



SONY

Sony Pictures Entertainment

Michael Lynton

CEO, Sony Entertainment

Chairman and CEO, Sony Pictures Entertainment



**SONY
PICTURES**

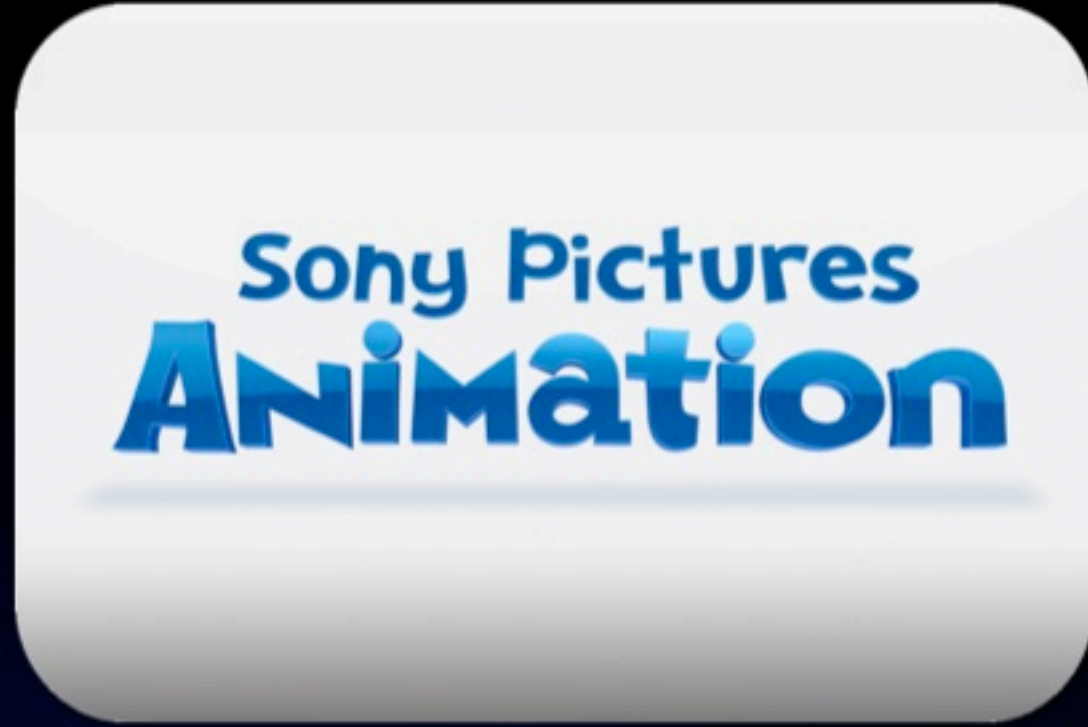
ANNIVERSARY

SONY

COLOMBIA



a SONY PICTURES ENTERTAINMENT company





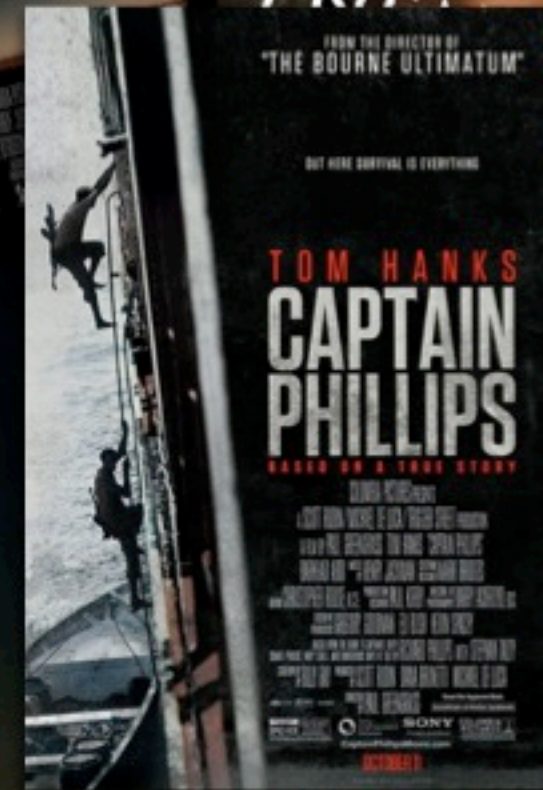
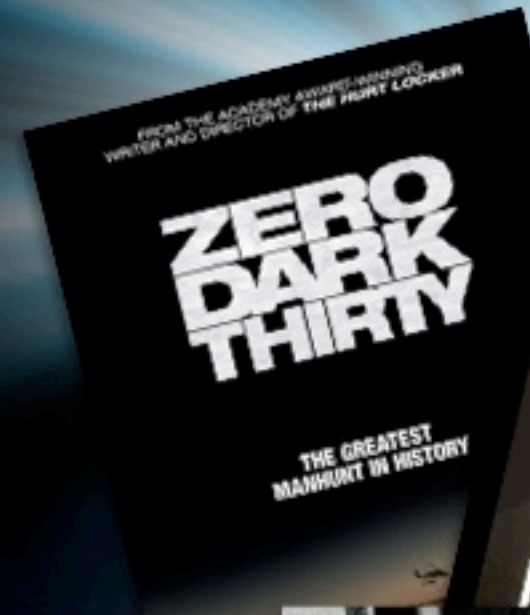
FRANCHISES



COMEDY



FAMILY



CRITICALLY ACCLAIMED



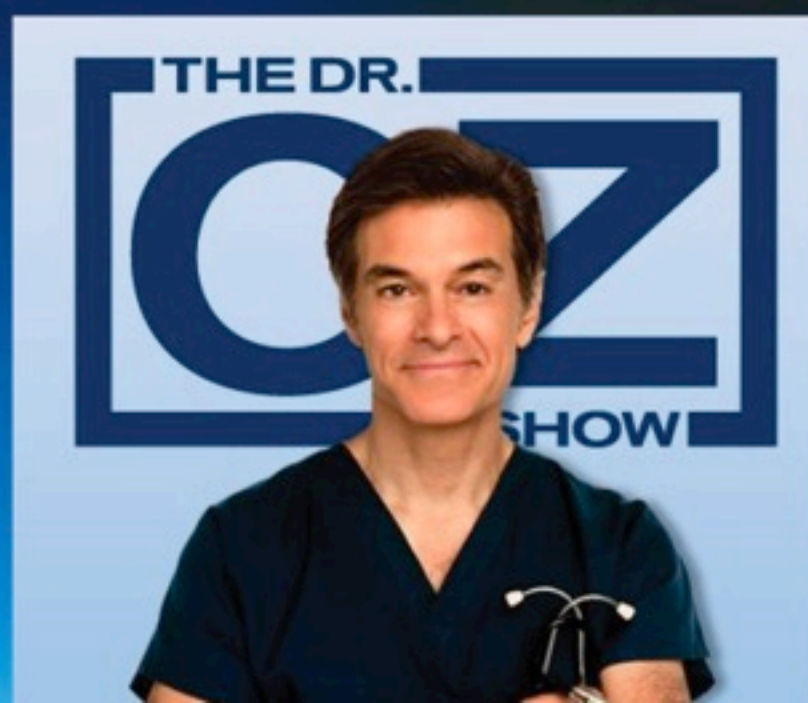
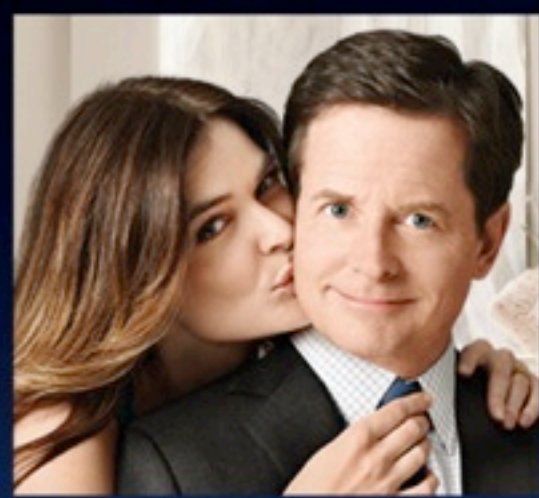
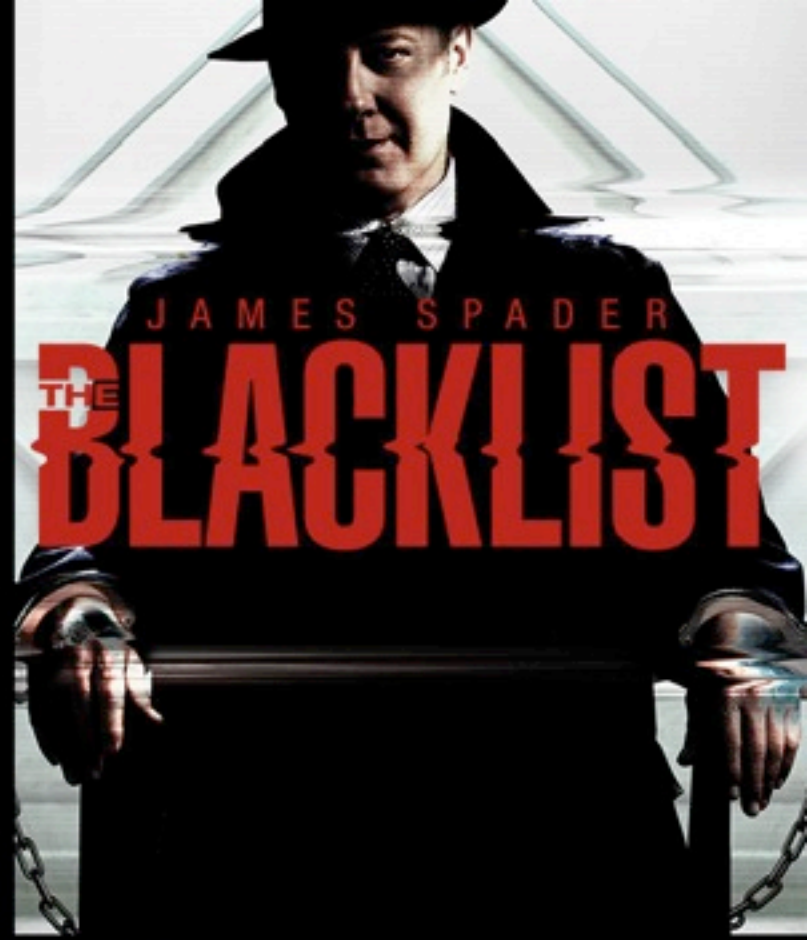
A stylized world map in shades of blue and teal, serving as the background for the text.

2012 WORLDWIDE BOX OFFICE REVENUE

\$4.4 BILLION

SONY

Source: BoxOfficeMojo.com



WORLDWIDE MEDIA NETWORKS



SONY
PICTURES
TELEVISION

LATIN AMERICA

EUROPE

AFRICA

MIDDLE EAST

ASIA

SONY

Change



Created by Sony



CRACKLETM

Financial Discipline

Revenue Growth

Profitability

Margins



Optimizing the film-making process

Focusing on operational efficiencies

1

High Growth
High Margin

2

**Digital and
International
Growth**

3

**Innovative
Entrepreneurial
Culture**

4

Creative
Excellence

5

**Financial
Discipline**

6

**Risk
Management**

7

One
Sony



SONY

Motion Pictures

Amy Pascal

Co-Chairman, Sony Pictures Entertainment

Chairman, Sony Pictures Entertainment Motion Picture Group

4 PART STRATEGY

**Maintain Creativity
& Innovation**

**Manage & Create
Key Relationships**

Focus on Growth Markets

**Employ Financial Discipline
& Operational Efficiency**

Creativity & Innovation



COLOMBIA

A woman in a white and blue dress stands on a pedestal, holding a torch aloft. The torch is positioned behind the letter 'O' in the word 'COLOMBIA', which is rendered in large, stylized, black-outlined letters. The background is a dramatic sky with large, billowing clouds in shades of yellow, orange, and blue, and a bright sunburst emanating from behind the word.

a SONY PICTURES ENTERTAINMENT company

TENTPOLES



COMEDIES



UPSCALE



Sony Pictures
Animation



SONY PICTURES
imageworks

FAMILY FRANCHISES





SCREEN GEMS

a SONY PICTURES ENTERTAINMENT company

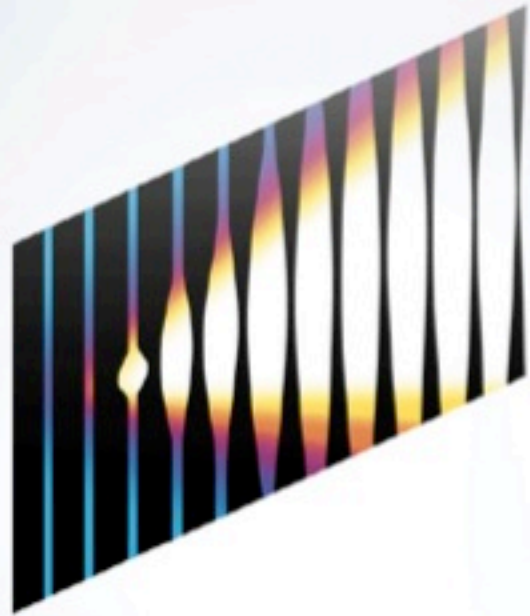
SONY

GENRE





SONY



**SONY
PICTURES**

**WORLDWIDE
ACQUISITIONS**

ACQUISITIONS

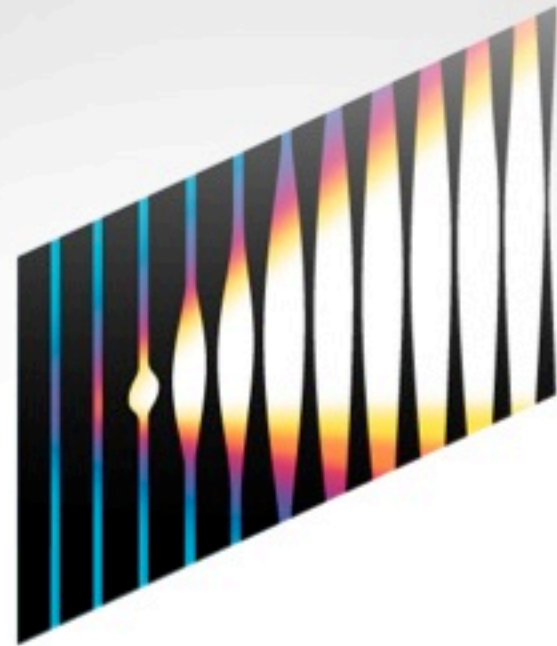


SONY PICTURES CLASSICS

SONY

CRITICALLY ACCLAIMED





**SONY
PICTURES**

**WORLDWIDE
MARKETING &
DISTRIBUTION**

Manage & Create Key Relationships



SUPERBAD



EVAN GOLDBERG



SETH ROGEN

SONY



JONAH HILL





CHANNING TATUM



PHIL LORD

CHRIS MILLER

SONY





JAMES FRANCO



SETH ROGEN



EMMA STONE

YOU DON'T
GET TO
500 MILLION
FRIENDS
WITHOUT MAKING
A FEW
ENEMIES



JUSTIN TIMBERLAKE



ANDREW GARFIELD





JAMIE FOXX

SONY



CAMERON DIAZ



**SONY
PICTURES**

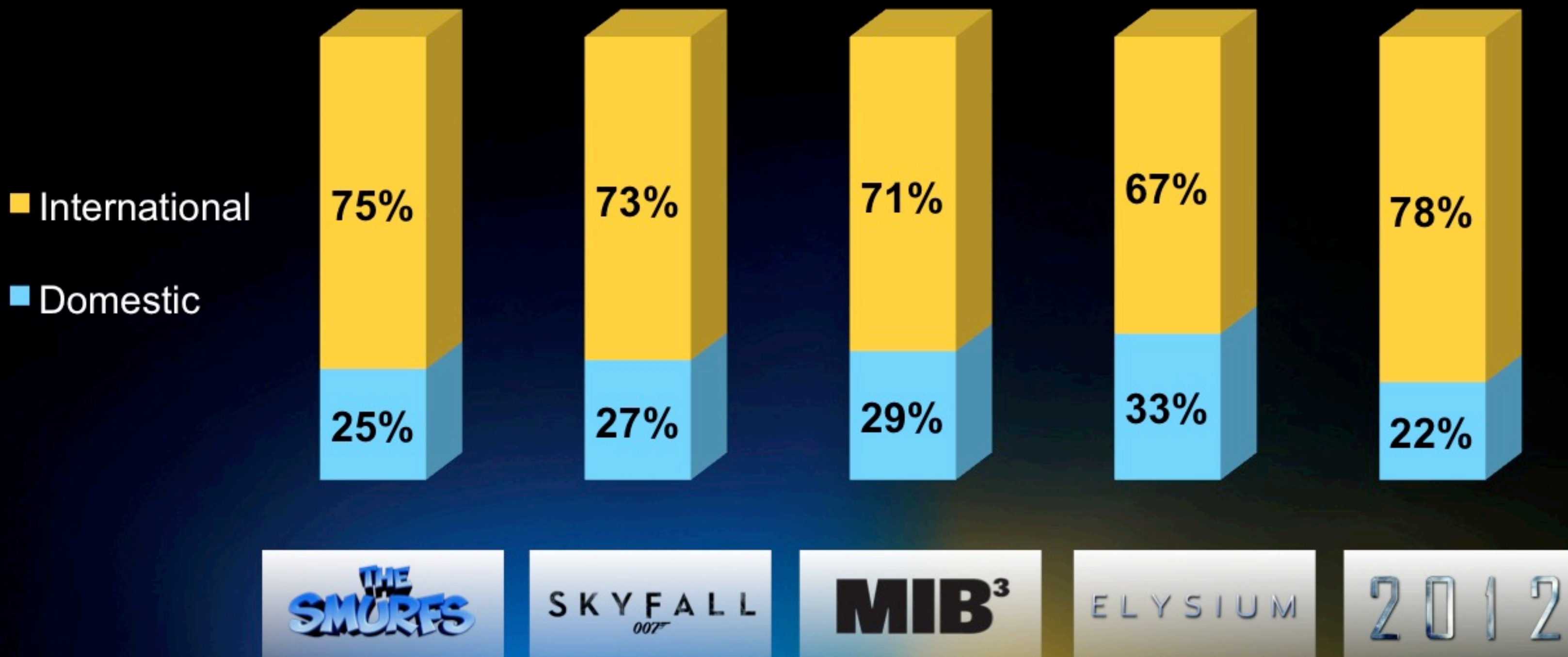
SONY

Focus on Growth Markets

SELECT GROWTH TERRITORIES



WORLDWIDE BOX OFFICE



UNIVERSAL APPEAL



PAUL GREENGRASS



CAPTAIN PHILLIPS

SONY

INTERNATIONAL SUCCESS



ADAM SANDLER

SONY

LOCAL FILM PRODUCTION



China



Germany



Russia

GLOBAL DISTRIBUTION REACH
130+ COUNTRIES



SONY

**Employ Financial
Discipline &
Operational Efficiency**

Refining development process

Term deals cut by 50%

Refining greenlight process

**Higher hurdle rates
Reduced number of films per year**

Restructuring talent compensation

Balance of risk and reward
Financial penalties

Leveraging tax incentives

\$100M+ average annual benefit

Gaining efficiencies from technology

Cutting marketing spend

Reducing overhead costs

4 PART STRATEGY

**Maintain Creativity
& Innovation**

**Manage & Create
Key Relationships**

Focus on Growth Markets

**Employ Financial Discipline
& Operational Efficiency**

UPCOMING RELEASES





SONY

BOND 24

007

SONY

THE SMURFS



HOTEL TRANSYLVANIA 2



CLOUDY with a chance of MEAT BALLS 3



POPEYE





SONY





SONY

Sony Pictures Television

Steve Mosko

President, Sony Pictures Television

Golden Age of

Television

3 BUSINESS CATEGORIES

Productions

Distribution

Media Networks

Productions

SONY

INDEPENDENT STUDIO

PRODUCING FOR MAJOR NETWORKS



Lifetime.



EARLY LEADER

PRODUCING FOR DIGITAL NETWORKS

NETFLIX

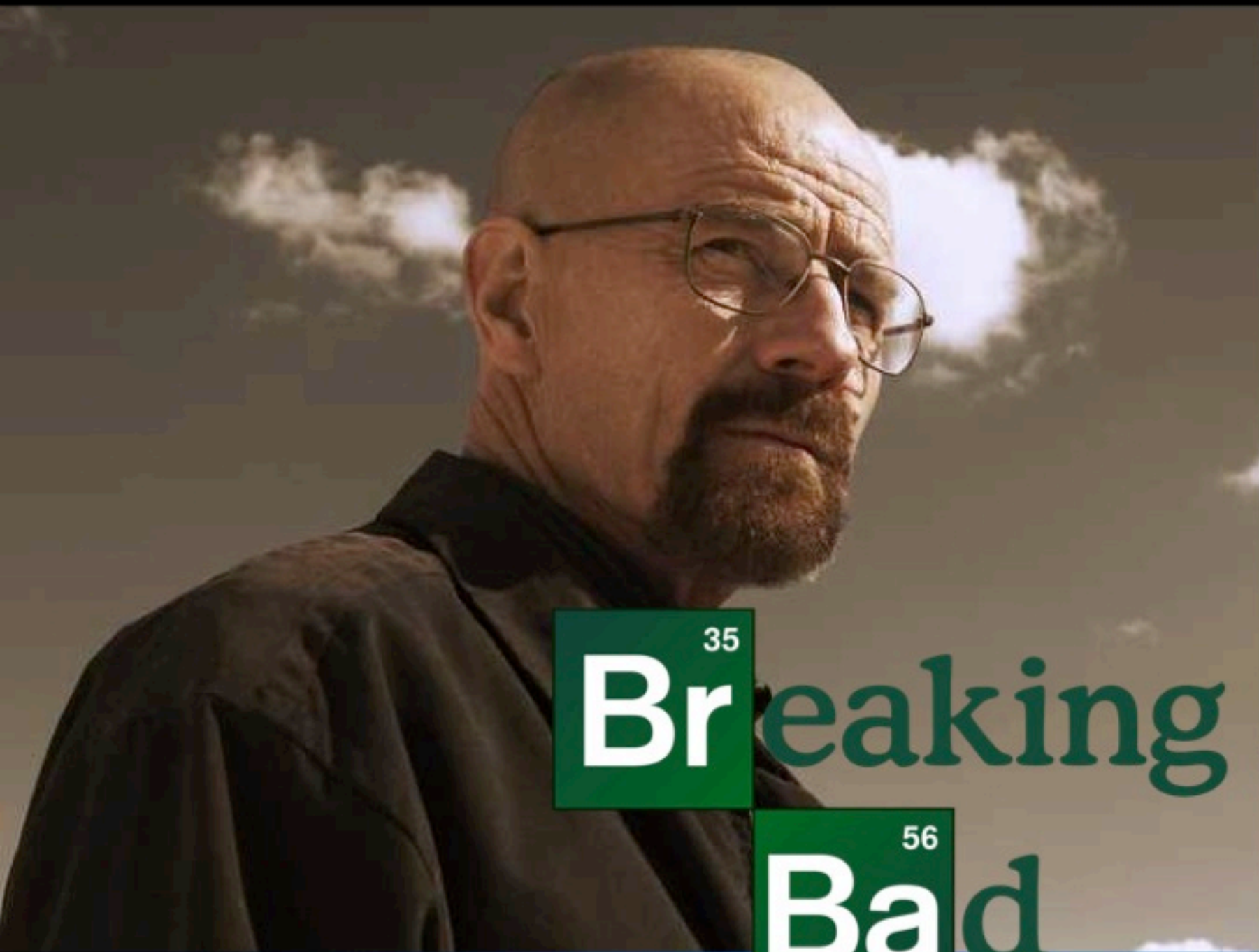
CRACKLE



Sony
Entertainment
Network

GROUNDBREAKING

SCRIPTED SERIES



³⁵**Br**eaking

⁵⁶**Ba**d



THE BLACKLIST

SONY

LEGENDARY

GAME SHOWS



31st Season



30th Season

POPULAR DAYTIME DRAMAS



41st Season



48th Season

DAILY TALK SHOWS



Premiere Season



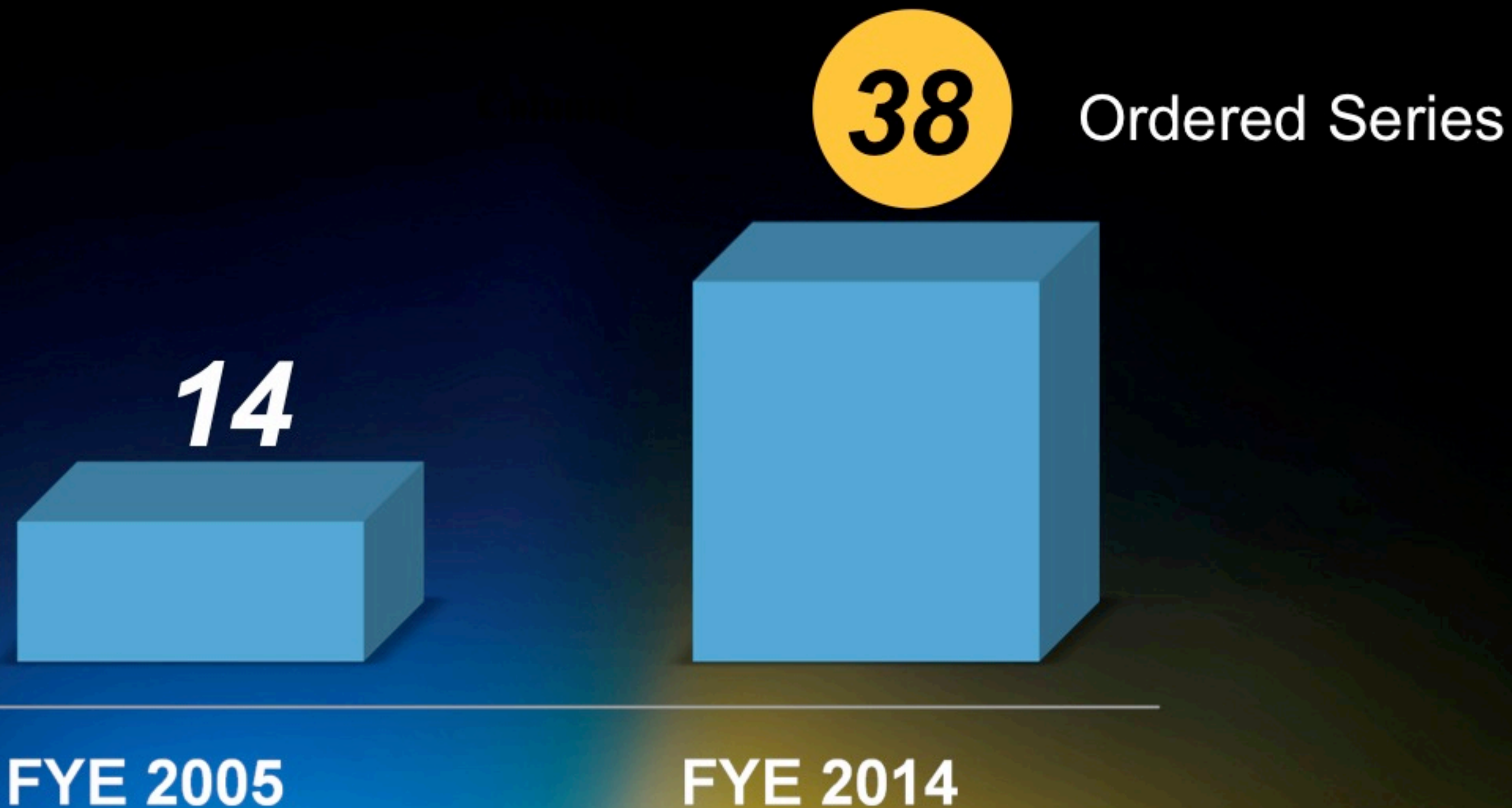
5th Season

SONY

GROWING SYNDICATION PIPELINE



GROWING CURRENT PRODUCTIONS





Television Productions

Jamie Erlicht

President

Programming & Production

Sony Pictures Television

Zack Van Amburg

President

Programming & Production

Sony Pictures Television

LEADING INDEPENDENT STUDIO

Creative Excellence

Top Talent

Optimal Placement

38

Series Across

16

Networks

LEADING INDEPENDENT STUDIO



MAXIMIZING LONG TERM VALUE



INNOVATIVE DISTRIBUTION MODEL



BREAKING

BOUNDARIES



VINCE GILLIGAN

SONY

amc

³⁵Br **reaking**
⁵⁶Ba **d**



10 PRIMETIME EMMY® AWARDS



4 GOLDEN GLOBE® AWARDS

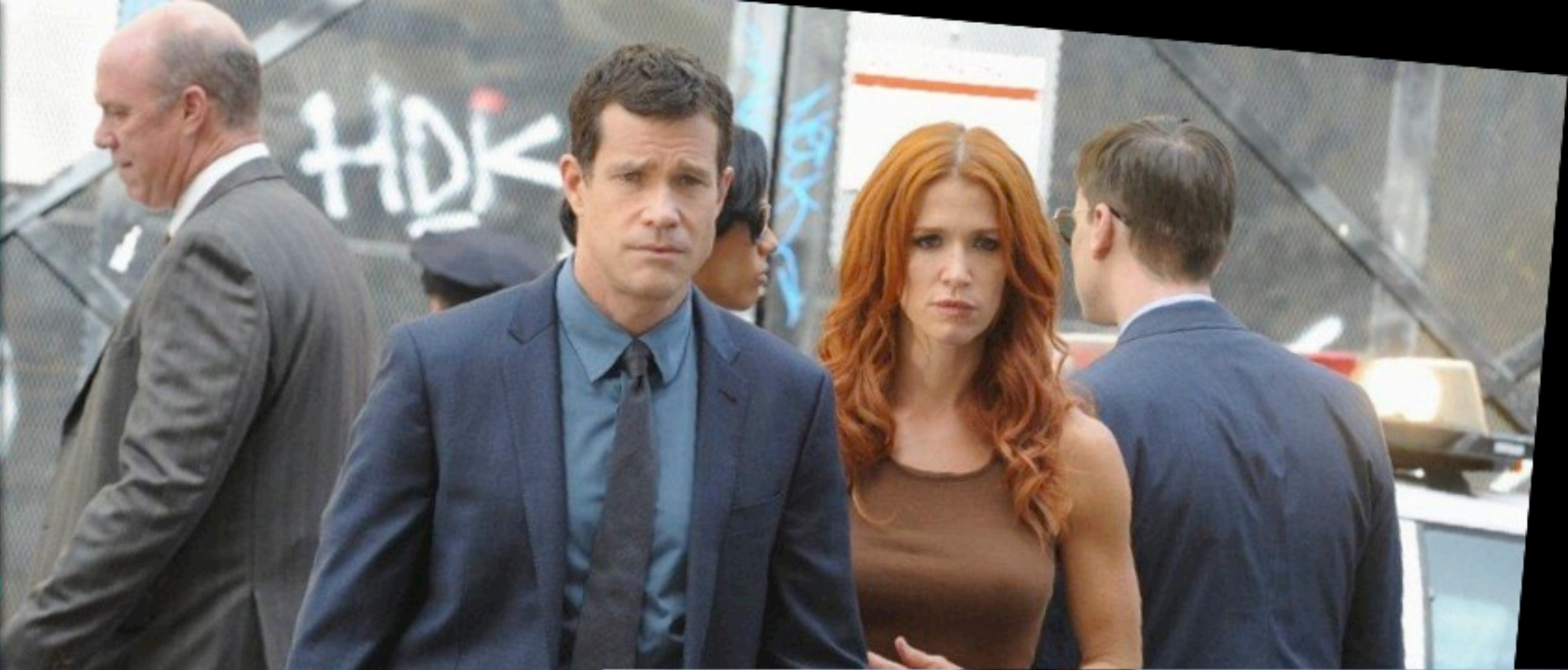


2013 OUTSTANDING DRAMA SERIES
PRIMETIME EMMY® AWARD

PARTNERING TO BUILD

IDENTITIES AND BUSINESSES

The FX logo, featuring a stylized yellow and black 'X' followed by the letters 'FX' in a bold, black, sans-serif font.The SHOWTIME logo, with 'SHOW' in red and 'TIME' in black, all in a bold, sans-serif font.The AMC logo, with the letters 'a', 'M', and 'C' in a bold, black, sans-serif font, set against a yellow background.The NETFLIX logo, with the word 'NETFLIX' in a bold, black, sans-serif font, set against a red background.The Amazon Instant Video logo, featuring the word 'amazon' in black with a green play button icon, and 'instant video' in a smaller black font below it.The bulu logo, with the word 'bulu' in a bold, green, sans-serif font, set against a white background.The PlayStation logo, featuring the PlayStation symbol (a stylized 'P' and 'S') above the word 'PlayStation' in a bold, black, sans-serif font.



UNFORGETTABLE

GLOBAL SUCCESS STORY



#1

NEW SHOW WORLDWIDE

DIRECT-TO-SERIES ORDERS

Creators	New Series	Network
Kessler / Zellman / Kessler	Family Murder Mystery Series	
Ron Moore	<i>Outlander</i>	
Ron Moore	<i>Helix</i>	
David Shore & Vince Gilligan	<i>Battle Creek</i>	
Vince Gilligan	<i>Better Call Saul</i>	

TV PRODUCTIONS

STRATEGY FOR SUCCESS

- Produce strong slate of new shows
- Attract top-tier talent
- Manage long-term value of content
- Build businesses with new and traditional partners
- Develop innovative business models

18 PRODUCTION COMPANIES IN 14 COUNTRIES



ORIGINAL LOCAL SHOWS



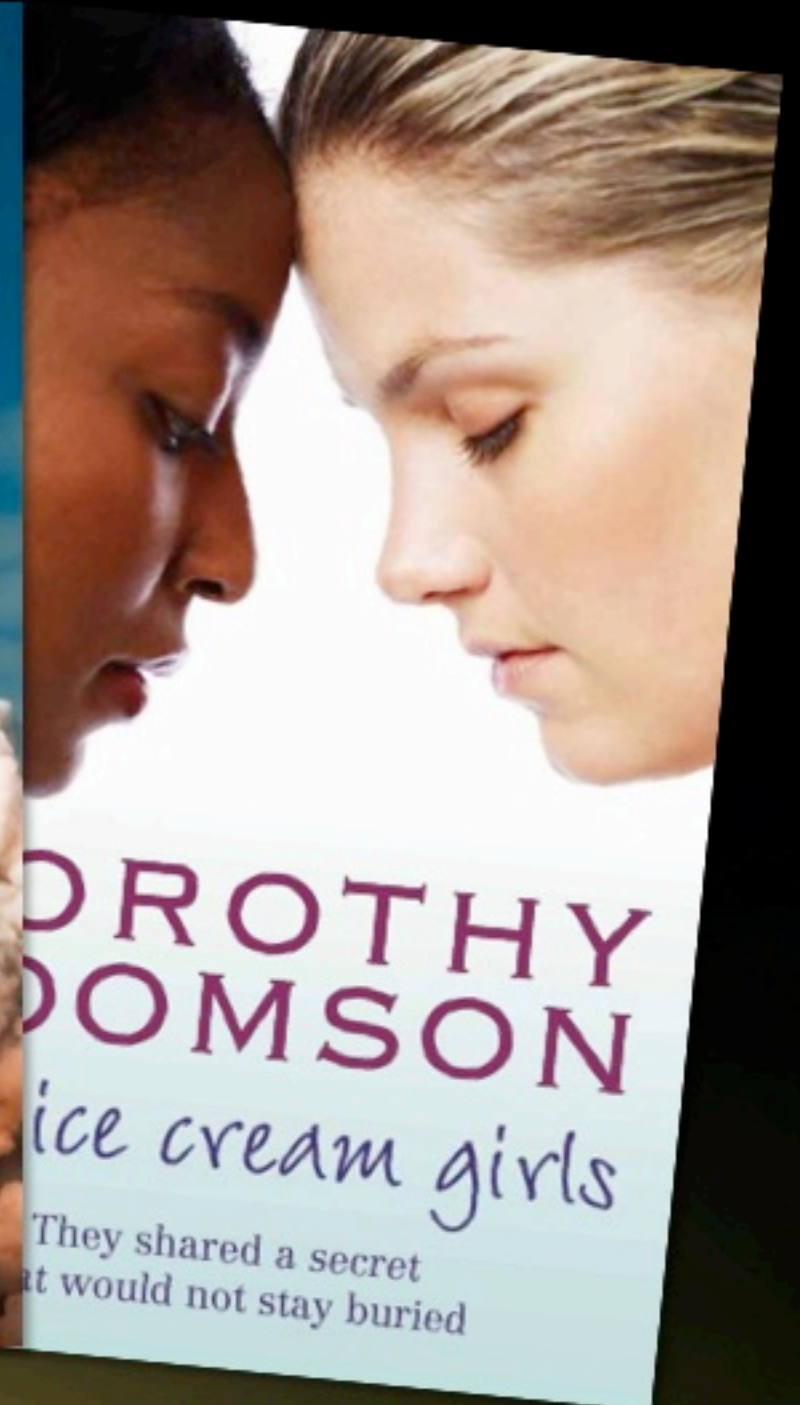
LATIN AMERICA



RUSSIA



NETHERLANDS



U.K.

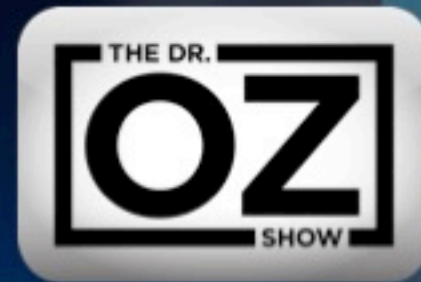
EXPORTING FORMATS

WORLDWIDE

73 LANGUAGES **100+** COUNTRIES



Sold in 120
Countries



Sold in 19
Countries



Sold in 13
Countries

Distribution

Distribution

GLOBAL DISTRIBUTION STRENGTH

Over **\$2 Billion**
in Sales
Worldwide

BOOKED THROUGH
2021 SLATE

starz

SONY

5TH CYCLE SYNDICATION

Seinfeld

SONY

GROWING CUSTOMER BASE

Examples of Networks and Platforms

U.S.

International

Broadcast



Basic / Premium Cable



Digital



Free-To-Air



Basic / Premium Cable



Digital



Media Networks



**LAUNCHED IN INDIA AND
LATIN AMERICA IN 1995**

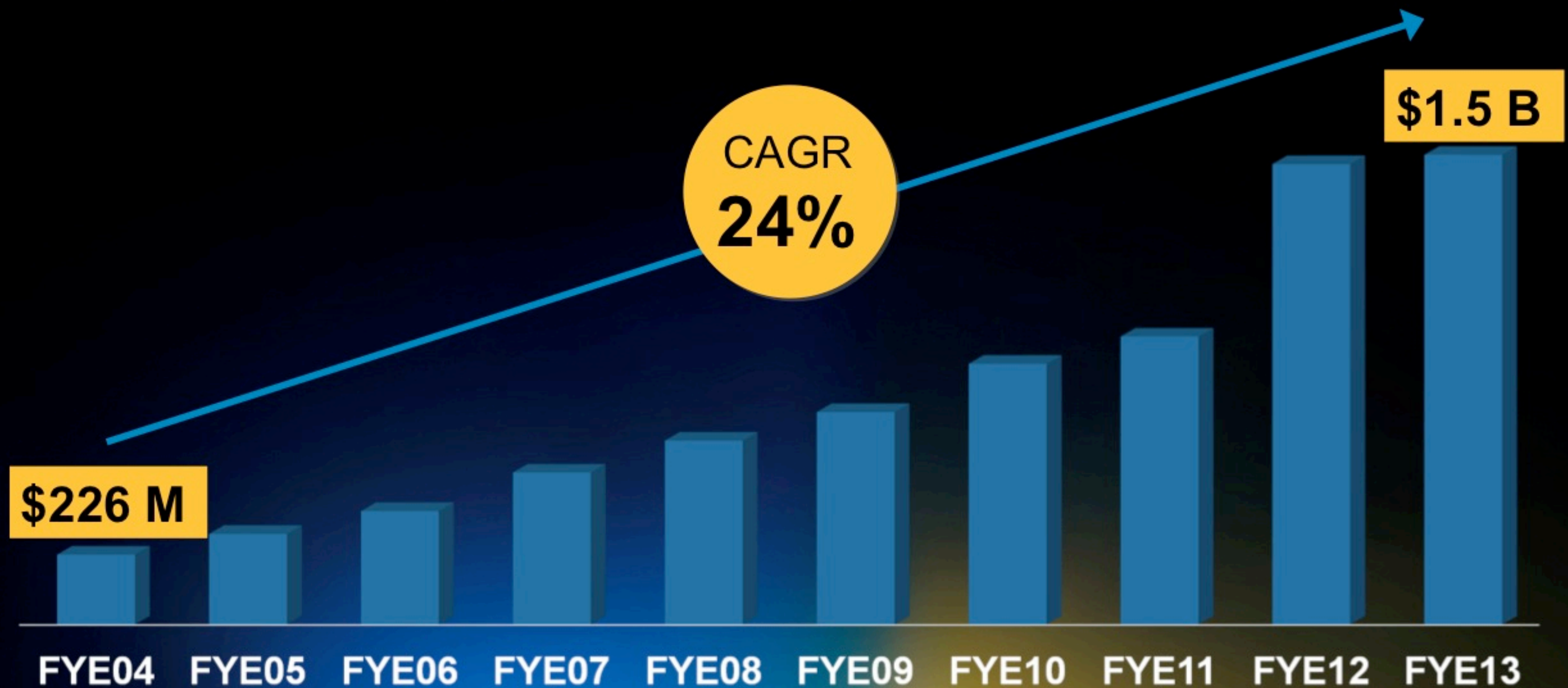
SONY

INVESTING IN KEY NETWORKS

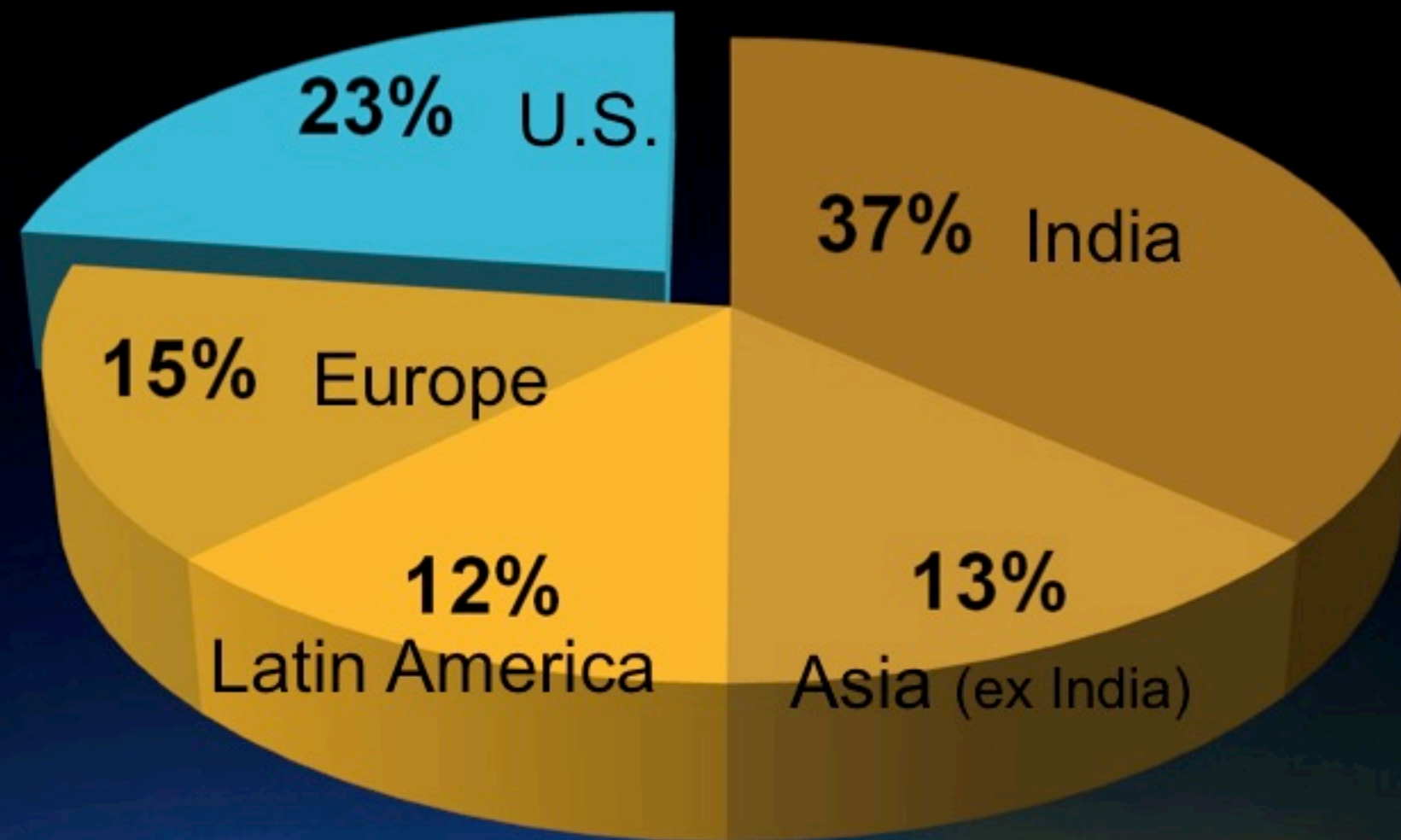
MSM



MEDIA NETWORKS REVENUE GROWTH



75%+ INTERNATIONAL



FYE 2013

Total Revenue \$1.5 B



TOP-RATED ENTERTAINMENT CHANNELS

HINDI, BENGALI AND ENGLISH CHANNELS



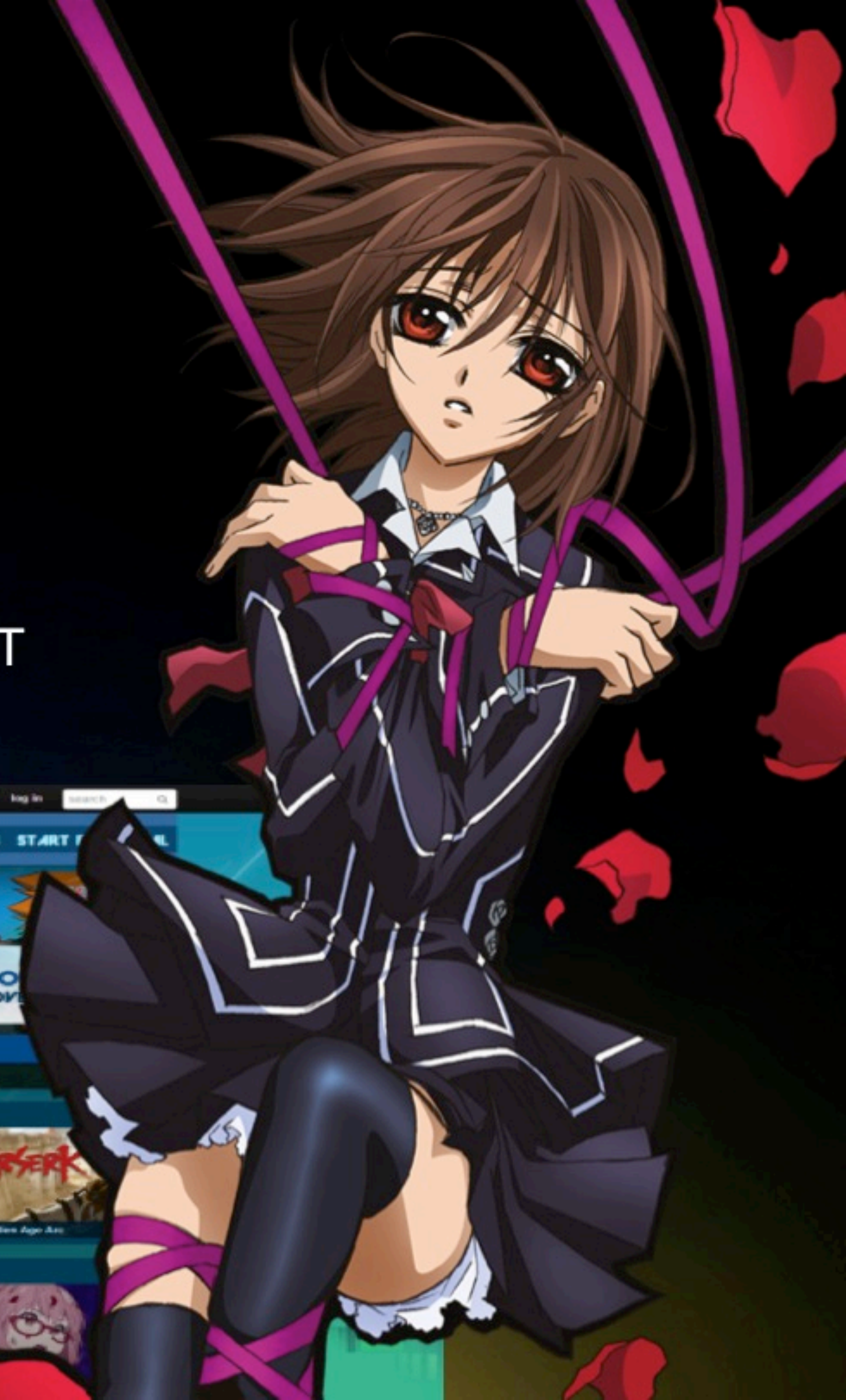
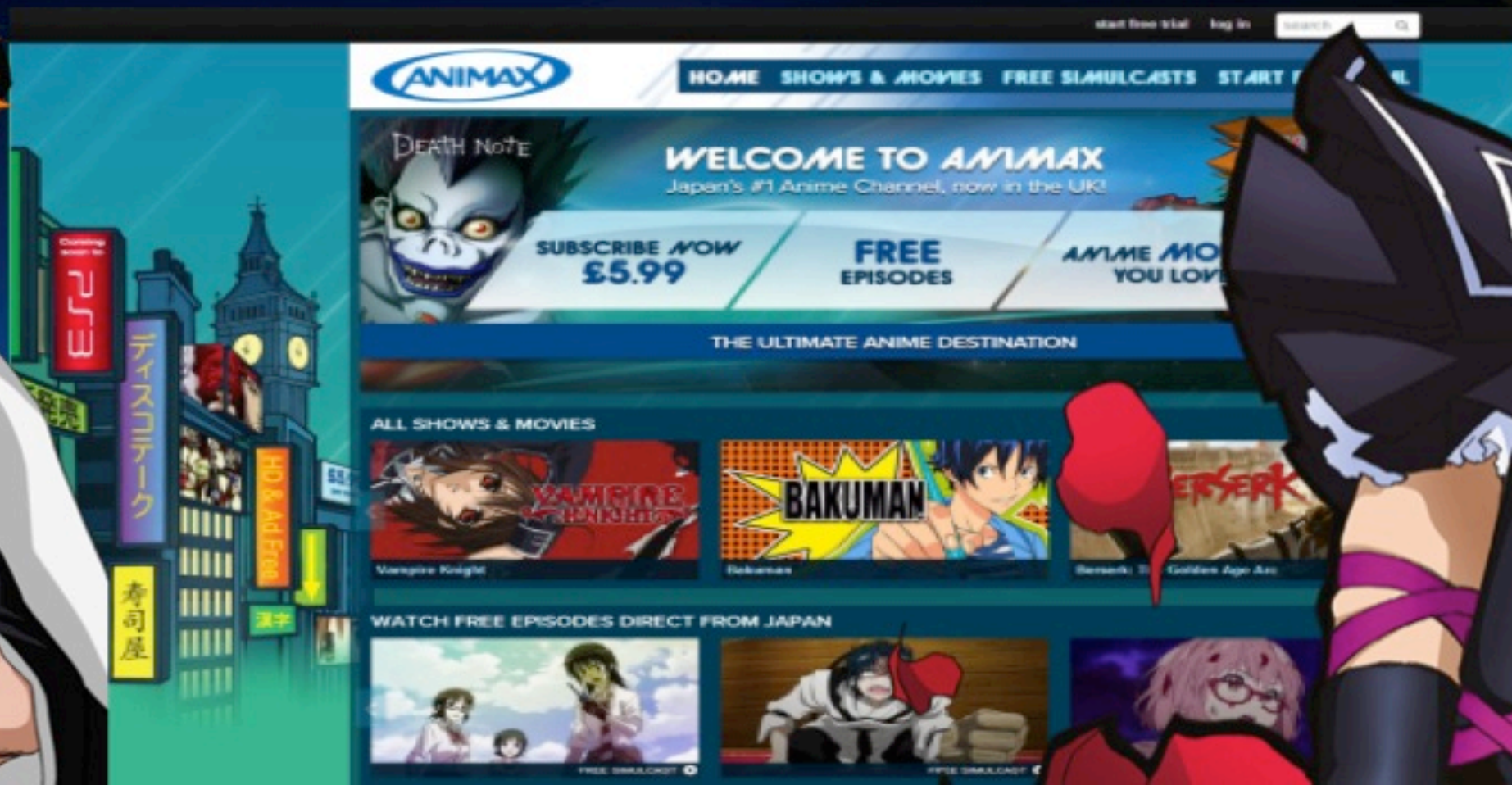


A THRILLING RIDE WITH
HIGH-IMPACT DRAMA AT ITS CORE





JAPANESE ANIME AND ANIME-INSPIRED ENTERTAINMENT



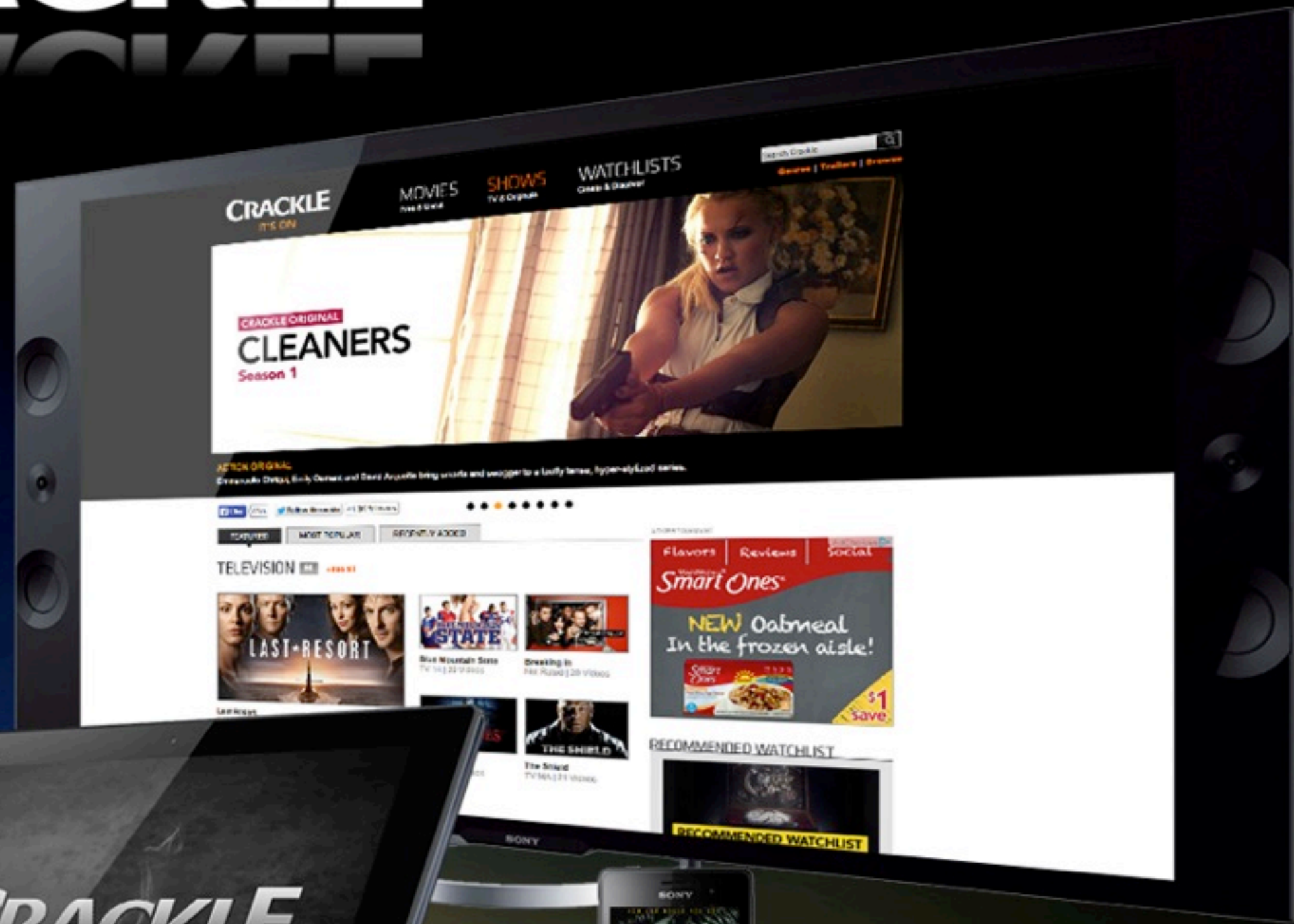


INDIAN PREMIER LEAGUE



CRACKLE

CRACKLE



SONY



EXTRACTION



CLEANERS



BACKWASH

A CRACKLE ORIGINAL SERIES



COMEDIANS IN CARS GETTING COFFEE

CRACKLE
IT'S ON

IT'S ON
CRACKLE



CH:OS:EN



ANGEL OF DEATH



THE BANNEN
WAY

SONY

CRACKLE

17 MILLION USERS
PER MONTH

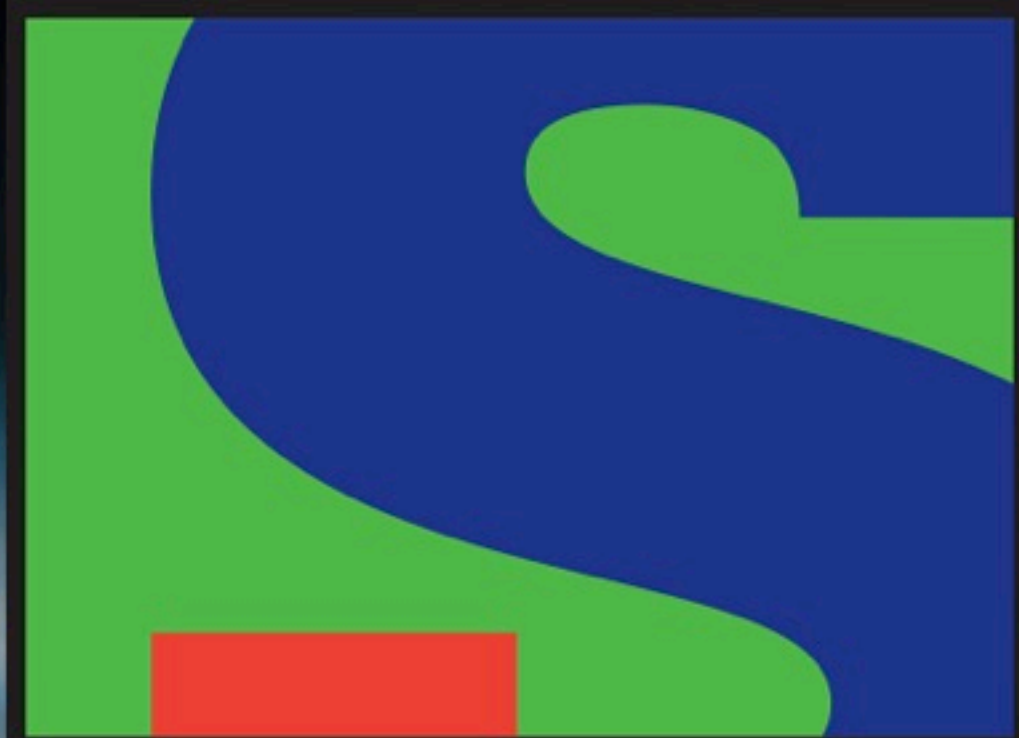
73 MINUTES SPENT PER
USER PER VISIT ⁽¹⁾

22 COUNTRIES

MEDIA NETWORKS

CORNERSTONE OF OUR GROWTH STRATEGY

- Drive profits and build asset value
- Create and deliver great programming
- Maximize global footprint



SONY
ENTERTAINMENT
TELEVISION



Multi Screen Media India Overview

Man Jit Singh
CEO, Multi Screen Media

INDIAN TELEVISION MARKET **BEFORE 1990**

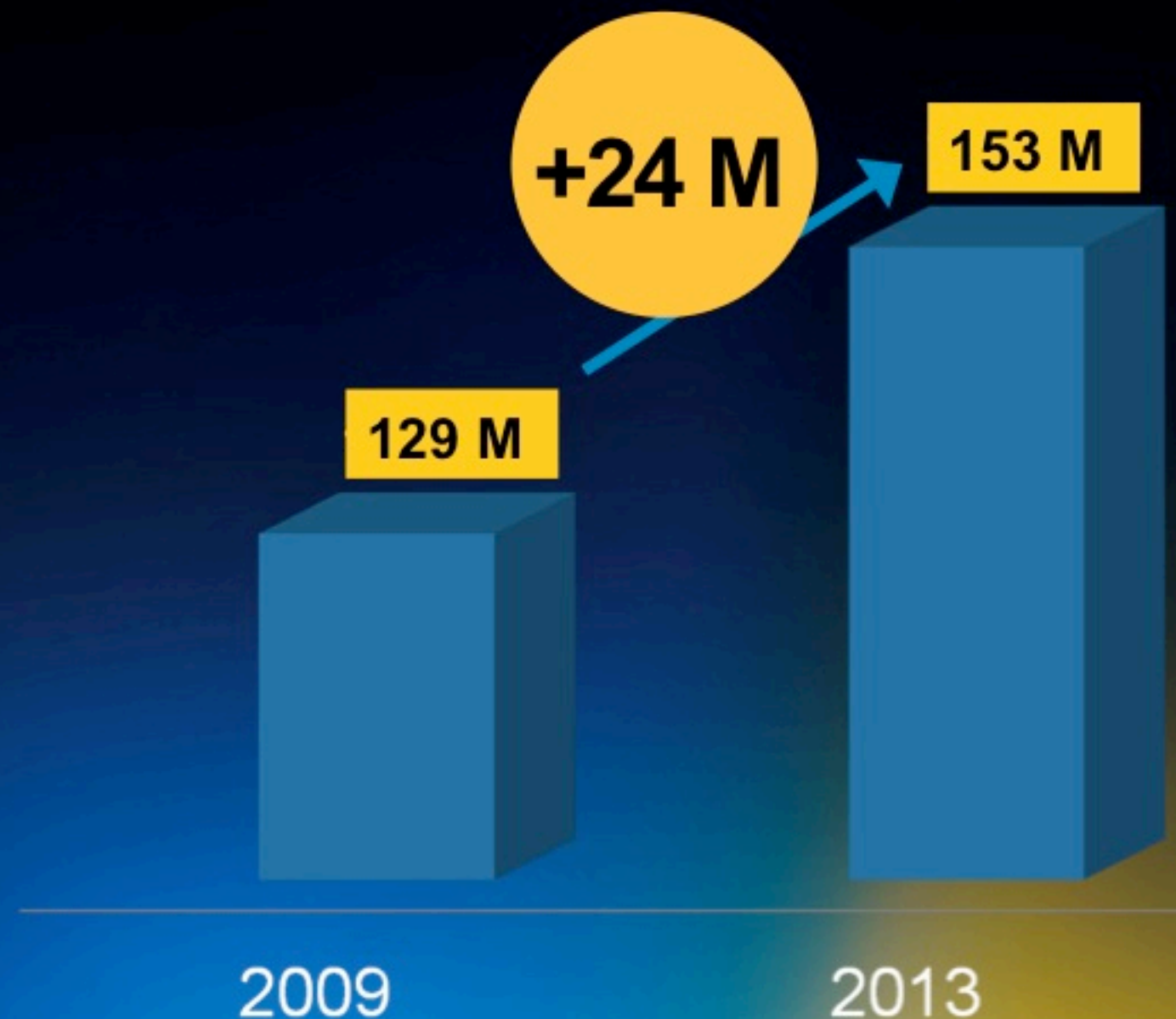


GENERAL ENTERTAINMENT FLAGSHIP
LAUNCHED IN 1995



2ND LARGEST TV AUDIENCE WITH **730M** INDIVIDUALS

Indian TV Household Growth



STRONG GROWTH OPPORTUNITY

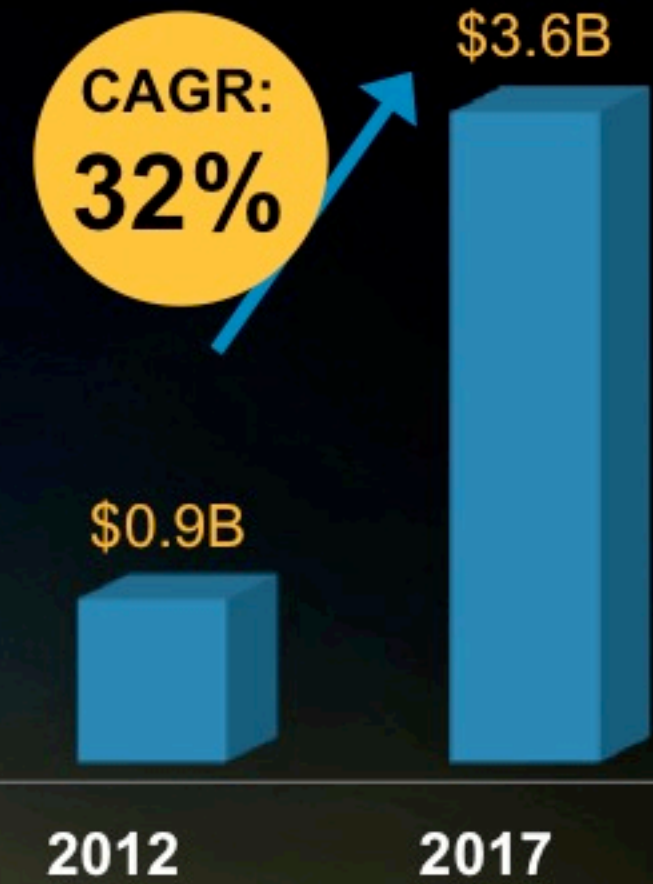
Overall TV Industry Revenue



Advertising Revenue



Subscription Revenue (Broadcast) ⁽¹⁾



ONE OF THE 1ST
General Entertainment
Channels in India



TOP 5
General
Entertainment Channel



#2 RANKED
English Movie
Channel



#1 RANKED
English General
Entertainment Channel



**ONE OF THE
MOST POPULAR**
Hindi Music Channels



BENGALI
Movie Channel



LEADING
Sports Network



VOD & DIGITAL
Entertainment
Channel



#1 RANKED
Hindi Language
Movie Channel

**DRIVING AUDIENCE GROWTH FROM
102M TO 225M**



SONY

Source: TAM analysis, TG – All India CS 4+; IPL 6 reach and ratings are estimates

3RD LARGEST NETWORK OF CHANNELS IN INDIA

12% MARKET SHARE

TOP PERFORMING NETWORK FOR AD REVENUE

18% MARKET SHARE

SONY

Sources: FYE13 ratings considered on CS 4+; All India including IPL (TAM; Period – January 2012 to December 2012).
FICCI-KPMG Indian Media and Entertainment Industry Report 2013.

CATERING TO INDIAN DIASPORA IN
70+ COUNTRIES



MSSM INDIA



A photograph of the Sony Pictures Entertainment building in Culver City, California. The building is a large, modern, multi-story structure with a white facade and dark window frames. In the foreground, there is a white archway with the words "SONY PICTURES ENTERTAINMENT" written on it. Behind the archway, a tall, white water tower stands prominently, with "SONY PICTURES" written around its top. The sky is a clear, bright blue. The overall scene is well-lit, suggesting a sunny day.

SONY

SPE Financial Overview

David Hendler

CFO, Sony Pictures Entertainment

FINANCIAL OVERVIEW

Historical Financial Performance

Margin Improvement

Cost Cutting and Financial Discipline

Risk Management

Strategic Growth Priorities

Future Guidance

SPE Historical Financial Performance

Revenue
(\$ Billions)

CAGR: 5%



FYE 2009 2010 2011 2012 2013

Adjusted OIBDA ⁽¹⁾
(\$ Millions)

CAGR: 12%



2009 2010 2011 2012 2013

Operating Income
(\$ Millions)

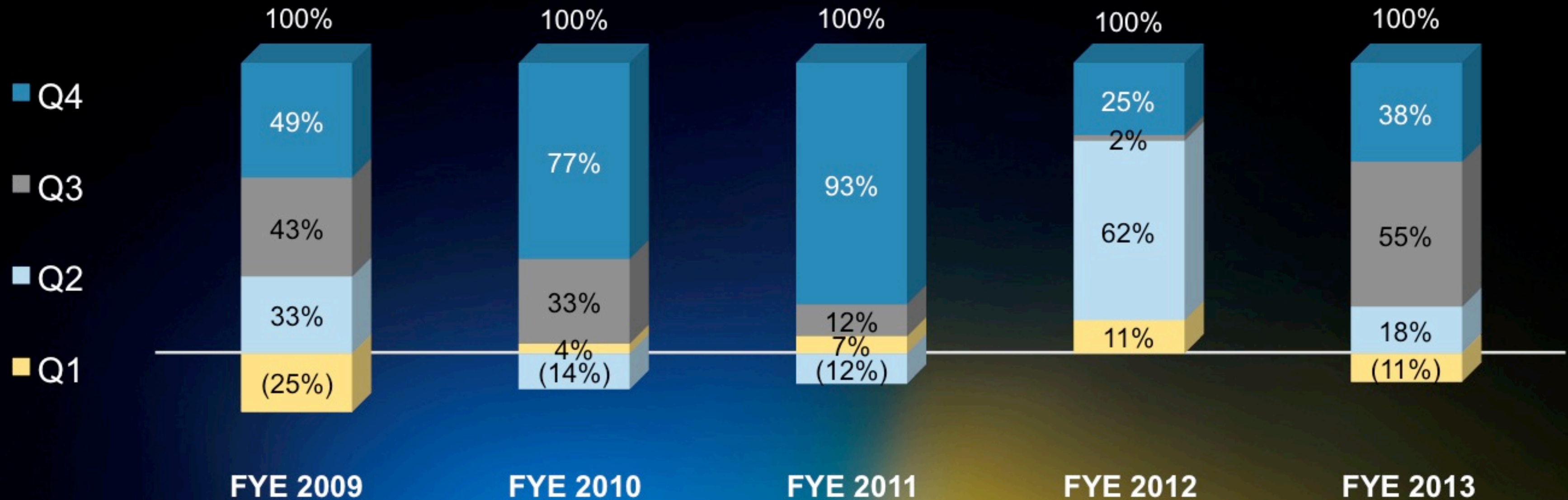
CAGR: 16%



2009 2010 2011 2012 2013

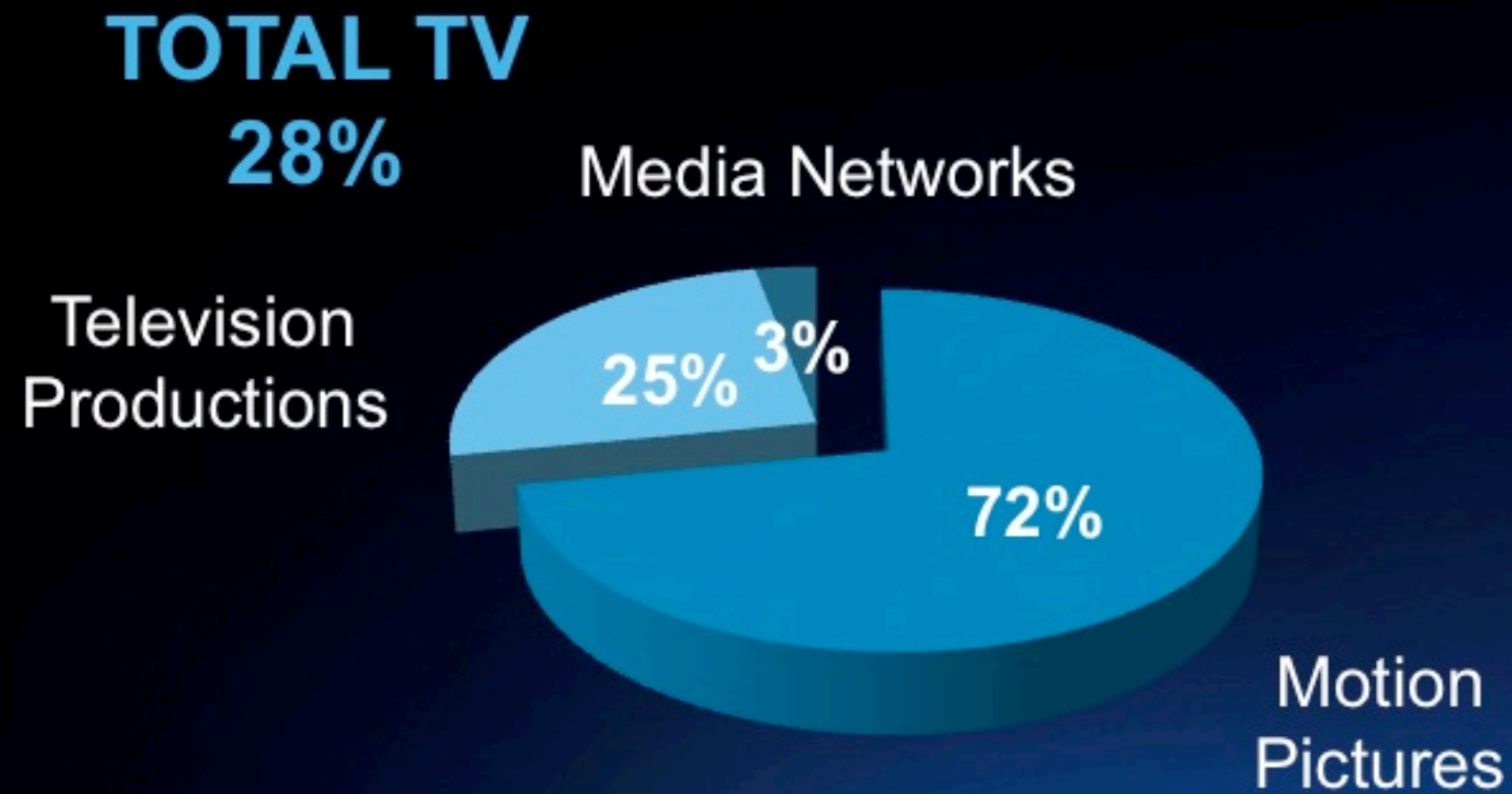
Quarter to Quarter Comparisons

Total SPE Operating Income



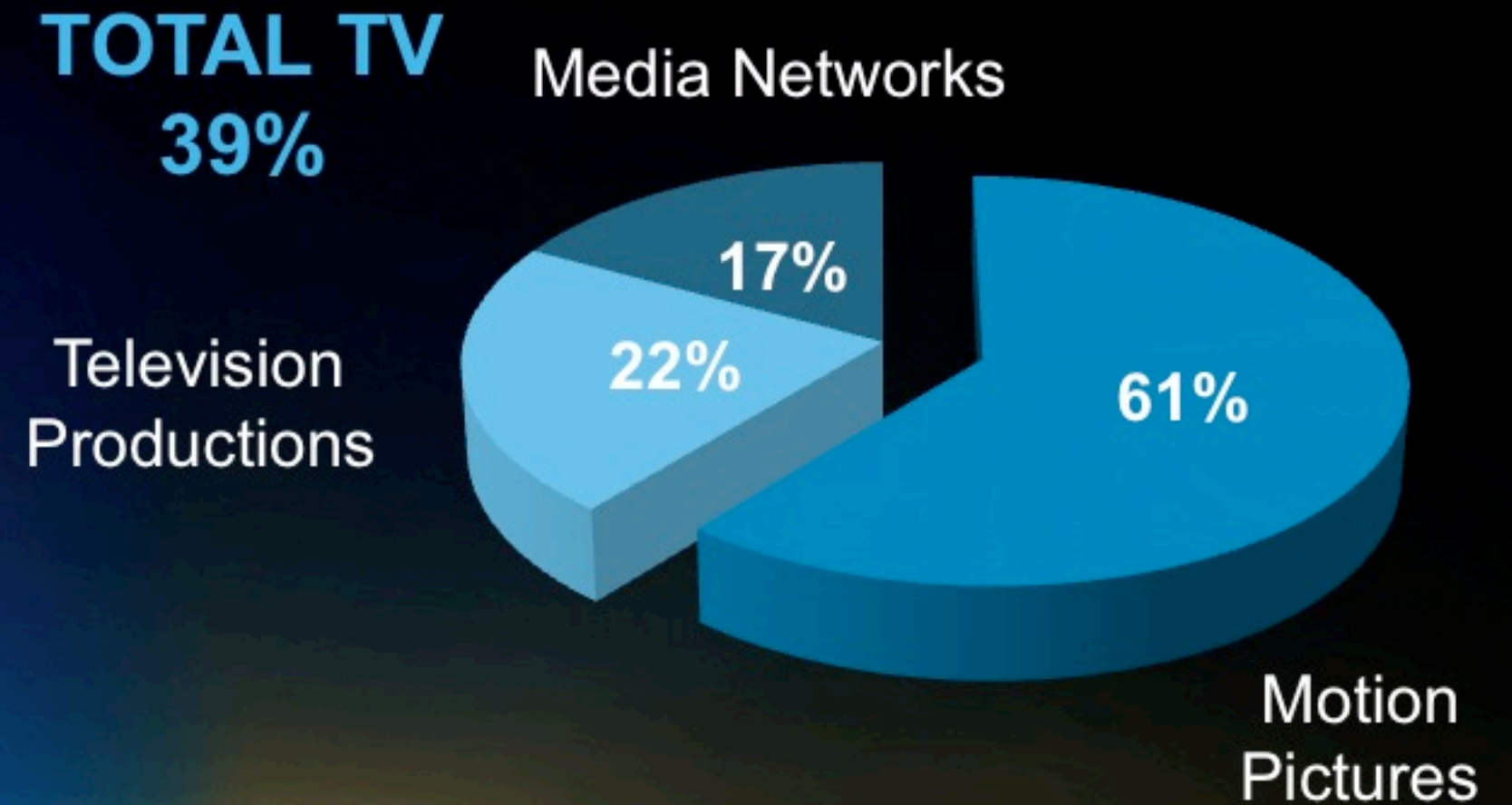
Diversified Revenue by Business Line

FYE 2004



Total Revenue
\$6.8 B

FYE 2013



Total Revenue
\$8.8 B

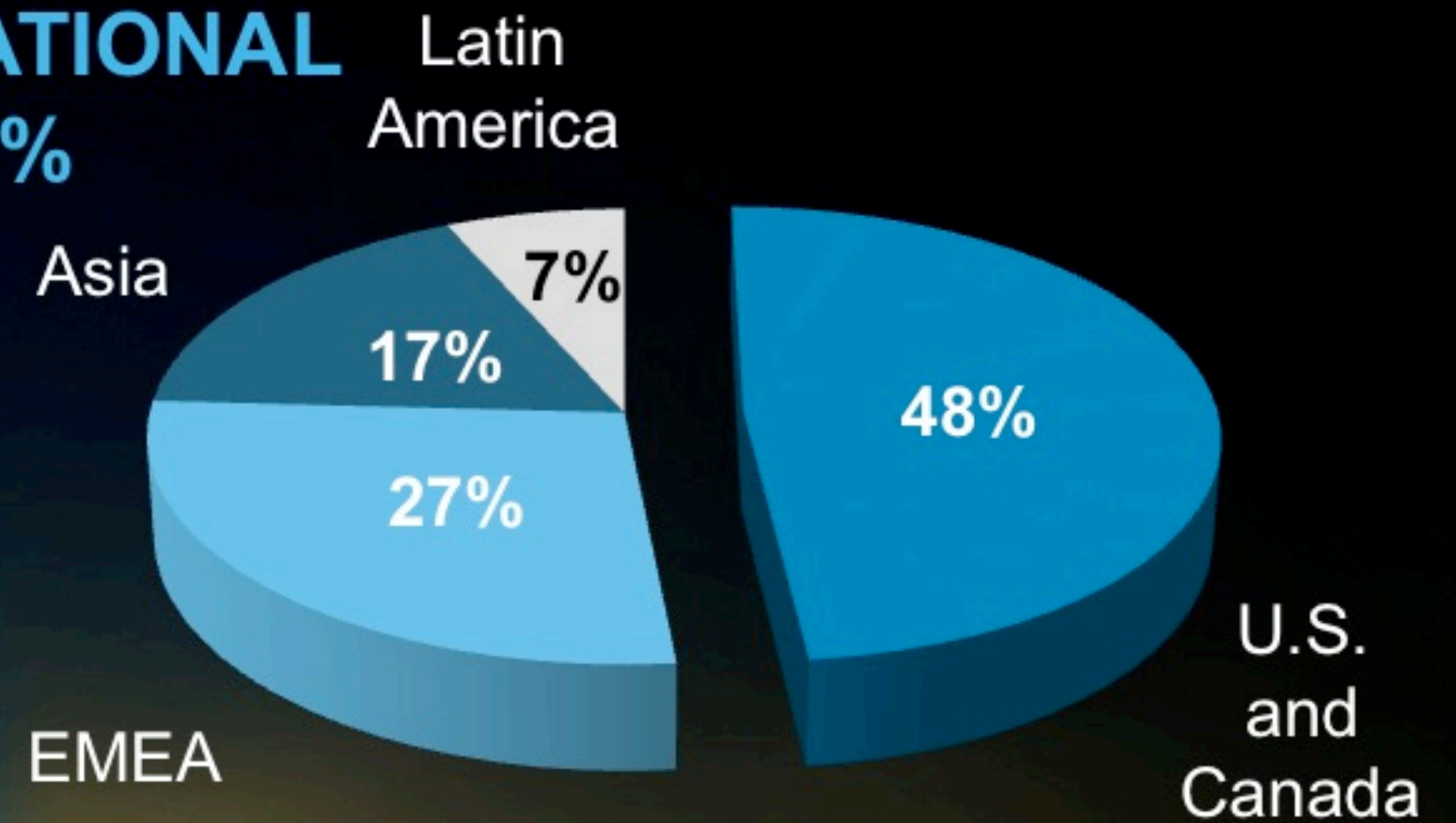
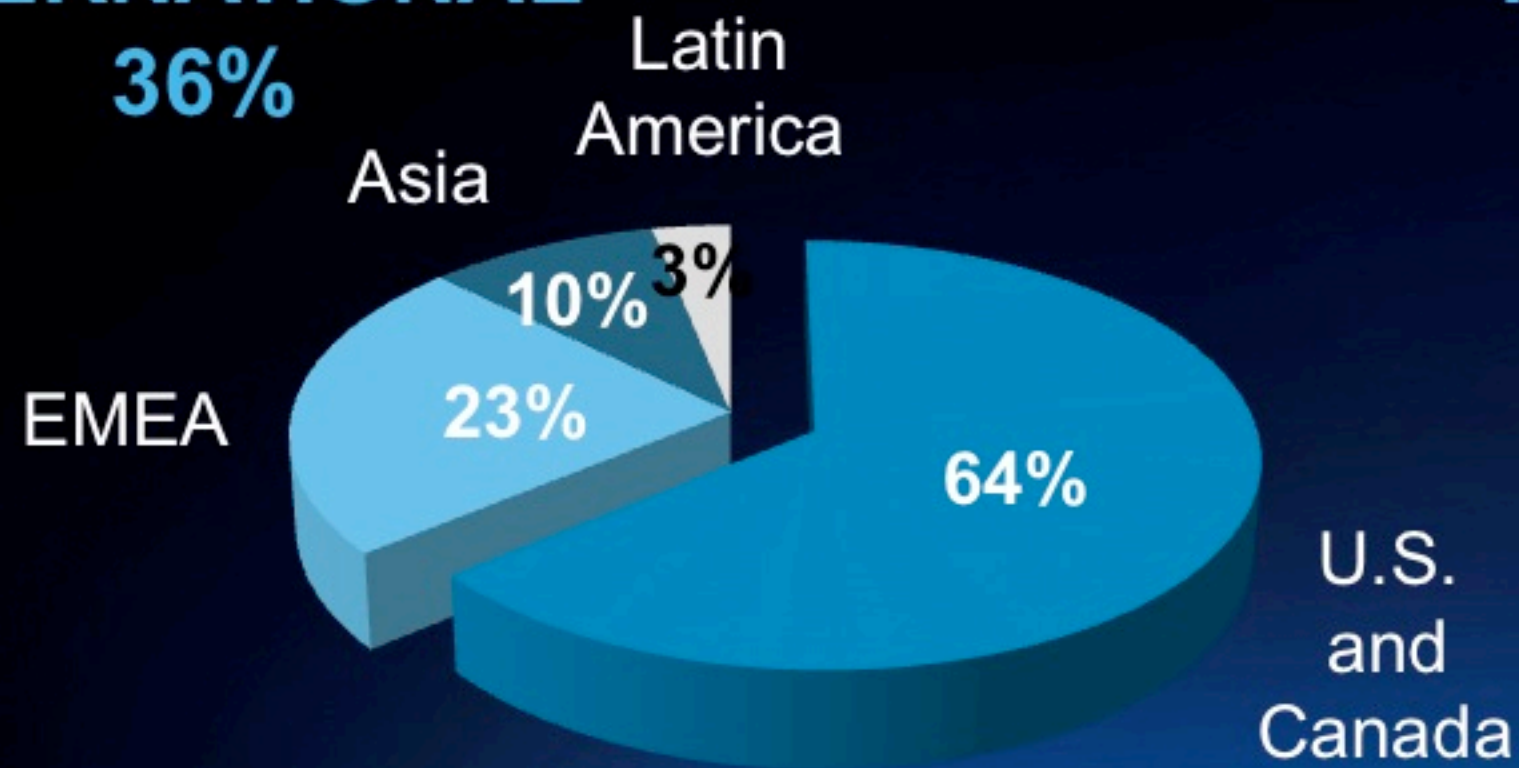
Diversified Revenue by Geography

FYE 2004

FYE 2013

TOTAL INTERNATIONAL
36%

TOTAL INTERNATIONAL
52%

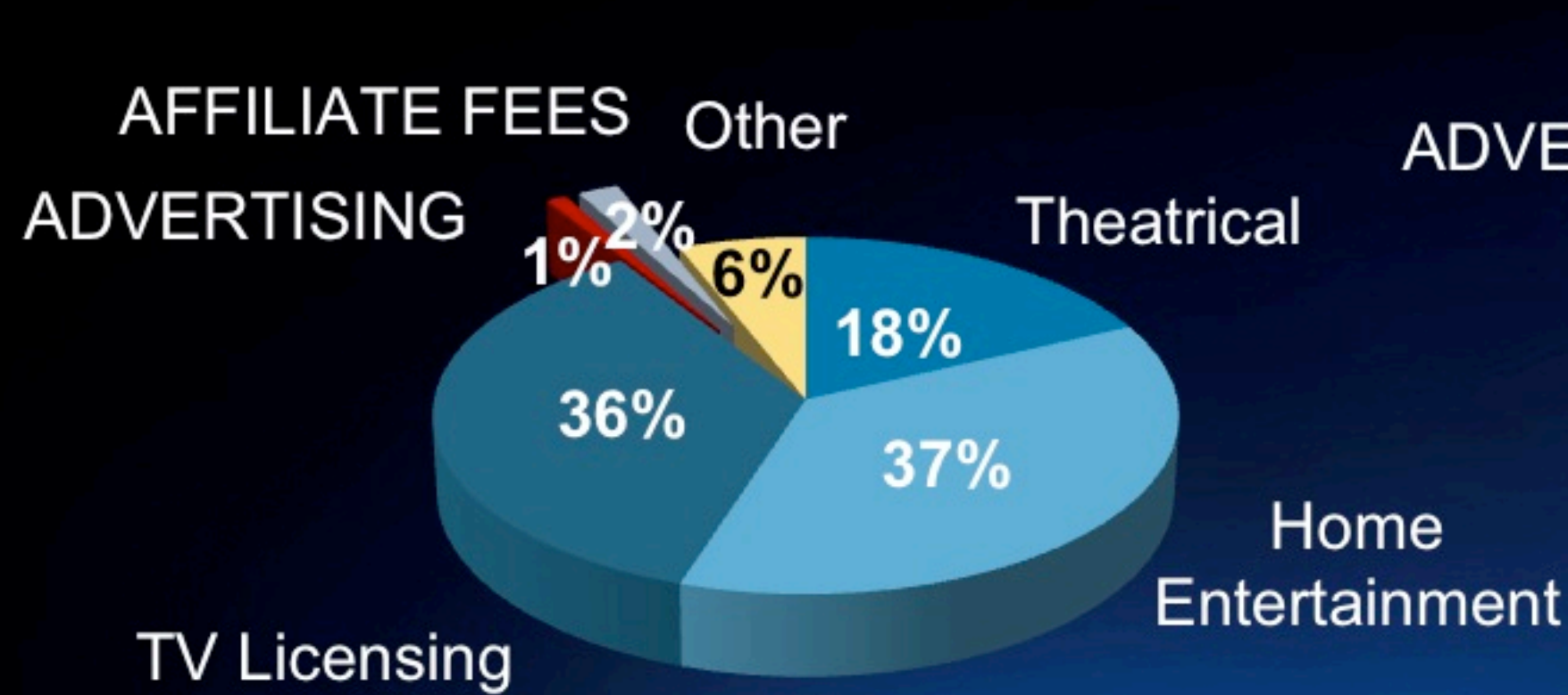


Total Revenue
\$6.8 B

Total Revenue
\$8.8 B

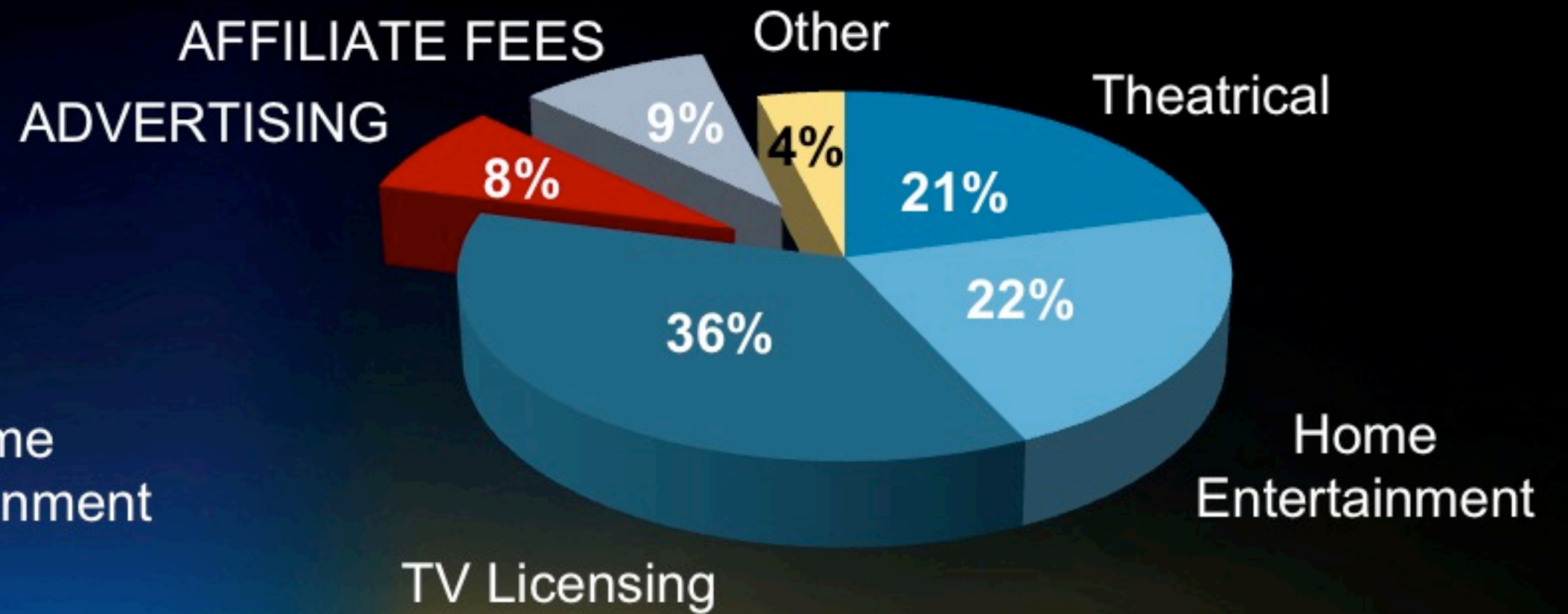
Diversified Revenue By Source

FYE 2004



Total Revenue
\$6.8 B

FYE 2013



Total Revenue
\$8.8 B

MARGIN IMPROVEMENT

**Continue
investments in
high-margin
businesses**

**Improve
economics
of mature
businesses**

Investing in High-Margin Businesses

	Rationale	Investment Size	Payback Horizon
Media Networks	<ul style="list-style-type: none">• High-margin, high-growth• Long-term asset value	Moderate to High	Long-term
Cable TV Production	<ul style="list-style-type: none">• Profitable at onset• High-growth	Low to Moderate	Short- to mid-term
Broadcast TV Production	<ul style="list-style-type: none">• High profit potential	High	Short- to mid-term

Investing in High-Margin Businesses

	Rationale	Investment Size	Payback Horizon
Animation	<ul style="list-style-type: none">• High profit potential• Low talent cost• Vertically integrated production	Moderate	Mid-term
Worldwide Acquisitions	<ul style="list-style-type: none">• High-margin• Slate diversification	Low	Short-term

Investing in High-Margin Businesses

Invested
FYE 2007-2013:

Media
Networks

\$415 million ⁽¹⁾

CRACKLE™
VIDEO MATTERS

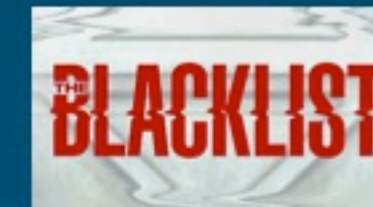
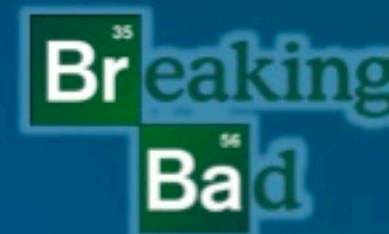


AXN
Mystery



Cable &
Broadcast TV
Production

\$960 million ⁽²⁾



Animation

\$762 million ⁽³⁾



Worldwide
Acquisitions

\$1 billion ⁽⁴⁾



THE CALL

soul surfer

Source:

(1)
(2)
(3)
(4)

Internal figures.

(1) Investments in third-party acquisitions only.

(2) Investments in development and new show deficits only.

(3) Includes all production costs.

(4) Includes all acquisition spending.

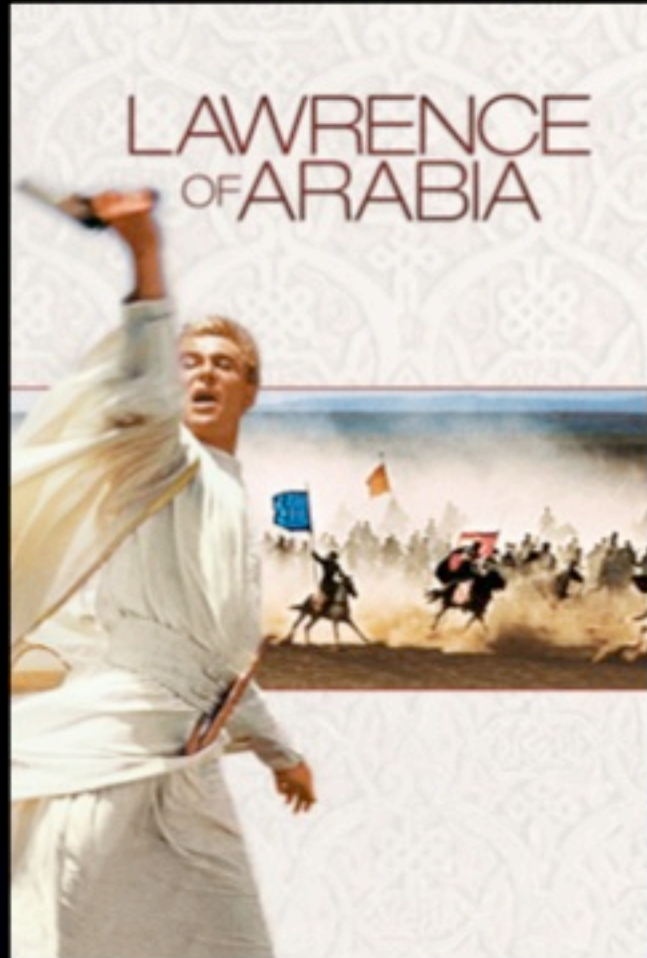
Improve Economics of Mature Businesses

- Set more aggressive profit thresholds for our films
- Maximize the value of our content library
- Optimize our distribution infrastructure
- Maintain cost control and financial discipline

Optimizing the Greenlight Process

- Always refining to reflect changing market conditions
- Methodical examination of every line item
- Raising the bar for expected profitability and return

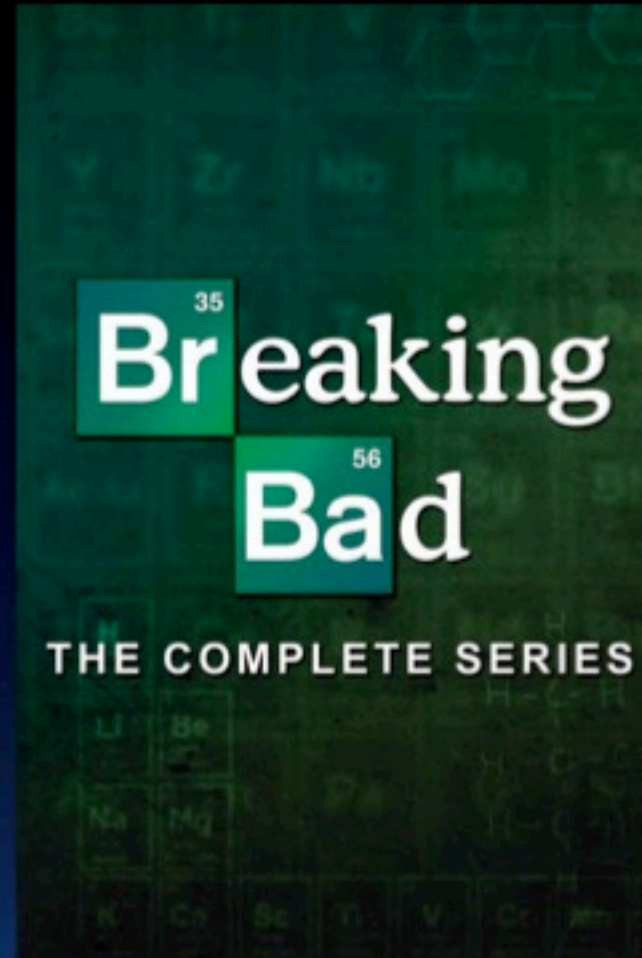
Maximizing the Value of Our Content Library



4K



Innovative
Windows



Digital
Customers



International
Formats



International
Networks

Optimizing Distribution Infrastructure



Theatrical Releasing:

- ▲ Joint Venture
- ◆ Sub-Distribution

Home Entertainment:

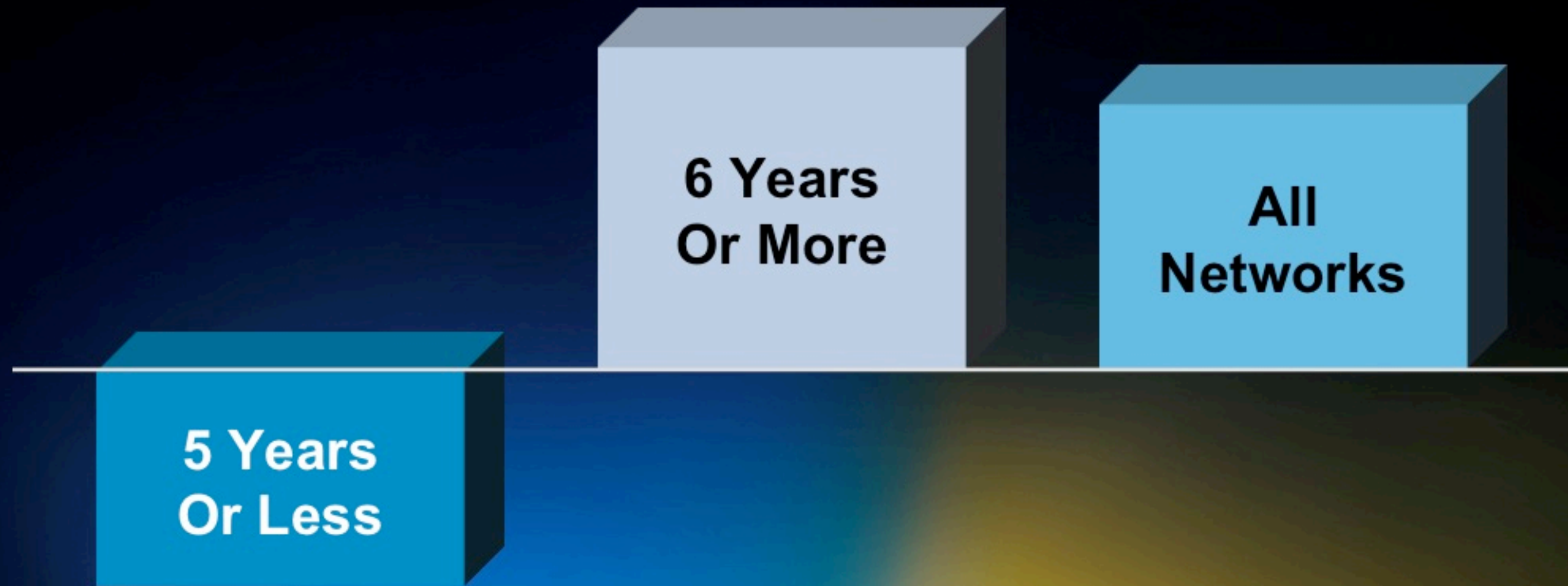
- Joint Venture
- Sub-Distribution

Focus on Absolute Profit and Risk Management Despite Challenges to Short-term Margins

- Attractive deals may dilute margins when requiring SPE to record 100% of revenues but only a portion of profits
 - Distribution of 3rd party product
 - Co-productions
- 3rd party financing for SPE's film slate manages cash and mitigates risk but dilutes margins when we share profits
- SPE continues to invest in attractive businesses that will increase its margins in the long-term but limit its margins during investment phase

Impact of Investments on Short-Term Margins

Media Networks Operating Margins *Mature vs. New*



HISTORICAL **COST REDUCTION**

**Operational
Efficiencies**

**Overhead
Reductions**

Current Phase of Ongoing Cost Reductions

OVER \$250M

of cost elimination from FYE 2014 to 2016

OH and Operational
Efficiencies



\$150+M

Procurement



\$100M

Target
run-rate
savings

RISK MANAGEMENT

**Maintaining a diverse and balanced
portfolio of businesses**

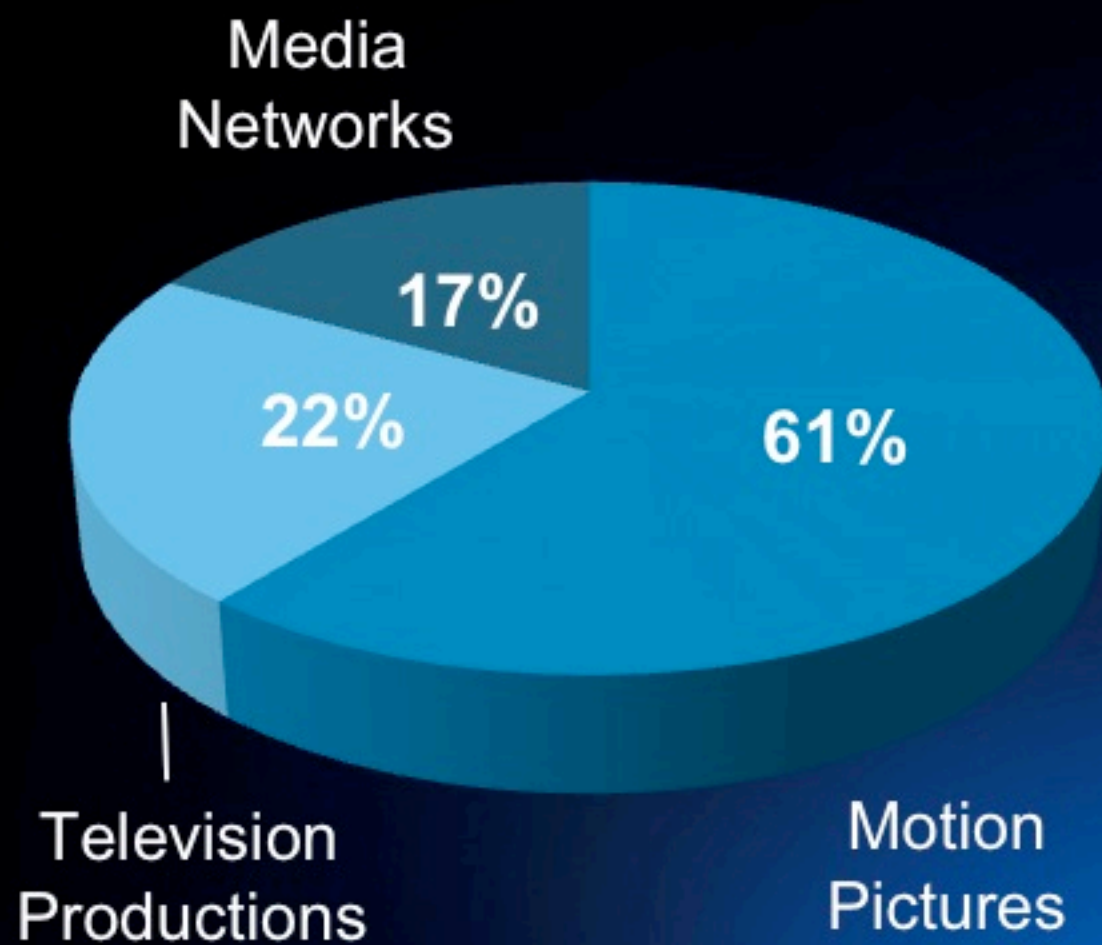
Keeping film slate highly diversified

Pursuing favorable slate financing deals

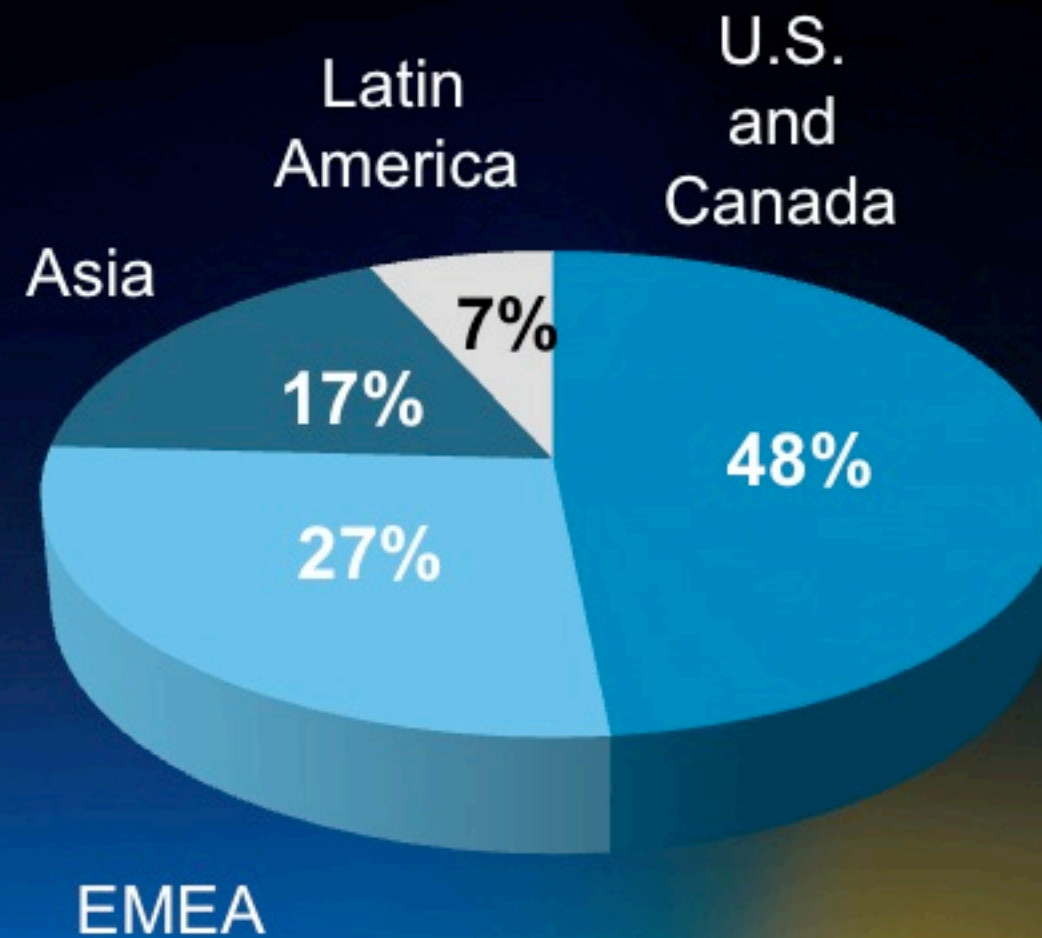
Diversified Portfolio of Businesses

FYE 2013 Revenue Breakdown

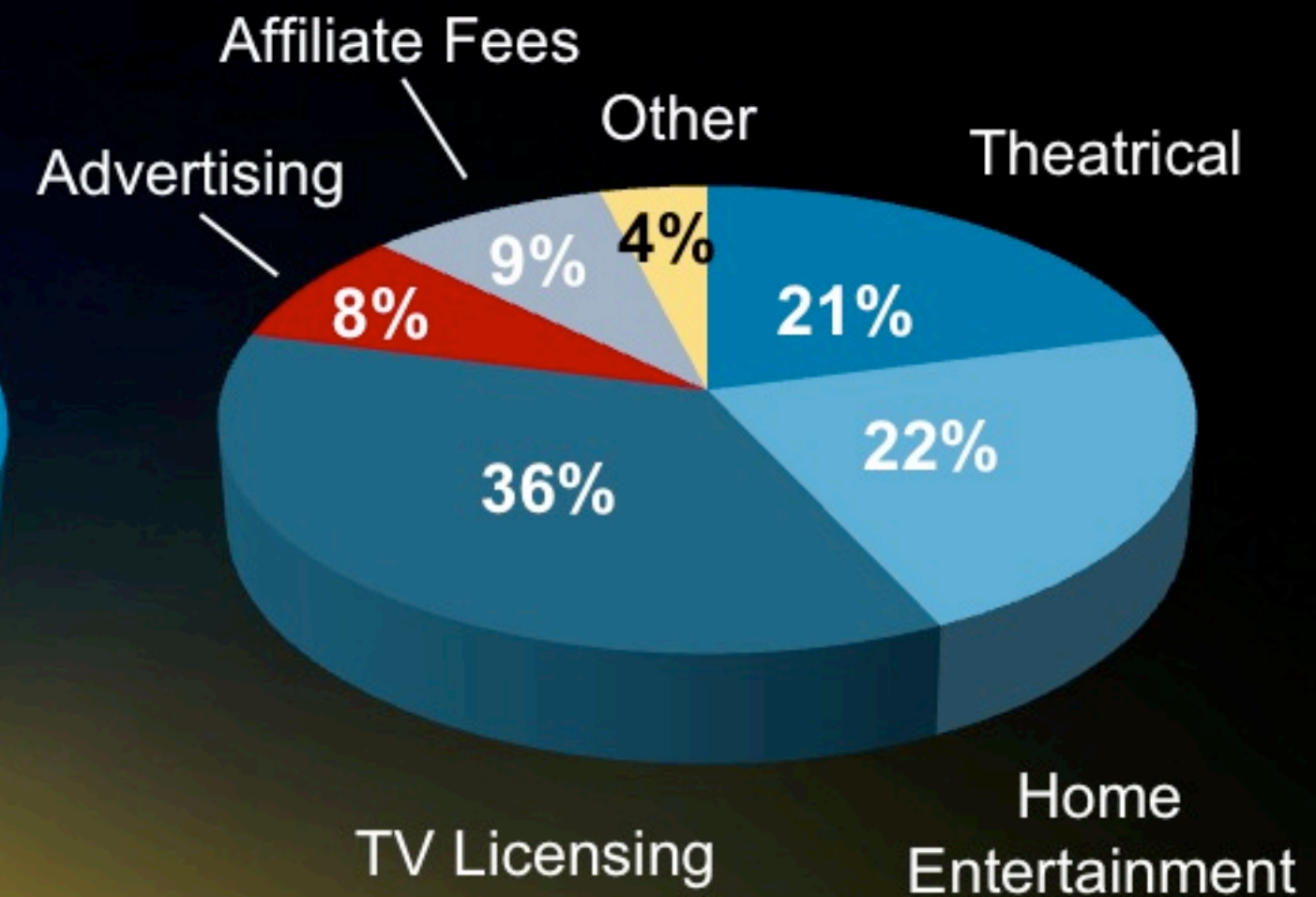
By Business Line



By Geography



By Source



Diversified Portfolio of Labels



Focused on larger-budget films for wide release



Primarily mid-budget films for wide release



SCREEN GEMS

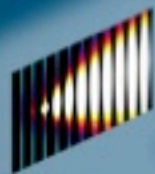
Low to mid-budget genre films for wide release



Mid-budget films for wide release

SONY PICTURES CLASSICS

Smaller-budget films for limited release



**SONY
PICTURES
WORLDWIDE
ACQUISITIONS**

Smaller-budget films, primarily output deals or limited releases with the occasional wide release

Slate Financing

- Slate financing to further mitigate creative risk
- Five previous slate financing deals – demonstrates how SPE films are viewed as an attractive bet
- Continuing to pursue opportunistic deals

Allocate Capital to Fuel Long-term Strategic Growth

**Content
Development**

Media Networks

Digital Initiatives

SPE FINANCIAL TARGETS

FYE 3/2014

- Revenue is expected to increase year-on-year, on a yen basis
- Operating Income is expected to be essentially flat year-on-year, on a yen basis

FYE 3/2015

- Revenue: \$8.4 billion
- Adjusted OIBDA ⁽¹⁾: \$755 million
 - Adjusted OIBDA ⁽¹⁾ Margin: 9.0%
- Operating Income: \$630 million
 - Operating Income Margin: 7.5%

SPE Financial Targets

	FYE 3/2013	FYE 3/2013 – 3/2017 CAGR
Segment Revenue ⁽¹⁾ <ul style="list-style-type: none"> – Motion Pictures – Television Productions – Media Networks 	\$8.8 billion \$5.4 billion \$1.9 billion \$1.5 billion	Low to Mid Single Digit Flat to Slightly Down Mid to High Single Digit Low to Mid Teens
Segment Adjusted OIBDA ⁽²⁾	\$701 million	High Single Digit
Segment Operating Income	\$563 million	High Single Digit to Low Double Digit



Source: Internal figures.
 (1) Segment Revenue includes intersegment revenue.
 (2) Operating Income before depreciation, amortization, and restructuring.

STRATEGIC GROWTH PRIORITIES

Maximize the value of our content
in growth markets

Invest in our high-margin and
high-growth businesses

Maintain strict cost control and
financial discipline

Improve margins while maintaining
a focus on absolute profitability and
risk management

Create incremental value that is only
possible through One Sony

Sony Pictures Segment Reconciliation from USD to Yen

	<u>FYE09</u>	<u>FYE10</u>	<u>FYE11</u>	<u>FYE12</u>	<u>FYE13</u>
Revenue - in USD ⁽¹⁾	\$7,239	\$7,717	\$7,126	\$8,432	\$8,803
Average exchange rate (1 USD=) ⁽²⁾	¥99.1	¥91.4	¥84.2	¥78.0	¥83.2
Revenue - Yen ⁽³⁾	<u>¥717,513</u>	<u>¥705,237</u>	<u>¥599,966</u>	<u>¥657,721</u>	<u>¥732,739</u>
Operating Income - in USD ⁽¹⁾	\$314	\$481	\$478	\$443	\$563
Average exchange rate (1 USD =) ⁽²⁾	¥95.3	¥89.0	¥80.9	¥77.0	¥84.9
Operating Income - Yen ⁽³⁾	<u>¥29,916</u>	<u>¥42,814</u>	<u>¥38,669</u>	<u>¥34,130</u>	<u>¥47,800</u>

SPE is a U.S.-based operation that aggregates the results of its worldwide operations on a U.S. dollar basis. This table reconciles SPE's revenue, operating income, depreciation and amortization and restructuring charges from USD (SPE's reporting currency) to the Yen results ultimately included in Sony Corporation's U.S. GAAP financial statements

⁽¹⁾ Represents the annual revenue, operating income, depreciation and amortization, and restructuring charges of Sony Pictures Entertainment on a US dollar basis prior to translation into yen for inclusion in the consolidated operating results of Sony Corporation

⁽²⁾ SPE's monthly operating results are translated from USD (SPE's reporting currency) into Yen (Sony Corporation's reporting currency) using the average exchange rate for the month. The average annual exchange rate reflected in the table above is derived from the comparison of the aggregate amount of SPE's monthly revenue, operating income, depreciation and amortization, and restructuring charges on a USD basis to the aggregate amount of those same financial line items on a Yen basis.

⁽³⁾ SPE's annual revenue, operating income, depreciation and amortization, and restructuring charges in Yen as reported in Sony Corporation's consolidated financial statements

Sony Pictures Segment Reconciliation from USD to Yen – (Cont'd)

	<u>FYE09</u>	<u>FYE10</u>	<u>FYE11</u>	<u>FYE12</u>	<u>FYE13</u>
Deprecation and Amortization - in USD ⁽¹⁾	\$79	\$92	\$95	\$140	\$126
Average exchange rate (1 USD=) ⁽²⁾	¥100.1	¥91.6	¥84.2	¥77.3	¥82.7
Depreciation and Amortization - Yen ⁽³⁾	<u>¥7,904</u>	<u>¥8,427</u>	<u>¥7,996</u>	<u>¥10,825</u>	<u>¥10,424</u>
Restructuring Charges - in USD ⁽¹⁾	\$53	\$62	\$34	\$16	\$12
Average exchange rate (1 USD =) ⁽²⁾	¥92.6	¥90.4	¥80.1	¥79.6	¥90.1
Restructuring Charges - Yen ⁽³⁾	<u>¥4,908</u>	<u>¥5,605</u>	<u>¥2,722</u>	<u>¥1,273</u>	<u>¥1,081</u>

SPE is a U.S.-based operation that aggregates the results of its worldwide operations on a U.S. dollar basis. This table reconciles SPE's revenue, operating income, depreciation and amortization and restructuring charges from USD (SPE's reporting currency) to the Yen results ultimately included in Sony Corporation's U.S. GAAP financial statements

⁽¹⁾ Represents the annual revenue, operating income, depreciation and amortization, and restructuring charges of Sony Pictures Entertainment on a US dollar basis prior to translation into yen for inclusion in the consolidated operating results of Sony Corporation

⁽²⁾ SPE's monthly operating results are translated from USD (SPE's reporting currency) into Yen (Sony Corporation's reporting currency) using the average exchange rate for the month. The average annual exchange rate reflected in the table above is derived from the comparison of the aggregate amount of SPE's monthly revenue, operating income, depreciation and amortization, and restructuring charges on a USD basis to the aggregate amount of those same financial line items on a Yen basis.

⁽³⁾ SPE's annual revenue, operating income, depreciation and amortization, and restructuring charges in Yen as reported in Sony Corporation's consolidated financial statements

Sony Pictures Segment

Reconciliation from Operating Income to Adjusted OIBDA

	<u>FYE09</u>	<u>FYE10</u>	<u>FYE11</u>	<u>FYE12</u>	<u>FYE13</u>
Operating Income	\$314	\$481	\$478	\$443	\$563
Add: Depreciation and Amortization ⁽¹⁾	79	92	95	140	126
Add: Restructuring Charges	53	62	34	16	12
Operating Income Before Depreciation, Amortization and Restructuring Charges ("Adjusted OIBDA")	<u>\$446</u>	<u>\$635</u>	<u>\$607</u>	<u>\$599</u>	<u>\$701</u>

⁽¹⁾ Excludes amortization of film costs

Adjusted OIBDA is not a measure in accordance with U.S. GAAP. Sony does not believe that this measure is a substitute for operating income in accordance with U.S. GAAP. However we do believe that this supplemental disclosure for the Pictures and Music segments may provide additional useful analytical information to investors

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 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;
- 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. Sony's ability to forecast demands, manage timely procurement and control inventories;
- xi. the outcome of pending and/or future legal and/or regulatory proceedings;
- xii. 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;
- xiii. the impact of 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; and
- xiv. risks related to catastrophic disasters or similar events. Risks and uncertainties also include the impact of any future events with material adverse impact.