

**SONY**

# **Sony IR Day 2018**

## **Game & Network Services Segment**

May 22, 2018

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Business Executive, Sony Corporation  
President & CEO, Sony Interactive Entertainment

#### **Agenda**


Game & Network Services Segment

- 1. FY2017 Review**
- 2. Strategy from FY2018**

# 1. FY2017 Review

## FY2017 Key Achievements

**Further expand PlayStation® user base**

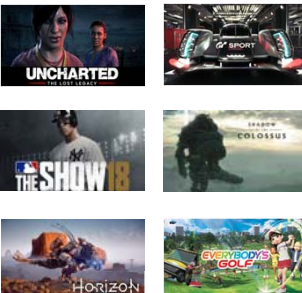


**PlayStation®4**  
**79M units**  
 cumulative sales as of  
 Mar 31 2018

**PlayStation™Network**  
**80M+ MAU**  
 As of Mar 31 2018

**PS4 Game Play**  
**800M hrs+ /week**  
 As of final week of Dec 2017

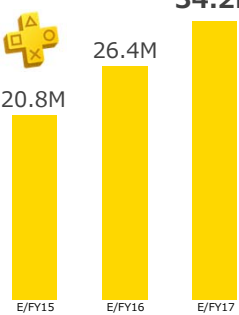
**Enhance game line-up**



**246M games sold**  
 FY2017 PS4 software unit sales

**Grow PlayStation®Plus paid subscribers**

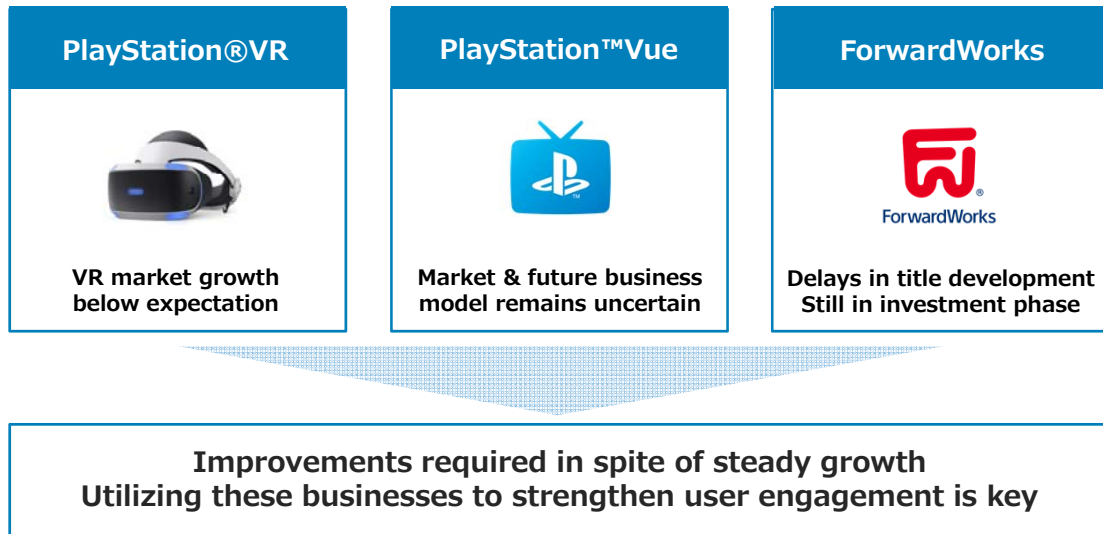
PlayStation®Plus paid subscribers



Year	Subscribers (M)
E/FY15	20.8M
E/FY16	26.4M
E/FY17	34.2M

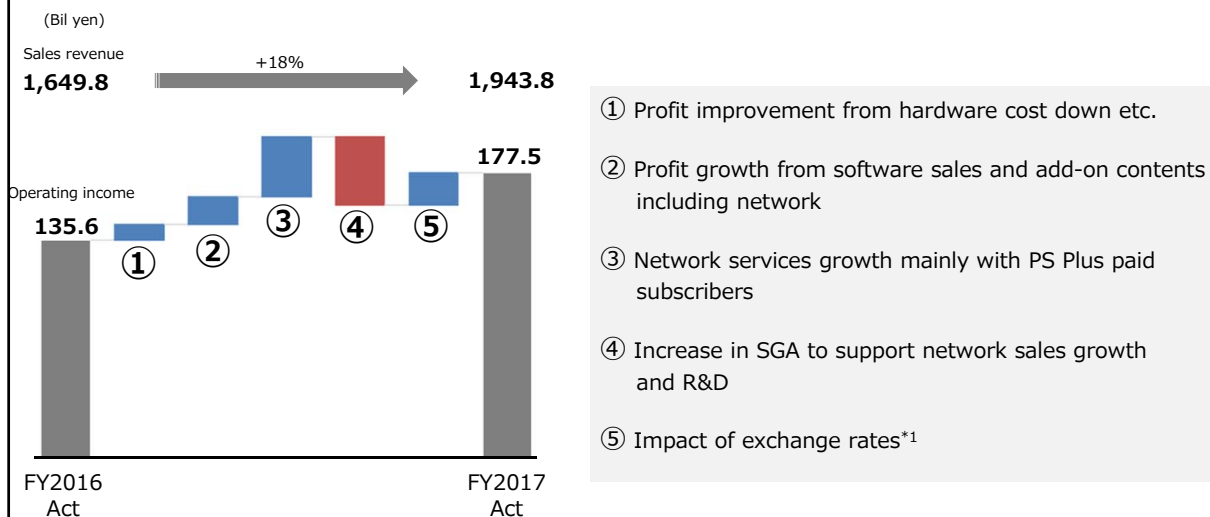
## Challenges and improvements

Game & Network Services Segment



## FY2017 Operating Profit Variation from FY2016

Game & Network Services Segment

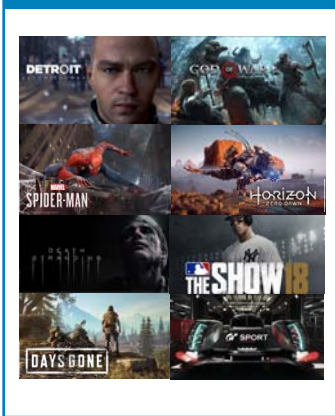


\*1: Impact of foreign exchange fluctuations is calculated using the sales and costs denominated in each currency in FY2017 and comparing them with the previous fiscal year

## 2. Strategy from FY2018

### Strategy from FY2018

Enrich and utilize exclusive titles



Leverage install base and active user

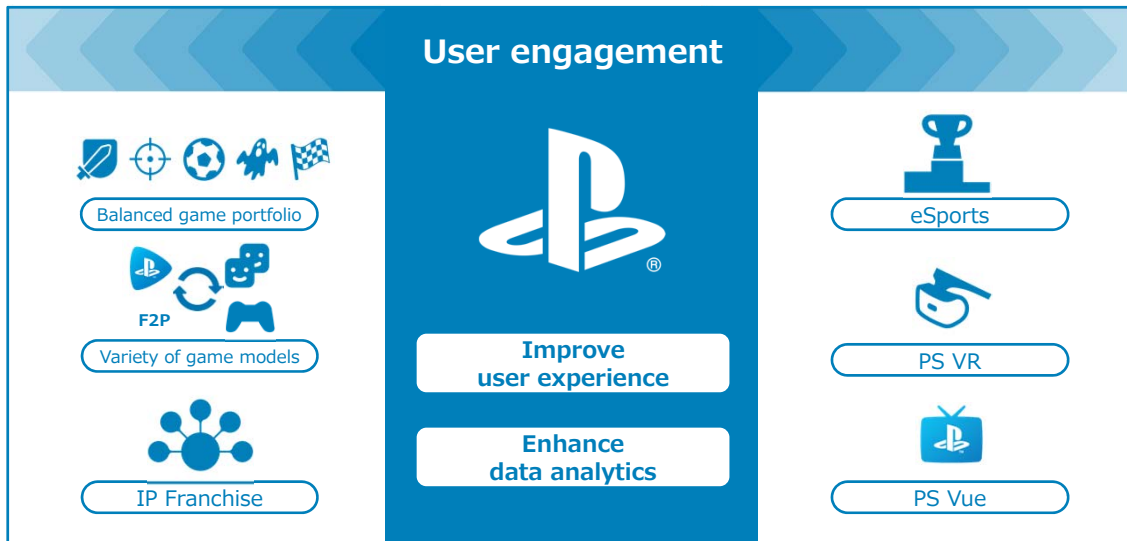


Grow and improve recurring revenue



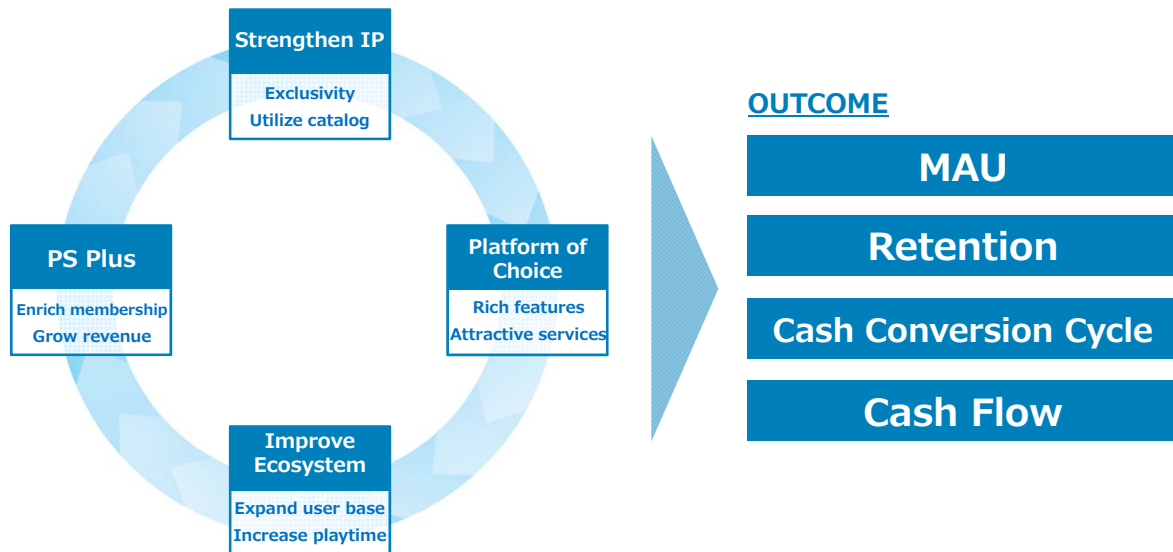
## Strengthen user engagement

Game & Network Services Segment



## The virtuous cycle of PlayStation

Game & Network Services Segment

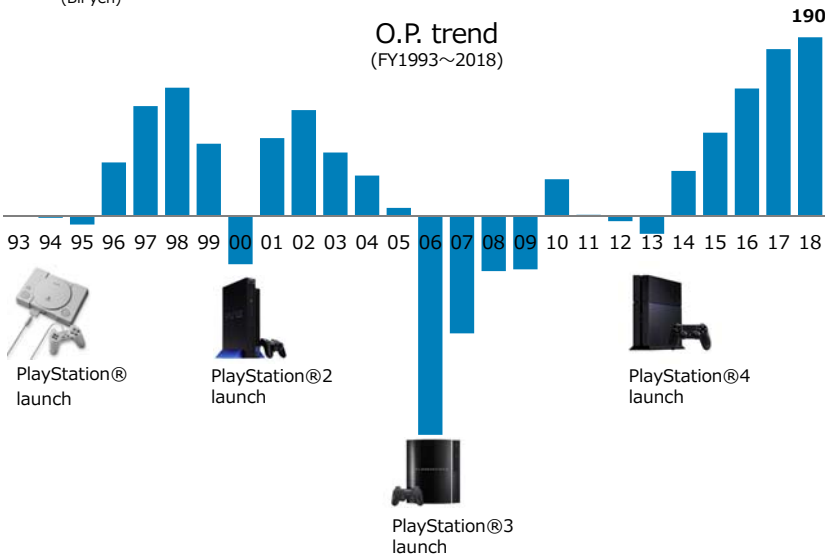


## Mitigate the impact of platform lifecycle

Game & Network Services Segment

(Bil yen)

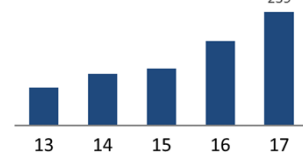
O.P. trend  
(FY1993~2018)



- Aim to mitigate the impact of platform lifecycle compared to the past cycle and stabilize profit structure.
- Generate cash flow by effectively utilizing 1 trillion yen network business.

Free Cash flow trend  
(FY2013~2017)

5 years cumulative  
**700 Bil-yen+**



## FY2018 Operating Profit Variation from FY2017

Game & Network Services Segment

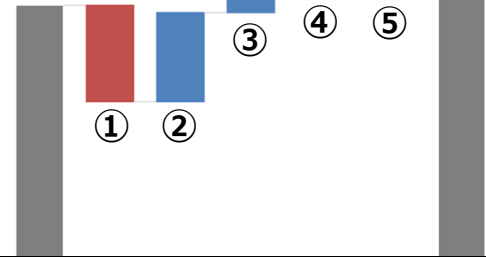
(Bil yen)

Sales revenue

1,943.8 → 1,900

Operating income

177.5 → 190



FY2017  
Act

FY2018  
Apr Fct

- ① Hardware unit sales decline and cost increase
- ② Profit growth from game software sales and add-on contents growth including network
- ③ Network services growth mainly with PS Plus paid subscribers
- ④ Increase in R&D and SGA etc.
- ⑤ Impact of exchange rates\*1

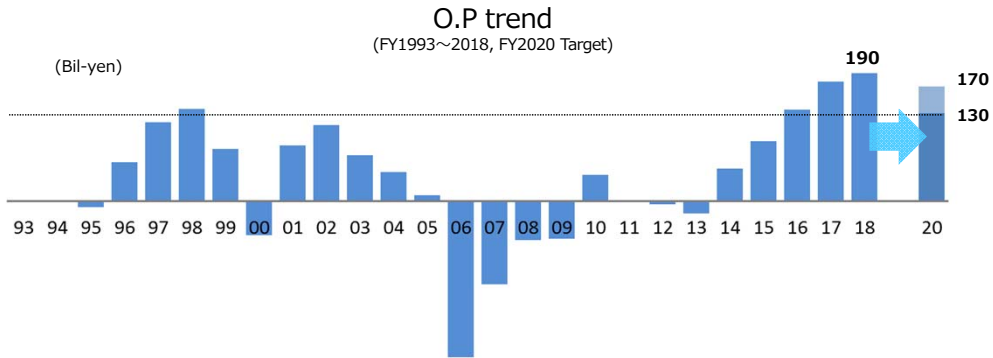
\*1: Impact of foreign exchange fluctuations is calculated using the sales and costs denominated in each currency in FY2018 and comparing them with the previous fiscal year.

# FY2020 Target

Game & Network Services Segment

■ Sales revenue (For Reference) 1,800 Bil-yen

■ Operating Profit 130~170 Bil-yen



いくぜ、100万台。 ▶▶▶ いくぜ、1億MAU。

1994 We were aiming 1M units.

From now We are aiming 100M MAU.

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