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Sony IR Day 2014
Entertainment

NOVEMBER 18, 2014

Non-U.S. GAAP Measures

Adjusted OIBDA:

Adjusted OIBDA = Operating income before “depreciation and amortization” and “restructuring charges.” 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, Sony does believe that this supplemental disclosure for the Pictures and Music segments may provide additional useful analytical information to investors. A reconciliation of Adjusted OIBDA to operating income in accordance with U.S. GAAP can be found in the appendix to this presentation.

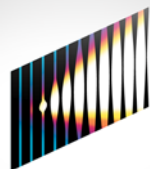
* FYE = Fiscal Year Ended (e.g. FYE 2015 = Fiscal Year Ending March 2015)

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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

SONY MUSIC

SonyMusic

Recorded Music

Music Publishing

Visual Media and
Platform

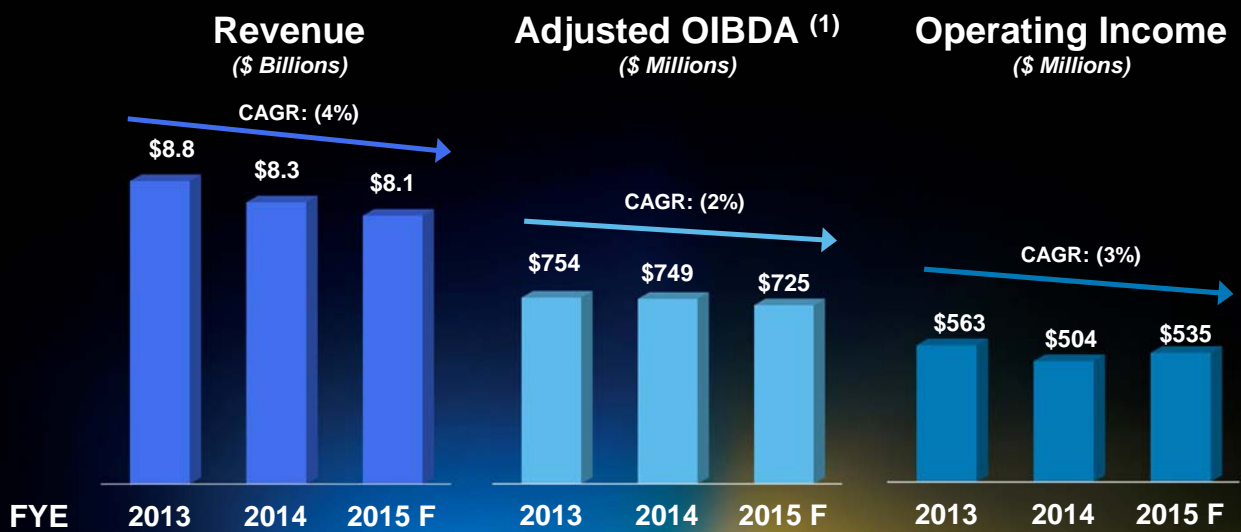
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Sony Pictures Entertainment

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

Category	FYE15	FYE18
5 Years Or Less	35	6
6 Years Or More	43	72
All Networks	78	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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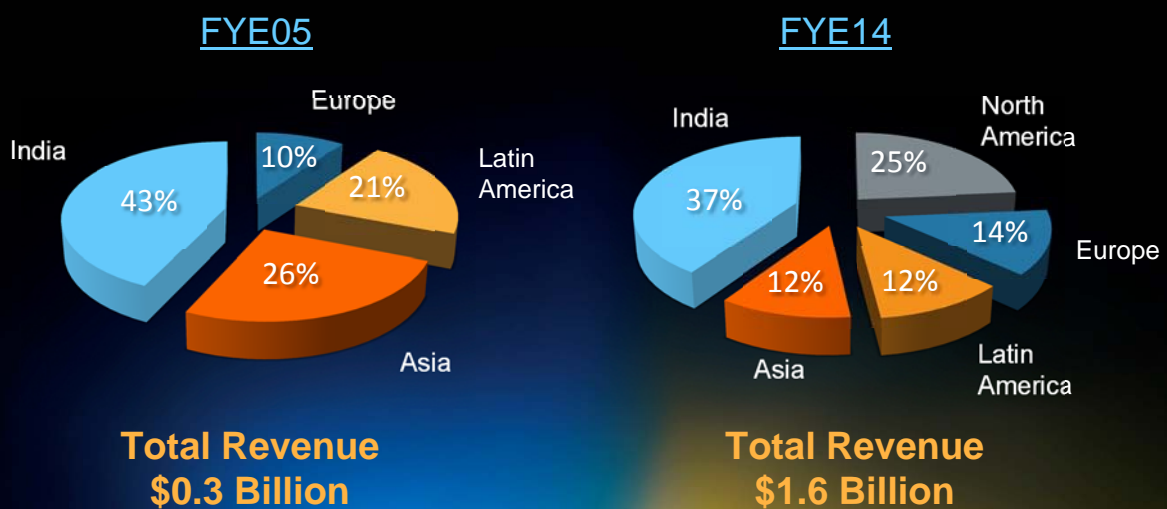
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Recent Acquisition

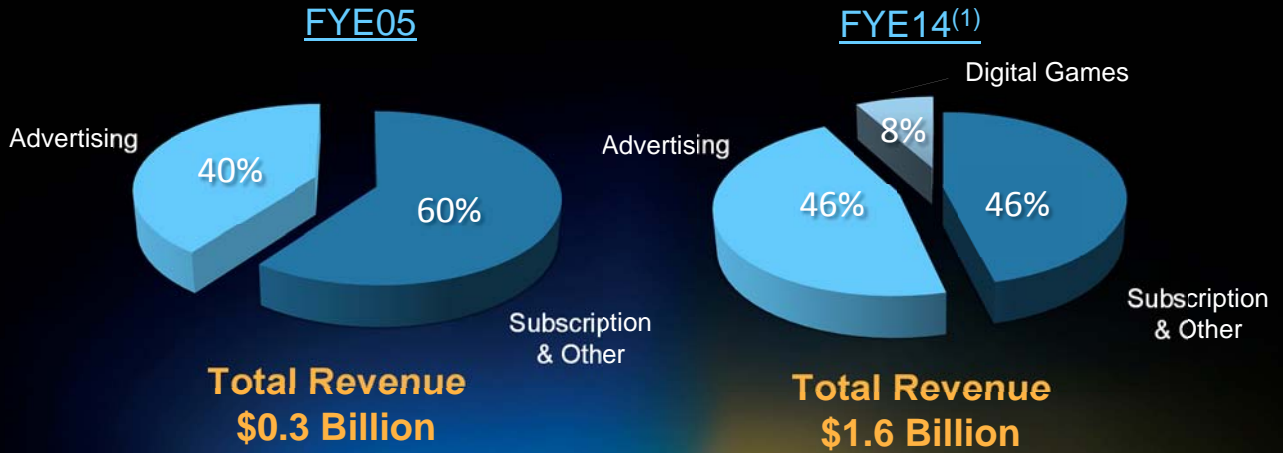


- Acquired by SPE in August 2014
- The UK's largest independent cable/satellite TV channel group
- Portfolio contains 16 channels across kids, music, movies and general entertainment genres
- Increases Media Networks scale in the UK and strengthens its position on key distribution platforms
- Immediately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

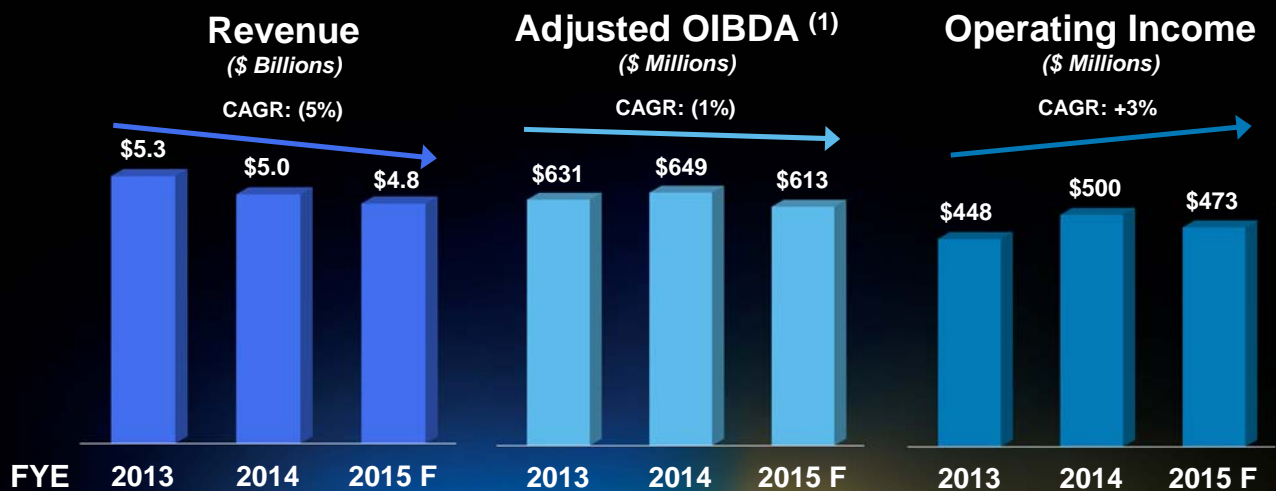
- Sales 10~11 Billion USD
- Operating Profit Margin 7~8 %
- Adjusted OIBDA Margin 9~10 %

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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

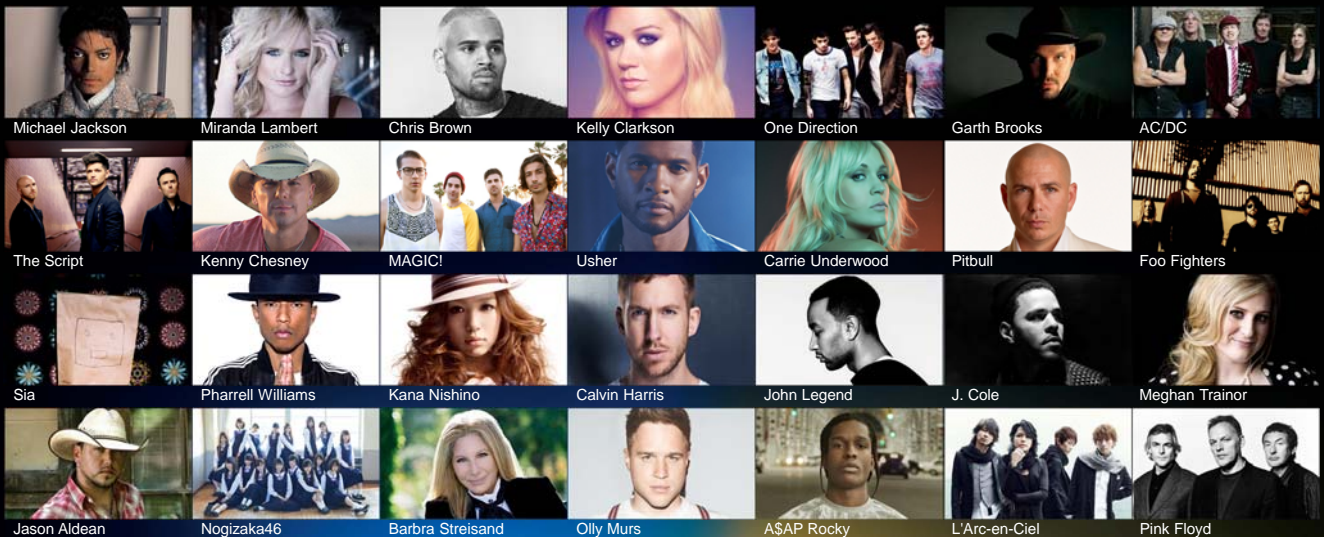


- Fully integrated EMI Music Publishing into Sony / ATV



- Ongoing focus on cost efficiencies as the industry evolves

Recorded Music - Current Year Bestsellers



Recorded Music - Recent New and Developing Artist Success

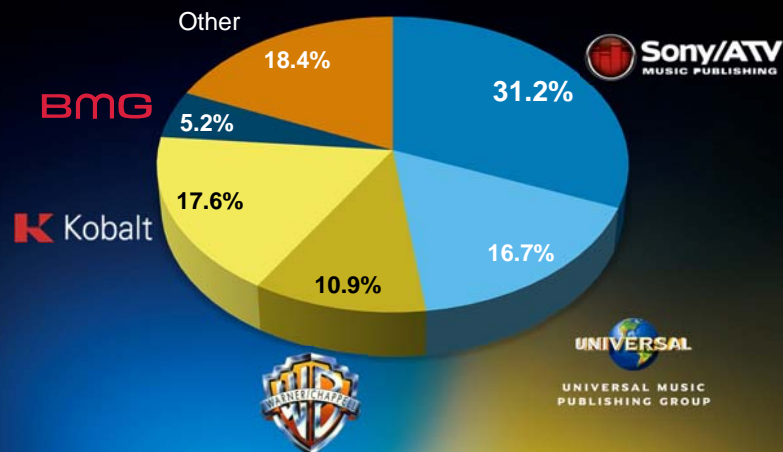


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Music Publishing - Competitive Landscape Strong Roster of Recent Hits

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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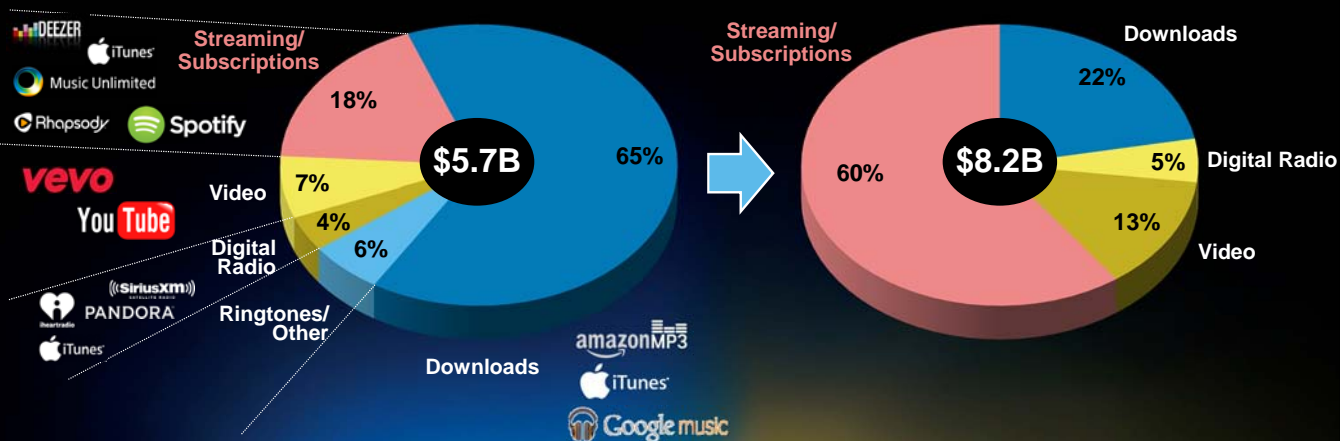
Note: Twelve Months Ended June 30, 2014

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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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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
Deprecation 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.

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- (ii) foreign exchange rates, particularly between the yen and the U.S. dollar, the euro and other currencies in which Sony makes significant sales and incurs production costs, or in which Sony's assets and liabilities are denominated;
- (iii) Sony's ability to continue to design and develop and win acceptance of, as well as achieve sufficient cost reductions for, its products and services, including televisions, game platforms and smartphones, which are offered in highly competitive markets characterized by severe price competition and continual new product and service introductions, rapid development in technology and subjective and changing consumer preferences;
- (iv) Sony's ability and timing to recoup large-scale investments required for technology development and production capacity;
- (v) Sony's ability to implement successful business restructuring and transformation efforts under changing market conditions;
- (vi) Sony's ability to implement successful hardware, software, and content integration strategies for all segments excluding the Financial Services segment, and to develop and implement successful sales and distribution strategies in light of the Internet and other technological developments;
- (vii) Sony's continued ability to devote sufficient resources to research and development and, with respect to capital expenditures, to prioritize investments correctly (particularly in the electronics businesses);
- (viii) Sony's ability to maintain product quality;
- (ix) the effectiveness of Sony's strategies and their execution, including but not limited to the success of Sony's acquisitions, joint ventures and other strategic investments;
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- (xii) the outcome of pending and/or future legal and/or regulatory proceedings;
- (xiii) shifts in customer demand for financial services such as life insurance and Sony's ability to conduct successful asset liability management in the Financial Services segment;
- (xiv) the impact of unfavorable conditions or developments (including market fluctuations or volatility) in the Japanese equity markets on the revenue and operating income of the Financial Services segment; and
- (xv) risks related to catastrophic disasters or similar events.

Risks and uncertainties also include the impact of any future events with material adverse impact.