

Financial Services Investor Day  
Analyst and Investor Briefing Q&A (Summary)

Date: May 29, 2025 (Thu)

**Presenters:**

Sony Group Corporation

Senior Vice President, in charge of Finance and IR    Sadahiko Hayakawa

Sony Financial Group Inc.

President & CEO, Corporate Executive Officer    Toshihide Endo

Corporate Executive Officer    Takayuki Suzuki

Executive Officer    Takumi Sai

Sony Life Insurance Co., Ltd.

Senior Executive Officer    Nahoko Yamashita

**IMPORTANT: PLEASE READ THE FOLLOWING STATEMENT**

For your reference, below please find an English summary of the question and answer session at the analyst and investor briefing on the Financial Services Investor Day, which was conducted in Japanese.

This English summary, which is intended to replace the simultaneous translation of the question and answer session previously provided, is not intended to be a direct translation of the question and answer session. As a result, there may be some differences between this English summary and the simultaneous English interpretation provided at the question and answer session.

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**[Sony Life: Sales Strategy]**

**Q:** Regarding Sony Life's plan to increase the number of Lifeplanner sales specialists and agency supporters, how do you plan to increase the headcount while maintaining productivity amid fierce competition for human resources?

**A:** The current hiring momentum for Lifeplanner sales specialists is strong. People in the labor market are starting to gain a deeper understanding of the significance of Lifeplanner sales specialists as professionals who provide accompanying-style customer support, and we are attracting outstanding personnel from other industries. We conduct rigorous selection through a screening process with a ratio of approximately 30 to 1, and we believe that the planned increase to 7,000 Lifeplanner sales specialists by FY2030 is feasible.

The same applies to agency supporters. However, Sony Life's agency supporters are often poached by other companies due to their high quality. Going forward, we plan to increase the hiring of new graduates and expand the route for Lifeplanner sales specialists to transition into agency supporter

roles.

Because both Lifeplanner sales specialists and agency supporters are highly productive, we aim to achieve profit growth by increasing the headcount of both.

**[Sony Life: Financial Challenges]**

Q: Although there are plans to advance cash flow matching more than before, I believe the biggest issue is the burden of liabilities exceeding 40 years, for which no corresponding assets exist in the market. Will the replacement of yen-denominated bonds improve this issue?

A: You are correct that it may be difficult to improve cash flow matching as long as liabilities exceeding 40 years remain. However, we are limiting the sales share of whole life insurance in new policies, thereby curbing the increase of insurance liabilities exceeding 40 years. We believe that it is necessary to wait for the insurance liabilities exceeding 40 years to decrease over time. Other measures are as described on page 22 of the Explanatory Material (Sony Financial Group). We aim to gradually promote cash flow matching over a long time horizon.

Q: Regarding cancellation risk in life insurance, we believe the cancellation of dollar-denominated policies was more influenced by exchange rates than by yen interest rates. What is your view on the cancellation risk of yen-denominated policies going forward?

A: Sony Life's cancellation rate had remained very low at under 5% in the past, but it rose to nearly 7% in FY2022 to FY2023 and then decreased to 6% in FY2024. Currently, we believe this rise of cancellation rate was not due to changes in yen interest rates, but rather mainly due to cancellations of foreign currency-denominated policies caused by yen depreciation and cancellations of variable insurance policies due to stock price gains. In FY2022, we began an initiative to unbundle whole life insurance into separate protection and savings components and launched several major products, which we believe led a certain number of existing customers to switch to new policies. However, we expect the cancellation rate to remain around 6% as we continue the unbundling initiative. Although we have not yet seen any particular effects from yen interest rates, Sony Life is closely monitoring how policyholders may respond if interest rates continue to rise or remain high. Going forward, we plan to be mindful of cancellation risks when developing yen-denominated savings-type products.

Q: Regarding ESR, what are the details of the revisions made to the measurement methods for mass cancellation risks?

A: The stress scenario for mass cancellation risks (defined as 30% of policies cancelled at once), which is planned to be introduced under regulation, continues to be used by Sony Life and remains unchanged.

In a mass cancellation scenario, we refined the risk calculation methods by adding the cost of risks that cannot be hedged to the insurance liabilities, which are deductible items.

**[Sony FG: Management Figures]**

Q: Please tell us your outlook for the ROE level toward FY2030, and whether you can aim for the mid-10% range.

A: Our target for adjusted ROE is 10% or more, and we intend to make every effort to ensure that we achieve this goal. Given Sony FG's risk profile, in which insurance risk accounts for a higher proportion than market-related risk, we consider an adjusted ROE of 10% to be a level that exceeds the cost of capital.

We believe that Sony FG has the potential to significantly exceed 10% in terms of adjusted ROE in the mid- to long-term, but we would first like to focus on achieving 10% or more during the period of the current Mid-Range Plan.

**[Sony FG: Capital Policy]**

Q: Given that SGC's ownership of SFGI shares will be less than 20% after the planned 100 billion yen share buyback, does that mean SGC will sell additional shares of SFGI during the share buyback period?

A: SGC does not intend to sell additional shares of SFGI at this time. Because SGC's ownership would rise as a result of SFGI's planned 100 billion yen share buyback by the end of March FY2027, we plan to lower the ownership ratio in advance, so that it will remain less than 20% even after implementing the share buyback.

Q: The current increase in interest rates and the implementation of a planned 100 billion yen share buyback will put downward pressure on ESR. Is it correct to understand that even if ESR approaches the lower limit of the target level, which is 165%, the shareholder return policy will not be revised as long as ESR does not fall below 125%?

A: That is correct. Even if Sony FG consolidated ESR falls below 165%, [which is the lower limit of the target level,] we aim to maintain the shareholder return policy we have presented so long as ESR is 125% or more.

**[Sony FG: Intra-group Cooperation]**

Q: Regarding Sony FG intra-group cooperation, are there any technical or organizational constraints in integrating the core competencies of each company into Sony Life?

A: There are no particular technical or organizational constraints. However, because this is an unprecedented challenge, organizational cooperation will be necessary.

In addition, in order to maintain Sony FG's high productivity, integrating [the core competencies] into the physical sales channel of Lifeplanner sales specialists is essential. Sony Life generates profits through insurance sales, but we are encouraging them to act not as Sony Life's Lifeplanner sales specialists, but as Sony FG's Lifeplanner sales specialists, in order to provide more customer-oriented proposals. We aim to create a framework in which Lifeplanner sales specialists can offer not

just life insurance products and services, but a full range of Sony FG products and services to customers.

**[Sony FG: Collaboration with the Sony Group]**

Q: To strengthen collaboration with the Sony Group, are you thinking of a new monetization scheme, for example, linking Sony Group’s entertainment businesses and Sony Bank?

A: Page 58 of the Explanatory Material (Sony Financial Group) outlines the collaboration between Sony Bank and the Sony Group. As a unique exploratory initiative, we are considering deploying the BaaS (Banking-as-a-Service) function to Sony Group companies and issuing stablecoins for uses such as a means of payment for PlayStation users.

As a preliminary step, we received regulatory approval to incorporate an advanced banking service company in Japan on May 28, 2025. This will make it possible to provide Web3 consulting services to external parties, not only within the Sony Group.

In addition, regarding the issuance of stablecoins, we are considering collaboration with Sony Group businesses that have customer bases overseas through a U.S. trust subsidiary currently being established.

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**Cautionary Statement:**

Please be aware that, in the summary above, statements made 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. 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, you 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.

The continued impact of developments relating to the situations in Ukraine and Russia and in the Middle East, as well as the series of changes in U.S. tariff policy, could heighten the important risks and uncertainties. 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.