Annual Securities Report
for New Listing Application

(Part I)

Sony Financial Group Inc.

Cover

Submitted document	Annual securities report for new listing application (Part I)
Submitted to	Tokyo Stock Exchange, Inc. Mr. Iwanaga Moriyuki, President and Representative Director
Date of submission	September 8, 2025
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Part I Corporate Information

1. Company Overview

(Introduction)

The Sony Financial Group ("Sony FG") primarily consists of Sony Financial Group Inc. (the "Company"), Sony Life Insurance Co., Ltd. ("Sony Life"), Sony Assurance Inc. ("Sony Assurance"), and Sony Bank Inc. ("Sony Bank"). The Company serves as a financial holding company, with Sony Life, Sony Assurance, and Sony Bank as its direct subsidiaries.

Sony FG has taken the expression "Kando for Life" to mean a foundation for our customers to live their own lives filled with emotion, positioning it as its core concept, along with "Health for Life" and "Asset for Life." With the ability to stay close to people and with the power of technology, Sony FG is committed to being a lasting presence that supports its customers in living true to themselves in the era of the 100-year lifespan, enabling them to live lives filled with emotion.

At the FY2023 Corporate Strategy Meeting of Sony Group Corporation ("SGC"), held on May 18, 2023, SGC — the Company's wholly-owning parent company — announced that it had begun considering a distribution of over 80% of its shares in the Company to SGC's shareholders by way of a dividend in kind (a distribution of assets other than cash; hereinafter, the "Spin-off"). Subsequently, on February 13, 2024, SGC received approval from the Minister of Economy, Trade and Industry under the Act on Strengthening Industrial Competitiveness for a corporate restructuring plan related to the Spin-off. Based on this development, the Company has begun concrete preparations for the execution of the Spin-off and for the listing of its shares.

The Spin-off will take the form of a dividend in kind in which no cash distribution claim will be granted to SGC's shareholders. To ensure trading opportunities for shareholders following the Spin-off, the Spin-off is based on the premise of the listing of the Company's shares on the Prime Market of the Tokyo Stock Exchange ("TSE").

This upcoming TSE listing will mark the second listing for the Company. The Company was first listed on the First Section of the TSE in 2007. In July 2020, SGC — then holding approximately 65% of the Company's shares — successfully completed a tender offer for the Company's shares. As a result, the Company's shares were delisted in August 2020. The sequence of events from this 2020 delisting up through the upcoming Spin-off is outlined below.

1. Overview of the Company's Delisting

The Company was established in April 2004 as the financial holding company of the Sony Group and has since provided financial services with Sony Life, Sony Assurance, and Sony Bank as its principal operating subsidiaries.

In October 2007, in light of Sony FG's business expansion and growing scope, the Company listed on the First Section of the TSE with the aim of securing capital alliance and M&A options with other financial institutions, diversifying funding sources to support growth as a comprehensive financial services provider, enhancing social credibility and brand recognition, and attracting top talent. Even after the listing, the Company continued to offer financial services as a consolidated subsidiary of SGC, steadily expanding its business by leveraging the strong brand recognition and trust associated with "Sony," and by offering a broad range of financial services tailored to customers' life stages and events.

However, the coexistence of SGC and the Company separately operating businesses as listed entities led to challenges in mutually capitalizing on management resources, as careful consideration had to be given to their usefulness and objective fairness as the transaction, particularly from the standpoint of protecting the interests of minority shareholders of the Company. As a result, the two companies recognized that it was difficult to achieve truly rapid and unified decision-making across the Sony Group.

To resolve this issue by dissolving the parent-subsidiary listing relationship between SGC and the Company, and to eliminate the various constraints that had arisen in maintaining the Company's independence as a listed company — such as limitations on personnel exchanges, shared management infrastructure, and information sharing between the Sony Group and Sony FG — SGC announced on May 19, 2020, its intention to launch a tender offer for the Company's shares and to make the Company its wholly-owned subsidiary. The goal was to enable faster and more flexible decision-making as an integrated group and to further strengthen collaboration within Sony Group businesses.

At the Company, discussions had already been underway with SGC since March 2019 regarding business collaboration and the optimal group management structure. In late January 2020, the Company received an initial approach regarding full ownership.

After careful deliberation in response to the approach, in light of changes in the business environment and increasingly competitive environment, the Company's Board of Directors concluded that, in addition to the organic growth of existing businesses, it was essential to create new high-value-added financial services. Becoming a wholly-owned subsidiary of SGC would enable closer collaboration and more efficient mutual utilization of management resources — including human resources — and expertise, ultimately contributing to enhanced the Company's corporate value. The Board of Directors established an independent Special Committee — composed solely of the Company's independent outside directors and independent outside Audit & Supervisory Board members — to ensure fair deliberation, negotiation, and judgment in the interests of corporate value and the protection of minority shareholders of the Company. Taking into account the committee's recommendations, the Board resolved on May 19, 2020, to express support for the tender offer and recommend shareholders to tender their shares and announced plan to become a wholly-owned subsidiary of SGC. Following this, the tender offer was successfully completed on July 14, 2020, and through the required subsequent procedures for SGC to acquire all of the Company's shares the Company became a wholly-owned subsidiary of SGC on September 2, 2020.

2. Initiatives to Enhance Corporate Value Since Becoming a Wholly-Owned Subsidiary

Since dissolving the parent-subsidiary listing relationship and becoming a wholly-owned subsidiary of SGC, the Company has leveraged its enhanced ability at making swift decisions to pursue initiatives aimed at further long-term growth and enhanced corporate value.

Particular emphasis has been placed on expanding the use of the Sony Group's technologies across Sony FG's businesses. Notably, at Sony Life, the launch of advanced sales support systems — GLiP and Biz-Plan WEB — jointly developed with the Sony Group, has driven productivity improvements in both the Lifeplanner and agency channels. GLiP is a system primarily designed for individual customers, helping to uncover latent customer needs by visualizing both current necessary fund and projected shortfalls based on life plans. Biz-Plan WEB is a comprehensive consulting tool for corporate clients — particularly small and medium-sized enterprises — that visualizes future risks such as financial analysis and business succession challenges, and proposes appropriate countermeasures. These advanced systems have improved service quality and enhanced productivity across both the Lifeplanner and agency supporter channels. As a result, post-tax International Financial Reporting Standards (IFRS) new business value (NBV) under IFRS® Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards" or "IFRS") in FY2023 has grown significantly more than doubling in the Lifeplanner channel and increasing approximately more than threefold in the agency channel compared to FY2019.

Note: Post-tax IFRS NBV is calculated by first determining the pre-tax IFRS NBV, which is the sum of the new business contractual service margin (CSM) and the new business loss component, both based on IFRS Accounting Standards. The post-tax figure is then derived using Sony Life's effective tax rate. NBV for FY2019 is calculated based on the retroactive application at the time of transition to IFRS Accounting Standards.

Sony Life's agency channel has evolved over the past five years into a second pillar alongside the Lifeplanner channel by concentrating on corporate clients in particular. IFRS NBV for corporations grew remarkably more than sixfold, from approximately 9 billion yen in FY2019 to approximately 57 billion yen in FY2023. In addition to the use of advanced tools like Biz-Plan WEB, this growth was driven by a sales optimization project that applied data analytics to improve sales efficiency across the agency channel. Led by Sony Life headquarters, this initiative maximize sales efficiency through date analysis and visualized and standardized agency sales supporter activities, analyzed the characteristics of agencies and agents, and refined targeting strategies in phases. These efforts enabled agency supporters to focus their activities on agencies and agents with high potential revenue opportunities, significantly boosting IFRS NBV from agencies for corporations.

Sony Life has also worked to shift its product mix toward higher profitability through agile product strategies. Specifically, as part of product mix transformation over the past five years, Sony Life has shifted away from its previous focus on selling capital-intensive products, primarily whole life insurance, to individual customers. In light of the prolonged low-interest-rate environment, Sony Life has curtailed sales of such capital-intensive products. Sony Life has unbundled the savings and protection functions previously offered together in whole life insurance policies. For savings, Sony Life has prioritized sales of asset-building products like variable annuities (SOVANI), while for protection, it has focused on term life insurance and income protection insurance. In the corporate market, an area of renewed focus, sales of protection-type products — especially variable term insurance — have seen strong growth. As a result, the proportion of capital-efficient products within new business has increased in FY2023.

Additionally, the Company transitioned to a Company with a Nominating Committee, etc. in October 2024. This shift has clarified the separation of supervisory and executive functions in management, enhanced the supervisory function and transparency of the Board of Directors, and improved the speed of decision-making and execution. Through these changes, the Company aims to create value that is genuinely recognized by a wide range of stakeholders from a governance perspective.

Under the new three-year Mid-Range Plan that commenced in FY2024, the Company is implementing specific strategies based on the concept of ambidextrous management, emphasizing both exploitation and exploration to enhance more sustainable corporate value through both "exploitation," which is the growth of existing businesses, and "exploration," which is group-wide initiatives aimed at further growth. On the "exploitation" side, the Company is steadily promoting sustainable, organic growth across its three core subsidiaries, as well as other existing businesses. As for "exploration," referring to Group-wide initiatives aimed at further growth, the Company is advancing efforts focused on the following themes:

(1) Strengthening non-financial touchpoints with younger generation

(2) Providing support to seniors — from asset formation to inheritance and caregiving

(3) Developing the mass affluent market through Hoken Seisakusho*

(4) Strengthening collaboration with the Sony Group

* Retail-style offices established by Lifeplanner sales specialists, operating across 10 regions nationwide

3. Purpose of and Rationale for the Spin-off by SGC

The purpose of and rationale for implementing the Spin-off and relisting the Company are to respond to the rapidly changing management environment and social conditions surrounding both the Sony Group and Sony FG, as well as to enable each entity to pursue the agile growth investments necessary for their respective businesses — thereby maximizing long-term shareholder value.

At SGC, the need to allocate additional management resources to the Financial Services business to achieve further growth had been recognized as an issue even prior to the Company's transition to a wholly-owned subsidiary. However, the environments surrounding Sony's entertainment and semiconductor businesses — both defined as key growth domains — have undergone significant changes, requiring even greater capital investments. As a result, it has become increasingly difficult to continue allocating substantial management resources to the Financial Services business. From the perspective of future growth for the Financial Services business, two key considerations have arisen.

The first consideration is the further enhancement of branding. In retail financial services focusing on Japanese market, the Sony brand itself serves as a long-term promise of trust and security to customers. Brand reinforcement thus remains a critical and ongoing priority for the Financial Services business.

The second consideration is growth investment. Expanding the customer base will require not only efficient and effective use of DX infrastructure, including data sharing with other Sony Group companies, but also investment in IT/systems and M&A activity aimed at potential future industry consolidation. Moreover, because Financial Services are a regulated industry, maintaining financial soundness is imperative and demands substantial capital.

Given these factors, balancing investments in both the Financial Services business and the expanding entertainment and semiconductor businesses is not a simple task when viewed from the perspective of capital allocation for the Sony Group as a whole. Through the Spin-off, the Financial Services business aims to secure independent fundraising capabilities, without changing its name or brand, and in a manner that allows continued collaboration with the Sony Group.

4. Scheme of the Spin-off

(1) Listing of the Company Shares

To ensure trading opportunities for SGC's shareholders who will come to hold shares of the Company as a result of the Spin-off, the Company plans to list its shares on the Prime Market of the TSE upon the execution of the Spin-off. The Spin-off will be implemented via a direct listing, whereby only existing shares will be listed, with no primary offering or secondary offering of shares.

(2) Selection of a Partial Spin-off

The partial spin-off structure was selected to allow Sony FG to continue using the Sony brand — including the corporate name — and to maintain collaboration with the Sony Group, by enabling SGC to retain a portion of the Company's shares even after the execution of the Spin-off.

Under the requirements of the partial spin-off tax regime newly established in the 2023 Tax Reform, the Spin-off is structured so that slightly more than 80% of the Company shares held by SGC will be distributed to SGC's shareholders as of the record date for the dividends in kind (September 30, 2025). SGC will retain slightly less than 20% of equity interest in the Company.

(3) Schedule for Dividends in Kind (Planned)

Date	Details
September 3, 2025 (Wednesday)	Resolution by SGC Board of Directors regarding distribution of dividends in kind
September 26, 2025 (Friday)	Last trading date with dividend rights of SGC's shares
September 29, 2025 (Monday)	Ex-dividend date for SGC's shares Scheduled listing date of the Company's shares on the TSE (i.e., the date from which the Company's shares subject to the distribution will become tradable on the TSE)
September 30, 2025 (Tuesday)	Record date for dividends in kind
October 1, 2025 (Wednesday)	Effective date / distribution date of dividends in kind

(4) Method of Dividends in Kind

Dividends in kind are scheduled to be conducted on the basis of the record date of Tuesday, September 30, 2025, whereby shareholders listed in the SGC shareholder registry as of that date will receive one share of the Company's stock for each SGC's share they hold.

5. Tax Treatment Related to the Distribution of Dividends in Kind

(1) Taxation in Japan

In the Spin-off, SGC will not be subject to capital gains tax on dividends in kind of the Company's shares, and SGC's shareholders who will receive the Company's shares will not be subject to taxation on such dividends, for Japanese tax purposes.

(2) Tax Treatment of the Acquisition Cost in Japan

The acquisition cost per share of the Company and SGC's shares applicable to shareholders for Japanese tax purposes immediately after the Spin-off will be the amounts calculated by the following formulas using the proportion of distributed assets. As of May 14, 2025, SGC has estimated the proportion of distributed assets is expected to be approximately "0.20," but will be announced again once it is determined.

・Acquisition cost per Company's share immediately after the Spin-off (X)
 = acquisition cost per SGC's share immediately before the Spin-off (Y) × proportion of distributed assets

・Acquisition cost per SGC's share immediately after the Spin-off (Z) = (Y) – (X)

Note: For corporate shareholders, the calculation can be made by replacing "acquisition cost" with "book value (for tax purposes)."

Please note that the above-mentioned acquisition cost for tax purposes does not represent any actual trading price or stock value of either the Company's shares or SGC's shares.

(3) Tax Treatment for U.S. Federal Income Tax Purposes Related to the Distribution of Dividends in Kind

The Spin-off is expected to be treated for U.S. federal income tax purposes as a taxable dividend to SGC's shareholders who are U.S. citizens or residents, U.S. corporations, or otherwise are subject to U.S. federal income tax on a net income basis in respect of the SGC's shares, in an amount equal to the fair market value of the Company's share they receive.

Note: The above-mentioned tax treatments do not exhaustively explain the tax treatment of the Spin-off, specifically the distribution of dividends in kind, or tax procedures required to be taken by shareholders, and do not purport to describe the tax treatment of the distribution of dividends in kind in any jurisdictions other than Japan and the U.S. For details of the tax treatment in each jurisdiction including Japan and the U.S., please consult tax specialists.

1.Key Financial Data

(1) Consolidated Financial Data

Fiscal Year		FY2020	FY2021	FY2022	FY2023	FY2024
End of Fiscal Year		March 31, 2021	March 31, 2022	March 31, 2023	March 31, 2024	March 31, 2025
Ordinary Revenues	(Millions of yen)	2,207,285	2,190,092	2,137,696	3,450,300	2,618,712
Ordinary Profit	(Millions of yen)	77,301	79,886	122,370	54,358	44,889
Profit Attributable to Owners of the Parent	(Millions of yen)	47,186	41,638	118,525	41,176	78,791
Comprehensive income (loss)	(Millions of yen)	30,273	(2,742)	37,202	3,440	75,730
Net assets	(Millions of yen)	691,699	649,086	644,955	594,008	669,754
Total assets	(Yen)	17,019,255	19,032,939	20,019,761	22,083,761	23,370,923
Net assets per share	(Yen)	1,582.92	1,483.80	1,473.45	1,365.22	1,539.27
Net Income per Share	(Yen)	108.45	95.70	272.41	94.64	181.09
Net Income per Share (Fully Diluted)	(Yen)	-	-	-	-	-
Net Asset Ratio	(%)	4.05	3.39	3.20	2.69	2.87
Net Income on Shareholders' Equity	(%)	6.85	6.24	18.42	6.67	12.47
Price-earnings ratio	(Times)	-	-	-	-	-
Net cash provided by operating activities	(Millions of yen)	734,384	1,053,038	418,604	782,948	1,502,191
Net cash used in investing activities	(Millions of yen)	(757,679)	(623,819)	(508,757)	(574,032)	(1,202,014)
Net cash used in financing activities	(Millions of yen)	(30,960)	(39,690)	(42,170)	(53,106)	(10,654)
Cash and cash equivalents at end of period	(Millions of yen)	497,195	889,140	756,493	913,405	1,202,168
Number of employees (Excludes average number of temporary employees)	(Persons)	11,907 (1,527)	12,251 (1,576)	12,596 (1,577)	12,695 (1,555)	13,356 (1,535)

(Notes) 1. The number of employees is the number of working personnel.

2. The consolidated financial statements for FY2023 and FY2024 have been audited by PricewaterhouseCoopers Japan LLC in accordance with Article 193-2, Paragraph (1) of the Financial Instruments and Exchange Act, as applied pursuant to Article 210, Paragraph 6 of the Securities Listing Regulations of Tokyo Stock Exchange, Inc.
In addition, the consolidated financial statements for FY2020, FY2021 and FY2022 have been audited by PricewaterhouseCoopers Japan LLC in accordance with the provisions of Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act.

3. On August 8, 2025, a stock split was conducted at a ratio of 7,149,358,214 shares for 435,100,266 shares of common stock. Based on the notification addressed to underwriting officers issued by Tokyo Stock Exchange Regulation (currently Japan Exchange Regulation) entitled "Guidelines for Preparing the Annual Securities Report for New Listing Application (Part I)" (Tokyo Stock Exchange, Listing Examination Department, No. 133 dated August 21, 2012), the following table shows the changes in per-share indicators calculated assuming that the stock split was conducted at the beginning of FY2020. The figures for FY2022 and earlier have not been audited by PricewaterhouseCoopers Japan LLC.

Fiscal Year		FY2020	FY2021	FY2022	FY2023	FY2024
End of Fiscal Year		March 31, 2021	March 31, 2022	March 31, 2023	March 31, 2024	March 31, 2025
Net assets per share	(Yen)	96.33	90.30	89.67	83.09	93.68
Net Income per Share	(Yen)	6.60	5.82	16.58	5.76	11.02
Net Income per Share (Fully Diluted)	(Yen)	-	-	-	-	-

4. Net income per share (Fully Diluted) for FY2023 and prior is not shown because there are no dilutive shares.
5. Net income per share (Fully Diluted) for FY2024 is not shown, because although there are dilutive shares, the Company’s stock is unlisted and the average stock price during the fiscal year cannot be determined.
6. The price-earnings ratio is not shown because the Company's stock was delisted on August 31, 2020.

(2) Financial Data of Filing Company

Fiscal Year		FY2020	FY2021	FY2022	FY2023	FY2024
End of Fiscal Year		March 31, 2021	March 31, 2022	March 31, 2023	March 31, 2024	March 31, 2025
Revenue	(Millions of yen)	38,470	48,520	49,098	89,061	112,408
Ordinary Profit	(Millions of yen)	34,495	45,834	45,722	85,211	107,216
Profit	(Millions of yen)	27,367	45,750	45,589	83,524	107,819
Common stock	(Millions of yen)	20,029	20,029	20,029	20,029	20,029
Number of shares outstanding	(Thousands of shares)	435,100	435,100	435,100	435,100	435,100
Net assets	(Millions of yen)	255,247	261,838	266,093	299,581	407,417
Total assets	(Millions of yen)	276,358	282,810	287,344	323,254	421,349
Net assets per share	(Yen)	586.64	601.79	611.57	688.53	936.34
Cash dividends per share (Of which cash interim dividends per share)	(Yen)	90.00 (-)	95.00 (-)	115.00 (-)	- (-)	- (-)
Net Income per Share	(Yen)	62.90	105.15	104.78	191.97	247.80
Net Income per Share (Fully Diluted)	(Yen)	-	-	-	-	-
Net Asset Ratio	(%)	92.36	92.58	92.60	92.68	96.69
Net Income on Shareholders' Equity	(%)	10.66	17.70	17.27	29.53	30.50
Price-earnings ratio	(Times)	-	-	-	-	-
Dividend payout ratio	(%)	143.08	90.35	109.75	-	-
Number of employees (Excludes average number of temporary employees)	(Persons)	87 (7)	114 (10)	151 (10)	180 (12)	215 (14)
Total shareholder return (Comparison indicator: -)	(%)	- (-)	- (-)	- (-)	- (-)	- (-)
Highest stock price	(Yen)	2,616	-	-	-	-
Lowest stock price	(Yen)	1,680	-	-	-	-

(Notes) 1. The number of employees is the number of working personnel.

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3. On August 8, 2025, a stock split was conducted at a ratio of 7,149,358,214 shares for 435,100,266 shares of common stock. Based on the notification addressed to underwriting officers issued by Tokyo Stock Exchange Regulation (currently Japan Exchange Regulation) entitled "Guidelines for Preparing the Annual Securities Report for New Listing Application (Part I)" (Tokyo Stock Exchange, Listing Examination Department, No. 133 dated August 21, 2012), the following table shows the changes in per-share indicators calculated assuming that the stock split was conducted at the beginning of FY2020. The figures for FY2022 and earlier have not been audited by PricewaterhouseCoopers Japan LLC.

Fiscal Year		FY2020	FY2021	FY2022	FY2023	FY2024
End of Fiscal Year		March 31, 2021	March 31, 2022	March 31, 2023	March 31, 2024	March 31, 2025
Net assets per share	(Yen)	35.70	36.62	37.22	41.90	56.98
Net Income per Share	(Yen)	3.83	6.40	6.38	11.68	15.08
Net Income per Share (Fully Diluted)	(Yen)	-	-	-	-	-
Cash dividends per share (Of which cash interim dividends per share)	(Yen)	5.47 (-)	5.78 (-)	6.99 (-)	- (-)	- (-)

4. Diluted net income per share for FY2023 and prior is not shown because there are no dilutive shares.
5. Diluted net income per share for FY2024 is not shown, because although there are dilutive shares, the Company’s stock is unlisted and the average stock price during the fiscal year cannot be determined.
6. Dividend per share and payout ratio for FY2023 and FY2024 are not shown because dividends were not paid.
7. Total shareholder return, comparison indicators, and price-earnings ratio are not shown because the Company’s stock was delisted on August 31, 2020.
8. The highest stock price and lowest stock price are those quoted on the First Section of the Tokyo Stock Exchange. As the Company’s shares were delisted on August 31, 2020, the stock prices up to the final trading date, August 28, 2020, are stated.

2. History

Month and year	Event
March 2004	Sony Corporation (currently Sony Group Corporation) obtained approval from the Financial Services Agency to establish an insurance holding company under the Insurance Business Act, and a bank holding company under the Banking Act
April 2004	Sony Financial Holdings Inc. (the Company) was established through a company split from Sony Corporation (currently Sony Group Corporation) Sony Life Insurance Co., Ltd., Sony Assurance Inc., and Sony Bank Inc. included in the scope of consolidation
June 2007	Sony Bank Inc. established Sony Bank Securities Inc. as a subsidiary (all shares transferred in August 2012)
August 2007	Sony Life Insurance Co., Ltd. established AEGON Sony Life Planning Co., Ltd. as a 50-50 joint venture with the AEGON Group (obtained a life insurance business license in August 2009 and changed its company name to AEGON Sony Life Insurance Co., Ltd.)
October 2007	Listed on the First Section of the Tokyo Stock Exchange
October 2009	Sony Life Insurance Co., Ltd. established SA Reinsurance Ltd. as a 50-50 joint venture with the AEGON Group (liquidation completed in March 2023)
July 2011	Sony Bank Inc. acquired shares of SmartLink Network, Inc. (renamed Sony Payment Services Inc. in April 2015; part of the shares were transferred in January 2024, and it became an equity-method affiliate)
December 2012	Sony Life Insurance Co., Ltd. transferred all shares of its subsidiary Sony Life Insurance (Philippines) Corporation
November 2013	Acquired all shares of Senior Enterprise Corporation, which operated private-pay nursing homes for the elderly (included in the scope of Sony Lifecare Inc. in April 2014; company name changed to Lifecare Design Inc. in October 2014)
April 2014	Sony Lifecare Inc., a holding company overseeing the nursing care business, established through a company split
May 2015	Sony Lifecare Inc. acquired the shares of Yuuai Holdings Inc. (in August 2017, Yuuai Holdings Group integrated its companies and changed its company name to Proud Life Inc.)
July 2018	Established Sony Financial Ventures Inc. as an investment subsidiary
October 2018	Sony Financial Ventures Inc. and Global Brain Corporation jointly established SFV-GB Investment Limited Partnership
January 2020	Sony Life Insurance Co., Ltd. made AEGON Sony Life Insurance Co., Ltd. (renamed Sony Life With Life Insurance Co., Ltd. in April 2020) and SA Reinsurance Ltd. wholly-owned subsidiaries
August 2020	Delisted from the First Section of the Tokyo Stock Exchange due to a tender offer by Sony Corporation (currently Sony Group Corporation) for the Company's shares
September 2020	Sony Corporation (currently Sony Group Corporation) made the Company a wholly-owned subsidiary
April 2021	Sony Life Insurance Co., Ltd. merged with Sony Life With Insurance Co., Ltd.
October 2021	Changed company name from Sony Financial Holdings Inc. to Sony Financial Group Inc.
September 2024	Sony Financial Ventures Inc. and Global Brain Corporation jointly established SFV-GB 2 Investment Limited Partnership
October 2024	Transitioned to a company with nominating committee, etc.
December 2024	Acquired all shares of justInCase, Inc. (currently a non-consolidated subsidiary)

3 Description of Business

Sony FG consists primarily of Sony Life, Sony Assurance and Sony Bank, and the Company is a financial holding company with these companies as direct subsidiaries.

Sony FG also includes, within the scope of consolidation, Sony Lifecare Inc. (“Sony Lifecare”), a holding company overseeing nursing care services, and Sony Financial Ventures Inc. (“Sony Financial Ventures”), which handles venture capital business.

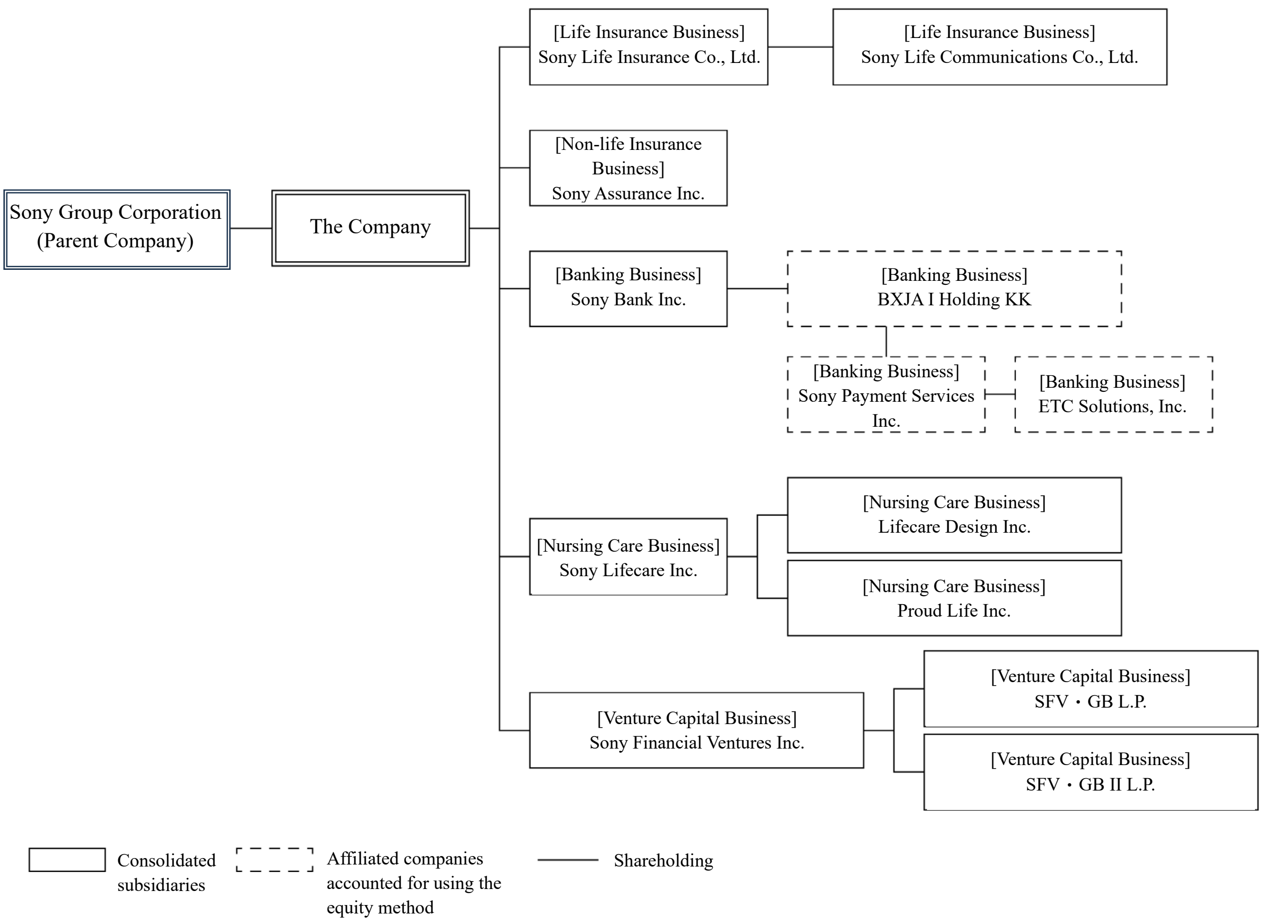
The Company views Sony FG’s Vision & Values as the fundamental approach in the formulation of Sony FG’s management strategies and in management decision-making. The main business activities of Sony FG are as follows.

Life insurance business	Sony Life provides tailor-made life insurance based on detailed consulting by Lifeplanner sales specialists (sales staff) and partners (sales agents)
Non-life insurance business	Sony Assurance provides automobile, fire, medical, and other forms of insurance through the Internet and telephone
Banking business	Sony Bank provides deposits (yen and foreign currencies), mortgages, investment trusts, and foreign exchange margin transaction services through the Internet

The Company is a financial holding company established on April 1, 2004 through a corporate split from Sony Corporation (currently Sony Group Corporation). As of the date of submission of this document, Sony Group Corporation owns 100% of the Company’s shares.

These matters are shown in the following business structure chart.

Business Structure Chart (as of July 1, 2025)



4 Overview of Affiliates

The status of the Company's major affiliates for the current consolidated fiscal year is as follows.

(1) Parent Company

Name	Address	Common stock (Millions of yen)	Principal Business	Percentage of Voting Rights Held (%)	Description of Relationship
Sony Group Corporation	Minato-ku, Tokyo	881,356	Management oversight of subsidiaries	100.0	Execution of agreements for company name and trademark use, acceptance of secondees, etc.

(2) Consolidated Subsidiaries: 10 companies

Name	Address	Common stock (Millions of yen)	Principal Business	Percentage of Voting Rights Held (%)	Description of Relationship
Sony Life Insurance Co., Ltd.	Chiyoda-ku, Tokyo	70,000	Life insurance business	100.0	Receipt of management and administration fees based on management and administration contracts, concurrent positions of officers, acceptance of secondees, etc.
Sony Life Communications Co., Ltd.	Chiyoda-ku, Tokyo	3,500	Life insurance solicitation services	100.0 (100.0)	Concurrent positions of officers, etc.
Sony Assurance Inc.	Otaku-ku, Tokyo	20,000	Non-life insurance business	100.0	Receipt of management and administration fees based on management and administration contracts, concurrent positions of officers, acceptance of secondees, etc.
Sony Bank Inc.	Chiyoda-ku, Tokyo	38,500	Banking business	100.0	Receipt of management and administration fees based on management and administration contracts, concurrent positions of officers, acceptance of secondees, etc.
Sony Lifecare Inc.	Kawasaki-shi, Kanagawa	2,625	Management control of companies handling the nursing care business	100.0	Receipt of management and administration fees based on management and administration contracts, concurrent positions of officers, acceptance of secondees, etc.
Lifecare Design Inc.	Kawasaki-shi, Kanagawa	100	Planning, development and operation of nursing care homes	100.0 (100.0)	Concurrent positions of officers, etc.
Proud Life Inc.	Kawasaki-shi, Kanagawa	33	management, operation and planning of private-pay nursing homes for the elderly	100.0 (100.0)	Concurrent positions of officers, etc., debt guarantees
Sony Financial Ventures Inc.	Chiyoda-ku, Tokyo	10	Venture capital business	100.0	Receipt of management and administration fees based on management and administration contracts, concurrent positions of officers, acceptance of secondees, etc.
SFV・GB L.P.	Shibuya-ku, Tokyo	5,700	Investment partnership	-	-
SFV・GB II L.P.*1	Shibuya-ku, Tokyo	500	Investment partnership	-	-

(3) Equity-method Affiliates: 3 companies

Name	Address	Common stock (Millions of yen)	Principal Business	Percentage of Voting Rights Held (%)	Description of Relationship
BXJA I Holding KK	Minato-ku, Tokyo	0	Holding company of a credit card settlement service provider	20.0 (20.0)	-
Sony Payment Services Inc.	Minato-ku, Tokyo	100	Credit card settlement services	20.0 (20.0)	-
ETC Solutions, Inc. (Note 6)[6]	Minato-ku, Tokyo	50	Same as above	14.0 (14.0)	-

(Notes) 1. Sony Group Corporation is the company filing the annual securities report.

2. Sony Life, Sony Life Communications Co., Ltd., Sony Assurance, Sony Bank, and Sony Lifecare each fall under the category of specified subsidiaries.
3. Sony Life accounts for more than 10% of the consolidated ordinary revenues. Major profit and loss information for the current consolidated fiscal year is as follows.
(1) Ordinary Revenues: 2,316,923 million yen, (2) Ordinary Profit: 21,627 million yen, (3) Profit: 58,186 million yen, (4) Net Assets: 321,045 million yen, (5) Total Assets 16,934,130 million yen
4. Figures in parentheses in the voting rights ownership ratio are indirect ownership ratios and are included in the total.
5. Sony Financial Ventures has invested 99.5% as a limited partner in SFV・GB L.P. and SFV・GB II L.P.
6. Although the ownership interest is less than 20%, it is classified as an affiliate because the Company has substantial influence over it.

5 Status of Employees

(1) Status of Consolidated Companies

As of July 1, 2025

Name of Segment	Number of Employees (Persons)	
Life insurance business	9,945	(291)
Non-life insurance business	1,702	(445)
Banking business	740	(72)
Other, corporate (common)	1,262	(698)
Total	13,649	(1,506)

(Notes) 1. The number of employees is working personnel (including secondees from outside Sony FG), and the number of temporary employees (including part-timers and employees dispatched by temporary staffing agencies) is stated as the average number of personnel in parentheses, excluded from the total.
2. The number of employees stated under "Other, corporate (common)" is the number of employees of the Company who cannot be classified into specific segments and employees of its subsidiaries in the nursing care business and venture capital business.

(2) Status of Filing Company

As of July 1, 2025

Number of Employees (Persons)		Average Age (years old)	Average Years of Service (years)	Average Annual Salary (thousand yen)
248	(13)	45.2	3.5	12,433

Name of Segment	Number of Employees (Persons)	
Life insurance business	58	(0)
Non-life insurance business	18	(0)
Banking business	31	(0)
Other, corporate (common)	141	(13)
Total	248	(13)

(Notes) 1. The number of employees is working personnel (including secondees from outside the Company), and the number of temporary employees (including part-timers and employees dispatched by temporary staffing agencies) is stated as the average number of personnel in parentheses, excluded from the total.
2. Average annual salary includes bonuses and non-standard wages. Salaries of employees who concurrently work for the Company and its subsidiaries are not included.
3. The number of employees stated under "Corporate (common)" is the number of employees of the Company who cannot be classified into specific segments.
4. The number of employees increased during the year ending on the most recent date by 51. This is mainly due to an increase in the number of employees seconded from Sony FG and those hired from outside the Company, in order to strengthen the Company's role in the implementation of the Mid-Range Plan starting in FY2024.

(3) Status of Labor Unions

The Company does not have a labor union. There are no special matters to be noted between labor and management.

(4) Percentage of Female Workers in Management Positions, Percentage of Male Workers Taking Childcare Leave, and Difference in Wages between Male and Female Workers.

(1) Consolidated Companies

As of March 31, 2025

Percentage of Female Workers in Management Positions (%) (Note 3)	Percentage of Male Workers Taking Childcare Leave (%) (Note 4)	Difference in Wages between Male and Female Workers (%)			Supplementary Explanation
		All Employees	Regular Employees	Part-time and Fixed-term Employees	
18.2	90	47.8	61.1	23.5	Period covered: Current fiscal year Wages: Includes base salary, compensation for overtime, bonuses, etc., but excludes retirement allowance, commuting allowance, etc. Regular employees: Excluding employees accepted for secondment from outside the company, employees assigned from overseas, and employees not continuously present domestically during the period (due to assignment, leave, hiring, resignation, etc.) Part-time and fixed-term employees: Includes fixed-term contract employees (including employees rehired at retirement age), non-regular employees, and part-time workers, excluding dispatched employees

(Notes) 1. The percentage is calculated by adding up the results of the Company, Sony Life (head office administrative staff only), Sony Assurance, Sony Bank, Sony Lifecare, Lifecare Design Inc., and Proud Life Inc. (collectively, the "Group Target Companies"), as of the end of the current fiscal year.

2. The "percentage of female workers in management positions" and "difference in wages between male and female workers" are percentages of the number of female managers and the wages of female workers (rounded to the first decimal place), where the number of male managers and the wages of male workers are 100% respectively.

3. The percentage of female workers in management positions is calculated using the same definition as in the general business owner action plan under the Act on Promotion of Women's Participation and Advancement in the Workplace (Act No. 64 of 2015; below, "Act on Promotion of Women's Participation").

4. The percentage of male workers taking childcare leave is calculated in accordance with the provisions of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Act No. 76 of 1991; hereafter, the "Act on Childcare Leave or Family Care Leave"), based on the number of employees who have taken childcare leave as defined in Article 71-6, item (ii) of the Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Ministry of Labour Ordinance No. 25 of 1991; hereafter, the "Ordinance for Enforcement of Act on Childcare Leave or Family Care Leave"), together with the number of employees who have used leave programs for the purpose of childcare, as a proportion of eligible employees (rounded down to the nearest whole number).

(2) Major Consolidated Subsidiaries

As of March 31, 2025

Name	Percentage of Female Workers in Management Positions (%)	Percentage of Male Workers Taking Childcare Leave (%) (Note 2)	Difference in Wages between Male and Female Workers (%)		
			All Employees	Regular Employees	Part-time and Fixed-term Employees
Sony Life	7.4 (Note 3)	46	40.8 (Note 4)	53.6	15.6
Sony Assurance	7.4	75	48.6	56.4	30.9
Sony Bank	24.4	84	70.4	71.1	51.0
Sony Lifecare Inc.	26.2	100	77.0	89.3	92.3
Proud Life Inc.	35.7	85	73.4	89.2	85.1

(Notes) 1. The "percentage of female workers in management positions" and "difference in wages between male and female workers" are percentages of the number of female managers and the wages of female workers (rounded to the first decimal place), where the number of male managers and the wages of male workers are 100% respectively.

2. The percentage of male workers taking childcare leave is calculated in accordance with the provisions of the Act on Childcare Leave or Family Care Leave, based on the number of employees who have taken childcare leave as defined in Article 71-6, item (ii) of the Ordinance for Enforcement of Act on Childcare Leave or Family Care Leave, together with the number of employees who have used leave programs for the purpose of childcare, as a proportion of eligible employees (rounded down to the nearest whole number).
3. The percentage of female workers in management positions at Sony Life's head office administrative staff is approximately 16.2%.
4. The difference in wages between male and female workers among Sony Life's head office administrative staff is approximately 92.5% for management positions and approximately 84.0% for general positions.
5. The difference in wages between male and female workers is calculated based on the following criteria.
   Period covered: Current fiscal year
   Wages: Includes base salary, compensation for overtime, bonuses, etc., but excludes retirement allowance, commuting allowance, etc.
   Regular employees: Excluding employees accepted for secondment from outside the company, employees assigned from overseas, and employees not continuously present domestically during the period (due to assignment, leave, hiring, resignation, etc.)
   Part-time and fixed-term employees: Includes fixed-term contract employees (including employees rehired at retirement age), non-regular employees, and part-time workers, excluding dispatched employees

2. Overview of Business

1. Management Policy, Business Environment, and Issues to Be Addressed

Forward-looking statements in this section are based on Sony FG's judgment as of the date of submission of this document.

(1) Management Policy

Sony FG is a financial group centered on life insurance, non-life insurance, and banking. As a holding company, the Company oversees Group management, while each Group company operates its business by leveraging its own unique strengths.

The three-year Mid-Range Plan that began in FY2024 is making progress, and from FY2025, the Company has redefined its corporate philosophy and established "Pursuing lives filled with emotion, together" as Our Vision. This philosophy expresses Sony FG's intention to continue contributing to the Sony Group's mission of delivering "*Kando* (emotion)" by staying close to and supporting its customers in living true to themselves.

Sony FG has also defined four common principles shared by all Sony FG companies — “Keeping in sync with you,” “Cultivating our own identity,” “Taking a step forward,” and “Continuing to uphold fairness” — as Our Values. Alongside these, Sony FG has defined “Health for Life,” to live with energy and vibrance, “Asset for Life,” to live with financial well-being, and “Kando for Life,” to live their own lives filled with emotion as elements of Our Foundation.

Based on these three elements, with “Kando for Life” as elements of Our Foundation at the center, and with each employee of Sony FG endeavoring to embody Our Values, the Company will strive to realize Our Vision.

Sony Financial Group
Philosophy

Our Vision

Pursuing lives filled with emotion, together.

Our Values

We help deliver excitement to each and every one of our customers by:

Keeping in sync with you.
Staying close to the needs and perspectives of our customers.

Cultivating our own identity.
Drawing on our own moving experiences as well as the respect and refinement of our own personalities.

Taking a step forward.
Embracing the challenge of taking a step forward.

Continuing to uphold fairness.
Accumulating sincerity and fair judgment.

Our Foundation

Three concepts that support lives filled with emotion

Kando for Life
Filled with Emotion

Asset for Life
Financial Well-Being

Health for Life
Energy and Vibrance

Sony's Purpose & Values https://www.sony.com/en/SonyInfo/CorporateInfo/purpose_and_values/

(2) Business Environment and Issues to Be Addressed

Sony FG's business environment is becoming increasingly challenging due to intensified competition, rapid changes in financial markets, and the diversification of customer needs. In addition, challenges to conventional business models, including the rapid advancement of digitalization, have also become evident.

Against this backdrop, the Company has begun preparations for execution of a partial spin-off (the "Spin-off") and the listing of its shares, following the approval received by its parent company, Sony Group Corporation, on February 13, 2024, from the Minister of Economy, Trade and Industry for a corporate restructuring plan under the Act on Strengthening Industrial Competitiveness. For details on the Spin-off, please refer to "Section 5 Financial Position, 1 Consolidated Financial Statements, etc., (1) Notes to Consolidated Financial Statements (Subsequent Events)".

Sony FG recognizes that, in order to maintain financial soundness and achieve further long-term growth, it is essential to expand IT systems, promote growth investment, and enhance its financial foundation to support these initiatives. The Spin-off will enable the continued use of the Sony brand while enhancing the Company's financial flexibility and paving the way for growth investment

As a concrete strategy under the current Mid-Range Plan, Sony FG emphasizes both "exploitation and exploration" based on the concept of what is known as "ambidextrous management." Through the dual approach of "exploitation", representing growth of existing businesses, and "exploration", representing cross-group initiatives for further growth, Sony FG aims for sustainable growth of corporate value.

In terms of "exploitation", Sony FG aim to steadily achieve sustainable, organic growth across each business, including its three main subsidiaries.

In terms of "exploration", representing cross-group initiatives for further growth, Sony FG aim to focus on the following key themes.

(a) Strengthening non-financial touchpoints with Younger Generation

Sony FG plans to focus on establishing non-financial touchpoints through digital platforms, including financial education content and Web3 entertainment applications, with the aim of seamlessly guiding customers from those touchpoints to Sony FG's financial services.

(b) Support for asset formation, inheritance and nursing care for Seniors

Sony FG aims to strengthen its customer base among individuals in their 50s and older by developing and expanding optimal products and services tailored to the needs of the Pre-seniors and Seniors.

(c) Developing the Mass Affluent market through *Hoken Seisakusho* (*)

Sony FG plans to strengthen organizational capabilities by forming teams of Lifeplanner sales specialists at branch-style locations, and will work to acquire mass affluent by fostering customer communities and enhancing the product lineup.

(*) Branch-style locations operated by Lifeplanner sales specialists, currently established in 10 regions nationwide

(d) Strengthening collaboration with the Sony Group

Sony FG aims to further strengthen group collaboration with brand and technology as our two key pillars.

In terms of brand, Sony FG will be able to continue using the Sony brand even after the Spin-off, with the aim of further expanding brand value through business collaboration with the Sony Group. As for technology, Sony FG plan to create a seamless customer experience from non-financial to financial by leveraging the Sony Group's strengths in technology and business collaboration.

In addition, the Group will continue working to enhance its management foundation with a particular focus on "stable profit growth and shareholder returns", "strengthening sustainability" and "building a foundation for re-listing". With respect to "building a foundation for re-listing", the Company transitioned to a company with a nomination committee, etc. in October 2024. The Group has already been working to ensure sound business operations by formulating and publicly disclosing business operation policies for the Company and its three main subsidiaries, based on the Financial Services Agency's "Principles for Customer-Oriented Business Conduct." Building on these efforts, the Group will further enhance its compliance framework, risk management framework, measures to eliminate relationships with anti-social forces, and internal control framework including personal information protection. Through these initiatives, the Group will pursue continuous improvement in management quality.

As a result of the Spin-off, Sony Group Corporation's equity interest in the Company will be slightly less than 20%, and the Company will transition from a "subsidiary" to an "affiliate." In principle, the Company does not expect to change this shareholding ratio. In order to prevent brand impairment and promote inter-business collaboration, Sony Group Corporation has appointed one part-time officer to serve on the Company's Board of Directors. The Company recognizes that it maintains a certain degree of independence from the Sony Group in both business operations and management, given the relatively low degree of business relevance with the Sony Group as well as the fact that the Company and other Sony FG companies operate their businesses in accordance with the Insurance Business Act and the Banking Act as licensed businesses and other businesses under the supervision of the Financial Services Agency. The proportion of secondees from Sony Group companies (excluding Sony FG) among permanent employees of the Company and other Sony FG companies is limited, and Sony FG is not dependent on such secondees for its workforce. This trend is expected to continue at the time of the listing. Moreover, secondees from Sony Group holding general manager-class positions at the Company and other Sony FG companies will either be transferred or have their secondments terminated prior to listing. Furthermore, with regard to related-party transactions and other transactions, the Company pays close attention to whether such transactions impair the soundness of Sony FG's management, whether they are valid from a rational decision-making standpoint, and whether their terms are appropriate compared to external transactions. These transactions are subject to approval by the Board of Directors and other relevant bodies, and the Company will continue to establish a system to ensure the appropriateness of such transactions after the listing.

(3) Target Management Metrics

The Company aims to achieve the following metrics as targets for its three-year Mid-Range Plan, which began in FY2024. By leveraging its enterprise risk management (ERM) framework, Sony FG will strive to balance and optimize capital, risk, and return, while instilling improvement of capital efficiency as a key management principle across Sony FG. Through these efforts, Sony FG aims to achieve sustainable growth and maximize medium- to long-term corporate value.

In addition, from the perspectives of both enhancing the international comparability of financial information in capital markets and providing management metrics aligned with the Company's emphasis on long-term management, the Company has disclosed future targets based on IFRS Accounting Standards. Sony FG is also preparing for the application of IFRS Accounting Standards with the goal of transitioning to IFRS Accounting Standards in FY2026.

Management Metrics	Target Level
IFRS Adjusted Net Income[1,2]	FY2026 125.0 billion yen
IFRS Adjusted ROE[1,2]	FY2026 10% or more

Note 1: Definitions of IFRS adjusted net income and IFRS adjusted ROE are as follows.

<table>
<tr><td colspan="2">IFRS Adjusted Net Income</td><td>the Company's consolidated net income – Adjustments for each entity</td></tr>
<tr><td rowspan="5">Adjustments for each entity
(post-tax)</td><td rowspan="4">Sony Life</td><td>Investment income (net) related to variable insurance*[1] and foreign currency translation differences (excluding the equivalent of hedge costs*[2]</td></tr>
<tr><td>Unrealized gains/losses related to variable insurance within insurance finance expenses (income)*[3] and foreign currency translation differences</td></tr>
<tr><td>Gains/losses on sales of securities</td></tr>
<tr><td>Other one-time gains/losses</td></tr>
<tr><td>the Company, Sony Assurance, Sony Bank, Other entities</td><td>One-time gains/losses</td></tr>
<tr><td colspan="2">IFRS Adjusted ROE</td><td>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</td></tr>
</table>

(*1) Investment income (net) related to variable insurance is financial assets measured at fair value through profit or loss (FVPL), associated with variable life insurance and individual variable annuity contracts

(*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 (fair value option (FVO) designated) based on the interest rate at the beginning of the period

(*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 risk

2. IFRS adjusted net income and IFRS adjusted ROE exclude the impact of temporary gains and losses. The Company considers these metrics to represent businesses' sustainable earning power and to facilitate assessment, from a management perspective, of long-term business expansion through the cycle of investments and returns across the entire group. While these management metrics are not disclosures in accordance with IFRS Accounting Standards or Japanese accounting standards, the Company believes these disclosures provide useful information to investors. These management metrics are not intended to replace the disclosure of the management performance of the Company, Sony Life, Sony Assurance, and Sony Bank under Japanese accounting standards or the performance disclosed under IFRS Accounting Standards by SGC, but may referred to as additional information.

2. Sustainability Philosophy and Initiatives

Forward-looking statements in this document are based on the judgment of Sony FG as of the date of submission of this document.

(1) Sustainability Common Foundation

At Sony FG, we have articulated Our Vision as "Pursuing lives filled with emotion, together." We have identified as Our Foundation three concepts that support lives filled with emotion: "Kando for Life (Filled with Emotion)", "Asset for Life (Financial Well-Being)", and "Health for Life (Energy and Vibrance)."

Guided by these concepts, we work through the businesses of each Sony FG company to support lives "Filled with Emotion" and contribute to solutions to social and environmental issues facing humanity, while striving to realize a sustainable society and increase our corporate value.

Furthermore, we are engaged in environmental conservation activities and promote disclosure of information related to climate change in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

Going forward, we will continue to focus on sustainability in an aim to enhance corporate value by sustainably creating both social and economic value through our business activities, and to contribute to the development of a sustainable society as a financial business.

1) Governance

Sony FG has established a "Corporate Governance Policy" by the Board of Directors, which sets forth our basic approach to corporate governance (including sustainability), and made sustainability a priority issue for management.

To ensure that our sustainability management is effective, the Company established the Sustainability Committee, chaired by the President & CEO, Representative Corporate Executive Officer with members including the Officer in charge of Sustainability, as well as several other Officers. Officers in charge of Sustainability at Sony FG companies are also convened, which deliberates on matters concerning the overall promotion of sustainability for Sony FG, as well as issues and risks, and reports to the Board of Directors as needed.

Moreover, the Company established the Sustainability Promotion Office as a dedicated department within the Corporate Planning Department to further strengthen our structure for promoting sustainability through the concerted efforts of Sony FG.

Our sustainability initiatives are also linked with executive compensation. Executive officer compensation consists of three parts: fixed compensation, performance-linked compensation based on business results, and medium- to long-term incentives in the form of cash and stock compensation. Of these, sustainability initiatives are included as one indicator for qualitative evaluation of the performance-linked portion and the medium- to long-term incentive portion of cash compensation.

The performance indicators related to the performance-linked portion of executive officer compensation are as stated in "4. Status of the Filing Company, 4. Status of Corporate Governance, (4) Executive Compensation, Etc."

[Sustainability Committee Structure Chart]

2) Risk Management

As a financial holding company, the Company is strengthening Sony FG's overall risk management structure and conducting integrated risk management by bringing together the management resources of all Sony FG companies. We have established "Basic Policy for Group Risk Management" and have established a risk management structure in line with Sony FG's management policy and strategic targets, including sustainability. In addition, the Company is working to enhance the value of Sony FG's business by managing risks according to the characteristics of each business type and risk type.

(2) Response to Climate Change (Initiatives to Address TCFD Recommendations)

Sony FG discloses information related to climate change ("climate-related information") in line with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) as follows.

We will continue making a Group-wide effort to disclose climate-related information in a clear way, and to take further steps to respond to climate change.

1) Governance

Governance of climate change is incorporated into the broader governance of sustainability.

2) Strategy

The Company strives to identify various environment-related risks and respond appropriately to those risks that can be assumed. To assess the impact of climate change on Sony FG as a whole, we identify the climate change risks and opportunities in the businesses of Sony FG companies Sony Life, Sony Assurance, and Sony Bank based on insights from external experts and guidelines from ESG rating agencies, investor initiatives, industry associations, and others. Furthermore, we strive to identify significant climate change risks and opportunities by prioritizing them based on the characteristics of each business and the exposure of the assets held, and by conducting scenario analysis.

The scenarios used for analysis include the 1.5°C scenario (IEA Net Zero Emissions by 2050 Scenario), the 2°C scenario (IEA Sustainable Development Scenario), and the 4°C scenario (IEA Stated Policies Scenario), as assumed by the International Energy Agency (IEA).

The climate change risks and opportunities that are significant for Sony FG as a whole, based on scenario analysis, are shown in the table "Major risks and opportunities associated with climate change (scenario analysis)."

Major Risks and Opportunities Associated with Climate Change (Scenario Analysis)

Nature of Risk	Impact on Business	Time Horizon	Assumed Scenario	Countermeasures
Physical risks Acute risks such as climate change-related disasters including typhoons and floods, and chronic risks such as increased infectious diseases and heat stroke due to higher average temperatures	・Increase in insurance claims and benefit payments due to increase in climate change-related disasters and infectious diseases and heat stroke ・Increase in credit costs due to impairment in the value of collateral real estate associated with mortgages as a result of climate change-related disasters ・Increase in operational impact and response costs due to the impact of climate change-related disasters on our offices, data centers, human resources, etc.	Long term	4°C scenario	・Trial quantitative analysis of physical risk ・Continuous information gathering on climate change-related disasters and infectious diseases and heat stroke ・Ongoing consideration of risk segmentation and appropriate premium pricing that accounts for the impact of climate change-related disasters ・Continued use of reinsurance ・Continuous information gathering on the impact of climate change-related disasters on collateral value, and trial analyses for impact assessment* ・Ongoing consideration of enhancing business continuity planning for disasters
Transition risks and opportunities Risks and opportunities arising from stricter regulations and changes in market and technological trends associated with the transition to a low-carbon society	・Increase in our profit-earning opportunities due to increased demand for loans for the purchase of low-carbon vehicles, low-carbon homes, etc., which will contribute to the transition to a low-carbon society ・Decline in the value of securities issued by companies with inadequate low-carbon strategies, or increase in investment opportunities in companies contributing to the low-carbon transition	Medium to long term	1.5°C scenario 2°C scenario	・Development of services that take climate change into account, such as offering special mortgage rates for environmentally friendly housing ・Implementation of climate-conscious financing, including issuance of green bonds and sustainability-linked bonds for environmentally friendly mortgages ・Establishing ESG investment frameworks at each Group company based on the Sony Financial Group ESG Investment Policy, and setting medium- to long-term targets for the cumulative amount of ESG investments and loans made by Sony FG

3) Risk Management

Sony FG has introduced a Group ERM framework. By expanding the enterprise risk management frameworks that had already been implemented at each Group company to the entire Group, we aim to achieve balance and optimization among capital, risk, and return, embed improved capital efficiency across Group-wide management, and pursue sustainable growth and the maximization of medium- to long-term corporate value for Sony FG as a whole.

The Company and its Sony FG companies, through Sony FG ERM operating process, prepare heat maps, based on the frequency and likelihood of risk occurrence and their impact on capital and business performance, which are reviewed by the Board of Directors and other bodies to identify the most critical medium-term risks as top risks, and work to manage these risks appropriately through regular monitoring.

We also recognize climate change risk as an important factor in selecting our top risks, and we conduct scenario analysis as described in the strategy section to assess its impact Group-wide.

4) Indicators and Targets

Sony FG is engaging environmental preservation activities with the goal of reducing our environmental impact to zero in the areas of climate change, biodiversity, and resources.

As part of these efforts, Sony Life, Sony Assurance and Sony Bank are working to reduce GHG emissions by using renewable energy certificates[*1] (RECs) in addition to saving resources and energy through paperless contract procedures and other measures. As a result of these efforts, we achieved a 100% renewable energy usage rate[*2] for electricity used in our business activities in FY2024, continuing from FY2023.

Over the medium to long term, the Company aim to continue maintaining a 100% renewable electricity usage rate in our business operations and achieve net zero for GHG emissions other than electricity through initiatives such as afforestation and forest conservation activities by FY2030, as we continue our commitment to environmental conservation.

(*1) A renewable energy certificate is a certificate that differentiates and certifies the environmental value, indicating that electricity or heat generated from renewable energy sources (such as solar, wind, hydro, or biomass) is environmentally friendly, and in Japan, such certificates include green power certificates, green heat certificates, and non-fossil certificates. The CO2 emission factor can be set to zero through the use of renewable energy certificates.

(*2) Renewable energy usage rate = (amount of renewable electricity used / total electricity consumed) × 100 (total electricity consumed = non-renewable electricity + renewable electricity)

GHG Emissions

	FY2022	FY2023	FY2024
Scope 1	3 t-CO2	6 t-CO2	6 t-CO2
Scope 2	0 t-CO2	0 t-CO2	0 t-CO2
Total	3 t-CO2	6 t-CO2	6 t-CO2

(Notes) 1. The calculation of GHG reductions from renewable energy certificates is based on the “Guidance on Responses to International Climate Change Initiatives” (Ministry of Economy, Trade and Industry and Ministry of the Environment) and differs from the method used to calculate GHG emissions from financial operations disclosed by Sony Group Corporation.

2. The scope of GHG emissions calculation is the offices (head office and some other offices) of Sony Life, Sony Assurance, and Sony Bank that have obtained ISO 14001 certification. It does not include GHG emissions from leased real estate.

3. GHG emissions calculated based on 1. and 2. have not been verified by a third party.

4. Scope 1 and Scope 2 refer to classifications of greenhouse gas emissions in the calculation of supply chain emissions. Specifically, Scope 1 refers to direct emissions from fuel combustion and other sources under the control of the company, whereas Scope 2 refers to indirect emissions resulting from the use of electricity, heat, or steam supplied by other entities.

GHG Reductions through Renewable Energy Certificates

	FY2022	FY2023	FY2024
Scope 2	1,113 t-CO2	1,276 t-CO2	1,254 t-CO2

Trends in Renewable Energy Ratio (Renewable Energy Usage Rate) for Electricity Used in Business Activities

	FY2022	FY2023	FY2024
Renewable energy usage rate	100.0%	100.0%	100.0%

Medium- to Long-term Targets

Item	Achievement Targets
Renewable energy usage rate	100% continuation
GHG emissions reduction (Scopes 1 and 2)	Net zero in 2030

In addition, the Company has formulated the Sony Financial Group ESG Investment Policy as our basic approach to ESG investment, and each Group company is working to establish regulations and systems related to ESG investment based on this policy. In March 2024, the Company set a medium- to long-term cumulative Group ESG investment and loan target (over 500 billion yen by the end of FY2030), and have steadily implemented investments and loans.

Sony Financial Group ESG Investment Policy

The Sony Financial Group, with its Vision "To be a financial group that helps each and every person achieve their dreams and peace of mind, by staying close to people and using the power of technology to build a society in which people feel uniquely enriched," seeks to fulfill its social responsibility by conducting asset management that incorporates environmental (E), social (S), and governance (G) factors in accordance with the characteristics of its assets, thereby aiming to contribute to the development of a sustainable society.

1. Incorporating ESG issues into the investment process

- In the investment process, ESG perspectives will be incorporated into investment decisions based on asset characteristics when executing investments.
- From the standpoint of the international community, we will prohibit investments in and loans to companies that manufacture inhumane weapons, including cluster munitions and nuclear weapons manufacturing companies.

2. Conducting dialogue with investee companies on ESG issues and requesting disclosure

- Through appropriate stewardship activities, including constructive dialogue and exercising voting rights, we will support investee companies in contributing to a sustainable society and enhancing their corporate value. At the same time, we will promote enhanced disclosure of non-financial information by our investee companies.

3. Collaboration on ESG issues and enhancement of management methods

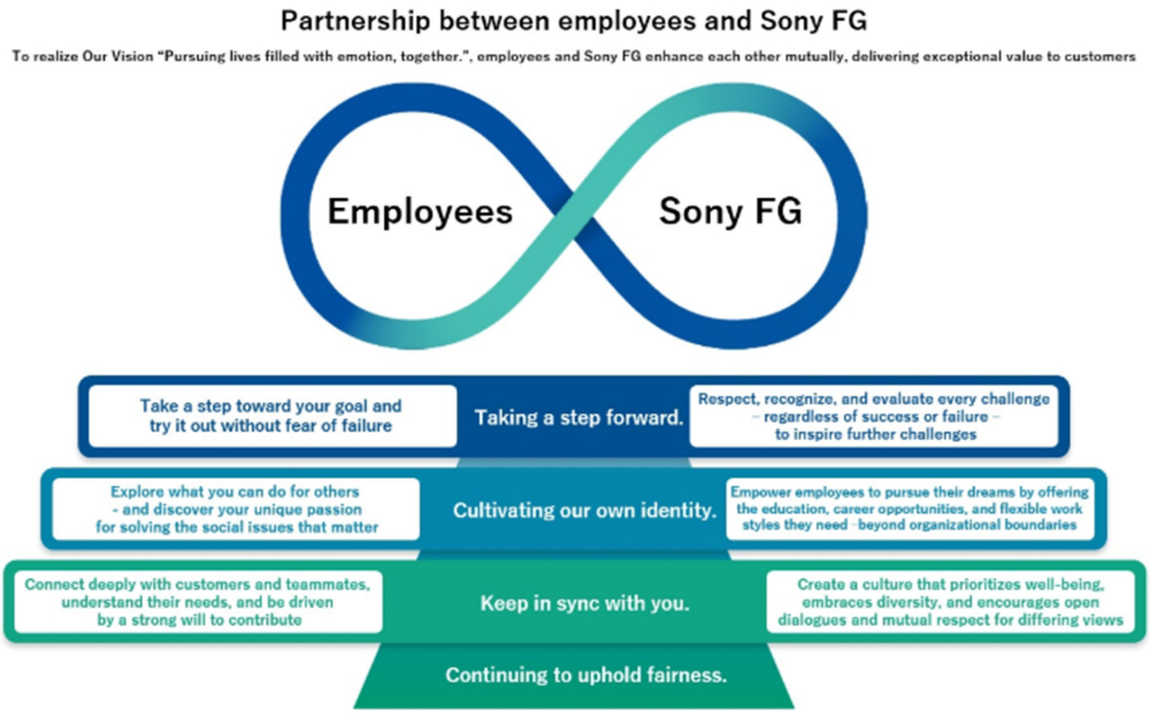
- Through collaboration within the Sony Financial Group on ESG investment and information exchange with industry associations, we will strive to accumulate expertise in ESG investment and improve our investment methods, while contributing to the sound development of the ESG investment market.

4. Enhanced disclosure of information on ESG investment initiatives

- We will appropriately disclose our ESG investment activities and progress through our website and disclosure materials, including our disclosure publications.

(3) Strategies and Policies Regarding Human Capital

In recent years, the environment surrounding human resource management has continued to undergo significant change, with shifts in attitudes toward work and accelerated labor mobility. Sony FG has formulated a human capital strategy based on the concept of a “partnership between employees and the Company” to realize Our Vision and achieve sustainable growth as a group.



In formulating this human capital strategy, Sony FG has gone back to the basics to reaffirm what makes Sony FG unique. Each business within Sony FG has a history of launching new business models and services with a spirit of challenge that seeks to transform the industry and society by doing what others will not. Sony FG recognizes that these efforts have been driven by employees’ desire to take on challenges and their strong commitment to contributing to customers and society. It also understands that such aspirations have been made possible by Sony FG’s flat organizational structure and an open corporate culture that encourages individual creativity and open, spirited discussion.

Against this backdrop, Sony FG has organized its approach to human capital in alignment with Our Values as follows:

- ○ Our Values “Continuing to uphold fairness.”

  Underlying all day-to-day activities is a corporate culture in which employees act with integrity and uphold fair standards in the execution of their duties.
- ○ Our Values “Keeping in sync with you.”

  Based on this foundation, to further enhance Sony FG’s unique strengths, it is essential that the Company creates an inclusive environment in which all employees can thrive regardless of their attributes or circumstances, and that employees in turn maintain an empathetic stance toward customers and colleagues. This mutual support forms the bedrock of the Company’s approach.
- ○ Our Values “Cultivating our own identity.”

  Upon this foundation, the Company will foster an environment in which diverse employees with a range of perspectives can engage in open and lively discussion, and where they are given opportunities to broaden their experience across organizational boundaries, allowing them to further develop their unique strengths.
- ○ Our Values “Taking a step forward.”

  The Company will support employees in taking bold action without fear of failure, and through doing so, aim to continue to bring new products and services to society.

In this way, Sony FG aims to realize Our Vision not simply through employees making efforts on their own, nor by way of the Company unilaterally implementing initiatives, but rather through a mutually enhancing relationship between employees and the Company.

At every phase of the process of achieving Our Vision through this partnership between employees and the Company, Sony FG will work to enhance initiatives that connect the two. Each initiative is recognized as an opportunity for dialogue in which employees and the Company together reflect on Our Vision and Our Values, thereby strengthening the partnership. These initiatives include not only Group-wide efforts but also those tailored to the specific characteristics of each business. Going forward, Sony FG will continue to execute this human capital strategy through close collaboration across Sony FG.

○ Our Values “Keeping in sync with you.”

Sony FG endeavors to create an environment in which all employees can thrive regardless of their background or circumstances. It works to foster a workplace where anyone can work comfortably and balance various life events and career paths.

・ Empowering a diverse workforce

Sony FG nurtures an environment in which employees of diverse attributes can succeed.As people of various backgrounds continue to participate in society and the customer base requiring insurance and asset building to prepare for the coming of the era of the 100-year lifespan expands, the needs for products and services provided through diverse human resources, including product development that reflects the opinions of female employees, are steadily increasing. In order to respond to these needs, Sony FG has set a target of 18% for the ratio of female managers at Group Target Companies by the end of FY2025. However, since we have already achieved this target by the end of FY2024, we have set new targets to further accelerate progress: 30% of female section chiefs (those in leadership positions and candidates for future managerial roles) by the end of FY2028, and 30% of female managers by the end of FY2035. In addition, while promoting women’s participation, we conduct training not only for women themselves but also for managers and male employees as a measure to create an environment in which women can easily and actively participate. In addition to promoting gender diversity, Sony FG is also set on actively expanding employment for persons with disabilities; persons with disabilities are already playing active roles in a variety of settings. We will continue to establish a workplace environment in which diverse human resources can actively participate.

Item	Target for End of FY2025	Results for End of FY2024
Percentage of female workers in management positions	18.0%	18.2%

(Note) This figure represents the percentage calculated by aggregating across Group Target Companies the total number of female managers for both the target for the end of FY2025 and the actual result at the end of FY2024 in the general business owner action plan based on the Act on Promotion of Women’s Participation.

・ Well-being programs

Sony FG has established a variety of mechanisms to facilitate flexible working styles that accommodate diverse situations. For example, Sony FG actively promotes flexible work arrangements, such as flextime schedules that allow employees to set their own start and end times according to workload. By combining flextime with remote work, Sony FG supports employees in efficiently managing their time to enhance productivity and enrich their personal lives. In addition, Sony FG promotes the use of childcare leave by male employees to support work-life balance of employees raising children, and is enhancing elements such as childcare leave, special leave, and reduced working hours to better support continued employment.

Item	Target for End of FY2025	Results for End of FY2024
Percentage of male workers acquiring taking leave	100%	90%

(Note) Based on the provisions of the Act on Childcare Leave or Family Care Leave, this figure represents the percentage calculated by aggregating across Group Target Companies the total number of employees who took childcare leave as defined in Article 71-6, item (ii) of the Ordinance for Enforcement of Act on Childcare Leave or Family Care Leave, together with employees who used leave systems for childcare purposes, for both the target for the end of FY2025 and the actual result at the end of FY2024.

○ Our Values “Cultivating our own identity.”

Sony FG endeavors to create an environment in which employees can gain a wide range of experiences across organizational boundaries. This empowers each employee in developing their unique skills by leveraging the resources of Sony FG. Going forward, Sony FG plans to further promote the success of its diverse workforce through increased job rotation and the enhancement of its talent database.

・ Intra-Group job recruitment system

Sony FG has established a system in which employees can voluntarily apply for departments or posts of their choosing. This is a key initiative to support employees’ ideal career paths and help cultivate their individual strengths.

・ Group-wide development programs

Since FY2022, Sony FG has been strengthening its leadership development through a cross-Group training program called “Sony FG 2030!” aimed at fostering future leaders able to lead Sony FG beyond the framework of individual businesses. Sony FG also offers a cross-mentoring program tailored to individuals, where executives from different businesses within Sony FG foster future leadership candidates based on the latter’s particular development needs. In addition, in collaboration with the Sony Group, Sony FG offers leadership development programs that transcend the financial sector, providing candidates with opportunities to gain a broad perspective beyond conventional frameworks.

○ Our Values “Taking a step forward.”

Sony FG is committed to creating an environment that encourages employees to take on challenges without fear of failure. Sony FG believes that it is especially important to foster a culture in which it is natural to “just try it,” even for small initiatives. Going forward, Sony FG will further support employees’ initiatives through Group-wide new business and service creation projects as well as the standardization of succession planning mechanisms.

・ Sony Financial Group CHALLENGE AWARD

Sony FG holds this event to recognize new challenges undertaken by individuals and teams through creative efforts. Entries submitted from across Sony FG are evaluated by employee voting and the presidents of Sony FG companies based on criteria such as proactiveness, degree of challenge, and impact. At the awards ceremony, the winners are announced in front of employees from all Sony FG companies, and trophies are presented by company presidents. All participating employees also receive a commemorative lanyard. The growing number of employees wearing these lanyards across Sony FG testifies to the aim to make taking on challenges a natural part of daily life, and this initiative will continue moving forward.

3. Business and Other Risks

The following are risks that the management believes need to be taken into account in making decisions regarding the business and other matters of the Company and Sony FG. The status of our risk management structure, including other risks, is described in “4. Status of the Filing Company, 4 Status of Corporate Governance.” Forward-looking statements in this section are based on judgments made as of the date of submission of this document, unless otherwise indicated.

We have identified the risks of Sony FG that require the most attention over the medium term as “top risks” and strive to manage them appropriately, while also paying attention to risks (including emerging risks) that may become important to Sony FG companies due to future changes in the business environment.

We recognize the following top risks for Sony FG.

1) Financial markets, credit, and liquidity
- Significant impact on the deterioration of the soundness of the life insurance business due to asset value impairment from sudden financial market fluctuations or recession, deterioration in liquidity, or rising interest rates, etc.

2) Insurance underwriting, pandemics, and large-scale disasters (including those caused by climate change)
- Business interruption or asset damage due to pandemics or large-scale disasters (including those related to climate change)and other factors (also impacting operations)
- Insurance claim payouts due to large-scale disasters

3) Operational and information security
- System failure, mass leakage of customer information and business interruption due to cyber-attacks (on Sony FG or contractors) and other factors, etc.

4) Conduct, compliance, and corporate culture
- Damage to corporate value due to Fraud, violation of social practices and violation of laws and regulations, etc.

5) Regulatory and social environment
- Delays in responding to changes in the social environment (declining competitiveness due to delays in responding to new technologies and changes in consumer preferences), etc.

The Company has assessed the impact of the situation in Russia and Ukraine, the situation in the Middle East, and the conflict between the U.S. and China on Sony FG as follows.

With regard to the situation in Russia and Ukraine, and the situation in the Middle East, the direct impact is minimal due to the limited exposure of Sony FG to these regions.

With regard to the economic and security friction between the U.S. and China, there is no significant impact on the relationship between Sony FG and business contractors (including subcontractors) located in either country at this time.

With regard to various events resulting from various geopolitical tensions, including those mentioned above, we recognize the need to assume that unpredictable conditions will continue, including the possibility of volatility in financial markets and deterioration in the creditworthiness of investees and creditors, which may in turn worsen business conditions. We are also aware of the potential for these circumstances to trigger the materialization of the risks described below, including indirect effects such as reputational damage due to service interruptions or additional costs associated with reviewing contractors (including subcontractors).

1. Risks Related to Business

(1) Risks associated with the fact that individual life insurance sales by Sony Life account for a large percentage of Sony FG's business

Sony Life has a longer history than the Company's other subsidiaries and accounts for a significant percentage of Sony FG's revenues and profits. Factors affecting the individual life insurance market generally include the following.

・Indicators such as employment rate and household income in Japan
・Relative attractiveness of other savings or investment products to customers
・Public perception or reputations about the financial position or reliability of the insurer
・Trends in fertility, aging, and other factors that will affect Japan's population structure over the long term

These changes and other factors could result in a decrease in new individual life insurance policies, an increase in policy cancellations, and a deterioration in profitability, which could adversely affect Sony FG's performance and financial position.

(2) Risks related to management plans, etc.

In formulating its management plans, Sony FG makes numerous assumptions regarding the market environment, business conditions, and other factors. However, if actual developments diverge from these assumptions or if the monitoring and responses related to plan progress are insufficient during the execution of the plans, the targets set in the management plans may not be achieved, which could adversely affect the performance and financial condition of Sony FG.

(3) Risks related to underfunded policy reserves

In the life insurance and non-life insurance businesses, policy reserves are accumulated for future payments of insurance claims and benefits in accordance with the Insurance Business Act and the Ordinance for Enforcement of the Insurance Business Act. These policy reserves are calculated based on a number of assumptions and estimates, including the frequency and timing of events covered by the policy, the amount of claims and benefits paid, and the amount of investment income from assets purchased with premium income. Because these assumptions and estimates are inherently uncertain, it is difficult to accurately determine the amounts and timing of payments that Sony Life and Sony Assurance will ultimately pay as insurance claims and benefits, or whether assets corresponding to insurance policy liabilities will reach the levels assumed prior to the payment of insurance claims and benefits. The frequency and timing of events covered by insurance policies and the amount of insurance claims paid are affected by a number of risks and uncertainties that are difficult to control, including the following.

・Changes in trends that are the basis for calculation assumptions and estimates, such as mortality, morbidity, surrender and lapse rates, and motor vehicle accident rates
・Availability of reliable data and ability to accurately analyze such data
・Selection and use of appropriate rates and pricing methods
・Changes in legal standards, insurance claim underwriting methods, and medical and auto repair cost levels

If Sony FG's performance deteriorates to a greater extent than the assumptions and estimates used in the calculations, Sony FG may not be able to fully fund its policy reserves. In addition, if there are changes in guidelines or standards regarding the level of policy reserves, it may be necessary to increase policy reserves based on more stringent calculation assumptions, estimates or actuarial calculations. An increase in reserve requirements could adversely affect Sony FG's performance and financial position.

Sony Life and Sony Assurance use reinsurance as a means of appropriately diversifying risk. With respect to the risks associated with reinsurance, although the Company manages the risk of underwriting in excess of the retention limit based on its retention and ceding policies to ensure that underwriting risk in excess of the retention limit is adequately covered, it may not be possible to collect reinsurance proceeds due to the emergence of counterparty risk in the ceding company or other factors.

(4) Risk related to advances in medical technology

In the insurance business, there is the possibility that insurance benefit payments may increase due to rapid advancements in medical technologies such as cancer diagnostics and genetic testing, which may lead to increased adverse selection, where relatively higher-risk customers are more likely to enroll in insurance.

Such circumstances could adversely affect Sony FG's performance and financial position.

(5) Risks related to securing and training human resources

Sony FG employs a large number of employees, including Sony Life's Lifeplanner sales specialists (sales employees), and strives to retain, secure, and develop capable human resources.

However, if the turnover rate increases due to insufficient personnel and labor management, or due to inadequate response to diversity, it may become difficult to retain, secure, and develop sufficient human resources. Such circumstances could adversely affect Sony FG's business operations, performance, and financial position.

(6) Risks related to stock price fluctuations

There is a risk that a decline in the stock market could result in valuation losses or losses on the sale of securities, or a decrease in gains or unrealized profits on the sale of securities, or an increase in the provision of policy reserves for minimum guarantees, which could adversely affect Sony FG's performance and financial position.

Sony Financial Ventures invests in funds backed by unlisted stocks and other assets. Unlisted stocks have the same risks as listed stocks, as well as lower liquidity, difficulty in timely redemption, and less stable management compared to larger companies.

(7) Risks related to interest rate fluctuations

Sony FG conducts asset and liability management ("ALM") in order to appropriately manage the assets under management in light of the liabilities of each business. Sony FG's ALM aims to ensure stable earnings while taking into account the long-term balance of assets and liabilities. In particular, at Sony Life, ALM is challenging because the duration of liabilities owed to policyholders is generally longer than that of assets under management. Sony Life is conducting ALM in response to changes in the interest rate environment by increasing investments in long-term bonds. However, if Sony FG fails to properly execute ALM, or if market conditions fluctuate beyond the extent Sony FG's ALM can accommodate, it could adversely affect Sony FG's performance and financial position. For example, Sony Life accumulates a portion of the premiums paid by policyholders as policy reserves for future claim payments, based on the assumption that these reserves will be invested annually at a certain interest rate (this interest rate is referred to as the "assumed interest rate for reserve calculation").

When interest rates are declining (including negative interest rates), the return on the investment portfolio may decrease due to lower investment yields, and the assumed interest rate (for the calculation of policy reserves) may not be sufficient to meet the assumed return, resulting in the possibility of an occurrence or increase of a negative spread.

In a rising interest rate environment, while investment returns may increase, policyholders may prefer other higher-yielding financial products, leading to an increase in policy surrender rates. In addition, fluctuations in interest rates may result in valuation losses on fixed-rate bonds held by Sony Life, which could adversely affect Sony FG's performance and financial position.

Similar risks as to those described above for Sony Life apply to Sony Assurance's whole-life medical insurance.

Sony Bank's investment income is largely composed of interest income from loans and bonds. If interest rates continue to rise and the increase in deposit interest exceeds the rise in yields from bond investments or other assets, it could adversely affect Sony Bank's performance. Unexpected interest rate fluctuations may also negatively impact the market value of fixed-income bonds held by Sony Bank and the gains or losses on interest rate derivative instruments. Furthermore, a rise in interest rates is also likely to reduce borrowing demand for Sony Bank's mortgages.

(8) Other risks related to investment portfolio

In order to secure stable investment income, Sony FG holds a variety of investment assets, including Japanese and foreign government and corporate bonds, Japanese stocks, loans, and real estate. In addition to interest rate and stock price fluctuation risks, Sony FG's investment portfolio is exposed to the various risks listed below, and such risks may adversely affect its performance and financial position.

・Foreign currency risk: Securities held by Sony Life and Sony Bank include securities denominated in foreign currencies. Although Sony Life's foreign currency-denominated insurance are hedged by investing in securities and other assets denominated in the same currency, there is no guarantee that such hedging will be effective. In addition, as part of asset management, we sometimes invest in foreign currency-denominated securities without applying foreign exchange hedges. Sony Bank hedges the risk related to foreign currency-denominated liabilities arising from foreign currency deposits by holding foreign currency-denominated assets in a form commensurate with the relevant currency. While the majority of other foreign currency-denominated bonds are also hedged against foreign exchange rate fluctuations, there is no guarantee that the hedges are effective. Due to these foreign currency-denominated investments, and due to the foreign exchange risk associated with the derivative instruments that Sony Bank holds as part of its investment activities, exchange rate trends could adversely affect the Sony Bank's performance and financial position.

・Credit risk: If the creditworthiness of issuers of bonds held by Sony FG deteriorates, such as through a credit rating downgrade, it may negatively affect the market value of those bonds, potentially resulting in valuation losses, reduced gains or increased losses on the sale of securities, or a decline in unrealized gains. There is also the possibility that issuers of bonds held by Sony FG may default on principal and interest payments. Furthermore, derivative transactions such as interest rate swaps, currency swaps, foreign exchange futures, and stock index options, which are used to hedge market risk, also involve counterparty risk. If the creditworthiness of the issuers of bonds held by Sony FG deteriorates and they default on the principal or interest payments on such bonds, or if counterparties default on their obligations under derivative transactions, it could adversely affect Sony FG's performance and financial position.

・Real estate investment risk: Real estate-related income may decrease due to declines in real estate prices and rents or increases in vacancy rates caused by a variety of factors.

(9) Liquidity risk

Sony FG needs to secure liquidity for payments of insurance claims, benefits, and cash surrender values and other payments in the life insurance and non-life insurance businesses, as well as for withdrawals of deposits in the banking business, and so Sony FG strives to appropriately manage liquidity according to the characteristics of each business. Although Sony FG holds a large amount of liquid assets, it also holds assets that are illiquid or have little or no liquidity, such as loans, real estate, and unlisted stocks. For example, if significant cash outflows are suddenly required due to an unexpected surge in policy surrenders, financial market turmoil or natural disasters, Sony FG companies may be forced to sell their assets under unfavorable conditions to cover the portion of their liquidity shortfalls. Such circumstances could adversely affect Sony FG's performance and financial position.

(10) Risks related to deterioration of the financial base

Financial strength is an important factor in ensuring the competitive advantage of Sony FG companies. The solvency margin ratio in the insurance industry, to which Sony Life and Sony Assurance belong, and the capital adequacy ratio in the banking industry, to which Sony Bank belongs, are common industry benchmarks for measuring financial strength. If these ratios were to decline significantly, the relevant Group company would be subject to various orders from the Commissioner of the Financial Services Agency under the Prompt Corrective Action regime, including an order to suspend all or part of its operations, which could adversely affect Sony FG's business.

In addition, the Company, Sony Life, and Sony Bank are rated by rating agencies, and a deterioration in Sony FG's profitability or financial base could result in a downgrade of Sony FG's credit rating, which could adversely affect Sony FG's business or the terms and conditions of its financing. Factors contributing to rating fluctuations may include not only deterioration in Sony FG's profitability or financial base but also changes in the credit rating of the government or our parent company.

(11) Administrative risk

Sony FG's business involves a variety of administrative processes, including the following.

・Management of Sony FG's insurance policies, including premium billing and payment of insurance claims, benefits, surrender charges, etc.
・Management and execution of interbank transactions, including management and collection of loans and deposits in Sony FG's banking business
・Management of Sony FG's investment portfolio, including investments in securities and the execution of derivatives, foreign exchange, and other transactions
・Settlement of funds

Sony FG's business entails administrative risk of incurring losses due to negligence, fraud, malfunction, or other problems related to Sony FG's internal administrative processes. As part of our efforts to identify and manage administrative risks, Sony FG must establish and implement procedures for accurately recording and verifying the large and growing number of transactions and events. If Sony FG's administrative risk management fails or is ineffective, and gross negligence, fraud, or malfunction that affect the proper execution of the above administrative processes arise, Sony FG may suffer losses, which could adversely affect Sony FG's performance and financial position.

(12) System risk and information security risk

Sony FG's information systems and those of its outsourcing partners include Internet-based marketing and sales channels, portfolio management tools, and back-office systems for managing insurance policies, deposits, and loans, as well as for handling card and credit payments, statistical data, and personal information. Direct or indirect costs arising from Internet or system failures or from outages caused by cyberattacks or other factors, or inadequacies in system planning, development, or operation, including the inability to properly process applications, payments, or other customer transactions, could have a significant impact on operations. Such an event could lead to customer dissatisfaction due to delays in operations, which in turn could lead to administrative penalties or damage suits, resulting in a deterioration of Sony FG's image and a decrease in revenues, commissions, and other business opportunities. The IT and other systems of Sony FG, as well as those of external contractors and partners, may be affected by a range of disruptions, including the following.

・Defects and malfunctions in hardware and software, including defects and malfunctions in network and system architecture
・Usage volumes beyond expectations
・Accidents, fires and natural disasters
・Power outage
・Cyberattacks, human negligence, sabotage, hacking, subversive activities, etc.
・Malware, computer viruses

(13) Risks related to outsourcing of important operations

Sony FG outsources the following types of operations to third parties.

・Development, maintenance, and operation of major information systems
・Development, maintenance, and operation of telephone and information management systems for customer centers
・Printing and dispatch of various change notices for customers and shareholders
・Data entry of insurance-related documents for Sony Life
・Road services and damage investigation services for Sony Assurance policyholders in the event of an accident
・ATM services for Sony Bank account holders
・Borrower credit assessments and guarantee services related to Sony Bank credit card loans
・Document storage
・Other back-office operations

There is no assurance that the external contractors will be able to continue these operations efficiently and at a reasonable cost, or that they will be able to expand their operations appropriately in line with the expansion of Sony FG's business. If these services were to be suspended due to system outages, excess throughput, or the emergence of geopolitical risks, Sony FG would be unable to provide services to its customers, which could have a negative impact on Sony FG's image. Furthermore, Sony FG may be unable to implement alternative services promptly and at a reasonable cost, which could result in additional expenses. For these reasons, the suspension of such services may adversely affect Sony FG's business and performance.

(14) Risks related to personal information leaks

Sony FG, including operations entrusted to external contractors, makes extensive use of online services and centralized data management, which makes the secure retention and transmission of confidential information important. There is no guarantee that the loss, leakage, or theft of customer or shareholder information will not occur, or that security breaches involving the IT or other systems of Sony FG, external contractors, or partners will not occur. If Sony FG loses personal information, or if a third party breaches the network security of Sony FG, its partners, or external contractors, and misuses the personal information of customers or shareholders, Sony FG may be subject to lawsuits, and its corporate image may be damaged. The same applies in cases where officers or employees of Sony FG lose, leak, or misuse customer or shareholder information. The loss, leakage, unauthorized use, or other security breaches of customer or shareholder information could lead to a loss of trust in Sony FG, which could adversely affect Sony FG's business and performance.

(15) Risk of losses caused by fraud by employees, agents, third-party vendors, or customers

There is a risk of loss due to fraud or other irregularities by employees, agents, third-party suppliers, and customers, such as illegal sales activities, scams, identity theft crimes, and the loss of personal information. In particular, Sony Life's Lifeplanner sales specialists and agencies, and Sony Bank's bank agencies, each operate with a considerable degree of discretion, have direct relationships with customers, and are in a position to know their personal and financial information. Furthermore, some third-party suppliers are also in a position to know personal and financial information about their customers.

Customers themselves may also engage in fraudulent behavior, such as the unauthorized use of accounts or submitting false personal information when opening an account. Such fraudulent acts are difficult to prevent or detect in advance, and it is often difficult to recover the resulting losses. These acts may damage the image of Sony FG, and in particular, if customers use their accounts for money laundering or other illegal activities, it may severely harm Sony FG's reputation, expose us to significant legal liability, and possibly result in administrative penalties.

(16) Risk of inappropriate incidents caused by advanced technologies and social media

The pace of change in information and communication technologies continues to accelerate, and advanced technologies such as cloud computing, blockchain, and artificial intelligence (including generative AI) not only offer significant opportunities, but also present new risks.

Although we carefully manage our operations with respect to cutting-edge technologies and social media, the following factors may adversely affect the Company's business operations and performance.

・Administrative incidents due to malfunction or inadequacy of advanced technology, etc.
・Malicious use of advanced technologies such as generative AI
・Spreading fake news about the Company's business conditions, etc. (including spreading on social media)

(17) Risks related to violation of laws and regulations

All of Sony FG's businesses are subject to strict legal regulation and supervision. Therefore, in the event of a violation of laws and regulations, each company in Sony FG may be subject to fines, surcharges, business improvement orders, business suspension orders, or revocation of licenses and permits. In addition, because each company in Sony FG conducts business using a common brand, a violation of laws or regulations in one business could have a negative impact on Sony FG's overall business.

In particular, the following licenses and authorizations based on the Insurance Business Act, the Banking Act, and other laws and regulations are prerequisites for Sony FG's main business activities. There are no expiration dates for these licenses, and as of the date of submission of this document, we are not aware of any circumstances that would result in the revocation of these licenses and permits. However, if such circumstances arise in the future, the company will be unable to continue its business, which could have an adverse effect on Sony FG's business performance and financial position.

[Main licenses and authorizations of Sony FG]

Name of the licenses and authorizations	Relevant provisions	Name of the company	Expiration date	Reasons for rescission of authorization
Authorization to be obtained by Insurance Holding Company	Insurance Business Act Article 271-18(1)	The Company	None	Insurance Business Act Article 271-30(1)
Authorization to be Obtained by Bank Holding Company	Banking Act Article 52-17(1)	The Company	None	Banking Act Article 52-34(1)
life insurance business license	Insurance Business Act Article 3(4)	Sony Life	None	Insurance Business Act Articles 132(1), 133 and134
non-life insurance business license	Insurance Business Act Article 3(5)	Sony Assurance	None	Insurance Business Act Articles 132(1), 133 and134
license of Banking Business	Banking Act Article 4(1)	Sony Bank	None	Banking Act Articles 26(1), 27 and 28

In addition, because each company in Sony FG conducts business using a common brand, a violation of laws or regulations in one business could have a negative impact on Sony FG's overall business.

(18) Risks related to litigation, etc.

Sony FG provides various financial services, mainly in the insurance and banking businesses, and in the course of conducting these businesses, there is a possibility that a lawsuit or other legal proceedings may be filed or initiated against Sony FG by a customer or other party. In addition, there is a possibility that Sony FG may be sued by its employees due to inadequacies in personnel and labor management, including human rights violations, or inadequacies in health and safety management.

If a lawsuit or other action is brought against Sony FG, depending on the outcome, it could adversely affect Sony FG's corporate image, business and performance.

(19) Risk of risk management policies and manuals not functioning properly in response to unforeseen risks

Sony FG's risk management framework is designed to address a broad range of risks, including liquidity risk and other investment-related risks, as well as administrative risk, systems risk, information security risk, insurance underwriting risk, legal risk, internal fraud risk, reputational risk, business continuity risk, and climate change risk. However, as Sony FG diversifies its products and services and expands its customer base, it may become difficult to improve the systems and risk management necessary to manage these risks. Risk management policies and manuals may not be effective in preventing losses related to the various risks associated with the business.

If these policies and manuals do not function effectively, Sony FG's performance could be subject to significant adverse impact and losses could be incurred.

(20) General risks related to hedging

In order to enhance management stability, in addition to the perspectives mentioned above, Sony FG also hedges risks as appropriate.

Although care is taken to ensure that the intended effects of risk hedging, including reinsurance, are achieved, there are no guarantees that the effects will be as expected, and as a result, (opportunity) losses may be incurred or increased.

There is also the possibility that even if the hedging effect is achieved as expected, a different method of evaluation would have led to the occurrence or expansion of losses. For example, hedging changes in the corporate value on an economic value basis, such as EV, may result in greater changes in periodic income based on corporate accounting.

(21) Risks related to application of IFRS Accounting Standards

The Company is preparing for the future application of IFRS Accounting Standards on a group consolidated basis, including assessments of its impact and the identification of related issues. However, even if there is no change in the actual performance or condition of Sony FG at the time of application, changes in accounting treatments, such as revenue recognition and valuation of assets and liabilities, could adversely affect Sony FG's operations, financial position, solvency margin ratio, or capital adequacy ratio.

(22) General risks related to the Company's shares

The Company has commenced preparations for the execution of a partial spin-off of the Company (the "Spin-off") by its parent company, Sony Group Corporation, and the listing of the Company's shares. The Spin-off is intended to enable continued use of the Sony brand while enhancing our financial flexibility and paving the way for investment in growth.

However, more efficient financing and business operations are not always successful as a listed company.

In addition, in the event of a hostile acquisition (tender offer), the strategic policies and corporate culture of the Company would change under the control of new shareholders and management, and changes in management and executives, as well as the loss of the right to use the Sony brand, could lead to employee anxiety or dissatisfaction and a host of other problems, such as the need to integrate business processes and IT systems, as well as other significant burdens.

As a result, if the Spin-off does not bring the expected benefits, it could reduce corporate value and adversely affect Sony FG's performance and financial position. For details of the Spin-off, please refer to "Section 5 Financial Position, 1 Consolidated Financial Statements, etc., (1) Notes to Consolidated Financial Statements (Subsequent Events)".

2. Risks Related to the Industry

(1) General risks related to the competitive environment

The financial industry faces fierce competition. Furthermore, new competitive pressures have arisen recently, such as the full-scale entry into the financial services business by companies from other industries.

・Insurance business

In the life insurance industry, in addition to the traditional insurance companies, companies that sell life insurance exclusively through the Internet have entered the market, and the competitive environment also includes foreign insurance companies and organizations such as the National Mutual Insurance Federation of Agricultural Cooperatives, the National Federation of Workers and Consumers Kyosai Cooperatives, and the Japanese Consumers' Co-operative Union, all of which offer similar life insurance products.

In the non-life insurance industry, in addition to traditional insurance companies that obtain policies through agents, we also compete with insurance companies that sell insurance through direct marketing via telephone and the Internet, similar to Sony Assurance. Recently, we have seen the entry into the direct market by large existing insurance companies and the entry into the non-life insurance market by companies from other industries.

In the insurance industry, competitive advantages include the following.

・Capital strength and credit ratings
・Brand strength
・Strong marketing and sales network through partnerships with other financial institutions
・Price competitiveness
・Customer base
・Wide range of products and services

・Regarding the banking business

Sony Bank focuses on providing asset management and lending services to individual customers and faces intense competition in the retail financial services market. Recently, existing financial institutions, including city banks, have been focusing on the retail financial services market and expanding their use of the Internet and other channels to provide retail financial services. Sony Bank also competes with non-banks that offer long-term fixed-rate mortgages in cooperation with the Japan Housing Finance Agency at rates that are often lower than those offered by many banks. Sony Bank also faces competition in the provision of retail financial services from existing securities companies, online securities firms, and foreign exchange margin trading providers. Sony Bank's primary contact with customers is through the Internet, which may make it difficult to appeal to customers who prefer financial institutions that offer face-to-face transactions.

Note that regulatory barriers between the banking and securities industries have continued to ease, allowing, for example, banks and securities firms operating under a common holding company to share customer information and offer a wider range of services. Deregulation measures that favor large, established financial conglomerates could lead to further consolidation of the financial services industry in Japan. As barriers to entry between different segments of the financial services industry continue to ease, various Japanese and foreign financial institutions are expected to capitalize on expanding business opportunities, and we anticipate that competition between these industries will continue to intensify.

This intensifying competition in the financial services market in Japan could adversely affect Sony FG's business and performance.

(2) Risks due to customer and demographic changes

・Life insurance business

The life insurance industry as a whole has been affected by rising surrender rates and declining new policies due to the aging of Japan's population and the prolonged recession. Sony Life's product development and marketing efforts primarily target customers in their 30s to 40s, a segment expected to remain relatively stable over the medium term. However, demographic changes, such as a decline in the total population, could cause unexpected adverse impact on Sony FG's business and performance.

・Non-life insurance business

The market for automobile insurance, Sony Assurance's main product, has remained flat. This is considered to be due to the unstable growth in the number of new vehicle registrations in Japan, the increasing share of relatively inexpensive vehicles such as mini cars in the number of policies in force, which is causing the average insurance premium per vehicle to decline, and the fact that many policyholders receive progressive discounts as they continue their policies, contributing to a downward trend in the average insurance premium. Sony Assurance and other direct non-life insurance companies have been growing their market share recently, and Sony Assurance's strategy assumes continued market share growth by direct non-life insurance companies throughout the industry. For example, if customers come to perceive direct non-life insurance companies in general as less reliable or as offering inferior service compared to other competitors, then the market share of direct non-life insurance companies may not grow as expected. In addition, if direct marketing fails to gain sufficient acceptance among customers and market share growth stagnates, it could adversely affect Sony FG's performance.

・Regarding the banking business

Sony Bank's primary contact point with customers is the Internet. Sony FG's ability to continue growth in the banking business will depend on whether banking services and financial instruments intermediary services through the Internet or other means provided by financial institutions specializing in the Internet will continue to enjoy the same level of support from customers as has heretofore been the case. If concerns about information security or other factors lead to a decline in Internet usage or if customers develop a preference for financial institutions that offer face-to-face transactions, demand for banking services and financial instruments intermediary services through the Internet or other means may not grow as expected. If banking services and financial instruments intermediary services through the Internet or other means do not continue to grow, or if the rate of growth declines, it could adversely affect Sony FG's growth prospects and performance.

(3) Risk of not being able to respond to technological and other advances in the retail financial services market

The retail financial services market is currently undergoing rapid technological change, with shifting customer requirements, faster introduction of new products and services, and changing industry standards. Efficient use of the Internet and direct marketing channels is a key factor for the growth of Sony FG, and future success depends on its ability to promote certain existing services and develop new services in a timely and cost-effective manner. Failure to respond to such technological changes, changes in customer requirements, or changes in industry standards, or the inability to make cost-effective investments in response measures, could adversely affect Sony FG's business, growth prospects, and performance.

(4) Risks due to changes in laws and regulations, etc.

Although deregulation is progressing in Japan's financial services industry, Sony FG's life insurance, non-life insurance, and banking businesses are subject to separate sets of regulations and are generally required to conduct their operations independently.

Future changes in, or establishment or abolition of, laws and regulations, accounting systems, taxation systems, conventions, and monetary, fiscal, and other policies, and their impact on Sony FG's business, are unpredictable and beyond the Company's control. Depending on their content, such changes may restrict Sony FG's business or impose additional costs for structural adjustments, which could adversely affect Sony FG's business operations, performance, and financial base.

(5) Risks related to contributions to the Life Insurance Policyholders Protection Corporation of Japan

The Life Insurance Policyholders Protection Corporation of Japan was established and commenced operations under the Insurance Business Act for the purpose of enhancing the protection of policyholders in the event of the bankruptcy of a life insurance company, and all life insurance companies operating in Japan, including Sony Life, are members of this corporation and are obligated to pay contributions to it.

If Sony Life's insurance premium revenue and policy reserves increase compared to those of other life insurance companies in Japan, the amount of contributions allocated to Sony Life may increase. In addition, if another Japanese life insurance company goes bankrupt, or if the corporation's charter is amended to revise provisions related to contributions, Sony Life may be required to make additional contributions. An increase in contributions could adversely affect Sony FG's performance and financial position.

(6) Risks related to pandemics or large-scale disasters (including those caused by climate change)

Sony Assurance may incur unforeseeable losses in its automobile and fire insurance policies due to factors such as unusual weather conditions.

Sony Life also faces the risk of insurance claim payments arising from the outbreak of infectious diseases or epidemics, and large-scale payments in the event of earthquakes, tsunamis, or other regional disasters in densely populated areas. Each insurance subsidiary maintains a contingency reserve or catastrophic loss reserve in accordance with Insurance Business Act standards, industry practices, and accounting standards, but these reserves may not be sufficient to pay actual insurance claims and other payments.

In addition, Sony Bank may experience an increase in credit-related costs due to factors such as loan defaults resulting from economic deterioration following a major disaster or the need to increase allowance for doubtful accounts due to a decline in the value of collateral.

Furthermore, Sony FG's operations may be disrupted due to physical damage, and if it fails to respond appropriately to these risks, it could adversely affect Sony FG's performance and financial position.

Note that pandemics and large-scale disasters described above include those caused by climate change, such as severe disasters due to higher average temperatures and an increase in infectious diseases and heat stroke. As global efforts to address climate change accelerate, Sony FG is also advancing related initiatives. However, if global efforts to address climate change, including those of Sony FG, are not successful, it could adversely affect Sony FG's business operations, performance, and financial base. Specifically, in addition to the impacts associated with the climate change-induced large-scale disasters described above, there may be other impacts such as a decline in the value of assets of portfolio companies and credit customers that have not sufficiently responded to the introduction of a carbon tax or the strengthening of policies and regulations related to climate change. In addition, if Sony FG's efforts or disclosure of such efforts are deemed inadequate in the face of growing interest in climate change-related initiatives, heightened public criticism could adversely affect Sony FG's business and financing conditions.

3. Risks as a holding company

The Company is a financial holding company, and the majority of its income comes from dividends from subsidiaries directly owned by the Company. Under certain circumstances, regulations under the Insurance Business Act, the Banking Act, and the Companies Act, among others, may limit the amount of dividends that a subsidiary may pay to the Company. In addition, if a subsidiary is unable to record sufficient profits and is unable to pay dividends to the Company, the Company may not be able to pay dividends to its shareholders.

4. Management's Discussion and Analysis of Financial Position, Results of Operations, and Cash Flows

This section contains management's analysis and explanation of Sony FG's (the Company and its consolidated subsidiaries) financial position, results of operations, and cash flows for the current consolidated fiscal year, including significant events and factors that had an impact.

Forward-looking statements in this section are based on Sony FG's judgment as of the date of submission of this document under review.

(1) Financial Position and Results of Operations

(i) Significant Accounting Policies and Estimates

Sony FG's consolidated financial statements have been prepared in accordance with accounting principles generally accepted in Japan. The preparation of these financial statements requires management to make judgments, estimates, and assumptions that affect the selection and application of accounting policies, as well as the reported amounts of assets, liabilities, revenues, expenses, and related disclosures. Management makes these estimates based on historical experience and other factors considered reasonable; however, actual results may differ from these estimates.

Management believes that the following significant accounting policies have the most material impact on the preparation of Sony FG's consolidated financial statements, due to the estimates and assumptions used.

(a) Fair Value Measurement of Financial Instruments

Certain securities and derivative transactions are measured at fair value. Fair value is principally determined based on market prices; however, in cases where market prices are unavailable, fair value is reasonably determined using valuations provided by external experts. Details of the fair value measurement methods are disclosed in "5. Status of Accounting 1. Consolidated Financial Statements (1) Consolidated Financial Statements (Financial Instruments), (Derivative financial instruments)."

Management believes that fair value measurement of financial instruments is reasonable; however, future changes in financial market conditions, such as deterioration in equity markets, may have a material impact on the recognized fair values.

(b) Impairment of Securities

For securities other than those held for trading purposes, impairment is recognized when fair value or recoverable amount has significantly declined compared to acquisition cost, excluding those for which recovery is deemed probable. In evaluating recoverability, factors such as financial market conditions and the feasibility and reasonableness of the investee's business plan are considered. The reasonable standards for impairment recognition are disclosed in "5. Status of Accounting 1. Consolidated Financial Statements (1) Consolidated Financial Statements (Financial Instruments), (Securities)."

Management believes that the recognition of impairment losses and the estimation of recoverable amounts are reasonable. However, significant impairment losses on securities may be recognized depending on future financial market conditions or progress in achieving the business plans of investee companies.

(c) Recoverability of Deferred Tax Assets

Deferred tax assets are recognized only for tax loss carryforwards, tax credits, and deductible temporary differences that are deemed likely to reduce future tax burdens. The recoverability of deferred tax assets is reviewed at each fiscal year-end, and deferred tax assets that are no longer deemed likely to reduce future tax burdens are reversed.

Management assesses recoverability based on whether the deferred tax assets are expected to reduce future tax burdens. However, since the recoverability of deferred tax assets depends primarily on estimates of future taxable income, significant changes in the business environment or other circumstances causing the estimated amount to change may result in fluctuations in the amount of deferred tax assets recognized.

(d) Allowance for Doubtful Accounts

To prepare for potential losses from uncollectible receivables, Sony FG calculates an allowance for doubtful accounts based on asset self-assessment standards, using the estimated amount of uncollectible receivables or historical default rates applied to the outstanding receivables, as disclosed in “5. Status of Accounting 1. Consolidated Financial Statements (1) Consolidated Financial Statements (Significant Basic Items for the Preparation of the Consolidated Financial Statements).”

Management believes that the assessment of receivables and the allowance for doubtful accounts are reasonable and that receivables are properly recorded at amounts collectible. However, if the financial position or creditworthiness of debtors deteriorates in the future, additional allowances or bad debt losses may arise.

(e) Policy Reserves

Policy reserves are set aside to cover future obligations arising from in-force contracts, based on forecasts of future mortality rates, morbidity rates, contract lapse rates, and asset management yields. The methods for calculating policy reserves are disclosed in “5. Status of Accounting 1. Consolidated Financial Statements (1) Consolidated Financial Statements (Significant Basic Items for the Preparation of the Consolidated Financial Statements).”

The assumptions used in estimating policy reserves are based on experience at Sony FG’s insurance subsidiaries or various actuarial statistical tables.

Management believes that policy reserves have been appropriately provided based on sound actuarial practices. However, although management believes the assumptions used in actuarial calculations are reasonable, if actual experience significantly deviates from assumptions or if assumptions require revision, the amount of policy reserves may be affected.

(f) Reserves for Outstanding Claims

For insurance claims and other obligations that have been incurred or are deemed to have been incurred under insurance contracts, unpaid amounts are estimated and set aside as reserves for outstanding claims.

Management believes that reserves for outstanding claims have been appropriately provided. However, changes in inflation trends, legal precedents, or the emergence of new information that affects estimates may result in fluctuations in reserves for outstanding claims.

(g) Impairment of Tangible Fixed Assets and Intangible Assets, Including Goodwill

Sony FG assesses whether there are indications of impairment for tangible fixed assets, and intangible assets including goodwill. If such indications exist, impairment testing is conducted based on the recoverable amount of the asset or asset group. The recoverable amount is the higher of net selling price (fair value less costs to sell) or value in use. If the carrying amount exceeds the recoverable amount, the asset is written down to the recoverable amount and an impairment loss is recognized. In estimating value in use, assumptions regarding useful life, future cash flows, growth rates, discount rates, and other factors are used. These assumptions are determined based on historical experience, management-approved business plans, and the best estimates and judgments reflecting fluctuations in future profitability due to changes in the business environment after business plans have been formulated.

Management believes that judgments related to indications of impairment, recognition of impairment losses, and estimation of the recoverable amount of the asset are reasonable. However, changes in business strategy or market conditions may require revisions to assumptions, which could materially affect the amount of impairment losses recognized.

(ii) Overall Business Environment

In the current consolidated fiscal year (April 1, 2024 to March 31, 2025), the Japanese economy experienced prolonged inflation driven by elevated import prices due to yen depreciation and rising food prices, particularly for rice. As a result, real wages remained weak, and personal consumption failed to stage a full-fledged recovery, leaving the economy stagnant. In the first half of the year, personal consumption was supported by factors such as a rebound from the negative effects of the Noto Peninsula earthquake and the certification irregularities at certain automakers, increased demand for summer goods due to extreme heat, and extraordinary demand for disaster prevention-related products following earthquakes and typhoons. However, in the second half of the year, rising import prices of foods and raw materials due to yen depreciation and abnormal weather, in addition to poor domestic harvests for rice and leafy vegetables, caused significant increases in the prices of frequently purchased foods, heightening consumer frugality and putting downward pressure on personal consumption. Toward the fiscal year-end, the announcement by the U.S. government of significant tariff hikes on Japanese products through reciprocal tariffs raised concerns about downside risks to the economy.

The bond market was heavily influenced by the monetary policy of the Bank of Japan and the U.S. economy and financial policy. In early 2024, long-term interest rates rose above 1% on expectations of aggressive wage hikes in spring labor negotiations and reduced Bank of Japan bond purchases. However, by August, rising U.S. unemployment heightened recession fears, destabilizing global financial markets and causing long-term interest rates to fall below 1%. In the second half, as excessive pessimism toward the U.S. economy receded, concerns over domestic inflation led to expectations of additional rate hikes, pushing long-term interest rates higher. In January 2025, the policy interest rate was raised to 0.5%, and strong wage growth exceeding the previous year was achieved in spring labor negotiations, resulting in long-term interest rates exceeding 1.5% in March — the highest level in approximately 16 years. In April, U.S. tariff policies again shook global financial markets, causing significant volatility in Japan's bond market, including sharp fluctuations of long-term interest rates.

The foreign exchange market was shaped by Japan–U.S. long-term interest rate differentials and the U.S. presidential election. Through July 2024, expectations of higher U.S. interest rates driven by the likelihood of former President Trump's re-election pushed the yen to the upper 160 yen range against the U.S. dollar. In August, U.S. recession concerns caused U.S. interest rates to fall, narrowing the interest rate gap, and the yen strengthened to the low 140 yen range in mid-September. After briefly weakening due to a strong U.S. economy and concerns over a possible upswing in interest rates triggered by the re-election of President Trump, the yen strengthened again to the 140 yen range in January 2025, reflecting expectations of early additional rate hikes by the Bank of Japan.

In the insurance and banking industries, companies advanced efforts to fulfill their roles in building a sustainable society. Customer-oriented business operations were further promoted, including the development of products and services tailored to increasingly diverse needs and risks associated with the onset of an era of 100-year lifespans in Japan. In the life insurance sector, companies faced growing needs to address demographic decline, aging populations, and financial market uncertainty. The non-life insurance sector faced rising claims due to increased traffic accidents following a recovery in traffic volume and a need to restore trust in response to premium adjustments and fraudulent claims issues. Companies in other sectors were likewise required to adjust operations to changes in the business environment.

Amid these conditions, Sony FG has taken various initiatives to provide high-value-added products and high-quality services, and further enhance its internal control framework, while maintaining a sound financial foundation.

As a result, the current consolidated financial results of Sony FG (April 1, 2024 to March 31, 2025) are as follows.

Ordinary revenues decreased 24.1% year on year, to 2,618.7 billion yen, due to a decrease in ordinary revenues from the life insurance business, despite increases in the non-life insurance and the banking businesses. Ordinary profit decreased 17.4% year on year, to 44.8 billion yen, due to decreases in ordinary profit in the life insurance and the banking businesses, despite an increase in the non-life insurance business. Profit attributable to owners of the parent was up 91.4% year on year, to 78.7 billion yen, due to a reversal of reserve for price fluctuations at Sony Life.

Total assets as of March 31, 2025 increased 5.8% year on year, to 23,370.9 billion yen. The main account balances are securities consisting mainly of government bonds, which increased 4.3% year on year, to 17,528.2 billion yen, and loans, which increased 5.9% year on year, to 3,899.0 billion yen.

Total liabilities increased 5.6%, to 22,701.1 billion yen. The main account balances are policy reserves and others, which increased 5.1% year on year, to 15,834.1 billion yen, and deposits, which increased 10.4% year on year, to 4,243.9 billion yen. Total net assets increased 12.8% to 669.7 billion yen. Of net assets, the valuation difference on available-for-sale securities decreased 2.3 billion yen to negative 73.1 billion yen.

(iii) Status of each business as described in segment information

① Life insurance business:

Ordinary revenues were down 27.2% year on year, to 2,317.0 billion yen, due to decreased investment income in separate accounts, despite an increase in insurance premiums for the single-premium insurance and other products. Ordinary profit was down 18.2% year on year, to 20.6 billion yen, due to deteriorated gains/losses on sales of securities in the general account due to sales of bonds for the purpose of rebalancing based on the ALM (asset-liability management) approach, despite improved gains/losses resulting from market fluctuations for variable life insurance and other products.

② Non-life insurance business:

Ordinary revenues were up 11.0% year on year, to 168.8 billion yen, due to a steady increase in net premiums written centered on mainstay auto insurance. Ordinary profit was up 11.1% year on year, to 7.2 billion yen, due to decreased operating expense ratio and an effect of increased revenues, despite a rise in the loss ratio due to an increase in the unit price of losses paid and other factors on auto insurance.

③ Banking business:

Ordinary revenues increased 10.8% year on year, to 117.0 billion yen, and ordinary profit decreased 17.5% year on year, to 18.8 billion yen, due to decreases in fees and commissions and profit due to the conversion of subsidiaries to equity-method affiliates, despite an increase in interest income such as interest income and dividends on securities.

Ordinary revenues

(Millions of yen)

	For the year ended March 31, 2024	For the year ended March 31, 2025	Year-on-year change (%)
Life insurance business	3,181,114	2,317,065	(27.2)
Non-life insurance business	152,089	168,894	11.0
Banking business	105,604	117,021	10.8
Subtotal	3,438,808	2,602,981	(24.3)
Other *1	14,993	19,415	29.5
Elimination of inter-segment transactions	(3,501)	(3,684)	5.2
Total	3,450,300	2,618,712	(24.1)

Ordinary profit

(Millions of yen)

	For the year ended March 31, 2024	For the year ended March 31, 2025	Year-on-year change (%)
Life insurance business	25,190	20,615	(18.2)
Non-life insurance business	6,479	7,200	11.1
Banking business	22,891	18,881	(17.5)
Subtotal	54,561	46,696	(14.4)
Other *1	(422)	644	-
Elimination of inter-segment transactions, etc.*2	219	(2,452)	-
Total	54,358	44,889	(17.4)

*1 “Other” represents the nursing care business and the venture capital business.

*2 Mainly gains and losses related to the holding company (company submitting consolidated financial statements) and elimination of inter-segment transactions.

The results of major subsidiaries in each business segment are as follows.

＜Sony Life (Non-consolidated)＞

Ordinary revenues of Sony Life decreased 27.2% year on year, to 2,316.9 billion yen, as a result of totaling income from insurance premiums increasing 9.6% year on year, to 1,910.5 billion yen, investment income decreasing 74.7% year on year, to 348.4 billion yen, and other ordinary income decreasing 5.7% year on year, to 57.8 billion yen.

Meanwhile, ordinary expenses decreased 27.2% year on year, to 2,295.2 billion yen, as a result of totaling insurance claims and other payments increasing 5.8% year on year, to 1,115.8 billion yen, provision for policy reserves and others decreasing 3.7% year on year, to 745.7 billion yen, investment expenses decreasing 36.0% year on year, to 142.0 billion yen, and operating expenses increasing 13.5% year on year, to 206.1 billion yen.

Total investment income and expenses on assets in general and separate accounts decreased 82.1% year on year, to 206.3 billion yen. Of those, investment income and expenses on assets in the general account decreased 56.2% year on year, to 87.0 billion yen.

Despite improvement in gains and losses associated with fluctuation of market conditions for variable insurance, etc., ordinary profit decreased 17.2% year on year, to 21.6 billion yen, due to deteriorated gains/losses on sale of securities in the general account resulting from the sale of bonds for the purpose of rebalancing based on the ALM (asset-liability management) approach in response to the impact of rising interest rates.

Profit, which is calculated by adding extraordinary profit (losses), provision for policyholders’ dividends, and income taxes to ordinary profit, increased 328.5% year on year, to 58.1 billion yen, due to the reversal of the reserve for price fluctuations.

Core profit decreased 38.1% year on year, to 115.1 billion yen, mainly due to an increase in the provision for policy reserves related to minimum guarantees for variable insurance, etc. Negative spread increased 16.4% year on year, to 7.8 billion yen.

The new policy amount totaling individual life insurance and individual annuities increased 11.3% year on year, to 11,188.3 billion yen, due to strong performance of sales of variable insurance (term type) and variable individual annuities. Annualized premiums increased 12.6% year on year, to 180.8 billion yen, due to strong performance of sales of variable insurance (term type) and variable individual annuities. Of these, medical benefits and lump sum benefits increased 1.8% year on year, to 9.1 billion yen. Meanwhile, the cancellation/expiration rate[*1] decreased 1.03 points year on year, to 5.95%.

As a result of the above, the new policy amount totaling individual life insurance and individual annuities increased 8.1% year on year, to 71,974.0 billion yen. Annualized premiums from insurance in force increased 7.5% year on year, to 1,297.4 billion yen, and of these, medical protection, living benefit protection, and other products decreased 2.2% year on year, to 208.7 billion yen.

Unrealized gains on securities[*2] decreased 1,033.6 billion yen to negative 2,238.4 billion yen. Furthermore, the valuation difference on available-for-sale securities increased 1.5 billion yen to negative 71.2 billion yen.

(*1) The ratio of the amount of contracts that have been canceled or expired, excluding decreases or increases in the policy amount and reinstatements, divided by the policy amount held at the beginning of the fiscal year.

(*2) The difference between the book value and market value of securities with fair value other than those held for trading purposes.

(Insurance Underwriting and Asset Management)

Insurance Underwriting Operations

① Policy amount in force

(Number in thousands, Millions of yen, %)

Type	As of March 31, 2024				As of March 31, 2025			
	Number	Comparison to March 31, 2023	Amount	Comparison to March 31, 2023	Number	Comparison to March 31, 2024	Amount	Comparison to March 31, 2024
Individual life insurance	7,573	97.4	56,690,559	105.1	7,379	97.4	58,932,288	104.0
Individual annuities	1,492	131.2	9,895,615	138.2	1,886	126.4	13,041,719	131.8
Subtotal	9,066	101.8	66,586,174	109.0	9,265	102.2	71,974,008	108.1
Group life insurance	-	-	1,297,009	92.0	-	-	1,182,336	91.2
Group annuities	-	-	3,587	81.5	-	-	2,982	83.2

(Notes) 1. Policy amount for individual annuities is equal to the sum of (a) the funds to be held at the time annuity payments are to commence for policies for which annuity payments have not yet commenced and (b) the amount of policy reserves for policies for which annuity payments have commenced.

2. The policy amount in force for group annuities is equal to the amount of policy reserves.

② New policy amount

(Number in thousands, Millions of yen, %)

Type	For the year ended March 31, 2024				For the year ended March 31, 2025					
	Number	Amount	Amount, of which, new policies	Amount, of which, increase from conversion	Number	Comparison to previous year	Amount	Comparison to previous year	Amount, of which, new policies	Amount, of which, increase from conversion
Individual life insurance	317	7,085,534	7,085,534	-	296	93.5	7,569,700	106.8	7,569,700	-
Individual annuities	402	2,970,866	2,970,866	-	457	113.6	3,618,608	121.8	3,618,608	-
Subtotal	720	10,056,401	10,056,401	-	754	104.8	11,188,308	111.3	11,188,308	-
Group life insurance	-	7,940	7,940	-	-	-	9,084	114.4	9,084	-
Group annuities	-	-	-	-	-	-	-	-	-	-

(Notes) 1. The new policy amount including increase from conversion for individual annuities is equal to the funds held at the time annuity payments commence

2. The new policy amount for group annuities is equal to the sum of the initial premium payments.

③ Annualized Premiums from Policies in Force

(Millions of yen, %)

Type	As of March 31, 2024	Comparison to March 31, 2023	As of March 31, 2025	Comparison to March 31, 2024
Individual life insurance	927,452	102.1	939,076	101.3
Individual annuities	279,087	135.2	358,407	128.4
Total	1,206,540	108.3	1,297,483	107.5
Medical protection, living benefit protection and other products	213,377	98.9	208,736	97.8

(Notes) 1. Annualized premiums refer to an amount that is calculated by multiplying individual premium amounts by a coefficient that differs depending on the premium payment methods, thereby converting the figure to a per-year premium. (For single premium policies, premiums are divided by the number of coverage years.)

2. Annualized premiums for “medical protection, living benefit protection and other products” include those for medical protection bene fits (hospitalization benefits, surgical procedure benefits, etc.) and living benefit protection (benefits for specific diseases, nursing care benefits, etc.).

④ Annualized Premiums from New Policies

(Millions of yen, %)

Type	For the year ended March 31, 2024	Comparison to March 31, 2023	For the year ended March 31, 2025	Comparison to March 31, 2024
Individual life insurance	78,909	110.7	87,607	111.0
Individual annuities	81,680	142.6	93,232	114.1
Total	160,589	124.9	180,840	112.6
Medical protection, living benefit protection and other products	8,953	77.4	9,117	101.8

(Notes) 1. Annualized premiums refer to an amount that is calculated by multiplying individual premium amounts by a coefficient that differs depending on the premium payment methods, thereby converting the figure to a per-year premium. (For single premium policies, premiums are divided by the number of coverage years.)

2. Annualized premiums for “medical protection, living benefit protection and other products” include those for medical protection bene fits (hospitalization benefits, surgical procedure benefits, etc.) and living benefit protection (benefits for specific diseases, nursing care benefits, etc.).

Asset Management

① Components of assets (general account)

(Millions of yen, %)

Type	As of March 31, 2024		As of March 31, 2025	
	Amount	Composition	Amount	Composition
Cash and deposits, call loans	381,615	3.1	271,882	2.3
Money held in trust	40	0.0	40	0.0
Securities	11,123,780	91.7	10,816,896	91.8
Japanese bonds	9,035,632	74.5	8,647,410	73.4
Japanese stocks	7,512	0.1	3,844	0.0
Foreign securities	2,075,707	17.1	2,083,458	17.7
Bonds	2,066,586	17.0	2,076,255	17.6
Stocks, etc.	9,121	0.1	7,203	0.1
Other securities	4,927	0.0	82,182	0.7
Loans	219,365	1.8	225,968	1.9
Policy loans	218,771	1.8	225,363	1.9
Commercial loans	593	0.0	605	0.0
Tangible fixed assets	79,933	0.7	79,675	0.7
Intangible fixed assets	34,401	0.3	36,596	0.3
Deferred tax assets	138,934	1.1	129,047	1.1
Other	149,249	1.2	219,236	1.9
Reserve for possible loan losses	(720)	(0.0)	(855)	(0.0)
Total	12,126,599	100.0	11,778,488	100.0
Foreign currency-denominated assets	2,112,001	17.4	2,174,030	18.5

② Investment yield by type of asset (general account)

(%)

Type	For the year ended March 31, 2024	For the year ended March 31, 2025
Cash and deposits, call loans	0.00	0.11
Money held in trust	0.00	0.06
Japanese bonds	1.38	0.72
Japanese stocks	0.25	0.15
Foreign securities	18.61	2.08
Loans	3.32	3.26
Commercial loans	1.02	1.01
Real estate	8.79	8.36
Total	1.71	0.78

③ Overseas investment (general account)

(Millions of yen, %)

Type	As of March 31, 2024		As of March 31, 2025	
	Amount	Composition	Amount	Composition
Foreign currency-denominated assets (yen amount not fixed)				
Foreign bonds	2,063,915	97.6	2,069,519	94.9
Foreign stocks	7,098	0.3	5,829	0.3
Cash, deposits and others	40,986	1.9	98,682	4.5
Subtotal	2,112,001	99.9	2,174,030	99.7
Foreign currency-denominated assets (yen amount fixed)				
Foreign bonds	-	-	-	-
Cash, deposits and others	-	-	-	-
Subtotal	-	-	-	-
Yen-denominated assets				
Loans to borrowers located outside Japan	-	-	-	-
Foreign bonds and others	2,670	0.1	6,735	0.3
Subtotal	2,670	0.1	6,735	0.3
Total				
Overseas investment	2,114,671	100.0	2,180,766	100.0

Reconciliation to Core Profit and Non-consolidated Ordinary Profit

(Millions of yen)

Account item	For the year ended March 31, 2024	For the year ended March 31, 2025
Core profit (A)	185,943	115,120
Capital gains	189,554	22,613
Income from money held in trust, net	-	-
Income from trading securities, net	2,388	-
Gains on sale of securities	17,290	1,136
Gains on derivatives, net	-	-
Foreign exchange gains, net	169,875	-
Other capital gains	-	21,477
Capital losses	355,144	103,924
Losses on money held in trust, net	-	-
Losses on trading securities, net	-	56
Losses on sale of securities	44,650	84,575
Losses on valuation of securities	1,817	-
Losses on derivatives, net	128,182	775
Foreign exchange losses, net	-	18,421
Other capital losses	180,495	95
Net capital gains (losses) (B)	(165,589)	(81,310)
Core profit plus net capital gains (losses) (A)＋(B)	20,353	33,810
Other one-time gains	5,809	44
Gains from reinsurance	-	-
Reversal of contingency reserve	5,786	-
Reversal of specific reserve for possible loan losses	-	-
Others	23	44
Other one-time losses	47	12,226
Losses from reinsurance	-	-
Provision for contingency reserve	-	11,878
Provision for specific reserve for possible loan losses	47	199
Provision for reserve for possible loan losses for specific foreign countries	-	-
Write-off of loans	-	-
Others	-	148
Net other one-time gains (losses) (C)	5,761	(12,182)
Ordinary profit (A)＋(B)＋(C)	26,115	21,627

(The breakdown of others)

(Millions of yen)

Account item	For the year ended March 31, 2024	For the year ended March 31, 2025
Core profit	180,295	(21,477)
Income gains in income from money held in trust	0	0
Effect of change in the exchange rates related to foreign currency-denominated insurance contracts	180,295	(21,477)
Other capital gains	-	21,477
Effect of change in the exchange rates related to foreign currency-denominated insurance contracts	-	21,477
Other capital losses	180,495	95
Impairment losses from investment partnerships	199	95
Effect of change in the exchange rates related to foreign currency-denominated insurance contracts	180,295	-
Other one-time gains	23	44
Reversal of additional policy reserve	23	44
Other one-time losses	-	148
Provision of additional policy reserve	-	148

Non-consolidated solvency margin ratio

(Millions of yen)

Item	As of March 31, 2024	As of March 31, 2025
(A) Total solvency margin	1,289,590	1,141,112
(B) Total risk	136,631	143,650
(C) Solvency margin ratio ［(A) / ｛(1/2)×(B)｝］×100	1,887.6%	1,588.7%

(Notes) 1. The above figures are calculated based on the provisions in Articles 86 and 87 of the Ordinance for Enforcement of the Insurance Business Act of Japan and the Ministry of Finance Public Notice No. 50 (1996)

2. (B) of the total amount of risk, minimum guarantee risk is calculated based on the standardized approach.

Economic value-based Embedded value (EV)　(Reference Information)

Embedded value (EV) is an indicator used to evaluate the corporate value of life insurance businesses. Balance sheets prepared in accordance with the current statutory accounting for life insurance companies do not show the present value of future profits from policies in force, whereas EV shows the present value of future profits from policies in force together with the company's net assets. Sony Life considers EV to be a supplement to financial information based on statutory accounting and a useful indicator for evaluating corporate value.

Since the end of March 2008, Sony Life has disclosed market-consistent embedded value (MCEV) in accordance with the European Insurance CFO Forum Market Consistent Embedded Value Principles©(*). However, in light of domestic trends in economic value-based solvency regulations and other factors, the company has begun disclosing economic value-based EV as an indicator representing Sony Life's corporate value from the fiscal year ended March 31, 2024. There are no changes to the assumptions and calculation methods used for economic value-based EV from MCEV.

(*)　Copyright© Stichting CFO Forum Foundation 2008

(Sony Life's economic value-based EV)

(hundred million yen)

		As of March 31, 2024	As of March 31, 2025	Change
Economic value-based EV		20,070	18,914	(1,155)
	Adjusted net worth	(2,013)	(10,093)	(8,079)
	Value of existing business	22,083	29,007	6,924

(hundred million yen)

	As of March 31, 2024	As of March 31, 2025	Change
New business value	1,756	1,963	206
New business margin	6.7%	7.2%	0.4pt

Sony Life's economic value-based EV increased due to the acquisition of new policies, but this was offset by a decrease due to higher interest rates, resulting in 1,891.4 billion yen, a decrease of 115.5 billion yen from the end of the previous fiscal year. In addition, the value of new policies increased 20.6 billion yen year on year, to 196.3 billion yen, mainly due to the strong acquisition of new policies.

(Sony Life's economic value-based risk：after tax)

(hundred million yen)

	As of March 31, 2024	As of March 31, 2025	Change
Insurance underwriting risk	7,423	7,759	335
Market-related risk	5,106	5,404	297
Of which interest rate risk	3,610	3,454	(156)
Operational risk	495	520	24
Credit risk	154	211	56
Catastrophe risk	639	659	20
Variance effect	(3,047)	(3,233)	(185)
Risk amount based on economic value	10,771	11,321	549

(Notes) 1. Risk amount based on economic value refers to the total amount of Sony Life's risks comprehensively examined by a market consistent approach, including insurance underwriting risk and market-related risk and others.
2. Risk amount based on economic value is calibrated at VaR (99.5%) for one year and based on the internal model.
3. Interest rate risk excludes the variance effect within market-related risk.

Economic value-based risk increased 54.9 billion yen from the end of the previous fiscal year, to 1,132.1 billion yen, mainly due to an increase in insurance underwriting risk caused by rising interest rates and an increase in market-related risk caused by a revision in the measurement method for foreign exchange risk, although interest rate risk was reduced through the use of derivatives.

＜Sony Assurance＞

Ordinary revenues of Sony Assurance increased 11.1% year on year, to 168.8 billion yen, due to underwriting income increasing 11.0% year on year, to 167.2 billion yen, and investment income increasing 14.8% year on year, to 1.5 billion yen. The increase in underwriting income was due to an increase in net premiums written, mainly in the core automobile insurance business. Meanwhile, ordinary expenses increased 11.0% year on year, to 161.6 billion yen, due to underwriting expenses increasing 12.7% year on year, to 121.4 billion yen, and operating, general and administrative expenses increasing 6.2% year on year, to 40.2 billion yen.

Ordinary profit increased 11.1% year on year, to 7.1 billion yen, mainly due to a decrease in the operating expense ratio and the effect of higher revenues, despite an increase in the loss ratio due to higher average claims paid per claim in automobile insurance. Profit, which is calculated by deducting the sum of extraordinary losses, income taxes, etc. from ordinary profit, increased 23.3% year on year, to 5.6 billion yen.

With regard to underwriting insurance, direct premiums written increased 12.4% year on year, to 173.8 billion yen, and net premiums written increased 11.0% year on year, to 167.1 billion yen. Furthermore, net premiums written increased 12.6% year on year, to 91.5 billion yen, and as a result, the net loss ratio increased 0.5 points year on year, to 61.5%. Operating, general and administrative expenses for insurance underwriting increased 6.2% year on year, to 40.1 billion yen, and the net operating expense ratio decreased 1.1 points year on year, to 25.4%. As a result of adding or subtracting provision for reserve for outstanding claims, provision for policy reserves, etc., underwriting profit increased 10.3% year on year, to 5.6 billion yen.

(Insurance Underwriting and Asset Management)

Insurance Underwriting Operations

(1) Underwriting profit

Type	For the year ended March 31, 2024 (Millions of yen)	For the year ended March 31, 2025 (Millions of yen)	Change (Millions of yen)
Underwriting income	150,670	167,259	16,589
Underwriting expenses	107,697	121,417	13,720
Operating, general and administrative expenses	37,825	40,178	2,353
Other income (expenses)	(1)	12	13
Underwriting profit	5,146	5,676	529

(Notes) 1. Operating, general and administrative expenses is the amount related to underwriting in “Operating, general and administrative expenses” in the statements of income.

2. Other income (expenses) is the amount equivalent to the corporate income taxes for compulsory automobile liability insurance, etc.

(2) Insurance premiums and insurance claims by type of policy

① Direct premiums written (including policyholder premium deposits)

Type	For the year ended March 31, 2024			For the year ended March 31, 2025		
	Amount (Millions of yen)	Composition (%)	Year-on-year change(%)	Amount (Millions of yen)	Composition (%)	Year-on-year change(%)
Fire	8,516	5.50	0.03	12,274	7.06	44.14
Marine	-	-	-	-	-	-
Personal accident	9,821	6.35	3.53	9,893	5.69	0.73
Voluntary automobile	136,380	88.15	6.07	151,727	87.25	11.25
Compulsory automobile liability	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total	154,718	100.00	5.55	173,896	100.00	12.40
(Of which policyholder premium deposits)	(-)	(-)	(-)	(-)	(-)	(-)

(Note) Direct premiums written (including policyholder premium deposits) = Gross premiums written – (Surrender benefits of direct policies + Other returned direct premiums. (including premium deposits for savings-type insurance)

② Net premiums written

Type	For the year ended March 31, 2024			For the year ended March 31, 2025		
	Amount (Millions of yen)	Composition (%)	Amount (Millions of yen)	Composition (%)	Amount (Millions of yen)	Composition (%)
Fire	3,757	2.50	(18.22)	5,513	3.30	46.74
Marine	-	-	(100.00)	-	-	-
Personal accident	9,648	6.41	0.32	9,628	5.76	(0.21)
Voluntary automobile	135,861	90.25	5.98	150,857	90.27	11.04
Compulsory automobile liability	1,273	0.85	(5.87)	1,115	0.67	(12.46)
Others	-	-	-	-	-	-
Total	150,540	100.00	4.72	167,114	100.00	11.01

③ Net losses paid

Type	For the year ended March 31, 2024			For the year ended March 31, 2025		
	Amount (Millions of yen)	Composition (%)	Amount (Millions of yen)	Composition (%)	Amount (Millions of yen)	Composition (%)
Fire	1,624	28.69	51.28	2,060	26.80	43.67
Marine	(19)	-	-	(6)	-	-
Personal accident	3,627	(19.71)	42.11	3,815	5.21	43.93
Voluntary automobile	74,679	12.60	62.10	84,226	12.78	62.70
Compulsory automobile liability	1,428	8.44	112.12	1,498	4.93	134.39
Others	-	-	-	-	-	-
Total	81,339	10.79	60.95	91,594	12.61	61.46

(Note) Net loss ratio = (Net losses paid + Loss adjustment expenses) / Net premiums written

Asset management

(1) Assets under management

Type	As of March 31, 2024		As of March 31, 2025	
	Amount (Millions of yen)	Composition (%)	Amount (Millions of yen)	Composition (%)
Cash and deposits	24,290	7.97	45,169	14.04
Call loans	30,000	9.84	10,000	3.11
Monetary claims purchased	-	-	-	-
Securities	189,056	62.01	204,702	63.64
Loans	-	-	-	-
Land and buildings	91	0.03	75	0.02
Total	243,438	79.84	259,947	80.81
Total assets	304,902	100.00	321,672	100.00

(2) Securities

Type	As of March 31, 2024		As of March 31, 2025	
	Amount (Millions of yen)	Composition (%)	Amount (Millions of yen)	Composition (%)
Japanese government bonds	103,327	54.65	120,542	58.89
Japanese local government bonds	40,568	21.46	42,573	20.80
Japanese corporate bonds	44,059	23.31	41,031	20.04
Japanese stocks	601	0.32	553	0.27
Foreign securities	499	0.26	-	-
Other securities	-	-	-	-
Total	189,056	100.00	204,702	100.00

(3) Yields

a) Yield on investments (income basis)

Type	For the year ended March 31, 2024			For the year ended March 31, 2025		
	Total revenues (Millions of yen)	Average balance of investments (Millions of yen)	Annual yield (%)	Total revenues (Millions of yen)	Average balance of investments (Millions of yen)	Annual yield (%)
Cash and deposits	0	26,252	0.00	13	31,096	0.04
Call loans	3	30,000	0.01	35	20,942	0.17
Monetary claims purchased	-	-	-	-	-	-
Securities	1,480	178,941	0.83	1,666	197,549	0.84
Loans	-	-	-	-	-	-
Land and buildings	-	97	-	-	82	-
Subtotal	1,483	235,291	0.63	1,714	249,671	0.69
Others	-	-	-	-	-	-
Total	1,483	-	-	1,714	-	-

(Notes) 1. Revenue amounts are the amounts for “interest income and dividends” on the Statements of Income.

2. In principle, average investment amounts are calculated based on the average balance at the end of each month (acquisition cost or amortized cost). However, call loans are calculated based on the average of the balance each day (acquisition cost or amortized cost).

b) Yield on investments (realized basis)

Type	For the year ended March 31, 2024			For the year ended March 31, 2025		
	Total revenues (Millions of yen)	Average balance of investments (Millions of yen)	Annual yield (%)	Total revenues (Millions of yen)	Average balance of investments (Millions of yen)	Annual yield (%)
Cash and deposits	0	26,252	0.00	13	31,096	0.04
Call loans	3	30,000	0.01	35	20,942	0.17
Monetary claims purchased	-	-	-	-	-	-
Securities	1,492	178,941	0.83	1,666	197,549	0.84
Loans	-	-	-	-	-	-
Land and buildings	-	97	-	-	82	-
Derivatives	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total	1,496	235,291	0.64	1,714	249,671	0.69

(Notes) 1. Investment income and expenses (realized basis) are the amounts obtained by deducting "investment expenses" from the total amount of "investment income" and "interest and dividends on deposits of premiums" on the Statements of Income.
2. In principle, average investment amounts are calculated based on the average balance at the end of each month (acquisition cost or amortized cost). However, call loans are calculated based on the average of the balance each day (acquisition cost or amortized cost).
3. The market-based yield (total market-based yield), taking into account the investment yield (realized yield) and the valuation difference on available-for-sale securities, is as follows.
Investment income and expenses, etc. (market value basis) are calculated by adding or subtracting the current period's increase or decrease in valuation difference on available-for-sale securities (before tax effects) to or from investment income and expenses (realized basis).
Furthermore, the average amount of investments (market value basis) is calculated by adding or subtracting the valuation difference on available-for-sale securities (before tax effects) at the end of the previous period to and from the average amount of investments (acquisition cost basis).

Type	For the year ended March 31, 2024			For the year ended March 31, 2025		
	Total revenues (Millions of yen)	Average balance of investments (Millions of yen)	Annual yield (%)	Total revenues (Millions of yen)	Average balance of investments (Millions of yen)	Annual yield (%)
Cash and deposits	0	26,252	0.00	13	31,096	0.04
Call loans	3	30,000	0.01	35	20,942	0.17
Monetary claims purchased	-	-	-	-	-	-
Securities	1,192	178,997	0.67	(113)	197,304	(0.06)
Loans	-	-	-	-	-	-
Land and buildings	-	97	-	-	82	-
Derivatives	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total	1,195	235,346	0.51	(65)	249,426	(0.03)

(4) Overseas investment

Type	As of March 31, 2024		As of March 31, 2025	
	Amount (Millions of yen)	Composition (%)	Amount (Millions of yen)	Composition (%)
Foreign currency denominated				
Foreign bonds	-	-	-	-
Foreign stocks	-	-	-	-
Others	-	-	-	-
Subtotal	-	-	-	-
Yen denominated				
Loans to borrowers outside Japan	-	-	-	-
Foreign bonds	499	100.00	-	-
Others	-	-	-	-
Subtotal	499	100.00	-	-
Total	499	100.00	-	-
Yield on overseas investments				
Yield on investments (income basis)	0.17%		0.18%	
Yield on investments (realized basis)	0.17%		0.18%	

(Notes) 1. Of “yield on overseas investments and loans,” “yield on assets under management (income yield)” is calculated in the same manner as “(3) Yield a) Yield on investments (income basis)” for assets related to overseas investments and loans.
2. Of “yield on overseas investments and loans,” “yield on assets under management (income yield)” is calculated in the same manner as “(3) Yield a) Yield on investments (income basis)” for assets related to overseas investments and loans. Yield on investments (fair value basis) for overseas investments was 0.63% for the previous fiscal year and 0.57% for the current fiscal year.

Non-consolidated Solvency Margin Ratio

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
(A) Total non-consolidated solvency margin	77,608	79,414
(B) Total non-consolidated risk	21,142	23,211
(C) Non-consolidated solvency margin ratio ［(A) / ｛(B)×1/2｝］×100	734.1%	684.2%

(Note) The above amounts and figures have been calculated in accordance with the provisions of Article 86 (Solvency Margin) and Article 87 (Non-consolidated Risk) of the Regulations for Enforcement of the Insurance Business Act, and the Ministry of Finance Notification No. 50 of 1996.

- Non-life insurance companies maintain reserves to prepare for insurance claims in the event of an insured accident or maturity refund payments for reserve insurance, but it is necessary to maintain sufficient solvency even if risk events that exceed the normal estimates occur, such as the occurrence of a major catastrophe or a significant decline in the value of assets held by non-life insurance companies.
- The amount calculated based on the Insurance Business Act, etc. as an indicator of the ratio of the “A non-life insurer’s ability to pay, as indicated by such factors as its capital and reserves” (i.e., total non-consolidated solvency margin, item (A) in the table above) to the “total amount of non-consolidated risks” (item (B) in the table above) that indicates such “risk events that exceed the normal estimates” is the “non-consolidated solvency margin ratio (item (C) in the table above).
- “Risk events that exceed the normal estimates” refers to the total amount of the various risks listed below.

(i) Insurance underwriting risk (Ordinary insurance risk) (Third-sector insurance risk)	: Risks that may arise due to the incidence of insurance accidents exceeding normal estimates (excluding risks related to major catastrophes)
(ii) Assumed interest rate risk	: Risks that may arise due to the actual investment yield falling below the yield assumed when calculating insurance premiums
(iii) Asset management risk	: Risks such as those that may arise due to fluctuations in the price of securities and other assets held exceeding normal estimates
(iv) Business management risk	: Risks that may arise in the course of business operations beyond normal estimates other than those in (i) through (iii) above and (v) below
(v) Major catastrophe risk	: Risks that may arise from major catastrophes exceeding normal estimates (equivalent to the Great Kanto Earthquake and the Ise Bay Typhoon)

- A non-life insurer’s ability to pay, as indicated by such factors as its capital and reserves (total non-consolidated solvency margin), refers to the total amount of net assets (excluding amounts expected to flow out of the company) and reserves (price fluctuation reserve, catastrophe reserve, etc.) of the non-life insurance company, as well as a portion of the unrealized gains on land.
- The non-consolidated solvency margin ratio is one of the objective indicators used by administrative authorities when supervising insurance companies, and a ratio of 200% or higher is considered to indicate that “the ability to pay insurance claims, etc. is adequate.”

＜Sony Bank (non-consolidated)＞

At Sony Bank (non-consolidated), despite an increase in investment income such as interest and dividends on securities, ordinary revenues increased 16.3% year on year, to 118.4 billion yen, and ordinary profit decreased 15.6% year on year, to 20.3 billion yen, due to a decrease in fees and commissions. Profit decreased 46.5% year on year, to 15.4 billion yen, due to the impact of the absence of extraordinary income associated with the partial transfer of shares in Sony Payment Services Inc. that was recorded in the previous fiscal year.

Net interest income increased 5.1% year on year, to 54.7 billion yen, due to an increase in interest and dividends on securities, etc. Net fees and commissions were negative 7.4 billion yen (negative 2.6 billion yen in the previous fiscal year). Net other operating income was negative 0.5 billion yen (negative 0.2 billion yen in the previous fiscal year). As a result, gross profit decreased 5.0% year on year, to 46.7 billion yen. Furthermore, operating expenses decreased 0.6% year on year, to 27.2 billion yen, resulting in net profit decreasing 0.5% year on year, to 19.5 billion yen.

The balance of deposited assets (total of deposits and investment trusts) at the end of the current fiscal year (March 31, 2025) increased 361.0 billion yen, or 8.3%, year on year, to 4,692.2 billion yen. The breakdown is as follows. The balance of deposits increased 337.0 billion yen, or 8.3%, year on year, to 4,416.7 billion yen, due to new funds acquired as a result of an increase in the number of accounts. Of the balance of deposits, yen deposits increased 180.6 billion yen, or 5.2%, year on year, to 3,645.5 billion yen and foreign currency deposits increased 156.4 billion yen, or 25.4%, year on year, to 771.1 billion yen. Investment trusts increased 23.9 billion yen, or 9.5%, year on year to 275.5 billion yen. Furthermore, the balance of loans increased 210.4 billion yen, or 6.1%, year on year to 3,673.0 billion yen, due to steady accumulation of mortgage loans.

Of net assets, the valuation difference on available-for-sale securities decreased 2.1 billion yen, to negative 1.7 billion yen.

The following describes the status of Sony Bank (non-consolidated), a major subsidiary in the banking business.

(The status of banking business)

① Income and expenses by domestic and international divisions

Net interest income in the current fiscal year was 54,752 million yen, net fees and commissions were negative 7,428 million yen, and net other operating income was negative 585 million yen. Of these, for the domestic division, net interest income was 31,450 million yen, net fees and commissions were negative 7,560 million yen, and net other operating income was negative 2,954 million yen. Furthermore, for the international division, net interest income was 23,302 million yen, net fees and commissions were 131 million yen, and net other operating income was 2,369 million yen.

Category	Period	Domestic division	International division	Total
		Amount (Millions of yen)	Amount (Millions of yen)	Amount (Millions of yen)
Net interest income	Previous fiscal year	33,244	18,855	52,100
	Current fiscal year	31,450	23,302	54,752
Interest income	Previous fiscal year	37,063	43,753	(71) 80,746
	Current fiscal year	41,360	57,160	(229) 98,291
Interest expenses	Previous fiscal year	3,819	24,898	(71) 28,645
	Current fiscal year	9,910	33,857	(229) 43,538
Net fees and commissions	Previous fiscal year	(2,967)	358	(2,608)
	Current fiscal year	(7,560)	131	(7,428)
Fees and commissions received	Previous fiscal year	15,093	671	15,764
	Current fiscal year	14,029	470	14,500
Fees and commissions paid	Previous fiscal year	18,061	312	18,373
	Current fiscal year	21,589	338	21,928
Net other operating income	Previous fiscal year	(1,775)	1,478	(297)
	Current fiscal year	(2,954)	2,369	(585)
Other operating income	Previous fiscal year	120	1,662	1,783
	Current fiscal year	291	2,369	2,661
Other operating expenses	Previous fiscal year	1,896	184	2,080
	Current fiscal year	3,246	-	3,246

(Notes) 1. The domestic division deals with transactions denominated in Japanese yen within Japan, whereas the international division deals with transactions denominated in foreign currencies. However, non-resident transactions denominated in Japanese yen are included in the international division.

2. The amounts in parentheses in the total of interest income and interest expenses represent interest on loans between the domestic division and the international division.

3. Interest expenses exclude estimated interest expenses on money held in trust.

② Status of investment/financing by domestic and international divisions

The average balance of investment accounts was 5,587,448 million yen, centered on loans and securities. Interest on investment accounts was 98,291 million yen centered on interest in loans and interest and dividends on securities. As a result, the yield on investment accounts was 1.76%. This was 0.87% in the domestic division and 6.08% in the international division.

The average balance of financing accounts was 5,420,295 million yen centered on deposits. Interest on financing accounts was 43,538 million yen centered on deposits. As a result, the yield on financing accounts was 0.80%. This was 0.21% in the domestic division and 3.77% in the international division.

Domestic division

Category	Period	Average balance	Interest	Yield
		Amount (Millions of yen)	Amount (Millions of yen)	(%)
Investment account	Previous fiscal year	(70,888) 4,271,743	(71) 37,063	0.87
	Current fiscal year	(100,394) 4,748,126	(229) 41,360	0.87
Loans	Previous fiscal year	3,192,205	31,324	0.98
	Current fiscal year	3,612,123	36,192	1.00
Securities	Previous fiscal year	197,431	3,335	1.69
	Current fiscal year	254,506	3,926	1.54
Call loans and bills bought	Previous fiscal year	13,756	7	0.06
	Current fiscal year	11,178	43	0.39
Due from banks	Previous fiscal year	754,608	50	0.01
	Current fiscal year	742,626	1,804	0.24
Monetary claims purchased	Previous fiscal year	15,770	48	0.31
	Current fiscal year	13,501	101	0.75
Financing accounts	Previous fiscal year	4,159,706	3,819	0.09
	Current fiscal year	4,622,806	9,910	0.21
Deposits	Previous fiscal year	3,223,688	3,979	0.12
	Current fiscal year	3,339,791	7,538	0.23
Call money and bills sold	Previous fiscal year	412,923	(21)	(0.01)
	Current fiscal year	397,877	1,029	0.26
Payables under repurchase agreements	Previous fiscal year	86,448	(200)	(0.23)
	Current fiscal year	340,377	756	0.22
Borrowed money	Previous fiscal year	419,200	0	0.00
	Current fiscal year	498,337	61	0.01
Japanese corporate bonds	Previous fiscal year	40,792	94	0.23
	Current fiscal year	64,724	355	0.55

(Notes) 1. In principle, the average balance is calculated based on the average of the balance each day.

2. The domestic division deals with transactions denominated in Japanese yen.

3. The amounts in parentheses represent the average balance and interest on loans between the domestic division and the international division.

4. In the investment accounts, the average balance of non-interest-bearing “due from banks” is excluded. In the financing accounts, the average balance of funds for investing money held in trust and the interest expenses on money held in trust are excluded, respectively.

International division

Category	Period	Average balance Amount (Millions of yen)	Interest Amount (Millions of yen)	Yield (%)
Investment accounts	Previous fiscal year	788,025	43,753	5.55
	Current fiscal year	939,716	57,160	6.08
Loans	Previous fiscal year	11,232	95	0.85
	Current fiscal year	16,113	143	0.89
Securities	Previous fiscal year	769,206	37,935	4.93
	Current fiscal year	919,215	50,594	5.50
Call loans and bills bought	Previous fiscal year	420	21	5.20
	Current fiscal year	784	40	5.10
Due from banks	Previous fiscal year	-	-	-
	Current fiscal year	-	-	-
Monetary claims purchased	Previous fiscal year	-	-	-
	Current fiscal year	-	-	-
Financing accounts	Previous fiscal year	(70,888) 754,098	(71) 24,898	3.30
	Current fiscal year	(100,394) 897,883	(229) 33,857	3.77
Deposits	Previous fiscal year	599,859	19,939	3.32
	Current fiscal year	682,820	27,382	4.01
Call money and bills sold	Previous fiscal year	6,471	326	5.04
	Current fiscal year	4,101	210	5.12
Payables under repurchase agreements	Previous fiscal year	102,344	5,455	5.33
	Current fiscal year	134,671	7,000	5.20
Borrowed money	Previous fiscal year	-	-	-
	Current fiscal year	117	6	5.84
Japanese corporate bonds	Previous fiscal year	-	-	-
	Current fiscal year	-	-	-

(Notes) 1. In principle, the average balance is calculated based on the average of the balance each day.
2. The International division deals with transactions denominated in foreign currencies. However, transactions denominated in yen with non-residents are included in international division.
3. The amounts in parentheses represent the average balance and interest on loans between the domestic division and the international division.
4. In the investment accounts, the average balance of non-interest-bearing “due from banks” is excluded. In the financing accounts, the average balance of funds for investing money held in trust and the interest expenses on money held in trust are excluded, respectively.

Total

Category	Period	Average balance	Interest	Yield
		Amount (Millions of yen)	Amount (Millions of yen)	(%)
Investment accounts	Previous fiscal year	4,988,880	80,746	1.62
	Current fiscal year	5,587,448	98,291	1.76
Loans	Previous fiscal year	3,203,438	31,419	0.98
	Current fiscal year	3,628,237	36,336	1.00
Securities	Previous fiscal year	966,637	41,271	4.27
	Current fiscal year	1,173,722	54,521	4.65
Call loans and bills bought	Previous fiscal year	14,177	29	0.21
	Current fiscal year	11,962	83	0.70
Due from banks	Previous fiscal year	754,608	50	0.01
	Current fiscal year	742,626	1,804	0.24
Monetary claims purchased	Previous fiscal year	15,770	48	0.31
	Current fiscal year	13,501	101	0.75
Financing accounts	Previous fiscal year	4,842,916	28,645	0.59
	Current fiscal year	5,420,295	43,538	0.80
Deposits	Previous fiscal year	3,823,547	23,919	0.63
	Current fiscal year	4,022,612	34,921	0.87
Call money and bills sold	Previous fiscal year	419,395	304	0.07
	Current fiscal year	401,978	1,239	0.31
Payables under repurchase agreements	Previous fiscal year	188,793	5,254	2.78
	Current fiscal year	475,049	7,757	1.63
Borrowed money	Previous fiscal year	419,200	0	0.00
	Current fiscal year	498,454	68	0.01
Japanese corporate bonds	Previous fiscal year	40,792	94	0.23
	Current fiscal year	64,724	355	0.55

(Notes) 1. In principle, the average balance is calculated based on the average of the balance each day.
2. In the investment accounts, the average balance of non-interest-bearing “due from banks” is excluded. In the financing accounts, the average balance of funds for investing money held in trust and the interest expenses on money held in trust are excluded, respectively.

③ Status of fees and commissions by domestic and overseas

Fees and commissions are the total centered on deposit and lending operations as well as debit card-related operations, and amounted to 14,500 million yen. Fees and commissions paid were 21,928 million yen including fees and commissions on domestic and foreign exchanges.

Category	Period	Domestic division	International division	Total
		Amount (Millions of yen)	Amount (Millions of yen)	Amount (Millions of yen)
Fees and commissions Received	Previous fiscal year	15,093	671	15,764
	Current fiscal year	14,029	470	14,500
Deposits and loan services	Previous fiscal year	11,122	-	11,122
	Current fiscal year	9,302	-	9,302
Foreign exchange services	Previous fiscal year	396	22	418
	Current fiscal year	447	19	467
Securities-related services	Previous fiscal year	854	96	951
	Current fiscal year	1,005	114	1,120
Insurance services	Previous fiscal year	41	-	41
	Current fiscal year	28	-	28
Debit card-related services	Previous fiscal year	2,663	551	3,214
	Current fiscal year	3,233	335	3,568
Fees and commissions paid	Previous fiscal year	18,061	312	18,373
	Current fiscal year	21,589	338	21,928
Foreign exchange services	Previous fiscal year	358	-	358
	Current fiscal year	389	-	389

(Note) The Domestic division deals with transactions denominated in Japanese yen, whereas the International division deals with transactions denominated in foreign currencies.

④ Status of deposit balance by domestic and overseas (year-end balance)

Year-end balance of deposits by category

Category	Period	Domestic division	International division	Total
		Amount (Millions of yen)	Amount (Millions of yen)	Amount (Millions of yen)
Deposit total	Previous fiscal year	3,437,714	641,981	4,079,695
	Current fiscal year	3,612,182	804,576	4,416,758
Floating deposits	Previous fiscal year	1,419,134	161,445	1,580,580
	Current fiscal year	1,497,698	197,902	1,695,600
Time and saving deposits	Previous fiscal year	2,015,469	480,381	2,495,851
	Current fiscal year	2,110,982	606,516	2,717,498
Other deposits	Previous fiscal year	3,109	155	3,264
	Current fiscal year	3,501	157	3,659
Total	Previous fiscal year	3,437,714	641,981	4,079,695
	Current fiscal year	3,612,182	804,576	4,416,758

(Notes)1. The domestic division deals with transactions denominated in Japanese yen, whereas the international division deals with transactions denominated in foreign currencies. However, non-resident transactions denominated in Japanese yen are included in the international division.

2. Floating deposits are ordinary deposits. Time and saving deposits are time deposits.

⑤ Balance of loans by domestic and overseas

Balance of loans by industry (year-end balance / composition ratio)

Category			As of March 31, 2024		As of March 31, 2025	
			Balance of loans (Millions of yen)	Composition (%)	Balance of loans (Millions of yen)	Composition (%)
Domestic			3,462,605	100.00	3,673,036	100.00
	Individual		3,460,805	99.95	3,666,886	99.83
	Corporation		1,800	0.05	6,150	0.17
		Manufacturing industries	300	0.01	150	0.00
		Agriculture / Forestry	-	-	-	-
		Fishing	-	-	-	-
		Mining / Quarrying / Gravel extraction	-	-	-	-
		Construction	-	-	-	-
		Electricity / Gas / Heat supply / Water supply	-	-	-	-
		Information and telecommunications	-	-	1,000	0.03
		Transportation / Mail services	500	0.01	500	0.01
		Wholesalers / Retailers	-	-	-	-
		Financial services / Insurance	-	-	3,500	0.10
		Real estate / Goods leasing services	1,000	0.03	1,000	0.03
		Various service	-	-	-	-
		Local government	-	-	-	-
		Others	-	-	-	-
Overseas			-	-	-	-
Total			3,462,605	-	3,673,036	-

Outstanding debt to foreign governments (by country)

Not applicable

⑥ Status of securities by domestic and overseas (year-end balance)

Securities (year-end balance)

Category	Period	Domestic division	International division	Total
		Amount (Millions of yen)	Amount (Millions of yen)	Amount (Millions of yen)
Japanese government bonds	Previous fiscal year	121,655	-	121,655
	Current fiscal year	123,101	-	123,101
Japanese local government bonds	Previous fiscal year	15,045	-	15,045
	Current fiscal year	48,944	-	48,944
Japanese corporate bonds	Previous fiscal year	83,037	-	83,037
	Current fiscal year	137,799	-	137,799
Japanese stocks	Previous fiscal year	446	-	446
	Current fiscal year	0	-	0
Other securities	Previous fiscal year	-	819,976	819,976
	Current fiscal year	-	1,111,666	1,111,666
Total	Previous fiscal year	220,185	819,976	1,040,161
	Current fiscal year	309,845	1,111,666	1,421,511

(Notes) 1. The Domestic division deals with transactions denominated in Japanese yen, whereas the International division deals with transactions denominated in foreign currencies.
2. Other securities include foreign bonds.

⑦ Non-consolidated capital adequacy ratio

The capital adequacy ratio (domestic standard) is calculated on a non-consolidated basis in accordance with the formula specified in the "Standards for Determining Whether a Bank's Capital Adequacy Is Appropriate in Light of Assets Held Pursuant to Article 14-2 of the Banking Act" (Financial Services Agency Notification No. 19 of 2006). Sony Bank uses the "foundation internal ratings-based approach" for the calculation of credit risk assets after applying domestic standards.

Non-consolidated capital adequacy ratio (Domestic criteria)

(Millions of yen, %)

	As of March 31, 2024	As of March 31, 2025
1. Capital adequacy ratio (2/3)	12.41	10.31
2. Capital	135,790	133,351
3. Amount of risk-weighted assets	1,093,755	1,292,579
4. Total capital requirements	43,750	51,703

8. Asset Assessment

Asset assessment is conducted pursuant to Article 6 of the "Act on Emergency Measures for the Revitalization of the Functions of the Financial System" (Act No. 132 of 1998). The following assets on Sony Bank's balance sheet are subject to assessment: corporate bonds (only those privately placed as defined under Article 2, paragraph (3) of the Financial Instruments and Exchange Act (Act No. 25 of 1948), and guaranteed in whole or in part by a financial institution), loans, foreign exchange, accrued interest and advances among other assets, acceptances and guarantees, and any securities loaned under lending or leasing arrangements as disclosed in the notes to the balance sheet. These are classified based on the financial position and performance of the obligor as follows.

1. Bankrupt and quasi-bankrupt claims

Claims against obligors who are in legal bankruptcy (e.g., filing for commencement of bankruptcy, corporate reorganization, or civil rehabilitation proceedings) or equivalent status.

2. Doubtful claims

Claims for which there is a high possibility that principal and/or interest will not be collected in accordance with the contract, due to deterioration in the obligor's financial position or performance, although the obligor has not legally gone bankrupt.

3. Substandard claims

Claims classified as delinquent for three months or more, or loans with eased lending conditions.

4. Normal claims

Claims that do not fall under the classifications of 1 through 3 above and for which there are no particular concerns with respect to the obligor's financial position or performance.

Asset Assessment Amounts

Category of Claims	As of March 31, 2024	As of March 31, 2025
	Amount (million yen)	Amount (million yen)
Bankrupt and quasi-bankrupt claims	436	359
Doubtful claims	627	673
Substandard claims	1,286	827
Normal claims	3,463,439	3,674,489
Total	3,465,789	3,676,351

(iv) Status of progress toward management indicators

As stated in "1. Business Policy, Business Environment, and Issues to Be Addressed (3) Management Indicators to Be Targeted," the Company has decided, under the three-year mid-range plan launched in FY2024, to place importance on IFRS Accounting Standards adjusted net income and IFRS adjusted ROE.

Management Indicators	FY2023	FY2024
IFRS adjusted net income	88.8 billion yen	61.5 billion yen
IFRS adjusted ROE	8.0%	5.5%

(Note) From FY2024, the Company has changed its method of tax effect adjustment used for items adjusted in calculating adjusted net income and adjusted ROE. The figures for FY2023 have also been recalculated and restated using the same method applied from FY2024.

(2) Cash Flows

(i) Cash flows from operating activities

Operating activities provided 1,502.1 billion yen, up 719.2 billion yen (91.9%) year on year, due primarily to income from insurance premiums in the life insurance business.

(ii) Cash flows from investing activities

Investing activities used 1,202.0 billion yen. This was mainly because in the life insurance business, payments for the acquisition of securities exceeded proceeds from the sale and redemption of securities. Compared to the previous fiscal year, the amount of cash used increased by 627.9 billion yen (109.4%).

(iii) Cash flows from financing activities

Financing activities used 10.6 billion yen, 42.4 billion yen (79.9%) less than in the previous year.

As a result of the above, the balance of cash and cash equivalents at the end of the current consolidated fiscal year increased by 288.7 billion yen (31.6%) from the end of the previous consolidated fiscal year to 1,202.1 billion yen.

(Billions of yen)

	For the year ended March 31, 2024	For the year ended March 31, 2025	Increase / Decrease
Cash flows from operating activities	782.9	1,502.1	719.2
Cash flows from investing activities	(574.0)	(1,202.0)	(627.9)
Cash flows from financing activities	(53.1)	(10.6)	42.4
Cash and cash equivalents at the end of the period	913.4	1,202.1	288.7

(iv) Information on sources of capital and liquidity

Sony FG recognizes that maintaining a high level of financial soundness is essential to retaining and building customer trust across Sony FG companies, and that securing sufficient liquidity to fulfill payment obligations in the course of business is critically important.

As of the date of submission of this document, the Company has no plans for large-scale growth investments. However, to establish a framework that allows for agile responses to future funding needs, the Company has obtained an issuer rating of "AA-" from Rating and Investment Information, Inc. (R&I). Subsidiary ratings are as follows.

Sony Life Insurance Co., Ltd.:

Rating and Investment Information, Inc. (R&I):	Solvency margin rating: AA
S&P Global Ratings Japan Inc.:	Financial strength rating: A+

Sony Bank Inc.:

Rating and Investment Information, Inc. (R&I):	Issuer rating: AA
S&P Global Ratings Japan Inc.:	Long-term issuer credit rating: A
	Short-term issuer credit rating: A-1

With regard to the maintenance of solvency, Sony FG ensures adequate cash and cash equivalents are available by adhering to applicable regulations set by supervisory authorities as well as by establishing and operating internal rules in accordance with those regulations. The Company's policy regarding shareholder returns is detailed in "Part 4. Status of the Filing Company – 3. Dividend Policy."

(3) Production, Orders, and Sales Performance

There is no relevant information to disclose regarding "production, orders, and sales performance."

5. Material Contracts

Trade name and trademark license agreement

Trademarks using “Sony,” which are used in the trade names of the Company and Sony FG companies, belong to Sony Group Corporation, and with regard to the use of these trademarks, the Company and Sony FG companies have entered into license agreements as shown below with Sony Corporation (currently Sony Group Corporation) (described here regarding the Company’s direct subsidiaries). The Company, Sony Life, and Sony Assurance entered into the original agreements with Sony Corporation (currently Sony Group Corporation) on August 31, 2006, and Sony Bank entered into the original agreements with Sony Corporation (currently Sony Group Corporation) on March 31, 2006. However, these agreements were subsequently amended and the following agreements are now in place.

Although the summaries of contracts below state that Sony Corporation (currently Sony Group Corporation) will have the right to terminate the agreements if its percentage of voting rights held in the Company falls below a majority or in the event that such a situation is likely to occur, Sony Group Corporation and the Company entered into new contracts on June 17, 2025 and continue to utilize the Sony brand at the Company and Sony FG companies even after our planned partial spin-off scheduled for October 2025 based on such contracts, in order to aim for further medium- to long-term growth of the Company.

Date of Contract	Name of Contract	Parties to Contract	Summary of Contract
July 31, 2007	Trade name and trademark license agreement	the Company / Sony Corporation	The agreement includes, among other things, the granting of permission to use “Sony” as trade names and trademarks for the purpose of the business conducted by the Company. In principle, the agreement is valid as long as the Company remains in existence. However, Sony Corporation shall have the right to terminate the agreement in the event that the percentage of Sony Corporation’s voting rights in the Company fall below a majority or in the event that such a situation is likely to occur.
August 10, 2017	Trade name and trademark license agreement	Sony Life / Sony Corporation	The agreement includes, among other things, the granting of permission to use “Sony” as trade names and trademarks for the purpose of the business conducted by Sony Life, and payment of consideration in an amount corresponding to the target net sales amount of Sony Life up to a certain percentage of ordinary profit for each fiscal year. However, payment of consideration shall not occur if the amount of retained earnings carried forward minus consideration for the fiscal year is not positive. In principle, the agreement is valid as long as Sony Life remains in existence. However, Sony Corporation shall have the right to terminate the agreement in the event that the percentage of the Company’s voting rights in Sony Life decrease from the time the agreement was concluded, in the event that the percentage of Sony Corporation’s voting rights in the Company fall below a majority, or in the event that such situations are likely to occur.
July 31, 2007	Trade name and trademark license agreement	Sony Assurance / Sony Corporation	The agreement includes, among other things, the granting of permission to use “Sony” as trade names and trademarks for the purpose of the business conducted by Sony Assurance, and payment of consideration in an amount corresponding to the target net sales amount of Sony Assurance up to a certain percentage of ordinary profit for each fiscal year. However, payment of consideration shall not occur if the amount of retained earnings carried forward minus consideration for the fiscal year is not positive. In principle, the agreement is valid as long as Sony Assurance remains in existence. However, Sony Corporation shall have the right to terminate the agreement in the event that the percentage of the Company’s voting rights in Sony Assurance decrease from the time the agreement was concluded, in the event that the percentage of Sony Corporation’s voting rights in the Company fall below a majority, or in the event that such situations are likely to occur.

July 31, 2007	Trade name and trademark license agreement	Sony Bank / Sony Corporation	The agreement includes, among other things, the granting of permission to use "Sony" as trade names and trademarks for the purpose of the business conducted by Sony Bank, and payment of consideration in an amount corresponding to the gross operating profit of Sony Bank up to a certain percentage of ordinary profit for each fiscal year. However, payment of consideration shall not occur if the amount of retained earnings carried forward minus consideration for the fiscal year is not positive. In principle, the agreement is valid as long as Sony Bank remains in existence. However, Sony Corporation shall have the right to terminate the agreement in the event that the percentage of the Company's voting rights in Sony Bank fall below the percentage as of the time the agreement was concluded, in the event that the percentage of Sony Corporation's voting rights in the Company fall below a majority, or in the event that such situations are likely to occur.
April 1, 2014	Trade name and trademark license agreement	Sony Lifecare / Sony Corporation	The agreement includes, among other things, the granting of permission to use "Sony" as trade names and trademarks for the purpose of the business conducted by Sony Lifecare. In principle, the agreement is valid as long as Sony Lifecare remains in existence. However, Sony Corporation shall have the right to terminate the agreement in the event that the percentage of Sony Corporation's voting rights in the Company fall below a majority or in the event that such a situation is likely to occur.
July 10, 2018	Trade name and trademark license agreement	Sony Financial Ventures / Sony Corporation	The agreement includes, among other things, the granting of permission to use "Sony" as trade names and trademarks for the purpose of the business conducted by Sony Financial Ventures. In principle, the agreement is valid as long as Sony Financial Ventures remains in existence. However, Sony Corporation shall have the right to terminate the agreement in the event that the percentage of Sony Corporation's voting rights in the Company fall below a majority or in the event that such a situation is likely to occur.

(Note) "Sony Corporation" in the above agreements is currently "Sony Group Corporation." In addition, subsidiaries and affiliates of Sony FG companies have entered into agreements with Sony Group Corporation to the same effect as above when they use "Sony" as a trade name or trademark. The agreements of Sony FG companies described above stipulate that Sony FG companies shall ensure such subsidiaries and affiliates comply with the obligations stipulated in such agreements.

To ensure continuing medium- to long-term growth for the Company following the partial spin-off, the Company and Sony FG companies have entered into the following agreements regarding continued use of the Sony brand. The Company and Sony Group Corporation have concluded a trade name and trademark license agreement, and each Group company has concluded a trade name and trademark sub-license agreement concerning logos of financial businesses, etc., with the Company in order to obtain sub-licenses from the Company. These agreements supersede and replace any prior trade name and trademark agreements previously entered into with Sony Corporation (currently Sony Group Corporation) by the Company and Sony FG companies.

Date of Contract	Name of Contract	Parties to Contract	Summary of Contract
June 17, 2025 (Effective: October 1, 2025)	Trade name and trademark license agreement	the Company / Sony Group Corporation	The agreement includes, among other things, the granting of permission to use “Sony” as trade names and trademarks for the purpose of the business conducted by the Company and Sony FG companies, and payment of consideration in an amount corresponding to the target net sales amount of each Sony FG company (for some of the target companies, up to a certain percentage of operating profit for each fiscal year in accordance with International Financial Reporting Standards). In principle, the agreement is valid as long as the Company remains in existence. However, Sony Group Corporation shall have the right to terminate the agreement in the event that Sony Group Corporation ceases to be a shareholder of the Company.
June 20, 2025 (Effective: October 1, 2025)	Trade Name and Trademark Sub-license Agreement concerning Logos of Financial Businesses, etc.	the Company / Sony Life	The agreement includes, among other things, the granting of permission to use “Sony” as trade names and trademarks for the purpose of the business conducted by Sony Life, and payment of consideration in an amount corresponding to the target net sales amount of Sony Life up to a certain percentage of operating profit for each fiscal year in accordance with International Financial Reporting Standards under the terms of the trade name and trademark license agreement the Company entered into with Sony Group Corporation. In principle, the agreement is valid as long as Sony Life remains in existence. However, the Company shall have the right to terminate the agreement in the event that the percentage of the Company’s voting rights in Sony Life fall below a majority.
June 24, 2025 (Effective: October 1, 2025)	Trade Name and Trademark Sub-license Agreement concerning Logos of Financial Businesses, etc.	the Company / Sony Assurance	The agreement includes, among other things, the granting of permission to use “Sony” as trade names and trademarks for the purpose of the business conducted by Sony Assurance, and payment of consideration in an amount corresponding to the target net sales amount of Sony Assurance up to a certain percentage of operating profit for each fiscal year in accordance with International Financial Reporting Standards under the terms of the trade name and trademark license agreement the Company entered into with Sony Group Corporation. In principle, the agreement is valid as long as Sony Assurance remains in existence. However, the Company shall have the right to terminate the agreement in the event that the percentage of the Company’s voting rights in Sony Assurance fall below a majority.

Date of Contract	Name of Contract	Parties to Contract	Summary of Contract
June 23, 2025 (Effective: October1, 2025)	Trade Name and Trademark Sub-license Agreement concerning Logos of Financial Businesses, etc.	the Company / Sony Bank	The agreement includes, among other things, the granting of permission to use “Sony” as trade names and trademarks for the purpose of the business conducted by Sony Bank, and payment of consideration in an amount corresponding to the target net sales amount of Sony Bank up to a certain percentage of operating profit for each fiscal year in accordance with International Financial Reporting Standards under the terms of the trade name and trademark license agreement the Company entered into with Sony Group Corporation. In principle, the agreement is valid as long as Sony Bank remains in existence. However, the Company shall have the right to terminate the agreement in the event that the percentage of the Company’s voting rights in Sony Bank fall below a majority.
June 25, 2025 (Effective: October1, 2025)	Trade Name and Trademark Sub-license Agreement concerning Logos of Financial Businesses, etc.	the Company / Sony Lifecare	The agreement includes, among other things, the granting of permission to use “Sony” as trade names and trademarks for the purpose of the business conducted by Sony Lifecare under the terms of the trade name and trademark license agreement the Company entered into with Sony Group Corporation. In principle, the agreement is valid as long as Sony Lifecare remains in existence. However, the Company shall have the right to terminate the agreement in the event that the percentage of the Company’s voting rights in Sony Lifecare fall below a majority.
June 20, 2025 (Effective: October1, 2025)	Trade Name and Trademark Sub-license Agreement concerning Logos of Financial Businesses, etc.	the Company / Sony Financial Ventures	The agreement includes, among other things, the granting of permission to use “Sony” as trade names and trademarks for the purpose of the business conducted by Sony Financial Ventures under the terms of the trade name and trademark license agreement the Company entered into with Sony Group Corporation. In principle, the agreement is valid as long as Sony Financial Ventures remains in existence. However, the Company shall have the right to terminate the agreement in the event that the percentage of the Company’s voting rights in Sony Financial Ventures fall below a majority.

(Note) Subsidiaries and affiliates of Sony FG companies have entered into agreements with the Company to the same effect as above when they use “Sony” as a trade name or trademark. The agreements with Sony FG companies described above stipulate that the Company shall ensure such subsidiaries and affiliates comply with the obligations stipulated in such agreements.

6. Research and Development Activities

Not applicable

3. Status of Facilities

1. Summary of Capital Investment

The 21st Consolidated Fiscal Year Ended March 31, 2025 (Apr. 1, 2024, to Mar. 31, 2025)

The amounts of capital investment by segment for the current consolidated fiscal year are as follows. The main breakdown includes system-related investments amounting to 11,766 million yen in the life insurance business, 5,384 million yen in the non-life insurance business, and 6,373 million yen in the banking business.

Segment	Amount of Capital Investment (Millions of yen)
Life insurance business	13,383
Non-life insurance business	5,464
Banking business	6,964
Others	4,768
Total	30,580

2. Status of Major Facilities

Major facilities in Sony FG as of March 31, 2025 are as follows.

(1) Filing Company

The Company has no important facilities because it is a pure holding company.

(2) Domestic Subsidiary

As of March 31, 2025

Company name	Office name (Address)	Name of segment	Facility details	Book value					Number of employees (Persons)
				Tangible fixed assets			Intangible fixed assets	Total (Millions of yen)	
				Buildings and structures (Millions of yen)	Land (Millions of yen) (area m^2)	Others (Millions of yen)	Software (Millions of yen)		
Sony Life	Headquarters (Chiyoda-ku, Tokyo)	Life insurance business	For business	935	- (-)	201	33,916	35,054	1,526
	Training center (Setagaya-ku, Tokyo)	Life insurance business	For business	618	1,404 (3,684)	6	-	2,030	-
	Sony City (Minato-ku, Tokyo)	Life insurance business	For investment	18,207	51,928 (17,827)	58	-	70,194	-
	Sony Life Sapporo building (Sapporo-shi, Hokkaido)	Life insurance business	For business	644	1,619 (877)	5	-	2,269	52
			For investment	232	836 (453)	0	-	1,069	-
Sony Assurance	Headquarters (Ota-ku, Tokyo)	Non-life insurance business	For business	75	- (-)	400	22,447	22,922	631
Sony Bank	Headquarters (Chiyoda-ku, Tokyo)	Banking business	For business	334	- (-)	189	16,213	16,737	692

(Note) The annual rental expenses for the above real estate are 2,149 million yen for Sony Life (headquarters), 1,145 million yen for Sony Assurance (headquarters), and 502 million yen for Sony Bank (headquarters).

(3) Overseas Subsidiaries

Not applicable

3. Plans for New Construction and Retirement of Facilities (As of March 31, 2025)

(1) Construction, etc. of Important Facilities

As of March 31, 2025, plans for construction, etc. of important facilities for the next year are as follows.

Segment	Planned Investment Amount (million yen)	Description of Facilities	Funding Method
Life insurance business	12,193	System related	Own funds
Non-life insurance business	7,205	System related	Own funds
Banking business	4,036	System related	Own funds
Total	23,434		

(2) Sale, Disposal, etc. of Important Facilities

Not applicable

4. Status of the Filing Company

1.Status on Shares, etc.

(1) Total Number of Shares, etc.

1) Total Number of Shares

Type	Total number of authorized shares
Common stock	25,000,000,000
Total	25,000,000,000

(Note) Pursuant to a resolution of the meeting of its Board of Directors held on August 8, 2025, the Articles of Incorporation were amended on the same date in connection with the stock split, and the total number of authorized shares to be issued increased by 23,400,000,000 shares to 25,000,000,000 shares

2) Issued Shares

Type	Number of shares issued and outstanding (shares)	Name of Listed Financial Instruments Exchange or Registered Authorized Financial Instruments Firm Association	Description
Common stock	7,149,358,214	Unlisted	The number of shares per unit is 100 shares.
Total	7,149,358,214	-	-

(Notes) 1. The common stock is fully voting shares and are the Company's standard shares without any limitations on rights.
2. On August 8, 2025, we conducted a stock split at a ratio of 7,149,358,214 shares for 435,100,266 shares of common stock, resulting in an increase of the total number of shares issued and outstanding by 6,714,257,948 shares to 7,149,358,214 shares.

(2) Status of Stock Acquisition Rights, etc.

1) Details of Stock Option Plan

Date of resolution	January 10, 2024
Date of issue	July 1, 2024
Category and number of eligible recipients	Specified officer of the Company (as defined under Guidelines for the Implementation of Corporate Restructuring, January 17, 2014, Ministry of Finance and Ministry of Economy, Trade and Industry Notice No.1, Clause 4-F(1)) 1 person
Number of stock acquisition rights*	10
Type, description, and number of shares to be issued upon exercise of stock acquisition rights (shares)*	Common stock 16,430 (Note 1, 5)
Amount to be paid-in upon exercise of stock acquisition rights (yen)*	162 per share (Note 2, 5)
Exercise period of stock acquisition rights*	From July 1, 2024 to June 30, 2034 However, if the last day of the exercise period falls on a holiday of the Company, the last day shall be the preceding business day.
Issue price and amount paid into capital when shares are issued upon exercise of stock acquisition rights (yen)*	Issue price 162 (Note 5) Amount paid into capital 81 (Note 5)
Conditions for exercising stock acquisition rights*	The stock acquisition rights may be exercised only if the Company's share of common stock, which are the shares to be issued upon exercise of stock acquisition rights, are listed on a financial instruments exchange in Japan. A stock acquisition right cannot be partially exercised. Other conditions shall be as set forth in the stock acquisition right allotment agreement to be executed between the Company and each stock acquisition right holder.
Matters concerning transfer of stock acquisition rights*	Acquisition of stock acquisition rights by transfer shall require the approval of the Company through a resolution of the Board of Directors of the Company.
Matters concerning issuance of stock acquisition rights in connection with a reorganization*	(Note 4)

*The information stated is as of the end of the current fiscal year (March 31, 2025). There have been no changes to the information as of the end of the month (August 31, 2025) preceding the date of submission of this document.

(Notes) 1. The number of shares to be issued upon exercise of each stock acquisition right (below, "number of granted shares") shall be 1,643 shares, and if the Company conducts a stock split (including gratis allotment) or reverse stock split of common stock of the Company's shares, the number of granted shares shall be adjusted according to the following formula. Such adjustments shall apply only to the number of granted shares relating to stock acquisition rights unexercised at the time of adjustment, and fractional shares resulting from the adjustments shall be rounded down.

Number of granted shares after adjustment = number of granted shares before adjustment × ratio of split or reverse split

2. If the Company conducts a stock split (including gratis allotment) or reverse stock split of common shares after the allotment date of the stock acquisition rights, the amount to be paid-in per share upon exercise of stock acquisition rights (below, "exercise price") shall be adjusted according to the following formula, and fractions of less than one yen resulting from the adjustment shall be rounded up.

$$\text{Exercise price after adjustment} = \text{Exercise price before adjustment} \times \frac{1}{\text{Ratio of split or reverse split}}$$

In addition to the above, the exercise price shall be adjusted in any of the following cases in a manner the Company deems appropriate.

1) When adjustment of the exercise price is required due to a merger, company split (incorporation-type company split or absorption-type company split), or reduction in the amount of capital

2) In addition to 1) above, when adjustment of the exercise price is required due to the occurrence of an event that causes or may cause a change in the number of outstanding shares of common stock of the Company

3. Acquisition conditions for stock acquisition rights

(1) In the event that any of the proposals stated in items 1) through 5) below is approved at a General Meeting of Shareholders of the Company (or, in cases where such shareholder resolution is not required, is approved by the Board of Directors of the Company), the Company may acquire the stock acquisition rights without consideration on a date separately determined by the Board of Directors.

1) Proposal for approval of a merger agreement under which the Company will become the absorbed company

2) Proposal for approval of a split agreement or split plan under which the Company will become the splitting company

3) Proposal for approval of a share exchange agreement or share transfer plan under which the Company will become a wholly-owned subsidiary

4) Proposal for approval of an amendment to the Articles of Incorporation to provide that all shares issued by the Company shall require the approval of the Company for the acquisition of such shares by way of transfer

5) Proposal for approval of an amendment to the Articles of Incorporation to provide that the acquisition of the class of shares to be issued upon exercise of the stock acquisition rights by transfer requires the approval of the Company or that the Company may acquire all the shares of the class by a resolution of the General Meeting of Shareholders

(2) If a stock acquisition right holder becomes unable to exercise their stock acquisition rights in accordance with the provisions set forth in the conditions for exercising stock acquisition rights before exercising their rights, the Company may acquire the stock acquisition rights without compensation.

4. Matters concerning issuance of stock acquisition rights in connection with a reorganization

In the event that the Company conducts a merger (limited to cases where the Company is extinguished by the merger), an absorption-type company split or incorporation-type company split (each limited to cases where the Company is the splitting company), or a share exchange or share transfer (each limited to cases where the Company becomes a wholly-owned subsidiary) (below, collectively referred to as "organizational restructuring"), it shall, immediately prior to the effective date of such organizational restructuring (the "effective date" meaning: in the case of an absorption-type merger, the date on which the merger takes effect; in the case of a incorporation-type merger, the date on which the new merged company is established; in the case of an absorption-type company split, the date on which the split takes effect; in the case of an incorporation-type company split, the date on which the new split company is established; in the case of a share exchange, the date on which the share exchange takes effect; and in the case of a share transfer, the date on which the wholly-owning parent company established by the share transfer is incorporated; the same shall apply hereinafter), deliver stock acquisition rights of the company listed in Article 236, Paragraph (1), item (viii) (a) through (e) of the Companies Act (the "reorganized company") to the holders of any stock acquisition rights remaining at that time (below, "remaining stock acquisition rights"). However, this is limited to cases where it is stipulated in the absorption-type merger agreement, incorporation-type merger agreement, absorption-type company split agreement, incorporation-type company split plan, share exchange agreement or share transfer plan that stock acquisition rights of the reorganized company shall be delivered in accordance with each of the following items.

1) Number of stock acquisition rights of the reorganized company to be delivered

The same number of stock acquisition rights as the number of remaining stock acquisition rights held by the holders of the stock acquisition rights shall be delivered respectively.

2) Class of shares of the reorganized company to be delivered upon exercise of stock acquisition rights

The shares shall be common stock of the reorganized company.

3) Number of shares of the reorganized company to be issued upon exercise of stock acquisition rights

To be determined in accordance with 1. above, taking into consideration the conditions, etc. of the organizational restructuring.

4) Amount of assets to be contributed upon exercise of stock acquisition rights

The value of assets to be contributed upon the exercise of each stock acquisition right will be determined in accordance with the current details of the issuance, taking into consideration the conditions, etc. of the relevant organizational restructuring.

5) Period during which stock acquisition rights may be exercised

From the later date of either the first day of the exercise period of the stock acquisition rights above or the effective date of the organizational restructuring, until the expiration date of the exercise period of the stock acquisition rights above.

6) Matters concerning the amount of capital and capital reserve to be increased upon the issuance of shares through the exercise of stock acquisition rights

To be determined in accordance with the details of the issuance of stock acquisition rights below.

(1) The amount of capital to be increased in the event of the issuance of shares upon the exercise of stock acquisition rights shall be half of the maximum amount of increase in capital, etc., as calculated in accordance with Article 17, Paragraph (1) of the Regulations for Corporate Accounting, with any fraction of a yen resulting from the calculation being rounded up to the nearest one yen.

(2) The amount of capital reserve to be increased in the event of the issuance of shares upon the exercise of stock acquisition rights shall be the amount obtained by subtracting the amount of capital to be increased as set forth in the preceding item from the maximum amount of increase in capital, etc. as stated in the preceding item.

7) Restriction on acquisition of stock acquisition rights by transfer

Acquisition of stock acquisition rights by transfer shall require approval by the Board of Directors of the reorganized company.

8) Conditions for exercising stock acquisition rights

To be determined in accordance with the conditions for exercise of the stock acquisition rights above.

9) Acquisition conditions for stock acquisition rights

To be determined in accordance with 3. above.

5. Based on a resolution of the Board of Directors meeting dated August 8, 2025, a stock split was conducted on the same day at a ratio of 7,149,358,214 shares for 435,100,266 shares of common stock. As a result, adjustments were made to “Type, description, and number of shares to be issued upon exercise of stock acquisition rights,” “Amount to be paid-in upon exercise of stock acquisition rights,” and “Issue price and amount paid into capital when shares are issued upon exercise of stock acquisition rights.”

Date of resolution	January 24, 2025
Date of issue	March 14, 2025
Category and number of eligible recipients	4 Outside directors of the Company 8 Corporate Executive Officers of the Company 22 Employee of the Company 8 Executive Director of the Company's subsidiary 202 Employee of the Company's subsidiary
Number of stock acquisition rights*	6,889 [6,818]
Type, description, and number of shares to be issued upon exercise of stock acquisition rights (shares)*	Common stock 11,318,627 [11,201,974] (Note 1, 5)
Amount to be paid-in upon exercise of stock acquisition rights (yen)*	178 per share (Note 2, 5)
Exercise period of stock acquisition rights*	From March 14, 2025 to March 13, 2035 However, if the last day of the exercise period falls on a holiday of the Company, the last day shall be the preceding business day.
Issue price and amount paid into capital when shares are issued upon exercise of stock acquisition rights (yen)*	Issue price 178 (Note 5) Amount paid into capital 89
Conditions for exercising stock acquisition rights*	The stock acquisition rights may be exercised only if the common shares of the Company, which are the shares to be issued upon exercise of stock acquisition rights, are listed on a financial instruments exchange in Japan. A stock acquisition right cannot be partially exercised. If a holder of stock acquisition rights is an outside director of the Company on the allotment date, he/she may not exercise such stock acquisition rights until the day following the date on which he/she retires as an outside director of the Company upon the expiration of his/her term of office (excluding cases where reappointment is scheduled on such retirement date). Other conditions shall be as set forth in the stock acquisition right allotment agreement to be executed between the Company and each stock acquisition right holder.
Matters concerning transfer of stock acquisition rights*	Acquisition of stock acquisition rights by transfer shall require the approval of the Company through a resolution of the Board of Directors of the Company.
Matters concerning issuance of stock acquisition rights in connection with a reorganization*	(Note 4)

* The information stated is as of the end of the current fiscal year (March 31, 2025). With regard to certain items that have been changed prior to the end of the month (August 31, 2025) preceding the date of submission of this document, the information as of the end of the month preceding the date of submission of this document is stated in brackets [ ]. There have been no changes to other items from the end of the current fiscal year.

(Notes) 1. The number of shares to be issued upon exercise of each stock acquisition right (below, "number of granted shares") shall be 1,643 shares, and if the Company conducts a stock split (including gratis allotment) or reverse stock split of common shares, the number of granted shares shall be adjusted according to the following formula. Such adjustments shall apply only to the number of granted shares relating to stock acquisition rights unexercised at the time of adjustment, and fractional shares resulting from adjustments shall be rounded down.

Number of granted shares after adjustment = number of granted shares before adjustment × ratio of split or consolidation

2. If the Company conducts a stock split (including gratis allotment) or reverse stock split of common shares after the allotment date of the stock acquisition rights, the payment amount per share upon exercise of stock acquisition rights (below, "exercise price") shall be adjusted according to the following formula, and fractions of less than one yen resulting from the adjustment shall be rounded up.

$$\text{Exercise price after adjustment} = \text{Exercise price before adjustment} \times \frac{1}{\text{Ratio of split or consolidation}}$$

In addition to the above, the exercise price shall be adjusted in any of the following cases in a manner the Company deems appropriate.

1) When adjustment of the exercise price is required due to a merger, corporate split (incorporation-type company split or absorption-type company split), or reduction in the amount of capital

2) In addition to 1) above, when the exercise price needs to be adjusted due to the occurrence of an event that causes or may cause a change in the number of the Company's outstanding common shares

3) When adjustment to the exercise price for the purpose of making a gratis allotment of other types of shares to common shareholders or making a dividend payment to common shareholders of another company

3. Acquisition conditions for stock acquisition rights

(1) In the event that any of the proposals stated in items 1) through 5) below is approved at a General Meeting of Shareholders of the Company (or, in cases where such shareholder resolution is not required, is approved by the Board of Directors of the Company), the Company may acquire the stock acquisition rights without consideration on a date separately determined by the Board of Directors.

1) Proposal for approval of a merger agreement under which the Company will become the absorbed company

2) Proposal for approval of a split agreement or split plan under which the Company will become the splitting company

3) Proposal for approval of a share exchange agreement or share transfer plan under which the Company will become a wholly owned subsidiary

4) Proposal for approval of an amendment to the Articles of Incorporation to provide that the acquisition of all shares issued by the Company by way of transfer shall require the approval of the Company

5) Proposal for approval of an amendment to the Articles of Incorporation to provide that the acquisition of the class of shares to be issued upon exercise of the stock acquisition rights by transfer requires the approval of the Company or that the Company may acquire all the shares of the class by a resolution of the General Meeting of Shareholders

(2) If a stock acquisition right holder becomes unable to exercise their stock acquisition rights in accordance with the provisions set forth in the conditions for exercising stock acquisition rights before exercising their rights, the Company may acquire the stock acquisition rights without compensation.

4. Matters concerning issuance of stock acquisition rights in connection with a reorganization

In the event that the Company conducts a merger (limited to cases where the Company is extinguished by the merger), an absorption-type company split or incorporation-type company split (each limited to cases where the Company is the splitting company), or a share exchange or share transfer (each limited to cases where the Company becomes a wholly-owned subsidiary) (below, collectively referred to as "organizational restructuring"), it shall, immediately prior to the effective date of such organizational restructuring (the "effective date" meaning: in the case of an absorption-type merger, the date on which the merger takes effect; in the case of a consolidation-type merger, the date on which the new merged company is established; in the case of an absorption-type company split, the date on which the split takes effect; in the case of an incorporation-type company split, the date on which the new split company is established; in the case of a share exchange, the date on which the share exchange takes effect; and in the case of a share transfer, the date on which the wholly-owning parent company established by the share transfer is incorporated; the same shall apply hereinafter), deliver stock acquisition rights of the company listed in Article 236, paragraph (1), item (viii) (a) through (e) of the Companies Act (the "reorganized company") to the holders of any stock acquisition rights remaining at that time (below, "remaining stock acquisition rights"). However, this is limited to cases where it is stipulated in the absorption-type merger agreement, incorporation-type merger agreement, absorption-type company split agreement, incorporation-type company split plan, share exchange agreement or share transfer plan that stock acquisition rights of the reorganized company shall be delivered in accordance with each of the following items.

1) Number of stock acquisition rights of the reorganized company to be delivered

The same number of stock acquisition rights as the number of remaining stock acquisition rights held by the holders of the stock acquisition rights shall be delivered respectively.

2) Class of shares of the reorganized company to be delivered upon exercise of stock acquisition rights

The shares shall be common stock of the reorganized company.

3) Number of shares of the reorganized company to be issued upon exercise of stock acquisition rights

To be determined in accordance with 1. above, taking into consideration the conditions, etc. of the organizational restructuring.

4) Amount of assets to be contributed upon exercise of stock acquisition rights

The value of assets to be contributed upon the exercise of each stock acquisition right will be determined in accordance with the current details of the issuance, taking into consideration the conditions, etc. of the relevant organizational restructuring.

5) Period during which stock acquisition rights may be exercised

From the later date of either the first day of the exercise period of the stock acquisition rights above or the effective date of the organizational restructuring, until the expiration date of the exercise period of the stock acquisition rights above.

6) Matters concerning the amount of capital and capital reserve to be increased upon the issuance of shares through the exercise of stock acquisition rights

To be determined in accordance with the details of the issuance of stock acquisition rights below.

(1) The amount of capital to be increased in the event of the issuance of shares upon the exercise of stock acquisition rights shall be half of the maximum amount of increase in capital, etc., as calculated in accordance with Article 17, paragraph (1) of the Regulations for Corporate Accounting, with any fraction of a yen resulting from the calculation being rounded up to the nearest one yen.

(2) The amount of capital reserve to be increased in the event of the issuance of shares upon the exercise of stock acquisition rights shall be the amount obtained by subtracting the amount of capital to be increased as set forth in the preceding item from the maximum amount of increase in capital, etc. as stated in the preceding item.

7) Restriction on acquisition of stock acquisition rights by transfer

Acquisition of stock acquisition rights by transfer shall require approval by the Board of Directors of the reorganized company.

8) Conditions for exercising stock acquisition rights

To be determined in accordance with the conditions for exercise of the stock acquisition rights above.

9) Acquisition conditions for stock acquisition rights

To be determined in accordance with 3. above.

5. Based on a resolution of the Board of Directors meeting dated August 8, 2025, a stock split was conducted on the same day at a ratio of 7,149,358,214 shares for 435,100,266 shares of common stock. As a result, adjustments were made to “Type, description, and number of shares to be issued upon exercise of stock acquisition rights,” “Amount to be paid-in upon exercise of stock acquisition rights,” and “Issue price and amount paid into capital when shares are issued upon exercise of stock acquisition rights.”

2) Contents of the Rights Plan

Not applicable

3) Status of other stock acquisition rights, etc.

Not applicable

(3) Changes in the total number of issued shares, capital stock, etc.

Date	Change in Total Number of Issued Shares	Balance of Total Number of Issued Shares	Change in Capital Stock (million yen)	Balance of Capital Stock (million yen)	Change in Capital Reserve (million yen)	Balance of Capital Reserve (million yen)
From April 1, 2020 to March 31, 2021 (Notes 1, 2)	12,861	435,100,266	34	20,029	34	195,406
March 31, 2025 (Note 3)	-	435,100,266	-	20,029	(190,000)	5,406
August 8, 2025 (Note 4)	6,714,257,948	7,149,358,214	-	20,029	-	5,406

(Notes) 1. Increase due to issuance of new shares upon exercise of stock acquisition rights (paid-in third-party allotment)

Increase in total number of issued shares: 35,100 shares
Increase (decrease) in capital: 34 million yen
Increase (decrease) in capital reserve: 34 million yen

2. Decrease due to retirement of treasury stock
Decrease in total number of issued shares: 22,239 shares
3. Capital reserve reduced and transferred to other capital surplus in accordance with Article 448, paragraph (1) of the Companies Act
4. This increase is due to the stock split resolved at the Board of Directors meeting held on August 8, 2025.
Change in total number of issued shares: 6,714,257,948 shares

(4) Status by owner

As of March 31, 2025

Category	Stock Information (One Unit of Stock: 100 shares)								Number of Shares Less than One Unit
	Governments and Local Public Entities	Financial Institutions	Financial Instruments Business Operators	Other Corporations	Foreign Corporations, etc.		Individuals and Others	Total	
					Non-individuals	Individuals			
Number of shareholders (Persons)	-	-	-	1	-	-	-	1	-
Number of shares held (Unit)	-	-	-	71,493,582	-	-	-	71,493,582	14
Percentage of shares held (%)	-	-	-	100.00	-	-	-	100.00	-

(5) Status of voting rights

1) Issued shares

As of March 31, 2025

Category	Number of Shares	Number of Voting Rights	Contents
Non-voting shares	-	-	-
Shares with restricted voting rights (treasury stock, etc.)	-	-	-
Shares with restricted voting rights (other)	-	-	-
Fully voting shares (treasury stock, etc.)	-	-	-
Fully voting shares (other)	Common shares 7,149,358,200	71,493,582	-
Shares less than one unit	Common shares 14	-	Shares less than one unit (100 shares)
Total number of issued shares	Common shares 7,149,358,214	-	-
Voting rights of all shareholders	-	71,493,582	-

2) Treasury stock, etc.

Not applicable

2. Status of Treasury Stock Acquisition

Type of shares, etc. Not applicable

(1) Status of acquisition by resolution of the General Meeting of Shareholders

Not applicable

(2) Status of acquisition by resolution of the Board of Directors

Not applicable

(4) Status of disposal and holding of acquired treasury stock

Not applicable

3. Dividend Policy

The Company's basic policy is to provide stable dividends while securing appropriate capital for the soundness and investment in growth areas of Sony FG companies.

The Company plans to be listed by around October 2025, and after listing, the Company's policy is to pay out around 40% to 50% of its IFRS adjusted net income while aiming for a steady increase in dividend per share.

The Company plans to pay dividends twice a year as an interim dividend and a year-end dividend. In principle, the Board of Directors is the decision-making body for both the interim dividend and year-end dividend.

For the current fiscal year, it was resolved not to pay a year-end dividend, in order to retain sufficient resources for shareholder returns after listing. For the fiscal year ending March 31, 2026, as the Spin-off is scheduled to take effect on October 1, 2025, the Company plans to pay a half-year dividend as the year-end dividend.

4. Status of Corporate Governance

(1) Overview of corporate governance

1) Basic policy on corporate governance

To realize Our Vision, we aim to conduct unified Group management by effectively utilizing the business characteristics and information held by each Group company to the extent permitted by laws and regulations, taking into consideration the differences in history, size, and business conditions of the companies within Sony FG. As a precondition for this, we recognize that the most important issue is to ensure financial soundness and appropriateness of operations, and to this end we have established a management structure that emphasizes Group-wide compliance and risk management.

In November 2015, the Company established and disclosed its Basic Corporate Governance Policy, which sets forth its basic approach to corporate governance, in order to meet the expectations and trust of all stakeholders and to achieve sustainable growth and enhancement of corporate value over the medium to long term.

2) Outline of the corporate governance system and the reasons for adopting such a system

To strengthen the supervisory function of the Board of Directors through the separation of execution and supervision in the holding company structure and to establish an effective governance system, the Company transitioned to a company with a nominating committee, etc. in October 2024. The Board of Directors, consisting primarily of multiple highly independent outside directors, utilizes the Nominating, Compensation and Audit Committees to provide effective oversight of management, bolster the effectiveness of governance, and establish a sound and transparent management framework.

The Board of Directors makes decisions on basic management policies, which are legally considered to be the exclusive decision-making authority of the Board of Directors, and supervises the execution of duties by directors and corporate executive officers. The Board of Directors consists of eight members, including six outside directors as of the date of submission of this document, in light of its role as having a supervisory function over management. Meetings of the Board of Directors are chaired by a director to be determined by the Board of Directors, currently a director who also serves as the Representative Corporate Executive Officer.

The Nominating Committee formulates, amends, and abolishes policies, criteria, and rules concerning the election and dismissal of directors, resolves the content of proposals for the election and dismissal of directors to be submitted to the General Meeting of Shareholders, and responds to inquiries from the Board of Directors or the President and Corporate Executive Officer by resolving on and advising regarding the election and dismissal of corporate executive officers, and the appointment and dismissal of the President and Corporate Executive Officer. The Nominating Committee consists of three or more members selected from among the directors, and from the standpoint of independence and neutrality, the majority of the committee members are selected from outside directors, and the chairperson is also an outside director.

The Compensation Committee makes resolutions on matters related to the policy for the determination of the content of individual compensation for directors and corporate executive officers. The Compensation Committee consists of three or more members selected from among the directors, and from the standpoint of independence and neutrality, the majority of the committee members are selected from outside directors, and the chairperson is also an outside director.

The Audit Committee makes resolutions on matters related to audit policy, audit plans, audit methods, assignment of audit duties, etc., and on the preparation of the audit report. The Audit Committee consists of at least three members selected from among directors who do not concurrently serve as corporate executive officers, and the majority of the members are selected from outside directors.

Although the Company is a pure holding company with direct subsidiaries including Sony Life, Sony Assurance, Sony Bank, Sony Lifecare and Sony Financial Ventures, it has entered into management agreements with direct subsidiaries to ensure appropriate management control of its subsidiaries.

3) Other matters related to corporate governance

Exemption from liability of directors and liability limitation agreement

Pursuant to Article 426, paragraph (1) of the Companies Act, the Company stipulates in its Articles of Incorporation that directors and corporate executive officers (including persons who used to be directors and corporate executive officers) may be exempted from liability for damages resulting from negligence of their duties by a resolution of the Board of Directors to the extent permitted by law. This is intended to create an environment in which directors and corporate executive officers can fully demonstrate their abilities and fulfill their expected roles in the performance of their duties.

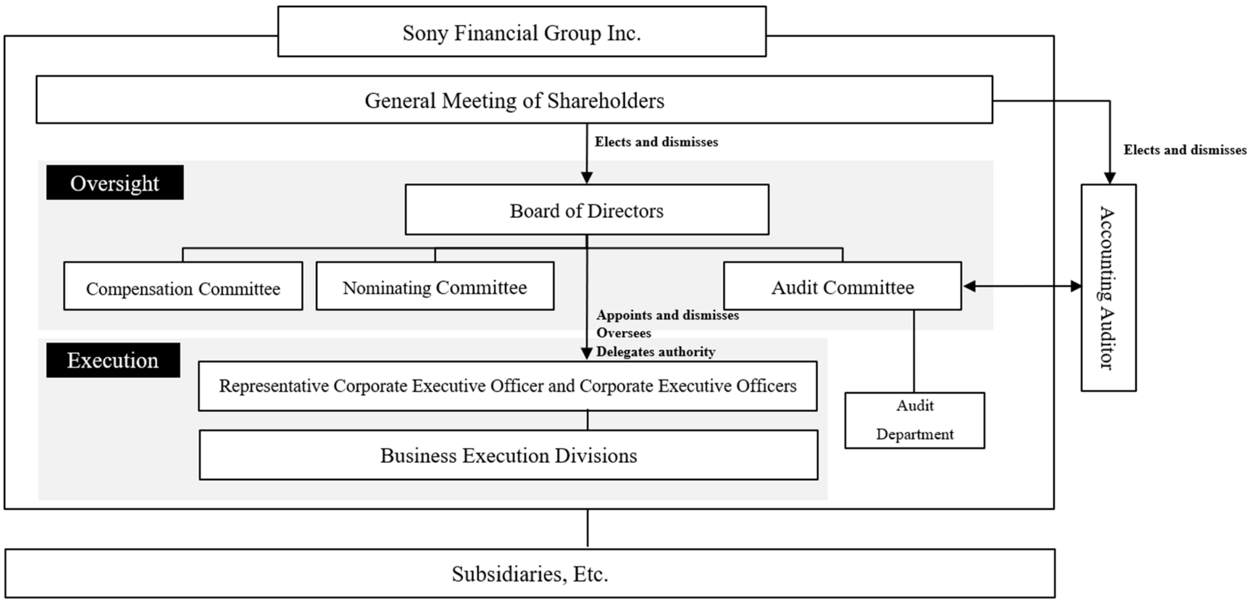
In addition, the Company has entered into agreements with its directors (excluding those who are executive directors, etc.) to limit their liability for damages under Article 423, paragraph (1) of the Companies Act, pursuant to Article 427, paragraph (1) of the same Act and the Company's Articles of Incorporation. The maximum amount of liability for damages under such agreements is the minimum liability amount stipulated in Article 425, paragraph (1) of the Companies Act. Such limitation of liability is only recognized if the director has acted in good faith and without gross negligence in performing the duties that caused the liability.

The Company has entered into officer indemnification insurance policies under Article 430-3, paragraph (1) of the Act, whereby such insurance covers damage compensation and litigation costs, etc. arising from corporate lawsuits, shareholder derivative suits, and third-party lawsuits incurred by the insured in connection with the execution of their duties for the Company. Provisions were made to ensure that illegal private gain, provision of undue benefits, criminal acts, or willful misconduct by executives are excluded from indemnification coverage, in order to preserve the sound execution of their duties. The Company's directors, corporate executive officers, and executive officers and also its subsidiaries' directors, auditors, and executive officers are insured under such officer indemnification insurance policies, and the Company pays all premiums for all of the insured with the consent of all outside directors.

Status of internal control systems

We established a Basic Policy for the Establishment of an Internal Control System in conjunction with the enforcement of the Companies Act in May 2006. To ensure that business execution is carried out appropriately in accordance with basic management policies determined by the Board of Directors, we have established and implemented internal rules such as management frameworks, codes of conduct, and division of duties (Board of Directors Regulations, Corporate Executive Officers Regulations, Decision-making Regulations, Compliance Manual, Internal Reporting Regulations, etc.).

[Schematic Diagram of Sony FG's Internal Controls]

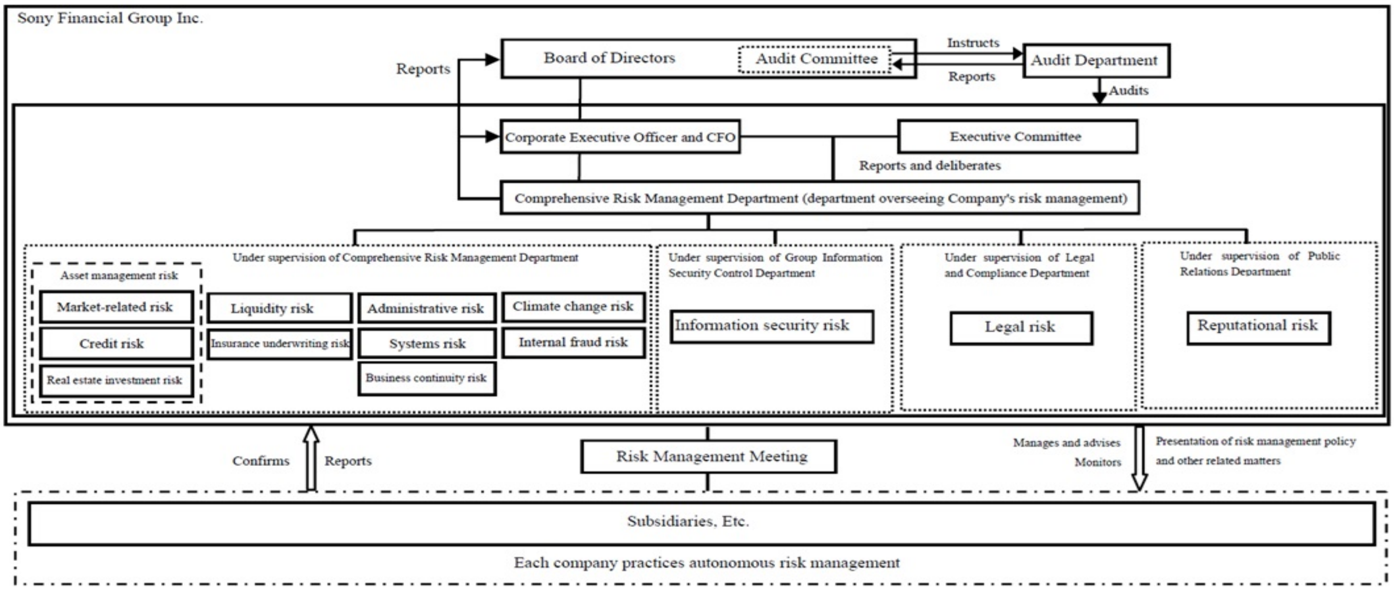


<Status of risk management structure>

As a financial holding company, the Company is strengthening Sony FG's overall risk management structure and conducting integrated risk management by bringing together the management resources of all Sony FG companies.

The Company's Board of Directors has established the fundamental principles for risk management, and ensures that these principles are thoroughly communicated to the Company's officers, employees, and Sony FG companies. We identify the presence and types of risks and establish a system to manage each type appropriately based on the size, characteristics, and business activities of each Group company. The Comprehensive Risk Management Department, the department which oversees the Company's risk management, works with the risk management departments of each Group company to monitor risks and hold risk management meetings to assess the status of Group risk management, and reports regularly to the Board of Directors and other relevant bodies.

[Risk Management Structure of the Sony FG]



Number of directors

The Company's Articles of Incorporation stipulate that the Company shall have no more than 12 directors.

Requirements for resolution for election of directors

The Company's Articles of Incorporation stipulate that the resolution for the election of directors shall be adopted by a majority of the voting rights of shareholders present at the meeting where shareholders holding one-third or more of the voting rights of shareholders who are entitled to exercise their voting rights are present, and that the resolution for the election shall not be by cumulative voting.

Decision-making body for dividends from surplus, etc.

The Company's Articles of Incorporation stipulate that, for the purpose of flexible profit distribution, matters stipulated in each item of Article 459, paragraph (1) of the Companies Act, such as dividends from surplus, shall be determined by a resolution of the Board of Directors instead of a resolution of the General Meeting of Shareholders, unless otherwise provided by law.

Requirements for a special resolution of the General Meeting of Shareholders

To ensure the smooth operation of the General Meeting of Shareholders, the Company stipulates in its Articles of Incorporation that special resolutions stipulated in Article 309, paragraph (2) of the Companies Act shall be two-thirds or more of the voting rights of shareholders present at the meeting where shareholders holding one-third or more of the voting rights of shareholders who are entitled to exercise their voting rights are present.

4) Activities of the Board of Directors, Nominating Committee, Compensation Committee and Audit Committee

(i) Activities of the Board of Directors

In principle, the Board of Directors meets once a month and after the Ordinary General Meeting of Shareholders, holding extraordinary meetings as necessary. The attendance of individual members during the current fiscal year is as follows.

Job title	Name	Number of Times Held	Number of Times Attended
Director	Toshihide Endo (Chairperson)	13 Times	13 Times (100%)
Director	Kazuhiro Yamada	10 Times	10 Times (100%)
Director	Shiro Kambe	13 Times	13 Times (100%)
Director	Naomi Matsuoka	13 Times	13 Times (100%)
Outside Director	Shogo Ikeuchi	13 Times	13 Times (100%)
Outside Director	Kazuhiro Yoshizawa	13 Times	13 Times (100%)
Outside Director	Yasuyuki Hayase	13 Times	13 Times (100%)
Outside Director	Miho Niunoya	13 Times	13 Times (100%)
Director	Hirotoshi Korenaga	13 Times	13 Times (100%)

(Notes) 1. Kazuhiro Yamada was newly elected as a director at the Ordinary General Meeting of Shareholders held on June 20, 2024, so the number of meetings of the Board of Directors subject to attendance differs for him.

2. Directors Yasuyuki Hayase, Miho Niunoya, and Hirotoshi Korenaga served as Audit & Supervisory Board members until the transition to a company with a nominating committee, etc. on October 1, 2024.

The main activities of the Board of Directors are described in 2) "Outline of the corporate governance system and reasons for adopting such a system," and during the current fiscal year, in-depth discussions were held toward the Spin-off scheduled in October 2025. In addition, in order to live up to the expectations of stakeholders through continuous improvement of the effectiveness of the Board of Directors, we have conducted an evaluation of the effectiveness of the Board of Directors by appointing a third-party organization. In the current fiscal year, efforts focused on discussion of human resource strategy linked to overall Group strategy.

The members of the Board of Directors as of the date of filing of this annual securities report are as follows.

Job title	Name
Director	Toshihide Endo (Chairperson)
Director	Sadahiko Hayakawa
Outside Director	Shogo Ikeuchi
Outside Director	Kazuhiro Yoshizawa
Outside Director	Kozo Takaoka
Outside Director	Yasuyuki Hayase
Outside Director	Miho Niunoya
Outside Director	Sonoko Kajiyama

(Note) Mr. Kazuhiro Yamada was appointed as a director at the annual general meeting of shareholders held on June 20, 2025, and resigned from his position as director on August 31, 2025.

(ii) Activities of the Nominating Committee

The Nominating Committee determines the content of proposals on the election and dismissal of directors submitted to the General Meeting of Shareholders. The election and dismissal of directors is made by a resolution of the General Meeting of Shareholders. In addition, although it does not have the authority under the Companies Act, the Nominating Committee shall deliberate on proposals for the election and dismissal of corporate executive officers to be resolved by the Board of Directors.

The attendance of individual members during the current fiscal year is as follows.

Job title	Name	Number of Times Held	Number of Times Attended
Outside Director	Shogo Ikeuchi (Chairperson)	4 Times	4 Times (100%)
Outside Director	Kazuhiro Yoshizawa	4 Times	4 Times (100%)
Director	Toshihide Endo	4 Times	4 Times (100%)

During the current fiscal year, deliberations were held on the optimal institutional design for strengthening corporate governance, director nomination proposals for post-listing Board composition, and succession planning for the Company's President and Corporate Executive Officer, and corporate executive officers.

As of the date of submission of this document, the members are as follows.

Job title	Name
Outside Director	Shogo Ikeuchi (Chairperson)
Outside Director	Kazuhiro Yoshizawa
Director	Toshihide Endo

Until the transition to a company with a nominating committee, etc. on October 1, 2024, the Company had established a Nomination Advisory Committee to deliberate on the election and dismissal of the Company's directors and Audit & Supervisory Board members and the presidents of its Group subsidiaries, and on succession plans for the presidents of the Company and its Group subsidiaries.

The attendance of individual members for Nomination Advisory Committee during the current fiscal year is as follows.

Job title	Name	Number of Times Held	Number of Times Attended
Outside Director	Shogo Ikeuchi (Chairperson)	2 Times	2 Times (100%)
Outside Director	Kazuhiro Yoshizawa	2 Times	2 Times (100%)
Director	Toshihide Endo	2 Times	2 Times (100%)
Director	Shiro Kambe	2 Times	2 Times (100%)

(iii) Activities of the Compensation Committee

The Compensation Committee determines the policy regarding the determination of the content of individual compensation for directors and corporate executive officers as well as the content of such compensation for each of them. The attendance of individual members during the current fiscal year is as follows.

Job title	Name	Number of Times Held	Number of Times Attended
Outside Director	Kazuhiro Yoshizawa (Chairperson)	4 Times	4 Times (100%)
Outside Director	Shogo Ikeuchi	4 Times	4 Times (100%)
Director	Toshihide Endo	4 Times	4 Times (100%)

During the current fiscal year, the Compensation Committee deliberated on the results review and payment amounts of the company performance-linked compensation for the previous fiscal year, the setting of evaluation indicators for the company performance-linked compensation in the current fiscal year, the number of restricted stock units to be granted in the form of Sony Group Corporation shares, and the introduction of stock options aimed at enhancing motivation to contribute to the improvement of Sony FG's performance, thereby improving overall results.

Details of the Company's executive officer compensation policy and evaluation indicators for company performance-linked compensation are described in "(4) Executive Compensation, etc."

As of the date of submission of this document, the members are as follows.

Job title	Name
Outside Director	Kazuhiro Yoshizawa (Chairperson)
Outside Director	Shogo Ikeuchi
Director	Toshihide Endo

Until the transition to a company with a nominating committee, etc. on October 1, 2024, the Company had established a Compensation Advisory Committee to discuss individual compensation proposals, etc. for the Company's officers and representative directors of major subsidiaries. The attendance of the Compensation Advisory Committee during the current fiscal year is as follows.

Job title	Name	Number of Times Held	Number of Times Attended
Outside Director	Kazuhiro Yoshizawa (Chairperson)	4 Times	4 Times (100%)
Outside Director	Shogo Ikeuchi	4 Times	4 Times (100%)
Director	Toshihide Endo	4 Times	4 Times (100%)

(iv) Activities of the Audit Committee

The attendance of individual members and discussion during the current fiscal year are as described in "(3) Status of audits."

(2) Status of Officers

1) List of Officers

13 male, 3 female (female representation among officers: 19%)

(a) Status of Directors

Job title	Name	Date of Birth	Brief Career History		Term of Office	Number of Shares Held
Director	Toshihide Endo	January 27, 1959	April 1982	Joined Ministry of Finance, Japan	1 year (Note 1)	-
			July 2002	Director, Investigation Division, Securities and Exchange Surveillance Commission, Financial Services Agency		
			July 2004	Counselor (in charge of financial crisis response in Supervisory Bureau), Planning and Coordination Bureau, Financial Services Agency		
			November 2004	Counselor (in charge of financial crisis response in Supervisory Bureau), Planning and Coordination Bureau, concurrently Director, International Supervisory Office, General Affairs Division, Supervisory Bureau, Financial Services Agency		
			August 2005	Director, Banks Division I, Supervisory Bureau, Financial Services Agency		
			July 2007	Counselor (in charge of credit systems), Planning and Coordination Bureau, concurrently Counselor of Banking and Payment Regulations, Planning and Coordination Bureau, concurrently Director, Trust Business Law Planning Office, Planning Division, Planning and Coordination Bureau, Financial Services Agency		
			July 2008	Director, Inspection Coordination Division, Inspection Bureau, Financial Services Agency		
			July 2009	Director, General Coordination Division, Planning and Coordination Bureau, Financial Services Agency		
			July 2010	Counselor (in charge of Supervisory Bureau), Planning and Coordination Bureau, Financial Services Agency		
			August 2011	Deputy-Director General, Supervisory Bureau, Financial Services Agency		
			June 2013	Financial Instruments Exchange Administrator, Kanto Local Finance Bureau, Ministry of Finance, concurrently Deputy Director-General, Planning and Coordination Bureau, Financial Services Agency (in charge of planning, markets, and the Minister’s secretariat)		
			July 2014	Director-General, Inspection Bureau, Financial Services Agency		
			July 2015	Director-General, Supervisory Bureau, Financial Services Agency		
			July 2018	Commissioner, Financial Services Agency		
			July 2020	Advisor, Financial Services Agency		
			November 2020	Senior Advisor, Sony Corporation Advisor, Rickie Business Solution Co., Ltd. Advisor, Fukoku Mutual Life Insurance Company Advisor, jintec Corporation Advisor, Topaz Capital, Inc.		
			January 2021	Advisor, Tokio Marine & Nichido Fire Insurance Co., Ltd. Advisory Board, Norinchukin Value Investments Co., Ltd.		
			March 2021	Advisor, URYU & ITOGA Law Office Advisor, Tiglon Partners Ltd.		
			May 2021	Senior Advisor, KPMG Tax Corporation Senior Advisor, KPMG Japan		
			October 2021	Advisory Board Member, justInCase, Inc.		
			April 2022	Outside Director, DeCurret DCP, Inc.		
			October 2022	Regional Advisor and Advisory Board Member,		

Job title	Name	Date of Birth	Brief Career History		Term of Office	Number of Shares Held
				Goldman Sachs Japan Co., Ltd.		
			June 2023	President & CEO, Representative Director, Sony Financial Group, Inc.		
				Director, Sony Life Insurance Co., Ltd. (current position)		
				Director, Sony Assurance, Inc. (current position)		
				Director, Sony Bank, Inc. (current position)		
				Director, Sony Lifecare, Inc. (current position)		
				President, Representative Director of Sony Financial Ventures, Inc.		
				Advisory board member, Goldman Sachs Japan Co., Ltd.		
			April 2024	Outside Director, Nakano Asset Management Co., Ltd. (current position)		
			October 2024	Director, President and CEO, Representative Corporate Executive Officer, Sony Financial Group, Inc. (current position)		
			April 2025	Director, Sony Financial Ventures, Inc. (current position)		

Job title	Name	Date of Birth	Brief Career History		Term of Office	Number of Shares Held
Director	Sadahiko Hayakawa	October 26, 1967	April 1990	Joined The Sakura Bank, Ltd. (currently Sumitomo Mitsui Banking Corporation)	1 year (Note 1)	-
			February 2001	Joined Sony Corporation (currently Sony Group Corporation).		
			July 2008	Vice President & Treasurer, Sony Global Treasury Services New York Inc.		
			May 2018	Vice President, Nidec Shimpo Corporation (currently Nidec Drive Technology Corporation) Member of the Board, Nidec Minster Corporation (concurrent)		
			June 2018	General Manager, Financial Planning Section, Finance Dept., Sony Corporation		
			July 2020	VP Senior General Manager, Finance Dept., Sony Corporation		
			April 2022	Senior Vice President, In charge of Finance and IR, Senior General Manager, Finance Dept., Sony Group Corporation		
			April 2025	Senior Vice President, In charge of Finance and IR, Sony Group Corporation		
			June 2025	Director, Sony Financial Group Inc.		
			September 2025	Director, Corporate Executive Officer and CFO, Sony Financial Group Inc. (current position)		
Director	Shogo Ikeuchi	June 6, 1962	April 1988	Joined Recruit Co., Ltd. (currently Recruit Holdings Co., Ltd.)	1 year (Note 1) (Note 2)	-
			April 2005	Corporate Executive Officer in charge of Corporate Planning Office and Business Management Office, Recruit Co., Ltd.		
			June 2012	Board Director and Corporate Executive Officer in charge of Asia at Global Headquarters, Corporate Planning and Human Resources Support, Recruit Co., Ltd.		
			October 2012	Board Director and Corporate Executive Officer in charge of Global Headquarters, Corporate Planning, R&D and Human Resources, Recruit Holdings Co., Ltd.		
			April 2013	Board Director and Managing Corporate Executive Officer in charge of Medium- to Long-Term Strategy, International Business, R&D, Corporate Planning and Human Resources, Recruit Holdings Co., Ltd.		
			April 2014	Board Director and Managing Corporate Executive Officer in charge of International Business and R&D, Recruit Holdings Co., Ltd.		
			April 2015	Board Director and Managing Corporate Executive Officer in charge of R&D, Corporate Planning and Human Resources, Recruit Holdings Co., Ltd.		
			April 2016	Board Director and Senior Managing Corporate Executive Officer in charge of Corporate Planning, Human Resources and R&D, Recruit Holdings Co., Ltd.		
			April 2017	Board Director and Senior Managing Corporate Executive Officer in charge of Corporate Planning and Human Resources, Recruit Holdings Co., Ltd.		
			May 2017	Board Director and Senior Managing Corporate Executive Officer in charge of Corporate Planning (CSO) and Human Resources (CHRO), Recruit Holdings Co., Ltd.		
			April 2019	Board Director and Senior Managing Corporate Executive Officer in charge of Human Resources and General Affairs (CHRO), Recruit Holdings Co., Ltd.		
			June 2019	Outside Director, Sony Financial Holdings Inc. (currently Sony Financial Group Inc.) (current position)		
			April 2020	Board Director and Advisor, Recruit Holdings Co., Ltd. Outside Director, AnyMind Group Inc. (current		

Job title	Name	Date of Birth	Brief Career History		Term of Office	Number of Shares Held
				position)		
			June 2020	Advisor, Recruit Holdings Co., Ltd.		
			September 2020	President and CEO, JIC Capital, Ltd. (current position)		
			June 2024	Director, JSR Corporation (current position)		
Director	Kazuhiro Yoshizawa	June 21, 1955	April 1979	Joined NTT Public Corporation	1 year (Note 1) (Note 2)	-
			June 2007	Senior Vice President, General Manager of Corporate Sales and Marketing Department II, NTT DOCOMO (currently NTT DOCOMO, INC.)		
			June 2011	Senior Vice President, General Manager of Human Resources Management Department, Member of the Board of Directors, NTT DOCOMO		
			June 2012	Executive Vice President, General Manager of Corporate Strategy and Planning Department, Responsible for Mobile Society Research Institute, Member of the Board of Directors, NTT DOCOMO		
			July 2013	Executive Vice President, General Manager of Corporate Strategy and Planning Department, General Manager of Structural Reform Office, Responsible for Mobile Society Research Institute, Member of the Board of Directors, NTT DOCOMO		
			June 2014	Senior Executive Vice President, Responsible for Technology, Devices and Information Strategy, Representative Member of the Board of Directors, NTT DOCOMO		
			June 2016	President and Chief Executive Officer, Representative Member of the Board of Directors, NTT DOCOMO		
			December 2020	Member of the Board of Directors, NTT DOCOMO		
			June 2021	Corporate Advisor, NTT DOCOMO (current position) Outside Director, Sony Financial Holdings Inc. (currently Sony Financial Group Inc.)		
			July 2021	Advisor, Daiwa House Industry Co., Ltd.		
			June 2022	Outside Director, PERSOL HOLDINGS CO., LTD. (current position) Outside Director, Daiwa House Industry Co., Ltd. (current position)		

Job title	Name	Date of Birth	Brief Career History		Term of Office	Number of Shares Held
Director	Yasuyuki Hayase	May 30, 1957	April 1980 July 1999 April 2001 June 2002 April 2003 June 2005 April 2007 June 2010 June 2012 June 2015 October 2024	Joined Mitsui Bank Corporation (currently Sumitomo Mitsui Banking Corporation) Group Leader, Credit Planning Department, Mitsui Bank Corporation Assistant General Manager, Main Branch Business Department I, Sumitomo Mitsui Banking Corporation Assistant General Manager, Main Branch Business Department III, Sumitomo Mitsui Banking Corporation General Manager, Kumamoto Corporate Business Office, Sumitomo Mitsui Banking Corporation General Manager, Mitadori Corporate Business Office, Sumitomo Mitsui Banking Corporation General Manager, Credit & Investment Planning Department, Sumitomo Mitsui Banking Corporation Corporate Auditor, Sumitomo Mitsui Banking Corporation President & Chief Executive Officer, Sakura Card Co., LTD. Standing Audit & Supervisory Board Member, Sony Financial Holdings Inc. (currently Sony Financial Group Inc.) Audit & Supervisory Board Member, Sony Life Insurance Co., Ltd. (current position) Audit & Supervisory Board Member, Sony Assurance Inc. (current position) Audit & Supervisory Board Member, Sony Bank Inc. (current position) Outside Director, Sony Financial Group Inc. (current position)	1 year (Note 1) (Note 2)	-
Director	Miho Niunoya (Note 3)	August 31, 1964	April 1993 July 1997 January 1998 December 2000 November 2002 January 2020 June 2023 October 2024	Registered as attorney, Japan Joined Tokyo Aoyama Aoki Law Office (currently Baker & McKenzie) Joined Baker & McKenzie Consultants (Indonesia) Joined Baker & McKenzie (Singapore) Partner, Tokyo Aoyama Aoki Law Office (currently Baker & McKenzie) Senior Partner, Atsumi & Sakai (current position) Outside Director, PARK24 CO., LTD. (current position) Audit & Supervisory Board Member, Sony Financial Group Inc. Outside Director, Sony Financial Group Inc. (current position)	1 year (Note 1) (Note 2)	-
Director	Kozo Takaoka	March 30, 1960	April 1983 January 2005 January 2010 November 2010 April 2015 August 2019 March 2020 December 2020 June 2025	Joined Nestlé Japan Ltd. President & CEO, Nestlé Confectionary K.K. Representative Director & Executive Vice President, General Manager of Beverage Business Group, Nestlé Japan Ltd. Representative Director, President & CEO, Nestlé Japan Ltd. Representative Director, K & Co. K.K.(current position) Representative Director, KT Digital K.K. (current position) Resigned: Representative Director, President & CEO, Nestlé Japan Ltd. Outside Director, CyberAgent, Inc. (current position) Outside Director, Sony Financial Group Inc. (current position)	1 year (Note 1) (Note 2)	-

Job title	Name	Date of Birth	Brief Career History		Term of Office	Number of Shares Held
Director	Sonoko Kajiyama	May 3, 1968	April 1991	Joined Fujitsu Limited	1 year (Note 1) (Note 2)	-
			October 2002	Joined Asahi & Co. (currently KPMG AZSA LLC)		
			March 2013	Joined LIXIL Corporation		
			January 2018	General Manager, Quality Assurance Division, Internal Audit Department, LIXIL Corporation		
			July 2019	Secretary General, LIXIL Group Audit Committee Audit & Supervisory Board Member, LIXIL TEPCO Smart Partners Inc.		
			April 2020	Vice President, Planning & Quality Global, Internal Audit Department, Olympus Corporation		
			June 2020	Senior Director, Internal Audit China, Internal Audit Department, Olympus Corporation Audit & Supervisory Board Member, Sony Olympus Medical Solutions Inc.		
			December 2023	Senior Vice President, Deputy Chief Internal Audit Officer, Olympus Corporation		
			March 2024	Full-time Outside Audit & Supervisory Board Members, McDonald’s Holdings Company (Japan), Ltd. (current position) Audit & Supervisory Board Members, McDonald's Company (Japan), Ltd. (current position)		
			June 2024	Outside Audit & Supervisory Board Members, ITOCHU ENEX CO., LTD. (current position)		
			June 2025	Outside Director, Sony Financial Group Inc. (current position)		
Total						-

(Notes) 1. The term of office shall expire at the conclusion of the Ordinary General Meeting of Shareholders concerning the final fiscal year ending within one year from June 20, 2024.

2. Directors Shogo Ikeuchi, Kazuhiro Yoshizawa, Yasuyuki Hayase, Miho Niunoya, Kozo Takaoka, and Sonoko Kajiyama are outside directors.

3. The registered legal name of Director Miho Niunoya is Miho Sumi.

(b) Status of Corporate Executive Officers

Job title	Name	Date of Birth	Brief Career History	Term of Office	Number of Shares Held
President and CEO, Representative Corporate Executive Officer	Toshihide Endo	January 27, 1959	See (a) Status of directors	1 year (Note 1)	-
Corporate Executive Officer and CFO	Sadahiko Hayakawa	October 26, 1967	See (a) Status of directors	1 year (Note 2)	-
Corporate Executive Officer	Kaoru Takahashi	May 13, 1956	April 1979 Joined The Yasuda Fire and Marine Insurance Co., Ltd. (currently Sompo Japan Insurance Inc.) April 2008 Executive Officer, General Manager, Human Resources of Sompo Japan April 2010 Managing Executive Officer of Sompo Japan June 2010 Director, Managing Executive Officer of Sompo Japan Director of Sompo Japan Himawari Life Insurance Inc. (currently Sompo Himawari Life Insurance Inc.) April 2012 Representative Director, Deputy President and Senior Managing Executive Officer of Sompo Japan (currently Sompo Japan Insurance Inc.) April 2013 Deputy President and Senior Managing Executive Officer of Nipponkoa Insurance Co., Ltd. (currently Sompo Japan Insurance Inc.) September 2014 Representative Director, Deputy President and Senior Managing Executive Officer of Sompo Japan Nipponkoa Insurance Inc.(currently Sompo Japan Insurance Inc.) April 2015 Representative Director, President and Chief Executive Officer of Sompo Japan Nipponkoa Himawari Life Insurance Inc.(currently Sompo Himawari Life Insurance Inc.) June 2015 Director of Sompo Japan Nipponkoa Holdings Inc. (currently Sompo Holdings, Inc.) March 2016 Outside Director of Hulic Co., Ltd. April 2018 Director, Chairman of Sompo Japan Nipponkoa Himawari Life Insurance, Inc. (currently Sompo Himawari Life Insurance Inc.) June 2020 Outside Director of Sony Financial Holdings Inc. (currently Sony Financial Group Inc.) June 2022 Director of Sony Life Insurance Co., Ltd. June 2023 President, Representative Director, Sony Life Insurance Co., Ltd. (current position) October 2024 Corporate Executive Officer, Sony Financial Group, Inc. (current position)	1 year (Note 1)	-

Job title	Name	Date of Birth	Brief Career History		Term of Office	Number of Shares Held
Corporate Executive Officer	Hiroyuki Tsubota	June 9, 1966	April 1991	Joined Sony Corporation (currently Sony Group Corporation)	1 year (Note 1)	-
			October 1994	Manager of Sony Electronics Malaysia Sdn.Bhd.		
			August 1997	Manager of Sony Corporation of America		
			April 2001	Senior Manager, HR Strategy Sec. Group HR Dept. of Sony Corporation (currently Sony Group Corporation)		
			July 2004	Director, CEO/President Office of Sony Corporation		
			May 2006	General Manager, HR Dept. Global Sales & Marketing Group of Sony Corporation		
			October 2010	VP, Strategy Office of Sony Electronics Inc. (US)		
			May 2012	Senior VP, Strategy Office of Sony Electronics Inc. (US)		
			July 2014	Senior GM, Corporate Strategy Division of Sony Visual Products Inc.		
			October 2015	(Concurrent) Senior GM, Corporate Strategy Division of Sony Video & Sound Products Inc.		
			April 2018	(Concurrent) Corporate Executive, HR & GA of Sony Global Manufacturing & Operations Inc.		
			April 2019	Senior GM, HR and GA Division of Sony Home Entertainment & Sound Products Inc.		
				(Concurrent) Board of Director, HR & GA of Sony Marketing Inc.		
			January 2020	Executive Officer, HR & GA of Sony Financial Holdings Inc. (currently Sony Financial Group Inc.)		
			June 2020	Director of Sony Financial Holdings Inc. (currently Sony Financial Group Inc.)		
				Director of Sony Life Insurance Co., Ltd.		
				Director of Sony Assurance Inc.		
				Director of Sony Lifecare Inc.		
				Director of Sony Financial Ventures Inc.		
			June 2021	Director of Sony Bank Inc.		
			February 2022	Director of Sony Financial Group Inc.		
			June 2023	President, Representative Director, Sony Assurance, Inc. (current position)		
			October 2024	Corporate Executive Officer, Sony Financial Group, Inc. (current position)		

Job title	Name	Date of Birth	Brief Career History		Term of Office	Number of Shares Held
Corporate Executive Officer	Keiji Minami	September 4, 1964	April 1990 February 2008 June 2010 April 2011 November 2011 April 2019年 July 2020 June 2021 October 2024	Joined Sanwa Bank, Ltd. (currently MUFG Bank, Ltd.) Joined Yahoo Japan Corp. (currently LY Corp.) Joined Sony Bank, Inc. Marketing Manager, Sony Bank, Inc. Director, Managing Executive Officer, SmartLink Network, Inc. (currently Sony Payment Services Inc.) Executive Officer, Sony Bank, Inc. Managing Executive Officer, Sony Bank, Inc. President, Representative Director, Sony Bank, Inc. (current position) Corporate Executive Officer, Sony Financial Group, Inc. (current position)	1 year (Note 1)	-
Corporate Executive Officer	Koki Ito	January 14, 1970	April 1992 January 2001 November 2006 January 2009 April 2014 June 2015 July 2017 August 2018 June 2022 April 2024 October 2024	Joined Mitsubishi Bank, Ltd. (currently MUFG Bank, Ltd.) Joined Sony Corporation (currently Sony Group Corporation) Joined East West Consulting K.K. Joined Sony Corporation (currently Sony Group Corporation) Joined Sony Financial Holdings Inc. (currently Sony Financial Group Inc.), transferred to Sony Lifecare Inc. Director, Sony Lifecare Inc. Director, Lifecare Design Inc. (current position) Director, Proud Life Inc. (current position) Managing Director, Sony Lifecare Inc. President, Representative Director, Sony Lifecare Inc. (current position) Corporate Executive Officer, Sony Financial Group, Inc. (current position)	1 year (Note 1)	-
Corporate Executive Officer	Kazuhiro Yamada	January 22, 1964	April 1986 September 1993 November 2002 June 2013 April 2017 July 2019 June 2021 October 2023 April 2024 June 2024 October 2024 September 2025	Joined Recruit Co., Ltd. (currently Recruit Holdings Co., Ltd.) Joined Sony Life Insurance Co., Ltd. General Manager, Sales Planning & Administration Group, Product Development Division of Sony Life Insurance Co., Ltd. Senior Vice President, Sony Life Insurance Co., Ltd Executive Vice President, Sony Life Insurance Co., Ltd. Director, Sony Life Communications Co., Ltd. (current position) Director and Executive Vice President, Sony Life Insurance Co., Ltd. Director and Senior Executive Vice President, Sony Life Insurance Co., Ltd. Senior Managing Executive Officer, Sony Financial Group Inc. Senior Managing Director & CFO, Sony Financial Group Inc. Director, Sony Life Insurance Co., Ltd. (current position) Director, Sony Assurance, Inc. (current position) Director, Sony Bank, Inc. (current position) Director, Sony Lifecare, Inc. (current position) Director, Sony Financial Ventures, Inc. (current position) Corporate Executive Officer and CFO, Sony Financial Group Inc. Corporate Executive Officer, Sony Financial Group, Inc. (current position)	1 year (Note 1)	-
Corporate Executive Officer	Takayuki Suzuki	April 18, 1970	April 1993 April 2007 April 2008 June 2012 April 2013	Joined Sony Corporation (currently Sony Group Corporation) Corporate Planning Manager, Sony Bank Inc. Executive Officer, Sony Bank Inc. Director, Sony Bank Inc. Vice President, Representative Director, Sony Bank	1 year (Note 1)	-

Job title	Name	Date of Birth	Brief Career History		Term of Office	Number of Shares Held
				Inc.		
			April 2024	Managing Executive Officer, Sony Financial Group, Inc. Director, Sony Bank Inc. (current position)		
			June 2024	Director, Sony Life Insurance Co., Ltd. (current position)		
				Director, Sony Assurance, Inc. (current position)		
				Director, Sony Lifecare, Inc. (current position)		
				Director, Sony Financial Ventures, Inc. (current position)		
			October 2024	Corporate Executive Officer, Sony Financial Group, Inc. (current position)		
Corporate Executive Officer	Osamu Otsubo	June 10, 1973	April 1996	Joined Sony Corporation (currently Sony Group Corporation)	1 year (Note 1)	-
			January 2015	Vice President, Human Resources Dept., Sony Computer Entertainment Inc. (currently Sony Interactive Entertainment Inc.)		
			April 2019	General Manager, Human Resources Strategy Dept., Sony Life Insurance Co., Ltd.		
			April 2022	Senior Vice President, Sony Life Insurance Co., Ltd. (current position)		
			June 2023	Executive Officer, Sony Financial Group, Inc.		
Corporate Executive Officer	Nahoko Yamashita	February 6, 1973	April 1995	Joined Japan Finance Corporation for Small and Medium Enterprise	1 year (Note 2)	-
			December 2000	Joined IBM Japan, Ltd.		
			March 2004	Joined Hitachi, Ltd.		
			December 2007	Joined Sony Life Insurance Co., Ltd.		
			April 2019	General Manager, Corporate Planning Department, Sony Life Insurance Co., Ltd.		
			April 2021	Executive Officer and General Manager, Corporate Planning Department, Sony Life Insurance Co., Ltd.		
			April 2022	Senior Vice President, Sony Life Insurance Co., Ltd.		
			April 2025	Executive Vice President, Sony Life Insurance Co., Ltd.		
			June 2025	Director and Executive Vice President, Sony Life Insurance Co., Ltd. (current position)		
			September 2025	Corporate Executive Officer (Executive Advisor to CFO), Sony Financial Group Inc. (current position)		
Total						-

(Notes) 1. The term of office shall expire on the last day of the fiscal year ending within one year of April 1, 2024.
2. The applicable period shall be until the last day of the fiscal year ending within one year from September 1, 2025.

2) Status of Outside Officers

With respect to outside directors, in order to enhance independence from management, the Company appoints individuals who satisfy the independence criteria set forth in the Companies Act, the standards for independent directors established by the Tokyo Stock Exchange, and the independence criteria stipulated in the Company's Basic Policy on the Selection of Director Candidates. There are no special personal, capital, business, or other interests between the Company and its outside directors. The status of concurrent positions held by the Company's outside directors at other companies is as follows.

(As of the date of submission of this document)

Name	Concurrent positions
Shogo Ikeuchi Outside Director	JIC Capital, Ltd. (president and CEO) AnyMind Group Inc. (outside director) Director, JSR Corporation
Kazuhiro Yoshizawa Outside Director	NTT DOCOMO, INC. (corporate advisor) PERSOL HOLDINGS CO., LTD. (outside director) Daiwa House Industry Co., Ltd. (outside director)
Yasuyuki Hayase Outside Director	Sony Life Insurance Co., Ltd. (Audit & Supervisory Board member) Sony Assurance Inc. (Audit & Supervisory Board member) Sony Bank Inc. (Audit & Supervisory Board member)
Miho Niunoya Outside Director	Atsumi & Sakai (senior partner) PARK24 CO., LTD. (outside director)
Kozo Takaoka Outside Director	K & Co. K.K. (representative director) KT Digital K.K. (representative director), CyberAgent, Inc. (outside director)
Sonoko Kajiyama Outside Director	McDonald's Holdings Company (Japan), Ltd. (full-time audit & supervisory board members), McDonald's Company (Japan), Ltd. (audit & supervisory board members), ITOCHU ENEX CO., LTD. (outside audit & supervisory board members)

(Notes) 1. There are no special relationships between the Company and JIC Capital, Ltd., AnyMind Group Inc., JSR Corporation, NTT DOCOMO, INC., PERSOL HOLDINGS CO., LTD., Daiwa House Industry Co., Ltd., Atsumi & Sakai, PARK24 CO., LTD., K & Co. K.K., KT Digital K.K., CyberAgent, Inc., McDonald's Holdings Company (Japan), McDonald's Company (Japan), Ltd., and ITOCHU ENEX CO., LTD.

2. Sony Life Insurance Co., Ltd., Sony Assurance Inc., and Sony Bank Inc. are subsidiaries of the Company.

3) Relationships between Audit or Supervision by Outside Directors and Internal Audits, Audit Committee Audits, and Accounting Audits, and the Internal Control Division

Outside directors supervise the Company's management not only by attending important meetings such as meetings of the Board of Directors, but also through coordination with the Audit Committee, accounting auditor, and the Company's internal control division.

To ensure the effectiveness of supervision by outside directors, the Company appoints individuals with relevant expertise, such as experience in corporate legal affairs, employment at financial institutions, or accounting operations.

(3) Status of Audit

1) Status of Audit Committee Audits

The Company's Audit Committee consists of three members (as of the date of submission of this document), three of whom are outside directors. Among the outside Audit Committee members, one has many years of experience working at financial institutions and has served as a standing Audit & Supervisory Board member, while the other possesses professional legal expertise and experience as an attorney, in addition to broad insight into private sector companies and business through service on government committees and other roles. One member is qualified as a certified public accountant and has extensive experience as an auditor involved in internal audits at private-sector companies, in addition to having long-standing experience as a certified public accountant. This individual possesses a high level of expertise in finance and accounting. The Audit Committee, in accordance with its rules, receives reports, deliberates, and makes decisions on important matters related to auditing. Each member of the Audit Committee audits the execution of duties by directors and corporate executive officers based on the audit policy and audit plan established by the committee, by attending important meetings such as those of the Board of Directors and by receiving reports from the accounting auditor and internal audit division, among others, in addition to otherwise maintaining close coordination with them.

The attendance of individual members during the current fiscal year is as follows.

Job title	Name	Number of Times Held	Number of Times Attended
Outside Director	Yasuyuki Hayase (Chairperson, full-time)	7 times	7 times (100%)
Outside Director	Miho Niunoya	7 times	7 times (100%)
Director	Hirotoshi Korenaga	7 times	7 times (100%)

The specific matters considered by the Audit Committee include the audit plan—which encompasses the audit policy and key audit focus areas—the appropriateness of the audit methods and results of the accounting auditor, preparation of the audit report, consent regarding the amount of audit fees for the accounting auditor, decisions on dismissal or non-reappointment of the accounting auditor, the content of proposals submitted to the Ordinary General Meeting of Shareholders and approval of the internal audit department's audit plan etc. The Audit Committee receives reports and explanations from the accounting auditor regarding its audit plan and audit results, and also receives reports and explanations on the quality control system.

As part of the activities of the full-time Audit Committee member, in addition to regularly exchanging information and opinions with the representative corporate executive officer, corporate executive officers and outside directors together with other Audit Committee members, the member holds three-way audit opinion exchange meetings with the internal audit division and the accounting auditor. The full-time Audit Committee member attends meetings such as those of the Board of Directors and the Executive Committee in order to collect information as appropriate. Furthermore, the member conducts quarterly audits of activities related to internal control management, such as compliance, risk management, and internal auditing, and reports the results thereof to the representative corporate executive officer. Moreover, to strengthen the audit structure across Sony FG, the full-time Audit Committee member concurrently serves as an Audit & Supervisory Board member at each Group company, attends the Board of Directors meetings of those companies, and holds liaison meetings with the full-time Audit & Supervisory Board members of each company.

As of the date of submission of this document, the members are as follows.

Job title	Name
Outside Director	Yasuyuki Hayase (Full-time)
Outside Director	Miho Niunoya
Outside Director	Sonoko Kajiyama

During the current fiscal year prior to the transition to a company with a nominating committee, etc., on October 1, 2024, Audit & Supervisory Board members attended Audit & Supervisory Board meetings as described below. Each member performed oversight of directors' execution of duties based on the audit policy and audit plan formulated by the Audit & Supervisory Board, through attendance at important meetings such as meetings of the Board of Directors, by examining the status of operations and assets, and by maintaining close coordination through receiving reports from the accounting auditor and internal audit department, among others. The full-time Audit & Supervisory Board member participated in meetings such as those of the Board of Directors and the Management Committee to gather information as necessary. In addition, quarterly audits were conducted regarding internal control-related activities such as compliance, risk management, and internal audits, and the results were reported to the representative director. Furthermore, in order to strengthen Sony FG's overall audit framework, the full-time Audit & Supervisory Board member concurrently served as auditor for Sony FG companies, attended their Board meetings, and convened liaison meetings with the full-time Audit & Supervisory Board members of Sony FG companies.

Job title	Name	Number of Times Held	Number of Times Attended
Full-time Outside Audit & Supervisory Board membe	Yasuyuki Hayase	9 times	9 times (100%)
Outside Audit & Supervisory Board member	Miho Niunoya	9 times	9 times (100%)
Director	Hirotoshi Korenaga	9 times	9 times (100%)

2) Status of Internal Audits

The Company has established an Audit Department as its internal audit division (consisting of 18 members as of the date of submission of this document, including 6 full-time members such as the executive officer in charge of the Audit Department; the remaining members are concurrently seconded from the internal audit departments of Sony FG's three financial subsidiaries). The Audit Department is positioned as a division directly reporting to the Audit Committee, separate from the executive line, and conducts internal audits independently and objectively, verifying and assessing the appropriateness of operations and the status of risk management, among other matters.

The Company has established a Basic Policy on Internal Audit for Sony FG, with the objective of ensuring the soundness of operations across Sony FG companies. Under this policy, it monitors the status and results of internal audits conducted by each company and provides advice and recommendations to the internal audit departments of Sony FG companies. Where necessary, and within the bounds of applicable laws and regulations, the Company may also conduct joint audits, direct audits, or special-purpose audits. In addition, the Company has established Internal Audit Group Guidelines to strengthen its governance functions and promote Group synergy. In FY2024, the Company set the preparation for listing as a Group-wide common theme and conducted internal audits and monitoring on the oversight and control systems necessary to achieve the goals of the new Mid-Range Plan. The results of these internal audit activities are reported from time to time or on a regular basis to the Representative Corporate Executive Officer, the full-time Audit Committee member, and the Audit Committee. The Company also ensures the effectiveness of internal auditing through internal assessments of the internal audit framework as well as through regular external evaluations.

In addition, the Audit Department engages in information exchange with the Audit Committee and accounting auditor regarding audit plans, audit results, and other matters through three-party audit meetings and similar forums, and coordinates with them as appropriate. Furthermore, the Company has established the Sony Financial Group Internal Audit Committee to serve as a cross-functional organization for internal audits. This forum is used to share views on internal audit operations, discuss specific issues, and communicate matters such as instructions and information related to internal audits.

3) Status of Accounting Audits

(i) Name of Audit Firm

PricewaterhouseCoopers Japan LLC

(ii) Duration of Audit Engagement

21 years

(iii) Certified Public Accountants Who Conducted the Audit

Naoaki Kobayashi

Yuko Harada

Takeaki Ishibashi

(iv) Composition of Assistants Involved in Audit Work

4 certified public accountants, 12 others

(v) Policy and Rationale for Selecting the Audit Firm

The Company selects its audit firm based on the Criteria for Evaluation and Selection of the Accounting Auditor established by the Audit Committee. The Committee evaluates factors such as the firm's profile, quality control system, presence of any disqualifying conditions under the Companies Act, independence, audit execution structure, effectiveness of communication with members of the Audit Committee and management, and the appropriateness of audit fees. The current accounting auditor was selected following an evaluation in accordance with this policy, taking into account the appropriateness and validity of its audit activities. Furthermore, in accordance with the Policy on Dismissal or Non-Reappointment of the Accounting Auditor, if the accounting auditor is deemed to fall under any of the items in Article 340, Paragraph (1) of the Companies Act and dismissal is considered appropriate, the Audit Committee may dismiss the accounting auditor with the unanimous consent of its members. In addition, if an event arises that impairs the appropriateness of the accounting auditor or otherwise renders the proper execution of the audit difficult, the Audit Committee may adopt a resolution to submit a proposal for dismissal or non-reappointment of the accounting auditor at the General Meeting of Shareholders.

(vi) Evaluation of the Audit Firm by the Audit Committee

The Company's Audit Committee conducts evaluations of the appointed accounting auditor. Based on the Criteria for Evaluation and Selection of the Accounting Auditor established by the Audit Committee, the evaluation considers the following with regard to the accounting auditor: "audit quality and quality control," "independence and professional ethics," "professional competence," "effectiveness and efficiency of audit execution," "effectiveness of communication with the Audit Committee and management," and "level of audit fees." The Audit Committee verifies these items using documents such as the Statement on the Execution of Duties submitted by the accounting auditor, results of inspections conducted by external institutions, the audit plan, and audit results for both the interim and full-year audits, and requests explanations as needed. Based on these considerations, the Audit Committee has evaluated the accounting auditor's audit activities for the current fiscal year as appropriate and reasonable.

4) Details of Audit Fees, Etc.

(i) Fees Paid to the Certified Public Accountants, Etc.

Category	Previous consolidated fiscal year		Current consolidated fiscal year	
	Fees for Audit Certification Work (millions of yen)	Fees for Non-audit Services (millions of yen)	Fees for Audit Certification Work (millions of yen)	Fees for Non-audit Services (millions of yen)
Filing Company	82	35	280	-
Consolidated Subsidiaries	542	15	828	57
Total	625	50	1,108	57

(Notes) 1. The non-audit services provided to the Company in the previous consolidated fiscal year consisted of advisory services related to accounting operations.

2. The non-audit services provided to the consolidated subsidiaries in the previous consolidated fiscal year consisted of advisory services related to accounting operations. In the current fiscal year, the non-audit services provided to consolidated subsidiaries included advisory services related to core system upgrades and advisory services regarding the implementation of economic value-based solvency regulations.

(ii) Fees Paid to Organizations Belonging to the Same Network (PwC Network Firms) as the Certified Public Accountants, Etc. (excluding those listed in (i) above)

Category	Previous consolidated fiscal year		Current consolidated fiscal year	
	Fees for Audit Certification Work (millions of yen)	Fees for Non-audit Services (millions of yen)	Fees for Audit Certification Work (millions of yen)	Fees for Non-audit Services (millions of yen)
Filing Company	-	-	-	10
Consolidated Subsidiaries	-	-	-	-
Total	-	-	-	10

(Note) In the current fiscal year, the non-audit services provided to the Company by the PwC network firm consisted of limited assurance services regarding GHG emissions and other related work.

(iii) Details of Other Material Fees for Audit Certification Services

Not applicable

(iv) Policy on Determining Audit Fees

No specific policy is in place, but fees are determined based on factors such as the audit schedule.

(v) Reason(s) for Agreement by the Audit & Supervisory Board and the Audit Committee on the Fees Paid to the Accounting Auditor

The Audit & Supervisory Board and the Audit Committee of the Company evaluated the appropriateness of the accounting auditor's audit plan, the status of the performance of audit duties, and the basis for the fee estimates. As a result, both bodies deemed the amount of fees to be appropriate and provided the consent required under Article 399, Paragraph (1) of the Companies Act.

(4) Executive Compensation, Etc.

1) Policy for Determining the Amount or Calculation Method of Executive Compensation

The Compensation Committee, chaired by an outside director, deliberates and determines the individual compensation amounts for directors and corporate executive officers. The various policies established by resolution of the Compensation Committee are as follows. As a general rule, directors who do not engage in business execution (excluding outside directors) do not receive compensation.

○ Directors

To achieve medium- to long-term enhancement of corporate value, compensation for directors—whose primary role is to improve transparency and objectivity in management through supervision and oversight of the execution of duties by corporate executive officers (and in the case of directors who are Audit Committee members, also through auditing the execution of duties by directors and corporate executive officers)—consists of fixed compensation and medium- to long-term incentive components designed to ensure the effectiveness of their supervisory and oversight functions.

(i) Compensation Structure

The fixed portion of compensation is paid monthly in cash as a fixed amount corresponding to each individual's role.

The medium- to long-term incentive portion is granted in the form of stock options (stock acquisition rights) in the Company's shares, for the purpose of providing incentives to prevent the deterioration of Sony FG's corporate value and maintain trust, as well as to promote sustainable growth and both maintain and enhance medium- to long-term corporate value. This incentive is designed to encourage directors to provide advice based on their own expertise regarding Sony FG's management policies and management improvement.

For outside directors, the stock acquisition rights may not be exercised until after the day following the date of their resignation upon expiration of their term of office (excluding cases where reappointment is scheduled as of that resignation date).

(ii) Compensation Levels

In order to secure outstanding management talent, an appropriate level of compensation is provided. Specific determinations are made with reference to third-party survey data and other information regarding the compensation of corporate executives.

○ Corporate Executive Officers

The basic policy for determining compensation for corporate executive officers is to ensure that the Company can attract and retain outstanding talent and to provide incentives that promote improvements in both the performance and corporate value of Sony FG as a whole. Compensation consists of a fixed component, a performance-linked component, and a medium- to long-term incentive component, with an emphasis on balance among the three.

(i) Compensation Structure

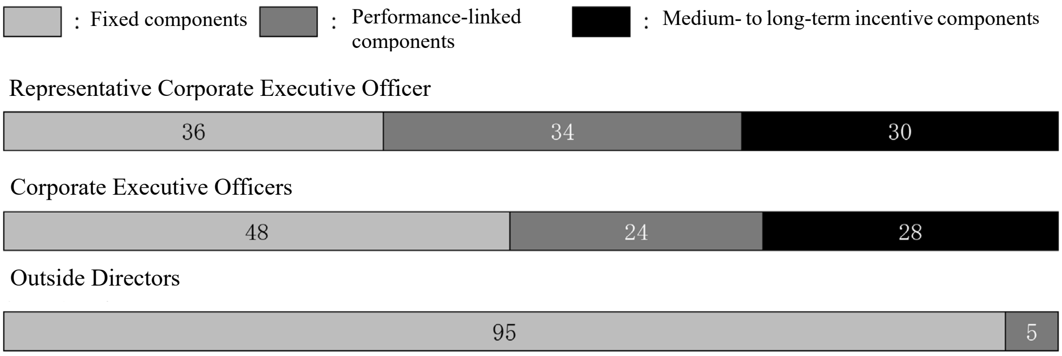
Compensation consists of a fixed component based on position, a performance-linked component based on the Company's consolidated performance and the responsibilities of each officer, and a medium- to long-term incentive component.

The fixed component is determined according to position and responsibilities and is paid monthly in cash. As officers rise in rank, the proportion of fixed compensation decreases while the proportions of performance-linked and medium- to long-term incentive components increase.

The performance-linked component is designed to meet the expectations and trust of all stakeholders, and to promote the sustainable growth and medium- to long-term enhancement of corporate value across Sony FG. Objective and expert advice from external compensation consultants is referenced, and both quantitative and qualitative indicators—based on Sony FG's consolidated performance—are used after deliberation by the Compensation Committee. Quantitative indicators may adjust from 0% to 200% and qualitative indicators from 0% to 150% relative to a 100% baseline. This component generally accounts for around 20-35% of total compensation and is paid annually in cash. The Compensation Committee confirms the calculated amount based on the indicators and determines the individual compensation amounts for each corporate executive officer.

The medium- to long-term incentive portion consists of stock options (stock acquisition rights) in the Company's shares and restricted stock units (RSUs) in shares of Sony Group Corporation. These are granted, according to position and responsibilities, for the purpose of increasing motivation to contribute to the enhancement of corporate value of both the Sony Group and Sony FG, thereby improving performance. This component generally accounts for around 20-35% of total compensation.

[Image of Compensation Structure (%)]



[Performance-linked Compensation Indicators]

	Indicator	Weight Representative Corporate Executive Officer	Plan	Actual
Quantitative	IFRS consolidated operating income (vs. plan)	60%	145.0 billion yen	130.5 billion yen
	Subsidiary topline achievement rate	30%	100.0%	117.1%
Qualitative	Employee engagement	5%	Year-on-year improvement	±0
	Group sustainability achievement rate	5%	100.0%	100.0%

(ii) Compensation Levels

Compensation levels are set at appropriate levels in order to secure highly capable management personnel. In determining specific amounts, third-party compensation benchmarking studies for corporate executives are taken into account.

2) Total Compensation, Compensation by Type, and Number of Recipients by Category of Officer for the Current Fiscal Year

	Total Compensation (millions of yen)	Total Compensation, by Type (millions of yen)			Number of Eligible Officers
		Monetary Compensation		Non-monetary Compensation	
		Fixed Compensation	Performance-linked Compensation		
Corporate Executive Officers	211	84	96	31	8
Directors (excluding Outside Directors)	42	42	-	0	2
Outside Directors	55	55	-	0	4
Outside Audit & Supervisory Board members	17	17	-	-	2
Total	326	198	96	31	14

(Notes) 1. Compensation refers to economic benefits received from the Company as consideration for the execution of duties, including remuneration, bonuses, and other forms of payment.
2. Types of compensation include monetary compensation (fixed and performance-linked), non-monetary compensation (stock-based), and bonuses.
3. As of the end of the current fiscal year, compensation has been provided to four outside directors and eight corporate executive officers (including directors concurrently serving as corporate executive officers). The Company, in principle, does not provide compensation to directors who are not involved in business execution, excluding outside directors. Following the Company's transition to a company with a nominating committee, etc., effective October 1, 2024, two individuals who were directors as of that date are receiving compensation as corporate executive officers, and two individuals who were outside Audit & Supervisory Board members are receiving compensation as outside directors.
4. Performance-linked compensation includes annual bonuses linked to Sony FG's consolidated performance and incentive plans tied to Sony FG's Mid-Range Plan. Incentive plan payments are determined based on the achievement level of targets for the final year of the Mid-Range Plan, and expense recognition is required annually. The amounts shown are based on reasonable estimates recognized for the current fiscal year.
5. Non-monetary compensation, etc. includes stock options (stock acquisition rights) based on the Company shares and restricted stock units based on Sony Group Corporation shares (RSU), and for stock options based on Company shares.

3) Total Consolidated Compensation by Officer

Name	Category of company	Category of management	Fixed Compensation (millions of yen)	Performance-linked Compensation (millions of yen)	Total (millions of yen)	Number of stock options (Stock Acquisition Rights) granted (Shares) (Note 2)	Number of restricted stock units (RSU) granted (Shares) (Note 3)
Toshihide Endo	Filing company	Director, President and CEO, Representative Corporate Executive Officer	69	61	130	451,825	16,500

(Notes) 1. This table lists individuals whose total compensation, etc., received from the Company and its subsidiaries as directors or corporate executive officers during the current fiscal year, or for whom such total compensation expected to be received during the fiscal year has become known, amounts to 100 million yen or more. Titles reflect the individuals' positions as of the filing date of this report.
2. The total number of stock options (stock acquisition rights) granted in FY2024 is provided. The fair value per share of the stock acquisition rights (calculated using the Black-Scholes model or similar method) at the time of grant is as stated in "Section 5. Financial Position– 1. Consolidated Financial Statements – (1) Notes to Consolidated Financial Statements (Matters related to stock options, etc.)." The numbers of stock options (stock acquisition rights) granted to the relevant individual includes 16,430 shares under the first series of stock acquisition rights to common stock and 435,395 shares under the second series of stock acquisition rights to common stock. On August 8, 2025, we conducted a stock split at a ratio of 7,149,358,214 shares for 435,100,266 shares of common stock and the above number of stock options (stock acquisition rights) granted reflects such stock split. It should be noted that this fair value per share does not represent the actual financial benefit that the recipient will receive when exercising the stock acquisition rights. The actual benefit depends on whether the market price of the Company's common stock at the time of exercise exceeds the exercise price, and exercise is also subject to other restrictions such as the exercise period. There is no guarantee that the recipient will receive financial benefits equal to or greater than the stated fair value. Furthermore, this fair value per share is used for accounting expense recognition purposes only and does not reflect any forecast by the Company regarding its stock price.
3. The total number of Sony Group Corporation common shares scheduled to be delivered upon full vesting of the RSUs granted in FY2024 is provided. The weighted average fair value per share as of the grant date (July 25, 2024) of the RSUs granted in FY2024 is 2,644 yen. This value is calculated based on the market value of Sony Group Corporation shares on the grant date, adjusted for the estimated amount of dividends during the vesting period. The number of RSUs granted and the weighted average fair value per share as of the grant date (July 25, 2024) of the RSUs granted in FY2024 are both calculated under the assumption that the 5-for-1 stock split of Sony Group Corporation common stock on October 1, 2024, had occurred at the beginning of FY2024.

(5) Status of Shareholding

The Company is an insurance and bank holding company, and the largest shareholding entity within Sony FG is Sony Life.

1) Standards and Approach to Classifying Investment Securities

The Company has established the Sony FG Basic Policy on Cross-Shareholdings, which states the following as a fundamental principle: “We do not hold shares for the purpose of policy investment (‘cross-shareholdings’), except in cases where there is recognized strategic significance such as business alliances, and where the holding is determined to contribute to enhancing the corporate value of Sony FG.”

At Sony Life, Sony FG’s largest shareholding entity, shares held for the purpose of supporting continued and stable business growth from a strategic management perspective are defined as policy investments. These are managed separately from pure investments, which are held in the general or separate accounts for the purpose of dividends or capital appreciation.

2) Status of Shareholdings at Sony Life

(i) Investment Securities Held for Purposes Other than Pure Investment

a. Policy Regarding Holdings, Methods for Verifying the Rationale for Holdings, and Board of Directors’ Review of Appropriateness of Individual Holdings

<Policy Regarding Holdings>

The Company holds shares of companies where strategic significance such as business alliances is recognized and where it is determined that such holdings will contribute to sustainable growth in the Company’s performance and enhancement of corporate value.

<Methods for Verifying the Rationale for Holdings>

The Company examines the purpose and effectiveness of holding cross-shareholdings at least once annually in principle, and reports the results to the Board of Directors. Based on this report, the Board considers the disposal of such shares through sale or transfer if the originally intended purpose or effectiveness of the investment is no longer valid.

<Board of Directors’ Review of Appropriateness of Individual Holdings>

As a result of the review, it was determined that the intended effects are generally being realized for all holdings, and that strategic significance through business alliances remains valid. Therefore, all current holdings will be maintained.

b. Number of Stocks and Total Amount Recorded on the Balance Sheet

	Number of Stocks (issues)	Total Amount Recorded on Balance Sheet (millions of yen)
Unlisted Shares	3	328
Shares Other than Unlisted shares	1	127

(Stocks for Which the Number of Shares Increased during the Current Fiscal Year)

Not applicable

(Stocks for Which the Number of Shares Decreased during the Current Fiscal Year)

Not applicable

c. Information on Number of Shares, Balance Sheet Amounts, Etc., for Specific Investment Stocks and Deemed Holdings on a Per-issue Basis

Not applicable

(ii) Investment Securities Held for the Purpose of Pure Investment

Category	Current Fiscal Year		Previous Fiscal Year	
	Number of Stocks (issues)	Total Amount Recorded on Balance Sheet (millions of yen)	Number of Stocks (issues)	Total Amount Recorded on Balance Sheet (millions of yen)
Unlisted Shares	-	-	-	-
Shares Other than Unlisted shares	1	4,519	1	5,940

Category	Current Fiscal Year		
	Total Dividends Received (millions of yen)	Total Gains/Losses on Sale (millions of yen)	Total Valuation Gains/Losses (millions of yen)
Unlisted Shares	-	-	-
Shares Other than Unlisted shares	167	-	-

(iii) Investment Securities for Which the Holding Purpose was Changed from Pure Investment to Another Purpose during the Current Fiscal Year

Not applicable

(iv) Investment Securities for Which the Holding Purpose was Changed from Other than Pure Investment to Pure Investment during the Past Four Fiscal Years and the Current Fiscal Year

Stock	Number of Shares (Shares)	Amount Recorded on Balance Sheet (millions of yen)	Fiscal Year of Change	Reason for Change and Policy on Holding or Sale after Change
ClearView Wealth Limited	101,254,639	4,519	Fiscal year ended March 31, 2022	The Company changed the holding purpose to “pure investment” as a result of a decision to sell the shares. After the change, the Company intends to respond based on a call option agreement entered into with Crescent Capital Partners, the principal shareholder of the relevant company.

3) Status of Shareholdings at the Company

(i) Investment Securities Held for Purposes Other than Pure Investment

a. Policy Regarding Holdings, Methods for Verifying the Rationale for Holdings, and Board of Directors' Review of Appropriateness of Individual Holdings

<Policy Regarding Holdings>

The Company holds shares of companies where such investment is consistent with Sony FG's management strategy, where qualitative and quantitative effects of the investment can be identified, and where it is determined that the investment will contribute to the enhancement of Sony FG's corporate value.

<Methods for Verifying the Rationale for Holdings>

The Company examines the purpose and effectiveness of holding cross-shareholdings at least once annually in principle, and reports the results to the Board of Directors. Based on this report, the Board considers the disposal of such shares through sale or transfer if the originally intended purpose or effectiveness of the investment is no longer valid.

<Board of Directors' Review of Appropriateness of Individual Holdings>

The Company holds two investment stocks for which the holding purpose is other than pure investment. As for the stock invested in during the previous fiscal year (FY2023), it has already been reviewed by the Board of Directors. However, since the remaining stock was acquired on November 6, 2024, there has been no record of such review by the Board of Directors or other governing bodies as of the date of submission of this report.

b. Number of Stocks and Total Amount Recorded on the Balance Sheet

	Number of Stocks (issues)	Total Amount Recorded on Balance Sheet (millions of yen)
Unlisted Shares	2	350
Shares Other than Unlisted shares	-	-

(Stocks for Which the Number of Shares Increased during the Current Fiscal Year)

	Number of stocks (tickers)	Total acquisition cost associated with the increase in number of shares (millions of yen)	Reason for the increase in number of shares
Unlisted Shares	1	50	A strategic investment aimed at facilitating the development of new products and systems in the small-amount, short-term insurance business
Shares Other than Unlisted shares	-	-	-

(Stocks for Which the Number of Shares Decreased during the Current Fiscal Year)

Not applicable

C. Information on Number of Shares, Balance Sheet Carrying Amounts, Etc., for Specified Investment Stocks and Deemed Holdings

Not applicable

(ii) Investment stocks held for pure investment purposes

There were no applicable items in either the current fiscal year or the previous fiscal year.

(iii) Stocks for which the holding purpose was changed from pure investment to other than pure investment during the current fiscal year

Not applicable

(iv) Stocks for which the holding purpose was changed from other than pure investment to pure investment during the current fiscal year and the preceding four fiscal years

Not applicable

5. Status of Accounting

1. Preparation of Consolidated and Non-Consolidated Financial Statements

(1) The Company’s consolidated financial statements are prepared in accordance with the Ordinance on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements (Ministry of Finance Ordinance No. 28 of 1976; hereinafter, the “Ordinance on Consolidated Financial Statements”). However, the classification of assets and liabilities and the classification of revenues and expenses, conform to the Ordinance for Enforcement of the Insurance Business Act (Ministry of Finance Ordinance No. 5 of 1996) and the Ordinance for Enforcement of the Banking Act (Ministry of Finance Ordinance No. 10 of 1982).

(2) The Company’s non-consolidated financial statements are prepared in accordance with the Ordinance on Terminology, Forms, and Preparation Methods of Financial Statements, etc. (Ministry of Finance Ordinance No. 59 of 1963; hereinafter, the “Ordinance on Non-Consolidated Financial Statements”). In addition, as the Company qualifies as a “special financial statements submitting company,” its financial statements are prepared in accordance with Article 127 of the Ordinance on Non-Consolidated Financial Statements.

2. Audit Certification

In accordance with the provisions of Article 210, Paragraph 6 of the Securities Listing Regulations of the Tokyo Stock Exchange, and pursuant to the provisions of Article 193-2, Paragraph (1) of the Financial Instruments and Exchange Act, the Company has undergone audits of its consolidated financial statements for the previous consolidated fiscal year (from April 1, 2023 to March 31, 2024) and the current consolidated fiscal year (from April 1, 2024 to March 31, 2025), as well as its non-consolidated financial statements for the previous fiscal year (from April 1, 2023 to March 31, 2024) and the current fiscal year (from April 1, 2024 to March 31, 2025), conducted by PricewaterhouseCoopers Japan LLC.

3. Specific Initiatives to Ensure the Appropriateness of Consolidated Financial Statements

The Company has implemented specific initiatives to ensure the appropriateness of its consolidated financial statements. In particular, to properly understand accounting standards and respond in an accurate and timely manner, the Company is a member of the Financial Accounting Standards Foundation. The Company also participates in training sessions and other programs organized by the Financial Accounting Standards Foundation and other relevant organizations.

1 Consolidated Financial Statements

(1) Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Cash and due from banks	824,905	956,268
Call loans and bills bought	88,909	260,008
Monetary claims purchased	12,669	27,416
Money held in trust	63,285	39,917
Securities	*1,*2,*3,*4 16,801,560	*1,*2,*3,*4 17,528,295
Loans	*1,*4,*5,*10 3,682,002	*1,*4,*5,*10 3,899,036
Tangible fixed assets	*6,*9 102,649	*6,*9 104,694
Land	56,428	56,428
Buildings	25,561	25,125
Leased assets	18,591	21,408
Construction in progress	33	63
Other tangible fixed assets	2,034	1,668
Intangible fixed assets	67,772	76,612
Software	64,888	73,910
Goodwill	2,857	2,676
Leased assets	2	1
Other intangible fixed assets	25	24
Due from reinsurers	2,476	20,029
Foreign exchanges	*4 2,327	*4 2,183
Other assets	*4 270,279	*4 298,736
Net defined benefit asset	9,836	10,146
Deferred tax assets	156,755	149,340
Reserve for possible loan losses	(1,669)	(1,764)
Total assets	22,083,761	23,370,923
Liabilities		
Policy reserves and others	15,072,758	15,834,196
Reserve for outstanding claims	111,180	116,280
Policy reserves	14,958,281	15,714,794
Reserve for policyholders' dividends	*8 3,296	*8 3,121
Due to agencies	3,464	3,865
Due to reinsurers	4,976	5,360
Deposits	3,845,606	4,243,962
Call money and bills sold	*1 209,410	*1 192,278
Payables under repurchase agreements	*1 938,854	*1 1,230,050
Collateral for securities lending transactions	*1 566,039	*1 290,988
Borrowed money	*1 467,716	*1 499,020
Foreign exchanges	1,781	1,440
Bonds payable	70,000	110,500
Other liabilities	195,519	237,680
Reserve for employees' bonuses	5,461	5,990
Net defined benefit liability	38,402	38,018
Reserve under the special laws	67,622	4,398
Reserve for price fluctuations	67,622	4,398
Liabilities from application of equity method	2,139	3,414
Total liabilities	21,489,753	22,701,168

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Net assets		
Shareholders' equity		
Common stock	20,029	20,029
Capital surplus	191,259	191,259
Retained earnings	452,945	531,737
Total shareholders' equity	664,234	743,026
Accumulated other comprehensive income		
Net unrealized gains (losses) on available-for-sale securities, net of taxes	(70,773)	(73,110)
Net deferred gains (losses) on hedging instruments, net of taxes	286	290
Land revaluation, net of taxes	*9 (2,720)	*9 (2,720)
Remeasurements of defined benefit plans, net of taxes	2,981	2,252
Total accumulated other comprehensive income	(70,226)	(73,287)
Subscription rights to shares	-	16
Total net assets	594,008	669,754
Total liabilities and net assets	22,083,761	23,370,923

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

	For the year ended March 31, 2024	For the year ended March 31, 2025
Ordinary revenues	3,450,300	2,618,712
Ordinary revenues from the life insurance business	3,177,936	2,313,452
Income from insurance premiums	1,742,430	1,909,184
Insurance premiums	1,733,823	1,877,344
Ceded reinsurance commissions	8,606	31,840
Investment income	1,375,590	348,249
Interest income and dividends	229,540	227,803
Income from money held in trusts, net	0	0
Gains on trading securities, net	2,388	-
Gains on sale of securities	17,290	1,136
Gains on redemption of securities	3	0
Foreign exchange gains, net	169,875	-
Other investment income	1,626	13
Gains on separate accounts, net	954,865	119,296
Other ordinary income	59,915	56,017
Ordinary revenues from the non-life insurance business	152,082	168,854
Underwriting income	150,670	167,259
Net premiums written	150,540	167,114
Interest and dividends on deposits of premiums	129	145
Investment income	1,363	1,533
Interest income and dividends	1,480	1,678
Gains on sales of securities	12	-
Transfer to interest and dividends on deposits of premiums	(129)	(145)
Other ordinary income	48	61
Ordinary revenues from the banking business	105,288	116,991
Interest income	77,895	96,759
Interest income on loans	31,419	36,336
Interest income and dividends on securities	38,420	52,989
Interest income on call loans and bills bought	29	83
Interest income on deposits with banks	50	1,804
Interest income on interest rate swaps	7,918	5,434
Other interest income	56	111
Fees and commissions	22,015	14,469
Other operating income	1,783	2,661
Gains on foreign exchange transactions, net	1,662	2,334
Others	120	326
Other ordinary income	3,593	3,100
Other	14,993	19,415
Other ordinary income	14,993	19,415

(Millions of yen)

	For the year ended March 31, 2024	For the year ended March 31, 2025
Ordinary expenses	3,395,941	2,573,823
Ordinary expenses from the life insurance business	3,155,749	2,298,476
Insurance claims and other payments	1,054,636	1,115,879
Insurance claims	134,384	144,240
Annuity payments	19,836	23,240
Insurance benefits	231,612	240,607
Surrender payments	652,696	686,648
Other payments	9,049	7,620
Reinsurance premiums	7,055	13,522
Provision for policy reserves and others	1,612,051	745,782
Provision for reserve for outstanding claims	7,736	-
Provision for policy reserves	*1 1,604,314	*1 745,782
Interest portion of reserve for policyholders' dividends	0	0
Investment expenses	221,902	142,090
Interest expenses	41,467	33,617
Losses on trading securities, net	-	56
Losses on sale of securities	44,650	84,575
Losses on valuation of securities	1,817	-
Losses on redemption of securities	19	31
Losses on derivatives, net	128,182	775
Foreign exchange losses, net	-	18,421
Provision for reserve for possible loan losses	48	199
Depreciation of real estate for rent and others	1,040	1,070
Other investment expenses	4,678	3,343
Operating expenses	182,182	208,878
Other ordinary expenses	84,977	85,844
Ordinary expenses from the non-life insurance business	144,231	160,693
Underwriting expenses	106,662	120,273
Net claims paid	81,339	91,594
Loss adjustment expenses	10,421	11,122
Net commission and brokerage fees	1,061	1,143
Provision for reserve for outstanding claims	4,704	5,681
Provision for underwriting reserves	9,133	10,730
Other underwriting expenses	0	1
Investment expenses	0	0
Other investment expenses	0	0
Operating, general and administrative expenses	37,554	40,409
Other ordinary expenses	14	10

(Millions of yen)

	For the year ended March 31, 2024	For the year ended March 31, 2025
Ordinary expenses from the banking business	80,568	95,915
Interest expenses	29,565	44,250
Interest expenses on deposits	23,909	34,819
Interest expenses on call money and bills sold	299	1,204
Interest on payables under repurchase agreements	5,254	7,757
Interest on borrowed money	0	68
Interest expenses on bonds	6	6
Other interest expenses	95	393
Fees and commissions	16,667	19,699
Other operating expenses	2,080	3,246
General and administrative expenses	31,768	27,575
Other ordinary expenses	486	1,143
Other	15,391	18,738
Other ordinary expenses	15,391	18,738
Ordinary profit	54,358	44,889
Extraordinary gains	13,502	63,290
National subsidies	134	65
Gains on disposal of fixed assets	-	0
Gains on sale of shares of subsidiaries and affiliated companies	13,367	-
Reversal for reserve under the special laws	-	63,223
Reversal for reserve for price fluctuations	-	*2 63,223
Extraordinary losses	4,716	1,036
Losses on disposal of fixed assets	179	155
Impairment loss	92	880
Provision for reserve under the special laws	4,059	-
Provision for reserve for price fluctuations	4,059	-
Loss on tax purpose reduction entry of real estate	38	-
Others	346	-
Provision for reserve for policyholders’ dividends	2,452	2,061
Income before income taxes	60,691	105,082
Income taxes - current	15,179	16,772
Income taxes - deferred	3,846	9,518
Total income taxes	19,025	26,290
Profit	41,665	78,791
Profit attributable to non-controlling interests	489	-
Profit attributable to owners of the parent	41,176	78,791

Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the year ended March 31, 2024	For the year ended March 31, 2025
Profit	41,665	78,791
Other comprehensive income		
Net unrealized gains (losses) on available-for-sale securities, net of taxes	(38,745)	(2,336)
Net deferred gains (losses) on hedging instruments, net of taxes	(34)	4
Remeasurements of defined benefit plans, net of taxes	554	(729)
Total other comprehensive income	*1 (38,225)	*1 (3,061)
Comprehensive income	3,440	75,730
(Details)		
Comprehensive income attributable to owners of the parent	2,950	75,730
Comprehensive income attributable to non-controlling interests	489	-

(3) Consolidated Statements of Changes in Net Assets

Previous consolidated fiscal year (April 1, 2023 to March 31, 2024)

(Millions of yen)

	capital stock			
	Capital stock	Capital surplus	Retained earnings	Total shareholders' equity
Balance at the beginning of current period	20,029	191,259	461,805	673,094
Changes of items during the period				
Dividends from surplus	-	-	(50,036)	(50,036)
Profit attributable to owners of the parent	-	-	41,176	41,176
Net changes of items other than shareholders’ equity	-	-	-	-
Total changes of items during the period	-	-	(8,860)	(8,860)
Balance at the end of current period	20,029	191,259	452,945	664,234

	Accumulated other comprehensive income					non-controlling shareholder holdings	Total net assets
	Other Securities Valuation balance	deferred hedge profit and loss	Land revaluation Balance	Retirement benefits Adjustments related to cumulative amount	Other Comprehensive income Cumulative total		
Balance at the beginning of current period	(32,027)	321	(2,720)	2,429	(31,997)	3,858	644,955
Changes of items during the period							
Dividends from surplus	-	-	-	-	-	-	(50,036)
Profit attributable to owners of the parent	-	-	-	-	-	-	41,176
Net changes of items other than shareholders' equity	(38,745)	(34)	-	552	(38,228)	(3,858)	(42,086)
Total changes of items during the period	(38,745)	(34)	-	552	(38,228)	(3,858)	(50,946)
Balance at the end of current period	(70,773)	286	(2,720)	2,981	(70,226)	-	594,008

Current consolidated fiscal year (April 1, 2024 to March 31, 2025)

(Millions of yen)

	Shareholders' equity			
	Common stock	Capital surplus	Retained earnings	Total shareholders' equity
Balance at the beginning of the period	20,029	191,259	452,945	664,234
Changes during the period				
Profit attributable to owners of the parent	-	-	78,791	78,791
Net changes of items other than shareholders' equity	-	-	-	-
Total changes during the period	-	-	78,791	78,791
Balance at the end of the period	20,029	191,259	531,737	743,026

	Accumulated other comprehensive income					non-controlling interests	Total net assets
	Net unrealized gains (losses) on available-for-sale securities, net of taxes	Net deferred gains (losses) on hedging instruments, net of taxes	Land revaluation, net of taxes	Remeasure-ments of defined benefit plans, net of taxes	Total accumulated other comprehensive income		
Balance at the beginning of the period	(70,773)	286	(2,720)	2,981	(70,226)	-	594,008
Changes during the period							
Profit attributable to owners of the parent	-	-	-	-	-	-	78,791
Net changes of items other than shareholders' equity	(2,336)	4	-	(729)	(3,061)	16	(3,045)
Total changes during the period	(2,336)	4	-	(729)	(3,061)	16	75,746
Balance at the end of the period	(73,110)	290	(2,720)	2,252	(73,287)	16	669,754

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	For the year ended March 31, 2024	For the year ended March 31, 2025
Cash flows from operating activities		
Income before income taxes	60,691	105,082
Depreciation of real estate for rent and others	1,040	1,070
Depreciation and amortization	17,364	16,828
Impairment loss	92	880
Amortization of goodwill	180	180
Increase (decrease) in reserve for outstanding claims	12,440	5,100
Increase (decrease) in policy reserves	1,613,448	756,513
Interest portion of reserve for policyholders' dividends	0	0
Provision for (reversal of) reserve for policyholders' dividends	2,452	2,061
Increase (decrease) in reserve for possible loan losses	8	95
Increase (decrease) in net defined benefit liability	988	(873)
Increase (decrease) in reserve for price fluctuations	4,059	(63,223)
Interest income and dividends	(308,919)	(326,246)
(Gains) losses on securities	22,849	81,103
Loss (gain) on separate accounts	(954,866)	(119,296)
Loss (gain) on sale of shares of subsidiaries and associates	(13,367)	-
Interest expense	72,792	79,723
Losses (gains) on derivatives	128,182	775
Exchange (gains) losses	(259,897)	39,317
(Gains) losses on disposal of tangible fixed assets	145	81
Losses (gains) on step acquisitions	52	(82)
Net (increase) decrease in loans	(452,858)	(210,431)
Net increase (decrease) in deposits	536,688	401,014
Net increase (decrease) in borrowed money (excluding subordinated borrowings)	60,000	31,341
Net decrease (increase) in call money and bills sold	4,301	353,221
Net (increase) decrease in call loans and bills bought	6,648	(28,446)
Net (increase) decrease in foreign exchange (assets)	3,987	144
Net increase (decrease) in foreign exchange (liabilities)	380	(340)
Increase (decrease) in issuance and redemption of straight bonds	10,000	50,500
Others, net	33,575	31,383
Subtotal	602,461	1,207,479
Interest and dividends received	313,412	366,080
Interest paid	(67,506)	(77,578)
Policyholders' dividends paid	(2,407)	(2,237)
Income taxes paid	(63,013)	8,447
Cash flows from operating activities	782,948	1,502,191

(Millions of yen)

	For the year ended March 31, 2024	For the year ended March 31, 2025
Cash flows from investing activities		
Investments in money held in trust	(6,732)	(8,133)
Proceeds from money held in trust	4,286	30,995
Purchases of securities	(1,400,102)	(1,907,311)
Proceeds from sales and redemption of securities	1,234,374	1,156,555
Investments in loans	(89,856)	(97,133)
Collections of loans	50,849	55,100
Net increase (decrease) in payables under repurchase agreements	(4,149)	(69,352)
Net gains (losses) from the settlement of derivative financial instruments	(137,217)	(60,621)
Net increase (decrease) in collateral for securities lending transactions	(199,835)	(275,050)
Others, net	326	205
Total of net cash provided by (used in) investment transactions	(548,056)	(1,174,744)
Total of net cash provided by (used in) operating activities and investment transactions	234,891	327,447
Purchases of tangible fixed assets	(1,289)	(1,990)
Purchases of intangible fixed assets	(17,131)	(24,452)
Purchase of securities of non-consolidated subsidiaries	(150)	(488)
Proceeds from purchases of shares of subsidiaries resulting in change in scope of consolidation	*3 (7,262)	-
Purchases of shares of affiliated companies	-	(90)
Others, net	(140)	(248)
Cash flows from investing activities	(574,032)	(1,202,014)
Cash flows from financing activities		
Proceeds from debt borrowing	9,178	10,010
Repayment of debt	(9,501)	(10,048)
Payment for redemption of corporate bonds	-	(10,000)
Cash dividends paid	(50,036)	(0)
Dividends paid to non-controlling interests	(2,149)	-
Others, net	(597)	(616)
Net cash provided by (used in) financing activities	(53,106)	(10,654)
Effect of exchange rate changes on cash and cash equivalents	1,102	(759)
Net increase (decrease) in cash and cash equivalents	156,912	288,762
Cash and cash equivalents at beginning of the period	756,493	913,405
Cash and cash equivalents at end of the period	*1 913,405	*1 1,202,168

Notes

(Significant Basic Items for the Preparation of the Consolidated Financial Statements)

Previous consolidated fiscal year (April 1, 2023 to March 31, 2024)

1 Scope of consolidation

(1) Consolidated subsidiaries: 9 companies

Company names

Sony Life Insurance Co., Ltd.
Sony Life Communications Co., Ltd.
Sony Assurance Inc.
Sony Bank Inc.
Sony Life Care Inc.
Lifecare Design Inc.
Proud Life Inc.
Sony Financial Ventures Inc.
SFV・GB L.P.

(2) Non-consolidated subsidiaries

There are no main non-consolidated subsidiaries. Non-consolidated subsidiaries are excluded from the scope of consolidation for the current year because they are immaterial in light of the total assets, ordinary revenues, profit or loss (amounts equivalent to Sony FG’s interests in these companies), retained earnings (amounts equivalent to Sony FG’s interests in these companies) and accumulated other comprehensive income (amounts equivalent to Sony FG’s interests in these companies) and their exclusion from the scope of consolidation does not hinder a rational judgment of Sony FG’s financial position and results of operations.

(3) Change in the scope of consolidation

Effective from the current fiscal year, Sony Payment Services Inc. and ETC Solutions, Inc., which were consolidated subsidiaries of the Company, were excluded from the scope of consolidation and included in the scope of application of the equity method due to a decrease in the Company's ownership percentage.

SmartLink Network Hong Kong Limited, which had been a consolidated subsidiary of the Company, was excluded from the scope of consolidation from the current fiscal year because its registration was canceled.

2 Application of the equity method

(1) Affiliates accounted for by the equity method: 3

Company names

BXJA I Holding KK
Sony Payment Services Inc.
ETC Solutions, Inc.

(2) Non-consolidated subsidiaries and affiliates that are not accounted for by the equity method

Name of principal companies

There are no main non-consolidated subsidiaries or affiliates. Non-consolidated subsidiaries and affiliates are not accounted for by the equity method because they are immaterial in light of the profit or loss (amounts equivalent to Sony FG’s interests in these companies) and retained earnings (amounts equivalent to Sony FG’s interests in these companies) and their exclusion does not hinder a rational judgment of Sony FG’s financial position and results of operations.

(3) Change in the scope of application of the equity method

Due to the partial transfer and share exchange of shares of Sony Payment Services Inc., which had been a consolidated subsidiary of the Company, BXJA I Holding KK, Sony Payment Service Corporation, and ETC Solutions, Inc. have been included in the scope of equity method affiliates from the current fiscal year.

3 Fiscal year-end of consolidated subsidiaries

Fiscal year-end of all consolidated subsidiaries is March 31, the same date as the consolidated financial statements of the Company.

4 Accounting Standards for overseas subsidiaries

Practical Issues Task Force No. 18 “Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries, etc. for Consolidated Financial Statements” (June 28, 2019) has been applied, and necessary adjustments have been made concerning overseas subsidiaries in preparing the consolidated financial statements.

5 Summary of Significant Accounting Policies

(1) Valuation standards and methods for significant assets

(i) Securities

Securities (including cash and due from banks, monetary receivables purchased that are equivalent to securities, and securities held in trust) are valued by the market value method (moving average method is used for calculating cost of sales) for trading securities, and by the market value method for held-to-maturity securities and "Policy-reserve-matching bonds in the insurance industry. The valuation of trading securities is calculated by the market value method (cost of sales is calculated by the moving average method). Policy-reserve-matching bonds are stated at amortized cost based on the moving average method (straight-line method) in accordance with the Industry Audit Committee Report No. 21 (November 16, 2000; hereafter, "Industry Audit Committee Report No. 21"). Available-for-sale securities other than stocks without a market price are stated at fair value (moving average method is used for calculating cost of sales), and stocks without a market price are stated at acquisition cost based on the moving average method.

Net unrealized gains (losses) on available-for-sale securities, net of taxes, are recorded as a separate component of net assets. However, for foreign currency-denominated bonds held by some consolidated subsidiaries, foreign currency translation differences related to changes in fair values in original currencies are recognized into net assets as net unrealized gains (losses) on available-for-sale securities, net of taxes, while the remaining changes are recognized in foreign exchange gains (losses). The overview of risk management policies of policy-reserve-matching bonds is as follows: Among the bonds corresponding to sub-segments (according to insurance class, years to maturity, etc.) for individual life insurance and individual annuity sold by domestic life insurance subsidiaries, the Company records those held with the purpose of controlling the duration of insurance liabilities as policy-reserve-matching bonds, in accordance with the Industry Audit Committee Report No. 21.

(ii) Derivative financial instruments

Valued at the market value method.

(2) Depreciation method for significant depreciable assets

(i) Tangible fixed assets (excluding leased assets)

Depreciation is computed by the straight-line method. The main estimated useful lives of the assets are as follows:

- Buildings: 3 to 50 years
- Other tangible fixed assets: 2 to 20 years

(ii) Intangible fixed assets (excluding leased assets)

Intangible fixed assets are amortized using the straight-line method. Software for internal use is amortized using the straight-line method generally over 5 years, its estimated useful life.

(iii) Lease assets

All leased assets with respect to non-ownership-transfer finance leases are amortized by the straight-line method over the lease term, without any residual value.

(3) Accounting standards for significant reserves

(i) Reserve for possible loan losses

The reserve for possible loan losses is provided as follows for losses from bad debts mainly in accordance with self-assessment guidelines and write-off and reserve guidelines. With respect to receivables such as loans to borrowers subject to bankruptcy, court-guided rehabilitation or similar legal or formal proceedings (the “Bankrupt Borrowers”), loans to borrowers that are substantially in the same condition as the Bankrupt Borrowers (the “Substantially Bankrupt Borrowers”) and money on deposits whose market value declined significantly, the Companies provide a reserve in the amount expected to be uncollectible after deducting amounts expected to be collectible from collateral, guarantees and other means. For loans to borrowers that are not yet bankrupt but are highly likely to be bankrupt in the future (the “potentially bankrupt borrowers”), the Companies provide a reserve in the amount deemed necessary by comprehensively considering the borrowers’ solvency of the remaining amount after deducting amounts expected to be collectible from collateral, guarantees and other means. For other loans, the Companies provide a reserve in the amount calculated by multiplying the loans by a historical loan loss ratio determined over certain periods. All loans are subject to asset assessment by the related operational departments in accordance with self-assessment guidelines, and the assessment results are reviewed by the departments responsible for asset inspection that are independent from the operational departments. The amount of reserve is provided based upon the above results.

(ii) Reserve for employees’ bonuses

The reserve for employees’ bonuses is provided for the estimated amount of bonuses the Companies are required to pay for services provided during the current fiscal year.

(iii) Reserve for price fluctuations

Pursuant to requirements under Article 115 of the Insurance Business Act of Japan, the reserve for price fluctuations is provided for price fluctuations primarily related to stocks, bonds and foreign currency-denominated assets that are exposed to losses due to market price fluctuations. This reserve is only used to reduce losses arising from price fluctuations on those assets.

(4) Accounting for retirement benefits

(i) Method of attributing projected retirement benefits

In the calculation of retirement benefit obligations, the Companies mainly apply the benefit formula basis in attributing projected retirement benefits to the periods until the end of the current fiscal year.

(ii) Amortization method of prior service cost and net actuarial gain or loss

Unrecognized prior service cost is generally amortized using the straight-line method within the employees’ average remaining service period at incurrence. Unrecognized net actuarial gain or loss is generally amortized using the straight-line method over 7 to 10 years within the employees’ average remaining service period, commencing from the fiscal year immediately following incurrence.

(iii) Adoption of a simplified method at small enterprises, etc.

For calculating net retirement benefit liabilities and retirement benefit expenses, the parent company and some consolidated subsidiaries apply a simplified method that treats amounts required for voluntary resignation at fiscal year-end as retirement benefit obligations.

(5) Translation of important foreign assets or liabilities

Translated into Japanese yen at the foreign exchange rates in effect at each balance sheet date.

(6) Significant hedge accounting methods

The hedge accounting methods employed for hedging transactions against interest rate risk arising from financial assets and liabilities of the banking subsidiary are deferred hedge accounting, fair value hedge accounting, or special treatment for interest rate swaps. In hedging to offset market fluctuations in fixed-rate loans, the hedged items are identified by grouping them by a certain remaining period in accordance with the "Accounting and Auditing Treatment for the Application of Accounting Standards for Financial Instruments in the Banking Industry" (JICPA Industry Audit Committee Practical Guidelines No. 24, March 17, 2022; hereinafter referred to as "Industry Audit Committee Practical Guidelines No. 24"), and interest rate swap transactions are designated as hedging instruments. In hedging to fix the cash flow of loans with variable interest rates, the hedged items are identified by grouping them by interest index and a certain interest revision period in accordance with Industry Audit Committee Practical Guidelines No. 24, and interest rate swap transactions are designated as hedging instruments. In hedging to fix the cash flow of planned transactions related to short-term fixed-rate deposits, the hedged items are identified by grouping them by a certain interest revision period in accordance with Industry Audit Committee Practical Guidelines No. 24, and interest rate swap transactions are designated as hedging instruments. In the case of hedges that offset market fluctuations of bonds classified as other securities and held-to-maturity bonds, the Company identifies hedge targets individually and designates bond futures and interest rate swap transactions as the hedging instruments. Hedge effectiveness is evaluated by performing ratio analysis comparing fair value fluctuations of the hedging instruments and the hedge targets. However, where the material terms of the hedging instruments and hedge targets are substantially identical, the Company deems the hedge to be highly effective and substitutes this for formal hedge effectiveness testing.

(7) Amortization of goodwill

Goodwill is equally amortized using the straight-line method over a period of up to 20 years.

(8) Cash and cash equivalents in the Consolidated Statements of Cash Flows

Cash equivalents consist of highly liquid investments without significant market risks, such as demand deposits and short-term investments with an original maturity of 3 months or less.

(9) Other significant matters that form the basis for the preparation of consolidated financial statements

(i) Accounting for consumption taxes

National and local consumption taxes (the "consumption taxes") received and paid by the Companies, excluding loss adjustment expenses and operating, general and administrative expenses of the Company's non-life insurance subsidiary, are not included in income and expenses. Under the Consumption Tax Act of Japan, the consumption taxes paid on property and equipment are not deductible from the consumption taxes received; they are recorded as "other assets" and amortized on a straight-line basis over 5 years. Other non-deductible consumption taxes are charged to income as incurred.

(ii) Accounting for insurance premiums, etc.

In the life insurance business, insurance premiums are, in principle, recorded based on the amount collected for which responsibility under the insurance policy has begun to be assumed. In accordance with Article 69, Paragraph (1), Item (ii) of the Regulation for Enforcement of the Insurance Business Act, the portion of the insurance premiums received that corresponds to the period of time that has not yet elapsed at the end of the fiscal year is accumulated as unearned premiums within policy reserves.

(iii) Accounting of insurance claims and other payments, and reserve for outstanding claims

In the life insurance business, insurance claims and other payments (excluding reinsurance premiums) are recorded at the amount paid for policies for which the insured event stipulated in the policy conditions has occurred and the amount has been calculated based on the policy conditions. In accordance with Article 117 of the Insurance Business Act and Article 72 of the Regulation for Enforcement of the Insurance Business Act, a reserve for outstanding claims is set aside for those claims that are payable as of the end of the fiscal year, or for those claims for which the insured event has not yet been reported and for which the insured event is deemed to have already occurred but have not been recorded as payment of insurance claims or other payments.

(iv) Policy reserves

Policy reserves are established pursuant to the provisions of Article 116 of the Insurance Business Act. These reserves are calculated using the following methods:

1. For contracts subject to standard policy reserves, the method prescribed by the Commissioner of the Financial Services Agency (Ministry of Finance Ordinance No. 48 of 1996)

2. For contracts not subject to standard policy reserves, the level net premium method

(v) Special reserve method for reserve for outstanding claims that have already occurred but not yet been reported

With regard to the reserve for outstanding claims that have already occurred but not yet been reported in the life insurance business (i.e., insurance claims and other payments for which the occurrence of the insurance event has not yet been reported, but for which the occurrence of the insurance event stipulated in the insurance policy is recognized), the special handling of paying hospitalization insurance benefits, etc. in cases where the insured person was diagnosed with COVID-19 and received medical treatment under the supervision of a doctor, etc. at an accommodation facility or at home (hereinafter referred to as "deemed hospitalization"), etc., ended on May 8, 2023, and because it is impossible to calculate an appropriate level of amount based on the calculation method in the main clause of Article 1, Paragraph 1 of Notification No. 234 of the Ministry of Finance (hereinafter referred to as the "IBNR Notification") of 1998, the amount calculated by the following method is recorded based on the provisions of the proviso to Article 1, Paragraph 1 of the IBNR Notification.

(Overview of calculation method)

The amount is calculated by excluding the amount related to deemed hospitalization from the required amount of reserve for outstanding claims that have already occurred but not yet been reported for all fiscal years listed in the main clause of Article 1, Paragraph 1 of the IBNR Notification and the amount of insurance claims and other payments, and then calculating it in the same way as given in the main clause of Article 1, Paragraph 1 of the IBNR Notification.

As of the end of the previous consolidated fiscal year, instead of the amount related to such deemed hospitalization, the amount related to deemed hospitalization for persons other than those at high risk of serious illness was excluded. However, due to the termination of the treatment of hospitalization benefits for deemed hospitalization during the current fiscal year, the method of calculation was revised to exclude the amount related to such deemed hospitalization. However, the Company terminated the treatment of hospitalization benefits for deemed hospitalization during the current fiscal year.

(vi) Application of Sony FG tax sharing system

The Company and some domestic consolidated subsidiaries apply a group tax sharing system with Sony Group Corporation as the parent company.

Current consolidated fiscal year (April 1, 2024 to March 31, 2025)

1 Scope of consolidation

(1) Consolidated subsidiaries: 10 companies

Company names

Sony Life Insurance Co., Ltd.
Sony Life Communications Co., Ltd.
Sony Assurance Inc.
Sony Bank Inc.
Sony Life Care Inc.
Lifecare Design Inc.
Proud Life Inc.
Sony Financial Ventures Inc.
SFV・GB L.P.
SFV・GB II L.P.

(2) Non-consolidated subsidiaries

There are no main non-consolidated subsidiaries. Non-consolidated subsidiaries are excluded from the scope of consolidation for the current year because they are immaterial in light of the total assets, ordinary revenues, profit or loss (amounts equivalent to Sony FG's interests in these companies), retained earnings (amounts equivalent to Sony FG's interests in these companies) and accumulated other comprehensive income (amounts equivalent to Sony FG's interests in these companies) and their exclusion from the scope of consolidation does not hinder a rational judgment of Sony FG's financial position and results of operations.

(3) Change in the scope of consolidation

Due to the establishment of a new entity, SFV・GB II L.P. has been newly included within the scope of consolidation from the current consolidated fiscal year. The performance of this entity is included in the line item "Others" in the consolidated statement of income.

2 Application of the equity method

(1) Affiliates accounted for by the equity method: 3

Company names

BXJA I Holding KK
Sony Payment Services Inc.
ETC Solutions, Inc.

(2) Non-consolidated subsidiaries and affiliates that are not accounted for by the equity method

Name of principal companies

There are no main non-consolidated subsidiaries or affiliates. Non-consolidated subsidiaries and affiliates are not accounted for by the equity method because they are immaterial in light of the profit or loss (amounts equivalent to the Group's interests in these companies) and retained earnings (amounts equivalent to Sony FG's interests in these companies) and their exclusion does not hinder a rational judgment of Sony FG's financial position and results of operations.

3 Fiscal year-end of consolidated subsidiaries

Fiscal year-end of all consolidated subsidiaries is March 31, the same date as the consolidated financial statements of the Company.

4 Summary of Significant Accounting Policies

(1) Valuation standards and methods for significant assets

(i) Securities

Securities (including cash and due from banks, monetary receivables purchased that are equivalent to securities, and securities held in trust) are valued by the market value method (moving average method is used for calculating cost of sales) for trading securities, and by the market value method for held-to-maturity securities and "Policy-reserve-matching bonds in the insurance industry. The valuation of trading securities is calculated by the market value method (cost of sales is calculated by the moving average method). Policy-reserve-matching bonds are stated at amortized cost based on the moving average method (straight-line method) in accordance with the Industry Audit Committee Report No. 21 (November 16, 2000; hereafter, "Industry Audit Committee Report No. 21"). Available-for-sale securities other than stocks without a market price are stated at fair value (moving average method is used for calculating cost of sales), and stocks without a market price are stated at acquisition cost based on the moving average method.

Net unrealized gains (losses) on available-for-sale securities, net of taxes, are recorded as a separate component of net assets. However, for foreign currency-denominated bonds held by some consolidated subsidiaries, foreign currency translation differences related to changes in fair values in original currencies are recognized into net assets as net unrealized gains (losses) on available-for-sale securities, net of taxes, while the remaining changes are recognized in foreign exchange gains (losses). The overview of risk management policies of policy-reserve-matching bonds is as follows: Among the bonds corresponding to sub-segments (according to insurance class, years to maturity, etc.) for individual life insurance and individual annuity sold by domestic life insurance subsidiaries, the Company records those held with the purpose of controlling the duration of insurance liabilities as policy-reserve-matching bonds, in accordance with the Industry Audit Committee Report No. 21.

In addition, at the life insurance subsidiary, the Company reviewed the remaining maturity of liability cash flows subject to fine classifications, effective from the current consolidated fiscal year, for the purpose of conducting more appropriate asset-liability management (ALM). This change had no impact on profit or loss.

(ii) Derivative financial instruments

Valued at the market value method.

(2) Depreciation method for significant depreciable assets

(i) Tangible fixed assets (excluding leased assets)

Depreciation is computed by the straight-line method.　The main estimated useful lives of the assets are as follows:

- Buildings: 3 to 50 years
- Other tangible fixed assets: 2 to 20 years

(ii) Intangible fixed assets (excluding leased assets)

Intangible fixed assets are amortized using the straight-line method. Software for internal use is amortized using the straight-line method generally over 5 years, its estimated useful life.

(iii) Lease assets

All leased assets with respect to non-ownership-transfer finance leases are amortized by the straight-line method over the lease term, without any residual value.

(3) Accounting standards for significant reserves

(i) Reserve for possible loan losses

The reserve for possible loan losses is provided as follows for losses from bad debts mainly in accordance with self-assessment guidelines and write-off and reserve guidelines. With respect to receivables such as loans to borrowers subject to bankruptcy, court-guided rehabilitation or similar legal or formal proceedings (the “Bankrupt Borrowers”), loans to borrowers that are substantially in the same condition as the Bankrupt Borrowers (the “Substantially Bankrupt Borrowers”) and money on deposits whose market value declined significantly, the Companies provide a reserve in the amount expected to be uncollectible after deducting amounts expected to be collectible from collateral, guarantees and other means. For loans to borrowers that are not yet bankrupt but are highly likely to be bankrupt in the future (the “potentially bankrupt borrowers”), the Companies provide a reserve in the amount deemed necessary by comprehensively considering the borrowers’ solvency of the remaining amount after deducting amounts expected to be collectible from collateral, guarantees and other means. For other loans, the Companies provide a reserve in the amount calculated by multiplying the loans by a historical loan loss ratio determined over certain periods. All loans are subject to asset assessment by the related operational departments in accordance with self-assessment guidelines, and the assessment results are reviewed by the departments responsible for asset inspection that are independent from the operational departments. The amount of reserve is provided based upon the above results.

(ii) Reserve for employees’ bonuses

The reserve for employees’ bonuses is provided for the estimated amount of bonuses the Companies are required to pay for services provided during the current fiscal year.

(iii) Reserve for price fluctuations

Pursuant to requirements under Article 115 of the Insurance Business Act of Japan, the reserve for price fluctuations is provided for price fluctuations primarily related to stocks, bonds and foreign currency-denominated assets that are exposed to losses due to market price fluctuations. This reserve is only used to reduce losses arising from price fluctuations on those assets.

(4) Accounting for retirement benefits

(i) Method of attributing projected retirement benefits

In the calculation of retirement benefit obligations, the Companies mainly apply the benefit formula basis in attributing projected retirement benefits to the periods until the end of the current fiscal year.

(ii) Amortization method of prior service cost and net actuarial gain or loss

Unrecognized prior service cost is generally amortized using the straight-line method within the employees’ average remaining service period at incurrence. Unrecognized net actuarial gain or loss is generally amortized using the straight-line method over 7 to 10 years within the employees’ average remaining service period, commencing from the fiscal year immediately following incurrence.

(iii)Adoption of a simplified method at small enterprises, etc.

For calculating net retirement benefit liabilities and retirement benefit expenses, the parent company and some consolidated subsidiaries apply a simplified method that treats amounts required for voluntary resignation at fiscal year-end as retirement benefit obligations.

(5) Translation of important foreign assets or liabilities

Translated into Japanese yen at the foreign exchange rates in effect at each balance sheet date.

(6) Significant hedge accounting methods

For hedge accounting treatment of interest rate risk arising from financial assets and liabilities, the Company applies deferred hedge accounting, fair value hedge accounting, or the exceptional treatment for interest rate swaps. In hedging to offset market fluctuations in fixed-rate loans, the hedged items are identified by grouping them by a certain remaining period in accordance with the "Accounting and Auditing Treatment for the Application of Accounting Standards for Financial Instruments in the Banking Industry" (JICPA Industry Audit Committee Practical Guidelines No. 24, March 17, 2022; hereinafter referred to as "Industry Audit Committee Practical Guidelines No. 24"), and interest rate swap transactions are designated as hedging instruments. In hedging to fix the cash flow of loans with variable interest rates, the hedged items are identified by grouping them by interest index and a certain interest revision period in accordance with Industry Audit Committee Practical Guidelines No. 24, and interest rate swap transactions are designated as hedging instruments. In hedging to fix the cash flow of planned transactions related to short-term fixed-rate deposits, the hedged items are identified by grouping them by a certain interest revision period in accordance with Industry Audit Committee Practical Guidelines No. 24, and interest rate swap transactions are designated as hedging instruments. In the case of hedges that offset market fluctuations of bonds classified as other securities and held-to-maturity bonds, the Company identifies hedge targets individually and designates bond futures and interest rate swap transactions as the hedging instruments. Hedge effectiveness is evaluated by performing ratio analysis comparing fair value fluctuations of the hedging instruments and the hedge targets. However, where the material terms of the hedging instruments and hedge targets are substantially identical, the Company deems the hedge to be highly effective and substitutes this for formal hedge effectiveness testing.

(7) Amortization of goodwill

Goodwill is equally amortized using the straight-line method over a period of up to 20 years.

(8) Cash and cash equivalents in the Consolidated Statements of Cash Flows

Cash equivalents consist of highly liquid investments without significant market risks, such as demand deposits and short-term investments with an original maturity of 3 months or less.

(9) Other significant matters that form the basis for the preparation of consolidated financial statements

(i) Accounting for consumption taxes

National and local consumption taxes (the "consumption taxes") received and paid by the Companies, excluding loss adjustment expenses and operating, general and administrative expenses of the Company's non-life insurance subsidiary, are not included in income and expenses. Under the Consumption Tax Act of Japan, the consumption taxes paid on property and equipment are not deductible from the consumption taxes received; they are recorded as "other assets" and amortized on a straight-line basis over 5 years. Other non-deductible consumption taxes are charged to income as incurred.

(ii) Accounting for insurance premiums, etc.

In the life insurance business, insurance premiums are, in principle, recorded based on the amount collected for which responsibility under the insurance policy has begun to be assumed. In accordance with Article 69, Paragraph (1), Item (ii) of the Regulation for Enforcement of the Insurance Business Act, the portion of the insurance premiums received that corresponds to the period of time that has not yet elapsed at the end of the fiscal year is accumulated as unearned premiums within policy reserves.

(iii) Accounting of insurance claims and other payments, and reserve for outstanding claims

In the life insurance business, insurance claims and other payments (excluding reinsurance premiums) are recorded at the amount paid for policies for which the insured event stipulated in the policy conditions has occurred and the amount has been calculated based on the policy conditions. In accordance with Article 117 of the Insurance Business Act and Article 72 of the Regulation for Enforcement of the Insurance Business Act, a reserve for outstanding claims is set aside for those claims that are payable as of the end of the fiscal year, or for those claims for which the insured event has not yet been reported and for which the insured event is deemed to have already occurred but have not been recorded as payment of insurance claims or other payments.

(iv) Accounting for ceded reinsurance commissions and reinsurance premiums

In the life insurance business, ceded reinsurance commissions are recorded at the amount covered by reinsurance out of the amount paid as insurance claims and other payments related to the direct insurance contract under the reinsurance agreement, at the time of payment of the insurance claims and other payments. For modified coinsurance reinsurance, the amount received as part of the amount equivalent to new business expenses related to the direct insurance contract is recorded as ceded reinsurance commissions in accordance with the reinsurance agreement, and the same amount is recorded under reinsurance accounts receivable as unamortized ceding commissions and amortized over the period of the reinsurance contract.

In the life insurance business, reinsurance premiums agreed upon under the reinsurance agreement are recorded at the time of collection of insurance premiums related to the direct insurance contract or at the time of conclusion of the relevant agreement.

In addition, some policy reserves and reserves for outstanding claims corresponding to the portion covered by reinsurance are not accrued in accordance with Article 71, Paragraph (1) and Article 73, Paragraph (3) of the Regulation for Enforcement of the Insurance Business Act.

(v) Policy reserves

Policy reserves are established pursuant to the provisions of Article 116 of the Insurance Business Act. These reserves are calculated using the following methods:

1. For contracts subject to standard policy reserves, the method prescribed by the Commissioner of the Financial Services Agency (Ministry of Finance Ordinance No. 48 of 1996)

2. For contracts not subject to standard policy reserves, the level net premium method

(vi) Special reserve method for reserve for outstanding claims that have already occurred but not yet been reported

With regard to the reserve for outstanding claims that have already occurred but not yet been reported in the life insurance business (i.e., insurance claims and other payments for which the occurrence of the insurance event has not yet been reported, but for which the occurrence of the insurance event stipulated in the insurance policy is recognized), the special handling of paying hospitalization insurance benefits, etc. in cases where the insured person was diagnosed with COVID-19 and received medical treatment under the supervision of a doctor, etc. at an accommodation facility or at home (hereinafter referred to as "deemed hospitalization"), etc., ended on May 8, 2023, and because it is impossible to calculate an appropriate level of amount based on the calculation method in the main clause of Article 1, Paragraph 1 of Notification No. 234 of the Ministry of Finance (hereinafter referred to as the "IBNR Notification") of 1998, the amount calculated by the following method is recorded based on the provisions of the proviso to Article 1, Paragraph 1 of the IBNR Notification.

(Overview of calculation method)

The amount is calculated by excluding the amount related to deemed hospitalization from the required amount of reserve for outstanding claims that have already occurred but not yet been reported for all fiscal years listed in the main clause of Article 1, Paragraph 1 of the IBNR Notification and the amount of insurance claims and other payments, and then calculating it in the same way as given in the main clause of Article 1, Paragraph 1 of the IBNR Notification.

(vii) Application of Sony FG tax sharing system

The Company and domestic consolidated subsidiaries apply a group tax sharing system with Sony Group Corporation as the parent company.

(Significant accounting estimates)

Previous consolidated fiscal year (April 1, 2023 to March 31, 2024)

1 Fair market valuation of securitization products classified as Level 3 fair value

(1) Amounts recorded in the consolidated financial statements for the current fiscal year

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Securities (securitization products)	350,899	391,102

(2) Other information that contributes to understanding the contents of the estimate

(i) Calculation method

As market prices are not available, the fair value of securitization products that use unobservable inputs that are significant for calculating fair value is calculated using prices obtained from third parties such as financial institutions. The fair value of these securitization products is calculated using the discounted cash flow method, which takes into account observable inputs to the maximum extent possible.

(ii) Main assumptions

Calculation of the fair value of these securitization products uses significant unobservable inputs, including credit spreads.

(iii) Impact on the consolidated financial statements for the year ending March 31, 2025

The fair value of securitization products classified as Level 3 fair value has a high degree of estimation uncertainty and may have a significant impact on the consolidated financial statements for the year ending March 31, 2025.

Current consolidated fiscal year (April 1, 2024 to March 31, 2025)

1 Fair market valuation of securitization products classified as Level 3 fair value

(1) Amounts recorded in the consolidated financial statements for the current fiscal year

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Securities (securitization products)	391,102	473,514

(2) Other information that contributes to understanding the contents of the estimate

(i) Calculation method

As market prices are not available, the fair value of securitization products that use unobservable inputs that are significant for calculating fair value is calculated using prices obtained from third parties such as financial institutions. The fair value of these securitization products is calculated using the discounted cash flow method, which takes into account observable inputs to the maximum extent possible.

(ii) Main assumptions

Calculation of the fair value of these securitization products uses significant unobservable inputs, including credit spreads.

(iii) Impact on the consolidated financial statements for the year ending March 31, 2026

The fair value of securitization products classified as Level 3 fair value has a high degree of estimation uncertainty and may have a significant impact on the consolidated financial statements for the year ending March 31, 2026.

(Accounting standards not yet applied)

Previous consolidated fiscal year (from April 1, 2023 to March 31, 2024)

There are no applicable items.

Current consolidated fiscal year (from April 1, 2024 to March 31, 2025)

(Accounting Standard for Leases, etc.)

・“Accounting Standard for Leases” (ASBJ Statement No. 34, September 13, 2024)

・“Implementation Guidance on Accounting Standard for Leases” (ASBJ Guidance No. 33, September 13, 2024), etc.

(1) Overview

As part of efforts by the Accounting Standards Board of Japan to harmonize Japanese accounting standards with international norms, deliberations have been held on the development of the Accounting Standard for Leases, which requires lessees to recognize assets and liabilities for all leases. These deliberations are based on international accounting standards and aim to establish a simplified and user-friendly lease accounting standard that is nonetheless fundamentally consistent with IFRS 16. Rather than adopting all provisions of IFRS 16, only the key requirements are incorporated so that, even when IFRS 16 is used in non-consolidated financial statements, few if any adjustments are required.

Under this new standard, a single accounting model is applied for lessee accounting. Regardless of whether the lease is classified as a finance lease or an operating lease, depreciation of the right-of-use asset and interest expenses on lease liabilities are recognized for all leases — mirroring IFRS 16.

(2) Scheduled date of application

Application is scheduled to begin from the start of the fiscal year ending March 31, 2028.

(3) Impact of applying the accounting standard

The impact of applying the Accounting Standard for Leases, etc. on the consolidated financial statements is currently being assessed.

(Notes to Consolidated Balance Sheets)

1 The amounts of assets pledged as collateral and secured debt are as follows.

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets pledged as collateral		
Securities	1,935,198	2,058,719
Loans	732,351	906,144
Liabilities corresponding to pledged assets		
Call money and bills sold	6,000	-
Payables under repurchase agreements	938,854	1,230,050
Collateral for securities lending transactions	566,039	290,988
Borrowed money	463,900	495,100

In addition to the assets described above, the following items are pledged as collateral for domestic exchange settlements, derivatives, and other transactions.

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Securities	71,524	506,409
Cash collateral paid for financial instruments	27,464	5,750
Initial margins of futures markets	17,629	68,120
Collateral for resale transactions	-	4,494

2 The consolidated balance sheet amounts of securities loaned for consumption under the loan agreements

(Millions of yen)

As of March 31, 2024	As of March 31, 2025
496,298	676,849

3 Total amount of shares in non-consolidated subsidiaries and affiliates

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Stock	803	760

4 Claims based on the Insurance Business Act, the Banking Act, and the Act on Emergency Measures for the Revitalization of the Financial Functions are as follows. Note that claims are recorded in the Consolidated Balance Sheets under “securities” as bonds payable (limited to those for which the Company guarantees all or part of the principal redemption and interest payments, and for which the bonds were issued through private placement of securities (Article 2, Paragraph (3) of the Financial Instruments and Exchange Act), loans, and foreign exchange, and under “other assets” as accrued interest, suspense payments, and accounts under Customers’ liabilities for Reception s and guarantees, as well as securities that are the subject of a loan (limited to those under a loan for use or a lease agreement) in the case of securities that are loaned as noted.

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Amount of distressed loans and loans equivalent to these	443	369
Amount of loans at risk	641	687
Past-due loans (3 months or more)	-	-
Restructured loans	1,286	827
Total	2,371	1,885

Distressed loans and loans equivalent to these are claims against debtors who have fallen into bankruptcy due to reasons such as the filing of a petition for the commencement of bankruptcy proceedings, the commencement of reorganization proceedings, or the commencement of rehabilitation proceedings, and claims equivalent to these.

Loans at risk are receivables for which the debtor does not yet meet the criteria for bankruptcy or reorganization, but for which there is a high possibility that the principal and interest cannot be recovered in accordance with the contract due to the deterioration of the financial situation and business performance, and which do not fall under the categories of distressed loans and loans equivalent to these.

Past-due loans (3 months or more) are loans for which the payment of the principal or interest has been delayed for over three months from the day after the agreed payment date, and which do not fall under the categories of distressed loans and loans equivalent to these, or loans at risk.

Restructured loans are loans that have been made with the aim of restructuring or supporting the debtor's business, and include loans with reduced or exempted interest, loans with deferred interest payments, loans with deferred principal repayments, loans with debt forgiveness, and other loans that are advantageous to the debtor, and which do not fall under the categories of distressed loans and loans equivalent to these, loans at risk, or past-due loans (3 months or more).

Note that the above amount of loans is before deduction of the reserve for possible loan losses.

5 Of the principal amounts participated under loan participation agreements that are accounted for as loans to the original borrower, in accordance with “The Accounting and Presentation of Loan Participations (Transferred Guidance No. 1, July 1, 2024), the amounts recorded in the consolidated balance sheet are as follows:

(Millions of yen)

As of March 31, 2024	As of March 31, 2025
300	1,150

6 Accumulated depreciation of tangible fixed assets

(Millions of yen)

As of March 31, 2024	As of March 31, 2025
48,071	51,149

7 The amount of assets in the separate account of the life insurance subsidiary prescribed in Article 118 of the Insurance Business Act is as follows. The amount of liabilities is the same.

(Millions of yen)

As of March 31, 2024	As of March 31, 2025
4,497,242	5,155,641

8 Changes in the reserve for policyholders' dividends at the Company's life insurance subsidiary

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Balance at the beginning of the period	3,251	3,296
Policyholders' dividends during the period	2,407	2,237
Increase in interest	0	0
Provision for reserve for policyholders' dividends	2,452	2,061
Balance at end of the period	3,296	3,121

9 On March 31, 2002, the Company's life insurance subsidiary revalued its land for operating purposes, as permitted by the Act on Revaluation of Land (Act No. 34, enacted March 31, 1998 — the "Act on Revaluation of Land"). The tax effect of the revaluation difference is accounted for differently, depending on whether there are gains or losses; when there is a loss, a valuation allowance is fully provided for the tax effect of the loss, and when there is a gain, the tax effect is recorded in "deferred tax liabilities on land revaluation." After excluding these amounts, the net revaluation difference is reported as "land revaluation" in net assets. The revaluation method stipulated by Article 3, Paragraph 3 of the Act on Revaluation of Land was based on the land appraisal in conformity with Article 2, Item 5 of the Order for Enforcement Related to the Act on Revaluation of Land (Cabinet Order No. 119, effective from March 31, 1998).

10 Contracts for commitments to provide credit lines and overdrafts of the life insurance subsidiary and the banking subsidiary are agreements to lend to customers, up to a prescribed amount, as long as there is no violation of the conditions stipulated in the contracts. The balance of loans not yet executed for these contracts is as follows.

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Balance of loans not yet executed	20,869	21,471
Contracts with a term of one year or less	20,869	21,471

(Notes to the Consolidated Statements of Income)

1 Sony Life reversed 31,021 million yen and 11,761 million yen of contingency reserves within policy reserves in the previous consolidated fiscal year and in the current consolidated fiscal year, respectively, to cover interest losses in accordance with Article 69 of the Regulation for Enforcement of the Insurance Business Act and Article 6, Paragraph (2) of the standards for reserve and reversal to be specified by the Commissioner of the Financial Services Agency (Public Notice of the Ministry of Finance No. 231 of 1998)

2 At Sony Life, pursuant to Article 115, Paragraph (2) of the Insurance Business Act, 67,222 million yen of the reserve for price fluctuations was reversed during the current consolidated fiscal year to cover losses such as those on bond sales.

(Notes to the Consolidated Statements of Comprehensive Income)

1 Reclassification adjustments and income tax benefit (expense) on components of other comprehensive income

(Millions of yen)

	For the year ended March 31, 2024	For the year ended March 31, 2025
Net unrealized gains (losses) on available-for-sale securities, net of taxes:		
Gains (losses) arising during the period	(83,653)	(48,129)
Reclassification adjustments	29,395	43,926
Pre-tax amount	(54,258)	(4,203)
Income tax benefit (expense)	15,512	1,866
Net unrealized gains (losses) on available-for-sale securities, net of taxes	(38,745)	(2,336)
Net deferred gains (losses) on hedging instruments, net of taxes:		
Gains (losses) arising during the period	352	70
Reclassification adjustments	(402)	(61)
Pre-tax amount	(50)	8
Income tax benefit (expense)	15	(3)
Net deferred gains (losses) on hedging instruments, net of taxes	(34)	4
Remeasurements of defined benefit plans, net of taxes:		
Gains (losses) arising during the period	1,251	(458)
Reclassification adjustments	(480)	(510)
Pre-tax amount	770	(969)
Income tax benefit (expense)	(215)	240
Remeasurements of defined benefit plans, net of taxes	554	(729)
Total other comprehensive income	(38,225)	(3,061)

(Notes to the Consolidated Statements of Changes in Net Assets)

Previous consolidated fiscal year (April 1, 2023 to March 31, 2024)

1 Types and numbers of shares issued are as follows

	Number of shares as of April 1, 2023	Number of shares increased during the period	Number of shares decreased during the period	Number of shares as of March 31, 2024
Issued shares				
Common stock	435,100	-	-	435,100
Total	435,100	-	-	435,100

(Note) Treasury stock is not applicable.

2 Information on stock acquisition rights is as follows

Not applicable

3 Information on dividends is as follows

(1) Dividends paid

(Resolution)	Type of shares	Aggregate amount of dividends	Cash dividends per share	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 23, 2023	Common stock	50,036	115.0	March 31, 2023	June 26, 2023

(2) Dividends to be paid in the next fiscal year

Not applicable

Current consolidated fiscal year (April 1, 2024 to March 31, 2025)

1 Types and numbers of shares issued are as follows

	Number of shares as of April 1, 2024	Number of shares increased during the period	Number of shares decreased during the period	Number of shares as of March 31, 2025
Issued shares				
Common stock	435,100	-	-	435,100
Total	435,100	-	-	435,100

(Note) Treasury stock is not applicable.

2 Information on stock acquisition rights is as follows

Category	Breakdown of stock acquisition rights	Balance as of March 31, 2025 (Millions of yen)
the Company	Stock acquisition rights as stock option	16

3 Information on dividends is as follows

(1) Dividends paid

Not applicable

(2) Dividends for which the record date falls within the current fiscal year, and for which the effective date falls within the following fiscal year

Not applicable

(Notes to the Consolidated Statements of Cash Flows)

1 The relationship between the balance of cash and cash equivalents at the end of the period and the amounts of the items shown in the consolidated balance sheet is as follows.

(Millions of yen)

	For the year ended March 31, 2024	For the year ended March 31, 2025
Cash and due from banks	824,905	956,268
Call loans of life insurance subsidiary	88,500	245,900
Cash and cash equivalents	913,405	1,202,168

2 Cash flows from investing activities include cash flows from lending operations of the insurance business.

3 Breakdown of assets and liabilities of companies that are no longer consolidated subsidiaries due to the sale of shares

Previous consolidated fiscal year (April 1, 2023 to March 31, 2024)

The following is a breakdown of the assets and liabilities at the time of transfer, as well as the transfer price and expenditure on the sale of the shares of the subsidiaries, Sony Payment Services Inc. and ETC Solutions, Inc., which are no longer consolidated subsidiaries due to the transfer of shares.

(Millions of yen)

Assets	50,855
Liabilities	(45,804)
Non-controlling interests	(2,201)
Investment account after selling shares	(620)
Liabilities from application of equity method	2,087
Gain on sale of shares of subsidiaries and associates	13,367
Transfer price of shares	17,684
Cash and cash equivalents	(24,946)
Net: Expenditure due to the sale of shares of subsidiaries and associates involving a change in scope of consolidation	(7,262)

Current consolidated fiscal year (April 1, 2024 to March 31, 2025)

Not applicable

(Lease transactions)

<As lessee>

1 Finance lease transactions

Finance lease transactions other than those involving a transfer of ownership

(1) Content of leased assets

Tangible fixed assets

Mainly nursing care facilities (buildings)

(2) Leased assets

All leased assets with respect to non-ownership-transfer finance leases are amortized by the straight-line method over the lease term, without any residual value.

2 Operating lease transactions

Unpaid lease payments for non-cancelable operating lease transactions

(Millions of yen)

	For the year ended March 31, 2024	For the year ended March 31, 2025
Within one year	6,622	7,088
Over one year	16,163	14,881
Total	22,785	21,969

<As lessor>

Unpaid lease payments for non-cancelable operating lease transactions

(Millions of yen)

	For the year ended March 31, 2024	For the year ended March 31, 2025
Within one year	9,063	9,179
Over one year	56	28
Total	9,120	9,208

(Financial instruments)

1 Description of financial instruments

(1) Policy on financial instruments

Sony FG companies conduct the life insurance, non-life insurance and banking businesses, etc., in accordance with the provisions of the Insurance Business Act of Japan, the Banking Act of Japan and other relevant provisions. With regard to financial assets (except for assets in separate accounts as stipulated in Item 1, Article 118 of the Insurance Business Act of Japan in the life insurance business), to ensure steady investment income the Companies hold various investment assets, including Japanese government and corporate bonds, stocks and loans. Deposits from individual customers in the banking business account for nearly all of the Companies' financial liabilities. Although Sony FG companies hold financial assets as well as financial liabilities, which are subject to the risk of interest rate and exchange rate fluctuations, they strive to protect themselves from the negative effects of these fluctuations by maintaining an appropriate balance between assets and liabilities by conducting asset-liability management (ALM) in each of the businesses. Furthermore, derivative transactions are used to control risks in the life insurance business and banking business.

(2) Financial instruments and related risks

Financial instruments held by Sony FG consist primarily of securities, loans, deposits, and derivative transactions. They are exposed to market risk of losses incurred due to fluctuations in interest rates, exchange rates, stock prices, etc., and credit risk of losses incurred due to a decrease or loss in the value of assets caused by deterioration in the financial position of the party to whom credit is extended. They are also exposed to market liquidity risk, which is the risk of incurring losses when Sony FG is unable to trade in the market or is forced to trade at significantly lower prices than usual due to market turmoil or other factors.

Securities mainly include domestic and foreign bonds, as well as domestic and foreign stocks, investment in partnership, and shares, etc. related to venture capital investments.

The majority of loans are policy loans in the life insurance business, and individual mortgage loans in the banking business. However, policy loans are limited to the amount of surrender payments, and mortgage loans are backed by real estate. Consequently, loan-related risks are relatively low. Deposits are mainly those from individual customers, some of which are denominated in foreign currencies.

Deposits are mainly those from individual customers, some of which are denominated in foreign currencies.

The life insurance business uses several derivative transactions such as interest rate swap transactions, currency futures trading, forward foreign exchange transactions, stock index futures trading, total return swap transactions for stocks, bond futures trading and commodity futures trading, mainly to hedge the market risk for financial assets and liabilities and, as a matter of policy, does not use derivative transactions for speculative purposes. Hedge accounting is not applied to derivative transactions used in the life insurance business.

The banking business uses several derivative transactions, and it uses interest rate swaps, etc., to hedge the market risk for financial assets and liabilities. In this category, hedge accounting is applied. Interest rate swaps, etc., are used to hedge against the interest rate risk of fixed-rate loans and deposits. In hedge accounting, hedge effectiveness is assessed based on the requirements stipulated in the "Accounting Standards for Financial Instruments" and other standards.

(3) Risk management of financial instruments

The Company formulates fundamental principles for risk management and manages risks specific to its subsidiaries' scale, business content and other attributes. Our Risk Management Guidelines establish specific conditions for managing Group risks, while each of the subsidiaries manages risks on its own. the Company's Corporate Control Department submits periodic reports to the Board of Directors on subsidiaries' risk management conditions recognized through monitoring or by holding Risk Management Meetings.

(i) Credit risk

Sont FG companies use the following methods to manage the credit risk of principal subsidiaries:

(i) At the life insurance subsidiary, the risk management division clearly stipulates and manages the details of risk management methods and procedures related to the credit risk of credit providers in regulations, and reports this information regularly to the Board of Directors and the Executive Committee.

(ii) The non-life insurance subsidiary ascertains issuer credit information and market values on securities in line with various regulations for asset management risk. The risk management division reports on the situation regularly to the Board of Directors and the Executive Committee.

(iii) The banking subsidiary has formulated and conformed to various regulations for managing credit risks, and controls credit risk depending on the nature of each type of financial asset. In respect of individual loans, the subsidiary has developed a framework for managing individual credit, including credit screenings, management of credit information, setting of collateral and the handling of problem assets on a case-by-case basis.

Loans to corporations and bonds payable, etc. are managed by establishing systems for managing corporate credit and market credit, such as credit screening for each individual case, credit limits, credit information management, credit ratings, the setting of guarantees and collateral, and measures for problem loans.

The subsidiary manages market credit risk, such as securities issuer credit risk and, on derivative transactions, counterparty risk, by periodically assessing market value information.

The aforementioned credit risk management is carried out by the risk management division and the screening division. These divisions periodically report risk management conditions to management via the Board of Directors and the Executive Committee. In addition, the internal audit division conducts regular audits.

(iv) As most of the shares held by consolidated subsidiaries that are involved in venture capital investment are unlisted stocks, basic risk management rules and related regulations have been established to manage the credit risk of investment targets. The investment business division regularly monitors the financial and business performance of companies subject to investment, while the risk management division verifies this information and regularly reports on the situation to the Board of Directors.

(ii) Market risk

Sont FG companies use the following methods to manage the market risk of principal subsidiaries:

(i) The life insurance subsidiary manages various market-related risks in the following manner:

(a) Interest rate risk

Interest rate risk is managed by the risk management division based on the regulations for interest rate risk management that specify details such as risk management methods and procedures. Based on ALM policies that are determined through such methods as deliberation by the Executive Committee, the subsidiary determines and confirms actual risk conditions with the Board of Directors. The division maintains an overall understanding of the interest rates and durations of financial instruments, and monitors them based on the analysis of the quantity of risk using value at risk ("VaR"), and it periodically reports such information to the Board of Directors and the Executive Committee.

(b) Exchange rate risk

Exchange rate risk is managed by the risk management division based on the regulations for exchange rate risk management that specify details such as risk management methods and procedures. The division periodically reports such information to the Board of Directors and the Executive Committee.

(c) Equity market price fluctuation risk

Equity market price fluctuation risk is managed by the risk management division based on the regulations for equity market price fluctuation risk management that specify details such as risk management methods and procedures. The division periodically reports such information to the Board of Directors and the Executive Committee.

(d) Derivative transactions

Derivative transactions are managed by the risk management division based on the regulations for derivative transactions that specify details such as risk management methods and procedures. The division periodically reports such information to the Board of Directors and the Executive Committee.

(ii) The non-life insurance subsidiary manages various market-related risks in the following manner:

(a) Interest rate risk

Regulations on asset management risk specify the details such as risk management methods and procedures based on risk management policies determined by the Board of Directors. The risk management division monitors individual risks and reports on the situation regularly to the Board of Directors and the Executive Committee.

(b) Price fluctuation risk

Equity securities are held for strategic investments for the purpose of enhancing business partnerships. In accordance with regulations on asset management risk, the risk management division monitors the market environment and financial position, and reports on the situation regularly to the Board of Directors and the Executive Committee.

(iii) The banking subsidiary manages various market-related risks in the following manner. The risk management division handles each of these risks and periodically reports risk management conditions to the Board of Directors and the Executive Committee. In addition, the internal audit division conducts regular audits.

(a) Interest rate and exchange rate risk

By formulating and conforming with market risk management regulations, the subsidiary manages the risk of loss from changes in the value of assets and liabilities (including off-balance-sheet items) as well as from changes in income from assets and liabilities, owing to fluctuations in various market risk factors, such as interest rates, exchange rates and stock prices. Market risk management regulations specify details such as risk management methods and procedures. Based on ALM and risk management policies that are determined through such methods as deliberation by the Board of Directors, an ALM committee and a risk management committee meet—typically once each month—to understand and confirm actual conditions and deliberate future responses and risk conditions. On a daily basis, the risk management division maintains an overall understanding of interest and exchange rates on financial assets and liabilities, as well as their durations, conducts monitoring that includes VaR and interest rate sensitivity analysis and ensures regulatory conformance. The subsidiary also conducts interest rate swaps, currency swaps, foreign exchange and other derivative transactions to hedge against interest and exchange rate fluctuation risks.

(b) Market price fluctuation risk

The subsidiary manages the holding of investment products, including securities, in accordance with market risk management regulations as well as market credit risk. The investment division purchases securities externally, and risks associated with changes in the market price of such securities are managed through prior screening by the screening division, the setting and control of investment limits by the risk management division, and continuous monitoring by each responsible division.

(c) Derivative transactions

Derivative transactions are executed in accordance with regulations on market risk. The subsidiary also separates and conducts internal checks of individual departments' execution of transactions, evaluation of hedge effectiveness and operations management.

(d) Quantitative information on market risk

The principal financial instruments affected by the major risk parameters of interest rate risk and exchange rate fluctuation risk are loans, securities, deposits in the banking business and derivative transactions.

In measuring the VaR of these financial assets and financial liabilities, the impact on profit and loss over the next 20 business days is calculated historically using a reasonable expected fluctuation range for interest rates and exchange rates over an observation period of 250 business days, and this is used in quantitative analysis for managing interest rate and exchange rate fluctuation risk. As of March 31, 2025, the figure is 9,072 million yen (5,104 million yen as of the end of March 31, 2024) within a 99% confidence interval.

This amount of impact is based on the assumption that risk parameters other than interest rates and exchange rates are fixed. In the event that fluctuations exceed the rational forecast band for interest and exchange rates, the risk impact may exceed the amount calculated. The aforementioned market risk management is carried out primarily by the risk management division. The division periodically reports risk management conditions to the Board of Directors and the Executive Committee. In addition, the internal audit division conducts regular audits.

(iii) Liquidity risk

Sony FG companies use the following methods to manage the liquidity risk of principal subsidiaries.

(i) At the life insurance subsidiary, in line with liquidity risk management regulations, the accounting division prepares and updates cash flow plans in a timely manner based on the reports from departments and manages cash flows, and the risk management division manages the liquidity risk. The accounting division and risk management division periodically or as needed report such information to the Board of Directors and the Executive Committee.

(ii) The non-life insurance subsidiary establishes regulations related to liquidity risk. Its cash flow management division prepares and updates cash flow plans. The risk management division manages liquidity risk by monitoring the situations and reports on the situations regularly to the Board of Directors and the Executive Committee.

(iii) The banking subsidiary has formulated and conformed with regulations for managing liquidity risk and manages a variety of liquidity risks. Concerning the management of cash flow risks, cash flows are classified into phases based on the degree of pressure, and methods for risk management and reporting are set out for each phase, while guidelines are formulated and reviewed as necessary. To manage market liquidity risk, the subsidiary works to understand market liquidity conditions that pertain to the types of products it handles. The subsidiary formulates and revises guidelines on a product-by-product basis, as necessary. The aforementioned liquidity risk management is carried out by the risk management division. The division periodically reports risk management conditions to the Board of Directors and the Executive Committee. In addition, the internal audit division conducts regular audits.

(4) Supplementary explanation of the fair value of financial instruments

Since certain assumptions are used in calculating the fair value of financial instruments, the value may differ if different assumptions are used.

2 Matters related to the fair value of financial instruments

The consolidated balance sheet amount, the fair value, and the difference between these amounts are as follows.

Stocks without a market price and investment in partnership are not included in the following table (see Note 3).

The fair value of financial instruments is classified into the following three levels according to the observability and significance of the inputs used to calculate the fair value.

(i) Level 1 fair value: Fair value calculated based on the (unadjusted) market price in an active market for identical assets or liabilities

(ii) Level 2 fair value: Fair value calculated using directly or indirectly observable inputs other than Level 1

(iii) Level 3 fair value: Fair value calculated using significant unobservable inputs

When multiple inputs that have a significant impact on the calculation of fair value are used, the fair value is classified into the level with the lowest priority in the calculation of fair value among the levels to which those inputs belong.

(1) Financial assets and financial liabilities whose consolidated balance sheet amounts are based on fair value

Previous consolidated fiscal year (As of March 31, 2024)

(Millions of yen)

	Consolidated Balance Sheet Amount			
	Level 1	Level 2	Level 3	Total amount
Money held in trust				
Other money held in trust	-	24,877	38,408	63,285
Securities				
Trading securities				
Japanese government and local government bonds	-	187,333	-	187,333
Japanese corporate bonds	-	27,295	-	27,295
Stocks	25,902	-	-	25,902
Others (*1)	364,881	3,848,789	-	4,213,671
Available-for-sale securities				
Japanese government and local government bonds	-	826,412	-	826,412
Japanese corporate bonds	-	173,705	-	173,705
Stocks	1,402	-	-	1,402
Securitization products	-	60,565	94,825	155,390
Others	5,940	512,634	41,437	560,012
Derivative transactions (*2)(*3)(*4)				
Interest-related	-	15,385	-	15,385
Currency-related	-	11,494	-	11,494
Share-related	-	-	-	-
Bond-related	-	-	-	-
total assets	398,126	5,688,493	174,670	6,261,290
Derivative transactions (*2)(*3)(*4)				
Interest-related	-	6,452	-	6,452
Currency-related	-	5,663	-	5,663
Share-related	3,428	1,916	-	5,344
Bond-related	-	-	-	-
Total liabilities	3,428	14,032	-	17,460

(*1) Mainly includes foreign securities and domestic investment trusts.

(*2) Included in “Other assets” and “Other liabilities” on the consolidated balance sheets. Those that are subject to special treatment for interest rate swaps are included in the fair value of the relevant hedged item as a single unit with the hedged item.

(*3) Regarding derivative transactions, the consolidated balance sheet amount of those to which hedge accounting is applied is 13,236 million yen for assets and 827 million yen for liabilities.

(*4) Interest rate swaps, etc., that have been designated as hedging instruments to fix the cash flow of hedged items such as loans, etc., and mainly apply deferred hedging. In addition, the “Treatment of Hedge Accounting for Financial Instruments that Reference LIBOR” (Practical Solution No. 40, March 17, 2022) is applied to these hedging relationships.

Current consolidated fiscal year (As of March 31, 2025)

(Millions of yen)

	Consolidated Balance Sheet Amount			
	Level 1	Level 2	Level 3	Total amount
Money held in trust				
Other money held in trust	-	21,470	18,447	39,917
Securities				
Trading securities				
Japanese government and local government bonds	-	176,110	-	176,110
Japanese corporate bonds	-	19,827	-	19,827
Stocks	29,163	-	-	29,163
Others (*1)	314,430	4,543,976	-	4,858,406
Available-for-sale securities				
Japanese government and local government bonds	-	710,876	-	710,876
Japanese corporate bonds	-	214,719	-	214,719
Stocks	681	-	-	681
Securitization products	-	59,701	51,330	111,032
Others	4,519	745,797	93,196	843,513
Derivative transactions (*2)(*3)				
Interest-related	-	33,803	-	33,803
Currency-related	-	7,955	-	7,955
Share-related	910	911	-	1,821
Bond-related	1,286	-	-	1,286
total assets	350,991	6,535,149	162,974	7,049,116
Derivative transactions (*2)(*3)				
Interest-related	-	15,776	-	15,776
Currency-related	-	2,602	-	2,602
Share-related	514	-	-	514
Bond-related	3,792	-	-	3,792
Total liabilities	4,306	18,378	-	22,685

(*1) Mainly includes foreign securities and domestic investment trusts.

(*2) Included in “Other assets” and “Other liabilities” on the consolidated balance sheets. Those that are subject to special treatment for interest rate swaps are included in the fair value of the relevant hedged item as a single unit with the hedged item.

(*3) Regarding derivative transactions, the consolidated balance sheet amount of those to which hedge accounting is applied is 20,921 million yen for assets and 5,285 million yen for liabilities.

(2) Financial assets and financial liabilities whose consolidated balance sheet amounts are not based on fair value

Notes have been omitted for cash and due from banks, call loans and bills bought, call money and bills sold, payables under repurchase agreements, and collateral for securities lending transactions because the fair value of these items is approximately equal to the book value as they are settled in a short period of time.

Previous consolidated fiscal year (As of March 31, 2024)

(Millions of yen)

	Fair value				Consolidated Balance Sheet Amount	Difference
	Level 1	Level 2	Level 3	Total amount		
Securities						
Held-to-maturity securities						
Japanese government and local government bonds	-	6,348,778	-	6,348,778	6,242,368	106,409
Japanese corporate bonds	-	357,783	80,588	438,371	603,078	(164,707)
Securitization products	-	-	295,864	295,864	296,277	(413)
Others	-	843,194	-	843,194	1,328,481	(485,287)
Policy-reserve-matching bonds						
Japanese government and local government bonds	-	966,170	-	966,170	1,246,151	(279,981)
Japanese corporate bonds	-	225,574	58,259	283,834	351,609	(67,774)
Others	-	334,676	-	334,676	548,925	(214,249)
Loans (*)	-	-	3,705,642	3,705,642	3,681,128	24,513
Total assets	-	9,076,177	4,140,354	13,216,532	14,298,022	(1,081,490)
Deposit	-	3,841,812	-	3,841,812	3,845,606	(3,793)
Borrowed money	-	462,776	-	462,776	467,716	(4,940)
Bonds payable	-	9,931	59,897	69,828	70,000	(171)
Total liabilities	-	4,314,520	59,897	4,374,417	4,383,323	(8,906)

(*) Excludes general and specific reserves for possible loan losses.

Current consolidated fiscal year (As of March 31, 2025)

(Millions of yen)

	Fair value				Consolidated Balance Sheet Amount	Difference
	Level 1	Level 2	Level 3	Total amount		
Securities						
Held-to-maturity securities						
Japanese government and local government bonds	-	5,460,024	-	5,460,024	6,089,699	(629,674)
Japanese corporate bonds	-	304,779	64,461	369,241	617,891	(248,649)
Securitization products	-	-	422,059	422,059	422,184	(125)
Others	-	805,068	-	805,068	1,337,582	(532,513)
Policy-reserve-matching bonds						
Japanese government and local government bonds	-	777,642	-	777,642	1,171,064	(393,421)
Japanese corporate bonds	-	197,789	47,330	245,120	357,153	(112,033)
Others	-	323,332	-	323,332	560,310	(236,977)
Loans (*)	-	-	3,810,844	3,810,844	3,898,199	(87,355)
Total assets	-	7,868,638	4,344,695	12,213,333	14,454,085	(2,240,751)
Deposit	-	4,239,252	-	4,239,252	4,243,962	(4,710)
Borrowed money	-	491,393	-	491,393	499,020	(7,626)
Bonds payable	-	9,832	99,285	109,117	110,500	(1,382)
Total liabilities	-	4,740,477	99,285	4,839,763	4,853,482	(13,719)

(*) Excludes general and specific reserves for possible loan losses.

(Note 1) Explanation of both the valuation techniques and inputs used to calculate the fair value

Money held in trust

Securities (bonds) managed as trust assets in money held in trust for separate investment with the primary purpose of managing securities are valued at the price quoted on the exchange or the price quoted by the financial institution with which the transaction is conducted, and are classified as Level 2 or Level 3 based on the level of the components.

Notes on money held in trust for each purpose are listed in "(Money held in trust)."

Securities

Securities for which unadjusted market prices are available in active markets are classified as Level 1. This mainly includes shares. Even if the published market price is used, they are classified as Level 2 if the market is not active. This mainly includes government bonds, municipal bonds, and corporate bonds. For investment trusts for which there is no market price, if there are no significant restrictions on the redemption or repurchase requests that entail requests from market participants for consideration of the risk, net asset value is mainly used as the market price, and they are classified as having Level 2 fair value. In cases where market prices are unavailable, such as for securitization products, fair value is calculated using valuation techniques such as the discounted cash flow method. When performing valuation, observable inputs are used in full, including TIBOR, government bond yields, credit spreads, etc. If the calculation uses significant unobservable inputs, they are classified as Level 3.

Notes on securities for each purpose are listed in "(Marketable securities)."

Loans

(i) Loans in the banking business

The fair value is calculated by estimating future cash flows for each period and discounting them at a rate that is based on the market interest rate at the time of valuation, with certain adjustments. In addition, the estimated amount of bad debt for some risk-controlled loans is calculated based on the expected amount of recovery through collateral and guarantees, etc., and as the fair value is approximately equal to the amount recorded as receivables on the consolidated balance sheet on the consolidated settlement date after deducting the amount posted as the reserve for possible loan losses, that amount is used as the fair value. These transactions are classified as Level 3.

(ii) Policy loans in the life insurance business

There is no repayment deadline due to the characteristics of the loan, such as limiting the loan to within the scope of surrender payments, and due to the estimated repayment period and interest rate conditions, etc., it is assumed that the fair value is approximately equal to the book value, so the book value is used as the fair value, and it is classified as Level 3.

(iii) General loans

As the estimated amount of bad debt is calculated based on the expected amount of recovery, etc., and the fair value is approximately equal to the amount recorded as receivables on the consolidated balance sheet on the consolidated settlement date after deducting the amount posted as the reserve for possible loan losses, that amount is used as the fair value, and it is classified as Level 3.

Deposits

For demand deposits, the amount payable (book value) if the demand is made on the consolidated settlement date is deemed to be the fair value. The fair value of time deposits is the present value of future cash flows discounted at the market interest rate on the valuation date.

These transactions are classified as Level 2.

Borrowed money

The present value of the estimated future cash flows of principal and interest, discounted at the market interest rate on the valuation date, is used as the fair value, and is classified as Level 2.

Bonds payable

Corporate bonds with market prices are valued at market prices and classified as Level 2. Corporate bonds without a market price use the present value of future cash flows discounted at the market interest rate on the valuation date plus the company's premium as the fair value, and are classified as Level 3.

Derivative transactions

For transactions on exchanges, the final price on the exchange is used as the fair value, and they are mainly classified as Level 1.

The fair value of over-the-counter transactions is the current discounted value or the price calculated using the option pricing model. The main inputs used in these valuation techniques are interest rates, exchange rates, volatility, etc. If unobservable inputs are not used or their impact is not significant, they are classified as Level 2.

Notes on derivative transactions for each type of transaction are provided in “(Derivative financial instruments).”

(Note 2) Information on the fair value of Level 3 financial assets and financial liabilities, which are recorded on the consolidated balance sheets at fair value

(1) Quantitative information about significant unobservable inputs

Previous consolidated fiscal year (As of March 31, 2024)

Type	Valuation technique	Unobservable input	Input range
Securities Available-for-sale securities	Discounted cash flow method	Credit spread	0.9% - 5.5%

Current consolidated fiscal year (As of March 31, 2025)

Type	Valuation technique	Unobservable input	Input range
Securities Available-for-sale securities	Discounted cash flow method	Credit spread	0.8% - 1.7%

(2) Adjustment table from beginning-of-period balance to end-of-period balance, valuation gains/losses recognized in profit/loss for the period

Previous consolidated fiscal year (As of March 31, 2024)

(Millions of yen)

Type	Money held in trust	Securities		Total amount
	Other money held in trust	Available-for-sale securities		
		Securitization products	Other	
Balance at the beginning of the period	33,207	117,159	29,145	179,512
Profit/loss for the period or other comprehensive income				
Recorded in profit/loss (*1)	3,190	13,907	2,019	19,117
Recorded in other comprehensive income (*2)	(1,049)	1,497	249	696
Purchase, sale, issuance and settlement				
Purchase	6,629	12,792	30,889	50,311
Sale	-	(4,679)	-	(4,679)
Issuance	-	-	-	-
Settlement	(3,570)	(37,397)	(19,379)	(60,346)
Reclassification to Level 3 fair value (*3)	-	-	-	-
Reclassification from Level 3 fair value	-	(8,455)	(1,487)	(9,942)
Balance at the end of the period	38,408	94,825	41,437	174,670
Gains on valuation of financial assets and financial liabilities held at consolidated balance sheet date, out of amount recorded in profit/loss for period	-	-	-	-

(*1) Included in “Other operating income” and “Other operating expenses” on the consolidated statements of income.

(*2) Included in “Other comprehensive income” and “Valuation difference on available-for-sale securities” on the consolidated statements of comprehensive income.

(*3) This is a reclassification from Level 2 fair value to Level 3 fair value due to a decrease in the observability of the inputs. Reclassifications between levels are recognized at the beginning of the term.

Current consolidated fiscal year (As of March 31, 2025)

(Millions of yen)

Type	Money held in trust	Securities		Total amount
	Other money held in trust	Available-for-sale securities		
		Securitization products	Other	
Balance at the beginning of the period	38,408	94,825	41,437	174,670
Profit/loss for the period or other comprehensive income				
Recorded in profit/loss (*1)	(1,541)	(940)	2,975	493
Recorded in other comprehensive income (*2)	1,021	(45)	(600)	375
Purchase, sale, issuance and settlement				
Purchase	7,121	30,906	71,251	109,279
Sale	(21,133)	(1,706)	-	(22,839)
Issuance	-	-	-	-
Settlement	(5,428)	(71,708)	(21,867)	(99,004)
Reclassification to Level 3 fair value (*3)	-	-	-	-
Reclassification from Level 3 fair value (*4)	-	-	-	-
Balance at the end of the period	18,447	51,330	93,196	162,974
Gains on valuation of financial assets and financial liabilities held at consolidated balance sheet date, out of amount recorded in profit/loss for period	-	-	-	-

(*1) Included in “Other operating income” and “Other operating expenses” on the consolidated statements of income.

(*2) Included in “Other comprehensive income” and “Valuation difference on available-for-sale securities” on the consolidated statements of comprehensive income.

(3) Explanation of the fair value valuation process

Sony FG has established policies and procedures for calculating fair values in the risk management division, and each trading department calculates fair values in accordance with these. The calculated fair values are verified by an independent valuation department to ensure the appropriateness of the valuation techniques and inputs used to calculate the fair value, as well as the appropriateness of the classification of the fair value level. The results of the verification are reported to the risk management division each fiscal year, and the appropriateness of the policies and procedures for calculating fair value is ensured.

In calculating fair value, we use valuation models that can best reflect the nature, characteristics and risks of individual assets. In addition, when using market prices obtained from third parties, we verify the appropriateness of the prices using appropriate methods such as checking the valuation techniques and inputs used and comparing them with the fair values of similar financial instruments.

(4) Explanation of the impact on fair value when significant unobservable inputs are changed

Credit spread

The credit spread is the adjustment rate relative to the benchmark market interest rate, and is composed of the risk premium, which is the amount of compensation required by market participants for the uncertainty of the cash flow of financial instruments that arises mainly from credit risk. In general, a significant rise (fall) in the credit spread will cause a significant fall (rise) in the fair value.

(Note 3) The consolidated balance sheet amounts of stocks without a market price and investment in partnership are as follows, and are not included in "Securities" in the tables disclosed in matters related to the fair value of financial instruments and the breakdown by fair value level.

(Millions of yen)

Type	As of March 31, 2024	As of March 31, 2025
Stocks without a market price(*1)(*3)	2,756	2,748
Investment in partnership(*2)(*3)	10,785	5,329
Total amount	13,541	8,077

(*1) Stocks without a market price include unlisted stocks, and are not subject to disclosure of fair value, in accordance with Paragraph 5 of the "Implementation Guidance on Disclosures about Fair Value of Financial Instruments" (ASBJ Guidance No. 19, March 31, 2020).

(*2) Investment in partnership is not subject to disclosure of fair value, in accordance with Article 24-16 of the "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31, June 17, 2021).

(*3) In the previous consolidated fiscal year, impairment losses of 346 million yen were recorded for stocks without a market price, and 384 million yen for investment in partnership. In the current consolidated fiscal year, impairment losses of 217 million yen for investment in partnership.

(Note 4) Future redemption schedule of monetary claims and securities with maturities

Previous consolidated fiscal year (As of March 31, 2024)

(Millions of yen)

	1 year or less	More than 1 year to 5 years	More than 5 years to 10 years	Over 10 years
Securities				
Held-to-maturity securities	177,435	236,129	517,975	8,413,779
Japanese government and corporate bonds	167,700	222,710	435,050	6,028,440
Japanese government and local government bonds	167,700	222,410	425,050	5,440,260
Japanese corporate bonds	-	300	10,000	588,180
Securitization products	-	-	81,410	214,922
Others	9,735	13,419	1,515	2,170,416
Policy-reserve-matching bonds	-	3,220	142,130	2,512,809
Japanese government and corporate bonds	-	3,220	142,130	1,472,350
Japanese government and local government bonds	-	-	118,030	1,150,100
Japanese corporate bonds	-	3,220	24,100	322,250
Others	-	-	-	1,040,459
Available-for-sale securities	118,271	739,753	449,608	642,820
Japanese government and corporate bonds	39,566	556,429	256,950	159,830
Japanese government and local government bonds	10,247	416,931	251,450	159,830
Japanese corporate bonds	29,319	139,498	5,500	-
Securitization products	-	-	84,680	70,526
Others	78,705	183,324	107,978	412,463
Loans(*)	863	16,192	67,157	3,363,709
Total amount	296,570	995,295	1,176,871	14,933,119

(*)This figure excludes 218,771 million yen with no fixed redemption such as policyholder loans, and 14,434 million yen in overdrafts.

Current consolidated fiscal year (As of March 31, 2025)

(Millions of yen)

	1 year or less	More than 1 year to 5 years	More than 5 years to 10 years	Over 10 years
Securities				
Held-to-maturity securities	47,052	210,908	703,024	8,340,590
Japanese government and corporate bonds	37,210	206,100	586,830	5,891,233
Japanese government and local government bonds	37,210	205,800	576,830	5,286,137
Japanese corporate bonds	-	300	10,000	605,095
Securitization products	-	-	116,194	306,033
Others	9,842	4,808	-	2,143,324
Policy-reserve-matching bonds	-	3,220	191,130	2,383,321
Japanese government and corporate bonds	-	3,220	191,130	1,355,850
Japanese government and local government bonds	-	-	146,730	1,047,900
Japanese corporate bonds	-	3,220	44,400	307,950
Others	-	-	-	1,027,471
Available-for-sale securities	129,575	776,237	342,460	761,681
Japanese government and corporate bonds	71,595	477,934	193,850	202,633
Japanese government and local government bonds	53,975	302,456	188,150	181,477
Japanese corporate bonds	17,620	175,478	5,700	21,155
Securitization products	-	-	20,568	90,142
Others	57,980	298,303	128,042	468,905
Loans(*)	549	21,994	69,252	3,565,916
Total amount	177,177	1,012,361	1,305,867	15,051,510

(*) This figure excludes 225,363 million yen with no fixed redemption such as policyholder loans, and 15,123 million yen in overdrafts.

(Note 5) The future return schedule of deposits and other liabilities with interest

Previous consolidated fiscal year (As of March 31, 2024)

(Millions of yen)

	1 year or less	More than 1 year to 2 years	More than 2 years to 3 years	More than 3 years to 4 years	More than 4 years to 5 years	More than 5 years
Deposits (*)	3,670,566	21,087	10,655	2,132	2,433	138,730
Borrowed money	52,616	20,000	230,000	165,100	-	-
Bonds payable	10,000	30,000	-	10,000	20,000	-
Total amount	3,733,183	71,087	240,655	177,232	22,433	138,730

(*) Demand deposits are included in “1 year or less.”

Current consolidated fiscal year (As of March 31, 2025)

(Millions of yen)

	1 year or less	More than 1 year to 2 years	More than 2 years to 3 years	More than 3 years to 4 years	More than 4 years to 5 years	More than 5 years
Deposits (*)	3,981,193	94,969	10,099	1,802	9,611	146,285
Borrowed money	103,779	230,141	165,100	-	-	-
Bonds payable	30,000	-	10,000	30,000	40,500	-
Total amount	4,114,972	325,111	185,199	31,802	50,111	146,285

(*) Demand deposits are included in “1 year or less.”

(Marketable securities)

* In addition to "Securities" on the consolidated balance sheets, the figures in the following tables include beneficiary certificates of investment trust in "Monetary receivables purchased."

1 Trading securities

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Valuation gains (losses) charged to income	884,799	(2,136)

2 Held-to-maturity securities

Previous consolidated fiscal year (As of March 31, 2024)

(Million yen)

	Type	Consolidated balance sheet amount	Fair value	Difference
Fair values exceeding the consolidated balance sheet amount	Japanese government and corporate bonds	4,424,530	4,836,373	411,843
	Japanese government and local government bonds	4,398,412	4,807,232	408,819
	Japanese corporate bonds	26,117	29,140	3,023
	Securitization products	158,430	158,805	375
	Others	16,977	17,102	124
	Subtotal	4,599,938	5,012,281	412,342
Fair values not exceeding the consolidated balance sheet amount	Japanese government and corporate bonds	2,420,917	1,950,776	(470,140)
	Japanese government and local government bonds	1,843,956	1,541,546	(302,410)
	Japanese corporate bonds	576,960	409,230	(167,730)
	Securitization products	137,846	137,058	(788)
	Others	1,311,504	826,092	(485,412)
	Subtotal	3,870,268	2,913,927	(956,341)
Total amount		8,470,206	7,926,208	(543,998)

Current consolidated fiscal year (As of March 31, 2025)

(Million yen)

	Type	Consolidated balance sheet amount	Fair value	Difference
Fair values exceeding the consolidated balance sheet amount	Japanese government and corporate bonds	1,671,017	1,746,075	75,058
	Japanese government and local government bonds	1,646,883	1,721,199	74,316
	Japanese corporate bonds	24,134	24,876	741
	Securitization products	162,211	162,405	194
	Others	1,684	1,687	2
	Subtotal	1,834,913	1,910,169	75,255
Fair values not exceeding the consolidated balance sheet amount	Japanese government and corporate bonds	5,036,573	4,083,190	(953,382)
	Japanese government and local government bonds	4,442,816	3,738,825	(703,991)
	Japanese corporate bonds	593,756	344,365	(249,391)
	Securitization products	259,973	259,653	(319)
	Others	1,335,897	803,380	(532,516)
	Subtotal	6,632,443	5,146,224	(1,486,219)
Total amount		8,467,357	7,056,393	(1,410,963)

3 Policy-reserve-matching bonds

Previous consolidated fiscal year (As of March 31, 2024)

(Million yen)

	Type	Consolidated balance sheet amount	Fair value	Difference
Fair values exceeding the consolidated balance sheet amount	Japanese government and corporate bonds	127,908	131,363	3,455
	Japanese government and local government bonds	112,808	116,162	3,354
	Japanese corporate bonds	15,100	15,200	100
	Other	-	-	-
	Subtotal	127,908	131,363	3,455
Fair values not exceeding the consolidated balance sheet amount Fair values not exceeding the consolidated balance sheet amount	Japanese government and corporate bonds	1,469,852	1,118,641	(351,211)
	Japanese government and local government bonds	1,133,343	850,007	(283,336)
	Japanese corporate bonds	336,509	268,633	(67,875)
	Other	548,925	334,676	(214,249)
	Subtotal	2,018,778	1,453,317	(565,460)
Total amount		2,146,686	1,584,681	(562,005)

Current consolidated fiscal year (as of March 31, 2025)

(Million yen)

	Type	Consolidated balance sheet amount	Fair value	Difference
Fair values exceeding the consolidated balance sheet amount	Japanese government and corporate bonds	2,417	2,423	6
	Japanese government and local government bonds	2,417	2,423	6
	Japanese corporate bonds	-	-	-
	Other	-	-	-
	subtotal	2,417	2,423	6
Fair values not exceeding the consolidated balance sheet amount	Japanese government and corporate bonds	1,525,800	1,020,339	(505,461)
	Japanese government and local government bonds	1,168,646	775,219	(393,427)
	Japanese corporate bonds	357,153	245,120	(112,033)
	Other	560,310	323,332	(236,977)
	subtotal	2,086,111	1,343,672	(742,439)
Total amount		2,088,528	1,346,095	(742,432)

4 Available-for-sale securities

Previous consolidated fiscal year (As of March 31, 2024)

(Million yen)

	Type	Consolidated balance sheet amount	Fair value	Difference
Consolidated balance sheet amount exceeding the acquisition cost	Japanese government and corporate bonds	592,432	559,791	32,641
	Japanese government and local government bonds	556,166	523,576	32,590
	Japanese corporate bonds	36,265	36,214	50
	Equity securities	1,402	611	790
	Securitization products	119,074	118,818	256
	Other	229,523	219,563	9,959
	subtotal	942,432	898,784	43,647
Consolidated balance sheet amount not exceeding the acquisition cost	Japanese government and corporate bonds	407,685	448,530	(40,845)
	Japanese government and local government bonds	270,245	310,385	(40,139)
	Japanese corporate bonds	137,439	138,145	(706)
	Equity securities	-	-	-
	Securitization products	36,315	36,356	(41)
	Other	340,196	379,854	(39,658)
	subtotal	784,197	864,741	(80,544)
Total amount		1,726,630	1,763,526	(36,896)

Current consolidated fiscal year (As of March 31, 2025)

(Million yen)

	Type	Consolidated balance sheet amount	Fair value	Difference
Consolidated balance sheet amount exceeding the acquisition cost	Japanese government and corporate bonds	463,530	451,453	12,077
	Japanese government and local government bonds	451,546	439,540	12,006
	Japanese corporate bonds	11,984	11,912	71
	Equity securities	681	285	395
	Securitization products	89,566	89,212	353
	Other	427,052	415,508	11,544
	subtotal	980,831	956,459	24,371
Consolidated balance sheet amount not exceeding the acquisition cost	Japanese government and corporate bonds	462,064	487,477	(25,412)
	Japanese government and local government bonds	259,329	280,283	(20,954)
	Japanese corporate bonds	202,735	207,193	(4,458)
	Equity securities	-	-	-
	Securitization products	21,466	21,469	(3)
	Other	431,081	479,900	(48,818)
	subtotal	914,612	988,846	(74,234)
Total amount		1,895,443	1,945,306	(49,863)

5 Held-to-maturity securities sold during the period

There is no related information to be reported.

6 Policy-reserve-matching bonds sold during the period

Previous consolidated fiscal year (April 1, 2023 to March 31, 2024)

There is no related information to be reported.

Current consolidated fiscal year (April 1, 2024 to March 31, 2025)

(Millions of yen)

	Sales	Total gains on sales	Total losses on sales
Japanese government and corporate bonds	42,096	-	39,197
Japanese government and local government bonds	42,096	-	39,197
Total	42,096	-	39,197

7 Available-for-sale securities sold during the period

Previous consolidated fiscal year (April 1, 2023 to March 31, 2024)

(Millions of yen)

	Sales	Total gains on sales	Total losses on sales
Japanese government and corporate bonds	565,899	17,020	35,356
Japanese government and local government bonds	533,434	17,019	35,201
Japanese government and local government bonds	32,464	0	155
Equity securities	-	-	-
Securitization products	8,150	-	27
Others	113,847	402	9,934
Total	687,897	17,423	45,318

Current consolidated fiscal year (April 1, 2024 to March 31, 2025)

(Millions of yen)

	Sales	Total gains on sales	Total losses on sales
Japanese government and corporate bonds	266,495	1,136	39,385
Japanese government and local government bonds	249,739	1,136	39,129
Japanese government and local government bonds	16,756	-	255
Equity securities	1,166	603	27
Securitization products	1,199	5	-
Others	30,171	321	7,522
Total	299,032	2,066	46,935

8 Impairment of available-for-sale securities

Available-for-sale securities with fair value are considered impaired if the fair value decreases materially below the acquisition cost and such decline is considered non-recoverable. The fair value is recognized as the consolidated balance sheet amount and the write-down is accounted for as a devaluation loss for the fiscal year.

In the previous consolidated fiscal year, impairment losses of 1,817 million yen were recorded for available-for-sale securities. No impairment loss was recognized for available-for-sale securities in the current consolidated fiscal year.

“Material decline” is indicated when the fair value declines by 30% or more from the acquisition cost. However, regarding the securities held by the life insurance subsidiary, for Japanese government bonds, etc., this is indicated when the fair value declines by 50% or more from the acquisition cost, unless the fall in fair value is due to an increase in the credit risk of the issuer.

(Money held in trust)

1 Money held in trust for trading

There is no related information to be reported.

2 Money held in trust for held-to-maturity and policy-reserve-matching

There is no related information to be reported.

3 Other money held in trust (other than for trading, held-to-maturity or policy-reserve-matching)

Previous consolidated fiscal year (As of March 31, 2024)

(Millions of yen)

	Consolidated balance sheet amount	Acquisition cost	Difference	Items whose consolidated balance sheet amount exceeds acquisition cost	Items whose consolidated balance sheet amount does not exceed acquisition cost
Other money held in trust	63,285	64,317	(1,031)	263	(1,295)

(Note) 1. The amount of jointly invested monetary trusts that is included in the table above as of March 31, 2024 is 40 million yen.
2. "Items whose consolidated balance sheet amount exceeds acquisition cost" and "Items whose consolidated balance sheet amount does not exceed acquisition cost" are the breakdown of the difference.

Current consolidated fiscal year (As of March 31, 2025)

(Millions of yen)

	Consolidated balance sheet amount	Acquisition cost	Difference	Items whose consolidated balance sheet amount exceeds acquisition cost	Items whose consolidated balance sheet amount does not exceed acquisition cost
Other money held in trust	39,917	39,928	(10)	176	(187)

(Notes) 1. The amount of jointly invested monetary trusts that is included in the table above as of March 31, 2025 is 40 million yen.
2. "Items whose consolidated balance sheet amount exceeds acquisition cost" and "Items whose consolidated balance sheet amount does not exceed acquisition cost" are the breakdown of the difference.

4 Impairment of other money held in trust

Securities with fair values that are included in other money held in trust are considered impaired if their fair value decreases materially below the acquisition cost and such decline is considered non-recoverable. No impairment loss was recognized for the previous consolidated fiscal year or current consolidated fiscal year. "Material decline" is indicated when the fair value declines by 30% or more from the acquisition cost

(Derivative financial instruments)

1 Hedge accounting not applied

Below is a summary of contractual or notional amounts, current market or fair values, valuation gains or losses, and the method of calculating the fair values of derivatives, classified by transaction, to which hedge accounting is not applied. Notional amounts do not indicate exposure to market risk.

(1) Interest rate derivatives

Previous consolidated fiscal year (As of March 31, 2024)

(Millions of yen)

Category	Type	Notional amount total	Notional amount over 1 year	Fair value	Valuation gains (losses)
Over-the-counter transactions	Interest rate swaps				
	Fixed-rate receivable / Floating-rate payable	286,366	262,370	(1,677)	(1,677)
	Floating-rate receivable / Fixed-rate payable	285,830	284,230	4,188	4,188
	Floating-rate receivable /Floating-rate payable	18,000	16,000	1	1
	Interest swaption				
	Sold	286,900	286,900	(2,573)	(711)
	Bought	43,050	43,050	272	(90)
Total		-	-	211	1,710

(Notes) 1.The above transactions are valued at market, and the valuation gains or losses are recorded in the consolidated statements of income.
2. Fair value is calculated using the discounted cash flow and option pricing models, and others.

Current consolidated fiscal year (As of March 31, 2025)

(Millions of yen)

Category	Type	Notional amount total	Notional amount over 1 year	Fair value	Valuation gains (losses)
Over-the-counter transactions	Interest rate swaps				
	Fixed-rate receivable / Floating-rate payable	475,430	417,111	(9,661)	(9,661)
	Floating-rate receivable / Fixed-rate payable	459,742	435,645	13,181	13,181
	Floating-rate receivable /Floating-rate payable	24,000	23,000	(28)	(28)
	Interest swaption				
	Sold	401,400	401,400	(3,161)	(1,085)
	Bought	81,700	81,700	358	(181)
Total		-	-	688	2,225

(Notes) 1.The above transactions are valued at market, and the valuation gains or losses are recorded in the consolidated statements of income.
2. Fair value is calculated using the discounted cash flow and option pricing models, and others.

(2) Currency derivatives

Previous consolidated fiscal year (As of March 31, 2024)

(Millions of yen)

Category	Type	Notional amount total	Notional amount over 1 year	Fair value	Valuation gains (losses)
Over-the-counter transactions	Currency swaps	50,019	50,019	(1,195)	(1,195)
	Forward foreign exchanges				
	Sold	258,978	-	(2,233)	(2,233)
	Bought	77,227	-	1,030	1,030
	Foreign exchange margin transaction				
	Sold	38,360	-	6,175	6,175
	Bought	20,250	-	(1,764)	(1,764)
	Currency options				
	Sold	423	-	(3)	(1)
	Bought	473	-	4	2
	Currency forward contracts				
	Sold	31	-	0	0
	Bought	11,582	-	131	131
Total		-	-	2,144	2,144

(Notes) 1. The above transactions are valued at market, and the valuation gains or losses are recorded in the consolidated statements of income.

2. Fair value is calculated using the discounted cash flow and option pricing models, and others.

Current consolidated fiscal year (As of March 31, 2025)

(Millions of yen)

Category	Type	Notional amount total	Notional amount over 1 year	Fair value	Valuation gains (losses)
Over-the-counter transactions	Currency swaps	89,525	89,525	1,434	1,434
	Forward foreign exchanges				
	Sold	191,431	-	129	129
	Bought	90,887	-	(197)	(197)
	Foreign exchange margin transaction				
	Sold	26,680	-	3,871	3,871
	Bought	30,037	-	(741)	(741)
	Currency options				
	Sold	345	-	(2)	0
	Bought	579	-	5	2
	Currency forward contracts				
	Sold	3	-	0	0
	Bought	9,774	-	46	46
Total amount		-	-	4,545	4,545

(Notes) 1. The above transactions are valued at market, and the valuation gains or losses are recorded in the consolidated statements of income.

2. Fair value is calculated using the discounted cash flow and option pricing models, and others.

(3) Stock derivatives

Previous consolidated fiscal year (As of March 31, 2024)

(Millions of yen)

Category	Type	Notional amount total	Notional amount over 1 year	Fair value	Valuation gains (losses)
Listed	Stock index futures				
	Sold	170,241	-	(3,428)	(3,428)
Over-the-counter transactions	Total return swap				
	Sold	140,227	-	(1,916)	(1,916)
Total		-	-	(5,344)	(5,344)

(Notes) 1. The above transactions are valued at market, and the valuation gains or losses are recorded in the consolidated statements of income.

2. The fair value for exchange-traded transactions is the closing price on the Exchange at the end of the fiscal year. The fair value for the over-the-counter transactions is stated at the share prices at the end of the fiscal year and other methods.

Current consolidated fiscal year (As of March 31, 2025)

(Millions of yen)

Category	Type	Notional amount total	Notional amount over 1 year	Fair value	Valuation gains (losses)
Listed	Stock index futures				
	Sold	100,237	-	396	396
Over-the-counter transactions	Total return swap				
	Sold	124,809	-	911	911
Total		-	-	1,307	1,307

(Notes) 1. The above transactions are valued at market, and the valuation gains or losses are recorded in the consolidated statements of income.

2. The fair value for exchange-traded transactions is the closing price on the Exchange at the end of the fiscal year. The fair value for the over-the-counter transactions is stated at the share prices at the end of the fiscal year and other methods.

(3) Bond derivatives

Previous consolidated fiscal year (As of March 31, 2024)

There is no related information to be reported.

Current consolidated fiscal year (As of March 31, 2025)

(Millions of yen)

Category	Type	Notional amount total	Notional amount over 1 year	Fair value	Valuation gains (losses)
Listed	Bond futures				
	Sold	170,041	-	3	3
Total		-	-	3	3

(Notes) 1. The above transactions are valued at market, and the valuation gains or losses are recorded in the consolidated statements of income.

2. The fair value for exchange-traded transactions is the closing price on the Exchange at the end of the fiscal year.

2 Hedge accounting is applied

The following provides a summary of contractual or notional amounts, current market or fair values, valuation gains or losses, and the method of calculating the fair values of derivatives, classified by transactions, to which hedge accounting is applied Notional amounts do not indicate exposure to credit loss.

(1) Interest rate derivatives

Previous consolidated fiscal year (As of March 31, 2024)

(Millions of yen)

Hedge accounting	Type	Hedged items	Notional amount total	Notional amount over 1 year	Fair value
Deferred hedge accounting	Interest rate swaps				
	Fixed-rate receivable / Floating-rate payable	Loans	546,000	36,000	(228)
	Floating-rate receivable / Fixed-rate payable	Loans	50,032	50,032	609
Fair value hedge accounting	Interest rate swaps Floating-rate receivable / Fixed-rate payable	Available-for-sale securities (bonds)	169,733	119,383	8,340
Special treatment for interest rate swaps	Interest rate swaps Floating-rate receivable / Fixed-rate payable	Held-to-maturity securities	21,271	13,948	-
Total		-	-	-	8,722

(Notes) 1. Deferred hedge accounting is applied in accordance with the Industry Audit Committee, Practice Guideline No. 24, along with fair value hedge accounting.

2. Fair value is calculated using the discounted cash flow and other methods.
As those that are subject to special treatment for interest rate swaps are included in the fair value of the relevant hedged item as a single unit with the hedged item, their fair value is included in the fair value of the relevant hedged item in “(Financial instruments).”

Current consolidated fiscal year (As of March 31, 2025)

(Millions of yen)

Hedge accounting	Type	Hedged items	Notional amount total	Notional amount over 1 year	Fair value
Deferred hedge accounting	Interest rate swaps Fixed-rate receivable / Floating-rate payable	Loans	136,000	36,000	(473)
	Floating-rate receivable / Fixed-rate payable	Loans	43,394	43,394	716
Fair value hedge accounting	Interest rate swaps Floating-rate receivable / Fixed-rate payable	Available-for-sale securities (bonds)	517,643	495,018	17,095
Special treatment for interest rate swaps	Interest rate swaps Floating-rate receivable / Fixed-rate payable	Held-to-maturity securities	13,715	4,808	-
Total		-	-	-	17,338

(Notes) 1. Deferred hedge accounting is applied in accordance with the Industry Audit Committee, Practice Guideline No. 24, along with fair value hedge accounting.

2. Fair value is calculated using the discounted cash flow and other methods.

As those that are subject to special treatment for interest rate swaps are included in the fair value of the relevant hedged item as a single unit with the hedged item, their fair value is included in the fair value of the relevant hedged item in “(Financial instruments).”

(2) Currency derivatives

Previous consolidated fiscal year (As of March 31, 2024)

(Millions of yen)

Hedge accounting	Type	Hedged items	Notional amount total	Notional amount over 1 year	Fair value
Fair value hedge accounting	Currency swaps	Available-for-sale securities (bonds)	25,000	12,100	3,686
Total		-	-	-	3,686

(Notes) 1. Fair value hedge accounting is used.
2. Fair value is calculated using the discounted cash flow and other methods

Current consolidated fiscal year (As of March 31, 2025)

(Millions of yen)

Hedge accounting	Type	Hedged items	Notional amount total	Notional amount over 1 year	Fair value
Fair value hedge accounting	Currency swaps	Available-for-sale securities (bonds)	12,100	-	807
Total		-	-	-	807

(Notes) 1. Fair value hedge accounting is used.
2. Fair value is calculated using the discounted cash flow and other methods

(3) Bond derivatives

Previous consolidated fiscal year (As of March 31, 2024)

There is no related information to be reported.

Current consolidated fiscal year (As of March 31, 2025)

(Millions of yen)

Hedge accounting	Type	Hedged items	Notional amount total	Notional amount over 1 year	Fair value
Fair value hedge accounting	Bond futures				
	Sold	Available-for-sale securities (bonds)	124,400	-	(2,509)
Total		-	-	-	(2,509)

(Notes) 1. Fair value hedge accounting is used.
2. Fair value is calculated using the discounted cash flow and other methods

(Retirement benefit obligations)

1 Overview of retirement benefit plan

The life insurance subsidiary provides a lump-sum retirement benefit plan to sales staff and a defined benefit corporate pension plan and defined contribution pension plan to internal office staff. the Company and the non-life insurance subsidiary provide a lump-sum retirement benefit plan and a defined contribution pension plan. The banking subsidiary and the nursing care subsidiary mainly provide a lump-sum retirement benefit plan. the Company and some consolidated subsidiaries calculate retirement benefit obligations based on the simplified method.

2 Defined benefit plans

(1) Reconciliation of beginning and ending balances of retirement benefit obligations (excluding those listed in 9)

(Millions of yen)

	For the year ended March 31, 2024	For the year ended March 31, 2025
Balance at the beginning of the period of retirement benefit obligations	50,915	53,160
Service cost	4,952	4,394
Interest cost	502	689
Net actuarial gain arising during the period	1,091	(256)
Retirement benefits paid	(4,076)	(5,708)
Change in scope of consolidation	(224)	-
Balance at the end of the period of retirement benefit obligations	53,160	52,279

(2) Reconciliation of beginning and ending balances of plan assets (excluding those listed in 9))

(Millions of yen)

	For the year ended March 31, 2024	For the year ended March 31, 2025
Balance at the beginning of the period of plan assets	21,979	24,861
Expected return on plan assets	219	248
Net actuarial gain arising during the period	2,342	(715)
Employer contribution	1,451	1,448
Retirement benefits paid	(1,099)	(1,121)
Change in scope of consolidation	(31)	-
Balance at the end of the period of plan assets	24,861	24,721

(3) Reconciliation of the ending balances of retirement benefit obligations and plan assets, and net defined benefit liability and net defined benefit asset recorded on the consolidated balance sheets.

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Funded retirement benefit obligations	14,906	14,537
Plan assets	(24,861)	(24,721)
	(9,955)	(10,184)
Unfunded retirement benefit obligations	38,521	38,056
Net liabilities and assets recorded on the consolidated balance sheets	28,566	27,871
Net defined benefit liability	38,402	38,018
Net defined benefit asset	(9,836)	(10,146)
Net liabilities and assets recorded on the consolidated balance sheets	28,566	27,871

(4) Components and amounts of retirement benefit expense

(Millions of yen)

	For the year ended March 31, 2024	For the year ended March 31, 2025
Service cost	4,952	4,394
Interest cost	502	689
Expected return on plan assets	(219)	(248)
Amortization of net actuarial gain	(488)	(510)
Others	80	99
Retirement benefit expenses related to defined benefit plans	4,827	4,423

(Note) Retirement benefit expenses are included in “Others” based on the simplified method.

(5) Remeasurements of defined benefit plans (before tax deductions)

The breakdown of items recorded as remeasurements of defined benefit plans (before tax deductions) is as follows

(Millions of yen)

	For the year ended March 31, 2024	For the year ended March 31, 2025
Net actuarial gain	770	(969)
Total	770	(969)

(6) Accumulated remeasurements of defined benefit plans (before tax deductions)

The breakdown of items recorded as accumulated remeasurements of defined benefit plans (before tax deductions) is as follows

	As of March 31, 2024	As of March 31, 2025
Unrecognized net actuarial gain	4,141	3,172
Total	4,141	3,172

(7) Plan assets

(i) Major components of plan assets

The percentage share of components by main asset class out of total plan assets is as follows

	As of March 31, 2024	As of March 31, 2025
Bond	66%	68%
Equity securities	31%	30%
Others	3%	2%
Total	100%	100%

(ii) Method of setting the long-term rate of expected return on plan assets

The long-term rate of expected return on plan assets is determined by taking into account the current and expected allocation of plan assets and the current long-term return rate and the long-term return rate that is expected in the future based on the various assets that comprise the plan assets.

(8) Basis for calculating actuarial gain or loss

Main basis for calculating actuarial gain or loss

	As of March 31, 2024	As of March 31, 2025
Discount rate	0.8 - 1.4%	1.5 - 2.0%
Long-term rate of expected return on plan assets	1.0%	1.0%

(9) Reconciliation of beginning and ending balances of net defined benefit liability of the plan based on the simplified method

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Balance at the beginning of the period of net defined benefit liability	188	267
Retirement benefit expenses	71	68
Retirement benefits paid	(4)	(35)
Others	10	13
Balance at the end of the period of net defined benefit liability	267	313

3 Defined contribution plans

The amount of contributions to defined contribution plans of the Company and its consolidated subsidiaries was 410 million yen in the previous consolidated fiscal year and 426 million yen in the current consolidated fiscal year.

(Stock options, etc.)

Previous consolidated fiscal year (April 1, 2023 to March 31, 2024)

There is no related information to be reported.

Current consolidated fiscal year (April 1, 2024 to March 31, 2025)

1 Amount of expense recorded for stock options, etc. and item name

(Millions of yen)

	For the year ended March 31, 2024	For the year ended March 31, 2025
Operating expenses, etc.	-	16

2 Details, size and changes in stock options

(1) Details of stock options

	First series of stock acquisition rights of the Company
Date of resolution	January 10, 2024
Classification and number of grantees	Specified officers of the Company (within the meaning of Section 4(1) of the "Guidelines Concerning Implementation of Business Restructuring (Notification No. 1 of the Ministry of Finance and the Ministry of Economy, Trade and Industry outside Japan, January 17, 2009)") 1 person
Number of stock options granted by type of stock (Note 1)	Common stock 16,430 shares
Grant date	July 1, 2024
Vesting conditions	Stock acquisition rights may be exercised only when the Company's common stock underlying the stock acquisition rights is listed on a financial instruments exchange in Japan. Each stock acquisition right may not be exercised in part. Other conditions shall be as set forth in the stock acquisition right allotment agreement to be entered into between the Company and each stock acquisition right holder.
Subject period of service	There is no stipulation on the period.
Exercise period	From July 1, 2024 to June 30, 2034 (Note 2)

	Second series of stock acquisition rights of the Company
Date of resolution	January 24, 2025
Classification and number of grantees	Outside directors of the Company: 4 Executive officers of the Company: 8 Employees of the Company: 22 Executive Directors of the Company's subsidiaries: 8 Employees of the Company's subsidiaries: 202
Number of stock options granted by type of stock (Note 1)	Common stock 11,397,491 shares
Grant date	March 14, 2025
Vesting conditions	Stock acquisition rights may be exercised only when the Company's common stock underlying the stock acquisition rights, is listed on a financial instruments exchange in Japan. If the grantee is an outside director of the Company on the date of allotment, the stock acquisition rights may not be exercised until the day following the day on which the grantee retires from office as an outside director of the Company due to expiration of his/her term of office (unless he/she is scheduled to be reappointed on the date of such retirement). Each stock acquisition right may not be exercised in part. Other conditions shall be as set forth in the stock acquisition right allotment agreement to be entered into between the Company and each stock acquisition right holder.
Subject period of service	There is no stipulation on the period.
Exercise period	From March 14, 2025 to March 13, 2035 (Note 2)

(Notes) 1. The number of stock options is stated in terms of converted into the number of shares. On August 8, 2025, we conducted a stock split at a ratio of 7,149,358,214 shares for 435,100,266 shares of common stock and the above number of shares granted reflects the stock split.

2. If the last day of the exercise period falls on a holiday of the Company, the last day of the exercise period shall be the preceding business day.

(2) Size and changes in the number of stock options

Stock options that existed during the current fiscal year are covered, and the number of stock options is stated in terms of the number of shares.

(i) Number of stock options

	First series of stock acquisition rights of the Company	Second series of stock acquisition rights of the Company
Before vested (shares)		
At the end of the previous consolidated fiscal year	-	-
Granted	16,430	11,397,491
Lapsed	-	78,864
Vested	-	-
Unvested balance	16,430	11,318,627
After vested (shares)		
At the end of the previous consolidated fiscal year	-	-
Vested	-	-
Exercise	-	-
Lapsed	-	-
Unexercised balance	-	-

(Note) On August 8, 2025, we conducted a stock split at a ratio of 7,149,358,214 shares for 435,100,266 shares of common stock and the above number of shares granted reflects the stock split.

(ii) Unit price information

	First series of stock acquisition rights of the Company	Second series of stock acquisition rights of the Company
Exercise price	162 yen	178 yen
Average share price at the time of exercise	-	-
Fair value at the grant date	36 yen	48 yen

(Note) On August 8, 2025, we conducted a stock split at a ratio of 7,149,358,214 shares for 435,100,266 shares of common stock and the above number of shares granted reflects the stock split.

3 Estimation method for fair valuation of stock option unit price

The estimation method for fair valuation of unit price of stock options granted in the current fiscal year is as follows

	First series of stock acquisition rights of the Company	Second series of stock acquisition rights of the Company
Valuation technique used	Binomial model	Black-Scholes formula
Main basic figures and estimation method		
Stock price volatility	29.93%	33.86%
Expected remaining life	10.00 years	10.00 years
Dividend yield	4.34%	2.96%
Risk-free interest rate	0.61%	1.23%

4 Estimation method for the number of stock options vested

Basically, the Company uses a method that reflects only the actual number of forfeitures, as it is difficult to reasonably estimate the number of forfeitures in the future.

(Information on tax effect accounting)

1 Breakdown of major factors giving rise to deferred tax assets and deferred tax liabilities

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Deferred tax assets		
Tax loss carried forward (*)	2,499	2,523
Policy reserves and others	84,603	92,133
Reserve for price fluctuations	18,934	1,272
Net defined benefit liability	8,043	8,108
Write-down of securities	5,495	4,328
Net unrealized gains (losses) on available-for-sale securities, net of taxes	30,183	31,668
Depreciation and amortization	3,615	3,692
Others	15,070	14,619
Subtotal of deferred tax assets	168,446	158,346
Valuation allowance on tax loss carried forward(*)	(2,456)	(2,476)
Valuation allowance on total deductible temporary differences	(8,020)	(5,749)
Subtotal of valuation allowance	(10,476)	(8,226)
Total deferred tax assets	157,969	150,120
Deferred tax liabilities		
Net unrealized gains (losses) on available-for-sale securities	(512)	(131)
Others	(700)	(648)
Total deferred tax liabilities	(1,213)	(779)
Net deferred tax assets (liabilities)	156,755	149,340

(*) Tax loss carried forward and the deferred tax assets by carry forward period.

Previous consolidated fiscal year (As of March 31, 2024)

(Millions of yen)

	1 year or less	More than 1 year to 2 years	More than 2 years to 3 years	More than 3 years to 4 years	More than 4 years to 5 years	More than 5 years	Total
Tax loss carried forward	156	296	313	-	287	1,445	2,499
Valuation allowance	(156)	(296)	(313)	-	(287)	(1,401)	(2,456)
Deferred tax assets	-	-	-	-	-	43	43

(Note) Tax loss carried forward is calculated by multiplying statutory effective tax rate.

Current consolidated fiscal year (As of March 31, 2025)

(Millions of yen)

	1 year or less	More than 1 year to 2 years	More than 2 years to 3 years	More than 3 years to 4 years	More than 4 years to 5 years	More than 5 years	Total
Tax loss carried forward	300	320	-	294	470	1,136	2,523
Valuation allowance	(254)	(320)	-	(294)	(470)	(1,135)	(2,476)
Deferred tax assets	46	-	-	-	-	0	46

(Note) Tax loss carried forward is calculated by multiplying statutory effective tax rate.

2 Breakdown of major factors giving rise to a significant difference between the statutory effective tax rate and the effective income tax rate after application of tax effect accounting

	As of March 31, 2024	As of March 31, 2025
Statutory effective tax rate	30.6%	30.6%
(Adjustments)		
Difference in tax rate of subsidiaries	(1.1)	(2.2)
Increase (decrease) in valuation allowance	0.1	(1.2)
Impact of sale of shares of subsidiaries and associates	1.4	-
Impact of tax rate change	-	(3.1)
Others	0.4	0.8
Effective tax rate after application of tax effect accounting	31.3%	25.0%

3 Accounting for corporate and local corporate taxes, or accounting for tax effect accounting related to these

The Company and some domestic consolidated subsidiaries apply Sony FG tax sharing system, and perform accounting of corporate tax and local corporate tax, as well as accounting and disclosure of tax effect accounting related to these, in accordance with “Practical Solution on the Accounting and Disclosure Under Sony FG Tax Sharing System” (ASBJ Practical Solution No. 42, August 12, 2021).

4 Revision of the amounts of deferred tax assets and deferred tax liabilities due to changes in corporate tax rates

The “Act Amending Part of the Income Tax Act and Other Laws” (Act No. 13 of 2025) was enacted by the Diet on March 31, 2025, and the “Defense Special Corporate Tax” will be imposed starting from the fiscal year beginning on or after April 1, 2026. In accordance with this, deferred tax assets and deferred tax liabilities related to temporary differences expected to be resolved on or after April 1, 2026, have been calculated using the statutory effective tax rate of 31.5%, revised from 30.6%. As a result of this change, deferred tax assets (net of deferred tax liabilities) for the current fiscal year have increased by 4,198 million yen, Net unrealized gains (losses) on available-for-sale securities have increased by 983 million yen, and the adjustment for corporate taxes and other taxes has decreased by 3,214 million yen.

(Asset retirement obligations)

Asset retirement obligations recorded on the consolidated balance sheets

1 Summary of asset retirement obligations

The reserve for asset retirement obligations is provided for the obligation to restore sites to their original states under the lease agreement of commercial properties, as well as the estimated amount of asbestos removal cost associated with investment and rental property in accordance with Ordinance on Prevention of Health Impairment due to Asbestos and others.

2 Basis of measurement for asset retirement obligations

The amount of asset retirement obligations is calculated by estimating the usable period to be 10 to 50 years from acquisition and then applying a 0.1% to 1.8% discount rate.

3 Changes in the balance of asset retirement obligations

(Millions of yen)

	For the year ended March 31, 2024	For the year ended March 31, 2025
Balance at the beginning of the period	2,122	2,111
Increase due to purchase of tangible fixed assets	63	97
Changes resulting from the passage of time	9	9
Decrease due to performance of asset retirement obligations	(52)	(49)
Decrease due to change in scope of consolidation	(31)	-
Balance at the end of the period	2,111	2,168

(Fair value information on investment and rental property)

Some consolidated subsidiaries own rental office buildings in Tokyo and other areas. The profit or loss from leasing of these investment and rental properties during the current consolidated fiscal year was 5,922 million yen, and the profit or loss from leasing of these investment and rental properties during the previous consolidated fiscal year was 6,226 million yen. Furthermore, the amount of the investment and rental properties recorded on the consolidated balance sheet, the amount of changes during the period, and the fair value at the end of the period are as follows.

(Millions of yen)

		For the year ended March 31, 2024	For the year ended March 31, 2025
Consolidated balance sheet amount			
	Balance at the beginning of the period	71,446	71,517
	Changes during the period	71	46
	Balance at the end of the period	71,517	71,564
Fair value at the end of the period		182,841	176,573

(Notes) 1. The consolidated balance sheet amount is the acquisition cost less accumulated depreciation and impairment losses.

2. The fair value at the end of the period is primarily determined by a licensed third-party real estate appraisal agent.

(Segment Information)

Segment information

1 Outline of Reportable Segments

The Company's reportable segments are components of Sony FG whose operating results are regularly reviewed by the Board of Directors to make decisions about resources to be allocated to the segments and assess their performance, for which discrete financial information is available. The Company is the financial holding company of Sony Life Insurance Co., Ltd., Sony Assurance Inc., Sony Bank Inc., Sony Lifecare Inc., and Sony Financial Ventures Inc., and pursues financial group strategies. The subsidiaries make their own business plans and engage in business activities from which they may earn revenues and incur expenses, under the Insurance Business Act of Japan, the Banking Act of Japan, and other regulations. Sony FG consists of three reportable segments: the life insurance business, the non-life insurance business and the banking business.

(1) The life insurance business consists of Sony Life Insurance Company, Limited and Sony Life Communications Inc.
(2) The non-life insurance business consists of Sony Assurance Inc.
(3) The banking business consists of Sony Bank Inc. and three affiliates accounted for by the equity method, making a total of four companies.

2 Calculation Method for Amounts of Ordinary Revenues, Income, Assets, Liabilities and Other Items by Each Reportable Segment

Accounting of reported business segments is roughly the same as described in "Significant Basic Items for the Preparation of the Consolidated Financial Statements" of this report. Intersegment ordinary revenues are based on third-party transaction prices.

3 Information on Amounts of Ordinary Revenues, Income, Assets, Liabilities and Other Items by Each Reportable Segment

Previous consolidated fiscal year (April 1, 2023 to March 31, 2024)

(Millions of yen)

	Reportable Segment				Other (Note 1)	Total
	Life insurance business	Non-life insurance business	Banking business	Total		
Ordinary revenues (Note 2)						
(1) External customers	3,177,936	152,082	105,288	3,435,306	14,993	3,450,300
(2) Intersegment	3,177	7	316	3,501	0	3,501
Total	3,181,114	152,089	105,604	3,438,808	14,993	3,453,802
Segment profit	25,190	6,479	22,891	54,561	(422)	54,139
Segment assets	16,624,946	304,869	5,353,988	22,283,803	36,130	22,319,933
Other						
Depreciation (Note 3)	11,137	4,252	1,785	17,175	970	18,146
Interest income and dividends	229,549	1,483	77,895	308,928	3	308,931
Interest expenses	41,467	-	29,573	71,041	1,730	72,771
Equity in earnings (losses) of affiliates	-	-	(52)	(52)	-	(52)
Investments in affiliates	-	-	620	620	-	620
Increase in tangible fixed assets and intangible fixed assets (Note 4)	11,270	3,963	3,337	18,571	202	18,773

(Notes) 1.“Other” represents the nursing care business and the venture capital business, which are business segments not included in reportable segments.

2. Ordinary revenues stated herein are equivalent to net sales of a regular entity

3. Depreciation includes amortization of long-term prepaid expenses, etc.

4. Increase in tangible fixed assets and intangible fixed assets includes an increase in long-term prepaid expenses, etc.

Current consolidated fiscal year (April 1, 2024 to March 31, 2025)

(Millions of yen)

	Reportable Segment				Other (Note 1)	Total
	Life insurance business	Non-life insurance business	Banking business	Total		
Ordinary revenues (Note 2)						
(1) External customers	2,313,452	168,854	116,991	2,599,297	19,415	2,618,712
(2) Intersegment	3,613	40	30	3,684	0	3,684
Total	2,317,065	168,894	117,021	2,602,981	19,415	2,622,397
Segment profit	20,615	7,200	18,881	46,696	644	47,341
Segment assets	16,937,510	321,607	6,078,423	23,337,541	39,578	23,377,119
Other						
Depreciation (Note 3)	11,138	4,527	1,426	17,092	1,039	18,132
Interest income and dividends	228,006	1,714	96,759	326,480	5	326,486
Interest expenses	33,617	-	44,581	78,199	1,840	80,039
Equity in earnings (losses) of affiliates	-	-	82	82	-	82
Investments in affiliates	-	-	0	0	-	0
Increase in tangible fixed assets and intangible fixed assets (Note 4)	13,383	5,464	6,964	25,812	4,039	29,852

(Notes) 1.“Other” represents the nursing care business and the venture capital business, which are business segments not included in reportable segments.
2.Ordinary revenues stated herein are equivalent to net sales of a regular entity
3.Depreciation includes amortization of long-term prepaid expenses, etc.
4.Increase in tangible fixed assets and intangible fixed assets includes an increase in long-term prepaid expenses, etc.

4 Differences between the Reportable Segments Total and the Amount in the Consolidated Financial Statements, and the Main Components of Such Differences (Matters Related to Reconciliation)

(1) Total ordinary revenues of reportable segments and ordinary revenues recorded in the consolidated statements of income

(Millions of yen)

Ordinary revenue	For the year ended March 31, 2024	For the year ended March 31, 2025
Total of reportable segments	3,438,808	2,602,981
Other	14,993	19,415
Adjustments for intersegment transactions	(3,501)	(3,684)
Ordinary revenues in statements of income	3,450,300	2,618,712

(2) Total income of reportable segments and ordinary profit in the consolidated statements of income

(Millions of yen)

Ordinary profit	For the year ended March 31, 2024	For the year ended March 31, 2025
Total of reportable segments	54,561	46,696
Other	(422)	644
Amount not allocated to reportable segments (Note)	219	(2,452)
Ordinary profit in statement of income	54,358	44,889

(Note) This is mainly the profit and loss of the holding company (company submitting consolidated financial statements).

(3) Total assets of reportable segments and the amount of assets in the consolidated balance sheets

(Millions of yen)

Assets	For the year ended March 31, 2024	For the year ended March 31, 2025
Total of reportable segments	22,283,803	23,337,541
Other	36,130	39,578
Adjustments for intersegment transactions	(315,833)	(184,160)
Amount not allocated to reportable segments (Note)	79,661	177,963
Assets in balance sheets	22,083,761	23,370,923

(Note) This is mainly the profit and loss of the holding company (company submitting consolidated financial statements)

(4) Total other items of reportable segments and the amount of the items equivalent thereto in the consolidated financial statements

(Millions of yen)

Other Items	Reportable Segments Total		Other		Reconciliation		Amounts in the Consolidated Financial Statements	
For the year ended March 31,	2024	2025	2024	2025	2024	2025	2024	2025
Depreciation	17,175	17,092	970	1,039	49	230	18,195	18,363
Interest income and dividends	308,928	326,480	3	5	(11)	(239)	308,920	326,246
Interest expenses	71,041	78,199	1,730	1,840	(32)	(367)	72,739	79,672
Equity in earnings (losses) of affiliates	(52)	82	-	-	-	-	(52)	82
Investments in equity-method affiliates	620	0	-	-	-	-	620	0
Increase in tangible fixed assets and intangible fixed assets	18,571	25,812	202	4,039	939	728	19,713	30,580

[Related information]

Previous consolidated fiscal year (April 1, 2023 to March 31, 2024)

1 Information by service

(Millions of yen)

	Life Insurance Business	Non-life Insurance Business	Banking Business	Other	Total
Ordinary revenues from external customers	3,177,936	152,082	105,288	14,993	3,450,300

(Note) Ordinary revenues are listed instead of net sales for general companies.

2 Information by region

(1) Ordinary revenues

This information is omitted because the amount classified as ordinary revenues from external customers in Japan exceeds 90% of the ordinary revenues on the consolidated statements of income.

(2) Tangible fixed assets

This information is omitted because the amount of tangible fixed assets located in Japan exceeds 90% of the amount of tangible fixed assets on the consolidated balance sheets.

3 Information by major customer

This information is omitted because no specific customer accounts for 10% or more of the ordinary revenues on the consolidated statements of income.

Current consolidated fiscal year (April 1, 2024 to March 31, 2025)

1 Information by service

(Millions of yen)

	Life Insurance Business	Non-life Insurance Business	Banking Business	Other	Total
Ordinary revenues from external customers	2,313,452	168,854	116,991	19,415	2,618,712

(Note) Ordinary revenues are listed instead of net sales for general companies.

2 Information by region

(1) Ordinary revenues

This information is omitted because the amount classified as ordinary revenues from external customers in Japan exceeds 90% of the ordinary revenues on the consolidated statements of income.

(2) Tangible fixed assets

This information is omitted because the amount of tangible fixed assets located in Japan exceeds 90% of the amount of tangible fixed assets on the consolidated balance sheets.

3 Information by major customer

This information is omitted because no particular customer accounts for 10% or more of the ordinary revenues on the consolidated statements of income.

[Information on impairment losses on fixed assets by reportable segment]

Previous consolidated fiscal year (April 1, 2023 to March 31, 2024)

(Millions of yen)

	Reportable Segment				Other	Total
	Life Insurance Business	Non-life Insurance Business	Banking Business	Total		
Impairment loss	49	-	-	49	42	92

Current consolidated fiscal year (April 1, 2024 to March 31, 2025)

(Millions of yen)

	Reportable Segment				Other	Total
	Life Insurance Business	Non-life Insurance Business	Banking Business	Total		
Impairment loss	714	-	-	714	166	880

[Information on the amortization and unamortized balance of goodwill by reportable segment]

Previous consolidated fiscal year (April 1, 2023 to March 31, 2024)

(Millions of yen)

	Reportable Segment t				Other	Total
	Life Insurance Business	Non-life Insurance Business	Banking Business	Total		
Amortization for period	180	-	-	180	-	180
Balance at end of current period	2,857	-	-	2,857	-	2,857

Current consolidated fiscal year (April 1, 2024 to March 31, 2025)

(Millions of yen)

	Reportable Segment				Other	Total
	Life Insurance Business	Non-life Insurance Business	Banking Business	Total		
Amortization for period	180	-	-	180	-	180
Balance at end of current period	2,676	-	-	2,676	-	2,676

[Information on gain on bargain purchase by reportable segment]

Not applicable

[Related party information]

1 Related party transactions

(1) Transactions between the company submitting the consolidated financial statements and related parties

(i) Parent company and major shareholders (limited to companies, etc.) of the company submitting the consolidated financial statements

Previous consolidated fiscal year (April 1, 2023 to March 31, 2024)

Type	Name of company, etc. or individual	Address	Capital stock or investment capita(millions of yen)	Business details or occupation	Percentage of voting rights held in (held by) the entity (%)	Relationship with related party	Transaction details	Transaction amount (millions of yen)	Account item	Balance at end of period millions of yen)
Parent company	Sony Group Corporation	Minato-ku, Tokyo	881,356	Management of subsidiaries	(Held by entity) Direct 100	Accepting seconded staff, concurrent directorships, etc.	Payment of salaries, etc. for seconded staff	229	Accrued expenses	14
							Effect of tax sharing	38	Accounts payable	38

((Notes) 1. The transaction amounts do not include consumption tax, etc., while the balances at the end of the period include consumption tax, etc.

2. Terms and conditions of transactions and policies for determining terms and conditions of transactions, etc.
An amount equivalent to the personnel expenses of the seconded person is paid in accordance with the memorandum of understanding on secondment.

Current consolidated fiscal year (April 1, 2024 to March 31, 2025)

Type	Name of company, etc. or individual	Address	Capital stock or investment capita(millions of yen)	Business details or occupation	Percentage of voting rights held in (held by) the entity (%)	Relationship with related party	Transaction details	Transaction amount (millions of yen)	Account item	Balance at end of period millions of yen)
Parent company	Sony Group Corporation	Minato-ku, Tokyo	881,356	Management of subsidiaries	(Held by entity) Direct 100	Accepting seconded staff, concurrent directorships, etc.	Payment of salaries, for seconded staff	265	Accrued expenses	18
							Receiving of salaries for seconded staff	23	Accounts receivable	1
							Payment for outsourcing, etc.	45	Accrued expenses	22
							Payment for video production	38	Accounts payable	42
							Effect of tax sharing	549	Accounts receivable	549

(Notes) 1. The transaction amounts do not include consumption tax, etc., while the balances at the end of the period include consumption tax, etc.

2. Terms and conditions of transactions and policies for determining terms and conditions of transactions, etc.

(1) For payment of salaries for seconded staff, an amount equivalent to the personnel expenses of the seconded person is paid in accordance with the memorandum of understanding on secondment.

(2) For receiving of salaries for seconded staff, an amount equivalent to the personnel receivable of the seconded person is paid in accordance with the memorandum of understanding on secondment.

(3) Other transactions are determined by referring to market prices and general trading conditions.

(ii) Non-consolidated subsidiaries and affiliates of companies submitting consolidated financial statements

No material information to be stated.

(iii) Companies, etc. that have the same parent company as the company submitting the consolidated financial statements, and subsidiaries, etc. of other subsidiaries and associates of the company submitting the consolidated financial statements

No material information to be stated.

(iv) Officers and major shareholders (limited to individuals) of the company submitting the consolidated financial statements

Not applicable

(2) Transactions between consolidated subsidiaries of the company submitting the consolidated financial statements and related parties

(i) Parent company and major shareholders (limited to companies, etc.) of the company submitting the consolidated financial statements

Previous consolidated fiscal year (April 1, 2023 to March 31, 2024)

Type	Name of company, etc. or individual	Address	Capital stock or investment capita(millions of yen)	Business details or occupation	Percentage of voting rights held in (held by) the entity (%)	Relationship with related party	Transaction details	Transaction amount (millions of yen)	Account item	Balance at end of period millions of yen)
Parent company	Sony Group Corporation	Minato-ku, Tokyo	881,356	Management of subsidiaries	(Held by entity) Direct 100	Payment of brand royalties, leasing of buildings, acceptance of seconded staff, etc.	Payment of brand royalties	2,175	Other liabilities (accounts payable, etc.)	4,363
							Receiving rental income	9,095	Other liabilities (unearned revenue)	826
							Payment of salaries for seconded staff	146	Other liabilities (guarantee deposits received)	4,057
							Effect of tax sharing	5,903	Other assets (accounts receivable)	2,129
							Other	486		

(Notes) 1. The transaction amounts do not include consumption tax, etc., while the balances at the end of the period include consumption tax, etc.

2. Terms and conditions of transactions and policies for determining terms and conditions of transactions, etc.

(1) As part of its asset management, the life insurance subsidiary began leasing its headquarters building to Sony Corporation (now Sony Group Corporation) in October 2006, and the rent is determined through discussions based on real estate appraisal.

(2) “Sony” used in the trade names of the Company, subsidiaries, and affiliated companies and trademarks that use “Sony” in part belong to Sony Group Corporation, and the Company, subsidiaries, and affiliated companies have concluded a trade name and trademark license agreement with Sony Group Corporation regarding the use of such trademarks, etc. Brand royalties are paid based on the trade name and trademark license agreement.

(3) For payment of salaries for seconded staff, an amount equivalent to the personnel expenses of the seconded person is paid in accordance with the memorandum of understanding on secondment.

(4) The acquisition prices of buildings and land are determined through discussions based on real estate appraisal.

(5) Other transactions are determined by referring to market prices and general trading conditions.

Current consolidated fiscal year (April 1, 2024 to March 31, 2025)

Type	Name of company, etc. or individual	Address	Capital stock or investment capita(millions of yen)	Business details or occupation	Percentage of voting rights held in (held by) the entity (%)	Relationship with related party	Transaction details	Transaction amount (millions of yen)	Account item	Balance at end of period millions of yen)
Parent company	Sony Group Corporation	Minato-ku, Tokyo	881,356	Management of subsidiaries	(Held by entity) Direct 100	Payment of brand royalties, leasing of buildings, acceptance of seconded staff, etc.	Payment of brand royalties	7,408	Other liabilities (accounts payable, etc.)	9,592
							Receiving rental income	9,126	Other liabilities (unearned revenue)	840
							Payment of salaries for seconded staff	140	Other liabilities (guarantee deposits received)	4,098
							Effect of tax sharing	7,834	Other assets (accounts receivable)	307
							Other	366		

(Notes) 1. The transaction amounts do not include consumption tax, etc., while the balances at the end of the period include consumption tax, etc.

2. Terms and conditions of transactions and policies for determining terms and conditions of transactions, etc.

(1) As part of its asset management, the life insurance subsidiary began leasing its headquarters building to Sony Corporation (now Sony Group Corporation) in October 2006, and the rent is determined through discussions based on real estate appraisal.

(2) “Sony” used in the trade names of the Company, subsidiaries, and affiliated companies and trademarks that use “Sony” in part belong to Sony Group Corporation, and the Company, subsidiaries, and affiliated companies have concluded a trade name and trademark license agreement with Sony Group Corporation regarding the use of such trademarks, etc. Brand royalties are paid based on the trade name and trademark license agreement.

(3) For payment of salaries for seconded staff, an amount equivalent to the personnel expenses of the seconded person is paid in accordance with the memorandum of understanding on secondment.

(4) The acquisition prices of buildings and land are determined through discussions based on real estate appraisal.

(5) Other transactions are determined by referring to market prices and general trading conditions.

(ii) Non-consolidated subsidiaries and affiliates of companies submitting consolidated financial statements

No material information to be stated.

(iii) Companies, etc. that have the same parent company as the company submitting the consolidated financial statements, and subsidiaries, etc. of other subsidiaries and associates of the company submitting the consolidated financial statements

Previous consolidated fiscal year (April 1, 2023 to March 31, 2024)

Type	Name of company, etc. or individual	Address	Capital stock or investment capita(millions of yen)	Business details or occupation	Percentage of voting rights held in (held by) the entity (%)	Relationship with related party	Transaction details	Transaction amount (millions of yen)	Account item	Balance at end of period millions of yen)
Company with same parent company	Frontage Inc.	Minato-ku, Tokyo	100	Advertising agency business	None	Purchasing advertising media, advertising production, etc.	Payment of advertising expenses, etc.	8,031	Other liabilities (accounts payable, etc.)	989

(Notes) 1. The transaction amounts do not include consumption tax, etc., while the balances at the end of the period include consumption tax, etc.

2. Terms and conditions of transactions and policies for determining terms and conditions of transactions, etc.

Determined by referring to market prices and general trading conditions.

Current consolidated fiscal year (April 1, 2024 to March 31, 2025)

Type	Name of company, etc. or individual	Address	Capital stock or investment capita(millions of yen)	Business details or occupation	Percentage of voting rights held in (held by) the entity (%)	Relationship with related party	Transaction details	Transaction amount (millions of yen)	Account item	Balance at end of period millions of yen)
Company with same parent company	Frontage Inc.	Minato-ku, Tokyo	100	Advertising agency business	None	Purchasing advertising media, advertising production, etc.	Payment of advertising expenses, etc.	7,612	Other liabilities (accounts payable, etc.)	993

(Notes) 1. The transaction amounts do not include consumption tax, etc., while the balances at the end of the period include consumption tax, etc.

2. Terms and conditions of transactions and policies for determining terms and conditions of transactions, etc.

Determined by referring to market prices and general trading conditions.

(iv) Officers and major shareholders (limited to individuals) of the company submitting the consolidated financial statements

Not applicable

2. Notes on the parent company and significant affiliates

(1) Parent company information

Sony Group Corporation (listed on the Tokyo Stock Exchange and the New York Stock Exchange (USA))

(2) Summary financial information for significant affiliates

Not applicable

(Per share information)

	As of March 31, 2024	As of March 31, 2025
Net assets per share	83.09 yen	93.68 yen
Profit per share	5.76 yen	11.02 yen

(Notes) 1. Diluted profit per share for the previous consolidated fiscal year is not shown since there are no dilutive shares.

2. Diluted profit per share for the current consolidated fiscal year is not shown since, although there are dilutive shares, the Company's shares are not listed and the average share price during the period cannot be determined.

3. The Company has conducted a stock split on August 8, 2025, at a ratio of 7,149,358,214 shares for 435,100,266 shares of common stock. Net assets per share and profit per share have been calculated assuming that the stock split was conducted at the beginning of the previous consolidated fiscal year.

4. The basis for calculating profit per share is as follows.

	For the year ended March 31, 2024	For the year ended March 31, 2025
Profit attributable to owners of the parent (millions of yen)	41,176	78,791
Amount not attributable to common shareholders (millions of yen)	-	-
Profit attributable to owners of parent pertaining to common shares (millions of yen)	41,176	78,791
Average number of common shares during period (thousand shares)	7,149,358	7,149,358

5. The basis for calculating net assets per share is as follows.

	For the year ended March 31, 2024	For the year ended March 31, 2025
Total amount of net assets (millions of yen)	594,008	669,754
Amount deducted from Total amount of net assets (millions of yen)	-	16
(Non-controlling interests) (millions of yen)	-	16
Net assets pertaining to common shares at end of period (millions of yen)	594,008	669,738
Number of common shares at end of period used to calculate net assets per share (thousands of shares)	7,149,358	7,149,358
Overview of potential shares excluded from calculation of diluted earnings per share due to their non-dilutive effect	-	Two types of stock acquisition rights. For details, please refer to "IV. Company Information – 1. Status of Shares – (2) Status of Stock Acquisition Rights."

(Subsequent Events)

Previous consolidated fiscal year (April 1, 2023 to March 31, 2024)

Not applicable

Current consolidated fiscal year (April 1, 2024 to March 31, 2025)

(Changes in parent company)

At a meeting of board of directors of Sony Group Corporation (“SGC”), the parent company of the Company, held on May 14, 2025, SGC decided to submit a resolution for the execution of a partial spin-off (the “Spin-off”) of the Company to SGC’s board of directors in early September 2025. In the Spin-off, SGC plans to distribute slightly more than 80% of the shares of common stock of the Company (“SFGI share(s)”) held by SGC to SGC’s shareholders through dividends in kind, and upon the execution of the Spin-off, SGC will no longer be a parent company of the Company, and the Company will become an affiliate of SGC accounted for using the equity method.

In addition, the execution of the Spin-off is based on the premise of the listing of SFGI shares on the Prime Market of the Tokyo Stock Exchange (“TSE”), and the Company submitted a preliminary application for the initial listing to the TSE on May 8, 2025. The Company plans to submit the final application for initial listing to the TSE prior to the execution of the Spin-off, and the execution of the Spin-off is subject to approval from the TSE for the listing of SFGI shares, as well as approvals, certifications and/or permissions by other relevant authorities.

Also, at a meeting of the Company’s Board of Directors held on April 28, 2025, the Company decided to repurchase its own shares amounting to approximately 100 billion yen over a period from its listing until the end of March 2027, in order to mitigate the impact of the Spin-off on the supply and demand of SFGI shares after its listing and to improve capital efficiency at the Company after its listing. Furthermore, at the Board of Directors meeting held on August 8, 2025, the Company established a share repurchase limit of up to 100 billion yen for the period from September 29, 2025 to August 8, 2026.

(1) Name, address, name of representative, amount of capital stock and business activities of the parent company to be changed

(Overview of the company that will no longer be the parent company)

1. Name: Sony Group Corporation
2. Address: 1-7-1 Konan, Minato-ku, Tokyo
3. Name of Representative: Hiroki Totoki, Representative Corporate Executive Officer
4. Capital: 881,356 million yen
5. Business: Management of subsidiaries

(2) Number of voting rights held by the parent company before and after the change and percentage of voting rights held by the parent company in relation to the total voting rights of all shareholders and others of the Company.

1. Number of voting rights held by the parent company

Before the change: 435,100,266

After the change: Undecided

2. Percentage of voting rights held by the parent company in relation to the total voting rights of all shareholders and others of the Company

Before the change: 100.00%

After the change: Undecided*

*The percentage of voting rights held by the parent company in relation to the total voting rights of all shareholders and others of the Company after the change is expected to be less than 20%.

(3) Date of the change

October 1, 2025 (Scheduled)

(Stock split and adoption of share unit system)

Based on the resolution of the Board of Dirctors meeting held on August 8, 2025, the Company has implemented a stock split and amended its Articles of Incorporation regarding the total number of authorized shares on the same date. In addition, based on the resolution of the Ordinary General Meeting of Shareholders held on June 20, 2025, the Company has partially amended the Articles of Incorporation effective on the same date to adopt a share unit system.

(1) Purposes of the stock split and adoption of share unit system

The Company has implemented a stock split and adopted the share unit system with one (1) unit consisting of 100 shares, for the purpose of distributing its shares through dividends in kind to shareholders recorded in SGC’s register of shareholders as of September 30, 2025, at the rate of one (1) Company’s share to one (1) SGC’s share held by each shareholder of SGC on the record date of September 30, 2025, through the execution of the Spin-off.

(2) Summary of stock split

1. Method of the stock split

As of the record date of August 8, 2025, 435,100,266 shares of common stock held by shareholders recorded in the Company's register of shareholders as of the end of the day has been split into 7,149,358,214 shares.

2. Number of shares to be increased by the stock split

Total number of issued shares before the stock split	435,100,266 shares
Number of shares to be increased by the stock split	6,714,257,948 shares
Total number of issued shares following the stock split	7,149,358,214 shares
Total number of authorized shares following the stock split	25,000,000,000 shares

The Company amended the Articles of Incorporation regarding the total number of authorized shares, and the total number of authorized shares increased by 23,400,000,000 shares to 25,000,000,000 shares on August 8, 2025.

3. Schedule of the stock split

Record date	August 8, 2025
Effective date	August 8, 2025

4. The impacts on per share information

Per share information are calculated assuming that the stock split was implemented at the beginning of the previous consolidated fiscal year and the impacts on per share information are described in the relevant section.

(3) Adoption of share unit system

The Company has adopted a share unit system, with 100 shares constituting one unit of common stock.

(5) Consolidated Supplementary Schedules

[Schedule of Bonds]

Company Name	description	date of issue	Balance at the beginning of current period (Millions of yen)	Balance at the end of current period (Millions of yen)	Interest rate (%)	security	redemption date
the Company	No. 4 Unsecured Corporate Bonds (limited to qualified institutional investors)	February 26, 2018	10,000 (10,000)	-	0.220% p.a.	None	February 26, 2025
the Company	No. 5 Unsecured Corporate Bonds	July 22, 2022	10,000	10,000	0.380% p.a.	None	July 22, 2027
Sony Bank Inc.	No. 2 Unsecured Corporate Bonds (limited to qualified institutional investors)	January 28, 2021	20,000	20,000 (20,000)	0.200% p.a.	None	January 28, 2026
Sony Bank Inc.	No. 3 Unsecured Corporate Bonds (limited to qualified institutional investors)	May 9, 2022	10,000	10,000 (10,000)	0.230% p.a.	None	May 9, 2025
Sony Bank Inc.	No. 4 Unsecured Corporate Bonds (limited to qualified institutional investors)	February 13, 2024	20,000	20,000	0.708% p.a.	None	February 13, 2029
Sony Bank Inc.	No. 5 Unsecured Corporate Bonds (limited to qualified institutional investors)	October 30, 2024	-	18,500	0.968% p.a.	None	October 30, 2029
Sony Bank Inc.	No. 6 Unsecured Corporate Bonds (limited to qualified institutional investors)	December 10, 2024	-	10,000	1.089% p.a.	None	December 10, 2029
Sony Bank Inc.	No. 7 Unsecured Corporate Bonds (limited to qualified institutional investors)	December 18, 2024	-	10,000	1. 038% p.a.	None	December 18, 2028
Sony Bank Inc.	No. 8 Unsecured Corporate Bonds (limited to qualified institutional investors)	February 28, 2025	-	12,000	1.475% p.a.	None	February 28, 2030
Total	-	-	70,000 (10,000)	110,500 (30,000)	-	-	-

(Notes) 1. The amount in parentheses in the “Balance at the end of current period” column is the amount due within one year.

2. The redemption schedule for the five years following the consolidated settlement date is as follows.

Within 1 year (Millions of yen)	Over 1 year and within 2 years (Millions of yen)	Over 2 years and within 3 years (Millions of yen)	Over 3 years and within 4 years (Millions of yen)	Over 4 years and within 5 years (Millions of yen)
30,000	-	10,000	30,000	40,500

[Schedule of Borrowings, etc.]

Classification	Balance at the beginning of current period (Millions of yen)	Balance at the end of current period (Millions of yen)	Average interest rate (%)	Due date
Short-term borrowings	13,816	83,779	0.1	-
Current portion of long-term borrowings	38,800	20,000	0.0	-
Current portion of lease liabilities	590	644	6.8	-
Long-term borrowings (excluding current portion)	415,100	395,241	0.0	2026 - 2028
Lease liabilities (excluding current portion)	21,968	25,195	7.2	2026 - 2054
Other interest-bearing debt	-	-	-	-
Total	490,276	524,860	-	-

(Notes) 1. The “average interest rate” is the weighted average interest rate for the balance of borrowings at the end of the period.

2. The repayment schedule for long-term borrowings and lease liabilities (excluding the current portion) for the five years following the consolidated settlement date is as follows.

	Over 1 year and within 2 years (Millions of yen)	Over 2 years and within 3 years (Millions of yen)	Over 3 years and within 4 years (Millions of yen)	Over 4 years and within 5 years (Millions of yen)
Long-term borrowings	230,141	165,100	-	-
Lease liabilities	639	657	684	713

[Schedule of Asset Retirement Obligations]

This information is omitted because the amount of asset retirement obligations at the beginning and end of the current consolidated fiscal year is less than 1% of the Total amount of liabilities and net assets at the beginning and end of the current fiscal year.

(2) Other

Interim Information for the Current Consolidated Fiscal Year

		Interim consolidated period	Full consolidated fiscal year
Ordinary revenues	(Millions of yen)	1,283,779	2,618,712
Interim (full-year) income before income taxes	(Millions of yen)	23,581	105,082
Interim (full-year) profit attributable to owners of the parent	(Millions of yen)	17,805	78,791
Interim (full-year) net income per share		2.49 yen	11.02 yen

(Note) The Company has conducted a stock split on August 8, 2025, at a ratio of 7,149,358,214 shares for 435,100,266 shares of common stock. Interim (full-year) earnings per share have been calculated assuming that the stock split was conducted at the beginning of the current fiscal year.

2 Non-Consolidated Financial Statements

(3) Details of items not based on resolutions of the General Meeting of Shareholders or the Board of Directors

Not applicable

(1) Financial Statements

(1) Balance Sheet

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and due from banks	9,488	*1 173,628
Call loans	*1 50,000	-
Accounts receivable	*1 1,347	*1 1,565
Income taxes refund receivable - other	17,306	25
Other	6	*1 189
Total current assets	78,149	175,408
Fixed assets		
Tangible fixed assets		
Buildings	111	168
Tools, furniture and fixtures	32	110
Construction in progress	7	17
Total Tangible fixed assets	151	296
Intangible fixed assets		
Patent rights	0	0
Software	921	775
Software in progress	10	505
Other	0	0
Total intangible fixed assets	933	1,281
Investments and other assets		
Investment securities	300	350
Shares of subsidiaries and associates	242,800	243,038
Deferred tax asset	681	737
Other	238	235
Total investments and other assets	244,020	244,361
Total fixed assets	245,105	245,940
Total assets	323,254	421,349

(Millions of yen)

	For the year ended March 31, 2024	For the year ended March 31, 2025
Liabilities		
Current liabilities		
Accounts payable	*1 140	*1 173
Accrued expenses	*1 561	*1 785
Income taxes payable	36	-
Dividends payable	5	2
Reserve for employees' bonuses	383	420
Provision for bonuses for directors (and other officers)	53	57
Corporate bonds due within one year	10,000	-
Other	*1 203	*1 147
Total current liabilities	11,385	1,587
Non-current liabilities		
Bonds payable	10,000	10,000
Reserve for employee retirement benefits	186	202
Provision for loss on guarantees	2,060	2,060
Asset retirement obligations	32	38
Other	8	43
Total non-current liabilities	12,287	12,344
Total liabilities	23,673	13,932
Net assets		
Shareholders' equity		
Common stock	20,029	20,029
Capital surplus		
Additional paid-in capital	195,406	5,406
Other capital surplus	-	190,000
Total capital surplus	195,406	195,406
Retained earnings		
Other retained earnings		
Retained earnings brought forward	84,145	191,965
Total retained earnings	84,145	191,965
Total shareholders' equity	299,581	407,400
Stock acquisition rights	-	16
Total net assets	299,581	407,417
Total liabilities and net assets	323,254	421,349

(2) Statements of Income

(Millions of yen)

	For the year ended March 31, 2024	For the year ended March 31, 2025
Operating revenue		
Commissions from subsidiaries and associates	4,076	2,780
Dividends from subsidiaries and associates	84,984	109,628
Total operating revenue	*1 89,061	*1 112,408
Operating expenses		
Selling, general and administrative expenses		
Remuneration, salaries and allowances for directors (and other officers)	2,080	2,541
Rent expenses	182	252
Travel and transportation expenses	30	67
Outsourcing	920	1,341
Legal expenses	93	201
Taxes and public dues	32	16
Depreciation and amortization	49	230
Commission expenses	3	4
Other	429	581
Total operating expenses	*1 3,822	*1 5,237
Operating income	85,238	107,171
Non-operating income		
Interest income	1	64
Miscellaneous income	30	38
Total non-operating income	*1 32	*1 103
Non-operating expenses		
Interest on corporate bonds	59	57
Other	0	0
Total non-operating expenses	60	58
Ordinary income	85,211	107,216
Extraordinary losses		
Provision for losses on guarantees	*2 2,060	-
Total extraordinary losses	2,060	-
Income before income taxes	83,151	107,216
Income taxes - current	99	(547)
Income taxes-deferred	(472)	(56)
Total income taxes	(372)	(603)
Profit	83,524	107,819

(3) Statements of Changes in Net Assets

Previous fiscal year (April 1, 2023 to March 31, 2024)

(Millions of yen)

	Shareholders' equity						Total net assets
	Common stock	Capital surplus		Retained earnings		Total shareholders' equity	
		Additional paid-in capital	Total capital surplus	Other retained earnings Retained earnings brought forward	Total retained earnings		
Balance at the beginning of the period	20,029	195,406	195,406	50,658	50,658	266,093	266,093
Changes during the period							
Dividends from surplus	-	-	-	(50,036)	(50,036)	(50,036)	(50,036)
Profit	-	-	-	83,524	83,524	83,524	83,524
Net changes of items other than shareholders' equity	-	-	-	-	-	-	-
Total changes during the period	-	-	-	33,487	33,487	33,487	33,487
Balance at the end of the period	20,029	195,406	195,406	84,145	84,145	299,581	299,581

Current fiscal year (April 1, 2024 to March 31, 2025)

(Millions of yen)

	Shareholders' equity							Stock acquisition rights	Total net assets
	Common stock	Capital surplus			Retained earnings		Total shareholders' equity		
		Additional paid-in capita	Other capital surplus	Total capital surplus	Other retained earnings Retained earnings brought forward	Total retained earnings			
Balance at the beginning of the period	20,029	195,406	-	195,406	84,145	84,145	299,581	-	299,581
Changes during the period									
Dividends from surplus	-	-	-	-	107,819	107,819	107,819	-	107,819
Profit	-	(190,000)	190,000	-	-	-	-	-	-
Net changes of items other than shareholders' equity	-	-	-	-	-	-	-	16	16
Total changes during the period	-	(190,000)	190,000	-	107,819	107,819	107,819	16	107,835
Balance at the end of the period	20,029	5,406	190,000	195,406	191,965	191,965	407,400	16	407,417

Notes

(Summary of Significant Accounting Policies)

Previous fiscal year (April 1, 2023 to March 31, 2024)

1 Securities

(1) Total amount of shares in subsidiaries and affiliates

Acquisition cost based on the moving-average method.

(2) Available-for-sale securities (Stocks without a market price)

Acquisition cost based on the moving-average method.

2 Fixed assets

(1) Tangible fixed assets

All tangible fixed assets, including real estate for lease, are initially recorded at cost. Subsequent expenses related to asset improvements are capitalized or are recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Companies and the cost of the item can be measured reliably. All other repairs and maintenance charges are charged to income when incurred. Depreciation is computed by the straight-line method over the estimated useful lives of the assets as follows:

• Buildings: 3 to 50 years

•Tools, furniture and fixtures: 2 to 20 years

(2) Intangible fixed assets

Intangible fixed assets are amortized using the straight-line method. Software for internal use is amortized using the straight-line method over 5 years, its estimated useful life.

3 Basis for reserves

(1) Reserve for employees' bonuses

The reserve for employees' bonuses is provided for the estimated amount of bonuses the Companies are required to pay for services provided during the current fiscal year.

(2) Provision for bonuses for directors (and other officers)

In order to provide for the payment of bonuses to directors (and other officers), the amount attributable to the current fiscal year is recorded as the estimated amount to be paid to directors (and other officers).

(3) Provision for retirement benefits

In order to provide for employee retirement benefits, the amount recognized to have accrued at the end of the current fiscal year is recorded.

The provision for retirement benefits is calculated using the simplified method, which defines the retirement benefit obligation as the amount that would be required to be paid if all eligible employees voluntarily resigned at the end of the fiscal year.

(4) Provision for loss on guarantees

In order to provide for losses related to debt guarantees for loans and overdrafts of affiliated companies, an estimated amount of losses has been recorded, taking into account factors such as the financial position of subsidiaries and associates.

4 Other significant matters that form the basis for the preparation of non-consolidated financial statements

(1) Application of Sony FGtax sharing system

The Company applies a group tax sharing system with Sony Group Corporation as the parent company.

Notes

(Summary of Significant Accounting Policies)

Current fiscal year (April 1, 2024 to March 31, 2025)

1 Securities

(1) Total amount of shares in subsidiaries and affiliates

Acquisition cost based on the moving-average method.

(2) Available-for-sale securities (Stocks without a market price)

Acquisition cost based on the moving-average method.

2 Fixed assets

(1) Tangible fixed assets

All tangible fixed assets, including real estate for lease, are initially recorded at cost. Subsequent expenses related to asset improvements are capitalized or are recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Companies and the cost of the item can be measured reliably. All other repairs and maintenance charges are charged to income when incurred. Depreciation is computed by the straight-line method over the estimated useful lives of the assets as follows:

• Buildings: 3 to 50 years
•Tools, furniture and fixtures: 2 to 20 years

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Intangible fixed assets are amortized using the straight-line method. Software for internal use is amortized using the straight-line method over 5 years, its estimated useful life.

3 Basis for reserves

(1) Reserve for employees' bonuses

The reserve for employees' bonuses is provided for the estimated amount of bonuses the Companies are required to pay for services provided during the current fiscal year.

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In order to provide for the payment of bonuses to directors (and other officers), the amount attributable to the current fiscal year is recorded as the estimated amount to be paid to directors (and other officers).

(3) Provision for retirement benefits

In order to provide for employee retirement benefits, the amount recognized to have accrued at the end of the current fiscal year is recorded.

The provision for retirement benefits is calculated using the simplified method, which defines the retirement benefit obligation as the amount that would be required to be paid if all eligible employees voluntarily resigned at the end of the fiscal year.

(4) Provision for loss on guarantees

In order to provide for losses related to debt guarantees for loans and overdrafts of affiliated companies, an estimated amount of losses has been recorded, taking into account factors such as the financial position of subsidiaries and associates.

4 Other significant matters that form the basis for the preparation of non-consolidated financial statements

(1) Application of Sony FG tax sharing system

The Company applies a group tax sharing system with Sony Group Corporation as the parent company.

(Notes to Balance Sheet)

1 Monetary claims and monetary obligations to subsidiaries and associates (excluding those separately indicated)

	As of March 31, 2024	As of March 31, 2025
Short-term monetary claims	51,347	173,101
Short-term monetary obligations	204	240

2 Guarantee obligations

Debt guarantees are provided for loans from financial institutions and overdrafts of the following subsidiaries and associates.

	As of March 31, 2024	As of March 31, 2025
Proud Life Inc.	1,756	1,719

(Notes to Statements of Income)

1 Transactions with subsidiaries and associates

	For the year ended March 31, 2024	For the year ended March 31, 2025
Volume of business transactions		
Operating revenue	89,061	112,408
Operating expenses	485	737
Volume transactions other than business transactions	2,086	100

2 The provision for loss on guarantees for the current fiscal year was made in consideration of the financial position, etc. of Proud Life Inc., a consolidated subsidiary of the Company, and the estimated amount of loss was recorded for the debt guarantee for bank loans and overdrafts of the same company.

(Securities)

As of the end of the previous fiscal year (March 31, 2024), the shares of subsidiaries held by the Company (carrying amount on the balance sheet: 242,800 million yen) were not disclosed as they are unlisted and do not have market prices.

As of the end of the previous fiscal year (March 31, 2025), the shares of subsidiaries held by the Company (carrying amount on the balance sheet: 243,038 million yen) were not disclosed as they are unlisted and do not have market prices.

(Information on tax effect accounting)

1 Breakdown of major factors giving rise to deferred tax assets and deferred tax liabilities

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Deferred tax asset		
Tax loss carryforwards	-	128
Loss on valuation of shares of subsidiaries and associates	2,176	2,240
Reserve for employees' bonuses	117	128
Accrued enterprise tax	7	-
Provision for retirement benefits	57	64
Depreciation and amortization	6	8
Share-based payment expenses	6	17
Impairment loss	17	14
Provision for loss on guarantees	630	649
Other	5	47
Subtotal of deferred tax assets	3,025	3,299
Valuation allowance for tax loss carryforwards	-	(128)
Valuation allowance for total deductible temporary differences and others	(2,343)	(2,417)
Valuation allowance subtotal	(2,343)	(2,545)
Total deferred tax assets	681	753
Deferred tax liabilities		
Other	-	(15)
Total deferred tax liabilities	-	(15)
Net deferred tax assets	681	737

2 Breakdown of major factors giving rise to a significant difference between the statutory effective tax rate and the effective income tax rate after application of tax effect accounting

	As of March 31, 2024	As of March 31, 2025
Statutory effective tax rate	30.6%	30.6%
(Adjustments)		
Exclusion of dividend income from taxable income	(31.3)	(31.3)
Other	0.2	(0.0)
Effective income tax rate after application of tax effect accounting	(0.4)	(0.7)

3 Accounting for corporate and local corporate taxes, or accounting for tax effect accounting related to these

The Company applies Sony FGtax sharing system, and performs accounting of corporate tax and local corporate tax, as well as accounting and disclosure of tax effect accounting related to these, in accordance with "Practical Solution on the Accounting and Disclosure Under Sony FG Tax Sharing System" (ASBJ Practical Solution No. 42, August 12, 2021).

4 Adjustment to Deferred Tax Assets and Liabilities Due to Change in Corporate Tax Rate

The "Act for Partial Amendment of the Income Tax Act, etc." (Act No. 13 of 2025) was enacted on March 31, 2025, and under this legislation, a "special defense corporation tax" will be imposed from the fiscal year beginning on or after April 1, 2026.

As a result, for temporary differences and other items expected to reverse on or after April 1, 2026, the statutory effective tax rate used in calculating deferred tax assets and deferred tax liabilities has been revised from 30.6% to 31.5%. Due to this change, deferred tax assets (net of deferred tax liabilities) increased by 22 million yen, and deferred income taxes decreased by 22 million yen in the current fiscal year.

(Subsequent Events)

Previous fiscal year (April 1, 2023 to March 31, 2024)

Not applicable

Current fiscal year (April 1, 2024 to March 31, 2025)

As the same content is included in the "Notes to Consolidated Financial Statements –Subsequent Events," this annotation has been omitted here.

(4) Annexed Schedule

As of March 31, 2025

[Schedule of Tangible Fixed Assets, etc.]

(Millions of yen)

Type of Assets	Balance at the beginning of the period	Increase for the period	Decrease for the period	Amortization for the period	Balance at the end of the period	Accumulated depreciation
Tangible fixed assets						
Building	111	79	-	23	168	172
Tools, furniture and fixtures	32	95	-	17	110	144
Construction in progress	7	23	12	-	17	-
Total tangible fixed assets	151	198	12	40	296	316
Intangible fixed assets						
Patent rights	0	0	-	0	0	-
Software	921	47	2	190	775	-
Software in progress	10	541	47	-	505	-
Other	0	0	0	0	0	-
Total intangible fixed assets	933	588	49	190	1,281	-

(Notes) The increase in software in progress is mainly due to the development of software for in-house use.

[Schedule of provisions]

(Millions of yen)

Type	Balance at the beginning of current period	Increase for the period	Decrease for the period	Balance at the end of current period
Reserve for employees' bonuses	383	420	383	420
Provision for bonuses for directors (and other officers)	53	57	53	57
Provision for retirement benefits	186	43	27	202
Provision for loss on guarantees	2,060	-	-	2,060

(2) Details of Main Assets and Liabilities

As of March 31, 2025

This information has been omitted because consolidated financial statements are prepared.

(3) Others

Not applicable

6. Overview of Shareholder Services of the Filing Company

Fiscal year	From April 1 each year to March 31 of the following year
Ordinary General Meeting of Shareholders	Within three months after the end of each fiscal year
Record date	March 31 of each year
Type of share certificates	-
Record date for dividends of surplus	March 31 or September 30 of each year
Number of shares constituting one unit	100
Change of registered name of share	
Handling Place	-
Transfer Agent	-
Administrative office	-
Fee for registration of change of name	-
Fee for issuance of new certificates	-
Purchase of shares less than one unit	
Handling Place	1-4-5 Marunouchi, Chiyoda-ku, Tokyo Mitsubishi UFJ Trust and Banking Corporation, Securities Agency Division
Transfer Agent	1-4-5 Marunouchi, Chiyoda-ku, Tokyo Mitsubishi UFJ Trust and Banking Corporation, Securities Agency Division
Administrative office	-
Purchase fee	free
Method of public notice	The Company's method of public notice is electronic disclosure. However, if electronic disclosure is not possible due to an accident or other unavoidable circumstances, public notices shall be published in the Nihon Keizai Shimbun (The Nikkei). Electronic public notices are posted on the Company's website at the following URL: https://www.sonyfg.co.jp/
Shareholder benefits	Not applicable

(Notes) 1. In addition to the record date stated above, the Articles of Incorporation provide that the Company may set a separate record date for dividends of surplus.

2. The Articles of Incorporation of the Company stipulate that shareholders of the Company may not exercise any rights with respect to their shares that constitute less than one unit, except for the following rights.

(1) Rights listed in each item of Article 189, Paragraph(2) of the Companies Act

(2) The right to make a demand under Article 166, Paragraph (1) of the Companies Act

(3) The right to receive allotments of offered shares and offered share acquisition rights in proportion to the number of shares held

7. Reference Information on the Filing Company

1. Information on Filing Company's Parent Company, etc.

As the Company is not a listed company, the provisions of Article 24-7, Paragraph (1) of the Financial Instruments and Exchange Act do not apply.

2. Other Reference Information

The following documents have been submitted during the period from the beginning of the current fiscal year to the date of submission of this document:

(1) Annual Securities Report, Attached Documents, and Confirmation Letter	
Fiscal year (FY2023) (From April 1, 2023, to March 31, 2024)	Submitted to the Director-General of Kanto Local Finance Bureau on June 25, 2024
Fiscal year (FY2024) (From April 1, 2024, to March 31, 2025)	Submitted to the Director-General of Kanto Local Finance Bureau on June 16, 2025
(2) Semiannual Securities Report and Confirmation Letter	
First half of t FY2024 (From April 1, 2024, to September 30, 2024)	Submitted to the Director-General of Kanto Local Finance Bureau on November 22, 2024
(3) Shelf Registration Statement (Straight Bonds) and Attached Documents	Submitted to the Director-General of Kanto Local Finance Bureau on October 24, 2024
(4) Extraordinary Reports	
Extraordinary Report pursuant to Article 19, Paragraph (2), Item (ii)-2 of the Cabinet Office Ordinance on Disclosure of Corporate Affairs, etc. (Issuance of Stock Acquisition Rights)	Submitted to the Director-General of Kanto Local Finance Bureau on January 24, 2025
Extraordinary Report pursuant to Article 19, Paragraph (2), Item (xii) of the Cabinet Office Ordinance on Disclosure of Corporate Affairs, etc.(Events that may have a significant impact on financial position, operating results, or cash flow)	Submitted to the Director-General of Kanto Local Finance Bureau on February 12, 2025
Extraordinary Report pursuant to Article 19, Paragraph (2), item (iii) of the Cabinet Office Ordinance on Disclosure of Corporate Affairs, etc.(Change in Parent Company)	Submitted to the Director-General of Kanto Local Finance Bureau on May 14, 2025
(5) Amended Shelf Registration Statement (Straight Bonds)	Submitted to the Director-General of Kanto Local Finance Bureau on January 24, 2025
	Submitted to the Director-General of Kanto Local Finance Bureau on February 12, 2025
	Submitted to the Director-General of Kanto Local Finance Bureau on May 14, 2025

Part II. Information on Filing Company's Guarantors, etc.

Not applicable

Part III. Extraordinary Information

1. Recent Financial Statements of Linked Subsidiaries

The Company has no linked subsidiaries, and therefore, there are no applicable matters to report.

Part IV. Public Information on Shares

1. Status of Share Transfers by Specially Interested Party, etc.

Not applicable

2. Overview of Third-Party Allotments

1. Details Regarding the Issuance of Shares, etc. through Third-Party Allotments.

Item	Stock acquisition rights (1)	Stock acquisition rights (2)
Date of issue	July 1, 2024	March 14, 2025
Type	First series of stock acquisition rights (Stock Options)	Second series of stock acquisition (Stock Options)
Number of issued stock acquisition rights	Common stock 16,430 shares	Common stock 11,397,491 shares
Issue price	162 yen (Note 3, 5)	178 yen (Note 3, 5)
Amount paid into capital	81 yen (Note 5)	89 yen (Note 5)
Total issue amount	2,650,000 yen	2,018,667,000 yen
Total amount paid into capital	1,325,000 yen	1,009,333,500 yen
Method of issuance	A resolution regarding the granting of stock acquisition rights (stock options) based on Articles 236, 238, and 239 of the Companies Act was adopted at the Extraordinary General Meeting of Shareholders held on January 10, 2024.	A resolution regarding the granting of stock acquisition rights (stock options) based on Articles 236, 238, and 239 of the Companies Act was adopted at the Extraordinary General Meeting of Shareholders held on January 24, 2025.
Commitment regarding holding period, etc.	Note 2	Note 2

(Notes) 1. Regarding regulations on the allotment of newly-issued shares through third-party allotment, as stipulated by Tokyo Stock Exchange, Inc. (the “TSE”):

(1) According to Article 272 of the Enforcement Rules of the Securities Listing Regulations established by the TSE, if a new listing applicant has granted stock acquisition rights as compensation to officers or employees after a date occurring one year prior to the end of the reference fiscal year, the applicant must enter into a written commitment with the allottee officers or employees. This commitment must include ownership of the stock acquisition rights granted as compensation, reporting obligations to the TSE upon transfer or upon inquiry regarding the ownership status, and other matters the TSE deems necessary. Such documents must be submitted in accordance with the procedures stipulated by the TSE.

(2) If the Company fails to submit the documents or perform the necessary actions described in the above item, the TSE may reject or revoke the acceptance of, the listing application.

(3) In the case of the Company, the reference fiscal year-end is March 31, 2025.

2. Based on Article 272, Paragraph 1, Item 1 of the above Enforcement Rules, the Company has entered into written commitments with the allottee officers and employees to, in principle, retain ownership of the stock acquisition rights granted as compensation until the day immediately preceding the listing date or the date of exercise of the stock acquisition rights, whichever is earlier.

3. The amount to be paid upon exercise of the stock acquisition rights has been determined by comprehensively considering prices calculated using the discounted cash flow (DCF) method, net asset value method, and comparable company analysis method.

4. Details concerning the amount to be paid-in upon exercise, exercise period, exercise conditions, and matters concerning transfer of the stock acquisition rights are as follows:

	Stock acquisition rights (1)	Stock acquisition rights (2)
Amount to be paid-in upon exercise	162 yen per share (Note 5)	178 yen per share (Note 5)
Exercise period	From July 1, 2024 to June 30, 2034 However, if the final day of the exercise period falls on a non-business day of the Company, the business day immediately preceding that day shall be deemed the final day.	From March 14, 2025 to March 13, 2035 However, if the final day of the exercise period falls on a non-business day of the Company, the business day immediately preceding that day shall be deemed the final day.
Conditions for the exercise	As described in "Part I: Corporate Information, Section 4: Status of the Filing Company, (2) Status of stock acquisition rights, etc., (1) Details of the stock option plan."	As described in "Part I: Corporate Information, Section 4: Status of the Filing Company, (2) Status of stock acquisition rights, etc., (1) Details of the stock option plan."
Matters concerning transfer of stock acquisition rights	Acquisition of stock acquisition rights by transfer requires the approval by the resolution of the Company's Board of Directors.	Acquisition of stock acquisition rights by transfer requires the approval by the resolution of the Company's Board of Directors.

(Notes) Regarding stock acquisition rights (2), due to the forfeiture of rights following retirement (of one executive director of a subsidiary of the Company and two employees of subsidiaries of the Company) after the execution of the stock acquisition rights allotment agreement, the number of shares issued is 11,201,974 shares, the total issue amount is 1,984,038,000 yen, and the total amount paid into capital is 992,019,000 yen.

5. Based on a resolution of the Board of Directors meeting dated August 8, 2025, a stock split was conducted on the same day at a ratio of 7,149,358,214 shares for 435,100,266 shares of common stock. Accordingly, the above "Number of issued stock acquisition rights," "Issue price," "Total amount paid into Capital," and "Amount to be paid-in upon exercise" reflect adjustment for this stock split.

2. Overview of Allottees

Stock acquisition rights (1)

Name of Allottee	Address of Allottee	Occupation / Description of Business	Number of Shares Allotted	Price (Price per Share) (Yen)	Relationship with the Filing Company
Toshihide Endo	-	Corporate officer	16,430	2,650,000 (162)	Specially Interested Party, etc. (Director, President and CEO, Representative Corporate Executive Officer of the Company)

Stock acquisition rights (2)

Name of Allottee	Address of Allottee	Occupation / Description of Business	Number of Shares Allotted	Price (Price per Share) (Yen)	Relationship with the Filing Company
Toshihide Endo	-	Corporate officer	435,395	77,115,000 (178)	Specially Interested Party, etc. (Director, President and CEO, Representative Corporate Executive Officer of the Company)
Kazuhiro Yamada	-	Corporate officer	207,018	36,666,000 (178)	Specially Interested Party, etc. (Director, Corporate Executive Officer and CFO of the Company)
Shogo Ikeuchi	-	Corporate officer	23,002	4,074,000 (178)	Specially Interested Party, etc. (Outside director of the Company)
Kazuhiro Yoshizawa	-	Corporate officer	23,002	4,074,000 (178)	Specially Interested Party, etc. (Outside director of the Company)
Yasuyuki Hayase	-	Corporate officer	23,002	4,074,000 (178)	Specially Interested Party, etc. (Outside director of the Company)
Miho Niunoya	-	Corporate officer	23,002	4,074,000 (178)	Specially Interested Party, etc. (Outside director of the Company)
Kaoru Takahashi	-	Corporate officer	284,239	50,343,000 (178)	Specially Interested Party, etc. (Corporate Executive Officer of the Company)
Hiroyuki Tsubota	-	Corporate officer	225,091	39,867,000 (178)	Specially Interested Party, etc. (Corporate Executive Officer of the Company)
Keiji Minami	-	Corporate officer	225,091	39,867,000 (178)	Specially Interested Party, etc. (Corporate Executive Officer of the Company)
Koki Ito	-	Corporate officer	180,730	32,010,000 (178)	Specially Interested Party, etc. (Corporate Executive Officer of the Company)

Name of Allottee	Address of Allottee	Occupation / Description of Business	Number of Shares Allotted	Price (Price per Share) (Yen)	Relationship with the Filing Company
Takayuki Suzuki	-	Corporate officer	208,661	36,957,000 (178)	Specially Interested Party, etc. (Corporate Executive Officer of the Company)
Osamu Otsubo	-	Corporate officer	136,369	24,153,000 (178)	Specially Interested Party, etc. (Corporate Executive Officer of the Company)
Tatsuo Hasegawa	-	Corporate officer	129,797	22,989,000 (178)	Specially Interested Party, etc. (Executive Director of a Subsidiary of the Company)
Hiroharu Asanuma	-	Corporate officer	129,797	22,989,000 (178)	Specially Interested Party, etc. (Executive Director of a Subsidiary of the Company)
Manabu Idei	-	Corporate officer	129,797	22,989,000 (178)	Specially Interested Party, etc. (Executive Director of a Subsidiary of the Company)
Hiroaki Kiyomiya	-	Corporate officer	116,653	20,661,000 (178)	Specially Interested Party, etc. (Executive Director of a Subsidiary of the Company)
Takafumi Watanabe	-	Corporate officer	116,653	20,661,000 (178)	Specially Interested Party, etc. (Executive Director of a Subsidiary of the Company)
Masaki Mineyama	-	Corporate officer	39,432	6,984,000 (178)	Specially Interested Party, etc. (Executive Director of a Subsidiary of the Company)
Masaki Kon	-	Corporate officer	19,716	3,492,000 (178)	Specially Interested Party, etc. (Executive Director of a Subsidiary of the Company)

(Notes) 1. In addition to the above, 22 employees of the Company and 200 employees of subsidiaries of the Company are allottees of stock acquisition rights, and a total of 8,525,527 shares has been allotted to them.

2. Individuals who have lost their rights due to resignation or other reasons are not listed.

3. Based on the resolution of the Board of Directors meeting held on August 8, 2025, a stock split was conducted on the same day at a ratio of 7,149,358,214 shares for 435,100,266 shares of common stock. Accordingly, the “Number of Shares Allotted” above reflects adjustment for this stock split.

3. Status of Changes in Allottees’ Shareholdings, etc.

Not applicable

3. Status of Shareholders

Name	Address	Number of Shares Held	Percentage of Ownership (excluding treasury stocks) (%)
Sony Group Corporation *1	7-1 Konan 1-chome, Minato-ku, Tokyo	7,149,358,214	99.84
Toshihide Endo *2	-	451,825 (451,825)	0.01 (0.01)
Kaoru Takahashi *4	-	284,239 (284,239)	0.00 (0.00)
Hiroyuki Tsubota *4	-	225,091 (225,091)	0.00 (0.00)
Keiji Minami *4	-	225,091 (225,091)	0.00 (0.00)
Takayuki Suzuki *4	-	208,661 (208,661)	0.00 (0.00)
Kazuhiro Yamada *4	-	207,018 (207,018)	0.00 (0.00)
Koki Ito *4	-	180,730 (180,730)	0.00 (0.00)
Osamu Otsubo *4	-	136,369 (136,369)	0.00 (0.00)
Tatsuo Hasegawa *5	-	129,797 (129,797)	0.00 (0.00)
Hiroharu Asanuma *5	-	129,797 (129,797)	0.00 (0.00)
Manabu Idei *5	-	129,797 (129,797)	0.00 (0.00)
Hiroaki Kiyomiya *5	-	116,653 (116,653)	0.00 (0.00)
Takafumi Watanabe *5	-	116,653 (116,653)	0.00 (0.00)
*7	-	116,653 (116,653)	0.00 (0.00)
*7	-	116,653 (116,653)	0.00 (0.00)
*7	-	116,653 (116,653)	0.00 (0.00)
Keiko Hara *5	-	96,937 (96,937)	0.00 (0.00)
*7	-	96,937 (96,937)	0.00 (0.00)
*7	-	96,937 (96,937)	0.00 (0.00)
*7	-	96,937 (96,937)	0.00 (0.00)
Nahoko Yamashita *4	-	78,864 (78,864)	0.00 (0.00)
Daisaku Tabei *6	-	78,864 (78,864)	0.00 (0.00)
*7	-	78,864 (78,864)	0.00 (0.00)
*7	-	78,864 (78,864)	0.00 (0.00)

Name	Address	Number of Shares Held	Percentage of Ownership (excluding treasury stocks) (%)
*7	-	78,864 (78,864)	0.00 (0.00)
*7	-	78,864 (78,864)	0.00 (0.00)
*7	-	78,864 (78,864)	0.00 (0.00)
*7	-	78,864 (78,864)	0.00 (0.00)
*7	-	78,864 (78,864)	0.00 (0.00)
*7	-	78,864 (78,864)	0.00 (0.00)
*7	-	78,864 (78,864)	0.00 (0.00)
*7	-	78,864 (78,864)	0.00 (0.00)
*7	-	78,864 (78,864)	0.00 (0.00)
*7	-	78,864 (78,864)	0.00 (0.00)
*7	-	78,864 (78,864)	0.00 (0.00)
*7	-	78,864 (78,864)	0.00 (0.00)
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*7	-	78,864 (78,864)	0.00 (0.00)
*7	-	78,864 (78,864)	0.00 (0.00)
*7	-	78,864 (78,864)	0.00 (0.00)
*7	-	78,864 (78,864)	0.00 (0.00)

Name	Address	Number of Shares Held	Percentage of Ownership (excluding treasury stocks) (%)
*7	-	78,864 (78,864)	0.00 (0.00)
*7	-	78,864 (78,864)	0.00 (0.00)
*7	-	78,864 (78,864)	0.00 (0.00)
*7	-	78,864 (78,864)	0.00 (0.00)
*7	-	78,864 (78,864)	0.00 (0.00)
*7	-	78,864 (78,864)	0.00 (0.00)
*7	-	78,864 (78,864)	0.00 (0.00)
*7	-	78,864 (78,864)	0.00 (0.00)
*7	-	78,864 (78,864)	0.00 (0.00)
*7	-	78,864 (78,864)	0.00 (0.00)
Masaki Mineyama *5	-	39,432 (39,432)	0.00 (0.00)
Shogo Ikeuchi *3	-	23,002 (23,002)	0.00 (0.00)
Kazuhiro Yoshizawa *3	-	23,002 (23,002)	0.00 (0.00)
Yasuyuki Hayase *3	-	23,002 (23,002)	0.00 (0.00)
Miho Niunoya *3		23,002 (23,002)	0.00 (0.00)
Masaki Kon *5		19,716 (19,716)	0.00 (0.00)
Other 175 employees *7	-	4,633,260 (4,633,260)	0.06 (0.06)
Total	-	7,160,576,618 (11,218,404)	100.00 (0.16)

(Notes) 1. The number with an asterisk (*) in the “Name” column indicates the shareholder’s classification attribute, as shown below:
*1 Specially Interested Party, etc. (Top 10 Major Shareholders)
*2 Specially Interested Party, etc. (Director, President and CEO, Representative Corporate Executive Officer of the Company)
*3 Specially Interested Party, etc. (Outside director of the Company)
*4 Specially Interested Party, etc. (Corporate Executive Officer of the Company)
*5 Specially Interested Party, etc. (Executive Director of a Subsidiary of the Company)
*6 Specially Interested Party, etc. (Auditor of a Subsidiary of the Company)
*7 Employee of the Company or a subsidiary of the Company
2. Figures shown in parentheses represent the number of dilutive shares from stock acquisition rights and their ratio, and are included within the total.
3. The percentage of total shares outstanding (excluding treasury stock) held is rounded to the second decimal place.