

August 15, 2024

Company name: Sony Financial Group Inc.  
Representative: Toshihide Endo,  
President & CEO, Representative Director

### Consolidated Financial Results (Japanese GAAP) for the Three Months Ended June 30, 2024

Sony Financial Group Inc. (the “Company”) hereby announces the consolidated financial results based on Japanese accounting standards (“Japanese GAAP”) for the three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024), including the financial results of the Company and its consolidated subsidiaries, Sony Life Insurance Co., Ltd. (“Sony Life”), Sony Assurance Inc. (“Sony Assurance”) and Sony Bank Inc. (“Sony Bank”).

#### 1. Consolidated Financial Results

	For the three months ended June 30, 2023 (Apr. 1, 2023, to Jun. 30, 2023) FY23.1Q (3M)	For the three months ended June 30, 2024 (Apr. 1, 2024, to Jun. 30, 2024) FY24.1Q (3M)	YoY change	
	Billions of yen	Billions of yen	Billions of yen	% change
Ordinary Revenues	1,031.7	<b>908.8</b>	(122.8)	(11.9)%
Ordinary Profit (Loss)	12.4	<b>(15.4)</b>	(27.8)	—
Profit (Loss) Attributable to Owners of the Parent	7.8	<b>(12.2)</b>	(20.0)	—

Ordinary revenues for the three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024) decreased 11.9% year on year, to ¥908.8 billion, due to a decrease in ordinary revenues from the life insurance business, despite increases in the non-life insurance and the banking businesses. Ordinary loss was ¥15.4 billion, compared to an ordinary profit of ¥12.4 billion during the same period last year, due to a deterioration in ordinary profit/loss in the life insurance, the non-life insurance and the banking businesses. After adjustments to ordinary profit/loss for extraordinary gains and losses, provision for reserve for policyholders’ dividends, total income taxes and others, loss attributable to owners of the parent was ¥12.2 billion compared to an profit attributable to owners of the parent of ¥7.8 billion for the same period last year, due to a deterioration in ordinary profit/loss.

In addition, the loss recorded in the three months ended June 30, 2024 was due to a temporary factor, the deterioration of gains/losses on sale of securities at Sony Life, as described on the next page, while sales of Sony Life’s insurance products are growing steadily.

Ordinary revenues and ordinary profit/loss by business segment are as described below.

(Billions of yen)

	FY23.1Q (3M)	FY24.1Q (3M)	YoY change	
Ordinary Revenues	1,031.7	<b>908.8</b>	(122.8)	(11.9)%
Life insurance business	967.0	<b>835.4</b>	(131.5)	(13.6)%
Non-life insurance business	38.1	<b>42.0</b>	+3.8	+10.1%
Banking business	23.8	<b>28.5</b>	+4.7	+20.1%
Ordinary Profit (Loss)	12.4	<b>(15.4)</b>	(27.8)	—
Life insurance business	4.6	<b>(21.8)</b>	(26.4)	—
Non-life insurance business	1.7	<b>0.7</b>	(0.9)	(56.6)%
Banking business	6.2	<b>6.1</b>	(0.0)	(0.8)%

Life insurance business: Ordinary revenues decreased 13.6% year on year, to ¥835.4 billion, due to a decrease in investment income in separate accounts, despite an increase in insurance premiums for the single-premium insurance and other products. Ordinary loss was ¥21.8 billion compared to an ordinary profit of ¥4.6 billion during the same period last year, due to a deterioration in gains/losses on sales of securities in the general account resulting from sales of bonds for the purpose of rebalancing based on the ALM (asset-liability management) approach, affected by rising interest rates. This decline was partially offset by an improvement in gains/losses\* resulting from market fluctuations for variable life insurance and other products.

\* Provision of policy reserves for minimum guarantees and gains/losses on derivative transactions for hedging purposes due to market fluctuation for variable life insurance and other products

Non-life insurance business: Ordinary revenues increased 10.1% year on year, to ¥42.0 billion, due to a steady increase in net premiums written centered on mainstay auto insurance. Ordinary profit decreased 56.6% year on year, to ¥0.7 billion, due to a rise in the loss ratio stemming from natural disaster (hailstorms), an increase in unit price of losses paid and other factors, despite an effect of an increase in revenues.

Banking business: Ordinary revenues increased 20.1% year on year, to ¥28.5 billion and ordinary profit decreased 0.8%, to ¥6.1 billion, due to an increase in interest income and dividends on securities, and service revenues from mortgage loans, despite a decrease in profit due to the conversion of subsidiaries to equity-method affiliates.

## 2. Main Business [Results/Indicator]

### (1) Consolidated Results for the Group

	As of March 31, 2024	As of June 30, 2024
Group consolidated ESR (Economic Solvency Ratio)	198%	<b>184%</b>

(Note) Group Consolidated ESR is calculated with reference to European Solvency II and ICS for broad management decisions.

Simplified methods are used for some calculations, and no third-party validation of the calculation process or results is conducted.

Group Consolidated ESR is an indicator of capital sufficiency with respect to the Group's risk amount. Currently the target level of consolidated Group ESR is between 165% and 235% from the viewpoint of ERM (Enterprise Risk Management) to ensure financial soundness and capital efficiency.

### (2) Sony Life (Non-consolidated)

(Billions of yen)

	As of March 31, 2024	As of June 30, 2024	YoY change
Amount of Policies in Force	66,586.1	<b>68,253.2</b>	+2.5%
Annualized Premiums from Policies in Force	1,206.5	<b>1,235.5</b>	+2.4%

(Billions of yen)

	FY23.1Q (3M)	FY24.1Q (3M)	YoY change
Amount of New Policies	2,229.0	<b>2,680.0</b>	+20.2%
Annualized Premiums from New Policies	32.8	<b>43.9</b>	+33.7%

(Number)

	As of March 31, 2024	As of June 30, 2024	YoY change
Number of Lifeplanner Sales Specialists	5,516	<b>5,525</b>	+9

(Billions of yen, %)

	As of March 31, 2024	As of June 30, 2024	YoY change
Economic Value-based Capital	2,013.9	<b>1,952.5</b>	(61.3)
Risk Amount based on Economic Value	1,077.1	<b>1,146.6</b>	+69.4
ESR	187%	<b>170%</b>	(17)pt

(Notes) 1. Policy amount in force, annualized premiums from policies in force, amount of new policies, and annualized premiums from new policies are the sum of individual life insurance and individual annuities.

2. The number of Lifeplanner sales specialists includes personnel at the Hoken Seisakusho operated by Sony Life Communications Co., Ltd., a consolidated subsidiary of Sony Life.

3. Economic value-based capital is the sum of economic value-based EV and frictional cost.

4. 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.

5. Risk amount based on economic value is calibrated at VaR (99.5%) for one year and based on the internal model.

6. ESR is the ratio of capital to risk amount based on economic value.

(3) Sony Assurance

(Billions of yen, %)

	FY23.1Q (3M)	FY24.1Q (3M)	YoY change
Direct Premiums Written	38.6	43.0	+11.4%
E.I. Loss Ratio	62.5%	69.3%	+6.8pt
Net Expense Ratio	25.3%	24.5%	(0.8)pt

(Notes) 1. E.I. Loss Ratio = (Net claims paid + Provision for reserve for outstanding claims + Loss adjustment expenses) / Earned premiums [Earthquake insurance and compulsory automobile liability insurance are excluded]

2. Net expense ratio = Expenses related to underwriting / Net premiums written

(4) Sony Bank

(Billions of yen)

	As of March 31, 2024	As of June 30, 2024	YoY change
Mortgage Loan Balance	3,446.3	3,595.2	+148.8
Foreign Currency Deposit Balance	614.7	639.7	+25.0

### 3. Consolidated Financial Statements

#### (1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
<b>Assets</b>		
Cash and due from banks	824,905	522,697
Call loans and bills bought	88,909	107,618
Monetary claims purchased	12,669	11,226
Money held in trust	63,285	63,605
Securities	16,801,560	17,354,694
Loans	3,682,002	3,831,779
Tangible fixed assets	102,649	103,261
Intangible fixed assets	67,772	67,312
Due from reinsurers	2,476	2,630
Foreign exchanges	2,327	2,930
Other assets	270,279	301,536
Net defined benefit asset	9,836	9,885
Deferred tax assets	156,755	155,119
Reserve for possible loan losses	(1,669)	(1,656)
<b>Total assets</b>	<b>22,083,761</b>	<b>22,532,642</b>
<b>Liabilities</b>		
Policy reserves and others	15,072,758	15,523,031
Reserve for outstanding claims	111,180	118,482
Policy reserves	14,958,281	15,401,318
Reserve for policyholders' dividends	3,296	3,230
Due to agencies	3,464	2,911
Due to reinsurers	4,976	4,021
Deposits	3,845,606	3,875,675
Call money and bills sold	209,410	322,001
Payables under repurchase agreements	938,854	991,233
Collateral for securities lending transactions	566,039	363,320
Borrowed money	467,716	468,089
Foreign exchanges	1,781	1,676
Bonds payable	70,000	70,000
Other liabilities	195,519	213,173
Reserve for employees' bonuses	5,461	2,773
Net defined benefit liability	38,402	38,351
Reserve under the special laws	67,622	68,667
Reserve for price fluctuations	67,622	68,667
Liabilities from application of equity method	2,139	2,093
<b>Total liabilities</b>	<b>21,489,753</b>	<b>21,947,019</b>

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
Net assets		
Shareholders' equity		
Common stock	20,029	20,029
Capital surplus	191,259	191,259
Retained earnings	452,945	440,692
Total shareholders' equity	664,234	651,981
Accumulated other comprehensive income		
Net unrealized gains (losses) on available-for-sale securities, net of taxes	(70,773)	(66,814)
Net deferred gains (losses) on hedging instruments, net of taxes	286	287
Land revaluation, net of taxes	(2,720)	(2,720)
Remeasurements of defined benefit plans, net of taxes	2,981	2,889
Total accumulated other comprehensive income	(70,226)	(66,358)
Total net assets	594,008	585,623
Total liabilities and net assets	22,083,761	22,532,642

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

(Millions of yen)

	For the three months ended June 30, 2023	For the three months ended June 30, 2024
Ordinary revenues	1,031,707	908,850
Ordinary revenues from the life insurance business	966,257	834,249
Income from insurance premiums	374,917	455,394
Insurance premiums	372,817	453,390
Investment income	584,987	372,704
Interest income and dividends	56,734	57,448
Gains on trading securities, net	1,134	—
Gains on sale of securities	15,943	671
Foreign exchange gains, net	110,412	101,314
Gains on separate accounts, net	400,762	213,269
Other ordinary income	6,352	6,150
Ordinary revenues from the non-life insurance business	38,196	42,069
Underwriting income	37,853	41,691
Net premiums written	37,826	41,660
Interest and dividends on deposits of premiums	26	31
Investment income	334	364
Interest income and dividends	361	396
Transfer to interest and dividends on deposits of premiums	(26)	(31)
Other ordinary income	9	12
Ordinary revenues from the banking business	23,705	28,583
Interest income	17,716	22,294
Interest income on loans	7,416	8,310
Interest income and dividends on securities	8,474	11,876
Fees and commissions	5,164	5,334
Other operating income	332	21
Other ordinary income	492	934
Other	3,547	3,947
Other ordinary income	3,547	3,947

(Millions of yen)

	For the three months ended June 30, 2023	For the three months ended June 30, 2024
Ordinary expenses	1,019,279	924,306
Ordinary expenses from the life insurance business	962,344	857,627
Insurance claims and other payments	216,960	284,773
Insurance claims	33,175	35,893
Annuity payments	4,836	5,489
Insurance benefits	44,755	48,167
Surrender payments	130,598	191,343
Other payments	2,097	2,553
Provision for policy reserves and others	611,234	444,335
Provision for reserve for outstanding claims	4,630	6,537
Provision for policy reserves	606,603	437,798
Interest portion of reserve for policyholders' dividends	0	0
Investment expenses	75,754	61,549
Interest expenses	9,385	9,706
Losses on trading securities, net	—	56
Losses on sale of securities	4,825	38,772
Losses on derivatives, net	60,542	11,757
Operating expenses	42,825	50,090
Other ordinary expenses	15,569	16,878
Ordinary expenses from the non-life insurance business	36,124	41,094
Underwriting expenses	27,188	31,483
Net claims paid	18,910	22,373
Loss adjustment expenses	2,711	2,716
Net commission and brokerage fees	348	388
Provision for reserve for outstanding claims	98	765
Provision for underwriting reserves	5,120	5,238
Operating, general and administrative expenses	8,933	9,609
Other ordinary expenses	1	1
Ordinary expenses from the banking business	17,052	21,555
Interest expenses	5,674	9,495
Interest expenses on deposits	4,494	7,893
Fees and commissions	3,782	4,926
Other operating expenses	214	430
General and administrative expenses	7,288	6,619
Other ordinary expenses	91	83
Other	3,758	4,028
Other ordinary expenses	3,758	4,028
Ordinary profit (loss)	12,428	(15,455)



(Millions of yen)

	For the three months ended June 30, 2023	For the three months ended June 30, 2024
Extraordinary gains	13	19
National subsidies	13	19
Extraordinary losses	1,007	1,085
Losses on disposal of fixed assets	0	38
Impairment losses	—	1
Provision for reserve under the special laws	1,006	1,044
Provision for reserve for price fluctuations	1,006	1,044
Provision for reserve for policyholders' dividends	102	63
Income before income taxes	11,331	(16,584)
Income taxes - current	3,040	(4,797)
Income taxes - deferred	325	465
Total income taxes	3,366	(4,331)
Profit (loss)	7,965	(12,253)
Profit attributable to non-controlling interests	157	—
Profit (loss) attributable to owners of the parent	7,808	(12,253)

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

	For the three months ended June 30, 2023	For the three months ended June 30, 2024
Profit (loss)	7,965	(12,253)
Other comprehensive income		
Net unrealized gains (losses) on available-for-sale securities, net of taxes	(20,637)	3,958
Net deferred gains (losses) on hedging instruments, net of taxes	30	1
Remeasurements of defined benefit plans, net of taxes	(87)	(92)
Total other comprehensive income	(20,694)	3,867
Comprehensive income	(12,729)	(8,385)
(Details)		
Comprehensive income attributable to owners of the parent	(12,886)	(8,385)
Comprehensive income attributable to non-controlling interests	157	—

(3) Notes to the Consolidated Financial Statements

(Going Concern Assumption)

Not applicable.

(Note in the event of significant changes in shareholders' equity)

Not applicable.

The Company's consolidated results are prepared in accordance with Japanese GAAP. As such, these figures differ from the financial information reported by Sony Group Corporation, the Company's parent company, which prepares its financial statements in accordance with International Financial Reporting Standards.

The Company's scope of consolidation includes following companies.

Consolidated subsidiaries: Sony Financial Group Inc.

Sony Life Insurance Co., Ltd.

Sony Life Communications Co., Ltd.

Sony Assurance Inc.

Sony Bank Inc.

Sony Lifecare Inc.

Lifecare Design Inc.

Proud Life Inc.

Sony Financial Ventures Inc.

SFV • GB L.P.

Equity method affiliates: BXJA I Holding KK\*

Sony Payment Services Inc.\*

ETC Solutions, Inc.\*

\* Sony Payment Services Inc. and ETC Solutions, Inc. were excluded from the scope of consolidation from the fourth quarter of the fiscal year ended March 31, 2024 due to the partial transfer and share exchange of shares of Sony Payment Services Inc., which was a consolidated subsidiary of the Company, and the two companies and BXJA I Holding KK were included in the scope of application of the equity method.

(Note) SmartLink Network Hong Kong Limited was excluded from the scope of consolidation from the second quarter of the fiscal year ended March 31, 2024 because cancellation of its registration was completed.

#### Notes

1. Unless otherwise indicated, in these materials figures less than the indicated unit have been truncated, while ratios and percentage changes have been rounded. Also, a “-” is used where percentage changes exceed 1,000% and in cases where one or both comparisons are negative.
2. “Lifeplanner” is a registered trademark of Sony Life.
3. This document is not subject to review by a certified public accountant or auditing firm.

[Reference information]

Sony Group Corporation, the parent company of the Company, discloses its consolidated financial results in accordance with the terminology, format and preparation methods in accordance with International Financial Reporting Standards.

Financial information based on International Financial Reporting Standards for the financial services segment of the Sony Group, including the Sony Financial Group, is disclosed therein, so please refer to it as well.

Sony Group Corporation website: <https://www.sony.com/en/SonyInfo/IR/library/presen/er/archive.html>

End

---

(For Inquiry)

Listing Preparatory Office, Sony Financial Group Inc.

TEL: +81-(0)3-5290-6500 (Representative Number)

E-mail: [sfgi-press@sony.com](mailto:sfgi-press@sony.com)

(Sony Financial Group Inc. website)

[https://www.sonyfg.co.jp/index\\_en.html](https://www.sonyfg.co.jp/index_en.html)