Sony IR Day 2017

Game & Network Services Segment

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John (Tsuyoshi) Kodera

Business Executive
Sony Corporation
Deputy President
Sony Interactive Entertainment

Agenda

1. FY2016 Review

2. FY2017 Strategy

*FY2017 = Fiscal year ending on March 31, 2018
1. FY2016 Review

FY2016 Key Achievements

1. Highly successful growth and development of PlayStation®4 (PS4™) ecosystem
2. Continued innovation with mid-lifecycle upgrade with PS4™Pro
3. Successful launch of PlayStation®VR (PS VR) for brand-new immersive entertainment
2. FY2017 Strategy
Growth of the PS4™ ecosystem based on MRP direction

Game & Network Services Segment

PlayStation® ecosystem
Retain and expand PlayStation® engagement, increase business opportunities and revenue

PlayStation® Users
70M+ MAU

User engagement focused analysis and planning

Contents & Services
1st & 3rd Party Games

Solutions & Delivery Methods

FY17 Key Strategy

1. PS4™ eco-system: Maximize profit during the “harvest” period

2. PS VR: Further expand PS VR as a game and entertainment medium, incubate new content ecosystem

3. PlayStation™Vue: Deliver the best-in-class viewing experience in the OTT TV market

4. Develop new audience: Create a new mobile content opportunity in Japan/Asia region
**PS4™ eco-system: Maximize profit during the “harvest” period**

**Further expand PlayStation® user base**
- Cumulative hardware units sold in by the end of FY2017: 78 Mil
- MAU at the end of FY2016: 70 Mil+

**Enhance game line-up**
- + catalog assets

**Grow PlayStation®Plus paid subscribers**
- *Year-end paid subscribers
- *In millions

<table>
<thead>
<tr>
<th>Year</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
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<tr>
<td></td>
<td>20.8</td>
<td>26.4</td>
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**PS VR: Expand as a game and entertainment medium, incubate new content ecosystem**

**Expand as a game and entertainment medium**
- Industry-leading immersive VR platform
- Affordable HW pricing enabled by PlayStation® ecosystem
- Enhance game title line-up and PS4™Pro compatibility

**Incubate new content ecosystem**
- Expand VR content line-up such as movie and music
- Initiatives in location-based entertainment as a new challenge

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Sony IR Day 2017
PlayStation™Vue: Actions for mid-term success

Offer the best personalized TV viewing experience with compelling features, content and channels

- Product Differentiation & Quality
  - Cloud DVR
  - Multi-View Capabilities
  - Channel Favoring
  - Five Simultaneous Streams
  - Browse & Discover
  - Access to TV Everywhere Apps

- Optimized Content Line-up and Cost
  - Relevant & Personalized Ad
  - Subscriber Growth

- Personalized Ad & Monetization
  - Relevant & Personalized Ad
  - Subscriber Growth

Develop new audience: Create a new mobile content opportunity in Japan/Asia region

- Establish new service business for smart devices in Japan/Asia
- Leverage strength accumulated in traditional console business
  - SIE’s IP and knowhow in game development
  - Close relationship with 3rd party publishers and developers
- Build a title portfolio in a wide range of genres and develop original IP
- Create brand-new play through collaborations within Sony Group (Project FIELD)
## FY2017 Operating Profit Variation from FY2016

### Game & Network Services Segment

<table>
<thead>
<tr>
<th>(Billion yen)</th>
<th>FY2016 Act</th>
<th>FY2017 Apr Fct</th>
<th>Variation</th>
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<tbody>
<tr>
<td>Net Sales</td>
<td>1,649.8</td>
<td>1,890</td>
<td>135.6</td>
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<td></td>
<td>35</td>
<td>170</td>
<td>105</td>
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### Key Drivers

- **①** Further growth of PS4™ business (Including PS VR)
- **②** Continued growth in network revenue
- **③** Decrease of PS3™ platform sales
- **④** Increase in SGA for overall sales growth, etc.
- **⑤** Unfavorable impact of exchange rates*1

*1: Impact of foreign exchange fluctuations is calculated using the sales and costs denominated in each currency in FY2017 and comparing them with the previous fiscal year

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