

February 24, 2017
Sony Corporation

**Announcement of Company Split (Small-scale/Summary Form Company Split)
from Sony Corporation into Sony Interactive Entertainment Inc.**

Sony Corporation (“Sony”) today announced that it will transfer certain rights and obligations related to shares of Sony Interactive Entertainment Europe, Ltd. (“SIEE”), a wholly-owned subsidiary of Sony, and its related business, to Sony Interactive Entertainment Inc. (“SIEI”), a wholly-owned subsidiary of Sony, by an “absorption-type company split”, as set forth below.

Certain information is omitted from this announcement since this is an absorption-type company split with Sony’s wholly-owned subsidiary.

1. Purpose of the company split

The purpose of this company split is to manage assets and liabilities owned by Sony Interactive Entertainment group in an optimal and efficient manner.

2. Summary of the company split

(1) Schedule of the company split

Approval of the company split agreement (by the representative corporate executive officer)	February 24, 2017
Execution of the company split agreement	February 24, 2017
Effective date of the company split	April 1, 2017 (scheduled)

* Sony and SIEI will perform the contemplated company split without obtaining shareholder approval of the company split agreement pursuant to the provisions of the “small-scale company split” as set forth in Paragraph 2 of Article 784 and the “summary form company split” as set forth in Paragraph 1 of Article 796 of the Companies Act of Japan.

(2) Method of the company split

The method of the contemplated company split is an absorption-type company split between Sony (as the splitting company) and SIEI (as the successor company).

(3) Details of consideration allotted upon the company split

There will be no issuance of new shares or cash payment upon the completion of the contemplated company split.

(4) Treatment of stock acquisition rights and bonds with stock acquisition rights of the absorbed company

There will be no changes to the treatment of stock acquisition rights or bonds with stock acquisition rights of Sony upon the completion of the contemplated company split.

(5) Increase or decrease of share capital upon the company split

There will be no increase or decrease of share capital of Sony upon the contemplated company split.

(6) Rights and obligations to be succeeded by the successor company

SIEI, as the successor company, will succeed to certain rights and obligations related to the shares of SIEE and its related business, such as assets and liabilities, as set forth in the company split agreement.

(7) Expectation on the performance capabilities of each party's obligations

Sony expects that the contemplated company split will have no material impact on the ability of SIEI to perform its obligations that become due after the effective date of the contemplated company split.

3. Summary of both parties (The numbers shown below are as of March 31, 2016)

(1) Summary of both parties

Trade name	Sony Corporation (Splitting Company)	Sony Interactive Entertainment Inc. (Successor Company)
Location of head office	7-1, Konan 1-chome, Minato-ku, Tokyo, Japan	7-1, Konan 1-chome, Minato-ku, Tokyo, Japan
Title and name of Representative	Kazuo Hirai Representative Corporate Executive Officer	Andrew House Representative Director
Business	Manufacture and sale of electronic and electrical machines and equipment, etc.	Design, development, manufacture and sale of PlayStation®3-, PlayStation®Vita- and PlayStation®4- related hardware and software.
Stated capital	¥ 858,867 million	¥ 100 million
Date of incorporation	May 7, 1946	April 1, 2010
Number of shares issued	1,262,493,760 shares	2,000 shares
Fiscal year-end	March 31	March 31

Major shareholders and shareholding ratio	1 Citibank as Depository Bank for Depository Receipt Holders 8.82%	Sony Corporation 100%
	2 Japan Trustee Services Bank, Ltd. (Trust Account) 5.30%	
	3 The Master Trust Bank of Japan, Ltd. (Trust Account) 4.49%	
	4 JPMorgan Chase Bank 380055 3.15%	
	5 State Street Bank and Trust Company 2.23%	
Net assets (negative)	¥ 3,124,410 million (consolidated) (Note)	(¥ 43,819 million) (non-consolidated)
Total assets	¥ 16,673,390 million (consolidated)	¥ 211,128 million (non-consolidated)
Net assets per share (negative)	¥ 1,952.79 (consolidated)	(¥ 21,909,547.82) (non-consolidated)
Net sales	¥ 8,105,712 million (consolidated)	¥ 838,391 million (non-consolidated)
Operating income	¥ 294,197 million (consolidated)	¥ 25,786 million (non-consolidated)
Ordinary income	¥ 304,504 million (consolidated) (Note)	¥ 24,908 million (non-consolidated)
Net income	¥ 147,791 million (consolidated) (Note)	¥ 14,363 million (non-consolidated)
Net income per share	¥ 119.40 (consolidated) (Note)	¥ 7,181,326.92 (non-consolidated)

Note: Since Sony prepares its consolidated financial statements in accordance with accounting principles generally accepted in the United States, “total equity”, “income before income taxes”, “net income attributable to Sony’s stockholders” and “net income attributable to Sony’s stockholders per share of common stock” are stated in place of “Net assets”, “Ordinary income”, “Net income” and “Net income per share”, respectively.

(2) Summary of business subject to the company split

a. Business subject to the company split

Shares of SIEE and its related business

b. Operating results of the business transferred by the company split for the fiscal year ended March 31, 2016

Net sales: ¥ 0

c. Assets and liabilities to be succeeded upon the company split (as of December 31, 2016)

Assets: ¥ 9,826 million

Liabilities: ¥ 9,826 million

4. Status after the company split

There will be no changes in the trade name, the location of the head office, the title and name of representatives, the business (excluding the business transferred by the contemplated company split), the stated capital or fiscal year-end of Sony upon the completion of the contemplated company split. There will be no changes in the trade name, the location of the head office, the title and name of representatives, the business (excluding the business transferred by the contemplated company split), the stated capital or fiscal year-end of SIEI upon the completion of the contemplated company split.

5. Outlook

No material impact on Sony's consolidated financial results is anticipated as a result of the completion of the contemplated company split.

(For reference) Sony's consolidated financial forecast for the fiscal year ending March 31, 2017, which was announced on February 2, 2017, and its consolidated financial results for the fiscal year ended March 31, 2016.

(Yen in millions)

	Sales and operating revenue	Operating income	Income before income taxes	Net income attributable to Sony Corporation's stockholders
Consolidated financial forecast for the fiscal year ending March 31, 2017	7,600,000	240,000	196,000	26,000
Consolidated financial results for the fiscal year ended March 31, 2016	8,105,712	294,197	304,504	147,791