

May 24, 2013

SUMITOMO LIFE INSURANCE COMPANY

Financial Results for the Fiscal Year Ended March 31, 2013

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[Notes]

1. The Financial Statements are summarized English translations of audited financial statements prepared to conform to Japanese accounting standards. Notes to Consolidated Financial Statements are not included in these translations.
2. U.S. dollar amounts are converted at U.S. \$1.00 = ¥94.05, the rate prevailing on March 31, 2013.
3. Amounts of less than one million yen or less than one million dollars have been omitted.

1. Consolidated Balance Sheets

	millions of	millions of yen	
	U.S. dollars	As of	As of
	As of	March 31, 2013	March 31, 2012
	March 31, 2013		
Assets			
Cash and deposits	2,478	233,076	127,313
Call loans	4,615	434,100	375,700
Monetary claims bought	3,298	310,241	353,742
Securities	230,677	21,695,225	18,889,513
Loans	28,319	2,663,423	2,887,447
Tangible fixed assets	8,721	820,230	912,132
Land	5,120	481,625	523,603
Buildings	3,488	328,114	379,029
Leased assets	45	4,292	1,330
Construction in progress	5	542	1,341
Other tangible fixed assets	60	5,656	6,826
Intangible fixed assets	294	27,690	26,452
Software	182	17,124	15,345
Leased assets	0	52	89
Other intangible fixed assets	111	10,513	11,017
Due from insurance agencies	0	3	5
Due from reinsurers	2	195	214
Other assets	2,626	247,044	250,508
Deferred tax assets	1,442	135,712	211,596
Customers' liabilities for acceptances and guarantees	31	3,000	3,000
Allowance for possible loan losses	(35)	(3,324)	(4,058)
Total assets	282,473	26,566,620	24,033,569
Liabilities			
Policy reserves	248,799	23,399,622	22,146,905
Reserves for outstanding claims	1,092	102,783	101,548
Policy reserves	244,607	23,005,316	21,741,822
Policyholders' dividend reserves	3,099	291,521	303,534
Due to reinsurers	1	115	136
Other liabilities	17,902	1,683,711	779,460
Deposits received under securities lending transactions	7,795	733,125	83,609
Other	10,107	950,585	695,851
Accrued retirement benefits	252	23,718	22,303
Reserve for directors' and corporate auditors' retirement benefits	0	14	7
Reserve for price fluctuations	2,196	206,574	161,461
Deferred tax liabilities	8	843	277
Deferred tax liabilities on revaluation of land	296	27,927	30,083
Acceptances and guarantees	31	3,000	3,000
Total liabilities	269,489	25,345,526	23,143,636
Net assets			
Funds, reserve and surplus	10,238	962,931	875,735
Foundation funds	2,870	270,000	220,000
Accumulated redeemed foundation funds	3,923	369,000	319,000
Reserve for revaluation	0	2	2
Surplus	3,444	323,928	336,733
Accumulated other comprehensive income	2,710	254,950	9,926
Unrealized gains (losses) on available-for-sale securities, net of taxes	3,703	348,334	107,364
Deferred unrealized gains on hedging instruments	-	-	59
Revaluation reserve for land, net of taxes	(989)	(93,037)	(97,069)
Foreign currency translation adjustments	(3)	(345)	(428)
Minority interests	34	3,212	4,270
Total net assets	12,983	1,221,094	889,933
Total liabilities and net assets	282,473	26,566,620	24,033,569

2. Consolidated Statements of Income

	millions of U.S. dollars	millions of yen	
	Year ended March 31, 2013	Year ended March 31, 2013	Year ended March 31, 2012
Ordinary income	44,572	4,192,041	3,401,935
Insurance premiums and other	33,854	3,183,999	2,644,607
Investment income	9,508	894,321	612,488
Interest and dividend income	5,426	510,324	494,444
Gains on trading securities	12	1,131	-
Gains on sales of securities	355	33,389	41,988
Gains on redemption of securities	-	-	912
Foreign exchange gains	-	-	1,162
Reversal of allowance for possible loan losses	7	720	3,687
Other	12	1,129	617
Gains on assets in separate accounts	3,696	347,626	69,676
Other ordinary income	1,209	113,720	144,838
Ordinary expenses	42,194	3,968,404	3,200,373
Benefits and other payments	20,635	1,940,792	1,894,710
Claims paid	6,055	569,565	605,565
Annuities paid	3,800	357,460	311,299
Benefits paid	4,145	389,894	390,411
Surrenders	5,475	514,929	509,199
Other	1,158	108,942	78,234
Provision for policy reserves and other reserves	13,452	1,265,177	587,588
Provision for reserves for outstanding claims	13	1,234	-
Provision for policy reserves	13,434	1,263,494	587,115
Provision for interest on policyholders' dividend reserves	4	448	473
Investment expenses	2,525	237,548	213,850
Interest expenses	102	9,625	12,230
Losses on trading securities	-	-	386
Losses on sales of securities	107	10,080	48,448
Losses on devaluation of securities	141	13,318	67,120
Losses on derivatives	1,827	171,867	48,787
Foreign exchange losses	0	20	-
Depreciation of real estate for investment	172	16,181	18,166
Other expenses	174	16,454	18,710
Operating expenses	3,948	371,395	355,776
Other ordinary expenses	1,632	153,490	148,448
Ordinary profit	2,377	223,636	201,561
Extraordinary gains	125	11,765	4,735
Gains on disposal of fixed assets, etc.	125	11,765	4,735
Extraordinary losses	1,023	96,277	13,844
Losses on disposal of fixed assets, etc.	279	26,313	6,615
Impairment losses on fixed assets	257	24,237	6,427
Provision for reserve for price fluctuations	479	45,112	9
Advanced depreciation for real estate	-	-	13
Payments to social responsibility reserve	6	614	778
Surplus before income taxes and minority interests	1,479	139,124	192,452
Income taxes	344	32,428	85,028
Current	691	65,067	30,028
Deferred	(347)	(32,639)	54,999
Surplus before minority interests	1,134	106,696	107,423
Minority interests	12	1,138	574
Net surplus for the year	1,146	107,834	107,998

3. Consolidated Statements of Comprehensive Income

	millions of	millions of yen	
	U.S. dollars	Year ended March 31, 2013	Year ended March 31, 2012
Surplus before minority interests	1,134	106,696	107,423
Other comprehensive income	2,565	241,247	122,634
Unrealized gains (losses) on available-for-sale securities, net of taxes	2,563	241,109	117,219
Deferred unrealized gains (losses) on hedging instruments	(0)	(59)	(102)
Revaluation reserve for land, net of taxes	-	-	5,565
Foreign currency translation adjustments	0	82	(35)
Share of other comprehensive income of affiliates accounted for under the equity method	1	114	(13)
Comprehensive income	3,699	347,943	230,057
Comprehensive income attributable to owners of the parent company	3,708	348,826	230,527
Comprehensive income attributable to minority interests	(9)	(883)	(469)

4. Consolidated Statements of Cash Flows

	millions of	millions of yen	
	U.S. dollars	Year ended March 31, 2013	Year ended March 31, 2012
I. Cash flows from operating activities:			
Surplus before income taxes and minority interests	1,479	139,124	192,452
Depreciation of real estate for investment	172	16,181	18,166
Depreciation	150	14,200	14,884
Impairment losses on fixed assets	257	24,237	6,427
Increase (decrease) in reserves for outstanding claims	13	1,234	(27,240)
Increase (decrease) in policy reserves	13,434	1,263,494	587,115
Provision for interest on policyholders' dividend reserves	4	448	473
Increase (decrease) in allowance for possible loan losses	(7)	(733)	(4,083)
Increase (decrease) in accrued retirement benefits	15	1,413	613
Increase (decrease) in reserve for price fluctuations	479	45,112	9
Interest and dividend income	(5,426)	(510,324)	(494,444)
Losses (gains) on securities	(3,155)	(296,749)	53,945
Interest expenses	102	9,625	12,230
Losses (gains) on foreign exchange transactions	0	20	(1,167)
Losses (gains) on tangible fixed assets	155	14,658	2,566
Equity in losses (earnings) of affiliates	(12)	(1,163)	(1,033)
Decrease (increase) in due from insurance agencies	0	1	(1)
Decrease (increase) in due from reinsurers	0	18	(26)
Decrease (increase) in other assets (excluding assets for investing and financing activities)	378	35,625	47,968
Increase (decrease) due to reinsurers	(0)	(21)	(7)
Increase (decrease) in other liabilities (excluding liabilities for investing and financing activities)	3,776	355,191	30,882
Other, net	(3,991)	(375,413)	3,255
Subtotal	7,827	736,183	442,983
Interest and dividend received	6,089	572,758	553,068
Interest paid	(125)	(11,812)	(12,420)
Policyholders' dividends paid	(806)	(75,806)	(76,129)
Other, net	(6)	(614)	(778)
Income taxes paid	(455)	(42,828)	(10,568)
Net cash provided by operating activities (I)	12,523	1,177,880	896,154
II. Cash flows from investing activities:			
Net decrease (increase) in deposits	(989)	(93,033)	(15,683)
Purchase of monetary claims bought	(561)	(52,799)	(40,910)
Proceeds from sales and redemption of monetary claims bought	1,004	94,510	80,328
Purchase of securities	(50,126)	(4,714,350)	(4,209,813)
Proceeds from sales and redemption of securities	30,454	2,864,233	3,398,945
Loans made	(1,543)	(145,203)	(172,779)
Proceeds from collection of loans	3,765	354,107	441,628
Other, net	6,284	591,094	(345,399)
Subtotal (IIa)	(11,711)	(1,101,441)	(863,683)
[+IIa]	[812]	[76,438]	[32,471]
Purchase of tangible fixed assets	(103)	(9,757)	(9,574)
Proceeds from sales of tangible fixed assets	450	42,366	13,182
Other, net	(75)	(7,070)	(7,852)
Net cash used in investing activities	(11,439)	(1,075,903)	(867,928)
III. Cash flows from financing activities:			
Increase in debt	0	32	-
Repayment of debt	(1,435)	(135,032)	(50,000)
Increase in foundation funds	1,063	100,000	100,000
Redemption of foundation funds	(531)	(50,000)	(90,000)
Payment of interest on foundation funds	(34)	(3,261)	(3,828)
Other, net	(11)	(1,060)	(254)
Net cash provided by (used in) financing activities	(949)	(89,322)	(44,082)
IV. Effect of foreign exchange rate changes on cash and cash equivalents	0	5	(0)
V. Net increase (decrease) in cash and cash equivalents	134	12,660	(15,857)
VI. Cash and cash equivalents at the beginning of the year	511	48,132	59,760
VII. Increase (decrease) in cash and cash equivalents due to change of the consolidation scope	-	-	4,229
VIII. Cash and cash equivalents at the end of the year	646	60,792	48,132

5. Consolidated Statements of Changes in Net Assets

	millions of	millions of yen	
	U.S. dollars	Year ended March 31, 2013	Year ended March 31, 2012
Funds, reserve and surplus			
Foundation funds			
Balance at the beginning of the fiscal year	2,339	220,000	210,000
Changes during the fiscal year	531	50,000	10,000
Financing of additional foundation funds	1,063	100,000	100,000
Redemption of foundation funds	(531)	(50,000)	(90,000)
Balance at the end of the fiscal year	2,870	270,000	220,000
Accumulated redeemed foundation funds			
Balance at the beginning of the fiscal year	3,391	319,000	229,000
Changes during the fiscal year	531	50,000	90,000
Transfer to accumulated redeemed foundation funds	531	50,000	90,000
Balance at the end of the fiscal year	3,923	369,000	319,000
Reserve for revaluation			
Balance at the beginning of the fiscal year	0	2	2
Changes during the fiscal year	-	-	-
Balance at the end of the fiscal year	0	2	2
Surplus			
Balance at the beginning of the fiscal year	3,580	336,733	378,775
Changes during the fiscal year	(136)	(12,804)	(42,041)
Provision for policyholders' dividend reserves	(673)	(63,345)	(57,466)
Transfer to accumulated redeemed foundation funds	(531)	(50,000)	(90,000)
Payment of interest on foundation funds	(34)	(3,261)	(3,828)
Net surplus for the year	1,146	107,834	107,998
Increase due to change of the consolidation scope	-	-	2,883
Reversal of revaluation reserve for land	(42)	(4,031)	(1,628)
Balance at the end of the fiscal year	3,444	323,928	336,733
Total funds, reserve and surplus			
Balance at the beginning of the fiscal year	9,311	875,735	817,777
Changes during the fiscal year	927	87,195	57,958
Financing of additional foundation funds	1,063	100,000	100,000
Provision for policyholders' dividend reserves	(673)	(63,345)	(57,466)
Payment of interest on foundation funds	(34)	(3,261)	(3,828)
Net surplus for the year	1,146	107,834	107,998
Redemption of foundation funds	(531)	(50,000)	(90,000)
Increase due to change of the consolidation scope	-	-	2,883
Reversal of revaluation reserve for land	(42)	(4,031)	(1,628)
Balance at the end of the fiscal year	10,238	962,931	875,735

	millions of U.S. dollars	millions of yen	
	Year ended March 31, 2013	Year ended March 31, 2013	Year ended March 31, 2012
Accumulated other comprehensive income			
Unrealized gains (losses) on available-for-sale securities, net of taxes			
Balance at the beginning of the fiscal year	1,141	107,364	(9,729)
Changes during the fiscal year	2,562	240,970	117,093
Balance at the end of the fiscal year	3,703	348,334	107,364
Deferred unrealized gains (losses) on hedging instruments			
Balance at the beginning of the fiscal year	0	59	162
Changes during the fiscal year	(0)	(59)	(102)
Balance at the end of the fiscal year	-	-	59
Revaluation reserve for land, net of taxes			
Balance at the beginning of the fiscal year	(1,032)	(97,069)	(104,263)
Changes during the fiscal year	42	4,031	7,194
Balance at the end of the fiscal year	(989)	(93,037)	(97,069)
Foreign currency translation adjustments			
Balance at the beginning of the fiscal year	(4)	(428)	(393)
Changes during the fiscal year	0	82	(35)
Balance at the end of the fiscal year	(3)	(345)	(428)
Total accumulated other comprehensive income			
Balance at the beginning of the fiscal year	105	9,926	(114,223)
Changes during the fiscal year	2,605	245,024	124,150
Balance at the end of the fiscal year	2,710	254,950	9,926
Minority interests			
Balance at the beginning of the fiscal year	45	4,270	4,514
Changes during the fiscal year	(11)	(1,058)	(243)
Balance at the end of the fiscal year	34	3,212	4,270
Total net assets			
Balance at the beginning of the fiscal year	9,462	889,933	708,068
Changes during the fiscal year	3,521	331,161	181,864
Financing of additional foundation funds	1,063	100,000	100,000
Provision for policyholders' dividend reserves	(673)	(63,345)	(57,466)
Payment of interest on foundation funds	(34)	(3,261)	(3,828)
Net surplus for the year	1,146	107,834	107,998
Redemption of foundation funds	(531)	(50,000)	(90,000)
Increase due to change of the consolidation scope	-	-	2,883
Reversal of revaluation reserve for land	(42)	(4,031)	(1,628)
Other changes during the fiscal year	2,594	243,965	123,906
Balance at the end of the fiscal year	12,983	1,221,094	889,933