

Message from the CEO

We Aim to Become a Unique
Financial Services Company that Provides
Our Customers with Exceptional Value



Toshikide Endo

President & CEO, Representative Director

One year has now passed since I was appointed President & CEO of Sony Financial Group Inc. (SFGI) in June 2023. Since taking office as President, I have focused on developing ambidextrous management, which involves both “Exploitation” and “Exploration,” in order to create an organization that can accurately grasp social and economic changes and face customers head-on. In the new Mid-Range Plan (FY2024 - FY2026), which I describe below, we will aim for sustainable increases in corporate value through “Exploitation,” meaning the growth of existing businesses, and “Exploration,” that is, cross-group initiatives for further growth.

Toward Listing

This year is an important one for us as we make concrete preparations for the partial spin-off by Sony Group Corporation around October 2025 and the listing of SFGI on the stock exchange.

In order to go public, we recognize that we must first earn the trust of our shareholders, investors, and various other stakeholders, and establish ourselves as a company worthy of their ongoing support. Therefore, we will focus on generating stable cash flow during the period covered by the new Mid-Range Plan, with the goal of achieving adjusted net income of ¥120 billion and adjusted ROE of 10% or higher on an IFRS 17 basis in FY2026, the final year of the plan. This is motivated by the recognition that it is imperative to achieve a level of profit that exceeds the cost of capital as a listed company.

P7 Numerical Management Targets of Mid-Range Plan

“Exploitation” in the New Mid-Range Plan Based on the Previous Mid-Range Plan

In order to achieve these goals, the following measures and focus areas will be implemented for the growth of existing businesses of Sony Life, Sony Assurance, and Sony Bank with regard to “Exploitation,” which is one of the strategies in the new Mid-Range Plan.

Sony Life has two main strategies. The first is to improve sales productivity. Productivity per Lifeplanner sales specialist nearly doubled during the period covered by the previous Mid-Range Plan due to the use of the GLiP advanced consulting system, enhancement of product lineups, including the SOVANI variable annuities for individuals, and further promotion of corporate sales. In addition, Sony Life’s overall new policy amount for corporate clients increased significantly, by a factor of approximately 3.7. The growth in the corporate segment was due in large part to the use of Biz-Plan, a comprehensive consulting tool for corporate clients, particularly small and medium-sized companies, and to the growth of the agency channel through the implementation of the Sales Optimization Project. The Sales Optimization Project is an initiative led by Sony Life’s headquarters to visualize and standardize the sales activities of Sony Life’s sales representatives for agencies (agency supporters), analyze the behavioral characteristics of agencies and agents, and utilize the results in building a cycle for improving sales activities. Under the new Mid-Range Plan, we plan to strengthen support for top-tier Lifeplanner sales specialists and agency supporters, and create an environment that allows them to focus on high-value-added work.

The second strategy is the expansion of customer segments. In the corporate sector, which grew remarkably during the period covered by the previous Mid-Range Plan, we will strengthen the areas of business succession and employee benefits, while expanding insurance coverage to individual business owners. In addition to the family segment, which has traditionally been Sony Life’s core segment, we will also work to enhance services and products for seniors while improving senior life-planning services by utilizing AI.

P8 Life Insurance Business

Next is Sony Assurance. In FY2023, the number of policies, mainly auto and fire insurance, continued to grow steadily during the period covered by the previous Mid-Range Plan, although adjusted net income declined due to a higher loss ratio resulting from the recovery in traffic volume. In addition, the high brand recognition derived from the Sony brand and quality non-life insurance services earned the company high customer satisfaction ratings. Furthermore, through the use of AI, we also made advances in providing the GOOD DRIVE smartphone app, which enables the measurement of driving characteristics, and marketing sophistication centered on a customer data platform.

Under the new Mid-Range Plan, in the area of auto insurance, we will improve customer convenience by introducing a new service that handles contracts and accident responses at a single point of contact. As for fire insurance, we plan to provide appealing coverage through pricing on a street level using the hazard map, as well as utilizing the know-how about marketing cultivated by our auto insurance business.

P10 Non-Life Insurance Business

Regarding Sony Bank, our mainstay mortgage loan business continues to perform well, with the balance of mortgage loans having grown to over ¥3.4 trillion in FY2023. Mortgage loans are promoted mainly through the partner and agency channels, and the default rate has remained low. In the foreign currency business, another core business, the balance of foreign currency deposits reached a record high during the period covered by the previous Mid-Range Plan, thanks to the successful promotion of foreign currency deposits in response to the booming foreign exchange market.

In the new Mid-Range Plan, we intend to further enhance Sony Bank's products and services, focusing on its growth engines, the mortgage business and foreign currency business, while capturing changes in customer needs and interest rate environment. We also intend to focus on expanding our new customer base by creating new touchpoints originating in a variety of communities, including entertainment, in addition to creating touchpoints originating from customer life events.

P12 Banking Business

“Exploration” for New Growth

With regard to the other set of strategies in the Mid-Range Plan, “Exploration,” meaning cross-group initiatives for further growth, SFG has identified the expansion of customer segments as the core of its growth strategy. Specifically, in addition to families, which is the current main segment, we will aim to expand the range of customer segments by reaching out to younger generations as a potential customer base for the future, the mass affluent, mainly business owners with broad and unique needs, and both pre-seniors and seniors through the life stage transitions of families. Efforts to target each of these customer segments are described from page 10 onwards, but in each case we will adopt the most appropriate approach and seek to incorporate them into the SFG customer base with a view to contributing to earnings in the future. Collaboration with the Sony Group is also key to these efforts. We aim to create a seamless customer experience from non-financial to financial domains through inter-business collaboration, focused mainly on entertainment, leveraging Sony's strengths of brand and technology.

The strategies of the new Mid-Range plan all rest on a foundation of governance and sustainability. SFGI also plans to transition to a company with a nominating committee, etc., as our management system in the current fiscal year, thereby strengthening our management foundation from a governance perspective. With regard to sustainability, SFG will work as one to push forward initiatives that contribute to addressing social and environmental issues, as it strives to achieve the Group's targets for ESG investments and loans as well as GHG emissions reductions set this fiscal year, while pursuing what is known as impact investment.

P6 Extension of customer segments and strengthen collaboration with the Sony Group

SFG's Core Concept and Objective

With a view to 2030, which lies beyond the period covered by the new Mid-Range Plan, SFG will accelerate investment in growth and take on the challenges of developing new markets and creating new financial services.

As a premise for this growth strategy, we have established SFG's objective. The core concept of the objective is “Kando for Life,” which we take to mean a foundation for our customers to live their own lives filled with emotion, followed by “Health for Life,” to live with energy and vibrance, and finally “Asset for Life,” meaning to live with financial well-being. Motivated by these three “for Life” concepts, SFG aims to be a company that continues to support its customers by staying close to people and using the power of technology.

P5 Progress of the Mid-Range Plan

Robust Financial Base and Proactive Shareholder Return Policy

Listing on the stock exchange after the partial spin-off is a great opportunity for SFG to grow and evolve, but in addition to a unique growth strategy, it is essential to have a robust financial base. As a result of Sony Life having ensured an asset and liability management (ALM) strategy that had been based on a conservative policy in order to maintain an appropriate level of soundness, the duration gap of assets and liabilities had been almost eliminated. However, with the recent rise in interest rates, the duration gap has re-emerged, and the SFG consolidated ESR (ratio of equity to the amount of risk based on economic value) fell to 198% at the end of FY2023. While we remain within our target level, we recognize that the high sensitivity to interest rates is a metric that needs to be urgently improved. We will continue our efforts at Sony Life to reduce ESR sensitivity by transforming our product portfolio, utilizing reinsurance in new and existing policies, and promoting sophisticated hedging.

SFG's capital policy is to aim for stable growth in profits and shareholder returns by achieving both profitability and soundness through cyclical enterprise risk management (ERM). To achieve this, the holding company will optimize capital distribution for SFG as a whole. After listing, the policy will be to allocate approximately 40-50% of adjusted net income to dividends, aiming for a stable increase in the dividend per share.

The remaining 50-60% of adjusted net income, excluding dividends, will be used for investment aimed at growth while ensuring financial soundness. At present, we have not decided on the allocation of funds by business segment, but intend to consider on a case-by-case basis any projects that contribute to growth. Investment areas include system investment, human resources investment, expansion of products and sales channels, and alliances with companies that share the same direction; going forward, we will also consider investment for new growth, such as M&A and overseas projects.

Toward the “Second Founding” of SFG

This fiscal year represents a pivotal moment for us as it is not only the time for the start of our new Mid-Range Plan, but also in which we will push forward to achieve our “second founding” before our partial spin-off and listing in October 2025. I am committed to SFG becoming a unique financial services company that provides our customers with exceptional value, and is truly appreciated by shareholders as well as wide range of stakeholders.

I would like to express my sincere appreciation for your continuing support.



FY2024-2026 Sony Financial Group Mid-Range Plan

In the new Mid-Range Plan, the Sony Financial Group, by backcasting from its vision for FY2030, formulated strategies based on the concepts of “Exploitation” and “Exploration” within an ambidextrous management approach. SFG aims for sustainable increases in corporate value through both “Exploitation,” the growth of existing businesses, and “Exploration,” the cross-group initiatives for further growth.

Sony Financial Group Core Concept

In formulating the Mid-Range Plan starting in FY2024, SFG has taken its core concepts “Kando for Life” to mean a foundation for our customers to live their own lives filled with emotion, in addition to “Health for Life” and “Asset for Life,” in order to support our customers who live true to themselves in the era of the 100-year lifespan.

SFG’s objective illustrates how the Group will support its customers through “Kando for Life,” “Asset for Life” and “Health for Life.” SFG will continue to support its customers in living true to themselves by staying close to people and using the power of technology.

SFG Core Concept

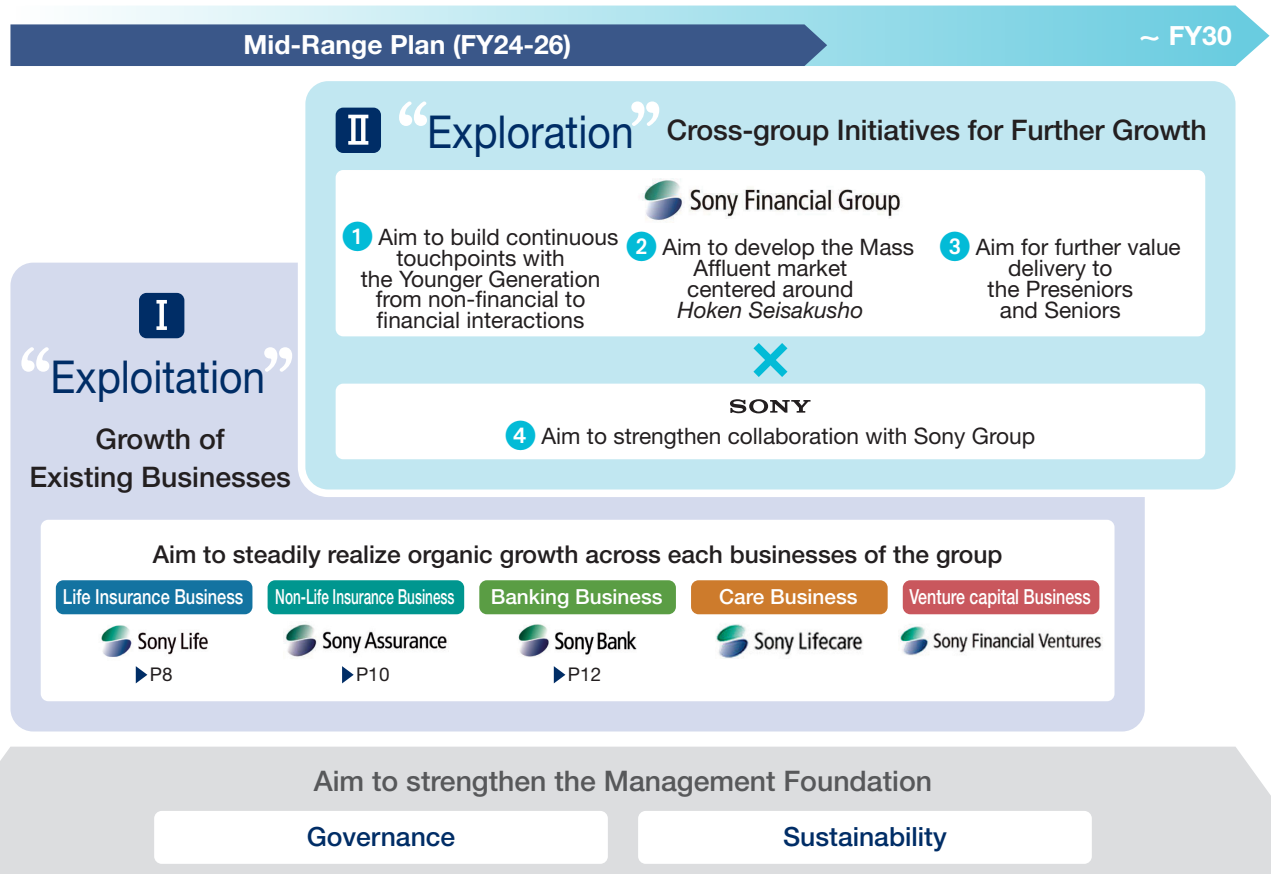
In the era of
the 100-year lifespan,
Live True to Yourself



SFG Objective



Overall Growth Strategy of Mid-Range Plan



I “Exploitation” Sustainable organic growth of existing businesses

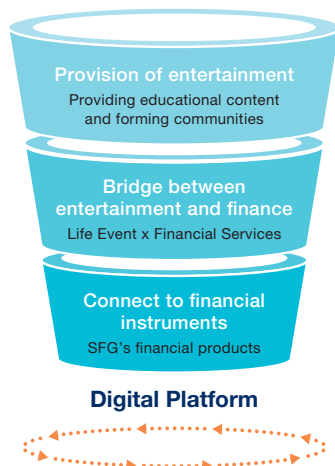
With respect to “Exploitation,” SFG will steadily realize sustainable growth of each of the Group’s businesses. Sony Life will enhance its competitive advantages in both the Lifeplanner and agency channels to maintain a high level of performance even in a changing business environment. Sony Assurance will continue to grow its top line, particularly in auto and fire insurance, by offering appealing products and services and developing promotions tailored to target demographics. Meanwhile, Sony Bank aims to achieve steady profit growth by growing its top line, focusing on its growth engines, the mortgage loan business and foreign currency business, while controlling the expense ratio. **P8~13**

II “Exploration” Extension of customer segments and strengthen collaboration with the Sony Group

“Exploration” has been positioned as an area that should be promoted by the Group as a whole. The central initiatives in the area of “Exploration” are “expanding our customer base” and “collaborating with the Sony Group.” Regarding expanding the customer base, more specifically, in addition to families, which is the current main segment, SFG will work to reach younger generations, the mass affluent (business owners), and both pre-seniors and seniors. **P8~13**

1 Younger Generation

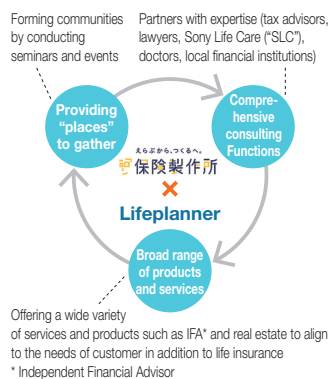
Non-financial contacts with Younger Generation utilizing Sony technology



2 Mass Affluent

By expanding *Hoken Seisakusho* with unprecedented functions and roles, we align to the specific needs of customer with Mass Affluent (including wealth management) and acquire new customers

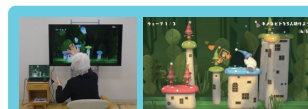
Regional Eco System



3 Pre-seniors and Seniors

Promoting product development and service provision in line with the needs of Pre-seniors and Seniors of 50s and up, aiming not only to acquire new customers, but also to retain Families

Senior Life Planning×GLiP New products and services for Pre-seniors and Seniors



Rehabilitation support under the concept of “Fun”

Second career support for motivation in life

Real estate brokerage and inheritance support tailored to relocation needs

4 Strengthen collaboration with the Sony Group

Aim to further strengthen group collaboration through Brand and Technology

Aim to create a seamless customer experience from non-financial to financial by inter-business collaboration mainly on entertainment

Brand

- Continue to use the Sony brand after partial spin-off
- In addition, aim to further expand brand value through business collaboration with the Sony Group
- Strengthen brands and cultivate a sense of unity of each SFG company by using entertainment and IP

Technology

- Increase personalized value for customers by utilizing Sony Group’s technology
 - AI-based Assistant lifeplanner sales specialist
 - Entertainment x Digital Bank (web3 wallet, Security Token, Non-Fungible Token)
 - Efficiency improvement of nursing care operations using data analysis technology

Overview of FY2024-2026 Sony Financial Group Mid-Range Plan

Numerical Management Targets of Mid-Range Plan

As targets for FY2026, the final year of the Mid-Range Plan, SFG aims to achieve adjusted net income of ¥120 billion and adjusted ROE of 10% or higher on an IFRS 17 basis.

SFGI intends to apply Japanese GAAP at the time of its scheduled listing in October 2025, but plans to transition to IFRS in FY2026. This is because IFRS is a more consistent way of presenting the timeline of business and profit growth in insurance, which is SFG's main business, and because it is an accounting standard that can be regarded as a global standard.

KPI Targets for FY2026

Adjusted Net Income (IFRS) ^{*1}	FY2023 Result	FY2026 Target
SFG Consolidated	¥89.4 billion	¥120 billion
Sony Life	¥70.5 billion	¥98.0 billion
Sony Assurance	¥6.8 billion	¥9.0 billion
Sony Bank	¥11.4 billion	¥12.0 billion

Adjusted ROE (IFRS) ^{*2}		
SFG Consolidated	8.1 %	10.0 % or higher

^{*1} Net income – Adjustments for each entity^{*}

^{*} Adjustments for each entity (all after tax)

Sony Life: (1) Investment income (net) related to variable insurance¹ and foreign currency translation differences (excluding the equivalent of hedge costs²), (2) Unrealized gains/losses related to variable insurance within insurance finance expenses (income)³ and foreign currency translation differences, (3) Gains/losses on sales of securities, (4) Other one-time gains/losses

Note 1: Investment income (net) related to variable insurance is financial assets measured at FVPL, associated with variable life insurance and individual variable annuity contracts.

Note 2: Transaction fees and margin costs required to maintain hedge positions. Includes current accrued interest from bonds designated as measured at fair value through net profits/losses (FVO designated) based on the interest rate at the beginning of the period.

Note 3: Effect of changes in the value of underlying items of variable life insurance and individual variable annuity contracts and changes in interest rates and other financial risks.

SFGI, Sony Assurance, Sony Bank, other entities: One-time gains/losses

^{*2} Adjusted net income / net assets^{*}

^{*} Net assets as the denominator is the quarterly average net asset during the fiscal year: (beginning of the period balance + end of four quarters balances) / 5

KPI Targets for Group Companies

		FY2023 Result	FY2026 Target
Sony Life	IFRS New Business Value ^{*1}	¥261.8 billion	Approx. ¥260.0 billion
	IFRS Comprehensive Equity ^{*2}	¥2.3 trillion	¥2.9 trillion
Sony Assurance	Direct Premiums Written	¥154.7 billion	¥185.0 billion
	Combined Ratio ^{*3}	87.5 % (loss ratio of 61.0% + expense ratio of 26.5%)	88.5 % (loss ratio of 61.6% + expense ratio of 26.9%)
Sony Bank	Mortgage Loan Balance	¥3.4 trillion	¥4.6 trillion
	Foreign Currency Deposit Balance	¥614.7 billion	¥760.0 billion
	Number of Accounts	1.93 million accounts	2.36 million accounts

^{*1} Post-tax IFRS NBV is calculated as the total of new business CSM and new business loss component, using Sony Life's effective tax rate.

^{*2} IFRS comprehensive equity is calculated as the total of the IFRS shareholders' equity and post-tax CSM.

^{*3} Combined ratio is calculated as the total of the net loss ratio and net expense ratio.

Life Insurance Business



Vision

- We will be there for our customers as a lifelong companion, protecting their fulfilling lives so that each and every one of them can realize their own “purpose in life” and continue living true to themselves in the era of the 100-year lifespan

Overview

- Main products: Death protection insurance (term life insurance, USD-denominated insurance, variable life insurance), living benefits insurance, medical insurance, educational endowment insurance, annuities, and corporate insurance
- Main sales channels: Lifeplanner sales specialists (sales representatives), partners (agencies)

Strengths

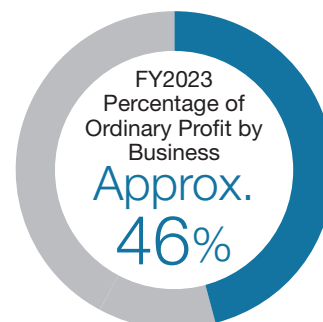
- Providing and maintaining long-term asset building and reasonable protection based on “Total Life Planning” that supports the realization of each customer’s goals
- Business operations with high customer satisfaction
- Ensuring financial soundness through ALM tailored to the debt characteristics of our liabilities

Risks

- Shrinking domestic insurance market, shrinking family segment

Opportunities

- Increased need for new protection, asset building, etc.



* Percentage excludes nursing care, venture capital businesses, and elimination of inter-business transactions

Value Creation

Providing a safe and secure lifestyle

- Supporting realization of life plans and goals by customers through high-quality consulting sales and consulting follow-up by Lifeplanner sales specialists

Contributing to a healthy and long-lived society

- Providing insurance products for long-term asset building and reasonable protection in the era of the 100-year lifespan
- Supporting customers’ health by providing health and medical information and services, etc.

Review of FY2023 Results

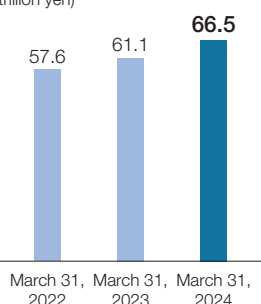
In the Lifeplanner channel, Sony Life worked to enhance its consulting sales and follow-up services, including rigorous recruitment and extensive training, and promote the GLiP life plan analysis system, as well as the “Total Life Planning” service, which helps customers build long-term assets and secure reasonable protection. In the agency channel, it endeavored to further strengthen its consulting capabilities through efforts such as expanding support tailored to the characteristics of its partners.

Although ordinary profit for FY2023 was significantly lower than the previous fiscal year due to market conditions, with regard to new policies, solid increases are evident in both annualized premiums from new policies and new business value, resulting in steady top line growth.

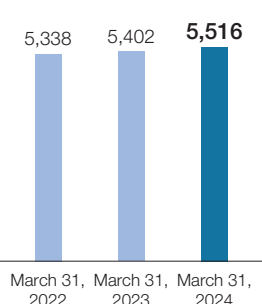
Changes in Key Indicators

Amount of Policies in Force (Non-consolidated)¹

(trillion yen)

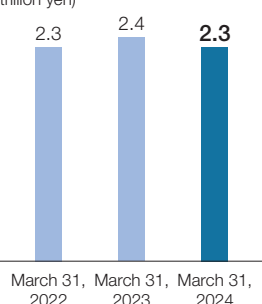


Number of Lifeplanner sales specialists



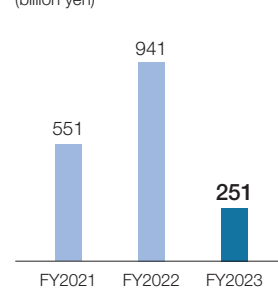
IFRS Comprehensive Equity (Non-consolidated)²

(trillion yen)



Ordinary Profit (Consolidated)

(billion yen)



*1 The total of individual life insurance and individual annuities

*2 The total of the IFRS shareholders’ equity and post-tax CSM

Initiatives Aimed at Growth in the Mid-Range Plan

To maintain the high level of performance achieved in the previous Mid-Range Plan in spite of changes in the external environment, Sony Life will enhance its efforts in the Lifeplanner and agency channels, and expand its customer segments by responding to diverse needs.

In addition, it will continue to work on stabilizing profits and strengthening profitability in order to achieve sustainable growth, based on the premise of ensuring sufficient soundness as an insurance business.

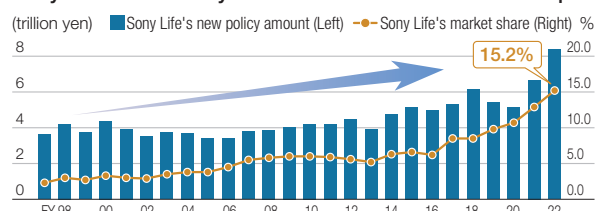
■ Enhancement of Sales Productivity by Strengthening Lifeplanner and Agency Channels

Sony Life's new policy amount and industry share have steadily increased as a result of concentrated efforts under the previous Mid-Range Plan, such as improving the productivity of Lifeplanner sales specialists and strengthening corporate sales.

In particular, the new policy amount for corporate customers in the agency channel achieved remarkable growth of more than five times compared to FY2019.

Under the current Mid-Range Plan, Sony Life will continue to create an environment in which top-tier Lifeplanner sales specialists and agency supporters are able to dedicate themselves to higher value-added activities through measures such as strengthening recruitment and training of Lifeplanner sales specialists and agency supporters, as well as improving administrative efficiency through utilizing digital transformation.

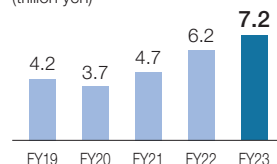
Sony Life's New Policy Amount^{*1} and Market Share^{*2} in Japan



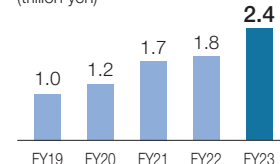
^{*1} Total of individual life insurance and individual annuities published by Japan Institute for Insurance Research

^{*2} Market share is calculated by dividing Sony Life's new policy amount by the total new policy amount in the industry

New Policy Amount by LP Channel (trillion yen)



New Policy Amount by Agency Channel (trillion yen)



■ Customer Segment Expansion

In addition to families, which have traditionally been the core segment, Sony Life will expand its value offering to corporate customers and seniors.

For corporate customers, in addition to providing business security, it will strengthen offerings of products and services in the areas of business succession and employee benefits, while also strengthening its approach to individual business owners.

For seniors, it will work to advance senior life planning utilizing AI, and enhance products and services meeting the needs of seniors.

■ Strengthening of Financial Base to Support Sustainable Growth

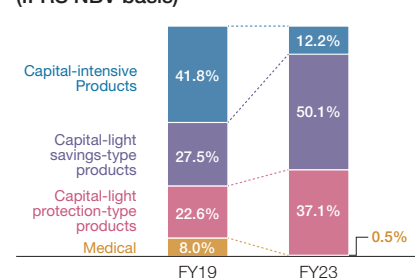
To maintain soundness, stabilize profits, and enhance profitability, Sony Life will strengthen its financial base by managing risk and return through a combination of sales, product development, and asset management.

Regarding the product mix, under the previous Mid-Range Plan Sony Life shifted focus from sales of capital-intensive products, such as whole life insurance, to sales of less capital-intensive savings-type insurance and protection-type insurance. As a result, the product mix has been transformed to focus on products that are able to achieve high capital efficiency for new policies in FY2023.

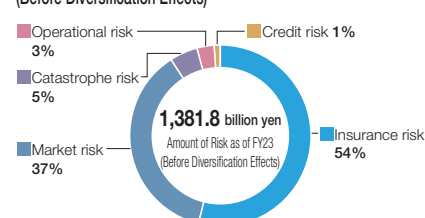
With regard to asset management, as a result of thoroughly implementing its ALM strategy the company had almost eliminated the duration gap, but with the recent rise in interest rates, it has re-emerged. Going forward, Sony Life will strive for a more advanced ALM strategy to build a flexible asset management portfolio that can withstand such interest rate volatility.

In addition, the recent rise in interest rates has gradually increased the proportion of market risk, and the company will strive to maintain a low level of market risk through the use of reinsurance and more sophisticated hedging instruments.

Product Mix (IFRS NBV basis)



Sony Life | Non-consolidated Economic Value-based Risk Profile (Before Diversification Effects)



Non-Life Insurance Business



Vision

- We will contribute to the realization of a society in which each and every person can live prosperously by taking on the challenge of creating “differences” that are valuable to our customers and by delivering peace of mind and *Kando* to them

Overview

- Direct insurer for individuals
- Main products: auto insurance, fire insurance, medical insurance, overseas travel insurance
- Main sales channel: Internet

Strengths

- Reasonable insurance premiums according to each customer's risk
- High-quality service in accident response, customer center, website, etc.
- Advanced marketing capabilities

Risks

- Increase in loss ratio and reinsurance premiums due to more frequent and severe natural disasters

Opportunities

- Heightened need for insurance against natural disasters
- Heightened need for e-commerce

Value Creation

Providing a safe and secure lifestyle

- Contribution to the realization of a safe society with fewer traffic accidents through the use of advanced technology
- Contribution to safe and secure homes

Contribution to a healthy and long-lived society

- Providing protection that meets customer needs through the medical insurance business

Improved lifestyle convenience

- Developing new products in response to social changes such as automated driving and Mobility as a Service (MaaS)

FY2023
Percentage of
Ordinary Profit by
Business

Approx.
12%

* Percentage excludes nursing care, venture capital businesses, and elimination of inter-business transactions

Review of FY2023 Results

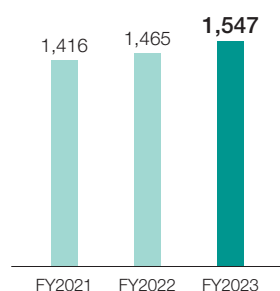
Sony Assurance has promoted customer-oriented efforts, such as improving accident resolution services and the quality of operator response during policy processing services, and received the industry's highest level of customer satisfaction ratings again this fiscal year from various external rating agencies.

In addition, the company has steadily continued to grow its business as a result of efforts to expand the scope of policies underwritten through its website for auto insurance and to improve price competitiveness in fire insurance.

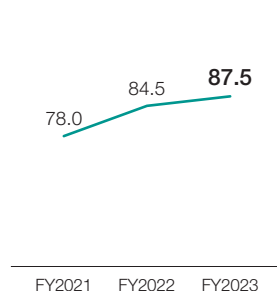
The combined ratio has been on an upward trend due to an increase in the number of automobile accidents resulting from a recovery in traffic volume, as well as a deterioration in the loss ratio caused by factors such as an increase in the unit cost of claims paid and the occurrence of natural disasters, but it remains low compared to competitors.

Changes in Key Indicators

Direct premiums written
(billion yen)

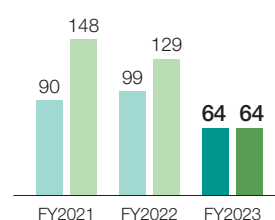


Combined Ratio^{*1}
%



Ordinary profit/
Adjusted ordinary profit^{*2}

■ : Ordinary profit (billion yen)
■ : Adjusted ordinary profit (billion yen)



*1 Combined Ratio = Net loss ratio + Net expense ratio

*2 Adjusted ordinary profit = Ordinary profit + Provision for catastrophe reserve

Initiatives Aimed at Growth in the Mid-Range Plan

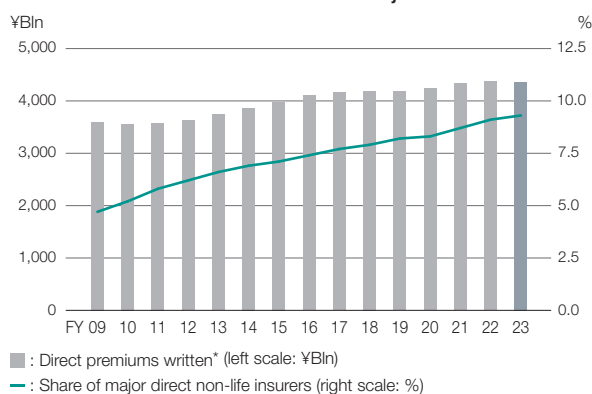
Sony Assurance will continue to grow its top line by focusing on its main lines of auto insurance and fire insurance. In addition, the company aims to improve profitability by appropriately addressing the rising loss ratio in auto insurance. Furthermore, along with the enhancement of high-quality services that can only be provided by people with a thorough customer perspective, the company will accelerate efforts to maximize customer value through the use of advanced technology and establish a brand of trust.

Auto Insurance

Even as the direct auto insurance market itself has grown, Sony Assurance has increased its share and established an unwavering No.1 position while driving growth of the market as a whole.

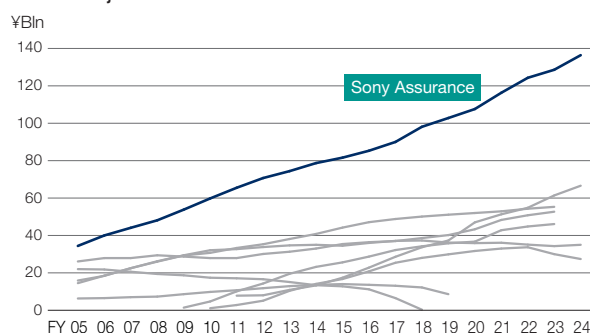
Under the current Mid-Range Plan, the company will further develop potential customers by delivering “valuable differences” for customers through the enhancement of its products and the evolution of various services. In addition, as part of preparations for responding to automotive technological innovation, it will also move forward with consideration aimed at the development of connected-car insurance.

Auto Insurance Market and Share of Major Direct Insurers



* Total of all non-life insurers, indicating auto insurance market
 (Note) Graph prepared by Sony Assurance mainly based on publicly available data from each company
 Year ended on March 31

Trend in Major Direct Insurers' Auto Insurance Direct Premiums Written

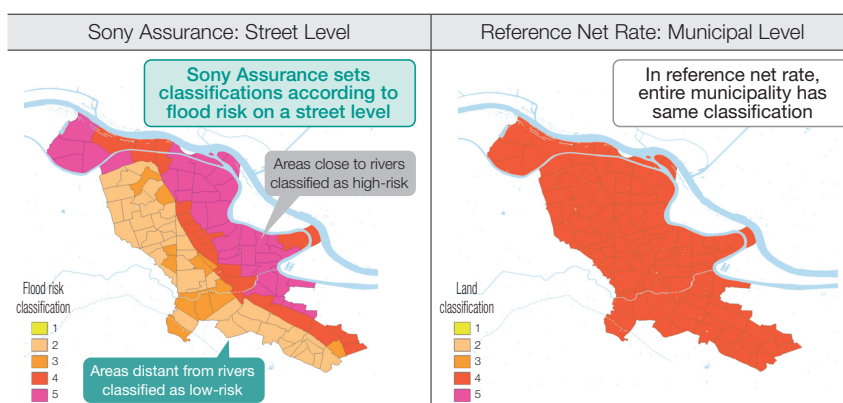


(Note) Graph prepared by Sony Assurance based on publicly available data from each company
 Year ended on March 31
 For FY2023, figures published by June 24, 2024 given

Fire Insurance

The company will differentiate itself from competitors by leveraging marketing know-how developed in auto insurance, such as efficient direct advertising and a simplified web application process, and by increasing the appeal of products through pricing on a street level using hazard maps.

Flood Risk Assessment



Expansion of Customer Base

In addition to the growth of its main lines of auto and fire insurance, Sony Assurance will also work to expand its customer base by considering and promoting diversification of product lines, including pet insurance.

Banking Business

Vision

- We aim to be a bank that contributes to providing inspiration to people to live true to themselves, while expanding the potential of each and every one of them

Overview

- Specialized Internet bank for individuals
- Main products handled: Mortgage loans that allow flexible change of interest rate type and early repayment
Foreign currency deposits with appealing exchange costs
Sony Bank WALLET, a cash card with Visa debit supporting 11 currencies
- Main sales channels: Internet, CONSULTING PLAZA, banking agencies

Strengths

- Safe, secure, and highly convenient services that take advantage of the characteristics of Internet banking
- Extensive lineup of high-quality products
- Business operations with high customer satisfaction

Risks

- Contraction of the domestic mortgage loan market
- Decline in foreign interest rates

Opportunities

- Increased needs for asset management products and services
- Rising domestic interest rates

Value Creation

Providing a safe and secure lifestyle

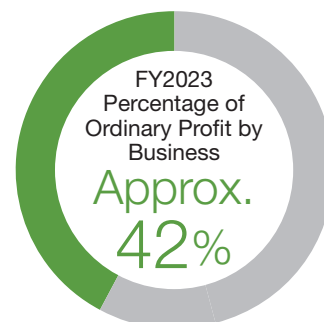
- Support for home purchases through the attentive services of dedicated loan advisors

Contribution to a healthy and long-lived society

- Supporting medium- to long-term asset building and asset management by leveraging Sony Group's technologies, providing seminars and individual consultations, and utilizing data

Improved lifestyle convenience

- Further improvement of financial transaction convenience, including provision of seamless payment methods regardless of currency through Sony Bank WALLET, and contactless and mobile payment capabilities



* Percentage excludes nursing care, venture capital businesses, and elimination of inter-business transactions

Review of FY2023 Results

In order to meet the diverse needs of its customers, Sony Bank has expanded the range of its business partners, while at the same time working to enhance its products and services and improve convenience.

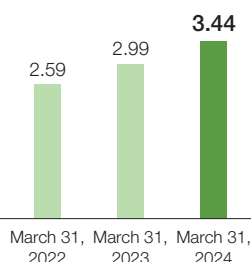
As new asset management products, the company began offering ALTERNA, Mitsui & Co.'s digital securities provided by Mitsui & Co. Digital Asset Management, Ltd., in June 2023, and became the first Japanese bank to offer digital securities utilizing blockchain technology in July.

Sony Bank has also been strengthening its ties with other Sony Group companies, such as beginning a collaboration program with the Sony Music Group in August.

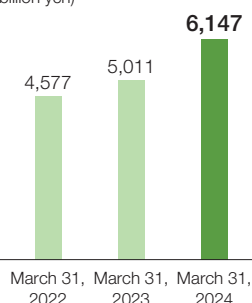
There has been a steady increase in the mortgage loan balance, and the foreign currency business increased revenues due to successful asset management in response to rising interest rates, resulting in a steady growth in earnings.

Changes in Key Indicators

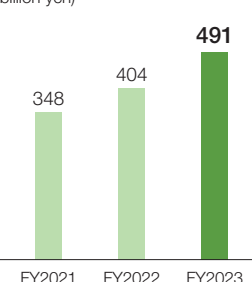
Mortgage Loan Balance
(trillion yen)



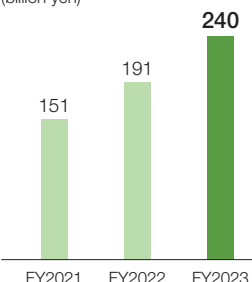
Foreign Currency Deposit Balance
(billion yen)



Gross operating profit
(billion yen)



Ordinary profit
(billion yen)



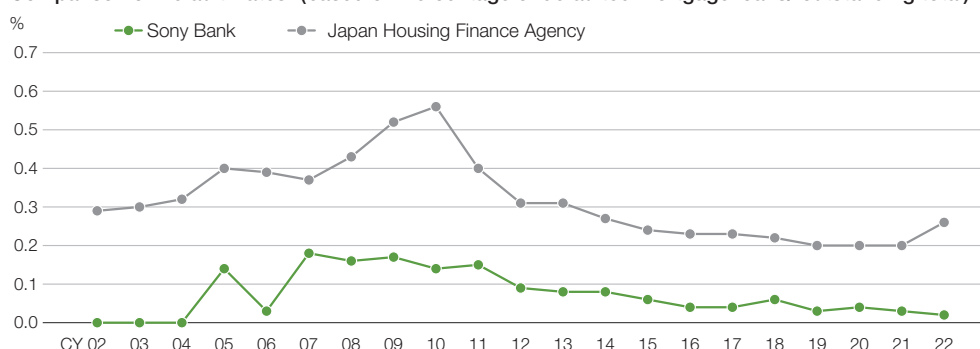
Initiatives Aimed at Growth in the Mid-Range Plan

Sony Bank aims to achieve steady profit growth by improving its top line, focusing on the company's mainstay mortgage loan and foreign currency businesses, while appropriately controlling expenses. In addition to pursuing improvements in convenience and the quality of products and services, it also aims to expand its customer base and lifetime value (LTV) through efforts to create new value via collaboration with the Sony Group and other means.

Mortgage Loans

Support for home purchases is provided through the attentive services of dedicated loan advisors. In order to meet housing needs that are diversifying in line with changes in work styles and lifestyles, Sony Bank aims to further improve customer satisfaction and enhance its business structure by strengthening cooperation with partners and agencies, offering new products and services, and improving the screening process through the use of technology.

Comparison of Default Rates* (based on Percentage of defaulted mortgage loans/ outstanding total)



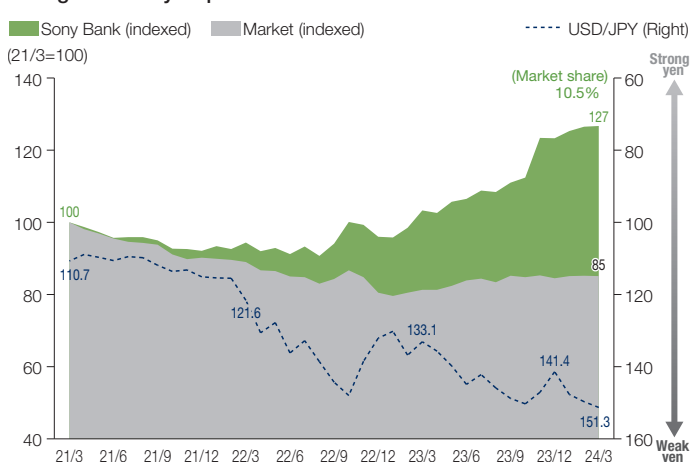
* Uses data from the Japan Housing Finance Agency, including Flat 35, as a benchmark

Foreign Currency

The foreign currency balance is increasing steadily due to the convenience of the Sony Bank WALLET app, the superiority of Sony Bank's foreign exchange costs, and marketing activities that take into account the interest rate environment.

Going forward, the company aims to further enhance its competitiveness by shoring up the positioning of Sony Bank as a "Foreign Currency Business" through branding, convenience, and product appeal, reinforcement of banking agency services, and partnerships with companies in other industries with high actual demands for foreign currency.

Foreign Currency Deposit Balance Trend*



* Describes the balance of personal funds in domestic banks (excluding other financial institutions and self-employed individuals) as overall industry market size, with the balance of Sony Bank indexed to 100 as of March 2021

Expansion of Customer Base

In addition to providing products and services that cater to customers' life events such as advancing to higher education, employment, marriage, childbirth, home purchase and retirement, the company will create new products and services that contribute to the expansion of *Kando* experiences through collaboration with the Sony Group's entertainment business.

By cultivating multiple touchpoints with customers, Sony Bank will contribute to expanding the customer base of SFG as a group.