

SONY

Corporate Strategy Meeting

May 23, 2017

Sony Corporation

Hello everyone. I am President Hirai.

Thank you for coming today despite your busy schedules.

FY2017 Financial Targets for Second Mid-Range Plan

ROE

10% +

**Operating
Income**

500 billion yen +

The fiscal year ending March 31, 2018 (“FY2017”) is the final year of the Sony Group’s current mid-range plan. We have been implementing various measures to achieve the financial targets we set in the mid-range plan: 10% or higher ROE and 500 billion yen or more operating income.

FY2017 Results Forecast by Segment

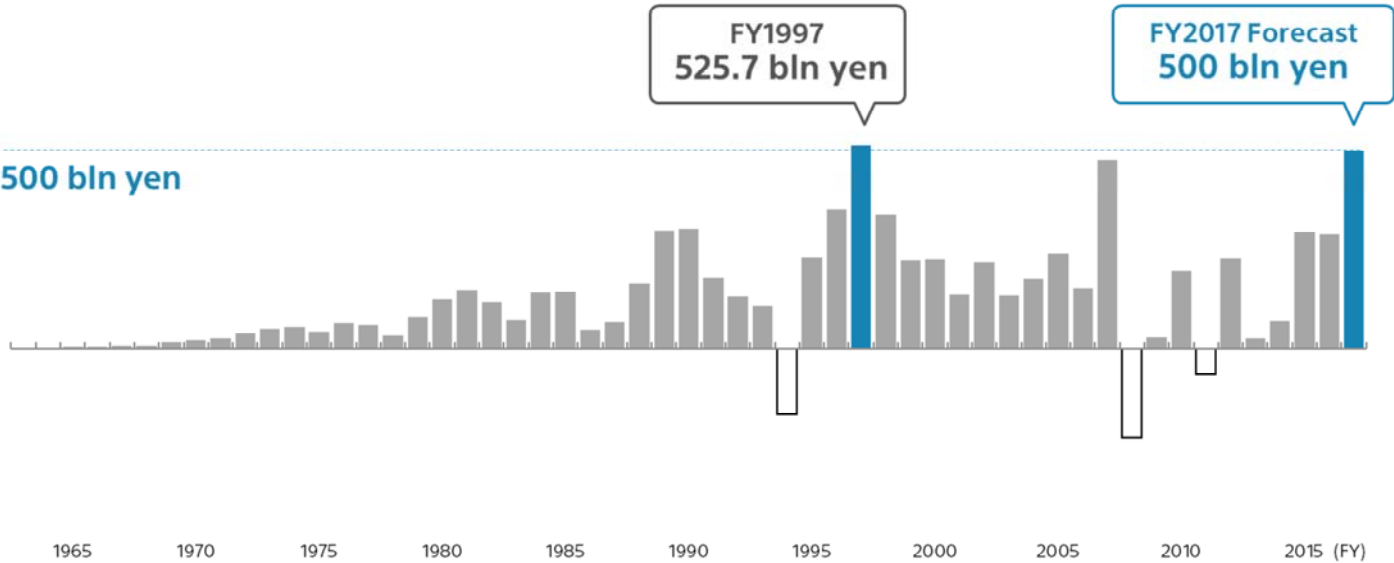
(bln yen)

| | | FY2017 Forecast | |
|--------------------------------------|---------------------------|-------------------------|--------------|
| Mobile Communications | Sales | 820 | |
| | Operating Income | 5 | |
| Game & Network Services | Sales | 1,890 | |
| | Operating Income | 170 | |
| Imaging Products & Solutions | Sales | 640 | |
| | Operating Income | 60 | |
| Home Entertainment & Sound | Sales | 1,120 | |
| | Operating Income | 58 | |
| Semiconductors | Sales | 880 | |
| | Operating Income | 120 | |
| Pictures | Sales | 1,020 | |
| | Operating Income | 39 | |
| Music | Sales | 630 | |
| | Operating Income | 75 | |
| Financial Services | Revenue | 1,170 | |
| | Operating Income | 170 | |
| All Other, Corporate and elimination | Operating Income | -197 | |
| | Consolidated total | | |
| | | Sales | 8,000 |
| | | Operating Income | 500 |

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As we announced on April 28, 2017, our forecast for this fiscal year is 500 billion yen in operating income.

Consolidated Operating Income Trend (FY1963~)



Operating income of 500 billion yen is a level not seen in the last 20 years, so achieving it will be a significant challenge for the management team and our employees, but I think the measures we have taken over the last five years have improved our ability to achieve it.

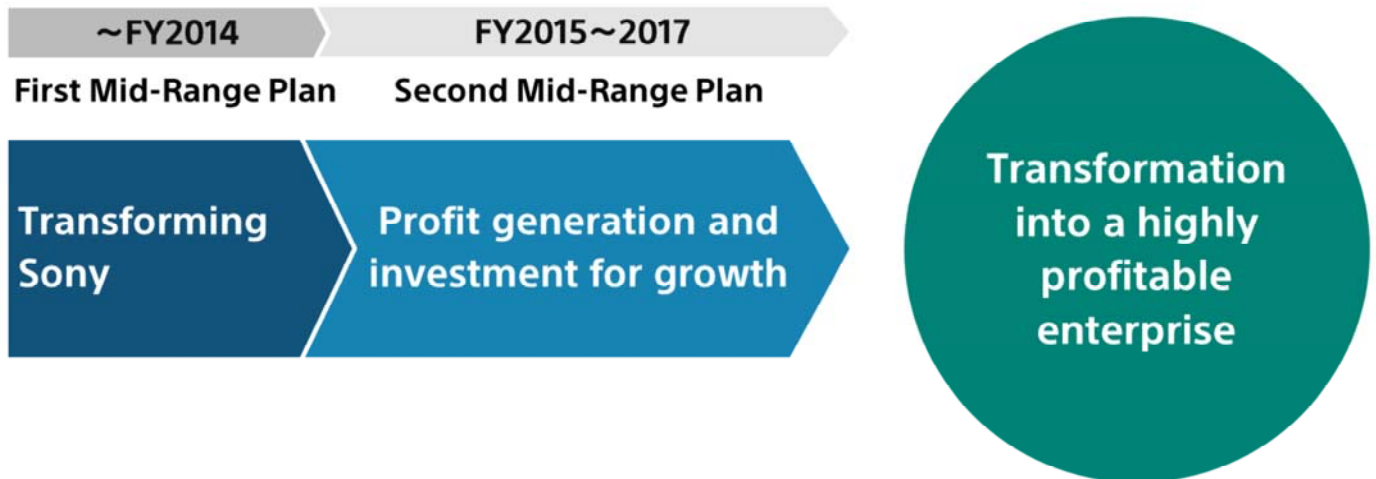
Achieve financial targets of Second Mid-Range Plan

**Continue to be a company that generates
a sustainably high level of profit
and creates new value**

This fiscal year is an important year to focus on results. But this fiscal year is also nothing more than a way-point for us since we need to continue to grow Sony going forward.

Today, I will talk about the things we have accomplished on our path to achieve our mid-range targets, the actions we need to concentrate on this fiscal year to build upon those accomplishments, and the things I think are important for us to do to make Sony into a sustainably highly-profitable enterprise and a company which continues to create new value from next fiscal year and beyond.

Switched Gears to Profit Generation and Investment for Growth Since FY2015



I have been President of Sony for 5 years. During those five years I have concentrated on “Transforming Sony” and “Profit Generation and Investment for Growth” as themes for my management of the company. I now have the feeling that Sony has returned to being a company where our employees have the confidence and energy to pursue new businesses for the future.

Revitalization of Consumer Electronics

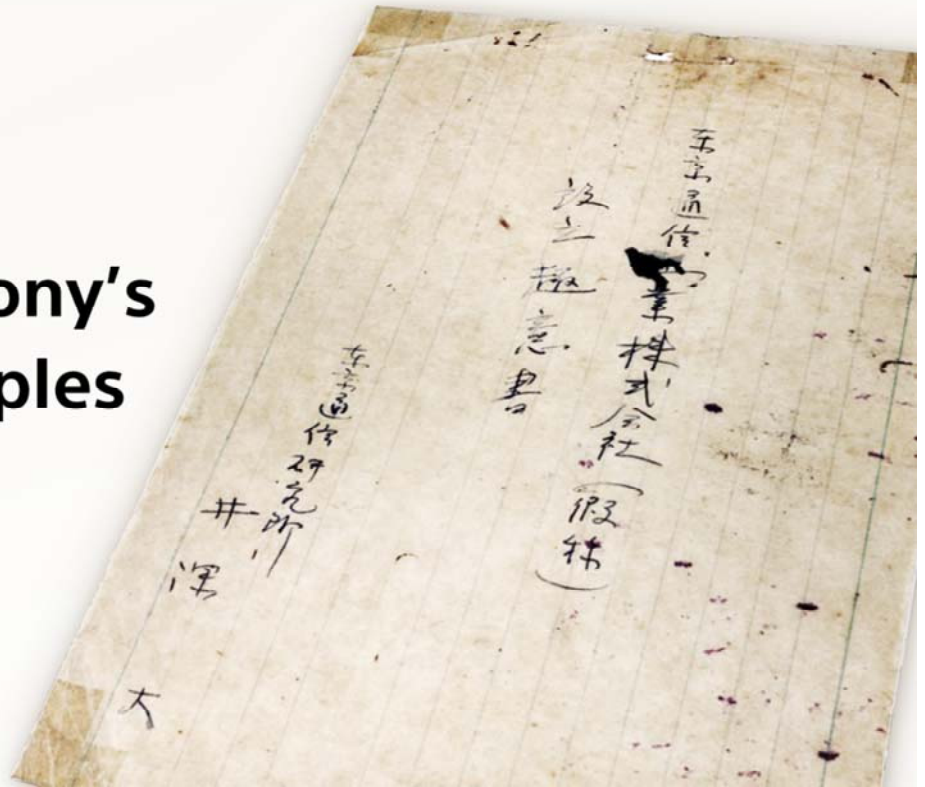


Emphasizing differentiation, not volume

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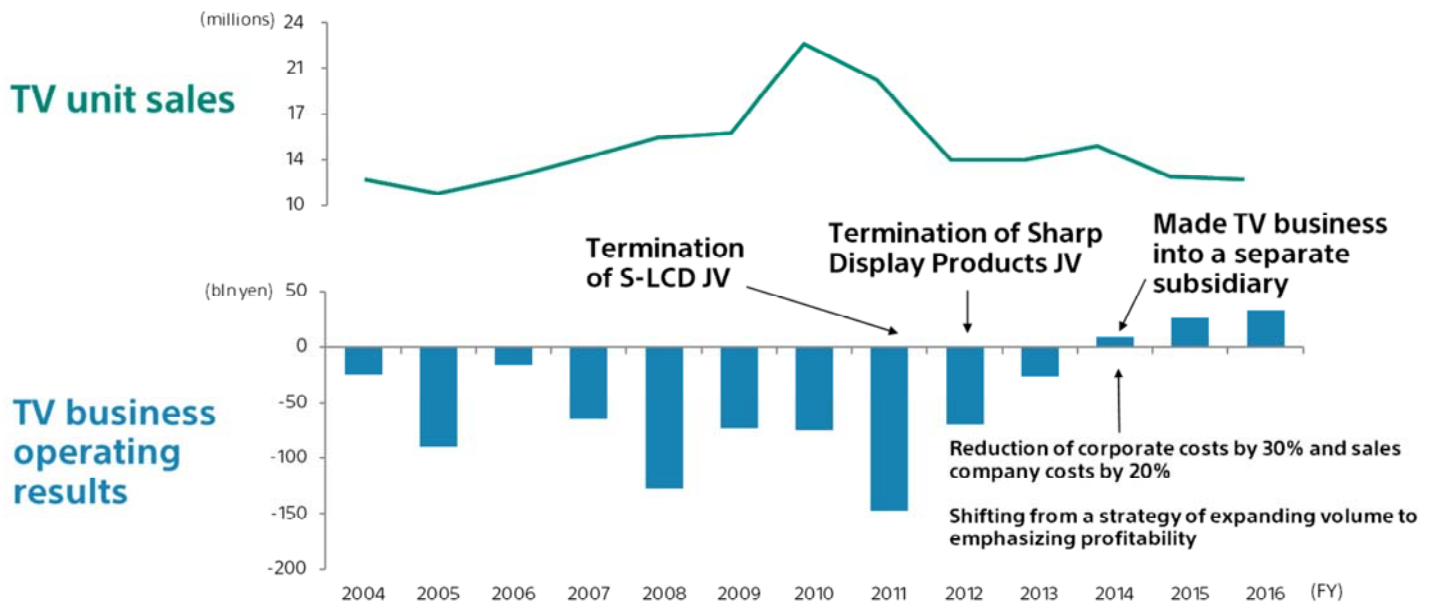
There are several reasons for this, but I think the most important one is the recovery of consumer electronics which struggled for many years but has now become a business which is expected to consistently contribute to earnings. A few years ago when “consumer electronics” was struggling, there was skepticism that the consumer electronics industry itself would have a future, but I always said that “there is innovation in consumer electronics and we will not retreat from it even one step.” And we rallied around the goal of “emphasizing differentiation, not volume,” which has been entrenched in Sony’s DNA since the founding of the company.

Reawakening Sony's Founding Principles



We announced our second mid-range plan in 2015, and I set the theme of that year's management meeting, which we hold for the senior executives of our group companies from around the world, as "reawakening Sony's founding principles." In order to respond to the changes in the external environment and to keep beating our competition, we needed to have the courage to change the things that needed changing. On the other hand, I thought that Sony should never forget the philosophy of our founding which makes Sony "Sony," and stressed the necessity of returning to the Founding Prospectus written by our founders.

Operating Results Trend in TV Business (FY2004~)



Now I would like to talk about the example of the television business which produced losses for many years but has now changed into a business which we expect will generate stable profits.

In April 2011, I assumed responsibility for all of consumer electronics, including the television business, as Executive Deputy President. At that time, the television business had recorded large operating losses every year since the fiscal year ended March 31, 2005 and it was said to be the business with the most important management issue for Sony.

I immediately set to work developing a profit recovery plan and announced a significant change in strategy in November of that year. We totally changed our existing strategy, which was to extricate ourselves from losses by covering our costs through greater volume, to a strategy of altering our business structure so that we could break-even even with a scale less than half the size we had at the time.

I remember that there were many voices at the time, both inside and outside the company, which questioned whether this strategy could really improve our television business' profitability. However, the television business – which produced a total of around 800 billion yen in losses over ten years starting with the fiscal year ended March 31, 2005 – has improved to where it generated an approximately 5% operating income margin in the fiscal year ended March 31, 2017 ("FY2016").

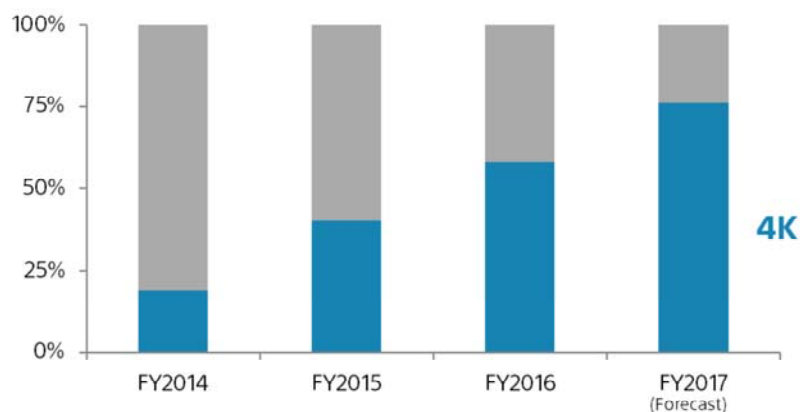
We honed in on the customer segment we really wanted to target, reduced our unit sales amount to fit the size of that segment, and significantly reduced our fixed costs, including sales company costs, to adapt to that scale. In addition, we

terminated our investments in companies producing LCD panels, which constitute the largest cost of producing our televisions, and we shifted to flexible procurement from multiple companies.

Focus on High Added-Value TVs



4K Ratio (Revenue basis)



ASP* **¥57,000** → **¥67,000**

* TV business revenue / TV unit sales

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On the other hand, in terms of emphasizing differentiation, which I mentioned earlier, we focused on sound and video, perfecting the design of our products. I am proud of our focus on high added-value, large-screen TVs, such as 4K TVs, and the fact that we are shipping both OLED and LCD TVs that can reproduce video which surpasses all others thanks to processors that are full of Sony's unique picture quality technology. As a result, the average selling price is expected to increase from 57,000 yen in the fiscal year ended March 31, 2015 to 67,000 yen this fiscal year.

After having strengthened our product appeal in these ways, we drastically reduced the geographies and sales channels in which we competed. And, over the same time period, we reduced our corporate costs by 30%.

Looking back, one can say that all of these things are basic principles of business management, but I believe that they are the results of the strong, unwavering leadership of the business heads I delegated to and, most importantly, the results of the earnest reform efforts undertaken by the employees who worked together with a strong commitment to "revive Sony's television business." Through these reforms, I believe the television business has transformed into a very strong business, but the challenge going forward is whether it can "generate sustainable profit." To achieve that, we cannot vainly chase scale, but we must capture market share in areas where that is feasible with a refined target in mind.

Digital Imaging Business



In fact, an early example of the transformation achieved in the television business is our digital imaging business. The digital camera market has dramatically changed, primarily due to the emergence of smartphones, and has shrunk significantly from 23.5 million units to 4.2 million units over the last ten years. Over this period, while constantly working to reduce fixed costs, we have been recording a high level of profitability by steadily increasing the added value of our products, especially in the interchangeable lens camera arena.

Digital Imaging Business



I myself have had a strong interest in cameras for many years and have made several requests from a user's perspective directly to the people who make our products. For example, in order to maintain the premium feel of our products over as long a time as possible, I have said, in regards to our premium compact camera RX100 series, that "even if the functionality of our new models improves, we cannot change the design or size of the product when making that improvement." I have also said "we have to keep selling earlier models even if we launch new models." Currently we have five models in the series which use the same design and we continue to sell those models. By having strong opinions, I think we can increase the appeal of our products.

On the other hand, three years ago we decided to withdraw from the PC business. At the time, some people asked why we withdrew from the PC business while we continued operating the television business which had produced losses for 10 consecutive years. The fact was that our televisions could compete on differentiation while PCs, unfortunately, could not. That was a very hard decision, but that was the reason why we made that ultimate decision.

Mobile Communications Segment



When I look over all of consumer electronics, I recognize that the profitability of the smartphone business remains an issue. The business was able to realize its goal of achieving profit in FY2016 by thorough structural reforms and reductions in products and sales regions. I also believe it has steadily increased its product competitiveness and operational prowess. In today's world, smartphones are the "last one inch" products which have the most touch-points with customers, and I think this business can showcase our differentiation by utilizing the latest Sony technology, such as Sony's camera technology.

On the other hand, I am fully aware that this business domain is our most volatile and competitive one, and I intend to carefully manage this business in FY2017 so that we can quickly respond to rapid changes in the environment while developing new business areas such as IoT.

Path to Achieving Second Mid-Range Plan Targets

Generate stable profit in consumer electronics

+

Increase profit in the Game & Network Services segment

Revive the image sensor business for mobile use

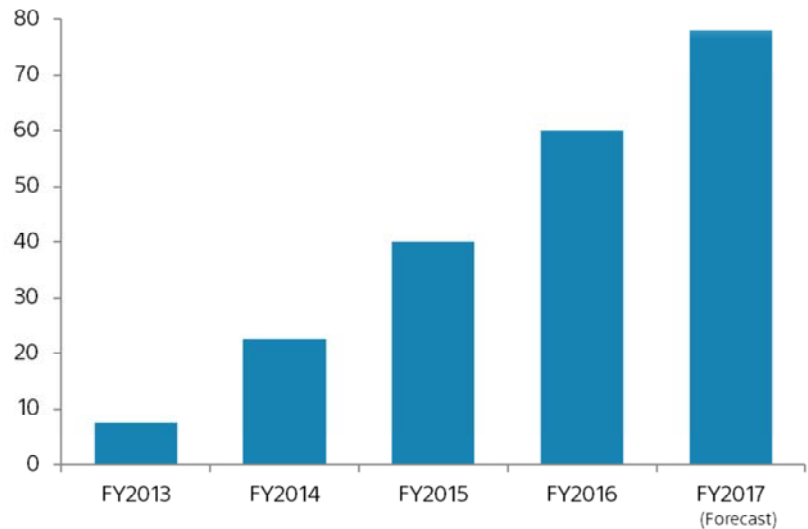
Deliver a consistently high level of profit in the Music
and Financial Services segments

In order to achieve the 10% ROE and 500 billion yen operating income targets we have set for this fiscal year, and to generate a sustainably high level of profit from next fiscal year and beyond, we not only need to generate stable profit in consumer electronics, as I have been saying, but we also need to increase profit in the Game & Network Services segment, revive the image sensor business for mobile use and deliver a consistently high level of profit in the Music and Financial Services segments.

Expanding PlayStation®4 Platform



PS4™ cumulative unit sales
(millions)



At the Corporate Strategy Meeting last year, I said that the primary driver of profit growth during the second mid-range plan would be the Game & Network Services segment.

The PlayStation® business continues to show strong momentum, and we successfully launched the PS4 Pro, which is a high-end PlayStation®4 (“PS4”), and the PlayStation®VR (“PS VR”), last fiscal year. We expect the PS4 to sell 18 million units this fiscal year and the total cumulative units sold of PS4 to reach 78 million units by the end of this fiscal year. We will introduce several appealing software titles and a variety of network services in addition to our line-up of products, such as the PS4 Pro and PS VR, which should further add to the enjoyment of the PlayStation® world at a time when the platform is entering its harvest period.

We expect the PlayStation® business to contribute to profit as we further enhance the PS 4 eco-system, which will in turn be achieved by further increasing customer engagement with the PlayStation®Network and by working to expand our loyal customer base.

Enhance User Engagement

 PlayStation Network | 

Monthly Active Users: 70 Million

Currently, there are approximately 70 million monthly active users on the PlayStation®Network. When looking just at the PS4, active users spend more than 600 million hours in total, per week, on the platform. The challenge going forward is how to further increase the value of the platform by further expanding the user base and further strengthening the connection between each user and the PS4 via the PlayStation®Network.

Growth in profit of the network business will contribute to the creation of stable profit for the entire segment. One of the biggest keys to this will be our paid subscription service PlayStation®Plus. In order to increase subscribers, we need to further enhance the content of the service and make it even more appealing.

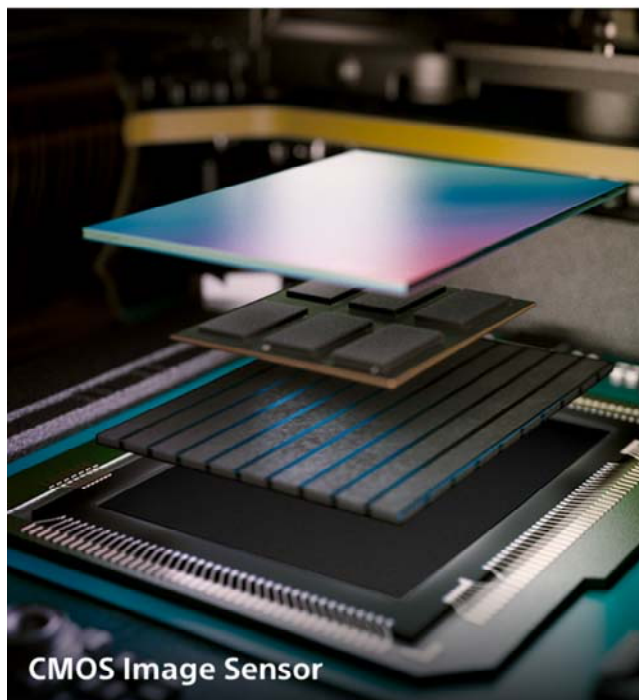
PlayStation®VR



Since it went on sale in October of last year, PS VR has provided a totally new, high-quality VR experience and is receiving acclaim from customers around the world. When it first went on sale, it was sold out all over the world, and since February we have been working to improve the situation and have increased production. Over 100 game titles are already being sold for PS VR, and we will aggressively promote the development of not only game titles but non-game content as well.

When one looks at the consolidated financial results of Sony on a business segment basis, for many years the Financial Services segment consistently contributed the most profit to the Sony Group. This fiscal year, we expect that the Game & Network Services segment will contribute a similar level of profit. I think that the fact that this business, which was founded in 1993, has grown into a pillar of profit for the Sony Group with sales of about 2 trillion yen is a major milestone for Sony.

Reviving the Image Sensor Business for Mobile Use



- Respond to changes in the environment in a speedy manner
 - Drastic downsizing of the camera module business
- Focus on strong CMOS image sensor business
- Trends in the mobile market
 - Acceleration of dual-lens adoption
 - Migration to higher resolution front-facing cameras
 - More emphasis on video functionality

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At last year's corporate strategy meeting I mentioned that it is necessary for the Devices business to respond to changes in the environment in a speedy manner and to focus on its strong businesses.

Last fiscal year, we undertook a drastic restructuring of the camera module business which had produced significant losses. We terminated the development and production of high-functionality camera modules for external sale at our Kumamoto Technology Center and we sold our factory in Guangzhou, China.

As for our primary business, image sensors for mobile use, we were not able to supply enough product to meet customer demand in the first half of the fiscal year ended March 31, 2016 ("FY2015") and our financial results rapidly deteriorated from the second half of that fiscal year because sales stagnated due to the impact of a slow-down in growth of the smartphone market, particularly the high end. Based on these circumstances, we worked to increase sales to Chinese smartphone makers and the success of those efforts can be seen in our results from the second half of FY2016.

Recent trends in the market for image sensors for mobile use include an acceleration of dual-lens adoption, migration to higher resolution for front-facing cameras and an increased emphasis on video functionality.

This means that the market for high-functionality products that display our strengths is growing, and, as a result, we expect a significant improvement in profitability this fiscal year and a contribution to the profit of consolidated Sony.



Last fiscal year, there was a difficult period when we could not manufacture image sensors for digital cameras and surveillance cameras, due to significant damage from the Kumamoto Earthquakes, but thanks to the amazing efforts of our employees and partner companies, we were able to restore our operations quickly.

Transform into a More Highly Profitable Business



I believe that Sony's image sensors are viewed as the world's best in terms of functionality, yields and quality. However, I believe we still have room to improve in areas like production lead time and manufacturing cost. I also think we need to invest in future growth, including in the automotive space. We will aim to transform this business into an even more highly profitable one that generates a return which justifies the large investments we have made.

Music Segment



- Generate hits, discover and develop artists
- Pro-actively invest, wholly own subsidiaries
The Orchard in April 2015
Sony/ATV Music Publishing in September 2016
- Create new businesses in Japan

I would now like to touch on the Music and Financial Services businesses, which are consistently delivering a stable, high level of profit.

In the Music segment, songs from artists such as Adele, who won three major awards at the 59th Grammy Awards this February, and Beyoncé, who was nominated for 9 awards, the most of any artist, became huge hits and contributed significantly to profit. In addition to the actual results of our underlying business, which is the discovery, development and promotion of artists such as these, we made strategic investments to augment recurring revenue businesses at a time when the market for paid streaming services is expanding. Examples of our investments include the acquisition of the remaining equity interests in Sony/ATV, which operates a music publishing business, and The Orchard, which operates a digital distribution platform for independent labels, making them wholly-owned subsidiaries of Sony. At a time when the operating environment for the music industry is changing drastically, I think the strength of this business segment lies in the success we are having in businesses that will become new sources of profit, while, at the same time, establishing a stable foundation of profit. Examples of these new businesses include Sony Music Entertainment (Japan)'s efforts in the animation and concert hall businesses.

Financial Services Segment



The Financial Services segment is a recurring revenue business which has a “last one inch” connection to customers and leverages the Sony brand. It also continues to generate consistently high profit. Moreover, it demonstrates our heritage of innovating new business models and creating change in existing markets as a new entrant. In that way, it has several of the elements we are emphasizing in our mid- to long-term strategy and is a very important business.

Sony Pictures Entertainment



Now I would like to talk about the Pictures segment, which I recognize is currently an urgent issue for Sony.

Last fiscal year, we recorded a 112.1 billion yen goodwill impairment in the Pictures segment as a result of a revision of our future profitability plan for the Motion Pictures business, which is engaged in the sale of product for theatrical release and release on physical media like Blu-ray disc and DVD.

We take very seriously the fact that the profit forecast for FY2017 is significantly below the level of the original target set in our mid-range plan.

However, the Pictures segment remains an important business for Sony and we are currently increasing the urgency with which we implement measures to improve the profitability of the Motion Pictures business.

Create High Quality Content



As more of the world moves online and the manner in which video content is consumed diversifies, demand for appealing content is increasing more than ever before. In this environment, we are working to establish even stronger relations with content creators and create high-quality content.



Anthony Vinciguerra

**New CEO of Sony Pictures Entertainment
Effective June 1, 2017**

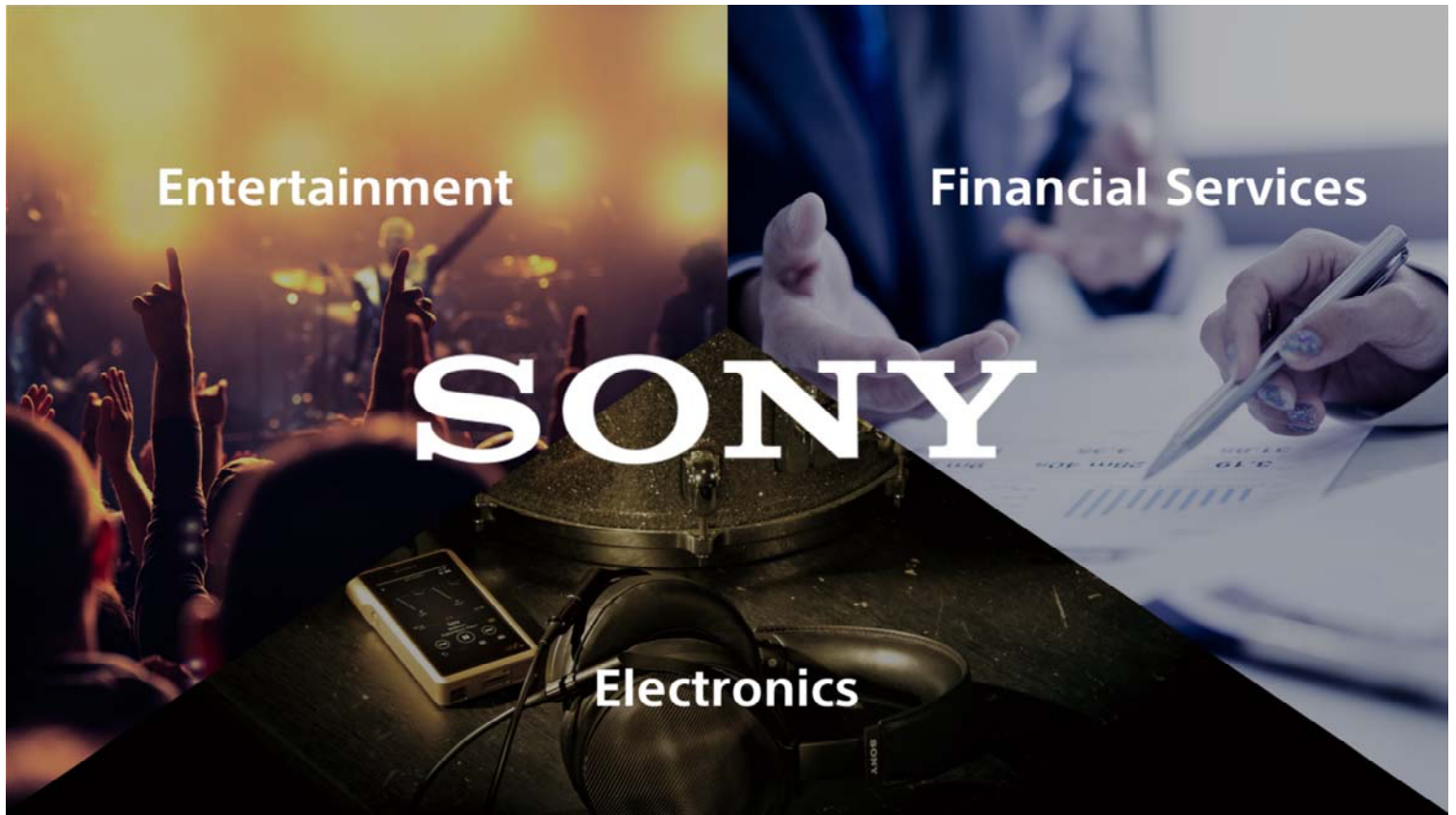
As we previously announced, Anthony Vinciguerra will become the new CEO of Sony Pictures Entertainment. He is usually referred to as Tony. Tony has accomplished a great deal in the entertainment industry in the U.S. and has expert knowledge of technological trends and changes in the global operating environment. Most importantly, he is a person who places a great deal of emphasis on team building, and I appointed him CEO because I think he will achieve a revitalization of the business by aligning the management and employees of Sony Pictures toward the same goal. I also expect Tony to further enhance collaboration with the other businesses within the Sony Group. Due to the nature of the business model for the Pictures segment, it takes time for results to appear, but we will work with Tony to enact reforms and transform this business into one that generates a high level of profit.

Sony's Mission



This fiscal year is the last year of our second mid-range plan, but it is also the year in which we will develop the next mid-range plan that will usher in a new phase for the company.

I have been saying this since becoming President: Sony's mission is "to be a company that inspires and fulfills your curiosity" and our vision is to "use our unlimited passion for technology, content and services to deliver groundbreaking new excitement and entertainment, as only Sony can." They have not changed.



Sony is one of the rare companies in the world that operates a diverse range of businesses in the Electronics, Entertainment and Financial Services arenas, demonstrating a broad, dynamic range of businesses. Having these diverse business domains and operating them with a common set of values under the one and only SONY brand is the fundamental strength of Sony, and we need to manage the company in a way that enhances this structure going forward.

Looking Forward to FY2018 and Beyond

“KANDO @ Last One Inch”

Enhance recurring revenue business models

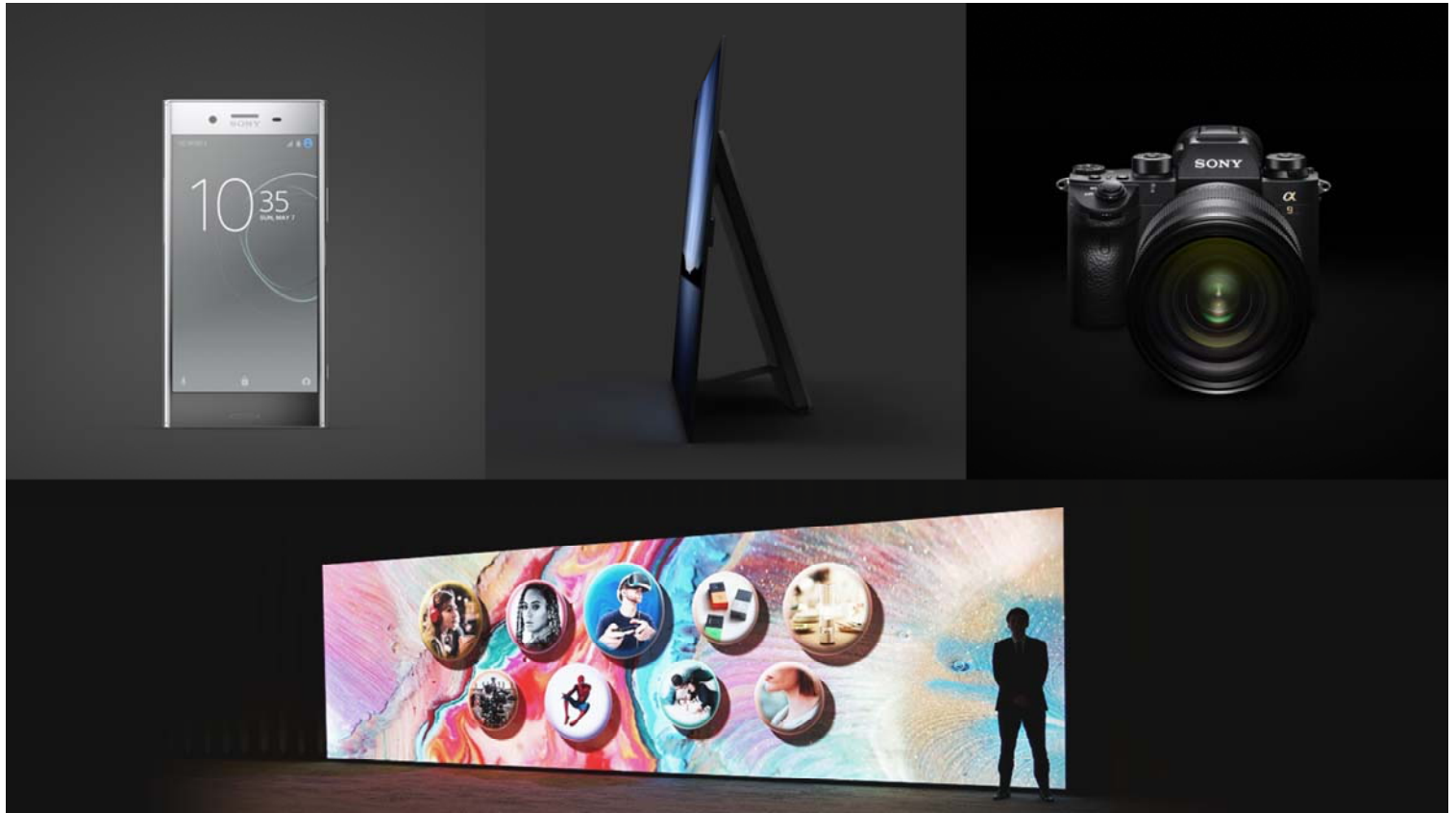
Be a diverse company that undertakes new businesses

Looking at next fiscal year and beyond, there are three things we need to do to achieve sustainable growth over the mid- to long-term. Through our relationships with consumers, remain the “last one inch” that delivers *kando*, a sense of “wow”, to our customers. By maintaining a relationship with each of our customers, enhance our recurring revenue business models which grow stable profit. Be a diverse company that pursues new businesses. We plan to construct our new mid-range plan for FY2018 and beyond based on these three things.

KANDO @ Last One Inch



The place where Sony creates *kando* for customers is the closest place to the customer; it is the “last one inch.” Sony aims to develop products that appeal to the emotions of customers, have strongly differentiated functionality, as well as unique design and texture, and to deliver those products to customers around the world. We will continue to make products that are the experiential interface with the customer.



I am proud to say that the 4K BRAVIA™ OLED TVs, the Xperia™ XZ Premium smartphone with the world's first super slow motion functionality and 4K HDR display, the Alpha 9 full-frame mirrorless interchangeable lens camera, and the Crystal LED Integrated Structure, an ultra-large-screen display for professional use that we developed last year, which were all announced this spring, are examples of products that create *kando* at the "last one inch" with the customer and embody Kando @ The Last One Inch.

VR Initiatives across the Sony Group



Another example of how the entire Sony Group is working together to create a new market as we compete in the “last one inch” is VR. I touched on PS VR a little earlier; it is a field that can fully leverage the camera and filming technology, content creation capability and rich entertainment assets we own across the Sony Group. Thus, the entire group is working to nurture it into a new business domain.

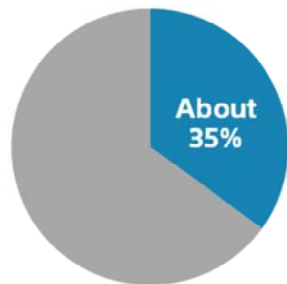
The Chainsmokers "Paris.VR"



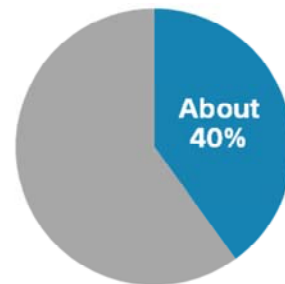
Both Sony Pictures and Sony Music are already creating a variety of content of their own, which is being recognized at various events. For example, the VR music video of *Paris*, the new hit song from The Chainsmokers, the artists who won this year's Grammy award for Best Dance Recording, uses VR technology and was created with suggestions from the artists as to how best to articulate new visuals and sounds that could be interactive. This exclusive PS VR content has become available for download from the PlayStation®Store in the U.S. first, with other areas to follow. This is only one example of a piece of content that both traditional PlayStation® users and fans of the artists are really enjoying, and we are accelerating efforts such as this.

Enhance Recurring Revenue Businesses

Recurring revenue
ratio of consolidated
sales



FY2015



FY2017
(Forecast)



When we announced the second mid-range plan in 2015, I said that “we will reinforce our recurring revenue businesses which presuppose a stable relationship with our customers, so as to deliver a sustained, high profit level.” The proportion of sales attributable to our recurring revenue businesses is expected to increase from 35% in FY2015 to approximately 40% this fiscal year. Examples of recurring revenue businesses at Sony are divided roughly into three categories: subscription businesses like the Financial Services, Network Services and television channel businesses, add-on revenue businesses like lenses for digital single lens cameras and game software and content businesses like Recorded Music and Television Productions. Going forward, we think that the highest potential lies with subscription and other service businesses which connect directly to customers.

Through the enhancement of recurring revenue businesses, we think we can stabilize the business model of each of our businesses, generate sustainably high profit, create new value and open a path to the future.

Genealogy of New Businesses Born of Diversity and Integration

| | | | | | |
|----------------|---|---|---|------|------|
| Music |  |  | + | SONY | 1968 |
| Life Insurance |  |  | + | SONY | 1981 |
| Game |  |  | + | SONY | 1993 |
| ISP |  |  | + | SONY | 1995 |
| Mobile |  |  | + | SONY | 2001 |
| Medical |  |  | + | SONY | 2013 |

“Doing things that others do not do” is in Sony’s DNA and is connected to “emphasizing differentiation, not volume.” We will be avid in our pursuit of doing these things even more than before.

“Creation of new businesses” is easy to say; actually creating new businesses from nothing is extremely difficult. Since our founding, Sony has provided new value to existing industries by combining our own strengths and the strengths of other companies. Examples of this are our Music and Financial Services businesses, which we started with other companies as joint ventures. Game is an example of how we created a new business by combining knowledge from our diverse businesses already within the Sony Group. I think that it is precisely because Sony has such a diverse range of businesses that we can create even more exciting new businesses.

Medical



Recent example is the medical business. Sony Olympus Medical Solutions Inc., which is a medical business joint venture between Sony and Olympus Corporation, has steadily grown since its founding in 2013 by making strides in the field of 4K endoscope systems for surgical use which mainly utilize Sony's imaging technology. The medical arena can be regarded as an example of a recurring revenue business where we establish long-term relationships with medical institutions and doctors while collaborating with them at times to resolve problems. For Sony to grow going forward, I think it is necessary for us to produce multiple examples like this.

Pursuing New Businesses



Life Space UX and the new business development program, SAP, are producing good results. Since we started the SAP program, it has led to the creation of more than 10 new businesses in three years. Each individual business is not that large, but they foster a culture of constantly doing new things within Sony and help to develop an entrepreneurial mindset and skill set among junior employees.

Moreover, in order to promote further collaboration with highly-skilled researchers and venture companies outside of Sony, the Sony Innovation Fund, our corporate venture capital fund established last year, is laying a foundation for the future through several existing investments.

In the field of AI and robotics, we believe that we can further exhibit the strength of Sony by combining the “moving things” of robotics and our sensing technology to AI. Several projects in this field are steadily moving forward. The commercialization process will take some time, so we ask for your patience until we can announce concrete results, but I do hope you will look forward to this too.

SONY

FY2017 will be an important year with a significant milestone. First, we will do everything we have to do this fiscal year in each of our businesses to achieve our targets.

Sony must be a company that produces a sustainably high level of profit even after achieving these targets. 500 billion yen of consolidated operating income in FY2017 is a level we have not achieved for 20 years, and we have never, in the 71-year history of the Sony Group, managed to generate that level of profit for multiple years. In order to continue to generate a high level of profit, the Sony Group and each of our businesses cannot stand still; it is imperative that we enhance our efforts to pursue new businesses.

By creating separate subsidiaries and changing the corporate executive ranks last year, the 9 Corporate Executive Officers who report directly to me have clear management responsibility for their respective businesses. And we have established a unified and cooperative structure under the common identity of SONY that enables us to strive for increased corporate value of the entire Sony Group.

FY2017 is the year during which we will establish our new three-year mid-range plan that begins with FY2018. We need to convert our strategy of maintaining a consistently high level of profitability and creating new value into a concrete action plan. In order to move this forward quickly, I have appointed Corporate Executive Officer and EVP Hiroki Totoki as Chief Strategy Officer (“CSO”). Mr. Totoki will not only serve as the Corporate Executive Officer in charge of the Mobile Communications business, where he is President of Sony Mobile, but he will also have responsibility for developing and guiding the mid-range plan of the Sony Group, and for promoting new businesses.

By producing sustainable profit and emphasizing differentiation, we want Sony to continue to deliver new value to society. The management team and I, along with all of the employees of the global Sony Group, will work toward this goal as One Sony.

Thank you very much for your attention today.

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.