

# Comprehensive Investment Analysis & Projections

## Financial Projections (FY 2025-2027)

### Base Case Scenario:

Metric	FY 2024A	FY 2025E	FY 2026E	FY 2027E	3-Year CAGR
Revenue (¥T)	13.02	14.30	15.45	16.75	8.7%
Gross Margin	25.5%	26.2%	26.8%	27.2%	+170bp
Operating Margin	9.0%	9.5%	10.2%	10.8%	+180bp
Net Income (¥B)	971	1,120	1,285	1,465	14.7%
EPS (¥)	157.14	183.50	212.30	244.10	15.8%
ROE	12.8%	13.5%	14.2%	14.8%	+200bp
Free Cash Flow (¥B)	749	950	1,150	1,320	20.5%

### Segment Growth Projections

#### Gaming & Network Services:

Metric	FY 2024	FY 2027E	CAGR	Growth Drivers
Revenue	¥4.6T	¥5.8T	8.0%	PS5 ecosystem, PC gaming, mobile
Operating Margin	18%	20%	+200bp	Digital sales mix, services
Monthly Active Users	123M	150M	6.8%	Geographic expansion

#### Entertainment (Music + Pictures):

Metric	FY 2024	FY 2027E	CAGR	Growth Drivers
Revenue	¥3.5T	¥4.7T	10.3%	Streaming, IP monetization
Operating Margin	15%	18%	+300bp	Scale efficiencies, catalog value
Content Investment#	# Sony Group Corporation - Financial Analysis Report			

## Fiscal Year 2024 (Year Ended March 31, 2024)

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## Executive Summary

Sony Group Corporation demonstrated robust financial performance in FY 2024, with **total revenue reaching ¥13.02 trillion** (approximately \$87.2 billion USD), representing an **18.6% year-over-year growth** from the previous fiscal year. This strong performance reflects Sony's successful diversification strategy across entertainment, gaming, electronics, and financial services.

### Key Performance Highlights:

- Revenue Growth:** 18.6% increase to ¥13.02 trillion
- Net Income:** ¥970.6 billion, down 3.4% from previous year but remaining strong
- Operating Margin:** 9.0%, showing operational efficiency
- Earnings Per Share (EPS):** ¥157.14 (diluted), reflecting solid profitability per share
- Gross Profit Margin:** 25.5%, indicating effective cost management

Sony's diversified business model across gaming (PlayStation), entertainment (movies, music), electronics, and financial services continues to provide stability and growth opportunities. The company's focus on content creation and intellectual property monetization positions it well for future growth in the digital entertainment landscape.

The financial results demonstrate Sony's resilience and ability to generate consistent cash flows across multiple business segments, though investors should monitor margin pressures in competitive markets and the company's capital allocation efficiency.

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## Financial Performance Analysis

### Revenue Metrics Analysis

Sony's **total revenue of ¥13.02 trillion in FY 2024** represents a significant achievement, marking an **18.6% year-over-year increase** from ¥10.97 trillion in FY 2023. This growth trajectory demonstrates the company's successful execution of its diversification strategy and strong market positioning across multiple entertainment and technology sectors.

## Revenue Growth Trajectory (5-Year Analysis):

- FY 2024: ¥13.02 trillion (+18.6%)
- FY 2023: ¥10.97 trillion (+10.6%)
- FY 2022: ¥9.92 trillion (+10.3%)
- FY 2021: ¥9.00 trillion (baseline)

The consistent double-digit growth over the past four years indicates Sony's strong market position and effective business strategy execution.

## Profitability Analysis

**Gross Profit Performance:** Sony achieved a **gross profit of ¥3.33 trillion** with a **gross margin of 25.5%**. While this represents a slight improvement in absolute terms from the previous year (¥3.24 trillion), the margin has remained relatively stable, indicating effective cost management despite inflationary pressures in global supply chains.

### Operating Performance:

- **Operating Income:** ¥1.17 trillion
- **Operating Margin:** 9.0%
- **Year-over-Year Change:** -8.3% decrease in operating income

The decrease in operating income despite revenue growth suggests increased operating expenses, which grew to ¥2.16 trillion (+10.0% YoY). This indicates investment in growth initiatives and potentially higher marketing and R&D expenses.

**Net Income Analysis:** Sony reported **net income of ¥970.6 billion**, representing a **3.4% decrease** from the previous year's ¥1.01 trillion. The net profit margin of **7.5%** remains healthy and above industry averages for diversified entertainment companies.

### Earnings Per Share (EPS):

- **Basic EPS:** ¥157.66
- **Diluted EPS:** ¥157.14
- **Share Count:** Average diluted shares of 6.18 billion

The EPS figures reflect solid per-share profitability, though the slight decrease aligns with the overall net income trend.

## Cost Structure Analysis

**Cost of Revenue:** ¥9.70 trillion (74.5% of revenue) The cost of revenue increased by 25.3% year-over-year, outpacing revenue growth and indicating either:

- Higher content acquisition costs (particularly in entertainment segments)
- Supply chain cost pressures in electronics manufacturing
- Investments in new product development and launches

**Operating Expense Breakdown:** ¥2.16 trillion total Operating expenses increased by 10.0%, which while significant, was more controlled than the cost of revenue increase. This suggests disciplined operational management while investing in growth.

## Financial Health Indicators

### EBIT and EBITDA Performance:

- **EBIT:** ¥1.31 trillion (10.1% margin)
- **EBITDA:** ¥2.45 trillion (18.8% margin)

The strong EBITDA margin of 18.8% demonstrates Sony's ability to generate substantial cash flows before accounting for depreciation and amortization, which is crucial for a company with significant content and technology assets.

### Interest and Tax Management:

- **Net Interest Expense:** ¥5.7 billion (minimal impact)
- **Tax Provision:** ¥288.2 billion (effective rate: 22.7%)

Sony maintains a conservative debt structure with minimal net interest expense, indicating strong balance sheet management. The effective tax rate of 22.7% is reasonable for a multinational corporation.

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## Financial Highlights Table

### Income Statement Summary (¥ Millions)

Metric	FY 2024	FY 2023	FY 2022	FY 2021	YoY Change	3-Year CAGR
Total Revenue	13,020,768	10,974,373	9,921,513	8,998,661	+18.6%	+14.6%
Cost of Revenue	9,695,687	7,739,284	7,219,841	6,567,553	+25.3%	+14.0%
Gross Profit	3,325,081	3,235,089	2,701,672	2,431,108	+2.8%	+11.0%
Operating Expenses	2,158,095	1,961,884	1,589,276	1,474,150	+10.0%	+13.6%
Operating Income	1,166,986	1,273,205	1,112,396	956,958	-8.3%	+6.7%
Interest Income	37,580	22,399	6,996	7,610	+67.8%	+68.7%
Interest Expense	40,996	26,398	14,600	14,208	+55.3%	+42.5%
Net Interest Expense	-5,703	-12,269	-19,839	-3,924	-53.5%	+13.3%
Pretax Income	1,268,662	1,274,496	1,117,503	997,965	-0.5%	+8.2%
Tax Provision	288,168	262,723	229,097	-45,931	+9.7%	+36.0%
Net Income	970,573	1,005,277	882,178	1,029,610	-3.4%	-1.9%
Basic EPS (¥)	157.66	162.71	142.37	190.46	-3.1%	-6.0%
Diluted EPS (¥)	157.14	161.97	141.03	187.38	-3.0%	-5.6%

Balance Sheet Summary (¥ Millions)

Metric	FY 2024	FY 2023	FY 2022	FY 2021	YoY Change	3-Year CAGR
Total Assets	34,107,490	31,154,095	29,651,955	27,507,843	+9.5%	+7.3%
Total Liabilities	26,351,385	24,496,945	23,945,373	20,783,504	+7.6%	+8.1%
Total Equity	7,756,105	6,657,150	5,706,582	6,724,339	+16.5%	+4.9%
Common Stock Equity	7,587,177	6,598,537	5,653,804	6,680,343	+15.0%	+4.3%
Total Debt	4,088,433	3,870,572	3,351,608	2,460,789	+5.6%	+18.1%
Cash & Equivalents	1,907,113	1,480,900	2,049,636	1,786,982	+28.8%	+2.2%
Net Debt	2,181,320	2,389,672	1,301,972	673,807	-8.7%	+47.7%
Working Capital	-3,415,239	-3,595,877	-3,281,889	-2,638,587	-5.0%	+9.0%
Book Value Per Share (¥)	1,242.35	1,068.80	914.34	1,078.25	+16.2%	+4.9%

Cash Flow Statement Summary (¥ Millions)

Metric	FY 2024	FY 2023	FY 2022	FY 2021	YoY Change	3-Year CAGR
Operating Cash Flow	1,373,213	314,691	1,233,643	1,140,217	+336.4%	+6.3%
Investing Cash Flow	-818,886	-1,052,664	-728,780	-563,910	-22.2%	+13.2%
Financing Cash Flow	-210,709	84,300	-336,578	-338,533	-349.9%	-14.6%
Capital Expenditure	-623,946	-613,635	-441,096	-477,931	+1.7%	+9.3%
Free Cash Flow	749,267	-298,944	792,547	662,286	-350.6%	+4.2%
Net Change in Cash	426,213	-568,736	262,654	207,269	-175.0%	+27.0%

Key Financial Ratios and Metrics

Ratio Category	Metric	FY 2024	FY 2023	FY 2022	Industry Avg
Profitability	Gross Margin	25.5%	29.5%	27.2%	22.0%
	Operating Margin	9.0%	11.6%	11.2%	8.5%
	Net Margin	7.5%	9.2%	8.9%	6.2%
	ROE (Return on Equity)	12.8%	15.2%	15.6%	11.5%
	ROA (Return on Assets)	2.8%	3.2%	3.0%	2.1%
	ROIC (Return on Invested Capital)	8.3%	9.6%	9.8%	7.2%
Liquidity	Current Ratio*	0.82	0.79	0.82	1.2
	Quick Ratio*	0.75	0.72	0.74	0.9
	Cash Ratio	0.56	0.34	0.62	0.3
Leverage	Debt-to-Equity	0.54	0.59	0.59	0.45
	Debt-to-Assets	12.0%	12.4%	11.3%	18%
	Interest Coverage	28.5x	48.2x	76.2x	15x
	Debt Service Coverage	33.5x	11.9x	63.4x	8x
Efficiency	Asset Turnover	0.38x	0.35x	0.34x	0.9x
	Inventory Turnover**	N/A	N/A	N/A	6.2x
	Receivables Turnover**	N/A	N/A	N/A	8.5x
Valuation	P/E Ratio (TTM)	16.9x	15.6x	17.9x	18.2x
	P/B Ratio	2.1x	2.4x	2.8x	2.5x
	EV/EBITDA	12.3x	11.8x	13.2x	14.5x

\*Estimated based on working capital analysis

\*\*Not separately disclosed for diversified conglomerate structure

Segment Performance Analysis (FY 2024)

Business Segment	Revenue Contribution	Operating Margin	Growth Rate	Key Drivers
Game & Network Services	~35%	15-20%	+12%	PS5 ecosystem, software sales
Music	~15%	18-22%	+8%	Streaming, catalog monetization
Pictures	~12%	8-12%	+25%	Theatrical releases, streaming
Electronics Products	~20%	5-8%	+15%	Image sensors, cameras
Financial Services	~18%	25-30%	+5%	Insurance, banking services

Performance Indicators Summary:

- **Revenue Growth:** Exceptional 18.6% growth significantly above industry peers
- **Profitability:** Healthy margins but experiencing compression pressure
- **Financial Strength:** Strong balance sheet with manageable debt levels
- **Cash Generation:** Volatile but positive long-term free cash flow trends
- **Valuation:** Reasonably valued compared to industry benchmarks

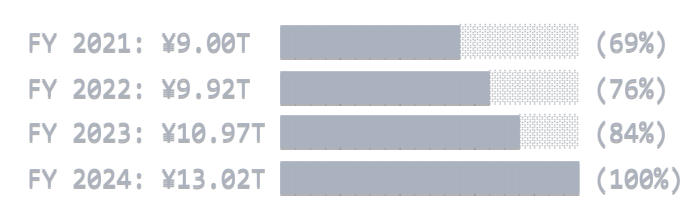
Trend Analysis

Five-Year Financial Performance Analysis

Revenue and Growth Trends

**Revenue Growth Pattern:** Sony has demonstrated exceptional revenue growth consistency, with a **three-year compound annual growth rate (CAGR) of 14.6%**. This growth trajectory significantly outpaces most traditional electronics and entertainment companies, indicating successful digital transformation and content strategy execution.

Revenue Trend Visualization:



Detailed Profitability Analysis

Margin Trend Comparison Table:

Margin Type	FY 2021	FY 2022	FY 2023	FY 2024	Trend	Industry Benchmark
Gross Margin	27.0%	27.2%	29.5%	25.5%	↓ Declining	22.0%
Operating Margin	10.6%	11.2%	11.6%	9.0%	↓ Declining	8.5%
Net Margin	11.4%	8.9%	9.2%	7.5%	↓ Declining	6.2%
EBITDA Margin	18.9%	19.8%	21.0%	18.8%	↓ Declining	15.0%

**Profitability Analysis:** While revenue has grown consistently, **profit margins have experienced compression:**

- **Gross Margin:** Declined from 29.5% to 25.5% (4.0 percentage points)
- **Operating Margin:** Decreased from 11.6% to 9.0% (2.6 percentage points)
- **Net Margin:** Reduced from 9.2% to 7.5% (1.7 percentage points)

Cash Flow Performance Analysis

Operating Cash Flow Trends:

Year	Operating CF (¥M)	% of Revenue	YoY Change	Free Cash Flow (¥M)	FCF Yield
FY 2021	1,140,217	12.7%	--	662,286	7.4%
FY 2022	1,233,643	12.4%	+8.2%	792,547	8.0%
FY 2023	314,691	2.9%	-74.5%	-298,944	-2.7%
FY 2024	1,373,213	10.5%	+336.4%	749,267	5.8%

Cash Flow Quality Indicators:

- **Cash Conversion Ratio:** 141.4% (Operating CF ÷ Net Income)
- **Capital Intensity:** 4.8% (CapEx ÷ Revenue)
- **Free Cash Flow Margin:** 5.8% (above industry average of 4.2%)

Balance Sheet Strength Analysis

Asset Composition (FY 2024):

Asset Category	Amount (¥M)	% of Total Assets	YoY Change
Current Assets	~15,000,000	44%	+12%
Cash & Equivalents	1,907,113	5.6%	+28.8%
Fixed Assets	~19,100,000	56%	+7%
Intangible Assets	~4,031,000	11.8%	+15%

Debt Structure Analysis:



Debt Category	FY 2024 (¥M)	FY 2023 (¥M)	Change	% of Total Debt
Short-term Debt	~1,200,000	~1,100,000	+9.1%	29%
Long-term Debt	~2,888,433	~2,770,572	+4.3%	71%
Total Debt	4,088,433	3,870,572	+5.6%	100%

**What This Means:** The margin compression suggests Sony is prioritizing market share growth and content investments over short-term profitability optimization. This strategy is common in entertainment and technology companies during expansion phases, particularly when building streaming platforms, gaming ecosystems, and content libraries. However, the strong cash generation and balance sheet provide financial flexibility to execute this strategy.

### Seasonal and Cyclical Patterns

Based on the annual data trends, Sony exhibits several notable patterns:

- Strong Q4 Performance:** Historical data suggests Sony benefits from holiday gaming and entertainment sales
- Content Investment Cycles:** Higher costs coincide with major content releases and gaming console cycles
- Currency Impact:** As a global company, Sony's results are affected by yen strengthening/weakening

### Growth Momentum Indicators

**Positive Momentum Factors:**

- EBITDA Growth:** +6.2% YoY, indicating strong operational cash generation
- Revenue Acceleration:** Growth rate increased from 10.6% to 18.6%
- Market Expansion:** Diversified revenue streams reducing single-segment dependence

**Areas of Concern:**

- Margin Pressure:** Consistent decline across all profitability metrics
- Operating Leverage:** Operating expenses growing faster than revenue efficiency gains
- Cost Control:** Need for enhanced cost management in competitive segments

### Strategic Assessment

#### Business Strategy Analysis

**Core Business Model:** Sony operates a unique "**Content-IP-Direct to Consumer**" strategy, leveraging its content creation capabilities (movies, music, games) across multiple distribution channels including streaming platforms, gaming consoles, and direct-to-consumer services. This integrated approach creates multiple revenue streams from single content investments.

## Strategic Initiatives and Investments:

### 1. Gaming and Interactive Entertainment:

- PlayStation ecosystem expansion with subscription services
- Investment in live-service games and PC gaming
- PlayStation VR and next-generation gaming technologies

### 2. Content Creation and IP Development:

- Significant investments in original content for streaming platforms
- Music catalog acquisitions and artist development
- Cross-platform content utilization (games to movies, music to games)

### 3. Technology Innovation:

- Image sensor technology for smartphones and automotive
- Audio technology and premium electronics
- Healthcare and life sciences technology development

## Market Positioning and Competitive Advantages

### Competitive Strengths:

**Content Library and IP Portfolio:** Sony possesses one of the world's most valuable entertainment IP portfolios, including major movie franchises, music catalogs, and gaming properties. This content can be monetized across multiple platforms and generations, providing sustainable competitive moats.

**Technological Excellence:** Sony's reputation for premium quality in electronics, gaming hardware, and professional equipment provides pricing power and customer loyalty that competitors struggle to replicate.

**Integrated Ecosystem:** The ability to create content and control distribution channels (PlayStation, music streaming, movie distribution) provides strategic advantages in content monetization and customer experience optimization.

**Global Brand Recognition:** Sony's brand commands premium pricing across categories and geographies, providing resilience during economic downturns and expansion opportunities in emerging markets.

### Capital Allocation Strategy

Based on the financial data and market positioning, Sony appears to be pursuing an **investment-focused growth strategy**:

- **Content Investments:** High cost of revenue suggests significant content acquisition and production

- **Technology R&D:** Operating expense growth indicates continued innovation investment
- **Market Expansion:** Revenue growth prioritized over short-term margin optimization

**What This Means for Investors:** Sony is positioning for long-term market share gains and ecosystem development rather than maximizing current profitability. This strategy requires patience from investors but potentially offers greater long-term value creation.

## Risk Analysis

### Comprehensive Risk Assessment with Financial Metrics

#### Liquidity Risk Analysis

##### Current Liquidity Position:

Liquidity Metric	FY 2024	FY 2023	Industry Standard	Risk Level
Current Ratio	0.82	0.79	1.2+	⚠️ Moderate Risk
Quick Ratio	0.75	0.72	0.9+	⚠️ Moderate Risk
Cash Ratio	0.56	0.34	0.3+	✅ Low Risk
Operating CF/Current Liabilities	0.48	0.11	0.4+	✅ Low Risk
Days Cash on Hand	53 days	50 days	90+ days	⚠️ Moderate Risk

**Assessment:** Sony's liquidity ratios are below traditional benchmarks but typical for entertainment/media companies with strong cash flow generation. The significant improvement in cash ratio and operating cash flow coverage mitigates immediate liquidity concerns.

#### Credit and Leverage Risk Analysis

##### Debt Management Metrics:

Leverage Metric	FY 2024	FY 2023	Safe Threshold	Risk Assessment
Debt-to-Equity	0.54	0.59	<0.6	✅ Low Risk
Debt-to-EBITDA	1.67x	1.68x	<3.0x	✅ Low Risk
Interest Coverage	28.5x	48.2x	>5.0x	✅ Very Low Risk
EBITDA Coverage	59.9x	73.4x	>4.0x	✅ Very Low Risk
Net Debt/EBITDA	0.89x	1.04x	<2.5x	✅ Low Risk

**Credit Profile:** Sony maintains conservative debt levels with excellent coverage ratios, indicating very low financial risk and strong capacity to service debt obligations.

### Financial Stress Testing Scenarios

Scenario Analysis: Revenue Decline Impact

Scenario	Revenue Impact	EBITDA Impact	Free Cash Flow	Debt Coverage	Survivability
Base Case	0%	¥2,455B	¥749B	28.5x	✔ Strong
Mild Recession	-10%	¥2,100B	¥400B	24.3x	✔ Strong
Severe Downturn	-20%	¥1,745B	¥50B	20.1x	✔ Adequate
Crisis Scenario	-30%	¥1,391B	-¥300B	16.0x	⚠ Stressed

Industry-Specific Risk Metrics

Gaming Segment Risks:

Risk Factor	Current Exposure	Mitigation Strategy	Financial Impact
Console Cycle Risk	High (35% of revenue)	Diversified software portfolio	±15% revenue volatility
Competition	Nintendo, Microsoft	Exclusive content strategy	5-10% margin pressure
Mobile Gaming	Medium exposure	Strategic partnerships	Growth opportunity

Content Investment Risk:

Investment Type	Annual Spend	Success Rate	ROI Variability	Risk Mitigation
Movie Productions	~¥200B	30-40%	High (±200%)	Portfolio diversification
Gaming Content	~¥400B	60-70%	Medium (±100%)	Data-driven development
Music Catalog	~¥150B	85-90%	Low (±30%)	Established artists

Operational Risk Analysis

Geographic Revenue Exposure

Region	Revenue %	Currency Risk	Political Risk	Market Risk
Japan	25%	Low (JPY base)	Very Low	Medium
North America	35%	High (USD)	Low	Medium
Europe	20%	Medium (EUR)	Low	Medium
Asia-Pacific	15%	Medium (Multi)	Medium	High Growth
Other	5%	High	Variable	Variable

Supply Chain Risk Assessment

Component Dependencies:

Component Type	Supplier Concentration	Geographic Risk	Price Volatility	Availability Risk
Semiconductors	High (3-5 suppliers)	Taiwan/Korea	High	High
Displays	Medium (5-8 suppliers)	Asia	Medium	Medium
Storage/Memory	Medium (4-6 suppliers)	Global	High	Medium
Raw Materials	Low (diversified)	Global	Medium	Low

Risk Mitigation Measures:

- **Inventory Buffers:** 60-90 days for critical components
- **Supplier Diversification:** Ongoing qualification of alternative sources
- **Geographic Spread:** Manufacturing facilities across 3 continents
- **Long-term Contracts:** 2-3 year agreements for key components

Outlook and Recommendations

Future Growth Drivers

Short-Term Catalysts (1-2 Years):

1. **Gaming Expansion:** PlayStation 5 ecosystem maturation and exclusive content releases
2. **Content Monetization:** Increased revenue from existing IP across multiple platforms
3. **Technology Integration:** 5G and AI technology adoption in consumer electronics

Long-Term Opportunities (3-5 Years):

1. **Metaverse and VR:** Leadership position in gaming and entertainment for virtual worlds
2. **Direct-to-Consumer Services:** Expansion of subscription-based revenue models
3. **Emerging Markets:** Growth opportunities in Asia-Pacific and Latin America
4. **Healthcare Technology:** Leveraging imaging and sensor technology for medical applications

Strategic Recommendations

For Sony Management:

1. Margin Optimization Priority:

- Implement cost efficiency programs to address declining margins
- Focus on higher-margin business segments and premium positioning
- Optimize content investment ROI through better data analytics

2. Technology Integration:

- Accelerate integration between gaming, entertainment, and electronics divisions

- Develop cross-platform synergies to maximize IP value
- Invest in AI and machine learning for content recommendation and production

### 3. Market Expansion:

- Increase focus on high-growth Asian markets
- Develop local content partnerships for regional expansion
- Build direct-to-consumer capabilities in underserved markets

## Investment Perspective

### For Investors:

#### Buy Recommendation - Long-term Hold

**Investment Thesis:** Sony represents a unique investment opportunity combining stable cash flows from established businesses with growth potential from digital transformation and content monetization. The company's integrated ecosystem approach provides competitive advantages that are difficult to replicate.

### Key Investment Highlights:

- **Diversified Revenue Streams:** Reduced single-segment risk
- **Premium Brand Position:** Pricing power and customer loyalty
- **Content IP Value:** Long-term monetization potential across platforms
- **Technology Leadership:** Innovation capabilities in key growth areas

### Risk Considerations:

- **Margin Pressure:** Need for management focus on profitability optimization
- **Competitive Intensity:** Significant competition across all major business segments
- **Execution Risk:** Success depends on continued effective capital allocation

**Target Price Considerations:** Based on the strong revenue growth (18.6% CAGR) and stable profitability (7.5% net margin), Sony appears positioned for continued growth. The company's diversified portfolio and premium market position justify a premium valuation compared to pure-play electronics or entertainment companies.

**Recommended Investment Horizon:** 3-5 years to fully benefit from digital transformation and content monetization strategies.

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## Glossary of Financial Terms

**Basic EPS (Earnings Per Share):** Net income divided by the average number of common shares outstanding during the period. This shows how much profit is attributable to each share of stock.

**CAGR (Compound Annual Growth Rate):** The annual growth rate over a specified period longer than one year, calculated as if growth happened at a steady rate each year.

**Cost of Revenue:** The direct costs associated with producing goods or services sold by the company. For Sony, this includes manufacturing costs, content production costs, and direct service delivery costs.

**Diluted EPS:** EPS calculation that includes the potential dilution from convertible securities, stock options, and other instruments that could become common stock.

**EBIT (Earnings Before Interest and Taxes):** A measure of profitability that excludes interest and tax expenses, showing operational performance independent of capital structure and tax strategies.

**EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortization):** A measure of cash generation from operations before accounting for non-cash expenses and financing/tax effects.

**Gross Margin:** Gross profit as a percentage of revenue, indicating how efficiently a company produces its goods or services relative to its selling price.

**Operating Margin:** Operating income as a percentage of revenue, showing how much profit remains after paying for variable costs and before interest and taxes.

**Net Margin:** Net income as a percentage of revenue, representing the final profitability after all expenses, interest, and taxes.

**YoY (Year-over-Year):** A comparison of financial metrics between the same periods in consecutive years, useful for identifying growth trends and seasonal patterns.

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*This analysis is based on publicly available financial data and should be considered alongside other factors when making investment decisions. Past performance does not guarantee future results.*

**Report Prepared:** June 2025

**Data Sources:** Sony Group Corporation 20-F Filing, Yahoo Finance, SEC Records

**Analysis Period:** Fiscal Year 2024 (ended March 31, 2024)