Sony Group ESG Briefing

Chairman, President and CEO
Sony Group Corporation

Kenichiro Yoshida

September 15, 2021 (IST)
• Hello everyone. This is Kenichiro Yoshida.

• At Sony, we are driving diverse businesses centered around the axis of people, based on our Purpose to “fill the world with emotion, through the power of creativity and technology.”

• Our ability to continue these corporate activities is based on the existence of a sustainable society and a healthy global environment.
Sony and the Planet Earth

- These are principles I shared in my first blog to employees following my appointment as President of Sony in 2018, titled “Sony and the Planet Earth.”
• There are two fundamental approaches we take to our environmental activities in the context of “Sony and the Planet Earth.”

• They are “Responsibility” and “Contribution.”
- First, I will talk about our efforts to fulfill our “Responsibility” as a company.
• For example, in 2010 we launched our “Road to Zero” long-term environmental plan that aims to reduce our environmental footprint to zero.

• There are four key elements to this plan: climate change, resources, chemical substances, and biodiversity.
• One such recent initiative is the development of our “Original Blended Material.”
It is made from bamboo, sugarcane and post-consumer recycled paper sourced from selected locations, and this blended material itself is also recyclable.
• At Sony, we are targeting the elimination of plastic waste from all of our small products by 2025 and promoting the use of packaging that incorporates new materials like this, is an important part of the environmental activities that we see as our responsibility.
Our second approach is to “Contribute” through our businesses and technologies.

For instance, working from home amidst the COVID-19 pandemic has renewed our awareness of the importance of connecting with people through the network.

Going forward, IoT and the proliferation of things that connect to the network will be vital to enhancing the productivity of society.
AI Sensor

- Sony’s AI sensors are contributing to the evolution of IoT, and through image analysis and processing that leverages AI our image sensors can greatly reduce and optimize the data they collect according to the specific application.

- This enables a reduction in the amount of data that goes into the cloud, thereby enabling power consumption to be reduced, while also having positive implications for security and privacy.
An example of Sony’s contribution to the evolution of mobility is our development of the VISION-S electronic vehicle incorporating our latest automotive sensing technologies, and a cloud platform that connects with the vehicle via 5G.
Mobility

- Electric vehicles can function as large capacity storage batteries within a microgrid, and when connected to the cloud they can continually evolve through software upgrades.

- For that reason, at Sony we are positioning electric vehicles and cloud platforms as technologies with the capability of contributing to the environment.
• In terms of microgrids, we have also introduced the Open Energy System (OES), an energy management system that enables residences to mutually exchange electric power via direct current.

• Based on a combination of solar panels and storage batteries, we started feasibility testing of this system in 2014, and made the results of our findings available on an open source basis at the end of last year.
Looking at the Earth from space, I could sense how thin the atmosphere is, and how much the Earth needs our protection.

JAXA Astronaut
Kimiya Yui

• So far today I have touched on our “Responsibility” and “Contribution” in the context of “Sony and the Planet Earth,” but I think it is also important to reaffirm the position of the Earth where we all live, in relation to “The Planet Earth and Space.”

• The JAXA astronaut Kimiya Yui once told me that when he looked down at the Earth from space, he could sense how thin the atmosphere is, and how much the Earth needs our protection.
• We are currently working with JAXA and the University of Tokyo on joint technological demonstrations and the exploration of opportunities to use satellites equipped with Sony cameras, so that we can share this image of the Earth seen by Mr. Yui.
• This is an ultra-small satellite we are jointly developing with the University of Tokyo that we aim to launch into space next year.

• A key feature is its highly flexible attitude control, enabling the user to capture and record the Earth and stars using a broad range of camerawork options.
• Drawing on the lessons gained from those such as Mr. Yui, who considers space to be a place where we can learn more about the Earth, I would like to bring new perspectives of space to even more people in collaboration with creators and partners.
• While there are important lessons we can learn from outside the company such as the example of “The Planet Earth and Space” that I mentioned, there is also much that we can learn from our 110,000 employees across the Sony Group.

• I believe that the diversity of talent enhances the learning capabilities of an organization.

• Last year, the Sony Group established two funds, one to support those around the world affected by the COVID-19 pandemic, and the other to contribute to social justice.

• The various support efforts we are making through these funds are driven by the ideas and passion of our diverse employees.

• In particular, the latter would have been impossible without what we were able to learn from our US management team, who have been working at the forefront of the growing movement throughout society for greater levels of social justice.

• Following my speech, we will be sharing more on the many social initiatives currently under way across the Sony Group.

• In order to fulfill our responsibility and contribute to society and the Earth, we will continue to value the leanings we gain from our diverse array of talent, and apply them to the initiatives we implement across the Sony Group from a long-term view.

• Thank you.
Cautionary Statement

Statements made in this presentation with respect to Sony's current plans, estimates, strategies and beliefs and other statements that are not historical facts are forward-looking statements about the future performance of Sony. Forward-looking statements include, but are not limited to, those statements using words such as "believe," "expect," "plans," "strategy," "prospects," "forecast," "estimate," "project," "anticipate," "aim," "intend," "seek," "may," "might," "could" or "should," and words of similar meaning in connection with a discussion of future operations, financial performance, events or conditions. From time to time, oral or written forward-looking statements may also be included in other materials released to the public. These statements are based on management's assumptions, judgments and beliefs in light of the information currently available to it. Sony cautions investors that a number of important risks and uncertainties could cause actual results to differ materially from those discussed in the forward-looking statements, and therefore investors should not place undue reliance on them. Please note that Sony has disclosed the consolidated financial statements and its forecast for consolidated results for the fiscal year ending March 31, 2022 based on International Financial Reporting Standards (IFRS). Investors also should not rely on any obligation of Sony to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Sony disclaims any such obligation. Risks and uncertainties that might affect Sony include, but are not limited to:

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

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