

September 8, 2025

Sony Financial Group Inc.
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Security Code: 8729, TSE Prime Market

Earnings Forecast for the Fiscal Year Ending March 31, 2026

Sony Financial Group Inc. (the “Company” or “SFGI”) announces the Sony Financial Group’s (“Sony FG”) consolidated earnings forecast for the fiscal year ending March 31, 2026 (April 1, 2025 to March 31, 2026) based on Japanese GAAP as follows.

[Consolidated]

(Millions of yen)

Item	Fiscal Year	Fiscal Year Ending March 31, 2026 (Forecast)		Three Months Ended June 30, 2025 (Result)	Fiscal Year Ended March 31, 2025 (Result)
			Year-on- Year Change		
Ordinary profit (loss)		122,000	171.8%	-58,611	44,889
Profit (loss) attributable to owners of the parent		82,000	4.1%	-43,586	78,791
Earnings per share		11.47 yen		-6.10 yen	11.02 yen
Dividends per share		3.50 yen		—	0.00 yen

- (Notes) 1. The ordinary revenues from the life insurance business, which constitutes the bulk of Sony FG’s operations, include investment income in separate accounts, and the percentage of investment income in separate accounts to ordinary revenues tends to be relatively high compared to peer companies. It is difficult to forecast future investment revenues because separate accounts are significantly affected by market fluctuations and other factors. Furthermore, the results and risks of asset management in separate accounts attribute to policyholders mainly in variable insurance and variable annuities, differing in nature from assets in the general account. Therefore, the Company does not disclose forecasts on ordinary revenues.
2. 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. The above earnings per share have been calculated assuming that the stock split was conducted at the beginning of the fiscal year ended March 31, 2025.
3. The forecast for earnings per share for the fiscal year ending March 31, 2026 has been calculated by dividing profit attributable to owners of the parent for the fiscal year ending March 31, 2026 (forecast) by the total number of issued shares (excluding treasury stocks) as of today, and earnings per share may increase depending on the status of repurchase of shares of its own common stock.
4. The forecast for the year-end dividend for the fiscal year ending March 31, 2026 is expected to be a total of ¥25 billion (¥50 billion on an annualized basis) or more as the portion equivalent to half a year due to the partial spin-off of the Company by Sony Group Corporation taking effect from October 1, 2025. The above dividend forecasts are calculated by dividing the expected aggregate amount of dividends by the total number of issued shares as of today, and the cash dividends per share may increase depending on the status of repurchase of shares of its own common stock.
5. The Company’s basic policy is to provide stable dividends while securing appropriate capital for the soundness and investment in growth areas of Group companies.

The Company plans to be listed on September 29, 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.

* From the perspectives of both enhancing the international comparability of financial information in capital markets and providing management metrics aligned with the Group's emphasis on long-term management, the Company has disclosed future targets based on IFRS[®] Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards" or "IFRS"). The Group is also preparing for the application of IFRS Accounting Standards with the goal of transitioning in the fiscal year ending March 31, 2027. The above IFRS adjusted net income represents the figure derived by deducting the following adjustments from Sony FG's net income for the period prepared in accordance with IFRS Accounting Standards.

(Sony Life)

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

(SFGI, Sony Assurance, Sony Bank, Other entities)

1. One-time gains/losses

(*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

[Assumptions for the Earnings Forecast for the Fiscal Year Ending March 31, 2026]

The consolidated earnings forecast for the fiscal year ending March 31, 2026 stated in this document is based on the consolidated business plan approved by the resolution of the Board of Directors meeting held in April 2025 and reflects actual results and progress through August 2025.

Sony FG is a financial group centered on life insurance, non-life insurance and banking, with each company developing its business while possessing its own unique strengths. Sony Life achieves strong growth by providing insurance tailored to each customer's life plan through face-to-face sales conducted by its sales personnel (Lifeplanner sales specialists) and through its agencies (partners). Sony Assurance maintains high standards in both customer satisfaction and brand recognition through its Internet-based direct business model. Sony Bank has established a solid position as a digital bank and has a strong customer base centered on deposits and mortgage loans.

With regard to the business environment surrounding Sony FG, the Japanese economy is expected to be underpinned by a recovery in personal consumption supported by increased inbound demand, high wage increases for the second consecutive year in spring labor negotiations, and inflation peaking, which are improving real incomes. However, the uncertainty over the global economy and international financial markets surrounding Japan is extremely high, and the situation remains completely unpredictable. Attention must be given to the downward pressure on exports and production caused by disruptions in Japan's manufacturing supply chains due to tariff hikes by the U.S. government, the contraction in global trade resulting from the expansion of retaliatory measures by other countries and regions, and the heightened volatility stemming from financial market instability. Additionally, we need to pay close attention to the risk of stagflation in the U.S. due to the impact of factors such as strengthened immigration enforcement, in addition to tariffs.

In such a business environment, the three-year Mid-Range Plan that began in the fiscal year ended March 31, 2025 is making progress, and from the fiscal year ending March 31, 2026, the Company has redefined its corporate philosophy and established "Pursuing lives filled with emotion, together." as Our Vision, contributing to the Sony Group's mission of delivering "Kando (emotion)" by staying close to and supporting its customers in living true to themselves.

Under the Mid-Range Plan, the Company is implementing specific strategies based on the concept of ambidextrous management, emphasizing both exploitation and exploration, with "exploitation" through growth of existing businesses and "exploration" through Group-wide initiatives targeting further growth, with the aim of sustained enhancement of corporate value.

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, we will expand our customer base to include younger generations, mass affluent customers, and seniors, and advance the provision of value as an integrated Group (the Group’s scrum).

1. Earnings Forecasts by Reportable Segment

(Millions of yen)

	Fiscal Year Ending March 31, 2026 (Forecast)		Fiscal Year Ended March 31, 2025 (Result)
	Ordinary profit (loss)	Year-on-Year Change	Ordinary profit (loss)
Life insurance business	99,000	380.2%	20,615
Non-life insurance business	8,500	18.0%	7,200
Banking business	18,500	-2.0%	18,881

2. Main Assumptions by Reportable Segment

(1) Life insurance business

In the life insurance business, which constitutes the bulk of Sony FG’s results, we are working to thoroughly implement customer-oriented business operations and further strengthen our compliance framework, in addition to advancing business development across various fields to realize the vision outlined in our Mid-Range Plan to “protect the fulfilling lives of customers.” To achieve quality-led growth, we will continue strengthening our Lifeplanner and agency channels while advancing our corporate and senior strategies and expanding our total life planning services. Furthermore, we will strengthen our enterprise risk management (ERM) framework through multifaceted responses including sales, product development and asset management to support sustained growth. We will also strengthen our financial foundation through measures such as ceding reinsurance of certain products and the sale of bonds.

In the fiscal year ending March 31, 2026, we have decided to implement bond sales in the same manner as the previous fiscal year for the purpose of rebalancing based on the approach of asset and liability management (ALM). Although a loss on sale exceeding the previous fiscal year by approximately ¥22 billion is expected and the gain on reversal of contingency reserve (approximately ¥12 billion) recorded in the previous fiscal year is absent, we anticipate a significant increase in ordinary profit compared to the previous fiscal year, reaching ¥99 billion (up 380.2% year on year), due to expecting the recognition of a gain on reversal of policy reserves (approximately ¥110 billion) resulting from the partial ceding of reinsurance of U.S. dollar-denominated insurance policies as part of measures to improve our financial position.

For items other than those mentioned above, income from insurance premiums, insurance claims payments, and operating expenses are expected to increase compared to the previous fiscal year due to factors such as the expansion of policies in force. However, surrender gains are projected to decrease as surrenders are expected to decline compared to the previous fiscal year, and ordinary profit is anticipated to be essentially flat compared to the previous fiscal year due to these factors.

The main assumptions for the earnings forecast are as follows:

- Income from insurance premiums, insurance claims and other payments
In addition to the income from insurance premiums and insurance claims and other payments expected based on policies in force, we expect this amount to take into account acquisition of new policies based on sales initiatives and other factors.
- Investment income and expenses
Investment income and expenses have been assumed based on the recent market environment.
- Operating expenses, etc.
Expenses required for business operations have been assumed with reference to recent results.

During the three months ended June 30, 2025, we have already executed a portion of the bond sales aimed at rebalancing based on the approach of asset and liability management (ALM) stated above. This resulted in a loss on sale of securities recorded in the general account, contributing to an ordinary loss of ¥63.7 billion (compared to an ordinary loss of ¥21.8 billion in the same period of the previous fiscal year).

(2) Non-life insurance business

In the non-life insurance business, we operate a direct business model centered on our core automobile and fire insurance products, primarily through our website and customer center, with the aim of providing unique, compelling products that offer customers tangible value, along with high-quality, reliable services. To achieve sustainable growth, we will enhance policyholder services for automobile insurance and implement product revisions centered on flexible premium revisions in response to the increasing frequency and severity of natural disasters and rising prices. Furthermore, in addition to growth in our core automobile insurance and fire insurance businesses, we will also work to expand our customer base through diversification into multiple lines of insurance.

In the fiscal year ending March 31, 2026, although operating expenses and general and administrative expenses will increase mainly due to an increase in marketing costs, to acquire new policies, ordinary profit is expected to increase year on year to ¥8.5 billion (up 18.0% year on year) due to the expectation that the loss ratio will improve as a result of the impact of revising premiums.

Premium income and insurance claims take into account increases caused by the expansion of policies in force and other factors.

(3) Banking business

In the banking business, we are working to provide financial services that are easier for customers to use, enhance our product offerings and customer service capabilities, and improve convenience. We will utilize the new core banking system released in May 2025 as the foundation for customer acquisition and fund circulation within Sony FG. Going forward, we plan to provide BaaS (Banking as a Service) and web3 services in collaboration with Sony Life and the Sony Group's entertainment businesses.

For the fiscal year ending March 31, 2026, although interest income is expected to increase due to strong performance in market investment operations and foreign currency deposit operations, driven by factors such as growth in assets under management capitalizing on overseas interest rates remaining high, ordinary profit is projected to be ¥18.5 billion (down 2.0% year on year) due to increased funding costs resulting from rising yen interest rates and higher system-related expenses associated with the introduction of a new core banking system.

3. Other profit and loss (extraordinary gains and losses, etc., profit attributable to owners of the parent)

(1) Extraordinary gains and losses, etc.

In the fiscal year ending March 31, 2026, extraordinary gains are expected to be ¥0.4 billion (down 99.4% year on year) and extraordinary losses are expected to be ¥4 billion (up 300.1% year on year) due to the absence of the gain on reversal of the reserve for price fluctuations (approximately ¥67 billion) to cover losses on the sale of bonds in the life insurance business that were recorded in the previous fiscal year.

(2) Profit attributable to owners of the parent

As a result of the above, although ordinary profit is expected to increase by 171.8% year on year, profit attributable to owners of the parent is expected to increase by 4.1% year on year to ¥82 billion as a result of a decrease in extraordinary gains from the previous fiscal year.

End

Disclaimer:

Please be aware that, in this document, statements made with respect to Sony FG's (the financial services group consisting of SFGI, and its subsidiaries including Sony Life Insurance Co., Ltd., Sony Assurance Inc., Sony Bank Inc., Sony Lifecare Inc., Sony Financial Ventures Inc., and their subsidiaries and affiliates; hereinafter the same applies.) current plans, estimates, strategies and beliefs and other statements that are not historical facts are forward-looking statements about the future performance of Sony FG. Forward-looking statements include, but are not limited to, those statements using words such as "believe," "expect," "plans," "strategy," "prospects," "forecast," "estimate," "project," "anticipate," "aim," "intend," "seek," "may," "might," "could" or "should," and words of similar meaning in connection with a discussion of future operations, financial performance, events or conditions. These statements are based on management's assumptions, judgments and beliefs in light of the information currently available to it.

Sony FG cautions investors that a number of important risks and uncertainties could cause actual results to differ materially from those discussed in the forward-looking statements, and, therefore, you should not place undue reliance on them. Investors also should not rely on any obligation of Sony FG to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Sony FG disclaims any such obligation. Important information regarding risks and uncertainties is also set forth in Sony FG's Annual Securities Report for New Listing Application (Part I).

This document does not constitute an offer of securities for sale, or an invitation or solicitation of an offer to buy securities. This document is intended to publicly announce Sony FG's consolidated financial result forecast for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026) and is not intended to solicit investment or engage in other similar actions. Under the United States Securities Act of 1933, as amended, securities may not be offered or sold in the United States absent registration thereunder or an applicable exemption from registration requirements.