Sony IR Day 2016
Home Entertainment & Sound Segment
June 29, 2016

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Agenda

1. HE&S Segment FY2015 Review
2. HE&S Segment FY2016 Action Plan
   1. TV Business
      • Market Trends and Sony Sales Plan
      • New Model Concept
      • Business Direction
   2. Video & Sound Business
      • Priorities
   3. HE&S Segment Forecast
3. Consumer AV Sales & Marketing
4. Reference Materials

*FY2015 = Fiscal year ended on March 31, 2016
1. FY2015 Review

Operating Income Analysis

Sales 1,238.1 → 1,159.0 (bin yen)

Results
- TV Business
  - Increase sales of high value-added products
  - Cost reductions such as inventory disposal costs
  - Operational improvement
- Video & Sound Business
  - Line up expansion in high value-added products (high resolution etc.)
  - Cost reduction through operational improvement

Issues
- TV Business
  - Counteract foreign exchange rates
  - Maintain stable profitable structure
- Video & Sound Business
  - Sales expansion in Audio growing categories

*1: Impact of foreign exchange fluctuations is calculated using the sales and costs denominated in each currency in FY2015 and comparing them with the previous fiscal year.
2. FY2016 Action Plan

TV Business - Market Trends and Sony Sales Plan

Shift to premium 4K TV segment based on conservative market assumption

LCD TV Market Trends (by units)

<table>
<thead>
<tr>
<th></th>
<th>2K (Million Units)</th>
<th>4K (Million Units)</th>
</tr>
</thead>
<tbody>
<tr>
<td>*1 FY15 (Actual)</td>
<td>188</td>
<td>36</td>
</tr>
<tr>
<td>*1 FY16 (Latest Forecast)</td>
<td>150</td>
<td>50</td>
</tr>
</tbody>
</table>

Sony Sales Amount

<table>
<thead>
<tr>
<th></th>
<th>4K (Million Units)</th>
<th>2K (Million Units)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY15 (Actual)</td>
<td>797.8</td>
<td></td>
</tr>
<tr>
<td>FY16 (Latest Forecast)</td>
<td></td>
<td>16%</td>
</tr>
</tbody>
</table>

*1 Source: Sony

※Definition of Premium 4K
ASP: greater than USD1,500
Spec: 120Hz
TV Business – New Model Concept

Enhance the product value by 4K HDR

**Immersive Picture Quality**
New backlight system
4K HDR Processor

**Sony Unique Design**
Ultra slim form becomes “a slice of living room”

**Extremely Easy Content Access**
Easy to operate TV and access content

TV Business – Business Direction

Maintain and enhance a profitable business consistently

◆ Power of products
  Enhance fundamental value and pursue innovativeness and differentiation in high value-added products

◆ Competitive cost structure
  Mitigate risk by reducing costs based on a sound sales forecast

◆ Operational excellence
  ■ Continue strong supply and demand chain management and measure ROIC to increase capital efficiency
  ■ Close inventory control and minimize loss
Video & Sound Business - Priorities

Increase profitability through reinforcing products and sales resources in audio growth categories

- Expand and diffuse premium products
- Strengthen products competitiveness in audio growth categories.
  (Headphones, Sound Bars, Wireless Speakers)
- Most suitable marketing in each region and reinforcement of sales
- Continuous investment in R&D for the future

Sales expansion in the growth categories

<table>
<thead>
<tr>
<th>Year</th>
<th>Audio Other Category</th>
<th>Audio Growth Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY14</td>
<td>30%</td>
<td></td>
</tr>
<tr>
<td>FY15</td>
<td>43%</td>
<td></td>
</tr>
<tr>
<td>FY16</td>
<td>51%</td>
<td></td>
</tr>
</tbody>
</table>

FY2016 Forecast

Operating Income Analysis

<table>
<thead>
<tr>
<th>FY15</th>
<th>FY16 May, Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>1,159.0</td>
</tr>
<tr>
<td>Income</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Exchange Rates*1</td>
</tr>
<tr>
<td></td>
<td>Volume Down</td>
</tr>
<tr>
<td>Price Erosion</td>
<td></td>
</tr>
<tr>
<td>Cost Reduction</td>
<td>(Includes a 14.1 increase in expenses from the change in the method of calculating HQ costs)</td>
</tr>
<tr>
<td>Model Mix Improvement</td>
<td></td>
</tr>
<tr>
<td></td>
<td>36</td>
</tr>
</tbody>
</table>

Operational Income

<table>
<thead>
<tr>
<th>FY15</th>
<th>FY16</th>
</tr>
</thead>
<tbody>
<tr>
<td>50.6</td>
<td>36</td>
</tr>
<tr>
<td>1,040</td>
<td></td>
</tr>
</tbody>
</table>

TV Business

- Maintain and strengthen market competitiveness through high value-added products
- Further strengthen operations
  - Continue sell-through oriented operation and flexible production
  - ROIC oriented management

Video & Sound Business

- Increase high value-added through strengthening products competitiveness in higher value zone & growth categories
- Operational Improvement
- Structure reinforcement for future R&D investment

*1: Forecasted impact of foreign exchange fluctuations is calculated using the sales and costs denominated in each currency in the FY2016 business plan and comparing them with the previous fiscal year.
3. Consumer AV Sales & Marketing

Consumer AV Sales Platform Management Policy

Steadily generate profits through centralized management, ranging from development to sales

- Reliable management execution
  - Comprehensive enhancement of sales company management and sales operations basic practices
    - Steadily execute basic practices of sales & marketing
    - Effectively showcase product value to end customers
    - Process for profit recovery (management of inventory, sales investment, sales expense, etc.)
  - Accountability
    - Achieve accountability from the perspective of both sales companies & business units, so as to realize profit of the entire value chain

- Develop integrated sales activities with business units
Establish competitive global Sales & Marketing operation

Unify and integrate domestic and overseas resources and know-how, further enhance global Sales & Marketing operation to improve profit

- Establish new Sony Marketing Inc.
  - Unify Sales & Marketing functions, and execute speedy decision making in sales companies
  - Enhance operation globally by sharing best practices
  - Utilize and develop both domestic and overseas human resources
  - Integrate with business unit marketing organizations

Establish Sales & Marketing operation that continues to generate profit in all regions

4. Reference Materials

Home Entertainment & Sound Segment
TV Business - FY2015 Sales & Unit / Value Share

Sales by Key Product

Sales 797.8 bln yen

Sales by Region

Other Areas

Japan

United States

Europe

Asia-Pacific

China

LCD TV Unit Share by Manufacturer

Source: Sony
For the most recent year

#5

LCD TV Value Share by Manufacturer

Source: Sony
For the most recent year

#3

Video & Sound Business – FY2015 Sales by Key Products & Sales by Region

Sales by Key Product

Audio Others

System Stereos

Audio Component

Digital Music Players

WALKMAN

Others

Sound Bars

Headphones

Audio Growth Category

Sales 358.2 bln yen

Sales by Region

Other Areas

Japan

United States

Europe

Asia-Pacific

China

Video

- The figures for sales include pre-installed automotive audio products which were previously included in the Devices segment.
- *1: “Audio Growth Category” includes Sound Bar, Wireless Speaker and Headphone as its main products.
Video & Sound Business - Key Products' Market Share (Value basis)

- **Headphones**: #3 in Japan/Europe
- **Wireless Speakers**: #1 in Japan
- **Sound Bars**: #4 in Japan/Europe
- **Digital Music Players (WALKMAN)**: #1 in Japan/EU3
- **Home Video (Blu-ray Players/Recorders)**: #3 in Japan

*Source: Sony*
*For the most recent year*
*1 EU5: UK, France, Germany, Italy, Spain*
*2 EU3: UK, France, Germany*

**Cautionary Statement**

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(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.