

SONY

CORPORATE STRATEGY & EARNINGS ANNOUNCEMENT PRESENTATION

経営方針および業績に関する説明会

2026.05.08

SONY

経営方針説明

CORPORATE STRATEGY PRESENTATION

ソニーグループ株式会社 社長 CEO

十時 裕樹

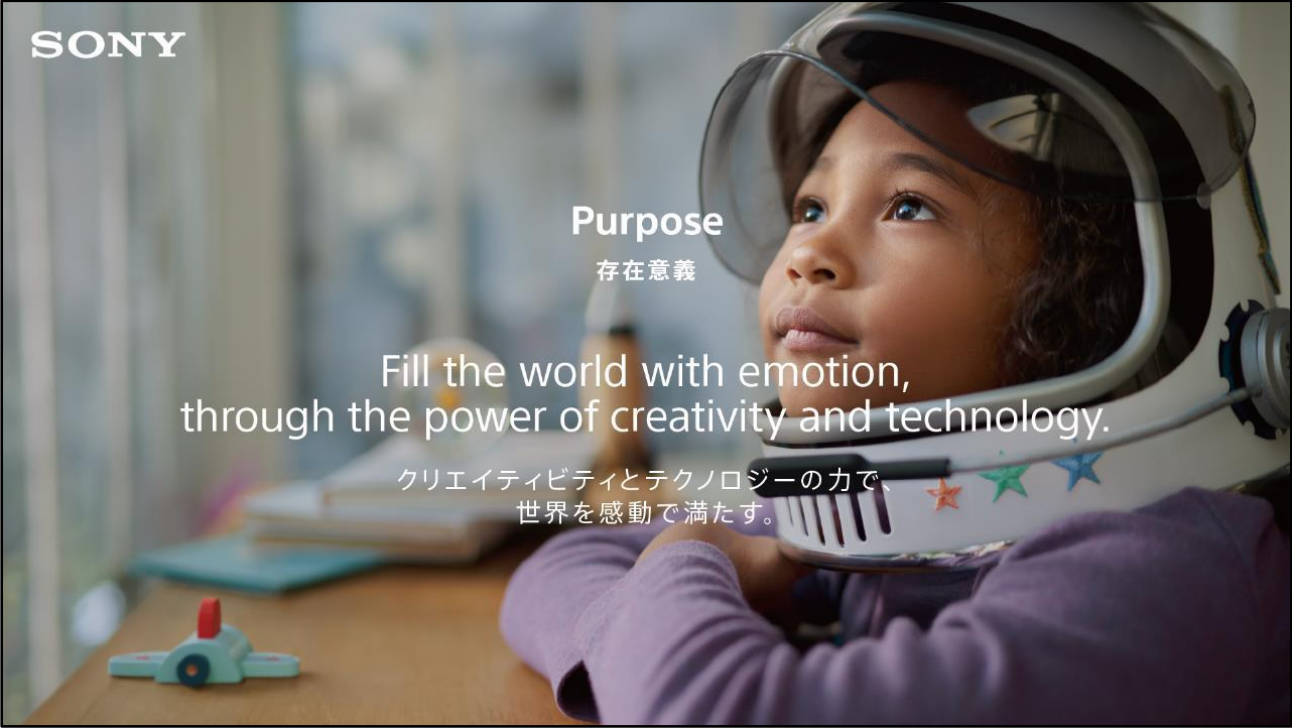
President and CEO, Sony Group Corporation

Hiroki Totoki

- Hello. And thank you for joining us.
- Today, I would like to share a brief update on Sony's business, our corporate priorities and direction as we enter the final year of our current Mid-Range Plan.
- It has been a truly exceptional year for Sony since our last Corporate Strategy presentation – a year marked by strong performance and record results across many of our key businesses as we continued to focus and build on our Creative Entertainment Vision.



- And we continued to evolve our business portfolio as we seek new opportunities for growth and meet new challenges in a rapidly changing market.
- Two years ago, we kicked off the current Mid-Range Plan highlighting the evolution of our business direction in entertainment, IP, content creation and real time creation technology.
- And we launched our Creative Entertainment Vision – our long-term vision which seeks to leverage the power of technology to empower creators, deliver new experiences across both physical and digital space, and maximize the value of IPs.



SONY

Purpose

存在意義

Fill the world with emotion,
through the power of creativity and technology.

クリエイティビティとテクノロジーの力で
世界を感動で満たす。

- Sony's Purpose – to fill the world with emotion through creativity and technology – is at the heart of our Creative Entertainment Vision, and is driving successes and potential growth opportunities across our Sony Group businesses, including:

A promotional graphic for PlayStation's Game & Network Services business. The background is a deep blue with abstract light blue and white curved lines and floating PlayStation icons. In the center, two white PlayStation 5 consoles are shown vertically. To the left of the consoles is a white DualSense wireless controller. To the right is a PlayStation VR headset with a glowing blue light bar. The text 'ゲーム&ネットワークサービス事業' is at the top center in white, with 'Game & Network Services business' below it. To the right of the consoles, the text 'Over 125 Million Monthly active users' is displayed in large white font. At the bottom right, there is a small disclaimer in white text.

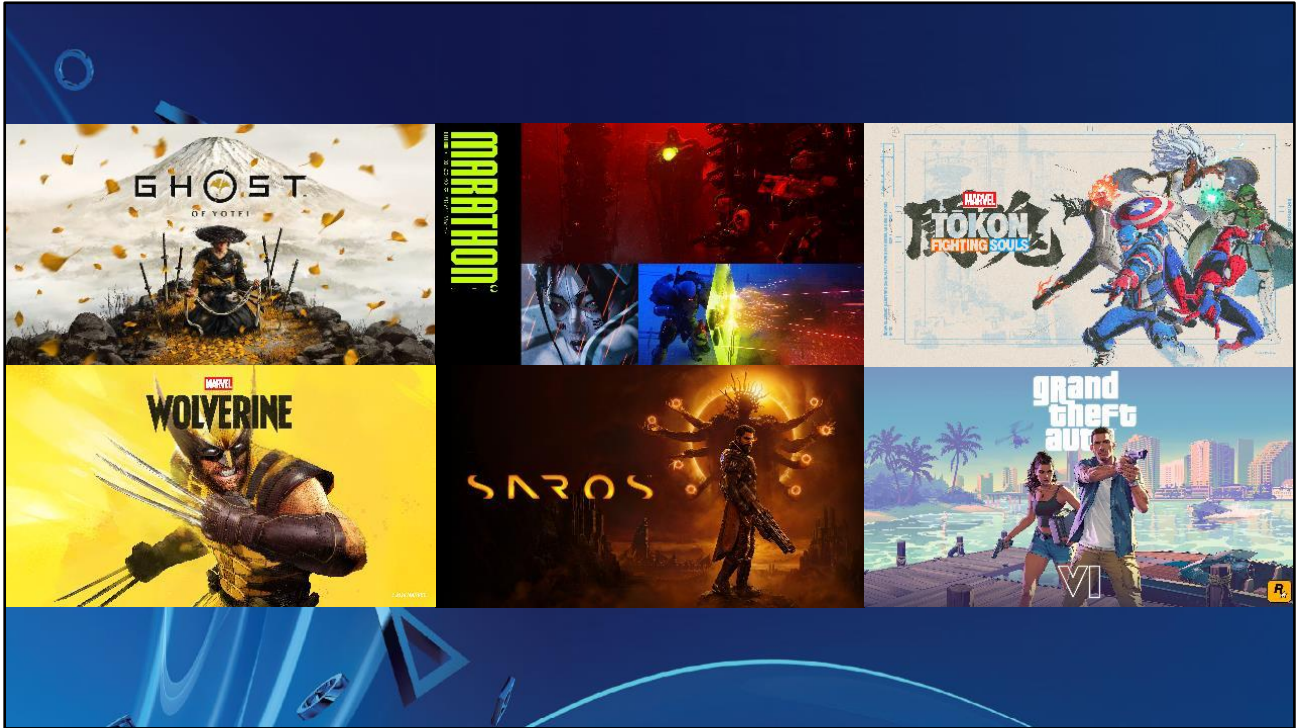
ゲーム&ネットワークサービス事業

Game & Network Services business

Over **125 Million**
Monthly active users

Number as of end of March 2026
Monthly Active Users is an estimated total number of unique accounts that played games or used services online on PlayStation during the last month of the quarter and is based on company research, and may be updated in the future.

- Our Game and Network Services (G&NS) segment, whose PlayStation platform now hosts over 125 million monthly active users around the world



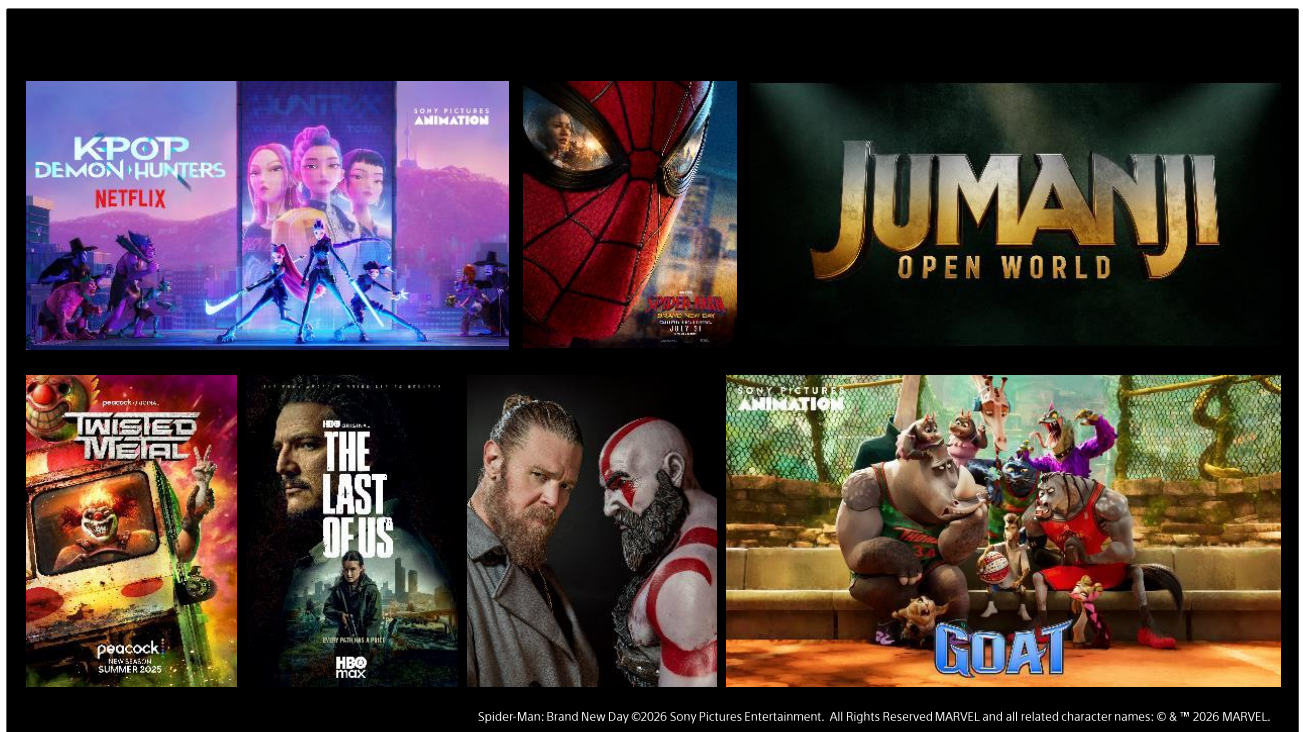
- who enjoy their favorite titles wherever they are and connect with their friends through gameplay.



- Sony's Music business, which has enjoyed tremendous success and growth through their efforts



- to nurture and build strong relationships with a growing roster of outstanding talent, digital streaming platforms and global audiences.



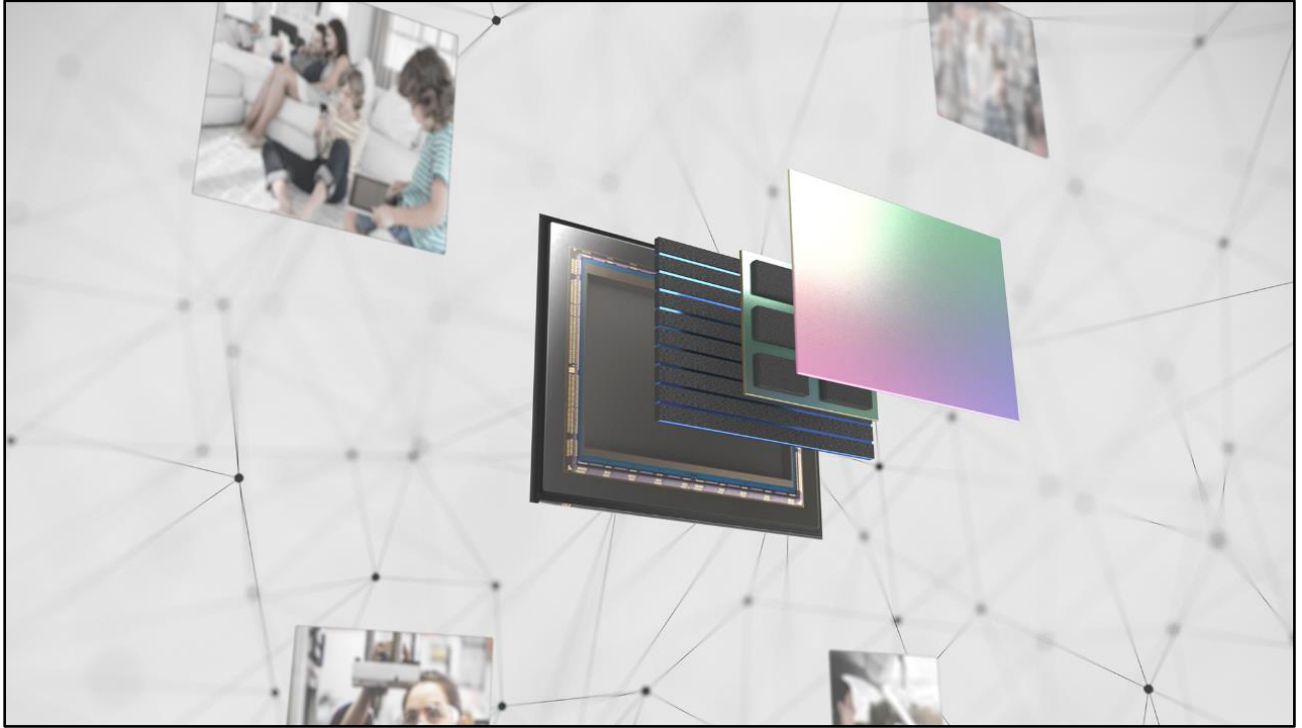
- Our Pictures business, which continues to produce and distribute strong film and TV content and serves as an important “hub” for cross-company collaborations such as the many PlayStation Productions film and TV adaptations of game IP.



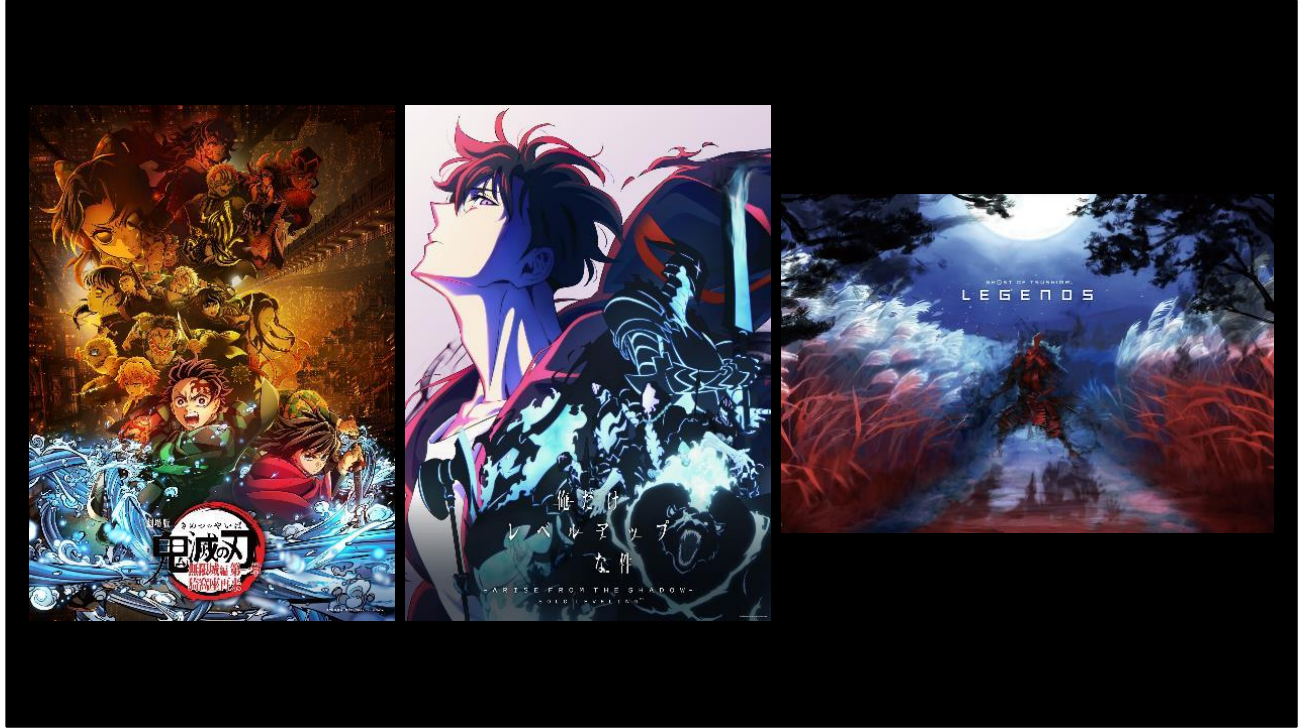
- Our Entertainment, Technology & Services (ET&S) segment is expanding its sports business by advancing officiating technologies and fan engagement initiatives, and investing in athlete performance tracking solutions,



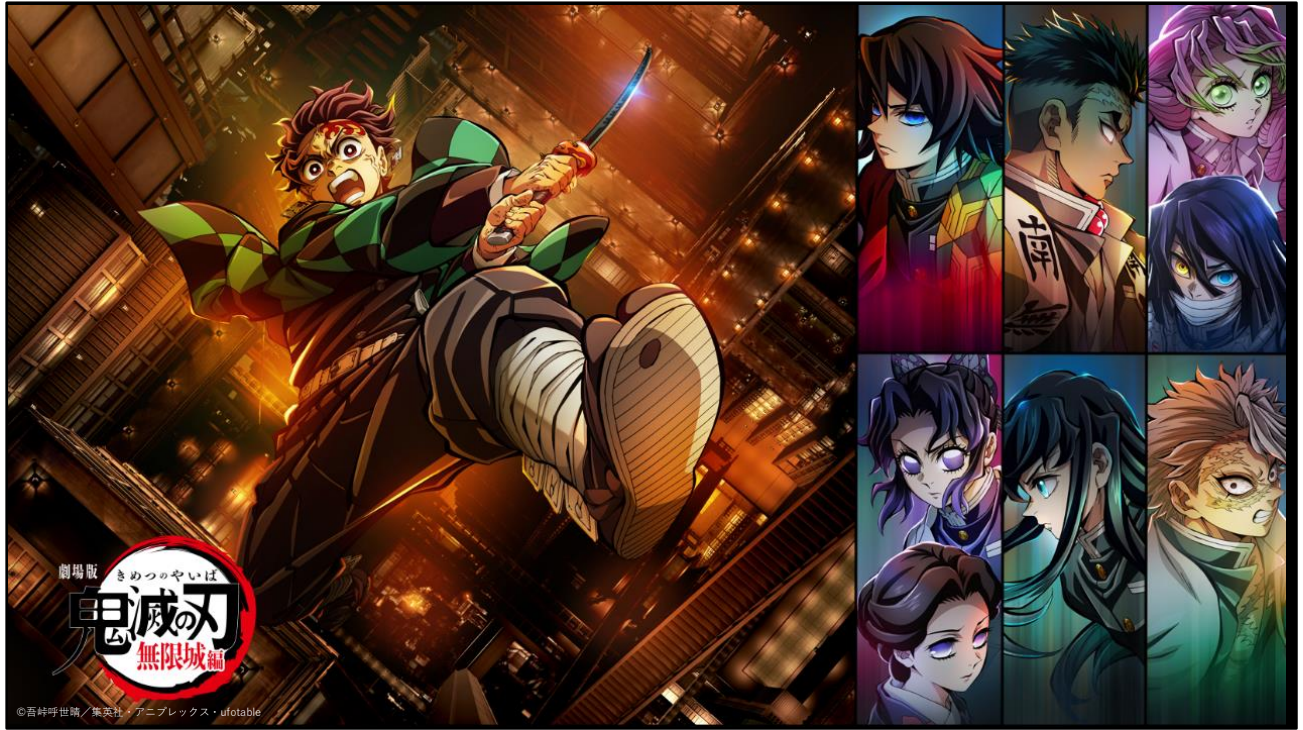
- while inspiring creators by enabling high quality, innovative content production.



- And underpinning that creativity at its very core is the evolution of image sensors in our Imaging & Sensing Solutions (I&SS) segment.



- We also have anime – which cuts across several of our businesses and remains an important growth sector for Sony, and a key part of our Creative Entertainment Vision.
- Sony’s strengths come from the synergies and collaborative efforts that exist across the Sony Group companies and with our strategic partners spanning production, fan engagement, marketing, and global distribution to deliver anime at scale to worldwide audiences.



- The explosive worldwide growth of anime is demonstrated by last year's massive global hit film Demon Slayer: Kimetsu no Yaiba Infinity Castle, which was produced by Aniplex and our partners



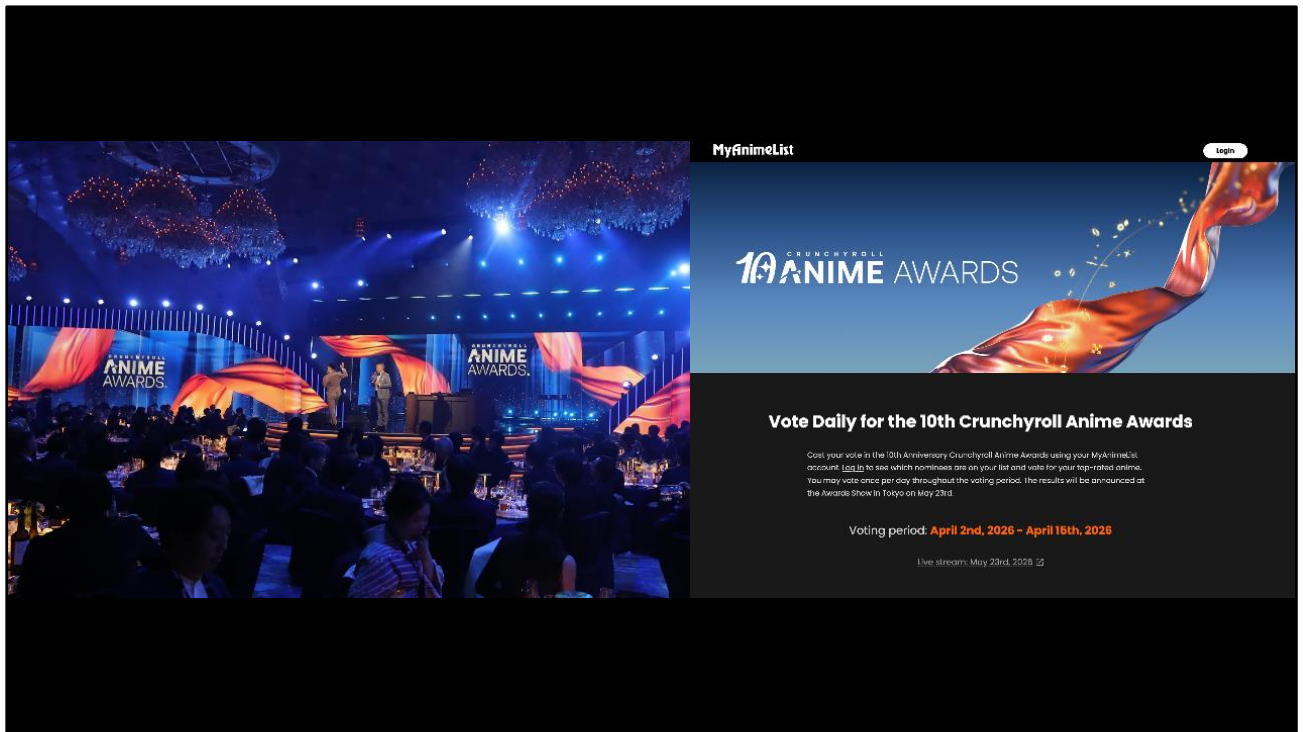
Over **21 Million**
Paid Subscribers

More
than **50,000**
Episodes

Subtitled and
Dubbed in **13** Languages

Numbers as of end of March 2026

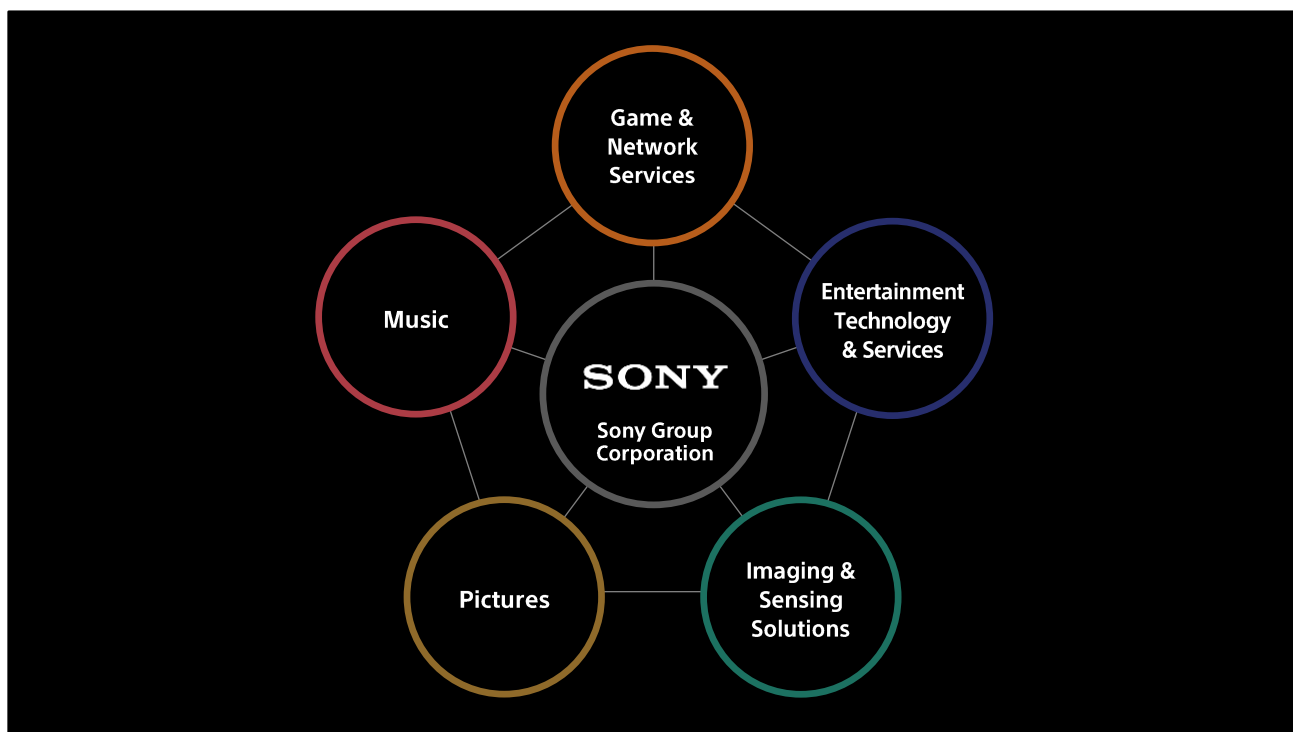
- and in the rapid growth of Crunchyroll.
- Crunchyroll now serves more than 21 million paid subscribers globally as an anime distribution platform with a library of more than 50,000 episodes, including many of the most popular and current series from Japan, subtitled and dubbed in 13 languages.



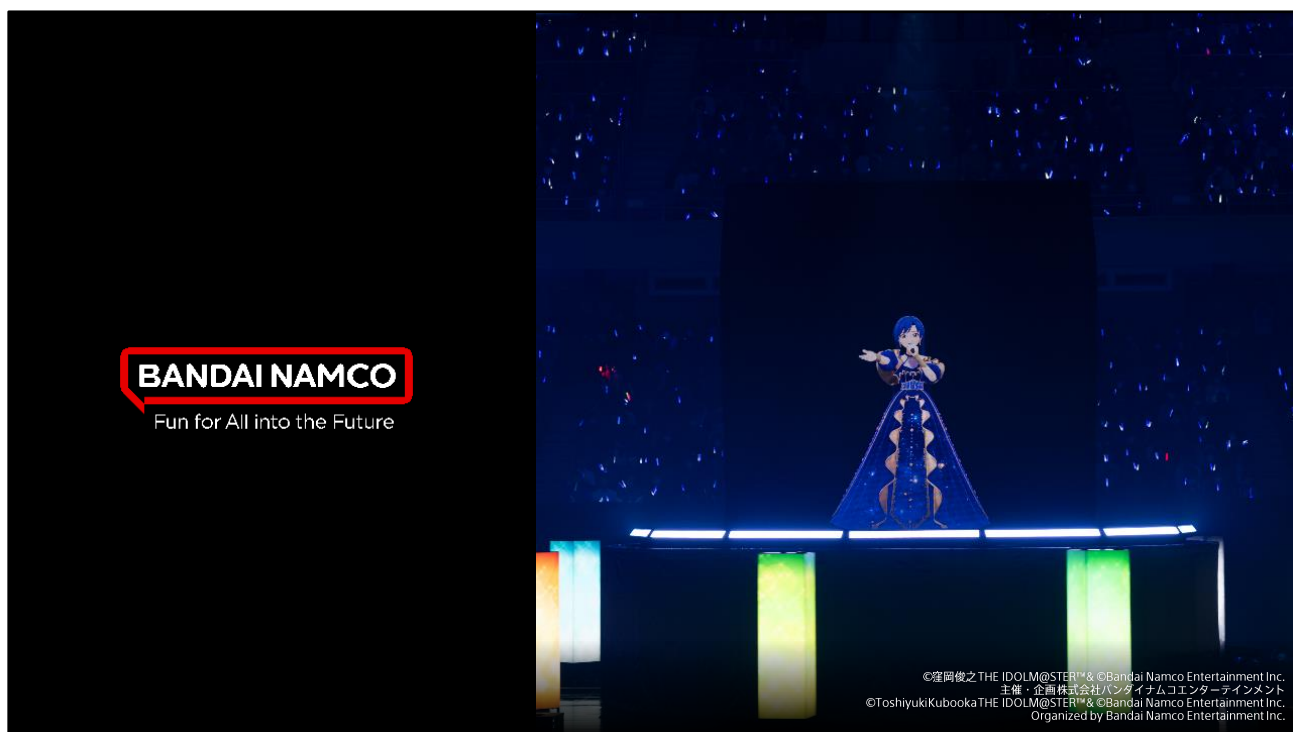
- In addition, we enabled expanding global fan participation in voting through MyAnimeList for the first time for the upcoming Crunchyroll Anime Awards through our partnership with Gaudiy Inc.

Crunchyroll Anime Future Forum

- And this fall, Crunchyroll will host its first-ever Crunchyroll Anime Future Forum in NY, bringing together leaders across anime, gaming, music, film, and emerging technology to strengthen relationships with Japanese publishers and creators globally.



- During this MRP period, we also continued to shape our overall portfolio.
- Last fall, we completed the partial spin-off of the Financial Services business.
- And in March, Sony Corporation entered into definitive agreements with TCL (TCL Electronics Holdings Limited together with its subsidiary) forming a strategic partnership for Bravia TVs, B2B flat panel displays, home theater and home audio components strengthening the resilience of each of those businesses.
- All the while, we have continued to invest and lean into areas where we see ongoing growth and competitive advantage.



- Building on the strategic partnerships announced with Bandai Namco Holdings Inc. last summer we are further strengthening our position in anime – an important growth sector for us in addition to other areas.



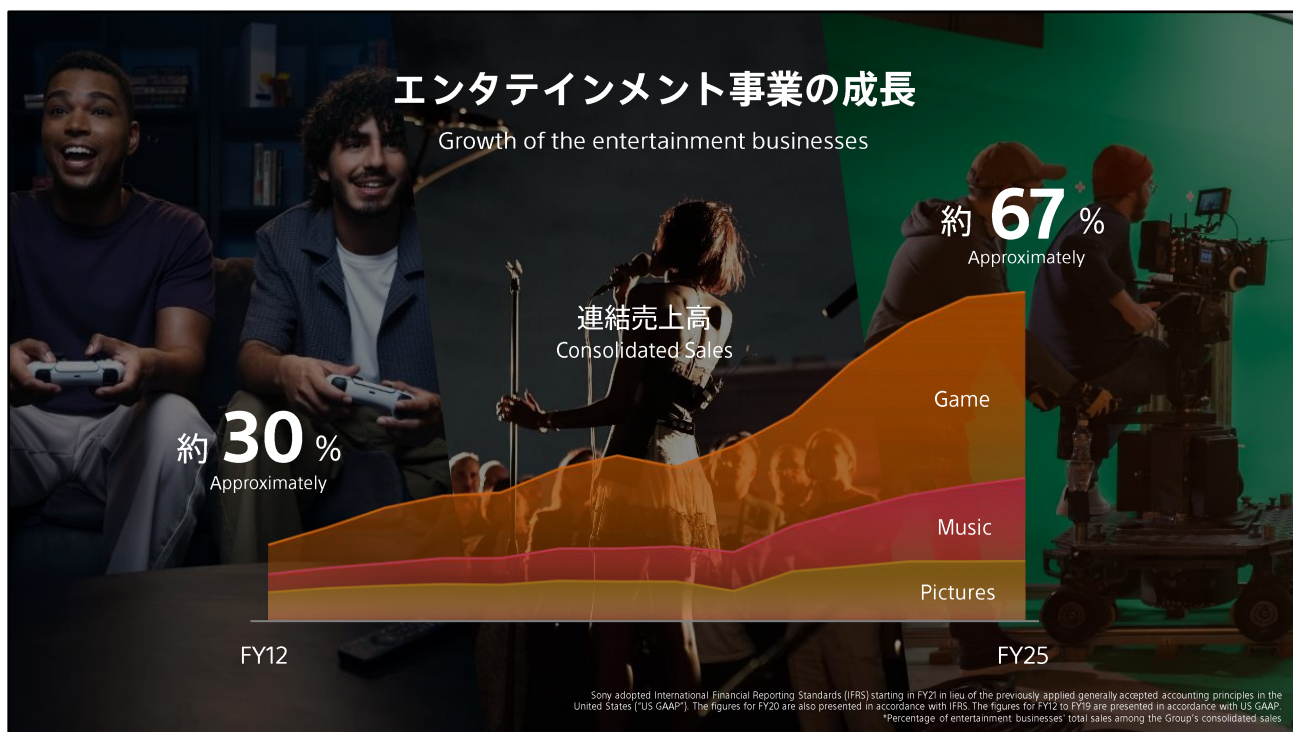
- Our recent agreement with WildBrain Limited to acquire their stake in Peanuts Holdings LLC increased Sony's ownership stake to 80% to expand its beloved and globally recognized brand.

音楽IPへの投資拡大

Expanding Investment in Music IP



- And ongoing investments in music.
- Following major deals to acquire the Pink Floyd and Queen catalogues, Sony Music Group recently announced a partnership with GIC, the Singapore sovereign wealth fund, to further scale our music IP investments.



- Together, these strategic decisions reflect the ongoing evolution of Sony Group's business direction towards Entertainment, IP and creation technology – which now represent approximately 67% of Sony's consolidated sales.
- Overall, it was a very strong year in terms of performance.
- We did change direction on a few strategic initiatives, pivoting to better position us moving forward.
- We decided to wind down our Pixomondo visual effects business and focus on new technologies.
- We downwardly revised our projections and recorded an impairment loss against the long-lived assets at Bungie, Inc.
- And due to Honda Motor Co., Ltd's reassessment of its EV strategy, we discontinued the development and production of Sony Honda Mobility Inc.'s Afeela models.
- These strategic shifts were made on the back of strong FY2025 performance to position the company for future growth.
- You'll hear more details on each of these moves as well as our financial results from our CFO Lin Tao shortly.



- Now I would like to turn to the topic of AI.
- When we think about further growth at Sony Group, AI is one of the most important themes for us to consider.
- Specifically, the potential it holds for us across the Sony Group businesses to unlock new value creation and capture new opportunities for growth across our entertainment businesses.
- Let me start by stating a core principle that guides our thinking about AI: Human creativity must remain at the center.
- AI is a powerful tool — but it is not a replacement for artists or creators.
- It is an amplifier of human imagination and a catalyst for new possibilities.



- Great content comes from deep personal experiences, unique perspectives, and a strong inner motivation to express something meaningful.
- Fans are drawn to such stories, characters and worlds that offer deep emotional connection.
- We believe the most memorable experiences will always be created by humans and enjoyed by people.
- AI can assist in that process, but it will not replace human imagination, creativity, and emotions.



- AI brings new opportunities to the world of entertainment.
- Not only in terms of efficiency, but in empowering creators to expand their creativity.



- Additionally, we believe AI will make it easier to take on more innovative and ambitious projects—projects that were previously difficult to pursue due to constraints of cost and time



- For example, this shift represents a significant opportunity for PlayStation as a Platform.
- As more diverse and innovative content is created and the overall game industry continues to evolve, PlayStation can connect more fans with more games, further strengthening its value.
- At Sony Pictures, we are scaling AI and other advanced technology across workflows to accelerate production timelines and increase output and have invested more than 50 million dollars to date in AI capabilities across production planning, content protection, enterprise productivity, data analytics, innovation, and 3D conversion.
- Sony Music is encouraged by the increased number of companies who agree that intellectual property rights need to be respected and therefore want to negotiate licenses for new products with them.
- These partnerships will lead to business expansion that will also benefit consumers and creators.
- To drive such efforts, Sony Music is actively pursuing an industry-wide standard to label AI content for further transparency with consumers.



SONY

- Alongside our own efforts, we are currently engaged in a collaborative pilot initiative with Bandai Namco Holdings Inc. to explore how Generative AI and the latest technologies can most effectively contribute to realizing a creator's vision in the realm of video production.
- Through these explorations, we have identified massive gains in speed and productivity per person as well as how to concretely address the shortcomings of Generative AI based on the understanding of the strengths and weaknesses of the models.
- One example of the weaknesses is the lack of consistency and controllability, which is demanded by creators and those involved in production. We have accumulated know-how to resolve such issues by utilizing various AI models as well as fine-tuning models with technology and proprietary data to consistently generate output of intended style with the accuracy and cost that would be necessary for deployment.
- On the other hand, we have also identified opportunities where AI can produce highly sophisticated and realistic outputs which were not feasible before due to production time constraints.
- We hope to contribute to the overall growth of the industry through such collaborations and by combining Sony's expertise in audio, video processing, spatial and CG technology with Generative AI to create a creator- first production environment that is safe and secure to use while maximizing their artistic sensibility and output.

ソニー・インタラクティブエンタテインメント
社長 CEO

西野 秀明

President and CEO, Sony Interactive Entertainment

Hideaki Nishino



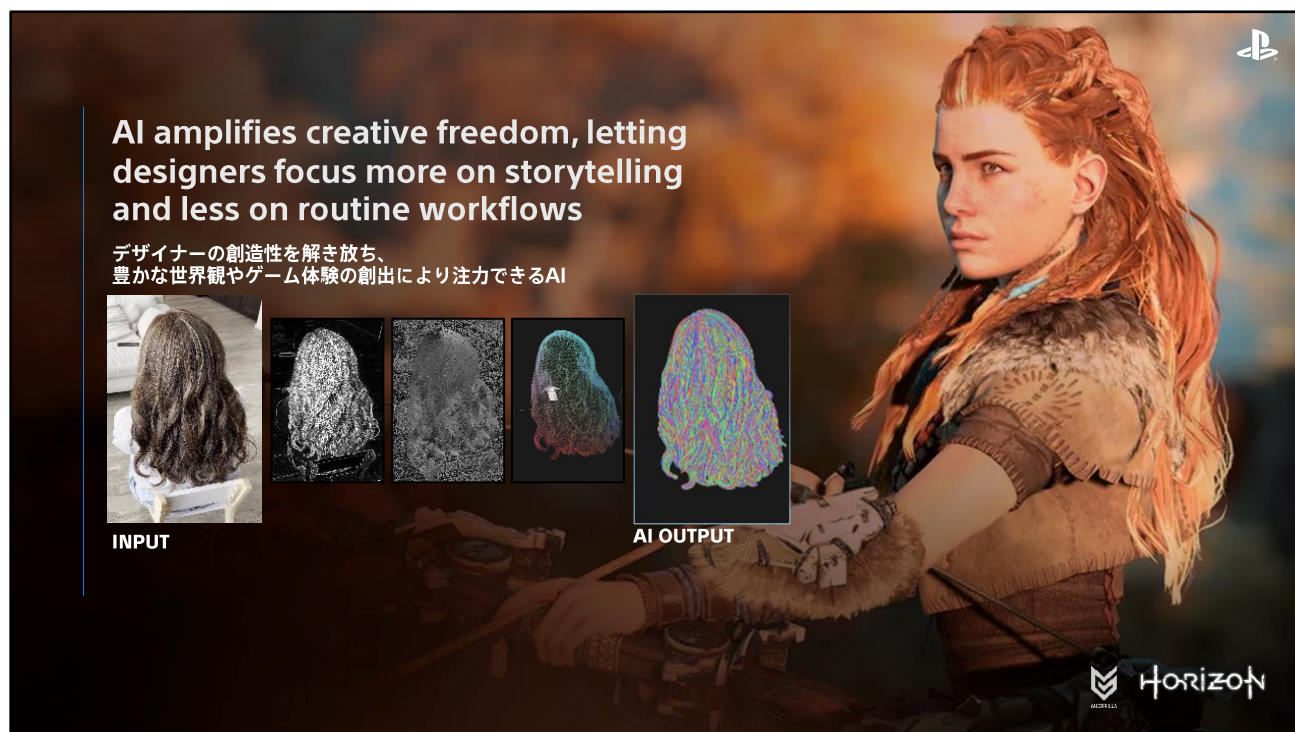
- Now, I'd like to introduce Hideaki Nishino, President and CEO of Sony Interactive Entertainment, to say a few words about how we see AI strengthening our efforts in one of our most important growth areas – games.



- At PlayStation, our goal is always to be the best place to play and the best place to publish.
- We see AI as a powerful tool to help us in this mission.
- For our players, this will mean gaming experiences like never before – more immersion, more adventures, and fresh ways to enjoy their favorite characters.
- For our publishers, this will mean a more efficient production environment and better discovery to ensure their games reach the right audience.



- AI is lowering barriers to creation, accelerating development cycles, and enabling more creators to enter the market.
- As a result, we expect to see a meaningful increase in the volume and diversity of content available to players.
- Our platform's role will be critical in ensuring players find the right content in an increasingly crowded landscape.
- Our studios and their IP will also continue to be a key differentiator.
- When players have more choice, they will gravitate toward trusted franchises they know will deliver high-quality experiences.



- Within our studios, game developers are automating repetitive workflows, improving software engineering productivity, and accelerating areas like quality assurance, 3D modeling, and animation through new, AI-powered tools.
- For example, our teams created a tool we call ‘Mockingbird’ that quickly animates 3D facial models based on performance captures. Importantly, we are not replacing human performers, but rather optimizing how we process the data from these live captures.
- With Mockingbird, animation work that would have taken hours can now be completed in a fraction of a second.
- We’ve already seen teams at Naughty Dog, San Diego Studio, and others adopt the tool, including in released titles like Horizon Zero Dawn Remastered.
- Another example is a tool we built for animating hair. This is often a labor-intensive process given the volume of strands that must be created. Our teams have accelerated this process by taking videos of real hairstyles and having an AI tool output a 3D model with hundreds of strands modeled.
- These practical applications allow our teams to spend less time on manual, high-effort tasks and to instead reinvest their time into building richer worlds and gameplay for our players.

AI will help our studios realize their creative visions

自社スタジオのクリエイティブビジョンを実現するAI

Gran Turismo Sophy (GT Sophy) is a superhuman AI racing agent trained with deep reinforcement learning in Gran Turismo Sport to compete with top drivers and elevate gameplay.

『グランツーリスモSPORT』の深層強化学習で鍛えられ、トップドライバーと競い、ゲームプレイを高次元へ引き上げるAIレーシングエージェント
Gran Turismo Sophy

Emboldened with AI

AIでさらなる高みへ

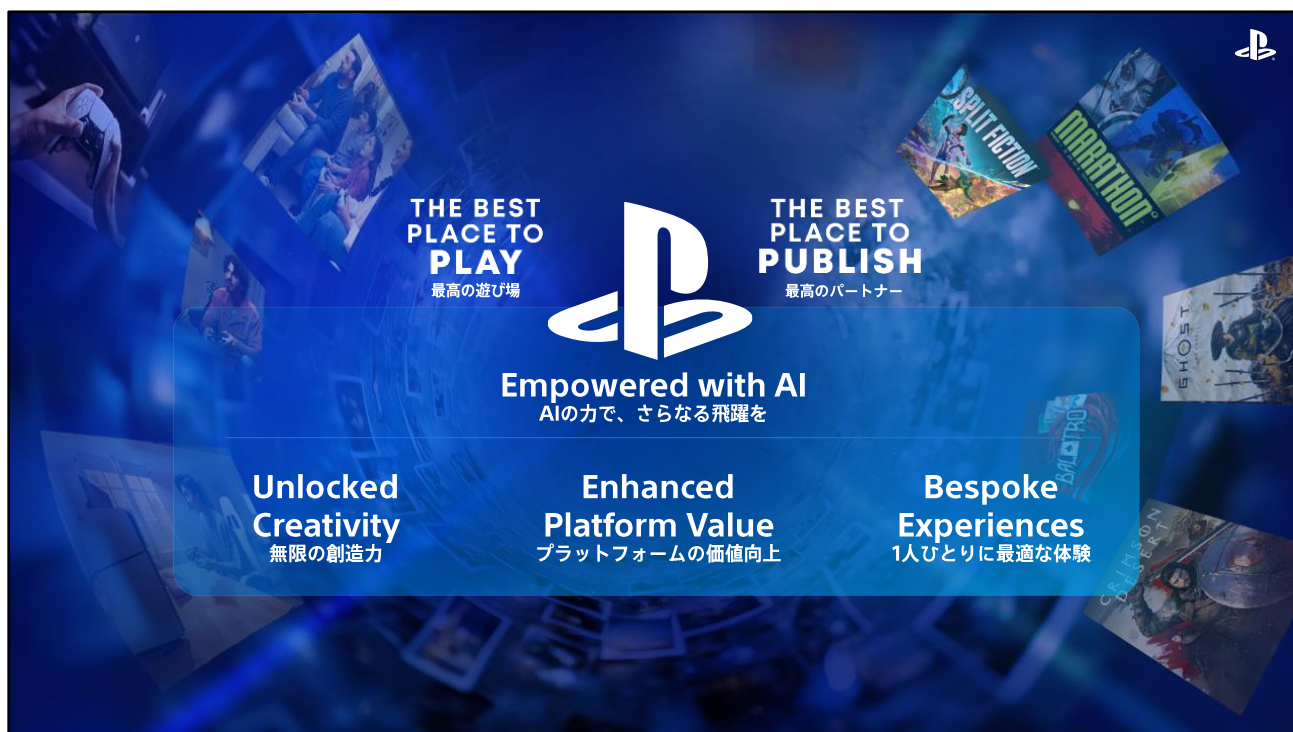
- AI tools in the hands of our teams will enable not only efficiency but also new types of experiences for fans.
- For example, Gran Turismo’s AI-powered racing agent, Sophy, has added a level of competitive gameplay for even our most seasoned drivers.
- Taking this further, our world-class creatives have already shown the ability to create amazing prototypes where NPCs with their own personalities can create a living, dynamic world for the player to explore.
- As AI capabilities evolve, the role of our creators will remain unchanged. The vision, the design, and the emotional impact of our games will always come from the talent of our studios and performers. AI is meant to augment their capabilities, not to replace them.



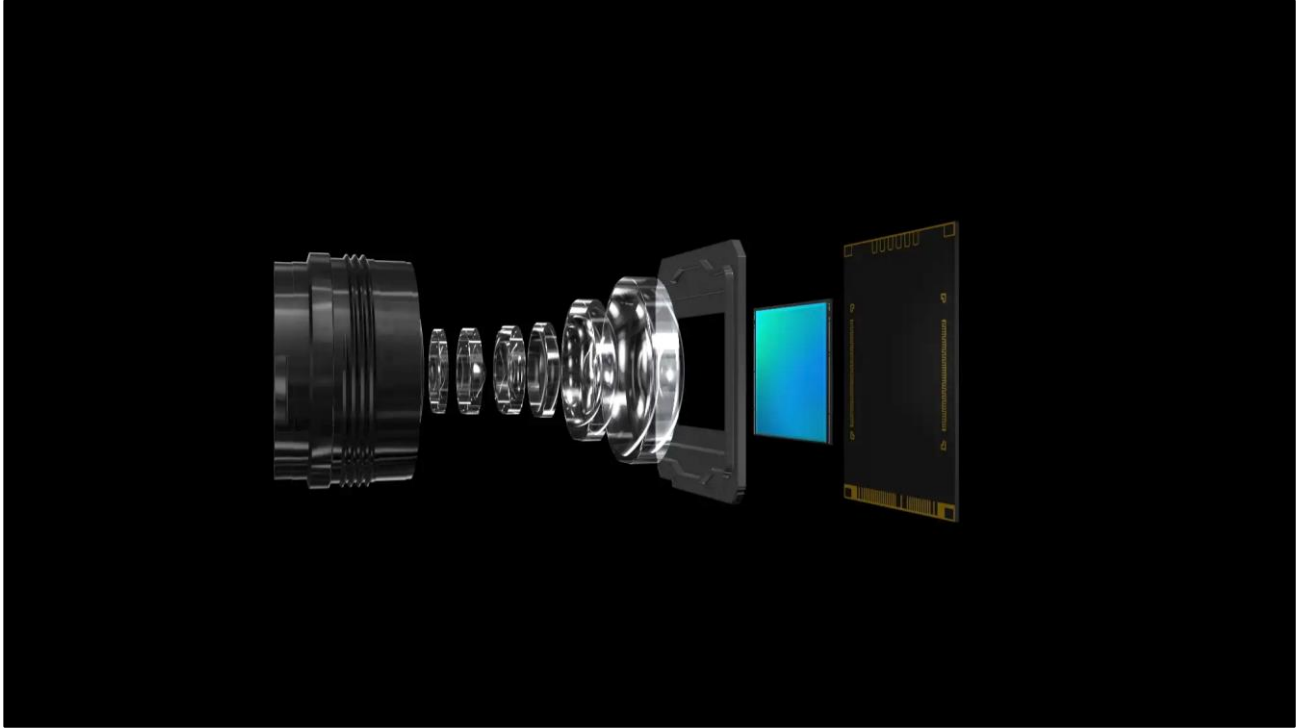
- AI is also already a part of our platform business. To take one example, over the last 3 years AI-powered tools ensured transactions were routed efficiently over payment networks, generating over \$700million of incremental revenue.
- We are building on this success with ongoing projects that will use machine learning to provide the best value possible to our customers.
- As AI brings more choices to players than ever, the value of our platform will lie in its ability to recommend and personalize at scale.
- We've already seen how AI models can outperform manual curation, and this will continue to improve.
- Our AI capabilities will evolve into a consumer-centric experience that not only suggests the next game a player might enjoy, but also the next gameplay moment, subscription, accessory, or merchandise that best reflects their passion.



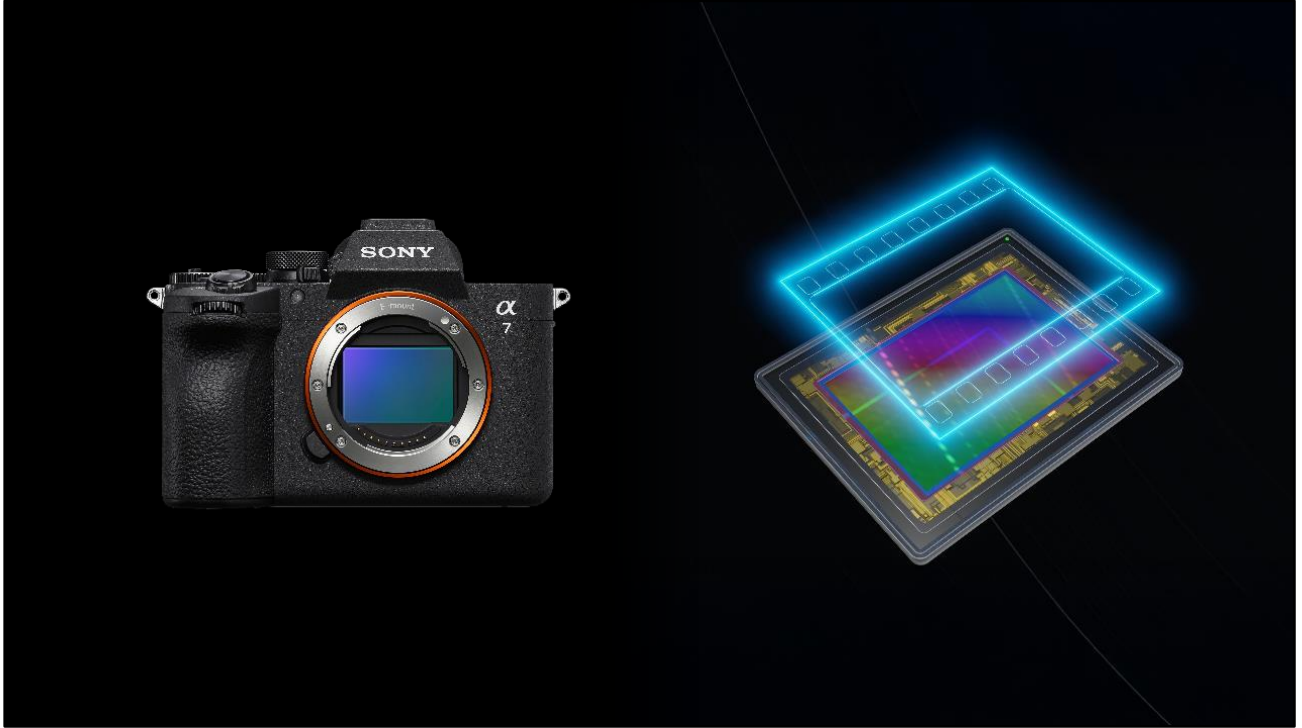
- Beyond the store, our recently updated PlayStation Spectral Super Resolution, available on the PS5 Pro, uses machine learning to enhance image clarity, delivering 4K visuals at high frame rates.
- With PlayStation Spectral Super Resolution, games like Saros and Ghost of Yotei have never looked sharper.
- Through our investments in AI and machine learning, we will continue to push the fidelity frontier forward.



- We believe AI will unleash the creativity of our studios, power a more curated platform, and enhance the PlayStation experience for both players and creators.
- With our global player base, deep library of IP, and integrated ecosystem, AI is a powerful tool for us to deliver a truly cutting-edge entertainment experience.



- Thank you Nishino-san. I would like to now turn to our Imaging & Sensing Solutions (I&SS) business.
- Sony's image sensors have evolved as “electronic eyes” that accurately capture the real world, driven by our relentless pursuit of fundamental advancements that go beyond competing on specifications alone.



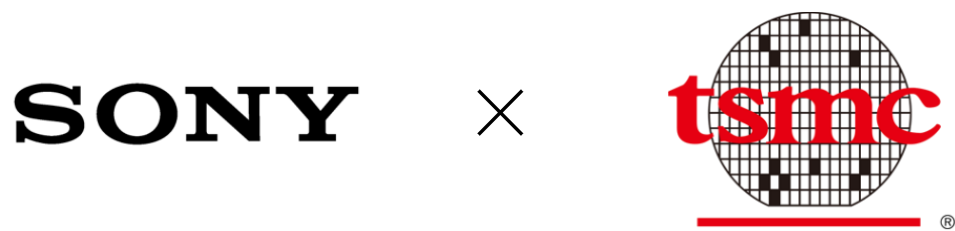
- Our number one priority is to deliver the best possible imaging experience for our customers.
- To do so, we scrutinize and optimize every aspect of the sensor, from the pixel structure, stacking and layering technologies, through to the circuitry, processes, and final packaging.
- Sony possesses deep expertise cultivated over many years in the analog domain, spanning design, development, and manufacturing, together with our comprehensive ability to integrate and refine these elements as a whole.
- This is our competitive strength, and is not something that can be easily replicated.

モバイル向けイメージセンサー

Image sensors for mobile



- Starting from our core mobile applications, we are developing higher density by advancing process technologies with enhanced fabrication precision, together with stacking technologies to further improve performance.
- At last year's Corporate Strategy Presentation, I discussed our direction for pursuing growth in the I&SS business and improving profitability, with a strong focus on financial discipline.
- As part of that effort, today we announced the signing of a non-binding memorandum of understanding with



- TSMC (Taiwan Semiconductor Manufacturing Company Limited) to form a strategic partnership for the development and manufacturing of next-generation image sensors.
- Under the proposed partnership, we intend to establish a joint venture with Sony being the majority and controlling shareholder,



- to set up development and production lines in Sony's newly constructed fab in Koshi City, Kumamoto.
- As part of our partnership, we intend to explore emerging new opportunities in physical AI applications, such as automotive and robotics, paving the way for future innovations and expanded technological advancement.



- I would like to close today by addressing the technological and geopolitical disruptions which together have greatly impacted international supply chains and drastically upended traditional ways of doing business around the world.
- One such technological disruption is the current memory shortage, which is being driven by surging AI infrastructure demand, and is impacting entire industries, including gaming, smartphones, laptops, memory cards, and other products.

変化に対応する事業基盤

Business Foundation that Adapts to Change



- Our businesses are managing this issue very carefully.
- SIE will be able to contain the negative impact of increased memory cost in the current fiscal year and is engaged in on-going negotiation with suppliers to meet the demand beyond the current fiscal year.
- In our I&SS business, while the volume driven low-end smartphone market is impacted by the rising cost of memory, our main customer base and demand in the high-end segment remain strong.
- We will continue to monitor and proactively manage the situation, and you will hear more about this in our upcoming earnings presentation.



- Looking ahead, we are optimistic about the environment in which we are operating, and the strengths and diversity of our businesses and employees in driving continued success for Sony.
- At the same time, we are very aware of the seismic changes taking place in the world in which we all live and work.
- With ongoing unrest in the middle east and unpredictable, shifting tariff pressures, we are navigating a period of geopolitical complexity that presents us with new challenges and uncertainty across markets, partnerships, and supply chains.
- In this environment, adaptability will be critically important. We cannot rely on assumptions that have supported us in the past, and we remain ready to pursue innovative ways of finding growth in the future.
- Thank you. I will now hand the meeting over to Lin Tao.

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) risks related to catastrophic disasters, geopolitical conflicts, pandemic disease or similar events;
- (xv) 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
- (xvi) 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.