Sony Group Corporation (SONY)

Updated February 21st, 2026, by Nathan Parsh

Key Metrics

Current Price:	$21.93	**5 Year Annual Expected Total Return:**	-0.4%	**Market Cap:**	$135 B
Fair Value Price:	$18.75	**5 Year Growth Estimate:**	2.0%	**Ex-Dividend Date:**	03/31/26[1]
% Fair Value:	117%	**5 Year Valuation Multiple Estimate:**	-3.1%	**Dividend Payment Date:**	06/09/26[2]
Dividend Yield:	0.7%	**5 Year Price Target**	$20.70	**Years Of Dividend Growth:**	6[3]
Dividend Risk Score:	C	**Sector:**	Consumer Discretionary	**Rating:**	Hold

Overview & Current Events

Sony Group Corp. is an electronics and technology company that was founded in 1946 and is headquartered in Japan. It designs and manufactures a wide range of electronics, including electronic equipment, instruments, devices, game consoles, and software, for both consumers and professionals. It has a wide variety of product segments, including video games, a movie studio, television programming, smartphones, televisions, cameras, and professional services. It also has a financial services arm which includes life and non-life insurance operations through its Japanese insurance and banking subsidiaries. The stock trades in the U.S. under the ticker symbol "Sony". The company employs approximately 113,000 people.

On October 1st, 2024, Sony completed its previously announced 5-for-1 stock split. All numbers in the table have been updated to reflect the split.

On October 1st, 2025, Sony completed its previously announced partial spin-off of Sony Financial Group Inc. (SFGYY).

On February 5th, 2026, Sony reported Q3 FY 2025 results for the period ending December 31st, 2025. All figures listed in U.S. dollars unless otherwise specified. For the quarter, revenue declined 18.1% to $23.7 billion, but this was $84 million more than expected. Adjusted earnings-per-share of $0.40 were down from $0.41 in the prior year, but beat estimates by $0.07.

In local currency, Games & Network Services, the largest component within Sony, declined 4% due to weaker unit sales. Music was up 13%, which was driven by gains in live events, merchandising, and streaming services. Pictures decreased 12% in USD due to lower revenue from theatrical releases. Entertainment, Technology & Services were down 7% due to lower sales in Displays. Imaging & Sensing Solutions grew 21% due to higher unit sales and an improvement in product mix. The company has a total share repurchase authorization of 55 million shares.

We expect that Sony will earn $1.25 per share in FY 2025, compared to $1.29, $1.20, and $1.19 previously.

Growth on a Per-Share Basis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
EPS	$0.21	$0.10	$0.71	$1.28	$0.85	$1.77	$1.26	$1.20	$1.09	$1.26	***$1.25***	***$1.38***
DPS	$0.02	$0.04	$0.04	$0.06	$0.07	$0.09	$0.11	$0.10	$0.11	$0.15	***$0.15***	***$0.17***
Shares[4]	6,305	6,315	6,325	6,350	6,350	6,350	6,350	6,175	6,205	6,150	***6,149***	***6,130***

As one can see in the above table, Sony has had difficulty maintaining consistent profitability over the past 10 years. This is due to the intensely competitive forces inherent in the consumer electronics industry. Sony has to spend billions on research and development, as well as advertising to stay ahead of the competition. Earnings were up significantly over the last decade, but down almost 7% annually over the last five years. We project 2% growth given that Sony has not yet

[1] Estimated ex-dividend date
[2] Estimated dividend payment date
[3] In local currency
[4] In millions

demonstrated longer-term consistency. Sony expects to distribute $0.15 of dividends per share last fiscal year at currency exchange rates.

Valuation Analysis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Now	2030
Avg. P/E	25.6	58.9	11.7	8.0	13.8	11.4	16.4	16.2	15.7	20.2	***17.5***	***15.0***
Avg. Yld.	0.3%	0.6%	0.5%	0.6%	0.6%	0.4%	0.5%	0.6%	0.7%	0.3%	***0.7%***	***0.8%***

Shares of Sony have declined 22% since our December 8th, 2025, report. Sony's stock valuation has been highly volatile over the past decade. Furthermore, in several years Sony posted a net loss, which meant that a price-to-earnings ratio could not be computed. As such, history does not lend itself to a fair judgment of value. We reaffirm our 2030 price-to-earnings ratio target of 15, up from 13 previously, to the stock as we are not willing to award the security a premium, or even average multiple. It is true that this view could be understated if earnings were to start growing from this point. However, given the recent past, we believe Sony needs to sustain growth over the medium-term to warrant a higher valuation. Using estimates for the fiscal year, the stock trades with a P/E of 17.5. If the stock reaches our target P/E over the next five years, then valuation would reduce annual returns by 3.1% through fiscal year 2030.

Sony pays a semi-annual dividend. The first dividend payment is paid in June, and the second installment is paid in December. It should be noted that buying shares of international stocks exposes investors to currency risk as well as dividend withholding taxes.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout	10%	40%	6%	5%	8%	5%	9%	8%	10%	12%	***12%***	***12%***

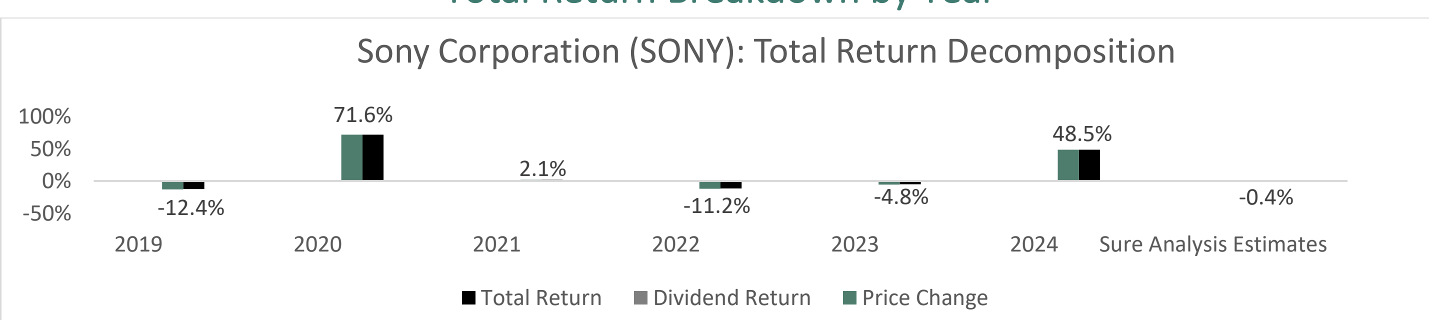
Sony struggled to post a profit not just during the last recession, but throughout the last decade. Significant improvements have been made as of late, with much higher earnings to show for it, but the company's businesses are finicky and require substantial R&D investment to stay ahead of changing trends in the tech industry.

Sony is one of the top companies in the entertainment space and produces top of the line products. For example, Sony's image sensor is considered to be ideal for creating high quality pictures. The company's image sensor has been used by leading smart phone manufacturers, including Apple (AAPL), which has used Sony's image sensor since the iPhone 4. Sony has also worked to create an ecosystem for its products, including its PlayStation segment, which offers a monthly subscription for consumers.

Final Thoughts & Recommendation

Sony Corporation is now expected to return -0.4% annually through fiscal year 2030, compared to our prior estimate of an annual return of -4.6%. Business results were generally lower in Q3 FY 2025, but we continue to rate shares as a hold due to projected returns and a mediocre dividend risk score.

Total Return Breakdown by Year



Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.

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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	67,739	70,467	77,138	78,319	75,770	84,847	88,291	80,981	90,045	84,992
Gross Profit	21,077	22,495	25,050	26,170	26,023	28,065	29,545	29,301	28,131	28,843
Gross Margin	31.1%	31.9%	32.5%	33.4%	34.3%	33.1%	33.5%	36.2%	31.2%	33.9%
SG&A Exp.	14,090	13,907	14,285	14,219	13,820	13,890	14,136	14,531	14,911	14,804
D&A Exp.	5,802	5,768	6,503	6,515	6,865	6,903	8,049	7,413	7,918	7,563
Operating Profit	3,407	5,012	6,831	7,910	7,840	9,032	9,906	9,341	8,084	9,221
Op. Margin	5.0%	7.1%	8.9%	10.1%	10.3%	10.6%	11.2%	11.5%	9.0%	10.8%
Net Profit	1,746	1,178	4,938	8,716	5,723	9,843	7,906	7,466	6,781	7,608
Net Margin	2.6%	1.7%	6.4%	11.1%	7.6%	11.6%	9.0%	9.2%	7.5%	9.0%
Free Cash Flow	4,006	5,146	9,761	9,109	9,513	1,881	(1,002)	5,865	17,276	16,390
Income Tax	789	1,146	1,369	407	1,630	(433)	2,039	1,939	1,993	2,059

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	148346	158490	179272	189561	213416	248940	251131	234083	225363	236012
Cash & Equivalents	17172	18052	25980	25248	31125	19900	19858	13594	15232	22968
Acc. Receivable	7595	8560	9523	9629	9290	12357	13417	13306	14260	12994
Inventories	6078	5751	6516	5902	5465	5762	7201	11030	10034	8765
Goodwill & Int.	10873	9932	9945	15237	15657	19726	22616	25553	26633	29617
Total Liab.	120481	130244	144891	149398	168978	188086	191833	184063	174115	179103
Accounts Payable	4902	4845	4406	4446	3527	14449	15186	14021	13644	14044
Long-Term Debt	7950	10765	12648	12184	17122	22270	27614	29082	27014	28074
Total Equity	21917	22411	27902	33847	38213	60456	58863	49580	50132	54699
LTD/E Ratio	0.36	0.48	0.45	0.36	0.45	0.37	0.47	0.59	0.54	0.51

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	1.2%	0.8%	2.9%	4.7%	2.8%	4.3%	3.2%	3.1%	3.0%	3.3%
Return on Equity	6.7%	4.2%	15.8%	23.4%	13.5%	18.7%	13.2%	13.7%	13.4%	14.1%
ROIC	4.2%	3.1%	11.5%	17.5%	10.0%	13.6%	9.3%	9.0%	8.6%	9.3%
Shares Out.	6,305	6,315	6,325	6,350	6,350	6,350	6,350	6,175	6,205	6,150
Revenue/Share	10.77	10.94	11.94	12.10	12.01	13.57	14.11	13.05	14.58	13.99
FCF/Share	0.64	0.80	1.51	1.41	1.51	0.30	(0.16)	0.95	2.80	2.70

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.