Sony IR Day 2018

Pictures Segment

May 22, 2018

Business Executive
Sony Corporation

Chairman and CEO
Sony Pictures Entertainment Inc.

Tony Vinciquerra
REVENUE GREW 10% TO OVER $9 BILLION; OI GREW 34% TO $376 MILLION

1. Increase in Motion Pictures’ OI driven by stronger slate in FYE18 (e.g., Jumanji, Spider-Man: Homecoming, Baby Driver, Peter Rabbit) compared to prior year
2. In Television Productions, higher licensing revenues for U.S. TV series offset by lower television licensing revenues on catalog product in current year
3. Media Networks had loss from Ten Sports, a newly acquired business
4. One-off charges due to reductions in centralized costs and executive restructuring

SPE FYE18 Review

($ in millions)

SALES

FYE17 Actual

FYE18 Actual

$8,292

$9,133

+10.1%

OPERATING INCOME

FYE17 Actual

FYE18 Actual

$280*

$376

Note: FYE = Fiscal Year Ended (e.g., FYE17 = Fiscal Year Ended March 2017)
Source: Pictures Segment Supplemental Data, March 31, 2018
* FYE17 operating income excludes the $962 million goodwill impairment write-down

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Pictures Segment Supplemental Data, March 31, 2018

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“GENUINE CINEMATIC CRAFT AND TECHNIQUE”
New York Times

“MOST FUN YOU'LL HAVE AT THE MOVIES ALL SUMMER”
Rolling Stores

“PURE MOVIE MAGIC”
Associated Press

FINDING THE BEST HOME FOR OUR CONTENT

FOX  amc  abc  CBS

prime video  NETFLIX  hulu  YouTube Red
Four Strategic Objectives

1. CONTROL IP
   - IP
   - FILM
   - THEME PARKS + LBE
   - GAMES
   - TV SHOWS
   - NEW TECH (VR)
   - CONSUMER PRODUCTS

2. STRENGTHEN LABELS
   - COLUMBIA PICTURES
   - TRISTAR PICTURES
   - SONY PICTURES ANIMATION
   - SCREEN GEMS
   - SONY PICTURES CLASSICS
   - AFFIRM FILMS
   - SONY PICTURES INTERNATIONAL PRODUCTIONS

3. GLOBAL FOCUS

4. FINANCIAL DISCIPLINE

“THEATRICALITY”

TRANSITION TO DIGITAL MARKETING

RESHAPING THE ORGANIZATION

TIGHTEN WINDOWS

“THE OPPORTUNITY OF URGENCY”
CREATION
CONNECTING
INNOVATE
COLLABORATION
EMPOWERING

Sony IR DAY 2018 | TOKYO

SONY PICTURES
ENTERTAINMENT

REIMAGINING SPE
SPE FYE19 Forecast

($ in millions)

SALES

$9,133 $9,210*

OPERATING INCOME

$376 $400**

Source: Pictures Segment Supplemental Data, March 31, 2018 and SPE Management

* FYE19 sales forecast converted at 105 JPY/USD and rounded down to the nearest 10 billion yen to ¥960 billion
** FYE19 Operating Income represents best estimate under new GAAP

ASSUMPTIONS FOR FYE19:

1. Our current projections for the Motion Pictures’ FYE19 slate are lower than FYE18’s very high-performing slate, and we expect higher unreleased marketing costs.

2. Television Productions is forecasting a reduction in OI based on assumptions regarding several series ending, partially offset by new series launching; also planning for higher development spend.

3. Media Networks growth primarily from Ten Sports, GSN and the Latin America region with general growth across most of the rest of the portfolio.

4. Change to GAAP rules and other.
### SPE FYE 21 Financial Target

**Revenue:** ¥1,050 Billion ($10 Billion)  
*(For Reference)*

| Operating Income: | ¥58 – ¥68 billion  
($550 – $650 million) |
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<td>Implied Margin %:</td>
<td>5.5% – 6.5%</td>
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*$1 = ¥105$