

SONY

Q1 FY2014 Consolidated Financial Results

(Three months ended June 30, 2014)

Sony Corporation

- **Q1 FY2014 Consolidated Results and FY2014 Consolidated Results Forecast**
- **Latest update on the “Business Transformation”**
- **Segments Outlook**

Q1 FY2014 Consolidated Results

(Bln Yen)

	Q1 FY13	Q1 FY14	Change	Change(CC*)
Sales & operating revenue	1,711.4	1,809.9	+5.8%	+3%
Operating income	35.5	69.8	+96.7%	+93%
Income before income taxes	45.4	68.4	+50.6%	
Net income attributable to Sony Corporation's stockholders	3.1	26.8	+757.3%	
Net income attributable to Sony Corporation's stockholders per share of common stock (diluted)	2.68 yen	22.94 yen	+756.0%	
Restructuring charges**	4.7	15.3	+227.9%	

Foreign Exchange Impact		Average Rate	Q1 FY13	Q1 FY14
Sales & operating revenue:	approx. +54.8 bln yen	1 US dollar	98.7 yen	102.2 yen
Operating income:	approx. +1.4 bln yen	1 euro	128.9 yen	140.1 yen

* In the Financial Services segment, certain figures for the fiscal year ended March 31, 2014 have been revised from the versions previously disclosed.
For further details, please see "Consolidated Financial Results for the First Quarter Ended June 30, 2014"

*1 Constant currency (CC) basis: change that would have occurred with no year-on-year change in exchange rates

*2 Restructuring charges are included in operating income as operating expenses

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Q1 FY2014 Results by Segment

(Bln Yen)

		Q1 FY13	Q1 FY14	Change	Change(CC*)	FX Impact
Mobile Communications (MC)	Sales	285.5	314.3	+10.1%	+2%	+24.1 bln yen
	Operating income	12.6	-2.7	-15.3 bln yen		
Game & Network Services (G&NS)	Sales	131.6	257.5	+95.7%	+86%	+12.8 bln yen
	Operating income	-16.4	4.3	+20.7 bln yen		
Imaging Products & Solutions (IP&S)	Sales	180.9	164.6	-9.0%	-10%	+2.6 bln yen
	Operating income	9.1	17.4	+8.3 bln yen		
Home Entertainment & Sound (HE&S)	Sales	275.2	285.7	+3.8%	+2%	+5.0 bln yen
	Operating income	3.4	7.7	+4.3 bln yen		
Devices	Sales	190.4	184.1	-3.3%	-5%	+2.7 bln yen
	Operating income	10.8	12.5	+1.7 bln yen		
Pictures	Sales	158.9	194.8	+22.6%	+18%	
	Operating income	3.7	7.8	+4.1 bln yen		
Music	Sales	112.0	116.9	+4.4%	+2%	
	Operating income	10.8	11.4	+0.6 bln yen		
Financial Services	Revenue	251.4	247.0	-1.8%		
	Operating income	45.1	43.8	-1.3 bln yen		
All Other	Sales	194.5	128.8	-33.8%		
	Operating income	-16.9	-18.4	-1.5 bln yen		
Consolidated total	Sales	1,711.4	1,809.9	+5.8%	+2.6%	+54.8 bln yen
	Operating income	35.5	69.8	+34.3 bln yen	+92.7%	+1.4 bln yen

* Sales and operating revenue ("sales") and operating income (loss) of each segment in the fiscal year ended March 31, 2014 have been reclassified to conform to the presentation of the fiscal year ending March 31, 2015.

* In the Financial Services segment, certain figures for the fiscal year ended March 31, 2014 have been revised from the versions previously disclosed.
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* Both Sales and Revenue include operating revenue and intersegment sales

* Constant currency (CC) basis: change that would have occurred with no year-on-year change in exchange rates

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FY2014 Consolidated Results Forecast

(Bln Yen)

	FY13	FY14 May FCT	FY14 July FCT	Change from May FCT
Sales & operating revenue	7,767.3	7,800	7,800	-
Operating income	26.5	140	140	-
Income before income taxes	25.7	130	130	-
Net income attributable to Sony Corporation's stockholders	-128.4	-50	-50	-
Capital expenditures	164.6	180	195	+8.3%
Depreciation & amortization*	376.7	370	365	-1.4%
[for property, plant and equipment (included above)]	195.8	180	175	-2.8%]
Research & development	466.0	485	485	-
Foreign exchange rates	Actual	Assumption	Assumption (Q2 – Q4 FY14)	
1 US dollar	100.2 yen	Approx. 103 yen	Approx. 103 yen	
1 euro	134.4 yen	Approx. 137 yen	Approx. 137 yen	

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* Includes amortization expenses for intangible assets and for deferred insurance acquisition costs

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FY2014 Results Forecast by Segment

(Bln Yen)

		FY13	FY14 May FCT	FY14 July FCT	Change from May FCT
Mobile Communications (MC)	Sales	1,191.8	1,530	1,360	-11.1%
	Operating income	12.6	26	0	-
Game & Network Services (G&NS)	Sales	1,043.9	1,220	1,240	+1.6%
	Operating income	-18.8	20	25	+25.0%
Imaging Products & Solutions (IP&S)	Sales	741.2	710	700	-1.4%
	Operating income	26.3	38	38	-
Home Entertainment & Sound (HE&S)	Sales	1,168.6	1,260	1,230	-2.4%
	Operating income	-25.5	10	10	-
Devices	Sales	773.0	870	870	-
	Operating income	-12.4	31	51	+64.5%
Pictures	Sales	829.6	880	880	-
	Operating income	51.6	65	65	-
Music	Sales	503.3	500	500	-
	Operating income	50.2	48	48	-
Financial Services	Revenue	993.8	1,000	1,000	-
	Operating income	170.3	164	164	-
All Other, Corporate and elimination	Operating income	-227.8	-262	-261	-
Consolidated total	Sales	7,767.3	7,800	7,800	-
	Operating income	26.5	140	140	-

* Sales and operating revenue ("sales") and operating income (loss) of each segment in the fiscal year ended March 31, 2014 have been reclassified to conform to the presentation of the fiscal year ending March 31, 2015.

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Both Sales and Revenue include operating revenue and intersegment sales

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Costs related to the exit from the PC business and other strategic management initiatives

(Bln Yen)

	FY12	FY13	Q1 FY14	FY14	
				May FCT	July FCT
Costs related to the exit from the PC business* ¹ and other strategic management initiatives	93.1	177.4	25.5	135	135
→ Costs related to exit from the PC business* ²		58.3	18.3	36	36
→ Impairments (excluding those related to the PC business)* ³	15.6	73.2	2.4		
→ Write-off * ⁴		6.2	-		
→ Restructuring charges not included in the above* ⁵	77.5	39.7	4.5		
→ Cost related to other strategic management initiatives			0.3		

*¹ Included in the costs related to the exit from the PC business and other strategic management initiatives in the fiscal years ended March 31, 2013 and 2014 are costs related to the exit from the PC business, Impairments (excluding those related to the PC business), a Write-off, and Restructuring charges which do not include Costs related to exit from the PC business, Impairments (excluding those related to the PC business), and the Write-off.

*² Included in costs related to the exit from the PC business in FY13 are 40.9 billion yen in restructuring charges (12.8 billion of which were impairments)

*³ Included in impairments for FY12 are 7.6 billion yen related to LCD TVs and for FY13 are 32.1 billion yen in the battery business, 25.6 billion yen in the disc manufacturing business and 7.8 billion yen related to LCD TVs

*⁴ The 6.2 billion yen write-off in FY13 was for certain PC game software titles

*⁵ Total restructuring charges were 77.5 billion yen in FY12 and 80.6 billion yen in FY13, and 15.3 billion yen in Q1 FY14

Restructuring charges are expenses that arise directly from such activities as withdrawal from businesses and product categories, closure and consolidation of facilities and implementation of early retirement programs, all undertaken with the goal of improving the profitability of Sony

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PC Business

(Bln Yen)

	FY12	FY13	Q1 FY14	FY14	
				May FCT	July FCT
PC Business Sales	449.0	418.2	33.5	33	41
Operating income	-38.6	-91.7	-20.7	-80	-80
[PC exit costs (included above)	-	-58.3	-18.3	-36	-36]

FY2014 Forecast

Operating loss remain unchanged from the May forecast

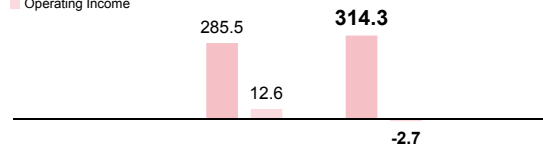
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Mobile Communications Segment

Sales and Operating Income

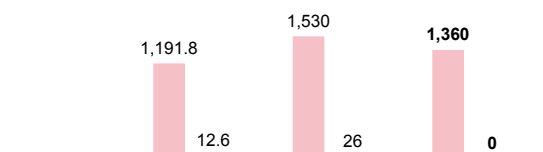
(Bln Yen)

■ Sales
■ Operating Income



(Mln Units)

	Q1 FY13	Q1 FY14
Smartphones	9.6	9.4



(Mln Units)

	FY13	FY14 May FCT	FY14 July FCT
Smartphones	39.1	50.0	43.0

[Q1 FY2014 (year-on-year)]

- Sales: 10.1% increase (CC basis*): +2%
 - (+): Favorable impact of foreign exchange rates
 - (-): Decrease in unit sales of smartphones
- OI: Deterioration (-15.3 bln yen)
 - (-): Recording of a benefit of 7.0 billion yen from the reversal of patent royalty accrual in the same quarter of the previous fiscal year
 - (-): Increase in marketing expenses and research and development expenses in order to expand sales channels and broaden the product portfolio

* Constant currency (CC) basis: change that would have occurred with no year-on-year change in exchange rates

[FY2014 FCT (change from May forecast)]

- Sales: 170 bln yen downward revision
 - (-): Downward revision in unit sales of mid-range smartphones which were expected to significantly grow mainly in emerging market countries
- OI: 26 bln yen downward revision
 - (-): Decrease in sales
 - (+): Reduction in marketing expenses and research and development expenses

[Review of Mid-Range Plan]

In light of the current quarter's financial performance and the revised forecast for the MC segment, Sony began a review of its Mid-Range Plan for the Mobile Communications business.

It is possible that the above review might result in an impairment charge against various assets in the MC segment, including goodwill.

Game & Network Services Segment

Sales and Operating Income

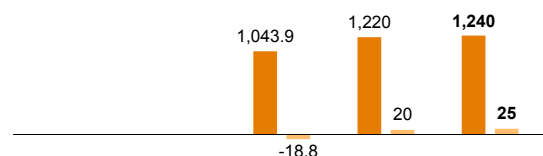
(Bln Yen)

■ Sales
■ Operating Income



(Mln Units, for Sales; Bln Yen)

Computer Entertainment System ^{*1}	1.1	3.5
Portable Entertainment System ^{*2}	0.6	0.75
Software (Sales) ^{*3}	68	85



(Mln Units, for Sales; Bln Yen)

Computer Entertainment System ^{*1}	14.6	17.0	17.0
Portable Entertainment System ^{*2}	4.1	3.5	3.5
Software (Sales) ^{*3}	384	390	390

^{*1} Computer Entertainment System = PS4, PS3

^{*2} Portable Entertainment System = PS TV, PS Vita, PSP

^{*3} Software (Sales) includes sales of packaged software and networked software in the G&NS segment.

[Q1 FY2014 (year-on-year)]

- Sales: 95.7% increase (CC basis*): +86%
 - (+): PS4 hardware sales
 - (+): Significant increase in network services revenues accompanying the launch of the PS4
- OI: Significant improvement (+20.7 bln yen)
 - (+): Increase in sales
 - (-): Decrease in PS3 software sales

* Constant currency (CC) basis: change that would have occurred with no year-on-year change in exchange rates

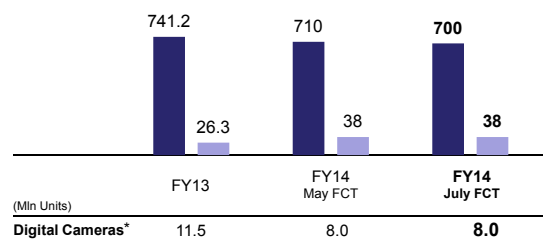
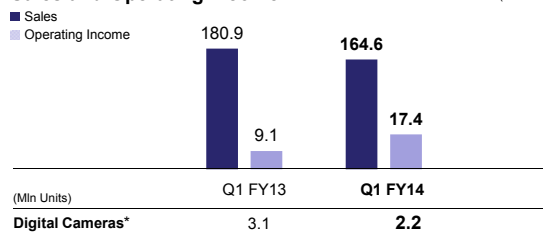
[FY2014 FCT (change from May forecast)]

- Sales: Revised upward 20 bln yen
 - (+): Strong performance of PS4
- OI: Revised upward 5 bln yen
 - (+): PS4 hardware cost reductions

Imaging Products & Solutions Segment

Sales and Operating Income

(Bln Yen)



* Digital Cameras include Compact Digital Cameras, Interchangeable Single-lens Cameras, and Lens Style Cameras

[Q1 FY2014 (year-on-year)]

- Sales: 9.0% decrease (CC basis*: -10%)
 - (-) Significant decrease in unit sales of compact digital cameras
- OI: 8.3 bln yen increase
 - (+) Reductions in selling, general and administrative expenses
 - (-) Decrease in sales

* Constant currency (CC) basis: change that would have occurred with no year-on-year change in exchange rates

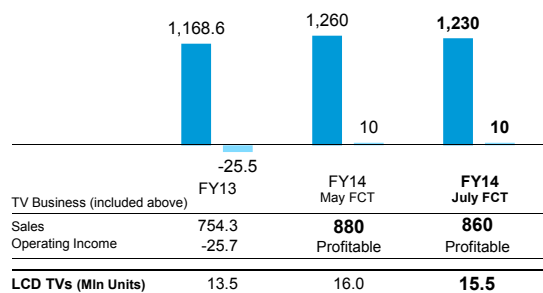
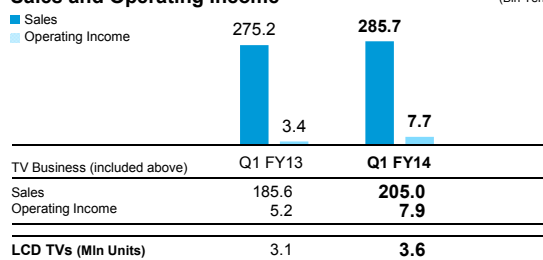
[FY2014 FCT (change from May forecast)]

- Sales: 10 bln yen downward revision
 - (-) Sales in emerging market countries anticipated to be below the forecast
- OI: Remain unchanged
 - (+) Cost reductions
 - (-) Decrease in sales

Home Entertainment & Sound Segment

Sales and Operating Income

(Bln Yen)



[Q1 FY2014 (year-on-year)]

- Sales: 3.8% increase (CC basis*: +2%)
 - (+) Significant increase in unit sales of LCD televisions mainly in Europe and Asia-Pacific
 - (-) Decrease in sales of Blu-ray Disc™ players and recorders, and home audio
- OI: 4.3 bln yen increase
 - (+) Increase in sales

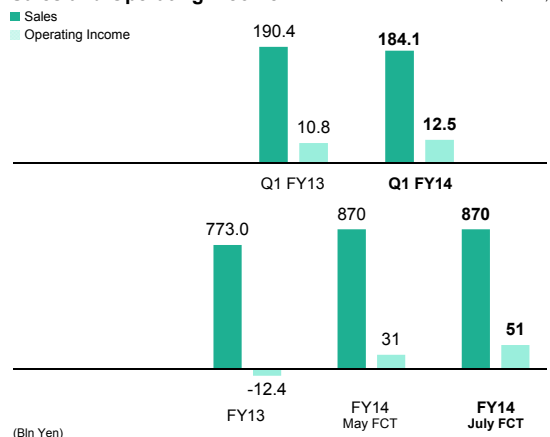
* Constant currency (CC) basis: change that would have occurred with no year-on-year change in exchange rates

[FY2014 FCT (change from May forecast)]

- Sales: 30 bln yen downward revision
 - (-) Downward revision in the annual unit sales forecast for LCD televisions
- OI: Remain unchanged
 - (+) Cost reductions
 - (-) Decrease in sales

Devices Segment

Sales and Operating Income



(Bln Yen)

Semiconductor Sales (for Image Sensors (included above))	470	530	550
	320	360	390]
Semiconductor CAPEX	67	65	80
(for Image Sensors (included above))	45	45	50]

[Q1 FY2014 (year-on-year)]

- Sales: 3.3% decrease (CC basis*: -5%)
 - (-) Decrease in sales of system LSIs used for PS3s
- OI: 1.7 bln yen increase
 - (+) Favorable impact of foreign exchange rates
 - (+) Improvement in operating results by battery business
 - (-) Increase in expenses related to the launch of camera module production

* Constant currency (CC) basis: change that would have occurred with no year-on-year change in exchange rates

[FY2014 FCT (change from May forecast)]

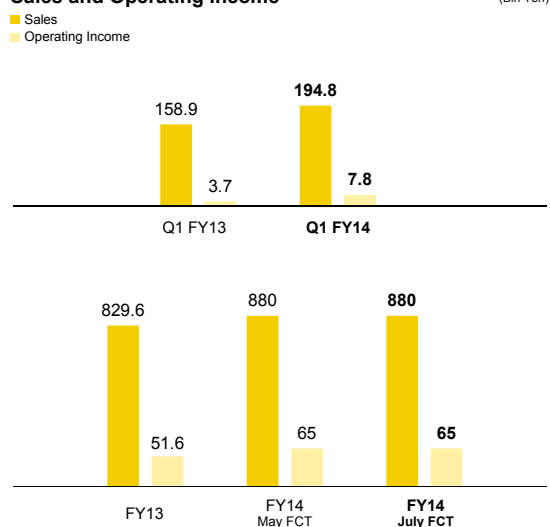
- Sales: Remain unchanged
 - (+) Significant increase in sales of image sensors
 - (-) Transfer of the power supply business to All Other
- OI: 20 bln yen upward revision
 - (+) Increase in sales in image sensors

[Topics]

- Investment in image sensors in Nagasaki TEC and Kumamoto TEC (approx. 35 billion yen)

Pictures Segment

Sales and Operating Income



[Q1 FY2014 (year-on-year)]

- Sales: 22.6% increase (U.S. dollar basis: +18%)
 - (+) Significant increase in sales of Motion Pictures mainly due to the theatrical performance of *The Amazing Spider-Man 2* and *22 Jump Street*
- OI: 4.1 bln yen increase
 - (+) Increase in Motion Picture sales
 - (+) The same quarter of the previous fiscal year included the theatrical underperformance of *After Earth*.
 - (-) The same quarter of the previous fiscal year included a 10.3 billion yen gain recognized on the sale of SPE's music publishing catalog

[FY2014 FCT (change from May forecast)]

- Sales / OI : Remain unchanged

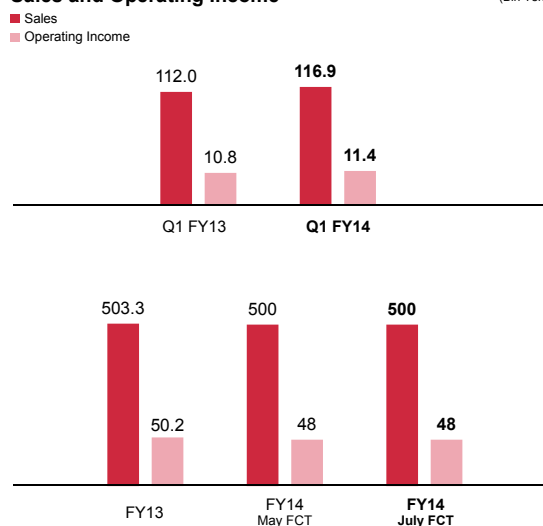
[Topics]

- Sony Pictures Television to acquire CSC Media Group (GBP 107 million / approx. 179 million U.S. dollars).

Music Segment

Sales and Operating Income

(Bln Yen)



[Q1 FY2014 (year-on-year)]

- Sales: 4.4% increase (CC basis*: +2%)
 - (+) Increase in sales of Music Publishing, due to an increase in revenue outside of the U.S.
 - (+) Increase in sales of Visual Media and Platform
 - (-) Decrease in sales of Recorded Music due to the impact of a larger number of successful releases in Q1 FY13, and the continued worldwide contraction of the physical music market
- OI: 0.6 bln yen increase
 - (+) Cost reductions in Recorded Music
 - (-) Decrease in equity in net income

* Constant currency (CC) basis: change that would have occurred with no year-on-year change in exchange rates

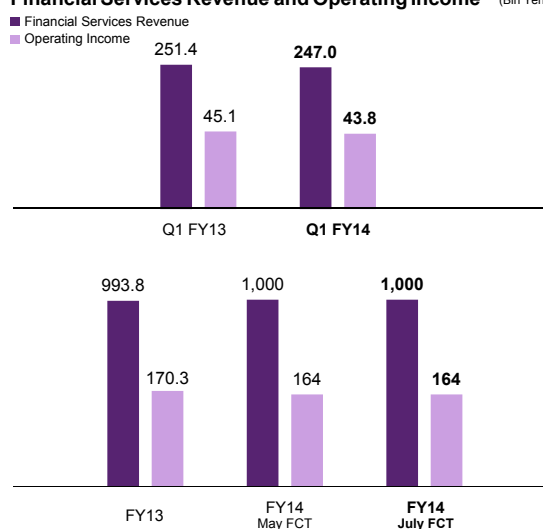
[FY2014 FCT (change from May forecast)]

- Sales / OI : Remain unchanged

Financial Services Segment

Financial Services Revenue and Operating Income

(Bln Yen)



[Q1 FY2014 (year-on-year)]

- Revenue: 1.8% decrease
 - (-) Decrease in revenue of Sony Life (2.2% decrease, Revenue:216.8 bln yen)
Due to a deterioration of investment performance in the separate account mainly resulting from a smaller year-on-year rise in the Japanese stock market
- OI: 1.3 bln yen decrease
 - (-) Decrease in OI of Sony Life (2.3 bln yen decrease, OI:37.2 bln yen)
Due to an increase in the amortization of deferred insurance acquisition costs mainly in variable insurance, driven by the above-mentioned deterioration of investment performance in the separate account

[FY2014 FCT (change from May forecast)]

- Revenue / OI : Remain unchanged

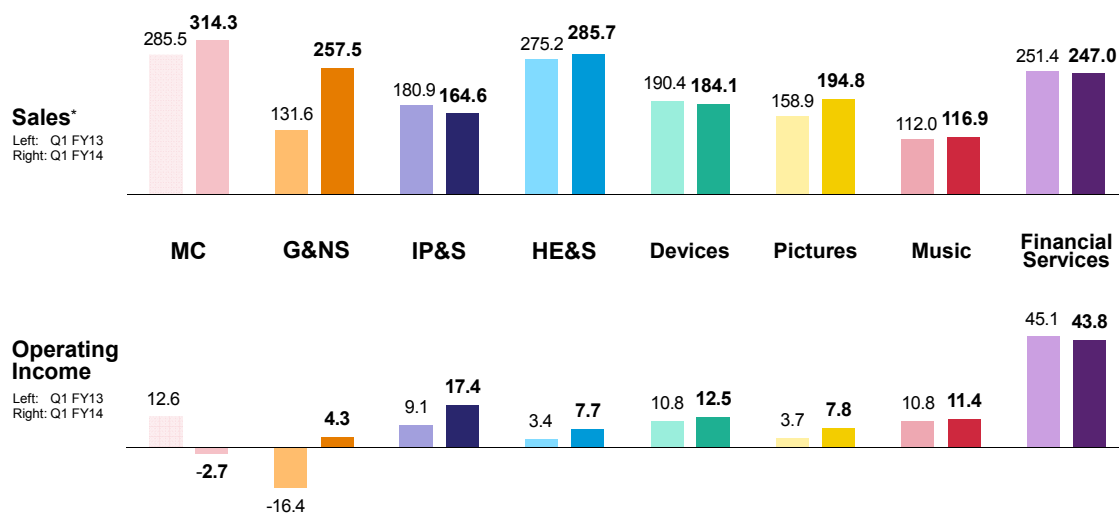
[Topics]

- Sale of Sony's Headquarters' Land to Sony Life Insurance Co., Ltd (52.8 billion yen)

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For further details, please see "Consolidated Financial Results for the Fiscal Year Ended March 31, 2014".

Q1 FY2014 Sales and Operating Income by Segment

(Bln Yen)



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* Includes operating revenue and intersegment sales. In Financial Services, financial services revenue.

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Long-lived Assets and Goodwill by Segment

(Bln Yen)

		FY12	FY13	FY14 Q1
Mobile Communications (MC)	Long-lived assets	93.6	93.7	88.3
	Goodwill	153.6	180.2	175.9
Game & Network Services (G&NS)	Long-lived assets	108.5	110.3	110.7
	Goodwill	147.5	150.6	150.0
Imaging Products & Solutions (IP&S)	Long-lived assets	80.9	62.8	60.6
	Goodwill	5.8	6.2	6.1
Home Entertainment & Sound (HE&S)	Long-lived assets	20.5	18.0	13.0
	Goodwill	-	-	-
Devices	Long-lived assets	397.3	333.8	328.4
	Goodwill	37.3	37.4	37.4
Pictures	Long-lived assets	112.7	120.9	116.5
	Goodwill	160.9	187.3	184.3
Music	Long-lived assets	210.5	223.6	221.6
	Goodwill	113.6	122.8	121.8
Financial Services	Long-lived assets	52.7	53.6	52.8
	Goodwill	2.3	2.3	2.3
All Other, Corporate and elimination	Long-lived assets	479.4	409.0	404.6
	Goodwill	22.2	5.0	5.0
Consolidated total	Long-lived assets	1,556.2	1,425.7	1,396.4
	Goodwill	643.2	691.8	683.0

· Due to Sony's modification to its organizational structure as of April 1, 2014, figures of long-lived assets and goodwill in FY12 and FY13 have been reclassified to conform to the segments in FY14.

· Long-lived assets include property, plant and equipment and intangible assets.

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“Depreciation & Amortization” and “Restructuring Charges” by Segment (Reclassified)

(Mln Yen)

		FY12	FY13		FY14
			Q1	FY	Q1
Mobile Communications (MC)	Depreciation & Amortization	19,165	5,419	22,073	6,444
	Restructuring Charges	1,704	755	3,611	13
Game & Network Services (G&NS)	Depreciation & Amortization	12,324	3,646	16,529	4,000
	Restructuring Charges	310	1	371	64
Imaging Products & Solutions (IP&S)	Depreciation & Amortization	39,605	9,850	38,080	6,967
	Restructuring Charges	12,885	729	2,674	128
Home Entertainment & Sound (HE&S)	Depreciation & Amortization	26,968	6,608	25,806	6,105
	Restructuring Charges	12,412	179	1,571	540
Devices	Depreciation & Amortization	112,486	25,689	106,472	21,014
	Restructuring Charges	19,096	1,376	8,915	542
Pictures	Depreciation & Amortization	15,428	4,347	18,078	4,565
	Restructuring Charges	1,081	415	6,735	0
Music	Depreciation & Amortization	13,209	3,590	14,414	3,347
	Restructuring Charges	2,305	26	576	25
Financial Services	Depreciation & Amortization	62,633	13,957	54,348	15,619
	Restructuring Charges	0	0	0	0
All Other	Depreciation & Amortization	30,348	7,183	29,825	3,466
All Other and Corporate	Restructuring Charges	27,714	1,173	56,136	13,950
Consolidated total	Depreciation & Amortization	376,735	92,929	376,695	84,298
	Restructuring Charges	77,507	4,654	80,589	15,262

· Due to Sony's modification to its organizational structure as of April 1, 2014, figures in certain segments in FY12 and FY13 have been reclassified to conform to the segments in FY14.

· Depreciation & Amortization includes amortization expenses for intangible assets and for deferred insurance acquisition costs

· Restructuring Charges include depreciation associated with restructured assets

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Results by Segment (Reclassified)

(Mln Yen)

		FY12	FY13					FY14
			Q1	Q2	Q3	Q4	FY	Q1
Mobile Communications (MC)	Sales	770,725	285,466	304,588	333,238	268,517	1,191,809	314,318
	Operating income	-41,112	12,566	8,802	6,331	-15,098	12,601	-2,740
Game & Network Services (G&NS)	Sales	749,867	131,587	168,954	454,937	288,380	1,043,858	257,530
	Operating income	-3,695	-16,370	-4,164	12,394	-10,705	-18,845	4,319
Imaging Products & Solutions (IP&S)	Sales	756,201	180,888	175,506	198,063	186,746	741,203	164,600
	Operating income	1,442	9,097	-2,308	12,071	7,467	26,327	17,409
Home Entertainment & Sound (HE&S)	Sales	994,827	275,176	263,780	404,028	225,595	1,168,579	285,748
	Operating income	-84,315	3,367	-12,094	6,408	-23,180	-25,499	7,661
Devices	Sales	848,575	190,376	201,289	211,257	170,057	772,979	184,088
	Operating income	43,895	10,845	11,879	-23,515	-11,629	-12,420	12,536
Pictures	Sales	732,739	158,915	177,840	223,722	269,107	829,584	194,770
	Operating income	47,800	3,742	-17,756	24,258	41,375	51,619	7,831
Music	Sales	441,708	111,959	114,971	144,665	131,693	503,288	116,863
	Operating income	37,218	10,771	9,696	21,717	8,024	50,208	11,386
Financial Services	Revenue	1,002,389	251,405	243,714	282,050	216,677	993,846	246,967
	Operating income	142,209	45,109	38,388	46,353	40,442	170,292	43,772
All Other	Sales	930,594	194,484	212,018	270,623	180,919	858,044	128,772
	Operating income	51,181	-16,921	-2,473	-14,818	-101,841	-136,053	-18,432
Consolidated total	Sales	6,795,504	1,711,419	1,774,235	2,410,689	1,870,923	7,767,266	1,809,908
	Operating income	226,503	35,497	13,929	88,870	-111,801	26,495	69,814

· Due to Sony's modification to its organizational structure as of April 1, 2014, figures in certain segments in FY12 and FY13 have been reclassified to conform to the segments in FY14.

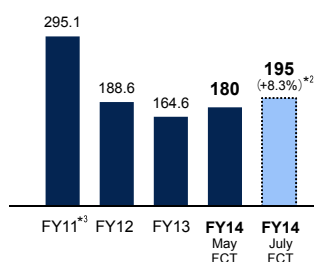
Both Sales and Revenue include operating revenue and intersegment sales

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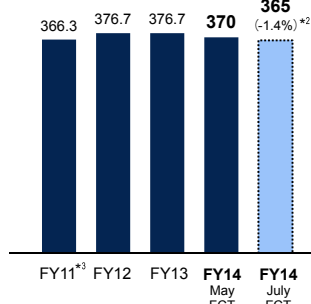
CAPEX, Depreciation & Amortization, R&D

(Bln Yen)

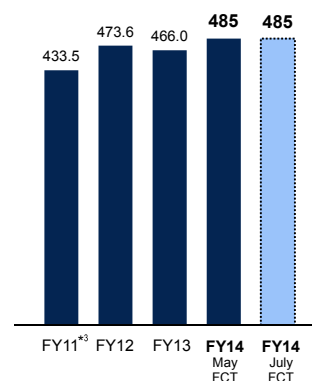
Capital Expenditures (Additions to property, plant and equipment)



Depreciation & Amortization^{*1}



Research & Development



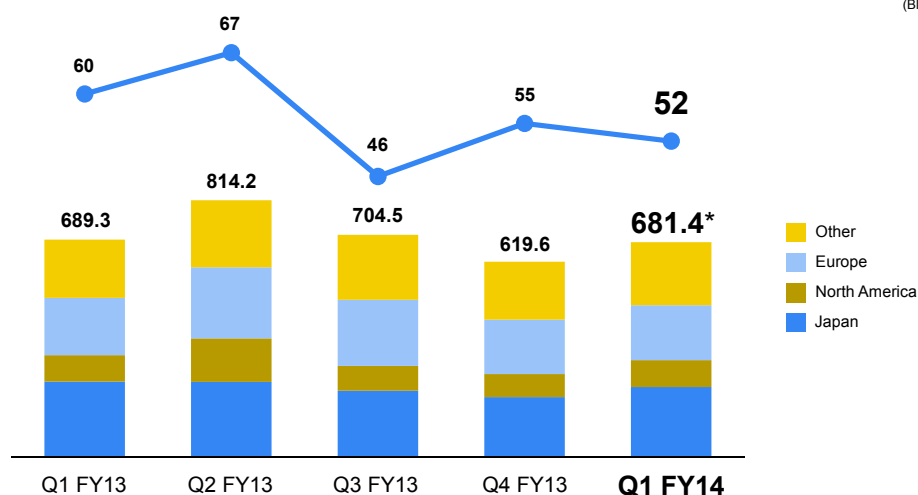
^{*1} Includes amortization expenses for deferred insurance acquisition costs. FY14 (July FCT) includes 175 bln yen for depreciation for property, plant and equipment, compared to 195.8 bln yen in FY13

^{*2} Percentages are changes from the May forecast

^{*3} FY11 includes 1.5 months of Sony Mobile financial results in accordance with the consolidation of Sony Mobile on February 16, 2012

Q1 FY2014 The Five Electronics Segments Total: Inventory by Area

(Bln Yen, Days)



* 681.4 bln yen – an 8.0 bln yen decrease from the end of Q1 FY13, and a 61.8 bln yen increase from the end of Q4 FY13.

Bar graph: Inventory amount (bln yen)

Line graph: Inventory turnover (average beginning & ending inventory amount during the quarter divided by average daily sales in the quarter)

The Five Electronics Segments Total refers to the sum of MC, G&NS, IP&S, HE&S and Devices segments

In connection with Sony's business's realignment, total inventory of the five Electronics segments from Q1 FY13 to Q4 FY13 has been reclassified to conform to the presentation for the FY14.

Unit Sales or Sales for Key Electronics Products (Quarterly Results)

(Mln units, for sales; Bln Yen)

	FY13					FY14
	Q1	Q2	Q3	Q4	FY	Q1
Consumer Electronics						
Smartphones	9.6	10.0	10.7	8.8	39.1	9.4
Digital Cameras ^{*1}	3.1	2.8	3.4	2.2	11.5	2.2
LCD TVs	3.1	3.3	4.5	2.6	13.5	3.6
Game						
Computer Entertainment System (PS4 / PS3)	1.1	2.0	7.8	3.7	14.6	3.5
Portable Entertainment System (PS TV / PS Vita / PSP)	0.6	0.8	2.0	0.7	4.1	0.75
Software (Sales) ^{*2}	68	95	128	93	384	85

^{*1} Digital Cameras include Compact Digital Cameras, Interchangeable Single-lens Cameras, and Lens Style Cameras
^{*2} Software (Sales) includes sales of packaged software and networked software in the G&NS segment

Unit Sales or Sales for Key Electronics Products Sales and capital expenditures for Semiconductors (Annual Forecast)

(Mln units, for sales and capital expenditures; Bln Yen)

	FY12	FY13	FY14	
			May FCT	July FCT
Consumer Electronics				
Smartphones	33.0	39.1	50.0	43.0
Digital Cameras*1	17.0	11.5	8.0	8.0
LCD TVs	13.5	13.5	16.0	15.5
Game				
Computer Entertainment System (PS4 / PS3 / PS2)*2	16.5	14.6	17.0	17.0
Portable Entertainment System (PS TV / PS Vita / PSP)	7.0	4.1	3.5	3.5
Software (Sales)*3	276	384	390	390
Semiconductors				
Sales*4	480	470	530	550
[Image Sensors (included above)]	280	320	360	390
Capital Expenditures	72	67	65	80
[Image Sensors (included above)]	55	45	45	50

^{*1} Digital Cameras include Compact Digital Cameras, Interchangeable Single-lens Cameras, and Lens Style Cameras
^{*2} From FY13 onward, PS2 is not included / PS4 is included
^{*3} Software (Sales) includes sales of packaged software and networked software in the G&NS segment
^{*4} Sales of Semiconductors include intersegment transactions

Exchange Rates Trends

(Yen)

		FY13					FY14
		Q1	Q2	Q3	Q4	FY	Q1
US\$*	Market rate (simple average)	100	100	101	104	101	103
	Market rate (weighted average)	100	100	100	104	101	103
	Forward contract rate	98	98	99	103	99	102
Euro	Market rate (simple average)	127	130	135	139	133	139
	Market rate (weighted average)	127	130	134	139	132	139
	Forward contract rate	125	130	135	140	132	141

Market rate (weighted average): Weighted average market rates calculated based on monthly export or import amounts
 Forward contract rate (US\$): Weighted average of the monthly export and import amounts after being multiplied by their respective forward contract rates
 Forward contract rate (Euro): Weighted average of each month's forward contract rate hedge amount
 * Net import position
 For net import positions, TTS is applied to the calculation of market rates. For net export positions, TTB is applied to the calculation of market rates

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FY2014 Announcements (1)

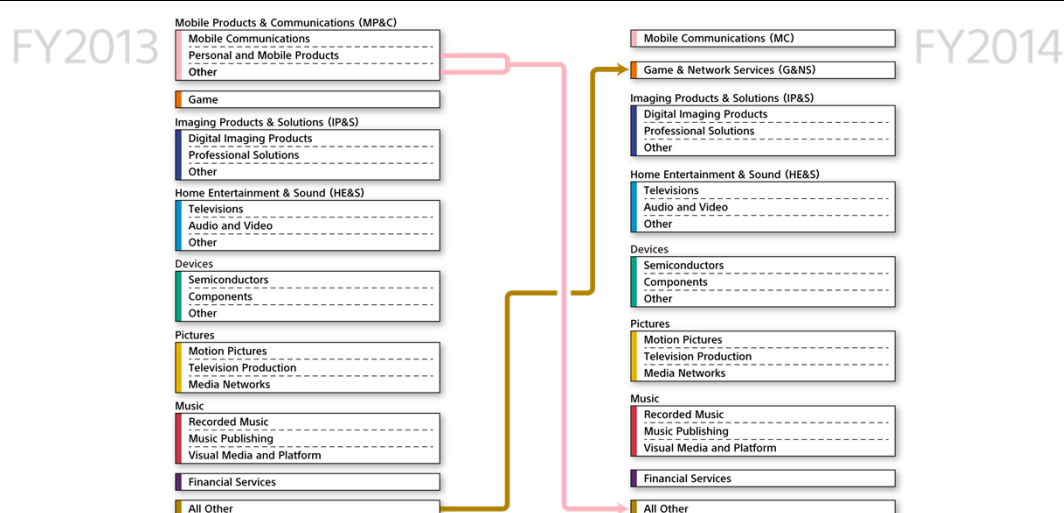
Announcement Date	Topic	Notes
March 7, 2014	Sale of Certain Buildings and Premises at Gotenyama Technology Center	Sale completed on April 30, 2014 · Sale Price : 23.2 bln yen (NS Building, Building 4 and Building 5) · 14.8 bln yen income from the sale as operating income in Q1 FY14
April 16, 2014	Sale of SQUARE ENIX HOLDINGS shares	Sold all of the shares (9,520,000 shares) owned by Sony Computer Entertainment Inc. · Sale price: 15.3 bln yen · 4.8 bln yen gain from the sale as other income in Q1 FY14
May 2, 2014	Enter into agreements regarding the sale of PC business (VAIO Corporation was established on July 1, 2014)	Acquirer: Japan Industrial Partners, Inc. (JIP) Ownership: JIP 95%, Sony 5% Number of employees: Approx. 240
June 26, 2014 (GMT)	Acquisition of CSC Media Group	Sony Pictures Television will acquire all the shares of CSC Media Group, UK-based TV channel group with a portfolio of channels across kids, music, and movies etc. · Acquisition price: Approx. GBP 107 mln (Approx. 179 mln U.S. dollars)

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FY2014 Announcements (2)

Announcement Date	Topic	Notes
July 23, 2014	Investment to increase its production capacity for stacked CMOS image sensors	Details : To increase the production capacity of Nagasaki Technology Center and Kumamoto Technology Center, Sony Semiconductor Corporation Investment Amount: Approx. 35 bln yen 9 bln yen to be invested in FY14 26 bln yen to be invested in FY15
July 28, 2014	Sale of Sony's Headquarters' Land to Sony Life Insurance Co., Ltd.	Sale price: 15.3 bln yen No material impact on Sony's forecast of its consolidated financial results for the fiscal year ending March 31, 2015
July 30, 2014	Application to Delist from the London Stock Exchange	Date of Delisting Application: July 30, 2014. Expected to take effect on or around: August 29, 2014. (Stock exchanges on which Sony's shares will continue to be listed: Tokyo Stock Exchange and New York Stock Exchange.)
July 31, 2014	Definitive agreement to establish a new integrated company in OLED display panels	Company Name : JOLED Inc. Establishment : Scheduled to be in January 2015 Investment companies : Innovation Network Corporation of Japan (75%), Japan Display Inc. (15%), Sony Corporation (5%), and Panasonic Corporation (5%)

Segment Realignment



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) 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 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
 - (xv) risks related to catastrophic disasters or similar events.
- Risks and uncertainties also include the impact of any future events with material adverse impact.