





For further information, including video content, please visit Sony's IR and CSR websites.



#### Annual Report

<http://www.sony.net/SonyInfo/IR/financial/ar/2013/>



#### CSR/Environment

<http://www.sony.net/csr/>

#### Investor Relations

<http://www.sony.net/SonyInfo/IR/>

#### Annual Report 2013 on Form 20-F

<http://www.sony.net/SonyInfo/IR/library/sec.html>

#### Financial Services Business

(Sony Financial Holdings Inc.)

[http://www.sonyfh.co.jp/index\\_en.html](http://www.sonyfh.co.jp/index_en.html)

## Contents

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- 2 Letter to Stakeholders:  
A Message from Kazuo Hirai, President  
and CEO
  - 16 Special Feature: Sony Mobile
  - 22 Special Feature: CSR at Sony
  - 26 Business Highlights
  - 28 Sony Products, Services and Content
  - 37 CSR Highlights
  - 55 Financial Section
  - 62 Stock Information
  - 63 Investor Information
- 

Effective from 2012, Sony has integrated its printed annual and corporate social responsibility (CSR) reports into one report that provides essential information on related developments and initiatives.

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## Letter to Stakeholders: A Message from Kazuo Hirai, President and CEO







# BE MOVED

Sony is a company that inspires and fulfills the curiosity of people from around the world, using our unlimited passion for technology, services and content to deliver groundbreaking new excitement and entertainment to move people emotionally, as only Sony can.

Fiscal year 2012, ended March 31, 2013, was my first year as President and CEO of Sony. It was a year full of change that enabled us to build positive momentum across the Sony Group.

Since becoming President, I visited 45 different Sony Group sites in 16 countries, ranging from electronics sales offices to manufacturing facilities, R&D labs, and entertainment and financial services locations. This enabled me to interact with a wide range of employees, as well as with local management. I also spent as much time as possible speaking directly with our retail partners, our suppliers and, most importantly, with our customers.

Interacting with so many people gave me greater insight into the impact of the initiatives we have undertaken, as well as the issues that we must still address. It also reaffirmed my belief that the Sony Group has the potential to transform its businesses and position itself for future growth, and that we will do so as long as we maintain momentum and continue working as "One Sony." Working as "One Sony" involves collaborating when appropriate and sharing our collective assets such as technologies, services, content and business know-how across the Sony Group, to our competitive advantage.

I have been working non-stop with senior management and employees to turn Sony around, making more changes to the Company than in perhaps any other period in our history. Thanks to swift decision making, the effective execution of key initiatives, the commitment and passion of employees across the Sony Group, and the support of our many stakeholders, we were able to significantly improve our operating results and realize full-year profitability\* for the first time in five years.

\* Recorded positive net income attributable to Sony Corporation's stockholders in fiscal year 2012

## A Year of Execution

After appointing my new management team in April 2012, we began optimizing resources and realigning our business portfolio. We put together a cross-divisional transformation project, which I led personally, the goal of which is to accelerate decision making and execution while we create a foundation for revitalizing the electronics\* business and repositioning it for growth.

My management team and I made key decisions aimed at creating new businesses while strengthening core businesses. Among these were decisions on investments to expand our CMOS image sensor manufacturing capacity; the acquisition of Gaikai, Inc., a U.S.-based developer that provides interactive cloud-based gaming services; and the establishment of Sony Olympus Medical Solutions Inc., a joint venture with Olympus Corporation that plans to deliver new innovative medical products, such as surgical endoscopes, and a new medical and imaging systems solutions business.

At the same time, we realigned our business and asset portfolio and strengthened our financial position. Some of the decisions made include the sale of the chemical products-related business, as well as the sale of assets including our U.S. headquarters building in New York City. Furthermore, in order to increase efficiency and reinforce our business infrastructure, we implemented structural reforms including optimizing resources and streamlining our marketing organization in developed markets, consolidating certain manufacturing operations in Japan, and expediting measures to reduce headquarters headcount.

We also executed various initiatives to turn around the electronics business by working to strengthen our mobile, imaging and game businesses (our three core electronics businesses), turning around the television business, and expanding our business in emerging markets.

We also improved profitability in our entertainment and financial services businesses, both of which already contribute stable profit. Profitability in our pictures' businesses grew through the successful release of several global hit movie titles, including *The Amazing Spider-Man*, and the latest James Bond film, *Skyfall*, and the expansion of its television networks, production and its distribution businesses. Market share and profitability in the recorded music business similarly benefited from our efforts to discover, nurture and develop new artistic talent such as One Direction, who achieved significant global success in fiscal

\* The term "electronics" refers to the sum of the Imaging Products & Solutions, Game, Mobile Products & Communications, Home Entertainment & Sound, Devices segments and medical and network businesses.

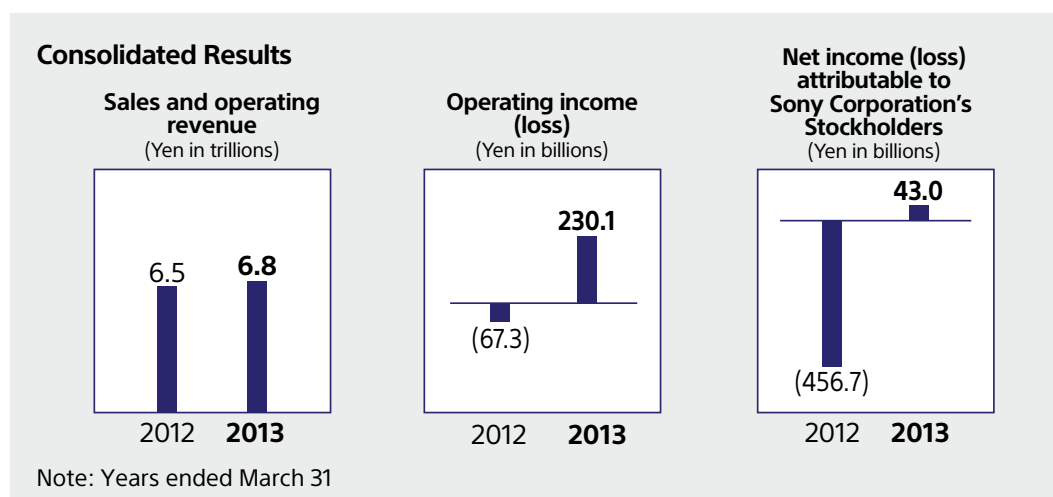
year 2012. Our financial services business also grew its revenue and operating profit by delivering financial products and services, primarily life and non-life insurance, with high customer satisfaction.

Consolidated sales and operating revenue in fiscal year 2012 rose 4.7%, to 6,800.9 billion yen, reflecting the positive impact of the consolidation of Sony Mobile Communications\* as a wholly-owned subsidiary, favorable foreign exchange rates and the above-mentioned increase in financial services revenue. Combined, these factors more than offset the negative impact of decreased unit sales of many key electronics products, as well as divested businesses.

Operating income amounted to 230.1 billion yen, a significant improvement over the operating loss of 67.3 billion yen recorded in the prior fiscal year. The overall operating income improvement was primarily due to the recording of sales and remeasurement gains associated with the asset sales mentioned earlier, as well as improved results in the television business, Devices, Financial Services and Pictures segments.

Driven by the above operating income improvement and other factors, net income attributable to Sony Corporation's stockholders was 43.0 billion yen, compared with a net loss of 456.7 billion yen in the previous fiscal year, bringing us to full-year profitability for the first time in five years.

\* On February 15, 2012, Sony acquired Telefonaktiebolaget LM Ericsson's 50% equity interest in Sony Ericsson Mobile Communications AB, which changed its corporate name to Sony Mobile Communications AB upon becoming a wholly-owned subsidiary of Sony.





**Strategic Investments for New Business Creation and Strengthening Core Businesses,  
and Initiatives to Enhance Sony's Financial Foundations and Management Structure**

Announcement Date	Closing Date	Activity
2011.11.11*	2012.6.29*	Acquired EMI Music Publishing
2012.5.24	2012.6.20	Terminated joint venture with Sharp Corporation to produce and sell large-sized LCD panels and modules
2012.6.14	2013.3.20	Increased stake in Multi Screen Media, a company operating television networks in India
2012.6.22	2013 First half	Increased production capacity for stacked CMOS image sensors
2012.6.25	Within 2013	Announced collaboration with Panasonic Corp. for joint development of next-generation OLED panels
2012.6.28	2012.9.28	Sold the chemical products-related business
2012.7.2	2012.8.10	Acquired U.S.-based Gaikai, Inc.
2012.8.9	2013.1.1	Made So-net Entertainment into a wholly-owned subsidiary
2012.9.28	2013.2.22	Olympus Corp. issued new shares to Sony through a third-party allotment under a capital alliance agreement
2012.9.28	2013.4.16	Established a medical business venture with Olympus under a business alliance agreement
2012.10.19	2013.3.31	Accelerated restructuring initiatives for Headquarters and domestic Electronics businesses
2012.11.14	2012.11.30	Issued yen-denominated convertible bonds due in 2017
2013.1.17*	2013.3.15*	Sold Sony Corporation of America's U.S. headquarters building
2013.2.20	2013.2.25	Sold a portion of Sony's holdings of M3, Inc.
2013.2.28	2013.2.28	Sold the Sony City Osaki office building and premises
2013.3.4	2013.3.7	Sold Sony's entire stake in DeNA Co. Ltd.

\* U.S. EST

## The Next Step



While we were able to achieve profitability on a consolidated, net income basis, unfortunately we were not able to return the electronics business to profitability on an operating profit basis in fiscal year 2012. Therefore, in fiscal year 2013 (ending March 31, 2014), we will continue to take aggressive measures to transform our businesses, turn around the electronics business and position Sony for growth.

At our Corporate Strategy Meeting on May 22, 2013, we announced the three key initiatives for fiscal year 2013, which are to reinforce our electronics business, further strengthen profitability in the entertainment and financial services businesses and continue to reinforce our financial foundations.

### Key Strategies for FY 2013

#### Reinforce the Electronics Business

- Accelerate execution of updated strategies in the three core businesses (Mobile, Imaging, Game)
- Return the TV business to profitability
- Accelerate execution of growth strategies in emerging markets that leverage the overall strength of the Sony Group
- Reinforce new businesses (such as medical and security) to deliver sustained growth
- Further realign Sony's business portfolio

#### Further Strengthen Profitability in the Entertainment and Financial Services Businesses

#### Continue to Reinforce Sony's Financial Foundations

## Reinforce the Electronics Business

Efforts here will focus on strengthening Sony's three core electronics businesses—Mobile, Imaging, and Game—while restoring the television business to profitability.

### < Mobile >

Our Mobile business is comprised of our smartphone and tablet businesses, the markets for which are expected to undergo continued growth. We will work to expand this business and enhance profitability by accelerating the development and delivery of products that incorporate Sony's best and unique technologies and user experiences. Recent examples of such products are the highly acclaimed Xperia™ Z smartphone and Xperia™ Tablet Z. We will work to secure leading positions in our principal geographic markets by strengthening relations with major operators around the world and expanding sales channels.

Additionally, in our PC business, we will focus on achieving our target of profitability in fiscal year 2013.



### < Imaging >

Sony's Imaging business encompasses products for both professionals and consumers, as well as our cutting-edge and market-leading image sensor business.

We plan to continue to commercialize new sensor technologies that deliver differentiating features to both professional- and consumer-use products, and also continue to engage in capital investment in order to capitalize on demand for these components.

In the professional-use business, we will continue to reinforce our camera lineup, in which we already have a leading market share, by focusing on 4K motion picture cameras, while targeting additional growth by reallocating resources in order to broaden the scope of our digital imaging technologies to fields such as security, sports and medical.

While the consumer-use market continues to shrink amid a rapidly changing business landscape, we will work to expand sales of value-added compact digital cameras, a recent example of which is the award-winning Cyber-shot™ RX-1, the world's first compact digital camera to feature our newly developed full-frame 35mm Exmor™ CMOS image sensor. We aim to build upon this success and continue to introduce models that leverage our cutting-edge image sensor technologies in smaller and lighter forms.

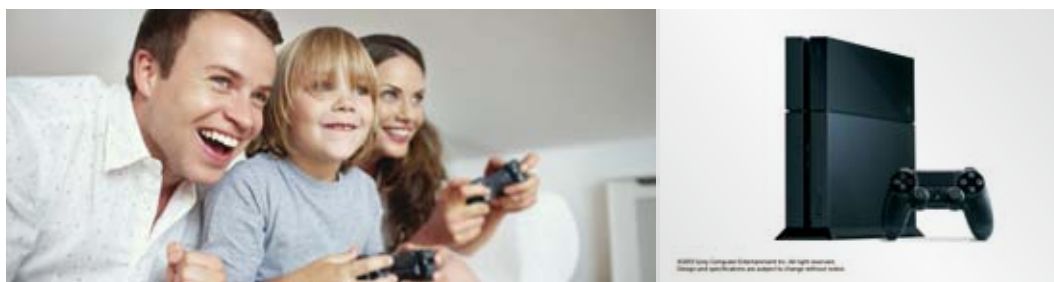


### < Game >

Now in its 7th year, PlayStation®3 continues to deliver stable hardware and software sales, and we will continue to reinforce this business's position as a stable source of profit. In particular, sales of digital content and network services revenue are increasing, thanks in part to last year's renewal of the PlayStation®Store, and the recently enhanced PlayStation®Plus subscription service. For PlayStation®Vita, we aim to secure sales and profit growth through various hardware sales initiatives and the release of compelling software titles.

Our next-generation platform, PlayStation®4, scheduled for launch during the 2013 year-end holiday sales season, will deliver the kind of quality gaming experience only possible with a dedicated gaming system. Our plan is to leverage Gaikai's proprietary network tech-

nology to deliver cloud gaming services from 2014 that will enable users to enjoy the PlayStation® experience across a range of devices, thus providing significant opportunities for further business expansion.



### < Television >

In fiscal year 2012, we made substantial progress toward our goal of returning the television business to profitability in fiscal year 2013. While continuing our cost reduction initiatives from fiscal year 2012, in 2013 we plan to aggressively drive sales growth by enhancing the value and appeal of our product lineup. Specifically, we will bolster both our 4K and Full HD LCD television lineup by releasing models that deliver enhanced video and audio quality through our proprietary technology, such as the X-Reality™ PRO Picture Engine and TRILUMINOS™ wide-spectrum LED display.

We foresee continued market growth in emerging markets, and in these regions we plan to launch models tailored to local needs. Through these and other initiatives, this fiscal year we are targeting an increase in unit sales and continued progress in our fixed cost and operational cost reductions, which we expect will realize profitability in this business.



### < Medical >

We view the medical business as an area of growth for the mid- to long-term, and, in addition to the April 2013 establishment of Sony Olympus Medical Solutions Inc., our joint venture with Olympus, we plan to strengthen and grow our life electronics and medical key devices businesses. We also plan to grow our overall medical business into a core business, with a long-term annual revenue target of 200 billion yen in fiscal year 2020 (ending March 31, 2021).



## Further Strengthen Profitability in the Entertainment and Financial Services Businesses

In the pictures businesses, we are focusing on the production and acquisition of a diversified portfolio of motion picture and television product with worldwide appeal and are targeting expansion of our worldwide television networks in rapidly growing markets such as India. Sony is also exploring new digital distribution methods for its product, while optimizing existing distribution methods.

Our Music segment, which comprises both recorded music and music publishing businesses, will strive to increase market share and achieve further growth by nurturing and developing new talent, as well as by exploring other growth opportunities, including leveraging music content for use with increasingly popular digital music service platforms.

Our music publishing joint venture, Sony/ATV Music Publishing, began administering EMI Music Publishing's world-class music catalog following the latter's acquisition in June 2012. Now managing the rights to more than two million songs, Sony/ATV—the largest music



publishing company in the world—will continue to reinforce its position through efficient management and strong creative decisions, and is expected to generate steady profit.

The financial services business will continue working to deliver highly dependable financial products and services, thereby maintaining its high customer satisfaction ratings. Through these efforts, the business will strive to achieve steady profit growth.



## Continue to Reinforce Our Financial Foundations

I believe that the continued, steady execution of the initiatives described above will allow us to achieve the financial targets we set at the beginning of fiscal year 2012. Specifically, for fiscal year 2014 (ending March 31, 2015), we are targeting consolidated sales and operating revenue of 8.5 trillion yen, an operating margin in excess of 5% and a return on equity (ROE) of 10%. For the electronics business, for fiscal year 2014 we continue to target sales and operating revenue of 6.0 trillion yen and an operating margin of 5%.

### FY 2014 Targets

Group		Electronics Business	
Sales	<b>8.5 trillion yen</b>	Sales	<b>6 trillion yen</b>
Operating profit margin	<b>5%+</b>	Operating profit margin	<b>5%</b>
ROE	<b>10%</b>		

## Looking Ahead to Sustainable Growth

To me, the four letters—S-O-N-Y—that we proudly stamp on our products, content and services represent the commitment we make to our customers to exceed their expectations and create some of the most iconic products and content of all time.

That commitment applies not only to our customers, but also extends to all of our stakeholders, including shareholders, business partners, employees and local communities, as we seek to enhance our corporate value through sound, ethical and responsible business practices. Fulfilling our responsibilities as a corporate citizen is fundamental to the success of our business activities, which can directly and indirectly affect the communities in which we operate.

Taking that impact into consideration while addressing social and environmental issues and contributing to the community is fundamental to the integrity with which we both operate our businesses and approach the Corporate Social Responsibility roadmap we have adopted for the Sony Group.

As CEO, I see my role as bringing out the full potential of the assets of the Sony Group, from the unique capabilities of our Group companies and business units, to the talents and passion of our employees around the world, to what I call Sony's DNA—the distinctive will and drive we have to generate new value—that has been cultivated since Sony's founding and passed down from one generation of Sony employees to the next.

Our people, imbued with Sony's DNA and possessing diverse talents and backgrounds, are the key to Sony's continued success. As we go forward, we will continue to strengthen our culture of respecting and understanding diversity.

While we made great strides in fiscal year 2012, our challenges remain, including, most importantly, restoring our electronics business to profitability. However, with the bold strategies we have in place, our unrivaled collective ability to create attractive

products, services and content, a fully aligned management team and employees worldwide who are committed to change for the future of Sony, I'm confident that we are on the right track to drive growth and create corporate value, as well as to realize our mission of being a company that inspires people and fulfills their curiosity.

On behalf of Sony's management and employees, I thank you, our stakeholders, for your continued support.

June 20, 2013

A handwritten signature in black ink, appearing to read 'Kazuo Hirai', with a stylized circular flourish at the end.

Kazuo Hirai  
President and CEO  
Representative Corporate Executive  
Officer





Xperia™ Z



Xperia™ Tablet Z

# Sony's Evolution in Mobile Products

## XPERIA

### "Watch," "Listen," "Create," and "Play"

These models were developed with the aim of delivering four rich user experiences for consumers: "Watch," "Listen," "Create," and "Play." Users "Watch" through the Full HD display powered by Mobile Bravia Engine™ 2, which ensures lush and vivid colors and stunning video quality. One can "Listen," with the WALKMAN® app, which delivers rich, realistic sound. Through our camera module featuring a state-of-the-art Sony image sensor, anyone can "Create" by taking outstanding images and videos in all shooting conditions. And users can "Play" to their heart's content, by enjoying music, film and game content, and network services.

## A Promising Start

In February 2012, Sony consolidated Sony Mobile Communications AB\* ("Sony Mobile"), manufacturer of Xperia™ smartphones, into a wholly-owned subsidiary, with the aim of combining Sony's innovative technologies, services, content and other assets with Sony Mobile's extensive capabilities in the mobile communications sphere and unleashing the power of Sony in the mobile business. Two months later, Sony's management unveiled "One Sony," an integrated management approach that seeks to draw on the strengths of the entire Sony Group and accelerate decision making to propel growth and create new value.

Sony Mobile has since taken additional, decisive steps to reinforce convergence of its mobile business. One such step was to revamp Sony Mobile's global development structure, which encompasses bases in Japan, Sweden and China. Another was to shift parts of Sony Mobile's global corporate headquarters functions from Sweden to Japan. In addition to enhancing Sony Mobile's operational capabilities, including time to market and supply chain management, these moves sought to accelerate integration with the wider Sony Group and reinforce Sony Mobile's development prowess through steps such as placing its Android™-based smartphones and tablets under the same development platform. These moves were also in line with Sony Mobile's basic strategy, which focuses on creating and delivering winning products, building sales and marketing success, and ensuring operational excellence in execution.

Such efforts quickly yielded exciting results in the form of two groundbreaking products. In January 2013, Sony Mobile unveiled its new flagship smartphone Xperia™ Z at the International Consumer Electronics Show in Las Vegas. The following month, Sony Mobile announced the global availability of the Xperia™ Tablet Z, and exhibited the Xperia™ Z and the Xperia™ Tablet Z at Mobile World Congress, the world's foremost mobile industry trade show, in Barcelona. The Xperia™ Z was released in February, first in Japan and then in more than 60 other key markets. The Xperia™ Tablet Z soon followed. The response to both products has been outstanding.

\* On February 15, 2012, Sony acquired Telefonaktiebolaget LM Ericsson's 50% equity interest in Sony Ericsson Mobile Communications AB, which changed its corporate name to Sony Mobile Communications AB upon becoming a wholly-owned subsidiary of Sony.

"As president and CEO of Sony Mobile, my mission is to lead the creation of smartphones and tablets that inspire and delight users by incorporating products, user experiences and technology that only Sony can provide, such as signature applications for easy access to Sony's online network services and intuitive 'one-touch' connection with other devices.

Sony Mobile's goal is to provide innovative mobile products that bring together the best of Sony. Xperia™ Z and Xperia™ Tablet Z have given us a glimpse of the potential of Sony's new mobile business."



**Kunimasa Suzuki**

EVP, Corporate Executive Officer, Sony Corporation  
Officer in charge of PC business, Mobile Business, UX,  
Product Strategy and Creative Platform, Sony Corporation  
President & CEO, Sony Mobile Communications





## Putting the Best of Sony into its Smartphones and Tablets

On becoming a wholly-owned subsidiary of Sony in February 2012, Sony Mobile strengthened ties with other Sony Group companies to utilize Sony's portfolio of technologies, services and content. "There was cooperation and sharing before," says Akihiro Hiraiwa, General Manager of R&D at Sony Mobile, "but it was limited for a number of reasons."

The "One Sony" approach changed this mentality by emphasizing the importance of maximizing Group assets. "Sony's television, audio and digital imaging departments were generous with their technologies, and their engineers worked with us throughout the development process of the Xperia™ Z and the Xperia™ Tablet Z, which embodies that approach," Hiraiwa explains. "We also created an in-house organization to focus on incorporating Sony's unique identity and signature applications\*," says Patrik Olsson, Vice President and Head of Apps & Services at Sony Mobile, "to push collaboration with other parts of Sony and bring the entire Sony experience to life in our products."

"Xperia™ Z and Xperia™ Tablet Z were milestones for us," Hiraiwa and Olsson note, "but they're just the beginning. There is much, much more to come!"

\* Camera, WALKMAN®, Album, Movie and Sony Entertainment Network applications



**Akihiro Hiraiwa**

Vice President, Development  
Tokyo, Sony Mobile  
Communications Inc.

"We've loaded Xperia™ Z and Xperia™ Tablet Z with a broad array of cutting-edge Sony technologies, including Mobile Bravia Engine™ 2, Exmor RS™ for mobile and ClearAudio+ mode."



**Patrik Olsson**

Vice President, Head of Apps  
and Services, Sony Mobile  
Communications AB

"We've really brought signature applications forward by adding innovative, fun features like one-touch listening, one-touch mirroring and links to such popular Sony services as PlayMemories Online."



## Designing the Future



Sony is known the world over for cutting-edge electronics design, and Sony Mobile's products are no exception. Under "One Sony," experienced designers from Sony worked with their Sony Mobile counterparts to develop the OmniBalance design concept, which enables users to engage naturally with products in both portrait and landscape mode, and the devices are comfortable to hold and view from any angle.

Xperia™ Z represents the first application of OmniBalance design. The device's distinctive, minimalistic appearance has earned it a reputation as a premium smartphone boasting exceptional craftsmanship and attention to detail. "Our goal is quite simply to create signature product designs that are successful in the market and inspire people," explains Jeanna Kimbré, Sony Mobile's Director of Creative Product Design. "Our design strategy for Xperia™ Z was to create a global flagship product with an iconic design by appealing

to consumers who seek a premium product."

OmniBalance design seeks to balance technology and design, recognizing that smartphones are multifunctional and crucial in many different parts of daily life. Kimbré elaborates: "People want hardware that is beautiful but allows them to become so totally immersed that it fades into the background when it's in use. We used the same design expression for Xperia™ Tablet Z," she adds. "By doing this and concentrating marketing activities on both of them, we've been able to maximize media impact and attract attention in a crowded market."



**Jeanna Kimbré**

Director of Creative Product Design, Sony Mobile Communications AB

"The smartphone has become so important in everyday life that it may actually be the most valuable device an individual owns. Sony smartphones aim to be an extension of one's senses."

## Telling the World

Sony Mobile's sales and marketing team believes that it is its mission to tell the world that Sony makes smartphones and tablets. "Sony is a powerful, well-established brand," says Dennis van Schie, Sony Mobile's Head of Sales and Marketing, "but we have only been Sony Mobile for one year, so we need to keep putting the message out that Sony is now a major player in the global markets through compelling products like the Xperia™ Z and the Xperia™ Tablet Z, which both embody the 'One Sony' approach."

In terms of market priority, van Schie's principal concerns are to maintain and eventually grow Sony Mobile's position in Japan, and to regain its traditionally strong position in Europe. "We are also working to strengthen our presence in major emerging markets, as well as in China and the United States."

While collaborating closely with key network operators to maximize the benefits of sales and marketing activities, Sony Mobile's 12 global customer units are striving to create a more retail-focused organization by engaging with custom-

ers at all levels. "We're enjoying positive momentum with Xperia™ Z and Xperia™ Tablet Z," van Schie explains, "but we need to stay humble and hungry, and maintain a healthy determination to build on this momentum and continue driving growth."



**Dennis van Schie**

Senior Vice President, Head of Sales and Marketing, Sony Mobile Communications AB

"Xperia™ Z has both rational benefits and emotional benefits. It's beautiful. You can take gorgeous photographs and videos and enjoy superior entertainment. You're one click away from your family and friends. In most people's minds, that is Sony."

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## Leading the Charge in Japan

"Xperia™ Z has had a fantastic response from consumers and operators alike, which helped it lead the charts in Japan for weeks after launch," says Katsuyuki Kaneko, Sony Mobile's General Manager of Sales and Marketing in Japan. "This strong momentum has continued with 640,000 units of our summer model, the Xperia™ A, being sold in its first 30 days."\*

Kaneko sees the principal goal of his unit as the establishment of Xperia™ as the country's preeminent Android™-based smartphone brand. "We've emphasized Sony's highly competitive digital imaging and other technologies in Japan, which have won over network operators," he says. "We've also enhanced in-store displays and included other Sony electronics products to better showcase Xperia™ devices and communicate their superior connectivity. We intend to expand joint promotions and campaigns with other parts of the Sony Group."

\* Source: NTT DOCOMO, INC.



**Katsuyuki Kaneko**

Head of Marketing Department, Sales & Marketing Division, Sony Mobile Communications Japan, Inc.

"Sony Mobile's global marketing campaign has been particularly effective in achieving recognition of Xperia™ Z in Japan as a device that integrates a broad range of advanced Sony technologies."

## Building a Stronger Profile in Central Europe

"In Germany, Xperia™ Z sold out within two hours of hitting the shelves," says Gerhard Sturm, Sony Mobile's General Manager of Sales and Marketing for Central Europe. "The response in other markets was just as positive. In the beginning of 2012, very few people in Central Europe associated Sony with smartphones and our market share was quite low. However, we rose to number three in all of our main markets by late 2012—Germany, Poland and Austria\*. Now, thanks to the Xperia™ Z, awareness of Sony as a manufacturer of smartphones is very high. Our devices are competitive and people recognize the extraordinary potential of Sony."

Sturm's unit is following the overall Sony Mobile strategy for sales and marketing. "We now have a team that's strong, wants to win, and believes in Sony," says Sturm. "I'm confident that this team can help us take our business to the next level."

\* Source: GfK Retail and Technology, Smartphone market share (in volume), full year 2012



**Gerhard Sturm**

General Manager, Sales and Marketing (Central Europe), Sony Mobile Communications AB

"Our thinking is very much medium-range. We've formulated an improvement plan for the next few years that outlines specific actions and activities that we will undertake together with our customers."

## Changing Sony

Xperia™ Z and Xperia™ Tablet Z underscore Sony's time-honored commitment to providing unique Sony products, services and user experiences that inspire dreams, fulfill curiosity and enrich lives.

"The allure of Xperia™ Z and Xperia™ Tablet Z and the rich, distinctively Sony user experiences they deliver, combined with a love for the Sony brand, have brought a lot of positive feedback from customers, consumers and opinion leaders the world over," says Kunimasa Suzuki, president and CEO of Sony Mobile. "People are really excited about these products."

"Being a full member of the Sony Group enables us to work with other areas of Sony in new and innovative ways. In this respect, Sony Mobile and Xperia™

devices really are emblematic of the 'One Sony' approach and its emphasis on channeling Sony's cutting-edge technologies, assets and resources. Of course, it's not just us. Everyone at Sony recognizes the importance of cooperating to drive growth and generate new value. We are seeing the benefits of this approach across the entire Group. Together, we really are changing Sony. Look for exciting things from us in the years ahead."

# Strengthening Our Operating Foundation and Helping to Shape a Sustainable Society

## CSR (Corporate Social Responsibility) at Sony

“It is the core corporate responsibility of Sony Group to the society to pursue its corporate value enhancement through innovation and sound business practice.”

(Sony Group Code of Conduct, adopted in May 2003)





Sony's corporate social responsibility (CSR) activities reflect its philosophy of implementing sound business practices; innovating to realize products, services and content that inspire and excite; assisting the communities in which we operate; and helping to shape a better, more sustainable society. Sony believes that these activities both benefit society and enhance corporate value.

Society's expectations of Sony constantly evolve in line with the diversification of markets and customer lifestyles, advances in Sony products and services, and the changing concerns of the Company's stakeholders. As the Sony Group presses forward with strategies aimed at strengthening its operating foundation and achieving its business targets, it will also continue to promote bold initiatives, including in its CSR agenda.

#### **Sony Group's Key CSR Agenda: Seven Focus Areas**

Corporate Governance/Compliance/Human Resources/Responsible Sourcing/  
Quality and Services/Environment/Community

As stated in the Sony Group Code of Conduct, "Sony Group recognizes that its business activities have direct and indirect impact on the societies in which it operates, and therefore sound business practice requires that business decisions give due consideration to the interests of its stakeholders, including shareholders, customers, employees, suppliers, business partners, local communities and other organizations."

## Corporate Governance

Sony has long recognized the ongoing enhancement of its corporate governance structure as one of its most important management objectives. As part of this effort, in addition to complying with the requirements of applicable laws and regulations, Sony has introduced its own requirements to strengthen the separation of the directors' function from that of management and to advance the proper functioning of the statutory committees. This has enabled Sony to build and maintain a corporate governance system that facilitates swift decision-making and the efficient management of the Sony Group.

## Compliance

Sony Group's policy is to comply with all applicable laws and regulations of the countries and regions in which it operates and to conduct its business activities in an honest and ethical manner.

As a company with electronics, entertainment and other business activities around the world, Sony understands that conducting business with integrity and fairness is an essential duty of management. To this end, Sony has established a Global Compliance Network through which it promotes initiatives aimed at reinforcing the Company's worldwide commitment to integrity in its business activities.

## Human Resources

Sony engages in a wide range of business activities in locations around the world and employs people of many different nationalities and backgrounds. The Company strongly believes that its corporate culture of respect and appreciation for diversity is one of its principal strengths. To fully leverage its diverse labor force across its various businesses in pursuit of innovation and value creation, Sony has resolved to further emphasize the promotion of diversity across the Sony Group as part of its corporate strategy. In line with this approach, Sony is working to provide opportunities that enable its employees to continue to develop their talents and to create work environments that bring their full capabilities into play.

## Responsible Sourcing

In light of increasing concern regarding environmental and human rights issues related to the manufacture of electronics products, Sony engages in active, ongoing dialogue with key industry associations, including the Electronic Industry Citizenship Coalition (EICC)—established to improve the social and environmental responsibility of electronics companies—and nongovernmental organizations (NGOs), and promotes a variety of pertinent initiatives. In January 2013, for example, in compliance with Section 1502 of the



U.S. Dodd-Frank Act, Sony launched a traceability program to determine the source of certain raw materials used in our products and to help assure that the minerals used in our products originated from ethical sources.

## Quality and Services

Since its founding, Sony has given high priority to providing high-quality customer-oriented products and services. In addition to working assiduously to enhance product quality and reinforce its quality management system, Sony remains committed to bolstering customer satisfaction. With advances in, and the increasing prevalence of, digital and networking technologies driving the development of products that are increasingly multifunctional and complex, Sony continually works to make its products and services easier for many people to use, viewing usability and accessibility as essential aspects of product quality.

## Environment

Sony recognizes that its various business activities are only possible if our environment is healthy and sustainable. Sony is pursuing a variety of initiatives to help realize environmental sustainability in accordance with its Road to Zero environmental plan, whereby Sony aims to reduce the environmental footprint of its business activities and of its products throughout their life cycle to zero by the year 2050. In line with this plan, Sony used backcasting to

set specific medium-term targets based on four key environmental perspectives, namely, climate change, resource conservation, management of chemical substances and biodiversity. To achieve these targets, Sony is implementing measures Group-wide to improve its performance across all product life cycle stages (research and development, product planning and design, procurement, operations, logistics, and take-back and recycling).

## Community

Following in the footsteps of its founders and guided by the phrase it uses to describe its CSR focus—"For the Next Generation"—Sony has, over the past five decades, promoted broad-ranging community engagement with a focus on children. A principal emphasis is education for children, which Sony provides in locations around the world through the Sony Science Program, as well as through arts education, career advisory support and other programs. Other global community engagement priorities for Sony include support for efforts to achieve the Millennium Development Goals (MDGs), initiatives to promote environmental conservation and the provision of assistance in the aftermath of major disasters. Sony will continue to address the needs of communities by leveraging its innovative products and technologies and the capabilities of Sony Group employees, both through independent initiatives such as these and through partnerships with stakeholders that are conducive to the resolution of social challenges.

**Sony is actively pursuing its key CSR agenda and is moving ahead as "One Sony" with initiatives to strengthen its operating foundation that center on enhancing corporate value through innovation and sound business practices. This reflects Sony's firm conviction that the development of products, services and content that deliver both emotional and functional value, combined with an operating foundation built on a corporate culture that prizes corporate social responsibility, will enable Sony to achieve its business objectives and to help shape a sustainable society.**

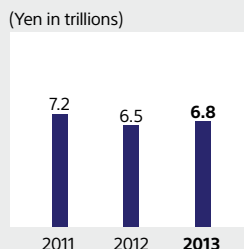
# Business Highlights

## Consolidated Financial Results for the Fiscal Year Ended March 31, 2013 (Fiscal Year 2012)

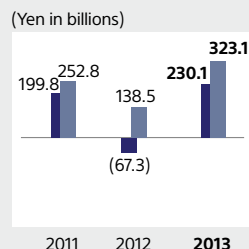
Sales and operating revenue	¥6,800.9 billion	(+4.7%)
Operating income	¥230.1 billion	(—)
Income before income taxes	¥245.7 billion	(—)
Net income attributable to Sony Corporation's stockholders	¥43.0 billion	(—)

Note: Percentage change from the previous fiscal year is shown in parentheses.

## Sales and operating revenue



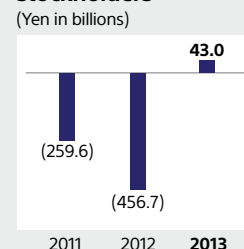
## Operating income (loss)



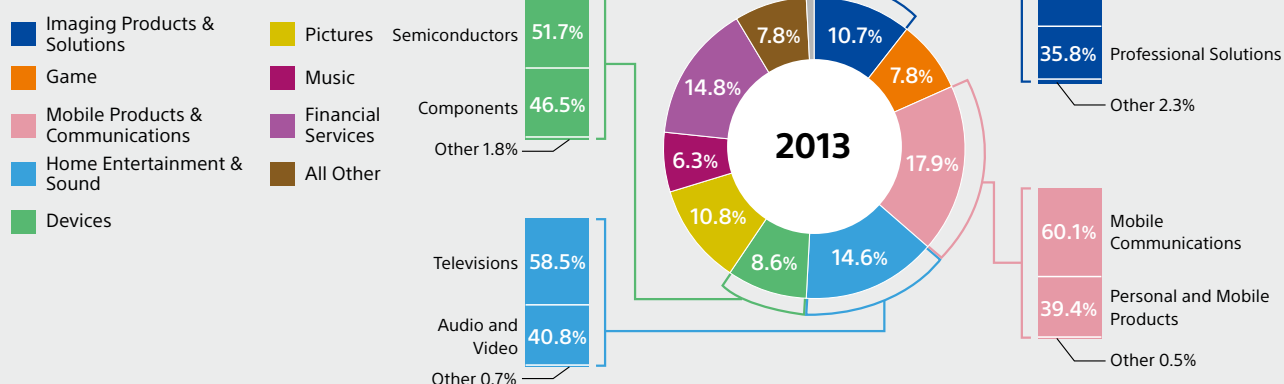
■ Operating income (loss)  
■ Operating income (loss), as adjusted, which excludes equity in net income (loss) of affiliated companies and restructuring charges and impairments of long-lived assets\*

\* This is not a presentation in accordance with generally accepted accounting principles in the U.S.

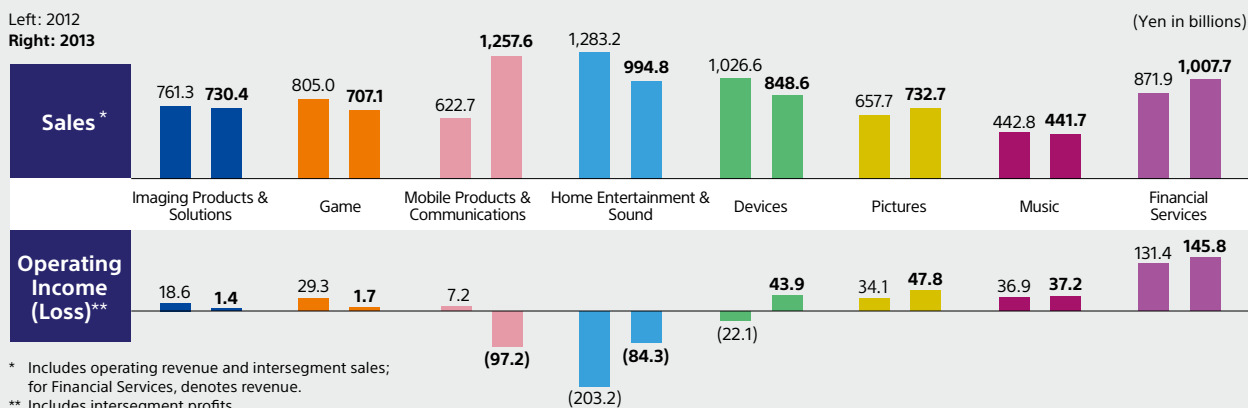
## Net income (loss) attributable to Sony Corporation's stockholders



## Proportion of Sales by Business

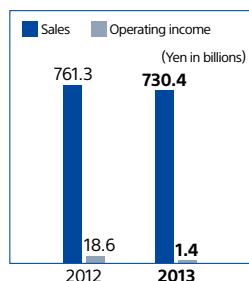


## Sales and Operating Income (Loss) by Segment



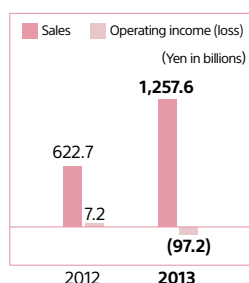
## Imaging Products & Solutions

The Imaging Products & Solutions segment includes the Digital Imaging Products and Professional Solutions categories. Digital Imaging Products includes compact digital cameras, video cameras and interchangeable single-lens cameras. Professional Solutions includes broadcast and professional-use products.



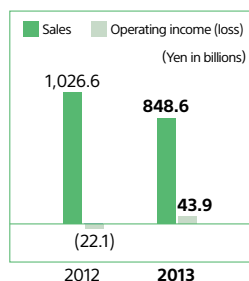
## Mobile Products & Communications

The Mobile Products & Communications segment includes the Mobile Communications and Personal and Mobile Products categories. Mobile Communications includes mobile phones. Personal and Mobile Products includes personal computers.



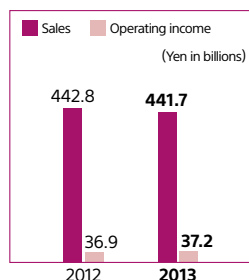
## Devices

The Devices segment includes the Semiconductors and Components categories. Semiconductors includes image sensors. Components includes batteries, recording media and data recording systems.



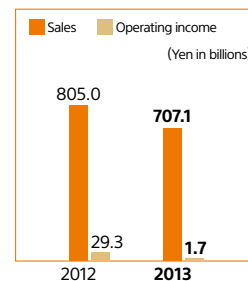
## Music

The Music segment includes Sony Music Entertainment, a U.S.-based operation, Sony Music Entertainment (Japan) Inc. and Sony/ATV Music Publishing.



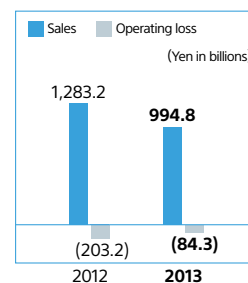
## Game

The Game segment includes game hardware and software businesses.



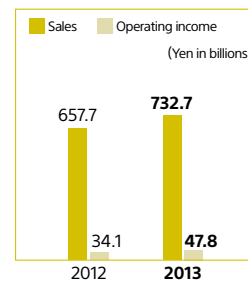
## Home Entertainment & Sound

The Home Entertainment & Sound segment includes the Televisions and Audio and Video categories. Televisions includes LCD televisions. Audio and Video includes home audio, Blu-ray Disc™ players and recorders, and memory-based portable audio devices.



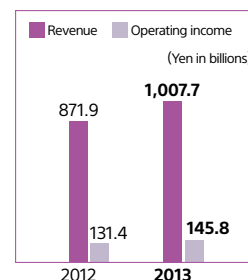
## Pictures

The Pictures segment consists of the motion pictures and television production and distribution, and other businesses of Sony Pictures Entertainment Inc. (SPE), which is based in the United States.



## Financial Services

The Financial Services segment results include Sony Financial Holdings Inc. (SFH) and SFH's consolidated subsidiaries, such as Sony Life Insurance Co., Ltd. (Sony Life), Sony Assurance Inc. and Sony Bank Inc. (Sony Bank).



## Sony Products, Services and Content

Sony is engaged in a broad range of businesses, including the electronics businesses, which include digital imaging, game, mobile communications devices and televisions; the entertainment businesses, which cover pictures and music; and the financial services business.

### Digital Imaging

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#### Cyber-shot™ DSC-RX1

Sony's ability to combine outstanding performance and compact size has enabled it to build a remarkably advanced digital camera so small that it fits easily into the palm of one's hand. Despite its modest size, Cyber-shot™ DSC-RX1 is mounted with a full-sized image sensor and large-aperture f/2.0 lens, which until now have only been deployed in high-end DSLR cameras. Light taken in by the newly developed Carl Zeiss® Sonnar T\* lens is received by the full-frame 35mm Exmor™ CMOS image sensor, which has 24.3-effective megapixels. Fast, high-precision processing by the BIONZ™ image processing engine realizes unprecedented imaging power and precise color reproduction. The camera's performance and easy operability meet the expectations of the most demanding customers, offering a completely new photography experience and image quality traditionally only available from a full-sized im-

age sensor.

While the rapid market penetration of smartphones and other devices has led to a decline in the total number of units shipped in the compact digital camera market, the needs of customers wanting to enjoy cameras and photography are becoming increasingly sophisticated, as illustrated by the growth of demand from people seeking to produce high-resolution, artistic images. Sony will continue to leverage its image sensors and other unique imaging technologies to offer consumers innovative ways to enjoy digital photography.



### Professional Solutions

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#### PMW-F5 and PMW-F55 CineAlta™ Cameras

Sony's imaging technology is driving the evolution of 4K, which realizes resolution four times that of Full HD video. Digital cinema projectors manufactured by Sony are used widely throughout the world, and Sony's flagship motion picture camera, the F65 CineAlta™, has been used to shoot more than 30 feature films and dramas. Sony launched PMW-F5 and PMW-F55 as 4K CineAlta™ cameras capable of handling a wide range of formats, with the aim of further enhancing the 4K movie-production environment and broadening its market footprint. These models feature an 11.6-total megapixel (8.9-effective megapixels) 4K Super 35mm CMOS image sensor, capitalizing on the faithful color reproduction achieved by F65 and offering high sensitivity, low noise and wide exposure latitude in motion picture shooting. The cameras also boast a rich array of extra features—including a Slow & Quick Motion Function that facilitates

beautiful slow motion shots—that have garnered accolades from industry professionals.

Sony remains committed to driving the evolution of 4K by leveraging its expertise to improve the movie production environment, from shooting and editing through to delivery, as well as to enhance the home viewing experience by promoting the greater market penetration for home projectors and other products.



## Game

---

### PlayStation®4 (PS4™)

Sony Computer Entertainment Inc. (SCE) plans to release PlayStation®4 (PS4™), its next-generation computer entertainment system, in time for the 2013 year-end holiday sales season. PS4™ realizes rich and immersive gameplay with powerful graphics and speed, intelligent personalization and innovative second-screen features that mean it can be used together with PlayStation®Vita or other mobile devices.

Used with PlayStation®Network, which employs cloud technology, PS4™ provides an expansive gaming ecosystem that enables users to enjoy their favorite gaming experiences anywhere and anytime. For example, gamers can broadcast their gameplay in real-time to friends using live Internet streaming services, exchange information on content and con-

nect to social networking services. The launch of this new platform, with its advanced graphics and outstanding processing performance, will also encourage game developers to expand the potential of games, thereby offering users entirely new entertainment experiences.



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Design and specifications are subject to change without notice.

## Personal Computers

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### VAIO® Duo 13 and VAIO® Pro 11

The VAIO® Duo 13 slider hybrid PC includes a high-resolution camera with Exmor RS™ for PC, a stacked CMOS image sensor, and Surf Slider™ Design, which allows for a quick and seamless transition between slate and keyboard modes, as well as a dedicated digitizer stylus. VAIO® Pro 11, a notebook PC that achieves a significant weight reduction thanks to its light, sturdy UD carbon fiber body, boasts TRILUMINOS™ Display for mobile and ClearAudio+ mode, which enables users to effortlessly enjoy audio quality that is distinctly Sony and delivers exceptionally good operability via keyboard. The combination of unique design, intuitive touch operation and a level of performance only possible in a PC has earned these new models lavish praise from a wide range of customers.

While responding to the diverse high-end needs of PC customers in the developed world, Sony is also

working actively to win over consumers in promising emerging economies. Sony will continue to focus on providing appealing products that combine advanced technological capabilities and user-friendly performance features for innovative new PC usage.



## Smartphones

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### Xperia™ Z and Xperia™ ZL

Evoking a polished glass plate, Xperia™ Z, Sony's flagship smartphone, features an elegantly slim, flat body with sleek, mirror-finish glass surfaces that is packed with a dizzying array of cutting-edge Sony technologies. In addition to a razor-sharp, super-bright 5.0-inch Full HD Reality Display powered by Sony's Mobile BRAVIA Engine™ 2, giving vivid, beautiful reproduction, Xperia™ Z boasts a 13.1-megapixel fast capture camera that deploys the Exmor RS™ for mobile stacked CMOS image sensor. With HDR (High Dynamic Range) video, it enables users to capture razor sharp images and video. Thanks to a variety of outstanding functions, including NFC (Near Field Communication)-based one-touch mirroring—which enables users to wirelessly share images and music with other NFC-enabled Sony devices—and applications that provide access to Sony's vast portfolio of content through its premium Video Unlimited and Music Unlimited distribution services, Xperia™ Z delivers

innovative user experiences and is attracting attention worldwide as a premium smartphone that inspires and excites.

Xperia™ Z, and its market variation Xperia™ ZL, which has a slightly different design, have won over customers in many markets. Going forward, Sony will remain focused on launching smartphone models that are loaded with cutting-edge technology as it works to establish Xperia™ as a top global smartphone brand.



## Tablet

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### Xperia™ Tablet Z

The high-spec Xperia™ Tablet Z boasts the world's slimmest body\* in its class and waterproof construction. With a design, functions and a user interface that complement those of the acclaimed Xperia™ Z smartphone, and packed with the same distinctively Sony technologies, Xperia™ Tablet Z enables users to get the most out of their viewing, listening and recording experiences. The tablet also features a 10.1-inch Full HD Reality Display, which provides excellent image reproduction, ultrarealistic surround sound, a myriad of applications and access to extensive network services, putting entertainment at users' fingertips.

Sony Mobile Communications's first tablet, Xperia™ Tablet Z, was developed through collaboration between Sony Mobile and Sony's tablet development team, members of which were shifted to Sony Mobile for this purpose. Looking ahead, Sony will continue to launch

attractive tablets that embody the power of Sony by bringing together its proprietary digital imaging, audio and gaming technologies, applications and content, and mobile communications expertise to deliver unparalleled user experiences that help to drive the evolution of mobile communications.

\* As of the product announcement date (February 26, 2013) (class: 10-inch LCD tablet)





## Televisions

### **BRAVIA™ 4K LED Televisions (X9200A Series)**

Sony has added a new series of 4K LED models to its lineup of BRAVIA™ LCD televisions. The X9200A series is equipped with Sony's proprietary 4K X-Reality™ PRO 4K LED Picture Engine, which boasts enhanced visual noise reduction and color management. The series also features the newly developed TRILUMINOS™ Display, which realizes brilliant color reproduction. With Full HD picture quality for HDTV broadcasts and Blu-ray Disc™ playback and magnetic fluid speakers that deliver clear, expansive sound—a television first—this new BRAVIA™ series offers fresh viewing experiences. It also links easily with mobile devices, including one-touch mirroring, and is compatible with Sony's TV SideView remote application, which allows users to search, view and record a myriad of content.

In fiscal year 2012, Sony succeeded in substantially reducing the operating loss in its television business

through the steady implementation of measures aimed at improving profitability. Having positioned these 4K LED BRAVIA™ LCD televisions as its flagship models, Sony will continue to offer customers new styles of television viewing that leverage its strengths in areas such as imaging, audio and network services, as it strives to restore the television business to profitability.



## Sound

### **MDR-1 Series Headband-Style Headphones and SRS-BT Series Speakers with One-Touch Function**

Sony continues to refine its high-fidelity audio technologies, as well as to offer new perspectives on listening to music.

As a result of a creative collaboration with Sony Music Entertainment, MDR-1 series headphones deliver crystal-clear, natural vocals and rich, low-register sound and instrumental balance, allowing listeners to enjoy music the way music professionals intended it to sound.

The MDR-1 series features one-touch listening, a function incorporating NFC technology. This technology allows the MDR-1BT headphones and portable wireless speakers such as the SRS-BTX500 (which incorporate magnetic field speakers without sacrificing portability) and the SRS-BTV5 palm-sized model to pair up with NFC-enabled Sony smartphones and other devices,

simply by one-touch pairing. This enables users to stream music via Bluetooth® and enjoy exceptional sound quality whenever and wherever they are.



## Pictures

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### The Queen Latifah Show

*The Queen Latifah Show*, a multi-topic, daytime entertainment talk show, launches September 16, 2013. Hosted by multi-talented entertainer Queen Latifah, the show is produced by Flavor Unit, Overbrook Entertainment and Sony Pictures Television. Five-time EMMY® Award-winner Corin Nelson (*Chelsea Lately*, *The Rosie O'Donnell Show*, *The Nate Berkus Show*) is the executive producer and the showrunner, who will oversee day-to-day operations for the show. *The Queen Latifah Show* will air on CBS owned-and-operated stations, and on major station groups around the U.S.



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### Elysium

In the year 2154, two classes of people exist: the very wealthy, who live on a pristine man-made space station called Elysium, and the rest, who live on an overpopulated, ruined planet. The people of Earth are desperate to escape the crime and poverty that is now rampant throughout the land. The only man with the chance to bring equality to these worlds is Max (Matt Damon), an ordinary guy in desperate need to get to Elysium. With his life hanging in the balance, he reluctantly takes on a dangerous mission—one that pits him against Elysium's Secretary Delacourt (Jodie Foster) and her hard-line forces—but if he succeeds, he could save not only his own life but millions of people on Earth as well.



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## The Smurfs™ 2

In this sequel to Columbia Pictures/Sony Pictures Animation's hybrid live action/animated family blockbuster comedy *The Smurfs™*, the evil wizard Gargamel creates a couple of mischievous Smurf-like creatures called the Naughties that he hopes will let him harness the all-powerful, magical Smurf-essence. But when he discovers that only a real Smurf can give him what he wants, and only a secret spell that Smurfette knows can turn the Naughties into real Smurfs, Gargamel kidnaps Smurfette and brings her to Paris, where he has been winning the adoration of millions as the world's greatest sorcerer. It's up to Papa, Clumsy, Grouchy and Vanity to return to our time, reunite with their human friends Patrick and Grace Winslow, and rescue her! Will Smurfette, who has always felt different from the other Smurfs, find a new connection with the Naughties

—Vexy and Hackus—or will the Smurfs convince her that their love for her is True Blue? Returning cast includes Neil Patrick Harris, Jayma Mays, with Katy Perry as Smurfette and Hank Azaria as Gargamel.



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## Music

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### Justin Timberlake

GRAMMY® and EMMY® Award-winning artist Justin Timberlake released his third solo studio album, *The 20/20 Experience*, on March 19, 2013. The album debuted at No. 1 on the Billboard 200, selling 968,000 copies in the U.S., and hit No. 1 on iTunes in 93 other countries. *The 20/20 Experience* is the fastest-selling release of 2013 (so far), as well as the fastest-selling album in iTunes history worldwide. The album is Justin's longest-running No. 1, outperforming his sophomore solo effort *FutureSex/LoveSounds* at the top of the charts. In just three weeks, the album sold over 2 million copies worldwide. It features the platinum-certified first single, "Suit & Tie," featuring Jay-Z, and the hit second single "Mirrors." The musical journey that

started with *The 20/20 Experience* will continue this fall with the expected worldwide release of a second album of the same name featuring 10 new tracks.



Photograph by Tom Munro/RCA

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### Beyoncé

Beyoncé is one of the most widely recognized and highly respected women in pop culture. A solo recording artist, actress, philanthropist and businesswoman, she has released four No. 1 solo albums and has sold over 75 million albums worldwide. Her work has earned her numerous awards and accolades, including 16 GRAMMY® Awards. Billboard named her the Top Female Artist and Top Radio Songs Artist of the 2000s decade. The Recording Industry Association of America also recognized Beyoncé as the Top Certified Artist of the 2000s.

Beyoncé kicked off 2013 with a historic halftime performance at Super Bowl XLVII and the announcement of *The Mrs. Carter Show World Tour*, which began April 15 in Europe and June 28 in North America. In February, HBO premiered *Life Is But A Dream*, an intimate

feature-length documentary film directed and produced by Beyoncé. A new studio album is expected later this year.



Photograph by Greg Gex

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## Emeli Sandé

Emeli Sandé is a Scottish singer-songwriter, whose publishing rights are administered by Sony/ATV Music Publishing. Her debut album *Our Version of Events* was the best-selling album in the UK in 2012, and has since gone on to sell over 2 million copies worldwide. After several highly acclaimed and internationally televised performances, including the 2012 London Olympics opening and closing ceremonies, Emeli Sandé has quickly become one of the music industry's brightest and most promising stars. In early 2013, she was presented with both the Best British Album and Best British Female honors at the BRIT Awards and has won two Ivor Novello Awards. An accomplished songwriter, Emeli Sandé has also co-written hit songs for Rihanna, Susan Boyle, Tinie Tempah, The Saturdays and Cheryl Cole. As a result of her huge success in the UK and Europe, Emeli Sandé will embark upon a North American tour this summer.



### ABOUT SONY/ATV MUSIC PUBLISHING

Sony/ATV Music Publishing, established in 1995 as a joint venture between Sony and Michael Jackson, is the world's leading music publisher. Sony/ATV owns or administers more than 2 million copyrights and controls many of the best known songs ever written like "New York, New York," "Hallelujah," "All You Need Is Love," "Over the Rainbow" and "Stand By Me." In addition, Sony/ATV represents the copyrights of such legendary artists as The Beatles, Michael Jackson, Carole King, Queen, Sting and Stevie Wonder, among others. Its ever-growing list of chart-topping artists and writers includes Lady Gaga, P!nk, Pitbull, Shakira, Taylor Swift and Kanye West.

## Music

### Kana Nishino

Hailed as a “charismatic diva for the connected generation” when she burst onto Japan’s music scene in 2008, Kana Nishino continues to top the charts for downloaded singles. She has enjoyed tremendous popularity—particularly among female fans—for her captivating looks and limpid voice, as well as for her lyrics, which speak poignantly of love. Her immensely successful second album, *to LOVE*, sold more than 950,000 physical copies, while her most recent effort, *Love Place*, released in 2012, won Best Album at the 54th Japan Record Awards. Also in 2012, she made her third consecutive appearance on *Kohaku Utagassen*, an annual New Year’s Eve music show produced by Japanese public broadcaster NHK.

Tickets for all performances on a nationwide tour of large venues (combined attendance: 100,000) and a 26-

stop concert hall tour sold out within hours, underscoring her status as a major star in Japan. With her first Asian tour scheduled for 2013, Kana is looking to establish herself as an artist with global appeal.



## Financial Services

While striving to maintain a highly sound financial position, the Sony Financial Group’s core companies—Sony Life Insurance Co., Ltd. (Sony Life), Sony Assurance Inc. (Sony Assurance) and Sony Bank Inc. (Sony Bank)—provide high-quality financial services through an original business model. Sony Life has steadily expanded its operations and achieved an increase in policy amount in force. It has done this principally by designing and selling customized life insurance products based on consultations with customers conducted by sales employees in the Lifeplanner\* channel and by providing extensive after-sales follow-up services. Sony Assurance provides automobile insurance and enjoys broad customer support for both its reasonable premiums and its high-quality services, commanding a high market share among major direct insurers for automobile insurance in Japan. Sony Bank has established a low-cost business structure unique to Internet banks. Leveraging the advantages of the Internet, Sony Bank

responds to the asset management needs of individual customers with a lineup of highly convenient, high-quality financial products and services, earning it consistently high scores in customer satisfaction surveys.

\* “Lifeplanner” is a registered trademark of Sony Life.

Sony Financial Holdings Inc. is listed on the 1st section of Tokyo Stock Exchange. For details please visit:  
[http://www.sonyfh.co.jp/web/en/financial\\_info\\_e/index.html](http://www.sonyfh.co.jp/web/en/financial_info_e/index.html)







## CSR Highlights

38	Corporate Governance
40	Compliance
42	Human Resources
44	Responsible Sourcing
46	Quality and Services
48	Environment
52	Community

# Corporate Governance

Sony has long been committed to strong corporate governance, as one of its most important management initiatives. As a part of this effort, Sony adopted the “Company with Committees” corporate governance system under the Companies Act of Japan. In addition to complying with the requirements of applicable corporate governance laws and regulations, Sony has introduced its own requirements to help improve and maintain the soundness and transparency of its governance by strengthening the separation of the Directors’ function from that of management and advancing the proper functioning of the statutory committees. Under Sony’s system, the Board of Directors defines the respective areas for which each of the Corporate Executive Officers is responsible and delegates to them decision-making authority to manage the business, thereby promoting the prompt and efficient management of the Sony Group.

## Governance Structure

Sony Corporation is governed by its Board of Directors, which is appointed by resolution at the annual shareholders’ meeting. The Board has three committees (the Nominating Committee, Audit Committee and Compensation Committee), each consisting of Directors named by the Board of Directors. Corporate Executive Officers are appointed by resolution of the Board of Directors. In addition to these statutory bodies and positions, Sony has Corporate Executives who carry out business operations within designated areas.

## Sony Initiatives

To strengthen its governance structure beyond legal requirements, Sony Corporation includes several provisions in its Charter of the Board of Directors to help ensure the separation of the Board of Directors from the execution of business, and to advance the proper

functioning of the statutory committees. The main provisions include the following:

- separating the roles of the Board chairperson/vice chairperson and Representative Corporate Executive Officers;
- limiting the number of terms of outside Directors;
- appointing chairs of statutory committees from the ranks of outside Directors;
- setting forth qualifications for Directors for the purpose of eliminating conflicts of interest and ensuring independence; and
- prohibiting the CEO or COO of Sony Group (or persons in any equivalent position) from serving on the Compensation Committee.

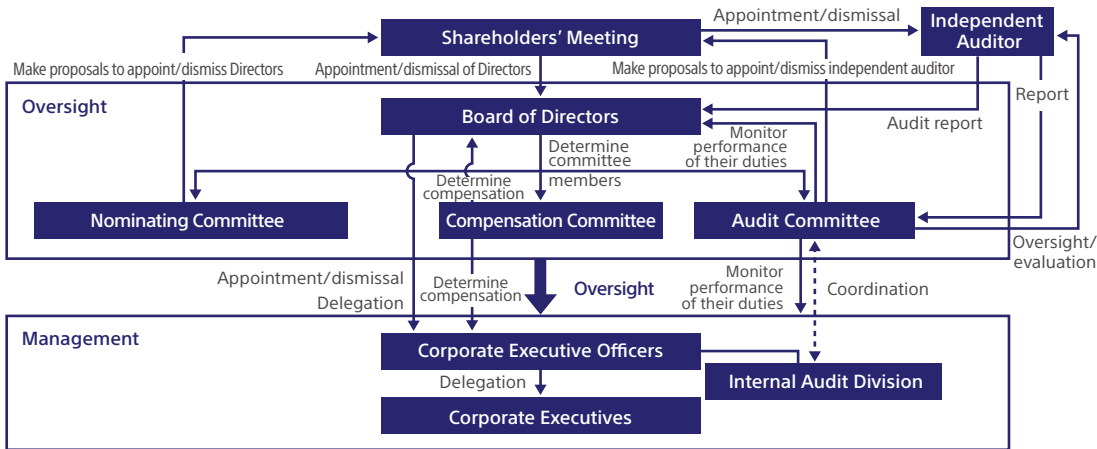
## Risk Management System

Each Sony Group business unit, subsidiary or affiliated company, and corporate division is expected to review and assess business risks on a regular basis, and to detect, communicate, evaluate and respond to risk in their particular business areas. In addition, Sony Corporation’s Corporate Executive Officers have the authority and responsibility to establish and maintain systems for identifying and controlling risks that have the potential to cause losses or reputational damage to the Sony Group in the areas for which they are responsible.

The Corporate Executive Officer in charge of Compliance is tasked with promoting and managing the establishment and maintenance of such risk management systems through the coordinated activities of the Group Risk Office, Compliance Division, Internal Audit Department and other relevant groups.

The Sony Corporation Group Risk Office is responsible for promoting risk management initiatives, such as business continuity planning, across the organization.

Corporate Governance Structure



## Supervision Board of Directors

- Determines the fundamental management policies of the Sony Group.
- Oversees the performance of the duties of Directors and Corporate Executive Officers.
- Appoints and dismisses the statutory committee members.
- Appoints and dismisses Corporate Executive Officers and Representative Corporate Executive Officers.

### Chairman of the Board: Osamu Nagayama\*

Representative Director, Chairman and Chief Executive Officer, Chugai Pharmaceutical Co., Ltd.

### Kazuo Hirai

Representative Corporate Executive Officer, President and CEO, Sony Corporation

### Masaru Kato

Representative Corporate Executive Officer, EVP and CFO, Sony Corporation

### Peter Bonfield\*

Chairman of the Board, NXP Semiconductors N.V.

### Ryuji Yasuda\*

Professor, Graduate School of International Corporate Strategy, Hitotsubashi University

### Yukako Uchinaga\*

Board Chair, Japan Women's Innovative Network

### Mitsuaki Yahagi\*

### Kanemitsu Anraku\*

### Yorihiko Kojima\*

### Takaaki Nimura\*

### Eikoh Harada\*

### Joichi Ito\*

### Tim Schaaff

Special Advisor, The Japan Research Institute, Ltd. Director, Mizuho Financial Group, Inc.

Chairman of the Board, Mitsubishi Corporation

Certified Public Accountant

Chairman, President and CEO, Representative Director, McDonald's Holdings Company (Japan), Ltd., McDonald's Company (Japan), Ltd. Director, Massachusetts Institute of Technology (MIT) Media Lab

Retired President, Sony Network Entertainment International LLC

## Nominating Committee

- Determines the content of proposals regarding the appointment/dismissal of Directors.

### Peter Bonfield\* (Chair)

### Osamu Nagayama\*

### Yukako Uchinaga\*

### Yorihiko Kojima\*

### Joichi Ito\*

### Tim Schaaff

### Kazuo Hirai

### Masaru Kato

## Audit Committee

- Monitors the performance of the duties of Corporate Executive Officers and Directors.
- Oversees and evaluates the work of the independent auditor.
- Reviews the financial statements and business report to be submitted to shareholders.

### Takaaki Nimura\* (Chair)

### Mitsuaki Yahagi\*

### Kanemitsu Anraku\*

## Compensation Committee

- Sets policy on the contents of individual compensation for Directors, Corporate Executive Officers, Corporate Executives and Group Executives and determines the amount and content of individual compensation of Directors and Corporate Executive Officers in accordance with the policy.

### Ryuji Yasuda\* (Chair)

### Eikoh Harada\*

### Masaru Kato

\* An Outside Director who satisfies the requirements under Item 15, Article 2 of the Companies Act of Japan

## Management Corporate Executive Officers

- Make decisions regarding the management of Sony Group business activities within the scope of the authority delegated to them by the Board of Directors.

### Kazuo Hirai\*\*

Representative Corporate Executive Officer, President and Chief Executive Officer

### Masaru Kato\*\*

Representative Corporate Executive Officer, Executive Vice President and Chief Financial Officer

### Nicole Seligman

Executive Vice President, General Counsel

### Tadashi Saito

Executive Vice President, Chief Strategy Officer, Officer in charge of Medical Business

### Shoji Nemoto

Executive Vice President, Officer in charge of Professional Solutions Business, Digital Imaging Business and Disk Manufacturing Business

### Tomoyuki Suzuki

Executive Vice President, Officer in charge of Device Solutions Business, R&D Platform and Common Software Design

### Kunimasa Suzuki

Executive Vice President, Officer in charge of PC Business, Mobile Business and UX, Product Strategy and Creative Platform

### Kunitaka Fujita

Executive Vice President, Officer in charge of Human Resources and General Affairs

\*\* Representative Corporate Executive Officer concurrently serving as Director

## Corporate Executives

- Carry out business operations within designated areas, including business units, headquarters functions, and/or research and development, in accordance with the fundamental policies determined by the Board of Directors and the Corporate Executive Officers.

(Names and positions of Directors and Corporate Executive Officers as of June 27, 2013)



Board of Directors, Sony Corporation

# Compliance

**Ethical business conduct and compliance with applicable laws and regulations are fundamental aspects of Sony’s corporate culture. To this end, Sony has established a Global Compliance Network comprised of the Compliance Division at the corporate headquarters, a global compliance leadership team and regional compliance officers around the world. Additionally, it has adopted and implemented the Sony Group Code of Conduct and set up Compliance Hotline systems through its Global Compliance Network. Sony has taken these actions in order to reinforce the Company’s worldwide commitment to integrity and help assure resources are available for employees to raise concerns or seek guidance about legal and ethical matters.**

## Strengthening the Compliance System

In July 2001, Sony Corporation established the Compliance Division, charged with exercising overall control over compliance activities across the Sony Group, to emphasize the importance of business ethics and compliance with applicable laws, regulations and internal policies. The Compliance Division establishes compliance policies and structures for the Sony Group.

In July 2003, Sony established a regional compliance network, comprised of regional compliance officers in each region worldwide, who are charged with exercising regional control over compliance activities to strengthen the compliance system throughout the Sony Group.

## Sony Group Code of Conduct and Internal Hotline System

In May 2003, Sony adopted the Sony Group Code of Conduct, which sets the basic internal standards to be observed by all directors, officers and employees of the Sony Group, in order to emphasize and further strengthen corporate governance, business ethics and compliance systems throughout the Sony Group. In addition to legal and compliance standards, the Code of Conduct sets out the Sony Group’s basic policies concerning ethical business practices and activities on such topics as respect for human rights, safety of products and services, environmental conservation and information disclosure. The Code of Conduct has been adopted and implemented by each Sony Group company globally and is the subject of frequent “tone from the top” messaging and other training.

### Sony Group Code of Conduct

Established May 2003

[Scope of Application: Companies]

Standards applicable to Sony Corporation, as well as any company more than 50% of whose outstanding stocks or interests with voting rights is owned directly or indirectly by Sony Corporation, and such other companies as determined by the Board of Directors of Sony Corporation

[Scope of Application: Personnel]

Standards applicable to all Sony Group directors, officers and employees

[Headings]

#### 1. General Standards

- 1-1 Compliance with Laws as well as Internal Rules and Policies; Honest and Ethical Business Conduct
- 1-2 Relationship with Stakeholders
- 1-3 Appreciating Diversity
- 1-4 Avoiding Structural Conflicts of Interest
- 1-5 Communication of Concerns and Alleged Violations

#### 2. Respect for Human Rights

- 2-1 Equal Employment Opportunity
- 2-2 No Forced Labor/Child Labor
- 2-3 Sound Labor and Employment Practices
- 2-4 Work Environment

#### 3. Conducting Business with Integrity and Fairness

- 3-1 Product and Service Safety
- 3-2 Environmental Conservation
- 3-3 Fair Competition
- 3-4 Advertising
- 3-5 Public Disclosure
- 3-6 Personal Information
- 3-7 Intellectual Property
- 3-8 Confidential and Proprietary Information
- 3-9 Fair Procurement
- 3-10 Gifts and Entertainment
- 3-11 Recording and Reporting of Information

#### 4. Ethical Personal Conduct

- 4-1 Insider Trading
- 4-2 Personal Conflicts of Interest
- 4-3 Corporate Assets
- 4-4 Media Relations and Public Statements

Following the adoption of the Sony Group Code of Conduct, Sony also established a Sony Group Compliance Hotline system as a resource for employees to report concerns or seek guidance about possible violations of laws or internal policies, and to allow the Sony Group to respond swiftly to potential risks of such possible violations.

The Sony Group Compliance Hotline system is available worldwide. It is directly linked to the Corporate Executive Officer in charge of Compliance. It is operated independently from the ordinary line of command, and callers who report issues in good faith are protected from any possibility of retaliation for the report. Summaries of hotline calls, results of investigations and updates on the operation of the system are reported to senior management and the Audit Committee.

### **Compliance Monitoring Program**

A compliance monitoring program helps to ensure thorough global adherence to the Company's Code of Conduct, internal policies, and training and other protocols. The program relies on self-assessments, compliance audits and internal audits, along with monitoring of hotline and other reporting.

### **Sony Group Anti-Bribery Program**

As one example of its compliance-related initiatives, Sony has adopted the Sony Group Anti-Bribery Policy, which builds on the anti-bribery and accurate record-keeping requirements in the Sony Group Code of Conduct to help ensure that Sony Group personnel do not violate, or appear to violate, any applicable anti-corruption laws or regulations. This Policy reflects Sony's strong commitment to business integrity and, in particular, establishes practices and procedures that must be followed to help ensure integrity in Sony's dealings with government officials, as well as training requirements.

### **Information Security and Personal Information Management**

Sony has established an Information Security and Privacy organization headed by a Chief Information Security Officer (CISO) reporting directly to a Sony Corporation Corporate Executive Officer. Sony also has established global information security policies and standards, and global privacy policies, which set forth Sony's commitment to information security and privacy and define practices and procedures to be followed by all Sony personnel. The CISO and his organization are charged with developing and implementing these policies and standards globally to ensure network security and the protection of privacy. This organization coordinates with individuals responsible for information security and privacy at Sony Group companies globally to create a Group-wide information security and personal information management system. Under the supervision of the CISO, Sony continuously reinforces internal rules and business processes to further strengthen the information security management framework of the Sony Group and contribute to the protection of personal information. Recognizing that employee awareness of information security and privacy is vital, Sony requires training programs for its employees to increase their understanding and improve the overall level of information security and protection for individuals' privacy.

## Human Resources

Given the rapid globalization of markets, evidenced in part by the ascendance of emerging economies, sustainable growth is increasingly dependent on a company's ability to secure and foster talented personnel with the ability to thrive on a global stage. Recognizing that its efforts to offer innovative products, services and content that enhance consumers' lives depend on its ability to attract and retain employees with varied skills and perspectives, Sony actively pursues diversity in recruitment and has created a global framework that enables talented employees to bring their capabilities into full play.

### Sony Group Diversity Policy

As part of its corporate strategy, Sony has recently reaffirmed its commitment to diversity and issued a new Diversity Statement.

#### Sony Group Diversity Statement

It is in Sony's DNA—and a source of our innovation—to value different perspectives and backgrounds as we conduct our business activities globally and rise to new challenges.

Sony promotes diversity across the Sony Group as a key management strategy by ensuring an inclusive work environment and by recruiting, hiring, training and promoting employees from diverse backgrounds.

### Diversity in Recruitment

Sony is promoting the localization of its sales, manufacturing and R&D operations by working to secure local human resources that best respond to national, regional and location-specific needs. In addition, Sony works to secure talented human resources crucial to growing its global business by recruiting university graduates overseas to work in Japan. A Global Internship Program also welcomes university students from Europe, North America, China and India, among others, to Tokyo. To further enhance its ability to recruit top-notch personnel from around the world, Sony conducts recruitment sessions at universities, graduate schools and research facilities worldwide, as well as for overseas students in Japan.

### Training & Development

Sony offers on-the-job learning, as well as a variety of programs designed to enhance individual abilities and develop specialized skills that are tailored to local needs. These programs:

- foster global business leaders and engineers;
- nurture management skills, in line with the belief that leadership abilities are essential for employee growth; and
- support individual career-building efforts.

### Fostering Global Business Leaders

In 2000, Sony established Sony University to provide education and training to Sony Group executives from around the world, as well as junior employees and mid-tier managers from Japan. In 2012, a branch of Sony University was established in Singapore for junior employees and mid-tier managers from around the world, thereby creating a global configuration that enables Sony to provide education and training aimed at fostering global business leaders to employees at various levels. It also has a variety of educational programs in collaboration with some of the world's leading academic institutions, with the goal of providing employees skills that enable them to lead effectively in emerging economies and around the world.

Since 2008, Sony has appointed global talent directors from among its regional human resource managers. Global talent directors are charged with identifying promising individuals and key positions that can be filled by such talents in all businesses and regions twice a year with the aim of fostering such individuals as future business leaders through global job rotations.

### Basic Philosophy behind Rotation Project







As a part of this program, approximately 100 Sony employees, primarily management-level and mid-tier executives, have rotated through a series of job assignments designed to match talent with need, regardless of nationality.

In 2010, Sony introduced a Global Job Posting program that enables Sony Group employees around the world to apply for open positions in the Company in different countries. Through initiatives like this, Sony aims to facilitate the optimal placement of talent globally and, at the same time, to provide diverse opportunities for its employees to take challenging international assignments. These activities also establish a pool of individuals with the breadth of experience and network required of global business leaders.

In 2012, Sony solicited members for a special “Challenge Team” established to propose original solutions to issues associated with Sony’s transformation efforts from among Sony Group employees. Members of this team, which reports directly to management, are currently engaged in a variety of initiatives toward that end.

### **Global Employee Survey and Dialogue with Employees**

Since 2010, Sony has been integrating various formerly independent Group surveys into a global employee survey. From the start, the response rate for this annual survey has remained around 90%. The survey is divided into such categories as Innovation, Customer Focus, Corporate Climate and Talent Management, and it enables Sony to access and analyze the views of employees across the Sony Group in a consistent manner. Of particular note, 80% of employees routinely respond that they understand and identify with Sony’s values and objectives, indicating a level of awareness that is a key Sony strength. Findings are fed back to senior

management, as well as used in internal workshops designed to address issues identified through the survey and assist in the drafting of personnel strategies.

To facilitate open communication between senior management, including the CEO, and employees, Sony holds periodic town-hall meetings. These meetings enable senior management to convey policies and thinking on strategies and structural reforms directly to employees, as well as to gain an understanding of employees’ opinions and concerns regarding issues they face in their day-to-day jobs.

### **Supporting Diversity in the Workplace**

Sony engages in a variety of efforts aimed at maximizing the capabilities of all employees, irrespective of race, religion, color, nationality, age, gender or physical limitations.

Sony is also pursuing a variety of initiatives aimed at promoting greater opportunities for women, including mentoring programs and other training, and facilitation of women’s networking initiatives, as well as awareness training for employees in managerial positions. Sony also seeks to accommodate the needs of employees striving to balance their careers with their family obligations to care for children or nurse family members by enhancing work environments and expanding family-friendly systems.

To help increase employment opportunities for individuals with disabilities, Sony shares the expertise and experience of its three special-purpose subsidiaries—Sony Taiyo Corporation, Sony Hikari Corporation and Sony Kibo Corporation, which specialize in promoting employment for individuals with disabilities—in modifying facilities and promoting understanding in the workplace of Sony Group companies worldwide.

## Responsible Sourcing

**Sony is committed to conducting its operations in a socially and environmentally responsible manner and to sourcing from suppliers that share its values. Accordingly, in order to enable positive change in its supply chain, Sony works closely with its suppliers and subcontractors to address human rights, labor, health and safety, and environmental protection issues related to the procurement of raw materials and components.**

**As part of its overall efforts to promote these responsible sourcing initiatives, Sony engages in active, ongoing dialogue with a range of nongovernment organizations (NGOs). Sony is also a participating member of industry organizations such as the Electronic Industry Citizenship Coalition (EICC) and the Global e-Sustainability Initiative (GeSI), which focus on improving electronics industry supply chains from social and environmental perspectives.**

### Our Approach to Conflict Minerals

The Democratic Republic of the Congo and the adjacent countries are currently mired in conflict with armed groups perpetuating human rights abuses in that region. These armed groups have been trading in certain minerals commonly found in that region—coltan (tantalum), cassiterite (tin), gold and wolframite (tungsten)—to finance their activities. To the extent these minerals are found to be financing armed rebel activities, these four minerals are commonly referred to as “conflict minerals.” To address the “conflict minerals” situation, the United States enacted Section 1502 of the Dodd-Frank Wall Street

Reform and Consumer Protection Act, which, beginning in 2014 for the calendar year 2013, requires companies covered under the Act, including Sony, to publicly disclose certain information regarding any use of conflict minerals in their products.

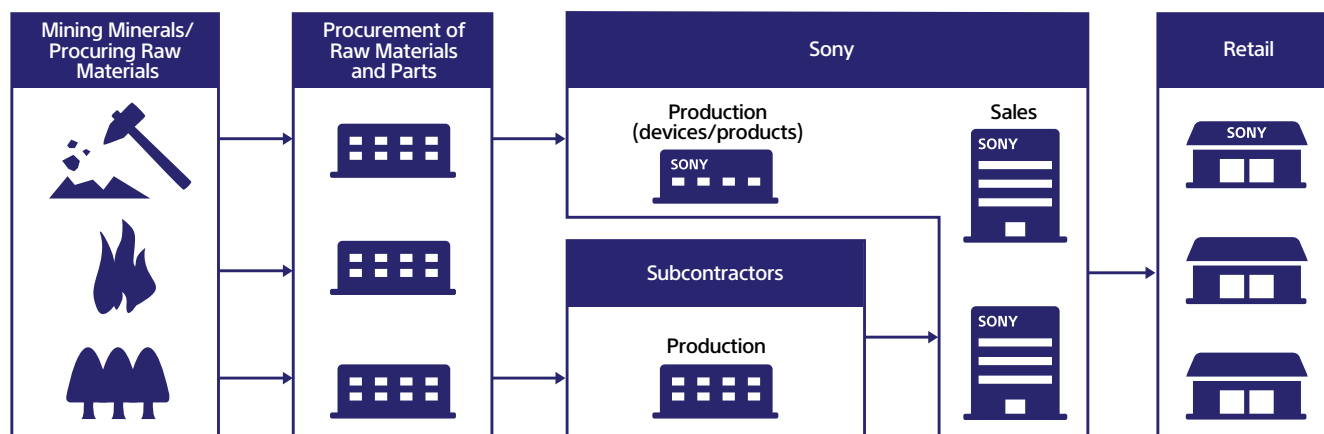
It is Sony’s policy to refrain from knowingly purchasing any products, components or materials that contain conflict minerals so that it can avoid contributing to conflict through its sourcing practices. To help ensure compliance with this policy, Sony has exercised due diligence since August 2011 for selected product categories, and in 2013, overall across the Sony Group to determine the country of origin and chain of custody for each of the four designated minerals in its supply chain in accordance with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. It is also Sony’s policy to require its suppliers to source these minerals from smelters determined to be compliant with EICC/GeSI Conflict-Free Smelter (CFS) Program\* protocols or determined to be conflict-free under other trusted traceability projects.

Sony also actively cooperates with and provides support for the EICC and other industry organizations and alliances whose activities are focused on preventing and reducing the impact of conflict minerals mining, and participates in the Public-Private Alliance for Responsible Minerals Trade (PPA), a joint effort of government, industry and NGOs led by the U.S. government to support responsible mineral trade from the Great Lakes region of Central Africa.

\* CFS Program: A voluntary program in which an independent third party evaluates a smelter’s procurement activities and determines if the smelter has demonstrated that all the materials it processed originated from conflict-free sources



## Basic Structure of the Supply Chain



## Initiatives Related to Paper Procurement

Sony recognizes that paper resources are limited and strives to reduce the amount of office paper used at sites and limit the number of pages in its product manuals. Sony also recognizes the impact of illegal logging on biodiversity and considers responsible procurement of lumber and paper products. Sony takes environmental conservation into consideration when purchasing paper materials through its Sony Group Paper/Printed Material Purchasing Policy. Sony sources paper from forests certified as responsibly managed and works not only to ensure that the paper it purchases has been produced from forests that are managed in accordance with legal requirements but also to promote the use of paper products certified by the Forest Stewardship Council (FSC). The FSC audits forests based on a range of criteria, including sustainability and Sony uses FSC-certified paper in its corporate printed materials, including its annual report, calendars and business cards.

## Sony Supplier Code of Conduct

Supply chains in the electronics industry tend to overlap considerably, with multiple manufacturers of finished products sharing the same subcontractors and parts suppliers. Recognizing the importance of cooperation within the industry, in 2004 Sony participated in the establishment of the EICC, with the aim of improving social, economic and environmental conditions in the global electronic supply chain through the use of a standardized code of conduct.

In 2005, Sony adopted the Sony Supplier Code of Conduct, based on industry best practices as highlighted in the EICC code of conduct, with which all Sony suppliers must comply. Sony also supports the corporate social responsibility initiatives of its suppliers through a system of assessment and monitoring to verify compliance with the Sony Supplier Code of Conduct. Sony's efforts include risk assessments, follow-up meetings with suppliers to discuss assessment results and third-party audits.



## Managing Chemical Substances in Procurement

Sony has its own global standards for management of certain chemical substances contained in products or parts, collectively called "Management Regulations for Environment-related Substances to be Controlled which are Included in Parts and Materials (SS-00259)." These standards reflect applicable laws and regulations and the views of stakeholders.

To implement this standard, Sony has established the Green Partner Environmental Quality Approval Program, which it uses to certify suppliers that comply with Sony's standard for management of chemical substances as "Green Partners." By procuring parts and products only from certified suppliers, Sony realizes consistent chemical substance management globally.

## Quality and Services

Since its founding, Sony's mission has been to provide high-quality customer-oriented products and services. To ensure that the quality of its products and services exceeds the expectations of its customers in the many countries and regions in which it does business, Sony works assiduously to enhance product quality and reinforce its quality management system, and remains committed to bolstering customer satisfaction. Advances in, and the increasing prevalence of, digital and network technologies are driving the development of products that are increasingly multifunctional and complex. Sony views usability and accessibility as essential aspects of product quality and is continuously taking steps to make its products and services easier for more people to use.

### Quality Management System

Sony continually strives to reinforce its quality management by enhancing the system's framework and incorporating quality improvement measures into its electronics processes, from development through to sales and customer service.

- Quality Strategy Meetings, which are attended by top management, are held regularly to discuss and set key measures for improving quality, and function as the ultimate decision-making forum for related matters.
- Quality Officers Meetings, which are attended by Quality Officers appointed within each business group,

are also held regularly to share information pertaining to quality issues and discuss initiatives and responses to common challenges.

- Quality Officers and Customer Service Officers from around the world meet to promote quality-related measures and global-level initiatives.

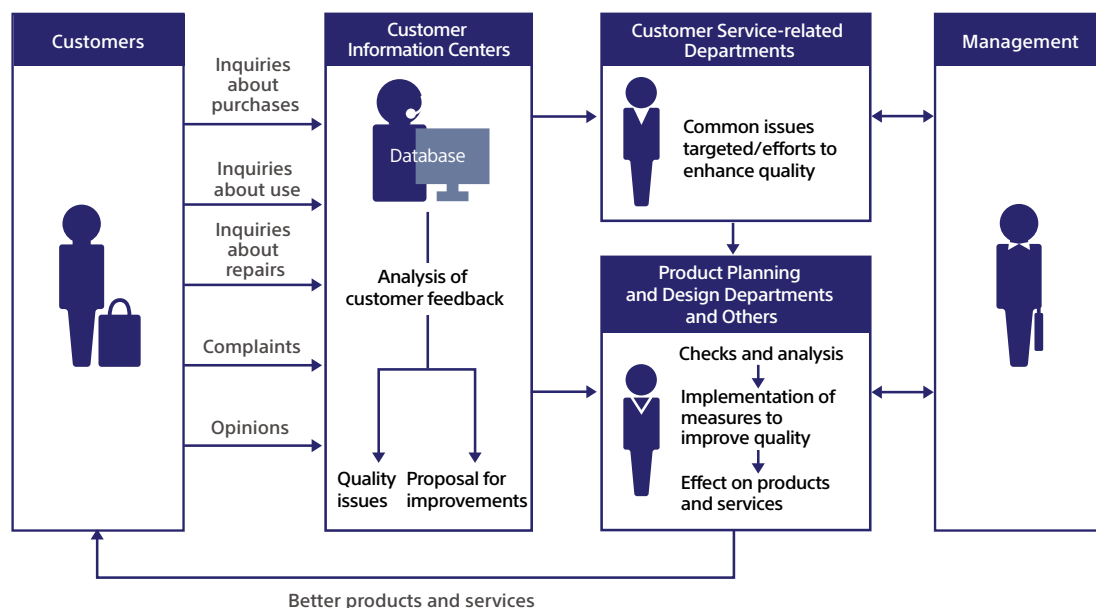
### Efforts to Improve Quality

To identify quality issues as they arise and to accelerate its response, Sony has established a team at its Tokyo headquarters that is charged with swiftly gathering information from a wide range of sources, both in Japan and overseas, in the event of a product quality issue in the market. The team meets weekly with headquarters' quality management and technology experts to report on quality issues and share information. Sony has also formulated quality standards applicable to all electronics products and related services in such areas as product safety and performance, labeling, and customer service. These standards are updated continuously to reflect technological advances, changes in applicable legal and regulatory requirements and evolving social imperatives.

Sony also addresses product safety from a medical perspective and formulates internal standards for product planning and development.

In addition, specialists at Sony's Quality Reliability Lab are tasked exclusively with improving technologies essential to product reliability.

### Utilizing Customer Feedback







### Responsiveness and Customer Service

Sony continually strives to take customer viewpoints into consideration to help improve customer satisfaction around the world. Its first Customer Information Centers were established in 1963 in Japan, and thereafter expanded their function worldwide to respond to customer inquiries. For Sony employees and staff of service partners involved in customer service, Sony provides ongoing training to ensure that issues are addressed swiftly and effectively. Sony also uses the Internet and various emerging social media platforms to communicate frequently and directly with customers. To ensure timely access to easy-to-understand product and customer service information, Sony works to enhance the content of its websites, enabling the download of manuals and software updates and providing frequently asked questions (FAQs) and other information about ways to use and enjoy Sony products and services. To further bolster customer satisfaction, Sony is responding to the increasingly diverse needs of its customers by, among other initiatives, providing live chat capabilities on its websites.

Customer feedback helps Sony improve its products and services. To this end, opinions about products and reports of malfunctions received from customers by Sony Customer Information Centers are shared with related departments, ensuring that prompt improvements in product quality can be made. Internally, a Quality Hotline and a dedicated quality website serve as important mechanisms through which employees can submit comments about product and customer service quality.

Currently, there are more than 5,300 Sony customer service locations, including Sony service stations and authorized repair agents worldwide, allowing Sony to respond promptly to customer requests. Sony is working to shorten repair times and reviewing repair fees and repair service reception procedures in different regions with the ongoing goal of enhancing overall customer satisfaction.

### Enhancing Usability and Accessibility

Sony products are used by a diverse range of customers not only in Japan, Europe and North America, but also in other parts of the world, including emerging economies. Sony thus recognizes that it must accommodate definitions of “usability” that vary in different cultures and lifestyles. To this end, Sony conducts user tests on an ongoing basis in Japan and a variety of other markets, including India, China and Brazil, as part of the product development process. These tests are aimed at improving such attributes as viewability, comprehensibility and responsiveness.

Sony’s commitment to usability also extends to including features that make its products accessible to as many people as possible, including the elderly and individuals with disabilities. One recent example of advances in accessibility is the Reader™ eBook reader. This device features an e-paper display, which replicates the appearance of ink on paper and enables users to read comfortably for long periods with minimal eyestrain, and allows users to adjust text size as needed.

# Environment

Sony's business activities are only possible if the earth, which sustains all life, is healthy. Accordingly, the Company is committed to helping to address environmental issues such as climate change, resource conservation and the need for effective management of chemical substances.

Recognizing this, Sony strives to conduct its business in a sustainable manner and to provide environmentally conscious products and services. By developing advanced technologies and innovations in this area and by working with various stakeholders, Sony aims to contribute to the realization of a sustainable society.

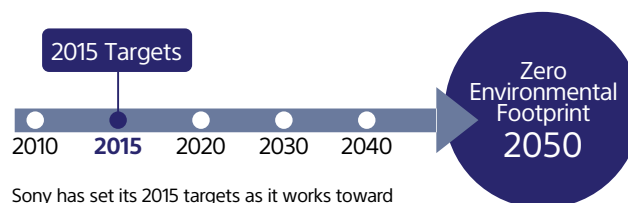
## Road to Zero: Sony's Global Environmental Plan Striving to achieve a zero environmental footprint

Since the early 1990s, Sony has pursued environmental initiatives in accordance with fundamental environmental principles and action plans. In April 2010, Sony announced the formulation of "Road to Zero," a new global environmental plan.

By backcasting, Sony has devised Green Management 2015, a set of specific mid-term targets that the Sony Group must meet by fiscal year 2015 if it is to achieve its ultimate "Road to Zero" goal of reducing its environmental footprint to zero by 2050. These targets are based on four environmental perspectives—climate change, resource conservation, management of chemical substances and

biodiversity—across all product life cycle stages.

To achieve these targets, Sony will leverage its comprehensive global environmental management system, which integrates the Company's corporate headquarters with its business divisions and sites worldwide. In addition, the Group has obtained integrated certification under ISO 14001, the international standard for environmental management systems, and is continuously working to improve its environmental performance.



## Mid-Term Environmental Targets

### Green Management 2015 environmental targets

The following chart outlines the principal targets of Green Management 2015, which runs from fiscal year 2011 through fiscal year 2015, as well as Sony's achievements in each area as of the end of fiscal year 2012. Sony continues to make positive progress toward these targets and is currently considering further initiatives to achieve targets on the increased use of recycled plastics in its products and the enhancement of chemical substance management at Sony Group sites.

### Progress on Principal Quantitative Targets of Green Management 2015

	Target	Progress as of End of Fiscal Year 2012
Climate Change	Products and Services	<ul style="list-style-type: none"> <li>Reduce annual per-product energy consumption by 30% from the fiscal year 2008 level</li> </ul> Down 34%
	Operations	<ul style="list-style-type: none"> <li>Reduce greenhouse gas emissions from sites by an absolute value of 30% from the fiscal year 2000 level</li> </ul> Down 43%
	Logistics	<ul style="list-style-type: none"> <li>Reduce CO<sub>2</sub> emissions from logistics by 14% from the fiscal year 2008 level</li> </ul> Down 37%
Resource Conservation	Products and Services	<ul style="list-style-type: none"> <li>Reduce utilization ratio of virgin oil-based plastics in products by 5% from the fiscal year 2008 level</li> <li>Reduce mass per product by 10% from the fiscal year 2008 level</li> </ul> Down 1.9% Down 20%
	Operations	<ul style="list-style-type: none"> <li>Achieve an absolute reduction in waste from sites of 50% from the fiscal year 2000 level</li> <li>Increase the waste recycling rate group-wide to more than 99%</li> <li>Achieve an absolute reduction in the total volume of water used of 30% from the fiscal year 2000 level</li> </ul> Down 69% 94% Down 56%
	Logistics	<ul style="list-style-type: none"> <li>Reduce waste from packaging for incoming parts by 16% from the fiscal year 2008 level</li> </ul> Down 67%
Chemical Substance Management	Operations	<ul style="list-style-type: none"> <li>Reduce amounts of designated substances, including volatile organic compounds (VOCs) released into water and transferred as waste or into sewers by 14% from the fiscal year 2008 level</li> <li>Reduce emissions of VOCs into the atmosphere by 50% from the fiscal year 2000 level</li> </ul> Down 17% Down 51%

For more information, such as the scope of data collection, please visit our website.



## Environmental Activities Focusing on the Product Life Cycle

### Research and Development

Focusing on electrical outlets, a crucial component of the infrastructure through which electricity is supplied and consumed, Sony is promoting the development of “authentication outlets” that make use of its contactless IC card technology. When the device is plugged in, the outlet “authenticates” the device and its owner and transmits the



Authentication outlet

correct amount of electricity. In addition to facilitating the calculation of per-user electricity consumption and monitoring the electricity use of individual devices, these outlets are expected to find new applications in the construction of new electricity services, among other areas.

### Product Planning and Design

In February 2011, Sony developed SoRPlas (Sony Recycled Plastic), a flame-retardant plastic which uses more than 99% recycled materials, giving it the highest recycled materials rate among plastics in the world.<sup>\*</sup> SoRPlas is made from the recycled polycarbonate waste plastic collected from within and outside the Sony Group and blended with a new flame retardant containing sulfur, which Sony developed internally. Sony expects SoRPlas to achieve an estimated 80% reduction in CO<sub>2</sub> emissions in the plastic manufacturing process (including transportation) compared with conventional plastic. Beginning with three models of BRAVIA™ LCD televisions launched in spring 2011, Sony has expanded the product categories using SoRPlas. In fiscal year 2012, products featuring SoRPlas included digital recording binoculars and Cyber-shot™ compact digital cameras.

<sup>\*</sup> Based on Sony research as of February 2011. Conventional flame retardant recycled plastics used in electronics products have a recycled content ratio of less than 60%.

### Procurement<sup>\*1</sup>

With regard to Sony’s designated chemical substances contained in products and parts, Sony has formulated its own set of standards for managing chemical substances, which reflect global legal mandates such as EU REACH<sup>\*2</sup> regulations and the RoHS Directive<sup>\*3</sup> and the views of its stakeholders. Sony also operates its own Green Partner Environmental Quality Approval Program and other systems that reinforce its ability to ensure the appropriate management of chemical substances in use. Moreover, Sony keeps a close watch on environmental impact throughout its value chain, including the monitoring of the performance of its principal manufacturing outsourcing

partners. In fiscal year 2012, this enabled Sony to estimate greenhouse gas emissions for its entire electronics-related value chain as well as portions of its entertainment-related value chain.<sup>\*4</sup>

<sup>\*1</sup> Please refer to pages 44–45 for more details.

<sup>\*2</sup> REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals): Regulations introduced in the EU for managing chemical substances

<sup>\*3</sup> RoHS: Directive on the restriction of the use of certain hazardous substances in electrical and electronic equipment

<sup>\*4</sup> The Greenhouse Gas Protocol’s Scope 3 Standard and guidelines issued by Japan’s Ministry of the Environment were referred in the calculation.

### Operations

Sony sets a variety of environmental targets including absolute targets on greenhouse gas emissions and waste reduction on a unified global basis and takes a proactive approach to reducing the environmental footprint of its factories and offices worldwide. It also pursues activities that suit the environmental needs of the surrounding local community.

In fiscal year 2011, Sony began implementing the Green Star Program, its own environmental performance assessment program. This program provides a comprehensive evaluation of the environmental initiatives of each Sony Group site based on common standards, with a view toward helping to improve the effectiveness of such undertakings.

### Logistics

Sony is decreasing gross transportation weight by reducing the weight of finished products. At the same time, Sony is striving to reduce the volume of packaging materials and CO<sub>2</sub> emissions resulting from its logistics operations by optimizing transportation efficiency (i.e., size reduction and modularization of product packaging to optimize load efficiency) and shifting to alternative modes of transportation that create less environmental impact.

### Take-back and Recycling

Sony recognizes its social responsibility as a manufacturer and adheres to the recycling laws and regulations of the countries and regions in which it operates by promoting the take-back and recycling of end-of-life products. At the same time, Sony also actively operates voluntary take-back initiatives, even in regions and countries—such as some countries in South America—that have not yet introduced recycling laws or regulations.

## Environmental Activities within Sony's Operations

### Curbing Climate Change

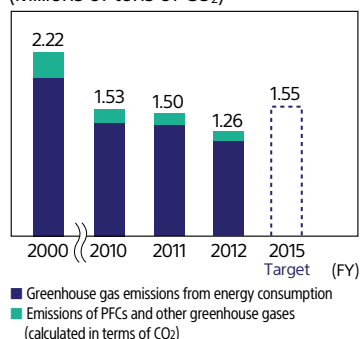
#### Reducing greenhouse gas emissions at sites

In fiscal year 2012, greenhouse gas emissions at Sony Group sites were approximately 1.26 million tons, down approximately 43% from fiscal year 2000. To reduce greenhouse gas emissions, Sony has prioritized the efficient use of energy at its sites. Of particular note, in recent years Sony has expanded its focus beyond the upgrading of buildings and equipment for better efficiency to also include operational and manufacturing processes aimed at achieving improvements from the bottom up. Best practices are swiftly implemented at Sony Group sites worldwide.

Sony is also aggressively pursuing the use of renewable energy. In fiscal year 2012, Sony succeeded in offsetting global greenhouse gas emissions by 67,000 tons through the use of renewable electricity certificates and other initiatives. Electricity acquired from renewable sources accounted for approximately 7% of Sony's total electricity usage worldwide. Further, with regard to perfluorocarbons (PFCs) and other greenhouse gases emitted in the production of semiconductors, Sony is working to reduce emissions through the introduction of treatment equipment that traps such gases.

#### Greenhouse Gas Emissions from Sites

(Millions of tons of CO<sub>2</sub>)



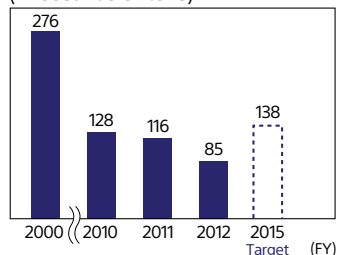
### Conserving Resources

#### Reducing waste at sites

In fiscal year 2012, total waste generated by Sony Group sites amounted to approximately 85 thousand tons, a reduction of approximately 70% from fiscal year 2000. The Sony Group's total recycling rate was 94%. Sony continues to promote the reuse and recycling of site waste in its products and packaging materials on a global basis.

#### Waste at Sites

(Thousands of tons)



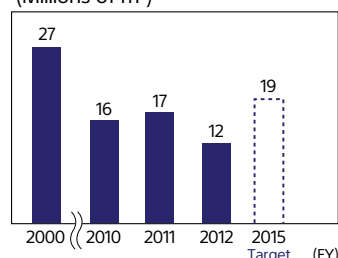
### Conserving Resources

#### Reducing water consumption at sites

In fiscal year 2012, Sony Group sites used approximately 12 million m<sup>3</sup> of water during its operations, comprising water purchased or drawn from groundwater. This was a reduction of approximately 55% compared with fiscal year 2000. Sony is taking steps to reduce water used by its sites around the world.

#### Water Consumption at Sites

(Millions of m<sup>3</sup>)



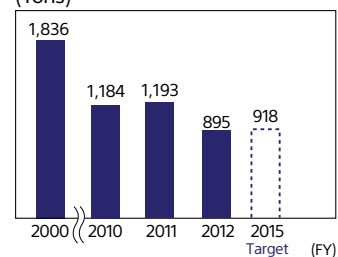
### Managing Use of Chemical Substances

#### Management of chemical substances at sites

Sony has developed Group-wide standards with respect to the management of chemical substances used at sites and has implemented measures aimed at reducing the amounts of such substances transferred and released into the air and water as emissions, discharge or waste. In

#### Release of VOCs into the Atmosphere

(Tons)



fiscal year 2012, emissions of volatile organic compounds (VOCs) released into the atmosphere amounted to approximately 875 tons, a 52% reduction from the fiscal year 2000 level. Sony has also established internal standards for the prevention of environmental accidents, as well as for emergency responses, as part of its efforts to ensure the proper management of chemical substances.

### Conserving Biodiversity

#### Measures to conserve biodiversity

Under policies and guidelines related to biodiversity, Sony is promoting ongoing activities to incorporate more green spaces at its various facilities and to preserve and restore the natural environment in the local communities. For example, as part of a program implemented by Sony Group companies in Singapore in line with the United Nations' "Water for Life" Decade, employees of Sony Electronics Asia Pacific Pte Ltd. together with a local school built 10 floating wetlands for installation at a local reservoir with the aim to improve water quality and biodiversity in the area. In the United States, Sony Pictures Entertainment Inc. launched a website inspired by the 2013 movie *After Earth*. The website provides cutting-edge scientific information and materials for educators pertaining to biodiversity and other environmental issues.

## Developing Environmentally Conscious Products

With the aim of developing life-enhancing products that are not only superior in functionality, performance and quality, but also create less impact on the environment, Sony has formulated its own guidelines for environmentally conscious products, which it applies to all of its products. Guided by these principles, Sony is working to develop industry-leading environmentally conscious products equipped with world-first features and technologies.

### BRAVIA™ LCD Televisions (KLV-32EX330/40EX430)

These models were redesigned from the ground up, enabling Sony to achieve a weight reduction of approximately 50% compared with previous models\*, in its pursuit of minimizing resources used.

\* Calculated by comparing KLV-32EX330 with KDL-32EX420 and KLV-40EX430 with KDL-40EX520



### Digital Recording Binoculars (DEV-50V/30)

This model employs a body made with Sony's innovative SoRPlas post-consumer plastic and also achieves a weight reduction of 30% compared with previous models\*. Additionally, Full HD recording enables users to capture nature in all its beauty, thus contributing to greater awareness of wildlife ecology, which in turn encourages support for efforts to conserve biodiversity.

\* Comparison with DEV-3



### Blu-ray 3D™ Home Theater System (BDV-N790W)\*<sup>1</sup>

This system employs speakers that use magnetic fluids. Discovered by NASA, magnetic fluids are liquids that can be attracted by a magnetic field. Sony succeeded in developing Magnetic Fluid Speakers that use magnetic fluids for suspension, which has enabled them to achieve overwhelmingly superior efficiency, reducing power consumption by approximately 35%<sup>2</sup> compared with conventional speakers.

In Japan, these magnetic fluid speakers are employed in the CMT-V70B Micro Hi-Fi Music System with WALKMAN® Dock and the X9200A series of BRAVIA™ 4K LCD televisions.

\*<sup>1</sup> Available in selected countries

\*<sup>2</sup> Energy consumption of magnetic fluid speakers alone, compared to that of conventional speakers at equivalent volume



### VAIO® Duo 13 Personal Computer

Scheduled for release in summer 2013, the VAIO® Duo 13 is equipped with a management technology that delivers both an extended battery life and a sleep mode that preserves network connections. This technology not only lengthens the operating time obtained with a single battery charge, facilitating stress-free use, but also contributes to reducing energy consumption.



### VPL-CW255 Series Data Projectors

In addition to realizing outstanding brightness (4500 lumens<sup>\*1</sup>), the lamp of these data projectors consumes approximately 20% less lamp power per luminance than previous models<sup>\*2</sup>. For these projectors, Sony also developed a lamp that lasts up to 5,000 hours<sup>\*3</sup> before requiring replacement, thereby realizing a reduction in resource use.

\*<sup>1</sup> In High mode

\*<sup>2</sup> Comparison with VPL-CW125

\*<sup>3</sup> In Low mode



### Xperia™ P Smartphone

This model features WhiteMagic™, a screen technology that adjusts backlight brightness to suit lighting conditions, thereby minimizing unnecessary power consumption, and is made with recycled plastic and a waterborne paint. It also comes with optimized packaging without an extended paper manual or CD. The Xperia™ P received the European Green Smart Phone 2012–2013 award, given as part of the EISA Green Awards\*.

\* Sponsored by the European Imaging and Sound Association (EISA)



# Community

**Sony is committed to pursuing sustainable business practices while working to realize a better future for society. Sony also undertakes community engagement activities in fields where it is best able to do so to help address the needs of communities.**

## For a Sustainable Society

In Sony's Founding Prospectus, co-founder Masaru Ibuka set "the promotion of education in science among the general public" as a primary goal, as he sought to build a company that would add value to society. Believing that children's science education is particularly important, Sony began providing support to elementary schools in pursuit of science education excellence in 1959. Following in Ibuka's footsteps, and guided by its "For the Next Generation" CSR philosophy, Sony continues to support education. Sony also undertakes community engagement activities around the world in pursuit of solutions to global issues, including environmental conservation, realization of the Millennium Development Goals (MDGs) and the provision of assistance to those in need in the aftermath of major disasters.

In support of these activities, Sony leverages its innovative products and technologies, as well as the capabilities of Sony Group employees, individually and in partnership with its stakeholders. As a means of informing as many people as possible about these issues, Sony also undertakes educational campaigns linked to its marketing initiatives and incorporates its CSR goals into its internal

human resource development. Hence, Sony not only seeks to contribute to the resolution of social and environmental issues but also to integrate community engagement into its business operations as a way of enhancing those operations.

In fiscal year 2012, the Sony Group spent approximately 3.3 billion yen<sup>\*1</sup> on community engagement initiatives, and a total of 90,000 Sony Group employees<sup>\*2</sup> participated in volunteer initiatives. Below are just a few examples of the Company's community engagement activities.

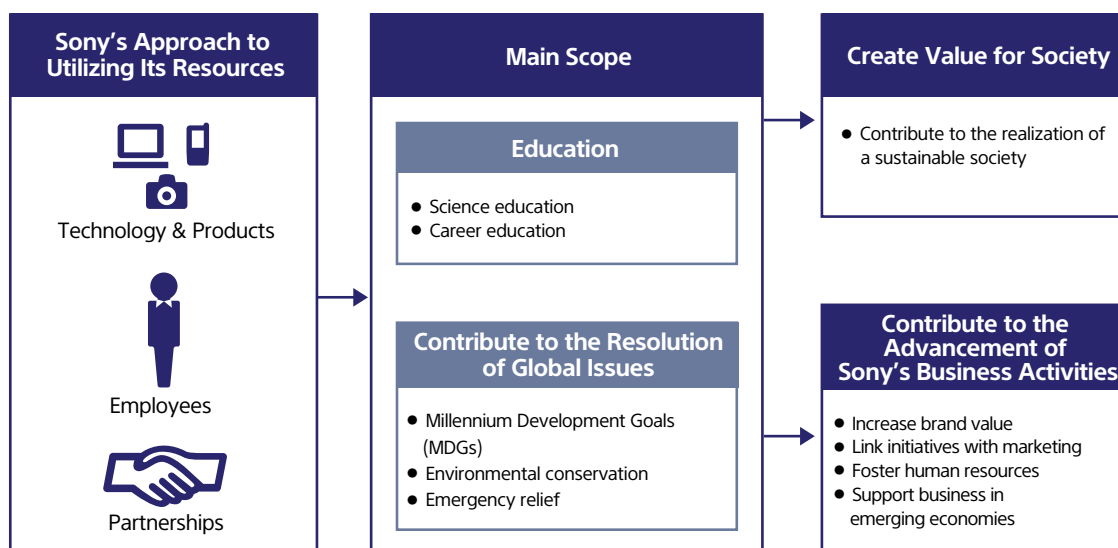
<sup>\*1</sup> Cumulative figure. In addition to donations, sponsorships and independent program expenses (including facility operation expenses), this amount includes the market prices of products donated.

<sup>\*2</sup> Cumulative participants in fundraising initiatives, blood drives and other activities

## Next-Generation Education Support

For more than half a century, the Sony Science Program\* has helped children learn about science while cultivating curiosity, creativity and critical thinking skills. Sony believes that fostering such qualities in children will contribute to the future resolution of environmental issues, poverty and other global challenges. Sony employees serve as instructors for Sony Science Program workshops, which are designed to teach children about the principles of science and technology using Sony products and services through experiments and hands-on experiences. In fiscal year 2012, approximately 6,600 children participated in these workshops.

### Sony's Community Engagement





In addition, Sony operates interactive science, technology and entertainment museums in Tokyo and Beijing (Sony ExploraScience) and in New York (Sony Wonder Technology Lab), which attract a combined total of 510,000 visitors annually. Sony also offers a variety of career-oriented classes focused on professions that harness the power of technology and entertainment to benefit society. Through these and other programs, Sony aims to educate and cultivate the next generation of leaders.

\* The name "Sony Science Program" has been used since 2009.

### Contributing to the Resolution of Global Issues

Sony has supported "EYE SEE" UNICEF Child Photography Workshop in 12 countries since 2006. Using Sony compact digital cameras, EYE SEE workshop helps children develop the ability to express their feelings and spread their messages to the world. Through a variety of photo exhibitions and publications such as photo books and online content for advocacy, the program aims to create greater awareness of the problems these children are facing in their communities.

In April 2013, special permission was granted for an EYE SEE workshop to be held in an indigenous community in Australia. The photographs taken by the 15 local children who participated allowed the children to express to the Australian public and the world what life is like in town communities through their eyes.

Sony is also the headline sponsor of the Sony World Photography Awards and has collaborated with the awards' organizer, the World Photography Organisation (WPO), on the Youth on Assignment (YoA) program since 2012. Through this program, photography students and lecturers are selected to visit sites at which Sony is carrying out community engagement activities, such as the recent EYE SEE workshop in Australia. Together with the local participants, the students are given the opportunity to photograph and observe global issues, first-hand.

In Southern Africa, the Malawi Folktales Project was launched in 2012. The project uses Sony equipment to record folktales that have been passed down orally for generations. Folktales play an integral role in the lives of Malawians as a means of educating young children and imparting social mores. However, the aging of community members able to perform story-telling has made it increasingly difficult to pass on these traditions. To safeguard this important cultural heritage in response to a request from the Malawi National Commission for UNESCO and the Global Future Charitable Trust (GFCT), Sony is providing audio-visual recording equipment and technical training for local engineers involved in this project. The project will be carried out in 27 regions over a three-year period with the goal of recording 240 stories.



## Emergency Relief

In the event of a major catastrophe or crisis situation, Sony supports humanitarian relief efforts in a manner that takes into consideration the nature of the event and its impact on the region in which it occurred.

### Continuing Activities to Support Recovery from the Great East Japan Earthquake



In fiscal year 2011, Sony extended emergency assistance in the aftermath of the Great East Japan Earthquake and, in fiscal year 2012, undertook initiatives to support medium- to long-term recovery.

These initiatives included support for children's activities in disaster-affected areas made possible by the RESTART JAPAN Fund established by Sony and Save the Children Japan in June 2011. In collaboration with other supporting companies, Sony is undertaking a wide variety of support initiatives focusing on support for the next generation.

For example, in April 2012, Sony launched the "Achieve Your Dreams Project," which provides grants to organizations involved in restarting school- and community-based sports and cultural programs that were disrupted by the earthquake or starting new programs. The goal of the project is to help children regain a sense of enjoyment in their daily lives and hope for the future. To date, over two grant periods, the RESTART JAPAN Fund has provided grants to 215 organizations, with assistance planned for approximately 14,000 school students in Iwate, Miyagi and Fukushima prefectures. In fiscal year 2013, the Fund will conduct its third call for grant applications.

In the second grant period of the Achieve Your Dreams Project, Sony commenced the "Child Reporter Project," in which children served as reporters, photographing and recording their surroundings and sharing their resulting news articles with people nationwide through the RESTART JAPAN website. The cameras used in this project were provided by the "Camera Reuse Project," which delivers Cyber-shot™ compact digital cameras that are no longer used by their original owners to people in disaster-affected areas. This new type of recovery assistance program allows customers to donate, through Sony, their used cameras to help people in affected areas record their activities.

Sony has continued to support volunteer activities by its employees since immediately after the disaster. As of March 31, 2013, a cumulative total of more than 1,800



employees had participated in volunteer programs in disaster-affected areas. Sony Group employees have been organizing and conducting their own volunteer program. A total of approximately 380 employees participated in the program over a total of nine trips. Sony Life Insurance Co., Ltd. also is undertaking a wide range of volunteer activities centered on its branch offices in disaster-affected areas. A total of 1,200 people have participated in these programs.

### Response to Hurricane Sandy in the U.S.

When Hurricane Sandy struck the Eastern Coast of the United States last fall, Sony provided immediate disaster relief contributions to Save the Children and the American Red Cross and conducted a special employee matching gift campaign across the U.S. Sony companies that raised more than \$160,000 in additional funding for these worthwhile organizations, which continue to assist local families and help rebuild their communities.

Since that time, Sony has also provided additional grants to local non-profit organizations specifically committed to long-term recovery in the region, long after the agencies focused on immediate disaster relief are gone.





# Financial Section

56	Five-Year Summary of Selected Financial Data
57	Consolidated Statements of Income
58	Consolidated Balance Sheets
60	Consolidated Statements of Cash Flows

# Five-Year Summary of Selected Financial Data

Sony Corporation and Consolidated Subsidiaries

Years ended March 31

	Yen in millions				
	2009	2010	2011	2012	2013
<b>FOR THE YEAR</b>					
Sales and operating revenue .....	7,729,993	7,213,998	7,181,273	6,493,212	<b>6,800,851</b>
Equity in net income (loss) of affiliated companies .....	(25,109)	(30,235)	14,062	(121,697)	<b>(6,948)</b>
Operating income (loss) .....	(227,783)	31,772	199,821	(67,275)	<b>230,100</b>
Income (loss) before income taxes .....	(174,955)	26,912	205,013	(83,186)	<b>245,681</b>
Income taxes .....	(72,741)	13,958	425,339	315,239	<b>141,505</b>
Net income (loss) attributable to Sony Corporation's stockholders .....	(98,938)	(40,802)	(259,585)	(456,660)	<b>43,034</b>
<b>Data per share of common stock:</b>	Yen				
Net income (loss) attributable to Sony Corporation's stockholders					
—Basic .....	(98.59)	(40.66)	(258.66)	(455.03)	<b>42.80</b>
—Diluted .....	(98.59)	(40.66)	(258.66)	(455.03)	<b>40.19</b>
Cash dividends .....	42.50	25.00	25.00	25.00	<b>25.00</b>
	Yen in millions				
Depreciation and amortization* .....	405,443	371,004	325,366	319,594	<b>330,554</b>
Capital expenditures (additions to fixed assets) .....	332,068	192,724	204,862	295,139	<b>188,627</b>
Research and development costs .....	497,297	432,001	426,814	433,477	<b>473,610</b>
<b>AT YEAR-END</b>					
Net working capital (deficit) .....	(190,265)	64,627	(291,253)	(775,019)	<b>(668,556)</b>
Long-term debt .....	660,147	924,207	812,235	762,226	<b>938,428</b>
Sony Corporation's stockholders' equity .....	2,964,653	2,965,905	2,547,987	2,028,891	<b>2,197,766</b>
Common stock .....	630,765	630,822	630,921	630,923	<b>630,923</b>
Total assets .....	11,983,480	12,862,624	12,911,122	13,295,667	<b>14,206,292</b>
Number of shares issued at fiscal year-end (thousands of shares of common stock) .....	1,004,535	1,004,571	1,004,637	1,004,638	<b>1,011,950</b>
Sony Corporation's stockholders' equity per share of common stock (Yen) .....	2,954.25	2,955.47	2,538.89	2,021.66	<b>2,174.07</b>

\* Depreciation and amortization includes amortization expenses for intangible assets and deferred insurance acquisition costs.

# Consolidated Statements of Income

Sony Corporation and Consolidated Subsidiaries

Years ended March 31

	Yen in millions		
	2011	2012	2013
<b>Sales and operating revenue:</b>			
Net sales	6,304,401	5,526,611	<b>5,691,216</b>
Financial services revenue	798,495	868,971	<b>1,004,623</b>
Other operating revenue	78,377	97,630	<b>105,012</b>
	<b>7,181,273</b>	<b>6,493,212</b>	<b>6,800,851</b>
<b>Costs and expenses:</b>			
Cost of sales	4,831,363	4,386,447	<b>4,485,425</b>
Selling, general and administrative	1,501,813	1,375,887	<b>1,457,626</b>
Financial services expenses	675,788	736,050	<b>855,971</b>
Other operating (income) expense, net	(13,450)	(59,594)	<b>(235,219)</b>
	<b>6,995,514</b>	<b>6,438,790</b>	<b>6,563,803</b>
<b>Equity in net income (loss) of affiliated companies</b>	<b>14,062</b>	<b>(121,697)</b>	<b>(6,948)</b>
<b>Operating income (loss)</b>	<b>199,821</b>	<b>(67,275)</b>	<b>230,100</b>
<b>Other income:</b>			
Interest and dividends	11,783	15,101	<b>21,987</b>
Gain on sale of securities investments, net	14,325	671	<b>41,781</b>
Foreign exchange gain, net	9,297	—	<b>—</b>
Other	9,561	7,706	<b>4,888</b>
	<b>44,966</b>	<b>23,478</b>	<b>68,656</b>
<b>Other expenses:</b>			
Interest	23,909	23,432	<b>26,657</b>
Loss on devaluation of securities investments	7,669	3,604	<b>7,724</b>
Foreign exchange loss, net	—	5,089	<b>10,360</b>
Other	8,196	7,264	<b>8,334</b>
	<b>39,774</b>	<b>39,389</b>	<b>53,075</b>
<b>Income (loss) before income taxes</b>	<b>205,013</b>	<b>(83,186)</b>	<b>245,681</b>
<b>Income taxes:</b>			
Current	117,918	108,545	<b>75,734</b>
Deferred	307,421	206,694	<b>65,771</b>
	<b>425,339</b>	<b>315,239</b>	<b>141,505</b>
<b>Net income (loss)</b>	<b>(220,326)</b>	<b>(398,425)</b>	<b>104,176</b>
Less—Net income attributable to noncontrolling interests	39,259	58,235	<b>61,142</b>
<b>Net income (loss) attributable to Sony Corporation's stockholders</b>	<b>(259,585)</b>	<b>(456,660)</b>	<b>43,034</b>
<b>Per share data:</b>	Yen		
Common stock			
Net income (loss) attributable to Sony Corporation's stockholders			
—Basic	(258.66)	(455.03)	<b>42.80</b>
—Diluted	(258.66)	(455.03)	<b>40.19</b>
Cash dividends	25.00	25.00	<b>25.00</b>

# Consolidated Balance Sheets

Sony Corporation and Consolidated Subsidiaries

As of March 31

	Yen in millions	
	2012	2013
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents	894,576	<b>826,361</b>
Marketable securities	680,913	<b>697,597</b>
Notes and accounts receivable, trade	840,924	<b>844,117</b>
Allowance for doubtful accounts and sales returns	(71,009)	<b>(67,625)</b>
Inventories	707,052	<b>710,054</b>
Other receivables	202,044	<b>148,142</b>
Deferred income taxes	36,769	<b>44,615</b>
Prepaid expenses and other current assets	463,693	<b>443,272</b>
Total current assets	3,754,962	<b>3,646,533</b>
Film costs	270,048	<b>270,089</b>
<b>Investments and advances:</b>		
Affiliated companies	36,800	<b>198,621</b>
Securities investments and other	6,282,676	<b>7,118,504</b>
	6,319,476	<b>7,317,125</b>
<b>Property, plant and equipment:</b>		
Land	139,413	<b>131,484</b>
Buildings	817,730	<b>778,514</b>
Machinery and equipment	1,957,134	<b>1,934,520</b>
Construction in progress	35,648	<b>47,839</b>
	2,949,925	<b>2,892,357</b>
Less—Accumulated depreciation	(2,018,927)	<b>(2,030,807)</b>
	930,998	<b>861,550</b>
<b>Other assets:</b>		
Intangibles, net	503,699	<b>527,507</b>
Goodwill	576,758	<b>643,243</b>
Deferred insurance acquisition costs	441,236	<b>460,758</b>
Deferred income taxes	100,460	<b>107,688</b>
Other	398,030	<b>371,799</b>
	2,020,183	<b>2,110,995</b>
<b>Total assets</b>	<b>13,295,667</b>	<b>14,206,292</b>

(Continued on following page.)

	Yen in millions	
	2012	2013
<b>LIABILITIES</b>		
<b>Current liabilities:</b>		
Short-term borrowings	99,878	<b>87,894</b>
Current portion of long-term debt	310,483	<b>156,288</b>
Notes and accounts payable, trade	758,680	<b>572,102</b>
Accounts payable, other and accrued expenses	1,073,241	<b>1,097,253</b>
Accrued income and other taxes	63,396	<b>75,080</b>
Deposits from customers in the banking business	1,761,137	<b>1,857,448</b>
Other	463,166	<b>469,024</b>
Total current liabilities	4,529,981	<b>4,315,089</b>
Long-term debt	762,226	<b>938,428</b>
Accrued pension and severance costs	309,375	<b>311,469</b>
Deferred income taxes	284,499	<b>373,999</b>
Future insurance policy benefits and other	3,208,843	<b>3,540,031</b>
Policyholders' account in the life insurance business	1,449,644	<b>1,693,116</b>
Other	240,978	<b>349,985</b>
<b>Total liabilities</b>	<b>10,785,546</b>	<b>11,522,117</b>
<b>Redeemable noncontrolling interest</b>	20,014	<b>2,997</b>
<b>EQUITY</b>		
<b>Sony Corporation's stockholders' equity:</b>		
Common stock, no par value—		
2012—Shares authorized 3,600,000,000, shares issued: 1,004,638,164	630,923	
2013—Shares authorized 3,600,000,000, shares issued: 1,011,950,206		<b>630,923</b>
Additional paid-in capital	1,160,236	<b>1,110,531</b>
Retained earnings	1,084,462	<b>1,102,297</b>
Accumulated other comprehensive income—		
Unrealized gains on securities, net	64,882	<b>107,061</b>
Unrealized losses on derivative instruments, net	(1,050)	<b>(742)</b>
Pension liability adjustment	(186,833)	<b>(191,816)</b>
Foreign currency translation adjustments	(719,092)	<b>(556,016)</b>
	(842,093)	<b>(641,513)</b>
Treasury stock, at cost		
Common stock		
2012—1,061,803 shares	(4,637)	
2013—1,048,870 shares		<b>(4,472)</b>
	2,028,891	<b>2,197,766</b>
Noncontrolling interests	461,216	<b>483,412</b>
<b>Total equity</b>	<b>2,490,107</b>	<b>2,681,178</b>
<b>Total liabilities and equity</b>	<b>13,295,667</b>	<b>14,206,292</b>

# Consolidated Statements of Cash Flows

Sony Corporation and Consolidated Subsidiaries

Years ended March 31

	Yen in millions		
	2011	2012	2013
<b>Cash flows from operating activities:</b>			
Net income (loss) .....	(220,326)	(398,425)	<b>104,176</b>
Adjustments to reconcile net income (loss) to net cash provided by operating activities—			
Depreciation and amortization, including amortization of deferred insurance acquisition costs .....	325,366	319,594	<b>330,554</b>
Amortization of film costs .....	250,192	188,836	<b>208,051</b>
Stock-based compensation expense .....	1,952	1,952	<b>1,232</b>
Accrual for pension and severance costs, less payments .....	(15,229)	36,647	<b>(16,669)</b>
Other operating (income) expense, net .....	(13,450)	(59,594)	<b>(235,219)</b>
(Gain) loss on sale or devaluation of securities investments, net .....	(6,656)	2,933	<b>(34,057)</b>
(Gain) loss on revaluation of marketable securities held in the financial services business for trading purposes, net .....	10,958	(21,080)	<b>(72,633)</b>
(Gain) loss on revaluation or impairment of securities investments held in the financial services business, net .....	5,080	2,819	<b>(5,689)</b>
Deferred income taxes .....	307,421	206,694	<b>65,771</b>
Equity in net (income) losses of affiliated companies, net of dividends .....	(11,479)	138,772	<b>8,819</b>
Changes in assets and liabilities:			
Decrease in notes and accounts receivable, trade .....	104,515	4,427	<b>55,712</b>
(Increase) decrease in inventories .....	(112,089)	29,778	<b>56,987</b>
Increase in film costs .....	(244,063)	(186,783)	<b>(173,654)</b>
Decrease in notes and accounts payable, trade .....	(18,119)	(59,410)	<b>(206,621)</b>
Increase (decrease) in accrued income and other taxes .....	(8,020)	(44,635)	<b>12,446</b>
Increase in future insurance policy benefits and other .....	278,897	332,728	<b>438,371</b>
Increase in deferred insurance acquisition costs .....	(69,196)	(68,634)	<b>(73,967)</b>
Increase in marketable securities held in the financial services business for trading purposes .....	(30,102)	(39,161)	<b>(25,254)</b>
(Increase) decrease in other current assets .....	(89,473)	(35,181)	<b>91,762</b>
Increase (decrease) in other current liabilities .....	56,076	10,595	<b>(55,830)</b>
Other .....	113,990	156,667	<b>7,224</b>
Net cash provided by operating activities .....	616,245	519,539	<b>481,512</b>

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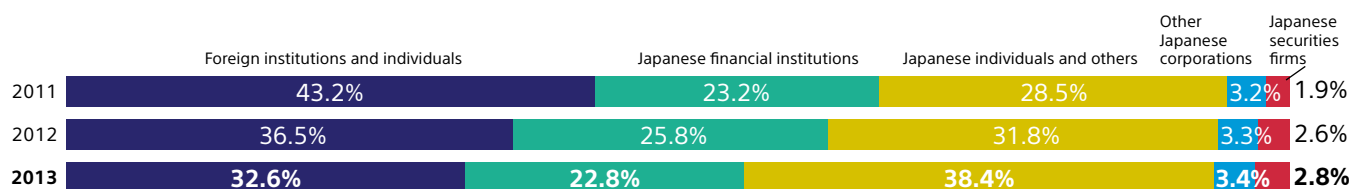


	Yen in millions		
	2011	2012	2013
<b>Cash flows from investing activities:</b>			
Payments for purchases of fixed assets .....	(253,688)	(382,549)	<b>(326,490)</b>
Proceeds from sales of fixed assets .....	18,743	22,661	<b>245,758</b>
Payments for investments and advances by financial services business	(1,458,912)	(1,028,150)	<b>(1,046,764)</b>
Payments for investments and advances (other than financial services business) .....	(15,316)	(28,021)	<b>(92,364)</b>
Proceeds from sales or return of investments and collections of advances by financial services business .....	874,031	474,466	<b>400,654</b>
Proceeds from sales or return of investments and collections of advances (other than financial services business) .....	30,332	93,165	<b>78,010</b>
Proceeds from sales of businesses .....	99,335	8,430	<b>52,756</b>
Payment for Sony Ericsson acquisition, net of cash acquired .....	—	(71,843)	<b>—</b>
Other .....	(8,964)	28,955	<b>(16,840)</b>
Net cash used in investing activities .....	(714,439)	(882,886)	<b>(705,280)</b>
<b>Cash flows from financing activities:</b>			
Proceeds from issuance of long-term debt .....	1,499	216,887	<b>159,781</b>
Payments of long-term debt .....	(216,212)	(112,043)	<b>(326,164)</b>
Increase (decrease) in short-term borrowings, net .....	6,120	(26,158)	<b>(29,683)</b>
Increase in deposits from customers in the financial services business, net .....	229,327	211,597	<b>232,561</b>
Proceeds from issuance of convertible bonds .....	—	—	<b>150,000</b>
Dividends paid .....	(25,098)	(25,078)	<b>(25,057)</b>
Payment for purchase of So-net shares from noncontrolling interests ..	—	—	<b>(55,178)</b>
Other .....	(5,748)	(7,869)	<b>(23,079)</b>
Net cash provided by (used in) financing activities .....	(10,112)	257,336	<b>83,181</b>
Effect of exchange rate changes on cash and cash equivalents .....	(68,890)	(13,825)	<b>72,372</b>
Net decrease in cash and cash equivalents .....	(177,196)	(119,836)	<b>(68,215)</b>
Cash and cash equivalents at beginning of the fiscal year .....	1,191,608	1,014,412	<b>894,576</b>
Cash and cash equivalents at end of the fiscal year .....	1,014,412	894,576	<b>826,361</b>
<b>Supplemental data:</b>			
Cash paid during the fiscal year for—			
Income taxes .....	116,376	127,643	<b>90,991</b>
Interest .....	20,583	20,276	<b>24,161</b>
Non-cash investing and financing activities—			
Obtaining assets by entering into capital leases .....	3,738	56,403	<b>10,025</b>
Share exchange for So-net remaining noncontrolling interests .....	—	—	<b>7,005</b>
Collections of deferred proceeds from sales of receivables .....	153,550	132,636	<b>20,608</b>

# Stock Information

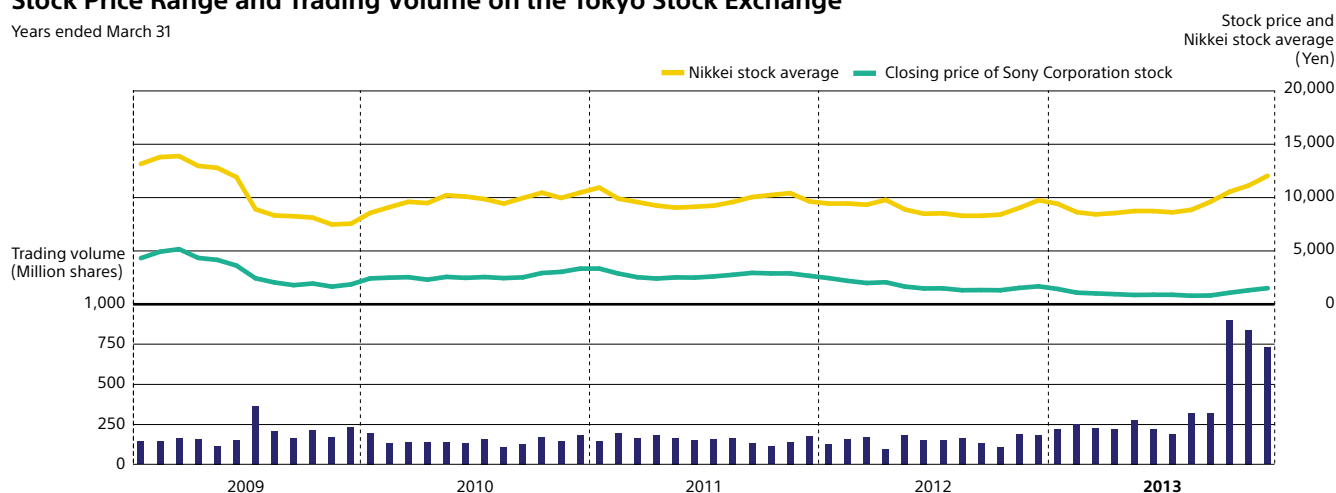
## Ownership and Distribution of Shares

Years ended March 31	2011		2012		2013	
	Number of shares held	Number of shareholders	Number of shares held	Number of shareholders	Number of shares held	Number of shareholders
Foreign institutions and individuals . . .	434,213,781	1,377	366,869,951	1,297	<b>330,107,208</b>	<b>1,303</b>
Japanese financial institutions . . . . .	232,697,072	213	259,462,935	158	<b>231,070,999</b>	<b>129</b>
Japanese individuals and others . . . . .	286,552,249	692,569	318,944,032	708,665	<b>388,380,526</b>	<b>740,076</b>
Other Japanese corporations . . . . .	32,575,060	3,904	32,980,228	3,836	<b>34,555,135</b>	<b>3,861</b>
Japanese securities firms . . . . .	18,598,502	92	26,381,018	83	<b>27,836,338</b>	<b>102</b>
Total . . . . .	1,004,636,664	698,155	1,004,638,164	714,039	<b>1,011,950,206</b>	<b>745,471</b>



## Stock Price Range and Trading Volume on the Tokyo Stock Exchange

Years ended March 31



- Notes: 1. This trading volume shows the monthly volume of trade on the Tokyo Stock Exchange. Each fiscal year starts in April and ends in March.  
2. Stock prices and the Nikkei stock average is based on a simple average of daily closing prices for each day of every month on the Tokyo Stock Exchange.

Years ended March 31	2009	2010	2011	2012	2013
Stock price (Yen)					
At year-end . . . . .	1,998	3,580	2,664	1,704	<b>1,642</b>
High . . . . .	5,560	3,645	3,620	2,727	<b>1,750</b>
Low . . . . .	1,491	2,050	2,100	1,253	<b>772</b>
Annual increase/decrease . . . . .	-49.7%	+79.2%	-25.6%	-36.0%	<b>-3.6%</b>
Number of shares outstanding at year-end (Thousands of shares) . . . . .	1,004,535	1,004,571	1,004,637	1,004,638	<b>1,011,950</b>
Market capitalization at year-end (Yen in trillions) . . . . .	2.01	3.60	2.68	1.71	<b>1.66</b>
Per share of common stock data (Yen)					
Cash dividends applicable to the year . . . . .	42.50	25.00	25.00	25.00	<b>25.00</b>
Net income (loss) (diluted) . . . . .	(98.59)	(40.66)	(258.66)	(455.03)	<b>40.19</b>
Stockholders' equity . . . . .	2,954.25	2,955.47	2,538.89	2,021.66	<b>2,174.07</b>

# Investor Information

## SONY CORPORATION

7-1, Konan 1-chome, Minato-ku,  
Tokyo 108-0075, Japan

## INVESTOR RELATIONS OFFICES

If you have any questions or would like a copy of our Form 20-F, filed with the U.S. Securities and Exchange Commission, or our Annual Report to shareholders, please direct your request to:

### Japan

#### SONY CORPORATION

IR Department  
7-1, Konan 1-chome, Minato-ku,  
Tokyo 108-0075  
Phone: 81-(0)3-6748-2111

### U.S.A.

#### SONY CORPORATION OF AMERICA

Investor Relations  
550 Madison Avenue, 33rd Floor,  
New York, NY 10022-3211  
Phone: 1-212-833-6849

### U.K.

#### SONY GLOBAL TREASURY SERVICES PLC

Investor Relations Europe  
15th Floor, Aviva Tower, St. Helens, 1 Undershaft,  
London EC3A 8NP  
Phone: 44-(0)20-7426-8696

## SONY ON THE INTERNET

Sony's Investor Relations Home Pages on the World Wide Web offer a wealth of corporate information, including the latest annual report and financial results.  
<http://www.sony.net/IR/>

## ORDINARY GENERAL MEETING OF SHAREHOLDERS

The Ordinary General Meeting of Shareholders is held in June.

## INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

PricewaterhouseCoopers Aarata  
Sumitomo Fudosan Shiodome Hamarikyu Bldg.  
21-1, Ginza 8-chome, Chuo-ku, Tokyo 104-0061, Japan

## DEPOSITARY, TRANSFER AGENT AND REGISTRAR FOR AMERICAN DEPOSITARY RECEIPTS

JPMorgan Chase Bank N.A.  
1 Chase Manhattan Plaza, Floor 58, New York, NY 10005

### Contact Address:

JPMorgan Service Center  
P.O. Box 64504  
St. Paul, MN 55164-0504  
Phone: General: 1-800-990-1135  
From outside the U.S.A.: 1-651-453-2128

## TRANSFER AGENT

Mitsubishi UFJ Trust and Banking Corporation  
4-5, Marunouchi 1-chome, Chiyoda-ku,  
Tokyo 100-8212, Japan  
Phone: 81-(0)3-3212-1211

## OVERSEAS STOCK EXCHANGE LISTINGS

New York and London stock exchanges

## JAPANESE STOCK EXCHANGE LISTINGS

Tokyo stock exchange

## NUMBER OF SHAREHOLDERS

(As of March 31, 2013)  
745,471

## INFORMATION REGARDING CSR

### (Corporate Social Responsibility)

Information about Sony's CSR activities can be accessed at the following website.  
<http://www.sony.net/csr/>

Inquiries concerning the aforementioned activities can be directed to:

Sony Corporation  
Corporate Social Responsibility Department  
Phone: 81-(0)3-6748-2111

### Cautionary Statement

Statements made in this annual report 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 business); (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.



Annual Report 2013  
Year Ended March 31, 2013  
Sony Corporation