



# Game & Network Services Segment

President and Chief Executive Officer,  
Sony Interactive Entertainment LLC

Representative Director and President,  
Sony Interactive Entertainment Inc.

**Jim Ryan**

# PlayStation – Foundations for Growth

## 1. Console Growth



Building  
Our Biggest  
Ever Console



## 2. Portfolio Expansion



## 3. Sony Group Collaboration

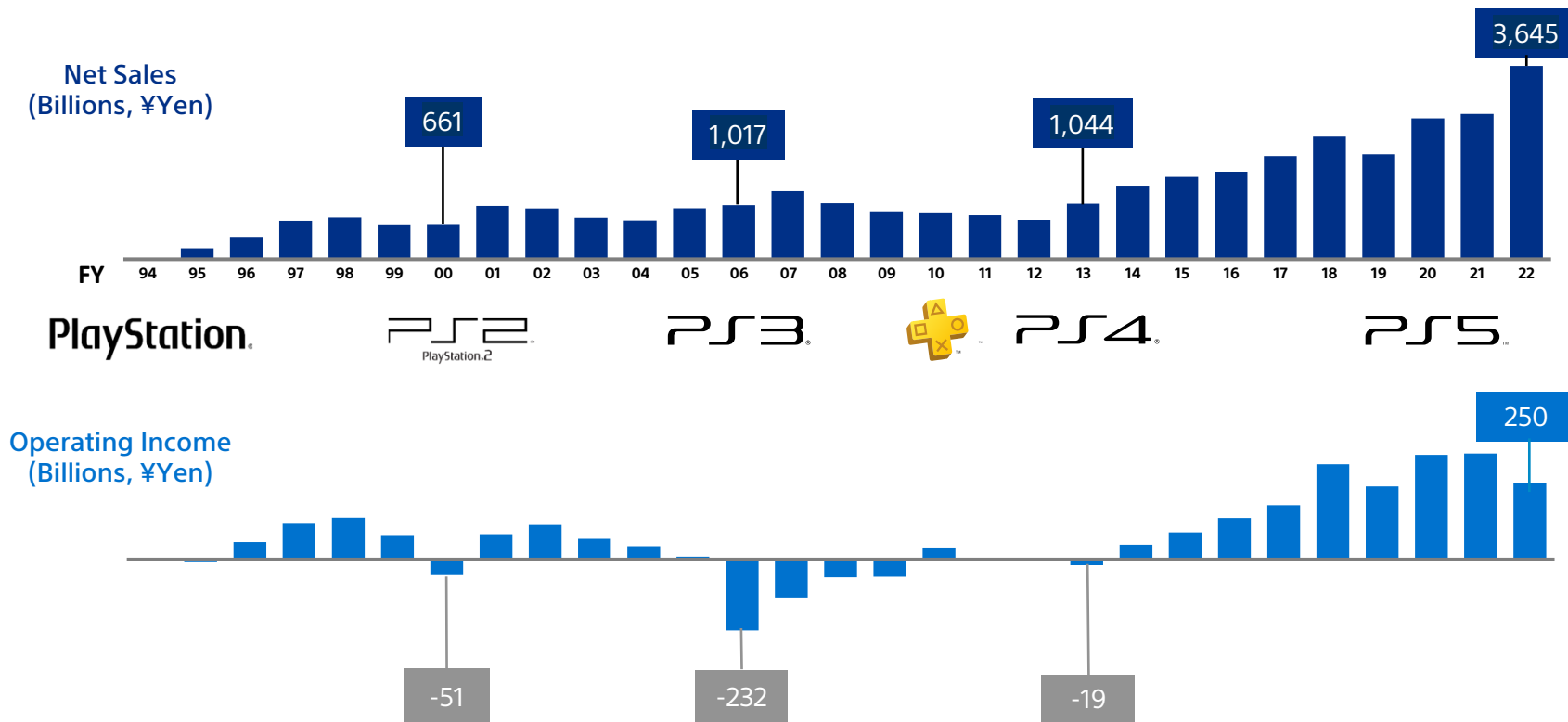


SONY

Perfect for PlayStation®5  
BRAVIA XR | OLED



# FY22 – Strong Revenue Combined with Content Investment





## Console Growth

PS5 in Ample  
Supply

Unprecedented  
Demand

Category  
Growth

Amazing  
Game Lineup

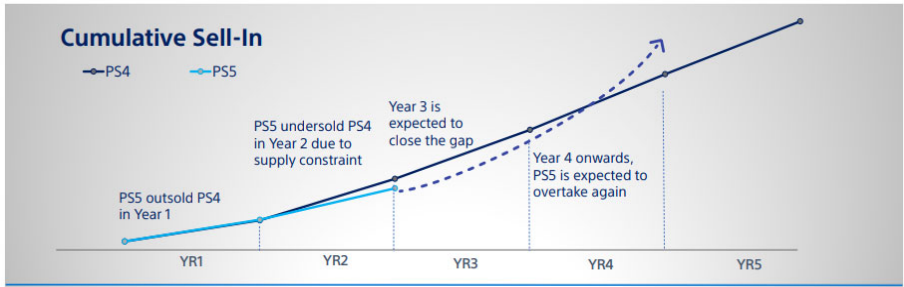
Highest  
Engagement  
Ever

Strong Brand

# 12 Months Ago, We Were Faced with Supply Challenges

## PS5 Supply Issues: A Top Priority \*

G&NS Segment



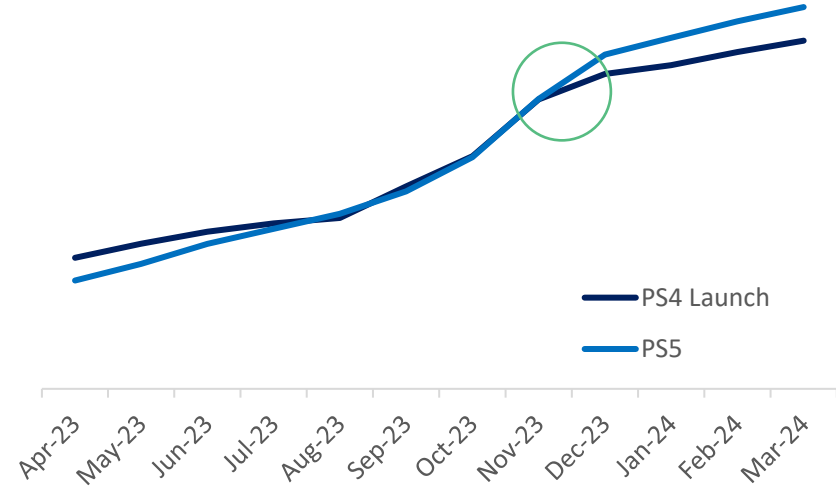
### Short-Term Risks

- COVID-19 impact for parts inventory (e.g., Shanghai)
- Russia impact for logistics and potential parts inventory

### Mitigation Measures In Progress

- Sourcing multiple suppliers for greater agility in unstable market conditions
- Ongoing logistical negotiations to maintain optimal PS5 delivery routes

## Forecasts for FY23 PS5 cumulative sell-in vs FY16 PS4 cumulative sell-in, Global

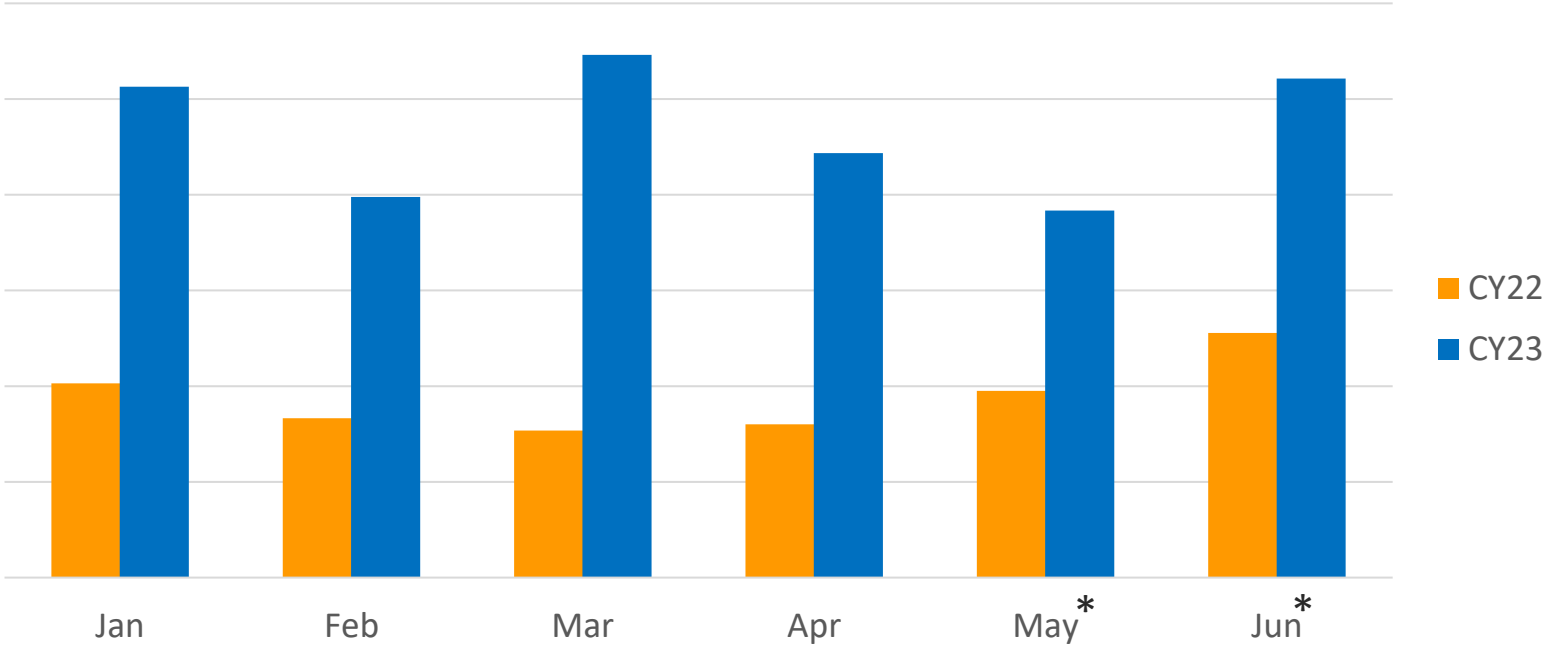


\* From G&NS Business Segment Briefing 2022

**PS5 sell-in target is expected to catch up with PS4 by FY23-Q2, and expected to begin to exceed it by FY23-Q3**

# 2023 – PS5 Production and Supply Challenges Have Been Resolved

PS5 Shipments (Estimated Time of Departure)



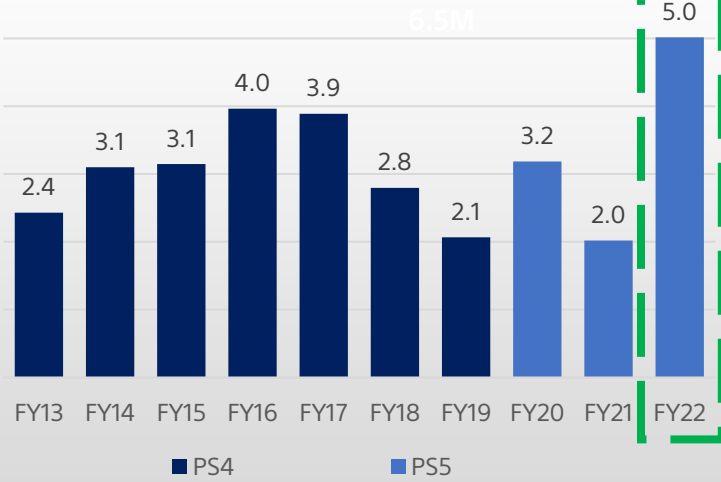
\* CY23 shipments projected

# PS5 – Unprecedented Demand

### PS4 & PS5 HW Sell Through Units Jan - Mar

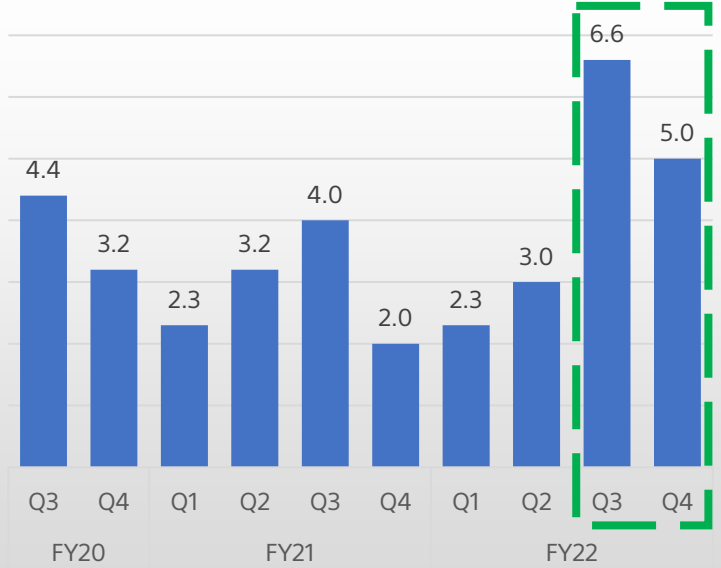
Jan-Mar 2023 sell through was the highest ever Q4 on record

Sell-through units (MM)



### PS5 HW Quarterly Sell Through Units Since Launch

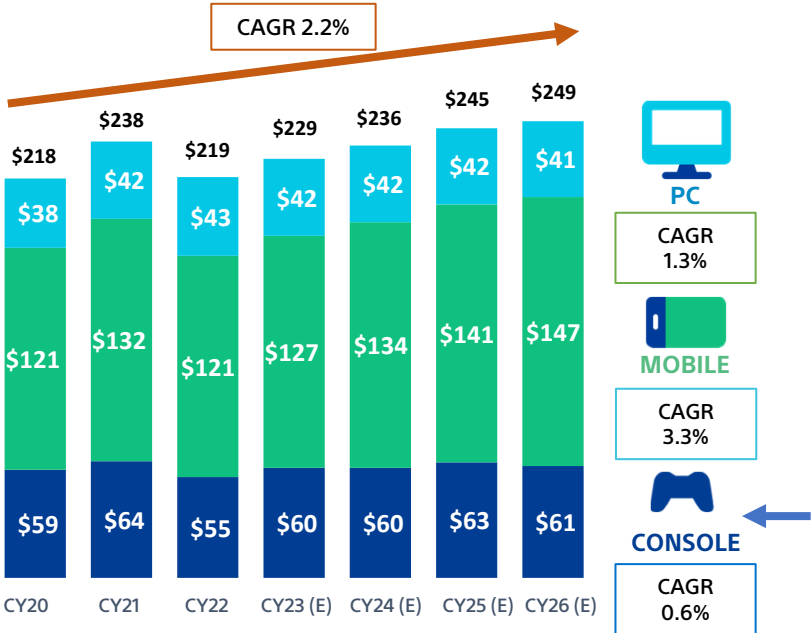
Sell-through units (MM)



# Gaming Category Growth

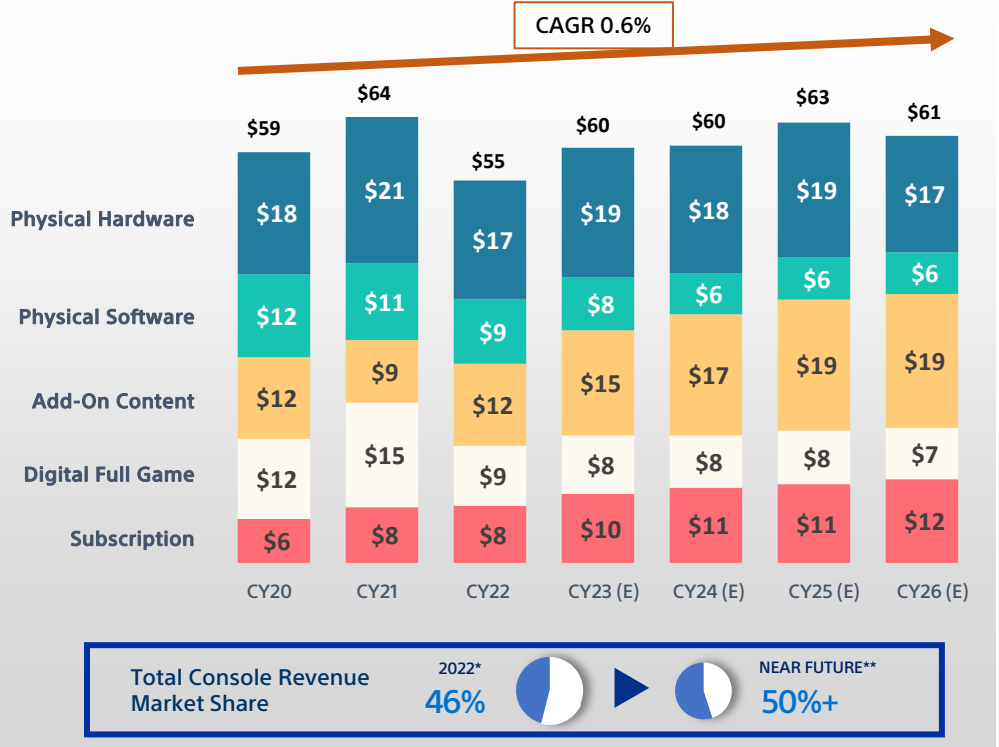
## WW Gaming Industry Size by Platform\*

(Billions, USD)



## Console Industry Size by Revenue Type\*

(Billions, USD)

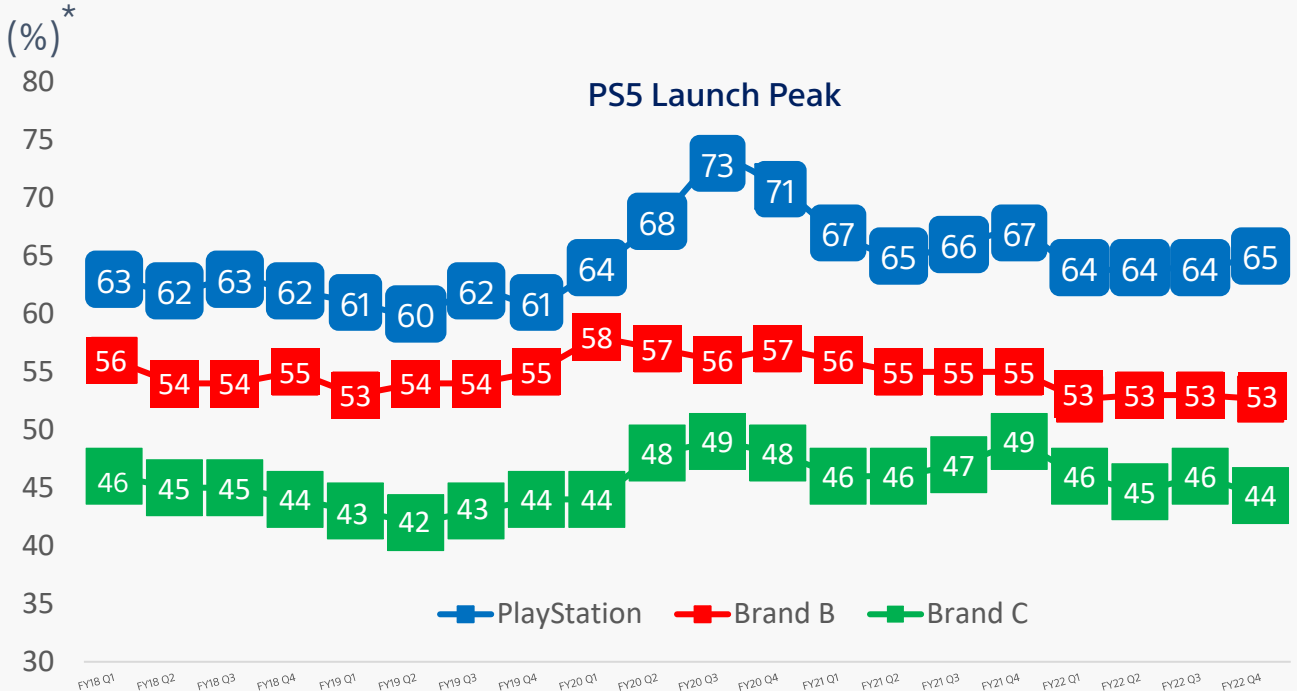


\*Source: Projections / estimations from IDG Consulting, 2023\_Q1  
 \*\*Internal SIE projection



# The Strongest Gaming Brand

## Leading Category Momentum



Source: SIE Global Brand Tracker of Brand Momentum.  
\*% of respondents indicating the general momentum of a brand

# PlayStation Games – Amazing Catalog and More to Come

## Strong Existing Portfolio

PLAYSTATION STUDIOS TITLES



87



80



88



94



88



85

THIRD PARTY TITLES



## Great Upcoming Releases



# PS5 – Ongoing High Engagement vs. PS4



**Paid Plus Subs Attach (%)**  
*(Paid Plus Subs/Active Consoles in 12 months)*

**PS4 Users**

(Mar-16)

70%

**Life-to-Date Store Transactions Attach**  
*(Paid Store Transacting Accounts/Active users)*

**PS4 Users**

(Nov-13 to Mar-16)

31%

**Gameplay DAU/MAU**  
*(Avg. Gameplay DAU/Gameplay MAU)*

**PS4 Users**

(Mar-16)

37%



**PS5 Users**

(Mar-23)

71%

**PS5 Users**

(Nov-20 to Mar-23)

53%

**PS5 Users**

(Mar-23)

43%

# PS5 vs. PS4 – Much Stronger Life-to-Date (LTD) Spend Per Console

PS4.

### Average Life-to-Date Spend Per Active Console\*



## Lifetime Value PS4 Users

(Nov-13 to Mar-16)

**\$479**

PS5

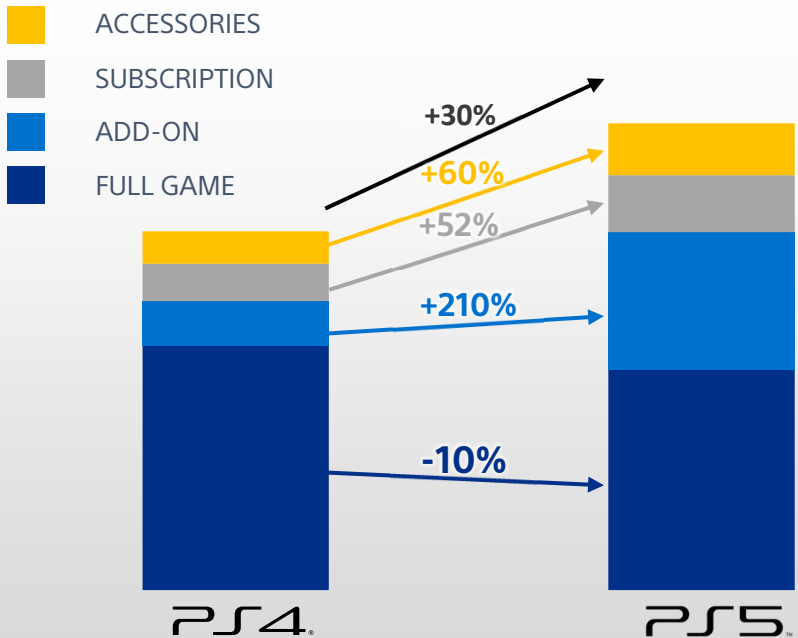
## Lifetime Value PS5 Users

(Nov-20 to Mar-23)

**\$622**



### Lifetime Value (Console Launch to End of 3rd Yr)



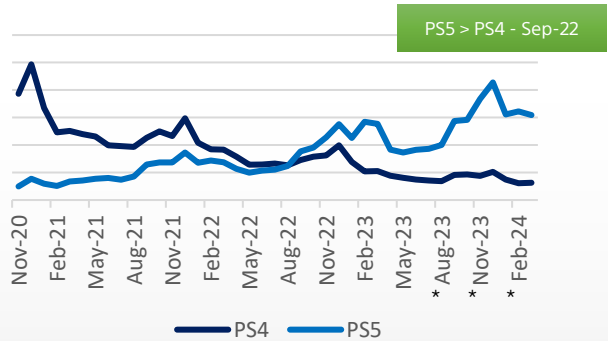
PS4. (Nov-13 to Mar-16) PS5. (Nov-20 to Mar-23)

Average Spend Per Connected Device (USD)

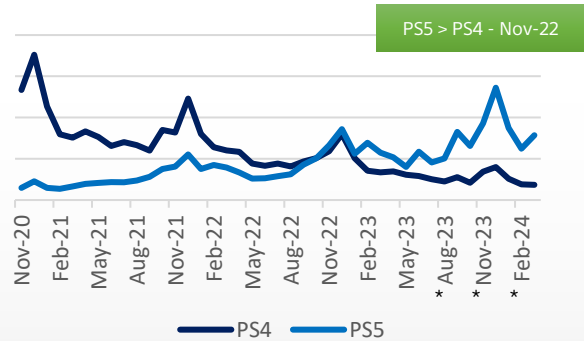
\* Spend includes digital full game, new disc full game, add-on, subscriptions and accessories. Excludes the spend on console itself and second-hand discs

# PS5 Projected to be Ahead of PS4 on all Key Metrics by end of FY23\*

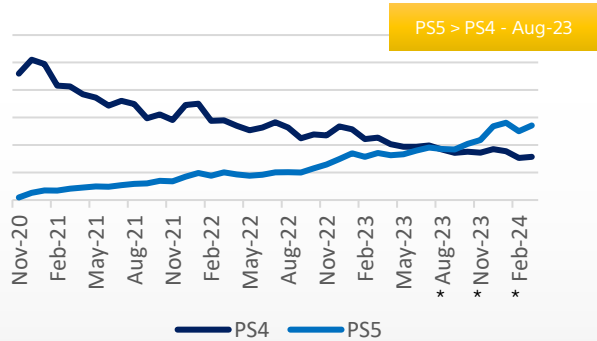
### Console User Spend (\$)



### Full Game Unit Sales

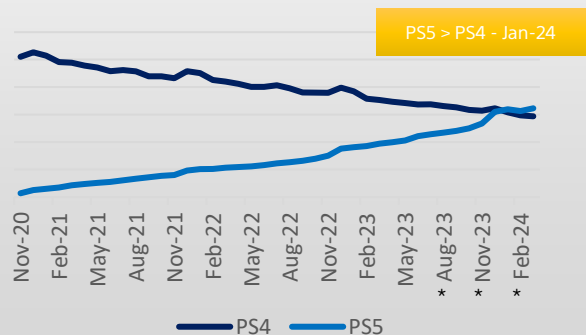


### Gameplay Hours

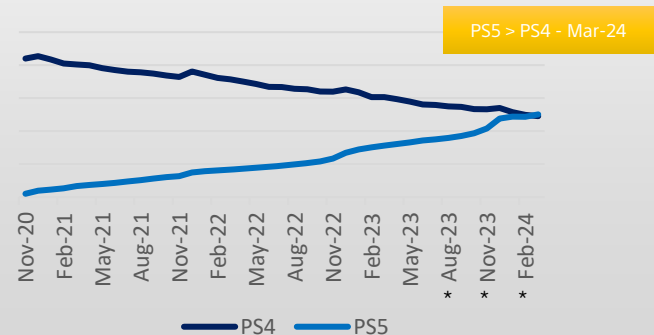


User spend: Includes Software (Physical, Digital), Add-Ons, Subscription (PS Plus), Controllers, VR; excludes purchase of consoles

### Monthly Active Users



### Monthly Active Consoles



\*All metrics are projected figures from Mar-23 and onward

# New PlayStation Plus



## ESSENTIAL

Monthly games, online multiplayer & more

- Monthly games
- Online multiplayer
- Exclusive discounts
- Cloud storage
- Share play
- Game help

## EXTRA

Discover hundreds of games

- All Essential benefits
- Game catalog of 400+ games
- Ubisoft + Classics

## PREMIUM

Experience all the benefits

- All Essential & Extra benefits
- Classics catalog of 400+ games
- Game trials
- Cloud streaming

To improve customer experience, grow our subscriber base and enhance monetization

OFFER BETTER CONSUMER VALUE

IMPROVE RETENTION

INCREASE ARPU

IMPROVE MARGIN

# PlayStation Plus – Promising Performance Metrics in FY22

Offer Better  
consumer value

**800+**

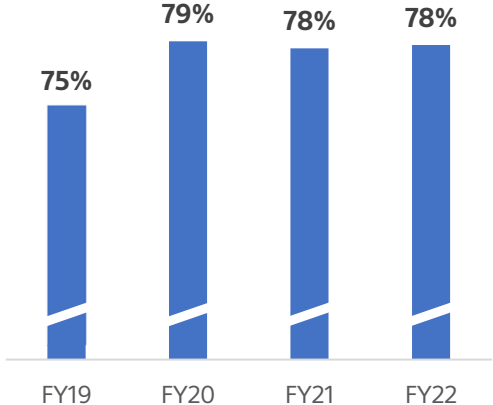
Games available for  
customers to choose from

**>1bn**

Hours of gameplay on  
Extra and Premium titles

Improve retention

Renewal rates held broadly  
in line with COVID peak



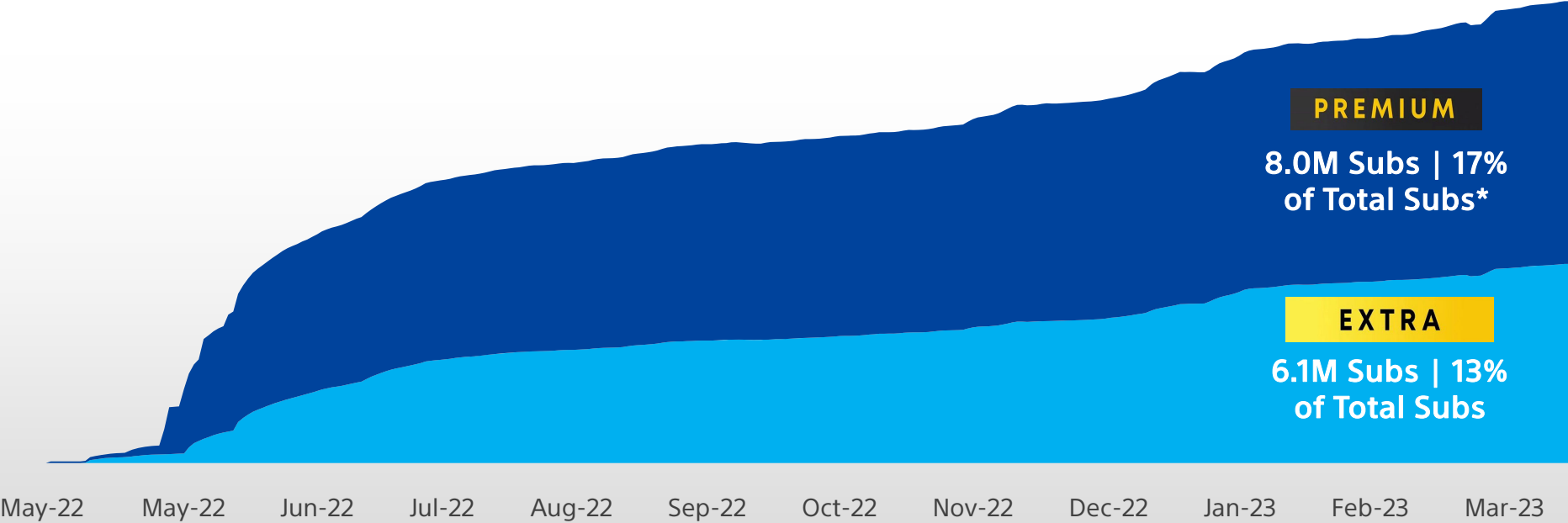
+3ppt vs Pre-Covid level

Increase  
ARPU

**+11%**

FY22 Q4 ARPU YoY (excl. FX)

# PlayStation Plus – Great Reception of New Service



**30% of the base on Extra or Premium**

**14.1M subscribers in first 10 months on the higher tiers**

\*As of March 2023



# Accessories – Strong Revenue Growth

## PS5 Driving Strong Growth

FY22 – FY23 Growth (E)

DualSense



29%

DualSense Edge



58%

Others – PS5



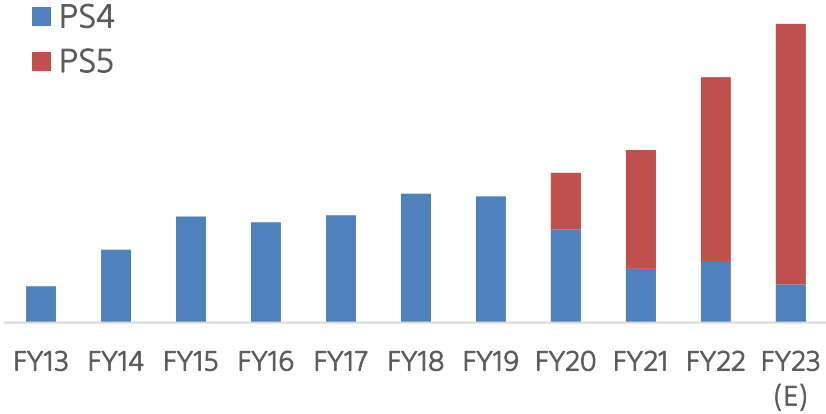
99%

Total

47%

## Total Accessories Revenue

Net Sales  
(billions, ¥Yen)\*



### Access controller for PS5 Upcoming Accessibility-Focused Controller

Accessibility controller kit that fits the needs of many players with disabilities through highly customizable hardware and software capability

\*Figures for FY20 and before are on US GAAP and figures for FY21 and onwards are based on IFRS.

# Strong PlayStation VR2 Launch

## VR2 provides a unique experience



*"Everything [...] about the PS VR2 feels like a quantum leap over any other headset in its price class."*

- IGN

*"The PS VR2 is a comprehensive upgrade that tops its predecessor in terms of graphics, sound, and tracking technology, making it a must-buy headset."*

- PC Magazine

*"It's the literal definition of plug and play and is super convenient compared to any other wired headset I've used"*

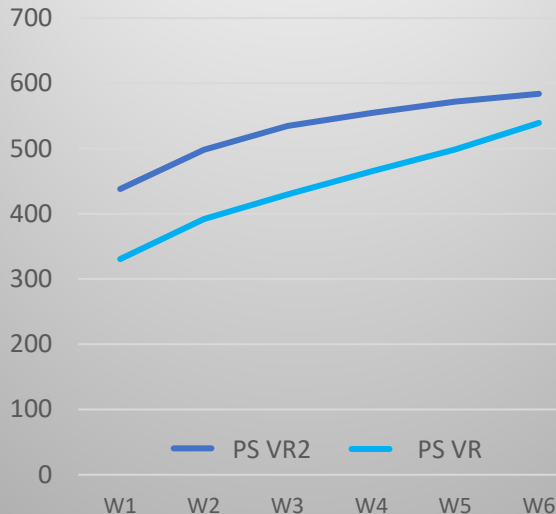
-Eurogamer

*"Comfort, fidelity, and accessibility make for a sturdy [PS VR2] foundation in excellent PS5 games"*

- Polygon

## PS VR2 performing above PS VR

PS VR2 vs. PS VR sell-through  
Weeks 1-6, Global



**PS VR2 +8% vs. PS VR**  
**6 weeks from launch**

## More to Come

**GHOSTBUSTERS**  
RISE OF THE GHOST LORD

BEAT  
SABER

CROSSFIRE  
SIERRA SQUAD

RESIDENT EVIL 4

SYNAPSE

THE  
FOGLANDS

GREEN  
HELL VR

BEHEMOTH



# Portfolio Expansion

**Bungie  
Integration**

**IP Expansion**

**Live Services**

**PC Expansion**

**Mobile Strategy**

**New Portfolio**

# Bungie Integration Synergies

Live Services Expertise to PlayStation Studios

Expand SIE Live Services Center of Excellence

Utilize Strengths of SIE Publishing & Console  
(Marketing, Global Business Operations)

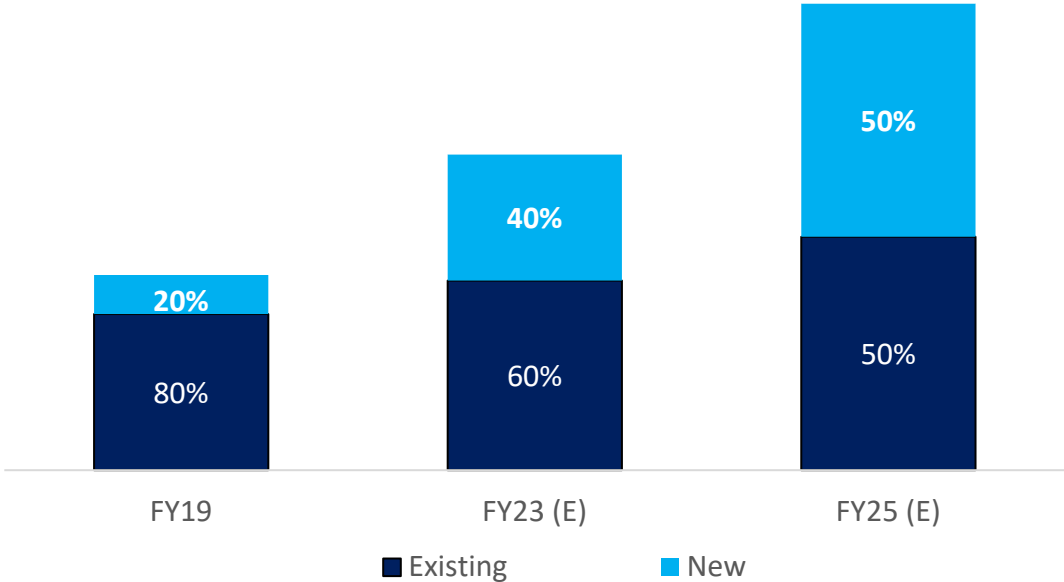
PlayStation Studios Central Services

Optimize Collaboration Across Core Functions



# Expanding Our IP – Increasing New IP Investment

## PlayStation Studios Investment by IP Type



# Expanding Our IP – Beyond Gaming

Broaden Franchise Awareness

Give Existing Fans More Ways to Engage

Create Immersive Experiences for All

Beyond the Entertainment Category



Movies



TV Series



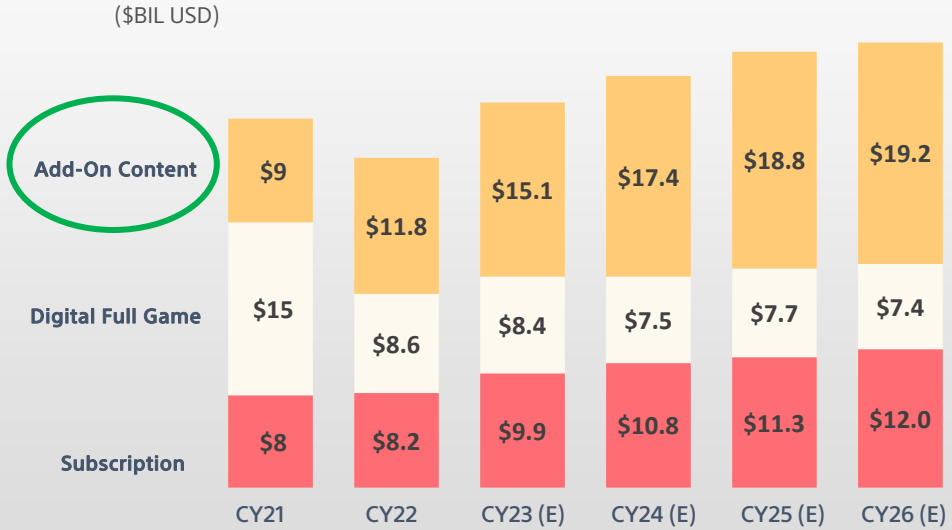
Experiential



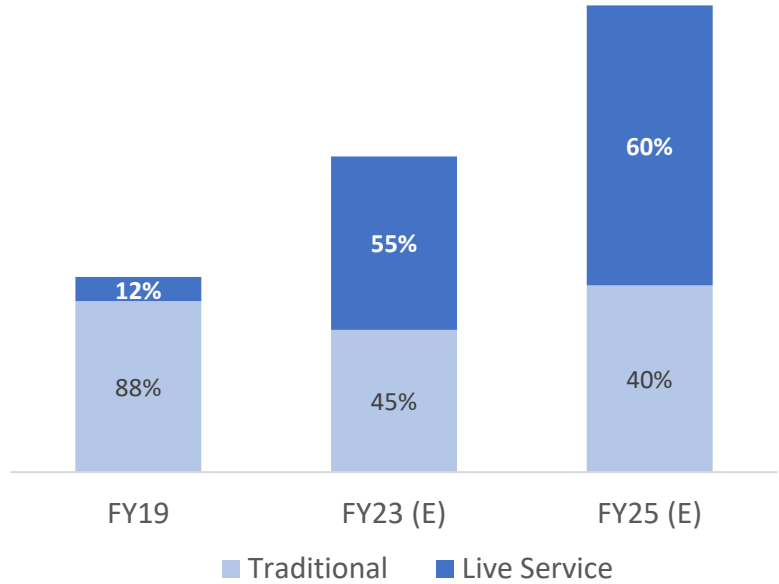
Merchandise

# Live Services – Invest to Capture Category Growth

## Gaming Industry: Add-on Continues to Represent Growth Opportunity\*



## PS5 Investment by Business Model\*\*



\*Source: Projections / estimations from IDG Consulting, 2023 Q1  
\*\*Internal SIE Projection

# Live Services – Grow First-Party Monetization & Portfolio Diversity

## A More Diverse First-Party Portfolio

### Single-Player Game Catalog



### Live Services Game Catalog



### Optimizing Live Service portfolio

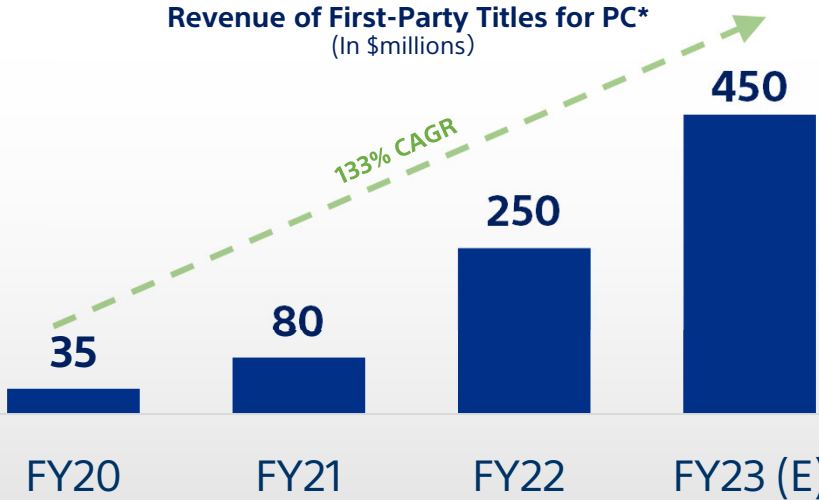
- Portfolio / market opportunity
- Release cadence to maximize publishing capabilities on and off console
- Scaling business profitably for content development



# Ongoing Growth to be Sustained by PC Titles Beyond FY22

## Significant YOY Growth

Revenue of First-Party Titles for PC\*  
(In \$millions)



**Top 20**

PC Publisher in FY22\*\*

**20%**

of First-Party Games Unit Volume expected in FY23

**PSN**

5 first-party PC Games now feature PlayStation Network Log-in

## Key New PC Releases



PC Release date  
Aug 12, 2022

PC LTD Sales\*  
1.5M

PC LTD Revenue\*  
\$52M

*End of FY22 Forecast*



PC Release date  
Mar 28, 2023

PC LTD Sales  
368K

PC LTD Revenue  
\$15.5M

*As of April 23, 2023*

\*Figures for FY22 and after have included Bungie PC revenue, since its acquisition by SIE  
\*\*Top 20 PC Publisher as reported by a leading PC games retailer

# Mobile Strategy – Established Foundations for Growth

Started multiple development projects across different verticals

## Co-developing Top IP With Industry Leaders

- Partnered with established teams on games
- Bringing some of our most celebrated IP to mobile
- Reviewing development opportunities with external studios

## Establishing Internal Capabilities

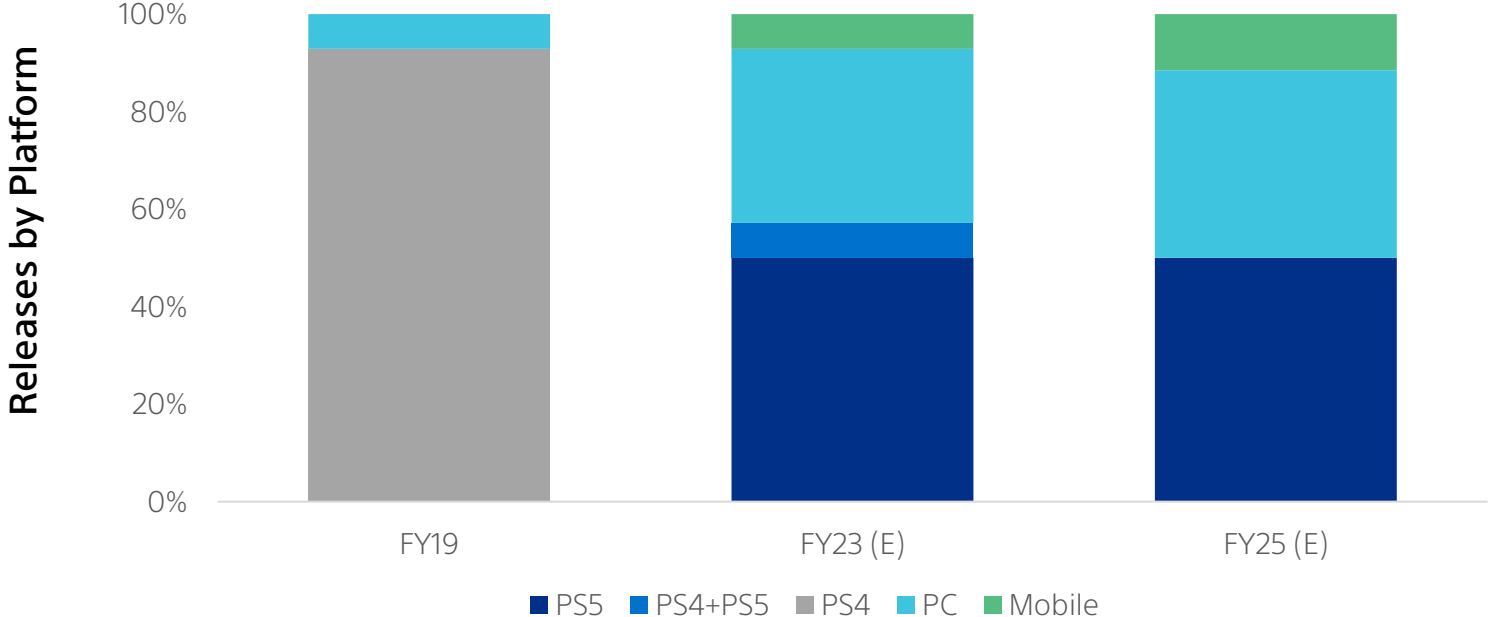
- Multiple internal studios working on mobile games
- Savage Game Studios now embedded within PlayStation Studios
- Exploring mobile investments and acquisitions

## Building A World-Class Publishing Team

- Formed our mobile strategy, production and product management approach
- Creating a scalable mobile development and publishing business

# Evolving Shape of First-Party Portfolio

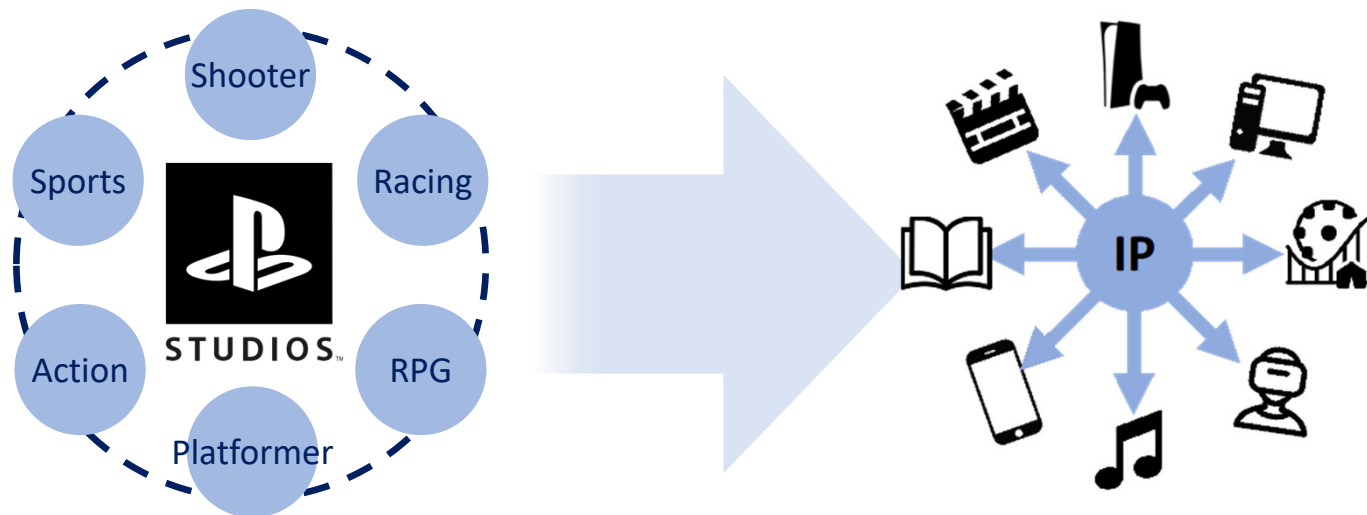
## Significant Growth of PC and Mobile Title Ratios Within Our Portfolio



Source: SIE Internal Targets

# Evolving Shape of First-Party Portfolio

Maximizing opportunities from a varied portfolio



- **Two or more** major releases per year
- Covering every major **genre**
- Mix of **Single-player** and **Live Services**
- Balance of **big franchises** and **New IP**

- Driving audience **growth** and **diversity**
- Leveraging **Sony Synergy** to unlock new audience growth
- Expand onto **new platforms** to grow audiences

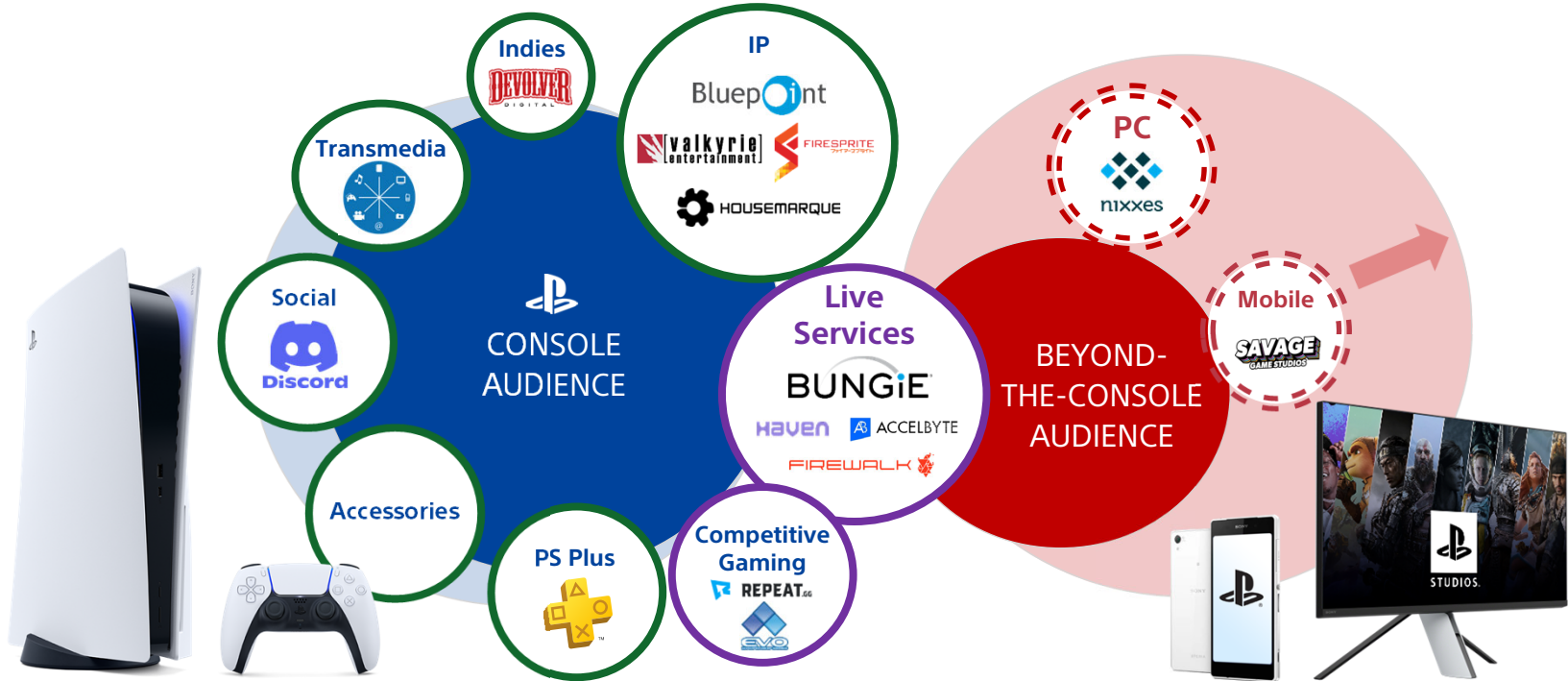


# SIE Growth

# Expanding Audience Breadth and Engagement



# Future Growth Pillars



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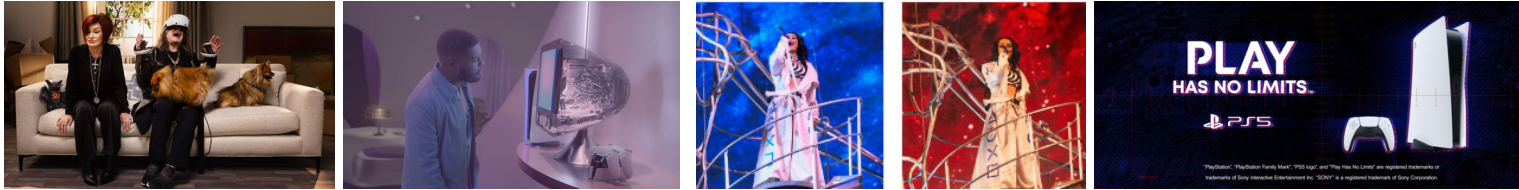
# The Importance of Group Collaboration





# Transformative Sony Group Collaboration

Build Brand Relevancy



Sales and Marketing Collaboration

**SONY**

**Perfect for PlayStation®5**

BRAVIA XR | OLED

**BRAVIA exclusive features for PSS™ consoles**

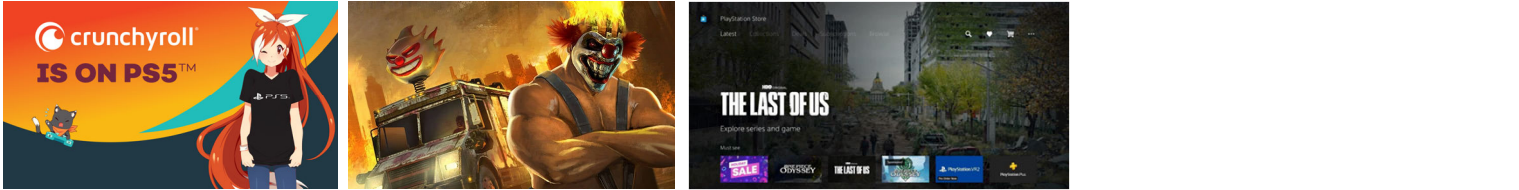
**INZONE**

Perfect for PlayStation®5

Amplify IP Synergies



Content Distribution



# ESG Initiatives – SIE is Turning Intention into Actions

## Climate



### Playing for the Planet

- Notifications send to over **30 million PlayStation gamers** supporting UN's Play4Forests
- Around **270 games** created by Dreams players devoted to sustainable farming
- SIE is a founding member of the new **UN Playing for the Planet Interim Advisory Board**



### Power Consumption

- PSVR2 launches with new **power management features**
- All major **SIE offices are now 100% renewably powered** (Tokyo offices joined 2022)



### Resource Conservation

- Plastic hanger tags have been **removed for all new products**
- PSVR2 has **98% plastic free packaging**

## Community



### DE&I

- More than **\$11 million** committed to SIE's Social Justice Fund portfolio
- SIE receives **Top Score on 2022 Disability Equality Index®** for the 2nd year running



### Accessibility

- **New accessibility features** added to PS5
- **Access controller for PS5**, SIE's accessibility controller kit, announced at CES in January 2023
- **Accessibility tags** added to PlayStation Store in April 2023
- PS accessibility site and games **nominated for 2022 Game Accessibility Conference awards**



### SIE Workforce

- Employees **donated \$1.7 million** towards more than 2,400 different global causes

# PlayStation – Foundations for Growth

## 1. Console Growth



Building  
Our Biggest  
Ever Console



## 2. Portfolio Expansion



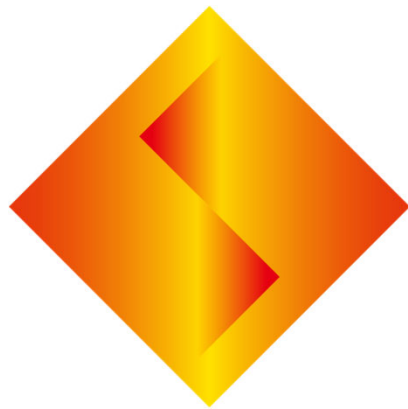
## 3. Sony Group Collaboration



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Perfect for PlayStation®5  
BRAVIA XR | OLED





**Sony**  
**Interactive**  
**Entertainment**

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