

Sony Accelerates Transformation to Drive Innovation and Growth

Under the leadership of its new executive management team established in April 2009, Sony Corporation ("Sony") has reformed its organizational structure in order to bolster profitability and transform its operations, with the aim of accelerating innovation and growth and optimizing business processes, particularly within its electronics and networked service businesses.

As a result, approximately 80% of Sony's targeted 330 billion yen of group-wide cost reductions for the current fiscal year ending March 31, 2010 compared to the previous fiscal year have been achieved in the first half of the current fiscal year. Furthermore, Sony is now positioned to launch a succession of competitive products from the end of this calendar year and into 2010.

In order to permit further growth and continue to enhance profitability, Sony is implementing additional transformation measures centering on the following four initiatives:

- **Target consistent profitability in core hardware businesses (TV, game and digital imaging)**
- **Provide new user experiences integrating innovative hardware, software and services**
- **Reach out to new customers and develop new geographic markets**
- **Increase Sony's focus on environmentally conscious products and processes**

Through these measures, Sony targets an annual 5% operating income margin and a 10% return on equity by the end of the fiscal year ending March 31, 2013.

Details of these initiatives are as follows:

Target consistent profitability in core hardware businesses (TV, game and digital imaging)

Regain the leading market position in LCD TV business

- Target returning the LCD TV business to profitability in the fiscal year ending March 31, 2011 and achieving a 20% worldwide market share on a unit basis in the fiscal year ending March 31, 2013.
- Create a new revenue model beyond conventional TV business models.
 - Introduce "Evolving" TV that delivers new applications over the network.
 - Develop new generation displays using proprietary Sony devices.

Strengthen profitability of game business

- Target returning to profitability in the fiscal year ending March 31, 2011.
- Increase revenues by expanding hardware/software sales and enrichment of PlayStation®Network services.
- Improve profitability in the game business by cost reduction and other measures.

Maintain leading position as the number one digital imaging brand in the world

- Strengthen business through outstanding product differentiation and cost competitiveness based on key devices such as image sensors and imaging engines.

Provide new user experiences integrating innovative hardware, software and services

Network-connected products and services

- Further expand Sony's networked service business by utilizing the rapidly growing PlayStation®Network services (over 33 million registered account users as of November 16, 2009) and by integrating attractive hardware, including new mobile products and other consumer electronics, with networked services. Target annual revenues of 300 billion yen from networked service business by the end of the fiscal year ending March 31, 2013.
- Strengthen and expand networked mobile business.
 - Strengthen collaboration with Sony Ericsson Mobile Communications.
 - Accelerate rollout of e-book (hardware and content) business.
- Expand Sony's lineup of network-connected products. Target installed user base of 350 million units by the end of the fiscal year ending March 31, 2013.

Expand 3D-related product businesses in the fiscal year ending March 31, 2011

- Engage Sony's group-wide assets from content production to display devices and game to make available a wide variety of attractive content and hardware, and drive the creation of new 3D markets.
- Launch 3D-related products for the home, including TV, Blu-ray Disc™ players/recorders and 3D gaming on PlayStation®3 in the fiscal year ending March 31, 2011.
- Provide solutions for 3D content production, distribution and theatrical projection to lead the field in broadcast and professional businesses.
- Target revenue from 3D-related products of more than 1 trillion yen (excluding content) in the fiscal year ending March 31, 2013.

Growth strategies for lithium-ion battery business

- Secure high profitability in existing businesses.
- Analyze possible entry into new business domains (storage/e-Vehicle battery).

Reach out to new customers and develop new geographic markets

- Strengthen direct marketing strategies.
- Promote Sony Group's unified brand message "make.believe" globally.
- Continue to invest in emerging markets, including BRIC countries, to develop new customer bases.

Increase Sony's focus on environmentally conscious products and processes

- Target absolute 30% reduction in greenhouse gas emissions from Sony Group sites in CO₂ emissions by the end of the fiscal year ending March 31, 2016, compared to the level of the fiscal year ended March 31, 2001*.
- Target 30% reduction of power consumption per product by the end of the fiscal year ending March 31, 2016, compared to the level of the fiscal year ended March 31, 2009*.
- Target zero environmental footprint throughout the lifecycle of Sony's products and business activities as long-term goal.

* Sony has been a member of the WWF Climate Savers Programme since 2006, organized by WWF International to mobilize companies to cut greenhouse gas emissions. The above targets were reviewed and approved by the WWF as a renewal of the present Climate Savers Programme commitments.

Cautionary Statement

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