

**SONY**

# **Q3 FY2014 Consolidated Financial Results**

(Three months ended December 31, 2014)

**Sony Corporation**

- **Q3 FY2014 Consolidated Financial Results  
and Revision of FY2014 Consolidated Forecast**

- **Segments Outlook**

## Q3 FY2014 Consolidated Results

(Bln Yen)

	Q3 FY13	Q3 FY14	Change	Change(CC <sup>1</sup> )
Sales & operating revenue	2,410.7	<b>2,566.7</b>	+6.5%	-0.3%
Operating income	88.9	<b>182.1</b>	+104.9%	+101%
Income before income taxes	88.3	<b>167.8</b>	+90.1%	
Net income attributable to Sony Corporation's stockholders	26.4	<b>90.0</b>	+241.0%	
Net income attributable to Sony Corporation's stockholders per share of common stock (diluted)	22.58 yen	<b>76.96 yen</b>	+240.8%	
Restructuring charges <sup>2</sup>	13.7	<b>9.0</b>	-33.8%	

Foreign Exchange Impact		Average Rate	Q3 FY13	Q3 FY14
Sales & operating revenue:	approx. +163.7 bln yen	1 US dollar	100.5 yen	114.5 yen
Operating income:	approx. +3.3 bln yen	1 euro	136.7 yen	143.0 yen

- In the Financial Services segment, certain figures for FY13 have been revised from the versions previously disclosed (applied to all following pages)

<sup>1</sup> Constant currency (CC) basis: change that would have occurred with no year-on-year change in exchange rates / The Pictures segment refers to change on a U.S. dollar basis (applied to all following pages)

<sup>2</sup> Restructuring charges are included in operating income as operating expenses (applied to all following pages)

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## Q1-Q3 FY2014 Consolidated Results

(Bln Yen)

	Q1-Q3 FY13	Q1-Q3 FY14	Change	Change(CC)
Sales & operating revenue	5,896.3	<b>6,278.2</b>	+6.5%	+2%
Operating income	138.3	<b>166.3</b>	+20.3%	+10%
Income before income taxes	138.8	<b>146.3</b>	+5.3%	
Net income attributable to Sony Corporation's stockholders	9.9	<b>-19.2</b>	-	
Net income attributable to Sony Corporation's stockholders per share of common stock (diluted)	8.45 yen	<b>-17.50 yen</b>	-	
Restructuring charges	26.1	<b>33.7</b>	+29.1%	

Foreign Exchange Impact		Average Rate	Q1-Q3 FY13	Q1-Q3 FY14
Sales & operating revenue:	approx. +289.2 bln yen	1 US dollar	99.4 yen	106.9 yen
Operating income:	approx. +13.6 bln yen	1 euro	132.2 yen	140.3 yen

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## Q3 FY2014 Results by Segment

		Q3 FY13	Q3 FY14	Change	Change(CC)	FX Impact	(Bln Yen)
<b>Mobile Communications (MC)</b>	Sales	333.2	429.0	+28.7%			
	Operating income	6.3	9.3	+2.9 bln yen	+23%	+18.3 bln yen	
<b>Game &amp; Network Services (G&amp;NS)</b>	Sales	454.9	531.5	+16.8%			
	Operating income	12.4	27.6	+15.2 bln yen	+8%	+41.9 bln yen	
<b>Imaging Products &amp; Solutions (IP&amp;S)</b>	Sales	198.1	201.0	+1.5%			
	Operating income	12.1	23.0	+10.9 bln yen	-5%	+13.4 bln yen	
<b>Home Entertainment &amp; Sound (HE&amp;S)</b>	Sales	404.0	413.3	+2.3%			
	Operating income	6.4	25.3	+18.9 bln yen	-5%	+29.5 bln yen	
<b>Devices</b>	Sales	211.3	292.9	+38.6%			
	Operating income	-23.5	54.5	+78.1 bln yen	+26%	+26.2 bln yen	
<b>Pictures</b>	Sales	223.7	206.6	-7.7%			
	Operating income	24.3	6.2	-18.0 bln yen	-20%		
<b>Music</b>	Sales	144.7	163.6	+13.1%			
	Operating income	21.7	25.4	+3.7 bln yen	+3%		
<b>Financial Services</b>	Revenue	282.1	304.9	+8.1%			
	Operating income	46.4	50.9	+4.5 bln yen			
<b>All Other</b>	Sales	270.6	144.3	-46.7%			
	Operating income	-14.8	-14.3	+0.5 bln yen			
<b>Corporate and elimination</b>	Sales	-111.9	-120.4	-			
	Operating income	-2.3	-25.8	-23.4 bln yen			
<b>Consolidated total</b>	Sales	2,410.7	2,566.7	+6.5%	-0.3%	+163.7 bln yen	
	Operating income	88.9	182.1	+93.2 bln yen	+101%	+3.3 bln yen	

· Due to Sony's modification to its organizational structure on and after April 1, 2014, certain figures in FY13 have been reclassified to conform to the presentation of FY14 (applied to all following pages)  
· Sales and Revenue in each business segment represents sales and revenue recorded before intersegment transactions are eliminated. Operating income in each business segment represents operating income reported before intersegment transactions are eliminated and excludes unallocated corporate expenses (applied to all following pages)  
· Both Sales and Revenue include operating revenue and intersegment sales (applied to all following pages)

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## Q1-Q3 FY2014 Results by Segment

		Q1-Q3 FY13	Q1-Q3 FY14	Change	Change(CC)	FX Impact	(Bln Yen)
<b>Mobile Communications (MC)</b>	Sales	923.3	1,051.7	+13.9%			
	Operating income	27.7	-165.5	-193.2 bln yen	+8%	+56.9 bln yen	
<b>Game &amp; Network Services (G&amp;NS)</b>	Sales	755.5	1,098.5	+45.4%			
	Operating income	-8.1	53.7	+61.9 bln yen	+36%	+69.3 bln yen	
<b>Imaging Products &amp; Solutions (IP&amp;S)</b>	Sales	554.5	544.3	-1.8%			
	Operating income	18.9	60.5	+41.6 bln yen	-6%	+22.7 bln yen	
<b>Home Entertainment &amp; Sound (HE&amp;S)</b>	Sales	943.0	981.4	+4.1%			
	Operating income	-2.3	40.9	+43.2 bln yen	-1%	+47.9 bln yen	
<b>Devices</b>	Sales	602.9	724.7	+20.2%			
	Operating income	-0.8	96.6	+97.4 bln yen	+14%	+39.0 bln yen	
<b>Pictures</b>	Sales	560.5	583.5	+4.1%			
	Operating income	10.2	13.0	+2.8 bln yen	-4%		
<b>Music</b>	Sales	371.6	397.2	+6.9%			
	Operating income	42.2	48.6	+6.4 bln yen	+1%		
<b>Financial Services</b>	Revenue	777.2	821.5	+5.7%			
	Operating income	129.9	142.3	+12.5 bln yen			
<b>All Other</b>	Sales	677.1	381.7	-43.6%			
	Operating income	-34.2	-50.9	-16.7 bln yen			
<b>Corporate and elimination</b>	Sales	-269.2	-306.3	-			
	Operating income	-45.1	-73.0	-27.9 bln yen			
<b>Consolidated total</b>	Sales	5,896.3	6,278.2	+6.5%	+2%	+289.2 bln yen	
	Operating income	1,38.3	166.3	+28.0 bln yen	+10%	+13.6 bln yen	

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## FY2014 Consolidated Results Forecast

(Bln Yen)

	FY13	FY14 October FCT	FY14 February FCT	Change from October FCT
Sales & operating revenue	7,767.3	7,800	<b>8,000</b>	+2.6%
Operating income	26.5	-40	<b>20</b>	+60 bln yen
Income before income taxes	25.7	-50	<b>-5</b>	+45 bln yen
Net income attributable to Sony Corporation's stockholders	-128.4	-230	<b>-170</b>	+60 bln yen
Capital expenditures <sup>1</sup>	261.0	295	<b>285</b>	-3.4%
Depreciation & amortization <sup>2</sup>	376.7	355	<b>350</b>	-1.4%
Research & development	466.0	485	<b>480</b>	-1.0%
Foreign exchange rates	Actual	Assumption (FY14 2H)	Assumption (FY14 4Q)	
1 US dollar	100.2 yen	Approx. 110 yen	Approx. 118 yen	
1 euro	134.4 yen	Approx. 138 yen	Approx. 133 yen	

<sup>1</sup> Does not include the increase in intangible assets resulting from acquisitions (applied to all following pages)

<sup>2</sup> Includes amortization expenses for intangible assets and for deferred insurance acquisition costs

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## FY2014 Results Forecast by Segment

(Bln Yen)

		FY13	FY14 October FCT	FY14 February FCT	Change from October FCT
<b>Mobile Communications (MC)</b>	Sales	1,191.8	1,350	<b>1,320</b>	-2.2%
	Operating income	12.6	-204	<b>-215</b>	-11 bln yen
<b>Game &amp; Network Services (G&amp;NS)</b>	Sales	1,043.9	1,290	<b>1,380</b>	+7.0%
	Operating income	-18.8	35	<b>40</b>	+5 bln yen
<b>Imaging Products &amp; Solutions (IP&amp;S)</b>	Sales	741.2	710	<b>710</b>	-
	Operating income	26.3	52	<b>53</b>	+1 bln yen
<b>Home Entertainment &amp; Sound (HE&amp;S)</b>	Sales	1,168.6	1,200	<b>1,210</b>	+0.8%
	Operating income	-25.5	10	<b>13</b>	+3 bln yen
<b>Devices</b>	Sales	773.0	890	<b>950</b>	+6.7%
	Operating income	-12.4	67	<b>100</b>	+33 bln yen
<b>Pictures</b>	Sales	829.6	860	<b>890</b>	+3.5%
	Operating income	51.6	58	<b>54</b>	-4 bln yen
<b>Music</b>	Sales	503.3	510	<b>520</b>	+2.0%
	Operating income	502	50	<b>53</b>	+3 bln yen
<b>Financial Services</b>	Revenue	993.8	1,000	<b>1,050</b>	+5.0%
	Operating income	170.3	164	<b>178</b>	+14 bln yen
<b>All Other, Corporate and elimination</b>	Operating income	-227.8	-272	<b>-256</b>	+16 bln yen
<b>Consolidated total</b>	Sales	7,767.3	7,800	<b>8,000</b>	+2.6%
	Operating income	26.5	-40	<b>20</b>	+60 bln yen

The forecasts for the segments disclosed in this page have been calculated using the assumed foreign currency rates of approximately 120 yen to the U.S. dollar and approximately 144 yen to the euro (applied to all following pages), therefore, the rates are different from the assumed foreign currency exchange rates shown on page 7, used to calculate the consolidated results forecast. The impact of this difference has been included in All Other, Corporate and Elimination.

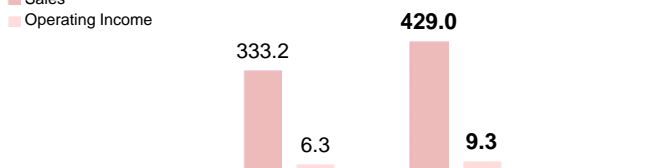
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## Mobile Communications Segment

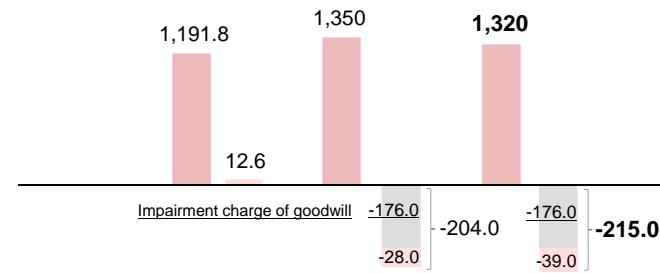
### Sales and Operating Income

(Bln Yen)

■ Sales  
■ Operating Income



(Mln Units)	Q3 FY13	Q3 FY14
<b>Smartphones</b>	10.7	11.9



(Mln Units)	FY13	FY14 October FCT	FY14 February FCT
<b>Smartphones</b>	39.1	41.0	39.2

### Q3 FY2014 (year-on-year)

- Sales: 28.7% increase (CC basis: +23%)
  - (+ Increase in smartphone unit sales
  - (+ Improvement in product mix
  - (+ Impact of foreign exchange rates
- OI: 2.9 bln yen increase
  - (+ Improvement in product mix
  - (+ Increase in smartphone unit sales
  - (- Unfavorable impact of the appreciation of the U.S. dollar, reflecting the high ratio of U.S. dollar-denominated costs

### FY2014 February FCT (change from October FCT)

- Sales: 30 bln yen downward revision
  - (- Decrease in unit sales of smartphones mainly in Asia Pacific region
  - (+ Impact of foreign exchange rates
- Impairment charge of goodwill: -176.0 bln yen
- OI: 11 bln yen downward revision
  - (- Unfavorable impact of the appreciation of the U.S. dollar, reflecting the high ratio of U.S. dollar-denominated costs
  - (- Decrease in sales
  - (+ Maintenance of average selling prices

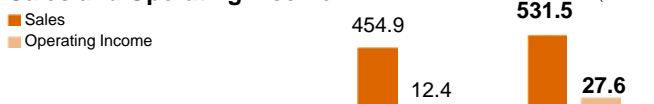
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## Game & Network Services Segment

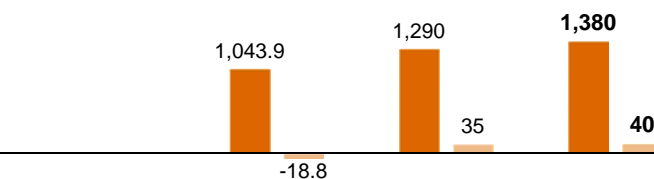
### Sales and Operating Income

(Bln Yen)

■ Sales  
■ Operating Income



(Mln Units, for Sales; Bln Yen)	Q3 FY13	Q3 FY14
<b>Computer Entertainment System</b>	7.8	7.5
PS4 (included above)	4.5	6.4
<b>Portable Entertainment System</b>	2.0	1.4
<b>Software (Sales)</b>	128	147
<b>Network (Sales)</b>	50	100



(Mln Units, for Sales; Bln Yen)	FY13	FY14 October FCT	FY14 February FCT
<b>Computer Entertainment System</b>	14.6	17.0	17.5
<b>Portable Entertainment System</b>	4.1	3.5	3.5
<b>Software (Sales)</b>	384	390	420

• Computer Entertainment System = PS4, PS3  
 • Portable Entertainment System = PS TV, PS Vita, PSP  
 • Software (Sales) includes sales of packaged software and networked software in the G&NS segment.  
 • Network (Sales) is total amount of network sales to external customers in G&NS segment.

### Q3 FY2014 (year-on-year)

- Sales: 16.8% increase (CC basis: +8%)
  - (+ Increase in PS4 hardware unit sales
  - (+ Impact of foreign exchange rates
  - (+ Significant increase in network sales
  - (- Decrease in PS3 hardware and software sales
- OI: 15.2 bln yen increase
  - (+ Increase in sales
  - (+ Recording of 6.2 bln yen write-off of certain PC software titles of Sony Online Entertainment LLC in Q3 FY13
  - (- Decrease in PS3 software sales
  - (- Unfavorable impact of the appreciation of the U.S. dollar, reflecting the high ratio of U.S. dollar-denominated costs
  - (- Recording of 11.2 bln yen write-down of PS Vita and PS TV components

### FY2014 February FCT (change from October FCT)

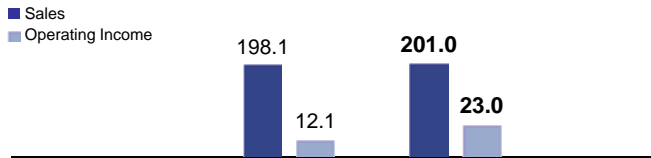
- Sales: 90 bln yen upward revision
  - (+ Increase in unit sales of PS4
  - (+ Increase in network sales
  - (+ Impact of foreign exchange rates
- OI: 5 bln yen upward revision
  - (+ Increase in sales
  - (- Unfavorable impact of the appreciation of the U.S. dollar, reflecting the high ratio of U.S. dollar-denominated costs

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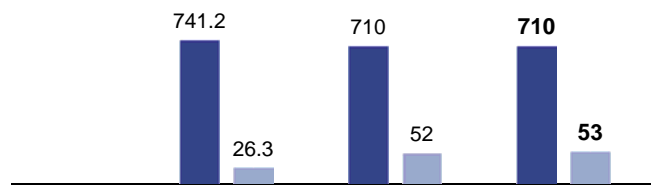
## Imaging Products & Solutions Segment

### Sales and Operating Income

(Bln Yen)



(Mln Units)	Q3 FY13	Q3 FY14
Digital Cameras*	3.4	2.6



(Mln Units)	FY13	FY14 October FCT	FY14 February FCT
Digital Cameras*	11.5	8.4	8.4

\* Digital Cameras include Compact Digital Cameras, Interchangeable Single-lens Cameras, and Lens Style Cameras

### Q3 FY2014 (year-on-year)

- Sales: 1.5% increase (CC basis: -5%)
  - (+ Impact of foreign exchange rates
  - (-) Significant decrease in unit sales of digital cameras\*
- OI: 10.9 billion yen increase
  - (+ Reduction in selling, general and administrative expenses
  - (+ Favorable impact of foreign exchange rates
  - (-) Decrease in sales of digital cameras\*

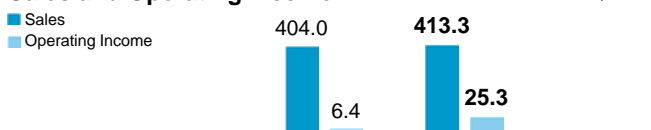
### FY2014 February FCT (change from October FCT)

- Sales: Remain unchanged
- OI: 1 bln yen upward revision
  - (+ Favorable impact of foreign exchange rates
  - (+ Cost reductions

## Home Entertainment & Sound Segment

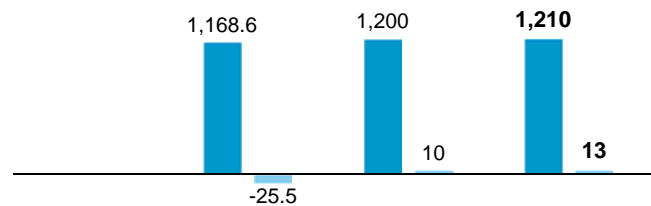
### Sales and Operating Income

(Bln Yen)



TV Business (included above)	Q3 FY13	Q3 FY14
Sales	254.9	280.6
Operating Income	-5.0	9.3

LCD TVs (Mln Units)	Q3 FY13	Q3 FY14
	4.5	4.7



TV Business (included above)	FY13	FY14 October FCT	FY14 February FCT
Sales	754.3	830	830
Operating Income	-25.7	Profitable	Profitable

LCD TVs (Mln Units)	FY13	FY14 October FCT	FY14 February FCT
	13.5	14.5	14.5

### Q3 FY2014 (year-on-year)

- Sales: 2.3% increase (CC basis: -5%)
  - (+ Impact of foreign exchange rates
  - (+ Significant increase in sales of televisions
    - (+) Significant increase in unit sales in North America and Europe
    - (-) Significant decrease in unit sales in Latin America
  - (-) Decrease in Audio and Video sales
- OI: 18.9 bln yen increase
  - (+ Cost reductions
  - (-) Unfavorable impact of the appreciation of the U.S. dollar, reflecting the high ratio of U.S. dollar-denominated costs

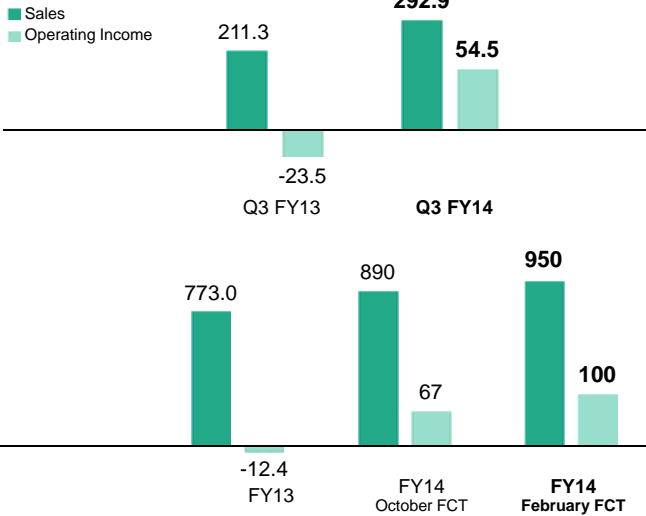
### FY2014 February FCT (change from October FCT)

- Sales: 10 bln yen upward revision
  - (+ Impact of foreign exchange rates
- OI 3 bln yen upward revision
  - (+ Cost reductions in Audio and Video

## Devices Segment

### Sales and Operating Income

(Bln Yen)



<b>Semiconductor Sales</b>	470	570	<b>610</b>
[for Image Sensors (included above)]	320	410	450 ]
<b>Semiconductor CAPEX</b>	67	80	<b>80</b>
[for Image Sensors (included above)]	45	50	50 ]

### Q3 FY2014 (year-on-year)

- Sales: 38.6% increase (CC basis: +26%)
  - (+ ) Significant increase in sales of image sensors reflecting higher demand for mobile products
  - (+ ) Impact of foreign exchange rates
  - (+ ) Significant increase in sales of camera modules
- OI: Improvement (+78.1 bln yen)
  - (+ ) Recording of a 32.1 bln yen impairment charge related to long-lived assets in the battery business in Q3 FY13
  - (+ ) Increase in sales of image sensors
  - (+ ) Favorable impact of foreign exchange rates

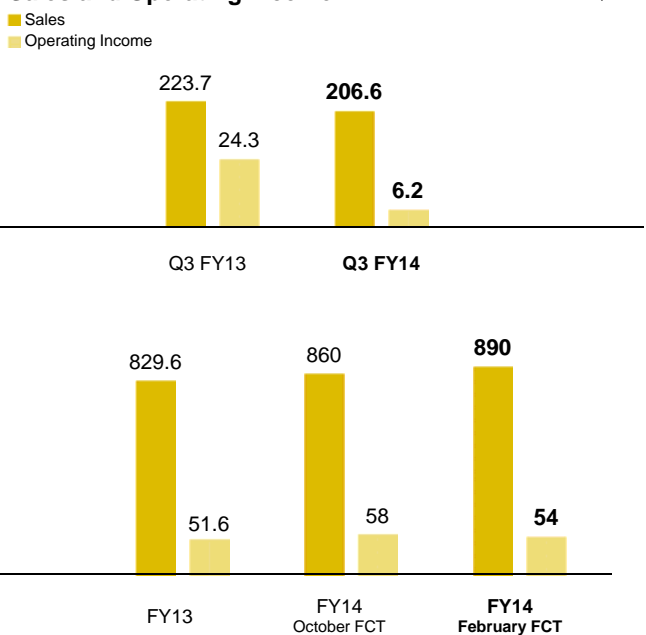
### FY2014 February FCT (change from October FCT)

- Sales: 60 bln yen upward revision
  - (+ ) Increase in sales of image sensors
  - (+ ) Impact of foreign exchange rates
- OI: 33 bln yen upward revision
  - (+ ) Increase in sales of image sensors
  - (+ ) Favorable impact of foreign exchange rates

## Pictures Segment

### Sales and Operating Income

(Bln Yen)



### Q3 FY2014 (year-on-year)

- Sales: 7.7% decrease (U.S. dollar basis: -20%)
  - (- ) Decrease in Motion Pictures sales
    - (- ) Significant decrease in home entertainment revenues due to fewer major home entertainment releases in Q3 FY14 as compared to Q3 FY13
    - (- ) Significant decrease in theatrical revenues due to the stronger worldwide performance of theatrical releases in Q3 FY13
  - (- ) Decrease in Television Productions sales
    - (- ) Higher home entertainment and subscription video on demand revenues for the U.S. television series *Breaking Bad* in Q3 FY13
- OI: 18.0 bln yen decrease
  - (- ) Decrease in Motion Pictures and Television Productions sales
  - (- ) Approximately 15 mln U.S. dollars (1.8 bln yen) in investigation and remediation costs relating to the cyberattack

### FY2014 February FCT (change from October FCT)

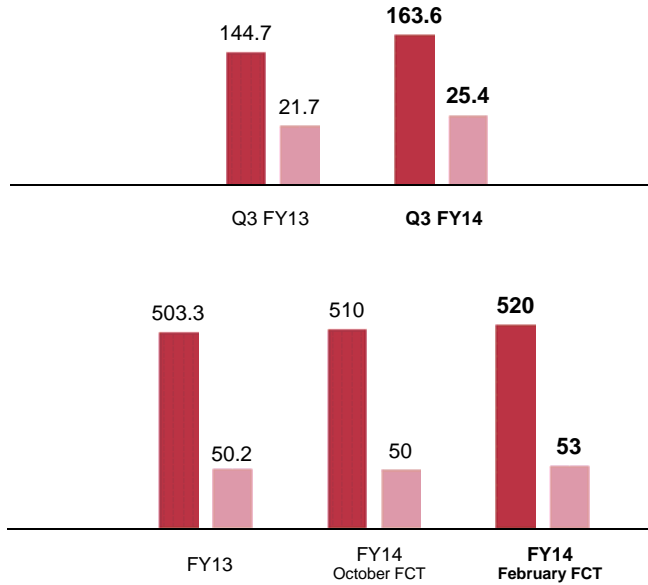
- Sales: 30 bln yen upward revision
  - (+ ) Impact of the depreciation of the yen against U.S. dollar
- OI: 4 bln yen downward revision
  - (- ) Decrease in Media Networks advertising revenues
  - (- ) Investigation and remediation costs relating to the cyberattack

## Music Segment

### Sales and Operating Income

(Bln Yen)

■ Sales  
■ Operating Income



### Q3 FY2014 (year-on-year)

- Sales: 13.1% increase (CC basis: +3%)
  - (+ Impact of the depreciation of the yen against the U.S. dollar
  - (+ Increase in Recorded Music sales due to the strong performance of several releases and higher digital streaming revenues
- OI: 3.7 bln yen increase
  - (+ Favorable impact of foreign exchange rates
  - (+ Increase in Recorded Music sales

### FY2014 February FCT (change from October FCT)

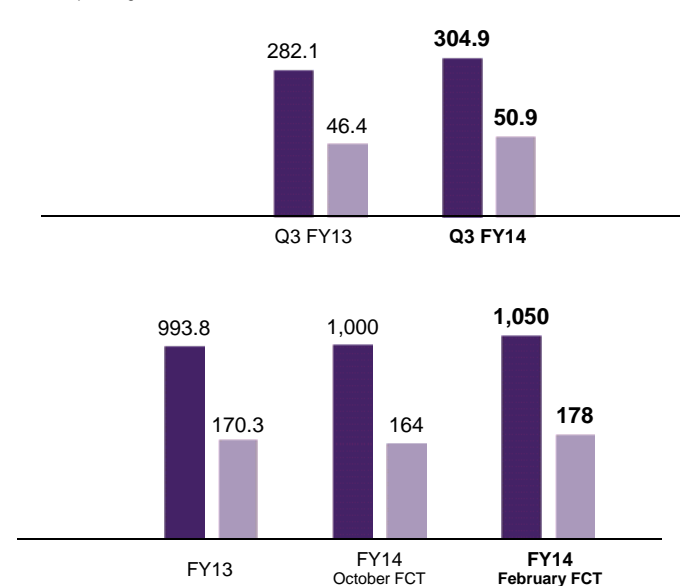
- Sales: 10 bln yen upward revision
  - (+ Impact of foreign exchange rates
- OI: 3 bln yen upward revision
  - (+ Favorable Impact of foreign exchange rates
  - (+ Increase in Recorded Music sales in Japan

## Financial Services Segment

### Financial Services Revenue and Operating Income

(Bln Yen)

■ Financial Services Revenue  
■ Operating Income



### Q3 FY2014 (year-on-year)

- Revenue: 8.1% increase
  - (+ Increase in revenue at Sony Life (8.2% increase, revenue: 279.1 bln yen)
  - (+ Increase in insurance premium revenue reflecting an increase in policy amount in force
  - (+ Improvement in investment performance
- OI: 4.5 bln yen increase
  - (+ Increase in OI of Sony Life (2.9 bln yen increase, OI: 51.2 bln yen)
  - (+ Improvement in investment performance in the general account

### FY2014 February FCT (change from October FCT)

- Revenue: 50 bln yen upward revision
  - (+ Results in Q3 FY14 exceeded expectations
- OI: 14 bln yen upward revision
  - (+ Results in Q3 FY14 exceeded expectations



## Long-lived Assets and Goodwill by Segment

(Bln Yen)

		FY12	FY13	FY14		
				Q1	Q2	Q3
<b>Mobile Communications (MC)</b>	Long-lived assets	93.6	93.7	88.3	86.3	<b>84.6</b>
	Goodwill	153.6	180.2	175.9	-	-
<b>Game &amp; Network Services (G&amp;NS)</b>	Long-lived assets	108.5	110.3	110.7	115.1	<b>117.0</b>
	Goodwill	147.5	150.6	150.0	152.3	<b>155.3</b>
<b>Imaging Products &amp; Solutions (IP&amp;S)</b>	Long-lived assets	80.9	62.8	60.6	59.8	<b>58.4</b>
	Goodwill	5.8	6.2	6.1	6.2	<b>6.2</b>
<b>Home Entertainment &amp; Sound (HE&amp;S)</b>	Long-lived assets	20.5	18.0	13.0	15.7	<b>14.7</b>
	Goodwill	-	-	-	-	-
<b>Devices</b>	Long-lived assets	397.3	333.8	328.4	328.4	<b>333.3</b>
	Goodwill	37.3	37.4	37.4	37.5	<b>37.7</b>
<b>Pictures</b>	Long-lived assets	112.7	120.9	116.5	132.3	<b>141.7</b>
	Goodwill	160.9	187.3	184.3	207.5	<b>226.2</b>
<b>Music</b>	Long-lived assets	210.5	223.6	221.6	226.0	<b>239.8</b>
	Goodwill	113.6	122.8	121.8	127.2	<b>134.8</b>
<b>Financial Services</b>	Long-lived assets	52.7	53.6	52.8	51.7	<b>50.3</b>
	Goodwill	2.3	2.3	2.3	2.3	<b>2.3</b>
<b>All Other and Corporate</b>	Long-lived assets	479.4	409.0	404.6	399.7	<b>393.9</b>
	Goodwill	22.2	5.0	5.0	5.1	<b>5.2</b>
<b>Consolidated total</b>	Long-lived assets	1,556.2	1,425.7	1,396.4	1,415.0	<b>1,433.7</b>
	Goodwill	643.2	691.8	683.0	538.1	<b>567.7</b>

- Long-lived assets include property, plant and equipment and intangible assets

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## “Depreciation & Amortization” and “Restructuring Charges” by Segment (Reclassified)

(Mln Yen)

		FY12	FY13				FY14		
			Q1	Q2	Q3	FY	Q1	Q2	Q3
<b>Mobile Communications (MC)</b>	Depreciation & Amortization	19,165	5,419	5,502	5,519	22,073	6,444	4,435	<b>5,571</b>
	Restructuring Charges	1,704	755	2,391	421	3,611	13	43	<b>1,790</b>
<b>Game &amp; Network Services (G&amp;NS)</b>	Depreciation & Amortization	12,324	3,646	4,221	4,395	16,529	4,000	4,426	<b>4,740</b>
	Restructuring Charges	310	1	381	10	371	64	0	<b>12</b>
<b>Imaging Products &amp; Solutions (IP&amp;S)</b>	Depreciation & Amortization	39,605	9,850	9,472	9,220	38,080	6,967	8,293	<b>7,243</b>
	Restructuring Charges	12,885	729	1,403	-169	2,674	128	71	<b>314</b>
<b>Home Entertainment &amp; Sound (HE&amp;S)</b>	Depreciation & Amortization	26,968	6,608	6,620	6,053	25,806	6,105	6,138	<b>6,356</b>
	Restructuring Charges	12,412	179	553	9	1,571	540	38	<b>2</b>
<b>Devices</b>	Depreciation & Amortization	112,486	25,689	26,171	25,576	106,472	21,014	21,588	<b>21,967</b>
	Restructuring Charges	16,029	1,376	1,053	1,102	8,915	542	2,823	<b>220</b>
<b>Pictures</b>	Depreciation & Amortization	15,428	4,347	4,639	4,420	18,078	4,565	4,691	<b>5,241</b>
	Restructuring Charges	1,081	415	456	278	6,735	0	16	<b>166</b>
<b>Music</b>	Depreciation & Amortization	13,209	3,590	3,601	3,611	14,414	3,347	3,420	<b>3,391</b>
	Restructuring Charges	2,305	26	78	44	576	25	34	<b>1,317</b>
<b>Financial Services</b>	Depreciation & Amortization	62,633	13,957	15,546	11,111	54,348	15,619	13,602	<b>13,770</b>
	Restructuring Charges	0	0	0	0	0	0	0	<b>0</b>
<b>All Other</b>	Depreciation & Amortization	30,348	7,183	7,393	7,139	29,825	3,466	3,226	<b>3,382</b>
<b>Corporate</b>	Depreciation & Amortization	44,569	12,640	12,862	11,752	51,070	12,771	12,630	<b>12,672</b>
<b>All Other and Corporate</b>	Restructuring Charges	30,781	1,173	1,491	11,968	56,136	13,950	6,399	<b>5,227</b>
<b>Consolidated total</b>	Depreciation & Amortization	376,735	92,929	96,027	88,796	376,695	84,298	82,449	<b>84,333</b>
	Restructuring Charges	77,507	4,654	7,806	13,663	80,589	15,262	9,424	<b>9,048</b>

- Restructuring Charges include depreciation associated with restructured assets

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## Results by Segment (Reclassified)

		FY12	FY13				FY14			(Mln Yen)
			Q1	Q2	Q3	FY	Q1	Q2	Q3	
<b>Mobile Communications (MC)</b>	Sales	770,725	285,466	304,588	333,238	1,191,809	314,318	308,363	<b>428,981</b>	
	Operating income	-41,112	12,566	8,802	6,331	12,601	-2,740	-171,998	<b>9,253</b>	
<b>Game &amp; Network Services (G&amp;NS)</b>	Sales	749,867	131,587	168,954	454,937	1,043,858	257,530	309,479	<b>531,537</b>	
	Operating income	-3,695	-16,370	-4,164	12,394	-18,845	4,319	21,790	<b>27,608</b>	
<b>Imaging Products &amp; Solutions (IP&amp;S)</b>	Sales	756,201	180,888	175,506	198,063	741,203	164,600	178,610	<b>201,041</b>	
	Operating income	1,442	9,097	-2,308	12,071	26,327	17,409	20,098	<b>22,986</b>	
<b>Home Entertainment &amp; Sound (HE&amp;S)</b>	Sales	994,827	275,176	263,780	404,028	1,168,579	285,748	282,354	<b>413,306</b>	
	Operating income	-84,315	3,367	-12,094	6,408	-25,499	7,661	7,966	<b>25,286</b>	
<b>Devices</b>	Sales	806,152	190,376	201,289	211,257	772,979	184,088	247,712	<b>292,884</b>	
	Operating income	45,573	10,845	11,879	-23,515	-12,420	12,536	29,573	<b>54,537</b>	
<b>Pictures</b>	Sales	732,739	158,915	177,840	223,722	829,584	194,770	182,183	<b>206,580</b>	
	Operating income	47,800	3,742	-17,756	24,258	51,619	7,831	-1,041	<b>6,219</b>	
<b>Music</b>	Sales	441,708	111,959	114,971	144,665	503,288	116,863	116,752	<b>163,610</b>	
	Operating income	37,218	10,771	9,696	21,717	50,208	11,386	11,815	<b>25,411</b>	
<b>Financial Services</b>	Revenue	1,002,389	251,405	243,714	282,050	993,846	246,967	269,576	<b>304,926</b>	
	Operating income	142,209	45,109	38,388	46,353	170,292	43,772	47,686	<b>50,850</b>	
<b>All Other</b>	Sales	973,017	194,484	212,018	270,623	858,044	128,772	108,644	<b>144,312</b>	
	Operating income	49,503	-16,921	-2,473	-14,818	-136,053	-18,432	-18,163	<b>-14,280</b>	
<b>Corporate and elimination</b>	Sales	-432,121	-68,837	-88,425	-111,894	-335,924	-83,748	-102,162	<b>-120,428</b>	
	Operating income	31,880	-26,709	-16,041	-2,329	-91,735	-13,928	-33,314	<b>-25,775</b>	
<b>Consolidated total</b>	Sales	6,795,504	1,711,419	1,774,235	2,410,689	7,767,266	1,809,908	1,901,511	<b>2,566,749</b>	
	Operating income	226,503	35,497	13,929	88,870	26,495	69,814	-85,588	<b>182,095</b>	

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## Costs related to the exit from the PC business and other strategic management initiatives

	FY12	FY13	FY14				
			Q1	Q2	Q3	FY14 October FCT	FY14 February FCT
Costs related to the exit from the PC business and other strategic management initiatives <sup>1</sup>	93.1	177.4	25.5	191.2	<b>26.2</b>	311	<b>335</b>
Costs related to exit from the PC business <sup>2</sup>		58.3	18.3	7.7	<b>4.9</b>	39	<b>39</b>
Impairments (excluding those related to the PC business) <sup>3</sup>	15.6	73.2	2.4	177.6	<b>2.0</b>		
Write-off <sup>4</sup>		6.2	-	-	<b>11.2</b>		
Restructuring charges not included in the above <sup>5</sup>	77.5	39.7	4.5	5.3	<b>7.7</b>		
Cost related to other strategic management initiatives			0.3	0.6	<b>0.3</b>		

<sup>1</sup> Included in the costs related to the exit from the PC business and other strategic management initiatives in the fiscal years ended March 31, 2013 and 2014 are Costs related to the exit from the PC business, Impairments (excluding those related to the PC business), a Write-off, and Restructuring charges which do not include Costs related to exit from the PC business, Impairments (excluding those related to the PC business), and the Write-off.

<sup>2</sup> Included in costs related to the exit from the PC business in FY13 are 40.9 billion yen in restructuring charges (12.8 billion of which were impairments).

<sup>3</sup> Included in impairments for FY12 are 7.6 billion yen related to LCD TVs and for FY13 are 32.1 billion yen in the battery business, 25.6 billion yen in the disc manufacturing business and 7.8 billion yen related to LCD TVs, and for FY14 are 176.0 billion yen in Mobile business and 4.9 billion yen related to LCD TVs.

<sup>4</sup> The 6.2 billion yen write-off in FY13 was for certain PC game software titles, and the 11.2 billion yen write-off in Q3 FY14 was for PS Vita and PS TV components.

<sup>5</sup> Total restructuring charges were 77.5 billion yen in FY12, 80.6 billion yen in FY13, 15.3 billion yen in Q1 FY14, 9.4 billion yen in Q2 FY14, and 9.0 billion yen in Q3 FY14.

Restructuring charges are expenses that arise directly from such activities as withdrawal from businesses and product categories, closure and consolidation of facilities and implementation of early retirement programs, all undertaken with the goal of improving the profitability of Sony.

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## PC Business

(Bln Yen)

		FY12	FY13	FY14				
				Q1	Q2	Q3	FY14 October FCT	FY14 February FCT
<b>PC Business</b>	Sales	449.0	418.2	33.5	8.0	3.7	45	46
	Operating income	-38.6	-91.7	-20.7	-12.8	-13.4	-70	-70
	( PC exit costs (included above)	-	-58.3	-18.3	-7.7	-4.9	-39	-39

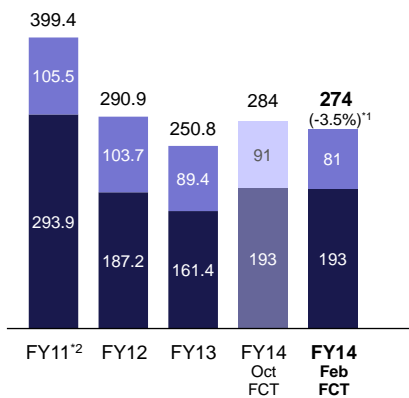
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## CAPEX and Depreciation & Amortization excluding Financial Services / Consolidated R&D

(Bln Yen)

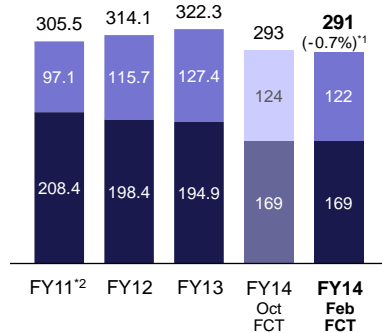
### Capital Expenditures (excluding Financial Services)

- Additions to intangible assets<sup>1</sup>
- Additions to property, plant and equipment

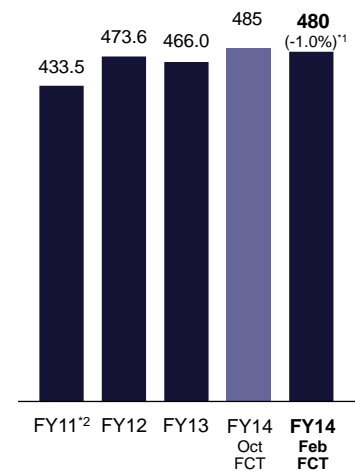


### Depreciation & Amortization (excluding Financial Services)

- For intangible assets
- For property, plant and equipment



### Consolidated Research & Development



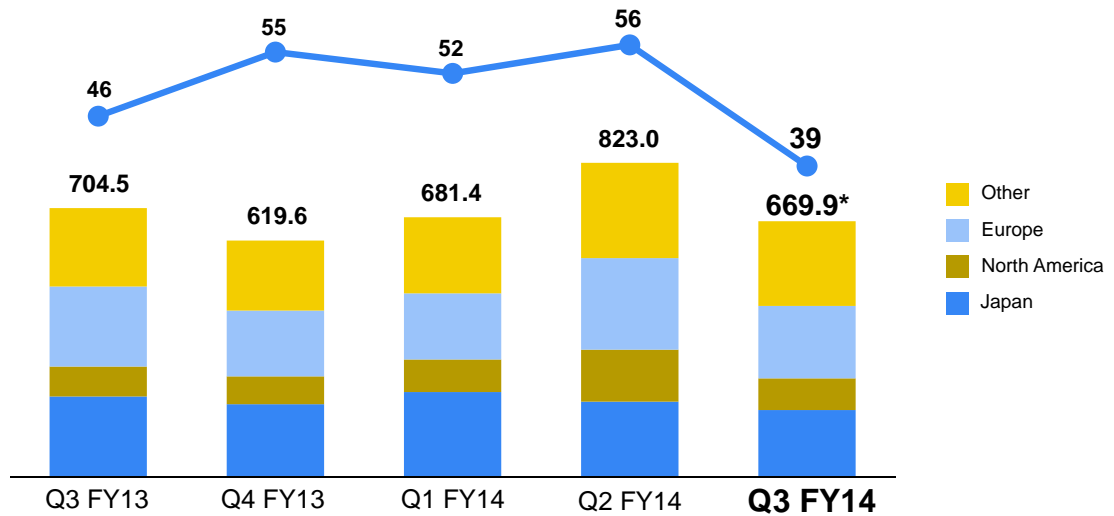
<sup>1</sup> Percentages are changes from FY14 October FCT.

<sup>2</sup> FY11 includes 1.5 months of Sony Mobile financial results in accordance with the consolidation of Sony Mobile on February 16, 2012.

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## Q3 FY2014 The Five Electronics Segments Total: Inventory by Area

(Bln Yen, Days)



\*669.9 bln yen – a 34.6 bln yen decrease from the end of Q3 FY13, and a 153.1 bln yen decrease from the end of Q2 FY14.

Bar graph: Inventory amount (bln yen)

Line graph: Inventory turnover (average beginning & ending inventory amount during the quarter divided by average daily sales in the quarter)

\*The Five Electronics Segments Total" refers to the sum of MC, G&NS, IP&S, HE&S and Devices segments

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## Unit Sales or Sales for Key Electronics Products (Quarterly Results)

(Mln units, for sales; Bln Yen)

	FY13					FY14		
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3
<b>Consumer Electronics</b>								
Smartphones	9.6	10.0	10.7	8.8	39.1	9.4	9.9	11.9
Digital Cameras	3.1	2.8	3.4	2.2	11.5	2.2	2.2	2.6
LCD TVs	3.1	3.3	4.5	2.6	13.5	3.6	3.6	4.7
<b>Game</b>								
Computer Entertainment System (PS4 / PS3) (PS4 (included above))	1.1 -	2.0 -	7.8 4.5	3.7 3.0	14.6 7.5	3.5 2.7	4.1 3.3	7.5 6.4
Portable Entertainment System (PS TV / PS Vita / PSP)	0.6	0.8	2.0	0.7	4.1	0.75	0.7	1.4
Software (Sales)	68	95	128	93	384	85	106	147
Network (Sales)	39	41	50	70	200	69	71	100

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## Unit Sales or Sales for Key Electronics Products Sales and capital expenditures for Semiconductors (Annual Forecast)

(Mln units, for sales and capital expenditures; Bln Yen)

	FY12	FY13	FY14	
			October FCT	February FCT
<b>Consumer Electronics</b>				
Smartphones	33.0	39.1	41.0	39.2
Digital Cameras	17.0	11.5	8.4	8.4
LCD TVs	13.5	13.5	14.5	14.5
<b>Game</b>				
Computer Entertainment System (PS4 / PS3 / PS2)	16.5	14.6	17.0	17.5
Portable Entertainment System (PS TV / PS Vita / PSP)	7.0	4.1	3.5	3.5
Software (Sales)	276	384	390	420
<b>Semiconductors</b>				
Sales*	480	470	570	610
( Image Sensors (included above)	280	320	410	450
Capital Expenditures	72	67	80	80
( Image Sensors (included above)	55	45	50	50

\* Sales of Semiconductors include operating revenue and intersegment transactions

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## Financial Targets of the Electronics Businesses

(Bln Yen)

		FY14 February FCT	Financial Targets for FY17
			(MC: As of Feb. 4 Other than MC: As of Nov. 25, 2014)
<b>Mobile Communications (MC)</b>	Sales	1,320	900 - 1,100
	Operating income	-215	-
	Operating income margin	-16.3%	3% - 5%
<b>Game &amp; Network Services (G&amp;NS)</b>	Sales	1,380	1,400 - 1,600
	Operating income	40	-
	Operating income margin	2.9%	5% - 6%
<b>Imaging Products &amp; Solutions (IP&amp;S)</b>	Sales	710	650 - 700
	Operating income	53	-
	Operating income margin	7.5%	7% - 9%
<b>Home Entertainment &amp; Sound (HE&amp;S)</b>	Sales	1,210	1,000 - 1,100
	Operating income	13	-
	Operating income margin	1.1%	2% - 4%
<b>Devices</b>	Sales	950	1,300 - 1,500
	Operating income	100	-
	Operating income margin	10.5%	10% - 12%

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## Financial Targets of the Entertainment Businesses

		FY14 Forecast (As of Nov. 18, 2014)	Financial Targets for FY17 (As of Nov. 18, 2014)
<b>Pictures</b>	Sales	8.1 bln U.S. dollars <sup>2</sup>	<b>10 - 11 bln U.S. dollars<sup>2</sup></b>
	Operating income (OI) margin	6.6%	<b>7 - 8%</b>
	OI margin before "Depreciation and amortization" <sup>1</sup> and "Restructuring charges"	8.9%	<b>9 - 10%</b>
<b>Music</b>	Sales	4.8 bln U.S. dollars <sup>3</sup>	<b>4.8 - 5.2 bln U.S. dollars<sup>4</sup></b>
	Operating income (OI) margin	9.8%	<b>10.5 - 11.5%</b>
	OI margin before "Depreciation and amortization" and "Restructuring charges"	12.8%	<b>13.5 - 14.5%</b>

<sup>1</sup> Excludes amortization of film costs

<sup>2</sup> The U.S. dollar targets and forecasts in the Pictures segment are consistent with the U.S. dollar figures that Sony Pictures Entertainment consolidates from its global operations prior to reporting them to Sony Corporation in Tokyo, where they are converted into yen

<sup>3</sup> FY14 Sales Forecast in the Music Segment were derived by converting Sony Music Entertainment Japan's yen target for each line item into U.S. dollars at a rate of ¥106 = U.S. \$1 (the average exchange rate calculated from the actual rate for the first half of FY14 and the assumed rate for the second half of FY14 as of October 31, 2014) and adding the product to Sony Music Entertainment and Sony / ATV Music Publishing's U.S. dollar target for each line item.

<sup>4</sup> FY17 Sales target in the Music Segment were derived by converting Sony Music Entertainment Japan's yen target for the segment into U.S. dollars at a rate of ¥110 = U.S. \$1, which is the assumed foreign currency exchange rate for the second half of FY14 as of October 31, 2014, and adding the product to Sony Music Entertainment and Sony / ATV Music Publishing's U.S. dollar target for each line item.

*Operating income margin before "Depreciation and amortization" and "Restructuring charges" is not a measure in accordance with U.S. GAAP. Sony does not believe that this measure is a substitute for operating income in accordance with U.S. GAAP. However, Sony believes that this supplemental disclosure for the Pictures and Music segments may provide additional useful analytical information to investors.*

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## Cautionary Statement

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

- (i) the global economic environment in which Sony operates and the economic conditions in Sony's markets, particularly levels of consumer spending;
- (ii) foreign exchange rates, particularly between the yen and the U.S. dollar, the euro and other currencies in which Sony makes significant sales and incurs production costs, or in which Sony's assets and liabilities are denominated;
- (iii) Sony's ability to continue to design and develop and win acceptance of, as well as achieve sufficient cost reductions for, its products and services, including televisions, game platforms and smartphones, which are offered in highly competitive markets characterized by severe price competition and continual new product and service introductions, rapid development in technology and subjective and changing consumer preferences;
- (iv) Sony's ability and timing to recoup large-scale investments required for technology development and production capacity;
- (v) Sony's ability to implement successful business restructuring and transformation efforts under changing market conditions;
- (vi) Sony's ability to implement successful hardware, software, and content integration strategies for all segments excluding the Financial Services segment, and to develop and implement successful sales and distribution strategies in light of the Internet and other technological developments;
- (vii) Sony's continued ability to devote sufficient resources to research and development and, with respect to capital expenditures, to prioritize investments correctly (particularly in the electronics businesses);
- (viii) Sony's ability to maintain product quality;
- (ix) the effectiveness of Sony's strategies and their execution, including but not limited to the success of Sony's acquisitions, joint ventures and other strategic investments;
- (x) significant volatility and disruption in the global financial markets or a ratings downgrade;
- (xi) Sony's ability to forecast demands, manage timely procurement and control inventories;
- (xii) the outcome of pending and/or future legal and/or regulatory proceedings;
- (xiii) shifts in customer demand for financial services such as life insurance and Sony's ability to conduct successful asset liability management in the Financial Services segment;
- (xiv) the impact of unfavorable conditions or developments (including market fluctuations or volatility) in the Japanese equity markets on the revenue and operating income of the Financial Services segment;
- (xv) Sony's effort to anticipate and manage cybersecurity risk, including the risk of potential business disruptions or financial losses; and
- (xvi) risks related to catastrophic disasters or similar events.

Risks and uncertainties also include the impact of any future events with material adverse impact.

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