Please be aware that, in the following remarks, statements made with respect to Sony’s current plans, estimates, strategies and beliefs and other statements that are not historical facts are forward-looking statements about the future performance of Sony. These statements are based on management’s assumptions in light of the information currently available to it, and, therefore, you should not place undue reliance on them. Sony cautions you that a number of important factors could cause actual results to differ materially from those discussed in the forward-looking statements. For additional information as to risks and uncertainties, as well as other factors that could cause actual results to differ, please refer to today’s press release, which can be accessed by visiting www.sony.com/en/SonyInfo/IR.
• Today, I will discuss the consolidated results for the third quarter ended December 31, 2021 ("FY21 Q3"), the consolidated results forecast for the fiscal year ending March 31, 2022 ("FY21") and the state of each of our business segments.
**Q3 FY2021 Consolidated Results**

<table>
<thead>
<tr>
<th></th>
<th>Q3 FY20</th>
<th>Q3 FY21</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales*</td>
<td>2,694.0</td>
<td>3,031.3</td>
<td>+337.3 bln yen (+13%)</td>
</tr>
<tr>
<td>Operating income</td>
<td>351.9</td>
<td>465.2</td>
<td>+113.3 bln yen (+32%)</td>
</tr>
<tr>
<td>Income before income taxes</td>
<td>383.8</td>
<td>461.6</td>
<td>+77.8 bln yen (+20%)</td>
</tr>
<tr>
<td>Net income attributable to</td>
<td>310.7</td>
<td>346.2</td>
<td>+35.4 bln yen (+11%)</td>
</tr>
<tr>
<td>Sony Group Corporation's stockholders per share of common stock (diluted)</td>
<td>248.50 yen</td>
<td>276.65 yen</td>
<td>+28.15 yen</td>
</tr>
<tr>
<td>Average Rate</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 US dollar</td>
<td>104.5 yen</td>
<td>113.7 yen</td>
<td></td>
</tr>
<tr>
<td>1 Euro</td>
<td>124.5 yen</td>
<td>130.1 yen</td>
<td></td>
</tr>
</tbody>
</table>

* Sony adopted International Financial Reporting Standards ("IFRS") starting in the three months ended June 30, 2021, in lieu of the previously applied generally accepted accounting principles in the United States. The results for the fiscal year ended March 31, 2021 are also presented in accordance with IFRS (applies to all following pages).

* "Sales" is used to mean "sales and financial services revenue" in accordance with IFRS (applies to all following pages).

- FY21 Q3 consolidated sales increased 13% compared to the same quarter of the previous fiscal year ("year-on-year") to 3 trillion 31.3 billion yen and consolidated operating income increased a significant 113.3 billion yen year-on-year to 465.2 billion yen. Both were record highs for the third quarter.

- Income before income taxes increased 77.8 billion yen year-on-year to 461.6 billion yen and net income attributable to Sony Group Corporation’s shareholders increased 35.4 billion yen to 346.2 billion yen.

- See pages 3 to 6 of the presentation materials for a depiction of each profit metric adjusted to exclude one-time items.
## Q3 FY2021 Results by Segment

<table>
<thead>
<tr>
<th>Segment</th>
<th>Q3 FY20 (Bln Yen)</th>
<th>Q3 FY21 (Bln Yen)</th>
<th>Change</th>
<th>FX Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Game &amp; Network Services (G&amp;NS)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>883.2</td>
<td>813.3</td>
<td>-70.0</td>
<td>+45.5</td>
</tr>
<tr>
<td>Operating income</td>
<td>80.8</td>
<td>92.9</td>
<td>+12.1</td>
<td>+2.1</td>
</tr>
<tr>
<td>Music</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>264.5</td>
<td>295.9</td>
<td>+31.4</td>
<td>+16.6</td>
</tr>
<tr>
<td>Operating income</td>
<td>59.1</td>
<td>55.1</td>
<td>-4.0</td>
<td></td>
</tr>
<tr>
<td>Pictures</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>191.2</td>
<td>461.2</td>
<td>+270.1</td>
<td>+36.3</td>
</tr>
<tr>
<td>Operating income</td>
<td>20.3</td>
<td>149.4</td>
<td>+129.1</td>
<td></td>
</tr>
<tr>
<td>Electronics Products &amp; Solutions (EP&amp;S)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>699.0</td>
<td>686.9</td>
<td>-12.1</td>
<td>+38.5</td>
</tr>
<tr>
<td>Operating income</td>
<td>103.4</td>
<td>80.0</td>
<td>-23.3</td>
<td>+7.1</td>
</tr>
<tr>
<td>Imaging &amp; Sensing Solutions (I&amp;SS)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>267.0</td>
<td>324.8</td>
<td>+57.8</td>
<td>+23.7</td>
</tr>
<tr>
<td>Operating income</td>
<td>51.4</td>
<td>64.7</td>
<td>+13.3</td>
<td>+12.0</td>
</tr>
<tr>
<td>Financial Services</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>423.0</td>
<td>471.3</td>
<td>+48.3</td>
<td></td>
</tr>
<tr>
<td>Operating income</td>
<td>39.9</td>
<td>35.2</td>
<td>-4.7</td>
<td></td>
</tr>
<tr>
<td>All Other</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>33.2</td>
<td>27.4</td>
<td>-5.7</td>
<td></td>
</tr>
<tr>
<td>Operating income</td>
<td>7.0</td>
<td>8.2</td>
<td>+1.2</td>
<td></td>
</tr>
<tr>
<td>Corporate and elimination</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>-67.1</td>
<td>-49.6</td>
<td>+17.6</td>
<td></td>
</tr>
<tr>
<td>Operating income</td>
<td>-9.8</td>
<td>-20.3</td>
<td>-10.5</td>
<td></td>
</tr>
</tbody>
</table>

### Consolidated total

<table>
<thead>
<tr>
<th></th>
<th>Q3 FY20 (Bln Yen)</th>
<th>Q3 FY21 (Bln Yen)</th>
<th>Change</th>
<th>FX Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
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<td>Operating income</td>
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<td>+113.3</td>
<td></td>
</tr>
</tbody>
</table>

**Due to organizational changes as of April 1, 2021, from Q1 FY21, Sony transferred some of the businesses and functions previously included within All Other and Corporate and elimination to the EP&S segment. Sales and operating income (loss) of each segment for FY20 are presented to conform to the organizational structure for FY21 (applies to all following pages). 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).**

- This slide shows the results by segment for FY21 Q3.
• Next, I will show the consolidated results forecast for FY21.

• Consolidated sales are expected to remain unchanged from our previous forecast of 9 trillion 900 billion yen while operating income is expected to increase 160 billion yen to 1 trillion 200 billion yen.

• We have also upwardly revised our forecast for income before income taxes to 1 trillion 155 billion yen and our forecast for net income attributable to Sony Group Corporation’s shareholders to 860 billion yen.

• Our forecast for consolidated operating cash flow excluding the Financial Services segment has increased 50 billion yen to 940 billion yen.
### FY2021 Results Forecast by Segment

<table>
<thead>
<tr>
<th>Segment</th>
<th>FY20</th>
<th>FY21 October FCT</th>
<th>FY21 February FCT</th>
<th>Change from October FCT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Game &amp; Network Services (G&amp;NS)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>2,656.3</td>
<td>2,900</td>
<td>2,730</td>
<td>-170</td>
</tr>
<tr>
<td>Operating income</td>
<td>341.7</td>
<td>325</td>
<td>345</td>
<td>+20</td>
</tr>
<tr>
<td>Music</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>939.9</td>
<td>1,070</td>
<td>1,090</td>
<td>+20</td>
</tr>
<tr>
<td>Operating income</td>
<td>184.8</td>
<td>200</td>
<td>205</td>
<td>+5</td>
</tr>
<tr>
<td>Pictures</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>753.0</td>
<td>1,180</td>
<td>1,220</td>
<td>+40</td>
</tr>
<tr>
<td>Operating income</td>
<td>79.9</td>
<td>108</td>
<td>205</td>
<td>+97</td>
</tr>
<tr>
<td>Electronics Products &amp; Solutions (EP&amp;S)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>2,068.1</td>
<td>2,280</td>
<td>2,360</td>
<td>+80</td>
</tr>
<tr>
<td>Operating income</td>
<td>127.9</td>
<td>190</td>
<td>210</td>
<td>+20</td>
</tr>
<tr>
<td>Imaging &amp; Sensing Solutions (I&amp;SS)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>1,012.5</td>
<td>1,100</td>
<td>1,070</td>
<td>-30</td>
</tr>
<tr>
<td>Operating income</td>
<td>145.9</td>
<td>150</td>
<td>150</td>
<td>-</td>
</tr>
<tr>
<td>Financial Services</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>1,674.0</td>
<td>1,490</td>
<td>1,610</td>
<td>+120</td>
</tr>
<tr>
<td>Operating income</td>
<td>154.8</td>
<td>153</td>
<td>153</td>
<td>-</td>
</tr>
<tr>
<td>All Other, Corporate and elimination</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating income</td>
<td>-79.6</td>
<td>-86</td>
<td>-68</td>
<td>+18</td>
</tr>
<tr>
<td>Consolidated total</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>8,998.7</td>
<td>9,900</td>
<td>9,900</td>
<td>-</td>
</tr>
<tr>
<td>Operating income</td>
<td>955.3</td>
<td>1,040</td>
<td>1,200</td>
<td>+160</td>
</tr>
</tbody>
</table>

- This slide shows our forecast by segment for FY21.
- I will now explain the situation in each of our business segments.
• First is the Game & Network Services segment.

• FY21 Q3 sales decreased to 813.3 billion yen, 8% lower than the same quarter of the previous fiscal year in which we launched the PlayStation®5 ("PS5™") and sold major titles in conjunction with the launch.

• Operating income increased 12.1 billion yen year-on-year to 92.9 billion yen, primarily due to a decrease in selling, general and administrative expenses, and an improvement in PS5™ hardware profitability, partially offset by a decrease in software sales.

• FY21 sales are expected to decrease 170 billion yen compared to our previous forecast to 2 trillion 730 billion yen and operating income is expected to increase 20 billion yen compared to our previous forecast to 345 billion yen.
Current State of the Business

- Total gameplay time of PlayStation users in December 2021 was 20% lower than the same month of the previous year, which was immediately after the release of the PS5™, but gameplay time increased approximately 7% from December 2019. For a quarter in which there were only a few major titles released, we think this was solid performance.

- In the fourth quarter ending March 31, 2022, we expect user engagement to increase further because the major first party titles *Horizon Forbidden West* and *Gran Turismo 7* will be released.

- The PC version of *God of War*, released in January 2022, has received high acclaim among the PC gaming community, obtaining a Metacritic's Metascore of 93.

- Unfortunately, due to limitations on the supply of components, especially semiconductors, and an increase in delivery times resulting from disruption of the global distribution supply chain, we have revised our FY21 unit sales forecast for PS5™ hardware to 11.5 million units.

- Limitations on the supply of components are expected to continue going forward, but we are continuing to exert every effort to meet the strong demand for PS5™.
Acquisition of Bungie, Inc.

- On January 31 in the U.S., Sony Interactive Entertainment (“SIE”) entered into definitive agreements to acquire Bungie, Inc. (“Bungie”), one of the world’s leading independent game developers.

- With more than 900 creative people on staff, Bungie has a track record of creating blockbuster titles, such as *Halo* and *Destiny*.

- As a long-time partner of Bungie, we have discussed various forms of collaboration with them in the past. Ultimately, we decided to pursue an acquisition because we gained confidence that we could grow even more by combining the corporate cultures of both companies as well as our strengths in the creative space.

- Once part of SIE, Bungie will operate as an independent studio and will continue to publish its content on platforms other than PlayStation.

- The total consideration for the acquisition is 3.6 billion U.S. dollars, and the completion of the acquisition is subject to certain closing conditions, including regulatory approvals.
• From calendar year 2014 to calendar year 2021, the size of the global game content market doubled, driven by add-on content revenue from live game services which grew at an average annual rate of 15% during this period. We expect this trend to continue going forward.

• Bungie has capitalized on this opportunity from an early stage by incorporating live game services into its premier franchise *Destiny*, and it has accumulated a wealth of experience and superb technology in the space.
Strategic Significance of Bungie Acquisition

- Obtaining *Destiny* and new IP
- Incorporating expertise and technology for live game services
- Expanding first party titles into live game service area

- The strategic significance of this acquisition lies not only in obtaining the highly successful *Destiny* franchise, as well as major new IP that Bungie is currently developing, but also in incorporating into the Sony Group the expertise and technology that Bungie has developed in the live game services space. We intend to utilize these strengths when developing game IP at the PlayStation Studios and as we expand into the live game services arena.

- Through close collaboration between Bungie and the PlayStation Studios, we aim to launch more than 10 live service games by the fiscal year ending March 31, 2026 ("FY25").

- In addition, we view the deployment of our game IP on multiple platforms as a major growth opportunity for Sony, as has been evidenced by the success of the PC versions of *God of War* and other first party games. Through this acquisition, we intend to acquire new users and increase engagement on platforms other than PlayStation, which will enable us to significantly advance our long-term growth strategy of further expanding the ecosystem of our game business.

- Catalyzed by the acquisition of Bungie, we intend to accelerate the growth of our first party game software revenue, aiming to more than double the current amount by FY25.
Accounting Treatment of the Acquisition of Bungie

Now I will use this conceptual diagram to explain at a high-level how this acquisition will be treated from an accounting perspective.

Bungie is a private company, the majority of whose shares are owned by its employees, so the payment of the consideration is structured to incentivize the shareholders and other creative talent to continue working at Bungie after the acquisition closes.

Approximately one-third of the 3.6 billion U.S. dollar consideration for the acquisition consists primarily of deferred payments to employee shareholders, conditional upon their continued employment, and other retention incentives. These amounts will be paid over the course of several years after the acquisition closes and will be recorded as expenses for accounting purposes.

We expect about two-thirds of these deferred payments and other retention incentives to be expensed in the first two years after the acquisition closes.
• Next is the Music segment.

• Although sales of Visual Media and Platform decreased, FY21 Q3 sales increased 12% year-on-year to 295.9 billion yen, primarily due to an increase in streaming revenue.

• Despite the impact of the increase in sales of Recorded Music, operating income decreased 4.0 billion yen year-on-year to 55.1 billion yen, primarily due to the impact of the decrease in sales of Visual Media and Platform.

• The contribution to the operating income of the quarter from Visual Media and Platform accounted for a mid-teens percentage of the operating income of the segment.

• FY21 sales are expected to increase 20 billion yen compared to our previous forecast to 1 trillion 90 billion yen and operating income is expected to increase 5 billion yen compared to our previous forecast to 205 billion yen.
Current State of the Business

• Streaming revenue in Q3 continued to grow at a high rate: 29% year-on-year in Recorded Music and 27% year-on-year in Music Publishing.

• The Recorded Music business continued to generate major hits, with an average of 36 songs ranking in Spotify’s global top 100 songs during the quarter.

• Global superstar singer/songwriter Adele’s album 30 became a historic hit, remaining number one on the Billboard Top Albums chart for a consecutive 8 weeks after its release in November.
• Next is the Pictures segment.

• FY21 Q3 sales increased a significant 141% year-on-year to 461.2 billion yen, primarily due to the blockbuster hit Spider-Man: No Way Home in Motion Pictures and the licensing of the popular U.S. television series Seinfeld in Television Productions.

• Operating income increased a significant 129.1 billion yen year-on-year to 149.4 billion yen, primarily due to the impact of the increase in sales and the recording of a 70.2 billion yen gain from the transfer of GSN Games, which closed on December 6, 2021.

• FY21 sales are expected to increase 40 billion yen compared to our previous forecast to 1 trillion 220 billion yen and operating income is expected to increase 97 billion yen compared to our previous forecast to 205 billion yen.

• Even when one-time items are excluded, operating income this fiscal year is expected to be the highest ever for the Pictures segment.
Current State of the Business

• *Spider-Man: No Way Home* was released across the U.S. on December 17, 2021 and went on to record the second highest-ever opening box office revenue nationwide. According to the most recent data, its cumulative worldwide box office revenue is the sixth highest ever, at approximately 1.7 billion U.S. dollars, and it holds the record for highest grossing film in the history of Sony Pictures Entertainment (“SPE”).

• Other franchises such as *Venom: Let There Be Carnage* contributed significantly to our financial results and we are looking forward to the release this month of *Uncharted*, which is the movie version of a popular PlayStation game title.

• Despite our success, we will continue to pursue our flexible release strategy going forward, as we have done by postponing the U.S. release of *Morbius*, a new film from Sony Pictures Universe of Marvel characters, from January to April of this calendar year.
India Growth Strategy

• On December 22, 2021, Sony Pictures Networks India ("SPNI"), a subsidiary of SPE, signed a definitive agreement to merge SPNI with Zee Entertainment Enterprises Ltd. ("Zee").

• The merger represents an opportunity to further accelerate the expansion and digitization of our business by using the strengths of both companies to strengthen our digital distribution service in the rapidly-growing Indian media entertainment market.

• We expect that the transaction will close in the latter half of the fiscal year ending March 31, 2023 after obtaining the approval of Zee’s shareholders and regulatory authorities. After the transaction closes, SPE will own a majority of the shares of the merged entity.
• Next is the Electronics Products & Solutions ("EP&S") segment.

• Despite a favorable impact on sales from foreign exchange rates, Q3 sales decreased 2% year-on-year to 686.9 billion yen, primarily due to a decrease in the unit sales of our products resulting from a decline in stay-at-home demand and a shortage in the supply of components.

• Despite the favorable impact of foreign exchange rates and an improvement in product mix, operating income decreased 23.3 billion yen year-on-year to 80.0 billion yen, primarily due to the impact of the decrease in sales.

• FY21 sales are expected to increase 80 billion yen compared to our previous forecast to 2 trillion 360 billion yen and operating income is expected to increase 20 billion yen compared to our previous forecast to 210 billion yen.

• Operating income margin this fiscal year is expected to exceed 8%. The efforts we have been making to improve our profitability are steadily bearing fruit.
• During Q3, the impact of the rapid decline in TV panel prices on consumer market prices for TVs was more limited than we originally anticipated and the shift to large-sized TVs increased primarily in the U.S., Europe and China. As a result, we were able to maintain the average selling price of our TVs at essentially the same level as the second quarter ended September 30, 2021.

• Nevertheless, we continue to be unable to fully meet market demand in multiple categories due to severe limitations on the supply of components. We expect this situation to continue to impact us in the fourth quarter ending March 31, 2022.

• We will continue to exert every effort to procure components as that will be one of the highest priorities for this segment next fiscal year.
• Next is the Imaging & Sensing Solutions (“I&SS”) segment.

• FY21 Q3 sales increased a significant 22% year-on-year to 324.8 billion yen, primarily due to an increase in sales of high-end image sensors for mobile products.

• Operating income increased 13.3 billion yen year-on-year to 64.7 billion yen, primarily due to the impact of the increase in sales.

• Our FY21 sales are expected to decrease 30 billion yen compared to our previous forecast to 1 trillion 70 billion yen.

• The FY21 operating income forecast remains unchanged from the previous forecast.
Current State of the Business

• Despite severe conditions in the smartphone market, such as weakness in the Chinese market and shortages of components, especially semiconductors, the efforts we have made heretofore to expand and diversify our mobile sensor customer base, as well as to recover our market share on a volume basis, are having some success.

• However, it is taking longer than expected to introduce the high-performance, high-resolution custom sensors that we have been working on with Chinese smartphone makers, so the speed of profitability improvement resulting from an increase in added-value products going into next fiscal year will be slightly lower than originally planned.

• Recently, the trend toward Chinese smartphone makers purchasing larger-sized sensors for their high-end products is improving after having stagnated due to the contraction of our business with a certain Chinese customer. We expect the Chinese smartphone market to normalize in the second half of next fiscal year.

• Since we feel better about the possibility of sales growth and further market share expansion next fiscal year, we will focus even more on increasing the added-value of our products and strive to improve profitability.

• On January 25, 2022, Sony Semiconductor Solutions Corporation completed its initial investment in Japan Advanced Semiconductor Manufacturing Co., Ltd. (“JASM”), as a minority shareholder.

• Sony will support JASM by assisting with the start-up of this new logic wafer factory which aims to begin mass production during calendar year 2024.
**Financial Services Segment**

**Financial Services Revenue and Operating Income**

<table>
<thead>
<tr>
<th>Financial Services Revenue</th>
<th>Operating Income</th>
<th>(Bin Yen)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Q3 FY20</td>
<td>423.0</td>
</tr>
<tr>
<td></td>
<td>Q3 FY21</td>
<td>471.3</td>
</tr>
</tbody>
</table>

**Q3 FY2021 (year-on-year)**

- Revenue: 48.3 bln yen (11%) significant increase
  - (+) Increase in revenue at Sony Life*1 (53.0 bln yen increase, revenue: 425.1 bln yen)
  - (+) Increase in net gains on investments in the separate accounts

- OI: 4.7 bln yen decrease
  - (-) Deterioration in valuation gains and losses on securities in the venture capital business
  - (-) Deterioration in valuation gains and losses on securities at Sony Bank
  - (-) Decrease in OI at Sony Life (1.3 bln yen decrease, OI: 30.9 bln yen)
  - (-) Deterioration in net gains and losses related to market fluctuations for variable life insurance and other products*2
  - (+) Higher insurance premium revenue reflecting an increase in the policy amount in force
  - (+) Improvement in foreign exchange gains and losses in U.S. dollar-denominated insurance

**FY2021 Forecast (change from October forecast)**

- Revenue: 120 bln yen (8%) upward revision
  - (+) Increase in net gains on investments in the separate accounts at Sony Life

- OI: Remain unchanged from October forecast

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- Last is the Financial Services segment.

- FY21 Q3 financial services revenue increased 11% year-on-year to 471.3 billion yen, primarily due to an increase in net gains on investments in the separate account at Sony Life Insurance Co. Ltd. (“Sony Life”).

- Operating income decreased 4.7 billion yen year-on-year to 35.2 billion yen, primarily due to a deterioration in valuation gains and loss on securities at our venture capital business and at Sony Bank.

- New policy amount in force at Sony Life during Q3 grew at a higher rate than our competitors, driven primarily by our priority focus area of selling insurance to corporations.

- FY21 financial services revenue is expected to increase 120 billion yen compared to our previous forecast to 1 trillion 610 billion yen.

- Our FY21 operating income forecast remains unchanged from the previous forecast.

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*1 Sony Life merged with its subsidiary which is engaged in the annuity business as of April 1, 2021. Due to the merger, from FY2021, the revenue at this subsidiary is included in the revenue at Sony Life. Excluding the impact of the above merger, the revenue at Sony Life increased 41.0 billion yen year-on-year.

*2 Overall improvement 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.
Progress of Strategic Investments

• Now I would like to update you on our strategic investments.
Progress of Strategic Investments

Total strategic investments closed or decided\(^1\): approximately 850 bln yen\(^2,3\)

Breakdown by segments

- G&NS
- Pictures\(^3\)
- Music\(^2\)
- Others\(^4\)

Breakdown by investment areas

- Content IP
- DTC/Services
- Share Repurchases
- Others

\(^1\) Total for the period between April 1, 2021 and February 2, 2022
\(^2\) Not including approximately 100 bln yen of investments in music catalogues, which are included in operating cash flow
\(^3\) Not including approximately 1.06 bln U.S. dollars of capital investment into Sony Pictures Network India upon the merger with Zee Entertainment Enterprises Ltd.
\(^4\) Including strategic investments in EP&S and I&SS segments, as well as share repurchases

- The amount of capital allocated to strategic investments, including the acquisition of Bungie, which I explained earlier, and repurchases of Sony stock, from the beginning of this fiscal year until today, and including acquisitions and asset purchases that have closed as well as those that have been decided but not closed, totals approximately 850 billion yen.

- This slide shows a breakdown of the segments and areas in which we have allocated investment.

- The Music segment portion of the chart does not include the approximately 100 billion yen we have invested in music catalogues because that amount is included in operating cash flow under IFRS.

- We are making steady progress in accordance with our current mid-range plan of making 2 trillion yen or more of strategic investments. We believe that the evolution of our business portfolio aimed at realizing long-term growth is progressing well.

- As I mentioned at the previous earnings announcement, we aim to accelerate the cycle whereby returns generated from previous investments are used to invest in growth, thereby realizing long-term growth.
At CES® 2022 last month, President Yoshida announced that we will establish Sony Mobility Inc. in the spring of this year and that we will explore the possibility of introducing our VISION-S to the market.

The VISION-S initiative aims to create new value and contribute to the evolution of mobility by leveraging Sony’s various technology and content and by adding new entertainment elements to a safe and secure moving space.

Going forward, we will proceed with our exploration under the assumption that we will collaborate and ally ourselves with multiple partners.

This concludes my remarks.
私からの説明は以上です。
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.

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, 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 IFRS. 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 Group Inc. ("SFGI") and SFGI'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 SFGI and Sony Life disclose separately on a Japanese statutory basis. On October 1, 2021, SFGI changed its company name from Sony Financial Holdings Inc.
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. 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 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’s, 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.