

SONY

## Q3 FY2020 Consolidated Financial Results

(Three months ended December 31, 2020)

February 3, 2021

Sony Corporation

### Q3 FY2020 Consolidated Results

(Bln Yen)

	Q3 FY19	Q3 FY20	Change
Sales & operating revenue	2,463.2	<b>2,696.5</b>	+233.4 bln yen (+9%)
Operating income	300.1	<b>359.2</b>	+59.1 bln yen (+20%)
Income before income taxes	310.3	<b>477.4</b>	+167.1 bln yen (+54%)
Net income attributable to Sony Corporation's stockholders	229.5	<b>371.9</b>	+142.4 bln yen (+62%)
Net income attributable to Sony Corporation's stockholders per share of common stock (diluted)	182.89 yen	<b>297.35 yen</b>	+114.46 yen
Average rate			
1 US dollar	108.8 yen	<b>104.5 yen</b>	
1 Euro	120.3 yen	<b>124.5 yen</b>	

### Q3 FY2020 Consolidated Results: Year-on-year Change

	Year-on-year Change	Contributing Factors (+) Increase / (-) Decrease
Sales & operating revenue	<b>+233.4 bln yen</b> <b>+9%</b>	<ul style="list-style-type: none"> <li>· (+) Significant increases in G&amp;NS and Music segments sales</li> <li>· (-) Significant decreases in Pictures and I&amp;SS segments sales</li> </ul> <p>On a constant currency basis*, sales increased 11%</p>
Operating income	<b>+59.1 bln yen</b> <b>+20%</b>	<ul style="list-style-type: none"> <li>· (+) Significant increases in G&amp;NS, EP&amp;S, Music, Pictures and Financial Services segments operating income</li> <li>· (-) Significant decrease in I&amp;SS segment operating income</li> </ul>
Income tax expense	<b>+33.7 bln yen</b> <small>(Effective tax rate 23% → 22%)</small>	<ul style="list-style-type: none"> <li>· (+) Decrease in effective tax rate due to reversal of valuation allowances recorded against deferred tax assets for certain research and development credits of consolidated tax filing group in the United States</li> </ul>
Net income attribute to non-controlling interests	<b>-9.0 bln yen</b> <b>-83%</b>	<ul style="list-style-type: none"> <li>· (+) Decrease due to Sony Financial Holdings Inc. ("SFH") becoming a wholly-owned subsidiary</li> </ul>

\* For further details about the impact of foreign exchange rate fluctuations on sales and operating income (loss), see Note on page 25 (applies to all following pages).

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### Adjusted Operating Income (Q3)

	Operating Income	Adjusted Operating Income	Adjusted Operating Income excludes the following items*
Q3 FY19	300.1 bln yen	<b>276.5 bln yen</b>	<ul style="list-style-type: none"> <li>■ Remeasurement and realized gains resulting from the public listing and sale of a portion of shares of SRE Holdings Corporation (All Other: +17.3 bln yen)</li> <li>■ Realized and remeasurement gains resulting from the transfer of a portion of shares of NSF Engagement Corporation (Corporate and elimination: +6.3 bln yen)</li> </ul>
Q3 FY20	359.2 bln yen	<b>351.4 bln yen</b>	<ul style="list-style-type: none"> <li>■ Gain from the reversal of inventory write-downs of certain image sensors for mobile products previously recorded in Q2 FY20 (I&amp;SS segment: +8.5 bln yen)</li> <li>■ Expenses related to the Sony Global Relief Fund for COVID-19 (Corporate and elimination: -0.6 bln yen)</li> </ul>
Change from FY19	+59.1 bln yen	<b>+74.8 bln yen</b> (+27%)	

\* These monetary amounts are disclosed in the Quarterly Financial Statements, the Presentation Slides and the Quarterly Securities Reports for the relevant quarters.

Adjusted operating income is not a measure in accordance with U.S. GAAP. However, Sony believes that this disclosure may be useful information to investors.

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## Adjusted Income Before Income Taxes (Q3)

	Income Before Income Taxes	Adjusted Income Before Income Taxes	Adjusted Income Before Income Taxes excludes the following items*
Q3 FY19	310.3 bln yen	<b>293.1</b> bln yen	<ul style="list-style-type: none"> <li>■ Remeasurement and realized gains resulting from the public listing and sale of a portion of shares of SRE Holdings Corporation (All Other: +17.3 bln yen)</li> <li>■ Realized and remeasurement gains resulting from the transfer of a portion of shares of NSF Engagement Corporation (Corporate and elimination: +6.3 bln yen)</li> <li>■ Loss resulting from a change in Sony's Japanese pension plans (-6.4 bln yen)</li> </ul>
Q3 FY20	477.4 bln yen	<b>458.3</b> bln yen	<ul style="list-style-type: none"> <li>■ Unrealized gain on an equity security whose lockup restriction will expire within one year (+11.2 bln yen)</li> <li>■ Gain from the reversal of inventory write-downs of certain image sensors for mobile products previously recorded in Q2 FY20 (I&amp;SS segment: +8.5 bln yen)</li> <li>■ Expenses related to the Sony Global Relief Fund for COVID-19 (Corporate and elimination: -0.6 bln yen)</li> </ul>
Change from FY19	+167.1 bln yen	<b>+165.3</b> bln yen (+56%)	

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Adjusted income before income taxes is not a measure in accordance with U.S. GAAP. However, Sony believes that this disclosure may be useful information to investors.

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## Adjusted Net Income Attributable to Sony Corporation's Stockholders (Q3)

	Net Income Attributable to Sony Corporation's Stockholders	Adjusted Net Income Attributable to Sony Corporation's Stockholders	Adjusted Net Income Attributable to Sony Corporation's Stockholders excludes the following items*
Q3 FY19	229.5 bln yen	<b>216.2</b> bln yen	<ul style="list-style-type: none"> <li>■ Remeasurement and realized gains resulting from the public listing and sale of a portion of shares of SRE Holdings Corporation (All Other: +17.3 bln yen)</li> <li>■ Realized and remeasurement gains resulting from the transfer of a portion of shares of NSF Engagement Corporation (Corporate and elimination: +6.3 bln yen)</li> <li>■ Loss resulting from a change in Sony's Japanese pension plans (-6.4 bln yen)</li> <li>■ Tax adjustment with regard to the above three items (-3.9 bln yen)</li> </ul>
Q3 FY20	371.9 bln yen	<b>343.9</b> bln yen	<ul style="list-style-type: none"> <li>■ Unrealized gain on an equity security whose lockup restriction will expire within one year (+11.2 bln yen)</li> <li>■ Gain from the reversal of inventory write-downs of certain image sensors for mobile products previously recorded in Q2 FY20 (I&amp;SS segment: +8.5 bln yen)</li> <li>■ Expenses related to the Sony Global Relief Fund for COVID-19 (Corporate and elimination: -0.6 bln yen)</li> <li>■ Tax adjustment with regard to the above three items (-4.7 bln yen)</li> <li>■ Reduction in tax expense due to the reversal of valuation allowances recorded against deferred tax assets for certain research and development credits of consolidated tax filing group in the United States(+13.6 bln yen)</li> </ul>
Change from FY19	+142.4 bln yen	<b>+127.7</b> bln yen (+59%)	

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Adjusted net income attributable to Sony Corporation's stockholders is not a measure in accordance with U.S. GAAP. However, Sony believes that this disclosure may be useful information to investors.

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## Adjusted Net Income Attributable to Sony Corporation's Stockholders (Q3)

### FY19

	Income Before Income Taxes	Taxes	Effective Tax Rate	Net Income Attributable to Sony Corporation's Stockholders
<b>Financial results</b>	<b>310.3</b>	<b>70.0</b>	<b>22.5%</b>	<b>229.5</b>
Adjusted items impacting effective tax rate	-	-	-	-
<b>Subtotal</b>	<b>310.3</b>	<b>70.0</b>	<b>22.5%</b>	<b>229.5</b>
Other adjusted items *	-17.3	-3.9	22.5%	-13.3
<b>Adjusted results</b>	<b>293.1</b>	<b>66.1</b>	<b>22.5%</b>	<b>216.2</b>

### FY20

	Income Before Income Taxes	Taxes	Effective Tax Rate	Net Income Attributable to Sony Corporation's Stockholders
<b>Financial results</b>	<b>477.4</b>	<b>103.7</b>	<b>21.7%</b>	<b>371.9</b>
Adjusted items impacting effective tax rate				
Reversal of valuation allowances recorded against deferred tax assets for certain research and development credits of consolidated tax filing group in the United States	-	+13.6	-	-13.6
<b>Subtotal</b>	<b>477.4</b>	<b>117.3</b>	<b>24.6%</b>	<b>358.3</b>
Other adjusted items *	-19.1	-4.7	24.6%	-14.4
<b>Adjusted results</b>	<b>458.3</b>	<b>112.6</b>	<b>24.6%</b>	<b>343.9</b>

\* See page 5 for details regarding adjusted items  
Adjusted results are not a measure in accordance with U.S. GAAP. However, Sony believes that this disclosure may be useful information to investors.

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## Q3 FY2020 Results by Segment

		Q3 FY19	Q3 FY20	Change	FX Impact
<b>Game &amp; Network Services (G&amp;NS)</b>	Sales	632.1	<b>883.2</b>	+251.1	-6.3
	Operating income	53.5	<b>80.2</b>	+26.7	+9.4
<b>Music</b>	Sales	216.9	<b>264.5</b>	+47.5	-6.4
	Operating income	36.3	<b>59.7</b>	+23.4	
<b>Pictures</b>	Sales	236.0	<b>191.2</b>	-44.8	-7.7
	Operating income	5.4	<b>22.2</b>	+16.8	
<b>Electronics Products &amp; Solutions (EP&amp;S)</b>	Sales	650.4	<b>649.0</b>	-1.4	-8.9
	Operating income	80.3	<b>105.8</b>	+25.4	+3.1
<b>Imaging &amp; Sensing Solutions (I&amp;SS)</b>	Sales	298.0	<b>266.9</b>	-31.1	-9.1
	Operating income	75.2	<b>50.4</b>	-24.8	-4.2
<b>Financial Services</b>	Revenue	407.2	<b>425.3</b>	+18.0	
	Operating income	32.6	<b>46.6</b>	+14.0	
<b>All Other</b>	Sales	72.3	<b>72.5</b>	+0.2	
	Operating income	20.7	<b>8.1</b>	-12.5	
<b>Corporate and elimination</b>	Sales	-49.9	<b>-56.0</b>	-6.2	
	Operating income	-3.8	<b>-13.7</b>	-9.9	
<b>Consolidated total</b>	Sales	2,463.2	<b>2,696.5</b>	+233.4	
	Operating income	300.1	<b>359.2</b>	+59.1	

· Sales and Revenue in each business segment represents sales and revenue recorded before intersegment transactions are eliminated. Operating income in each business segment represents operating income reported before intersegment transactions are eliminated and excludes unallocated corporate expenses (applies to all following pages).  
· Both Sales and Revenue include operating revenue and intersegment sales (applies to all following pages).

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## Q1-Q3 FY2020 Consolidated Results

(Bln Yen)

	Q1-Q3 FY19	Q1-Q3 FY20	Change
Sales & operating revenue	6,511.1	<b>6,778.9</b>	+267.8 bln yen (+4%)
Operating income	810.0	<b>905.4</b>	+95.4 bln yen (+12%)
Income before income taxes	803.4	<b>1,096.9</b>	+293.5 bln yen (+37%)
Net income attributable to Sony Corporation's stockholders	569.5	<b>1,064.8</b>	+495.2 bln yen (+87%)
Net income attributable to Sony Corporation's stockholders per share of common stock (diluted)	450.08 yen	<b>852.04 yen</b>	+401.96 yen
Average rate			
1 US dollar	108.7 yen	<b>106.1 yen</b>	
1 Euro	121.0 yen	<b>122.4 yen</b>	

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## Adjusted Operating Income (Q1-Q3)

	Operating Income	Adjusted Operating Income	Adjusted Operating Income excludes the following items*
<b>Q1-Q3 FY19</b>	810.0 bln yen	<b>778.5 bln yen</b>	<ul style="list-style-type: none"> <li>■ Remeasurement and realized gains resulting from the public listing and sale of a portion of shares of SRE Holdings Corporation (All Other: +17.3 bln yen)</li> <li>■ Patent royalty revenue resulting from the signing of a licensing agreement (Corporate and elimination: +7.9 bln yen)</li> <li>■ Realized and remeasurement gains resulting from the transfer of a portion of shares of NSF Engagement Corporation (Corporate and elimination: +6.3 bln yen)</li> </ul>
<b>Q1-Q3 FY20</b>	905.4 bln yen	<b>907.3 bln yen</b>	<ul style="list-style-type: none"> <li>■ Gain on the sale of a portion of shares of Pledis Entertainment Co., Ltd. (Music segment: +6.5 bln yen)</li> <li>■ Gain recorded in connection with a business transfer (Music segment: +5.4 billion yen)</li> <li>■ Inventory write-downs of certain image sensors for mobile products (I&amp;SS segment: -9.0 bln yen)</li> <li>■ Expenses related to the Sony Global Relief Fund for COVID-19 (Corporate and elimination: -4.8 bln yen)</li> </ul>
<b>Change from FY19</b>	+95.4 bln yen	<b>+128.8 bln yen</b> (+17%)	

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Adjusted operating income is not a measure in accordance with U.S. GAAP. However, Sony believes that this disclosure may be useful information to investors.

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## Adjusted Income Before Income Taxes (Q1-Q3)

	Income Before Income Taxes	Adjusted Income Before Income Taxes	Adjusted Income Before Income Taxes excludes the following items*
<b>Q1-Q3 FY19</b>	803.4 bln yen	<b>778.3 bln yen</b>	<ul style="list-style-type: none"> <li>■ Remeasurement and realized gains resulting from the public listing and sale of a portion of shares of SRE Holdings Corporation (All Other: +17.3 bln yen)</li> <li>■ Patent royalty revenue resulting from the signing of a licensing agreement (Corporate and elimination: +7.9 bln yen)</li> <li>■ Realized and remeasurement gains resulting from the transfer of a portion of shares of NSF Engagement Corporation (Corporate and elimination: +6.3 bln yen)</li> <li>■ Loss resulting from a change in Sony's Japanese pension plans (-6.4 bln yen)</li> </ul>
<b>Q1-Q3 FY20</b>	1,096.9 bln yen	<b>1,087.6 bln yen</b>	<ul style="list-style-type: none"> <li>■ Unrealized gain on an equity security whose lockup restriction will expire within one year (+11.2 bln yen)</li> <li>■ Gain on the sale of a portion of shares of Pledis Entertainment Co., Ltd. (Music segment: +6.5 bln yen)</li> <li>■ Gain recorded in connection with a business transfer (Music segment: +5.4 billion yen)</li> <li>■ Inventory write-downs of certain image sensors for mobile products (I&amp;SS segment: -9.0 bln yen)</li> <li>■ Expenses related to the Sony Global Relief Fund for COVID-19 (Corporate and elimination: -4.8 bln yen)</li> </ul>
<b>Change from FY19</b>	+293.5 bln yen	<b>+309.3 bln yen</b> (+40%)	

\* These monetary amounts are disclosed in the Quarterly Financial Statements, the Presentation Slides and the Quarterly Securities Reports for the relevant quarters.  
Adjusted income before income taxes is not a measure in accordance with U.S. GAAP. However, Sony believes that this disclosure may be useful information to investors.

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## Adjusted Net Income Attributable to Sony Corporation's Stockholders (Q1-Q3)

	Net Income Attributable to Sony Corporation's Stockholders	Adjusted Net Income Attributable to Sony Corporation's Stockholders	Adjusted Net Income Attributable to Sony Corporation's Stockholders excludes the following items <sup>1</sup>
<b>Q1-Q3 FY19</b>	569.5 bln yen	<b>538.3 bln yen</b>	<ul style="list-style-type: none"> <li>■ Remeasurement and realized gains resulting from the public listing and sale of a portion of shares of SRE Holdings Corporation (All Other: +17.3 bln yen)</li> <li>■ Patent royalty revenue resulting from the signing of a licensing agreement (Corporate and elimination: +7.9 bln yen)</li> <li>■ Realized and remeasurement gains resulting from the transfer of a portion of shares of NSF Engagement Corporation (Corporate and elimination: +6.3 bln yen)</li> <li>■ Loss resulting from a change in Sony's Japanese pension plans (-6.4 bln yen)</li> <li>■ Tax adjustment with regard to the above four items (-6.6 bln yen)</li> <li>■ Reduction in tax expense resulting from the sale of Olympus Corporation shares<sup>2</sup> (+12.7 bln yen)</li> </ul>
<b>Q1-Q3 FY20</b>	1,064.8 bln yen	<b>829.1 bln yen</b>	<ul style="list-style-type: none"> <li>■ Unrealized gain on an equity security whose lockup restriction will expire within one year (+11.2 bln yen)</li> <li>■ Gain on the sale of a portion of shares of Pledis Entertainment Co., Ltd. (Music segment: +6.5 bln yen)</li> <li>■ Gain recorded in connection with a business transfer (Music segment: +5.4 billion yen)</li> <li>■ Inventory write-downs of certain image sensors for mobile products (I&amp;SS segment: -9.0 bln yen)</li> <li>■ Expenses related to the Sony Global Relief Fund for COVID-19 (Corporate and elimination: -4.8 bln yen)</li> <li>■ Tax adjustment with regard to the above five items (-2.0 bln yen)</li> <li>■ Reduction in tax expense due to the reversal of valuation allowances recorded against a significant portion of the deferred tax assets of Sony Corporation and its national tax filing group in Japan (+214.9 bln yen)</li> <li>■ Reduction in tax expense due to the reversal of valuation allowances recorded against deferred tax assets for certain research and development credits of consolidated tax filing group in the United States (+13.6 bln yen)</li> </ul>
<b>Change from FY19</b>	+495.2 bln yen	<b>+290.8 bln yen</b> (+54%)	

<sup>1</sup> These monetary amounts are disclosed in the Quarterly Financial Statements, the Presentation Slides and the Quarterly Securities Reports for the relevant quarters.

<sup>2</sup> Tax benefit resulting from the actual tax expense related to the gain on the sale of Olympus Corporation shares being lower than the deferred tax liabilities recorded for the unrealized gain resulting from the revaluation of those shares.

Adjusted net income attributable to Sony Corporation's Stockholders is not a measure in accordance with U.S. GAAP. However, Sony believes that this disclosure may be useful information to investors.

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## Adjusted Net Income Attributable to Sony Corporation's Stockholders (Q1-Q3)

### FY19

	Income Before Income Taxes	Taxes	Effective Tax Rate	Net Income Attributable to Sony Corporation's Stockholders
<b>Financial results</b>	803.4	196.9	24.5%	569.5
Adjusted items impacting effective tax rate				
Reduction in tax expense resulting from the sale of Olympus Corporation shares	-	+12.7	-	-12.7
<b>Subtotal</b>	803.4	209.6	26.1%	556.8
Other adjusted items *	-25.1	-6.6	26.1%	-18.5
<b>Adjusted results</b>	778.3	203.0	26.1%	538.3

### FY20

	Income Before Income Taxes	Taxes	Effective Tax Rate	Net Income Attributable to Sony Corporation's Stockholders
<b>Financial results</b>	1,096.9	12.6	1.2%	1,064.8
Adjusted items impacting effective tax rate				
Reversal of valuation allowances recorded against a significant portion of the deferred tax assets of Sony Corporation and its national tax filing group in Japan	-	+214.9	-	-214.9
Reversal of valuation allowances recorded against deferred tax assets for certain research and development credits of consolidated tax filing group in the United States	-	+13.6	-	-13.6
<b>Subtotal</b>	1,096.9	241.1	22.0%	836.3
Other adjusted items *	-9.3	-2.0	22.0%	-7.3
<b>Adjusted results</b>	1,087.6	239.1	22.0%	829.1

\* See page 11 for details regarding adjusted items.  
Adjusted results are not a measure in accordance with U.S. GAAP. However, Sony believes that this disclosure may be useful information to investors.

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## Q1-Q3 FY2020 Results by Segment

		Q1-Q3 FY19	Q1-Q3 FY20	Change	FX Impact
<b>Game &amp; Network Services (G&amp;NS)</b>	Sales	1,544.0	1,996.0	+452.0	-18.8
	Operating income	192.2	309.2	+116.9	+7.8
<b>Music</b>	Sales	638.5	672.4	+34.0	-10.2
	Operating income	112.0	147.4	+35.4	
<b>Pictures</b>	Sales	682.7	558.6	-124.1	-13.8
	Operating income	45.1	78.7	+33.6	
<b>Electronics Products &amp; Solutions (EP&amp;S)</b>	Sales	1,627.8	1,485.5	-142.4	-19.3
	Operating income	146.8	150.6	+3.9	+1.2
<b>Imaging &amp; Sensing Solutions (I&amp;SS)</b>	Sales	839.4	780.2	-59.2	-16.0
	Operating income	201.1	125.7	-75.4	-5.0
<b>Financial Services</b>	Revenue	1,121.3	1,246.0	+124.6	
	Operating income	117.5	137.5	+20.0	
<b>All Other</b>	Sales	210.8	175.8	-35.0	
	Operating income	20.5	14.8	-5.7	
<b>Corporate and elimination</b>	Sales	-153.4	-135.5	+17.8	
	Operating income	-25.3	-58.6	-33.3	
<b>Consolidated total</b>	Sales	6,511.1	6,778.9	+267.8	
	Operating income	810.0	905.4	+95.4	

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## FY2020 Consolidated Results Forecast

(Bln Yen)

	FY19	FY20 October FCT	FY20 February FCT	Change from October FCT
Sales & operating revenue	8,259.9	8,500	<b>8,800</b>	+300 bln yen (+4%)
Operating income	845.5	700	<b>940</b>	+240 bln yen (+34%)
Income before income taxes	799.5	765	<b>1,120</b>	+355 bln yen (+46%)
Net income attributable to Sony Corporation's stockholders	582.2	800	<b>1,085</b>	+285 bln yen (+36%)
Operating Cash Flow (Sony without Financial Services)	762.9	630	<b>850</b>	+220 bln yen (+35%)
Average rate	Actual	Assumption (2H FY20)	Assumption (Q4 FY20)	<b>Dividend per Share</b>
1 US dollar	108.7 yen	Approx. 105 yen	Approx. 103 yen	<b>Interim</b> 25 yen
1 Euro	120.8 yen	Approx. 123 yen	Approx. 126 yen	<b>Year-end (Planned)</b> 30 yen
				<b>Full year (Planned)</b> 55 yen

Consolidated Operating Cash Flow (Sony without Financial Services) is not a measure in accordance with U.S. GAAP. However, Sony believes that this disclosure may be useful information to investors.

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## FY2020 Results Forecast by Segment

(Bln Yen)

		FY19	FY20 October FCT	FY20 February FCT	Change from October FCT
<b>Game &amp; Network Services (G&amp;NS)</b>	Sales	1,977.6	2,600	<b>2,630</b>	+30
	Operating income	238.4	300	<b>340</b>	+40
<b>Music</b>	Sales	849.9	850	<b>900</b>	+50
	Operating income	142.3	152	<b>180</b>	+28
<b>Pictures</b>	Sales	1,011.9	760	<b>750</b>	-10
	Operating income	68.2	48	<b>72</b>	+24
<b>Electronics Products &amp; Solutions (EP&amp;S)</b>	Sales	1,991.3	1,870	<b>1,890</b>	+20
	Operating income	87.3	67	<b>125</b>	+58
<b>Imaging &amp; Sensing Solutions (I&amp;SS)</b>	Sales	1,070.6	960	<b>1,010</b>	+50
	Operating income	235.6	81	<b>136</b>	+55
<b>Financial Services</b>	Revenue	1,307.7	1,460	<b>1,600</b>	+140
	Operating income	129.6	155	<b>170</b>	+15
<b>All Other, Corporate and elimination</b>	Operating income	-55.9	-103	<b>-83</b>	+20
<b>Consolidated total</b>	Sales	8,259.9	8,500	<b>8,800</b>	+300
	Operating income	845.5	700	<b>940</b>	+240

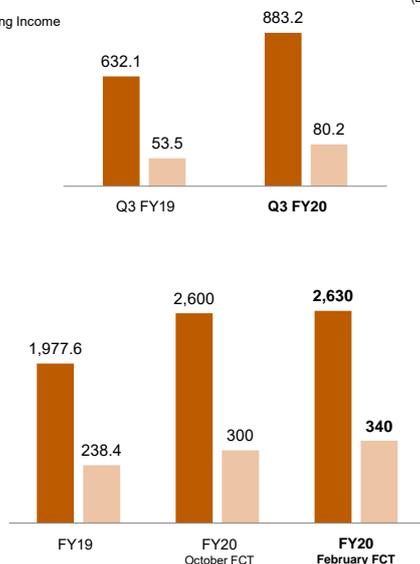
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## Game & Network Services Segment (“G&NS Segment”)

### Sales and Operating Income

■ Sales  
■ Operating Income

(Bln Yen)



### Q3 FY2020 (year-on-year)

- Sales: 251.1 bln yen (40%) significant increase (FX Impact: -6.3 bln yen)
  - (+) Increase in game software sales including add-on content
  - (+) Increase in hardware sales due to PlayStation®5 (PS5™) launch
- OI: 26.7 bln yen significant increase (FX Impact: +9.4 bln yen)
  - (+) Increase in game software sales
  - (+) Increase in Network Services sales, mainly from PlayStation®Plus (PS Plus)
  - (+) Higher profit margins on PlayStation®4 hardware
  - (-) Increase in selling, general and administrative expenses related to the launch of PS5™
  - (-) Loss resulting from strategic price points for PS5™ hardware that were set lower than the manufacturing costs

### FY2020 Forecast (change from October forecast)

- Sales: 30 bln yen (1%) upward revision
  - (+) Higher-than-expected game software sales including add-on content
  - (+) Higher-than-expected Network Services sales including PS Plus
  - (+) Higher-than-expected sales of peripheral devices
- OI: 40 bln yen upward revision
  - (+) Higher-than-expected game software sales
  - (+) Cost reductions
  - (+) Positive impact of foreign exchange rates
  - (+) Higher-than-expected Network Services sales

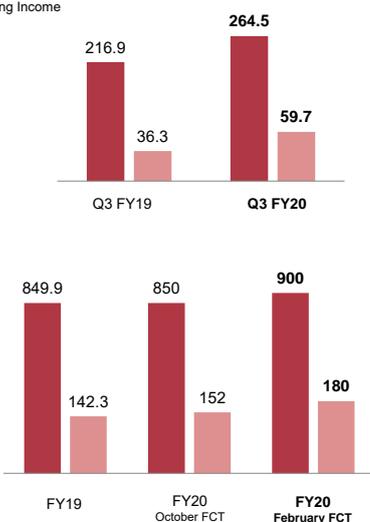
16

## Music Segment

### Sales and Operating Income

■ Sales  
■ Operating Income

(Bln Yen)



### Q3 FY2020 (year-on-year)

- Sales: 47.5 bln yen (22%) significant increase (FX Impact: -6.4 bln yen)
  - (+) Higher sales for Visual Media and Platform
  - (+) Increase in anime business sales primarily reflecting the contribution of *Demon Slayer – Kimetsu no Yaiba – the Movie: Mugen Train*
  - (+) Strong performance of mobile game applications
  - (+) Increase in streaming revenues for Recorded Music and Music Publishing
- OI: 23.4 bln yen significant increase
  - (+) Impact of increase in sales

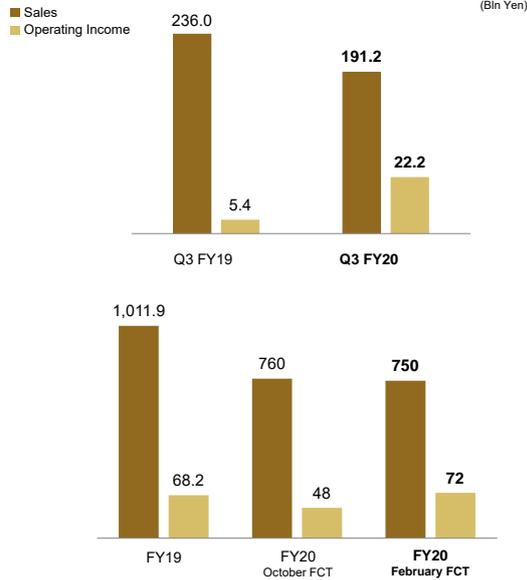
### FY2020 Forecast (change from October forecast)

- Sales: 50 bln yen (6%) upward revision
  - (+) Higher sales for Visual Media and Platform
  - (+) Increase in anime business sales primarily reflecting the strong performance of *Demon Slayer – Kimetsu no Yaiba – the Movie: Mugen Train*
  - (+) Strong performance of mobile game applications
  - (+) Higher-than-expected sales of physical media in Recorded Music
- OI: 28 bln yen upward revision
  - (+) Impact of increase in sales

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## Pictures Segment

### Sales and Operating Income



### Q3 FY2020 (year-on-year)

The following analysis is on a U.S. dollar basis

- Sales: 44.8 bln yen (19%) significant decrease (U.S. dollar basis: -341 mil USD / -16%)
  - (-) Significant decrease in sales for Motion Pictures
    - (-) Absence of major theatrical releases during the current fiscal year resulting from theater closures due to COVID-19
    - (-) Lower home entertainment and television licensing sales from current year titles due to absence of major theatrical releases during the current fiscal year
    - (+ ) Higher television licensing and home entertainment sales from prior year and catalog titles
- OI: 16.8 bln yen significant increase
  - (+ ) Lower theatrical marketing costs in Motion Pictures
  - (+ ) Higher television licensing and home entertainment sales from prior year and catalog titles
  - (-) Above-mentioned decrease in sales for current year titles

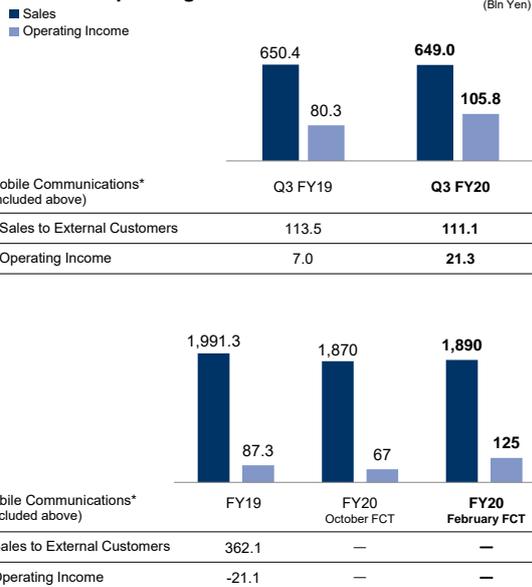
### FY2020 Forecast (change from October forecast)

- Sales: 10 bln yen (1%) downward revision
  - (-) Delays in theatrical releases resulting from theater closures due to COVID-19
- OI: 24 bln yen upward revision
  - (+ ) Lower theatrical marketing costs in Motion Pictures
  - (+ ) Higher-than-expected home entertainment and television licensing sales from prior year and catalog titles

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## Electronics Products & Solutions Segment (“EP&S Segment”)

### Sales and Operating Income



### Q3 FY2020 (year-on-year)

- Sales: Essentially flat (FX Impact: -8.9 bln yen)
  - (-) Impact of foreign exchange rates
  - (-) Decrease in sales of smartphones due to a decrease in unit sales
  - (+ ) Increase in sales of televisions due to an improvement in the product mix
- OI: 25.4 bln yen significant increase (FX Impact: +3.1 bln yen)
  - (+ ) Improvement in the product mix of televisions and digital cameras
  - (+ ) Reductions in operating costs in Mobile Communications
  - (-) Decrease in unit sales of digital cameras, televisions and smartphones

### FY2020 Forecast (change from October forecast)

- Sales: 20 bln yen (1%) upward revision
  - (+ ) Higher-than-expected sales of televisions due to an improvement in the product mix
- OI: 58 bln yen upward revision
  - (+ ) Improvement in the product mix of televisions and digital cameras
  - (+ ) Reductions in operating costs

\* Mobile Communications includes the smartphone business and internet-related service business.

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## Imaging & Sensing Solutions Segment (“I&SS Segment”)

### Sales and Operating Income

(Bln Yen)

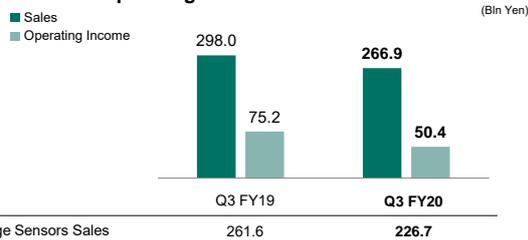


Image Sensors Sales	261.6	226.7
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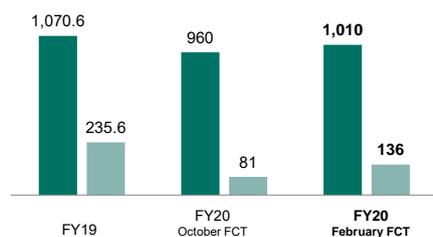


Image Sensors Sales	930.2	820	870
Additions to long-lived assets for I&SS Segment	276.8	235	205
for Image Sensors (included above)	265.7	215	185

### Q3 FY2020 (year-on-year)

- Sales: 31.1 bln yen (10%) significant decrease (FX Impact: -9.1 bln yen)
  - (-) Significant decrease in sales of image sensors for mobile products
  - (-) Deterioration of the product mix
  - (+ ) Increase in unit sales
- OI: 24.8 bln yen significant decrease (FX Impact: -4.2 bln yen)
  - (-) Impact of decrease in sales
  - (-) Increase in research and development expenses as well as depreciation and amortization expenses
  - (+ ) Gain from the reversal of inventory write-downs of certain image sensors for mobile products previously recorded in Q2 FY20 (+8.5 bln yen)

### FY2020 Forecast (change from October forecast)

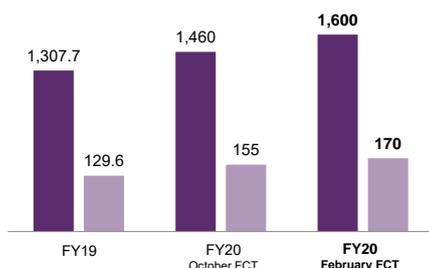
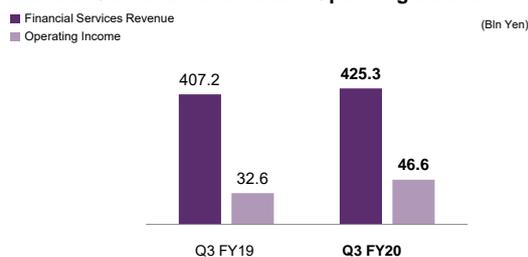
- Sales: 50 bln yen (5%) upward revision
  - (+ ) Higher-than-expected unit sales of image sensors for mobile products
  - (+ ) Higher-than-expected unit sales of image sensors for digital cameras
- OI: 55 bln yen upward revision
  - (+ ) Impact of increase in sales
  - (+ ) Above-mentioned gain from reversal of inventory write-downs of image sensors for mobile products

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## Financial Services Segment

### Financial Services Revenue and Operating Income

(Bln Yen)



### Q3 FY2020 (year-on-year)

- Revenue: 18.0 bln yen (4%) increase
  - (+ ) Increase in revenue at Sony Life (7.9 bln yen increase, revenue: 376.3 bln yen)
  - (+ ) Increase in gains on investments in the general account
  - (-) Decrease in premiums (decrease in premiums from single premium insurance, partially offset by increase in policy amount in force)
  - (+ ) Impact of an equity affiliate becoming a wholly-owned subsidiary in Q4 FY19
- OI: 14.0 bln yen significant increase
  - (+ ) Significant increase in OI at Sony Life (10.6 bln yen increase, OI: 38.5 bln yen)
  - (+ ) Improvement in foreign exchange gains and losses in U.S. dollar-denominated insurance
  - (+ ) Improvement in net gains and losses related to market fluctuations for variable life insurance and other products\*

### FY2020 Forecast (change from October forecast)

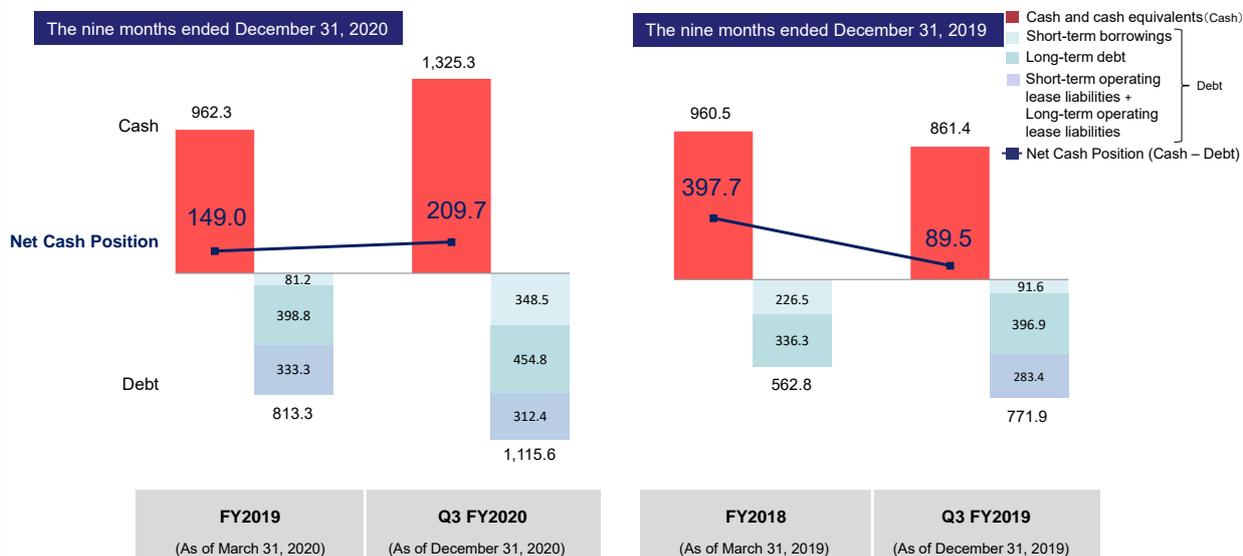
- Revenue: 140 bln yen (10%) upward revision
  - (+ ) Increase in net gains on investments in the separate accounts at Sony Life
- OI: 15 bln yen upward revision
  - (+ ) Improvement in foreign exchange gains and losses in U.S. dollar-denominated insurance at Sony Life
  - (+ ) Decrease in operating expenses at Sony Life

\* Overall improvement in the provision of policy reserves for minimum guarantees for variable life insurance and other products resulting from market fluctuations, and net gains and losses on derivative transactions to hedge market risks

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## Cash, Debt Balance (Sony without Financial Services)

(Bln Yen)



Please refer to F-9 in "Q3 FY20 Financial Statements" and F-9 in "Q3 FY19 Financial Statements" for condensed balance sheets for Sony without Financial Services.

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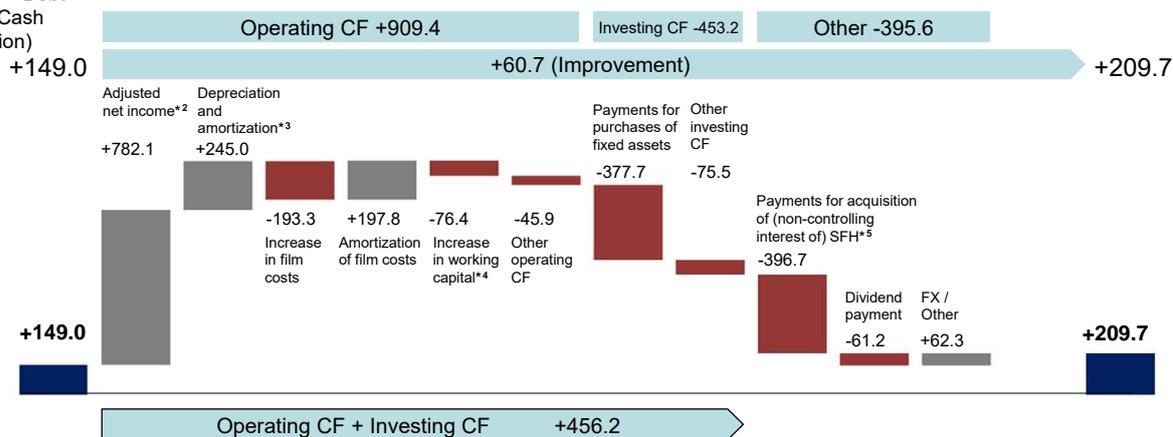
## Q3 FY2020 Cash Flow (CF) Analysis (Sony without Financial Services)

(Bln Yen)

As of March 31, 2020

As of December 31, 2020

Cash - Debt<sup>1</sup>  
(Net Cash Position)



<sup>1</sup> Please refer to page 22.

<sup>2</sup> This is the total of the following items contained in "Q3 FY20 Financial Statements": "Net income (loss)" + "Other operating (income) expense, net" + "(Gain) loss on marketable securities and securities investments, net" on page F-11 (Condensed Statements of Cash Flows for Sony without Financial Services).

<sup>3</sup> This is the item contained in "Q3 FY20 Financial Statements": "Depreciation and amortization, including amortization of deferred insurance acquisition costs and contract costs" on page F-11.

<sup>4</sup> This is the total of the following items contained in "Q3 FY20 Financial Statements": "(Increase) decrease in notes, accounts receivable, trade and contract assets" + "(Increase) decrease in inventories" + "Increase (decrease) in notes and accounts payable, trade" on page F-11.

<sup>5</sup> Please refer to "Payment for purchase of noncontrolling interest in Sony Financial Holdings Inc." on page F-4 (Consolidated Statements of Cash Flows).

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## Q3 FY2019 Cash Flow (CF) Analysis (Sony without Financial Services)

(Bln Yen)

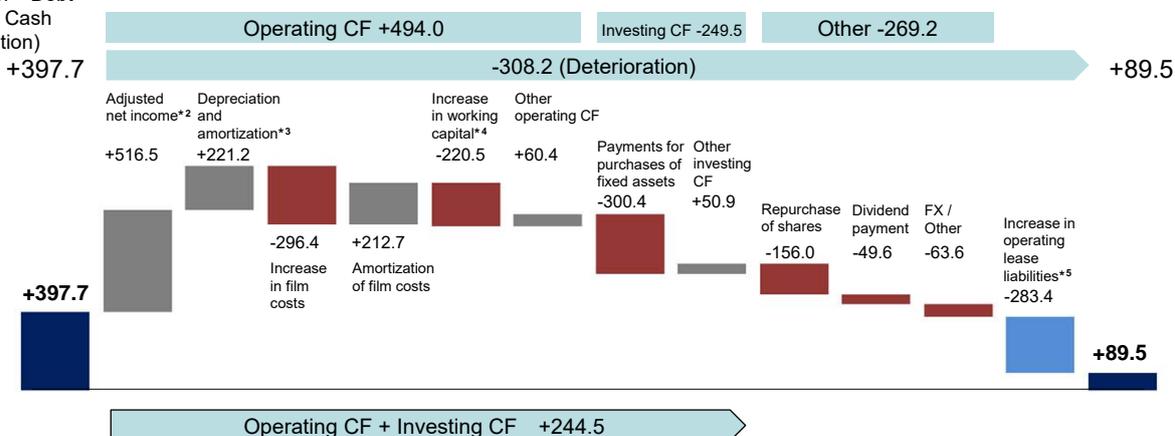
As of March 31, 2019

As of December 31, 2019

Cash – Debt<sup>1</sup>

(Net Cash

Position)



<sup>1</sup> Please refer to page 22.

<sup>2</sup> This is the total of the following items contained in "Q3 FY20 Financial Statements": "Net income (loss)" + "Other operating (income) expense, net" + "(Gain) loss on marketable securities and securities investments, net" on page F-11 (Condensed Statements of Cash Flows for Sony without Financial Services).

<sup>3</sup> This is the item contained in "Q3 FY20 Financial Statements": "Depreciation and amortization, including amortization of deferred insurance acquisition costs and contract costs" on page F-11.

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<sup>5</sup> This is the total of the following items contained in "Q3 FY19 Financial Statements": "Short-term operating lease liabilities" + "Long-term operating lease liabilities" on page F-9 (Condensed balance sheets for Sony without Financial Services).

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## Notes

### Sales on a Constant Currency Basis and the Impact of Foreign Exchange Rate Fluctuations

The descriptions of sales on a constant currency basis reflect sales calculated by applying the yen's monthly average exchange rates from the same period of the previous fiscal year to local currency-denominated monthly sales in the relevant period of the current fiscal year. For Sony Music Entertainment ("SME"), Sony/ATV Music Publishing LLC ("Sony/ATV") and EMI Music Publishing Ltd. ("EMI") in the Music segment, the constant currency amounts are calculated by applying the monthly average U.S. dollar / yen exchange rates after aggregation on a U.S. dollar basis.

Results for the Pictures segment are described on a U.S. dollar basis as the Pictures segment reflects the operations of Sony Pictures Entertainment Inc. ("SPE"), a U.S.-based operation that aggregates the results of its worldwide subsidiaries in U.S. dollars.

The impact of foreign exchange rate fluctuations on sales is calculated by applying the change in the yen's periodic weighted average exchange rate for the same period of the previous fiscal year from the relevant period of the current fiscal year to the major transactional currencies in which the sales are denominated. The impact of foreign exchange rate fluctuations on operating income (loss) is calculated by subtracting from the impact on sales the impact on cost of sales and selling, general and administrative expenses calculated by applying the same major transactional currencies calculation process to cost of sales and selling, general and administrative expenses as for the impact on sales. The I&SS segment enters into its own foreign exchange hedging transactions, and the impact of those transactions is included in the impact of foreign exchange rate fluctuations on operating income (loss) for that segment.

This information is not a substitute for Sony's consolidated financial statements measured in accordance with U.S. GAAP. However, Sony believes that these disclosures provide additional useful analytical information to investors regarding the operating performance of Sony.

### Notes about Financial Performance of the Music, Pictures and Financial Services segments

The Music segment results include the yen-based results of Sony Music Entertainment (Japan) Inc. and the yen-translated results of SME, Sony/ATV and EMI, which aggregate the results of their worldwide subsidiaries on a U.S. dollar basis.

The Pictures segment results are the yen-translated results of SPE, which aggregates the results of its worldwide subsidiaries on a U.S. dollar basis. Management analyzes the results of SPE in U.S. dollars, so discussion of certain portions of its results is specified as being on "a U.S. dollar basis".

The Financial Services segment results include Sony Financial Holdings Inc. ("SFH") and SFH's consolidated subsidiaries such as Sony Life Insurance Co., Ltd. ("Sony Life"), Sony Assurance Inc., and Sony Bank Inc. The results of Sony Life discussed in the Financial Services segment differ from the results that SFH and Sony Life disclose separately on a Japanese statutory basis.

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## 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, 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.