

July 28, 2016

Murata Manufacturing Co., Ltd.
Sony Corporation

Signing of Memorandum of Understanding for the Transfer of Battery Business

Murata Manufacturing Co., Ltd. (“Murata”) and Sony Corporation (“Sony”) today announced that they have entered into a non-binding memorandum of understanding that confirms their intent to negotiate the transfer of the Sony Group’s battery business to the Murata Group (the “Transfer”). Following due diligence and negotiation of detailed terms and conditions of the Transfer, Murata and Sony are aiming to execute binding definitive agreements by the middle of October 2016, and to complete the Transfer by the end of March 2017, subject to required regulatory approvals.

Although the scope of the Transfer remains to be finalized, the parties expect the Transfer to include the battery business conducted by Sony Energy Devices Corporation, Sony’s wholly-owned subsidiary in Japan; Sony’s battery-related manufacturing operations located in China and Singapore; and assets and personnel assigned to the battery business at the Sony Group’s sales and R&D sites in Japan and worldwide.

Business operations related to consumer sales of Sony-branded USB batteries, alkaline batteries, button and coin batteries, and mobile projectors, as well as certain other products, are not expected to be included in the Transfer.

The background and aims of the Transfer are as follows:

- Sony has operated its battery business since 1975, and in 1991 commercialized the world’s first lithium-ion battery. Until now, Sony has continued to pursue the development and business launch of various advanced battery products, primarily as key components for electronics products. Recently, Sony has focused on enhancing the profitability of its lithium-ion polymer battery business for smartphones, an area where the competitive environment is significantly changing, while it also has shifted its resources to cylindrical lithium ion batteries for power tools and other high-power applications where it possesses significant

technological advantages.

- Murata is a global leader in the area of electronic components. To achieve the business goals set out in its “Mid-term Direction 2018” strategy, Murata is engaged in efforts to enhance its competitive edge in the communications market, while also creating new business models and customer value in its focus markets of automotive and healthcare, as well as the energy market. Given these circumstances, Murata was drawn to the technological strengths, and knowledge and experience of international markets of Sony’s global battery business. Following the Transfer, Murata intends to position the global battery business as a core operation within its energy business in order to target further business growth and expansion.
- From the perspective of each of their portfolio strategies, and in order to increase the competitiveness and ensure the sustained growth of the battery businesses while also continuing to secure appropriate investment to achieve such competitiveness and sustained growth, Murata and Sony determined that it would be mutually beneficial to proceed with negotiations towards the transfer of the technological strengths and business experience Sony has accumulated in the battery business to Murata, and for the business to be operated within the Murata Group.

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