

February 12, 2021
Sony Corporation

**Announcement of Additional Information with Regard to the Company Split
(Small-scale Company Split) of Electronics Products & Solutions Business**

As described in the press release titled “Announcement of Decision Regarding Company Split (Small-scale Company Split) of Electronics Products & Solutions Business” dated November 17, 2020, Sony Corporation (“Sony” and, together with its consolidated subsidiaries, “Sony Group”) decided that Sony Mobile Communications Inc. (“SOMC”) would succeed to certain rights and obligations related to Sony’s electronics products & solutions business (“Business”) by an “absorption-type company split” (“Company Split”). Today, in accordance with such decision, Sony executed the company split agreement as set forth below.

Certain information which was “To be determined” or “Undetermined” in the previous press release dated November 17, 2020, has been updated and such updates are shown below with an underline. In addition, information under “4. Status after the Company Split” and reference information regarding Sony’s consolidated financial results and forecast in the previous November 17, 2020 press release have also been updated and shown with an underline.

Certain information is omitted from this announcement since this Company Split is a “small-scale Company Split” with Sony’s indirectly wholly-owned subsidiary.

1. Purpose of the Company Split

As announced on May 19, 2020 in a press release titled “Announcement of New Sony Group Organizational Structure”, Sony will change its company name and relaunch as “Sony Group Corporation” as of April 1, 2021. Sony currently has two functions, one as the headquarters of Sony Group and the other to provide overall management support for its electronics businesses. These functions will be separated and redefined, with Sony Group Corporation focusing on its role as the headquarters of Sony Group. In connection with this organizational change, Sony will perform the Company Split for the purpose of transferring to SOMC certain rights and obligations related to the Business as part of the transfer of certain functions regarding Sony’s electronics business. In conjunction with the Company Split, SOMC as the surviving company plans to perform an absorption-type merger as of April 1, 2021 where Sony Electronics Corporation (“SEC”), a wholly-owned subsidiary of Sony, Sony Imaging Products & Solutions Inc. and Sony Home Entertainment & Sound Products Inc., both of which are wholly-owned subsidiaries of SEC, as the absorbed companies, will be merged into SOMC (“4 Company Merger”). While Sony had previously announced that Sony Electronics Corporation would succeed to the company name “Sony Corporation” in conjunction with the launch of Sony Group Corporation, SOMC, as the surviving company of the 4 Company Merger, will be the successor to the company name “Sony Corporation” as a result of the 4 Company Merger.

2. Summary of the Company Split

(1) Schedule of the Company Split

Approval of the Company Split agreement (by the representative corporate executive officer)	<u>February 12, 2021</u>
Execution of the Company Split agreement	<u>February 12, 2021</u>
Effective date of the Company Split	April 1, 2021 (scheduled)

* Sony will perform the Company Split without obtaining shareholder approval of the company split agreement pursuant to the provisions of the “small-scale company split” as set forth in Paragraph 2 of Article 784 of the Companies Act of Japan.

(2) Method of the Company Split

The method of the Company Split is an absorption-type company split between Sony (as the splitting company) and SOMC (as the successor company).

(3) Details of consideration allotted upon the Company Split

SOMC will issue common shares (the details of which will be decided separately upon the discussion between Sony and SOMC) to Sony upon the completion of the Company Split as consideration for the assets, liabilities, agreements, and other rights and obligations transferred to SOMC.

(4) Treatment of stock acquisition rights and bonds with stock acquisition rights of the splitting company

There will be no changes to the treatment of stock acquisition rights or bonds with stock acquisition rights of Sony upon the completion of the Company Split.

(5) Increase or decrease of the stated capital upon the Company Split

There will be no increase or decrease in Sony’s stated capital upon the completion of the Company Split.

(6) Rights and obligations to be succeeded by the successor company

SOMC, as the successor company, will succeed to certain rights and obligations related to the Business, such as assets, liabilities, agreements, and other rights and obligations as set forth in the company split agreement.

(7) Expectation on the performance capabilities of the successor company’s obligations

Sony expects that SOMC will be able to perform its obligations that become due after the effective date of the Company Split. While, according to the balance sheet of SOMC, SOMC’s liabilities exceeded its assets as of March 31, 2020, it is expected that such excess liabilities will be eliminated by the effective date of the Company Split and Sony does not expect any situation where SOMC would fail to perform its obligations.

3. Summary of both parties (the numbers and information shown below are as of March 31, 2020 for each of Sony and SOMC)

(1) Summary of both parties

Trade name	Sony Corporation (Splitting Company)	Sony Mobile Communications Inc. * (Successor Company)
Location of head office	7-1, Konan 1-chome, Minato-ku, Tokyo, Japan	12-3, 4 Cho-me, Higashi- shinagawa, Shinagawa-ku, Tokyo

Title and name of Representative	Kenichiro Yoshida Representative Corporate Executive Officer, Chairman, President and CEO	Mitsuya Kishida Representative Director, President and CEO
Business	Manufacturing of electronic data processing machines, digital and analog computer, equipment and accessories	Design, development, manufacturing, and sales of mobile phones
Stated capital	¥ 880,214 million	¥ 3,000 million
Date of incorporation	May 7, 1946	October 1, 2001
Number of shares issued	1,261,058,781 shares	60,001 shares
Fiscal year-end	March 31	March 31
Major shareholders and shareholding ratio	1 Citibank as Depository Bank for Depository Receipt Holders 9.38% 2 The Master Trust Bank of Japan, Ltd. (Trust Account) 8.20% 3 Japan Trustee Services Bank, Ltd. (Trust Account) 6.13% 4 JP Morgan Chase Bank 385632 3.18% 5 Japan Trustee Services Bank, Ltd. (Trust Account 7) 2.38%	Sony Electronics Corporation 100%
Financial status and operating results for the last fiscal year		
Net assets	¥ 4,789,535 million (consolidated) (Note)	(¥ 165,772 million) (non-consolidated)
Total assets	¥ 23,039,343 million (consolidated)	¥ 116,529 million (non-consolidated)
Net assets per share	¥ 3,380.96 (consolidated)	(¥ 2,762,822.59) (non-consolidated)
Net sales	¥ 8,259,885 million (consolidated)	¥ 186,656 million (non-consolidated)
Operating income	¥ 845,459 million (consolidated)	(¥ 34,797 million) (non-consolidated)
Ordinary income	¥ 799,450 million (consolidated) (Note)	(¥ 32,869 million) (non-consolidated)
Net income	¥ 582,191 million (consolidated) (Note)	(¥ 25,896 million) (non-consolidated)
Net income per share	¥ 471.64 (consolidated) (Note)	(¥ 431,588.07) (non-consolidated)

Note: Since Sony prepares its consolidated financial statements in accordance with accounting principles generally accepted in the United States, “total equity”, “income before income taxes”, “net income attributable to Sony’s stockholders” and “net income attributable to Sony’s stockholders per share of common stock” are stated in place of “Net assets”, “Ordinary income”, “Net income” and “Net income per share”, respectively.

* SOMC plans to perform the 4 Company Merger on April 1, 2021.

(2) Summary of business subject to the Company Split

Sony’s electronics products & solutions business

(3) Operating results of the Business transferred by the Company Split

Net sales: ¥ 28,892 million

(4) Assets and liabilities to be succeeded upon the Company Split

Assets: ¥ 43,098 million

Liabilities: ¥ 43,098 million

4. Status after the Company Split

As described in “1. Purpose of the Company Split” above, Sony will change its company name to “Sony Group Corporation” as of April 1, 2021. Otherwise, upon the completion of the Company Split, there will be no changes in the location of the head office, the title and name of representatives, the business (excluding the Business transferred by the Company Split), the stated capital or the fiscal year-end of Sony.

As described in “1. Purpose of the Company Split” above, SOMC will change its company name to “Sony Corporation” as of April 1, 2021. In addition, SOMC will change its representative to Kimio Maki as of April 1, 2021. SOMC amended its articles of incorporation to change the location of its head office to Minato-ku, Tokyo and its business purpose to manufacturing and sales of electronic and electrical machines and equipment as of December 7, 2020. Otherwise, upon the completion of the Company Split, there will be no changes in the stated capital or the fiscal year-end of SOMC.

5. Outlook after the Company Split

No material impact on Sony’s consolidated financial results for the fiscal year ending March 31, 2021 is anticipated as a result of the completion of the Company Split.

(For reference) Sony's consolidated financial forecast for the fiscal year ending March 31, 2021, which was announced on February 3, 2021, and its consolidated financial results for the fiscal year ended March 31, 2020 are presented in the table below.

(Yen in millions)

	Sales and operating revenue	Operating income	Income before income taxes	Net income attributable to Sony Corporation's stockholders
Consolidated financial forecast for the fiscal year ending March 31, 2021	<u>8,800,000</u>	<u>940,000</u>	<u>1,120,000</u>	<u>1,085,000</u>
Consolidated financial results for the fiscal year ended March 31, 2020	8,259,885	845,459	799,450	582,191