Agenda

- Value Creation from a long-term perspective
- Corporate Governance (G)
- Employees (S)
- Environment (E)
- External Evaluations
Agenda

- Value Creation from a long-term perspective
- Corporate Governance (G)
  - Employees (S)
  - Environment (E)
  - External Evaluations
Corporate Strategy (May 22, 2018)

Aim to Generate Sustainable Social Value and Maintain a High Level of Profit
Initiatives for Creating Social Value from a Long-term Perspective

- Sony’s Purpose & Values
- “Value Creation Story” of Sony Group
- Continual Improvement of Corporate Governance
- Engagement with the Stakeholders
Purpose

Fill the world with emotion, through the power of creativity and technology.
Values

Dreams & Curiosity
Pioneer the future with dreams and curiosity.

Diversity
Pursue the creation of the very best by harnessing diversity and varying viewpoints.

Integrity & Sincerity
Earn the trust for the Sony brand through ethical and responsible conduct.

Sustainability
Fulfill our stakeholder responsibilities through disciplined business practices.
Process towards Value Creation from a Long-term Perspective

Discussions across Sony Group

<table>
<thead>
<tr>
<th>Business Units</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Clarify Values Created by Businesses</strong></td>
</tr>
<tr>
<td>■ Business Vision</td>
</tr>
<tr>
<td>■ Business Strengths</td>
</tr>
<tr>
<td>■ Notable Social and Technological Changes</td>
</tr>
<tr>
<td>■ Strategic Direction</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Headquarters Functions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Specify Material Topics that Form the Foundation of Sony’s Value Creation</strong></td>
</tr>
<tr>
<td>■ Materiality assessment from a long-term perspective</td>
</tr>
<tr>
<td>■ Identifying areas that need further enhancement of measures to achieve their ideal state</td>
</tr>
</tbody>
</table>

Output

- Developed the “Value Creation Story”
- Identified areas of enhancement towards management from a long-term perspective
- Published the Corporate Report 2019

Aim to Generate Sustainable Social Value and Maintain a High Level of Profit
A Creative Entertainment Company with a Solid Foundation of Technology

Purpose
Fill the world with emotion, through the power of creativity and technology

Corporate Direction
Getting closer to people

Diverse Business Portfolio

Foundation for Creating Value

Employees

Technology

DTC Services

Electronics

Entertainment

Creators

Users
Three Categories of Values Created by Sony

1. Enriching people’s hearts through the delivery of emotional experiences

2. Helping creators realize their dreams

3. Contributing to society through the delivery of safety and reliability
Sony’s Governance System – Separation of Management and Oversight

Enhancing the Independence and Oversight Functions of the Board

Sony has adhered to the “three committees” system since 2003 (audit, nominating and compensation committees).

11 independent / non-executive directors (out of 13 directors) serve on Sony’s Board.

The Chairman of the Board is an Independent Director and the Chairpersons of all three of the Board’s committees are Independent Directors.

Sony has established specific qualifications for independent directors and a maximum tenure for those directors. (Tenure: basically up to 6 years, and 9 years maximum if all board members approve.)

Delegation of Authority

While Sony’s Board retains the authority to determine fundamental management policy, it has largely delegated its authority regarding business operations to Management.
Overview of Sony’s Corporate Governance

1946 Foundation
1958 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*
1968 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
1993 Game business
1997 Introduced a new corporate executive officer system*
1998 Non-life insurance business
1998 Set up the Compensation and Nominating Committee voluntarily
1998 First among all Japanese companies
1999 Music business outside Japan
2001 Banking business
2003 Adopted a company with three committees system*
2004 Established a holding company of financial services (Listed on TSE in 2007)
2005 Majority of the board became independent
2006 Split out business units as subs
2007 Established a holding company of financial services
2013 Network service business (as a wholly-owned sub’s business)
Medical business
2015 Medical business
2015 Non-life insurance business
2015 Network service business
2015 Medical business

* First among all Japanese companies
Recent Efforts to Improve the Effectiveness of Sony’s Board and Governance

- Enhanced diversity in the boardroom (by newly appointing one non-Japanese and two female Directors as outside Directors);
- Held additional executive sessions;
- Made periodic reports to the Board on ESG (Environment, Social and Governance) related matters;
- Focused on information security continuously through the Director in charge of Information Security;
- Expanded disclosure on Sony’s appointment / dismissal policy on Senior Executives, including the CEO, and Sony’s policy on succession planning; and
- Expanded disclosure on executive compensation.
<table>
<thead>
<tr>
<th>Name</th>
<th>Positions / Principal Activities Outside Sony</th>
<th>Years as Director</th>
<th>Committee Membership / Assignment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kenichiro Yoshida</td>
<td>President and Chief Executive Officer, Representative Corporate Executive Officer</td>
<td>5</td>
<td>Nominating Committee</td>
</tr>
<tr>
<td>Hiroki Totoki</td>
<td>Chief Financial Officer, Representative Corporate Executive Officer</td>
<td>Newly appointed</td>
<td>–</td>
</tr>
<tr>
<td>Shuzo Sumi* (Chairman of the Board)</td>
<td>Senior Executive Advisor, Tokio Marine &amp; Nichido Fire Insurance Co., Ltd. Former Chairman of the Board, Tokio Marine Holdings, Inc.</td>
<td>2</td>
<td>Nominating Committee (Chair)</td>
</tr>
<tr>
<td>Kazuo Matsunaga* (Vice Chairman of the Board)</td>
<td>Chairman of the Board, Mitsubishi Fuso Truck and Bus Corporation Former Vice-Minister of Economy, Trade and Industry</td>
<td>5</td>
<td>Audit Committee (Chair)</td>
</tr>
<tr>
<td>Tim Schaff (Non-executive Director)</td>
<td>Chief Product Officer, Intertrust Technologies Corporation Former President, Sony Network Entertainment International LLC</td>
<td>6</td>
<td>Director in charge of Information Security</td>
</tr>
<tr>
<td>Koichi Miyata*</td>
<td>Chairman of the Board, Sumitomo Mitsui Banking Corporation</td>
<td>5</td>
<td>Nominating Committee Compensation Committee</td>
</tr>
<tr>
<td>John V. Roos*</td>
<td>Former United States Ambassador to Japan Founding Partner, Geodesic Capital</td>
<td>5</td>
<td>Nominating Committee</td>
</tr>
<tr>
<td>Eriko Sakurai*</td>
<td>Chairman and CEO, Representative Director, Dow Toray Co., Ltd.</td>
<td>5</td>
<td>Compensation Committee (Chair)</td>
</tr>
<tr>
<td>Kunihito Minakawa*</td>
<td>Former Audit &amp; Supervisory Board Member, Ricoh Company, Ltd.</td>
<td>2</td>
<td>Audit Committee</td>
</tr>
<tr>
<td>Toshiko Oka*</td>
<td>CEO, Oka &amp; Company Ltd.</td>
<td>1</td>
<td>Audit Committee</td>
</tr>
<tr>
<td>Sakie Akiyama*</td>
<td>Founder, Saki Corporation</td>
<td>Newly appointed</td>
<td>Audit Committee</td>
</tr>
<tr>
<td>Wendy Becker*</td>
<td>Non-Executive Director, Logitech International S.A. Non-Executive Director, Great Portland Estates plc</td>
<td>Newly appointed</td>
<td>Compensation Committee</td>
</tr>
<tr>
<td>Yoshihiko Hatanaka*</td>
<td>Representative Director, Chairman of the Board, Astellas Pharma Inc.</td>
<td>Newly appointed</td>
<td>Nominating Committee</td>
</tr>
</tbody>
</table>

*Outside Director who satisfies the requirements under Item 15, Article 2 of Japan’s Companies Act

Note: Blue shading indicates outside Directors and non-executive Directors

As of July 31, 2019
New Directors / Reasons for the Nomination

**Sakie Akiyama**
In addition to her experience as an international business consultant, she launched and successfully developed an industrial robotic inspection company and has extensive experience serving as a member of government committees / working groups.

**Wendy Becker**
She possesses practical and diverse capabilities in corporate governance management due to her broad career in the consulting industry in North America and Europe, and experiences as an executive of various companies, including telecommunications and technology companies.

**Yoshihiko Hatanaka**
He has broad experience and extensive insight in global corporate management from his career in the United States and Europe, and leading successful company integrations as a corporate planning officer.
Board Attributes & Skill Set (Outside & Non-executive Directors)

- Global Business: 11 (+1)
- Relevant Industry / Operations: 10 (+1)
- CEO or Equivalent: 7 (+1)
- Diversity (Gender / Nationality): 7 (+3)
- Risk Management: 4 (±0)
- Finance / Accounting: 4 (±0)
- Engineering / Technology: 2 (±0)
- Government: 2 (±0)
Executive Compensation conducive to Long-term Perspective (FY2018)

<table>
<thead>
<tr>
<th>Level</th>
<th>Fixed</th>
<th>Performance-based</th>
<th>Stock-based</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CEO</strong></td>
<td></td>
<td></td>
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<tr>
<td><strong>CFO</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Senior Executives (R&amp;D・HQ)</strong></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td><strong>Senior Executives (Biz)</strong></td>
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<tr>
<td><strong>SVP</strong></td>
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</tbody>
</table>

- **Compensation Composition**: Secures higher proportion of compensation linked to enterprise value (i.e., stock-based compensation) for more senior executives
- **Performance-based Remuneration**:
  - Consolidated business results are incorporated as one of financial KPIs
  - When determining the level of achievement for the performance-based remuneration, the result of employee survey (i.e. engagement score) and product quality / environment related matters are considered, in addition to financial KPIs
Foundation of Value Creation / Materiality Assessment

Step 1
Identify and classify candidate topics

Step 2
Assess topics from the perspective of Sony and its stakeholders

Step 3
Specify material topics

Technology

Employees
Agenda

- Value Creation from a long-term perspective
- Corporate Governance (G)
- Employees (S)
- Environment (E)
- External Evaluations
HR Strategic Framework for Sustainable Growth

Creators

Users

Diverse Business Portfolio

Entertainment

Electronics

DTC Services

Technology

Employees

Attract

Develop

Engage

Talent Acquisition, Learning & Development, Employee Engagement
Corporate culture

- To establish an ideal factory that stresses a spirit of freedom and open-mindedness, and where engineers with sincere motivation can exercise their technological skills to the highest level.

- We shall maintain our business operations small, advance technologically and grow in areas where large enterprises cannot enter due to their size.

- We shall carefully select employees, and our firm shall be comprised of a minimal number of employees. We shall avoid having formal positions for the mere sake of having them, and shall place emphasis on a person's ability, performance and character, so that each individual can fully exercise his or her abilities and skills.
Relationship between Sony and Employees

**Key words:** Individuals and Workplace

**Transform Individual Employee Growth into Sony's Growth**

**Individuals**
- Strong motivation to enhance capabilities and passion to grow
- Create your own career
- The spirit of voluntarily taking up challenges in all environments

**Workplace**
- Enable individuals to make the most of their capabilities
- HR policies that encourage the individual
- Provide support for individuals who take initiatives

Dialogue and learning link employees and the company
Strategic Human Resource Policies

Attract  Develop  Engage
Strategic Human Resource Policies

Attract
Acquisition of talent with advanced technological skills
Reinforce global hiring

Develop

Engage
<table>
<thead>
<tr>
<th>Category</th>
<th>Sony Outstanding Engineer Award</th>
</tr>
</thead>
<tbody>
<tr>
<td>Image &amp; Video</td>
<td></td>
</tr>
<tr>
<td>Computer Vision &amp; CG</td>
<td></td>
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<tr>
<td>Audio &amp; Acoustics</td>
<td></td>
</tr>
<tr>
<td>AI &amp; Machine Learning</td>
<td></td>
</tr>
<tr>
<td>Device Technology</td>
<td></td>
</tr>
<tr>
<td>Base Technology</td>
<td></td>
</tr>
<tr>
<td>Human Interaction</td>
<td></td>
</tr>
<tr>
<td>Communication</td>
<td></td>
</tr>
<tr>
<td>System Architecture &amp; Processor</td>
<td></td>
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<tr>
<td>Robotics</td>
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<tr>
<td>Material Technology</td>
<td></td>
</tr>
<tr>
<td>Application Technology</td>
<td></td>
</tr>
</tbody>
</table>
Reinforce Global Hiring

Hire excellent human resources from around the world
Strategic Human Resource Policies

Develop
Provide a space for individual growth
Talent management for next and subsequent generations
Talent Management for Next and Subsequent Generations

Developing the people who will lead Sony Group and its diverse business
Provide A Space for Growth --PORT--

Various types of people work at Sony. People who constantly come up with interesting ideas; people who make everyone feel better; people who are happy to listen to what others have to say; people who love making things. As all these different people gather together, interact and create synergies, they create a new future for Sony. The more their numbers increase, the greater Sony’s diversity. "PORT" is the entry point for this new future.

Infinite encounters, Infinite possibilities, Create a Sony for each individual
Strategic Human Resource Policies

An HR system that supports a variety of employees in their diverse initiatives
Respect Diversity

**Diversity**
Pursue the creation of the very best by harnessing diversity and varying viewpoints.

**Jinzai Ishigaki Ron**
(Human Stone Walls Theory)
A company is like a castle. Strong stone walls are made by putting together rocks of various shapes in a skillful manner.

Masaru Ibuka

This is the "Diversity & Inclusion" to which Sony aspires

An organization where diverse individualities, opinions and views are respected and accepted, and each individual can play a part.

- Sexual orientation
- Sense of values
- Birthplace
- Nationality
- Gender
- Work style
- Religion
- Beliefs
- Race
- Disabilities
- Age
- Disabilities
Symphony Plan
# Existing Measures for Work-Life Balance - Prevention and Treatment of Cancer

## Prevention & detection

- **"No Smoking" support scheme**
  - Fully subsidize Smoking Cessation Program fees
  - Subsidize participation in “quit smoking marathon”
  - Support people in quitting smoking through outpatient consultations

- **Fitness guidelines aimed at improving lifestyles**
  - Various events
  - Conclude contracts with fitness facilities and subsidize their use

## Treatment

- **Support treatment by medical professionals**
  - Provide each individual with information on the best medical institutions
  - Detailed check-ups and treatment through tie-ups with medical institutions that provide physical check-ups
  - Support second opinions by doctors
  - Subsidize high-cost medical expense schemes and support supplementary benefit schemes

## Work-life balance

- **Establish life / work support scheme**
  - Optimal employment support through the workplace, Occupational Health Department and HR

- **Share knowledge to contribute to improvements in health literacy, and support scheme**
  - Seminars on cancer
  - Provide information via the Internet, pamphlets, posters and booklets, etc.
  - Health guidance interviews and health counseling using medical professionals
  - 24/7/365 health counseling by telephone and Internet

- **Physical check-ups including screening for five major cancers**
New Measures for Work-Life Balance Initiatives
- Prevention and Treatment of Cancer

1. Strengthen re-examination support for people with symptoms
2. Establish new leave scheme that can be used for detailed examinations
3. Establish new E-learning program through "Cancer specialist supervision"
4. Build support scheme using work-life support coordinators
5. Reinforce flexible work schemes
   - Reduced working hours / Flextime working
   - Use annual paid leave in hourly units
   - Life leave
## Existing Measures for Work-Life Balance - Pregnancy and Child Care

### Pregnancy
- Regular medical examinations for expectant and nursing mothers
- Reduced working hours / take leave during pregnancy
- Flextime working during pregnancy
- Accumulated leave can be used

### Pre / post partum
- Pre / post partum leave beyond legal requirements
- Childcare leave
- Telework during "Career-plus leave"

### Return to work
- Time for childcare / reduced working hours for childcare / telecommuting
- Use annual paid leave in hourly units
- Life leave for child nursing care
- Accumulated leave can be used
- Subsidize babysitter expenses
- Partnership with company-led nursery schools
### New Measures for Work-Life Balance - Pregnancy and Child Care

#### Before pregnancy
- Establish new “Life leave” for the purpose of fertility treatment
- Establish new leave scheme to allow employees to focus on fertility treatment
- Flexible work schemes to support fertility treatment
- Subsidize fertility treatment

#### Pregnancy
- Regular medical examinations for expectant and nursing mothers
- Reduced working hours / take leave during pregnancy
- Flextime working during pregnancy
- Accumulated leave can be used

#### Pre / post partum
- Pre / post partum leave beyond legal requirements
- Childcare leave
- Telework during “Career-plus leave”

#### Return to work
- Time for childcare / reduced working hours for childcare / telecommuting
- Use annual paid leave in hourly units
- Life leave for child nursing care
- Accumulated leave can be used
- Subsidize babysitter expenses
- Partnership with company-led nursery schools

---

The company provides support for fertility treatment

Aim for 100% take-up of child care leave by male employees

Hold child care leave and *Iku Boss* seminars for fathers and managers
### Work-Life Balance - Caregiving

#### Preparation
- Hold seminars on caregiving for all employees
- Hold seminars on caregiving for supervisors
- Hold workshops to prevent employees from leaving because of caregiving obligations
- Provide information through the Internet and pamphlets
- Establish new independent insurance (optional insurance) under specialist supervision
- Individual consulting free of charge by caregiver support specialists

#### Work-Life balance
- Reduced working hours for family care
- Flextime working for family care
- Telework
- Family care leave
- Use annual paid leave in hourly units
- Accumulated leave can be used
- Telework during “Career-plus leave”
- Establish new support payments for family care leave

---

Establish new support payments for family care leave subsidy of 50% of monthly wages
Strategic Human Resource Policies

Attract

Develop

Engage
Agenda

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Update on Renewable Energy Implementation (1)

Sep. 2018
Joined RE100, targeting 100% renewable electricity use by 2040

2019
Began operation of megawatt-class solar panels at Sony sites

Chonburi, Thailand
Kumamoto, Japan
Update on Renewable Energy Implementation (2)

Feb. 2020

Plan to start operation of intracompany electricity transfer service using megawatt-class solar power generation facilities

Optimize use of renewable electricity via intracompany electricity transfer

Self-consumption of excess power

Balancing System

Demand forecast

generation forecast

Submit planned value

Organization for Cross-regional Coordination of Transmission Operators, JAPAN (OCCTO)

JARED Ohigawa Center, Sony Music Solutions

Shizuoka Production Center, Sony Music Solutions

Solar panels 1.7 MW

Power grid

Excess power

Self-consumption
Sony’s Approach to Ocean Plastics

One Blue Ocean Project
rolling out to Sony Group companies worldwide

1. Reduce usage
   • **Reducing plastics used** in products and product packaging, and **proactively using recycled materials**
   • **Reducing plastics used** in manufacturing
   • **Reducing or discontinuing single-use plastics** in conference rooms, reception rooms, in-company shops and cafes

2. Cleanup Activities
   **Cleanup** activities at rivers, shorelines and other locales around the world

https://www.sony.net/SonyInfo/csr/SonyEnvironment/oneblueocean.html
https://www.sony.net/SonyInfo/News/Press/201908/19-073E/index.html
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External Evaluations

FTSE4Good
FTSE Blossom Japan

MSCI
MSCI Japan ESG Select Leaders Index
MSCI Japan Empowering Women Index (WIN)

CDP
CLIMATE CHANGE
A LIST
2018
SUPPLIER ENGAGEMENT LEADER
2019

WORLD'S MOST ETHICAL COMPANIES
WWW.ETHISPHERE.COM

SONY 44 | Sony Corporation
Sony and the Planet Earth
SONY
Cautionary Statement

Statements made in this release with respect to Sony’s current plans, estimates, strategies and beliefs and other statements that are not historical facts are forward-looking statements about the future performance of Sony. Forward-looking statements include, but are not limited to, those statements using words such as "believe," "expect," "plan," "strategy," "prospects," "forecast," "estimate," "project," "anticipate," "aim," "intend," "seek," "may," "might," "could" or "should," and words of similar meaning in connection with a discussion of future operations, financial performance, events or conditions. From time to time, oral or written forward-looking statements may also be included in other materials released to the public. These statements are based on management’s assumptions, judgments and beliefs in light of the information currently available to it. Sony cautions investors that a number of important risks and uncertainties could cause actual results to differ materially from those discussed in the forward-looking statements, and therefore investors should not place undue reliance on them. Investors also should not rely on any obligation of Sony to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Sony disclaims any such obligation.

Risks and uncertainties that might affect Sony include, but are not limited to:

(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 game 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, restructurings and other strategic initiatives;
(v) changes in laws, 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 recoup 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, the 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 recruit, 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.