

May 15, 2025

Company name:

Sony Financial Group Inc.

Representative:

Toshihide Endo,
President & CEO,
Representative Corporate Executive Officer

Consolidated Financial Results (Japanese GAAP) for the Fiscal Year Ended March 31, 2025

Sony Financial Group Inc. (the “Company”) hereby announces the consolidated financial results based on Japanese accounting standards (“Japanese GAAP”) for the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025), 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 fiscal year ended March 31, 2024 (Apr.1, 2023, to Mar. 31, 2024) (FY2023)	For the fiscal year ended March 31, 2025 (Apr. 1, 2024, to Mar. 31, 2025) (FY2024)	YoY change	
	Billions of yen	Billions of yen	Billions of yen	% change
Ordinary Revenues	3,450.3	2,618.7	(831.5)	(24.1)%
Ordinary Profit	54.3	44.8	(9.4)	(17.4)%
Profit Attributable to Owners of the Parent	41.1	78.7	+37.6	+91.4%

	As of March 31, 2024	As of March 31, 2025	YoY change	
	Billions of yen	Billions of yen	Billions of yen	% change
Total Net Assets	594.0	669.7	+75.7	+12.8%
Total Assets	22,083.7	23,370.9	+1,287.1	+5.8%

Ordinary revenues for the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025) decreased 24.1% year on year, to ¥2,618.7 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 decreased 17.4% year on year, to ¥44.8 billion, due to decreases in ordinary profit in the life insurance and the banking businesses, despite an increase in the non-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 was up 91.4% year on year, to ¥78.7 billion, due to a reversal of reserve for price fluctuations at Sony Life.

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

(Billions of yen)

	FY2023	FY2024	YoY change	
Ordinary Revenues	3,450.3	2,618.7	(831.5)	(24.1)%
Life insurance business	3,181.1	2,317.0	(864.0)	(27.2)%
Non-life insurance business	152.0	168.8	+16.8	+11.0%
Banking business	105.6	117.0	+11.4	+10.8%
Ordinary Profit	54.3	44.8	(9.4)	(17.4)%
Life insurance business	25.1	20.6	(4.5)	(18.2)%
Non-life insurance business	6.4	7.2	+0.7	+11.1%
Banking business	22.8	18.8	(4.0)	(17.5)%

Life insurance business: Ordinary revenues decreased 27.2% year on year, to ¥2,317.0 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 decreased 18.2% year on year, to ¥20.6 billion, due to 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. This decline was partially offset by an improvement in gains/losses resulting from market fluctuations for variable life insurance and other products.

Non-life insurance business: Ordinary revenues increased 11.0% year on year, to ¥168.8 billion, due to a steady increase in net premiums written centered on mainstay auto insurance. Ordinary profit increased 11.1% year on year, to ¥7.2 billion, due to a decrease in operating expense ratio and an effect of an increase in 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.

Banking business: Ordinary revenues increased 10.8% year on year, to ¥117.0 billion, and ordinary profit decreased 17.5% year on year, to ¥18.8 billion, due to decreases in fees and commissions and profit resulting from 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 March 31, 2025
Group consolidated ESR (Economic Solvency Ratio)	198%	189%

(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 215% 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 March 31, 2025	YoY change
Amount of Policies in Force	66,586.1	71,974.0	+8.1%
Annualized Premiums from Policies in Force	1,206.5	1,297.4	+7.5%

(Billions of yen)

	FY2023	FY2024	YoY change
Amount of New Policies	10,056.4	11,188.3	+11.3%
Annualized Premiums from New Policies	160.5	180.8	+12.6%

(Number)

	As of March 31, 2024	As of March 31, 2025	YoY change
Number of Lifeplanner Sales Specialists	5,516	5,795	+279

(Billions of yen)

	As of March 31, 2024	As of March 31, 2025	YoY change
Economic Value-based Capital	2,013.9	1,901.4	(112.5)
Risk Amount based on Economic Value	1,077.1	1,132.1	+54.9
ESR	187%	168%	(19)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, %)

	FY2023	FY2024	YoY change
Direct Premiums Written	1,547	1,738	+12.4%
E.I. Loss Ratio	67.9%	69.7%	+1.8pt
Net Expense Ratio	26.5%	25.4%	(1.1)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 March 31, 2025	YoY change
Mortgage Loan Balance	3,446.3	3,651.7	+205.3
Foreign Currency Deposit Balance	614.7	771.1	+156.4

3. 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	16,801,560	17,528,295
Loans	3,682,002	3,899,036
Tangible fixed assets	102,649	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	2,327	2,183
Other assets	270,279	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	3,296	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	209,410	192,278
Payables under repurchase agreements	938,854	1,230,050
Collateral for securities lending transactions	566,039	290,988
Borrowed money	467,716	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	(2,720)	(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 Marc 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 trust, 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 sale 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 Marc 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	1,604,314	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 Marc 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 sales of shares of subsidiaries and affiliate companies	13,367	—
Reversal for reserve under the special laws	—	63,223
Reversal for reserve for price fluctuations	—	63,223
Extraordinary losses	4,716	1,036
Losses on disposal of fixed assets	179	155
Impairment losses	92	880
Provision for reserve under the special laws	4,059	—
Provision for reserve for price fluctuations	4,059	—
Losses 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	(38,225)	(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) 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 fiscal year ended March 31, 2025)

Not applicable.

Although specified subsidiaries have not changed, SFV • GB II L.P. was established and entered the scope of consolidation in the fiscal year ended March 31, 2025. The company's results are included in the "other" category in the consolidated statements of income.

(Additional information)

(Reversal of contingency reserve)

Sony Life reversed contingency reserve within policy reserves of ¥31,021 million in the previous fiscal year and ¥11,761 million in the fiscal year ended March 31, 2025 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).

(Reversal of reserve for price fluctuations)

Sony Life reversed ¥67,222 million of reserve for price fluctuations in the fiscal year ended March 31, 2025 to cover losses on sales of bonds in accordance with Article 115, paragraph (2) of the Insurance Business Act.

(Subsequent Events)

(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. The establishment of a facility for each repurchase of SFGI shares is expected to be resolved by its Board of Directors in the future.

(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. Amount of capital stock	JPY 881,356 million
5. Business activities	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)

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 audit 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)

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(Sony Financial Group Inc. website)

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