Sony IR Day 2016
Imaging Products & Solutions Segment
June 29, 2016

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Sony Corporation

Agenda

1. Segment Overview
2. FY2015 Results
3. FY2016 Direction and Forecast
   - IP&S Business Direction and Important Initiatives
   - Key Initiatives
      - Consumer business
      - Professional solutions business
      - Medical business
   - FY16 Forecast
4. Reference Materials
### FY2015 Results

#### Negative factors
- Decrease in unit sales, due to shrinking consumer digital imaging market
- Forex impact
- One time items

#### Positive factors
- Product mix improvement by shifting focus to premium products
- Decrease in fixed and other costs due to improvement in operational efficiency
- Decrease in restructuring charges

Note: Operating income YoY change by business

<table>
<thead>
<tr>
<th>Business</th>
<th>FY14</th>
<th>FY15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer</td>
<td>+16.5</td>
<td></td>
</tr>
<tr>
<td>Professional</td>
<td>+11.0</td>
<td></td>
</tr>
<tr>
<td>Medical</td>
<td>+3.0</td>
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Significant improvement in profit, despite a shrinking consumer camera market, by reducing fixed and other costs through operational efficiencies and shifting focus to premium products.
**IP&S Business Direction**

- Utilize our new imaging platform as the basis for maximizing customer value in the Consumer, Professional and Medical businesses.
- As the new IP&S Segment, aspire to change our position from a “stable profit generator” to a “growth driver” in the mid and long term.

**New Imaging Platform  “Light to Display”**

**FY2016 Important Initiatives**

- **Consumer**
  Strengthen “camera brand” and maintain a high level of profitability centered on Interchangeable Lens Camera (ILC).

- **Professional Solutions**
  Transform into a customer based organization
  Stable profit growth

- **Medical**
  Enhance the business based on our new imaging platform
Consumer Business Initiatives

Strengthen "camera brand" and maintain a high level of profitability centered on Interchangeable Lens Camera (ILC)

- Camera Body: Reinforcement in product strength (higher resolution, sensitivity and speed)
- Interchangeable Lens: ILC lineup enhancement, develop into a core business through brand establishment
- Expand α-mount ecosystem

"α7R II" with 42M back-illuminated 35mm full-frame sensor

“G Master” interchangeable lens series

**Sales growth of interchangeable lens**
※excl. lens in same package with body

<table>
<thead>
<tr>
<th>Year</th>
<th>FY14</th>
<th>FY15</th>
<th>FY16FCT*</th>
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</thead>
<tbody>
<tr>
<td>Sales growth of mid-high class ILC body &gt;</td>
<td>CAGR +20%</td>
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</tbody>
</table>

<Expansion of α-mount>
※A7/A6000 series

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9 Partners
/50 models
Number of E-mount license partners /Number of E-mount lens models introduced by license partners

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Professional Solutions

Initiative ① Transform into a customer based organization

Enhance customer based organizational structure and accelerate the provision of the best solutions and services to customers
Pursue enhanced customer value through collaboration of sales, planning and engineering

Until Dec. 2015
Business Div. by Products

- Content Creation Solutions
- Business Div.
- Visual Presentation Solutions
- Business Div.
- Visual Security Solutions
- Business Div.
- System Solutions Development

From Jan. 2016
Business Div. by Customer Segment and Products

Business Div. by Customer Segment

- Media Segment
- B2B Segment

Business Div. by Products

- Strengthening product competitiveness
- Content Creation
- Projector /Display
- Camera System

New Imaging Platform
Balance between efficiency and innovation
Professional Solutions
Initiative ② Stable and profitable growth

Imaging Products & Solutions Segment

Enhance the B2B segment business in addition to the media segment business

[Media Segment]
Expand 4K related products and accelerate the proposal of 4K/IP Solutions

- 4K ultra slow-motion camera HDC-4800
- Live server system PWS-4500
- Production switcher XVS-7000
- 55-inch 4K OLED picture monitor PVM-X550

FY16 Sales by Segment (FCT)

[Media]
[B2B]

FY16 Sales by Products (FCT)

[B2B Segment]
Enhance AV/IT total solutions for universities and companies

- Live server system
- Production switcher
- 55-inch 4K OLED picture monitor

Enhance the B2B segment business in addition to the media segment business

4K Camera Head
4K Monitor [31”]
4K Camera
4K Camera Control Unit
4K Recorder

Oct. 2015 Launch 4K Surgical Endoscopy System

- Surgical Imaging Business
- Medical Business Initiatives

Expansion of system integration business by 4K IP capable products

Full swing introduction of 4K Surgical Endoscopy System (Japan/US/EU)

Light source
Lens
Image sensor
Image processing
IP transmission
Display

Medical Business Initiatives

Imaging Products & Solutions Segment

Enhancement of the business based on our new imaging platform

Medical Peripherals Business

- Printer
- Monitor
- Recorder
- Camera

Oct. 2015 Launch 4K Surgical Endoscopy System

- Surgical Imaging Business
- Medical Business Initiatives

Expansion of system integration business by 4K IP capable products

Full swing introduction of 4K Surgical Endoscopy System (Japan/US/EU)

* The system is sold by Olympus Corporation.
* With the exception of the monitor and recorder, this system is manufactured by Olympus Medical Systems Corporation.
* Monitor and recorder is manufactured by Sony Corporation.
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**FY2016 Forecast**

### FY2016 Operating Income (vs FY2015)

- **Negative factors**
  - Forex impact
  - One time including change in corporate expense allocation
  - Decrease in unit sales, due to the shrinking consumer digital imaging market
  - Product mix improvement due to a shift to higher value-added models
  - Decrease in fixed and other costs due to improvement in operational efficiency
  - Impact of earthquake in Kumamoto

### FY2016 forecast with YoY operating income change analysis (bn yen)

- Sales: 684.0 ▲61.0
- Operating Income: 69.3 ▲8.3

### FY2016 FCT excl. earthquake impact

- Sales: 530.0
- Operating Income: 16.0

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**Summary**

### FY2016 Forecast

- **Sales**: 530.0 bn yen (Incl. earthquake impact ▲100 bn yen)
- **Operating income**: 16.0 bn yen (Incl. earthquake impact ▲45 bn yen)

### FY2016 Direction

- Utilize our new imaging platform as the basis for maximizing customer value in the Consumer, Professional and Medical businesses
- As the new IP&S segment, aspire to change our position from a “stable profit generator” to a “growth driver” in the mid and long term

### FY2017 Target

- **Sales**: 630-680 bn yen
- **Operating income %**: 8% ~ 10%
Reference Materials

IP&S Sales by business category and area

- **FY2015 Sales by business category**
  - Sales: 684bn yen
  - Consumer
  - Professional
  - Still and Video Cameras
  - Other
  - Medical

- **FY2015 Sales by Area**
  - Sales: 684bn yen
  - Japan
  - US
  - Europe
  - Asia, Middle East & Africa
  - Others
IP&S Key products’ market share (amount basis)

**FY2015 Still Camera Market**
Market size: 1,810bn yen

- Sony: 14%
- ILC (Incl. Lens): 12% (No.3)
- DSC: 20% (No.2)

**FY2015 Video Camera Market**
Market size: 480bn yen

- Sony: 31%
- Video cameras for consumer (POV + Conventional)
- Video cameras for business (Prosumer + Professional)

*1: Premium DSC= DSC with large (1/1.7inch and over) imager or high zoom (20x and over)*

Source: Sony

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(v) Sony’s ability to implement successful business restructuring and transformation efforts under changing market conditions;
(vi) Sony’s ability to implement successful restructuring and transformation efforts under changing market conditions;
(vii) Sony’s ability to implement successful restructuring and transformation efforts under changing market conditions;
(viii) Sony’s ability to implement successful restructuring and transformation efforts under changing market conditions;
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(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.