Corporate Strategy Meeting

June 29, 2016

Sony Corporation

Progress of Mid-Range Corporate Plan (FY2015~2017)
Switched Gears from FY2015 to Profit Generation and Investment for Growth

~FY2014   FY2015~2017
First Mid-Range Plan   Second Mid-Range Plan

Transforming Sony   Profit generation and investment for growth

Transformation into a highly profitable enterprise

Second Mid-Range Corporate Plan

- Key Strategies -

- Management that emphasizes profitability without necessarily pursuing volume
- Greater autonomy at business units with a focus on shareholder value
- Clearly defined positioning of each business
**FY2015 Consolidated Results**

<table>
<thead>
<tr>
<th>Operating income</th>
<th>Net income attributable to Sony Corporation’s stockholders</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FY2014</strong></td>
<td><strong>FY2015</strong></td>
</tr>
<tr>
<td>68.5 bln yen</td>
<td>294.2 bln yen</td>
</tr>
<tr>
<td>+225.6 bln yen</td>
<td>+273.8 bln yen</td>
</tr>
<tr>
<td></td>
<td>147.8 bln yen</td>
</tr>
<tr>
<td></td>
<td>-126.0 bln yen</td>
</tr>
</tbody>
</table>

**Kumamoto Technology Center**

**Sony Semiconductor Manufacturing Corporation Kumamoto Technology Center**

Established in October 2001  
Location : Kikuyo-machi, Kikuchi-gun Kumamoto  
Number of Employees : 3,200 (including temporary)  
Main Products : CCD/CMOS Image Sensor  
  HLCD (High-temperature Poly-Si TFT LCD)  
  SXRD

Aim to reach full utilization for CMOS Image Sensors on a wafer input basis around the end of August
## FY2016 Consolidated Results Forecast

### Operating income

<table>
<thead>
<tr>
<th>Year</th>
<th>Operating Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2014</td>
<td>68.5 bln yen</td>
</tr>
<tr>
<td>FY2015</td>
<td>300 bln yen*</td>
</tr>
<tr>
<td>FY2016 (May Forecast)</td>
<td>294.2 bln yen</td>
</tr>
</tbody>
</table>

* The total expected negative impact of the 2016 Kumamoto Earthquakes on the FY2016 consolidated operating income forecast is 115.0 billion yen (excluding approximately 10 billion yen in insurance recoveries)

### Net income attributable to Sony Corporation’s stockholders

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2014</td>
<td>147.8 bln yen</td>
</tr>
<tr>
<td>FY2015</td>
<td>80 bln yen</td>
</tr>
<tr>
<td>FY2016 (May Forecast)</td>
<td>-126.0 bln yen</td>
</tr>
</tbody>
</table>

## Revision of the FY2017 Financial Targets by Segment

<table>
<thead>
<tr>
<th>Segment</th>
<th>Sales5 (bn yen)</th>
<th>Operating Income Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mobile Communications (MC)</td>
<td>1,000~1,250</td>
<td>3~5%</td>
</tr>
<tr>
<td>Game &amp; Network Services (G&amp;NS)</td>
<td>1,400~1,600</td>
<td>5~6%</td>
</tr>
<tr>
<td>Imaging Products &amp; Solutions (IP&amp;S)</td>
<td>680~730</td>
<td>7~9%</td>
</tr>
<tr>
<td>Home Entertainment &amp; Sound (HE&amp;S)</td>
<td>1,000~1,100</td>
<td>2~4%</td>
</tr>
<tr>
<td>Devices</td>
<td>1,300~1,500</td>
<td>10~12%</td>
</tr>
<tr>
<td>(Semiconductor business only1)</td>
<td>1,100~1,250</td>
<td>10~12%</td>
</tr>
<tr>
<td>Pictures2</td>
<td>10~11 bln U.S. dollars</td>
<td>7~8%</td>
</tr>
<tr>
<td>Music3</td>
<td>4.9~5.3 bln U.S. dollars</td>
<td>10.5~11.5%</td>
</tr>
</tbody>
</table>

### Assumed foreign currency exchange rates4

<table>
<thead>
<tr>
<th>Currency</th>
<th>Before revision6</th>
<th>After revision (As of June 2016)</th>
</tr>
</thead>
<tbody>
<tr>
<td>US $1 = ¥110</td>
<td>1€ = ¥138</td>
<td></td>
</tr>
<tr>
<td>US $1 = ¥113</td>
<td>1€ = ¥129</td>
<td></td>
</tr>
</tbody>
</table>

### Notes:

1. Semiconductor business includes image sensors, camera modules, LSI and micro-display devices.
2. The U.S. dollar targets 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.
3. The U.S. dollar targets in the Music segment are derived by converting Sony Music Entertainment Japan’s yen target for the segment into U.S. dollars and adding the product to Sony Music Entertainment and Sony/ATV Music Publishing LLC’s U.S. dollar target for each line item.
4. The revised FY2017 targets are calculated using the same assumed foreign currency exchange rates used to calculate the FY2016 business segment forecasts announced in April and May 2016. The assumed foreign currency exchange rates used to calculate the FY2016 consolidated results forecasts announced in May 2015 remain unchanged from the 110 yen to the U.S. dollar and 120 yen to the euro.
5. Includes operating revenue and intersegment sales.
6. Reclassifications have been made to conform with business segment realignments announced since November 2014 (February 2015 for Mobile Communications), where initial targets were announced.

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FY2017 Financial Target

- **ROE**: 10% +
- **Operating Income**: 500 billion yen +

Consolidated Operating Income Trend (FY1963~)

- FY1997: 525.7 billion yen
- FY2017 Target: 500 billion yen +

500 billion yen
Revitalize Consumer Electronics

Significant Improvement in Operating Income

<table>
<thead>
<tr>
<th>TV Business</th>
<th>Mobile Communications</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating income</td>
<td>Operating income</td>
</tr>
<tr>
<td>FY2013: -25.7 bln yen</td>
<td>FY2014: 25.8 bln yen</td>
</tr>
<tr>
<td>FY2014: 8.3 bln yen</td>
<td>FY2015: 25.8 bln yen</td>
</tr>
<tr>
<td>FY2016: -61.4 bln yen</td>
<td></td>
</tr>
</tbody>
</table>

Impairment charge of goodwill: -176.0 bln yen
Game & Network Services

PlayStation® series cumulative unit sales since launch

PlayStation®4

- PlayStation®4 sales surpass 40 million units worldwide
- Continue to demonstrate the fastest-selling console in PlayStation® history

* As of May 22, 2016.

Growth of Network Business

**Network Sales** (Billion yen)

November 2013 Launch of PS4™
Entertainment Businesses

- **Pictures**
  - *Breaking Bad*
  - *Better Call Saul*
  - *Blacklist*

- **Music**
  - Adele

- **Points**
  - Expanding digitization and the rise of streaming services
  - Greater demand for content from customers
  - Advantage lies in our ability to create premium content
Devices

- Speed of response to changes in the market environment
- Focus on Sony’s areas of strength
- Expanding image sensor applications and growth in market size over the mid-range

Expanding image sensor applications and growth in market size

Image sensors market outlook (value-basis)

- Mobile phone / Digital Camera
- Security Camera
- Factory Automation System
- Automotive
- Others (e.g. drones)

(Source: Sony)
Financial Services

- Responding to the ultra-low interest rate environment
- Expect profits to grow over the mid-range from the provision of high quality and convenient financial services

Mid-Range Strategy Steps Toward the Future
Mission

A company that inspires and fulfills your curiosity

Vision

Using our unlimited passion for technology, content and services to deliver, groundbreaking new excitement and entertainment, as only Sony can.
Expanding the Scope of the Electronics Business
XPERIA Smart Products

AI

Robotics
Sony Innovation Fund

July 2016 Scheduled for Launch
“Spirit of innovation and challenge”
- Founding Prospectus-
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 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.