

SONY

Sony IR Day 2018

Music Segment

May 22, 2018

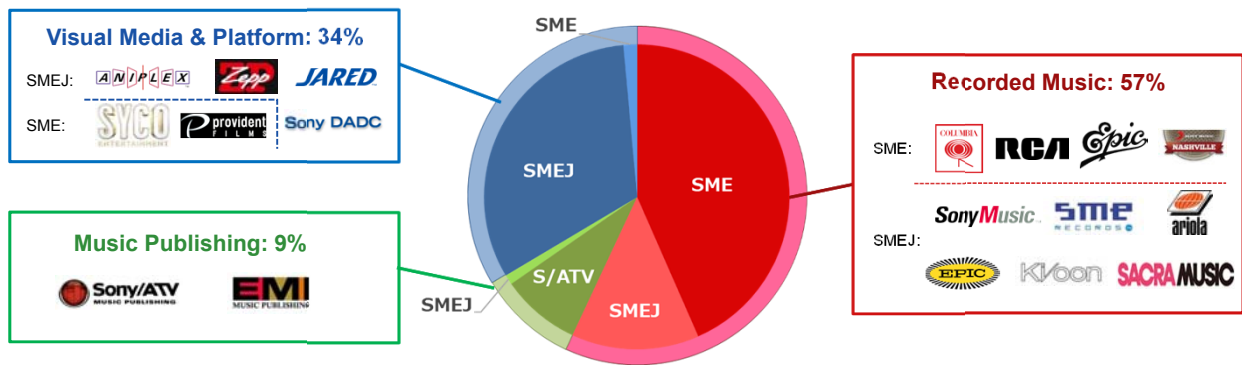
Sony Music Business Overview

Music Segment

SONY



Outside Sales (FYE18 ACT)



■ Operating Income: 110~130 billion yen

※ Sales Amount (For Reference): 800 billion yen

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Music Segment (SME)

May 22, 2018

Business Executive
Sony Corporation

Chief Executive Officer
Sony Music Entertainment

Rob Stringer

Chief Operating Officer
Sony Music Entertainment

Kevin Kelleher

Sony Music FYE18 Achievements and Highlights

Strong Financial Results

Year over Year increases in:

Revenue

Operating Income

Cash Flow

Operating Margin

A Global Leader

25.1%
Market Share

#2
Global Music Company

Stronger Growth
Global Market
(ex Japan)

Streaming
+44%

Digital Video
+42%

Total Market
+10.5%

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Strong Repertoire Performance

2017 Top Global Albums



P!nk



Rag'n'Bone Man



Harry Styles

2017 Top Global Singles



Chainsmokers



Chainsmokers



DJ Khaled

New Artists



21 Savage



Camila Cabello



Childish Gambino



Kane Brown



Maluma



Khalid

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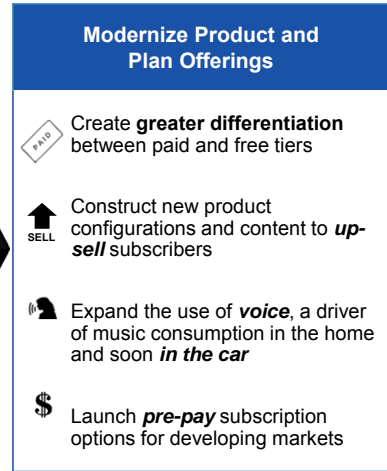
Evolution of Streaming Landscape

Strategies: 1 Drive Paid Subscription Around the World



CURRENT FOCUS

2 Increase Revenue Per User



LONG-TERM FOCUS

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Strategic Investment In The Orchard



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World Class Analytics Capabilities

Talent Discovery



Breaking Hits



Optimizing Revenue

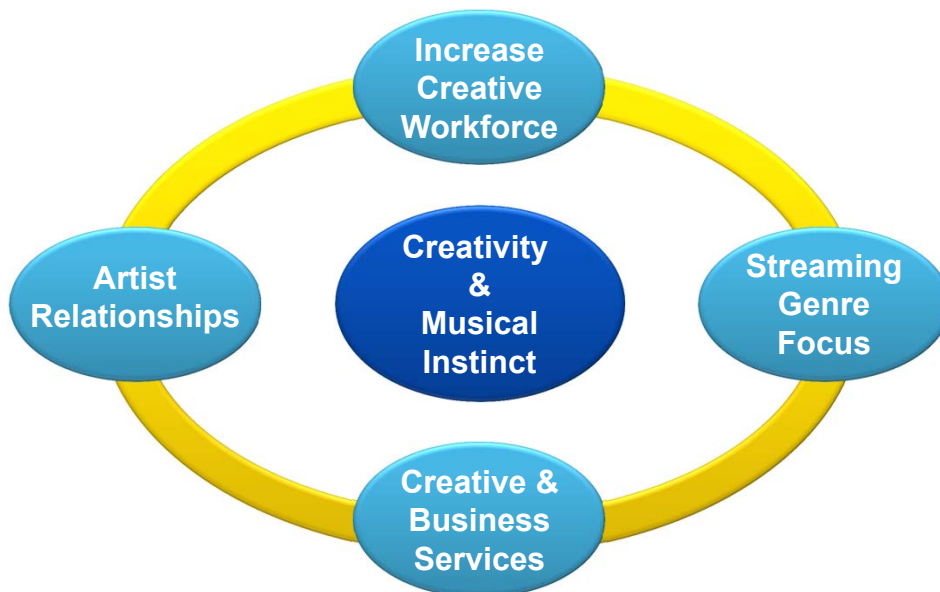


Strengthening Artist Relationships



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Creative, Artist-Centric Approach



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Human Resources Focus



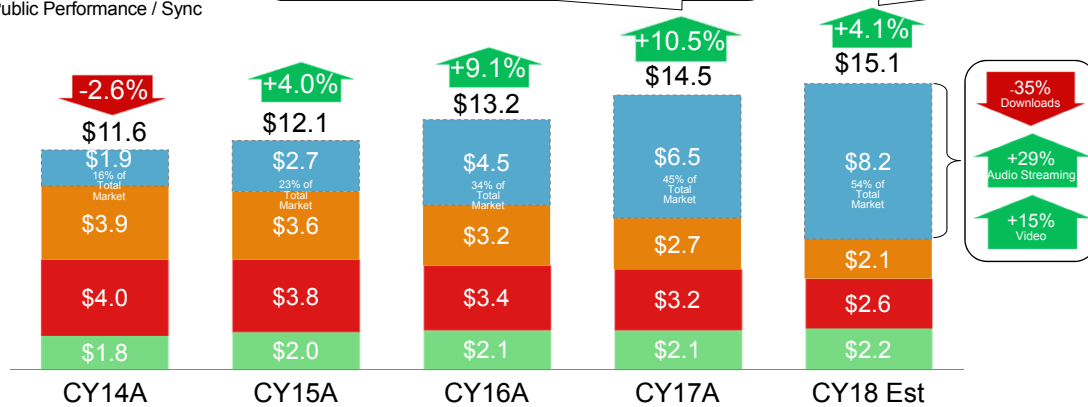
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Recorded Music Market Profile (\$ in billions; excludes Japan)

- Streaming
- Other Digital
- Physical
- Public Performance / Sync

- Three years of solid market growth
- Streaming growth more than offsetting declines in physical and download markets
- Streaming represents 45% of total market:
 - Paid subscription revenue up 50% year over year
 - 176 million premium paid subscribers

- Expect market growth in 2018
- Continued rapid growth of streaming, reaching 54% of total market
- Greater download and physical declines



- ▼ -35% Downloads
- ▲ +29% Audio Streaming
- ▲ +15% Video

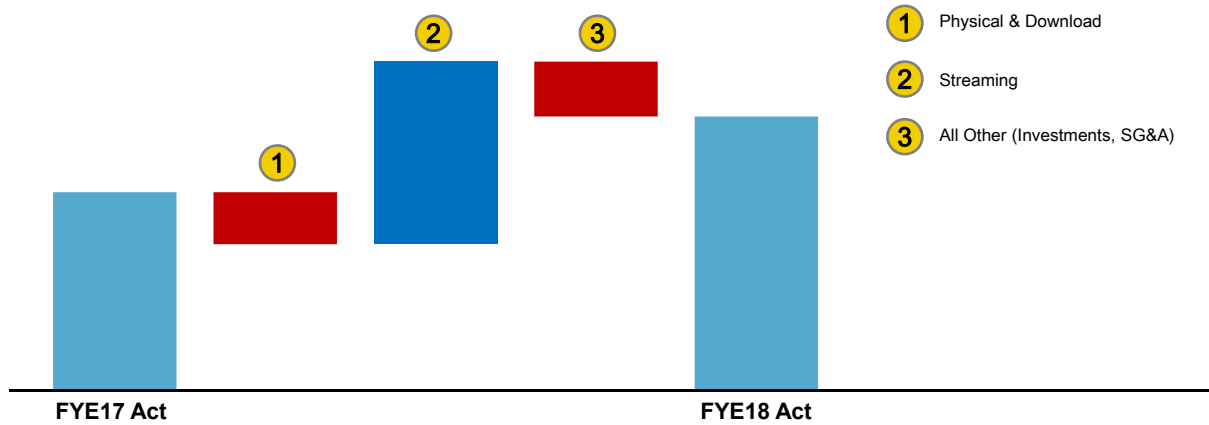
Healthy industry performance overall supports SME growth

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

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Sony Music Operating Income: FYE17 Act → FYE18 Act

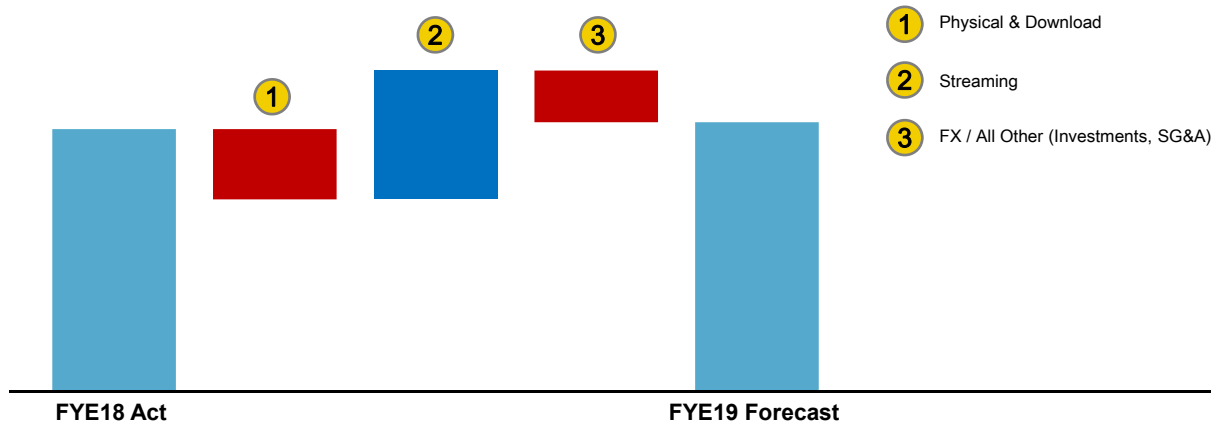
(US Dollars)



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Sony Music Operating Income: FYE18 Act → FYE19 Forecast

(US Dollars)



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