SONY

FY2016 Consolidated Financial Results

(Fiscal year ended March 31, 2017)

April 28, 2017

Sony Corporation

Please be aware that, in the following remarks, statements made 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. These statements are based on management's assumptions in light of the information currently available to it, and, therefore, you should not place undue reliance on them.

Sony cautions you that a number of important factors could cause actual results to differ materially from those discussed in the forward-looking statements. For additional information as to risks and uncertainties, as well as other factors that could cause actual results to differ, please refer to today's press release, which can be accessed by visiting www.sony.net/IR.

- FY2016 Consolidated Financial Results and FY2017 Consolidated Results Forecast
- Segments Outlook

I’m CFO Kenichiro Yoshida.

Today I would like to explain two topics in the next 20 minutes:

FY2016 Consolidated Results

(Bln Yen)

	FY15	FY16	Change
Sales & operating revenue	8,105.7	**7,603.3**	-6.2%
Operating income	294.2	**288.7**	-1.9%
Income before income taxes	304.5	**251.6**	-17.4%
Net income attributable to Sony Corporation's stockholders	147.8	**73.3**	-50.4%
Net income attributable to Sony Corporation's stockholders per share of common stock (diluted)	117.49 yen	**56.89** yen	-51.6%
Restructuring charges*1	38.3	**60.2**	+57.4%
Additions to long-lived assets*2	468.9	**272.2**	-42.0%
Depreciation and amortization*3	397.1	**327.0**	-17.6%
Research and development expenses	468.2	**447.5**	-4.4%
Average rate			
1 US dollar	120.1 yen	**108.4** yen	
1 Euro	132.6 yen	**118.8** yen	

*1 Restructuring charges are included in operating income as operating expenses (applies to all following pages)
*2 Does not include the increase in intangible assets resulting from acquisitions (applies to all following pages)
*3 Includes amortization expenses for intangible assets and for deferred insurance acquisition costs (applies to all following pages)

Consolidated sales in FY16 decreased 6% year-on-year to 7 trillion 603.3 billion yen. Consolidated operating income decreased 2% year-on-year to 288.7 billion yen. Income before income taxes decreased 17% to 251.6 billion yen. Net income attributable to Sony Corporation's stockholders decreased 50% to 73.3 billion yen, primarily due to the fact that the goodwill impairment charge recorded in the Pictures segment during the fiscal year could not be deducted for tax purposes.

Q4 FY2016 Consolidated Results

(Bln Yen)

	Q4 FY15	Q4 FY16	Change
Sales & operating revenue	1,824.1	**1,903.6**	+4.4%
Operating income	-92.9	**94.4**	-
Income before income taxes	-99.7	**87.9**	-
Net income attributable to Sony Corporation's stockholders	-88.3	**27.7**	-
Net income attributable to Sony Corporation's stockholders per share of common stock (diluted)	-70.03 yen	**21.45** yen	-
Restructuring charges	16.4	**20.8**	+26.6%
Additions to long-lived assets	139.6	**84.0**	-39.8%
Depreciation and amortization	122.0	**67.5**	-44.7%
Research and development expenses	128.1	**122.3**	-4.5%
Average rate			
1 US dollar	115.4 yen	**113.7** yen	
1 Euro	127.2 yen	**121.1** yen	

This chart shows the consolidated results for the fourth quarter of FY16. As previously announced, we recorded a 37.2 billion yen gain on the sale of certain shares Sony held of M3, Inc. during the quarter.

FY2016 Results by Segment [Reclassified]

(Bln Yen)

Segment		FY15	FY16	Change	FX Impact
Mobile Communications (MC)	Sales	1,127.5	759.1	-32.7%	-3%
	Operating income	-61.4	10.2	+71.6 bln yen	+26.1bln yen
Game & Network Services (G&NS)	Sales	1,551.9	1,649.8	+6.3%	-9%
	Operating income	88.7	135.6	+46.9 bln yen	-2.2 bln yen
Imaging Products & Solutions (IP&S)	Sales	684.0	579.6	-15.3%	-8%
	Operating income	69.3	47.3	-22.1 bln yen	-26.5 bln yen
Home Entertainment & Sound (HE&S)	Sales	1,159.0	1,039.0	-10.4%	-10%
	Operating income	50.6	58.5	+7.9 bln yen	-13.4 bln yen
Semiconductors	Sales	739.1	773.1	+4.6%	-10%
	Operating income	14.5	-7.8	-22.3 bln yen	-43.7 bln yen
Components	Sales	224.6	195.4	-13.0%	-8%
	Operating income	-42.9	-60.4	-17.5 bln yen	-3.9 bln yen
Pictures	Sales	938.1	903.1	-3.7%	-9%
	Operating income	38.5	-80.5	-119.0 bln yen	
Music	Sales	619.2	647.7	+4.6%	-6%
	Operating income	86.5	75.8	-10.7 bln yen	
Financial Services	Revenue	1,073.1	1,087.5	+1.3%	
	Operating income	156.5	166.4	+9.9 bln yen	
All Other	Sales	332.2	267.0	-19.6%	
	Operating income	1.7	30.9	+29.2 bln yen	
Corporate and elimination	Sales	-343.0	-298.1	-	
	Operating income	-107.7	-87.1	+20.6 bln yen	
Consolidated total	Sales	8,105.7	7,603.3	-6.2%	
	Operating income	294.2	288.7	-5.5 bln yen	

· Due to Sony's modification to its organizational structure in FY2016, certain figures in past fiscal years have been reclassified to conform to the presentation of FY2016 (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 sales and operating revenue (applies to all following pages)
· For definition of FX Impact, please see P.11 of "Consolidated Financial Results for the Fiscal Year Ended March 31, 2017" (applies to all following pages)

This chart shows the results of each segment for FY16.

Q4 FY2016 Results by Segment [Reclassified]

(Bln Yen)

		Q4 FY15	Q4 FY16	Change	FX Impact
Mobile Communications (MC)	Sales	183.2	**155.9**	-14.9%	-1%
	Operating income	-42.1	**-15.2**	+26.9 bln yen	+4.3 bln yen
Game & Network Services (G&NS)	Sales	315.5	**381.8**	+21.0%	-3%
	Operating income	5.1	**22.5**	+17.4 bln yen	-1.5 bln yen
Imaging Products & Solutions (IP&S)	Sales	153.5	**154.9**	+0.9%	-2%
	Operating income	5.7	**3.8**	-1.9 bln yen	-2.1 bln yen
Home Entertainment & Sound (HE&S)	Sales	214.8	**214.8**	-0.0%	-2%
	Operating income	-7.3	**-5.2**	+2.1 bln yen	-0 bln yen
Semiconductors	Sales	147.9	**201.1**	+36.0%	-2%
	Operating income	-73.6	**12.8**	+86.3 bln yen	-1.6 bln yen
Components	Sales	49.0	**53.2**	+8.4%	-2%
	Operating income	-6.4	**-15.3**	-9.0 bln yen	-0.1 bln yen
Pictures	Sales	320.7	**302.5**	-5.7%	-1%
	Operating income	52.3	**33.7**	-18.6 bln yen	
Music	Sales	167.9	**177.0**	+5.4%	-1%
	Operating income	13.3	**15.4**	+2.1 bln yen	
Financial Services	Revenue	260.9	**275.1**	+5.5%	
	Operating income	17.2	**55.3**	+38.1 bln yen	
All Other	Sales	73.9	**65.6**	-11.1%	
	Operating income	-4.4	**27.4**	+31.8 bln yen	
Corporate and elimination	Sales	-63.3	**-78.4**	-	
	Operating income	-52.7	**-40.7**	+12.0 bln yen	
Consolidated total	Sales	1,824.1	**1,903.6**	+4.4%	
	Operating income	-92.9	**94.4**	+187.3 bln yen	

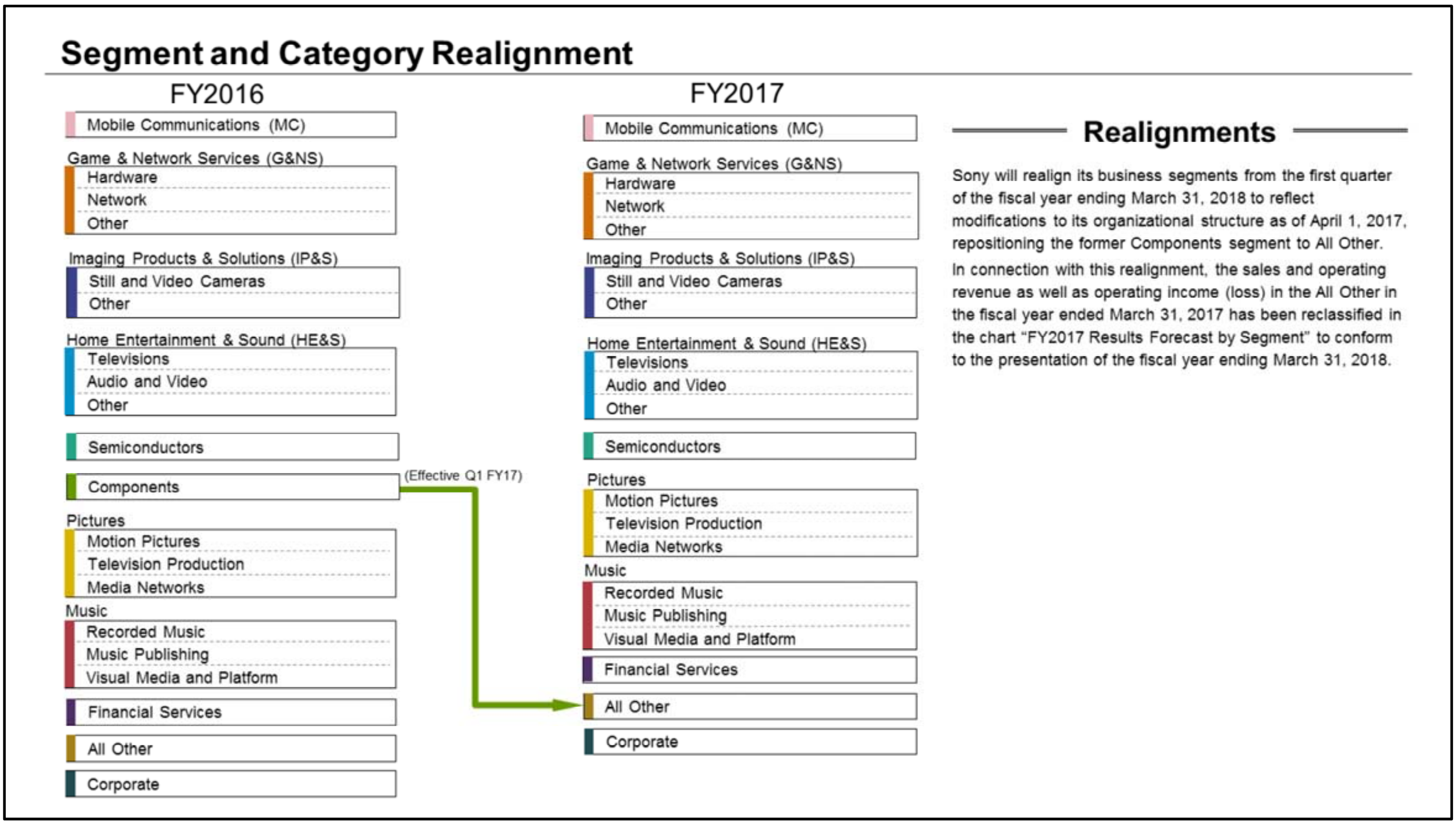
This chart shows the results by segment for the fourth quarter. This is the first time in the 19 years since the fiscal year ended March 31, 1998 that we recorded an operating profit for the total of the six Electronics segments in the 4th quarter. One of the issues for management was the fact that we consistently recorded a loss in Electronics in the 4th quarter, so I am pleased to see that we have made some progress in this area.

FY2017 Consolidated Results Forecast

(Bln Yen)

	FY15	FY16	FY17 FCT	Change from FY16
Sales & operating revenue	8,105.7	7,603.3	**8,000**	+5.2%
Operating income	294.2	288.7	**500**	+73.2%
Income before income taxes	304.5	251.6	**470**	+86.8%
Net income attributable to Sony Corporation's Stockholders	147.8	73.3	**255**	+247.9%
Restructuring charges	38.3	60.2	**15**	-75.1%
Additions to long-lived assets	468.9	272.2	**330**	+21.2%
Depreciation & amortization	397.1	327.0	**355**	+8.5%
Research & development expenses	468.2	447.5	**450**	+0.6%
Foreign exchange rates	Actual	Actual	**Assumption**	
1 US dollar	120.1 yen	108.4 yen	**Approx. 105 yen**	
1 Euro	132.6 yen	118.8 yen	**Approx. 110 yen**	

Next is the consolidated results forecast for FY17. As is shown here, we expect consolidated sales to increase 5% year-on-year to 8 trillion yen, and operating income to increase 73% to 500 billion yen. We expect net income to be 255 billion yen, which is approximately 3.5 times what it was in the previous fiscal year. We believe that we can achieve the targets we set in February 2015 for our current mid-range plan: 500 billion yen or more operating income and 10% or higher ROE. The assumptions for foreign exchange rates are 105 yen to the U.S. dollar and 110 yen to the euro. The amount of dividends for FY17 is undecided at this time, and we plan to determine the amount of the interim dividend at the time of the 1st quarter earnings announcement.



We will change the composition of some of our segments in FY17. In the Components segment, we are planning to transfer the battery business, and the part of that business that will be transferred accounts for approximately 60% of the sales of the segment. Since we are aiming to complete the transfer of the business at the beginning of July, we will eliminate the Components segment from FY17 and the remaining businesses, such as the storage media business, will be moved to All Other.

FY2017 Results Forecast by Segment [Reclassified]

(Bln Yen)

		FY16 Results	FY17 FCT	Change from FY16
Mobile Communications (MC)	Sales	759.1	820	+8.0%
	Operating income	10.2	5	-5.2 bln yen
Game & Network Services (G&NS)	Sales	1,649.8	1,890	+14.6%
	Operating income	135.6	170	+34.4 bln yen
Imaging Products & Solutions (IP&S)	Sales	579.6	640	+10.4%
	Operating income	47.3	60	+12.7 bln yen
Home Entertainment & Sound (HE&S)	Sales	1,039.0	1,120	+7.8%
	Operating income	58.5	58	-0.5 bln yen
Semiconductors	Sales	773.1	880	+13.8%
	Operating income	-7.8	120	+127.8 bln yen
Pictures	Sales	903.1	1,020	+12.9%
	Operating income	-80.5	39	+119.5 bln yen
Music	Sales	647.7	630	-2.7%
	Operating income	75.8	75	-0.8 bln yen
Financial Services	Revenue	1,087.5	1,170	+7.6%
	Operating income	166.4	170	+3.6 bln yen
All Other, Corporate and elimination	Operating income	-116.7	-197	-80.3 bln yen
Consolidated total	Sales	7,603.3	8,000	+5.2%
	Operating income	288.7	500	+211.3 bln yen

Segment Forecast FX Rate Assumption	
1 US dollar	110 yen
1 Euro	115 yen

Consolidated Forecast FX Rate Assumption	
1 US dollar	105 yen
1 Euro	110 yen

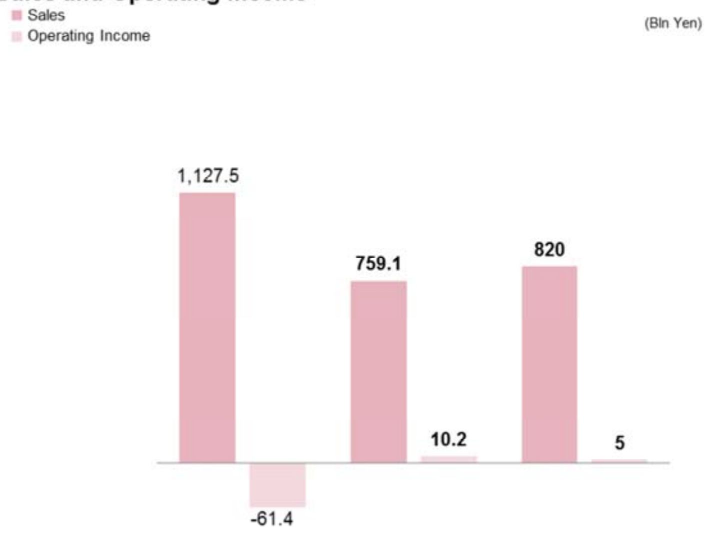
Impact of the difference between the assumed rates for the consolidated results and the rates used when the individual segments completed their forecasts has been included in the forecast for All Other, Corporate and elimination (approx. 40 bln yen negative impact)

The above-mentioned impact includes impact from emerging market currencies

The fiscal year results forecasts for each segment are shown on this slide. We are basically using the figures budgeted for each segment, but there are some caveats I need to explain to you. As is shown in the upper right, we used 110 yen to the U.S. dollar and 115 yen to the euro when formulating the forecasts for each of the segments. There is an approximately 40 billion yen negative impact on operating income resulting from the difference caused by our using the rates for the consolidated forecast that I mentioned previously – 105 yen to the U.S. dollar and 110 yen to the euro – and including the impact from emerging market currencies. This impact is included in Corporate and elimination. FY17 is the final year of our current mid-range plan. As President Hirai has mentioned previously, we believe that it is a very important milestone for Sony to achieve the current mid-range targets. In April, we split the Imaging Products and Solutions segment into a separate subsidiary, completing our plan to convert our business units into distinct subsidiaries. We believe that creating separate subsidiaries will increase the organizational independence of our various businesses. Because each independent business sets reasonably high targets in an effort to achieve our mid-range targets, we have incorporated a contingency budget of approximately 40 billion yen into Corporate and elimination in addition to the 40 billion yen foreign exchange impact I mentioned earlier. I will now explain the current situation of each segment.

Mobile Communications Segment

Sales and Operating Income



(Mln Units)	FY15	FY16	FY17 FCT
Smartphones	24.9	**14.6**	**16.5**

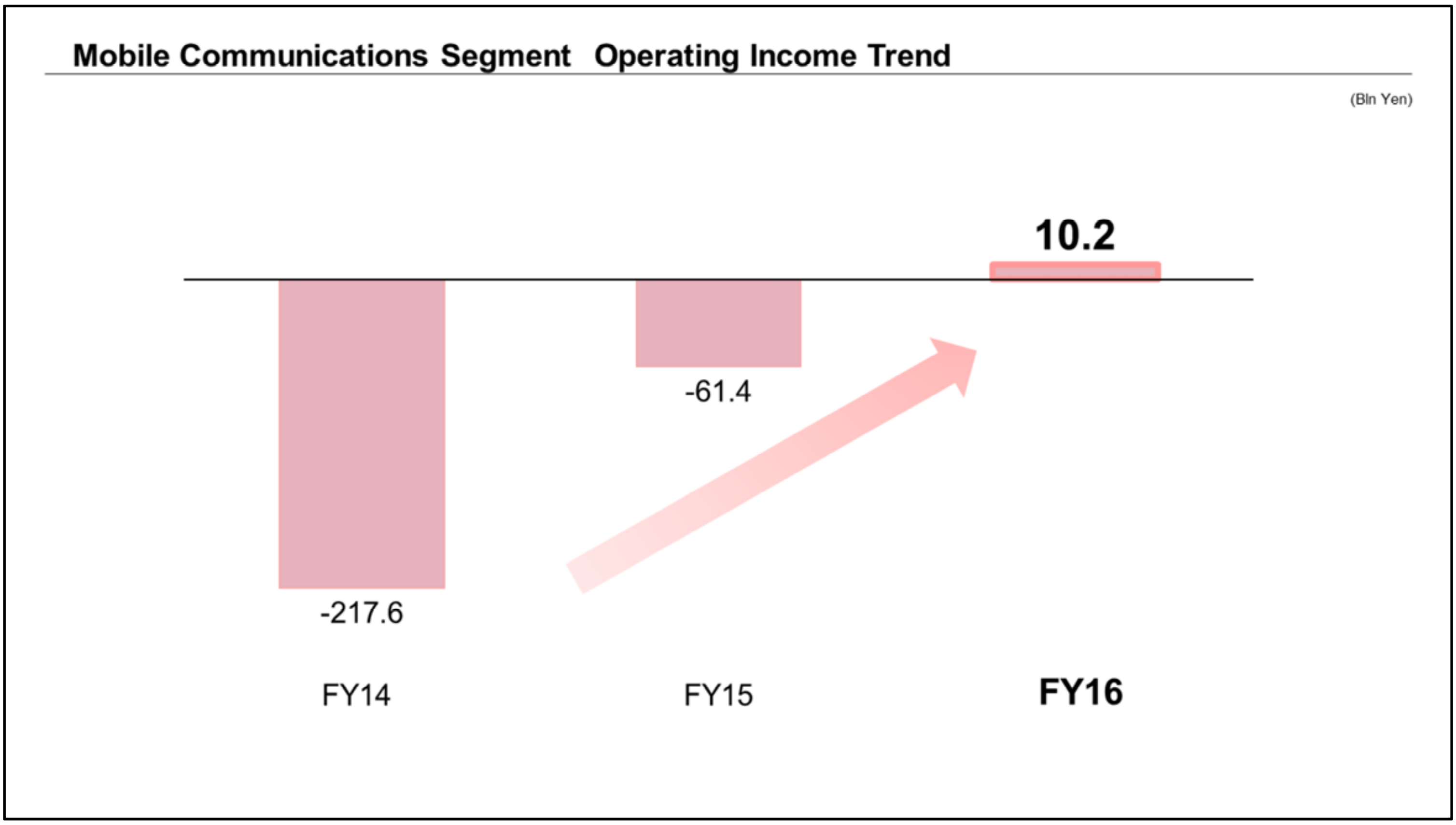
FY2016

- Sales: 32.7% decrease (FX Impact: -3%)
  - (–) Decrease in smartphone unit sales mainly in Europe, the Middle East and Latin America
  - (–) Significant downsizing of unit sales in unprofitable regions
- OI: 71.6 bln yen improvement (FX Impact: +26.1bln yen)
  - ·(+) Reduction in operating costs including the benefit of restructuring initiatives
  - ·(+) Improvement in profitability resulting from a concentrating on fewer geographic areas and a focus on high value-added models
  - ·(+) Positive impact of foreign exchange rates
  - ·(+) Reduction in restructuring charges
  - ·(–) Decrease in sales

FY2017 Forecast

- Sales: 8.0% increase
  - ·(+) Increase in smartphone unit sales
- OI: 5.2 bln yen decrease
  - ·(–) Negative impact of foreign exchange rates
  - ·(–) Increase in the price of key components
  - ·(+) Reduction in operating cost

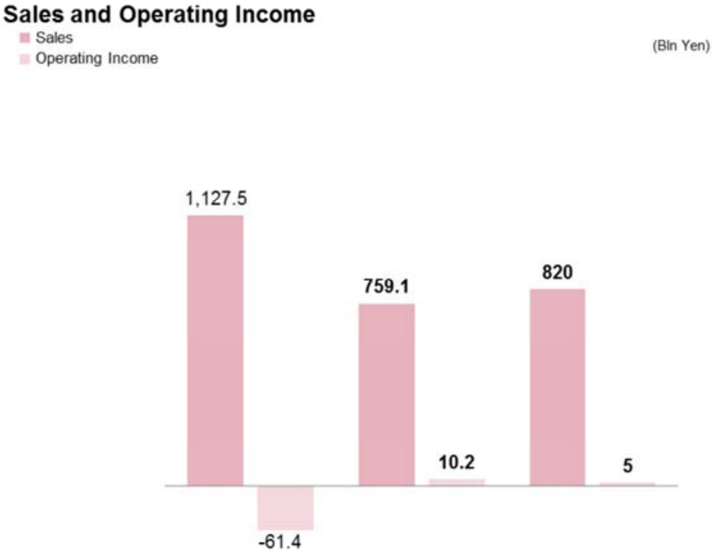
First I will talk about the Mobile Communications segment. During FY16, sales decreased 33% year-on-year primarily due to a larger-then-expected decrease in unit sales of smartphones mainly in Europe and a significant reduction in the size of the business in unprofitable regions. Operating results improved 71.6 billion yen year-on-year to operating income of 10.2 billion yen, largely due to operating cost reductions including the benefit of lower costs resulting from restructuring initiatives that were implemented since the second half of the fiscal year ended March 31, 2015, despite the negative impact of a decrease in unit sales.



Here you can see the operating results improvement over the past three fiscal years.

Mobile Communications Segment

Sales and Operating Income



(Mln Units)	FY15	FY16	FY17 FCT
Smartphones	24.9	**14.6**	**16.5**

FY2016

- Sales: 32.7% decrease (FX Impact: -3%)
  - (–) Decrease in smartphone unit sales mainly in Europe, the Middle East and Latin America
  - (–) Significant downsizing of unit sales in unprofitable regions
- OI: 71.6 bln yen improvement (FX Impact: +26.1bln yen)
  - (+) Reduction in operating costs including the benefit of restructuring initiatives
  - (+) Improvement in profitability resulting from a concentrating on fewer geographic areas and a focus on high value-added models
  - (+) Positive impact of foreign exchange rates
  - (+) Reduction in restructuring charges
  - (–) Decrease in sales

FY2017 Forecast

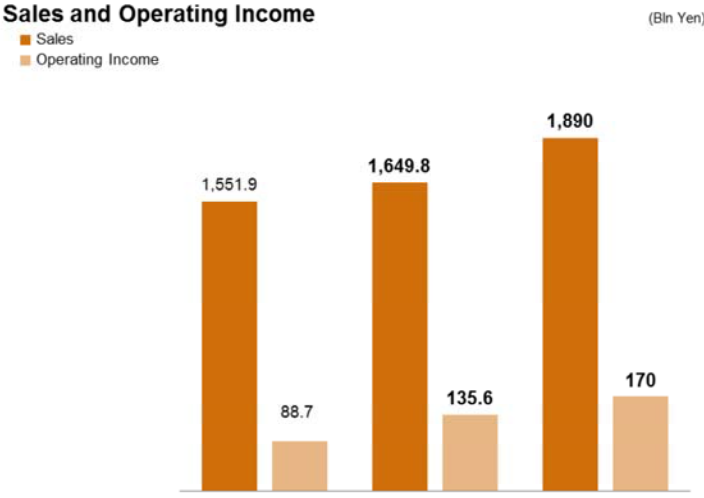
- Sales: 8.0% increase
  - (+) Increase in smartphone unit sales
- OI: 5.2 bln yen decrease
  - (–) Negative impact of foreign exchange rates
  - (–) Increase in the price of key components
  - (+) Reduction in operating cost

For FY17, we expect to increase our annual smartphone unit sales by 1.9 million year-on-year mainly in the Middle East and Europe, to 16.5 million units. Sales revenue is expected to increase 8% year-on-year to 820 billion yen. We believe the operating environment for the smartphone business will become even more severe compared to the previous fiscal year due to the headwind of foreign exchange rates and an increase in the price of key components such as memory. However, we are aiming to record operating income for the segment overall for FY17 as well.

Game & Network Services Segment

Sales and Operating Income

(Bln Yen)



(Mln Units)	FY15	FY16	FY17 FCT
PS4	17.7	20.0	18

FY2016

- Sales: 6.3% increase (FX Impact: -9%)
  - ·(+) Increase in PS4 software sales including sales through the network
  - ·(+) Increase in PS4 hardware sales
  - ·(–) Impact of foreign exchange rates
  - ·(–) Impact of price reduction for PS4 hardware
- OI: 46.9 bln yen increase (FX Impact: -2.2 bln yen)
  - ·(+) PS4 hardware cost reductions
  - ·(+) Increase in PS4 software sales
  - ·(–) Impact of price reduction for PS4 hardware
  - ·(–) Decrease in PS3 software sales

FY2017 Forecast

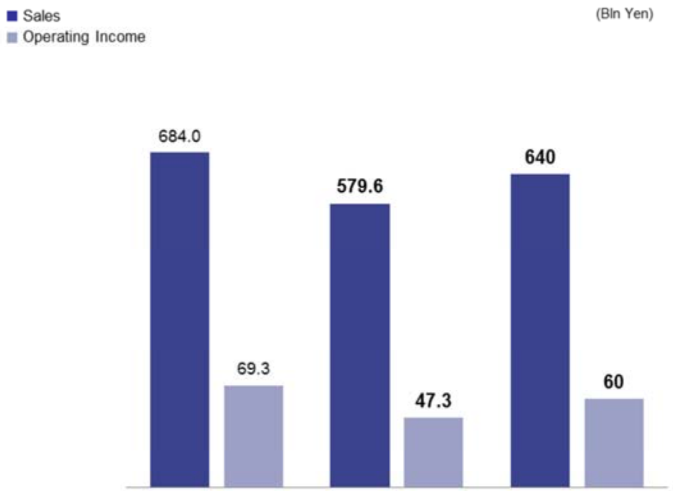
- Sales: 14.6% increase
  - ·(+) Increase in network sales
- OI: 34.4 bln yen increase
  - ·(+) Increase in sales

Next, I will talk about the Game & Network Services segment. Both sales and operating income increased year-on-year and operating income was 135.6 billion. Network sales increased 35% year-on-year and continued to lead the growth of the segment. PS VR and PS4 Pro, which went on sale last fall, both continue to sell well, which demonstrates the achievements we made when launching new products in FY16.

In FY17, we expect to increase both sales and operating income of the segment, and the forecast for operating income is expected to be 170 billion yen, primarily due to an increase in network sales. Three and half years have passed since the launch of PS4, and we expect annual unit sales in FY17 to decrease year-on-year to 18 million units, but some major software titles are scheduled to be launched and we believe we are in the harvest phase of the platform.

Imaging Products & Solutions Segment

Sales and Operating Income



(Mln Units)	FY15	FY16	FY17 FCT
Digital Cameras*	6.1	4.2	3.8

*Includes compact digital cameras and interchangeable single-lens cameras / Excludes interchangeable lenses

FY2016

- Sales: 15.3% decrease (FX Impact: -8%)
  - (–) Impact of foreign exchange rates
  - (–) Decrease in unit sales resulting from the 2016 Kumamoto Earthquakes
- OI: 22.1 bln yen decrease (FX Impact: -26.5 bln yen)
  - (–) Negative impact of foreign exchange rates
  - (–) Impact of the decrease in unit sales resulting from the 2016 Kumamoto Earthquakes
  - (+) Improvement in the product mix of Still and Video Cameras reflecting a shift to high value-added models
  - (+) Cost reductions

FY2017 Forecast

- Sales: 10.4% increase
  - (+) Improvement in the product mix of Still and Video Cameras reflecting a shift to high value-added models
- OI: 12.7 bln yen increase
  - (+) Improvement in the product mix

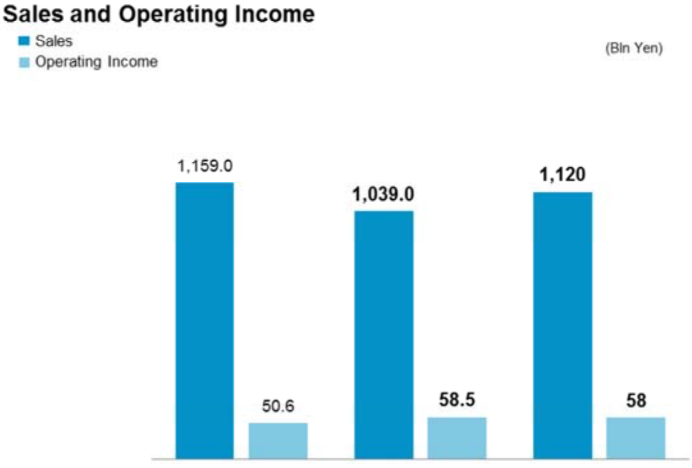
Next I will explain the Imaging Products & Solutions segment. In FY16, sales decreased by 15% and operating income decreased 22.1 billion yen year-on-year to 47.3 billion yen. Although the negative impact from the Kumamoto Earthquakes that occurred in April of last year was offset by an improvement in product mix and cost reductions, operating income still decreased significantly year-on-year due to the large negative impact of the appreciation of the yen.

In FY17, we expect to increase both sales and operating income primarily due to an improvement in product mix. 60 billion yen of operating income is expected. Of this operating income, approximately 2.6 billion yen is expected to be recorded from insurance recoveries for opportunity loss from the Kumamoto Earthquakes.

As I mentioned at the beginning of my remarks, Sony Imaging Products & Solutions Inc. began operating as a separate subsidiary on April 1, 2017.

Home Entertainment & Sound Segment

Sales and Operating Income



(Mln Units)	FY15	FY16	FY17 FCT
TVs	12.2	12.1	12

FY2016

- Sales: 10.4% decrease (FX Impact: -10%)
  - ·(−) Impact of foreign exchange rates
- OI: 7.9 bln yen increase (FX Impact: -13.4 bln yen)
  - ·(+) Improvement in product mix reflecting a shift to high value-added models
  - ·(−) Negative impact of foreign exchange rates
  - ·(−) Increase in expenses resulting from the change in the method of calculating royalties and other costs

FY2017 Forecast

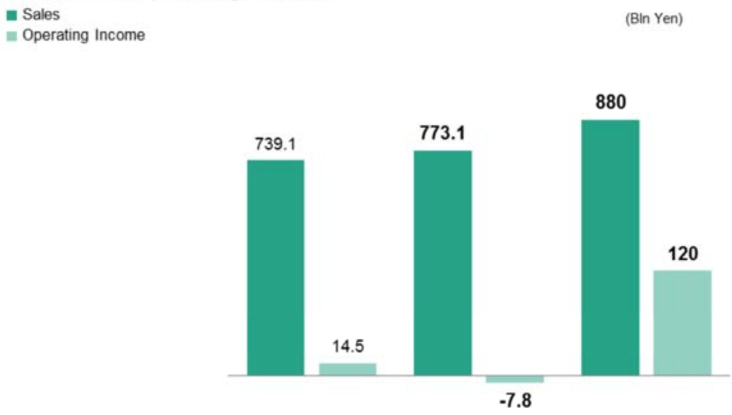
- Sales: 7.8% increase
  - ·(+) Improvement in product mix reflecting a shift to high value-added models
- OI: 0.5 bln yen decrease
  - ·(−) Increase in the price of key components
  - ·(+) Improvement in product mix

Next is the Home Entertainment & Sound segment. In FY16, although sales decreased 10% year-on-year partially due to the impact of foreign exchange rates, operating income increased 7.9 billion yen to 58.5 billion yen primarily due to an improvement in product mix. The television business, which is included in this segment, had a significant improvement in profitability and an increase in the stability of its earnings, unlike in the past.

In FY17, we expect to record 58 billion yen of operating income, essentially flat year-on-year, even though the volatility of the business environment continues to be high, including from such things as panel prices and foreign exchange rates, especially in emerging market currencies.

Semiconductors Segment

Sales and Operating Income



	FY15	FY16	FY17 FCT
Image Sensors[*1] Sales	477.6	**548.6**	**680**
Additions to long-lived assets for Semiconductors Segment	260.0	**84.0**	**130**
for Image Sensors[*1] (included above)	206.0	**45.0**	**110**

[*1] Category changes
Image sensors with sensing capabilities previously included in Other are now integrated into the Image Sensors category

FY2016

- Sales: 4.6% increase (FX Impact: -10 %)
  - ·(+) Significant increase in unit sales of image sensors mainly for mobile products
  - ·(–) Impact of foreign exchange rates
  - ·(–) Significant decrease in sales of camera modules, a business which was downsized
  - ·(–) Decrease in production due to the 2016 Kumamoto Earthquakes
- OI: 22.3 bln yen deterioration (FX Impact: -43.7 bln yen)
  - ·(–) Negative impact of foreign exchange rates
  - ·(–) Net expenses of 15.4 bln yen resulting from the 2016 Kumamoto Earthquakes[*2]
  - ·(–) 6.5 bln yen in inventory write-down of certain image sensors for mobile products
  - ·(+) Increase in sales
  - ·(+) Decrease in impairment charges against long-lived assets related to the camera module business

FY2017 Forecast

- Sales: 13.8% increase
  - ·(+) Increase in image sensor sales for mobile products.
  - ·(+) Absence of the impact of the 2016 Kumamoto Earthquake which resulted in a production decrease in FY16
- OI: 127.8 bln yen improvement
  - ·(+) Gain on sale of a manufacturing subsidiary of camera module business (Approx. 27 bln yen)
  - ·(+) Increase in sales
  - ·(+) Absence of impairment charges against long-lived assets related to the camera module business and net expense resulting from the 2016 Kumamoto Earthquakes in FY16

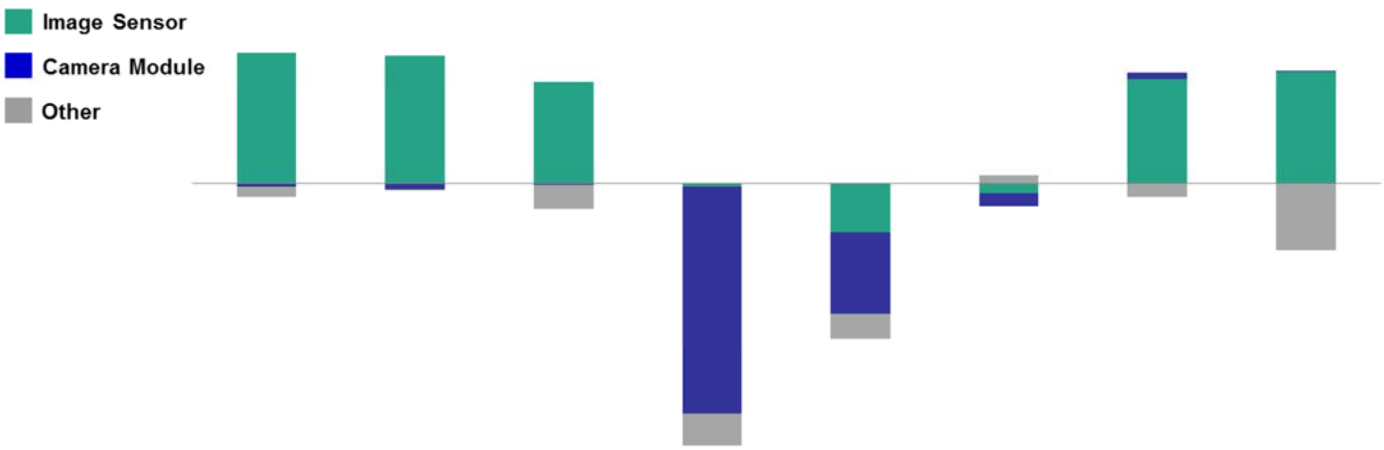
[*2] Includes repair costs of certain fixed assets and a loss on disposal of inventories directly damaged by the earthquakes (net of probable insurance recoveries) as well as idle facility costs at manufacturing sites affected by the earthquakes. Does not include lost profit from missed sales opportunities.

Next, I will talk about the Semiconductors segment. In FY16, sales increased 5% and operating results deteriorated 22.3 billion yen year-on-year to an operating loss of 7.8 billion yen. Factors contributing to the deterioration were a 43.7 billion yen negative impact of the appreciation of the yen and approximately 28.0 billion yen of net negative impact of the Kumamoto Earthquakes after taking into account positive insurance recoveries. On the other hand, there were positive factors, including a year-on-year increase in unit sales of image sensors for mobile products and a decrease in impairment charges against long-lived assets in the camera module business. In the end, there was a significant deterioration of operating results year-on-year.

In FY17, we expect a significant increase in sales and a significant improvement in operating results. The sales forecast is 880 billion yen and the operating income forecast is 120 billion yen. The 120 billion yen operating income includes a 27.0 billion yen gain on the sale of our Chinese factory in the camera module business, which was announced at the beginning of this month. In addition, we expect to record approximately 6.7 billion yen of insurance recoveries from the Kumamoto Earthquakes. Therefore, excluding these factors, the underlying operating income of the segment is estimated to be approximately 86.3 billion yen.

In FY17, we expect to record 130 billion yen in additions to long-lived assets of the segment, of which 110 billion yen is expected to be for image sensors, reflecting the strong demand for image sensors. We plan to increase our image sensor production capacity, on a 300 mm wafer basis, from the current 88,000 wafers per month to approximately 100,000 wafers per month by the end of March of 2018 primarily due to the start of production at our Oita factory.

Semiconductors Segment Operating Income Progression Breakdown*



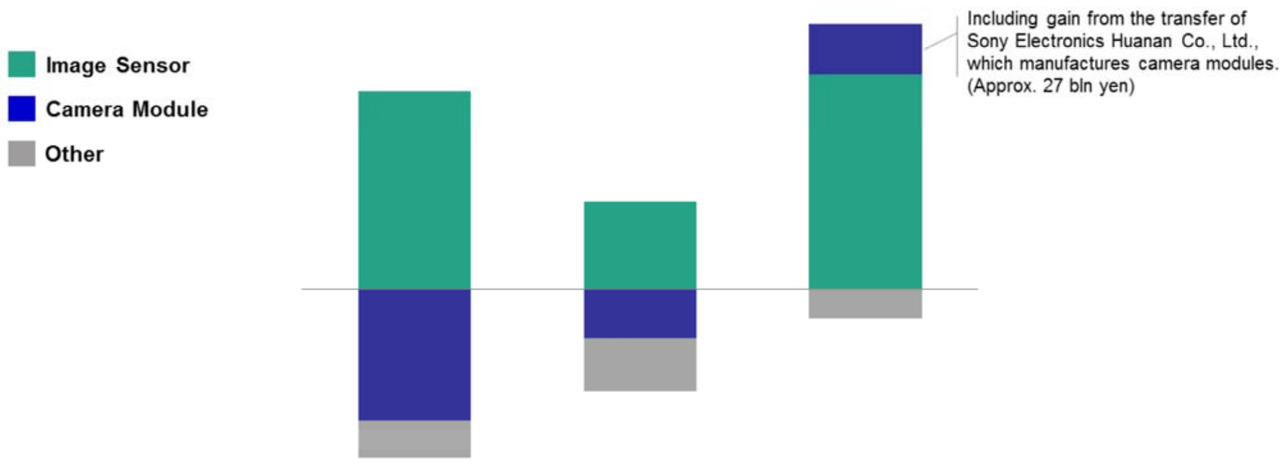
	FY15				FY16			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Semiconductors Segment Operating Income (bln yen)	32.7	34.1	21.3	-73.6	-43.5	-4.2	27.2	12.8
Average Rate (1 US Dollar)	121.3 yen	122.2 yen	121.4 yen	115.4 yen	108.1 yen	102.4 yen	109.3 yen	113.7 yen

* Category changes

- Image sensors with sensing capabilities previously included in Other are now integrated into the Image Sensors category
- Certain shared R&D expenses and other costs previously included in Other are now allocated to the image sensor category based on their individual purposes

I would now like to use this graph to share with you the breakdown within the Semiconductors Segment, as I did at the last earnings announcement. The way we breakdown the results has changed slightly, and we now have image sensors, camera modules, and others. This chart shows the quarterly results of the last two years.

Semiconductors Segment Operating Income Progression Breakdown* Trend



	FY15	FY16	FY17 Forecast
Semiconductors Segment Operating Income (bln yen)	14.5	-7.8	120
Average Rate (1 US Dollar)	120.1 yen	108.4 yen	110 yen

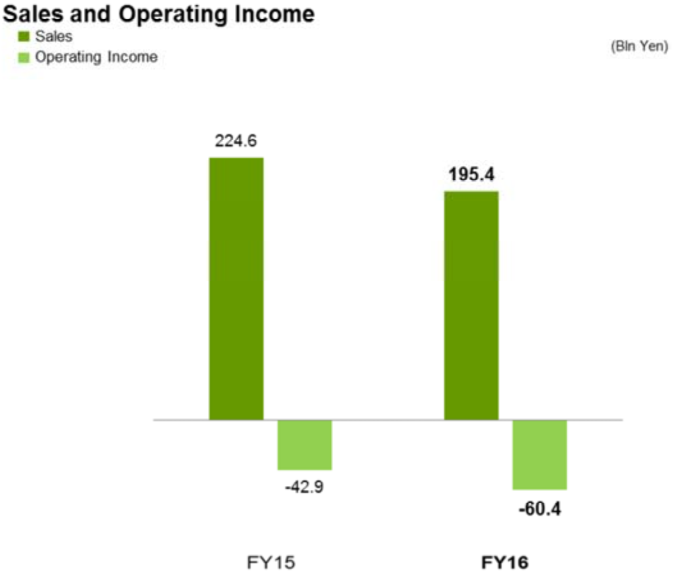
* Category changes

- Image sensors with sensing capabilities previously included in Other are now integrated into the Image Sensors category
- Certain shared R&D expenses and other costs previously included in Other are now allocated to the image sensor category based on their individual purposes

The next chart shows the fiscal year results of the last two years as well as the forecast for FY17. As to image sensors, profitability decreased significantly in FY16, but we are forecasting a significant improvement in profitability for FY17 due to an increase in unit sales resulting from greater adoption of dual-lens cameras and growth in sales to Chinese manufacturers, as well as the absence of the impact of the Kumamoto Earthquakes.

Components Segment

Sales and Operating Income



FY2016

- Sales: 13.0% decrease (FX Impact: -8 %)
  - (–) Impact of foreign exchange rates
  - (–) Decrease in battery business sales
- OI: 17.5 bln yen deterioration (FX Impact: -3.9 bln yen)
  - (–) Impairment charge related to the planned transfer of the battery business (42.3 bln yen)
  - (–) Decrease in sales
  - (+) Absence of the impairment charge related to long-lived assets of the battery business recorded in FY15 (30.6 bln yen).

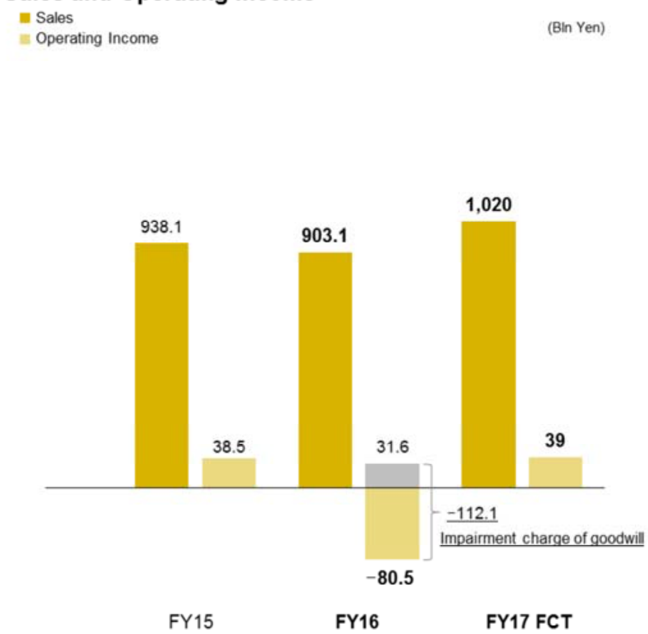
- Sony will realign its business segments from the first quarter of the fiscal year ending March 31, 2018 to reflect modifications to its organizational structure as of April 1, 2017, repositioning the former Components segment to All Other.

Next, I will talk about the Components segment. In FY16, sales decreased 13% and a 60.4 billion yen operating loss was recorded. This operating loss includes 42.3 billion yen of loss related to the planned transfer of the battery business. As of October 2016, we said that a loss of approximately 33.0 billion yen was expected to be incurred related to the transfer, but the loss amount increased due to adjustments, including the impact of foreign exchange rates, made to the book value of the assets subject to transfer.

We are continuing to prepare for the transfer of the battery business to Murata Manufacturing Co., Ltd., which is expected to be completed in the beginning of July. As I mentioned at the beginning of my remarks, the remaining businesses, such as storage media, will be included in All Other from FY17.

Pictures Segment

Sales and Operating Income



FY2016

- Sales: 3.7% decrease (U.S. dollar basis: +5%)
  The following sales analysis is on a U.S. dollar basis
  ·(+) Increase in Television Productions sales due to higher subscription video-on-demand licensing revenues
  ·(−) Increase in Media Networks sales due to higher advertising and subscription revenues mainly in India, Latin America and the U.S.
- OI: 119.0 bln yen deterioration
  ·(−) 112.1 billion yen impairment charge of goodwill (962 million U.S. dollars)
  ·(−) Higher programming and marketing expenses for Media Networks
  ·(−) Higher theatrical marketing expenses for Motion Pictures

FY2017 Forecast

- Sales: 12.9% increase
  ·(+) Increase in Media Networks and Television Production sales
- OI: 119.5 bln yen improvement
  ·(+) Absence of the impairment charge of goodwill recorded in FY16

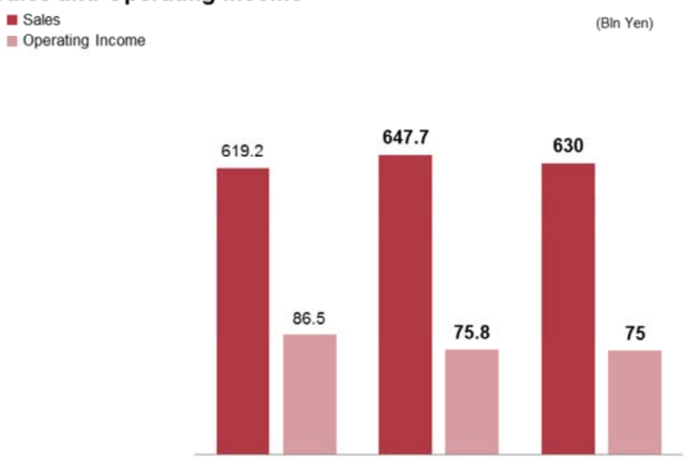
Next, I will talk about the Pictures segment. Sales decreased 4% in FY16 due to the impact of foreign exchange rates. On a U.S. dollar basis, sales increased 5%. An operating loss of 80.5 billion yen was recorded mainly due to the recording of a 112.1 billion yen impairment charge against goodwill in the third quarter.

In FY17, we expect significantly higher sales due to an expected increase in sales of Media Networks and Television Productions. Operating results are expected to improve significantly, primarily due to the absence of the impairment incurred in the previous fiscal year, and operating income of 39 billion yen is expected to be recorded. If we exclude the impact of the impairment charge incurred in FY16, operating income is expected to increase 7.4 billion yen year-on-year.

As was previously announced, we are currently searching for a successor to Michael Lynton, who is leaving Sony Pictures after having led that business for 13 years since 2004. We plan to announce the successor as soon as we make a decision.

Music Segment

Sales and Operating Income



	FY15	FY16	FY17 FCT
Recorded Music Category Revenue	412.7	**388.9**	-
Streaming[*] Revenue (included above)	110.2	**140.6**	-

FY2016

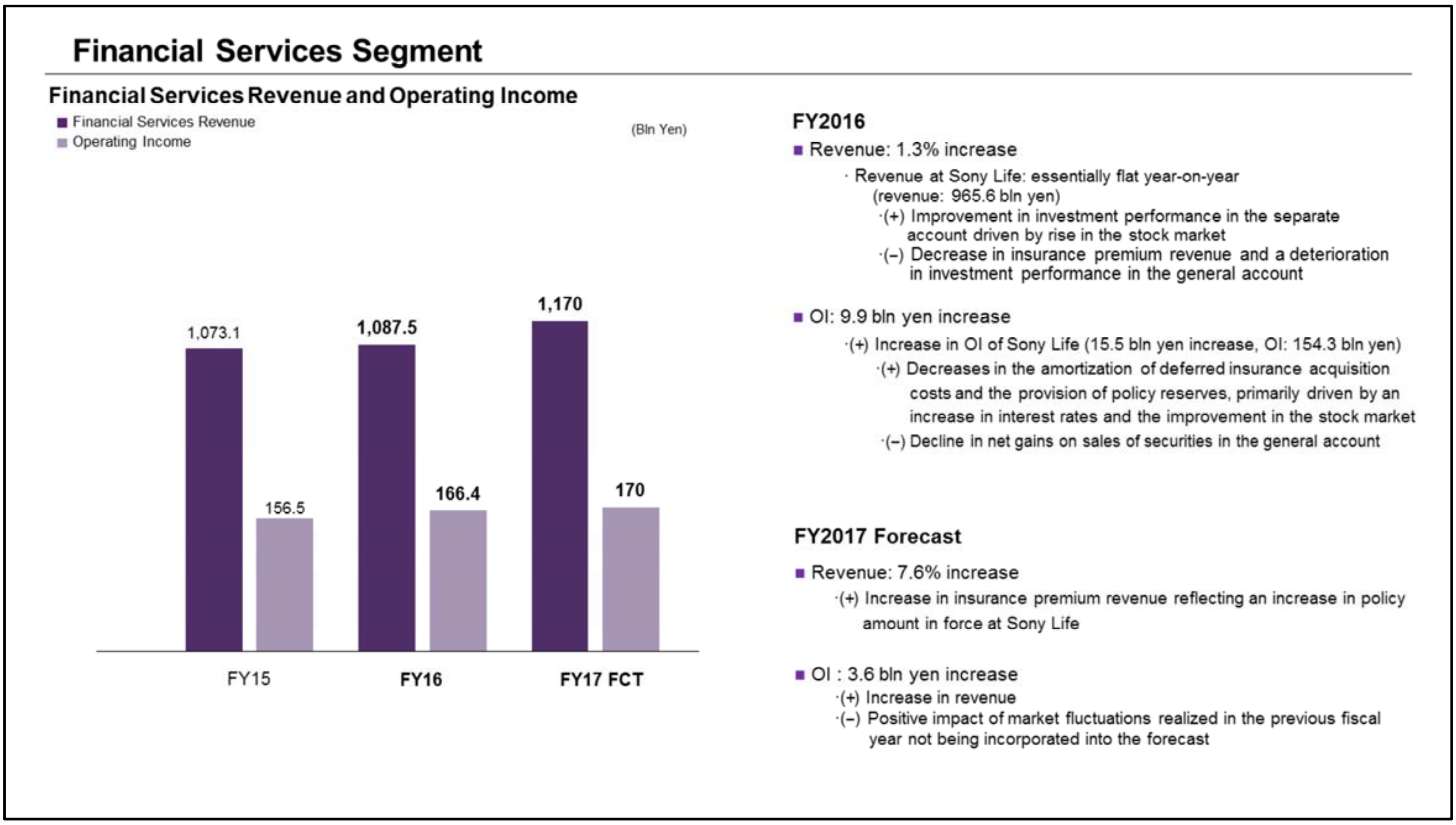
- Sales: 4.6% increase (FX Impact: -6%)
  - ·(+) Increase in Visual Media and Platform sales due to the strong performance of *Fate/Grand Order*, a game application for mobile devices in Japan
  - ·(+) Increase in Recorded Music sales due to higher digital streaming revenues
  - ·(−) Impact of the appreciation of the yen against the U.S. dollar
- OI: 10.7 bln yen decrease
  - ·(−) Absence of the 151 mln U.S. dollar (18.1 bln yen) gain that was recorded in the previous fiscal year, on the remeasurement of SME's equity interest in The Orchard
  - ·(−) Negative impact of the appreciation of the yen against the U.S. dollar
  - ·(+) Increase in sales

FY2017 Forecast

- Sales: 2.7% decrease
  - ·(−) Decline in physical and digital download sales
  - ·(+) Increase in digital streaming
- OI: 0.8 bln yen decrease
  - ·(−) Decline in physical and digital download sales
  - ·(+) Increase in digital streaming

[*1] Streaming includes digital audio, digital video and digital radio, and includes revenue from both subscription and ad-supported services

Next, I will talk about the Music segment. In FY16, sales increased but operating income decreased year-on-year, and 75.8 billion yen in operating income was recorded. The decrease in operating income was mainly due to the absence of an 18.1 billion yen re-measurement gain resulting from the consolidation of Orchard Media, Inc. which was recorded in the previous fiscal year. This fiscal year, the performance of *Fate/Grand Order*, a mobile gaming application, was very strong and it significantly contributed to the operating results of the segment. As to FY17, sales are expected to decrease slightly and operating income is expected to be essentially flat year-on-year at 75 billion yen.



Next, I will talk about the Financial Services segment. In FY16, financial services revenue and operating income increased year-on-year and 166.4 billion yen of operating income was recorded. The year-on-year increase in operating income was mainly due to decreases in the amortization of deferred insurance acquisition costs and the provision of policy reserves, primarily driven by the increase in interest rates and the improvement in the stock market, at Sony Life. We expect to increase financial services revenue and operating income in FY17 and we expect to record 170 billion yen in operating income as a result of the expansion of insurance amount in force.

FY2017 Results Forecast by Segment [Reclassified]

(Bln Yen)

Segment		FY16 Results	FY17 FCT	Change from FY16
Mobile Communications (MC)	Sales	759.1	820	+8.0%
	Operating income	10.2	5	-5.2 bln yen
Game & Network Services (G&NS)	Sales	1,649.8	1,890	+14.6%
	Operating income	135.6	170	+34.4 bln yen
Imaging Products & Solutions (IP&S)	Sales	579.6	640	+10.4%
	Operating income	47.3	60	+12.7 bln yen
Home Entertainment & Sound (HE&S)	Sales	1,039.0	1,120	+7.8%
	Operating income	58.5	58	-0.5 bln yen
Semiconductors	Sales	773.1	880	+13.8%
	Operating income	-7.8	120	+127.8 bln yen
Pictures	Sales	903.1	1,020	+12.9%
	Operating income	-80.5	39	+119.5 bln yen
Music	Sales	647.7	630	-2.7%
	Operating income	75.8	75	-0.8 bln yen
Financial Services	Revenue	1,087.5	1,170	+7.6%
	Operating income	166.4	170	+3.6 bln yen
All Other, Corporate and elimination	Operating income	-116.7	-197	-80.3 bln yen
Consolidated total	Sales	7,603.3	8,000	+5.2%
	Operating income	288.7	500	+211.3 bln yen

Segment Forecast FX Rate Assumption	
1 US dollar	110 yen
1 Euro	115 yen

Consolidated Forecast FX Rate Assumption	
1 US dollar	105 yen
1 Euro	110 yen

Impact of the difference between the assumed rates for the consolidated results and the rates used when the individual segments completed their forecasts has been included in the forecast for All Other, Corporate and elimination (approx. 40 bln yen negative impact)

The above-mentioned impact includes impact from emerging market currencies

In conclusion, I will show the results forecast for each of our business segments. Please note that, in order to enhance our disclosure, we have included an analysis of cash flows for Sony excluding the Financial Services segment on pages 20 to 21 of the handout; cash flow is an important metric for management. Please have a look. We also recently announced that we plan to hold a corporate strategy meeting and IR Day on May 23rd. This concludes my remarks.

SONY

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.