

SONY

Corporate Strategy Meeting

May 19, 2020

Sony Corporation
President and CEO

Kenichiro Yoshida

Introduction: Management with a Long Term View and Sony's Purpose

- Good afternoon everyone. I am Kenichiro Yoshida.

Long-Term View

- As I explained at the FY18 Corporate Strategy Meeting, which was also my first year as President, management with a long-term view is a lesson passed down to us from our founder Akio Morita. Now that the new coronavirus has changed the world, I am reminded once again of its importance.

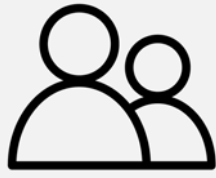


- When managing a company with a long-term view, it is essential to clarify the meaning of the company's social existence – that is, its purpose – and the direction management is taking the corporation.
- Sony's purpose is to "fill the world with emotion through the power of creativity and technology," and our management direction as "getting closer to people."
- Many of Sony's 110,000 employees are having to telework today, but they are conducting business with the shared goal of filling the world with emotion and getting closer to people.
- I have never felt so strongly as I do now the social significance of continuing to deliver emotionally-impactful audio and video content to the world at a time when people around the world are refraining from going outside.

- 1. Business Portfolio Centered on “People”**
- 2. Actions to Strengthen Group Management**
- 3. Direction of Each Business Segment**

- Now I would like to discuss these three points.

Sony's Business Portfolio



Creator

**"Getting Closer
to People"**



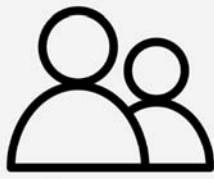
User



People Are at the Core of Sony Group's Business Portfolio

- People are at the core of Sony's business portfolio.

Sony's Business Portfolio



Creator

**"Move People's
Hearts"**

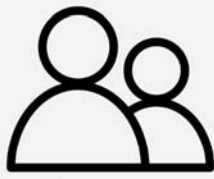


User



- Our content and direct-to-consumer (DTC) businesses, which create emotionally-impactful content with creators and deliver it to users, seek to move people's hearts.

Sony's Business Portfolio



Creator

**"Connect People
to People"**



User

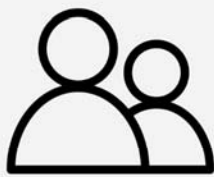


**Branded Hardware/
CMOS Image Sensor**



- Sony's branded hardware businesses provide equipment that is essential for creators to create emotionally-impactful content and for users to enjoy it. Our CMOS image sensor business makes a key device for smartphones used by people around the world to share their emotions. These are businesses that connect people to people.

Sony's Business Portfolio



Creator

"Support People"



User



Safety



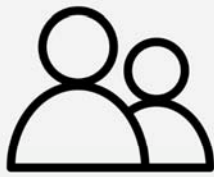
Health



Assurance

- At this year's CES, I talked about our contributions to the future of mobility through technology such as CMOS sensors and our first-ever active sensing LiDAR solution for automotive use. I also introduced "VISION-S," which embodies our efforts in this space.
- And, at last year's CEATEC, we exhibited our wide-range of medical equipment.
- These businesses aim to contribute to the safety and health of people. And our financial services business, which has a 40-year history, places great value on providing assurance to people. These are businesses that support people.
- These are businesses that support people.
- We view the three areas where we support people – safety, health, and assurance – as growth businesses for Sony over the long term, and they are areas where we can leverage our technology.

Sony's Business Portfolio

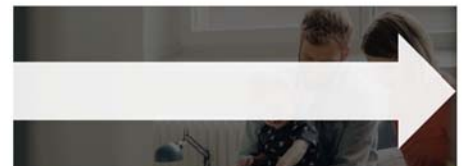
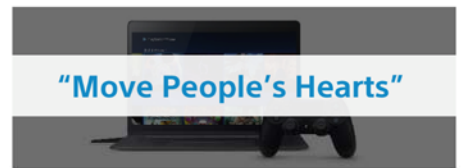
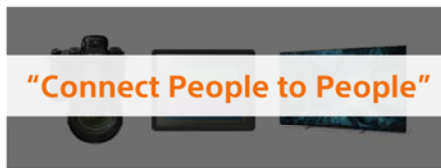
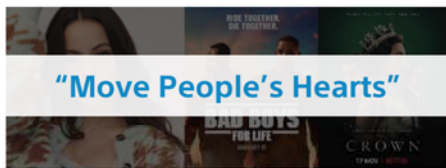


Creator

**"Getting Closer
to People"**



User



- As you can see, Sony's business portfolio is diverse, even while it is centered on people. This diversity contributes to the stability of the company, and, going forward, we will continue to strengthen the management of the group to make that diversity even more of an advantage.
- In the past, we withdrew from some businesses like the PC business and the battery business. We will continue to review the composition of our portfolio as a regular practice of management, but people will remain at our core.

1. Business Portfolio Centered on “People”
- 2. Actions to Strengthen Group Management**
3. Direction of Each Business Segment

Actions to Strengthen Group Management

- In order to promote the evolution of each business and solidify our diverse business portfolio as an advantage, we announced two actions designed to strengthen group management.

Sony Group Corporation^{*}

^{*} The above company name change will be made subject to necessary approval at the meeting of shareholders

- The first is the creation of the Sony Group Corporation on April 1, 2021.
- We will clearly separate and redefine the functions of the current Sony Corporation, which currently has a mixture of group headquarters functions and electronics business headquarters functions, and create a company which will focus on group headquarters functions.

Missions of Sony Group Corporation

- 1 Business Portfolio Management and Strategic Capital Allocation**
- 2 Value Creation through Group Synergies and Business Incubation**
- 3 Investment in the Talent and Technology that Form the Foundations of Innovation**

- The mission of Sony Group Corporation will be to conduct the activities shown on this slide from the perspective of the entire group.
- When Sony Group Corporation launches, the Sony Corporation company name will be inherited by the electronics business which is the original business of the Sony Group.

Full Acquisition of Sony Financial Holdings



* Tender Offer for Remaining Shares of Financial Services

- The second action to strengthen group management is the consolidation of Sony Financial Holdings, of which we currently own 65%, into a wholly-owned subsidiary.
- Financial Services, along with Electronics and Entertainment, is a core business of Sony, and it is a business which supports people, which we view as a long term growth area. Precisely because it is a core business, we have increased our ownership ratio of it several times the last few years, strengthened its governance from the perspective of shareholders, and taken various action recently such as changing its dividend policy.
- In order to strengthen the management of this business and increase the corporate value of the entire Sony Group, we have decided to make it into a wholly-owned subsidiary. This is because we believe that, rather than maintaining an independent source of capital in the form of a listed subsidiary which brings with it certain restrictions, it is better to prioritize swift and nimble decision making and increase management optionality so as to pursue strategies that are tailored to each business and synergies across the Sony Group.
- Moreover, the Financial Services business has a stable business platform in Japan. As the world grapples with the coronavirus crisis and geopolitical risks for global companies increase, we believe there is merit to wholly owning this business because it can contribute to the stability of managing the Sony Group.

1. Business Portfolio Centered on “People”
2. Actions to Strengthen Group Management
- 3. Direction of Each Business Segment**

Direction of the Evolution of Each Business Segment

- Now I would like to discuss the state and direction of each of our businesses.



Game & Network Services

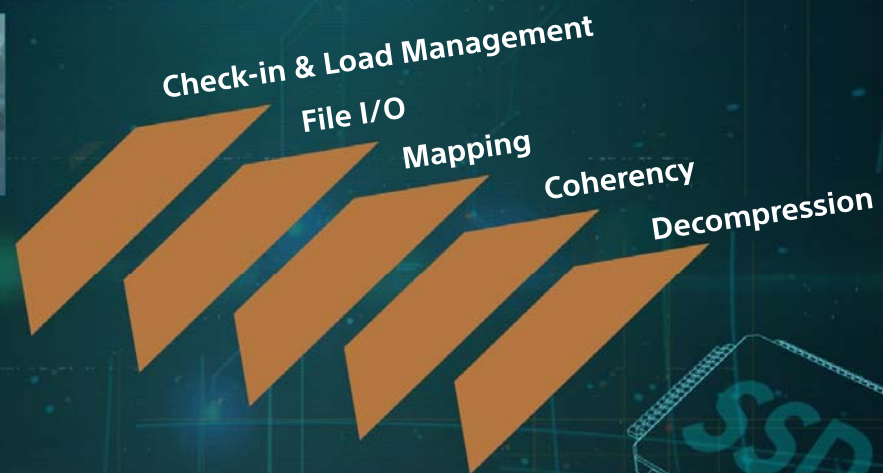
Game & Network Services: Pursuing the Value of Time

- First is the Game & Network Services segment.
- At a time when people are voluntarily not going outside, demand for digital entertainment such as games is increasing globally. In this environment, PlayStation® users have increased significantly.
- As an example, subscribers to our PlayStation®Plus subscription service increased by 2.7 million over the course of the three months of the fourth quarter of the previous fiscal year. As of the end of March of this year, the total number of subscribers reached 41.5 million. It is important for us to maintain and expand this increased engagement going forward.



- One way to do that will be to further revolutionize the game experience for users by launching the PlayStation®5 (PS5™), which is scheduled for the holiday season of this calendar year.

Evolution of "Speed" in the Next Gen Console



**Approx. 100 Times Faster
Processing Speed**

- In order to further enhance the sense of immersion in games, we expect to improve not just the resolution, but the speed of games.
- For example, through a custom-designed high-speed SSD, we plan to realize game data processing speeds that are approximately 100 times faster than PS4.
- Game load times should be much shorter, and players should be able to move through immense game worlds in almost an instant.

New Wireless Controller DualSense™



- In addition, to create games that provide players more of a sensory experience than ever before, we plan to revolutionize the controller.
- For example, by installing haptic feedback, we aim to create the feeling of heaviness when a car passes over a muddy road and, by installing adaptive triggers, we plan to create the sensation of tautness when a bow is pulled back. These realistic sensations should bring further excitement to games.

Evolution of "Sound" in the Next Gen Console



- Sound is also an important part of immersion. By installing a customized 3D audio processing unit in PS5, we have made it possible to deliver diverse and sophisticated 3D audio experiences. Players can experience sound that moves from in front to behind, above to below and all around them.
- By combining speed, haptics and sound, we can further improve on the wonderful experience available on PS4, making the PS5 a truly next generation console by providing game experiences that were not possible before.
- Games for the PS5 that deliver this new gaming experience are being made by both 1st and 3rd party developers, and we plan to introduce a compelling line up of titles soon.



Immersive Seamless

- At PlayStation, we believe consoles provide users game experiences that are immersive, while cloud gaming provides users seamless game experiences that are seamless and can be enjoyed anytime and anywhere. We will provide users both experiences going forward.

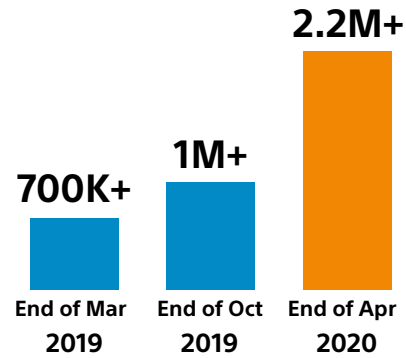


PlayStation Now

Evolution Since the Service Launch in 2014



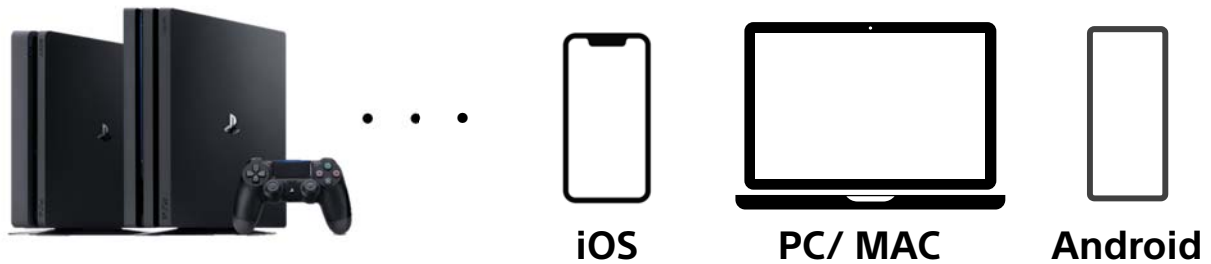
Catalog Enhancement



Over 2.2M Paid Subscribers
(End of Apr 2020)

- PlayStation Now is one evolution on seamless game experiences. It is a cloud gaming service that Sony began earlier than any other company back in 2014.
- By changing the price and strengthening our catalog of games, including the addition of many AAA titles, we have expanded this service into one that has over 2.2 million paying subscribers as of the end of this April.

Remote Play Monthly Active Users Increased Approx. 2.5 Times*



* Comparison of Dec 2018 and Dec 2019

- Using the same streaming technology, our Remote Play functionality enables users to play games on their PlayStations anytime and anywhere, at no additional cost. Since the roll-out of this functionality on iOS and Android, users have increased approximately 2.5 times.



Music: Getting Closer to Artists

- Music is a business that is expected to grow steadily due to the strengthening of the music publishing business through the acquisition of EMI Music Publishing and the growth of the streaming market. Meanwhile, competition in the industry for artists and catalogs is becoming more intense.

Establishment of Sony Music Group

Most Talent Friendly Music Company



In the overseas music business, the Sony Music Group, which combines recorded music and music publishing, was established in August last year. With a vision to become the most talent-friendly music company, the label and publishing teams are working together to support artists from all directions.

Sony Music



LiSA



King Gnu

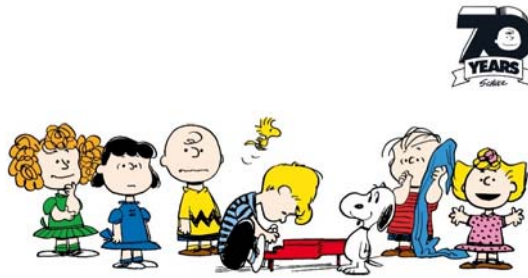


Yonezu Kenshi



**Demon Slayer:
Kimetsu no Yaiba**

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SixTONES

- In the Japanese music business, which has created hits in diverse areas of IP such as music, anime and character merchandising, artist management is also an area of augmentation.



- In the summer of last year, we established The Orchard Japan to support the discovery and development of indie artists and the overseas distribution of domestic Japanese artists.



Pictures

Pictures: Strengthening IP and Preparing for After Corona

- Next is the Pictures segment.

Development of Owned IP and Creative Capacity



Sony Pictures Universe of Marvel Characters

UNCHARTED

IP from PlayStation Games



Reactivating Owned IP

SONY PICTURES ANIMATION

Continuing Content Creation

Silver GATE



Octonauts

Diversification of Program Genres

- At a time when DTC services are being launched one after another, and demand for content has increased even more than before, Sony Pictures is investing in the development of owned IP and the strengthening of its creative capacity.
- It has been making films using the Sony Pictures Universe of Marvel Characters that have performed well in recent years. It plans to make movies and TV shows based on IP from PlayStation games in the future. It has reactivated IP it already owns. And Sony Pictures Animation is continuing to make animated films despite the current difficult environment.
- We aim to continue to produce superb video entertainment in these diverse genres.
- At the same time, the impact the coronavirus is having on the video entertainment industry is extremely large.
- Along with the creative community and our supply chain partners, such as exhibitors, we plan to thoroughly assess how consumption of video content will change in the future, and adapt to those changes accordingly.



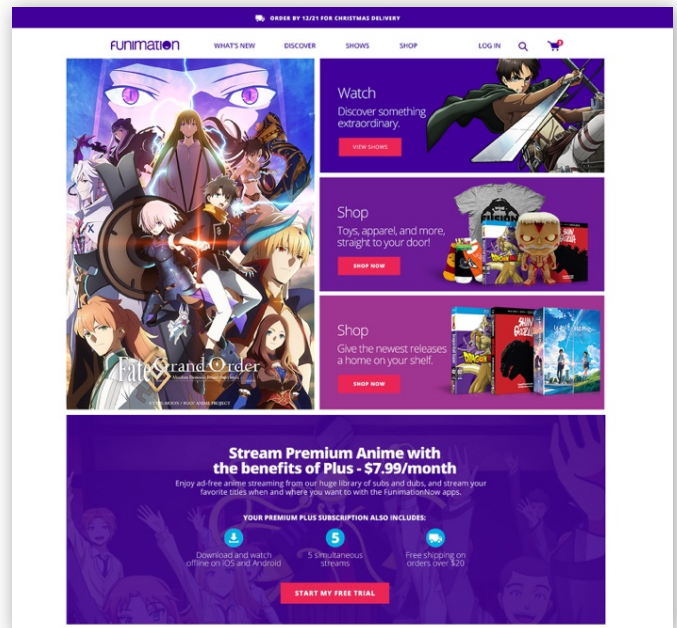
Anime

Anime: Realizing One Sony

- Now I would like to talk about anime, which spans our Game, Music and Pictures segments, and is an IP genre around which fans form an extremely strong community.
- The global market for Japanese anime content has grown about 1.5 times over the past five years, and the main driver of this growth is sales outside of Japan, which currently accounts for nearly half of the market.

Anime DTC Service

FUNIMATION®



- Sony is a global entertainment company headquartered in Japan and we want to contribute to delivering Japanese anime to fans all over the world through our proprietary anime DTC services such as SPE's Funimation.
- Anime and games have a high affinity in terms of the customer base, and we plan to further strengthen efforts such as the promotion of Funimation on the PlayStation Network.



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- In terms of content production, Aniplex has created the *Demon Slayer: Kimetsu no Yaiba* anime, which has become a hit that can now be called a social phenomenon, and it is developing a mobile game and a PS4 game based on this IP.

China's Leading Online Entertainment Platform/ Company



© TYPE-MOON / FGO7 ANIME PROJECT

Approx. \$400 Million Investment to Pursue Further Engagement in Animation and Games

Distributing Contents such as Fate/Grand Order Absolute Demonic Front: Babylonia

- As part of the overseas expansion of anime IP, we have formed a capital and business alliance, mainly in the anime and game fields, with Bilibili, a company with whom we already collaborate to distribute *Fate/Grand Order* in China.
- Regarding digital entertainment in China, where growth is expected, we will strive to strengthen a wide range of relationships with local companies in anime, games and music.



Electronics Products & Solutions

EP&S: Remote Solutions and Structural Enhancement

- The electronics products that Sony has introduced to the world since our founding are the protagonists who built the Sony brand. The EP&S segment will inherit the Sony Corporation trade name and will work to increase its value.

Products that Pursue Reality and Real-time



- In the area of electronics, where we have focused on high value-added products, we will continue to deliver products and services that deliver reality and real-time through sound, video and communication technologies, connecting creators to users.

“Remote” Solution



Shooting/ Relaying/ Editing



**Live Music
Broadcasting**

- In addition to reality and real-time, we recognize the need is increasing for solutions that connect people to people and people to things remotely due to the coronavirus crisis.
- Here, Sony believes that it can expand into new areas such as acceleration of remote solutions for shooting, relaying and editing technologies originally developed in the broadcasting business, and can deliver live music remotely using the solutions we develop.

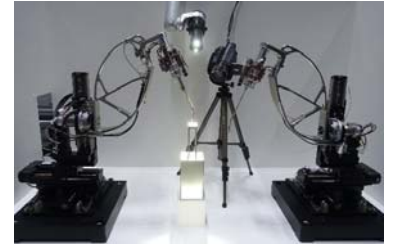
Contribution to “Health”



**Technology
Development in the
Surgical Field**



**Life Science
Research Field**



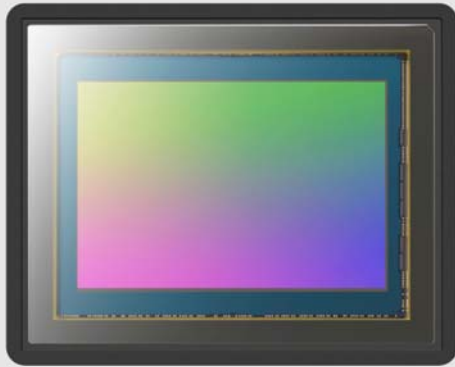
**Precision Bilateral
Control
(Research and
Development)**

- In the medical business which supports people, we will strive to contribute to the health of people over the long term by leveraging the imaging, display and mechatronics technologies we have cultivated over many years.



Electronics Products & Solutions

- The coronavirus crisis has had a major impact on product demand and supply chains in this segment. We will work to enhance our competitiveness in response to these changes in the environment.



Imaging & Sensing Solutions

Imaging



**Maintain Global
Number One Position**

Sensing

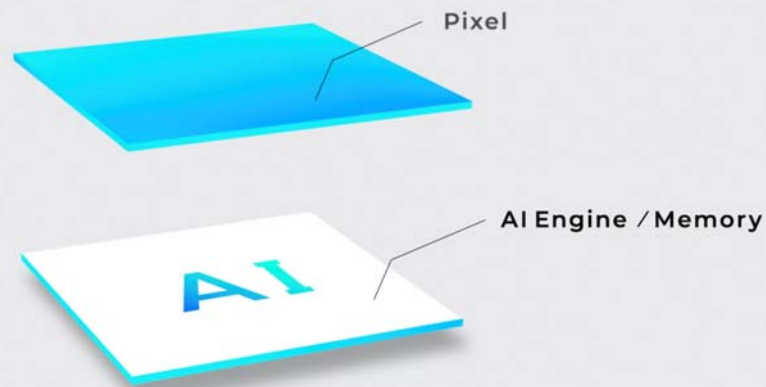


**Aim to Gain Global Number
One Position**

I&SS: Sensing and AI

- In the Imaging & Sensing Solutions business, we are reviewing our capital expenditure plans due to the recent deceleration of the smartphone market, but there is no change to our goal of maintaining our global number one position in imaging and gaining the global number one position in sensing.
- The adoption of sensing solutions for mobile devices that “connect people to people” is expected to expand, including the adoption of ToF sensors for smartphones. In addition, we are working on automotive sensing solutions that “support people” and which are expected to grow over the long term.

Image Sensors will be Key Devices in the AI Era



Intelligent Vision Sensor

- We believe that image sensors will be key devices in the AI era, so, last week, we announced the commercialization of the world's first AI-installed intelligent vision sensor.

Partnership to provide AI sensing solutions

SONY



- Today, we jointly announced a new collaboration that will bring together Sony's Imaging & Sensing Solutions technology with Microsoft Azure to provide value-added AI sensing solutions for enterprise customers across industries.
- In this area, we plan to take advantage of our world-leading stacking technology to diversify the range of data that can be captured, from data which is viewed by human beings to data which is used by machines to learn and make decisions. And that will enable the use of data across numerous applications.



- Further in the AI space, we established Sony AI, a subsidiary comprised of a group of the world's top-level AI researchers and engineers.
- We plan to advance AI technology in fields only Sony can, such as games and imaging and sensing, and in new areas.



Financial Services

Financial Services: Strengthening the Management Structure

- As I said at the beginning, Financial Services is a business that supports people, whose hearts we aim to move, and it is a business that contributes to the economic assurance of individuals and families. It is also Sony's original DTC business in the service business space that utilizes the Sony brand.
- Going forward, the management structure of Sony Financial Holdings will be strengthened. After making the Financial Services business a wholly owned part of the Sony Group of companies, we plan to take various action such as further increasing the value of the life planners who constitute the core value of the life insurance business, which is at the center of the business.

Further Acceleration of Group Synergy



**Marketing Analysis Utilizing
Sony CSL's CALC
(Big Data Analysis Tool)**

Sony CSL= Sony Computer Science Laboratories, Inc.



**Utilization of
Technology such as AI
for New Car Insurance**

- Moreover, we aim to create even more synergies through such things as leveraging Sony's technology, along the lines of what we have done before.

- 1. Business Portfolio Centered on “People”**
- 2. Actions to Strengthen Group Management**
- 3. Direction of Each Business Segment**

Closing

- Today, I have spoken about these things.

Contribution to Environment



**Achieve Zero
Environmental Footprint
by 2050**



**100% Renewable Electricity
by 2040**



Global External Evaluation



**Approach to
Ocean Plastics**



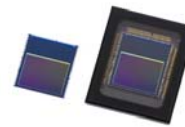
**Japan's
First Intracompany
Renewable Electricity
Transfer Service**



**Synecoculture
Human Augmentation
of Ecosystems**



**New Sustainable
Material**



Intelligent Vision Sensor

**AI processing
functionality enables
power consumption
to be reduced**



**Contribution
to Evolution of Mobility**

- As I mentioned at the beginning, Sony's social mission is to create and deliver emotion.
- For people to be connected through emotion, it is necessary for people, society and the global environment to be healthy. At Sony, we are taking various steps to address the environment, beginning with our contribution to the future of mobility, which will contribute to the environment in the future.

Sony Global Relief Fund for COVID-19



Medical



Education



**Creative
Community**

- In response to the recent global issue of the new coronavirus, we launched a 100 million U.S. dollar global relief fund to support the medical, education and creative communities.

Initiatives in the Medical Field



Collaboration with M3



Sony Global Manufacturing & Operations Corporation

Supporting Production of Ventilators



Providing Face Shields

- As part of the support provided through this fund, we are collaborating with M3 to contribute to the frontlines of medical care. We are supporting the production of ventilators and providing face shields for medical sites.

Initiatives in the Education Field



**Online Teaching
Materials / Craft
Recipes Available for
Children**

MESH™

**MESH Rental to
School Children**

KOOV

**Providing Free KOOV
Teaching Materials**

- We are assisting children whose access to education is constrained by providing, free of charge, educational programming kits.

Initiatives to Support the Creative Community including Game, Music and Pictures



**Participation in Artist Support
Initiative, Hosted by Music.com
Through Usage of 360 Reality Audio**



**Distribution of Free Game Titles*,
Development of Fund to Support
Independent Development
Partners**

* Limited titles during limited time period

- And we are providing support to artists and game developers who are facing difficulties.

Examples of Artists' Initiatives



Daily Instagram Live Show by Miley Cyrus



Instagram Live Show by Diplo



"Girls With Guitars" Weekly Instagram Show by H.E.R.

- In addition, artists and creators who have close relationships with Sony are appealing to their fans of their own volition to promote behavioral change and social solidarity.

Contribution to the People and Planet



- Going forward, Sony will continue to contribute to people, society and the planet through our business operations as well as various social support activities.
- Thank you for your attention.

SONY

Cautionary Statement

Statements made in this presentation with respect to Sony's current plans, estimates, strategies and beliefs and other statements that are not historical facts are forward-looking statements about the future performance of Sony. Forward-looking statements include, but are not limited to, those statements using words such as "believe," "expect," "plans," "strategy," "prospects," "forecast," "estimate," "project," "anticipate," "aim," "intend," "seek," "may," "might," "could" or "should," and words of similar meaning in connection with a discussion of future operations, financial performance, events or conditions. From time to time, oral or written forward-looking statements may also be included in other materials released to the public. These statements are based on management's assumptions, judgments and beliefs in light of the information currently available to it. Sony cautions investors that a number of important risks and uncertainties could cause actual results to differ materially from those discussed in the forward-looking statements, and therefore investors should not place undue reliance on them. Investors also should not rely on any obligation of Sony to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Sony disclaims any such obligation. Risks and uncertainties that might affect Sony include, but are not limited to:

- (i) Sony's ability to maintain product quality and customer satisfaction with its products and services;
- (ii) 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 image sensors, game and network platforms, smartphones and televisions, 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 customer preferences;
- (iii) Sony's ability to implement successful hardware, software, and content integration strategies, and to develop and implement successful sales and distribution strategies in light of new technologies and distribution platforms;
- (iv) the effectiveness of Sony's strategies and their execution, including but not limited to the success of Sony's acquisitions, joint ventures, investments, capital expenditures, restructurings and other strategic initiatives;
- (v) changes in laws, regulations and government policies in the markets in which Sony and its third-party suppliers, service providers and business partners operate, including those related to taxation, as well as growing consumer focus on corporate social responsibility;
- (vi) Sony's continued ability to identify the products, services and market trends with significant growth potential, to devote sufficient resources to research and development, to prioritize investments and capital expenditures correctly and to recoup its investments and capital expenditures, including those required for technology development and product capacity;
- (vii) Sony's reliance on external business partners, including for the procurement of parts, components, software and network services for its products or services, the manufacturing, marketing and distribution of its products, and its other business operations;
- (viii) the global economic and political environment in which Sony operates and the economic and political conditions in Sony's markets, particularly levels of consumer spending;
- (ix) Sony's ability to meet operational and liquidity needs as a result of significant volatility and disruption in the global financial markets or a ratings downgrade;
- (x) Sony's ability to forecast demands, manage timely procurement and control inventories;
- (xi) 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, liabilities and operating results are denominated;
- (xii) Sony's ability to recruit, retain and maintain productive relations with highly skilled personnel;
- (xiii) Sony's ability to prevent unauthorized use or theft of intellectual property rights, to obtain or renew licenses relating to intellectual property rights and to defend itself against claims that its products or services infringe the intellectual property rights owned by others;
- (xiv) the impact of changes in interest rates and 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;
- (xv) 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;
- (xvi) risks related to catastrophic disasters, pandemic disease or similar events;
- (xvii) the ability of Sony, its third-party service providers or business partners to anticipate and manage cybersecurity risk, including the risk of unauthorized access to Sony's business information and the personally identifiable information of its employees and customers, potential business disruptions or financial losses; and
- (xviii) the outcome of pending and/or future legal and/or regulatory proceedings.

Risks and uncertainties also include the impact of any future events with material adverse impact. The continued impact of the new coronavirus disease could heighten many of the risks and uncertainties noted above. Important information regarding risks and uncertainties is also set forth in Sony's most recent Form 20-F, which is on file with the U.S. Securities and Exchange Commission.

Note to the Financial Information without Financial Services

Financial information without Financial Services made in this presentation is not in accordance with accounting principles generally accepted in the United States of America, which is used by Sony to prepare its consolidated financial statements. However, because the Financial Services segment is different in nature from Sony's other segments, Sony utilizes this information to analyze its results without the Financial Services segment and believes that a comparative presentation may be useful in understanding and analyzing Sony's consolidated financial statements.