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# Investor Presentation

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October 2020

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# Sumitomo Life at a Glance

## Company Overview

■ Established: May 1907

### Key Figures<sup>1</sup> – FY2019 (as of Mar. 2020)

■ Premium income:	JPY 2.44tn (USD 22.4bn) (JPY 2.60tn in FY2018)
■ Core business profit <sup>2</sup> :	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 <sup>3</sup> :	JPY 2.80tn (USD 25.7bn)
■ Solvency margin ratio:	870.0%
■ Embedded value <sup>4</sup> (EEV):	JPY 3.58tn (USD 32.9bn)
■ Number of sales representatives:	32,206
■ Insurer financial strength rating <sup>5</sup> :	A+ [S&P], A1 [Moody's], AA- [R&I], AA- [JCR], A+ [Fitch]

Empowering your future



## Group Overview<sup>6</sup>

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



#### Singlife

- 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

## ◇ 1Q FY2020 Results

- ✓ Annualized premiums from new policies decreased from the previous . . . P.9  
fiscal year, as a result of factors including refraining from sales activities  
due to the spread of COVID-19.  
Annualized premiums from policies in force and group core business  
profit remained at stable levels.



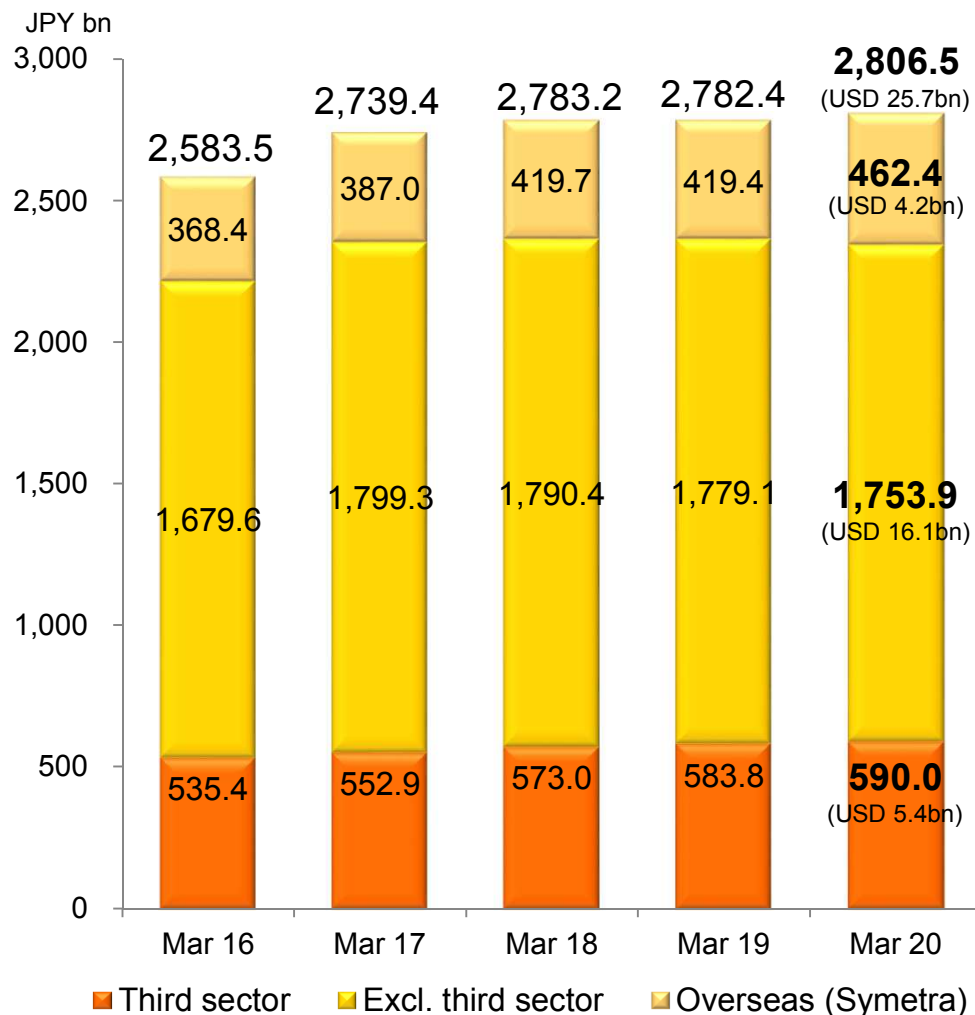
## **I . Sumitomo Life Group's Business Results**

# Operating Performance

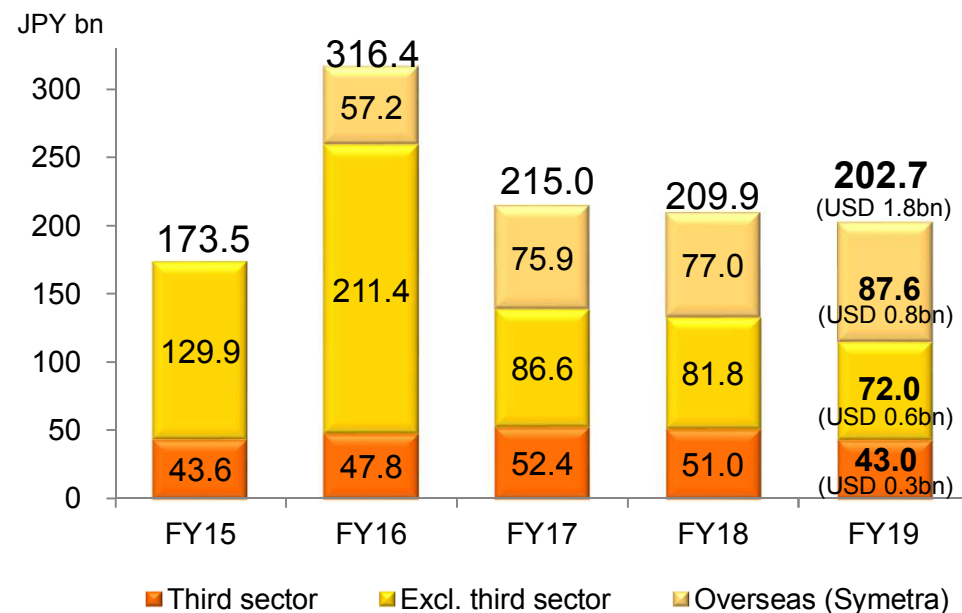
Annualized premiums (AP) from policies in force remained at a stable level.

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

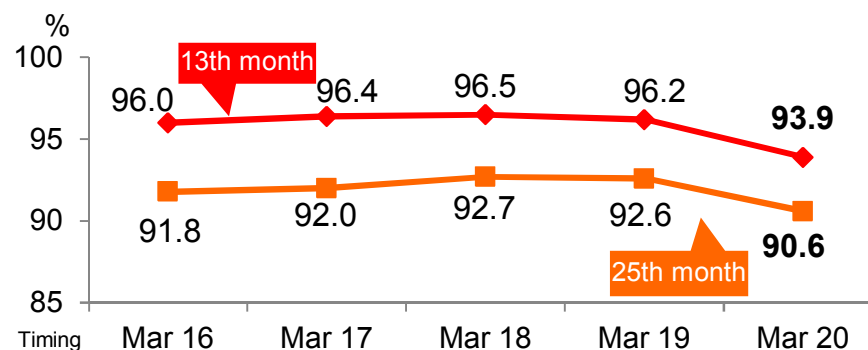
## Annualized Premiums from Policies in Force<sup>1</sup> (Group)



## Annualized Premiums from New Policies<sup>1</sup> (Group)



## Persistency Rate<sup>2</sup> (Non-consolidated)



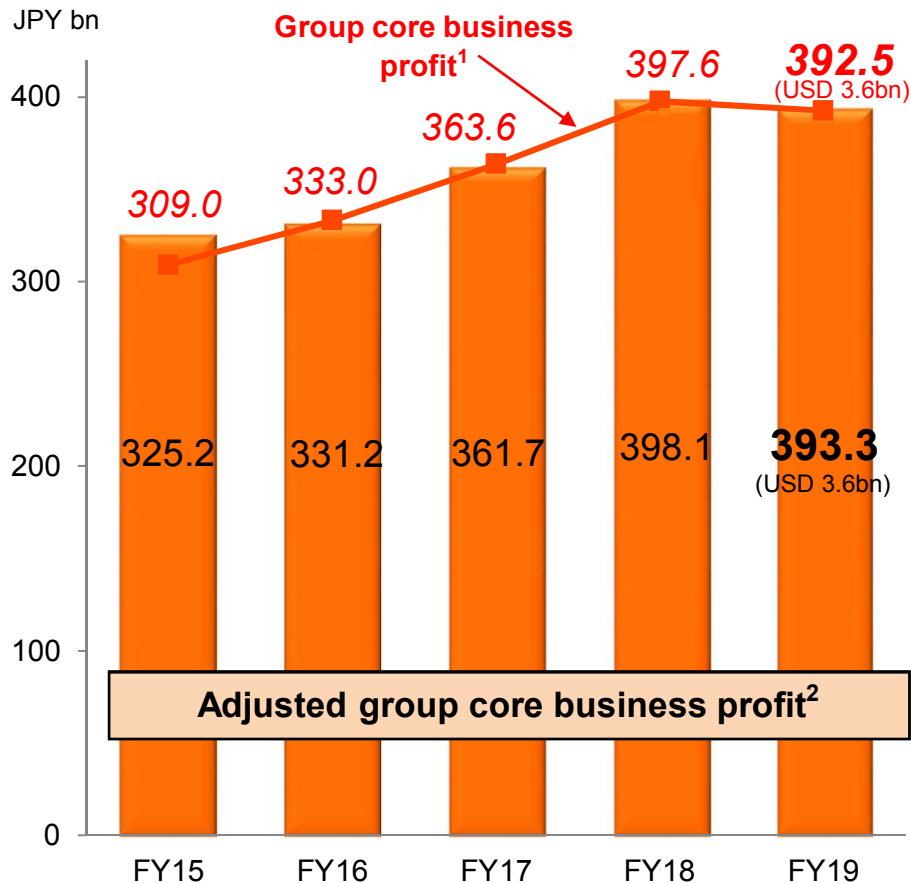
1. Figures for domestic business (Third sector + Excl. third sector) are individual life insurance and individual annuities. Figures for Symetra are included since February 2016

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

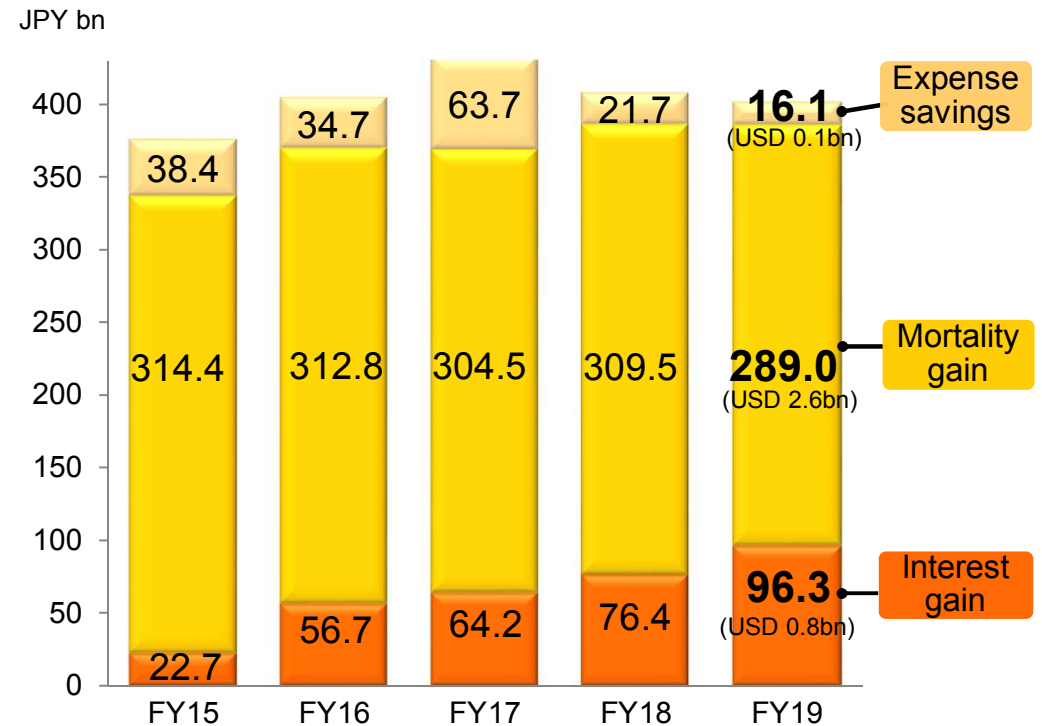
# Profit Trend

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

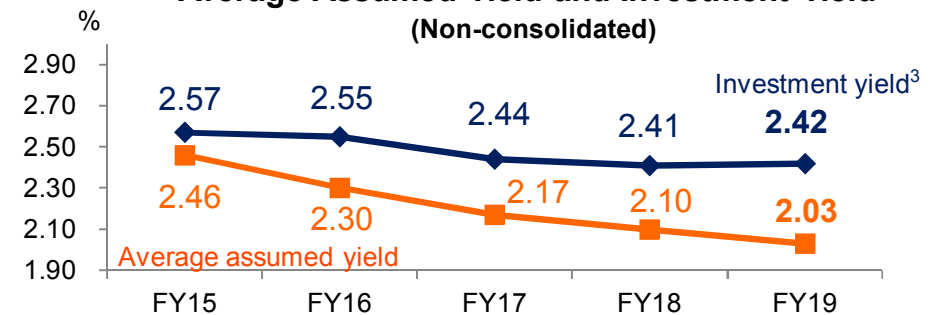
## Core Business Profit (Group)



## Three Surplus Factors (Non-consolidated)



## <Average Assumed Yield and Investment Yield<sup>3</sup>> (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, Singlife and PICC Life attributable to Sumitomo Life's equity stake in each company, with adjustments made to some internal transactions

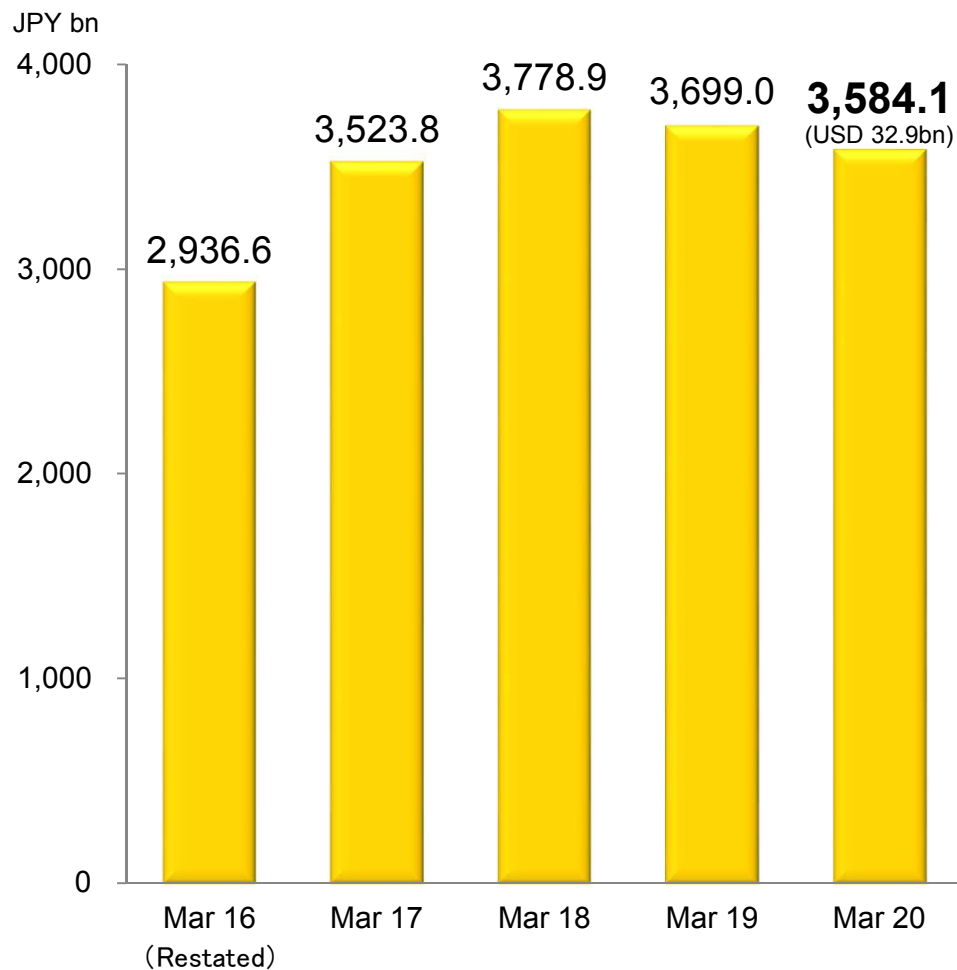
2. Adjusted group core business profit indicates group core business profit excluding provision / reversal of standard policy reserve relating to variable annuities

3. Related to core business profit

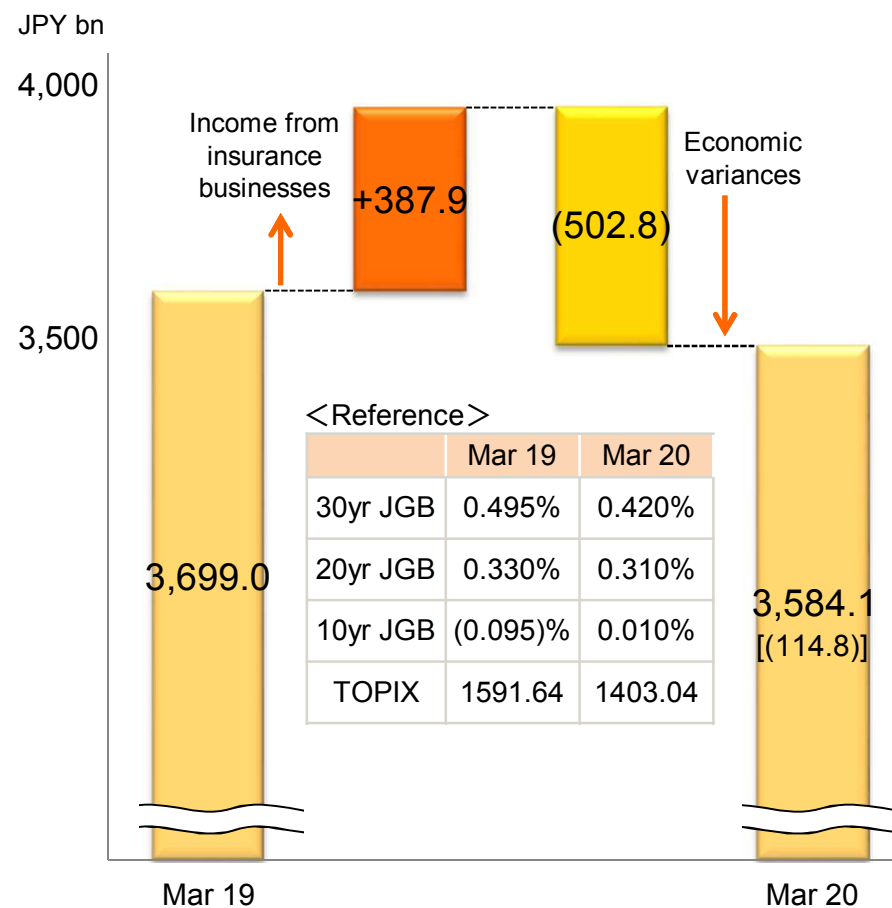
# EEV Trend

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

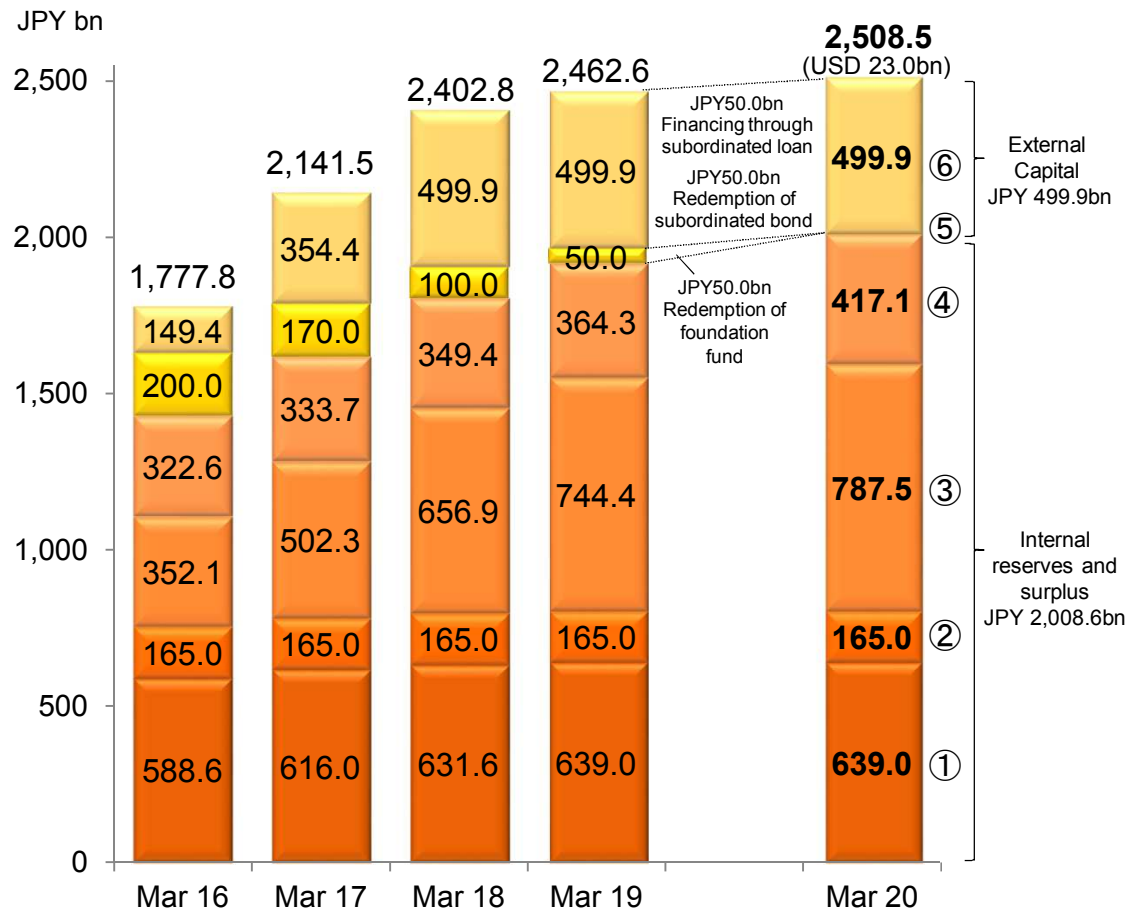


1. The ultimate forward rate (UFR) has been applied for EEV since FY 2017, and the EEV as of March 31, 2016 is restated based on the same method
2. See "Disclosure of European Embedded Value (summary) as of March 31, 2020" on the website for details

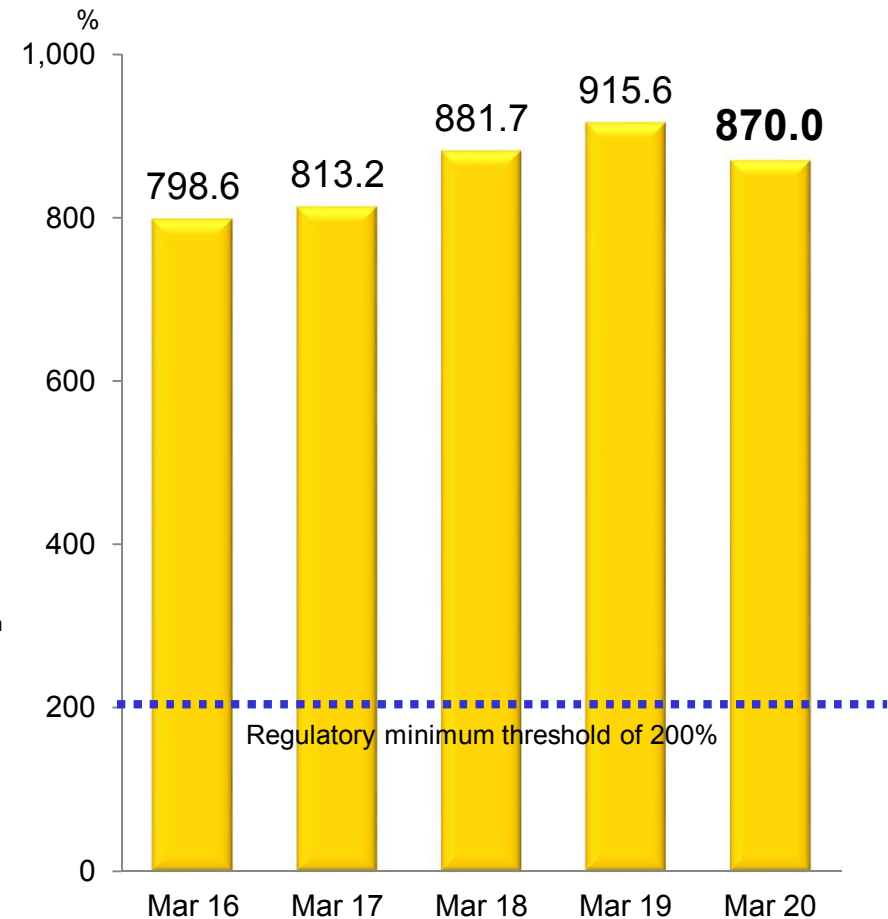
# Capital Base

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

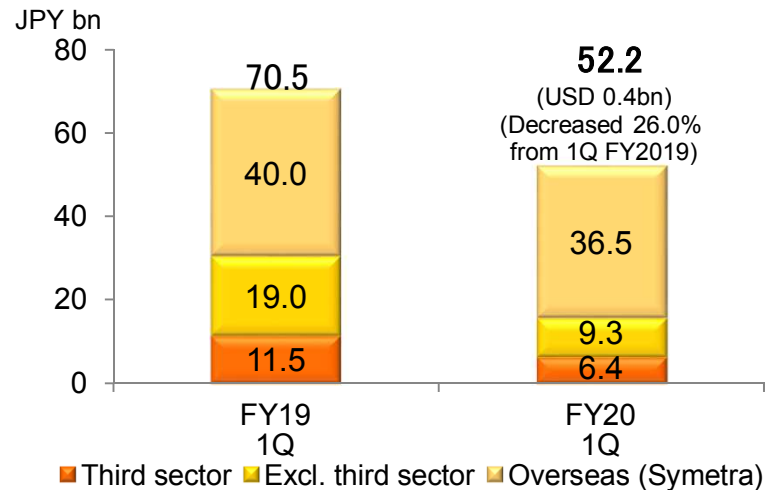


# 1Q FY2020 Highlights

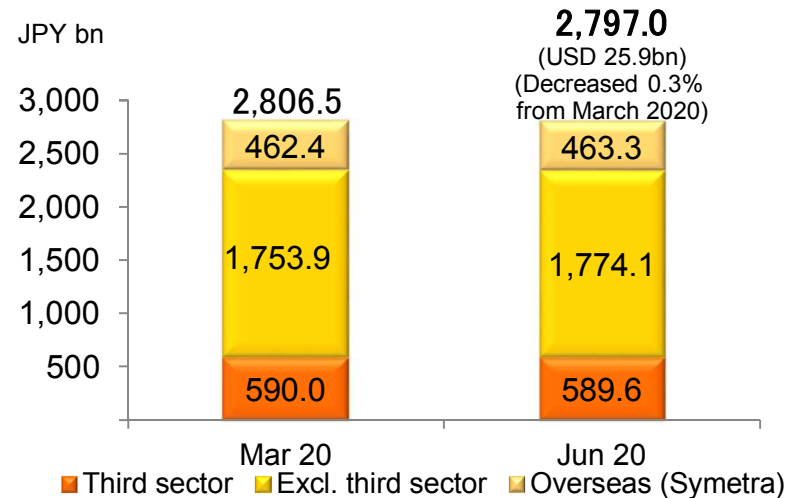
Annualized premiums from new policies decreased from the previous fiscal year, as a result of factors including refraining from sales activities due to the spread of COVID-19.

However, annualized premiums from policies in force and group core business profit remained at stable levels.

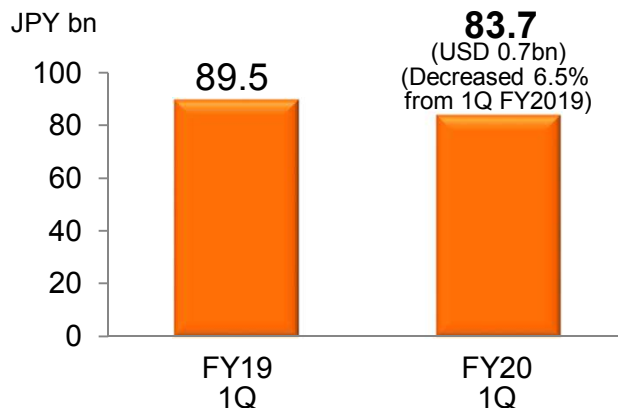
## Annualized Premiums from New Policies<sup>2</sup> (Group)



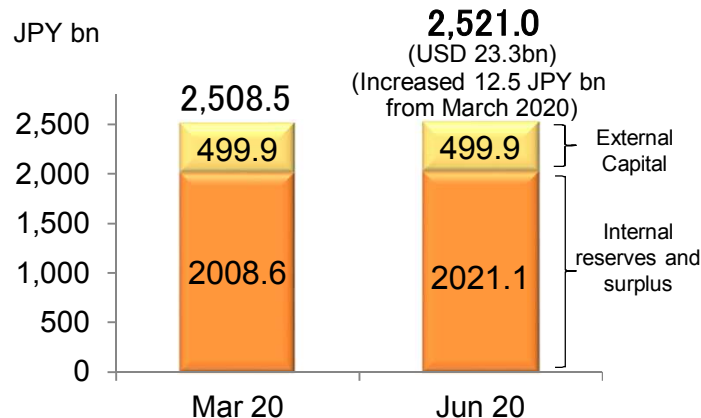
## Annualized Premiums from Policies in Force<sup>2</sup> (Group)



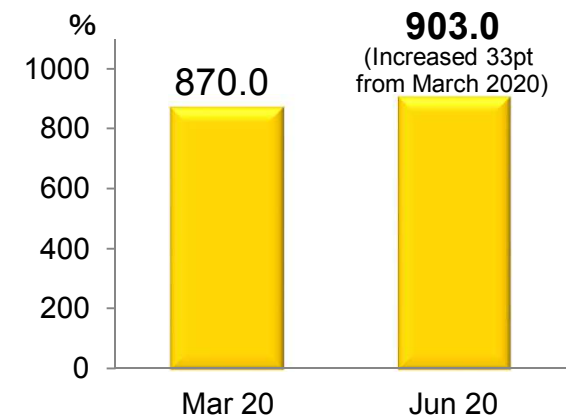
## Core Business Profit<sup>3</sup> (Group)



## Trend of Capital (Non-consolidated)



## Solvency Margin Ratio (Consolidated)



1. USD 1 = JPY107.74 (as of June 30, 2020)

2. Figures for domestic business (Third sector + Excl. third sector) are individual life insurance and individual annuities.

3. 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, Singlife and PICC Life attributable to Sumitomo Life's equity stake in each company, with adjustments made to some internal transactions



## II . Sumitomo Life Group's Initiatives

# Response to COVID-19

During the spread of the pandemic, we continued customer-oriented business operations, with our highest priority on the safety of our customers and employees. We established a sales style that will allow us to provide full consulting services in the absence of face-to-face contact in the post-pandemic era.

## Initial Response

### Customers

- **Continued payment of claims, etc. and call center response**
- **Implemented special initiatives** including extending the grace period on premium payments and interest rate reduction or exemption on policyholder loans
- Revised products that provide coverage for death, etc. due to disaster, **to make disaster insurance claims, etc. payable for COVID-19**

### Employees

- **Implemented telecommuting from home** as a rule, except for the minimum staff necessary to continue to process insurance claims, benefit payments, etc.
- After the declaration of a state of emergency, sales representatives in areas subject to the declaration **refrained from sales visits**, and we closed our sales offices and customer service counters<sup>1</sup>

## Initiatives in Anticipation of the Post-Pandemic Era

### Response to issues that have emerged

#### Innovation of Contact with Customers

- Introduction of schemes for various procedures and establishment of structures that enable us to maintain the current standard of consulting service, even where customers choose to engage without face-to-face contact

#### Innovation of Our Approach to Work Locations

- Promotion of telecommuting from home with high productivity, revision of existing workflows, etc.

### Future

#### Further Reforms for the Future

- Promotion of a radical review of operations, to transform the business model in anticipation of the post-pandemic social environment

1. After the state of emergency was lifted, we recommenced visits after obtaining the prior consent of customers, and implemented measures to ensure appropriate social distancing at our sales offices and customer service counters, including the installation of acrylic partitions and clear plastic curtains



## ① Multi-Channel and Multi-Product Strategy

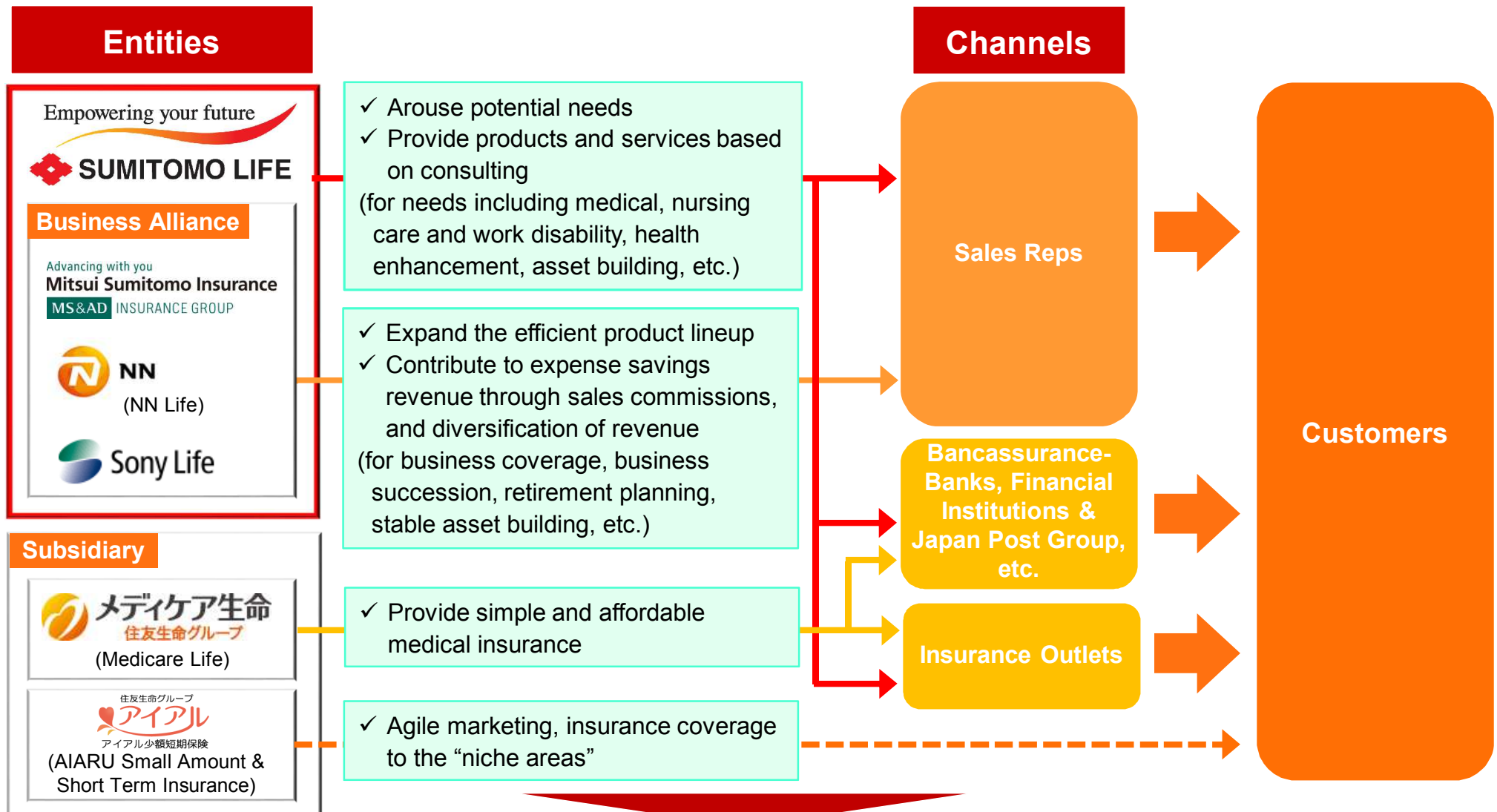
② Asset Management

③ Overseas Business Development

④ 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>Comprehensive Protection Insurance 生活保険で、じぶんを救え。  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  健康増進 医療</div> <div>【Launched in March 2020】Dementia Protection  認知症</div> <div>Wellness program that could be attached to the above main products  </div>		<div>Single-Premium Insurance [Yen] (Whole Life)  ふるは〜と</div> <div>Single-Premium Insurance [Foreign Currency] (Whole Life)  ふるは〜と</div> <div> 指数連動プラン</div>		<div>Term Life スミセイの定期保険  新長期プラン</div> <div> 介護・障害定額(災害保障タイプ)</div> <div>エヌエス生命の重大疾病保障保険  重大疾病</div> <div></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</div> <div>Property Insurance 安心のゴールキーパーでありたい。  すまいの保険</div> <div>Casualty Insurance 安心のゴールキーパーでありたい。  ケガの保険</div> <div>Others ゴルファー保険</div>
	<div>Income Assurance Insurance 料率区分型収入保障保険(簡便的返戻金型)  メディフィット 収入保障</div> <div>Medical Insurance (Simple and affordable) 新  メディフィットA</div> <div>Medication Insurance 薬用治療保険(簡便的返戻金型)  メディフィット EX</div>		<div>Level-Premium Insurance [Yen] (Whole Life) スミセイの低解約返戻金型終身保険  バラ色人生</div> <div>Level-Premium Insurance [Foreign Currency] (Whole Life) ソニー生命の外貨建保険  米ドル建 終身保険</div> <div>(Endowment) ソニー生命の外貨建保険  米ドル建 自由保険</div> <div>Sony Life</div> <div>(Annuity) スミセイの個人年金保険  たのしみ ワンダフル</div> <div>(Annuity)  たのしみ 未来 global</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>		

# 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”

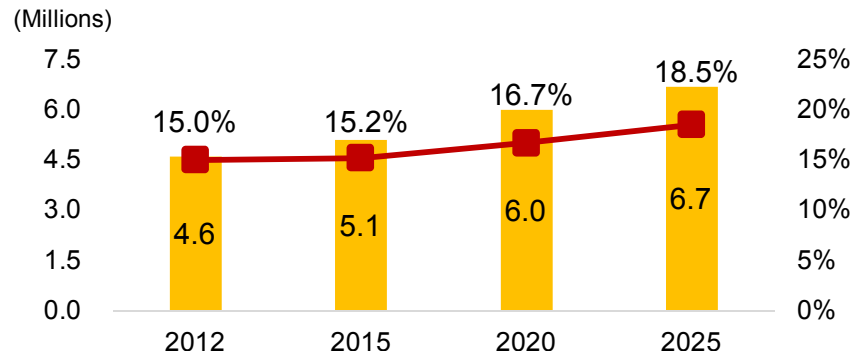
In March 2020, we launched “Dementia PLUS”, a rider that offers coverage early on and provides financial support for dementia, a major social issue in a long-living society.

## 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>

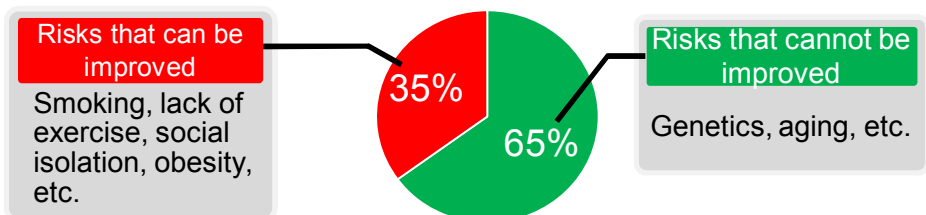


<Payment Reason (Payment Amount)>

Claims and benefits	Payment reason (payment amount)
<b>Dementia insurance claim</b>	When confirmatively diagnosed with organic dementia, as defined by Sumitomo Life, for the first time in life (basic insurance amount)
<b>Mild cognitive impairment benefit</b>	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



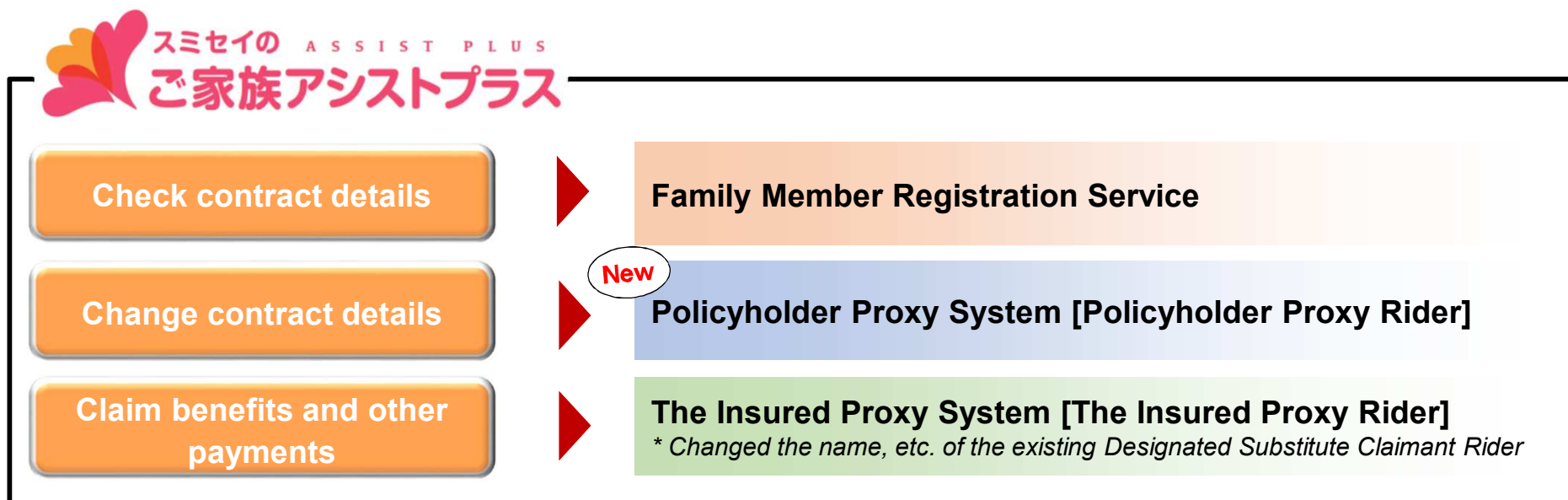
Source: Compiled by Sumitomo Life based on Livingston G, et al., Lancet. 2017 Dec 16; 390(10113):2673-2734

# 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

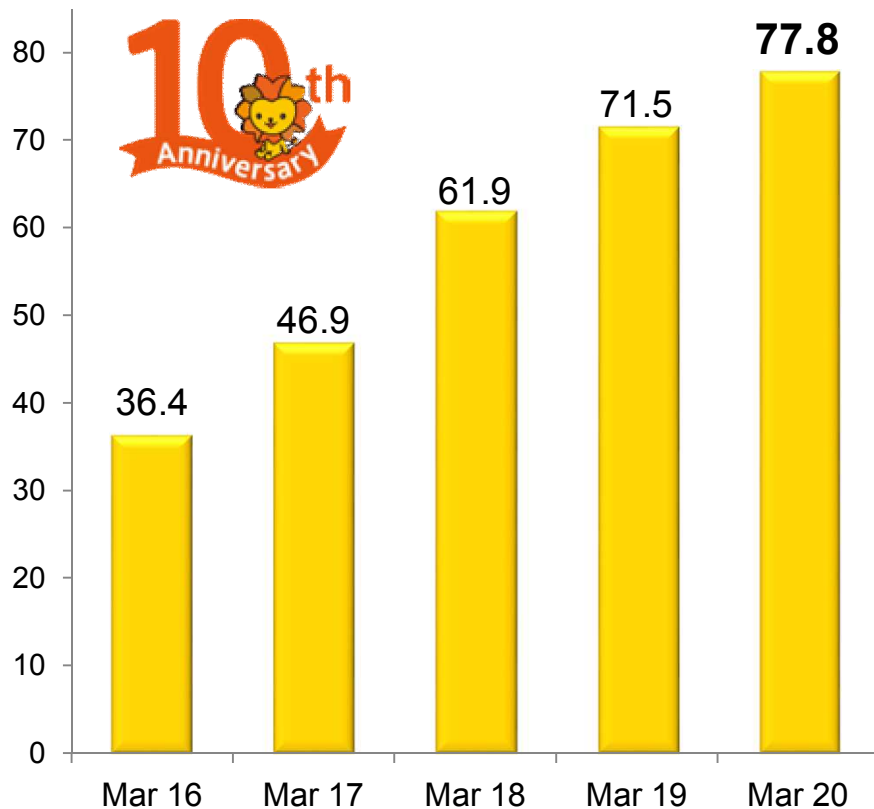


# Medicare Life

April 2020 marked the 10<sup>th</sup> 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 Multi-Channel and Multi-Product Strategy

② **Asset Management**

③ Overseas Business Development

④ Capital Policy

# Initiatives in FY2019

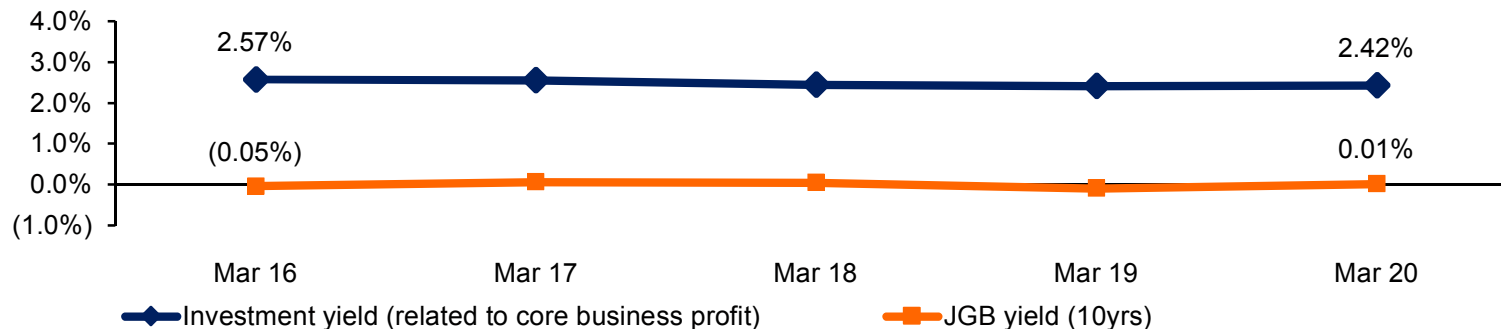
Managed general account with portfolios classified into two categories: ALM Investment and Balanced Investment.  
Aimed to increase our investment earnings in accordance with investment objectives and to strengthen our asset management platform in order to enhance medium to long-term investment profitability.

## Initiatives in FY2019

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

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

## Market Interest Rate and Our Investment Yield

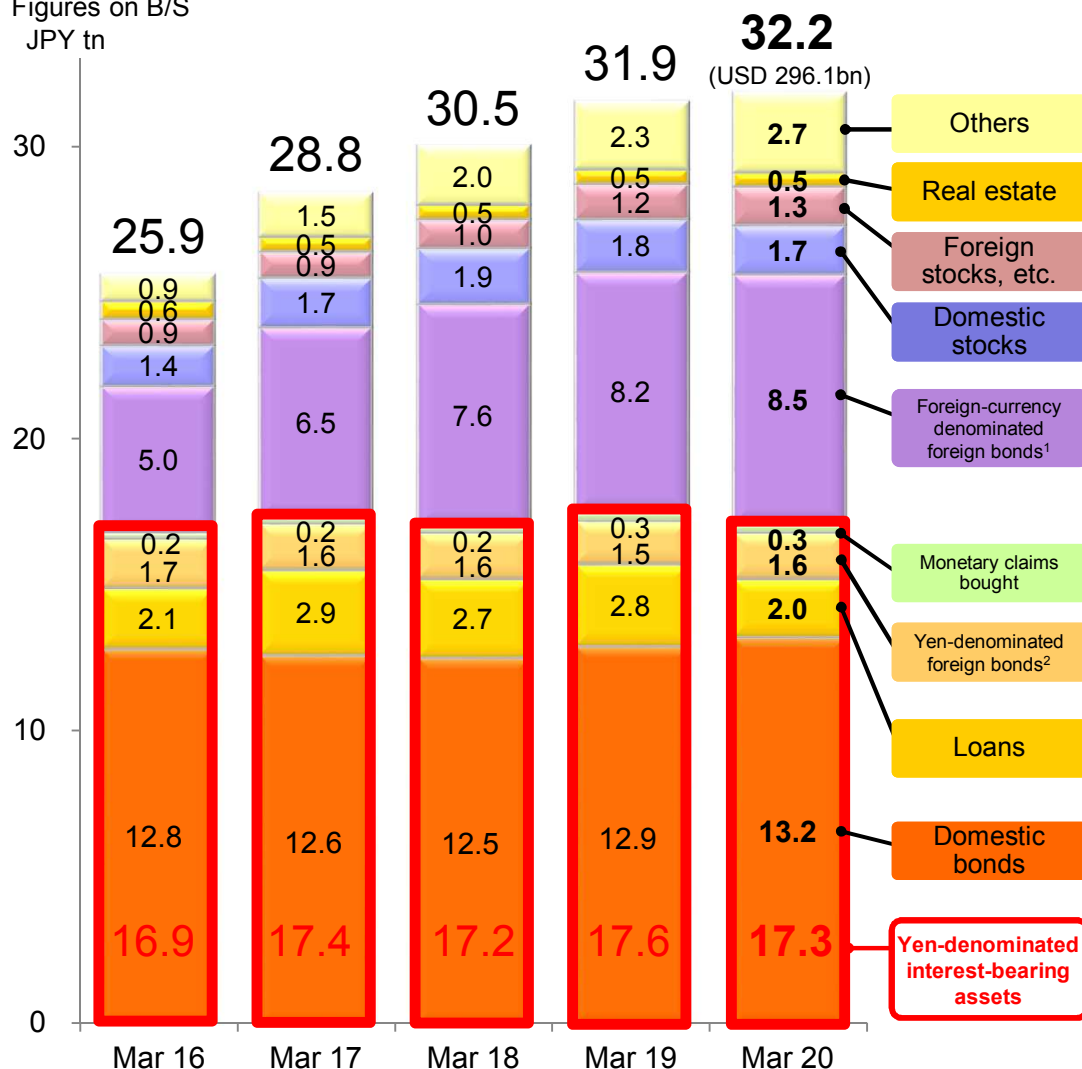


# General Account Asset Portfolio

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

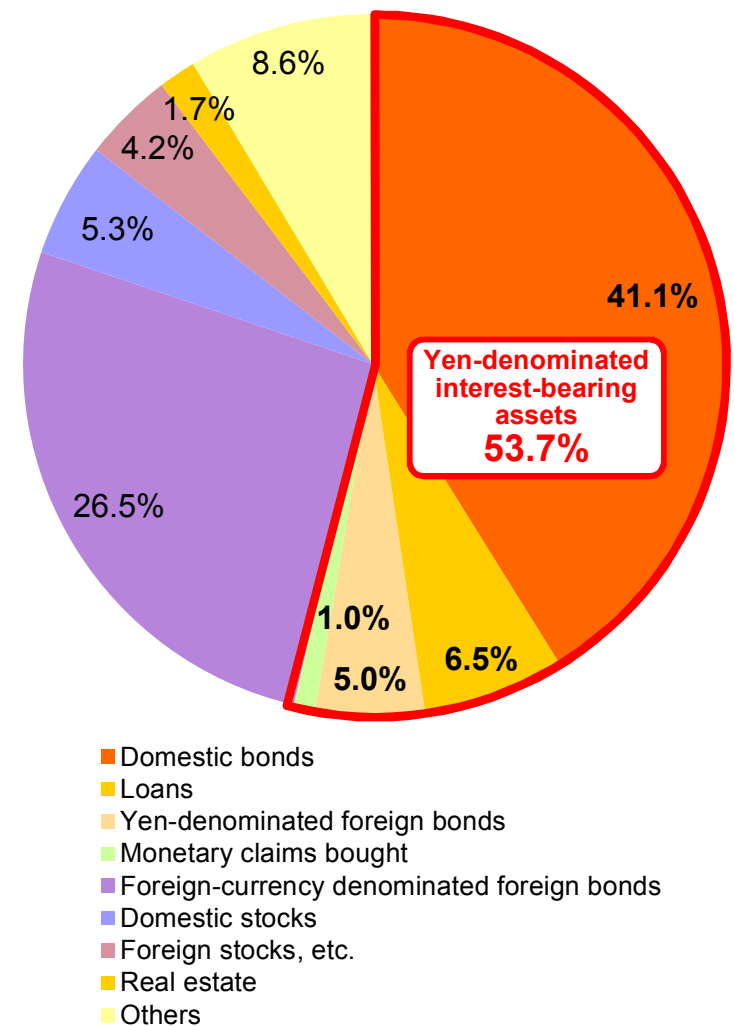
## Trend of General Account (GA) Assets (Non-consolidated)

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

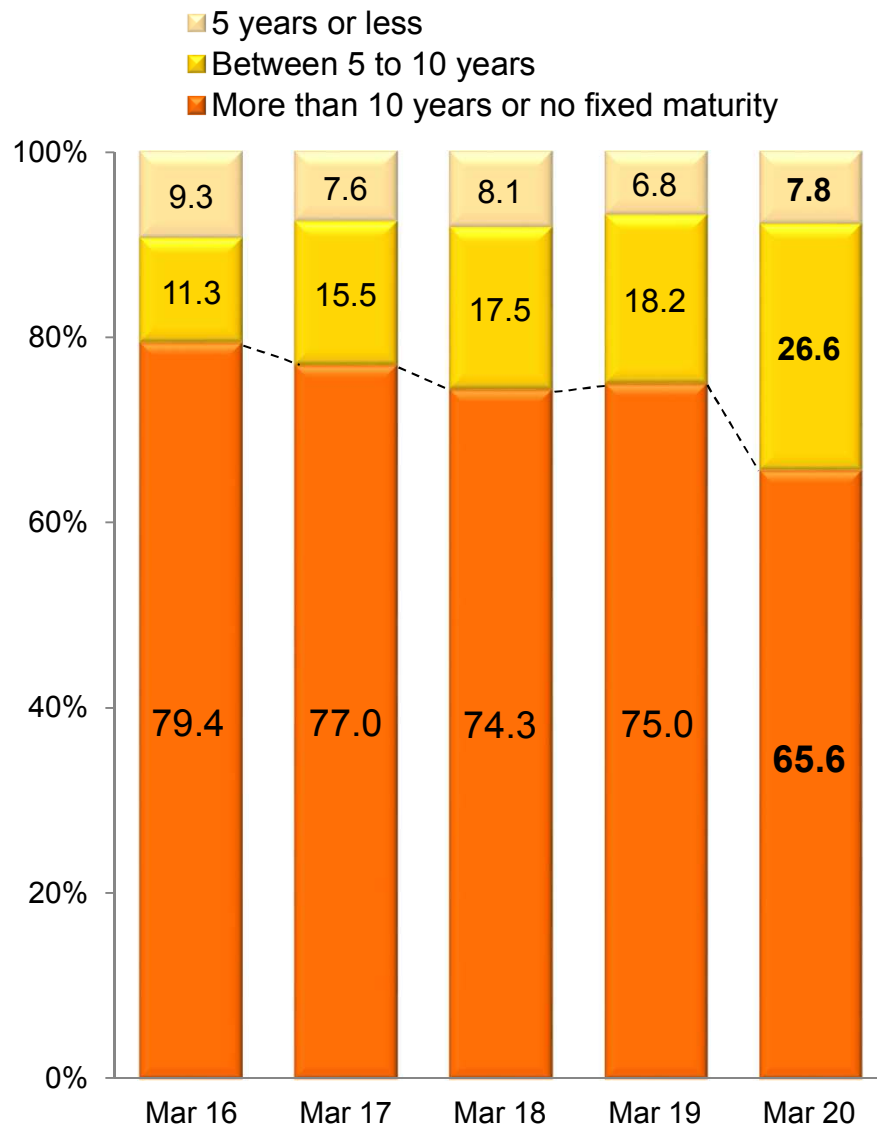
2 Yen-denominated foreign bonds include foreign currency-denominated foreign bonds with a fixed amount in Japanese yen



# Profile of Domestic Bonds

Disciplined interest rate risk management based on ALM strategy

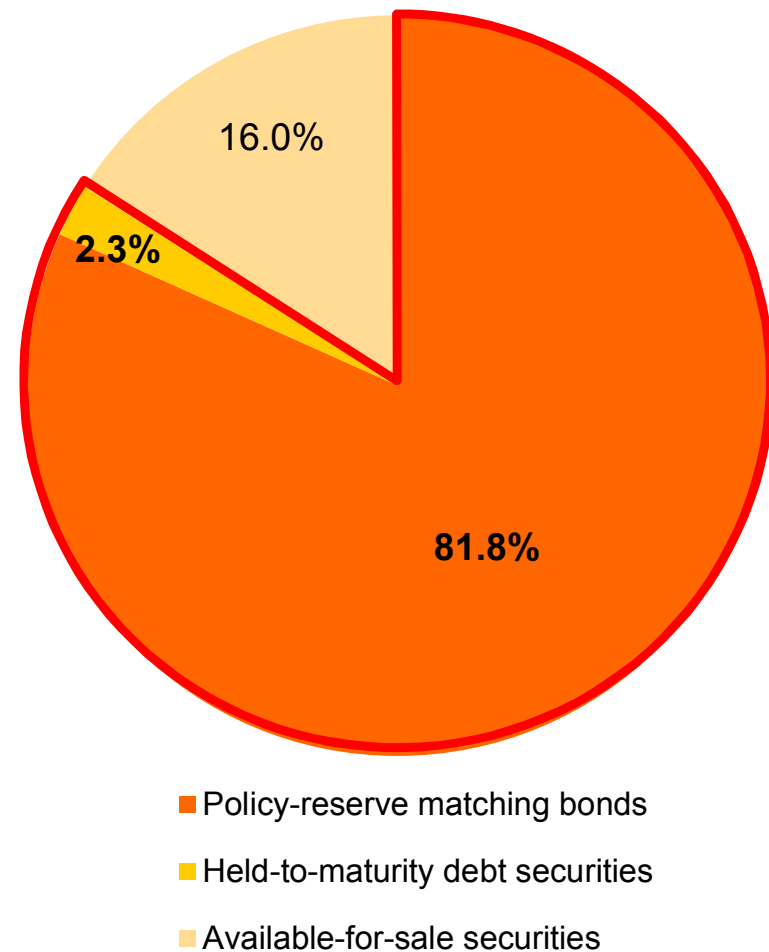
## Domestic Bonds by Maturity (GA・non-consolidated)



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

## 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 Multi-Channel and Multi-Product Strategy

② Asset Management

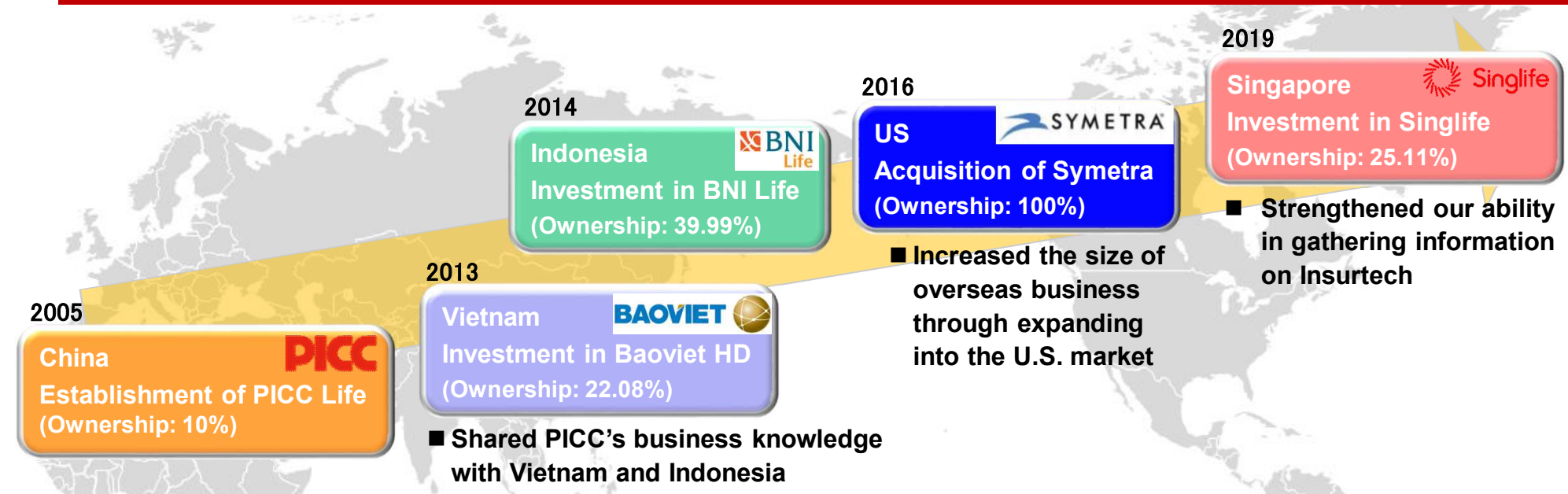
**③ Overseas Business Development**

④ 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"> <li>■ The second largest market in the world</li> <li>■ Less growth potential due to the trend of declining population, but stable underwriting income resulting from mortality gain is expected</li> <li>■ Our home market which supports our stable revenue base</li> </ul>	<ul style="list-style-type: none"> <li>■ China has the largest population in the world and its insurance market is still growing</li> <li>■ Rapid growth is expected in the future in Vietnam/Indonesia</li> <li>■ Development of Insurtech is flourishing in Singapore</li> <li>■ Benefit from growth opportunities through technical assistance including channel development, risk management, system development and asset management</li> </ul>	<ul style="list-style-type: none"> <li>■ The largest market in the world</li> <li>■ Benefit from steady growth in the U.S. insurance market through Symetra, our 100% subsidiary</li> </ul>

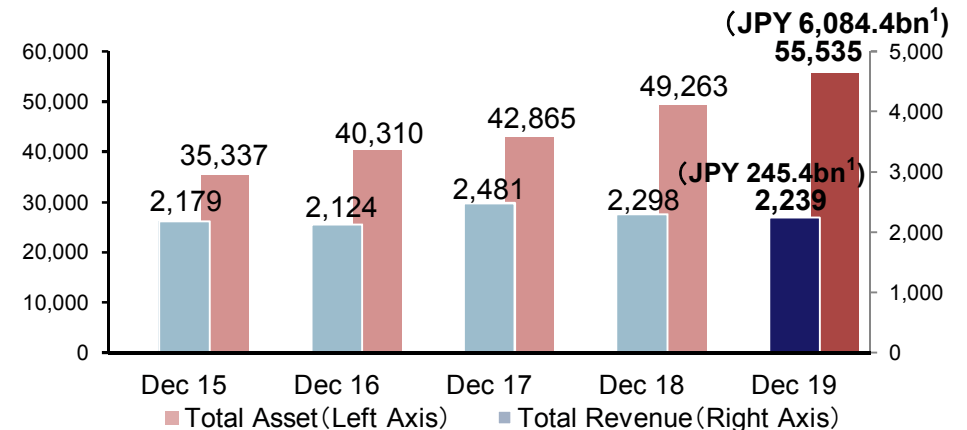
# Initiatives in the U.S. Market ①

**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)

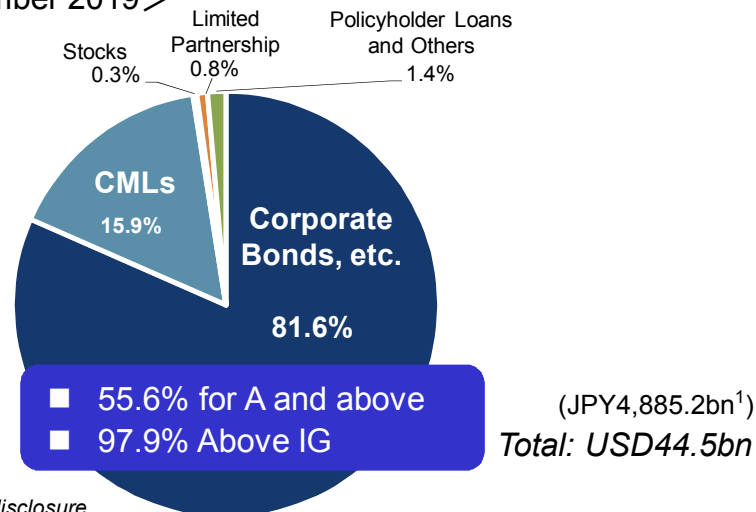
- 100% acquisition of Symetra Financial Corporation (February 2016)
- Number of employees (Consolidated): Approx. 1,700
- RBC Ratio (Risk Based Capital)\*: 420% (As of December 31, 2019)  
*\*Calculated without considering 50% of the risk profile (denominator)*
- Ratings: A (S&P), A1 (Moody's), A (AM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

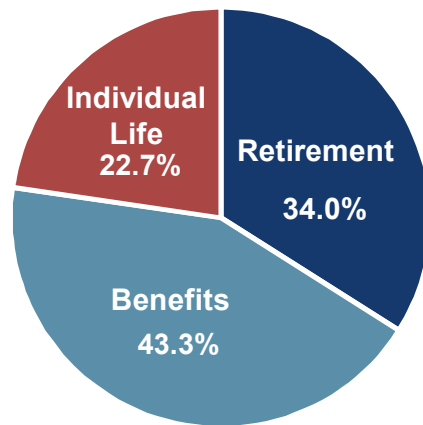
- Sumitomo Life and Symetra are dispatching personnel to a base in Silicon Valley to gather information on FinTech activities

# Initiatives in the U.S. Market ②

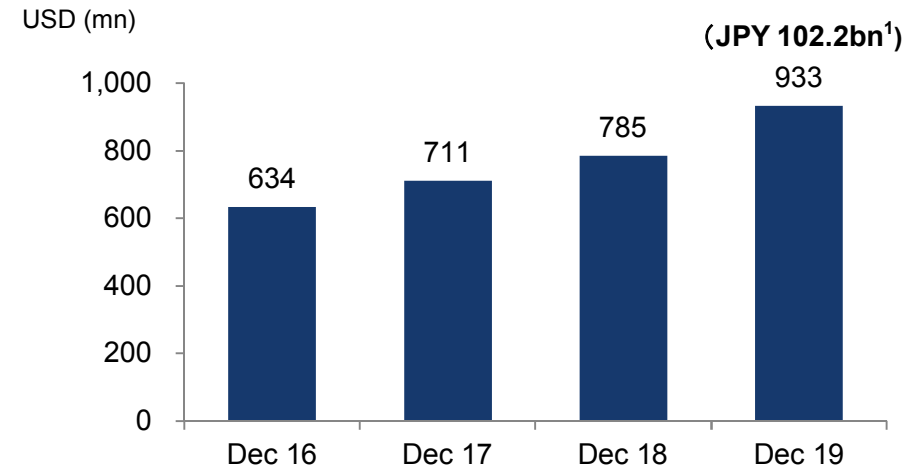
Symetra has a balanced business portfolio, and each business line has shown stable growth.

## Balanced Business Portfolio – Ordinary Income by Segment

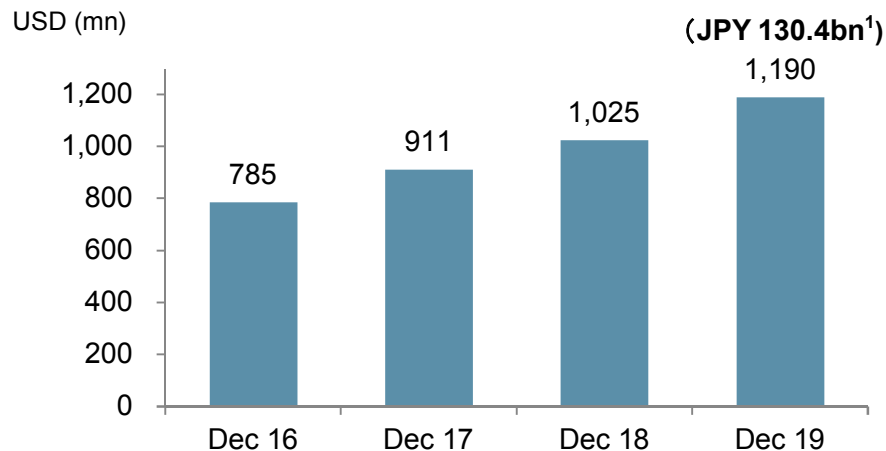
<As of December 2019>



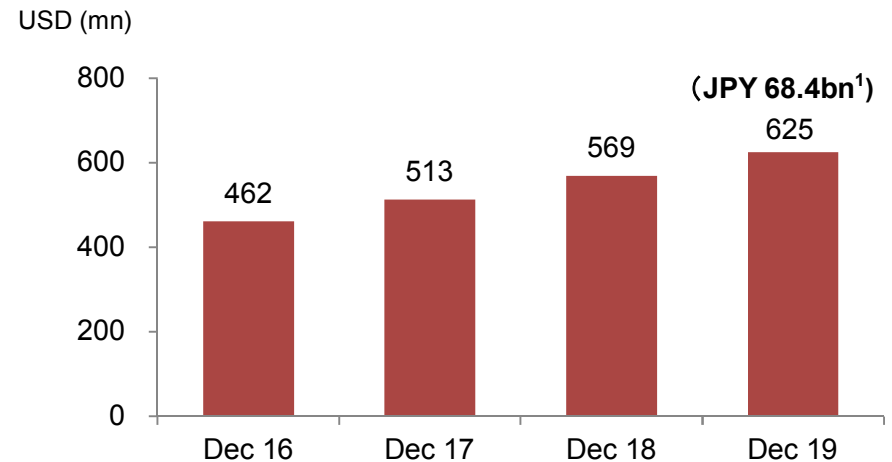
## Ordinary Income from Retirement



## Ordinary Income from Benefits



## Ordinary Income from Individual Life



Source: Company disclosure

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

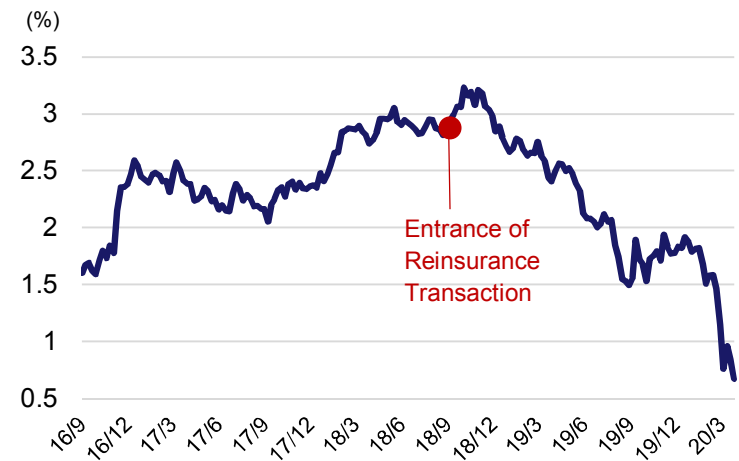
# Initiatives in the U.S. Market ③

**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	• 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	<ul style="list-style-type: none"> <li>• RBC ratio improvement</li> <li>• Reduced exposure to be held for covering the cash flows for the super-long liability of the business</li> </ul>



# 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 <sup>1</sup>	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)	-

<sup>1</sup> 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**

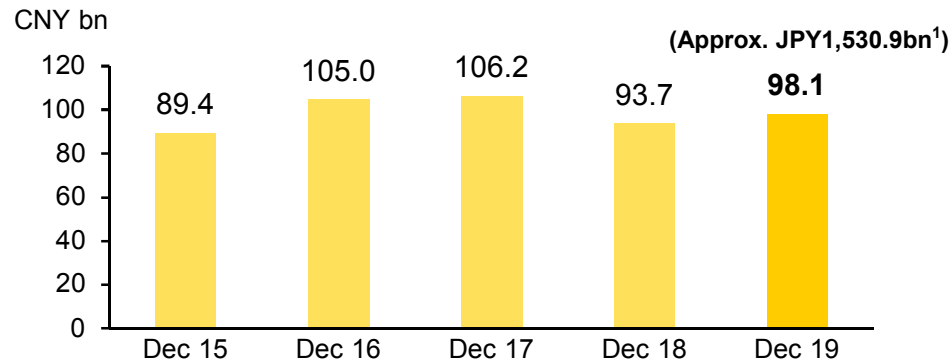
# Initiatives in the Asian Market ①

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)

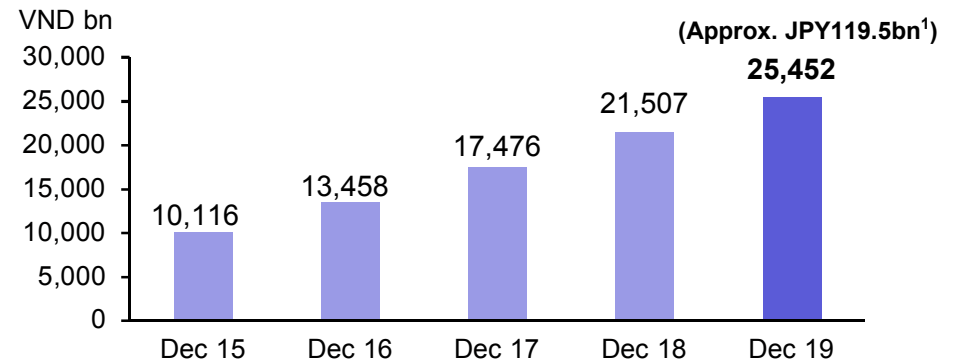
PICC Life's Total Premium Income



## Vietnam

- Investment in Baoviet Holdings (March 2013)

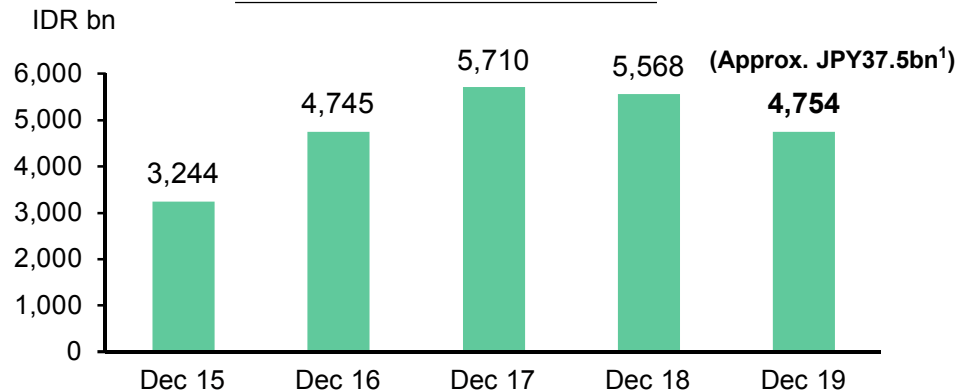
Baoviet's Premium Income from Life Insurance



## Indonesia

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

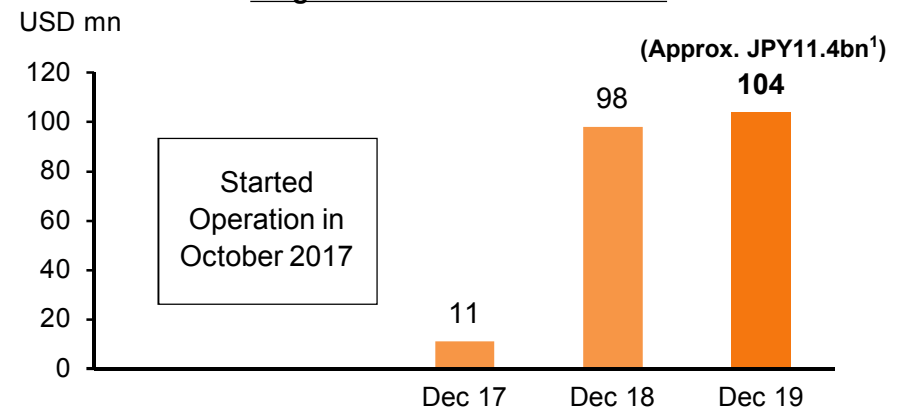
BNI Life's Total Premium Income



## 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.

# Initiatives in the Asian Market ③

In September 2020, we agreed with Singlife for additional investment of SGD 320 million (approx. JPY 25 billion) to support the following transaction in terms of capital.

## Overview of the Transaction

- Singlife has entered into a transaction with a view to combine with Aviva Plc's Singapore business (Aviva Ltd., hereinafter "Aviva Singapore," fifth in the Singaporean market in terms of market share).
- Combining the best of Singlife's digital capabilities with Aviva Singapore's product history and trusted advisory services, the merger aims to raise the bar in how customers can interact with insurers – by combining superior financial products, professional financial advice and mobile-first customer engagement. The deal intends to bring Singlife's mobile-first savings and protection solutions to Aviva's 1.5 million strong customer base, while being able to offer existing Singlife customers a significantly deeper product range and advisory capabilities.
- After the transaction, Singlife plans to combine with Aviva Singapore.
- Sumitomo Life will maintain approximately 20% stake in Singlife after this additional investment and continue to support Singlife to expand its business as a long-term strategic investor.

\* The transaction is subject to closing conditions, including regulatory approval, and is expected to complete by January 2021.

## Company Overview (Aviva Singapore)

Name	Aviva Ltd.
Major shareholders	Aviva Group Holdings Ltd. (100% ownership: Aviva Plc.)
Representative	Nishit Majmudar
Gross premiums	Approximately JPY180.0 billion (approximately USD1.6 billion)
Total assets	Approximately JPY770.0 billion (approximately USD7.0 billion)
Number of policies in force	Approximately 1 million policies
Number of employees	Approximately 800

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



① Multi-Channel and Multi-Product Strategy

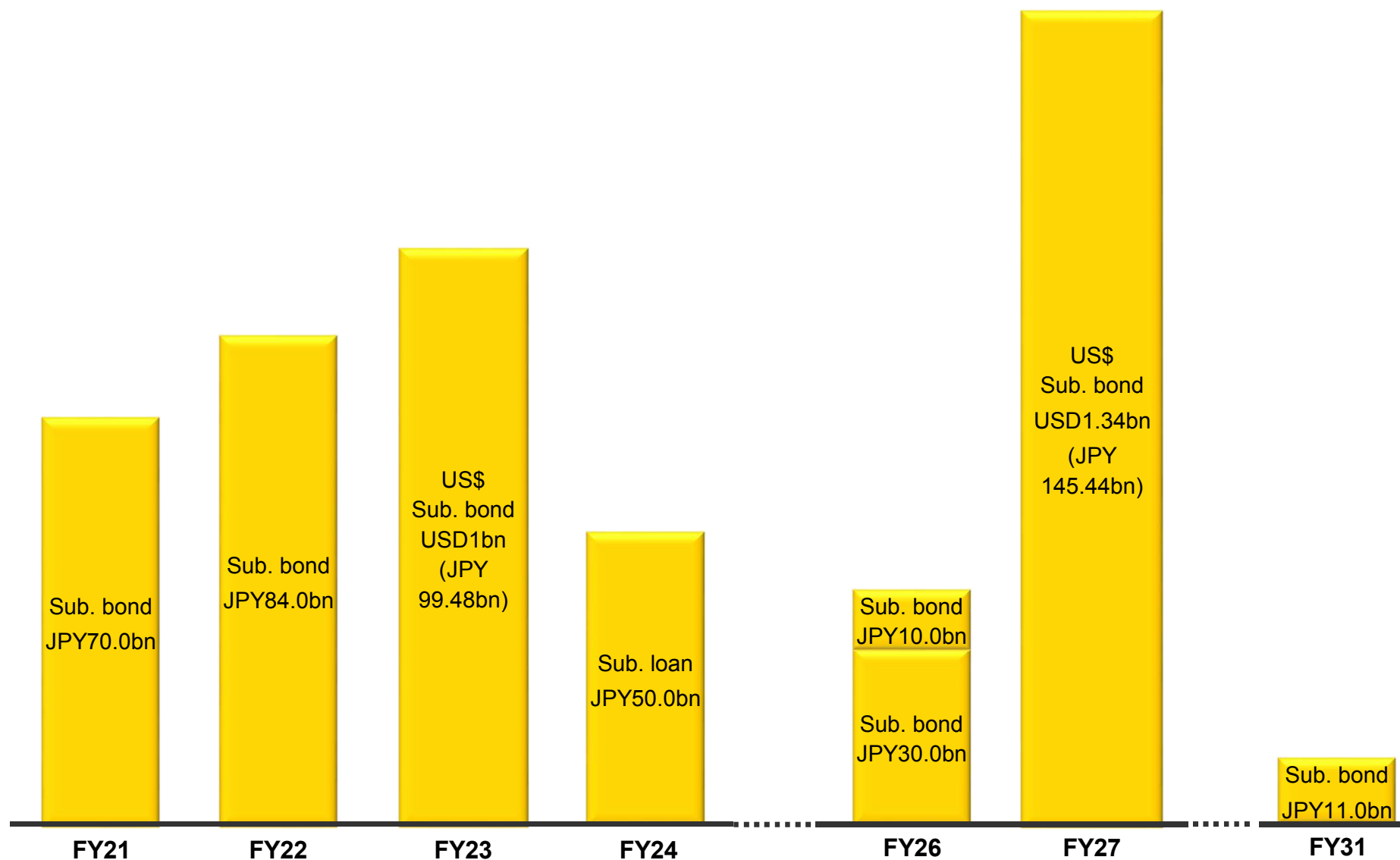
② Asset Management

③ Overseas Business Development

**④ Capital Policy**

# External Capital

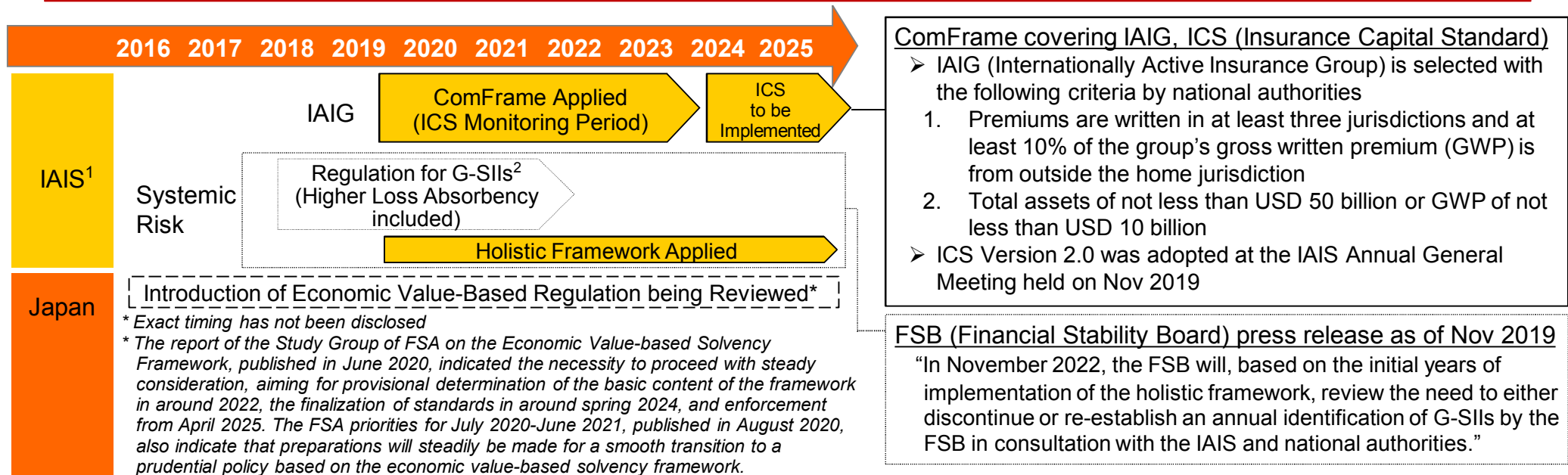
## Maturity Schedule of External Capital



Note: As of September 30, 2020. The first call maturity coming year for subordinated loans / bonds

# Introduction of Economic Value-Based Capital Regulation

## Introduction of Economic Value-Based Solvency Regulation



<sup>1</sup> International Association of Insurance Supervisors

<sup>2</sup> Global Systemically Important Insurers

## 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



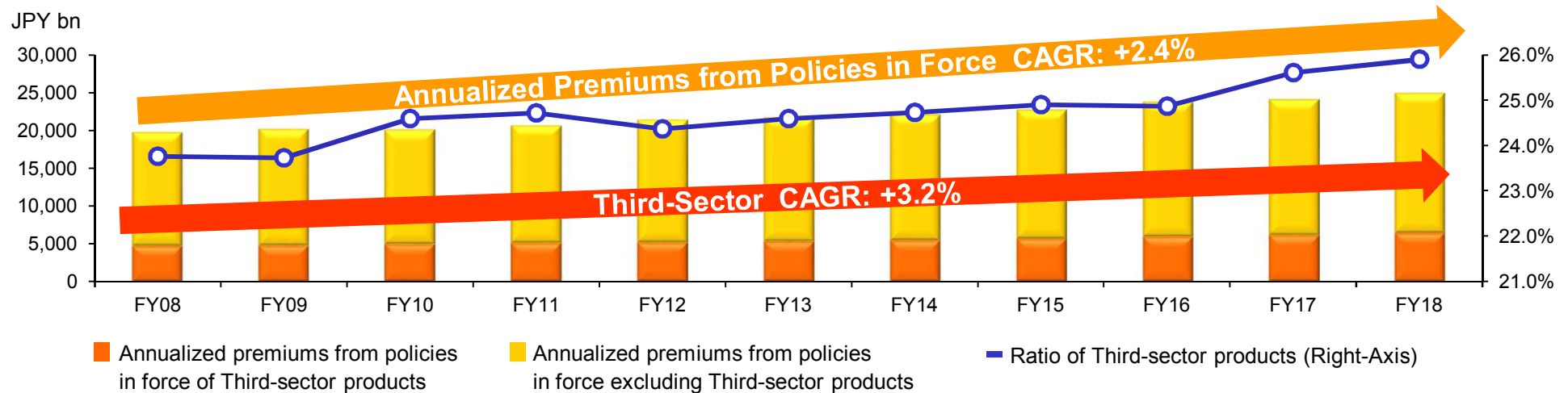
## III. Appendix



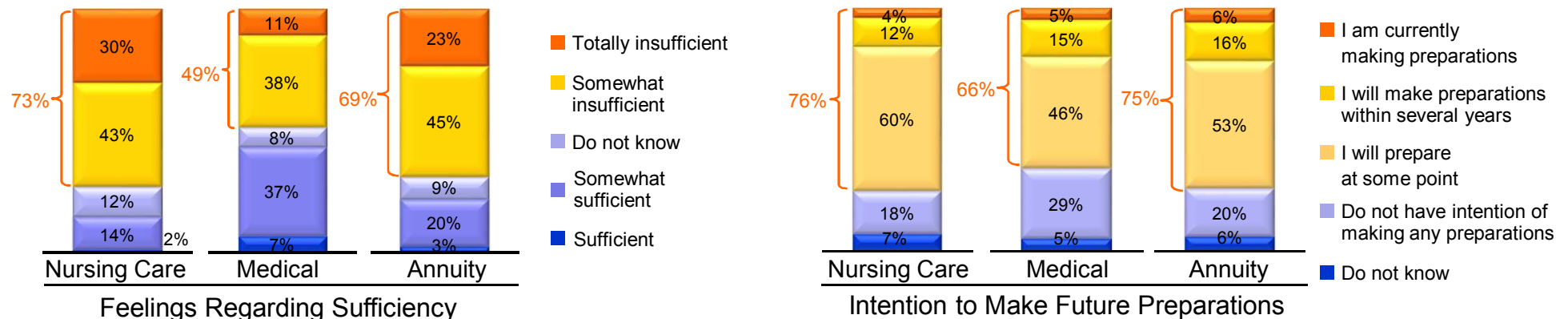
# Domestic Life Insurance Market

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 Force<sup>1</sup>



## Survey on Life Protection (FY2019)



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

<sup>1</sup> Excluding Japan Post Insurance

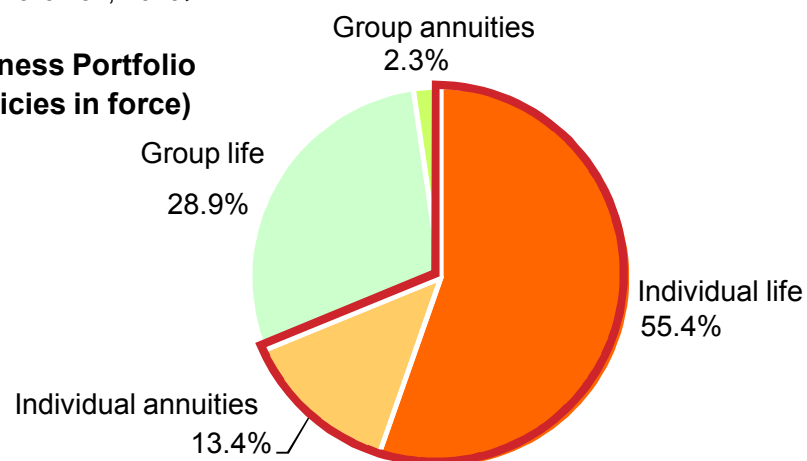
# Attractive Domestic Business Model

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.

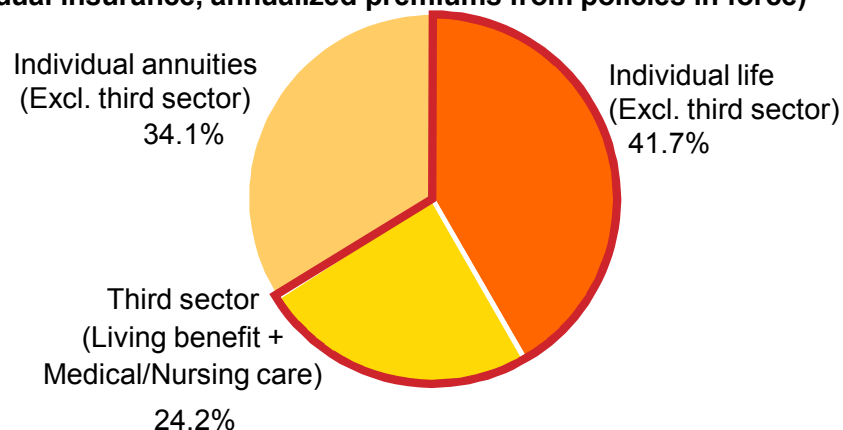
## Business / Product Portfolio (Non-consolidated)

<As of March 31, 2020>

### Business Portfolio (Policies in force)



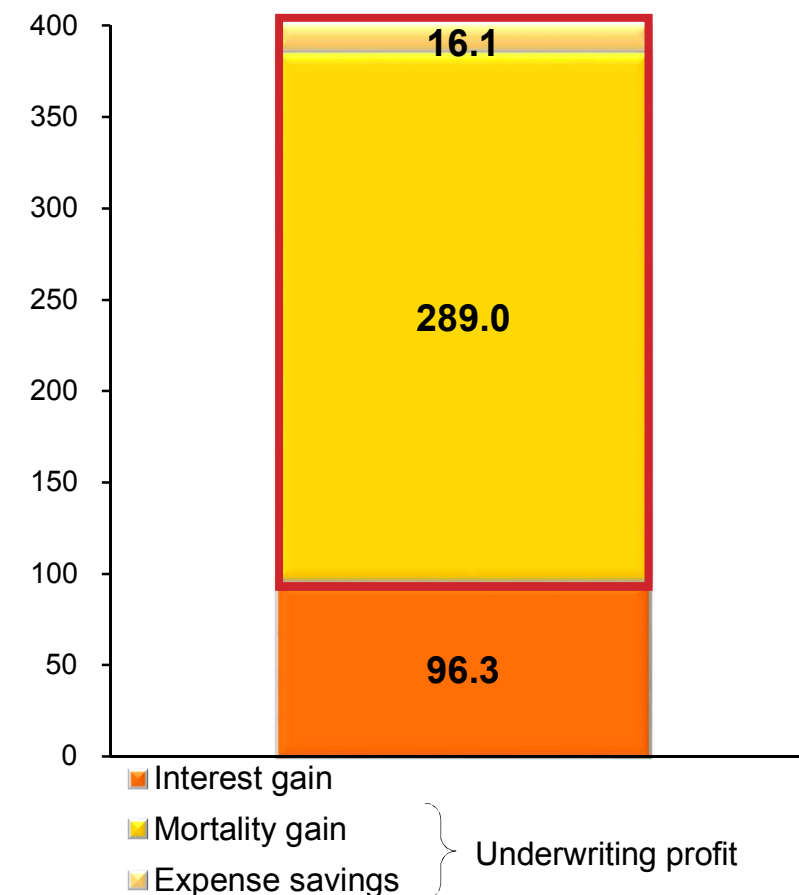
### Product Portfolio (Individual insurance, annualized premiums from policies in force)



## Three Surplus Factors (Non-consolidated)

<As of March 31, 2020>

JPY bn

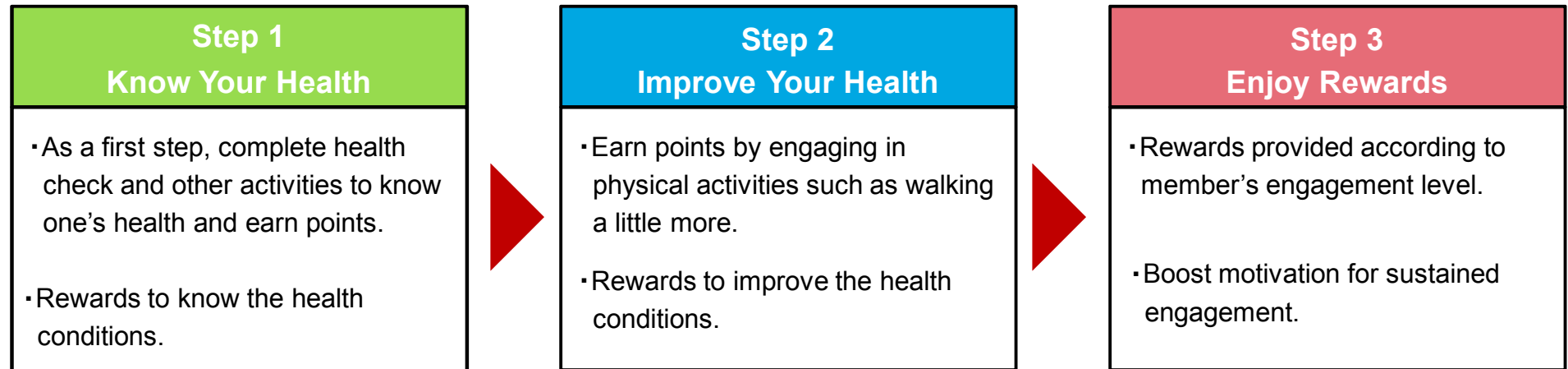


# How Vitality Program Works

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.

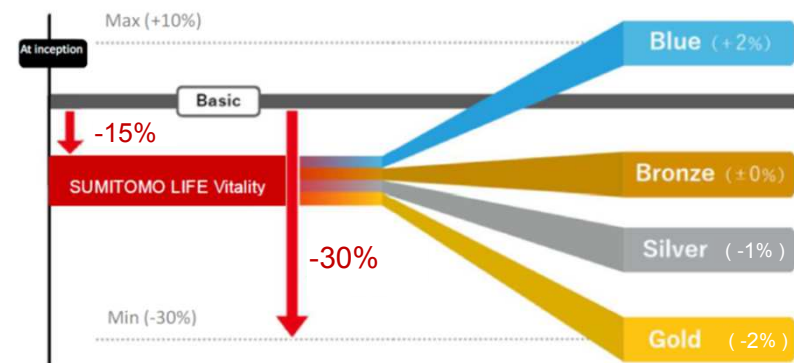
## How Vitality Program Works



## 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>

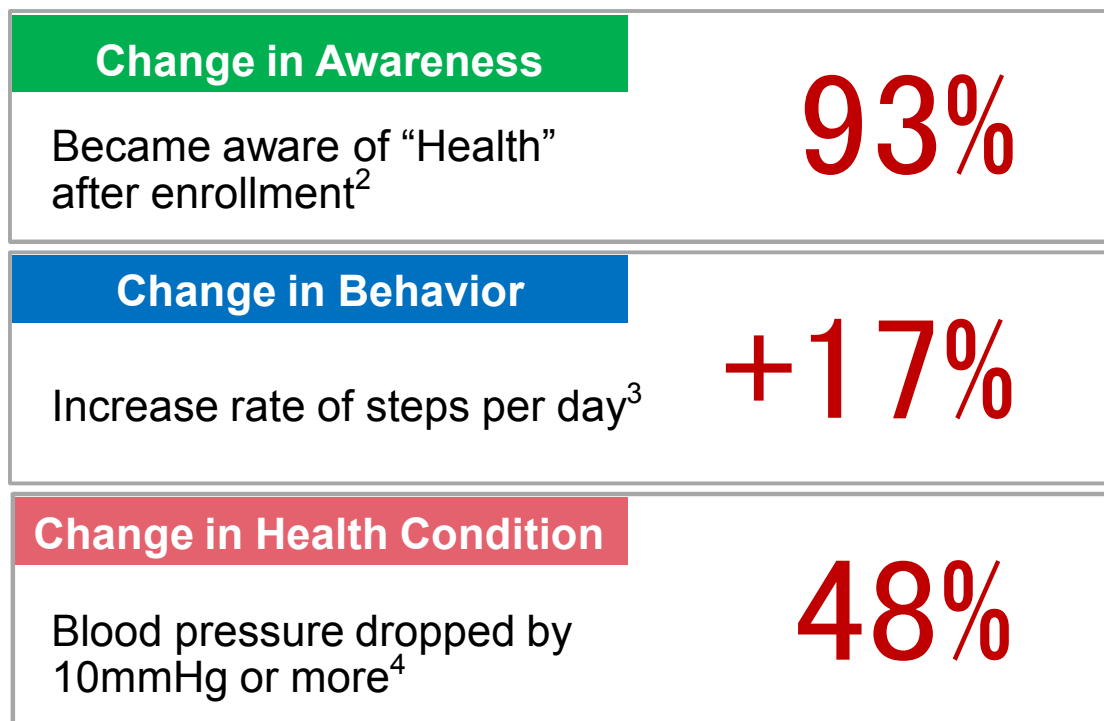
Established	1992
Representative	Adrian Gore, Group Chief Executive
Head office	Sandton, Johannesburg, South Africa
Stock listing	Johannesburg Stock Exchange (JSE)
Total assets (as of June 30, 2019)	ZAR 180,233 million (JPY 1,090.4 billion)*

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

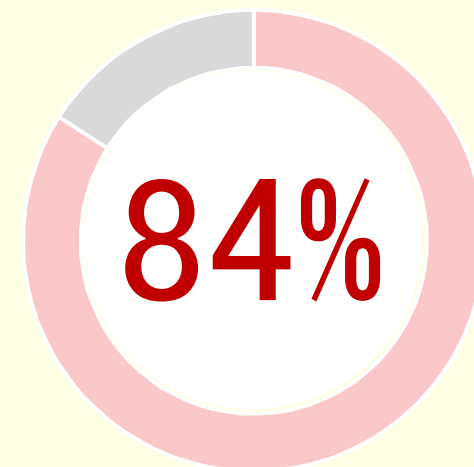
# Contribution of SUMITOMO LIFE Vitality

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 enrollment<sup>2</sup>



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

<sup>1</sup> 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

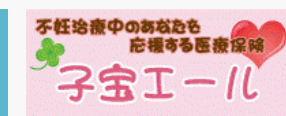
Company name	AIARU Small Amount & Short Term Insurance Co., LTD. <sup>2</sup>
Establishment	April 1984
Representative	Katsuyuki Ando, President and Representative Director
Head office	Nihonbashi Odenmacho, Chuo-ku, Tokyo
Capital	JPY 149.0 million <sup>3</sup>



## AIARU's Strengths

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

<Key products>



<sup>2</sup> 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.  
<sup>3</sup> As of March 31, 2020

# 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"> <li>• Implementation of the CSV project centered around health enhancement</li> </ul>
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"> <li>• Provision of products and services that contribute to solving social issues</li> <li>• Promotion of initiatives that contribute to fulfilling our role in a highly graying society</li> <li>• Provision of products and services optimized for each customer's circumstances and situation by fusing unique human value and digital technology</li> <li>• Stepping up efforts based on the "Policy on customer-oriented business operations"</li> </ul>
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"> <li>• Promotion of work-life balance                             <ul style="list-style-type: none"> <li>The rate of childcare leave taken by male employees: 100%</li> <li>Percentage of employees who actually feel the effects of work style reform: 90% or more (FY2022)</li> <li>Percentage of employees who are able to work from the customer/market perspective: 80% or more (FY2022)</li> <li>Percentage of employees who have taken at least 17 days of paid annual leave: 80% (FY2022)</li> </ul> </li> </ul>
		Recruitment & nurturing of flexible and diverse human resources	<ul style="list-style-type: none"> <li>• Promotion of women's participation                             <ul style="list-style-type: none"> <li>Percentage of female employees in managerial positions: 33% or more</li> </ul> </li> <li>• Promotion of employment of persons with disabilities (initiative to meet the legally required employment rate)</li> </ul>
		Coexistence with business partners through alliances, etc.	<ul style="list-style-type: none"> <li>• Maintaining sound relationships with all business partners</li> <li>• Provision of products and services through business tie-ups and strengthening of partnerships with financial institutions, etc.</li> </ul>
		Promotion of ESG investment and financing to realize sustainable societies	<ul style="list-style-type: none"> <li>• Investment and financing decisions using ESG information in addition to quantitative information</li> <li>• Promotion of engagement activities, taking ESG issues of investee companies into account</li> <li>• Investments in bonds, etc. aimed at resolving ESG issues (ESG bonds)                             <ul style="list-style-type: none"> <li>Target of investments in ESG bonds, etc.: ¥300 billion (3-year total)</li> </ul> </li> </ul>
		New value creation through open innovation	<ul style="list-style-type: none"> <li>• Creation of new value for customers and society through open innovation and digital innovation</li> </ul>
		Strengthening business development infrastructure (IT, etc.)	<ul style="list-style-type: none"> <li>• Infrastructure investment that contributes to continuous maintenance and improvement of service quality and cost control</li> </ul>



# 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) <sup>1</sup> Annualized premium of policies in force: ¥2,360 billion (FY2022) <sup>2</sup> Of which, living benefits, medical coverage, etc.: ¥620 billion (FY2022) <sup>2</sup> Core business profit for domestic business: ¥922 billion (3-year total) <sup>2</sup> Core business profit for overseas business: ¥141 billion (3-year total) <sup>3</sup>

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)	<b>4,160.2</b>	<b>4,264.5</b>
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)	<b>908.6</b>	<b>980.2</b>
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 $\frac{(A)}{(1/2) \times (B)} \times 100$	<b>915.6%</b>	<b>870.0%</b>

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
<b>Subordinated Bonds</b>							
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-
<b>Subordinated Loan</b>							
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 September 30, 2020. 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
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	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 (JPY bn)	Increase(decrease) as % of Mar. 31, 2019	Sumitomo Life (JPY bn)	Increase(decrease) as % of Mar. 31, 2019	Medicare Life (JPY bn)	Increase(decrease) as % of Mar. 31, 2019	Symetra (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 (JPY bn)	Increase(decrease) as % of Mar. 31, 2019	Sumitomo Life (JPY bn)	Increase(decrease) as % of Mar. 31, 2019	Medicare Life (JPY bn)	Increase(decrease) as % of Mar. 31, 2019	Symetra (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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