

SONY

FY2020 Consolidated Financial Results

(Fiscal year ended March 31, 2021)

April 28, 2021

Sony Group Corporation

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FY2020 Consolidated Results

	FY19	FY20	Change
			(Bln Yen)
Sales*1	8,259.9	8,999.4	+739.5 bln yen (+9%)
Operating income	845.5	971.9	+126.4 bln yen (+15%)
Income before income taxes	799.5	1,192.4	+392.9 bln yen (+49%)
Net income attributable to Sony Group Corporation's stockholders	582.2	1,171.8	+589.6 bln yen (+101%)
Net income attributable to Sony Group Corporation's stockholders per share of common stock (diluted)	461.23 yen	936.90 yen	+475.67 yen
Sony without Financial Services*2			
Operating Cash Flow	+762.9	+1,122.2	+359.3 bln yen
Investing Cash Flow	-363.1	-581.2	-218.1 bln yen
Free Cash Flow (Operating CF + Investing CF)	+399.8	+541.0	+141.3 bln yen
Average Rate			Dividend per Share
1 US dollar	108.7 yen	106.1 yen	Interim 25 yen
1 Euro	120.8 yen	123.7 yen	Year-end 30 yen
			Full year 55 yen

*1 "Sales" is used to mean "sales and operating revenue" in accordance with US GAAP and, in respect of the results forecast for the fiscal year ending March 31, 2022, "sales and financial services revenue" in accordance with International Financial Reporting Standards ("IFRS") (applies to all following pages).

*2 See page F-12 in "FY20 Financial Statements" for Condensed Statements of Cash Flows for Sony without Financial Services (applies to all following pages).

Consolidated cash flow (Sony without Financial Services) and free cash flow are not measures in accordance with US GAAP. However, Sony believes that this disclosure may be useful information to investors.

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Q4 FY2020 Consolidated Results

(Bln Yen)

	Q4 FY19	Q4 FY20	Change
Sales	1,748.7	2,220.4	+471.7 bln yen (+27%)
Operating income	35.4	66.5	+31.0 bln yen (+88%)
Income before income taxes	-4.0	95.5	+99.5 bln yen (- %)
Net income attributable to Sony Group Corporation's Stockholders	12.6	107.0	+94.4 bln yen (+746%)
Net income attributable to Sony Group Corporation's stockholders per share of common stock (diluted)	10.10 yen	85.44 yen	+75.34 yen
Average rate			
1 US dollar	109.0 yen	105.9 yen	
1 Euro	120.2 yen	127.7 yen	

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FY2020 Consolidated Results: Year-on-year Change

	Year-on-year Change	Contributing Factors (+) Better / (-) Worse
Sales	+739.5 bln yen +9%	<ul style="list-style-type: none"> · (+) Significant increases in G&NS and Financial Services segments sales · (-) Significant decrease in Pictures segment sales <p>On a constant currency basis*, sales increased approx. 10%</p>
Operating income	+126.4 bln yen +15%	<ul style="list-style-type: none"> · (+) Significant increases in G&NS, EP&S and Music segments operating income · (-) Significant decrease in I&SS segment operating income
Income tax expense	-176.2 bln yen <small>(Effective tax rate 22%→0.1%)</small>	<ul style="list-style-type: none"> · (+) Reduction in tax expense due to the adjustment of valuation allowances against deferred tax assets of Sony Group Corporation and its national tax filing group in Japan (for national tax: +214.9 bln yen, for local tax: +7.6 bln yen) · (+) Reduction in tax expense due to the adjustment of valuation allowances against deferred tax assets of the consolidated tax filing group in the United States (for foreign tax credits: +21.3 bln yen, for research and development credits: +13.6 bln yen)
Net income attributable to non-controlling interests	-20.5 bln yen -51%	<ul style="list-style-type: none"> · (+) Decrease due to Sony Financial Holdings Inc. becoming a wholly-owned subsidiary

* For further details about the impact of foreign exchange rate fluctuations on sales and operating income (loss), see Note on page 36 (applies to all following pages).

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Adjusted Operating Income

	Operating Income	Adjusted Operating Income	Adjusted Operating Income excludes the following items*
FY19	845.5 bln yen	814.0 bln yen	<ul style="list-style-type: none"> ■ Remeasurement and realized gains resulting from the public listing and sale of a portion of shares of SRE Holdings Corporation (All Other: +17.3 bln yen) ■ Patent royalty revenue resulting from the signing of a licensing agreement (Corporate and elimination: +7.9 bln yen) ■ Realized and remeasurement gains resulting from the transfer of a portion of shares of NSF Engagement Corporation (Corporate and elimination: +6.3 bln yen)
FY20	971.9 bln yen	979.9 bln yen	<ul style="list-style-type: none"> ■ Gain on the sale of a portion of shares of Pledis Entertainment Co., Ltd. (Music segment: +6.5 bln yen) ■ Gain recorded in connection with a business transfer (Music segment: +5.4 billion yen) ■ Impairment charge against long-lived assets in the nursing care business (Financial Services segment: -7.4 bln yen) ■ Inventory write-downs of certain image sensors for mobile products (I&SS segment: -7.2 bln yen) ■ Expenses related to the Sony Global Relief Fund for COVID-19 (Corporate and elimination: -5.3 bln yen)
Change from FY19	+126.4 bln yen	+165.9 bln yen (+20%)	

* These monetary amounts are disclosed in the Quarterly Financial Statements, the Presentation Slides and the Quarterly Securities Reports for the relevant quarters.
Adjusted operating income is not a measure in accordance with US GAAP. However, Sony believes that this disclosure may be useful information to investors.

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Adjusted Operating Income (Q4)

	Operating Income	Adjusted Operating Income	Adjusted Operating Income excludes the following items*
Q4 FY19	35.4 bln yen	35.4 bln yen	
Q4 FY20	66.5 bln yen	72.7 bln yen	<ul style="list-style-type: none"> ■ Gain from the reversal of inventory write-downs of certain image sensors for mobile products previously recorded in Q2 FY20 (I&SS segment: +1.8 bln yen) ■ Impairment charge against long-lived assets in the nursing care business (Financial Services segment: -7.4 bln yen) ■ Expenses related to the Sony Global Relief Fund for COVID-19 (Corporate and elimination: -0.6 bln yen)
Change from FY19	+31.0 bln yen	+37.3 bln yen (+105%)	

* These monetary amounts are disclosed in the Quarterly Financial Statements, the Presentation Slides and the Quarterly Securities Reports for the relevant quarters.

Adjusted operating income is not a measure in accordance with US GAAP. However, Sony believes that this disclosure may be useful information to investors.

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Adjusted Income Before Income Taxes

	Income Before Income Taxes	Adjusted Income Before Income Taxes	Adjusted Income Before Income Taxes excludes the following items*
FY19	799.5 bln yen	774.3 bln yen	<ul style="list-style-type: none"> ■ Remeasurement and realized gains resulting from the public listing and sale of a portion of shares of SRE Holdings Corporation (All Other: +17.3 bln yen) ■ Patent royalty revenue resulting from the signing of a licensing agreement (Corporate and elimination: +7.9 bln yen) ■ Realized and remeasurement gains resulting from the transfer of a portion of shares of NSF Engagement Corporation (Corporate and elimination: +6.3 bln yen) ■ Loss resulting from a change in Sony's Japanese pension plans (-6.4 bln yen)
FY20	1,192.4 bln yen	1,174.6 bln yen	<ul style="list-style-type: none"> ■ Unrealized gain on an unlisted equity security (+14.6 bln yen) ■ Unrealized gain on an equity security whose lockup restriction will expire within one year (+11.2 bln yen) ■ Gain on the sale of a portion of shares of Pledis Entertainment Co., Ltd. (Music segment: +6.5 bln yen) ■ Gain recorded in connection with a business transfer (Music segment: +5.4 billion yen) ■ Impairment charge against long-lived assets in the nursing care business (Financial Services segment: -7.4 bln yen) ■ Inventory write-downs of certain image sensors for mobile products (I&SS segment: -7.2 bln yen) ■ Expenses related to the Sony Global Relief Fund for COVID-19 (Corporate and elimination: -5.3 bln yen)
Change from FY19	+392.9 bln yen	+400.3 bln yen (+52%)	

* These monetary amounts are disclosed in the Quarterly Financial Statements, the Presentation Slides and the Quarterly Securities Reports for the relevant quarters.
Adjusted income before income taxes is not a measure in accordance with US GAAP. However, Sony believes that this disclosure may be useful information to investors.

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Adjusted Income Before Income Taxes (Q4)

	Income Before Income Taxes	Adjusted Income Before Income Taxes	Adjusted Income Before Income Taxes excludes the following items*
Q4 FY19	-4.0 bln yen	-4.0 bln yen	
Q4 FY20	95.5 bln yen	87.1 bln yen	<ul style="list-style-type: none"> ■ Unrealized gain on an unlisted equity security (+14.6 bln yen) ■ Gain from the reversal of inventory write-downs of certain image sensors for mobile products previously recorded in Q2 FY20 (I&SS segment: +1.8 bln yen) ■ Impairment charge against long-lived assets in the nursing care business (Financial Services segment: -7.4 bln yen) ■ Expenses related to the Sony Global Relief Fund for COVID-19 (Corporate and elimination: -0.6 bln yen)
Change from FY19	+99.5 bln yen	+91.1 bln yen (- %)	

* These monetary amounts are disclosed in the Quarterly Financial Statements, the Presentation Slides and the Quarterly Securities Reports for the relevant quarters.
Adjusted income before income taxes is not a measure in accordance with US GAAP. However, Sony believes that this disclosure may be useful information to investors.

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Adjusted Net Income Attributable to Sony Group Corporation's Stockholders

	Net Income Attributable to Sony Group Corporation's Stockholders	Adjusted Net Income Attributable to Sony Group Corporation's Stockholders	Adjusted Net Income Attributable to Sony Group Corporation's Stockholders excludes the following items ¹
FY19	582.2 bln yen	550.3 bln yen	<ul style="list-style-type: none"> • Remeasurement and realized gains resulting from the public listing and sale of a portion of shares of SRE Holdings Corporation (All Other: +17.3 bln yen) • Patent royalty revenue resulting from the signing of a licensing agreement (Corporate and elimination: +7.9 bln yen) • Realized and remeasurement gains resulting from the transfer of a portion of shares of NSF Engagement Corporation (Corporate and elimination: +6.3 bln yen) • Loss resulting from a change in Sony's Japanese pension plans (-6.4 bln yen) • Tax adjustment with regard to the above four items (-6.0 bln yen) • Reduction in tax expenses resulting from the sale of Olympus Corporation shares² (+12.7 bln yen)
FY20	1,171.8 bln yen	900.5 bln yen	<ul style="list-style-type: none"> • Unrealized gain on an unlisted equity security (+14.6 bln yen) • Unrealized gain on an equity security whose lockup restriction will expire within one year (+11.2 bln yen) • Gain on the sale of a portion of shares of Pledis Entertainment Co., Ltd. (Music segment: +6.5 bln yen) • Gain recorded in connection with a business transfer (Music segment: +5.4 billion yen) • Impairment charge against long-lived assets in the nursing care business (Financial Services segment: -7.4 bln yen) • Inventory write-downs of certain image sensors for mobile products (I&SS segment: -7.2 bln yen) • Expenses related to the Sony Global Relief Fund for COVID-19 (Corporate and elimination: -5.3 bln yen) • Tax adjustment with regard to the above seven items (-3.8 bln yen) • Reduction in tax expense due to the adjustment of valuation allowances against deferred tax assets of Sony Group Corporation and its national tax filing group in Japan (for national tax: +214.9 bln yen, for local tax: +7.6 bln yen) • Reduction in tax expense due to the adjustment of valuation allowances against deferred tax assets of the consolidated tax filing group in the United States (for foreign tax credits: +21.3 bln yen, for research and development credits: +13.6 bln yen)
Change from FY19	+589.6 bln yen	+350.2 bln yen (+64%)	

¹ These monetary amounts are disclosed in the Quarterly Financial Statements, the Presentation Slides and the Quarterly Securities Reports for the relevant quarters.

² Tax benefit resulting from the actual tax expense related to the gain on the sale of Olympus Corporation shares being lower than the deferred tax liabilities recorded for the unrealized gain resulting from the revaluation of those shares.

Adjusted net income attributable to Sony Group Corporation's stockholders is not a measure in accordance with US GAAP. However, Sony believes that this disclosure may be useful information to investors.

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Adjusted Net Income Attributable to Sony Group Corporation's Stockholders

FY19

(Bln Yen)

	Income Before Income Taxes	Taxes	Effective Tax Rate	Net Income Attributable to Sony Group Corporation's Stockholders
Financial results	799.5	177.2	22.2%	582.2
Adjusted items impacting effective tax rate				
Reduction in tax expense resulting from the sale of Olympus Corporation shares	-	+12.7	-	-12.7
Subtotal	799.5	189.9	23.8%	569.5
Other Adjusted items*	-25.1	-6.0	23.8%	-19.2
Adjusted results	774.3	183.9	23.8%	550.3

FY20

	Income Before Income Taxes	Taxes	Effective Tax Rate	Net Income Attributable to Sony Group Corporation's Stockholders
Financial results	1,192.4	1.0	0.1%	1,171.8
Adjusted items impacting effective tax rate				
Reversal of valuation allowances recorded against deferred tax assets of consolidated tax filing group in Japan	-	+222.5	-	-222.5
Reversal of valuation allowances recorded against deferred tax assets of consolidated tax filing group in the United States	-	+34.9	-	-34.9
Subtotal	1,192.4	258.4	21.7%	914.4
Other adjusted items *	-17.8	-3.8	21.7%	-13.9
Adjusted results	1,174.6	254.5	21.7%	900.5

* See page 8 for details regarding adjusted items

Adjusted results are not a measure in accordance with US GAAP. However, Sony believes that this disclosure may be useful information to investors.

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Adjusted Net Income Attributable to Sony Group Corporation's Stockholders (Q4)

	Net Income Attributable to Sony Group Corporation's Stockholders	Adjusted Net Income Attributable to Sony Group Corporation's Stockholders	Adjusted Net Income Attributable to Sony Group Corporation's Stockholders excludes the following items*
Q4 FY19	12.6 bln yen	12.6 bln yen	
Q4 FY20	107.0 bln yen	71.2 bln yen	<ul style="list-style-type: none"> Unrealized gain on an unlisted equity security (+14.6 bln yen) Gain from the reversal of inventory write-downs of certain image sensors for mobile products previously recorded in Q2 FY20 (I&SS segment: +1.8 bln yen) Impairment charge against long-lived assets in the nursing care business (Financial Services segment: -7.4 bln yen) Expenses related to the Sony Global Relief Fund for COVID-19 (Corporate and elimination: -0.6 bln yen) Tax adjustment with regard to the above four items (-1.5 bln yen) Reduction in tax expense due to the adjustment of the valuation allowance against deferred tax assets of Sony Group Corporation and its national tax filing group in Japan (+7.6 bln yen) Reduction in tax expense due to the adjustment of the valuation allowance against deferred tax assets of the consolidated tax filing group in the United States (+21.3 bln yen)
Change from FY19	+94.4 bln yen	+58.5 bln yen (+465%)	

* These monetary amounts are disclosed in the Quarterly Financial Statements, the Presentation Slides and the Quarterly Securities Reports for the relevant quarters.

Adjusted net income attributable to Sony Group Corporation's stockholders is not a measure in accordance with US GAAP. However, Sony believes that this disclosure may be useful information to investors.

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FY2020 Cash Flow (CF) by Segment (Sony without Financial Services)

		FY19	FY20
Game & Network Services (G&NS)	Operating CF	+180.5	+440.3
	Investing CF	-73.2	-71.9
	Free CF*1	+107.3	+368.4
Music	Operating CF	+121.1	+159.0
	Investing CF	-56.2	-63.9
	Free CF	+64.9	+95.1
Pictures	Operating CF	+141.5	+134.0
	Investing CF	-40.5	-30.3
	Free CF	+101.0	+103.7
Electronics Products & Solutions (EP&S)	Operating CF	+123.8	+210.3
	Investing CF	-108.9	-97.4
	Free CF	+14.9	+112.9
Imaging & Sensing Solutions (I&SS)	Operating CF	+308.9	+233.8
	Investing CF	-224.6	-282.8
	Free CF	+84.3	-49.0
All Other, Corporate and elimination and Adjustment *2	Operating CF	-112.9	-55.2
	Investing CF	+140.3	-34.9
	Free CF	+27.4	-90.1
Consolidated total without Financial Services	Operating CF	+762.9	+1,122.2
	Investing CF	-363.1	-581.2
	Free CF	+399.8	+541.0

The calculation of Investing CF for each segment differs from the calculation of the Statement of Cash Flows for Sony without Financial Services (See page F-12 of "FY20 Financial Statements") as follows:

- Increases and decreases in fixed-term deposits held by each segment are excluded from Investing CF

- Expenditures for finance leases are included in Investing CF (instead of Financial CF)

- Expenditures for operating leases are excluded from Operating CF and included in Investing CF.

These result in the following amounts being adjusted in each of the Operating CF and the Investing CF figures shown above:

(FY19 Operating CF)G&NS: 11.5 bln yen, Music: 9.8 bln yen, Pictures: 7.1 bln yen, EP&S: 26.4 bln yen, I&SS: 7.5 bln yen, All Other and Corporate and elimination: -2.2 bln yen, Adjustment* -60.1 bln yen

(FY19 Investing CF)G&NS: -11.8 bln yen, Music: -29.4 bln yen, Pictures: -7.1 bln yen, EP&S: -40.2 bln yen, I&SS: -8.6 bln yen, All Other and Corporate and elimination: -17.7 bln yen, Adjustment* 114.8 bln yen

(FY20 Operating CF)G&NS: 11.8 bln yen, Music: 11.2 bln yen, Pictures: 7.0 bln yen, EP&S: 25.3 bln yen, I&SS: 8.9 bln yen, All Other and Corporate and elimination: -1.8 bln yen, Adjustment* -62.4 bln yen

(FY20 Investing CF)G&NS: -11.2 bln yen, Music: -11.8 bln yen, Pictures: -7.0 bln yen, EP&S: -27.7 bln yen, I&SS: -9.9 bln yen, All Other and Corporate and elimination: -2.5 bln yen, Adjustment* 70.1 bln yen

*1 Free CF is the total of Operating CF and Investing CF.

*2 "Adjustment" is the total corrected for the above adjustments made to the Operating CF and the Investing CF for each segment.

Operating cash flow by segment, investing cash flow by segment and free cash flow are not measures in accordance with US GAAP. However, Sony believes that this disclosure may be useful information to investors.

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Q4 FY2020 Results by Segment

(Bln Yen)

		Q4 FY19	Q4 FY20	Change	FX Impact
Game & Network Services (G&NS)	Sales	433.6	660.3	+226.7	+3.7
	Operating income	46.2	33.0	-13.1	+7.5
Music	Sales	211.4	267.4	+56.0	-4.1
	Operating income	30.3	40.6	+10.3	
Pictures	Sales	329.1	200.2	-129.0	-5.6
	Operating income	23.0	1.8	-21.3	
Electronics Products & Solutions (EP&S)	Sales	363.4	435.2	+71.8	+2.2
	Operating income	-59.5	-11.5	+48.0	+5.4
Imaging & Sensing Solutions (I&SS)	Sales	231.2	232.3	+1.1	-5.4
	Operating income	34.5	20.2	-14.3	-3.6
Financial Services	Revenue	186.4	422.9	+236.5	
	Operating income	12.1	27.1	+15.0	
All Other	Sales	40.7	53.5	+12.8	
	Operating income	-4.2	-3.5	+0.7	
Corporate and elimination	Sales	-47.1	-51.4	-4.3	
	Operating income	-46.9	-41.3	+5.6	
Consolidated total	Sales	1,748.7	2,220.4	+471.7	
	Operating income	35.4	66.5	+31.0	

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FY2020 Results by Segment

(Bln Yen)

		FY19	FY20	Change	FX Impact
Game & Network Services (G&NS)	Sales	1,977.6	2,656.3	+678.7	-15.1
	Operating income	238.4	342.2	+103.8	+15.3
Music	Sales	849.9	939.9	+90.0	-14.3
	Operating income	142.3	188.1	+45.7	
Pictures	Sales	1,011.9	758.8	-253.1	-19.4
	Operating income	68.2	80.5	+12.3	
Electronics Products & Solutions (EP&S)	Sales	1,991.3	1,920.7	-70.5	-17.1
	Operating income	87.3	139.2	+51.9	+6.6
Imaging & Sensing Solutions (I&SS)	Sales	1,070.6	1,012.5	-58.1	-21.4
	Operating income	235.6	145.9	-89.7	-8.6
Financial Services	Revenue	1,307.7	1,668.9	+361.2	
	Operating income	129.6	164.6	+35.0	
All Other	Sales	251.4	229.3	-22.2	
	Operating income	16.3	11.4	-4.9	
Corporate and elimination	Sales	-200.4	-187.0	+13.5	
	Operating income	-72.2	-99.9	-27.7	
Consolidated total	Sales	8,259.9	8,999.4	+739.5	
	Operating income	845.5	971.9	+126.4	

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

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FY2021 Consolidated Results Forecast

(Bln Yen)

	FY19 (US GAAP)	FY20 (US GAAP)	FY21 FCT (IFRS)	Change from FY20 (Reference)*
Sales	8,259.9	8,999.4	9,700	+700.6 bln yen (+8%)
Operating income	845.5	971.9	930	-41.9 bln yen (-4%)
Income before income taxes	799.5	1,192.4	905	-287.4 bln yen (-24%)
Net income attributable to Sony Group Corporation's stockholders	582.2	1,171.8	660	-511.8 bln yen (-44%)
Operating Cash Flow (Sony without Financial Services)	762.9	1,122.2	910	-212.2 bln yen (-19%)
Average rate	Actual	Actual	Assumption	Dividend per Share (Planned)
1 US dollar	108.7 yen	106.1 yen	Approx. 107 yen	Interim 30 yen
1 Euro	120.8 yen	123.7 yen	Approx. 126 yen	Year-end Undecided

Because Sony will voluntarily adopt IFRS starting in Q1 FY21, the forecast is based on IFRS (applies to all following pages). For the major expected impacts of the voluntary adoption of IFRS on Sony's consolidated financial statements, please refer to page 28 to page 35, "Effects of Transition to International Financial Reporting Standards (IFRS) as of February 3, 2021."

* Direct comparisons of the US GAAP-based results for FY20 and the IFRS-based results forecast for FY21 (applies to all following pages).

Consolidated Operating Cash Flow (Sony without Financial Services) is not a measure in accordance with US GAAP and IFRS. However, Sony believes that this disclosure may be useful information to investors.

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FY2021 Consolidated Results Forecast: Change from FY2020

	Change from FY20	Contributing Factors (+) Increase / (-) Decrease
Sales	+700.6 bln yen +8%	·(+) Significant increase in Pictures segment sales and increases in G&NS and EP&S segment sales ·(-) Significant decrease in Financial Services segment sales
Operating income	-41.9 bln yen -4%	·(-) Decreases in Music, G&NS and I&SS segment operating income ·(+) Increases in EP&S, Financial Services and Pictures segment operating income
Net Income Attributable to Sony Group Corporation's Stockholders	-511.8 bln yen -44%	·(-) Decrease in income before income taxes ·(-) Increase in tax expense following the reversal of valuation allowances recorded against deferred tax assets in FY20

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FY2021 Results Forecast by Segment [Reclassified]

(Bln Yen)

		FY20 (US GAAP)	FY21 FCT (IFRS)	Change from FY20 (Reference)
Game & Network Services (G&NS)	Sales	2,656.3	2,900	+243.7
	Operating income	342.2	325	-17.2
Music	Sales	939.9	990	+50.1
	Operating income	188.1	162	-26.1
Pictures	Sales	758.8	1,140	+381.2
	Operating income	80.5	83	+2.5
Electronics Products & Solutions (EP&S)*	Sales	2,066.5	2,260	+193.5
	Operating income	134.1	148	+13.9
Imaging & Sensing Solutions (I&SS)	Sales	1,012.5	1,130	+117.5
	Operating income	145.9	140	-5.9
Financial Services	Revenue	1,668.9	1,400	-268.9
	Operating income	164.6	170	+5.4
All Other, Corporate and elimination*	Operating income	-83.4	-98	-14.6
Consolidated total	Sales	8,999.4	9,700	+700.6
	Operating income	971.9	930	-41.9

* Due to organizational changes as of April 1, 2021, from Q1 FY21, Sony will transfer some of the businesses and functions previously included within All Other and Corporate and elimination to the EP&S segment, and make changes to the business segment classification for performance reporting. As a result of this segment change, sales and operating income (loss) for EP&S and All Other, Corporate and elimination for FY20 have been reclassified to conform to the presentation for FY21.

This reclassification is not a measure in accordance with US GAAP. However, Sony believes that this disclosure may be useful information to investors. For a reconciliation of figures in accordance with US GAAP, see pages 7 and 8 of the "FY20 Financial Statements" (applies to all following pages).

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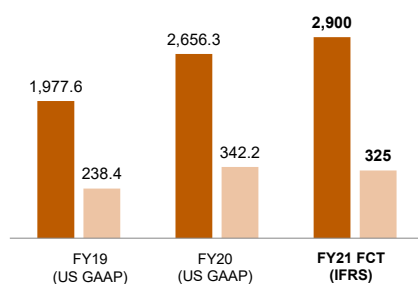
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Game & Network Services Segment ("G&NS Segment")

Sales and Operating Income

■ Sales
■ Operating Income

(Bln Yen)



FY2020 (year-on-year)

- Sales: 678.7 bln yen (34%) significant increase (FX Impact: -15.1 bln yen)
 - (+) Increase in game software sales including add-on content
 - (+) Increase in hardware sales due to PlayStation®5 (PS5™) launch
- OI: 103.8 bln yen significant increase (FX Impact: +15.3 bln yen)
 - (+) Increase in game software sales
 - (+) Increase in Network Services sales, mainly from PlayStation®Plus
 - (-) Loss resulting from strategic price points for PS5™ hardware that were set lower than the manufacturing costs
 - (-) Increase in selling, general and administrative expenses related to the launch of PS5™

FY2021 Forecast (year-on-year)

- Sales: 243.7 bln yen (9%) increase
 - (+) Increase in hardware unit sales
 - (+) Impact of foreign exchange rates
 - (-) Decrease in sales of non-first-party titles including add-on content
- OI: 17.2 bln yen decrease
 - (-) Decrease in sales of non-first-party titles including add-on content
 - (-) Increase in costs, mainly for game software development
 - (+) Increase in revenues from first-party titles
 - (+) Improvement in hardware profitability

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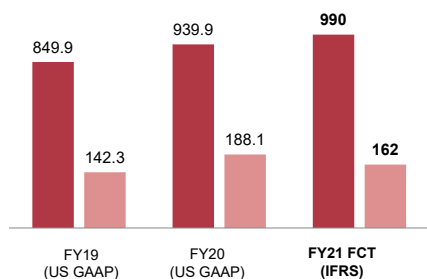
17

Music Segment

Sales and Operating Income

■ Sales
■ Operating Income

(Bln Yen)



FY2020 (year-on-year)

- Sales: 90.0 bln yen (11%) significant increase (FX Impact: -14.3 bln yen)
 - (+) Increase in revenues from streaming services for Recorded Music
 - (+) Higher sales for Visual Media and Platform
 - (+) Increase in anime business sales primarily reflecting the contribution of *Demon Slayer – Kimetsu no Yaiba – the Movie: Mugen Train*
 - (+) Increase in revenues from mobile game applications
- OI: 45.7 bln yen significant increase
 - (+) Impact of increase in sales
 - (+) Gain recorded on the sale of a portion of shares of Pledis (6.5 bln yen)
 - (+) Gain recorded in connection with the transfer of an overseas business (5.4 bln yen)

FY2021 Forecast (year-on-year)

- Sales: 50.1 bln yen (5%) increase
 - (+) Higher sales for Recorded Music and Music Publishing resulting from an increase in revenues from streaming services
 - (-) Lower sales for Visual Media and Platform
 - (-) Decrease in contribution from *Demon Slayer – Kimetsu no Yaiba – the Movie: Mugen Train* which was released in FY20
 - (-) Decrease in revenues from mobile game applications
- OI: 26.1 bln yen decrease
 - (-) Impact of lower sales for Visual Media and Platform
 - (-) Absence of gain recorded on the sale of a portion of shares of Pledis in FY20 (6.5 bln yen)
 - (-) Absence of gain recorded in connection with the transfer of an overseas business in FY20 (5.4 bln yen)
 - (+) Impact of increase in sales for Recorded Music and Music Publishing

18

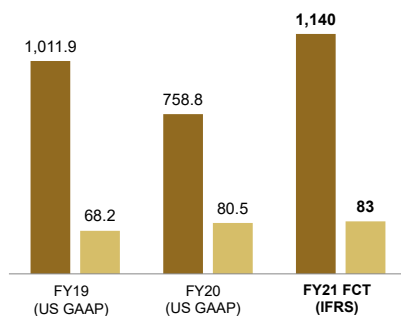
18

Pictures Segment

Sales and Operating Income

■ Sales
■ Operating Income

(Bln Yen)



FY2020 (year-on-year)

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

- Sales: 253.1 bln yen (25%) significant decrease (U.S. dollar basis: -2,160 mil USD / -23%)
 - (-) Decrease in theatrical revenues resulting from theater closures due to COVID-19
 - (-) Decrease in sales for Television Productions due to lower deliveries of new shows as a result of COVID-19
 - (+) Higher home entertainment sales from prior year and catalog titles
- OI: 12.3 bln yen increase
 - (+) Lower theatrical marketing costs in Motion Pictures
 - (+) Higher home entertainment sales from prior year and catalog titles
 - (+) Decrease in charges related to the channel portfolio review in Media Networks (-17.0 billion yen in FY19 and -5.0 billion yen in FY20)
 - (-) Decrease in sales

FY2021 Forecast (year-on-year)

- Sales: 381.2 bln yen (50%) significant increase
 - (+) Increase in sales for Motion Pictures resulting from an increase in theatrical releases as theaters reopen
 - (+) Increase in sales for Television Productions including revenues from the licensing of *Seinfeld*
 - (+) Increase in sales for Media Networks
- OI: 2.5 bln yen increase
 - (+) Impact of increase in sales
 - (-) Increase in marketing costs in support of upcoming theatrical releases

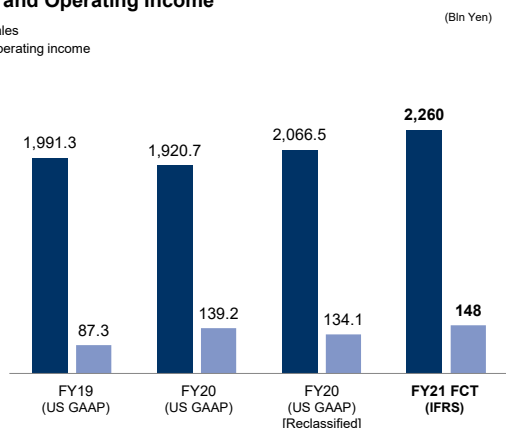
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Electronics Products & Solutions Segment (“EP&S Segment”)

Sales and Operating Income

■ Sales
■ Operating income



Mobile Communications*1
(Included above)

Sales to External Customers	362.1	358.6
Operating Income	-21.1	27.7

*1 Mobile Communications includes the smartphone business and internet-related service business.
*2 Comparison with FY20 results after reclassification. For further details about the reclassification, see page 16.

FY2020 (year-on-year)

- Sales: 70.5 bln yen (4%) decrease (FX Impact: -17.1 bln yen)
 - (-) Decrease in sales of digital cameras, broadcast- and professional-use products and Audio and Video due to lower unit sales
 - (-) Impact of foreign exchange rates
 - (+) Increase in sales of televisions due to an improvement in the product mix
- OI: 51.9 bln yen significant increase (FX Impact: +6.6 bln yen)
 - (+) Reductions in operating costs, mainly within Mobile Communications
 - (+) Improvement in the product mix of televisions and digital cameras
 - (-) Impact of decrease in sales

FY2021 Forecast (year-on-year*2)

- Sales: 193.5 bln yen (9%) increase
 - (+) Increase in sales of televisions due to an improvement in the product mix
 - (+) Increase in sales of digital cameras due to higher unit sales
 - (+) Impact of foreign exchange rates
- OI: 13.9 bln yen increase
 - (+) Impact of increase in sales
 - (+) Positive impact of foreign exchange rates
 - (-) Increase in costs resulting from an increase in sales

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Imaging & Sensing Solutions Segment (“I&SS Segment”)

Sales and Operating Income

■ Sales
■ Operating Income

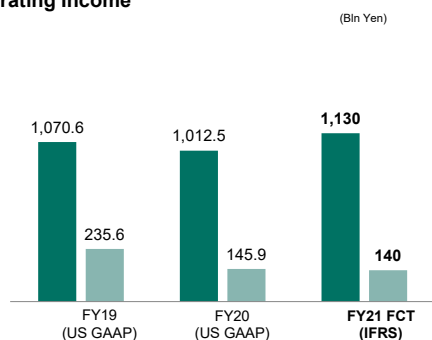


Image Sensors Sales	930.2	872.2	970
Additions to long-lived assets for I&SS Segment	276.8	194.0	305
for Image Sensors (included above)	265.7	180.0	285

FY2020 (year-on-year)

- Sales: 58.1 bln yen (5%) decrease (FX Impact: -21.4 bln yen)
 - (-) Decrease in sales of image sensors for mobile products
 - (-) Deterioration of the product mix
 - (+) Increase in unit sales
 - (-) Impact of foreign exchange rates
 - (-) Decrease in sales of image sensors for digital cameras due to a decrease in unit sales
- OI: 89.7 bln yen significant decrease (FX Impact: -8.6 bln yen)
 - (-) Increase in research and development expenses as well as depreciation and amortization expenses
 - (-) Impact of decrease in sales
 - (-) Negative impact of foreign exchange rates
 - (-) Inventory write-downs of certain image sensors for mobile products (-7.2 bln yen)

FY2021 Forecast (year-on-year)

- Sales: 117.5 bln yen (12%) significant increase
 - (+) Increase in sales of image sensors for mobile products
 - (+) Increase in unit sales
 - (-) Deterioration of the product mix
 - (+) Increase in sales of image sensors for digital cameras due to an increase in unit sales
- OI: 5.9 bln yen decrease
 - (-) Increase in research and development expenses as well as depreciation and amortization expenses
 - (+) Impact of increase in sales

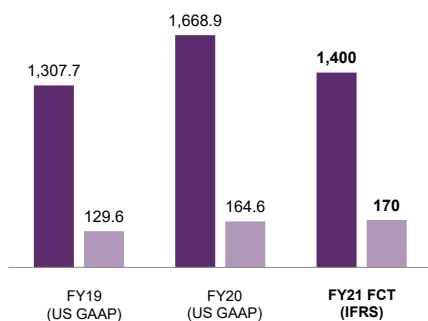
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Financial Services Segment

Financial Services Revenue and Operating Income

■ Financial Services Revenue
■ Operating Income (Bln Yen)



FY2020 (year-on-year)

- Revenue: 361.2 bln yen (28%) significant increase
 - (+) Significant increase in revenue at Sony Life (299.2 bln yen increase, revenue: 1,470.9 bln yen)
 - (+) Increase in gains on investments in the separate accounts
 - (-) Decrease in premiums (decrease in premiums from single premium insurance, partially offset by increase in policy amount in force)
 - (+) Improvement in valuation gains and losses on securities at Sony Bank
- OI: 35.0 bln yen significant increase
 - (+) Improvement in valuation gains and losses on securities at Sony Bank
 - (+) Decline in the loss ratio for automobile insurance at Sony Assurance
 - (+) Increase in OI at Sony Life (4.5 bln yen increase, OI: 128.0 bln yen)
 - (+) Decrease in the provision of policy reserves, driven by the improvement in the stock market and an increase in interest rates
 - (-) Deterioration in net gains and losses related to market fluctuations for variable life insurance and other products*
 - (-) Expenses recorded for various provisions related to COVID-19
 - (-) Impairment charge against long-lived assets recorded in the nursing care business

FY2021 Forecast (year-on-year)

- Revenue: 268.9 bln yen (16%) significant decrease
 - (-) Absence of the positive impact on net gains on investments in the separate accounts, resulting from positive market conditions in FY20
- OI: 5.4 bln yen increase
 - (+) Absence of the impairment charge against long-lived assets in the nursing care business recorded in FY20
 - (+) Increase in insurance premium revenue reflecting an increase in the policy amount in force at Sony Life
 - (-) Absence of the positive impact of the gains from market fluctuations in FY20 (including the impact of changes in the classification and measurement of financial instruments resulting from the adoption of IFRS in FY21)

* Overall deterioration in the provision of policy reserves for minimum guarantees for variable life insurance and other products resulting from market fluctuations, and net gains and losses on derivative transactions to hedge market risks

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Fourth Mid-Range Plan Financial Target (FY2021~FY2023)

Adjusted EBITDA[※]
3 year total

4.3 Trillion yen

EBITDA and Adjusted EBITDA are not measures in accordance with IFRS. However, Sony believes that this disclosure may be useful information to investors

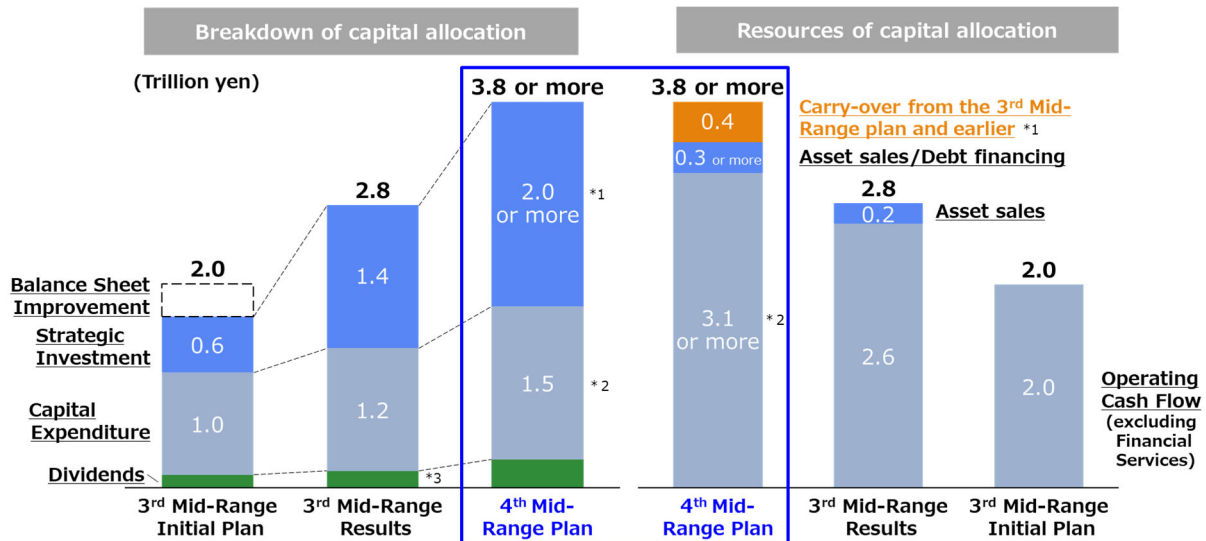
※ EBITDA is calculated by the following formula, and Adjusted EBITDA excludes the profit and loss amount that Sony deems to be non-recurring and discloses in the Quarterly Financial Statements, the Earnings Presentation Slides, the Quarterly Securities Reports and the Form 20-F. The financial figures in the fourth mid-range plan are based on IFRS.

EBITDA = Net income attributable to Sony Group Corporation's stockholders + Net income attributable to noncontrolling interests + Income taxes + Interest expenses, net, recorded in Financial income and Financial expense - Gain on revaluation of equity securities, net, recorded in Financial income and Financial expense + Depreciation and amortization expense excluding amortization for film costs included in Content assets and deferred insurance acquisition costs.

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Fourth Mid-Range Plan Capital Allocation (excluding Financial Services)



The 4th Mid-Range Plan covers FY21-FY23, and the 3rd Mid-Range Plan covered FY18-FY20.

*1 Improvements in cumulative operating CF for the 3rd Mid-Range Plan from the end of 3Q 2020 and delays in cash-outs related to strategic investments that have already been decided.

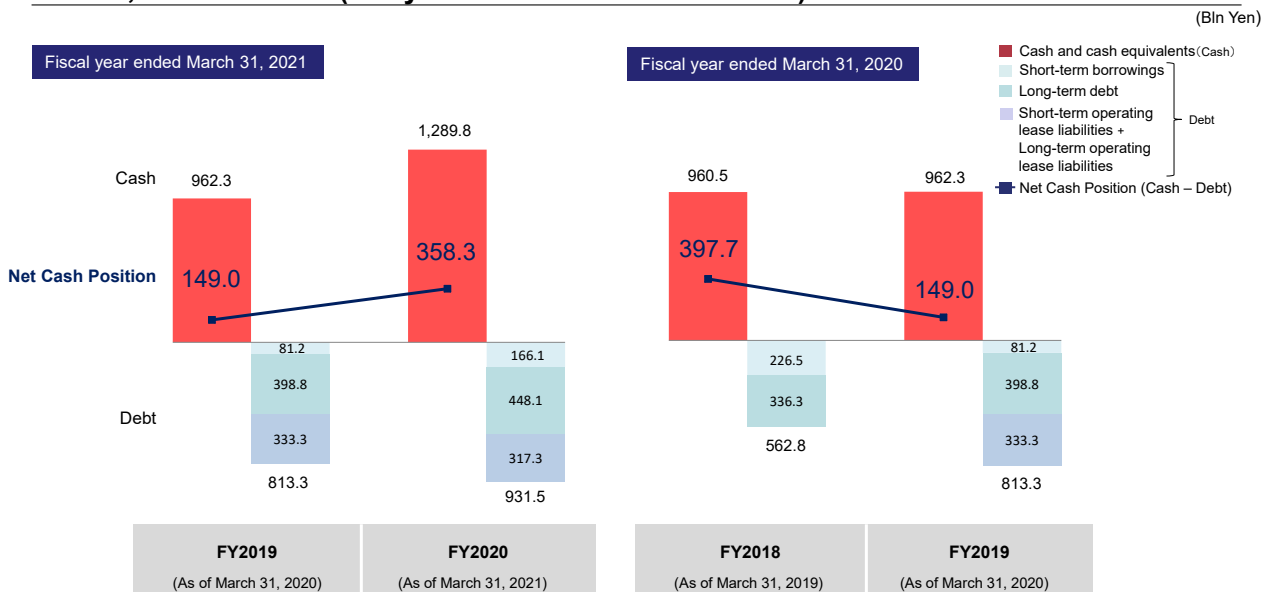
*2 The financial figures in the 4th Mid-Range Plan are based on IFRS. Operating CF includes the impacts of the differences in accounting standards for the principal payments for operating lease liabilities and the purchases and sales of content assets. Capital expenditure also includes increases in right-of-use assets related to operating lease agreements.

*3 Dividend result in the 3rd Mid-Range Plan was approximately 170 billion yen.

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Cash, Debt Balance (Sony without Financial Services)



Please refer to F-10 in "FY20 Financial Statements" and F-10 in "FY19 Financial Statements" for condensed balance sheets for Sony without Financial Services.

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FY2020 Cash Flow (CF) Analysis (Sony without Financial Services)

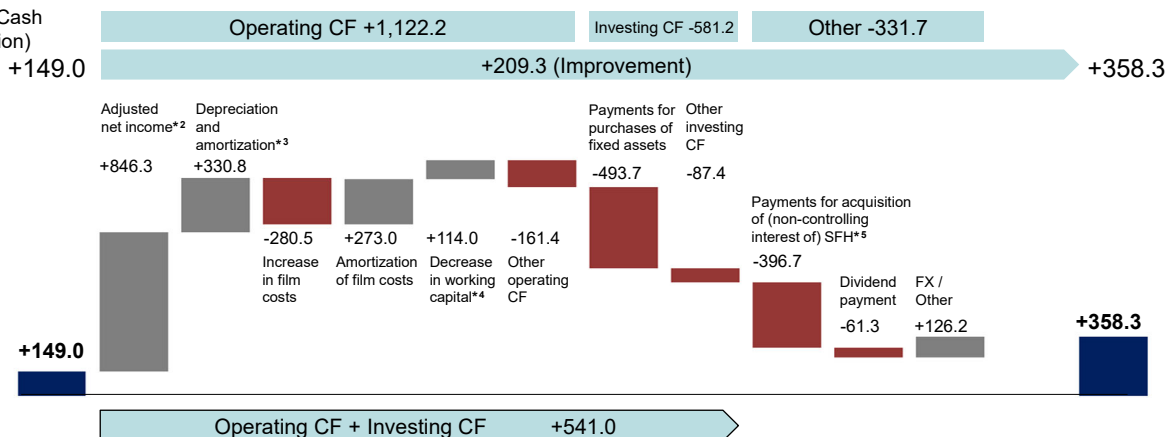
(Bln Yen)

As of March 31, 2020

As of March 31, 2021

Cash – Debt¹

(Net Cash Position)



¹ Please refer to page 25.

² This is the total of the following items contained in "FY20 Financial Statements": "Net income (loss)" + "Other operating (income) expense, net" + "(Gain) loss on marketable securities and securities investments, net" on page F-12 (Condensed Statements of Cash Flows for Sony without Financial Services).

³ This is the item contained in "FY20 Financial Statements": "Depreciation and amortization, including amortization of deferred insurance acquisition costs and contract costs" on page F-12.

⁴ This is the total of the following items contained in "FY20 Financial Statements": "(Increase) decrease in notes, accounts receivable, trade and contract assets" + "(Increase) decrease in inventories" + "Increase (decrease) in notes and accounts payable, trade" on page F-12.

⁵ Please refer to "Payment for purchase of noncontrolling interest in Sony Financial Holdings Inc." on page F-5 (Consolidated Statements of Cash Flows).

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FY2019 Cash Flow (CF) Analysis (Sony without Financial Services)

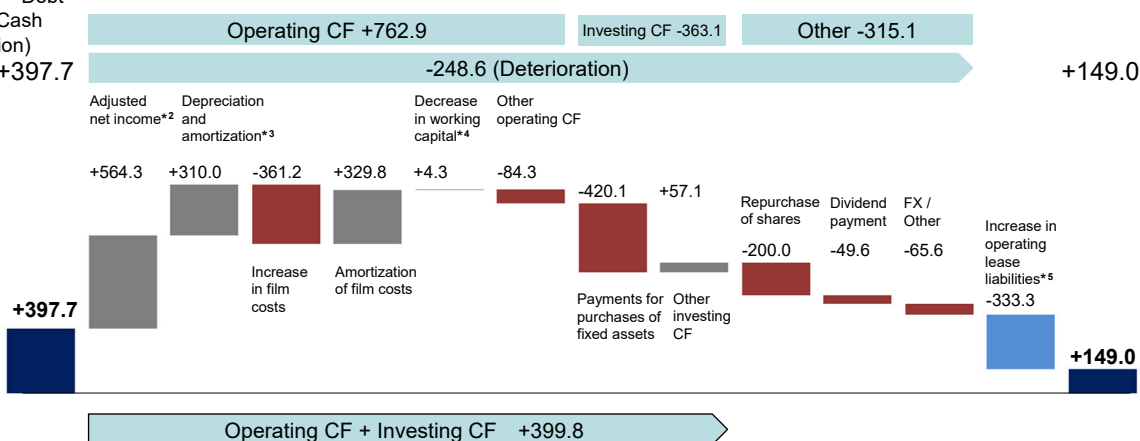
(Bln Yen)

As of March 31, 2019

As of March 31, 2020

Cash – Debt¹

(Net Cash Position)



¹ See page 25.

² This is the total of the following items contained in "FY20 Financial Statements": "Net income (loss)" + "Other operating (income) expense, net" + "(Gain) loss on marketable securities and securities investments, net" on page F-12 (Condensed Statements of Cash Flows for Sony without Financial Services).

³ This is the item contained in "FY20 Financial Statements": "Depreciation and amortization, including amortization of deferred insurance acquisition costs and contract costs" on page F-12.

⁴ This is the total of the following items contained in "FY20 Financial Statements": "(Increase) decrease in notes, accounts receivable, trade and contract assets" + "(Increase) decrease in inventories" + "Increase (decrease) in notes and accounts payable, trade" on page F-12.

⁵ This is the total of the following items contained in "FY20 Financial Statements": "Short-term operating lease liabilities" + "Long-term operating lease liabilities" on page F-10 (Condensed balance sheets for Sony without Financial Services).

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Effects of Transition to International Financial Reporting Standards (IFRS)

February 3, 2021

Sony Corporation

(Note) This reference material is to provide investors with an understanding of Sony's IFRS-based results forecast for the fiscal year ending March 31, 2022, by reprinting the material released on February 3, 2021.

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Notes Regarding the Material

As announced in the "Notice Regarding Voluntary Adoption of International Financial Reporting Standards (IFRS)" dated February 3, 2021, Sony has decided to voluntarily adopt IFRS beginning in the fiscal year starting April 1, 2021 in lieu of the currently applied generally accepted accounting principles in the United States ("U.S. GAAP"). This material was prepared for the purpose of explaining the major expected impacts of the adoption of IFRS on Sony's consolidated financial statements. The information contained in this material is preliminary, is unaudited and does not necessarily reflect every impact of the adoption of IFRS on Sony's consolidated financial statements and therefore may differ from Sony's actual financial information based on IFRS to be disclosed at a later date. In addition, this material does not constitute an offer of securities for sale in the United States or any other jurisdiction.

Sony plans to disclose its consolidated financial statements in accordance with IFRS from the first quarter of the fiscal year ending March 31, 2022. Planned disclosure for each accounting period is as follows:

Accounting period	Disclosure materials	Accounting standards applied
Fiscal year ending March 31, 2021	Earnings release (financial statements and outlook) Consolidated financial statements pursuant to the Companies Act of Japan Annual Securities Report / Form 20-F	U.S. GAAP*
First quarter and subsequent quarters of the fiscal year ending March 31, 2022	Quarterly earnings release (quarterly financial statements and outlook) Quarterly Securities Report	IFRS
Fiscal year ending March 31, 2022	Earnings release (financial statements and outlook) Consolidated financial statements pursuant to the Companies Act of Japan Annual Securities Report / Form 20-F	IFRS

* The forecast for the fiscal year ending March 31, 2022 to be included in the earnings release for the fiscal year ending March 31, 2021 will be based on IFRS.

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Major Impacts on IFRS Balance Sheet as of April 1, 2020, Transition Date

(Bln yen / Rounded and Unaudited)

U.S. GAAP		IFRS		U.S. GAAP
	+1,934.4			
Assets 23,032.7	(1) Increase in investments due to a change in the measurement method of debt securities at Sony Life Insurance Co., Ltd. ("Sony Life") +2,433.7 Decrease in deferred acquisition costs related to the above change -413.0 (2) Decrease in goodwill due to a change in the testing units under IFRS -96.8	Assets 24,967.1	Liabilities 18,972.6	Liabilities 18,248.3
		Equity 5,994.5		Equity 4,784.4
			+724.3	
			(1) Increase in insurance liabilities and deferred tax liabilities related to a change in the measurement method of debt securities at Sony Life +761.1	
			+1,210.1	
			(1) Increase in accumulated other comprehensive income and noncontrolling interests related to a change in the measurement method of debt securities at Sony Life +1,259.6	
			(3)&(4) Transfer of cumulative translation adjustments on foreign operations and adjustment of remeasurements of defined benefit liabilities from accumulated other comprehensive income to retained earnings*	

* The total balance of equity is not affected as these reclassifications occur within equity.

The numbers (1) to (4) above correspond to the numbers of the items described on p.31-32 of this material.

The balances presented as U.S. GAAP are adjusted to reflect the adoption of the new accounting standards from the balances disclosed in Sony's most recent Form 20-F. (Refer to p.30-31 of Sony's Quarterly Securities Report for the three months ended September 30, 2020).

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Major Impacts on Balance Sheets from IFRS Transition

Item	U.S. GAAP	IFRS	Detail
(1) Measurement method for debt securities such as bonds held by Sony Life	Amortized cost measurement	Fair value measurement ("FVOCI")*1	<ul style="list-style-type: none"> Expected to adopt fair value measurement method for debt securities held for ALM*2 purposes in accordance with classification requirements of financial assets under IFRS As a result of the change in the fair value measurement, it will impact the remeasurement of deferred insurance acquisition costs and insurance liabilities of the related insurance contracts Expected to record the impact in accumulated other comprehensive income in equity (net of tax effects and noncontrolling interests adjustments)
(2) Impairment testing units for goodwill	Reporting unit (operating segment or one level below an operating segment)	CGU*3 or group of CGUs that is expected to benefit from the synergies of business combinations	<ul style="list-style-type: none"> Because certain CGUs are grouped at a lower level than a reporting unit, the goodwill was allocated to multiple CGUs As a result of required impairment tests as of the transition date, goodwill allocated to certain CGUs (including businesses already sold or disposed) is expected to be determined irrecoverable and impairment losses will be recognized in retained earnings

*1 Fair Value through Other Comprehensive Income (method in which gains or losses from fair value measurements are recognized in other comprehensive income).

*2 Asset-liability management ("ALM") indicates the practice of managing assets and liabilities comprehensively against interest rate risk of insurance liabilities.

*3 Cash-generating unit ("CGU") is the smallest group for internal management purposes that generates cash flows largely independently from other groups.

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Major Impacts on Balance Sheets from IFRS Transition

Item	U.S. GAAP	IFRS	Detail
(3) Translation adjustments on foreign operations	—	Optionally able to elect the cumulative translation adjustments balance to be zero at the transition date	■ Expected to elect cumulative translation adjustments to be zero at the transition date and to transfer it from accumulated other comprehensive income to retained earnings*
(4) Adjustment of remeasurements of defined benefit liabilities (actuarial gains and losses)	Recognize in accumulated other comprehensive income	Recognize in accumulated other comprehensive income and transfer to retained earnings immediately	■ Expected to retrospectively apply accounting policies under IFRS and transfer the adjusted balance as of the transition date from accumulated other comprehensive income to retained earnings*

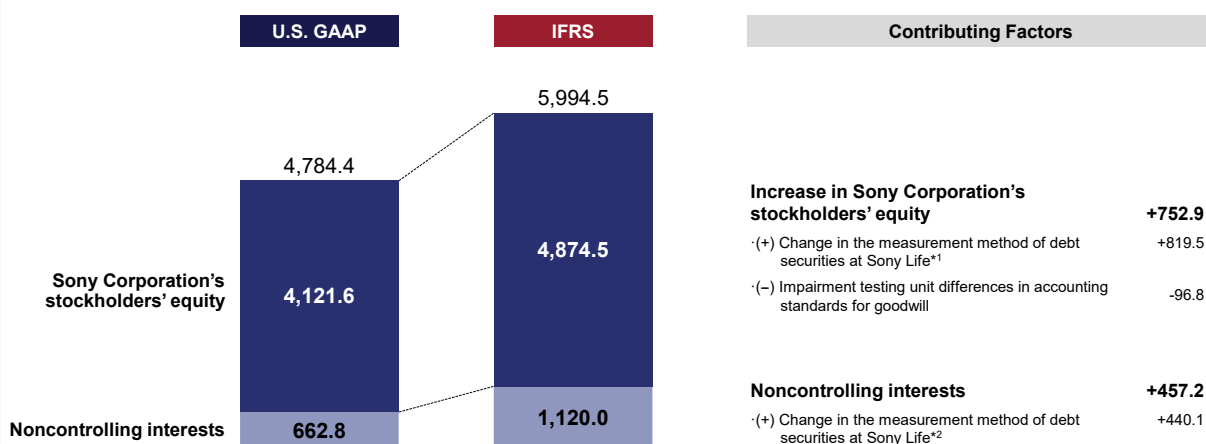
* The total balance of equity is not affected as these reclassifications occur within equity.

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Major Impacts on Equity of IFRS Balance Sheet as of April 1, 2020, Transition Date

(Bln yen / Rounded and Unaudited)



*1 Until FY2023, when IFRS 17 "Insurance Contracts" becomes effective for Sony Life, which is included in the Financial Services segment, the asset side is measured at fair value based on IFRS 9 "Financial Instruments" by being recorded through accumulated other comprehensive income on the balance sheet and as a result Sony Corporation's stockholders' equity is expected to increase temporarily. This will be a factor that lowers the consolidated return on equity (ROE) when calculated under IFRS as compared to the calculation prepared under the application of U.S. GAAP.

*2 Sony Financial Holdings Inc. ("SFH") became a wholly-owned subsidiary on September 2, 2020; however, because the balances presented above are as of April 1, 2020, the amounts do not reflect the full acquisition of SFH. After the full acquisition, an increase in noncontrolling interests related to a change in the measurement method of debt securities at Sony Life is expected to be treated as an increase in Sony Corporation's stockholders' equity.

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Major Impacts on Profit or Loss from IFRS Transition

Item	U.S. GAAP	IFRS	Detail
Impacts on sales and operating income			
<ul style="list-style-type: none"> Financial services revenue and expenses <p>Changes in classification and measurement method for financial instruments held in the Financial Services segment:</p>			
E.g., changes in measurement method for certain debt securities held by Sony Bank Inc.	Elected to record unrealized gains or losses in financial services revenue	Amortized cost measurement	<ul style="list-style-type: none"> No recording of unrealized gains or losses from fair value measurements under IFRS
Impacts on income before income taxes and net income attributable to Sony Corporation's stockholders			
<ul style="list-style-type: none"> Other income or expenses 			
Impacts expected from excluding gains and losses on equity securities such as stocks	Other income or expenses	Other comprehensive income	<ul style="list-style-type: none"> Expected to elect to not record in profit or loss under IFRS*
* Except for certain securities			

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Major Impacts on Cash Flow from IFRS Transition

Item	U.S. GAAP	IFRS	Detail
Consolidated			
Principal payments for operating lease liabilities	Operating activities	Financing activities	<ul style="list-style-type: none"> Cash flow from operating activities increases compared to U.S. GAAP
Purchases and sales of content assets* ¹	Investing activities* ²	Operating activities	<ul style="list-style-type: none"> Cash flow from operating activities decreases when content assets are purchased compared to U.S. GAAP
Financial Services			
Fund management (investments and advances)	Investing activities	Operating activities	<ul style="list-style-type: none"> Under U.S. GAAP, classification of these items is defined by the nature of transactions, while IFRS allows the principal revenue-producing activities to be classified in operating activities
Financing (deposits from customers, repurchase agreement, secured call money, etc.)	Financing activities	Operating activities	
Policyholders' account in the life insurance business	Financing activities	Operating activities	

*¹ Content assets include music catalogs, artist contracts, music distribution rights, film costs, etc.

*² Except for film costs, which are classified in operating activities under U.S. GAAP

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Notes

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, 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.

*Sony/ATV Music Publishing LLC, which operates EMI Music Publishing Ltd., changed its trade name to Sony Music Publishing LLC as described in the news release titled "Introducing the New Sony Music Publishing" dated February 12, 2021.

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 operating income (loss) for that segment.

This information is not a substitute for Sony's consolidated financial statements measured in accordance with US GAAP. 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, Pictures and Financial Services 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".

The Financial Services segment results include Sony Financial Holdings Inc. ("SFH") and SFH's consolidated subsidiaries such as Sony Life Insurance Co., Ltd. ("Sony Life"), Sony Assurance Inc., and Sony Bank Inc. The results of Sony Life discussed in the Financial Services segment differ from the results that SFH and Sony Life disclose separately on a Japanese statutory basis.

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Cautionary Statement

Statements made in this presentation 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. Please note that Sony discloses its forecast for consolidated results for the fiscal year ending March 31, 2022 based on International Financial Reporting Standards (IFRS). 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 Japanese equity markets on the revenue and operating income of the Financial Services segment;
- (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 segment;
- (xvi) risks related to catastrophic disasters, 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 COVID-19 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.

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