

SONY

Q2 FY2025 Consolidated Financial Results

(Three months ended September 30, 2025)

November 11, 2025

Sony Group Corporation

Please be aware that, in the following remarks, statements made 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. These statements are based on management's assumptions in light of the information currently available to it, and, therefore, you should not place undue reliance on them.

Sony cautions you that a number of important factors could cause actual results to differ materially from those discussed in the forward-looking statements.

For additional information as to risks and uncertainties, as well as other factors that could cause actual results to differ, please refer to today's press release, which can be accessed by visiting www.sony.com/en/SonyInfo/IR.

- **Q2 FY2025 Consolidated Financial Results and FY2025 Consolidated Results Forecast**
- **Segments Outlook**

- Today I will explain the content shown here.

Q2 FY2025 Results for Continuing Operations*¹

(Bln Yen)	Q2 FY24	Q2 FY25	Change
Sales	2,971.2	3,107.9	+136.7 (+5%)
Operating income	389.3	429.0	+39.6 (+10%)
Operating income margin	13.1%	13.8%	+0.7 pts
Income before income taxes	384.5	441.8	+57.3 (+15%)
Net income attributable to Sony Group Corporation's stockholders	291.8	311.4	+19.7 (+7%)
Net income attributable to Sony Group Corporation's stockholders per share of common stock (diluted) * ²	48.04 yen	51.71 yen	+3.67 yen
Average Rate			
1 US dollar	149.5 yen	147.4 yen	
1 Euro	164.1 yen	172.2 yen	

*1 The above results represent the results for continuing operations. For Q2 FY25 results on a consolidated basis including the discontinued operation, refer to "Consolidated Financial Summary for the Second Quarter (Semi-annual) Ended September 30, 2025" (applies to all following pages).

*2 Sony Group Corporation conducted a five-for-one stock split of its common stock effective October 1, 2024, with a record date of September 30, 2024. The above figures for Net income attributable to Sony Group Corporation's stockholders per share of common stock (diluted) are calculated based on the assumption that the stock split was conducted at the beginning of FY24.

- Sales of continuing operations for the quarter increased 5% compared to the same quarter of the previous fiscal year ("year-on-year") to 3 trillion 107.9 billion yen, and operating income increased 10% to 429.0 billion yen. Both were record highs for the second quarter.
- Net income increased 7% to 311.4 billion yen.

Q2 FY2025 Results by Segment

(Bln Yen)

		Q2 FY24	Q2 FY25	Change	FX Impact
Game & Network Services (G&NS)	Sales	1,071.5	1,113.2	+41.6	+9.7
	Operating income	138.8	120.4	-18.5	+10.8
Music	Sales	448.2	542.4	+94.2	-5.7
	Operating income	90.4	115.4	+25.0	
Pictures	Sales	355.8	346.0	-9.8	-3.2
	Operating income	18.5	13.9	-4.6	
Entertainment, Technology & Services (ET&S)	Sales	619.8	575.7	-44.0	-1.7
	Operating income	70.2	61.0	-9.2	-0.5
Imaging & Sensing Solutions (I&SS)	Sales	535.6	614.6	+79.1	-10.5
	Operating income	92.4	138.3	+45.9	-8.0
All Other	Sales	23.9	23.6	-0.2	
	Operating income	-6.5	-2.9	+3.6	
Corporate and elimination	Sales	-83.5	-107.7	-24.2	
	Operating income	-14.4	-16.9	-2.5	
Continuing Operations	Sales	2,971.2	3,107.9	+136.7	
	Operating income	389.3	429.0	+39.6	

Sales in each business segment represent sales recorded before intersegment transactions are eliminated (applies to all following pages). Operating income in each business segment represents operating income recorded before intersegment transactions are eliminated and excludes unallocated corporate expenses (applies to all following pages).

- The financial results by segment are shown here.

FY2025 Results Forecast for Continuing Operations including Tariff Impact

(Bln Yen)	FY24	FY25 FCT ^{*1}					
		August	November	Change from August			
Sales	12,034.9	11,700	12,000	+300 (+3%)			
Operating income	1,276.6	1,330	1,430	+100 (+8%)			
(Estimated tariff impact on operating income ^{*2})	–	-70	-50	+20			
Operating income margin	10.6%	11.4%	11.9%	+0.5 pts			
Income before income taxes	1,343.2	1,350	1,460	+110 (+8%)			
Net income attributable to Sony Group Corporation's stockholders	1,067.4	970	1,050	+80 (+8%)			
Operating Cash Flow	1,972.4	1,270	1,500	+230 (+18%)			
Foreign exchange rate	Actual·Average	Q2-Q4 (Assumption)	Q3-Q4 (Assumption)	Dividend per Share (Planned) ^{*3}			
1 US dollar	152.5 yen	Approx. 143 yen	Approx. 145 yen	Interim	Year-end	Total	Year-on-year Change
1 Euro	163.6 yen	Approx. 157 yen	Approx. 164 yen	12.5 yen	12.5 yen	25 yen	+5 yen

- The estimated impact of the additional U.S. tariffs on operating income for continuing operations is expected to decrease 20 billion yen from the previous forecast to 50 billion yen, and the projected impact has been reflected in the forecast for each business.

^{*1} The above results forecast for FY25 represents the forecast for continuing operations. For the results forecast for FY25 on a consolidated basis including the discontinued operation, refer to "Consolidated Financial Summary for the Second Quarter (Semi-annual) Ended September 30, 2025" (applies to all following pages).

^{*2} The above tariff impact is the estimated impact on the forecast for operating income of the continuing operations from the series of changes in U.S. tariff policy at this time. The estimated impact is calculated based on the tariff rates announced as of November 4, 2025. The actual impact could vary significantly from this estimation if future tariff policy or other factors are changed (applies to all following pages).

^{*3} The above dividend forecast for FY25 does not include the dividends in kind of the shares of SFGI from the Spin-off. In addition, Sony Group Corporation conducted a five-for-one stock split of its common stock effective October 1, 2024, with a record date of September 30, 2024. The above year-on-year change amount of dividends per share (planned) represent the amount after the stock split.

- As for our full-year results forecast, we upwardly revised sales from our previous forecast 3% to 12 trillion yen, operating income 8% to 1 trillion 430 billion yen and net income 8% to 1 trillion 50 billion yen.
- We expect that the impact of additional U.S. tariffs on the operating income of our continuing operations to decrease 20 billion yen from our previous forecast to 50 billion yen. And, we have reflected that impact in the forecast for each segment from this quarter.
- We upwardly revised our forecast for operating cash flow 18% to 1 trillion 500 billion yen.

FY2025 Results Forecast by Segment

- The estimated tariff impact was not reflected in the forecasts for each segment in the August forecast, but it has been reflected in the November forecasts for each segment.

(Bln Yen)

		FY24	FY25 FCT			
			August	November	Changes from August	Tariff impact on operating income
Game & Network Services (G&NS)	Sales	4,670.0	4,320	4,470	+150	
	Operating income	414.8	500	500	–	-30
Music	Sales	1,842.6	1,870	1,980	+110	
	Operating income	357.3	360	385	+25	–
Pictures	Sales	1,505.9	1,500	1,500	–	
	Operating income	117.3	125	125	–	–
Entertainment, Technology & Services (ET&S)	Sales	2,409.3	2,280	2,300	+20	
	Operating income	190.9	180	160	-20	-20
Imaging & Sensing Solution (I&SS)	Sales	1,799.0	1,960	1,990	+30	
	Operating income	261.1	280	310	+30	–
All Other, Corporate and elimination	Operating Income	-64.8	-45	-50	-5	–
Estimated tariff impact on operating income	Operating Income	–	-70	–	+70	+70
Continuing Operations	Sales	12,034.9	11,700	12,000	+300	
	Operating income	1,276.6	1,330	1,430	+100	+20

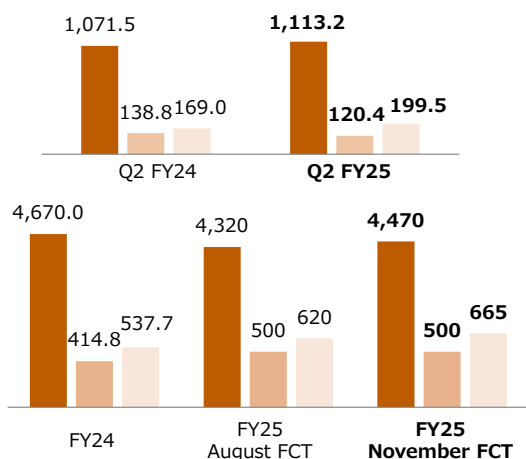
- The forecasts for each segment are shown here.
- Now I will turn to an overview of each business.

Game & Network Services Segment (G&NS Segment)

Sales, Operating Income and Adjusted OIBDA

■ Sales
■ Operating Income
■ Adjusted OIBDA

(Bln Yen)



Q2 FY2025 (year-on-year)

- Sales: 41.6 bln yen (4%) increase (FX Impact: +9.7 bln yen)
 - (+) Increase in sales from network services
 - (+) Increase in sales of game software titles
- OI: 18.5 bln yen (13%) decrease (FX Impact: +10.8 bln yen)
 - (-) Recording of impairment losses against a portion of Bungie, Inc.'s intangible and other assets in connection with *Destiny 2* (31.5 bln yen)*
 - (-) Recording of expenses resulting from a correction in the amount of certain previously capitalized development costs (18.3 bln yen)*
 - (+) Impact of increase in sales from network services

FY2025 Forecast (change from August forecast)

- Sales: 150 bln yen (3%) upward revision
 - (+) Impact of foreign exchange rates
 - (+) Increase in sales of hardware
- OI: Remains unchanged from August forecast (Estimated tariff impact: -30 bln yen)
 - (-) Recording of impairment losses against a portion of Bungie, Inc.'s intangible and other assets in connection with *Destiny 2* (31.5 bln yen)*
 - (-) Impact of tariffs
 - (-) Recording of expenses resulting from a correction in the amount of certain previously capitalized development costs (18.3 bln yen)*
 - (+) Positive impact of foreign exchange rates
 - (+) Decrease in losses from hardware
 - (+) Impact of increase in sales from network services

- Excluding these non-recurring items*, OI for Q2 FY25 would have increased 23% year-on-year primarily due to the impact of an increase in network services revenue and software sales.
- Software and network services sales are steadily growing, and we expect this trend to continue in 2H FY25.

Adjusted OIBDA is not a measure in accordance with IFRS Accounting Standards. However, Sony Group Corporation and its consolidated subsidiaries ("Sony") believe that this disclosure may be useful information to investors. For the formula for Adjusted OIBDA, see page 13. For its reconciliation, see "Supplemental Information for the Consolidated Financial Results for the Second Quarter Ended September 30, 2025" (applies to all following pages).

- First is the G&NS segment.
- FY25 Q2 sales increased 4% year-on-year, primarily due to growth of network services revenue and software sales.
- Despite the impact of the increase in sales, operating income decreased 13% year-on-year. This was primarily due to the recording of approximately 49.8 billion yen in non-recurring losses resulting from an impairment of intangible and other assets and a correction in the amount of previously capitalized development costs.
- Excluding these non-recurring items, operating income would have increased 23%.
- We upwardly revised our sales forecast 3% from the previous forecast to 4 trillion 470 billion yen. This is primarily due to the impact of foreign exchange rates.
- Despite the negative impact of the non-recurring items and the inclusion of a 30 billion yen tariff impact that we are recording from this quarter, our 500 billion yen operating income forecast is unchanged from the previous forecast. This is primarily due to the positive impact of foreign exchange rates.

Game & Network Services

- Platform Business -

Current State of the Business



- Our PlayStation(PS) platform continues to demonstrate its strength as the Best Place to Play and the Best Place to Publish.
- User engagement trended well with the number of monthly active users (MAUs) across all of PS in September increasing 3% compared to last September to 119 million accounts and total play time for the quarter also increasing 1% year-on-year.
- Game software and network services sales are steadily growing. We expect this trend to continue in the second half due to a continued shift to higher tiers in our network services business and the contribution of first-party titles.
- As for PlayStation5(PS5) hardware, we plan to expand the installed base during the year-end sales season while continuing to balance that expansion with the profitability of the entire segment.

Game & Network Services

- Studio Business -

Current State of the Business

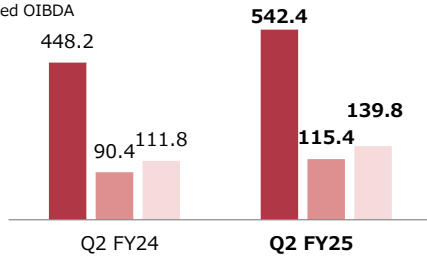
- Although performance varies by title, our live service games overall accounted for more than 40% of our first-party software revenue, similar to the previous quarter, and are a recurring source of revenue.
- Regarding *Destiny 2*, partially due to changes in the competitive environment, the level of sales and user engagement have not reached the expectations we had at the time of the acquisition of Bungie, Inc. (“Bungie”).
- While we will continue to make improvements, we downwardly revised the business projection for the time being and recorded an impairment loss against a portion of the assets at Bungie.
- On the other hand, *Helldivers 2*, which was also released for Xbox in August of this year, is doing extremely well, not only attracting new users on Xbox, but also seeing increased engagement from existing users on PS5 and PC. This resulted in a significant increase in sales of the title year-on-year.
- *MLB The Show 25*, released in March, also continued to perform well during the quarter.
- In the single-player AAA title space, following the release of *Death Stranding 2: On the Beach* in June, we released *Ghost of Yōtei* in October.
- *Ghost of Yōtei* surpassed 3.3 million units sold globally as of November 2nd, becoming a major hit like its predecessor.
- Building on this recent progress, we aim to strengthen our studio business and expand our IP franchises through continuous learning and improvement.

Music Segment

Sales, Operating Income and Adjusted OIBDA

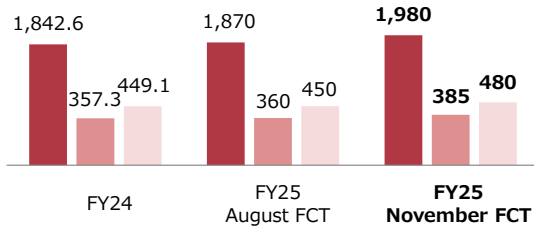
■ Sales
■ Operating Income
■ Adjusted OIBDA

(Bln Yen)



Q2 FY2025 (year-on-year)

- Sales: 94.2 bln yen (21%) increase (FX Impact: -5.7 bln yen)
 - (+) Higher revenues in Visual Media & Platform mainly due to the contribution from *Demon Slayer: Kimetsu no Yaiba Infinity Castle*
 - (+) Higher revenues from streaming services in Recorded Music and Music Publishing
- OI: 25.0 bln yen (28%) increase
 - (+) Impact of increase in sales



FY2025 Forecast (change from August forecast)

- Sales: 110 bln yen (6%) upward revision
 - (+) Higher revenues in Visual Media & Platform mainly due to the contribution from *Demon Slayer: Kimetsu no Yaiba Infinity Castle*
 - (+) Impact of foreign exchange rates
- OI: 25 bln yen (7%) upward revision
 - (+) Impact of increase in sales

■ Q2 FY25 streaming revenue year-on-year growth rates on a U.S. dollar basis were +12% for Recorded Music and +25% for Music Publishing.

- Next is the Music segment.
- FY25 Q2 sales increased 21% year-on-year and operating income increased 28%, reaching record highs for the second quarter. This was primarily due to higher Visual Media and Platform revenue driven primarily by the success of the theatrical release of *Demon Slayer: Kimetsu no Yaiba Infinity Castle*. It was also due to an increase in streaming revenue.
- On a U.S. dollar basis, streaming revenues for the quarter increased 12% year-on-year in Recorded Music and 25% in Music Publishing.
- We have upwardly revised our full-year forecasts for sales 6% to 1 trillion 980 billion yen compared to the previous forecast and operating income 7% to 385 billion yen.

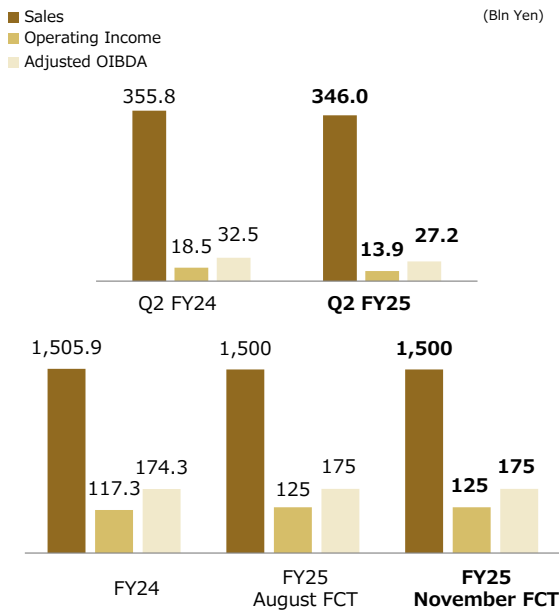
Music

Current State of The Business

- During the quarter, SMEJ (Sony Music Entertainment (Japan) Inc.) made great strides, recording its highest-ever quarterly sales and operating income and contributing significantly to the growth of this segment.
- *Demon Slayer*, produced by Aniplex, became a global hit due to our collaboration with Toho for distribution in Japan as well as the strengthening and expanding of distribution overseas by Crunchyroll and Sony Pictures.
- As of October 13, 77.53 million people worldwide, including in Japan, have seen the film and total box office revenue has exceeded 94.8 billion yen.
- *Kokuho* has enjoyed a long run in theaters in Japan and has captivated a large audience, being selected as Japan's entry to the 98th Academy Awards in the Best International Feature Film category.
- The successes of *Demon Slayer* and *Kokuho* are examples of how we can increase the value of IP by discovering appealing IP and combining them with the production capabilities of talented creators. We look forward to attracting not only fans, but also many creators and actors.
- In Recorded Music, *IRIS OUT* and *JANE DOE* by Kenshi Yonezu, an artist affiliated with SMEJ, have been breaking records on music charts both in Japan and overseas, thanks to synergy with the theatrical release of the anime *Chainsaw Man – The Movie: Reze Arc*.
- Outside of Japan, SMG (Sony Music Group) is also achieving very strong results. The global success of artists and songwriters such as Tyler, The Creator and Bad Bunny has led to a double-digit increase year-on-year of sales and operating income for the quarter.
- In addition, SMG is further enhancing its relationship with DSPs (digital service providers). It entered into licensing agreements with Spotify during the quarter and, in collaboration with several other record labels, agreed to support Spotify's efforts to ensure that AI is used in a manner that will benefit artists and songwriters.

Pictures Segment

Sales, Operating Income and Adjusted OIBDA



Q2 FY2025 (year-on-year)

The following analysis is on a U.S. dollar basis

- Sales: 9.8 bln yen (3%) decrease (U.S. dollar basis: -38 mil USD / -2%)
 - (-) Lower revenues from theatrical releases in the current fiscal year in Motion Pictures
 - (-) Lower licensing revenues from catalog product in Motion Pictures
 - (+) Higher revenues from Crunchyroll mainly due to the worldwide theatrical distribution of *Demon Slayer: Kimetsu no Yaiba Infinity Castle** and paid subscriber growth
- OI: 4.6 bln yen (25%) decrease (U.S. dollar basis: -31 mil USD / -25%)
 - (-) Impact of decrease in sales for Motion Pictures
 - (+) Impact of higher revenues from Crunchyroll

FY2025 Forecast (change from August forecast)

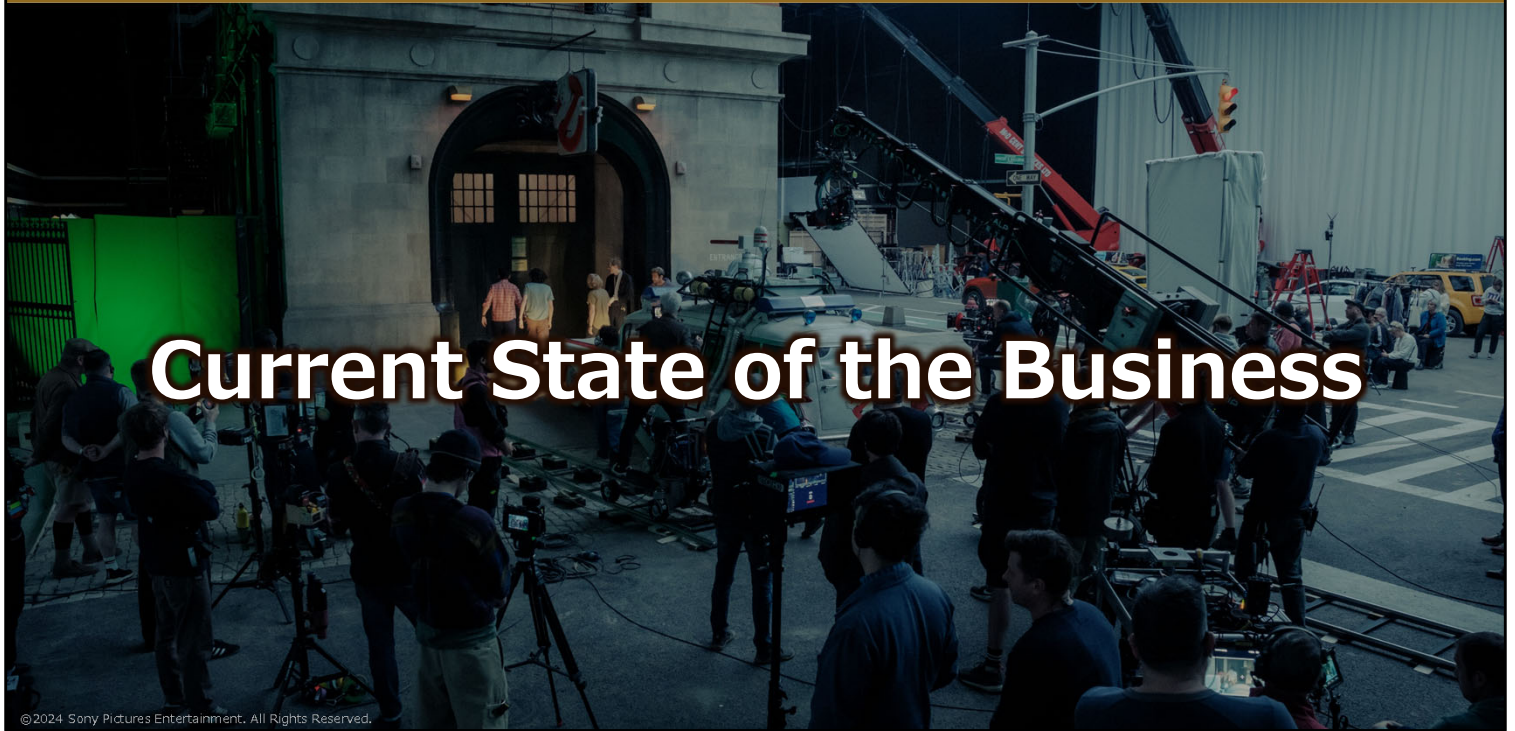
- Sales: Remains unchanged from August forecast
- OI: Remains unchanged from August forecast

*Crunchyroll and Sony Pictures are distributing the film theatrically worldwide, excluding Japan and select Asian territories.

- Q2 FY25 operating income decreased 25% year-on-year despite higher revenue from Crunchyroll, primarily due to lower revenues from theatrical releases compared to Q2 FY24, which included hits such as *It Ends with Us*.

- Next is the Pictures segment.
- FY25 Q2 sales decreased 3% year-on-year and operating income decreased 25%. This was primarily due to the impact of a decrease in sales from theatrical releases which benefited from hits like *It Ends with Us* in the same quarter of the previous fiscal year. Partially offsetting the decrease in operating income was the impact of higher sales at Crunchyroll.
- There is no change to our full year forecasts for sales and operating income.

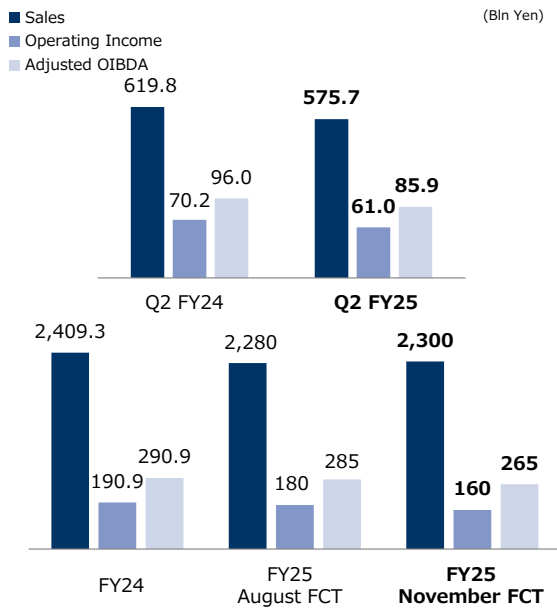
Pictures



- Crunchyroll continues to work to enhance the 360 degree IP experience of anime fans through the theatrical distribution of *Demon Slayer*, the launch of the Crunchyroll Manga service and other efforts.
- Crunchyroll Manga, which currently digitally distributes hundreds of popular Japanese manga titles, has been positively received by fans and publishers since its launch in October. We expect it will contribute to an increase in fan engagement and growth in subscribers.
- In Television Productions, new seasons of popular existing series were released this quarter such as *Doc*, *Gen V*, and *Twisted Metal*.
- In Motion Pictures, production has begun on the major titles *Spider-Man: Brand New Day* and the next *Jumanji*, which are scheduled to be released next fiscal year.
- Fans are eagerly awaiting the two titles with five years having passed since the previous Spider-Man film *Spider-Man: No Way Home* and seven years having passed since the previous Jumanji film *Jumanji: The Next Level*.

Entertainment, Technology & Services Segment (ET&S Segment)

Sales, Operating Income and Adjusted OIBDA



Q2 FY2025 (year-on-year)

- Sales: 44.0 bln yen (7%) decrease (FX Impact: -1.7 bln yen)
 - (-) Decrease in unit sales in Displays
- OI: 9.2 bln yen (13%) decrease (FX Impact: -0.5 bln yen)
 - (-) Impact of decrease in sales in Displays
 - (-) Impact of decrease in sales and impact of tariffs, both in Imaging
 - (+) Reductions in operating expenses

FY2025 Forecast (change from August forecast)

- Sales: Essentially flat
- OI: 20 bln yen (11%) downward revision (Estimated tariff impact: -20 bln yen)
 - (-) Impact of tariffs

- In the imaging market, demand has slowed in two regions: China, where government subsidies that lasted through Q1 FY25 significantly declined, and the U.S., primarily due to the impact of additional tariffs. However, this decrease in demand is essentially in line with our previous forecast, and global demand remains solid, primarily because of demand in Asia.
- There are no major changes to the demand outlook for the year-end sales season and 2H FY25, and we intend to continue controlling costs and inventory.

- Next is the ET&S segment.
- FY25 Q2 sales decreased 7% year-on-year, primarily due to a decrease in unit sales of TVs.
- Operating income decreased 13% year-on-year primarily due to the impact of the decrease in sales, partially offset by reductions in operating expenses.
- We have slightly increased our full-year forecast for sales from the previous forecast to 2 trillion 300 billion yen, and we have decreased our operating income forecast 11% to 160 billion yen, reflecting a 20 billion yen impact from tariffs from this quarter.

Entertainment, Technology & Services Segment



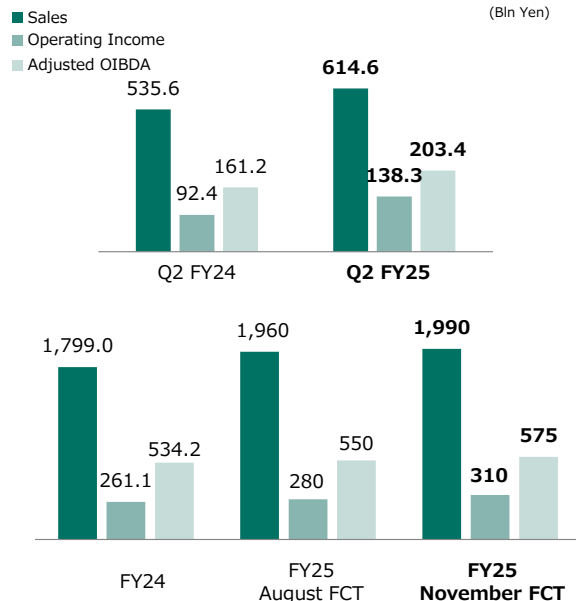
Current State of the Business

- In the imaging market, demand has slowed in two regions: China, where government subsidies that lasted through the first quarter ended June 30, 2025 significantly declined, and the U.S., primarily due to the impact of additional tariffs.
- However, this decrease in demand is essentially in line with our previous forecast, and global demand remains solid, primarily because of Asia.
- The severe operating environment for TVs and smartphones continues, but we are adapting by proactively reducing operating expenses and have been able to minimize the impact on profitability.
- At the segment level, there are no major changes to the demand outlook for the year-end sales season and second half of the fiscal year. We plan to continue to control costs and inventory and operate our business cautiously.
- In our sports business, which is a growth area, we completed the acquisition of STATSports in October.
- STATSports excels in active tracking technology, which collects and analyzes real-time data on athletes' physical condition and performance during games.
- By combining this data with the optical tracking technologies of Hawk-Eye and KinaTrax, we aim to provide industry-leading sports data solutions to teams and athletes around the world. We also hope to accelerate growth of our sports business overall.

Imaging & Sensing Solutions Segment (I&SS Segment)

Sales, Operating Income and Adjusted OIBDA

(Bln Yen)



Q2 FY2025 (year-on-year)

- Sales: 79.1 bln yen (15%) increase (FX Impact: -10.5 bln yen)
 - (+ Increase in sales of image sensors for mobile products
 - (+ Improvement in product mix
 - (+ Increase in sales of image sensors for digital cameras
- OI: 45.9 bln yen (50%) increase (FX Impact: -8.0 bln yen)
 - (+ Impact of increase in sales

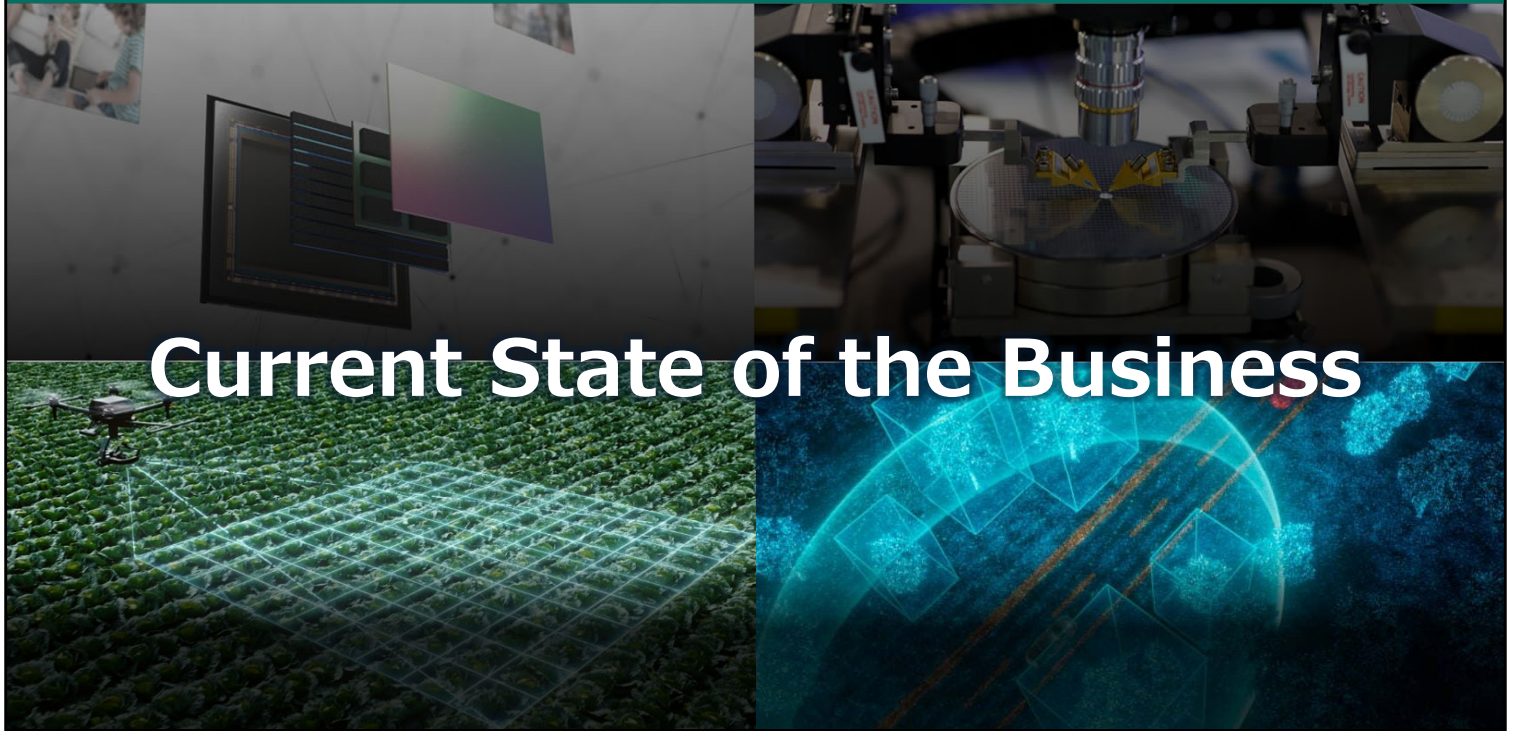
FY2025 Forecast (change from August forecast)

- Sales: 30 bln yen (2%) upward revision
 - (+ Impact of foreign exchange rates
- OI: 30 bln yen (11%) upward revision
 - (+ Positive impact of foreign exchange rates
 - (+ Decrease in costs

- Sales of image sensors for mobile products increased significantly during Q2 FY25 year-on-year due to higher unit prices resulting from larger sensors being used in new products by our major customer and higher shipment volume than our previous forecast.
- The full-year sales forecast is unchanged from the previous forecast when the impact of foreign exchange rates is excluded. This is because we think that our customers might have brought forward the purchase of components during 1H FY25 due to the additional tariffs and other factors.

- Last is the I&SS segment.
- Sales for the quarter increased 15% year-on-year and operating income increased 50%, both reaching record quarterly highs for the segment. This was primarily due to higher unit prices resulting from larger-sized sensors for mobile devices and increased sales volume of sensors for consumer cameras.
- We upwardly revised our full-year forecast for sales 2% to 1 trillion 990 billion yen and operating income 11% to 310 billion yen, primarily due to the impact of foreign exchange rates.
- Based on the trends in the final product market and the demand forecasts from our customers to date, we have decided not to include any impact from tariffs in the forecast for this segment.

Imaging & Sensing Solutions Segment



Current State of the Business

- The smartphone market continues to show signs of a gradual recovery on a global basis.
- Sales of mobile sensors during the quarter increased significantly year-on-year due to higher unit prices resulting from larger sensors being used in new products by our major customer and higher shipment volume than our previous forecast.
- In addition, growth of the market for cameras that use new video shooting styles, such as handhelds, contributed to the growth in sales.
- Our customers might have brought forward the purchase of components during the first half of the fiscal year due to the additional tariffs and other factors. Therefore, we have kept our fiscal year sales forecast unchanged from the previous forecast when the impact of foreign exchange rates is excluded.
- We expect sales for the fiscal year to increase an already significant 11% from the previous fiscal year. During the third quarter ending December 31, 2025, we plan to carefully assess the possibility of another upward revision.
- The higher sales of image sensors and our fixed cost management through an accelerated review of low-profit businesses and a shift of resources and costs to priority areas are contributing significantly to profit growth this fiscal year.
- During this Mid-Range Plan period, we intend to continue to focus on improving the efficiency of business operations and product development. In the next Mid-Range Plan period, we aim to build on those efforts by continuing to work to improve the profitability of the business by considering measures that balance business expansion with improved efficiency of capital expenditure.

Closing

- To summarize, excluding non-recurring items, the G&NS, Music, and I&SS segments all achieved record high operating income during the quarter, and we believe that our business momentum is strong.
- Looking ahead to the second half of the fiscal year, given the uncertain business environment, we intend to continue to operate our business cautiously while striving to steadily achieve results.
- The upwardly revised operating income forecast for this fiscal year presented today projects an average annual growth rate of operating income of 18% compared to the final year of our 4th Mid-Range Plan, and a cumulative operating income margin for the 5th Mid-Range Plan to date of 11.3%. This demonstrates that we are making steady progress toward achieving the targets of our 5th Mid-Range Plan.
- As for shareholder return, we established today a share repurchase facility of a maximum of 100 billion yen to be executed by May 2026.
- And we successfully completed the partial spin-off of the Financial Services business on October 1st.
- We would like to reiterate our sincere gratitude to our shareholders and investors.
- This concludes my remarks.

SONY

Notes

Notes about Adjusted OIBDA

Adjusted OIBDA (Operating Income Before Depreciation and Amortization) is calculated by the following formula:

Adjusted OIBDA = Operating income + Depreciation and amortization expense* - the profit and loss amount that Sony deems non-recurring

* In the above formula, depreciation and amortization expense excludes amortization for film costs and broadcasting rights, as well as for internally developed game content and master recordings included in Content assets.

Adjusted OIBDA is not a measure in accordance with IFRS Accounting Standards. However, Sony believes that this disclosure may be useful information to investors. Adjusted OIBDA should be considered in addition to, not as a substitute for, Sony's results in accordance with IFRS Accounting Standards.

Sales on a Constant Currency Basis and the Impact of Foreign Exchange Rate Fluctuations

The descriptions of sales on a constant currency basis reflect sales calculated by applying the yen's monthly average exchange rates from the same period of the previous fiscal year to local currency-denominated monthly sales in the relevant period of the current fiscal year. For Sony Music Entertainment ("SME") and Sony Music Publishing LLC ("SMP") in the Music segment, and in the Pictures segment, the constant currency amounts are calculated by applying the monthly average U.S. dollar / yen exchange rates after aggregation on a U.S. dollar basis.

Results for the Pictures segment are described on a U.S. dollar basis as the Pictures segment reflects the operations of Sony Pictures Entertainment Inc. ("SPE"), a U.S.-based operation that aggregates the results of its worldwide subsidiaries in U.S. dollars.

The impact of foreign exchange rate fluctuations on sales is calculated by applying the change in the yen's periodic weighted average exchange rate for the same period of the previous fiscal year from the relevant period of the current fiscal year to the major transactional currencies in which the sales are denominated. The impact of foreign exchange rate fluctuations on operating income (loss) is calculated by subtracting from the impact on sales the impact on cost of sales and selling, general and administrative expenses calculated by applying the same major transactional currencies calculation process to cost of sales and selling, general and administrative expenses as for the impact on sales. The I&SS segment enters into its own foreign exchange hedging transactions, and the impact of those transactions is included in the impact of foreign exchange rate fluctuations on sales and operating income (loss) for that segment.

This information is not a substitute for Sony's consolidated financial statements and condensed consolidated financial statements measured in accordance with IFRS Accounting Standards. However, Sony believes that these disclosures provide additional useful analytical information to investors regarding the operating performance of Sony.

Notes about Financial Performance of the Music and Pictures segments

The Music segment results include the yen-based results of Sony Music Entertainment (Japan) Inc. and the yen-translated results of SME and SMP, which aggregate the results of their worldwide subsidiaries on a U.S. dollar basis.

The Pictures segment results are the yen-translated results of SPE, which aggregates the results of its worldwide subsidiaries on a U.S. dollar basis. Management analyzes the results of SPE in U.S. dollars, so discussion of certain portions of its results is specified as being on "a U.S. dollar basis."

Cautionary Statement

Statements made in this material 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 equity and bond markets on the revenue and operating income of the Financial Services business;
- (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 business;
- (xvi) risks related to catastrophic disasters, geopolitical conflicts, 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 developments relating to the situations in Ukraine and Russia and in the Middle East, as well as the series of changes in U.S. tariff policy, 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.