Sony ESG Briefing
“Creating Sustainable Social Value”

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Agenda

• Corporate Strategy
  “Aim to Generate Sustainable Social Value and Maintain a High Level of Profit”

• Founder’s Vision and Approach to Sustainability

• Environment: Acceleration of the Use of Renewable Electricity

• Social: Initiatives for the Next Generation

• Governance
Corporate Strategy (May 22, 2018)

Aim to Generate Sustainable Social Value and Maintain a High Level of Profit

Social Value that Sony Creates through Long-term Vision

- Create Communities of Interest and enrich people's lives
- Contribute to safety in the self-driving car era
- Medical
- Education in a broader sense
- Environment and respect for human rights

KANDO
Founder’s Vision

The Founding Prospectus

Approach to Sustainability

“It is the core corporate responsibility of Sony to society to pursue its corporate value enhancement through innovation and sound business practices and contribute to developing a sustainable society. We will all give due consideration to the impact of our business activities on the interest of our stakeholders including shareholders, customers, employees, suppliers, business partners, local communities and other organizations.” - Sony Group Code of Conduct
Sony’s CSR

・Respect for Diversity (Business, Employees worldwide)
・Innovation
・Stakeholder Engagement and Partnerships

Contributing to Sustainable Development Goals (SDGs)

To contribute to the SDGs, Sony studied the relationship between the SDGs and its business activities, including its supply chain.

Sony aims to contribute to society through innovation and sound business practices

“9. Industry, innovation and infrastructure” identified as the most relevant SDG. Other SDGs analyzed from the following points of view:

- Contribute through its business:
  Goal 3, 5, 8, 17
- Consider the impact of its business:
  Goal 5, 8, 12, 13
- Can help to achieve in coordination with its business:
  Goal 4, 5, 9, 17
**Viewpoint on ESG**

Based on its strong governance (G), business, environment (E), and social (S) activities are pursued to enhance corporate value in the long-term.

- **Diverse Business**
- **Environment (E)**
  - Towards the development of a sustainable society
- **Society (S)**
  - Considering the impact to stakeholders and society
- **Strong Corporate Governance (G)**

**Environment**
Sony’s Environmental Plan “Road to Zero”

• Sony’s plan is to achieve a **zero environmental footprint in 2050**.
• Every five years it sets mid-term environmental targets to serve as milestones. Targets are determined by back casting (calculating backwards)
• Current set of mid-term targets is **Green Management 2020** (FY2015-FY2020)
• Sony was the first Japanese company to have its targets on Climate Change be approved as a **Science-Based Target** *

*C The Science-Based Targets Initiative approved the emissions reductions targets of Sony in October 2015 as in line with the “2°C Target” of the Paris Agreement.

Creating Social Value and Environmental Consideration

• **Generating Social Value through Semiconductor Business**
  → Contribute to the reduction of negative environmental impact and the safety of mobility using imaging and sensing technologies

• **Managing Greenhouse Gas Emissions**
  → Respond by thorough implementation of energy conservation activities, and by expanding the use of renewable electricity
Participation in RE100*
Acceleration of the Use of Renewable Electricity

• Sony’s targets on use of renewable electricity for all of its business sites

100% by FY2040

• Sony will call for expanding the renewable electricity market in Japan together with other companies and organizations

*RE100: the global initiative of the companies aiming to operate with 100% renewable electricity

Roadmap to Achieve RE100

- Continue energy conservation activities
- Install solar power generation equipment at Sony sites
- Study and establish new ways to share electricity generated among Sony sites in Japan such as a power interchange scheme

Until FY2030:
- Increase the use of renewable electricity in Japan, the US and China
- Promote further use of renewable electricity in other regions

From FY2030: Accelerate the use of renewable electricity in Japan

FY2020 FY2030 FY2040

Renewable Electricity Ratio

100%

30%
Power Interchange Scheme among Sony Sites in Japan

Study the feasibility of renewable electricity use by establishing a scheme of intracompany transfer of electricity generated at Sony sites.

A factory transmits electricity generated by its own generator to its subsidiary sites for their use through an electricity grid.

Goal: interchange renewable electricity among our factories

Under discussion with relevant power companies and factories to realize this scheme.

Introduction of Renewable Electricity at Sony

- FY2000: Contributed to the establishment of the “Green Energy Certificate” System in Japan and became the biggest user of the certificate in Japan.
- FY2008: Achieved 100% use of renewable electricity at all of its European sites.
- FY2015 “Green Management 2020” target: using renewable energy equivalent to reducing CO2 emissions by 300,000 tons by FY2020.
- FY2030 Target: 30% Renewable Electricity at all of its business sites.
- FY2040 Target: 100% Renewable Electricity at all of its business sites.
- 2050 “Zero Environmental Footprint”

September 2018
Joined RE100

Sony Corporation
Social Activities

Respecting Human Rights, Diversity as Source of Innovation
Respect for all human rights in business activities, products, services and business relationships

FY2017: Reviewed the human rights risks of Sony Group’s business
- Continuous agenda: Labor, employment issues in the supply chain
- Emerging agenda: Issues related to new technologies such as AI
Responsible Supply Chain

Supply Chain Management:
- Joined the Responsible Business Alliance (RBA, formerly EICC) when established in 2004
- Established the Sony Supply Chain Code of Conduct, applying the RBA Code of Conduct to Sony’s own electronics manufacturing sites and those of its suppliers
- Regularly assesses supply chain for compliance with Sony Supply Chain Code of Conduct, utilizing self assessment, on-site assessment and third-party audit based on the risk level of a given supplier

Responsible Sourcing of Raw Materials:
- Pursuant to Section 1502 of the Dodd-Frank Act (Conflict Minerals), Sony conducts an annual survey of suppliers and files a report with the U.S. Securities and Exchange Commission (SEC)
- Participates in industry initiatives and the Public-Private Alliance as a member of the RBA and RMI (Responsible Minerals Initiative)
- In 2017, established the Sony Group Policy for Responsible Supply Chain of Minerals
- Addressing emerging issues such as child labor in cobalt mining sites

Basic structure of the supply chain

Initiatives for the Next Generation

1946: Sony Corporation Founded
Purpose of Incorporation includes:
- To elevate the nation’s culture through dynamic technological activities
- To promote the education of science among the general public

Masaru Ibuka
Sony Founder

1959:
Introduced a science education subsidy for elementary schools

1972:
Established Sony Education Foundation

2014:
Education business
Coding & Robotics
Starter Kit 「KOOV™」
Science Museums Workshops
IoT Programming Kit 「MESHTM」

Enhance children’s curiosity and creativity

For the Next Generation
Science education programs
Sony Science Program
Science Museums Workshops

Nurture engineers of the future
"KANDO Experience" Program

Sony Enacts Initiative to Reduce Child Educational Gap
-Launch of "KANDO Experience" Program to Nurture Creativity and Curiosity-

Addressing Social Issues in Japan

Educational gap among children

Educational gap and lack of experience are caused by various social issues

- Children in Poverty
  1 in 7 children are considered to be in relative poverty*

- Remote Areas and Islands
  Lack of educational and other opportunities compared to big cities

- Unhealthy Home and School Environment
  Child abuse and neglect at home
  School truancy and bullying

- Out-of-School Time
  Lack of educational and other opportunities after school and on weekends

* "2016 Comprehensive Survey of Living Conditions" (Ministry of Health, Labor and Welfare)
“KANDO Experience” program

Deliver “KANDO Experience” to children who will shape the future

Workshops: “STEAM” contents utilizing Sony’s assets
※STEAM: Science, Technology, Engineering, Art, Math

Target: Approach children who lack opportunities for various experiences by working together with NPO and others

<table>
<thead>
<tr>
<th>Partners</th>
<th>Locations</th>
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<tbody>
<tr>
<td>“Houkago NPO Afterschool”</td>
<td>Afterschool classes at elementary schools</td>
</tr>
<tr>
<td>“Bringing Professionals to Every School”</td>
<td>Elementary schools in remote areas and islands</td>
</tr>
<tr>
<td>“Kodomo Shokudo”</td>
<td>“Kodomo Shokudo” (A community diner to offer dinner/programs to children)</td>
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Case: Partnership with “NPO Afterschool”

Bring “KANDO Experience” programs to children after school to fill in the educational/experience gap

Programming Workshop (MESH)  Warp to anywhere in VR Space  Animation Seminar  Kids’ Musical  Science Show

Schedule: Launch in September 2018
Venue: Local elementary schools in Tokyo area (FY2019: Planning a larger scale)
Governance

Evolution of Sony’s Corporate Governance in Line with Development of Business and Corporate Financing

- **1959** Listed on the Tokyo Stock Exchange
- **1960** Established “Sony Corporation of America” in the U.S.
- **1961** Issued American Depositary Receipts (ADRs)*; Started US-GAAP accounting*
- **1966** Music business in Japan
- **1970** Listed on the New York Stock Exchange*; Started appointing independent directors and disclosing quarterly earnings release
- **1979** Life insurance business
- **1988** Music business outside Japan
- **1989** Motion picture business
- **1991** Game business
- **1993** Non-life insurance business
- **1994** Banking business
- **1997** Introduced a new corporate executive officer system*
- **1998** Non-life insurance business
- **2001** Split out business units as subs
- **2003** Majority of the board became independent
- **2005** Adoption of a new corporate executive officer system*
- **2008** Listed on TSE in 2007
- **2010** Majority of the board became independent
- **2013** Network service business (as a wholly-owned sub's business)
- **2014** Medical business
- **2015** Split out business units as subs
- **2016** Majority of the board became independent

* First among all Japanese companies
Three Key Principles of Sony’s Corporate Governance

- **Enhancement of Corporate Value from the Perspective of Shareholders**
- **Appropriate Interaction between the Board and Management**
- **Continuously Identify Improvements in Governance**

Focused Themes and Initiatives

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<th>Soundness and Transparency of Management</th>
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<td>Clear Separation of Oversight (Board) and Execution (Management)</td>
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- Sony adheres to the “three committees” system (audit, nominating and compensation committees).
- 10 independent/non-executive directors (out of 12 directors) serve on Sony’s Board.
- The Chairman of the Board is an Independent Director, and the Chairmans of all three of the Board’s committees are Independent Directors.
- Sony has established specific qualifications for independent directors and a maximum tenure (i.e., 9 years) for those directors.

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<th>Speed of Operation</th>
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<td>Delegation of Authority</td>
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- While Sony’s Board retains the authority to determine fundamental management policy, it has largely delegated its authority regarding business operations to Management.
Board Attributes & Skill Set
(Outside & Non-executive Directors)

<table>
<thead>
<tr>
<th>Attribute</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global Business</td>
<td>10</td>
</tr>
<tr>
<td>Relevant Industry/Operations</td>
<td>9</td>
</tr>
<tr>
<td>CEO or Equivalent</td>
<td>6</td>
</tr>
<tr>
<td>Diversity (Gender/Nationality)</td>
<td>4</td>
</tr>
<tr>
<td>Risk Management</td>
<td>4</td>
</tr>
<tr>
<td>Finance/Accounting</td>
<td>4</td>
</tr>
<tr>
<td>Engineering/Technology</td>
<td>2</td>
</tr>
<tr>
<td>Government</td>
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Recent Efforts to Improve the Effectiveness of Sony’s Board and Governance

- Enhancing diversity in the boardroom
- Focusing on monitoring the cyber security-related risk management by the Board
- Reviewing and discussing mid-/long-term business strategies at Directors’ corporate strategic workshops
- Reviewing the effect of/returns from large-size investments and M&A matters at the Board
- Monitoring the management succession plan at the Nominating Committee
- Changing the compensation structure, including by adopting a restricted stock compensation plan
- Promoting splitting out business units as legal entities
Social Value that Sony Creates through Long-term Vision

Create Communities of Interest and enrich people's lives

Contribute to safety in the self-driving car era

Medical

Education in a broader sense

Environment and respect for human rights

KANDO
Cautionary Statement

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(i) Sony’s ability to maintain product quality and customer satisfaction with its products and services;
(ii) 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 image sensors, game and network platforms, smartphones and televisions, 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 customer preferences;
(iii) Sony’s ability to implement successful hardware, software, and content integration strategies, and to develop and implement successful sales and distribution strategies in light of new technologies and distribution platforms;
(iv) the effectiveness of Sony’s strategies and their execution, including but not limited to the success of Sony’s acquisitions, joint ventures, investments, capital expenditures, restructuring and other strategic initiatives;
(v) changes in law, regulations and government policies in the markets in which Sony and its third-party suppliers, service providers and business partners operate, including those related to taxation, as well as growing consumer focus on corporate social responsibility;
(vi) Sony’s continued ability to identify the products, services and market trends with significant growth potential, to devote sufficient resources to research and development, to prioritize investments and capital expenditures correctly and to repurpose its investments and capital expenditures, including those required for technology development and product capacity;
(vii) Sony’s reliance on external business partners, including for the procurement of parts, components, software and network services for its products or services, manufacturing, marketing and distribution of its products, and its other business operations;
(viii) the global economic and political environment in which Sony operates and the economic and political conditions in Sony’s markets, particularly levels of consumer spending;
(ix) Sony’s ability to meet operational and liquidity needs as a result of significant volatility and disruption in the global financial markets or a ratings downgrade;
(x) Sony’s ability to forecast demands, manage timely procurement and control inventories;
(xi) 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, liabilities and operating results are denominated;
(xii) Sony’s ability to attract, retain and maintain productive relations with highly skilled personnel;
(xiii) Sony’s ability to prevent unauthorized use or theft of intellectual property rights, to obtain or renew licenses relating to intellectual property rights and to defend itself against claims that its products or services infringe the intellectual property rights owned by others;
(xiv) the impact of changes in interest rates and 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;
(xv) 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;
(xvi) risks related to catastrophic disasters or similar events;
(xvii) the ability of Sony, its third-party service providers or business partners to anticipate and manage cybersecurity risk, including the risk of unauthorized access to Sony’s business information and the personally identifiable information of its employees and customers, potential business disruptions or financial losses; and
(xviii) the outcome of pending and/or future legal and/or regulatory proceedings.

Risks and uncertainties also include the impact of any future events with material adverse impact. Important information regarding risks and uncertainties is also set forth in Sony’s most recent Form 20-F, which is on file with the U.S. Securities and Exchange Commission.