
Investor Presentation

Empowering your future



SUMITOMO LIFE

February 2020

Sumitomo Life at a Glance

Company Overview

■ Established:	May 1907
<u>Key Figures¹ – 1H FY2019 (as of Sep. 2019)</u>	
■ Premium income:	JPY 1.25tn (USD 11.6bn) (JPY 2.60tn in FY2018)
■ Core business profit ² :	JPY 202.7bn (USD 1.8bn) (JPY 398.1bn in FY2018)
■ Total assets:	JPY 38.8tn (USD 360.0bn)
■ Annualized premiums from policies in force ³ :	JPY 2.78tn (USD 25.8bn)
■ Solvency margin ratio:	991.6%
■ Embedded value ⁴ (EEV):	JPY 3.68tn (USD 34.1bn)
■ Number of sales representatives:	32,287
■ Insurer financial strength rating ⁵ :	A+ [S&P], A1 [Moody's], AA- [R&I], AA- [JCR], A+ [Fitch]

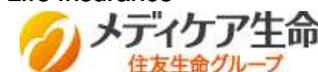
Empowering your future



Group Overview⁶

Domestic

Life Insurance



Medicare Life Insurance

- Sells simple and affordable products through banks and outlets
- 100% subsidiary

Small-amount and Short-term Insurance

AIARU Small Amount & Short Term Insurance

- Owns 97% of the shares

Insurance Outlets



Izumi Life Designers /
INSURANCE DESIGN /
Agent / Mycommunication

- Also sell other insurers' products
- Ownership: 100% / 95% / 49.8% / 43%

Overseas

U.S.



Symetra Financial Corp

- Life insurance group operating businesses across the U.S.
- 100% subsidiary since February 2016

China



PICC Life

- Life insurance JV with PICC
- Owns 10% of the shares

Vietnam



Baoviet Holdings

- The largest financial / insurance group in Vietnam
- Owns 22.09% of the shares

Indonesia



PT BNI Life

- JV with BNI, a national bank
- Owns 39.9% of the shares

Singapore



Singapore Life

- Emerging company, harnessing cutting-edge technology
- Owns 25.1% of the shares

Source: Company disclosure

1. Consolidated figures. USD amount in parenthesis in this presentation (except as otherwise stated) are translated from JPY using USD1 = JPY107.92, as of September 30, 2019.

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, 2019. The rating from Fitch is based on public information

6. As of December 31, 2019 on ownership

Key Highlights

◇ 1H FY2019 Results

- ✓ Annualized premiums from policies in force and annualized premiums from new policies remained at a stable level ... P.4
- ✓ Core business profit remained at approximately the same level as 1H FY2018 ... P.5
- ✓ EEV remained mostly unchanged from the end of the previous fiscal year due to negative impacts from lower domestic interest rate, despite the positive results of the insurance business ... P.6
- ✓ Established a strong capital base consisting mainly of internal reserves and surplus ... P.31

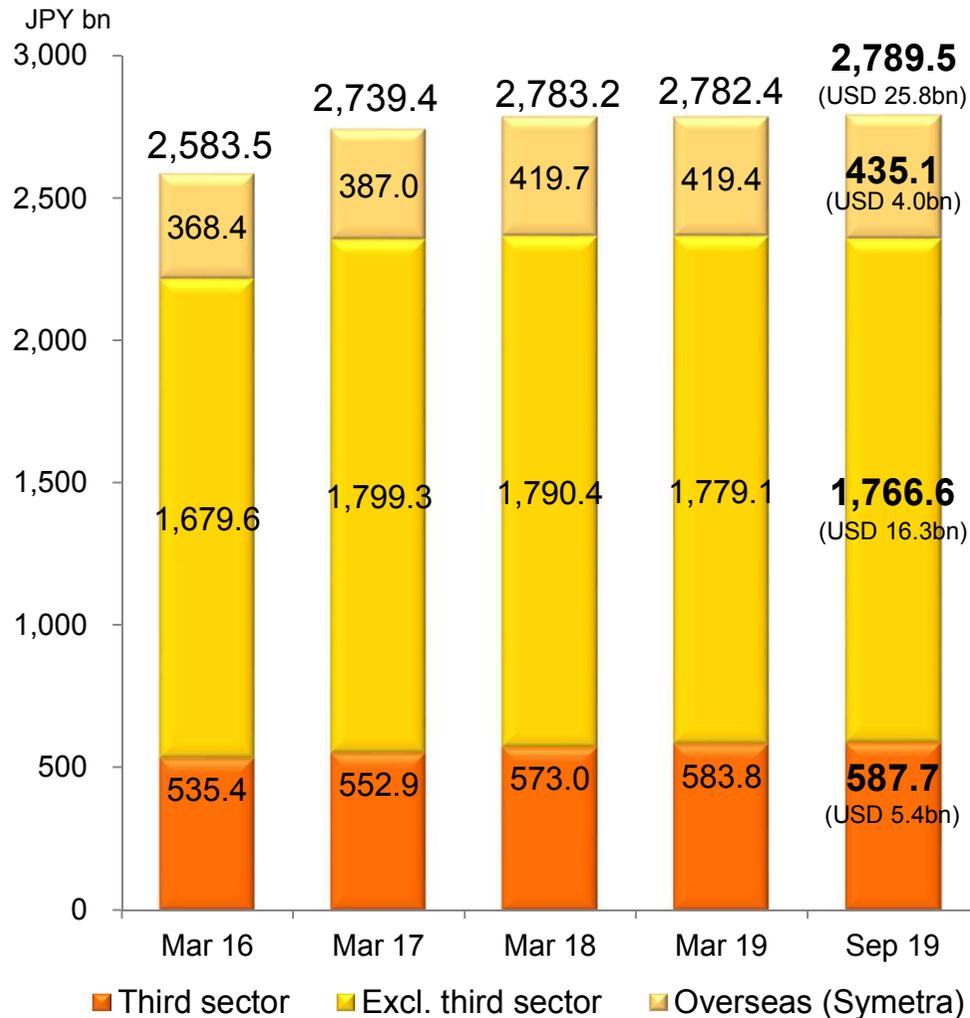


I . 1H FY2019 Business Results

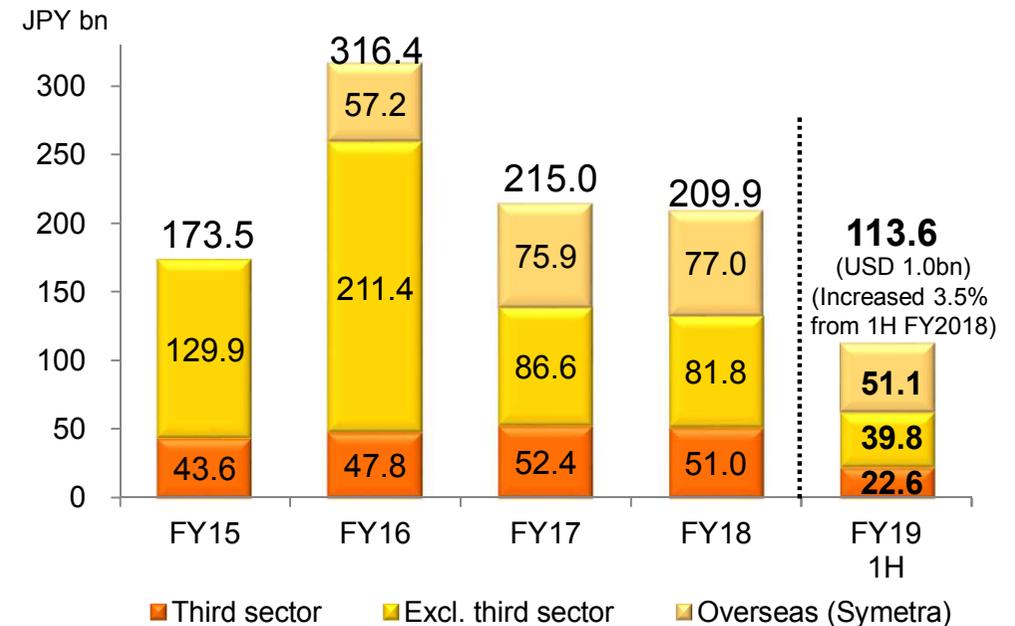
Operating Performance

Annualized premiums (AP) from policies in force remained at a stable level.
AP from new policies increased 3.5% from 1H FY2018.

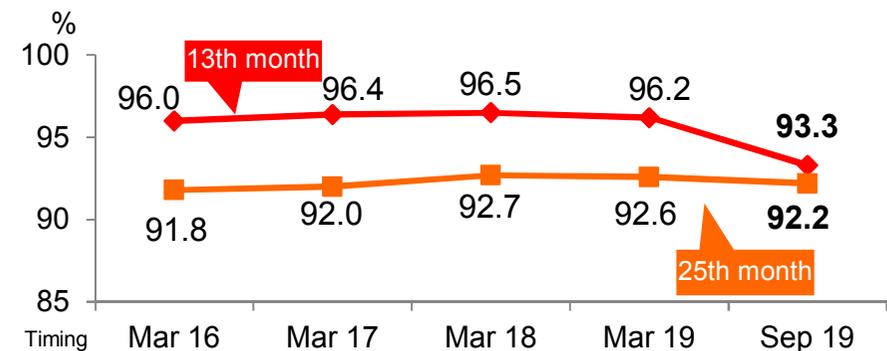
Annualized Premiums from Policies in Force¹ (Group)



Annualized Premiums from New Policies¹ (Group)



Persistency Rate² (Non-consolidated)



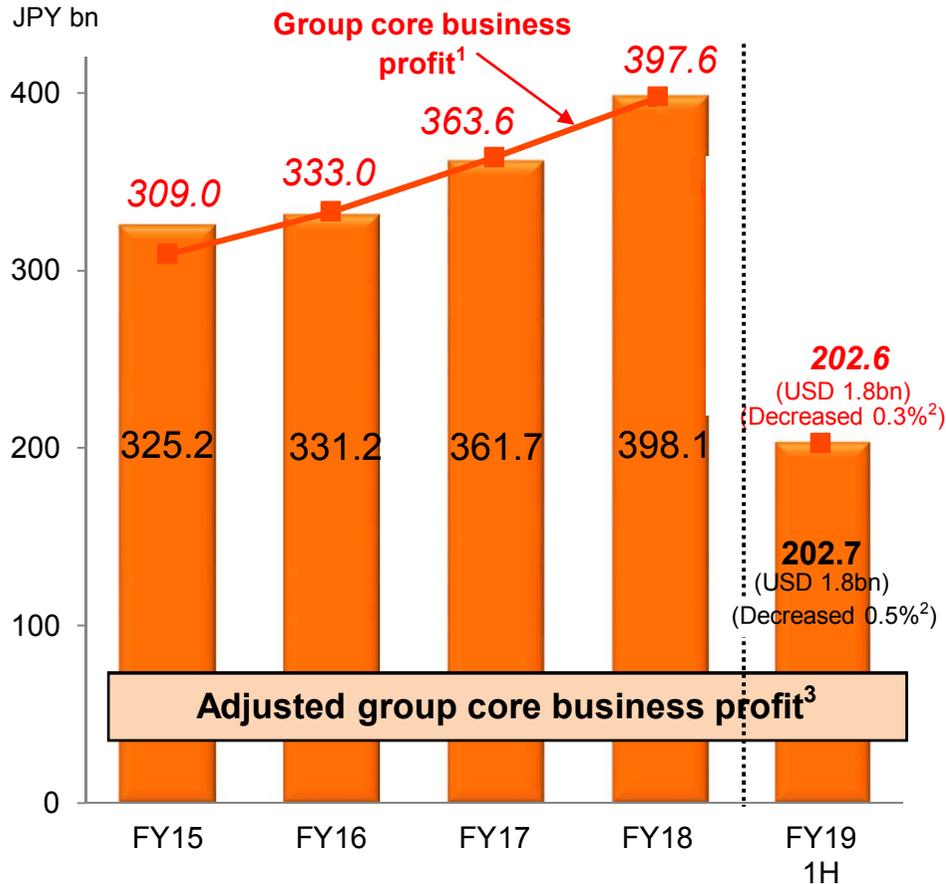
1. Figures for domestic business (Third sector + Excl. third sector) are individual life and individual annuity
Figures for Symetra are included since February 2016

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

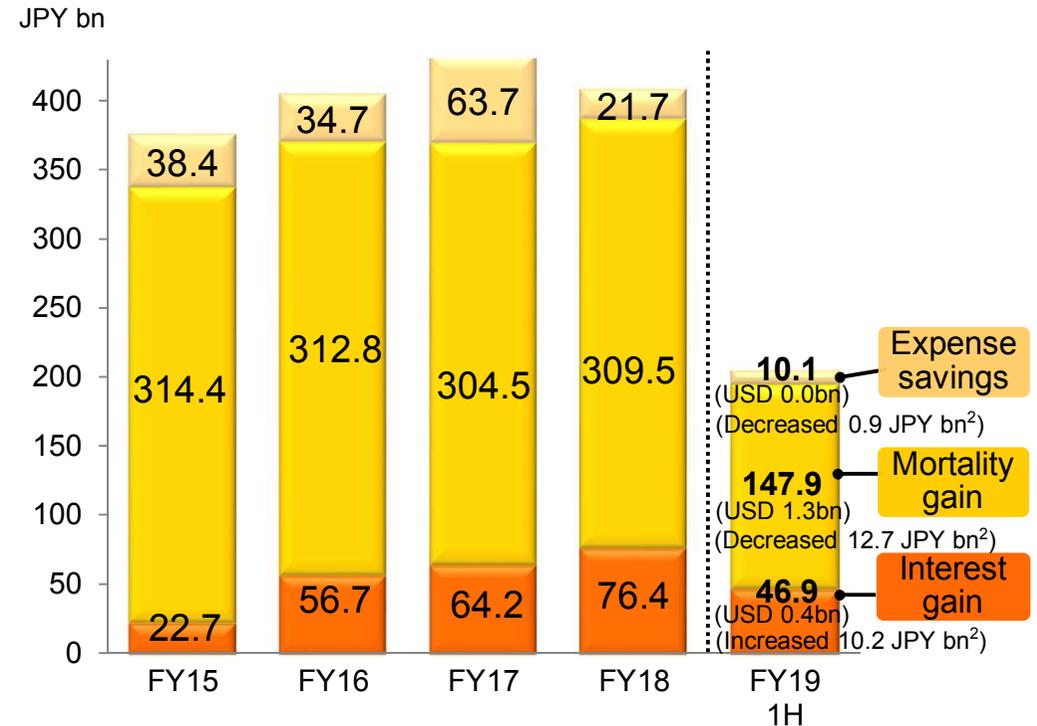
Profit Trend

Core business profit remained at approximately the same level as 1H FY2018.

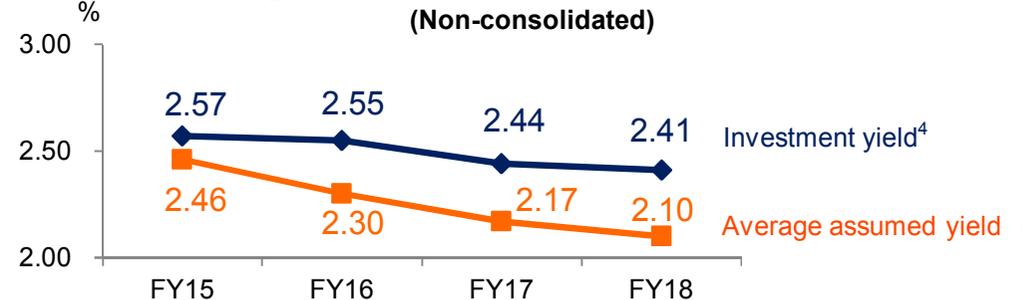
Core Business Profit (Group)



Three Surplus Factors (Non-consolidated)



<Average Assumed Yield and Investment Yield⁴>



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. Increase(Decrease) from 1H FY2018

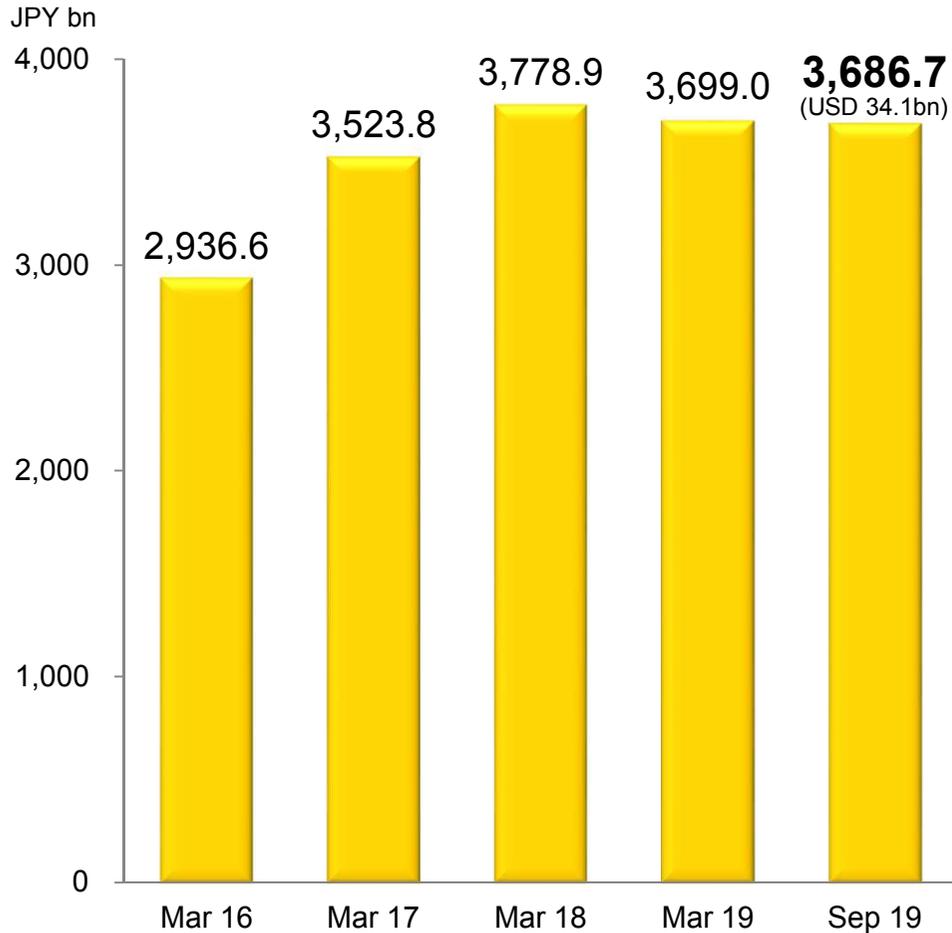
3. Adjusted group core business profit indicates group core business profit excluding provision / reversal of standard policy reserve relating to variable annuities

4. Related to core business profit

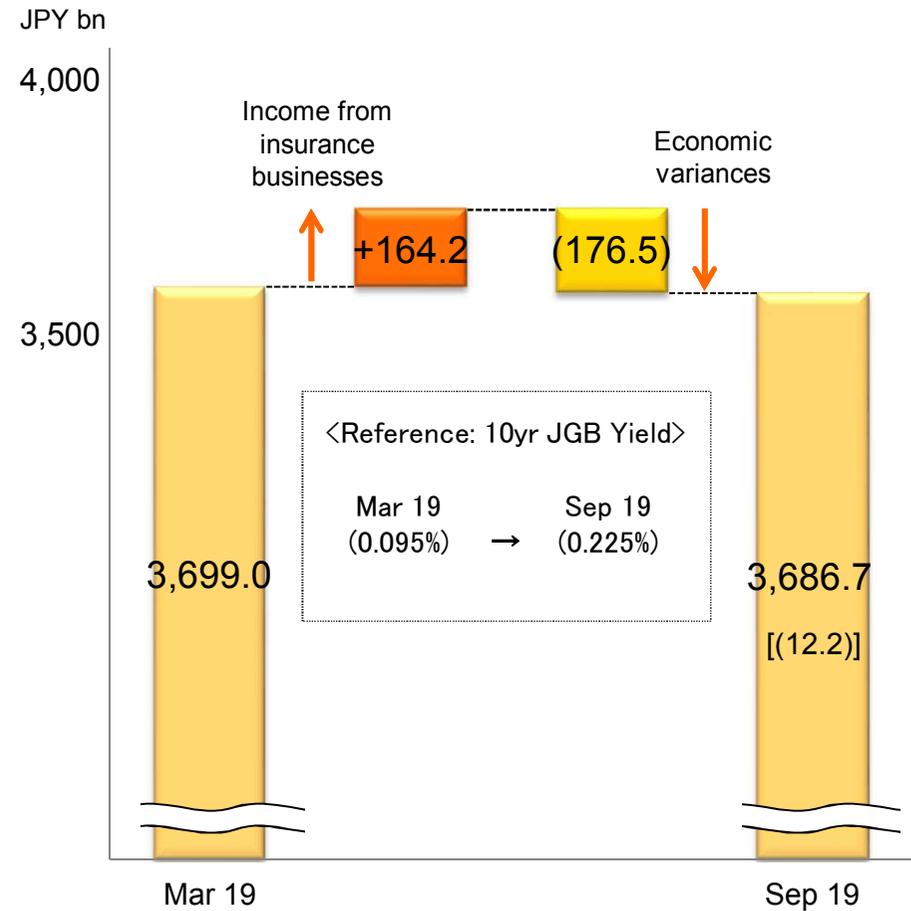
EEV Trend

EEV remained mostly unchanged from the end of the previous fiscal year due to negative impacts from lower domestic interest rate, despite the positive results of the insurance business.

EEV (Group)



EEV Growth Factors

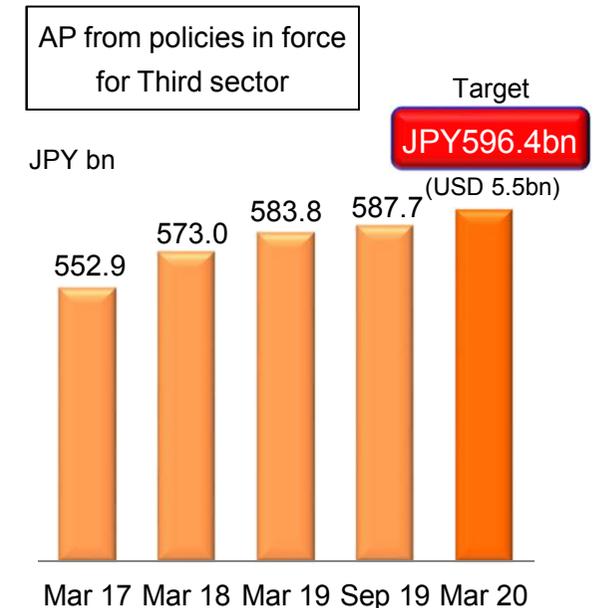
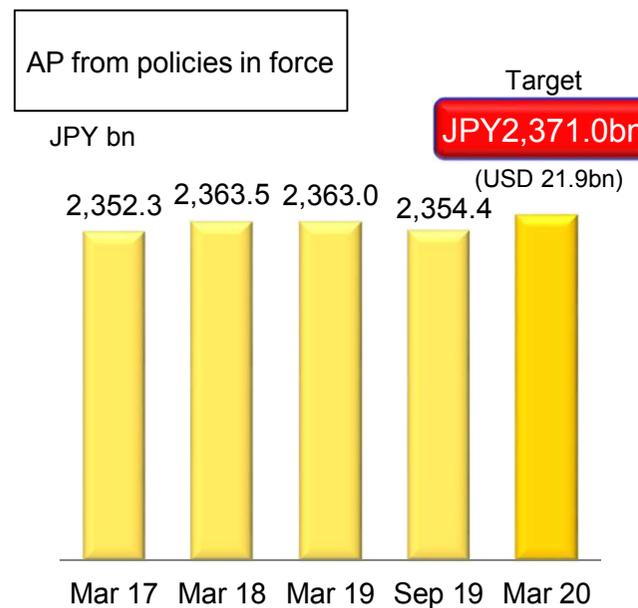
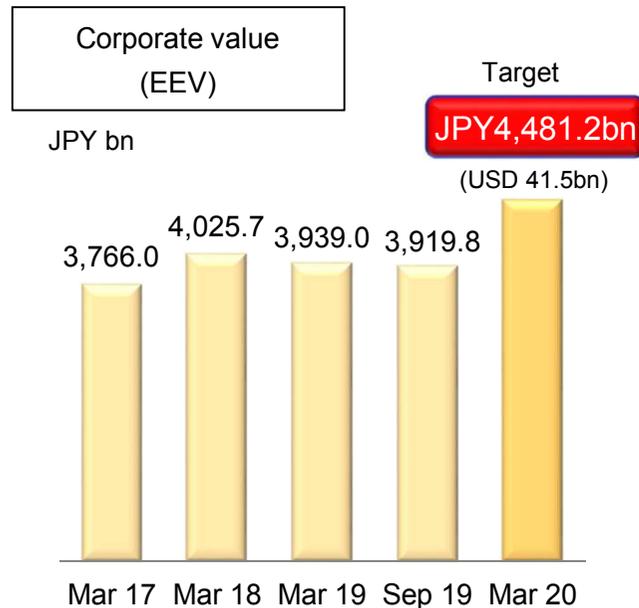


1. The ultimate forward rate (UFR) has been applied for EEV since March 2016
 2. See "EEV (summary) as of September 30, 2019" on the website for details

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

Items	Results as of September 2019	Targets for March 2020
Corporate Value (EEV)	JPY 3,919.8bn	JPY 4,481.2bn (3-year RoEV +19.0%)
Annualized premiums from policies in force	JPY 2,354.4bn	JPY 2,371.0bn (3-year growth rate +0.8%)
Of which, third sector	JPY 587.7bn	JPY 596.4bn (3-year growth rate +7.9%)

Note: Total of Sumitomo Life and Medicare Life



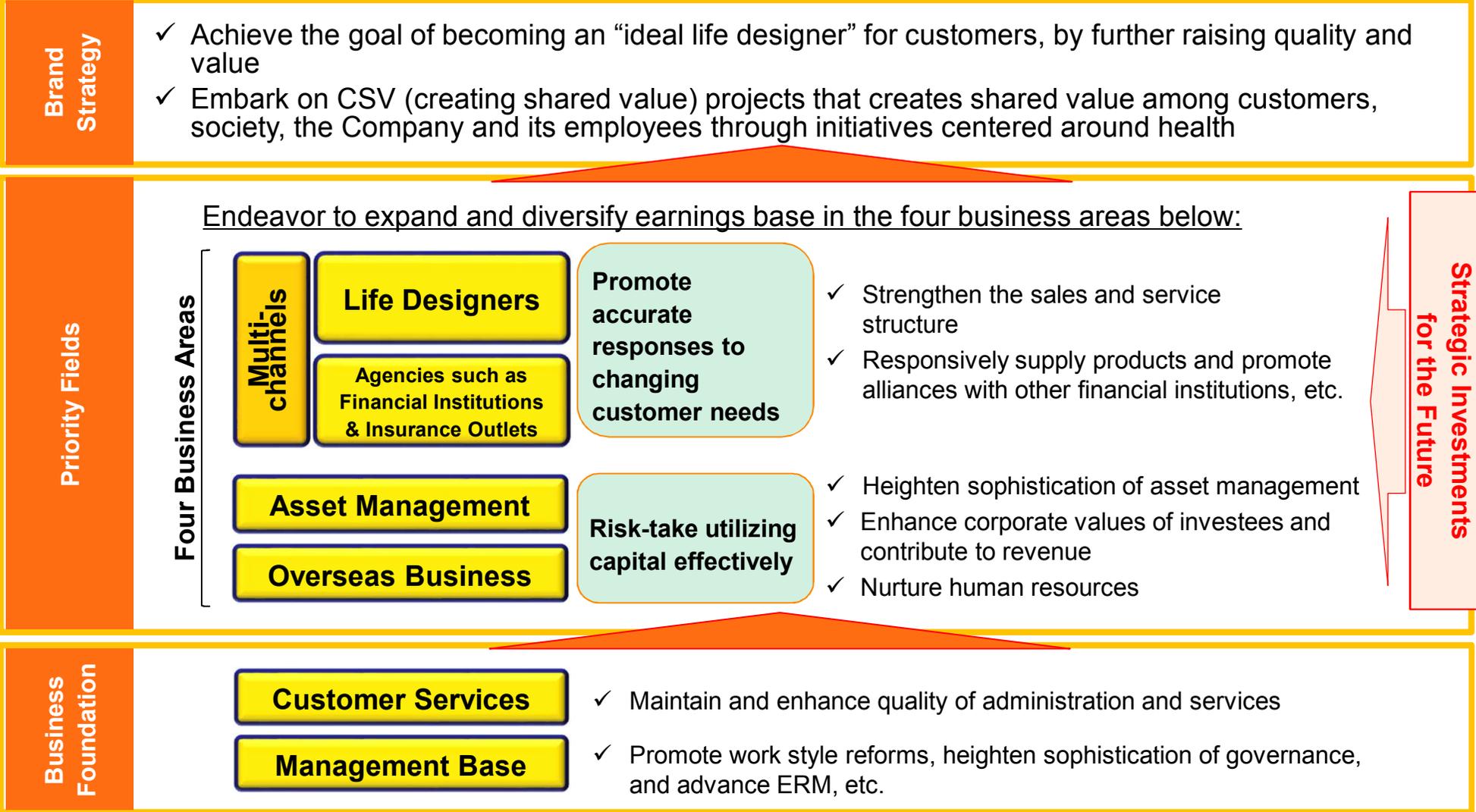


II . Sumitomo Life Group's Initiatives

“Sumitomo Life Medium-Term Business Plan 2019” (2017-2019)

Becoming a “recommended company” from our customers’ perspective, a “fulfilling company” from our employees’ perspective, and an “indispensable company” from the society’s perspective

Framework of Medium-Term Business Plan (Overview)



Note: CSV is abbreviation of Creating Shared Value and a business concept which means achieving both resolving social challenges and increasing corporate value (including profit and competitiveness).



① Multi-Channel and Multi-Product Strategy

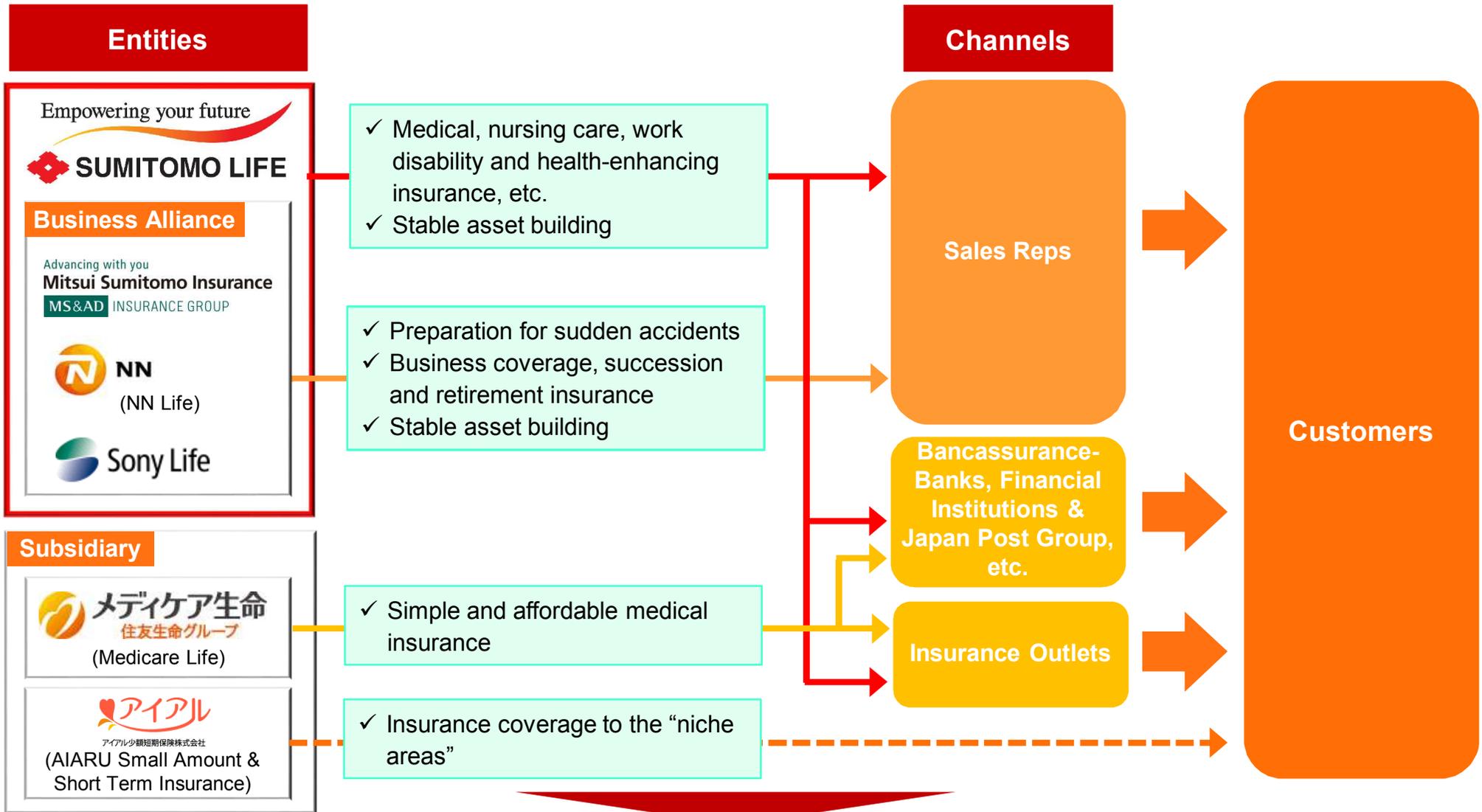
② Asset Management

③ Overseas Business Development

④ Business Foundation

Multi-Channel Strategy

We aim to expand the entire customer base of the Sumitomo Life group by providing products customized to the unique characteristics of each channel.



Expansion of the customer base of the Sumitomo Life group by leveraging the unique characteristics of each channel

Multi-Product Strategy

We develop and provide products to match customer needs, utilizing subsidiaries and business alliances.

	Life Insurance				P&C Insurance					
Customer Needs	Individual Life				Corporate Insurance	In case of a sudden accident				
	Mortality	Nursing Care / Work Disability	Medical Insurance	Savings						
Products	<p>Comprehensive Protection Insurance</p> <p>生活保険で、じぶんを救え。</p>  <p>未来デザイン ワンアップ</p>		<p>Medical Insurance</p> <p>スミセイの医療保険</p> 		<p>Single-Premium Insurance</p> <p>[Yen] (Whole Life) [Foreign Currency] (Whole Life)</p> <p>ふるは〜と  ふるは〜と </p> <p>たのしみ  グローバル</p> <p>指数運動プラン</p>		<p>Term Life</p> <p>スミセイの定期保険</p>  <p>新長期プラン</p>		<p>Automobile Insurance</p> <p>安心のゴールキーパーでありたい。</p>  <p>クルマの保険</p>	
	<p>Wellness program that could be attached to the above main products</p>  		<p>Level-Premium Insurance</p> <p>[Yen] (Whole Life) [Foreign Currency] (Whole Life)</p> <p>スミセイの医療的返戻金型終身保険</p>  <p>ソニー生命の外貨建保険</p>  <p>米ドル建 終身保険</p> <p>スミセイの低解約返戻金型介護終身保険</p>  <p>ソニー生命の外貨建保険</p>  <p>米ドル建 自由保険</p> <p>Sony Life</p>		<p>Medical Protection</p> <p>スミセイの医療保険</p>  <p>ロングリリーフ</p>		<p>Property Insurance</p> <p>安心のゴールキーパーでありたい。</p>  <p>すまいの保険</p>			
<p>Income Assurance Insurance</p> <p>利率区分型収入保障保険(無解約返戻金型)</p>  <p>メディフィット 収入保障</p>		<p>Medical Insurance (Simple and affordable)</p>  <p>メディフィット 4</p>		<p>Work Disability Protection</p>  <p>スワエアライン ワンアップ</p>		<p>Casualty Insurance</p> <p>安心のゴールキーパーでありたい。</p>  <p>ケガの保険</p>				
<p>Medication Insurance</p> <p>薬用治療保険(無解約返戻金型)</p>  <p>メディケア生命 住友生命グループ</p>		<p>(Annuity)</p> <p>スミセイの個人年金保険</p>  <p>たのしみ ワンダフル</p>		<p>(Annuity)</p>  <p>たのしみ 未来 global</p>		<p>Others</p> <p>ゴルファー保険</p>				
<p>Advancing with you</p> <p>Mitsui Sumitomo Insurance</p> <p>MS&AD INSURANCE GROUP</p>										

Distribution of SUMITOMO LIFE Vitality

SUMITOMO LIFE Vitality Shared-Value Insurance was launched in Japan in July 2018. Its unique concept to reduce risks with integrated products have been highly evaluated in the market.

Distribution of SUMITOMO LIFE Vitality Shared-Value Insurance

- Vitality is a globally renowned incentive-based wellness program with more than 11 million members across the markets (as of June 30, 2019). Sumitomo Life first launched Vitality in Japan.
- Sumitomo Life partnered with 13 companies who advocate Vitality's principles and objectives, and have been striving to assist members' sustained engagement



External Recognitions

The 7th Smart Life Project Award (Let's extend healthy life expectancy!) – Minister-of-Health Award for Excellence

- Award given to Sumitomo Life's CSV project centered around health enhancement: *Looking to extend healthy life expectancy through Vitality*



2018 The Nikkei Superior Products & Services Award – Award for Excellence

- Award given to SUMITOMO LIFE Vitality
- For Sumitomo Life, this was the 5th time* to receive this award, after 1Up in 2016



* Highest count in the industry (as of Dec. 2018, source: Sumitomo Life analysis).

Certified as ME-BYO Brand by Kanagawa prefectural government

- Certification granted to products and services showing excellence in disease prevention
- This is the first financial product ever to receive this certificate under this brand



Global Network of Vitality

Discovery has a global network of Vitality with 11.3 million members across 21 countries and regions worldwide (as of June 30, 2019).

Sumitomo Life is the exclusive partner insurer for the Japanese market.

Global Network of Vitality



* Each country and region has its own point distribution standards, status levels and other aspects of the Vitality program

<Overview of Discovery Limited>

Established	1992
Representative	Adrian Gore, Group Chief Executive
Head office	Sandton, Johannesburg, South Africa
Stock listing	Johannesburg Stock Exchange (JSE)
Total assets (as of June 30, 2019)	ZAR 180,233 million (JPY 1,283 billion)*

* 1 ZAR = 7.12 JPY (exchange rate as of September 30, 2019); Discovery Limited's financial year end is June 30

Contribution of SUMITOMO LIFE Vitality

SUMITOMO LIFE Vitality contributes not only to policyholders' health condition but also to their quality of life

The Number of SUMITOMO LIFE Vitality Member¹

Policies written since its launch (July 2018) **Approx. 350 thousand**

Change in Awareness, Behavior and Health Condition of Policyholders

Change in Awareness

Became aware of "Health" after enrollment²

93%

Change in Behavior

Increase rate of steps per day³

+17%

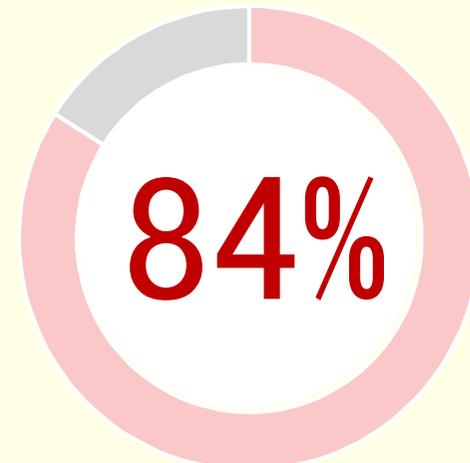
Change in Health Condition

Blood pressure dropped by 10mmHg or more⁴

48%

Feels that quality of life has improved after enrollment²

84%

A donut chart with a light pink outer ring and a white inner circle. The number '84%' is written in large red font in the center of the white circle. The chart is set against a light yellow background.

¹ As of November 2019

² Questionnaire by Sumitomo Life. The number of responses:15,702 (excluding Sumitomo Life employees).

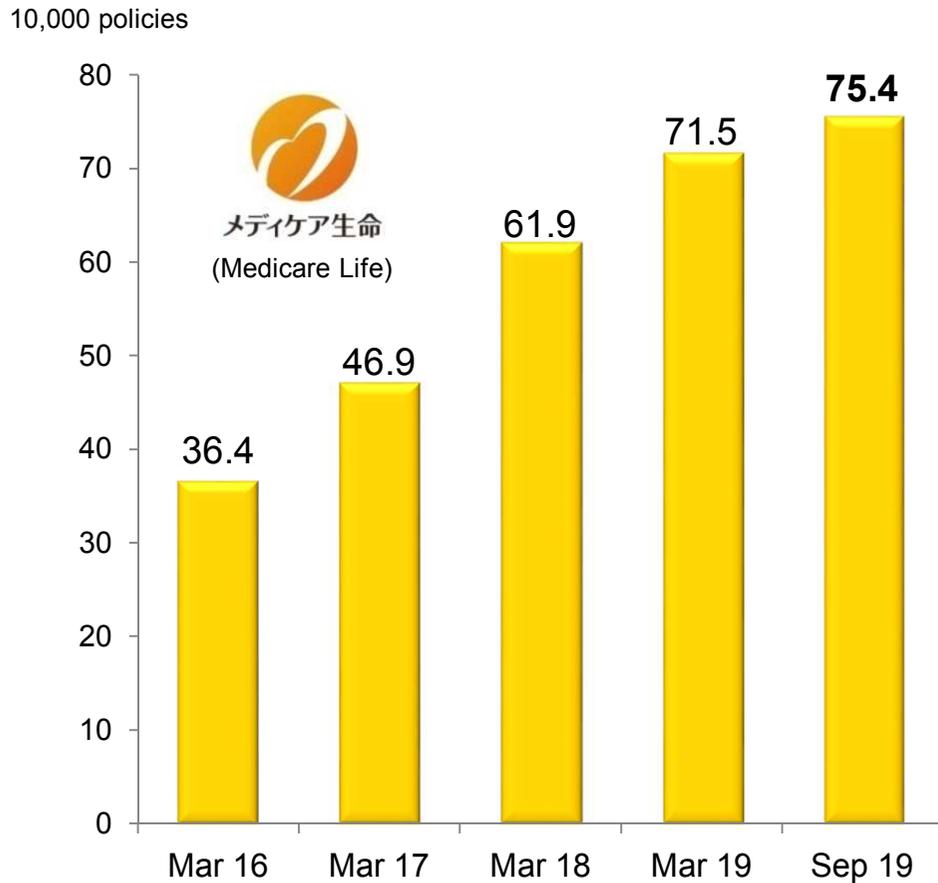
³ Condition at the end of May 2019, of policies written from September to November 2018. Steps of the first month after enrollment (8,260steps) and the second month and after (9,655steps) are compared.

⁴ Target is persons whose systolic blood pressure was over 140mmHg at enrollment, of policies written from September to November 2018. The results of health checks submitted at the time of enrollment and those submitted after enrollment are compared.

Medicare Life

Has continued stable growth since its establishment in 2010.
Number of policies in force exceeded the 750,000 mark as of the end of September 2019.

Number of Policies in Force



Key Indicators

EEV

JPY 133.5 bn

Solvency
Margin Ratio

2628.1%

Credit
Rating

AA- (R&I)



① Multi-Channel and Multi-Product Strategy

② **Asset Management**

③ Overseas Business Development

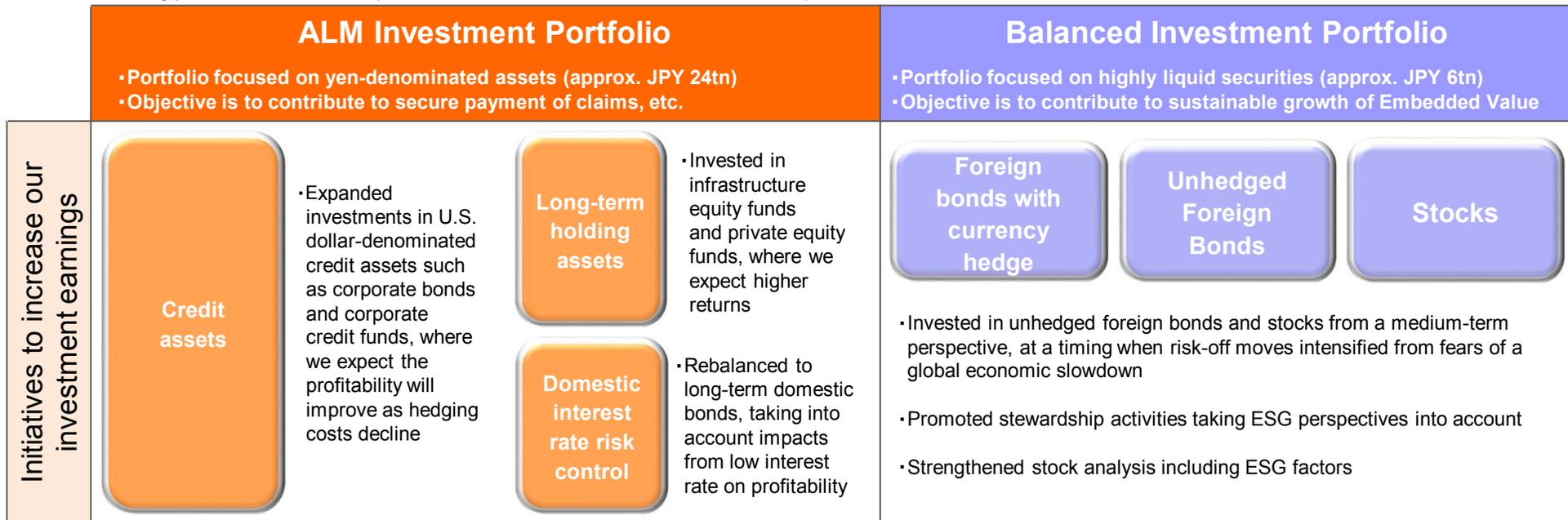
④ Business Foundation

Asset Management ①

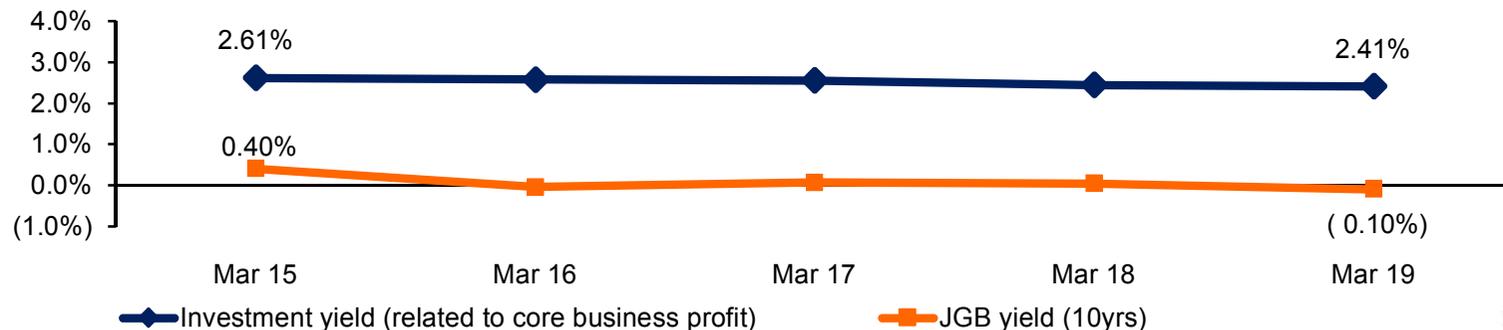
Manage general account with portfolios classified into two categories: ALM Investment and Balanced Investment.
 Aimed to increase our investment earnings in accordance with investment objectives and to strengthen our asset management platform in order to enhance medium to long-term investment profitability.

Initiatives in 1H FY2019

<Two Types of Portfolios (General Account / Non-consolidated)>



Market Interest Rate and Our Investment Yield

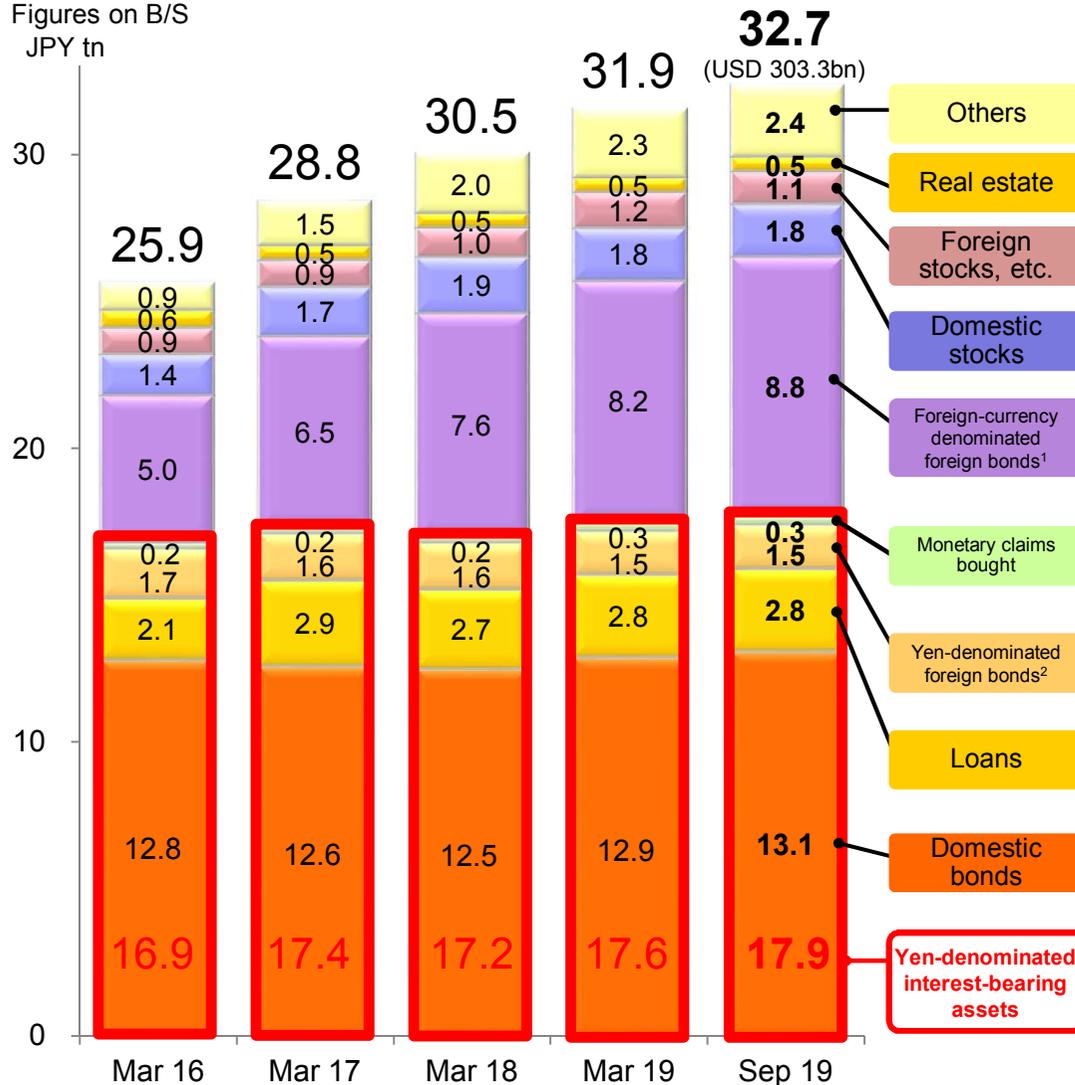


Asset Management ②

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

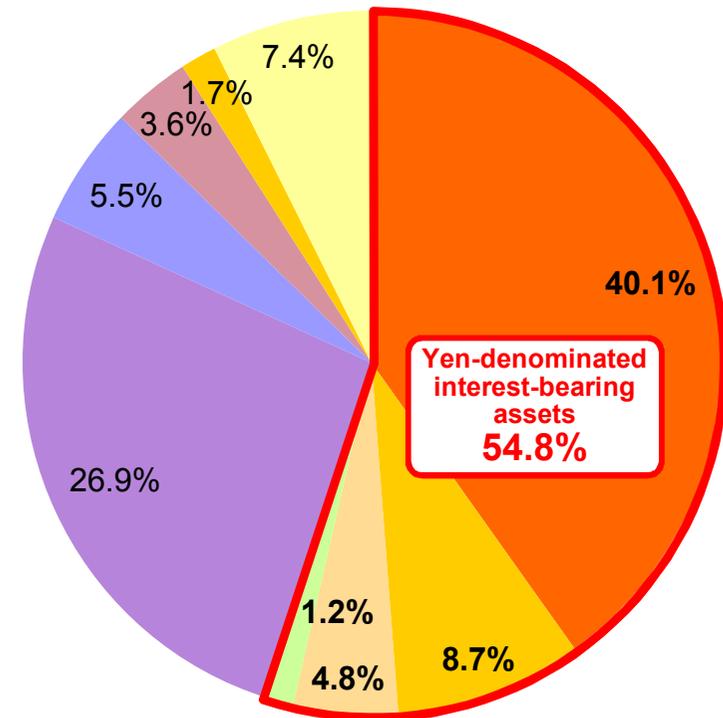
Trend of General Account (GA) Assets (Non-consolidated)

Figures on B/S
JPY tn



Breakdown of GA Assets (Non-consolidated)

< As of September 2019 >



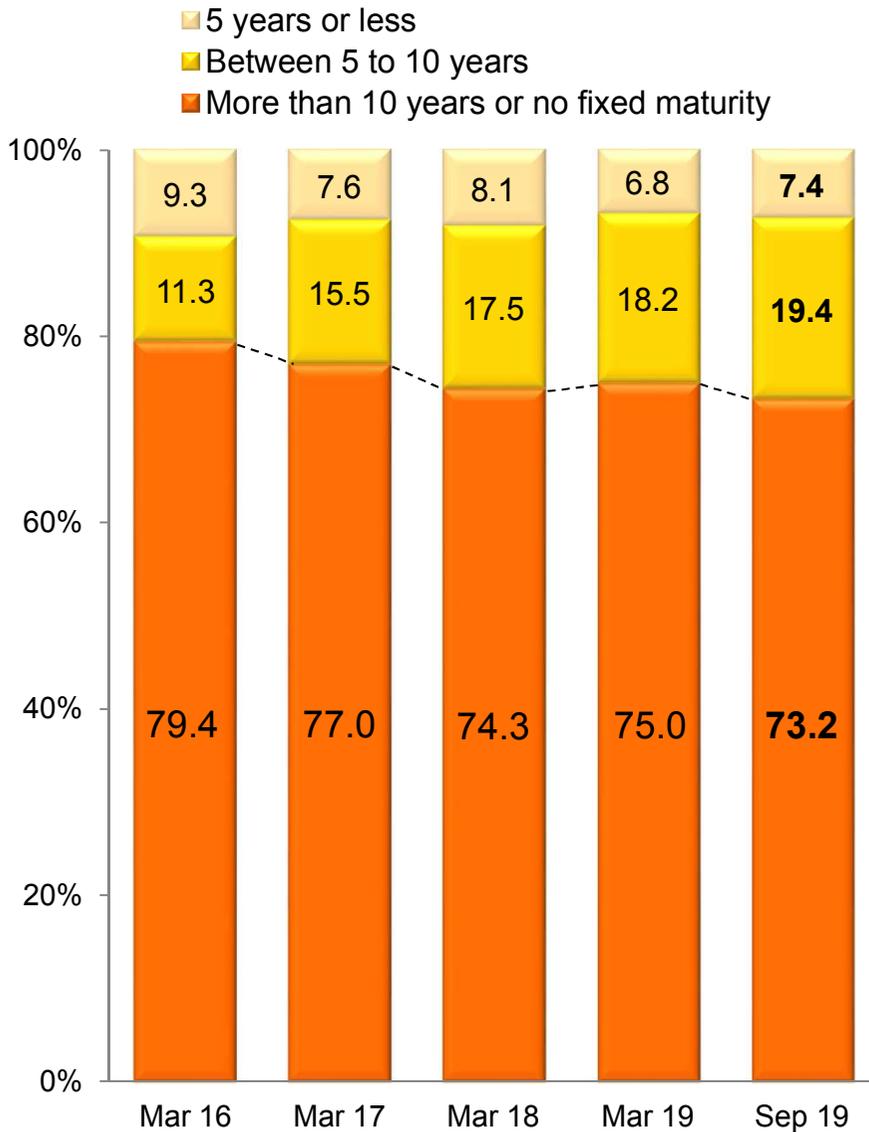
- Domestic bonds
- Loans
- Yen-denominated foreign bonds
- Monetary claims bought
- Foreign-currency denominated foreign bonds
- Domestic stocks
- Foreign stocks, etc.
- Real estate
- Others

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 ③

Disciplined interest rate risk management based on ALM strategy

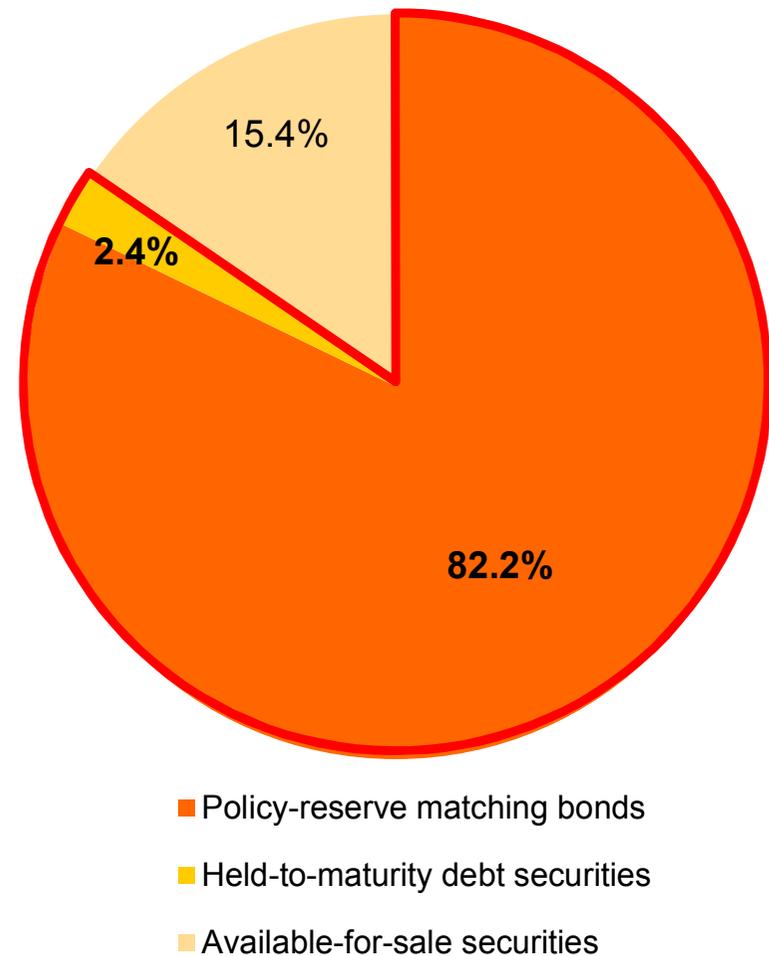
Domestic Bonds by Maturity (GA·non-consolidated)



Domestic Bonds by Category (GA·non-consolidated)

<As of September 2019>

Domestic Bonds Outstanding Balance:
JPY 13.66tn (USD 126.6bn)



Asset Management ④

With an outlook of a prolonged low interest-rate environment, we will continue and increase investment in assets with high expected returns.

Aim to enhance profitability through appropriate risk taking while further strengthening our asset management platform.

Asset Management Strategy for 2H FY2019

ALM Investment Portfolio

Balanced Investment Portfolio

Raise Revenues by Additional Risk Taking

- Further promote investments in foreign currency-denominated credit assets, aiming relatively high yields
- Increase investments in infrastructure equity funds and private equity funds

- Increase investment in unhedged foreign bonds and stocks that are undervalued from a mid- to long- term perspective

Risk Control

- Domestic interest rate risk control through rebalancing to long term domestic bonds, etc., while taking interest rate into account
- Leverage know-how and expertise of Symetra and external asset managers

- Flexible trading in the unhedged foreign bonds and equity, with an outlook of a volatile market

- Strengthen stewardship initiatives with a focus on dialogue aimed at improving corporate value (i.e. Promote discussions between analysts and companies that we have invested in in order to conduct thorough analysis on underlying issues; Set ESG issues as one of the main topics)

Reinforce Group Platform for Improving Investment Returns

Research on New Asset Classes

Human Resource Development

Strengthen Relationships with Symetra and External Asset Managers

IT-Led Operational Efficiency

ESG Investment

Formulated our ESG investment policy and signed the UN Principles for Responsible Investment (PRI).
We will promote ESG investment as an institutional investor
to contribute to the realization of a sustainable society.

ESG Investment Policy (Summary)

Our Philosophy

We promote ESG investment under the belief that investment incorporating an ESG perspective will enhance the investment returns for a medium to long-term institutional investor, and also contribute to the realization of a sustainable society

<Key Initiatives>

ESG Investment Methodology	Description
Integration	• Incorporate an ESG perspective in the investment process
Engagement	• Engage in dialogue with invested portfolio companies, taking into account their ESG issues
Thematic Investing	• Review and implement investments and loans aimed at resolving ESG issues, taking risks and returns into account
Negative Screening	• Exclude certain industries or uses of proceeds from the scope of investments

Key Initiatives to Date

Examples of Key Initiatives to Date	Related SDGs
Investment in green bonds, microfinance funds, solar power project financing, and environment-friendly real estate properties, etc.	     



① Multi-Channel and Multi-Product Strategy

② Asset Management

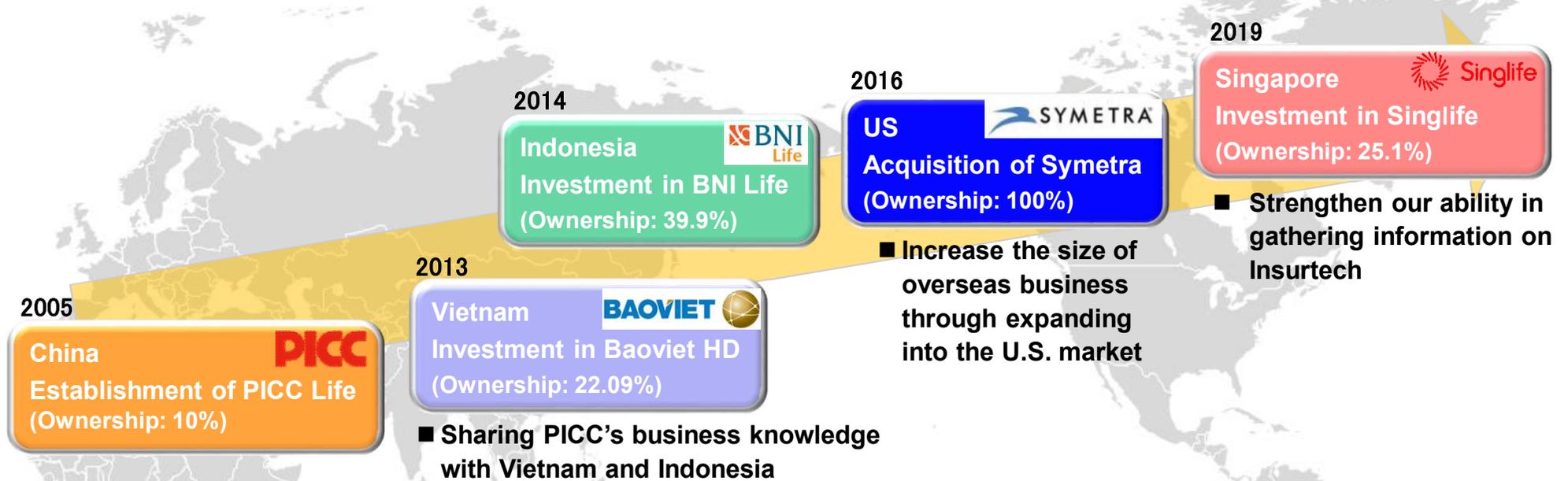
③ Overseas Business Development

④ Business Foundation

Overseas Business Expansion

Stable revenue base in Japan, steady growth in the U.S. and high growth in Asia
Established a business portfolio with stability and growth potential

Track Record of Overseas M&A



<p>Japan ~ Stable Revenue Base ~</p>	<p>Asia (China, Vietnam, Indonesia, Singapore) ~ High Growth Market ~</p>	<p>United States ~ Steady Growth / The Largest Market ~</p>
<ul style="list-style-type: none"> ■ The second largest market in the world ■ Less growth potential due to the trend of declining population, but stable underwriting income resulting from mortality gain is expected ■ Our home market which supports our stable revenue base 	<ul style="list-style-type: none"> ■ China has the largest population in the world and its insurance market is still growing ■ Rapid growth is expected in the future in Vietnam/Indonesia ■ Development of Insurtech is flourishing in Singapore ■ Benefit from growth opportunities through technical assistance including channel development, risk management, system development and asset management 	<ul style="list-style-type: none"> ■ The largest market in the world ■ Benefit from steady growth in the U.S. insurance market through Symetra, our 100% subsidiary

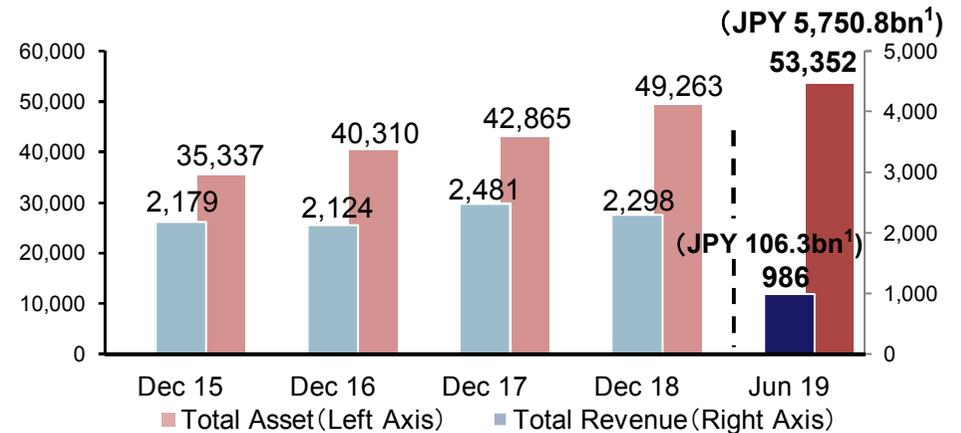
Initiatives in the U.S. Market ①

Symetra has solid business base across the U.S.
 Capture steady earnings resulting in improved earnings base and risk diversification.

Business Development in the U.S. - Symetra (100% subsidiary)

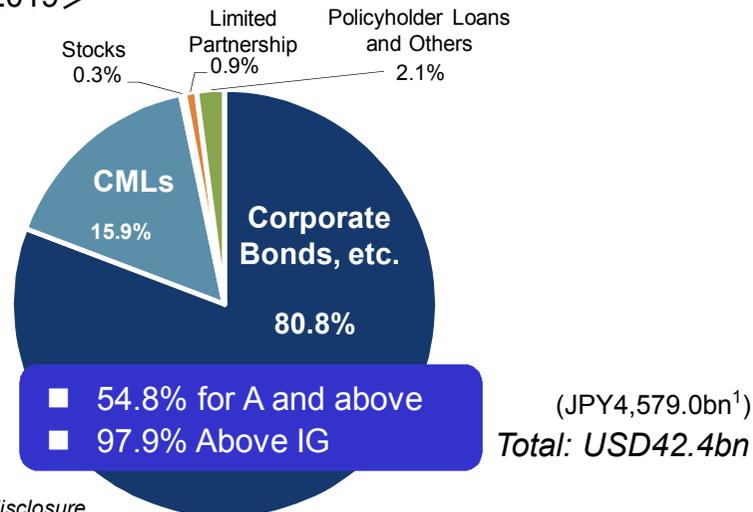
- 100% acquisition of Symetra Financial Corporation (February, 2016)
- Number of employees (Consolidated): Approx. 1,700
- RBC Ratio (Risk Based Capital)*: 431% (As of June 30, 2019)
*Calculated based on not considering 50% of risk profile (denominator)
- Ratings: A (S&P), A1 (Moody's), A+ (Fitch*), A (AM Best)
*The rating from Fitch is based on public information

Total Revenues and Total Assets (USD mm)



Conservative Investment Policy – Asset Management Portfolio

<As of June 2019>



Source: Company disclosure

1. USD 1 = JPY107.79 (as of June 30, 2019)

Synergy Effects



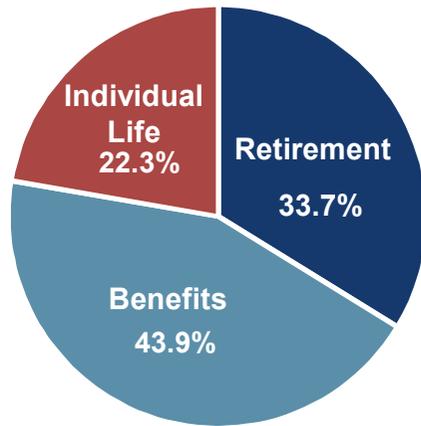
- Leveraged Symetra's expertise to commence sales in Japan an index-linked annuity product, one of Symetra's core products
- Sharing information about the markets and certain issuers, placing orders for U.S. corporate bonds through Symetra
- Started entrusting investment of investment grade corporate bonds to Symetra's subsidiary from 2H 2019
- Sumitomo Life and Symetra are sending forth human resources to a base in Silicon Valley for FinTech activities to gather information

Initiatives in the U.S. Market ②

Symetra has a balanced business portfolio, and each business line has shown stable growth.

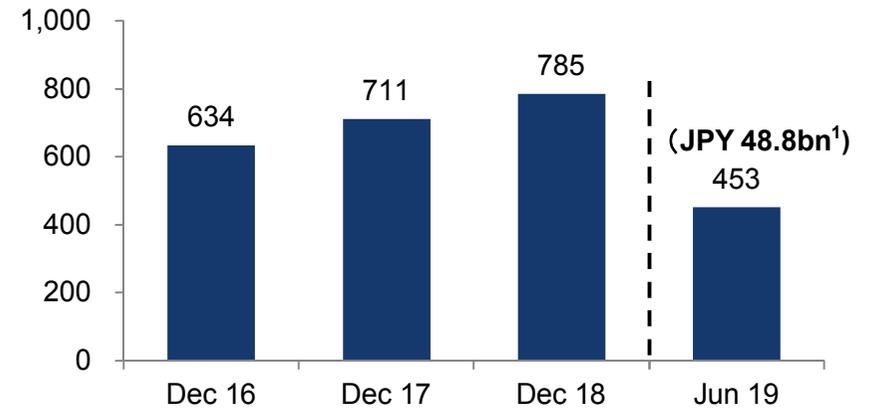
Balanced Business Portfolio – Ordinary Income by Segment

<As of June 2019>



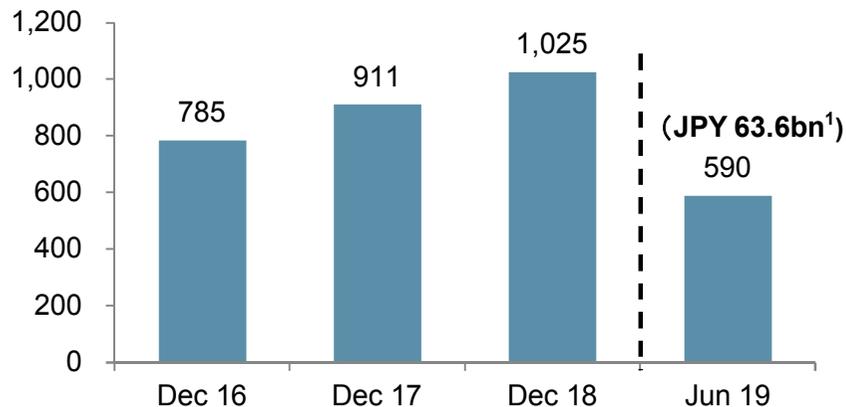
Ordinary Income from Retirement

USD (mm)



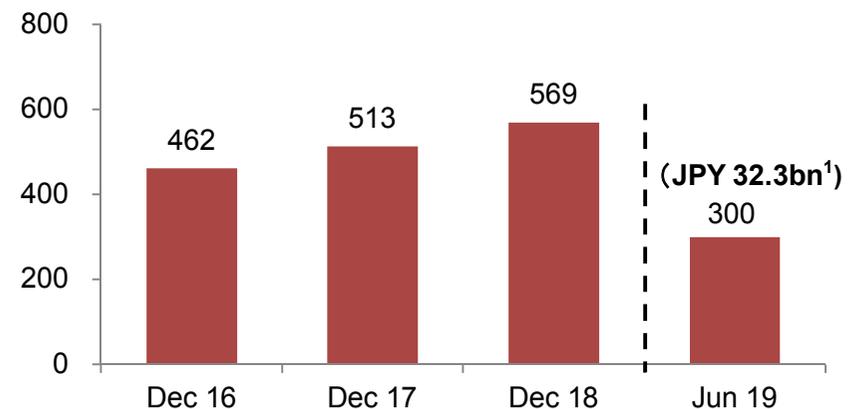
Ordinary Income from Benefits

USD (mm)



Ordinary Income from Individual Life

USD (mm)



Source: Company disclosure

1. USD 1 = JPY107.79 (as of June 30, 2019)

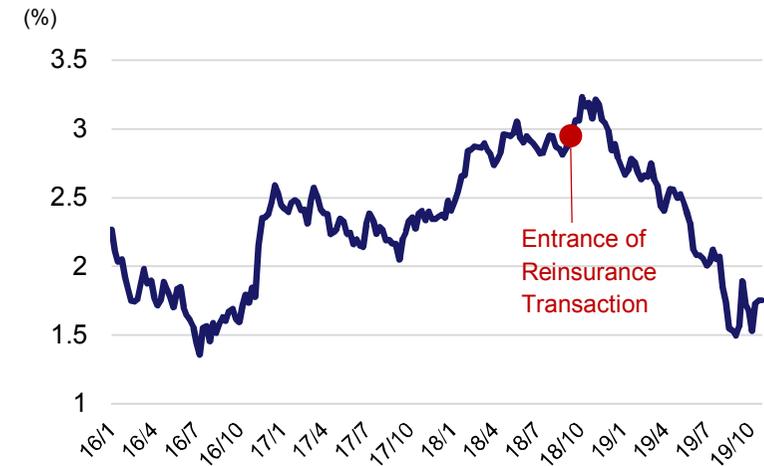
Initiatives in the U.S. Market ③

Strengthened risk-based capital and long-term financial foundation through reinsurance of block of in-force income annuity contracts, including structured settlements

Overview of the Reinsurance Transaction

- Reduced exposure to long-term interest rate risk associated with the long-tail nature of the business through the reinsurance transaction
- Had entered into the reinsurance transaction before the interest rates began to fall in December 2018
- The modified coinsurance structure of the transaction requires that Symetra continues to hold the associated invested assets and liabilities on its balance sheet
- Investment returns etc. belongs to the Reinsurer on a statutory accounting basis
- Asset management is executed under the instruction of the Reinsurer

<Historical 10yr Treasury Yield Performance>



Source: Bloomberg

Positive Impacts from the Reinsurance Transaction

Economic Value	• Contribute to an increase of EV (JPY4.4 billion)
Statutory Income (Loss)	• Avoid future losses by reducing the risk of additional cash flow testing reserve expected with the assumption based on the interest rates at the time of entrance of reinsurance agreement (end of September 2018)
Financial Strength	• RBC ratio improvement • Reduced exposure to be held for covering the cash flows for the super-long liability of the business

Initiatives in the U.S. Market ④

Effects of the Reinsurance Transaction to Symetra's GAAP-Based Income (Loss)

Based on the GAAP accounting rules, amounts equivalent to unrealized gains of bonds in the reinsured business are booked as losses for Symetra via FV changes of embedded derivatives in insurance liabilities.

Accounting Impact #1: Negative impact to GAAP net income (loss) of Symetra when interest-rates decline (positive impact at the time of interest-rates hike)

Quarterly gains (losses) of the reinsured business are passed to the Reinsurer on a statutory accounting basis and is neutral to statutory earnings of Symetra. However, GAAP BV of bonds held by Symetra is higher than statutory BV due to revaluation when Sumitomo Life acquired Symetra (PGAAP).

Accounting Impact #2: Negative impact to GAAP net income (loss) of Symetra on sale or maturity of bonds

Symetra's Summary P&L

(USD mm)

	Year ended December 31, 2018	Increase (Decrease) as of December 31, 2017	Six months ended June 30, 2019	Increase (Decrease) as of June 30, 2018
Adjusted pre-tax income ¹	148.9	46.6%	70.7	(15.1%)
Benefits	54.7	38.4%	9.6	(71.5%)
Retirement	113.9	5.2%	71.5	26.3%
Individual Life	16.0	(19.5%)	11.2	(22.2%)
Other	(35.7)	-	(21.6)	-
Add (deduct) the following:	(292.2)	-	(370.6)	-
Excluded realized gains (losses)	(75.2)	-	(41.0)	-
Amortization of intangible assets	(85.2)	-	(43.5)	-
Closed Block results	(131.8)	-	(286.1)	-
Income (loss) from operations before income tax	(143.3)	-	(299.9)	-
Total provision (benefit) for income taxes	81.5	-	79.7	-
Net income (loss)	(61.8)	-	(220.2)	-

¹ Income from operations before income taxes, excluding results from closed blocks, intangible asset amortization and certain net realized gains (losses).

Source: Company disclosure

Effects of the Reinsurance Transaction

- For the fiscal year ended December 31, 2018, **Symetra recognized losses from valuation difference of GAAP and statutory BV of bonds as a result of rebalance of bond portfolio executed under the instruction of the Reinsurer (Accounting Impact #2)**
- For the six-months ended June 30, 2019, **Symetra recognized negative impact on its GAAP net income (loss) due to decline of interest rates (Accounting Impact #1)**

Outlook

- When disposition or redemption of bonds is executed in the future:
- Accounting Impact #1:** Bonds newly purchased will be categorized as trading securities
 - Accounting Impact #2:** BV difference for bonds between GAAP and statutory due to PGAAP will decrease
- **Impact to GAAP net income (loss) is expected to gradually lower**

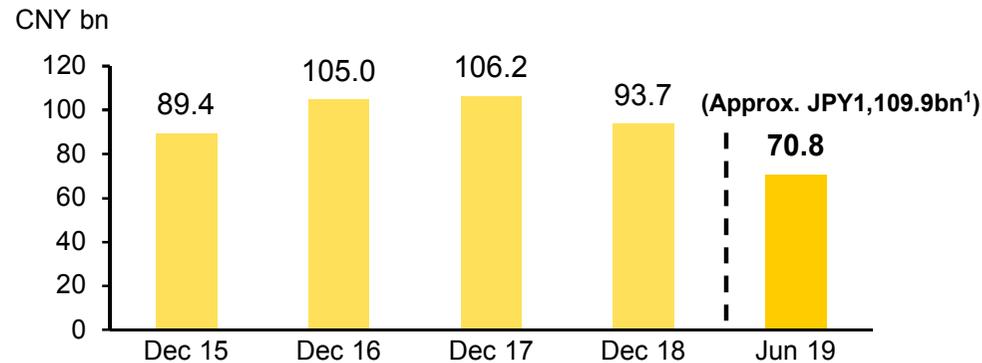
Initiatives in the Asian Market ①

Partner with local leading companies in the Chinese, Vietnamese and Indonesian markets. All of the companies we have invested in has shown stable growth, and has contributed to our profit.

China

- Establishment of PICC Life Insurance Company (November 2005)

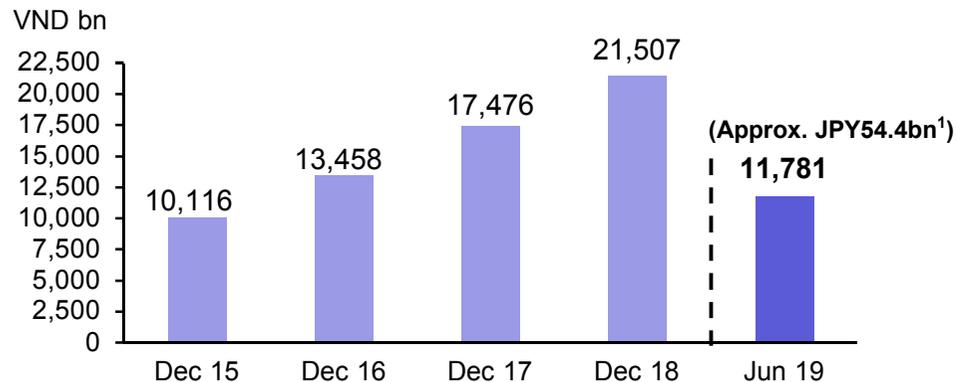
PICC Life's Total Premium Income



Vietnam

- Investment in Baoviet Holdings (March 2013)

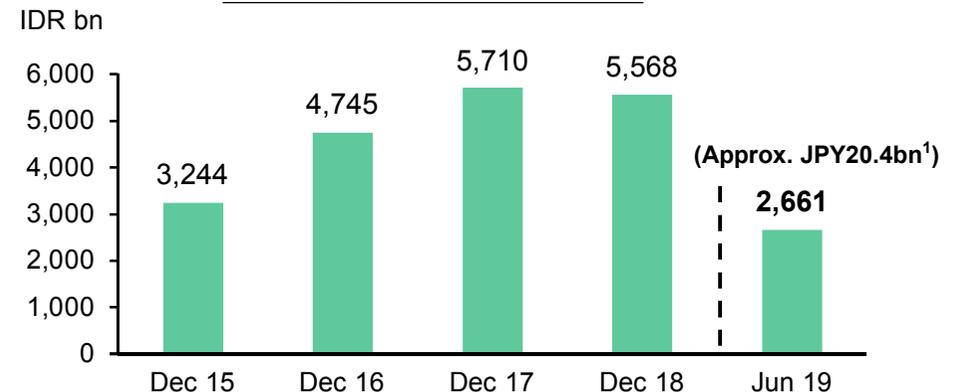
Baoviet's Premium Income from Life Insurance



Indonesia

- Investment in BNI Life, a subsidiary of Bank Negara Indonesia (BNI) (May 2014)

BNI Life's Total Premium Income



Source: Company disclosure

1. CNY1 = JPY15.67, VND1 = JPY0.004618, IDR1 = JPY0.0077 (as of June 30, 2019).

Initiatives in the Asian Market ②

In June 2019, we invested approximately JPY10 billion in Singlife (Singapore Life), an emerging life-insurance company in Singapore, and Singlife became our affiliate company.
We acquired 25.1% stake of Singlife at the time of investment and dispatched a director.

Objectives of the Investment

- Capturing high growth potential of Singlife
We intend to capture high growth potential through its business expansion in Singapore and future expansion to Southeast Asia markets
- Strengthen our capability in gathering information
We aim to strengthen our capability in gathering information on the latest trends in Singapore, where InsurTech is actively developed as well as the application of technology to actual business operations
- Leverage information for our domestic business
We intend to leverage information gathered to improve customer convenience and achieve greater management efficiency throughout Sumitomo Life group

Strength of Singlife

- Emerging life-insurance company harnessing cutting-edge technology
Singlife harnesses cutting-edge technology to lower its cost of operation and to improve service quality for customers as its strategy
- Products and sales channels specialized for each customer segment
Singlife currently offers term life, universal life, endowment insurance products with competitive prices through each channel such as direct channel, brokers for high net worth customers and independent financial advisors
- Selected as one of the 2018 Fintech 100 Companies
Singlife is selected as one of the most successful 100 Fintech companies by KPMG (“the 2018 Fintech 100” by KPMG)

Company Overview

- Investment in Singlife (June 2019) (equity stake: 25.1%)



Established	Established in 2014 and began operations in 2017
Major shareholders	IPGL Limited, Sumitomo Life, Aflac Inc., Aberdeen Standard Investments
Representative	Walter de Oude
Head office	Robinson Road, Singapore
Number of employees	Approximately 60
Total assets	USD247 million (approximately JPY26.6 billion)
Gross premiums	USD98 million (approximately JPY10.5 billion)
Net profit	USD5 million (approximately JPY0.5 billion)

Note: As of December 31, 2018 (gross premiums and net profit: January 1 to December 31, 2018). Based on the exchange rate of USD 1.00 =JPY 107.79 as of June 30, 2019.



① Multi-Channel and Multi-Product Strategy

② Asset Management

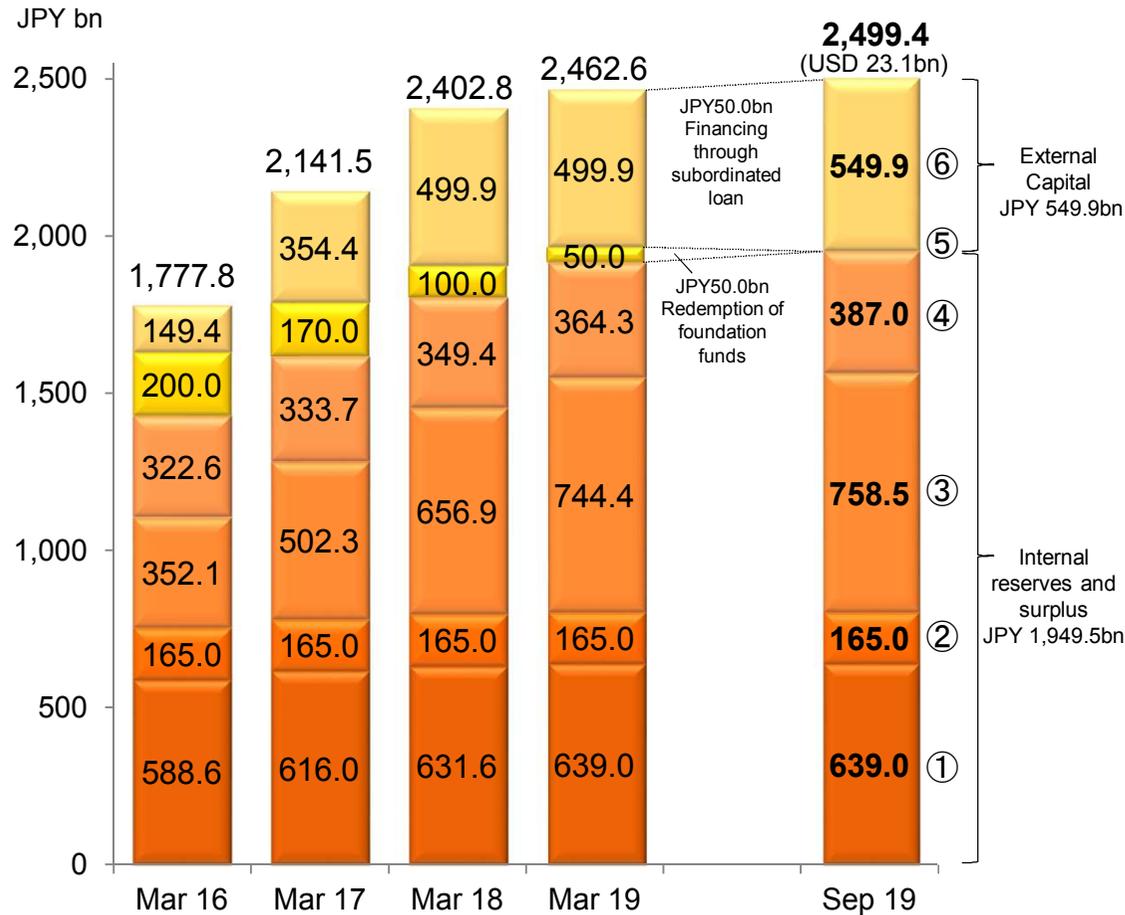
③ Overseas Business Development

④ Business Foundation

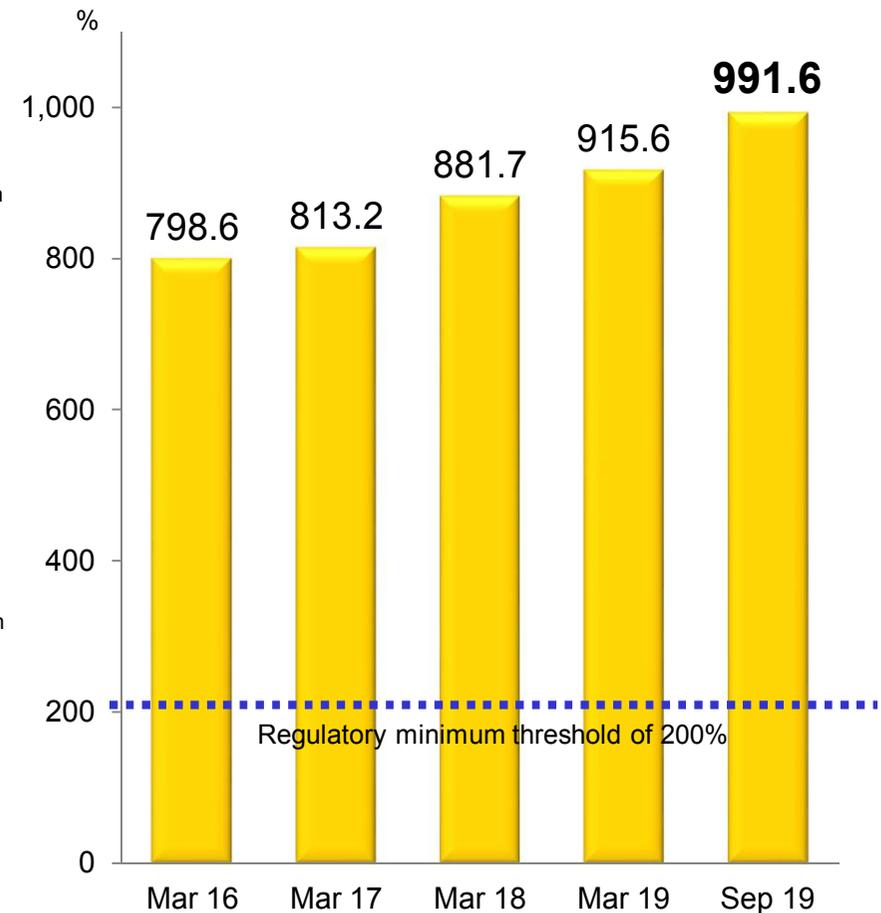
Capital Base

Established a strong capital base consisting mainly of internal reserves and surplus.
Solvency margin ratio remains at a stable level.

Trend of Capital (Non-consolidated)



Solvency Margin Ratio (Consolidated)

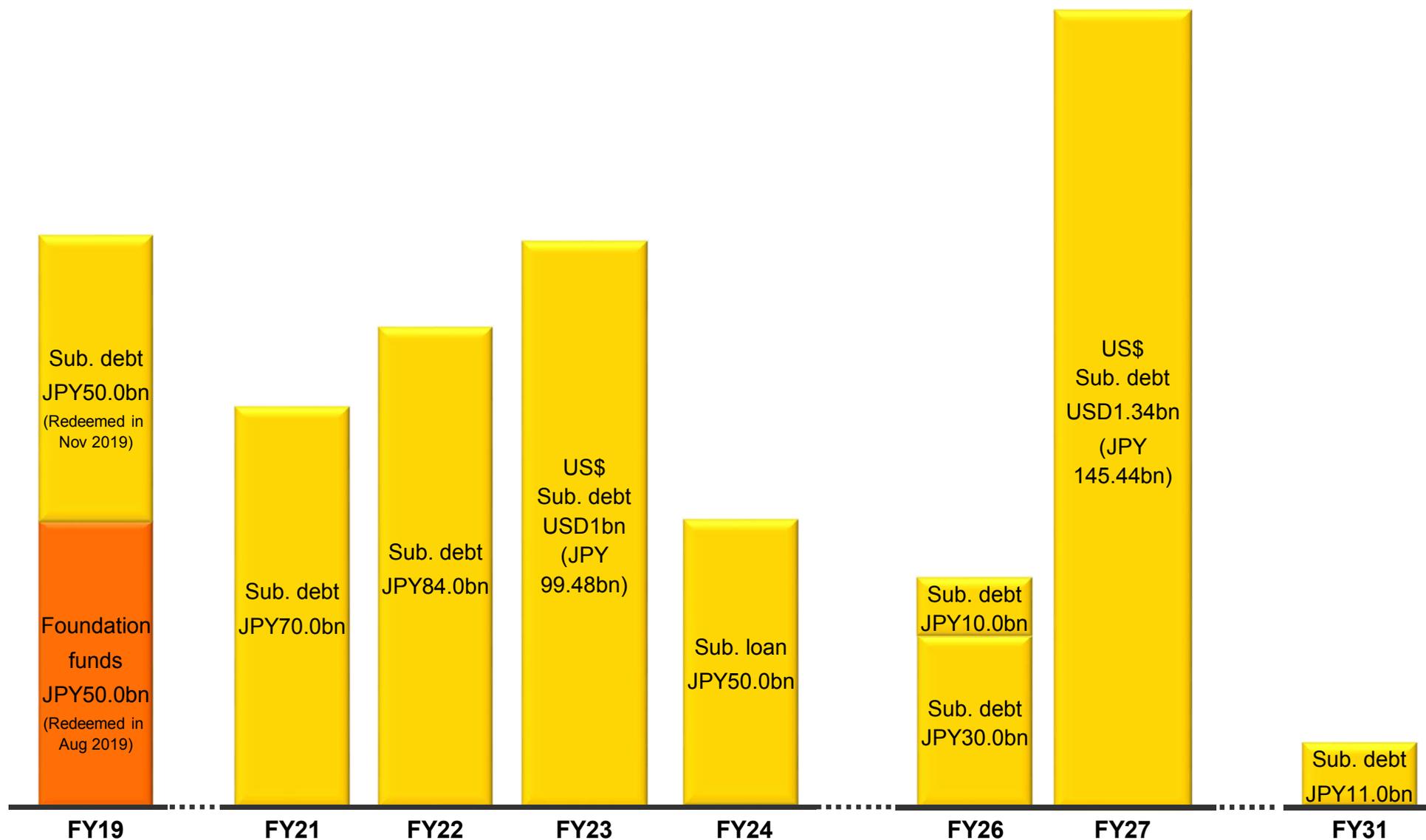


- ① Reserve for fund redemption + Reserve for redemption of foundation funds¹
- ② Fund for price fluctuation allowance
- ③ Reserve for price fluctuation
- ④ Contingency reserve
- ⑤ Foundation funds
- ⑥ Subordinated loans / bonds

¹ Reserve for fund redemption for September 2019 is company estimate, and figures before March 2019 are after appropriation of surplus

External Capital

Maturity Schedule of External Capital



Note: The first call maturity coming year for subordinated debt

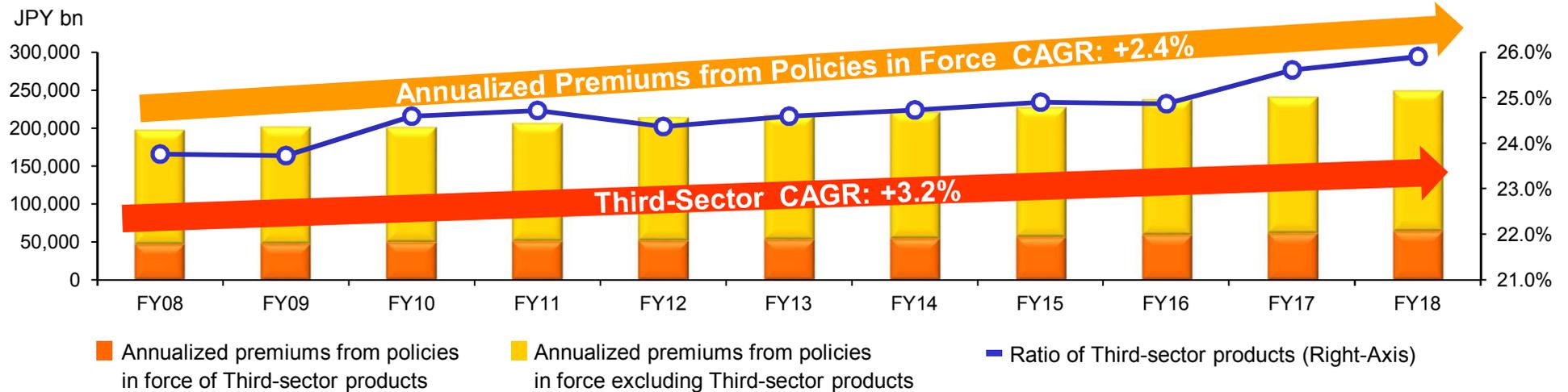


III. Appendix

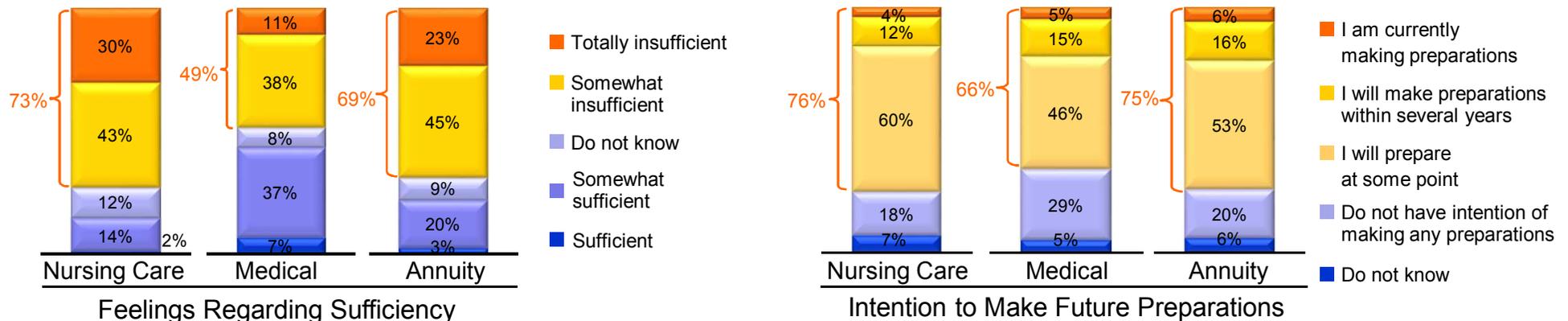
Domestic Life Insurance Market

The life insurance market in Japan has grown by 2.4% CAGR over the last 10 years, driven primarily by the Third-sector insurance.

Trend of Annualized Premiums from Policies in Force¹



Survey on Life Protection (FY2019)



Source: The Life Insurance Association of Japan, Japan Institute of Life Insurance "Survey on Life Protection"

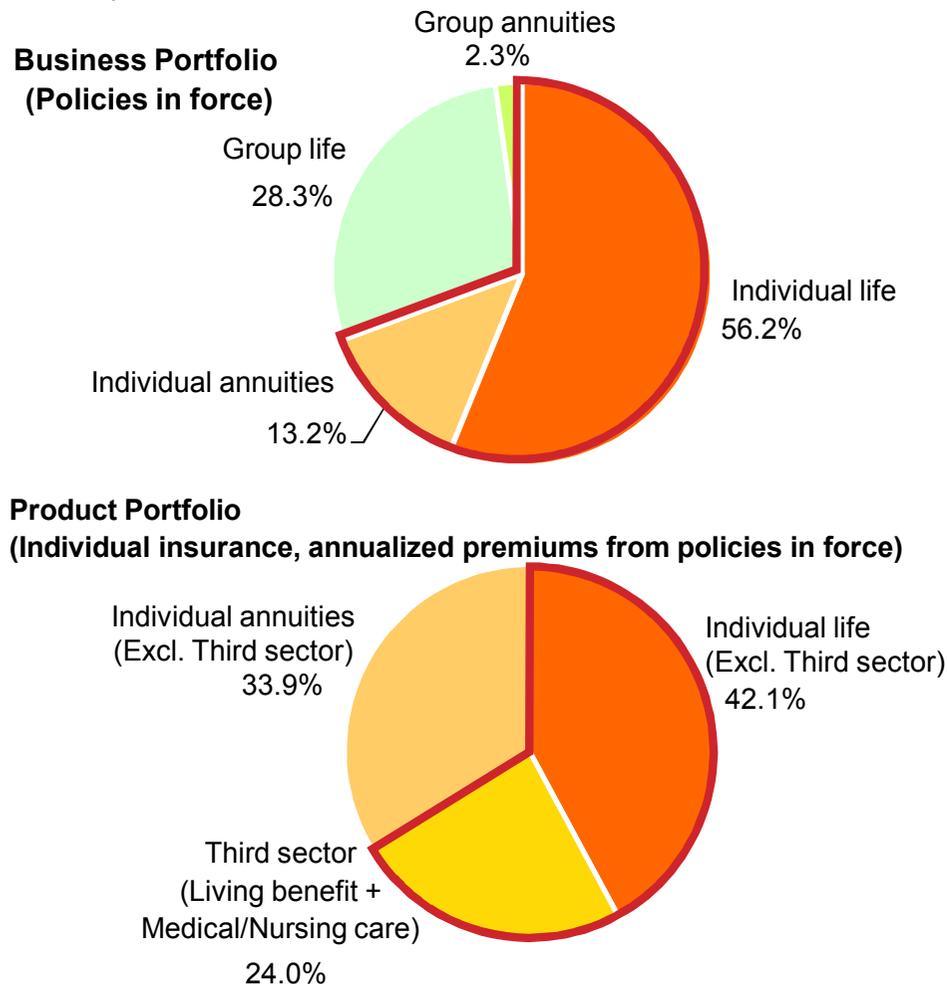
1 Excluding Japan Post Insurance

Attractive Domestic Business Model

We offer broad insurance products with a focus on protection products in highly profitable individual life insurance. Even under the low-interest rate environment, we have maintained profitability mainly thanks to our stable insurance underwriting profit.

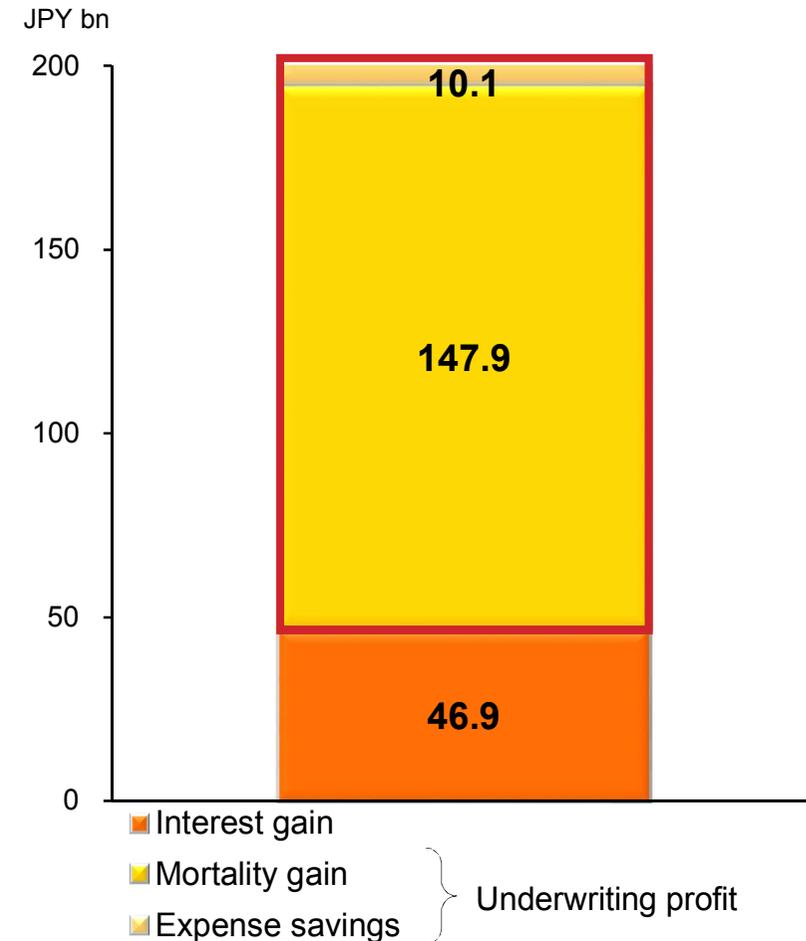
Business / Product Portfolio (Non-consolidated)

<As of September 30, 2019>



Three Surplus Factors (Non-consolidated)

<As of September 30, 2019>

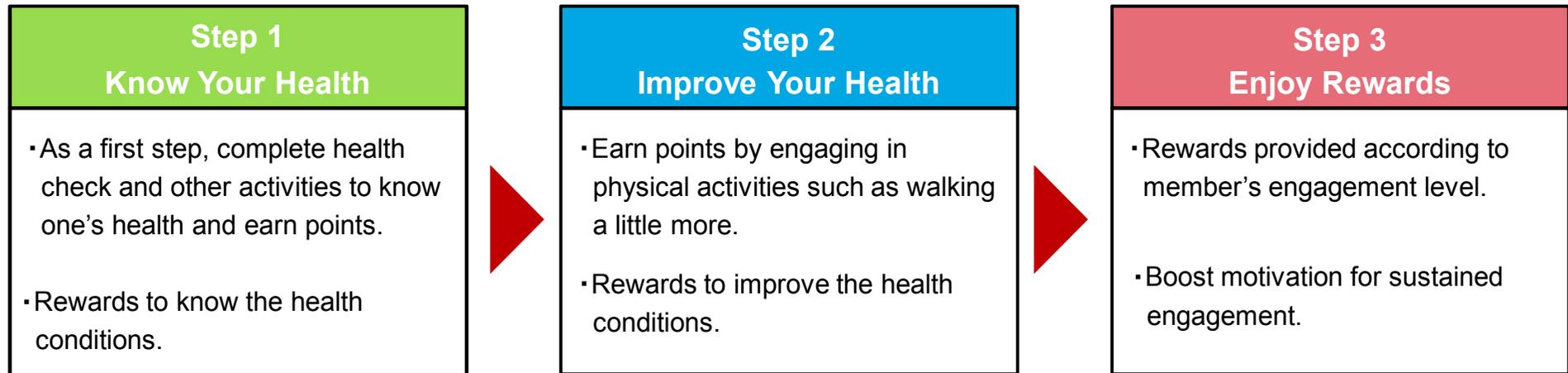


How Vitality Program Works

A proprietary program developed by Discovery had been localized by Sumitomo Life to adopt to the local lifestyles, guidelines etc. in Japan.

A framework consists of three steps to assist program members to enjoy the program and become healthier.

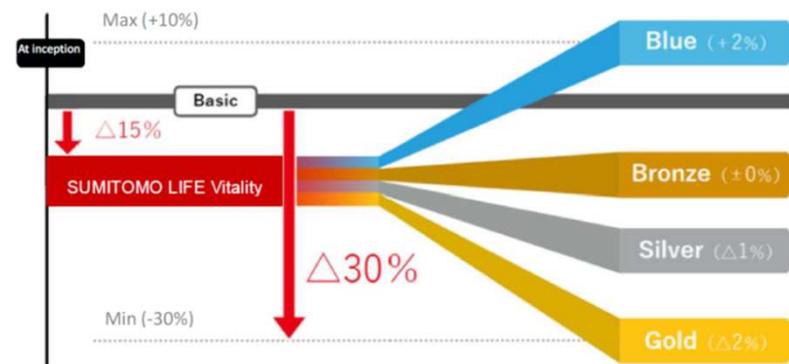
How Vitality program works



Vitality Status and Points



Illustrative Premium Flex Design



Evolution of SUMITOMO LIFE Vitality

Expansion of bundled target program for Vitality Health Program in June 2019
New partnership with two partner companies to realize a more attractive program

Expansion of Bundled Target Products

【At the start of service (July 2018)】



【From June 2019
Expansion of eligible products,
Service launch of multiple purchase of coverages】



Evolution of Rewards

<Rewards / partner companies
that support health promotion activities >

Wearable device purchase discount	Garmin Japan Ltd. Polar Electro Japan
Sports gear purchase discount	adidas Japan K.K.
Monthly gym membership fee discount etc.	Konami Sports Co., Ltd. RENAISSANCE INCORPORATED WELLNESS FRONTIER CO.,LTD. (JOYFIT) TIPNESS Limited <i>Service launch aimed 2020 spring</i>
Travel discount	Hotels.com
Healthy food purchase discount	Oisix ra daichi Inc.
Smart body composition scale purchase discount	SoftBank Corp.
Active Challenge	Lawson, Inc. Starbucks Coffee Japan, Ltd.
Active Challenge Apple Watch	Yodobashi Camera Co.,Ltd.

Insurance Outlets

Insurance outlets are operated in order to respond to customers that cannot be targeted by Sumitomo Life itself. We attempt to meet broad customer needs through subsidiaries and affiliates with distinctive insurance outlets.

Insurance Outlets of Sumitomo Life Group

■ Izumi Life Designers Co., Ltd.

(Established in Oct. 2009)

- ✓ Operates insurance outlets called “Hoken Hyakka”
- ✓ Outlets are located in convenient places such as near big stations or shopping centers



■ INSURANCE DESIGN

(Subsidiary since Jul. 2017)

- ✓ Operates insurance outlets called “Hoken Design”
- ✓ Knowledge of out-bound call sales (Non-face-to-face sales via telemarketing)



■ Mycommunication Co., Ltd.

(Invested in Jan. 2018)

- ✓ Operates insurance outlets under the brand of “Hoken Hotline”
- ✓ Unique knowledge of sales representative training and customer management system



■ Agent Co., Ltd.

(Invested in Jan. 2018)

- ✓ Operates insurance outlets called “Hoken Erabi”
- ✓ Knowledge of P&C insurance sales



“Well Aging Support- ASUNOEGAO”

Sumitomo Life and AXA Life jointly developed a long-term care service that realizes total coordination of long-term care. The service was introduced in advance to customers in certain areas of both companies from October 1, 2019.

Business Alliance with AXA Life

October 2018

Basic agreement on a business alliance for joint development and usage of long-term care services

November 2018

Launched a joint office “Well Aging Co-creation Lab” in Otemachi, Tokyo

October 2019

Introduced the “Well Aging Support- ASUNOEGAO” service in certain areas

We will expand the service areas according to the status of use

Key Services of ASUNOEGAO

ASUNOEGAO call center

- ◇ Consultation on various topics related to long-term care
- ◇ Introduction to and information on long-term care facilities
- ◇ Consultation on public long-term care insurance system

Introduction according to content of phone consultation

Face-to-face consultation about long-term care facilities

Long-term care / Living-support service

Asset management support service



Acquisition of AIARU Small Amount & Short Term Insurance

Acquired AIARU Small Amount & Short Term Insurance Co., LTD as a subsidiary in August 2019, and built a flexible product development structure consisting of Sumitomo Life, Medicare Life and AIARU

Small-amount and Short-term Insurance Business

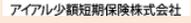
Deals only with the underwriting of protection-type insurance products, in small insurance amounts in short insurance terms of one year (two years for non-life insurance) within a certain business scale

<Key differences between regulations on insurance companies and on small-amount and short-term insurance companies>

	Insurance companies	Small-amount and short-term insurance companies
Conditions for market access	License granted by Commissioner of the Financial Services Agency	Registration with a local finance bureau
Business scale	No limit	Annual insurance premiums receivable of no more than JPY 5 billion ¹
Product examination	Approval (notification for some products)	Notification
Limit on insurance amount (original rule)	No limit	Limit on insurance amount per insured person, depending on the insurance category (maximum of JPY 10 million)
Limit on insurance term	No limit	One year (two years for non-life insurance)

¹ Calculated by adding reinsurance recoverables and reinsurance fees to insurance premiums receivable in one business year, and then subtracting reinsurance premiums and premium refunds for policy surrender.

Overview of AIARU

Company name	AIARU Small Amount & Short Term Insurance Co., LTD. ²	
Establishment	April 1984	
Representative	Katsuyuki Ando, President and Representative Director	
Head office	Nihonbashi Odenmachi, Chuo-ku, Tokyo	
Capital	JPY 99.5 million ³	

² In February 2011, Gakuso Co., Ltd. and Rise Small Amount & Short Term Insurance Co., LTD. merged to become AIARU Small Amount & Short Term Insurance Co., LTD.

³ As of September 30, 2019

AIARU's Strengths

AIARU has developed many unique products, based on the concept of developing original insurance products that meet market needs.

<Key products>

【Life and Annuities】

【Non-Life】

【Third-sector】

無縁社会のお守り
(賃貸住宅管理費用保険)

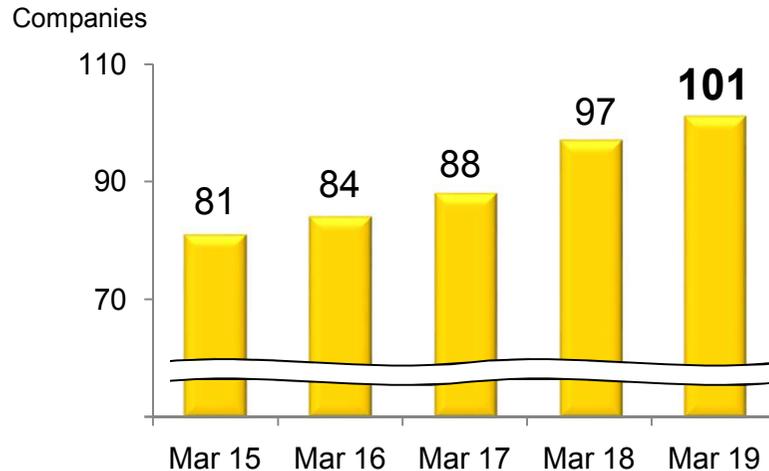
家財保険

不妊治療中のお母さま
応援する医療保険
子宝工－ル

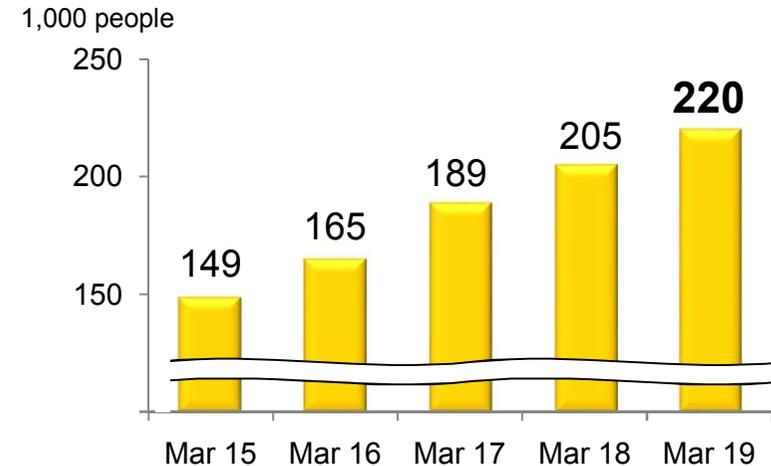
Small-amount and Short-term Insurance Market

Business results in the small-amount and short-term insurance industry have been steadily improving over the last five years

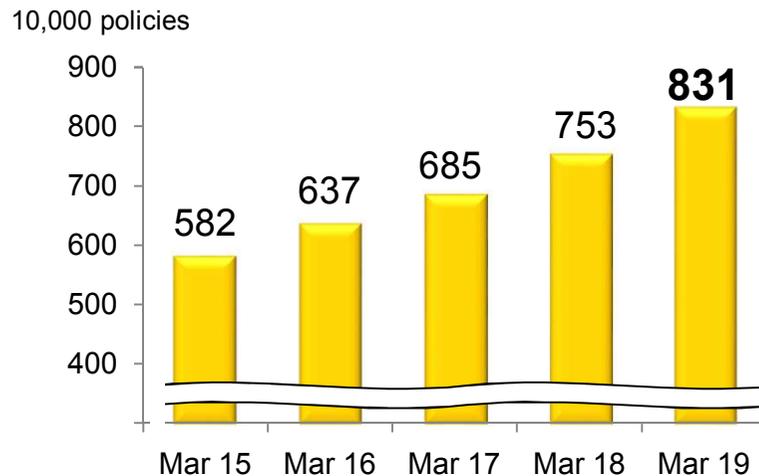
Number of Companies¹



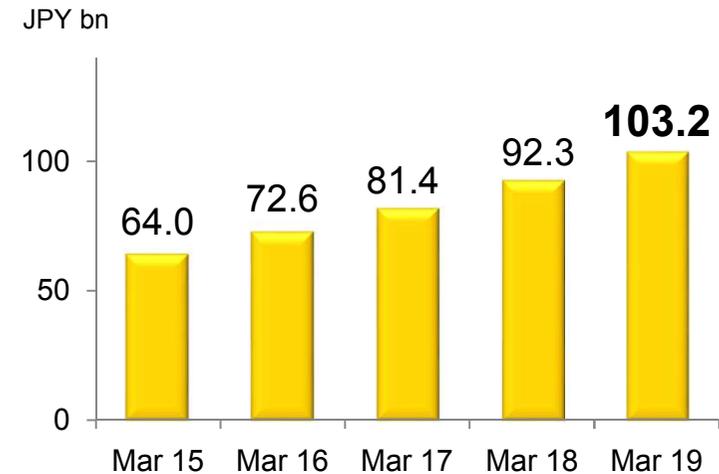
Number of Qualified Insurance Solicitors



Number of Policies in Force



Premium Income



¹ Number of Member Companies of the Small Amount & Short Term Insurance Association of Japan

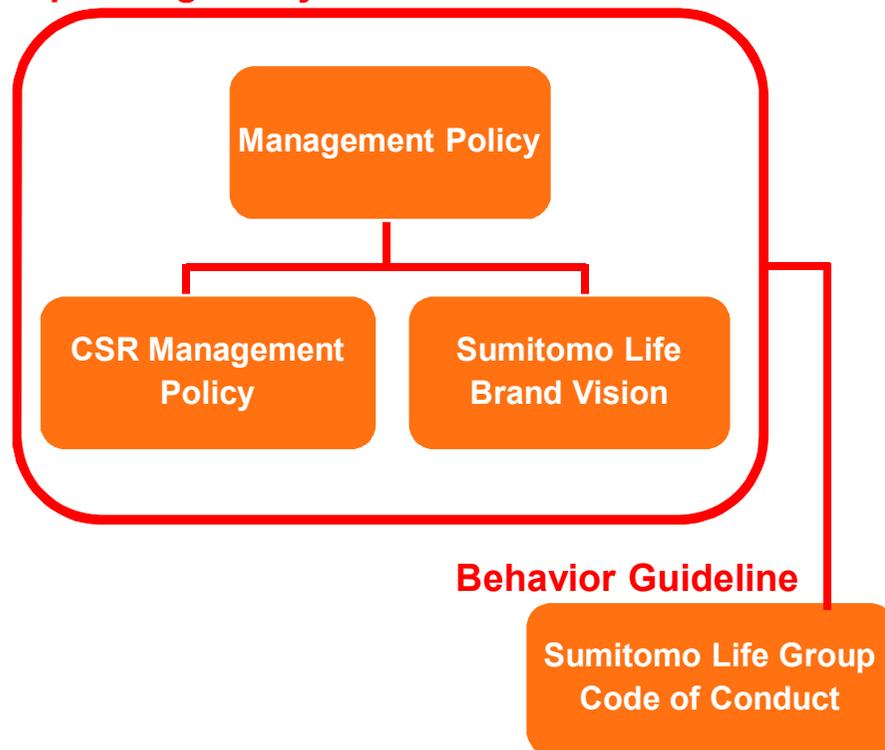
Source: Fiscal 2018 Business Results Overview of Small Amount & Short Term Insurance Industry: Toward 100 Companies and 100 Billion Yen in Premiums, The Small Amount & Short Term Insurance Association of Japan

Our Support for Achieving SDGs①

Operating Policy

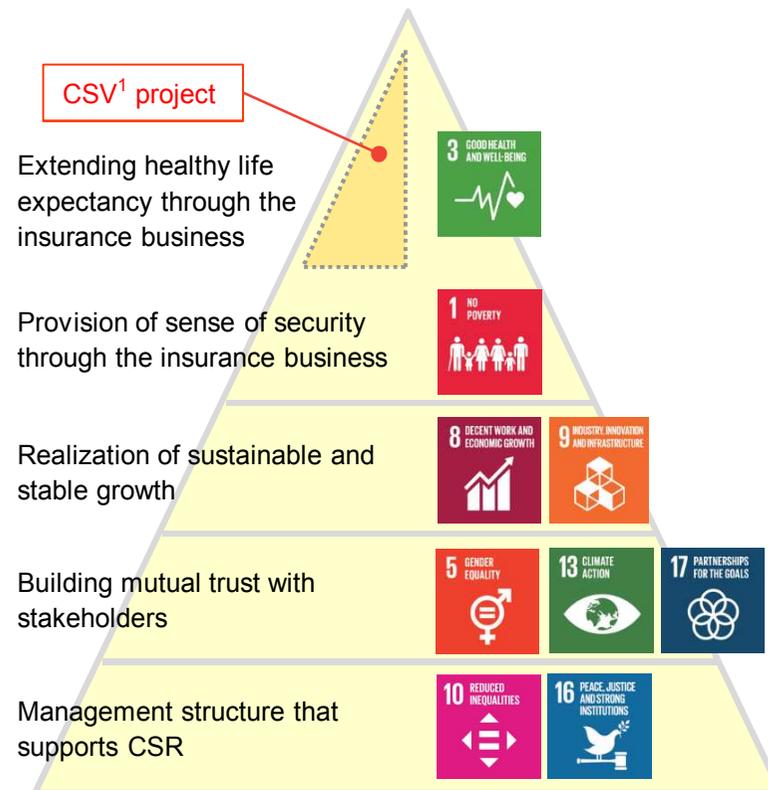
- ◆The Company’s operating policy consists of the “Management Policy,” and the “CSR Management Policy,” as well as “Sumitomo Life Brand Vision.”

Operating Policy



Key Items of CSR

- ◆Key items of CSR are set in accordance with the “CSR Management Policy”
- ◆These key items meet 9 out of 17 SDGs targets



1. Abbreviation of Creating Shared Value, a business concept which means achieving both resolving social challenges and increasing corporate value (including profit and competitiveness)

Our Support for Achieving SDGs②

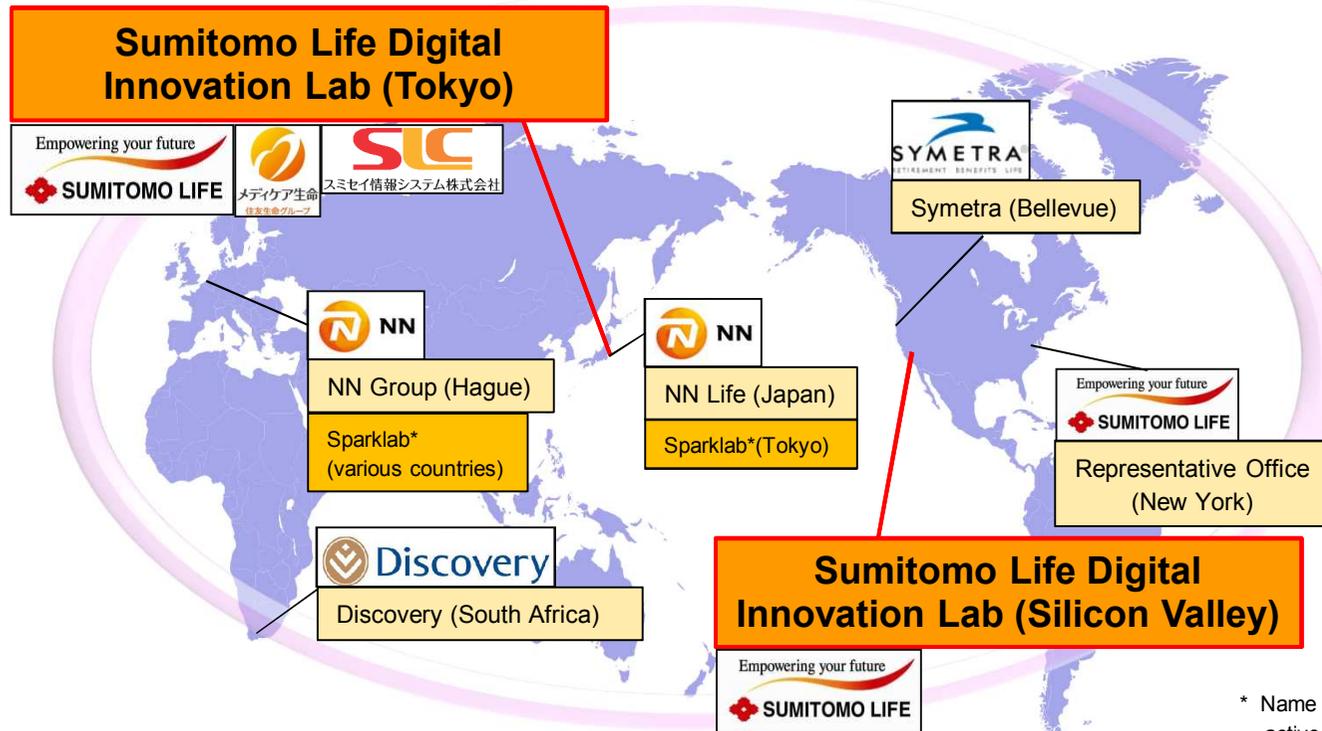
Initiatives Associated with Sustainable Development Goals (SDGs)

ICON	GOAL	MAIN INITIATIVES	ICON	GOAL	MAIN INITIATIVES
	NO POVERTY	<ul style="list-style-type: none"> -Provision of coverage of life insurance -Support the reduction of poverty of women through investment in funds investing in microfinancing organizations 		INDUSTRY, INNOVATION AND INFRASTRUCTURE	<ul style="list-style-type: none"> -Promotion of digital innovation -Promotion of research related to health-enhancing through industry, government and academia collaborations
	ZERO HUNGER	<ul style="list-style-type: none"> -Participation in TABLE FOR TWO -Reduction of starvation through donation 		REDUCED INEQUALITIES	<ul style="list-style-type: none"> -Protection of human rights -Recruitment of challenged people within the group
	GOOD HEALTH AND WELL-BEING	<ul style="list-style-type: none"> -Provision of SUMITOMO LIFE Vitality -Promotion of health-enhancing throughout society (Sumisei Vitality Action) 		SUSTAINABLE CITIES AND COMMUNITIES	<ul style="list-style-type: none"> -Promotion of initiatives for saving energy and resources -Provision of environment for child raising -Support for making a comprehensive network in districts
	QUALITY EDUCATION	<ul style="list-style-type: none"> -Promotion of “Sumisei After School Project” -Promotion of “Child Raising Project to Empower the Future” -Construction of elementary school in Vietnam -Donation of picture books to refugee camps 		RESPONSIBLE CONSUMPTION AND PRODUCTION	<ul style="list-style-type: none"> -Promotion of initiatives for saving energy and resources -Green procurement of consumables
	GENDER EQUALITY	<ul style="list-style-type: none"> - Support the entrepreneurship of women through investment in funds investing in microfinancing organizations - Promotion of diversity 		CLIMATE ACTION	<ul style="list-style-type: none"> -Promotion of initiatives for saving energy and resources -Conservation of global environment -Coral Reef Conservation Project
	CLEAN WATER AND SANITATION	<ul style="list-style-type: none"> -Promotion of initiatives to save resources -Contribute to the improvement of public health through donation -Promotion of “Coral Reef Conservation Project” 		LIFE BELOW WATER	<ul style="list-style-type: none"> -Coral Reef Conservation Project -Conservation of global environment
	AFFORDABLE AND CLEAN ENERGY	<ul style="list-style-type: none"> -Resource project finance loans in Solar power facilities -Investment in green bonds -Investment in real estate, taking environment into consideration 		LIFE ON LAND	<ul style="list-style-type: none"> - Conservation of global environment
	DECENT WORK AND ECONOMIC GROWTH	<ul style="list-style-type: none"> -Continuous enhancement of corporate value through advanced service and reinforcement of management bases -Creation of ideal working environments 		PEACE, JUSTICE AND STRONG INSTITUTIONS	<ul style="list-style-type: none"> -Promotion of compliance -Countermeasures against anti-social forces
				PATNERSHIPS FOR THE GOALS	<ul style="list-style-type: none"> -Contribution to society through various partnerships -Signing of United Nations Global Compact -Promotion of cooperation with local governments

Initiatives for Digital Innovation

We conduct studies to provide new values and services, leveraging the external knowledge and expertise.

Our Framework for Promoting Digital Innovation



- Opened Sumitomo Life Digital Innovation Labs in Tokyo and Silicon Valley in April 2018.
- Promote innovation under the global framework through the collaboration with NN Group and Discovery.
- Establish local network in Silicon Valley via collaboration with Symetra.

* Name of NN Group's innovation promotion center, which is active in 7 countries worldwide, mainly in Europe and including Japan

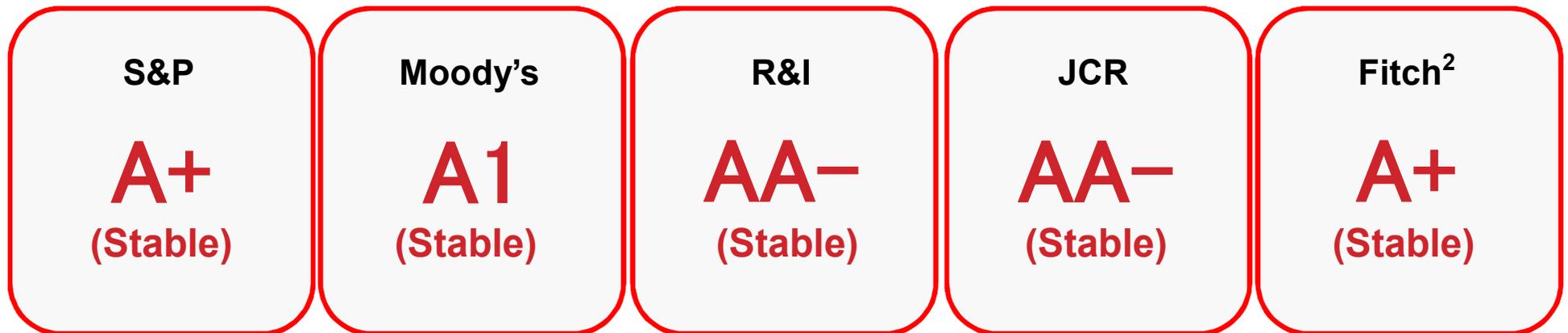
Main Initiatives

- ◆ Performed various Proof of Concepts for the purpose of establishing infrastructure which will enable us to launch products more flexibly and to improve service quality for customers, and improving customer convenience.
- ◆ Strategic investment in open innovation funds.

Insurer Financial Strength Rating

We obtained A ratings or above from 5 rating agencies.

Insurer Financial Strength Rating¹



Solid capital base through the accumulation of internal reserves and surplus, etc.

Relatively high profitability backed by third-sector products, etc.

High market share in the domestic life insurance market

Flexible business development through multi-channel and multi-product strategy

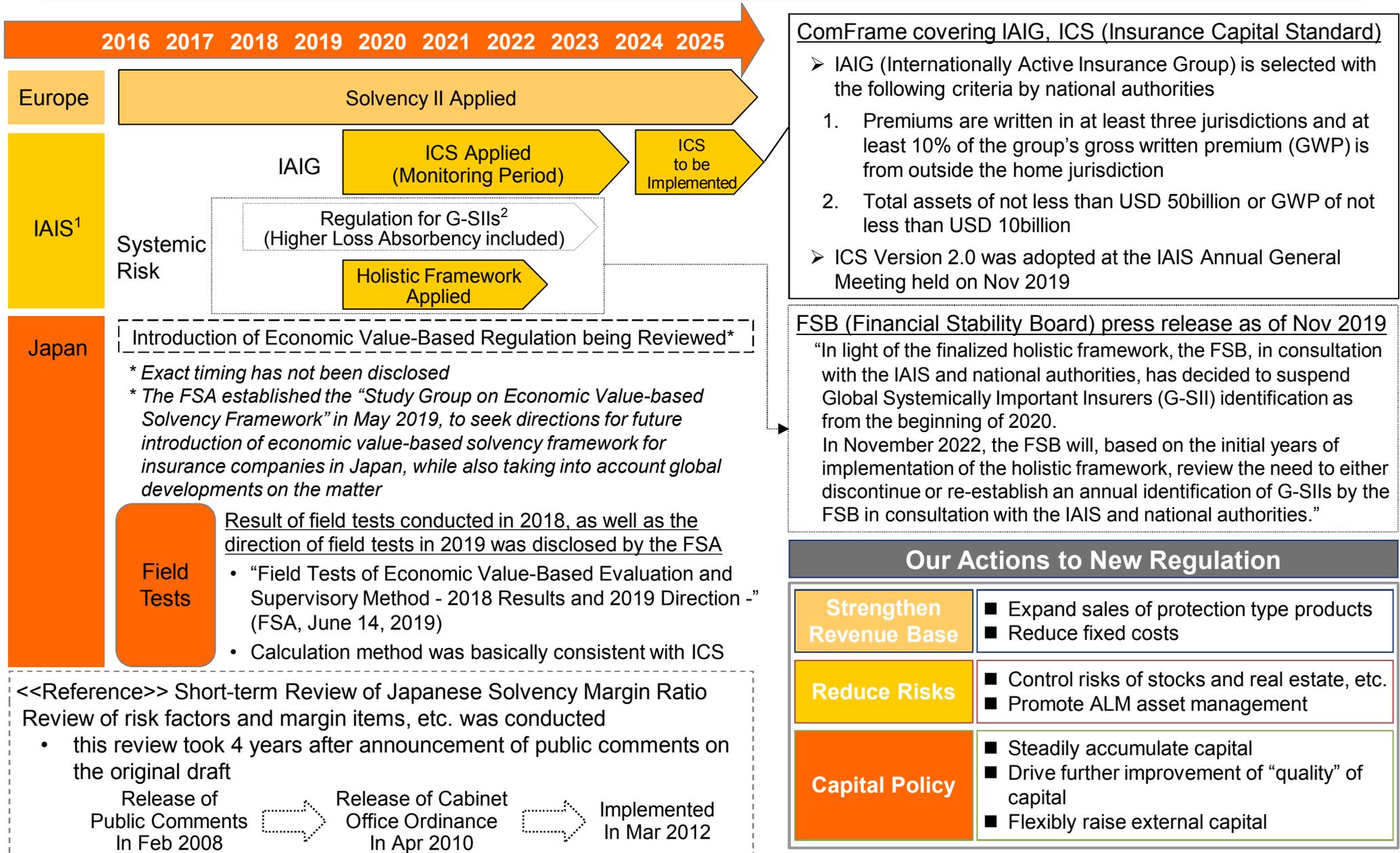
Relatively low exposure to stocks

¹ As of October 31, 2019

² The rating from Fitch is based on public information

Introduction of Economic Value-Based Capital Regulation

Introduction of Economic Value-Based Solvency Regulation



1 International Association of Insurance Supervisors

2 Global Systemically Important Insurers

Unrealized Gains / Losses on Securities

Total unrealized gains in general account is JPY 4,246.6bn.

Unrealized Gains/Losses in General Account (Non-consolidated)

JPY bn

	Unrealized Gains / Losses As of Mar 2019	As of September 2019			
		Book Value	Market Value	Unrealized Gains / Losses	Change from March 2019
Securities*	3,778.3	25,282.5	29,529.1	4,246.6	+468.2
Held-to-Maturity Debt Securities	332.5	1,769.5	2,097.2	327.7	▲4.8
Policy-Reserve Matching Bonds	2,139.2	11,856.6	14,218.9	2,362.3	+223.0
Other Marketable Securities	1,284.2	11,623.1	13,170.2	1,547.1	+262.9
Public and Corporate Bonds	103.0	1,975.3	2,110.8	135.5	+32.5
Domestic Stocks	908.3	844.3	1,680.2	835.8	▲72.4
Foreign Stocks, etc.	249.7	7,812.3	8,360.2	547.8	+298.1
Others	15.1	155.7	176.0	20.2	+5.1

* Securities with market value excluding trading securities

<Market Conditions>

	Mar 19	Sep 19	Change
TOPIX (Closing Price)	1,591.64	1,587.80	-3.84
(Average during Month)	1,602.83	1,579.13	-23.70
Newly Issued 10y JGB	-0.095%	-0.225%	-0.130%
Newly Issued 20y JGB	0.330%	0.195%	-0.135%
USD / JPY	110.99	107.92	-3.07
EUR / JPY	124.56	118.02	-6.54

①

②

②-①

<Break-Even Level of Unrealized Gains/Losses>

	As of Sep 2019
Domestic Stocks (Nikkei225)	JPY10,800 Level
Domestic Stocks (TOPIX)	790 Point Level
Domestic Bonds (10y Yield)	1.0%
Foreign Securities (USD / JPY)	JPY109 Level

Solvency Margin Ratio (Consolidated)

Solvency Margin Ratio (Consolidated)

JPY bn

Items	As of Mar 2019	As of Sep 2019
Solvency Margin Gross Amount (A)	4,160.2	4,597.6
Foundation funds and others	561.8	510.2
Reserve for price fluctuation	744.5	758.6
Contingency reserve	366.2	389.0
General allowance for possible loan losses	0.7	0.7
(Net unrealized gains (losses) on available-for-sale securities (before income tax effect adjustments) and deferred unrealized gains (losses) on derivatives under hedge accounting (before income tax effect adjustments)) x 90% (Multiplied by 100% if losses)	1,128.2	1,493.8
Net unrealized gains on real estate x 85% (Multiplied by 100% if losses)	77.3	84.1
Total amount of unrecognized actuarial gains (losses) and unrecognized past service costs	28.8	23.3
Excess of continued Zillmerized reserve	737.6	776.4
Qualifying subordinated debt	499.9	549.9
Deduction clause	(54.8)	(58.2)
Others	69.6	69.6
Total Amount of Risk $\sqrt{(\sqrt{R_1^2 + R_5^2 + R_8 + R_9})^2 + (R_2 + R_3 + R_7)^2} + R_4 + R_6$ (B)	908.6	927.2
Insurance risk R_1	91.9	91.6
Large disaster risk R_6	-	0.0
Third-sector insurance risk R_8	76.2	78.2
Insurance risk of small-amount, short-term insurer R_9	-	0.0
Risk of assumed yield R_2	196.9	194.0
Minimum guarantee risk R_7	5.0	5.2
Investment risk R_3	669.8	690.6
Operational risk R_4	20.7	21.1
Solvency Margin Ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	915.6%	991.6%

Note: General insurance risk (R_5)

Historical Issuances of Sumitomo Life

Historical Issuances

Issue Date	Type	Years to Maturity	Maturity Date	Amount (JPY bn)	First Call Date	Coupon	Security Ratings
Subordinated Bonds							
20-Sep-2013	144A/RegS	60yr	20-Sep-2073	USD 1bn	20-Sep-2023	6.50% until Sep 2023, thereafter 3m\$LIBOR+444bps (100bps step up)	Moody's: A3 S&P: A-
29-Jun-2016	Domestic/ Private	60yr	29-Jun-2076	70	29-Jun-2021	0.84% until Jun 2021, 6m¥LIBOR+90bps until Jun 2026, thereafter 6m¥LIBOR+190bps	R&I: A
29-Jun-2016	Domestic/ Private	60yr	29-Jun-2076	30	29-Jun-2026	1.04% until Jun 2026, thereafter 6m¥LIBOR+195bps (100bps step up)	R&I: A
21-Dec-2016	Domestic/ Private	60yr	21-Dec-2076	84	21-Dec-2022	1.13% until Dec 2022, thereafter 6m¥LIBOR+95bps until Dec 2026, thereafter 6m¥LIBOR+195bps	R&I: A
21-Dec-2016	Domestic/ Private	60yr	21-Dec-2076	10	21-Dec-2026	1.30% until Dec 2026, thereafter 6m¥LIBOR+199bps (100bps step up)	R&I: A
21-Dec-2016	Domestic/ Private	60yr	21-Dec-2076	11	21-Dec-2031	1.55% until Dec 2031, thereafter 6m¥LIBOR+200bps (100bps step up)	R&I: A
14-Sep-2017	144A/RegS	60yr	14-Sep-2077	USD 1.34bn	14-Sep-2027	4.00% until Sep 2027, thereafter 3m\$LIBOR+299.3bps (100bps step up)	Moody's: A3 Fitch: A-
Subordinated Loan							
26-Jun-2019	Domestic/ Securitization	60yr	21-Jun-2079	50	26-Jun-2024	0.66% until Jun 2024, thereafter 6m¥LIBOR+71bps until Jun 2029, thereafter 6m¥LIBOR +171bps	R&I: A

Note: As of November 22th, 2019. Issuances that are already redeemed are excluded

Key Performance Indicators

Key Performance Indicators (Group)

JPY bn

	Group		Sumitomo Life		Medicare Life		Symetra	
	Mar 2019	Increase(decrease) as % of Mar 31, 2018	Mar 2019	Increase(decrease) as % of Mar 31, 2018	Mar 2019	Increase(decrease) as % of Mar 31, 2018	Dec 2018	Increase(decrease) as % of Dec 31, 2017
Annualized premiums from policies in force	2,782.4	(0.0%)	2,324.8	(0.2%)	38.1	13.8%	419.4	(0.1%)

	Group		Sumitomo Life		Medicare Life		Symetra	
	FY2018	Increase(decrease) as % of Mar 31, 2018	FY2018	Increase(decrease) as % of Mar 31, 2018	FY2018	Increase(decrease) as % of Mar 31, 2018	FY2018	Increase(decrease) as % of Dec 31, 2017
Annualized premiums from new policies	209.9	(2.4%)	126.5	(3.7%)	6.3	(18.4%)	77.0	1.4%

	Group		Sumitomo Life		Medicare Life		Symetra	
	Mar 2019	Increase(decrease) compared to Mar 31, 2018	Mar 2019	Increase(decrease) compared to Mar 31, 2018	Mar 2019	Increase(decrease) compared to Mar 31, 2018	Dec 2018	Increase(decrease) compared to Dec 31, 2017
Solvency margin ratio	915.6%	33.9pt	930.1%	56.5pt	2,815.8%	(375.3pt)	-	-

EEV	3,699.0	(79.8)	3,882.0	(86.0)	136.9	(0.5)	226.4	(0.7)
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	Group		Sumitomo Life		Medicare Life		Symetra	
	FY2018	Increase(decrease) compared to Mar 31, 2018	FY2018	Increase(decrease) compared to Mar 31, 2018	FY2018	Increase(decrease) compared to Mar 31, 2018	FY2018	Increase(decrease) compared to Dec 31, 2017
Value of new business	167.7	14.3	165.7	10.3	7.3	(2.2)	(5.3)	6.2

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 December 31, 2018 is JPY111.0 to US\$1.00)

Financial Statements (Key Items)

Financial Statements (Consolidated)

Consolidated Income Statement

	FY2018						FY2018	
	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
Ordinary income	3,639.4	(2.9%)	3,285.0	(3.4%)	37.6	20.2%	2,298	(7.4%)
Ordinary expenses	3,488.6	(1.2%)	3,084.4	(2.7%)	49.3	14.5%	2,441	2.4%
Ordinary profit	150.8	(30.8%)	200.5	(12.8%)	(11.7)	-	(143)	-
Net surplus	48.2	(30.9%)	60.6	(7.4%)	(8.9)	-	(61)	-

Consolidated Balance Sheet

	Mar 2019						Dec 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	37,811.4	4.9%	32,730.4	3.8%	211.8	6.0%	49,263	14.9%
Total liabilities	36,165.7	5.2%	30,948.3	3.6%	180.7	12.7%	45,940	18.9%
Total net assets	1,645.7	(0.7%)	1,782.1	7.1%	31.0	(21.2%)	3,322	(21.2%)

Note: US-GAAP for Symetra

Net surplus in consolidated is net surplus attributable to the parent company

The fiscal year-end of Symetra is December 31

[Inquiries Regarding This Material]

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