
1H FY2018 Business Results

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SUMITOMO LIFE

Sumitomo Life at a Glance

Company Overview

- Established: May 1907
- Key Figures¹ – 1H FY2018 (as of Sep. 2018)
- Premium income: JPY 1.28tn
(JPY 2.68tn in FY2017)
 - Core business profit²: JPY 203.6bn
(JPY 361.7bn in FY2017)
 - Total assets: JPY 36.9tn
 - Annualized premiums from policies in force³: JPY 2.80tn
 - Solvency margin ratio: 837.0%
 - Embedded value⁴ (EEV): JPY 4.08tn
 - Number of sales representatives: 32,139
 - Insurer financial strength rating⁵: A1 [Moody's], A [S&P], A [Fitch], A+ [R&I], A+ [JCR]

Source: Company disclosure

1 Consolidated figures

2 Adjusted core business profit of the group (see page 5 for details)

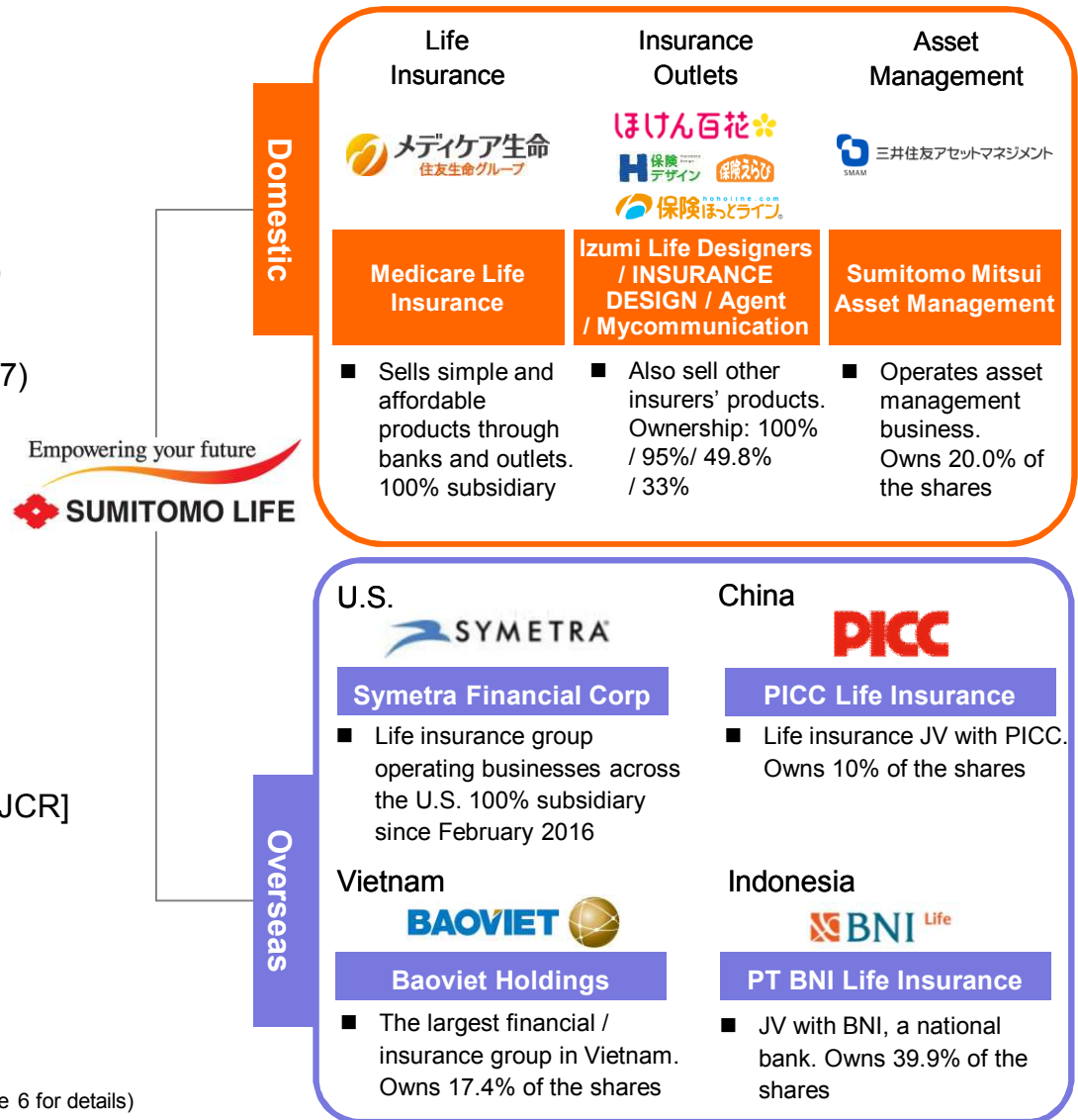
3 Figures for individual life and individual annuity for domestic business (see page 4 for details)

4 Combined figures of Sumitomo Life's EEV, Medicare Life's EEV and Symetra's EEV (see page 6 for details)

5 As of October 31, 2018. The rating from Fitch is based on public information

6 As of September 30, 2018 on ownership

Group Overview⁶



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Key Highlights

◇ 1H FY2018 Results

- ✓ Annualized premiums from policies in force have increased steadily. Annualized premiums from new policies for the Third sector, our focused area, showed an upward trend ... P.4
- ✓ Core business profit increased due to incremental interest and dividend income as a result of increased exposure to foreign bonds ... P.5
- ✓ EEV increased due to income from insurance businesses, as well as positive effects from rise in domestic interest rates and domestic stock prices ... P.6
- ✓ Capital base was further strengthened through the accumulation of internal reserves and surplus ... P.12

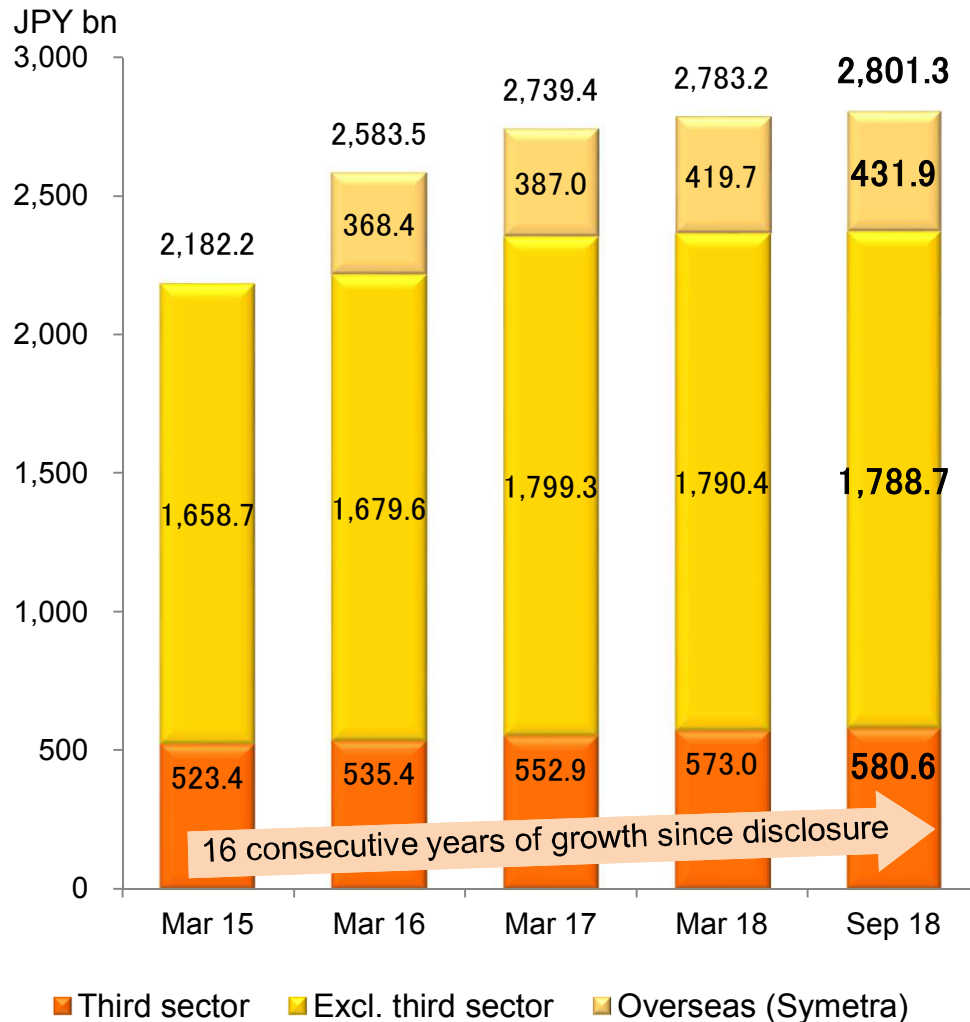


I . 1H FY2018 Business Results

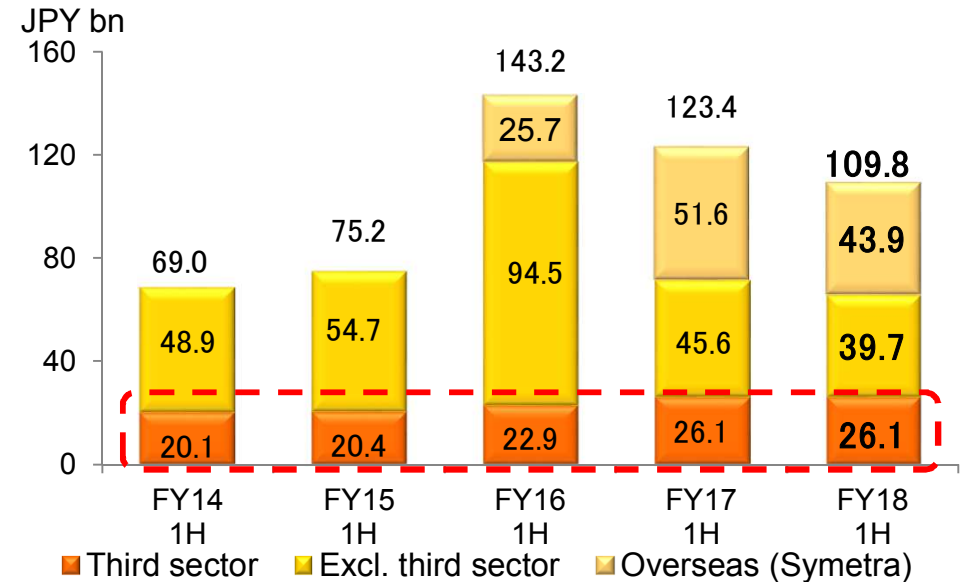
Operating Performance

Annualized premiums (AP) from policies in force have increased steadily. AP from new policies for the Third sector, our focused area, increased, while those excluding the Third sector decreased.

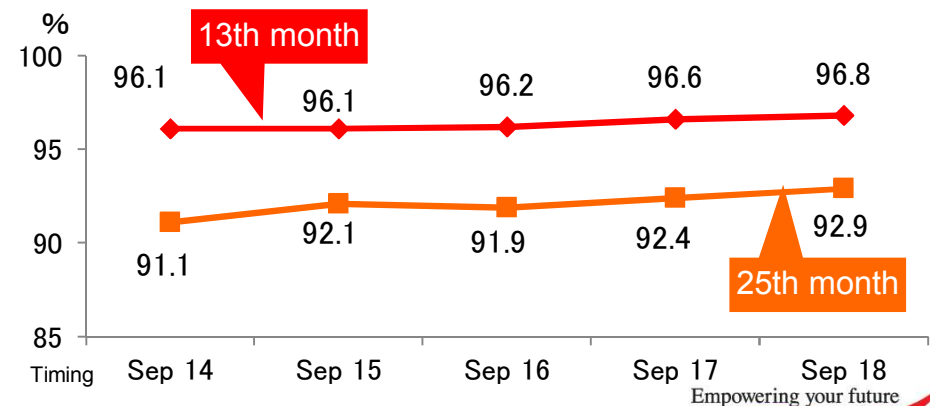
Annualized Premiums from Policies in Force¹ (Group)



Annualized Premiums from New Policies¹ (Group)



Persistency Rate² (Non-consolidated)



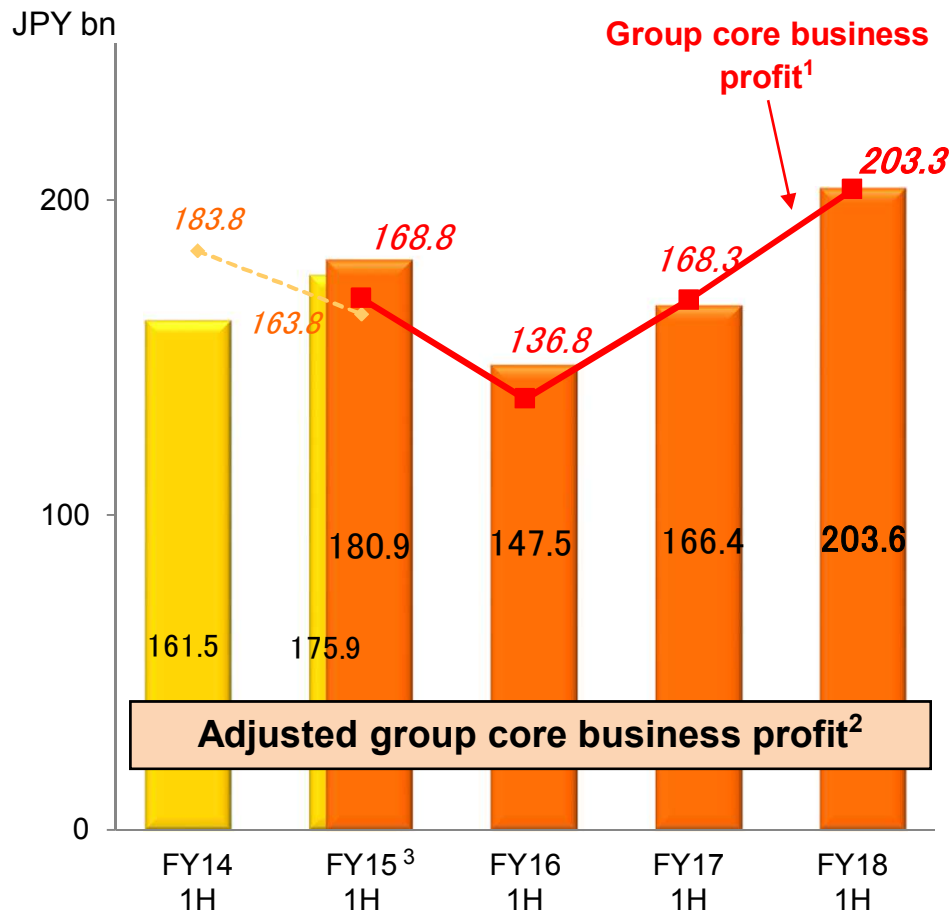
1 Figures for domestic business (Third sector + Excl. third sector) are individual life and individual annuity. Figures for Symetra is included since February 2016.

2 Figures are based on annualized premiums for products sold by sales representatives.

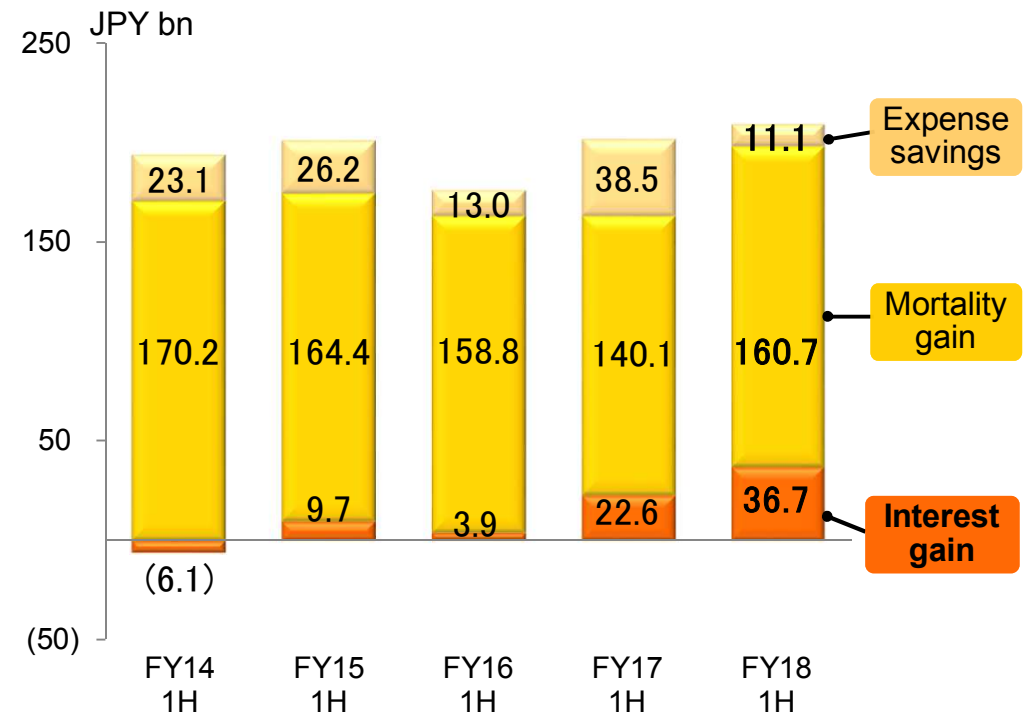
Profit Trend

Core business profit increased due to incremental interest and dividend income.

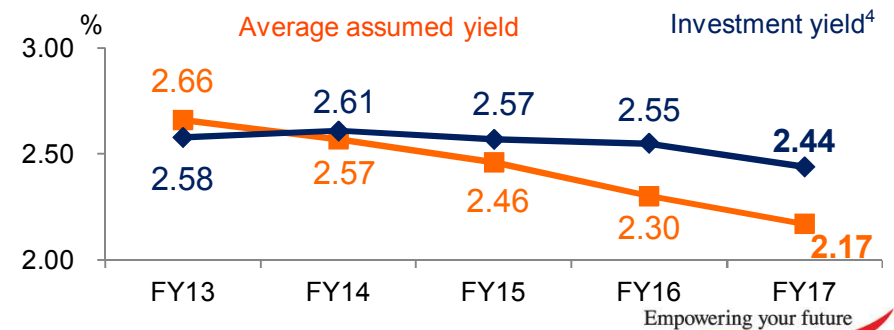
Core Business Profit (Group)



Three Surplus Factors (Non-consolidated)



<Average Assumed Yield and Investment Yield⁴> (Non-consolidated)



1 Group core business profit is calculated by combining core business profit of Sumitomo Life and Medicare Life, and profit before tax of Symetra, Baoviet Holdings, BNI Life, and PICC Life attributable to Sumitomo Life's equity stake in each company, with adjustments made to some internal transactions

2 Adjusted group core business profit indicates group core business profit excluding provision / reversal of standard policy reserve relating to variable annuities

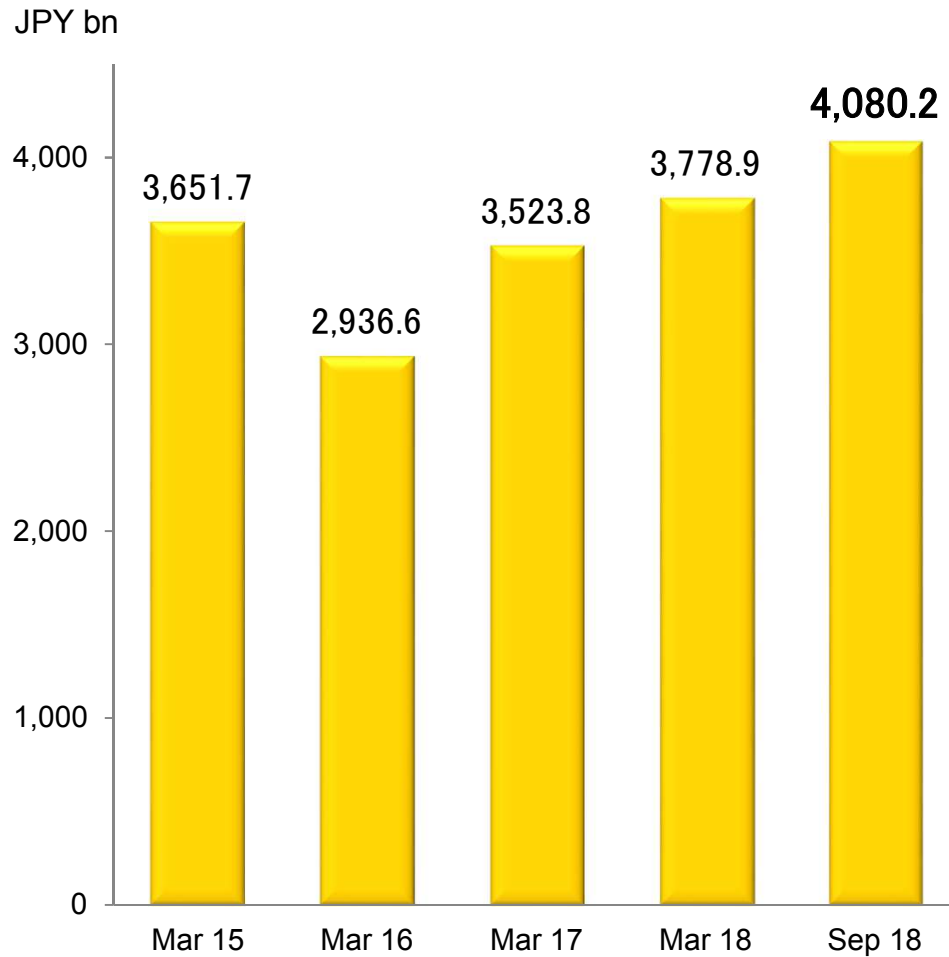
3 Yellow graph before 1H FY15 indicates the simple aggregation of Sumitomo Life's and Medicare Life's core business profit

4 Related to core business profit

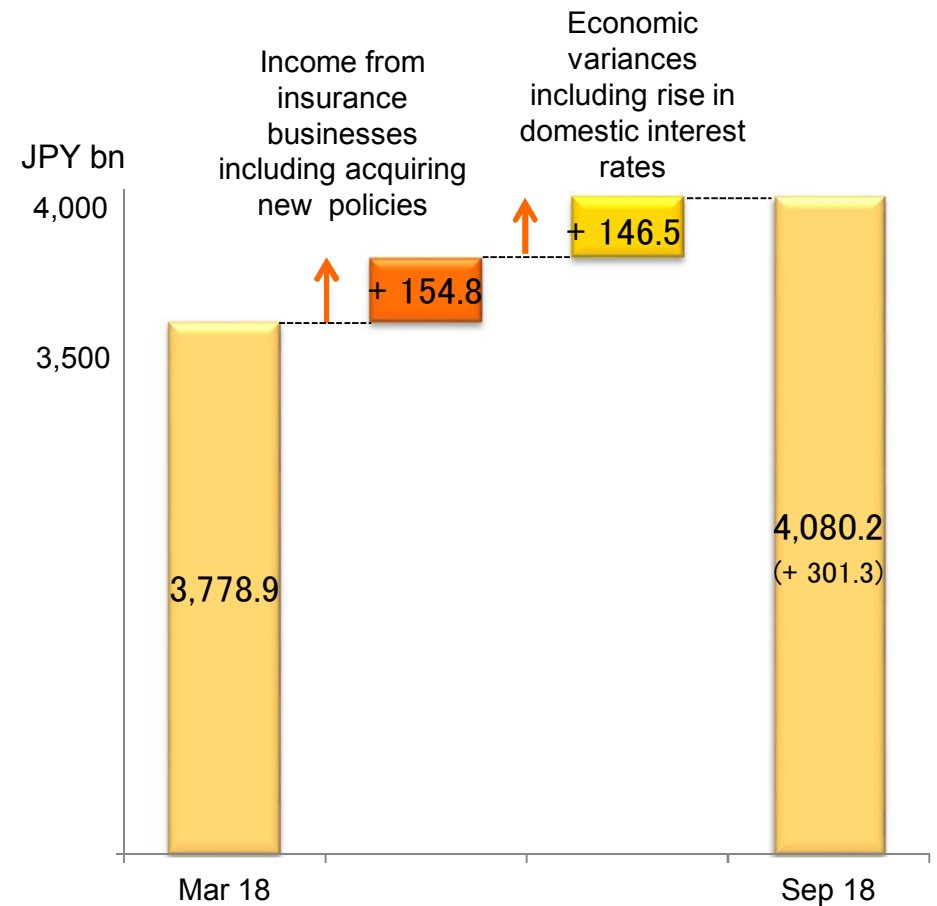
EEV Trend

EEV increased due to income from insurance businesses, as well as positive effects from rise in domestic interest rates and domestic stock prices.

EEV (Group)



EEV Growth Factors



Note: The ultimate forward rate (UFR) has been applied for EEV since March 2016

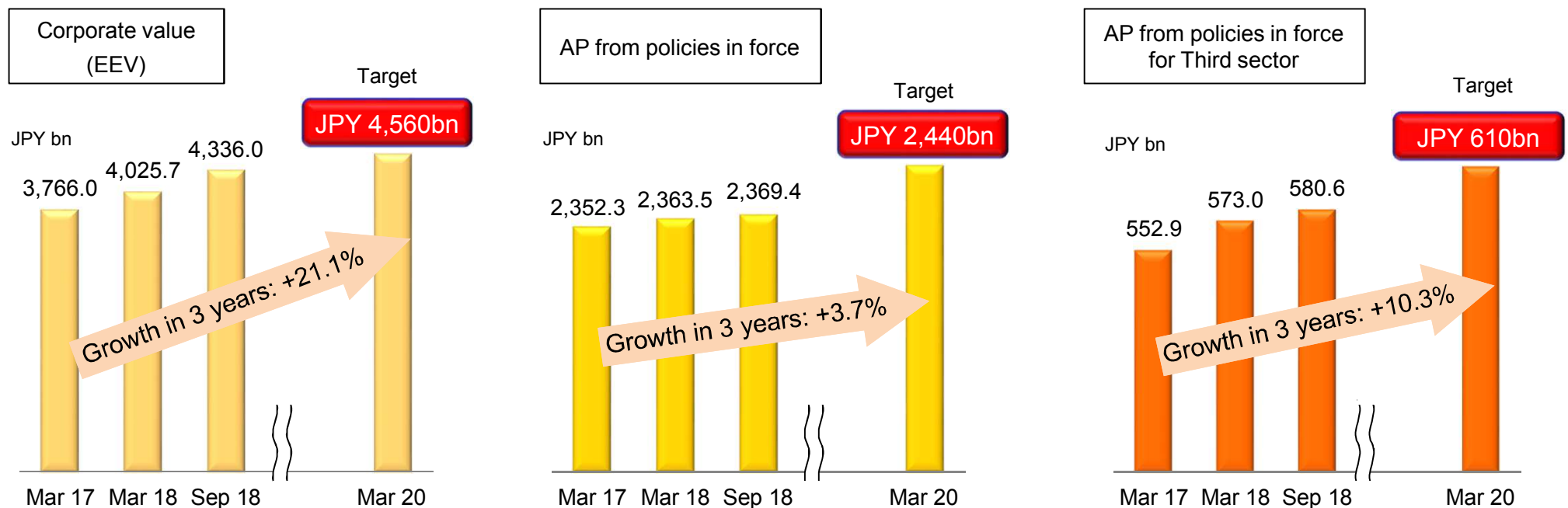
See "EEV (summary) as of September 30, 2018" on the website for details

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Progress of New Medium-Term Business Plan (2017-2019)

Items	Results as of September 2018	Targets for March 2020
Corporate value (EEV)	JPY 4,336.0bn	JPY 4,560.0bn
Annualized premiums from policies in force	JPY 2,369.4bn	JPY 2,440.0bn
Of which, third sector	JPY 580.6bn	JPY 610.0bn

Note: Total of Sumitomo Life and Medicare Life



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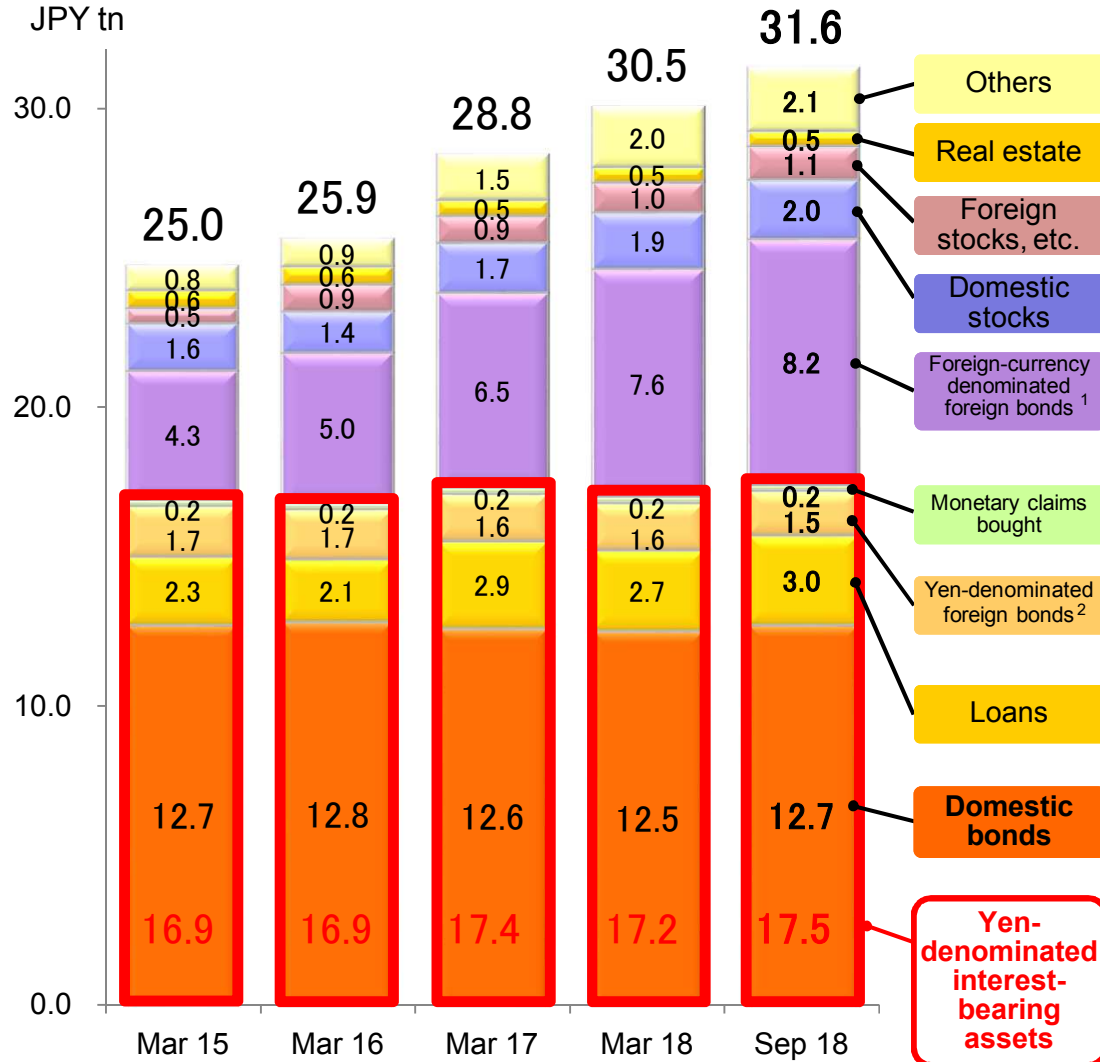
II . Asset Management

Asset Management ①

Prudent investment policy, focused mainly on yen-denominated interest-bearing assets.

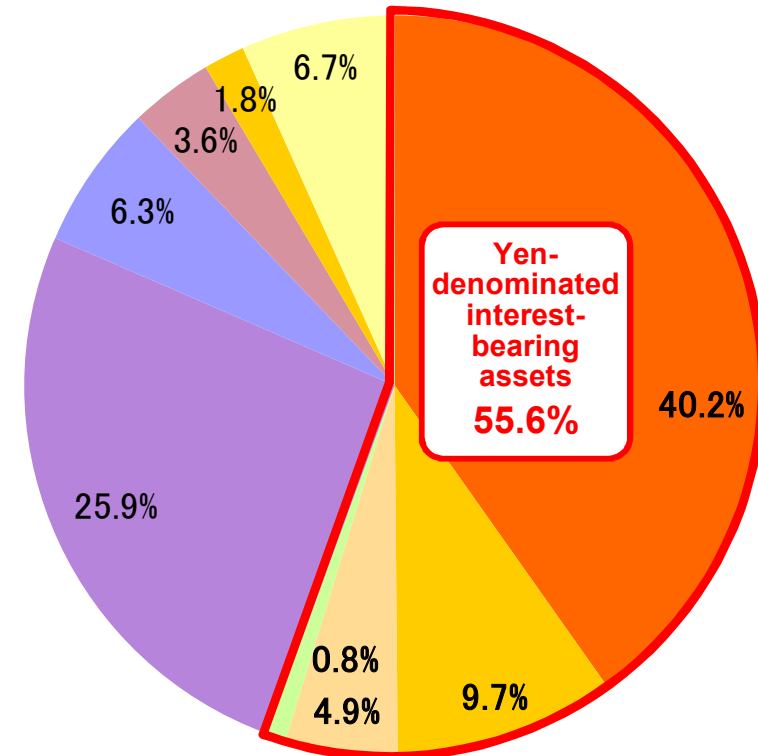
Trend of General Account (GA) Assets (Non-consolidated)

Figures on B/S
JPY tn



Breakdown of GA Assets (Non-consolidated)

<As of September 2018>



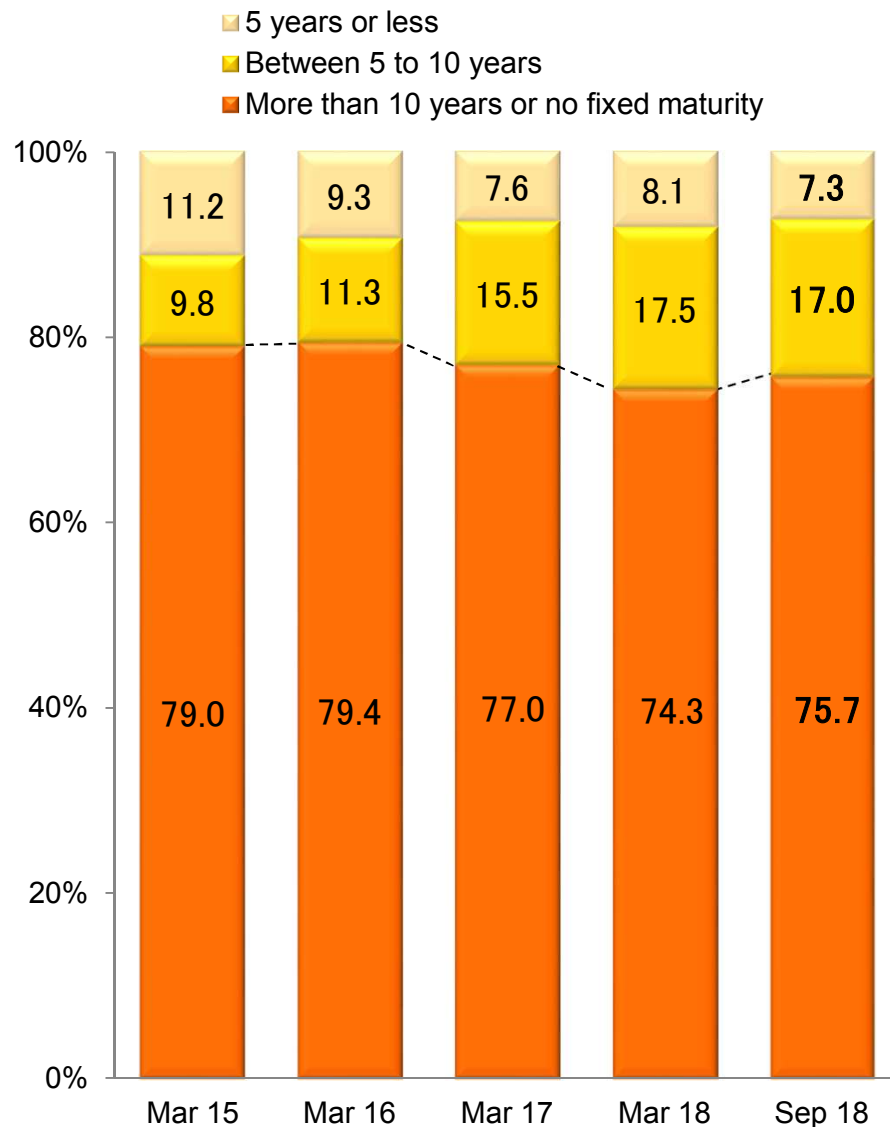
- Domestic bonds
- Loans
- Yen-denominated foreign bonds
- Monetary claims bought
- Foreign-currency denominated foreign bonds
- Domestic stocks
- Foreign stocks, etc.
- Real estate
- Others

1 Foreign-currency denominated foreign bonds (including those issued by residents) include currency-hedged foreign bonds
2 Yen-denominated foreign bonds include foreign-currency denominated foreign bonds with a fixed amount in Japanese yen

Asset Management ②

Disciplined interest rate risk management based on ALM strategy.

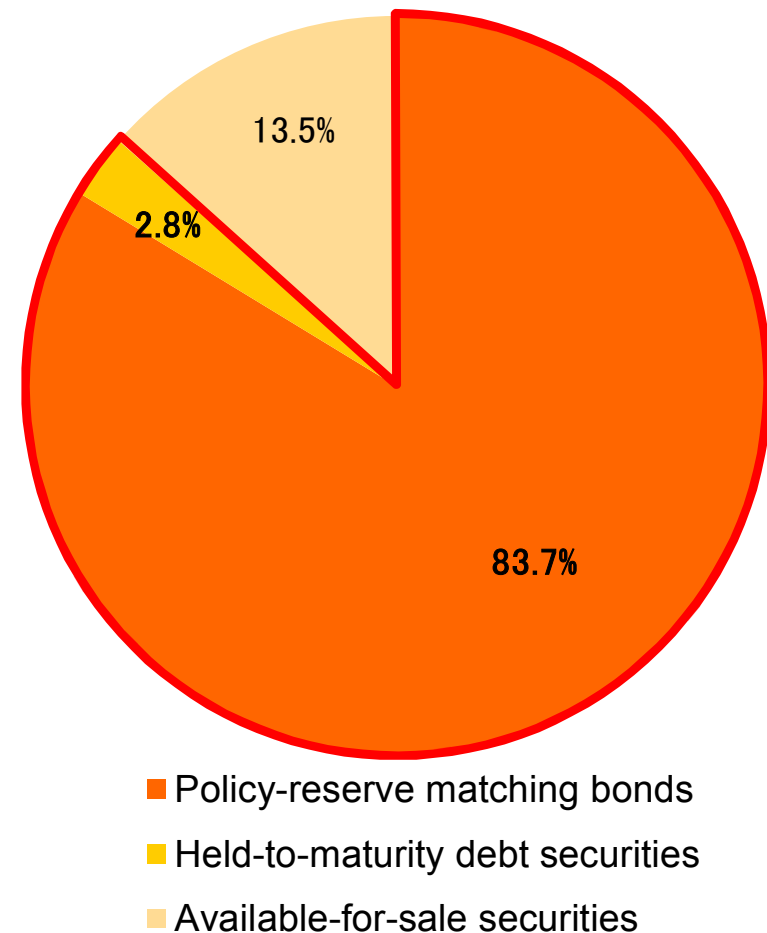
Domestic Bonds by Maturity (GA・non-consolidated)



Domestic Bonds by Category (GA・non-consolidated)

<As of September 2018>

Domestic Bonds Outstanding Balance: JPY 13.19tn





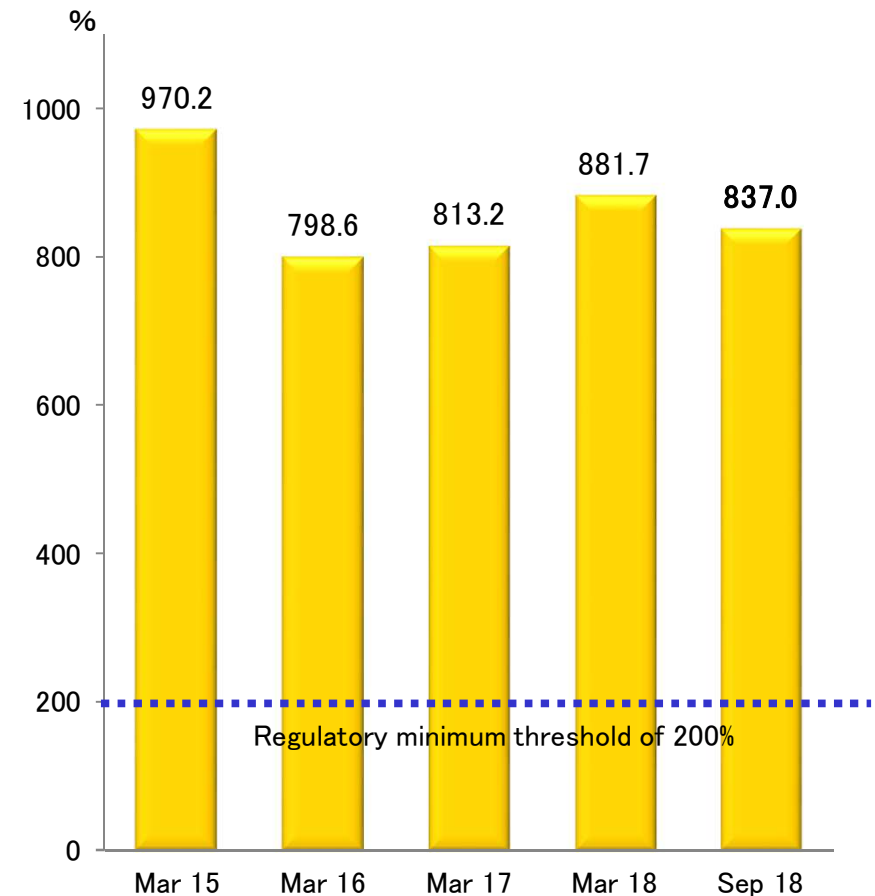
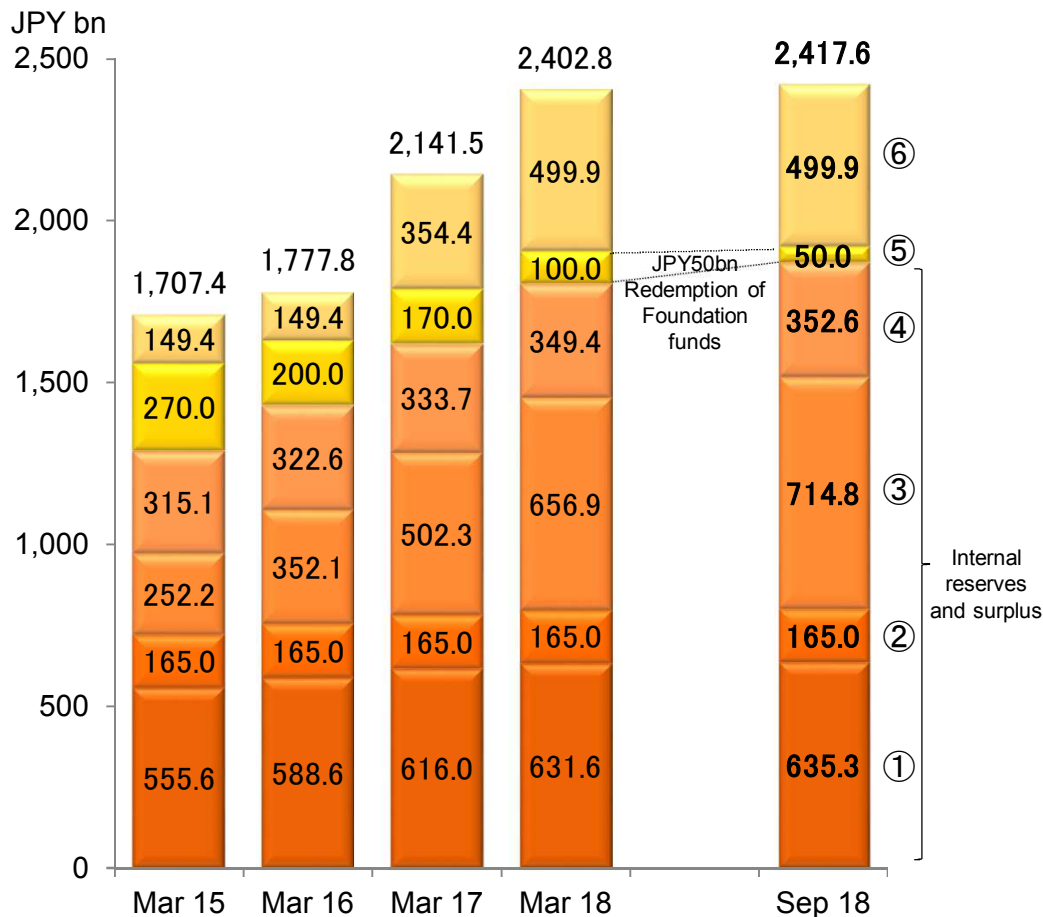
III. Capital Base

Capital Base

Capital base was further strengthened through the accumulation of internal reserves and surplus.
Solvency Margin Ratio remains at a stable level.

Trend of Capital (Non-consolidated)

Solvency Margin Ratio (Consolidated)



- ① Reserve for fund redemption+Reserve for redemption of foundation funds
- ② Fund for price fluctuation allowance
- ③ Reserve for price fluctuation
- ④ Contingency reserve
- ⑤ Foundation funds
- ⑥ Subordinated loan / bonds

Note: Reserve for fund redemption for September 2018 is company estimate, and figures before March 2018 are after Appropriation of Surplus



IV. Financial Statements, etc.

Key Performance Indicators

Key Performance Indicators (Group)

(JPY bn)

	Group		Sumitomo Life		Medicare Life		Symetra	
	Sep 2018	Increase(decrease) as % of Mar 31, 2018	Sep 2018	Increase(decrease) as % of Mar 31, 2018	Sep 2018	Increase(decrease) as % of Mar 31, 2018	Jun 2018	Increase(decrease) as % of Dec 31, 2017
Annualized premiums from policies in force	2,801.3	0.6%	2,333.8	0.2%	35.6	6.1%	431.9	2.9%

	Group		Sumitomo Life		Medicare Life		Symetra	
	1H FY2018	Increase(decrease) as % of Sep 30, 2017	1H FY2018	Increase(decrease) as % of Sep 30, 2017	1H FY2018	Increase(decrease) as % of Sep 30, 2017	1H FY2018	Increase(decrease) as % of Jun 30, 2017
Annualized premiums from new policies	109.8	(11.0%)	63.0	(7.3%)	2.8	(24.4%)	43.9	(14.9%)

	Group		Sumitomo Life		Medicare Life		Symetra	
	Sep 2018	Increase(decrease) compared to Mar 31, 2018	Sep 2018	Increase(decrease) compared to Mar 31, 2018	Sep 2018	Increase(decrease) compared to Mar 31, 2018	Jun 2018	Increase(decrease) compared to Dec 31, 2017
Solvency margin ratio	837.0%	(44.7pt)	847.0%	(26.6pt)	2,919.3%	(271.8pt)	-	-

EEV	4,080.2	301.3	4,269.9	301.8	146.0	8.5	210.6	(16.5)
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	Group		Sumitomo Life		Medicare Life		Symetra	
	1H FY2018	Increase(decrease) compared to Sep 30, 2017	1H FY2018	Increase(decrease) compared to Sep 30, 2017	1H FY2018	Increase(decrease) compared to Sep 30, 2017	1H FY2018	Increase(decrease) compared to Jun 30, 2017
Value of new business	87.7	13.7	87.9	12.9	3.2	(1.3)	(3.4)	2.1

Note: Group EEV is calculated as Sumitomo Life's EEV + Medicare Life's EEV + Symetra's EEV - book value of Medicare Life's equity and Symetra's equity owned by Sumitomo Life
The fiscal year-end of Symetra is December 31 (Exchange rate as of June 30, 2018 is JPY110.54 to US\$1.00)

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Financial Statements (Key Items)

Financial Statements (Consolidated)

Consolidated Income Statement

	1H FY2018						1H FY2018	
	Consolidated		Sumitomo Life		Medicare Life		Symetra	
	(JPY bn)	Increase(decrease) as % of Sep 30, 2017	(JPY bn)	Increase(decrease) as % of Sep 30, 2017	(JPY bn)	Increase(decrease) as % of Sep 30, 2017	(USD mm)	Increase(decrease) as % of Jun 30, 2017
Ordinary income	1,834.2	(2.5%)	1,655.4	(3.6%)	18.1	23.3%	1,282	4.9%
Ordinary expenses	1,732.3	(2.6%)	1,532.5	(4.9%)	23.6	16.1%	1,274	7.6%
Ordinary profit	101.8	(0.5%)	122.9	15.2%	(5.5)	-	8	(78.6%)
Net surplus for 1H	34.1	10.8%	31.4	(6.8%)	(4.2)	-	11	(74.1%)

Consolidated Balance Sheet

	Sep 2018						Jun 2018	
	Consolidated		Sumitomo Life		Medicare Life		Symetra	
	(JPY bn)	Increase(decrease) as % of Mar 31, 2018	(JPY bn)	Increase(decrease) as % of Mar 31, 2018	(JPY bn)	Increase(decrease) as % of Mar 31, 2018	(USD mm)	Increase(decrease) as % of Dec 31, 2017
Total assets	36,901.0	2.4%	32,549.5	3.2%	203.3	1.8%	42,942	0.2%
Total liabilities	35,385.1	2.9%	30,931.6	3.5%	169.1	5.5%	39,484	2.2%
Total net assets	1,515.9	(8.5%)	1,617.8	(2.8%)	34.2	(13.1%)	3,458	(18.0%)

Note: USGAAP for Symetra

Net surplus for 1H in consolidated is net surplus attributable to the parent company

The fiscal year-end of Symetra is December 31

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For further information...

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