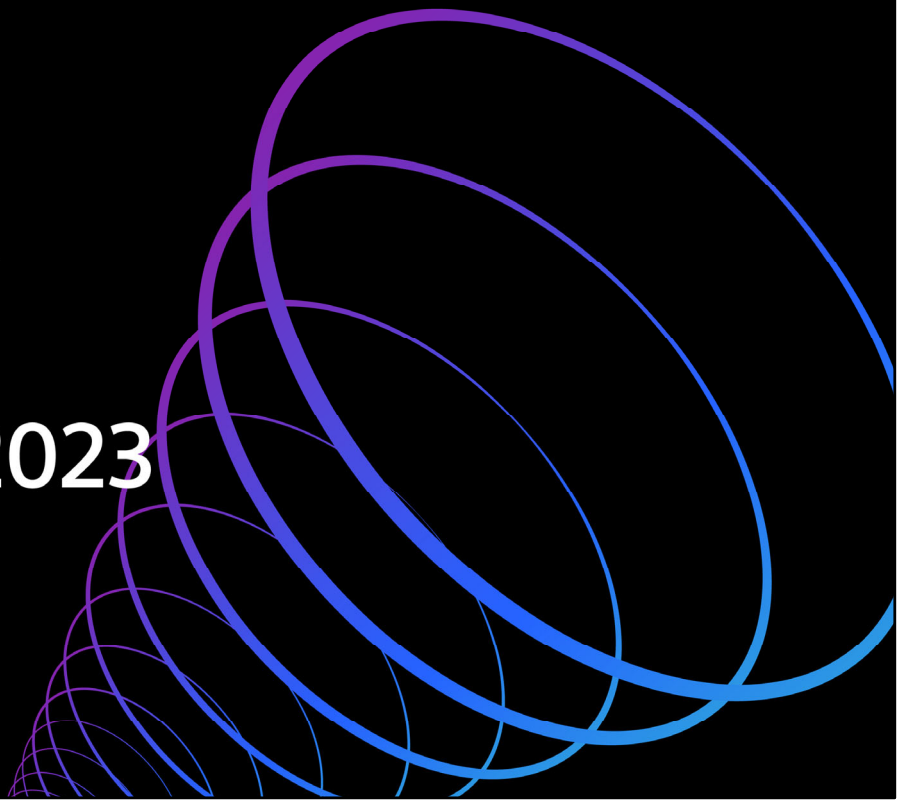
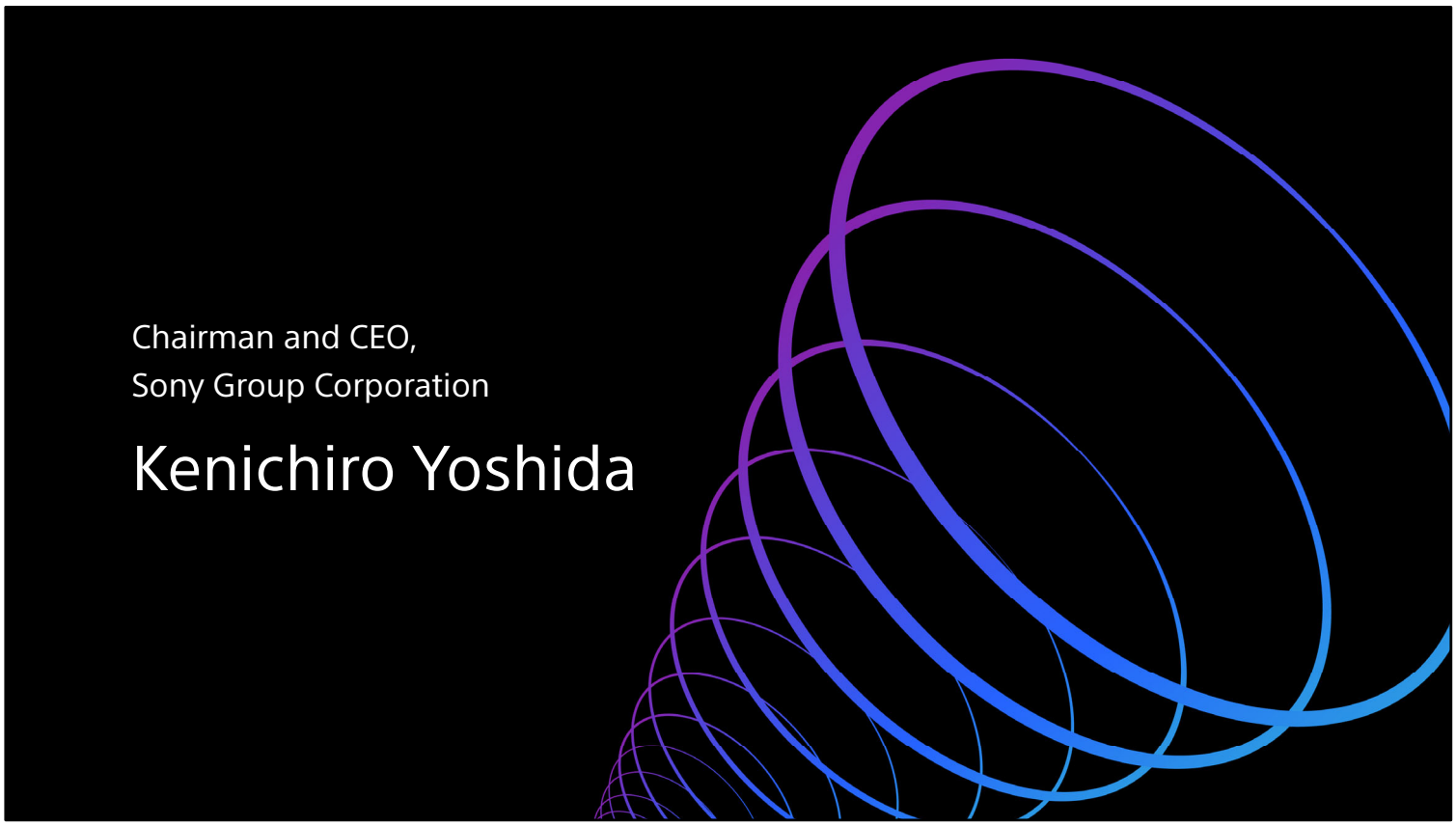
SONY

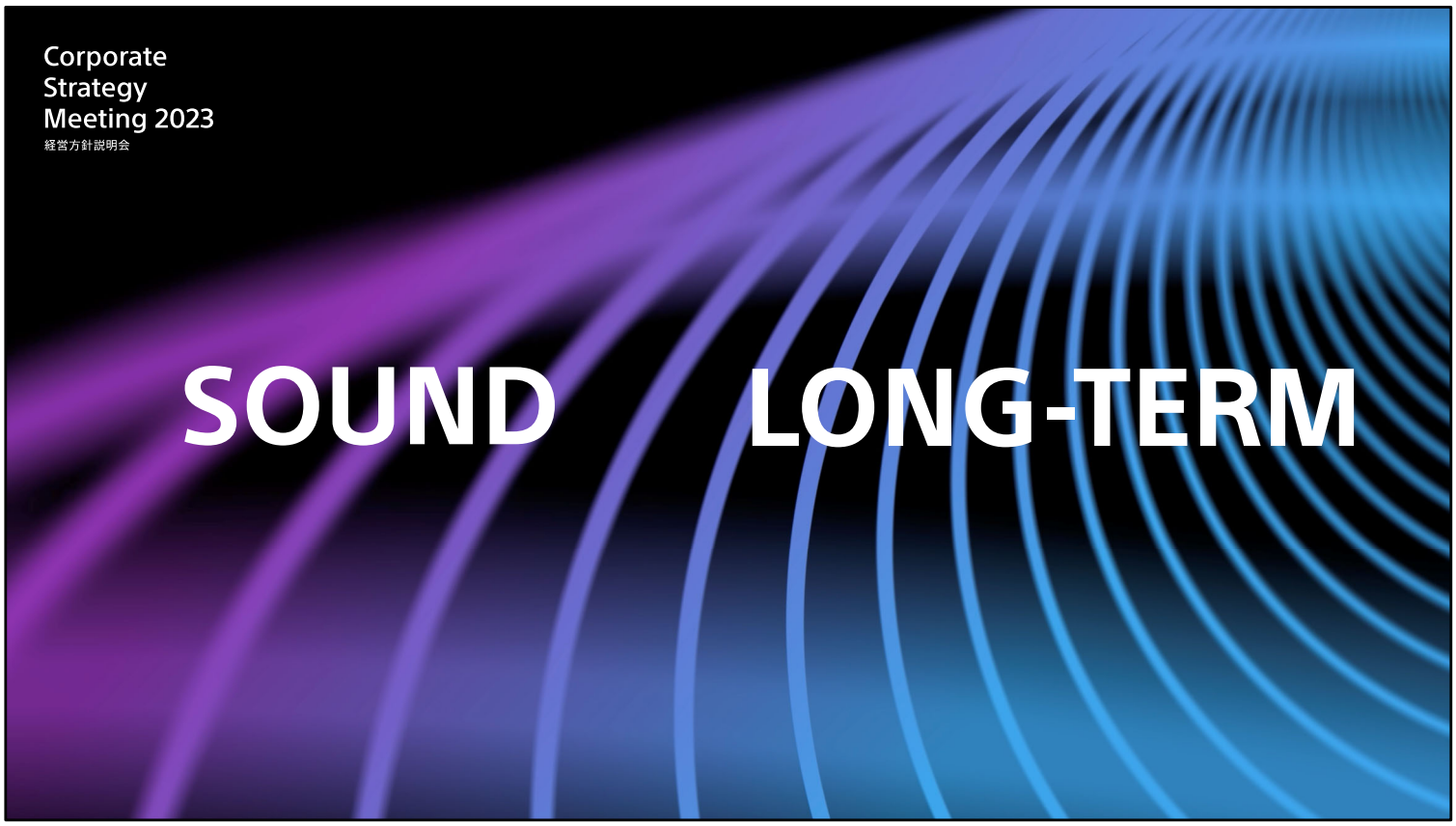
Corporate Strategy Meeting 2023

経営方針説明会

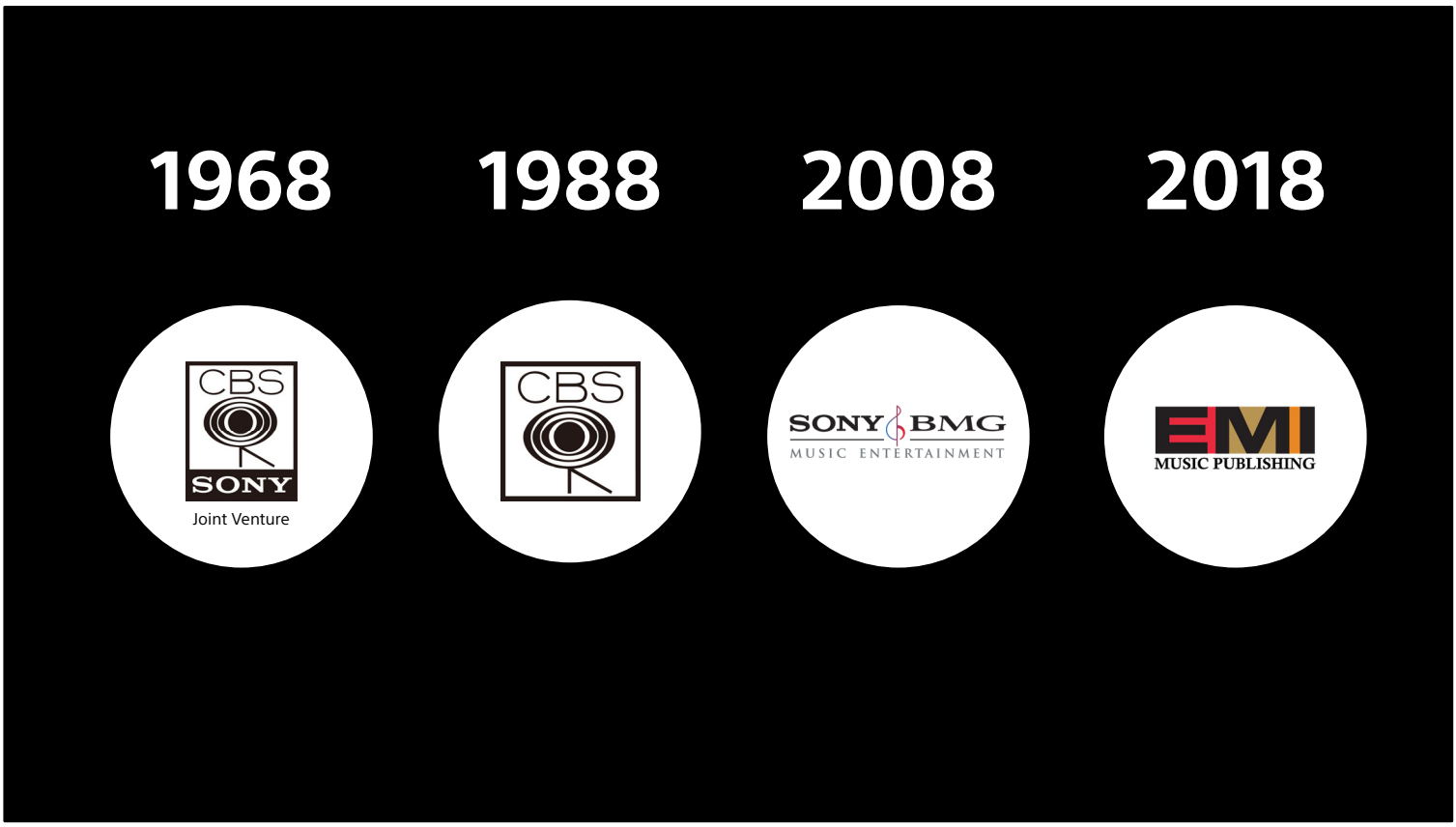




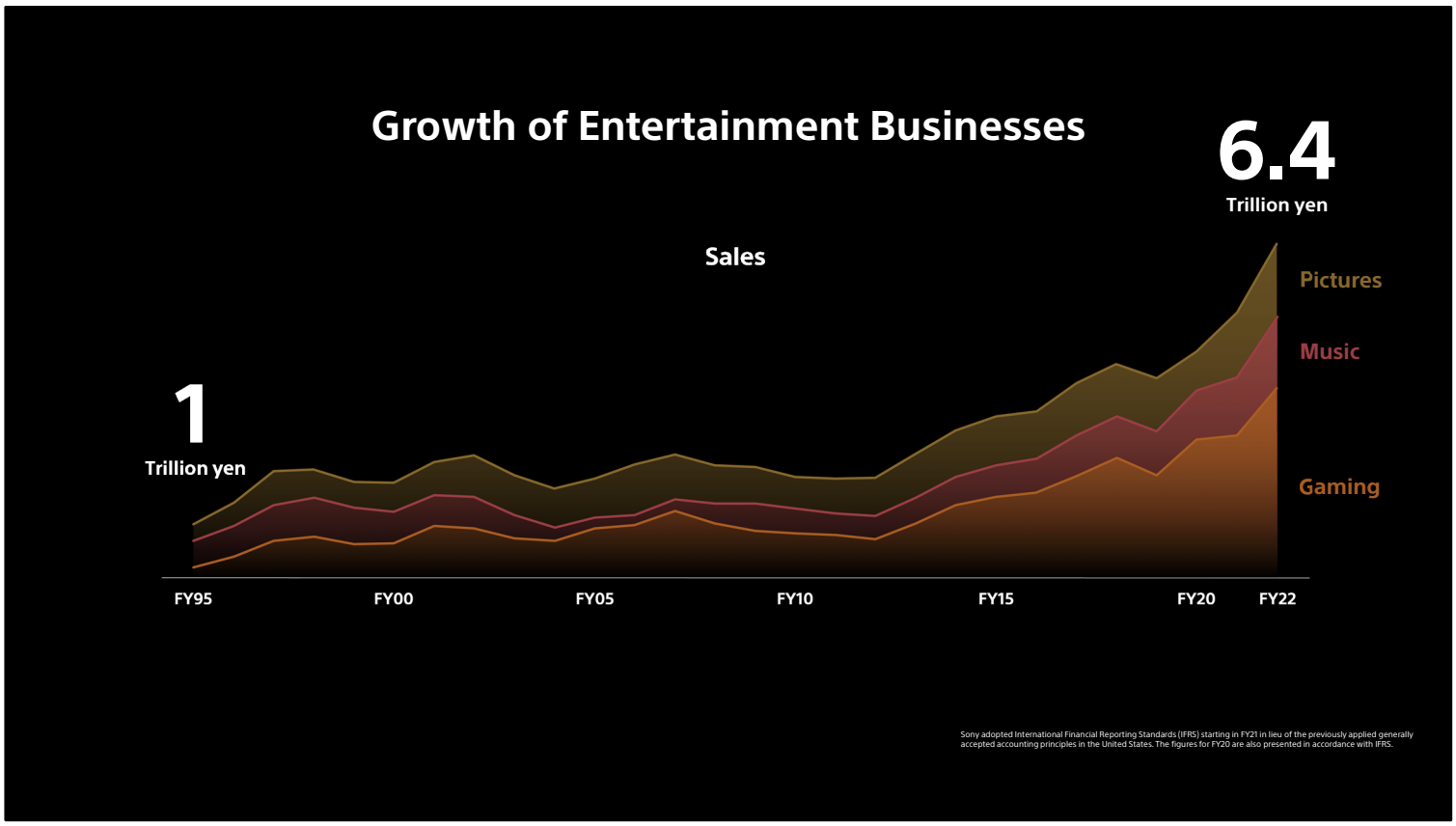
- Thank you for joining us today.
- Today, I will talk about the direction of management, and after that, President Totoki will talk about growth strategies and other matters.



- **The expansion of Sony's business that originated in sound and long-term management perspective (since our founding generation)**
  - First, I would like to talk about how our business has spread from the origins of sound, and about our long-term management perspective.
  - Our company name and brand "SONY" is derived from the Latin word "SONUS" which means sound.
  - It can be said that Sony expanded its electronics business from "sound" products such as the tape recorder, transistor radio and Walkman.



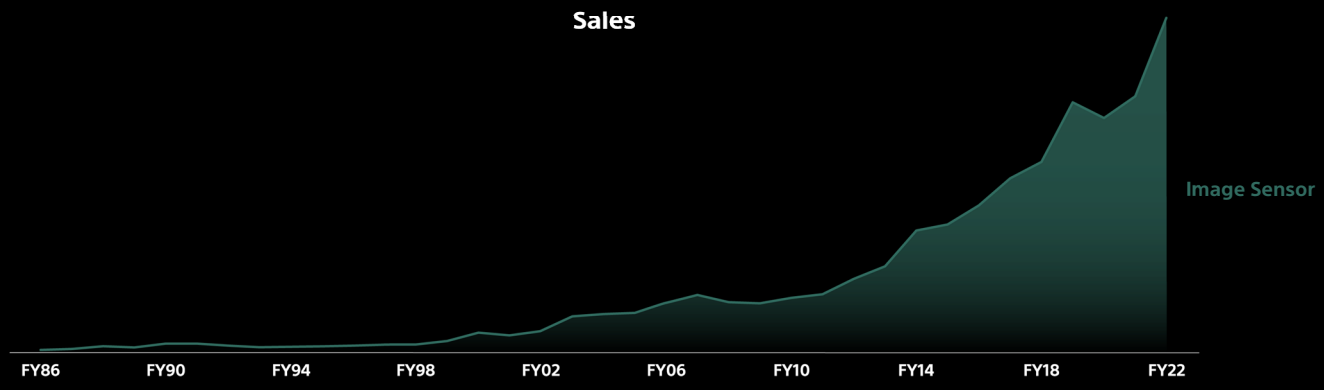
- Sound is also the origin of our entertainment.
- The launch of CBS/Sony Records Co., Ltd. in 1968 was the starting point of our entertainment business. Since then, we have expanded our music business every 10 to 20 years, including the acquisition of CBS Records in the United States.
- With the acquisition of Columbia Pictures in 1989, the entertainment business expanded to pictures.
- It then expanded to games by the release of PlayStation in 1994.
- I believe that the game business, which started as a joint venture between Sony in electronics and Sony Music Entertainment Japan, was the greatest synergy that Sony achieved in the 20th century.



- These three entertainment businesses, which were developed in the 20th century, have accelerated their growth especially since FY2012.The last fiscal year both sales and operating income exceeded 50% of the consolidated group.

Growth of Image Sensor Business

1.2
Trillion yen

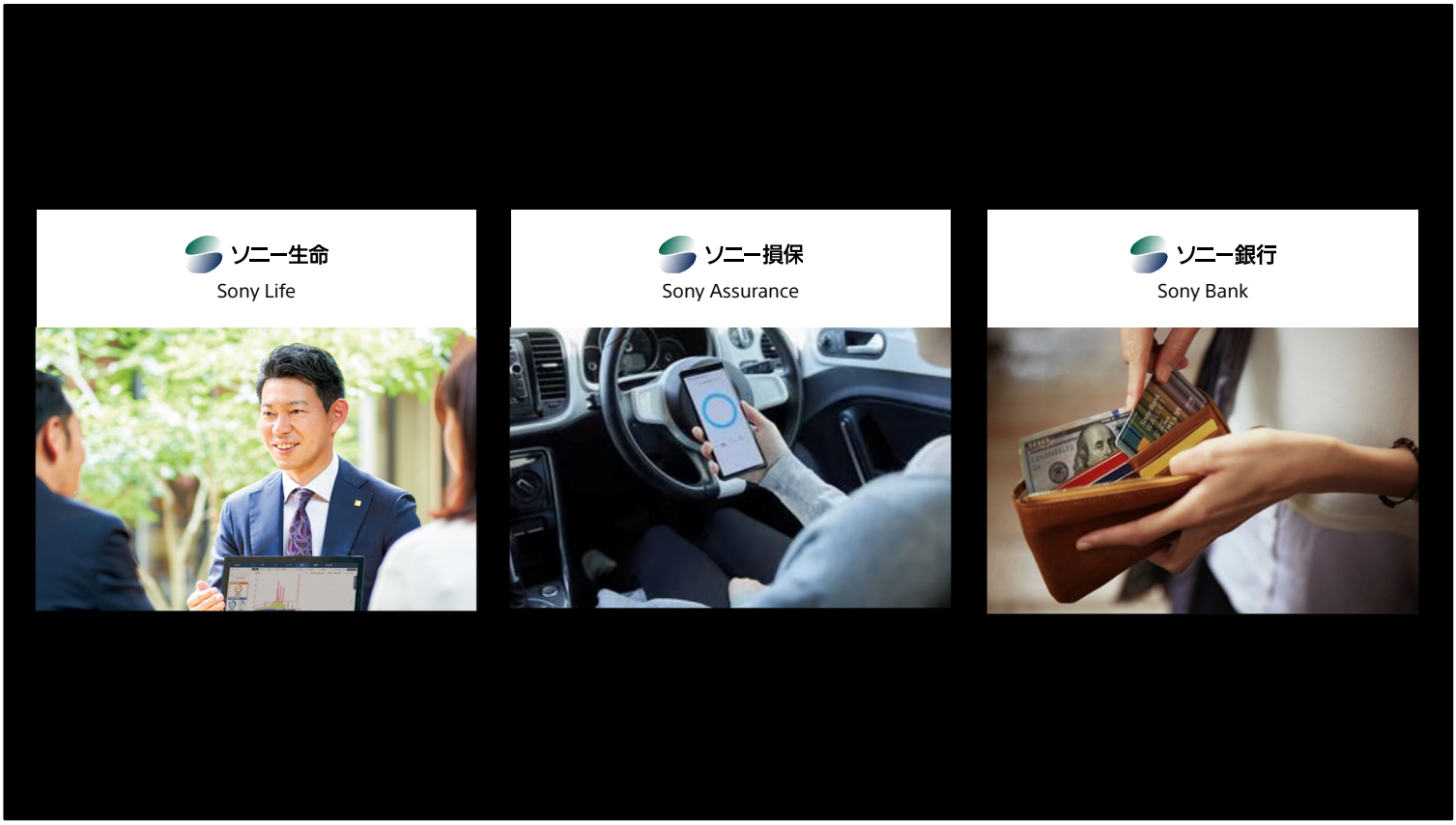


Sony adopted International Financial Reporting Standards (IFRS) starting in FY21 in lieu of the previously applied generally accepted accounting principles in the United States. The figures for FY20 are also presented in accordance with IFRS.

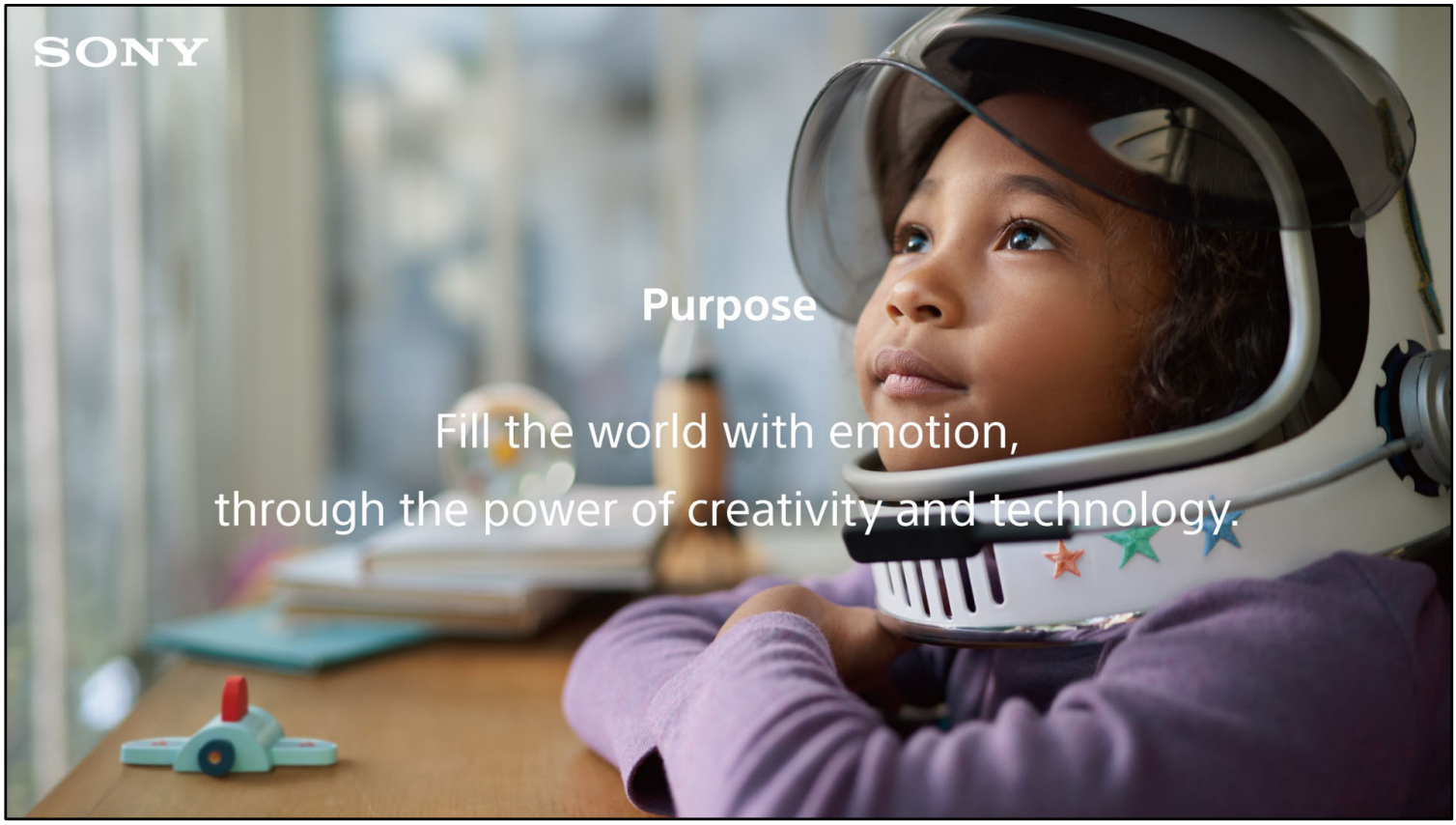
- Semiconductors, which started from electronic components called transistors, have evolved into a business centered on CMOS image sensors since the turn of the century, with external customers using them.
- In this way, Sony has expanded its business from a long-term perspective, with sound as its origin.



- I believe that the starting point of a long-term perspective is our founders.



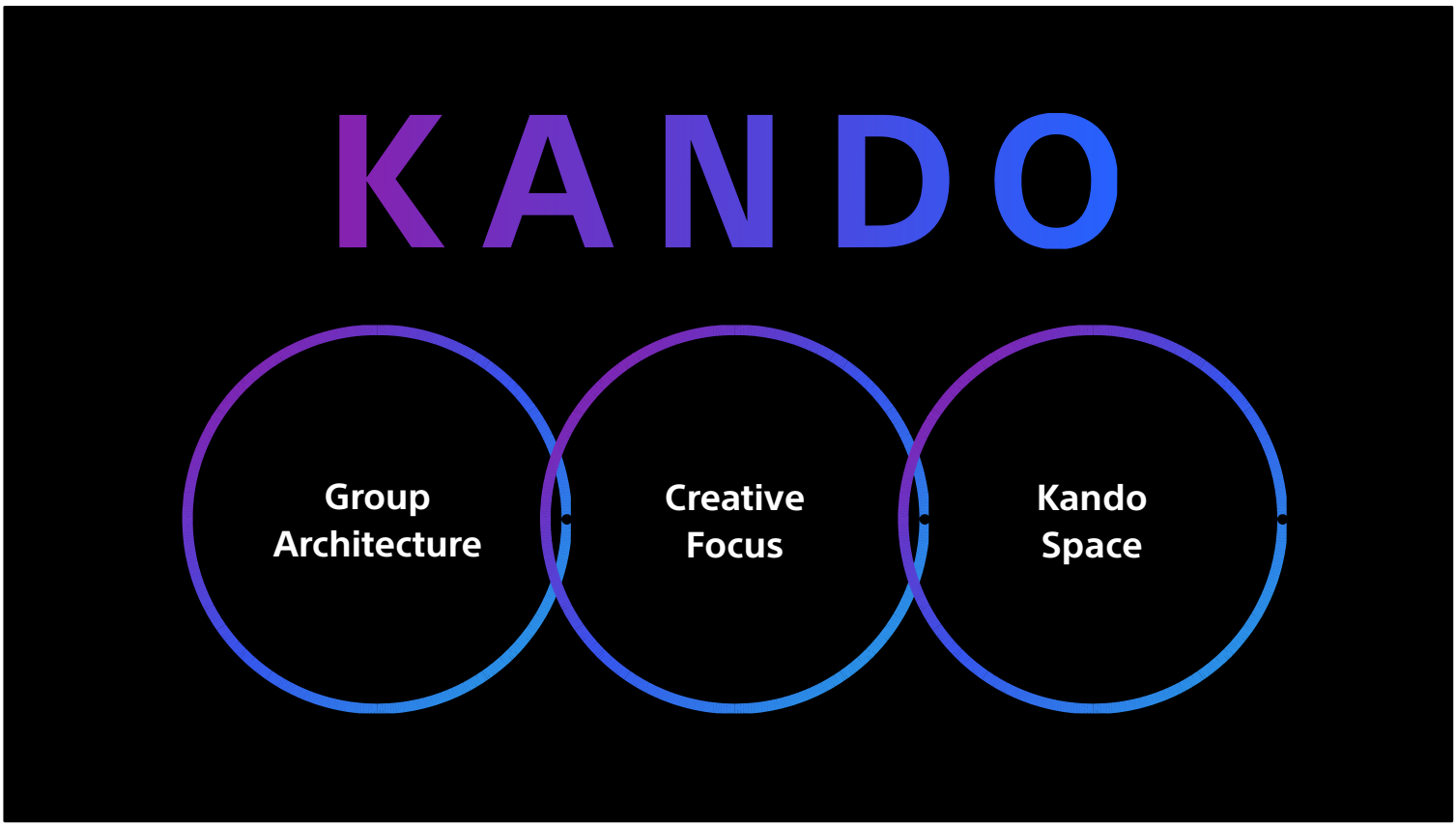
- The life insurance business that started in 1979 is a symbol of this.
- Sony Life is a business that Morita, one of our founders, started with a vision of 20 years. In fact, Sony Life has eliminated its accumulated losses in the 20 years since its founding. Sony Group Corporation's head office building, including the land, is owned by Sony Life.
- It can be said that the Financial Services segment supported the Group during the most difficult period for Sony after the Lehman Brothers collapse.



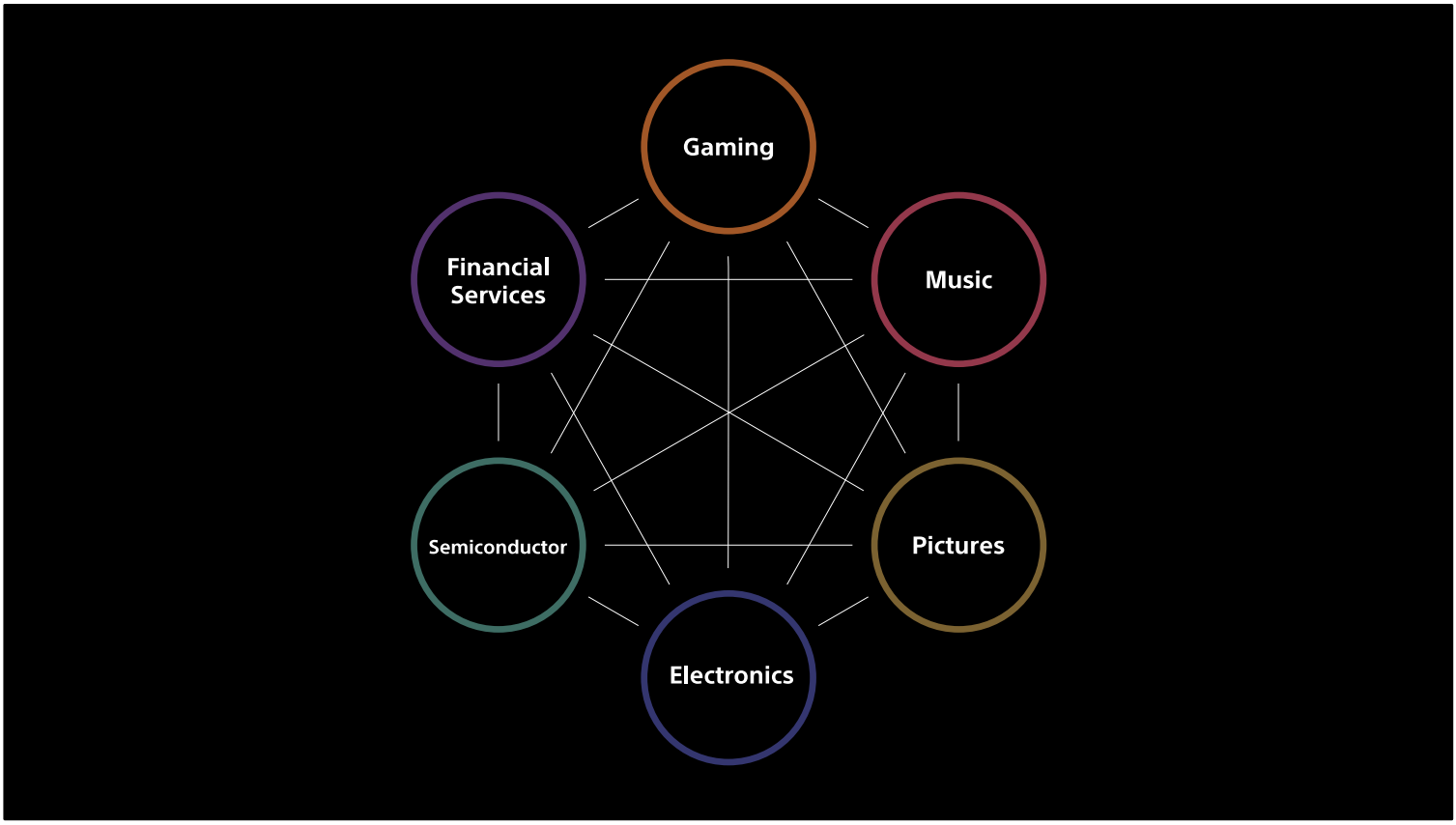
■ **<u>Pursuit of Kando centered on Purpose (Efforts of the current management team)</u>**

[Purpose]

- Now, I would like to talk about the efforts of the current management team.
- In February 2012, my predecessor, Hirai, used the word Kando for the first time at a press conference as president.
- I defined our Purpose with this Kando (Emotion) as a keyword.
- “Fill the world with emotion, through the power of creativity and technology.”



- Based on this, in recent years we have been working to reorganize the group architecture, focus on creativity, and expand the Kando space.



[Group architecture]

- In 2020, we announced a restructuring of the group architecture.
- This was done with the aim of spinning off the electronics business from the group headquarters and connecting each business at an equal distance based on the keyword Kando.
- We also announced that we would make our Financial Services business a wholly owned subsidiary.
- I believe that this reorganization boosted synergies not only between electronics and entertainment, but also between the content IP used by the entertainment businesses.

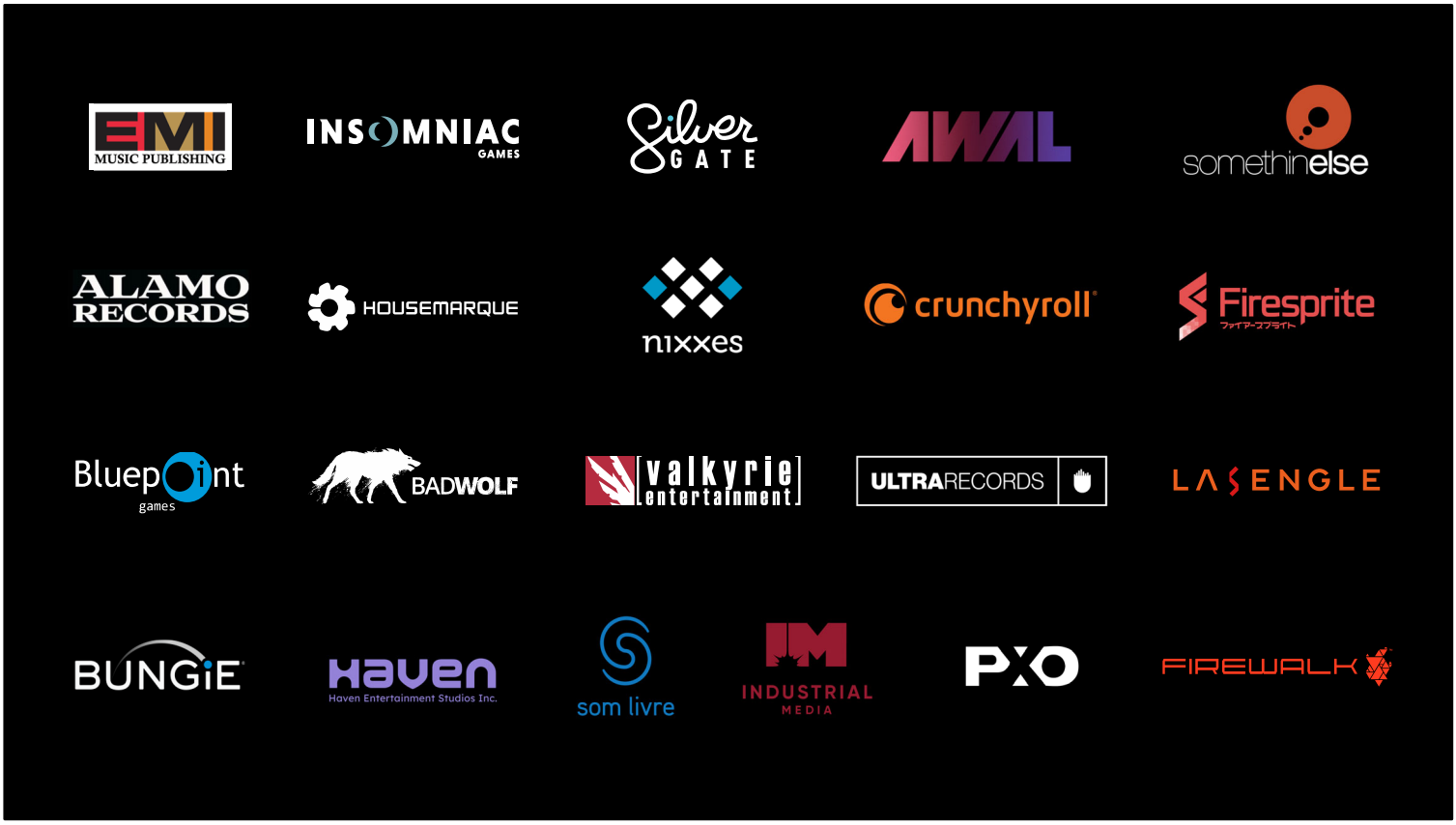


[Focus on Creativity]

- Next is about our focus on creativity.

<u>1. Enhancing Kando Creation (Content IP)</u>

- The content we handle is wide-ranging, including music, pictures, games, and anime.



- In order to strengthen our creativity, we have focused on getting closer to creators and creating Kando, and at the same time we have invested in the ability to create Kando.
- In terms of content IP, we have invested approximately 1 trillion yen over the past five years.



"Take On Me"



Partner collaboration and content IP collaboration

- In addition, collaboration with partners is important in delivering our creators' works to more users and "filling the world with emotion.
- *The Last of Us* became the most-watched shows in the history in both Europe and Latin America on our partners' service, HBO Max.
- The show being a mega-hit boosted sales of *The Last of Us* game software, as well as the number of streams played of Sony Music Publishing's song used in the show.
- In this way, in recent years, our group collaboration in content IP has become more active, leading to the strengthening of creativity.



“Communities of Interest” leading to creation

- In parallel with strengthening content creation, we are also working on direct-to-consumer (“DTC”) services that deliver Kando directly in specific areas called “Communities of Interest.”
- These DTC services are initiatives to learn from users, and at the same time aim to contribute to creators.



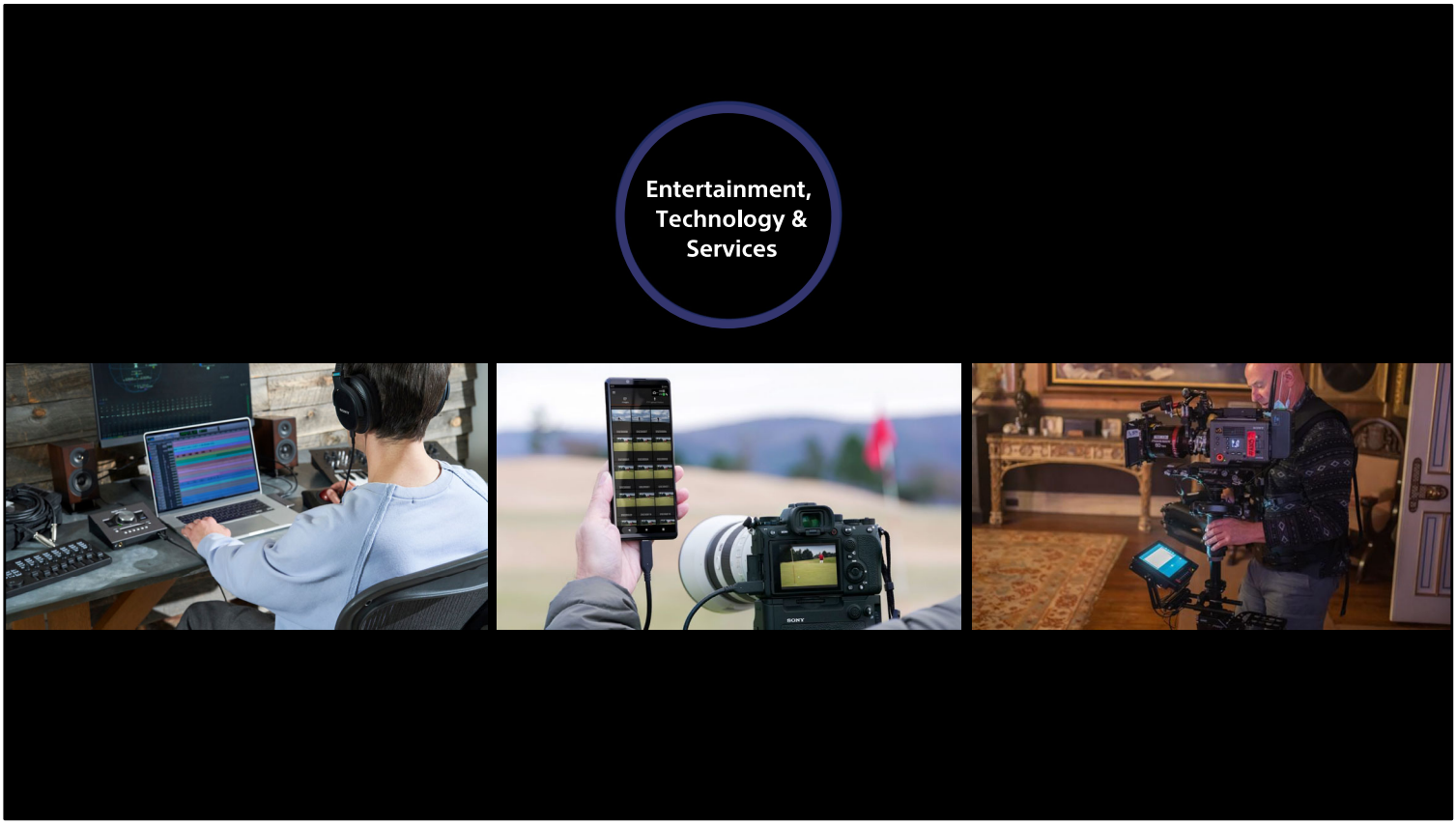
- Crunchyroll, a DTC service specializing in anime, feeds back viewership data to creators.
- The Anime Awards held in Tokyo in March this year was an event where anime fans around the world and creators were connected.



- Under the long-term vision of expanding the number of people directly connected to the Sony Group to 1 billion people, I would like for us to continue delivering Kando in specific areas such as anime, games, and in India, and make use of them in our creations.



- So far, I have touched on the strengthening of creation in the entertainment field.
- We aim to become the brand chosen by creators around the world who create Kando.
- Technology is one of the key elements to achieving that.



2. Enhancing creativity in products

- The segment which handles our electronics products is ET&S, the Entertainment Technology & Services segment, and we have been strengthening our creation here as well.

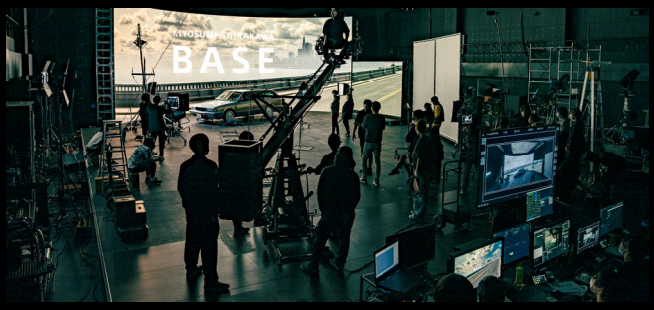


- Our video production camera “VENICE” is widely used not only by Sony Pictures but also by other Hollywood studios.
- It was used in *Avatar*, released last year, and *Gran Turismo*, which is expected to be released this year.

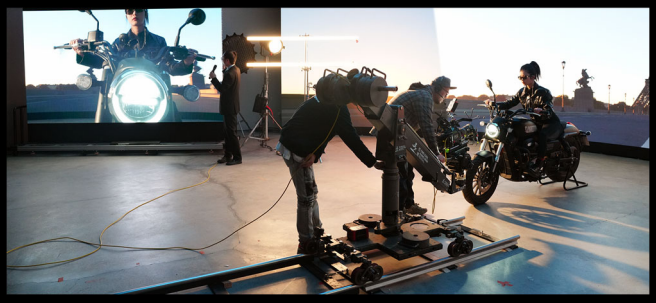
Los Angeles



Tokyo



Shanghai



Jointly operated with Gwantsi

Paris

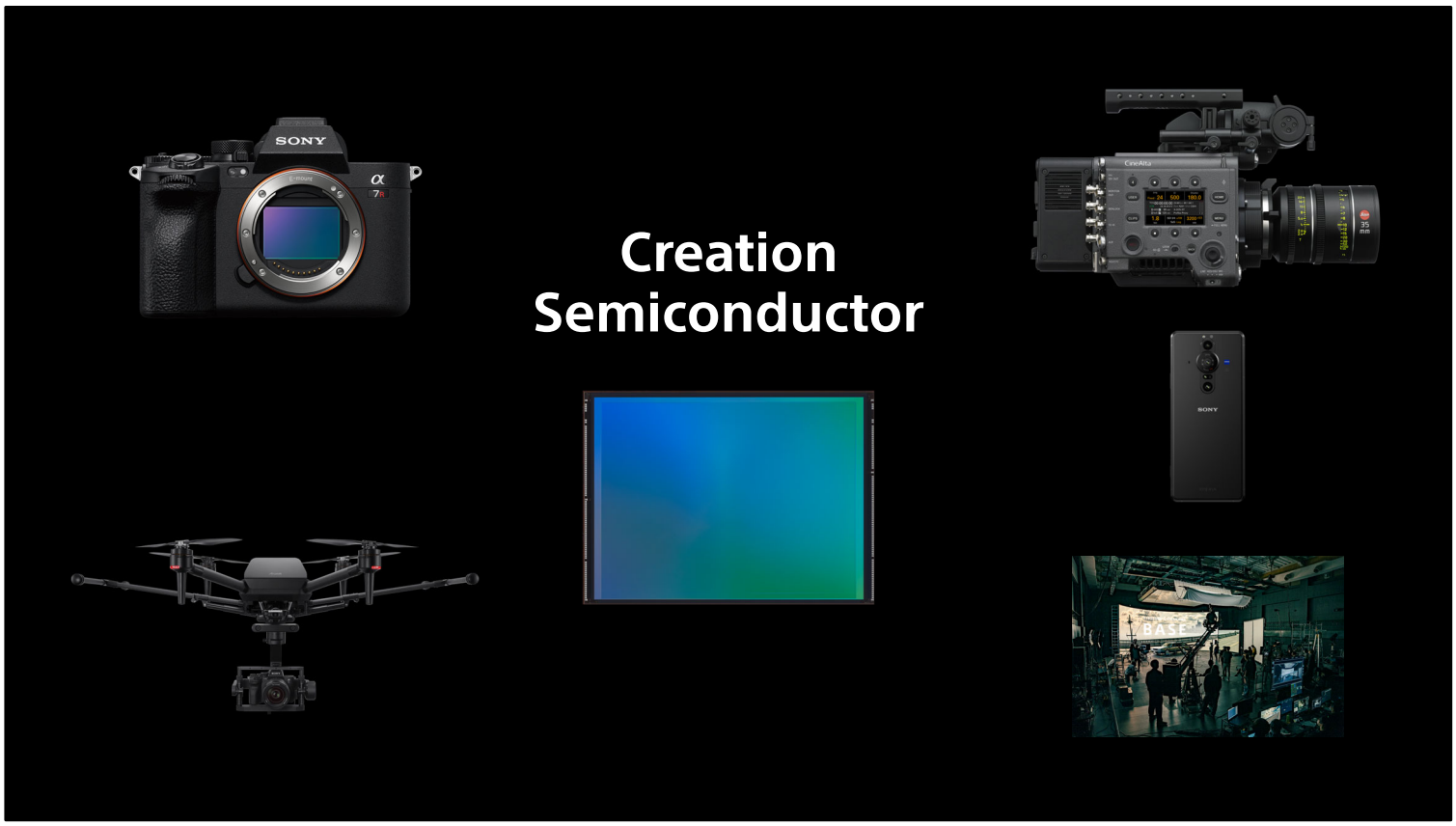


Operated by Plateau Virtuel and Studios de France

- We are also focusing on virtual production that supports creators' new visual expressions with technology.
- Here, in addition to cameras and displays, Epic Games' game engine is used as a content production technology as real-time CG technology.



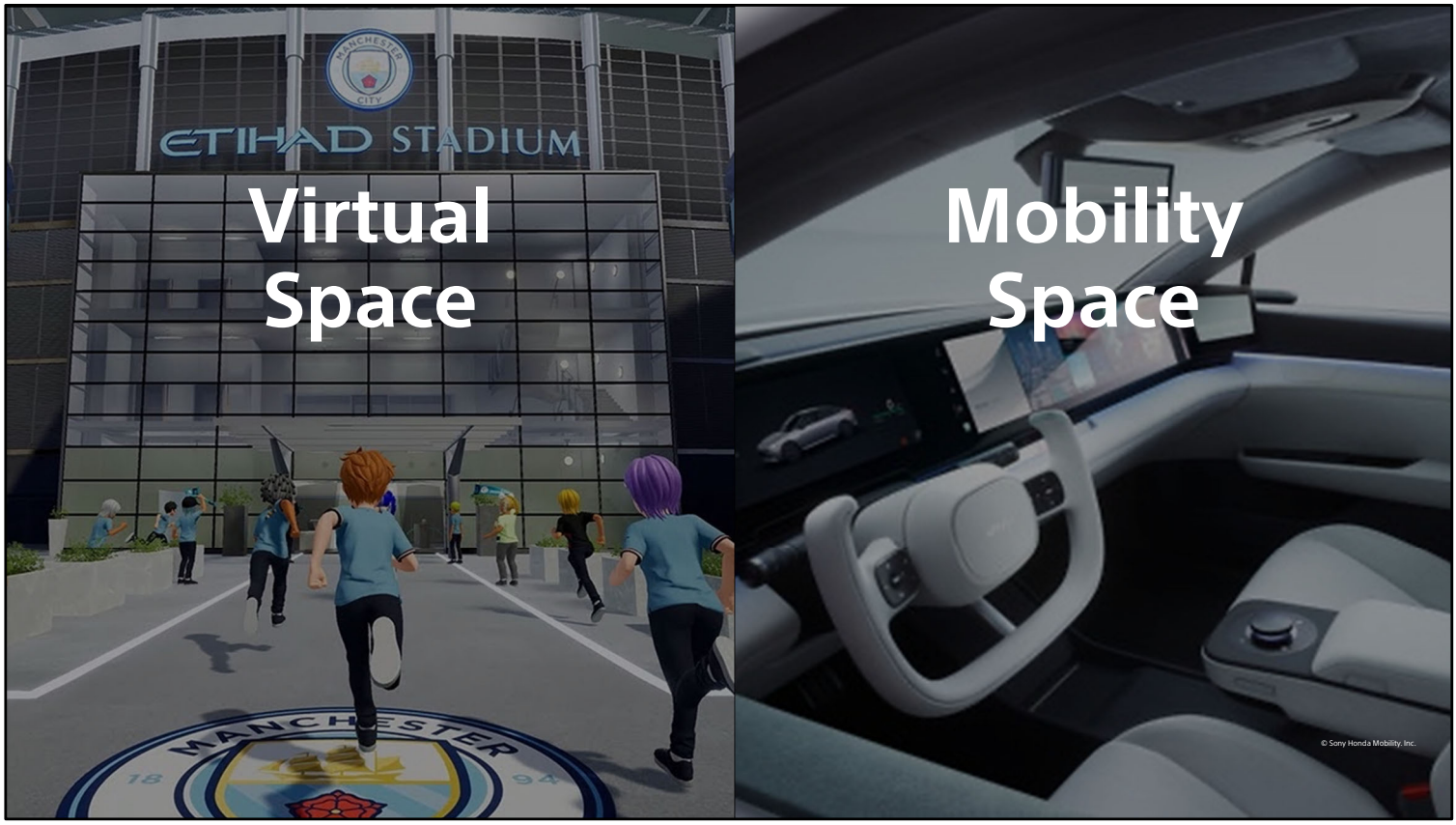
- Hawk-Eye, renowned for its sports officiating, provides excitement through entertainment technology services.



3. Creation semiconductor

- CMOS image sensors are indispensable as technologies that support creation. I call them creation semiconductors that create Kando.
- At last year's football world cup in Qatar*, Sony's full-frame mirrorless camera “Alpha 1” captured the “Mitoma’s 1mm”. The image sensor, which was developed with the big goal of capturing the perfect moment has contributed to capturing the exact moment that determined victory or defeat.
- Also, Sony’s CMOS image sensors are contributing to users around the world to become creators, through smartphone cameras.
- Over the past five years, we have invested more than 1 trillion yen in this area, and we will continue to focus on key devices that support creation.

*The Sony Group is not FIFATM partners, FIFA World CupTM sponsors, National supports and does not carry out the activities as partners.

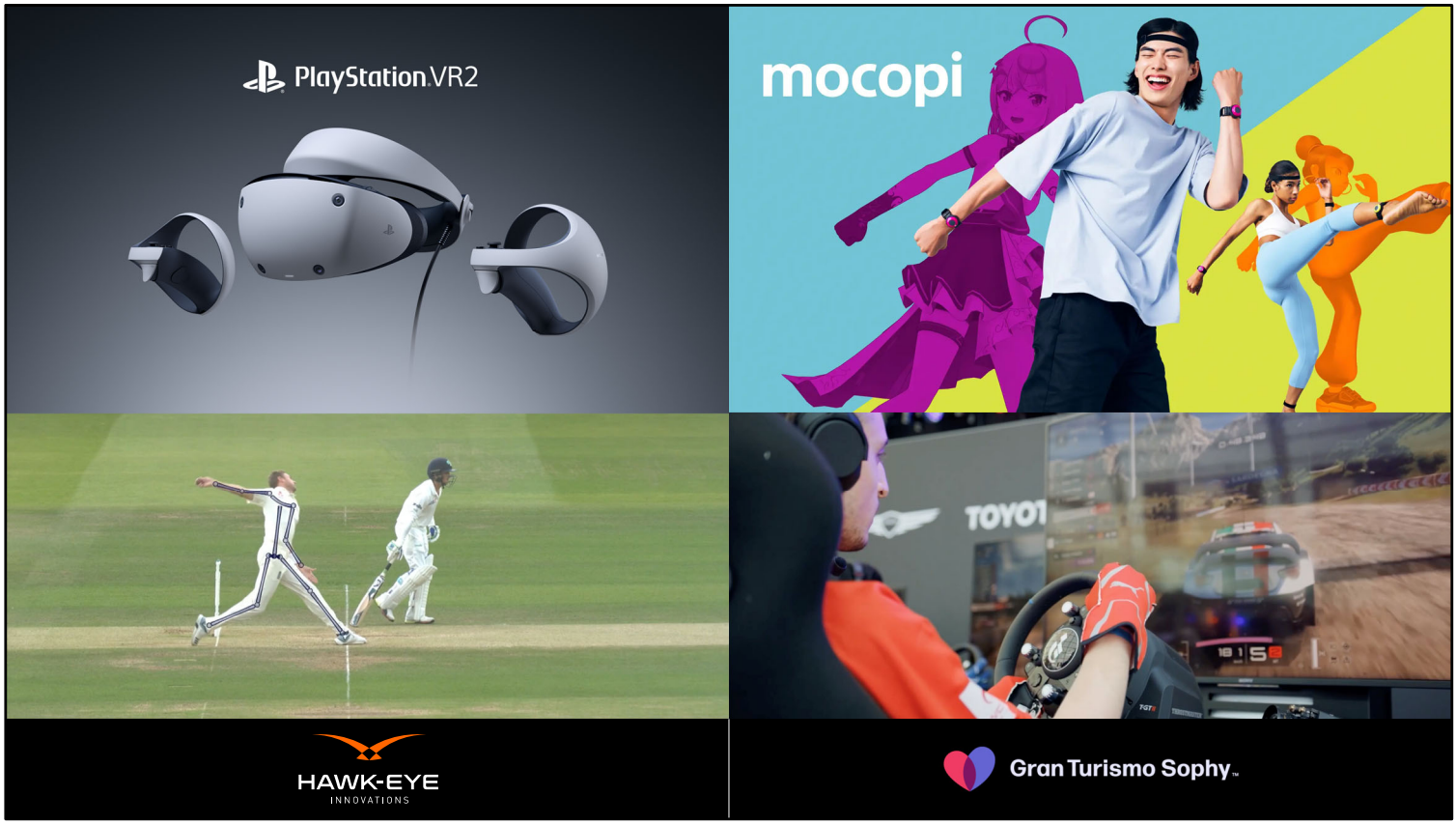


[Expansion of Kando space]

- So far, I have talked about our focus on creation in the fields of content, products, and semiconductors.
- As we pursue Kando, we are also working on initiatives from a long-term perspective to expand the field of Kando from real space into virtual space and mobility space.



- The virtual space created by game technology is a place of creation and a place where people connect with each other.
- Live service game is one example.
- We are also working on live performances where music artists and fans share time and space, and initiatives that increase sports fan engagement.



- I also think it is important to create connections with the real world.
- Through technologies such as VR, which leads people to virtual worlds, mocopi, which makes creation easy and fun, and our skeletal tracking system that reproduces the real movements of athletes, we are working to seamlessly connect the virtual and physical.
- “Gran Turismo Sophy,” a racing AI agent that enhances the experience in the game space, is an example of connecting the real and the virtual with AI. AI is positioned as an important technology that expands the creativity of creators and we will continue to promote research and development, along with social implementation.



- In the mobility space, we will contribute to the evolution of mobility in areas such as imaging and sensing technologies, entertainment, as well as communications and networks including 5G. We will also provide these technologies to Sony Honda Mobility's new brand AFEELA, which is being jointly developed with Honda.
- Along with Honda, we will collaborate with Epic Games in the mobility space as well, to pursue new entertainment possibilities utilizing the Unreal Engine.



- In the future, we would like to extend the field of Kando to outer space, and we will conduct exploration activities to bring emotional experiences through the nano-satellite “EYE”.

INDIA

Our Efforts in India, a Place of Creativity

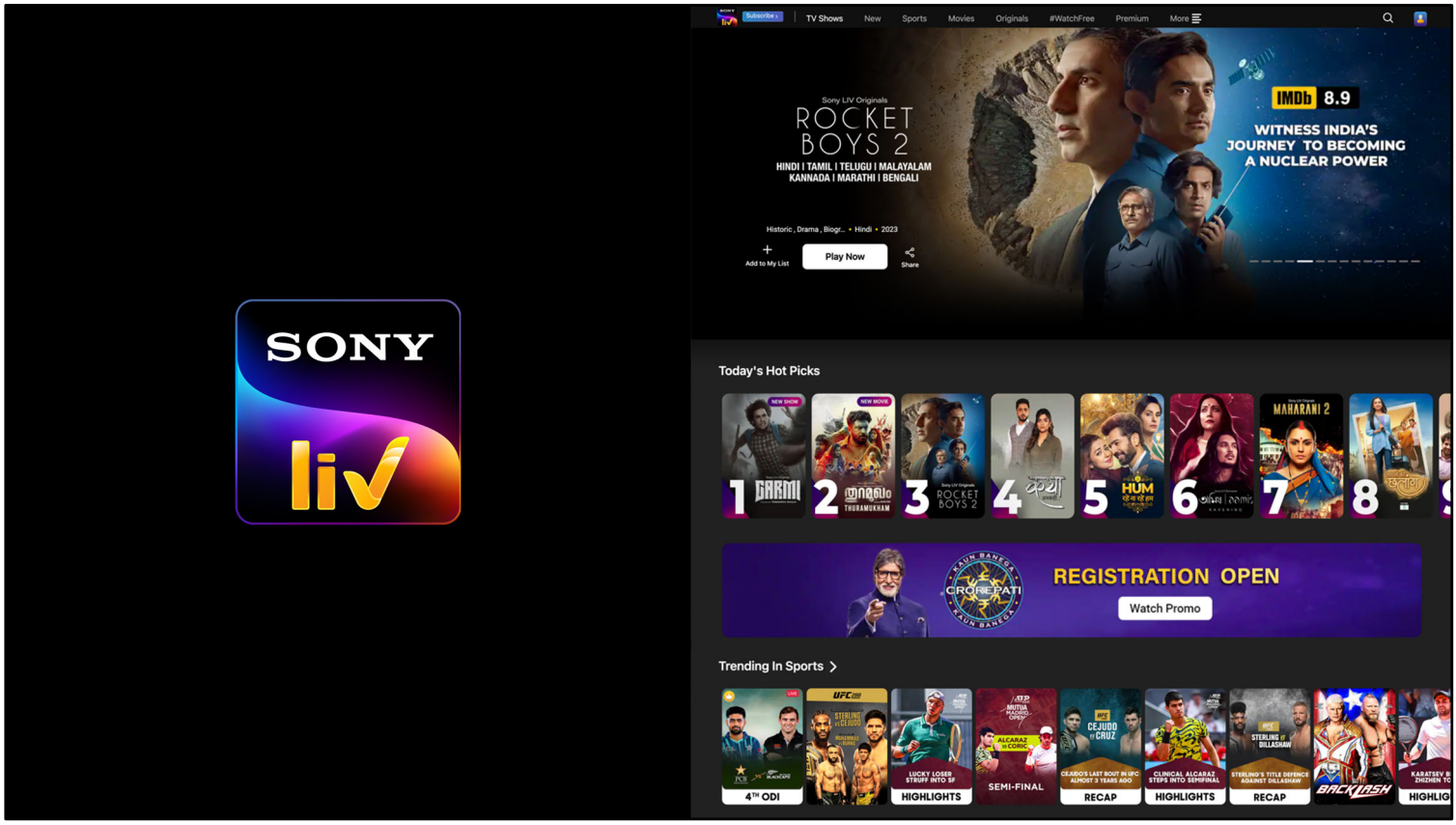
- So far, we have talked about our efforts to expand our business with sound as the starting point.
- Here, I would like to mention India as an example.

- Sony has been working to spread Kando in India since the 1980s.
- Sony India, which leads the electronics business, has been providing products which create and deliver Kando.

SONY MUSIC

Artist	Label	Catalog
	dayone	EROS INTERNATIONAL

- Sony Music Entertainment India, which holds more than 20% market share in India, is engaged in expanding the local music business, such as the creation of new labels and the acquisition of Bollywood music catalogues.



- Sony Pictures Networks India, SPNI, delivers Kando content through media networks and a DTC service, which we began operating in 2013.



- Crunchyroll, which is also available in India, has been streaming Hindi dubbed content since last year.
- Going forward, we would like to further expand creations rooted in local culture through our expected merger with Zee Entertainment, a publicly listed Indian entertainment company.

- From here, N.P. Singh, who has been supporting SPNI for about 24 years, will talk about his efforts in India.
- N.P., please come up on stage.



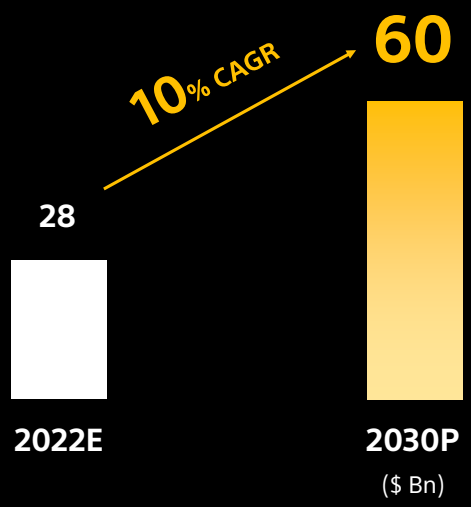
- Namaste. (Greetings to all of you.)
- I'm N.P., and I have 42 years of work experience, with 24 of those years spent at Sony.
- Being at Sony has given me a unique opportunity to witness the rapid evolution of the entertainment industry firsthand.
- Our focus in India is to strengthen industry leadership by producing emotionally engaging content that expands our viewership across platforms.



India - M&E

- First, let me talk about the Indian market. India is expected to continue being one of the fastest-growing economies, with a 6.3% GDP growth rate.
- A population of 1.4 billion+ provides a vast and encouraging market for growth, making it a perfect KANDO space.

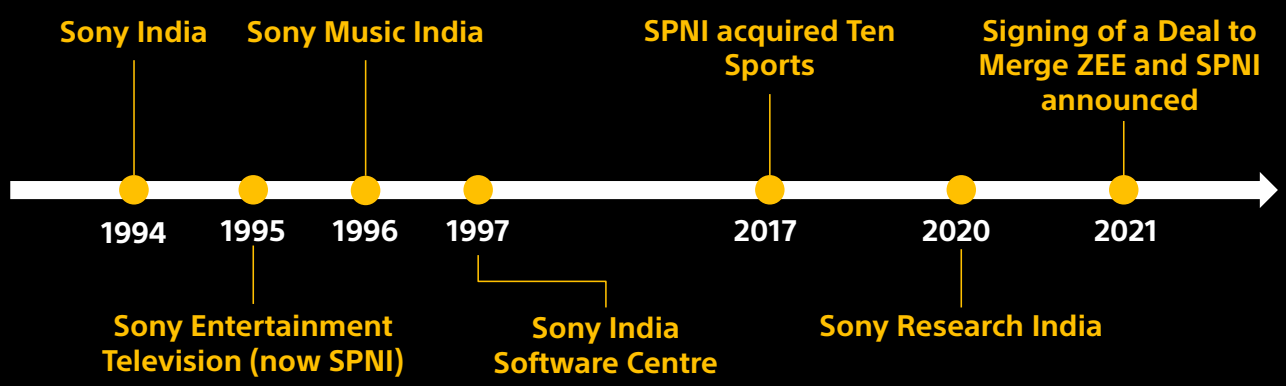
Media & Entertainment Industry in India



Note: E denotes estimated, P denotes projected
Source: Shaping the Future of Indian M&E, BCG – CII, Nov-22

- By 2030, India's media and entertainment industry is expected to reach a market size of over $60 billion with a CAGR of 10%.

Commitment to India since the 1980s



- Sony has been active in the Indian market since the early 1980s and established Sony India in 1994. Currently, it maintains its position as a leading provider of electronics, and creative entertainment.



Local KANDO Creation (IP)

- Sony Pictures Networks India (SPNI) has been operating for 28 years, with 26 channels reaching 700 million viewers across 167 countries.
- Sony LIV, our DTC service, has 40,000+ hours of content in 8 languages and 33.3 million subscribers, including our partner platforms.
- We offer popular international formats such as Shark Tank, MasterChef, Who Wants to be a Millionaire, Indian Idol, etc., and present successful local shows, including the longest-running Indian sitcom with over 3,500 episodes.

STUDIONEXT

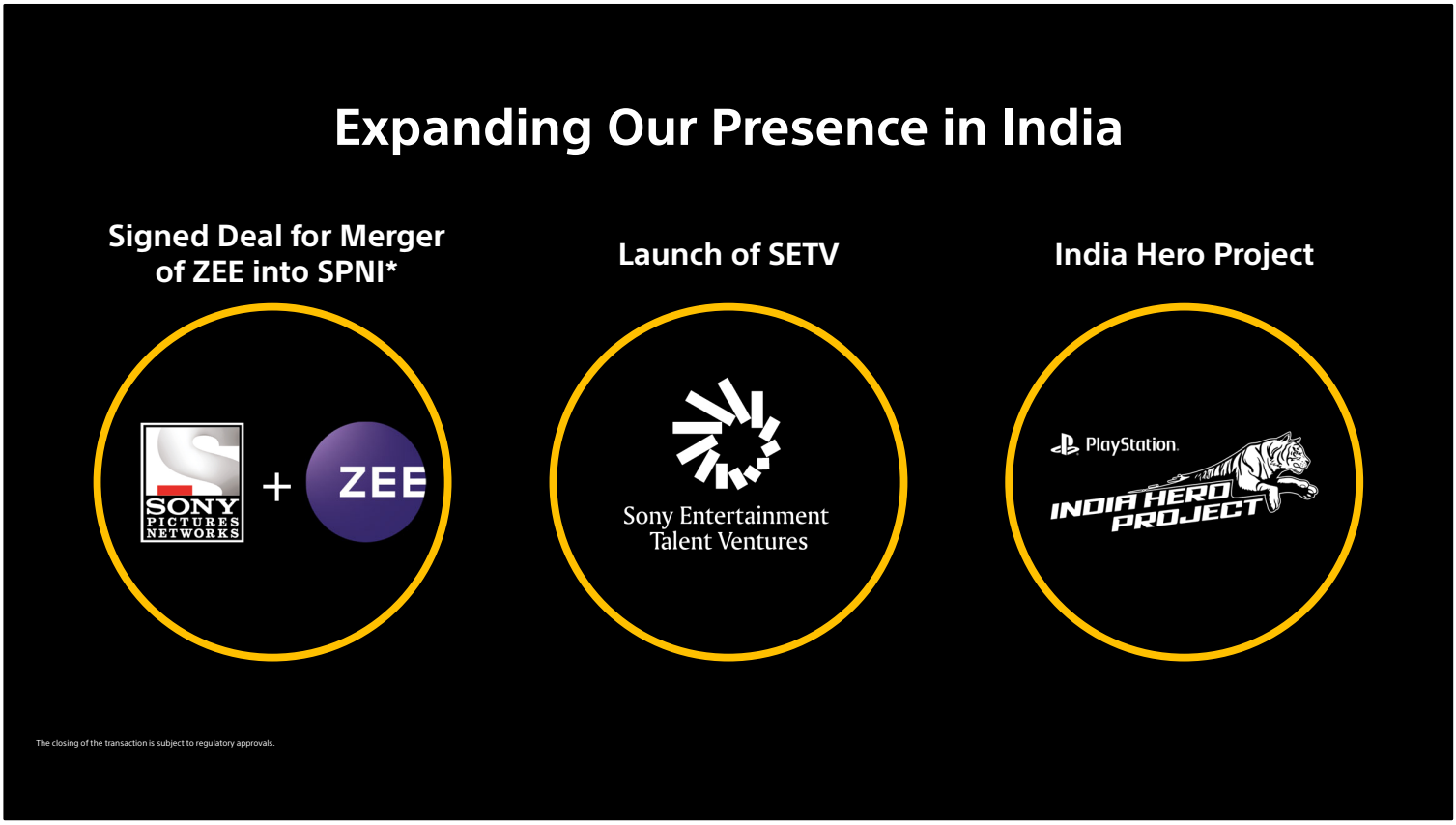
A DIVISION OF SPNI



- Our in-house content unit, Studio NEXT, creates original content for the industry with the creators using Sony's professional cinema-line cameras and equipment.

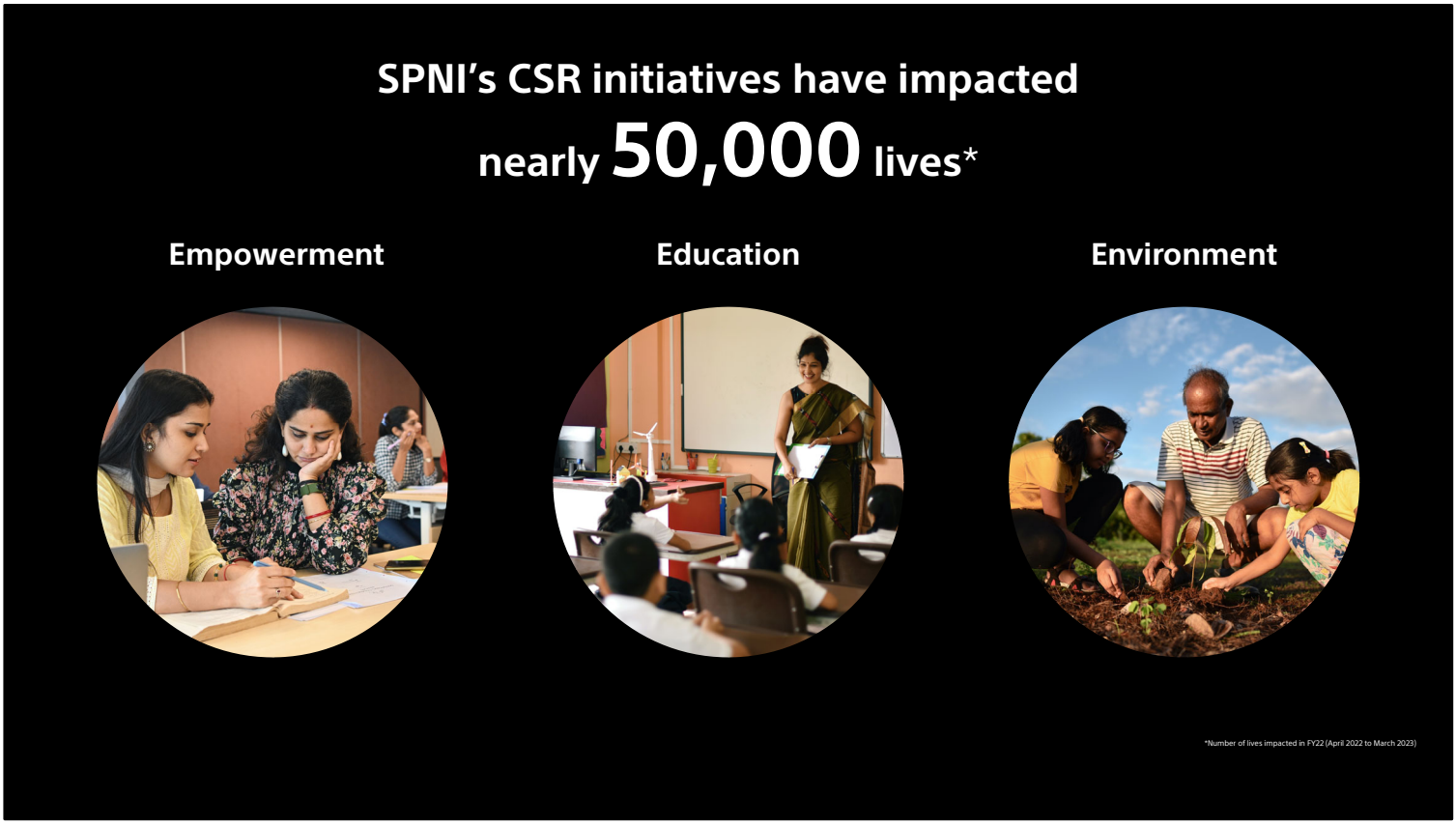


- SPNI has made significant investments in sports, including key cricket properties, UEFA tournaments, World Wrestling Entertainment, and Grand Slam tennis, to name a few.
- We are committed to visual storytelling creation that inspires social change and unites communities.
- Our SET India YouTube channel, with 156 million global subscribers, is the world's third-most subscribed.
- Sony Research India is actively collaborating with SPNI to develop AI models such as video analytics, recommendation engines, and speech recognition.



New Value Creation (Future Opportunities/ Group Collaboration)

- We're also excited about what's in store with our partnerships.
- In 2021, we announced the signing of a deal to merge ZEE into SPNI, which upon closing will enable us to expand our Kando content creation and strengthen our connection with diverse communities within India. The closing of the transaction is subject to regulatory approvals.
- We are also working with Sony Music India. In 2022, Sony Music and Sony Pictures established Sony Entertainment Talent Ventures India to offer Indian artists and creators the chance to collaborate and form global partnerships.
- The rapidly expanding Indian gaming market presents an exciting opportunity for Sony to extend its console, PC games, mobile games and esports presence.
- The India Hero Project, initiated by Sony Interactive Entertainment, also supports local game development talent. We are eager to explore potential collaborations within the gaming industry.



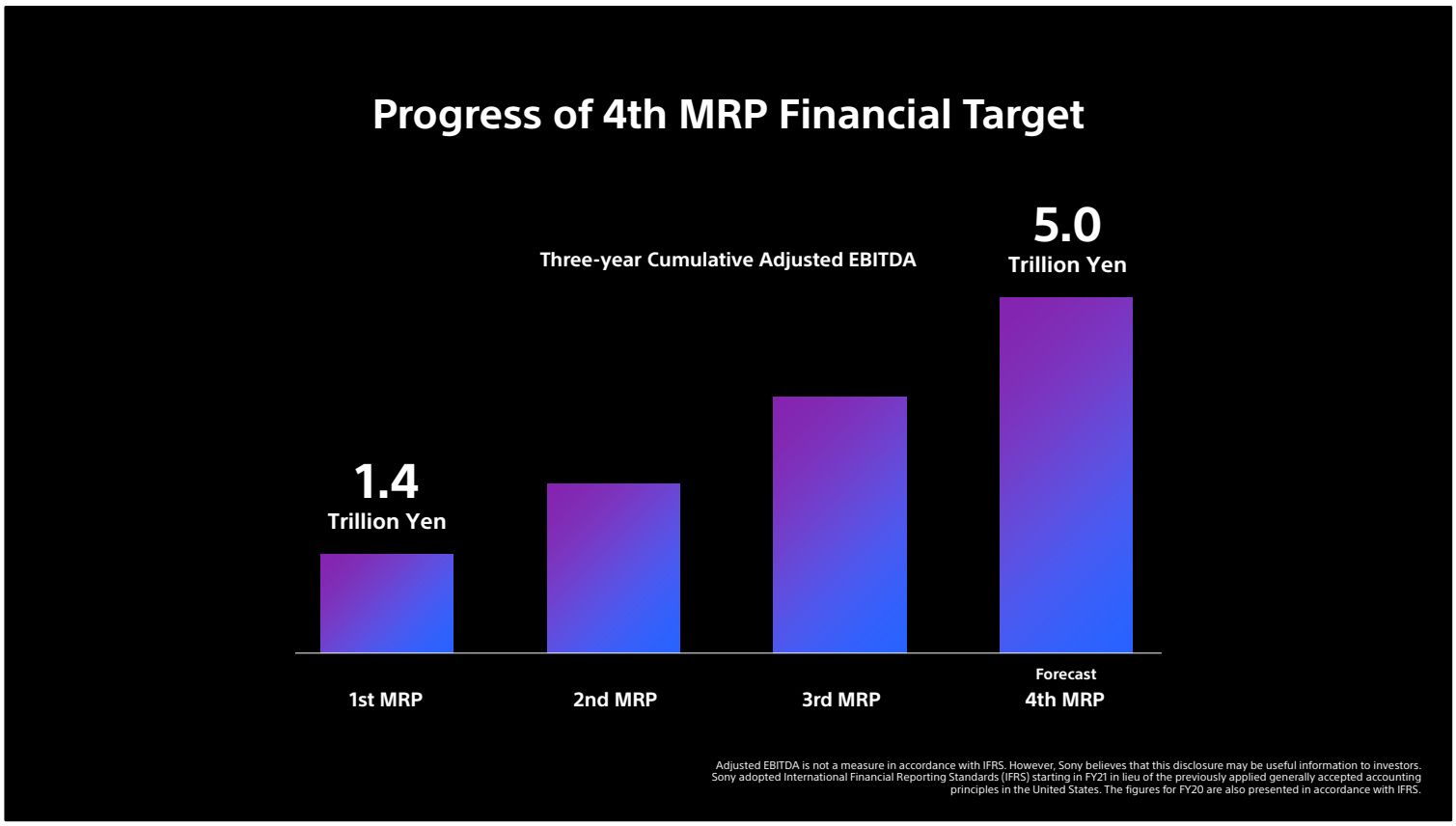
- We have partnered with 22 organizations to support nearly 50,000 individuals across India through CSR initiatives focused on empowerment for women and LGBTQ+ communities, education, and the environment.

Closing: Fill the world with emotion

- India is a global economic powerhouse and an "opportunity destination" for artists, content creators, game developers, studios, platforms, and technology companies.
- Our efforts in India are aligned with Sony's Purpose of "filling the world with emotion," and we strive to push the boundaries and go beyond what is expected.
- Now, I would like to close my speech with a video introducing Sony Group's initiatives in India.
- Dhanyavad. (Thank you.)

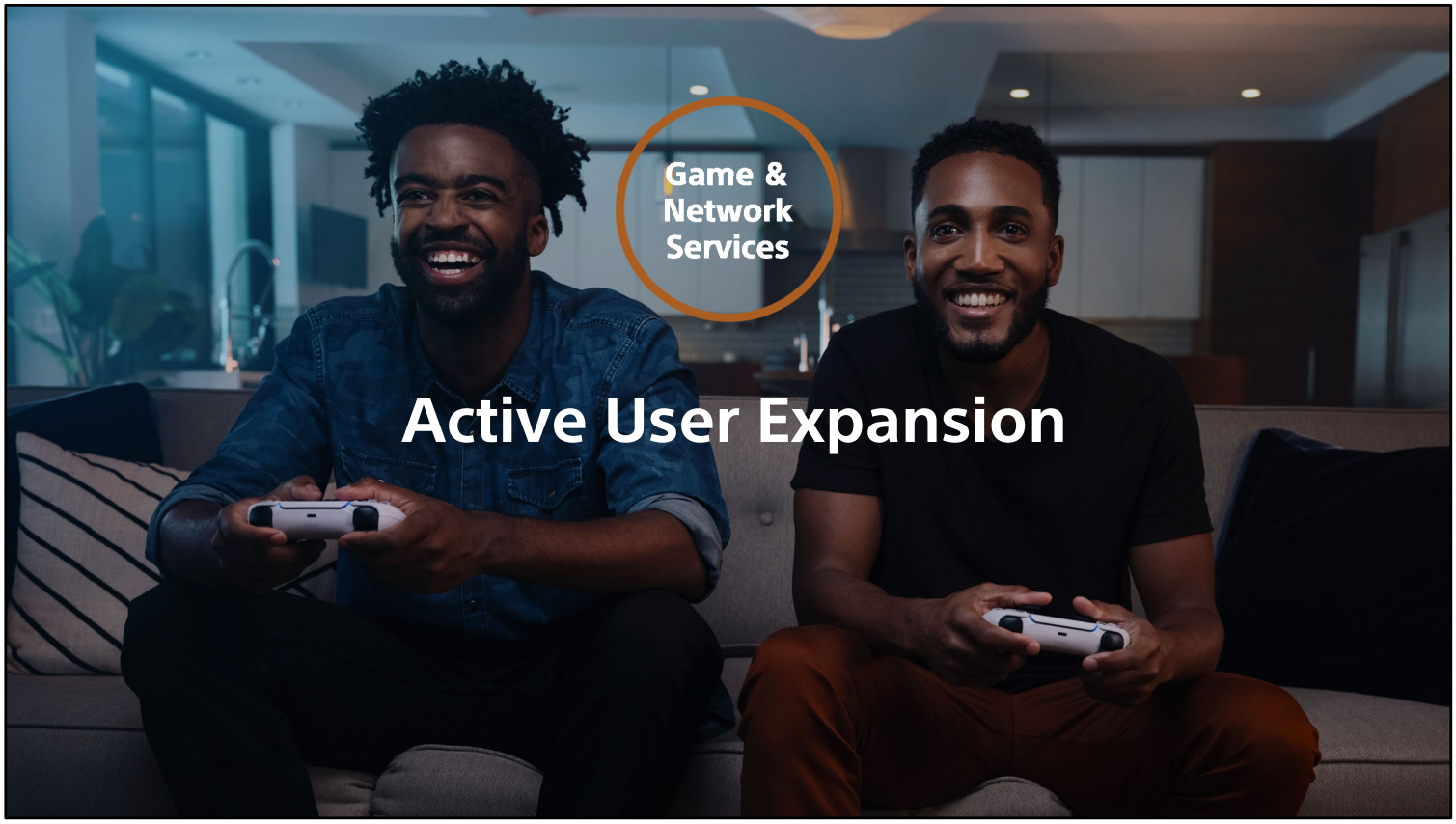


- Hello everyone.
- Today I would like to talk about these three topics (4th MPR Progress, Growth Strategy by Segment, Evolution of Diversity).



■ **Progress on the 4th Mid-Range Plan**

- First, I will provide the progress of the 4th Mid-Range Plan.
- Three-year cumulative adjusted EBITDA, which is a KPI of the current mid-range plan, has greatly exceeded the initial plan, mainly in the Music and Pictures segments. As of today, we are projecting adjusted EBITDA of 5 trillion yen, an increase of 16% from our target of 4.3 trillion yen.
- We anticipate an unstable business environment in the current fiscal year, but we will promote business operations with a focus on immediate risk management to ensure the achievement of KPI.



■ **<u>Growth strategies of each business segment</u>**

- Next, I would like to explain the growth strategies of each business segment from the perspective of Group management.
- Please note that further details will be provided by the heads of each business at the Business Segment Meeting.

[G&NS growth strategy]

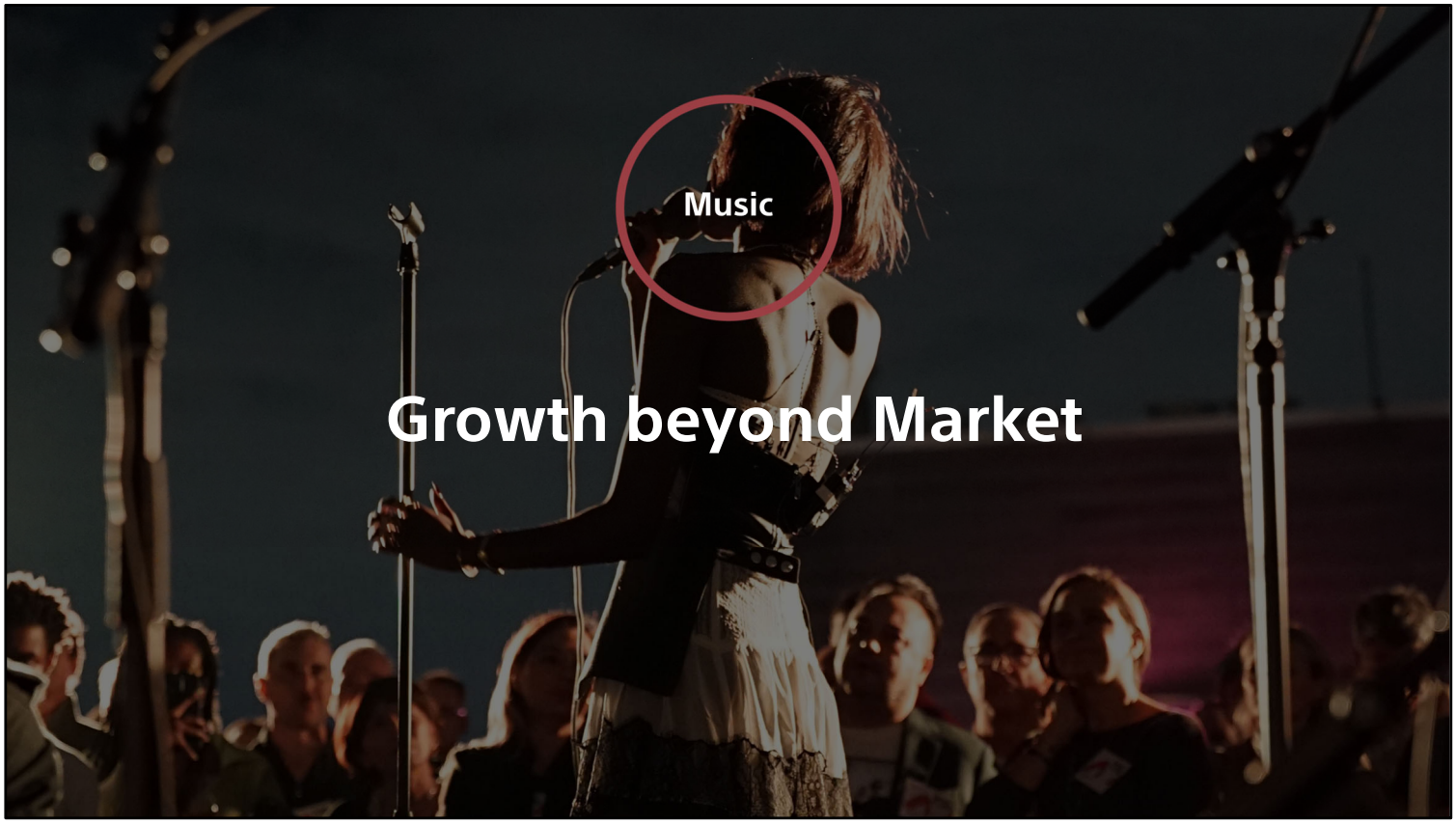
- First is the Game & Network Services (G&NS) segment.
- Central to our strategy in this segment is increasing the number of active users.
- I consider the drivers for this to be the growth and expansion of PlayStation®5 (PS5™), and the strengthening and expansion of our first party game portfolio.

Driving PS5 expansion

- We shipped 6.3 million units of PS5 in the fourth quarter of FY22 and continue to manufacture at full capacity.
- Going forward, we intend to work with the publishing and development communities, in addition to PlayStation Studios, to expand our content pipelines and provide increasingly innovative and compelling game experiences that grow the PS5 installed base and increase the number of active users.

Strengthening development and operational capabilities of our own live service games

- To strengthen and expand our first party game portfolio, we plan to continue to taking on board knowledge from Bungie which we completed the acquisition of in July, 2022 and expect to enhance our ability to develop and operate live service games.
- We also intend to increase the number of active users on PC, in addition to PS5.



[Music growth strategy]

- In the Music segment, our strategy is to outpace the market growth of streaming and emerging media.

Four pillars of streaming growth strategy

- There are four pillars in our approach to outpacing streaming market growth.
- The first is to promote new songs from our wholly owned labels and signed artists to increase market share.
- The second is to expand our portfolio of services for distributed labels, centered around The Orchard.
- The third is to ensure early contact with emerging artists through channels such as AWAL.
- And, the fourth is to further explore emerging markets, including unearthing local artists.

Monetization of emerging media

- We will also strengthen initiatives to monetize emerging media.
- Music is required for any entertainment media.
- Social media and live concerts within games is a prime example, but by generating profit for the music industry from the many forms of new media we can increase returns for artists and also connect this to Sony's growth.



[Pictures growth strategy]

- In the Pictures segment, maximizing IP value over the long-term is central to our strategy.
- This approach is supported by our position as a strategic supplier, and our emphasis on theatrical releases.

Strategic supplier

- In this segment we intend to continue our current strategy, as a strategic supplier, of limiting the burden of investment we would incur by having our own distribution platform, and instead allocating these investment resources to the creative side, and enhancing the quality of our productions.
- We aim to maximize the long-term value of our IP by providing it to the distribution platforms that best understand its appeal.

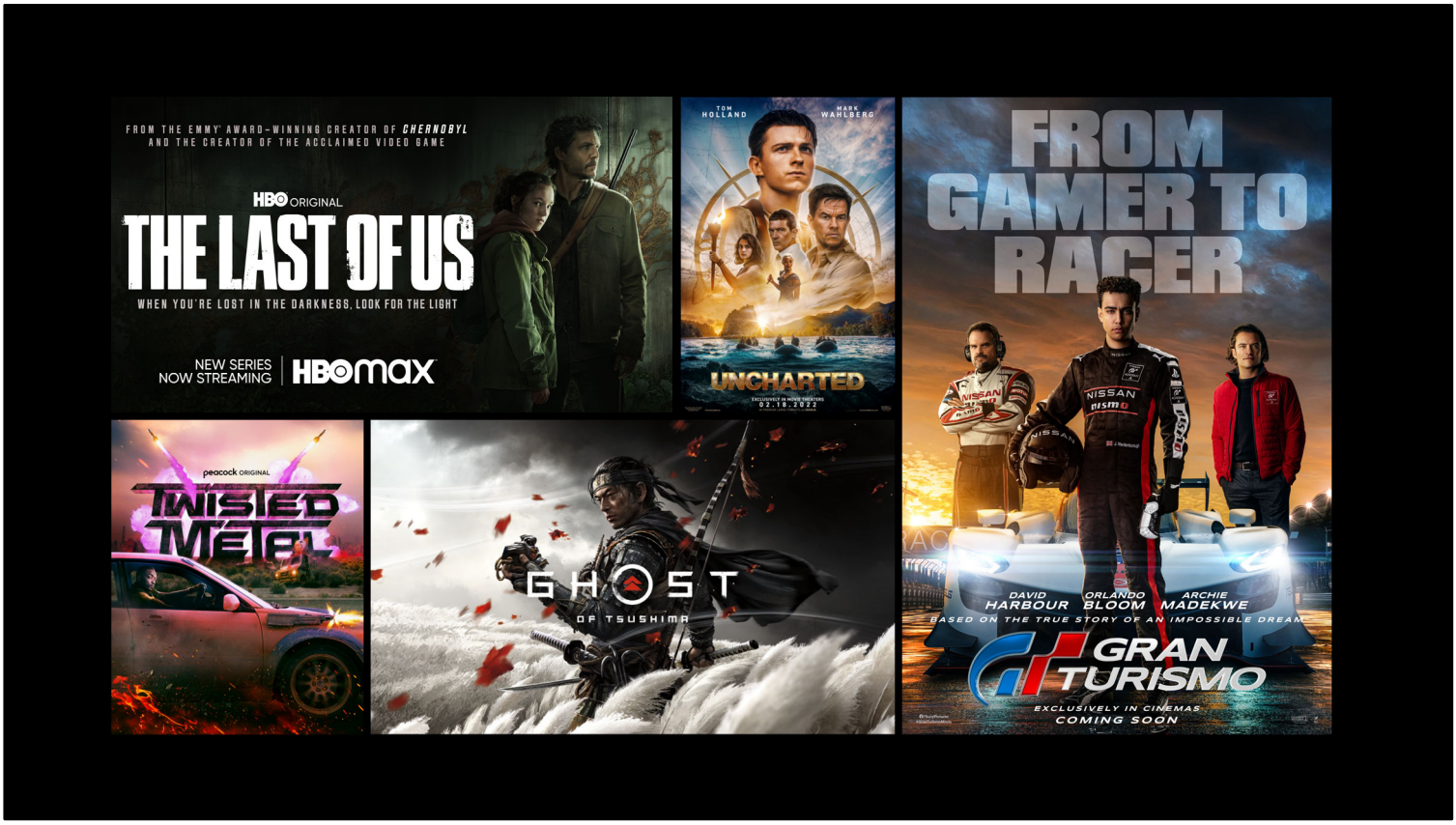
Emphasis on theatrical releases

- We are also continuing to focus on the theatrical window for our releases.
- Despite the wider trend of prioritizing distribution platforms, Sony Pictures Entertainment has maintained its focus on theatrical releases, leading to record results for SPE's motion picture group over the last few years.
- The cultural impact of a theatrical release is important for creators as well as improving long-term profit. We feel that this stance is supported by the industry as well.
- Recently, it appears that industry players with distribution platforms are gaining renewed awareness of the value of theatrical releases, and we look forward to the return of even more movie fans to theaters and the excitement they provide.



[Growth strategies intersecting entertainment businesses]

- I would now like to touch on our initiatives to maximize the value of IP by deepening the deployment of IP across our three entertainment segments.
- The first is the unique synergies we are able to generate between Sony's entertainment businesses, and then location-based entertainment.



Maximizing value by deepening the deployment of IP across our entertainment businesses Entertainment x Entertainment Synergies

- A leading example of synergies that can be generated between our entertainment businesses is the visualization of game IP and accelerating the growth of anime, which Mr. Yoshida mentioned.
- Following on from the success of last year's feature film Uncharted and this year's The Last of Us on HBO, PlayStation Productions is working on the production of film and TV adaptations of other PlayStation IP including Gran Turismo and Twisted Metal.
- We are also planning a number of biopics based on Sony Music artists.





- In the area of anime, through collaboration between Aniplex, the anime production company behind titles such as “Demon Slayer: Kimetsu no Yaiba,” and Crunchyroll, one of the world’s largest DTCs specializing in anime, and together with our partners, we are maximizing the value of anime IP globally while also increasing the number of anime fans we connect with directly and accelerating growth.
- These examples demonstrate the synergies that Sony is uniquely positioned to generate through cross-business collaboration, and we will aggressively implement these types of initiatives going forward.

Location Based Entertainment

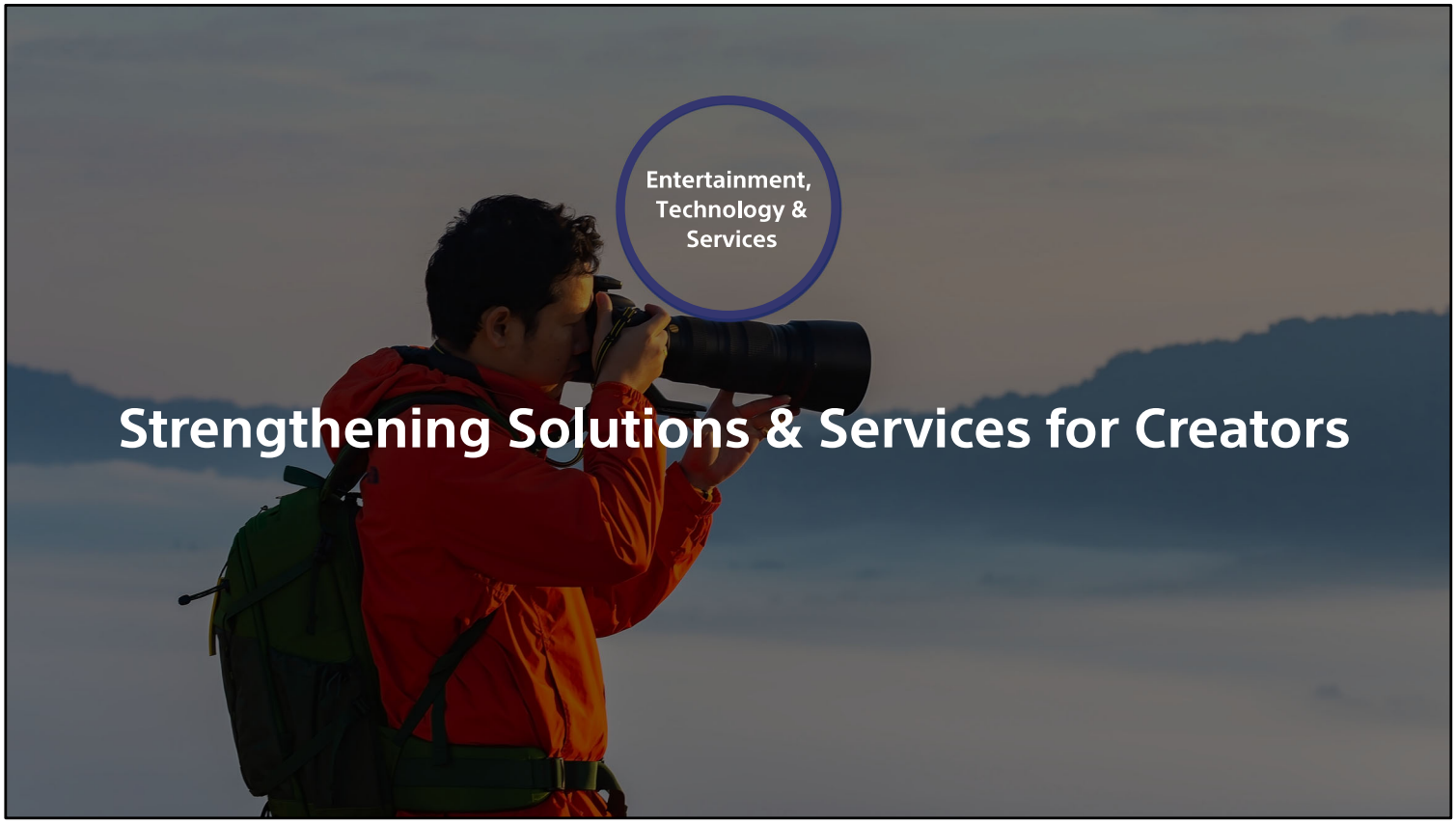






Maximize value by deepening IP deployment across our entertainment businesses LBE

- Next, I would like to introduce some of our recent activities in the area of location-based entertainment (LBE).
- In Thailand, Columbia Pictures Aquaverse is a water theme park based on various Columbia Pictures IP.
- A new ride that takes people through the world of Uncharted, one of the leading titles from PlayStation Studios, at high speed through darkness is opening soon at an amusement park in Spain.
- In Japan, THE TOKYO MATRIX, an indoor interactive attraction opened with Aniplex's Sword Art Online series as its first collaborative IP, and LBE as a business is making steady progress.
- THE TOKYO MATRIX is located in Tokyu Kabukicho Tower, and I recently visited it myself. It's very exciting, but also very difficult to capture the dungeon, so I look forward to you all taking on this challenge.
- I believe there are significant growth opportunities we can access by accumulating knowledge through these initiatives, sharing this within Sony Group, and advancing LBE measures that leverage the wealth of IP we possess within our respective companies.



[ET&S growth strategy]

- I will now return to our growth strategies for each segment.
- In terms of the Entertainment, Technology & Services (ET&S) segment, my focus today will primarily be on our efforts to get closer to creators.
- Our fundamental approach is to steadily expand the range of solutions and services we provide that are driven by our technology, to a wide range of creators, from businesses to individuals.

Solutions and Services for Creators (Cameras and Cloud Services)

- For photographers and broadcasters, we aim to build on the trust in on our technology we have cultivated through our Alpha cameras to expand our business in the area of services such as efficient visual production on the cloud, low latency, high-definition transmission and live AR video production support.
- In addition, by taking these technologies and services and optimizing them for individual creators such as “Creators’ Cloud”, we aim to actively expand our creative user base amidst the so-called creator economy trend.

Solutions and Services for Creators (Cameras and Virtual Production)

- For filmmakers, we plan to evolve new creation technologies such as our VENICE cameras and Virtual Production, which Mr. Yoshida mentioned earlier, from the perspective of both hardware and services, to unleash them from the constraints of time and space.
- Sony PCL has already completed a total of more than 50 productions using Virtual Production.
- We are also strengthening our collaboration with Epic Games. Unreal Engine 5.2, which was released in March, enables more realistic expressions than ever before, and we will explore further applications for its use, for example in real-time, pre-visualization in movie production.



[I&SS growth strategy]

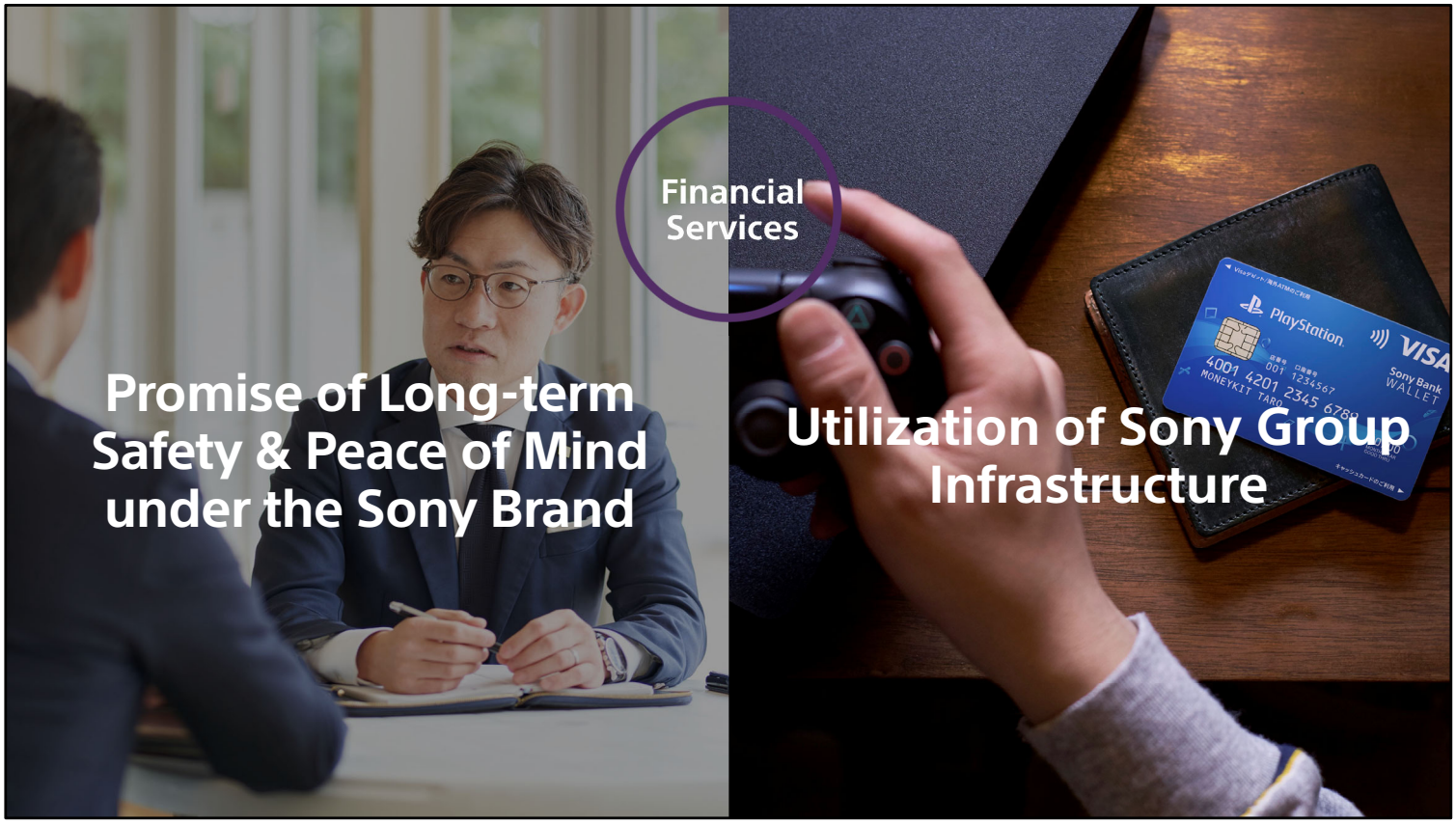
- In the Imaging & Sensing Solutions (I&SS) segment, our major focus is to further strengthen firmly maintaining our No. 1 position in image sensors.
- In addition to CMOS image sensors for smartphones, which are our mainstay, we intend to cultivate sensors for automotive and infrastructure applications into pillars of our business.

Continuing growth by increasing the size and performance of CMOS image sensors

- The growth of CMOS image sensors for smartphones continues to be driven by the shift to larger sizes and higher performance.
- There are extremely high expectations for image sensors as a differentiating factor in smartphone cameras, and the technological standards required are increasing year by year. We aim to rise to this challenge by pixel evolution, enhancing functionality through the layering logic chips, ensuring high precision and stable quality through Cu-Cu (copper-copper) connection.
- We plan to further refine our industry-leading technological and production capabilities, in order to drive us towards further growth as the absolute No. 1 market leader.

Automotive and social infrastructure market growth and share expansion

- Going forward we plan to also aggressively leverage the technologies we have cultivated to steadily expand our market share in the automotive and infrastructure fields, where we anticipate future market growth.
- In the area of automotive, we intend to contribute to safer mobility through our sensor technologies such as CMOS image sensors and SPAD depth sensors for LiDAR.
- In the industrial and social infrastructure fields, we expect to expand potential use cases in areas such as inspection and recognition that draw on our unique and diverse array of sensors. We will also target opportunities for business expansion that arise from the shift to smart societies, for example in automation and labor efficiency.



[Financial Services - Brand, synergy, investment for growth]

- I believe there are two keys to growth in our Financial Services business.
- The first is to reinforce our branding. In retail finance, where we focus on the Japan market, the Sony brand by and of itself demonstrates the promise of long-term safety and peace of mind to customers, and we must continue to strengthen our brand appeal.
- The second is leveraging our Group infrastructure and investing in growth. To expand our customer base, we must efficiently and effectively utilize DX infrastructure, including data collaboration across Sony Group companies, and engage in IT/system investments and M&A.
- At the same time, financial health is also an important requirement for the Financial Services business, and calls for significant capital. From the perspective of capital allocation for the Sony Group as a whole, it is a challenge to balance this with our investments in other growth areas such as our entertainment and image sensor businesses.
- To address this issue, and realize further growth within the Financial Services business, we have decided to explore the use of a "partial spin-off" treatment which has been updated as part of Japan's fiscal 2023 tax reform.
- This is a ground-breaking reform that allows companies to spin off a wholly-owned subsidiary, while still maintaining less than 20% equity in the company, and be eligible for tax-free treatment under Japanese law. We believe that this will also allow us to list the Financial Services business without having to change the names of each of its companies and its brand or its position within the Sony Group, and pursue further growth over the medium to long term, with the Financial Services business' own fund raising capabilities.
- During this fiscal year, we will conduct an assessment of the detailed issues involved in a partial spin-off, giving consideration to executing it within the next two to three years.
- This concludes my explanation of our overarching growth strategies for each business.



■ **People diversity that supports growth and collaboration across our diverse businesses**

- Finally, I will touch on the evolution of our diversity.
- For Sony to achieve further growth and create value over the long term, we must also continue to evolve the diversity of our businesses and people.
- I aim to make Sony a place where employees from various backgrounds can gather and grow as individuals together with the company.
- I would like to introduce some of our measures to evolve the diversity of our people.
- For example, at the management level, we are making leadership appointments that encourage new perspectives and value creation, and compared to five years ago, the ratio of female executives at Sony Group Corporation has doubled to 12%, and the ratio of foreign nationals in executive positions has almost doubled to 24%.
- However, to further enhance diversification, we are engaging in additional efforts both inside and outside the company.
- Internally, at Sony University, which aims to develop future leaders, we are increasing the diversity of participants, and the participation rate of both female employees and employees from our entertainment companies has risen to 30%.
- In addition, we provide various external programs that help people from various backgrounds take on challenges in the film and music industries and inspire women to pursue careers as engineers or game developers.



■ **Closing: growth**

- I would like to see the diverse individuals brought together through these measures share their knowledge and activities beyond boundaries, evolve our business diversity, and connect organically to further grow and enhance the long-term value of the Sony Group.
- Comprehensive strategies for the overall Group's mid to long-term growth will be finalized in the process of constructing our 5th mid-range plan, and we plan to present these to you at our Corporate Strategy Meeting in the next fiscal year.
- This concludes my presentation.



- Today, I touched on our commitment to creativity centered on our Purpose and our initiatives for growth.



- At the beginning, I touched on the long-term management perspective by our founders' generation. In order to make the "world" sustainable, which is also part of our Purpose, we are working on initiatives such as "Road to Zero", a long-term global environmental plan which we started 13 years ago to achieve zero environmental footprint and projects that create opportunities to heighten awareness of the Earth.



- There is no end to the Purpose of “filling the world with emotion, through the power of creativity and technology.”
- Going forward, we will continue to create Kando with creators and contribute to expanding it to the world.
- Thank you for your attention.

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(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;
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(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;
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(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;
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(xviii) the outcome of pending and/or future legal and/or regulatory proceedings.

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