Please be aware that, in the following remarks, statements made with respect to Sony's current plans, estimates, strategies and beliefs and other statements that are not historical facts are forward-looking statements about the future performance of Sony. These statements are based on management's assumptions in light of the information currently available to it, and, therefore, you should not place undue reliance on them.

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

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

- Q3 FY2016 Consolidated Results and FY2016 Consolidated Forecast
- Segments Outlook
<table>
<thead>
<tr>
<th>Q3 FY2016 Consolidated Results</th>
</tr>
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<tbody>
<tr>
<td></td>
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<tr>
<td></td>
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<tr>
<td><strong>Q3 FY15</strong></td>
</tr>
<tr>
<td>Sales &amp; operating revenue</td>
</tr>
<tr>
<td>Operating income</td>
</tr>
<tr>
<td>Income before income taxes</td>
</tr>
<tr>
<td>Net income attributable to Sony Corporation's stockholders</td>
</tr>
<tr>
<td>Net income attributable to Sony Corporation's stockholders per share of common stock (diluted)</td>
</tr>
<tr>
<td>Restructuring charges(^1)</td>
</tr>
<tr>
<td>Additions to long-lived assets(^2)</td>
</tr>
<tr>
<td>Depreciation and amortization(^3)</td>
</tr>
<tr>
<td>Research and development expenses</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Average rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 US dollar</td>
</tr>
<tr>
<td>1 Euro</td>
</tr>
</tbody>
</table>

\(^1\) Restructuring charges are included in operating income as operating expenses (applies to all following pages)
\(^2\) Does not include the increase in intangible assets resulting from acquisitions (applies to all following pages)
\(^3\) Includes amortization expenses for intangible assets and for deferred insurance acquisition costs (applies to all following pages)

Consolidated sales for the third quarter ended December 31, 2016 decreased 7% year-on-year to 2 trillion 397.5 billion yen. Consolidated operating income decreased 54% year-on-year to 92.4 billion yen mainly due to the 112.1 billion yen impairment of goodwill recorded in the Pictures segment that we announced on January 30. Net income attributable to Sony Corporation\’s stockholders decreased 84% year-on-year to 19.6 billion yen, primarily due to the impairment.
This chart shows the cumulative results for the nine months through December 31, 2016.

<table>
<thead>
<tr>
<th>Q1-Q3 FY2016 Consolidated Results</th>
<th>Q1-Q3 FY15</th>
<th>Q1-Q3 FY16</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales &amp; operating revenue</td>
<td>6,281.6</td>
<td>5,699.6</td>
<td>-9.3%</td>
</tr>
<tr>
<td>Operating income</td>
<td>387.1</td>
<td>194.3</td>
<td>-49.8%</td>
</tr>
<tr>
<td>Income before income taxes</td>
<td>404.2</td>
<td>163.8</td>
<td>-59.5%</td>
</tr>
<tr>
<td>Net income attributable to Sony Corporation's stockholders</td>
<td>236.1</td>
<td>45.6</td>
<td>-80.7%</td>
</tr>
<tr>
<td>Net income attributable to Sony Corporation's stockholders per share of common stock (diluted)</td>
<td>189.17 yen</td>
<td>35.43 yen</td>
<td>-81.3%</td>
</tr>
<tr>
<td>Restructuring charges</td>
<td>21.8</td>
<td>39.4</td>
<td>+80.6%</td>
</tr>
<tr>
<td>Additions to long-lived assets</td>
<td>329.4</td>
<td>188.2</td>
<td>-42.9%</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>275.1</td>
<td>259.6</td>
<td>-5.7%</td>
</tr>
<tr>
<td>Research and development expenses</td>
<td>340.1</td>
<td>325.1</td>
<td>-4.4%</td>
</tr>
</tbody>
</table>

**Average rate**

- 1 US dollar: 121.7 yen to 106.6 yen
- 1 Euro: 134.4 yen to 118.1 yen
This chart shows the results of each segment for the third quarter.
This chart shows the nine-month cumulative results by segment.
Next is the consolidated results forecast for the current fiscal year. Sales have been revised upward by 200 billion yen, compared with the November forecast, to 7 trillion 600 billion yen, primarily due to the impact of foreign exchange rates. Operating income was downwardly revised by 30 billion yen to 240 billion yen. Net income attributable to Sony’s stockholders was downwardly revised by 34 billion yen to 26 billion yen.
This slide shows a comparison between our fiscal year forecast announced in November versus the forecast announced today. Operating income includes both the 112.1 billion yen goodwill impairment that I mentioned earlier and a 37.2 billion yen gain from the sale of a portion of our shares in M3, Inc., which was also previously announced. Incorporating these factors and business operational improvement, operating income has been revised from our previous forecast of 270 billion yen to 240 billion yen.
Here you can see the current fiscal year forecast by segment. We significantly revised downward the operating income forecast of the Pictures segment, which recorded the impairment charge, compared with the November forecast. On the other hand, we upwardly revised the operating income forecasts of several segments, primarily Semiconductors. I will now explain the current situation in each segment.
First I will explain the Mobile Communications segment. Sales for the quarter decreased 35% year-on-year. Operating income decreased 2.9 billion yen year-on-year to 21.2 billion yen due to the effect of a decrease in smartphone sales mainly in Europe, partially offset by cost reductions and the positive impact of foreign exchange rates.

We have downwardly revised our sales forecast for the fiscal year by 20 billion yen, due to a downward revision of our annual smartphone unit sales forecast by 2 million units to 15 million units. This downward revision of unit sales was mainly due to a downward revision in Latin America and the Middle East. Our operating income forecast for this fiscal year remains unchanged because the impact of the lower sales is expected to be offset primarily by cost reductions and price maintenance. We are aiming to achieve an operating profit for the fiscal year, which is our target.
Next I will explain the Game & Network Services segment. Sales and operating income for the current quarter increased year-on-year, and 50.0 billion yen of operating income was recorded. The year-on-year increase in operating income was mainly due to hardware cost reductions and an increase in software sales, partially offset by the negative impact of price reductions for PS4 hardware. The business in the holiday season was strong, and the installed base of PS4 reached 53.4 million units as of January 1 of this year. Network revenues increased 40% year-on-year and continue to have strong momentum. PS VR is selling in-line with expectations.

Our operating income forecast for this fiscal year remains unchanged because the negative impact of foreign exchange rates is expected to be offset by the continuing strong momentum of the business.
We announced an array of game applications for mobile products through ForwardWorks Corporation in December 2016. The company plans to start distributing the games from this spring. As is shown in this slide, we will not only leverage our existing IP in the PlayStation library, but also work to create new IP.
Next I will explain the Imaging Products & Solutions segment. Sales and operating income for the quarter decreased year-on-year, and 21.1 billion yen of operating income was recorded. Although the impact of a decrease in unit sales was offset by an improvement in product mix, operating income decreased year-on-year primarily due to the negative impact of foreign exchange rates.

We have upwardly revised our operating income forecast by 9 billion yen compared to the November forecast to 43 billion yen. The revision was due to an upward revision of the profitability forecast for digital imaging, primarily due to the positive impact of the depreciation of the yen.
Next I will explain the Home Entertainment & Sound segment. Sales and operating income for the quarter decreased year-on-year, and 25.9 billion yen of operating income was recorded. The year-on-year decrease of operating income was due to the negative impact of foreign exchange rates mainly stemming from the depreciation of emerging market currencies, partially offset by continuing improvement in product mix.

The business environment for the television business, which is included in this segment, continues to be highly volatile, due to factors like foreign exchange rates, key component prices and competitive trends, but we believe the business has significantly improved its operations compared to the past. Fiscal year operating income has been revised upward by 6 billion yen compared with the November forecast to 53 billion yen.
Next I will explain the Semiconductors segment. Sales and operating income for the quarter increased year-on-year, and 27.2 billion yen of operating income was recorded. Operating income increased 5.9 billion yen year-on-year mainly due to an increase in unit sales of image sensors for mobile, partially offset by the negative impact of the appreciation of the yen.

We are forecasting an operating loss of 19 billion yen, a reduction in loss of 34 billion yen compared with the November forecast, due to the positive impact of the depreciation of the yen and the strong performance of image sensors for mobile.
This slide shows the breakdown of the operating results of the Semiconductors segment for FY15 and FY16. It shows three parts: image sensors, camera modules and other.

In the image sensor business, profitability deteriorated significantly mainly due to a decrease in demand for mobile sensors, a key part of our business, from the second half of the previous fiscal year, the negative impact of the appreciation of the yen following that, and the impact of the Kumamoto Earthquakes which occurred in April 2016. The business continued to be weak in the first half of the current fiscal year, but from the third quarter, profitability started to recover mainly due to the impact of higher sales to Chinese manufacturers, less impact from the earthquakes, and a positive impact from the recent trend toward depreciation of the yen. However, we continue to have a cautious view as to the trend in the business because the market for mobile sensors is volatile.

In the camera module business, in May 2016, we announced our intention to discontinue all but a small portion of our high-functionality camera module business for outside customers and, in November 2016, we announced our intention to sell our factory in China to Shen Zhen O-Film Tech Co., Ltd. We take seriously the fact that we recorded large losses in this business, but, as a result of these initiatives, we are significantly reducing our exposure to the smartphone camera module business.

Other includes analog LSI and new businesses, the profitability of which is challenged. We are assessing the future potential and profitability of these businesses and the operating loss for the fourth quarter includes some expenses associated with the closure of certain businesses.
Next I will explain the Components segment. Sales for the quarter decreased 10% year-on-year and 3.7 billion yen of operating loss was recorded.

The fiscal year forecast for operating results has been revised downward by 3 billion yen to a loss of 51 billion yen. We are continuing to work toward the completion of the sale of the battery business to Murata Manufacturing Co., Ltd.
Next I will explain the Pictures segment. Sales for the quarter decreased 14% year-on-year mainly due to lower theatrical revenues. As to operating results, a large operating loss, 106.8 billion yen, was recorded due to the 112.1 billion yen goodwill impairment that I mentioned earlier.

The fiscal year forecast for operating income is an operating loss of 83 billion yen, mainly resulting from the impairment.
- Goodwill Impairment
- Under-Achievement of the Profitability Projection
- Management Transition
- Positioning of the Pictures Segment
  - Production & Distribution
  - Media Networks
The management team takes very seriously the fact that we recorded such a large goodwill impairment. The details of the impairment and the testing process are explained in the press release we issued the other day, and we encourage you to refer to the additional explanatory slide, which is similar to the slide I am showing now, on our website for even more detail.
We also need to take seriously the fact that our actual financial results in the Pictures segment have significantly under-achieved the mid-range profitability projection we announced.

The most recent operating income forecast for the current fiscal year, in dollar terms and excluding the goodwill impairment, is $270 million. This is approximately 30% lower than the original forecast for the current fiscal year that was announced last May. In addition, in June 2016, we reduced the target range for the fiscal year ending March 31, 2018 that was announced in November of 2014 as our mid-term target, and we expect the forecast for that fiscal year, which we will announce together with the current fiscal year-end earnings results, will be lower than the bottom of that range. Management takes seriously the fact that we have under-achieved the profitability target for the mid-range plan and for several fiscal years for the entire segment despite efforts to improve profitability.
From this month, President Hirai will keep a second office in Culver City, California in the U.S., where the headquarters of the Pictures business is, so that he can involve himself even more deeply in the management of the entertainment businesses, particularly Pictures. His highest priority will be to select a successor to the CEO of Sony Pictures and to enhance the management of the business.

Pictures Segment

- Goodwill Impairment
- Under-Achievement of the Profitability Projection
- Management Transition
- Positioning of the Pictures Segment
  - Production & Distribution
  - Media Networks
I would now like to reiterate the positioning of the Pictures segment within Sony.

- Goodwill Impairment
- Under-Achievement of the Profitability Projection
- Management Transition
- Positioning of the Pictures Segment
  - Production & Distribution
  - Media Networks
First, Production & Distribution, which is where we recorded the impairment, is comprised of the Motion Pictures and Television Productions businesses.

This slide shows representative examples of IP in these two businesses. “IP” mainly includes copyrighted content and rights to make motion pictures. Creating content is our core business, and we believe that the value of owning premium content and creating that content is rising at a time when content distribution channels via the network are diversifying.
In order to improve the profitability of Motion Pictures, the head of this business, Tom Rothman, is focusing on the three things shown on this slide, and we think it is essential for us to continue to undertake these measures consistently.

- Leveraging IP
- Global Reach
- Financial Discipline
Our other business, Media Networks, is a channel business, and we are operating channels such as those shown on this slide. In order to expand our business outside of the U.S., primarily in India, we are taking various measures to grow including M&A. For example, Animax has a strong market position in Japan.
I would now like to discuss how the Pictures segment has aspects of a recurring-revenue business. In addition to the channel business of Media Networks, which is a typical recurring-revenue business, we think that Motion Pictures and Television Productions can also be recurring-revenue businesses if they consistently produce premium content by leveraging, creating and accumulating IP. Since focusing on recurring-revenue businesses and aiming to grow profit in a stable manner fits with the mid-range strategy of the Sony Group, the Pictures segment is an important business of Sony.
Next I will explain the Music segment. Sales decreased, but operating income increased year-on-year, and 28.0 billion yen of operating income was recorded. The increase in operating income was due to the continuing strong performance of *Fate/Grand Order*, a mobile game application, partially offset by the negative impact of foreign exchange rates.

The fiscal year operating income forecast has been revised upward by 6 billion yen, to 69 billion yen, reflecting the strong performance of Recorded Music and *Fate/Grand Order*. 
*Fate/Grand Order* is a business of Aniplex Inc., a subsidiary of Sony Music Entertainment (Japan) Inc., and it contributed significantly to the profit of the segment through its leveraging of animation IP.
Next, I will explain the Financial Services segment. Revenues and operating income decreased year-on-year and 29.0 billion yen of operating income was recorded. Operating income decreased year-on-year primarily due to a decrease in investment performance in the general account at Sony Life. This year-on-year decrease of investment performance was mainly due to two reasons. First, net gains and losses on derivative transactions to hedge market risk pertaining to minimum guarantees for variable life insurance deteriorated. Second, net gains on sales of securities decreased year-on-year.

There is no change to the forecast for the fiscal year.
In conclusion, I will show the results forecast for each of our business segments. This concludes my explanation.
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,” “plan,” “strategy,” “prospect,” “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 and network platforms and smartphones, which are offered in highly competitive markets characterized by severe price competition and continual new product and service introductions, rapid development in technology and subjective and changing consumer preferences;
(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 and customers’ satisfaction with its existing products and services;
(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 changes in interest rates and unfavorable conditions or developments (including market fluctuations or volatility) in the Japanese equity markets on the revenue and operating income of the Financial Services segment;
(xv) Sony’s ability to anticipate and manage cybersecurity risk, including the risk of unauthorized access to Sony’s business information, potential business disruptions or financial losses, and
(xvi) risks related to catastrophic disasters or similar events.

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