
FY2019 Business Results



Sumitomo Life at a Glance

Company Overview

■ Established: May 1907

Key Figures¹ – FY2019 (as of Mar. 2020)

| | |
|---|---|
| ■ Premium income: | JPY 2.44tn (USD 22.4bn) (JPY 2.60tn in FY2018) |
| ■ Core business profit ² : | JPY 393.3bn (USD 3.6bn) (JPY 398.1bn in FY2018) |
| ■ Total assets: | JPY 38.64tn (USD 355.0bn) |
| ■ Annualized premiums from policies in force ³ : | JPY 2.80tn (USD 25.7bn) |
| ■ Solvency margin ratio: | 870.0% |
| ■ Embedded value ⁴ (EEV): | JPY 3.58tn (USD 32.9bn) |
| ■ Number of sales representatives: | 32,206 |
| ■ Insurer financial strength rating ⁵ : | A+ [S&P], A1 [Moody's], AA- [R&I], AA- [JCR], A+ [Fitch] |

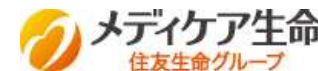
Empowering your future



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 98.27% of the shares

Insurance Outlets



Izumi Life Designers / INSURANCE DESIGN / Agent / Mycommunication

- Also sell other insurers' products
- Ownership: 100% / 95% / 44.83% / 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 22.08% of the shares

Indonesia



PT BNI Life

- JV with BNI, a national bank
- Owns 39.99% of the shares

Singapore



Singapore Life

- Emerging company, harnessing cutting-edge technology
- Owns 25.11% of the shares

Source: Company disclosure

1. Consolidated figures. USD amounts in parentheses in this presentation (except as otherwise stated) are translated from JPY using USD1 = JPY108.83, as of March 31, 2020.

2. Adjusted core business profit of the group (see page 6 for details)

3. Figures for individual life and individual annuity for domestic business (see page 5 for details)

4. Combined figures of Sumitomo Life's EEV, Medicare Life's EEV and Symetra's EEV (see page 7 for details)

5. As of April 30, 2020. The rating from Fitch is unsolicited

6. As of March 31, 2020 on ownership

Key Highlights

◇ FY2019 Results

- ✓ Annualized premiums from policies in force remained at a stable level. . . . P.5
Annualized premiums from new policies decreased compared to FY2018.
- ✓ Core business profit remained at approximately the same level as . . . P.6
FY2018
- ✓ EEV decreased from the end of the previous fiscal year due to negative . . . P.7
impacts from lower domestic super-long-term interest rate and fall in
stock prices, despite the positive results of the insurance business
- ✓ Established a strong capital base consisting mainly of internal reserves . . . P.8
and surplus



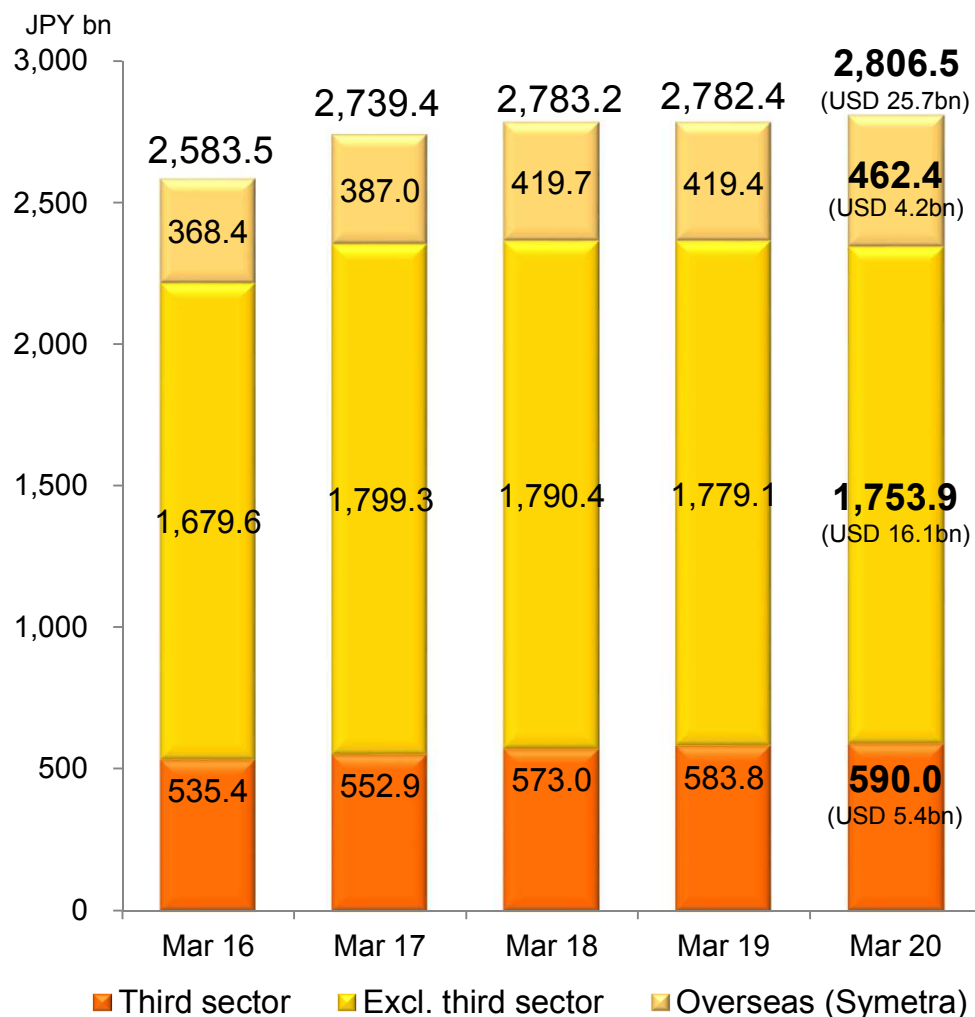
I . FY2019 Business Results

Operating Performance

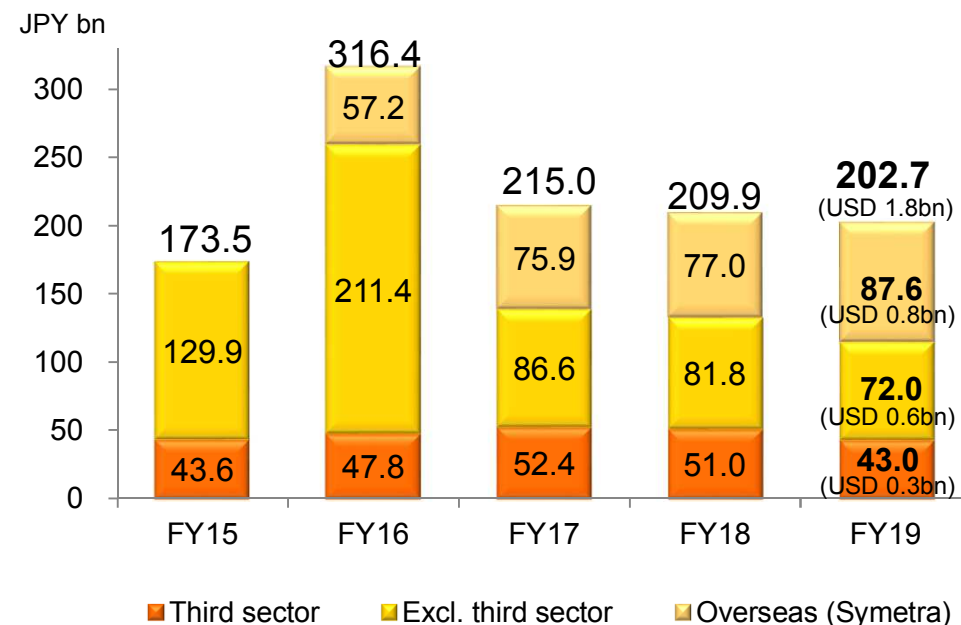
Annualized premiums (AP) from policies in force remained at a stable level.

AP from new policies decreased mainly due to fall in sales of single-premium whole life insurance products.

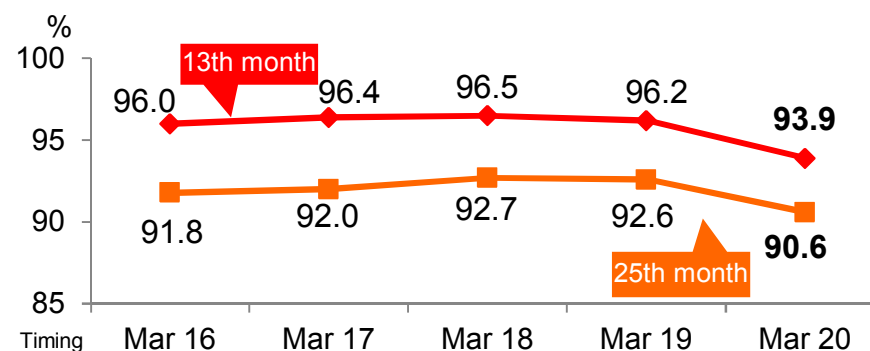
Annualized Premiums from Policies in Force¹ (Group)



Annualized Premiums from New Policies¹ (Group)



Persistency Rate² (Non-consolidated)



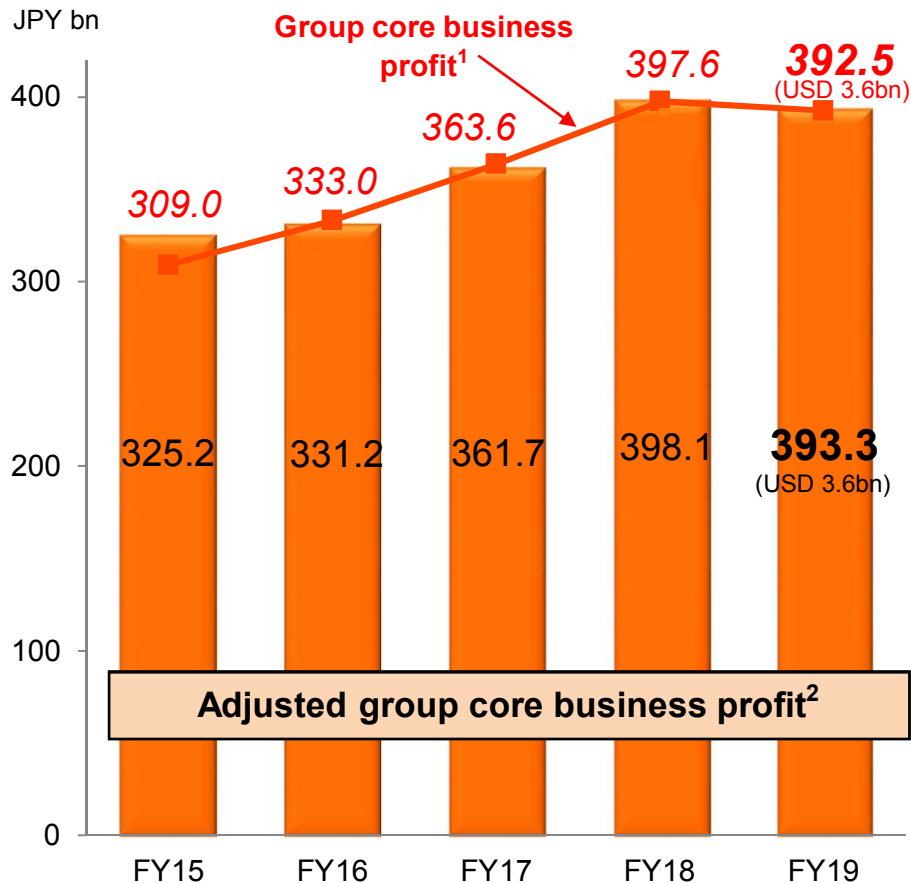
1. Figures for domestic business (Third sector + Excl. third sector) are individual life insurance and individual annuities. Figures for Symetra are included since February 2016

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

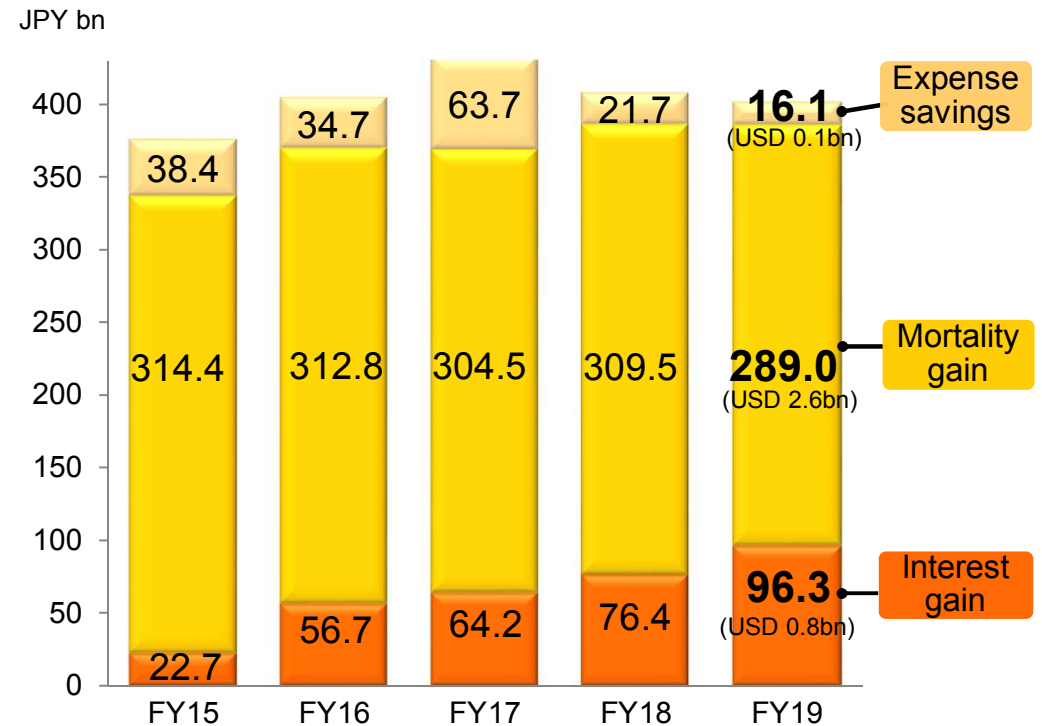
Profit Trend

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

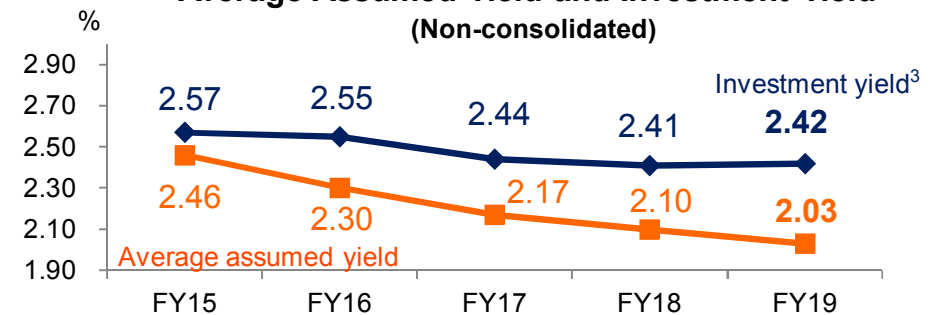
Core Business Profit (Group)



Three Surplus Factors (Non-consolidated)



<Average Assumed Yield and Investment Yield³> (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, Sing Life and PICC Life attributable to Sumitomo Life's equity stake in each company, with adjustments made to some internal transactions

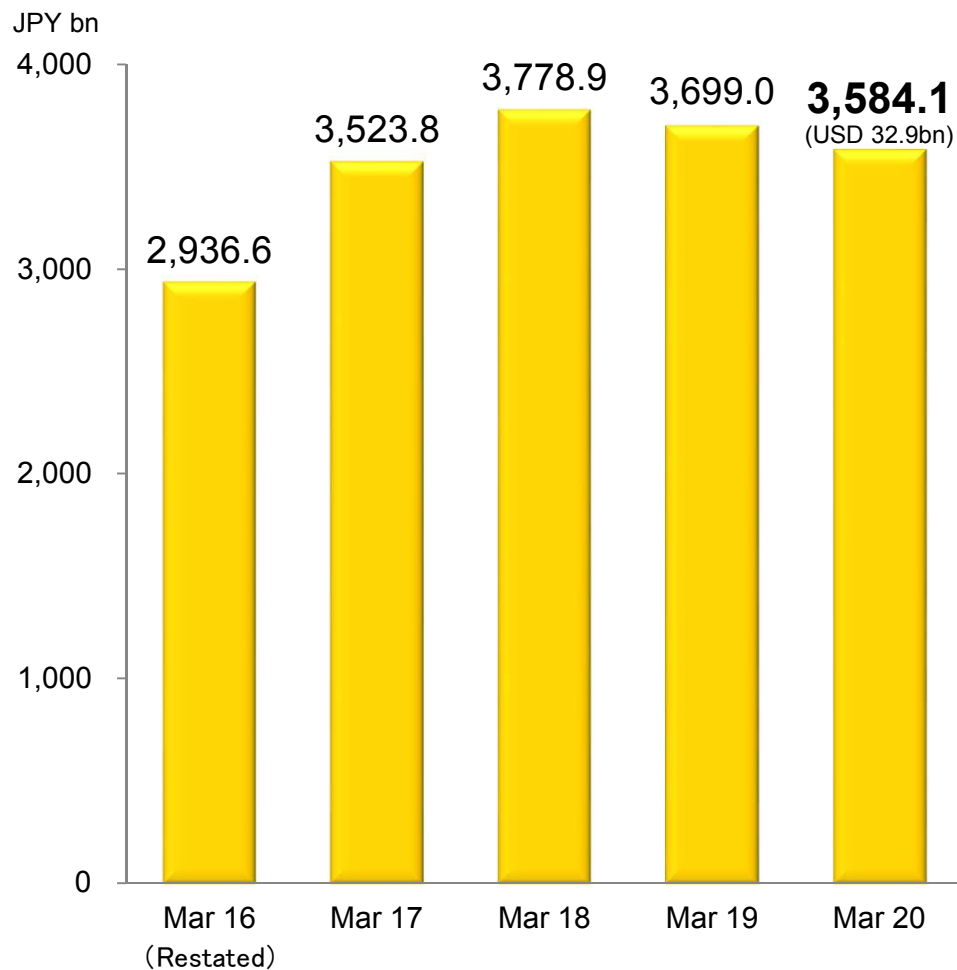
2. Adjusted group core business profit indicates group core business profit excluding provision / reversal of standard policy reserve relating to variable annuities

3. Related to core business profit

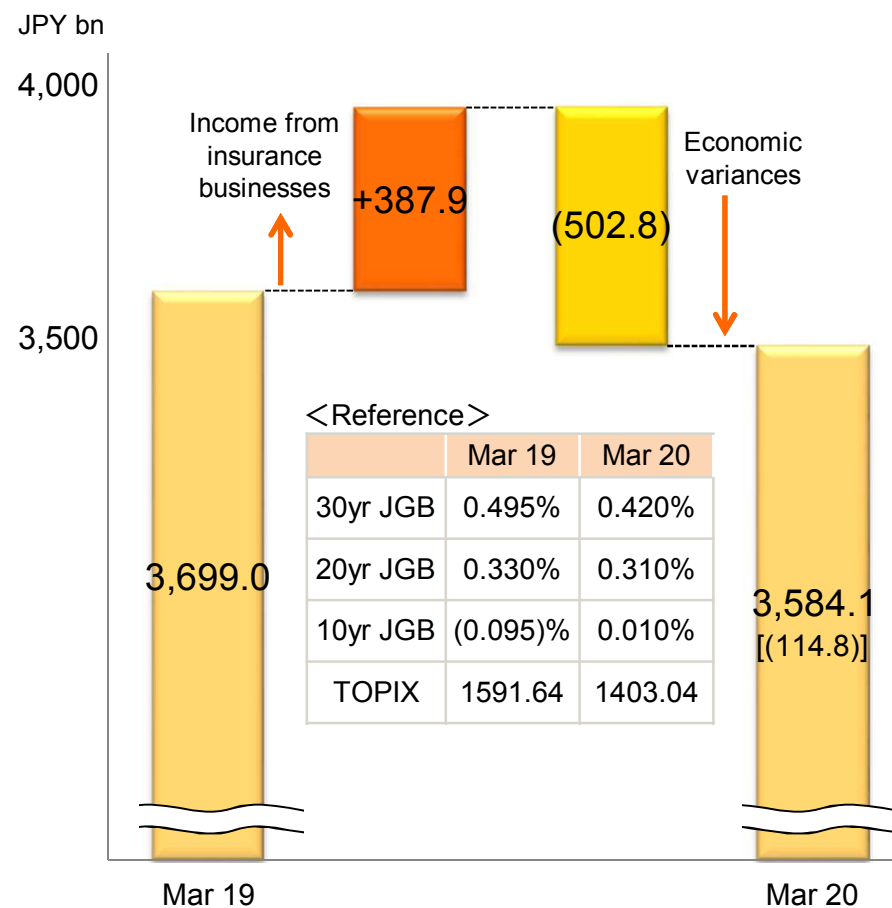
EEV Trend

EEV decreased from the end of the previous fiscal year due to negative impacts from lower domestic super-long-term interest rate and fall in stock prices, despite the positive results of the insurance business.

EEV (Group)



EEV Growth Factors

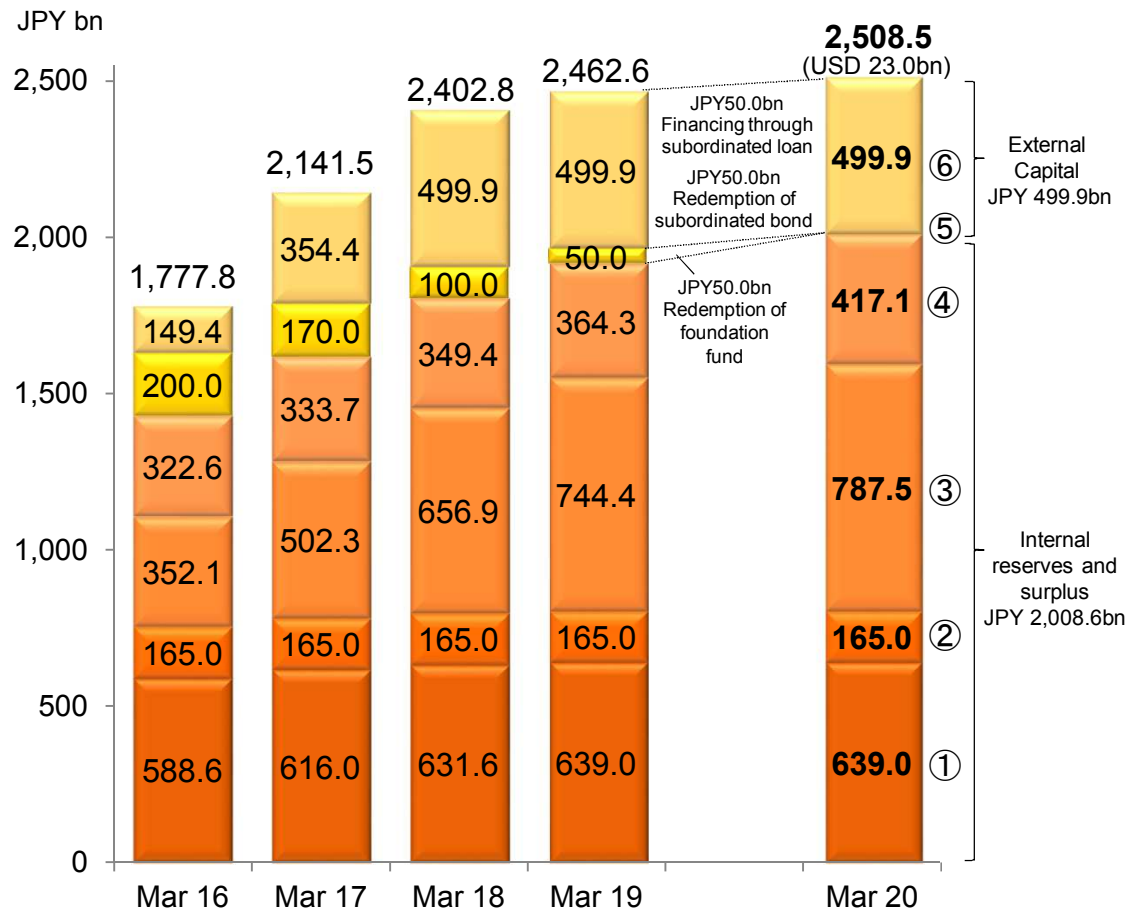


1. The ultimate forward rate (UFR) has been applied for EEV since FY 2017, and the EEV as of March 31, 2016 is restated based on the same method
2. See "Disclosure of European Embedded Value (summary) as of March 31, 2020" on the website for details

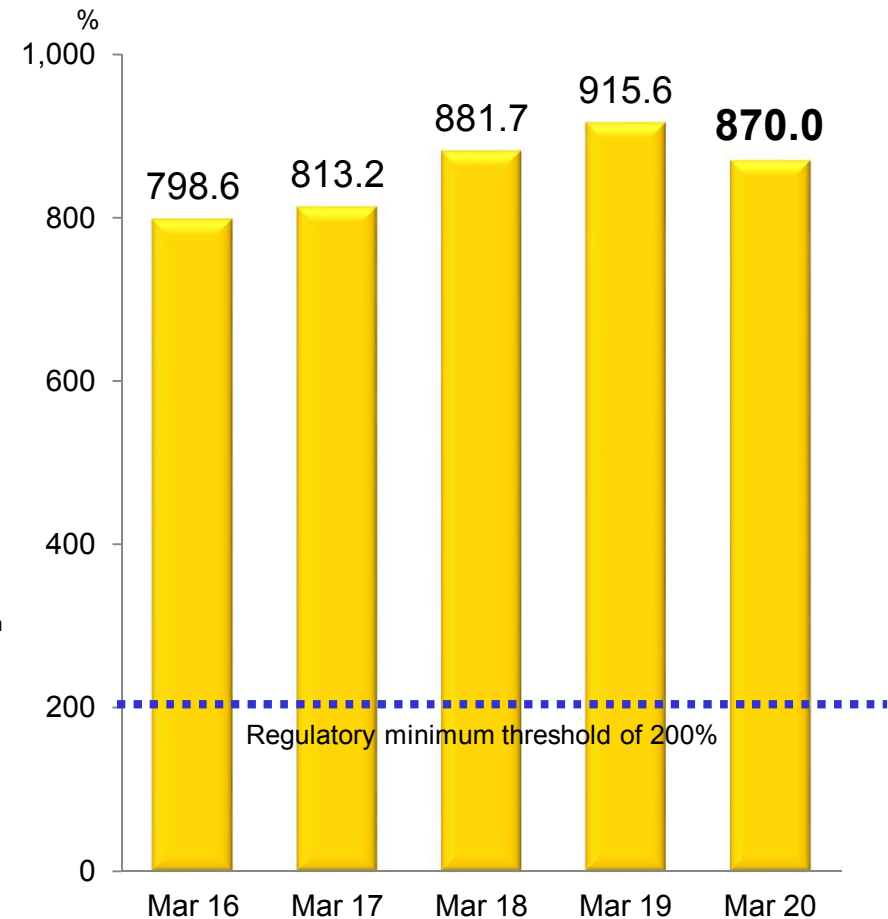
Capital Base

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 Figures are after appropriation of surplus



II . Sumitomo Life Group's Initiatives

Response to the New Coronavirus (COVID-19)

Provide customers with sense of security by offering special arrangements and complementary services, with the mission of protecting our customers and employees and reliably fulfilling the important role of life insurance.

Measures to Prevent the Spread of the Virus

Voluntary restraint
in sales activities

Closed sales offices and customer service counters, while refraining from sales visits in light of the declaration of the state of emergency¹

Implementation of
remote work

Implemented remote work in principle, except for the minimum number of staff required to continue operations related to the payments of insurance claims and benefits

Special Arrangements for Insurance Products

Rolled out special arrangements for our products so that customers can obtain and continue to use insurance with sense of security

<Special Arrangements (Examples)>

- Quick and simple payment of insurance claims/benefits, policyholder loans, etc.
- Extension of the grace period on premium payments
- Interest rate reduction or exemption on policyholder loans
- Inclusion of death due to COVID-19 in grounds for payment of accidental death benefits

Informing of Complementary Services for Our Products

Accepted inquiries regarding COVID-19 on “Sumisei Health Consultation Hotline³,” a complementary service available to policyholders and insured persons of some products², and their families



Reliably fulfilling our mission as a life insurance company

1. In line with the Guideline on Measures for the New Coronavirus Disease (COVID-19) issued by the Life Insurance Association of Japan (a guideline for the life insurance industry), activities will resume in stages, starting from areas where the state of emergency declaration has been lifted.
2. New whole life insurance with a 5 yearly payment of dividend of interest gains [W Stage], 3-year variable accumulation rate (whole life) insurance with guaranteed minimum interest rates [LIVE ONE, Q Pack], riders combination insurance [Prime Fit], and medical (term and whole life) insurance with a 5 yearly payment of dividend of interest gains [Doctor GO].
3. The hotline service is provided by our contractor, T-PEC CORPORATION, and is not an insurance product or service provided by Sumitomo Life.



① Medium-Term Business Plan

② Multi-Channel and Multi-Product Strategy

③ Asset Management

④ Overseas Business Development

⑤ Capital Policy

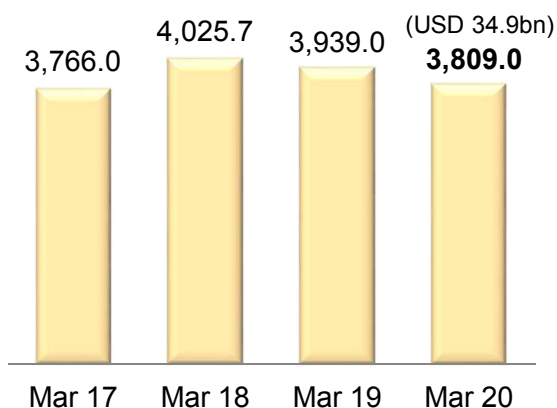
Progress of Medium-Term Business Plan (2017-2019)

| Items | Targets for March 2020 | Results as of March 2020 |
|--|---|---|
| Corporate Value (EEV) | JPY 4,481.2bn (3-year RoEV +19.0%) | JPY 3,809.0bn (JPY 672.1bn below target) |
| Annualized premiums from policies in force | JPY 2,371.0bn (3-year growth rate +0.8%) | JPY 2,344.0bn (JPY 26.9bn below target) |
| Of which, third sector | JPY 596.4bn (3-year growth rate +7.9%) | JPY 590.0bn (JPY 6.3bn below target) |

Note: Total of Sumitomo Life and Medicare Life

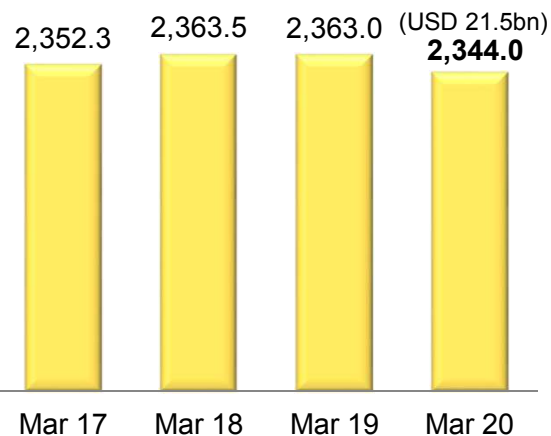
Corporate value
(EEV)

JPY bn



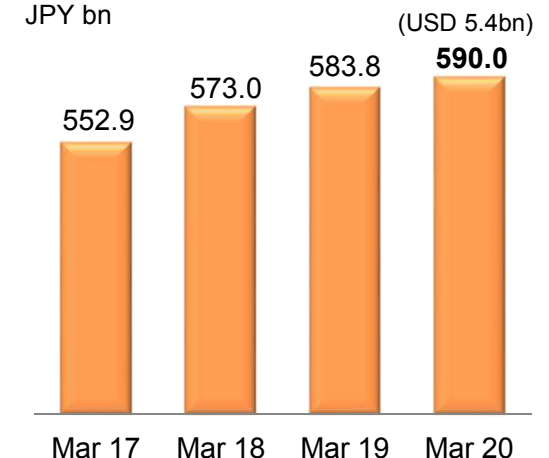
AP from policies in force

JPY bn



AP from policies in force
for third sector

JPY bn



“Sumitomo Life Medium-Term Business Plan 2022” (2020-2022)

Overview of Medium-Term Business Plan

To be an “indispensable” insurance company for society

Be trusted by society

“Customer” is
the subject word



Behavior and work style
personalized for our customers

Contribute to society

Contribute to
achieving the SDGs

SUSTAINABLE
DEVELOPMENT GOALS



Contributing to healthy and
long-living society



Adapt to social change

Transformation for
continual evolution



Investing in future change



Asset
management

Products &
services

Life designers

Agencies such as
financial institutions
& insurance outlets

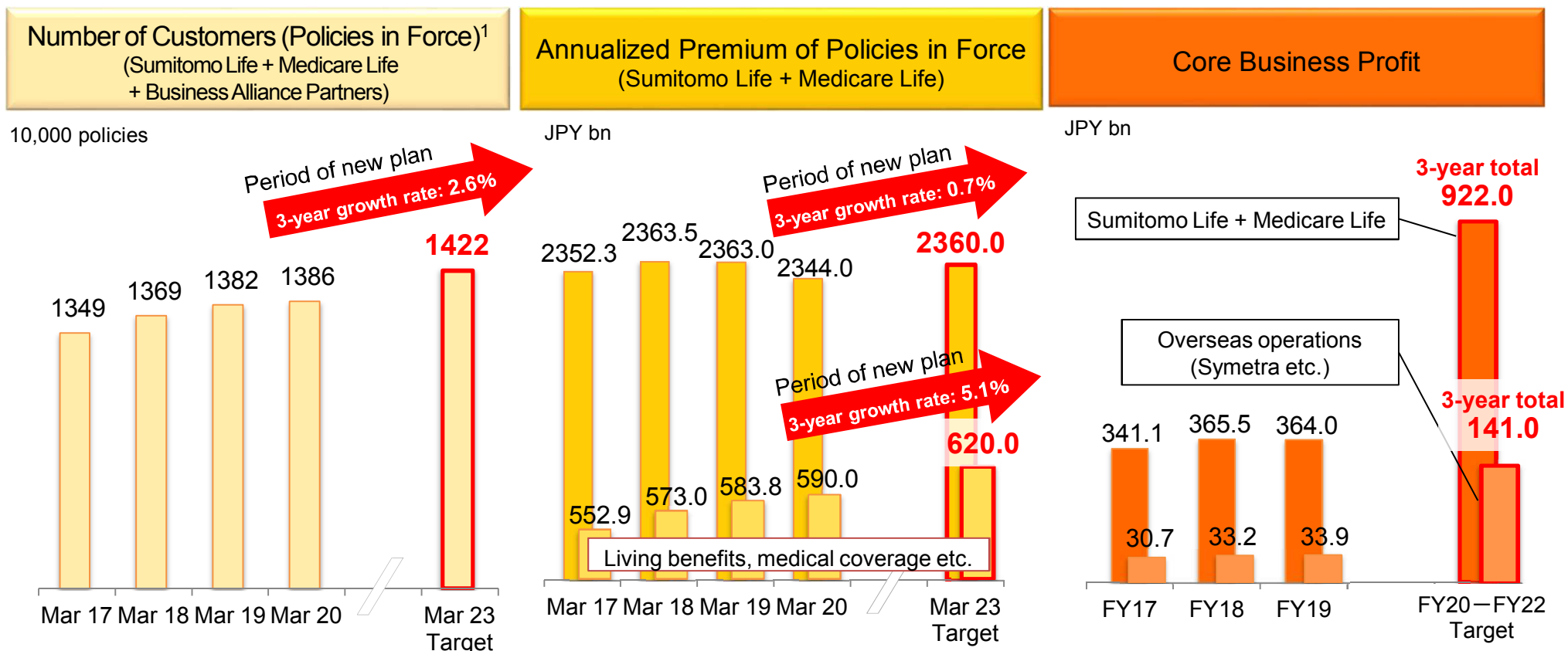
Management
base

Overseas
operations

Advancing all businesses together with our customers

Target Values for the Medium-Term Business Plan (2020-2022)

Target Values



1. Number of individual life insurance and individual annuities, including products provided by our business alliance partners (Mitsui Sumitomo Insurance, NN Life, Sony Life).

Monitoring Items

Indicator of Advancement of Business
with our Customers (Sumitomo Life)

Net Promoter Score

Number of
Vitality Members

Other Important Items
(Sumitomo Life + Medicare Life + Symetra)

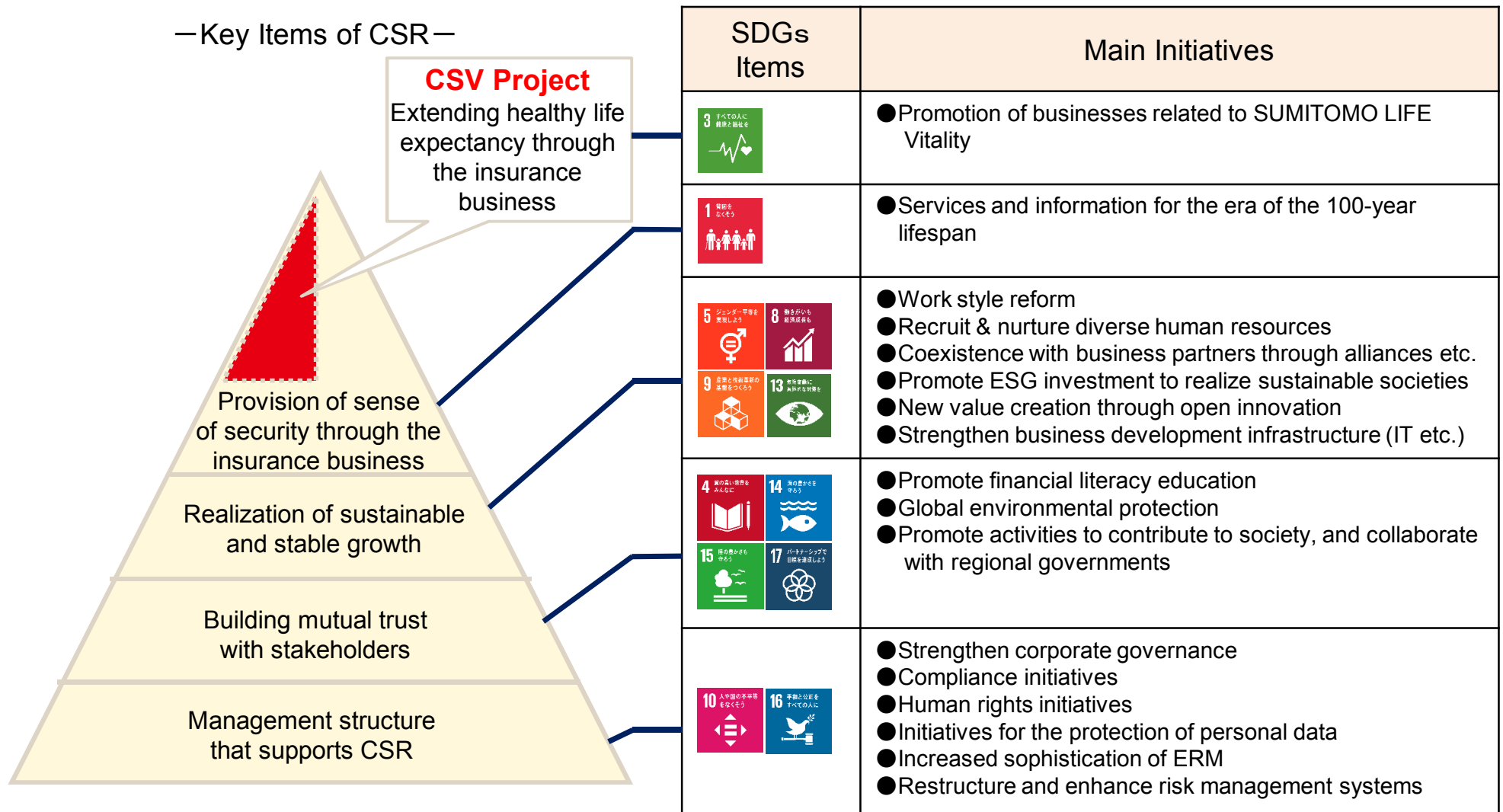
EEV

ESR
(By internal model)

Our Contribution to the SDGs①

We promote CSR management, aiming to contribute to the realization of a society of affluence, vitality and longevity through the sound operation and development of the insurance business.

Key Items of CSR¹ and the SDGs We Aim to Contribute To



1. Five items that are important in the promotion of CSR management, which also leads to the achievement of SDGs.

Our Contribution to the SDGs②

The Sustainability Promotion Council was set up with the objective of promoting sustainability initiatives. It implements initiatives to achieve the SDGs, with a focus on contributing to a healthy and long-living society through SUMITOMO LIFE Vitality.

Sustainability Promotion Council

Promote the sharing of social and environmental issues, such as SDGs, as well as initiatives to solve them

Board of Directors

Executive Management Committee

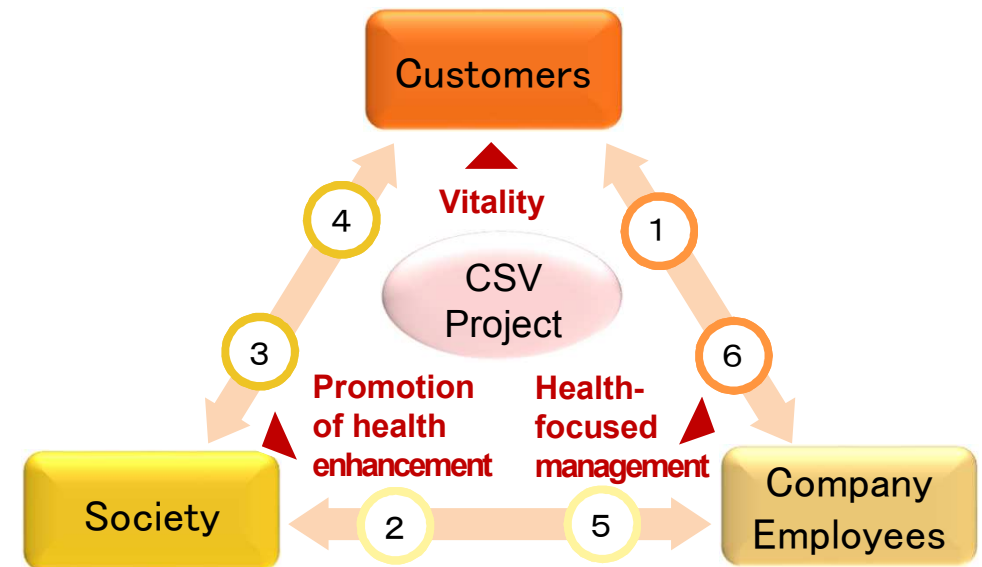
Sustainability Promotion Council
(Secretariat: Corporate Planning Department,
Brand Communication Department)

Promotion of Sustainability Initiatives

- Discussion and review of initiatives to achieve the SDGs
- Information sharing on social and environmental issues, etc.

CSV¹ Project

Contribute to the realization of a healthy and long-living society through the provision of SUMITOMO LIFE Vitality Shared-Value Insurance, promotion of health enhancement and health-focused management



- (1) Contribute to health enhancement of customers through SUMITOMO LIFE Vitality
- (2) Convey the importance and value of health enhancement to the world
- (3) Contribute to a "healthy and long-living society" by enhancing health of customers
- (4) Those who understand the importance and value of health enhancement become new customers
- (5) Cultivate pride and job satisfaction by contributing and being indispensable to the society
- (6) Positive evaluation as an entity that supports health

1. 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).

Acceleration of Innovation

We will promote initiatives to reform our business structure to ensure we can adapt to any change in our environment.

Initiatives to Date for Innovation Creation (Examples)

Launch of SUMITOMO LIFE Vitality

Utilize digital currencies and latest technologies such as AI-OCR



Big data analysis

Conduct studies on the development of insurance products and services, as well as the provision of useful information to Vitality members



Use of artificial intelligence (AI)

Enhance contact centers utilizing AI. Conduct studies to improve administrative efficiency



Use of blockchain

Perform PoCs with the aim of improving convenience dramatically through automatic filing of benefit claims



Network and human resource development

- Participate in external organizations and consortiums
- Participate in external training programs
- Nurture data scientists



Introduction of RPA

Commence full-scale application in the areas of insurance and asset management-related administrative work. Introduce RPA in other departments in stages.



Initiatives in the “Medium-Term Business Plan 2022”

We will promote initiatives to reform our business structure in the following four areas:
“Service Reform”, “HR Nurturing”, “Infrastructure Building” and “Innovation Creation”



Further promotion of customer-oriented services and behavior



① Medium-Term Business Plan

② Multi-Channel and Multi-Product Strategy

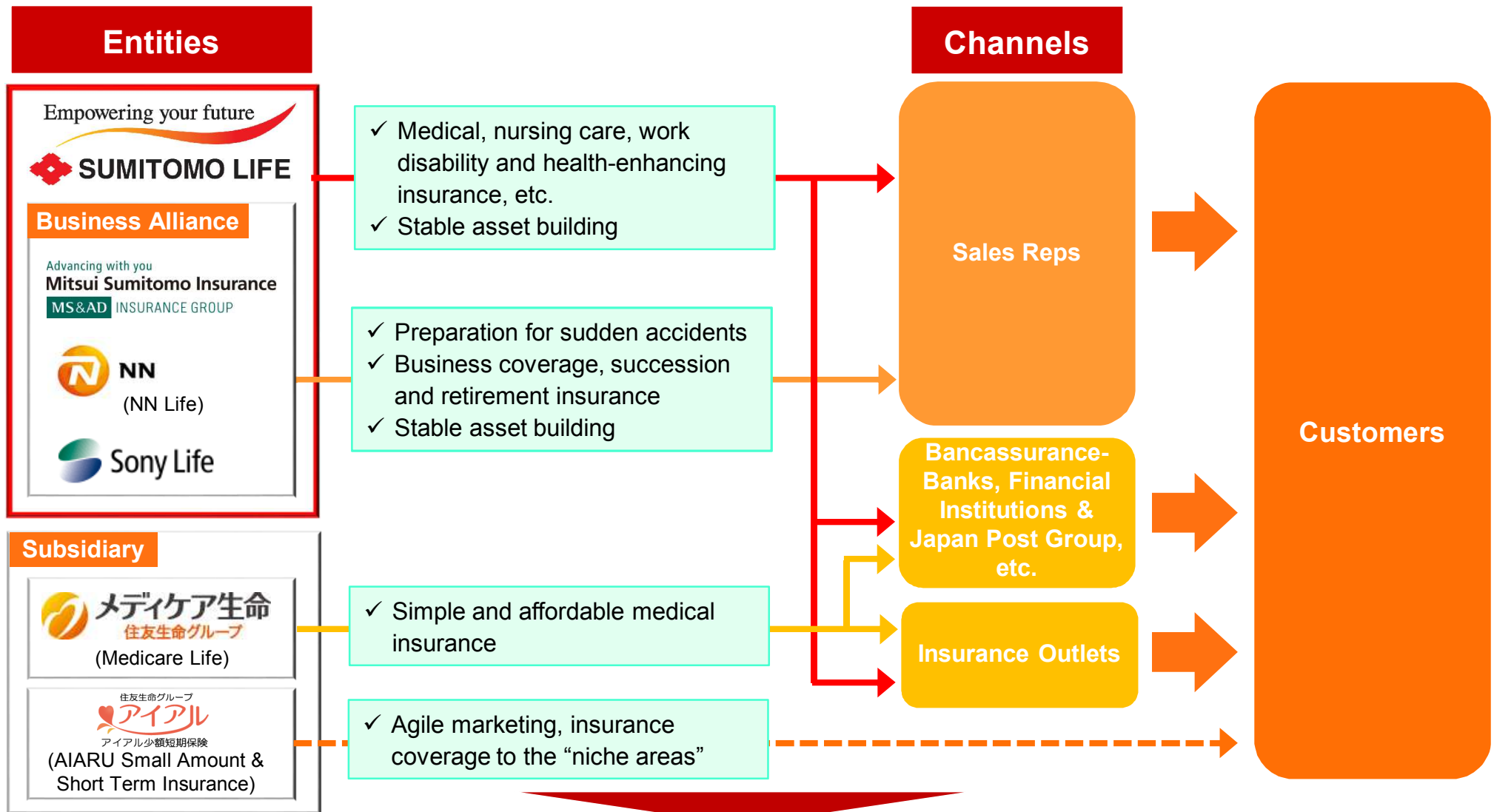
③ Asset Management

④ Overseas Business Development

⑤ Capital Policy

Multi-Channel Strategy





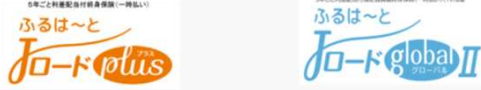










We aim to expand the entire customer base of the Sumitomo Life group by providing products customized to the unique characteristics of each channel.



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 | <div><div><div>Comprehensive Protection Insurance 生活保険で、じぶんを救え。 1UP↑ 未来デザイン ワンアップ  健康増進 就業不能介護 死亡 医療</div><div>Medical Insurance スミセイの医療保険 ドクタ-GO  健康増進 医療</div></div><div>[Launched in March 2020] Dementia Protection </div><div>Wellness program that could be attached to the above main products </div></div> | | | | <div>Single-Premium Insurance [Yen] (Whole Life) [Foreign Currency] (Whole Life)  </div> | | <div>Term Life スミセイの定期保険  新長期プラン  介護・障害定期(災害保障タイプ)  エヌエス生命の重大疾病保障保険 重大疾病 </div> <div>Medical Protection スミセイの医療保険  ロングリリーフ</div> <div>Work Disability Protection  スクエアライン ワンアップ</div> | | <div>Automobile Insurance 安心のゴールキーパーでありたい。  クルマの保険  すまいの保険  ケガの保険 Others ゴルファー保険</div> <div>Advancing with you Mitsui Sumitomo Insurance MS&AD INSURANCE GROUP</div> |

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



Evolution of SUMITOMO LIFE Vitality

Expansion of bundled target program for Vitality Health Program with the launch of “Dementia-PLUS”.

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



【From March 2020】

Launch of new rider as an eligible product



Expansion of Reward Partners

【From April 2020】

New partnership with two partner companies

11
companies



13
companies

Evolution of Health-enhancing Menu

【From April 2020】

Addition of “Dental Check-up” and “Golf”, which are said to be effective in preventing dementia

Dental Check-up



Golf



New Product “Dementia PLUS”

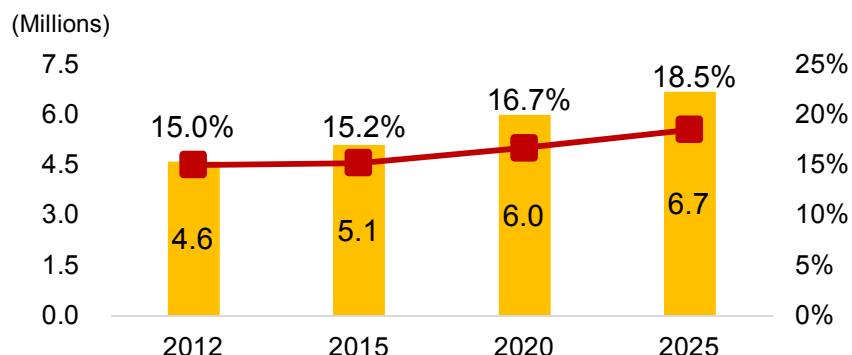
In March 2020, we launched “Dementia PLUS”, a rider that offers coverage early on and provides financial support for dementia, a major social issue in a long-living society.

Background to the Development

The number of dementia patients rises every year, the number one cause for requiring nursing care

<Future Estimate of Dementia Patients in Japan (Age 65 and Above)>

Left axis: Number of dementia patients / Right axis: Percentage of dementia patients among elderly population



Source: Compiled by Sumitomo Life based on a study on the future estimate of the elderly population with dementia in Japan (2015)

To prevent the onset of dementia, it is important to detect it early at the stage of mild cognitive impairment (MCI)*, and to continue appropriate treatment, including lifestyle improvement and medication management.

<Progression of Dementia>



* Mild cognitive impairment (MCI): A transitional stage between normal aging and dementia. Although cognitive decline is noticeable, the impact on daily life is minimal, and thus dementia cannot be diagnosed.

Description of Coverage

Dementia and mild cognitive impairment (MCI) covered for a lifetime

<Scheme>

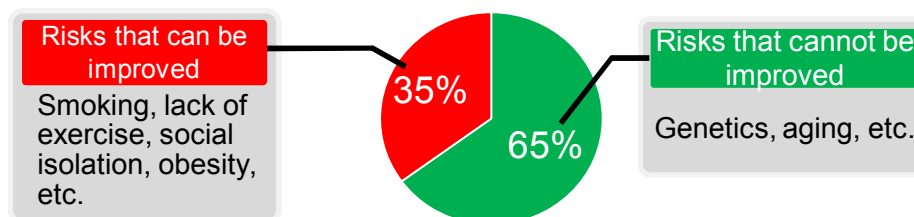


<Payment Reason (Payment Amount)>

| Claims and benefits | Payment reason (payment amount) |
|--|--|
| Dementia insurance claim | When confirmatively diagnosed with organic dementia, as defined by Sumitomo Life, for the first time in life (basic insurance amount) |
| Mild cognitive impairment benefit | When confirmatively diagnosed with mild cognitive impairment or organic dementia, as defined by Sumitomo Life, for the first time in life (basic insurance amount x 10%) |

Prevention through Health-enhancing Activities

Reexamining daily lifestyle habits through SUMITOMO LIFE Vitality can reduce dementia risk



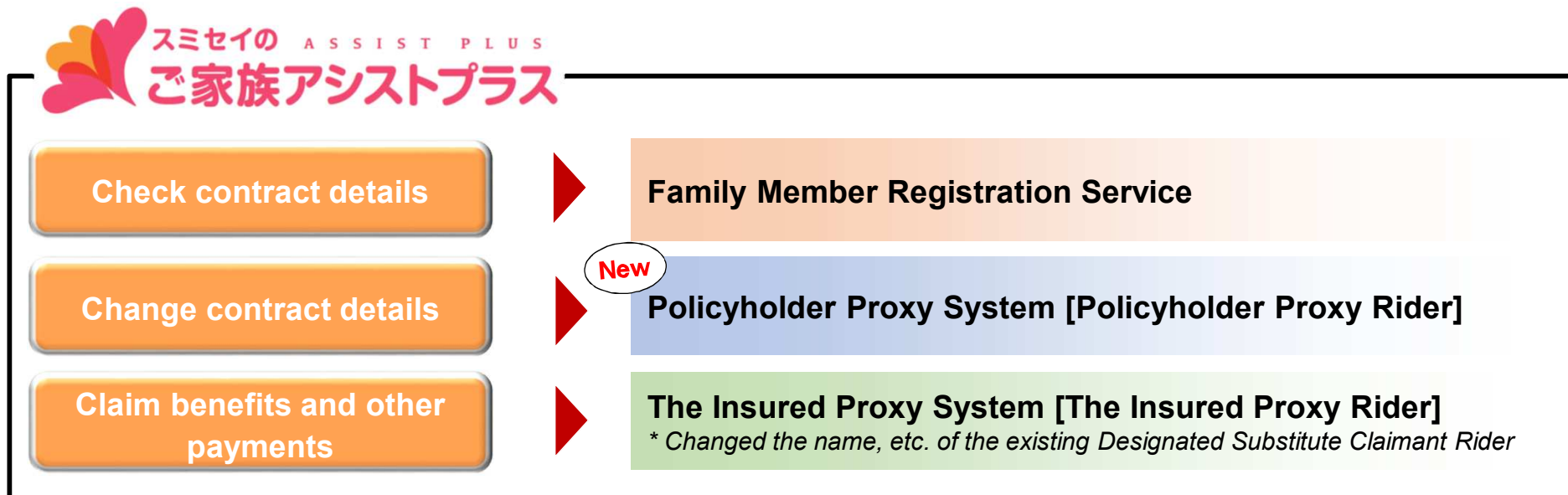
Source: Compiled by Sumitomo Life based on Livingston G, et al., Lancet. 2017 Dec 16; 390(10113):2673-2734

New Service “Sumisei Family Assist Plus”

Introduced a new service “Sumisei Family Assist Plus” to coincide with the launch of Dementia PLUS.

Sumisei Family Assist Plus*

Introduced a service/system that allows family members of the insured to check the contract details and initiate procedures on behalf of the insured if they are registered in advance, so that customers can continue their contracts with peace of mind even if anything happens to them.



**Respond to dementia, a major social issue in a long-living society,
by providing coverage, the Vitality program, and service**

* Sumisei Family Assist Plus: Collective term for the Family Member Registration Service, the Policyholder Proxy System, and The Insured Proxy System.

“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

April 2020

Expanded menus of “Well Aging Support- ASUNOEGAO”

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
prevention / QOL
enhancement
support service

Long-term care /
Living-support service

Asset management
support service

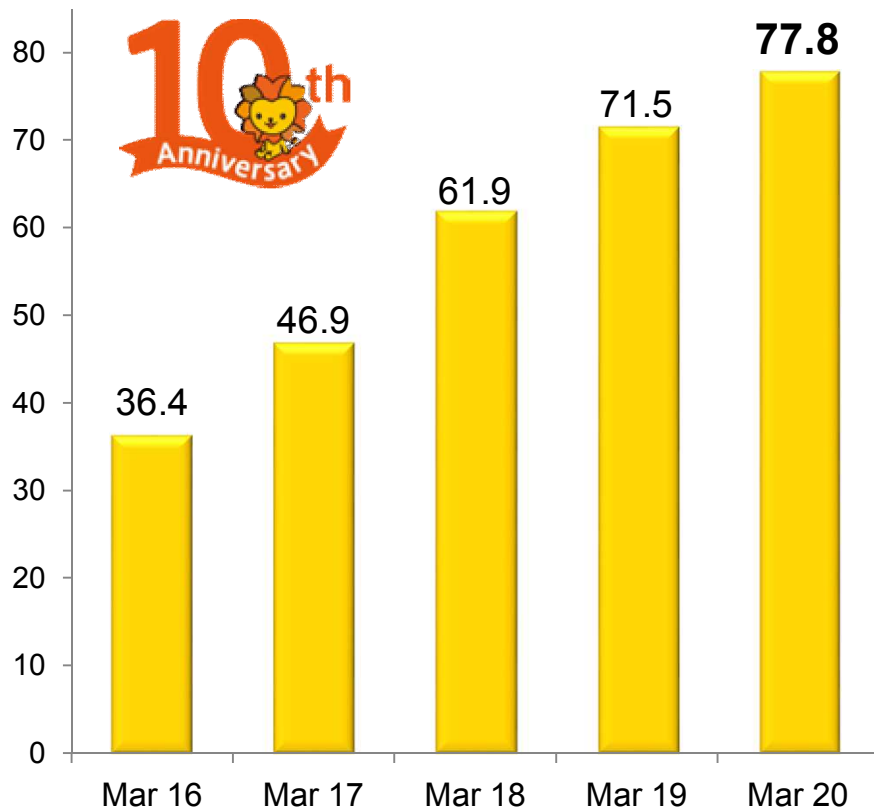


Medicare Life

April 2020 marked the 10th anniversary of its establishment.
Number of policies in force exceeded the 770,000 mark as of the end of March 2020.

Number of Policies in Force

10,000 policies



Key Indicators

<As of March 31, 2020>

EEV

JPY 146.6 bn

Solvency
Margin Ratio

2350.4%

Credit
Rating

AA- (R&I)

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”
- ✓ Offers meticulous consulting



■ INSURANCE DESIGN

(Subsidiary since Jul. 2017)

- ✓ Operates insurance outlets called “Hoken Design”
- ✓ Develops outlets closely focused on the Kansai area



■ 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



- 
- ① Medium-Term Business Plan
 - ② Multi-Channel and Multi-Product Strategy
 - ③ Asset Management**
 - ④ Overseas Business Development
 - ⑤ Capital Policy

Initiatives in FY2019

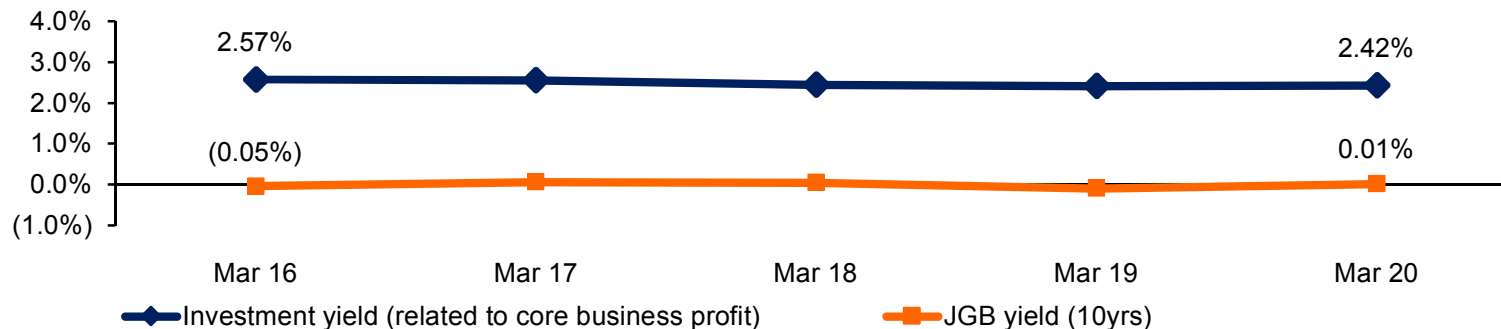
Managed general account with portfolios classified into two categories: ALM Investment and Balanced Investment.
Aimed to increase our investment earnings in accordance with investment objectives and to strengthen our asset management platform in order to enhance medium to long-term investment profitability.

Initiatives in FY2019

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

| Initiatives to increase our investment earnings | ALM Investment Portfolio | | Balanced Investment Portfolio |
|---|---|--|---|
| | <ul style="list-style-type: none"> Portfolio focused on yen-denominated assets (approx. JPY 24tn) Objective is to contribute to secure payment of claims, etc. | | <ul style="list-style-type: none"> Portfolio focused on highly liquid securities (approx. JPY 6tn) Objective is to contribute to sustainable growth of Embedded Value |
| | Enhance Revenues Through Additional Risk Taking <ul style="list-style-type: none"> <Foreign Credit Assets> <ul style="list-style-type: none"> Promoted investment in corporate bonds, taking hedging costs and credit spreads into account Entrusted investments to external asset managers including Symetra Asset Management <Infrastructure / Private Equity Funds> <ul style="list-style-type: none"> Expanded investments while dispersing investment areas and asset managers | Strengthen Risk Control <ul style="list-style-type: none"> <Domestic Interest Rate Risk> <ul style="list-style-type: none"> Rebalanced to long-term domestic bonds, taking into account impacts from low interest rate on profitability <Other Risks> <ul style="list-style-type: none"> Strengthened diversification of the portfolio, and selection based on performance and cash-flow stability Leveraged know-how of external asset managers with professional expertise | <ul style="list-style-type: none"> Increased balance of unhedged foreign bonds through gradually purchasing at yen appreciation moments, and investing in super-long-term bonds Increased balance of domestic and foreign stocks by selecting names where high returns could be expected in the medium to long-term Hedged risks in case of decline in market Strengthened stewardship initiatives by promoting discussions between analysts and companies that we have invested in order to conduct thorough analysis on underlying issues |

Market Interest Rate and Our Investment Yield

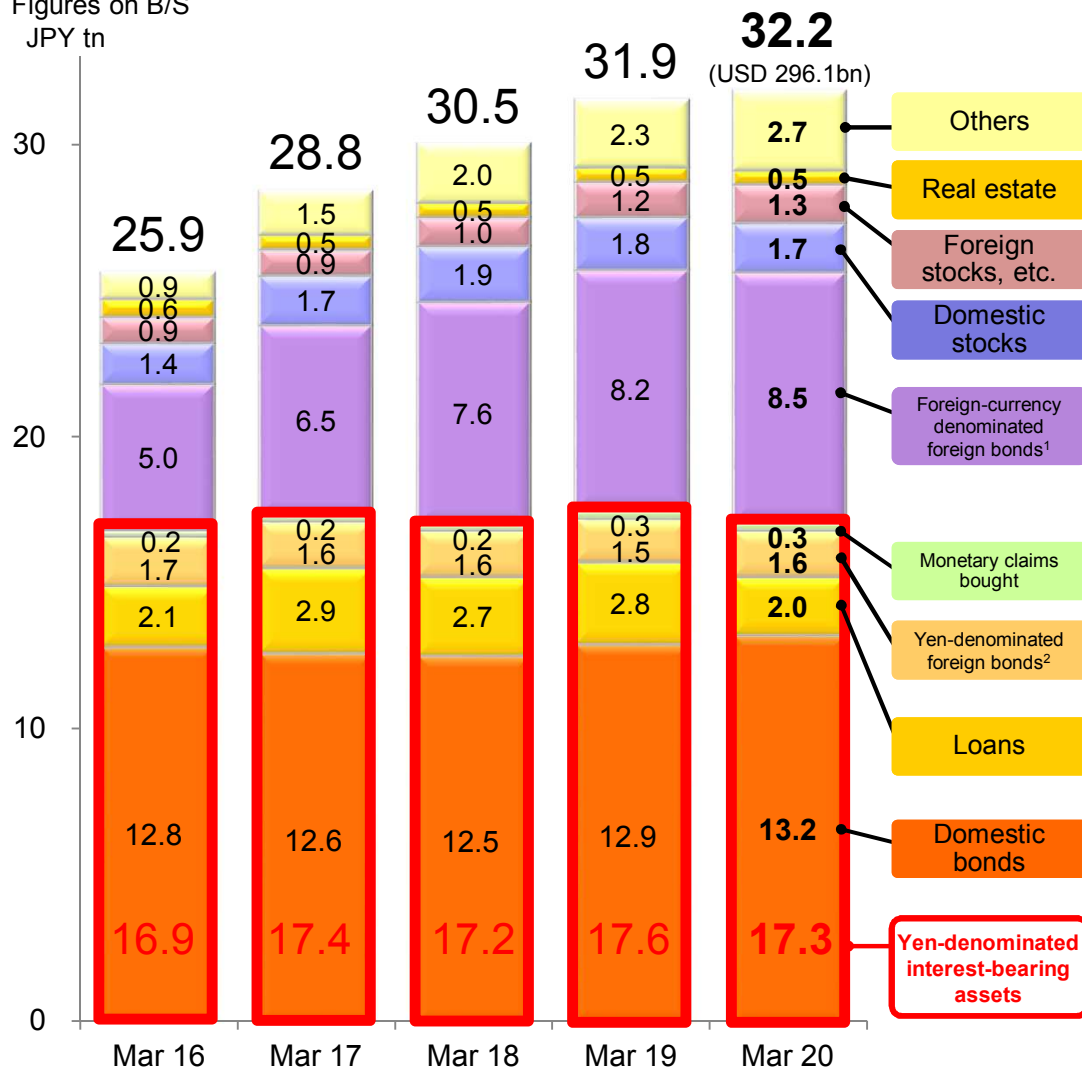


General Account Asset Portfolio

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

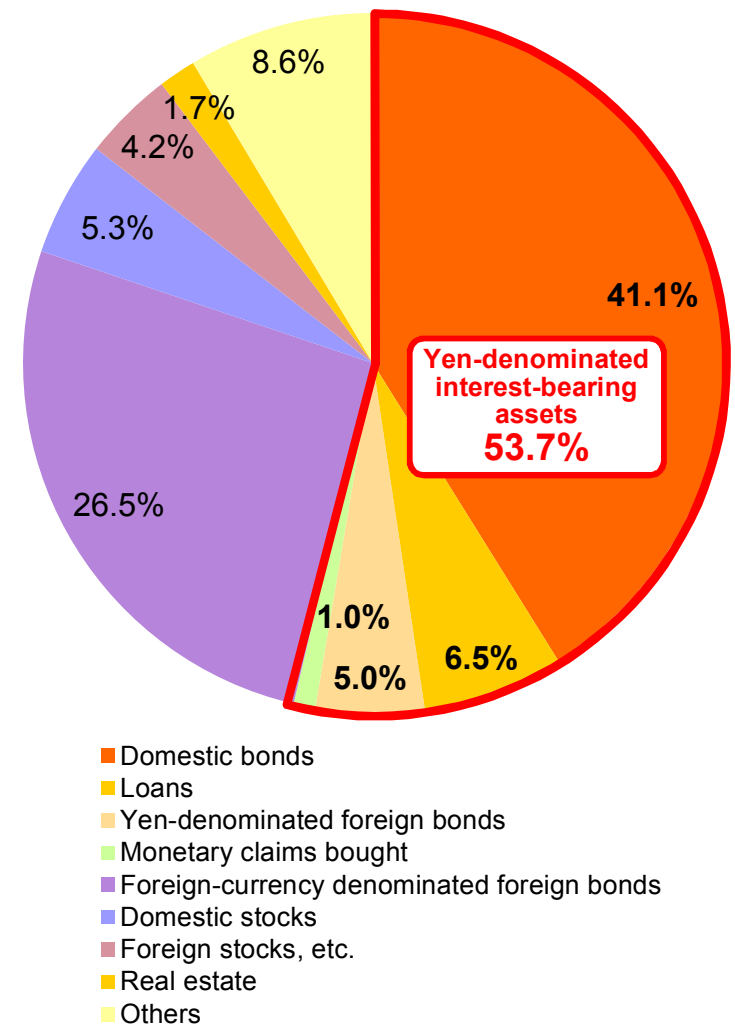
Trend of General Account (GA) Assets (Non-consolidated)

Figures on B/S
JPY tn



Breakdown of GA Assets (Non-consolidated)

< As of March 2020 >



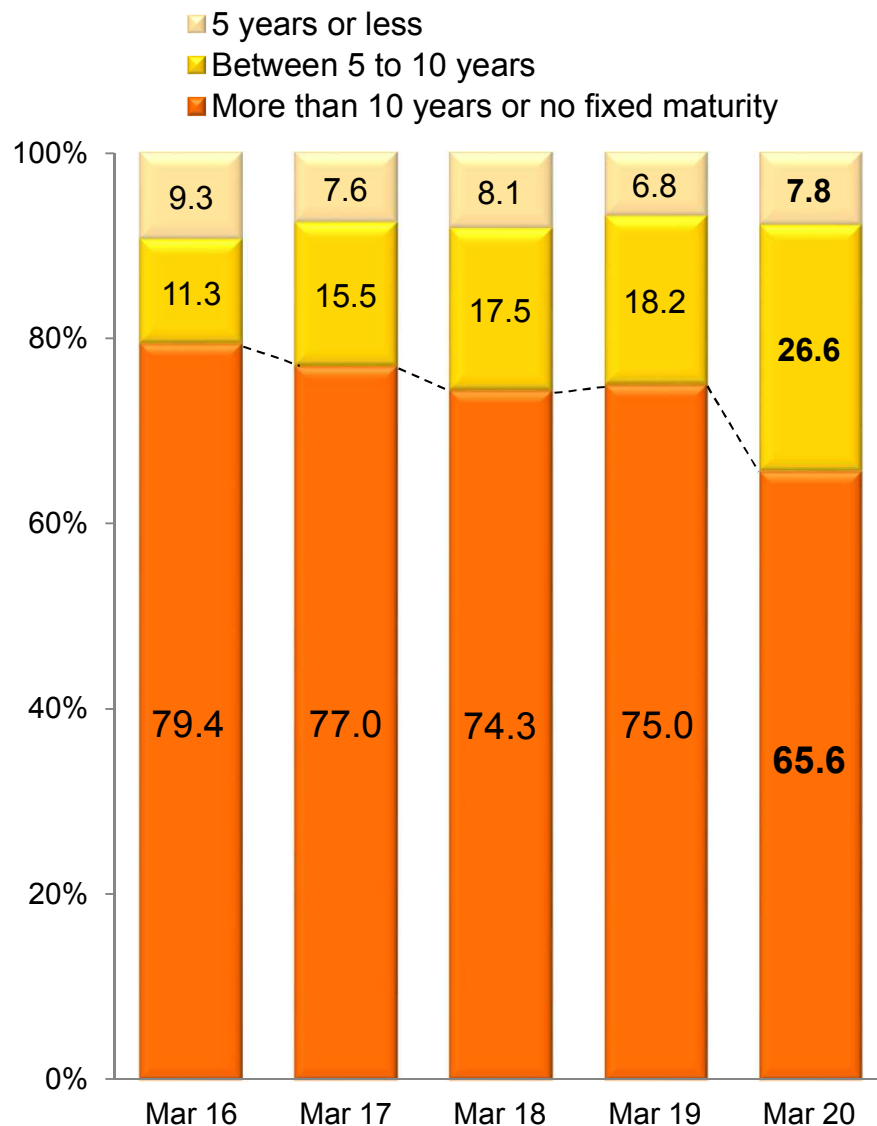
1 Foreign currency-denominated foreign bonds (including those issued by residents) include currency-hedged foreign bonds

2 Yen-denominated foreign bonds include foreign currency-denominated foreign bonds with a fixed amount in Japanese yen

Profile of Domestic Bonds

Disciplined interest rate risk management based on ALM strategy

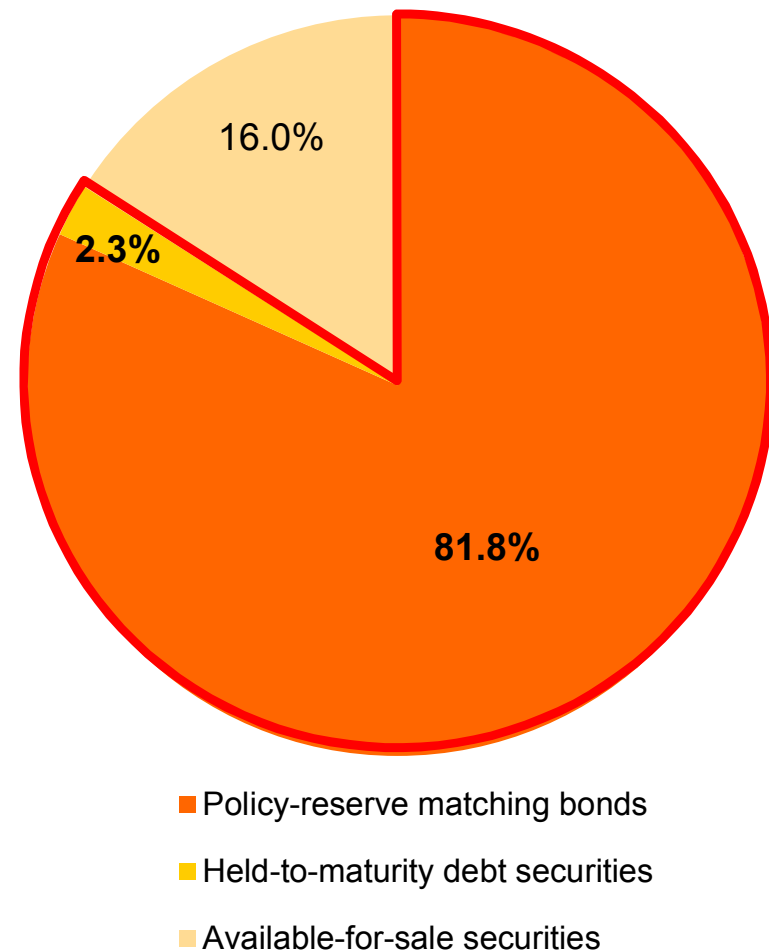
Domestic Bonds by Maturity (GA・non-consolidated)



Domestic Bonds by Category (GA・non-consolidated)

<As of March 2020>

Domestic Bonds Outstanding Balance:
JPY 13.80tn (USD 126.8bn)



Asset Management Strategy for FY2020

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

Aim to develop highly professional human resources and further strengthen our asset management platform.

Asset Management Strategy for FY2020

ALM Investment Portfolio

Balanced Investment Portfolio

Raise Revenues by Additional Risk Taking

- Further promote investments in foreign currency-denominated credit assets with high ratings and relatively high yields
- Increase investments in infrastructure equity funds, private equity funds, and real estates, where high returns could be expected in the medium to long-term

- Increase investment in high-growth and high-yield names that are undervalued from a mid- to long-term perspective
- Increase investment in unhedged foreign bonds taking into account interest rates and foreign exchange rate, aiming to diversify the portfolio

Strengthen Risk Control

- Promote domestic interest rate risk control through investment in super long-term domestic bonds, etc., while taking interest rate into account

- Further strengthen diversification of the portfolio and selection
- Build hedge position in case of decline in market

Strengthen Asset Management Platform

- Strengthen relationship and leverage know-how of Symetra Asset Management (including expansion of entrusted assets)
- Leverage know-how of external asset managers by entrusting investments and sending trainees
- Use IT technology to enhance operational efficiency and sophistication of investment and research methods
- Research new asset classes

ESG Investment

Formulated our ESG investment policy and signed the UN Principles for Responsible Investment (PRI) in 2019.
We will further promote ESG investment in the “Medium-Term Business Plan 2022”.

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 | <ul style="list-style-type: none"> • Incorporate an ESG perspective in the investment process • Specify and assess important issues in each sector when investing in stocks • Started the initiatives described above when investing in credit assets (bonds and loans) from FY2020 |
| Engagement | <ul style="list-style-type: none"> • Engage in dialogue and stewardship activities with invested portfolio companies • Started dialogues with domestic companies of which we possess bonds from FY2020, in addition to domestic listed companies |
| Thematic Investing | <ul style="list-style-type: none"> • Investments and loans aimed at resolving ESG issues • Set a target of JPY 300bn for new investments and loans described above during the new medium-term business plan (2020-2022) |
| Negative Screening | <ul style="list-style-type: none"> • Exclude companies that manufacture cluster munitions from the scope of investments, and do not engage in investment in coal-power generation projects |

Key Initiatives to Date

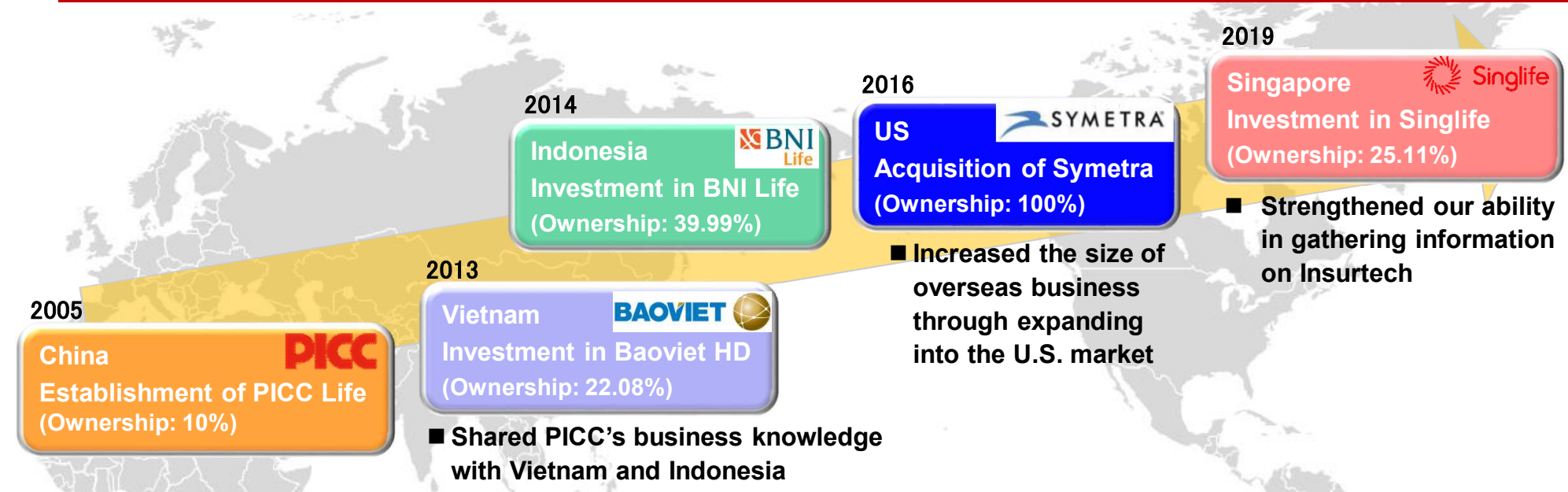
| Examples of Key Initiatives to Date | Related SDGs |
|--|---|
| Investment in green bonds, microfinance funds, solar power projects, and environment-friendly real estate properties, etc. |       |

- 
- ① Medium-Term Business Plan
 - ② Multi-Channel and Multi-Product Strategy
 - ③ Asset Management
 - ④ Overseas Business Development**
 - ⑤ Capital Policy

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



| Japan ~ Stable Revenue Base ~ | Asia (<u>China</u> , <u>Vietnam</u> , <u>Indonesia</u> , <u>Singapore</u>) ~ High Growth Market ~ | United States ~ Steady Growth / The Largest Market ~ |
|--|--|---|
| <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 |

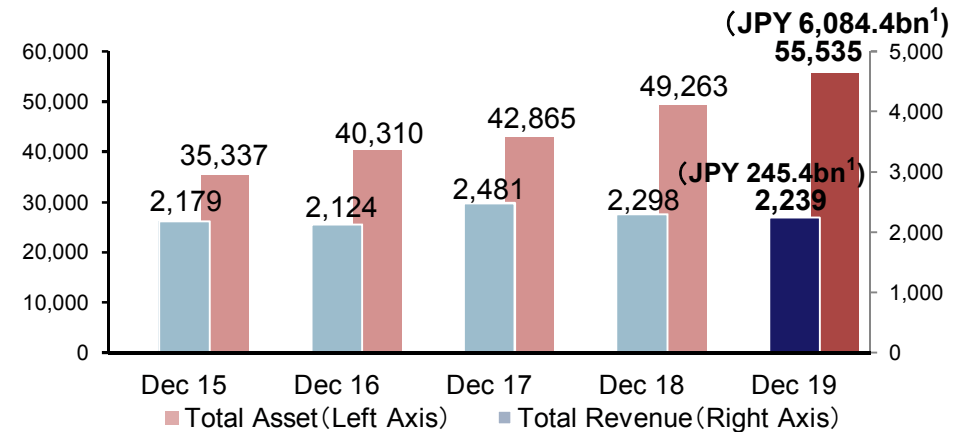
Initiatives in the U.S. Market ①

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)

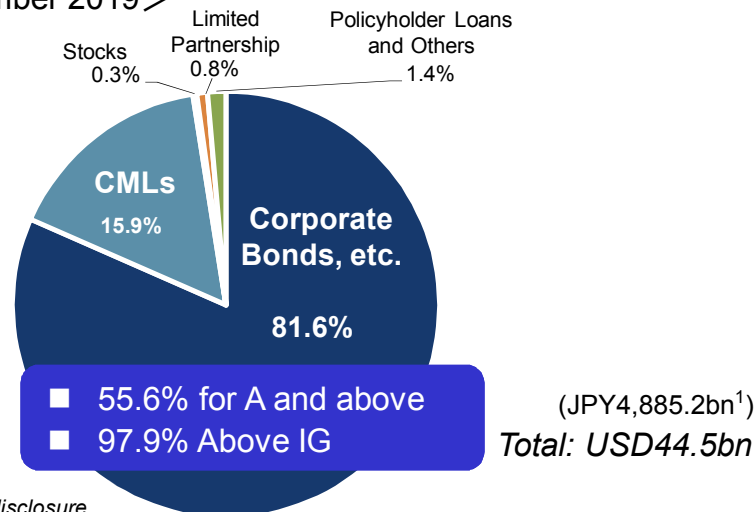
- 100% acquisition of Symetra Financial Corporation (February 2016)
- Number of employees (Consolidated): Approx. 1,700
- RBC Ratio (Risk Based Capital)*: 420%
 (As of December 31, 2019)
**Calculated without considering 50% of the risk profile (denominator)*
- Ratings: A (S&P), A1 (Moody's), A (AM Best)

Total Revenues and Total Assets (USD mn)



Conservative Investment Policy – Asset Management Portfolio

<As of December 2019>



Source: Company disclosure

1. USD 1 = JPY109.56 (as of December 31, 2019)

Synergy Effects

Product Development

- Leveraged Symetra's expertise to commence sales in Japan an index-linked annuity product, one of Symetra's core products

Asset Management

- 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

IT

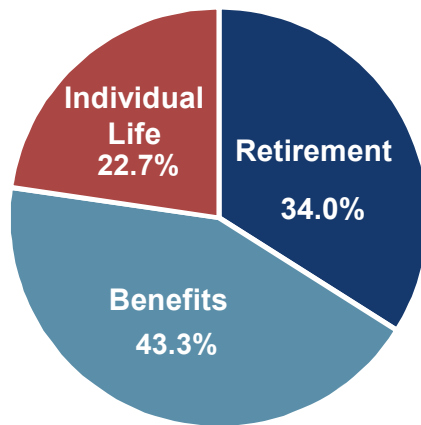
- Sumitomo Life and Symetra are dispatching personnel to a base in Silicon Valley to gather information on FinTech activities

Initiatives in the U.S. Market ②

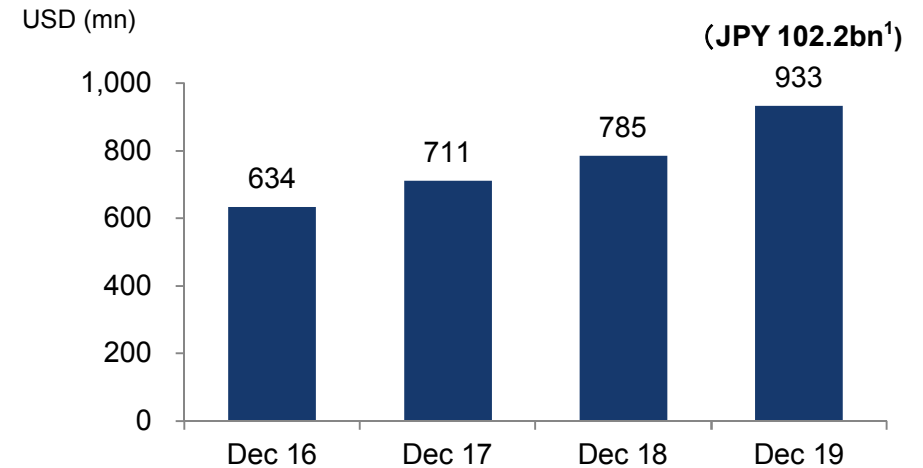
Symetra has a balanced business portfolio, and each business line has shown stable growth.

Balanced Business Portfolio – Ordinary Income by Segment

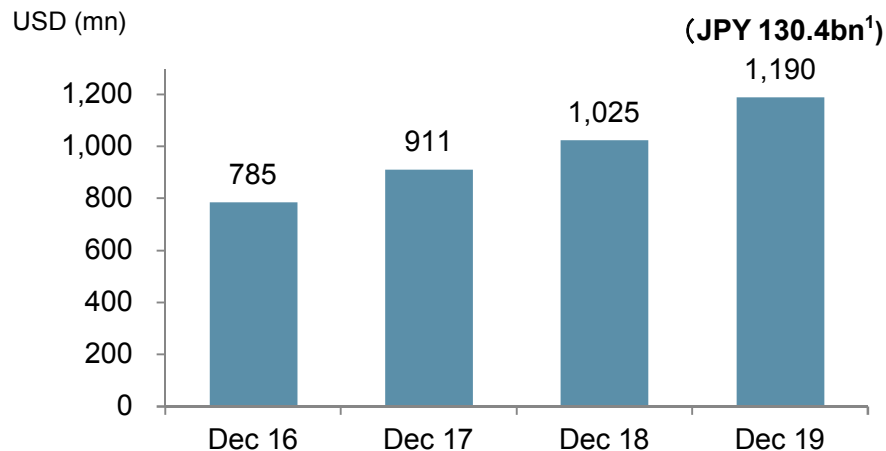
<As of December 2019>



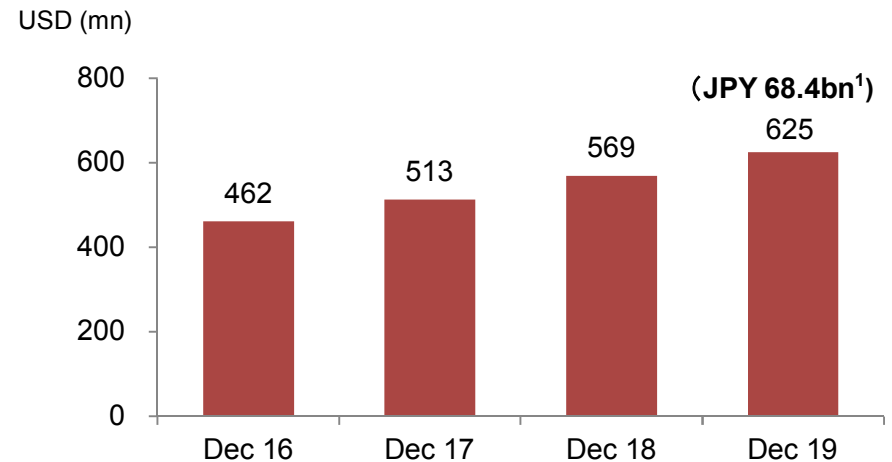
Ordinary Income from Retirement



Ordinary Income from Benefits



Ordinary Income from Individual Life



Source: Company disclosure

1. USD 1 = JPY109.56 (as of December 31, 2019)

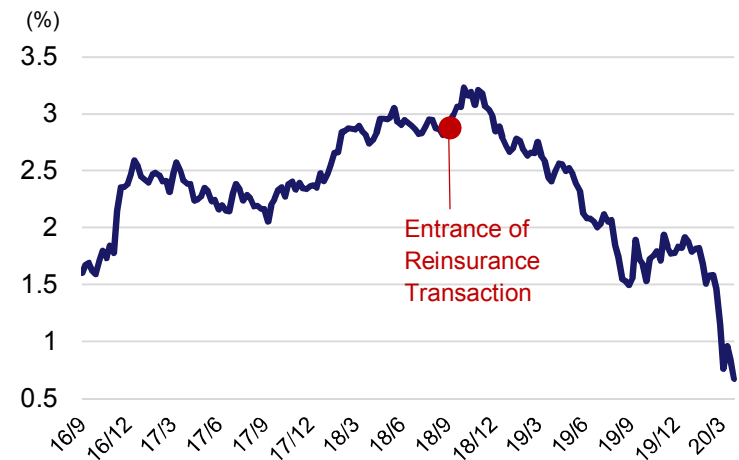
Initiatives in the U.S. Market ③

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 | <ul style="list-style-type: none"> • Contribute to an increase of EV (JPY4.4 billion) |
| Statutory Income (Loss) | <ul style="list-style-type: none"> • 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 | <ul style="list-style-type: none"> • 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 mn)

| | Year ended December 31, 2018 | Increase (Decrease) as of December 31, 2017 | Year ended December 31, 2019 | Increase (Decrease) as of December 31, 2018 |
|---|------------------------------------|--|------------------------------------|--|
| Adjusted pre-tax income ¹ | 148.9 | 46.6% | 172.3 | 15.7% |
| Benefits | 54.7 | 38.4% | 33.9 | (38.0%) |
| Retirement | 113.9 | 5.2% | 143.9 | 26.3% |
| Individual Life | 16.0 | (19.5%) | 24.6 | 53.8% |
| Other | (35.7) | - | (30.1) | - |
| Add (deduct) the following: | (292.2) | - | (549.6) | - |
| Excluded realized gains (losses) | (75.2) | - | (63.3) | - |
| Amortization of intangible assets | (85.2) | - | (87.3) | - |
| Closed Block results | (131.8) | - | (399.0) | - |
| Income (loss) from operations before income tax | (143.3) | - | (377.3) | - |
| Total provision (benefit) for income taxes | 81.5 | - | 111.8 | - |
| Net income (loss) | (61.8) | - | (265.5) | - |

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 December 31, 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**

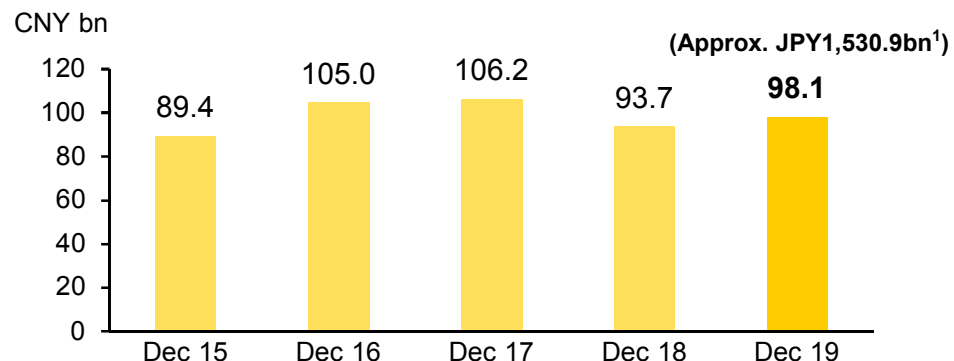
Initiatives in the Asian Market ①

Partner with local leading companies in the Chinese, Vietnamese and Indonesian markets.
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)

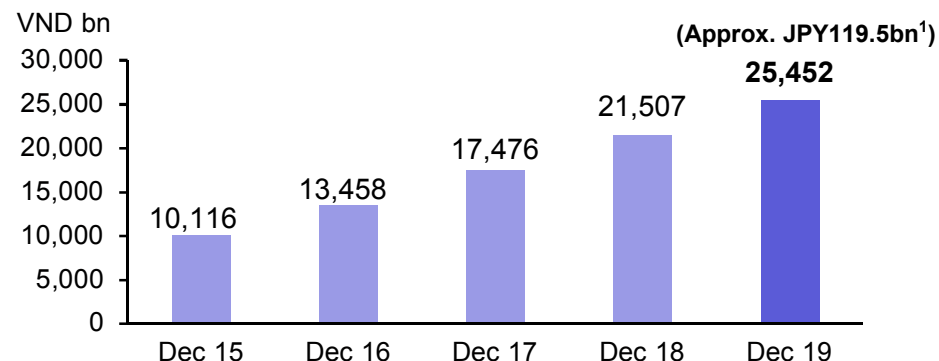
PICC Life's Total Premium Income



Vietnam

- Investment in Baoviet Holdings (March 2013)

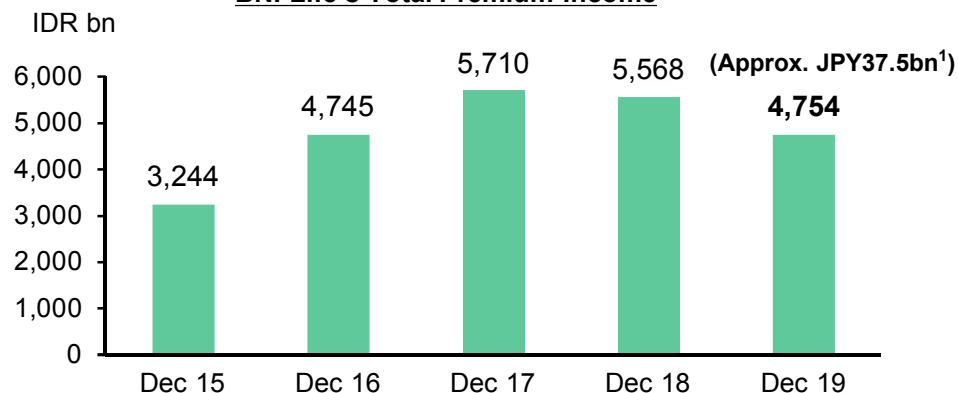
Baoviet's Premium Income from Life Insurance



Indonesia

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

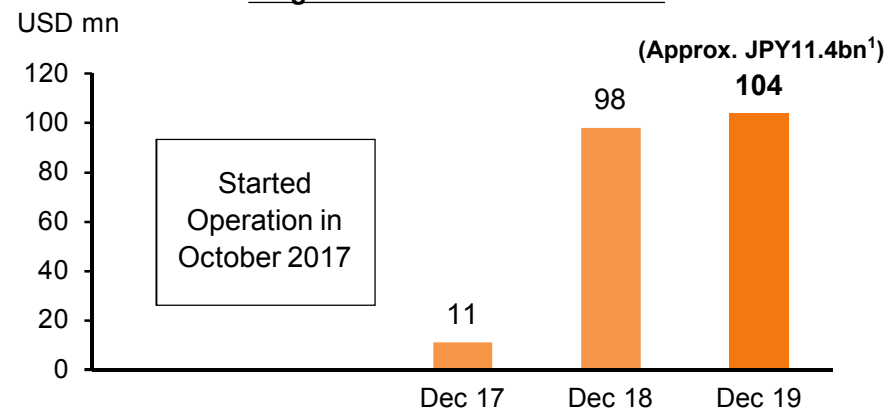
BNI Life's Total Premium Income



Singapore

- Investment in Singlife (June 2019)

Singlife's Total Premium Income



Source: Company disclosure

1. CNY1 = JPY15.60, VND1 = JPY0.004695, IDR1 = JPY0.0079, USD1 = JPY109.56 (as of December 31, 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
- Aims to provide a comprehensive financial platform
Singlife currently offers “Singlife Account” which is a capital guaranteed insurance savings plan, as well as term life, universal life, and endowment insurance products with competitive prices through each channel such as direct channel, brokers for high net worth customers and independent financial advisors. Singlife aims to provide a comprehensive financial platform.
- Selected as one of the 2019 Fintech 100 Companies
Singlife is selected as one of the most successful 100 Fintech companies by KPMG (“the 2019 Fintech 100” by KPMG)

Company Overview

- Investment in Singlife (June 2019) (equity stake: 25.11%)



| | |
|---------------------|--|
| 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 76 |
| Total assets | USD363 million (approximately JPY39.8 billion) |
| Gross premiums | USD104 million (approximately JPY11.4 billion) |

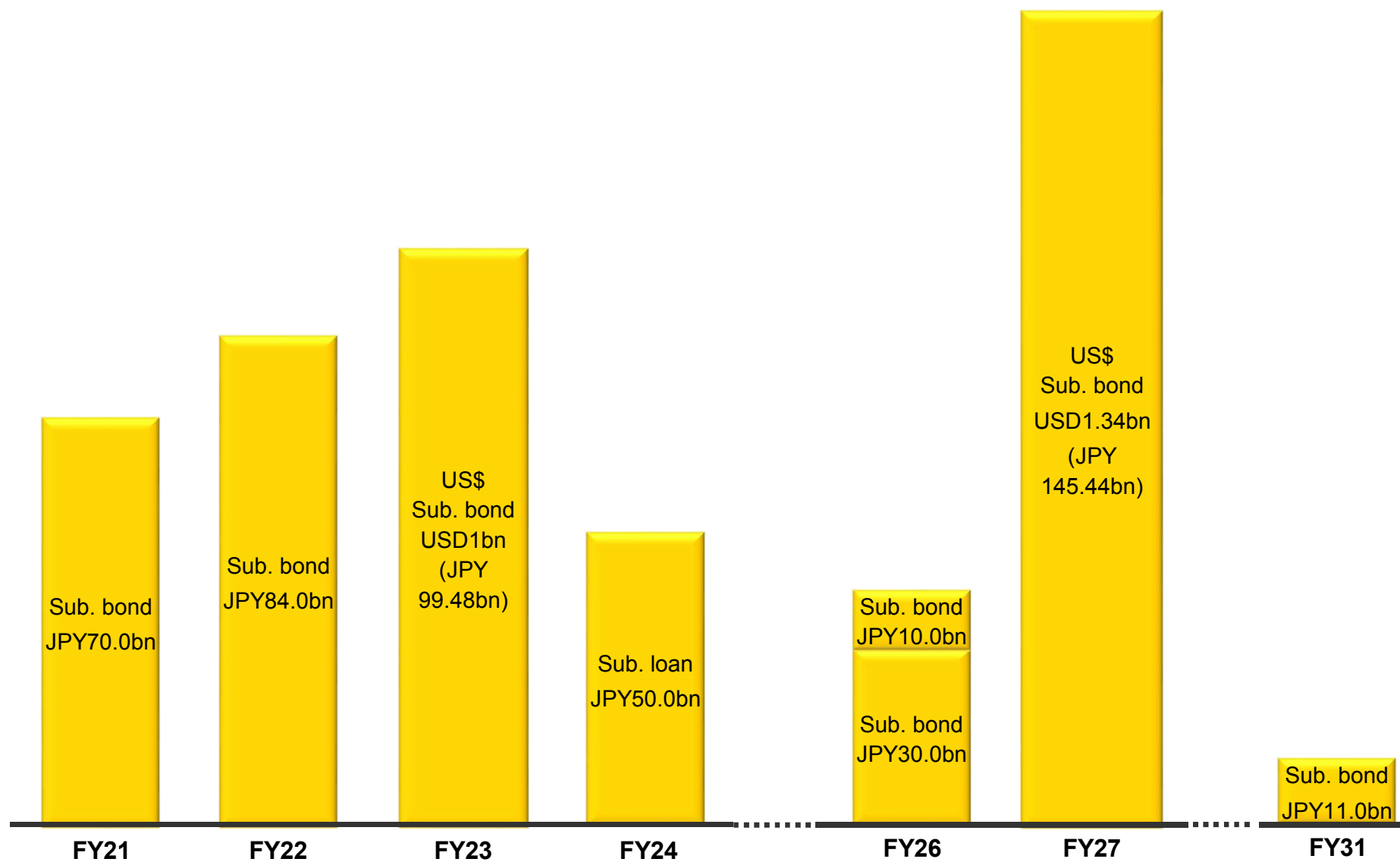
Note: As of December 31, 2019 (gross premiums and net profit: January 1 to December 31, 2019. Based on the exchange rate of USD 1.00 =JPY 109.56 as of December 31, 2019.

- 
- ① Medium-Term Business Plan
 - ② Multi-Channel and Multi-Product Strategy
 - ③ Asset Management
 - ④ Overseas Business Development

⑤ Capital Policy

External Capital

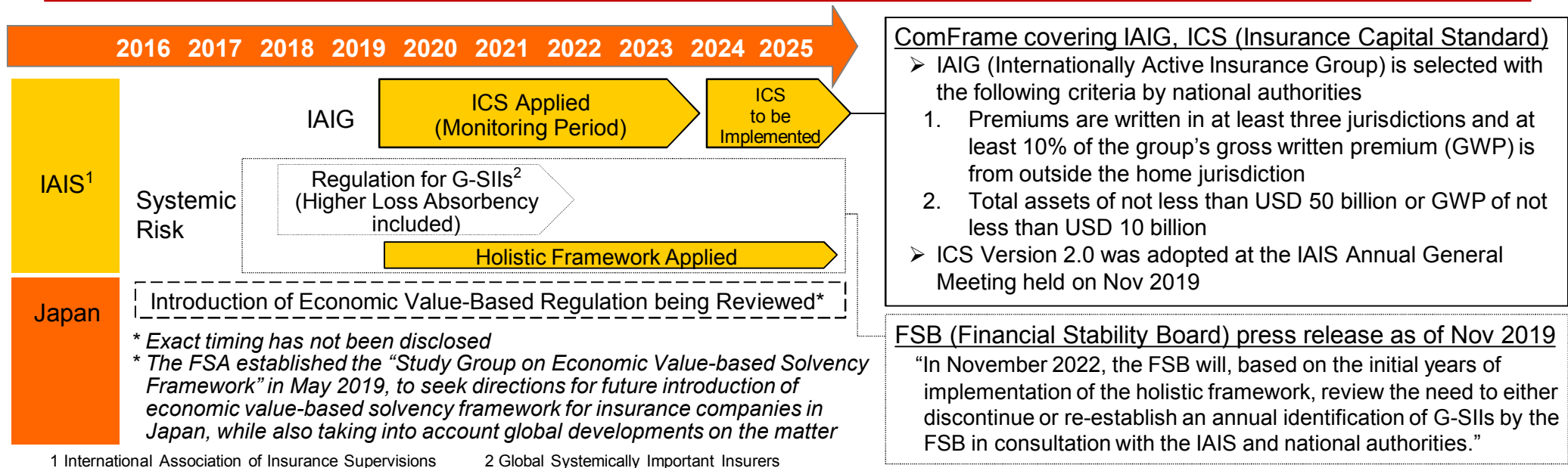
Maturity Schedule of External Capital



Note: The first call maturity coming year for subordinated loans / bonds

Introduction of Economic Value-Based Capital Regulation

Introduction of Economic Value-Based Solvency Regulation



Sumitomo Life's Risk Management System

Current

Risk management based on the requirement by the regulatory authorities

- Solvency margin ratio, etc.



Risk management based on internal control (economic value) (from FY2009)

- ESR monitoring
Confirmation of the adequacy of capital, etc.
- Stress testing
Check the impact under multiple risk scenarios

Future (economic value-based solvency regulation in Japan, 2025 at the earliest)

Risk management based on the requirement by the regulatory authorities

- Details have not been confirmed at this time

Risk management based on internal control (economic value)

- Consider enhancing risk management as necessary, taking into account the requirement by the regulatory authorities

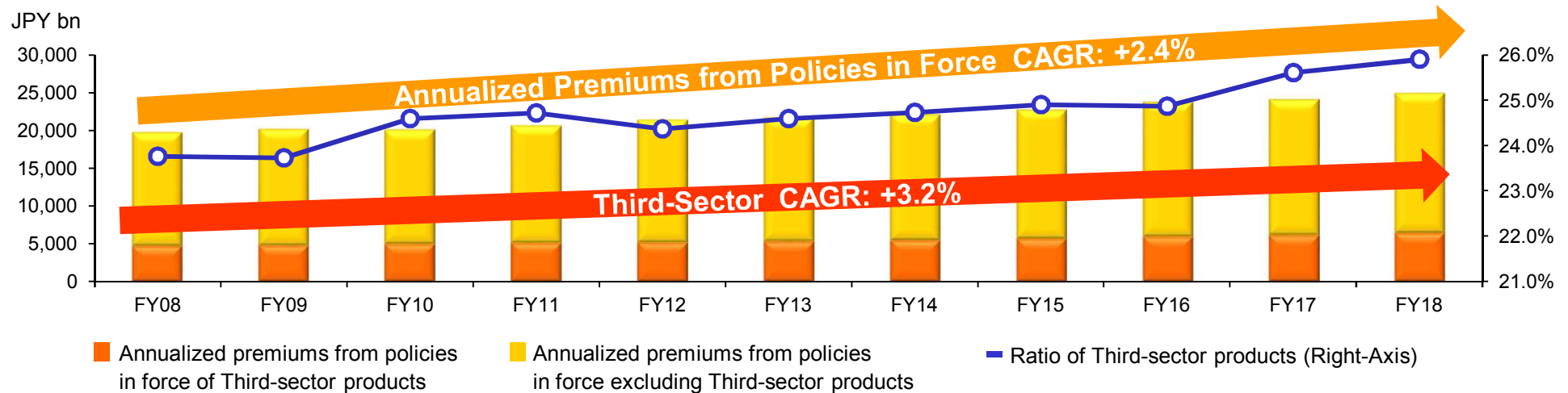


III. Appendix

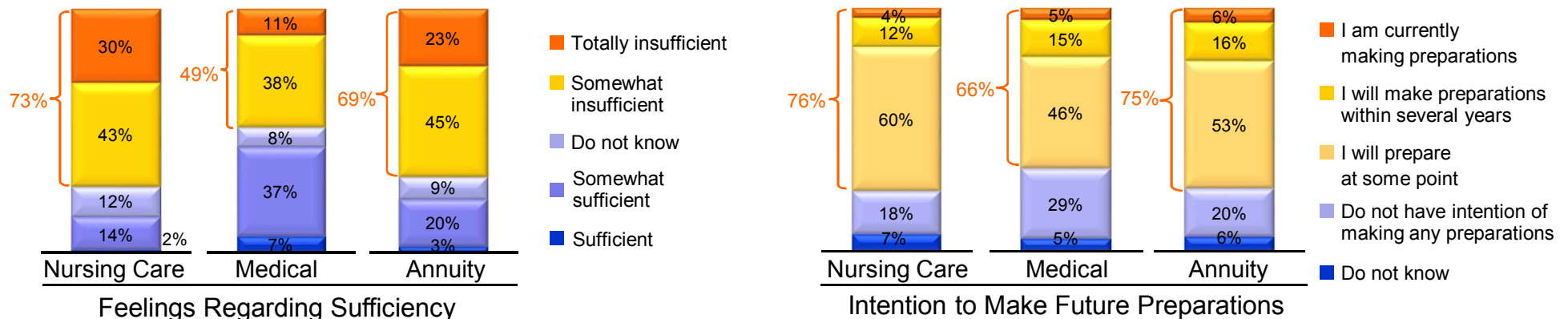
Domestic Life Insurance Market

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

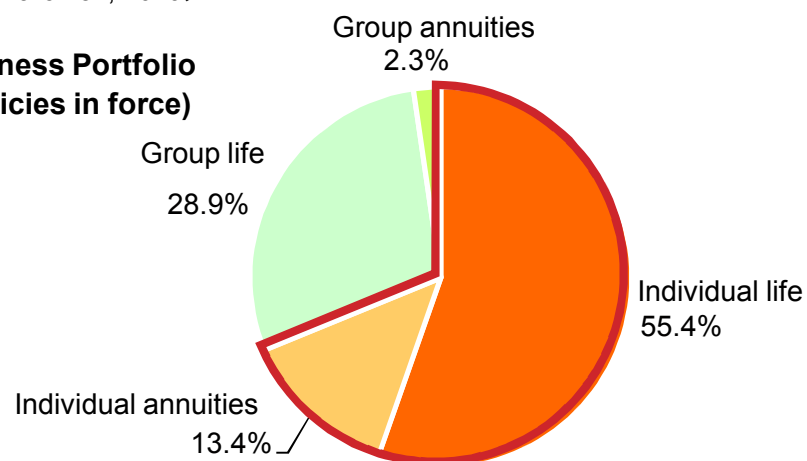
Attractive Domestic Business Model

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.

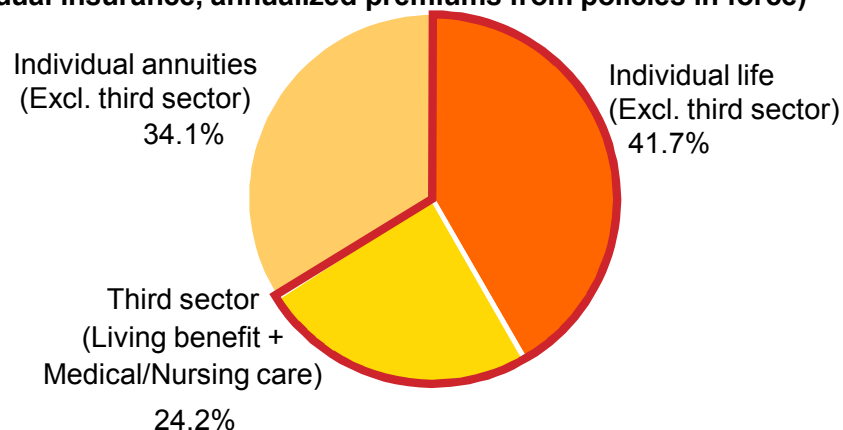
Business / Product Portfolio (Non-consolidated)

<As of March 31, 2020>

Business Portfolio (Policies in force)



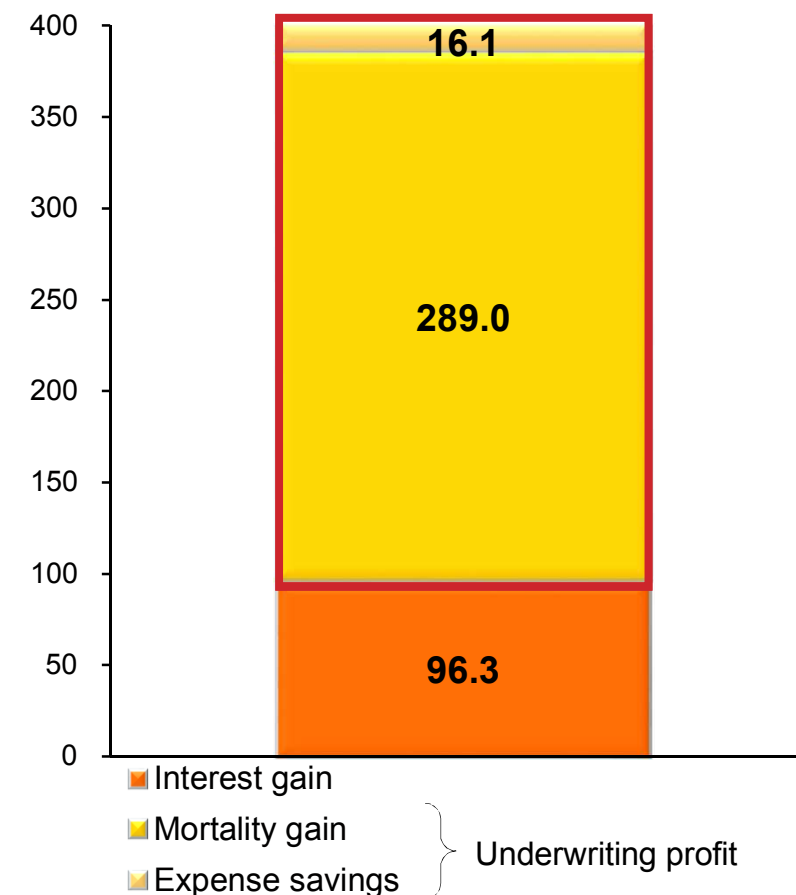
Product Portfolio (Individual insurance, annualized premiums from policies in force)



Three Surplus Factors (Non-consolidated)

<As of March 31, 2020>

JPY bn

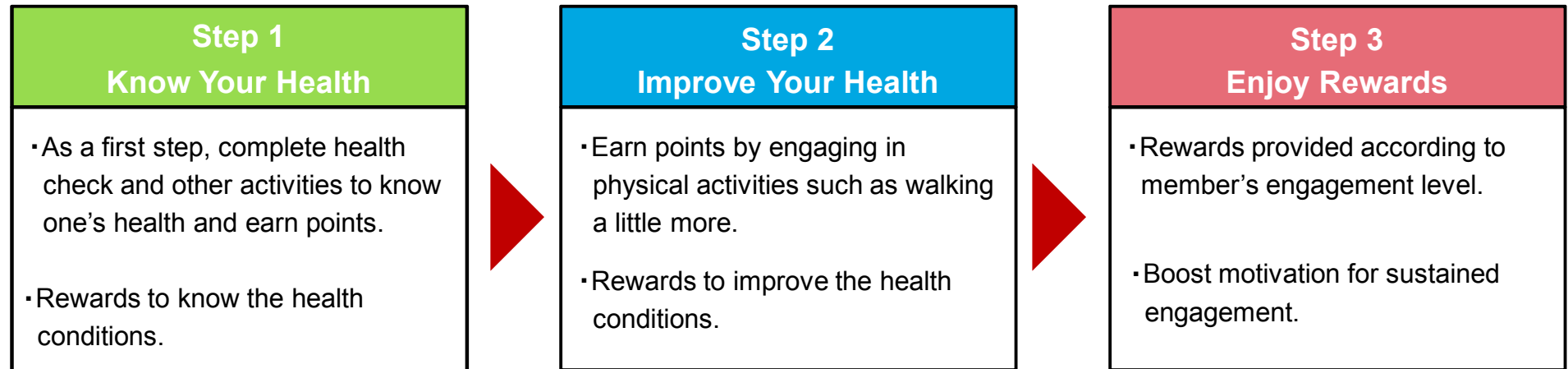


How Vitality Program Works

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.

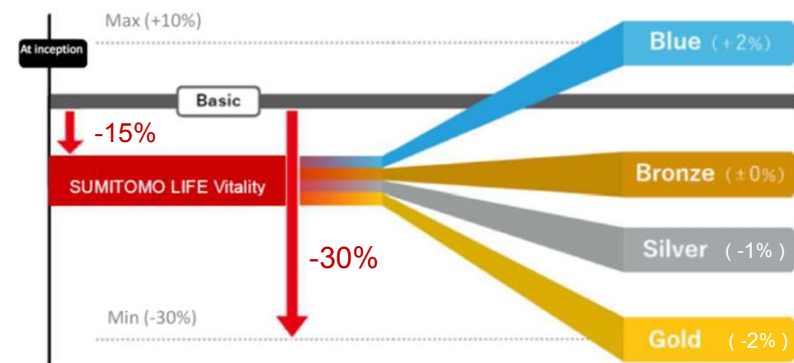
How Vitality Program Works



Vitality Status and Points



Illustrative Premium Flex Design



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>

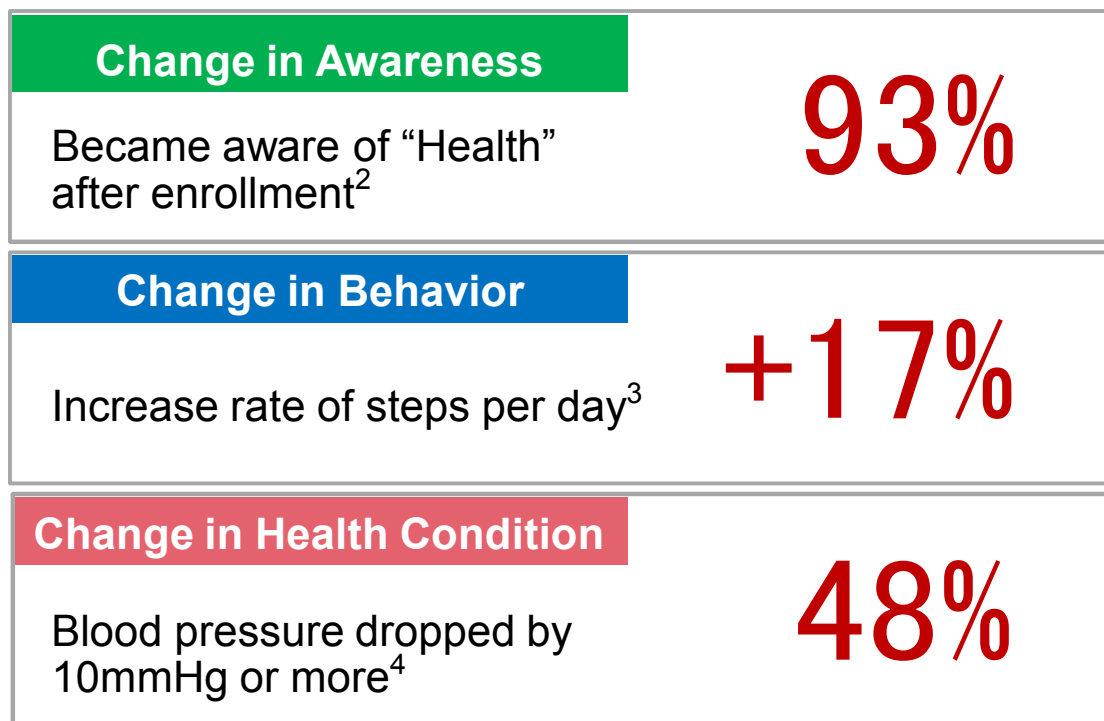
| | |
|------------------------------------|--|
| Established | 1992 |
| Representative | Adrian Gore, Group Chief Executive |
| Head office | Sandton, Johannesburg, South Africa |
| Stock listing | Johannesburg Stock Exchange (JSE) |
| Total assets (as of June 30, 2019) | ZAR 180,233 million (JPY 1,090.4 billion)* |

* ZAR 1 = 6.05 JPY (exchange rate as of March 31, 2020); Discovery Limited's financial year end is June 30

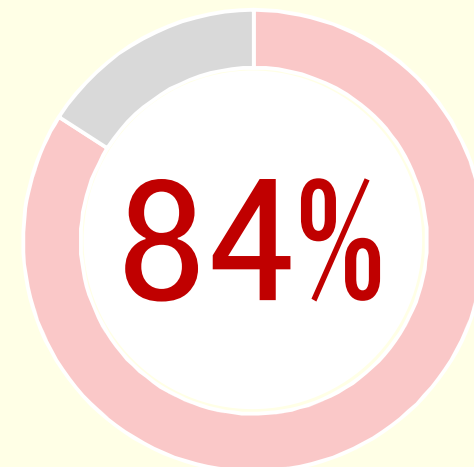
Contribution of SUMITOMO LIFE Vitality

SUMITOMO LIFE Vitality contributes to change in awareness, behavior, and health condition of policyholders

Change in Awareness, Behavior and Health Condition of Policyholders



Feels that quality of life has improved after enrollment²



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. Comparison of steps in the first month after enrollment (8,260steps) and those from the second month onward (9,655steps).

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

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

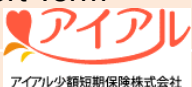
Deals only with the underwriting of protection-type insurance products, in small insurance amounts in short insurance terms of one year (two years for non-life insurance) within a certain business scale

<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 | アイアル少額短期保険株式会社 |
| Representative | Katsuyuki Ando, President and Representative Director | |
| Head office | Nihonbashi Odenmacho, Chuo-ku, Tokyo | |
| Capital | JPY 149.0 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 March 31, 2020

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)

愛ある
家財保険

不妊治療中のあなたも
応じる医療保険
子宝エール

Material Issues for Achieving the SDGs – FY2020 Approach ①

| Key Items of CSR | Our Visions | Main Initiatives | Initiative Indicators |
|--|---|--|--|
| Extending healthy life expectancy through the insurance business | Contribute to extending healthy life expectancy in Japan through the insurance business, with a view to realizing a society where people can continue to live with peace of mind in good health | Promotion of businesses related to SUMITOMO LIFE Vitality | <ul style="list-style-type: none"> • Implementation of the CSV project centered around health enhancement |
| Provision of sense of security through the insurance business | Provide all people with suitable life insurance products and services, as well as security that they will lead to, by pursuing customer-oriented management | Services and information for the era of the 100-year lifespan | <ul style="list-style-type: none"> • Provision of products and services that contribute to solving social issues • Promotion of initiatives that contribute to fulfilling our role in a highly graying society • Provision of products and services optimized for each customer's circumstances and situation by fusing unique human value and digital technology • Stepping up efforts based on the "Policy on customer-oriented business operations" |
| Realization of sustainable and stable growth | Under a management policy to be passed down through the ages, continue to grow steadily while responding to changes and reforms in society | Work style reform | <ul style="list-style-type: none"> • Promotion of work-life balance <ul style="list-style-type: none"> The rate of childcare leave taken by male employees: 100% Percentage of employees who actually feel the effects of work style reform: 90% or more (FY2022) Percentage of employees who are able to work from the customer/market perspective: 80% or more (FY2022) Percentage of employees who have taken at least 17 days of paid annual leave: 80% (FY2022) |
| | | Recruitment & nurturing of flexible and diverse human resources | <ul style="list-style-type: none"> • Promotion of women's participation <ul style="list-style-type: none"> Percentage of female employees in managerial positions: 33% or more • Promotion of employment of persons with disabilities (initiative to meet the legally required employment rate) |
| | | Coexistence with business partners through alliances, etc. | <ul style="list-style-type: none"> • Maintaining sound relationships with all business partners • Provision of products and services through business tie-ups and strengthening of partnerships with financial institutions, etc. |
| | | Promotion of ESG investment and financing to realize sustainable societies | <ul style="list-style-type: none"> • Investment and financing decisions using ESG information in addition to quantitative information • Promotion of engagement activities, taking ESG issues of investee companies into account • Investments in bonds, etc. aimed at resolving ESG issues (ESG bonds) <ul style="list-style-type: none"> Target of investments in ESG bonds, etc.: ¥300 billion (3-year total) |
| | | New value creation through open innovation | <ul style="list-style-type: none"> • Creation of new value for customers and society through open innovation and digital innovation |
| | | Strengthening business development infrastructure (IT, etc.) | <ul style="list-style-type: none"> • Infrastructure investment that contributes to continuous maintenance and improvement of service quality and cost control |

Material Issues for Achieving the SDGs – FY2020 Approach ②

| Key Items of CSR | Our Visions | Main Initiatives | Initiative Indicators |
|--|--|---|--|
| Building mutual trust with stakeholders | Meet the expectations of stakeholders and aim to be a company that is trusted and supported by them | Promotion of financial literacy education | • External delivery of endowed lectures and promotion of understanding of life insurance and life planning for all generations |
| | | Global environmental protection | • Promotion of energy and resource conservation in business activities, initiatives for climate change issues, and environmental protection activities CO2 emissions: 40% reduction from the FY2013 level (FY2030) |
| | | Promotion of activities to contribute to society, and collaboration with regional governments | • Promotion of contribution to local communities and society Participation rate in Sumisei “Humany” activities (staff volunteers): 100% • Promotion of collaboration with local governments (status of collaboration with local governments) |
| Management structure that supports CSR | Contribute to the creation of a sustainable society by conducting honest business operations and building a sound financial base | Strengthening of corporate governance | • Realization of a company that values customer feedback by creating a highly transparent mutual company organization |
| | | Compliance initiatives and initiatives for the protection of personal data | • Development of compliance framework and cultivation of compliance mindset • Elimination of relationships with antisocial forces • Strict management of personal information through systems, training, and networks, and further enhancement of security |
| | | Human rights initiatives | • Raising human rights awareness among employees and building a workplace culture that respects human rights |
| | | Increased sophistication of ERM (including risk management systems) | • Use of risk-return indicators and steady execution of operations based on capital allocation. Improvement taking effectiveness into account • Appropriate control over the balance between risk and capital |
| Steady implementation of the Medium-Term Business Plan | | | • KGIs for the Medium-Term Business Plan Number of customers (policies in force): 14.22 million (FY2022) ¹ Annualized premium of policies in force: ¥2,360 billion (FY2022) ² Of which, living benefits, medical coverage, etc.: ¥620 billion (FY2022) ² Core business profit for domestic business: ¥922 billion (3-year total) ² Core business profit for overseas business: ¥141 billion (3-year total) ³ |

1. Sumitomo Life + Medicare Life + business alliance partners. Number of individual life insurance and individual annuities, including products provided by our business alliance partners (Mitsui Sumitomo Insurance, NN Life, Sony Life).

2. Sumitomo Life + Medicare Life.

3. Symetra, etc.

Unrealized Gains / Losses on Securities

Total unrealized gains in general account is JPY 3,464.1bn.

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

JPY bn

| | Unrealized Gains / Losses As of Mar 2019 | As of March 2020 | | | |
|----------------------------------|--|------------------|-----------------|---------------------------|---------------------------|
| | | Book Value | Market Value | Unrealized Gains / Losses | Change from March 2019 |
| Securities* | 3,778.3 | 25,595.8 | 29,060.0 | 3,464.1 | (314.1) |
| Held-to-Maturity Debt Securities | 332.5 | 1,725.8 | 2,049.0 | 323.2 | (9.3) |
| Policy-Reserve Matching Bonds | 2,139.2 | 12,029.2 | 14,032.1 | 2,002.8 | (136.3) |
| Other Marketable Securities | 1,284.2 | 11,788.5 | 12,951.0 | 1,162.4 | (121.7) |
| Public and Corporate Bonds | 103.0 | 2,128.7 | 2,205.6 | 76.8 | (26.1) |
| Domestic Stocks | 908.3 | 996.1 | 1,595.2 | 599.0 | (309.2) |
| Foreign Stocks, etc. | 249.7 | 7,739.6 | 8,223.6 | 484.0 | +234.3 |
| Others | 15.1 | 303.5 | 297.5 | (5.9) | (21.0) |

* Securities with market value excluding trading securities

<Market Conditions>

| | Mar 19 | Mar 20 | Change |
|------------------------|----------|----------|----------|
| TOPIX (Closing Price) | 1,591.64 | 1,403.04 | (188.60) |
| (Average during Month) | 1,602.83 | 1,385.57 | (217.26) |
| Newly Issued 10y JGB | (0.095%) | 0.010% | 0.105% |
| Newly Issued 20y JGB | 0.330% | 0.310% | (0.020%) |
| USD / JPY | 110.99 | 108.83 | (2.16) |
| EUR / JPY | 124.56 | 119.55 | (5.01) |

①

②

②-①

<Break-Even Level of Unrealized Gains/Losses>

| | As of Mar 2020 |
|--------------------------------|-----------------|
| Domestic Stocks (Nikkei225) | JPY11,800 Level |
| Domestic Stocks (TOPIX) | 860 Point Level |
| Domestic Bonds (10y Yield) | 1.1% |
| Foreign Securities (USD / JPY) | JPY108 Level |

Solvency Margin Ratio (Consolidated)

Solvency Margin Ratio (Consolidated)

JPY bn

| Items | As of Mar 2019 | As of Mar 2020 |
|--|----------------|----------------|
| Solvency Margin Gross Amount (A) | 4,160.2 | 4,264.5 |
| Foundation funds and others | 561.8 | 505.1 |
| Reserve for price fluctuation | 744.5 | 787.7 |
| Contingency reserve | 366.2 | 419.1 |
| 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 | 1,171.6 |
| Net unrealized gains on real estate x 85% (Multiplied by 100% if losses) | 77.3 | 96.0 |
| Total amount of unrecognized actuarial gains (losses) and unrecognized past service costs | 28.8 | (5.7) |
| Excess of continued Zillmerized reserve | 737.6 | 796.4 |
| Qualifying subordinated debt | 499.9 | 499.9 |
| Deduction clause | (54.8) | (76.8) |
| Others | 69.6 | 70.2 |
| 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 | 980.2 |
| Insurance risk R_1 | 91.9 | 91.8 |
| Large disaster risk R_6 | - | 0.0 |
| Third-sector insurance risk R_8 | 76.2 | 81.0 |
| Insurance risk of small-amount, short-term insurer R_9 | - | 0.0 |
| Risk of assumed yield R_2 | 196.9 | 188.7 |
| Minimum guarantee risk R_7 | 5.0 | 6.0 |
| Investment risk R_3 | 669.8 | 747.4 |
| Operational risk R_4 | 20.7 | 22.3 |
| Solvency Margin Ratio $\frac{(A)}{(1/2) \times (B)} \times 100$ | 915.6% | 870.0% |

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: Issuances that are already redeemed are excluded

Key Performance Indicators

Key Performance Indicators (Group)

JPY bn

| | Group | | Sumitomo Life | | Medicare Life | | Symetra | |
|--|----------|---|---------------|---|---------------|---|----------|---|
| | Mar 2020 | Increase(decrease) as % of Mar 31, 2019 | Mar 2020 | Increase(decrease) as % of Mar 31, 2019 | Mar 2020 | Increase(decrease) as % of Mar 31, 2019 | Dec 2019 | Increase(decrease) as % of Dec 31, 2018 |
| Annualized premiums from policies in force | 2,806.5 | 0.9% | 2,302.5 | (1.0%) | 41.5 | 8.7% | 462.4 | 10.3% |

| | Group | | Sumitomo Life | | Medicare Life | | Symetra | |
|---------------------------------------|--------|---|---------------|---|---------------|---|---------|---|
| | FY2019 | Increase(decrease) as % of Mar 31, 2019 | FY2019 | Increase(decrease) as % of Mar 31, 2019 | FY2019 | Increase(decrease) as % of Mar 31, 2019 | FY2019 | Increase(decrease) as % of Dec 31, 2018 |
| Annualized premiums from new policies | 202.7 | (3.4%) | 109.7 | (13.2%) | 5.3 | (15.7%) | 87.6 | 13.7% |

| | Group | | Sumitomo Life | | Medicare Life | | Symetra | |
|-----------------------|----------|---|---------------|---|---------------|---|----------|---|
| | Mar 2020 | Increase(decrease) compared to Mar 31, 2019 | Mar 2020 | Increase(decrease) compared to Mar 31, 2019 | Mar 2020 | Increase(decrease) compared to Mar 31, 2019 | Dec 2019 | Increase(decrease) compared to Dec 31, 2018 |
| Solvency margin ratio | 870.0% | (45.6pt) | 873.6% | (56.5pt) | 2,350.4% | (465.4pt) | - | - |

| | | | | | | | | |
|-----|---------|---------|---------|---------|-------|-----|-------|------|
| EEV | 3,584.1 | (114.8) | 3,742.4 | (139.6) | 146.6 | 9.6 | 246.4 | 19.9 |
|-----|---------|---------|---------|---------|-------|-----|-------|------|

| | Group | | Sumitomo Life | | Medicare Life | | Symetra | |
|-----------------------|--------|---|---------------|---|---------------|---|---------|---|
| | FY2019 | Increase(decrease) compared to Mar 31, 2019 | FY2019 | Increase(decrease) compared to Mar 31, 2019 | FY2019 | Increase(decrease) compared to Mar 31, 2019 | FY2019 | Increase(decrease) compared to Dec 31, 2018 |
| Value of new business | 113.9 | (53.7) | 112.6 | (53.0) | 5.3 | (2.0) | (4.0) | 1.3 |

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, 2019 is JPY109.56 to US\$1.00)

Financial Statements (Key Items)

Financial Statements (Consolidated)

Consolidated Income Statement

| | FY2019 | | | | | | FY2019 | |
|-------------------|--------------|---|---------------|---|---------------|---|----------|---|
| | Consolidated | | Sumitomo Life | | Medicare Life | | Symetra | |
| | (JPY bn) | Increase(decrease) as % of Mar. 31, 2019 | (JPY bn) | Increase(decrease) as % of Mar. 31, 2019 | (JPY bn) | Increase(decrease) as % of Mar. 31, 2019 | (USD mn) | Increase(decrease) as % of Dec. 31, 2018 |
| Ordinary income | 3,485.9 | (4.2%) | 3,085.0 | (6.1%) | 42.5 | 13.0% | 2,239 | (2.5%) |
| Ordinary expenses | 3,448.3 | (1.2%) | 2,989.8 | (3.1%) | 50.2 | 1.7% | 2,617 | 7.2% |
| Ordinary profit | 37.5 | (75.1%) | 95.1 | (52.6%) | (7.6) | - | (377) | - |
| Net surplus | 5.2 | (89.2%) | 49.3 | (18.6%) | (5.8) | - | (265) | - |

Consolidated Balance Sheet

| | Mar 2020 | | | | | | Dec 2019 | |
|-------------------|--------------|---|---------------|---|---------------|---|----------|---|
| | Consolidated | | Sumitomo Life | | Medicare Life | | Symetra | |
| | (JPY bn) | Increase(decrease) as % of Mar. 31, 2019 | (JPY bn) | Increase(decrease) as % of Mar. 31, 2019 | (JPY bn) | Increase(decrease) as % of Mar. 31, 2019 | (USD mn) | Increase(decrease) as % of Dec. 31, 2018 |
| Total assets | 38,642.0 | 2.2% | 32,951.1 | 0.7% | 224.5 | 6.0% | 55,535 | 12.7% |
| Total liabilities | 37,075.8 | 2.5% | 31,312.2 | 1.2% | 200.7 | 11.0% | 51,201 | 11.5% |
| Total net assets | 1,566.2 | (4.8%) | 1,638.8 | (8.0%) | 23.8 | (23.0%) | 4,333 | 30.4% |

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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