Sony IR Day 2016

Game & Network Services Segment

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Agenda

1. FY2015 Review
2. Establishment of Sony Interactive Entertainment
3. FY2016 Strategy

*FY2015 = Fiscal year ended on March 31, 2016
1. FY2015 Review

FY2015 Key Achievements

1. Solid expansion of PlayStation®4 (PS4™) installed base
   - Achieved 40Mil units, maintains fastest penetration in PlayStation® History

2. Continued substantial growth of N/W business
   - N/W total net sales: +51% vs FY14
   - Continuous growth of PlayStation®Plus (PS Plus) paid subscribers

3. Investment for the future
   - PlayStation™Vue (PS Vue) / PlayStation®VR (PS VR) / Partnership with Kojima Productions
FY2015 O.P. Variation from FY2014

(Billion yen)

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<thead>
<tr>
<th>Net Sales</th>
<th>FY2014 Act</th>
<th>FY2015 Act</th>
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<td>1,388.0</td>
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<td>1,551.9</td>
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1. Solid expansion of PS4™ platform
2. Continued substantial growth in network services
3. Decrease of PlayStation®3 (PS3™) platform sales
4. FY2014 Temporary cost and SGA 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 FY2015 and comparing them with the previous fiscal year.

2. Establishment of Sony Interactive Entertainment
Establishment of Sony Interactive Entertainment

Game & Network Services Segment

More joy through “play”
3. FY2016 Strategy

FY2016: No Change in Mid-range Core Strategy
FY16 Key Strategy Summary

Game & Network Services Segment

1. Capitalize on opportunities enabled by digital growth
   - Business model: From package to recurring model
   - Content: Game + VR / non-game services

2. Continue investment for future growth
   - Non-game VR: Expand PS VR ecosystem to non-game business
   - PS Vue: Offer the best personalized TV viewing experience
   - Original Content: Strengthen PlayStation as a content brand

Business Model: From Package to Recurring Model Enabled by Digital Growth

1. PlayStation® Plus
   - FY2015/E 20.8Mil paid subscribers
   - Broaden audience beyond organic growth

2. “Game as a service” as an industry trend
   - Revenue opportunity for SIE as a platform holder

3. Leverage both package and NW download distribution channels to reach broadest user base
PlayStation®VR Brand New Game Experience and Beyond

Launch successfully as game platform

• PS4™ unified architecture and stable quality
• Affordable HW pricing enabled by PlayStation® total ecosystem
• A lot of playable opportunities: “Playing is believing”

Expand PS VR ecosystem to non-game applications and services

• VR enterprise solutions on various interactive technologies

PlayStation™Vue: Accelerate growth

Build a scalable business that offers the best personalized TV viewing experience with compelling features, content and channels

- Nationwide
- Cloud DVR
- Multiple streams at once
- TV Everywhere

Expand Availability

Provide Overwhelming Value

Differentiate Value Proposition

Enhance Awareness
PlayStation® Original Contents: Continued Investment for TV Series

- Broaden PlayStation® platform appeal
- Differentiate PlayStation® platform outside games
- Strengthen PlayStation® as a content brand

FY2016 O.P. Variation from FY2015

(Billion yen)

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- ① Further growth of PS4™ and N/W business (Including PS VR)
- ② Decrease of PS3™ platform sales
- ③ Increase in SGA for overall sales growth etc.
- ④ Favorable impact of exchange rates*1

*1: Impact of foreign exchange fluctuations is calculated using the sales and costs denominated in each currency in FY2016 and comparing them with the previous fiscal year.
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(v) Sony's ability to implement successful business restructuring and transformation efforts under changing market conditions;

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(x) significant volatility and disruption in the global financial markets or a ratings downgrade;

(xi) Sony's ability to manage inventory and cost and the timely management of inventory and costs;

(xii) 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;

(xiii) 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;

(xiv) Sony's ability to anticipate and manage cybersecurity risk, including the risk of unauthorized access to Sony's business information, potential business disruptions or financial losses; and

(xv) risks related to catastrophic disasters or similar events.

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