

SONY

# 音楽分野

## Sony's Music Segment

Music Segment

SONY

Sony Music Entertainment ("SME")

Sony Music Entertainment Japan ("SMEJ")

Sony Music Publishing ("SMP")



SonyMusic.



FY18 Outside Sales

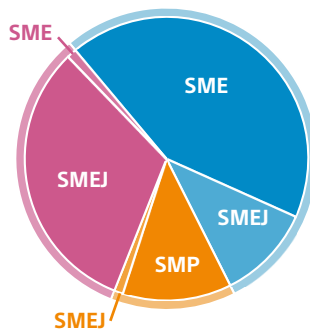
**Visual Media & Platform: 33%**

SME: ANIPLEX Zapp

SME: SYCO provident

**Music Publishing: 13%**

Sony/ATV EMI SonyMusic.



**Recorded Music: 54%**

SME: COLUMBIA RCA Epic NIPPON

SMEJ: SonyMusic. SME RECORDS ariola

SMP: EPIC K/oon ultraDeep

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# Music Segment

Sony Music Entertainment

Executive Vice President  
Sony Corporation

Chief Executive Officer  
Sony Music Entertainment

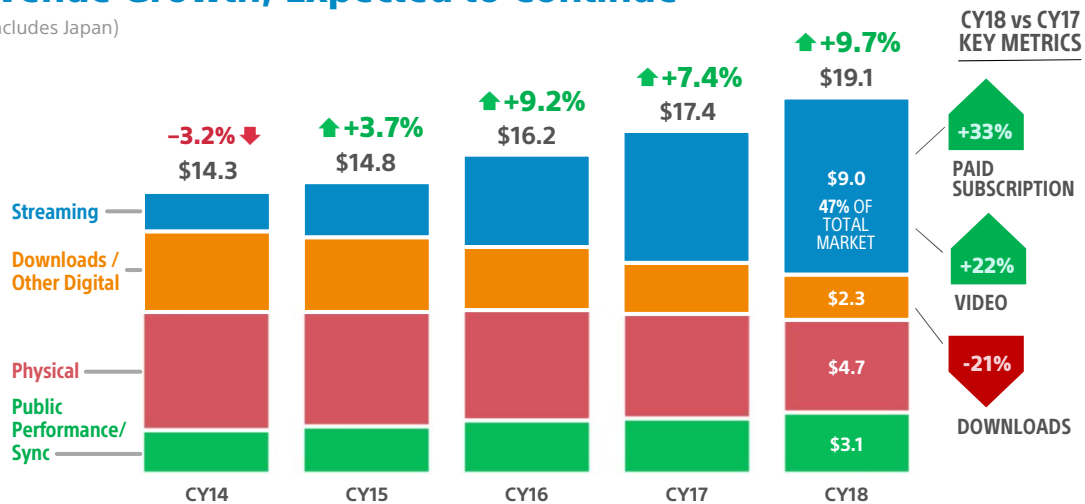
**Rob Stringer**

## Recorded Music Market

Music Segment

### Four Consecutive Years of Solid Revenue Growth; Expected to Continue

(\$B, includes Japan)



Source: IFPI. Note: Digital Figures Include Digital Radio (SoundExchange)

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## Global Success



**Camila Cabello**

IFPI 2018 Best Selling Global Single "Havana"  
2.9Bn Streams LTD

## 2018 Grammy Awards



### Childish Gambino

- Record of the Year
- Song of the Year
- Best Rap/ Sung Performance
- Best Music Video



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## 2019 So Far...



**Travis Scott**

Over 1.5Bn Streams 2019 YTD  
5.8Bn Streams LTD  
Approaching 4M Album Equivalent Units Globally



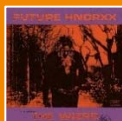
**Khalid**

50M Monthly Listeners  
Now #1 Global Spotify Artist



**Lil Nas X**

"Old Town Road"  
900M Streams  
#1 Track of This Year



**7 #1 Albums On Billboard Album Chart**  
Future, Backstreet Boys, Hozier, Khalid, BTS, P!nk, Vampire Weekend

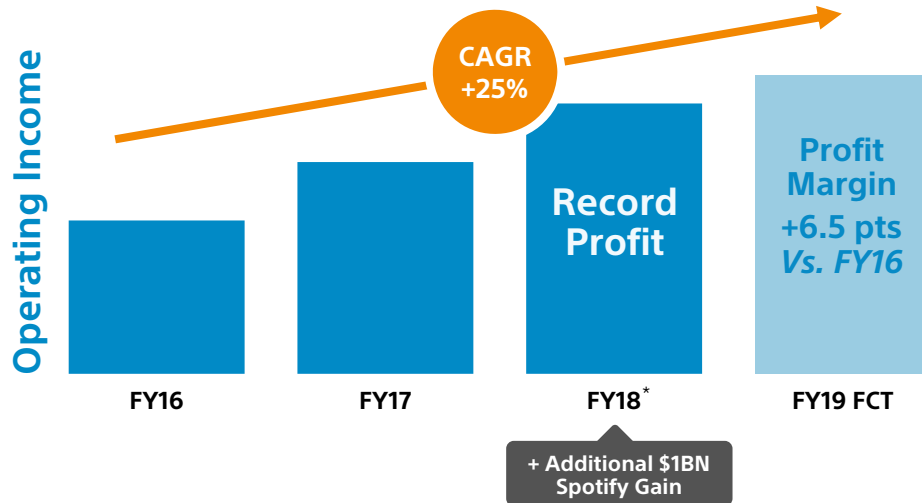
Source: Spotify, Nielsen Music Connect, SME Sales Reporting

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## SME Financial Highlights

Music Segment

### Strong Growth in Operating Income, Cash Flow and Margin



\* Excludes one-time \$1B Spotify gain

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Music Segment

## Successful Investment in The Orchard

24,000  
Labels

600,000  
Artists

13  
Million  
Tracks

30,000  
New Tracks  
per Week

### Continued Expansion of Global Footprint & Service Capabilities

40+ Markets Worldwide



+26%

OPERATING INCOME CAGR  
SINCE FY15

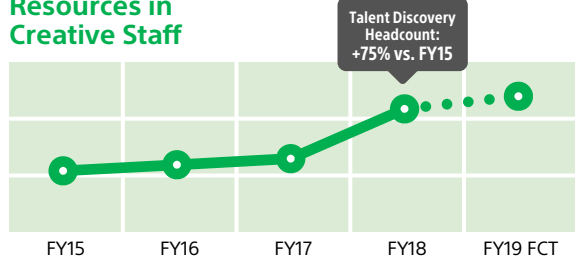
NOTE: The Orchard Revenue Reported On A Net Fee Basis

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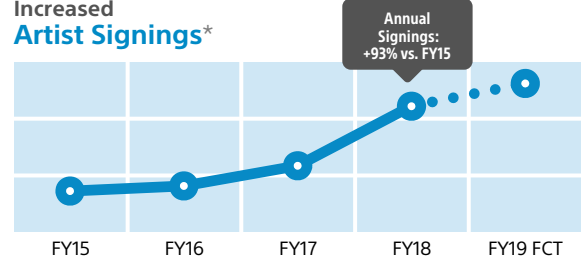
## Increased Investment in Talent Acquisition and Development

Music Segment

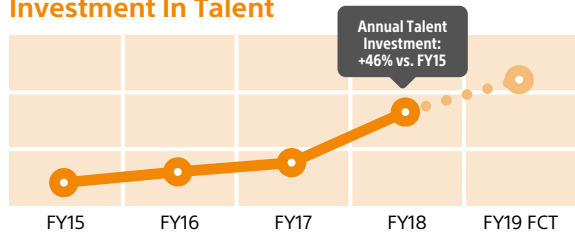
### Increased Resources in Creative Staff



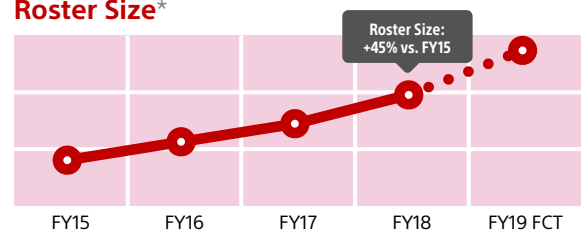
### Increased Artist Signings\*



### Increased Investment In Talent



### Increased Roster Size\*



\* Number of Persons

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## Expanding Repertoire Centers and Creative Resources

Music Segment

### New Leadership at Key Creative Centers



- New President and Co-Heads of A&R



- Newly Structured Region
- New Head of GSA

### Relaunch of Arista Records



- Additional Major U.S. Label – 20 New Artists Signed
- Experienced Executive Team
- Management & Publishing Divisions

### Establishing Joint Venture Labels



Keep Cool



September



SamePlate

### VISIONARY MUSIC GROUP

Visionary



Six Course

PALM TREE RECORDS  
Palm Tree


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# Driving Global Music Market Development


Music Segment

## Working With Commercial Partners to Drive Paid Subscription Growth


### Supporting Partner Innovation



Voice Activation



Accretive Bundles



New Business Models

### Sharing Market Intelligence With DSPs

Genre Opportunities

Untapped Demographics




Promotion Effectiveness

Consumer Behavior

### Collaborative Marketing

Acquisition and Conversion Campaigns



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# Driving Global Music Market Development

Music Segment

## Emerging and Growth Markets

Subscription Model Creating Opportunities In...

### Latin Iberia

Build On #1 Leadership Position In Latin Iberia

+13% Market Growth Y-o-Y\*

+33% Streaming Growth Y-o-Y\*

3 of Top 15 Global Markets

### China

Aggressive SME Growth Strategy

#7 Global Market

Headcount & Roster Growth



Joint Venture with



### New Markets

Expand Global Footprint



\* Annual Growth in CY2018

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## Sony Music's Extensive Value Proposition to Artists

Music Segment

Creative  
Excellence

Marketing  
Expertise

Relationships  
and Access

Global  
Reach

Data &  
Analytics

# World-Class Global Workforce

## Core: Talent / Artists

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## Sony Music Value Proposition

Music Segment

### Investing In Capabilities to Expand Our Value Proposition and Deepen Our Relationship with Artists



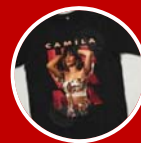
Premium New  
Content



Podcasting  
Production



Brands



Merchandising  
Services



Creative  
Studio Centers



Live / Ticketing



Artist Management  
Hubs



Artist-Led  
Ventures

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## Enhancing Data & Analytics Capabilities

Music Segment

### Continued Investment In People & Technology

#### Simple, Insightful Tools and Dashboards



#### Enhanced Internal Capabilities

-  Talent Discovery
-  Marketing Efficiency
-  Audience Development
-  Commercial Sales

#### Cutting Edge Analytical Techniques



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## Industry Leader in Artist Relations

Music Segment

### Sony Music Industry Leading Approach to...

#### Fair Compensation For Artists

Extremely Positive Reaction to SME Spotify Equity Payments



#### Transparent Artist – Label Relationship

Simple Flexible Artist Contracts



Best-In-Class Artist Sales and Royalty Portals

#### Real Time Royalty Accounting

Introducing Real Time Royalties & Cash Out



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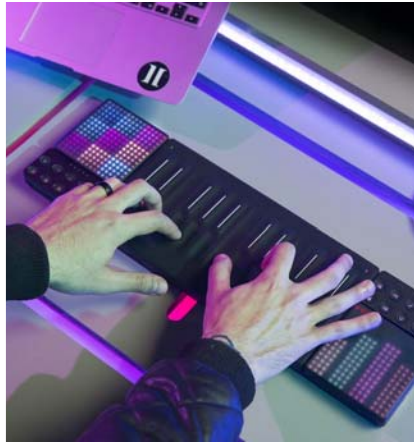


## Pharrell Williams & Sony Partnership

Music Segment



**CES Presentation**  
January 2019, Las Vegas



**Music Technology  
Development  
Project**  
Ongoing



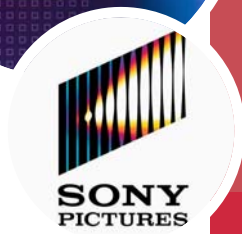
**In The Water Festival**  
April 2019, Virginia

**Sony HQ Visit**  
November 2018 Tokyo



## Sony Competitive Differentiation

Music Segment



**Sony Music Position as  
Part of the Sony Family  
of Companies Enabling  
Unique Commercial,  
Promotional, and  
Creative Opportunities  
Across Business Units**

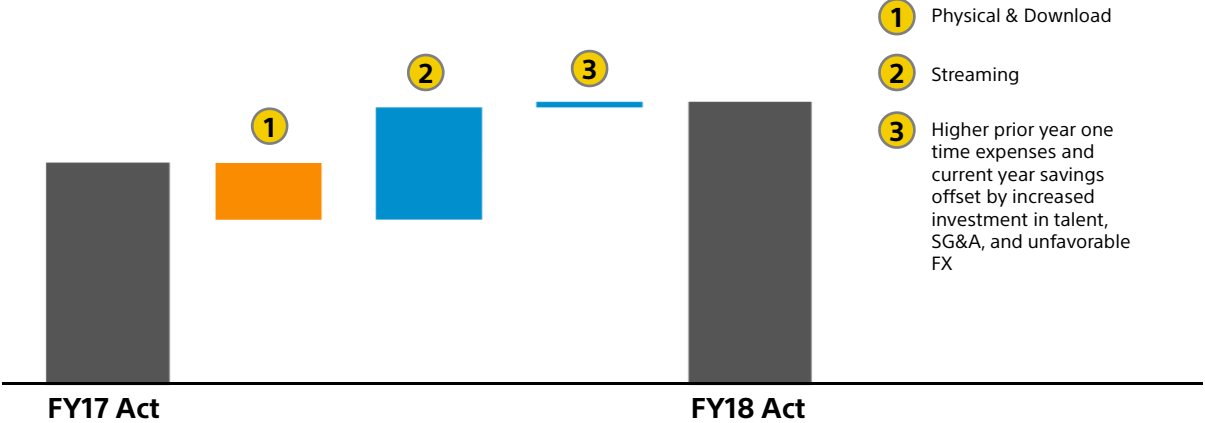


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### Sony Music Operating Income: FY17 Act to FY18 Act

Music Segment

(US Dollars)

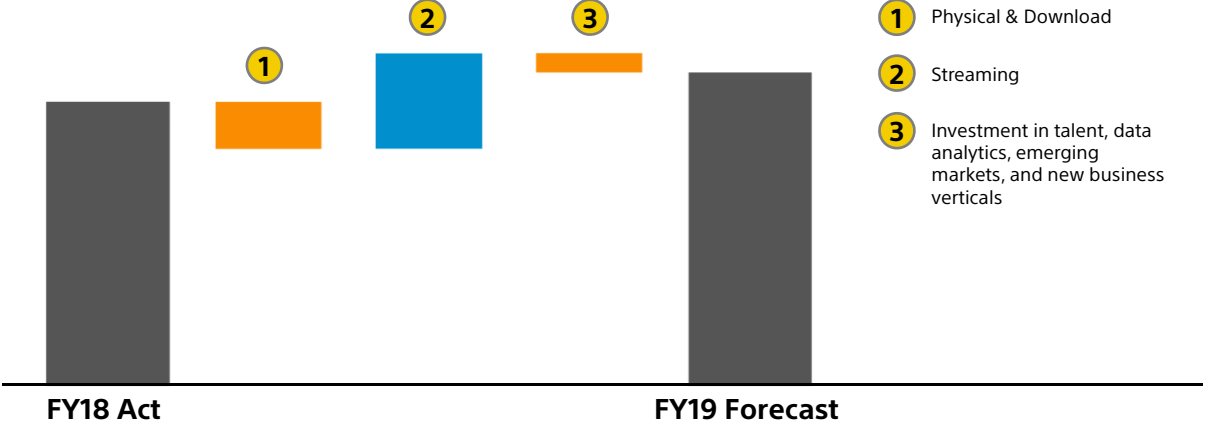


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### Sony Music Operating Income: FY18 Act to FY19 Forecast

Music Segment

(US Dollars)



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# Music Segment

Sony/ATV Music Publishing

Chairman & Chief Executive Officer  
Sony/ATV Music Publishing

**Jon Platt**

## Music Publishing Overview

Sony/ATV Music Publishing

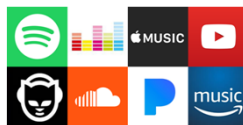
### Diversified Sources of Revenue



Radio  
Stations



Physical &  
Downloads



Digital  
Streaming



Advertising



Television  
Networks



Cable  
Networks



Film Soundtrack  
and Trailers



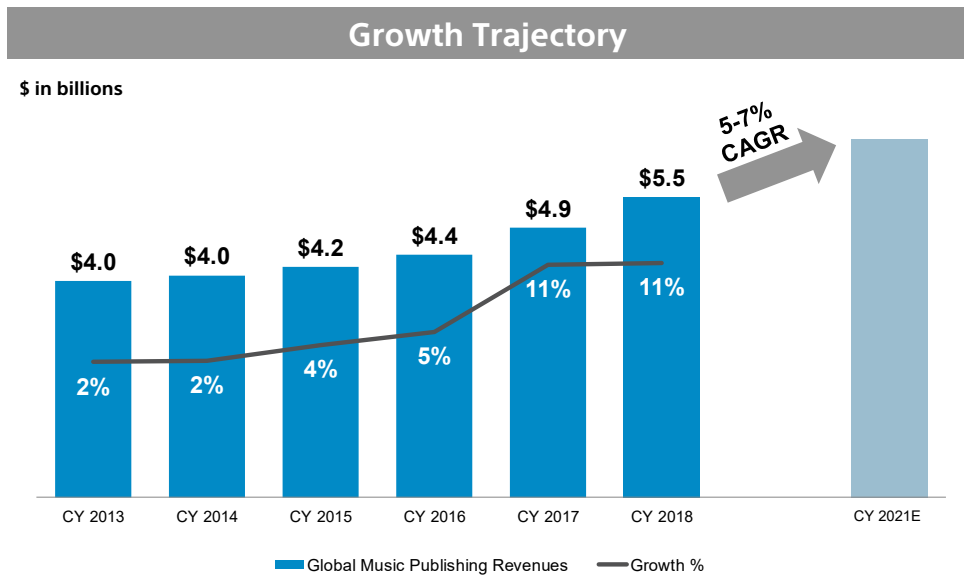
Video  
Games



Live Concert  
and Stage

# Music Publishing Market

Sony/ATV Music Publishing

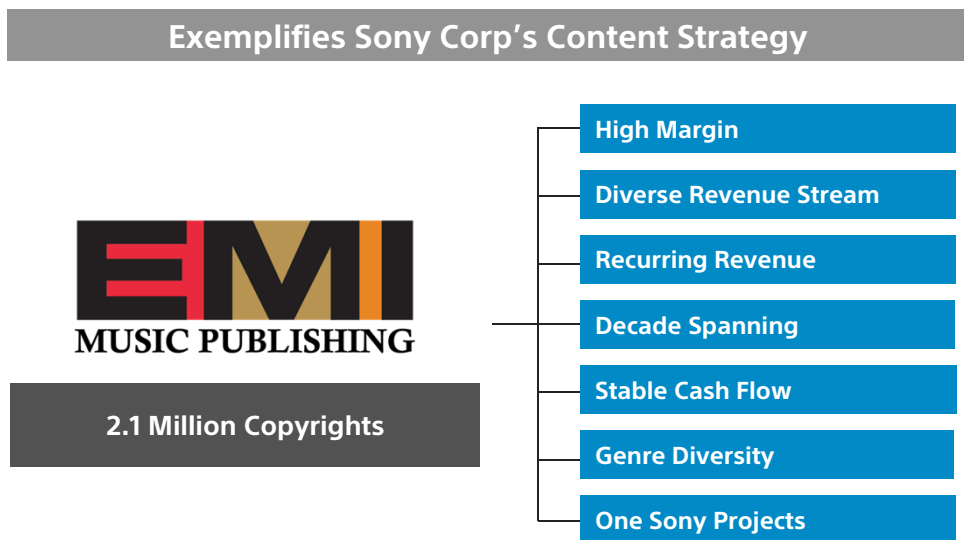


Source: Music & Copyright

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# Importance of EMI Acquisition

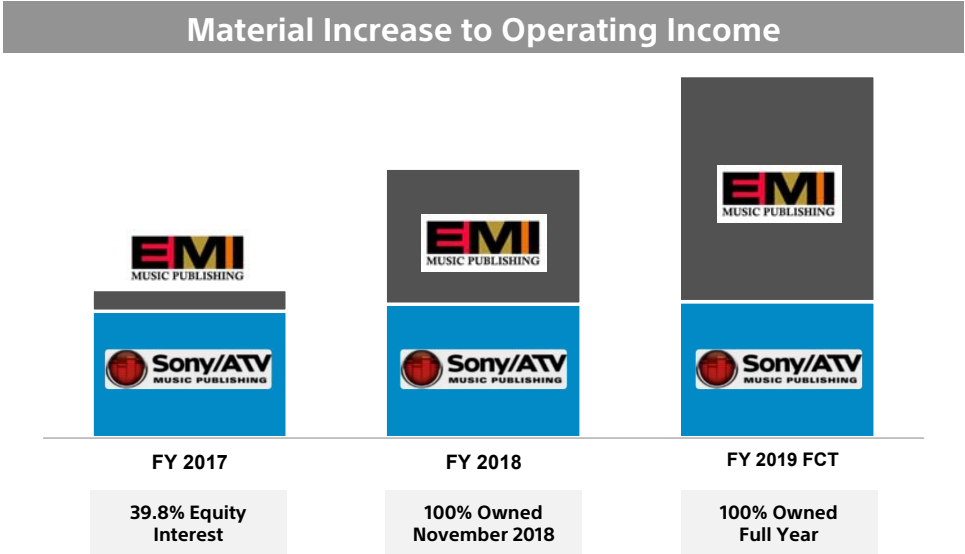
Sony/ATV Music Publishing



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# Impact of EMI Acquisition


Sony/ATV Music Publishing





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# Roster of the Most Talented Songwriters


Sony/ATV Music Publishing









Taylor Swift




The Beatles




Ed Sheeran




Drake



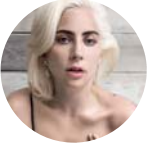
Carole King




Stevie Wonder




Luis Fonsi




Lady Gaga




Sara Bareilles



Pharrell



Queen

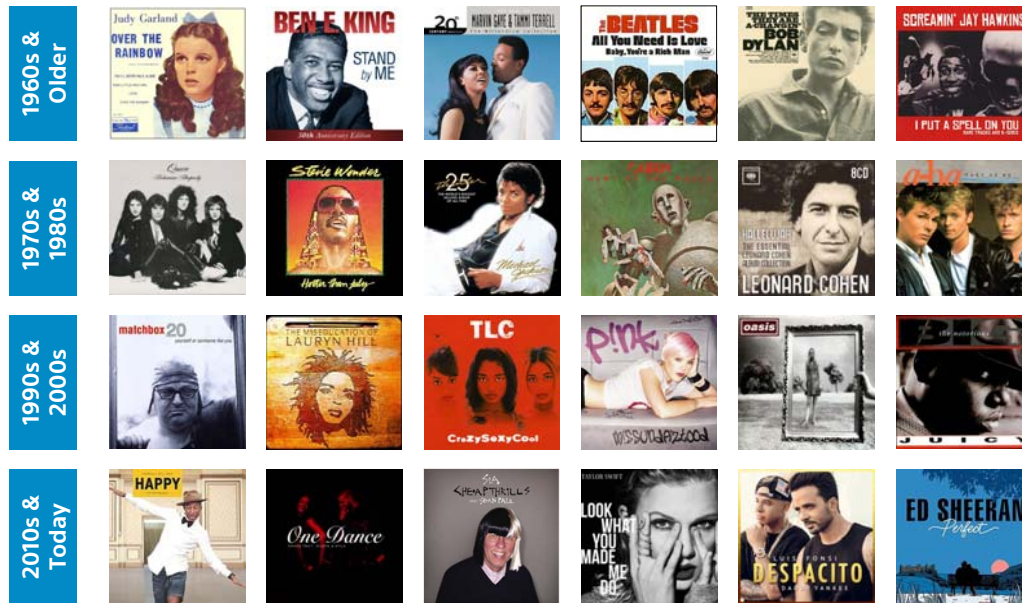


P!nk

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## Top Earning Songs By Release Year

Sony/ATV Music Publishing



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## #1 Publisher Around the World

Sony/ATV Music Publishing



Based on CY 2018 Worldwide Revenue <sup>(1)</sup>



Based on CY 2018 Radio Airplay in the U.S. <sup>(2)</sup>



Based on CY 2018 Singles Market in the UK <sup>(3)</sup>

(1) Music & Copyright (2) Nielsen BDS (3) Music Week

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## Long Term Strategies

Sony/ATV Music Publishing

- 1 Be the Destination For the Best Songwriters in the World
- 2 Leverage Our World Class Licensing Organization
- 3 Achieve Fair Digital Streaming Royalty Rates
- 4 Expand Our Presence in Emerging Markets
- 5 Differentiate and Grow through Proprietary Technology

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## Long Term Strategies (Continued)

Sony/ATV Music Publishing

- 1 Be the Destination For the Best Songwriters in the World



Khalid



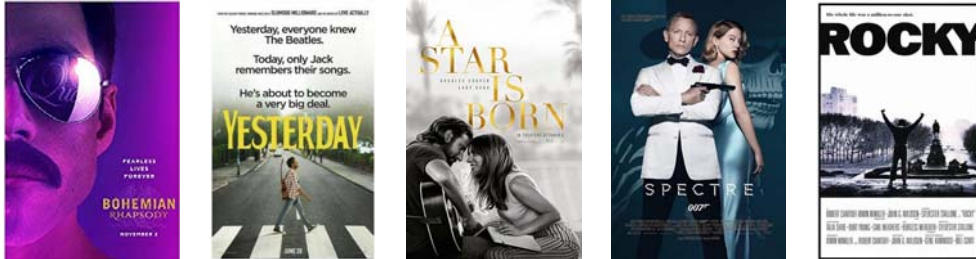
Cardi B



Travis Scott

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2 Leverage Our World Class Licensing Organization

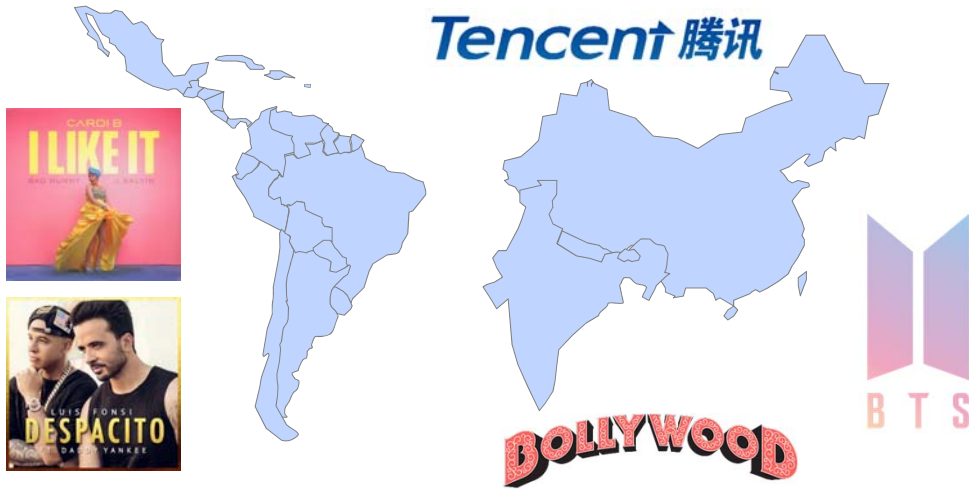


3 Achieve Fair Digital Streaming Royalty Rates



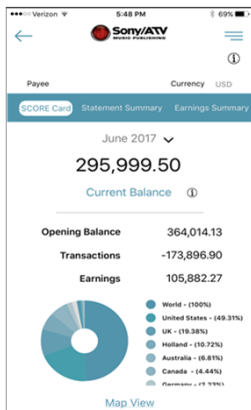


**4 Expand Our Presence in Emerging Markets**

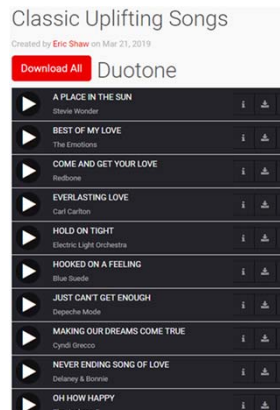


**5 Differentiate and Grow through Proprietary Technology**

**Administration**



**Licensing**



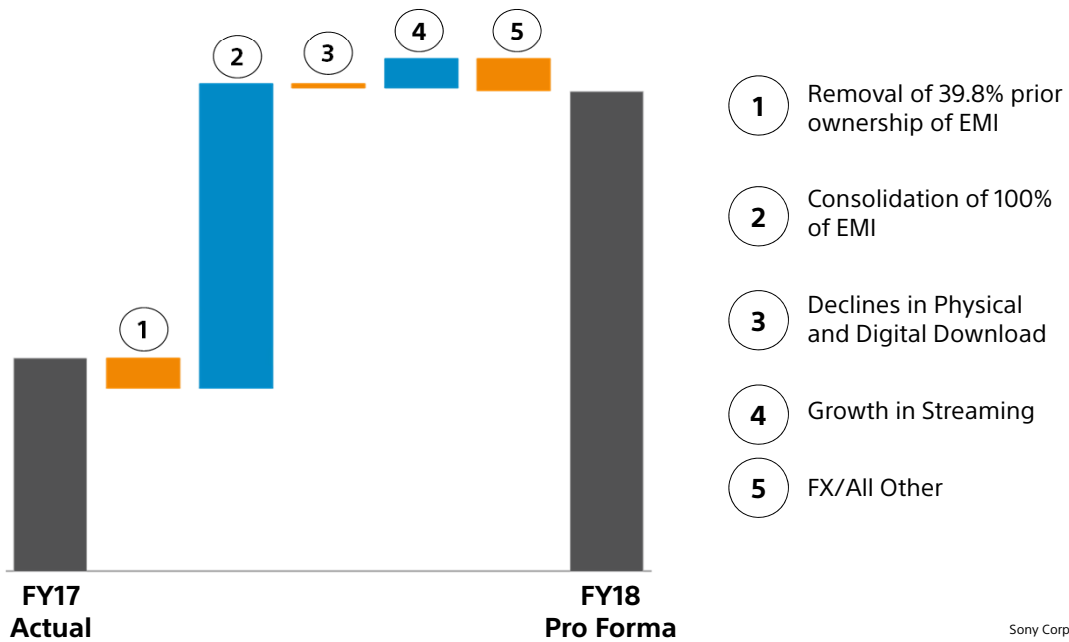
**Creative**



**New Songwriter Discover & Accompanying Analysis**

## OP Bridge from FY17 to FY18

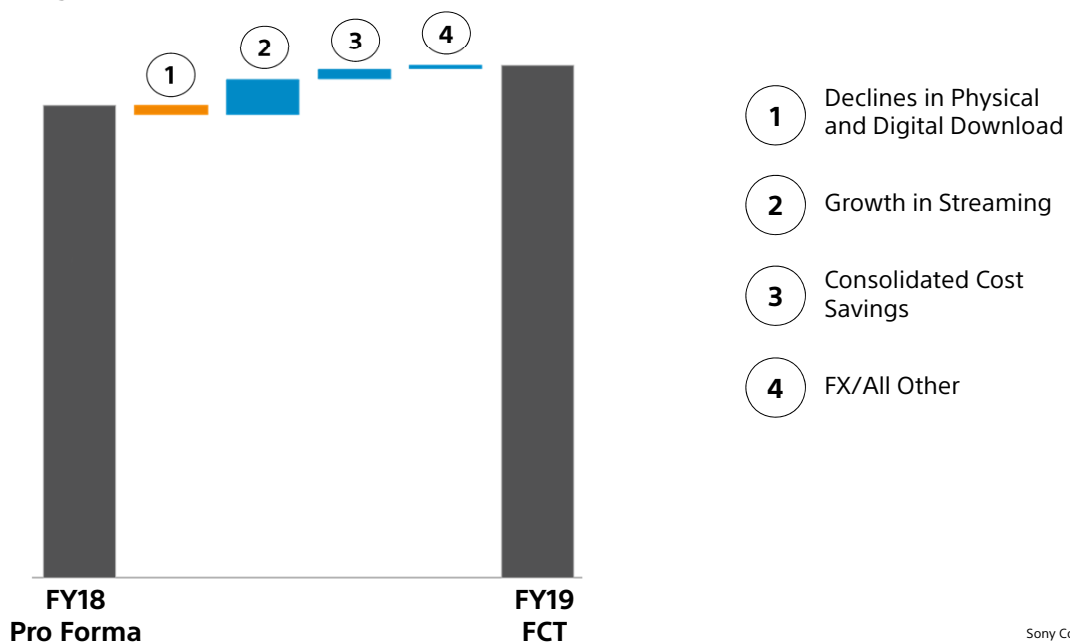
Sony/ATV Music Publishing



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## OP Bridge from FY18 to FY19

Sony/ATV Music Publishing



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**SonyMusic**

## 音楽分野

**Sony Music Entertainment (Japan) Inc.**

ソニー株式会社 常務

株式会社ソニー・ミュージックエンタテインメント  
代表取締役会長 CEO

**水野 道訓**

株式会社ソニー・ミュージックエンタテインメント  
代表取締役社長 COO

**村松 俊亮**

音楽分野 (SMEJ)

**SonyMusic**

ソニー株式会社 常務

株式会社ソニー・ミュージックエンタテインメント  
代表取締役会長 CEO

**水野 道訓**

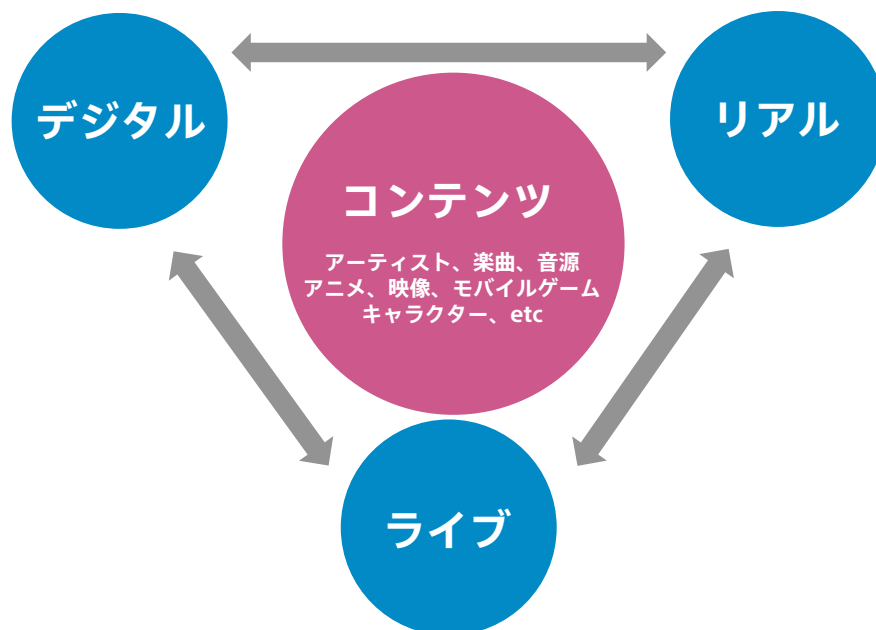
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# ヒットの創出と最大化

音楽アニメコンテンツのヒット × 多面的展開



## 総合エンタテインメント企業へ



## 事業機能軸

レーベル/マーケティング  
& ディストリビューションビジネス

アーティストマネジメント  
& パブリッシングビジネス

ビジュアルビジネス

ソリューションビジネス

ネット&メディア/ライブビジネス



## コンテンツ軸

アーティスト&ミュージック  
ビジネス

ビジュアル&キャラクター  
ビジネス

エンタテインメントソリューション  
ビジネス

# SonyMusic

株式会社ソニー・ミュージックエンタテインメント  
代表取締役社長 COO

村松 俊亮



**SONY**