Pictures Segment
Sony Pictures Entertainment

Executive Vice President
Sony Corporation

Chairman & CEO
Sony Pictures Entertainment

Tony Vinciquerra

Senior Leadership Team

June 2017

Tony Vinciquerra
Chairman and CEO

September 2018

Stacy Green
EVP, Chief People Officer

August 2018

Erik Moreno
EVP, Corporate Development And M&A

November 2017

Mike Hopkins
Chairman, Sony Pictures Television

July 2017

Jon Hookstratten
EVP, Administration & Operations

May 2016

Philip Rowley
SEVP & Chief Financial Officer

May 2015

Robert Lawson
EVP, Chief Communications Officer

February 2015

Tom Rothman
Chairman, Motion Picture Group

April 2001

Leah Weil
SEVP & General Counsel

Sony Corporation
State of the Entertainment Industry

Increase in Sony Pictures Streaming Shows

- Behind Her Eyes
- The Commons
- Them: Covenant
- White Lines
- Wheel of Time
“Reimagine” SPE

- Global Digital Centers for Theatrical Marketing
- Consolidation of Media Networks, TV Distribution and Home Entertainment
- Media Networks Portfolio Review

Approximate Annualized Savings of $135 million
## Margin Improvement

FY17: 4.1%  
FY18: 5.5%  
FY19E: 6.0%  
FY20E  
FY21E  
Growing to over 7% by FY21

### Controlling Cost/Managing Risk

- Controlling Production Costs
- Managing Marketing Spend
- Co-financing/Strategic Partnerships
Managing Risk & Volatility

Expanded relationships, co-financing partners

Perfect World  Tencent
Alibaba Group  BONA

Four Pillars

Strong I.P.  Independent Studio  Content Library  One Sony Collaboration
Strong I.P.

Sony Pictures Universe of Marvel Characters

Venom
Spider-Man
Morbius
Kraven

Extending SPE’s Library I.P.

Jumanji
Men in Black
Bad Boys
Zombieland
The Grudge
Escape Room
Karate Kid
Fantasy Island

Focus on I.P.-Based Material and Franchises

Peter Rabbit
Hotel Transylvania 4
Masters of the Universe
Bloodshot
Uncharted
The Phantom Tollbooth

Independent Studio

Sony Pictures Entertainment

Columbia

Sony Corporation
Diversified Portfolio of Shows...

Across All Platforms
Sony’s Breadth and Scale

Sony/ATV

Sony Interactive Entertainment

SONY

Sony Pictures

Sony Music

PlayStation

CREATIVE ENTERTAINMENT COMPANY
Sony Tech in Production

Creating & Delivering High Quality Content
Revenue Decreased 3% To $8.9 Billion; OI Grew 30% To $489 Million

1. Substantial increase in Motion Pictures’ OI driven by the carryover performance in FY18 of higher margin FY17 titles such as Jumanji: Welcome to the Jungle and Peter Rabbit (no comparable carryover performance in FY17 from FY16 titles), higher television/home entertainment sales and margins, and development/overhead savings

2. In Television Productions, lower revenues in the current year from various current and prior U.S. television series

3. Media Networks had lower advertising and subscription revenues at SPNI and various international channels

4. One-off charges due to Media Networks portfolio review costs, partially offset by impact of GAAP rules change

SPE FY18 Review

<table>
<thead>
<tr>
<th></th>
<th>FY17 Actual</th>
<th>FY18 Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales revenue</td>
<td>$9,133</td>
<td>$8,870</td>
</tr>
<tr>
<td>-2.9%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating income</td>
<td>$376</td>
<td>$489</td>
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</tbody>
</table>

Note: FY17 Revenues and OI are under Old GAAP. FY18 Revenues and OI are under New GAAP.
Source: Pictures Segment Supplemental Data, March 31, 2019
**SPE FY19 Forecast**

($ in millions)

<table>
<thead>
<tr>
<th></th>
<th>FY18 Actual</th>
<th>FY19 Forecast</th>
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</thead>
<tbody>
<tr>
<td>Sales revenue</td>
<td>$8,870</td>
<td>$9,820*</td>
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<tr>
<td>+10.7%</td>
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<tr>
<td>Operating income</td>
<td>$489</td>
<td>$593</td>
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Assumptions for FY19:

1. Projected decrease in Motion Pictures OI is due primarily to slate mix and timing (e.g., larger 4th quarter theatrical marketing expense in FY19) and less carryover performance from the FY18 slate than the carryover into FY18 from the FY17 slate

2. Television Productions is forecasting an increase in OI related to the 3rd season of The Crown and assumed new and returning series, partially offset by increased development expense

3. Media Networks growth primarily from India as well as the projected improvement in earnings from the MN portfolio review undertaken in FY18

4. One-off charges in FY18 due to Media Networks portfolio review costs

Note: Revenues and OI are under New GAAP
Source: Pictures Segment Supplemental Data, March 31, 2019 and SPE Management
* FY19 sales forecast converted at 110 JPY/USD to ¥1,080 billion