SONY

FY2022 Consolidated Financial Results

(Fiscal year ended March 31, 2023)

April 28, 2023

Sony Group Corporation

Please be aware that, in the following remarks, statements made with respect to Sony's current plans, estimates, strategies and beliefs and other statements that are not historical facts are forward-looking statements about the future performance of Sony. These statements are based on management's assumptions in light of the information currently available to it, and, therefore, you should not place undue reliance on them.

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

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

- **FY2022 Consolidated Financial Results and FY2023 Consolidated Results Forecast**
- **Segments Outlook**
- **Progress of Fourth Mid-Range Plan and Capital Allocation**

- Today, I will explain the following topics.

FY2022 Consolidated Results

(Bln Yen)

	FY21	FY22	Change
Sales*1	9,921.5	**11,539.8**	+1,618.3 bln yen (+16%)
Operating income	1,202.3	**1,208.2**	+5.9 bln yen (+0%)
Income before income taxes	1,117.5	**1,180.3**	+62.8 bln yen (+6%)
Net income attributable to Sony Group Corporation's stockholders	882.2	**937.1**	+54.9 bln yen (+6%)
Net income attributable to Sony Group Corporation's stockholders per share of common stock (diluted)	705.16 yen	**754.95 yen**	+49.79 yen
Sony without Financial Services*2			
Operating Cash Flow	+813.3	**+415.5**	-397.8 bln yen
Investing Cash Flow	-711.1	**-1,032.0**	-320.9 bln yen
Free Cash Flow (Operating CF + Investing CF)	+102.1	**-616.6**	-718.7 bln yen
Average Rate			
1 US dollar	112.3 yen	**135.4 yen**	
1 Euro	130.5 yen	**140.9 yen**	

Dividend per Share	
Interim	35 yen
Year-end	40 yen
Full year	**75 yen**

*1 "Sales" is used to mean "sales and financial services revenue" in accordance with International Financial Reporting Standards ("IFRS") (applies to all following pages).
*2 See page 21 in "FY22 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 IFRS. However, Sony believes that these disclosures may be useful information to investors.

- Consolidated sales for FY22 were 11 trillion 539.8 billion yen, and consolidated operating income was 1 trillion 208.2 billion yen, both reaching record highs.
- Income before income taxes was 1 trillion 180.3 billion yen, and net income attributable to Sony Group Corporation's stockholders was 937.1 billion yen.
- Consolidated operating cash flow excluding the Financial Services segment was 415.5 billion yen primarily due to an increase in working capital.

FY2022 Results by Segment

(Bln Yen)

		FY21	FY22	Change	FX Impact
Game & Network Services (G&NS)	Sales	2,739.8	**3,644.6**	+904.8	+419.8
	Operating income	346.1	**250.0**	-96.1	-32.4
Music	Sales	1,116.9	**1,380.6**	+263.7	+174.5
	Operating income	210.9	**263.1**	+52.2	
Pictures	Sales	1,238.9	**1,369.4**	+130.5	+229.8
	Operating income	217.4	**119.3**	-98.1	
Entertainment, Technology & Services (ET&S)	Sales	2,339.2	**2,476.0**	+136.8	+237.5
	Operating income	212.9	**179.5**	-33.5	+9.4
Imaging & Sensing Solutions (I&SS)	Sales	1,076.4	**1,402.2**	+325.8	+202.7
	Operating income	155.6	**212.2**	+56.6	+120.9
Financial Services	Revenue	1,533.8	**1,454.5**	-79.3	
	Operating income	150.1	**223.9**	+73.8	
All Other	Sales	98.8	**87.6**	-11.2	
	Operating income	18.0	**16.8**	-1.1	
Corporate and elimination	Sales	-222.3	**-275.2**	-52.9	
	Operating income	-108.7	**-56.6**	+52.1	
Consolidated total	Sales	9,921.5	**11,539.8**	+1,618.3	
	Operating income	1,202.3	**1,208.2**	+5.9	

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).

- Results for FY22 by segment are shown on this slide.

FY2022 Cash Flow (CF) by Segment (Sony without Financial Services)

(Bln Yen)

Segment		FY21	FY22
Game & Network Services (G&NS)	Operating CF	247.5	**-168.5**
	Investing CF	-91.6	**-305.3**
	Free CF*[1]	155.9	**-473.8**
Music	Operating CF	66.1	**181.3**
	Investing CF	-174.9	**-25.2**
	Free CF	-108.8	**156.1**
Pictures	Operating CF	185.7	**28.6**
	Investing CF	-83.7	**-112.7**
	Free CF	102.1	**-84.1**
Entertainment, Technology & Services (ET&S)	Operating CF	157.2	**208.3**
	Investing CF	-92.7	**-116.6**
	Free CF	64.6	**91.7**
Imaging & Sensing Solutions (I&SS)	Operating CF	167.7	**164.0**
	Investing CF	-258.9	**-369.6**
	Free CF	-91.2	**-205.6**
All Other, Corporate and elimination and Adjustment *[2]	Operating CF	-10.9	**1.8**
	Investing CF	-9.3	**-102.6**
	Free CF	-20.2	**-100.8**
Consolidated total without Financial Services	Operating CF	813.3	**415.5**
	Investing CF	-711.1	**-1,032.0**
	Free CF	102.1	**-616.6**

- The calculation of Operating CF, Investing CF and Free CF for each segment differs from the calculation of the Condensed Statements of Cash Flows for Sony without Financial Services (See page F-19 of "FY22 Financial Statements") as follows:
  - Increases and decreases in restricted cash held by each segment are excluded from Operating CF
  - Increases and decreases in fixed-term deposits held by each segment are excluded from Investing CF
  - Expenditures for leases are included in Investing CF (instead of Financial CF)

  These result in the following amounts being adjusted in each of the Operating CF and the Investing CF figures shown above:
  (FY21 Investing CF) G&NS: -13.0 bln yen, Music: 1.5 bln yen, Pictures: -5.8 bln yen, ET&S: -27.1 bln yen, I&SS: -11.5 bln yen, All Other and Corporate and elimination: -0.1 bln yen, Adjustment*[2] 56.0 bln yen
  (FY22 Operating CF) G&NS: -0.8 bln yen, Pictures: -0.2 bln yen, All Other and Corporate and elimination: 0.7 bln yen, Adjustment*[2] 0.3 bln yen
  (FY22 Investing CF) G&NS: -15.3 bln yen, Music: -19.7 bln yen, Pictures: -12.8 bln yen, ET&S: -19.5 bln yen, I&SS: -12.2 bln yen, All Other and Corporate and elimination: 0.4 bln yen, Adjustment*[2] 79.2 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 IFRS. However, Sony believes that this disclosure may be useful information to investors.

- The cash flow results by segment are shown here.

FY2023 Consolidated Results Forecast

(Bln Yen)

	FY22	FY23 FCT	Change from FY22
Sales	11,539.8	**11,500**	-39.8 bln yen (-0%)
Operating income	1,208.2	**1,170**	-38.2 bln yen (-3%)
Income before income taxes	1,180.3	**1,140**	-40.3 bln yen (-3%)
Net income attributable to Sony Group Corporation's stockholders	937.1	**840**	-97.1 bln yen (-10%)
Adjusted OIBDA	1,722.7	**1,770**	+47.3 bln yen (+3%)
Adjusted EBITDA	1,703.4	**1,750**	+46.6 bln yen (+3%)
Operating Cash Flow (Sony without Financial Services)	415.5	**1,250**	+834.5 bln yen (+201%)

Average rate	Actual	Assumption
1 US dollar	135.4 yen	Approx. 130 yen
1 Euro	140.9 yen	Approx. 138 yen

Dividend per Share (planned)	
Interim	40 yen
Year-end	Undecided

Adjusted OIBDA, Adjusted EBITDA and Consolidated Operating Cash Flow (Sony without Financial Services) are not measures in accordance with IFRS. However, Sony believes that these disclosures may be useful information to investors.

For further details about Adjusted OIBDA and Adjusted EBITDA including their formulas and reconciliations, see Note on page 24 (applies to all following pages).

- Next, I will explain the full-year consolidated results forecast for FY23.
- We have decided to disclose the actual results and forecast for adjusted EBITDA on a consolidated basis, which is the group KPI for the current mid-range plan, and adjusted OIBDA by segment. Adjusted OIBDA is a metric that adds back a portion of depreciation and amortization expenses to adjusted operating income.
- Please see page 24 of your materials for the method of calculating these metrics.
- For FY23, we forecast sales of 11 trillion 500 billion yen, operating income of 1 trillion 170 billion yen, and adjusted EBITDA of 1 trillion 750 billion yen.
- The consolidated operating cash flow forecast excluding the Financial Services segment is expected to increase significantly compared to the previous fiscal year ("year-on-year") to 1 trillion 250 billion yen, mainly as a result of a decrease in working capital.

FY2023 Results Forecast by Segment

(Bln Yen)

Segment		FY22	FY23 FCT	Change from FY22
Game & Network Services (G&NS)	Sales	3,644.6	**3,900**	+255.4
	Operating income	250.0	**270**	+20.0
	Adjusted OIBDA	337.0	**365**	+28.0
Music	Sales	1,380.6	**1,410**	+29.4
	Operating income	263.1	**265**	+1.9
	Adjusted OIBDA	316.4	**325**	+8.6
Pictures	Sales	1,369.4	**1,520**	+150.6
	Operating income	119.3	**120**	+0.7
	Adjusted OIBDA	168.2	**165**	-3.2
Entertainment, Technology & Services (ET&S)	Sales	2,476.0	**2,380**	-96.0
	Operating income	179.5	**180**	+0.5
	Adjusted OIBDA	276.9	**280**	+3.1
Imaging & Sensing Solutions (I&SS)	Sales	1,402.2	**1,600**	+197.8
	Operating income	212.2	**200**	-12.2
	Adjusted OIBDA	408.9	**445**	+36.1
Financial Services	Revenue	1,454.5	**870**	-584.5
	Operating income	223.9	**180**	-43.9
	Adjusted OIBDA	228.2	**205**	-23.2
All Other, Corporate and elimination	Operating income	-39.8	**-45**	-5.2
	Adjusted OIBDA	-12.9	**-15**	-2.1
Consolidated total	Sales	11,539.8	**11,500**	-39.8
	Operating income	1,208.2	**1,170**	-38.2
	Adjusted OIBDA	1,722.7	**1,770**	+47.3
	Adjusted EBITDA	1,703.4	**1,750**	+46.6

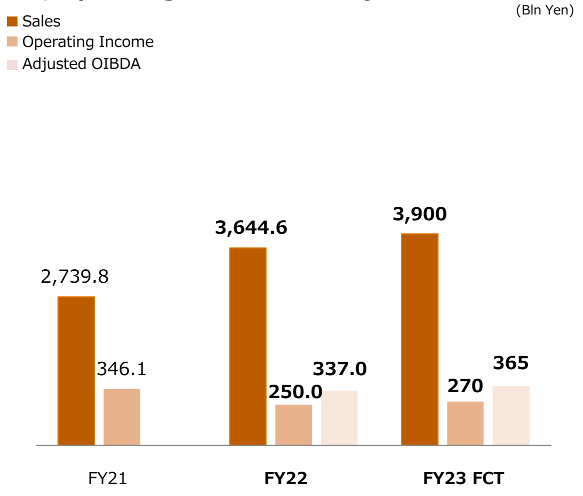
Adjusted OIBDA and adjusted EBITDA are not measures in accordance with IFRS. However, Sony believes that these disclosures may be useful information to investors.

* The differences between Adjusted EBITDA and Adjusted OIBDA on a consolidated basis represent financial income and financial expenses (excluding interest expenses, net, and gains on revaluation of equity instruments, net). Adjusted EBITDA by segment is not calculated and disclosed because Sony does not include financial income and financial expenses in its performance evaluations by segment, mainly due to the fact that Sony manages its foreign exchange exposure centrally and globally, except for the Financial Services segment.

- The FY23 results forecast by segment is shown here.
- Now, let’s move on to an overview of each business.

Game & Network Services Segment (G&NS Segment)

Sales, Operating Income and Adjusted OIBDA



FY2022 (year-on-year)

- Sales: 904.8 bln yen (33%) significant increase (FX Impact: +419.8 bln yen)
  - ·(+) Impact of foreign exchange rates
  - ·(+) Increase in sales of hardware
  - ·(+) Increase in sales of first-party titles
  - ·(−) Decrease in sales of non-first-party titles including add-on content
- OI: 96.1 bln yen (28%) significant decrease (FX Impact: -32.4 bln yen)
  - ·(−) Increase in costs
    - ·(−) Increase in costs for game software development
    - ·(−) Recording of expenses associated with acquisitions, including Bungie, Inc.*1
  - ·(−) Impact of decrease in sales of non-first-party titles including add-on content
  - ·(+) Impact of increase in sales of first-party titles
  - ·(+) Decrease in losses from hardware

FY2023 Forecast (year-on-year)

- Sales: 255.4 bln yen (7%) increase
  - ·(+) Increase in sales of hardware and peripheral devices
  - ·(−) Impact of foreign exchange rates
- OI: 20 bln yen (8%) increase / Adjusted OIBDA: 28 bln yen (8%) increase
  - ·(+) Improvement in hardware profitability
  - ·(+) Positive impact of foreign exchange rates reflecting the high ratio of U.S. dollar-denominated costs
  - ·(+) Impact of increase in sales of peripheral devices
  - ·(−) Increase in costs*2
  - ·(−) Impact of decrease in sales of first-party titles

*1 52.7 bln yen was recorded as expenses associated with acquisitions completed in FY22.

*2 This increase in costs is expected to be partially offset by a decrease in expenses resulting from an expected increase in the capitalized amount of game software development costs from FY23 onward.

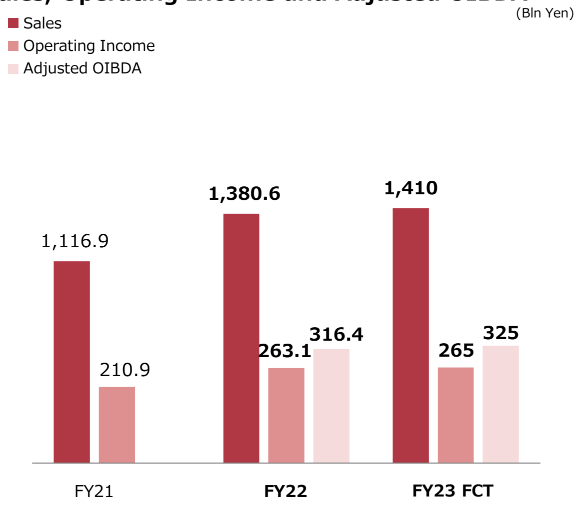
- First is the Game & Network Services ("G&NS") segment.
- FY22 sales were 3 trillion 644.6 billion yen, mainly due to the impact of foreign exchange rates and increased sales of PlayStation 5 ("PS5") hardware.
- Operating income was 250 billion yen primarily due to an increase in software development expenses and the recording of acquisition-related expenses, despite the impact of increased sales of first-party software and improved profitability of hardware.
- For FY23, we forecast sales to be 3 trillion 900 billion yen, operating income to be 270 billion yen, and adjusted OIBDA forecast to be 365 billion yen.
- Expenses associated with acquisitions since FY22, including Bungie, Inc. ("Bungie"), that will impact operating income for the current fiscal year, are expected to increase approximately 20% year-on-year to be 65 billion yen.

Current State of the Business

- Last quarter, PS5 hardware sell-in reached 6.3 million units, a record high for PS consoles for the fourth quarter, and 19.1 million units for the full fiscal year of FY22.
- Distribution inventories have also normalized, and we are now able to deliver PS5 to customers without waiting almost all over the world.
- In addition, the positive impact of increased PS5 sell-in has begun to appear in engagement metrics, with dollar-based third-party software sales exceeding the same month of the previous fiscal year in February and March. Moreover, the number of monthly active users for PS as a whole increased 2.3 million accounts compared to the same month of the previous fiscal year in March.
- Since it takes about one to two months from the time hardware is shipped until the effects of improved engagement become apparent, we will pay close attention to the engagement metrics for this quarter and reflect the results in our future forecast as appropriate.
- We aim to continuously accelerate penetration of PS5 and aim for PS5 sell-in units for the current fiscal year to be 25 million units, the highest ever for any PS console in history.
- As for software, we are continuing to strengthen and expand our first-party titles.
- *God of War: Ragnarök*, which we released in November last year, won the most awards in 6 categories at the 2023 BAFTA Games Awards and, with this huge hit, sales of first-party software for the full fiscal year of FY22, including Bungie, grew significantly, with dollar-based sales increasing by 41% year-on-year.
- We are also planning to release a major title, *Marvel's Spider-Man 2*, this fiscal year, and we aim to continue creating new IP, rolling out catalog titles for PC and strengthening live game service development.

Music Segment

Sales, Operating Income and Adjusted OIBDA



FY2022 (year-on-year)

- Sales: 263.7 bln yen (24%) significant increase (FX Impact: +174.5 bln yen)
  - ・(+) Impact of foreign exchange rates
  - ・(+) Higher sales for Recorded Music and Music Publishing from paid subscription streaming services
  - ・(−) Lower sales in the anime business for Visual Media & Platform
- OI: 52.2 bln yen (25%) significant increase
  - ・(+) Positive impact of foreign exchange rates
  - ・(+) Impact of increase in Recorded Music and Music Publishing sales
  - ・(+) Impact of litigation settlements received in relation to lawsuits for Recorded Music and Music Publishing (net of expenses, 5.7 billion yen)
  - ・(−) Impact of lower sales for Visual Media & Platform

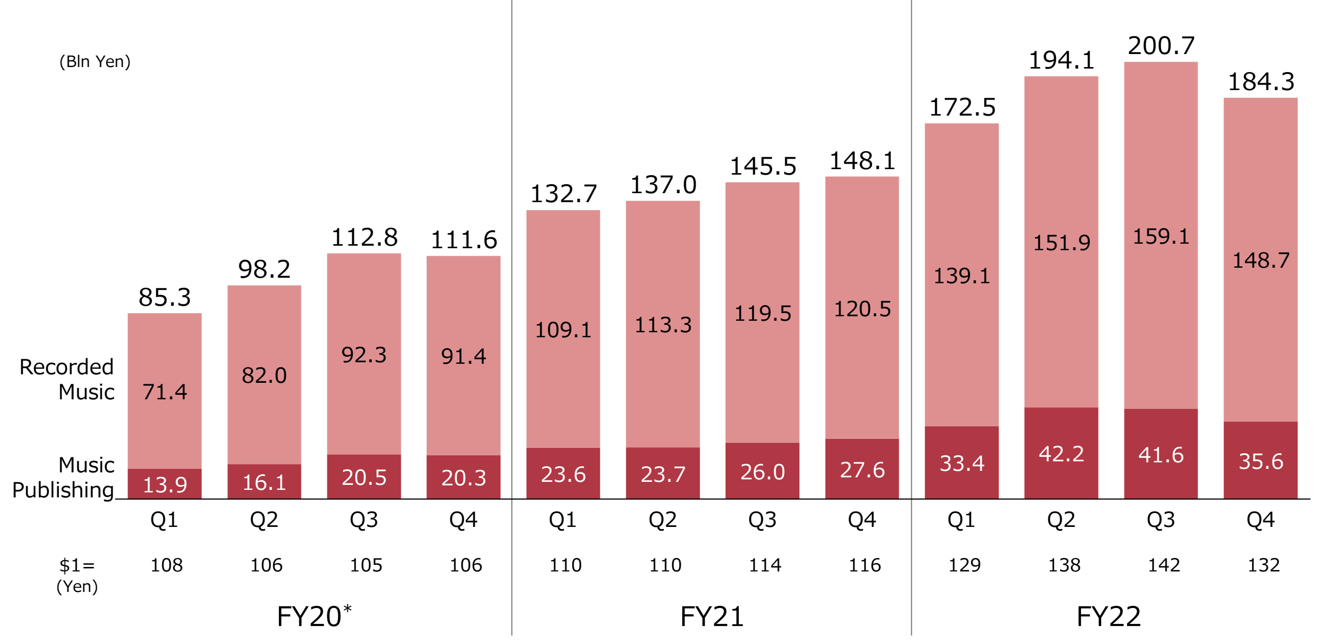
FY2023 Forecast (year-on-year)

- Sales: 29.4 bln yen (2%) increase
  - ・(+) Higher sales for Recorded Music and Music Publishing resulting mainly from an increase in revenues from streaming services
  - ・(−) Impact of foreign exchange rates
- OI: Essentially flat year-on-year / Adjusted OIBDA: 8.6 bln yen (3%) increase
  - ・(+) Impact of increase in sales
  - ・(−) Increase in selling, general and administrative expenses
  - ・(−) Negative impact of foreign exchange rates
  - ・(−) Absence of litigation settlements received in relation to lawsuits for Recorded Music and Music Publishing in the previous fiscal year (net of expenses, 5.7 billion yen) *

* Factor for change in operating income only, not included in factors for change in Adjusted OIBDA.

- Next is the Music segment.
- FY22 sales were 1 trillion 380.6 billion yen, mainly due to the impact of foreign exchange rates and an increase in streaming revenue.
- Operating income was 263.1 billion yen. In addition to recording the highest-ever operating income for this segment, operating income was the highest of all six business segments.
- In FY22, the profit contribution of Visual Media and Platform was mid-teens percent of the operating income of the segment.
- For FY23, we forecast sales to be 1 trillion 410 billion yen, operating income to be 265 billion yen, and adjusted OIBDA to be 325 billion yen.

Streaming Revenue Growth



* Sony adopted IFRS starting in the three months ended June 30, 2021, in lieu of the previously applied generally accepted accounting principles in the United States (US GAAP), and the above figures for FY20 are also presented in accordance with IFRS. Recorded Music streaming revenue for FY20 assumes that adjustments were made from the first quarter of FY20 due to changes in contract terms with a portion of customers.
For the details of such adjustments, please refer to page 11 of the Supplemental Information for Q4 FY21.
Adjusted streaming revenue is not a measure in accordance with IFRS. However, Sony believes that this disclosure may be useful information to investors.

- Our streaming revenue in the fourth quarter of FY22 increased 23% year-on-year for Recorded Music and 29% for Music Publishing, 8% and 13%, respectively, on a U.S. dollar basis.

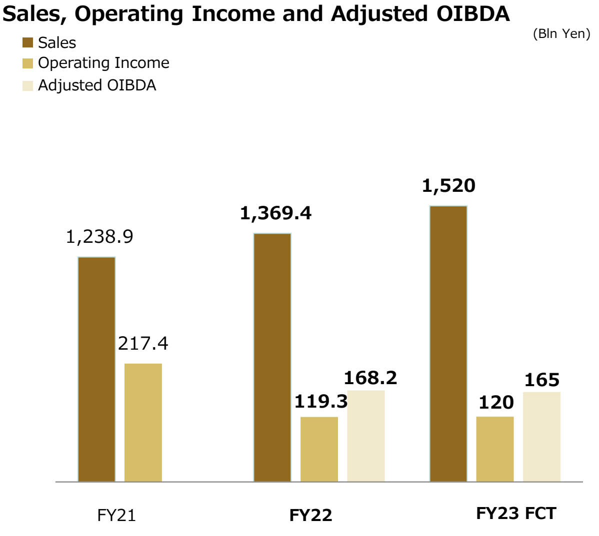
- In Recorded Music and Music Publishing, we aim to continue to grow faster than the market and maintain a higher growth rate and profit margin than our competitors by strengthening relationships with influential artists, discovering and nurturing new talent, expanding our lineup through The Orchard and AWAL, and growing our business in emerging markets.

- We have steadily improved our ability to continuously create hits, and in Recorded Music, an average of 43 songs ranked in the Spotify weekly global top 100 songs in FY22, increasing our market share significantly year-on-year.

- Miley Cyrus released *Flowers* in January, and it has become a huge hit, recording the highest number of streams in a week on Spotify.

Pictures Segment

Sales, Operating Income and Adjusted OIBDA



FY2022 **(year-on-year)**

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

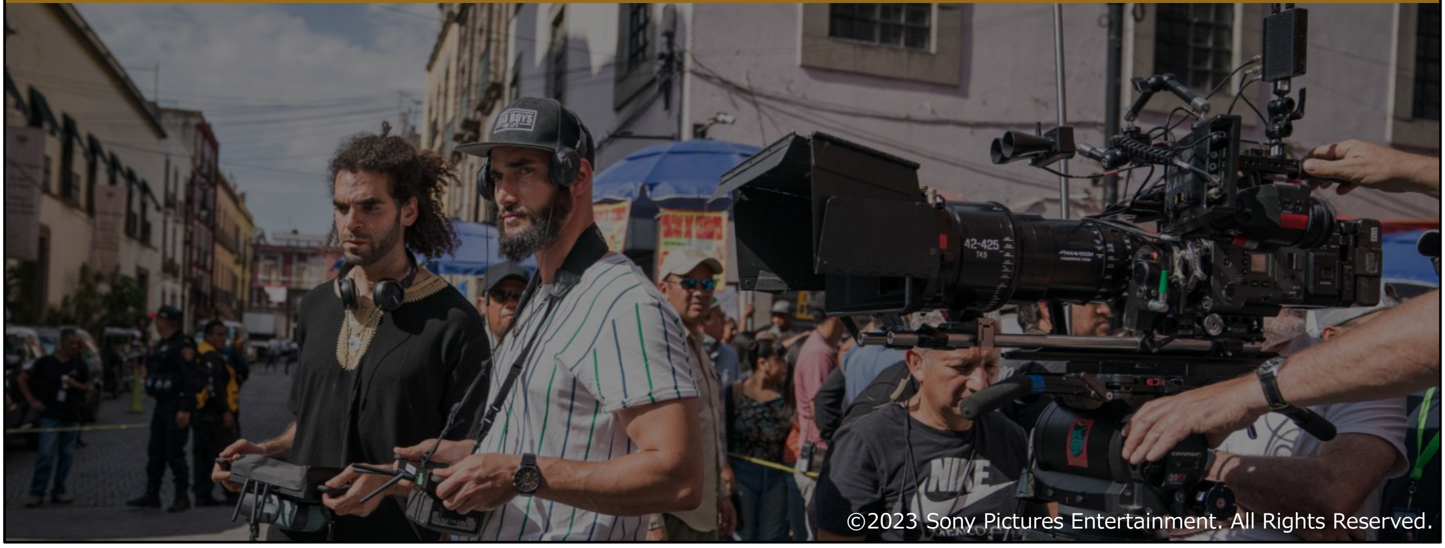
- Sales: 130.5 bln yen (11%) significant increase
  (U.S. dollar basis: -851 mil USD / -8%)
  - ·(−) Lower theatrical revenues for Motion Pictures compared to FY21 which benefitted from several franchise films including *Spider-Man: No Way Home* and *Venom: Let There Be Carnage*
  - ·(−) Lower licensing revenues for Television Productions as FY21 benefitted from the licensing of *Seinfeld*
  - ·(−) Lower licensing revenues for Motion Pictures as FY21 benefitted from a greater number of new films licensed to digital streaming services
  - ·(+) Increase in series deliveries and the impact of acquisitions of Industrial Media and Bad Wolf in Television Productions
  - ·(+) Higher revenues for anime streaming services, including the impact of the acquisition of Crunchyroll
- OI: 98.1 bln yen (45%) significant decrease
  (U.S. dollar basis: -1,041 mil USD / -54%)
  - ·(−) Absence of gain from the transfer of GSN Games business in FY21 (70.0 bln yen)
  - ·(−) Impact of decrease in sales

FY2023 Forecast **(year-on-year)**

- Sales: 150.6 bln yen (11%) significant increase
  - ·(+) Increase in theatrical releases including several franchise films
  - ·(+) Higher sales for Media Networks for Crunchyroll and the India business
- OI / Adjusted OIBDA: Essentially flat year-on-year
  - ·(+) Impact of increase in sales
  - ·(−) Higher marketing costs resulting from an increase in theatrical releases including several franchise films
  - ·(−) Lower contribution from prior fiscal year releases compared to FY22 which included higher home entertainment and television licensing revenues from several franchise films released theatrically in FY21

- Next is the Pictures segment.
- Primarily due to the impact of foreign exchange rates, FY22 sales were 1 trillion 369.4 billion yen.
- Operating income was 119.3 billion yen compared to the previous fiscal year in which a 70 billion yen gain from the transfer of a business was recorded.
- For FY23, we forecast sales to be 1 trillion 520 billion yen , operating income to be 120 billion yen, and adjusted OIBDA to be 165 billion yen.
- Sales are expected to increase mainly due to an increase in the number of theatrical releases and growth in Crunchyroll and our business in India.
- Despite higher sales in Media Networks, operating income is expected to increase only slightly year-on-year primarily due to the impact of increased marketing costs and the impact of lower sales from having fewer tentpole films released in the previous fiscal year in Motion Pictures.
- As a result of working to maximize IP value over the long term as an independent studio, we have created a business structure that we expect could steadily generate operating income in this segment above 100 billion yen.

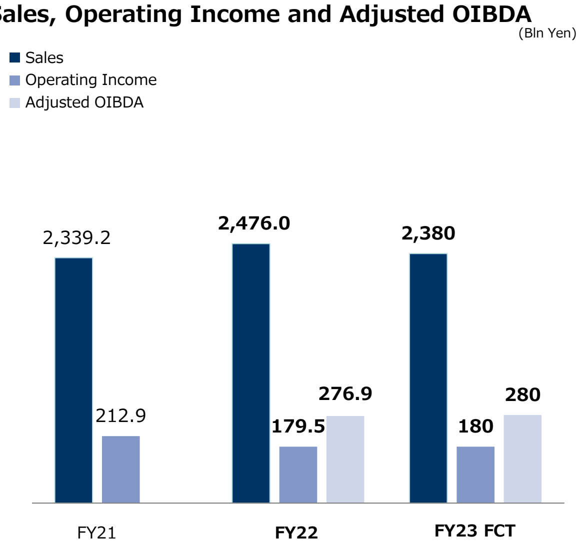
Current State of the Business



- In the U.S., since March, other studios and major video distribution service providers have been releasing large-scale movies in earnest, and overall theatrical performance is expected to be revitalized.
- In Television Productions, with increased demand for low-budget product, we are strengthening our production capabilities by establishing SPT Nonfiction, which has 9 production companies with strengths in multiple genres, such as documentaries and reality shows, led by Industrial Media, which was acquired in April last year.
- On March 4, the 2023 Crunchyroll Anime Awards were held in Japan, and about 18 million votes were cast from fans in more than 200 countries and regions.
- In calendar year 2021, 48% of the 2.7 trillion yen global Japanese anime market was outside of Japan, and anime is growing into a global form of entertainment.
- Amid this growth, the number of paying subscribers of Crunchyroll, a world-leading anime-only DTC, surpassed 10.7 million as of the end of March.
- Growth potential comes from the high growth of our business in emerging markets, and we are deepening engagement with the fan community by strengthening our business on a variety of fronts such as the overseas distribution of anime movies and through the sales of merchandise.
- In terms of business performance, Crunchyroll has grown significantly to account for a large portion of Media Network sales and is contributing to profits despite amortization of costs associated with the acquisition. We expect further profitable business expansion going forward.

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

Sales, Operating Income and Adjusted OIBDA



FY2022 **(year-on-year)**

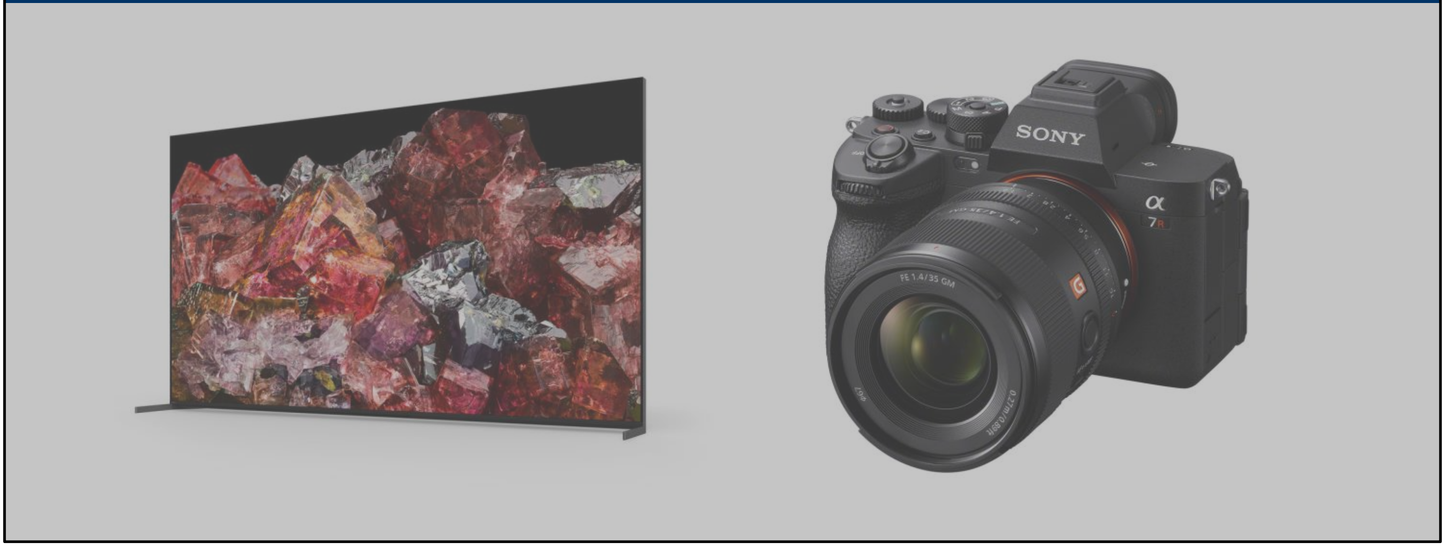
- Sales: 136.8 bln yen (6%) increase (FX Impact: +237.5 bln yen)
  - ·(+) Impact of foreign exchange rates
  - ·(+) Increase in sales of digital cameras due to an increase in unit sales
  - ·(−) Decrease in sales of televisions due to a decrease in unit sales
- OI: 33.5 bln yen (16%) decrease (FX Impact: +9.4 bln yen)
  - ·(−) Impact of decrease in sales of televisions due to a decrease in unit sales
  - ·(+) Impact of increase in sales of digital cameras due to an increase in unit sales

FY2023 Forecast **(year-on-year)**

- Sales: 96 bln yen (4%) decrease
  - ·(−) Decrease in sales of televisions due to a decrease in unit sales
  - ·(−) Impact of foreign exchange rates
- OI / Adjusted OIBDA: Essentially flat year-on-year
  - ·(+) Increase in operating income of televisions resulting from reduction of logistics and other operating expenses
  - ·(−) Increase in research and development expenses and other investment for growth areas

- Next is the ET&S segment.
- FY22 sales were 2 trillion 476.0 billion yen, mainly due to the impact of foreign exchange rates, despite a decrease in TV sales.
- Operating income was 179.5 billion yen primarily due to the impact of decreased television sales.
- For FY23, we expect sales to be 2 trillion 380 billion yen, operating income to be 180 billion yen, and adjusted OIBDA to be 280 billion yen.

Current State of the Business



- In FY22, despite the severe business environment, we were able to achieve profit almost in line with the initial plan for the entire segment by strengthening operations and thoroughly controlling costs.

- As for end-of-fiscal-year inventory, we were able to further narrow down our January plan mainly in televisions, and we were able to finish at a level almost on par with the end of FY21, excluding the impact of exchange rates.

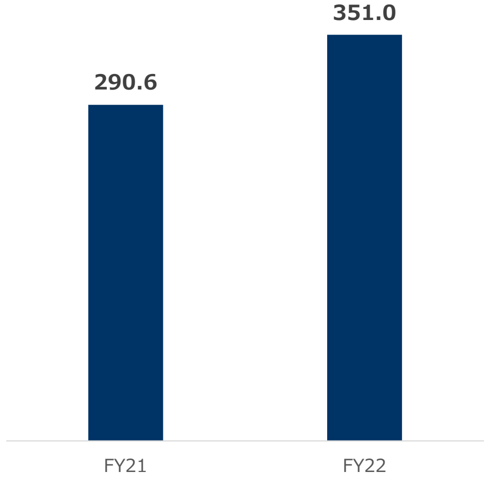
- In FY23, we anticipate risks such as a more-severe economic slowdown, so we have lowered our sales forecast year-on-year.

- As for operating income, we expect to maintain the level of the previous fiscal year by reducing fixed costs in televisions and smartphones, which are experiencing a particularly severe business environment.

- Demand continues to be trending well for digital cameras, and, primarily through the introduction of competitive products, we plan to maximize profit opportunities.

Growth Axis Business

Sales in
Growth Axis Business*
(Bln Yen)



*The Growth Axis Business includes the Network Service, Software Service, Sports, Life Science, Virtual Production and other creative products and services.

NURO

(Network Service)

HAWK-EYE
INNOVATIONS

(Sports)

CGX10
Cell Isolation System

(Life Science)

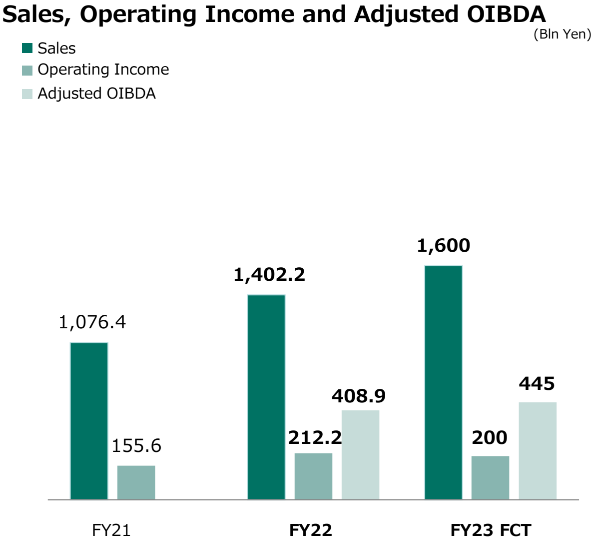
(Virtual Production)

- In order to strengthen the business structure, we are promoting a two-axis management that promotes a shift to growth areas while maintaining the profitability of existing businesses. To show that progress we have decided to disclose the actual annual sales results of the profit axis and the growth axis in the Supplemental Information.

- At the business segment meeting scheduled to be held next month, we plan to explain the initiatives in the growth axis business area.

Imaging & Sensing Solutions Segment (I&SS Segment)

Sales, Operating Income and Adjusted OIBDA



FY2022 (year-on-year)

- Sales: 325.8 bln yen (30%) significant increase (FX Impact: +202.7 bln yen)
  - ·(+) Impact of foreign exchange rates
  - ·(+) Increase in sales of image sensors for mobile products
    - ·(+) Improvement in product mix
    - ·(−) Decrease in unit sales
- OI: 56.6 bln yen (36%) significant increase (FX Impact: +120.9 bln yen)
  - ·(+) Positive impact of foreign exchange rates
  - ·(+) Impact of increase in sales
  - ·(−) Increase in research and development expenses as well as depreciation and amortization expenses
  - ·(−) Increase in manufacturing costs

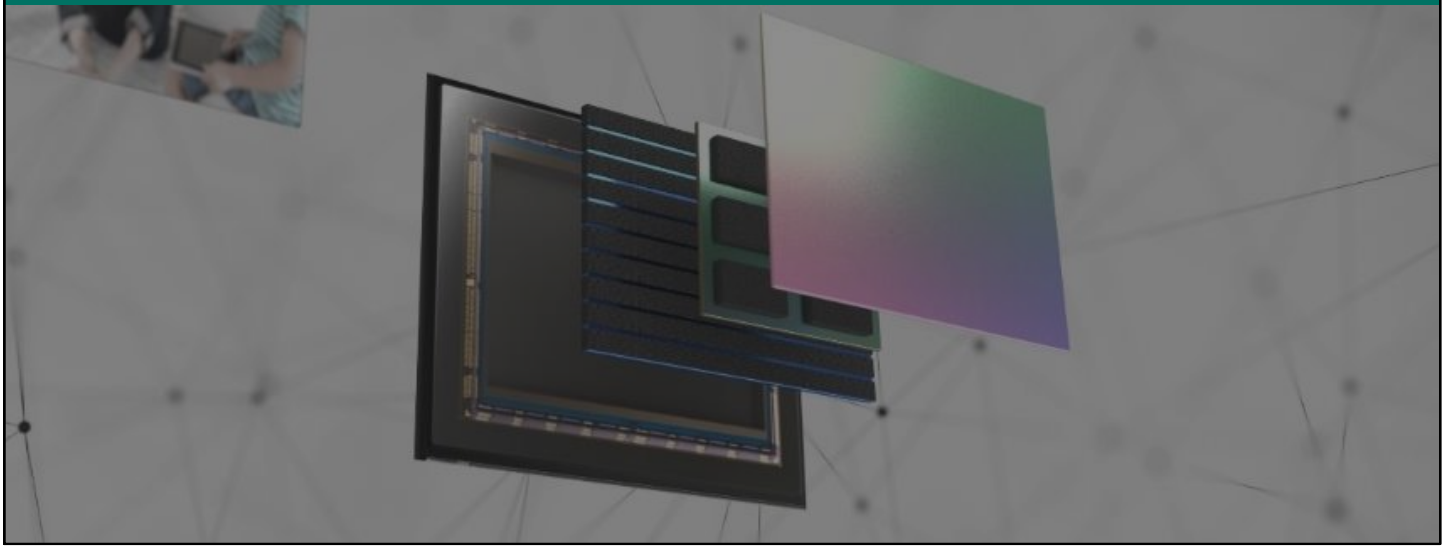
FY2023 Forecast (year-on-year)

- Sales: 197.8 bln yen (14%) significant increase
  - ·(+) Increase in sales of image sensors for mobile products
    - ·(+) Improvement in product mix
    - ·(+) Increase in unit sales
- OI: 12.2 bln yen (6%) decrease / Adjusted OIBDA: 36.1 bln yen (9%) increase
  - ·(−) Increase in depreciation and amortization expenses* as well as research and development expenses
  - ·(−) Increase in manufacturing costs
  - ·(−) Negative impact of foreign exchange rates
  - ·(+) Impact of increase in sales

* Factor for change in operating income only, not included in factors for change in Adjusted OIBDA.

- Next is the I&SS segment.
- FY22 sales were 1 trillion 402.2 billion yen, mainly due to the impact of foreign exchange rates and an increase in sales of image sensors for mobile devices.
- Despite increased expenses, operating income was 212.2 billion yen mainly due to the favorable impact of foreign exchange rates and the increased sales.
- For FY23, we forecast sales to be 1 trillion 600 billion yen, operating income to be 200 billion yen, and adjusted OIBDA to be 445 billion yen.

Current State of the Business



- The smartphone product market in the fourth quarter, mainly in China, has deteriorated slightly from the forecast at the time of our previous earnings, and we have to anticipate that the forecast for demand for sensors this fiscal year will start at a lower level than anticipated.

- Based on the recognition that the business environment for the current fiscal year will be extremely unstable, we have factored into the operating income forecast for this fiscal year the continued slump in demand in the first half of the fiscal year and the risk of an increase in costs from the mass production of new product.

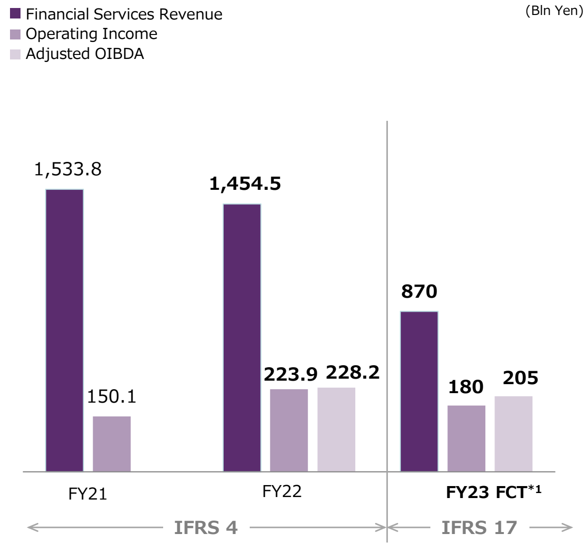
- On the other hand, even in such a severe environment, our company is driving the trend toward larger size mobile sensors, higher image quality and higher performance, and flagship models of Chinese manufacturers equipped with our large-format 1-inch sensor are being released to the market one after another.

- Our image sensor business has significantly outperformed our competitors, and our global market share on a value basis has grown significantly from 44% in FY21 to 51% in FY22.

- By launching sophisticated, highly differentiated technologies, we aim to further solidify our leading position in high-value-added products. By doing so, we aim to steadily build a business foundation that will accelerate growth again when the market for final products recovers, which is expected in the fiscal year ending March 31, 2025 and beyond.

Financial Services Segment

Financial Services Revenue, Operating Income and Adjusted OIBDA



FY2022 (year-on-year)

- Revenue: 79.3 bln yen (5%) decrease
  - ·(−) Decrease in revenue at Sony Life (108.4 bln yen decrease, revenue: 1,242.1 bln yen)
    - ·(−) Decrease in net gains on investments in the separate accounts
- OI: 73.8 bln yen (49%) significant increase
  - ·(+) Absence of loss recorded due to an unauthorized withdrawal of funds in FY21 (16.8 bln yen) and the recovery of the funds in FY22 at a subsidiary of Sony Life (22.1 bln yen)
  - ·(+) Significant increase in OI at Sony Life (29.7 bln yen increase, OI: 177.0 bln yen)
    - ·(+) Gain recorded on the sale of real estate
    - ·(+) Increase in profits due to accumulation of policy amount in force
    - ·(−) Increase primarily in insurance payments related to COVID-19

FY2023 Forecast (year-on-year)

- Revenue: 584.5 bln yen (40%) significant decrease
  - ·(−) Impact mainly from deducting the amount equivalent to the surrender benefit from the revenue, which was previously included in insurance premium revenue, in the life insurance business due to the adoption of IFRS 17*1, 2
- OI: 43.9 bln yen (20%) decrease / Adjusted OIBDA: 23.2 bln yen (10%) decrease
  - Impact of the following items that happened in FY22:
  - ·(−) Gain recorded on the sale of real estate at Sony Life
  - ·(−) Recovery of an unauthorized withdrawal of funds at a subsidiary of Sony Life*3
  - ·(−) Decrease in the provision of policy reserves due to fluctuations in the stock market and interest rates at Sony Life
  - ·(+) Increase primarily in insurance payments related to COVID-19 at Sony Life

*1 From FY23, the new standard, IFRS 17, has been applied to insurance contracts in place of the existing IFRS 4.
*2 Expenses are also expected to decrease due to the deduction of the amount equivalent to the surrender benefit, which was previously included in insurance payments.
*3 Factor for change in operating income only, not included in factors for change in Adjusted OIBDA.

- Next is the Financial Services segment.
- In FY22, financial services revenues were 1 trillion 454.5 billion yen, due to a decrease in net gains and losses on investments in the separate accounts at Sony Life Insurance Ltd. (“Sony Life”).
- Operating income was 223.9 billion yen, primarily due to the recording of gains on the sale of real estate at Sony Life and the impact of the recovery of funds associated with an unauthorized withdrawal.
- From this fiscal year, we will apply the new accounting standard IFRS 17 which pertains to insurance contracts.
- We plan to show the detailed impact on results associated with the change in the new accounting standard at the next earnings announcement, but, due to the change, financial services revenue is expected to decrease significantly primarily due to the impact of the surrender benefit of insurance premium income no longer being recorded as revenue, whereas the entire amount was recorded as revenue in the past.
- Considering this impact, financial services revenue for FY23 is expected to be 870 billion yen.
- The operating income forecast is 180 billion yen and adjusted OIBDA is forecasted to be 205 billion yen.

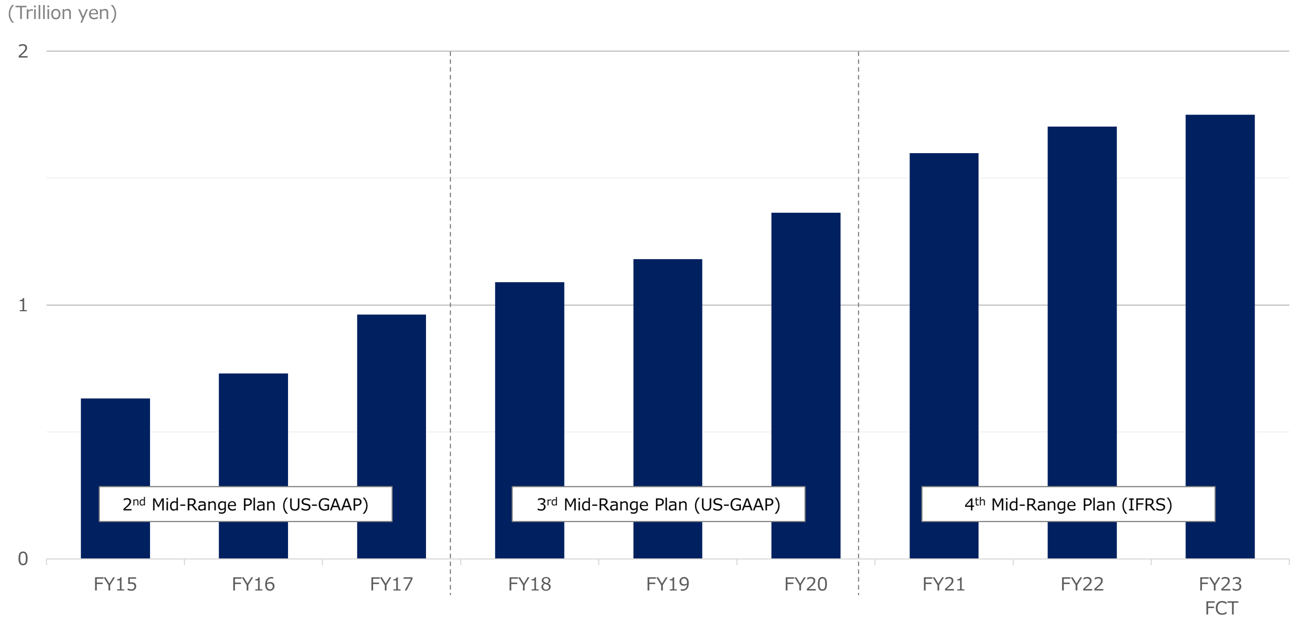
4th Mid-Range Plan: Progress of Financial Targets （FY21-23)

	Target	Latest Forecast (as of Apr. 2023)
Three-year cumulative **Adjusted EBITDA**	**4.3** trillion yen	**5.0** trillion yen (+16%)

Adjusted EBITDA is not a measure in accordance with IFRS. However, Sony believes that this disclosure may be useful information to investors.
For further details about Adjusted EBITDA including the formulas and reconciliations, see Note on page 24. From FY23, amortization for internally developed game content and master recordings included in Content assets will be excluded from the depreciation and amortization expenses in the calculation of Adjusted EBITDA. Due to this change, the figure of Adjusted EBITDA for the comparative year FY22 has been reclassified while the figures for FY21 and earlier have not been reclassified because the impacts of this change are immaterial (applies to all following pages).

- Lastly, I will explain the progress of the 4th mid-range plan.
- Three-year cumulative adjusted EBITDA, which is the 4th mid-range plan’s KPI, has progressed significantly beyond the initial plan, mainly in the Music and Pictures segments, and is currently expected to be 5 trillion yen, or 16% higher than the target of 4.3 trillion yen.

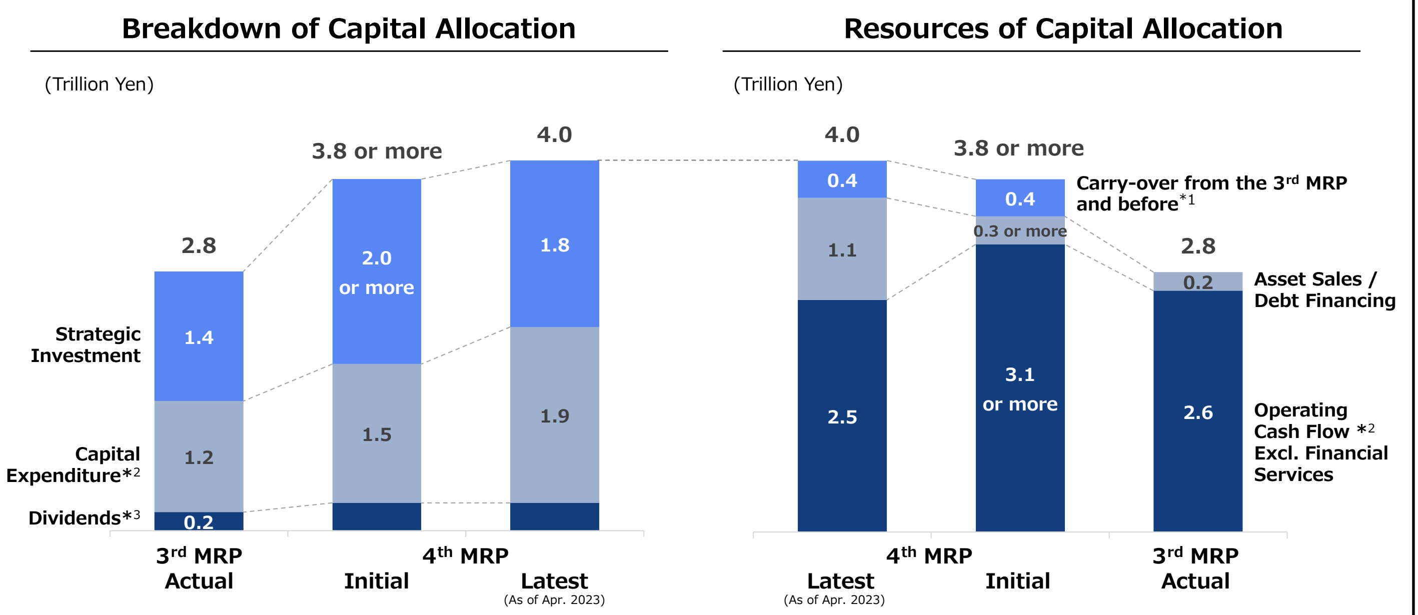
Trend for Adjusted EBITDA



Adjusted EBITDA is not a measure in accordance with IFRS. However, Sony believes that this disclosure may be useful information to investors.
For further details about Adjusted EBITDA including the formulas and reconciliations, see Note on page 24.

- As you can see, we continue to see steady growth every fiscal year since the fiscal year ended March 31, 2021.

Progress of Capital Allocation (excluding Financial Services)



The 3rd MRP was for the period between FY18 and FY20, and the 4th MRP is for the period between FY21 and FY23.

*1 Amount increased because more cumulative operating cash flow was generated during the 3rd MRP than was anticipated at the end of the third quarter ended December 31, 2020. It also increased because of the postponement of cash outflows for strategic investments that were already decided.

*2 Figures in the 4th MRP are based on IFRS. Operating cash flow includes the impact of the difference in accounting standards relating to principal payments for operating lease liabilities and the purchases and sales of content assets. Capital expenditure includes increases in right-of-use assets related to operating lease agreements.

*3 Actual dividends paid in the 3rd MRP were approximately 170 bln yen.

- Regarding capital allocation, we have lowered our forecast for operating cash flow for the cumulative three years, the primary source of capital, to 2.5 trillion yen from the original plan of 3.1 trillion yen mainly to reflect an increase in working capital in the G&NS and I&SS segments.

- Capital expenditure is expected to increase from the initial plan to 1.9 trillion yen with 0.4 trillion yen mainly allocated to image sensor capital expenditure and server investments in Corporate R&D and G&NS.

- In terms of strategic investment, since we decided to increase working capital and capital expenditures, and in consideration of the current M&A market environment, we decided to reduce the amount from the initial plan of 2 trillion yen to 1.8 trillion yen.

- To grow over the mid to long term, we will continue to invest. However, in the short term, we aim to carefully assess even more than before the valuations and timing of investments given the recent changes in the market environment.

- We plan to compensate for the decrease in operating cash flow due to the increase in working capital mainly through short-term borrowing and to maintain a total allocation of 4 trillion yen.

- We have positioned this fiscal year as the year to steadily achieve the targets of the current mid-range plan while emphasizing the management of immediate risks at a time when the business environment is unstable.

- In the next mid-range plan, we aim to achieve a balance between strongly emphasizing mid- to long-term business growth and profit growth during the period of the plan. We aim to prepare for this during this fiscal year and show the content at the beginning of next fiscal year.

- Together with the Sony Group's management team and employees around the world, we aim to create a positive spiral of growing our business, attracting talented people, increasing corporate value, and giving back to society.

- That is all for my explanation.

Notes

Notes about Adjusted OIBDA and Adjusted EBITDA

Adjusted OIBDA (Operating Income Before Depreciation and Amortization) and Adjusted EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) are calculated by the following formulas:

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

Adjusted 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 instruments, net, recorded in Financial income and Financial expense + Depreciation and amortization expense* - the profit and loss amount that Sony deems non-recurring

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

Adjusted OIBDA and Adjusted EBITDA are not measures in accordance with IFRS. However, Sony believes that these disclosures may be useful information to investors. Adjusted OIBDA and Adjusted EBITDA should be considered in addition to, not as a substitute for, Sony's results in accordance with IFRS.

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

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

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

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

This information is not a substitute for Sony's consolidated financial statements 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 Assurance Inc., and Sony Bank Inc. The results discussed in the Financial Services segment differ from the results that SFGI and SFGI's consolidated subsidiaries disclose separately on a Japanese statutory basis.

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 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, geopolitical conflicts, pandemic disease or similar events;
(xvii) the ability of Sony, its third-party service providers or business partners to anticipate and manage cybersecurity risk, including the risk of unauthorized access to Sony's business information and the personally identifiable information of its employees and customers, potential business disruptions or financial losses; and
(xviii) the outcome of pending and/or future legal and/or regulatory proceedings.

Risks and uncertainties also include the impact of any future events with material adverse impact. The continued impact of COVID-19 and the developments relating to the situation in Ukraine and Russia 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.