2022 Business Segment Briefings

May 26th, May 27th, 2022

Sony Group Corporation
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Game & Network Services Segment

Senior Executive Vice President
Sony Group Corporation

President and CEO, Sony Interactive Entertainment LLC
Representative Director and President, Sony Interactive Entertainment Inc.

Jim Ryan
PlayStation: The Road to Profitable Transformation

1. Thriving Core Business

2. Powerful New Growth Vectors

3. Transformative Sony Group Collaboration

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Sony Group Corporation
FY21: Record Earnings in a Transition Year

Net Sales (Billions, ¥Yen)

Operating Income (Billions, ¥Yen)

Figures before FY20 are based on US GAAP and figures for FY21 are based on IFRS.
Building Our Biggest Platform Ever

- Unprecedented Demand
- Strong Brand
- Category Growth
- Highest Engagement Ever
- Incredible Game Lineup
- Tackling PS5 Supply Issue
PS5 – Unprecedented Demand

Purchase Interest in PlayStation Console
(One Year After Each Console’s Launch Year, North America Only)

November 2021
55%
expressed interest in PS5

November 2014
28%
expressed interest in PS4

Sell-Through Time of 80K HW Units at US Retailers
(End of 1st Full FY for PS5 vs. End of 1st Full FY for PS4)

PS5
US retailer events sold PS5s at a rate of nearly 1,000 units per minute*

80K UNITS IN 82 MINUTES

PS4
PS4 units in the US were selling at 6 per minute, at the same stage in product lifecycle

80K UNITS IN 9 DAYS

Source: NielsenIQ - BASES Platform Volumetric, 2014 and 2021

*Across 3 different leading U.S. retailer events
### Unprecedented China Demand

- **Week 72 Sell-Through After Global Launch**
  - PS4: 250K (Free Supply)
  - PS5: 670K (Constrained Supply)

- **Active Console Volume Ranking (As of March 2022)**

<table>
<thead>
<tr>
<th>Rank</th>
<th>Country</th>
<th>Flag</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>USA</td>
<td>🇺🇸</td>
</tr>
<tr>
<td>2.</td>
<td>Japan</td>
<td>🇯🇵</td>
</tr>
<tr>
<td>3.</td>
<td>Germany</td>
<td>🇩🇪</td>
</tr>
<tr>
<td>4.</td>
<td>UK</td>
<td>🇬🇧</td>
</tr>
<tr>
<td>5.</td>
<td>France</td>
<td>🇫🇷</td>
</tr>
<tr>
<td>6.</td>
<td>Italy</td>
<td>🇮🇹</td>
</tr>
<tr>
<td>7.</td>
<td>Canada</td>
<td>🇨🇦</td>
</tr>
<tr>
<td>8.</td>
<td>Brazil</td>
<td>🇧🇷</td>
</tr>
<tr>
<td>9.</td>
<td>China</td>
<td>🇨🇳</td>
</tr>
<tr>
<td>10.</td>
<td>Spain</td>
<td>🇪🇸</td>
</tr>
<tr>
<td>11.</td>
<td>Mexico</td>
<td>🇲🇽</td>
</tr>
</tbody>
</table>

- **Average Cumulative Spend Per Active Device: Week 72 After Global Launch**

<table>
<thead>
<tr>
<th>Region</th>
<th>Average Cumulative Spend Per Active Device</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>PS4</td>
<td>$69.81</td>
</tr>
<tr>
<td>PS5</td>
<td>$223.34</td>
</tr>
</tbody>
</table>

- **PS Plus Subs Week 72 After Global Launch**
  - PS4: 89.9K
  - PS5: 295.7K

---

*Sony Group Corporation*
Gaming Category Growth

WW Gaming Industry Size by Platform*

($BIL USD)

<table>
<thead>
<tr>
<th>CY21</th>
<th>CY22 (E)</th>
<th>CY23 (E)</th>
<th>CY24 (E)</th>
<th>CY25 (E)</th>
</tr>
</thead>
<tbody>
<tr>
<td>$131</td>
<td>$141</td>
<td>$150</td>
<td>$159</td>
<td>$166</td>
</tr>
<tr>
<td>$45</td>
<td>$46</td>
<td>$46</td>
<td>$47</td>
<td>$47</td>
</tr>
<tr>
<td>$64</td>
<td>$67</td>
<td>$71</td>
<td>$70</td>
<td>$74</td>
</tr>
</tbody>
</table>

CAGR 5%

Console Industry Size by Revenue Type*

($BIL USD)

<table>
<thead>
<tr>
<th>CY21</th>
<th>CY22 (E)</th>
<th>CY23 (E)</th>
<th>CY24 (E)</th>
<th>CY25 (E)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subscription</td>
<td>$8</td>
<td>$10</td>
<td>$13</td>
<td>$14</td>
</tr>
<tr>
<td>Digital Add-on</td>
<td>$15</td>
<td>$18</td>
<td>$20</td>
<td>$23</td>
</tr>
<tr>
<td>Digital Console Software</td>
<td>$9</td>
<td>$9</td>
<td>$10</td>
<td>$9</td>
</tr>
<tr>
<td>Physical Console Software</td>
<td>$11</td>
<td>$9</td>
<td>$8</td>
<td>$7</td>
</tr>
<tr>
<td>Console Hardware</td>
<td>$21</td>
<td>$21</td>
<td>$20</td>
<td>$17</td>
</tr>
</tbody>
</table>

CAGR 1%

CAGR 4%

Market Share

PS4: 45%
PS5 Target: 50%+

*Source: Projections from IDG Consulting, 2022_Q1

**Internal SIE PSS target
The Strongest Gaming Brand

PlayStation in Top Global Brands

#7 PlayStation

Rising to No. 7 from No. 9 YOY

Brand Momentum vs. Rest of Category

PS5 Launch peak

Source: 2022 Prophet Brand relevance index report
PlayStation Games Have Never Been Better

Incredible Content

...With the Best Yet to Come

Ratings Source: Metacritic as of May 4, 2022
### PS5: Highest Engagement Ever...

<table>
<thead>
<tr>
<th>Metrics</th>
<th>PS4 (March 2015)</th>
<th>PS4 (March 2022)</th>
<th>PS5 (March 2022)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gameplay Attach (%)</strong></td>
<td>92%</td>
<td>87%</td>
<td>94%</td>
</tr>
<tr>
<td>(Gameplay MAU/Platform MAU)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Gameplay DAU/MAU</strong></td>
<td>39%</td>
<td>38%</td>
<td>46%</td>
</tr>
<tr>
<td>(Avg. Gameplay DAU/Gameplay MAU)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>MAU Retention Rate</strong></td>
<td>86%</td>
<td>82%</td>
<td>88%</td>
</tr>
<tr>
<td><strong>Monthly Gameplay Hours/User</strong></td>
<td>44.1</td>
<td>39.7</td>
<td>50.0</td>
</tr>
<tr>
<td><strong>Paid Plus Subs Attach (%)</strong></td>
<td>33%</td>
<td>61%</td>
<td>82%</td>
</tr>
<tr>
<td>(Paid Plus Subs/Active Consoles in 12 months)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>LTD Store Transactions Attach (%)</strong></td>
<td>36%</td>
<td>34%</td>
<td>62%</td>
</tr>
<tr>
<td>(Paid Store Transacting Accounts1/Active Users)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>LTD Game Transactions Attach (%)</strong></td>
<td>67%</td>
<td>47%</td>
<td>71%</td>
</tr>
<tr>
<td>(Paid Game Transacting Accounts2/Active Users)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1. Store transactions include digital full game and add-on transactions from conformed spend. Platform is defined by target content type or transaction device type
2. Game transactions include digital full game, physical full game, and add-on transactions from conformed spend. Platform is defined by target content type or transaction device type
...And Game Monetization is Stronger

PS5 Game Spend: 15% Higher Than PS4

Average Game Spend Per Connected Device (USD)

- PS4 (Nov-13 to Mar-15)
  - SUBSCRIPTION
  - ADD-ON
  - FULL GAME

- PS5 (Nov-20 to Mar-22)
  - SUBSCRIPTION
  - ADD-ON
  - FULL GAME

+15%
+21%
+247%
-21%
**PS5** Supply Issues: A Top Priority

**Mitigation Measures In Progress**
- Sourcing multiple suppliers for greater agility in unstable market conditions
- Ongoing logistical negotiations to maintain optimal PS5 delivery routes

**Short-Term Risks**
- COVID-19 impact for parts inventory (e.g., Shanghai)
- Russia impact for logistics and potential parts inventory

**Cumulative Sell-In**
- PS5 undersold PS4 in Year 2 due to supply constraint
- Year 3 is expected to close the gap
- Year 4 onwards, PS5 is expected to overtake again

- PS5 outsold PS4 in Year 1

- YR1
- YR2
- YR3
- YR4
- YR5

- Cumulative Sell-In

- PS4
- PS5
Maintaining Our Longest Ever Tail

- Ongoing AAA Slate
- Retain Post-COVID-19 Digital Shift
- Continue Free-to-Play Growth
- Loyal Subscriber Base and ARPU Growth Opportunities
**Retain** Post-COVID-19 Digital Shift

PS4 REMAINS KEY DRIVER OF PS STORE REVENUE

**COVID-19 Accelerated Strong Digital Shift in PS4 Spend**

<table>
<thead>
<tr>
<th>Year</th>
<th>Disc</th>
<th>Digital</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY13</td>
<td>20%</td>
<td>80%</td>
</tr>
<tr>
<td>FY14</td>
<td>27%</td>
<td>73%</td>
</tr>
<tr>
<td>FY15</td>
<td>34%</td>
<td>68%</td>
</tr>
<tr>
<td>FY16</td>
<td>39%</td>
<td>61%</td>
</tr>
<tr>
<td>FY17</td>
<td>48%</td>
<td>52%</td>
</tr>
<tr>
<td>FY18</td>
<td>60%</td>
<td>40%</td>
</tr>
<tr>
<td>FY19</td>
<td>66%</td>
<td>34%</td>
</tr>
<tr>
<td>FY20</td>
<td>77%</td>
<td>23%</td>
</tr>
<tr>
<td>FY21</td>
<td>80%</td>
<td>20%</td>
</tr>
</tbody>
</table>

**PS Store Revenue % by Console**

- **PS5**: 65%
- **PS4**: 35%

FY21

Sony Group Corporation
Free to Play: A Significant Share of PS4 Spend

% of PS4 PlayStation Store Spend

Key Titles

Fortnite

Genshin Impact

Call of Duty Warzone

Apex Legends

Rocket League

5% FY16

25%+ FY21
PlayStation Plus on PS4: Sustained Performance

Primary Reasons Why People Subscribe

- 36% Online Multiplayer
- 30% Monthly Free Games
- 21% Game Discounts and Offers
- 13% Cloud Storage for Game Saves

Overall PS4 Plus Subscriber Satisfaction

72% satisfied

% of Total Subs Base (March 2022)

- PS4: 69%
- PS5: 31%

PS4 Renewal Rate

- FY13: 61%
- FY14: 63%
- FY15: 65%
- FY16: 67%
- FY17: 69%
- FY18: 71%
- FY19: 73%
- FY20: 75%
- FY21: 77%

* COVID-19 & Fall Guys drove unprecedented engagement in FY20
**PS4 vs. PS3: Much Stronger Late Life Cycle**

**MAU**

March 2015
(Final Month of FY14, 2nd Year of PS4)

36.1M
users

March 2022
(Final Month of FY21, 2nd Year of PS5)

84.0M
users

**Average Annual Spend Per Active Console***

FY 2014
(2nd Year of PS4)

$68

FY 2021
(2nd Year of PS5)

$151

*Excluding the spend on console itself and on second-hand discs*
New Growth Vectors

Commercial Expansion
Portfolio Expansion
Audience Expansion
New Growth Vectors

Commercial Expansion
1. New PlayStation Plus
2. PlayStation Direct
3. PS VR2 Launch

Portfolio Expansion
4. Ongoing M&A
5. Expanding Our IP
6. Live Services

Audience Expansion
7. PC
8. Mobile
9. Beyond Console
New Growth Vectors

1. New PlayStation Plus
2. PlayStation Direct
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Portfolio Expansion

4. Ongoing M&A
5. Expanding Our IP
6. Live Services

Commercial Expansion

7. PC
8. Mobile
9. Beyond Console

Audience Expansion
1. **New PlayStation Plus**

A New Service Proposition - Combining the best of both:

**Tier 1: Essential**
- SAME AS PLUS TODAY

**Tier 2: Extra**
- CATALOGUE OF 400+ PS4 & PS5 GAMES ON DAY 1

**Tier 3: Premium**
- CLOUD STREAMING IN MAJOR MARKETS
- TRY BEFORE YOU BUY
- CLASSIC GAMES

To improve customer experience, grow our subscriber base and enhance monetization:

- OFFER BETTER CONSUMER VALUE
- IMPROVE RETENTION
- GROW THE BASE >50M IN FY22
- INCREASE ARPU
2. PlayStation Direct: Continued Growth

Future European Expansion

Expected in Early Calendar Year 2023
Iberia, Italy, Austria

PlayStation Direct's Revenue Projected to Triple in FY '22

<table>
<thead>
<tr>
<th>Year</th>
<th>Europe</th>
<th>USA</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY19</td>
<td>$9M</td>
<td></td>
</tr>
<tr>
<td>FY20</td>
<td>$228M</td>
<td>$30M</td>
</tr>
<tr>
<td>FY21</td>
<td>$428M</td>
<td></td>
</tr>
<tr>
<td>FY22 (E)</td>
<td>$1.3B</td>
<td>$1.13B</td>
</tr>
</tbody>
</table>

FY21 Unique Customers: 1.3M
FY22 Unique Customers (Projected): 3.6M
3. PS VR2: New Levels of Immersion

New controller with great ergonomics, haptic feedback and adaptive triggers

Connect to PS5 with a single cord to simplify setup and improve ease-of-use

Enhanced Resolution and Tracking

20+ major first-party and third-party titles confirmed for PS VR2 at launch
**Portfolio Expansion**

- **Commercial Expansion**
  - New PlayStation Plus
  - PlayStation Direct
  - PS VR2 Launch

- **Portfolio Expansion**
  - Ongoing M&A
  - Expanding Our IP
  - Live Services

- **Audience Expansion**
  - PC
  - Mobile
  - Beyond Console
## 4. Ongoing M&A Activities: FY21 to Date

<table>
<thead>
<tr>
<th>Announcement Date</th>
<th>Company</th>
<th>Type</th>
<th>Description</th>
<th>Location</th>
<th>#FTE</th>
</tr>
</thead>
<tbody>
<tr>
<td>May 3, 2021</td>
<td>Discord</td>
<td>Investment</td>
<td>Communication Platform</td>
<td>San Francisco, CA</td>
<td>-</td>
</tr>
<tr>
<td>June 29, 2021</td>
<td>Housemarque</td>
<td>Full Acquisition</td>
<td>Console Game Developer</td>
<td>Helsinki, Finland</td>
<td>80</td>
</tr>
<tr>
<td>July 1, 2021</td>
<td>Nixxes</td>
<td>Full Acquisition</td>
<td>PC Focused Porting Developer</td>
<td>Utrecht, The Netherlands</td>
<td>55</td>
</tr>
<tr>
<td>September 8, 2021</td>
<td>Firesprite</td>
<td>Full Acquisition</td>
<td>Game Developer (Console, PC, Mobile, VR)</td>
<td>Liverpool, UK</td>
<td>265</td>
</tr>
<tr>
<td>September 30, 2021</td>
<td>Bluepoint</td>
<td>Full Acquisition</td>
<td>Console Game Developer</td>
<td>Austin, TX</td>
<td>69</td>
</tr>
<tr>
<td>November 4, 2021</td>
<td>Devolver</td>
<td>Investment</td>
<td>Indie Game Developer &amp; Publisher</td>
<td>Austin, TX</td>
<td>-</td>
</tr>
<tr>
<td>December 10, 2021</td>
<td>Valkyrie</td>
<td>Full Acquisition</td>
<td>Game Developer (Console, PC, Mobile)</td>
<td>Seattle, WA</td>
<td>45</td>
</tr>
<tr>
<td>January 31, 2022</td>
<td>Bungie</td>
<td>Full Acquisition</td>
<td>Live Services Developer &amp; Publisher</td>
<td>Bellevue, WA</td>
<td>826</td>
</tr>
<tr>
<td>March 21, 2022</td>
<td>Haven</td>
<td>Full Acquisition</td>
<td>Live Services Developer</td>
<td>Montreal, Canada</td>
<td>61</td>
</tr>
<tr>
<td>May 3, 2022</td>
<td>Accelbyte</td>
<td>Investment</td>
<td>Backend-as-a-Service</td>
<td>Seattle, WA</td>
<td>-</td>
</tr>
</tbody>
</table>

1: Full-time employees (FTE) at time of acquisition. Investments will not include FTE.
2: The acquisition is subject to certain closing conditions, including regulatory approvals.
4. Ongoing M&A Activities: Bungie Synergies

**Bungie to SIE**

- Live Services Expertise to PlayStation Studios
- Help Build SIE Live Services Center of Excellence
- Live Services Business Operations to Platform Business

**SIE to Bungie**

- Leverage Scale of SIE Publishing & Platform (Marketing, Global Business Operations)
- PlayStation Studios Central Services
- G&A Support (Legal, Finance, Accounting, HR)

*Preparation for integration underway and will be mobilized once deal is closed*

Expected closing of Bungie acquisition to be completed in Q3 FY22
5. Expanding Our IP: Increasing New IP Investment

PlayStation Studios Investment by IP Type

<table>
<thead>
<tr>
<th>Year</th>
<th>Existing</th>
<th>New</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY19</td>
<td>77%</td>
<td>23%</td>
</tr>
<tr>
<td>FY22 (E)</td>
<td>66%</td>
<td>34%</td>
</tr>
<tr>
<td>FY25 (E)</td>
<td>50%</td>
<td>50%</td>
</tr>
</tbody>
</table>

G&NS Segment
## 5. Expanding Our IP: Leverage Beyond Gaming

<table>
<thead>
<tr>
<th>Broaden Franchise Awareness</th>
<th>Monetize Our Most Beloved Franchises Beyond the Gaming Category</th>
<th>Give Existing Fans More Ways to Engage</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Movies</strong></td>
<td><strong>Retail</strong></td>
<td><strong>TV Series</strong></td>
</tr>
<tr>
<td>Uncharted</td>
<td>Horizon Forbidden West</td>
<td>The Last of Us</td>
</tr>
</tbody>
</table>
6. Live Services: Invest to Capture Category Growth

Projected Gaming Category Growth*

<table>
<thead>
<tr>
<th>Year</th>
<th>Digital Add-on</th>
<th>Digital Console Software</th>
<th>Physical Console Software</th>
</tr>
</thead>
<tbody>
<tr>
<td>CY21</td>
<td>$15B</td>
<td>$9B</td>
<td>$11B</td>
</tr>
<tr>
<td>CY22</td>
<td>$18B</td>
<td>$9B</td>
<td>$9B</td>
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<tr>
<td>CY23</td>
<td>$20B</td>
<td>$10B</td>
<td>$8B</td>
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<tr>
<td>CY24</td>
<td>$23B</td>
<td>$9B</td>
<td>$7B</td>
</tr>
<tr>
<td>CY25</td>
<td>$24B</td>
<td>$10B</td>
<td>$7B</td>
</tr>
</tbody>
</table>

*Source: Projections from IDG Consulting, 2022 Q1

PS5 Investment by Business Model**

<table>
<thead>
<tr>
<th>Year</th>
<th>Live Service</th>
<th>Traditional</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY19</td>
<td>12%</td>
<td>88%</td>
</tr>
<tr>
<td>FY22</td>
<td>49%</td>
<td>51%</td>
</tr>
<tr>
<td>FY25</td>
<td>55%</td>
<td>45%</td>
</tr>
</tbody>
</table>

**Source: PlayStation Studios internal projections
6. Live Services: Grow First-Party Monetization & Portfolio Diversity

A More Diverse First-Party Portfolio

<table>
<thead>
<tr>
<th>Single-Player Game Catalog</th>
<th>Live Services Game Catalog</th>
</tr>
</thead>
<tbody>
<tr>
<td>GOD OF WAR RAGNARÖK</td>
<td>THE SHOW 22</td>
</tr>
<tr>
<td>HORIZON FORBIDDEN WEST</td>
<td></td>
</tr>
<tr>
<td>RATCHET &amp; CLANK</td>
<td></td>
</tr>
<tr>
<td>SPIDER-MAN MILES MORALES</td>
<td></td>
</tr>
<tr>
<td>THE LAST OF US PART II</td>
<td></td>
</tr>
<tr>
<td>UNCHARTED</td>
<td></td>
</tr>
<tr>
<td>GHOST OF TSUSHIMA</td>
<td></td>
</tr>
</tbody>
</table>

Projected Number of SIE Live Service Franchises by Year (Cumulative)

- FY21 (Actual): 1
- FY22: 3
- FY23: 6
- FY24: 10
- FY25: 12
**Audience Expansion**

1. **New PlayStation Plus**
2. **PlayStation Direct**
3. **PS VR2 Launch**
4. **Ongoing M&A**
5. **Expanding Our IP**
6. **Live Services**
7. **PC**
8. **Mobile**
9. **Beyond Console**

**Commercial Expansion**

**Portfolio Expansion**

**Audience Expansion**
7. Exponential Growth to be Sustained by PC Titles Beyond FY22

**Significant YOY Growth**

PC Net Sales $ (In millions)

- FY20: $35
- FY21: $80
- FY22 (E): $300+

**LTD Unit Sales**
- Horizon: 2,398K
- Days Gone: 852k
- God of War: 971k

**LTD Revenue**
- Horizon: $60M
- Days Gone: $22.7M
- God of War: $26.2M

Release Dates:
- Horizon: Aug 7, 2020
- Days Gone: May 18, 2021
- God of War: Jan 14, 2022

Ratings Source: Metacritic as of May 4, 2022

*As of March 2022

Sony Group Corporation | 34
## 8. Mobile Strategy: Aggressive Growth Plans

Leverage partnerships to build leading mobile development and publishing capabilities within SIE

<table>
<thead>
<tr>
<th>Co-development of top IP with industry leaders</th>
<th>Establishing network of internal studios and projects</th>
<th>Building world-class centralized publishing team and tools</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Partner with respected, established and successful mobile developers</td>
<td>• Internal studios build mobile expertise</td>
<td>• Leadership talent from top mobile companies</td>
</tr>
<tr>
<td>• Extend our franchises to more players and regions</td>
<td>• Strategic partnerships with boutique teams</td>
<td>• Best practices, processes, and tools optimized for cross-studio learning</td>
</tr>
<tr>
<td>• Remain faithful to the values of PlayStation Studios</td>
<td>• Publish external games that fit within broader PlayStation Studios portfolio</td>
<td>• Build publishing operation in parallel to production</td>
</tr>
<tr>
<td>• Acquire credibility, visibility, and learnings</td>
<td>• Expand to cross-platform where relevant</td>
<td></td>
</tr>
</tbody>
</table>

Leverage partnerships to build leading mobile development and publishing capabilities within SIE.
Evolving Shape of First-Party Portfolio

Significant Growth of PC and Mobile Within Our Portfolio

Releases by Platform

FY 2019 | FY 2022 (E) | FY 2025 (E)
---|---|---
PS5 | PS4+PS5 | PS4 | PC | Mobile

Sony Group Corporation | 36
9. Console and Beyond

A transformation from PlayStation’s current console-centric approach to a future where large elements of our community extend beyond the console.

More Platforms
- PC & Mobile
- Virtual Reality
- Cloud
- Metaverse

Better Experiences
- PS Plus
- Discord Integration
- Store
- PlayStation Direct
The Importance of Group Collaboration
Transformative Sony Group Collaboration

Sales and Marketing Collaboration

Content Distribution

Amplify IP Synergies

Build Brand Relevancy

Perfect for PlayStation®5

BRAVIA XR

BRAVIA XR

PLAYSTATION PLUS

VIDEO PASS

crunchyroll

IS ON PS5

SONY MUSIC

SONY PICTURES

SONY

"DEATHLOOP"

x MADISON BEER REMIX

MARVEL

SPIDER-MAN

MILES MORALES

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ESG Initiatives: SIE is Turning Intention into Actions

**ENVIRONMENT**

- **Our Community:**
  - Players submit 377 ocean & forest game creations in Dreams – shown at UN COP26
  - SIE has invested in 633,000 trees to be planted around the world, linked to player activations in game, in support of United Nations Play4Forests 1 million trees goal

- **Our Services:**
  - Our PS Plus cloud streaming service has achieved 78% renewable electricity & carbon neutrality (2020 baseline)

- **Our Products:**
  - 10% of the plastic we used to manufacture PS game boxes was recycled from post-industrial waste in FY21

**SOCIETY**

- **Our Community:**
  - More than 17,000 PlayStation products such as consoles and games were donated to Child's Play for distribution in their global network of 185 hospitals

- **Our Products and Services:**
  - 60 million free games redeemed as part of our "Play At Home" initiative during the COVID19 pandemic

- **Our Workforce:**
  - Employees donated $3.3 million towards more than 2,300 different causes, including match-funding by our PlayStation Cares program ($273,000 was towards causes aiding the Ukraine crisis)

**GOVERNANCE**

- **Our Community:**
  - PlayStation Career Pathways Program created offering technology & gaming scholarships, mentorships & internships to underrepresented groups; starting with MLB & Jackie Robinson Foundation partnership

- **Our Products and Services:**
  - PlayStation.com accessibility destination launched covering features available on our consoles & PlayStation Studios games
  - PlayStation 5 accessibility enhanced adding six screen reader languages (total now 15) & mono audio headphones option

- **Our Workforce:**
  - Achieved top score & awarded as one of the Best Places To Work for LGBTQ+ & Disability Inclusion by both HRC & Disability:IN
PlayStation: The Road to Profitable Transformation

1. Thriving Core Business

2. Powerful New Growth Vectors

3. Transformative Sony Group Collaboration

<table>
<thead>
<tr>
<th>COMMERCIAL EXPANSION</th>
<th>PORTFOLIO EXPANSION</th>
<th>AUDIENCE EXPANSION</th>
</tr>
</thead>
</table>

Sony Group Corporation
Music Segment

Senior Executive Vice President
Sony Group Corporation

Chairman
Sony Music Group

Chief Executive Officer
Sony Music Entertainment

Rob Stringer
Agenda

01. FY21 Review

02. Market Trends

03. SMG Growth Strategies
Robust Financial Growth Across All Key Metrics

SMG Record Revenue and Profit for Each of the Last 5 Years

▲ Revenues
FY21 All-time high; Up +$3.0B Since FY17
+15.5% 4 Yr CAGR

▲ Streaming Rev.
70%
FY21 Streaming Revenues Now Represent 70% of Total Revenues
Outpaced market growth; Up +$2.9B Since FY17
+26.7% 4 Yr CAGR

▲ Op Income
Margins up 5.7% pts since FY17
+26.6% 4 Yr CAGR

▲ EBITDA (2)
Margins up 5.5% pts since FY17
+23.2% 4 Yr CAGR

---

1) Source: IFPI
2) EBITDA - Earnings Before Interest, Income Tax, Depreciation, Amortization, Restructuring; Non-GAAP and non-IFRS financial measure

* Revenues, Streaming Revenue and Operating Income are based on US GAAP for the period between FY17 and FY19, and on IFRS for the period after FY20; CAGR is calculated as a simple comparison between FY17 result based on US GAAP and FY21 result based on IFRS
Recorded Music Chart and Market Success

Recorded Music Chart Success

36.1%
SME Share of Weekly Spotify WW Top 100 vs. 35.6% in FY20

48.5%
SME Share of Weekly Spotify WW Top 10 vs 39.0% in FY20

U.S. Current Market Share Gain*

<table>
<thead>
<tr>
<th></th>
<th>Album</th>
<th>Album</th>
<th>Vinyl</th>
</tr>
</thead>
<tbody>
<tr>
<td>CY 2020</td>
<td>#1</td>
<td>#1</td>
<td>#1</td>
</tr>
<tr>
<td>CY 2021</td>
<td>#1</td>
<td>#1</td>
<td>#1</td>
</tr>
</tbody>
</table>

Position On Three of Five IFPI Global Charts

#1 Album All Format Chart
#1 Album Sales Chart
#1 Vinyl Album Chart

* Nielsen / MRC
Publishing Chart and Market Success

Publishing Market Leadership

**Music Publisher Since 2012**
Based on revenue

#1

SMP Share of Weekly Spotify WW Top 100
33%
Up from 27% in CY20

SMP Share of Quarterly US Billboard Hot 100
27%
Up from 23% in CY20
FY21 Global Artist Success

**Olivia Rodrigo (SMP)**
‘SOUR’ #2 best-selling album globally in 2021

**Lil Nas X (SME/SMP)**
‘Montero’ #2 most streamed song globally on Spotify in 2021

**Doja Cat (SME)**
Most streamed album by a female rapper in Spotify history

**The Kid LAROI (SME/SMP)**
‘STAY’ #2 on the IFPI’s Top Global Single

**Måneskin (SME/SMP)**
2021 Eurovision winner; first Italian artist to land on Top 10 Spotify Global Chart

**Rauw Alejandro (SME)**
2021 #3 Latin artist on Spotify

**Ed Sheeran (SMP)**
‘‘ #4 best-selling album globally in 2021

**Harry Styles (SME)**
2022 single day streaming record (Global) and all-time single day streaming record (US) on Spotify
Key Acquisitions in FY21

M&A

Catalogs

Dylan (SME)

Springsteen (SME/SMP)
Agenda

01. FY21 Review

02. Market Trends

03. SMG Growth Strategies
CY2021: Strong Market Recovery From COVID-19

Recorded Music Market
7th Consecutive Year of Growth

+18.5% Growth Vs. PY

$25.9B WW market size
65% Streaming

Cy21

Projected mid-to-high single digit CAGR

Cy25

Music Publishing Market
9th Consecutive Year of Growth

+17.6% Growth Vs. PY

$6.9B WW market size
57% Digital

Cy21

Projected mid-to-high single digit CAGR

Cy25

Driven By:

Growth paid subscribers/improved ARPU
Growth In New Revenue Channels
Emerging Markets

Expecting mid-to-high single digit annual market growth through mid-range planning period, consistent with analyst projections

1) Source: IFPI
2) Source: Music & Copyright
Continued Growth In Streaming Market

Paid Streaming Users – Global (Mil)

- Growth in emerging markets accelerates adding majority of new subscribers
- Strong product, attractive price point and ease of use continues mass market adoption

Ad Supported Audio & Video Revenue – Global ($Bil)

- COVID-19 drop and strong recovery show cyclical nature of ad revenue
- Stronger growth prospects due to ad spend shifts and improving CPMs

Expecting double-digit growth in the streaming market over the next few years

Source: IFPI
Other Market Developments

Continued Proliferation of Music:

Tracks on Spotify as of 2021YE, +17% Vs. 2020

Artists uploaded one or more songs on Spotify

Increase In Catalog Consumption:

Catalog consumption in CY21 increased to 75% in the U.S. from 66% in PY*

Continued Increase of Investment In Music Assets:

ROYALTY STREAMS
PUBLISHING AND RECORDED MUSIC CATALOGS
LABELS
SERVICING PLATFORMS

* Nielsen / MRC
Agenda

01. FY21 Review

02. Market Trends

03. SMG Growth Strategies
SMG Evolving with Expanding Options for Artists, Songwriters and Labels to Release Their Music

MULTIPLE POINTS OF ENTRY

Repertoire Centers

Label Services

Artist Services

DIY Distribution

Recent Additions:
- China
- SE Asia
- India
- Africa
- Latin America

Integrate tiers to optimize service levels
Continued Investment In New Recorded Music Repertoire

**Total Artists**
- FY17: [Graph]
- FY21: [Graph]
  - +30.5% Growth

**New Signings**
- FY17: [Graph]
- FY21: [Graph]
  - +32.4% Growth

**Gross Talent**
- FY17: [Graph]
- FY21: [Graph]
  - +111.3% Growth

**Creative Staff**
- FY17: [Graph]
- FY21: [Graph]
  - +85.2% Growth
**SMG Growth Strategies**

**Invest In High Potential Emerging Markets**

**LATAM**
- Integrate and growth Som Livre artists and catalogs to maintain market position
- Investing in specialist Latin music label WK Records and growing regional roster through signings and partnerships
- Expand services offerings and source innovative commercial opportunities in brands, premium contents and other areas for artists

**Market Growth**
- +31.2%

**Market Size**
- $1b

**CHINA**
- Build out label operations in China with launch of RCA imprint
- Strengthen relationships with local DSPs via NetEase investment
- Enhance collaborations with Indie artists and labels to grow traction in local genres

**Market Growth**
- +30.4%

**Market Size**
- $1.1b

**INDIA**
- SME market leader; #1 among majors
- Focus on artist signings and local languages alongside successful soundtrack business
- Co-investment of Talent Agency with SPE (SETV) to broaden commercial opportunities for artists

**Market Growth**
- +20.3%

**Market Size**
- $219m

**MIDDLE EAST & AFRICA**
- Launched Vibe Music Arabia with Anghami to support independent Arabic music while proactively signing local talents
- SME artist Hamaki was the first Arab artist to perform a show in Fortnite, which was watched by 10 million people
- Target footprint expansion in North Africa and sub-Saharan Africa hubs in order to capture market growth

**Market Growth**
- +22.6%

**Market Size**
- $160m
New Commercial Strategies – Growth Platforms

Social
Driving short-form video and personal expression

Gaming
Creating new immersive experiences

Fitness
Elevating workout programming

Web3
Ushering in next generation platforms

Growing use cases for music with expanding partner base
Business Expansion Initiatives Over MRP

Expanding Our Capabilities and Value Proposition to Provide The Best-In-Class Services to Our Artists

Merchandising

Neighboring Rights

Podcasting

Live

CEREMONY OF ROSES

Kobalt NEIGHBOURING RIGHTS

somethinelse

Raymond Gubbay Ltd
Sony Group Collaboration

**Adele Global TV Special**

"One Night Only" garnered 11.7 million viewers on US premiere with WW distribution to 100 countries by SPE

**Set The Stage Production**

Live streamed performance accompanied by long form behind the scenes piece from SME artists captured using Sony technology

**Gran Turismo 7 Soundtrack**

Columbia’s major artists participate in production and marketing of the soundtracks created for Gran Turismo 7

**Madison Beer Immersive Concert Webby Achievement**

Virtual concert experience shot in Sony Hall with Epic Games Unreal Engine; Led by Sony Music, along with Sony Group and SIE
Artists Forward
Songwriters Forward

Enhancing Sony’s position as the Market Leader in Artist & Songwriter-friendly initiatives

Insights/Transparency

Only company offering:

- True real time earnings
- True real time advances & cash out
- Industry leading mobile tools to every artist & label globally

Remuneration

- First major to payout Spotify equity gain to artists and songwriters
- First major for artists and songwriters to announce and implement pay-through on legacy unrecouped earnings
- Potential to impact thousands of our artists & songwriters
- Plans to expand the program in the upcoming year

Wellness

- First major for artists and songwriters to offer free, confidential counseling services
- Active roster artists and songwriters around the world can connect with dedicated, licensed professionals
Sony Music Group is...

**Our Employees**
- Culture of respect, diversity, equity, inclusion
- Highly engaged and productive workforce
- Progressive & attractive workplace

**Our Artists & Songwriters**
- Staying on the pulse of the market through close relationships with the creative community
- Elevating artist and songwriter development and content creation
- Transparency, fair treatment, and compassionate care for artists and songwriters

**Our Tactics**
- Creating multiple points of entry into the Sony Music ecosystem at all career stages
- Driving business and revenue expansion organically and through M&A
- Collaborating with DSPs, creative partners, marketing partners, etc. to drive business results and innovation

**Our Impact**
- Connecting music consumers with artists, songs, and content they love
- Leveraging our resources for social good
- Producing financial results and strategic value for Sony
Music Segment

Senior Executive Vice President
Sony Group Corporation

President and Representative Director of the Board, CEO
Sony Music Entertainment (Japan) Inc.

Shunsuke Muramatsu
Comprehensive Entertainment Company

Music
- Recorded Music
- Live / Artist Management
- Music Publishing

Anime
- Production Studio
- Anime Production & Distribution
- Mobile Game

Solution
- Physical Manufacturing / Logistics / Sales
- Live Event Operation
- Merchandising
- Digital Services

Music Segment (SMEJ)
Develop & Maximize Fan Engagement

Music
- Artist Development
- Enhancement of Development Capability

Solution
- Expansion & Innovation of Services

Anime
- Ensuring the Quality of Titles
- Expansion of Distribution Channels

Music Segment (SMEJ)
1. FY21 Business Highlights

2. Growth Strategy

3. Sony Group Collaboration

4. Sustainability
Generating Streaming-driven New Hit Songs

Yuuri

YOASOBI
Providing Comprehensive Support to Artists

Nogizaka46  LiSA  King Gnu  NiziU
Highlights: Anime Business

Excellent IP Creation & Business Development Expansion

Demon Slayer

Ranking of Kings

©Koyoharu Gotoge / SHUEISHA, Aniplex, ufotable ©SousukeTOKA, KADOKAWA/Ranking of Kings animation film partners
Generating Hit Titles Through Business Model Diversification

Sword Art Online
(Theatrical Release/Themed Events X Anime)

Build Divide
(Trading Card X Anime)
Providing New Services & Collaborating
With More Business Partners

Experience-Based VR Exhibition Event

Addition of e-ticket Service “Stagecrowd Ticket”
1. FY21 Business Highlights

2. Growth Strategy

3. Sony Group Collaboration

4. Sustainability
Market Trend: Music Business (Japan)

Streaming Growing, Physical Declining

<table>
<thead>
<tr>
<th>Year</th>
<th>Digital Sales</th>
<th>Physical Sales</th>
<th>CAGR</th>
</tr>
</thead>
<tbody>
<tr>
<td>CY17</td>
<td>289</td>
<td>80%</td>
<td></td>
</tr>
<tr>
<td>CY18</td>
<td>305</td>
<td>79%</td>
<td></td>
</tr>
<tr>
<td>CY19</td>
<td>300</td>
<td>76%</td>
<td></td>
</tr>
<tr>
<td>CY20</td>
<td>273</td>
<td>71%</td>
<td></td>
</tr>
<tr>
<td>CY21</td>
<td>283</td>
<td>68%</td>
<td></td>
</tr>
</tbody>
</table>

Source: Recording Industry Association of Japan (RIAJ)

Live Event Ticket Sales on a Recovering Trend

<table>
<thead>
<tr>
<th>Year</th>
<th>CAGR</th>
</tr>
</thead>
<tbody>
<tr>
<td>CY17</td>
<td>515</td>
</tr>
<tr>
<td>CY18</td>
<td>586</td>
</tr>
<tr>
<td>CY19</td>
<td>630</td>
</tr>
<tr>
<td>CY20</td>
<td>111</td>
</tr>
<tr>
<td>CY21</td>
<td>279</td>
</tr>
<tr>
<td>CY22</td>
<td>518</td>
</tr>
<tr>
<td>CY23</td>
<td>633</td>
</tr>
<tr>
<td>CY24</td>
<td>648</td>
</tr>
<tr>
<td>CY25</td>
<td>664</td>
</tr>
</tbody>
</table>

Source: PIA Research Institute
Growth Strategy: Music Business

- Develop and strengthen fandom artists
- Strengthen marketing and expand fan related services
Market Trend: Anime Business

Japanese Anime Market Expansion Continues
- Merchandising & Int’l Sales Comprising 70%+ of Total

<table>
<thead>
<tr>
<th>Year</th>
<th>Merchandising Sales</th>
<th>Int’l Sales</th>
<th>Other Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>CY11</td>
<td>1,330</td>
<td>20%</td>
<td>45%</td>
</tr>
<tr>
<td>CY12</td>
<td>1,340</td>
<td>18%</td>
<td>43%</td>
</tr>
<tr>
<td>CY13</td>
<td>1,477</td>
<td>19%</td>
<td>41%</td>
</tr>
<tr>
<td>CY14</td>
<td>1,637</td>
<td>20%</td>
<td>40%</td>
</tr>
<tr>
<td>CY15</td>
<td>1,829</td>
<td>32%</td>
<td>32%</td>
</tr>
<tr>
<td>CY16</td>
<td>1,990</td>
<td>39%</td>
<td>28%</td>
</tr>
<tr>
<td>CY17</td>
<td>2,142</td>
<td>46%</td>
<td>24%</td>
</tr>
<tr>
<td>CY18</td>
<td>2,181</td>
<td>46%</td>
<td>23%</td>
</tr>
<tr>
<td>CY19</td>
<td>2,515</td>
<td>48%</td>
<td>23%</td>
</tr>
<tr>
<td>CY20</td>
<td>2,426</td>
<td>51%</td>
<td>24%</td>
</tr>
</tbody>
</table>

※Source: Japan Animation Report
Growth Strategy: Anime Business

- Strengthen creativity resource – both internal and external (through partnerships)
- Strengthen merchandising planning and licensing capability
- Expand global streaming mainly through Crunchyroll
- Maximize lifetime value of IP
Growth Strategy: Anime Business

- **TV Anime Series**
  - "Tanjiro Kamado, Unwavering Resolve Arc"

- **TV Anime Theme Song**
  - by LiSA: Gurenge

- **Merchandising**

- **Domestic Digital Distribution**

- **Movie Theme Song**
  - by LiSA: Homura

- **Film Production / Domestic Theatrical Release**
  - "The Movie: Mugen Train"

- **International Theatrical Release / Digital Distribution**

- **New TV Anime Series (to be broadcasted)**
  - "Swordsmith Village Arc"

- **TV Anime Series**
  - "Entertainment District Arc"

- **Events**

- **Exhibition / Stage Performances**

- **Video Game**
  - "The Hinokami Chronicles"

- **Home Entertainment Release of TV Series and Film**
Market Trend: Mobile Game Business

Recent Growth of Japanese Mobile Game Market Slowing

(Cy16) 10,729
(Cy17) 12,447
(Cy18) 13,276
(Cy19) 14,186
(Cy20) 16,320
(Cy21) 15,833

(Mil. USD)

CAGR +11%
CAGR +5%

Mobile Game Market

Source: data.ai
Growth Strategy: Mobile Game Business

- Enhance fan engagement to sustain a longer life-cycle
- Strengthen game development function to create high quality games
Growth Strategy: Mobile Game Business

Fate/Grand Order

Lasengle Inc.

Music Segment (SMEJ)
1. FY21 Business Highlights
2. Growth Strategy
3. Sony Group Collaboration
4. Sustainability
Sony Group Collaboration: Deeper Engagement
Sony Group Collaboration: Deeper Engagement

Music Segment (SMEJ)
1. FY21 Business Highlights
2. Growth Strategy
3. Sony Group Collaboration
4. Sustainability
Dream and Kando: Continuity and Connection

We will contribute to build a rich society filled with dreams and to protect the global environment by delivering Kando experiences through entertainment.
Sustainability: Action Plan

Global environmental initiatives
- 100% use of renewable energy at owned offices
- Continuation of 1% reduction of paper, trash & electricity use

Social contribution initiatives
- “B-side” – mental and physical health care program for artists and creators
- Next generation career education program
Social Contribution Initiatives: Deep dive

“B-side” – mental and physical health care program for artists and creators

- Personal support by professional counselors
- Online medical counseling
- Regular check-ups
- Workshop by professional instructors

Next generation career education program

- Company visit
- School visit
- Remote classes
SMEJ’s DNA

Music Segment (SMEJ)
Pictures Segment

Senior Executive Vice President
Sony Group Corporation

Chairman and CEO, Sony Pictures Entertainment Inc.

Tony Vinciquerra
CEO Introduction

Tony Vinciquerra
Chairman & CEO, Sony Pictures Entertainment
Historical Operating Income

OPERATING INCOME HAS GROWN AT A 36.4% CAGR OVER THE LAST FIVE YEARS\(^{(2)}\)

\[
\begin{array}{ccccccc}
\text{FY16}\(^{(1)}\) & \text{FY17} & \text{FY18} & \text{FY19} & \text{FY20} & \text{FY21} \\
$280 & $376 & $489 & $626 & $756 & $1,320 & $1,935 \\
\end{array}
\]

\(36.4\%\) CAGR

\(\text{Sale of GSN Games}\)

$1,935

$615

$1,320

$615

\(\text{$ in Millions}\)

\((1)\) Operating income is based on US GAAP for the period between FY16 and FY19, and on IFRS for the period after FY20. Sony believes that the difference between US GAAP and IFRS for operating income during the above period is not material. The CAGR is calculated as a simple comparison between FY16 results and FY21 results.

\((2)\) Excludes $962M goodwill impairment
Four Pillar Strategy

STRONG I.P.

INDEPENDENT STUDIO

CONTENT LIBRARY

ONE SONY
Motion Picture Group Highlights

**SPE’S TOP EARNER OF ALL TIME**

$1.9 BILLION WORLDWIDE BOX OFFICE

RECORD-BREAKING 3.6M UNITS IN EST*

*Source: EST U.S. sales in the first 8-weeks*
Sony Pictures Television Highlights

LEADING INDEPENDENT STUDIO –
RECORD 37 PRIMETIME EMMY NOMINATIONS AND 12 WINS IN 2021
Sony Pictures Television Highlights

TWO HIGHEST-RATED GAME SHOWS ON TELEVISION

Source: Nielsen; L+SD; 4Q21-1Q22; excludes sports, specials, repeats
M&A Strategy

Pictures Segment

ULTIMATE DESTINATION FOR ANIME CONTENT
THE OVERALL GLOBAL ANIME MARKET IS PROJECTED TO GROW TO $43.7B BY 2027

$ in Billions
Source: Brandessence Research 2/16/2021
GROWING DEMAND FOR UNSCRIPTED CONTENT
M&A Strategy

DIVERSIFIED PRODUCTION PORTFOLIO
**Competitive Landscape**

**STREAMING WARS**

Original content spend has grown significantly over the last five years

<table>
<thead>
<tr>
<th></th>
<th>CY2017</th>
<th>CY2018</th>
<th>CY2019</th>
<th>CY2020</th>
<th>CY2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Netflix</td>
<td>$1.17</td>
<td>$1.98</td>
<td>$4.25</td>
<td>$7.27</td>
<td>$11.15</td>
</tr>
<tr>
<td>Amazon Prime Video</td>
<td>$0.86</td>
<td>$0.32</td>
<td>$0.66</td>
<td>$1.21</td>
<td>$2.15</td>
</tr>
<tr>
<td>Hulu</td>
<td>$0.06</td>
<td>$0.10</td>
<td>$0.39</td>
<td>$0.95</td>
<td>$1.86</td>
</tr>
<tr>
<td>Apple TV+</td>
<td>$0.25</td>
<td>$1.56</td>
<td>$3.07</td>
<td>$4.56</td>
<td>$6.08</td>
</tr>
</tbody>
</table>

$ in Billions
Source: Ampere Analysis

Pictures Segment
**Competitive Landscape**

2021 GLOBAL BOX OFFICE WAS DOWN ~50% FROM PRE-PANDEMIC LEVELS, BUT IS FORECASTED TO RECOVER BY 2023

<table>
<thead>
<tr>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>$ in Millions</td>
<td>$41,467</td>
<td>$41,728</td>
<td>$11,615</td>
<td>$20,854</td>
<td>$36,018</td>
<td>$44,354</td>
<td>$46,634</td>
<td>$48,586</td>
</tr>
</tbody>
</table>

Source: Omdia 3/25/2022
Industry’s Largest Independent Content Provider
Motion Picture Group Position and Competitive Advantages

Original Films

Sony Group Corporation | 104
STREAMERS LOOKING TO INTERNATIONAL MARKETS FOR FUTURE GROWTH

DRIVING UP DEMAND FOR LOCAL-LANGUAGE CONTENT

MARKETS INCLUDE
Sony Pictures Television Position and Advantages
Sony Pictures Television Position and Advantages

EXPANDING PROFITABLE GAME SHOW IP BY GROWING THE BRANDS
Driving Future Growth

SONY GROUP COLLABORATIONS

INVESTMENTS IN COMMUNITIES OF INTEREST

LOCATION-BASED ENTERTAINMENT

ESG STRATEGIES – DIVERSIFY OUR TALENT PIPELINE
Uncharted
PlayStation Productions

Pictures Segment

[Image of PlayStation Productions posters: The Last of Us, Twisted Metal, Ghost of Tsushima]
Growth Businesses

Communities of Interest

PUREFLIX → Faith & Family

Sony Pictures Networks → India

Silvergate → Kids Programming

crunchyroll → Anime
Distinct Businesses
Distinct Businesses

![Industrial Media Logo]

- **90 Day Fiancé**
- **American Idol**
- **So You Think You Can Dance**
- **Indian Matchmaking**
- **The D’Amelio Show**
Distinct Businesses

INDIA NETWORKS BUSINESS CONTINUES TO DELIVER RECORD PROFITS FOR SPE

Sony Group Corporation | 115
Location Based Entertainment

HOTEL TRANSYLVANIA AND GHOSTBUSTERS ATTRACTIONS
Location Based Entertainment

GARDALAND THEME PARK, ITALY
ESG & Sustainability

SONY PICTURES ACTION!
UNITED AS EQUALS. STRONGER AS ONE.
ESG & Sustainability

DIVERSITY & INCLUSION

**EMPLOYEE BUSINESS RESOURCE GROUPS**

- ACE
- OUTSONYPICURES
- BE BLACK EMPLOYEE EBRG
- SONY EMERGING PROFESSIONALS CULVER CITY
- VOZ
- AP
- WAVE @ SONY PICTURES
- WIT WOMEN IN TECHNOLOGY
- desi @ Sony Pictures

**PARTNERSHIPS**

- CAPE
- COALITION of ASIAN PACIFICS in ENTERTAINMENT
- NALIP NATIONAL ASSOCIATION OF LATINO INDEPENDENT PRODUCERS
- AMERICAN BLACK FILM FESTIVAL
- ARRAY CREW
- Geena Davis Institute on Gender in Media
- BLACk INFORMATION NETWORK
- easterseals Central California

**IMPACTFUL PROGRAMS/TRAINING**

- SONY PICTURES TELEVISION DIVERSE DIRECTORS PROGRAM
- SONY PICTURES TELEVISION DIVERSE WRITERS PROGRAM
- creativeDIVERSITY FUND
- NeuroLeadership INSTITUTE

*Note: The above represents only a sample list of SPE’s EBRGs, Partners, and Programs.*
ESG & Sustainability

Sony Pictures A GREENER WORLD

Committed to PROTECTING THE ENVIRONMENT for future generations.

REDUCE CARBON EMISSIONS GLOBALLY BY 25% AND ELIMINATE SINGLE-USE PLASTIC ACROSS ALL BUSINESS FUNCTIONS
Entertainment, Technology & Services Segment

Senior Executive Vice President
Sony Group Corporation

Representative Director, President & CEO
Sony Corporation

Kimio Maki
1. ET&S Business Direction
2. Profit Axis Business
3. Growth Axis Business
4. Sustainability
1. ET&S Business Direction
Purpose

Fill the world with emotion, through the power of creativity and technology.
Identity

Creative Entertainment Company with a Solid Foundation of Technology
Move People’s Hearts

Connect People to People

Support People

3 Domains
Vision

Continue to deliver *Kando* and *Anshin* to people and society across the world through the pursuit of technology and new challenges.

*Anshin* is a Japanese word with various meanings such as peace of mind, reassurance, reliability and trust.
Entertainment, Technology & Services
Create the Future Together
Review of FY2021
Providing new experience values and supporting creators’ activities during COVID-19
Business Environment

Politics
- Geopolitical risk
- Strengthened policies for environment and privacy

Economy
- Uncertainty due to COVID-19
- Global supply shortage
- Diversification of XaaS

Social
- Communication in virtual spaces becoming more common
- Growing influence of generation Z
- Aging society

Technology
- Acceleration of technological development for real-time value
- Development to combine live and virtual spaces
Business Direction
Structure for Maintaining Profitability and Growth Strategy

Corporate Culture
Communication Place

Business Strategy

Profit Axis
Growth Axis

Sustainability
Environment
Accessibility
Diversity, Equity & Inclusion

Create the Future Together
Openness and Transparency
Respect for differing opinions
A climate where we can take on new challenges without fear of failure

Special You
Special you, Diverse Sony
Diverse Sony

We Project
Town Hall

Sony Group Corporation
2. Profit Axis Business
Profit Axis Business – Key Measures

Enhance Product Strength

Thorough Operations
Continued Evolution of DX

Production

Automated Remote Operation

Lean operation via linking data

Sales

Digital Transformation of Marketing
Profit Axis Business – Key Measures

Thorough Operations
Continued Evolution of DX

- Production
  - Automated Remote Operation

- Sales
  - Digital Transformation of Marketing
  - Lean operation via linking data
3. Growth Axis Business
Next Generation Video Production Solutions
Creating new expressions with creators through Sony Group’s technology

Virtual Production Business
Free from time and space limitations

KIYOSUMI-SHIRAKAWA BASE
Sony PCL

SONY INNOVATION STUDIOS
Sony Pictures Entertainment

Media Cloud Business
New creative space for creators’ interactions

Record & Share
Cloud Editing
Distribution

Creator
User
Camera SDK (Software Development Kit) Business
New creative expressions through opening up technology

Camera SDK Business Sales

- Compound annual growth rate +55%

<table>
<thead>
<tr>
<th>Phase 1</th>
<th>Phase 2</th>
<th>Phase 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Content Creation</td>
<td>Expanding to B2B</td>
<td>Multiple Categories</td>
</tr>
</tbody>
</table>

Present

- Alpha Business
- Creators
- E-commerce
- Equipment Inspection
- Spatial Reality Display
- BRAVIA
- LinkBuds

Sony Group Corporation
Sports Business
New sports entertainment bridging live and virtual worlds

Sports Business Sales

<table>
<thead>
<tr>
<th>Phase 1</th>
<th>Phase 2</th>
<th>Phase 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Officiating Support</td>
<td>Commercialization of Data Rights</td>
<td>Fan Engagement</td>
</tr>
<tr>
<td>Line Judgement Video Assistant Referee</td>
<td>SkeleTRACK HawkVISION Play Data Analysis/Visualization</td>
<td>Sports Entertainment</td>
</tr>
<tr>
<td>Provided to 90+ regions/countries, 25+ competitions, 70+ leagues, 500+ stadiums</td>
<td>Contributing to new content creation for picture and games</td>
<td>Virtual Fan Engagement (Manchester City FC)</td>
</tr>
</tbody>
</table>

Compound annual growth rate +25%

FY20 FY21 FY22 FY23 FY24
Actual Target
Life Science Business

Innovation in the field of life science to contribute to a sustainable society

Life Science Business Sales

<table>
<thead>
<tr>
<th>FY20</th>
<th>FY21</th>
<th>FY22</th>
<th>FY23</th>
<th>FY24</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actual</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Target</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Compound annual growth rate +25%

Present

Phase 1

Cell Research
New Market Creation

No dedicated operator
Remove limitations of cell research

From shared to stand-alone equipment

Phase 2

Cell Research
Application Expansion

Contributing to research on cancer/immunity mechanisms

Over 1,000 research institutes globally

Phase 3

Contributing to Cell Therapy

Support the cell-based immunotherapy revolution

Pharmaceutical Companies/Medical Institutions

ET&S Segment
Network Service Business
Aiming to be Japan’s fourth carrier - Infrastructure that supports *Anshin* and *Kando*

**NURO number of subscribers**

- **Compound annual growth rate +30%**

<table>
<thead>
<tr>
<th>Phase 1</th>
<th>Phase 2</th>
<th>Phase 3</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Expanding NURO Subscriber Base</strong></td>
<td><strong>NURO Increase ARPU</strong></td>
<td><strong>Expanding Business Area</strong></td>
</tr>
</tbody>
</table>

- **Present**

- **Expanding service region 2021: Opened in Chugoku region**

- **Smart Life service development**

- **Collaborating with partners**

- **Providing new services Expanding to new areas**

*Anshin* is a Japanese word with various meanings such as peace of mind, reassurance, reliability and trust.
Business Figures
Invest resources into the growth axis business, shift business portfolio

Fixed Costs
FY2021 Actual  FY2024 Target

Operating Income Composition Ratio
FY2021 Actual  FY2024 Target

Growth Axis Business  Profit Axis Business
4. Sustainability
What we can do to create a future filled with emotion
Sustainability
The foundation of our business and corporate culture

**Environment**
- Expand use of recycled plastic
- Eliminate plastic in small product packaging
- Expand ratio of renewable energy usage

**Accessibility**
- Products and services that meet diverse needs
- Contributing to an inclusive society with technology

**Diversity, Equity & Inclusion**
- Fostering a corporate culture to create new values
Create the Future Together
Imaging & Sensing Solutions Segment

Senior Executive Vice President
Sony Group Corporation

Representative Director, President and CEO,
Sony Semiconductor Solutions Corporation

Terushi Shimizu
I&SS Segment  FY21 Review

| FY21 Sales : 1,076.4 billion yen  
| OI : 155.6 billion yen |

| Decentralization / expansion of customer base for mobile image sensors, recovery of volume share |
| Expansion of models for sensing applications  
| (SPAD ToF Depth Sensor, Event-based Vision Sensor (EVS), UV Image Sensor, Large-sized GS* Image Sensor etc.) |
| Launch of Edge AI Sensing Platform Service “AITRIOS™” |
| Operation start of Nagasaki Technology Center’s Fab5 |
| Equity investment in Japan Advanced Semiconductor Manufacturing (JASM) |

*GS : Global shutter
Image Sensor Market Outlook (Revenue Basis)

**Sensing**
- **Mobile:**
  - Full-scale market expansion will take a few years due to a lack of applications.
- **Automotive:**
  - ADAS\(^1\) which requires installation of many cameras is expected to expand.
  - Market for AD\(^2\) will take time to increase.

  *1 ADAS : Advanced Driving Assistance System
  *2 AD : Autonomous Driving

- **Industrial Applications:**
  - The market is growing due to continued labor savings and automation needs.

- **Security:**
  - The high value-added market is expanding due to growing demand for multi pixels and combination with AI.

**Mobile Imaging**
- Despite the increase in multi-cameras being mature, sensor size is getting larger and continues to drive market growth.

**AV**
- The market keeps the same level.

\*Source: Sony
Continued Growth in Mobile Imaging

Image sensor market outlook by smartphone price range (revenue)

Sensor size trend in the image sensor market (only for high-end model)

※Source: Sony. Calculated using the average chip size of FY19 is 100%.
Smartphone Camera Market Trends and Our Strategies

**High-end model**

Pursue a high-performance camera system by developing technology that realizes a new imaging experience

- Large pixel / Large-sized Image Sensor
- Original AP*1 (Original ISP)
- Original ISP*2
- General-Purpose AP*1

Develop high value-added image sensor which contributes to high image quality and multi-functionality of cameras

**Mid-range model**

Pursue a balance of adopting small pixels and camera performance

- Small & Multi-Pixel Image Sensor
- General-Purpose AP*1 (General-purpose ISP)

Differentiate with enhancement of small pixel development and performance improvement through new signal processing / algorithm

*1 AP : Application Processor
*2 ISP : Image Signal Processor
2-Layer Transistor Pixel technology
Direction of Mobile Imaging Technological Evolution

**Multi-camera evolution**
- Wide: Larger diameter
- UW: High speed (Support video)
- Tele: Multi pixels (Higher magnification)
- ToF: Auto focus/Blur

**Sensor optimization for multi-camera**

**Evolution of High-speed readout**
- Support 8K video
- Multi-frame processing (High SN ratio*3, Video HDR)

**Evolution of Edge AI**
- Realize AI processing for video
- Realize low latency processing

**Link with distance information**
- Apply to Focus and Production

---

*1 ILC: Interchangeable lens camera
*2 Qs: Quantum saturation
*3 SN Ratio: Signal-to-noise ratio

Sony Group Corporation | 154
Sales Trend of Automotive Image Sensors

In FY25, do business with*1 75% of the top 20 global OEMs*2

*1 OEMs with transaction record and those who are expected to conduct any transaction by FY25.

*2 Based on CY21 results. Source: Sony
Automotive Camera Market Trends and Our Strategies

<table>
<thead>
<tr>
<th>Application</th>
<th>ADAS</th>
<th>AD (Autonomous Driving)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Front</td>
<td>Surround</td>
<td>Rear</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Service car</td>
</tr>
</tbody>
</table>

- **Number of installed cameras**
  - ADAS: 6-8 in total
  - AD: 16-20

- **Customer request**
  - ADAS:
    - HDR+ LFM*1
    - High resolution
    - Fusion of sensing and viewing etc.
  - AD:
    - Higher resolution
    - Synchronization with LiDAR *3
    - Cyber security etc.

- **Our Strategies**
  - Focus as a technology driver and aim to apply to other applications
  - Approach to OEMs & platformers
  - Deploy technologies from front sensing
  - Aim for early business negotiation acquisition and monetization due to short development cycle
  - Upfront investment for market rise in future

---

*1 LFM: LED flicker mitigation
*2 ISoC: Image sensor with ISP
*3 LiDAR: Light Detection And Ranging
Differentiated Technology in Front/Surround Sensing  ~Sensor Fusion~

Technical overview

Achieve highly accurate object recognition with original early fusion technology

Front sensing  FY25~

Utilize not only for vehicle recognition in adverse environments but also for recognition of people and vehicles at night

Surround sensing (parking assistance)  ~FY25

Apply to parking assistance functions that require highly accurate distance measurement
Industrial Applications

Production line monitoring

Inspection of display

Predictive maintenance of equipment

Luggage sorting at logistics bases

Visual inspection

Spatial monitoring

Detection of foreign object

RGB B/W (GS*1)

RGB B/W (GS*2)

New!!

Large size (GS*2)

New!!

EVS*3

New!!

SWIR*4

UV

Predictive maintenance of infrastructure

Recycled material sorting

"1 RS : Rolling Shutter
"2 GS : Global Shutter
"3 EVS : Event-based Vision Sensor
"4 SWIR : Short Wavelength Infra-Red
Solution Business Initiatives

2019/5
- Start collaboration to create smart camera solutions utilizing IMX500 and Microsoft Azure AI

2020/5
- Launch world’s first intelligent vision sensor “IMX500” with AI processing functionality

2020/6
- Start smart city trial project in Rome city

2021/10
- Launch Edge AI Platform Service “AITRIOS™”

2021/10
- Establish joint innovation labs in US, Japan, China and Germany

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https://www.youtube.com/watch?v=BiPPdrWJ8bU
New Opportunities in the VR / AR Market

Head-Mounted Display

Virtual Display

OLED Microdisplay

Iris Recognition

Image Sensor (SWIR) VCSEL

Gaze Detection

Image sensor (SWIR) Event-based Vision Sensor

SLAM*¹

Image Sensor (B/W) ToF Image Sensor VCSEL

AR Glass

Superimposition on Real Space

OLED Microdisplay Micro LED

Human/Space recognition

Image Sensor (RGB/equipped with DNN*²/always on)

Hand Tracking

ToF Image Sensor VCSEL

Mixed Reality (MR)

Image Sensor (RGB)

*¹ Simultaneous Localization And Mapping
*² Deep Neural Network
Image Sensor’s Capital Expenditure Investment Plan for 3 years

I&S Segment

<table>
<thead>
<tr>
<th>(billion-yen)</th>
<th>FY</th>
<th>Actual</th>
<th>Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>12-14</td>
<td>US GAAP</td>
<td>Approx. 140</td>
<td>Approx. 900</td>
</tr>
<tr>
<td>15-17</td>
<td>US GAAP</td>
<td>Approx. 360</td>
<td></td>
</tr>
<tr>
<td>18-20</td>
<td>US GAAP</td>
<td>Approx. 580</td>
<td></td>
</tr>
<tr>
<td>21-23</td>
<td>IFRS</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Nagasaki Technology Center’s Fab5

Current status

Expanding area

Expanding area is expected to start operation in July 2022

Completion Rendering

Further expansion

For further expansion, construction started in May 2022
Equity investment in JASM

Secure a stable supply of logic semiconductors

Enhance technical collaboration with TSMC

Contribute to the enhancement of the supply chain in Japan
Management indicator

I&S5 Segment

<table>
<thead>
<tr>
<th>FY19 Actual</th>
<th>FY20 Actual</th>
<th>FY21 Actual</th>
<th>FY22 Forecast</th>
<th>FY25 Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sony</td>
<td>Others</td>
<td>Sony</td>
<td>Others</td>
<td>Sony</td>
</tr>
</tbody>
</table>

Image sensor revenue share

- **53%**
- **48%**
- **43%**
- **49%**
- **60%**

*Source: Sony. Excluding the sales of fingerprint sensor. Updated the share of 49% (FY20 ACT) announced at IR Day 2021 held on May 28, 2021.*

ROIC

- **26%** (US GAAP)
- **13%** (US GAAP)
- **12%** (IFRS)
- **12%** (IFRS)
- **20%** to **25%** (IFRS)

For the detail of ROIC calculation, please refer to "Supplemental Information for the Consolidated Financial Results for the Fourth Quarter Ended March 31, 2022" on page 8. ROIC is not a measure in accordance with US GAAP and IFRS. However, Sony believes that this disclosure may be useful information to investors.
I&SS’s Environment Responsibility

Target year to achieve carbon neutrality
2050 → 2040

Target year to achieve 100% renewable energy
2040 → 2030
Sense the Wonder

“Fascinate with the wonders of the world.”

Sense  Word that suggests human ability to become aware of or develop a feeling something, their sensibilities, and image sensors

Wonder  Word that suggests corporate culture that Sony has been cherishing, curiosity which is the starting point of R&D, and recalls discoveries full of amazement and moves people’s souls
Financial Services Segment

Senior Executive Vice President
Sony Group Corporation

President and CEO, Representative
Director Sony Financial Group Inc.

Masashi Oka
Overview of Sony Financial Group (SFG)

**Financial Services Segment**

- **Life Insurance**
  - Sony Life

- **Non-life Insurance**
  - Sony Assurance

- **Banking**
  - Sony Bank

- **Nursing Care**
  - Sony Lifecare

- **Venture Investment**
  - Sony Financial Ventures

- **Payment**
  - Sony Payment Services

**Financial business revenue (FY21 results based on IFRS 4): ¥1,533.8Bn**

- **Sony Life**
  - ¥1,350.5Bn (88.0%)

- **Sony Assurance**
  - ¥134.4Bn (8.8%)

- **Sony Bank**
  - ¥43.9Bn (2.9%)

* Sony Life and Sony Assurance’s revenues are on a non-consolidated basis, and Sony Bank’s revenues are on a consolidated basis including consolidated subsidiaries.
SFG Characteristics & Strengths

SFG’s Vision
To be a financial group that helps each and every person achieve their dreams and peace of mind, by staying close to people and using the power of technology to build a society in which people feel uniquely enriched.

SFG’s Strengths
- Ability to Stay Close to People
- Power of Technology
- Customer Focus and Originality
Today’s Key Messages

1. The Mid-Range Plan is making steady progress. Business scale is steadily increasing based on the strength of our uniqueness as a comprehensive financial group mainly focusing on life insurance, non-life insurance and banking businesses.

2. We will work to expand profit growth by following through on our initiative to make a qualitative shift toward higher productivity of Sony Life’s Lifeplanner sales specialists and improvement of profitability.

3. To fulfill our social responsibility as a Sony Group member, we have added new priority measures: advance sustainability and thoroughly enhance Group governance.

4. Over the medium-to long-term, we plan to expand our customer base and touchpoints through wider applications of technology and strategic alliances, as well as through our increasing efforts to deepen our relationships with core customers, aiming to maximize customer lifetime value.
SFG Mid-Range Plan

Key Principle

Maximize Corporate Value through Self-Transformation
Strengthen Group Capabilities, Achieve Profitable & Sustainable Growth

Strategic Pillars

1. Strengthen core/unique competitive advantages
2. Alter profit structure to withstand low interest rates
3. Further evolve customer-centric management
4. Strengthen competitive edge through technology
5. Maximize Group synergies

Advance sustainability

Thoroughly enhance Group governance
**FY21 Achievements:** Core Business Expansion on Our Strengths (Sony Life)

**Productivity per Lifeplanner**

- Steady growth resulting from strengthened corporate business and enhanced sales skills

<table>
<thead>
<tr>
<th></th>
<th>FY20</th>
<th>FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount</td>
<td>68.6</td>
<td>86.9</td>
</tr>
<tr>
<td>Growth</td>
<td>+27%</td>
<td></td>
</tr>
</tbody>
</table>

**Corporate Business**

- Substantial business growth for both Lifeplanner sales specialists and agencies due to competitive products and strong customer relations

<table>
<thead>
<tr>
<th></th>
<th>FY20</th>
<th>FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount</td>
<td>1.3</td>
<td>2.3</td>
</tr>
<tr>
<td>Growth</td>
<td></td>
<td>+73%</td>
</tr>
</tbody>
</table>

**Number of Lifeplanner Sales Specialists**

- Steady increase resulting from careful hiring process that centers on quality

<table>
<thead>
<tr>
<th></th>
<th>FY20</th>
<th>FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount</td>
<td>5,191</td>
<td>5,338</td>
</tr>
<tr>
<td>Growth</td>
<td></td>
<td>+2.8%</td>
</tr>
</tbody>
</table>
Sony Assurance: Auto Insurance

Direct premiums written (¥billion)

<table>
<thead>
<tr>
<th>Share* (%)</th>
<th>FY20</th>
<th>FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>29.8</td>
<td>30.5</td>
</tr>
</tbody>
</table>

+6.9%

116.3 → 124.3

Sony Bank: Mortgage Loans

Mortgage loan balance (¥trillion)

<table>
<thead>
<tr>
<th></th>
<th>FY20</th>
<th>FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.4</td>
<td>2.6</td>
<td></td>
</tr>
</tbody>
</table>

+10%

Sony Life, Sony Assurance and Sony Bank all achieved first place in customer-satisfaction surveys**

Customer Satisfaction

- Continued to be rated highly for customer satisfaction due to high-quality products & services and commitment to customer-focused operations

FY21 Achievements: Core Business Expansion on Our Strengths

- Major growth due to increases in new contracts and policyholder retention rate; maintained top position in direct auto insurance

- Grew to level of leading regional banks due to growth in origination amount of new mortgage loans

* Sony Assurance’s share of domestic direct auto insurance market (compared with actual results for first half)

** Sony Life ranked highest overall in 2022 Oricon customer-satisfaction (R) survey for life-insurance, medical-insurance, and individual annuity insurance segments; Sony Assurance held first place in 2021 J.D. Power ranking for auto-insurance claim satisfaction; Sony Bank ranked highest overall in mortgage loan segment in results of 2021 Oricon customer-satisfaction (R) survey

Financial Services Segment

Sony Group Corporation | 177
Unlocking the Full Potential of Our Core Asset: Lifeplanner Sales Specialists

Raise overall quality of Lifeplanner sales specialists

Raise productivity of all Lifeplanner sales specialists by providing stronger support to top performers and making their methods standard practices for lower performers to follow.

Develop optimized, data-driven solutions for customers

Further raise personalized value for customers by using scientific sales support enhanced with data analysis and AI.

Evolve customer-focused business using NPS®

Improve and strengthen sales methods through full introduction of NPS® to make quantitative assessments of customer relations.

*NPS® (Net Promoter Score) is a registered trademark of Bain & Company, Inc., Satmetrix Systems, Inc., and Fred Reichheld.

Financial Services Segment
Alter Profit Structure to Withstand Low Interest Rates (Sony Life)

### Product Mix (% of whole-life insurance in new policies)*

<table>
<thead>
<tr>
<th></th>
<th>FY20</th>
<th>FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>-10.0pts</td>
<td>24.6%</td>
<td>14.6%</td>
</tr>
</tbody>
</table>

* Based on component ratio in annualized premiums from new policies

### Expense Ratio**

<table>
<thead>
<tr>
<th></th>
<th>FY20</th>
<th>FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>-0.3pts</td>
<td>6.4%</td>
<td>6.1%</td>
</tr>
</tbody>
</table>

** (Operating cost less Lifeplanner commission, agency fees, etc.) divided by annualized premiums from insurance in force

### Asset Management Revenue***

<table>
<thead>
<tr>
<th></th>
<th>FY20</th>
<th>FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>+¥16.1Bn</td>
<td>¥167.0Bn</td>
<td>¥183.1Bn</td>
</tr>
</tbody>
</table>

*** Interest, dividend and gain/loss on sale of securities

- Interest rate risk steadily reduced
- Satisfied corporate needs and promoted variable life/annuity products
- Appointed new dedicated executive officer and specialized team
- Promoted cost-structure review through digitization & business-process reengineering
- Increased as managed assets grew
- Investment asset classes expanded; asset-management system enhanced

Financial Services Segment
Strengthen Competitive Edge through Technology: Achievements so Far

Sony Life

Utilize technology to reinforce Lifeplanner sales specialists

• Promoted development of a new consulting system to further improve the ability to make proposals to customers
• Began AI-based automatic creation of proposals and information provision meeting individual customer needs

Sony Assurance

Data-driven insurance offerings and marketing

• Good Drive smartphone app provided free to give safe-driving scores and advice
• Portion of auto-insurance premiums refunded depending on score
• Marketing application of the Sony Group’s deep learning technology and causal information analysis technology

Sony Bank

Evolve remote consultation through telepresence

• Remote consulting system employing ultra-high resolution, visibility control and high sound-quality technologies developed by Sony R&D Center
• Enabled remote consultation that lets customers feel they share same space
Strengthen Competitive Edge through Technology

Sony

- R&D divisions
- Technology
- Needs and opportunities

Sony Financial Group

- Advanced Technology Lab
- Knowledge and technology
- Investment, etc.

Sony Financial Ventures

Outside companies, etc.

Sony Life

Sony Assurance

Sony Bank

AI & Machine Learning

Health Care

Sensing Technology
Maximize Group Synergies:
Utilize Data to Improve Value Provided to Customers

**Build base for intra-SFG data-sharing**
- Aim to merge databases & start sharing by FY23; proceeding as planned
- Promote more specific data utilization under leadership of Chief Data Officer (CDO)

**Provide more value to customers**
- Increase customer referrals & cross-selling within SFG (especially from Sony Assurance & Sony Bank to Sony Life)
- Work to create new customer experiences with future use of Sony Group assets in mind

- Mutual customer referrals within SFG
- Build base for intra-SFG data-sharing

Create new value unique to Sony Group
Promote Sustainability

Create value through business
- Facilitate safety and peace of mind in life
  Stay close to individual and corporate customers in providing services
- Contribute to society by supporting public health and longevity
  Future planning simulation; youth financial education
- Make life more convenient
  Higher level of customer support through technology

Enhance ESG foundation
- Address climate-change issues
  Disclose information relevant to Task Force on Climate-Related Financial Disclosures (TCFD); reduce greenhouse-gas emissions
- Promote ESG investment
  Draw up ESG investment policy; build ESG-focused asset-management system
- Improve environments with diversity, equity and inclusion in mind
  Increase employment of women Lifeplanner sales specialists; improve accessibility; ensure workplaces are easy to work in

Manage KPIs by setting quantitative targets, and reflect in executive evaluation & remuneration
Thoroughly Enhance Group Governance (1)

Misconduct at a Sony Life Subsidiary*

- **August 4, 2021: Sony Life: “Money Transfer from Sony Life Subsidiary”**
  - Sony Life confirmed and announced roughly 17 billion yen** was transferred from bank account of SA Reinsurance Ltd., a consolidated foreign subsidiary, without their approval

- **December 1, 2021: Sony Life: “Arrest of Employee”**
  - Sony Life announced that an employee was arrested by Tokyo Metropolitan Police on charges of fraud related to the above incident

- **December 21, 2021: Sony Life: “Employee Referred to Prosecutor’s Office”**
  - Sony Life announced that the employee related to the above incident was referred to the Prosecutor’s Office for violation of the Act on Punishment of Organized Crime and Control of Crime Proceeds (charges of concealing criminal profits)

Procedures to recover the funds underway
(full recovery expected within FY22)

* Content on this page is based on information available as of May 17, 2022
** Operating loss of 16.8 billion yen was recorded in FY21
To prevent recurrence of similar issues, enhancing role of holding company and having it more deeply involved in internal control of SFG companies

<table>
<thead>
<tr>
<th>Reforming workflow of each SFG company, under holding company control</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Introduced framework to ensure appropriateness of fund disbursement procedures</td>
</tr>
<tr>
<td>• Reviewed internal rules of each SFG company</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Enhancing holding company audit function as “third line of defense”</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Hired an experienced, dedicated executive officer to take charge of the audit department in the holding company from outside</td>
</tr>
<tr>
<td>• Enhanced cooperation with the audit department of each SFG company</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cultivating healthy organizational climate</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Enhanced bilateral communication between management and employees</td>
</tr>
<tr>
<td>• Enhanced compliance training for managers</td>
</tr>
</tbody>
</table>
Direction of Longer-term Growth Strategy

Current Mid-Range Plan: Deepen relationship with core customers

- Families
  - Apply full potential of Lifeplanner sales specialists
  - Enhance synergy among Sony Life, Sony Assurance & Sony Bank

Longer-term strategy: Expand and enhance customer base & touchpoints

- Leverage DX to provide customer-focused value
- Use Sony Group technology & enhance inter-company collaboration
- Formulate alliance strategies, including non-financial domains

Sony Group customers, etc.
Youth, seniors, etc.
Small/medium-sized firms

Refine value unique to Sony Group Financial Business and maximize customer lifetime value
Financial Management Targets for Mid-Range Plan

• Steady progress toward FY23 goals
• Will announce in a timely and appropriate manner should review of financial management targets become necessary due to the impact of IFRS 17 (Insurance Contracts) application in FY23

Financial Services Segment

Financial Services Revenue

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>(¥billion)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY20</td>
<td>1,674.0</td>
</tr>
<tr>
<td>FY21</td>
<td>1,533.8</td>
</tr>
<tr>
<td>FY22 (E)</td>
<td>1,440</td>
</tr>
</tbody>
</table>

Operating Income

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>(¥billion)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY20</td>
<td>154.8</td>
</tr>
<tr>
<td>FY21</td>
<td>150.1</td>
</tr>
<tr>
<td>FY22 (E)</td>
<td>220</td>
</tr>
</tbody>
</table>

IFRS Operating Income***

CAGR: +5% or higher

IFRS ROE ***

8% or higher

* CAGR excluding special account investment revenue and gain on sale of real estate (blue); ** CAGR excluding FY22 gain on sale of real estate and recovery of funds related to unauthorized withdrawal (blue)
*** IFRS 17 (Insurance Contracts) will be applied in FY23
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(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;
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(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;
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(xviii) the outcome of pending and/or future legal and/or regulatory proceedings.

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