FY2026 Q2 Earnings Announcement Q&A (Summary)

Date: November 5, 2026 (Thu.)

IMPORTANT: PLEASE READ THE FOLLOWING STATEMENT

For your reference, below please find an English summary of the question and answer session for the financial results for the second quarter ended September 30, 2026, which was conducted in Japanese.

This English summary, which is intended to replace the simultaneous translation of the question and answer session previously provided, is not intended to be a direct translation of the question and answer session. As a result, there may be some differences between this English summary and the simultaneous English interpretation provided at the question and answer session.

Questioner 1:

Q: [G&NS Segment] You mentioned that discussions are also underway to secure the quantity of memory for next fiscal year. *Grand Theft Auto VI* and other titles could encourage consumers to purchase a new PS5 or upgrade from their current consoles from the second half onward. Do you expect that hardware unit sales next fiscal year will remain at a level similar to this fiscal year?

A: Regarding hardware sales this fiscal year, both sell-in and sell-through have maintained strong momentum even after the hardware price adjustments. However, in terms of the console cycle, we expect sales of new hardware units to gradually decline next fiscal year. That said, we intend to carefully manage the profitability of the hardware itself without incurring significant losses. In addition, based on an installed base of nearly one hundred million PS5 units and MAU (Monthly Active Users) of 127 million accounts across PS5 and PS4 combined, we will focus on increasing user engagement.

Questioner 2:

Q: [Consolidated] How has the increasing number of cyberattacks in recent years affected Sony? What impact do these factors have on business operations, such as investments in cybersecurity measures and monitoring activities in each business?

A: Regarding the impact of cyberattacks, management takes the series of incidents seriously, and we apologize to the stakeholders affected. We refrain from referring to specific cases, but cyberattacks are becoming increasingly complex and sophisticated, and we recognize that we need to take even

stronger measures than before. Going forward, we will place even greater priority on this issue across the entire company, including exploring the use of AI to defend against cyberattacks.

Q: [I&SS Segment] Please provide a little more detail on market conditions for mobile image sensors. I understand that demand for mid-range and lower-end models is somewhat weak at present. Including the impact of the Chinese market, how do you view changes in the market, particularly for high-end models, where Sony has an advantage?

A: Regarding the smartphone product market, we believe various research firms have published data on this. Broadly speaking, the situation is divided between a significant decline in the low-end and mid-range segments, and a comparatively smaller impact in the high-end segment. As for the high-end market, particularly in China, we understand that business performance is diverging among brands. Essentially, manufacturers with large market share are becoming even stronger, while those without such scale are losing share. We are taking a cautious view of the outlook and would like to make our assessment after observing market conditions a little further.

Questioner 3:

Q: [G&NS Segment] User engagement on PlayStation remains at a high level, and increased activity is expected during the holiday season. Do you expect this momentum to continue and provide further upside from next fiscal year onward?

A: MAU, gameplay hours and ARPU (Average Revenue Per User) are important KPIs for us. MAU and gameplay hours depend on how engaging the content is, so we have expectations for the titles scheduled for release. In addition to its contribution to this fiscal year's earnings, we expect *Grand Theft Auto VI* to contribute over multiple fiscal years, as has been the case with previous titles in the series. Thousands of other titles are also available, and one of the exciting aspects of the gaming business is that titles can become unexpected hits. We expect this diverse range of games to drive overall user engagement.

Q: [Consolidated] A new Mid-Range Plan will begin next fiscal year. From a mid- to long-term perspective, which businesses do you believe have growth potential?

A: We believe many of our businesses have upside potential. Having invested in the entertainment businesses over many years, we are now at a stage where, in addition to generating major hits every year, we can expect to deploy IP in a variety of ways going forward. With respect to our platforms, we expect further growth in PlayStation and Crunchyroll, as well as increased engagement through cross-discovery between them. We also believe the joint venture with TSMC in the image sensor

business has the potential to enable Sony to achieve different kinds of progress than we have experienced to date.

Questioner 4:

Q: [G&NS Segment] In light of rising memory prices and the impact on profit from factors such as increased promotional expenses, how do you view the profitability of the game business as a whole if a new console is launched?

A: We are addressing rising memory prices as a management priority. The health of the platform is critical to the game business. The active engagement of 127 million MAU accounts, together with sound monetization, underpins profitability. At the same time, investment in a new console is necessary to achieve further growth. Going forward, it will be important to determine how to make the necessary investments in a disciplined manner, based on the profitability supported by the health of the platform. We intend to provide further information at the appropriate time.

Q: [I&SS Segment] Regarding a strategic customer in the image sensor business, we understand that Sony's share with that customer will no longer be 100% from next fiscal year. What scenarios are you assuming, and is it reasonable to expect that there will not be a significant impact on Sony's position?

A: We are not in a position to comment on a customer's procurement strategy, but we believe it is necessary to consider multiple scenarios. In general, customers maintaining multiple sources of supply is a standard business practice that we need to anticipate. Accordingly, we will need to take this into account when assessing factors such as production capacity. We will prepare our plans for next fiscal year and beyond with a view to maintaining our competitive advantages in both technology and cost. Our collaboration with TSMC is also a framework designed to enable us to prevail in an increasingly competitive environment. We aim to focus on responding swiftly to changes in the business environment.

Questioner 5:

Q: [G&NS Segment] Regarding Q2 results, I understand that Q2 is typically a seasonally weaker period compared to Q1. What drove the increase in MAU and gameplay hours in Q2?

A: User engagement is influenced by how games are played at any given time and therefore does not necessarily follow seasonal patterns. We understand that engagement increases when, for example, a new season of a major title is launched.

Q: [G&NS Segment] Regarding the upward revision of your full-year forecast, what are the details of the cost improvements? Has the full-year hardware unit sales forecast changed?

A: The cost improvements primarily reflect the deferral to next fiscal year of certain expenses related to the next-generation console, but the investment itself is progressing as planned. Hardware unit sales are now expected to exceed our initial full-year guidance of nine million units.

Questioner 6:

Q: [I&SS Segment] Regarding inventory, you mentioned that seasonality has changed due to shifts in the timing of a customer's new product launch. Do you expect volumes to normalize going forward? Also, is the recent decline in wafer input volumes at the master process attributable to the Kumamoto earthquake?

A: Shipments of our image sensors typically increase in Q3, but this fiscal year, some new smartphone products did not launch in September, which we expect will affect our shipment volumes in the second half. As this is a timing issue, once the transition to the new cycle is complete, we expect shipment volumes to normalize without affecting the full-year total. As this fiscal year is a transition period, we expect this to affect the balance between the first and second halves as well. The primary reason for the decline in wafer input volumes was the impact of the Kumamoto earthquake.

Q: [Consolidated] You have raised the operating cash flow forecast. Please explain your approach to capital allocation and strategic investments going forward.

A: Since our cash flow generation has steadily improved, we now have greater capacity to enhance shareholder returns while continuing to make strategic investments and maintain financial soundness. Strategic investments for which decisions have already been made total approximately 1.5 trillion yen. Looking ahead, we intend to continue focusing primarily on the entertainment businesses as investment targets.

Questioner 7:

Q: [Consolidated] Regarding the factors behind the upward revision, how do you view the holiday season in light of global economic conditions?

A: Inflation is increasing globally, and hardware prices in particular are rising. We are monitoring this carefully as one indicator of changes in demand. On the other hand, the entertainment businesses

account for approximately 70% of the Group's total sales, and we believe their content and services businesses are relatively resilient to inflation and other changes in the business environment. Nevertheless, we intend to continue to monitor changes in consumer behavior carefully in light of inflation.

Cautionary Statement:

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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 the important risks and uncertainties. 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.