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Sony IR Day 2014
エンタテインメント

2014年11月18日

米国会計原則に則らない開示について

Adjusted OIBDA:

Adjusted OIBDA = 減価償却費及び償却費・構造改革費用控除前営業利益。Adjusted OIBDAは、米国会計原則に則っていません。ソニーは、これが米国会計原則にもとづく営業利益の開示に代わるものとは考えていません。しかし、ソニーは、映画分野及び音楽分野において、この補足的な開示が投資家の皆様に有益な追加情報を提供すると考えています。米国会計原則にもとづくAdjusted OIBDAから営業利益への照合調整表は、当プレゼンテーション資料のAppendixに掲載されています。

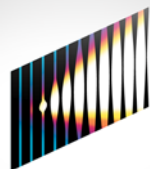
* FYE = Fiscal Year Ended (例: FYE 2015 = 2015年3月31日に終了する年度)

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Sony IR Day 2014
Sony Entertainment

Michael Lynton
CEO, Sony Entertainment



SONY
PICTURES

Motion Pictures

Television
Productions

Media Networks



Sony/ATV
MUSIC PUBLISHING

SonyMusic

Recorded Music

Music Publishing

Visual Media and
Platform

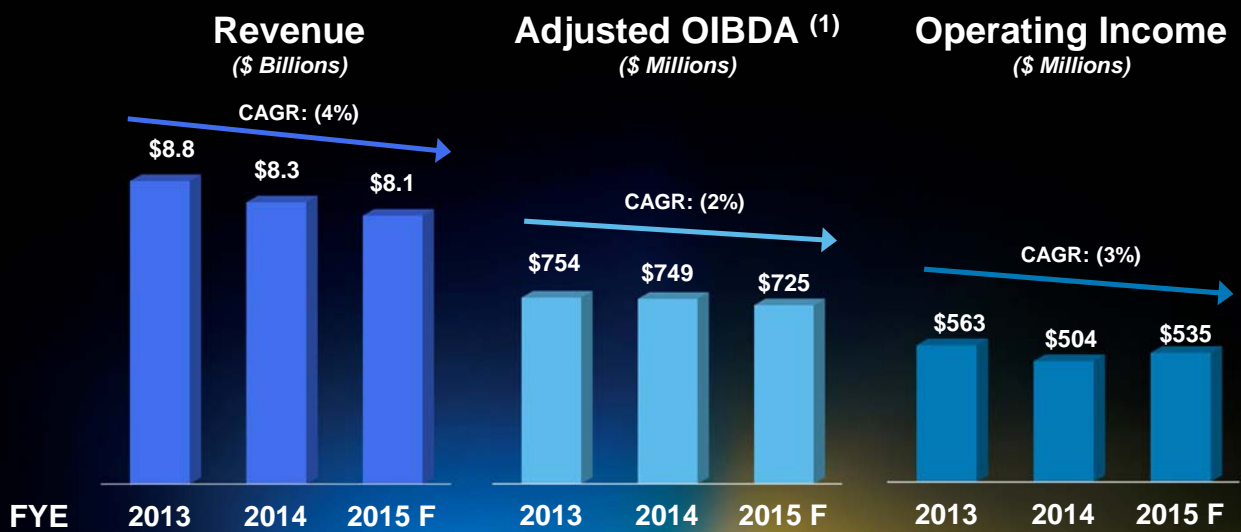
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Sony Pictures Entertainment

Sony Pictures Entertainment - Financial Performance



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Source: Internal figures.

(1) Operating Income before depreciation and amortization and restructuring charges.

Promising Opportunities Ahead



Recent Box Office Hits Ranging from Action to Drama to Comedy



FYE15 and FYE16 Upcoming Film Slate - Select Titles





BEYOND FYE16 IP IN DEVELOPMENT

Diversified Creative Talent and Risk Profile



TRISTAR PRODUCTIONS
a Sony Company

- Managed by Tom Rothman
- Mid-budget titles for wide release
- Releasing first title in June 2015



- Distribution deal with new production company formed by Jeff Robinov
- Focused primarily on big budget, tentpole films

Film Slate Financing

- As of April 2014, SPE entered into a three year co-financing agreement with LStar Capital, whereby LStar Capital will invest in a majority of SPE's films
- In addition, Village Roadshow has agreed to finance a selection of SPE film titles
- Film financing partners partially finance the production of a film or slate of films in exchange for a financial interest
- Film financing deals provide additional capital and help manage risk
- SPE's continued ability to secure film financing partners reinforces that our films offer an attractive financial opportunity

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Current Successes in Television Production



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New and Future Television Productions - Select Titles



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Growing Customer Base

Examples of Networks and Platforms

U.S.			International		
Broadcast	Basic / Premium Cable	Digital	Free-To-Air	Basic / Premium Cable	Digital
   	      	    	   	      	    

Over \$2.4 Billion in Worldwide Distribution Revenue in FYE14

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CRACKLE



SONY PICTURES ENTERTAINMENT

Media Networks

Maturing Networks Portfolio

Media Networks Operating Margins %



Channel Count

FYE15	35	43	78
FYE18	6	72	78

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Note: Includes SPE's channel portfolio as of 9/30/14

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MSM India Networks Growth Strategy

- Invest in premium content to build advertising and distribution strength
- Expand national channel footprint to drive future growth
 - Launch more regional language and niche genre channels

Recent Channel Launches



PAL

MAX2

LIV Sports

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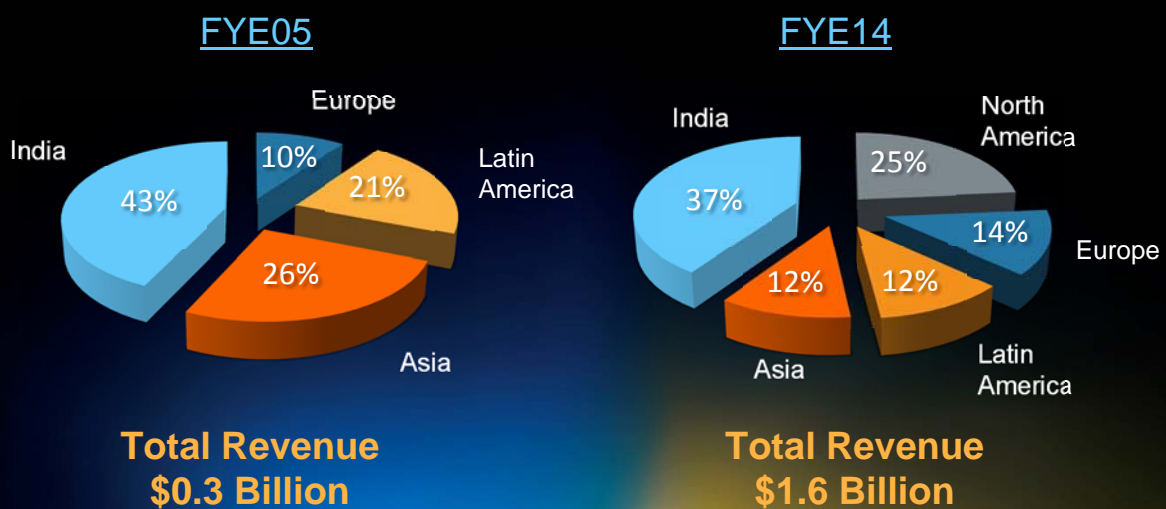
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Recent Acquisition

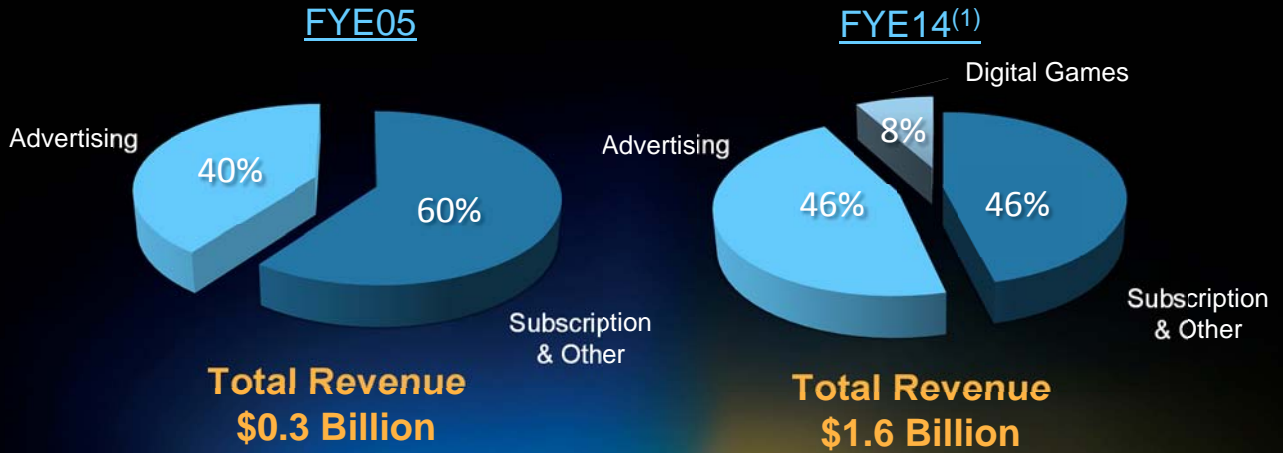


- Acquired by SPE in August 2014
- The UK's largest independent cable/satellite TV channel group
- Portfolio contains 16 channels across kids, music, movies and general entertainment genres
- Increases Media Networks scale in the UK and strengthens its position on key distribution platforms
- Immediately accretive to Operating Income

Revenue Breakdown by Geography - Media Networks



Revenue Breakdown by Source – Media Networks



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(1) Digital Games represents revenue associated with GSN.

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Cost Reductions

SPE is on target to achieve approximately \$300 million of annual cost savings by FYE16

<i>(\$Millions)</i>	<u>FYE14</u>	<u>FYE15</u>	<u>FYE16</u>
Initial Cost Savings Shared Nov. 2013	\$135	\$220	\$250
Additional Cost Savings Identified	-	40	50
Total	\$135	\$260	\$300

- Continued refinement of marketing and distribution infrastructure
- Restructuring, consolidation, streamlining of other Motion Pictures and Home Entertainment departments
- Overhead reductions in all corporate departments
- Shift towards shared service centers

Pictures Segment Summary

Targets for FYE18

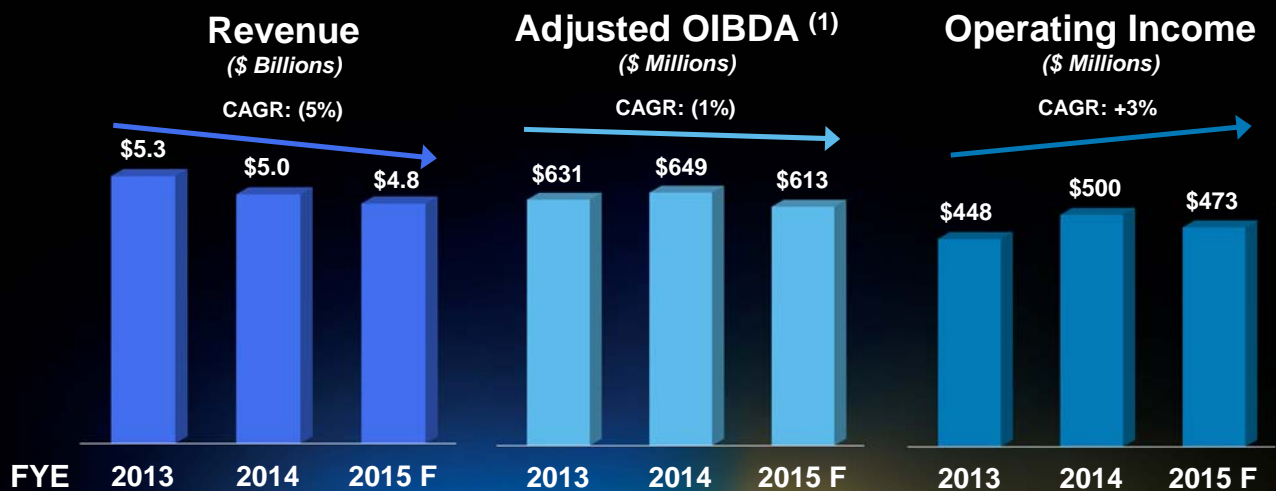
- Sales 10~11 Billion USD
- Operating Profit Margin 7~8 %
- Adjusted OIBDA Margin 9~10 %

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Sony Music



Sony Music Segment - Historical Financial Performance



Note: Historical performance based on Sony Music Entertainment and Sony / ATV Music Publishing consolidated USD results and Sony Music Entertainment Japan consolidated JPY results translated to USD at the average exchange rates for the periods

(1) Operating income before depreciation, amortization and restructuring charges

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Sony Music Segment - Commitment to Financial Discipline

- Streamlined worldwide Recorded Music operations

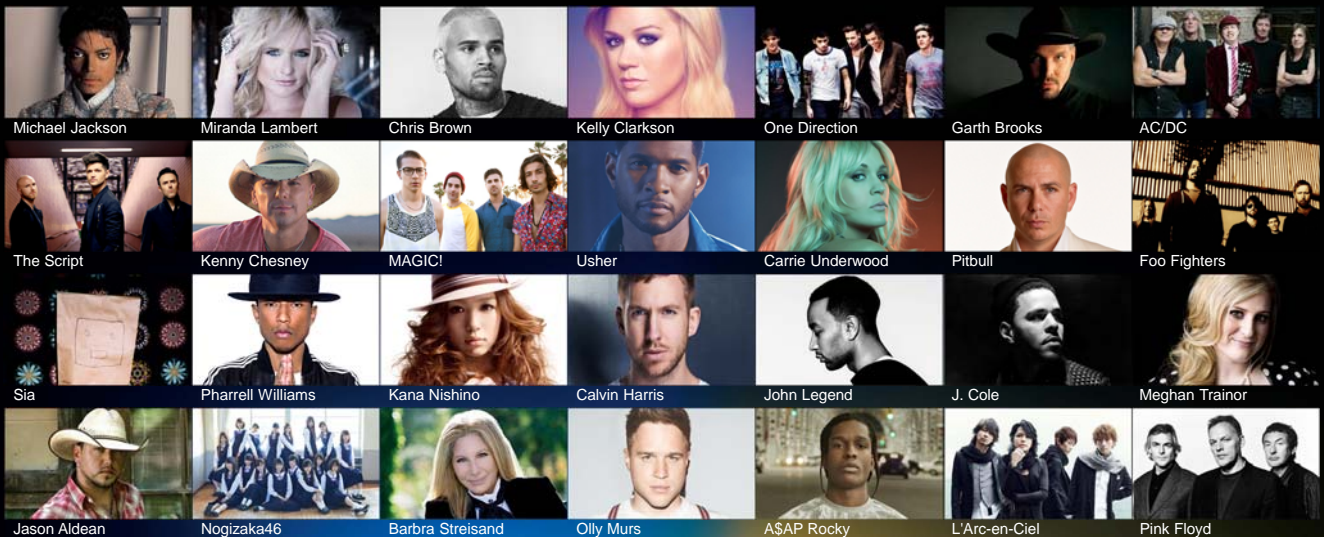


- Fully integrated EMI Music Publishing into Sony / ATV

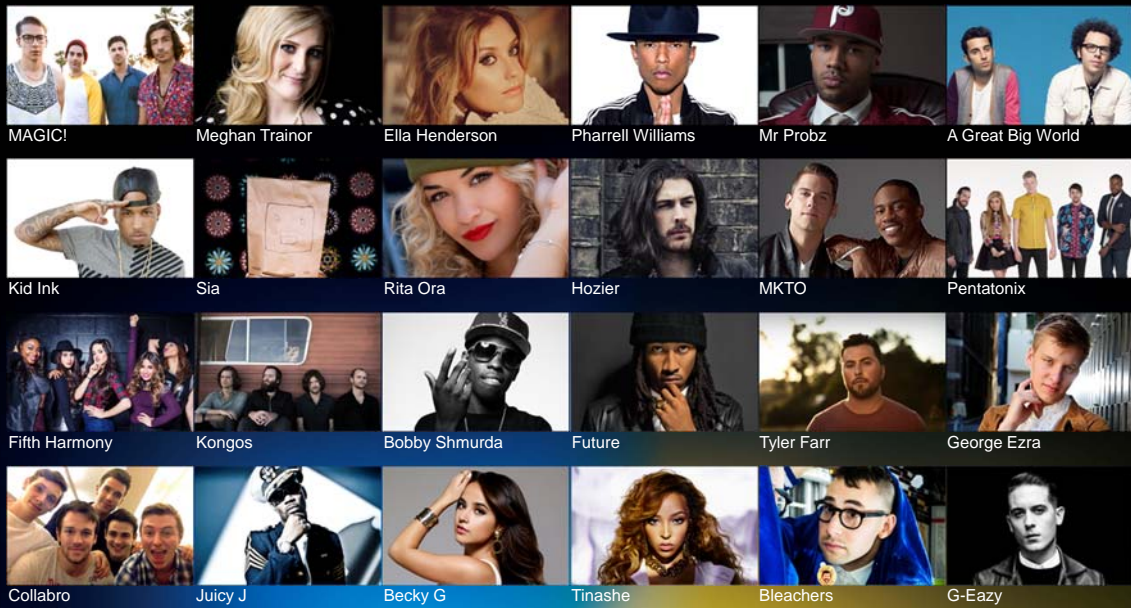


- Ongoing focus on cost efficiencies as the industry evolves

Recorded Music - Current Year Bestsellers



Recorded Music - Recent New and Developing Artist Success

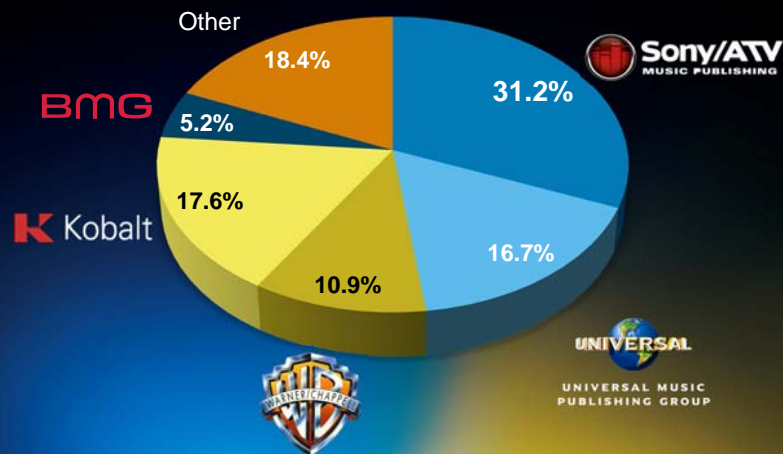


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Music Publishing - Competitive Landscape Strong Roster of Recent Hits

Share of Top 100 Songs On U.S. Radio

Third Quarter CY2014



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Note: Billboard, Nov. 8 2014

Music Publishing - New & Developed Writer Successes



Taylor Swift



Iggy Azalea



Of Monsters And Men



Drake



Calvin Harris



Kanye West



Pitbull



Miranda Lambert



Pharrell



Lady Gaga



Luke Bryan



Ed Sheeran



Kevin Kadish



Sam Smith



fun.



OneRepublic



P!nk



Lana Del Rey



Enrique Iglesias



Avicii



Shakira



Joel Little



Hozier



Usher

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Catalog Representation: Top 20 Global Revenue Earning Songs

Song Title	Artist	Release Year
STAY	RIHANNA	2013
BLURRED LINES	ROBIN THICKE FEAT. T.I. & PHARRELL	2013
COUNTING STARS	ONEREPUBLIC	2013
FEEL THIS MOMENT	PITBULL	2013
DIAMONDS	RIHANNA	2012
LET HER GO	PASSENGER	2012
WHISTLE	FLO RIDA	2012
LITTLE TALKS	OF MONSTERS AND MEN	2011
CRIMINAL MINDS	TV SERIES	2005
NCIS	TV SERIES	2003
CSI	TV SERIES	2000
WE ARE THE CHAMPIONS	QUEEN	1977
WE WILL ROCK YOU	QUEEN	1977
COME TOGETHER	THE BEATLES	1969
HEY JUDE	THE BEATLES	1968
REVOLUTION	THE BEATLES	1968
ALL YOU NEED IS LOVE	THE BEATLES	1967
AIN'T NO MOUNTAIN HIGH ENOUGH	MARVIN GAYE AND TAMMI TERRELL	1967
STAND BY ME	BEN E KING	1960
OVER THE RAINBOW	FILM - WIZARD OF OZ	1939

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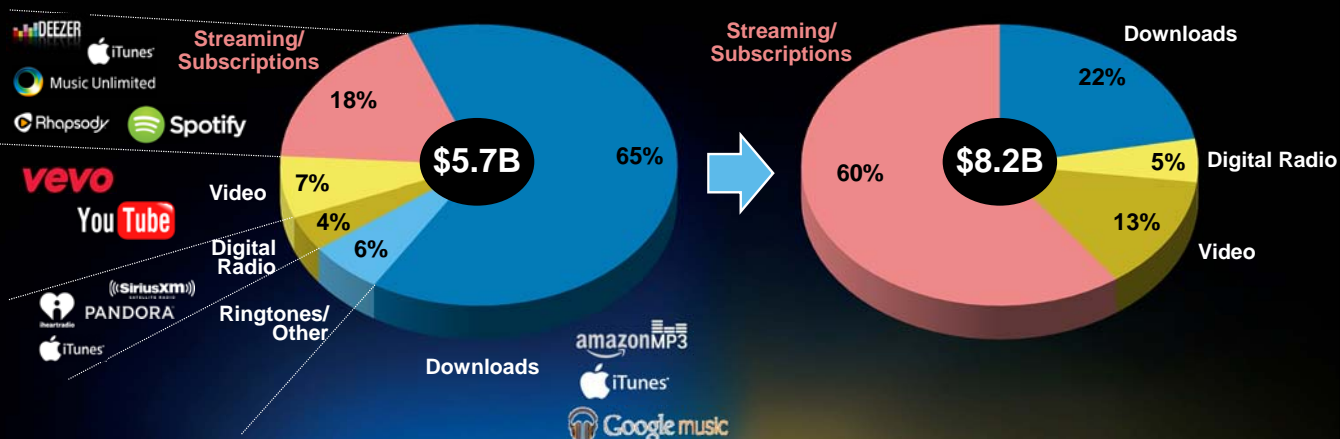
Note: Twelve Months Ended June 30, 2014

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Well-Positioned to Capitalize On Digital Market Trends

2013 ACTUAL

2017 FORECAST



Paid Streaming Services Provide the Highest Value to Recorded Music.
Conversion from Free to Paid subscribers is key.

Music Segment Summary

Targets for FYE18

- Sales 4.8~5.2 Billion USD
- Operating Profit Margin 10.5~11.5 %
- Adjusted OIBDA Margin 13.5~14.5 %

Conclusion

Creating, acquiring and distributing the best content

Investing for growth

Embracing new technologies

Committed to financial discipline

Dedicated to One Sony strategy

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Appendix

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Sony Pictures Segment Reconciliation from USD to Yen

	FYE13	FYE14	FYE15 Oct FCT
Revenue - in millions of USD ⁽¹⁾	\$8,803	\$8,255	\$8,100
Average exchange rate (1 USD=) ⁽²⁾	¥83.2	¥100.5	¥106.2
Revenue – in billions of Yen ⁽³⁾	¥732.7	¥829.6	¥860
Operating income – in millions of USD ⁽¹⁾	\$563	\$504	\$535
Average exchange rate (1 USD =) ⁽²⁾	¥84.9	¥102.4	¥108.4
Operating income – in billions of Yen ⁽³⁾	¥47.8	¥51.6	¥58

SPE is a U.S.-based operation that aggregates the results of its worldwide operations on a U.S. dollar basis. This table reconciles SPE's revenue and operating income from USD (SPE's reporting currency) to the Yen results ultimately included in Sony Corporation's U.S. GAAP financial statements.

(1) Represents the annual revenue and operating income of Sony Pictures Entertainment on a US dollar basis prior to translation into yen for inclusion in the consolidated operating results of Sony Corporation.

(2) SPE's monthly operating results are translated from USD (SPE's reporting currency) into Yen (Sony Corporation's reporting currency) using the average exchange rate for the month. The average annual exchange rate reflected in the table above is derived from the comparison of the aggregate amount of SPE's monthly revenue and operating income on a USD basis to the aggregate amount of those same financial line items on a Yen basis.

(3) SPE's annual revenue and operating income in Yen as reported in Sony Corporation's consolidated financial statements.

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Sony Pictures Segment Reconciliation from USD to Yen – (Cont'd)

	FYE13	FYE14
Depreciation and amortization - in millions of USD ⁽¹⁾	\$179	\$179
Average exchange rate (1 USD=) ⁽²⁾	¥86.4	¥101.0
Depreciation and amortization – in billions of Yen ⁽³⁾	¥15.4	¥18.1
Restructuring charges - in millions of USD ⁽¹⁾	\$12	\$66
Average exchange rate (1 USD =) ⁽²⁾	¥90.4	¥102.0
Restructuring charges – in billions of Yen ⁽³⁾	¥1.1	¥6.7

SPE is a U.S.-based operation that aggregates the results of its worldwide operations on a U.S. dollar basis. This table reconciles SPE's depreciation and amortization and restructuring charges from USD (SPE's reporting currency) to the Yen results ultimately included in Sony Corporation's U.S. GAAP financial statements.

(1) Represents the annual depreciation and amortization, and restructuring charges of Sony Pictures Entertainment on a US dollar basis prior to translation into yen for inclusion in the consolidated operating results of Sony Corporation. Depreciation and amortization excludes amortization of film costs. Depreciation and amortization includes the amortization of internal-use software due to the change of the presentation and disclosure related to internal-use software on March 31, 2014. As a result, depreciation and amortization in FYE13 was reclassified.

(2) SPE's monthly operating results are translated from USD (SPE's reporting currency) into Yen (Sony Corporation's reporting currency) using the average exchange rate for the month. The average annual exchange rate reflected in the table above is derived from the comparison of the aggregate amount of SPE's monthly depreciation and amortization, and restructuring charges on a USD basis to the aggregate amount of those same financial line items on a Yen basis.

(3) SPE's annual depreciation and amortization, and restructuring charges in Yen as reported in Sony Corporation's consolidated financial statements.

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Sony Pictures Segment Reconciliation from Operating Income to Adjusted OIBDA

(in millions of USD)	FYE13	FYE14
Operating income	\$563	\$504
Add: Depreciation and amortization ⁽¹⁾	179	179
Add: Restructuring charges	12	66
Operating income before depreciation, amortization and restructuring charges ("Adjusted OIBDA")	<u>\$754</u>	<u>\$749</u>

(1) Depreciation and amortization excludes amortization of film costs. Depreciation and amortization includes the amortization of internal-use software due to the change of the presentation and disclosure related to internal-use software on March 31, 2014. As a result, depreciation and amortization in FYE13 was reclassified.

Adjusted OIBDA is not a measure in accordance with U.S. GAAP. Sony does not believe that this measure is a substitute for operating income in accordance with U.S. GAAP. However we believe that this supplemental disclosure for the Pictures and Music segments may provide additional useful analytical information to investors.

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Sony Music Segment Reconciliation from Yen to USD

	FYE13	FYE14	FYE15 Oct FCT
Revenue – in billions of Yen	¥441.7	¥503.3	¥510
Weighted average effective USD to Yen revenue exchange rate	¥82.6	¥100.3	¥106.2
Revenue - in millions of USD ⁽¹⁾	<u>\$5,346</u>	<u>\$5,016</u>	<u>\$4,803</u>
Operating income – in billions of Yen	¥37.2	¥50.2	¥50
Weighted average effective USD to Yen operating income exchange rate	¥83.0	¥100.4	¥105.7
Operating income – in millions of USD ⁽¹⁾	<u>\$448</u>	<u>\$500</u>	<u>\$473</u>

(1) Historical performance based on Sony Music Entertainment and Sony/ATV Music Publishing consolidated USD results and Sony Music Entertainment Japan consolidated JPY results translated to USD at the average exchange rates for the periods

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Sony Music Segment Reconciliation from Yen to USD – (Cont'd)

	FYE13	FYE14
Depreciation and amortization – in billions of Yen	¥13.2	¥14.4
Weighted average effective USD to Yen depreciation and amortization exchange rate	¥84.0	¥100.3
Depreciation and amortization - in millions of USD ⁽¹⁾	\$157	\$144
Restructuring charges – in billions of Yen	¥2.3	¥0.6
Weighted average effective USD to Yen restructuring charges exchange rate	¥89.8	¥101.8
Restructuring charges – in millions of USD ⁽¹⁾	\$26	\$6

(1) Historical performance based on Sony Music Entertainment and Sony/ATV Music Publishing consolidated USD results and Sony Music Entertainment Japan consolidated JPY results translated to USD at the average exchange rates for the periods

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Sony Music Segment Reconciliation from Operating Income to Adjusted OIBDA

(in millions of USD)	FYE13	FYE14
Operating Income	\$448	\$500
Add: Depreciation and amortization ⁽¹⁾	157	143
Add: Restructuring charges	26	6
Operating income before depreciation, amortization and restructuring charges ("Adjusted OIBDA")	\$631	\$649

(1) Depreciation and amortization includes the amortization of internal-use software due to the change of the presentation and disclosure related to internal-use software on March 31, 2014. As a result, depreciation and amortization in FYE13 was reclassified.

Adjusted OIBDA is not a measure in accordance with U.S. GAAP. Sony does not believe that this measure is a substitute for operating income in accordance with U.S. GAAP. However we believe that this supplemental disclosure for the Pictures and Music segments may provide additional useful analytical information to investors.

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将来に関する記述等についてのご注意

このプレゼンテーション資料に記載されている、ソニーの現在の計画、見通し、戦略、確信などのうち、歴史的事実でないものは、将来の業績に関する見通しです。将来の業績に関する見通しは、将来の営業活動や業績、出来事・状況に関する説明における「確信」、「期待」、「計画」、「戦略」、「見込み」、「想定」、「予測」、「予想」、「目的」、「意図」、「可能性」やその類義語を用いたものには限定されません。口頭又は書面による見通し情報は、広く一般に開示される他の媒体にも度々含まれる可能性があります。これらの情報は、現在入手可能な情報から得られたソニーの経営陣の仮定、決定ならびに判断にもとづいています。実際の業績は、多くの重要なリスクや不確実な要素により、これら業績見通しと大きく異なる結果となりうるため、これら業績見通しのみで全面的に依拠することは控えるようお願いします。また、新たな情報、将来の事象、その他の結果にかかわらず、常にソニーが将来の見通しを見直して改訂するとは限りません。ソニーはそのような義務を負いません。実際の業績に影響を与えうるリスクや不確実な要素には、以下のようなものが含まれます。

- (1) ソニーの事業領域を取り巻くグローバルな経済情勢、特に消費動向
- (2) 為替レート、特にソニーが極めて大きな売上、生産コスト、又は資産・負債を有する米ドル、ユーロ又はその他の通貨と円との為替レート
- (3) 激しい価格競争、継続的な新製品や新サービスの導入、急速な技術革新、ならびに主観的で変わりやすい顧客嗜好などを特徴とする激しい市場競争の中、十分なコスト削減を達成しつつ顧客に受け入れられる製品やサービス（テレビ、ゲーム事業のプラットフォーム、ならびにスマートフォンを含む）をソニーが設計・開発し続けていく能力
- (4) 技術開発や生産能力増強のために行う多額の投資を回収できる能力及びその時期
- (5) 市場環境が変化する中でソニーが事業構造の改革・移行を成功させられること
- (6) ソニーが金融を除く全分野でハードウェア、ソフトウェア及びコンテンツの融合戦略を成功させられること、インターネットやその他の技術開発を考慮に入れた販売戦略を立案し遂行できること
- (7) ソニーが継続的に、研究開発に十分な資源を投入し、設備投資については特にエレクトロニクス事業において投資の優先順位を正しくつけて行うことができること
- (8) ソニーが製品品質を維持できること
- (9) ソニーと他社との買収、合併、その他戦略的出資の成否を含む（ただし必ずしもこれらに限定されない）ソニーの戦略及びその実行の効果
- (10) 国際金融市場における深刻かつ不安定な混乱状況や格付けの低下
- (11) ソニーが、需要を予測し、適切な調達及び在庫管理ができること
- (12) 係争中又は将来発生しうる法的手続き又は行政手続きの結果
- (13) 生命保険など金融商品における顧客需要の変化、及び金融分野における適切なアセット・ライアビリティ・マネージメント遂行の成否
- (14) （市場の変動又はボラティリティを含む）日本の株式市場における好ましくない状況や動向が金融分野の収入及び営業利益に与える悪影響
- (15) 大規模な災害などに関するリスク

ただし、業績に不利な影響を与えうる要素はこれらに限定されるものではありません。