

SONY

## Sony IR Day 2016

### 映画分野

2016年6月29日

ソニー株式会社 執行役 EVP  
映画・音楽事業担当

Sony Entertainment Inc. CEO  
Sony Pictures Entertainment Inc. Chairman & CEO  
Sony Corporation of America CEO

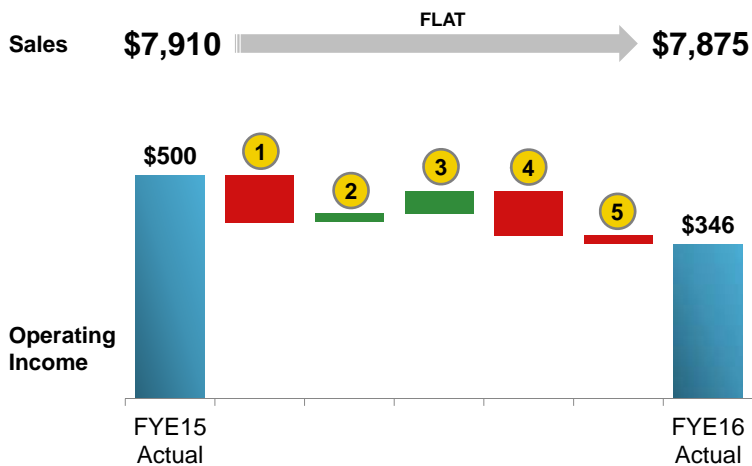
マイケル・リントン

Sony Pictures Motion Picture Group  
Chairman

トム・ロスマン

## SPE FYE16 Review

(\$ in millions)



### Factors impacting performance:

- 1 Decrease in Motion Pictures sales due to lower home entertainment revenues, as the prior year benefitted from strong titles; underperformance of certain FYE16 titles
- 2 Higher SVOD revenues for *Breaking Bad*, *The Blacklist* and *Better Call Saul*, partially offset by higher production and marketing expenses for U.S. TV network programming
- 3 Year-on-year growth across the Media Networks portfolio, particularly in India and the U.K.
- 4 Unfavorable impact of foreign exchange rates
- 5 All other (includes higher cyberattack costs)

Note: FYE = Fiscal Year Ended (e.g., FYE16 = Fiscal Year Ended March 2016)  
Source: Pictures Segment Supplemental Data, March 31, 2016



### PRODUCTION BUSINESSES



### NETWORKS



## Motion Picture Group



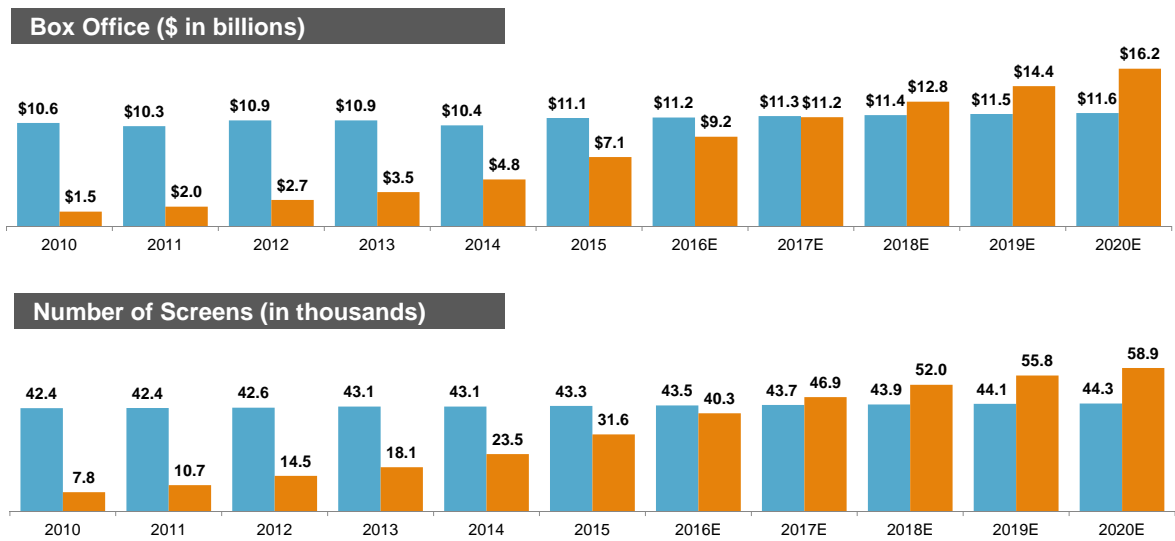
# Global box office growth driven by international markets



Source: IHS  
Note: "E" = Estimate (e.g., 2016E = Calendar Year 2016 Estimate)

Sony IR Day 2016 | 23

# The Meteoric Rise of China

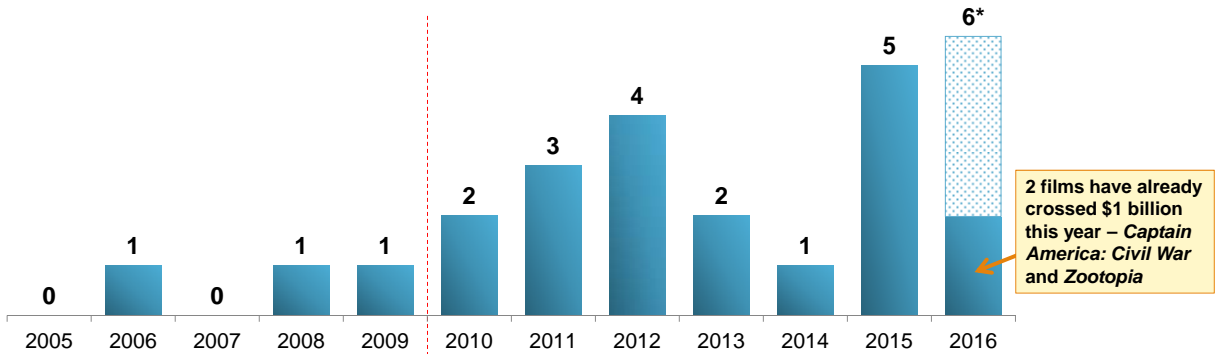


Source: IHS  
Note: "E" = Estimate (e.g., 2016E = Calendar Year 2016 Estimate)

Sony IR Day 2016 | 24

## For successful films, there is more upside than ever

Number of Films Grossing Over \$1 Billion of Worldwide Box Office



Prior to 2010, no more than one film per year had grossed over \$1 billion at the WWBO

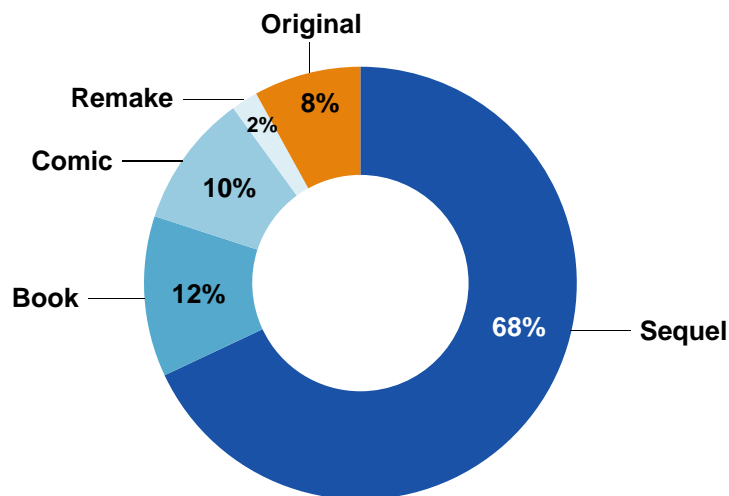
Since then, \$1+ billion WWBO films have become a more frequent occurrence

Source: boxofficemojo.com  
\* Internal estimate

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## The Importance of Branded IP

Top 50 Global Grossing Live-Action Films of the Last 5 Years

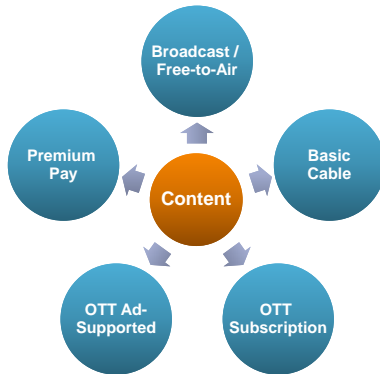


Source: OpusData and boxofficemojo.com

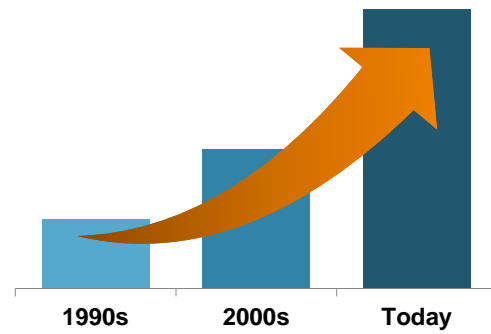
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## Growing international television sales generating more distribution opportunities for motion pictures

More types of domestic and international content buyers



Significant growth in the number of television buyers worldwide



**MORE COMPETITION IN THE MARKETPLACE**

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## Motion Pictures' growth strategy is built on three pillars



### 1. Global Reach

Globally-appealing titles  
Local language production  
Worldwide rights retention

### 2. IP Focus

Rebuild our own IP  
Develop new IP

### 3. Financial Discipline

Smarter, more efficient spend  
Improved risk management  
Third-party film equity

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## Global Reach

More globally-appealing titles in our upcoming slate



Investing in local language films to capture growing local film markets



Retaining global rights to strengthen our international distribution structure



Leadership with global experience

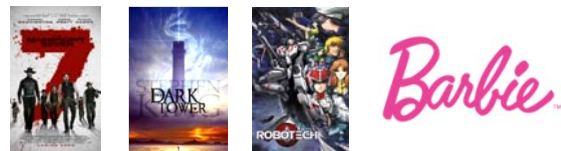


## IP Focus

Developing opportunities in existing IP



Moving forward with new films with franchise potential



Building on the current momentum in animation



Increasing control of rights in key brands





## Financial Discipline

**“Be financially prudent so you can be creatively ambitious”**



## Financial Discipline

Reducing average production costs across all titles

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Limiting talent shares on the back end

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Scrutinizing marketing spend

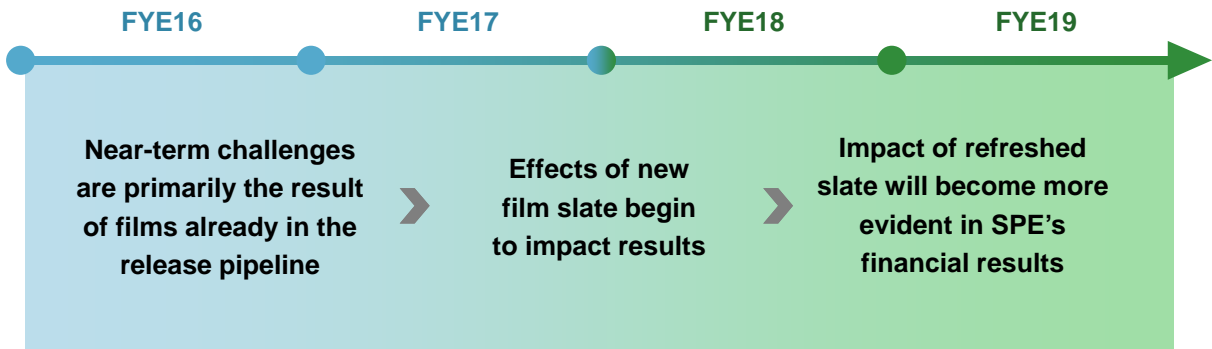
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Aligning development spend closely with production targets

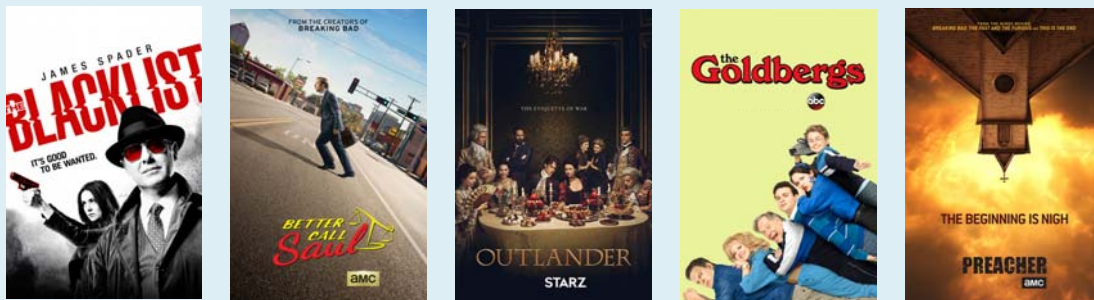
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Employing equity financing for the slate

## Redirecting the business is a multi-year process



## TV Production & Distribution





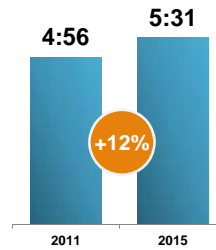
# Consumer behavior is driving change in the TV landscape

Growing universe of connected devices and new technology are powering consumer viewing

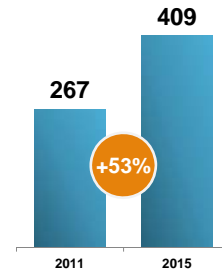


Increase in viewing has created a robust demand for high-quality, original content

Time Spent Per Day Watching Video <sup>(1)</sup>  
(Hrs:Min) Adults 18+



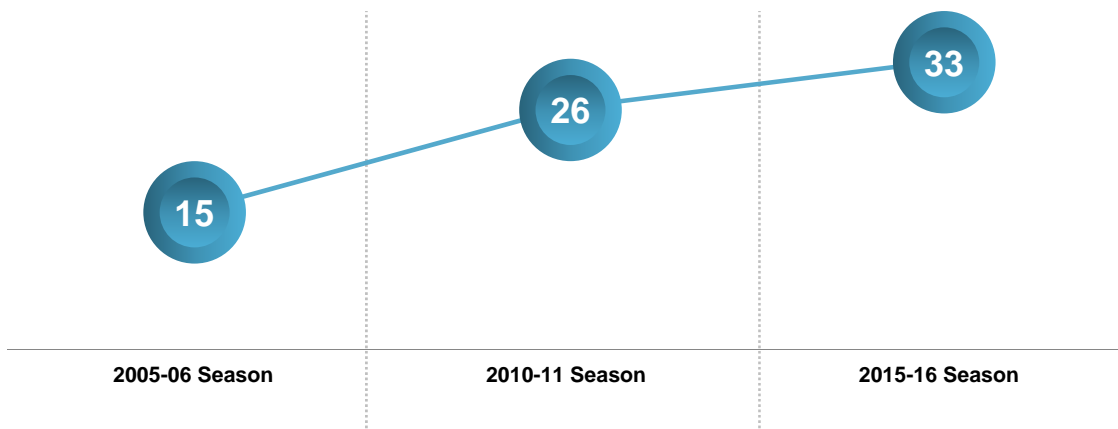
Number of Scripted Original Series On the Rise <sup>(2)</sup>



(1) Source: eMarketer, April 2015, Television & Digital Video Viewing (includes time spent watching digital video via game console, connected TV or OTT device), U.S. Total Day, A18+.

(2) Source: Based on report issued on 12/15/15 by FX Networks Research, as published in AdWeek, December 16, 2015

Sony Pictures Television (SPT) has more than twice the number of on-air series as it did 10 years ago and expects to continue increasing its output



Note: The number of on-air series for the 2015-16 broadcast season reflects the current programs ordered (excluding movies of the week and miniseries).

## SPT is focused on growing a diverse TV portfolio

Our calendar 2016 U.S. program lineup airs across multiple outlets in a variety of genres

|                       | Scripted |        | Non-Scripted |              | Movies of the Week / Miniseries |
|-----------------------|----------|--------|--------------|--------------|---------------------------------|
|                       | Drama    | Comedy | Game Show    | Reality/Talk |                                 |
| Broadcast             | ✓        | ✓      | ✓            | ✓            |                                 |
| Cable                 | ✓        |        | ✓            |              | ✓                               |
| Digital               | ✓        | ✓      | ✓            |              |                                 |
| First-Run Syndication |          |        | ✓            | ✓            |                                 |

*Note: The program lineup reflects the current SPT-produced or co-produced programs ordered.*

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## SPT's carefully-crafted growth strategy springs from our entrepreneurial approach

- Secure top creative talent to drive probability of success
- Customize licensing models
- Create new revenue streams for proven IP

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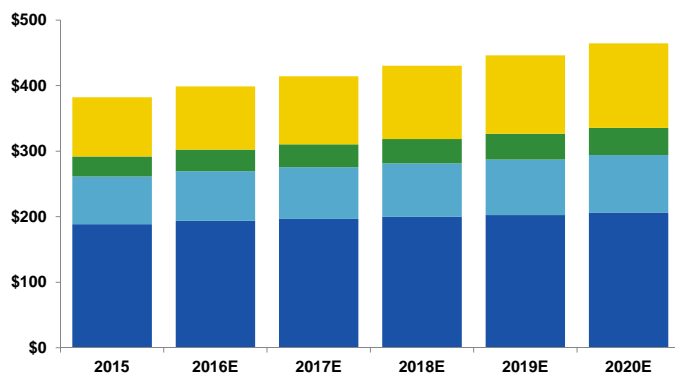
# Media Networks



## The networks environment is growing

### Global market growth

TV Subscription and Ad Spend By Region (\$ in billions)

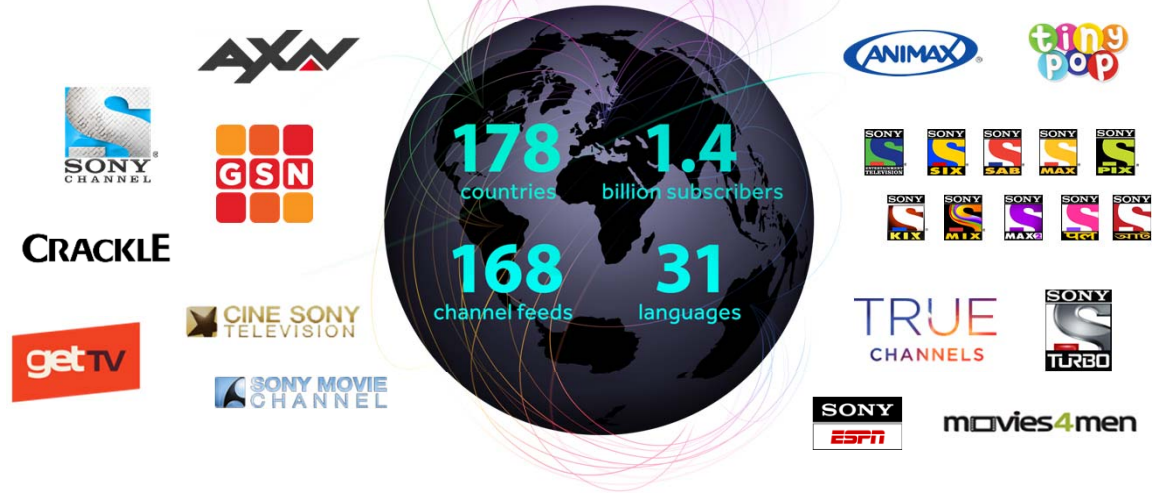


|                                | CAGR 2015-2020E | % of SPE Media Networks FYE16 Revenue |
|--------------------------------|-----------------|---------------------------------------|
| Asia-Pacific (including India) | 7.4%            | 42%                                   |
| India only                     | 12.4%           | 34%                                   |
| Latin America                  | 6.2%            | 10%                                   |
| Europe                         | 3.8%            | 16%                                   |
| North America                  | 1.8%            | 32%                                   |

Source: PwC Global Entertainment and Media Outlook 2016-2020; TV subscription includes subscription video on demand (SVOD), and TV advertising includes broadcast, cable and online  
 Note: "E" = Estimate (e.g., 2016E = Calendar Year 2016 Estimate)

# Our Global Footprint

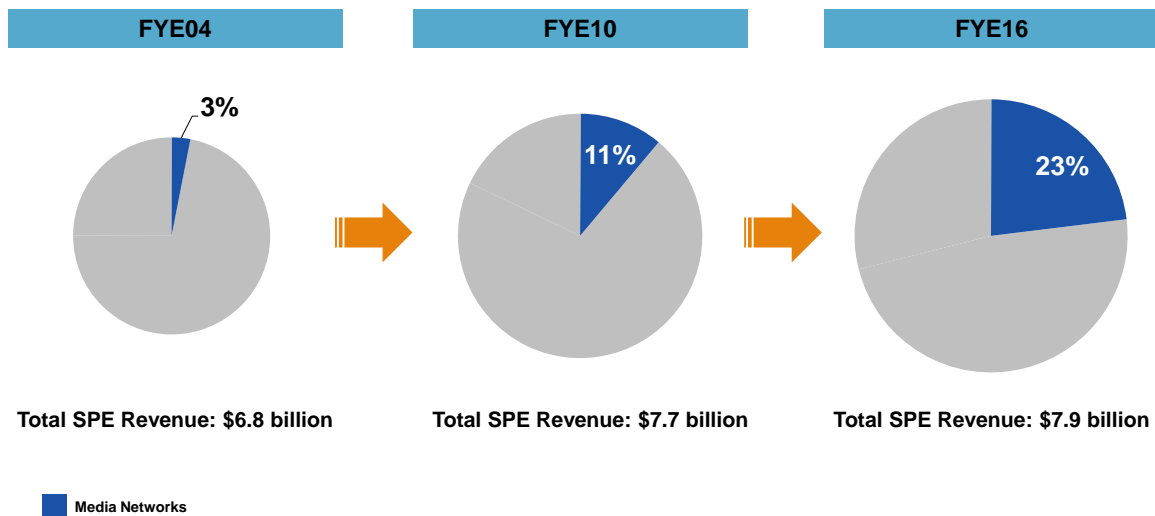
Examples of SPT networks around the world



Note: As of June 16, 2016

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# Media Networks is an increasing growth area for SPE



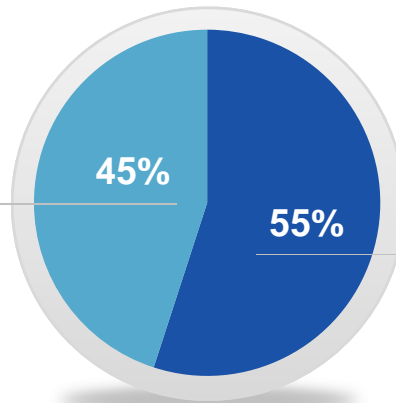
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## GSN covers two lines of business: linear and digital



Linear TV

Television side of the business remains strong with solid carriage and good ratings



% of FYE16 revenue



Digital Gaming

Expanding digital gaming with a focus on the high-growth mobile gaming space

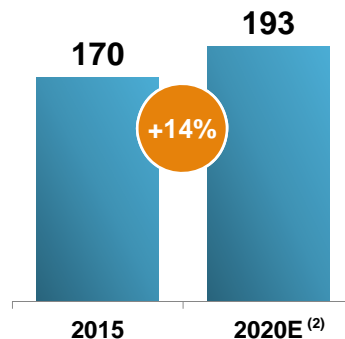
## India continues to stand out as a high-priority market

### TODAY: Top 10 – Number of TV Households in 2015 <sup>(1)</sup>

(in millions)

|    |           |     |
|----|-----------|-----|
| 1  | China     | 404 |
| 2  | India     | 170 |
| 3  | U.S.      | 119 |
| 4  | Indonesia | 66  |
| 5  | Brazil    | 62  |
| 6  | Russia    | 56  |
| 7  | Japan     | 51  |
| 8  | Germany   | 39  |
| 9  | Mexico    | 28  |
| 10 | France    | 28  |

### FUTURE: Strong growth of TV Households in India <sup>(1)</sup>



### Competitive Position <sup>(3)</sup>

SPT is established as a **top network operator** in India with two of the top six Hindi general entertainment channels:



















(1) Source: IHS, May 26, 2016

(2) Note: "E" = Estimate (e.g., 2020E = Calendar Year 2020 Estimate)

(3) Source: BARC Ratings for Hindi General Entertainment Channels, Week 22 (June 9, 2016)

## Our portfolio of digital businesses continues to grow

Current examples:

| TV Everywhere<br>(Authenticated Access)   | Over-The-Top (OTT)   |   | Digital IP Extensions   |   | Digital Advertising  |
|---|--|---|---|---|--|
| Networks  | Subscription   | Ad-Supported  | Second Screen   | Games   |  |
| <br><br> | <br> | <br><br> | <br><br> | <br><br> | <br> |

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## Media Networks is focused on three strategic priorities

- Invest in growth areas
- Build asset value
- Drive profitability

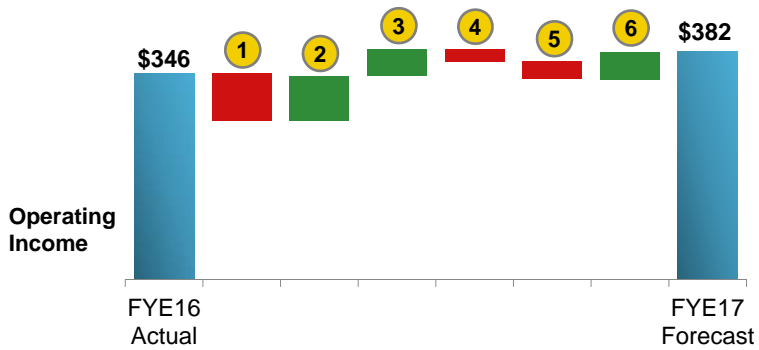
Sony IR Day 2016 | 46



## SPE FYE17 Forecast

(\$ in millions)

Sales **\$7,875** +14.5% → **\$9,015**



### Factors impacting performance:

- 1 Lower earnings from original television series, primarily as a result of a significant *Breaking Bad* sale in the prior year
- 2 Growth across Media Networks portfolio, most notably in India and Latin America
- 3 Cost savings initiatives
- 4 Sony overhead allocation (new item)
- 5 Unfavorable impact of foreign exchange rates
- 6 All other (includes lower cyberattack costs)

## SPE Targets for FYE18

|                         | Previous Guidance* | Current Guidance |
|-------------------------|--------------------|------------------|
| Revenue                 | \$10-11B           | \$9.5-10.5B      |
| Operating Profit Margin | 7-8%               | 6-7%             |

\* November 2014 IR Day

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### 将来に関する記述等についてのご注意

このスライドに記載されている、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らうため、これら業績見通しにのみ全面的に依拠することは控えるようお願いいたします。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で、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、ゲーム事業及びネットワーク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し、既存の製品及びサービスについて顧客満足度を維持できること
- (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) 金利の変動及び日本の株式市場における好ましくない状況や動向（市場の変動又はボラティリティを含む）が金融分野の収入及び営業利益に与える悪影響
- (15) ソニーがサイバーセキュリティに関するリスク（ソニーのビジネス情報への不正なアクセスや事業活動の混乱、財務上の損失の発生を含む）を予測・管理できること
- (16) 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る要素はこれらに限定されるものではありません。