**Electronics Products & Solutions Segment**

Senior Executive Vice President  
Officer in charge of Electronics Products & Solutions Business  
Sony Corporation  

Representative Director and President  
Sony Imaging Products & Solutions Inc.  

Shigeki Ishizuka

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**EP&S Organization**

<table>
<thead>
<tr>
<th>Shigeki Ishizuka</th>
<th>Ichiro Takagi</th>
</tr>
</thead>
</table>
| Senior Executive Vice President  
Officer in charge of Electronics Products & Solutions Business  
| Senior Executive Vice President  
Deputy Officer in charge of Electronics Products & Solutions Business  
|

- **Imaging Products & Solutions Business**
  - Digital Imaging  
  - Professional  
  - Medical  

- **Mobile Communication Business**
  - Smart Phone  
  - Internet Service  
  - NÜRO  
  - So-net  

- **Home Entertainment & Sound Business**
  - TV  
  - Audio / Video  

| Sales & Marketing Platform  
| Manufacturing / Logistics / Procurement / Engineering Platform  

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### EP&S Basic Policy

**EP&S**
- Maintain financial discipline and accountability in each business
- Create new customer value that exceeds the confines of each business by leveraging technology
- Maximize growth and eradicate opportunity loss through operational efficiency
- Nurture next generation talent and deploy personnel across business units

<table>
<thead>
<tr>
<th>HE&amp;S</th>
<th>IP&amp;S</th>
<th>MC</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TV</strong></td>
<td><strong>DI</strong></td>
<td><strong>Smartphone</strong>&lt;br&gt;Become profitable in FY2020</td>
</tr>
<tr>
<td>Maintain a stable business foundation based on large panel premium product strategy</td>
<td>Establish top brand position in overall camera market Maintain No.1 position in mirrorless on a revenue basis</td>
<td><strong>Internet Service / IoT</strong>&lt;br&gt;Strengthen recurring services</td>
</tr>
<tr>
<td><strong>V&amp;S</strong></td>
<td><strong>Medical</strong></td>
<td></td>
</tr>
<tr>
<td>Consistently grow sales and profits through greater product and technology competitiveness in growth categories</td>
<td>Aim to expand the business over the mid to long term</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Professional Solution</strong>&lt;br&gt;Expand the B2B solution business by leveraging EP&amp;S products</td>
<td></td>
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</tbody>
</table>

### EP&S Business Foundation

**Business Foundation (Key Strategies)**

1. **Sony Brand (B2B&C)**<br>Strengthen products & services under the Sony brand

2. **Customer Real-Time Benefit**<br>Create customer value with “time”

3. **Differentiation by Technology**<br>In-house technology “Light to Display/Sound/Communication”

4. **Strengthen Solutions Business**<br>Sony Network Communication, Professional Product Solution Group

**Customer Value**

1. **Sony Brand (B2B&C)**
2. **Real-Time Benefit**
3. **Differentiation by Technology**
4. **Strengthen Solution Business**
Home Entertainment & Sound Business (HE&S)

TV Business

Maintain Stable Business Foundation Based on Large Panel Premium Product Strategy

- Immersive Picture Quality Regardless of Panel Source
- High Quality Sound That is Part of Visuals Immersive and Realistic
- Easy Hands-Free Operation For both Broadcast and Internet

Further Evolution of End-to-End Supply Chain Management from Procurement to Manufacturing to Sales
Video & Sound Business

Consistently Grow Sales and Profits Through Greater Product and Technology Competitiveness in Growth Categories

Audio market 10% annual growth, lead by the headphone market

Strengthen Premium Products

- Best-in-Class Noise Cancelling Headphone (1000X series)
- Premium Home Speaker

Launch of 360 Reality Audio
(Evolution of Sound Technology)

Sony’s leading spatial sound technology creates the New Experience of Being Engulfed by Sound

Pursue partnerships with studios, labels and content providers

Feel the sound coming from all around

* Source: Sony

Imaging Products & Solutions Business (IP&S)
Digital Imaging Business

Establish top brand position in overall camera market
Maintain No.1 position in mirrorless on amount basis

Strengthen Camera Lineup
- Full-size α
- APS-C
- Basic
- Resolution
- Speed
- Image quality
- Stamina
- Compact design
- Lens

Technology that supports new standard for mirrorless

One Mount Strategy
- Full-size × APS-C seamless compatibility

Strengthen Lens Lineup
- Fundamental lens launched and further expansion

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Medical Business

Aim to expand the business over the mid to long term

Surgical Imaging
- Business expansion in the 4K & operating room solutions space
  - Launched in 2015 4K Surgical Endoscopy System
  - Acquired in 2016 Operating Room Solution eSATURNUS

Life Science
- Expand lineup and increase recurring business
  - CAGR 10%+⑫
  - Launched in 2018 Cell Sorter MA900
  - Disposable Sorting Chip

Contributing to the Medical Field with Imaging Technology
Turn positive in FY18

* Since FY2013
Mobile Communication Business (MC)

Smartphone Business Transformation

Withdrew from certain Regions and Conducted Sales, Engineering and Manufacturing Review

- **Non-Focus and Defocused Regions**
  - Sweden (Engineering)
    - Reduced focus on mobile
    - Shifted R&D focus to communication technology and new businesses
  - UK (European Business Sales)
    - Merged sales & marketing functions with Sony Europe

- **Focus Regions (Japan, Europe, Taiwan, Hong Kong)**
  - China (Factory)
    - Ceased Production
  - Japan (Headquarters)
    - Reduced outsourced design
    - Transferred corporate functions to Sony

- **Reviewed Sales, Engineering and Manufacturing**

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Solution Business

Create new customer value that exceeds the confines of each business (B2B&C)

① Large Display Solution
New Visual Experience with Large Displays, from Consumer to B2B

② Personal Entertainment Solution
Merge Sound and Communication Technologies to Create New Value
Create new customer value that exceeds the confines of each business (B2B&C)

③ 5G Solution

Pursuing Real-Time Benefit in Various Applications

Capture
Live content transmission with 5G (wide bandwidth / low latency)

Create
Low cost, live content creation solution with 5G (MEC / low latency)

Listen / Experience
Real-time viewing and listening to content taken from multiple cameras

Applicable to sport, music live, movie, news distribution etc.

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Create new customer value that exceeds the confines of each business (B2B&C)

④ xR Solution

Create New Visual Experiences and VR Content by Leveraging the Sony Group’s Strength

Provide Highly immersive VR content and solutions

Applicable to sport and various live events as well as music

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Create New Value, Connect Creators and Users Through the Power of Technology

FY2018 Review – HE&S

<table>
<thead>
<tr>
<th></th>
<th>FY17</th>
<th>FY18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales (bn yen)</td>
<td>1,222.7</td>
<td>1,155.4</td>
</tr>
<tr>
<td>Operating Income</td>
<td>85.8</td>
<td>89.7</td>
</tr>
</tbody>
</table>

FY2018 Operating Income (vs FY2017)

Positive Factor
1. Improvement in the product mix reflecting a shift to high value-added models

Negative Factors
2. Price decline
3. Negative impact of foreign exchange rate
4. Decrease in sales
5. Increase in OPEX (research and development expenses for competitive products)
**FY2018 Review – IP&S**

<table>
<thead>
<tr>
<th>Sales (bn yen)</th>
<th>Operating Income (bn yen)</th>
</tr>
</thead>
<tbody>
<tr>
<td>655.9</td>
<td>74.9</td>
</tr>
<tr>
<td></td>
<td>+9.1</td>
</tr>
<tr>
<td></td>
<td>670.5</td>
</tr>
</tbody>
</table>

**FY2018 Operating Income (vs FY2017)**

**Positive Factors**
1. Improvement in the product mix reflecting a shift to high value-added models
2. Improvement in OPEX

**Negative Factors**
3. Negative impact of foreign exchange rate
4. Decrease in sales

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**FY2018 Review – MC**

<table>
<thead>
<tr>
<th>Sales (bn yen)</th>
<th>Operating Income (bn yen)</th>
</tr>
</thead>
<tbody>
<tr>
<td>723.7</td>
<td>-27.6</td>
</tr>
<tr>
<td></td>
<td>-69.5</td>
</tr>
<tr>
<td></td>
<td>498.0</td>
</tr>
<tr>
<td></td>
<td>-97.1</td>
</tr>
</tbody>
</table>

**FY2018 Operating Income (vs FY2017)**

**Negative Factors**
1. Decrease in smartphone unit sales
2. Increase in expense primarily for the write-down of excess inventory due to regional withdraw and clearing market inventory
3. Increase in restructuring charges

**Positive Factors**
4. Reduction in operating costs
5. Decrease in the impairment charge recorded against long-lived assets
FY2019 Forecast –EP&S

Electronics Products & Solutions Segment

FY2019 Operating Income (vs FY2018)

Positive Factors
1. Improvement in the product mix reflecting a shift to high value-added models in TV and DI Business
2. Improvement in OPEX in MC Business

Negative Factors
3. Decrease in sales
4. Negative impact of foreign exchange rate

TV Business: FY2018 Sales by Product Type & Region / Unit and Revenue Share

Sales by Product Type
- Sales: 791.8 billion yen
- 2K TVs
- 4K TVs

Sales by Region
- Asia Pacific
- U.S.
- Japan
- Europe
- China
- Other

LCD TV Unit Share by Manufacturer
(Source: Sony / For the most recent year)

#5

LCD TV Revenue Share by Manufacturer
(Source: Sony / For the most recent year)

#3
**Video & Sound Business: FY2018 Sales by Product Type & Region**

- **Sales by Product Type**
  - Video
  - Audio Growth Category
  - Home Video
  - System Stereo
  - Digital Music Players
  - Audio Components
  - Sound Bars
  - Headphones
  - Wireless Speakers
  - Other
  - Sales: 363.6 bln yen

- **Sales by Region**
  - Japan
  - Asia Pacific
  - China
  - Europe
  - U.S.
  - Other
  - Sales: 363.6 bln yen

*1: “Audio Growth Category” includes Headphones, Sound Bars and Wireless Speakers as its main products.

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**IP&S Sales by Business Category and Geographic Area**

- **FY2018 Sales by Business Category**
  - Medical
  - Digital Imaging
  - Still and Video Camera
  - Professional
  - Other
  - Sales: 670 bln yen

- **FY2018 Sales by Geographic Area**
  - Japan
  - Asia
  - China
  - North America
  - Europe
  - Other
  - Sales: 670 bln yen

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