

SONY

Q3 FY2019 Consolidated Financial Results

(Three months ended December 31, 2019)

February 4, 2020

Sony Corporation

Q3 FY2019 Consolidated Results

(Bln Yen)

	Q3 FY18	Q3 FY19	Change
Sales & operating revenue	2,401.8	2,463.2	+61.4 bln yen (+3%)
Operating income	377.0	300.1	-76.9 bln yen (-20%)
Income before income taxes	340.5	310.3	-30.2 bln yen (-9%)
Net income attributable to Sony Corporation's stockholders	429.0	229.5	-199.4 bln yen (-46%)
Net income attributable to Sony Corporation's stockholders per share of common stock (diluted)	330.77 yen	182.89 yen	-147.88 yen
Average rate			
1 US dollar	112.9 yen	108.8 yen	
1 Euro	128.8 yen	120.3 yen	

Q3 FY2019 Consolidated Results: Year-on-year Change

	Year-on-year Change	Contributing Factors (+) Increase / (-) Decrease
Sales & operating revenue	+61.4 bln yen +3 %	<ul style="list-style-type: none"> · (+) Significant increases in Financial Services and I&SS segment sales · (-) Significant decrease in G&NS segment sales <p>On a constant currency basis*, sales increased 6%.</p>
Operating income	-76.9 bln yen -20 %	<ul style="list-style-type: none"> · (-) Significant decreases in operating income in the Music segment, which recorded a remeasurement gain resulting from the consolidation of EMI in Q3 FY18, and in the G&NS segment · (+) Significant increases in operating income in the I&SS, All Other and EP&S segments
Net effect of other income and expenses	46.6 bln yen improvement (36.5 bln yen expense → 10.2 bln yen income)	<ul style="list-style-type: none"> · (+) Improvement in gain (loss) on valuation of equity securities, net (+58.2 bln yen) · (-) Loss resulting from a change in Sony's Japanese pension plans (-6.4 bln yen) · (-) Deterioration of net foreign exchange gain (loss) (-5.5 bln yen)
Income tax expense	+170.7 bln yen (Effective tax rate -30% → 23%)	<ul style="list-style-type: none"> · (-) 154.2 billion yen reversal of valuation allowances against a significant portion of deferred tax assets in the U.S. consolidated tax group in the same period of the previous fiscal year · (-) Not recording income tax expense on the remeasurement gain of 116.9 billion yen for the equity interest in EMI in the same period of the previous fiscal year

* See page 26 for information about the impact of foreign exchange rate fluctuations on sales and operating income (loss) (applies to all following pages).

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Adjusted Operating Income (Q3)

	Operating Income	Adjusted Operating Income	Adjusted Operating Income excludes the following items*
Q3 FY18	377.0 bln yen	260.1 bln yen	<ul style="list-style-type: none"> ■ Remeasurement gain resulting from the consolidation of EMI (Music segment: +116.9 bln yen)
Q3 FY19	300.1 bln yen	276.5 bln yen	<ul style="list-style-type: none"> ■ Remeasurement and realized gains resulting from the public listing and sale of a portion of shares of SRE Holdings Corporation (All Other: +17.3 bln yen) ■ Realized and remeasurement gains resulting from the transfer of a portion of shares of NSF Engagement Corporation (Corporate and elimination: +6.3 bln yen)
Change from FY18	-76.9 bln yen	+16.5 bln yen (+6%)	

* These monetary amounts have been disclosed in the Financial Statements, the Presentation slides and the Quarterly Securities Reports for the relevant quarters.

Adjusted operating income is not a measure in accordance with U.S. GAAP. However, Sony believes that this disclosure may be useful information to investors.

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Adjusted Income Before Income Taxes (Q3)

	Income Before Income Taxes	Adjusted Income Before Income Taxes	Adjusted Income Before Income Taxes excludes the following items*
Q3 FY18	340.5 bln yen	223.6 bln yen	<ul style="list-style-type: none"> ■ Remeasurement gain resulting from the consolidation of EMI (Music segment: +116.9 bln yen)
Q3 FY19	310.3 bln yen	293.1 bln yen	<ul style="list-style-type: none"> ■ Remeasurement and realized gains resulting from the public listing and sale of a portion of shares of SRE Holdings Corporation (All Other: +17.3 bln yen) ■ Realized and remeasurement gains resulting from the transfer of a portion of shares of NSF Engagement Corporation (Corporate and elimination: +6.3 bln yen) ■ Loss resulting from a change in Sony's Japanese pension plans (-6.4 bln yen)
Change from FY18	-30.2 bln yen	+69.5 bln yen (+31%)	

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Adjusted income before income taxes is not a measure in accordance with U.S. GAAP. However, Sony believes that this disclosure may be useful information to investors.

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Adjusted Net Income Attributable to Sony Corporation's Stockholders (Q3)

	Net Income Attributable to Sony Corporation's Stockholders	Adjusted Net Income Attributable to Sony Corporation's Stockholders	Adjusted Net Income Attributable to Sony Corporation's Stockholders excludes the following items*
Q3 FY18	429.0 bln yen	157.9 bln yen	<ul style="list-style-type: none"> ■ Remeasurement gain resulting from the consolidation of EMI (Music segment: +116.9 bln yen) ■ Reversal of valuation allowances against a portion of deferred tax assets (+154.2 bln yen)
Q3 FY19	229.5 bln yen	216.2 bln yen	<ul style="list-style-type: none"> ■ Remeasurement and realized gains resulting from the public listing and sale of a portion of shares of SRE Holdings Corporation (All Other: +17.3 bln yen) ■ Realized and remeasurement gains resulting from the transfer of a portion of shares of NSF Engagement Corporation (Corporate and elimination: +6.3 bln yen) ■ Loss resulting from a change in Sony's Japanese pension plans (-6.4 bln yen) ■ Tax adjustment with regard to the above three items (-3.9 bln yen)
Change from FY18	-199.4 bln yen	+58.3 bln yen (+37%)	

* These monetary amounts have been disclosed in the Financial Statements, the Presentation slides and the Quarterly Securities Reports for the relevant quarters.
Adjusted net income attributable to Sony Corporation's stockholders is not a measure in accordance with U.S. GAAP. However, Sony believes that this disclosure may be useful information to investors.

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Adjusted Net Income Attributable to Sony Corporation's Stockholders (Q3)

FY18

(Bln Yen)

	Income Before Income Taxes	Taxes	Effective Tax Rate	Net Income Attributable to Sony Corporation's Stockholders
Financial results	340.5	-100.7	-29.6%	429.0
Adjusted items impacting effective tax rate				
Remeasurement gain relating to consolidation of EMI *1,2	-116.9	-	-	-116.9
Reversal of valuation allowance for deferred tax assets *1	-	+154.2	-	-154.2
Subtotal	223.6	53.5	23.9%	157.9
Other Adjusted items *2	-	-	-	-
Adjusted results	223.6	53.5	23.9%	157.9

FY19

	Income Before Income Taxes	Taxes	Effective Tax Rate	Net Income Attributable to Sony Corporation's Stockholders
Financial results	310.3	70	22.5%	229.5
Adjusted items impacting effective tax rate				
-	-	-	-	-
Subtotal	310.3	70	22.5%	229.5
Other Adjusted items *2	-17.3	-3.9	22.5%	-13.3
Adjusted results	293.1	66.1	22.5%	216.2

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

* 2 See page 5 for the details of adjusted items.

Adjusted results are not a measure in accordance with U.S. GAAP. However, Sony believes that this disclosure may be useful information to investors.

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Q3 FY2019 Results by Segment [Reclassified]

(Bln Yen)

		Q3 FY18	Q3 FY19	Change	FX Impact
Game & Network Services (G&NS)	Sales	790.6	632.1	-158.5	-27.2
	Operating income	73.1	53.5	-19.6	-3.4
Music	Sales	209.4	216.9	+7.6	-5.4
	Operating income	147.1	36.3	-110.8	-
Pictures	Sales	276.7	236.0	-40.7	-8.8
	Operating income	11.6	5.4	-6.2	-
Electronics Products & Solutions (EP&S)	Sales	713.1	650.4	-62.7	-23.0
	Operating income	66.2	80.3	+14.1	-6.1
Imaging & Sensing Solutions (I&SS)	Sales	230.3	298.0	+67.7	-10.0
	Operating income	46.5	75.2	+28.7	-8.7
Financial Services	Revenue	163.6	407.2	+243.6	-
	Operating income	37.9	32.6	-5.3	-
All Other	Sales	101.4	72.3	-29.1	-
	Operating income	6.1	20.7	+14.6	-
Corporate and elimination	Sales	-83.3	-49.9	+33.4	-
	Operating income	-11.5	-3.8	+7.7	-
Consolidated total	Sales	2,401.8	2,463.2	+61.4	-
	Operating income	377.0	300.1	-76.9	-

- Due to Sony's realignment of its business segments in Q1 FY2019, certain figures in past fiscal years have been reclassified to conform to the presentation of FY2019 (applies to all following pages).

- The former Semiconductors segment has been renamed the Imaging & Sensing Solutions ("I&SS") segment effective from Q1 FY2019 (applies to all following pages).

- Sales and Revenue in each business segment represents sales and revenue recorded before intersegment transactions are eliminated. Operating income in each business segment represents operating income reported before intersegment transactions are eliminated and excludes unallocated corporate expenses (applies to all following pages).

- Both Sales and Revenue include operating revenue and intersegment sales (applies to all following pages).

- For further details about the impact of foreign exchange rate fluctuations on sales and operating income (loss), see Notes on page 26 (applies to all following pages).

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Q1-Q3 FY2019 Consolidated Results

(Bln Yen)

	Q1-Q3 FY18	Q1-Q3 FY19	Change
Sales & operating revenue	6,538.2	6,511.1	-27.0 bln yen (-0%)
Operating income	811.5	810.0	-1.5 bln yen (-0%)
Income before income taxes	899.0	803.4	-95.6 bln yen (-11%)
Net income attributable to Sony Corporation's stockholders	828.4	569.5	-258.9 bln yen (-31%)
Net income attributable to Sony Corporation's stockholders per share of common stock (diluted)	638.89 yen	450.08 yen	-188.81 yen
Average rate			
1 US dollar	111.2 yen	108.7 yen	
1 Euro	129.5 yen	121.0 yen	

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Adjusted Operating Income (Q1-Q3)

	Operating Income	Adjusted Operating Income	Adjusted Operating Income excludes the following items*
Q1-Q3 FY18	811.5 bln yen	712.0 bln yen	<ul style="list-style-type: none"> ■ Remeasurement gain resulting from the consolidation of EMI (Music segment: +116.9 bln yen) ■ Impairment charge against long-lived assets (EP&S segment: -17.4 bln yen)
Q1-Q3 FY19	810.0 bln yen	778.5 bln yen	<ul style="list-style-type: none"> ■ Remeasurement and realized gains resulting from the public listing and sale of a portion of shares of SRE Holdings Corporation (All Other: +17.3 bln yen) ■ Patent royalty revenue resulting from the signing of a licensing agreement (Corporate and elimination: +7.9 bln yen) ■ Realized and remeasurement gains resulting from the transfer of a portion of shares of NSF Engagement Corporation (Corporate and elimination: +6.3 bln yen)
Change from FY18	-1.5 bln yen	+66.6 bln yen (+9%)	

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

Adjusted operating income is not a measure in accordance with U.S. GAAP. However, Sony believes that this disclosure may be useful information to investors.

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Adjusted Income Before Income Taxes (Q1-Q3)

	Income Before Income Taxes	Adjusted Income Before Income Taxes	Adjusted Income Before Income Taxes excludes the following items*
Q1-Q3 FY18	899.0 bln yen	681.7 bln yen	<ul style="list-style-type: none"> Realized and unrealized gains on shares of Spotify (+117.8 bln yen, net) Remeasurement gain resulting from the consolidation of EMI (Music segment: +116.9 bln yen) Impairment charge against long-lived assets (EP&S segment: -17.4 bln yen)
Q1-Q3 FY19	803.4 bln yen	778.3 bln yen	<ul style="list-style-type: none"> Remeasurement and realized gains resulting from the public listing and sale of a portion of shares of SRE Holdings Corporation (All Other: +17.3 bln yen) Patent royalty revenue resulting from the signing of a licensing agreement (Corporate and elimination: +7.9 bln yen) Realized and remeasurement gains resulting from the transfer of a portion of shares of NSF Engagement Corporation (Corporate and elimination: +6.3 bln yen) Loss resulting from a change in Sony's Japanese pension plans (-6.4 bln yen)
Change from FY18	-95.6 bln yen	+96.6 bln yen (+14%)	

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

Adjusted income before income taxes is not a measure in accordance with U.S. GAAP. However, Sony believes that this disclosure may be useful information to investors.

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Adjusted Net Income Attributable to Sony Corporation's Stockholders (Q1-Q3)

	Net Income Attributable to Sony Corporation's Stockholders	Adjusted Net Income Attributable to Sony Corporation's Stockholders	Adjusted Net Income Attributable to Sony Corporation's Stockholders excludes the following items ¹
Q1-Q3 FY18	828.4 bln yen	481.0 bln yen	<ul style="list-style-type: none"> Realized and unrealized gains on shares of Spotify (+117.8 bln yen, net) Impairment charge against long-lived assets (EP&S segment: -17.4 bln yen) Tax adjustment with regard to the above two items (-24.1 bln yen) Remeasurement gain resulting from the consolidation of EMI (Music segment: +116.9 bln yen) Reversal of valuation allowances against a portion of deferred tax assets (+154.2 bln yen)
Q1-Q3 FY19	569.5 bln yen	538.3 bln yen	<ul style="list-style-type: none"> Remeasurement and realized gains resulting from the public listing and sale of a portion of shares of SRE Holdings Corporation (All Other: +17.3 bln yen) Patent royalty revenue resulting from the signing of a licensing agreement (Corporate and elimination: +7.9 bln yen) Realized and remeasurement gains resulting from the transfer of a portion of shares of NSF Engagement Corporation (Corporate and elimination: +6.3 bln yen) Loss resulting from a change in Sony's Japanese pension plans (-6.4 bln yen) Tax adjustment with regard to the above four items (-6.6 bln yen) Reduction in tax expense resulting from the sale of Olympus Corporation shares² (+12.7 bln yen)
Change from FY18	-258.9 bln yen	+57.3 bln yen (+12%)	

¹ These monetary amounts are disclosed in the Financial Statements, the Presentation slides and the Quarterly Securities Reports for the relevant quarters.

² Tax benefit resulting from the actual tax expense related to the gain on the sale of Olympus Corporation shares being lower than the deferred tax liabilities recorded for the unrealized gain resulting from the revaluation of those shares.

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

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Adjusted Net Income Attributable to Sony Corporation's Stockholders (Q1-Q3)

FY18

(Bln Yen)

	Income Before Income Taxes	Taxes	Effective Tax Rate	Net Income Attributable to Sony Corporation's Stockholders
Financial results	899.0	33.8	3.8%	828.4
Adjusted items impacting effective tax rate				
Remeasurement gain relating to consolidation of EMI *1,2	-116.9	-	-	-116.9
Reversal of valuation allowance for deferred tax assets *1	-	+154.2	-	-154.2
Subtotal	782.1	188.0	24.0%	557.3
Other Adjusted items *2	-100.4	-24.1	24.0%	-76.3
Adjusted results	681.7	163.9	24.0%	481.0

FY19

	Income Before Income Taxes	Taxes	Effective Tax Rate	Net Income Attributable to Sony Corporation's Stockholders
Financial results	803.4	196.9	24.5%	569.5
Adjusted items impacting effective tax rate				
Reduction in tax expense resulting from the sale of Olympus Corporation shares	-	+12.7	-	-12.7
Subtotal	803.4	209.6	24.5%	556.8
Other Adjusted items *2	-25.1	-6.6	26.1%	-18.5
Adjusted results	778.3	203.0	26.1%	538.3

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

* 2 See page 11 for the details of adjusted items.

Adjusted results are not a measure in accordance with U.S. GAAP. However, Sony believes that this disclosure may be useful information to investors.

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Q1-Q3 Results by Segment [Reclassified]

(Bln Yen)

		Q1-Q3 FY18	Q1-Q3 FY19	Change	FX Impact
Game & Network Services (G&NS)	Sales	1,812.8	1,544.0	-268.8	-55.8
	Operating income	247.2	192.2	-54.9	-12.2
Music	Sales	594.7	638.5	+43.8	-9.5
	Operating income	210.7	112.0	-98.7	
Pictures	Sales	692.7	682.7	-10.0	-17.7
	Operating income	27.5	45.1	+17.6	
Electronics Products & Solutions (EP&S)	Sales	1,837.2	1,627.8	-209.4	-52.9
	Operating income	115.4	146.8	+31.4	-21.2
Imaging & Sensing Solutions (I&SS)	Sales	687.0	839.4	+152.4	-19.7
	Operating income	123.6	201.1	+77.5	-15.8
Financial Services	Revenue	852.2	1,121.3	+269.1	
	Operating income	117.6	117.5	-0.1	
All Other	Sales	273.4	210.8	-62.6	
	Operating income	11.4	20.5	+9.1	
Corporate and elimination	Sales	-211.8	-153.4	+58.5	
	Operating income	-41.9	-25.3	+16.6	
Consolidated total	Sales	6,538.2	6,511.1	-27.0	
	Operating income	811.5	810.0	-1.5	

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FY2019 Consolidated Results Forecast

(Bln Yen)

	FY18	FY19 October FCT	FY19 February FCT	Change from October FCT
Sales & operating revenue	8,665.7	8,400	8,500	+100 bln yen (+1%)
Operating income	894.2	840	880	+40 bln yen (+5%)
Income before income taxes	1,011.6	800	860	+60 bln yen (+8%)
Net income attributable to Sony Corporation's stockholders	916.3	540	590	+50 bln yen (+9%)
Operating Cash Flow* (Sony without Financial Services)	753.4	760	760	-
Average rate	Actual	Assumption (2H FY19)	Assumption (Q4 FY19)	Dividend per Share
1 US dollar	110.9 yen	Approx. 108 yen	Approx. 109 yen	Interim 20 yen
1 Euro	128.5 yen	Approx. 118 yen	Approx. 121 yen	Year-end (Planned) 25 yen
				Full year (Planned) 45 yen

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

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FY2019 Consolidated Results Forecast: Change from October Forecast

	Change from October Forecast	Contributing Factors (+) Increase / (-) Decrease
Sales & operating revenue	+100 bln yen +1 %	<ul style="list-style-type: none"> · (+) Higher-than-expected sales in the Financial Services and I&SS segments · (-) Lower-than-expected sales in the G&NS and EP&S segments
Operating income	+40 bln yen +5 %	<ul style="list-style-type: none"> · (+) Expected increase in operating income in the I&SS segment · (+) Expected decrease in operating loss in All Other, Corporate and elimination, primarily due to the impact of remeasurement and realized gains recorded as a result of the public listing and sale of a portion of shares of SRE Holdings Corporation · (-) Expected decreases in operating income of the Financial Services and G&NS segments
Net income attributable to Sony Corporation's stockholders	+50 bln yen +9 %	<ul style="list-style-type: none"> · (+) Upward revision in the forecast for income before income taxes

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FY2019 Results Forecast by Segment [Reclassified]

(Bln Yen)

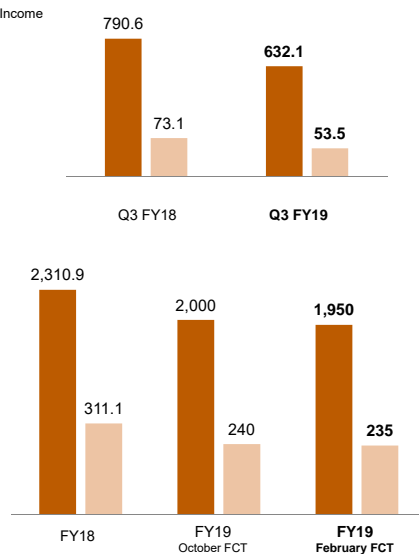
		FY18	FY19 October FCT	FY19 February FCT	Change from October FCT
Game & Network Services (G&NS)	Sales	2,310.9	2,000	1,950	-50
	Operating income	311.1	240	235	-5
Music	Sales	807.5	850	850	-
	Operating income	232.5	140	140	-
Pictures	Sales	986.9	1,030	1,030	-
	Operating income	54.6	70	70	-
Electronics Products & Solutions (EP&S)	Sales	2,320.6	2,110	2,070	-40
	Operating income	76.5	111	111	-
Imaging & Sensing Solutions (I&SS)	Sales	879.3	1,040	1,090	+50
	Operating income	143.9	200	230	+30
Financial Services	Revenue	1,282.5	1,330	1,460	+130
	Operating income	161.5	170	160	-10
All Other, Corporate and elimination	Operating income	-85.8	-91	-66	+25
Consolidated total	Sales	8,665.7	8,400	8,500	+100
	Operating income	894.2	840	880	+40

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Game & Network Services Segment (G&NS Segment)

Sales and Operating Income

(Bln Yen)



Q3 FY2019 (year-on-year)

- Sales: 158.5 bln yen (20%) significant decrease (FX Impact: -27.2 bln yen)
 - (-) Decrease in PlayStation®4 (PS4™) hardware unit sales
 - (-) Decrease in sales of non-first-party software titles
 - (-) Impact of foreign exchange rates
- OI: 19.6 bln yen significant decrease (FX Impact: -3.4 bln yen)
 - (-) Decrease in sales of non-first-party software titles
 - (+) Increase in sales for PlayStation®Plus

FY2019 Forecast (change from October forecast)

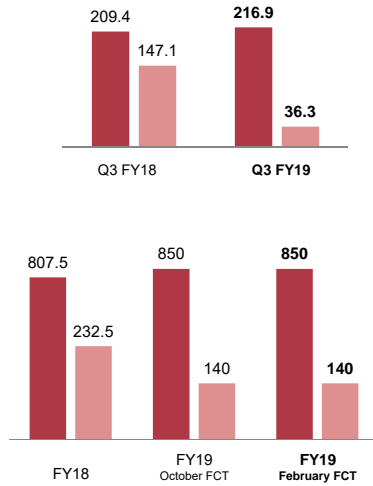
- Sales: 50 bln yen (3%) downward revision
 - (-) Lower-than-expected software sales of non-first-party titles
- OI: 5 bln yen downward revision
 - (-) Lower-than-expected software sales of non-first-party titles
 - (+) Cost reductions

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Music Segment

Sales and Operating Income

■ Sales
■ Operating Income (Bln Yen)



Q3 FY2019 (year-on-year)

- Sales: 7.6 bln yen (4%) increase (FX Impact: -5.4 bln yen)
 - (+) Higher sales for Music Publishing resulting from the consolidation of EMI
 - (+) Higher sales for Recorded Music primarily due to an increase in streaming revenues
 - (-) Lower sales for Visual Media and Platform primarily due to lower sales for *Fate/Grand Order*, a game application for mobile devices
- OI: 110.8 bln yen significant decrease
 - (-) Recording of a remeasurement gain (116.9 bln yen) resulting from the consolidation of EMI in Q3 FY18
 - (+) Recording of equity in net loss (5.2 bln yen) primarily resulting from expenses pursuant to the acquisition of the approximately 60% stake in EMI in Q3 FY18

FY2019 Forecast

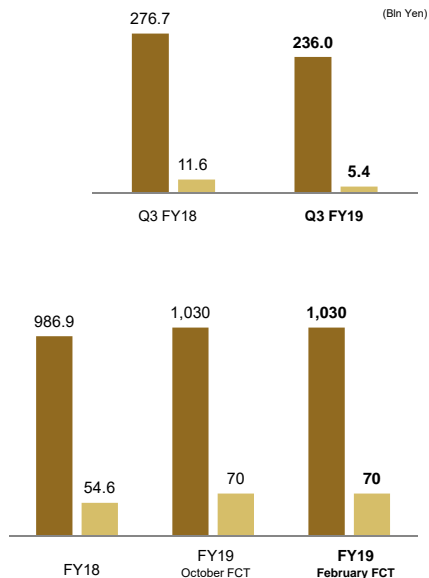
- Sales / OI : Remain unchanged from October forecast

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Pictures Segment

Sales and Operating Income

■ Sales
■ Operating Income (Bln Yen)



Q3 FY2019 (year-on-year)

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

- Sales: 40.7 bln yen (15%) significant decrease (U.S. dollar basis: -282 mil USD / -12%)
 - (-) Lower revenues for Motion Pictures
 - (-) Decrease in theatrical revenues due to the strong performance of *Venom* in Q3 FY18
 - (-) Lower television and home entertainment licensing revenues
 - (-) Lower sales for Media Networks due to the impact of the channel portfolio review
 - (+) Higher sales for Television Productions
 - (+) Higher licensing revenues from season 3 of *The Crown*
 - (+) Higher licensing revenues for U.S. television catalog product
- OI: 6.2 bln yen decrease
 - (-) Impact of lower Motion Pictures sales
 - (-) Increase in expenses for Television Productions
 - (-) Higher production costs as a result of the increase in the number of new U.S. network programming episodes produced in the current period
 - (-) Higher development expenses
 - (+) Lower expenses related to the above-mentioned channel portfolio review
 - (+) Benefit of the above-mentioned channel portfolio review

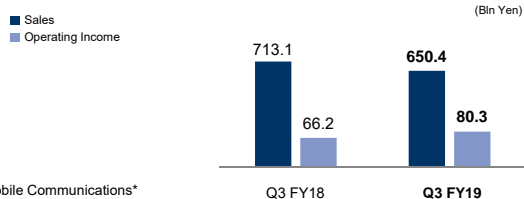
FY2019 Forecast

- Sales / OI : Remain unchanged from October forecast

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Electronics Products & Solutions Segment (EP&S Segment)

Sales and Operating Income

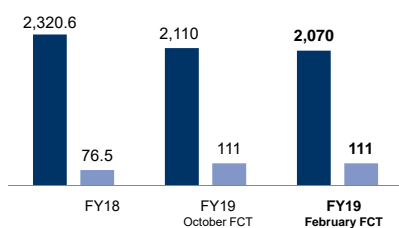


Mobile Communications*
(included above)

Sales to External Customers	135.0	113.5
Operating Income	-15.5	7.0

Q3 FY2019 (year-on-year)

- Sales: 62.7 bln yen (9%) decrease (FX Impact: -23.0 bln yen)
 - (-) Decrease in unit sales of smartphones and televisions
 - (-) Impact of foreign exchange rates
- OI: 14.1 bln yen significant increase (FX Impact: -6.1 bln yen)
 - (+) Reductions in operating costs mainly within Mobile Communications
 - (-) Decrease in sales



Mobile Communications*
(included above)

Sales to External Customers	487.3	380	380
Operating Income	-97.1	-37	-28

FY2019 Forecast (change from October forecast)

- Sales: 40 bln yen (2%) downward revision
 - (-) Lower-than-expected sales of televisions, digital cameras and broadcast- and professional-use products
- OI: Remains unchanged from October forecast
 - (-) Decrease in sales
 - (+) Reductions in operating costs

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

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Imaging & Sensing Solutions Segment

Sales and Operating Income

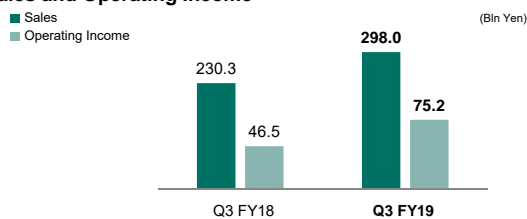


Image Sensors Sales	186.5	261.6
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Q3 FY2019 (year-on-year)

- Sales: 67.7 bln yen (29%) significant increase (FX Impact: -10.0 bln yen)
 - (+) Significant increase in sales of image sensors for mobile products
 - (+) Improvement in product mix
 - (+) Increase in unit sales
 - (-) Impact of foreign exchange rates
- OI: 28.7 bln yen significant increase (FX Impact: -8.7 bln yen)
 - (+) Increase in sales of image sensors for mobile products
 - (-) Increase in depreciation and amortization expenses as well as in research and development expenses
 - (-) Negative impact of foreign exchange rates

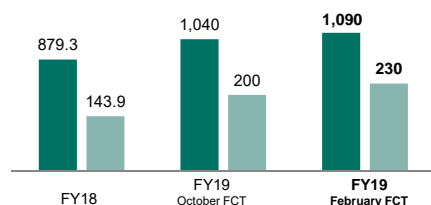


Image Sensors Sales	711.4	890	940
Additions to long-lived assets for I&SS Segment	146.3	300	280
for Image Sensors (included above)	128.9	280	265

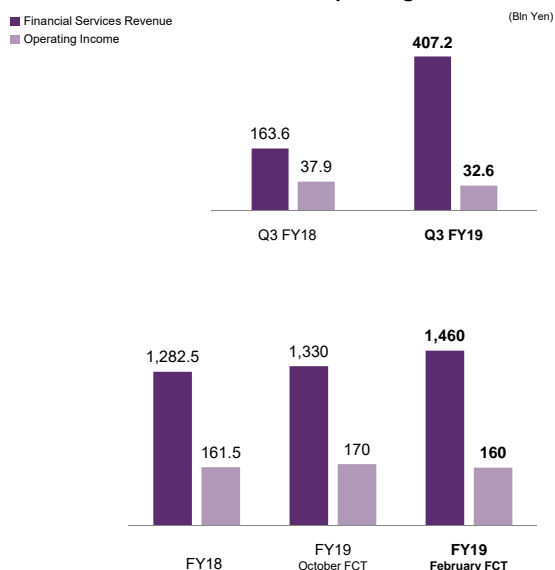
FY2019 Forecast (change from October forecast)

- Sales: 50 bln yen (5%) upward revision
 - (+) Higher-than-expected sales of image sensors for mobile products
 - (+) Improvement in product mix
 - (+) Higher-than-expected unit sales
- OI: 30 bln yen upward revision
 - (+) Increase in sales of image sensors for mobile products

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Financial Services Segment

Financial Services Revenue and Operating Income



Q3 FY2019 (year-on-year)

- Revenue: 243.6 bln yen (149%) significant increase
 - (+) Significant increase in revenue at Sony Life (238.3 bln yen increase, revenue: 368.4 bln yen)
 - (+) Improvement in investment performance in the separate accounts
- OI: 5.3 bln yen decrease
 - (-) Decrease at Sony Life (7.9 bln yen decrease, OI: 27.8 bln yen)
 - (-) Deterioration in net gains and losses related to market fluctuations and others for variable life insurance*
 - (+) Improvement in net gains and losses on the valuation of securities at Sony Bank

FY2019 Forecast (change from October forecast)

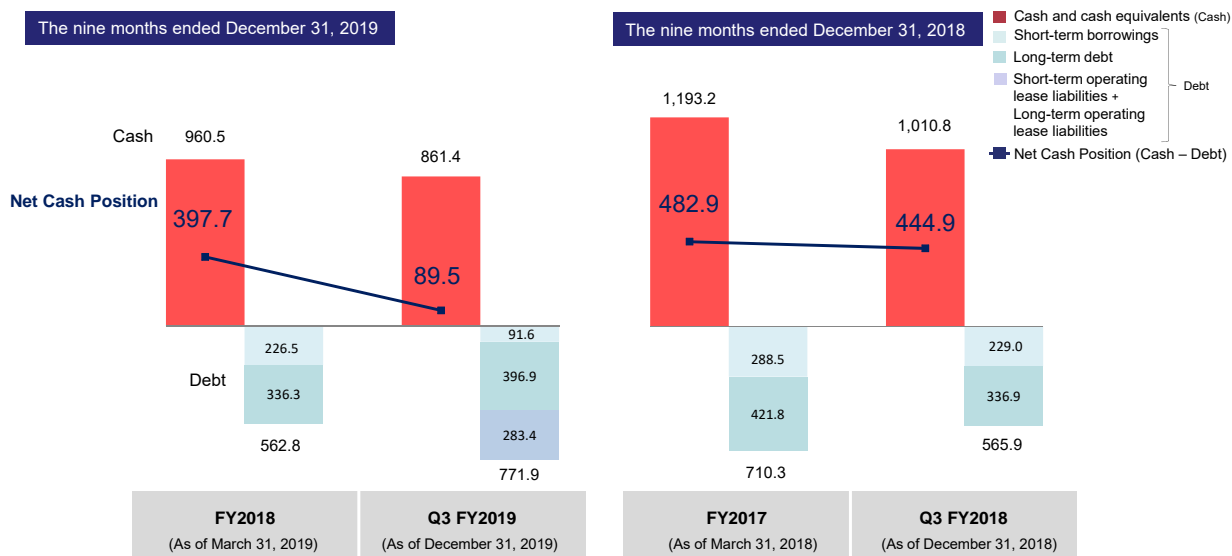
- Sales: 130 bln yen (10%) upward revision
 - (+) Improvement in investment performance in the separate accounts at Sony Life
- OI: 10 bln yen downward revision
 - (-) Sony Life: Deterioration in net gains and losses related to market fluctuations and other factors for variable life insurance*
 - (-) Sony Life: Deterioration in profit and loss due to a lower-than-expected increase in the policy amount in force

* Overall deterioration in the provision of policy reserves for minimum guarantees for variable life insurance, resulting from market fluctuations and other factors, and net gains and losses on derivative transactions to hedge market risks

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Cash, Debt Balance (Sony without Financial Services)

(Bln Yen)



· Please refer to F-9 in "Q3 FY18 Financial Statements" and F-9 in "Q3 FY19 Financial Statements" for condensed balance sheets for Sony without Financial Services.

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Q3 FY2019 Cash Flow (CF) Analysis (Sony without Financial Services)

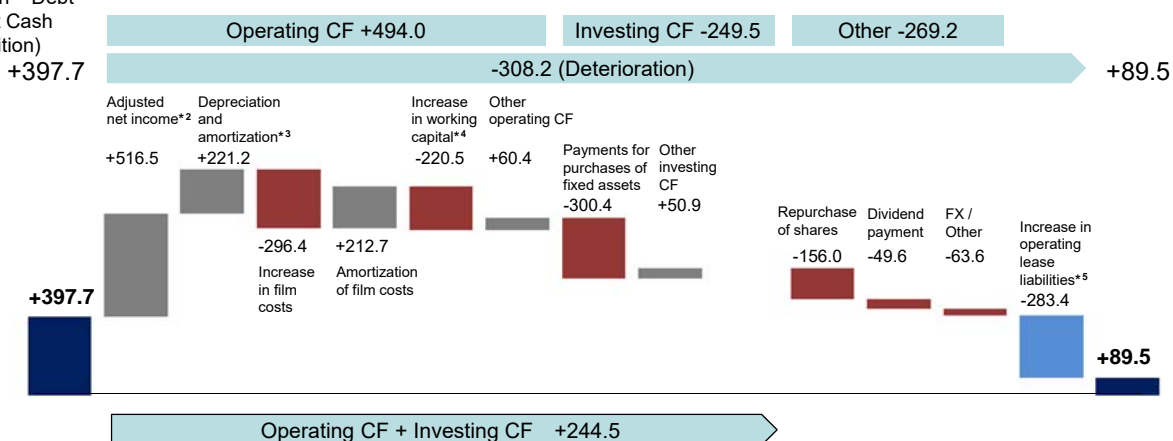
(Bln Yen)

As of March 31, 2019

As of December 31, 2019

Cash – Debt¹

(Net Cash Position)



¹ Please refer to page 23.

² This is the total of the following items contained in "Q3 FY19 Financial Statements": "Net income (loss)" + "Other operating (income) expense, net" + "(Gain) loss on marketable securities and securities investments, net" on page F-11 (Condensed Statements of Cash Flows for Sony without Financial Services).

³ This is the item contained in "Q3 FY19 Financial Statements": "Depreciation and amortization, including amortization of deferred insurance acquisition costs and contract costs" on page F-11.

⁴ This is the total of the following items contained in "Q3 FY19 Financial Statements": "(Increase) decrease in notes, accounts receivable, trade and contract assets" + "(Increase) decrease in inventories" + "Increase (decrease) in notes and accounts payable, trade" on page F-11.

⁵ This is the total of the following items contained in "Q3 FY19 Financial Statements": "Short-term operating lease liabilities" + "Long-term operating lease liabilities" on page F-9 (Condensed balance sheets for Sony without Financial Services).

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Q3 FY2018 Cash Flow (CF) Analysis (Sony without Financial Services)

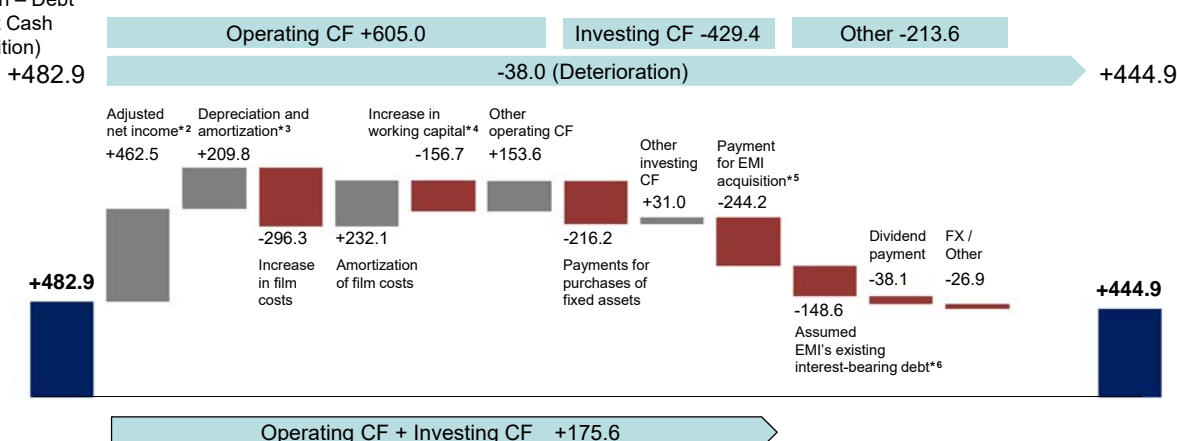
(Bln Yen)

As of March 31, 2018

As of December 31, 2018

Cash – Debt¹

(Net Cash Position)



¹ Please refer to page 23.

² This is the total of the following items contained in "Q3 FY18 Financial Statements": "Net income (loss)" + "Other operating (income) expense, net" + "(Gain) loss on marketable securities and securities investments, net" on page F-11 (Condensed Statements of Cash Flows for Sony without Financial Services) + the amount of the reversal of valuation allowances on page F-15 (Reversal of valuation allowances of Sony Americas Holding Inc. and its U.S. consolidated tax filing group) of "Q3 FY18 Financial Statements".

³ This is the item contained in "Q3 FY18 Financial Statements": "Depreciation and amortization, including amortization of deferred insurance acquisition costs and contract costs" on page F-11.

⁴ This is the total of the following items contained in "Q3 FY18 Financial Statements": "(Increase) decrease in notes, accounts receivable, trade and contract assets" + "(Increase) decrease in inventories" + "Increase (decrease) in notes and accounts payable, trade" on page F-11.

⁵ Please refer to "Payment for EMI Music Publishing acquisition, net of cash acquired" on page F-4 (Statements of Consolidated Cash flows) of "Q3 FY18 Financial Statements".

⁶ Please refer to "Assumed EMI's existing interest-bearing debt" on page F-15 (Acquisition of EMI Music Publishing) of "Q3 FY18 Financial Statements"; note that 108.9 bln yen was repaid after assumption of the debt.

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Notes

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

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

The Pictures segment reflects the operations of Sony Pictures Entertainment Inc. ("SPE"), a U.S.-based operation that aggregates the results of its worldwide subsidiaries in U.S. dollars. Because of this, the description of the year-on-year change in sales for the Pictures segment represents the change on a U.S. dollar basis.

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

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

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

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

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

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

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

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Cautionary Statement

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

- (i) Sony's ability to maintain product quality and customer satisfaction with its products and services;
- (ii) Sony's ability to continue to design and develop and win acceptance of, as well as achieve sufficient cost reductions for, its products and services, including image sensors, game and network platforms, smartphones and televisions, which are offered in highly competitive markets characterized by severe price competition and continual new product and service introductions, rapid development in technology and subjective and changing customer preferences;
- (iii) Sony's ability to implement successful hardware, software, and content integration strategies, and to develop and implement successful sales and distribution strategies in light of new technologies and distribution platforms;
- (iv) the effectiveness of Sony's strategies and their execution, including but not limited to the success of Sony's acquisitions, joint ventures, investments, capital expenditures, restructurings and other strategic initiatives;
- (v) changes in laws, regulations and government policies in the markets in which Sony and its third-party suppliers, service providers and business partners operate, including those related to taxation, as well as growing consumer focus on corporate social responsibility;
- (vi) Sony's continued ability to identify the products, services and market trends with significant growth potential, to devote sufficient resources to research and development, to prioritize investments and capital expenditures correctly and to recoup its investments and capital expenditures, including those required for technology development and product capacity;
- (vii) Sony's reliance on external business partners, including for the procurement of parts, components, software and network services for its products or services, the manufacturing, marketing and distribution of its products, and its other business operations;
- (viii) the global economic and political environment in which Sony operates and the economic and political conditions in Sony's markets, particularly levels of consumer spending;
- (ix) Sony's ability to meet operational and liquidity needs as a result of significant volatility and disruption in the global financial markets or a ratings downgrade;
- (x) Sony's ability to forecast demands, manage timely procurement and control inventories;
- (xi) foreign exchange rates, particularly between the yen and the U.S. dollar, the euro and other currencies in which Sony makes significant sales and incurs production costs, or in which Sony's assets, liabilities and operating results are denominated;
- (xii) Sony's ability to recruit, retain and maintain productive relations with highly skilled personnel;
- (xiii) Sony's ability to prevent unauthorized use or theft of intellectual property rights, to obtain or renew licenses relating to intellectual property rights and to defend itself against claims that its products or services infringe the intellectual property rights owned by others;
- (xiv) the impact of changes in interest rates and unfavorable conditions or developments (including market fluctuations or volatility) in the Japanese equity markets on the revenue and operating income of the Financial Services segment;
- (xv) shifts in customer demand for financial services such as life insurance and Sony's ability to conduct successful asset liability management in the Financial Services segment;
- (xvi) risks related to catastrophic disasters or similar events;
- (xvii) the ability of Sony, its third-party service providers or business partners to anticipate and manage cybersecurity risk, including the risk of unauthorized access to Sony's business information and the personally identifiable information of its employees and customers, potential business disruptions or financial losses; and
- (xviii) the outcome of pending and/or future legal and/or regulatory proceedings.

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

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