SONY

Q2 FY2026 Consolidated Financial Results

(Three months ended September 30, 2026)

November 5, 2026

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.

Q2 FY2026 Consolidated Results

(Bln Yen)	Q2 FY25	Q2 FY26	Change
Sales	3,107.9	**3,429.4**	+321.5 (+10%)
Operating income	429.0	**622.3**	+193.4 (+45%)
Operating income margin	13.8%	**18.1%**	+4.3 pts
Income before income taxes	441.8	**623.2**	+181.4 (+41%)
Net income attributable to Sony Group Corporation's stockholders*	311.4	**449.6**	+138.2 (+44%)
Net income attributable to Sony Group Corporation's stockholders per share of common stock (diluted)*	51.71 yen	**76.49 yen**	+24.78 yen
Average Rate			
1 US dollar	147.4 yen	**159.3 yen**	
1 Euro	172.2 yen	**183.4 yen**	

* Effective October 1, 2025, Sony Group Corporation executed a partial spin-off of Sony Financial Group Inc. ("SFGI"), a formerly wholly-owned subsidiary which operates the Financial Services business (the "Spin-off"). As a result of the resolution of Sony Group Corporation's Board of Directors on May 14, 2025 on a plan for the execution of the Spin-off, the Financial Services business has been classified as a discontinued operation and presented separately from continuing operations, comprised of Sony's businesses excluding the Financial Services business, from Q1 FY25, in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"). Therefore, the above figures for net income attributable to Sony Group Corporation's stockholders and net income attributable to Sony Group Corporation's stockholders per share of common stock (diluted) for Q2 FY25 represent the results for continuing operations. As net income (loss) from discontinued operations was not recorded in Q2 FY26, there is no difference between the figures for continuing operations and the consolidated figures for Q2 FY26 (applies to all following pages).

- Hello, I am Lin Tao, Chief Financial Officer of Sony Group Corporation.
- Consolidated sales for the second quarter ended September 30, 2026 ("FY26 Q2") increased 10% compared to the same quarter of the previous fiscal year ("year-on-year") to 3 trillion 429.4 billion yen, and consolidated operating income increased 45% to 622.3 billion yen. Both were record highs for the second quarter.
- Net income increased 44% to 449.6 billion yen.

Q2 FY2026 Results by Segment

(Bln Yen)

		Q2 FY25	Q2 FY26	Change	FX Impact
Game & Network Services (G&NS)	Sales	1,113.2	**1,208.5**	+95.3	+73.0
	Operating income	120.4	**220.1**	+99.7	+8.7
Music	Sales	542.4	**598.4**	+56.0	+34.3
	Operating income	115.4	**122.8**	+7.4	
Pictures	Sales	346.0	**513.7**	+167.7	+37.8
	Operating income	13.9	**92.6**	+78.7	
Entertainment, Technology & Services (ET&S)	Sales	575.7	**567.8**	-7.9	+26.6
	Operating income	61.0	**64.1**	+3.2	+6.1
Imaging & Sensing Solutions (I&SS)	Sales	614.6	**577.6**	-37.0	+40.9
	Operating income	138.3	**154.6**	+16.4	+25.9
All Other, Corporate and elimination	Sales	-84.0	**-36.6**	+47.5	
	Operating income	-19.8	**-31.8**	-12.0	
Consolidated	Sales	3,107.9	**3,429.4**	+321.5	
	Operating income	429.0	**622.3**	+193.4	

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

- The financial results by segment are shown in the Q2 FY2026 Results by Segment slide.
- In the All Other segment, we recorded an additional loss of approximately 30.0 billion yen related to Sony Honda Mobility during the quarter. This substantially completed the recognition of losses associated with the downsizing of that company's operations.

FY2026 Consolidated Results Forecast

(Bln Yen)

	FY25	FY26 FCT		
		July	November	Change from July
Sales	12,479.6	12,500	**13,000**	+500 (+4%)
Operating income	1,447.5	1,720	**1,870**	+150 (+9%)
Operating income margin	11.6%	13.8%	**14.4%**	+0.6 pts
Income before income taxes	1,422.4	1,710	**1,860**	+150 (+9%)
Net income attributable to Sony Group Corporation's stockholders*1	1,030.9	1,210	**1,330**	+120 (+10%)
Operating Cash Flow*1	1,966.3	1,500	**1,600**	+100 (+7%)

Foreign exchange rate	Actual・Average	Q2-Q4 (Assumption)	**Q3-Q4 (Assumption)**
1 US dollar	150.7 yen	Approx. 153 yen	**Approx. 153 yen**
1 Euro	174.7 yen	Approx. 175 yen	**Approx. 175 yen**

Dividend per Share (Planned)			
Interim	Year-end	**Total**	Year-on-year Change*2
17.5 yen	17.5 yen	35 yen	+10 yen

*1 Net income attributable to Sony Group Corporation's stockholders and Operating Cash Flow for FY25 represent the figures for continuing operations. As net income (loss) and operating cash flow from discontinued operations are not expected to be incurred in FY26, there is no difference between the figures for continuing operations and the consolidated figures in the FY26 forecast (applies to all following pages).
*2 Year-on-year Change of the above dividend per share (planned) does not include the dividends in kind of the shares of SFGI from the Spin-off in FY25.

- We have increased our FY26 sales forecast 4% compared to our previous forecast to 13 trillion yen, our operating income forecast 9% to 1 trillion 870 billion yen, and our net income forecast 10% to 1 trillion 330 billion yen.
- The forecast for operating cash flow is now 1 trillion 600 billion yen.
- The impact of U.S. tariff refunds and memory market conditions on the full-year operating income forecast remains largely unchanged.

FY2026 Results Forecast by Segment

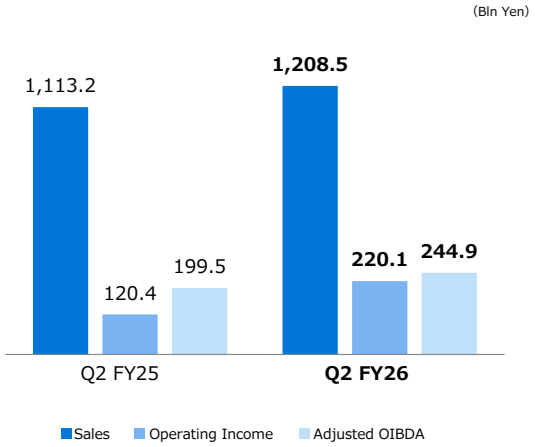
(Bln Yen)

			FY25	FY26 FCT		
				July	November	Change from July
	Game & Network Services (G&NS)	Sales	4,685.7	4,540	**4,830**	+290
		Operating income	463.3	660	**700**	+40
	Music	Sales	2,120.1	2,190	**2,300**	+110
		Operating income	447.0	420	**445**	+25
	Pictures	Sales	1,499.3	1,660	**1,760**	+100
		Operating income	104.9	150	**200**	+50
	Entertainment, Technology & Services (ET&S)	Sales	2,260.5	2,250	**2,250**	–
		Operating income	158.6	150	**150**	–
	Imaging & Sensing Solutions (I&SS)	Sales	2,151.5	2,110	**2,120**	+10
		Operating income	357.3	420	**450**	+30
	All Other, Corporate and elimination	Operating Income	-83.5	-80	**-75**	+5
	Consolidated	Sales	12,479.6	12,500	**13,000**	+500
		Operating income	1,447.5	1,720	**1,870**	+150

- The forecast by segment is shown in the FY2026 Results Forecast by Segment slide.
- I will now give an overview of each business.

Game & Network Services Segment

Sales, Operating Income and Adjusted OIBDA



Q2 FY2026 (year-on-year)

■ **Sales: 95.3 bln yen (9%) increase**
(FX Impact: +73.0 bln yen)

- (+) Impact of foreign exchange rates
- (+) Increase in sales from network services
- (+) Increase in sales of first-party game software titles
- (+) Increase in sales of non-first-party game software titles
- (−) Decrease in sales of hardware due to a decrease in unit sales

■ **OI: 99.7 bln yen (83%) increase**
(FX Impact: +8.7 bln yen)

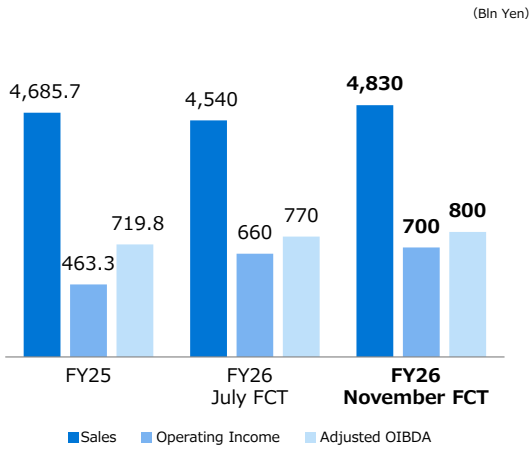
- (+) Absence of the following factors recorded in Q2 FY25
  - (+) Impairment losses against a portion of Bungie, Inc.'s intangible and other assets (31.5 bln yen)
  - (+) Expenses resulting from a correction in the amount of certain previously capitalized development costs (18.3 bln yen)
- (+) Impact of increase in sales from network services
- (+) Impact of increase in sales of first-party game software titles

Adjusted OIBDA is not a measure in accordance with IFRS Accounting Standards. However, Sony Group Corporation and its consolidated subsidiaries ("Sony") believe that this disclosure may be useful information to investors. For the formula for Adjusted OIBDA, see page 25. For its reconciliation, see "Supplemental Information for the Consolidated Financial Results for the Second Quarter Ended September 30, 2026" (applies to all following pages).

- First is the G&NS segment.
- FY26 Q2 sales increased 9% year-on-year to 1 trillion 208.5 billion yen. Operating income increased 83% to 220.1 billion yen, a record high for the second quarter.
- Excluding one-time losses of 49.8 billion yen recorded in the same quarter of the previous fiscal year, operating income increased 29%.

Game & Network Services Segment

Sales, Operating Income and Adjusted OIBDA



FY2026 Forecast (change from July forecast)

■ **Sales: 290 bln yen (6%) upward revision**

(+) Increase in sales of non-first-party game software titles

■ **OI: 40 bln yen (6%) upward revision**

(+) Impact of increase in sales of non-first-party game software titles
(+) Improvement in costs
(+) Impact of increase in sales from network services
(−) Impact of decrease in sales of first-party game software titles mainly due to a change in a title release date

- For the full fiscal year, we have increased the sales forecast 6% compared to the previous forecast to 4 trillion 830 billion yen.
- We have increased the operating income forecast 6% compared to the previous forecast to 700 billion yen, primarily due to the impact of higher third-party software and network services sales and decreased costs.



Game & Network Services

- **Platform Business**
- Studio Business
- Direction of Next Fiscal Year

- The number of monthly active users (MAUs) across the PlayStation (PS) platform in September increased 7% compared to the same month of the previous fiscal year to 127 million accounts. That was a record high for September. Total playtime for the quarter increased 4% year-on-year.

- The year-on-year trend for both metrics improved significantly compared to the first quarter of this fiscal year, which we believe demonstrates that the baseline of engagement is steadily improving.

- With regard to PlayStation (PS5) hardware, we have been able to offset the rise in memory prices through adjustments to promotions and pricing, as well as additional cost-reduction, and we expect hardware profitability for the current fiscal year to remain on par with the previous fiscal year.

- Regarding memory procurement for next fiscal year, based on discussions held so far with various suppliers, we have aligned on the quantity of memory needed for our projected hardware unit sales.



Game & Network Services

- Platform Business
- **Studio Business**
- **Direction of Next Fiscal Year**

- Regarding first-party titles, cumulative sales of *Marvel's Wolverine*, released in September, exceeded 2.4 million units, contributing to the improved results of the entire segment for the quarter.

- We leveraged our expertise building the *Marvel's Spider-Man* franchise to create a differentiated action game experience for *Marvel's Wolverine*. Users have praised the new title for its highly immersive action, high-quality production, and richly layered storytelling.

- We have decided to postpone the release of *God of War Laufey* to the first quarter of next fiscal year.

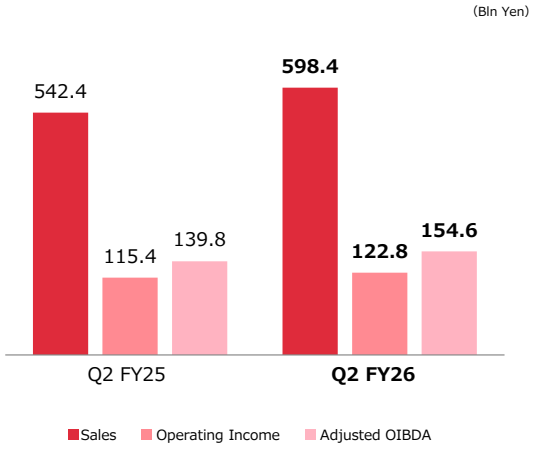
- We will continue to develop the game to ensure that it provides a premium experience that meets the expectations of the title's diverse fan base.

- Although new PS5 unit sales are gradually declining as expected in this stage of the console life cycle, the PS platform continues to expand and grow in a stable manner.

- Looking ahead to next fiscal year, we aim to continue to enhance user engagement and further strengthen monetization through the release of strong titles and the expansion of our service. We also intend to make solid progress in preparing for the next generation platform.

Music Segment

Sales, Operating Income and Adjusted OIBDA



Q2 FY2026 (year-on-year)

■ **Sales: 56.0 bln yen (10%) increase**
(FX Impact: +34.3 bln yen)

(+) Impact of foreign exchange rates

(+) Higher revenues from live events and merchandising in Recorded Music

(+) Higher revenues from streaming services in Recorded Music and Music Publishing

(−) Decrease in contributions from *Demon Slayer: Kimetsu no Yaiba Infinity Castle* released in Q2 FY25 in Visual Media & Platform

■ **OI: 7.4 bln yen (6%) increase**

(+) Impact of higher revenues from streaming services

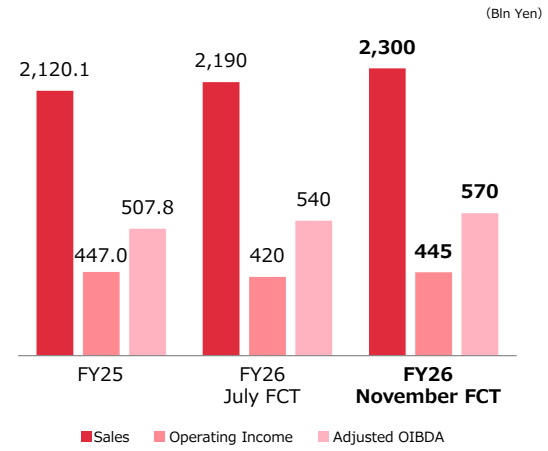
(+) Positive impact of foreign exchange rates

(−) Impact of lower revenues from Visual Media & Platform

- Next is the Music segment.
- FY26 Q2 sales increased 10% year-on-year to 598.4 billion yen.
- Operating income increased 6% to 122.8 billion yen, setting a record high profit for the second quarter. This was primarily due to an increase in music streaming revenue, despite the absence of the hit theatrical release of *Demon Slayer: Kimetsu no Yaiba* which was recorded in the same quarter of the previous fiscal year.

Music Segment

Sales, Operating Income and Adjusted OIBDA



FY2026 Forecast (change from July forecast)

■ **Sales: 110 bln yen (5%) upward revision**

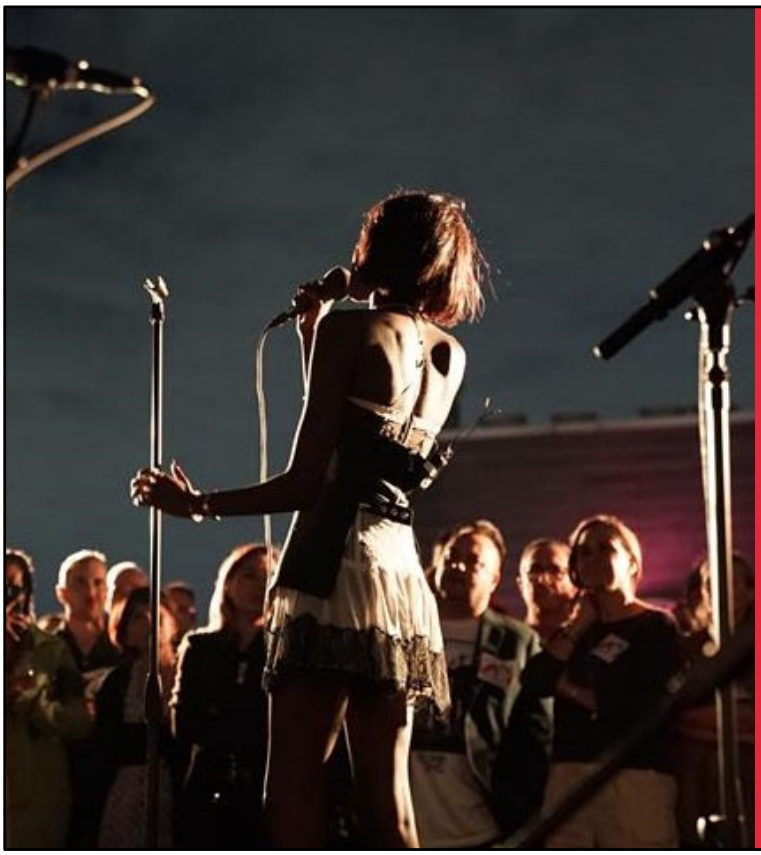
(+) Higher revenues from live events and merchandising in Recorded Music

(+) Higher revenues from streaming services in Recorded Music and Music Publishing

■ **OI: 25 bln yen (6%) upward revision**

(+) Impact of higher revenues from streaming services

- For the full fiscal year, we have increased our sales forecast 5% compared to the previous forecast to 2 trillion 300 billion yen and our operating income forecast 6% from the previous forecast to 445 billion yen.



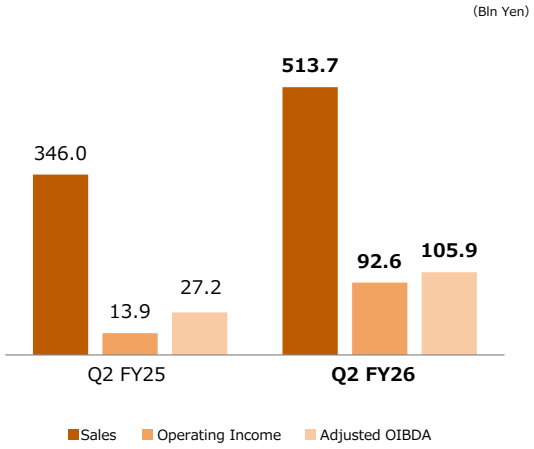
Music

- Content Highlights from the Quarter

- Streaming revenue for the quarter, on a U.S. dollar basis, increased 7% year-on-year in Recorded Music and 6% in Music Publishing.
- The single *Choosin' Texas* by Ella Langley is a huge hit, exceeding 1.8 billion cumulative streams globally and breaking multiple records on the music charts.
- The song has spent a total of 26 weeks at No. 1 on the U.S. Billboard Singles Chart, breaking the record previously held by a Mariah Carey song released approximately 30 years ago. It also reached a record total of 19 weeks at No. 1 on the digital songs chart.
- There has been a clear increase in the consumption of catalog songs driven by the growth of streaming. Through September of this year, catalog songs – songs that were released more than 18 months ago – accounted for more than half of the streams on Spotify's Global Top 200.
- Due to the big success of the Michael Jackson biopic, his catalog generated more than 3 billion streams on Spotify's Global Top 200 in the 9 months since January of this year, increasing from approximately 100 million in calendar year 2025.
- Gen Z listeners accounted for approximately half of the increase in streams, illustrating how the power of visual storytelling has revitalized our catalog and attracted new listeners.
- We believe such evergreen catalogs are assets that will continue to generate value over the long term, even in the age of AI.

Pictures Segment

Sales, Operating Income and Adjusted OIBDA



Q2 FY2026 (year-on-year)

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

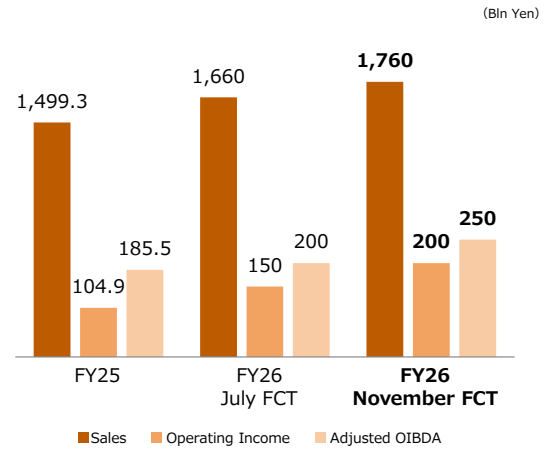
- **Sales: 167.7 bln yen (48%) increase**
  (U.S. dollar basis: +880 mil USD / +37%)
  (+) Increase in theatrical revenues primarily due to the contribution of *Spider-Man: Brand New Day* in Motion Pictures

- **OI: 78.7 bln yen (568%) increase**
  (U.S. dollar basis: +488 mil USD / +527%)
  (+) Impact of increase in sales in Motion Pictures

- Next is the Pictures segment.
- FY26 Q2 sales increased 48% year-on-year to 513.7 billion yen and operating income was approximately 7 times higher at 92.6 billion yen. This was record high operating income for the second quarter.

Pictures Segment

Sales, Operating Income and Adjusted OIBDA



FY2026 Forecast (change from July forecast)

- **Sales: 100 bln yen (6%) upward revision**
  (+) Increase in revenues from theatrical releases in the current fiscal year, primarily due to the contribution of *Spider-Man: Brand New Day* in Motion Pictures

- **OI: 50 bln yen (33%) upward revision**
  (+) Impact of increase in sales in Motion Pictures

- For the full fiscal year, we increased our sales forecast 6% compared to our previous forecast to 1 trillion 760 billion yen and our operating income forecast 33% to 200 billion yen, primarily due to an increase in revenue from theatrical releases.



Pictures

- **Content Highlights from the Quarter**
- **Growth Initiatives in the Anime Business**

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- *Spider-Man: Brand New Day*, released in July, was a record-breaking hit with worldwide cumulative box office revenue exceeding 2.5 billion U.S. dollars. It is the highest-grossing film of all time in North America and the third highest-grossing film of all time globally.

- Following the film's release, unit sales of related game titles approximately doubled, and all the SMG (Sony Music Group) releases featured in the film have generated more than 1 billion cumulative streams. This demonstrates how the real-world experience of watching the movie in theaters serves as a catalyst for enhancing IP value across the Sony Group in multiple ways.

- SPE (Sony Pictures Entertainment Inc.) has a strong lineup of upcoming releases. There is *Jumanji: Open World* this December and the animated film *Spider-Man: Beyond the Spider-Verse* next fiscal year.

- The success of theatrical releases not only contributes to performance in a single fiscal year but also generates significant revenue opportunities in the future through post-theatrical distribution windows.

- We will continue to strive to deliver compelling films by combining our globally beloved IP and creative strengths with our global marketing and distribution capabilities.



- Regarding the anime business, which is centered on Crunchyroll, we are combining the strengths of our Sony Group companies to expand our content offering and broaden our reach to fans to achieve sustainable revenue growth.

- To expand our content offering, we launched Crunchyroll Storyworks. Through this initiative, Crunchyroll, Aniplex and SPE aim to collaborate with Japanese creators to strengthen the adaptation of stories from around the world into anime and produce live-action adaptations of Japanese anime.

- To expand our reach to fans, we plan to introduce a dedicated Crunchyroll hub on the PS5 home screen next spring.

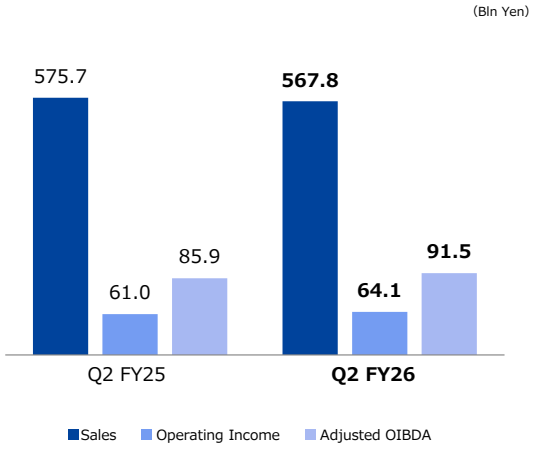
- This new feature aims to capture the cross-demand between games and anime, which share a large overlap in their fan bases, by providing a cross-discovery feature that allows users to seamlessly discover related content.

- We will continue to focus on expanding our reach by creating in-person fan experiences in collaboration with Japanese publishers and production partners.

- Through these initiatives, we aim to further raise global awareness of anime, expand our fan base and addressable market, and solidify the mid- to long-term revenue growth of the Sony Group's anime-related businesses.

Entertainment, Technology & Services Segment

Sales, Operating Income and Adjusted OIBDA



Q2 FY2026 (year-on-year)

■ **Sales: 7.9 bln yen (1%) decrease**
(FX Impact: +26.6 bln yen)

(−) Decrease in unit sales across various businesses including Imaging

(+) Impact of foreign exchange rates

■ **OI: 3.2 bln yen (5%) increase**
(FX Impact: +6.1 bln yen)

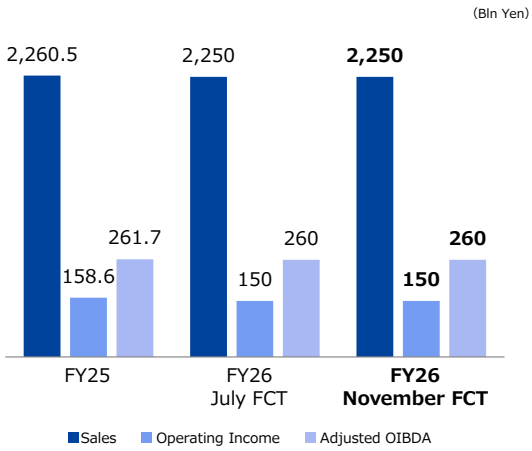
(+) Impact of U.S. tariff refunds

(−) Impact of decrease in sales in Imaging and Sound

- Next is the ET&S segment.
- FY26 Q2 sales decreased slightly year-on-year to 567.8 billion yen. Operating income increased 5% to 64.1 billion yen, primarily due to the impact of U.S. tariff refunds, despite the impact of the lower sales.

Entertainment, Technology & Services Segment

Sales, Operating Income and Adjusted OIBDA



FY2026 Forecast (change from July forecast)

- **Sales: Remains unchanged from July forecast**
- **OI: Remains unchanged from July forecast**

- The full-year forecast remains unchanged from the previous forecast.



Entertainment, Technology & Services

- Current Assesment

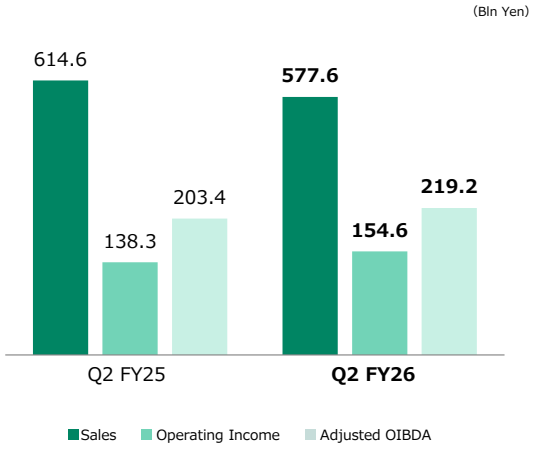
- Although conditions remained challenging in the Imaging business this quarter, primarily due to a slowdown in the Chinese market, we minimized the impact of increased memory costs and lower unit sales on earnings by expanding market share, led by new products, and by accelerating the shift toward high-value-added products.

- Regarding the joint venture with TCL (TCL Electronics Holdings Limited), discussions between the two companies to finalize the details of the joint venture's organizational structure and operations are progressing smoothly ahead of full-scale operations in April of next year.

- True RGB BRAVIA, which was launched in June and has been selling well around the world, features a suite of high-value-added technologies that are expected to contribute significantly to improving the profitability of our Display business this fiscal year. Combined with TCL's business scale and cost competitiveness, we expect these technologies to become a major competitive advantage for the joint venture from next fiscal year.

Imaging & Sensing Solutions Segment

Sales, Operating Income and Adjusted OIBDA



Q2 FY2026 (year-on-year)

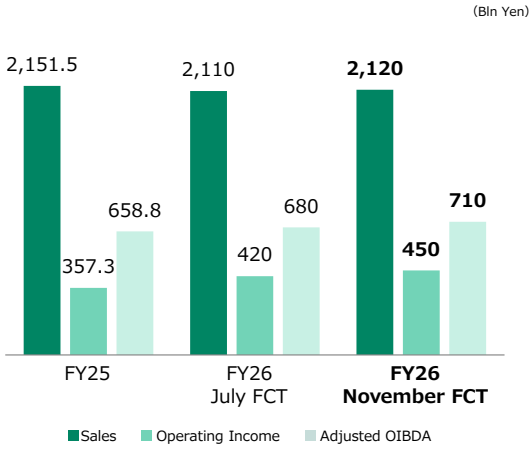
■ **Sales: 37.0 bln yen (6%) decrease**
(FX Impact: +40.9 bln yen)
(−) Decrease in sales of image sensors for mobile products
(−) Decrease in unit sales
(+) Improvement in product mix
(+) Impact of foreign exchange rates

■ **OI: 16.4 bln yen (12%) increase**
(FX Impact: +25.9 bln yen)
(+) Positive impact of foreign exchange rates
(−) Impact of decrease in sales

- Last is the I&SS segment.
- FY26 Q2 sales decreased 6% year-on-year to 577.6 billion yen and operating income increased 12% to 154.6 billion yen. This was a record high for quarterly operating income.

Imaging & Sensing Solutions Segment

Sales, Operating Income and Adjusted OIBDA



FY2026 Forecast (change from July forecast)

- **Sales: Essentially flat**
- **OI: 30 bln yen (7%) upward revision**
  - (+) Decrease in costs
  - (+) Positive impact of foreign exchange rates
  - (−) Impact of the Kumamoto Earthquake

- Our sales forecast is essentially unchanged compared with the previous forecast at 2 trillion 120 billion yen. We have increased our operating income forecast 7% compared to the previous forecast to 450 billion yen.

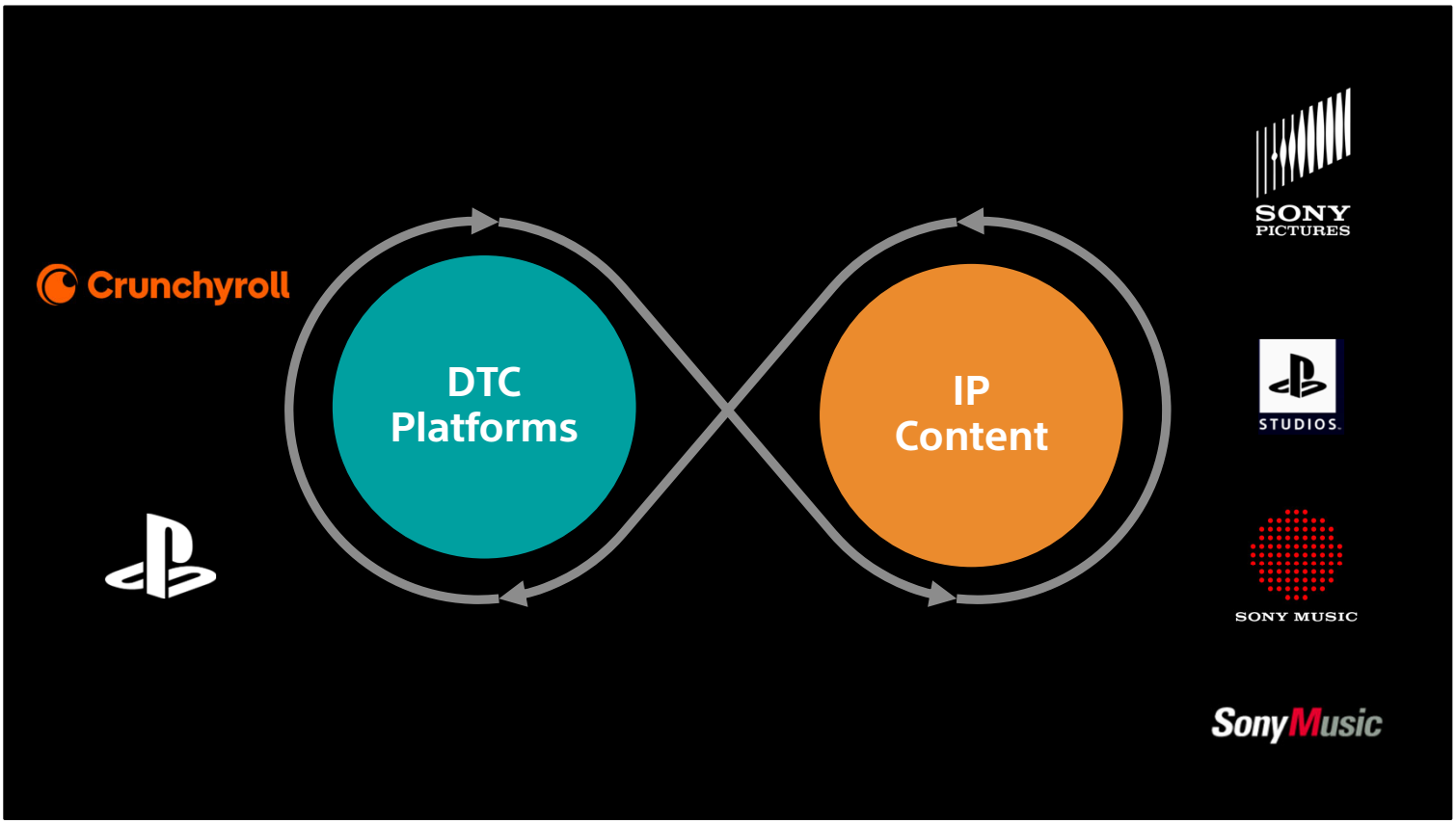


Imaging & Sensing Solutions

- **Current Assesment**
- **Definitive Agreements with TSMC[*1] to Establish AVSM[*2]**

*1 Taiwan Semiconductor Manufacturing Company Limited
2 Advanced Vision Semiconductor Manufacturing Corporation

- In the smartphone market this quarter, growth declined approximately 20% year-on-year mainly due to the impact of conditions in the memory market. Although the market for mid-range and lower phones declined significantly, we believe the decline in the high-end market was limited.
- Shipment volumes of our mobile sensors have trended generally in line with the market. We expect the proportion of shipments in the first and second halves of this fiscal year to differ from prior fiscal years due to supply chain inventory levels and changes in customer product cycles.
- We will continue to adjust our sales forecast for the current fiscal year while monitoring factors such as supply constraints for components used in end-user products, such as memory, and the impact on demand of rising prices for high-end products.
- Thanks to the dedicated efforts of our on-site staff and the support of our partner companies, operations at the Kumamoto Technology Center, which was damaged by the July 28 Kumamoto earthquake, have already recovered to pre-earthquake levels. However, we have reflected a loss of approximately 16.0 billion yen this fiscal year in our results forecast primarily due to damage to work-in-progress inventory, equipment repairs and lost opportunities during production downtime.
- On August 11, Sony (Sony Semiconductor Solutions Corporation) and TSMC (Taiwan Semiconductor Manufacturing Company Limited) signed definitive agreements to establish a joint venture.
- Through collaboration with TSMC in the joint venture, we expect both companies to enhance the performance and cost competitiveness of image sensors and drive the creation of new value in the era of physical AI. We also expect to lay the foundation for further improvement in the capital efficiency of this segment over the long term.



■ Summary

- While some of the profit we recorded in the first half of FY26 came from such things as tariff refunds and demand being brought forward, we achieved consolidated operating income of over 1 trillion yen for the first time in history for either half of a fiscal year.
- We believe that this strong performance was achieved through the symbiotic combination of stable growth in our distribution platforms, including PlayStation Network and Crunchyroll, and hit content driven by our strong IP and creative talent, such as *Spider-Man, Wolverine*, and Ella Langley.
- In our next Mid-Range Plan, which begins next fiscal year, we plan to maintain this momentum and aim for further growth across the ecosystem of the entire Sony Group.
- This concludes my presentation.


SONY

Notes

Notes about Adjusted OIBDA

Adjusted OIBDA (Operating Income Before Depreciation and Amortization) is calculated by the following formula:

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

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

Adjusted OIBDA is not a measure in accordance with IFRS Accounting Standards. However, Sony believes that this disclosure may be useful information to investors. Adjusted OIBDA should be considered in addition to, not as a substitute for, Sony's results in accordance with IFRS Accounting Standards.

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. If the I&SS segment has independently entered into foreign exchange hedging transactions, the impact of such 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 and condensed (semi-annual) consolidated financial statements measured in accordance with IFRS Accounting Standards. 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 and Pictures 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."

Cautionary Statement

Statements made in this material with respect to Sony's current plans, estimates, strategies and beliefs and other statements that are not historical facts are forward-looking statements about the future performance of Sony. Forward-looking statements include, but are not limited to, those statements using words such as "believe," "expect," "plans," "strategy," "prospects," "forecast," "estimate," "project," "anticipate," "aim," "intend," "seek," "may," "might," "could" or "should," and words of similar meaning in connection with a discussion of future operations, financial performance, events or conditions. From time to time, oral or written forward-looking statements may also be included in other materials released to the public. These statements are based on management's assumptions, judgments and beliefs in light of the information currently available to it. Sony cautions investors that a number of important risks and uncertainties could cause actual results to differ materially from those discussed in the forward-looking statements, and therefore investors should not place undue reliance on them. Investors also should not rely on any obligation of Sony to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Sony disclaims any such obligation. Risks and uncertainties that might affect Sony include, but are not limited to:

(i) Sony's ability to maintain product quality and customer satisfaction with its products and services;
(ii) Sony's ability to continue to design and develop and win acceptance of, as well as achieve sufficient cost reductions for, its products and services, including image sensors, game and network platforms, smartphones and televisions, which are offered in highly competitive markets characterized by severe price competition and continual new product and service introductions, rapid development in technology and subjective and changing customer preferences;
(iii) Sony's ability to implement successful hardware, software, and content integration strategies, and to develop and implement successful sales and distribution strategies in light of new technologies and distribution platforms;
(iv) the effectiveness of Sony's strategies and their execution, including but not limited to the success of Sony's acquisitions, joint ventures, investments, capital expenditures, restructurings and other strategic initiatives;
(v) changes in laws, regulations and government policies in the markets in which Sony and its third-party suppliers, service providers and business partners operate, including those related to taxation, as well as growing consumer focus on corporate social responsibility;
(vi) Sony's continued ability to identify the products, services and market trends with significant growth potential, to devote sufficient resources to research and development, to prioritize investments and capital expenditures correctly and to recoup its investments and capital expenditures, including those required for technology development and product capacity;
(vii) Sony's reliance on external business partners, including for the procurement of parts, components, software and network services for its products or services, the manufacturing, marketing and distribution of its products, and its other business operations;
(viii) the global economic and political environment in which Sony operates and the economic and political conditions in Sony's markets, particularly levels of consumer spending;
(ix) Sony's ability to meet operational and liquidity needs as a result of significant volatility and disruption in the global financial markets or a ratings downgrade;
(x) Sony's ability to forecast demands, manage timely procurement and control inventories;
(xi) foreign exchange rates, particularly between the yen and the U.S. dollar, the euro and other currencies in which Sony makes significant sales and incurs production costs, or in which Sony's assets, liabilities and operating results are denominated;
(xii) Sony's ability to recruit, retain and maintain productive relations with highly skilled personnel;
(xiii) Sony's ability to prevent unauthorized use or theft of intellectual property rights, to obtain or renew licenses relating to intellectual property rights and to defend itself against claims that its products or services infringe the intellectual property rights owned by others;
(xiv) risks related to catastrophic disasters, geopolitical conflicts, pandemic disease or similar events;
(xv) the ability of Sony, its third-party service providers or business partners to anticipate and manage cybersecurity risk, including the risk of unauthorized access to Sony's business information and the personally identifiable information of its employees and customers, potential business disruptions or financial losses; and
(xvi) the outcome of pending and/or future legal and/or regulatory proceedings.

Risks and uncertainties also include the impact of any future events with material adverse impact. The continued impact of developments relating to the situations in Ukraine and Russia and in the Middle East, as well as the series of changes in U.S. tariff policy, could heighten many of the risks and uncertainties noted above. Important information regarding risks and uncertainties is also set forth in Sony's most recent Form 20-F, which is on file with the U.S. Securities and Exchange Commission.