
1H FY2021 Business Results

Empowering your future



Sumitomo Life at a Glance

Company Overview

■ Established:	May 1907
<u>Key Figures¹ – 1H FY2021 (as of Sep. 2021)</u>	
■ Premium income:	JPY 1.17tn (USD 10.5bn) (JPY 2.41tn in FY2020)
■ Core business profit ² :	JPY 184.0bn (USD 1.6bn) (JPY 357.0bn in FY2020)
■ Total assets:	JPY 42.004tn (USD 375.3bn)
■ Annualized premiums from policies in force ³ :	JPY 2.84tn (USD 25.4bn)
■ Solvency margin ratio:	919.6%
■ Embedded value ⁴ (EEV) :	JPY 4.79tn (USD 42.8bn)
■ Number of sales representatives:	35,314
■ Insurer financial strength rating ⁵ :	A+ [S&P], A1 [Moody's], AA- [R&I], AA- [JCR], A+ [Fitch]

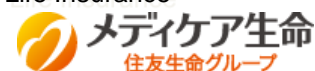
Source: Company disclosure

1. Consolidated figures. USD amounts in parentheses in this presentation (except as otherwise stated) are translated from JPY using USD1 = JPY111.92, as of September 30, 2021.
2. Core business profit of the group (see page 7 for details)
3. Figures for individual life and individual annuity for domestic business (see page 6 for details)
4. Combined figures of Sumitomo Life's EEV, Medicare Life's EEV and Symetra's EEV (see page 8 for details)
5. As of October 31, 2021. The rating from Fitch is unsolicited
6. As of September 30, 2021 on ownership

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 99.84% of the shares

Insurance Outlets



Izumi Life Designers /
INSURANCE DESIGN /
Agent Insurance Group /
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

Aviva Singlife Holdings

- Holding company with Aviva Singapore, one of the largest domestic insurance companies, and Singlife, an emerging insurance company that aims to harness cutting-edge technology
- Owns 20.74% of the shares



Key Highlights

◇ 1H FY2021 Results

- ✓ Group Annualized premiums (AP) from policies in force have shown stable growth. AP from new policies increased from 1H FY2020 due mainly to the growing sales of protection products. ... P.6
- ✓ Group core business profit decreased from 1H FY2020 due to investment for long-term growth, payments related to COVID-19, and higher initial policy costs associated with the growth in new policies of Medicare Life. ... P.7
- ✓ EEV increased from the end of the previous fiscal year due to positive results of the insurance business such as acquiring new policies and securing earnings from policies in force, as well as an increases in stock prices, etc. ... P.8
- ✓ Established a strong capital base consisting mainly of contingency reserves. ... P.9



I . FY2021 Business Results

Impact of the Pandemic

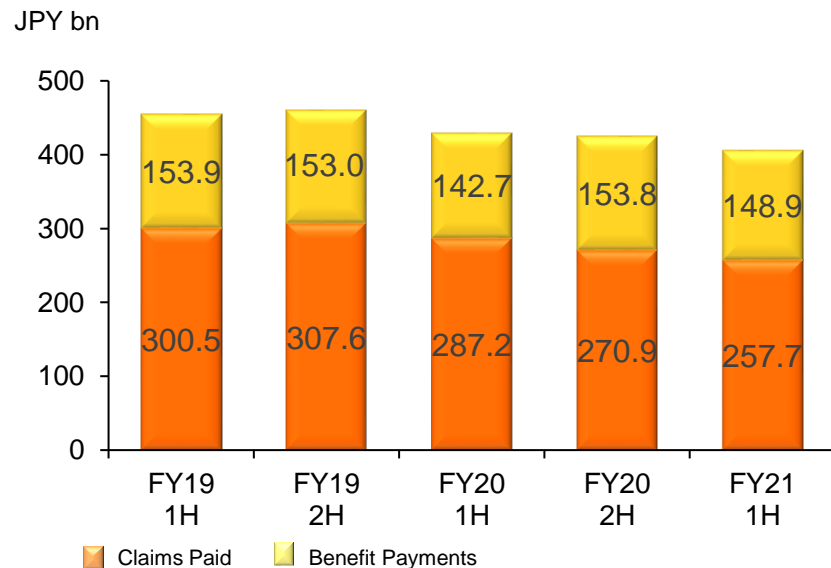
Payments of claims and benefits related to COVID-19 totaled approximately ¥11.2 billion, of which, approximately ¥7.1 billion was paid in 1H FY2021. Annualized premiums (AP) from new policies recovered to the level before the spread of COVID-19.

Situation in Japan (Sumitomo Life (non-consolidated))

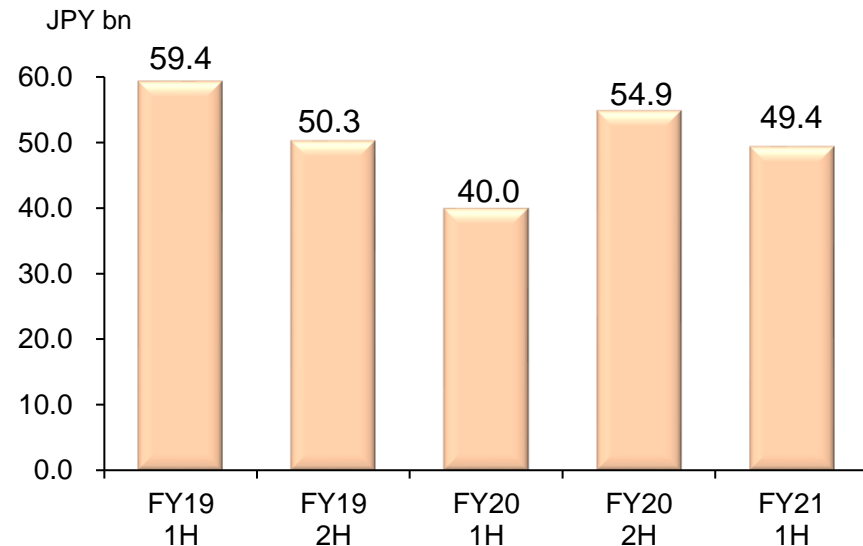
< COVID-19-related Payments >

	Death benefits		Hospitalization benefits		Extension of grace period of premium payment
	Number	Amount	Number	Amount	
Total since the spread of COVID-19	1,109	JPY 7.3bn	30,413	JPY 3.8bn	12,350
Of which, in 1H FY2021	664	JPY 4.3bn	21,381	JPY 2.7bn	863

< Claims Paid and Benefit Payments >



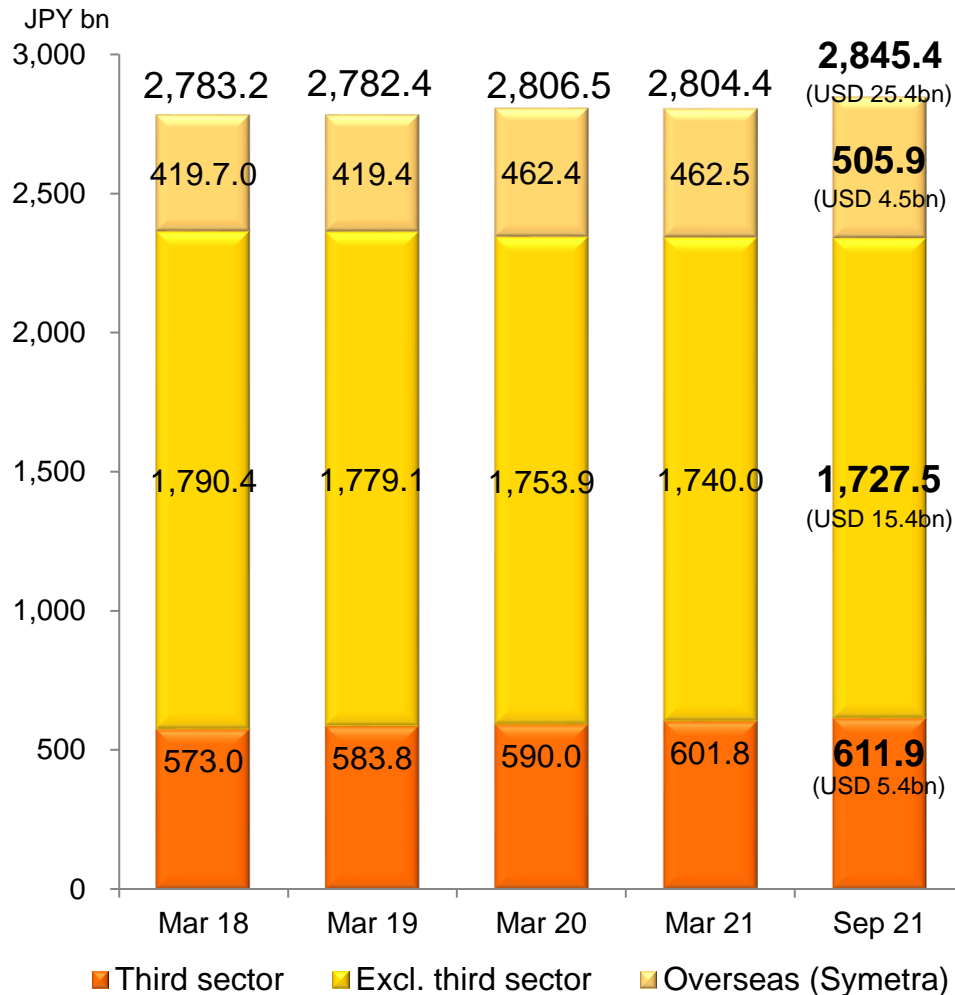
< Annualized Premiums from New Policies >



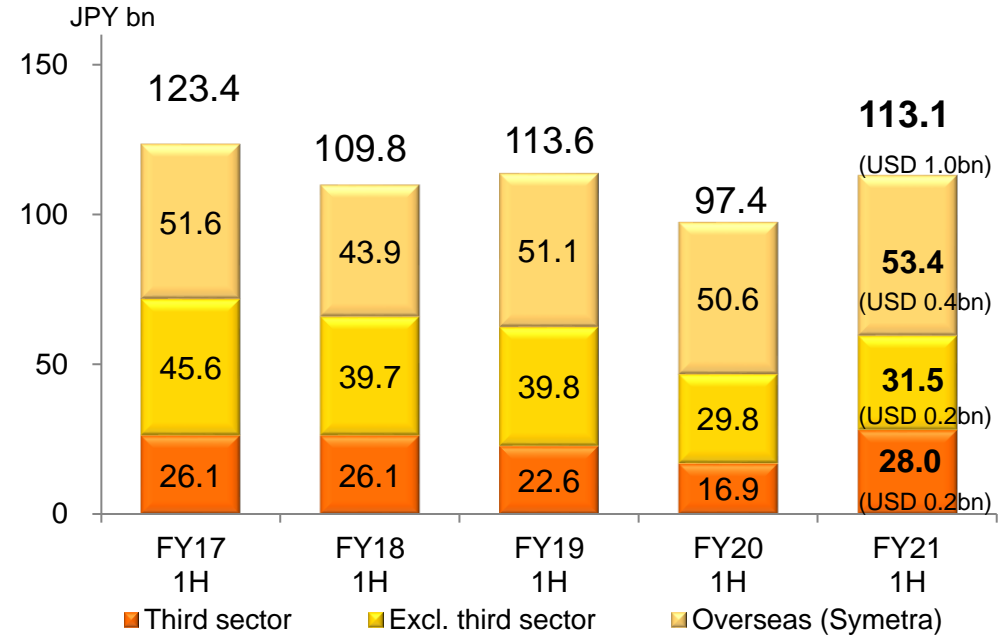
Operating Performance

Annualized premiums (AP) from policies in force have shown stable growth.
 AP from new policies increased from 1H FY2020 due mainly to the growing sales of protection products.

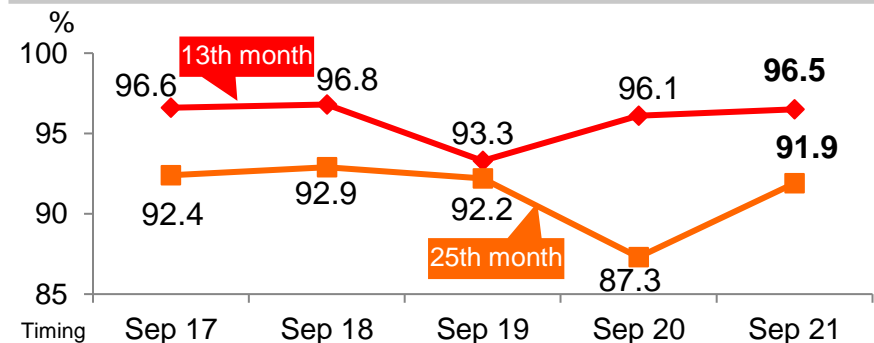
Annualized Premiums from Policies in Force¹ (Group)



Annualized Premiums from New Policies¹ (Group)



Persistency Rate² (Non-consolidated)



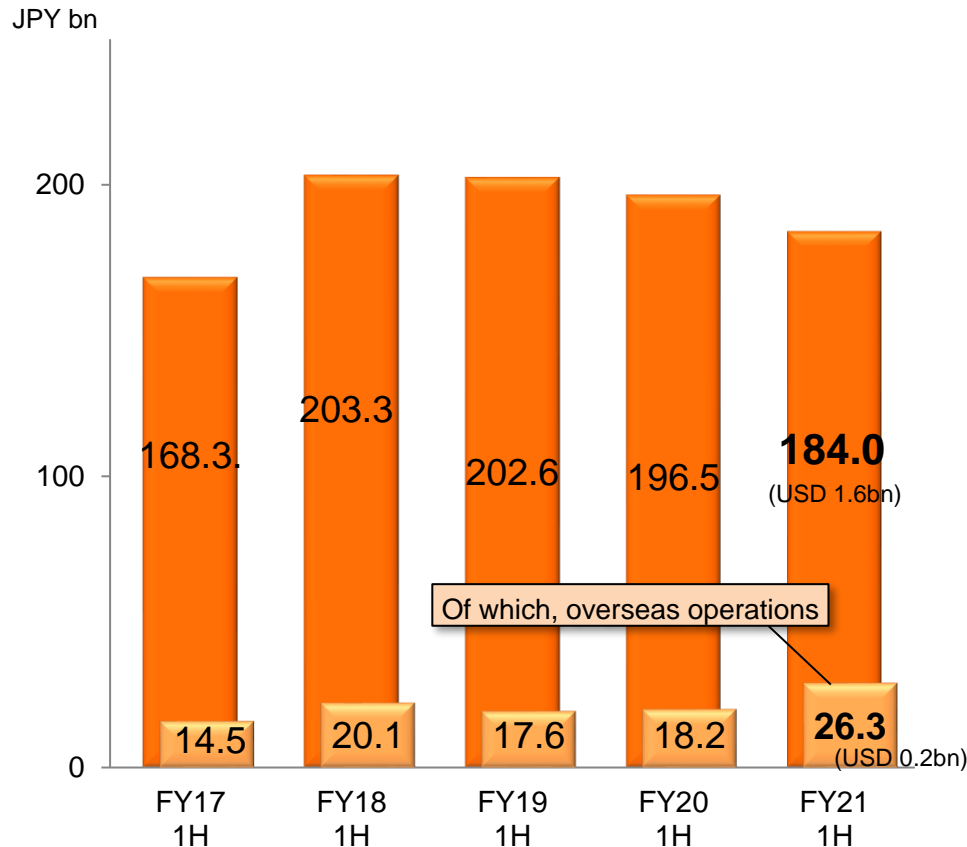
1. Figures for domestic business (Third sector + Excl. third sector) are individual life insurance and individual annuities

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

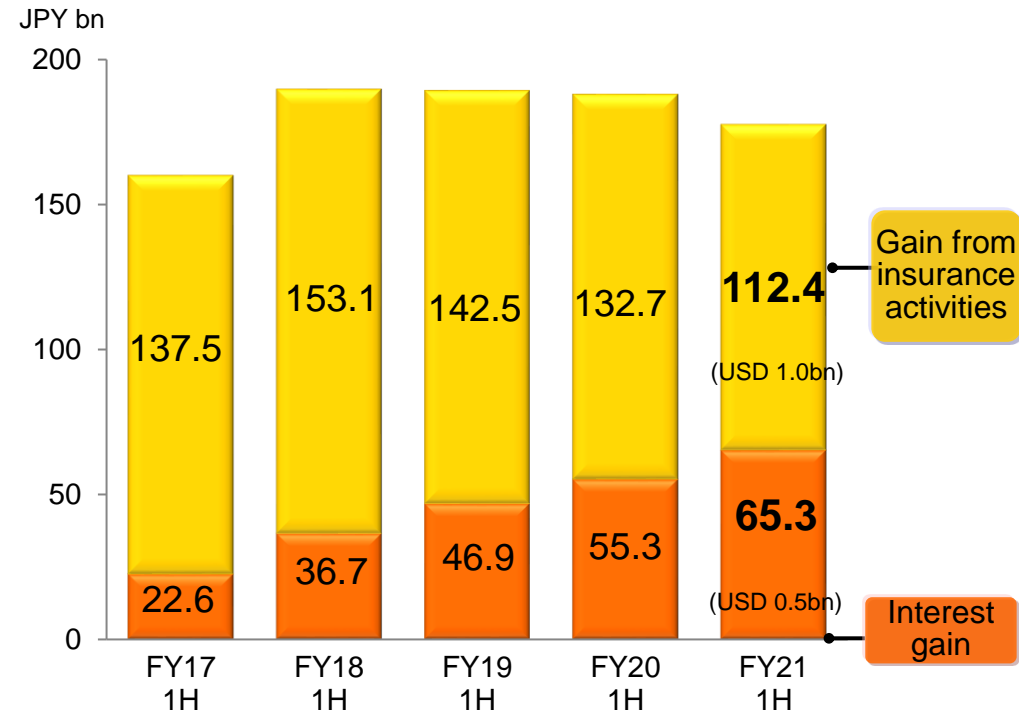
Profit Trend

Group core business profit decreased from 1H FY2020 due to investment for long-term growth, payments related to COVID-19, and higher initial policy costs associated with the growth in new policies of Medicare Life.

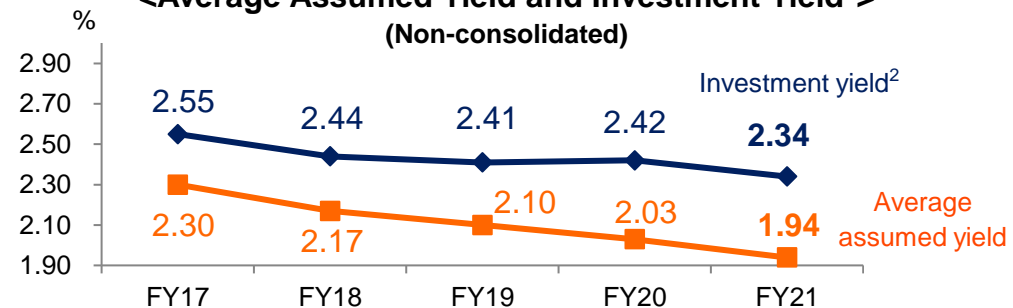
Core Business Profit¹ (Group)



Gain from Insurance Activities and Interest Gain (Non-consolidated)



<Average Assumed Yield and Investment Yield²> (Non-consolidated)



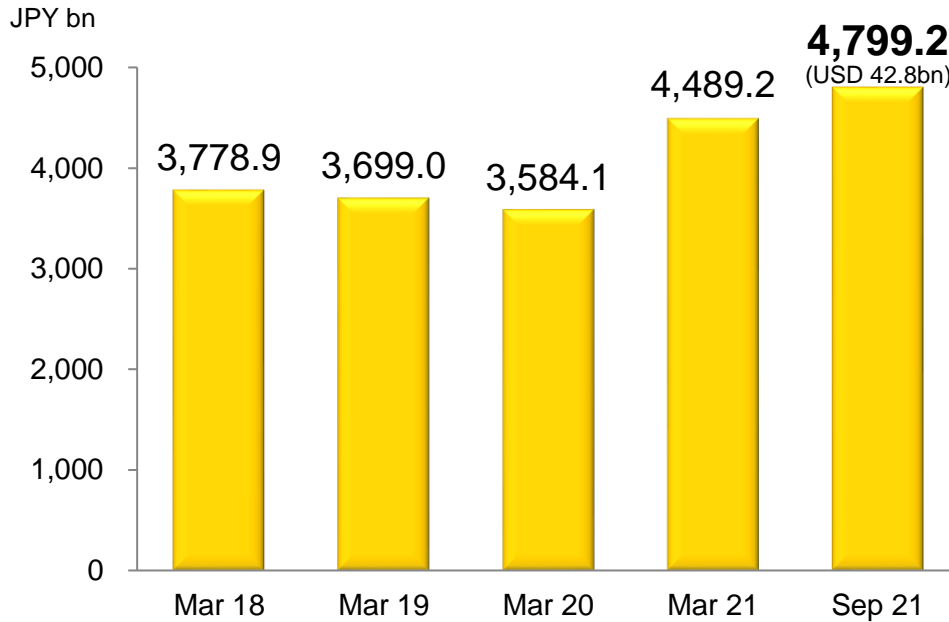
1. Group core business profit is calculated by combining core business profit of Sumitomo Life and Medicare Life, and profit before tax of Symetra, Baoviet Holdings, BNI Life, Aviva Singlife Holdings and PICC Life attributable to Sumitomo Life's equity stake in each company, with adjustments made to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

2. Related to core business profit

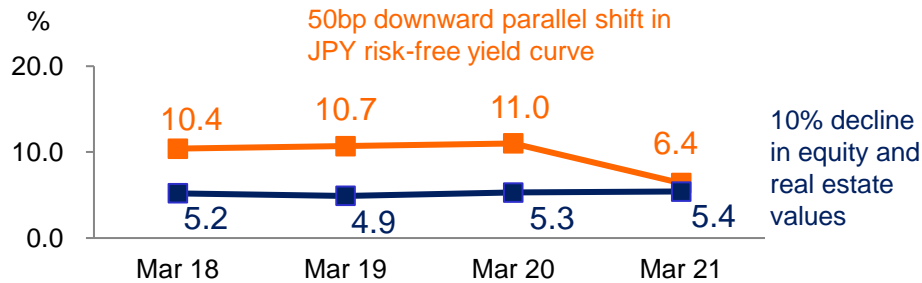
EEV Trend

EEV increased from the end of the previous fiscal year due to positive results of the insurance business such as acquiring new policies and securing earnings from policies in force, as well as an increase in stock prices, etc.

EEV (Group)

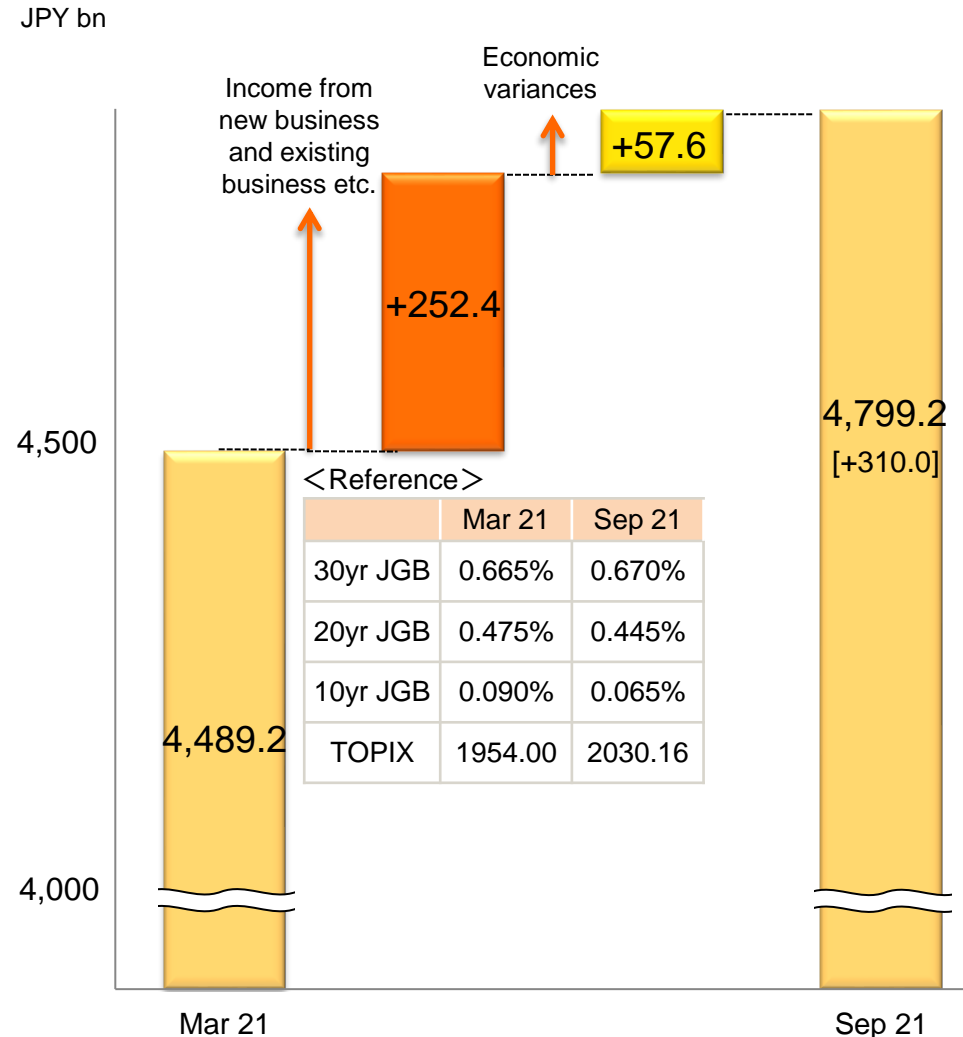


<(Reference) Sensitivity Rate of EEV (Group) ¹>



1. Sensitivity for each item. Other conditions are assumed to be the same

EEV Growth Factors



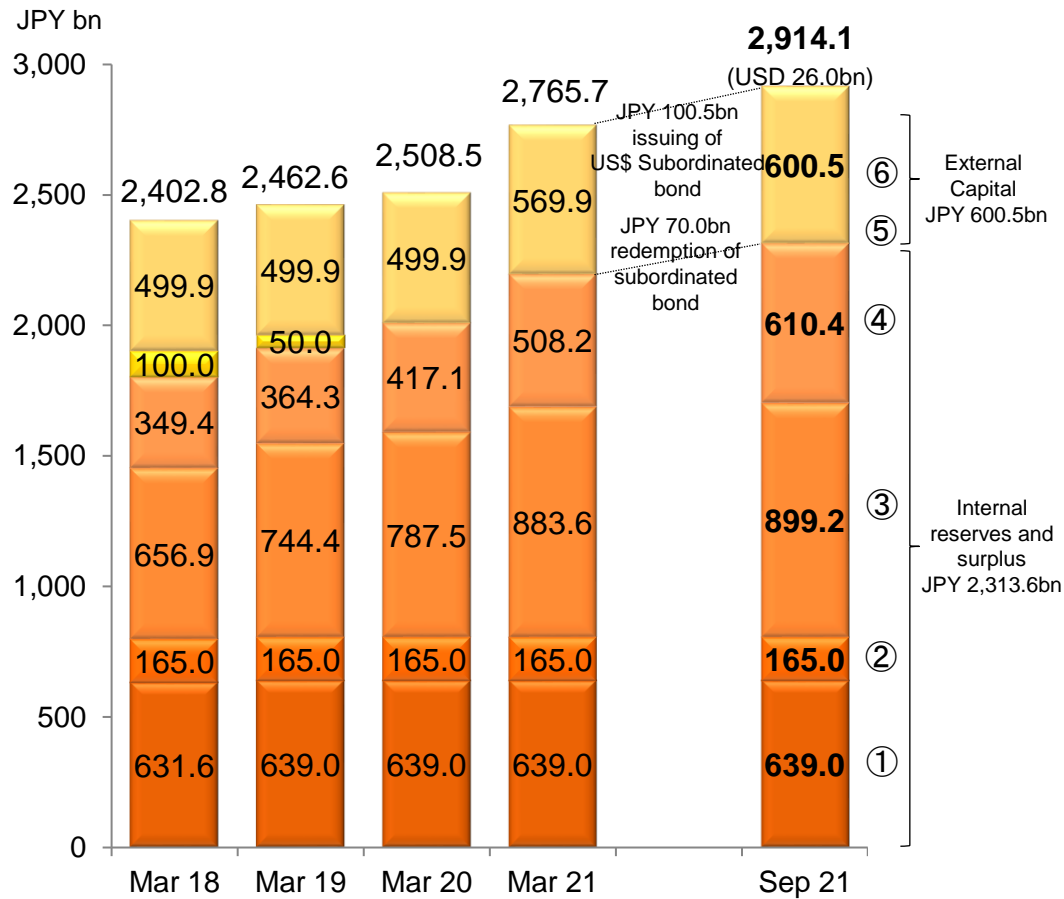
<Reference>

	Mar 21	Sep 21
30yr JGB	0.665%	0.670%
20yr JGB	0.475%	0.445%
10yr JGB	0.090%	0.065%
TOPIX	1954.00	2030.16

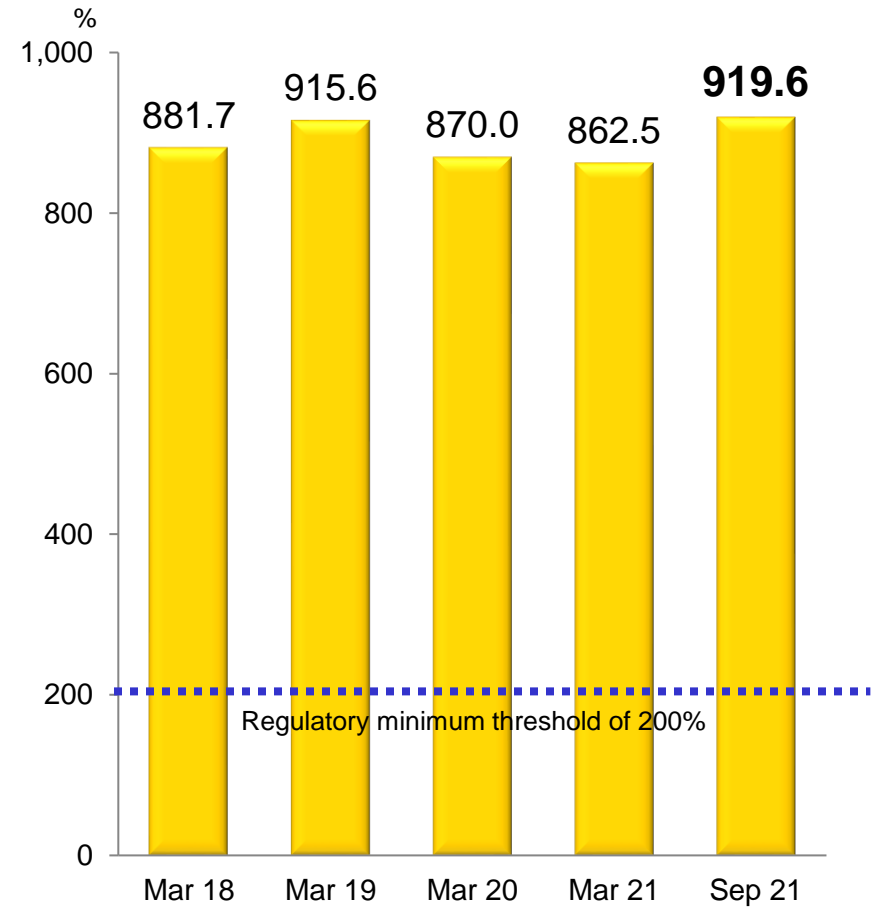
Capital Base

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 Contingency reserve
- ③ Fund for price fluctuation allowance
- ④ Foundation funds
- ⑤ Reserve for price fluctuation
- ⑥ Subordinated loans / bonds

1. Figures before March 2021 are after appropriation of surplus

Progress of Medium-Term Business Plan (2020-2022)



Items	Targets for March 2023	Results as of September 2021
Number of Customers (Policies in Force) ¹ (Sumitomo Life + Medicare Life + Business Alliance Partners)	14.00 million policies	14.19 million policies
Annualized Premiums from Policies in Force (Sumitomo Life + Medicare Life)	JPY 2,310.0bn	JPY 2,339.4bn
Of which, Third Sector	JPY 610.0bn	JPY 611.9bn
Domestic Business Core Business Profit (Sumitomo Life + Medicare Life)	3-year total JPY 901.0bn	FY2020 – 1H FY2021 total JPY 490.8bn
Overseas Operation Core Business Profit (Symetra, etc.)	3-year total JPY 103.0bn	FY2020 – 1H FY2021 total JPY 58.5bn

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



II. Sumitomo Life Group's Initiatives



① Multi-Channel and Multi-Product Strategy

② Asset Management

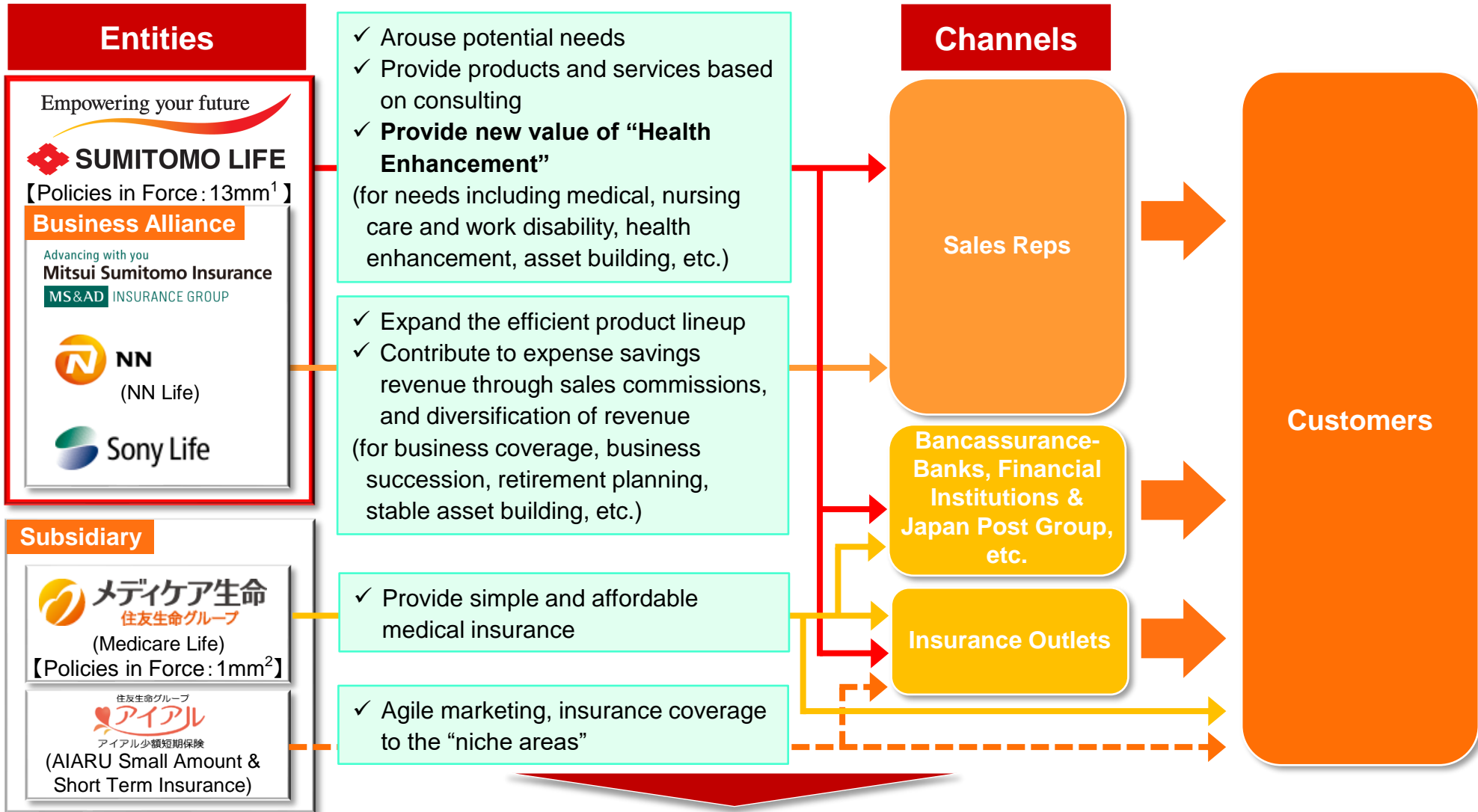
③ Sustainability

④ Overseas Business Development

⑤ Capital Policy

Multi-Channel and Multi-Product 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

1. As of September 30, 2021. Number of individual life insurance and individual annuities, including products provided by our business alliance partners (Mitsui Sumitomo Insurance, NN Life, Sony Life)
2. As of September 30, 2021

Our Main Products

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

		Life Insurance				P&C Insurance		
Customer Needs	Individual Life				Corporate Insurance	In case of a sudden accident		
	Mortality	Nursing Care / Work Disability	Medical Insurance	Savings				
Products	<p>Comprehensive Protection Insurance 生活保険で、じぶんを救え。 1UP↑ 未来デザイン ワンアップ</p> <p>健康増進 就労不能介護 死亡 医療</p>		<p>Medical Insurance スミセイの医療保険 ドクタ-GO</p> <p>健康増進 医療</p>		<p>Single-Premium Insurance [Yen] (Whole Life) [Foreign Currency] (Whole Life)</p> <p>ふるは〜と ジョ-ドplus</p> <p>ふるは〜と ジョ-ドglobal II</p> <p>たのしみ グローバルII 指数連動プラン</p>		<p>Term Life スミセイの定期保険 エンブレム 新長期プラン</p>	<p>Automobile Insurance 安心のゴールキーパーでありたい。 GK クルマの保険</p>
	<p>Dementia Protection スミセイの 認知症PLUS 認知症</p>		<p>Cancer Protection スミセイの がんPLUS ALIVE がん保険</p>		<p>Level-Premium Insurance [Yen] (Whole Life) [Foreign Currency] (Whole Life)</p> <p>プラス つみたて終身保険 円建</p> <p>プラス つみたて終身保険 米ドル建</p> <p>スミセイの医療的進展型終身保険 パラ色人生</p> <p>スミセイの低解約返戻金型介護終身保険 パリュウケア</p> <p>(Annuity) スミセイの個人年金保険 たのしみワンダフル</p>		<p>Medical Protection スミセイの医療保険 ドクタ-GO ロシグリリーフ</p>	<p>Property Insurance 安心のゴールキーパーでありたい。 GK すまいの保険</p>
<p>Wellness program that could be attached to the above main products SUMITOMO LIFE Vitality Discovery</p>		<p>Income Assurance Insurance 専業主婦型収入保障保険(無解約返戻金型) メディフィット 収入保障</p>		<p>Medical Insurance (Simple and affordable) 新 医療費負担軽減型終身保険(無解約返戻金型) メディフィットA</p>		<p>Casualty Insurance 安心のゴールキーパーでありたい。 GK ケガの保険</p>		
<p>Income Assurance Insurance 専業主婦型収入保障保険(無解約返戻金型) メディケア生命 住友生命グループ</p>		<p>Medical Insurance (Simple and affordable) 新 医療費負担軽減型終身保険(無解約返戻金型) メディフィット がん保険</p>		<p>Work Disability Protection 1UP↑ スクエアライン ワンアップ</p>		<p>Others ゴルファー保険 (パーソナル生活補償保険)</p>		

SUMITOMO LIFE Vitality Sales

Sales of SUMITOMO LIFE Vitality were strong in 1H FY2021, with the number of policies sold increasing steadily. Started offering a trial version and a family plan to enable more customers to experience for themselves the attraction of the Vitality program.

Overview of SUMITOMO LIFE Vitality

- Package product, which adds Vitality, a globally recognized health enhancement program with over 20 million members across 30 countries and regions as of June 30, 2021, to a protection type product.
- Sumitomo Life is the exclusive partner insurer for the Japanese market for the distribution of Vitality.
- Cumulative 820,000 contracts as of September 30, 2021.

Protection Type

Products

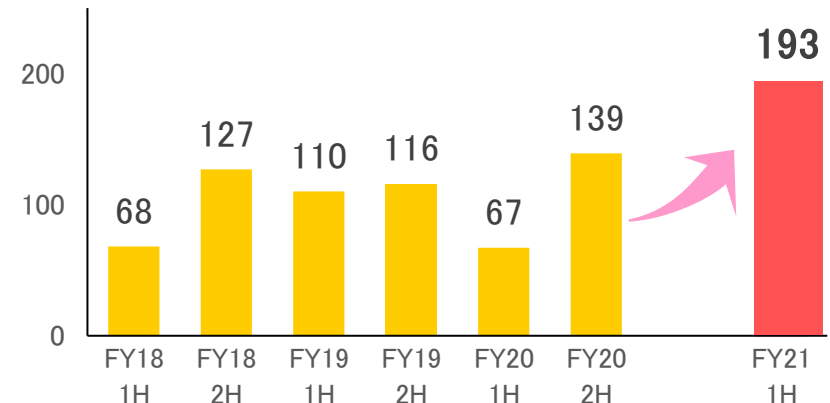
- Prepare for nursing, medical and mortality risks

Vitality Wellness Program

- Contribute to reduction of risks associated with illness via mechanism that promotes sustained health enhancement

Number of SUMITOMO LIFE Vitality policies sold

- Sales in 1H FY2021 were a record high on a semi-annual basis. (thousand policies)



Efforts to let more customers experience for themselves the attraction of the Vitality program

■ Provision of a Vitality trial version

- Started offering a “trial version” that allows customers to experience part of the Vitality Wellness Program (e.g. Active Challenge) free of charge for a limited time before signing life insurance policies. The aim is to enable customers to experience for themselves the attraction of Vitality.

The Active Challenge system

1. A weekly target is set automatically.



2. Points are gained through activities such as walking, with the aim to achieve the target number of points.



3. If the weekly target is achieved, the user is guaranteed to receive tickets that can be exchanged for various drinks.



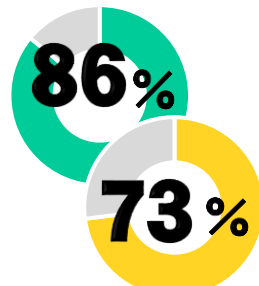
■ Launch of a family plan

- Launched a “Family Plan” targeting Vitality members’ families, with the aim of encouraging members to participate in the Vitality Wellness Program as a family.

I became more conscious of “family health” since the COVID-19 outbreak¹

I am working on health improvement together with families and friends²

1. Results of questionnaire for Vitality members: Survey of 32,316 members living with other household members
2. Results of questionnaire for Vitality members: Survey of 12,732 members who have Vitality members in their households



Contribution and Evolution of SUMITOMO LIFE Vitality

SUMITOMO LIFE Vitality contributes to change in awareness, behavior, and health condition of policyholders
Continuously work on the evolution of SUMITOMO LIFE Vitality in order to support policyholders to engage in health enhancing activities

Contribution of SUMITOMO LIFE Vitality

[Vitality members]

Increase in or continuation of exercise opportunities

Increase in exercise opportunities after enrollment¹: **81 %**

+9 % increase in the average number of steps after enrollment and **subsequent continuation** of moderate exercise²

Improvements in the results of health checks³

Blood pressure reduction of 10 mmHg or more: **44 %**

Blood sugar reduction of 10 mg/dl or more: **31 %**

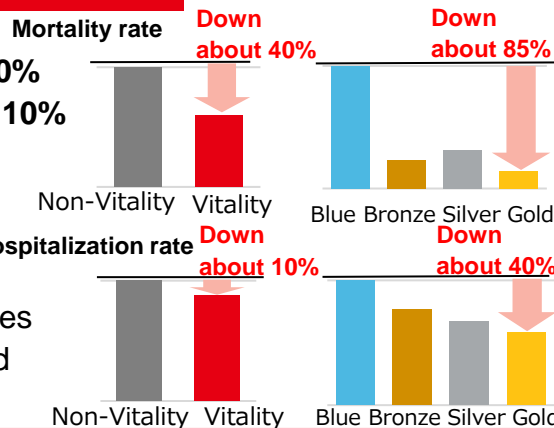
LDL cholesterol reduction of 10 mg/dl or more: **39 %**

[Payments]

Decrease in mortality and hospitalization rates⁴

Vitality members have about **40% lower** mortality rate and about **10% lower** hospitalization rate.

By Vitality member status, both mortality and hospitalization rates are **significantly lower** for gold members than blue members.



Evolution of SUMITOMO LIFE Vitality

Expansion of Bundled Target Products

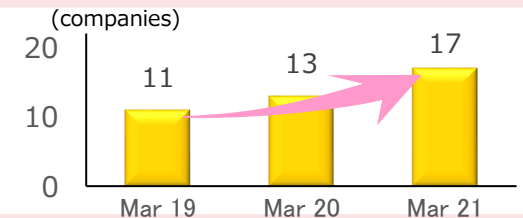
【As of Sep 30, 2021】



Expansion of reward partner companies

【As of Sep 30, 2021】

17
companies



Donation to the Japan Cancer Society using Active Challenge

[Addition in June 2021] Made it possible to choose donation to the Japan Cancer Society instead of using coffee and drink tickets obtained in Active Challenge (after achieving weekly exercise point goals)

1. Questionnaire by Sumitomo Life. The number of responses: 41,666. Excluding Sumitomo Life employees.

2. Analysis of the average number of steps taken by members enrolled between September 2018 and January 2019, by the end of January 2021.

3. Members who enrolled between September 2018 and January 2021, who, after enrolling, had submitted health-check results by March 2021, and who met all of the following conditions.

• Blood pressure: systolic blood pressure of 140 mmHg or more at the time of enrollment • Blood sugar level: fasting blood sugar level of 126 mg/dl or more at the time of enrollment

• LDL cholesterol: LDL cholesterol of 140 mg/dl or more at the time of enrollment

4. Calculated based on payments made from April 2020 to March 2021 for policies issued before March 2020. The mortality rate excludes accidental deaths,

and the hospitalization rate excludes accidental hospitalizations. Non-Vitality refers to policies that do not include the Vitality Wellness Program despite their eligibility.

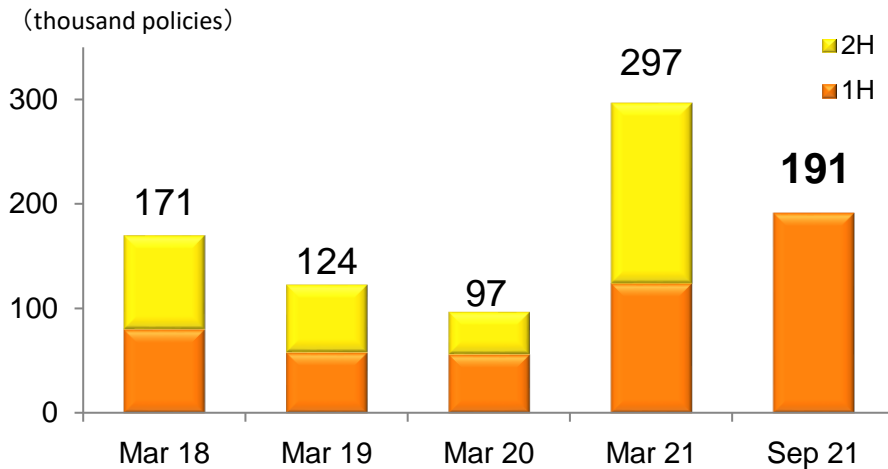
Medicare Life

Sales of medical whole life insurance continued to be strong from last fiscal year, and the number of policies in force increased.

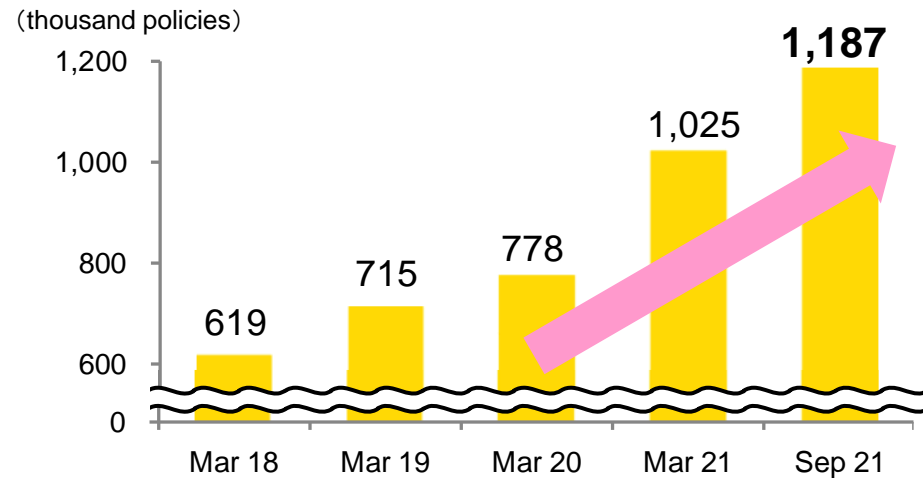
Medicare Life



< Number of New Policies >



< Number of Policies in Force >



< Key Indicators (As of September 30, 2021) >

EEV	JPY 226.1 bn
Solvency Margin Ratio	1,349.8%
Credit Rating	AA- (R&I)

Insurance Outlets, etc. of Sumitomo Life Group

Izumi Life Designers Co., Ltd.

Operates insurance outlets called "Hoken Hvakka"



INSURANCE DESIGN

Operates insurance outlets called "Hoken Design"



Mycommunication Co., Ltd.

Operates insurance outlets under the brand of "Hoken Hotline"



Agent Insurance Group, Inc.

Mainly sells P&C insurance





① Multi-Channel and Multi-Product Strategy

② Asset Management

③ Sustainability

④ Overseas Business Development

⑤ Capital Policy

Medium-Term Asset Management Policy

We plan to control the total risk amount by reducing domestic interest rate risk through investment in super long-term domestic bonds in anticipation of a prolonged low interest rate environment, and enhance profitability by further expanding investment in foreign credit assets and risk assets.

Medium-Term Asset Management Policy

Reduction of domestic interest rate risk

Super long-term domestic bonds, etc.

Continue

Consideration of new schemes (comprehensive hedging by interest rate swaps)

New

Enhancement of profitability through risk-taking

Foreign credit assets

Increase Investment

Non-traditional investments¹

Expand Scope

Foreign stocks

Increase Investment

Unhedged foreign bonds

Increase Investment

Promotion of responsible investment

GHG net-zero

New

Responsible investment structure

Enhance

All assets to be covered

Expand Scope

Amount of thematic investment

Raise Target Amount

Risk Amount ↓

Risk Amount ↑

Improve profitability while controlling the total risk amount

1. Assets and investment methods other than those that are called traditional assets such as bonds and listed stocks (e.g. private equity, private debt)

Initiatives in 1H FY2021

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 1H FY2021

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

ALM Investment Portfolio

- Portfolio focused on yen-denominated assets (approx. JPY 26tn)
- Objective is to contribute to secure payment of claims, etc.

Balanced Investment Portfolio

- Portfolio focused on highly liquid securities (approx. JPY 7tn)
- Objective is to contribute to sustainable growth of Embedded Value

Increased Investment Earnings

- Promoted investment in foreign credit assets when corporate bond issuance increased, while strengthening diversification of the portfolio, and selection.
- Gradually increased investments in infrastructure equity funds and private equity funds. Considered and started investing in new non-traditional assets such as private debt.

Promoted Responsible Investment

- invested in domestic, U.S., and Asian equities, paying attention to stock price trends
- Increased investment of unhedged foreign bonds (USD/Asian currencies) while taking the levels of interest rates and foreign exchange rates into account

Strengthened Risk Control

- Reduced domestic interest rate risk by investing in super long-term bonds and implementing comprehensive hedging of interest rate swaps, with the outlook of a prolonged low interest rate environment

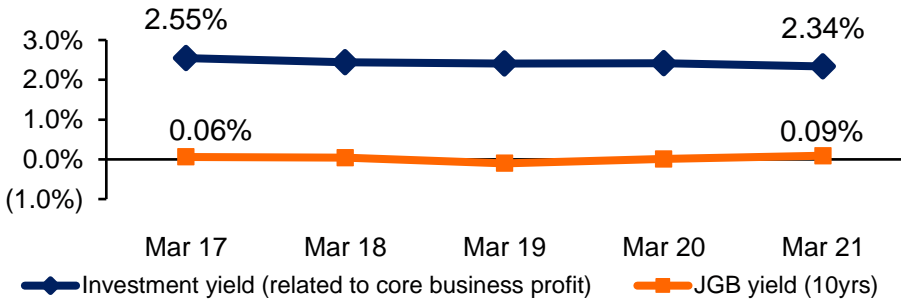
- Hedged risks in case of decline in stock market and yen appreciation

Initiatives to Strengthen Asset Management Platform

- Started to formulate human capital strategy based on long-term asset strategy.
- Promoted cross-departmental BPR¹, expand work from home by introducing remote operation system
- Entrusted assets such as bank loans and US private corporate bonds, and decided to fully outsource overseas corporate bond management to Symetra Investment Management.

1. Business Process Reengineering: Fundamental review and redesign of work content and flow, etc.

Market Interest Rate and Our Investment Yield

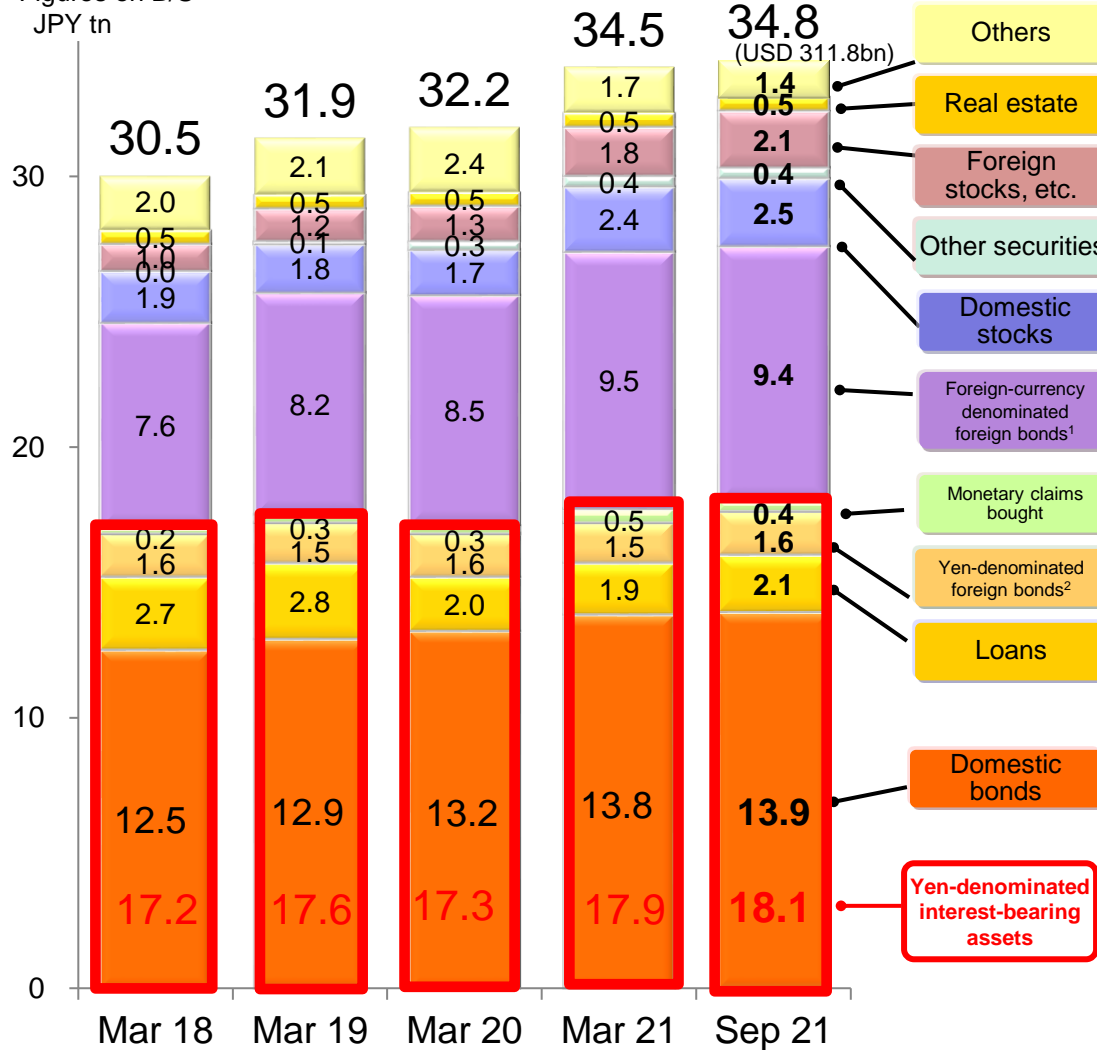


General Account Asset Portfolio

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

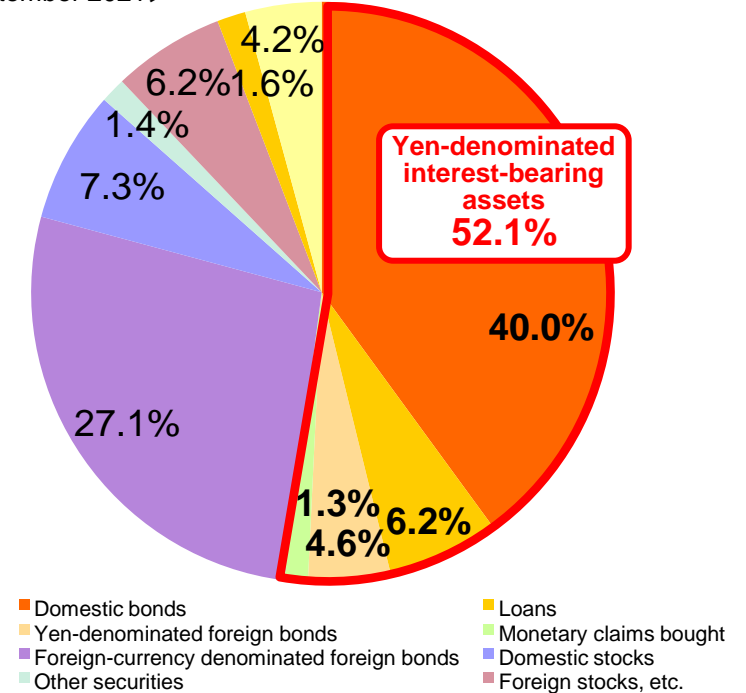
Trend of General Account (GA) Assets (Non-consolidated)

Figures on B/S
JPY tn



Breakdown of GA Assets (Non-consolidated)

<As of September 2021>



Unrealized Gains/Losses in GA Assets (Non-consolidated)

JPY bn

	As of Mar 2021	As of Sep 2021	change
Securities	3,694.1	3,810.0	+115.9
Held-to-maturity debt securities	261.3	254.6	(6.7)
Policy-reserve-matching bonds	1,597.1	1,587.7	(9.4)
Available-for-sale securities	1,840.9	1,972.7	+131.8
Domestic stocks	1,222.5	1,285.0	+62.4
Foreign securities	521.9	570.4	+48.4

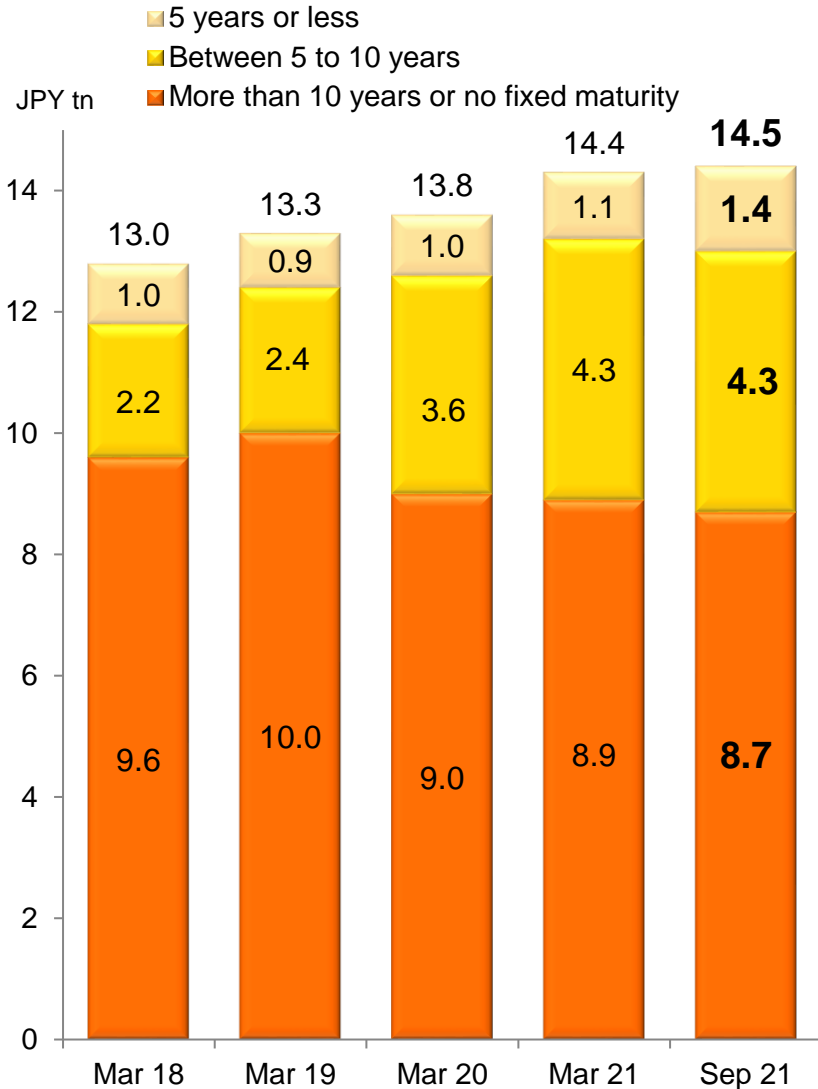
1 Foreign currency-denominated foreign bonds (including those issued by residents) include currency-hedged foreign bonds

2 Yen-denominated foreign bonds include foreign currency-denominated foreign bonds with a fixed amount in Japanese yen *See page 51 for details

Profile of Domestic Bonds

Strengthen domestic interest rate risk management based on ALM strategy

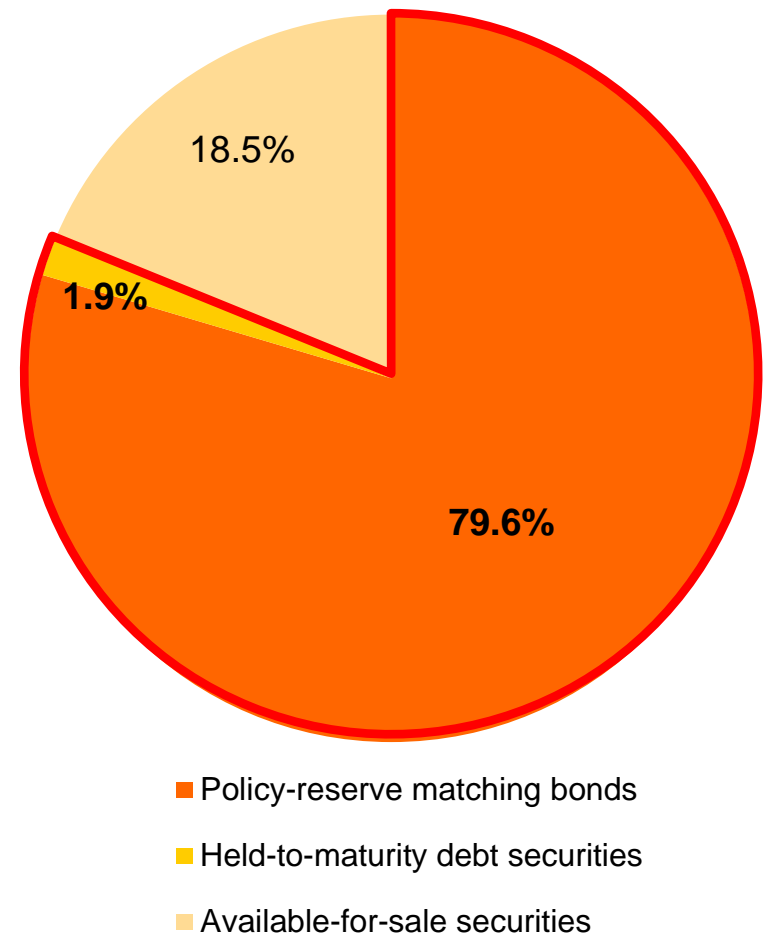
Domestic Bonds by Maturity (GA·non-consolidated)



Domestic Bonds by Category (GA·non-consolidated)

<As of September 2021>

Domestic Bonds Outstanding Balance:
JPY 14.56tn (USD 130.0bn)



Asset Management Strategy for 2H FY2021

In 2H FY2021, investments will be made based on the asset management policy, while paying attention to various risks. We will increase investment in credit assets and domestic/foreign stocks without increasing the total amount of asset management risk by steadily reducing domestic interest risk, in order to enhance profitability in the low interest rate environment

Asset Management Strategy for 2H FY2021

ALM Investment Portfolio

Balanced Investment Portfolio

Increase Investment Earnings

- Invest in foreign credit assets while taking hedging costs into account, and consider further investment in the event of rising interest rates
- Increase alternative investments
- Consider investing in high quality real estate

Strengthen Risk Control

- Steadily invest in super long-term bonds and new schemes while paying attention to the trend of interest rate, and consider further investment in the event of rising interest rates
- Thoroughly diversify the portfolio, and make prudent selection taking the post-pandemic situation into account

Strengthen Asset Management Platform

- Accelerate human resource development
- Develop IT strategy for medium- to long-term asset management, reinforce platform
- Expand entrusted assets, and promote full outsourcing of overseas corporate bond management to Symetra Investment Management
- Research and expand alternative investments

Promote Responsible Investment

- Increase investment in domestic and foreign stocks that are undervalued from a mid- to long-term perspective
- Increase investment in unhedged foreign bonds, while taking levels of interest rates and foreign exchange rates into account
- diversify the portfolio, and make prudent selection Thoroughly taking the post-pandemic situation into account
- Build hedge position of stocks and foreign exchange rates in case of decline in market

Major Initiative for Responsible Investment

Accelerate decarbonization of asset portfolio in 1H. Steadily implement thematic investment.

Promote ESG integration of all assets through dialogue with investees on their decarbonization initiatives in 2H.

Initiative to Achieve Net Zero of Asset Portfolio

NEW (2021/10)

Net-Zero
Asset Owner Alliance

Commitment

April 2021: Announced net-zero GHG emissions by 2050

NEW (2021/8)

PCAF Partnership for Carbon Accounting Financials

Measurement & Scenario Analysis

Measure GHG emissions from the asset portfolio. Next challenges will be enhancements of aspects such as scenario analysis

NEW (2021/10)

Net-Zero
Asset Owner Alliance

Target Setting

June 2021: Set a reduction target of -42% by 2030 (compared to fiscal 2019) in our asset portfolio

Climate Action 100+
Global Investors Driving Business Transition

CDP
DISCLOSURE INSIGHT ACTION

Action

Promote dialogue with companies with top GHG emissions to encourage decarbonization

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

Information Disclosure

October 2021: Release Responsible Investment Activities Report (GHG emissions, etc.)

Implementation of the Thematic Investment

	Target amount (Fiscal 2020 - 2022)	Results (1H 2020 - 2021)
Thematic investment	Cumulative: ¥500.0 billion	Approx. ¥240.2 billion (¥94.5 billion for 1H 2021)

Promote ESG Integration of All Assets

1H FY2021

- ✓ Clarify the process of real estate and project financing
- ✓ Start considering sovereigns

2H FY2021 (planned)

- ✓ Clarify the process of entrusted assets and securitized products, etc.



① Multi-Channel and Multi-Product Strategy

② Asset Management

③ Sustainability

④ Overseas Business Development

⑤ Capital Policy

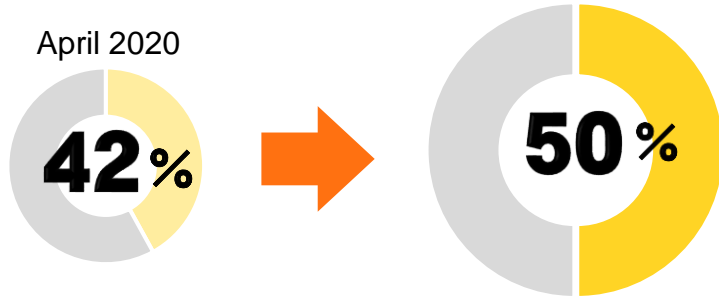
Initiatives in FY2021

We continued to implement sustainability initiatives as in FY2020. Various reports have been newly published to report the status of our efforts to promote sustainability.

Formulation of an “Action Plan for Promoting Participation by Women”

Set a target for female employees in managerial positions by the end of FY2025, with an aim to further promote the active participation of diverse talents

Goal for the end of FY2025



Publication of the Sustainability Report

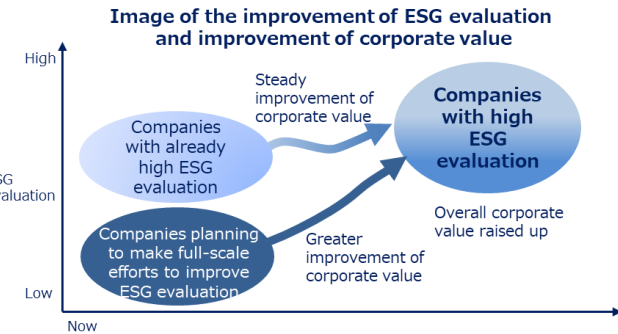
Newly published the Sustainability Report in September 2021 (comprehensive description of the approach and efforts for promoting sustainability)



Launch of new products contributing to solving social issues

Launched an ESG-focused investment product that mainly invests in Japanese stocks for corporate pensions

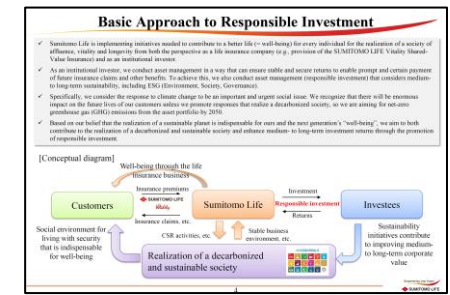
(Product name)
Group annuity separate account “Yen-denominated stocks account E” (ESG investment)



The diagram above is a conceptual image and may not reflect reality.

Publication of the Responsible Investment Activities Report

Published the Responsible Investment Activities Report in October 2021 (the previous “Stewardship Activities Report” was renamed after information on ESG investment and other initiatives was added)



Empowering your future

External Initiatives

Participation in External Initiatives

【Environment (E) related】



Task Force on Climate-Related Financial Disclosures

- A private sector-led task force established by the Financial Stability Board (FSB) in December 2015. In June 2017, TCFD released its final report (TCFD recommendations) providing a framework for companies' voluntary disclosure of information regarding climate-related risks and opportunities
- Sumitomo Life announced the endorsement of the TCFD recommendations in March 2019.



Climate Action100+

- An initiative to seek the reduction of greenhouse gas emissions through engagement with companies. (Five-year project that started in December 2017)
- Sumitomo Life signed the initiative in December 2020.



CDP

- An initiative to encourage major companies around the world to disclose information on climate change, water, forests, etc., and to engage in collaborative engagement. Launched in 2000.
- Sumitomo Life signed the initiative in December 2020.

New



PCAF

- An initiative launched in 2015 that aims to standardize assessment and disclosure related to asset portfolio greenhouse gas emissions.
- Sumitomo Life signed the initiative in August 2021.



AOA

- An international initiative that aims to achieve the Paris Agreement's goal of limiting temperature rise to 1.5° C through the cooperation of asset owners. Under the leadership of the United Nations Environment Programme Finance Initiative (UNEP FI) and the Principles for Responsible Investment (PRI), the AOA has been active since 2019.
- Sumitomo Life joined AOA in October 2021.

New



Principles for Responsible Investment

- A set of investment principles launched by the United Nations in 2006 that calls for institutional investors to incorporate ESG perspectives into their investment and financing decision-making processes.
- Sumitomo Life signed the PRI in April 2019.



JSI

- An initiative launched in November 2019 to enable a free exchange of views between industry participants such as asset owners and asset managers. JSI provides opportunities to share information and explore solutions for practical issues relating to stewardship.
- Sumitomo Life has been a participant since it was launched.

United Nations Global Compact (UNGC)

- An initiative that encourages organizations to comply with and put into practice 10 principles in the four areas of human rights, labor, environment, and anti-corruption.
- Sumitomo Life has been a participant since July 2008.

【Society (S) related】

In support of



Established by UN Women and the UN Global Compact Office

Women's Empowerment Principles

- A set of international principles for female economic empowerment drawn up for companies jointly by the UN and UNGC UNIFEM (now UN Women), an autonomous compact framework established between the UN and companies in March 2010. These aim to energize corporate activity and promote growth by encouraging companies to put gender equality and female empowerment at the heart of management, and to autonomously implement related initiatives.
- Sumitomo Life signed the principles in September 2020.



"The Valuable 500"

- A global movement launched at the Davos World Economic Forum in January 2019, the aim of which is for business leaders to effect a transformation in business, society, and the economy, in order to enable people with disabilities to fulfill their potential.
- Sumitomo Life became a member in September 2020.



Principles for Financial Action for the 21st Century

- A code of conduct established in October 2011 for financial institutions seeking to fulfill the responsibilities and duties required to shape a sustainable society. Its official name is "Principles for Financial Action Towards a Sustainable Society."
- Sumitomo Life signed the principles in November 2020.



① Multi-Channel and Multi-Product Strategy

② Asset Management

③ Sustainability

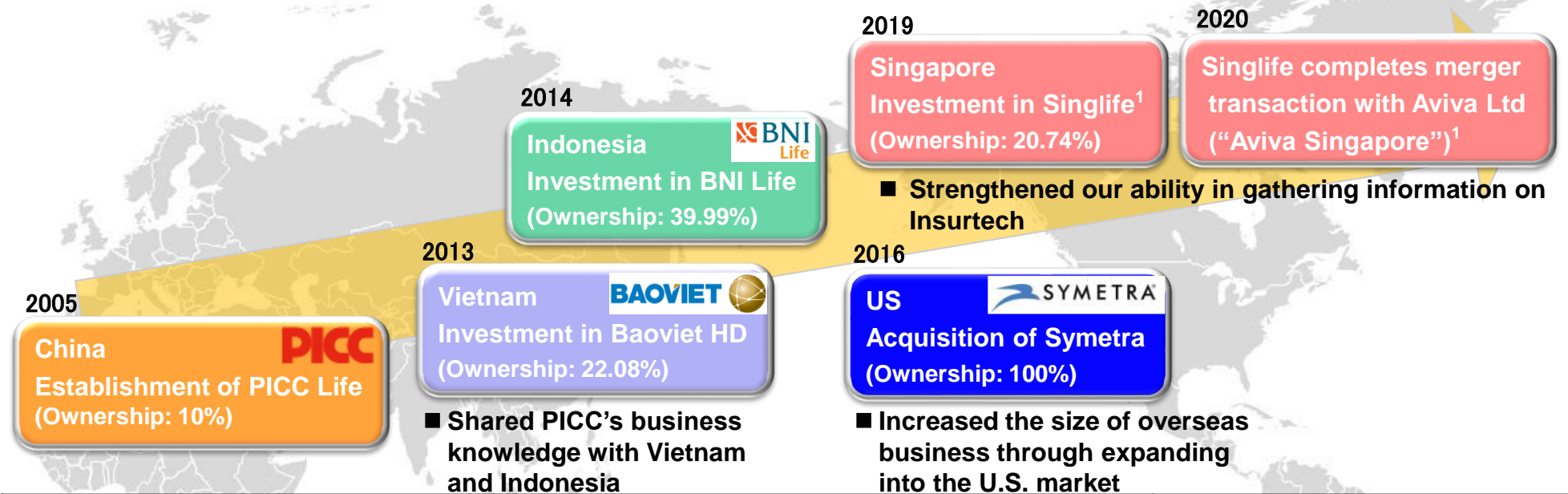
④ Overseas Business Development

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



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

1. Invested in Singlife in 2019. In November 2020, Singlife merged with Aviva Singapore, one of the largest domestic insurance companies. We made an additional investment to support the transaction. Following the transaction, our equity interests in Singlife were exchanged for those of Aviva Singlife Holdings Pte., Ltd, a holding company which was newly established.

Initiatives in the U.S. Market ①

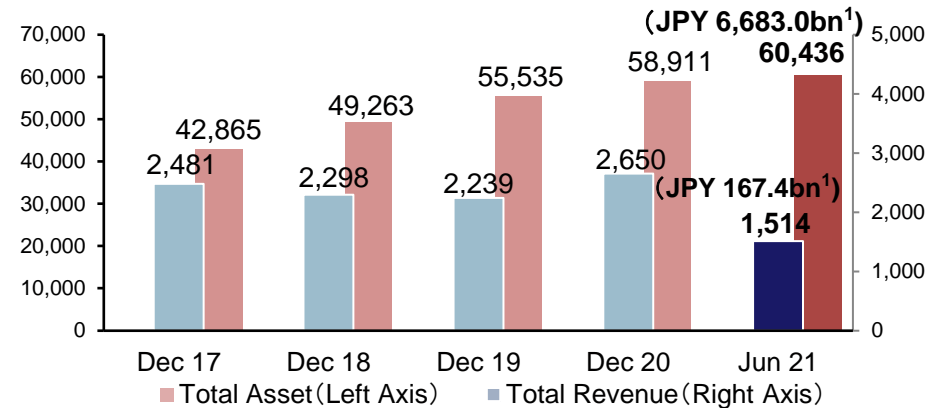
Symetra has solid business base across the U.S.

Capture steady earnings resulting in improved earnings base and risk diversification.

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

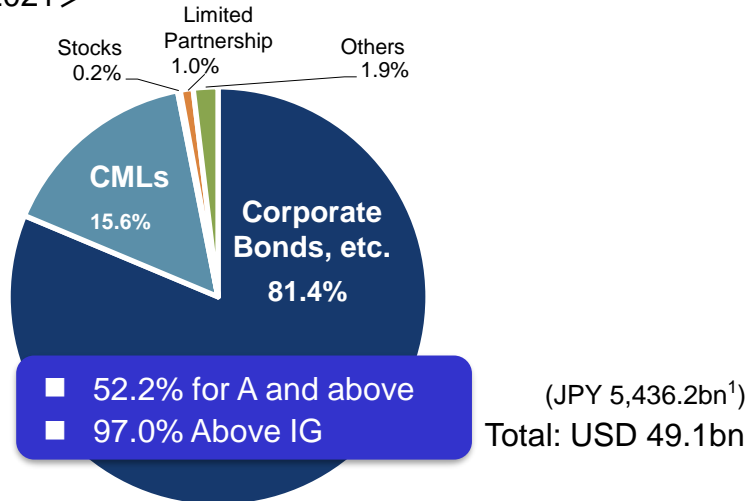
- 100% acquisition of Symetra Financial Corporation (February 2016)
- Number of employees (Consolidated): Approx. 1,900
- RBC Ratio (Risk Based Capital)*: 422% (As of December 31, 2020)
*Calculated without considering 50% of the risk profile (denominator)
- Ratings: A (S&P), A1 (Moody's), A (AM Best)

Total Revenues and Total Assets (USD mn)



Conservative Investment Policy – Asset Management Portfolio

<As of June 2021>



Synergy Effects

Product Development

Asset Management

IT

- Leveraged Symetra's expertise to commence sales in Japan of a fixed indexed annuity product, one of Symetra's core products
- Sharing information about the markets and certain issuers, placing orders for U.S. corporate bonds through Symetra
- Plan to expand the outsourcing of asset management for investment grade corporate bonds entrusted to Symetra Investment Management, and reach an entrusted asset balance of 2 trillion yen.
- Sumitomo Life and Symetra are dispatching personnel to a base in Silicon Valley to gather information on FinTech activities

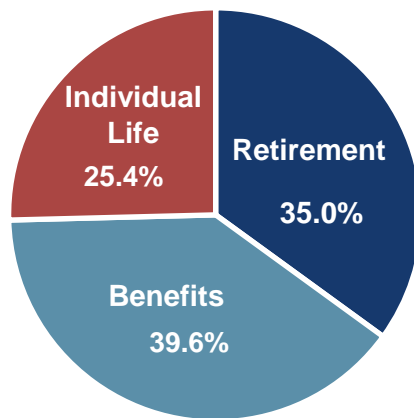
1. USD 1 = JPY110.58 (as of June 30, 2021)

Initiatives in the U.S. Market ②

Symetra has a balanced business portfolio, and each business line has shown stable growth even in amidst of the COVID-19 pandemic.

Balanced Business Portfolio – Ordinary Income by Segment

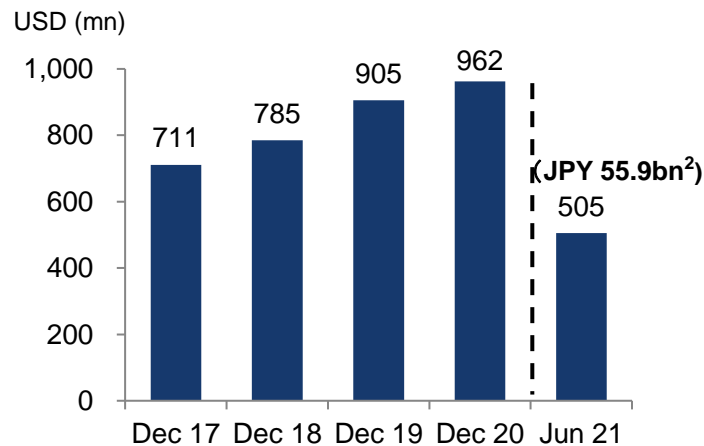
<As of June 2021>



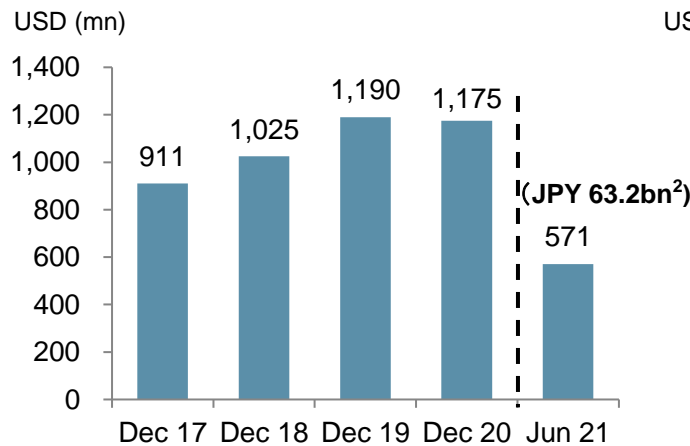
Summary P&L

	USD (mn)		
	Year ended Dec 31, 2019	Year ended Dec 31, 2020	Six months ended Jun 30, 2021
Adjusted pre-tax income ¹	172.3	130.4	118.1
Benefits	33.9	12.9	39.6
Retirement	137.8	128.8	79.8
Individual Life	24.6	8.7	4.4
Other	(24.0)	(20.0)	(5.7)
Add (deduct) the following:	(549.6)	(290.3)	3.5
Excluded realized gains (losses)	(63.3)	(37.4)	18.7
Amortization of intangible assets	(87.3)	(143.2)	(64.5)
Closed Block results	(399.0)	(109.7)	49.3
Income (loss) from operations before income tax	(377.3)	(159.9)	121.6
Total provision (benefit) for income taxes	111.8	68.4	(25.4)
Net income (loss)	(265.5)	(91.5)	96.2

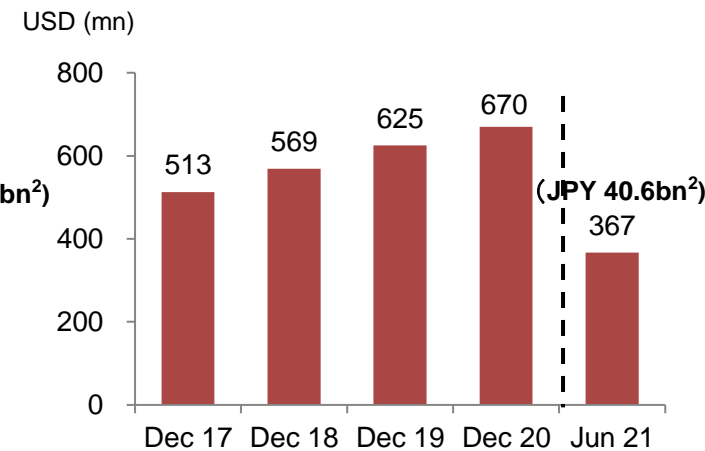
Ordinary Income from Retirement



Ordinary Income from Benefits



Ordinary Income from Individual Life



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

2. USD 1 = JPY110.58 (as of June 30, 2021)

Initiatives in the Asian Market

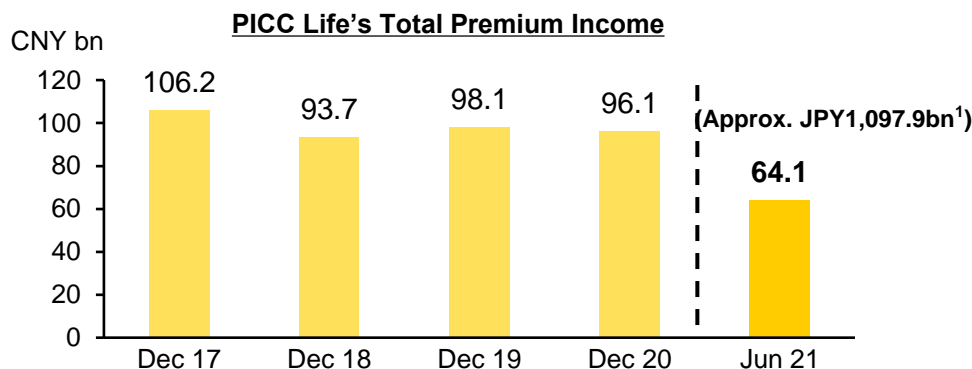
Partner with local leading companies in the Chinese, Vietnamese, Indonesian and Singaporean markets.

The companies we have invested in have shown stable growth and contributed to our profit.

In Singapore, two life insurance subsidiaries of Aviva Singlife Holdings are scheduled to be integrated early next year.

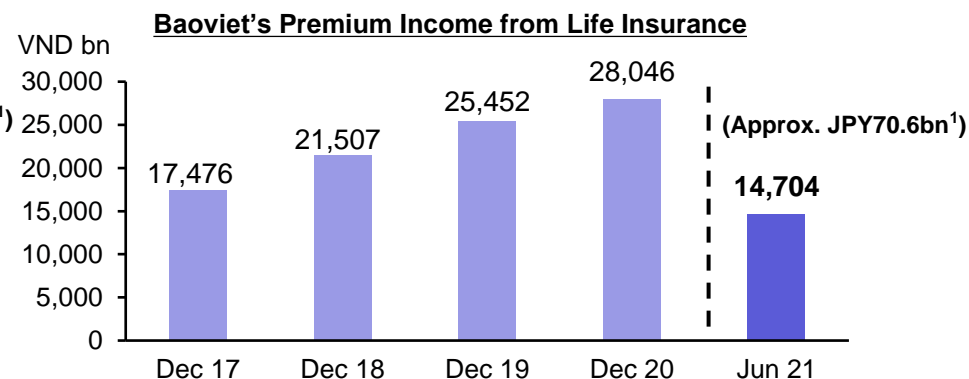
China

- Establishment of PICC Life Insurance Company (November 2005)



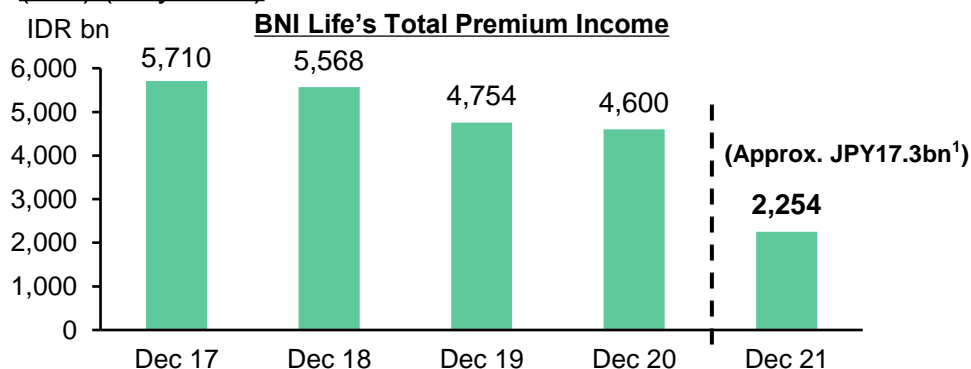
Vietnam

- Investment in Baoviet Holdings (March 2013)



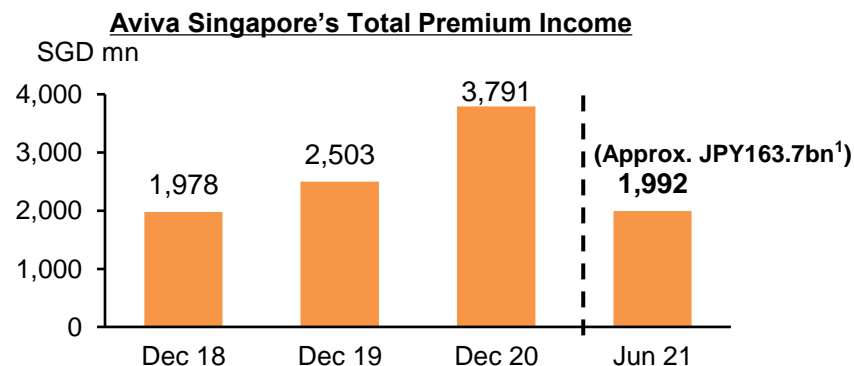
Indonesia

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



Singapore

- Investment in Aviva Singlife Holdings² (June 2019)



Source: Company disclosure

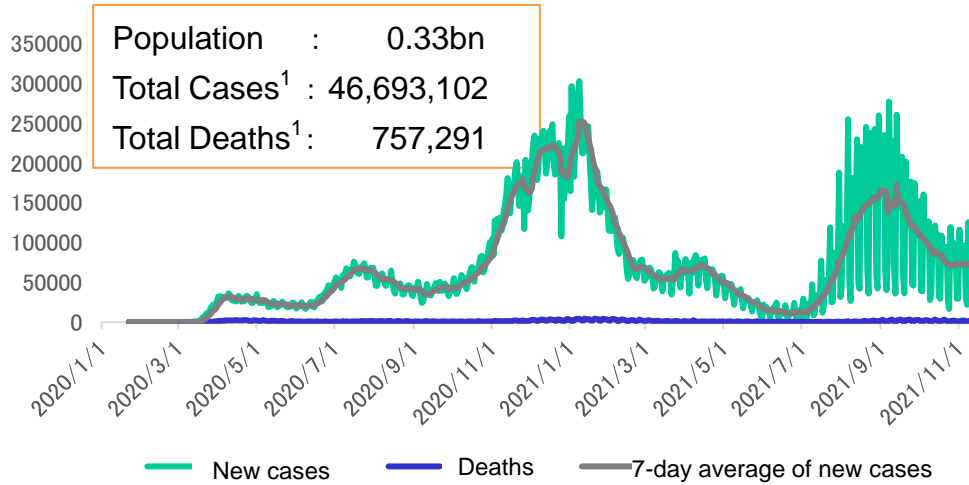
1. CNY1 = JPY17.12, VND1 = JPY0.004802, IDR1 = JPY0.0077, SGD1 = JPY82.18 (as of June 30 2021).

2. Invested in Singlife in June 2019. Following the business combination of Singlife and Aviva Singapore, our equity interests in Singlife were exchanged for those of Aviva Singlife Holdings Pte., Ltd, a holdings company which was newly established. We made an additional investment to support the transaction.

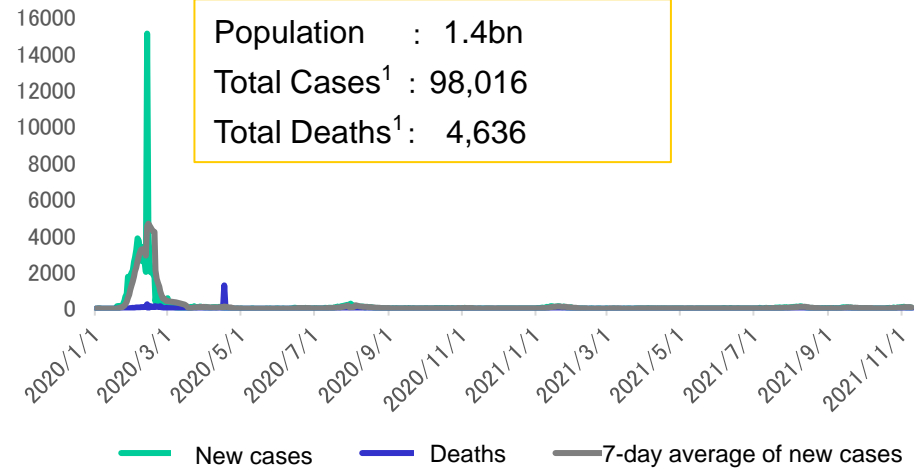
3. Aviva Singlife's operating results are based on the combined figures of the two life insurance subsidiaries (consolidated figure for six months ended June 30, 2021 and the simple sum of the two companies for the periods before the year ended Dec 31, 2020).

COVID-19 Situation in countries where we operates

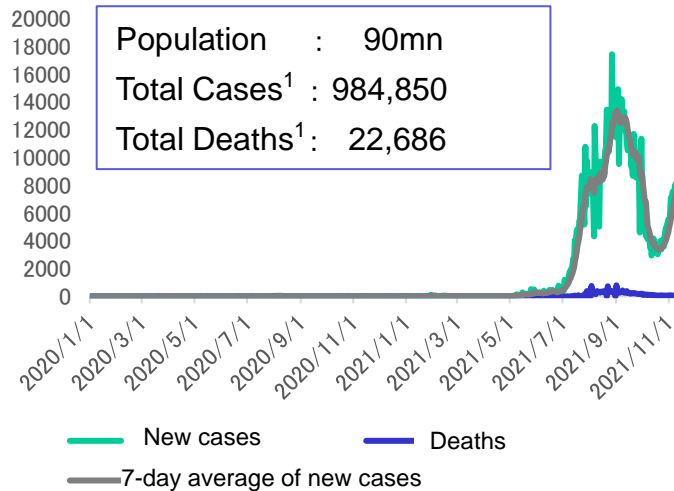
U.S.



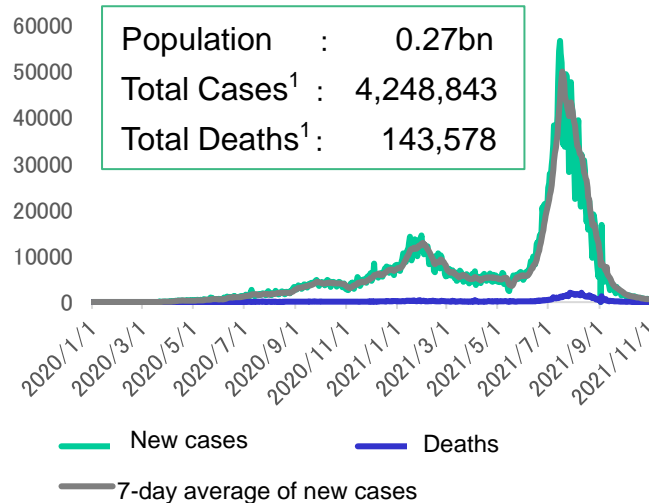
China



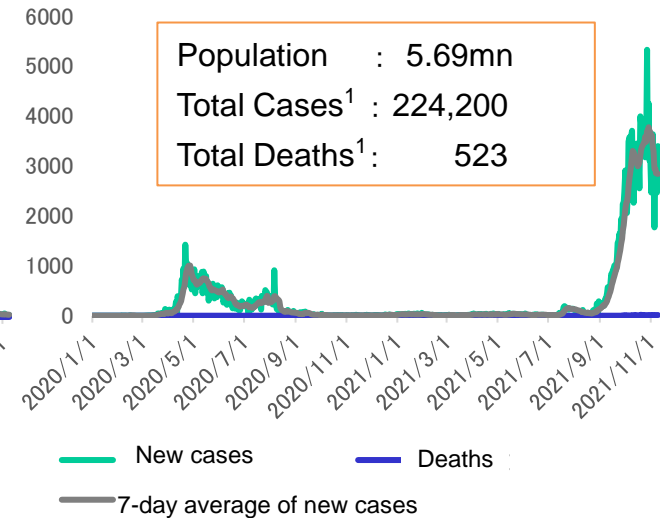
Vietnam



Indonesia



Singapore



Source: Our World in Data
 Note: As of 9 November 2021



① Multi-Channel and Multi-Product Strategy

② Asset Management

③ Sustainability

④ Overseas Business Development

⑤ Capital Policy

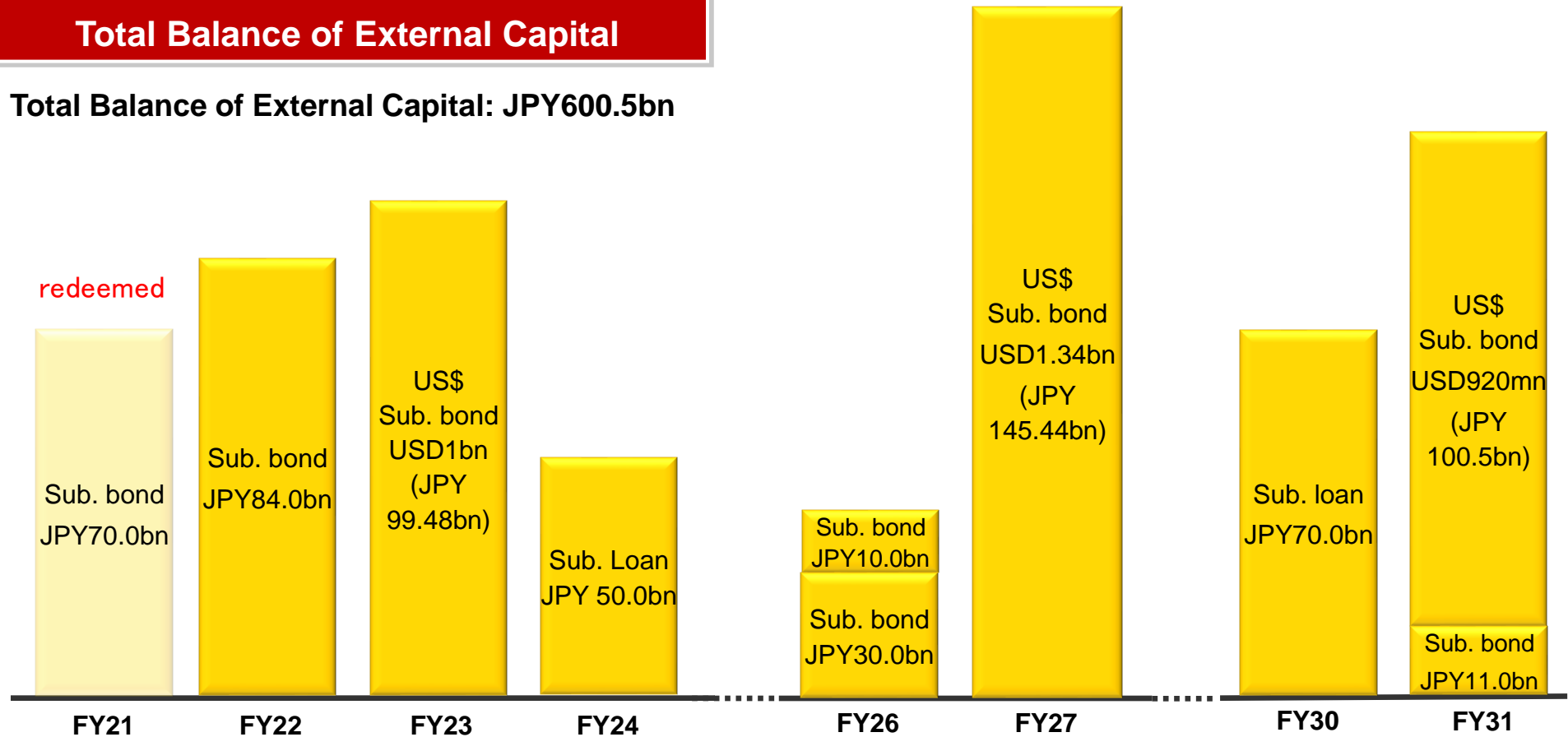
External Capital

Philosophy Behind External Capital

In building core capital, we focus on enhancing internal reserves and surplus, and view external capital as a complement. We will secure a sufficient capital level, considering the current solvency regulation and new economic value-based capital regulation, which we expect to be implemented in the near future.

Total Balance of External Capital

Total Balance of External Capital: JPY600.5bn



Note: As of October 31, 2021. The first call maturity coming year for subordinated loans / bonds

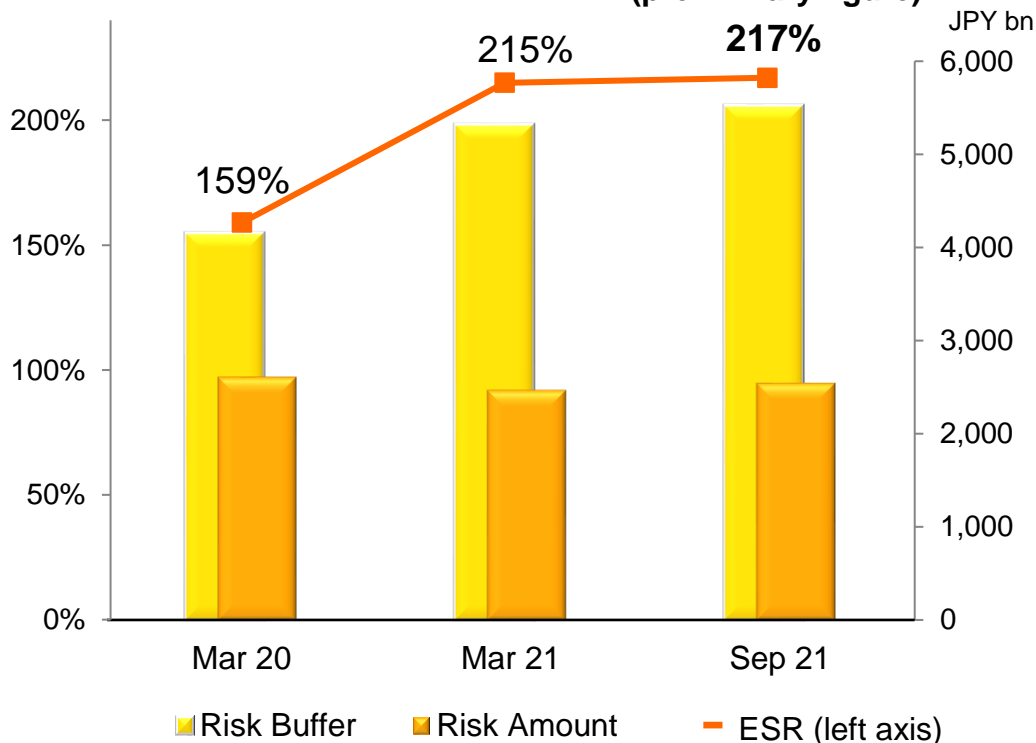
Capital Adequacy (Economic Value Basis)

Appropriately control the balance between risks and risk buffers in consideration of future changes in circumstances such as the regulatory environment.

The capital adequacy ratio as of the end of September 2021 (ESR, preliminary figure) is 217%.

ESR¹

(preliminary figure)



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



Risk management based on internal control (economic value)

- Make adjustments to internal risk management as necessary, taking into account the requirement by regulatory authorities

	Mar 20	Mar 21	Sep 21	Change
Newly Issued 30yr JGB	0.420%	0.665%	0.670%	+0.005%
TOPIX (Closing Price)	1,403.04	1,954.00	2,030.16	+76.16

①

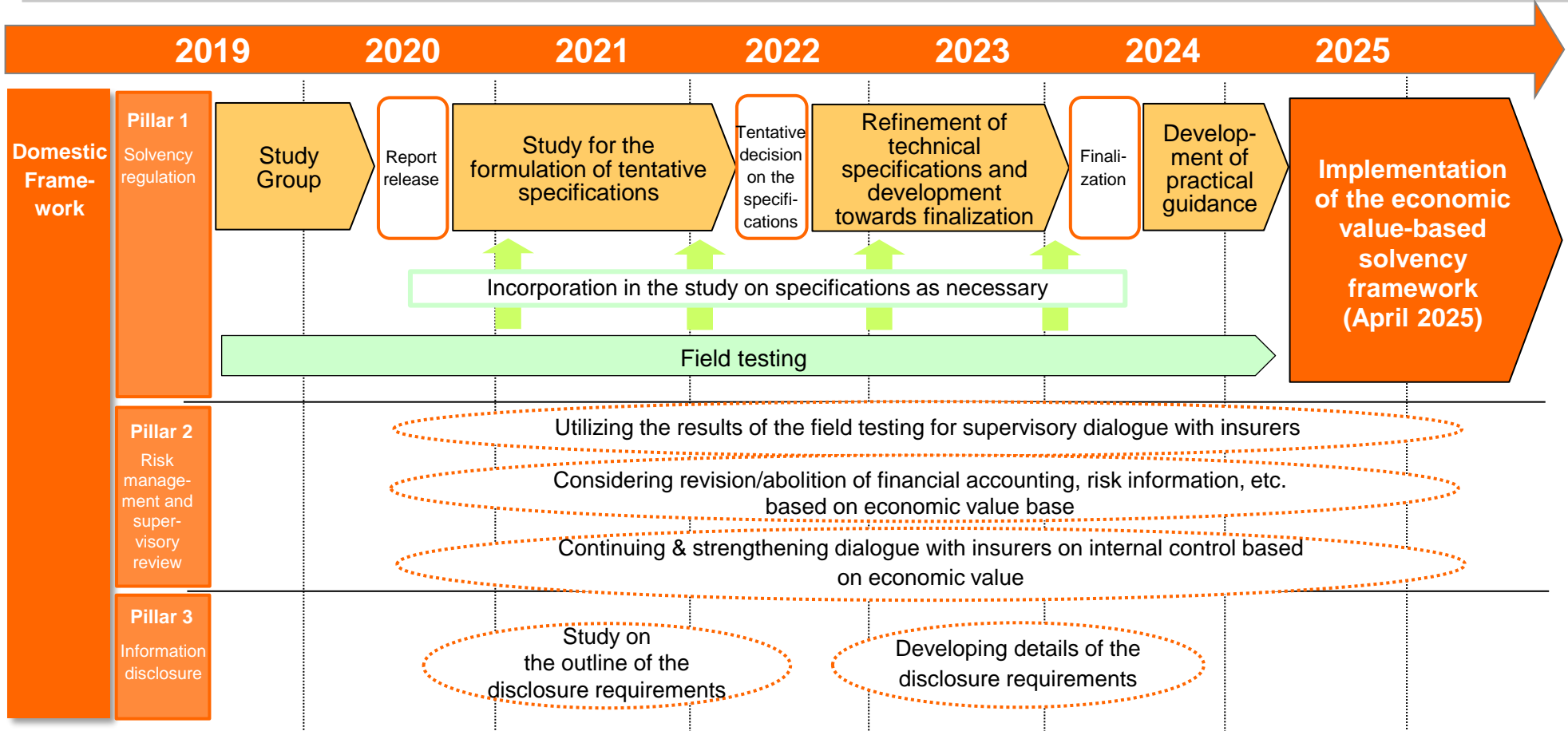
②

②-①

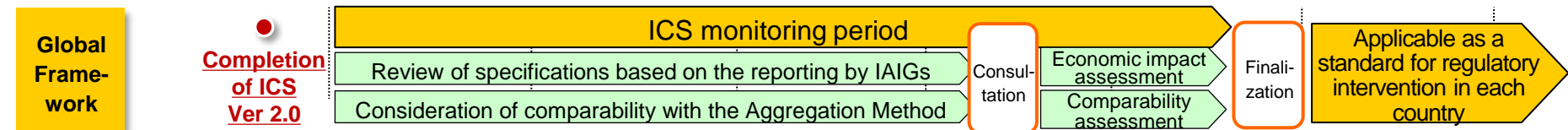
1. The risk amount is calculated using an internal model with a confidence level of 99.5% (holding period of 1 year). The calculation of economic value-based capital amount and risk amount uses an ultimate forward rate for setting super long-term interest rate.

Introduction of Economic Value-Based Capital Regulation

Timeline for the Introduction of Japan's Economic Value-Based Solvency Regulation Indicated by the Study Group



<Reference: The Insurance Capital Standard (ICS) for the IAIGs¹ by the International Association of Insurance Supervisors (IAIS)>



1. Internationally Active Insurance Group. IAIG is selected with the following criteria by national authorities: (1) Premiums are written in at least three jurisdictions and at least 10% of the group's gross written premium (GWP) is from outside the home jurisdiction; and (2) Total assets of not less than USD 50 billion or GWP of not less than USD 10 billion.

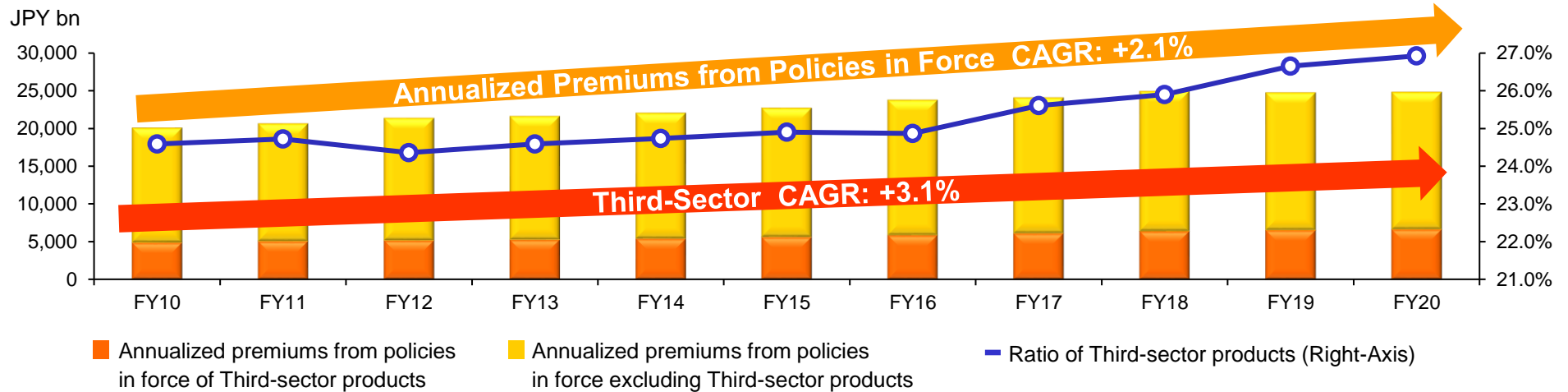


III. Appendix

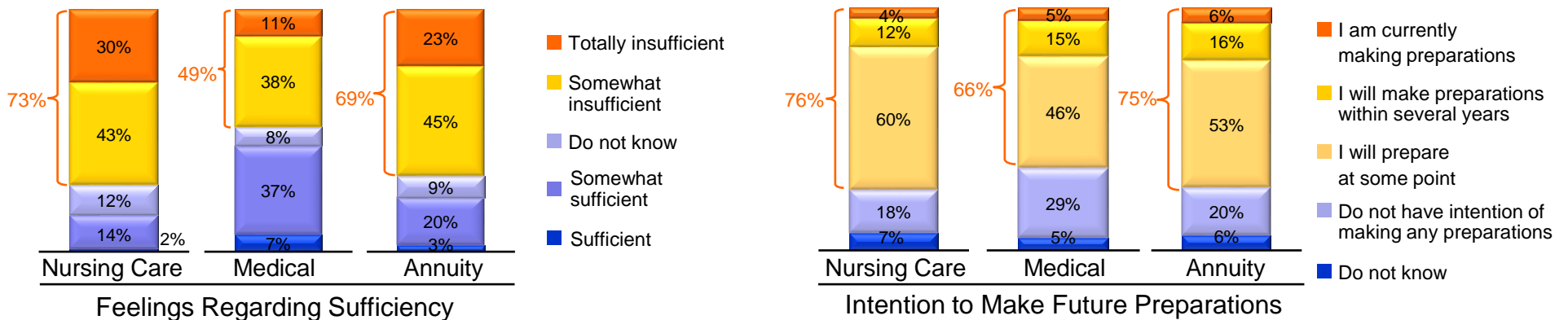
Domestic Life Insurance Market

The life insurance market in Japan has grown by 2.1% CAGR over the last 10 years, driven primarily by the third-sector insurance.

Trend of Annualized Premiums from Policies in Force¹



Survey on Life Protection (FY2019)



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

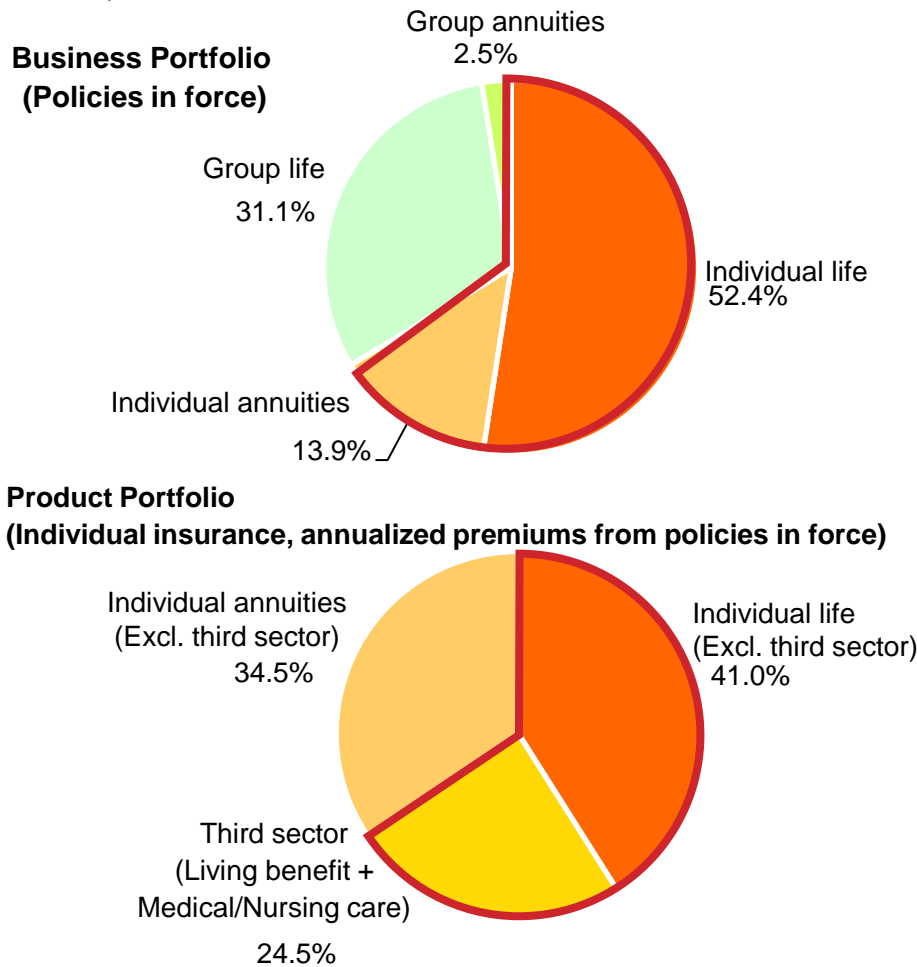
1 Excluding Japan Post Insurance

Attractive Domestic Business Model

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

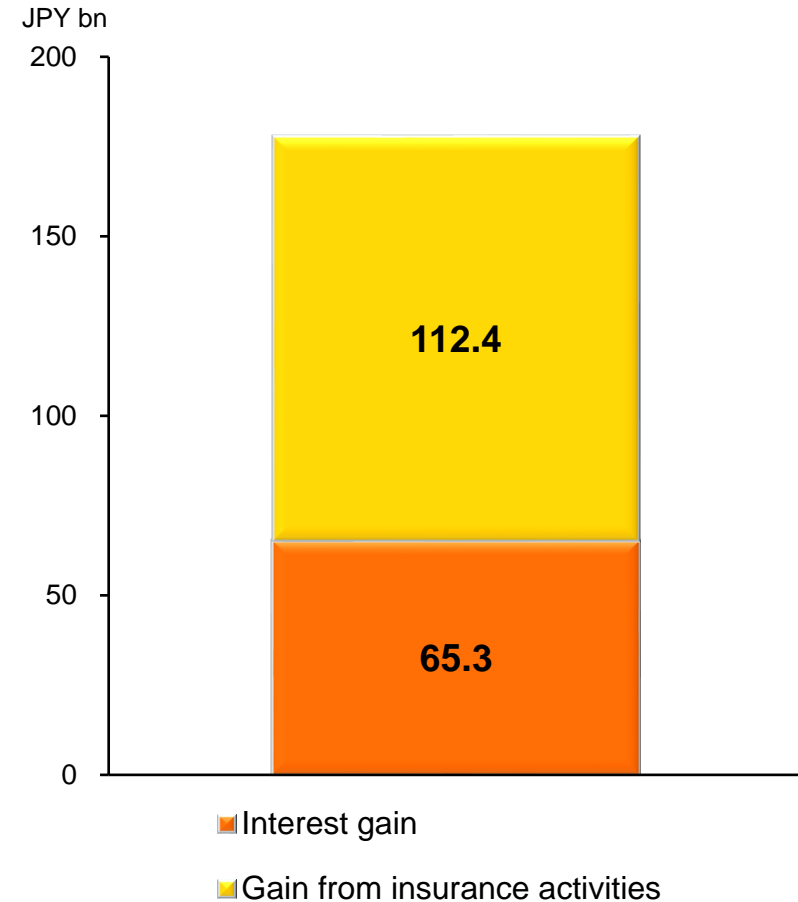
Business / Product Portfolio (Non-consolidated)

<As of September 30, 2021>



Gain from Insurance Activities / Interest Gain (Non-consolidated)

<1H FY2021>

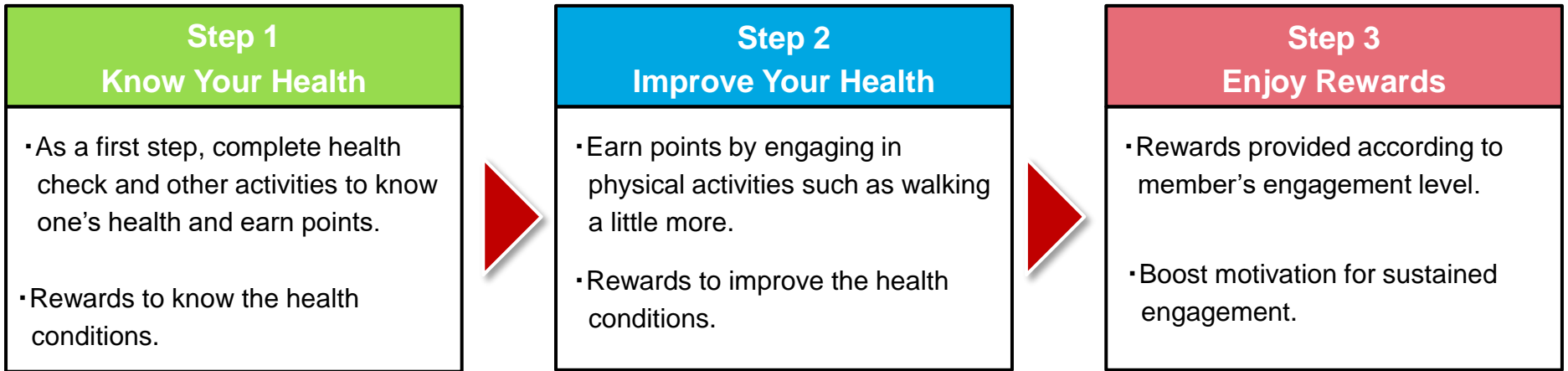


How Vitality Program Works

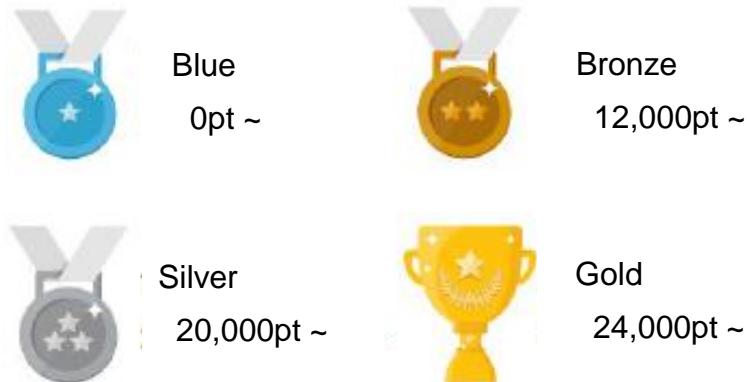
A proprietary program developed by Discovery had been localized by Sumitomo Life to adapt to the local lifestyles, guidelines, etc. in Japan.

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

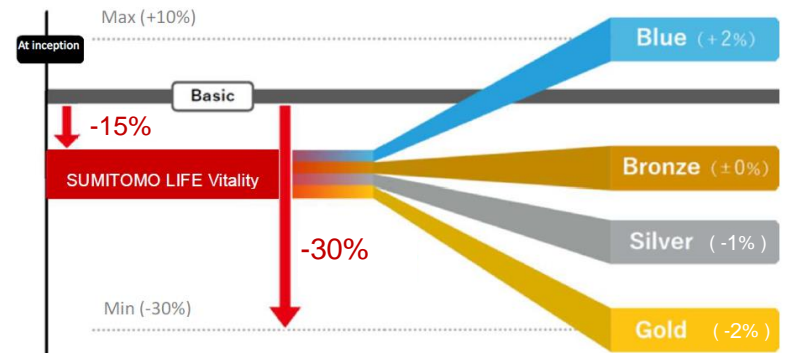
How Vitality Program Works



Vitality Status and Points



Illustrative Premium Flex Design



Global Network of Vitality

Discovery has a global network of Vitality with over 20 million members across 30 countries and regions worldwide (as of June 30, 2021).

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

Global Network of Vitality¹



<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, 2021)	ZAR 246,694 million (JPY 1,820.6 billion) ²

¹ Each country and region has its own point distribution standards, status levels and other aspects of the Vitality program

² ZAR 1 = 7.38 JPY (exchange rate as of September 30, 2021); Discovery Limited's financial year end is June 30

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

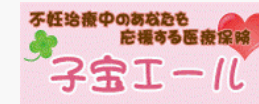
Company name	AIARU Small Amount & Short Term Insurance Co., LTD. ²	 <small>アイアル少額短期保険株式会社</small>
Establishment	April 1984	
Representative	Katsuyuki Ando, President and Representative Director	
Head office	Nihonbashi Odenmachi, Chuo-ku, Tokyo	
Capital	JPY 299.4 million ³	

² In February 2011, Gakuso Co., Ltd. and Rise Small Amount & Short Term Insurance Co., LTD. merged to become AIARU Small Amount & Short Term Insurance Co., LTD.
³ As of September 30, 2021

AIARU's Strengths

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

< Key products >



“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 nationwide from April 1, 2021.

Business Alliance with AXA Life

October 2018

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

October 2019

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

April 2020

Expanded menus of “Well Aging Support- ASUNOEGAO”

April 2021

Launched “Well Aging Support- ASUNOEGAO” nationwide

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



Effects of Symetra's Reinsurance Transaction

Effects of the reinsurance transaction to Symetra's GAAP-based income could be expected decrease gradually

Overview of the Reinsurance Transaction

- Reduced exposure to long-term interest rate risk associated with the long-tail nature of the business through entering into a reinsurance transaction in September 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

Positive Impacts from the Reinsurance Transaction

Economic Value	• Contributed to an increase of EV (JPY4.4 billion)
Statutory Income (Loss)	• Avoided 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
Financial Strength	• RBC ratio improvement • Reduced exposure of equities

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

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

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

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).

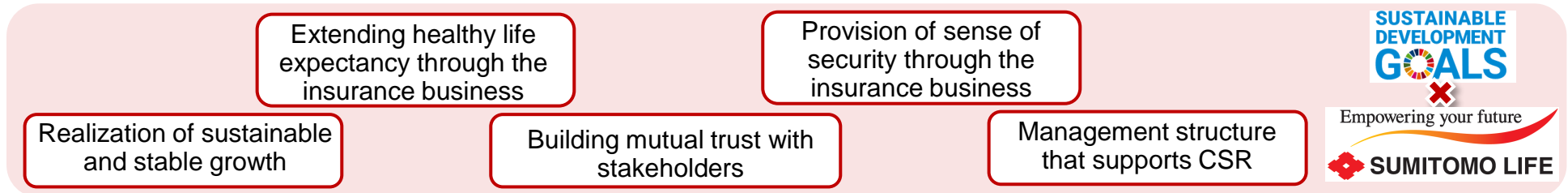
	(USD mn)		
	Year ended December 31, 2019	Year ended December 31, 2020	Six months ended June 30, 2021
Adjusted pre-tax income ¹	172.3	130.4	118.1
Add (deduct) the following:	(549.6)	(290.3)	3.5
Excluded realized gains (losses)	(63.3)	(37.4)	18.7
Amortization of intangible assets	(87.3)	(143.2)	(64.5)
Closed Block results	(399.0)	(109.7)	49.3
Income (loss) from operations before income tax	(377.3)	(159.9)	121.6
Total provision (benefit) for income taxes	111.8	68.4	(25.4)
Net income (loss)	(265.5)	(91.5)	96.2

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

Initiative to Sustainability①

Our Vision

We aim to contribute to the realization of a society of affluence, vitality, health and longevity through the sound operation and development of the insurance business.



To be an “Indispensable” Insurance Company for Society

Towards a Society of Affluence, Vitality, Health and Longevity

Social issue of “extending healthy life expectancy”

Implementation of CSV Project¹

(Promote health enhancement across society and health-focused management through the provision of SUMITOMO LIFE Vitality)

Aim to realize a society of affluence, vitality, health and longevity by creating a shared value of health enhancement among customers, society, and the Company and our employees

Approach to a Sustainable Society

Corporate philosophy of “contributing to the advancement of social and public welfare”

Enhancing corporate value through addressing social issues in the main business (=CSV) will lead to the achievement of the SDGs

Contribute to the achievement of the SDGs through providing attractive insurance products such as SUMITOMO LIFE Vitality and solving social issues through responsible investment and social contribution programs

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). Please see page 46 for details.

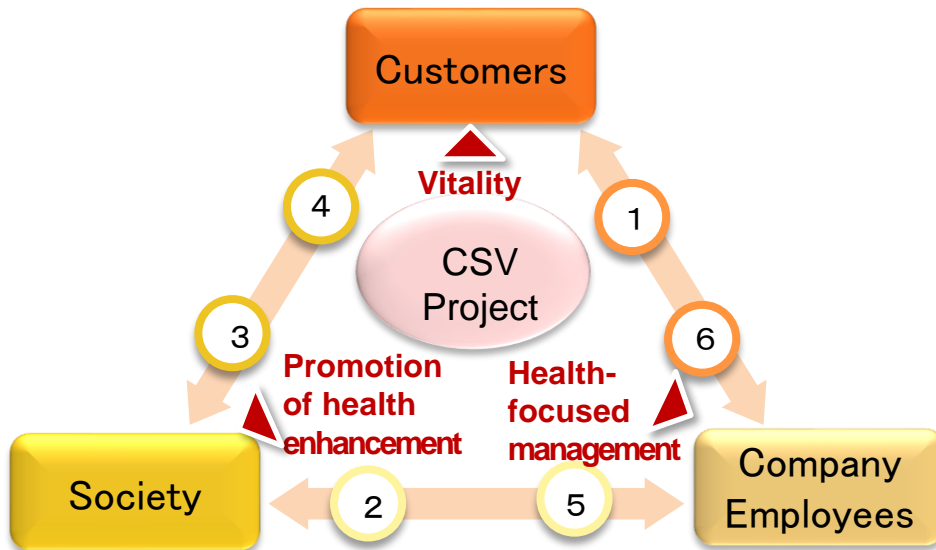
Initiative to Sustainability②

It implements initiatives to achieve the SDGs, with a focus on contributing to a healthy and long-living society through SUMITOMO LIFE Vitality.

Discuss Sustainability initiatives by the Sustainability Promotion Council

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

Sustainability Promotion Council

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



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).








Initiative to Sustainability③

Promote Responsible Investment after setting Basic Principles on Responsible Investment and social issues to be focused on

Basic Principles on Responsible Investment

1	The Company shall systematically consider non-financial information including ESG factors and make investment decisions based on the characteristics of each asset.
2-1	In stewardship activities, the Company shall accurately assess the conditions (including sustainability) of portfolio companies, seek to share mutual understanding with them through dialogue and exercising voting rights, encourage them to improve problems, and promote their medium- to long-term corporate value improvement and sustainable growth.
2-2	The Company shall request companies that it engages in dialogue with to appropriately disclose information on ESG issues.
2-3	The Company shall establish guidelines that clarify the criteria for exercising voting rights and other related matters, and exercise voting rights accordingly.
2-4	The Company shall perform stewardship activities in accordance with the Sumitomo Life Group Code of Conduct, the Conflict of Interest Management Policy, and the Conflict of Interest Management Regulations, while complying with laws, regulations and provisions related to the management of conflicts of interest.
3	In addition to individual dialogue, the Company shall collaborate with other institutional investors to resolve globally important ESG issues such as climate change response through participation in Japanese and overseas initiatives. The Company shall also endeavor to promote responsible investment by actively participating in various meetings held by such initiatives, etc.
4	The Company shall publicly disclose information on its efforts for responsible investment (including the disclosure items stipulated by the Stewardship Code) via its website and by other means, and regularly update the information.
5	To appropriately implement the PDCA cycle, the Company shall set up the “Responsible Investment Committee” and establish other structures as necessary, while aiming to develop human resources with necessary skills and knowledge.

Social Issues to be Focused on Through Responsible Investment

Climate change response	An urgent issue for the whole world and an important issue that could cause damage to the asset value. We will encourage the transition to a carbon-free society through responsible investment.	 
Health and welfare / Aging population	As a life insurance company, we will address the issues of health and welfare and aging population, including COVID-19 response.	
Economic growth (including diversity)	We will promote the medium- to long-term corporate value improvement of portfolio companies through dialogue and contribute to the growth of the Japanese economy as a whole, including regional economies. We will also address diversity, including the active participation of women, as an important issue.	 
Development of social infrastructure	As an institutional investor who manages assets over the medium- to long-term, we will provide medium- to long-term funding for the development of social infrastructure.	 

Initiative to Sustainability④

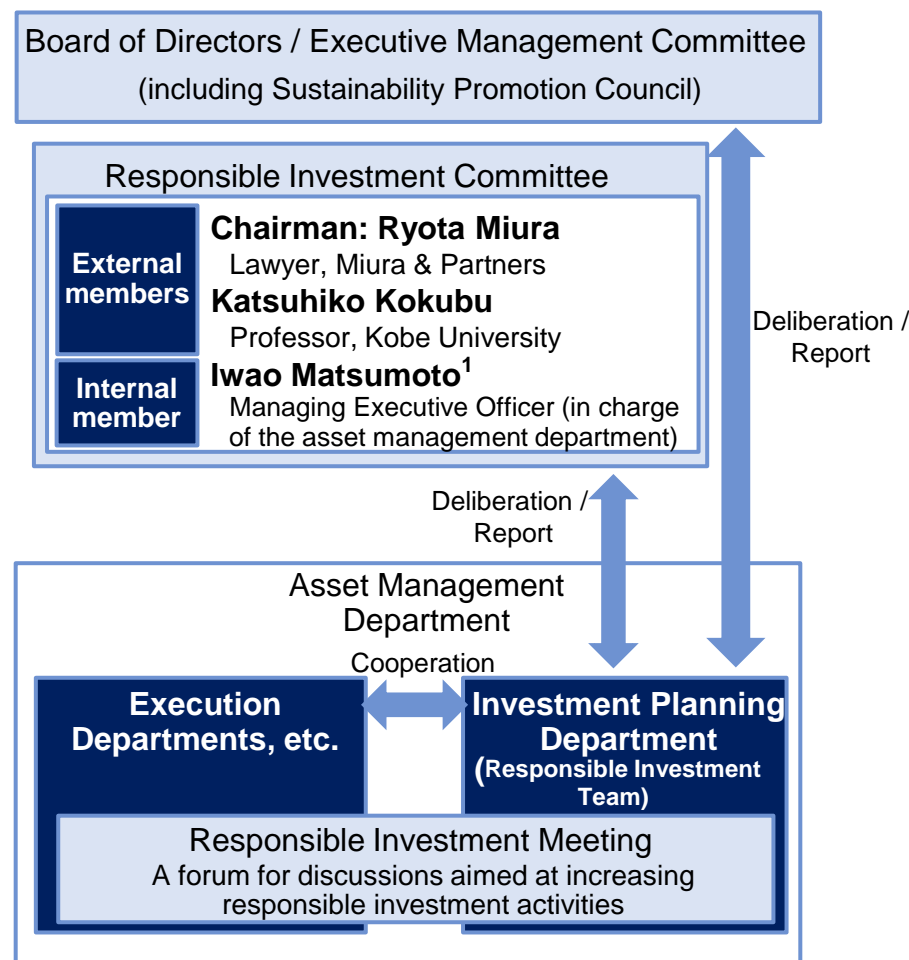
Full-scale ESG investment from FY2019.

ESG investment together with stewardship activities were integrated under the umbrella of “responsible investment” to further step up efforts from FY2021.

Increasing the Level of Efforts

	FY2019	FY2020	FY2021 onward
Structure	ESG Investment Policy	Reinforcement of the responsible investment structure after setting Basic Principles on Responsible Investment	Establishment of the Responsible Investment Team
ESG Integration	Target domestic listed stocks	Addition of bonds and loans	Expansion to all assets
Stewardship Activities	Target domestic listed stocks	Addition of domestic bonds	Enhancement of decarbonization initiatives
Negative Screening	Cluster bomb manufacturers Coal power generation projects		Inhumane weapon manufacturers Coal power generation projects
Thematic Investment	Initiatives centered on SDGs bonds	<ul style="list-style-type: none"> Three-year (FY2020 to FY2022) cumulative goal: JPY 300 billion FY2020 result: approx. JPY 150 billion 	<ul style="list-style-type: none"> Upward revision of three-year cumulative goal to JPY 500 billion Sep 2021 result: JPY 240.2 billion
GHG Emissions		Start measuring GHG emissions in asset portfolios	Set and announce GHG emissions reduction targets for 2030 and 2050

Responsible Investment Structure (Overview)



1. Mr. Iwao Matsumoto is not involved in deliberations on conflicts of interest, as he may be involved in decision making on the exercise of voting rights.

Transition from LIBOR

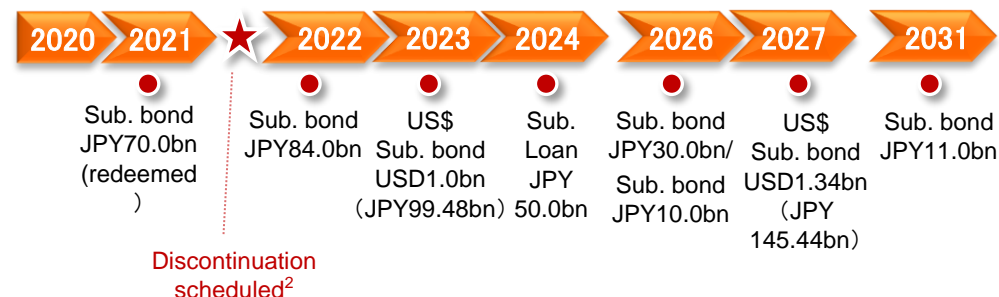
Outstanding Bonds and Loans that are Referencing LIBOR

<Outstanding Bonds and Loans referencing LIBOR>

Item	No. of issues ¹	Balance (JPY bn)
Issues referencing JPY LIBOR	8	185.0
Subordinated bond	7	135.0
Subordinated loan	1	50.0
Issues referencing USD LIBOR	2	Approx. 245.0
Total	10	Approx. 430.0

<Maturity Schedule>

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



1. Issues with different face values (e.g. A, B) are counted separately.

2. USD LIBOR rates will no longer be published after the end of June 2023 except for one-week and two-month rates.

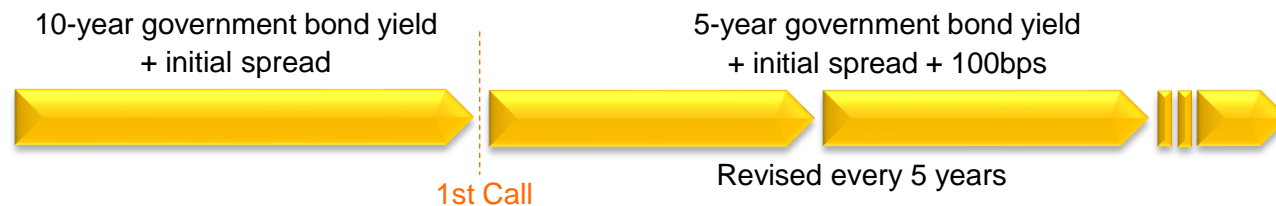
LIBOR Transition Plans

<Outstanding Bonds>

Domestic bonds	<ul style="list-style-type: none"> In the event that early redemption is not exercised on the first callable date, contracts will be amended after the start of the period when early redemption can be notified, and before the start of the LIBOR-referencing interest rate period.
144A/RegS bonds	<ul style="list-style-type: none"> A legislation to amend New York State law, which is the governing law, was passed in April in 2021. The legislation stipulates the compulsory application of the benchmark rate recommended by the ARRC without exceptions, even if there is no agreement between the parties to a contract.

<Issuances in the future>

- ✓ We plan to continue to employ a rate structure that uses a government bond yield as a benchmark for both yen-denominated and dollar-denominated issues.



Unrealized Gains / Losses on Securities

Total unrealized gains in general account is JPY 3,810bn.

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

JPY bn

	Unrealized Gains / Losses As of Mar 2021	As of September 2021			
		Book Value	Market Value	Unrealized Gains / Losses	
				Change from March 2021	
Securities*	3,694.1	28,317.9	32,127.9	3,810.0	+115.9
Held-to-maturity debt securities	261.3	1,580.2	1,834.9	254.6	(6.7)
Policy-reserve-matching bonds	1,597.1	12,486.7	14,074.5	1,587.7	(9.4)
Available-for-sale securities	1,840.9	14,198.7	16,171.4	1,972.7	+131.8
Domestic bonds	52.5	2,635.4	2,697.7	62.3	+9.7
Domestic stocks	1,222.5	1,133.8	2,418.8	1,285.0	+62.4
Foreign securities	521.9	9,179.8	9,750.3	570.4	+48.4
Others	38.0	376.0	423.4	47.3	+9.2

*Securities except for Trading Securities Book values of stocks, etc. without quoted market price are excluded from the table above.

<Market Conditions>

	Mar 21	Sep 21	Change
TOPIX (Closing Price)	1,954.00	2,030.16	76.16
Newly Issued 10y JGB	0.090%	0.065%	(0.025%)
Newly Issued 20y JGB	0.475%	0.445%	(0.030%)
USD / JPY	110.71	111.92	1.21
EUR / JPY	129.80	129.86	0.06

①

②

②-①

<Break-Even Level of Unrealized Gains/Losses>

	As of Sep 2021
Domestic Stocks (Nikkei225)	JPY13,800 Level
Domestic Stocks (TOPIX)	950 Point Level
Domestic Bonds (10y Yield)	0.8%
Foreign Securities (USD / JPY)	JPY108 Level

Solvency Margin Ratio (Consolidated)

Solvency Margin Ratio (Consolidated)

JPY bn

Items	As of Mar 2021	As of Sep 2021
Solvency Margin Gross Amount (A)	5,178.3	5,420.9
Foundation funds and others	516.4	507.6
Reserve for price fluctuation	883.8	899.4
Contingency reserve	510.9	613.5
General allowance for possible loan losses	3.4	3.6
(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)	1,880.4	1,968.8
Net unrealized gains on real estate x 85% (Multiplied by 100% if losses)	103.0	116.2
Total amount of unrecognized actuarial gains (losses) and unrecognized past service costs	0.2	(2.0)
Excess of continued Zillmerized reserve	791.0	796.4
Qualifying subordinated debt	569.9	600.5
Deduction clause	(152.2)	(155.6)
Others	71.1	72.2
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)	1,200.7	1,178.9
Insurance risk R_1	90.6	92.8
Large disaster risk R_6	0.0	0.0
Third-sector insurance risk R_8	82.6	85.0
Insurance risk of small-amount, short-term insurer R_9	0.0	0.0
Risk of assumed yield R_2	181.5	178.5
Minimum guarantee risk R_7	4.8	5.2
Investment risk R_3	974.7	955.0
Operational risk R_4	26.6	26.3
Solvency Margin Ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	862.5%	919.6%

Note: General insurance risk (R_5)

Historical Issuances of Sumitomo Life

Historical Issuances

Issue Date	Type	Years to Maturity	Maturity Date	Amount (JPY bn)	First Call Date	Coupon	Security Ratings
Subordinated Bonds							
20-Sep-2013	144A/RegS	60yr	20-Sep-2073	USD 1bn	20-Sep-2023	6.50% until Sep 2023, thereafter 3m\$LIBOR+444bps (100bps step up)	Moody's: A3 S&P: A-
29-Jun-2016	Domestic/ Private	60yr	29-Jun-2076	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-
15-Apr-2021	144A/RegS	60yr	15-Apr-2081	USD 920mn	15-Apr-2031	3.375% until Apr 2031, thereafter 5yrUST+274.7bps (100bps step up)	Moody's: A3 S&P: A-
Subordinated Loan							
26-Jun-2019	Domestic/ Securitization	60yr	21-Jun-2079	50	21-Jun-2024	0.66% until Jun 2024, thereafter 6m¥LIBOR+71bps until Jun 2029, thereafter 6m¥LIBOR +171bps	R&I: A
20-Oct-2020	Domestic/ Securitization	60yr	15-Oct-2080	70	15-Oct-2030	1.105% until Oct 2030, thereafter 5yrJGB+208bps (100bps step up)	R&I: A

Note: As of October 31, 2021. Issuances that are already redeemed are excluded

Key Performance Indicators

Key Performance Indicators (Group)

JPY bn

	Group		Sumitomo Life		Medicare Life		Symetra	
	Sep 2021	Increase(decrease) as % of Mar 31, 2021	Sep 2021	Increase(decrease) as % of Mar 31, 2021	Sep 2021	Increase(decrease) as % of Mar 31, 2021	Jun 2021	Increase(decrease) as % of Dec 31, 2020
Annualized premiums from policies in force	2,845.4	1.5%	2,275.7	(0.5%)	63.6	15.4%	505.9	9.4%

	Group		Sumitomo Life		Medicare Life		Symetra	
	1H FY2021	Increase(decrease) as % of Sep 30, 2020	1H FY2021	Increase(decrease) as % of Sep 30, 2020	1H FY2021	Increase(decrease) as % of Sep 30, 2020	1H FY2021	Increase(decrease) as % of Jun 30, 2020
Annualized premiums from new policies	113.1	16.0%	49.4	23.6%	10.1	48.7%	53.4	5.6%

	Group		Sumitomo Life		Medicare Life		Symetra	
	Sep 2021	Increase(decrease) compared to Mar 31, 2021	Sep 2021	Increase(decrease) compared to Mar 31, 2021	Sep 2021	Increase(decrease) compared to Mar 31, 2021	Jun 2021	Increase(decrease) compared to Dec 31, 2020
Solvency margin ratio	919.6%	57.1pt	915.6%	75.1pt	1,349.8%	(948.7pt)	-	-

EEV	4,779.2	310.0	4,909.9	247.3	226.1	17.8	229.7	44.7
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	Group		Sumitomo Life		Medicare Life		Symetra	
	1H FY2021	Increase(decrease) compared to Sep 30, 2020	1H FY2021	Increase(decrease) compared to Sep 30, 2020	1H FY2021	Increase(decrease) compared to Sep 30, 2020	1H FY2021	Increase(decrease) compared to Jun 30, 2020
Value of new business	78.4	51.6	59.2	37.6	15.1	6.5	3.9	7.4

Note: Group EEV is calculated as Sumitomo Life's EEV + Medicare Life's EEV + Symetra's EEV - book value of Medicare Life's equity and Symetra's equity owned by Sumitomo Life
The fiscal year-end of Symetra is December 31 (Exchange rate as of June 30, 2021 is JPY110.58 to US\$1.00)

Financial Statements (Key Items)

Consolidated Income Statement

	1H FY2021						1H FY2021	
	Consolidated		Sumitomo Life		Medicare Life		Symetra	
	(JPY bn)	Increase(decrease) as % of Sep 30, 2020	(JPY bn)	Increase(decrease) as % of Sep 30, 2020	(JPY bn)	Increase(decrease) as % of Sep 30, 2020	(USD mn)	Increase(decrease) as % of Jun 30, 2020
Ordinary income	1,743.2	1.1%	1,517.6	(0.4%)	32.3	36.7%	1,514	17.6%
Ordinary expenses	1,702.9	1.2%	1,473.8	0.9%	47.4	50.9%	1,392	(0.9%)
Ordinary profit	40.2	(2.6%)	43.8	(30.4%)	(15.1)	-	121	-
Net surplus for 1H	24.5	168.0%	27.4	14.1%	(11.2)	-	96	-

Consolidated Balance Sheet

	Sep 2021						Jun 2021	
	Consolidated		Sumitomo Life		Medicare Life		Symetra	
	(JPY bn)	Increase(decrease) as % of Mar 31, 2021	(JPY bn)	Increase(decrease) as % of Mar 31, 2021	(JPY bn)	Increase(decrease) as % of Mar 31, 2021	(USD mn)	Increase(decrease) as % of Dec 31, 2020
Total assets	42,004.6	2.2%	35,719.7	0.9%	265.6	2.5%	60,436	2.6%
Total liabilities	39,836.8	2.2%	33,507.2	0.7%	248.7	7.5%	55,702	3.4%
Total net assets	2,167.8	3.0%	2,212.5	3.5%	16.9	(39.5%)	4,733	(6.5%)

Note: US-GAAP for Symetra

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

The fiscal year-end of Symetra is December 31

"-" for increase (decrease) when the target figure is negative

[Inquiries Regarding This Material]

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