consists of Consumer Products & Services, Professional, Device & Solutions and Sony Mobile Communications.

### Operating Results in Fiscal Year 2011

During the fiscal year ended March 31, 2012 (fiscal year 2011), our operating results, particularly in our electronics business, were negatively affected by the Great East
Japan Earthquake and the 2011 Thailand floods. Conditions were exacerbated by the economic downturn across the developed world, which caused other currencies to fall in comparison with the persistently strong yen. Owing to reduced sales in the Consumer Products & Services and Professional, Device & Solutions segments, our consolidated sales and operating revenue for the period declined 9.6%. We recorded an operating loss of 67.3 billion yen, compared to the 199.8 billion yen of operating income recorded in the previous fiscal year. This deterioration in operating income was due to a decline in net sales, and a significant deterioration in equity in net income (loss) of affiliated companies, despite the remeasurement gain associated with obtaining control of Sony Mobile Communications*.

Net loss attributable to Sony Corporation’s stockholders was 456.7 billion yen. This includes a substantial valuation allowance, which is a non-cash charge that does not have an impact on consolidated operating income (loss) or cash flows. Nonetheless, the recording of a loss of this magnitude weighs heavily on me, and as CEO of this company, I fully intend to turn this situation around.

* On February 15, 2012, Sony acquired Ericsson’s 50% equity interest in Sony Ericsson, and changed its name to Sony Mobile Communications AB upon becoming a wholly owned subsidiary of Sony.

**Toward Future Growth**

We will not delay the rebuilding of our electronics business. To accomplish this, we must urgently acknowledge the issues at hand and swiftly and decisively execute initiatives to resolve them, so that we may restore Sony to excellence.

**Transforming Our Electronics Business**

We are taking the following important steps in response to the many challenges our electronics business faces. In the rapidly changing and highly competitive global electronics market, we must develop groundbreaking products, services and technologies that maximize Sony’s distinctive technologies and restore our television business to profitability. We must also accelerate management decision making and make focused and selective investments based on our long-term strategies. In implementing these changes, I strongly believe that our electronics business will be rebuilt.
To meet these challenges, we will focus on the five key initiatives outlined in our new corporate strategy announced on April 12, underpinned by Sony’s core strengths:

- Strengthen core businesses: Digital Imaging, Game, Mobile
- Turn around the Television business
- Expand business in emerging markets
- Create new businesses and accelerate innovation
- Realign our business portfolio and optimize resources

Through the diligent execution of these initiatives, we aim to further transform our electronics business and, for the entire Sony Group, target sales of 8.5 trillion yen, an operating margin in excess of 5% and a return on equity (ROE) of 10% in fiscal year 2014.

“One Sony, One Management”

In order to swiftly rebuild and restore the Sony Group, we have introduced a new top management structure aimed at accelerating decision making and strategic execution.

My new top management team, including Masaru Kato, CFO; Tadashi Saito, CSO (Chief Strategy Officer); Shoji Nemoto, head of technology; and Kunimasa Suzuki, head of product strategy, will work together with me as part of a unified “One Management” structure, designed to ensure that all electronics business-related decisions made by me as CEO are implemented in the most effective and smoothest manner possible.

To reinforce our technology development capabilities and ensure that they are tied closely to product strategy, Shoji Nemoto and Tomoyuki Suzuki, both highly experienced and knowledgeable individuals with engineering backgrounds, will lead our R&D endeavors. They will work with Kunimasa Suzuki to ensure the efficient development of technology for existing product lines, as well as spearhead efforts to develop new concepts and acquire next-generation core technologies.

We have also united our consumer and B2B businesses, creating a single entity that will enable us to accelerate management speed and at the same time enhance cooperation among Sony Group companies. In addition, I integrated our various medical related businesses, which have to date been dispersed across several business units, into a dedicated medical business, overseen by Executive Deputy President Hiroshi Yoshioka.
I also appointed Michael Lynton, Chairman and CEO of Sony Pictures Entertainment Inc., as CEO of Sony Corporation of America, where he now oversees our global entertainment businesses headquartered in the U.S., including motion picture, television and music businesses.

Our integrated entertainment businesses allow us to deliver ever-more exciting user experiences by providing content that is delivered to our hardware through our network services. These user experiences can dramatically change one’s entertainment lifestyle, and we plan to continue delivering new experiences, as we have done throughout our history.

I have adopted the phrase “One Sony” to symbolize the cohesive management approach I employ that draws on the strengths of the entire Sony Group and emphasizes rapid decision making. Under this banner, I pledge to revitalize our electronics business, and ensure the continued success of our industry-leading entertainment businesses and our highly profitable financial services businesses.

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**New Management Structure**

CEO: K. Hirai

CFO: M. Kato  CSO: T. Saito

**Electronics**

- S. Nemoto
  - Professional Solutions
- K. Suzuki
  - Corporate Communications
- K. Hirai
  - Corporate Strategy & Social Contributions
- T. Suzuki
  - Network Entertainment Business
- H. Yoshioka
  - Semiconductor Device Solutions

**Entertainment**

- M. Lynton
  - Sony Pictures Entertainment
- K. Ihara
  - Sony Financial Holdings

**Financial Services**

- S. Nemoto
  - Electronics Financial Services

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- Headquarters
- Global Sales & Marketing
- Corporate R&D, System and Software Technology, Advanced Device Technology
- UX / Product Strategy / Creative
- Manufacturing, Logistics, Procurement and Quality
For Sustainable Development

Sony’s founders believed that a company should always strive to create value for society, and this idea serves as a foundation of our corporate social responsibility (CSR) activities. I believe that fulfilling our responsibilities as a corporate citizen is integral to the sustainability of our businesses, and as such, in concert with the expectations of our stakeholders, we will continue to deliver not only innovative products, content, services and technology, but sound business practices as well.

In 2011, in the immediate aftermath of the Great East Japan Earthquake and Thailand floods, the Sony Group came together to provide assistance for relief and recovery efforts, including through employee donations and volunteer programs. Sony’s operations were affected significantly by both events, and we are drawing on these experiences to reinforce our business continuity planning and risk management systems.

Other fundamental components of CSR, such as effective corporate governance, compliance, and responsible sourcing, also play a key role in a company’s ability to fulfill its responsibilities as a corporate citizen. The management and employees of the Sony Group are committed to working as one to ensure the success of its efforts in these areas.
We also acknowledge the importance of pursuing innovations tied in with our business strategies that will contribute to building a sustainable society. In order to contribute to the resolution of global challenges that we all face, we are committed to creating products that pose less impact on the environment and addressing global social issues such as poverty and education through uniquely Sony initiatives.

### In Closing

The initiatives I laid out and that are being implemented speedily across the Sony Group will help us meet—and exceed—the expectations our stakeholders have for Sony. Rebuilding our electronics business will involve difficult decisions, but we will neither shy away nor waste time. Sony’s spirit of innovation has enabled us to create new technology and experiences, and to help create an exciting future for people everywhere. Everyone at Sony recognizes the importance of this spirit at this critical point in our history. We stand together in our belief that Sony will change.

On behalf of the management and employees of Sony, I thank you, our stakeholders, for your continued support.

June 29, 2012

Kazuo Hirai  
President and CEO  
Representative Corporate Executive Officer
Key Initiatives to Transform Sony

On April 1, 2012, under the leadership of President and CEO Kazuo Hirai, Sony announced “One Sony”: an integrated new management approach designed to accelerate decision making across the entire Sony Group. The new approach marks the beginning of a transformation aimed at driving growth and creating new value. This section provides an overview of the five key initiatives Sony is undertaking to revitalize and foster growth in the electronics business.
I. Strengthening Core Areas

Sony has positioned its digital imaging, game and mobile businesses as the three main pillars of its electronics business and will focus investments in these areas going forward. Sony anticipates that approximately 70% of its total R&D budget will be dedicated to these areas.

Digital Imaging*

In digital imaging, Sony will further strengthen the development of proprietary technology in image sensors, signal processing technology, lenses and other fields in which it excels. Particularly in image sensors, Sony has consistently invested resources in this strategically important area and will continue to do so as it strives to reinforce technical differentiation and bolster sales in such high-growth areas as smartphones. Furthermore, by leveraging these unique technologies in consumer products as well as a broad range of professional products, including security, professional-use camera and medical equipment, Sony aims to further expand the scope of the digital imaging business and create attractive and differentiated products.

Sony believes that it can maintain its high market share in the digital camera and digital video camera markets and generate stable profits in these categories. Meanwhile, the market for interchangeable lens digital cameras is expanding, and Sony’s goal is to leverage its unique technologies as it targets sales growth exceeding the market growth rate to build profitability.

Core Business: 1. Digital Imaging
| Game* |

In the game business, with the rise of casual and social games on smartphones and PCs, many developments are taking place affecting business models and the ways in which users enjoy games. Sony will continue to closely monitor the market and identify consumer needs, as it remains committed to offering immersive entertainment experiences to its customers.

Sony intends to generate steady profits across three hardware platforms, which provide users with exhilarating entertainment experiences. They comprise PlayStation®3, PlayStation®Vita—launched in late 2011—and PSP® (PlayStation®Portable), which continues to enjoy momentum in emerging markets. Sony is also bolstering its growing network services business, and plans to increase sales of downloadable game titles and subscription services. In addition, Sony plans to reach new customers in the smartphone and portable devices markets by expanding the lineup of PlayStation®-certified devices as well as the choice of content available, thereby enhancing profitability.

| Mobile* |

By strengthening the smartphone business—bolstered by the 100% consolidation of Sony Ericsson (now Sony Mobile Communications AB)—Sony will further accelerate integration of Xperia smartphones, Sony Tablet and VAIO PCs and increase product appeal. Sony will realize a one-platform operating structure for its mobile business.

Core Business: 2. Game

**PS3®/PS Vita and peripheral businesses generating steady profit**

![PlayStation®3 and PlayStation®Vita]

**Strengthen & expand network services business**

- **PlayStation®Network:** Grow full-title game downloads
- **PlayStation®Plus:** Enhance subscription service
- **PlayStation®Mobile:** Increase casual game content & compatible devices
and expects these changes to improve efficiency in production and sales and enable more effective allocation of personnel, thereby realizing cost reductions.

Sony provides movie, music and game content to customers worldwide via online networks. Consumer electronics products must become ever-more network-compatible to maximize the enjoyment and convenience of such content.

In this respect, the smartphone is truly the hub of the networked entertainment world. As mobile connection speeds increase and cloud computing becomes commonplace, the potential opens up for the development of a diverse array of new business models. In February 2012, Sony Mobile Communications AB became a wholly owned subsidiary of Sony. By combining the business know-how cultivated to date in the communications technology sphere with Sony’s substantial assets and proprietary technology in the digital imaging and game fields, the Sony Group will aim to expand market share driven by the launch of innovative mobile products.

II. Turning Around the Television Business

Sony is accelerating its efforts to turn around the television business, for which it is targeting a return to profitability in fiscal year 2013. Sony has already initiated cost reductions in LCD panel manufacturing in addition to pursuing further production efficiencies by reducing model count by 40% in fiscal year 2012 compared with fiscal year 2011. Comparing fiscal year 2013 to fiscal year 2011, Sony is also targeting a 60%

Core Business: 3. Mobile

Sony Smartphone

Sony-only Technology

Digital Imaging & Game Technology & Know-How

Entertainment

* The headings in this section do not indicate Sony’s business segments. Sony is currently modifying its business segment classification to reflect its reorganization as of April 1, 2012. Sony expects to report its operating results in line with new business segments from the first quarter of the fiscal year ending March 31, 2013.
reduction in fixed business costs and a 30% reduction in operating costs as it executes a thorough overhaul of the television business.

In parallel with cost reductions, Sony will continue to bolster the competitiveness of its product lineup. The television business will seek to achieve further advances in image and audio quality in the high-sales-volume LCD television segment in collaboration with the home audio and visual business and the personal entertainment business, and by tailoring its product lineup to meet the specific needs of different geographic markets. Sony is also making strides in the development and commercialization of next-generation display technologies, including OLED—in which Sony is considering strategic alliances—and Sony’s proprietary Crystal LED Display. The television business is also enhancing integration with Sony’s mobile products and network services, as it aims to offer unique user experiences, drive hardware differentiation and enhance the attractiveness of Sony’s television lineup.

### III. Expanding Business in Emerging Markets

Sony has built up a solid position in emerging markets in the AV/IT* category over many years based on meticulously planned and executed global sales and marketing programs.

Sony’s strengths in emerging markets include its highly efficient operations backed by tight inventory control through a strong grasp of the retail channel, product planning and marketing programs that closely meet the needs of each market, and its ability to leverage the Sony Group’s entertainment assets including pictures and music to further enhance marketing effectiveness. For example, in India, Sony

* AV/IT: Consumer electronics excluding the game business

**Expanding business in emerging markets**

<table>
<thead>
<tr>
<th>Emerging Market Sales Composition Target (AV / IT businesses)</th>
<th>FY09</th>
<th>FY11</th>
<th>FY14</th>
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</thead>
<tbody>
<tr>
<td>India Consumer AV / IT No. 1 share</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TV Sony 30%</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Home Audio Sony 60%</td>
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<td></td>
<td></td>
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<tr>
<td>Notebook Sony 15%</td>
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<tr>
<td>Notebook Sony 15%</td>
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</tr>
</tbody>
</table>

* FY11 revenue share

* Strengthen supply chain & operations
* Products tailored to local needs

+ Promote Group-wide assets
  Joint promotions with Pictures & Music, etc.
Pictures Television boasts an industry-leading position as the provider of several highly-rated channels, two of which are among the top-rated television channels in the market. By effectively leveraging the high awareness Sony has achieved as a leading entertainment company, Sony is able to bolster product sales in the electronics business and build its position as a top brand.

Success stories like these highlight the overall strength of the Sony Group, and position Sony to further accelerate expansion in sales in other fast-growing emerging markets. In fiscal year 2014, Sony aims to generate sales totaling 2.6 trillion yen across all emerging markets.

**IV. Creating New Businesses and Accelerating Innovation**

Sony is pursuing ever-faster innovation based on its mid-to-long-term strategies and by developing differentiated technologies capable of generating true value in its products.

One of Sony’s key new business fields is the medical business, which currently comprises medical-use printers, monitors, cameras, recorders and other peripherals. Although Sony’s medical-related businesses were previously scattered across several business units, these have now been combined to form the medical business group, under the leadership of Executive Deputy President Hiroshi Yoshioka.

Sony also plans to enter the medical equipment components business in which its core strengths related to digital imaging technologies offer significant competitive advantages in such applications as endoscopes. Sony is also targeting the life science business, where it will leverage its expertise in such technologies as semiconductor lasers, image sensors and microfabrication.

**New Business: Medical**

- **Medical peripherals:**
  
  * FY14 sales target: **50 billion yen**

- **Grow medical equipment business (endoscopes, etc.)**
  
  * By leveraging image sensor, lens, image processing and other Sony technologies

- **Enter medical diagnostics business**
  
  * Acquired iCyt, maker of cellular analysis equipment
  * Acquired Micronics, maker of medical and diagnostics equipment
Sony will continue to pursue M&A opportunities in the medical sphere that it judges necessary for business development and that offer an appropriate fit with Sony’s own strengths. Sony aims to build the medical business into a key pillar of its overall business portfolio, and is targeting future annual sales of 100 billion yen.

The 4K digital cinema format, which integrates Sony’s considerable strengths in imaging and audio technology, is a prime example of accelerating innovation. Providing customers with emotionally moving experiences through beautiful imagery and sound has always been an important part of Sony’s identity. Sony is focusing on the development of technologies related to 4K, which boasts more than four times the resolution of Full HD. Sony has already launched 4K-compatible digital cinema projectors, as well as the F65 CineAlta camera—the industry’s highest resolution motion picture camera. Combined with professional editing products and a high-end, home theater projector, Sony is delivering an ecosystem of 4K products.

By bolstering technology differentiation centering on original, state-of-the-art technologies and core devices—which are the core strength of Sony’s electronics business—Sony plans to continue expanding and enriching its 4K lineup, from consumer-targeted to professional-use products. In doing so, Sony aims to offer its customers a new form of excitement.

V. Realigning Our Business Portfolio and Optimizing Resources

Through accelerated selection and focus, Sony will invest in core and new businesses as it aggressively works to transform itself into a more profitable structure.

Sony plans to focus its investments in three core businesses—digital imaging, game and mobile—as well as its new medical business. Other existing business areas will be evaluated to determine the optimum strategy for those businesses, including consideration of alliances, business transfers or spin-offs as necessary to optimize Sony’s overall business portfolio.

Sony has already completed the transfer of the small and medium-sized liquid crystal display business to an outside party. Sony has commenced negotiations with a view to transferring the chemical products business to an external party. Sony is also exploring possible alliances in the e-vehicle battery and energy storage businesses.

In addition to the business portfolio realignment, Sony is also restructuring its headquarters, operating subsidiaries and sales organization as it aims to further enhance management and operational efficiencies.

Note: A corporate strategy meeting was held in Tokyo on April 12, 2012. The information stated here is based on the information announced on that day.
Special Feature I

Sony Expands the World of 4K

Boasting resolution more than four times that of Full HD, 4K digital cinema has wowed even the most seasoned creative professionals. Sony’s outstanding digital imaging technology is opening up a world of possibilities in entertainment, and is poised to provide consumers with rich, new home theater experiences.
Sony teamed up with Brazilian television broadcaster TV Globo Internacional to film the Rio de Janeiro Carnival, capturing the excitement of the event in full 4K at 60 frames per second.
Sony Leads the Evolution of 4K

Sony’s 4K digital cinema initiatives began in response to the motion picture industry’s need for digital technology that could match the texture and quality of conventional film. Utilizing state-of-the-art electronic devices is essential to attain quality on par with or to surpass conventional film in terms of resolution, color reproduction and exposure latitude (reproducible exposure range). With in-house development capabilities covering everything from image sensors and display devices—crucial for bolstering image quality—to professional-use equipment, Sony successfully developed a range of movie production equipment and a 4K digital cinema projector, all of which have garnered high praise from creative professionals.

4K Format’s Unparalleled Image Data Volume Provides Vivid Viewing Experiences

The “K” in “4K” is derived from the format’s horizontal resolution, which is approximately 4,000 pixels. More precisely, the 4K format’s resolution of $4,096 \times 2,160$ pixels—8.85 million pixels in total—is the recommended standard for digital cinema by the six major Hollywood movie studios. Compared with Full HD ($1,920 \times 1,080$ pixels, a total of 2.1 million pixels), 4K provides more than four times the volume of image data, enabling faithful reproduction of such fine details as brightness, colors and out-of-focus background.

When projected onto the same sized screen, each 4K pixel is one quarter the size of an HD pixel. Since beautiful images can be reproduced right down to the finest detail, picture coarseness is eliminated even for those seated in the front row of a theater, meaning the same picture quality may be enjoyed from any seat in the house.

Furthermore, since part of a picture can be viewed in close-up as a high-resolution image, the 4K format has the potential to significantly expand the application of digital imaging technology in such areas as sports telecasts, security products and medicine.

4K format

<table>
<thead>
<tr>
<th>More than four times the resolution of Full HD</th>
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<tbody>
<tr>
<td>4K: $4,096 \times 2,160$ pixels</td>
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<tr>
<td>(8.85 million pixels)</td>
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<table>
<thead>
<tr>
<th>Full HD</th>
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<tbody>
<tr>
<td>$1,920 \times 1,080$ pixels</td>
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<tr>
<td>(2.1 million pixels)</td>
</tr>
</tbody>
</table>
Sony’s 4K Format Established in the Professional Production Arena

With the spread of digital cinema and the number of theaters able to screen movies in 4K increasing, Sony responded to demand from professional users with the F65 CineAlta camera, which combines Sony’s cutting-edge image sensor, image signal processing and optical processing technologies. For the F65’s core component, Sony developed an 8K CMOS image sensor. This new image sensor achieves an industry-leading resolution of 20 megapixels, as well as color reproduction and exposure latitude that surpasses that of conventional film. By utilizing a rotary shutter, the F65 also resolves the image sensor specific issue of object distortion, which sometimes affects shooting of fast-moving scenes. The F65, whose name derives from the superior 65mm film format, achieves image quality commensurate with its namesake.

The F65 Confirms Its Reputation as the Flagship Camera of the 4K Era

The F65 is on track to become the digital motion picture camera of choice among professionals, and has already been deployed filming the science fiction thriller After Earth, scheduled for release by Sony Pictures Entertainment in 2013. During production, the director of photography commented that they had no problems using the rotary shutter even when it rained or was hot and humid, and that they had even been able to shoot scenes of people running through the forest without distortion. He also praised the camera’s balance and ease of use.

Sony Promotes 4K for Increasingly Diverse Applications

Sony is vigorously promoting the overwhelming expressiveness of 4K outside the motion picture medium, in such areas as sports and documentaries. Shooting in such genres is done at 60 frames per second and demands natural expression at high resolution and using wide-angle shots. In 2011, Sony teamed up with major Brazilian television broadcaster TV Globo Internacional to shoot and produce a documentary capturing the excitement of this year’s Rio de Janeiro Carnival in full 4K at 60 frames per second. The documentary was also shown at the National Association of Broadcasters (NAB) trade show, the world’s largest exhibition of broadcasting equipment, where its vividly realistic, high-quality images garnered considerable acclaim.

Sony’s Digital Cinema Projection System Spreads Around the World

Theater operation for 4K digital cinema requires an ultrahigh-resolution projector and a cinema server to store and transfer at high speed a large volume of movie data to the projector. Sony is the only company to develop and manufacture in-house both types of equipment, and also possess extensive know-how from managing a global entertainment business. Hence, Sony’s Digital Cinema Solutions Business offers theaters and cinema chains a full product and service lineup, from projection system proposals to theater operations and management support. Sony’s system has already been adopted by North America’s largest cinema chain, Regal Entertainment Group, among others, and as of April 2012, the cumulative number of systems shipped topped 12,500 units, greatly contributing to the market penetration of 4K digital cinema.

Digital Cinema Projector Wins Okochi Memorial Production Prize

Sony was the winner of the 58th Okochi Memorial Production Prize from the Okochi Memorial Foundation. The award citation praised Sony’s early recognition of the potential of the 4K format, its development of the 4K SXRD™ high-resolution
reflective liquid crystal display device and its application in 4K projector products for cinema use. The award also cited Sony’s successful high-volume production as instrumental in the worldwide spread of 4K digital cinema.

| VPL-VW1000ES: The World’s First 4K Home Theater Projector |

To bring the experience of ultrahigh-resolution 4K digital cinema even closer to consumers, Sony developed the world’s first 4K home theater projector, the VPL-VW1000ES.

To enable customers to enjoy the vivid theater experience of 4K digital cinema at home, Sony newly developed the SXRD™ (Silicon X-tal Reflective Display) device (0.74-type 4K), a database-type super-resolution signal processing IC for 4K video system, and nearly all of the optical components, resulting in a home theater projector just one-ninth the size of its commercial-use counterpart. By combining many of Sony’s technologies, including Panel Alignment Function technology cultivated in the professional-use camera field, Sony was able to produce the de facto standard model for the 4K home theater market. As this case illustrates, through deft coordination between professional- and consumer-targeted products, Sony is uniquely positioned to apply technologies created for the high-end professional market in consumer products.

Starting with the VPL-VW1000ES 4K home theater projector, which delivers the vividness and beauty of 4K video and makes 3D projection possible, Sony will continue to support motion picture entertainment through its technology, thereby providing people everywhere with immeasurable enjoyment.

| 4K: Transforming the Motion Picture World |

Ryosuke Hayashi
General Manager
Products Planning Department
Content Creation Solutions Business Division
Professional Solutions Group

| Addressing Three Key Technological Issues |

To realize the F65 CineAlta camera, which was developed by mobilizing Sony’s collective strengths, we surmounted important technical challenges in all three critical areas to achieve high image quality.

First, to realize high resolution, we developed a new image sensor as the camera’s core component, achieving 8K resolution, superior even to 4K.

Next, in depth of field and image technology related to the accentuation of an object by making its background out of focus—a technique in which film-based cameras excelled—we resolved the issue of out-of-focus backgrounds, which had until that point been a major stumbling block for digital motion picture cameras, by adopting the large format super-35mm size for the CMOS sensor.

Last, we addressed color reproduction, where we realized a color gamut even broader than that of a film camera. This provided an increased degree of freedom in postproduction color editing for the director to reproduce the colors exactly as he or she wished.

A director who has used the F65 in movie production actually told us in reference to night and backlit scenes that it was far better than using film.

| Bringing 4K Home |

By transforming both the digital motion picture projector and camera, Sony has cleared the way for the rapid penetration of the 4K format, from production through
Sony has constantly led the way in the development of new formats for the motion picture production industry—from analog to digital, from SD to HD, and for the future of 4K.

Simultaneous Promotion of Product Development and Industry Standardization

To promote broad market penetration of new formats, Sony collaborates not only with customers in the professional user sphere but also other electronics manufacturers and industry standardization bodies worldwide to achieve format standardization. In the case of 4K, Sony simultaneously drove the development of superior products and the establishment of standards that would facilitate the widespread market uptake of those products.

The Trust of Customers

Sony’s relationship of trust with professional business customers does not end with the delivery of the product. We provide systems that integrate various products, as well as 24-hour after-sales service and quality-assurance warranty programs. We pay constant, meticulous attention to ensure that there are no inconveniences for customers that use our products in broadcasting or theater operation. These are the solutions we provide, and we believe that this is an important part of our responsibility as a manufacturer.

The World of 4K Spreads from the Professional User to the Consumer

Applying Achievements in the Professional Sphere to Products for the Home

While we have conducted innovative technology development in the professional user sphere over many years, an important part of this process is the application, over time, of these technologies to our consumer product lineup. Through the establishment of systems in the commercial-use market for the production of high-image-quality content, Sony’s goal for 4K is to keep providing audiences worldwide with thrilling experiences based on sublime images and sound.

Last year, Sony launched its 4K home theater projector. Although its development was based on the commercial-use digital cinema projector, as a product for household use, it needed to be made much more compact. While the display device, LSI and nearly all optical components had to be newly developed, our semiconductor and product teams conducted robust discussions to overcome many technical challenges. As a result, we were able to provide a finished product that lets customers enjoy at home image quality that had previously only been possible in theaters.

Expanding the World of 4K

The 4K format is not limited to movies. Sony is providing a diverse range of applications, including sports broadcasts, television dramas and commercials, as well as in such fields as medicine and security, where high-resolution images are essential.

Sony applies the technologies cultivated for commercial use in the consumer sphere. We will offer the new value of unprecedented quality 4K images displayed on large screens to as many viewers as possible.

The Sony Group possesses a lineup of products backed by cutting-edge technology, a rich array of entertainment content and a network service infrastructure. This structure is indeed Sony’s unique strength, unable to be replicated by other companies. By maximizing this strength, we are able to pursue new technologies, develop our product lineup and provide an environment in which customers can enjoy entertainment content. The entire Sony Group is unified in its goal of opening up the world of 4K and creating new businesses.
A Stacked CMOS Image Sensor That Accelerates the Evolution of Digital Imaging

Sony developed a next-generation image sensor that will enable further advances in camera functionality, as well as achieve more compact sizes. Sony’s cutting-edge technology—developed with the aims of realizing “Super Reality,” which surpasses human vision—continues to drive the evolution of digital imaging.
Newly Developed Stacked CMOS Image Sensor Introduces “Super Reality”

In 1978, Sony announced that it had developed a 0.11 megapixel charge-coupled device (CCD) image sensor. Since then, underpinned by its superior semiconductor process technologies, Sony has ceaselessly pursued the development of image sensors that provide both high resolution and ease of use. While maintaining the leading market share for CCD image sensors, in 2007 Sony developed the Exmor™ image sensor by capitalizing on the low power consumption and high speed of complementary metal oxide semiconductor (CMOS) technology, as well as on high-image-quality pixel technology nurtured through development of the CCD. Using Sony’s proprietary on-chip column parallel analog-digital (A/D) conversion and dual noise reduction technologies, Exmor™ achieved increased speed and lower noise. Then in 2008, Sony developed the Exmor R™ back-illuminated CMOS image sensor, which enables cameras to capture clear images even in scenes lit only by candle. Image sensors are imaging elements that may be thought of as the “eyes” of digital cameras. Sony’s technologies have thus supported the advancement of image sensors, contributing greatly to enhancements in image resolution and camera speed, enabling Sony to build technical and competitive advantages.

In January 2012, Sony announced that it had successfully developed a stacked CMOS image sensor. In place of the supporting substrate used in conventional back-illuminated CMOS image sensors, this groundbreaking new image sensor layers the pixel section containing formations of back-illuminated structure pixels onto chips containing the circuit section for signal processing. Fabrication of this structure requires state-of-the-art precision in semiconductor process technology. Sony was able...
to make this breakthrough thanks to its unique strengths in high-resolution technologies, know-how cultivated in the CCD field and cutting-edge metal oxide semiconductor (MOS) technology. This success in developing the stacked structure opens up room for large-scale circuits to be built in, achieving further enhancement in image quality, superior functionality and a more compact size for digital cameras and mobile devices. The new structure is positioned to become the next generation of back-illuminated CMOS image sensors. Today, Sony is taking steps to further enhance CMOS image sensor technology and broaden its product lineup, paving the way for the development of user-friendly cameras that provide even greater photography enjoyment.

Sony technology is making cameras smaller and improving image quality by pushing back the frontiers of image sensor evolution. As it focuses on introducing an era of “Super Reality” surpassing human vision, Sony will continue to lead the digital imaging world by ensuring the industry’s highest quality and most advanced technologies.
Achieving Dominance in the CMOS Image Sensor Market

CMOS image sensors are used in a wide range of Sony products, including Sony Handycam® digital camcorders, α series interchangeable lens DSLR cameras and Android™-based Xperia™ arc smartphones, as well as in digital cameras, camera-equipped mobile phones and other products manufactured by third parties. In recent years, the rapid growth in smartphone use and other devices has diversified the way camera functions are used. This, in turn, is driving demand for advanced cameras that cater to a wide variety of shooting scenarios. With the aim of realizing an image sensor that can respond to such market needs, Sony has focused on key traditional parameters such as increased pixel counts, improved resolution and higher speed, in addition to developing the stacked CMOS image sensor which facilitates greater functionality and compactness, thereby pushing forward the evolution of cameras. Owing to these advanced features, Sony’s new stacked CMOS image sensor is expected not only to deliver unprecedented photographic experiences, but also to play an important role as the core technology for digital products in fields such as security and medical science. Sony’s new image sensor also promises to open the way for adoption of image sensors for a wider range of applications with sensing and authentication functions.

Sony began developing image sensors in-house almost 40 years ago, building up extensive know-how and technical capabilities in the continuous pursuit of high image quality. This has enabled it to maintain the top revenue share in the global image sensor market. Going forward, Sony will strive to remain the leader in innovative technology by further accelerating research and development. Sony also plans to expand manufacturing capacity at Sony Semiconductor Corporation’s Nagasaki Technology Center (Nagasaki TEC) and Kumamoto Technology Center (Kumamoto TEC), with the aim of establishing dominance in the CMOS image sensor market, thus complementing its leading position in CCD image sensors.
Developing the Stacked CMOS Image Sensor

The principal theme guiding our efforts is the desire of people to be able to shoot photographs and video that create vivid memories that bring the viewer back to the time and place depicted. To accomplish this, you need a camera that delivers the resolution, sensitivity and color necessary to faithfully capture images.

In developing the stacked CMOS image sensor, we sought to realize advanced functionality and compactness, thus responding to the needs of a wide variety of applications that are likely to be developed in the future. I expect the stacked CMOS image sensor to gain popularity as a next-generation back-illuminated CMOS image sensor, but, more importantly, I believe that we have taken a step closer to a world where we can reproduce memories so vividly that you feel like you are actually there.

Sony’s Strengths in the Image Sensor Market

Going back to our first CCD image sensor, our ability to constantly innovate in image sensor development has been underpinned by our unwavering pursuit of high image quality, as well as by cutting-edge MOS technology accumulated in the development of LSIs for audio and video products and game consoles.

The manufacturing process for stacked CMOS image sensors requires an extremely high level of precision in the positioning of semiconductor layers. To get an idea of the precision involved, imagine an area the size of a baseball stadium: you need technology that can place an object as minute as a few strands of hair in exactly the right position.

Sony has an absolute commitment to delivering superb image quality, as well as top-class technical capabilities. These two attributes are what have enabled us to remain a leader in the image sensor market.

On the Frontlines of Development

Sony’s electronics business encompasses products for consumers and products for professional users. In the Image Sensor Business Division, incorporating valuable insights from both of these domains into our development process enables us to cultivate unique strengths.

As we introduce “Super Reality,” which surpasses human vision, we are also looking ahead to identify new potential in the area of image sensors. It is in our Sony DNA to never give up. If we discover something truly exciting—something that makes us shout “This is it!”—we keep going until we’ve finished what we set out to do. This was true for the stacked CMOS image sensor, which we were able to develop ahead of our competitors because we believed that it was the key to future innovation.

We will continue to contribute to the advancement of digital imaging by developing technologies that will allow us to bring excitement and enjoyment to as many people as possible.
Consolidated sales decreased year-on-year primarily due to the unfavorable impact of foreign exchange rates, the impact of the Great East Japan Earthquake and the floods in Thailand, and deterioration in market conditions in developed countries.

Consolidated operating loss was recorded compared to income in the previous fiscal year primarily due to the above-mentioned lower sales factors and a significant deterioration in equity in net income (loss) of affiliated companies.

A large net loss attributable to Sony Corporation’s stockholders was recorded mainly due to the recording of a non-cash tax expense related to the establishment of valuation allowances against deferred tax assets, predominantly in the U.S.

### Consolidated Financial Results for the Fiscal Year Ended March 31, 2012 (Fiscal Year 2011)

<table>
<thead>
<tr>
<th>Sales and operating revenue</th>
<th>¥6,493.2 billion</th>
<th>(-9.6%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating income (loss)</td>
<td>(¥67.3 billion)</td>
<td>(－)</td>
</tr>
<tr>
<td>Income (loss) before income taxes</td>
<td>(¥83.2 billion)</td>
<td>(－)</td>
</tr>
<tr>
<td>Net income (loss) attributable to Sony Corporation’s stockholders</td>
<td>(¥456.7 billion)</td>
<td>(－)</td>
</tr>
</tbody>
</table>

Note: Percentage change from the previous fiscal year is shown in parentheses.

| Sales and operating revenue (Yen in trillions) | 7.2 | 7.2 | 6.5 |
| Operating income (loss) (Yen in billions)    | 213.4 | 252.8 | 138.5 |
| Income (loss) before income taxes (Yen in billions) | 31.8 | 199.8 | (67.3) |
| Net loss attributable to Sony Corporation’s stockholders (Yen in billions) | (40.8) | (259.6) | (456.7) |

Note: This is a presentation in accordance with Generally Accepted Accounting Principles in the U.S.
**Proportion of sales by business**

- **Professional, Device & Solutions**
  - Professional Solutions (29.0%)
  - Semiconductors (38.9%)
  - Components (30.7%)
  - Other (1.4%)

- **Consumer Products & Services**
  - Televisions (27.4%)
  - Home Audio and Video (7.9%)
  - Digital Imaging (16.3%)
  - Personal and Mobile Products (23.6%)
  - Game (24.3%)
  - Other (0.5%)

**Combined total of cash flows from operating and investing activities excluding Financial Services**

- **Cash flows from operating activities**
  - 2010: (247.9) billions
  - 2011: (137.6) billions
  - 2012: 176.1 billions

- **Cash flows from investing activities**
  - 2010: 570.2 billions
  - 2011: 255.8 billions
  - 2012: 118.3 billions

- **Combined total excluding Financial Services**
  - 2010: (570.2 + 247.9) = 818.1 billions
  - 2011: (255.8 + 137.6) = 393.4 billions
  - 2012: 176.1 billions

**Capital expenditures**

- 2010: 192.7 billions
- 2011: 204.9 billions
- 2012: 295.1 billions

**Research and development costs**

- 2010: 432.0 billions
- 2011: 426.8 billions
- 2012: 433.5 billions

**Legend**
- Consumer Products & Services
- Professional, Device & Solutions
- Semiconductors
- Components
- Other
- Financial Services
- Sony Mobile Communications
- All Other
- Corporate

**Notes**
- Cash flows from operating activities
- Cash flows from investing activities
- Combined total excluding Financial Services
The Consumer Products & Services segment includes televisions, home audio and video, digital imaging, personal and mobile products and the game business.

Sales and operating revenue decreased 18.5% year-on-year, to ¥3,136.8 billion.
- Sales to outside customers decreased 18.8% year-on-year.
- LCD television sales declined, reflecting lower unit sales and price declines, largely as a result of market contractions in Japan and the deterioration of market conditions in Europe and North America. Sales of PCs and digital imaging products, including digital cameras, were also down, mainly reflecting the impact of the floods in Thailand and unfavorable foreign exchange rates. Lower sales of PlayStation®3 hardware, due to a strategic price reduction, and of PlayStation®2, due to platform migration, led to a decrease in sales in the game business.

An operating loss of ¥229.8 billion was recorded, compared with operating income of ¥10.8 billion in the previous fiscal year.
- The segment’s operating loss was due primarily to such factors as a decrease in gross profit, provoked by the segment sales decline noted above (excluding the impact of foreign exchange rates), and the deterioration of both the cost of sales ratio and equity in net income (loss) of affiliated companies.
- Product categories contributing to the decline in operating income—excluding restructuring charges, an impairment loss on Sony’s shares in S-LCDs and subsequent foreign currency adjustments and impairments of long-lived assets—were LCD televisions, a result of additional LCD panel-related expenses arising from low capacity utilization for S-LCDs and of a decline in sales, and the game business, also reflecting a decline in sales.
The Professional, Device & Solutions segment includes professional solutions, semiconductors and components.

Sales and operating revenue decreased 12.6% year-on-year, to ¥1,313.8 billion.
- Sales to outside customers decreased 9.3% year-on-year.
- In the components category, batteries and storage media sales were primarily affected by the impact of the Great East Japan Earthquake and unfavorable foreign exchange rates.

The segment reported an operating loss of ¥20.2 billion, compared with operating income of ¥27.7 billion in the previous fiscal year.
- The operating loss was attributable to the deterioration of the cost of sales ratio, as well as unfavorable foreign exchange rates and a decrease in gross profit due to lower sales (excluding the impact of foreign exchange rates).
- One product category that had a particularly unfavorable impact on the change in segment operating results (excluding restructuring charges) was components.

The Pictures segment consists of motion pictures and television production and distribution, and other businesses of Sony Pictures Entertainment Inc. (SPE), which is based in the United States.

Sales increased 9.6% year-on-year, to ¥657.7 billion.
- Sales rose (an 18% year-on-year increase on a U.S.-dollar basis) benefiting from higher television revenues from the licensing of U.S. programming, revenues recognized from the consolidation of Game Show Network, LLC (GSN)—which was accounted for under the equity method in the previous fiscal year—and higher advertising revenues from SPE’s television networks in India.

Operating income decreased 11.7% year-on-year, to ¥34.1 billion.
- Operating income decreased, owing to a gain recognized in the previous fiscal year, consisting of a remeasurement gain on the acquisition of a controlling interest in GSN and a gain on the sale of SPE’s remaining equity interest in a Latin American premium pay television business.
The Music segment consists of the music recording businesses of U.S.-based Sony Music Entertainment and Japan-based Sony Music Entertainment (Japan) Inc.

Sales and operating revenue decreased 5.9% year-on-year, to ¥442.8 billion.
- Sales declined, owing to the negative impact of the appreciation of the yen against the U.S. dollar and the continued contraction of the physical music market, offset by the strong performance of a number of key releases during the year.
- Noteworthy contributions to sales during the year came from Adele’s 21, Beyoncé’s 4, Pitbull’s Planet Pit, Foo Fighters’ Wasting Light, One Direction’s Up All Night and music from the hit U.S. television show Glee.

Operating income decreased 5.2% year-on-year, to ¥36.9 billion.
- The decrease reflects the impact of the decline in sales noted above and of higher restructuring costs, partially offset by lower overhead costs, a benefit from the recognition of digital license revenues and a favorable legal settlement concerning copyright infringement.

The Financial Services segment primarily includes 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. (Sony Bank), as well as the results for Sony Finance International Inc.

Revenue rose 8.1% year-on-year, to ¥871.9 billion.
- The increase in segment revenue was due largely to a significant increase in revenue at Sony Life.
- Higher revenue at Sony Life was primarily due to an increase in insurance premium revenue, reflecting a higher policy amount in force.

Operating income increased 10.6% year-on-year, to ¥131.4 billion.
- Operating income rose, owing primarily to higher operating income at Sony Life, which was partially offset by the deterioration of operating results at Sony Bank, reflecting a foreign exchange loss on foreign currency-denominated customer deposits compared with a gain in the previous fiscal year.
- The increase in revenue at Sony Life was due mainly to higher insurance premium revenue and a partial reversal of an incremental provision for insurance policy reserves in the current fiscal year, which was recorded in the previous fiscal year due to the Great East Japan Earthquake.

* Results for Sony Life are based on generally accepted accounting principles in the United States (U.S. GAAP). Accordingly, these figures differ from the results published by SFH and Sony Life, which are based on generally accepted accounting principles in Japan.

Note: Years ended March 31.
Sony Mobile Communications AB (“Sony Mobile”) undertakes the design, development, production and sales of mobile phones.

Sales and operating revenue declined 12.4% year-on-year, to €5,289 million.
- The decline reflects certain component shortages resulting from the Great East Japan Earthquake and the floods in Thailand, in addition to the lower number of feature phones shipped as a result of the company’s focus on smartphones.

The segment reported a loss before income taxes of €536 million, compared with operating income of €133 million in the previous fiscal year.
- A loss before income taxes was posted, owing to the decrease in units shipped and the impact of intense price competition for smartphones and an increase in restructuring charges.

Note:
The sales and operating revenue and operating income (loss) of Sony Mobile shown in the table are included in Sony’s consolidated financial statements. ‘Sales and operating revenue’ reflects sales and operating revenue from February 16 through March 31, 2012. ‘Operating income (loss)’ reflects Sony’s equity earnings (loss) in Sony Ericsson prior to consolidation (i.e., up to and including February 15, 2012). Sony Mobile’s operating income (loss) from February 16 through March 31, 2012 and a remeasurement gain of ¥102.3 billion.

* Sony Manufacturing Systems was merged into Sony EMCS Corporation in April 2012.

All Other consists of various operating activities, including disc manufacturing business activities and So-net Entertainment Corporation, an Internet-related service business subsidiary operating mainly in Japan.

Sales and operating revenue declined 1.2% year-on-year, to ¥442.7 billion.
- The decrease in sales is due mainly to significantly lower sales in the mobile phone original equipment manufacturing (OEM) business in Japan and unfavorable foreign exchange rates.

The segment reported an operating loss of ¥3.5 billion, compared with operating income of ¥7.1 billion in the previous fiscal year.
- This result was due largely to significantly lower sales, inventory devaluation and asset impairments in the manufacturing system business of Sony Manufacturing Systems*, which were partially offset by an increase in profit in the disc manufacturing business, owing to the reversal of a patent royalty accrual.

* Sony Manufacturing Systems was merged into Sony EMCS Corporation in April 2012.
Sony Products, Services and Content

Sony is engaged in a broad range of businesses, including the electronics business, which encompasses televisions, digital imaging and mobile communications devices; the game business; the entertainment business, which covers movies and music; and the financial services business.

Televisions

BRAVIA™ LCD Televisions (HX850 Series)

An attractive addition to any living room, BRAVIA LCD televisions boast Internet connectivity, thus providing a brand new way to enjoy television. The HX850 series achieves a notable improvement in picture quality, thanks to the X-Reality™ PRO Picture Engine, which ensures a beautiful clear picture whether you are watching digital television broadcasting or a 3D movie, as well as quadruple speed technology, which ensures smooth, natural motion for sports and other fast-moving images, and the OptiContrast Panel, which delivers deep blacks and vibrant colors. Televisions in this series also allow users instant access to a wide variety of network services through Sony Entertainment Network.

In fiscal year ending March 31, 2013 (fiscal year 2012), Sony will focus on decisively implementing strategic measures aimed at restoring profitability. With the aim of inspiring and delighting customers, Sony will also strive to enhance the appeal of its televisions by achieving image and sound quality that dazzles the senses, as well as by further expanding its menu of network services.

Digital Imaging

HDR-PJ760V Handycam® camcorder

The Full HD HDR-PJ760 Handycam® camcorder is mounted with the Exmor R™ back-illuminated complementary metal oxide semiconductor (CMOS), which delivers outstanding low-light performance. Other features include a wide-angle lens, which enhances its suitability for use in close quarters, and Balanced Optical SteadyShot™, which reduces camera shake even when zooming, giving this model an image stabilization capability of up to 13 times greater than its predecessors, ensuring crisper, clearer video. The HDR-PJ760 is also equipped with a built-in high-performance projector that makes it possible to project images and video onto walls or other flat surfaces, rather than watch them on the unit’s screen, thus enabling users to view and enjoy video even when there is no television at hand.

Sales of Handycam® camcorders in fiscal year 2011 totaled 4.4 million units, maintaining Sony’s high global market share at 44%. Looking ahead, Sony will continue leveraging its digital imaging technologies to offer customers appealing products that further heighten their enjoyment of video.
**NEX-7 Interchangeable Lens Digital Camera**

Compatible with Sony’s compact E-mount mirrorless interchangeable lenses, the NEX-7 boasts a massive 24.3 effective megapixel APS-C size image sensor (the same size used in standard digital single-lens reflex DSLR cameras), which provides over 10 times more area than the average compact digital camera sensor and approximately 1.6 times more area than Micro (Four-Thirds) sensors, thereby capturing a greater amount of light. This impressive sensor is coupled with an improved BIONZ® image processing engine, ensuring beautiful bokeh ("defocused") effects, highly detailed tonal gradation and clear, low-noise picture quality for both still images and Full HD video. The NEX-7 also offers an OLED viewfinder with a bright, high-resolution display, which ensures quick responsiveness and approximately 100% frame coverage, as well as such groundbreaking features as the user-friendly Tri-Navi™ control system, which assigns settings to three different dials, making it possible to select and adjust settings quickly and easily, all contained in a compact, light body—attributes that earned high marks, even from experienced photographers.

Going forward, Sony will step up efforts to develop image sensors and other proprietary technologies to further cement its leading position in the digital camera market.

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**Personal Computers**

**VAIO® Z Series**

Z Series offers both fast boot-up and read/write speeds and a slim, light design. VAIO® Z Series PCs can also be connected to the Power Media Dock™ for improved graphics and greater expandability. In addition to fortifying its sales activities in the increasingly competitive PC markets of developed countries, Sony plans to continue addressing the challenge of bolstering its sales in promising emerging economies. With plans to introduce models in fiscal year 2012 that will run on the Windows 8 operating system, Sony aims to further strengthen its lineup of attractive products with enhanced features that appeal to customers.
Digital Music Players

“Walkman” Z Series

In September 2011, Sony launched the “Walkman” Z Series of digital music players. Equipped with advanced sound-enhancing technologies, including the proprietary S-Master MX digital amplifier, modified for mobile devices, these are the best-sounding players in “Walkman” history. In addition to a full range of exclusive “Walkman” performance features, including the W.Music application that allows intuitive music browsing, and the W.Button, which makes it possible to control playback regardless of what is on the screen, “Walkman” Z series digital music players come with a wide range of exciting applications for the Android™ platform.

“Walkman” devices continue to enjoy a significant share of the Japanese market for digital music players. Having positioned “Walkman” Z as its flagship model, Sony will continue to enhance existing performance features and applications for the Android™ platform, with the aim of expanding the scope of mobile entertainment from music.

Head Mounted Displays

HMZ-T1 “Personal 3D Viewer”

In line with its goal of offering innovative styles for viewing 3D content, in August 2011 Sony announced the launch of the HMZ-T1 “Personal 3D Viewer,” the world’s first consumer-use device to incorporate HD OLED displays.

Simply slipping the unit—which features shielding construction for a field of vision close to that of a human being—on one’s head immerses the user in a movie theater-like experience, facilitated by a proprietary optical lens which realizes a wide horizontal viewing angle of 45 degrees, coupled with highly realistic 5.1 channel Virtual Surround Sound. This device also uses the Dual Panel 3D format, for astonishingly realistic 3D video with greater quality and depth than conventional 3D formats.
Smartphones

**Xperia™ S**

The Xperia™ S is the first* Sony-brand Xperia™ smartphone. In addition to fast and easy operability made possible by a high-performance 1.5GHz dual core central processing unit (CPU), the Xperia™ S boasts a high-resolution (1280 × 720 pixels) 4.3-inch HD display. A 12.1-effective megapixel “Exmor R for mobile” CMOS image sensor and Mobile BRAVIA® Engine combine to ensure high-sensitivity, high-quality still images and HD video that deliver an evolved entertainment experience.

In fiscal year 2011, Sony began to shift the focus of its mobile phone business exclusively to smartphones. Smartphone sales for the period accounted for a 60-percentage point higher share of Sony’s total mobile phone sales than in fiscal year 2010, with cumulative shipments of Xperia™ smartphones reaching 28 million units. Going forward, Sony will continue to add innovative new models to its lineup of Android™-based smartphones.

* Sony’s mobile phones were branded Sony Ericsson until Sony bought the remaining 50% interest in Sony Ericsson in February 2012, and formed Sony Mobile Communications.

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**Game**

**PlayStation®Vita (PS Vita)**

PS Vita is a portable entertainment system that embodies the deep and immersive gaming experience that is PlayStation®’s DNA. In addition to Wi-Fi connectivity supporting large-capacity data reception, PS Vita is also 3G-enabled and allows infinite possibilities for users to “encounter,” “connect,” “discover,” “share” and “play” with friends wherever they are.

The operating environment for the Game business is changing at an astonishing pace. Sony Computer Entertainment will continue striving to respond to the increasingly diverse game playing styles of users by offering ever-more appealing entertainment experiences.
Men in Black™ 3

In *Men in Black™ 3*, Agents J (Will Smith) and K (Tommy Lee Jones) are back...in time. J has seen some inexplicable things in his 15 years with the Men in Black, but nothing, not even aliens, perplexes him as much as his wry, reticent partner. But when K’s life and the fate of the planet are put at stake, Agent J will have to travel back in time to put things right. J discovers that there are secrets to the universe that K never told him—secrets that will reveal themselves as he teams up with the young Agent K (Josh Brolin) to save his partner, the agency and the future of humankind.

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The Amazing Spider-Man™

The Amazing Spider-Man™ is the story of Peter Parker (Andrew Garfield), an outcast high schooler who was abandoned by his parents as a boy, leaving him to be raised by his Uncle Ben (Martin Sheen) and Aunt May (Sally Field). Like most teenagers, Peter is trying to figure out who he is and how he got to be the person he is today. Peter is also finding his way with his first high school crush, Gwen Stacy (Emma Stone), and together, they struggle with love, commitment and secrets. As Peter discovers a mysterious briefcase that belonged to his father, he begins a quest to understand his parents’ disappearance—leading him directly to Oscorp and the lab of Dr. Curt Connors (Rhys Ifans), his father’s former partner. As Spider-Man is set on a collision course with Connors’ alter-ego, The Lizard, Peter will make life-altering choices to use his powers and shape his destiny to become a hero.

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Music

One Direction

One of the most popular acts to emerge from The X Factor UK, One Direction formed on the show and has been making history ever since. Their debut album, Up All Night, charted at No. 1 in 16 countries. When Up All Night entered the U.S. Billboard Top 200 at No. 1 with more than 176,000 copies sold, One Direction became the first British group ever to top the U.S. charts with a debut album. Further proof of their intense popularity, One Direction’s DVD Up All Night: The Live Tour debuted at No. 1 in 25 countries. Selling 76,000 copies in the U.S. its first week, One Direction made Billboard chart history as the first No. 1 DVD to outsell that week’s No. 1 album.

Usher

Seven-time GRAMMY® Award winner Usher released his eagerly anticipated new album Looking 4 Myself in June 2012 (RCA Records). Usher has been ranked by the RIAA as one of the best-selling artists in American music history, having sold more than 43 million albums worldwide. He has won numerous awards, including seven GRAMMY® Awards, and was recently named the No. 1 Hot 100 artist of the 2000s. Billboard named him the second most successful artist of the 2000s, with his career-propelling 2004 album Confessions ranked as the top solo album of the decade. Usher has attained nine Hot 100 No. 1 hits (all as a lead artist) and 17 Hot 100 top-ten singles.

Kana Nishino

Feted by fans for her lyrics, which speak poignantly of love, as well as for her incomparable singing voice and striking beauty, Kana Nishino was hailed as a “charismatic songstress for the connected generation” when she burst onto Japan’s music scene. Her immensely successful second album, to LOVE, sold more than 950,000 physical copies. In 2011, she made her second consecutive appearance on Kohaku Utagassen, an annual music show on New Year’s Eve produced by Japanese public broadcaster NHK. Her first nationwide tour is scheduled for autumn 2012, underscoring hopes that she will be even more successful in years ahead.
Lady Gaga

Singer-songwriter Stefani Joanne Angelina Germanotta, better known as Lady Gaga, signed with Sony/ATV Music Publishing in 2008 and has gone on to become an international superstar and cultural icon. Known around the world for her unique and catchy songs, over-the-top fashion and generous philanthropy, Lady Gaga has sold a staggering 24 million albums worldwide and 65 million singles worldwide. At just 26 years old, Lady Gaga has already won five GRAMMY® Awards, 13 MTV Video Music Awards and achieved two Guinness World Records, among many other awards. After the astronomical success of her latest album, the multi-platinum *Born This Way*, Lady Gaga began this year working on a new album and embarked upon a worldwide tour that began in April 2012.

Financial Services

While striving to maintain a highly sound financial position, the group companies of Sony Financial Holdings, Inc.—Sony Life Insurance Co., Ltd. (Sony Life), Sony Assurance Inc. (Sony Assurance) and Sony Bank Inc. (Sony Bank)—provide high-quality financial products through an original business model. Sony Life has steadily expanded its operations and achieved an increase in policy amount in force. It has done this principally by designing and selling customized life insurance products based on consultations with customers conducted by sales employees in the Lifeplanner* channel and by providing extensive after-sales follow-up services. Sony Assurance provides automobile insurance and enjoys broad customer support for both its reasonable premiums by segmenting risk and its high-quality services, commanding a high market share among major direct insurers for automobile insurance in Japan. Sony Bank has established a low-cost business structure unique to Internet banks. Leveraging the advantages of the Internet, Sony Bank responds to the asset management needs of individual customers with a lineup of highly convenient, high-quality financial products and services, earning it consistently high scores in customer satisfaction surveys.

* “Lifeplanner” is a registered trademark of Sony Life.
CSR Highlights

Sony’s corporate social responsibility (CSR) activities reflect its philosophy of helping to build a better, more sustainable society through sound business practices, which earn the trust of stakeholders, and through innovation, which stakeholders have come to expect. Sony believes that its CSR activities and those of its employees will not only help to contribute to the realization of a sustainable society but also enhance Sony’s corporate value.

Against the backdrop of growing interest among stakeholders in more integrated disclosure of CSR activities in conjunction with financial reporting, this year Sony is issuing an Annual Report (one report) incorporating the information previously included in its Annual and CSR reports. The CSR Highlights section of this report reviews key CSR activities related directly to Sony’s business activities and certain other topics of interest to stakeholders.
Sony has long been committed to strong corporate governance, as one of its most important management initiatives. As a part of this effort, in 2003, Sony adopted the “Company with Committees” corporate governance system under the Companies Act of Japan. In addition to complying with the requirements of applicable governance laws and regulations, Sony has introduced its own requirements to help improve and maintain the soundness and transparency of its governance by strengthening the separation of the Directors’ function from that of management and advancing the proper functioning of the statutory committees. Under Sony’s system, the Board of Directors defines the respective areas for which each of the Corporate Executive Officers is responsible and delegates to them decision-making authority to manage the business, thereby promoting the prompt and efficient management of the Sony Group.

### Governance Structure

Sony Corporation is governed by its Board of Directors, which is appointed by resolution at the annual shareholders’ meeting. The Board has three committees (the Nominating Committee, Audit Committee and Compensation Committee), each consisting of Directors named by the Board of Directors. Corporate Executive Officers are appointed by resolution of the Board of Directors. In addition to these statutory bodies and positions, Sony has Corporate Executives who carry out business operations within designated areas.

### Sony Initiatives

To strengthen its governance structure beyond legal requirements, Sony Corporation includes several provisions in its Charter of the Board of Directors to help ensure the separation of the Board of Directors from the execution of business, and to advance the proper functioning of the statutory committees.

The main such provisions are as follows:

- separating the roles of the Board chairperson/vice chairperson and Representative Corporate Executive Officers;
- limiting the number of terms for outside Directors;
- appointing chairs of statutory committees from the ranks of outside Directors;
- setting forth qualifications for Directors for the purpose of eliminating conflicts of interest and ensuring independence;
- raising the minimum number of Nominating Committee members (five or more) and requiring that at least two Directors of the Committee be Corporate Executive Officers;
- suggesting that, as a general rule, at least one Director of the Compensation Committee be a Corporate Executive Officer;
- prohibiting the CEO or COO of Sony (or persons in any equivalent position) from serving on the Compensation Committee; and
- discouraging the concurrent appointment of Audit Committee members to other committees.

### Risk Management System

Each Sony Group business unit, subsidiary or affiliated company, and corporate division is expected to review and assess business risks on a regular basis, and to detect, communicate, evaluate and respond to risk in their particular business areas.

In addition, Sony Corporation’s Corporate Executive Officers have the authority and responsibility to establish and maintain systems for identifying and controlling risks with the potential to cause losses or reputational damage to the Sony Group in the areas for which they are responsible.

The Corporate Executive Officer in charge of Compliance is tasked with promoting and managing the establishment and maintenance of such risk management systems through the coordinated activities of the Group Risk, Compliance, Internal Audit and other relevant groups.

The Group Risk Office has been established in Sony Corporation to promote risk management initiatives, such as business continuity planning, across the organization.
Supervision
Board of Directors

- Determines the fundamental management policies of the Sony Group.
- Oversees the performance of the duties of Directors and Corporate Executive Officers.
- Appoints and dismisses the statutory committee members.
- Appoints and dismisses Corporate Executive Officers and Representative Corporate Executive Officers.

Chairman of the Board: Howard Stringer
Vice Chairman: Osamu Nagayama*
Kazuo Hirai
Ryoji Chubachi
Masaru Kato
Peter Bonfield*
Ryuji Yasuda*
Yukako Uchinaga*

Mitsuaki Yahagi* Special Advisor, The Japan Research Institute, Ltd.
Tsun-Yan Hsieh* Founder & Chairman, LinHart Group
Roland A. Hernandez* Retired Chairman and Chief Executive Officer, Telemundo Group, Inc.
Kanemitsu Anraku* Director, Mizuho Financial Group, Inc.
Yorihiko Kojima* Chairman of the Board, Mitsubishi Corporation
Osamu Nagayama* Representative Director, Chairman and Chief Executive Officer, Chugai Pharmaceutical Co., Ltd.
Takaaki Nimura*

Nominating Committee
Peter Bonfield* (Chairman)
Osamu Nagayama*
Roland A. Hernandez*
Yorihiko Kojima*
Howard Stringer
Kazuo Hirai
Ryoji Chubachi

* An Outside Director who satisfies the requirements under Item 15, Article 2 of the Companies Act of Japan

Compensation Committee
Ryuji Yasuda* (Chairman)
Tsun-Yan Hsieh*
Masaru Kato

Audit Committee
Takaaki Nimura* (Chairman)
Mitsuaki Yahagi*
Kanemitsu Anraku*

Management
Corporate Executive Officers

- Make decisions regarding the management of Sony Group business activities within the scope of the authority delegated to them by the Board of Directors.

Kazuo Hirai** Representative Corporate Executive Officer, President and CEO
Ryoji Chubachi** Representative Corporate Executive Officer, Vice Chairman
Hiroshi Yoshioka Executive Deputy President, Officer in charge of Medical Business
Keiji Kimura Executive Vice President, Officer in charge of Intellectual Property
Nicole Seligman Executive Vice President, General Counsel
Masaru Kato** Corporate Executive Officer, EVP and CFO
Tadashi Saito Corporate Executive Officer, Vice President and Chief Strategy Officer
Shoji Nemoto Corporate Executive Officer, EVP
Tomoyuki Suzuki Corporate Executive Officer, Executive Vice President
Kunimasa Suzuki

** Representative Corporate Executive Officer concurrently serving as Director

Corporate Executives

- Carry out business operations within designated areas, including business units, headquarters functions, and/or research and development, in accordance with the fundamental policies determined by the Board of Directors and the Corporate Executive Officers.

(Names and positions of new Directors and Corporate Executive Officers as of June 27, 2012)
Ethical business conduct and compliance with applicable laws and regulations are fundamental aspects of Sony’s corporate culture. To this end, Sony has established a Global Compliance Network comprised of the Compliance Division at the corporate headquarters, a global compliance leadership team and regional compliance offices around the world. Additionally it has adopted and implemented the Sony Group Code of Conduct and set up Compliance Hotline systems through its Global Compliance Network. Sony has taken these actions in order to reinforce the Company’s worldwide commitment to integrity and help assure resources are available for employees to raise concerns or seek guidance about legal and ethical matters.

Strengthening the Compliance System

In July 2001, Sony Corporation established the Compliance Division, charged with exercising overall control over compliance activities across the Sony Group, to emphasize the importance of business ethics and compliance with applicable laws, regulations and internal policies. The Compliance Division establishes compliance policies and structures for the Sony Group.

In July 2003, Sony established a regional compliance network, comprised of offices in the Americas, Europe, Japan, East Asia*1 and Pan-Asia*2, which are charged with exercising regional control over compliance activities to strengthen the compliance system throughout the Sony Group.

*1 Coverage area: Mainland China, Hong Kong, Taiwan and South Korea
*2 Coverage area: Southeast Asia, Middle East, Africa and Oceania

Sony Group Code of Conduct and Internal Hotline System

In May 2003, Sony adopted the Sony Group Code of Conduct, which sets the basic internal standards to be observed by all directors, officers and employees of the Sony Group, in order to emphasize and further strengthen corporate governance, business ethics and compliance systems throughout the Sony Group. In addition to legal and compliance standards, the Code of Conduct sets out the Sony Group’s basic policies concerning ethical business practices and activities on such topics as respect for human rights, safety of products and services, environmental conservation and information disclosure. The Code of Conduct has been adopted and implemented by each Sony Group company globally and is the subject of frequent “tone from the top” messaging and other training.

Sony Group Code of Conduct

Established May 2003

[Scope of Application: Companies]
Standards applicable to Sony Corporation, as well as any company more than 50% of whose outstanding stocks or interests with voting rights is owned directly or indirectly by Sony Corporation, and such other companies as determined by the Board of Directors of Sony Corporation

[Scope of Application: Personnel]
Standards applicable to all Sony Group directors, officers and employees

[Headings]
1. General Standards
   1-1 Compliance with Laws as well as Internal Rules and Policies; Honest and Ethical Business Conduct
   1-2 Relationship with Stakeholders
   1-3 Appreciating Diversity
   1-4 Avoiding Structural Conflicts of Interest
   1-5 Communication of Concerns and Alleged Violations

2. Respect for Human Rights
   2-1 Equal Employment Opportunity
   2-2 No Forced Labor/Child Labor
   2-3 Sound Labor and Employment Practices
   2-4 Work Environment

3. Conducting Business with Integrity and Fairness
   3-1 Product and Service Safety
   3-2 Environmental Conservation
   3-3 Fair Competition
   3-4 Advertising
   3-5 Public Disclosure
   3-6 Personal Information
   3-7 Intellectual Property
   3-8 Confidential and Proprietary Information
   3-9 Fair Procurement
   3-10 Gifts and Entertainment
   3-11 Recording and Reporting of Information

4. Ethical Personal Conduct
   4-1 Insider Trading
   4-2 Personal Conflicts of Interest
   4-3 Corporate Assets
   4-4 Media Relations and Public Statements
Information Security and Personal Information Management

Sony has established an Information Security and Privacy organization headed by a Chief Information Security Officer (CISO) reporting directly to a Sony Corporation Corporate Executive Officer. Sony also has established the Sony Global Information Security Policy and its related subordinate rules, the Sony Global Information Security Standard, and the Global Basic Principles on Personal Information, which set forth Sony’s commitment to information security and privacy and define policies to be followed by all Sony personnel. The CISO and his organization are charged with maintaining and implementing these policies. This organization coordinates with individuals responsible for information security and privacy at Sony Group companies globally to create a Groupwide information security and personal information management system. Under the supervision of the CISO, Sony continuously reinforces internal rules and business processes to further strengthen the information security management framework of the Sony Group and contribute to the protection of personal information. Recognizing that employee awareness of information security is vital, Sony requires training programs for its employees to increase their understanding and improve the overall level of information security.

### Compliance Monitoring Program

A compliance monitoring program helps to ensure thorough global adherence to the Company’s Code of Conduct, internal policies, and training and other protocols. The program relies on self-assessments, compliance audits and internal audits, along with monitoring of hotline and other reporting.

### Sony Group Anti-Bribery Program

Among other policies, Sony has adopted the Sony Group Anti-Bribery Policy, which builds on the anti-bribery and accurate record-keeping requirements in the Sony Group Code of Conduct to help ensure that Sony Group personnel do not violate, or appear to violate, any applicable anti-corruption laws or regulations. This Policy reflects Sony’s strong commitment to business integrity and, in particular, establishes practices and procedures that must be followed to help ensure integrity in Sony’s dealings with government officials, as well as training requirements.
Human Resources

With the rapid globalization of markets, as evidenced in part by the ascendance of emerging economies, sustainable growth is increasingly dependent on a company’s ability to secure and foster talented human resources with the ability to thrive on a global stage. Recognizing that its efforts to offer innovative products, services and content that enhance consumers’ lives depend on its ability to attract and retain talented employees, Sony actively pursues diversity in recruitment and has created a global framework that enables talented employees to bring their capabilities into full play.

Diversity in Recruitment

With the aim of securing human resources with capabilities that transcend national, regional and business boundaries Sony’s recruitment policy emphasizes respect for each individual’s unique abilities and values. Sony is promoting the localization of its operations by working to secure local human resources that best respond to national, regional and location-specific needs, while aiming to secure talented employees to help its global businesses. As a part of securing talented employees to help grow its global businesses, Sony recruits university graduates overseas to work in Japan.

Sony has also established a Global Internship Program that welcomes university students from Europe, North America, China and India, among others, to Tokyo. To further enhance its ability to recruit top-notch personnel from around the world, Sony conducts intern recruitment sessions at universities, graduate schools and research facilities worldwide, as well as for groups of overseas students in Japan.

Training & Development

Sony offers on-the-job learning, as well as a variety of programs designed to enhance individual abilities and specialized skills, which are tailored to local needs. These programs are designed to:

• foster global business leaders and engineers;
• nurture management skills, in line with the belief that leadership abilities are essential for employee growth; and
• support individual career-building efforts.

Fostering Global Business Leaders

In 2000, Sony established Sony University, an educational program for Sony employees designed to help cultivate global leaders for the Company. In 2012, a branch of Sony University was opened in Singapore. The Singapore campus offers a wide range of development programs aimed at fostering global leaders who are able to lead effectively in emerging economies and around the world.

Promoting Global Business Leaders

As a truly global company, Sony recognizes the importance of cultivating talented employees with leadership potential and an international perspective. Since fiscal year 2008, Sony has appointed global talent directors from among its regional human resource managers. Global talent directors are charged with identifying promising individuals with the aim of fostering such individuals as future business leaders. To this end, Sony has also set up a global job rotation project, under which global talent directors select promising candidates and key positions within their particular area of responsibility and seek out appropriate matches during biannual sessions. At present, approximately 100 Sony employees, primarily management-level and mid-tier executives, are rotating through this project. In Latin America, for example, in fiscal year 2010, Sony introduced the Positioning for Success program, a job rotation initiative arranged by global talent directors.

Basic Philosophy behind Rotation Project

Business needs: The most appropriate human resources, irrespective of nationality

Promising individuals seeking global careers

Personnel by Geographic Segment

Number of employees: 162,700
(As of March 31, 2012)

*1 Coverage area: Mainland China, Hong Kong, Taiwan and South Korea
*2 Coverage area: Southeast Asia, Middle East, Africa and Oceania
Introducing the Global Job Posting System

Sony introduced the Global Job Posting System and began inviting internal candidates to apply for open positions in other parts of the Company. Through initiatives such as these, Sony aims to facilitate the optimal placement of its human resources from a global perspective, and at the same time, foster a pool of individuals with the breadth of experience and network of contacts required of global business leaders.

Supporting Diversity in the Workplace

Sony promotes flexible working arrangements and diversity through the DIVI@Sony project, which fosters an organizational culture suitable for diverse employees by offering working environments that suit the needs of employees, irrespective of nationality, culture, race, gender and the presence or absence of physical limitations. Sony is striving to create an environment conducive to the greater opportunities for women and providing work environments in which disabilities are not an obstacle.

Sony Corporation continues to pursue a wide range of initiatives to promote greater opportunities for women in Japan, including mentor programs, training and discussion sessions for women as well as training sessions for male management to increase awareness of the measures to support female employees.

To expand employment opportunities for disabled individuals, Sony ensures that the experiences of Sony Taiyo Corporation—the Sony Group’s first special-purpose subsidiary—and other Group companies regarding the modification of facilities and efforts to promote understanding in the workplace, are shared Groupwide.

Sony aims for working environments where employees can balance work and caring for family by increasing awareness of and expanding systems for caring for children and family members.

* Diversity Initiative for Value Innovation

Global Employee Survey and Dialogue with Employees

Since fiscal year 2010, Sony has also integrated various independent Group surveys into a global employee survey, enabling it to access and analyze employees’ opinions across the Sony Group using consistent indicators. The result of the survey is utilized for planning human resources measures and making actions to identified issues by giving feedback to management of each organizations. In fiscal year 2011, the response rate for the survey was approximately 90%.

To facilitate open communication with employees, Sony holds town hall meetings and CEO dialogues. Such initiatives enable top management to convey policies and thinking on structural reforms directly to employees and, at the same time, to gain an understanding of the opinions and concerns of employees and of issues facing individuals on the front lines.
Responsible Sourcing

Sony is committed to fulfilling its responsibility to society as a corporate citizen, including managing its supply chain in a responsible manner. To achieve this goal, Sony is working with its business partners, suppliers and subcontractors to help ensure that they adhere to the same high standards as Sony in the areas of human rights, labor conditions, health and safety, and environmental protection. To promote its various responsible procurement initiatives, Sony engages in active, ongoing dialogue with key industry associations, including the Electronic Industry Citizenship Coalition (“EICC”) and the Global e-Sustainability Initiative (GeSI), and NGOs.

Sony Supplier Code of Conduct

Supply chains overlap considerably in the electronics industry, with multiple manufacturers of finished products sharing the same subcontractors and parts suppliers. Recognizing the need to work together to promote ethical standards in the supply chain, Sony is a founding member of the EICC, an organization devoted to improving social and environmental conditions throughout the electronics industry supply chain.

In 2005, Sony established the Sony Supplier Code of Conduct, based on industry best practices as highlighted in the EICC code of conduct, to help ensure that its suppliers understand Sony’s expectations and that its Code is observed by its suppliers around the world. Sony also requests assessments to confirm supplier compliance with the Code and, based on the results thereof, may seek to inquire further about suppliers’ CSR initiatives through investigations and/or the implementation of audits.

Managing Chemical Substances in Procurement

Given the global nature of its suppliers, Sony has led the industry by introducing its own global standards for management of certain chemical substances contained in products or parts, called “Management Regulations for Environment-related Substances to be Controlled which are Included in Parts and Materials” (SS-00259), reflecting relevant laws and regulations, and the views of stakeholders.

In order to implement this standard, Sony has established the Green Partner Environmental Quality Approval Program for supplier qualification. Only those suppliers that passed the...
standard for management of chemical substances that Sony specifies are certified as “Green Partner.” By procuring parts and products only from certified suppliers, Sony realizes consistent chemical substance management globally.

**Addressing Issues Related to the Environment, Labor, Human Rights and Conflicts in the Procurement of Raw Materials**

Stakeholders are displaying increasing concern regarding such issues as biodiversity and violations of human rights related to, among other things, the extraction of rare metals essential in the manufacture of electronics products. Stakeholders are also worried that certain minerals are being used to finance the activities of armed groups in the Democratic Republic of the Congo (DRC) and neighboring countries. In July 2010, the United States enacted the Dodd–Frank Wall Street Reform and Consumer Protection Act, one section of which relates to these “conflict minerals” and requires the disclosure of certain information by companies covered under the act regarding the extent to which they use the specified minerals originating in the DRC and neighboring countries and whether those minerals are conflict minerals.

**Our Approach to Conflict Minerals**

Sony shares the concern that conflict minerals might be used in the electronics industry supply chain and is taking steps to eliminate conflict minerals from the supply chain. It is Sony policy to refrain from purchasing any products, parts and materials that are known to contain conflict minerals. Suppliers are also expected to ensure that products, parts and materials delivered to Sony do not contain conflict minerals. Sony is currently formulating an appropriate framework and measures to implement this policy.

Recognizing that these issues are common across the electronics industry, Sony is also participating in the creation of an industry-wide framework, an effort spearheaded by the EICC/GeSI, to improve the traceability of minerals and ensure responsible sourcing.

In August 2011, Sony initiated an audit of certain product categories using the EICC/GeSI and conflict minerals reporting template, as well as joint conflict-free smelter certification programs, as part of its ongoing development of systems and measures to implement its policy against conflict minerals.

Sony supports and contributes to industry initiatives such as the traceability project for tin launched in 2010 by ITRI, a tin industry organization, to validate that the metals used in its products are not contributing to conflict and come from sustainable sources. Sony is also participating in and providing financial support to the Public–Private Alliance for Responsible Minerals Trade (PPA), a joint effort led by the U.S. government to support responsible mineral trade from the Great Lakes Region of Central Africa.

**Initiatives on Paper Procurement**

Sony recognizes the impact of illegal logging on biodiversity and considers responsible procurement to be an important part of fulfilling its responsibility to society as a corporate citizen. Sony takes environmental conservation into consideration, especially when purchasing paper materials, by adhering to the “Sony Group Paper/Printed Material Purchasing Policy.”
Since its founding, Sony has given top priority to providing high-quality customer-oriented products and services. To ensure that the quality of its products and services exceeds the expectations of its customers in the various countries and regions in which it does business, Sony works tirelessly to enhance product quality and reinforce its quality management system, and remains committed to bolstering customer satisfaction. Advances in, and the increasing prevalence of, digital and network technologies are driving the development of products that are increasingly multifunctional and complex. Sony views usability and accessibility as essential aspects of product quality and is continuously taking steps to make its products and services easier for more people to use.

Quality Management System

Sony continually strives to reinforce its quality management by enhancing the system’s framework and incorporating quality improvement measures into all electronics processes, from development through to sales and service activities.

• Quality Strategy Meetings, which are attended by top management, are held regularly to discuss and set key measures for improving quality, and function as the ultimate decision making forum for related matters.
• Quality Officers Meetings, which are attended by Quality Officers appointed within each business group, are also held regularly to share information pertaining to quality issues and propose initiatives and responses to common challenges.

Efforts to Improve Quality

To identify any quality issues that arise and to accelerate its response, Sony has established a committee at its Tokyo headquarters charged with swiftly gathering information pertaining to quality issues from sources both in Japan and overseas. The committee then shares this information with quality management and internal technology experts on a weekly basis.

Sony has also formulated quality standards applicable to all electronics products and related services. These standards establish criteria in such areas as product safety and performance, labeling, and services, and are updated continuously to reflect technological advances, changes in applicable legal and regulatory requirements and evolving social imperatives.

Sony also addresses product safety from a medical perspective and formulates internal standards for product planning and development.

And to further improve quality, at “Quality Reliability Lab,” specialists are tasked exclusively with improving technologies essential to product reliability.

Utilizing Customer Feedback

Better products and services
Responsiveness and Customer Service

Sony continually strives to increase its awareness of its customers’ views and works hard to improve customer satisfaction around the world. Its first Customer Information Centers were established in 1963 in Japan, and thereafter expanded its function worldwide to respond to customer inquiries. For employees and staff of service partners involved in customer service, Sony provides ongoing training to ensure that issues are addressed swiftly and effectively. Sony also uses the Internet and various emerging social media platforms to communicate frequently and directly with customers. To ensure timely access to easy-to-understand product and service information, Sony works to enhance the content of its websites, which includes information on ways to enjoy Sony products, downloads of manuals and software updates, and frequently asked questions (FAQs). To further bolster customer satisfaction, Sony is responding to the increasingly diverse needs of its customers by, among other initiatives, providing live chat services that accommodate various communication styles and implementing customer support initiatives in some regions.

Customer feedback helps Sony improve its products and services. To this end, opinions about products and reports of malfunctions received from customers by Sony Customer Information Centers are shared with related departments, ensuring that prompt improvements in product quality can be made. Internally, a Quality Hotline and a dedicated quality website serve as important mechanisms through which employees can submit comments about product and service quality.

Currently, there are more than 5,900 Sony service locations worldwide, allowing Sony to respond promptly to customer requests. Sony is working to shorten distribution and repair times and reviewing repair fees in different regions with the ongoing goal of enhancing overall customer satisfaction.

Enhancing Usability

Sony provides products for a broad range of customers not only in Japan, Europe and North America, but also in other parts of the world, including emerging economies. As such, Sony recognizes that it must accommodate definitions of “usability” that vary in different cultures and lifestyles. To this end, Sony conducts user tests in a variety of markets, including India, China and Brazil, as part of the product development process. Sony also makes sure the opinions of customers are shared with the product development teams, with the aim of further enhancing usability. Recent examples of products that have taken usability into consideration in this way include “α 77” and “α 65” series DSLR cameras. In planning the shape and size of the grip, Sony surveyed users around the world and collected and analyzed handprints from people of various ages. Based on the information gathered, it produced and evaluated a number of prototypes, ensuring that the camera is comfortable to hold. This, in turn, significantly enhanced ease of operation when shooting.

Facilitating Accessibility

Sony’s commitment to usability also extends to special features designed to make its products accessible to a wide range of consumers, including the elderly and those working to overcome disabilities. For example, Sony created the Reader eReader device which allows users to easily store and carry over a thousand books as well as adjust text size according to their needs.
Sony’s corporate activities are only possible if the global environment, which sustains all life on earth, is healthy. Accordingly, the Company is committed to helping to address environmental issues such as climate change, resource conservation and the need for effective management of chemical substances.

Recognizing this, Sony strives to conduct its business in a sustainable manner and to provide environmentally conscious products and services. By developing advanced technologies and innovations in this area and by working with various stakeholders to help solve global challenges, Sony aims to contribute to the realization of a sustainable society.

### Road to Zero: Sony’s Global Environmental Plan
Striving to achieve a zero environmental footprint

Since the early 1990s, Sony has pursued environmental initiatives in accordance with fundamental environmental principles and action plans. In April 2010, Sony announced the formulation of “Road to Zero,” a new global environmental plan. Concurrently, Sony also revised the Sony Group Environmental Vision.

Sony has set its 2015 targets as it works toward achieving a zero environmental footprint.

#### Green Management 2015 Environmental Targets

Sony’s key mid-term Group environmental targets from fiscal year 2011 through fiscal year 2015 are set forth under Green Management 2015.

The following chart provides the principal targets of Green Management 2015 and Sony’s progress in each area.

<table>
<thead>
<tr>
<th>Target</th>
<th>Progress as of End of Fiscal Year 2011</th>
</tr>
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<tbody>
<tr>
<td>Climate Change Products and Services</td>
<td>Reduce annual per-product energy consumption by 30% from the fiscal year 2008 level</td>
</tr>
<tr>
<td>Operations</td>
<td>Reduce greenhouse gas emissions from sites by an absolute value of 30% from the fiscal year 2000 level</td>
</tr>
<tr>
<td>Logistics</td>
<td>Reduce CO2 emissions from logistics by 14% from the fiscal year 2008 level</td>
</tr>
<tr>
<td>Resource Conservation Products and Services</td>
<td>Reduce utilization ratio of virgin oil-based plastics in products by 5% from the fiscal year 2008 level</td>
</tr>
<tr>
<td>Operations</td>
<td>Reduce mass per product by 10% from the fiscal year 2008 level</td>
</tr>
<tr>
<td>Logistics</td>
<td>Achieve an absolute reduction in waste from sites of 50% from the fiscal year 2000 level</td>
</tr>
<tr>
<td></td>
<td>Increase the waste recycling rate Groupwide to more than 99%</td>
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<tr>
<td></td>
<td>Achieve an absolute reduction in the total volume of water used of 30% from the fiscal year 2000 level</td>
</tr>
<tr>
<td>Operations</td>
<td>Reduce waste from packaging for incoming parts by 16% from the fiscal year 2008 level</td>
</tr>
<tr>
<td>Chemical Substance Management Operations</td>
<td>Reduce amounts of designated substances, including volatile organic compounds (VOCs) released into water and transferred as waste or into sewers by 14% from the fiscal year 2008 level</td>
</tr>
<tr>
<td></td>
<td>Reduce emissions of VOCs into the atmosphere by 50% from the fiscal year 2000 level</td>
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For more information, please visit our website.
Environmental Activities Focusing on the Product Life Cycle

Research and Development
Focusing on electrical outlets, a crucial component of the infrastructure through which electricity is consumed, Sony is promoting the development of “authentication outlets” that make use of its contactless IC card technology. With these outlets, an IC chip is mounted in the plug of a home appliance, electric vehicle or other electrical device, while an IC card reader/writer is embedded in the appropriate electrical socket. When the device is plugged in, the outlet “authenticates” the device and its owner and transmits the correct amount of electricity. In addition to facilitating the calculation of per-user electricity consumption and monitoring the electricity use of individual devices, these outlets are expected to find application in the construction of new electricity services and home energy management systems (HEMS).

Product Planning and Design
In February 2011, Sony developed SoRPlas (Sony Recycled Plastic), which uses more than 99% recycled materials, giving it the highest recycled materials rate among plastics in the world. SoRPlas also has flame-retardant properties. SoRPlas is made from the recycled polycarbonate waste plastic collected from within and outside the Sony Group and blended with a new flame retardant containing sulfur, which Sony developed at its own laboratories. Sony expects SoRPlas to achieve an estimated 80% reduction in CO2 emissions in the plastic manufacturing process (including transportation) compared with conventional plastic. Beginning with the screen frame component of three BRAVIA™ LCD television models launched in spring 2011, Sony has expanded its category of products using SoRPlas to include 3D Handycam® camcorders and Cyber-shot™ compact digital cameras, among others.

* Based on Sony research as of February 2011. Conventional flame-retardant recycled plastics used in electronics products have a recycled content ratio of less than 60%.

Procurement
With regard to designated chemical substances contained in products and parts, Sony has formulated its own set of standards for managing chemical substances, which reflect both global legal mandates and the views of its stakeholders, in order to comply with the EU REACH regulation and the RoHS Directive, among others. Sony also operates its own Green Partner Environmental Quality Approval Program and other systems that reinforce its ability to ensure the appropriate management of chemical substances in use. Sony also keeps a close watch on related supply chain issues, including monitoring greenhouse gas emissions of its principal manufaturing outsourcing partners.

Operations
Sony sets a variety of environmental targets including absolute targets on greenhouse gas emission and waste reduction on a unified global basis and takes a proactive approach to reducing the environmental footprint of its factories and offices worldwide, as well as pursuing environmental contribution activities that suit the needs of the surrounding local community. In fiscal year 2011, Sony began implementing the Green Star Program, its own environmental performance assessment program. This program provides a comprehensive evaluation of the environmental initiatives of each Sony Group site based on common standards, with a view toward helping to improve the effectiveness of such undertakings.

Logistics
Sony is decreasing gross transportation weight by reducing the weight of finished products. At the same time, Sony is striving to reduce the volume of packaging materials and CO2 emissions derived from logistics operations through optimizing transportation efficiency (i.e., size reduction and modularization of product packaging to optimize load efficiency) and shifting to alternative modes of transportation that pose less environmental impact.

Take-back and Recycling
Sony recognizes its social responsibility as a manufacturer and adheres to the recycling laws and regulations of the countries and regions in which it operates by promoting the take-back and recycling of end-of-life products. At the same time, Sony also actively conducts voluntary take-back initiatives, even in regions and countries—such as some countries in South America—that have not yet introduced recycling laws or regulations. The end of analog broadcasting and the eco-point scheme in Japan were contributing factors to the reduction of end-of-life products collected in fiscal year 2011 compared to the previous fiscal year.

Weight of End-of-Life Products Collected

<table>
<thead>
<tr>
<th>(Thousands of tons)</th>
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<tbody>
<tr>
<td>Americas</td>
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<tr>
<td>2006</td>
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<td>2007</td>
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<td>2008</td>
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<td>2009</td>
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<tr>
<td>2010</td>
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<tr>
<td>2011*2</td>
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</table>

*1 Data from regions not mentioned are also included.
*2 The FY2011 figure for Europe does not include Belgium, the Netherlands, Hungary and Switzerland.
Curbing Climate Change—Reducing greenhouse gas emissions at sites
In fiscal year 2011, greenhouse gas emissions at Sony Group sites were approximately 1.50 million tons, down approximately 32% from fiscal year 2000. To reduce greenhouse gas emissions, Sony has positioned improvements in the efficient use of energy at its sites as its greatest environmental priority. This effort encompasses initiatives in both infrastructure and systems, including the introduction of energy-efficient facilities and deployment of an internal training program for the Company’s energy conservation experts. For example, Sony Pictures Entertainment released the film *Think Like a Man* in 2011, which was the industry’s first-ever production filmed entirely with LED lighting.

Sony is also aggressively pursuing the use of renewable energy. In fiscal year 2011, Sony succeeded in offsetting global greenhouse gas emissions by 123,000 tons through the use of renewable electricity certificates and other initiatives. Electricity acquired from renewable sources accounted for approximately 10% of Sony’s total electricity purchases worldwide. Further, with regard to perfluorocarbons (PFCs) and other greenhouse gases emitted in the production of semiconductors and LCD panels, Sony is working to reduce emissions through the introduction of treatment equipment that traps such gases.

Conserving Resources—Reducing waste at sites
In fiscal year 2011, total waste generated by Sony Group sites amounted to approximately 116,000 tons, a reduction of approximately 58% from fiscal year 2000. Sony Group’s total recycling rate was 90%. Sony continues to promote the reuse and recycling of site waste in its products and packaging materials on a global basis.

Conserving Resources—Reducing water consumption at sites
In fiscal year 2011, Sony Group sites used approximately 16.7 million m$^3$ of water during its operations, comprising water purchased or drawn from groundwater. This was a reduction of approximately 38% compared with fiscal year 2000. Sony is taking steps to reduce water used by its sites around the world.

Managing Use of Chemical Substances—Management of chemical substances at sites
Sony has developed Groupwide standards with respect to the management of chemical substances used at sites and has implemented measures aimed at reducing the amounts of such substances transferred and released into the air and water as emissions or waste. In fiscal year 2011, emissions of volatile organic compounds (VOCs) released into the atmosphere amounted to approximately 1,193 tons, a 35% reduction from the fiscal year 2000 level. Sony has also established internal standards for the prevention of environmental accidents, as well as for emergency responses, as part of its efforts to ensure the proper management of chemical substances.

Conserving Biodiversity—Measures to conserve biodiversity
Under policies and guidelines related to biodiversity, Sony is promoting ongoing activities to incorporate more green spaces at its various facilities and to preserve and restore the natural environment. For example, since 1998, the Kohda Site of Sony EMCS Corporation in Japan has maintained the Sony Forest, located on the factory’s grounds, and has made it available to the local community. In recognition of these efforts, the Kohda Site received Superlative Stage certification in 2011, the highest level of certification available under the Social and Environmental Green Evaluation System (SEGES)*, making it the first such site in Japan to receive this distinction.

* SEGES is an evaluation and certification program run by the Urban Green Space Development Foundation. SEGES evaluates businesses’ green spaces and the contribution to society and the natural environment these businesses are making through the protection and nurturing of such spaces. SEGES particularly recognizes outstanding initiatives by businesses.
Developing Environmentally Conscious Products

With the aim of developing life-enriching products that are not only superior in functionality, performance and quality, but also leave very little impact on the environment, Sony has formulated its own standards for environmentally conscious products, which it applies to all products. Guided by these standards, Sony is working to develop industry-leading environmentally conscious products equipped with world-first features and technologies and top-notch environmental performance.

**BRAVIA™ LCD Televisions (HX850/750 Series)**
Light intensity of LED backlight is precisely controlled according to the scene broadcasted to eliminate excess light emissions. The result is a superb picture and contrast with minimal energy consumption.

**DSC-HX30V Cyber-shot™ Compact Digital Camera**
Thanks to Sony’s newly developed advanced aspherical (AA) lens and other features, this camera realizes a 20x optical zoom range in a compact body only 27.4 mm*1 thick. This model not only employs SoRPlas—Sony’s proprietary recycled plastic, made with 99% recycled materials—but also is approximately 60% smaller than its predecessor*2, significantly contributing to Sony’s efforts to reduce resource consumption.

*1 At the thinnest point
*2 DSC-HX1

**BDV-N790W 3D Blu-ray Home Theater System**
This system employs speakers that use magnetic fluids. Discovered by NASA, magnetic fluids are liquids that can be attracted by a magnetic field. Sony succeeded in developing Magnetic Fluid Speakers that use this fluid for suspension, which has enabled Sony to achieve overwhelmingly superior efficiency of 35%* lower power consumption than conventional speakers.

* Energy consumption of magnetic fluid speakers alone, compared to that of conventional speakers at equivalent volume

**XBA-NC85D Noise Canceling Headphones**
Sony made each of the devices that are normally housed in a control box smaller and more efficient and moved them into the earbuds themselves to completely eliminate the cord-mounted control box of these headphones. The new energy-efficient processor also enables approximately 20 hours of listening on a single, full charge.

**VPL-CW255 Series Data Projectors**
In addition to realizing outstanding brightness (4500-lumen), the lamp of these data projectors consumes approximately 20% less lamp power per luminance than previous models*. For these projectors, Sony also developed a lamp with a maximum 5,000-hour replacement time, thereby realizing a substantial reduction in resources.

* VPL-CW125

**Smartphone Xperia™ Mini**
In recognition of its outstanding achievements in terms of reduced energy consumption and advanced chemical substance management, in 2011 the Xperia™ Mini received the 2011–2012 EISA® Green Smart Phone award.

* European Imaging and Sound Association (EISA)
For a Sustainable Society

In Sony’s Founding Prospectus, co-founder Masaru Ibuka set “the promotion of education in science among the general public” as a primary goal. In 1959, Sony began providing support to elementary schools in pursuit of science education excellence. Following in Ibuka’s footsteps, and guided by its “For the Next Generation” philosophy, Sony continues to support science education for children. Sony has also broadened the scope of its initiatives to support the Millennium Development Goals (MDGs)*1, which seek to resolve such key global development challenges as environmental conservation and social development issues in developing countries, and by providing assistance to those in need in the aftermath of major disasters.

Sony also links marketing activities that leverage its close relationship with customers to further enhance the initiatives. Employees’ participation in the initiatives will enhance efforts to foster human resources, contributing to both the resolution of social and environmental issues and to the advancement of Sony’s business activities.

In fiscal year 2011, the Sony Group spent approximately 4.3 billion yen*2 on community engagement initiatives, while a total of 180,000 Sony Group employees*3 participated in a variety of volunteer initiatives. Several community engagement initiatives in fiscal year 2011 are described below.

*1 The Millennium Development Goals (MDGs) are international development goals drawn from the actions and targets contained in the Millennium Declaration, which was adopted by 189 United Nations member states at the UN Millennium Summit in September 2000. Member states have agreed to achieve these targets by 2015.
*2 Cumulative figure. In addition to donations, sponsorships and independent program expenses (including facility operation expenses), this amount includes the market prices of products donated.
*3 Cumulative participants in fundraising initiatives, blood drives and other activities.

Sony Science Program

Science education for children has always been a core component of Sony’s community engagement. Among the many programs that Sony continues to maintain and support is the Sony Science Program, which strives to help children learn about science and cultivate logical thinking, curiosity and creativity. Sony believes that fostering such qualities in children will help contribute to the future resolution of environmental issues, poverty and other key global challenges and the realization of a better world. Through this program, which leverages the Company’s technological strengths as well as its human resources, Sony strives to foster the capabilities of the young people who will serve as future leaders of society.

Sony employees serve as instructors for Sony Science Program workshops, which are designed to teach children around the world about the principles of science and technology through experiments and hands-on experiences using Sony products and services. Sony also operates interactive science, technology and entertainment museums in Tokyo, Beijing and New York, which together welcome approximately...
530,000 visitors annually. Sony also offers a variety of career-oriented classes focused on professions that use the power of technology and the arts to benefit society.

### Public Viewing in Tanzania

Sony implemented live-broadcast public viewings during the 2010 FIFA World Cup™ in areas with low television penetration in Cameroon and Ghana, which sought to tap into the power of soccer to help prevent the spread of HIV and AIDS.

In November 2011, Sony collaborated with Global Fund¹ and AMREF², the largest medical non-governmental organization (NGO) in Africa, to implement a public screening project in Tanzania. Capitalizing on its technology, content and human capital, Sony Group provided audiovisual equipment packages, blockbuster movies and music videos for public screening events held in combination with AMREF’s initiatives financed by Global Fund to promote awareness and help prevent the spread of HIV and AIDS. The inclusion of entertainment content helped attract a significant number of young people, the primary target of AMREF’s health educational programs.

Underscoring the growing importance of emerging economies to its business, Sony dispatched young engineers to Tanzania to acquire hands-on experience. Sony also recruited student interns to provide on-site assistance, giving them the opportunity to participate in a key Sony community engagement initiative for the first time.

Over the course of the project, Sony’s technical team trained members of the NGO in how to operate the equipment to use in future events aimed at promoting awareness and preventing the spread of HIV and AIDS and other infectious diseases.

¹ The Global Fund to Fight AIDS, Tuberculosis and Malaria
² The African Medical and Research Foundation

### Forest Conservation Project on the Island of Sumatra

In July 2011, Sony commenced activities aimed at supporting efforts by the World Wide Fund for Nature (WWF) to conserve tropical forests on the island of Sumatra, Indonesia. Sumatra’s forests are said to have shrunk by half over the past 30 years.¹ Sony is providing assistance for a variety of WWF conservation initiatives, including tree-planting projects aimed at restoring Sumatra’s precious forests and the Elephant Patrol² program. Sony is also extending communications support in the form of IT equipment for recording, including the digital recording binoculars DEV-3 and other products, as well as technological assistance to help spread awareness of the current situation on the island.

In April 2012, Sony launched an initiative whereby a portion of the proceeds from sales of digital books sold through its “Reader Store” in Japan is donated to this project, thereby enabling interested customers to participate in forest conservation efforts.

¹ Source: Data from WWF Japan
² Program involving patrols by elephant-mounted personnel aimed at preventing conflicts between people and elephants or other wild animals that are victims of habitat loss due to illegal land use or logging and local people
Emergency Relief

In the event of a major catastrophe or crisis situation, Sony seeks to assist humanitarian relief efforts in a manner that befits the nature of the event and its impact on the region in which it occurred. In fiscal year 2011, Sony extended emergency assistance in the aftermath of the Great East Japan Earthquake, the floods in Thailand and neighboring countries, and other events.

The Great East Japan Earthquake Relief Efforts

Emergency relief
Immediately following the earthquake, Sony extended emergency financial aid and supplies to NGOs/NPOs engaged in relief activities, and established collection points for donations from employees and customers around the world. Financial support provided by the Sony Group totaled approximately 2.0 billion yen, including donations from approximately 74,000 Sony employees in more than 50 countries and territories and approximately 300,000 customers worldwide.

Employee volunteer efforts
As of the end of fiscal year 2011, more than 1,000 Sony Group employees had participated in volunteer relief efforts in areas affected by the earthquake. Sony called for interested employees to take part in cleanup efforts, community relief, support for children and other initiatives. In addition, concerned employees continue to organize and implement volunteer programs by themselves.

Medium- to long-term support for recovery efforts
In June 2011, Sony joined forces with the NGO Save the Children Japan to establish the RESTART JAPAN Fund, with the aim of assisting children in earthquake-devastated areas, in line with the philosophy that has guided Sony since its founding: “For the Next Generation.”

The fund was established using a portion of the donations collected from within the Sony Group following the earthquake, as well as funds raised through a charity event, sales of a charity single and photo book and donations of “Sony Points” by customers in Japan.

Activities supported by the fund include a Sony Science Program designed to support children at a number of earthquake-affected schools. The fund has also supported a digital photography project for children and an exhibit of the photographs. Additionally, April 2012 marked the start of the Achieve Your Dreams project, which aims to help children affected by the disaster in realizing their dreams and overcoming the challenges they face. The project will assist schools and communities with efforts to resume local sports and cultural activities that had been interrupted by the earthquake with the idea that the return of active, happy children will help to reconnect and revive communities.

Flood Relief Efforts in Thailand and Neighboring Countries

In response to the floods that hit Thailand and neighboring countries in 2011, Sony donated 30 million yen to assist relief and recovery efforts in communities affected by the disaster. In addition, donations were collected from Sony Group employees in Japan, Singapore, Malaysia, Thailand and elsewhere, with contributions matched by the Company through a matching gift program. Sony employees in Japan also collected clothing, shoes, towels and other much-needed emergency supplies—approximately 25,000 items, in total—for their colleagues and the communities in Thailand affected by the floods.

Photograph taken by one of the children who participated in EYE SEE TOHOKU, a digital photography project for children implemented in partnership with the United Nations Children’s Fund (UNICEF) in support of recovery efforts after the Great East Japan Earthquake
©UNICEF/Japan 2011/Kaoru Sano
## Five-Year Summary of Selected Financial Data

Sony Corporation and Consolidated Subsidiaries

### Years ended March 31

<table>
<thead>
<tr>
<th></th>
<th>Yen in millions (Yen per share amounts)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2008</td>
</tr>
<tr>
<td><strong>FOR THE YEAR</strong></td>
<td></td>
</tr>
<tr>
<td>Sales and operating revenue</td>
<td>8,871,414</td>
</tr>
<tr>
<td>Equity in net income (loss) of affiliated companies</td>
<td>100,817</td>
</tr>
<tr>
<td>Operating income (loss)</td>
<td>475,299</td>
</tr>
<tr>
<td>Income (loss) before income taxes</td>
<td>567,134</td>
</tr>
<tr>
<td>Income taxes</td>
<td>203,478</td>
</tr>
<tr>
<td>Net income (loss) attributable to Sony Corporation’s stockholders</td>
<td>369,435</td>
</tr>
</tbody>
</table>

**Data per share of common stock:**

- Net income (loss) attributable to Sony Corporation’s stockholders
  - Basic | 368.33 | (98.59) | (40.66) | (258.66) | (455.03) |
  - Diluted | 351.10 | (98.59) | (40.66) | (258.66) | (455.03) |
- Cash dividends | 25.00 | 42.50 | 25.00 | 25.00 | 25.00 |

- Depreciation and amortization* | 428,010 | 405,443 | 371,004 | 325,366 | 319,594 |
- Capital expenditures
  - (additions to fixed assets) | 335,726 | 332,068 | 192,724 | 204,862 | 295,139 |
- Research and development costs | 520,568 | 497,297 | 432,001 | 426,814 | 433,477 |

**AT YEAR-END**

- Net working capital (deficit)** | 986,296 | (190,265) | 64,627 | (291,253) | (775,019) |
- Long-term debt | 729,059 | 660,147 | 924,207 | 812,235 | 762,226 |
- Sony Corporation’s stockholders’ equity | 3,465,089 | 2,964,653 | 2,965,905 | 2,547,987 | 2,028,891 |
- Common stock | 630,576 | 630,765 | 630,822 | 630,923 | 630,923 |
- Total assets** | 12,515,176 | 11,983,480 | 12,862,624 | 12,911,122 | 13,295,667 |
- Number of shares issued at fiscal year-end (thousands of shares of common stock) | 1,004,443 | 1,004,535 | 1,004,571 | 1,004,637 | 1,004,638 |
- Sony Corporation’s stockholders’ equity per share of common stock | 3,453.25 | 2,954.25 | 2,955.47 | 2,538.89 | 2,021.66 |

---

* Depreciation and amortization includes amortization expenses for intangible assets and deferred insurance acquisition costs.

** The amounts for the previous fiscal years have been revised.
### Consolidated Statements of Income
Sony Corporation and Consolidated Subsidiaries

<table>
<thead>
<tr>
<th>Years ended March 31</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales and operating revenue:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net sales..................</td>
<td>6,293,005</td>
<td>6,304,401</td>
<td>5,526,611</td>
</tr>
<tr>
<td>Financial services revenue</td>
<td>838,300</td>
<td>798,495</td>
<td>868,971</td>
</tr>
<tr>
<td>Other operating revenue</td>
<td>82,693</td>
<td>78,377</td>
<td>97,630</td>
</tr>
<tr>
<td>............................................................</td>
<td>7,213,998</td>
<td>7,181,273</td>
<td>6,493,212</td>
</tr>
<tr>
<td><strong>Costs and expenses:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost of sales................</td>
<td>4,892,563</td>
<td>4,831,363</td>
<td>4,386,447</td>
</tr>
<tr>
<td>Selling, general and administrative</td>
<td>1,544,890</td>
<td>1,501,813</td>
<td>1,375,887</td>
</tr>
<tr>
<td>Financial services expenses</td>
<td>671,550</td>
<td>675,788</td>
<td>736,050</td>
</tr>
<tr>
<td>Other operating (income) expense, net</td>
<td>42,988</td>
<td>(13,450)</td>
<td>(59,594)</td>
</tr>
<tr>
<td>............................................................</td>
<td>7,151,991</td>
<td>6,995,514</td>
<td>6,438,790</td>
</tr>
<tr>
<td>Equity in net income (loss) of affiliated companies</td>
<td>(30,235)</td>
<td>14,062</td>
<td>(121,697)</td>
</tr>
<tr>
<td><strong>Operating income (loss):</strong></td>
<td>31,772</td>
<td>199,821</td>
<td>(67,275)</td>
</tr>
<tr>
<td><strong>Other income:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest and dividends</td>
<td>13,191</td>
<td>11,783</td>
<td>15,101</td>
</tr>
<tr>
<td>Gain on sale of securities investments, net</td>
<td>9,953</td>
<td>14,325</td>
<td>671</td>
</tr>
<tr>
<td>Foreign exchange gain, net</td>
<td>—</td>
<td>9,297</td>
<td>—</td>
</tr>
<tr>
<td>Other</td>
<td>20,690</td>
<td>9,561</td>
<td>7,706</td>
</tr>
<tr>
<td>............................................................</td>
<td>43,834</td>
<td>44,966</td>
<td>23,478</td>
</tr>
<tr>
<td><strong>Other expenses:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest</td>
<td>22,505</td>
<td>23,909</td>
<td>23,432</td>
</tr>
<tr>
<td>Loss on devaluation of securities investments</td>
<td>2,946</td>
<td>7,669</td>
<td>3,604</td>
</tr>
<tr>
<td>Foreign exchange loss, net</td>
<td>10,876</td>
<td>—</td>
<td>5,089</td>
</tr>
<tr>
<td>Other</td>
<td>12,367</td>
<td>8,196</td>
<td>7,264</td>
</tr>
<tr>
<td>............................................................</td>
<td>48,694</td>
<td>39,774</td>
<td>39,389</td>
</tr>
<tr>
<td><strong>Income (loss) before income taxes:</strong></td>
<td>26,912</td>
<td>205,013</td>
<td>(83,186)</td>
</tr>
<tr>
<td><strong>Income taxes:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current**</td>
<td>79,120</td>
<td>117,918</td>
<td>108,545</td>
</tr>
<tr>
<td>Deferred**</td>
<td>(65,162)</td>
<td>307,421</td>
<td>206,694</td>
</tr>
<tr>
<td>............................................................</td>
<td>13,958</td>
<td>425,339</td>
<td>315,239</td>
</tr>
<tr>
<td><strong>Net income (loss):</strong></td>
<td>12,954</td>
<td>(220,326)</td>
<td>(456,660)</td>
</tr>
<tr>
<td>Less—Net income attributable to noncontrolling interests</td>
<td>53,756</td>
<td>39,259</td>
<td>58,235</td>
</tr>
<tr>
<td><strong>Net loss attributable to Sony Corporation’s stockholders:</strong></td>
<td>(40,802)</td>
<td>(259,585)</td>
<td>(456,660)</td>
</tr>
<tr>
<td><strong>Per share data:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Common stock</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net loss attributable to Sony Corporation’s stockholders</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>—Basic</td>
<td>(40.66)</td>
<td>(258.66)</td>
<td>(455.03)</td>
</tr>
<tr>
<td>—Diluted</td>
<td>(40.66)</td>
<td>(258.66)</td>
<td>(455.03)</td>
</tr>
<tr>
<td>Cash dividends</td>
<td>25.00</td>
<td>25.00</td>
<td>25.00</td>
</tr>
</tbody>
</table>

** The amounts in the fiscal year ended March 31, 2010 has been revised.
### Consolidated Balance Sheets

Sony Corporation and Consolidated Subsidiaries

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>Yen in millions</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current assets:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>1,014,412</td>
<td>894,576</td>
<td></td>
</tr>
<tr>
<td>Marketable securities</td>
<td>646,171</td>
<td>680,913</td>
<td></td>
</tr>
<tr>
<td>Notes and accounts receivable, trade</td>
<td>834,221</td>
<td>840,924</td>
<td></td>
</tr>
<tr>
<td>Allowance for doubtful accounts and sales returns</td>
<td>(90,531)</td>
<td>(71,009)</td>
<td></td>
</tr>
<tr>
<td>Inventories</td>
<td>704,043</td>
<td>707,052</td>
<td></td>
</tr>
<tr>
<td>Other receivables</td>
<td>215,181</td>
<td>202,044</td>
<td></td>
</tr>
<tr>
<td>Deferred income taxes</td>
<td>133,059</td>
<td>36,769</td>
<td></td>
</tr>
<tr>
<td>Prepaid expenses and other current assets</td>
<td>387,490</td>
<td>463,693</td>
<td></td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>3,844,046</td>
<td>3,754,962</td>
<td></td>
</tr>
<tr>
<td>Film costs</td>
<td>275,389</td>
<td>270,048</td>
<td></td>
</tr>
<tr>
<td><strong>Investments and advances:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Affiliated companies</td>
<td>221,993</td>
<td>36,800</td>
<td></td>
</tr>
<tr>
<td>Securities investments and other</td>
<td>5,670,662</td>
<td>6,282,676</td>
<td></td>
</tr>
<tr>
<td><strong>Total investments and advances</strong></td>
<td>5,892,655</td>
<td>6,319,476</td>
<td></td>
</tr>
<tr>
<td><strong>Property, plant and equipment:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td>145,968</td>
<td>139,413</td>
<td></td>
</tr>
<tr>
<td>Buildings</td>
<td>868,615</td>
<td>817,730</td>
<td></td>
</tr>
<tr>
<td>Machinery and equipment</td>
<td>2,016,956</td>
<td>1,957,134</td>
<td></td>
</tr>
<tr>
<td>Construction in progress</td>
<td>53,219</td>
<td>35,648</td>
<td></td>
</tr>
<tr>
<td><strong>Less—Accumulated depreciation</strong></td>
<td>(2,159,890)</td>
<td>(2,018,927)</td>
<td></td>
</tr>
<tr>
<td><strong>Total property, plant and equipment</strong></td>
<td>924,868</td>
<td>930,998</td>
<td></td>
</tr>
<tr>
<td><strong>Other assets:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intangibles, net</td>
<td>391,122</td>
<td>503,699</td>
<td></td>
</tr>
<tr>
<td>Goodwill</td>
<td>469,005</td>
<td>576,758</td>
<td></td>
</tr>
<tr>
<td>Deferred insurance acquisition costs</td>
<td>428,262</td>
<td>441,236</td>
<td></td>
</tr>
<tr>
<td>Deferred income taxes**</td>
<td>300,702</td>
<td>100,460</td>
<td></td>
</tr>
<tr>
<td>Other**</td>
<td>385,073</td>
<td>398,030</td>
<td></td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>12,911,122</td>
<td>13,295,667</td>
<td></td>
</tr>
</tbody>
</table>

(Continued on following page.)

** The amounts for the previous fiscal year have been revised.
<table>
<thead>
<tr>
<th>LIABILITIES</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current liabilities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Short-term borrowings</td>
<td>53,737</td>
<td>99,878</td>
</tr>
<tr>
<td>Current portion of long-term debt</td>
<td>109,614</td>
<td>310,483</td>
</tr>
<tr>
<td>Notes and accounts payable, trade</td>
<td>793,275</td>
<td>758,680</td>
</tr>
<tr>
<td>Accounts payable, other and accrued expenses</td>
<td>1,013,037</td>
<td>1,073,241</td>
</tr>
<tr>
<td>Accrued income and other taxes**</td>
<td>87,396</td>
<td>63,396</td>
</tr>
<tr>
<td>Deposits from customers in the banking business</td>
<td>1,647,752</td>
<td>1,761,137</td>
</tr>
<tr>
<td>Other</td>
<td>430,488</td>
<td>463,166</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>4,135,299</td>
<td>4,529,981</td>
</tr>
<tr>
<td>Long-term debt</td>
<td>812,235</td>
<td>762,226</td>
</tr>
<tr>
<td>Accrued pension and severance costs</td>
<td>271,320</td>
<td>309,375</td>
</tr>
<tr>
<td>Deferred income taxes</td>
<td>306,227</td>
<td>284,499</td>
</tr>
<tr>
<td>Future insurance policy benefits and other</td>
<td>2,924,121</td>
<td>3,208,843</td>
</tr>
<tr>
<td>Policyholders’ account in the life insurance business</td>
<td>1,301,252</td>
<td>1,449,644</td>
</tr>
<tr>
<td>Other**</td>
<td>204,766</td>
<td>240,978</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>9,955,220</td>
<td>10,785,546</td>
</tr>
<tr>
<td>Redeemable noncontrolling interest</td>
<td>19,323</td>
<td>20,014</td>
</tr>
<tr>
<td><strong>EQUITY</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sony Corporation’s stockholders’ equity:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Common stock, no par value—</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2011—Shares authorized 3,600,000,000, shares issued: 1,004,636,664</td>
<td>630,921</td>
<td>630,923</td>
</tr>
<tr>
<td>2012—Shares authorized 3,600,000,000, shares issued: 1,004,638,164</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Additional paid-in capital</td>
<td>1,159,666</td>
<td>1,160,236</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>1,566,274</td>
<td>1,084,462</td>
</tr>
<tr>
<td>Accumulated other comprehensive income—</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrealized gains on securities, net</td>
<td>50,336</td>
<td>64,882</td>
</tr>
<tr>
<td>Unrealized losses on derivative instruments, net</td>
<td>(1,589)</td>
<td>(1,050)</td>
</tr>
<tr>
<td>Pension liability adjustment</td>
<td>(152,165)</td>
<td>(186,833)</td>
</tr>
<tr>
<td>Foreign currency translation adjustments</td>
<td>(700,786)</td>
<td>(719,092)</td>
</tr>
<tr>
<td></td>
<td>(804,204)</td>
<td>(842,093)</td>
</tr>
<tr>
<td>Treasury stock, at cost</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Common stock</td>
<td>4,670</td>
<td>4,637</td>
</tr>
<tr>
<td>2011—1,051,588 shares</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2012—1,061,803 shares</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Noncontrolling interests</td>
<td>388,592</td>
<td>461,216</td>
</tr>
<tr>
<td><strong>Total equity</strong></td>
<td>2,936,579</td>
<td>2,490,107</td>
</tr>
<tr>
<td><strong>Total liabilities and equity</strong></td>
<td>12,911,122</td>
<td>13,295,667</td>
</tr>
</tbody>
</table>
### Consolidated Statements of Cash Flows

Sony Corporation and Consolidated Subsidiaries—Years ended March 31

**Years ended March 31**

<table>
<thead>
<tr>
<th>Cash flows from operating activities:</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income (loss)</td>
<td>12,954</td>
<td>(220,326)</td>
<td>(398,425)</td>
</tr>
<tr>
<td>Adjustments to reconcile net income (loss) to net cash provided by operating activities—</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization, including amortization of</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>deferred insurance acquisition costs</td>
<td>371,004</td>
<td>325,366</td>
<td>319,594</td>
</tr>
<tr>
<td>Amortization of film costs</td>
<td>277,665</td>
<td>250,192</td>
<td>188,836</td>
</tr>
<tr>
<td>Stock-based compensation expense</td>
<td>2,202</td>
<td>1,952</td>
<td>1,952</td>
</tr>
<tr>
<td>Accrual for pension and severance costs, less payments</td>
<td>(9,763)</td>
<td>(15,229)</td>
<td>36,647</td>
</tr>
<tr>
<td>Other operating (income) expense, net</td>
<td>42,988</td>
<td>(13,450)</td>
<td>(59,594)</td>
</tr>
<tr>
<td>(Gain) loss on sale or devaluation of securities investments, net</td>
<td>(7,007)</td>
<td>(6,656)</td>
<td>2,933</td>
</tr>
<tr>
<td>(Gain) loss on revaluation of marketable securities held in the financial services business for trading purposes, net</td>
<td>(49,837)</td>
<td>10,958</td>
<td>(21,080)</td>
</tr>
<tr>
<td>(Gain) loss on revaluation or impairment of securities investments held in the financial services business, net</td>
<td>(53,984)</td>
<td>5,080</td>
<td>2,819</td>
</tr>
<tr>
<td>Deferred income taxes**</td>
<td>(65,162)</td>
<td>307,421</td>
<td>206,694</td>
</tr>
<tr>
<td>Equity in net (income) losses of affiliated companies, net of dividends</td>
<td>36,183</td>
<td>(11,479)</td>
<td>138,772</td>
</tr>
</tbody>
</table>

**Changes in assets and liabilities:**

| (Increase) decrease in notes and accounts receivable, trade | (53,306) | 104,515 | 4,427 |
| (Increase) decrease in inventories | 148,584 | (112,089) | 29,778 |
| Increase in film costs | (296,819) | (244,063) | (186,783) |
| Increase in notes and accounts payable, trade | 262,032 | (18,119) | (59,410) |
| Increase (decrease) in accrued income and other taxes** | 71,939 | (8,020) | (44,635) |
| Increase in future insurance policy benefits and other | 284,972 | 278,897 | 332,728 |
| Increase in deferred insurance acquisition costs | (71,999) | (69,196) | (68,634) |
| Increase in marketable securities held in the financial services business for trading purposes | (8,335) | (30,102) | (39,161) |
| Increase in other current assets | (32,405) | (89,473) | (35,181) |
| Increase in other current liabilities | 5,321 | 56,076 | 10,595 |
| Other** | 45,680 | 113,990 | 156,667 |

Net cash provided by operating activities | 912,907 | 616,245 | 519,539 |

(Continued on following page.)

** The amounts for the fiscal year ended March 31, 2010 have been revised.
<table>
<thead>
<tr>
<th>Cash flows from investing activities:</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payments for purchases of fixed assets</td>
<td>(338,050)</td>
<td>(253,688)</td>
<td>(382,549)</td>
</tr>
<tr>
<td>Proceeds from sales of fixed assets</td>
<td>15,671</td>
<td>18,743</td>
<td>22,661</td>
</tr>
<tr>
<td>Payments for investments and advances by financial services business</td>
<td>(1,581,841)</td>
<td>(1,458,912)</td>
<td>(1,028,150)</td>
</tr>
<tr>
<td>Payments for investments and advances (other than financial services business)</td>
<td>(41,838)</td>
<td>(15,316)</td>
<td>(28,021)</td>
</tr>
<tr>
<td>Proceeds from sales or return of investments and collections of advances by financial services business</td>
<td>1,128,500</td>
<td>874,031</td>
<td>474,466</td>
</tr>
<tr>
<td>Proceeds from sales or return of investments and collections of advances (other than financial services business)</td>
<td>54,324</td>
<td>30,332</td>
<td>93,165</td>
</tr>
<tr>
<td>Proceeds from sales of businesses</td>
<td>22,084</td>
<td>99,335</td>
<td>8,430</td>
</tr>
<tr>
<td>Payment for Sony Ericsson acquisition, net of cash acquired</td>
<td>—</td>
<td>—</td>
<td>(71,843)</td>
</tr>
<tr>
<td>Other</td>
<td>(4,854)</td>
<td>(8,964)</td>
<td>28,955</td>
</tr>
<tr>
<td><strong>Net cash used in investing activities</strong></td>
<td>(746,004)</td>
<td>(714,439)</td>
<td>(882,886)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash flows from financing activities:</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceeds from issuance of long-term debt</td>
<td>510,128</td>
<td>1,499</td>
<td>216,887</td>
</tr>
<tr>
<td>Payments of long-term debt</td>
<td>(144,105)</td>
<td>(216,212)</td>
<td>(112,043)</td>
</tr>
<tr>
<td>Increase (decrease) in short-term borrowings, net</td>
<td>(250,252)</td>
<td>6,120</td>
<td>(26,158)</td>
</tr>
<tr>
<td>Increase in deposits from customers in the financial services business, net</td>
<td>276,454</td>
<td>229,327</td>
<td>211,597</td>
</tr>
<tr>
<td>Dividends paid</td>
<td>(25,085)</td>
<td>(25,098)</td>
<td>(25,078)</td>
</tr>
<tr>
<td>Other</td>
<td>(2,126)</td>
<td>(5,748)</td>
<td>(7,869)</td>
</tr>
<tr>
<td><strong>Net cash provided by (used in) financing activities</strong></td>
<td>365,014</td>
<td>(10,112)</td>
<td>257,336</td>
</tr>
</tbody>
</table>

| Effect of exchange rate changes on cash and cash equivalents | (1,098) | (68,890) | (13,825) |
| Net increase (decrease) in cash and cash equivalents | 530,819 | (177,196) | (119,836) |
| Cash and cash equivalents at beginning of the fiscal year | 660,789 | 1,191,608 | 1,014,412 |
| **Cash and cash equivalents at end of the fiscal year** | 1,191,608 | 1,014,412 | 894,576 |

**Supplemental data:**

<table>
<thead>
<tr>
<th>Cash paid during the fiscal year for—</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income taxes</td>
<td>60,022</td>
<td>116,376</td>
<td>127,643</td>
</tr>
<tr>
<td>Interest</td>
<td>19,821</td>
<td>20,583</td>
<td>20,276</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Non-cash investing and financing activities—</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Obtaining assets by entering into capital lease</td>
<td>2,553</td>
<td>3,738</td>
<td>56,403</td>
</tr>
<tr>
<td>Collections of deferred proceeds from sales of receivables—</td>
<td>—</td>
<td>153,550</td>
<td>132,636</td>
</tr>
</tbody>
</table>
Stock Information

Ownership and Distribution of Shares

<table>
<thead>
<tr>
<th>Years ended March 31</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of shares held</td>
<td>453,778,031</td>
<td>434,213,781</td>
<td>366,869,951</td>
</tr>
<tr>
<td>Number of shareholders</td>
<td>1,400</td>
<td>1,377</td>
<td>1,297</td>
</tr>
</tbody>
</table>

Stock Price Range and Trading Volume on the Tokyo Stock Exchange

<table>
<thead>
<tr>
<th>Years ended March 31</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stock price (Yen)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At year-end</td>
<td>3,970</td>
<td>1,998</td>
<td>3,580</td>
<td>2,664</td>
<td>1,704</td>
</tr>
<tr>
<td>High</td>
<td>7,190</td>
<td>5,560</td>
<td>3,645</td>
<td>3,620</td>
<td>2,727</td>
</tr>
<tr>
<td>Low</td>
<td>3,910</td>
<td>1,491</td>
<td>2,050</td>
<td>2,100</td>
<td>1,253</td>
</tr>
<tr>
<td>Annual increase/decrease</td>
<td>-33.7%</td>
<td>-49.7%</td>
<td>+79.2%</td>
<td>-25.6%</td>
<td>-36.0%</td>
</tr>
</tbody>
</table>

Number of shares outstanding at year-end (Thousands of shares) | 1,004,443 | 1,004,535 | 1,004,571 | 1,004,637 | 1,004,638 |

Market capitalization at year-end (Yen in trillions) | 3.99 | 2.01 | 3.60 | 2.68 | 2.17 |

Per share of common stock data (Yen) |      |      |      |      |      |
| Cash dividends applicable to the year | 25.00 | 42.50 | 25.00 | 25.00 | 25.00 |
| Net income (loss) (diluted) | 351.10 | (98.59) | (40.66) | (258.66) | (455.03) |
| Stockholders’ equity | 3,453.25 | 2,954.25 | 2,955.47 | 2,538.89 | 2,021.66 |
INVES'TOR RELATIONS OFFICES
If you have any questions or would like a copy of our Form 20-F, filed with the U.S. Securities and Exchange Commission, or our Annual Report to shareholders, please direct your request to:

■ Japan
SONY CORPORATION
IR Department
7-1, Konan 1-chome, Minato-ku,
Tokyo 108-0075
Phone: 81-(0)3-6748-2111

■ U.S.A.
SONY CORPORATION OF AMERICA
Investor Relations
550 Madison Avenue, 27th Floor,
New York, NY 10022-3211
Phone: 1-212-833-6849

■ U.K.
SONY GLOBAL TREASURY SERVICES PLC
Investor Relations Europe
15th Floor, Aviva Tower, St. Helens, 1 Undershaft,
London EC3A 8NP
Phone: 44-(0)20-7426-8696

SONY ON THE INTERNET
Sony’s Investor Relations Home Pages on the World Wide Web offer a wealth of corporate information, including the latest annual report and financial results.
http://www.sony.net/IR/

ORDINARY GENERAL MEETING OF SHAREHOLDERS
The Ordinary General Meeting of Shareholders is held in June.

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM
PricewaterhouseCoopers Aarata
Sumitomo Fudosan Shiodome Hamarikyu Bldg.,
21-1, Ginza 8-chome, Chuo-ku, Tokyo 104-0061, Japan

DEPOSITARY, TRANSFER AGENT AND REGISTRAR FOR AMERICAN DEPOSITORY RECEIPTS
JPMorgan Chase Bank N.A.
1 Chase Manhattan Plaza, Floor 58, New York, NY 10005

■ Contact Address:
JPMorgan Service Center
P.O. Box 64504
St. Paul, MN 55164-0504
Phone: General: 1-800-990-1135
From outside the U.S.A.: 1-651-453-2128

TRANSFER AGENT
Mitsubishi UFJ Trust and Banking Corporation
4-5, Marunouchi 1-chome, Chiyoda-ku,
Tokyo 100-8212, Japan
Phone: 81-(0)3-3212-1211

OVERSEAS STOCK EXCHANGE LISTINGS
New York and London stock exchanges

JAPANESE STOCK EXCHANGE LISTINGS
Tokyo and Osaka stock exchanges

NUMBER OF SHAREHOLDERS
(As of March 31, 2012)
714,039

INFORMATION REGARDING CSR
(Corporate Social Responsibility)
Information about Sony’s CSR activities can be accessed at the following website.
http://www.sony.net/csr/

Inquiries concerning the aforementioned activities can be directed to:
Sony Corporation
Corporate Social Responsibility Department
Phone: 81-(0)3-6748-2111