
1H FY2022 Business Results

Empowering your future



Sumitomo Life at a Glance

Company Overview

■ Established:	May 1907
<u>Key Figures¹ – 1H FY2022 (as of September 2022)</u>	
■ Premium income:	JPY 1.31tn (USD 9.0bn) (JPY 2.41tn in FY2021)
■ Core business profit ² :	JPY 109.8bn (USD 0.7bn) (JPY 337.5bn in FY2021)
■ Total assets:	JPY 44.44tn (USD 306.9bn)
■ Annualized premiums from policies in force ³ :	JPY 3.05tn (USD 21.0bn)
■ Solvency margin ratio:	545.9%
■ Embedded value ⁴ (EEV) :	JPY 4.43tn (USD 30.6bn)
■ Number of sales representatives:	34,442
■ Insurer financial strength rating ⁵ :	A+ [S&P], A1 [Moody's], AA- [R&I], AA- [JCR], A+ [Fitch]

Source: Company disclosure

- Consolidated figures. USD amounts in parentheses in this presentation (except as otherwise stated) are translated from JPY using USD1 = JPY144.81, as of September 30, 2022.
- Core business profit of the group (see page 7 for details). Core business profit based on a new definition that will be applied starting in FY2022, including the inclusion of hedging costs related to foreign exchange in the calculation. Figures for prior years are also calculated using the same definition.
- Figures for individual life and individual annuity for domestic business (see page 6 for details)
- Combined figures of Sumitomo Life's EEV, Medicare Life's EEV and Symetra's EEV (see page 8 for details)
- As of October 31, 2022. The rating from Fitch is unsolicited
- As of September 30, 2022 on ownership

Group Overview⁶

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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 100% 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 group
- 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 Holdings

- A holding company that controls Aviva Singapore, one of the largest domestic insurance companies, and Singlife.
- Owns 21.74% of the shares

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Key Highlights

◇ 1H FY2022 Results

P.6

- Group annualized premiums (AP (Group)) from policies in force **increased from the end of the previous fiscal year. (+5.8%)**
- AP (Group) from new policies **increased year on year** mainly due to the growing sales of foreign currency-denominated, single-premium insurance in Sumitomo Life and the growing sales in Symetra. **(+45.5%)**

P.7

- Group core business profit **decreased year on year** mainly due to an increase in payments of claims and benefits related to COVID-19, despite an increase of interest income on foreign bonds at Sumitomo Life due to the yen's depreciation. **(-34.9%)**

P.8

- EEV **decreased from the end of the previous fiscal year** due to negative factors of rising foreign interest rates, which outweighed positive factors of the insurance business such as acquiring new policies and securing earnings from policies in force. **(-246.3bn)**

P.9

- Solvency margin ratio (consolidated) **decreased from the end of the previous fiscal year (-248.7pt)** due to a decrease of net unrealized gains (losses) on available-for-sale securities, while economic value-based solvency ratio (Consolidated ESR) showed **stable. (+2.6pt)**
- Capital base **remains solid** with a steady accumulation of internal reserves and surplus. **(+152.7bn)**



I . 1H FY2022 Business Results

Impact of the Pandemic

Payments of claims and benefits in 1H 2022 increased to approximately JPY 54.5 billion mainly due to increased deemed hospitalization.

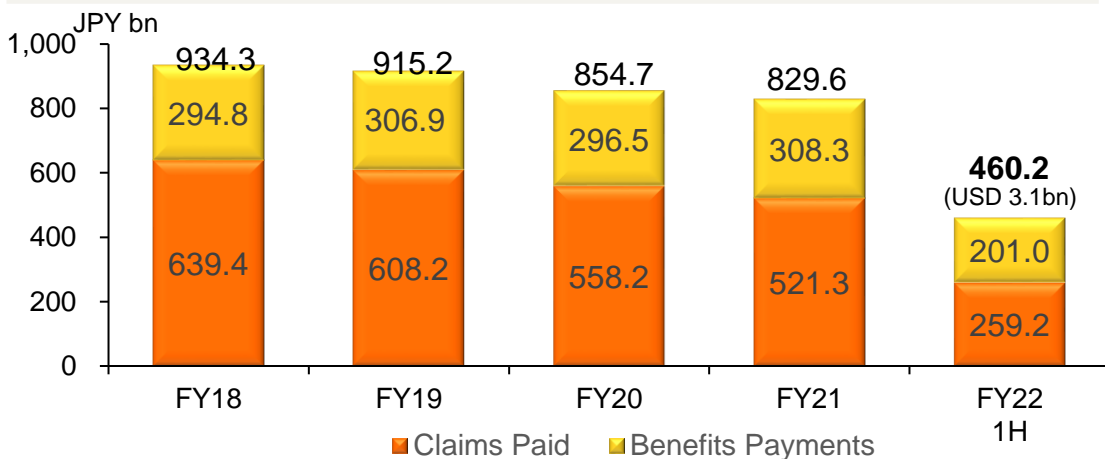
Payments for 2H FY2022 and thereafter are expected to decrease owing to reviewing payment criteria.

Payments of claims and benefits related to COVID-19 (Sumitomo Life (non-consolidated))

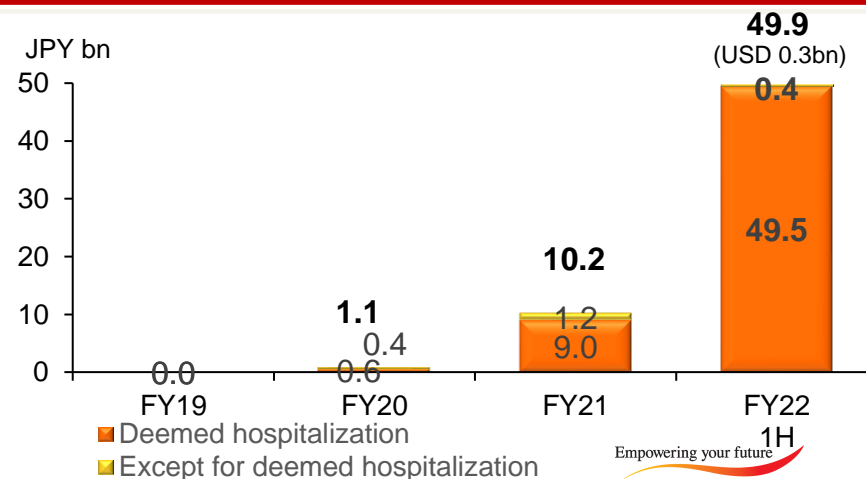
	Death benefits		Hospitalization benefits				Total
	Number	Amount	Number	Of which, deemed hospitalization	Amount	Of which, deemed hospitalization	Amount
Total since the spread of COVID-19	2,402	16.1bn	485,942	473,459	61.3bn	59.1bn	77.4bn
Of which, in FY2022	756	4.5bn	395,648	392,771	49.9bn	49.5bn	54.5bn
Of which, in FY2021	1,201	8.5bn	81,262	74,793	10.2bn	9.0bn	18.7bn

As of September 30, 2022 (March 2020 - September 2022)

Claims paid and benefits (Sumitomo Life (non-consolidated))



Benefits (Sumitomo Life (non-consolidated))

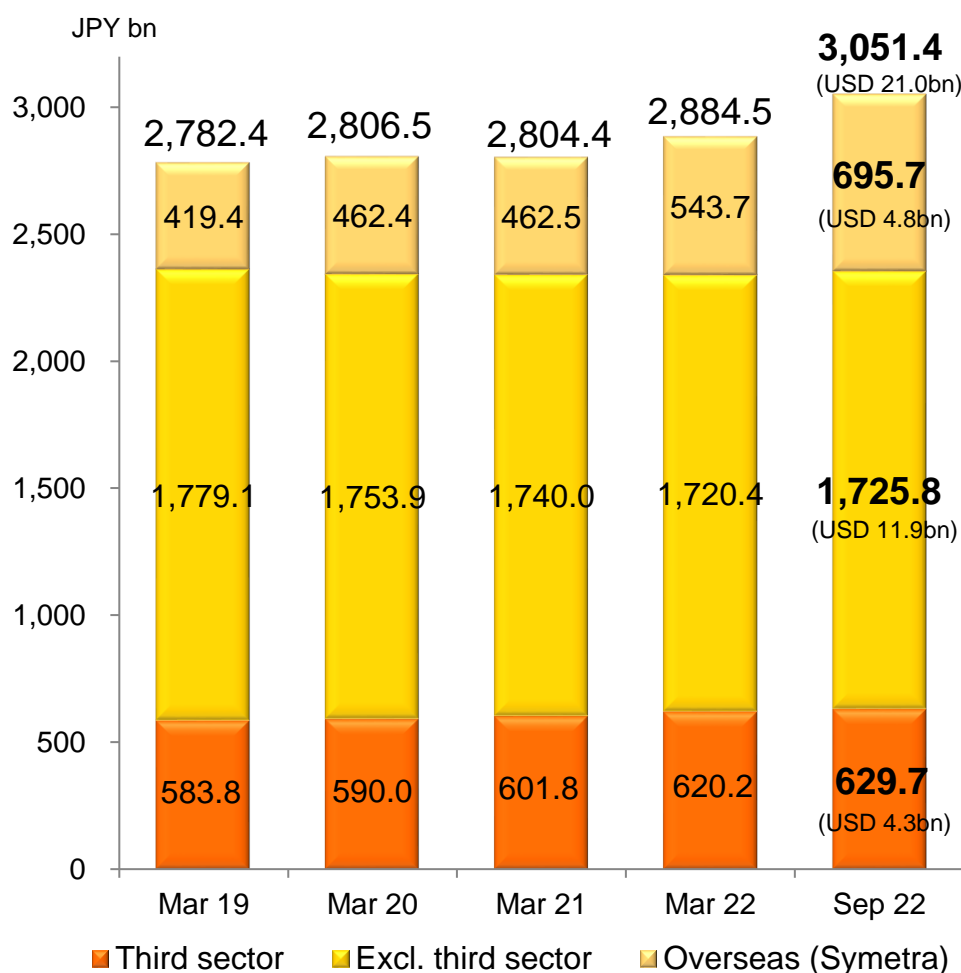


Operating Performance

Group annualized premiums (AP (Group)) from policies in force increased from the end of the previous fiscal year due to the accumulation of new policies and the depreciation of the yen.

AP (Group) from new policies increased year on year mainly due to the growing sales of foreign currency-denominated, single-premium insurance in Sumitomo Life and corporate insurance and individual annuities in Symetra.

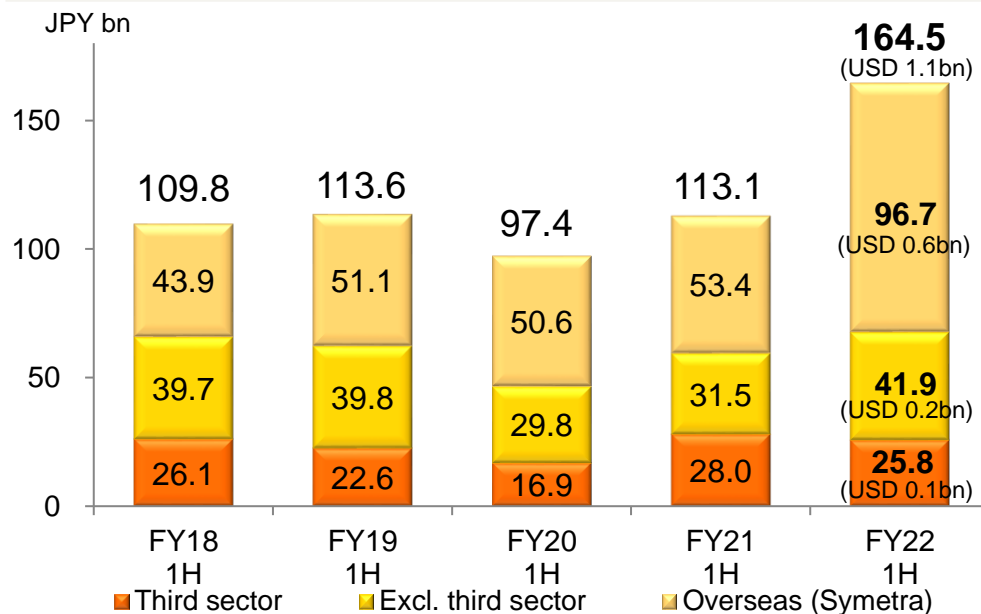
Annualized Premiums from Policies in Force¹ (Group)



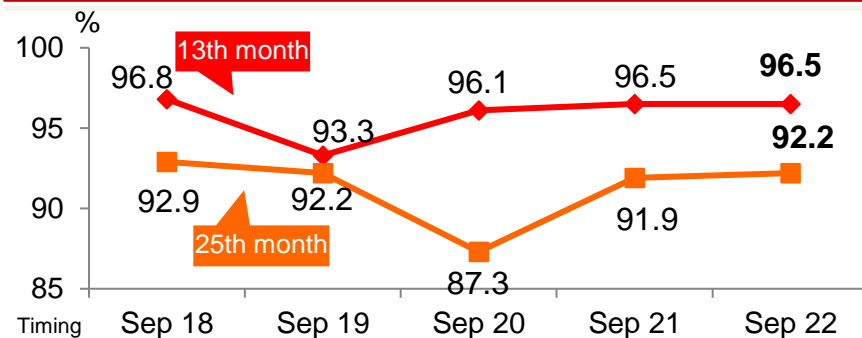
1. Figures for domestic business (Third sector + Excl. third sector) are individual life insurance and individual annuities

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

Annualized Premiums from New Policies¹ (Group)



Persistency Rate² (Non-consolidated)

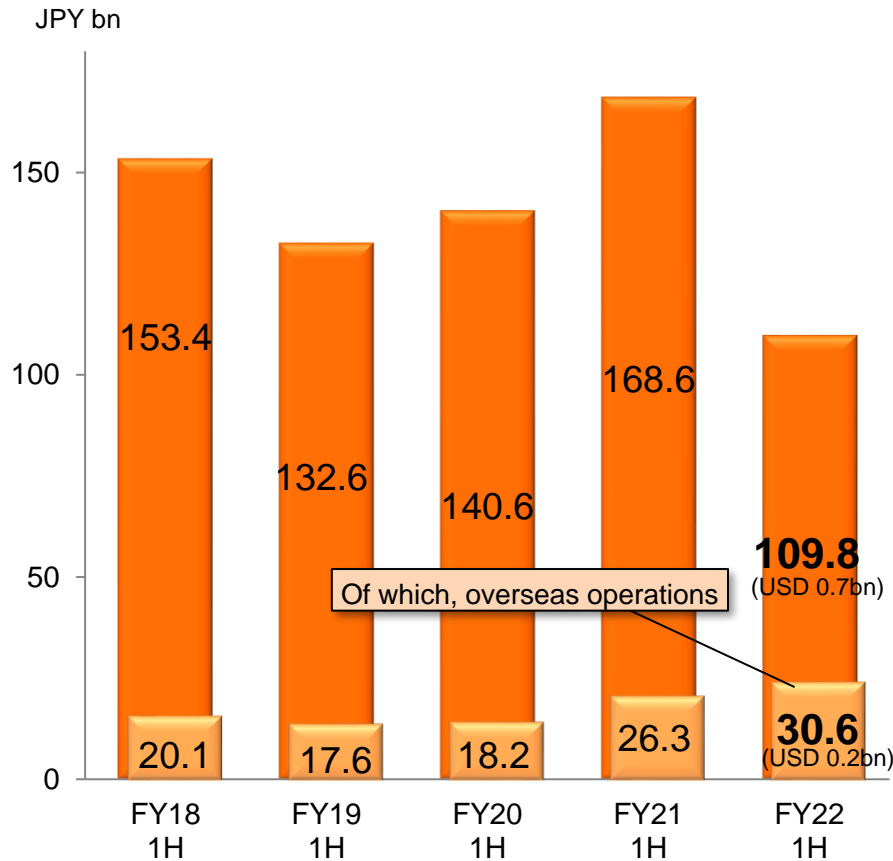


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Profit Trend

Group core business profit decreased year on year mainly due to an increase in payments of claims and benefits related to COVID-19, despite an increase of interest income on foreign bonds at Sumitomo Life due to the yen's depreciation

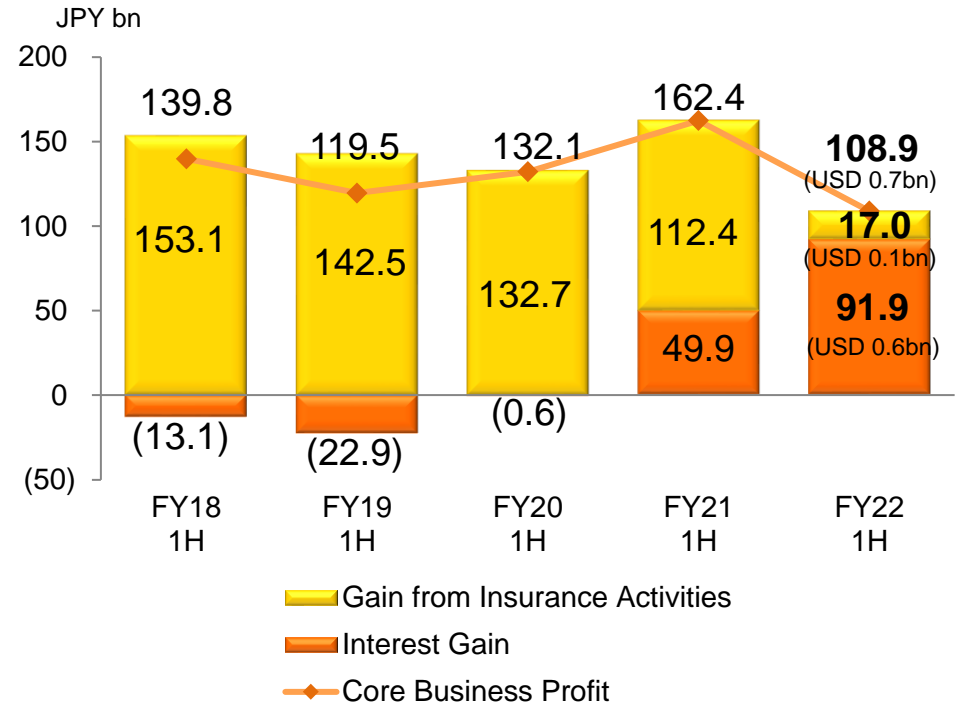
Core Business Profit^{1,2} (Group)



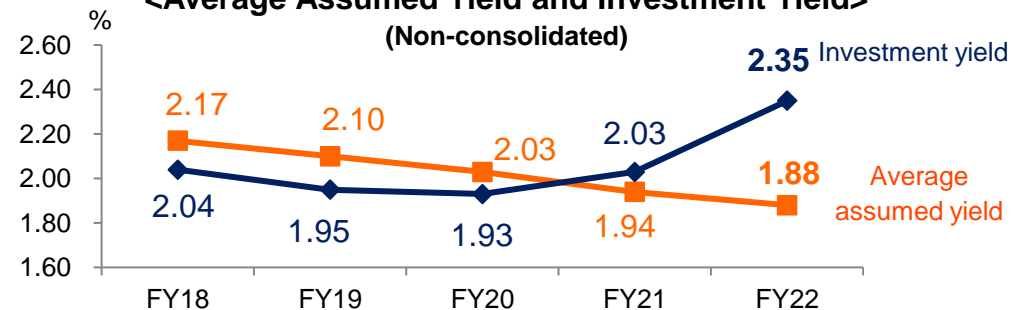
1. Core business profit based on a new definition that will be applied starting in FY2022, including the inclusion of hedging costs related to foreign exchange in the calculation. Figures for prior years are also calculated using the same definition.

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

Gain from Insurance Activities and Interest Gain¹ (Non-consolidated)



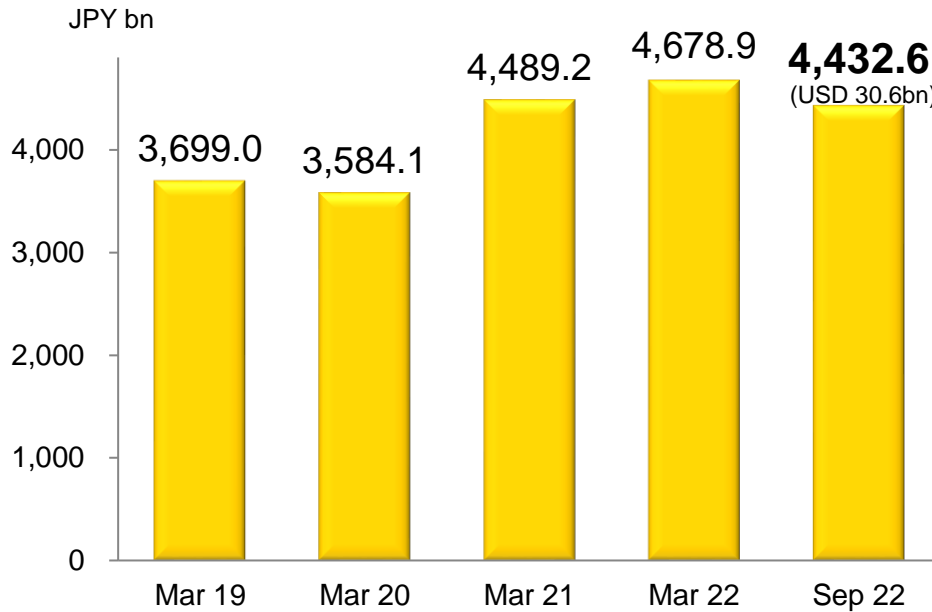
<Average Assumed Yield and Investment Yield> (Non-consolidated)



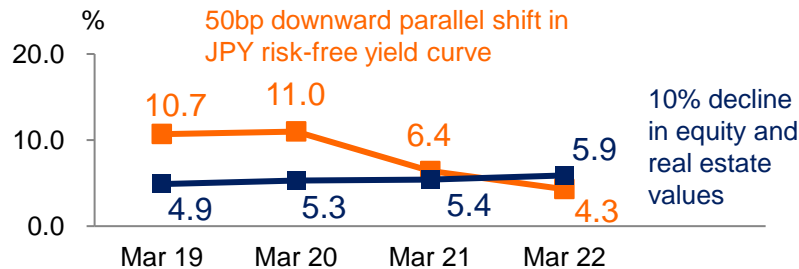
EEV Trend

EEV decreased from the end of the previous fiscal year due to negative factors of rising foreign interest rates, which outweighed positive factors of the insurance business such as acquiring new policies and securing earnings from policies in force.

EEV (Group)

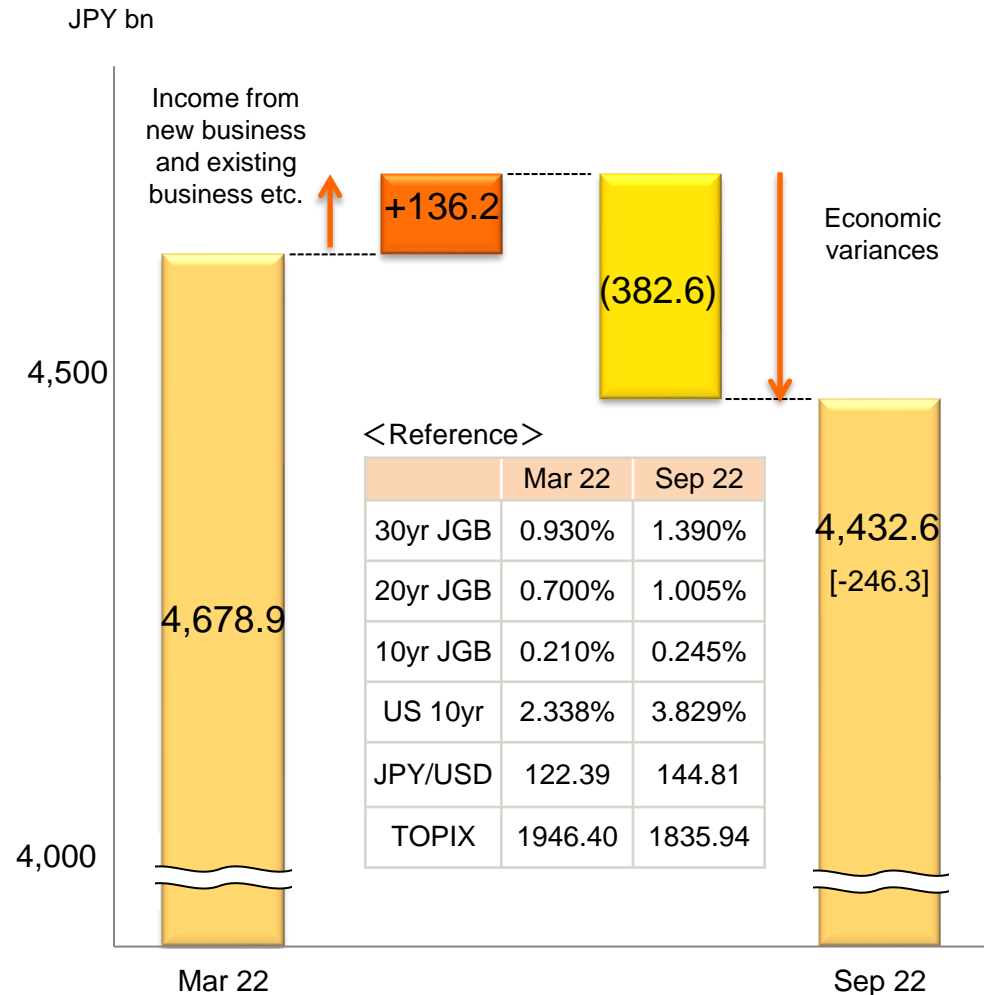


<(Reference) Sensitivity Rate of EEV (Group)¹>



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

EEV Growth Factors

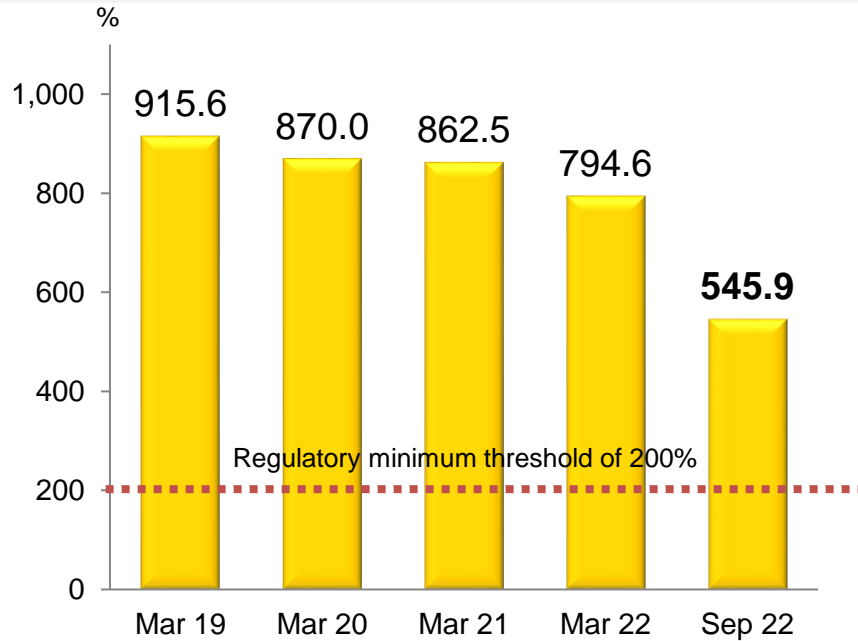


Capital Base

Solvency margin ratio (consolidated) decreased from the end of the previous fiscal year due to a decrease of net unrealized gains (losses) on available-for-sale securities, while economic value-based solvency ratio (Consolidated ESR¹) showed stable.

Capital base remains solid with a steady accumulation of internal reserves and surplus.

Solvency Margin Ratio (Consolidated)

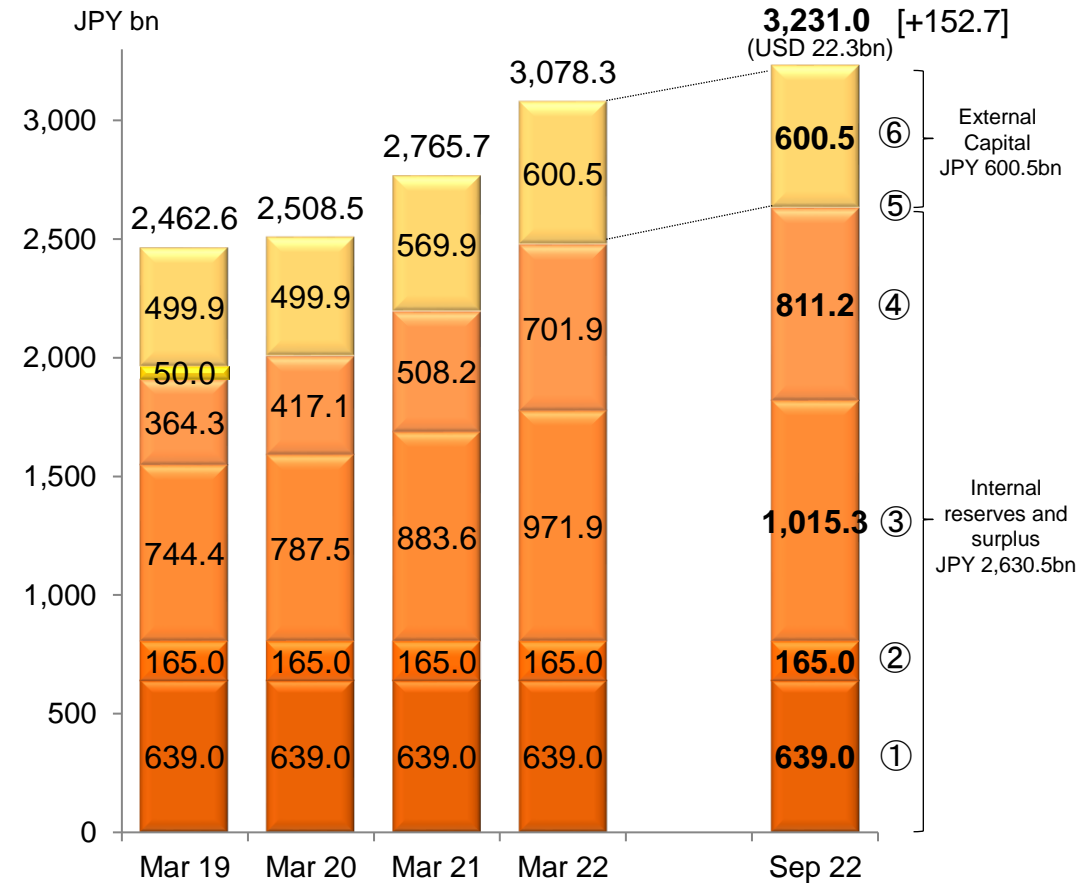


(Reference)
Unrealized gains/losses on available-for-sale securities in GA assets
(non-consolidated) JPY bn

	As of Mar 2022	As of Sep 2022	Change
Available-for-sale securities	1,210.0	(52.7)	(1,262.7)
Domestic bonds	(42.7)	(219.3)	(176.6)
Domestic stocks	1,142.0	995.4	(146.5)
Foreign securities	82.4	(806.7)	(889.2)

- See page 41 for consolidated ESR
- Stocks, etc. without quoted market price and partnerships, etc. are excluded from the table above. See page 55 for details.
- Figures before March 2022 are after appropriation of surplus

Trend of Capital (Non-consolidated)



- Reserve for fund redemption + Reserve for redemption of foundation funds³
- Fund for price fluctuation allowance
- Reserve for price fluctuation
- Contingency reserve
- Foundation funds
- Subordinated bonds / loans

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

To be an “indispensable” insurance company for society under the new normal



Items	Targets for March 2023	Results as of September 2022
Number of Customers (Policies in Force) ¹ (Sumitomo Life + Medicare Life + Business Alliance Partners)	14.00 million policies	14.55 million policies
Annualized Premiums from Policies in Force (Sumitomo Life + Medicare Life)	JPY 2,310.0bn	JPY 2,355.6bn
Of which, Third Sector	JPY 610.0bn	JPY 629.7bn
Domestic Business Core Business Profit ² (Sumitomo Life + Medicare Life)	3-year total JPY 901.0bn	FY2020 – 1H FY2022 total JPY 767.3bn
Overseas Operation Core Business Profit (Symetra, etc.)	3-year total JPY 103.0bn	FY2020 – 1H FY2022 total JPY 102.5bn

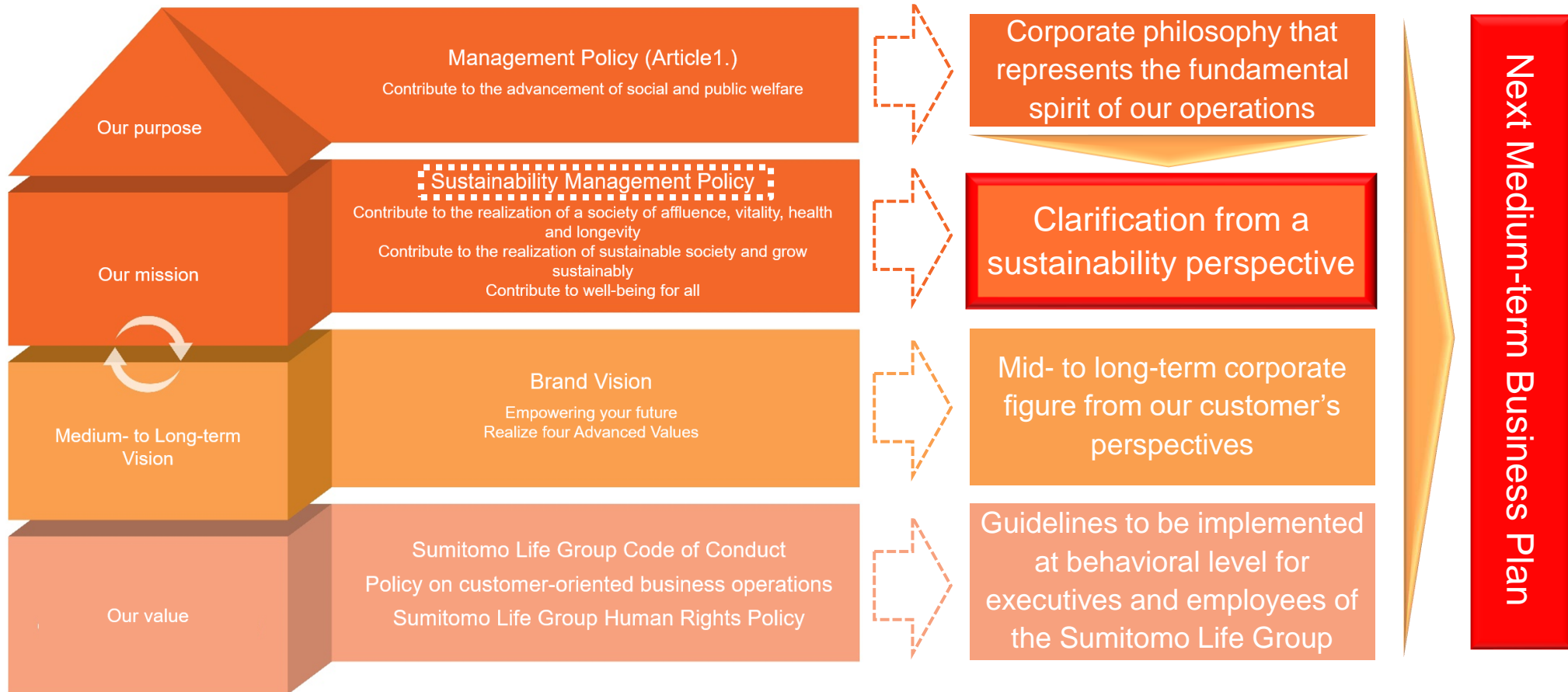
1. Number of individual life insurance and individual annuities, including products provided by our business alliance partners (Mitsui Sumitomo Insurance, NN Life, Sony Life).

2. Targets are set using the former definition, which does not include foreign exchange hedging cost, etc. Results are calculated under the same definition as for the targets.

Sustainability Management Policy

Formulated the “Sustainability Management Policy,” which expresses the universal mission stated in the Management Policy from a sustainability perspective.

Operating Policy



※An excerpt from ANNUAL REPORT 2022

Please refer to [ANNUAL REPORT 2022](#) for the detail of our Operating Policy



II. Sumitomo Life Group's Initiatives



① Multi-Channel and Multi-Product Strategy for Stable Growth

② Solid Asset Management with Prudent Investment Policy

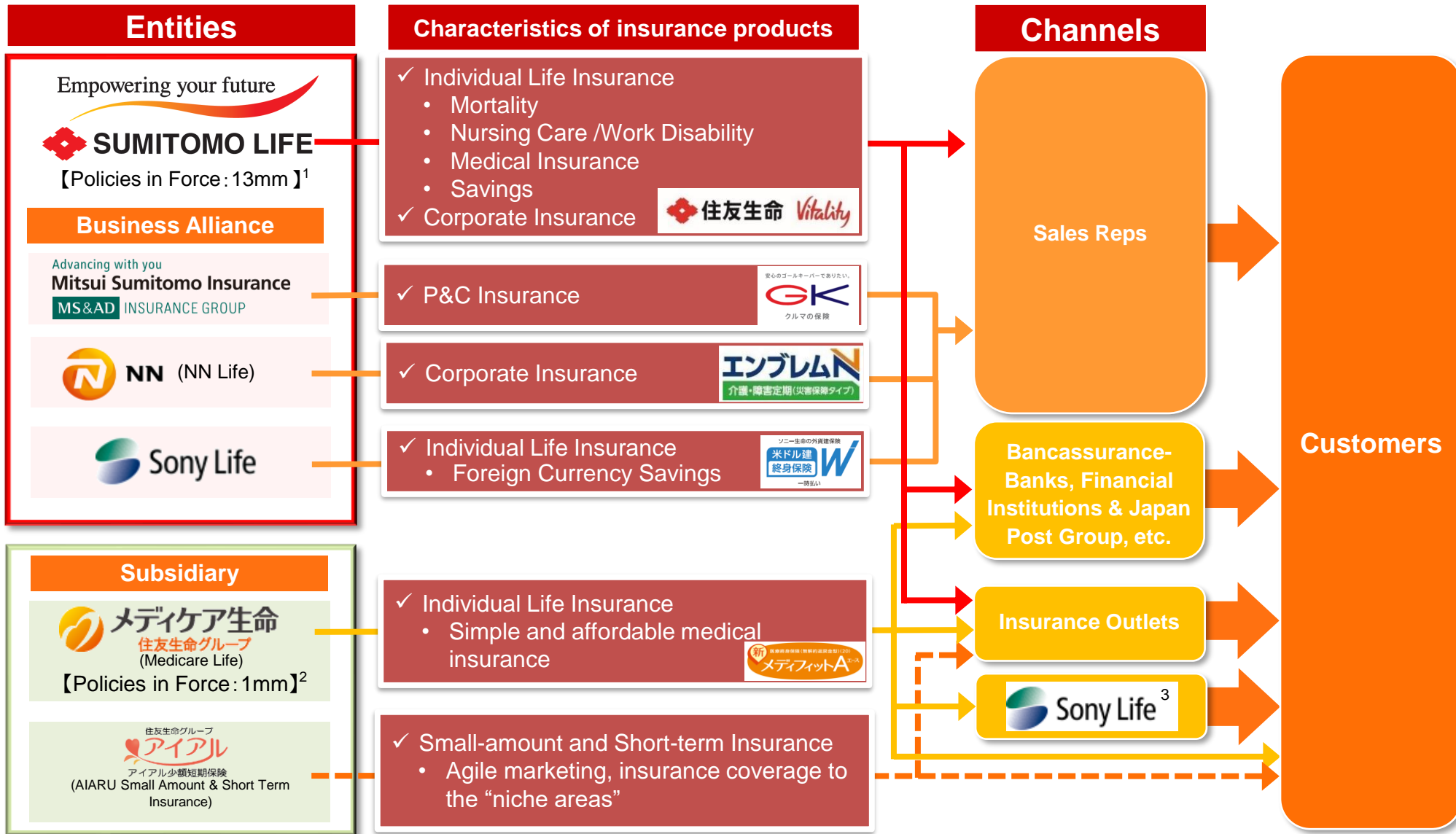
③ Focus on Sustainability

④ Overseas Business Development for Diversification and Further Growth

⑤ Sound Financial Foundation with Disciplined 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.



1. As of September 30, 2022. 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, 2022

3. Product supply from Medicare Life to Sony Life is scheduled to start in January 2023.

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</p> <p>[Yen] (Whole Life) ふるは〜と ジョードplus</p> <p>[Foreign Currency] (Whole Life) ふるは〜と ジョードglobal II</p> <p>米ドル建 終身保険 W 一割払い Sony Life</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>エンブレムN 介護・障害定期(災害保障タイプ)</p> <p>エンブレムN 重大疾病</p> <p>エンブレムN エマー・ジェンシープラス</p> <p>NN</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>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>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>Others golfer 保険 (パーソナル生活補償保険)</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 がんプラスライブ</p>		<p>Level-Premium Insurance</p> <p>[Yen] (Whole Life) プラス つみたて 終身保険 円建</p> <p>[Foreign Currency] (Whole Life) プラス つみたて 終身保険 米ドル建</p> <p>米ドル建 終身保険 W 米ドル建 自由保険 (複利保障) Sony Life</p> <p>米ドル建 終身保険 W 米ドル建 自由保険 (複利保障) Sony Life</p> <p>パラ色人生 スミセイの低解約返戻金型介護終身保険</p> <p>パリュウケア スミセイの低解約返戻金型介護終身保険</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>(Annuity) たのしみ 未来 global たのしみ 未来 global 学費給付プラン</p>		<p>Medical Protection スミセイの医療保険 ドクタ-GO ロシクリリーフ</p>	<p>Work Disability Protection 1UP↑ スクエアライン ワンアップ</p>
<p>Wellness program that could be attached to the above main products SUMITOMO LIFE Vitality Discovery</p>		<p>Income Assurance Insurance 両妻区分型収入保障保険(無解約返戻金型) メディフィット 収入保障</p>		<p>Medical Insurance 新 単独型収入保障保険(無解約返戻金型) メディフィットA</p>		<p>Work Disability Protection 1UP↑ スクエアライン ワンアップ</p>		
<p>Income Assurance Insurance 両妻区分型収入保障保険(無解約返戻金型) メディフィット 収入保障</p> <p>メディケア生命 住友生命グループ</p>		<p>Medical Insurance がん治療保険(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>Advancing with you Mitsui Sumitomo Insurance MS&AD INSURANCE GROUP</p>		

SUMITOMO LIFE Vitality

The sales of our core product, SUMITOMO LIFE Vitality continued to be strong. The total number of policies sold since July 2018 exceeded 1.2 million. (As of October 31, 2022)

Overview of SUMITOMO LIFE Vitality

About SUMITOMO LIFE Vitality

- Package product, which adds Vitality, a globally recognized health enhancement program with over 30 million members¹ across 40 countries and regions as of October 31, 2022, to a protection type product.
- Sumitomo Life is the exclusive partner insurer for the Japanese market for the distribution of Vitality.

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

Provision of Rewards

Support policyholders to engage in health engagement activities consistently through partnership with companies.

Insurance Premium Flux

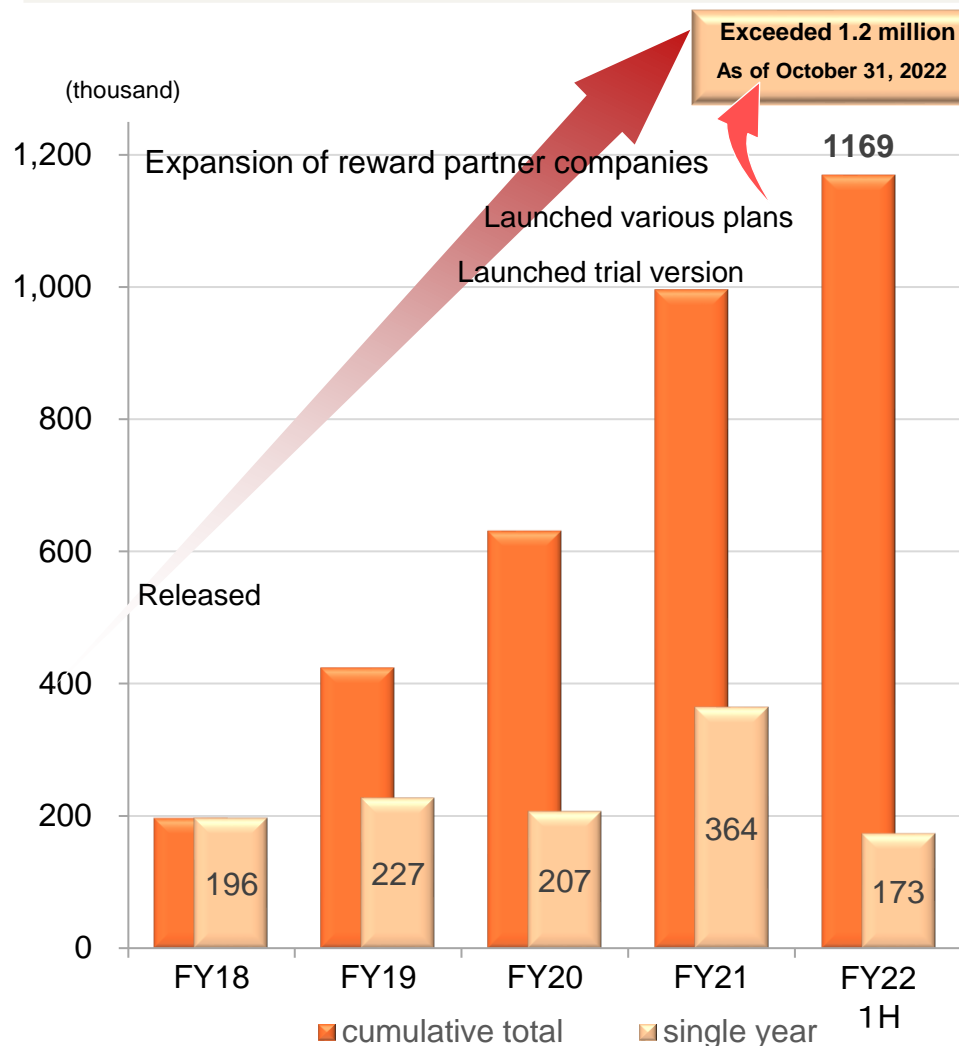
Premiums fluctuate each year, according to health enhancement activities engaged by policyholders

Active Challenge

- A weekly target is set automatically.
- Points are gained through activities such as walking, with the aim to achieve the target number of points.
- If the weekly target is achieved, the user is guaranteed to receive tickets that can be exchanged for various drinks.



Number of SUMITOMO LIFE Vitality policies sold²



1. The type of Vitality provided outside Japan may vary depending on each country where Vitality is introduced (P&C Insurance, health insurance, etc.)

2. The FY2018 figure shows results since release date, July 24

Evolution of SUMITOMO LIFE Vitality

Continuously work on the evolution of SUMITOMO LIFE Vitality in order to enable more customers to experience for themselves the attraction of the Vitality Wellness Program.

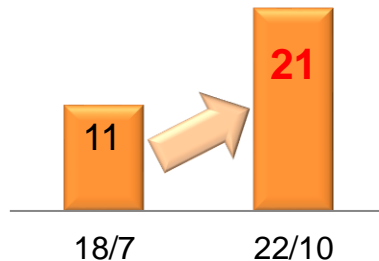
Evolution of SUMITOMO LIFE Vitality

Expansion of reward partner companies

- Since the release, Vitality Wellness Program has been upgraded at a speed never before seen in insurance products

<New Initiatives in FY2022>

- Rewards for purchasing healthy foods
- Expansion of target products for Active Challenge
- Online accommodation reservations
- Business alliance with Hot Yoga studio etc.

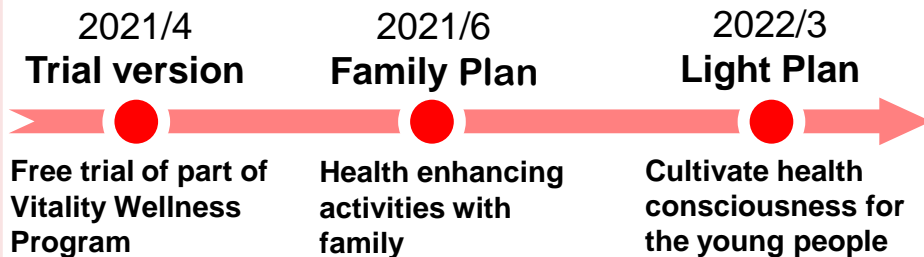


Expansion of donation destinations utilizing exercise point

- When you reach your exercise point goal, you can use the points for donations for promotion of cancer diagnosis, support for orphans, disaster support and environmental protection

137,456,928 yen (received between 6/22/2021 ~ 9/30/2022)

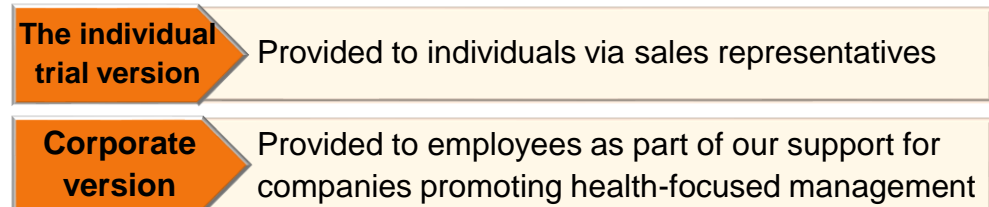
Develop various plans



Initiatives utilizing Vitality Wellness Program

Vitality Wellness Program as a stand-alone offering

- We have been offering a part of the Vitality Wellness Program for free and for a limited time without being required to enroll in a life insurance policy

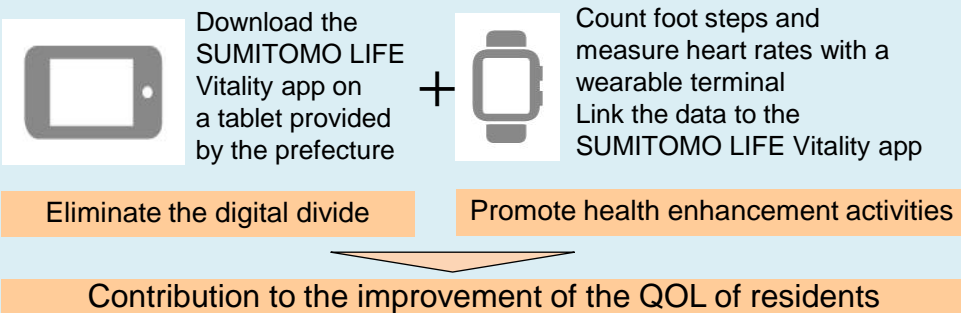


Implementation of partnerships with local governments

- Implementation of partnerships with local governments utilizing Vitality Wellness Program as health enhancement of local residents and solution for local government issues

<Osaka Prefecture Smart Senior Life Demonstration Project>

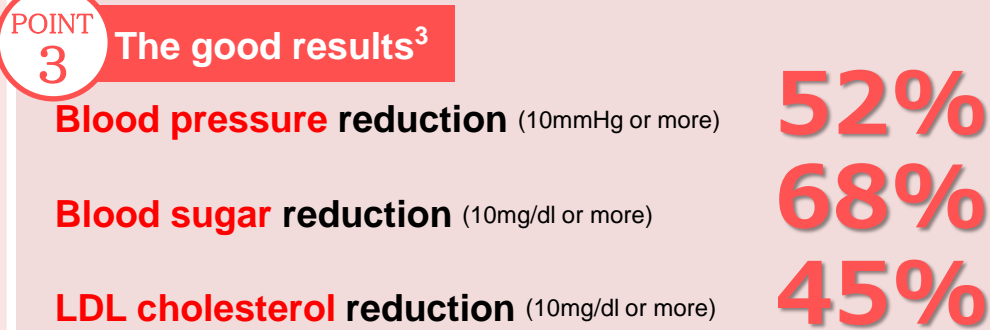
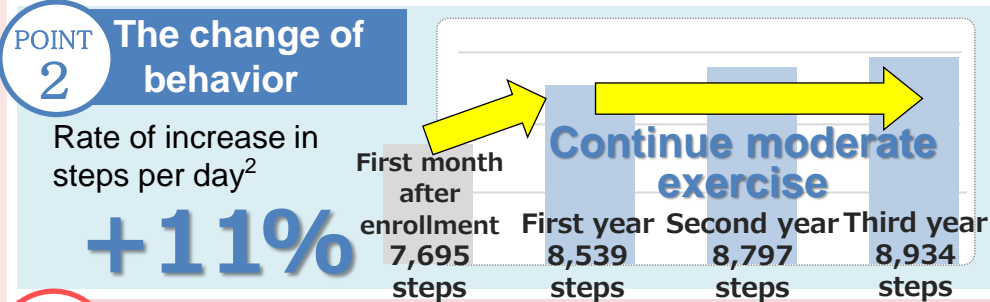
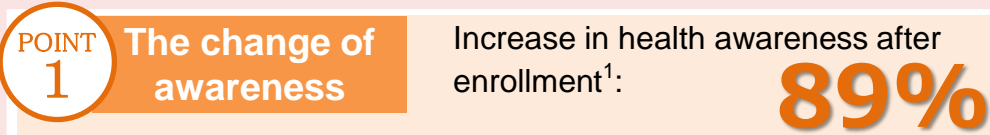
Offered a part of the Vitality Wellness Program through tablet terminals to seniors who are not familiar with ICT.



Contribution of SUMITOMO LIFE Vitality

SUMITOMO LIFE Vitality contributes to change in awareness, behavior, and health condition of policyholders, which leads to improvement of mortality rate and hospitalization rate.

The change in awareness, behavior and health condition of policyholders



Feel a quality of life has improved after enrollment¹ **79%**

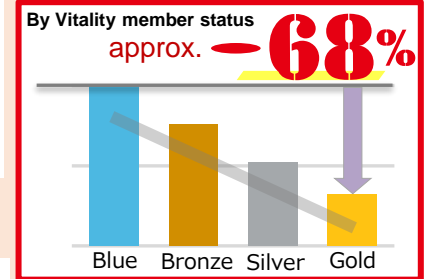
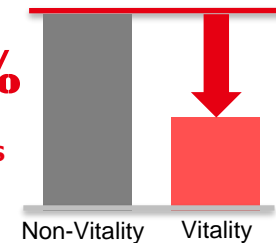
Status-based mortality and hospitalization rate of Vitality members

<Mortality rate>

approx.

-52%

Vitality members have lower mortality rate

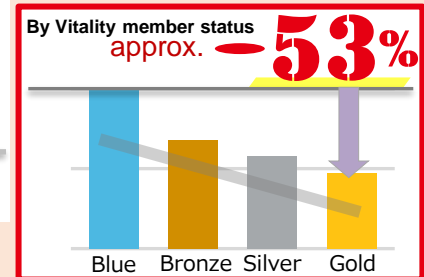
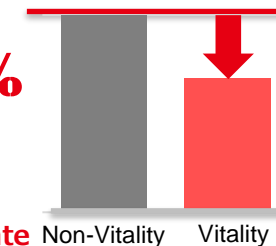


<Hospitalization rate>

approx.

-16%

Vitality members have lower hospitalization rate



(Note) Calculated based on payments from April 2021 to March 2022 for policies subscribed from September 2018 (released SUMITOMO LIFE Vitality) to March 2021. The mortality rate excludes accidental deaths, and the hospitalization rate excludes accidental hospitalizations and COVID-19 and other emerging infectious diseases. Non-Vitality refers to policies that do not include the Vitality Wellness Program despite their eligibility.

1. Questionnaire by Sumitomo Life. The number of responses: 47,865. Excluding Sumitomo Life employees.

2. Analysis of the average number of steps taken by members enrolled between September 2018 and January 2020, by the end of January 2022.

3. The results of the 2019 health checkups (taken from January to June) and the 2021 health checkups (taken from January to December) were compared for those whose results were as follows (age and gender composition was adjusted to be equal to that of Vitality members as a whole)

•Blood pressure: systolic blood pressure of 140 mmHg or more but less than 160 mmHg •Blood sugar level: fasting blood sugar level of 126 mg/dl or more

•LDL cholesterol: LDL cholesterol of 140 mg/dl or more but less than 180mg/dl

Promote the Use of "Digital Technology"

Promote offering unprecedented value which fuses value unique to sales representatives and digital technologies.

Promote building data platforms and various analyses to provide new products and services.

Establishing a new approach to sales

- Aggressive use of digital technology to maximize the value unique to sales representatives

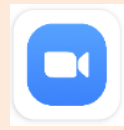
Digital Applications for Making Contacts and Consulting

2020/9~

Business chat tool
"LINE WORKS (LW)"



Web meeting tool
"Zoom"



e-learning tool
"Cloud Campus"



Digital Application for Proposals and Applications

2021/1~

Started web-based application service

2021/4~

Launched Vitality trial version
Completion of the application process on the web by customers themselves

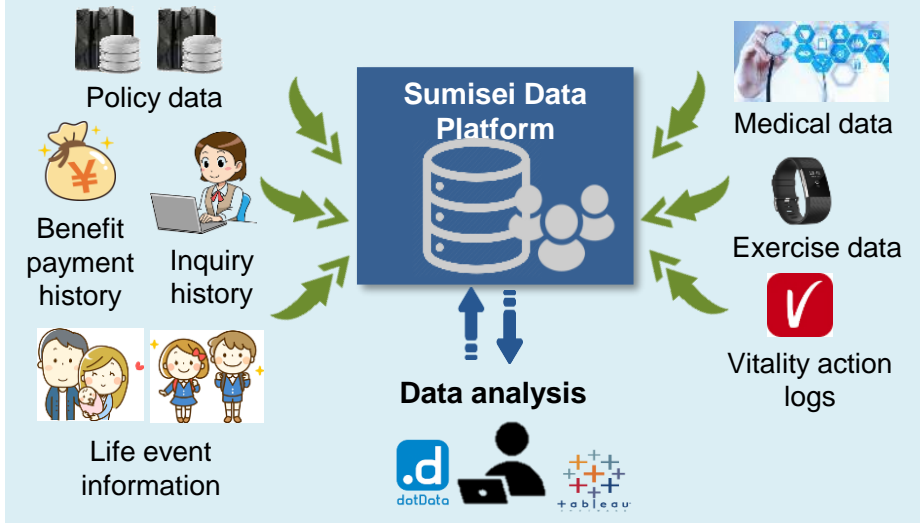
2022/4~

Insurance plans¹ for bundled target products for SUMITOMO LIFE Vitality can be sent via LW

Promotion of DX (Digital Transformations)

- Perform various analyses to evolve the Vitality Wellness Program and to provide other new products and services that utilizes exercise data obtained from wearable devices
- Plan to improve the data platform to further expand, centrally manage, and utilize customer data

<Data Platform>



1. Insurance plans can have been sent via Lief mail since 2006

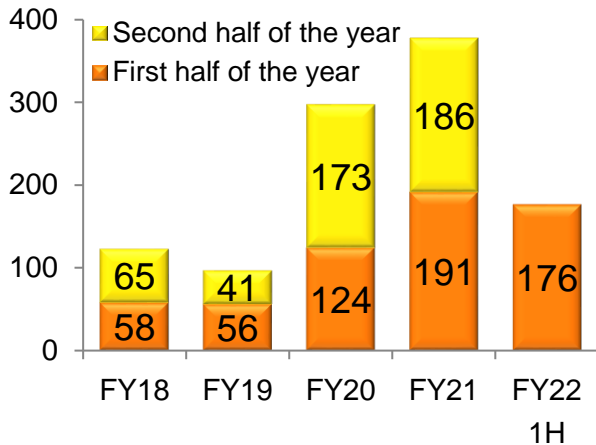
Medicare Life

**Sales of medical whole life insurance continued to be strong from last fiscal year.
Medicare will supply some products to Sony Life from January 2023.**

New Policies and Policies in force

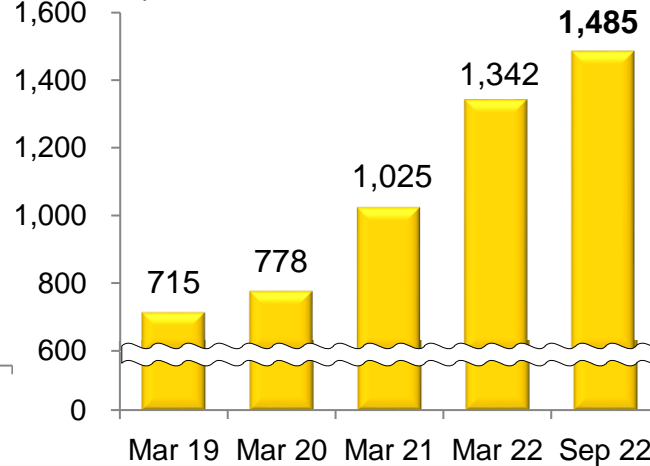
< Number of New Policies >

(thousand policies)



< Number of Policies in Force >

(thousand policies)



- The benefits of base policy and rider of core products were revised and insurance premiums were reviewed in April 2022. They have been successful and new policies are continued to be strong.
- The number of policies in force exceeded 1.5 million in October 2022.

<The feature of core products (New MEDI-FIT A)>

- Medical whole life insurance that provides “more useful coverage” than ever before, in as “simple and easy-to-understand a manner” as possible, with “more affordable insurance premiums”

Product Supply to Sony Life (from Jan 2023~)

- Medicare Life will supply products to Sony Life (For the Sumitomo Life Group, business alliance following the handling of US dollar-denominated insurance provided by Sony Life to Sumitomo Life).
- Sony Life will sell the following products by Medicare Life through its over 5 thousands Life Planners (sales representatives).

<Products>



Key Indicators

<As of March 31, 2022>

<As of September 30, 2022>

EEV	JPY265.1bn	JPY312.8bn
Solvency Margin Ratio	1672.2%	1014.3%
Credit Rating	AA- (R&I)	

- While EEV figure has increased thanks to strong sales performance and rising interest rates, solvency margin ratio has moved downward.
- A JPY 20 billion capital injection has been carried out to secure strong capital base in September 2022.

AIARU Small Amount & Short Term Insurance

Developed many unique products leveraging open innovation with companies

Product development leveraging open innovation

■ Heat stroke insurance (April 2022)

- A product exclusive for a cashless payment service app that pays insurance benefits when a policyholder receives specified treatment for heat stroke (first for the Sumitomo Life Group)
- Number of policies sold from April 2022 to September 2022 reached 63 thousand

■ CellSource PFC-FD insurance (February 2022)

- Insurance covering PFC-FD therapy expected to be effective in treating sports injuries (first in Japan)
 - Joint development with CellSource Co., Ltd., which operates the regenerative medicine-related business
- Introduced to the Japan Professional Football League (J.League) member clubs and the Japan Handball League (JHL) member teams



■ Medical insurance for mothers and babies “Dear Baby” (February 2022)

- Medical insurance that allows people to take out regardless of the gestation period and supports mothers and babies as well as their families before and after childbirth
- Joint development with FamiOne, Inc., which operates the fertility/infertility treatment support business, and MilCare Corporation, which operates the pregnancy/childcare support services using IoT



Overview of AIARU

Company name	AIARU Small Amount & Short Term Insurance Co., LTD. ¹
Establishment	January 2009
Representative	Katsuyuki Ando, President and Representative Director
Head office	15-18, Nihonbashi Kodenmachi, Chuo-ku, Tokyo
Capital	JPY 299.4 million ²



1. 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.
2. As of September 30, 2022

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 ³
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)

3. 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.



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Medium-Term Asset Management Policy

Promote reduction of domestic interest rate risk looking ahead for introduction of economic value-based capital regulation in 2025

Expand investment in foreign credit assets and risk assets
 Improve profitability while controlling the total risk amount

Medium-Term Asset Management Policy (2021-2025)

Reduction of domestic interest rate risk

Super long-term domestic bonds, etc.

Continue

Comprehensive hedging by interest rate swaps, etc.

New¹

Enhancement of profitability through risk-taking

Foreign credit assets

Increase Investment

Non-traditional investments²

Expand Scope

Foreign stocks

Increase Investment

Unhedged foreign bonds

Increase Investment

Promotion of responsible investment

GHG net-zero

New³

Responsible investment structure

Enhance

All assets to be covered

Expand Scope

Thematic investment

Expand Scope

Risk Amount



Risk Amount



Improve profitability while controlling the total risk amount

1. Interest rate swaps were introduced in FY2021.

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

3. We have committed to GHG net-zero from asset portfolio by 2050.

Initiatives in 1H FY2022

Managed general account with portfolios classified into two categories: ALM Investment and Balanced Investment
 While continuing with initiatives in accordance with medium-term asset management policy, replaced currency hedged foreign bonds or switched them to other assets, and hedged stocks and foreign exchange rates in response to fluctuation of economy and financial markets

Initiatives in 1H FY2022

ALM Investment Portfolio

- Portfolio focused on yen-denominated assets (approx. JPY 25tn)
- Objective is to contribute to secure payment of claims, etc.

Balanced Investment Portfolio

- Portfolio focused on highly liquid securities (approx. JPY 6tn)
- Objective is to contribute to sustainable growth of Embedded Value

Increased Investment Earnings

- Kept expanding investment in foreign credit assets
- Replaced currency hedged foreign bonds or switched them to domestic bonds, foreign credit assets and so on
- Full outsourcing of investment in foreign corporate bonds to Symetra Investment Management (since July 2022)

Strengthened Risk Control

- Reduced domestic interest rate risk steadily by investing in super long-term domestic bonds, etc.

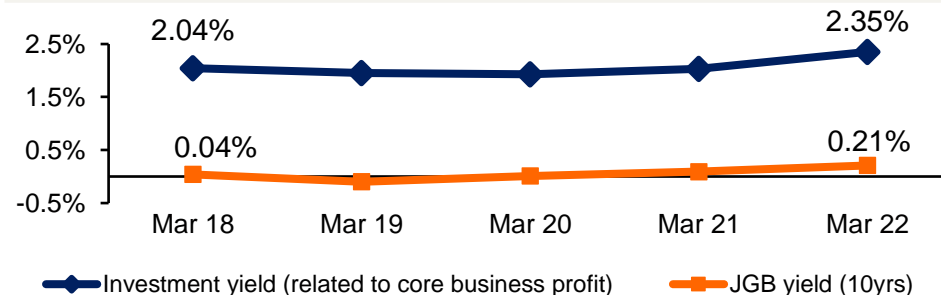
Promoted Responsible Investment

- Increased investment in unhedged foreign bonds (North America/Australian currencies) while hedging exchange rate according to the situation, taking the levels of interest rates and foreign exchange rates into account
- Implemented switching currency hedged foreign bonds
- Reduced exposure by hedging or selling to prepare for downside risks in equity market and the yen's depreciation

Initiatives to Strengthen Asset Management Platform

- Human resource development: Implemented some measures based on long term human resource development strategy.
- Develop and implement IT strategy for medium- to long-term asset management: Personnel exchange with system department, PoC¹ of promising technology, BPR² across departments
- Effective use of Symetra Investment Management: Full outsourcing of investment in foreign corporate bonds.
- Increase alternative investments: Started investment in direct lending and forest and farmland funds etc.

Market Interest Rate and Our Investment Yield



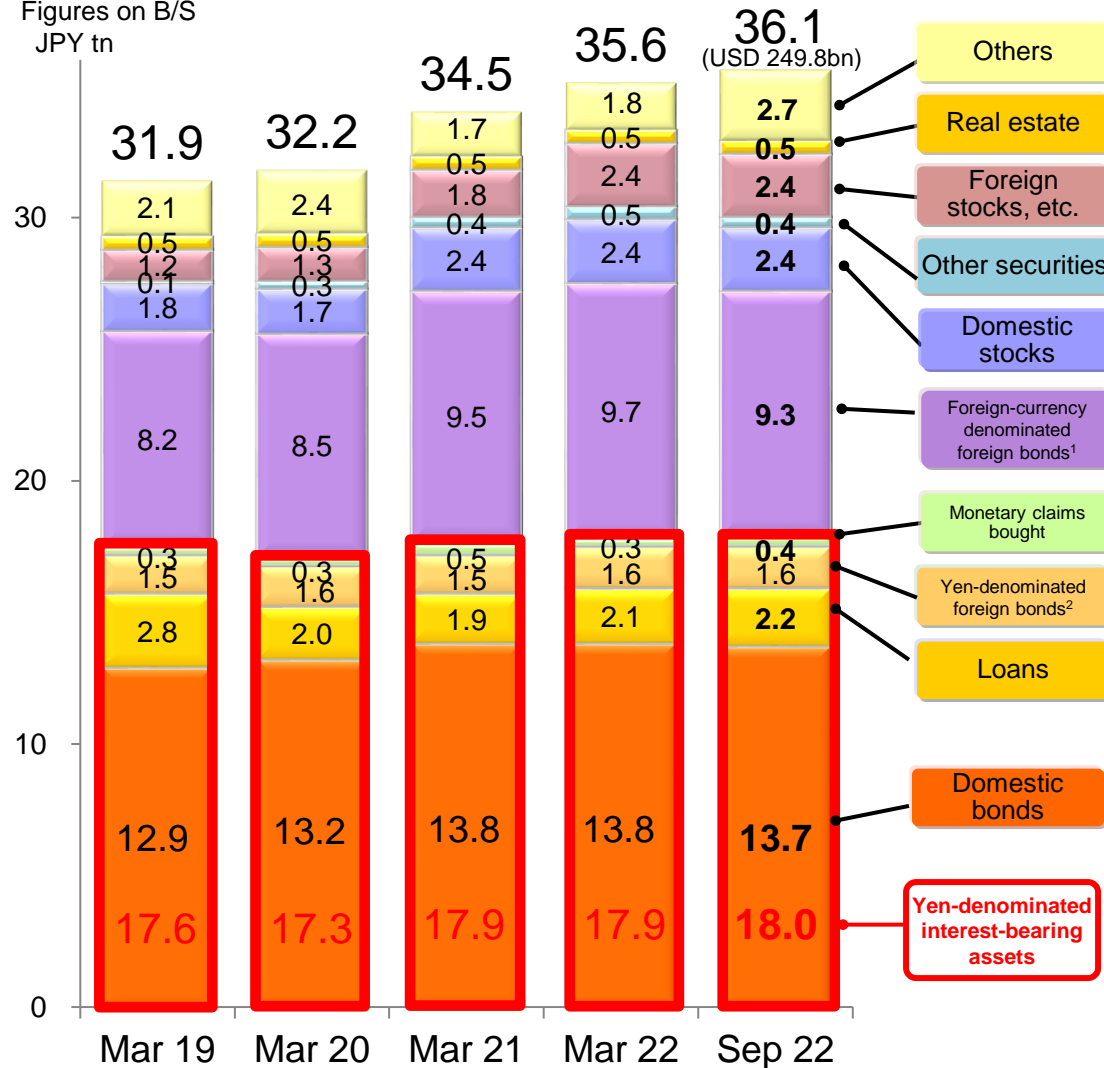
1. Proof of Concept, verifying feasibility for new idea or concept and its effect
 2. Business Process Reengineering: Fundamental review and redesign of work content and flow, etc.

General Account Asset Portfolio

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

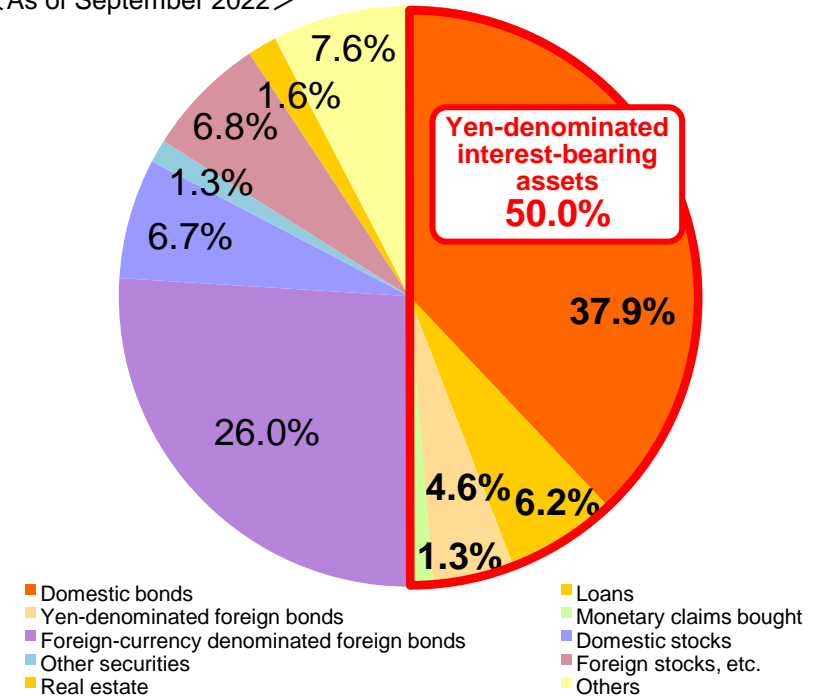
Trend of General Account (GA) Assets (Non-consolidated)

Figures on B/S
JPY tn



Breakdown of GA Assets (Non-consolidated)

< As of September 2022 >



Unrealized Gains/Losses in GA Assets³ (Non-consolidated)

	JPY bn		
	As of Mar 2022	As of Sep 2022	Change
Securities	2536.4	534.3	(2002.1)
Held-to-maturity debt securities	242.9	244.9	2.0
Policy-reserve-matching bonds	1082.0	341.0	(740.9)
Available-for-sale securities	1210.0	(52.7)	(1262.7)
Domestic bonds	(42.7)	(219.3)	(176.6)
Domestic stocks	1142.0	995.4	(146.5)
Foreign securities	82.4	(806.7)	(889.2)

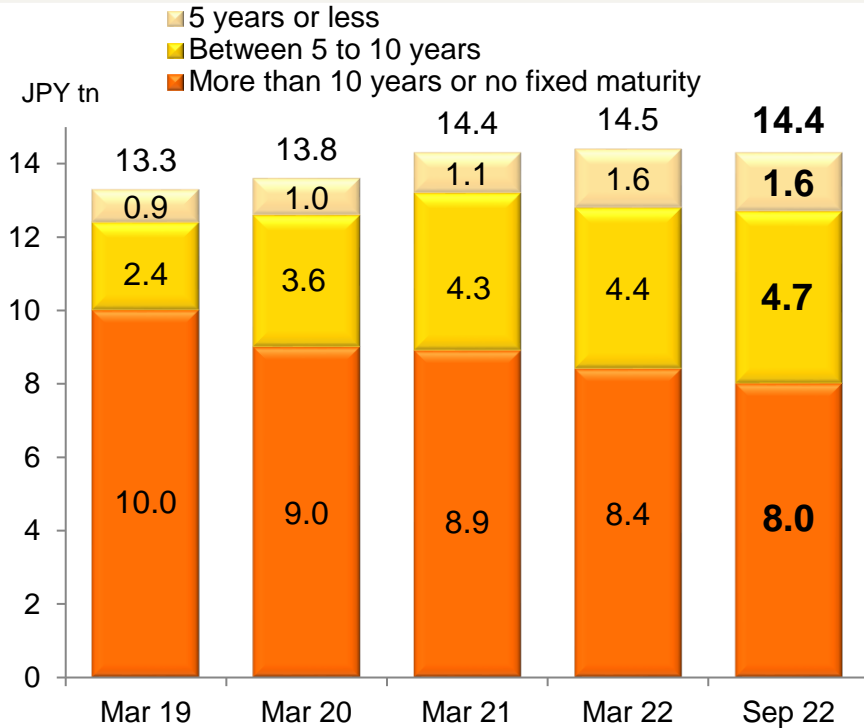
1. Foreign currency-denominated foreign bonds (including those issued by residents) include currency-hedged foreign bonds.
2. Yen-denominated foreign bonds include foreign currency-denominated foreign bonds with a fixed amount in Japanese yen.

3. See page 56 for details.

Profile of Domestic Bonds

Strengthen domestic interest rate risk management based on ALM strategy
Duration gap between assets and liabilities is shrinking

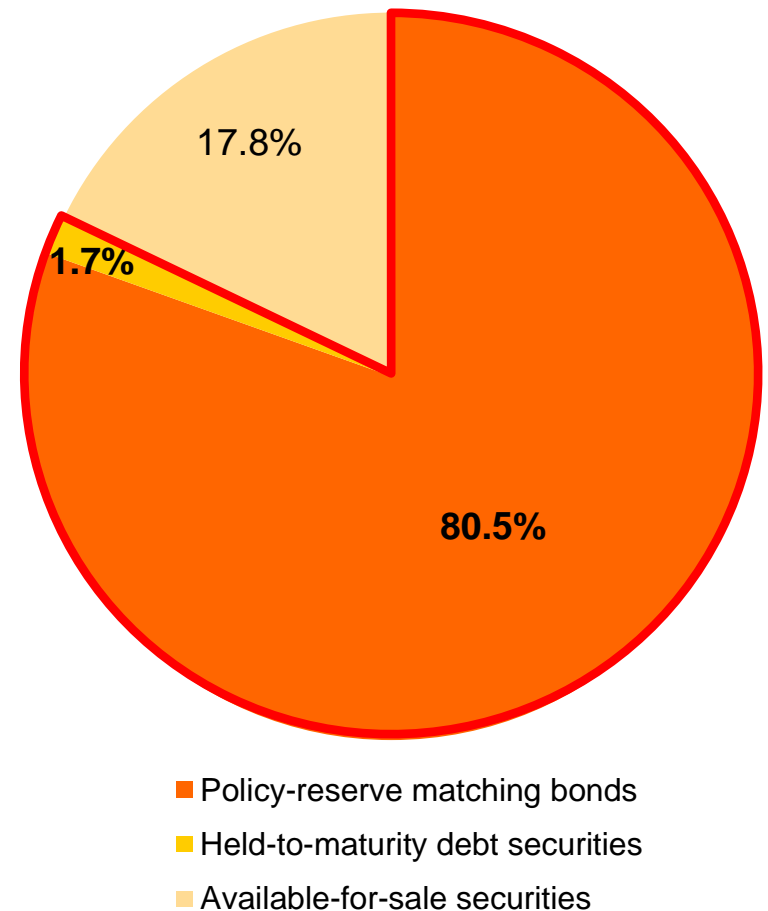
Domestic Bonds by Maturity
(GA・non-consolidated)



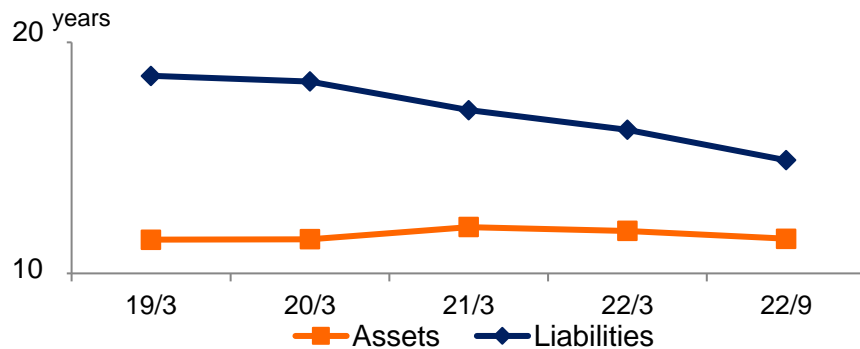
Domestic Bonds by Category
(GA・non-consolidated)

<As of September 2022>

Domestic Bonds Outstanding Balance:
JPY 14.42tn (USD 99.6bn)



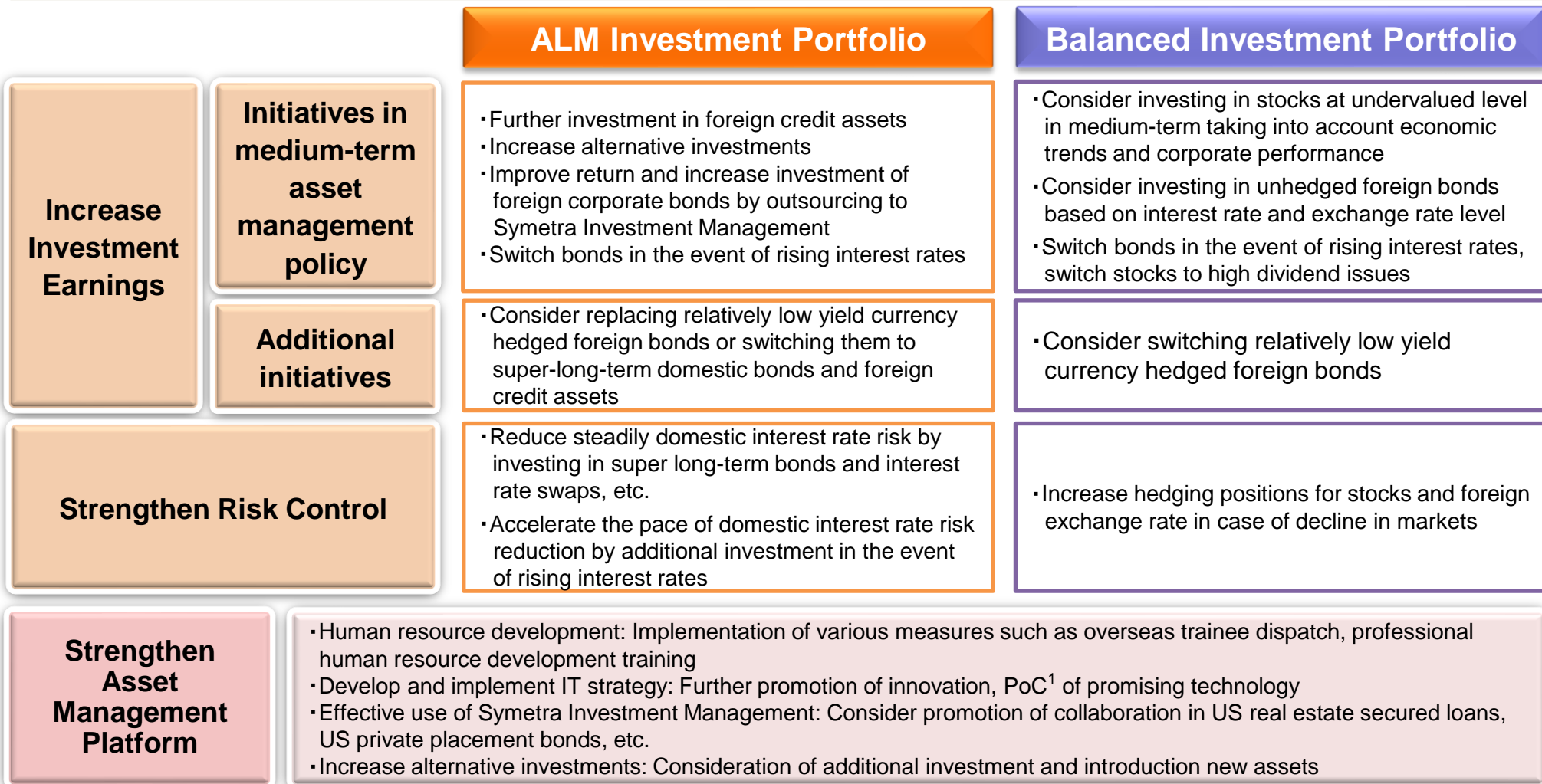
<Trends in the duration of assets and liabilities in the ALM portfolio>



Asset Management Plan for 2H FY2022

In addition to initiatives in accordance with medium-term asset management policy, we cope with the changes in the financial markets such as increase in foreign exchange hedging cost and rising super-long-term domestic interest rates. We consider expanding hedging position in preparation for economic downturn risk due to financial tightening or geopolitical risk, etc.

Asset Management Plan for 2H FY2022



1. Proof of Concept, verifying feasibility for new idea or concept and its effect

Initiatives for Responsible Investment ①

Promote responsible investment for contributing to the realization of a sustainable society and earning stable investment returns over the medium- to long-term
Especially, respond actively to the urgent issue of shifting to a decarbonized society as an institutional investor

ESG Investment

• Investment behavior considering ESG factors in addition to financial information

- ① ESG integration
- ② Thematic investment, Impact investment
- ③ Negative screening

Stewardship Activities

• Engagement activities from the perspective of improving the medium- to long-term corporate value of investees and ESG factors in line with the Japan's Stewardship Code

- ① Dialogue activities (Domestic stocks, Domestic corporate bonds)
- ② Exercise of voting rights (Domestic stocks)

Investment Results

■ Thematic Investment

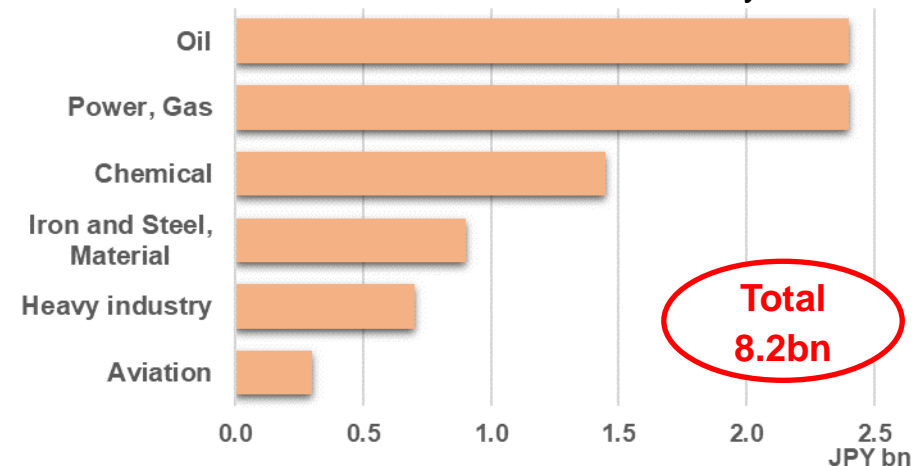
Target	Result
3-year total : JPY 500bn (FY2020 - 2022)	JPY 516bn (Apr 2020 – Sep 2022)

Achieved

■ Impact Investment

Target	Result
JPY 20bn (FY2022)	JPY 10bn (rate of progress: 50%)

< Investment Results of Transition Finance by Sector >



(note) Investment results for bonds and loans from Feb 2022 to Sep 2022

Initiatives for Responsible Investment ②

To achieve net-zero greenhouse gas emissions by 2050, set 2030 reduction target (42% reduction compared with fiscal 2019)

Promote initiatives to achieve these goals

Initiatives to realizing a decarbonized society

Dialogue activities	Direct dialogue with high-emitting companies	<ul style="list-style-type: none"> ✓ In fiscal 2021, engaged in dialogues with 25 high-emitting companies from among domestic investees (over 80% of GHG emissions from domestic investees in our portfolio) aimed at reducing emissions ✓ In fiscal 2022, engaging in dialogues with domestic lenders from the perspective of financing
	Collaborative engagement	<ul style="list-style-type: none"> ✓ Participated in collaborative engagement with the Life Insurance Association of Japan and international initiatives CDP and CA100+ 
	Dialogue with asset managers	<ul style="list-style-type: none"> ✓ From fiscal 2021, send questionnaires regarding responsible investment initiatives to all asset managers, and assess their efforts on climate change, etc.
Financing	Climate change-related financing	<ul style="list-style-type: none"> ✓ Promote thematic investment, including green & transition financing and renewable energy projects
Strengthening collaboration in Japan and overseas	PCAF	<ul style="list-style-type: none"> ✓ In September 2021, joined the international initiative PCAF, which aims to standardize the method of assessing and disclosing the amounts of greenhouse gas emissions from the asset portfolio 
	Net-Zero Asset Owner Alliance	<ul style="list-style-type: none"> ✓ In October 2021, joined the “Net-Zero Asset Owner Alliance”: an international initiative for institutional investors that aims for net-zero GHG emissions 
	Support for the GX League Basic Concept	<ul style="list-style-type: none"> ✓ In March 2022, endorsed the GX League Basic Concept, in which industry, government, and academia work together to reduce GHG emissions and improve industrial competitiveness 



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Initiatives to Sustainability

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.

Our Vision

Extending healthy life expectancy through the insurance business

Provision of sense of security through the insurance business

Realization of sustainable and stable growth

Building mutual trust with stakeholders

Management structure that supports sustainability



To be an “Indispensable” Insurance Company for Society

Efforts as a Life Insurance Company

Popularize SUMITOMO LIFE Vitality and provide services and information for the era of the 100-year lifespan

Contribute to the realization of a society of health and longevity

Aim to solve social issues of extending healthy life expectancy¹ by assisting customers to engage in health enhancing activities

*See page 32 for specific initiatives

Efforts as an Institutional Investor

Promote responsible investment (ESG investment and stewardship activities)

Contribute to the realization of decarbonization initiatives and a sustainable society

Encourage initiatives of investees to solve their social issues through providing funding such as thematic investment or constructive dialogue

*See page 28-29 for specific initiatives

1. The period during which an individual can maintain an autonomous daily life without needing nursing care, etc.

Specific Initiatives

Following on from the previous fiscal year, promoted various sustainability-related initiatives in 1H FY2022

Efforts as a Life Insurance Company


	- FY2019	FY2020	FY2021	FY2022
Offering Insurance	Expansion of bundled target products for SUMITOMO LIFE Vitality since its release July 2018	Launched “Cancer PLUS ALIVE” to provide coverage for cancer recurrence and lifelong anti-cancer drug treatment	Develop some plans such as a trial version through which customers experience the attraction of the Vitality program	Evolution of Vitality Wellness Program Providing a stand-alone Vitality Wellness Program and collaboration with local governments (see page 17 for details)
Climate Change	Supported the TCFD Recommendations	Started our disclosure based on TCFD Recommendations Started assessing Scope1-3	Carbon Neutrality declaration Established target, Scope 1-3 (revised target upward in 2H FY2021) Conducted new scenario analysis about climate change	Introduce electricity derived from renewable energy sources at buildings owned by our company (see page 29 for initiatives as an institutional investor)
Human Capital	Started WPI project for work-style reform initiatives	Formulated an action plan related to the promotion of women’s participation	Launched the Human Capital Development Headquarters as a cross-departmental organization reporting directly to the President & CEO	Implement competency operation Promoting career development
Human Rights	Conducted human rights enlightenment and training by position and annual training for all staff		Established Human Rights Policy	Implement human rights due diligence by formulating the ‘Guidelines for Business Activities’
Take Hold within the Company	Promoted volunteer activities involving employees to contribute to solving social issues	Distributed video materials related to sustainability through e-learning tool	Declared and implemented initiatives for achievement of SDGs by each and every executive and employee	Appointing the Group Sustainability Officer Initiatives with the participation of employees for achieving the SDGs

1. Please refer to various reports published to report the status of our efforts to promote sustainability.
[Sustainability report](#), [Responsible Investment Report](#), [Corporate Governance Report](#)

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.




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.

Net-Zero Asset Owner Alliance

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.



The TNFD Forum

New

- The TNFD Forum is an organization established for the purpose of supporting the activities of TNFD to formulate a framework for biodiversity disclosure standards.
- Sumitomo Life joined the TNFD Forum in September 2022.

【Society (S) related】

In support of



WOMEN'S EMPOWERMENT PRINCIPLES

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.

Signatory of:



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

Japan Stewardship Initiative

- 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.



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.

the Japan Impact-driven Financing Initiative

- A domestic initiative launched in November 2021 for the purpose of financial institutions jointly practicing and promoting impact investment that aims to resolve environmental and social issues through financing.
- Sumitomo Life became a member in April 2022.



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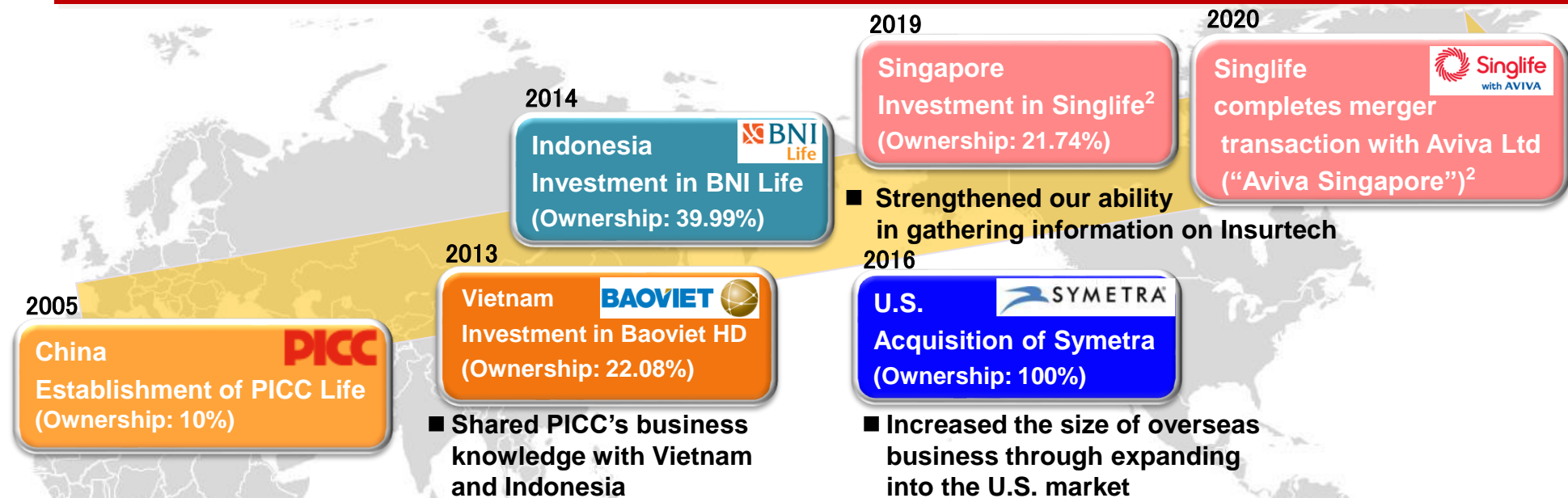
④ Overseas Business Development for Diversification and Further Growth

⑤ Sound Financial Foundation with Disciplined 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&A¹



<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 third largest market in the world³ ■ 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 world³ ■ Benefit from steady growth in the U.S. insurance market through Symetra, our 100% subsidiary

1. Ownership ratio as of September 2022

2. 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.

3. Swiss Re sigma No4/2022 Life premium volume in USD in 2021

Initiatives in the U.S. Market ①

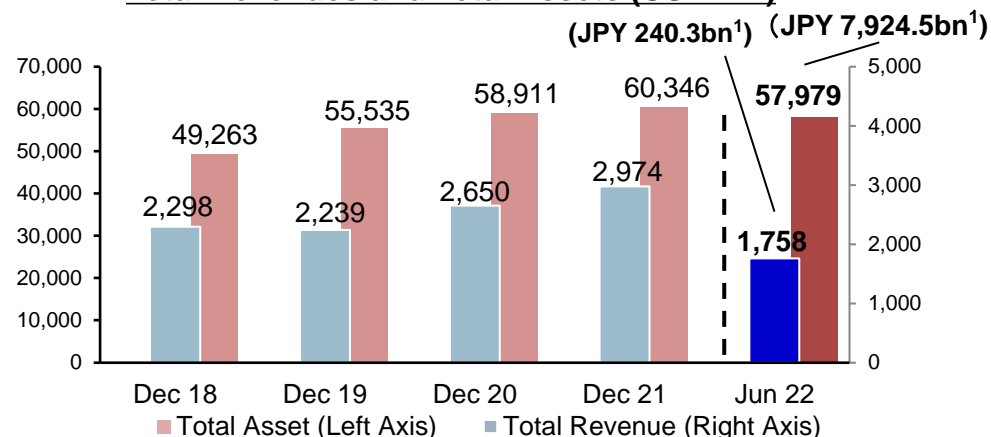
Symetra has solid business base across the U.S.

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

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

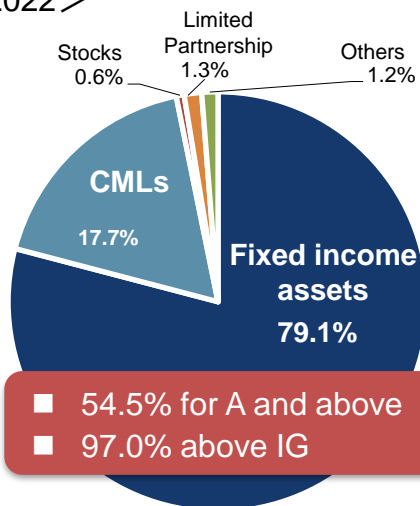
- 100% acquisition of Symetra Financial Corporation (February 2016)
- Number of employees (Consolidated): Over 2,000
- RBC Ratio (Risk Based Capital)*: 393% (As of December 31, 2021)
*Calculated without considering 50% of the risk profile (denominator)
- Ratings: A (S&P), A1 (Moody's), A (AM Best)

Total Revenues and Total Assets (USD mn)



Conservative Investment Policy – Asset Management Portfolio

<As of June 2022>



- 54.5% for A and above
- 97.0% above IG

(JPY 6,371.3bn¹)
Total: USD 46.6bn

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
- Started the outsourcing of asset management for investment grade corporate bonds entrusted to Symetra Investment Management from July 2022, and reach an entrusted asset balance of 3 trillion yen.
- Sumitomo Life and Symetra are dispatching personnel to a base in Silicon Valley to gather information on FinTech activities

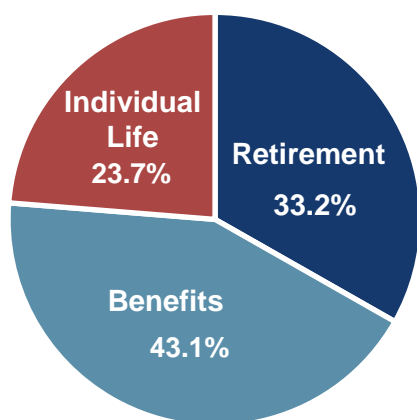
1. USD1 = JPY136.68 (as of June 30, 2022)

Initiatives in the U.S. Market ②

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

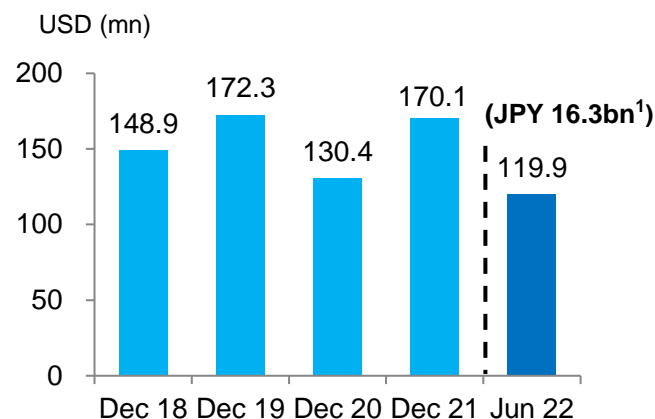
Balanced Business Portfolio – Ordinary Income by Segment

<As of June 2022>



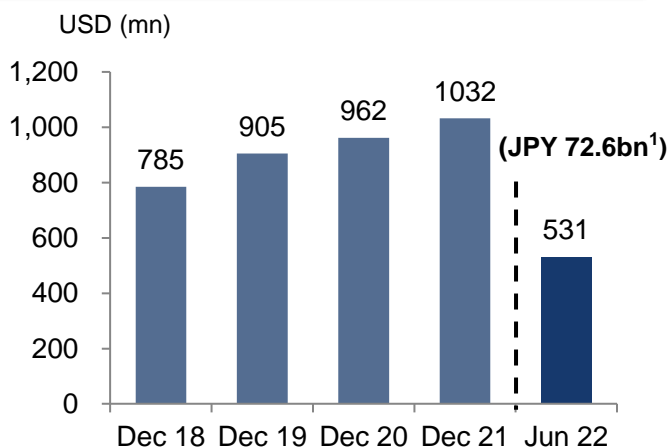
Summary P&L

<Adjusted pre-tax income>

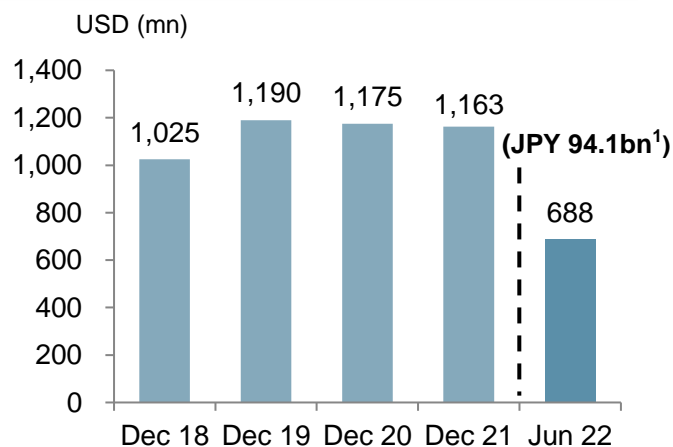


項目	Year ended December 2021	Year ended June 2022
Adjusted pre-tax income	170.1	119.9
Benefits	154.9	63.7
Retierment	15.5	59.6
Indivisual Life	17.8	4.6
Other	(18.1)	(8.0)

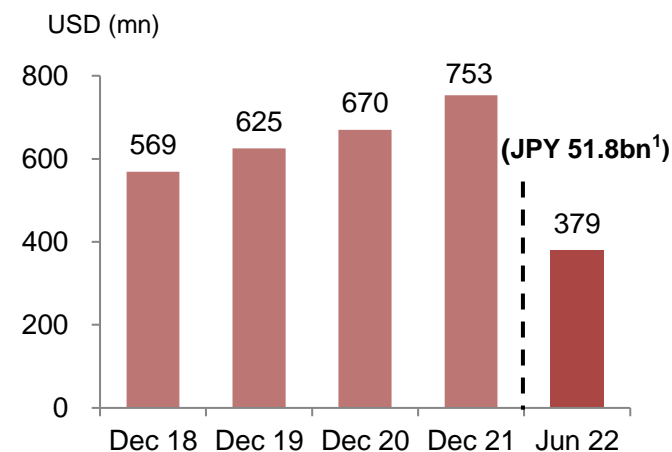
Ordinary Income from Retirement



Ordinary Income from Benefits



Ordinary Income from Individual Life



1.USD1 = JPY136.68 (as of June 30, 2022)

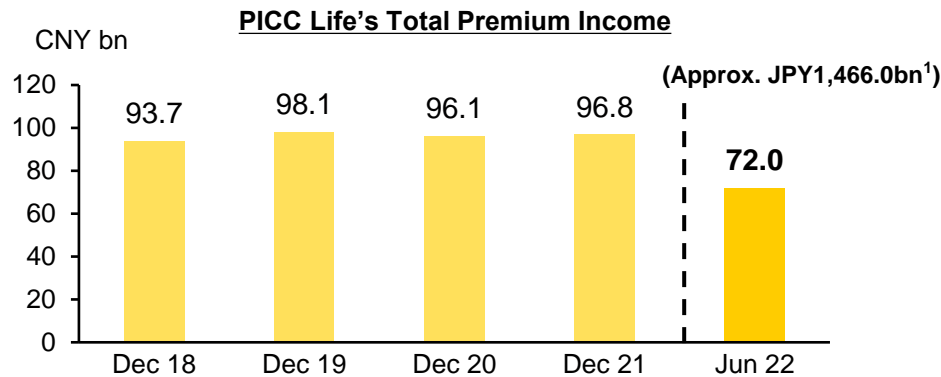
2.Income from operations before income taxes, excluding results from closed blocks, intangible asset amortization and certain net realized gains (losses)

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.

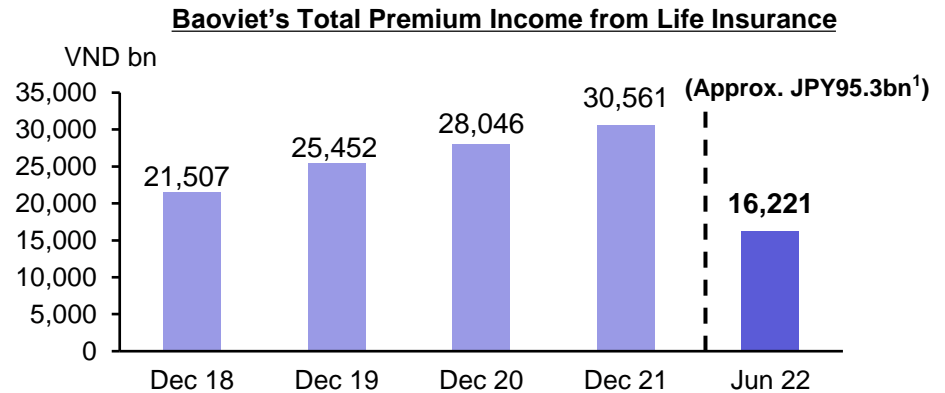
China

- Establishment of PICC Life Insurance Company (November 2005)



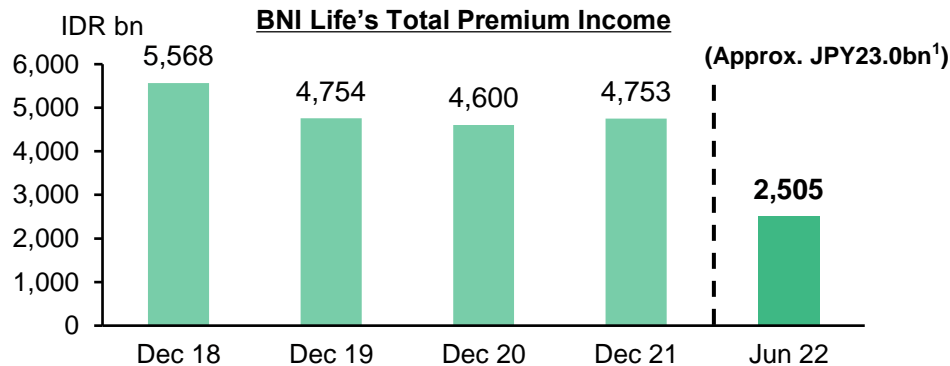
Vietnam

- Investment in Baoviet Holdings (March 2013)



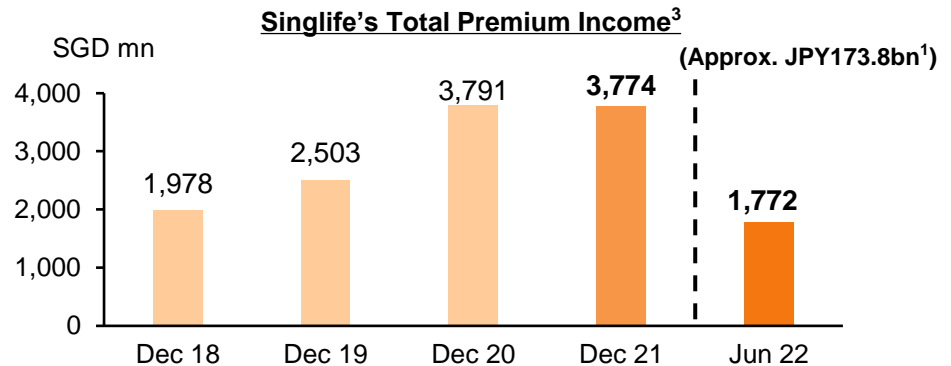
Indonesia

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



Singapore

- Investment in Singlife Holdings² (June 2019)




Source: Company disclosure

1. CNY1 = JPY20.35, VND1 = JPY0.005876, IDR1 = JPY0.0092, SGD1 = JPY98.10 (as of June 30, 2022)

2. 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.

3. Singlife Holdings' operating results are based on the combined figures before integration of Singlife and Aviva Singapore. (consolidated figure since December 31, 2021 and the simple sum of the two companies for the periods before the year ended December 31, 2020).

- 
- ① Multi-Channel and Multi-Product Strategy for Stable Growth
 - ② Solid Asset Management with Prudent Investment Policy
 - ③ Focus on Sustainability
 - ④ Overseas Business Development for Diversification and Further Growth
 - ⑤ Sound Financial Foundation with Disciplined Capital Policy**

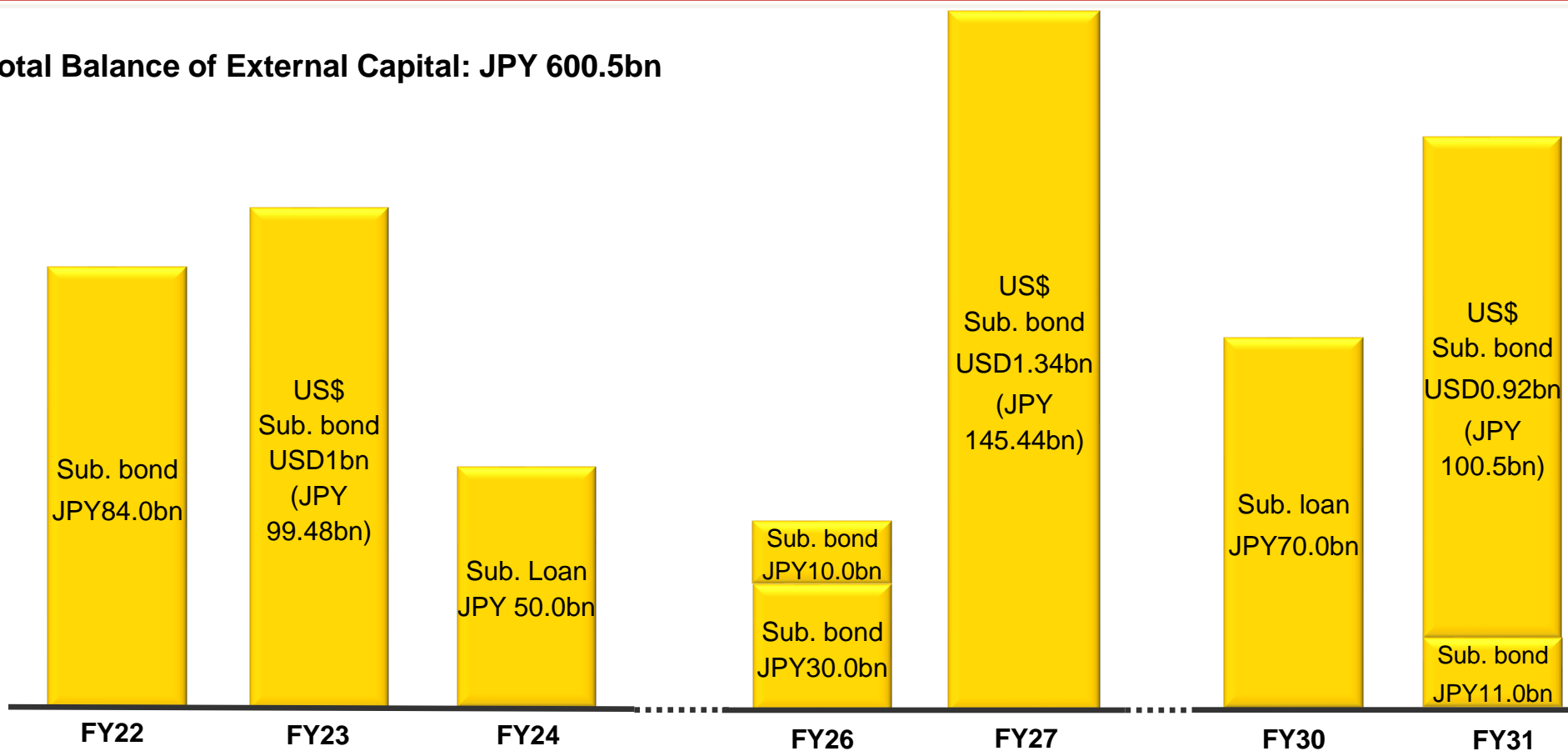
External Capital

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: JPY 600.5bn



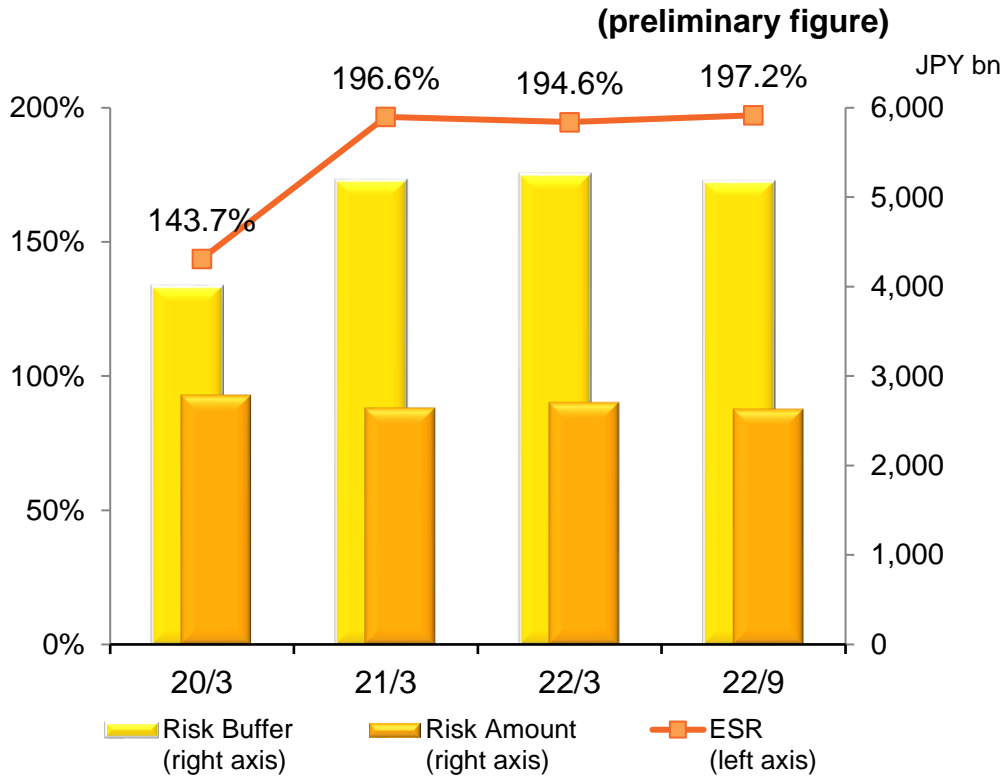
(Note) As of October 31, 2022. The first call maturity coming year for subordinated bonds / loans

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 2022 (ESR (Consolidated), preliminary figure) is 197.2%.

ESR (Consolidated)¹



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 (planned))

Risk management based on the requirement by the regulatory authorities

- Details have not been confirmed



Risk management based on internal control (economic value)

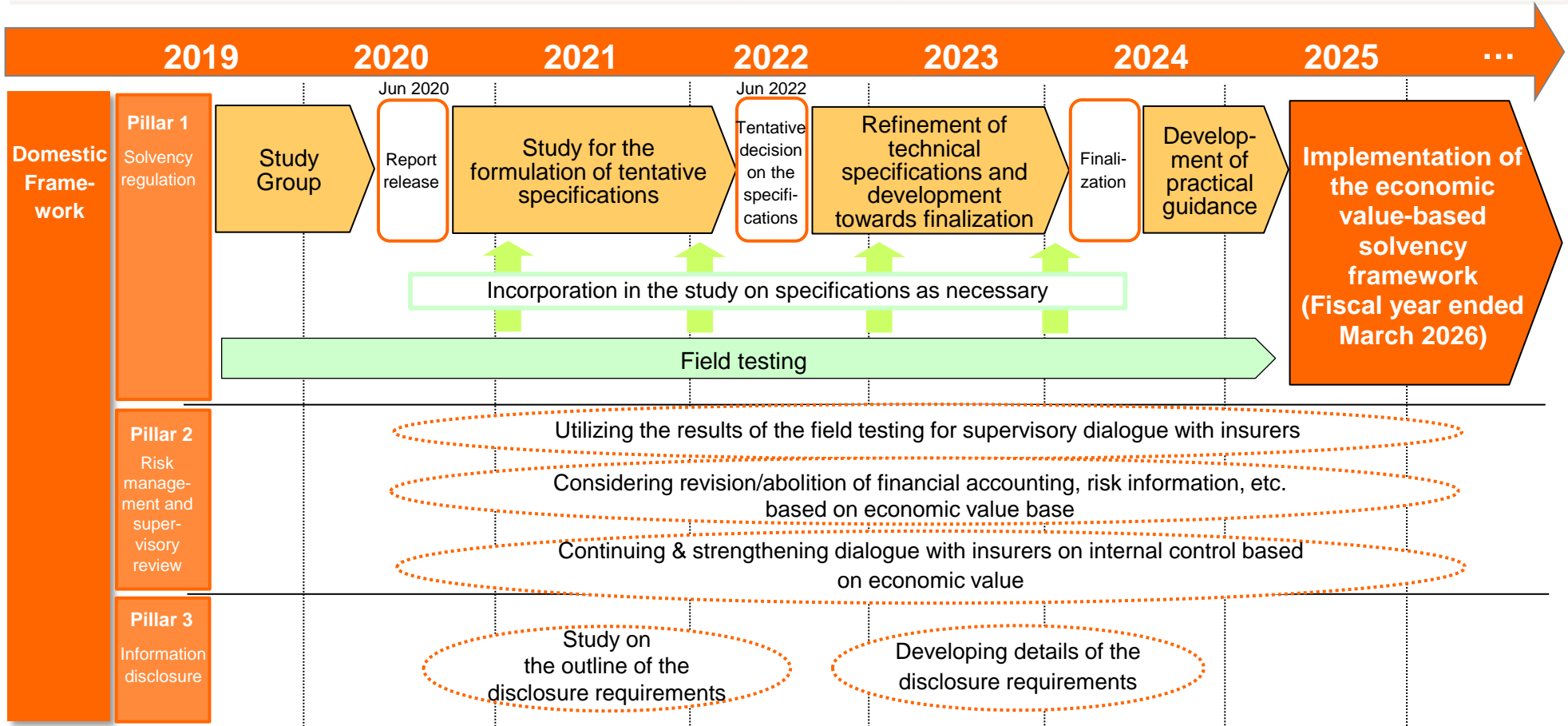
- Make adjustments to internal risk management as necessary, taking into account the requirement by regulatory authorities

	Mar 20	Mar 21	Mar 22	Sep 22	Change
Newly Issued 30yr JGB	0.420%	0.665%	0.930%	1.390%	+0.460%
TOPIX (Closing Price)	1403.04	1954.00	1946.40	1835.94	(110.46)

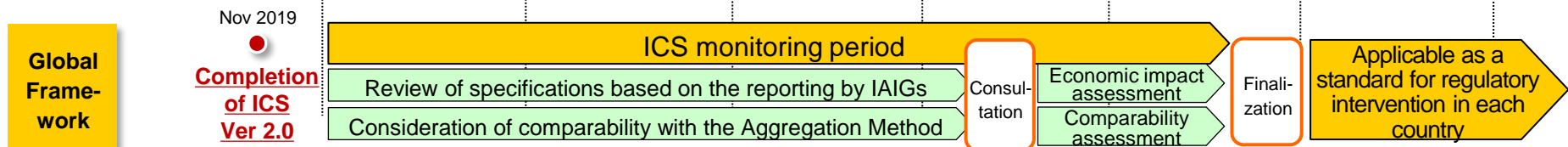
1. The risk amount is calculated using an internal model with a confidence level of 99.5% (holding period of 1 year).

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.

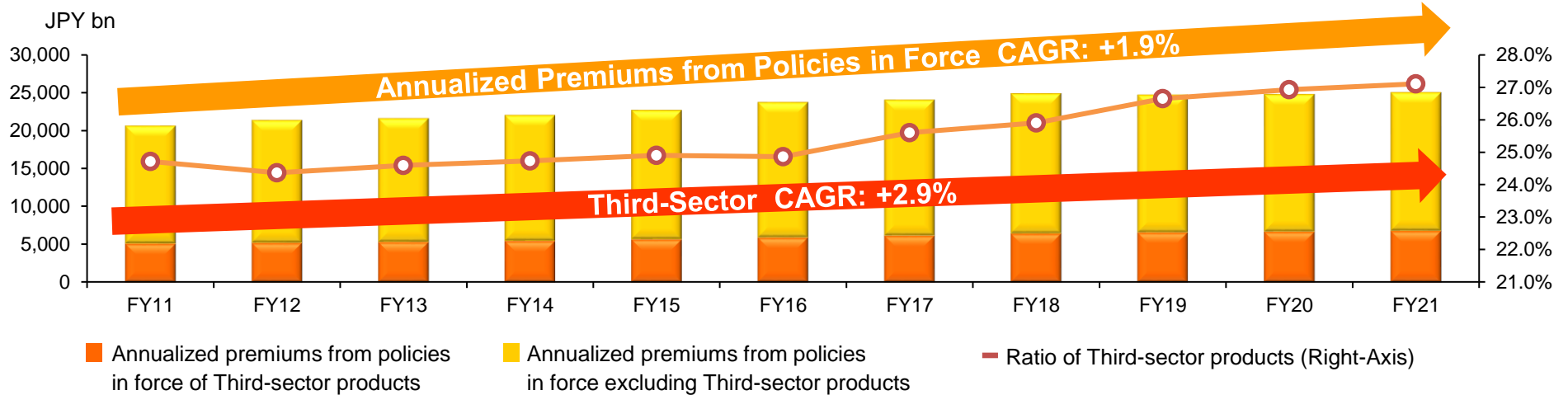


III. Appendix

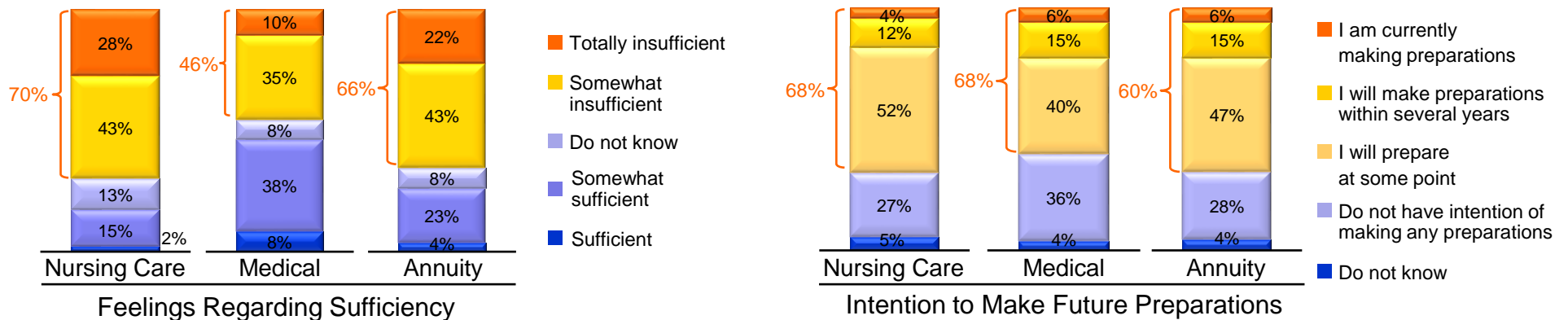
Domestic Life Insurance Market

The life insurance market in Japan has grown by 1.9% 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 (FY2022)



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

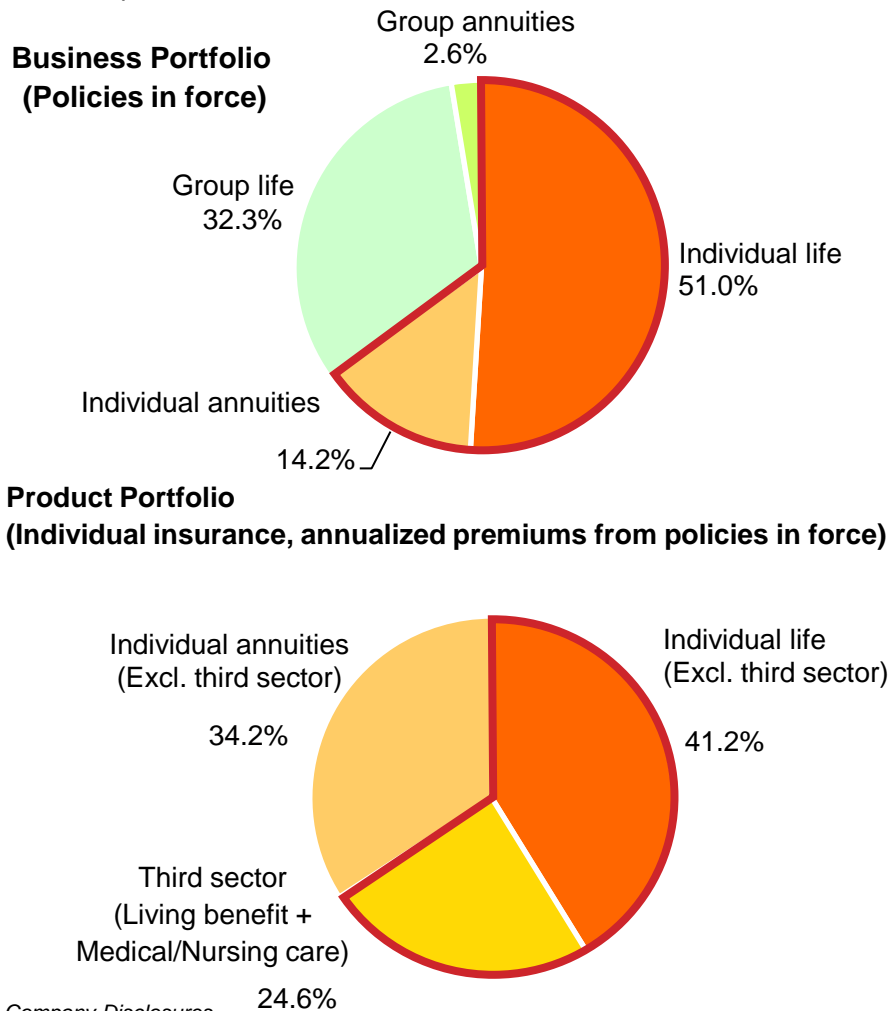
1. Excluding Japan Post Insurance

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.

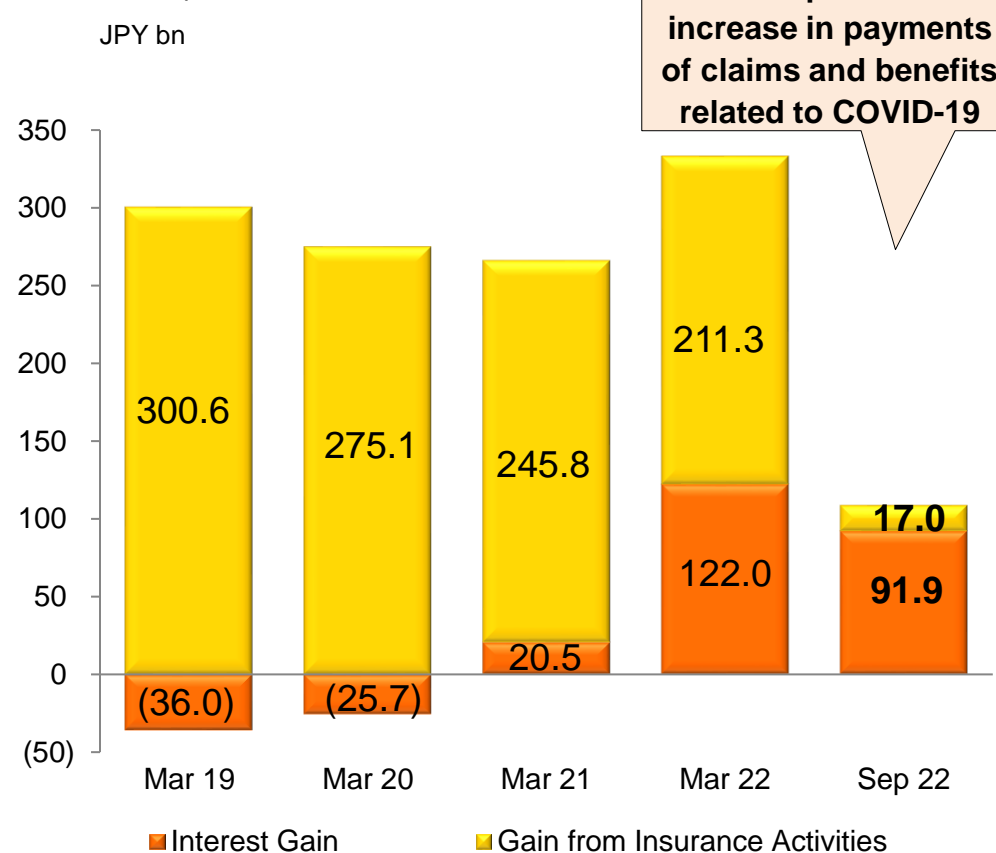
Business / Product Portfolio (Non-consolidated)

<As of September 30, 2022>



Gain from Insurance Activities / Interest Gain¹ (Non-consolidated)

<As of September 30, 2022>



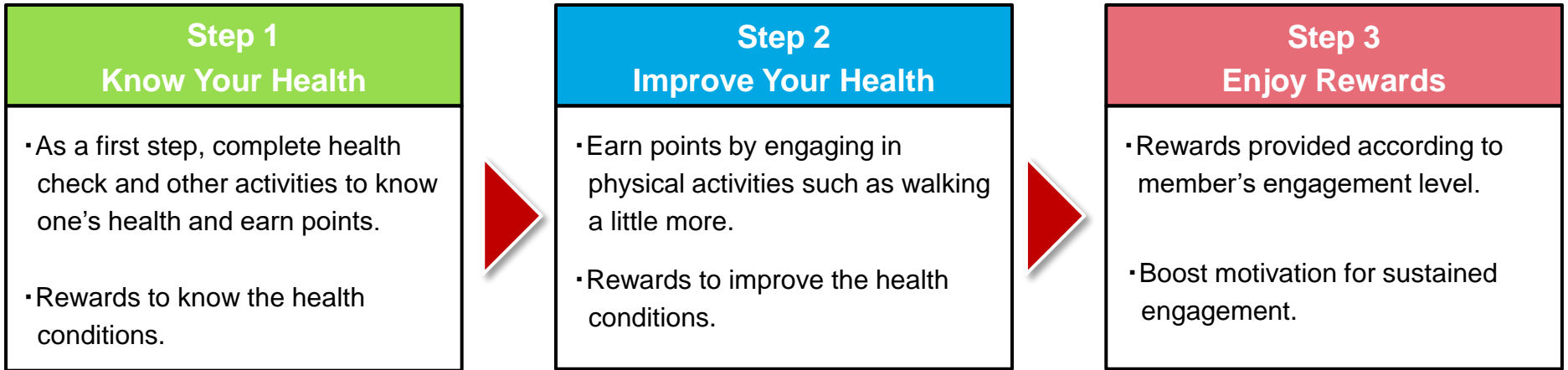
1. Core business profit based on new definition that will be applied starting in FY2022, including the inclusion of hedging costs related to foreign exchange in the calculation. Figures for prior years are also calculated using the same definition.

How Vitality Wellness Program Works

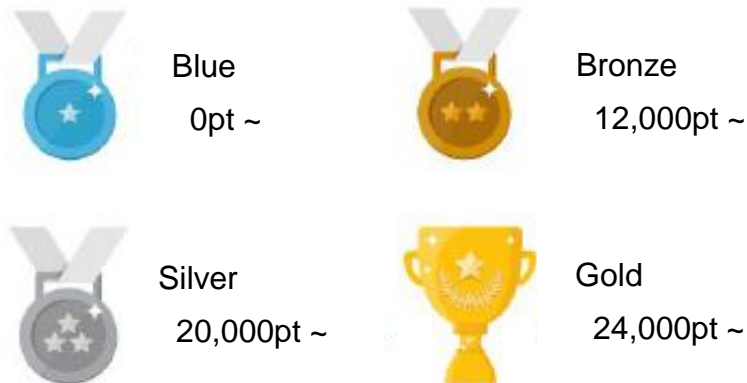
A proprietary program developed by Discovery had been localized by Sumitomo Life to adapt to the local lifestyles, guidelines, etc. in Japan.

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

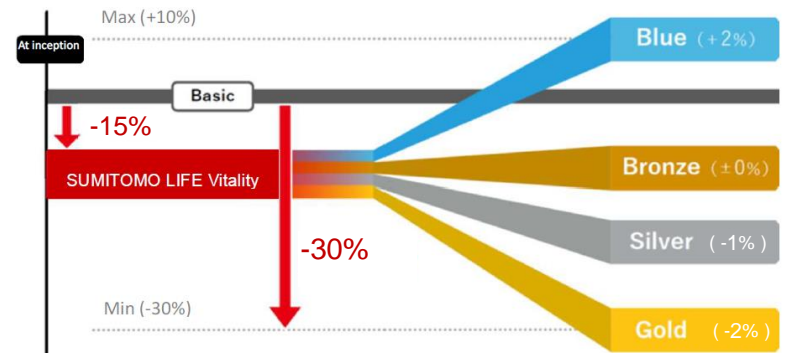
How Vitality Wellness Program Works



Vitality Status and Points



Illustrative Premium Flex Design

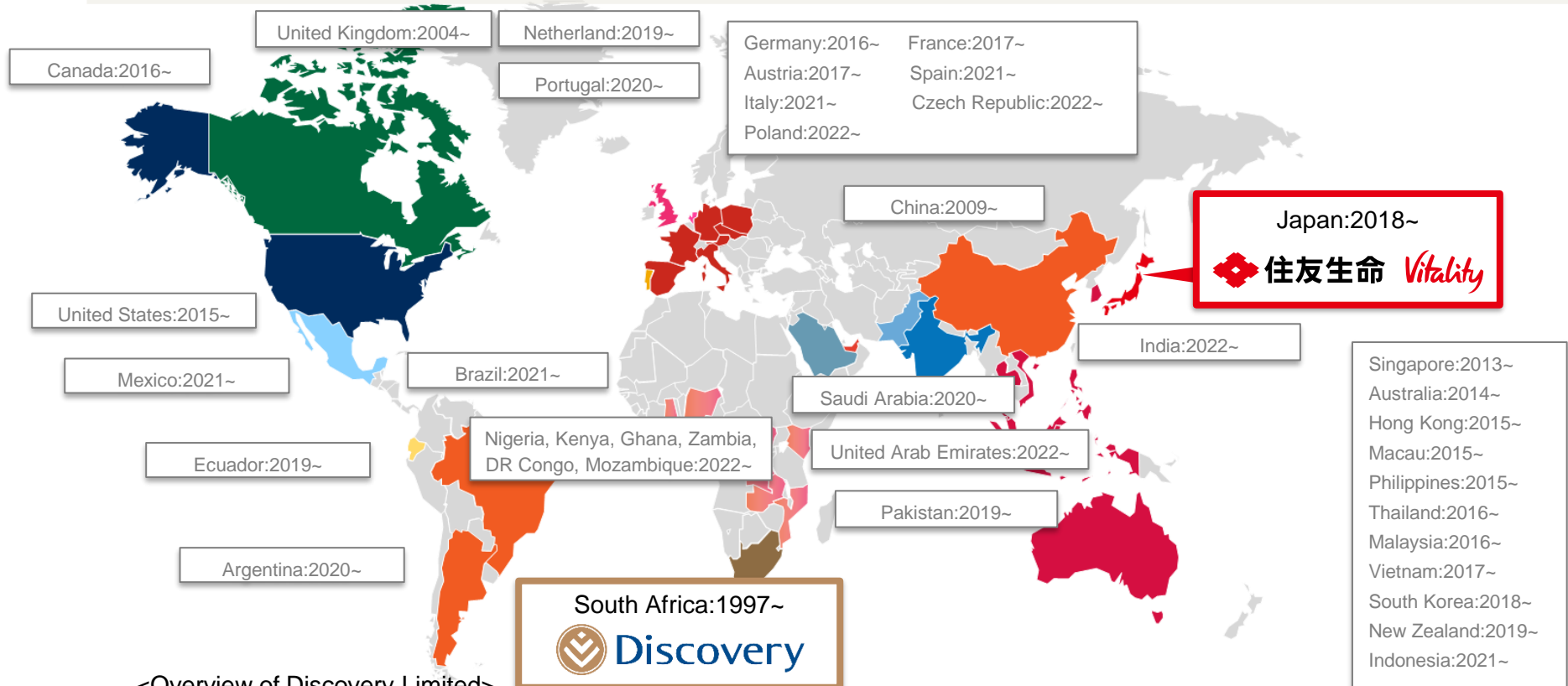


Global Network of Vitality

Discovery has a global network of Vitality with over 30 million members¹ across 40 countries and regions worldwide (as of October 31, 2022).

Sumitomo Life is the exclusive partner insurer for the Japanese market².

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, 2022)	ZAR 271,224 million (JPY 2,186.0 billion) ²

1. The type of Vitality provided outside Japan may vary depending on each country where Vitality is introduced (P&C Insurance, health insurance, etc.)

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

3 ZAR1 = 8.06 JPY (exchange rate as of September 30, 2022); Discovery Limited's financial year end is June 30

“Well Aging Support- ASUNOEGAO”

Sumitomo Life and AXA Life jointly developed a long-term care service that realizes total coordination of long-term care.

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

2022

Expanded eligible insurance policies
(July: agency contract, September: corporate contract)

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



Insurance Outlets etc.

Insurance outlets etc. are operated in order to respond to customers that otherwise cannot be targeted by Sumitomo Life itself

Respond to a wide range of customer needs by turning distinctive insurance outlets etc. into subsidiaries and affiliates

Insurance Outlets, etc. of Sumitomo Life Group

Izumi Life Designers Co., Ltd.

【Established in October 2009】

Operates insurance outlets called “Hoken Hyakka”



わかる! みつかる! あなたの保険
ほけん百花
いつまでも続く安心のアフターサービス

INSURANCE DESIGN

【Became a subsidiary in July 2017】

Operates insurance outlets called “Hoken Design”



Mycommunication Co., Ltd.

【Affiliated in January 2018】

Operates insurance outlets under the brand of “Hoken Hotline”



Agent Insurance Group, Inc.

【Affiliated in January 2018】

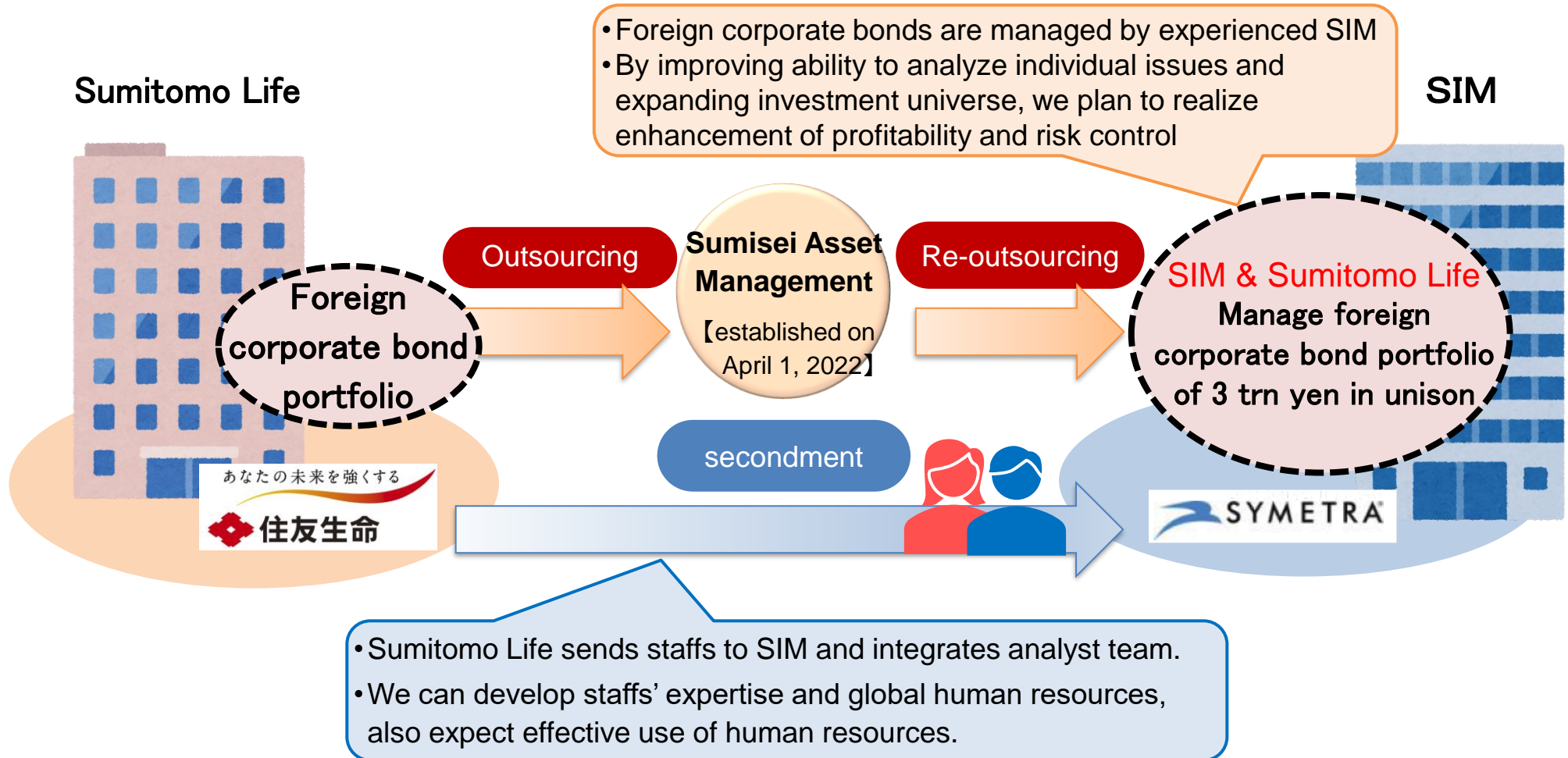
Mainly sells P&C insurance



Full Outsourcing of Investment in Foreign Corporate Bonds

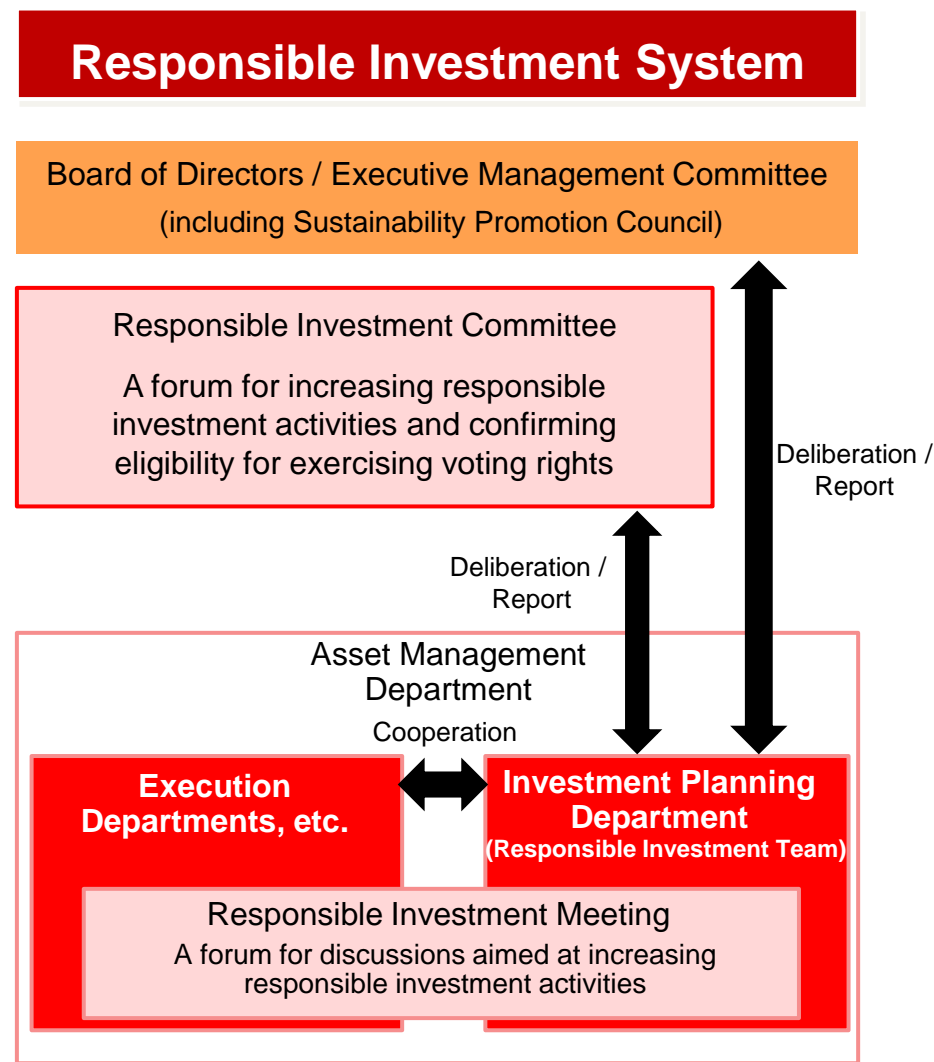
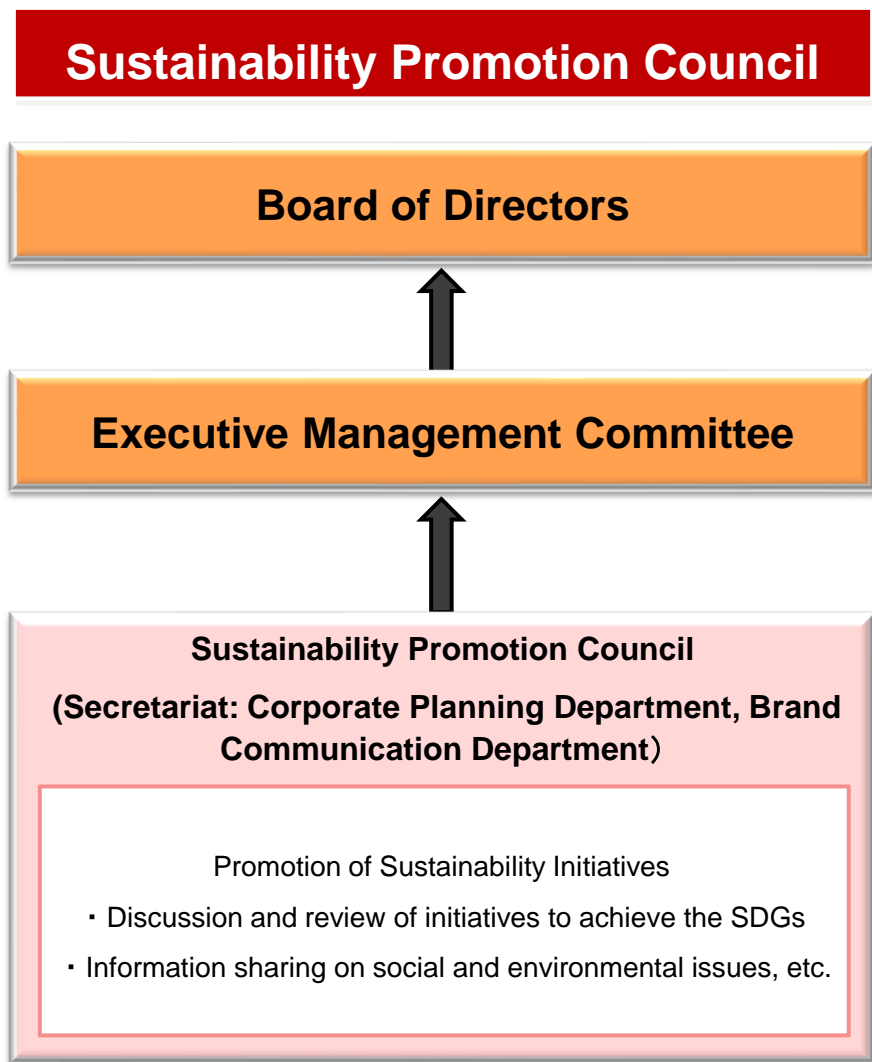
Sumitomo Life fully outsources investment in foreign corporate bonds to Symetra Investment Management (SIM). To realize this scheme, Sumitomo Life established a new domestic investment management subsidiary.

Outsourcing Scheme



Sustainability Promotion System

Established an internal system to promote sustainability



Effects of Symetra's Reinsurance Transaction

Effects of the reinsurance transaction to Symetra's GAAP-based income could be expected to 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 (JPY 4.4 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)

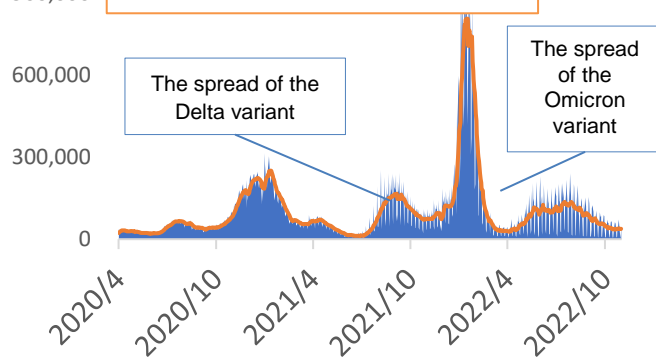
	Year ended December 31, 2020	Year ended December 31, 2021	Year ended June 30, 2022
Adjusted pre-tax income ¹	130.4	170.1	119.9
Add (deduct) the following:	(290.3)	(90.1)	88.3
Excluded realized gains (losses)	(37.4)	(50.0)	(123.3)
Amortization of intangible assets	(143.2)	(127.7)	(63.1)
Closed Block results	(109.7)	87.6	274.7
Income (loss) from operations before income tax	(159.9)	80.0	208.2
Total provision (benefit) for income taxes	68.4	(5.1)	(45.8)
Net income (loss)	(91.5)	74.9	162.4

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

COVID-19 Situation in each countries

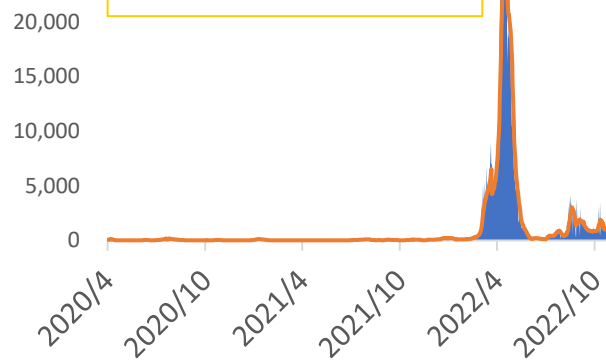
U.S.

Population : 0.33bn
 Total Cases¹ : 97,741,764
 Total Deaths¹ : 1,072,594



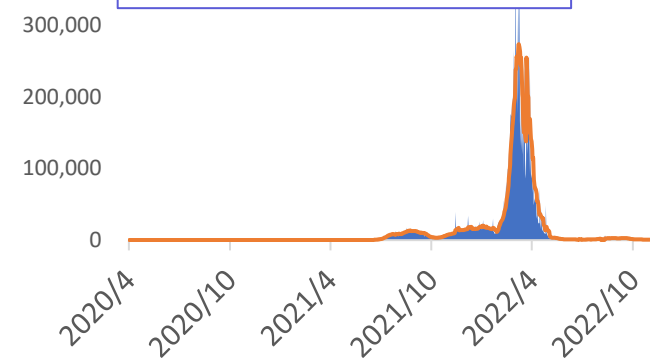
China

Population : 1.4bn
 Total Cases¹ : 264,123
 Total Deaths¹ : 5,226



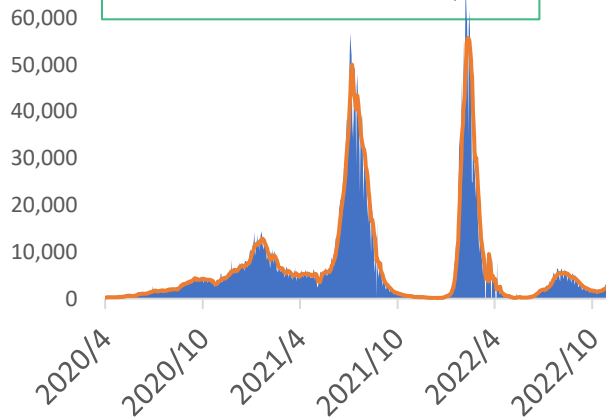
Vietnam

Population : 90mn
 Total Cases¹ : 11,505,849
 Total Deaths¹ : 43,166



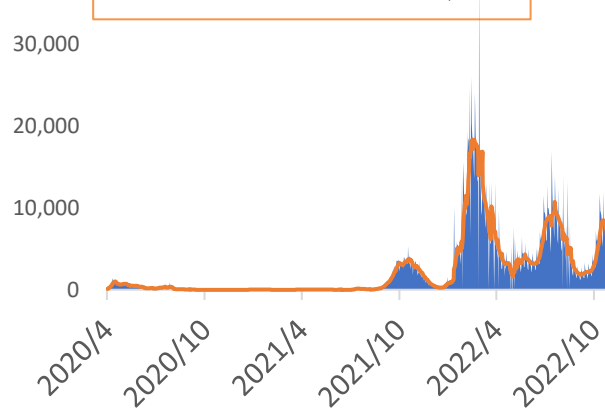
Indonesia

Population : 0.27bn
 Total Cases¹ : 6,521,292
 Total Deaths¹ : 158,829



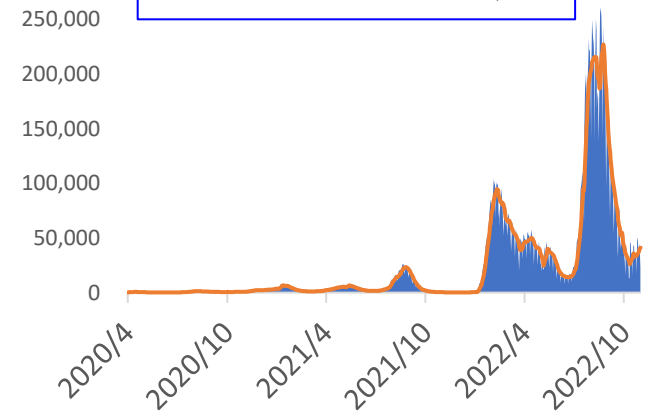
Singapore

Population : 5.69mn
 Total Cases¹ : 2,123,328
 Total Deaths¹ : 1,687



Reference: Japan

Population : 0.124bn
 Total Cases¹ : 22,706,566
 Total Deaths¹ : 47,069



Source: Our World in Data

1. Excerpts from the website of Office for COVID-19 and Other Emerging Infectious Disease Control, Cabinet Secretariat, Government of Japan (November 6, 2022)

Transition from LIBOR

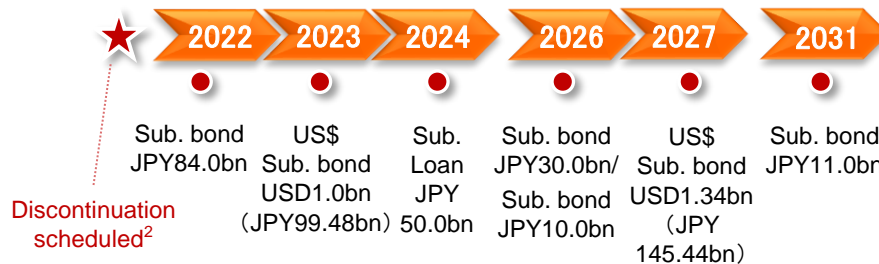
Outstanding Bonds and Loans that are Referencing LIBOR

<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 bonds / loans



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.

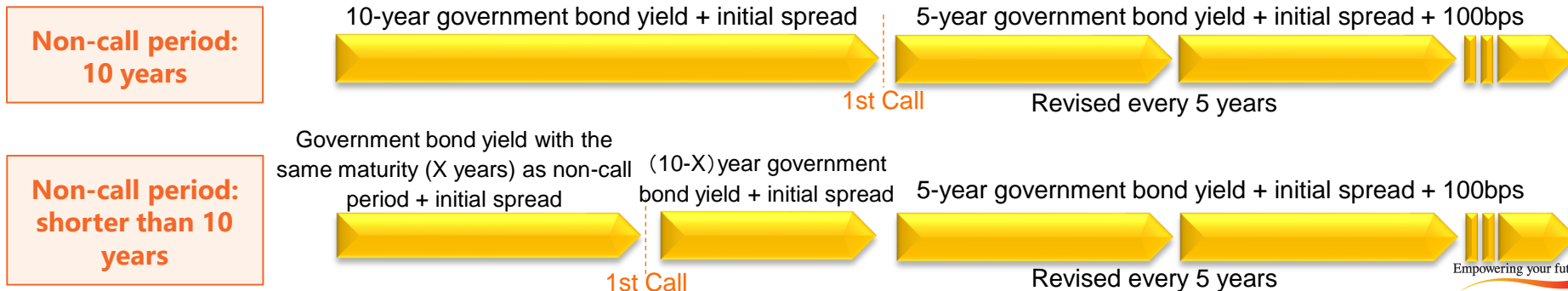
LIBOR Transition Plans

<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"> US federal legislation was passed in Mar 2022, which stipulates the compulsory application of the benchmark rate recommended by the Federal Reserve Board to contracts that are in-scope (including contracts governed by New York State law) 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 and reference rate for both yen-denominated and dollar-denominated issues.



Unrealized Gains / Losses on Securities

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

JPY bn

	Unrealized Gains / Losses As of Mar 2022	As of September 2022			
		Book Value	Market Value	Unrealized Gains / Losses	
				Change from March 2022	
Securities *	2536.4	30188.7	30723.0	534.3	(2002.1)
Held-to-maturity debt securities	242.9	1553.6	1798.6	244.9	2.0
Policy-reserve-matching bonds	1082.0	12820.4	13161.5	341.0	(740.9)
Available-for-sale securities	1210.0	15762.4	15709.7	(52.7)	(1262.7)
Domestic bonds	(42.7)	2790.1	2570.7	(219.3)	(176.6)
Domestic stocks	1142.0	1242.0	2237.5	995.4	(146.5)
Foreign securities	82.4	10320.8	9514.0	(806.7)	(889.2)
Others	24.3	399.1	376.6	(22.4)	(46.8)

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

<Market Conditions>

	Mar 22	Sep 22	Change
TOPIX (Closing Price)	1,946.40	1,835.94	(110.46)
Newly Issued 10y JGB	0.210%	0.245%	0.035%
Newly Issued 20y JGB	0.700%	1.005%	0.305%
Newly Issued 30y JGB	0.930%	1.390%	0.460%
USD / JPY	122.39	144.81	22.42
EUR / JPY	136.70	142.32	5.62

<Break-Even Level of Unrealized Gains/Losses>

	As of Sep 2022
Domestic Stocks (Nikkei225)	JPY 14,300 Level
Domestic Stocks (TOPIX)	1,010 Point Level
Domestic Bonds (10y Yield)	0.5% Level
Foreign Securities (USD / JPY)	JPY 116 Level

Solvency Margin Ratio (Consolidated)

Solvency Margin Ratio (Consolidated)

JPY bn

Items	As of Mar 2022	As of Sep 2022
Solvency Margin Gross Amount (A)	4,795.7	3,396.5
Foundation funds and others	495.8	464.6
Reserve for price fluctuation	972.1	1,015.5
Contingency reserve	705.4	815.1
General allowance for possible loan losses	3.6	4.1
(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)	1,248.9	(289.3)
Net unrealized gains on real estate x 85% (Multiplied by 100% if losses)	118.1	140.5
Total amount of unrecognized actuarial gains (losses) and unrecognized past service costs	(1.4)	(2.4)
Excess of continued Zillmerized reserve	761.6	766.3
Qualifying subordinated debt	600.5	600.5
Deduction clause	(180.4)	(191.1)
Others	71.3	72.5
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)	1,207.0	1,244.3
Insurance risk R_1	93.8	100.4
Large disaster risk R_6	-	-
Third-sector insurance risk R_8	86.8	93.6
Insurance risk of small-amount, short-term insurer R_9	-	-
Risk of assumed yield R_2	175.4	176.5
Minimum guarantee risk R_7	6.1	7.6
Investment risk R_3	984.6	1,016.6
Operational risk R_4	26.9	27.8
Solvency Margin Ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	794.6%	545.9%

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 0.92bn	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, 2022. Issuances that are already redeemed are excluded

Key Performance Indicators

Key Performance Indicators (Group)

JPY bn

	Group		Sumitomo Life		Medicare Life		Symetra	
	Sep 2022	Increase (decrease) as % of Mar 31, 2022	Sep 2022	Increase (decrease) as % of Mar 31, 2022	Sep 2022	Increase (decrease) as % of Mar 31, 2022	Jun 2022	Increase (decrease) as % of Dec 31, 2021
Annualized premiums from policies in force	3,051.4	5.8%	2,277.1	0.3%	78.5	10.0%	695.7	27.9%

	Group		Sumitomo Life		Medicare Life		Symetra	
	1H FY2022	Increase(decrease) as % of Sep 30, 2021	1H FY2022	Increase(decrease) as % of Sep 30, 2021	1H FY2022	Increase(decrease) as % of Sep 30, 2021	1H FY2022	Increase (decrease) as % of Jun 30, 2021
Annualized premiums from new policies	164.5	45.5%	58.6	18.6%	9.1	(10.3%)	96.7	81.0%

	Group		Sumitomo Life		Medicare Life		Symetra	
	Sep 2022	Increase (decrease) compared to Mar 31, 2022	Sep 2022	Increase (decrease) compared to Mar 31, 2022	Sep 2022	Increase (decrease) compared to Mar 31, 2022	Jun 2022	Increase (decrease) compared to Dec 31, 2021
Solvency margin ratio	545.9%	(248.7pt)	652.1%	(156.9pt)	1014.3%	(657.9pt)	-	-

EEV	4,432.6	(246.3)	4,400.2	(342.9)	312.8	47.6	326.0	68.8
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	Group		Sumitomo Life		Medicare Life		Symetra	
	1H FY2022	Increase (decrease) compared to Sep 30, 2021	1H FY2022	Increase (decrease) compared to Sep 30, 2021	1H FY2022	Increase (decrease) compared to Sep 30, 2021	1H FY2022	Increase (decrease) compared to Jun 30, 2021
Value of new business	60.4	(17.9)	33.2	(26.0)	13.6	(1.5)	13.5	9.6

(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, 2022 is JPY136.68 to US\$1.00)

Financial Statements (Key Items)

Consolidated Income Statement

	1H FY2022						1H FY2022	
	Consolidated		Sumitomo Life		Medicare Life		Symetra	
	(JPY bn)	Increase(decrease) as % of Sep 30, 2021	(JPY bn)	Increase(decrease) as % of Sep 30, 2021	(JPY bn)	Increase(decrease) as % of Sep 30, 2021	(USD mn)	Increase(decrease) as % of Jun 30, 2021
Ordinary income	2,304.2	32.2%	1,905.0	25.5%	40.9	26.9%	1,758	16.1%
Ordinary expenses	2,209.6	29.8%	1,830.0	24.2%	67.5	42.3%	1,550	11.3%
Ordinary profit	94.5	134.9%	74.9	71.0%	(26.5)	-	208	71.2%
Net surplus for 1H	46.3	88.6%	29.4	7.0%	(19.7)	-	162	68.8%

Consolidated Balance Sheet

	Sep 2022						Jun 2022	
	Consolidated		Sumitomo Life		Medicare Life		Symetra	
	(JPY bn)	Increase(decrease) as % of Mar 31, 2022	(JPY bn)	Increase(decrease) as % of Mar 31, 2022	(JPY bn)	Increase(decrease) as % of Mar 31, 2022	(USD mn)	Increase(decrease) as % of Dec 31, 2021
Total assets	44,448.7	3.4%	36,910.6	1.3%	309.4	6.8%	57,979	(3.9%)
Total liabilities	44,000.2	6.4%	36,146.5	4.0%	294.2	9.9%	56,085	0.2%
Total net assets	448.5	(72.4%)	764.1	(55.0%)	15.2	(31.1%)	1,894	(56.4%)

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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