

February 19, 2025

Company name:

Sony Financial Group Inc.

Representative:

Toshihide Endo,
President & CEO,
Representative Corporate Executive Officer

Consolidated Financial Results (Japanese GAAP) for the Nine Months Ended December 31, 2024

Sony Financial Group Inc. (the “Company”) hereby announces the consolidated financial results based on Japanese accounting standards (“Japanese GAAP”) for the nine months ended December 31, 2024 (from April 1, 2024 to December 31, 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 nine months ended December 31, 2023 (Apr. 1, 2023, to Dec. 31, 2023) FY23.3Q (9M)	For the nine months ended December 31, 2024 (Apr. 1, 2024, to Dec. 31, 2024) FY24.3Q (9M)	YoY change	
	Billions of yen	Billions of yen	Billions of yen	% change
Ordinary Revenues	2,313.6	2,326.6	+12.9	+0.6%
Ordinary Profit	42.0	54.0	+11.9	+28.4%
Profit Attributable to Owners of the Parent	26.6	36.5	+9.8	+37.1%

	As of March 31, 2024	As of December 31, 2024	YoY change	
	Billions of yen	Billions of yen	Billions of yen	% change
Total Net Assets	594.0	626.0	+31.9	+5.4%
Total Assets	22,083.7	23,495.3	+1,411.5	+6.4%

Ordinary revenues for the nine months ended December 31, 2024 (from April 1, 2024 to December 31, 2024) increased 0.6% year on year, to ¥2,326.6 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 profit increased 28.4% year on year, to ¥54.0 billion, due to decreases in ordinary profit in the non-life insurance and the banking businesses, despite an increase in the life insurance business. After adjustments to ordinary profit for extraordinary gains and losses, provision for reserve for policyholders’ dividends, total income taxes and others, profit attributable to owners of the parent increased 37.1% year on year, to ¥36.5 billion, due to an increase in ordinary profit.

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

(Billions of yen)

	FY23.3Q (9M)	FY24.3Q (9M)	YoY change	
Ordinary Revenues	2,313.6	2,326.6	+12.9	+0.6%
Life insurance business	2,115.8	2,105.7	(10.0)	(0.5)%
Non-life insurance business	112.3	124.2	+11.8	+10.6%
Banking business	76.8	86.8	+10.0	+13.1%
Ordinary Profit	42.0	54.0	+11.9	+28.4%
Life insurance business	18.3	32.9	+14.5	+79.3%
Non-life insurance business	5.3	5.2	(0.1)	(2.2)%
Banking business	18.3	17.9	(0.4)	(2.4)%

Life insurance business: Ordinary revenues decreased 0.5% year on year, to ¥2,105.7 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 profit increased 79.3% year on year, to ¥32.9 billion, due to an improvement in gains/losses resulting from market fluctuations for variable life insurance and other products. This increase was partially offset by a deterioration in 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, affected by rising interest rates.

Non-life insurance business: Ordinary revenues increased 10.6% year on year, to ¥124.2 billion, due to a steady increase in net premiums written centered on mainstay auto insurance. Ordinary profit decreased 2.2% year on year, to ¥5.2 billion, due to a rise in the loss ratio due to an increase in the unit price of losses paid and other factors on auto insurance, despite an effect of an increase in revenues.

Banking business: Ordinary revenues increased 13.1% year on year, to ¥86.8 billion, and ordinary profit decreased 2.4% year on year, to ¥17.9 billion, due to a decrease in 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.

2. Main Business [Results/Indicator]

(1) Consolidated Results for the Group

	As of March 31, 2024	As of December 31, 2024
Group consolidated ESR (Economic Solvency Ratio)	198%	188%

(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 December 31, 2024	YoY change
Amount of Policies in Force	66,586.1	70,958.5	+6.6%
Annualized Premiums from Policies in Force	1,206.5	1,277.8	+5.9%

(Billions of yen)

	FY23.3Q (9M)	FY24.3Q (9M)	YoY change
Amount of New Policies	7,294.7	8,151.8	+11.8%
Annualized Premiums from New Policies	114.7	131.1	+14.4%

(Number)

	As of March 31, 2024	As of December 31, 2024	YoY change
Number of Lifeplanner Sales Specialists	5,516	5,579	+63

(Billions of yen)

	As of March 31, 2024	As of December 31, 2024	YoY change
Economic Value-based Capital	2,013.9	2,037.7	+23.7
Risk Amount based on Economic Value	1,077.1	1,170.6	+93.4
ESR	187%	174%	(13)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, %)

	FY23.3Q (9M)	FY24.3Q (9M)	YoY change
Direct Premiums Written	114.0	127.7	+12.0%
E.I. Loss Ratio	68.6%	70.8%	+2.2pt
Net Expense Ratio	26.1%	25.2%	(0.9)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 December 31, 2024	YoY change
Mortgage Loan Balance	3,446.3	3,650.8	+204.4
Foreign Currency Deposit Balance	614.7	673.0	+58.3

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Assets		
Cash and due from banks	824,905	900,726
Call loans and bills bought	88,909	175,916
Monetary claims purchased	12,669	13,596
Money held in trust	63,285	61,895
Securities	16,801,560	17,794,073
Loans	3,682,002	3,890,819
Tangible fixed assets	102,649	103,263
Intangible fixed assets	67,772	72,081
Due from reinsurers	2,476	14,381
Foreign exchanges	2,327	3,686
Other assets	270,279	294,998
Net defined benefit asset	9,836	9,996
Deferred tax assets	156,755	161,669
Reserve for possible loan losses	(1,669)	(1,773)
Total assets	22,083,761	23,495,331
Liabilities		
Policy reserves and others	15,072,758	16,016,408
Reserve for outstanding claims	111,180	115,331
Policy reserves	14,958,281	15,897,993
Reserve for policyholders' dividends	3,296	3,083
Due to agencies	3,464	3,037
Due to reinsurers	4,976	4,586
Deposits	3,845,606	4,010,198
Call money and bills sold	209,410	234,146
Payables under repurchase agreements	938,854	1,230,362
Collateral for securities lending transactions	566,039	442,221
Borrowed money	467,716	518,164
Foreign exchanges	1,781	2,468
Bonds payable	70,000	108,500
Other liabilities	195,519	184,081
Reserve for employees' bonuses	5,461	3,135
Net defined benefit liability	38,402	37,872
Reserve under the special laws	67,622	70,743
Reserve for price fluctuations	67,622	70,743
Liabilities from application of equity method	2,139	3,401
Total liabilities	21,489,753	22,869,328

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Net assets		
Shareholders' equity		
Common stock	20,029	20,029
Capital surplus	191,259	191,259
Retained earnings	452,945	489,465
Total shareholders' equity	664,234	700,754
Accumulated other comprehensive income		
Net unrealized gains (losses) on available-for-sale securities, net of taxes	(70,773)	(74,974)
Net deferred gains (losses) on hedging instruments, net of taxes	286	237
Land revaluation, net of taxes	(2,720)	(2,720)
Remeasurements of defined benefit plans, net of taxes	2,981	2,705
Total accumulated other comprehensive income	(70,226)	(74,752)
Subscription rights to shares	—	0
Total net assets	594,008	626,002
Total liabilities and net assets	22,083,761	23,495,331

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

(Millions of yen)

	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024
Ordinary revenues	2,313,656	2,326,645
Ordinary revenues from the life insurance business	2,113,550	2,102,916
Income from insurance premiums	1,274,051	1,390,469
Insurance premiums	1,267,579	1,370,690
Investment income	785,864	660,750
Interest income and dividends	172,189	171,088
Income from money held in trust, net	0	0
Gains on trading securities, net	1,344	—
Gains on sale of securities	16,674	1,136
Foreign exchange gains, net	78,835	75,555
Gains on separate accounts, net	516,759	412,963
Other ordinary income	53,635	51,697
Ordinary revenues from the non-life insurance business	112,395	124,247
Underwriting income	111,332	123,074
Net premiums written	111,252	122,982
Interest and dividends on deposits of premiums	80	91
Investment income	1,030	1,129
Interest income and dividends	1,098	1,221
Gains on sale of securities	12	—
Transfer to interest and dividends on deposits of premiums	(80)	(91)
Other ordinary income	31	43
Ordinary revenues from the banking business	76,532	86,817
Interest income	57,124	71,318
Interest income on loans	23,241	25,713
Interest income and dividends on securities	27,858	39,970
Fees and commissions	16,131	11,666
Other operating income	973	1,343
Other ordinary income	2,303	2,488
Other	11,177	12,663
Other ordinary income	11,177	12,663

(Millions of yen)

	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024
Ordinary expenses	2,271,591	2,272,640
Ordinary expenses from the life insurance business	2,097,313	2,074,172
Insurance claims and other payments	760,553	841,107
Insurance claims	99,930	109,275
Annuity payments	14,184	16,479
Insurance benefits	180,081	187,673
Surrender payments	454,658	513,458
Other payments	6,832	6,048
Provision for policy reserves and others	992,914	933,110
Provision for reserve for outstanding claims	2,274	—
Provision for policy reserves	990,640	933,110
Interest portion of reserve for policyholders' dividends	0	0
Investment expenses	146,755	82,052
Interest expenses	30,838	26,307
Losses on trading securities, net	—	56
Losses on sale of securities	34,976	40,468
Losses on valuation of securities	1,817	—
Losses on derivatives, net	75,966	11,794
Operating expenses	133,599	153,111
Other ordinary expenses	63,491	64,791
Ordinary expenses from the non-life insurance business	106,014	118,306
Underwriting expenses	78,727	88,930
Net claims paid	61,161	68,535
Loss adjustment expenses	7,909	8,069
Net commission and brokerage fees	839	940
Provision for reserve for outstanding claims	3,426	4,782
Provision for underwriting reserves	5,389	6,602
Investment expenses	0	0
Operating, general and administrative expenses	27,276	29,369
Other ordinary expenses	11	5
Ordinary expenses from the banking business	56,840	67,053
Interest expenses	20,086	29,999
Interest expenses on deposits	16,182	23,832
Fees and commissions	12,151	14,796
Other operating expenses	1,393	2,402
General and administrative expenses	22,888	19,731
Other ordinary expenses	320	124
Other	11,423	13,108
Other ordinary expenses	11,423	13,108
Ordinary profit	42,064	54,004

(Millions of yen)

	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024
Extraordinary gains	42	33
National subsidies	42	33
Extraordinary losses	3,167	3,205
Losses on disposal of fixed assets	140	42
Impairment losses	34	41
Provision for reserve under the special laws	2,992	3,121
Provision for reserve for price fluctuations	2,992	3,121
Provision for reserve for policyholders' dividends	243	22
Income before income taxes	38,695	50,810
Income taxes - current	15,343	18,294
Income taxes - deferred	(3,746)	(4,003)
Total income taxes	11,597	14,290
Profit	27,098	36,519
Profit attributable to non-controlling interests	452	—
Profit attributable to owners of the parent	26,645	36,519

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024
Profit	27,098	36,519
Other comprehensive income		
Net unrealized gains (losses) on available-for-sale securities, net of taxes	(26,062)	(4,201)
Net deferred gains (losses) on hedging instruments, net of taxes	1	(48)
Remeasurements of defined benefit plans, net of taxes	(263)	(276)
Total other comprehensive income	(26,324)	(4,525)
Comprehensive income	773	31,993
(Details)		
Comprehensive income attributable to owners of the parent	321	31,993
Comprehensive income attributable to non-controlling interests	452	—

(3) Notes to the Consolidated Financial Statements

(Going Concern Assumption)

Not applicable.

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

Not applicable.

(Changes in significant subsidiaries during the nine months ended December 31, 2024)

Not applicable.

Although specified subsidiaries have not changed, SFV • GB II L.P. was established and entered the scope of consolidation in the nine months ended December 31, 2024. The company's results are included in the "other" category in the consolidated statements of income.

(Subsequent Events)

(Issuance of Unsecured Straight Bonds by Sony Bank)

At the meeting of the Board of Directors held on January 31, 2025, Sony Bank approved a comprehensive resolution regarding the issuance of unsecured straight bonds as follows.

1 Type	Unsecured straight bonds
2 Total amount	JPY 20 billion or less
3 Issue dates	From February 1, 2025 to March 31, 2025
4 Interest rate	Fixed interest rate up to the market yield of Japanese government bonds with the same maturities plus 50 bases points
5 Issue price	JPY 100 per amount of JPY 100 of each bond
6 Term and method of redemption	Full amount on maturity within 5 years
7 Other	Decisions concerning the matters set forth in each item of Article 676 of the Companies Act, such as the specific timing of issuance, the total amount, and the interest rate, as well as all other matters necessary for the issuance of the bonds shall be delegated to the President and CEO, Representative Director, within the scope of the resolution

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.

SFV • GB II L.P.*¹

Equity method affiliates: BXJA I Holding KK*²

Sony Payment Services Inc.*²

ETC Solutions, Inc.*²

*¹ SFV • GB II L.P. was included in the scope of consolidation from the second quarter of the fiscal year ended March 31, 2025.

*² 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

(Sony Financial Group Inc. website)

https://www.sonyfg.co.jp/index_en.html