Sustainability Briefing

September 15, 2022
• Hello everyone. My name is Shiro Kambe.

• This year marks the fifth ESG and sustainability briefing since the first one was held in 2018, when Mr. Yoshida was appointed president of Sony. As Mr. Yoshida mentioned in his opening speech, we value diverse learning and believe that learning from our stakeholders is important; therefore we continue to hold these briefings.

• Today, we will focus on our initiatives for employees and climate change. Additionally, as an example of our efforts in solving social issues accompanying changes in society and technology, we will go over our efforts related to AI ethics, which have become particularly important in recent years.
Sony has a diverse range of businesses, each with its own sustainability priorities. In addition to material topics for the entire group, each individual business is working on relevant sustainability topics by leveraging its own strengths. At the Business Segment Briefings held in May of this year, top management of each business introduced initiatives to address the sustainability issues in their focus areas. In addition to the introduction of sustainability evaluation indicators as a factor in determining compensation of senior executives, we have also established KPIs in each of our businesses, and have incorporated them into the performance evaluation of our businesses. Sustainability is also positioned as an important topic for the Board of Directors, to whom the progress of sustainability initiatives is reported for review on a quarterly basis.
• Sustainability-related issues are diverse, and new challenges continue to arise accompanying the evolution of society and technology. In addition, the issues that we see as priority areas may change depending on the status of Sony’s business going forward. In promoting sustainability initiatives, we believe that it is important to regularly review and update the sustainability issues that are important to the Sony Group, both from our own perspective and from that of our stakeholders. This is called “materiality analysis.”

• Our previous materiality analysis was conducted in 2018, but over the past four years, the environment surrounding Sony has also changed dramatically, including an increase in natural disasters due to climate change, the COVID-19 pandemic, an increase in human rights risks and social divisions, and the emergence of new geopolitical risks. Also, while new technologies such as AI and sensing contribute to solving these social issues, they can also contribute to the creation of new social issues that did not exist in the past.

• In light of these changes, we conducted a materiality analysis from the perspective of the entire Sony Group this year.
After spending about six months evaluating the importance of sustainability topics, we identified climate change; diversity, equity and inclusion (DE&I); respect for human rights; and technology for sustainability as the most important. Additionally, there were also topics that we recognized as becoming particularly important in recent years, such as AI ethics, information security, privacy, and the circular economy. We believe that these items will become increasingly important in the future, especially as Sony continues to grow and create new Kando spaces as a “creative entertainment company with a solid foundation of technology.”

Now, the Officer in charge of Human Resources and General Affairs, Mr. Ambe, will talk about our efforts in human resources, including diversity, equity and inclusion, which is one of the most important items.
Hello, my name is Kazushi Ambe, and I am in charge of Human Resources and General Affairs.

I will now explain our efforts to realize Sony’s growth by unleashing the diverse individuality of each and every employee within the Sony Group and supporting their growth.
The diverse businesses of the Sony Group are supported by a diverse workforce of approximately 110,000 employees. By region, about half of the employees are outside of Japan, and we consider this diversity of talent to be a major strength in enabling Sony to achieve sustainable growth.
• Ultimately, our belief is that the growth of a company is the sum of the growth of diverse individuals.
• As Kenichiro Yoshida stated earlier, for a company to continue to grow, it is imperative that its employees continue to learn proactively and realize growth.
• Since its founding, Sony has respected the ideas and individuality of each employee and supported their individual challenges. As a result, we have established a culture in which employees engage in learning themselves, and through this we have achieved self-sustaining employee growth.
• Placing such emphasis on the individual can make it more challenging to align this diverse spectrum of individuality and thoughts with overarching management strategies. However, I believe that a drive towards "growth" represents the common thread connecting the company and employees.
• This corporate culture and management philosophy in relation to our employees, that continues to support, protect and cultivate the relationship between the company and employees around the axis of growth, is another key competitive advantage for Sony. I’d now like to share a video that includes messages from our founders Masaru Ibuka and Akio Morita, and our current CEO Yoshida, on this philosophy.
• As Yoshida said in his message, we believe that people are the most important foundation of value creation at Sony. Sony’s “Purpose” was defined to unite our 110,000 diverse employees and to ensure that they are all moving forward on the same vector toward value creation.
• Our Purpose is a “promise” to our employees, and the essence of a “job-type” employment system that matches well-defined roles with opportunities for individual growth is “dialogue” with employees.
• In order to support the challenges of diverse individuals who share our Purpose and are committed to value creation, we decided it was necessary to convey the philosophy for our people in an easy-to-understand manner, so we have redefined it as “Special You, Diverse Sony.” This phrase expresses the message that each individual, with his or her unique personality, and Sony, which welcomes diverse individuals, can create mutual growth centered around our Purpose together.
We have organized our HR initiatives to realize this people philosophy into three pillars: “Attract,” “Develop,” and “Engage” talented individuals.
The diverse businesses that comprise the Sony Group and the HR policies required to address the individuality of each business and achieve growth differ.

As you can see, we are promoting support for attracting, developing, and engaging individuals through initiatives optimized for each business, led by a highly diverse HR leadership team.

Just as our Purpose represents a shared foundation for value creation across our diverse businesses, we are working together as a Group on initiatives to create greater value by leveraging our diversity. These include measures to nurture the next generation of talent, optimizing talent across business boundaries, and initiatives to enhance engagement, all of which are based around the shared axis of the overall Group’s people philosophy. All of these efforts are based on a fundamental approach that emphasizes “supporting” employees to unleash their individuality, and undertake challenges and grow, rather than “managing” them.

I would now like to introduce some of the specific measures related to the Sony Group’s HR initiatives and their evolution to date, as well as some of the themes we are focusing on going forward.
• This is one example of how we aim to bring out the best of our diversity of knowledge and experience.
• In addition to supporting the growth of individuals within the company and providing employees with opportunities to maximize their abilities, we also appoint experts with rich outside experience to leadership roles across our Group companies, and in managerial roles with responsibility for core headquarters functions. By bringing in people with outstanding knowledge, experience and a high degree of expertise from outside the company, we aim to acquire new perspectives and learning that triggers inspiration within our organization, enables us to adapt to the drastic changes in our business environment, and continue to evolve.
We are also implementing priority measures according to the business, region, and social environment in the area of diversity, equity and inclusion (DE&I).

For example, in our entertainment businesses, headquartered in North America, we provide support for the education and early-stage development, such as mentorship and internship programs for people from underrepresented backgrounds through internal and external partnerships that aim to help them prosper within the industry.

In Japan, we provide the Symphony Plan, which covers not only childcare and nursing care, but also cancer and infertility treatment, and sharing the know-how of a special subsidiary for employment of people with disabilities within the Group. We are also adopting universal design elements in our products and services, by involving people with disabilities in the creation process from the planning stage.

By working to create an optimal and rewarding work environment, we are building a culture at Sony in which everyone can play an active role.
We have also emphasized diversity in our measures to develop talented individuals, and have achieved evolution.

Sony University was established in 2000 as an initiative to develop future leaders in the Sony Group. Currently, three courses are provided for Executive, Leader, and Emerging Leader level participants, and the programs are structured around lectures on leadership and group discussions.

The spectrum of participants is well-balanced and continues to evolve in every respect, from their area of business responsibility to their nationality and gender. As part of our efforts to drive further diversification, we are also promoting active interaction and personnel exchange, and continue to explore partnerships with advanced external training institutions such as IESE Business School in Barcelona and Singularity University in Silicon Valley.
“Technology,” one of the drivers of Sony’s value creation, is also generated by people.

The Technology Strategy Committee supports the independent learning and growth of employees and is at the core of our efforts to support the cross-sectional deployment of this technology in all businesses across the Sony Group, and to drive its further evolution. There are ten technology domains within each area of technology, which transcend business boundaries to share cutting-edge technology, provide opportunities for broader learning, and support the advancement of our technological capabilities.

These committees also conduct activities to support the training, career development, and rotation of engineers.
We believe that the various HR measures we are taking to support employee growth will ultimately be reflected in the level of employee engagement we are able to generate.

We conduct regular employee awareness surveys as an important indicator for management, and from an early stage have linked employee engagement to remuneration for executives as part of the evaluation of their implementation of sustainability initiatives.

By analyzing the results of these engagement surveys and quantitatively ascertaining their correlation with learning and growth opportunities, we have begun working to utilize them in our HR policies.
Until this point I have introduced a number of the key initiatives we have implemented to date to support the growth of diverse individuals.

As companies engage in even more active investment in human capital to ensure sustainable growth going forward, I believe an important keyword will be "medium- to long-term perspective." It is difficult to empirically quantify the present value of our people, who represent vital assets to the company, and much depends on the organizational culture and mindset of each employee. However, at Sony we believe that every individual has limitless potential for development and growth.

Culture and mindset are not things that can be changed quickly. Furthermore, as with other areas of sustainability, there are some issues that are difficult for a single company to resolve on its own.

That is why we consider it important to take a medium- to long-term approach, rather than a short-term perspective, when deploying and investing in human capital. I would now like to introduce some of Sony’s areas of focus and key themes going forward.
• The first aspect of this approach is to support human capital development from a medium- to long-term perspective by going beyond the boundaries of companies, through university-enterprise partnerships.

• The Sony Group operates globally, and our recruitment and employee development is conducted according to the strategies and circumstance of each business and region. In Japan, we hire more than 1,000 new graduates every year, as well as proactive recruiting of mid-career employees, with engineers in particular accounting for a large percentage.

• Our initiatives in this area include participating in the “World-leading Innovative Graduate Study Program (WINGS)” established by the University of Tokyo’s School of Engineering and participating as a donor company in endowed courses that the school provides on cutting-edge topics related to AI. In addition, Sony has established the “Joint Research Chair for Future Devices and Systems” with the Tokyo Institute of Technology, that aims to promote research and development that contributes to a safe, secure, and sustainable society; nurture the next generation of talent; and participate in support programs for women in science and technology open to a wider range of participants including junior high and high school students.

• The limited number of women in the field of engineering in Japan is one of the major challenges in ensuring diversity at Sony, which has a large number of engineers, and Sony plans to support the University of Tokyo’s Metaverse School of Engineering, scheduled to be established in October and Nara Women’s University’s Faculty of Engineering, newly established this spring, mainly by dispatching lecturers and holding workshops, as a way to inspire future engineers.
Supporting the development of innovative and entrepreneurial talent in Japan on a wider scale is also an important initiative for Sony, a company where creativity is a keyword of our management approach. As part of this effort, we are investing in the “Kamiyama Marugoto College of Technology” as a scholarship partner to support free scholarships for students.
Next, I would like to explain the expansion of our investment in human capital through compensation using stocks.

- The Sony Group has been actively using stock options for about 20 years as stock-based compensation to promote shared value with shareholders in order to enhance our corporate value in the medium to long term, and eligibility for stock options is currently being expanded throughout the Group.

- If the culmination of human resource measures is employee engagement index, the aggregation of business activities can be considered corporate value.

- In a company with diverse businesses such as Sony, stock-based compensation is a highly effective way to align the vectors for value creation between these diverse businesses and employees. Furthermore, in an increasingly competitive race for talent acquisition, stock-based compensation represents an essential part of the proposition we can make to attract talent.

- Paying close attention to the trends in legal reforms, we introduced Restricted Stock (RS) compensation plan in 2017 and decided to introduce a global and more generic stock-based plan through Restricted Stock Units (RSU) in June as a further step in our evolution. Eligibility for this RSU Plan also includes employees in addition to executives, and we intend to accelerate our investment in human resources through stocks.
• We plan to strengthen analysis and management of employee data, in addition to reinforcing our alignment with the area of digital transformation (DX), to effectively leverage the abundant business assets within the Sony Group, such as platform services; technology; know-how and expertise; and intellectual property.
• For us to effectively utilize these business resources beyond the boundaries of each individual business, the key is to develop the talent and interpersonal networks that can serve as catalysts for the growth of technology and knowledge, in addition to analyzing assets.
• In doing so, what is vital is to accumulate and enhance the visibility of personnel data, such as where our talent is located and their specific areas of expertise. In addition to further enriching and actualizing the information provided by the global employee data management system Workday, we plan to work closely with our team promoting DX to build a system that maximizes the potential of the Sony Group.
In terms of sharing the diversity of our knowledge and experience, the management team who play a central role in each of our businesses and functions are a vital asset for the Sony Group. To create a strategic connection between our management and promising future leaders, we aim to build relationships as mentors and mentees, and ensure that the rich experience accumulated within the Group is passed on to the next generation, leading to new value creation and employee development.
Lastly, I would like to touch again on this important approach to enabling Sony to continue achieving growth. The keywords for our growth are individuality and diversity.

While further enabling both these concepts to flourish, we believe that supporting the continued learning and growth of diverse individuals from a medium- to long-term perspective in synchronization with our business strategies will also be increasingly important for the sustainable growth of the Sony Group.

Thank you for listening.
As we heard from Mr. Ambe, Sony is implementing various measures with the diversity of its employees as a major strength. In addition, we are promoting initiatives related to DE&I as part of our relationship with society.

One example is Sony’s technology designed to improve the accessibility of products and services. On September 13th, we announced a partnership with WS Audiology in the hearing aid business for the US market. We adopted an inclusive design method, which includes conducting interviews and testing with hearing-impaired employees and users from the planning stage. By reflecting lessons learned from this process into the design and comfortability of the product, we aim to contribute to delivering *Kando* to many people by reducing the psychological hurdles that users face when wearing hearing aids.

In addition, through the Global Social Justice Fund, established in 2020, we are committed to promoting diversity, equity and inclusion and supporting organizations dedicated to social justice and human rights around the world. Today Sony Group Companies in the U.S., mainly the Entertainment Companies, will publish their Global Social Justice Fund Impact Report, highlighting the outcomes of the grants for communities around the globe.
Next, we will explain the use and responsibility of AI.

Sensing and AI are particularly important as technologies that support Sony’s growth and endeavors.

We see AI as a technology that will support the evolution of mobility and entertainment. Deep Learning and AI are becoming increasingly important in the areas of audio and video, which we have been involved with for some time.

On the other hand, considering how powerful these technologies are, their impact on society is also significant, and with their development and use comes great responsibility.

Sony has formulated the “Sony Group AI Ethics Guidelines” in 2018 and established the “Sony Group AI Ethics Committee” in 2019 to promote the responsible use of AI. The AI Ethics Committee, which I chair, consists of members with diverse specialties and backgrounds, to educate and enlighten Group companies on AI ethics, and to support the appropriate use of AI in the Sony Group.

Now, Alice Xiang, Global Head of AI Ethics, will provide an overview of Sony’s AI ethics activities.
Hi everyone, my name is Alice Xiang, and I am the Global Head of AI Ethics for Sony Group. The teams I lead conduct ethics assessments of AI development and use across Sony’s business units, along with cutting-edge research on fairness, transparency, and accountability in AI.
AI is changing the way we interact with and understand our world.

- AI is revolutionizing society, transforming how we interact with and understand the world. Through leveraging AI, Sony aims to contribute to the development of a peaceful and sustainable society while delivering Kando or emotion — to the world.
As we expand our AI development and usage, however, we must ensure that it conforms with our Sony Group AI Ethics Guidelines, which include respecting diversity and human rights, preventing discrimination, and pursuing transparency and trustworthiness.
Our goals for AI ethics at Sony are four-fold. First, our AI ethics work should help maintain and expand Sony’s global competitiveness. To enable and accelerate AI as a sustainable competitive advantage for Sony, we must invest in our capacity to use AI in an ethical way. This is non-trivial given that AI is an emergent technology, often with unanticipated effects. As a result, our second goal is to evaluate and mitigate potential legal, reputational, and ethical risks associated with AI use. We should be proactive rather than reactive to addressing AI ethics concerns. Third, since Sony is a leading global technology company, we must ensure that our products and services work well for all customers, regardless of their nationality, gender, or other attributes. Finally, our goal is not simply to have Sony stay up to date with AI ethics practices across industry but rather to be a leader in AI ethics.
To this end, in 2018, Sony was one of the first companies to establish AI ethics guidelines. In December 2019, Sony established the Sony Group AI Ethics Committee, comprising senior executive leaders who deliberate on high-stakes AI use cases and make decisions regarding the modification or discontinuation of such uses. The direction was also set that all AI products should be evaluated for ethical concerns, and in 2021, the AI Ethics Office was established to provide subject matter expertise on AI ethics to all Sony business. In July 2021, after months of pilot assessments, Sony launched its AI ethics assessment process as part of the mandatory quality management system for Electronics products.
• A key component of this assessment process is “AI ethics by design.” Instead of being a final step considered at the end, ethical issues are evaluated at every stage of the product development lifecycle, beginning in the planning stage – before a single line of code is written – and extending to the design, production, and shipment stages.

• Since launching this system, the AI Ethics Office has evaluated over 100 cases. These have included smart camera solutions using our image sensor technologies, video production solutions, and other electronics products. High-risk use cases, including those that might affect people’s health or livelihoods, have been reported to the AI Ethics Committee, which has halted the development of certain AI technologies.
Another important component of our AI ethics strategy at Sony is the integration of research and practice. To this end, in 2021, Sony also launched the AI Ethics Research Flagship at the heart of Sony AI to conduct cutting-edge research on challenges faced in the development of AI products and services, including ethical data collection and algorithmic bias detection and mitigation.

In addition, Sony actively pursues dialogues with relevant companies, organizations, and the academic community on AI ethics issues. Sony is a member of several multi-stakeholder organizations, including the Partnership on AI and the Global Partnership on AI and contributes expertise to numerous AI policy initiatives globally.

We believe Sony is well-positioned to become a leader in ethical AI. In a field that is dominated by U.S.-based tech companies and European regulatory standards, Sony can offer a distinctively diverse and global perspective with its businesses ranging from entertainment to electronics and financial services.

Our AI ethics initiatives are fundamentally aligned with Sony’s value creation to create products and services at the intersection of entertainment and technology. We aim to enhance and expand human Imagination and Creativity rather than to replace it. Sony has consistently been named one of the World’s Most Ethical Companies by the Ethisphere Institute. Through our work in the AI Ethics Office and Sony AI, we aim to reflect these values in our business practices and lead the way to more ethical AI.
I will now discuss the progress of our environmental initiatives with a focus on climate change, which was identified as one of the most important items.

Sony’s environmental initiatives are organized along two axes: responsibility and contribution.

The long-term environmental plan “Road to Zero” set in 2010 is representative of our responsibility initiatives. As a long-term goal, this plan aims to achieve a zero environmental footprint, and is driven from four perspectives: climate change, resources, chemical substances, and biodiversity.
• Considering the urgent issue of climate change as well as our past achievements, we have decided to push forward our target for achieving net-zero greenhouse gas (GHG) emissions by 10 years, a decision we announced at the Corporate Strategy Meeting in May. Additionally, within this context, we have also pushed forward our RE100 goal of operating with 100% renewable electricity by 10 years.
Specifically, we are aiming to first reduce Scope 1 and 2 GHG emissions generated from our business sites to net-zero by 2030. Furthermore, when including Scope 3, which indirectly occurs in the value chain, we aim to reach net-zero by 2040.
• This plan meets the criteria for the Science Based Targets Initiative (SBTi) net-zero targets and was recently approved as net-zero targets. The key to this plan is to reduce emissions throughout the value chain, i.e., Scope 1, 2, and 3 in total, by 90% at a rate compliant with emission pathways that limit global temperature rise to 1.5°C by at least 90%-95% before 2050, and neutralize any residual emissions that are not possible to eliminate to 10% or less through carbon removal. We recognize this as a world first for a major company in the consumer durables, household and personal products sector.
• Here you can see the emissions for the Sony Group as a whole along with our initiatives to reduce them.

• We believe that achieving net-zero for Scope 1 and 2, which are the emissions generated by our own sites is an important responsibility. However, Scope 1 emissions generated directly from our business sites are relatively small, and even when combined with Scope 2 emissions from power plants and other sources of energy used by our sites, they account for only 7% of total emissions.

• A relatively large amount of emissions for the Sony Group are attributed to the category of indirect emissions, or Scope 3. The largest share, approximately 62%, is generated from the electricity used by the customer in the “use of sold products.” This is followed by “purchased products and services” generated in the supply chain when manufacturing the raw materials and parts that make up products, which accounts for approximately 22%. Sony plans to continue to reduce electricity consumption of its products.
• However, because these emissions depend largely on the energy source of the electricity consumed by Sony’s customers and suppliers, initiatives that involve the whole supply chain, as well as the promotion of decarbonization by society as a whole, will be essential.
Next, I would like to touch on the introduction of renewable energy at our business sites as well as our supply chain initiatives.

Sony has been promoting the introduction of renewable energy in each region even since before joining the “RE100” initiative, having achieved 100% renewable electricity in Europe in FY2008 and in China in FY2020.

In addition, in line with the RE100 target being advanced forward by 10 years, Sony has raised its target for the usage rate of renewable electricity at our business sites from 15% to at least 35% which we aim to achieve by FY2025.

Last fiscal year, we installed solar power generation equipment at business sites, which is indicated by the green box. To meet our targets, and in order to further optimize the use of renewable energy at our business sites around the world in accordance with the conditions of each region, we intend to continue our efforts to introduce of solar power generation equipment at additional business sites, purchase renewable electricity from power companies, and use renewable energy certificates.
• Additionally, as a new initiative, we have entered into a contract with a renewable power generation company to implement a virtual power purchase agreement (PPA) that uses a Feed-in Premium (FIP) scheme, the first of its kind in Japan.

• With this initiative, we hope to accelerate the introduction of renewable energy with additionality in Sony.

• We plan to collaborate with the companies you see on the slide to receive approximately 2.4 million kWh of renewable energy attributes annually from a new 2.0-megawatt solar power generation facility built in early FY2022.

• While Sony has always taken the surrounding environment into consideration when introducing renewable energy, in May of this year, Sony revised its renewable energy procurement policy and added new considerations, including those for the environment, at the time of installation and the operation of power generation facilities. For this current procurement as well, we conduct on-site inspections of these items and confirm the status of communication with the local community.
The next topic is the reduction of emissions along the supply chain.

As part of our efforts to reduce the environmental impact of its supply chain, Sony requires its suppliers of raw materials and parts, as well as contract manufacturers to “monitor GHG emissions, set long-term and medium-term targets for emissions reduction, and perform progress management”. Additionally, Sony also conducts surveys on its efforts to reduce environmental impact in order to understand the GHG emissions associated with the manufacture of raw materials, parts, and products delivered to Sony.

We are working to raise the level of awareness along the supply chain by informing suppliers of Sony’s environmental perspective through videos and other means, as well as through providing guidance on SBT and assistance in calculating GHG emissions. Starting from this year, we began supporting some of our suppliers by visiting their factories in person to assist in developing energy-saving activities, and providing instruction on how to set SBT equivalent targets and obtain approval from SBTi.
So far, we have talked about responsibility initiatives, but Sony has also launched a variety of initiatives, as you can see here, in the area of contributions, where we are endeavoring to contribute to the improvement of the global environment itself through our technologies and businesses.

Today, several of these examples are on display on the first and second floors here at Sony’s headquarters, and I hope you will take a look at them on your way out.

This exhibition consists of three perspectives: “The Planet,” “Society,” and “People,” and includes examples of the technologies that Sony is currently working on. We hope that this will be an opportunity for everyone to think about the earth, which we must protect, from a variety of perspectives, and how we, who inhabit the earth, can jointly fulfill our responsibly and make contributions.

For example, Virtual Production is a technology that replaces on-location shooting with virtual sets within a sound stage. We believe that this technology can help reduce our environmental impact, as there will be no need to transport crew and equipment to filming locations. Our early test shows a 75% to 80% reduction in GHG emissions compared to filming on location.
• Today, we talked about 1) The importance of diverse learning, 2) Materiality analysis, and its associated initiatives, 3) Human resource strategies that support the growth of diverse individuals, 4) Initiatives toward Net-zero by 2040, and 5) the utilization and responsible use of AI.
• There are many other topics that I have not been able to cover due to the time constraints. However, please refer to the “Corporate Report” and the “Sustainability Report” for more detailed information.

• We would like to further evolve our sustainability initiatives by continuing dialogues with our stakeholders, including the feedback we receive in response to today’s briefing, and by continuing to learn.

• 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. 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 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.