SONY

CORPORATE STRATEGY MEETING 2024
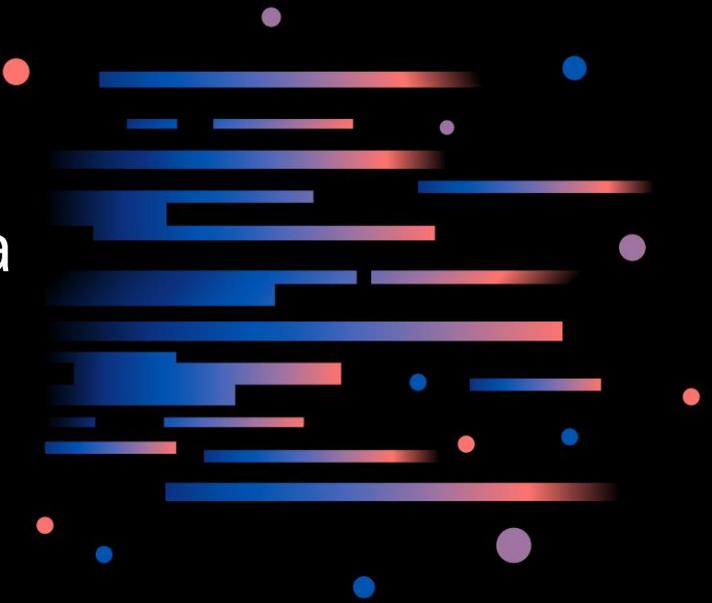
Kenichiro Yoshida

Chairman and CEO,
Sony Group Corporation

- Thank you all for gathering here today.
- Today, I will talk about the direction of our management, and then President Totoki will talk about our mid- to long-term initiatives.
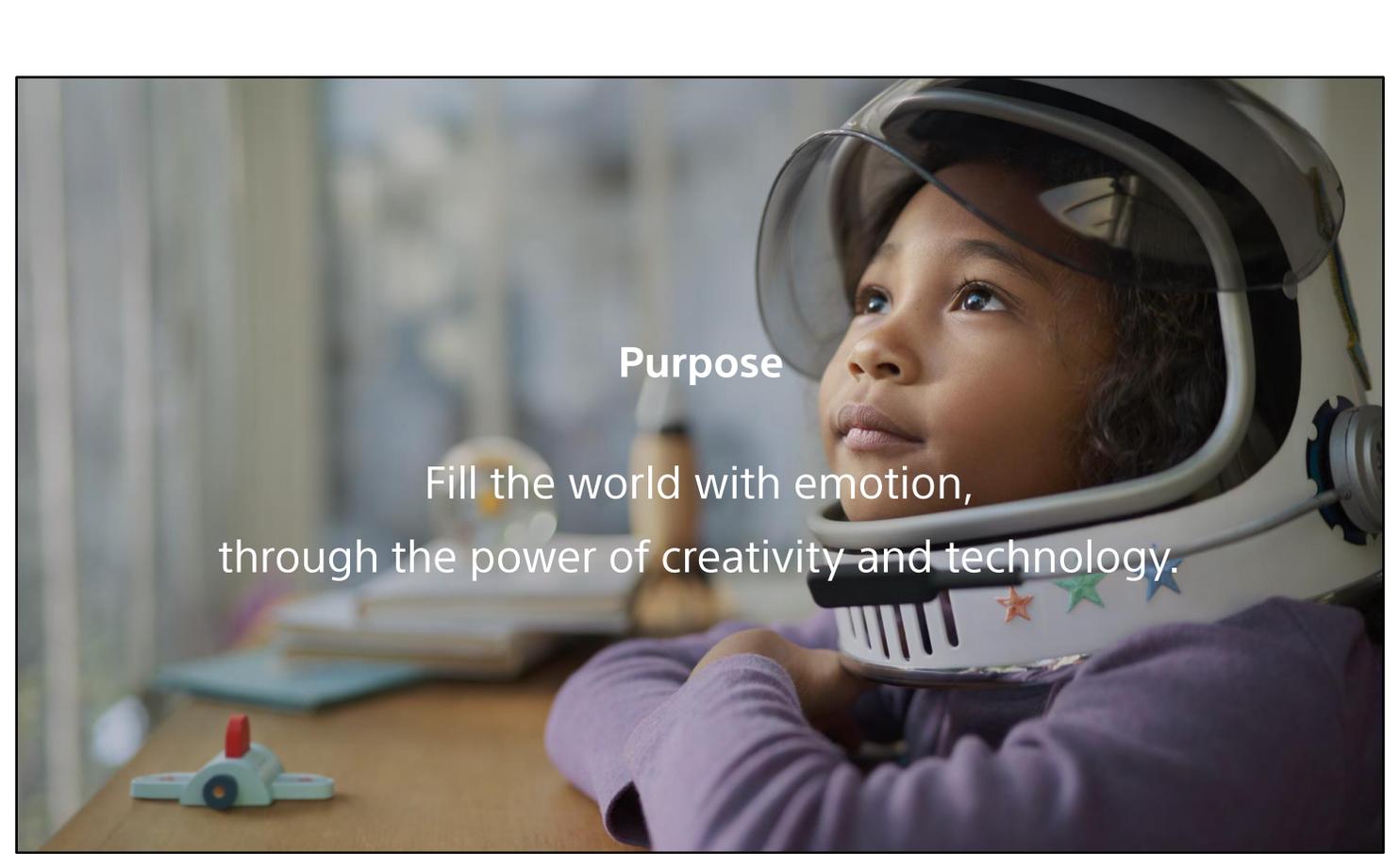
Purpose

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

- The Sony Group's Purpose is to "fill the world with emotion, through the power of creativity and technology."
- In other words, our social significance is to create Kando and deliver it to the world together with our partners.
- The keyword of our Purpose is Kando.

Growth of Entertainment Businesses
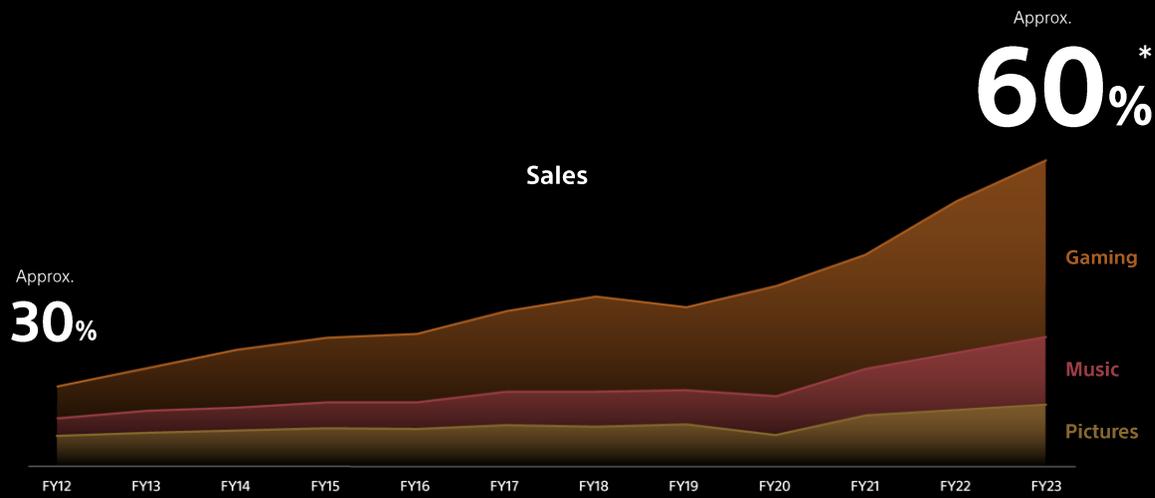
- In recent years, we have been focusing on our entertainment businesses that moves people's hearts, such as games, music and pictures.
- Currently, these three entertainment businesses account for approximately 60% of the Group's consolidated sales.

- We also reorganized our Group architecture in 2021.
- We believe that establishing a system in which each business is independent and equally connected has led to the acceleration of Group synergies.
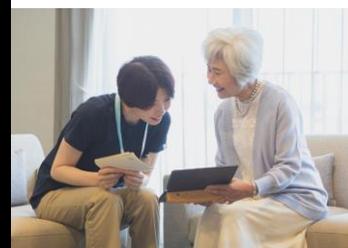
- We also reorganized our Group architecture in 2021.
- We believe that establishing a system in which each business is independent and equally connected has led to the acceleration of Group synergies.
- Additionally, we have begun preparations for a partial spin-off of our Financial Services business, which is an important business for Sony.
- The Financial Services business aims to further evolve through independence with this spin-off. We also would like to support the evolution of the Financial Services business through the utilization of the Sony brand and strengthening collaboration between each business.

CREATION SHIFT

- In addition to focusing on entertainment, another management direction is the "Creation Shift".
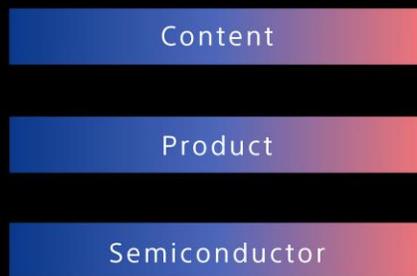
- Sony has three main business layers.
- Content, which is directly connected to Kando, products & services that create Kando, and semiconductors (CMOS image sensors) that support creation.
- We have shifted our focus to the creation side in each of these three business layers.

| Gaming	Music	Pictures
INS⬤MNIAC GAMES / HOUSEMARQUE	EMI MUSIC PUBLISHING / AWAL	Silver GATE / ELEVEN
nixxes / Firesprite	som livre / somethinelse	crunchyroll
Bluepoint games / valkyrie entertainment	ALAMO RECORDS / ULTRARECORDS	BADWOLF / INDUSTRIAL MEDIA
Haven Entertainment Studios Inc. / BUNGiE	LA ENGLE / RiMAS	PXO
NEON KOI / FIREWALK		

- The starting point for the shift to creation was the acquisition of EMI Music Publishing in 2018.
- Since then, we have invested approximately 1.5 trillion yen over the past six years to strengthen our content creation.

- The acquisition of Crunchyroll in 2021 was an investment in a distribution service that delivers Kando.
- Crunchyroll aims to contribute to the anime creator community by spreading Japanese anime to the world.

Operating Income of Entertainment,
Technology & Services Segment (FY23)

Others

Creation Technology *

※イメージング（デジタルカメラ・レンズ・カメラSDK・CinemaLine等）、スポーツ、バーチャルプロダクション、プロオーディオ等
* Imaging (Digital Camera, Lens, Camera SDK, Cinema Line, etc.), Sports, Virtual Production, Professional audio, etc.
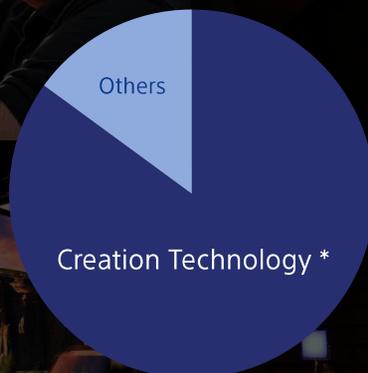
- In the products & services layer, we are also working hard to create entertainment together with creators.
- Currently, profits from creative-related businesses account for more than 80% of the operating income in this layer.

1.5 Trillion yen

< FY18-FY23 Capital Expenditures >

CMOS Image Sensor

- In the semiconductor layer, CMOS image sensors support creation by many people, from movie creators to smartphone users across the globe.
- We have implemented capital expenditures amounting to approximately 1.5 trillion yen in CMOS image sensors, over the past six years.
- These CMOS image sensors also contribute to the safety of mobility, which we position as a new entertainment space.
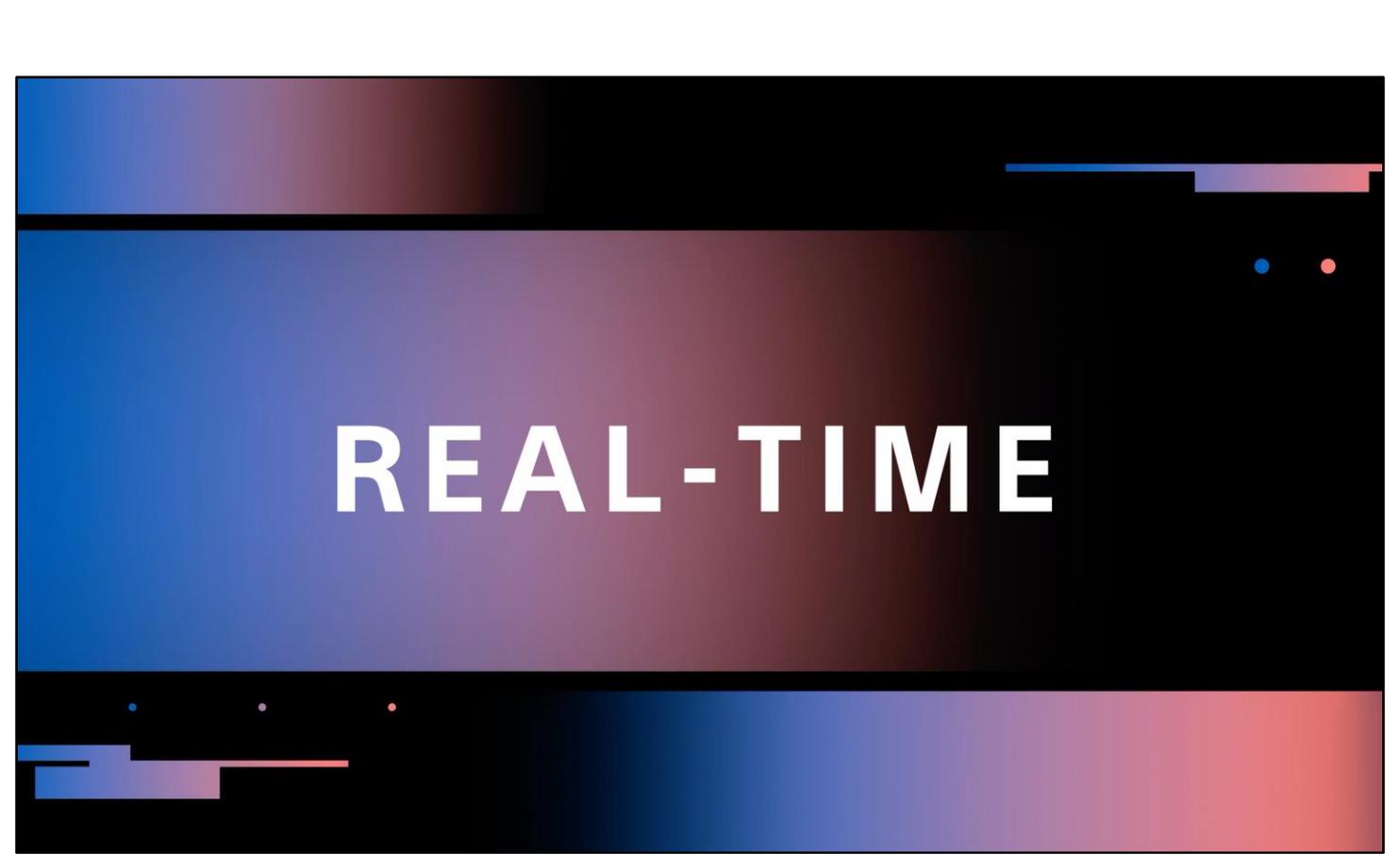
REAL-TIME

- Creativity resides in people. And people live in the present.
- From here, I would like to touch on two creation technologies that we are focusing on, using "real-time" as a keyword.

CMOS Image Sensor
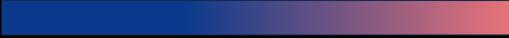
Game Engine
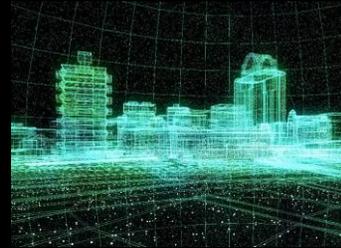
- One is the CMOS image sensor technology that I just mentioned and the other is the game engine, which is a real-time computing technology.

- In recent years, Sony has been expanding its product lineup for creators.
- CMOS image sensors within these products help creators capture the Kando moment.
- The Alpha 9 III, a mirrorless interchangeable-lens camera released this year equipped with a full-size image sensor that uses a global shutter system, is one such example.
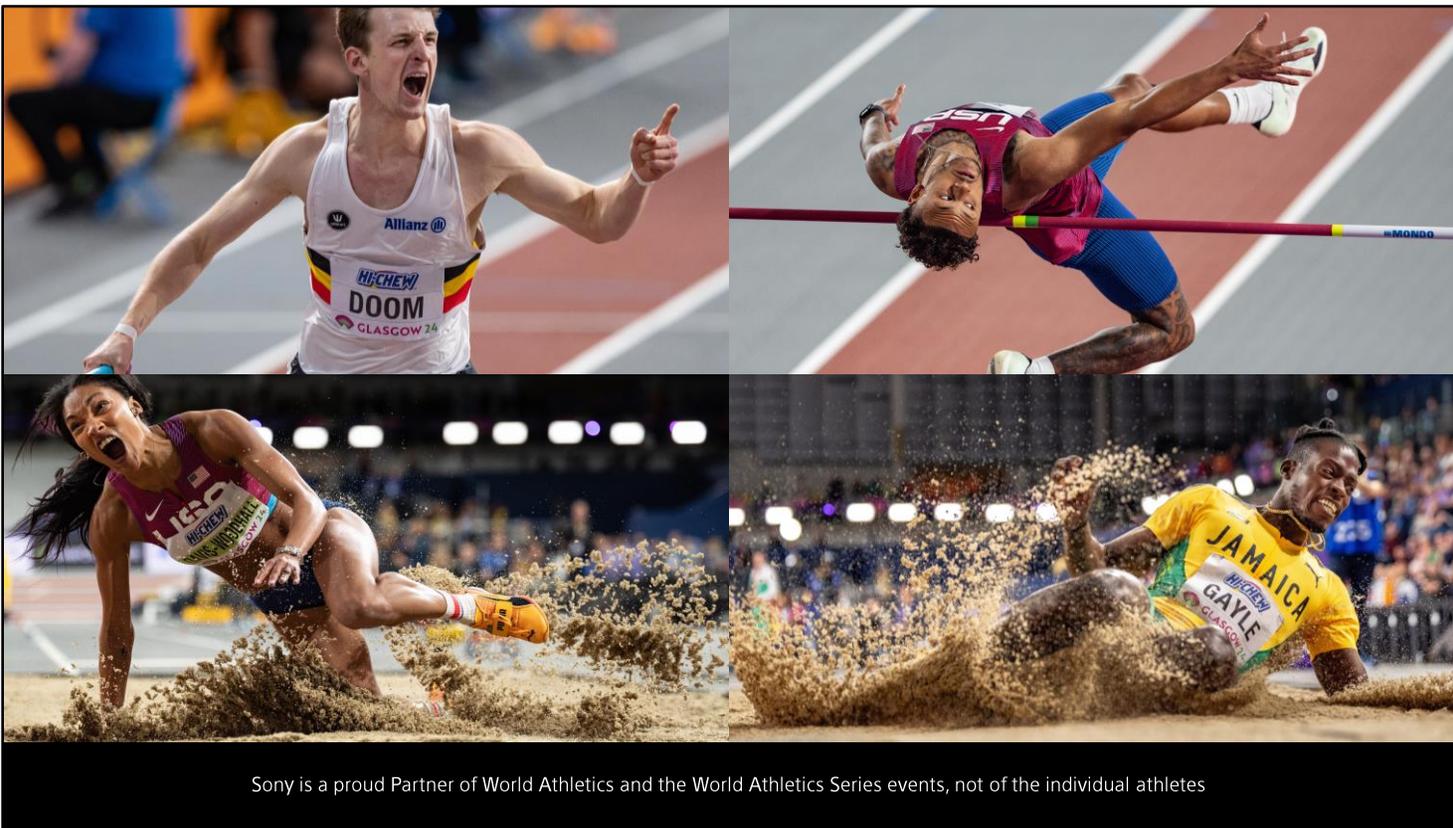
Sony is a proud Partner of World Athletics and the World Athletics Series events, not of the individual athletes

- The Alpha 9 III was used by creators at the World Athletics Indoor Championships in Glasgow, United Kingdom in March of this year.
- By reading out all pixels simultaneously, even fast-moving subjects can be captured without distortion.
- Furthermore, flash-sync shooting is possible at a shutter speed of 1/80,000th of a second, making Alpha 9 III a true embodiment of the ultimate real-time technology.
- The 5G-compatible data transmitter announced this year enables real-time transmission from filming locations, contributing to prompt news coverage and editing.
- In this way, Sony's real-time technology is also contributing to the delivery of sports Kando to the world.

VENICE   VENICE 2

- In film production, the use of our digital cinema camera "VENICE" is expanding. Recently, it has been used in "Godzilla Minus One" and many other productions.
- In addition to filmmaking, it was used in the halftime show of the Super Bowl in February of this year.

Authenticity

- We believe that it is of great significance for creators to capture the real world "as it is."

Advanced In-Camera Authenticity Technology

- "As it is" means that the photograph was taken by a person or that a subject exists in reality.
- CMOS image sensors are also used to verify such authenticity.
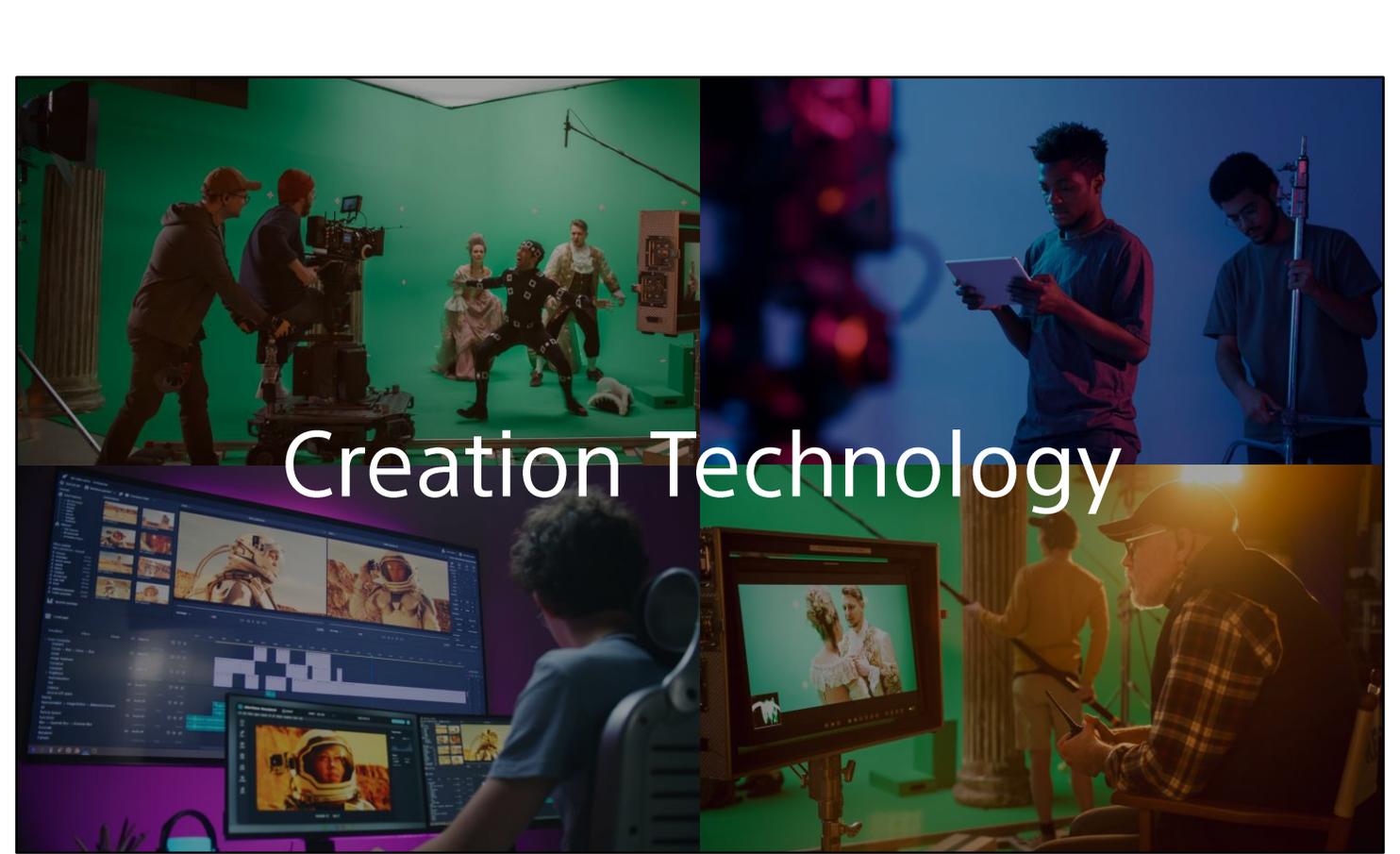
Creation Technology

- In addition to CMOS image sensors, game engines play an important role in the creative field.
- Games are computer graphics that are generated in real time, in response to users' actions.
- The game engine, which is at the core of real-time computer graphics, has evolved in recent years into a technology for creating video content.
- The Sony Group has also invested in Epic Games and is utilizing their Unreal Engine in various creation processes.
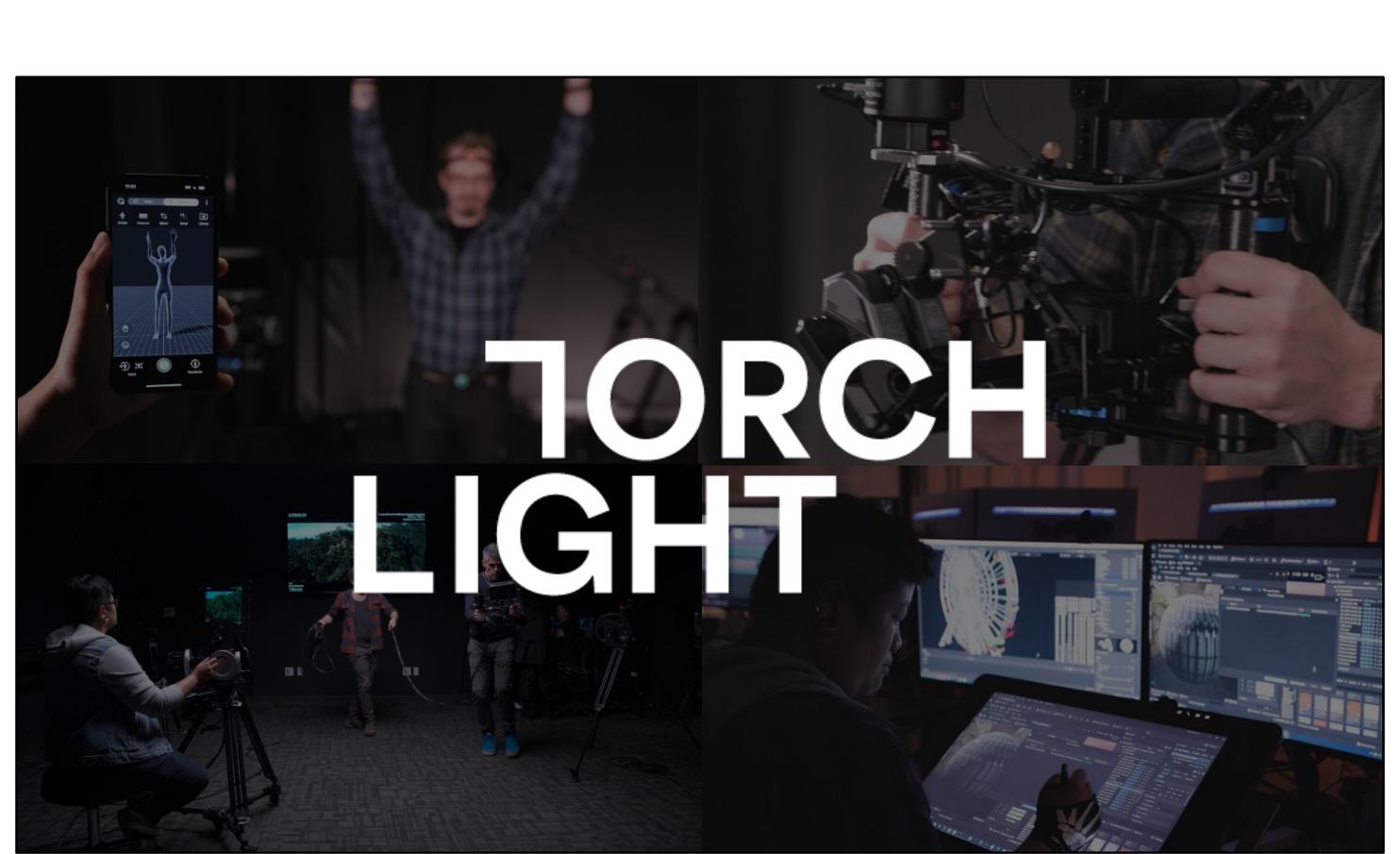
- Sony Pictures Entertainment's Torchlight, makes it possible to simulate filming on set, by using a game engine.

「drive」「drive behind the scenes」©2023 Sony PCL Inc.

- Virtual production utilizes the real-time technology of game engines linked with a camera to generate background images.
- This filming method allows both the director of photography and actors to check the footage on the spot.
- We believe that both Torchlight and Virtual Production are solutions that increase the value of creators' time.

- Game engines are also used to provide creators with an immersive creation experience.
- This system enables creators to create and edit while virtually overlaying 3D content into the physical space. In this way, we are expanding the creative space for creators.

- Additionally, in the "live" entertainment of sports, we are working to expand the fan base by tracking the movements of real-life athletes and converting those movements into 3D animation using a game engine.
- Currently, this technology is being used for games of the NFL, professional football league in the United States, and the NHL, professional ice hockey league in North America.
- So far, I spoke about real-time creation using CMOS image sensors that capture real-life and real-time creation using game engines.
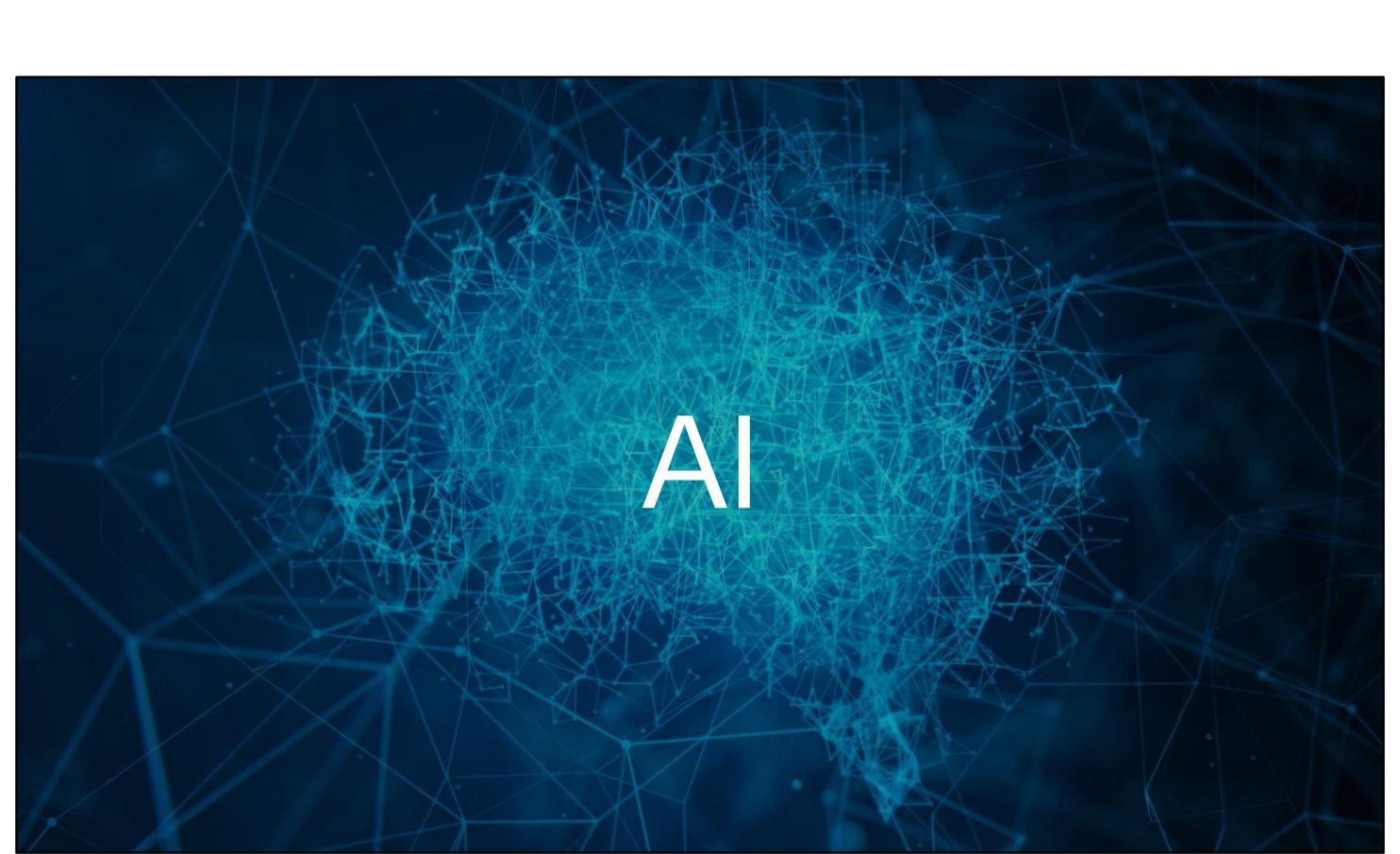
AI

- Game engines are a real-time computing technology. AI, which has recently evolved significantly, has been used for creation. AI can also be considered a computing technology.
- AI is not a substitute for human creativity. We position it as a technology that supports creativity.
- Creativity resides in people. We will continue to contribute to people's creativity through technology.

Global Social Justice Fund

Sony Creators Conference

We are here for creators

Yuru Music

KANDO TRIP

Sony World Photography Awards Exhibition

- Creativity develops communities.
- We are also working to create spaces where creator communities can gather and interact, as well as to nurture the next generation of creators, and we intend to continue to promote activities that contribute to communities as a Group.
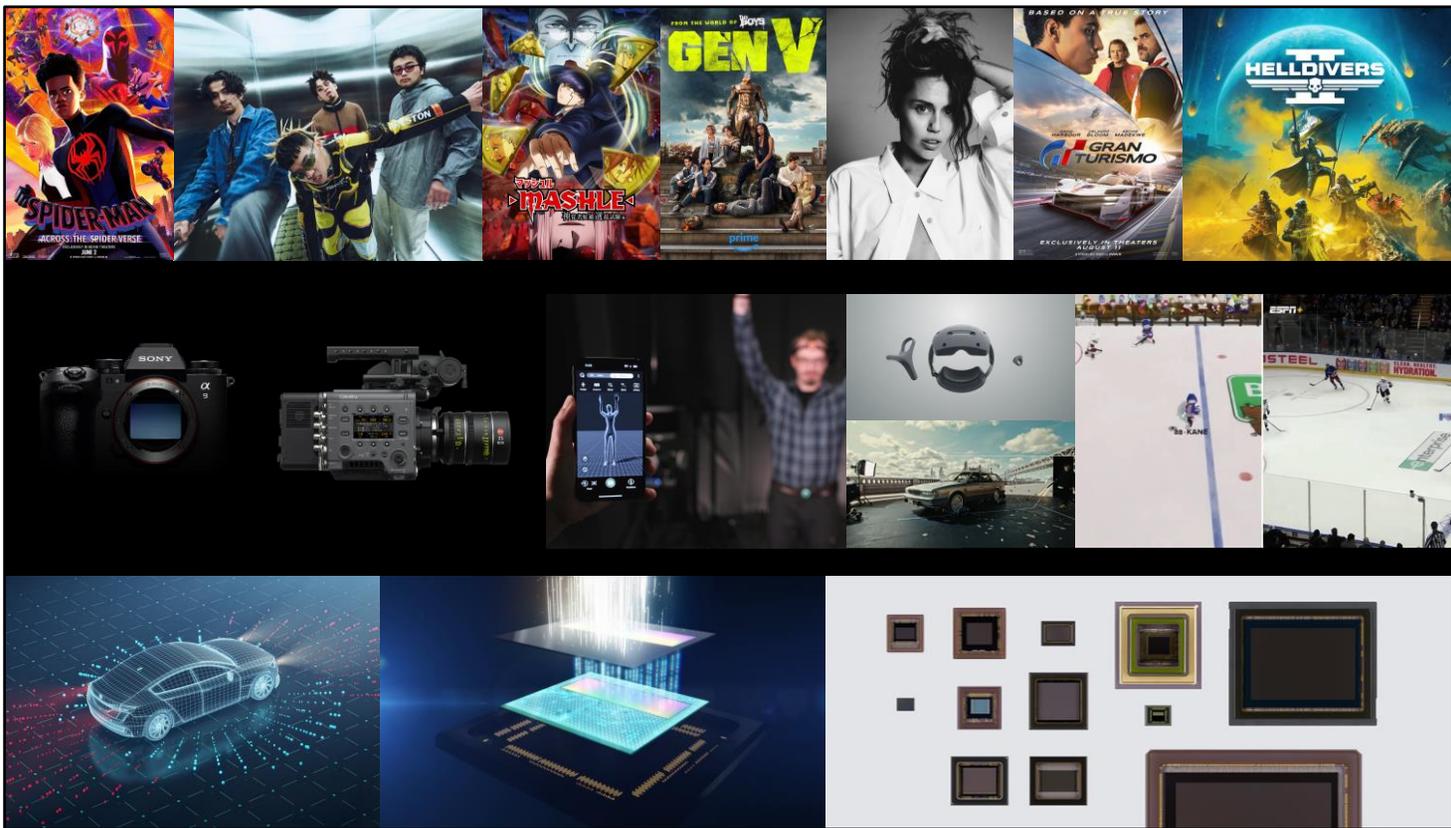
- Over the past six years, the Sony Group has been working to strengthen creation efforts.
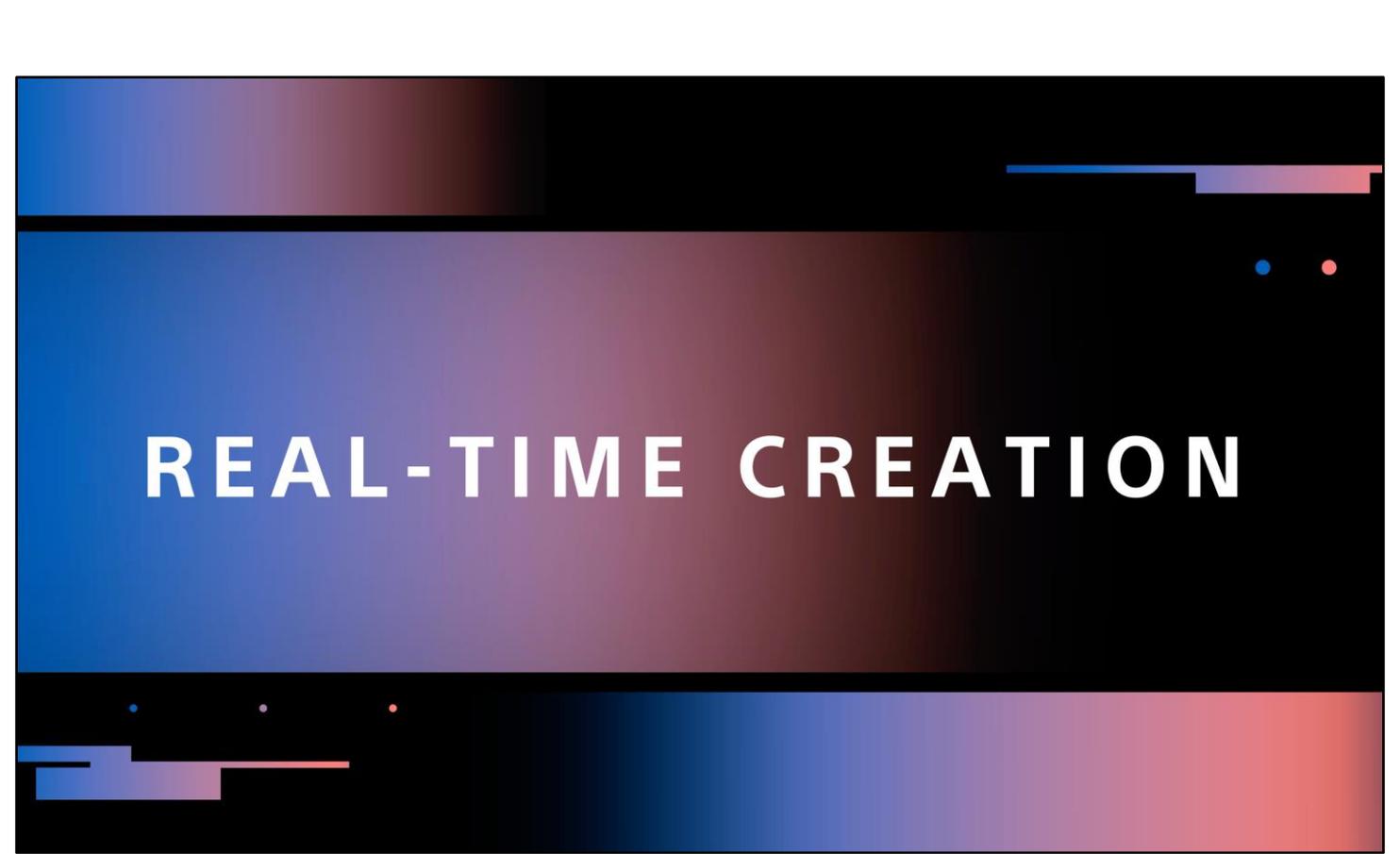
REAL-TIME CREATION

- We also would like to continue to value the "real-time" concept of the "moment", which I mentioned today.

- In addition to real-time technology, the Sony Group has another strength.

- It is the diversity of its people and businesses.
- From here, Totoki will talk about our mid- to long-term efforts to enhance our diversity.

Hiroki Totoki

President, COO and CFO
Sony Group Corporation

- Hello. I'm Totoki.
- In our recent earnings announcement, we presented our fifth Mid-Range Plan, covering the next three fiscal years starting from the fiscal year ending March 31, 2025.

5th Mid-Range Plan Theme

Beyond the boundaries

Maximize synergies across the Group

- The theme of this Mid-Range Plan is "Beyond the boundaries: Maximize synergies across the Group."
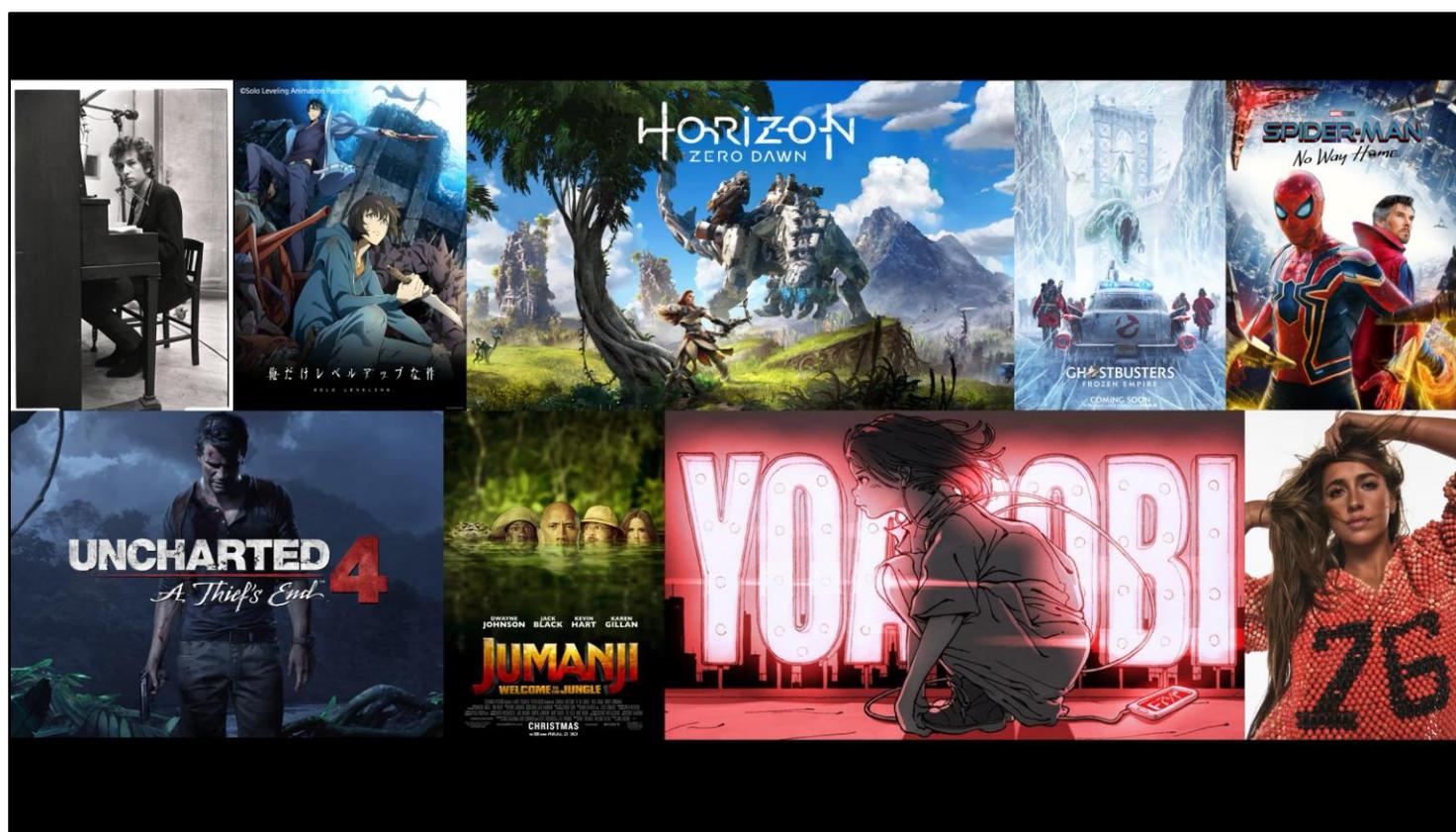
- The IP that we have created and acquired until now continues to increase in value as opportunities for its use in areas such as distribution platforms and various facilities expand, and we intend to maintain our focus on maximizing the value of our IP going forward.

Creative Entertainment Vision

Ongoing Initiatives beyond the Boundaries

Technology Platforms Supporting
IP Value Maximization

- Today, I would like to explain Sony's vision for the future beyond our current Mid-Range Plan, and the initiatives we are currently implementing to realize this vision.
- Specifically, I would like to talk about the three points you see here.

Creative Entertainment Vision

- First of all, I would like to talk about our "Creative Entertainment Vision."
- Based around our Purpose as a pillar, I wanted to plot out concrete, visualizable goals, together with a more specific timeframe, so for more than two years I engaged in discussions with our diverse colleagues across the Sony Group, focusing mainly on the generation that will lead Sony into the future.
- This is a visual representation of the Sony Group's long-term vision, projecting social changes and technological evolution over the next 10 years or so.

Creativity Unleashed

Transcend dimensions to unleash the creativity of creators around the world
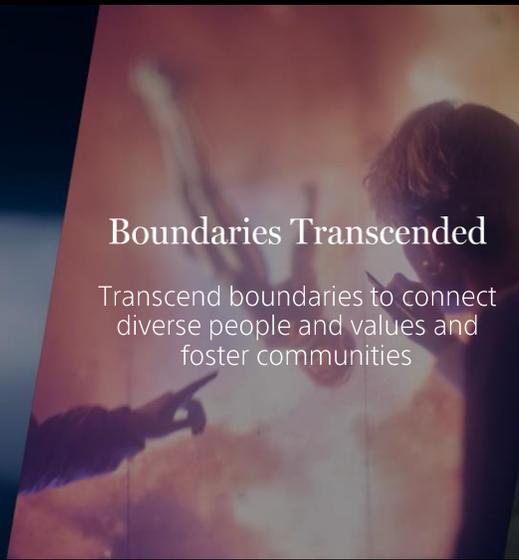
Boundaries Transcended

Transcend boundaries to connect diverse people and values and foster communities

Narratives Everywhere

Expand exciting experiences rich in narrative beyond imagination and across the world

- There are three phases to this long-term vision.
- The first is "Creativity Unleashed." We plan to harness technology to unleash the creativity of creators around the world, transcending physical, virtual and time dimensions.
- The second is "Boundaries Transcended." We intend to connect diverse people and values across boundaries to foster vibrant communities.
- The third is "Narratives Everywhere." Together with creators, we aim to create exciting experiences rich in narrative that go beyond imagination, spreading them as new touchpoints for Kando around the world.
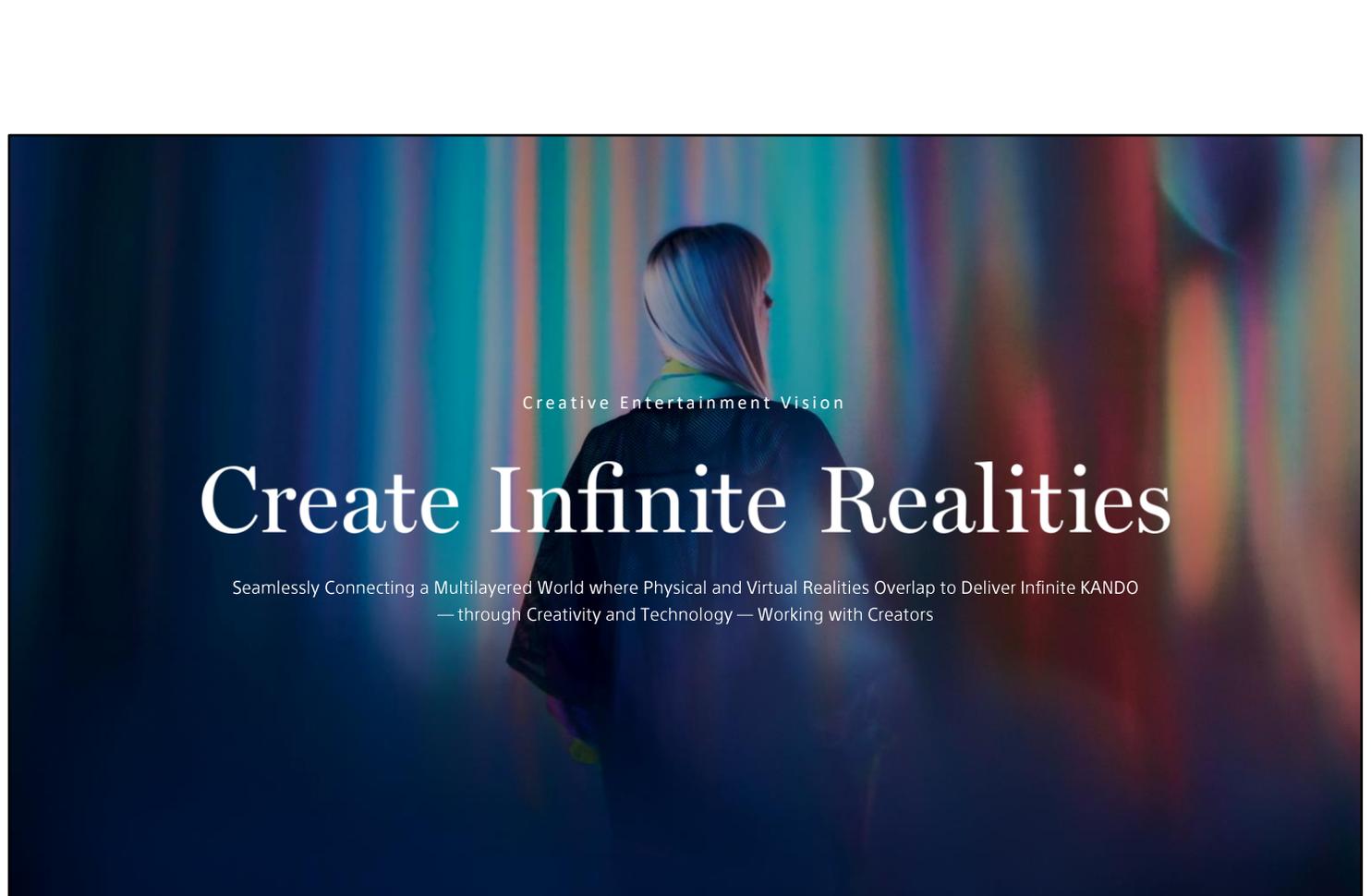
Creative Entertainment Vision

Create Infinite Realities

Seamlessly Connecting a Multilayered World where Physical and Virtual Realities Overlap to Deliver Infinite KANDO
— through Creativity and Technology — Working with Creators

- The key message we are conveying through this long-term vision is our intention to "Create Infinite Realities."
- Together with creators, we aim to seamlessly connect multi-layered worlds at the point where the physical and the virtual overlap, developing limitless Kando through the power of creativity and technology.
- Please take a moment to watch a video portraying the future we envisage in this long-term vision.

[Video]

- We intend to move forward towards the destination laid out in our Creative Entertainment Vision, together with everyone who shares our dreams and hopes for the future.
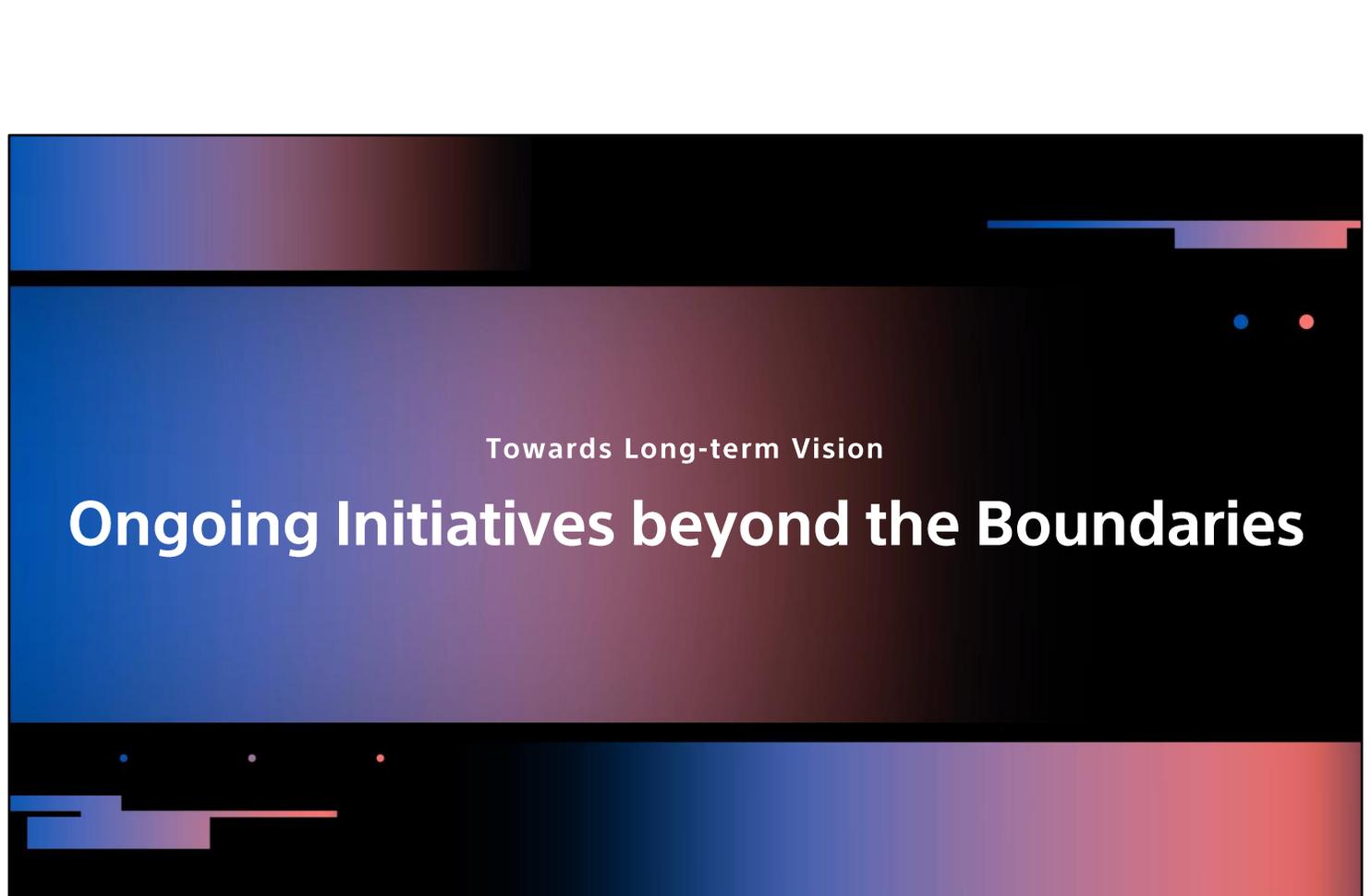
Ongoing Initiatives beyond the Boundaries

- Next, I will outline the initiatives that are advancing us towards the direction outlined in this long-term vision.

	Anime	Pictures	Gaming	Music	Sports
IP Creation	DX / Academy	Advanced Visualization	Talent Discovery	Novels Into Music	Real-time Animation Overlay
IP Cultivation	Fan Voting Ceremony	Franchise Development	Live Action Adaptation	Fandom Artists	Virtual Fan Engagement
IP 360 Extension	Live Stage Adaptation	Cinema Concert	LBE*	Biographical Works	Predictive Sports Game

＊LBE : Location-Based Entertainment

- Sony is already creating compelling IP in a variety of entertainment categories, and cultivates this IP by inspiring and energizing communities together with fans, creators, and partners.
- Furthermore, through our "IP360" initiative, which seeks to extend IP beyond boundaries, we are engaged in measures to deepen engagement with fans and expand audiences, in order to maximize the value of our IP.
- I will now highlight the current status in each category.

「鬼滅の刃」柱稽古編 ©Koyoharu Gotoge / SHUEISHA, Aniplex, ufotable　　WIND BREAKER ©にいさとる・講談社／WIND BREAKER Project　　俺だけレベルアップな件 ©Solo Leveling Animation Partners　　マッシュル-MASHLE- ©甲本一／集英社・マッシュル製作委員会　　ぼっち・ざ・ろっく！©はまじあき／芳文社・アニプレックス

- First, we are working to promote IP creation in Japanese anime, which is one of our focus areas.
- Aniplex produces many high-quality works every year that are beloved by anime fans around the world. Additionally, Crunchyroll, which has over 13 million paid subscribers, delivers anime created in Japan globally.

Anime Production Software
AnimeCanvas

- However, with significant growth in anime's popularity, the demand for new productions is increasing, and we are working to improve the production environment, efficiency, and quality of our output. A-1 Pictures and CloverWorks, production studios and subsidiaries of Aniplex, are central to these efforts and are collaborating with engineers at Sony Music in Japan and across the Sony Group. "AnimeCanvas" is new animation production software currently under development that we aim to introduce on a trial basis within the current fiscal year, and hope to be able to offer to other studios in the future.

- Furthermore, we are now exploring the launch of a project to establish an academy with the aim of nurturing anime creators in global markets. Aniplex and Crunchyroll are core to this initiative, with collaboration from across the industry.

- One example of how we are fostering anime IP and culture together with fans is the Crunchyroll Anime Awards.
- This year marks the eighth time the event has been held, with a record number of over 34 million votes cast.
- With it also being very positively received by the anime industry as a whole, I am confident that it will continue to grow in the future.
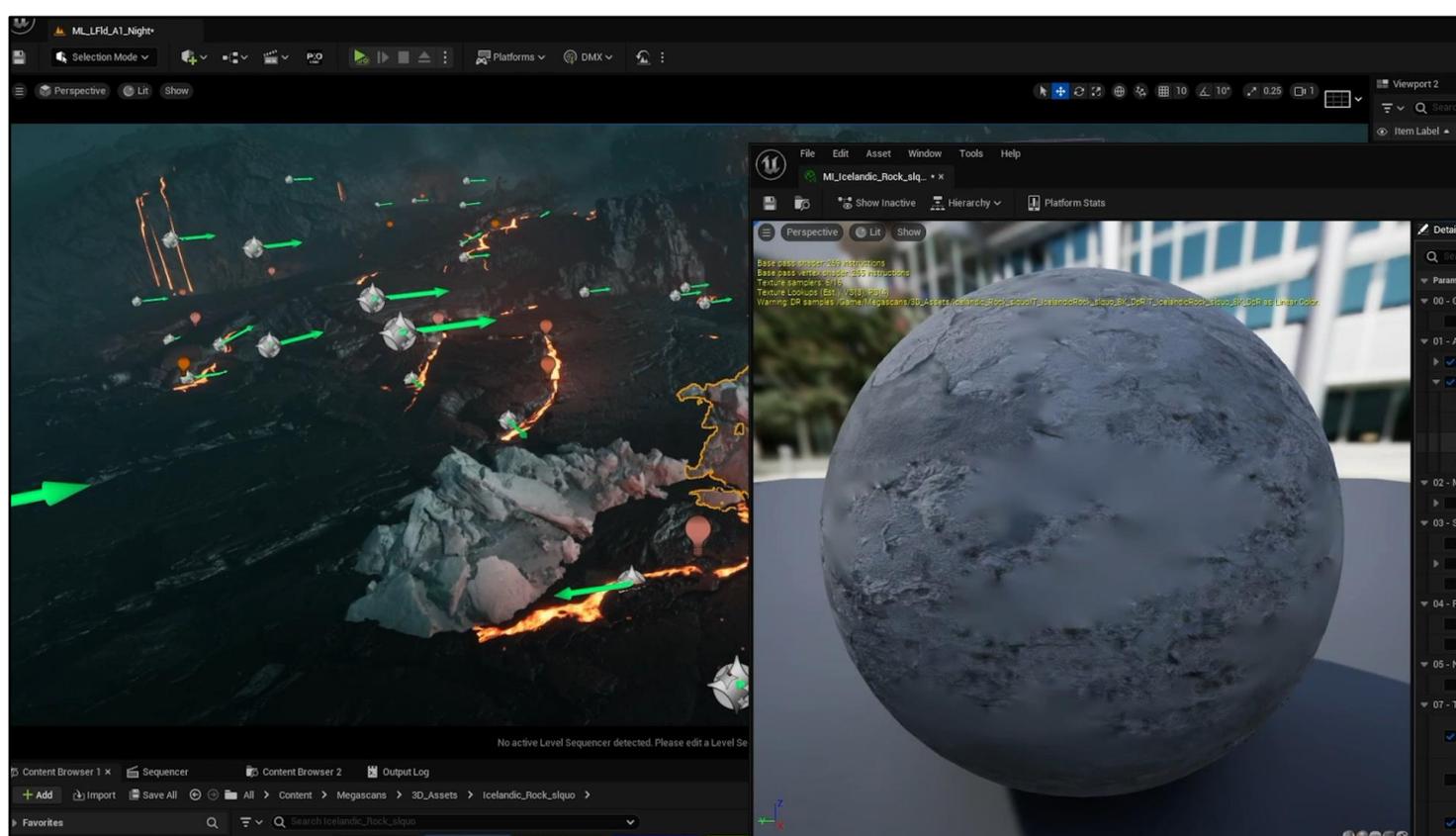
- Next, I would like to talk about our efforts to promote IP creation in pictures.
- As Mr. Yoshida explained, Epic Games' Unreal Engine has increasingly been adopted to enhance the production efficiency and quality of film and TV content, due to its real-time rendering capabilities.
- Examples of its use include Virtual Production and advanced visualization.
- To accelerate the adoption of such solutions, we plan to leverage the know-how cultivated at Pixomondo, a group company of Sony Pictures Entertainment that enhance and expand the operation of Unreal Engine to nurture visual creators who can utilize these technologies, working in collaboration with Epic Games.

Live Action Adaptation of Game IP   Expanding Game IP into the Area of LBE

- Another ways we are developing IP in our game business, is through television and film adaptations.
- Since establishing PlayStation Productions in 2019, we have been engaged in adapting game IP into film and television content, enabling the IP to become a part of pop culture loved by an even wider audience, thereby creating a positive cycle that enhances its value.
- Going forward we are developing titles such as "Horizon" and "God of War."
- Furthermore, we are now engaged in expanding our game IP into the area of location-based entertainment (LBE).

Unit Turning Novels into Music	Fandom Artists

- In music, we are taking a unique approach to creating new IP.
- Born from a project to turn novels into music, YOASOBI's momentum shows no signs of slowing. Their song "Idol" became the first Japanese song to top the U.S. Billboard Global chart, and it continues to enthuse fans around the world.
- Additionally, we intend to cultivate "fandom artists," such as Nogizaka 46 and Stray Kids, whose passionate fans create new cultures, taking a global perspective and expanding fan communities.

Biographical Works of Music Artists
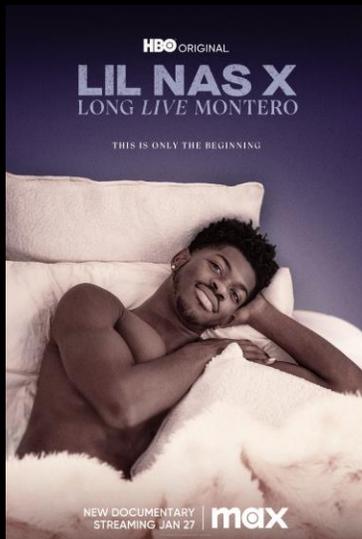
- In terms of IP360 initiatives in music, our production of biographical works focusing on artists is a prominent example.
- For instance, through the documentary "Lil Nas X: Long Live Montero," which chronicles Grammy Award-winning rapper, singer and songwriter Lil Nas X's first world tour, we are delivering IP to fans in ways that go beyond the boundaries of music.
- We are also embarking on new challenges in this area, such as the concurrent production of four biographical films that look back on the history of The Beatles from the perspective of each member.
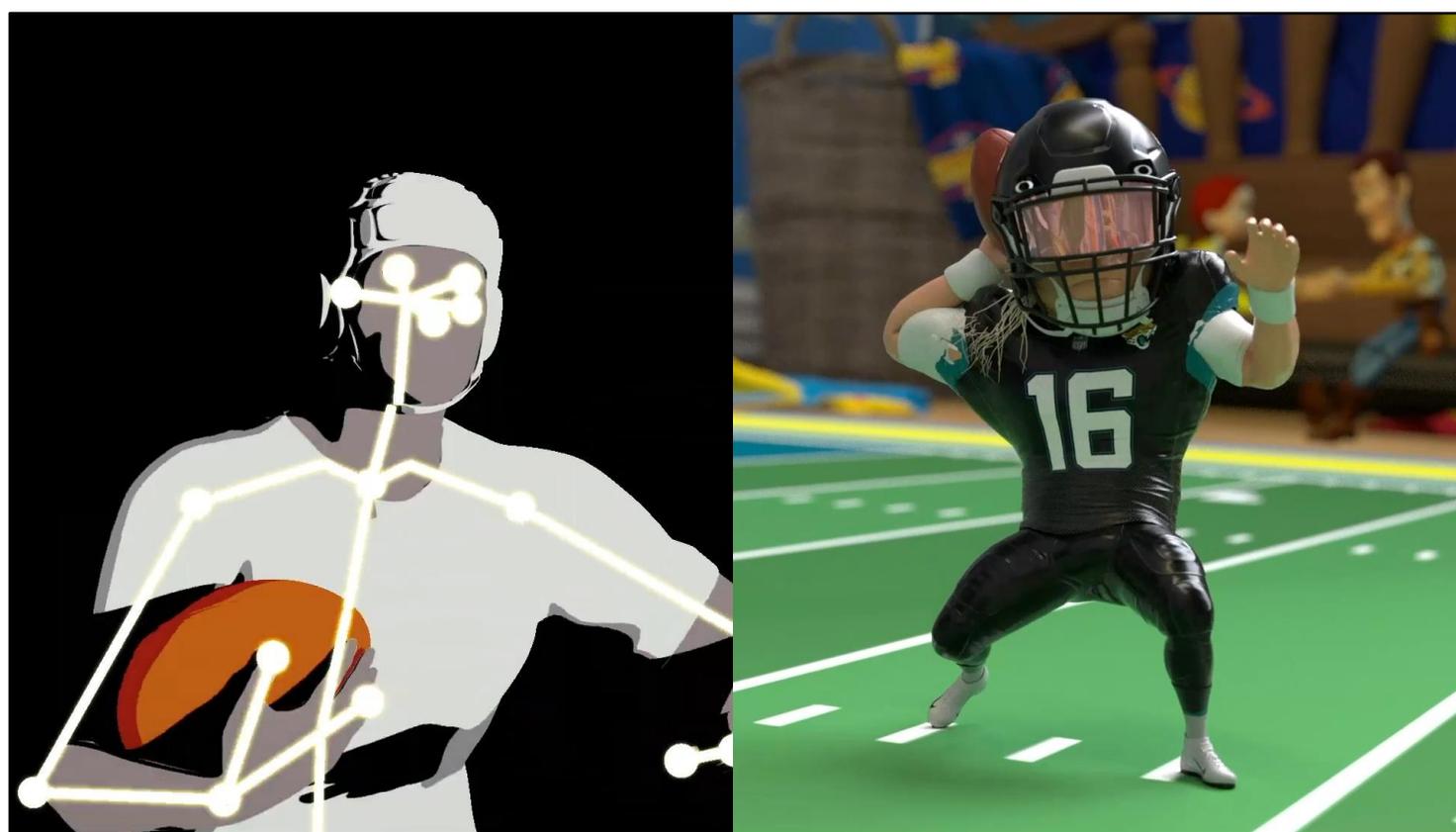
- We are also accelerating our efforts to elevate community engagement in the area of sports.
- Using Hawk-Eye Innovations' tracking system to capture data such as the players' in-game skeletal information and converting it into 3D animation in real time using Beyond Sports' technology, we are providing new forms of entertainment content.
- I have high expectations that these initiatives will contribute to the development of sports by increasing engagement, particularly among younger audiences.

IP 360 Extension

| LBE | Merchandising | Mobility |

- Until now, I have introduced our current activities to maximize IP value in each category. In terms of our cross-category initiatives on the other hand, we are focusing on areas such as LBE and merchandising, where we can provide opportunities for fans to engage in physical interaction with our IP content, and the mobility space, where we anticipate further opportunities.
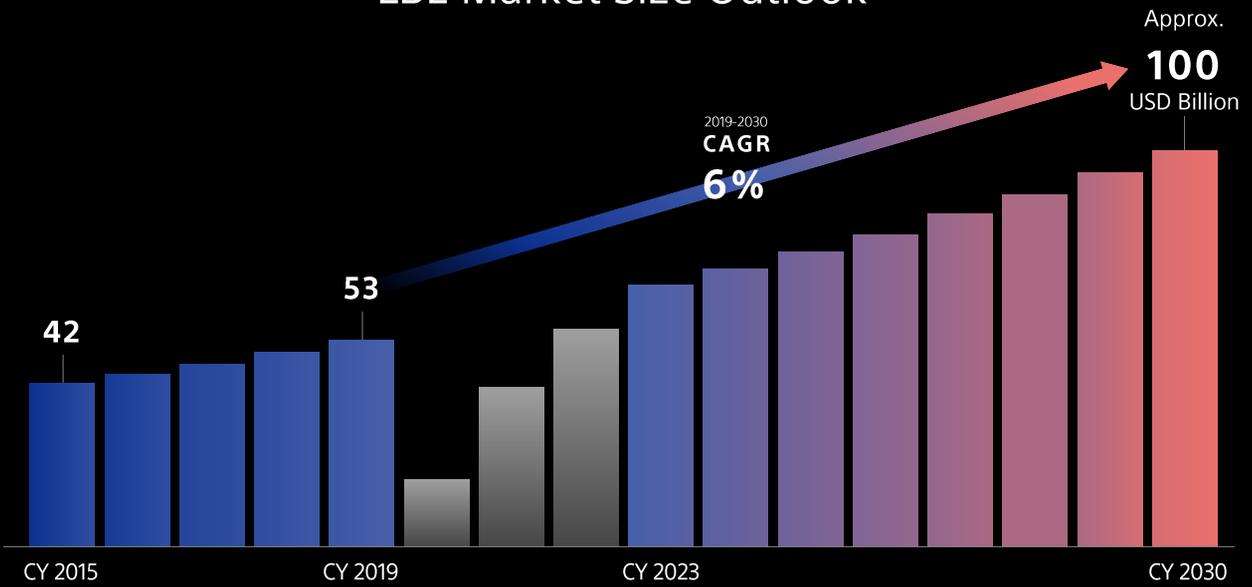
- LBE is a large market where we expect to see continued growth, including in developed countries.
- At Sony we are already deploying our IP in locations around the world and aim to grow this business by combining such IP with our gaming, sensing, video and audio technology to provide immersive experiences that deliver the ultimate Kando.

Merchandising

Initiatives of Merchandising & Brand Collaboration

Merchandising Market Size Outlook on Anime

2023-2030
CAGR
9%

Approx.
18
USD Billion

10

CY 2023   CY 2030
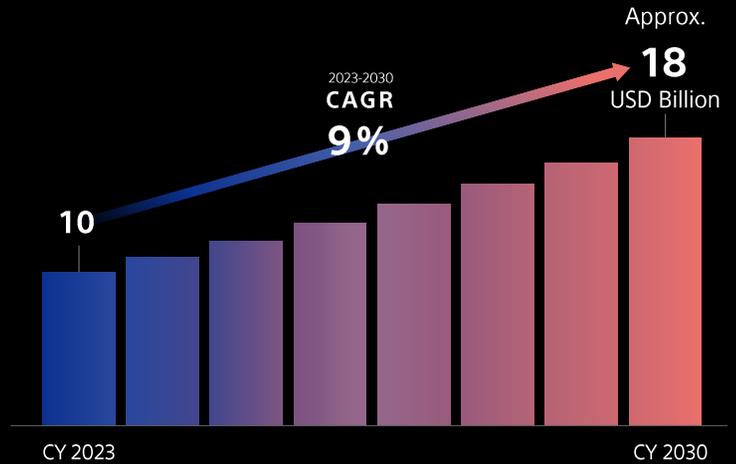
Source: Anime Merchandising Market Report published by Grand View Research Inc. (2024)
All data are forecasts by Source.

- Merchandising not only increases fans' emotional attachment to an IP, but can also contribute to acquiring new fans.
- We believe there is further potential for us to strengthen our presence in this area, and we plan to accelerate these efforts going forward, including our Group-wide collaboration.
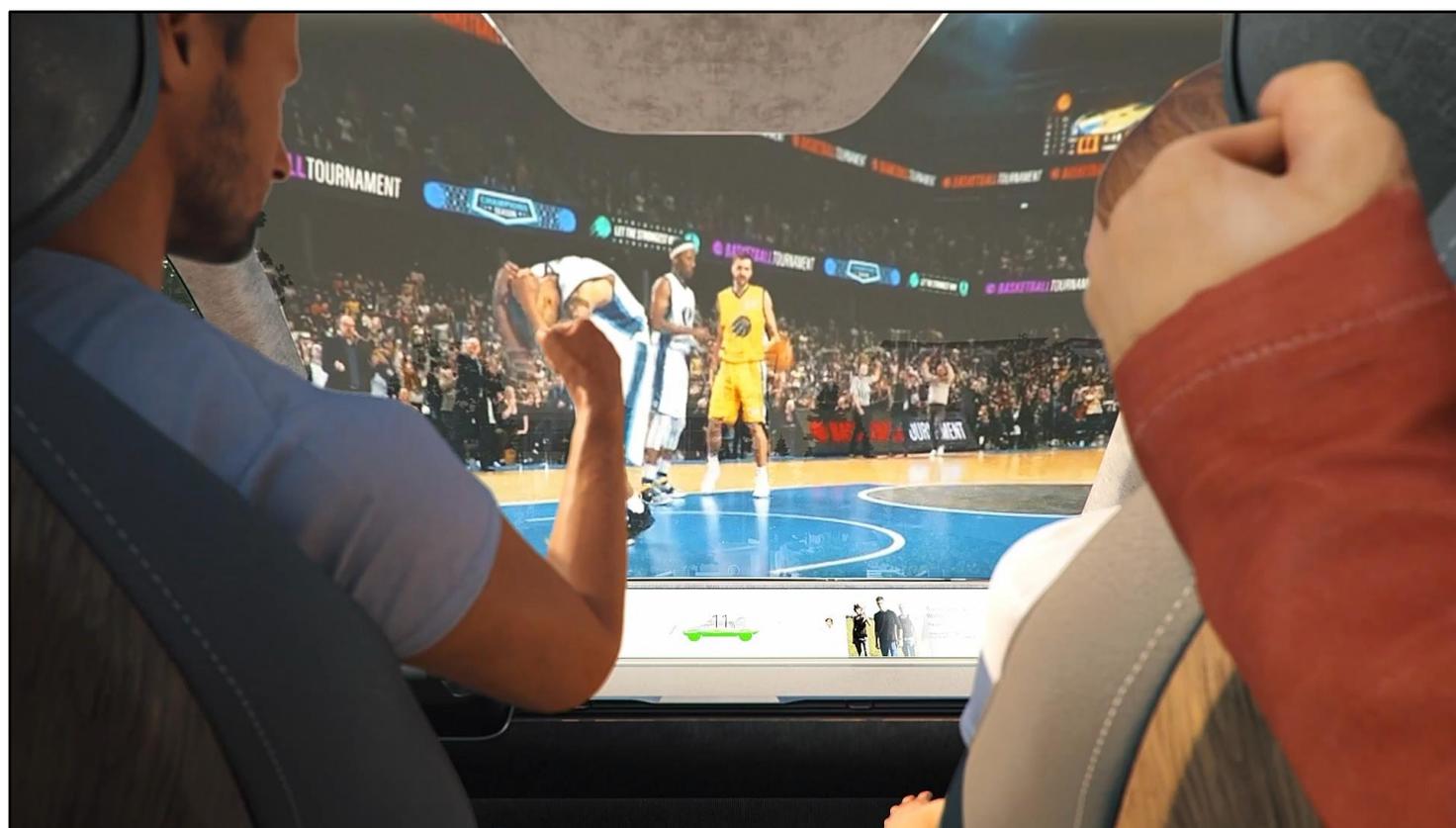
- In the mobility space, we are utilizing entertainment content provided by understanding the vehicle's occupants and surrounding environment through sensing data and vehicle data, together with audio technology to transform the vehicle interior into a personalized entertainment space, enhancing the value of the mobility experience.
- This is somewhere we intend to continue to collaborate with companies across the industry including Sony Honda Mobility.

Co-Development of Games for Partner IP   High Quality 3D Scan Solution

- So far, I have focused on measures to grow our own IP, but just as we have delivered IP from our partner companies to the world through brands such as PlayStation, our "IP360" initiative is not restricted to Sony alone.
- Recently, we have been proactively engaged in efforts to expand IP beyond our own library. This is underlined by initiatives including the mobile RPG "Street Fighter™: Duel" published by Crunchyroll Games, and the use of our "High Quality Scan Solution," which enables real objects to be converted into high-quality 3D models, to scan plastic Gundam models and display them in the "Gundam Metaverse."

Unearth and Support Creators in Emerging Markets

- We also intend to expand our initiatives to maximize the value of IP globally, by supporting creators with diverse cultural backgrounds and strong regional appeal.
- For example, the "India Hero Project" launched by Sony Interactive Entertainment last year, is an initiative to unearth and support promising game developers in India and help them bring compelling gaming experiences to the world. This incubator program has selected five game titles as its initial projects.

- Additionally, the Sony Innovation Fund: Africa, which we established last year in collaboration with the International Finance Corporation, is a corporate venture capital fund that supports startup companies with the aim of developing entertainment businesses in Africa.
- Through such activities, we aim to be a brand that is trusted by creators and IP holders, transcending the boundaries of companies, countries and regions.

# Technology Platforms Supporting IP Value Maximization

- The key technologies that enable creators to engage in these initiatives to maximize the value of their IP in a high-quality and efficient manner include sensing and capturing, as well as real-time 3D processing, AI technology and machine learning.
- I will now share some specific examples of the strengths Sony possesses in these areas.

KOBE203X | Official Behind The Scenes Video | Virtual Production X Volumetric Capture

- In terms of sensing and capturing, we can point to our Volumetric Capture Studio.
- Multiple cameras cover the studio from 360-degree angles, capturing images of moving people and objects and converting them into 3D data. These images can be stored as high-quality 3D assets, including motion data, and used for various content production. This technology is being used for complex action scenes in movies and music videos due to the ease of photorealistic reproduction and production flexibility it provides.
- Going forward, we plan to efficiently utilize the 3D assets accumulated by each of our companies cross-functionally throughout the Group as a whole, and explore potential external sales.

- With regards to real-time 3D processing, we are accelerating our collaboration with Epic Games centered around Unreal Engine, and are also conducting various exploratory activities.
- For example, the 3D CG used in the background of a music video from Iniko of Columbia Records, which is shot with virtual production, was repurposed to produce a game that takes place in the same world that was created.

- We also released a proof-of-concept CG short film using Unreal Engine where an actor performed as the Stay-Puft Marshmallow Man in real-time within a 3D city environment using motion capture.

ML Technology

Automatically Synchronized
Subtitles

©2024 MARVEL

＊Synchronized subtitles in Marvel's Spider-Man 2 applied only to English, Japanese, French, German, and Italian

- Furthermore, we used machine learning in "Marvel's Spider-Man 2," which was released last year. Through the application of voice recognition software originally specialized for gaming, for certain languages we were able to automatically synchronize the subtitles with each character's dialogue, significantly shortening the subtitling process.

Original Sound

AI / ML Technology

Shortening Translation /
Dubbing Process

हिन्दी बांग्লা తెలుగు मराठी தமிழ்
Hindi   Bengali   Telugu   Marathi   Tamil
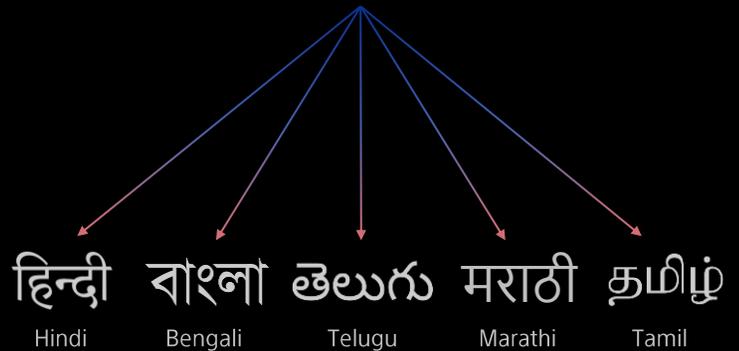
- We are also conducting research and development in India using AI technology and machine learning, a multilingual society, into ways we can shorten the dubbing and translation process, so that video content can reach more fans more quickly.
- Building on these initiatives, in the future we aim to develop solutions that enable our IP to be delivered rapidly and at a low cost to a broader range of fans.

PlayStation Network

Payment Methods [1] 26

Currencies [1] 31

Countries・Regions [1] 181 [2]

Total Data Volume of Content Downloads

2020/12　2021/12　2022/12　2023/12

1.4x

Service Availability [3]

100%

90%

0%

FY2020　FY2021　FY2022　FY2023

Record Highest
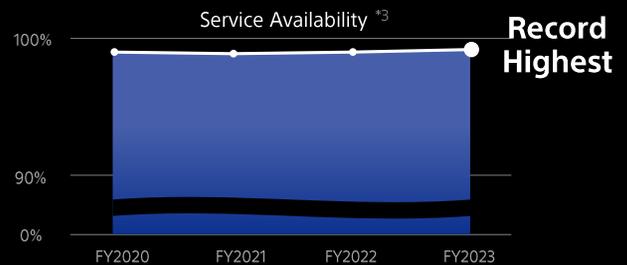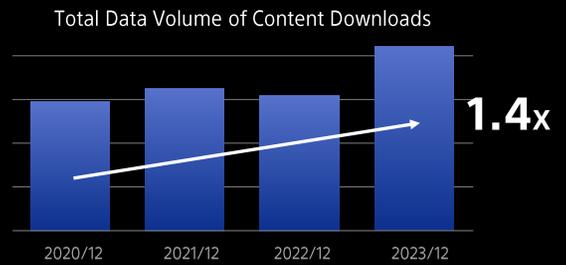
*1 : As of the end of FY2023 *2 : Includes 111 areas supporting Sony Account only. *3 : Service Availability is the ratio of operating hours to total hours.

- In order to efficiently maximize the value of IP, we believe it is also important to develop a shared Group network to support these efforts.
- In addition to supporting a wide range of payment methods and currencies, PlayStation Network auto-scales to accommodate significantly changing user traffic in a short period of time, enabling it to realize both high-quality operations and cost optimization. PlayStation Network's data processing volumes have reached a level that places it among the top 10 consumer internet services worldwide, while it is simultaneously achieving record high operating rates. As such, it is established as a robust network service.

Deployment of DTC Service Core Functions

- By extending core functions based on this network infrastructure, such as accounts, payments, data infrastructure and security, to the growing Crunchyroll service, we plan to develop it into an engagement platform for the Sony Group.

Engagement Platform

Airpeak Neural Network Console Cloud Product Registration

Supporting Sony DTC Services

Alpha Universe NURO REON WIZ

Number of Accounts (excl. PlayStation Network)

BRAVIA Medical Science Smart Golf Lesson

34 Services

Ci Media Cloud Multifunctional Light Sony Pictures Core

My aibo Sony Rewards

Creators Cloud My Sony Sony Store

29 Million

Headphones Connect PlayStation Network STAR SPHERE

Hearing Control Prediction One Xperia

- Going forward, we intend to commonize IDs for services across the Sony Group, including ICCOMOTTO operated by Sony Music Entertainment (Japan), which enables the use of various services with a single ID, and contribute to the convenience of our customers while considering their privacy, and make proposals that deliver even more enjoyment.
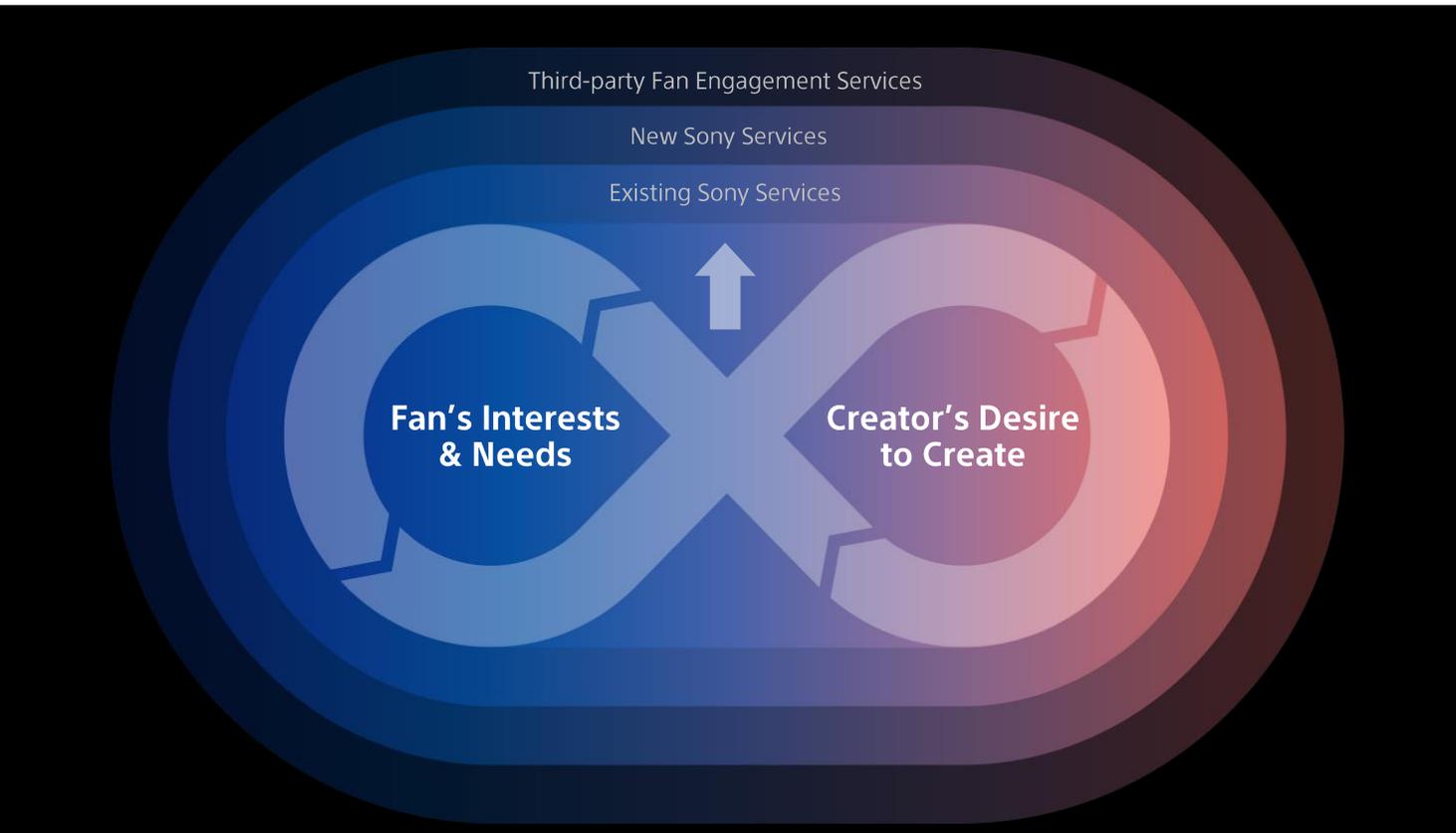
- Furthermore, we intend to use this engagement platform to support the development of new network services across the Group in areas such as mobility and LBE, thereby providing convenience while also accumulating knowledge regarding the interests and needs of fans, and the creative desires of creators.
- In the future, we aim for this technology to be widely adopted across the entertainment industry, beyond the boundaries of the Sony Group, as a common platform specialized for fan engagement that reflects these accumulated insights.

People Diversity through M&A in Entertainment Businesses
FY2013~2023

47
Companies Joined

Approx.
5,000
People Joined

15%
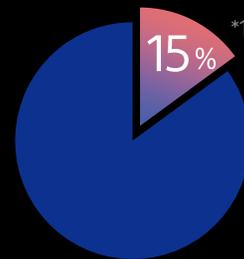
*1 Percentage of the number of people who became employees of the Sony Group through M&A in the entertainment businesses in FY2013-2023 out of the total number of employees in the entertainment businesses at the end of FY2023.

- As I stated at this Meeting last year, 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.
- At Sony, owe bring together employees with a wide range of backgrounds including nationality, race, gender and values, and offer opportunities for growth through the intersection of knowledge and experience that we provide by leveraging our diverse business structure. We have evolved on the strength of our diversity, which is a combination of these attributes and experiences.
- In recent years, mergers and acquisitions have allowed us to bring in new ways of thinking and knowledge from the perspective of diversity of experience, by increasing the number of colleagues we have with specialized expertise, particularly in the entertainment businesses.

Ratio of Foreign Executives (SGC) *1
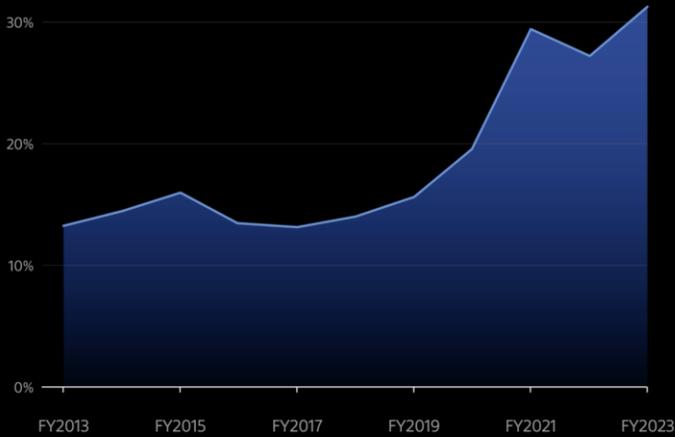
Ratio of Female Managers (Sony Group)

*1 Scope : Director, Corporate Executive Officer and Other Executives of Sony Group Corporation (known as Sony Corporation Prior to FY2020)

- And in terms of diversity of backgrounds, we are increasing our ratio of foreign nationals in executive positions and women in management positions year by year.

- As outlined in our "Creative Entertainment Vision," Sony aims to unleash the creativity of creators and realize a world where limitless Kando can be generated. Towards this future, we plan to work together with creators, fans, and our partners to steadily maximize the value of our IP beyond existing boundaries, while continually evolving the diversity of our businesses and our people to achieve further growth.
- Thank you for your attention.

Cautionary Statement

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

(i) Sony's ability to maintain product quality and customer satisfaction with its products and services;

(ii) Sony's ability to continue to design and develop and win acceptance of, as well as achieve sufficient cost reductions for, its products and services, including image sensors, game and network platforms, smartphones and televisions, which are offered in highly competitive markets characterized by severe price competition and continual new product and service introductions, rapid development in technology and subjective and changing customer preferences;

(iii) Sony's ability to implement successful hardware, software, and content integration strategies, and to develop and implement successful sales and distribution strategies in light of new technologies and distribution platforms;

(iv) the effectiveness of Sony's strategies and their execution, including but not limited to the success of Sony's acquisitions, joint ventures, investments, capital expenditures, restructurings and other strategic initiatives;

(v) changes in laws, regulations and government policies in the markets in which Sony and its third-party suppliers, service providers and business partners operate, including those related to taxation, as well as growing consumer focus on corporate social responsibility;

(vi) Sony's continued ability to identify the products, services and market trends with significant growth potential, to devote sufficient resources to research and development, to prioritize investments and capital expenditures correctly and to recoup its investments and capital expenditures, including those required for technology development and product capacity;

(vii) Sony's reliance on external business partners, including for the procurement of parts, components, software and network services for its products or services, the manufacturing, marketing and distribution of its products, and its other business operations;

(viii) the global economic and political environment in which Sony operates and the economic and political conditions in Sony's markets, particularly levels of consumer spending;

(ix) Sony's ability to meet operational and liquidity needs as a result of significant volatility and disruption in the global financial markets or a ratings downgrade;

(x) Sony's ability to forecast demands, manage timely procurement and control inventories;

(xi) foreign exchange rates, particularly between the yen and the U.S. dollar, the euro and other currencies in which Sony makes significant sales and incurs production costs, or in which Sony's assets, liabilities and operating results are denominated;

(xii) Sony's ability to recruit, retain and maintain productive relations with highly skilled personnel;

(xiii) Sony's ability to prevent unauthorized use or theft of intellectual property rights, to obtain or renew licenses relating to intellectual property rights and to defend itself against claims that its products or services infringe the intellectual property rights owned by others;

(xiv) the impact of changes in interest rates and unfavorable conditions or developments (including market fluctuations or volatility) in the Japanese equity markets on the revenue and operating income of the Financial Services segment;

(xv) shifts in customer demand for financial services such as life insurance and Sony's ability to conduct successful asset liability management in the Financial Services segment;

(xvi) risks related to catastrophic disasters, geopolitical conflicts, pandemic disease or similar events;

(xvii) the ability of Sony, its third-party service providers or business partners to anticipate and manage cybersecurity risk, including the risk of unauthorized access to Sony's business information and the personally identifiable information of its employees and customers, potential business disruptions or financial losses; and

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

Risks and uncertainties also include the impact of any future events with material adverse impact. The continued impact of developments relating to the situations in Ukraine and Russia and in the Middle East 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.