

SONY

Corporate Strategy Meeting

May 26, 2021

Chairman, President and CEO,
Sony Group Corporation

Kenichiro Yoshida



SONY

Purpose

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

Hello everyone. I am Kenichiro Yoshida.

At the Corporate Strategy Meeting held in the first fiscal year I became President, I discussed management with a long-term view, a lesson I learned from one of our founders, Akio Morita, who would have been 100 years old this year.

Looking back over the past three years, my most important achievement has been to define Sony's reason for being, or our Purpose, and to ensure that it has become a part of our corporate culture. I think Sony's 110,000 employees have realized the social significance of filling the world with emotion (or Kando), especially during the COVID-19 pandemic which has persisted since last year.

Today, I will discuss our corporate strategy as a creative entertainment company around the axis of our Purpose. But first, please watch this video that introduces our Purpose and our diverse businesses.

***Please watch the video from the related materials link listed on Sony's Investor Relations website page.**

- 1. Review of Past Initiatives**
- 2. Current State of Sony**
- 3. Value Creation Centered on Purpose**

Today, I will talk about these three things.

Important Business Initiatives

Strengthened branded hardware business profitability

Focused on CMOS image sensors in the components area

Invested in Content IP and Direct-to-Consumer (DTC)

1. Review of History

The axis of Sony's management is Kando and the subject of Kando is people. There have been no changes to these since 2012, when my predecessor, Kazuo Hirai, established the 1st Mid-Range Plan.

I want to look back on the past nine years during which Sony has been operating with Kando as our axis.

When I reflect on the important steps we took since 2012, I think the following three are the most important, and were undertaken in the order I will introduce them. It was in December 2013, when I returned to Sony from So-net Corporation with CFO Totoki.

Important Business Initiatives

Strengthened branded hardware business profitability

Focused on CMOS image sensors in the components area

Invested in Content IP and Direct-to-Consumer (DTC)

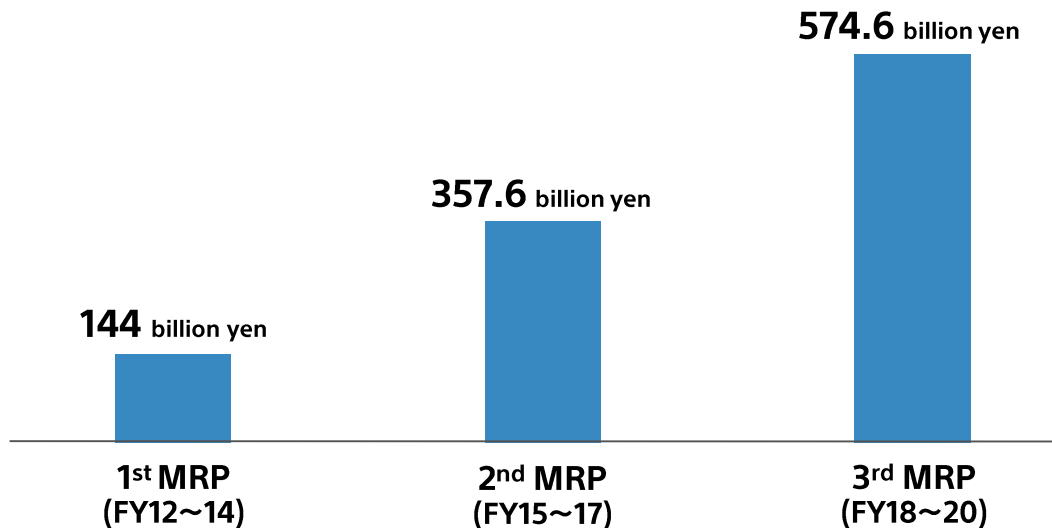
First, in our branded hardware business, we implemented structural reform that liberated us from a loss-making paradigm, and we focused on premium products without pursuing scale.

Structural reform was carried out at headquarters at the same time, and the actions we took in 2014 were a turning point. Suspending Sony's payment of dividends to our shareholders accelerated structural reform at headquarters and increased the conviction of the employees involved in the structural reform of electronics. The speed of information flow and decision-making has increased since headquarters has slimmed down.

As the results for the fiscal year ended March 31, 2021 show, branded hardware business has become a business that generates stable cash flow. Nevertheless, the operating environment is changing quickly, and it is important that our management of this business constantly evolve with it.

In that sense, the recording of a profit in the mobile business, with its wireless communication technologies such as 5G, is an achievement that will have implications for the future.

Investments in CMOS Image Sensors



The second important step we took was to focus on CMOS image sensors in our components business. We began by divesting other parts of our components business, such as batteries.

Then, we concentrated investment in CMOS image sensors where Sony has a strong competitive advantage.

Even during the 3rd Mid-Range Plan, in which time we invested the largest amount of capital over the last nine years, this business generated positive free cash flow.

Our Imaging & Sensing Solutions business is subject to a wide range of risks such as fluctuations in customer demand, geopolitical tension and dependence on the procurement of logic chips and other components, but our ability to adapt to these changes is steadily improving. Our current primary market is imaging for mobile products, but, in the future, sensing for automobiles and for the Internet-of-Things (or IoT) will be a growth area. Based on this vision, three years ago we set a target of becoming No. 1 in the world, not only in imaging, but also in sensing.

Investments in IP/DTC



The third step we took was to invest in content IP and direct to consumer (or DTC) services, and our investment has accelerated over the past three years since the acquisition of EMI Music Publishing in 2018.

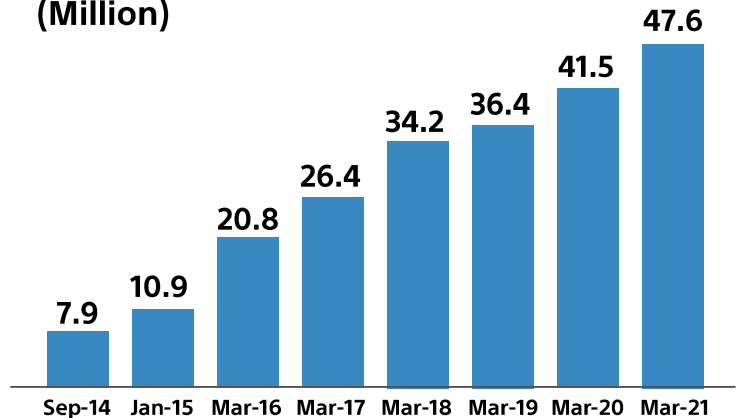
This slide shows the major IP and DTC investments we have made.

Expansion of Network Services



PlayStation Plus

PS Plus Number of Subscribers
(Million)



The biggest achievement in the DTC space is the PlayStation™Network, which has continued to grow organically rather than through external investment. Our network sales in the fiscal year that just ended, during which the PlayStation®5 was launched, increased almost tenfold compared to the fiscal year ended March 31, 2014, when the PlayStation®4 was launched.

The number of PS Plus subscribers has also steadily grown.

Investment in IP and DTC is closely linked to our Purpose because it creates and delivers Kando. I will come back to this point later.

Financial Strength

Increased Investment Capability

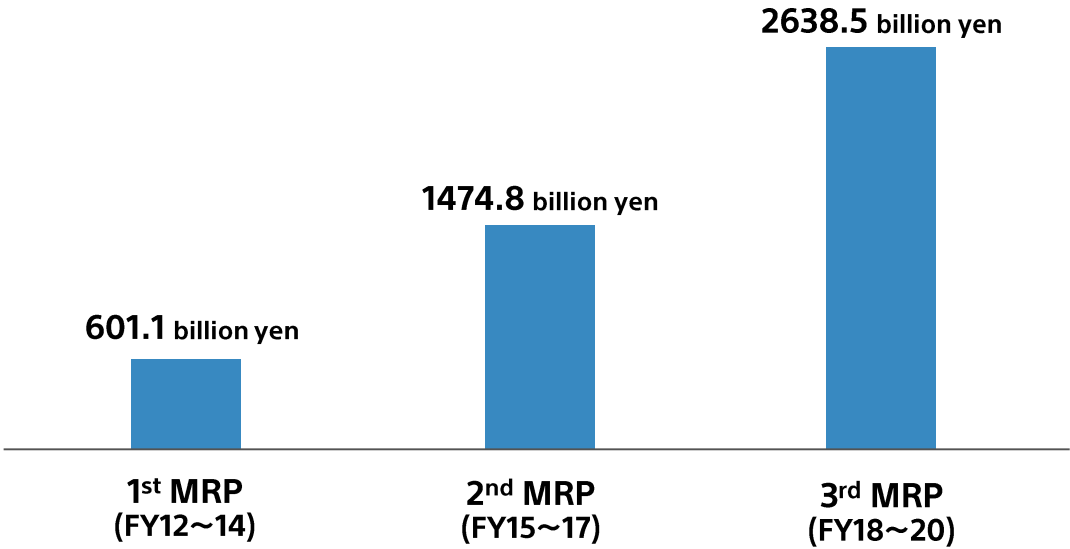
2. Current State of the Sony Group

Next, I will discuss the current state of the Sony Group from the perspective of financial strength and group architecture.

When it comes to financial strength, our investment capability has increased.

Consolidated Operating Cash Flow

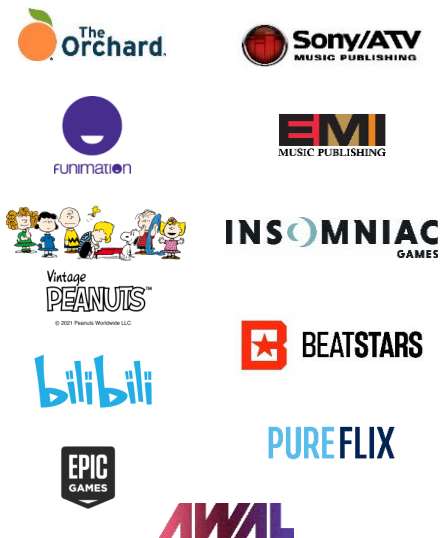
(Excluding Financial Services)



Consolidated operating cash flow excluding the Financial Services segment in each of the Mid-Range Plans has grown in the manner shown here, and the ability of the Sony Group as a whole to generate cash flow has increased significantly, contributing to the strengthening of our balance sheet.

Strategic Investments

1. IP/DTC



2. Technology

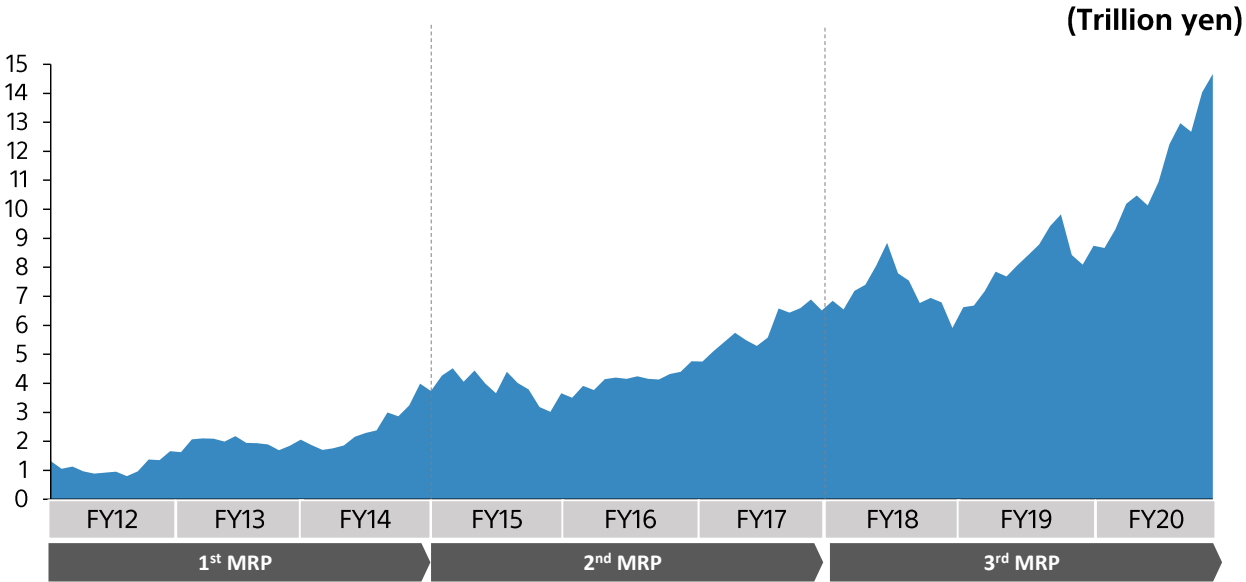


3. Sony

Share Repurchases

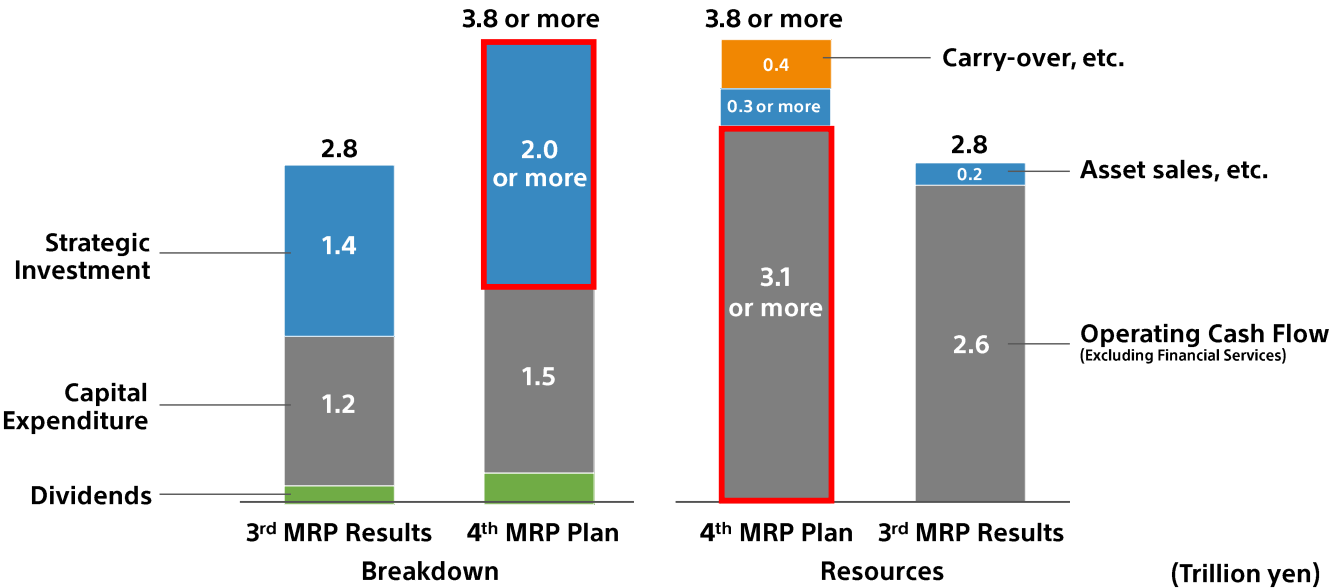
Our strategic investments, in order of priority, have been in IP, DTC, technology, and Sony, in the form of share repurchases.

Market Capitalization Trend



This slide shows our market capitalization over the last nine years. When managing Sony, I think it is important to invest with a long-term view to increase corporate value.

Fourth Mid-Range Plan Capital Allocation

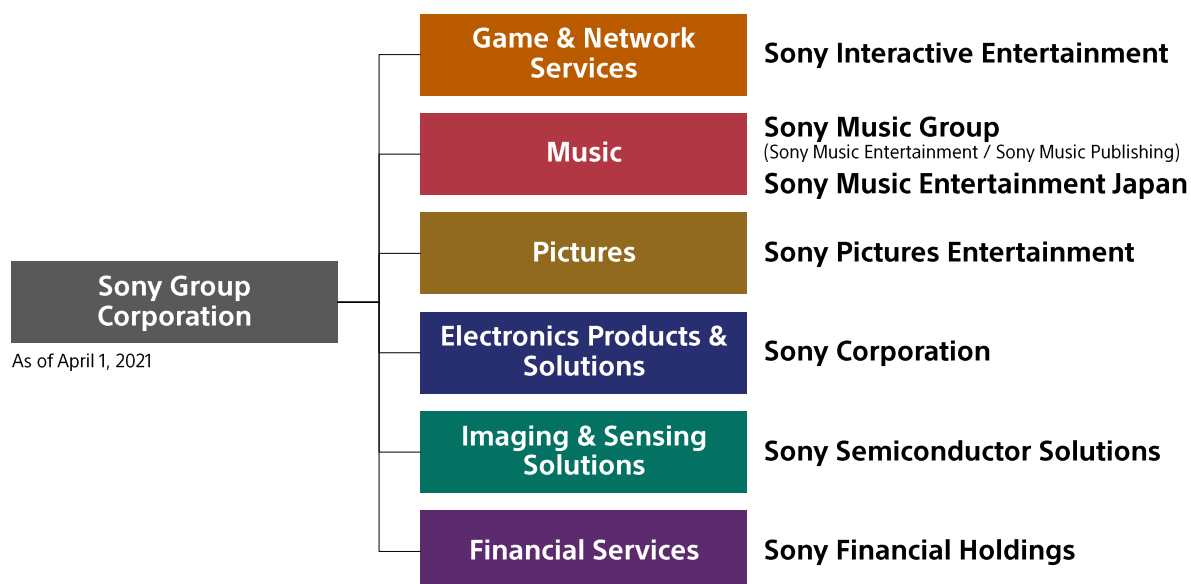


Our priorities for strategic investment will not change going forward, and we expect to make 2 trillion yen or more in strategic investments during the period of the 4th Mid-Range Plan. These investments will be funded by the 3.1 trillion yen in consolidated operating cash flow excluding the Financial Services segment that we expect to generate during the period of the plan.

Group Architecture

Group Collaboration

The primary goal of Sony's group architecture is to enhance collaboration.



On April 1st of this year, we began operating under a new group architecture which includes Sony Group Corporation.

Since our founding, Sony has grown primarily because of the electronics business, but the overarching concept has always been Kando, which I mentioned earlier. To reflect this, Sony Group Corporation has separated out the electronics business from itself and will relate to all its businesses in an equidistant manner so as to strengthen collaboration across the group. Sony Group Corporation's mission is to lead and support the evolution of the Sony Group through its array of talent and technology.

At the same time, we have clarified three major relationships in our capital structure.

One could say that the newly formed Sony Corporation, which is responsible for our branded hardware business, first took root in 2014 when we created a separate subsidiary for the TV business.

In the music publishing business, we made Sony/ATV into a wholly owned subsidiary in 2016, acquired EMI Music Publishing in 2018, and changed the company name to Sony Music Publishing this year.

And, starting in 2016, we gradually increased our ownership stake in our financial services business, culminating in it becoming a wholly owned subsidiary last year. This business supports the entire Sony Group through its stable profitability, and we have consistently positioned it as a core business of Sony. We believe the financial services business can create new value unique to the Sony Group as a business that supports people by leveraging the ability of the Lifeplanner sales specialists, who are the core value of the life insurance business, to stay close to people and by combining Sony's technology with that ability.

All the heads of our businesses are new to their roles since 2017. With our independent management team and our new architecture, which connects all our businesses in a horizontal manner, we have established a structure that can strengthen collaboration across the Sony Group.



Getting Closer to People

3. Value Creation Around the Axis of Our Purpose

To this point, I have reviewed the nine years during which we operated around the axis of Kando. I have also described how we have enhanced our investment capability and our structure to facilitate group collaboration.

As we look to the future, Kando will remain the axis of management and getting closer to people – the creators and users who are the subject of Kando – will remain our corporate direction.

Services

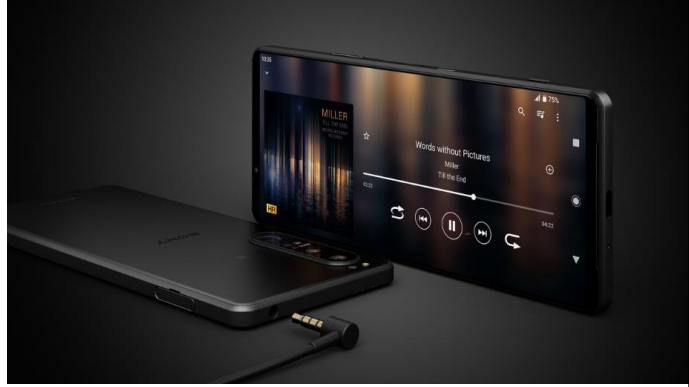
Mobile

Social

However, for us to continue to evolve as a company that is preferred by creators and users, we need to better understand the motives of those creators and users and comprehend all the aspects of the process whereby Kando is created and delivered. In other words, we need to become experts in the Kando value chain.

In today's world, the three themes of services, mobile and social are having a major impact on entertainment.

Services



The trend toward services is continuing and subscription business models are driving the growth of the game, music and pictures entertainment industries.

New Distribution Agreements



Sony plans to further strengthen our partnership with digital service providers while also expanding our own efforts to deliver emotionally-impactful content to users.

Mobile



Mobile connectivity through smartphones has become a piece of infrastructure through which entertainment is enjoyed and social engagement occurs as people connect to one another. In fact, mobile connectivity is causing entertainment to converge with social.



Lil Nas X



YOASOBI

The hit songs from Lil Nas X and YOASOBI were born from social engagement.

Social



Travis Scott



Kenshi Yonezu

And, in the games space, users are just as motivated to meet friends inside of games as they are to play the games themselves. Having converged games and social, Fortnite is seamlessly integrating the game, movie and music genres through the virtual concerts and movie promotions that regularly occur within it.

We can leverage the investment capability of the Sony Group and the structure we have established to enhance collaboration across our diverse businesses to take advantage of the changes that services, mobile and social are causing in the entertainment space.

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

From here, I will discuss how we are creating value to evolve and grow Sony as a creative entertainment company going forward around the axis of our Purpose, focusing on the keywords of creativity, technology and the world.

Let's start with the first keyword: creativity.



The creativity of creators brings life to works that lead to Kando. Earlier, I mentioned that the entertainment industry is becoming seamless. In fact, creativity has never had boundaries; creators have always demonstrated their talent in ways that transcend genre. Sony assists creators by providing them venues and opportunities to demonstrate their creativity and to increase the value of their work to the greatest extent possible.



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IP



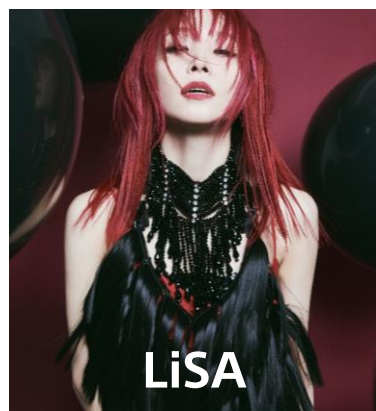
©Koyoharu Gotoge / SHUEISHA, Aniplex, ufotable

TV Anime



©Koyoharu Gotoge / SHUEISHA, Aniplex, ufotable

Movie



LISA

Theme Song

Demon Slayer: Kimetsu no Yaiba – the Movie: Mugen Train, which generated more than 40 billion yen in box office revenue in Japan, the highest in history, is an example of this. The movie was produced after Aniplex converted the original comic into an anime TV series. And we gave a Sony Music artist the opportunity to record the theme song for both the TV series and the movie.

The *Demon Slayer* movie has been released outside of Japan and, in the U.S., it has recorded the highest box office revenue in history for a foreign-language film in its first week of release. Clearly, this IP is travelling well around the world.

Going forward, we plan to go beyond the visual entertainment space by developing a game as well, doing all that we can to maximize the value of the *Demon Slayer* IP that was generated by its creator.

IP Collaboration



Movie
Uncharted



TV Series
Last of Us



Gloria Estefan (Sony Music Artist)
as Voice Actor

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We have also established PlayStation Productions. Working in close partnership with the film and television production teams at Sony Pictures, PlayStation Productions is hard at work making game titles into movies and TV shows. The hit PlayStation game *Uncharted* is currently being made into a film. And we are taking other steps, including collaboration between Sony Pictures and Sony Music, to maximize the value of IP. I firmly believe that Sony's diverse businesses can help creators maximize how they demonstrate their creativity.



Brazilian Independent Music Label

In April, we announced the acquisition of Som Livre, an independent music label in Brazil. We believe that owning Som Livre will enable us to provide new opportunities to the creative community in Brazil, which is one of the most dynamic and fastest-growing markets in the world.



In addition to these efforts, we are working to increase our points of contact with artists and creators.

For example, in the music business, we collaborate with artists signed to our labels and with artists signed to independent labels through The Orchard. We also intend to proactively engage with individual independent artists through AWAL, the acquisition of which we announced this February.

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

The second keyword is technology.

Technology is indispensable to the Kando value chain. Here I will discuss both the technology that creators use to make their creations and the technology that users use to experience those creations.

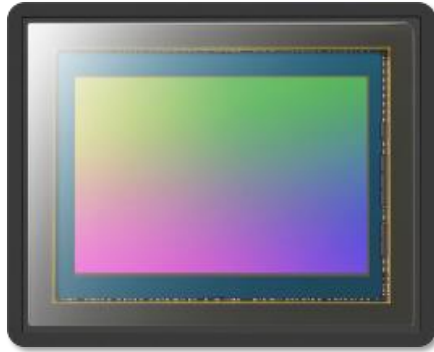


(From left) Herbert von Karajan, Akio Morita, Norio Ohga



(From left) Masaru Ibuka, Akio Morita

Since its founding, Sony has accumulated a wealth of creation technology in the audio and visual spaces.



CMOS Image Sensors

CMOS image sensors are a core technology in the visual space. A key component of smartphones, these sensors are helping users transform themselves into creators around the world. We aim to continuously evolve our CMOS image sensors for mobile products through our cutting-edge stacked image sensor technology.



α1

Our newest full-frame mirrorless camera, the Alpha 1, is the first in the Alpha series to realize 8K video recording and, in still mode, it has an improved Real-time Eye autofocus technology for human eyes, for animals, and now for birds. This capability is made possible due to the latest image processing system, which is made up of autofocus sensors placed in the pixels of the CMOS image sensor and artificial intelligence (or AI), enabling it to make up to 120 calculations per second.



Hawk-Eye

Hawk-Eye is another example of the Sony Group's real-time rendering technology. By enhancing the fairness and safety of professional sports, it is contributing to increased fan engagement.



Airpeak

And Airpeak is a drone built for creators that combines the imaging, sensing and robotics technologies of Sony.



Virtual Production LED Display

In the area of virtual production, we have improved our camera and LED display technology to the point where this mode of film-making is becoming more widespread in the industry. And we are collaborating with EPIC Games in a variety of areas, including game engines that are indispensable to virtual production.



Latest achievement in experiential technology

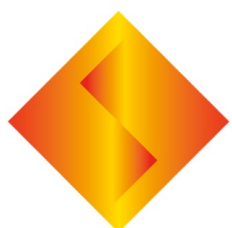
To enjoy emotionally-impactful content, users can leverage the experiential technology found in our suite of products, including those with audio and visual technology.

Our latest achievement in the experiential technology space is the PlayStation®5. We have integrated multiple technologies into the console, including audio, visual and haptic feedback through the controller, all of which enable users to experience games with a sense of reality, in real time and in an immersive manner.



Next-Generation Virtual Reality System

Our next challenge in the experiential technology space is virtual reality. Leveraging the knowledge we gained from PS VR, we plan to incorporate the latest sensing technology into our next generation headset.



**Sony
Interactive
Entertainment**



Collaboration in Game AI

And Sony AI, which we established last year, has begun a collaboration with PlayStation that will make game experiences even richer and more enjoyable. By leveraging reinforcement learning, we are developing Game AI Agents that can be a player's in-game opponent or collaboration partner.

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

From here, I would like to talk about the third keyword: world.

For us, the word “world” is synonymous with all the people on the planet, and it refers to the community of creators and users connected to each other around the world.

Communities of Interest

Increasing the number of, and expanding the scope of, communities of interest, where people share emotionally-impactful experiences and similar interests, is directly linked to our Purpose.

Services

Mobile

Social

I will discuss this with a focus on the themes of services, mobile and social that I mentioned when discussing Sony's operating environment.

First, I will touch on our anime and game DTC services as examples of the communities of interest that Sony is fostering.

DTC Collaboration



FUNIMATION

PlayStation™Network

In the anime space, we partner with DTC services to deliver the anime IP that Sony owns, such as *Demon Slayer*, to as many consumers as possible. But we also have our own DTC service, Funimation, which delivers Japanese anime content to anime fans around the world.

Subject to the closing of the acquisition of Crunchyroll announced last December, the combination of Crunchyroll and Funimation will bring together two premium anime brands and give them the opportunity to broaden distribution for their content partners and expand fan-centric offerings for consumers.

Funimation is currently available as a service on the PlayStation™Network, and we are promoting it to the network's users. Through this group collaboration, we are seeing how closely aligned the interests are of game users and anime fans.

PUREFLIX



Sony also has DTC services for communities of interest other than anime. One is PureFlix, a faith and family centered offering. Another is our video DTC service in India called SonyLIV which is rooted in local culture and has increased its paying subscribers to approximately 5.6 million by about eight times in the twelve months through this April. In order to bring Kando to even more users in the growing market of India, we plan to increase our content offering.



PlayStation™Network

Next is our game DTC service.

The PlayStation™Network is the most important DTC service in the Sony Group because it has the largest community. Our priority here is to maintain and increase the engagement of the users in this community, and to expand the community itself. Currently, we are working to enhance and develop our services within the network, such as PlayStation®Plus and PlayStation™Now, which is our streaming game service that began in 2014.



We are also working to deliver appealing content to the game community by strengthening our relationships with 3rd party game studios and developers as well as by investing in development of content in our 1st party game studios and by attracting new talent to those studios.



©TYPE-MOON / FGO PROJECT



In addition to what we do in the services space around anime and games, what we do in the mobile and social spaces will be crucial to expanding the world of people to whom we deliver Kando. I believe this is indispensable to the development of the PlayStation Community.

First, I will discuss mobile. We are already deploying our anime-related IP in the form of mobile games. Fate/Grand Order (FGO) is a prime example of this.

FGO has become a hit in China through our collaboration with Bilibili. We will continue to actively release mobile games based on anime-related IP around the world. And we will further focus on deploying PlayStation's proprietary IP to mobile as well.

monogatory.com

Posting site for novels



World's largest fighting game tournament



Agent for creators who are active in social media centered on YouTube



Web platform where creators and artists can search and meet creative partners



Digital marketplace for producers and artists

Next is social, which is making genres more seamless as it converges with entertainment.

Sony is already active in the social space as is shown on this slide. Greater social engagement has fundamentally changed how content is made and how it is disseminated, and it has affected more than just content – it is facilitating direct connections between creators and users.



One of the next big challenges for Sony is to make the PlayStation more social.

Our efforts in the services, mobile and social arenas are crucial to expanding the world that Sony will fill with emotion, and that is especially the case for PlayStation®. I have asked Jim Ryan, the head of the PlayStation® business, to say a few words about collaboration across the Sony Group and our efforts in the mobile and social arenas.

*Please refer to the next page for remarks from Jim Ryan, President and CEO, Sony Interactive Entertainment.

*Remarks from Jim Ryan, President and CEO, Sony Interactive Entertainment;

At Sony Interactive Entertainment we embrace Sony's purpose and the direction of "getting closer to people". Our community has always been part of PlayStation's DNA. We have built a strong community by focusing on what we do best - pushing boundaries to "fill the world with emotion", using innovative technology that puts gamers in the middle of incredible worlds.

Highly anticipated games like Returnal, developed by our partner, Housemarque, and Ratchet & Clank: Rift Apart from our studio, Insomniac Games build on our incredible PS5 launch lineup, increasing the breadth of entertainment experiences available only on PlayStation. We've also announced new collaborations with studios led by notable luminaries in game development, Firewalk and Jade Raymond's Haven Studios.

From the first PlayStation we have focused on developing a platform that enables creators to share their vision with millions of people. Our third party partners and our first party studios have used our venue to develop new worlds, new iconic characters, and masterfully crafted stories that connect the world through shared entertainment experiences.

In addition, we will continue to strengthen the experience for our community through collaboration with partners and across Sony Group. As Yoshida mentioned earlier, one especially noteworthy collaboration is in our ongoing work with Sony Pictures to adapt key game IP for film and tv entertainment with 10 projects currently in various stages of development.

Another important area is the convergence of Social and Entertainment, which is making communication an increasingly critical component of entertainment. Our investment in Discord is another example of the convergence of social and entertainment; fan reception to this news has been positive, indicating a desire to expand the social aspects of gaming.

The content developed by PlayStation Studios these past 25 years has created a wealth of IP and provided PlayStation with immersive experiences that evoke emotions and bring players on a journey. We have been thinking about how players enjoy our content and have had some early success with experimenting with mobile games and apps to provide more choice to gamers.

Mobile is just one of the areas we are exploring to reach millions of gamers beyond our platforms. PlayStation has a huge catalog of diverse first-party IP that can transition to smartphone gaming and complement our AAA games or live service games. We are exploring the mobile market with some wonderful PlayStation franchises so please stay tuned. Through investments in IP, Group collaboration within Sony, investment in Social and Mobile, we are excited for the opportunity to continue to expand our community and welcome millions of new gamers to the PlayStation family.



PUREFLIX



Sony cannot fill the world with emotion on its own. We need to collaborate with external parties to bring Kando to as many people as possible.

However, there are areas where we will deliver Kando directly on our own as well. We can get closer to more people and increase and expand communities of interest by leveraging the diverse businesses within the Sony Group and by invigorating our employees to capitalize on the changes I have described that services, mobile and social are having on entertainment.

The communities of interest to which the Sony Group can directly deliver Kando might be a niche. But that is still exciting because entertainment has become entwined with social engagement and can spread quickly from there.



Currently, Sony is directly connected to about 160 million people in the world due to their desire to consume entertainment. I want to expand this number to 1 billion.

As a company with the purpose of filling the world with emotion, we aim to grow the Sony Group by getting closer to these 1 billion people, and by connecting with them.



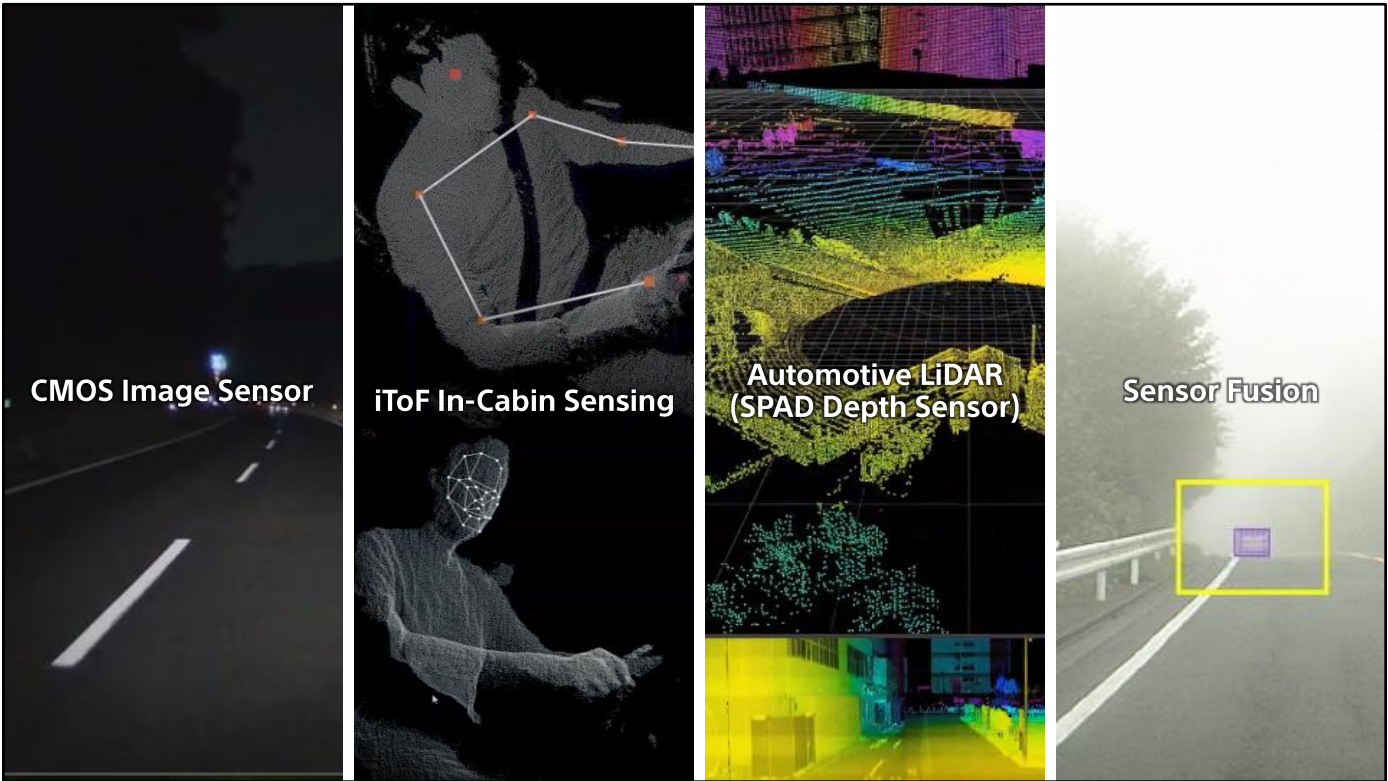
Mobility

Now I will discuss mobility. At the Consumer Electronics Show in 2020, I said that, after mobile, the next megatrend will be mobility.

To contribute to the evolution of mobility, we have been developing an electric vehicle called the VISION-S. So far, we have made prototypes, performed public road tests and verified the viability of 5G communications while driving at high speeds.

We will continue to develop the VISION-S as an area of exploration. The field in which Sony can make the biggest contribution to mobility in the future is automotive sensing technology.

***Please watch the VISION-S video from the webcast link, listed on Sony's Investor Relations website page.**



Since we announced the commercialization of our first CMOS image sensor for automotive use in 2014, we have been researching and developing technology such as sensors for the outside of vehicles, including those mounted on the front of the vehicle, sensors for the inside of vehicles, which are being required in certain places like Europe, and LiDAR that performs high-precision distance measurement using lasers.

These activities are beginning to bear fruit, and we are realizing that there are increasing opportunities for us to contribute to the safety of mobility over the next few years. We believe that contributing to safety in this field could help mobility evolve into a new entertainment space.

An aerial night view of a city skyline with numerous skyscrapers and illuminated streets. Overlaid on the city are numerous glowing yellow arcs and points, representing a network of IoT sensors and data connections. The text "IoT Sensing" is centered in white over the city.

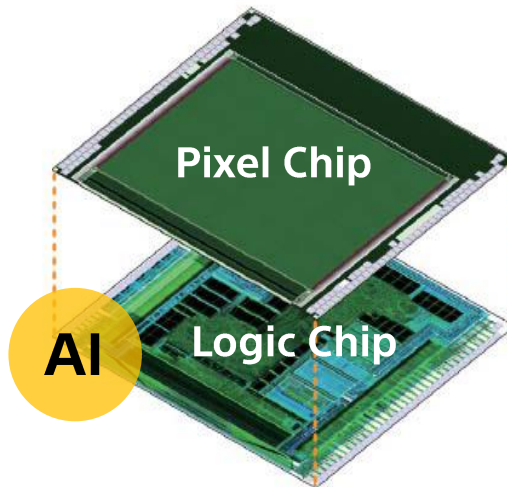
IoT Sensing

Our sensing technology can also contribute to the evolution of IoT.

Networks connect people; but networks also connect things, and the connection of things together is the megatrend of IoT. In the IoT space, sensors that capture the real world are essential key components.

The evolution of IoT will improve the productivity of society and it is said that there will be 125 billion IoT devices in 2030. This will result in an explosion of data and the processing, transmitting and storing of this huge amount of data will cause a massive increase in power consumption. If we rely on existing technology and no other action is taken to reduce power consumption, the electricity in 2030 required by the new devices, data centers and the network could vastly exceed the current power consumption of the world.

Edge Solution with CMOS Image Sensors

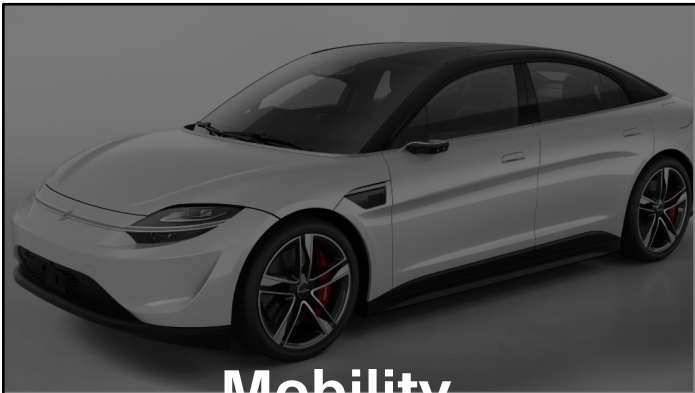


In order to make the IoT megatrend sustainable, it is necessary for the world to process data not only in centralized locations such as data centers but also in decentralized locations through AI.

Sony has developed an edge solution that uses our CMOS image sensors to process the data that IoT gathers through sensing, and we are conducting a verification of the viability of the solution in smart cameras at retail outlets. Data is processed using trained AI that is adapted for the purpose and is embedded in the logic chips of our stacked CMOS image sensors.

Reduce data
Reduce power consumption
Increase security and privacy

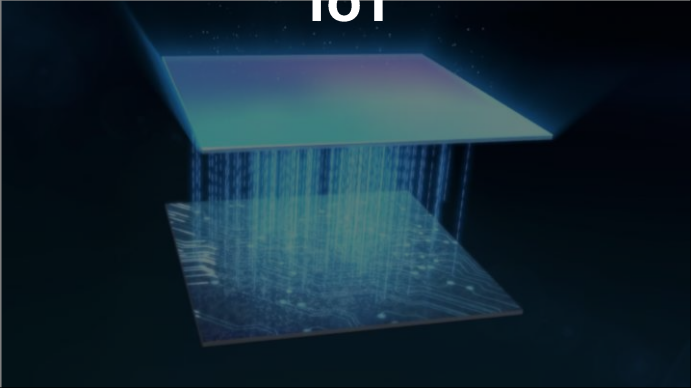
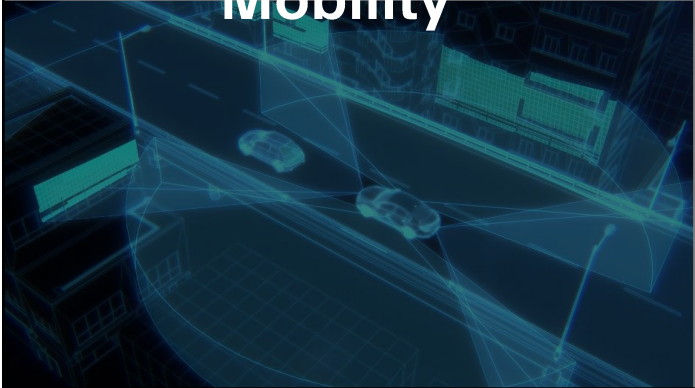
This solution results in a lower impact on the natural environment because it significantly reduces the amount of data produced and power consumed by IoT devices. The solution also has positive implications for security and privacy.













Mobility



IoT



We believe that the evolution of mobility and IoT that I just talked about can contribute to an increase in the productivity of society and to a healthier planet.

		
 <p>Online charity concert at Sony Hall</p>  <p>Provide aibo for medical institutions</p> <p>Donation to India in response to the COVID-19 crisis</p>	 <p>Product donation to the International African American Museum</p>  <p>Supporting launch of the radio network for African Americans</p> <p>Donation to Asian American community</p>	 <p>Began working on the environmental medium-term targets for FY2025</p>  <p>P2P power interchange system for renewable energy (open energy system)</p>  <p>Established on April 1, 2021 (Synecoculture™)</p>

In addition to what I have just explained, the businesses within the Sony Group will take responsibility for, and make contributions to, people, society, and the Earth through activities such as those shown on this slide.



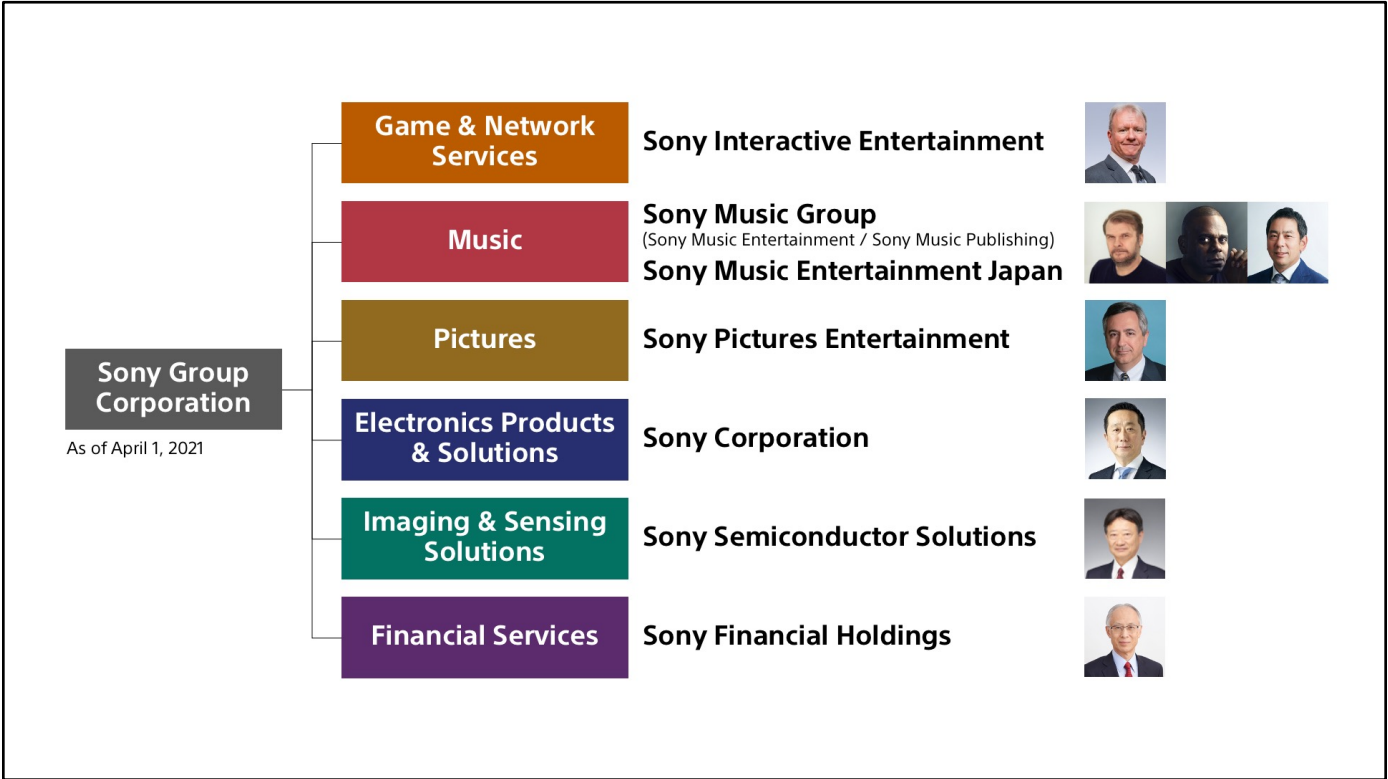
SONY

Purpose

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

Today, I reviewed Sony's past initiatives, discussed the current state of the company and articulated how we will create value to evolve and grow Sony as a creative entertainment company with a solid foundation of technology, all around the axis of our Purpose. Our business domains are centered on people, and it is people – the 110,000 employees of the Sony Group – who drive our businesses forward.

Our corporate culture, underpinned by the Purpose our employees share, will be essential to achieving the long-term goals I have articulated for Sony.



And it is the role of the global management team, including myself, to lead this corporate culture.

At the IR Day, which will be held for two days starting tomorrow, the heads of each of our business segments will talk about the direction of their businesses. To conclude my speech, I would like to show you a video about our Purpose.
Thank you for your attention.

***Please watch the video from the related materials link listed on Sony’s Investor Relations website page.**

SONY

Cautionary Statement

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

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

Risks and uncertainties also include the impact of any future events with material adverse impact. The continued impact of COVID-19 could heighten many of the risks and uncertainties noted above. Important information regarding risks and uncertainties is also set forth in Sony's most recent Form 20-F, which is on file with the U.S. Securities and Exchange Commission.